

Asset Managers Holdings



Feb. 2010 Fiscal Year Q2 (June-August 2009) Corporate Presentation

October 19, 2009

- ❑ Feb. 2010 Fiscal Year Q2 Summary
 - ✓ Focus on Cashflow
 - ✓ Continued Asset Dispositions
 - ✓ Repayment of Corporate Debt
 - ✓ Strengthened Balance Sheet
 - ✓ Return to Profitability
 - ✓ Adjusting Full-Year Earnings Forecasts
 - ✓ Maintaining Fully Marked-to-Market Balance Sheet

- ❑ View on Current Market Environment
 - ✓ Real Estate
 - ✓ Investors and Lenders

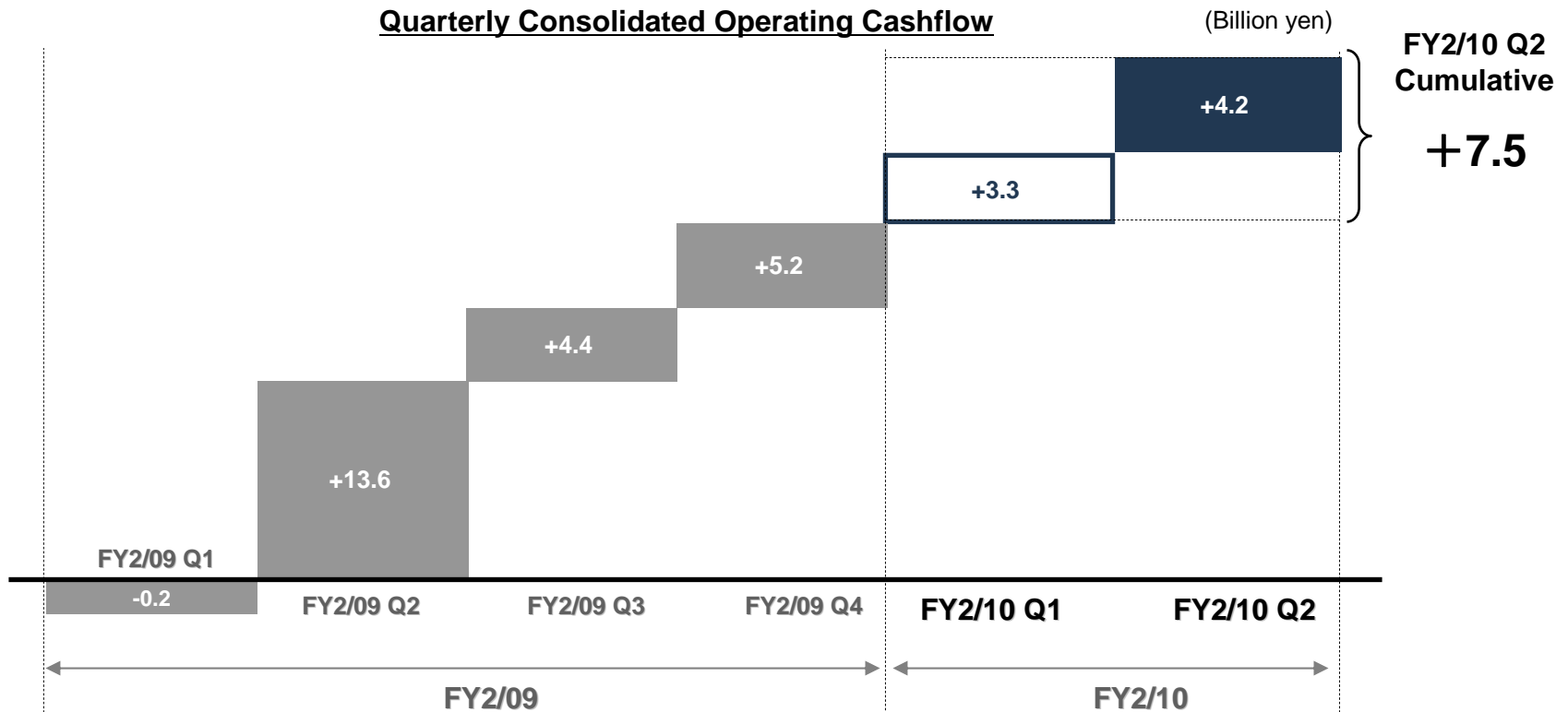
- ❑ Forward Strategy
 - ✓ Q2 Developments and Framework
 - ✓ Refinance to Preserve Existing Revenue Streams
 - ✓ Radically Improved Profitability Structure

- ❑ Appendices : Financial & Real Estate Data

Feb. 2010 Fiscal Year Q2 Summary

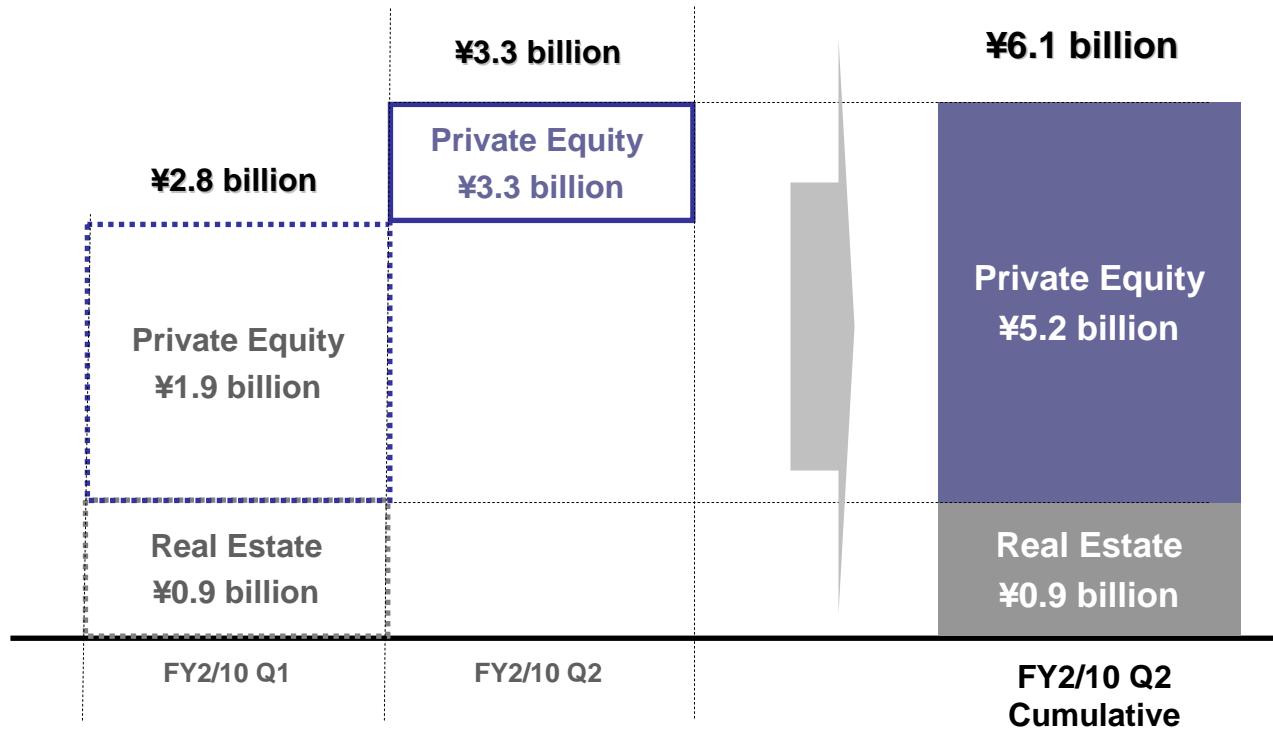
Focus on Cashflow

- ❑ C/F and B/S = Fundamental
- ❑ Operating Cashflow Strongly Positive for the Last Five Quarters
 - ✓ Plus ¥30 billion over the period
- ❑ Dramatically Decrease Risk Profile through Slimmed B/S



