







Activia Properties Inc.

Financial Results Presentation for the 9th Fiscal Period (May 2016)

Activia Properties Inc. (Ticker symbol: 3279/API)





- 1. Financial Highlights and Forecasts
- 2. External Growth, Internal Growth and Financial Strategies
- 3. Others
- 4. Appendix



External Growth

◆ Acquired properties in Prime Locations

(Acquisition of two properties)

(one is an additional acquisition of co-ownership interest)

■ Total acquisition amount ¥33,750 mn

■ Vs. appraisal value

99.0%

■ Appraisal NOI vield

Avg. 4.0%



No. of properties: **31**

(9th Period)

(8th Period)

Asset size : $\mathbf{4292.9}$ bn \rightarrow

¥326.7bn

(8th Period)

(9th Period)

Internal Growth

[Tokyo Office]

- ◆ Active Lease Renewals backed by our competitiveness and PM capability
- Ratio of Rent Increase at Lease Renewals

App. 83%

■ Total area (9th period)

4,879(tsubo)

(Urban Retail)

- ◆ Continuous growth in Sales-linked rent at hotels
- Sales-linked rent at hotels App. ¥**54.4**mn (vs. forecast 108%)

Financial Strategies

- ◆ Further lengthened repayment period
- Strategic refinancing (refinancing for the 9/10th period)

[Refinancing of ¥21.4bn]

Ava. term: 2.8vrs $\rightarrow 7.6$ vrs

Interest rate: $0.59\% \rightarrow 0.46\%$

◆ Decline in Average Interest rate

■ Held down Avg. Interest rate under Negative Interest policy

Ava. term: 3.3vrs $\rightarrow 4.0$ vrs

Interest rate: $0.75\% \rightarrow 0.70\%$ (8th Period) (as of 2016.7.13)







Continual Improvement in Unitholder Value

Achieved increase in DPU

DPU: **¥8,666** (9th Period)

(vs. previous period : +¥24 / +0.3%)

: + 137 / +1.6%(vs. forecast

Achieved ongoing growth in NAV per unit

NAV per unit: **¥373,383** (9th Period)

(vs. previous period: +¥22,266 / +6.3%)



Net income

DPU (yen)

Financial Results for the 9th Period (ended May 2016): Income Statement

- In comparison to the 8th period, revenue and income increased mainly due to (i) full contributions from 2 properties acquired in the 8th period (ii) new contributions from 2 properties acquired in the 3rd PO (iii) consistent internal growth, all of these contributed to absorb the falling of ¥200mn gain on disposition of icot Kongo. In comparison to the forecast, revenue declined and income increased through slight decline in revenue and expense caused by fluctuation of utility income/expense
- DPU is ¥ **8,666**, up ¥ **24** from the previous period. On the normalized basis that sets aside the effect from disposition of icot Kongo of ¥200mn, up ¥**334** from the previous period

+82

+137

1. 9th period vs. 8th period/Former 9th period forecasts (in millions of ven)

				(in millions or yen)
	8th period	9th p	9th period		forecasts
	Results	Results	Change (vs. 8th period)	Forecasts 2016.1.14	Change (vs. former forecasts)
Operating revenue	9,701	10,175	+474	10,221	△45
(disposition)	(200)	(-)	(△200)	(-)	(-)
(excluding disposition)	(9,500)	(10,175)	(+675)	(10,221)	(△45)
Operating expenses	4,241	4,249	+8	4,318	△69
Taxes & public dues	643	649	+5	649	△0
Operating income	5,460	5,926	+466	5,903	+23
Ordinary income	4,790	5,197	+406	5,115	+82

3. Variance between the 8th and the 9th period results (DPU)

5,196

8,666

+406

+24

5,114

8,529

4,789

8,642



2. Variance analysis (8th period vs. 9th period)

(in millions of yen)

	vs. 8th results	Details	
Operating	. 474	Increase	New operation +655, Full-period operation +120 Rent of existing properties, etc. +51
revenue	+474	Decrease	Sales of property \triangle 219 Utility fee income \triangle 93, Sales-linked rent at hotels \triangle 24, Cancellation fee \triangle 15
Expenses related to rent business	^23	Increase	New operation +136, full-period operation +30 Property management fee, etc. +8, Depreciation +8, Agent commission +4
	△23	Decrease	Sales of property \triangle 13 Repair expense \triangle 127, Utility expense \triangle 72
NOI after depreciation	+698		
General	. 24	Increase	Asset management fee +43, Miscellaneous expense +3
administrative +31 expenses	Decrease	Taxes & public dues $ riangle 10$, Commission paid $ riangle 4$	
Operating income	+466		

4. Variance analysis (vs. forecasts as of 2016.1.14) (in millions of yen)

	vs. 9th forecasts		Details
Operating	∧45	Increase	Parking fee income, etc. +4, Rent +3
revenue	△45	Decrease	Utility fee income △53
Expenses related to rent business	∧67	Increase	Property management fee, etc. +13, Maintenance fee etc. +7, Agent commission +4
	△07	Decrease	Utility expense $\triangle 88$, Repair expense $\triangle 7$
NOI after depreciation	+22		
General		Increase	Asset management fee +5
administrative expenses	△1	Decrease	Miscellaneous expense △4
Operating income	+23		



Financial Results for the 9th Period (ended May 2016): Balance Sheet

- Total asset grew by ¥32.1bn following the acquisition of two properties with PO. Net assets grew into ¥176.7bn, by ¥21.1bn, through the new issuance of units
- Unrealized gains on portfolio based on appraisal at the end of the 9th period stood at ¥47.1bn, up ¥8.1bn from the previous period

Comparison of the 8th and 9th Periods (Balance Sheet)

(in millions of yen)

	8th Period (2015/11)	9th Period (2016/5)	Change
Assets			
Current assets	13,906	12,672	△1,234
Cash and deposits Other	13,342 564	11,863 808	△1,478 +244
Noncurrent assets	293,839	327,222	+33,382
Total property, plant and equipment Total intangible assets Other	288,739 4,564 535	321,980 4,564 677	+33,241 △0 +142
Total assets	307,746	339,894	+32,148

■ Changes in unrealized gains on portfolio

8th Period	9th Period	Increase
39,051	47,171	8,119

Acquisition of 2 properties (Q plaza SHINSAIBASHI and an additional 10% co-ownership interest of Shiodome Building) through PO +¥33,750mn

