

Results for the First Two Quarters of Fiscal 2010, ending September 30, 2010

May 2010

FinTech Global Incorporated

Mothers Stock Code: 8789

<http://www.fgi.co.jp/>

The industry trends and analyses, as well as business outlook, strategies and other forward-looking statements, described in these materials are based on information currently available to management of the FinTech Global Group. The future operating environment could, however, be significantly different than it is now due to various factors, and next-stage strategies, performance results and other events may therefore differ from the content presented in these materials.

Highlights from the First Two Quarters of Fiscal 2010

Fiscal 2010 First Two Quarters: Results (Consolidated)

Consolidated (Millions of yen)	Fiscal 2009 First two quarters	Fiscal 2010 First two quarters	YOY Change
Net revenue	2,047	2,592	+26.6%
Operating income	(19,625)	(775)	—
Ordinary profit	(20,484)	(774)	—
Net income	(14,169)	(405)	—



Summary

- Taking advantage of a diverse domestic and offshore investor network, and strong connections with financial institutions, FGI enhanced management resources, particularly those related to the “structured trading “ of distressed asset investments, including the resale of condominiums. (See pages 11 and 12 for details.)
- Established vehicles and co-invested with investors in resale of condominium-type transactions. In these deals, Group company FinTech Asset Management was entrusted with asset management services. As a result, FGI secured stable profit-earning opportunities.
- Enhanced cash position, primarily through the sale of real estate investment properties, and addressed early redemption of euroyen convertible bonds.
- Reviewed allocation of capital to Group companies, which led to capital recovery through sale of Entrust in February 2010 and redistribution of assets toward expansion of core business.



Revenue and Income

Investment Banking Business:

- Undertook fund-procurement advisory services and arrangements to facilitate client corporate restructuring. Executed principal financing operations. Recorded revenue of ¥231 million.

Real Estate-related Business:

- Revenue of ¥1,452 million, mainly from sale of real estate investment properties. Also received fees through provision of asset management services relating to resale of condominium-type transactions.

Other:

- Executed partial purchase and cancellation of euroyen convertible bonds, and booked ¥329 million in profit from redemption of bonds under extraordinary profit.
- Booked extraordinary loss of ¥291 million for loss on reorganization of affiliate following transfer of equity stake and loan claims in Entrust.

Fiscal 2010 First Two Quarters: Financial Indicators

Consolidated

(Millions of yen)		Fiscal 2009					Fiscal 2010		
		1Q	2Q	3Q	4Q	Full year	1Q	2Q	Excluding CB (Which is held by subsidiary company)
Statement Income	Net revenue	842	1,204	*1 1,716	*2 6,621	10,385	1,762	830	
	Operating income (loss)	(1,800)	(17,825)	*1 72	*2 (768)	(20,321)	(503)	(271)	
	Net income (loss)	(2,107)	(12,061)	2,941	(863)	(12,091)	(156)	(248)	
Balance Sheet	Net assets	15,049	3,213	6,433	5,447	5,447	5,207	5,146	5,146
	Total assets	65,802	22,643	20,425	15,766	15,766	13,514	10,613	7,523
Ratios	Equity ratio	22.3%	11.6%	27.2%	29.5%	29.5%	33.3%	40.3%	56.8%
	Debt equity ratio※	1.72	5.42	1.71	1.85	1.85	1.38	0.83	0.11

※Interest-bearing debt after deduction of nonrecourse loan/ Equity capital

*1 Cumulative three-quarter results – cumulative two-quarter results

*2 Full-year results – cumulative three-quarter results

Marketing Activities



Transfer of Entrust Stock and Claims

On February 3, 2010, FGI sold its shares in Entrust and loan claims in this subsidiary to Prestige International (S) Pte Ltd., a subsidiary of Prestige International Inc. Although the transaction occurred during the second quarter, FGI recorded a ¥291 million loss on a consolidated basis, for loss on reorganization of affiliates, as an extraordinary loss in this quarter.



Early redemption of ¥2,560 million portion of euroyen convertible bonds, major reduction in risk associated with interest-bearing debt

On February 8, 2010, the Company redeemed euro-yen convertible bonds (maturity 2012) issued by the Company (the “Bond”) in a face amount of 2,560 million yen, following the exercise of the early redemption option by the bondholders. The residual ¥3,090 million portion of the Bond is held by FGI subsidiary Stellar Capital AG.

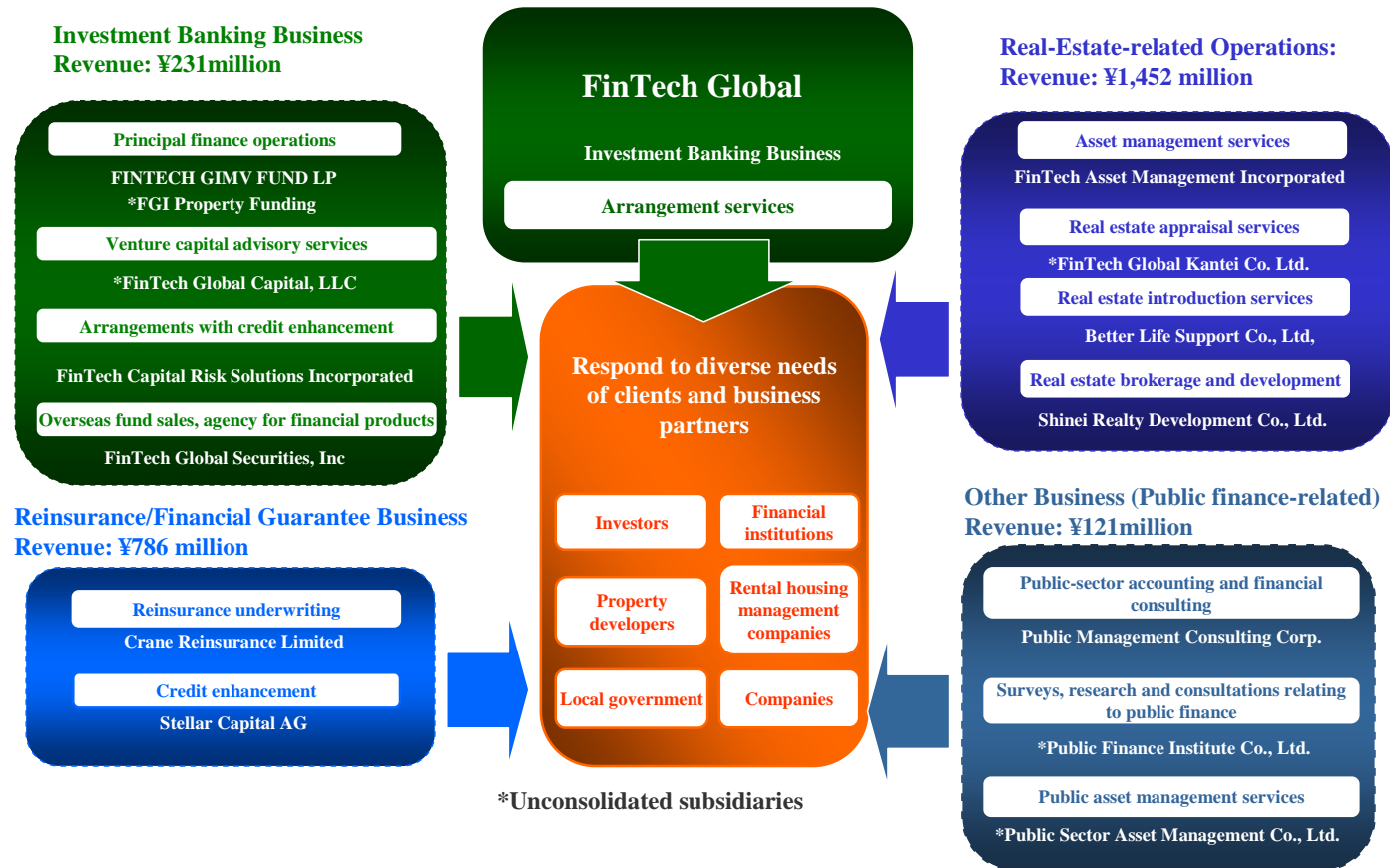
Fiscal 2010 First Two Quarters: Summary of Subsidiary Results