Continued Asset Dispositions

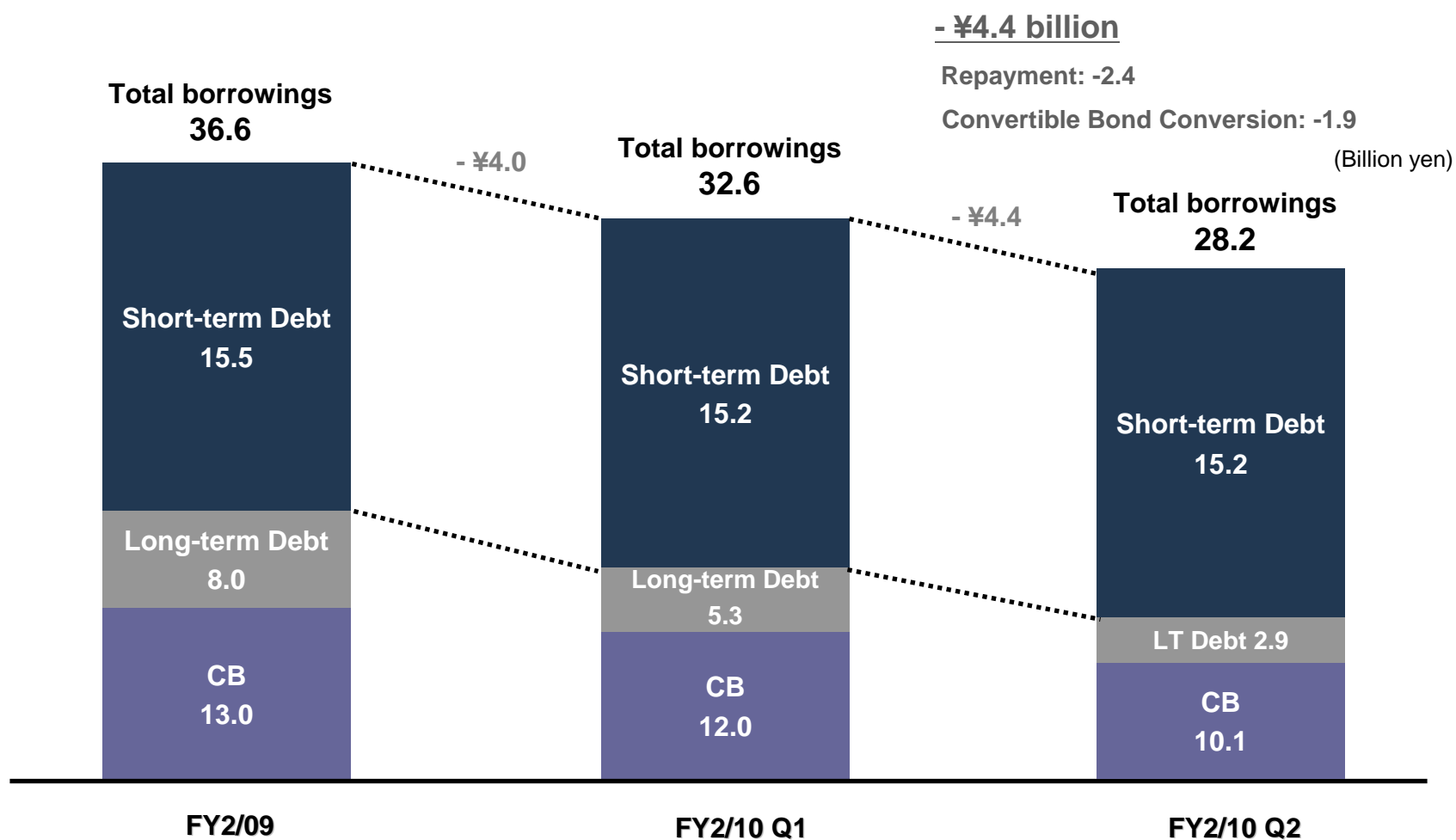
¥6.1 Billion Raised from H1 Asset Sales, Focused on Private Equity (7 Domestic & 8 Overseas)



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

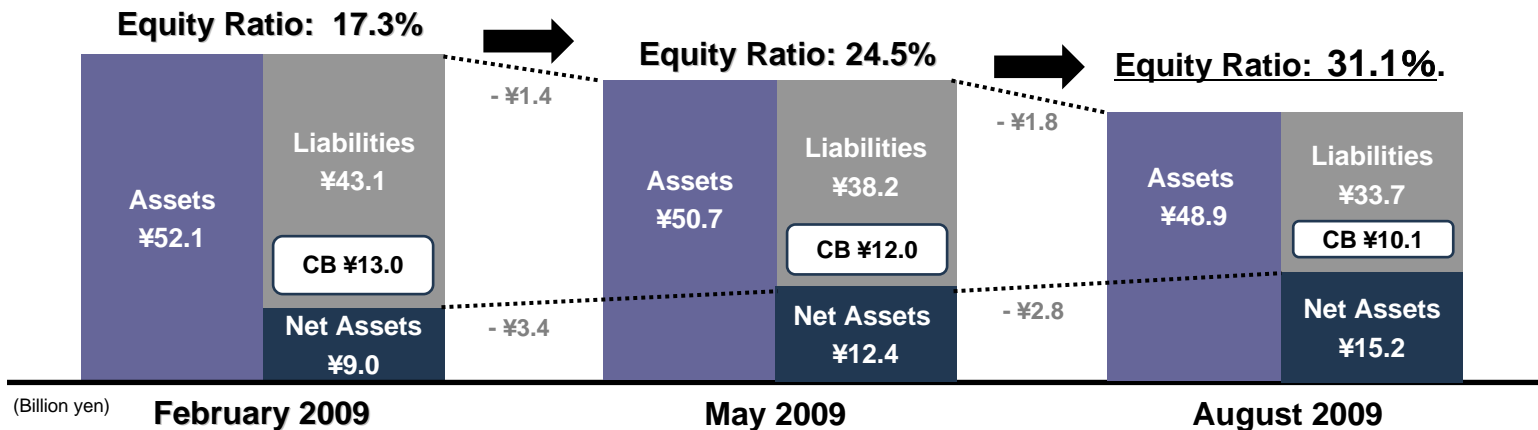
Repayment of Corporate Debt

Decreased Corporate Debt by ¥8.4 billion in H1



Strengthened Balance Sheet

- ❑ Shrank B/S through Asset Sales
- ❑ Net Assets Increased by ¥6.2 billion
 - ✓ Retained Earnings: ¥1.2 billion
 - ✓ CB Conversion: ¥2.9 billion
 - ✓ Some Higher Asset Values due to Market Rebound: ¥1.9 billion



