



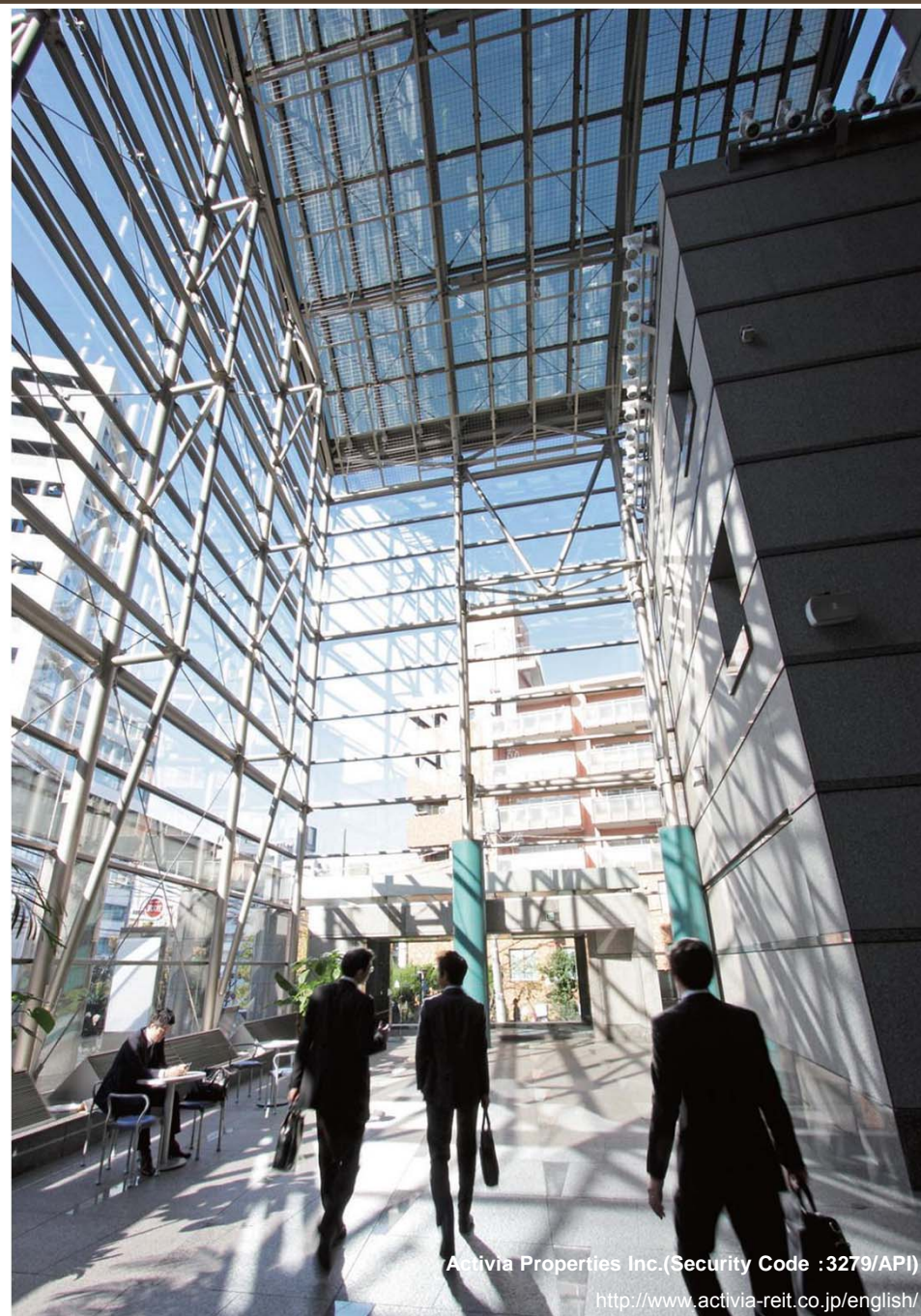
Activia Properties Inc.

The 3rd Period (May 31, 2013) Presentation

July 2013



TLC Activia Investment Management Inc.



Activia Properties Inc.(Security Code :3279/API)

<http://www.activia-reit.co.jp/english/>



1. The 3rd Period (May 31, 2013) Topics

Activia

Topic 1 -Step-by-step Actions Toward Robust Growth-

1 Acquisition of Assets

- Acquired 2 properties from third party

Date	Property name	Acquisition price	NOI yield
Jan. 25, 2013	Osaka Nakanoshima Building (Note 1)	¥5,250 mn	6.2%
Apr. 19, 2013	TK Shinbashi Building	¥5,650 mn	5.1%

Total: ¥10,900 mn
Average NOI yield(Note2): 5.6%

(Note1) The co-ownership (jun kyoyu-mochibun) property (50%)
(Note2) Average of the above 2 properties

As of the end of May, 2013	Total number of properties: 20	Total acquisition price: ¥181.3 billion	Total average NOI yield: 5.1%
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2 Enhancement of Leasing

- Maintained high occupancy rate at 99.4% as of the end of May 2013
- Improved the occupancy rate of Tokyo Office Properties
Aoyama Plaza Building: 86.7% ⇒ 100.0%
- Maintained high occupancy rates by fully leveraging the group network with Tokyu Land Corporation Group

<Occupancy rates>

Category	Jun. '12	Nov. '12	May '13
Urban Retail Properties	99.8% ⇒	99.5% ⇒	99.6%
Tokyo Office Properties	93.7% ⇒	97.4% ⇒	97.5%
Other Properties	100.0% ⇒	100.0% ⇒	100.0%
Total	98.7% ⇒	99.4% ⇒	99.4%

3 Well-managed Financing Operation and CSR Activities

- Early repayment of ¥17 billion debt and distributed to 2, 4 and 5 year-debts in March 2013 to extend maturity and rebalance the borrowing ladder

(As of the end of May 2013)

Total of interest-bearing debt	¥85 billion
Average interest rate	0.77135%
Long-term borrowing ratio (Note)	100.0% (95.3%)
Fixed interest ratio	74.1%
Average remaining borrowing period	3.5 years
LTV	45.0%

(Note) The number in the parentheses is the ratio excluding long-term borrowings to be repaid within a year.

- Have expanded CSR activities along with acquiring DBJ Green Building Certification

2 properties have received DBJ Green Building Certification

- A-PLACE Ikebukuro
- Kanayama Center Place



Cash Distributions per unit for the 3rd Period

(Forecast as of Jan. 11, 2013)

Result of the 2nd Period **¥16,212**

(Forecast as of Jan. 18, 2013)

Acquisition of Osaka Nakanoshima Building **¥16,580**

(Forecast as of Apr. 16, 2013)

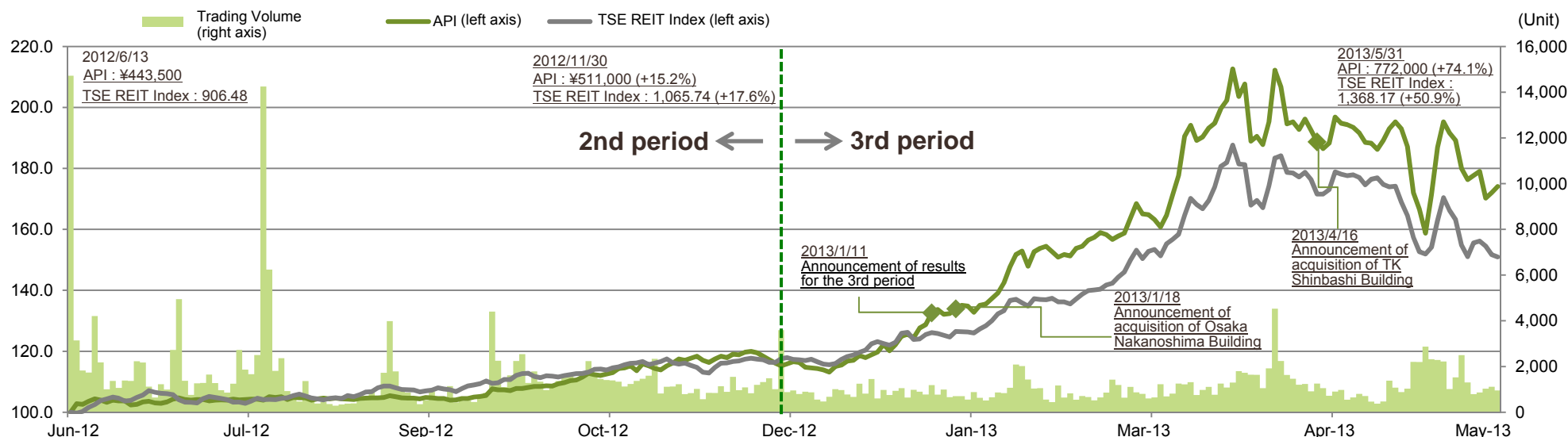
Acquisition of TK Shinbashi Building **¥16,610**

(Result as of Jul. 12, 2013)

Result of the 3rd Period **¥16,946**

Topic 2 -Solid Growth Strategy-

Post-IPO Unit Price Performance



(Note) Indexed to 100 based on the closing price of API unit price and TSE REIT Index as of Jun. 13, 2012

The Results of the 3rd Period

Acquired of 2 properties including Tokyo Office Properties

Average Portfolio NOI yield of 5.5% (Note 1)(Note 2)

Maintained low debt financing cost (0.77135%) and LTV ratio (45.0%) (Note 1)

Unit price performed at a premium to NAV per unit

(Note1) As of the end of May, 2013.

(Note2) Portfolio average NOI yield taking into account the annualized NOI yield of Osaka Nakanoshima Building (acquired on Jan. 25, 2013) and TK Shinbashi Building (acquired on Apr. 19, 2013).

Strategy for the 4th Period and Onwards

External growth up to ¥400 billion within 2-4 years by acquiring the qualified assets selectively maintaining target yield and our investment criteria

Pursue Barbell Strategy to target 5.1% average NOI yield and leverage our competitive financing capabilities

Focus on further internal growth by carefully observing the market opportunities



2. The 3rd Period Financial Highlights

Activia

Summary of Financial Results for the 3rd Period -Income Statement-

- Full year operation of existing 18 properties and additional acquisitions of Osaka Nakanoshima Building and TK Shinbashi Building contributed to the 3rd period results

Comparison of Results and Forecast (as of Apr. 16, 2013)

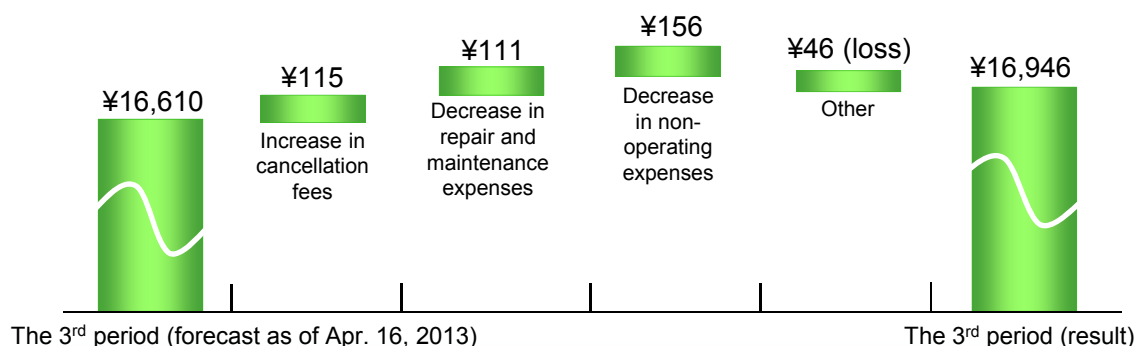
(In millions of yen)

	Results for the 3rd period (the end of May, 2013)	Forecast for the 3rd period (as of Apr. 16, 2013)	Change	Results for the 2nd period	Change
Operating revenue	5,803	5,794	+9	5,194	+608
Operating income	3,851	3,814	+37	3,498	+353
Ordinary income	3,479	3,410	+68	2,923	+556
Net income	3,478	3,409	+68	2,922	+556
Cash distributions per unit (yen)	16,946	16,610	+336	13,938	+3,008

Variance Analysis of Key Items

(In millions of yen)

	Compared to forecast for the 3rd period (Apr. 16, 2013)	Compared to the 2nd period
Operating revenue	+9 Cancellation fees +23 Utility fees -13	+608 Rent (inc. common service fees) +544 Cancellation fees +23
Expenses related to rent business	-20 Repair and maintenance expenses -22	+124 PM, BM, etc. fees +68
Net operating income before depreciation (NOI)	+30	+484
Depreciation, etc.	+1	+35 Nakanoshima +24 TK Shinbashi +8
Loss on retirement of noncurrent assets	+2 Kongo +2	-2 Mizonokuchi -3
Net operating income after depreciation	+25	+451
General and administrative expenses	-12 Miscellaneous expenses -14	+97 Asset management fee I +16 Asset management fee II +45 General administration fees & other +28
Operating income	+37	+353
Non-operating income	-0	+4 Consumption taxes +3
Non-operating expenses	-32 Interest expenses and other	-198 Expenses related to IPO etc.
Ordinary income	+68	+556
Net income	+68	+556



Summary of Financial Results for the 3rd Period -Balance Sheet-

Comparison of the 2nd and 3rd Periods

(In millions of yen)

	The 2nd period	The 3rd period	Change
Assets			
Current assets	8,347	6,161	-2,186
Cash and deposits	6,634	5,759	-874
Other	1,713	401	-1,311
Noncurrent assets	171,718	182,676	+10,957
Buildings in trust, etc.	31,348	34,500	+3,151
Accumulated depreciation	-451	-938	+487
Land in trust, etc.	140,523	148,738	+8,214
Other	298	376	+78
Total assets	180,066	188,837	+8,770

Details of Balance Sheet for the 3rd Period

Assets

- Withdrew cash for acquisitions of Osaka Nakanoshima Building and TK Shinbashi Building
- Total acquisition price increased by JPY 10.9 billion with acquisition of 2 properties above

Liabilities			
Current liabilities	18,143	4,762	-13,380
Short-term loans payable	17,000	0	-17,000
Other	0	4,000	+4,000
Other	1,143	732	-380
Noncurrent liabilities	67,688	89,223	+21,534
Long-term loans payable	60,000	81,000	+21,000
Tenant leasehold and security deposit	7,688	8,223	+534
Total liabilities	85,831	93,985	+8,153
Net assets			
Unitholders' equity	94,234	94,852	+617
Unitholders' capital	91,373	91,373	-
Surplus	2,861	3,478	+617
Total net assets	94,234	94,852	+617
Total liabilities and net assets	180,066	188,837	+8,770

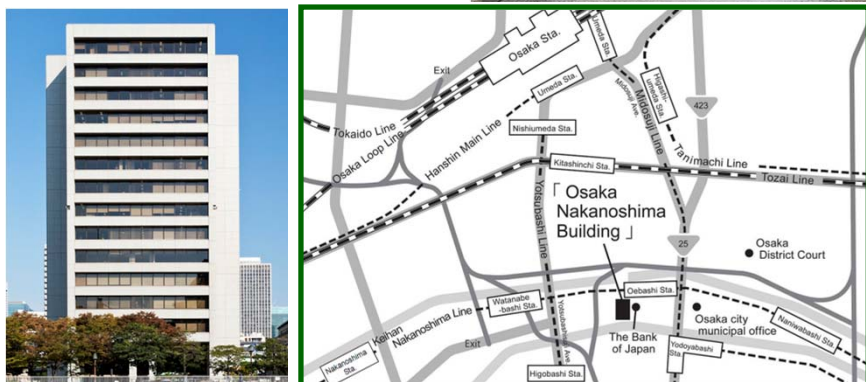
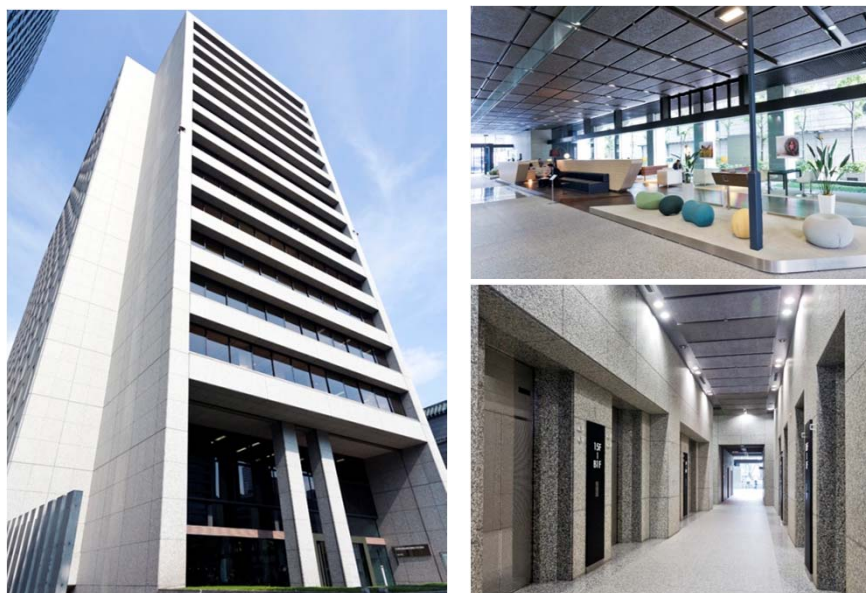
Liabilities

- Repayment of ¥17 billion debt and refinanced with 2, 4 and 5 year-debts in March 2013
- Transferred ¥4 billion debt, which borrowed for acquisition of Osaka Nakanoshima Building, to current liabilities (Long-term borrowing to be repaid within a year)
- Borrowed a total of ¥8 billion in debt to acquire Osaka Nakanoshima Building and TK Shinbashi Building
- Total of interest-bearing debt: ¥85 billion
- LTV(Interest-bearing debt / Total assets x 100)=45.0%

Summary of Acquisition in the 3rd Period -Osaka Nakanoshima Building-

- Acquisition from a third party on January 25, 2013 via collaboration with the sponsor company, Tokyu Land Corporation (50% co-ownership of the trust beneficiary interest)
- Diversified risk profile with multiple tenant lease (43 tenants) and minimal rent gap

Osaka Nakanoshima Building



Summary of the Property as of the Acquisition Date

Location (address)	2-2 Nakanoshima 2-chome, kita-ku, Osaka City, Osaka
Transportation	1-minute walk from "Oebashi" station on the Keihan Nakanoshima Line 5-minute walk from "Yodoyabashi" station on the Osaka Municipal Subway Midosuji Line
Acquisition price (Note1)	¥5,250 million (excluding acquisition expenses and consumption taxes)
Appraisal value (Note1)	¥5,800 million (as of December 1, 2012)
NOI (Note1) (Note2)	¥325 million (NOI yield: 6.2%)
Capitalization rate/ discount rate/ terminal capitalization rate	5.0% / 4.8% / 5.2%
Structure/ # of floors	SRC / 15 floors above and 3 floors underground
Gross floor area	34,248.71 m ²
Completion date	March 1984
Total leasable area (Note1)	10,214.88 m ²
Occupancy rate	99.6% (as of January 25, 2013)
Acquisition date	January 25, 2013
Location	<ul style="list-style-type: none"> ● The Nakanoshima area features many office buildings, including financial institutions and government offices, such as the Bank of Japan Osaka branch and the Osaka City Hall, as well as offices of major companies such as The Asahi Shimbun Company and Kansai Electric Power.
Features of the property	<ul style="list-style-type: none"> ● The ceiling height including the height of the free access floor, 50 mm, is 2,550 mm (on standard floors). The building has individual air-conditioning units. The parking facilities have spaces for 100 vehicles. The entrance hall and common use spaces on each floor were renovated in 2010. For these features, the Investment Corporation has determined that the property is competitive in its market.