(Millions of yen)

FGS	FY 2009		FY 2010
	First Half	Second Half	Interim Period
Revenue	56	35	8
Ordinary profit (loss)	(20)	(14)	(33)
<p>During the first two quarters of fiscal 2010, FGS focused on the search for institutional investors at home and abroad. During the second half, FGS will continue to strengthen relationships with these investors, and support the arrangement operations of FGI.</p>			
Crane Reinsurance	FY 2009		FY 2010
	First Half	Second Half	Interim Period
Revenue	29	299	444
Ordinary profit (loss)	(254)	15	(39)
<p>Crane Re continues to expand reinsurance premium income business with Syndicate 382, a client of Hardy Underwriting Bermuda, and will gradually underwrite risks, including casualty insurance, held by clients of this alliance partner.</p>			
Shinei Real estate Development	FY 2009		FY 2010
	First Half	Second Half	Interim Period
Revenue	—	—	143
Ordinary profit (loss)	—	—	68
<p>Shinei booked revenue of ¥143 million and ordinary profit of ¥68 million thanks to solid sales in an existing project. In the second half of fiscal 2010, Shinei anticipates a similar profit trend, underpinned by the existing project and input from real-estate agency business, and replacement development services developed by utilizing past records and networks.</p>			

FAM	FY 2009		FY 2010
	First Half	Second Half	Interim Period
Revenue	—	8	33
Ordinary profit (loss)	—	(81)	0
<p>During the first two quarters of fiscal 2010, FAM broke even by taking on asset management business arranged by FGI. FAM aims to move into the black for fiscal 2010 by taking on many more asset management mandates.</p>			
Public Management Consulting	FY 2009		FY 2010
	First Half	Second Half	Interim Period
Revenue	152	97	121
Ordinary profit (loss)	(15)	(52)	(41)
<p>Sales decreased by 20% from the corresponding period a year ago due to the limited budgets of local governments. PMC also posted a current-account deficit due to an increase in cost of revenue, especially system development costs, in the first half of fiscal 2010. In the second half, PMC aims to increase revenue and profit by distributing new products and expanding sales channels, and by cultivating consultation services.</p>			
Better Life Support Co., Ltd.	FY 2009		FY 2010
	First Half	Second Half	Interim Period
Revenue	283	309	254
Ordinary profit (loss)	12	43	0
<p>Demand for property introduction and housing agency services has been impacted by challenges in the real estate market and poor performances for clients. However, the company is making progress on joint activities with employee welfare companies.</p>			

Fiscal 2010 First Two Quarters: Consolidated Business Activities at a Glance, Revenues by Business Segment



In this period, even though the Investment Banking Business got off to a late start compared with other businesses, FGI created new investment opportunities matched to the shifting real-estate market and financial environment. The Company succeeded in meeting the needs of both investor and business corporations by utilizing know-how in the arrangement and structuring of transactions.

In the second half of fiscal 2010, the Company will ensure further growth and increase profitability in the Investment Banking Business by carrying out the aforementioned measures at an accelerated pace.

Toward Renewed Growth in Investment Banking Business

New growth strategy designed to capitalize on rising demand from both
investing and capital-procuring sides

Toward Renewed Growth in Investment Banking Business

New growth strategy designed to capitalize on rising demand from both investing and capital-procuring sides

Trends in the Real Estate Market



Recovery in real estate transactions, prices appear to have bottomed out



The number and value of transactions hit bottom in the first half of 2009, and turned upward in the second half of 2009. (See macro data “Changes in Number and Value of Real Estate Transactions” on page 22.)



Vacancy rate for office buildings in Tokyo business districts stood at 8.82% at the end of April 2010. Moderate increase in vacancy rate will alleviate pressure to decrease rents. (See macro data “Changes in Office Building Vacancy Rates in Tokyo Business Districts and Average Rent” on page 23.)



Steady progress on condominium inventory adjustments, sales rate showing improvement. (See macro data “Condominium Inventory in Metropolitan Tokyo and Kinki District” on page 23.)



Positive direction in fund supply as lenders and investors become more receptive to entering into real estate-related transactions. This trend is exemplified by the appearance of overseas investors aggressively seeking opportunities to acquire real estate at rock-bottom prices in Japan where the market is big and stable. (See macro data “Bank of Japan *Tankan* (Quarterly Survey on Business Sentiment in Japan)” and “Outlook for Investment in Japan by Overseas Investors” on page 24 and “Flow of Assets in Real Estate Investment Market” and “Resumption of Capital Increase Through Public Offering by REITs and Property Acquisitions” on page 25.)

Note: Macro data is located in the reference section of these materials.

Toward Renewed Growth in Investment Banking Business

New growth strategy designed to capitalize on rising demand from both investing and capital-procuring sides

Trends in Real Estate Finance



Trend towards (i) sale of buildings held as collateral by financial institutions for loans, (ii) write-offs associated with distressed assets, and (iii) increased sales of pledged properties at low prices to cover redemption of commercial mortgage-backed securities (CMBS), and due to loan default status.



CMBS, issued in large quantity until fiscal 2007, hit a high of ¥1.9 trillion that year. The majority of CMBS-backed loans will mature between 2010 and 2012. (See macro data “Changes in Issue Amount of CMBS” on page 26.)



