

NEWS RELEASE

March 12, 2009

The Association for Real Estate Securitization

**Results of the 3rd Research Study on General Business Companies'
Attitudes and Actions Regarding Real Estate Ownership**

The Association for Real Estate Securitization (Chairman: Hiromichi Iwasa, President and CEO of Mitsui Fudosan Co., Ltd.) conducted a questionnaire survey last November targeting listed companies in an aim to ascertain the stance of general business companies toward real estate acquisitions/sales and ownership/leasing, to gain an understanding of their awareness/experience/issues regarding securitization methods, and to ascertain the situation regarding the introduction of CRE management (efforts to effectively utilize companies' real estate strategically), for which efforts have recently started to appear at some companies. The overview of the survey and the survey results are as follows:

【Overview of the survey】

- Survey Target: 3,556 listed companies (excluding those in the financial/real estate sectors)
- Number of responding companies: 270 companies (response rate: 7.6%)
- Survey period: November 2008
- Survey method: questionnaire survey

【Key point of survey results】

○Situation regarding attitude toward real estate ownership

Amid the financial crisis, more companies are cutting back on real estate acquisitions. In addition, as for real estate sales, the number of companies that will not change planned real estate sales amounts is increasing.

○Situation regarding real estate securitization

The awareness level of securitization has improved compared to the previous survey conducted in 2006, revealing that securitization has penetrated among companies. In addition, although understanding and implementation experience in securitization among general business companies has increased, companies responding that they are currently considering such has decreased, showing a trend that intention to utilize securitization in the future has reached a ceiling.

○Situation regarding CRE management

Awareness of CRE management has increased compared to the previous survey conducted in 2006, and the number of companies that recognize its necessity has also increased.

This release was distributed to the press clubs within Tokyo Stock Exchange (Kabuto Club) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), as well as the press club for construction trade newspapers within MLIT. The survey results other than those written in this release will not be announced. Thank you for your understanding.

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**The 3rd Research Study on General Business Companies’
Attitudes and Actions Regarding Real Estate Ownership
【Report Summary】**

The purpose of this survey is to ascertain general business companies’ actual attitudes and actions concerning the acquisition/sale and ownership/leasing of real estate, while gaining an understanding of the issues regarding the potential demand for and spread of real estate securitization. This is the third survey since the first conducted in fiscal 2004 (biennial survey).

As in the previous survey, we conducted a questionnaire survey of listed companies, excluding those in the financial and real estate sectors.

As for the questions in the questionnaire survey, the items carried over from the previous survey were “Real estate acquisition/sales stance and attitude toward ownership of general business companies,” “Situation regarding introduction of CRE (Corporate Real Estate) management” and “Experience and intention regarding securitization and monetization of real estate.”

We sent out questionnaires to 3,556 listed companies excluding those in the financial/real estate sectors, and obtained responses from 270 companies.

(Survey period: November 4, 2008 through December 22, 2008)

The overview of the survey and the main content of the survey results are as follows:

1. Overview of the Survey

[1] Target companies of the questionnaire survey

Listed companies excluding those in the financial/real estate sectors: 3,556 companies

[2] Questionnaire survey method

Send out and collect questionnaires to and from each company by mail

[3] Questionnaire survey period:

Questionnaire mailing: Thursday, October 30, 2008

Questionnaire collection: Friday, November 14, 2008 (Deadline for posting response)

(Survey continued beyond this point; final deadline was Monday, December 22)

[4] Content of questionnaire survey

Main question items

① Regarding general business companies’ attitudes toward real estate ownership (Carried over from previous survey)

★ Stance regarding real estate acquisition (Change from conventional to future [ex. proactive ⇄ passive in acquisition] and target real estate, etc.)

- ★ Stance regarding real estate sales (Change from conventional to future [ex. proactive ⇔ passive in sales] and target real estate, etc.)
- ★ Stance regarding ownership/leasing of real estate (Conventional/future stance [ex. primarily own ⇔ primarily lease])
- ② General business companies' strategies in utilizing real estate (Carried over from previous survey)
 - ★ Organizational control and data management (ex. intensively by dedicated department ⇔ individually by department in charge)
 - ★ Management indicators (ex. real estate prices, [if conducting CRE management] ROA/recurring profits)
 - ★ Impact of CRE on decision-making concerning real estate (ex. positive impact ⇔ negative impact)
- ③ General business companies' experience and intentions regarding real estate securitization/monetization (carried over from previous survey with partial additions)
 - ★ Attitudes and experience regarding securitization/monetization (method/awareness/experience, etc. [ex. Whether they have implementation experience])
 - ★ Intentions regarding securitization/monetization (intentions to utilize them [ex. proactive ⇔ passive] and target real estate, etc.)
 - ★ Hindrances/support needs in utilizing securitization/monetization

[5] Questionnaire collection status

- Number of survey target companies: 3,556 listed companies excluding those in the financial/real estate sectors
- Number of responding companies: 270 companies (response rate: 7.6%)

(Reference) Collection status for previous survey

- Number of survey target companies: 3,494 listed companies excluding those in the financial/real estate sectors
- Number of responding companies: 312 companies (response rate: 8.9%)

[6] Research organization

- Association for Real Estate Securitization (ARES)

