

Asset Managers Holdings



Feb. 2010 Fiscal Year Q1 (March-May 2009) Corporate Presentation

July 17, 2009

- ❑ Feb. 2010 Fiscal Year Q1 Summary
 - ✓ Focus on Cashflow
 - ✓ Successful Asset Dispositions
 - ✓ Repayment of Corporate Debt
 - ✓ Strengthened Balance Sheet
 - ✓ Return to Profitability

- ❑ Forward Strategy
 - ✓ Expansion of Asset Management Business
 - ✓ New Fee Businesses
 - ✓ Further Actions to Drive Corporate Value

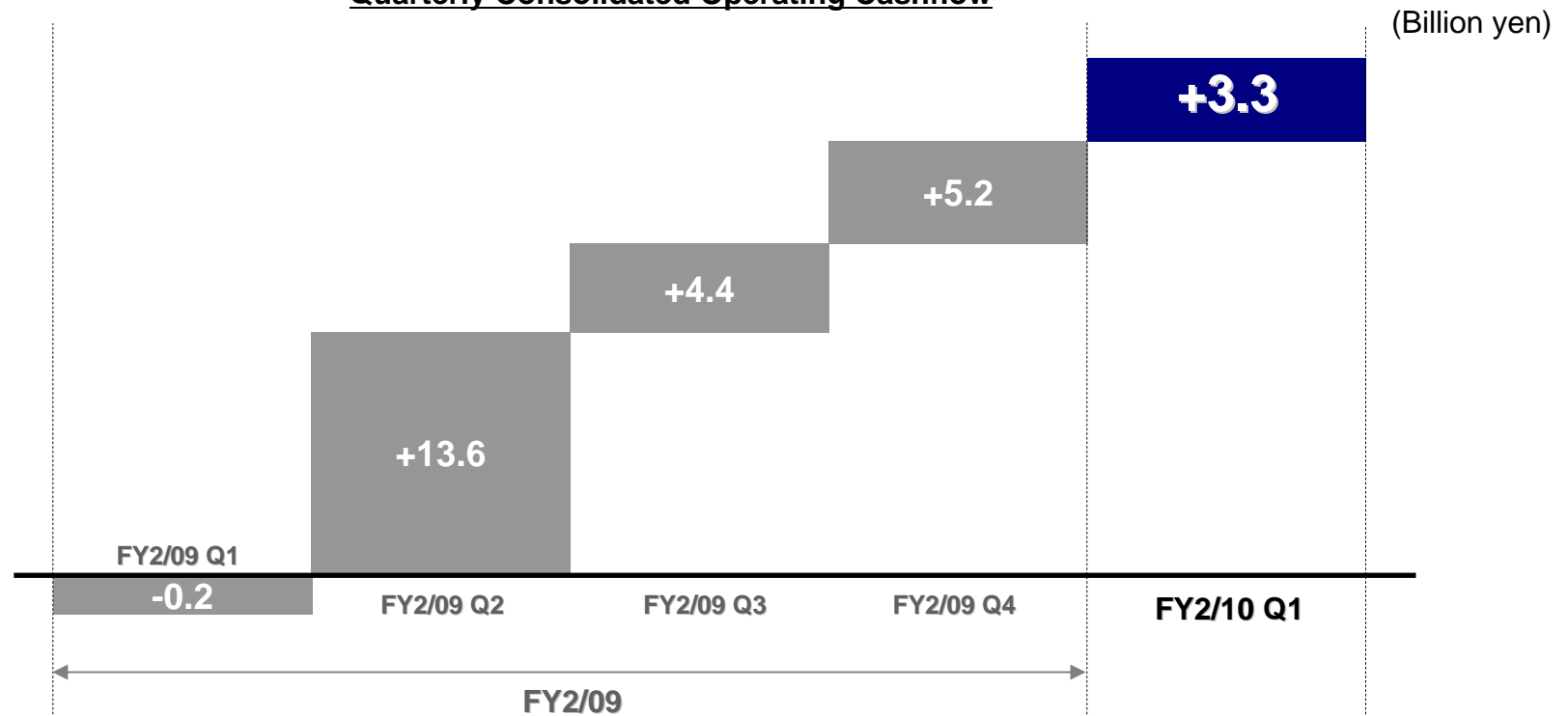
- ❑ Appendices: Financial & Real Estate Data