Liabilities Short-term borrowings 2,400 2,400 Long-term loans payable to be 19,000 26,400 +7,400 repaid within a year Investment corporation bonds 10,000 +2,0008,000 Long-term loans payable 107,500 108,350 +850 Tenant leasehold and security 15,285 +729 16,015 deposits, and others Total liabilities 152,185 163,165 +10,979 Net assets Unitholders' equity 176,729 155,560 +21,168 171,532 +20,762 Unitholders' capital 150,770 Surplus 4,790 +406 5,196 Total net assets 155,560 176,729 +21,168 Total liabilities and net assets 307,746 339,894 +32,148

Issuance of the 4th Investment Corporation Bonds +¥2,000mn

New brrowings associated with the acquisition of properties at PO +¥10,500mn

New issuance of 45,390 units through PO (Issue price per unit: ¥457,418) +¥20,762mn



9th period

(Reference) Financial Forecasts for the 10th Period (ending Nov. 2016)

- Revenue and income are forecasted to increase mainly due to (i) full contributions from 2 properties acquired in the 3rd PO (ii) new contribution from A-PLACE Gotanda Ekimae (Note 1) (iii) favorable sales-linked rent at hotels (iv) increase in occupancy rate at OSAKI WIZTOWER and Shiodome Building
- (Forecast) DPU is expected to be ¥8,810, up ¥144 from the previous period

1. 10th period latest forecast (2016.7.13) vs. 9th period results /10th period former forecasts

(in millions of ven)

	9th period	10th ¡		10th p	
	Results	Forecasts 2016.7.13	Change (vs. 9th period	Forecasts 2016.1.14	Change
Operating revenue	10,175	10,778	+603	10,570	+208
Operating expenses	4,249	4,765	+516	4,622	+142
(Taxes & public dues)	649	775	+126	769	+6
Operating income	5,926	6,013	+86	5,947	+65
Ordinary income	5,197	5,284	+86	5,189	+95
Net income	5,196	5,283	+86	5,188	+95
DPU (Yen)	8,666	8,810	+144	8,651	+159

2. Variance analysis (vs. 9th period results)

(in millions of yen)

			(III IIIIIIIIIIII S OI YEI
	vs. 8th period results		Details
Operating revenue	+603	Increase	New operation +130, Full-period operation +70 Sales-linked rent at hotels +152, Rent of existing properties, etc. +143, Utility fee income +107 Cancellation fee +5
		Decrease	Parking fee income, etc. $\triangle 3$
Expenses related to rent business	+436	Increase	New operation +34, full-period operation +74 Repair expense +128, Utility expense +88, Taxes & public dues +82, Maintenance fee, etc. +24 Depreciation +6, Property Management fee, etc. +3
		Decrease	Agent commission $\triangle 3$ Advertisement expense $\triangle 2$
NOI after depreciation	+166		
General administrative	+79	Increase	Asset management fee +60, Miscellaneous expense +15, Administrative fee +2
expenses		Decrease	
Operating income	+86		

3. Major variable factors in the 9th to the 10th period (DPU)



Forecast of 10th period



(Reference) Financial Forecasts for the 11th Period (ending May 2017)

- In comparison to the 10th period, although revenue is forecasted to decline as the sales-linked rents at hotels are calculated with different hotels for every other period, income is forecasted to increase due to (i) full contribution from A-PLACE Gotanda Ekimae (ii) increase in occupancy rate at Shiodome Building (iii) decrease in repair expense
- (Forecast) DPU is expected to be \(\frac{48,820}{9}\), up \(\frac{410}{9}\) from the previous period

1. 11th period forecasts and 10th period forecasts

(in millions of ven)

			(in millions or yen)
	10th period	11th	period
	Forecast 2016.7.13	Forecast 2016.7.13	Change
Operating revenue	10,778	10,632	△145
Operating expenses	4,765	4,573	△191
(Taxes & public dues)	775	782	+6
Operating income	6,013	6,059	+45
Ordinary income	5,284	5,290	+5
Net income	5,283	5,289	+5
DPU (Yen)	8,810	8,820	+10

2. Variance analysis (vs. 10th period forecast) (in millions of yen)

	vs. 10th period results		Details
Operating		Increase	Full-period operation +39 Rent of existing properties, etc. +53
revenue	△145	Decrease	Sales-linked rent at hotels \triangle 152, Utility fee income \triangle 74, Cancellation fee \triangle 13
Expenses related to rent business	△186	Increase	Full-period operation +8 Depreciation +7
		Decrease	Repair expense \triangle 121, Utility expense \triangle 50, Maintenance fee, etc. \triangle 25
NOI after depreciation	+40		
General administrative	△5	Increase	Asset management fee +11,
expenses		Decrease	Miscellaneous expense \triangle 15, Taxes & public dues \triangle 2
Operating income	+45		

3. Major variable factors in the 10th to the 11th period (DPU)





Decrease in operating revenue △243円



Decrease in expenses related to rent business +310円

Decrease in general administrative expenses +9円





Interest rate assumption: 0.975%



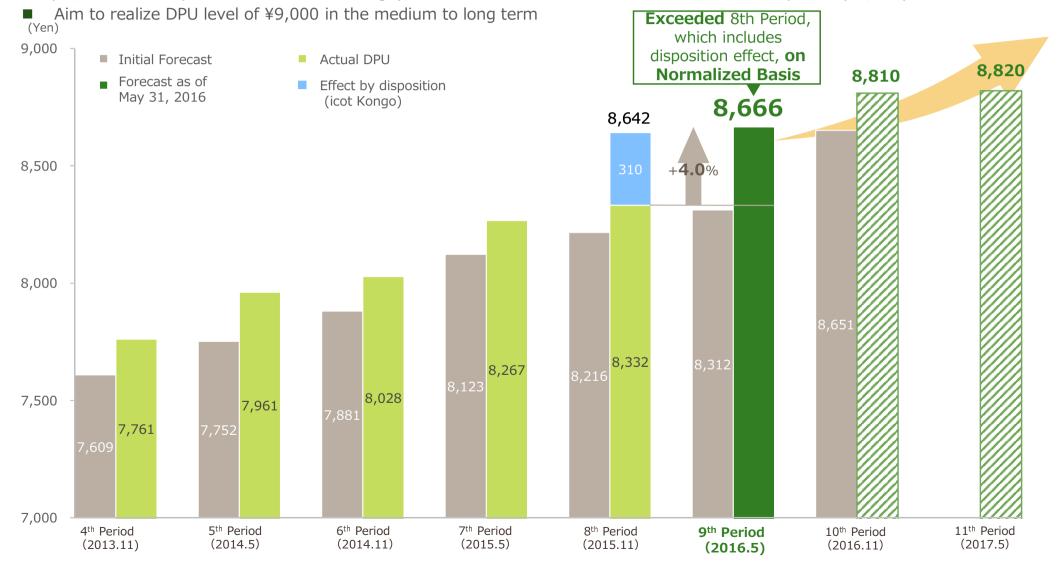
Forecast of 10th period

Forecast of 11th period

(Note) The forecasts for the 11th period are calculated based on certain assumptions that reflect present conditions, and are subject to change. The forecast do not guarantee the amount of distributions