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

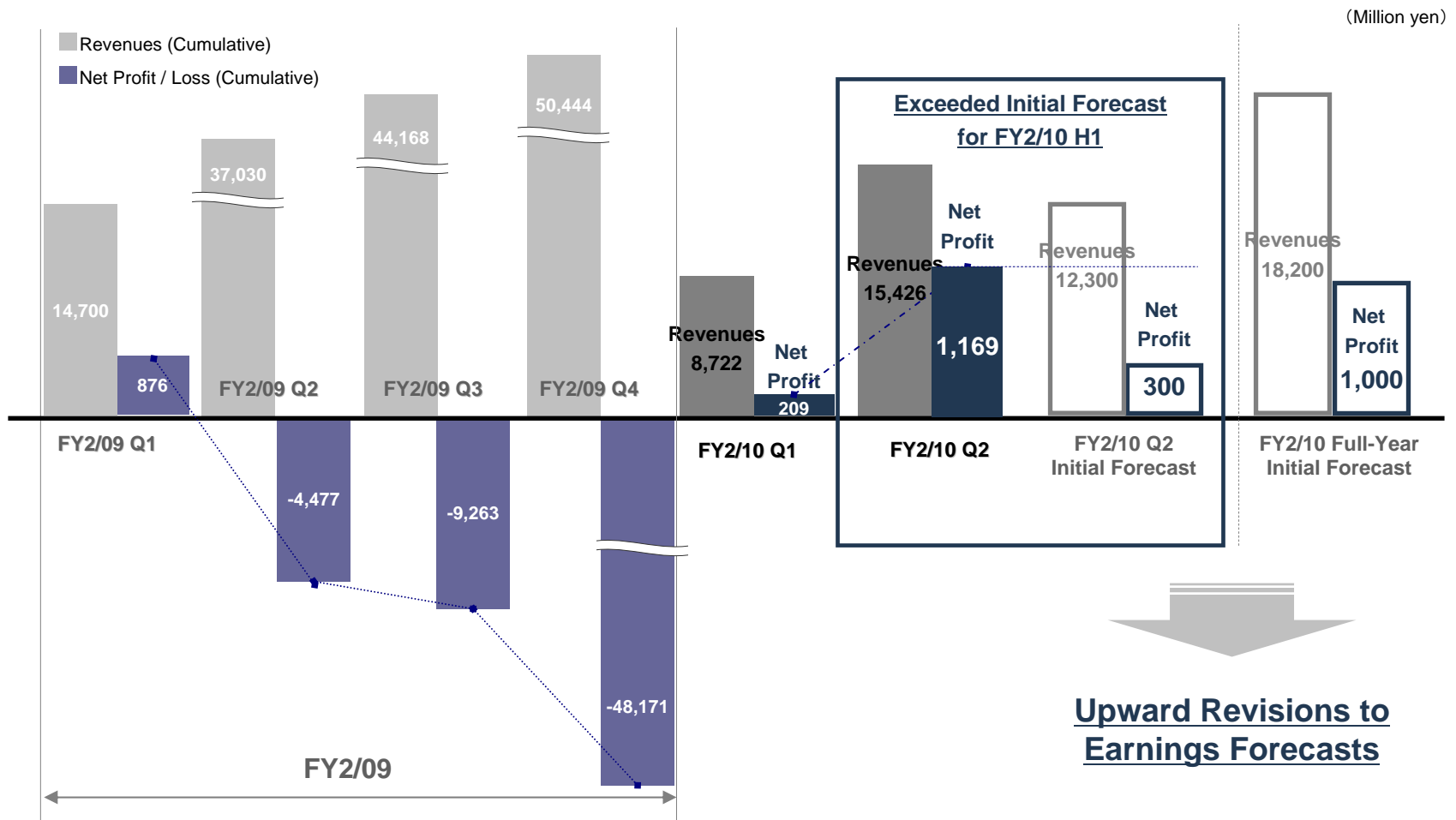
- Adjusted net assets = Net assets – Minority equity of consolidated client funds financed with non-recourse loans
- Adjusted total assets = Total assets – (Non-recourse loans + Minority equity of consolidated client funds financed with non-recourse loans)
- Adjusted liabilities = Adjusted total assets – 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
7/1/2009 - 7/31/2009	24,479	200	¥8,170
8/1/2009 - 8/31/2009	0	0	¥8,170
Total	343,918	2,810	—

Return to Profitability

- Returned to Profitability from this Fiscal Year
- Exceeded Initial Half-Year Profit Forecast



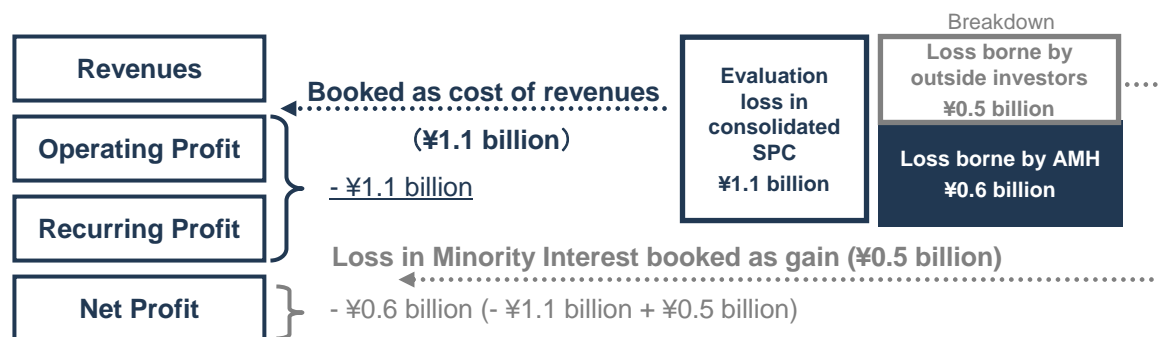
Adjusting Full-Year Earnings Forecasts

(Million yen)

	After Revision	Before Revision	Change	Explanations
Revenues	21,100	18,200	+2,900	Asset dispositions are proceeding above forecast
Operating Profit	1,100	2,200	-1,100	Write-down of an operating asset
Recurring Profit	400	1,400	-1,000	Same as above
Net Profit	1,300	1,000	+300	Extraordinary profits on asset sales

Q2 Operating Asset Write-down Detail

- ✓ Write-down of assets held by consolidated SPC (i.e., fund assets) shows a magnified negative effect on Operating Profit, because the total loss is booked first as Cost of Revenues, thereby hitting Operating Profit, but then the loss attributable to fund investors is written back to Net Profit via a loss in Minority Interest
- ✓ Q2 Write-down = ¥1.1 billion, with net loss to AMH of ¥0.6 billion



Maintaining Fully Marked-to-Market B/S

- ❑ Eliminate Any Unrealized Losses from B/S
- ❑ Continually Mark Assets In-line with Current Market Pricing

Current Cap Rates on AMH Real Estate Assets

	Area	Cap rate (at acquisition) NOI/acquisition value	Cap rate (current) NOI/current value
Balance Sheet	Tokyo	5.9%	7.6%
	Outside Tokyo	6.8%	9.8%
Fund	Tokyo	5.1%	6.5%
	Outside Tokyo	5.9%	9.7%

View on Current Market Environment

❑ Cap Rates Appear to Have Peaked Out and Have Begun Declining for Some Properties

- ✓ Particularly Class A office and newly built residential
- ✓ Real estate values have declined due to falling rents, especially in office and commercial buildings which more directly reflect the negative economic environment

❑ Due to Falling Rents, Vacancy Rates Appear to Have Stabilized

- ✓ Vacancy rates for Tokyo five wards remain flat because new large office buildings have succeeded in attracting tenants
- ✓ Tokyo 23 ward rents have also moved down to keep current tenants from leaving and maintain current occupancy rates