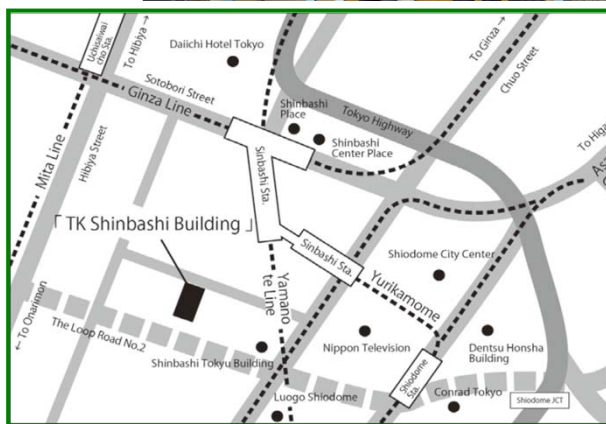
Note1: The figures are calculated based on the pro rata share (50%) of the trust beneficiary interest.

Note2: NOI is net operating income, that is, operating revenue less operating expense stated on the appraisal report, and before depreciation is deducted. NOI is different from NCF (Net Cash Flow), which is NOI plus revenue from management, including a security deposit, less capital expenditure. The NOI above is NOI calculated through the direct capitalization method.

Summary of Acquisition in the 3rd Period -TK Shinbashi Building-

- Competitive location only a 3-minute walk from the nearest station within the Comprehensive Special Zones where favorable effect of the revitalization of Shinbashi area along Loop Road No. 2 so called “MacArthur Highway” can be expected
- Seamless co-operation with the Sponsor and our Support Companies in the Shinbashi area

TK Shinbashi Building



Summary of the Property as of the Acquisition Date

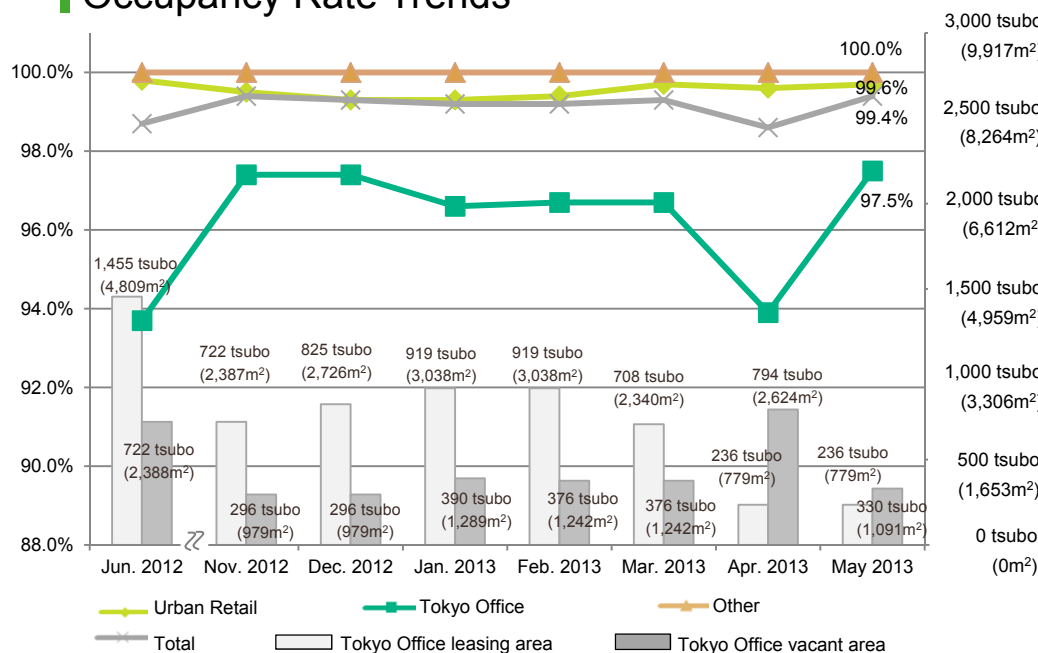
Location (address)	11-1 Shinbashi 4-chome, Minato-ku, Tokyo
Transportation	3-minute walk from “Shinbashi” station on the Yamanote Line, etc.
Acquisition price	¥ 5,650 million (excluding acquisition expenses and consumption taxes)
Appraisal value	¥ 5,780 million (as of March 1, 2013)
NOI (Note)	¥ 287 million (NOI yield: 5.1%)
Capitalization rate/ discount rate/ terminal capitalization rate	4.7% / 4.5% / 4.9%
Structure/ # of floors	Reinforced concrete, SRC / 9 floors above and 2 floors underground
Gross floor area	7,143.97㎡
Completion date	March 1999
Total leasable area	5,052.14㎡
Occupancy rate	84.6% (as of April 19, 2013)
Acquisition date	April 19, 2013
Location	<ul style="list-style-type: none"> A 3-minute walk from “Shinbashi” Station on JR Lines and Tokyo Metro Subway Line. With a high level of transport convenience, this station is a major station in Tokyo, as it is served by JR Yamanote, Keihin-Tohoku, Tokaido and Yokosuka Lines, Tokyo Metro Ginza Line, Municipal Subway Asakusa Line and the Tokyo Waterfront New Transit Waterfront Line (Yurikamome), which features the Shinbashi district as a large concentration of offices and commercial facilities. This area is expected to attract demand from prospective tenants running various styles of business in different categories. In a block on the southern side, Loop Road No. 2 is under construction. The district has the potential for further development in the future.
Features of the property	<ul style="list-style-type: none"> The first and first basement floors are for retailers, the second to eighth floors are for business offices, and the ninth floor is for residential units for lease. The property offers substantial office space. The standard floor for offices has an area of 531 ㎡ (approx. 161 tsubo), the ceiling height of 2,700 mm, and the free access floor of 60 mm. In a side core layout, spaces for lease are L-shaped, which is close to a regular shape. As the second to fifth floors were renovated from 2012 to 2013, the property is equipped with qualified features such as the individual air-conditioning units, automated security systems and other.

(Note) NOI is net operating income, that is, operating revenue less operating expense stated on the appraisal report, and before depreciation is deducted. NOI is different from NCF (Net Cash Flow), which is NOI plus revenue from management, including a security deposit, less capital expenditure. The NOI above is NOI calculated through the direct capitalization method.

Asset Management Results 1 -Occupancy Rate and Leasing Status-

- Portfolio average occupancy rate maintained at a high level of 99.4% by the success of Tokyo Office leasing
- The occupancy rate of Aoyama Plaza Building has increased to 100%

Occupancy Rate Trends






Trends of Average Rent

- Rent gap for Tokyo office has declined: 12%(Nov. 2012)→9%(May 2013)

	Urban Retail	Tokyo Office	Other	Total
As of the end of Jun.	¥26,047/tsubo	¥20,261/tsubo	¥6,541/tsubo	¥14,721/tsubo
As of the end of Nov.	¥25,973/tsubo	¥20,011/tsubo	¥6,541/tsubo	¥14,683/tsubo
As of the end of May	¥25,887/tsubo	¥19,363/tsubo	¥7,119/tsubo	¥14,571/tsubo
Change from Nov. 2012 (ratio)	-¥86 (-0.3%)	-¥648 (-3.2%)	¥578 (8.8%)	-¥112 (-0.8%)

(Note) Common service fees is included.

Occupancy Rate by Properties

Category	Property number	Property name	The 2nd period		The 3rd period
			Jun. 2012	Nov. 2012	May 2013
	UR-1	Tokyu Plaza Omotesando Harajuku (Note2)	100.0%	100.0%	100.0%
	UR-2	Tokyu Plaza Akasaka (Note2)	99.4%	98.5%	98.7%
	UR-3	Ebisu Q Plaza	100.0%	100.0%	100.0%
	UR-4	Shinbashi Place	100.0%	100.0%	100.0%
	UR-5	Kyoto Karasuma Parking Building	100.0%	100.0%	100.0%
	Urban Retail average		99.8%	99.5%	99.6%
	TO-1	TLC Ebisu Building	100.0%	100.0%	100.0%
	TO-2	A-PLACE Ebisu Minami	100.0%	100.0%	96.1%
	TO-3	Yoyogi Place	100.0%	100.0%	100.0%
	TO-4	Aoyama Plaza Building	76.3%	86.7%	100.0%
	TO-5	Luogo Shiodome	100.0%	100.0%	100.0%
	TO-6	Tokyo Kikai Honsha Building	85.2%	100.0%	100.0%
	TO-7	A-PLACE Ikebukuro	100.0%	100.0%	100.0%
	TO-8	TK Shinbashi Building	-	-	84.6%
	Tokyo Office average		93.7%	97.4%	97.5%
	O-1	COCOE Amagasaki (Land) (Note3)	100.0%	100.0%	100.0%
	O-2	icot Nakamozu	100.0%	100.0%	100.0%
	O-3	icot Kongo	100.0%	100.0%	100.0%
	O-4	icot Mizonokuchi	100.0%	100.0%	100.0%
	O-5	icot Tama Center	100.0%	100.0%	100.0%
	O-6	Kanayama Center Place	100.0%	100.0%	100.0%
	O-7	Osaka Nakanoshima Building	-	-	99.6%
	Other Portfolio average		100.0%	100.0%	100.0%
Total			98.7%	99.4%	99.4%

(Note1) The occupancy rate is the ratio of the total leased area to the total leasable area at a certain point in time on each property, rounding to the first decimal place.

(Note2) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, and Osaka Nakanoshima Building, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75%, 50% and 50%, respectively).

(Note3) Property name of COCOE Amagasaki (land) will be changed to Amagasaki Q's MALL (land) on Oct. 9, 2013.

Asset Management Results 2 -Occupancy Rate and Leasing Status-

- Maintained high occupancy rates by fully leveraging the group network with Tokyu Land Corporation Group, which led, for example, 100% occupancy of Aoyama Plaza Building



Aoyama Plaza Building (7,304m²: Nov. 2012, 86.7%⇒May 2013, 100.0%)



•Vacant area as of the end of the 2nd period

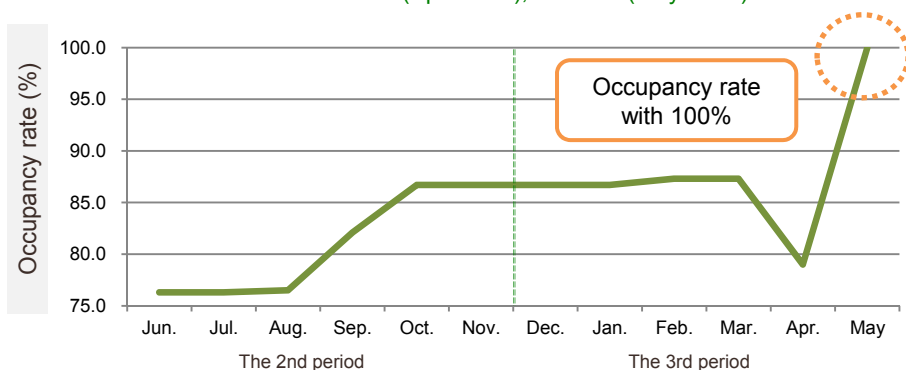
- B1F 8 tsubo (26m²)
- 2F 288 tsubo (951m²)

•Move-out in the 3rd period

- 1F 426 tsubo (1,410m²): Move-out (Mar. 2013)
- 4F 117 tsubo (386m²): Move-out (May 2013)

•Contract in the 3rd period

- + B1/2F 14 tsubo (47m²): Contract (Dec. 2012), Move-in (Feb. 2013)
- + 4F 117 tsubo (386m²): Contract (Mar. 2013), Move-in (Jun. 2013)
- + 1F 238 tsubo (787m²): Contract (Apr. 2013), Move-in (Apr. 2013)
*Move-in from the Sponsor (Tokyu Land Corporation)-owned building to meet upon the expansion request from the tenant
- + 1/2F 182 tsubo (603m²) and 281 tsubo (931m²),
Total 464 tsubo (1,534m²):
Contract (Apr. 2013), Move-in (May 2013)



A-PLACE Ebisu Minami (7,951m²: Nov. 2012, 100%⇒May 2013, 96.1%)



•Vacant area as of the end of the 2nd period

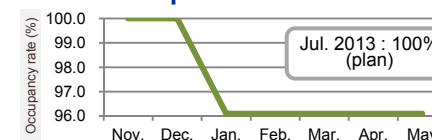
- 0 tsubo

•Move-out in the 3rd period

- 3F 94 tsubo (312m²): Move-out (Jan. 2013)

•Contract in the 3rd period

- + 3F 94 tsubo (312m²): Contract (Mar. 2013), Move-in (Jul. 2013)



Kanayama Center Place (9,315m²: Nov. 2012, 100.0%⇒May 2013, 100.0%)



•Vacant area as of the end of the 2nd period

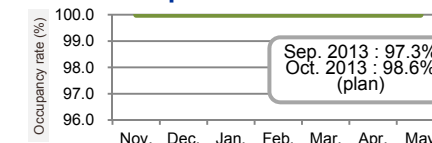
- 0 tsubo

•Notice of cancellation in the 3rd period

- 7F 75 tsubo (249m²): Received (Feb. 2013), Move-out (Aug. 2013)

•Contract in the 3rd period

- + 7F 37tsubo (123m²): Contract (May 2013), Move-in (Oct. 2013)



Osaka Nakanoshima Building (20,430m²: Jan. 2013, 99.6%⇒May 2013,99.6%)



•Vacant area as of the end of the 2nd period (Note1)

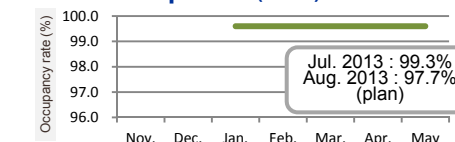
- B1F 11 tsubo (38m²)
- B3F 11 tsubo (35m²)

•Notice of cancellation in the 3rd period

- 10F 43tsubo (141m²): Received (Dec. 2012), Move-out (Jun. 2013)
- 3F 97tsubo (320m²): Received (Jan. 2013), Move-out (Jul. 2013)

•Contract in the 3rd period

- + None



(Note1) Change to the division of warehouse in the 4th period

(Note) The figures stated on the right of each property name are the total leasable area as of the end of May 2013, rounding to the first decimal place. As to Osaka Nakanoshima Building, the co-ownership (jun kyoyu-mochibun) property of us is 10,215m².

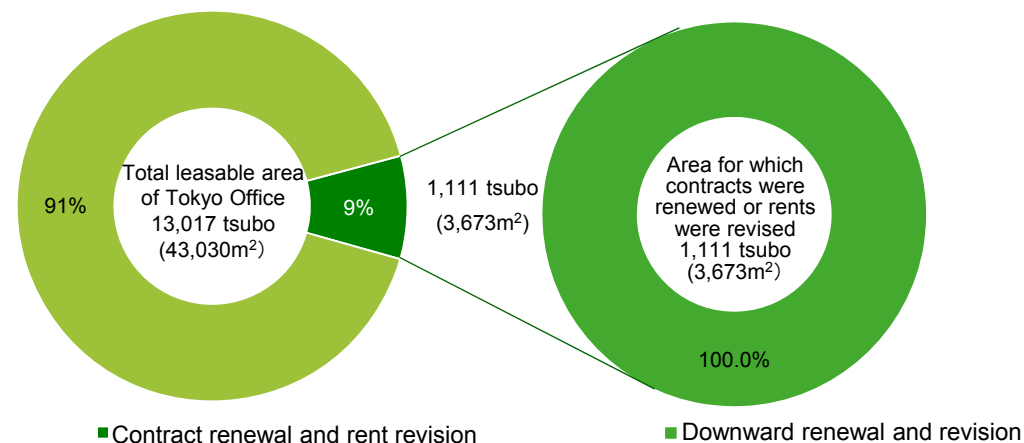
Asset Management Results 3 -Trend of Tokyo Office Tenants-

Trend of Tenants for the 3rd Period

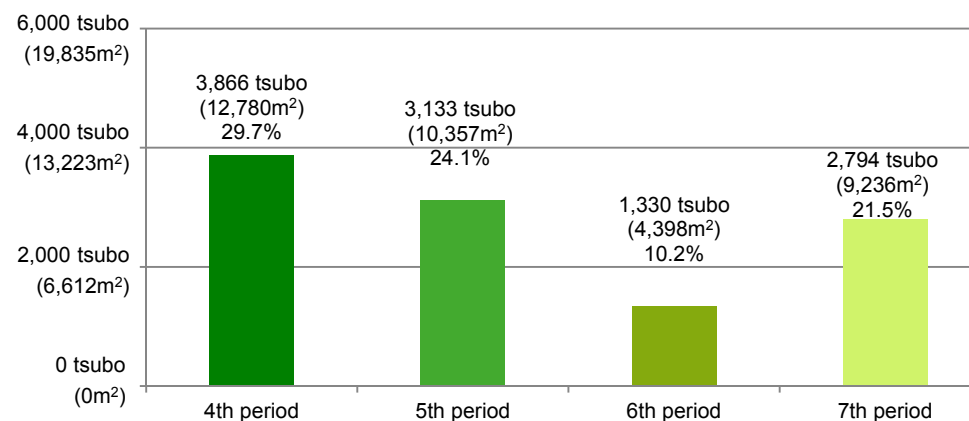
Rent renewals		# of tenants (The 2nd Period)	Ratio (Note1) (The 2nd Period)	
Change in rent for existing tenants	Up	0 (0)	-	(-)
	No change	0 (6)	-	(86%)
	Down	4 (1)	100%	(14%)
Total		4 (7)	100%	(100%)
% growth in total renewed rents (Note2)		-16.7% (-0.5%)		
Average % decline in downward revisions (Note3)		-16.7% (-5.0%)		

Net absorption		Area	# of tenants
Tenant replacement	New tenant	1,022 tsubo (3,378m ²)	5
	Vacated tenant	637 tsubo (2,107m ²)	3
Net absorption (filled area – vacated area)		385 tsubo (1,271m ²)	2

Rent Revision for the 3rd Period (based on leasable area)



Rent Revisions after the 3rd Period



(Note1) Formula: A / B (A = of tenants for which the contract was renewed and the rent changed in the 3rd period, the numbers of tenants for which the rent rose, remained unchanged, or was reduced; B = the number of tenants for which the contract was renewed and the rent changed in the 3rd period)

(Note2) Formula: A / B – 1 (A = total of monthly rent at the end of the 3rd period for tenants for which the contract was renewed and the rent changed in the 3rd period; B = total of monthly rent at the end of the 2nd period for tenants for which the contract was renewed and the rent changed in the 3rd period)

(Note3) Formula: A / B – 1 (A = total of monthly rent at the end of the 3rd period for tenants for which the rent was reduced in the 3rd period; B = total of monthly rent at the end of the 2nd period for tenants for which the rent was reduced in the 3rd period)

(Note4) The figures are rounded at the first decimal place except Change of the rental growth, rounded to the first decimal place.