Trends in Distributions per Unit

Actual DPU for the 9th period reached ¥8,666, mainly due to (i) new contributions from 2 properties acquired in the 3rd PO (ii) consistent rent increase, exceeding the initial forecast for the 9th period (¥8,312), the actual DPU for the 8th period (¥8,642/ incl. disposition effect of icot Kongo), as well as the former forecast for the next 10th period (¥8,651)





External Growth \sim Continuous Expansion of Asset Size \sim

- API acquired **2** properties (¥**33.8**bn) from our sponsor through PO in the 9th period, and acquired **1** property (¥**7.3**bn) from a third party in the 10th period
- Since IPO (June 2012), we acquired **16** properties (¥**165.9**bn) and the asset size (acquisition price basis) expanded into **33** properties (¥**333.9**bn), grew as app.**2.0**-fold in app. **4** years

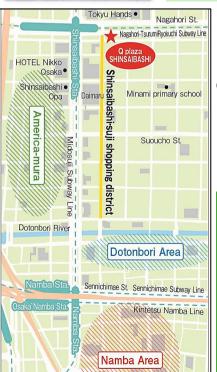


External Growth ~Properties acquired in the 9th period~

UR-10 Q plaza SHINSAIBASHI

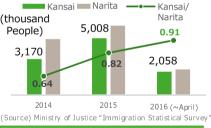


Location	Shinsaibashi-suji, Chuo-ku, Osaka, Osaka
Closest Station	1-minute walk from Shinsaibashi station
Acquisition price	¥13,350mn
Appraisal value	¥13,400mn
vs. Appraisal value	99.6%
Appraisal NOI yield	3.9%
Occupancy rate	88.4% (as of May, 2016)



Takashimaya

Foreign Entry at Kansai International Airport Favorably growing and getting closer to # at Narita Airport, even exceeded Narita in a month in 2016



3 attractions of Q plaza SHINSAIBASHI

- 1 . Drawing Power
 One of the busiest quarters in
 Osaka that provides visitors
 the "Osaka experience"
- 2 . A Landmark
 A prominent landmark with
 a huge LED mural display
- 3 . Scarcity
 Located in the entrance to
 Shinsaibashi-suji Shopping
 District with direct underground
 connection to the station

TO-12 Shiodome Building (additional 10% co-ownership interest)



4	Re	ecovery of occupancy rate	e at Shiodome Building
	99.0%] 🚔	9th FP
	97.0%	9th FP	98.2%
	95.0%	8th FP 93.2%	
	93.0%	2015/10 2015/11 2015/12 2016/1	2016/2 2016/3 2016/4 2016/5

Location	Kaigan, Minato-ku, Tokyo
Closest Station	3-minute walk from Hamamatsu-cho station, 3-minute walk from Daimon station
Acquisition price	¥20,400mn
Appraisal value	¥20,700mn
vs. Appraisal value	98.6%
Appraisal NOI yield	4.1%
Occupancy rate	98.2% (as of May, 2016)



3 attractions of Shiodome Building

1. State-of-the-art Office Building

A high-grade, well-equipped office building, with a pillar-less structure and more than 1,000 tsubo leasable area on a standard office floor, which can address needs from various tenant

2. Accessibility

3-minute walk from Hamamatsu-cho station.

Excellent accessibility to Haneda Airport

3. Growth Potential of the Area

The area has considerable growth potential with multiple large-scale redevelopment projects, including the one by our sponsor



External Growth ~Property acquired in the 10th period (A-PLACE Gotanda Ekimae)~

TO-15 A-PLACE Gotanda Ekimae

■ Acquired the highly visible office building located in front of the JR Yamanote Line "Gotanda" Station from the third-party in July 2016



Location	NishiGotanda, Shinagawa-ku, Tokyo
Closest Station	1-minute walk from Gotanda station on JR Yamanote Line, Toei Asakusa Line and Tokyu Ikegami Line
Acquisition price	¥7,280mn
Appraisal value	¥7,390mn
v. appraisal value	98.5%
Appraisal NOI yield	4.3%
Acquisition date	July 1, 2016
Occupancy rate	88.7% (as of July 1, 2016)

Property Features

- Located in front of the JR Yamanote Line "Gotanda" Station West Exit, the property is capable of addressing a wide range of demands from tenants including retail stores, due to locational rarity and high visibility from the station
- The property's features include a standard office floor area of 148 tsubo with a ceiling height of 2,600 mm, individual air conditioning units, free access floor, etc. The rooms can be divided and flexibly address the needs from tenants
- Rent upside is expectable for office area since the current rent is lower than the market rent and there is a rent-gap of app. -10%











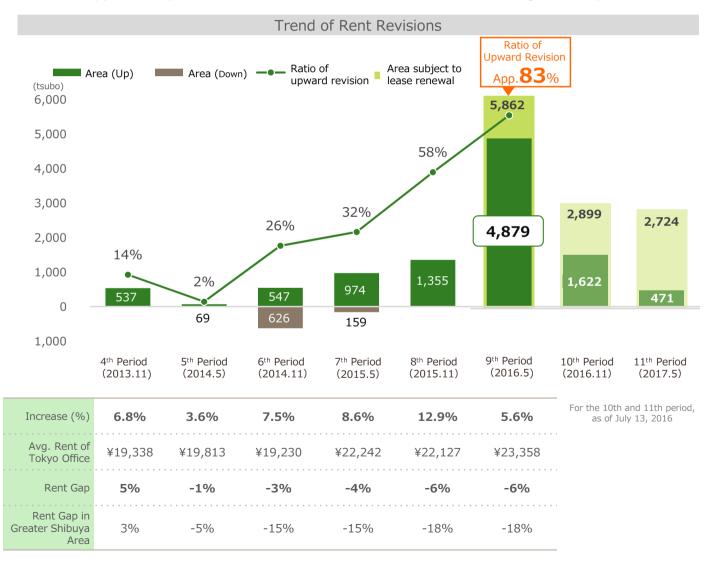


Internal Growth ~Management of Tokyo Office Properties ①~

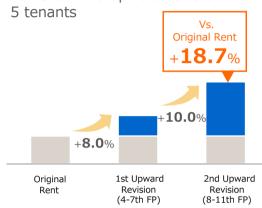
Tokyo Office Properties

1. Upward Rent Revisions

▶ Realized app. 83% upward rent revisions out of all lease renewals during the 9th period