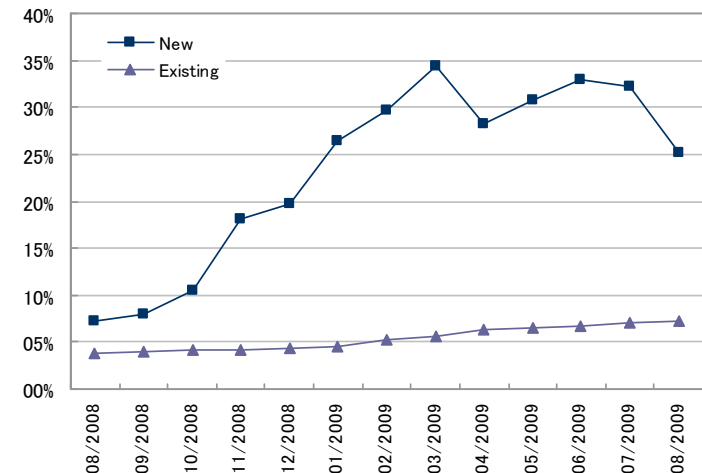
❑ Limited Selling

- ✓ Many owners are holding to avoid realizing losses
- ✓ Number of properties expected to come into the market upon maturity of CMBS is proving to be less than initially expected

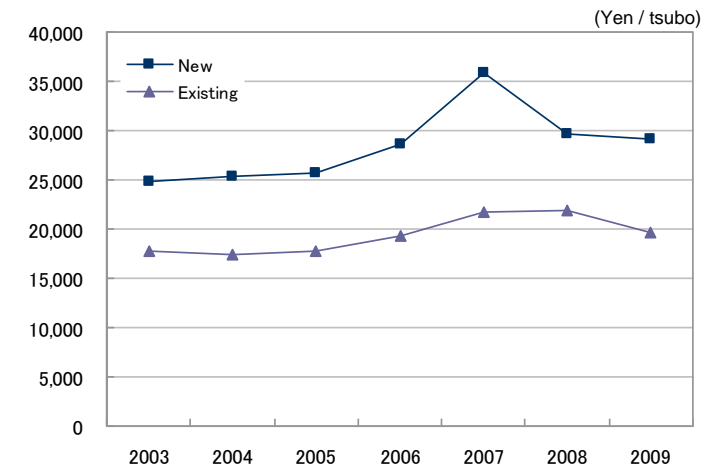
❑ Signs of Recovery in J-REITs as Healthy Buyers

- ✓ Restructuring and consolidation underway
 - Daiwa House sponsorship of New City Residence
 - First merger: Advance Residence and Nippon Residential
 - Nippon Commercial and Joint selecting new sponsors
- ✓ Public/private J-REIT rescue fund

Vacancy Rates of Offices in Tokyo Five Wards



Average Rents of Offices in Tokyo Five Wards



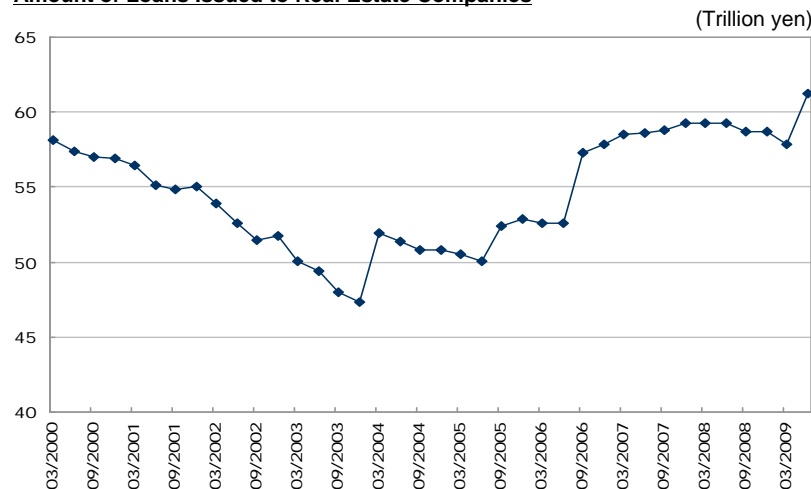
Investors and Lenders

- ❑ Emerging Appetite among Some Equity Investors
 - ✓ Primarily opportunistic
 - ✓ 3-5 year investment horizon
 - ✓ Office buyers are looking at NCF after factoring in future rent declines
 - ✓ However, sellers are looking at current NCF, so there remains a gap between buyers and sellers
- ❑ Post-June 2009, Some Lenders Have Become More Active
 - ✓ Long-term loans (3-5 years) with LTVs around 60%
 - ✓ Matched to needs of investors
- ❑ Real Estate Fund Market Has Begun to Expand Again
 - ✓ ¥13.9 trillion in December 2008 → ¥14.1 trillion in June 2009



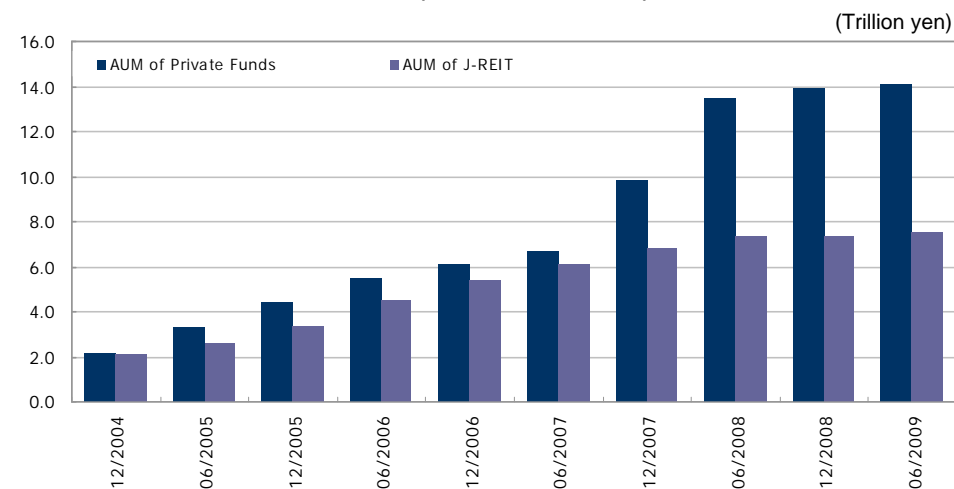
Signs of Recovery

Amount of Loans Issued to Real Estate Companies



Source: Bank of Japan
Note: Categorization has changed since 3/2009

Market Size of Real Estate Funds (Private Funds & REIT)



Source: STB Research Institute

Forward Strategy

Q2 Developments and Framework

□ Q2 Developments

	Current Developments
New Fund Launches	• Work-in-progress. We are in discussions with a number of equity investors and lenders about new fund launches, but buyer and seller views on cap rates still appear to be somewhat apart, although that gap appears to be now closing
New Fee Businesses	• Concluded 4th real estate advisory contract with Netz Toyota Tama
Further Actions to Drive Corporate value	<ul style="list-style-type: none"> • Due diligence on several M&A transactions - will only be a buyer at exceptional good levels for our shareholders • Stable financial structure, and operating cashflow continues to be strongly positive • Consolidated tax accounting to make use of tax losses - completed process, in place from March 2010 • Significantly reduced SG&A costs, expect next year will be yet another 30% lower