2. Main content of the survey results

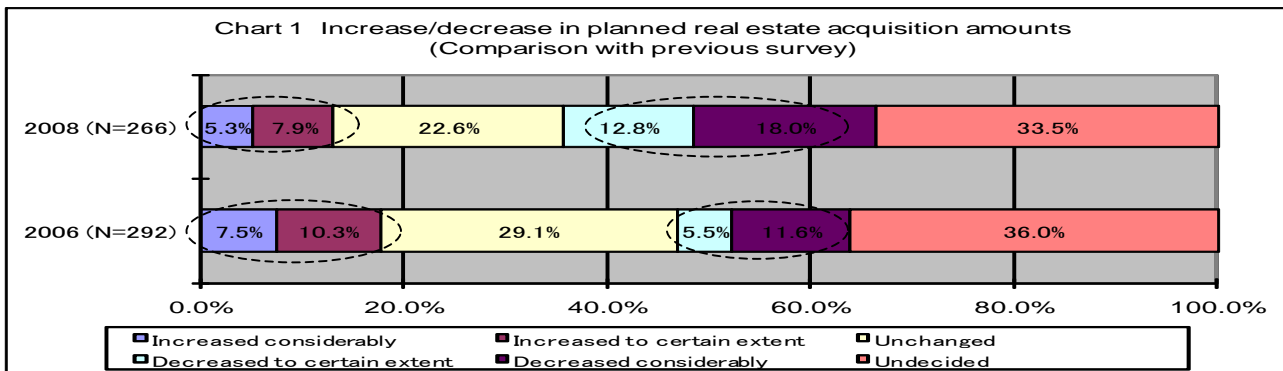
2-1. Japanese companies' attitudes toward and actions concerning real estate ownership and the implementation status of securitization

~Due to the impact of the financial crisis, real estate acquisitions are restrained and more companies are holding back on changing policies for real estate sales~

~Due to the impact of the financial crisis, the effectiveness of securitization and monetization is in question~

1) Stance regarding real estate acquisitions

When comparing the increases and decreases in planned real estate acquisition amounts with those from the previous survey, the number of companies that responded "Increased (considerably + to certain extent)" decreased from 17.8% to 13.2%, while the number of companies that responded "Decreased (considerably + to certain extent)" grew significantly from 17.1% to 30.8%. It can be inferred that a trend of not acquiring real estate is developing, partly due to the impact of the financial crisis (Chart 1).

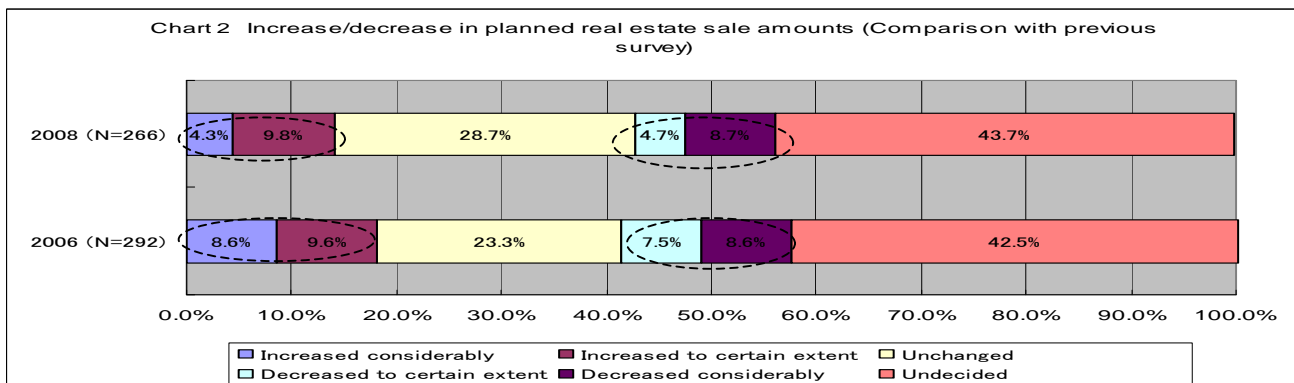


(Note) For this survey (conducted in 2008), a comparison was made between the planned acquisition amount for fiscal 2008-2009 and the acquired amount in fiscal 2006-2007.

For the previous survey (conducted in 2006), a comparison was made between the planned acquisition amount for fiscal 2006-2007 and the acquired amount in fiscal 2004-2005.

2) Stance regarding real estate sales

When comparing the increases and decreases in planned real estate sales amounts with those from the previous survey, the number of companies that responded "Increased (considerably + to certain extent)" fell from 21.7% to 14.1%, while the number of companies that responded "Decreased (considerably + to certain extent)" decreased from 16.1% to 13.4%. On the other hand, the number of companies that responded "unchanged" grew from 23.3% to 28.7%. The number of companies that won't change planned real estate sales amounts is increasing (Chart 2).