Achieved 2nd upward revision with



▶ For 2 properties in the Greater Shibuya Area acquired in the 8th period, we achieved rent increase at the level exceeding our expectation with all tenants whose lease renewals were signed during the 9th period

Upward Revisionf 100% Avg. Rent Increase f 9.3%

A-PLACE Ebisu Higashi_(Note) Date Tenant Increase Forecast at acquisition 15.12 A 16.04 B

2015.12 A 2016.04 B 2016.06 C **11.2**% 2.8% 2016.10 D 2017.03 E

A-PLACE Shibuya Konnoh_(Note)

Date Tenant		Increase	Forecast at acquisition	
2015.12	F	7.3%	7.3%	

(Note) The names of Frontier Ebisu and Shibuya Konnoh Building will be renamed as A-PLACE Ebisu Higashi and A-PLACE Shibuya Konnoh, respectively, on November 1, 2016.

The same applies hereafter.

Internal Growth ~ Management of Tokyo Office Properties ② ~

Tokyo Office Properties

1. Rent Revisions in the Greater Shibuya Area Within the Greater Shibuya Area, app. 98% of office lease renewals were upward rent revisions



♦ What is "The Greater Shibuva Area"?

The area where Tokvu Fudosan Holdings Group has strong fundamentals. App. 28% of API's Tokyo Office Properties located in the area

Ratio of Tokyo Office Properties located in the Greater Shibuva Area to all Tokyo Office Properties



3. Trend in occupancy rate

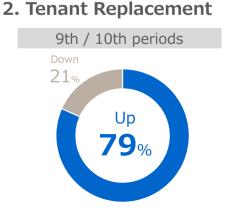
▶ High occupancy rate based on competitive properties since IPO

	2nd (2012.11)	3rd (2013.5)	4th (2013.11)	5th (2014.5)	6th (2014.11)	7th (2015.5)	8th (2015.11)	9th (2016.5)
UR	99.5%	99.6%	99.1%	99.6%	100%	99.8%	100%	99.7%
TO	97.4%	97.5%	98.6%	100%	100%	99.6%	97.5%	99.6%
O	100%	100%	99.9%	99.8%	99.8%	99.7%	99.7%	100%
Total	99.4%	99.4%	99.4%	99.8%	99.9%	99.7%	99.2%	99.8%
Inve	elective estment in yo Office		Shinagawa 17% 80% 5 Central wards of Tokyo located within a five-minute walk from the nearest station					

(Note 1) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area at the end of each month. Figures are rounded off to one decimal place. (Note 2) As of July 13, 2016

4. Trend in New Supply of Office Buildings

Supply of Large-scale Office Buildings in 23 wards of Tokyo (2016~2020)



▶ Excluding just one case, we succeeded to improve the lease conditions for all tenant replacements during the 9th and 10th periods

of Replacement 8 # of Rent Increase 7 Avg. ratio of increase **15.7**% Contribution to ¥**8.8**mn Revenue per Period

(10 thousand m) 152 160 136 Avg. Supply 106 109 120 80 72 80 40 2020 2016 2017 2018 2019

Other 18 Shinjuku wards 14% Chiyoda 29% Shibuya 11% Minato Ratio of 30% 3 central wards **72**%

Supply in Shibuya ward is relatively at a low level



Advantages of API's Urban Retail Properties

- According to "2012 Economic Census for Business Activity" by Ministry of Internal Affairs and Communications, the municipalities with yearly sales of ¥100bn or higher per 1km² are only 48 in the 10 major metlopolitan areas(Note)
- 100% API's Urban Retail properties locate in these 48 municipalities

◆ API's Urban Retail properties are

- Located only in major metropolitan areas
- The best and busiest commercial centers
- Non-ordinary, luxury type of consumption basis

Ratio of API's properties locate in the municipalities with vearly sales of ¥100bn or higher per 1km²

2.267

1.823

1.809

1,742

1,738

1.482 A-FLAG Sapporo

27 Saiwai, Kawasaki

28 Nakagyo, Kyoto

29 Meguro, Tokyo

31 Tennoii, Osaka

33 Abeno, Osaka

34 Omiya, Saitama

35 Atsuta, Nagoya

36 Chuo, Sapporo

46 Naka, Yokohama

48 Arakawa, Tokvo

47 Kanagawa,

Yokohama

32 Higashinari, Osaka

30 Chuo, Kobe



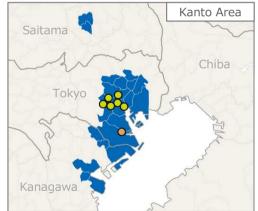
2,205 Kyoto Karasuma Parking Building

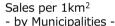
1,823 Kobe Kyu Kyoryuchi 25Bankan

(close to Shijo Karasuma Crossing)

ne entrance to Susukino area)

	Kinki Area		}
	Hyogo	Osaka	Kyoto
	1 Barry		
1 Tolking			Nara





- more than ¥100 bn/ km²
- Urban Retail properties
- Other properties (Retail)







48	3 Municipalit	ies with Yearly S	ales of ¥100bn o	or higher p	er 1km²
# Municipality # (Ward, City)	Sales (¥100million)	API's Property	# Municipality # (Ward, City)	Sales (¥100million)	API's Property
1 Chiyoda, Tokyo	63,654 Tokyu	Plaza Akasaka nt of Akasaka-mitsuke station)	25 Chuo, Saitama	2,510	
2 Chuo, Tokyo	37,463		26 Koto, Tokyo	2,344	

3 Minato, Tokyo	Shinbashi Place (in front of Shinbasi station) A-FLAG AKASAKA (on Akasaka Hitotsugi-dori)
4 Chuo, Osaka	Q plaza SHINSAIBASHI 20,813 (in the entrance to Shinsaibashi-suji Shopping District)