□ Framework

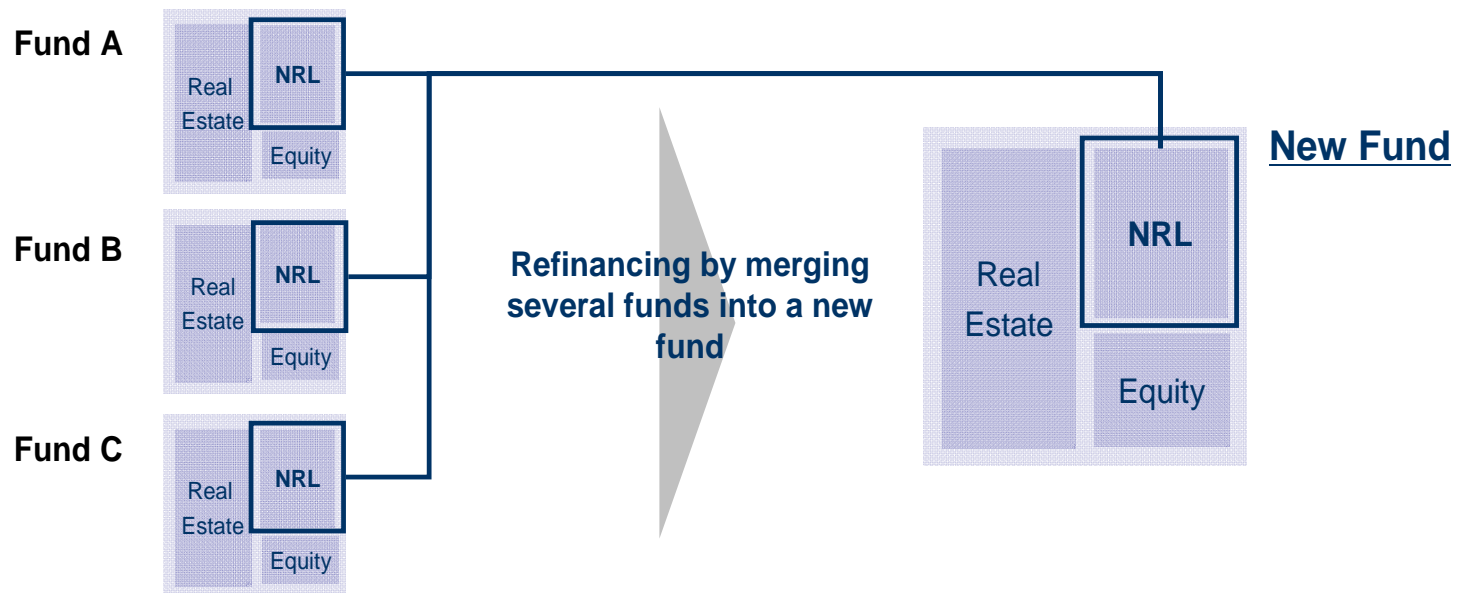
- ✓ Realign Business Model towards Stable Fee Businesses
 - Key objectives: “Focus”, “Differentiation”, “Feasibility”, and “Build Brand”
 - Improve operational efficiency and redefine functions so that front office can focus on driving new business
 - Newly established a Product Development & Marketing Group and an Environmental & Architectural Solutions Group
 - New fee revenue sources: CRE businesses and financing arrangement for medical institutions

- ✓ Radical Improvement to Earnings Structure to Support Stable Profitability

Refinance to Preserve Existing Revenue Streams

- ❑ In Cases where Equity Value Remains, Refinance to Maintain AM Fee Revenues and Preserve Potential Future Equity Upside
- ❑ Recent Example: Refinanced ¥12 billion for 5 Years by Merging Several Funds into a New Fund

¥12 Billion Refinancing



NRL = Non-recourse loan

Radically Improved Profitability Structure

□ Significant Reductions in SG&A Costs to Support Higher Profitability

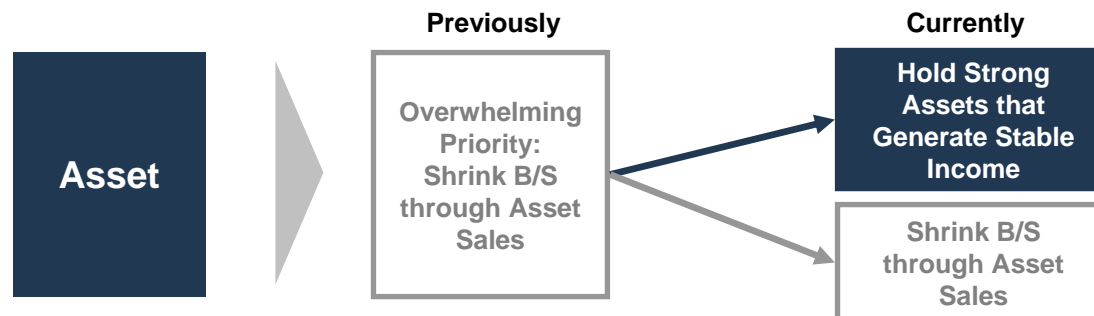
SG&A Costs (one-time costs such as allowance for bad debts are eliminated)



*Pro Forma

□ More Flexibility in Timing Asset Sales

- ✓ With a stronger balance sheet in place, can hold strong assets that generate high-levels of NOI



Appendix: Pro Forma Financial Data

- ❑ Under Japanese accounting rules, SPCs in which AMH is a greater than 50% investor or SPCs for which AMH is the asset manager and no single equity investor holds more than 50% of the total investment must be consolidated onto AMH's balance sheet.
- ❑ In order to more accurately reflect the true economic exposures borne by our shareholders, in addition to our statutory consolidated and parent financials, we disclose pro forma B/S and P&L financials that reflect the direct economic exposures and results of Asset Managers Holdings, Asset Investment Advisors, Asset Securities, and Asset Managers (Asia).

Balance Sheet (Pro Forma)

- ❑ Slimmer Balance Sheet and Growing Shareholder Equity
- ❑ CB Conversion of ¥1.94 billion

(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 Q2	Change (QoQ)
Total Assets	46,780	43,533	42,079	-1,454
Cash and Cash Equivalents	5,395	4,543	6,598	2,055
Investment (Real Estate)	10,144	10,056	10,470	414
Investment (Domestic companies)	7,215	6,503	5,588	-915
Investment (Overseas companies)	11,661	11,359	9,493	-1,866
Real Estate Held for Sale	9,162	8,289	8,289	0
Other	3,203	2,783	1,641	-1,142
Liabilities	38,267	33,348	28,749	-4,599
Interest-Bearing Debt	22,016	18,860	16,457	-2,403
CB	13,000	12,030	10,090	-1,940
Other	3,251	2,458	2,202	-256
Net Assets	8,513	10,184	13,330	3,146

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

P&L (Pro Forma)

- Return to Profitability from this Fiscal Year
- Significantly Lower Cost Structure

(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 Q2	FY2/10 Q2 Cumulative
Revenues	10,593	2,984	3,918	6,902
Cost of Revenues	28,047	2,312	2,803	5,115
Gross Profit	-17,454	672	1,115	1,787
SG&A	11,513	627	528	1,154
Operating Profit (Loss)	-28,967	45	587	633
Non-Operating Loss, net	-108	-42	-129	-173
Recurring Profit (Loss)	-29,075	3	458	460
Extraordinary Gain (Loss), net	-16,445	289	574	865
Pre-tax Profit (Loss)	-45,520	292	1,032	1,325
Tax	2,785	106	-1	104
Minority Interests	—	41	19	60
Net Profit (Loss)	-48,306	145	1,015	1,160