Asset Management Results 4 -Trend of Urban Retail Tenants-

- Revenue-based rents from Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka were ¥25 million versus expected ¥37 million, to cover this short, we have made various efforts such as rebranding
- Average Remaining Lease Term remains long and stable, with 5.7 years

10 Largest Tenants by Leased Area

(As of the end of May 2013)

End-tenants	Property name	Total leased area (m ²) (Note1)	% of leased area (Note2)	Lease expiration
Sumitomo Mitsui Trust Bank	COCOE Amagasaki (Land)	27,465 (Note3)	13.1	Jan. 2042
Kohnan Shoji	icot Nakamozu	26,529	12.6	Jul. 2027
Paraca	Kyoto Karasuma Parking Building	21,224	10.1	-
Daiei	icot Kongo	-	-	-
Room's-Taishodo	icot Mizonokuchi	14,032	6.7	Jul. 2018
Tokyu Hotels	Tokyu Plaza Akasaka	11,291 (Note4)	5.4	Mar. 2016
Yamada-Denki	Shinbashi Place	9,156	4.4	-
Bank of Tokyo-Mitsubishi UFJ	icot Nakamozu icot Tama Center Kanayama Center Place	5,609	2.7	-
Riso Kyoiku	A-PLACE Ikebukuro	3,410	1.6	-
-	A-PLACE Ebisu Minami	-	-	-

(Note1) Based on lease agreement as of the end of May 2013.

(Note2) The percentage of area for each end-tenant is the ratio of the total leased area to the total leasable area, rounding to the first decimal place.

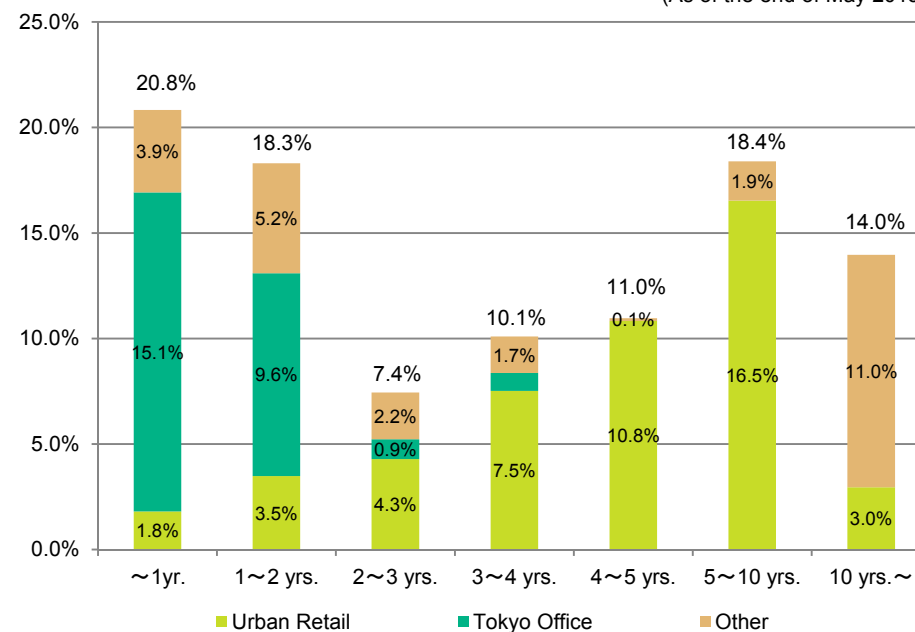
(Note3) Total leased area for COCOE Amagasaki (Land) is in respect of the land.

(Note4) Based on the pro rata share (50%) of the trust beneficiary co-ownership interests.

(Note5) The items marked with "-" are not disclosed because tenant approval was not obtained.

Distribution of Remaining Lease Term (based on rent)

(As of the end of May 2013)



Average Remaining Lease Term

(As of the end of May 2013)

Urban Retail	Tokyo Office	Other	Total
5.7 years	1.1 years	10.7 years	5.8 years

(Note1) Remaining lease term is based on lease agreement as of the end of May 2013.

(Note2) The figures are rounded to the first decimal place.

Asset Management Results 4 -CSR Activities-

- Contributing to neighboring communities through CSR activities and application of environmentally friendly measures

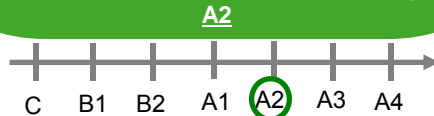
Yoyogi Place : Enhancing energy saving measures (May 2013)



Low-Carbon Small and Medium-Sized Model Buildings

- On May 2013, Tokyo Metropolitan Government publicized buildings that shall be ranked more than A1 based on the benchmark for low-carbon building (CO2 emissions within a year/gross floor area) as "Low-Carbon Small and Medium-Sized Model Buildings" which actively worked for energy saving
- Improved environmental performance of building through energy efficient facilities
- Co-worked for energy saving with each tenant while maintaining tenant service level

Benchmark for low-carbon building



TLC Ebisu Building : Joined energy-saving program (2008~)



"Reduction of CO2" Program for Small and Medium-Sized Office Buildings

- Joined "Reduction of CO2" Program for Small and Medium-Sized Office Buildings hosted by Tokyo Metropolitan Government since 2008
- Changed to better electrical equipment such as installing a heat source system
- Changed the lighting to more energy saving types in exclusive area

Continuous power-saving effect

CSR activities : Awarded DBJ Green Building Silver (March 2013)



- High-reflectance paint on the rooftop
- Automatic dimming in exclusive area
- Moist pavement (water sprinkling)
- Roof gardening
- LED lighting in common space
- Wall greening



(A-PLACE Ikebukuro)



- Automatic switching of kitchenette lights
- Automatic dimming in exclusive area
- West outer wall louver
- LED lights



(Kanayama Center Place)

* 5ranks of certification

Platinum

Gold




Silver

Bronze

Certified

Appraisal Value Status of 20 Properties -As of the end of May, 2013-

(In millions of yen)

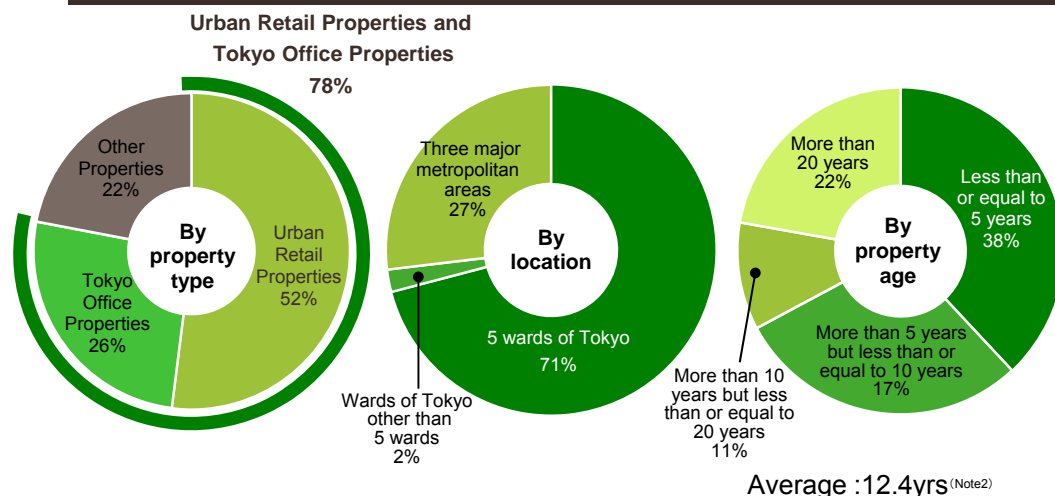
Category	Property number	Property name	Acquisition Price (A)	Investment ratio (%)	Book value at end of period (B)	Appraisal value		Difference from previous period (C-D)	Difference from acquisition price (C-A)	Difference from book value (C-B)
						As of May 31, 2013(C)	Nov. 30, 2012(D) ^(Note1)			
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note2)	45,000	24.8	45,176	47,000	47,000	0	2,000	1,824
	UR-2	Tokyu Plaza Akasaka ^(Note2)	11,450	6.3	11,662	11,500	11,500	0	50	-162
	UR-3	Ebisu Q Plaza	8,430	4.7	8,450	9,030	8,830	200	600	580
	UR-4	Shinbashi Place	20,500	11.3	20,577	22,800	22,800	0	2,300	2,223
	UR-5	Kyoto Karasuma Parking Building	8,860	4.9	8,908	9,320	9,420	-100	460	412
	Sub total		94,240	52.0	94,776	99,650	99,550	100	5,410	4,874
	TO-1	TLC Ebisu Building	7,400	4.1	7,378	7,500	7,450	50	100	122
	TO-2	A-PLACE Ebisu Minami	9,640	5.3	9,671	10,300	10,000	300	660	629
	TO-3	Yoyogi Place	4,070	2.2	4,076	3,780	4,230	-450	-290	-296
	TO-4	Aoyama Plaza Building	8,790	4.8	8,835	8,340	8,740	-400	-450	-495
	TO-5	Luogo Shiodome	4,540	2.5	4,534	4,700	4,700	0	160	166
	TO-6	Tokyo Kikai Honsha Building	3,070	1.7	3,087	3,070	3,020	50	0	-17
	TO-7	A-PLACE Ikebukuro	3,990	2.2	3,984	4,120	4,040	80	130	136
	TO-8	TK Shinbashi Building	5,650	3.1	5,876	5,900	5,780	120	250	24
	Sub total		47,150	26.0	47,445	47,710	47,960	-250	560	265
	O-1	COCOE Amagasaki (Land)	12,000	6.6	12,113	12,100	12,100	0	100	-13
	O-2	icot Nakamozu	8,500	4.7	8,514	9,010	8,920	90	510	496
	O-3	icot Kongo	1,600	0.9	1,636	1,810	1,810	0	210	174
	O-4	icot Mizonokuchi	2,710	1.5	2,720	2,960	2,960	0	250	240
	O-5	icot Tama Center	2,840	1.6	2,838	3,010	3,010	0	170	172
	O-6	Kanayama Center Place	6,980	3.9	6,943	7,420	7,360	60	440	477
	O-7	Osaka Nakanoshima Building ^(Note2)	5,250	2.9	5,314	5,800	5,800	0	550	486
	Sub total		39,880	22.0	40,081	42,110	41,960	150	2,230	2,029
Total			181,270	100.0	182,303	189,470	189,470	0	8,200	7,167

(Note1) Appraisal value of TK Shinbashi Building and Osaka Nakanoshima Building are as of Mar. 1, 2013 and Dec. 1, 2012, respectively.

(Note2) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, and Osaka Nakanoshima Building, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75%, 50% and 50%, respectively).

Portfolio Summary -As of the end of May, 2013-

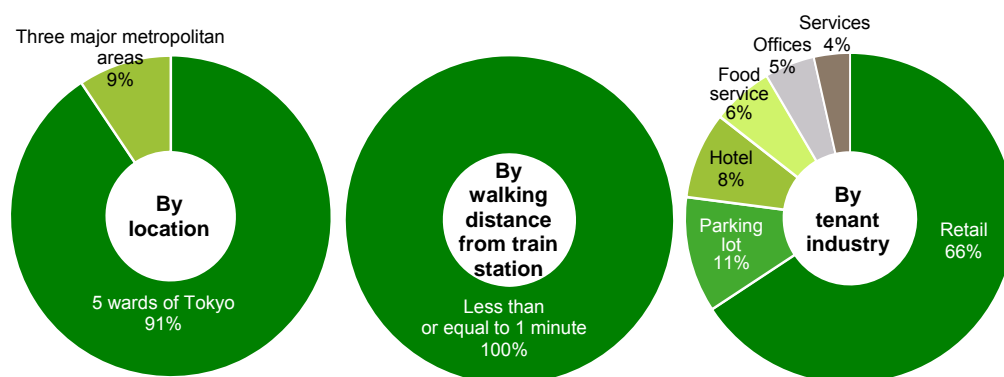
Overview of the Portfolio (Note1)



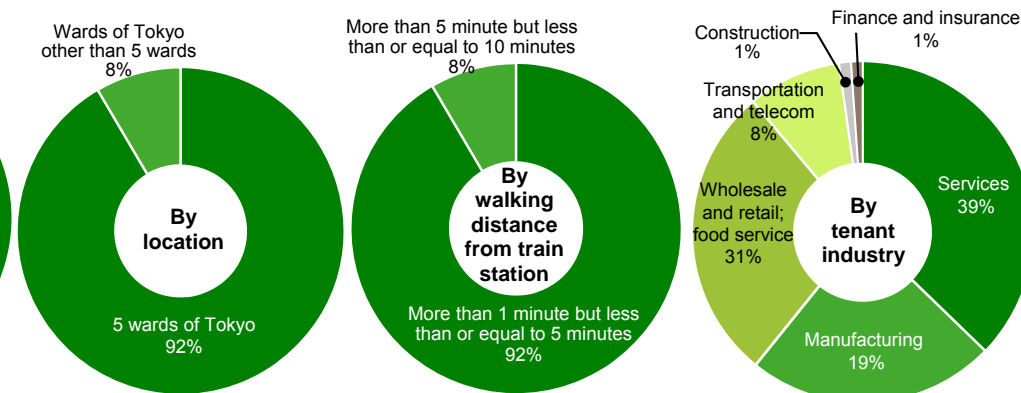
- Portfolio size increased to JPY 181.3 billion with 20 properties (acquisition price basis)
- 78% of the portfolio comprised of Urban Retail Properties and Tokyo Office Properties, which are our main targets for focused investments

	Urban Retail	Tokyo Office	Other	Total
Acquisition price (JPY' 00mn)	942	472	399	1,813
Appraisal value when acquired (JPY' 00mn) (Note3)	974	479	416	1,869
Number of tenants	5	8	7	20
NOI yield (Note4)	4.8%	5.1%	6.0%	5.1%

Urban Retail Properties (Note1)



Tokyo Office Properties (Note1)



(Note1) Calculations for the charts are based on acquisition price. "By tenant industry" charts are based on annual contracted rent as of the end of May 2013.

(Note2) Average property age is calculated as a weighted-average property age as of the end of May 2013 on an acquisition price basis. The property age of COCOE Amagasaki (Land) is not included in the foregoing calculation.

(Note3) The date of value estimate is as of Feb. 29, 2012 except Tokyu Plaza Omotesando-Harajuku as of March 31, 2012, Osaka Nakanoshima Building as of Dec. 1, 2012 and TK Shinbashi Building as of Mar. 1, 2013.

(Note4) NOI yield is calculated by dividing NOI by the acquisition price. NOI is calculated by subtracting operating expense from operating income for each property and depreciation cost is not subtracted, described in the appraisal report when acquired.

(Note5) The figures on charts are rounded at the first decimal place except appraisal NOI yield.



3. Forecasts for the 4th and 5th Periods

Activia

Financial Forecast for the 4th Period (The end of Nov. 2013)

- Revenue expected to rise ¥241 million from the previous period due to the full year operation of Osaka Nakanoshima Building and TK Shinbashi Building
- Distributions per unit is expected to be ¥15,150 as property and city planning taxes of ¥430 million will be expensed

Comparison with Actual Results of the 3rd Period and Forecasts for the 4th Period

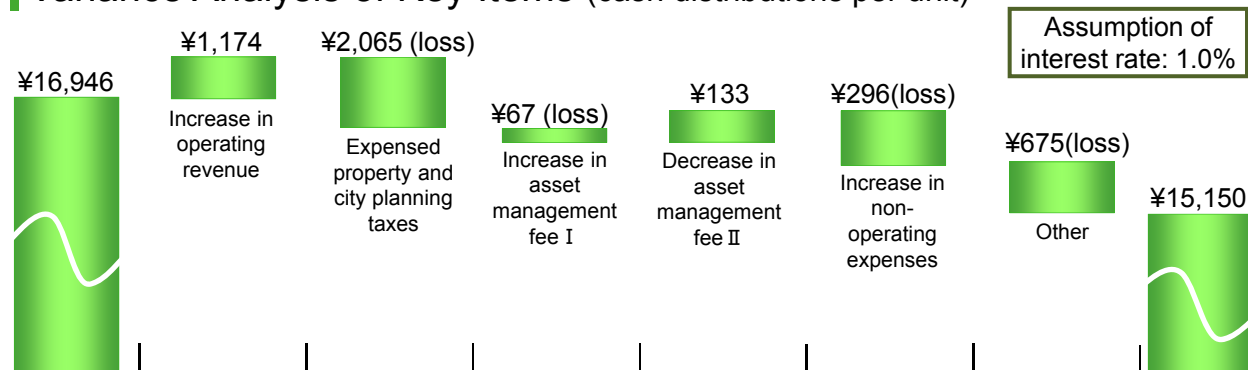
(In millions of yen)					
	4th period forecast (Jul. 12, 2013)	3rd period results	Change	4th period forecast (Apr.16, 2013)	Change
Operating revenue	6,044	5,803	+241	5,987	+57
Operating expenses	2,496	1,951	+544	2,448	+47
Tax and public dues	431	10	+420	430	+0
Operating income	3,547	3,851	-303	3,538	+9
Ordinary income	3,110	3,479	-368	3,071	+39
Net income	3,109	3,478	-368	3,070	+39
Cash distributions per unit (yen)	15,150	16,946	-1,796	14,960	+190

Variance Analysis of Key Items

(from the previous period) (In millions of yen)

	Compared to the 3rd period
Operating revenue	+241 Rent (inc. common service fees) +206 Utility fees +44 Cancellation fees -14
Expenses related to rent business	+512 property and city planning taxes +424
Net operating income before depreciation (NOI)	-271
Depreciation, etc.	+24 TK Shinbashi +16 Nakanoshima +4
Loss on retirement of noncurrent assets	-2 Kongo -2
Net operating income after depreciation	-294
General and administrative expenses	+9 Asset management fee I +13 Asset management fee II -27 Other +16
Operating income	-303
Non-operating income	-3 Interest on refund for the 3 rd period-3
Non-operating expenses	+60 Interest expenses and other
Ordinary income	-368
Net income	-368

Variance Analysis of Key Items (cash distributions per unit)



The 3rd period

The 4th period forecast

(Note) The forecast for the 4th period are calculated based on certain assumptions that reflect present conditions, and are subject to change. The forecasts do not guarantee the amount of distributions.