13.617

10,785				
10,125				
6,842				
5,944				
	Tokyu Plaza Omo		Harajuku	(at
	Jingumae Crossing)		

10 Shibuya, Tokyo	5,687 Q plaza EBISU (in front of Ebisu station) A-FLAG SHIBUYA (on Shibuya Center street)
11 Higashi, Nagoya	4,993

4.905

2,820

2,692

5 Kita, Osaka

6 Nishi, Osaka

7 Naka, Nagova

9 Taito, Tokyo

8 Shinjuku, Tokyo

12 Shinagawa, Tokyo

22 Hakata, Fukuoka

23 Sumida, Tokyo

24 Naka, Hiroshima

= : :	•		' (in the entrance to Susukino area)
13 Nakamura, Nagoya	4,677	37 Nakahara, Kawasaki	1,333
14 Shimogyo, Kyoto	4,549	38 Minami, Kyoto	1,321
15 Nishi, Yokohama	4,534	39 Nishi, Nagoya	1,299
16 Yodogawa, Osaka	3,820	40 Kawasaki, Kawasaki	1,245
17 Fukushima, Osaka	3,673	41 Ota, Tokyo	1,163 icot Omori Other properties category
18 Naniwa, Osaka	3,532	42 Joto, Osaka	1,160
19 Bunkyo, Tokyo	3,383	43 Minami, Hiroshima	1,121
20 Toshima, Tokyo	2,999	44 Hyogo, Kobe	1,116
21 Chuo, Fukuoka	2,987	45 Mizuho, Nagoya	1,104

(Source) Statistics Bureau, Ministry of Internal Affairs and Communications "2012 Economic Census for Business Activity"



1,064

1,047

Internal Growth \sim Management of Urban Retail Properties ① \sim

Urban Retail Properties

1. Macro environment surrounding Urban Retail properties

- In metropolitan areas such as Tokyo, the Job-to-applicants ratio and income are rising and spending is also on upward trend
- Regarding inbound tourism, although average per capita travel expenditure is on downward trend, number of tourists is continuously growing and the total travel expenditure is steady

Strong Sales Trend at Department Stores Record-high # of Foreign Tourist and Travel Expenditure Other than 8 major metro areas 8 major metro areas Other than 8 major 8 major metro areas (vs. 2010) (Trillion yen) (¥100mn) 12,000 10,000 1.0 8.000 6,000 3 0.91 4,000 0.9 2,000 0 7-9 10-12 1-3 1-3 2011 2012 2013 2014 2010 2013 (Source) Ministry of Economy, Trade and Industry "the Current

Survey of Commerce"

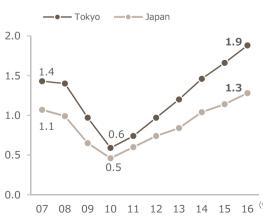
(Note) "8 major metro areas" refers to Sapporo, Saitama, Tokyo, Yokohama, Nagoya, Kyoto, Osaka and Kobe.

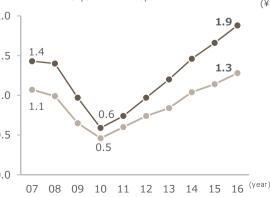
Average Per Capita Travel Expenditure 12.8 13.6 14.0 14.0 15.0 _{14.4} 15.8 _{15.2} 17.1 17.8 18.7 (10 thousand people) 1,000 10,009 9,305 8,893 8,804 # of Foreign Tourist (Right) 800 ____ Travel Expenditure (Left) 4,298 4,870 5,505 600 3,675 3,899 3,698 400 200

4-6 7-9 10-12 1-3

2014 (Source) Japan Tourism Agency "Consumption Trend Survey for Foreigner Visiting Japan"

Rising Trend in Jobs-to-applicants ratio





(Source) Ministry of Health, Labor and Welfare "Employment Referrals for General Workers'

Upward Trend in Income --- Avg. Permanent Employee (¥10thousand) Yearly Income in Tokyo 630 610 590 570 550 08 09 10 11 12 13 14 15

(Source) Ministry of Health, Labor and Welfare "Basic Survey on Wage Structure"

Offered Hourly Rate for Part-time in Tokyo Metro Area (Left) Offered Hourly Rate for Dispatch (Yen) (Yen) Worker in Kanto Area (Right) 1040 1750 1020 1700 1000 1650 980 1600 960 1550 1500 940 2013 2014 2015 2016 May May

4-6 7-9 10-12 1-3

2015

2016

(Source) Recruit Jobs Co., Ltd. "Survey of Average Offered Hourly Rate for Part-time Jobs" and "Survey of Average Offered Hourly Rate for dispatch worker"

2. Management of Tokyu Plaza **Omotesando Harajuku**

- Although a section of street-level stores grew weaker between March to May in 2016, Sales in the 9th period was strong due to a successful outcome from renewals on the 3rd and 4th floor and measures to draw inbound tourists
 - ▶ Both total sales and number of visitors increased from previous year



Zone Renewals

In 3 years since the grand opening, 11 zones (3/4F) had been renewed and sales increased to **161**% (vs. before renewals)

Opened	#	Examples of new tenants
2015 Fall (Sep.&Oct.)	4	JILL by JILL STUART ISETAN MIRROR, etc.
2016 Spring (Feb.to Apr.)	7	Paradise Picnic KIMONO by NADESHIKO RENAI KEIKAKU, etc.

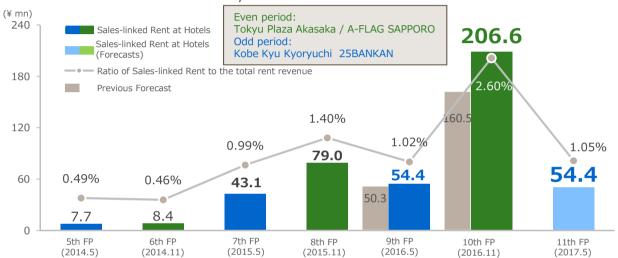
11Zones(3F·4F·5F) are also scheduled to be renewed in 2017, due to expiration of fixed-term contracts

Internal Growth \sim Management of Urban Retail Properties 2 \sim

UR Urban Retail Properties

1. Trends in sales-linked rents at hotels

▶ Sales-linked Rent increased beyond our forecast



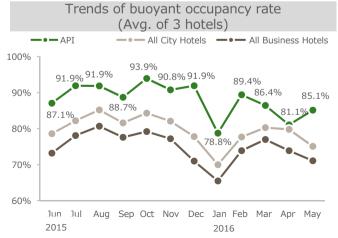
2. Increase in fixed rent of hotels

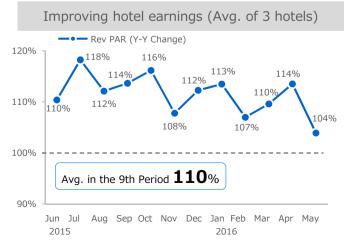
At Tokyu Plaza Akasaka and A-FLAG SAPPORO, both of whose fixed term contracts expired during the 9th period, API **realized raising the level of fixed rent** and renewed the contracts for 5 and half years, starting from April 2016.