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

P&L Breakdown (Pro Forma)

(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 Q2	Change (QoQ)	FY2/10 Q2 Cumulative
Revenues	10,593	2,984	3,918	934	6,902
Fees	3,181	534	428	-106	962
Equity Dividends	241	194	88	-106	282
Rents	730	185	194	9	380
Sales of Real Estate	5,631	935	931	-4	1,866
Sales of Equity	117	1,088	2,215	1,127	3,303
Others	693	47	62	15	110
Gross Profit	-17,454	672	1,115	443	1,787
Fees	2,627	384	326	-58	710
Equity Dividends	241	194	80	-114	273
Rents	509	153	147	-6	301
Sales of Real Estate	3,585	35	136	101	171
Sales of Equity	-1,168	116	1,114	998	1,229
Others	-23,247	-210	-687	-477	-898
Operating Income	-28,967	45	587	542	633
Ordinary Income	-29,075	3	458	455	460
Extraordinary Gain (Loss)	-16,445	289	574	285	865
Net Profit	-48,306	145	1,015	870	1,160

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

Appendix: Consolidated Financial Data

Balance Sheet (Consolidated)

- ❑ Slimmer Balance Sheet and Growing Shareholder Equity
- ❑ CB Conversion of ¥1.94 billion

(Millions yen)

	FY2/09	FY2/10 Q1	FY2/10 Q2	Change (QoQ)
Total Assets	140,875	122,038	118,229	-3,809
Cash and Cash Equivalents	18,449	15,169	16,267	1,098
Operating Investments in Securities	11,779	11,219	10,215	-1,004
Real Estate Held for Sale	97,184	78,895	77,331	-1,564
Fixed assets	3,500	3,460	3,331	-129
Investments in Securities	6,500	7,829	7,336	-493
Other	3,463	5,466	3,749	-1,717
Liabilities	127,929	106,703	100,564	-6,139
Interest-Bearing Debts (excl. Non-Recourse Loans)	23,608	20,596	18,148	-2,448
Non-Recourse Loans	78,653	63,393	61,981	-1,412
CB	13,000	12,030	10,090	-1,940
Other	12,668	10,684	10,345	-339
Net Assets	12,945	15,335	17,665	2,330
Shareholders Equity	8,724	11,559	14,584	3,025
Minority Interests and Other	4,221	3,776	3,081	-695

Breakdown of Assets (Consolidated)

(Million yen)

	FY2/09			FY2/10 Q1			FY2/10 Q2			Change in the Company's Interests (B-A)
	Amount	Outside Investors' Interests	The Company's Interests	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	-	-	16,267	-	-	-
Operating Investments in Securities	11,779	0	11,779	11,219	0	11,219	10,215	0	10,215	-1,004
Domestic Real Estate	1,592	0	1,592	2,373	0	2,373	2,278	0	2,278	-95
Listed Domestic Companies	466	0	466	466	0	466	608	0	608	142
Unlisted Domestic Companies	3,921	0	3,921	2,970	0	2,970	2,981	0	2,981	11
Listed Overseas Companies	1,683	0	1,683	2,756	0	2,756	2,711	0	2,711	-45
Unlisted Overseas Companies	4,118	0	4,118	2,655	0	2,655	1,637	0	1,637	-1,018
Reference: Allowance for Bad Debts for Operating Investments in Securities	-2,847	-	-2,847	-2,827	-	-2,827	-3,339	-	-3,339	-512
Real Estate Assets for Sale	97,184	78,040	19,144	78,895	61,480	17,415	77,331	60,356	16,975	-440
Domestic Real Estate	94,404	75,746	18,658	75,803	58,929	16,874	74,252	57,816	16,436	-438
Overseas Real Estate	2,780	2,293	486	3,092	2,551	541	3,079	2,540	539	-2
Investments in Securities	6,500	0	6,500	7,829	0	7,829	7,336	0	7,336	-493
Domestic Companies	593	0	593	1,098	0	1,098	858	0	858	-240
Overseas Companies	5,668	0	5,668	6,457	0	6,457	6,152	0	6,152	-305
Others	240	0	240	273	0	273	325	0	325	52
Tangible Assets	3,500	-	-	3,460	-	-	3,331	-	-	-
Other Assets	3,463	-	-	5,466	-	-	3,749	-	-	-
Total Assets	140,875	-	37,424	122,038	-	36,463	118,229	-	34,528	-1,935

P&L (Consolidated)

- Return to Profitability from this Fiscal Year
- Significantly Lower Cost Structure

(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 Q2	FY2/10 Q2 Cumulative	FY2/10 H1 Initial Forecast	Progress
Revenues	50,444	8,722	6,704	15,426	12,300	125.4%
Cost of Revenues	80,408	7,547	5,794	13,342	—	—
Gross Profit	-29,963	1,174	909	2,084	—	—
SG&A	16,207	872	728	1,601	—	—
Operating Profit (Loss)	-46,170	301	181	482	800	60.3%
Non-Operating Loss, net	-7,945	-184	-166	-349	—	—
Recurring Profit (Loss)	-54,115	117	15	133	400	33.3%
Extraordinary Gain (Loss), net	-5,090	120	574	693	—	—
Pre-tax Profit (Loss)	-59,205	237	589	826	—	—
Tax	2,882	107	-7	100	—	—
Minority Interests	-13,916	-79	-363	-443	—	—
Net Profit (Loss)	-48,171	209	959	1,169	300	389.7%

*Changes in accounting principles (from FY2/10 Q1):

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

P&L Breakdown (Consolidated)