Feb. 2010 Fiscal Year Q1 Summary

Focus on Cashflow

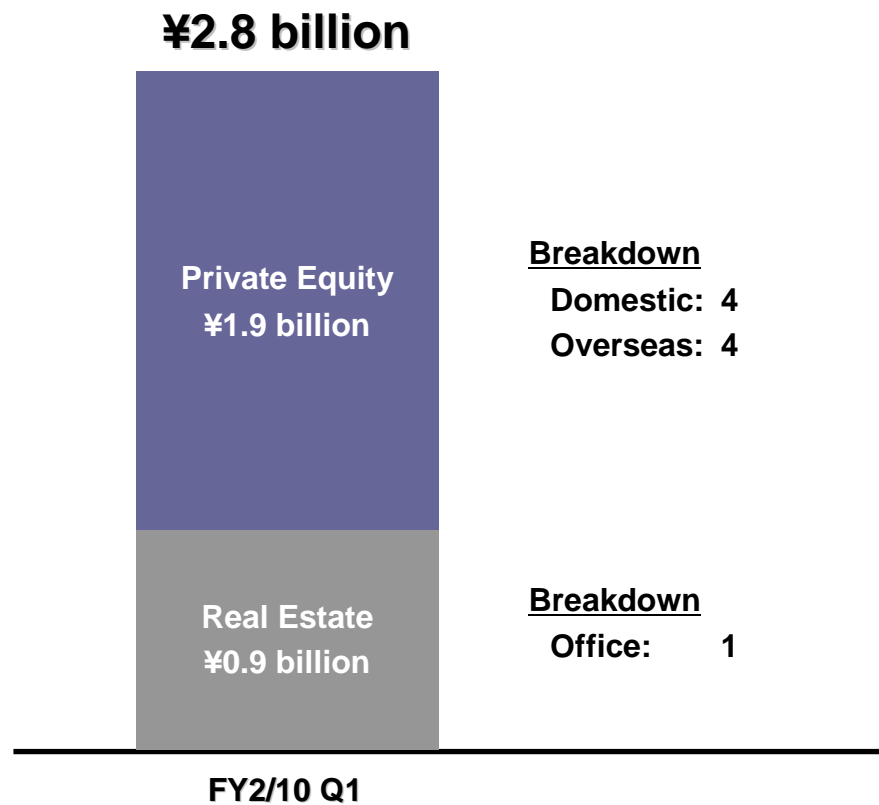
- ❑ C/F and B/S = Fundamental
- ❑ Operating Cashflow Strongly Positive
 - ✓ Positive for the last four quarters, cumulative +¥26.5 billion
- ❑ Dramatically Decrease Risk Profile through Slimmed B/S