Many loans extended by financial institutions with property pledged as collateral are not backed by CMBS.



Expect a fire sale of pledged properties to cover CMBS redemption and to deal with loan default status.

Toward Renewed Growth in Investment Banking Business

New growth strategy designed to capitalize on rising demand from both investing and capital-procuring sides

▶ FGI Strategies

Against a backdrop characterized by an increase in distressed assets and corporate restructuring, FGI will offer asset financing services to investors at home and abroad, and implement structured trading to facilitate arrangements

Pool of distressed assets from non-performing loan write-offs by financial institutions and massive redemption of CMBS



Early recovery of claims through disposal of buildings at discount prices

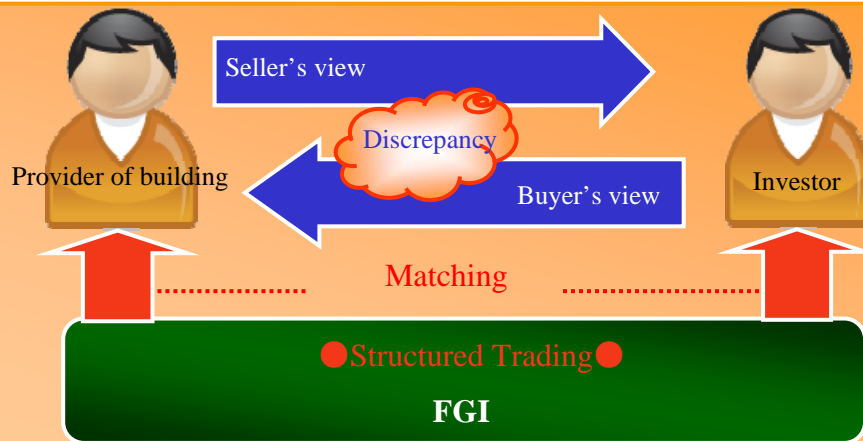
Fund procurement needs

More positive stance on real estate investment among investors owing to signs of recovery in the real estate market



Investor preference for buildings sold to cover outstanding loans backed with said properties and corporate restructuring transactions offered at discount prices

Property investment needs



In its capacity as an arranger of transactions, FGI undertakes structured trading, reconciles the needs of parties involved in the transactions, and matches investors with investment targets and vice versa.



Structured Trading

A business technique used to facilitate the formation of arrangements by creating a transaction framework and reconciling the interests of respective parties to the transaction when a straight trade is impossible due to obstacles, such as a discrepancy between the price the seller of a property wants and the price a potential buyer is willing to pay, a situation in which the deal exceeds the investor's level of permissible risk, or a conflict of interest exists with other parties.

Toward Renewed Growth in Investment Banking Business

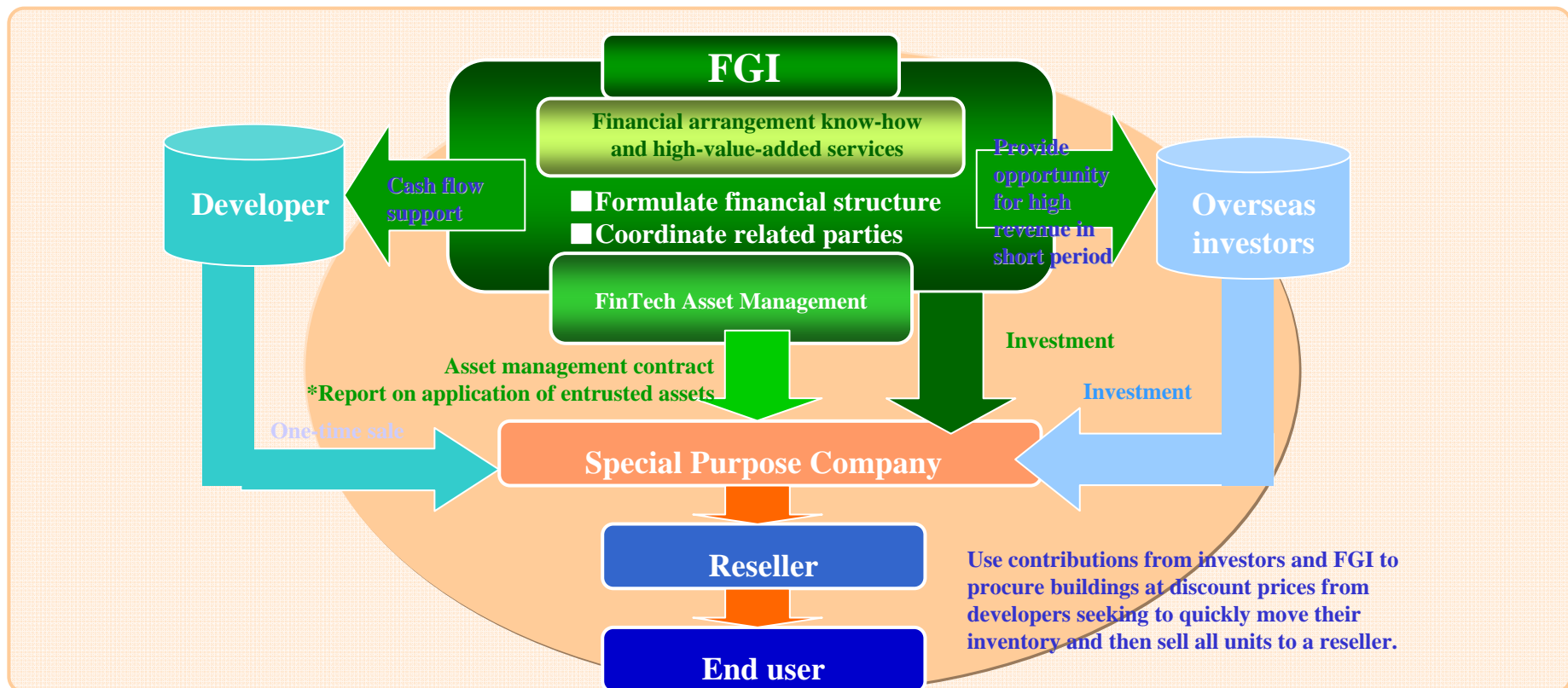
New growth strategy designed to capitalize on rising demand from both investing and capital-procuring sides



Structured Trading Example

FGI successfully arranged, structured and co-invested with offshore Fund entrusted with major pension funds and endowments, in a special purpose distressed asset investment vehicle that would utilize structured trading to facilitate condominium resale business in a regional hub city.