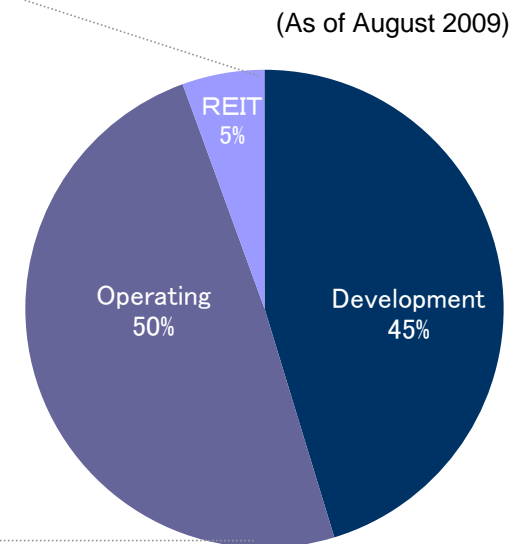
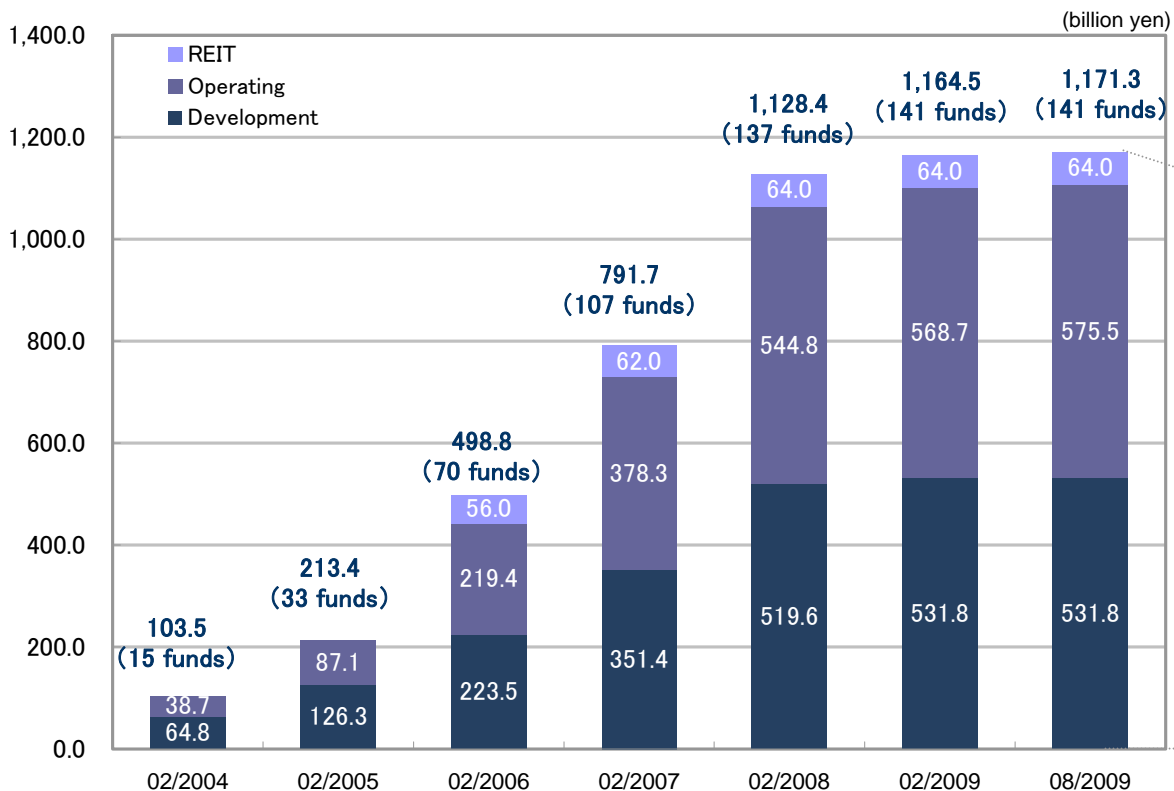
(Million yen)

	FY2/09	FY2/10 Q1	FY2/10 Q2	Change (QoQ)	FY2/10 Q2 Cumulative
Revenues	50,444	8,722	6,704	-2,018	15,426
Fees	1,623	287	240	-47	527
Equity Dividends	143	254	111	-143	365
Rents	9,178	1,835	1,773	-62	3,608
Sales of Real Estate	30,500	3,621	1,170	-2,451	4,791
Sales of Equity	3,794	2,456	3,171	715	5,627
Others	5,201	265	239	-26	504
Gross Profit	-29,963	1,174	909	-265	2,084
Fees	1,123	166	138	-28	304
Equity Dividends	43	292	59	-233	351
Rents	6,829	701	513	-188	1,214
Sales of Real Estate	4,765	217	24	-193	241
Sales of Equity	-205	132	1,197	1,065	1,329
Others	-42,517	-333	-1,024	-691	-1,357
Operating Income	-46,170	301	181	-120	482
Ordinary Income	-54,115	117	15	-102	133
Extraordinary Gain (Loss)	-5,090	120	574	454	693
Net Profit	-48,171	209	959	750	1,169

Appendix: Real Estate

Cumulative Assets Under Management

- Historic Cumulative AUM Exceeds ¥1 trillion
- Strong Long-Term Track Record of Managing Real Estate for Clients

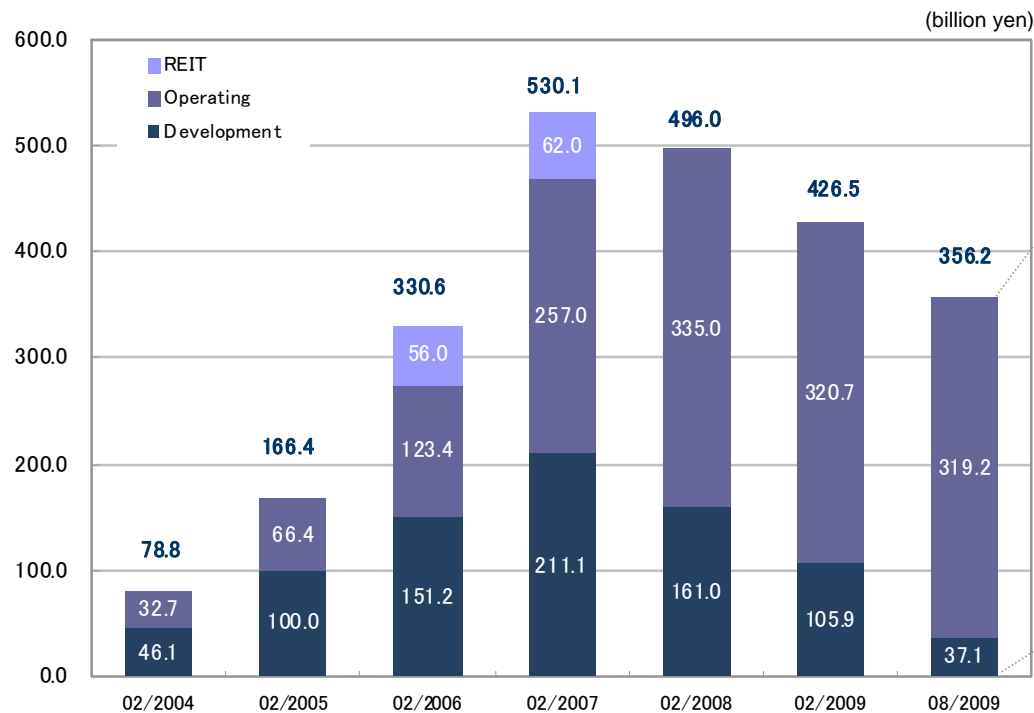


Assets Under Management

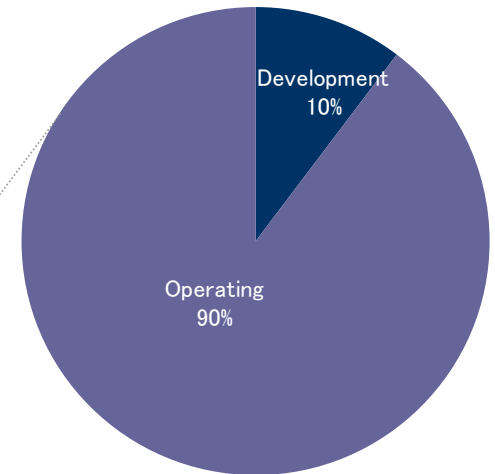
Assets managed by SPCs - does not include investments held directly by AMH on B/S

Assets Under Management

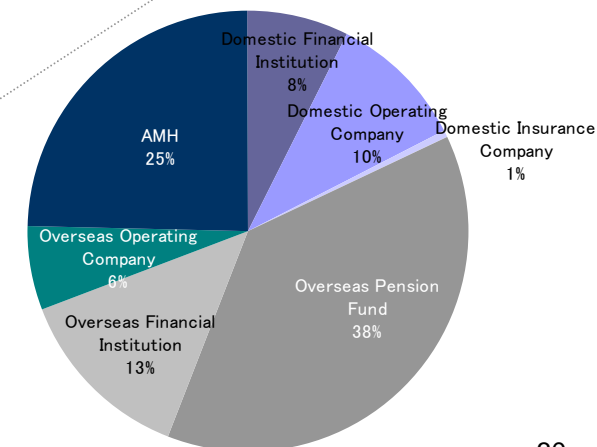
- Expertise across Full Spectrum from Development to Operating Assets
- 90% of Current Portfolio is Comprised of Operating Assets