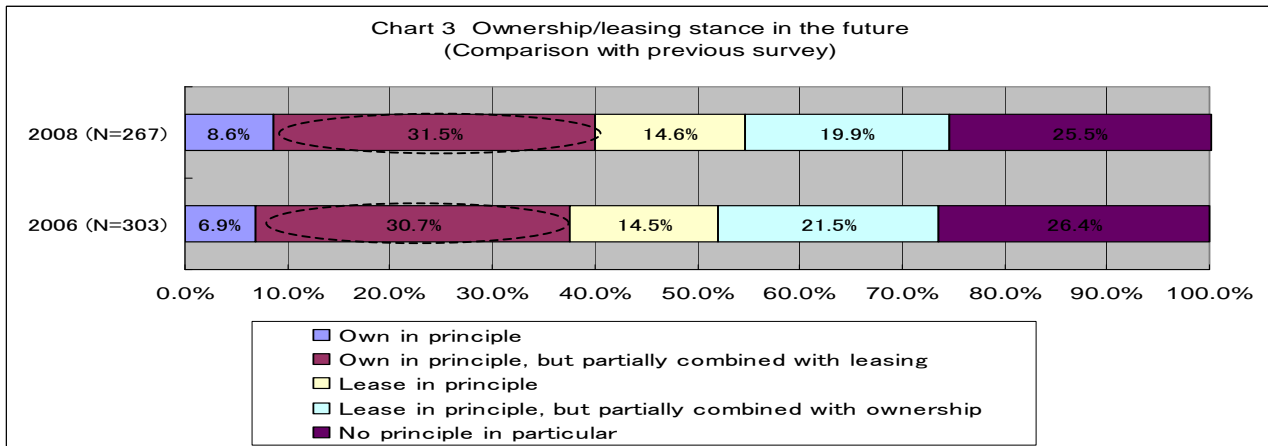


(Note) For this survey (conducted in 2008), a comparison was made between the planned sales amount for fiscal 2008-2009 and the sold amount in fiscal 2006-2007.

For the previous survey (conducted in 2006), a comparison was made between the planned sales amount for fiscal 2006-2007 and the sold amount in fiscal 2004-2005.

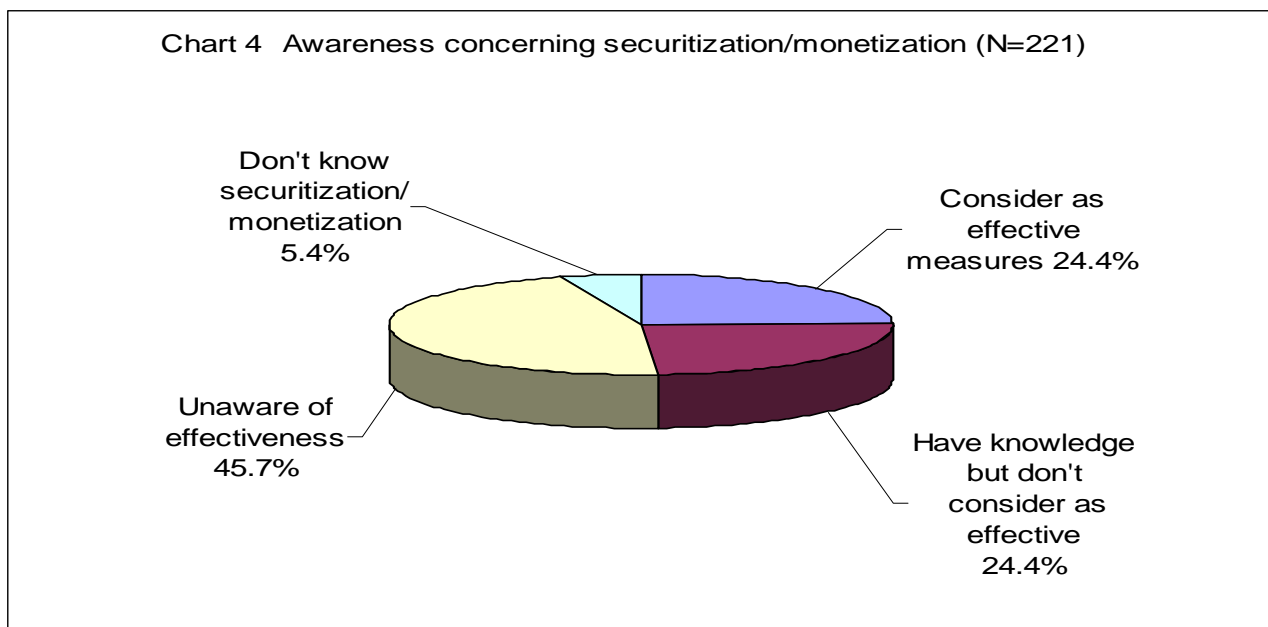
3) Stance regarding real estate ownership/leasing

When comparing the stance toward ownership/leasing with that from the previous survey, there is no big change and the proportion of respondents who answered “Own in principle, but partially combined with leasing” was the largest, followed by those who responded “Lease in principle, but partially combined with ownership.” Each company indicated a different trend (Chart 3).



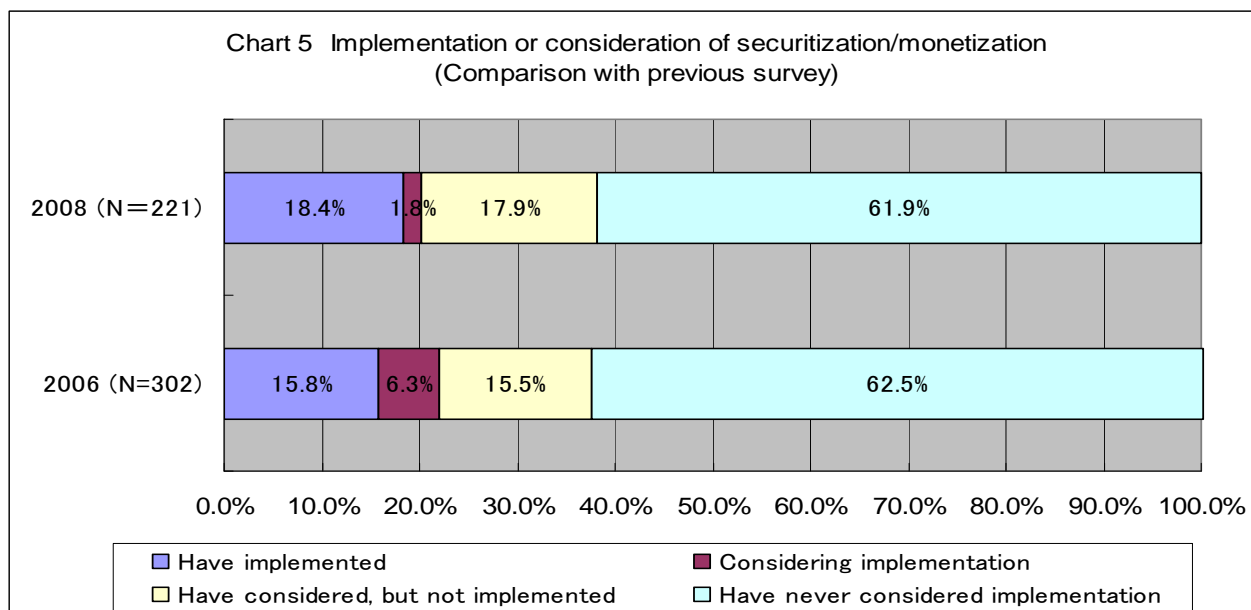
4) Awareness of real estate securitization and monetization