Quarterly Consolidated Operating Cashflow



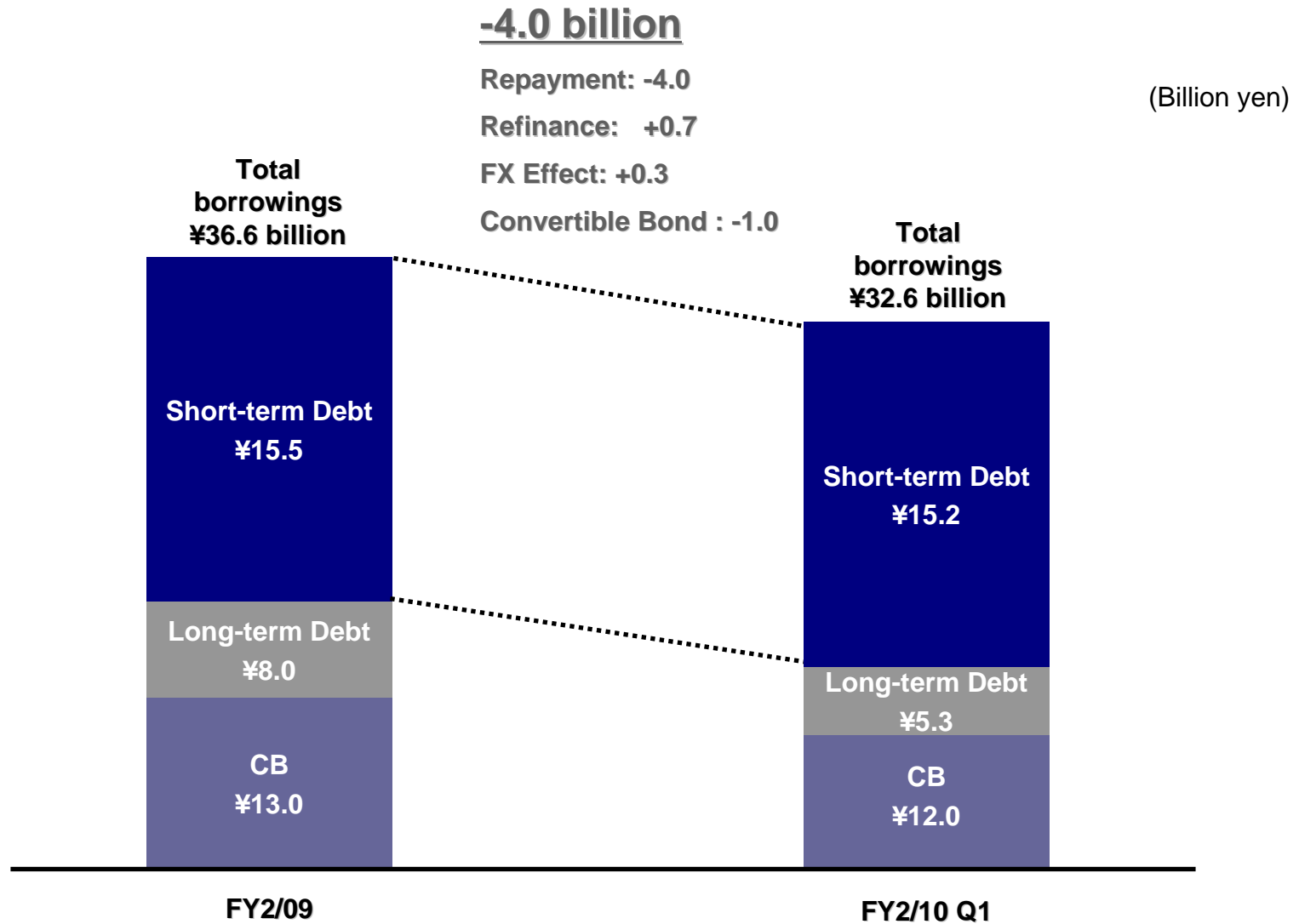
Successful Asset Dispositions

¥2.8 billion in Asset Sales in Q1



* Pro Forma Consolidated Basis: Asset Managers Holdings, Asset Managers, Asset Managers International, Asset Investment Advisors, Asset Securities & Asset Managers (Asia)

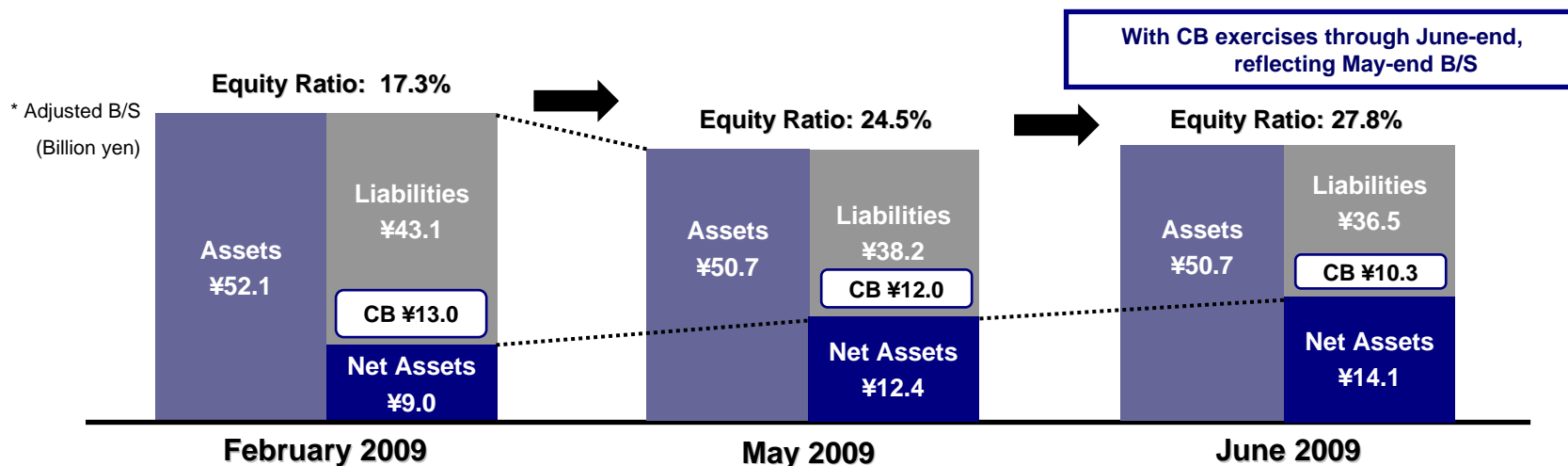
Repayment of Corporate Debt



*Consolidated Basis

Strengthened Balance Sheet

- ❑ Shrank B/S through Asset Sales
- ❑ Increased Shareholder Equity by ¥900 million via CB Conversions
- ❑ Net Profit & Higher B/S Asset Values Further Grew Shareholder Equity by 3,400 million



Adjusted B/S removes assets and liabilities of consolidated client funds to which the Company has no economic exposure