(As of August 2009)



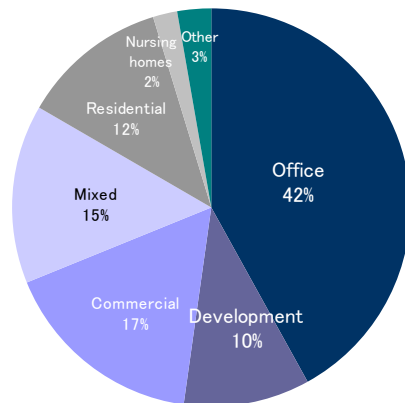
Breakdown of Equity Investors



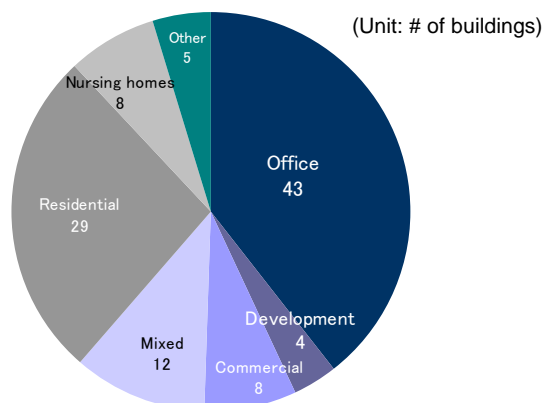
Real Estate Portfolio

- Mainly Office, although Significant Track Record across a Wide Variety of Asset Types
- Particular Experience in Managing Small & Mid-Size Assets from ¥1 – 5 billion in Tokyo

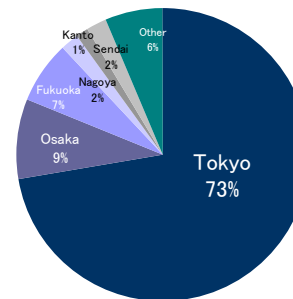
AUM by Type



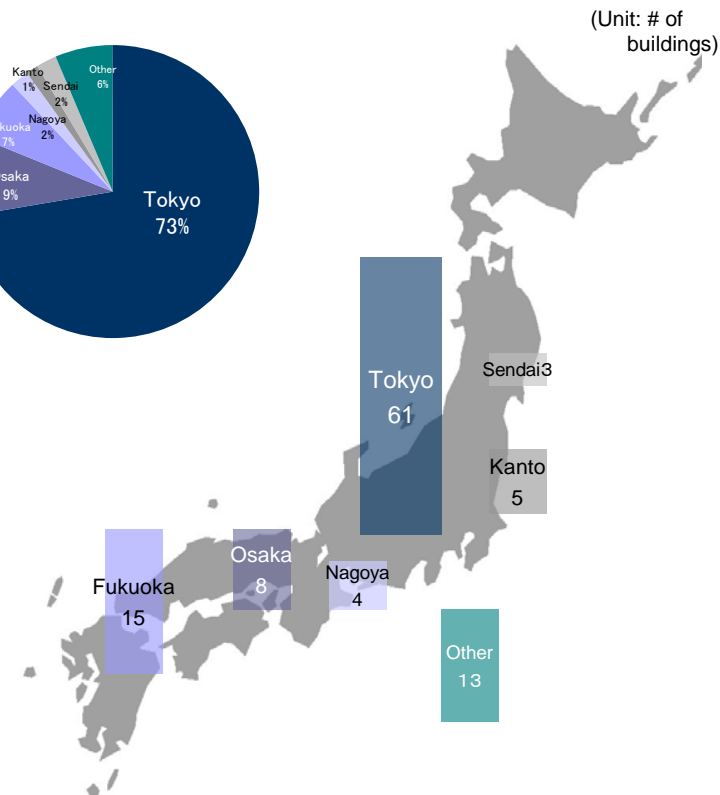
of Properties by Type



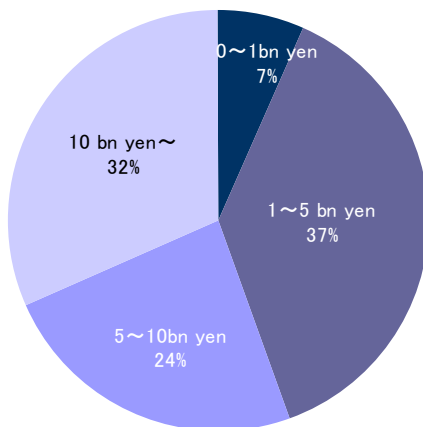
AUM by Location



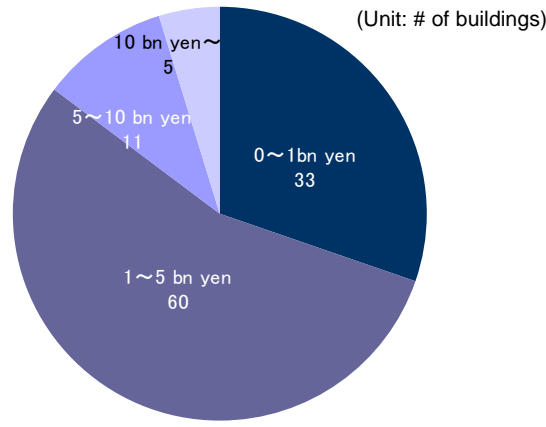
of Properties by Location



AUM by Size



of Properties by Size



AMH Real Estate Cap Rates

- ❑ Early Adoption of Lower of Cost or Market Rule
- ❑ Continually Mark Assets In-line with Current Market Pricing and Eliminate Any Unrealized Losses from B/S

Real Estate Investments held by Funds (SPCs)

(As of August 2009)

(million yen)

Location	Acquisition value	Book value (after write-down)	NOI	Cap rate (at acquisition) NOI/acquisition value	Cap rate (current) NOI/value after write-down
Tokyo	206,638	182,973	8,789	5.1%	6.5%
Outside Tokyo	71,549	48,213	4,003	5.9%	9.7%
Total	278,188	231,186	12,792	5.5%	8.0%

Real Estate Investments directly held by AMH

(million yen)

Location	Acquisition value	Book value (after write-down)	NOI	Cap rate (at acquisition) NOI/acquisition value	Cap rate (current) NOI/value after write-down
Tokyo	4,265	3,041	231	5.9%	7.6%
Outside Tokyo	7,148	5,099	521	6.8%	9.8%
Total	11,413	8,139	752	6.5%	9.1%

NOI (Net Operating Income)

Net income = rental income – management costs (taxes, property management fees and repairs)

These materials were prepared to explain the Company's businesses and are not for the purpose of soliciting investment in marketable securities issued by the Company. The Company does not guarantee the accuracy of the figures, information, estimates or other statements included herein, and accepts no responsibility for damages or losses arising through the use of the figures, information, estimates or other statements contained herein.

These materials are also based upon information available as of August 31, 2009, and contain forward-looking statements pertaining to the Company's expectations, targets, plans and strategies. Such forward-looking statements are not facts, but are the result of management's judgment based on information available as of this date. Actual operating results or developments concerning the Company may differ substantially from those indicated by forward-looking statements. The information enclosed is also subject to revision without prior notice.



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