Financial Forecast for the 5th Period (reference)

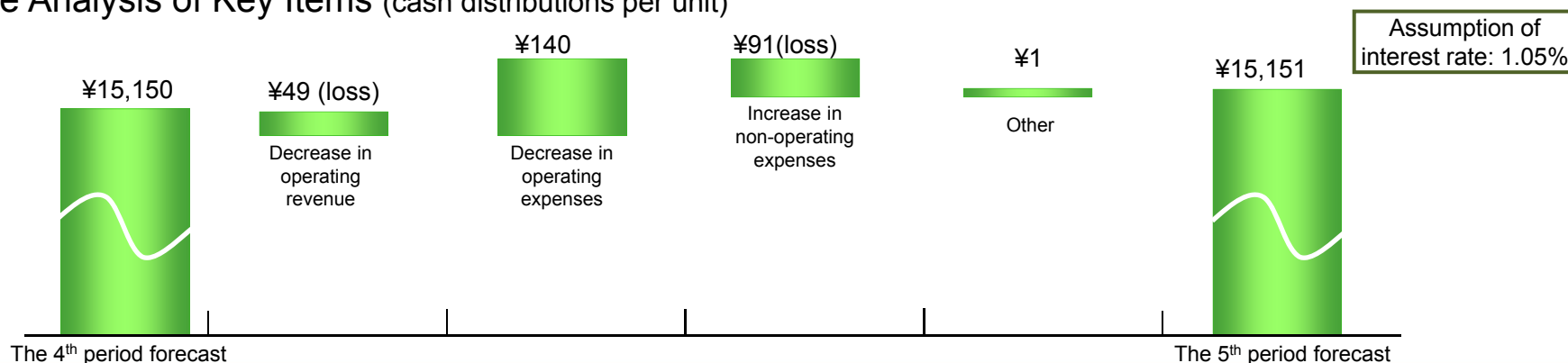
- Rent revenue is expected to increase continuously while operating revenue is expected to decline ¥10 million due to the reduction of utilities fees and cancellation fees
- By managing the expenses, distributions per unit is expected to be ¥15,151, ¥1 change from the forecast DPU of the 4th period

Comparison with Forecasts for the 4th Period and the 5th Period

(In millions of yen)

	Forecast for the 5th period (as of Jul. 12, 2013)	Forecast for the 4th period (as of Jul. 12, 2013)	Change
Operating revenue	6,034	6,044	-10
Operating income	3,566	3,547	+18
Ordinary income	3,111	3,110	+0
Net income	3,110	3,109	+0
Cash distributions per unit (yen)	15,151	15,150	+1

Variance Analysis of Key Items (cash distributions per unit)

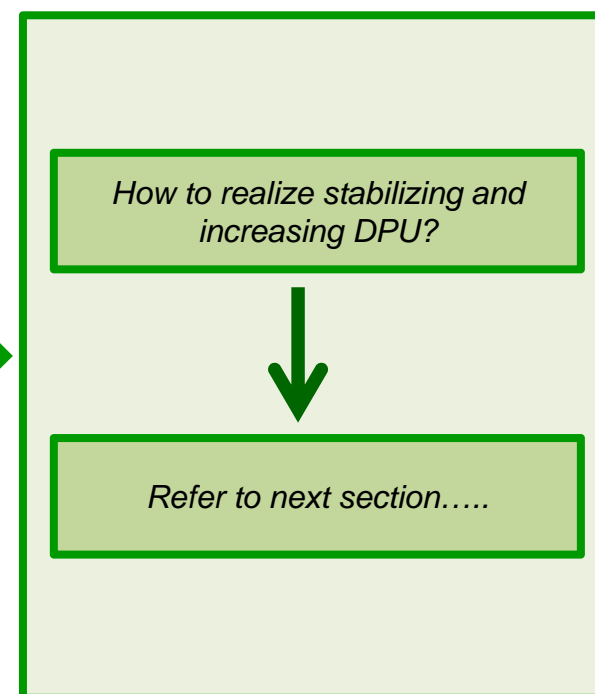
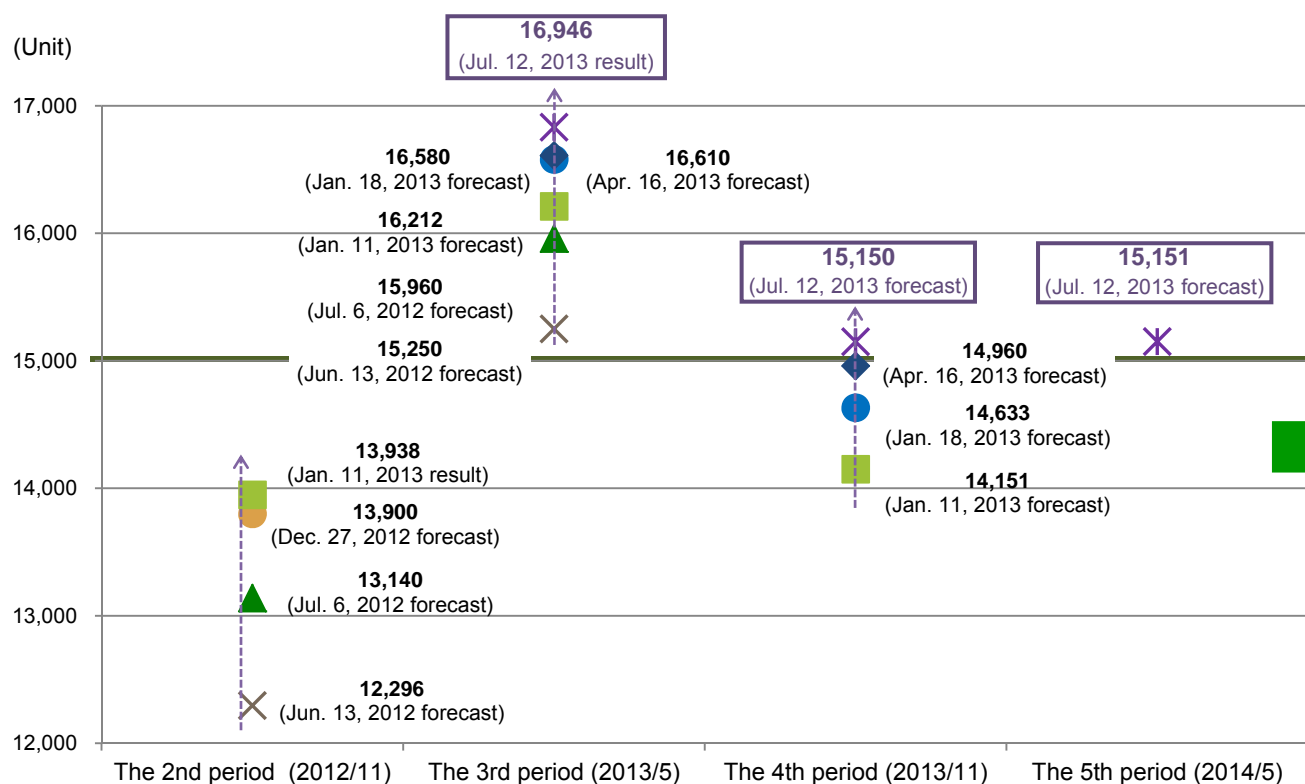


(Note) The forecast for the 5th period are calculated based on certain assumptions that reflect present conditions, and are subject to change. The forecasts do not guarantee the amount of distributions.

Forecasts of Distributions per Unit (“DPU”)

- Target to achieve stable medium to long-term DPU level by acquiring new assets and maintaining high occupancy of the existing portfolio and achieving internal growth

Trends of Distributions per Unit



× Jun. 13, 2012 announced

▲ Jul. 6, 2012 announced

● Dec. 27, 2012 announced

■ Jan. 11, 2013 announced
Result of the 2nd period

● Jan. 18, 2013 announced
Acquisition of Osaka Nakanoshima Bldg.

◆ Apr. 16, 2013 announced
Acquisition of TK Shinbashi Bldg.

✕ Jul. 12, 2013 announced
Result of the 3rd period



4. Growth Strategy

Activia

API Market Views and Future Actions

	API's Market Views	API's Actions Going Forward
External growth strategy	<ul style="list-style-type: none"> ● The competition in the real estate transaction market is getting severe as the investment appetite of purchasers is increasing ● The sellers' asking price has been following an upside trend and we are seeing a widening gap for certain qualified properties ● As to the large-scale prime office and retail properties, the transactions are still limited to J-REITs acquiring from their sponsors 	<ul style="list-style-type: none"> ● By adhering to our investment policy to invest in 70% or more of our portfolio in the Urban Retail Properties and Tokyo Office Properties, API will acquire assets based on quality and location taking into account the current portfolio NOI yield of 5.1% ● API will be aiming for the swift acquisition using the predominant sourcing channels through the Sponsors' rich pipelines as well as the Asset Managers' exclusive information network and also leveraging the sponsor's warehousing function
Internal growth strategy	<div>UR</div> <ul style="list-style-type: none"> ● Although household products expenses have been flat, sales increase is expected both from demand side with diversifying needs, and supply side with trend-setting new shops and popular specialty stores <div>TO</div> <ul style="list-style-type: none"> ● Tenants' moving to well-located and high-quality buildings is increasing by taking advantage of gradual improvement of macro economy ● Although rents are still decreasing or flat, rents have started to increase in some areas and turnaround is expected in the second half of 2013 	<div>UR</div> <ul style="list-style-type: none"> ● Closely monitor the trends of consumption, client needs and relevant environment and continue to attract the customers and increase sales by effective promotions ● Closely watch the sales trends of each tenant and endeavor to attract customers or improve sales by strengthening the relationship with contractors <div>TO</div> <ul style="list-style-type: none"> ● Further solidify relationships with the tenants to enhance rents upward revision or newly entered terms carefully observing market opportunities ● Endeavor to increase the non-rent revenue by not only operating parking areas or vending machines, but also saving general and administrative expenses or utilities expenses
Financing strategy	<ul style="list-style-type: none"> ● Although the long-term interest rate is volatile, lending condition by domestic financial institutions remains favorable 	<ul style="list-style-type: none"> ● While carefully monitoring the trends of long-term interest rate, API will enhance its financial base by financing at low interest rates utilizing our solid bank formation. API will also continue to maintain our diversified and long-term maturity profile

External Growth Strategy

With the predominant sourcing channels through the Sponsors' rich pipelines as well as the Asset Managers' exclusive information network, we are moving forward to;

- Target AUM of ¥400 billion within 2 to 4 years
- LTV range of 40-50% (45.0%, as of May 31, 2013) on stabilized basis with additional debt capacity of ¥19 billion, assuming LTV level up to 50%
- Aim to maximize unitholders' value in terms of "improvement in portfolio stability through assets size expansion" and "maintaining/improving DPU level" by acquiring assets focusing on location and quality with the target acquisition NOI yield of 5.1%

Sourcing Channels

Direct acquisitions from the
Sponsor and Support Companies
(Including assets held or
warehoused by the Sponsor)

+

Acquisitions through information
from the Sponsor or Support
Companies

+

Acquisitions from third parties
based on the Asset Managers'
exclusive information network

of Asset Information by Category

(As of the end of May 2013)

Categories	Asset information		Properties under consideration			
	The 3rd period		The 3rd period		The 2nd period	Total
	Number	Ratio	Number	Ratio	Number	Number
Urban Retail Properties	29	13.6%	12	31.6%	6	18
Tokyo Office Properties	95	44.4%	17	44.7%	9	22
Other Properties	90	42.1%	9	23.7%	3	13
Total	214	-	38	-	15	53

of Asset Information by Sourcing Channel

(As of the end of May 2013)

Sourcing Channels	Asset information		Properties under consideration			
	The 3rd period		The 3rd period		The 2nd period	Total
	Number	Ratio	Number	Ratio	Number	Number
Sponsor and Support Companies	60	28.0%	19	50.0%	13	32
Sellers	6	2.8%	0	0.0%	1	1
Trust bank	75	35.0%	9	23.7%	1	10
Mediators and other	73	34.1%	10	26.3%	0	10
Total	214	-	38	-	15	53

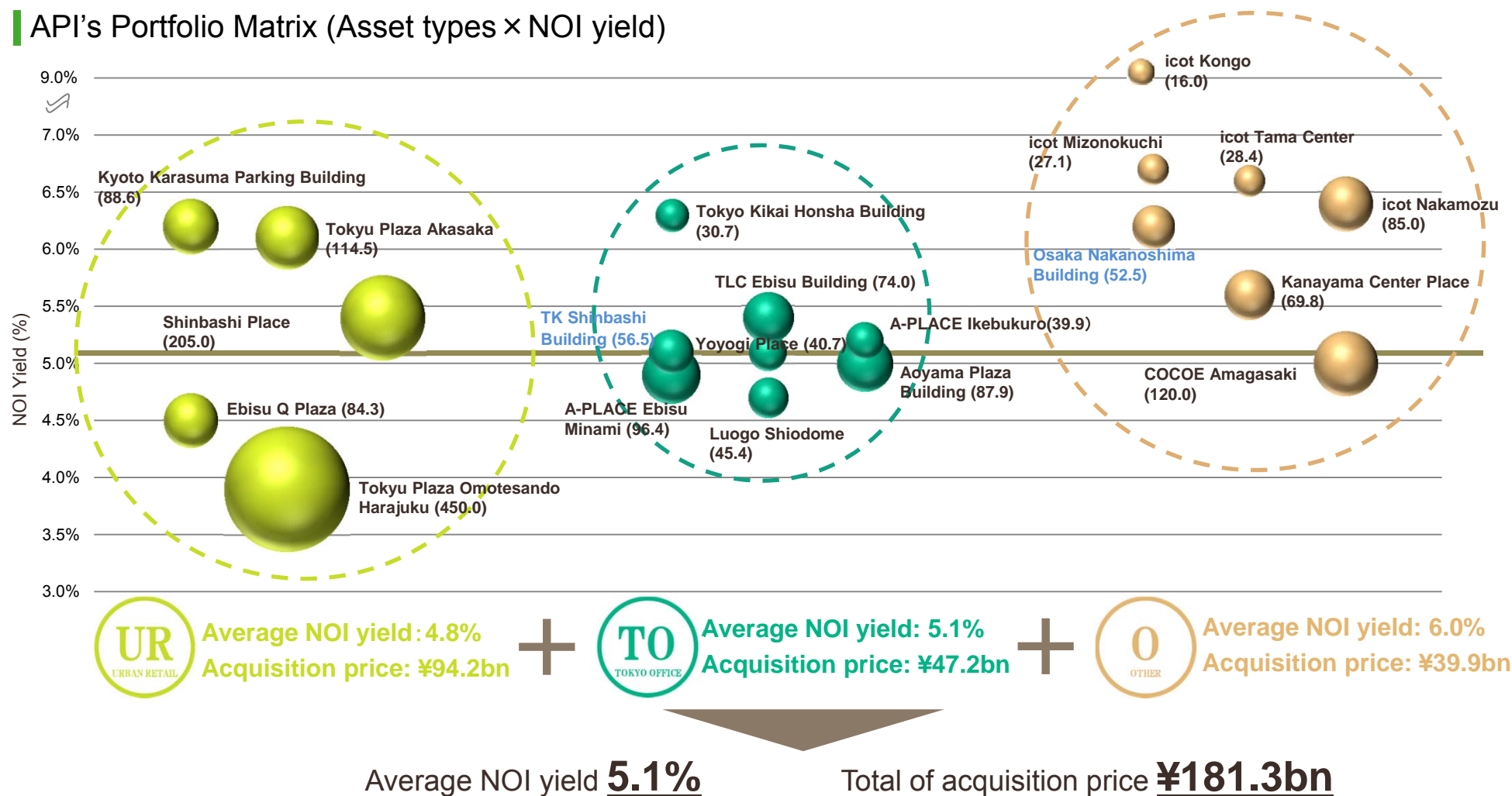
(Note1) Support companies: Tokyu Livable, Inc., Tokyu Community Corporation, Tokyu Hands, Inc., Tokyu Sports Oasis Inc., Tokyu Relocation Corporation

(Note2) LTV=Interest-bearing debt / Total assets x 100

External Growth Strategy -Balancing quality and profitability through Barbell Strategy-

- Property acquisition based on Barbell Strategy to balance portfolio quality and profitability

API's Portfolio Matrix (Asset types × NOI yield)



(Note 1) The size of the each bubble represents the acquisition price (in 100 millions in yen) of the each asset.

(Note 2) NOI yield is calculated by dividing NOI by the acquisition price. NOI is calculated by subtracting operating expense from operating income for each property and depreciation cost is not subtracted, described in the appraisal report when acquired.

Financial Strategy -Competitive and solid financial base through refinancing-

Summary Financial Information

(As of the end of May 2013)

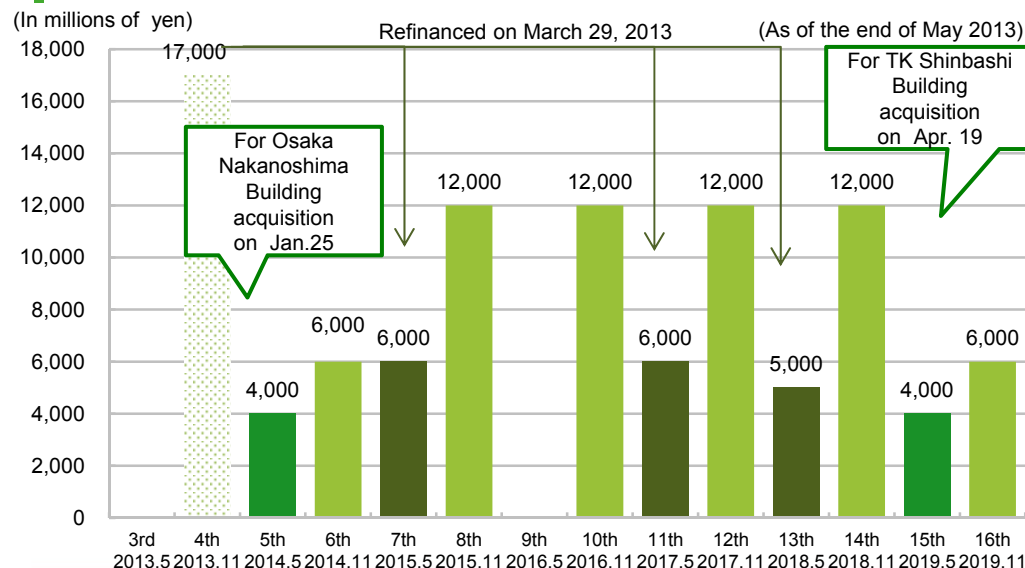
	The 3rd Period (May 2013)	The 2nd Period (Nov. 2012)
Total of interest-bearing debt	85,000 million yen	77,000 million yen
Total of deposit	8,223 million yen	7,688 million yen
Long-term borrowing ratio (Note1)	100.0% (95.3%)	77.9%
Fixed interest ratio	74.1% (Note2)	70.1%
Average remaining borrowing period	3.5 years	3.3 years
Average interest rate	0.77135% (Note2)	0.79657%
LTV (Note3)	45.0%	42.8%
Ratings (Rating agency: JCR)	Long-term issuer rating: AA- Outlook: Stable	Long-term issuer rating: AA- Outlook: Stable

(Note1) The number in the parentheses is the ratio excluding long-term borrowings to be repaid within a year.

(Note2) In order to hedge the fluctuation of the interest rate payment, we entered the interest rate swap agreement for some borrowing and the above "Average interest rate" is calculated after fixing the interest rate.