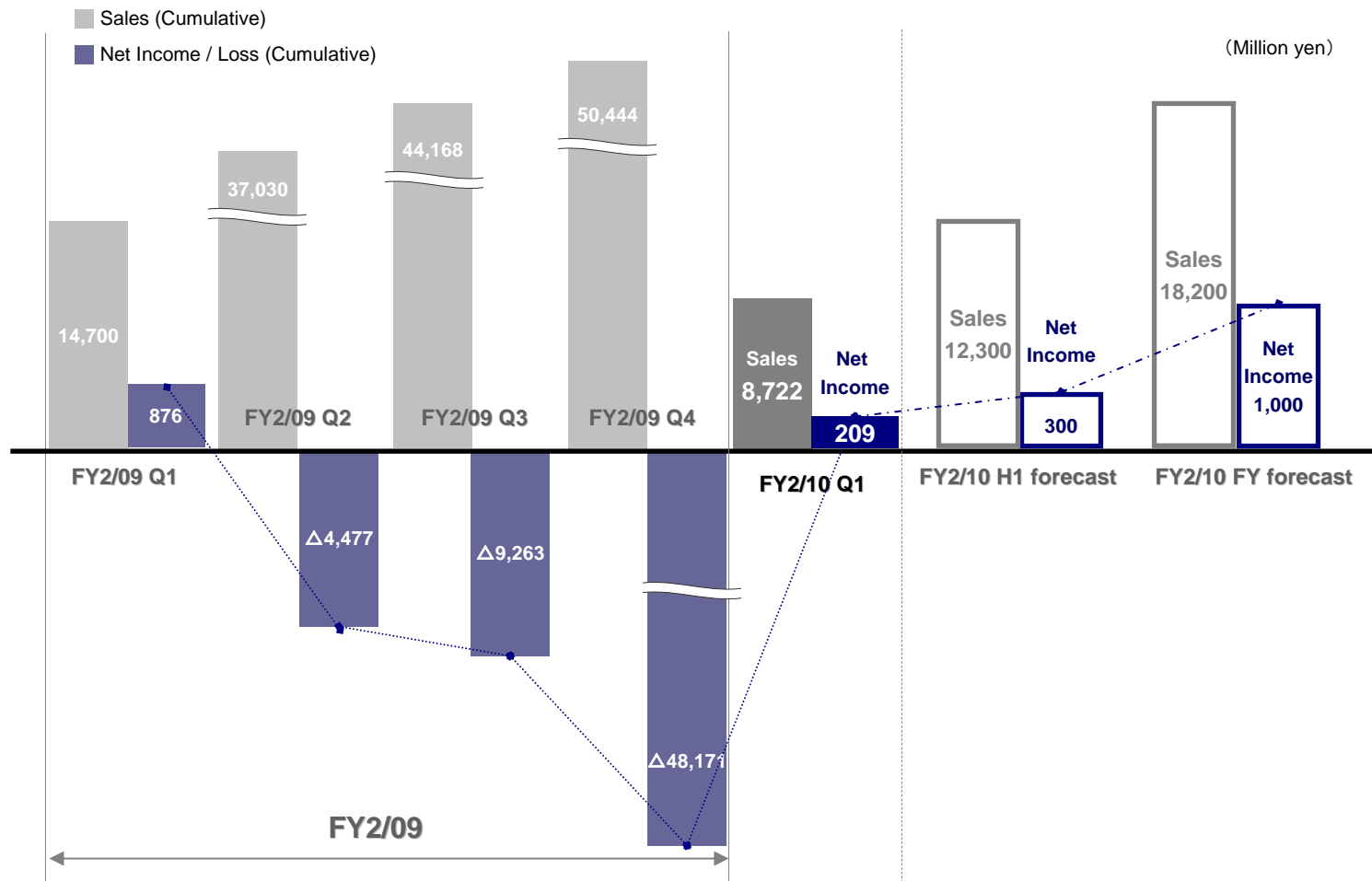
- Adjusted net assets = Net assets – Minority equity of consolidated client funds financed with non-recourse loans
- Adjusted total assets = Total assets – (Non-recourse loans + Minority equity of consolidated client funds financed with non-recourse loans)
- Adjusted liabilities = Adjusted total assets – Adjusted net assets

- ❑ Exercise of March 17, 2012 Convertible Notes

Exercise period	# of shares exercised	Total amount exercised (mn yen)	Exercise price
4/1/2009 - 4/30/2009	63,641	520	¥8,170
5/1/2009 - 5/31/2009	42,836	350	¥8,170
6/1/2009 - 6/30/2009	212,962	1,740	¥8,170
Total	319,439	2,610	—

Return to Profitability

□ On-track towards Full-Year Profit Forecast



Forward Strategy

Expansion of Asset Management Business

Q1 Developments

	Current Developments	Outlook
New Fund Launches	<ul style="list-style-type: none"> • In discussion with equity investors and lenders about launching a new residential fund of c. JPY 50 bn • NCF after leverage is getting close to investors' expectations 	<ul style="list-style-type: none"> • Continue sourcing deals by expanding network of financial institutions and possible Real Estate sellers, in the current environment of limited supply of for-sale Class A properties
Rescue AM*	<ul style="list-style-type: none"> • <u>Have already achieved an exit on one Rescue AM taken on this year</u> • Continuing due diligence on other Rescue AM opportunities, focusing on fee structure and quality of properties owned 	<ul style="list-style-type: none"> • Currently in discussions with several potential alliance partners
Mezzanine Fund Opportunities Also Emerging	<ul style="list-style-type: none"> • Seeking to serve as arranger for mezzanine coverage on the portions of senior loans that have been negatively impacted by reduced real estate collateral values <ul style="list-style-type: none"> → Fee income via both fund fees and asset management fees for the underlying properties 	<ul style="list-style-type: none"> • Continue marketing to investors and senior lenders given an increase in demand for mezzanine financing

* Rescue AM: Serve as an alternative AM firm for financial institutions looking to switch out of AM firms in financial difficulty.