As for the awareness level of real estate securitization and monetization, the proportion of respondents who answered “Don’t know securitization/monetization” was extremely small with 5.4%, while both “Consider as effective measures” and “Have knowledge but don’t consider as effective” reached 24.4%. This indicates that securitization and monetization are penetrating considerably (Chart 4).



5) Real estate securitization, monetization implementation experience

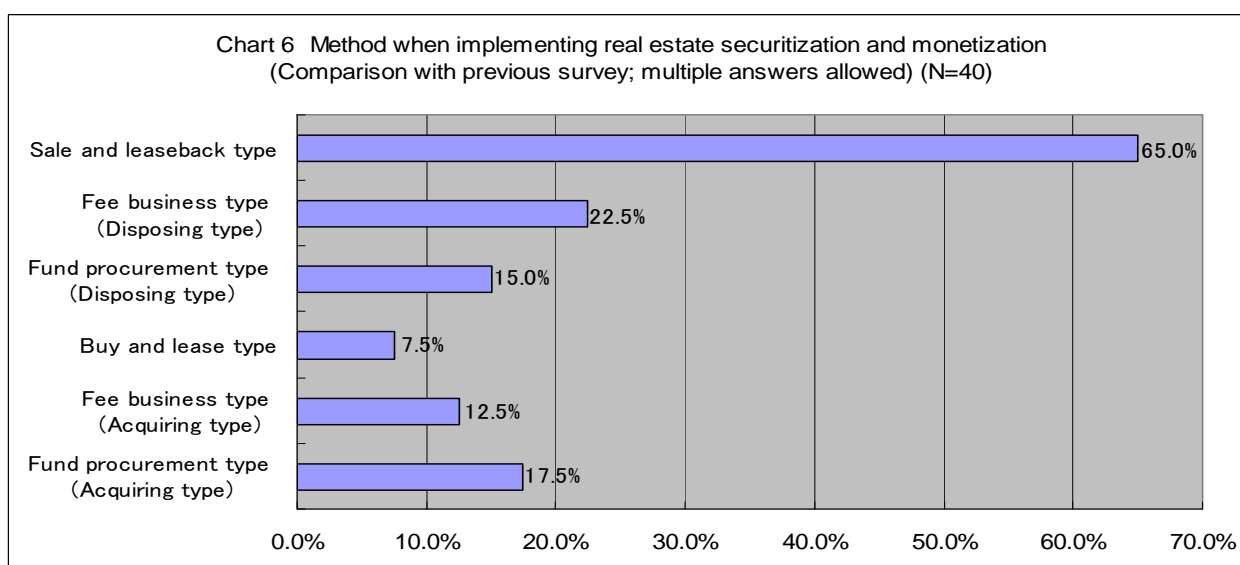
As for the implementation of and experience in real estate securitization and monetization, the proportion of respondents who said “ Have never considered implementation” was high (61.9%), as was the case in the previous survey. On the other hand, those who said “Have implemented” remained at 18.4%, while “Considering implementation” decreased. Real estate securitization implementation experience has peaked (Chart 5).



(Note) “Have implemented” for the previous survey (conducted in 2006) is the total of “Have implemented three times or more” and “Have implemented once or twice.”

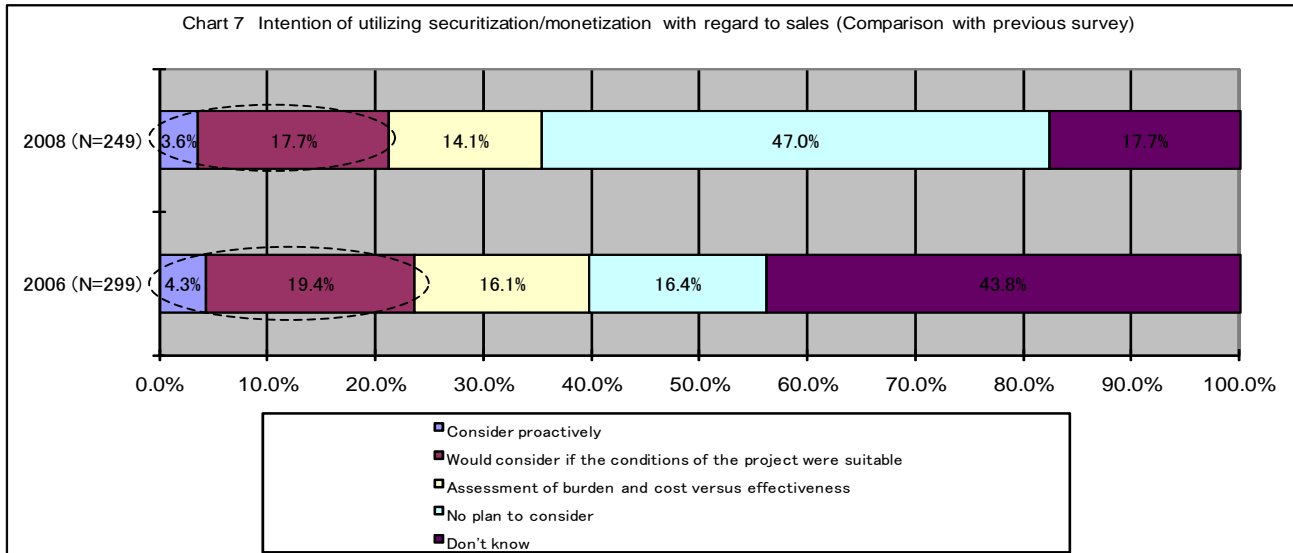
6) Method when implementing real estate securitization and monetization