(Note3) LTV=Interest-bearing debt / Total assets x 100

Diversified Borrowing Maturity with ave. 3.5 years



Borrowings

New debt in the 3rd Period
 Refinanced in the 3rd Period
 (As of the end of May, 2013)

Classification	Lender	Amounts borrowed (JPY mn)	Interest rate	Maturity	Repayment method	Main uses	Comment
Long-term borrowing	Mitsubishi UFJ Trust and Banking Corporation	4,000	Base rate + 0.175% (floating) (Note2)	Apr. 25, 2014	Bullet maturity	Purchase of the properties	No-collateral
	Sumitomo Mitsui Banking Corporation	6,000	Base rate + 0.200% (floating) (Note2)	Jun. 13, 2014			
	Syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Ltd. (Note 3)	6,000	Base rate + 0.15% (floating) (Note2)	Mar. 31, 2015			
	Syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Ltd. (Note 4)	12,000	0.79955% (fixed)	Jun. 13, 2015			
	Syndicate of lenders arranged by Mitsubishi UFJ Trust and Banking Corporation (Note 4)	12,000	0.86572% (fixed)	Jun. 13, 2016			
	Syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Ltd. (Note 3)	6,000	Base rate + 0.175% (floating) (Note2)	Mar. 31, 2017			
	Syndicate of lenders arranged by The Bank of Tokyo-Mitsubishi UFJ Ltd. (Note 4)	12,000	0.95315% (fixed)	Jun. 13, 2017			
	Sumitomo Mitsui Trust Bank, Ltd.	6,000	0.68315% (Note 5)	Mar. 31, 2018			
	Syndicate of lenders arranged by Mizuho Corporate Bank, Ltd. (Note 4)	12,000	1.06309% (fixed)	Jun. 13, 2018			
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Corporate Bank, Ltd. Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	800 800 800 800 400 400	0.91941% (fixed)	Apr. 19, 2019			
	Development Bank of Japan Inc.	6,000	1.19051% (fixed)	Jun. 13, 2019			
Total		85,000	-	-	-	-	-

(Note1) Long-term borrowing includes the borrowing to be repaid within a year

(Note2) The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month Japanese Yen TIBOR of the Japanese Bankers Association, two business days before the interest payment date immediately preceding each interest payment date. However, if the calculation period is less than one month, the base rate will be the one corresponding to the period that will be calculated based on a method provided for in the agreement.

(Note3) The syndicate of lenders consists of Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Ltd., The Bank of Fukuoka, Ltd., The Gunma Bank, Ltd. and Shinkin Central Bank.

(Note4) The syndicate of lenders consists of Sumitomo Mitsui Trust Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ Ltd.

(Note5) The borrowing has a floating interest rate, but API fixed the interest rate by entering into an Interest Rate Swap Agreement in order to hedge risks arising from fluctuations. Therefore, the interest rate after the swap has taken place (fixation of interest rate) is stated.

(Note6) In addition to the borrowings in the table, respectively, we have concluded a ¥10 billion commitment line agreement and credit line (non-commitment basis) agreement with Sumitomo Mitsui Trust Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ Ltd. to secure flexible and stable financing for the future potential acquisition of properties.

(Note7) On July 1, 2013, Mizuho Corporate Bank, Ltd. changed its corporate name to Mizuho Bank, Ltd.

Financial Strategy -Distribution of Unitholders-

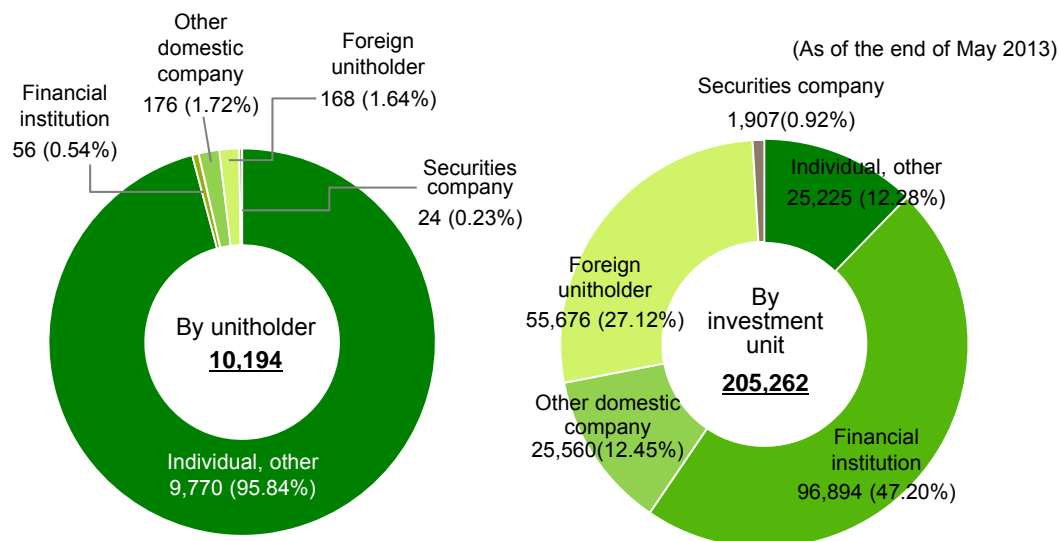
Distribution of Unitholders by holder types and # of units

	As of the end of 3rd Period (May 2013)				As of the end of 2nd Period (Nov. 2011)			
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
Individual, other	9,770	95.8%	25,225	12.3%	14,680	97.0%	38,501	18.8%
Financial institution	56	0.5%	96,894	47.2%	54	0.4%	82,936	40.4%
Other domestic company	176	1.7%	25,560	12.5%	227	1.5%	26,992	13.2%
Foreign unitholder	168	1.6%	55,676	27.1%	149	1.0%	55,485	27.0%
Securities company	24	0.2%	1,907	0.9%	24	0.2%	1,348	0.7%
Total	10,194人	100.0%	205,262	100.0%	15,134	100.0%	205,262	100.0%

Top 10 unitholders

(As of the end of May 2013)

Name	Investment units	Ratio
Japan Trustee Services Bank, Ltd. (Trust accounts)	39,239	19.11%
Tokyu Land Corporation	21,500	10.47%
The Master Trust Bank of Japan, Ltd. (Trust accounts)	15,477	7.54%
Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	14,725	7.17%
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	11,093	5.40%
NOMURA BANK (LUXEMBOURG) S.A.	6,813	3.31%
STATE STREET BANK AND TRUST COMPANY	3,703	1.80%
THE BANK OF NEW YORK, TREATY, JASDEC ACCOUNT	3,065	1.49%
STATE STREET BANK AND TRUST COMPANY	2,487	1.21%
EVERGREEN	2,365	1.15%
Total	120,467	58.65%





Appendix

Activia

Statement of Income -The 3rd Period ended May 31, 2013-

	(In thousands of yen)	
	2nd period	3rd period
Operating revenue		
Rent revenue-real estate	4,889,315	5,453,936
Other lease business revenue	305,296	349,567
Total operating revenue	5,194,612	5,803,503
Operating expenses		
Expenses related to rent business	1,278,245	1,435,773
Asset management fee	380,548	442,330
Asset custody fee	4,360	5,144
Administrative service fee	4,476	15,564
Directors' compensations	3,300	3,300
Other operating expenses	25,650	49,765
Total operating expenses	1,696,580	1,951,879
Operating income (loss)	3,498,031	3,851,624
Non operating income		
Interest income	128	237
Interest on securities	1,410	2,003
Interest on refund	-	3,407
Total non-operating income	1,539	5,648
Non-operating expenses		
Interest expenses	287,063	313,535
Investment unit issuance expenses	129,644	-
Other offering costs associated with the issuance of investment units	86,181	-
Borrowing related expenses	69,524	64,401
Other	4,000	-
Total non-operating expenses	576,413	377,936
Ordinary income (loss)	2,923,157	3,479,336
Income (loss) before income taxes	2,923,157	3,479,336
Income taxes-current	1,139	948
Income taxes-deferred	-26	9
Total income taxes	1,113	957
Net income (loss)	2,922,043	3,478,378
Retained earnings (deficit) brought forward	-61,017	85
Unappropriated retained earnings (undisposed loss)	2,861,026	3,478,463

Balance Sheets -The 3rd Period ended May 31, 2013-

	(In thousands of yen)	
	2nd period	3rd period
Assets		
Current assets		
Cash and deposits	5,586,163	4,707,652
Cash and deposits in trust	1,048,439	1,052,109
Operating accounts receivable	156,242	178,217
Prepaid expenses	110,647	223,261
Deferred tax assets	26	16
Consumption taxes receivable	1,446,329	-
Total current assets	8,347,848	6,161,257
Noncurrent assets		
Property, plant and equipment		
Building in trust	30,445,044	33,521,802
Accumulated depreciation	-428,592	- 891,456
Building in trust, net	30,016,451	32,630,345
Structures in trust	323,045	352,430
Accumulated depreciation	-8,823	-18,096
Structures in trust, net	314,222	334,334
Machinery and equipment in trust	576,121	617,991
Accumulated depreciation	-13,921	- 28,449
Machinery and equipment in trust, net	562,200	589,542
Tools, furniture and fixtures in trust	4,286	8,049
Accumulated depreciation	-189	- 699
Tools, furniture and fixtures in trust, net	4,096	7,350
Land in trust	136,258,287	144,250,646
Construction in progress in trust	-	3,224
Total property, plant and equipment	167,155,259	177,815,442
Intangible assets		
Leasehold rights in trust	4,265,157	4,487,617
Other	2,331	2,072
Total intangible assets	4,267,489	4,489,689
Investments and other assets		
Long-term prepaid expenses	286,230	361,340
Invest securities	9,930	9,942
Total investments and other assets	296,160	371,283
Total noncurrent assets	171,718,909	182,676,416
Total assets	180,066,757	188,837,673

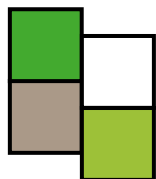
	(In thousands of yen)	
	2nd period	3rd period
Liabilities		
Current liabilities		
Operating accounts payable	287,850	340,229
Short-term loans payable	17,000,000	-
Long-term borrowing to be repaid within a year	-	4,000,000
Accounts payable-other	304,544	49,078
Accrued expenses	424,963	220,466
Income taxes payable	834	495
Consumption taxes payable	-	33,490
Advances received	102,941	116,320
Deposits received	21,873	2,235
Other	21	-
Total current liabilities	18,143,029	4,762,316
Noncurrent liabilities		
Long-term loans payable	60,000,000	81,000,000
Tenant leasehold and security deposits in trust	7,688,827	8,223,028
Other	41	31
Total noncurrent liabilities	67,688,868	89,223,059
Total liabilities	85,831,897	93,985,376
Net assets		
Unitholders' equity		
Unitholders' capital	91,373,833	91,373,833
Surplus		
Unappropriated retained earnings (undisposed loss)	2,861,026	3,478,463
Total surplus	2,861,026	3,478,463
Total unitholders' equity	94,234,859	94,852,296
Total net assets	94,234,859	94,852,296
Total liabilities and net assets	180,066,757	188,837,673



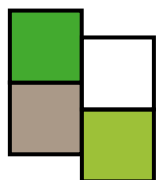
Summary of Activia Properties Inc.



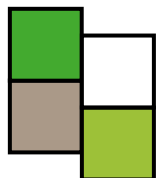
Investment Highlights



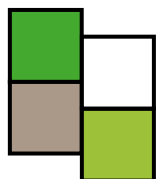
Focused investments in Urban Retail Properties and Tokyo Office Properties



Utilization of the comprehensive support and capabilities of Tokyu Land Group companies' value chain



Strong governance structure aimed at maximizing the value of our units



Sound financing strategy supported by strong banking syndicate

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.



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.

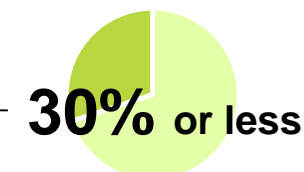
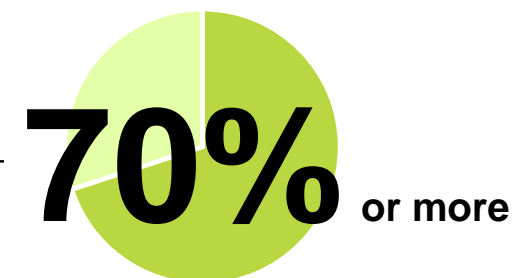


Other Properties

Selective investments in other attractive retail and office properties.

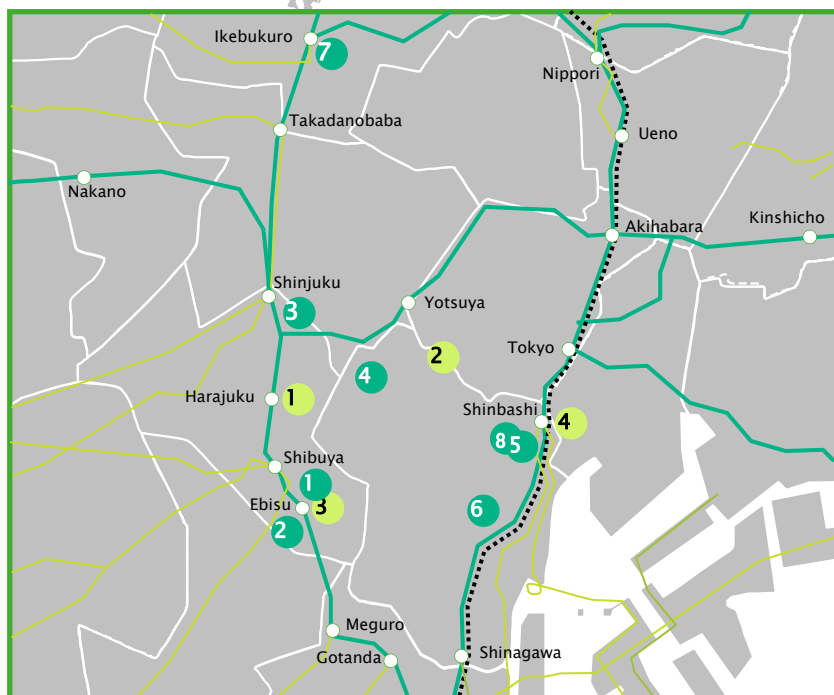
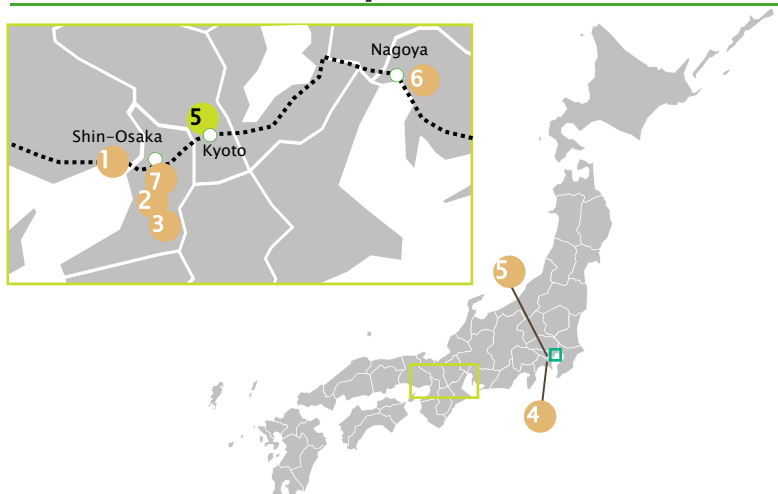


Target Portfolio (acquisition price basis)



Note: Percentages may be changed in the short term due to acquisition and disposition of properties.

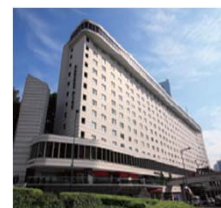
Portfolio Map



Urban Retail Properties



UR 1

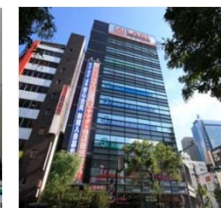
Tokyu Plaza
Omotesando Harajuku

UR 2

Tokyu Plaza
Akasaka

UR 3

Ebisu Q Plaza



UR 4

Shinbashi Place



UR 5

Kyoto Karasuma
Parking Building

Tokyo Office Properties



TO 1

TLC Ebisu
Building

TO 2

A-PLACE
Ebisu Minami

TO 3

Yoyogi Place



TO 4

Aoyama Plaza
Building

TO 5

Luogo
Shiodome

TO 6

Tokyo Kikai
Honsha
Building

TO 7

A-PLACE
Ikebukuro

TO 8

TK
Shinbashi
Building

Other Properties



O 1

COCOE
Amagasaki
(Land)