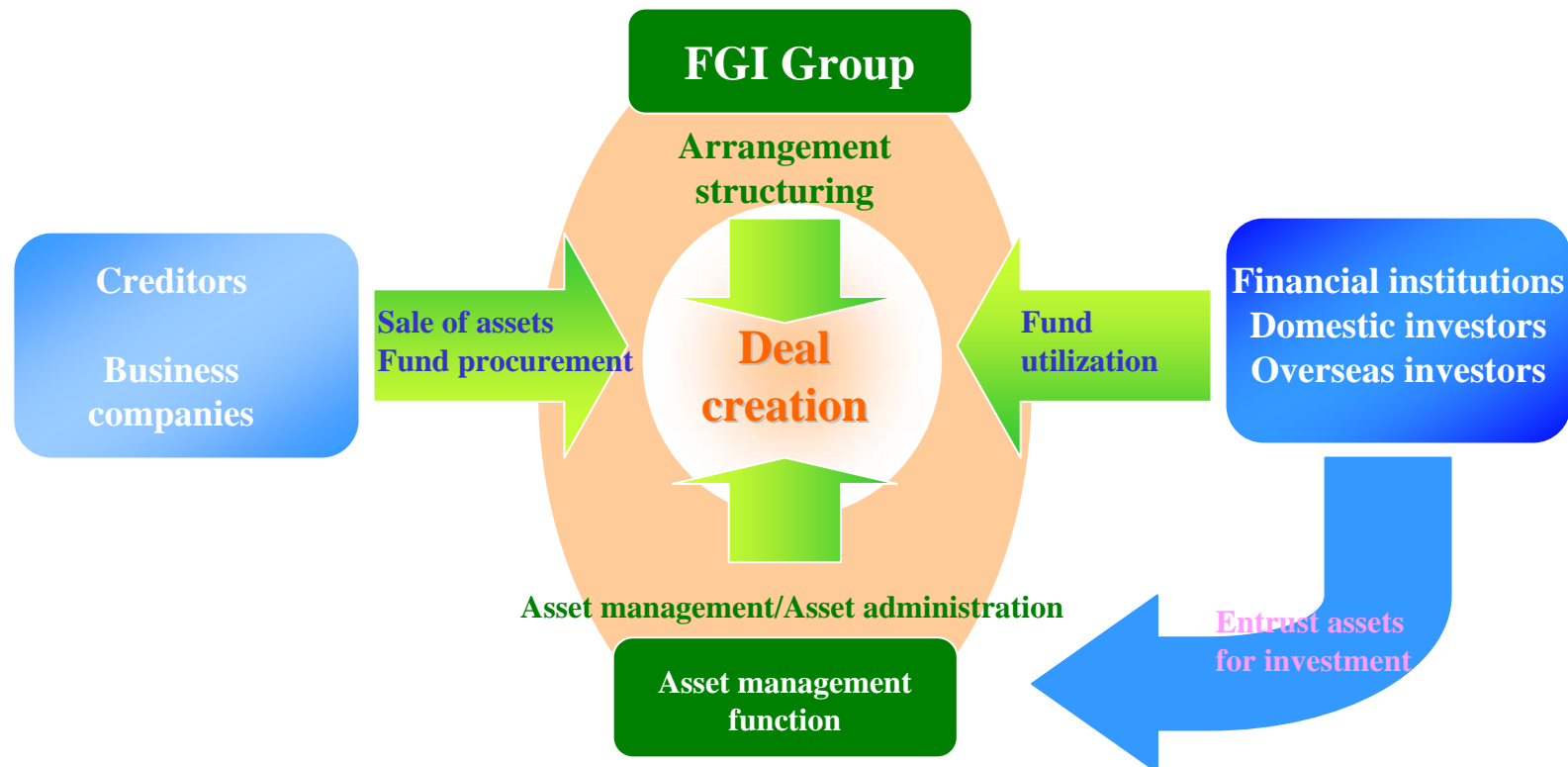
- Provide clients seeking to invest available capital with greater access to investment opportunities in the condominium resale business, based on results and know-how accumulated in this business through the application of own funds
- Utilize arrangement know-how, offer value-added services to reconcile interests among transaction participants and to form financial schemes, and realize investment in assets—namely, completed condominium inventory—that was previously not available to overseas investors as an investment target.
- Entrust Group company FinTech Asset Management with asset management services and secure stable revenue from asset management fees.



Toward Renewed Growth in Investment Banking Business

New growth strategy designed to capitalize on rising demand from both investing and capital-procuring sides

- Strengthen ties to overseas investors interested in investing in real estate in Japan
- Focus on identifying the capital needs of real estate companies, especially the existence of distressed assets and refinancing transactions.
- Strive to obtain requests for arrangements that are well-matched to the investment requirements of domestic and overseas investors.
- Promote revenue opportunities on invested capital through enhanced condominium resale operations and better asset management services.



Fiscal 2010 Full-Year Consolidated Performance Outlook

Revenue from the reinsurance/financial guarantee business is likely to decrease without the contribution of Entrust, following the sale of all shares in this subsidiary in February 2010. However, management believes that measures, described earlier in these materials and designed to achieve a new leap forward in the mainstay investment banking business, along with efforts to accelerate the process, will underpin revenue growth in this segment. Therefore, management believes that the performance forecast announced on November 13, 2009, is still valid and will not make any revisions at the current time.

(Millions of yen)	Fiscal 2010		Balance
	First two quarters (actual)	Full-year (estimate)	
Net revenue	2,592	5,500	2,908
Operating income (loss)	(775)	500	1,275
Ordinary profit (loss)	(774)	450	1,224
(Quarterly) net income (loss)	(405)	400	805

Financial Highlights

1. Consolidated Balance Sheets

(Thousands of yen, %)

Assets	Fiscal 2009		Interim period of Fiscal 2010	
Current assets	14,463,033	91.7	6,651,593	62.7
Cash and deposits	5,811,512		1,407,532	
Accounts receivable, trade	186,152		102,614	
Trading securities	431,098		411	
Investments in securities, trade	6,059,149		6,031,940	
Real estate for sale	911,167		964,000	
Deferred tax assets	1,065		3,089	
Loans receivable, trade	11,336,718		7,075,833	
Other	1,960,718		808,787	
Allowance for doubtful accounts	△ 12,234,548		△ 9,742,616	
Fixed assets	1,303,031	8.3	3,961,950	37.3
Property, plant and equipment	196,647	1.2	164,189	1.5
Intangible fixed assets	629,990	4.0	551,291	5.2
Investments and other assets	476,393	3.0	3,246,469	30.6
Total assets	15,766,064	100.0	10,613,544	100.0

- 1** Decrease due to confirmed losses on claims for which allowances were set aside in previous term, as well as reversal of a portion of allowance for doubtful accounts.
- 2** Stellar Capital holds ¥3,090 million (face value) portion of euroyen convertible bonds issued by FGI.
- 3** Transfer to unearned premium reserve for Crane Re, and increase in reserve for outstanding claims