❑ Strengthening Functions as an Asset Management Company

- ✓ Established an Investor Relations Group in Asset Investment Advisors on March 1, 2009 to drive fundraising
- ✓ Focusing on profitability rather than asset size

Q1 Developments

	Current Developments	Outlook
CRE Business	<ul style="list-style-type: none"> • <u>Concluded 3rd real estate advisory contract with Netz Toyota Higashi Saitama</u> • Established new CRE Solution Group on July 1st, 2009 • Proposing solutions to existing clients 	<ul style="list-style-type: none"> • Can expand our client base leveraging the network of Toyota D&C Co., Ltd.
New Fee Businesses	<ul style="list-style-type: none"> • <u>Closed first deal as financing arranger</u> 	<ul style="list-style-type: none"> • Inquiries from financial institutions are increasing

❑ Corporate Real Estate (CRE) Advisory Business

- ✓ Fee income as financing arranger and real estate development consultant for redevelopment projects on properties held by Japanese corporations
- ✓ Fee income from advisory and financing arranger services for large-scale building repairs or improvements to conserve energy and reduce environmental impacts or building management costs
- ✓ Brokerage fee income from matching sellers to buyers

❑ Concluded 1st Deal as Financing Arranger

- ✓ Successfully paired a borrower needing refinancing to a lender, and advised on a structure that met both the borrower's and lender's requirements
- ✓ Currently working on 2nd and 3rd deals

Further Actions to Drive Corporate Value

Q1 Developments

	Current Developments	Outlook
Execute Accretive M&A	<ul style="list-style-type: none"> • In the process of due diligence in several situations • Newly established a strategic investment group to focus on M&A on July 1st, 2009 	<ul style="list-style-type: none"> • Ongoing deal flow
Increase Value of Client Fund Assets and Company's B/S assets	<ul style="list-style-type: none"> • Maintain rent levels and increase occupancy rates to increase asset values • <u>Significant increase in asset values due to equity market recovery</u> 	<ul style="list-style-type: none"> • Refinance existing positions and take steps to add value in order to support higher exit prices when market recovers
Strengthen B/S and Earnings Structure	<ul style="list-style-type: none"> • Generating positive operating cashflow • <u>Reductions in SG&A costs to support forward profitability</u> • Merged with fully-owned subsidiaries on June 1st, 2009 to lower operating costs and absorb tax assets which support highly efficient profitability structure 	<ul style="list-style-type: none"> • Will continue focus on maximizing returns to shareholders

❑ Significantly Reduced SG&A Costs

FY2/09 Actual	¥4,982 million
FY2/10 Forecast	¥2,500 million (-51% YoY)
FY2/10 Q1 Actual	¥599 million (24% of FY forecast)

*SGA costs adjusted to remove allowance for bad accounts which are not on-going expenses

Appendix: Pro Forma Financial Data

Introduction of Pro Forma Financials

Under Japanese accounting rules, SPCs in which we are a greater than 50% investor or SPCs for which we are the asset manager and no single equity investor holds more than 50% of the total investment must be consolidated onto our balance sheet.

As a result, because we must include client assets and liabilities from these consolidated SPCs, our statutory consolidated financials do not reflect the actual economic exposures of the firm.

In order to more accurately reflect the true economic exposures borne by our shareholders, from this quarter, in addition to our statutory consolidated and parent financials, we disclose pro forma B/S and P&L financials that reflect direct economic exposures and results of Asset Managers Holdings, Asset Managers, Asset Managers International, Asset Investment Advisors, Asset Securities and Asset Managers (Asia).

Balance Sheet (Pro Forma)

(Million yen)

	FY2/09	FY2/10 Q1	Change
Total Assets	46,780	43,533	-3,247
Cash and Cash Equivalents	5,395	4,543	-852
Investment (Real Estate)	10,144	10,056	-88
Investment (Domestic companies)	7,215	6,503	-712
Investment (Overseas companies)	11,661	11,359	-302
Real Estate Held for Sale	9,162	8,289	-873
Other	3,203	2,783	-420
Liabilities	38,267	33,348	-4,919
Interest-Bearing Debt	22,016	18,860	-3,156
CB	13,000	12,030	-970
Other	3,251	2,458	-793
Net Assets	8,513	10,184	1,671

Total assets

- Decreased on-balance investments
- Further progress on asset sales

Liabilities

- CB redemption: ¥100 million
- CB conversion: ¥870 million
- Amount of CB outstanding as of June 30, 2009: ¥10,290 million

* Pro Forma Consolidated Basis: Asset Managers Holdings, Asset Managers, Asset Managers International, Asset Investment Advisors, Asset Securities & Asset Managers (Asia)

P&L (Pro Forma)