O 2

icot Nakamozu



O 3

icot Kongo



O 4

icot Mizonokuchi



O 5

icot
Tama Center

O 6

Kanayama
Center Place

O 7

Osaka
Nakanoshima
Building

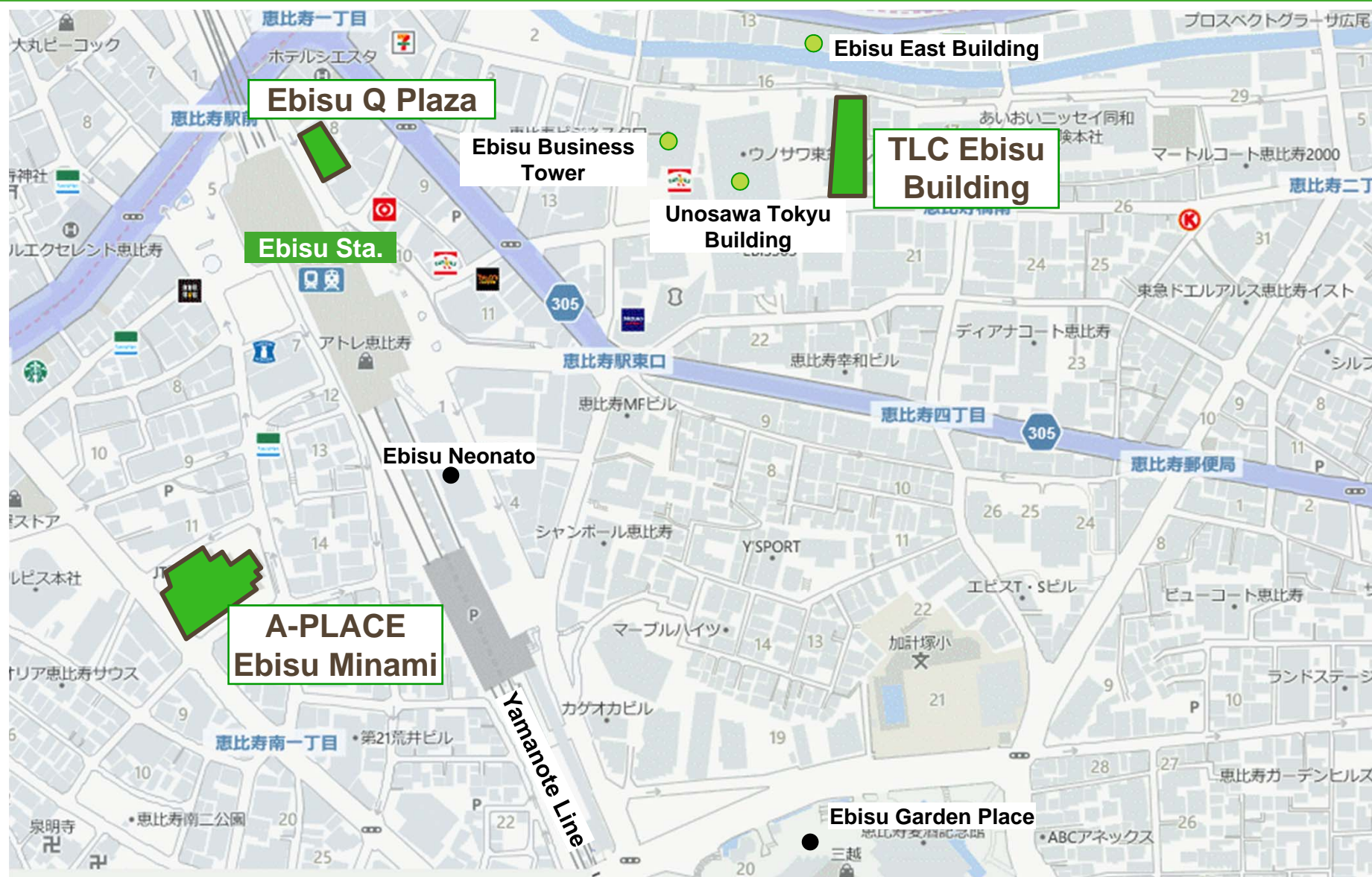
Portfolio Map/Omotesando-Aoyama Area



Portfolio Map/Shinbashi-Shiodome Area



Portfolio Map/Ebisu Area



Portfolio/Urban Retail Properties

Property name	Tokyu Plaza Omotesando Harajuku ^(Note1)	Tokyu Plaza Akasaka ^(Note1)	Ebisu Q Plaza	Shinbashi Place	Kyoto Karasuma Parking Building
Photo					
Location	Jingu-mae, Shibuya-ku, Tokyo	Nagatacho, Chiyoda-ku, Tokyo	Ebisu, Shibuya-ku, Tokyo	Shinbashi, Minato-ku, Tokyo	Moto Honenji-cho, Nakagyo-ku, Kyoto
Access	Within 1-minute walking distance from Tokyo Metro Chiyoda Line/Fukutoshin Line "Meiji Jingu-mae" station	Within 1-minute walking distance from Tokyo Metro Ginza Line/Marunouchi Line "Akasaka-mitsuke" station	Within 1-minute walking distance from JR/Tokyo Metro Hibiya Line "Ebisu" station	Within 1-minute walking distance from JR/Tokyo Metro Ginza Line/Municipal Subway Asakusa Line "Shinbashi" station	Within 1-minute walking distance from Hankyu Kyoto Line "Karasuma" station and 1-minute walking distance from subway Karasuma Line "Shijo" station
Acquisition price (A)	JPY45,000mn	JPY11,450mn	JPY8,430mn	JPY20,500mn	JPY8,860mn
Appraisal value (B) ^(Note2)	JPY45,200mn	JPY11,500mn	JPY8,770mn	JPY22,500mn	JPY9,430mn
vs appraisal value (A/B)	99.6%	99.6%	96.1%	91.1%	94.0%
Appraisal NOI yield ^(Note3)	3.9%	6.1%	4.5%	5.4%	6.2%
Structure	Steel framed, partially RC, SRC	SRC	Steel framed, partially RC	Steel framed, partially SRC	Steel framed
Number of floors	7 floors above and 2 floors underground	14 floors above and 3 floors underground	6 floors above and 1 floor underground	10 floors above and 1 floor underground	9 floors above and 1 floor underground
Gross floor area	11,368.11m ²	51,491.66m ²	4,670.02m ²	8,541.70m ²	21,495.47m ²
Total leasable area	4,904.55m ²	16,620.48m ²	4,024.88m ²	9,156.01m ²	21,616.04m ²
Occupancy rate ^(Note4)	100.0%	98.7%	100.0%	100.0%	100.0%
Key tenants	Baroque Japan Limited	Tokyu Hotels Co., Ltd.	Tokyu Sports Oasis Inc.	Yamada-Denki Co., Ltd.	Paraca Inc.
Number of tenants ^(Note4)	27	99	4	1	2
Investment criteria	<ul style="list-style-type: none"> Located at the crossing of Omotesando and Meiji Street, the center of Japan's fashion culture. It is an excellent location with strong branding effect for fashion shops Aiming to develop a "fashion theme park" that enables customers to enjoy the latest fashion and life-style themes in an environment full of greenery Many tenants have positioned their shops in this building as their flagship or prototype shop considering the building's excellent location and high visibility 	<ul style="list-style-type: none"> Property is located in an area of Akasaka with a high concentration of restaurants, hotels and offices where many middle-aged office workers like to meet. The strong international flavor stems from the many foreign companies and embassies in this area. In the back of the site is the Nagatacho and Kasumigaseki areas Located in the busy commercial area of Tokyo city-center, it has good commercial potential to attract diversified businesses Property is facing Akasakamitsuke crossing where Sotobori Street crosses with Route 246. It is a high profile building with a large facade and one of the landmarks of Akasaka area 	<ul style="list-style-type: none"> Located in Ebisu area which is, unlike Shibuya or Daikanyama, well-known as the town for grown-ups High-profile building located in front of a station with a large facade made of terracotta bars and glass One of the few buildings with significant presence in the West exit area of "Ebisu" station where there are very few large-sized retail properties 	<ul style="list-style-type: none"> 1-minute walking distance from convenient "Shinbashi" station, which is one of the busiest terminal stations in Japan It is located in a place that is the starting point for both shoppers visiting Ginza and office workers Versatile structure of the building allows various alternative uses including, but not limited to, use as offices for versatile coverage of diversified tenants' needs 	<ul style="list-style-type: none"> Located in Shijo Karasuma area, which is one of Kyoto's most prominent city center areas With a facade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day It is one of the few retail properties in the area with a large car park Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto





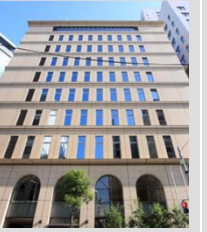

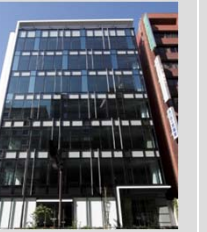

Note1: Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75% and 50%, respectively).

Note2: The date of value estimate is as of Feb. 29, 2012 except Tokyu Plaza Omotesando Harajuku, as of Mar. 31, 2012.

Note3: Appraisal NOI yield is calculated by dividing NOI by the acquisition price. NOI is calculated by subtracting operating expense from operating income for each property and depreciation cost is not subtracted, described in the appraisal report when acquired.

Note4: As of the end of May 2013.

Portfolio/Tokyo Office Properties


Property name	TLC Ebisu Building	A-PLACE Ebisu Minami	Yoyogi Place	Aoyama Plaza Building	Luogo Shiodome	Tokyo Kikai Honsha Building	A-PLACE Ikebukuro	TK Shinbashi Building
Photo								
Location	Ebisu, Shibuya-ku, Tokyo	Ebisu-Minami, Shibuya-ku, Tokyo	Sendagaya, Shibuya-ku, Tokyo	Kita-Aoyama, Minato-ku, Tokyo	Higashi Shinbashi, Minato-ku, Tokyo	Shiba, Minato-ku, Tokyo	Minami Ikebukuro, Toshima-ku, Tokyo	Shinbashi, Minato-ku, Tokyo
Access	4-minute walking distance from JR Yamanote Line "Ebisu" station	4-minute walking distance from JR Yamanote Line/Tokyo Metro Hibiya Line "Ebisu" station	3-minute walking distance from JR Yamanote Line/Municipal Subway Oedo Line "Yoyogi" station	4-minute walking distance from Tokyo Metro Ginza Line "Gaienmae" station	4-minute walking distance from Municipal Subway Oedo Line/Yurikamome's "Shiodome" station	2-minute walking distance from Municipal Subway Asakusa Line/Mita Line "Mita" station	6-minute walking distance from JR Yamanote Line/ Saikyou Line/Shonan-Shinjuku Line/Tokyo Metro Marunouchi Line/Yurakucho Line/ Fukutoshin Line/Seibu Ikebukuro Line/Tobu Tojo Line "Ikebukuro" station	5-minute walking distance from JR Tokaido Line/JR Yamanote Line/ Keihin-Tohoku Line/Yokosuka Line/ Tokyo Metro Ginza Line/ Municipal Subway Asakusa Line/Yurikamome "Shinbashi" station
Acquisition price (A)	JPY7,400mn	JPY9,640mn	JPY4,070mn	JPY8,790mn	JPY4,540mn	JPY3,070mn	JPY3,990mn	JPY5,650mn
Appraisal value (B) ^(Note1)	JPY7,420mn	JPY9,950mn	JPY4,180mn	JPY8,850mn	JPY4,570mn	JPY3,090mn	JPY4,020mn	JPY5,780mn
vs appraisal value (A/B)	99.7%	96.9%	97.4%	99.3%	99.3%	99.4%	99.3%	97.8%
Appraisal NOI yield ^(Note2)	5.4%	4.9%	5.1%	5.0%	4.7%	6.3%	5.2%	5.1%
Structure	SRC	SRC	Steel framed	RC	Steel framed, partially RC	SRC	Steel framed, partially RC	Reinforce concrete, SRC
Number of floors	9 floors above and 1 floor underground	6 floors above and 1 floor underground	10 floors above and 1 floor underground	9 floors above and 1 floor underground	11 floors above and 1 floor underground	6 floors above and 1 floor underground	7 floors above and 1 floor underground	9 floors above and 2 floors underground
Gross floor area	10,297.73m ²	12,167.57m ²	4,201.59m ²	9,958.33m ²	8,242.61m ²	6,992.31m ²	4,709.05m ²	7,143.97m ²
Total leasable area	7,342.60m ²	7,950.51m ²	3,106.17m ²	7,303.69m ²	4,476.35m ²	4,389.20m ²	3,409.73m ²	5,052.14m ²
Occupancy rate ^(Note3)	100.0%	96.1%	100.0%	100.0%	100.0%	100.0%	100.0%	84.6%
Investment criteria	<ul style="list-style-type: none"> The building is in the high-profile area of Ebisu, which has the highest concentration of office buildings in this area Compared with other buildings in the neighborhood, its large floor size of approx. 805 m² on standard floors makes it highly competitive 	<ul style="list-style-type: none"> Located within walking distance from "Ebisu" station, which attracts high traffic Considering the high traffic of Ebisu area, demand by IT companies including software developers, apparel companies, as well as service providers such as restaurants, beauty salons & clinics and schools is quite high Large floor size of approx. 1,655 m² on standard floor area 	<ul style="list-style-type: none"> Highly visible building standing along the roadside of Meiji Street and is within walking distance from "Shinjuku" station Approx. 346 m² astylar space on one floor allows highly efficient space usage Versatile building of rectangular shape which allows partial leasing of the building 	<ul style="list-style-type: none"> Building has strong competitive advantages compared with the office buildings in the neighborhood due to its large size Large-scale renovation of the building including seismic strengthening completed in 2008 Above-ground parking space for 24 cars is a strong point of appeal to companies including apparel companies that need to deliver products and equipment 	<ul style="list-style-type: none"> Located on the north side of Shiodome Siosite's western district, known as "Italy Town", which has high traffic Higher competitiveness compared with other office properties in the neighborhood due to its quake-absorbing structure Strong demand expected from affiliates and customers of large corporations that are tenants in large buildings around "Shiodome" station 	<ul style="list-style-type: none"> The HQ building of a general electronics manufacturer is located in the neighborhood along with a number of its group/partner companies, but other types of businesses including financial institutions have increasingly set up their HQ in the area recently The subject property has a typical floor area of approx. 840 m² and is within short distance of the nearest train station 	<ul style="list-style-type: none"> High-profile building located within a 6-minute walking distance from "Ikebukuro station" along Meiji Street Relatively new building which is built by the latest building/facility specifications and located in an area with little supply of new office properties 	<ul style="list-style-type: none"> This area is expected to demand from prospective tenants running various styles of business in different categories. In a block on the southern side, Loop Road No. 2 is under construction. The district has the potential for further development in the future. As the second to fifth floors were renovated from 2012 to 2013.

Note1: The date of value estimate is as of Feb. 29, 2012 except TK Shinbashi Building, as of Mar. 1, 2013.

Note2: Appraisal NOI yield is calculated by dividing NOI by the acquisition price. NOI is calculated by subtracting operating expense from operating income for each property and depreciation cost is not subtracted, described in the appraisal report when acquired.

Note3: As of the end of May 2013.

Portfolio/Other Properties

Property name	COCOE Amagasakai (Land)	icot Nakamozu	icot Kongo	icot Mizonokuchi	icot Tama Center	COCOE Amagasakai (Land)	Osaka Nakanoshima Building(Note1)
Photo							
Location	Shioe, Amagasaki City, Hyogo Prefecture	Nakamozu town Kita-ku, Sakai City, Osaka Prefecture	Handa, Osaka Sayama City, Osaka Prefecture	Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa Prefecture	Ochiai, Tama City, Tokyo	Kanayama, Naka-ku, Nagoya City, Aichi Prefecture	Nakanoshima, Kita-ku, Osaka City, Osaka Prefecture
Access	2-minute walking distance from JR Kobe Line/Takarazuka Line/Tozai Line "Amagasaki" station	6-minute walking distance from Midosuji Subway Line "Nakamozu" station	5-minute walking distance from Nankai Koya Line "Kongou" station	13-minute walking distance from Tokyu Denen Toshi Line "Takatsu" station	4-minute walking distance from Keio Sagami-hara Line "Keio Tama Center" station and 4-minute walking distance from Odakyu Tama Line "Odakyu Tama Center" station	1-minute walking distance from Nagoya Municipal Subway Meijo Line/Meiko Line "Kanayama" station, and 2-minute walking distance from JR Chuo Line/JR Tokaido Line/Meitetsu Nagoya Main Line "Kanayama" station	1-minute walking distance from Keihan Nakanoshima Line "Oebashi" station and 5-minute walking distance from Osaka Municipal Subway Midosuji Line "Yodoyabashi" station
Acquisition price (A)	JPY 12,000mn	JPY 8,500mn	JPY 1,600mn	JPY 2,710mn	JPY 2,840mn	JPY 6,980mn	JPY 5,250mn
Appraisal value (B) (Note2)	JPY 12,100mn	JPY 8,880mn	JPY 1,780mn	JPY 2,950mn	JPY 2,990mn	JPY 7,120mn	JPY 5,800mn
vs appraisal value (A/B)	99.2%	95.7%	89.9%	91.9%	95.0%	98.0%	90.5%
Appraisal NOI yield (Note3)	5.0%	6.4%	9.4%	6.7%	6.6%	5.6%	6.2%
Structure	-	Steel framed	SRC	Steel framed	RC	Steel framed, partially SRC	SRC
Number of floors	-	3 floors above	3 floors above	4 floors above and 1 floor underground	15 floors above and 1 floor underground	9 floors above and 1 floor underground	15 floors above and 3 floors underground
Gross floor area	-	27,408.34m ²	17,894.95m ²	14,032.05m ²	31,553.75m ²	12,783.13m ²	34,248.71m ²
Total leasable area	27,465.44m ²	28,098.02m ²	17,884.55m ²	14,032.05m ²	5,181.58m ²	9,314.91m ²	10,214.88m ²
Occupancy rate (Note4)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.6%
Investment criteria	<ul style="list-style-type: none"> Multi-tenant property that represents Amagasaki and is directly connected to the JR Amagasaki train station. Its approx. 140 specialty store tenants include the largest sports club & cinema complex in the region and a department store that specializes in house and livingware Stable income expected from the strong competitiveness of the property in the relevant region and a 30-year term leasehold agreement (land) for commercial use with the leaseholder (Sumitomo Mitsui Trust Bank) Good access by car as the property has a parking lot for 1,514 cars, enabling it to attract visitors from a widespread area 	<ul style="list-style-type: none"> Located in Nakamozu area where housing concentration is growing steadily as it connects Osaka City with Senboku New Town It is one of the No. 1 neighborhood shopping center in the nearby commercial area Attracted to its large size, core tenants of the multi-tenant property include UNIQLO and ABC Mart. It also has the flagship store of home improvement retailer Kohnan Shoji. Stable income expected from the 20-year fixed-term lease contracts with such core tenants 	<ul style="list-style-type: none"> Strong competitiveness in the area supported by its location in Osaka's commuter town, proximity to the station, large floor area and the large open above-ground parking space Renovation of the building in 2006 to maintain/increase its competitiveness Daiei Kongo Shop is supported by local residents especially as a food supermarket, and it stands in a local trade area that is different from the trade area of roadside SCs 	<ul style="list-style-type: none"> Good access from Tokyo city center as property is facing the trunk road. It is located in an area with many residential and a promising trade area Property presents one of the few opportunities to major retailers who want to open their shops on roadside properties and provides leasing contracts with terms through 2018 to ensure stable income 	<ul style="list-style-type: none"> High concentration of residents in an area which is located in the center of Tama New Town. Property is connected with a station and retail properties by a pedestrian deck Unique tenant structure that includes a one-price shop, clinic mall and bank branches helps satisfy the needs of people in surrounding areas, and parking for 103 cars helps capture shoppers who come by car 	<ul style="list-style-type: none"> Property is located in front of "Kanayama" station which has good access to "Nagoya" station and Chubu International Airport respectively. The large size of 300 tsubo on standard floors and landmark exterior ensures sufficient competitiveness in the area Relatively new office building completed in Feb 2009 which is equipped with state-of-the-art specifications 	<ul style="list-style-type: none"> The Nakanoshima area features many office buildings, including financial institutions and government offices, such as the Bank of Japan Osaka branch and the Osaka City Hall, as well as offices of major companies such as The Asahi Shimbun Company and Kansai Electric Power. Highly prominent and is in a good environment for offices.

Note1: The co-ownership (jun kyoyu-mochibun) property is calculated based on the pro rata share (50%).




Note2: The date of value estimate is as of Feb. 29, 2012 except Osaka Nakanoshima Building, as of Dec. 1, 2012.

Note3: Appraisal NOI yield is calculated by dividing NOI by the acquisition price. NOI is calculated by subtracting operating expense from operating income for each property and depreciation cost is not subtracted, described in the appraisal report when acquired.

Note4: As of the end of May 2013.

Portfolio Appraisal Values Status 1 -As of February 29, 2012-

(In millions of yen)

Category	Property number	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note1)	Appraisal Value (Note2)	Capitalization						Appraisal NOI yield (NOI / Acquisition price) (%)
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)	NOI(Note6)	
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note3)	45,000	26.4	J	45,200	46,100	3.8	44,300	3.6	4.0	1,761	3.9
	UR-2	Tokyu Plaza Akasaka ^(Note3)	11,450	6.7	T	11,500	11,800	5.3	11,400	5.5	5.6	700	6.1
	UR-3	Ebisu Q Plaza	8,430	4.9	T	8,770	8,930	4.3	8,700	4.6/4.5 ^(Note4)	4.6	378	4.5
	UR-4	Shinbashi Place	20,500	12.0	D	22,500	23,000	4.9	22,300	4.7	5.1	1,104	5.4
	UR-5	Kyoto Karasuma Parking Building	8,860	5.2	D	9,430	9,430	5.7	9,430	5.7	5.9	547	6.2
	TO-1	TLC Ebisu Building	7,400	4.3	T	7,420	7,730	4.7	7,280	4.9	5.0	400	5.4
	TO-2	A-PLACE Ebisu Minami	9,640	5.7	T	9,950	10,300	4.6	9,800	4.8	4.9	477	4.9
	TO-3	Yoyogi Place	4,070	2.4	V	4,180	4,480	4.6	4,180	4.6	4.9	206	5.1
	TO-4	Aoyama Plaza Building	8,790	5.2	D	8,850	8,890	4.9	8,830	4.7	5.1	441	5.0
	TO-5	Luogo Shiodome	4,540	2.7	D	4,570	4,690	4.5	4,520	4.3	4.7	212	4.7
	TO-6	Tokyo Kikai Honsha Building	3,070	1.8	T	3,090	3,040	5.4	3,110	5.3/5.4 ^(Note5)	5.7	193	6.3
	TO-7	A-PLACE Ikebukuro	3,990	2.3	J	4,020	4,060	5.1	3,970	4.9	5.3	207	5.2
	O-1	COCOE Amagasaki (Land)	12,000	7.0	J	12,100	12,100	5.0	12,000	4.6	5.2	600	5.0
	O-2	icot Nakamozu	8,500	5.0	T	8,880	9,030	6.0	8,820	5.9	6.3	546	6.4
	O-3	icot Kongo	1,600	0.9	M	1,780	1,810	6.9	1,740	6.6	7.4	150	9.4
	O-4	icot Mizonokuchi	2,710	1.6	M	2,950	2,990	6.0	2,900	5.7	6.4	182	6.7
	O-5	icot Tama Center	2,840	1.7	J	2,990	3,030	6.2	2,950	5.5	6.4	188	6.6
	O-6	Kanayama Center Place	6,980	4.1	V	7,120	7,360	5.3	7,120	5.3	5.6	392	5.6
Total		—	170,370	100.0	—	175,300	178,770	—	173,350	—	—	8,684	5.1

Note1: J:Japan Real Estate Institute, T: The Tanizawa Sōgō Appraisal Co., Ltd., D: Daiwa Real Estate Appraisal Co., Ltd., V:Japan Valuers Co., Ltd., M:Morii Appraisal & Investment Consulting, Inc.