(Thousands of yen, %)

Liabilities	Fiscal 2009		Interim period of Fiscal 2010	
Current liabilities	1,682,247	10.7	1,323,716	12.5
Short-term debt	175,000		74,000	
Long-term debt due within one year	260,000		215,000	
Accrued liabilities	244,418		132,571	
Other	1,002,829		902,145	
Long-term liabilities	8,635,980	54.8	4,143,466	39.0
Bonds with stock acquisition rights	7,950,000		3,090,000	
Long-term debt	245,000		170,000	
Other	440,980		883,465	
Total liabilities	10,318,228	65.4	5,467,182	51.5

(Thousands of yen, %)

Net Assets	Fiscal 2009		Interim period of Fiscal 2010	
Shareholders' Equity	4,762,304	30.2	4,357,098	41.1
Common stock	10,764,317	68.3	10,764,317	101.4
Additional paid-in capital	10,351,900	65.7	10,351,900	97.5
Retained earnings	△ 16,353,913	△ 103.7	△ 16,759,119	△ 157.9
Valuation and translation adjustments	△ 108,944	△ 0.7	△ 83,959	△ 0.8
Stock acquisition rights	20,572	0.1	21,815	0.2
Minority interests	773,903	4.9	851,408	8.0
Total net Assets	5,447,836	34.6	5,146,361	48.5
Total liabilities and net assets	15,766,064	100.0	10,613,544	100.0

2. Consolidated Statement of Income

(Thousands of yen/%)

	Interim Period of Fiscal 2009		Interim period of Fiscal 2010		Fiscal 2009	
Net revenue	2,047,287	100.0	1 2,592,256	100.0	10,385,341	100.0
Cost of revenue	10,682,779	521.8	1,956,059	75.5	17,711,538	170.5
Gross profit	△ 8,635,491	△ 421.8	636,196	24.5	△ 7,326,196	△ 70.5
Selling, general and administrative expenses	10,990,484	536.8	2 1,411,709	54.5	12,994,837	125.1
Operating loss	△ 19,625,976	△ 958.6	△ 775,512	△ 29.9	△ 20,321,034	△ 195.7
Other income	67,527	3.3	37,602	1.5	61,381	0.6
Other expenses	925,822	45.2	36,894	1.4	937,653	9.0
Ordinary loss	△ 20,484,271	△ 1000.6	3 △ 774,804	△ 29.9	△ 21,197,306	△ 204.1
Extraordinary profit	7,087,318	346.2	556,576	21.5	9,955,563	95.9
Extraordinary loss	102,418	5.0	299,504	11.6	175,718	1.7
Loss before income taxes	△ 13,499,371	△ 659.4	4 △ 517,732	△ 20.0	△ 11,417,462	△ 109.9
Income tax adjustment	829,934	40.5	10,173	0.4	839,759	8.1
Minority interests	△ 160,160	△ 7.8	△ 122,698	△ 4.7	△ 166,146	△ 1.6
Net loss	△ 14,169,145	△ 692.1	△ 405,206	△ 15.6	△ 12,091,075	△ 116.4

1 Disposal of investment property by subsidiary special purpose company contributed ¥583 million to revenue and accounted for ¥578 million of cost of revenue.

2 SGA expenses: No allowance and loss has been booked in this quarter. FGI booked 9,165 million loss and allowance in the first half of fiscal 2009.

3 Under extraordinary profit, FGI booked ¥179 million from reversal of allowance for doubtful accounts through reevaluation of loans receivable, trade, on a property development project and ¥329 million in gains from redemption of bonds.

4 Under extraordinary loss, FGI booked the transfer of ¥291 million to provide for loss on liquidation of affiliates following the transfer of shares in Entrust and assignment of loan claims in this subsidiary to another party.

Reference Materials

Non-Consolidated Financial Statements (Balance Sheets and Statement of Operation)

1. Non-Consolidated Balance Sheets

(Thousands of yen, %)

(Thousands of yen, %)

Assets	Fiscal 2009		Interim of Fiscal 2010	
	Value	%	Value	%
Current assets	10,610,094	47.7	6,808,633	60.6
Cash and deposits	3,320,962		302,059	
Accounts receivable, trade	18,094		2,520	
Trading securities	229,500		0	
Investments in securities, trade	6,513,910		6,417,210	
Loans receivable, trade	11,347,678		7,086,793	
Short-term loans	908,346		1,748,249	
Real estate for sale	359,167		964,000	
Other	153,160		66,602	
Allowance for doubtful accounts	△ 12,240,726		△ 9,778,801	
Fixed assets	11,632,803	52.3	4,421,480	39.4
Property, plant and equipment	179,289	0.8	160,279	
Intangible fixed assets	16,449	0.1	16,252	0.1
Investments and other assets	11,437,063	51.4	4,244,949	37.8
Total assets	22,242,898	100.0	11,230,114	100.0

1 Loans to subsidiaries

2 Equity in affiliates down due to capital reduction (¥7,180 million) in Stellar Capital.

3 Borrowings offset by capital reduction in Stellar Capital.

4 Advances accompanying sale of building acquired through the exercise of security interest and sold to recover outstanding loan.

Liabilities	Fiscal 2009		Interim of Fiscal 2010	
	Value	%	Value	%
Current liabilities	9,281,224	41.7	3,324,283	29.6
Short-term debt	7,644,686		1,022,175	*
Long-term debt due within one year	180,000		135,000	*
Advance receipts	—		1,459,962	4
other	1,456,538		707,145	
Long-term liabilities	8,034,382	36.1	3,127,770	27.9
Bonds with stock acquisition rights	7,950,000		3,090,000	*
Long-term debt	45,000		0	
Other	39,382		37,770	
Total liabilities	17,315,607	77.8	6,452,054	57.5

Net Assets	Fiscal 2009		Interim of Fiscal 2010	
	Value	%	Value	%
Shareholders' Equity	4,908,196	22.1	4,759,726	42.4
Common stock	10,764,317	48.4	10,764,317	95.9
Additional paid-in capital	10,351,900	46.5	10,351,900	92.2
Retained earnings	△ 16,208,021	△ 72.9	△ 16,356,491	△ 145.6
Valuation and translation adjustments	△ 1,477	0.0	△ 3,481	0.0
Stock acquisition rights	20,572	0.0	21,815	0.0
Total net Assets	4,927,291	22.2	4,778,060	42.5

Total liabilities and net assets	22,242,898	100.0	11,230,114	100.0
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* Interest-bearing debt, excluding euroyen convertible bonds, came to ¥1157 million.

