



NEWS RELEASE

Mar 5, 2010

R&I Assigns AA-: Japan Excellent, Inc. Shelf Reg. SB No.1

Rating and Investment Information, Inc. (R&I) has announced the following.

ISSUER: Japan Excellent, Inc. (Sec. Code: 8987)
Preliminary Rating for the Shelf Registration (Bonds)

Unsec. Str. Bonds No.1
New Issue (issued under the Shelf Registration)

R&I RATING: AA- (Assigned)

RATIONALE:

Japan Excellent, Inc. is a real estate investment trust (J-REIT) which was listed on the stock exchange in June 2006. The REIT invests mainly in office buildings, and is sponsored by the following eight companies: Kowa Real Estate Co., Ltd., The Dai-ichi Mutual Life Insurance Co., Sekisui House, Ltd., Morgan Stanley Capital K.K., The Dai-ichi Building Co., Ltd., Sohgo Housing Co., Ltd., Mizuho Corporate Bank, Ltd., and Mizuho Trust & Banking Co., Ltd. The first three companies serve as a core sponsor.

The REIT invests primarily in large office buildings located in Tokyo. Amid the harsh office building market, it has been able to maintain stable cash flow thanks partly to its appropriate rent pricing and efforts in building up good relationships with tenants in addition to competitive strength of its properties. The debt ratio is controlled within the REIT's management policy. The REIT continues to be capable of stable fund procurement, mainly from the three sponsor financial institutions.

The primary rating methodologies applied to this rating are provided at "R&I J-REIT Rating Methodology" and "Basic Methodologies for R&I's Credit Rating". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/rating/st/methodology.html>

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R&I RATINGS:

ISSUER: Japan Excellent, Inc. (Sec. Code: 8987)
ISSUE: Preliminary Rating for the Shelf Registration scheme (Bonds)
Issue Amount: Yen 100,000 million (Shelf Amount)
Issue Period: Two years from Jan 07, 2010
R&I RATING: AA- (Assigned)

The following ratings have been assigned to bonds to be issued under the shelf registration rated above:

LONG-TERM ISSUE RATING:	Issue Date	Redemption	Issue Amount (mn)
Unsec. Str. Bonds No.1	Mar 11, 2010	Mar 11, 2014	Yen 12,000
R&I RATING:	AA- (Assigned)		

Rating and Investment Information, Inc. Nihonbashi 1-chome Bldg., 1-4-1, Nihonbashi, Chuo-ku, Tokyo 103-0027, Japan
Investors Service Division TEL.03-3276-3511 FAX.03-3276-3413 <http://www.r-i.co.jp>

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Notes/Financial covenants:

- 1) negative pledge clause, which covers other unsecured domestic bonds the firm may issue in the future, except those with a change of security status clause.

ISSUER RATING: AA-
RATING OUTLOOK: Stable

In principle, an Issuer Rating is R&I's opinion on an issuer's overall capacity to repay its financial obligations as agreed and is assigned to all issuers. The rating of individual obligations includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than the Issuer Rating.

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