% of rent from hotels (fixed + sales-linked) to total rent revenues and rent from Urban Retail		10th FP (2016.11)	11th FP (2017.5)
	Total	9.7%	8.1%
Properties	Urban Retail	21.4%	18.5%

3. Operational conditions & measures for raising unit price

Occupancy rate & Rev PAR remaining buoyant





4. Redevelopment of Akasaka Area

▶ In close proximity to Tokyu Plaza Akasaka, "Tokyo Garden Terrace Kioicho" will open in July 2016. The working population is expected to increase by app. +10%



(Source) Statistics Bureau, Ministry of Internal Affairs and Communications "2018 Economic Census for Business Frame"

(Note) Calculated as one person per 3 tsubo of newly supply area



Internal Growth \sim Management of Other Properties / Value Improvement measures \sim



Other Properties

▶ No Downtime Replacement at icot Omori

icot Omori B1F Replacement Image



A section (B1F) at icot Omori was replaced with no downtime and we concluded a 5 year long-term fixed contract. Rent unit cost +11.3% compared to previous tenant

Smooth Tenant Replacements and Rent Revisions

Tenant Replacements

Average Rent Osaka Nakanoshima Bldg. 2 +23.3% A-PLACE Kanayama

Rent Revisions

Average Rent icot Tama Center A-PLACE Kanavama +9.4%

Occupancy rate of 3 properties (May 31, 2016) **100**% Contribution to revenue (per period) ¥7.3mn

Value-Ups

▶ Achieved measures for value-up to keep improving our properties and tenant satisfaction

Examples of Value-Ups



Individualization of Air Conditioning System (TLC Ebisu Building)



Installation of Emergency Equipment (A-PLACE Aovama and other 10 properties)



Conversion to LED lighting at EV hall/Entrance (Osaka Nakanoshima Bldg.)





Installation of Wi-Fi (A-FLAG SAPPORO and other one property)



Placement of Charging Points for Electric Cars (Tokyu Plaza Akasaka)



(Tokvu Plaza Akasaka)



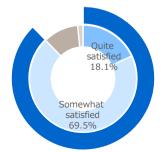
Renewal of Dining at Hotel Renewal of Guest Rooms (A-FLAG SAPPORO)

Placement of ATM (Tokyu Plaza Omotesando Harajuku) (A-PLACE Ebisu Minami)



Installment of A shelf at Woman's toilet

Satisfaction Survey on Tokyo Office Properties



Avg. 87.6% of tenants answered "satisfied"

Aim for further **improvement** in tenant satisfaction through responding survey request



Financing Strategy \sim Status of financing ① \sim

► Implemented strategic refinance of ¥21.4 bn between January and June in 2016

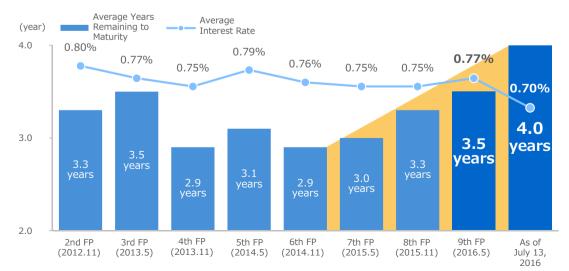
		Before	After		Change
①2016.1.12 (Before Negative Interest Policy)	¥ 7 bn	1.5 years 0.26%	8.0年 0.78%		+ 6.5 years +0.52%
22016.6.13	¥12bn	4.0 years 0.87%	(¥6bn) 8.0 years 0.33%	(¥6bn) 8.5 years 0.37%	+ 4.3 years △ 0.52 %
32016.6.30	¥2.4bn	0.7 years 0.17%	3.0 years 0.03%		+ 2.3 years △ 0.14 %
Average of Total Refinance	¥21.4bn	2.8 years 0.59%	7.6 years 0.46%		+ 4.8 years △ 0.13 %
Tabal as Internal		2.2	4.0		.0.7

(Reference)
A borrowing with the same duration before the introduction of negative interest policy (2015.12.16)
Amount ¥6bn
Duration 8.5years
Interest rate **0.85**%

Total of Interest	¥154.4bn	3.3 years	4.0 years	+ 0.7 years
bearing debts		0.75%	0.70%	△ 0.05 %

Cut down interest rate by 0.13%,
Contributing to revenue app. ¥14mn per period

Achieved lengthening average years remaining to maturity while lowering average interest rate

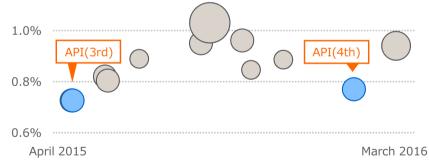


► Issuance of the 4th Investment Corporation Bond (10-year) with interest rate at the record-low level

	The Investment Corporation 3rd Unsecured Bonds	The Investment Corporation 4th Unsecured Bonds
Issue date	April 21, 2015	February 3, 2016
Issuance Amount	2 billion yen	2 billion yen
Duration	10 years	10 years
Interest rate	0.726%	0.770%
Condition	JGB +40bp	JGB +55bp

Issuance of J-REIT Investment Corporation Bond (10-year) in 2015





(Note) The size of plot is image of total issuance amount.

► Issuer Rating changed to AA- (Positive) from AA-(Stable) in September 2015

Credit Rating Agency	Type of Credit Rating	Rating	Outlook
JCR (Japan Credit Rating Agency, Ltd.)	Long-term issuer rating	AA-	Positive

(Note) The investment units have no credit rating that have been or will be granted or submitted for inspection by any rating agency at the request of API.