Note2: As of Feb. 29, 2012 except Tokyu Plaza Omotesando Harajuku, as of Mar. 31, 2012.

Note3: Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75% and 50%, respectively).




Note4: The discount rate for Ebisu Q Plaza is 4.6% while owned and 4.5% for the terminal discount rate.

Note5: The discount rate for Tokyo Kikai Honsha Building is 5.3% for the 1st year through the 3rd year, and 5.4% for the 4th year through the 11th year.

Note6: Calculated based on Direct capitalization method. The figures are rounded to the million yen.

Portfolio Appraisal Values Status 2 -As of November 30, 2012-

(In millions of yen)

Category	Property number	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note1)	Appraisal value	Capitalization					
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)	NOI(Note5)
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note2)	45,000	26.4	J	47,000	47,925	3.7	45,975	3.5	3.9	1,756
	UR-2	Tokyu Plaza Akasaka ^(Note2)	11,450	6.7	T	11,500	11,800	5.3	11,300	5.5	5.6	699
	UR-3	Ebisu Q Plaza	8,430	4.9	T	8,830	8,980	4.3	8,770	4.6/4.5 ^(Note3)	4.6	380
	UR-4	Shinbashi Place	20,500	12.0	D	22,800	23,100	4.9	22,600	4.7	5.1	1,110
	UR-5	Kyoto Karasuma Parking Building	8,860	5.2	D	9,420	9,410	5.7	9,420	5.7	5.9	546
	TO-1	TLC Ebisu Building	7,400	4.3	T	7,450	7,760	4.7	7,310	4.9	5.0	401
	TO-2	A-PLACE Ebisu Minami	9,640	5.7	T	10,000	10,400	4.6	9,870	4.8	4.9	483
	TO-3	Yoyogi Place	4,070	2.4	V	4,230	4,530	4.6	4,230	4.6	4.9	208
	TO-4	Aoyama Plaza Building	8,790	5.2	D	8,740	8,820	4.9	8,710	4.7	5.1	438
	TO-5	Luogo Shiodome	4,540	2.7	D	4,700	4,750	4.5	4,680	4.3	4.7	214
	TO-6	Tokyo Kikai Honsha Building	3,070	1.8	T	3,020	3,210	5.2	2,940	5.3/5.2 ^(Note4)	5.5	195
	TO-7	A-PLACE Ikebukuro	3,990	2.3	J	4,040	4,080	5.1	3,990	4.9	5.3	208
	O-1	COCOE Amagasaki (Land)	12,000	7.0	J	12,100	12,100	5.0	12,000	4.6	5.2	600
	O-2	icot Nakamozu	8,500	5.0	T	8,920	9,070	6.0	8,860	5.9	6.3	549
	O-3	icot Kongo	1,600	0.9	M	1,810	1,840	6.9	1,770	6.6	7.4	153
	O-4	icot Mizonokuchi	2,710	1.6	M	2,960	3,010	6.0	2,910	5.7	6.4	183
	O-5	icot Tama Center	2,840	1.7	J	3,010	3,050	6.2	2,970	5.5	6.4	189
	O-6	Kanayama Center Place	6,980	4.1	V	7,360	7,660	5.3	7,360	5.3	5.6	408
Total		—	170,370	100.0	—	177,890	181,495	—	175,665	—	—	8,720

Note1: J:Japan Real Estate Institute, T: The Tanizawa Sōgō Appraisal Co., Ltd., D: Daiwa Real Estate Appraisal Co., Ltd., V:Japan Valuers Co., Ltd., M:Morii Appraisal & Investment Consulting, Inc.

Note2: Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75% and 50%, respectively).




Note3: The discount rate for Ebisu Q Plaza is 4.6% while owned and 4.5% for the terminal discount rate.

Note4: The discount rate for Tokyo Kikai Honsha Building is 5.3% for the 1st year through the 2nd year, and 5.2% for the 3rd year through the 11th year.

Note5: Calculated based on Direct capitalization method. The figures are rounded to the million yen.

Portfolio Appraisal Values Status 3 -As of May 31, 2013-

(In millions of yen)

Category	Property number	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note1)	Appraisal value	Capitalization					
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)	NOI ^(Note5)
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note2)	45,000	24.8	J	47,000	47,925	3.7	45,975	3.5	3.9	1,754
	UR-2	Tokyu Plaza Akasaka ^(Note2)	11,450	6.3	T	11,500	11,800	5.2	11,400	5.4	5.5	688
	UR-3	Ebisu Q Plaza	8,430	4.7	T	9,030	9,180	4.2	8,970	4.5/4.4 ^(Note3)	4.5	379
	UR-4	Shinbashi Place	20,500	11.3	D	22,800	23,100	4.9	22,600	4.7	5.1	1,109
	UR-5	Kyoto Karasuma Parking Building	8,860	4.9	D	9,320	9,310	5.7	9,320	5.7	5.9	540
	TO-1	TLC Ebisu Building	7,400	4.1	T	7,500	7,820	4.6	7,360	4.8	4.9	396
	TO-2	A-PLACE Ebisu Minami	9,640	5.3	T	10,300	10,600	4.5	10,100	4.7	4.8	482
	TO-3	Yoyogi Place	4,070	2.2	V	3,780	4,000	4.5	3,780	4.5	4.8	180
	TO-4	Aoyama Plaza Building	8,790	4.8	D	8,340	8,490	4.9	8,270	4.7	5.1	422
	TO-5	Luogo Shiodome	4,540	2.5	D	4,700	4,730	4.5	4,690	4.3	4.7	214
	TO-6	Tokyo Kikai Honsha Building	3,070	1.7	T	3,070	3,270	5.1	2,990	5.2/5.1 ^(Note4)	5.4	195
	TO-7	A-PLACE Ikebukuro	3,990	2.2	J	4,120	4,170	5.0	4,070	4.8	5.2	208
	TO-8	TK Shinbashi Building	5,650	3.1	J	5,900	6,010	4.6	5,790	4.4	4.8	287
	O-1	COCOE Amagasaki (Land)	12,000	6.6	J	12,100	12,100	5.0	12,000	4.6	5.2	600
	O-2	icot Nakamozu	8,500	4.7	T	9,010	9,160	5.9	8,940	5.8	6.2	545
	O-3	icot Kongo	1,600	0.9	M	1,810	1,850	6.9	1,770	6.6	7.4	153
	O-4	icot Mizonokuchi	2,710	1.5	M	2,960	3,010	6.0	2,910	5.7	6.4	183
	O-5	icot Tama Center	2,840	1.6	J	3,010	3,050	6.2	2,970	5.5	6.4	189
	O-6	Kanayama Center Place	6,980	3.9	V	7,420	7,760	5.2	7,420	5.2	5.5	406
	O-7	Osaka Nakanoshima Building ^(Note2)	5,250	2.9	J	5,800	5,800	5.0	5,750	4.8	5.2	324
Total			181,270	100.0	—	189,470	193,135	—	187,075	—	—	9,254

Note1: J: Japan Real Estate Institute, T: The Tanizawa Sōgō Appraisal Co., Ltd., D: Daiwa Real Estate Appraisal Co., Ltd., V: Japan Valuers Co., Ltd., M: Morii Appraisal & Investment Consulting, Inc.

Note2: Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Osaka Nakanoshima Building, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75%, 50% and 50%, respectively).

Note3: The discount rate for Ebisu Q Plaza is 4.5% while owned and 4.4% for the terminal discount rate.

Note4: The discount rate for Tokyo Kikai Honsha Building is 5.2% for the 1st year through the 2nd year, and 5.1% for the 3rd year through the 11th year.

Note5: Calculated based on Direct capitalization method. The figures are rounded to the million yen.

Overview of Lease and Profit and Loss for the 3rd Period

(In thousands of yen)

	Urban Retail Properties					Tokyo Office Properties								Other Properties						
	Tokyu Plaza Omotesando Harajuku (Note1)	Tokyu Plaza Akasaka (Note1)	Ebisu Q Plaza	Shinbashi Place	Kyoto Karasuma Parking Building	TLC Ebisu Building	A-PLACE Ebisu Minami	Yoyogi Place	Aoyama Plaza Building	Luogo Shiodome	Tokyo Kikai Building	A-PLACE Ikebukuro	TK Shinbashi Building (Note4)	COCOE Amagasaki (Land)	icot Nakamozu	icot Kongo	icot Mizono kuchi	icot Tama Center	Kanayma Center Place	Osaka Nakanoshima Building (Note1) (Note4)
a. Revenue related to rent business	1,104,510	588,161	270,657	(Note2)	(Note2)	266,852	314,579	132,487	248,055	166,124	151,609	(Note2)	32,373	341,532	310,749	(Note2)	(Note2)	142,728	277,803	195,193
Rent revenue-real estate	1,051,362	473,703	237,540	(Note2)	(Note2)	246,758	287,308	126,277	234,801	153,715	146,288	(Note2)	27,778	341,532	310,719	(Note2)	(Note2)	130,690	258,625	176,317
Other lease business revenue	53,148	114,457	33,116	(Note2)	(Note2)	20,094	27,270	6,210	13,254	12,408	5,321	(Note2)	4,595	-	30	(Note2)	(Note2)	12,038	19,178	18,875
b. Expenses related to rent business	187,860	209,552	55,564	14,707	4,795	58,454	66,421	22,143	49,377	32,547	34,600	20,424	8,594	252	6,919	19,183	8,055	35,050	54,739	55,799
Management operation expenses	86,981	79,122	16,163	12,352	3,550	21,914	32,727	10,137	29,251	11,386	17,019	9,782	4,351	-	5,570	2,676	2,449	19,090	24,092	23,237
Utilities expenses	30,468	80,193	28,979	-	-	21,592	18,937	7,924	14,899	12,936	10,851	9,532	2,280	-	30	-	-	14,554	20,627	15,123
Tax and public dues	196	469	12	-	-	784	1,067	99	49	390	89	175	-	-	-	6,904	-	-	-	27
Insurance	397	613	122	266	233	277	333	118	254	217	178	115	47	-	332	437	142	205	336	330
Repair and maintenance expenses	892	44,068	1,620	1,300	289	3,532	5,087	2,042	1,857	4,013	3,020	53	967	-	170	8,901	4,700	115	3,839	10,534
Other expenses related to rent business	68,923	5,084	8,666	789	722	10,354	8,268	1,820	3,064	3,603	3,440	765	947	252	816	263	763	1,083	5,844	6,545
c. NOI (a-b)	916,650	378,609	215,092	(Note2)	(Note2)	208,398	248,157	110,344	198,678	133,577	117,009	(Note2)	23,779	341,280	303,829	(Note2)	(Note2)	107,678	223,063	139,394
d. Depreciation, etc. (Note3)	47,301	23,388	18,481	32,734	16,007	45,840	33,101	15,482	22,267	27,384	17,373	20,682	8,155	-	34,521	24,551	8,345	18,704	52,039	24,366
Income (loss) from rent business(c-d)	869,348	355,220	196,610	(Note2)	(Note2)	162,557	215,056	94,861	176,411	106,192	99,635	(Note2)	15,623	341,280	269,308	(Note2)	(Note2)	88,974	171,024	115,028

Note1: Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, and Osaka Nakanoshima Building, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75%, 50% and 50%, respectively).

Note2: We have not obtained permission from the tenant of this property to release the information missing from this table.

Note3: Loss on retirement of current assets is included.

Note4: Figures of Osaka Nakanoshima Building and TK Shinbashi Building are calculated after acquisition date (Jan. 25, 2013 and Apr. 19, 2013).

Summary of PML Analysis

Property name	PML (%)
Tokyu Plaza Omotesando Harajuku	5.0
Tokyu Plaza Akasaka	3.6
Ebisu Q Plaza	2.3
Shinbashi Place	4.7
Kyoto Karasuma Parking Building	4.3
TLC Ebisu Building	2.8
A-PLACE Ebisu Minami	8.7
Yoyogi Place	7.0
Aoyama Plaza Building	10.7
Luogo Shiodome	1.5
Tokyo Kikai Honsha Building	4.8
A-PLACE Ikebukuro	6.1
TK Shinbashi Building	6.8
COCOE Amagasaki (Land)	-
icot Nakamozu	11.7
icot Kongo ^(Note1)	16.2
icot Mizonokuchi	8.1
icot Tama Center	2.5
Kanayama Center Place	10.8
Osaka Nakanoshima Building	10.6
Total	5.1

Note1: icot Kongo is covered by earthquake insurance due to the PML in excess of 15%.

Note2: Calculation is based on the seismic data derived from the "National Seismic Hazard Maps for Japan" (issued before the occurrence of the Great East Japan Earthquake) publicized by the Headquarters for Earthquake Research Promotion, Ministry of Education, Culture, Sports, Science and Technology on Sep. 2006.

PML of the total portfolio was based on the "Report of portfolio seismic PML analysis" as of Feb. 28, 2013.

The figures are rounded to the first decimal place.

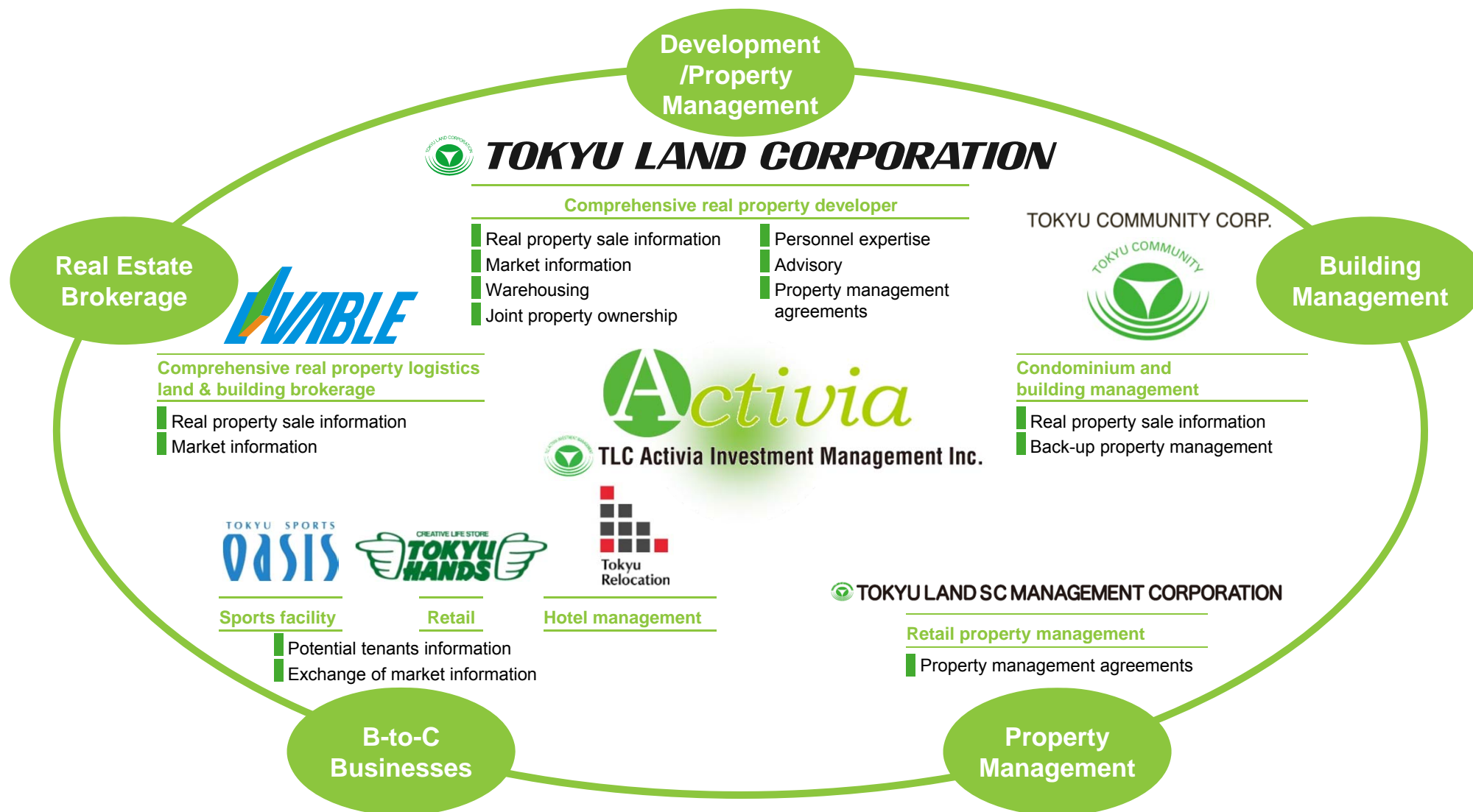
As we own the land only for COCOE Amagasaki, no PML is described for this property.

Seismic strengthening was conducted on Tokyu Plaza Akasaka, Aoyama Plaza Building and icot Kongo on Apr. 2009, Jul.2008 and Jul. 2008, respectively.

Note 3: NKSJ Risk Management, Inc. changed its corporate name to Sompo Japan Nipponkoa Risk Management from Apr. 1, 2013

- Based on the seismic review reports from NKSJ Risk Management, Inc., all such properties excluding COCOE Amagasaki (Land) were complied with all applicable engineering and seismic codes in Japan as of the dates of their reports
- Also when we acquire the anticipated properties, for the due diligence purpose, we request NKSJ Risk Management, Inc. to conduct PML analysis for our evaluation.
- If we acquire a property with a PML that exceeds 15%, we will consider taking out earthquake insurance. In general, we plan to invest in such a manner that the overall PML of our portfolio does not exceed 10%.