(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 Forecast	Progress
Sales	10,593	2,984	12,700	23.5%
Cost of Sales	28,047	2,312	—	—
Gross Profit	-17,454	672	3,900	17.2%
SG&A	11,513	627	2,500	25.1%
Operating Income (Loss)	-28,967	45	1,500	3.0%
Non-Operating Loss, net	-108	-42	—	—
Ordinary Income (Loss)	-29,075	3	900	0.3%
Extraordinary Gain (Loss), net	-16,445	289	—	—
Pre-tax Income (Loss)	-45,520	292	—	—
Tax	2,785	106	—	—
Minority Interests	—	41	—	—
Net Income (Loss)	-48,306	145	1,100	13.2%

Extraordinary gain

- Prior year adjustment ¥202 million
- Gain on CB redemption ¥50 million

* Pro Forma Consolidated Basis: Asset Managers, Asset Managers International, Asset Investment Advisors, Asset Securities, Asset Managers (Asia) & Asset Managers Holdings

Appendix: Consolidated Financial Data

Balance Sheet (Consolidated)

(Millions yen)

	FY2/09	FY2/10 Q1	Change
Total Assets	140,875	122,038	-18,837
Cash and Cash Equivalents	18,449	15,169	-3,280
Operating Investments in Securities	11,779	11,219	-560
Real Estate Held for Sale	97,184	78,895	-18,289
Fixed assets	3,500	3,460	-40
Investments in Securities	6,500	7,829	1,329
Other	3,463	5,466	2,003
Liabilities	127,929	106,703	-21,226
Interest-Bearing Debts (excl. Non-Recourse Loans)	23,608	20,596	-3,012
Non-Recourse Loans	78,653	63,393	-15,260
CB	13,000	12,030	-970
Other	12,668	10,684	-1,984
Net Assets	12,945	15,335	2,390
Shareholders Equity	8,724	11,559	2,835
Minority Interests and Other	4,221	3,776	-445

Real estate held for sale

- Deconsolidated SPCs due to accounting rule changes ¥15,234 million
- Asset sales ¥3,372 million

Investments in securities

- Unrealized gains from equity market recovery ¥1,313 million

Borrowings

- CB redemption: ¥100 million
- CB conversion: ¥870 million
- Amount of CB outstanding: ¥10,290 million

Breakdown of Assets (Consolidated)

(Million yen)

	FY2/09			FY2/10 Q1			Change in the Company's Interests (B-A)
	Amount	Outside Investors' Interests	The Company's Interests (A)	Amount	Outside Investors' Interests	The Company's Interests (B)	
Cash and Cash Equivalents	18,449	-	-	15,169	-	-	-
Operating Investments in Securities	11,779	0	11,779	11,219	0	11,219	-560
Domestic Real Estate	1,592	0	1,592	2,373	0	2,373	781
Listed Domestic Companies	466	0	466	466	0	466	0
Unlisted Domestic Companies	3,921	0	3,921	2,970	0	2,970	-951
Listed Overseas Companies	1,683	0	1,683	2,756	0	2,756	1,073
Unlisted Overseas Companies	4,118	0	4,118	2,655	0	2,655	-1,463
Reference: Allowance for Bad Debts for Operating Investments in Securities	-2,847	-	-2,847	-2,827	-	-2,827	20
Real Estate Assets for Sale	97,184	78,040	19,144	78,895	61,480	17,415	-1,729
Domestic Real Estate	94,404	75,746	18,658	75,803	58,929	16,874	-1,784
Overseas Real Estate	2,780	2,293	486	3,092	2,551	541	55
Investments in Securities	6,500	0	6,500	7,829	0	7,829	1,329
Domestic Companies	593	0	593	1,098	0	1,098	506
Overseas Companies	5,668	0	5,668	6,457	0	6,457	789
Others	240	0	240	273	0	273	33
Other Assets	6,962	-	-	8,926	-	-	-
Total Assets	140,875	-	37,424	122,038	-	36,463	-961

P&L (Consolidated)

(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 H1 Forecast	Progress	FY2/10 Forecast	Progress
Sales	50,444	8,722	12,300	70.9%	18,200	47.9%
Cost of Sales	80,408	7,547	—	—	—	—
Gross Profit (Loss)	-29,963	1,174	—	—	5,600	21.0%
SG&A	16,207	872	—	—	3,400	25.6%
Operating Income (Loss)	-46,170	301	800	37.6%	2,200	13.7%
Non-Operating Loss, net	-7,945	-184	—	—	—	—
Ordinary Income (Loss)	-54,115	117	400	29.3%	1,400	8.4%
Extraordinary Gain (Loss), net	-5,090	120	—	—	—	—
Pre-tax Income (Loss)	-59,205	237	—	—	—	—
Tax	2,882	107	—	—	—	—
Minority Interests	-13,916	-79	—	—	—	—
Net Income (Loss)	-48,171	209	300	69.7%	1,000	20.9%

Extraordinary gain

• Gain on CB redemption ¥50 million

* Changes in accounting principles:

Started accounting for SPC expenses as part of Cost of Sales from this fiscal year