As for the method when implementing real estate securitization and monetization, the response “Sale and leaseback type” outnumbered all others with 65.0%. Both disposing type and acquiring type have been utilized by companies (Chart 6).



7) Intention of utilizing real estate securitization, monetization (Sales-type securitization)

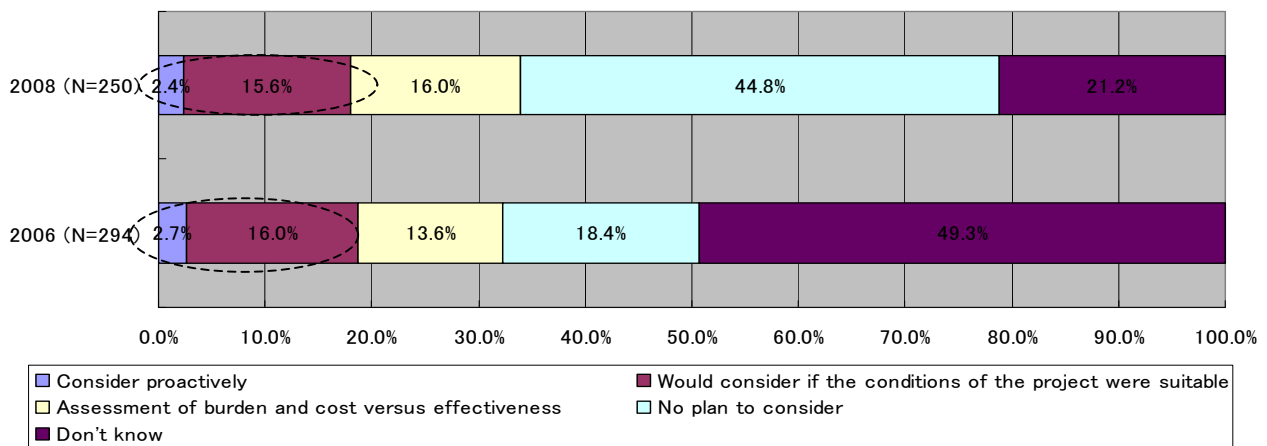
As for the intention of utilizing sales-type real estate securitization, the respondents who answered “No plan to consider” reached nearly half with 47.0%. On the other hand, the total of respondents who answered “(Would like to) consider proactively” and “Would consider if the conditions of the project were suitable” remained at 21.3%, while “Don’t know” decreased to 17.7%. These facts indicate that in spite of an increased understanding of securitization among general business companies, their intention to utilize such has reached a ceiling (Chart 7).



8) Intention of utilizing real estate securitization, monetization (Acquisition-type securitization)