2. Non-Consolidated Statement of Income

(Thousands of yen, %)

	Interim period of Fiscal 2009		Interim period of Fiscal 2010		Fiscal 2009	
Net revenue	835,341	100.0	693,714	100.0	4,845,502	100.0
Cost of revenue	10,204,381	1,221.60	393,249	56.7	14,128,425	291.6
Gross profit	△ 9,369,040	△ 1,121.6	300,464	43.3	△ 9,282,922	△ 191.6
Selling, general and administrative expenses	9,429,501	1,128.80	740,048	106.7	11,358,066	234.4
Operating loss	△ 18,798,541	△ 2,250.4	△ 439,583	△ 63.4	△ 20,640,989	△ 426.0
Other income	27,615	3.3	36,415	5.2	31,053	0.6
Other expenses	56,951	6.8	5,127	0.7	70,189	1.4
Ordinary loss	△ 18,827,877	△ 2,253.9	1 △ 408,296	△ 58.9	△ 20,680,125	△ 426.8
Extraordinary profit	7,087,318	848.4	513,385	74.0	9,943,847	205.2
Extraordinary loss	138,751	16.6	251,591	36.3	1,520,537	31.4
Income (loss) before income taxes	△ 11,879,310	△ 1,422.1	2 △ 146,502	△ 21.1	△ 12,256,815	△ 253.0
Income (loss) tax adjustment	681,579	81.6	1,967	0.3	667,460	13.8
Net income (loss)	△ 12,560,890	△ 1,503.7	△ 148,469	△ 21.4	△ 12,924,275	△ 266.7

1 Extraordinary profit: ¥329 million in gains from the early redemption of euroyen convertible bonds and ¥169million in gains from reversal of allowance for doubtful receivables .

2 Extraordinary loss: Booked the transfer of ¥243 million to provide for loss on liquidation of affiliates following the transfer of shares in Entrust and assignment of loan claims in this subsidiary to another party.

Reference Materials

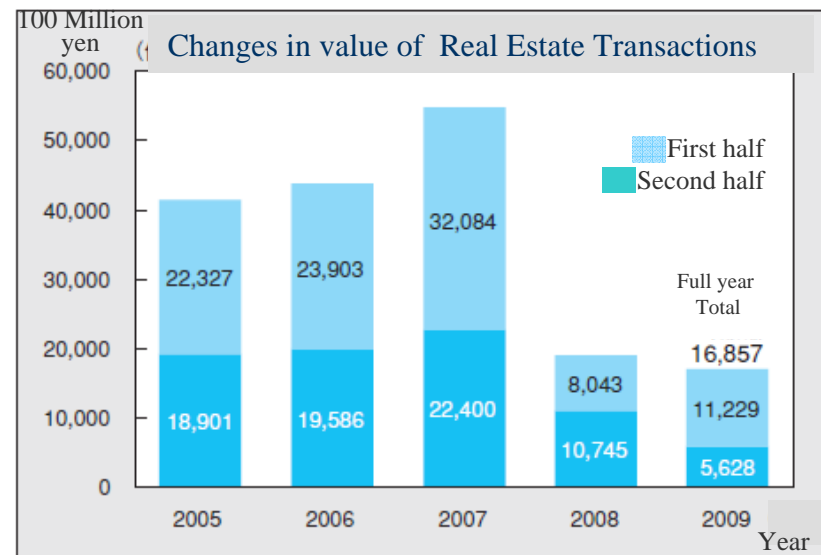
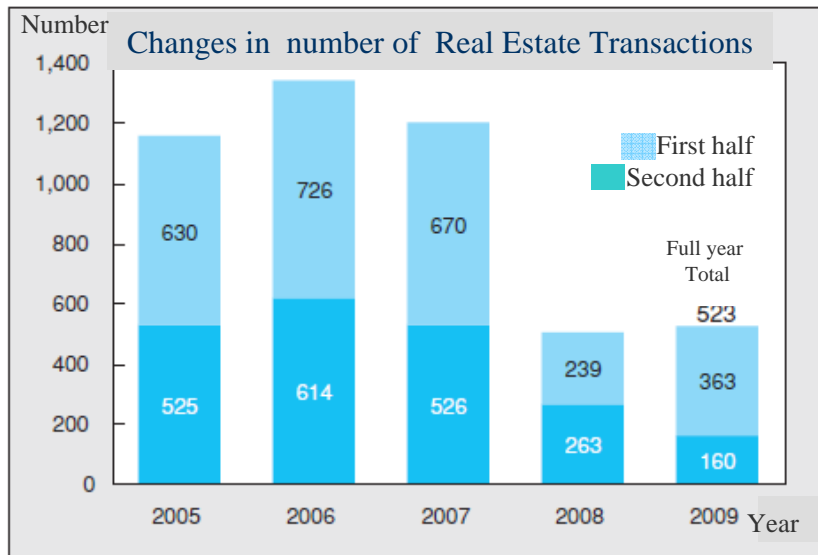
■ Macro Data

- : Changes in number and Value of Real Estate Transactions**
- : Changes in the vacancy rate of Office buildings in Tokyo Business area and average rent**
- : Condominium Inventory in Metropolitan Tokyo and Kinki District**
- : Bank of Japan Tankan Quarterly Survey on Business Sentiment in Japan,**
Diffusion Index Changes in the lending stance of Financial Institutions (Real estate sector)
- : Outlook for Investment in Japan by Overseas Investors**
- : Flow of Assets in Real Estate Investment Market**
- : Resumption of Capital Increase Through Public Offering by REITs and Property Acquisitions**
- : Changes in Issue Amount of CMBS**

Real estate financial market developments: Macro data

Changes in number and Value of Real Estate Transactions

The number and value of transactions hit bottom in the first half of 2009, and turned upward in the second half of 2009



Ref : Mizuho Trust bank Real estate topics published in May 2010
 Research of Real estate trading by Urban Research Institute, Corp

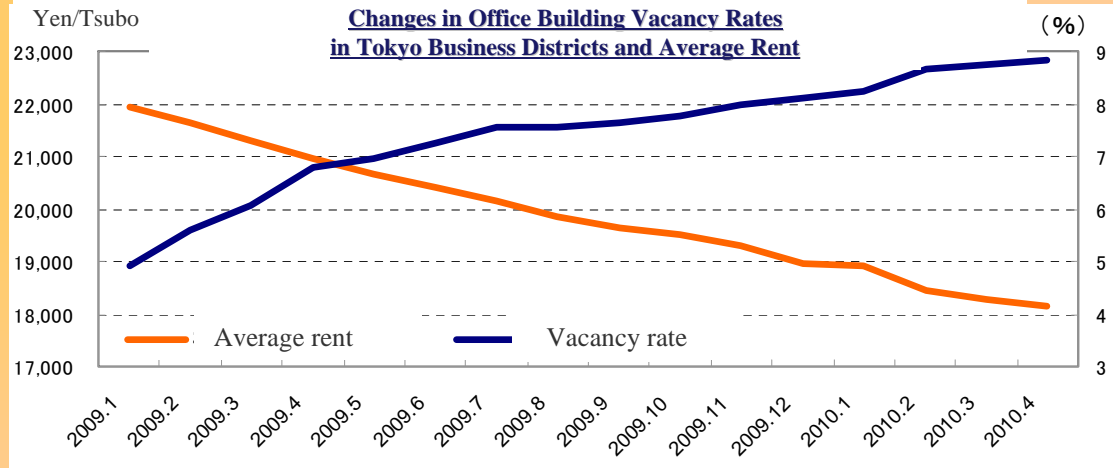
*The graph above shows only those transactions disclosed by listed companies, and does not include all transactions in Japan.