Appendix: Real Estate

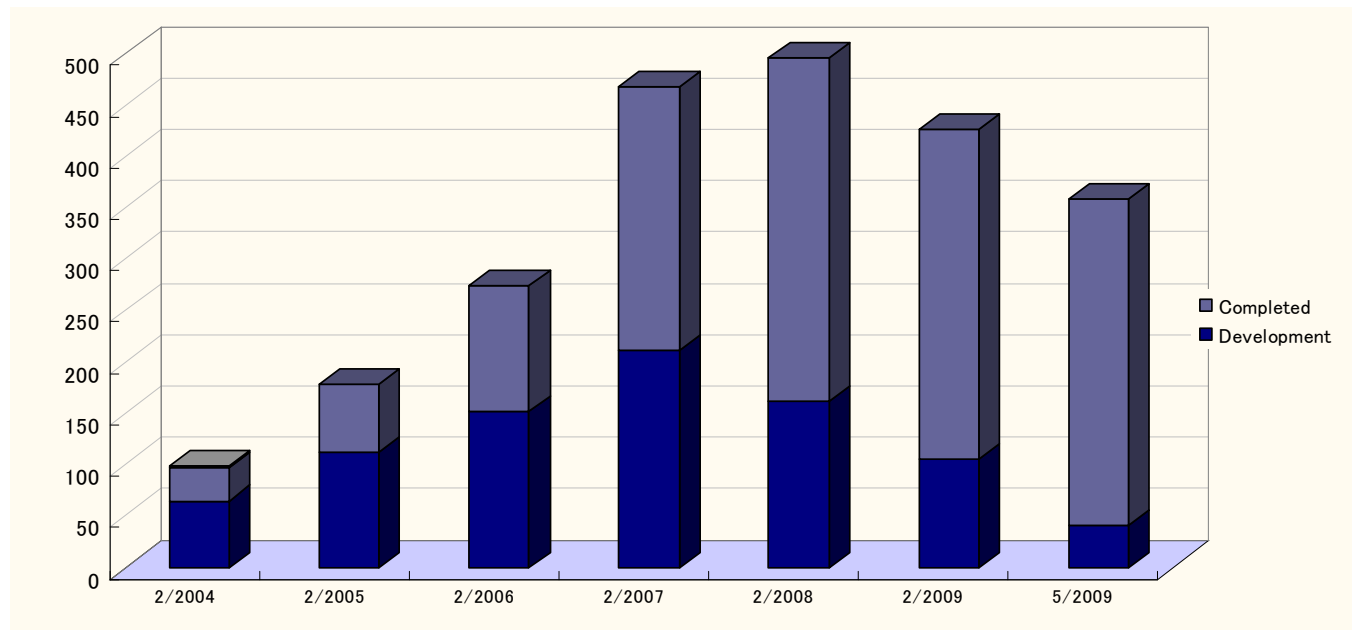
Assets Under Management (Domestic Real Estate)

Assets Under Management

(billion yen)

	2/2004	2/2005	2/2006	2/2007	2/2008	2/2009	5/2009
Development	64.6	111.7	151.3	211.1	161.0	105.8	40.7
Completed	32.6	66.3	123.3	257.0	335.0	320.7	317.3
Total	97.2	178.0	274.6	468.1	496.0	426.5	358.0

(billion yen)



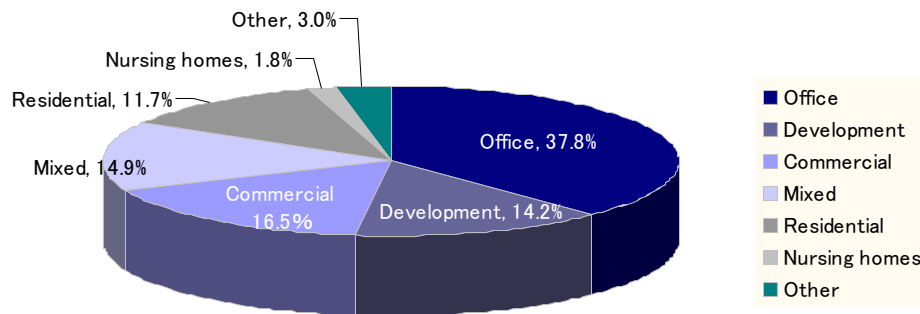
Assets Under Management:

AUM includes commingled funds in which Asset Managers Holdings has invested, but does not include Asset Managers Holdings' own direct real estate investments).