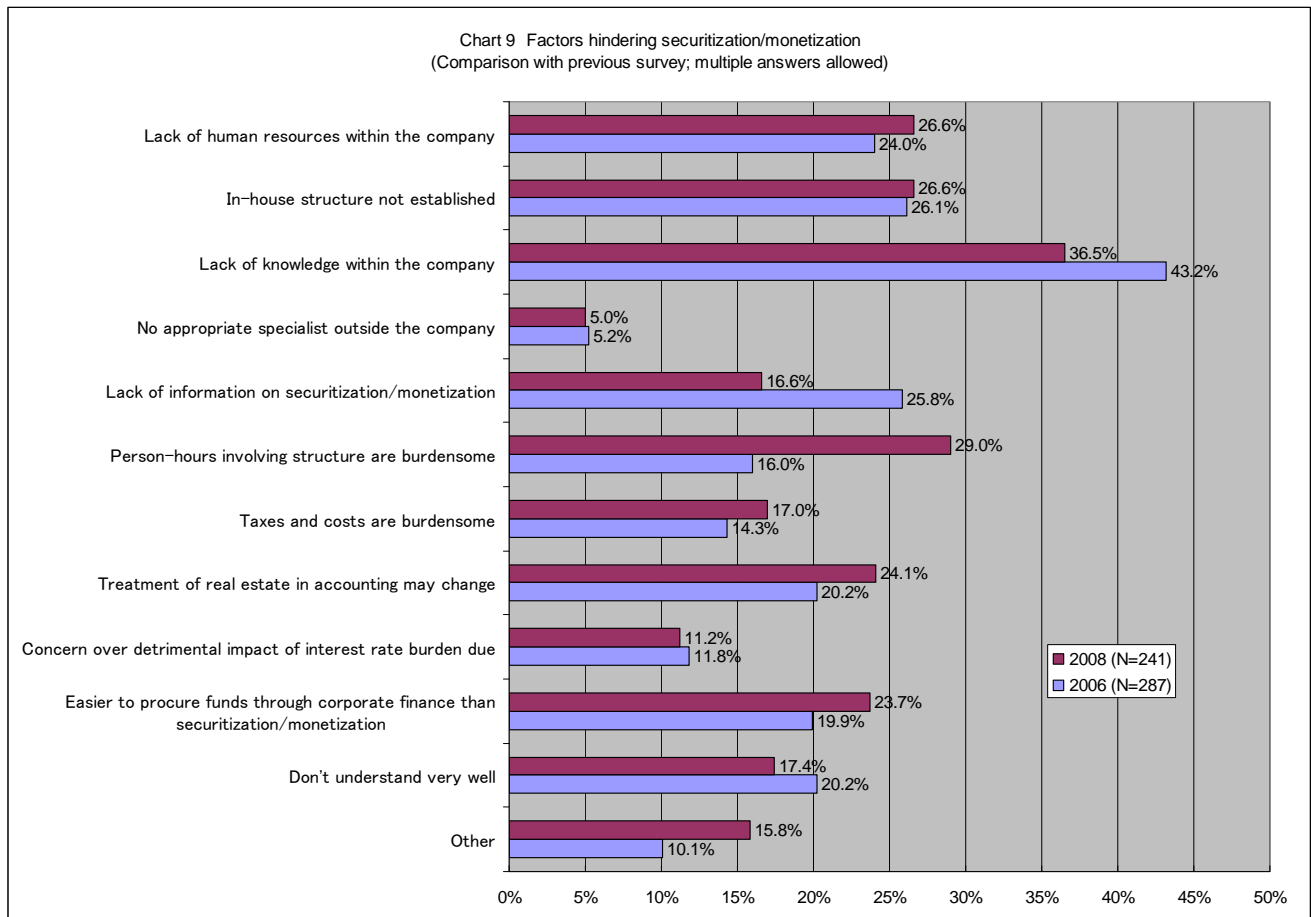
As for the intention of utilizing acquisition-type real estate securitization, the respondents who answered “No plan to consider” doubled compared to the previous survey, reaching nearly half with 44.8%, as was the case with sales-type securitization. On the other hand, respondents who answered “(Would like to) consider proactively” and “Would like to consider if the conditions of the project are suitable” remained at 18.0%, while “Don’t know” decreased to 21.2%. These facts indicate that in spite of an increased understanding of securitization among general business companies, their intention to utilize such has reached a ceiling (Chart 8).

Chart 8 Intention of utilizing securitization/monetization with regard to acquisitions
(Comparison with previous survey)



9) Hindrances in utilizing real estate securitization, monetization

When looking at the proportion of respondents regarding hindrances to utilizing securitization, “In-house structure not established” and “Lack of knowledge within the company” ranked high with 26.6% and 36.5%, respectively. The item that grew significantly in this survey was “Person-hours involving structure are burdensome” with 29.0%, while “Lack of information on securitization/monetization” decreased greatly from the previous survey. These facts indicate that although information has become prevalent, companies perceive that person-hours, accounting treatment, etc. are burdensome (Chart 9).

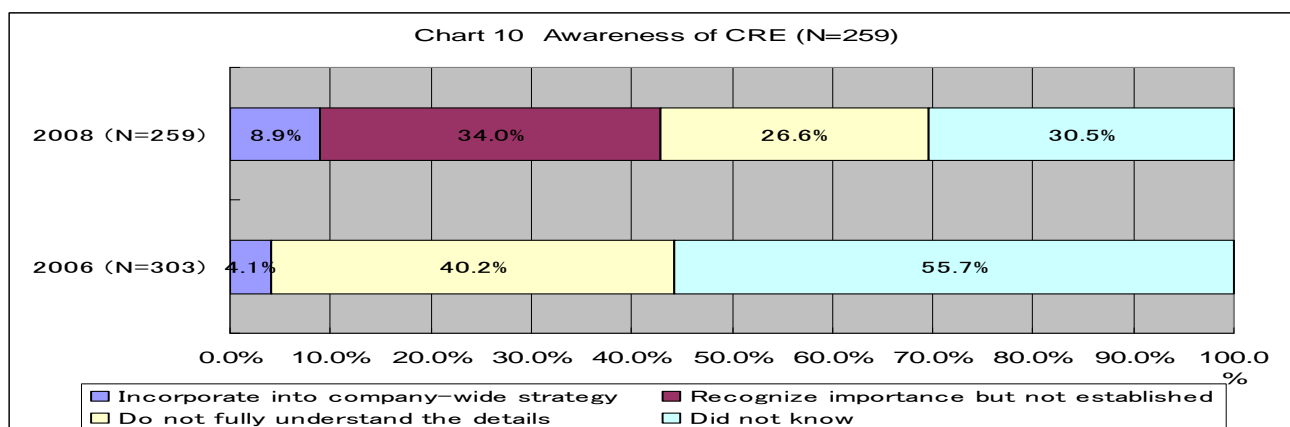


2-2. Strategies regarding real estate

~Awareness of CRE is heightening and number of companies that recognize CRE as necessary is increasing; however, efforts for strategic utilization have just begun~