Real estate financial market developments: Macro data

Changes in Office Building Vacancy Rates in Tokyo Business Districts and Average Rent

End of April 2010: 8.82%
 Vacancy rate for office buildings in Tokyo business districts stood at 8.82% at the end of April 2010. Moderate increase in vacancy rate will alleviate pressure to decrease rents. However, economic trend is still uncertain.

The vacancy ratio in Nagoya stood at 13.52% as of the end of April 2010, and Osaka stood at 11.86%. The number of vacant rooms is increasing.

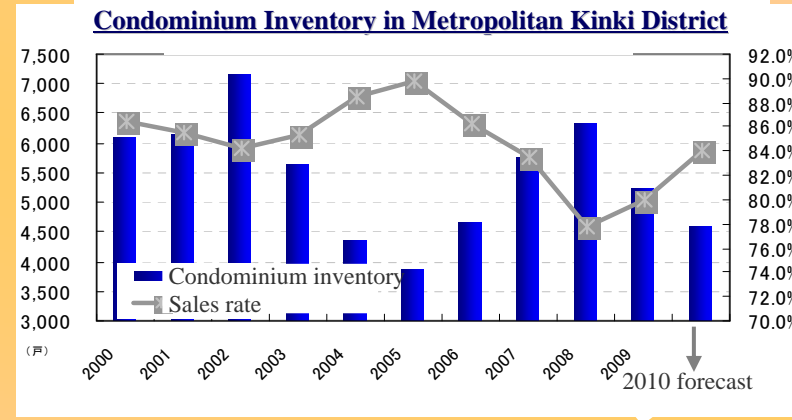
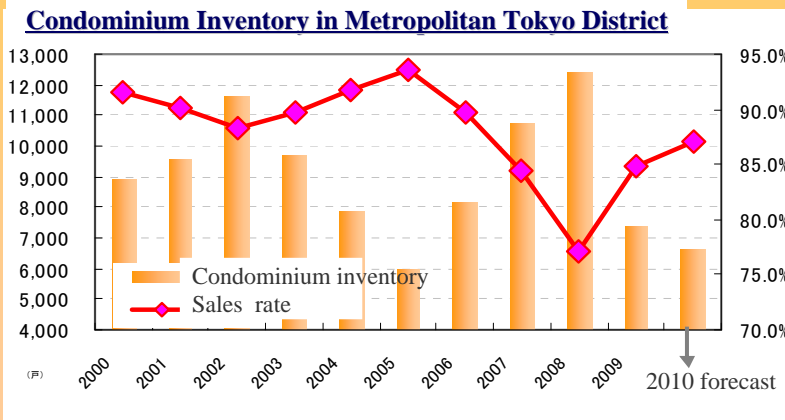


Ref : Miki co.,Ltd

Condominium Inventory in Metropolitan Tokyo and Kinki District

Steady progress on condominium inventory adjustments, sales rate showing improvement.

Ref : Haseko Research institute

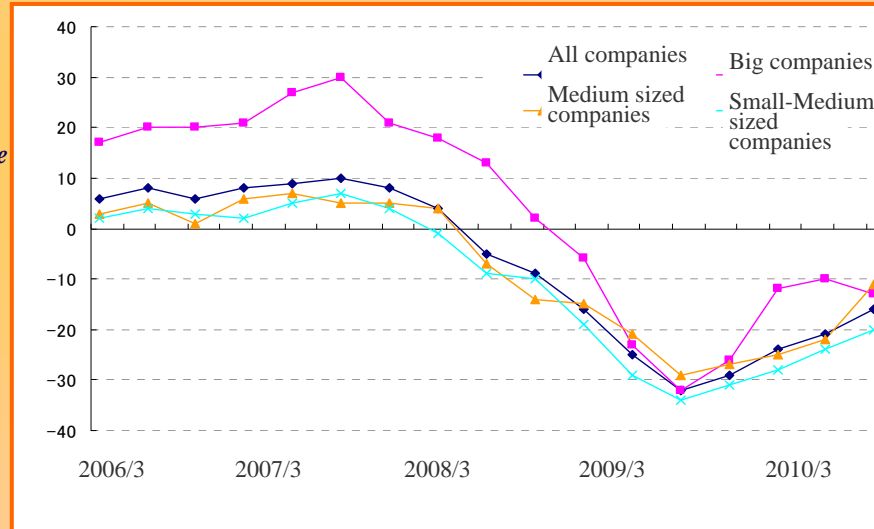


Real estate financial market developments: Macro data

Bank of Japan Tankan
Quarterly Survey on Business
Sentiment in Japan,
Diffusion Index Changes in the lending stance of Financial institutions(Real estate sector)

The lending stance of banks is improving. Large companies favoured over small.

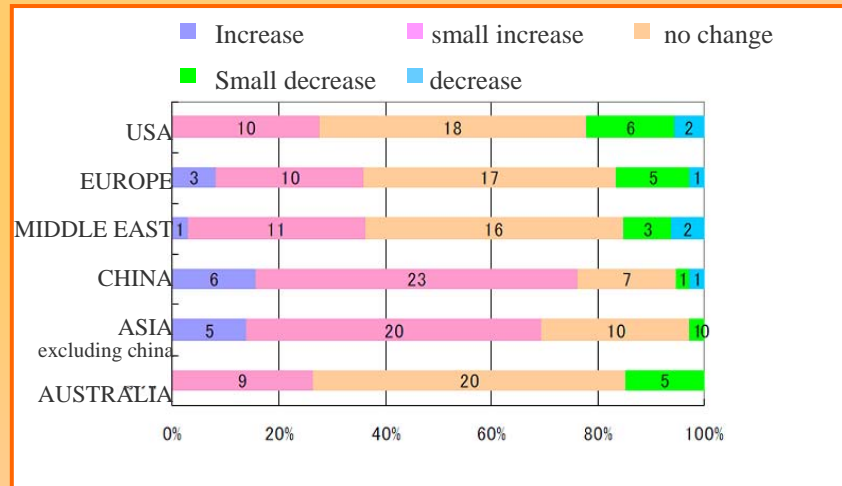
Ref : BOJ



Outlook for Investment in Japan
by Overseas Investors

Asian, especially Chinese investors have strong desire to invest into Japan.