24.3%

14.6%

14.6%

0.6%

6.5%

1.1%

7.3%

14.6%

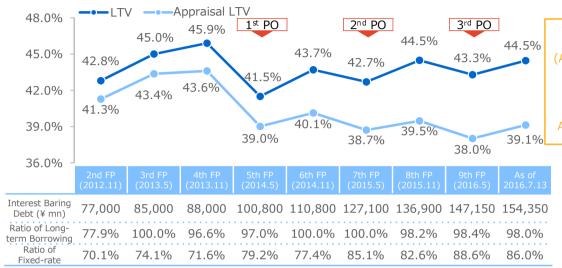
1.6% _1.3%

1.9%

4.3%

Financing Strategy ~Status of financing ② ~

Strategic LTV Control to create enough acquisition capacity



Acquisition ■ Sumitomo Mitsui Trust Bank Capacity ■ Mitsubishi UFJ Trust and Banking (As of 2016.7.13) at LTV 46%:

App. ¥9.8bn at LTV 50%:

App. ¥38.4bn

■ Development Bank of Japan ■ Mizuho Trust & Banking

■ The Bank of Tokyo-Mitsubishi UFJ

Sumitomo Mitsui Banking Corporation

▶ Interest Baring Debt Breakdown (as of July 13, 2016)

Resona Bank

■ Mizuho Bank

- Shinkin Central bank
- The Bank of Fukuoka
- The Norinchukin Bank
- The Gunma Bank
- Investment Corporation Bonds

▶ Enhancing financial stability through lengthening and diversifying maturity period (as of July 13, 2016)



Borrowings Close to Refinance											
Amount	Avg.	Avg.									
	years	Interest rate									
¥14.4bn	2.9	0.20%									
¥12.0bn	5.0	0.95%									
¥13.0bn	3.3	0.47%									
¥12.0bn	6.0	1.06%									
¥ 51.4 bn	4.2	0.64%									
	Amount ¥14.4bn ¥12.0bn ¥13.0bn ¥12.0bn	Amount Avg. years ¥14.4bn 2.9 ¥12.0bn 5.0 ¥13.0bn 3.3 ¥12.0bn 6.0									

Continuously aiming financing at low interest rate



Appraisal Values of Properties ~as of May 31, 2016~

									(In	millions of yen)
0.1	Property		Acquisition	Investment	Book value at end		sal value		Difference from	Difference from
Category	number	Property name	Price (A)	ratio (%)	of period (B)	As of Nov. 30, 2015 (C)	As of May 31, 2016 (D)	(D-C)	acquisition price (D-A)	book value (D-B)
	UR-1	Tokyu Plaza Omotesando	45,000	13.8	44,961	53,625	54,525	900	. ,	
		Harajuku ^(Note 1)	•		•	•		1	•	
	UR-2	Tokyu Plaza Akasaka ^(Note 1)	11,450	3.5	11,849	13,600	14,000	400		
	UR-3	Q plaza EBISU	8,430	2.6	8,341	9,900	10,200	300	,	
TID	UR-4	Shinbashi Place	20,500	6.3	20,381	24,700	24,700	0	,	
	UR-5	Kyoto Karasuma Parking Building	8,860	2.7	8,814	10,100	10,900	800		
UI	UR-6	A-FLAG AKASAKA	3,000	0.9	3,104	3,470	3,520	50		
URBAN RETAIL	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	6.5	21,319	24,300	25,100	800	,	
	UR-8	A-FLAG SAPPORO	4,410	1.4	4,411	6,050	6,550	500		
	UR-9	A-FLAG SHIBUYA	6,370	2.0	6,380	7,010	7,190	180		
	UR-10	Q plaza SHINSAIBASHI (Note 2)	13,350	4.1	13,420	-	13,400	0		
		Sub-total	142,700	43.7	142,980	152,755	170,085	3,930		27,099
	TO-1	TLC Ebisu Building	7,400	2.3	7,370	8,370	8,800	430		
	TO-2	A-PLACE Ebisu Minami	9,640	3.0	9,493	11,600	11,800	200	,	,
	TO-3	A-PLACE Yoyogi	4,070	1.2	3,984	4,230	4,330	100		
	TO-4	A-PLACE Aoyama	8,790	2.7	8,707	8,890	9,110	220		
	TO-5	Luogo Shiodome	4,540	1.4	4,385	5,330	5,660	330		
	TO-6	TAMACHI SQUARE (Land) (Note 3)	2,338	0.7	2,362	2,560	2,620	60		
	TO-7	A-PLACE Ikebukuro	3,990	1.2	3,860	4,470	4,730	260		
	TO-8	A-PLACE Shinbashi	5,650	1.7	5,793	6,430	6,430	0		
TOKYO OFFICE	TO-9	A-PLACE Gotanda	5,730	1.8	5,662	6,170	6,300	130		
	TO-10	A-PLACE Shinagawa	3,800	1.2	3,804	4,180	4,230	50		
	TO-11	OSAKI WIZTOWER	10,690	3.3	10,954	13,200	13,600	400	,	
	TO-12	Shiodome Building (Note1)(Note2)(Note 4)	30,300 20,400	15.5	50,811	31,050	31,200 20,800	150		
	TO-13	A-PLACE Ebisu Higashi	7,072	2.2	7,213	7,350	7,360	10		
	TO-14	A-PLACE Ebisu Higashi A-PLACE Shibuya Konnoh	4,810	1.5	4,987	4,900	5,000	100		
	10 2	Sub-total	129,220	39.6	129,392	118,730	141,970	2,440		12,577
	0-1	Amagasaki Q's MALL (Land)	12,000	3.7	12,113	12,800	13,100	300		,
	0-2	icot Nakamozu	8,500	2.6	8,307	10,000	10,000	0	•	
	0-4	icot Kongo(Note 2)	2,710	0.8	2,671	3,140	3,210	70		
	0-5	icot Mizonokuchi	2,840	0.9	2,727	3,250	3,450	200		
OTHER	0-6	icot Tama Center	6,980	2.1	6,635	7,620	7,780	160		
(Retail · Office)	0-7	A-PLACE Kanayama	11,100	3.4	11,140	12,800	12,800	0		
	0-8	Osaka Nakanoshima Building ^(Not e5)	5,790	1.8	5,742	6,320	6,360	40		
	0-9	icot Omori	4,820	1.5	4,827	4,940	4,960	20		
		Sub-total	54,740	16.8	54,166	60,870	61,660	790		
	To	otal	326,660	100.0	326,543	332,355	373,715	7,160	,	

(Note 1) Values for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Shiodome Building, co-ownership properties, are calculated based on the pro rata share (75%, 50% and 25% respectively).