1) Awareness of CRE

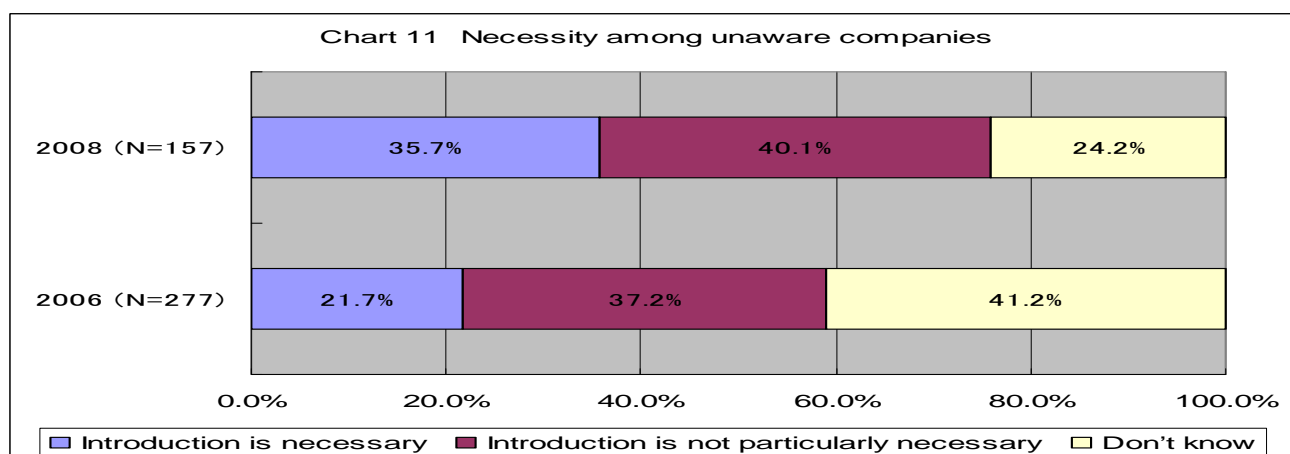
Although only a few companies responded “Incorporate into company-wide strategy,” representing only 8.9% (23 companies), the number has increased significantly from 4.1% (12 companies) in the previous survey. Furthermore, when adding companies that “Recognize importance but not established (34.0%),” the percentage reaches nearly half and indicates that awareness of CRE is growing (Chart 10).



(Note) In the question for the previous survey (conducted in 2006), only three options, excluding “Recognize importance but not established,” existed.

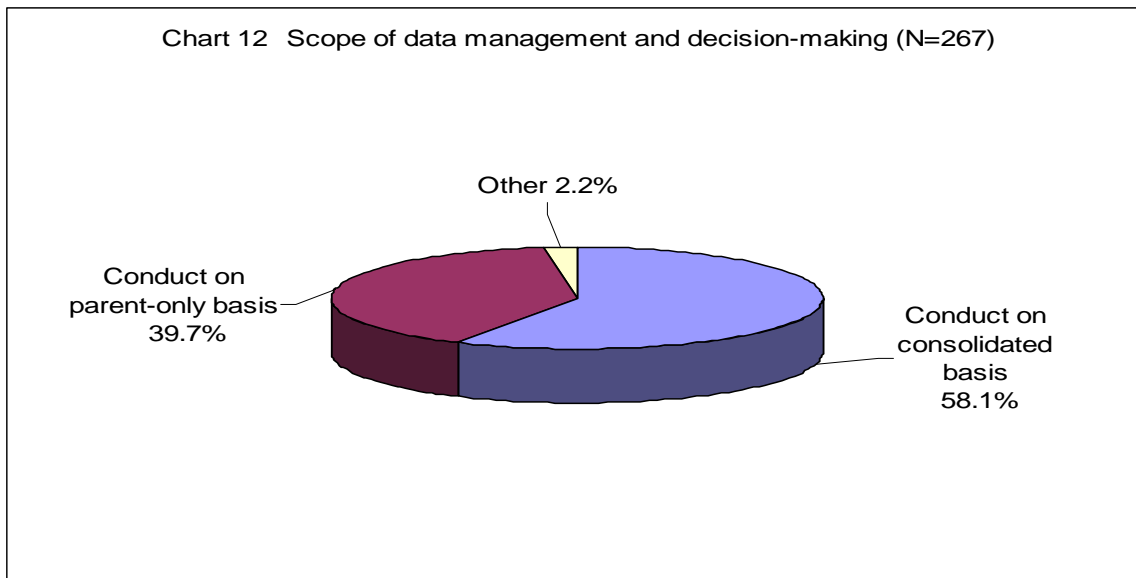
2) Necessity of introducing CRE management

We asked about the necessity of introducing CRE management to companies familiar with the term and concept but without a full understanding of the details of CRE, as well as those who do not know the term and concept of CRE. As for the necessity of introducing CRE management, the proportion of companies that responded “(Think) introduction is necessary” increased to 35.7%, while the proportion of companies responding “Don’t know” decreased. Therefore, we can view that the necessity of introduction is being recognized (Chart 11).



