

Focused Investments in Urban Retail Properties and Tokyo Office Properties

We expect that investment in Urban Retail properties and Tokyo Office properties will constitute 70% or more of our portfolio on an acquisition price basis, while the remainder of our investments will target other retail and office properties located throughout Japan.

Portfolio Composition Policy

We intend to acquire a competitive portfolio in the medium to long term by investing primarily in Urban Retail properties and Tokyo Office properties. We intend to make these investments upon consideration of location as the most important factor, followed by other factors such as size, quality, specifications, and suitability for use by tenants.

Urban Retail Properties

Urban Retail properties that are easily recognized and located either near major train stations or popular areas in Tokyo, Government-designated major cities within Japan's three major metropolitan areas and other major cities in Japan.

Advantage of Urban Retail Properties

We believe the unique characteristics of Urban Retail properties in the Japanese economy present opportunities to generate relatively stable and profitable investment returns from the acquisition and management of such properties. These characteristics include the following:

- Concentration of economic activity in and the demographic shift toward major metropolitan areas of Japan and stable retail network in prime commercial districts
- Diverse tenant pool in response to diverse consumer demand
- Scarcity value due to relatively short supply of properties

Investment Criteria

Properties located in areas with a high concentration of retail activities or those which are highly popular or that are conveniently located within a ten-minute walking distance from major train stations or popular areas

- Tokyo
- Government-designated major cities located in the three major metropolitan areas (Yokohama, Kawasaki, Sagami-hara, Saitama, Chiba, Nagoya, Kyoto, Osaka, Sakai, Kobe)
- Other major cities in Japan (Sapporo, Sendai, Fukuoka, etc.)

Tokyo Office Properties

Office properties within the 23 wards of Tokyo in areas with a high concentration of offices and located near major train stations.

Advantage of Urban Retail Properties

We believe that investments in office properties, mainly those located near major train stations with a large concentration of offices in the 23 wards of Tokyo, offer stable occupancy rates and profitability for the following reasons:

- Solid demand and stable occupancy rates due to a concentration of corporate entities
- Lower vacancy rates for office buildings in Tokyo compared to the vacancy rates in other areas
- Higher liquidity of office properties in the trading market

Investment Criteria

Office properties located within a 10-minute walking distance from major train stations and in areas with a high concentration of offices in the 23 wards of Tokyo.

Activia Account Properties

Selective investments in other attractive retail and office properties.

Investments in Activia Account Properties

We intend to selectively invest in certain retail and office properties other than Urban Retail and Tokyo Office properties by leveraging the Tokyu Land Group's network and upon careful consideration of each investment opportunity.

Retail Properties:

- Concentration of population
- Convenient transportation based on access to nearby train stations or highways
- Medium- to long-term lease contracts with certain key tenants

Office Properties:

- Competitiveness in the area

Investment Criteria

Retail Properties:

Properties that are located in the areas with solid retail activities, based on concentration of population and convenient transportation based in turn on, among other things, access to nearby train stations or highways

- Tokyo
- Government-designated major cities in the three major metropolitan areas
- Other major cities in Japan

Office Properties:

Properties that are located in the areas within a 10-minute walking distance from train stations

- Tokyo
- Government-designated major cities in the three major metropolitan areas