Tokyu Land Group's Value Chain

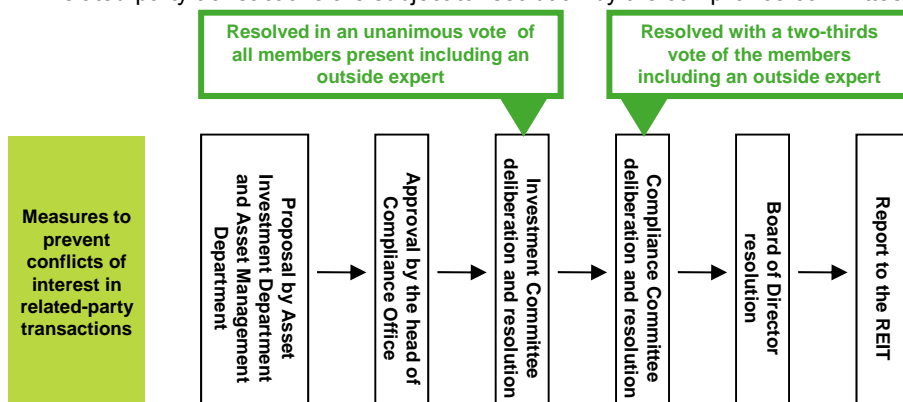


Tokyu Land Group's robust support system centered around Tokyu Land Corporation

Stringent Governance Structure

Involvement of Third Parties to Protect the Interests of Unitholders

- Related-party transactions are subject to resolution by the compliance committee



Sponsor's Interests Aligned with Those of the Unitholders

- In order to maximize the value of our units, we have built a governance structure which aligns the interests of the Asset Manager and Tokyo Land Corporation with those of our unitholders

1 Equity investment in us by Tokyu Land Corporation

Tokyu Land Corporation has an approximately 10% equity interest in us.

2 Co-ownership of properties

We have co-own properties with Tokyu Land Group Companies to share the same objectives and interest with Tokyu Land Corporation in the management of properties.



Asset Management Fee

- Asset management fee system that partly depends on our DPU

	Fee I (Note1)	Fee II
Basis for calculation	Total assets at the end of the previous fiscal period × 0.3% per year	DPU (before deduction of Fee II) × NOI × 0.0002%
Fee rate	*The sum of Fee I and Fee II may not exceed 0.5% per year of our total assets	

Acquisition / Disposition Fee

- In acquisition/disposition of properties from/to the Sponsor, for related party transactions, we intend to apply lower fee levels and ensure the terms are determined on an arm's length basis
- For the disposition of properties held, we have introduced a fee scheme emphasizing unitholders value

Acquisition fee	Disposition fee
0.7% (or 0.5% for related party transactions)	0.5% (or no fee for related party transactions)
	* no disposition fees when loss on sale is accrued

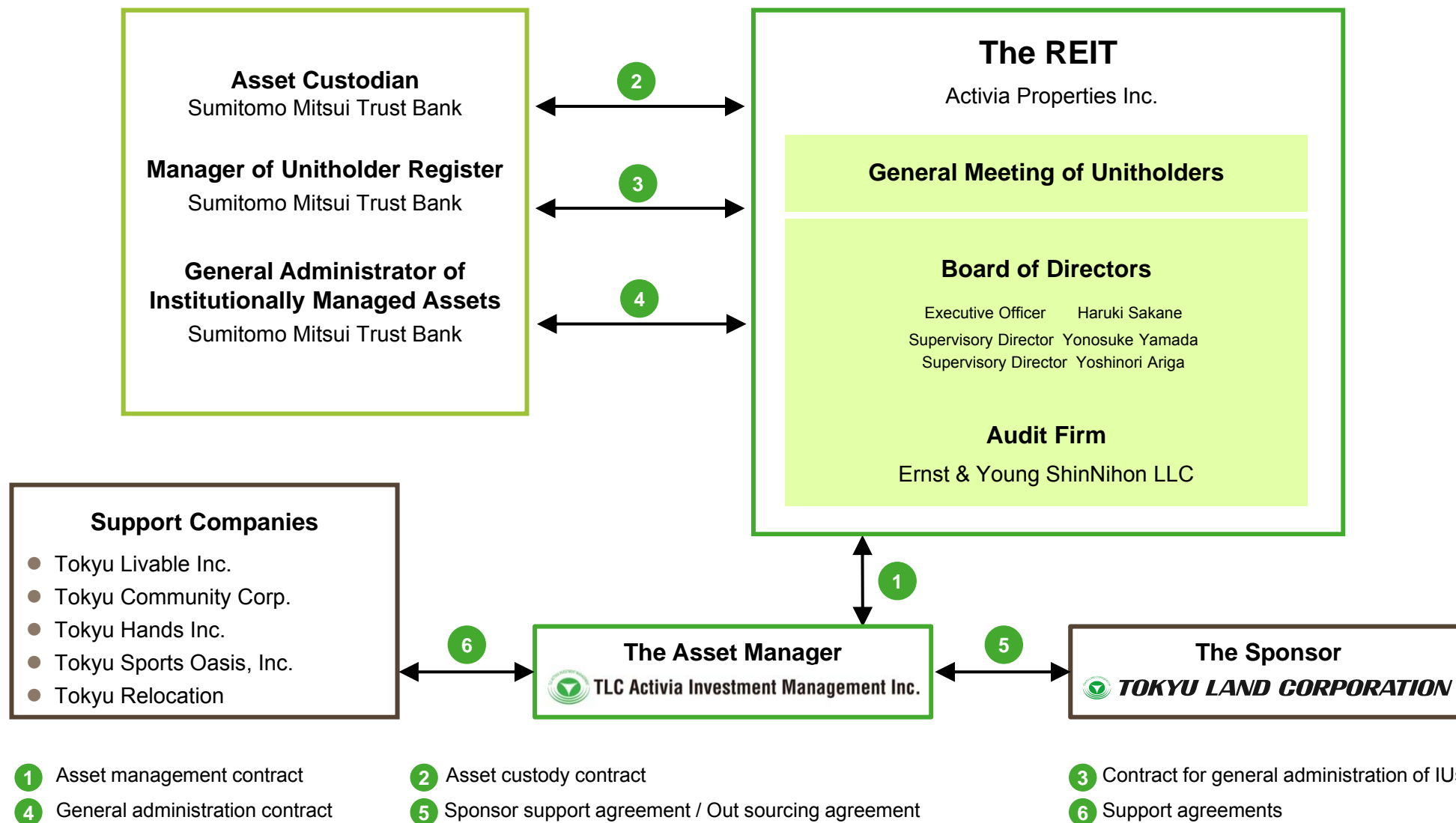
Note1: Fee I may be up to 0.4% per year. With respect to the fiscal period, the total assets will be determined as stated in our balance sheet as of Nov. 30, 2012.



References

Activia

REIT Organizational Structure Overview



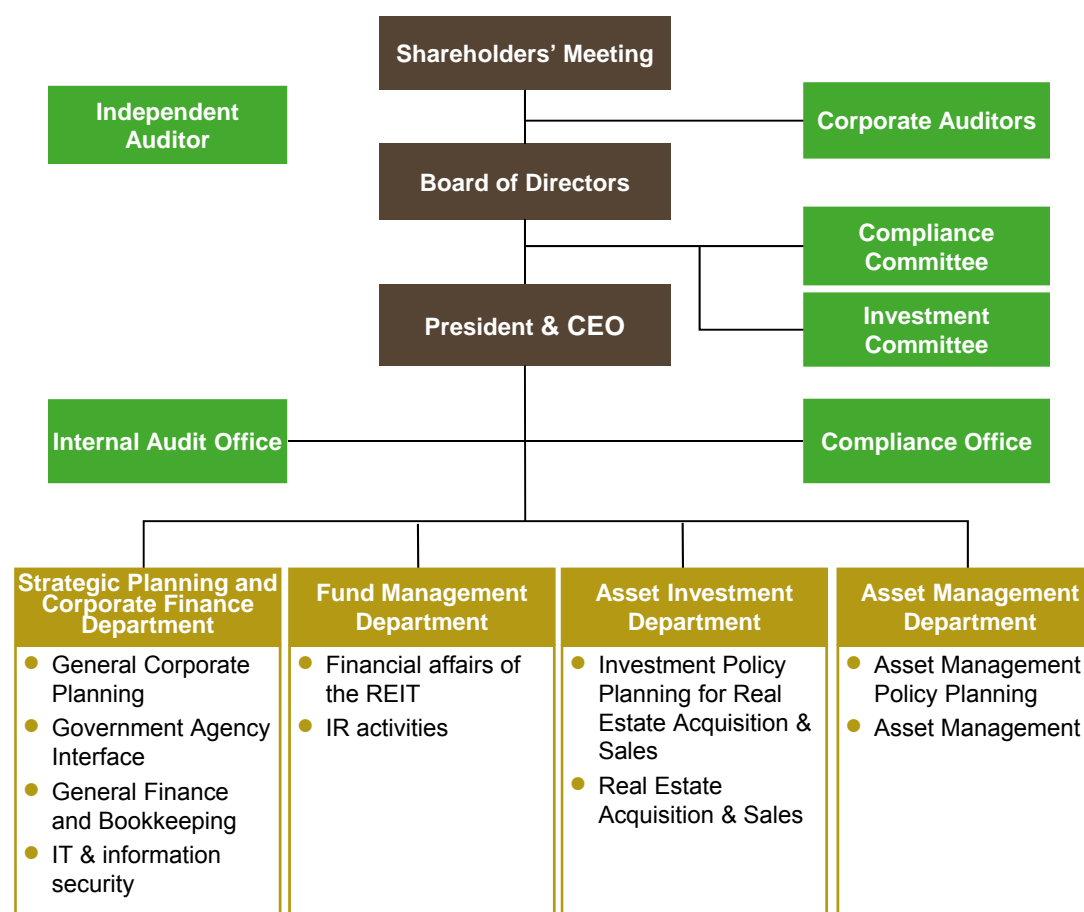
Asset Manager Organizational Structure Overview

- Development of an organization that capitalizes on the capabilities of the sponsor group for efficient management and for controlling conflicts of interest
- Appointment of an independent property appraiser as a member to the Investment Committee with veto rights

Overview of the Asset Manager

Corporate name	TLC Activia Investment Management Inc.
Established on	November 15, 2010
Capital	JPY300mn
Shareholder	Tokyu Land Corp. 100%
Representative Director and President	Haruki Sakane
Registration & License	Real estate agent license (Governor of Tokyo (1) No. 92551) Discretionary Transaction Agent License (Minister of Land, Infrastructure and Transportation Approval No. 67) Licensed Financial Instrument Trader (kinsho) Kanto Local Finance Bureau License No. 2551

Asset Manager Organizational Chart



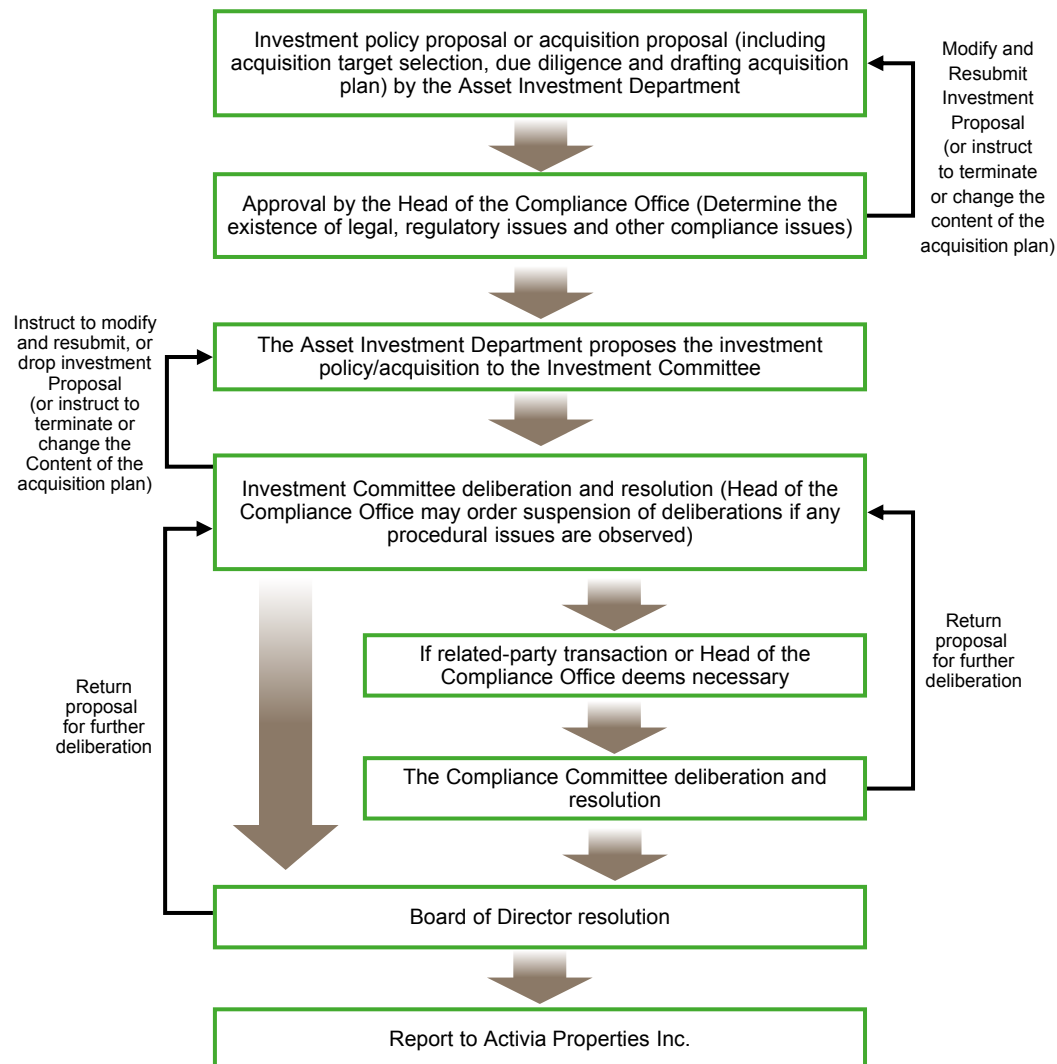
Asset Management Structure 1 -Investment/Compliance Committee-

Investment Committee			Compliance Committee		
Chairperson	Representative Director		Chairperson	Head of the Compliance Office	
Members	<ul style="list-style-type: none"> Representative Director Directors (excluding non-full-time Directors) Head of the Asset Investment Department Head of the Asset Management Department Head of the Fund Management Department Qualified real estate appraiser appointed by the Board of Directors (Note) Head of Strategic Planning and Corporate Finance Department Head of the Compliance Office (who have no voting rights) 		Members	<ul style="list-style-type: none"> Head of the Compliance Office Representative Director Directors (excluding Part-time Directors) External experts versed in compliance who are appointed by the Board of Directors (lawyers or certified public accountants, among other experts) 	
Meetings	In principle, once in three months or more (meetings to be held as needed)		Meetings	In principle, once in three months or more (meetings to be held as needed)	
Quorum	<p>In principle, all members need to be present.</p> <p>* If an Investment Committee meeting discusses proposals that do not involve discussions as to whether real estate prices are reasonable or not, as in (1), (3), (4), (5), (6), (7), and (8) below, a qualified real estate appraiser does not need to attend the meeting.</p> <p>* If a qualified real estate appraiser needs to attend an Investment Committee meeting, but is unable to do so, the real estate appraiser is deemed to have attended the meeting if the appraiser submits a written opinion (that must include an argument for or against the proposal; the same applies hereinafter) to the Investment Committee in advance. (*For more details, please refer to the original rule.)</p>		Quorum	A meeting requires the presence of more than two thirds of the members with voting rights including at least the head of the Compliance Office and one external expert.	
Requirements for a resolution	<p>A resolution shall be adopted through a unanimous vote by the members present.</p> <p>* Members having a special interest in the proposal cannot vote.</p> <p>* If the qualified real estate appraiser's written opinion includes an argument for the proposal, the appraiser is deemed to vote for the proposal.</p>		Requirements for a resolution	<p>A resolution shall be adopted on a two-thirds majority of the members present, including at least the head of the Compliance Office and one external expert.</p> <p>* Members having a special interest in the proposal cannot vote.</p>	
Resolutions	<ol style="list-style-type: none"> Formulation and revision of basic investment policies on asset management Determination of the acquisition or disposal of assets and conditions for the acquisition or disposal, and change of the determination Formulation and revision of asset management plans Formulation and revision of basic policies on the management of assets Important decisions on the management of assets, and their changes Formulation and revision of basic policies on financing and dividends Decisions on financing and dividend policies, and their changes Resolutions related to related-party transactions (excluding transactions that do not need the prior approval of the Compliance Committee under the Related-Party Transactions Relations) Other important matters 		Resolutions (examples)	<ol style="list-style-type: none"> Resolutions related to related-party transactions (excluding transactions that do not need the prior approval of the Compliance Committee under the Related-Party Transactions Regulations) Deliberation and decisions on remedial or preventive actions against inappropriate behavior in terms of compliance Other important matters that the head of the Compliance Office has determined need to be discussed at a Compliance Committee meeting 	

Note: In an Investment Committee meeting about a transaction with a related party stipulated in the Related-Party Transactions Regulations, the qualified real estate appraiser shall not be the real estate appraiser that has prepared a real estate appraisal report on the transaction being considered, a real estate appraiser that is a related party, or a real estate appraiser employed by the related party. In an Investment Committee meeting about a transaction that is not a related-party transaction, the qualified real estate appraiser shall not be the real estate appraiser that has prepared a real estate appraisal report on the transaction being considered.

Asset Management Structure 2 -Related-Party Transactions-

Decision Making Process Chart for Investment Policy and Asset Acquisition



Related-Party Transactions

- We conduct transactions with related parties under the Related Party Transactions Regulations. The transactions include acquisitions, transfers, and the leasing of properties, outsourcing real estate management, outsourcing intermediary services for the trading and leasing of properties, placing orders for construction work, and financing.
- Transactions associated with investment management will follow the decision-making procedure as shown by the chart at left.
- In principle, API compares prices of transactions related to management with the market prices under the arms length rule in accordance with the Management Guidelines.

Scope of related parties

- Related parties set out in Article 201, Paragraph 1 of the Investment Trust and Investment Corporation Act, the parent juridical person, etc. set out in Article 31-4, Paragraph 3 of the Financial Instruments and Exchange Act, and the subsidiary juridical person, etc. set out in Article 31-4, Paragraph 4 of the same act
- Shareholders holding more than 5% of all the voting rights of the asset manager
- Special purpose companies that have outsourced asset management to the parties specified in item A) or B) above
- Officers of the Asset Manager
- Special purpose companies over 50% of the investments in which are accounted for by investments by parties specified in item A), B), or D) above (regardless of their voting right holding ratios), including special purpose companies assumed to be independent of its investors under Article 33, Paragraph 2 of the Cabinet Office Ordinance on the Financial Instruments Business
- Judicial persons more than 50% of whose voting rights are held by the Asset Manager, sponsors of the Asset Manager, and the officers of these parties
- Judicial persons with a board of directors or decision-making body similar to a board of directors in which the majority of members are officers and employees of the Asset Manager and its sponsors

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This document is not a disclosure document or statement of financial performance required by the Financial Instruments and Exchange Act, the Act Concerning Investment Trusts and Investment Corporations of Japan, the rules governing companies listed on the Tokyo Stock Exchange or any other applicable rules.

This document includes charts and data described by TLC Activia Investment Management Inc. (hereinafter the “Asset Manager”) referred to data, index and other information provided by third parties in addition to information about Activia Properties Inc. (hereinafter the “Investment Corporation”). Also analyses, judgments and other point of view of the Asset Manager under the present situation are included.

The information contained in this document is not audited and there is no guarantee regarding the accuracy and certainty of the information. Analyses, judgments and other non-factual views of the Asset Manager merely represent views of the Asset Manager as of the preparation date. Different views may exist and the Asset Manager may change its views in the future.

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Forward-looking statements contained in this document do not ensure the statement of the Investment Company in the future.

Dates indicated in this document may differ from business days because of conditions to preparing charts.