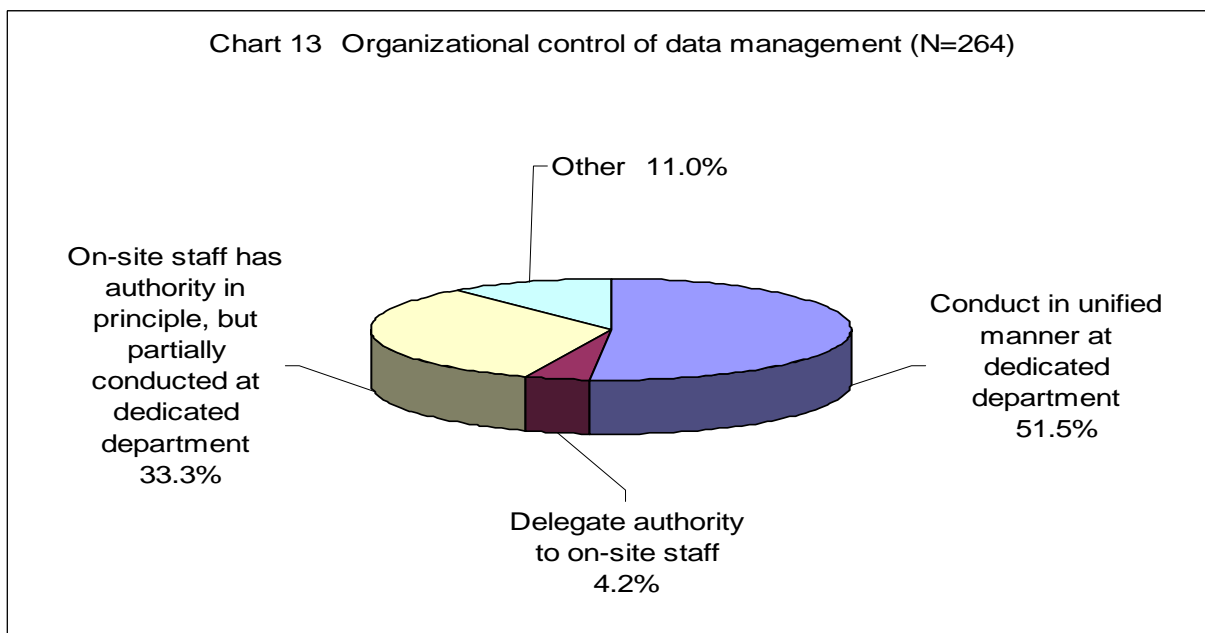
3) Scope of real estate data management/decision-making (Consolidated basis/parent-only basis)

As for real estate management and decision-making, the number of respondents who “Conduct on consolidated basis” (58.1%) topped those who “Conduct on parent-only basis” (39.7%). This trend is nearly identical to the previous survey (Chart 12). As many companies are promoting group management to enhance corporate value, it seems that they are establishing strategies for real estate utilization on a consolidated basis as well.



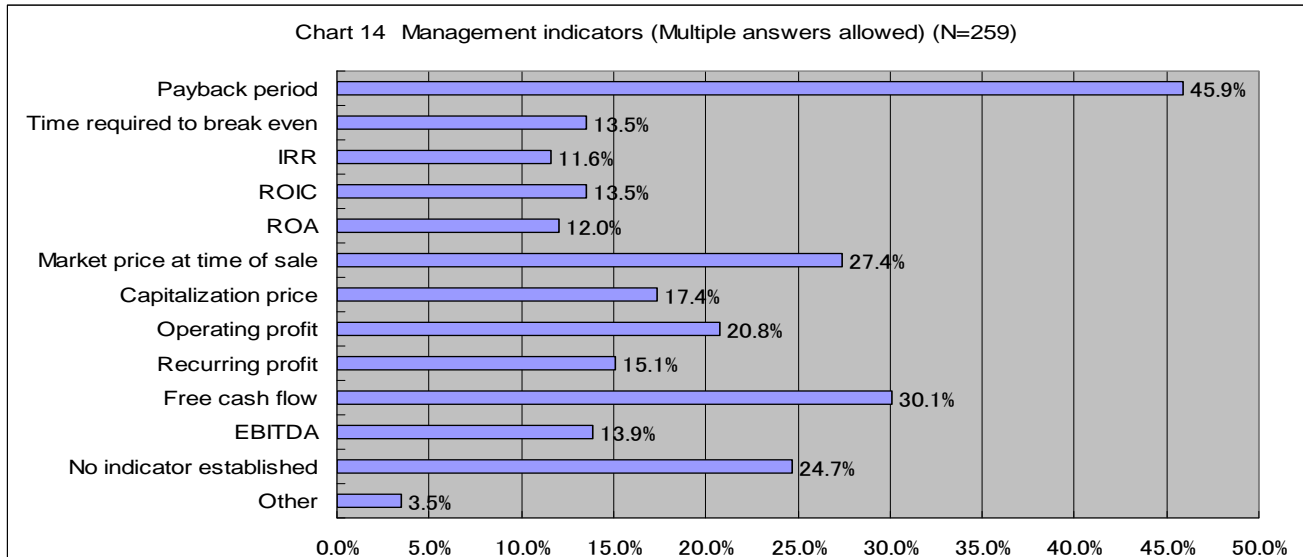
4) Organization control of real estate management

Companies that “Conduct in unified manner at dedicated department (have established a dedicated department for the management of real estate and decision-making)” comprised a majority, or 51.5%, of the respondents, indicating a trend that companies are trying to utilize real estate strategically. This trend is nearly identical to the previous survey (Chart 13).



5) Management indicators for real estate management

The most popular indicator for real estate management was “Payback period” (45.9%: multiple answers allowed) (Chart 14). This can be said to have gained practical support, stemming from factors such as being easy to calculate as a barometer of investment safety. In addition, this trend is almost identical to the previous survey.



6) Impact of centralizing real estate management and decision-making

As for the impact of centralizing (unifying) real estate management and decision-making, the most common response was “Enables incorporation of economic efficiency improvement standpoint” (55.7%) (Chart 15). They point to the fact that companies are now able to distinguish between real estate that should be owned from real estate that shouldn’t from a company-wide standpoint as an effect. In addition, this trend is nearly identical to the previous survey.