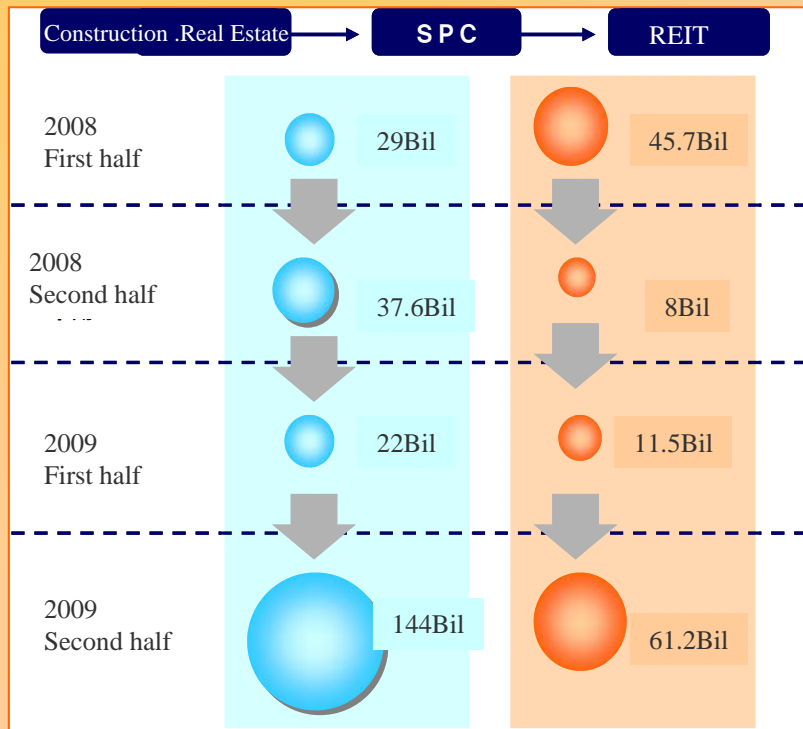
Ref : STB Research Institute Research of Current status of private real estate fund Jan2010



Real estate financial market developments: Macro data

Flow of Assets in Real Estate Investment Market

In the second half of 2009, sales by Real estate developers or constructors to SPCs reached Yen 144billion, and sales from SPCs to REITs reached Yen 61billion.



Ref : Mizuho Trust bank Real estate topics published in May 2010
 Research of Real estate trading by Urban Research Institute, Corp

J-REITs: Resumption of Capital Increase Through Public Offering, and of Property Acquisitions

J-REITs have restarted public offerings, and they have been acquiring real estate with the proceeds.
 Total of Yen 50billion of bonds were issued by 5 REITs in 2010.

Date of Public offering	REIT	AUM (Million of Yen)
2009/10	Nippon Accommodations Fund	20,124
2009/10	KENEDIX realty investment corporation	8,156
2009/11	NOMURA Residential Fund	8,030
2009/11	Japan real estate investment corporation	26,752
2010/1	Japan Prime Realty Investment	14,614
2010/2	Japan Logistics Fund	5,425
2010/3	Mori Hills REIT	14,919

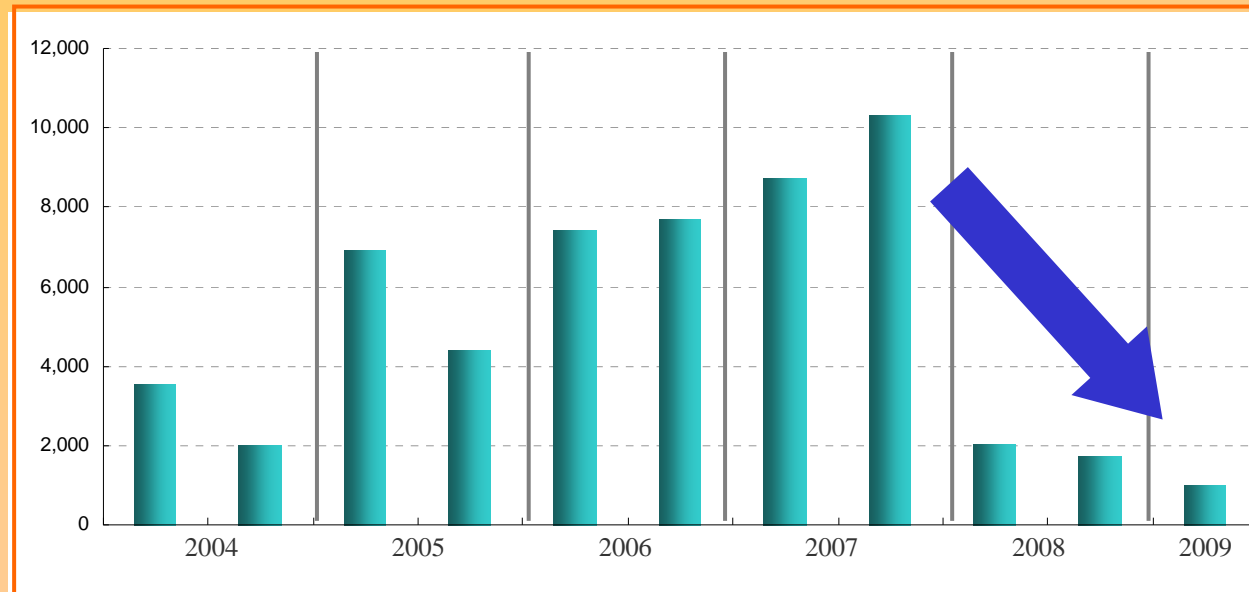
Ref : By disclosure of each REITs

Real estate financial market developments: Macro data

Changes in Issue Amount of CMBS

CMBS issuance increased from 2004 to 2007, peaking at ¥1.9 trillion in 2007. The majority of CMBS-backed loans will mature between 2010 and 2012. There is a potential drastic mismatch arising in the real estate financial market due to the withdrawal of foreign financial institutions, which were the main CMBS lenders, following the Lehman shock financial crisis. If the CMBS refinancing doesn't take place, expectations are for a trend towards the sale of buildings held as collateral by financial institutions for loans, an increase in write-offs associated with distressed assets, and increased sales of pledged properties at low prices to cover redemption of commercial mortgage-backed securities (CMBS), and due to loan default status.

Ref : 100million yen



Ref : Japanese securities Dealers association