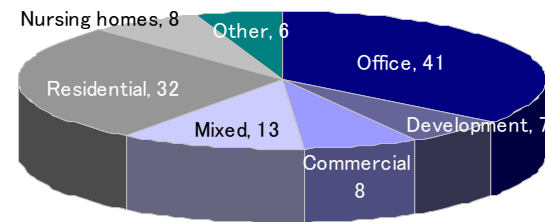
Domestic Real Estate Funds by Property Type

(As of May 2009)

By Value



By Number of Properties

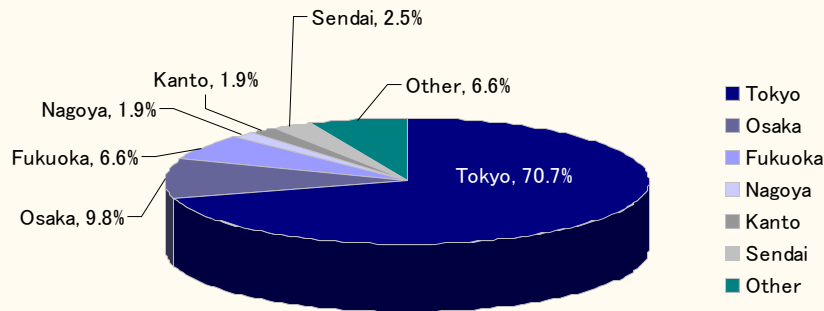


- ✓ Primary focus on office, but considerable experience across all property categories
- ✓ Strong track record of returns for clients

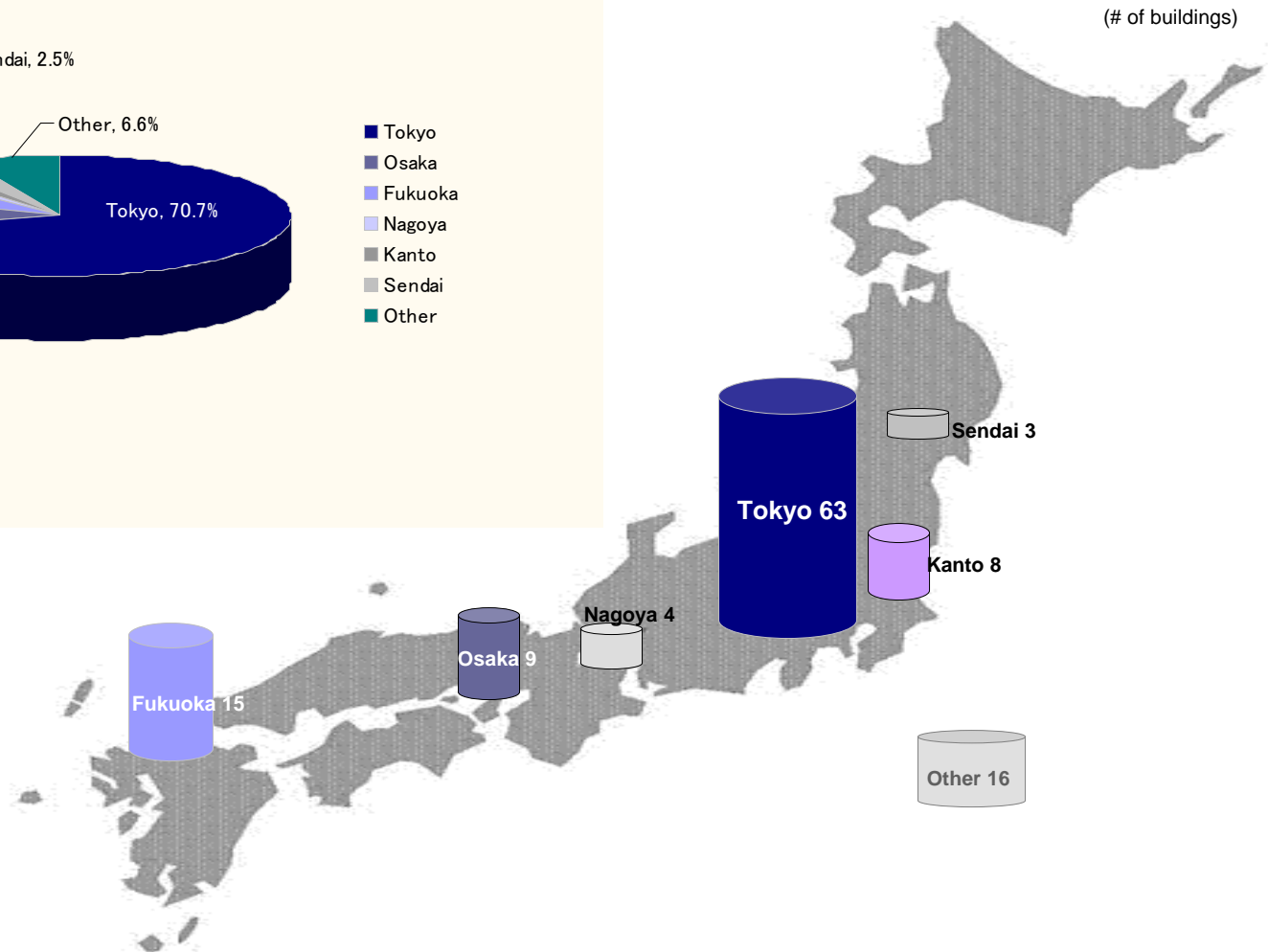
Domestic Real Estate Funds by Location

(As of May 2009)

By AUM



By Number of Properties



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