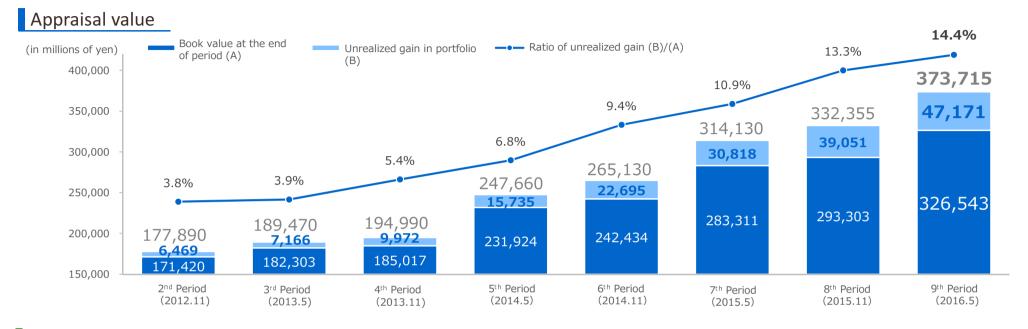
⁽Note 2) Appraisal values as of the end of Nov. 2015 for Q plaza SHINSAIBASHI and Shiodome Building are not stated since these two properties were acquired on Dec. 16, 2015.

⁽Note 3) The acquisition price for TAMACHI SQUARE (Land) represents the acquisition price of the land as of the acquisition date (June 13, 2012).

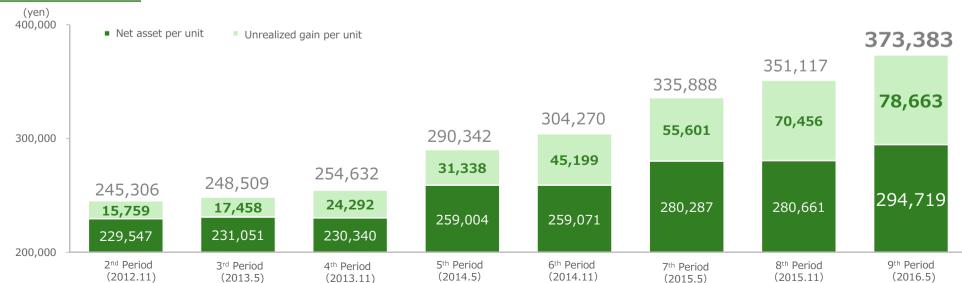
⁽Note 4) For Shiodome Building, figures stated on upper row are for the portion acquired on Jan. 9, 2015 and lower row for the portion acquired on Dec. 16, 2015.

⁽Note 5) Acquisition price of Osaka Nakanoshima Building is set as total price since we additionally acquired remaining co-ownership interest on December 19, 2014.

Trends of appraisal value/NAV per unit







(Note) To reflect a 2-for-1 split of investment units with October 1, 2015 as the effective date, the figures of NAV before the 8th period are half of actual



Other Achievements

1. Seminars for Individual Investors

▶ Held 11 seminars and drew approx. 800 individual investors during the 9th period

Date	Held by / (Type)	Area
2016.3.2	Securities Company (Exclusive)	Umeda
2016.3.15	Securities Company (Exclusive)	Sapporo
2016.3.17	Securities Company (Exclusive)	Shibuya
2016.3.24	Securities Company (Group)	Nagoya
2016.4.19	Securities Company (Group)	Marunouchi
2016.5.19	Securities Company (Exclusive)	Niigata

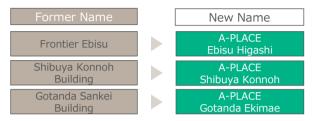
Date	Held by / (Type)	Area
2016.5.19	Securities Company (Exclusive)	Yamagata
2016.5.20	Securities Company (Exclusive)	Aomori
2016.5.26	Securities Company (Group)	Sapporo
2016.5.26	Securities Company (Exclusive)	Kyoto
2016.5.27	Securities Company (Exclusive)	Hiroshima





2. Branding of Office properties

▶ Branding by unifying property names



 API promotes branding by renaming properties.
 We will rename 3 properties acquired on and after the 8th period to "A-PLACE" brand.

3. Continuous Approach to Environment and CSR

▶ Consecutively acquired DBJ Green Building Certification



- The DBJ Green Building Certification is awarded to properties with environment-friendly facilities on a scale of one star to five stars (with five stars being the highest).
- Our 7 properties including above 3 properties were awarded DBJ Green Building Certification.

► Acquired CASBEE property assessment certification



- CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a rating system that comprehensibly evaluates environment-friendliness such as energy conservation and use of environmental loadreducing materials/equipment, as well as building quality including comfort of rooms and care for landscape.
- All of above 6 properties acquired CASBEE certification, evaluated as the highest grade of five ranks.

► Highest grade "Green Star" for two consecutive years



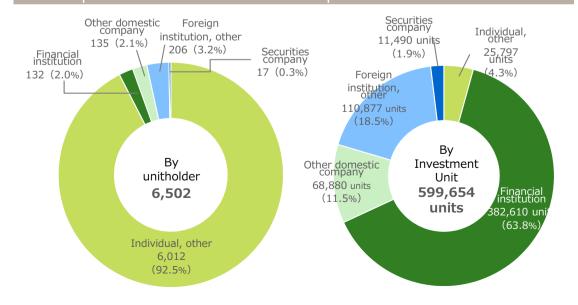
 GRESB is a benchmark established primarily by major European pension fund groups that measure sustainability performance in the real estate sector. Major institutional investors in Europe and Asia use the benchmark to select investments.



Distribution of Unitholders (As of May 2016)

1. Distribution of unitholders by # of unitholders and # of units

		9th Pe (May. 2			8th Period (Nov. 2015)					
	# of unit- holders	Ratio	# of units	Ratio	# of unit- holders	Ratio	# of units	Ratio		
Individual, other	6,012	92.5%	25,797	4.3%	6,062	92.9%	27,803	5.0%		
Financial institution	132	2.0%	382,610	63.8%	123	1.9%	367,320	66.3%		
Other domestic company	135	2.1%	68,880	11.5%	134	2.1%	64,856	11.7%		
Foreign institution, other	206	3.2%	110,877	18.5%	190	2.9%	87,664	15.8%		
Securities company	17	0.3%	11,490	1.9%	17	0.3%	6,621	1.2%		
Total	6,502	100%	599,654	100%	6,526	100%	554,264	100%		



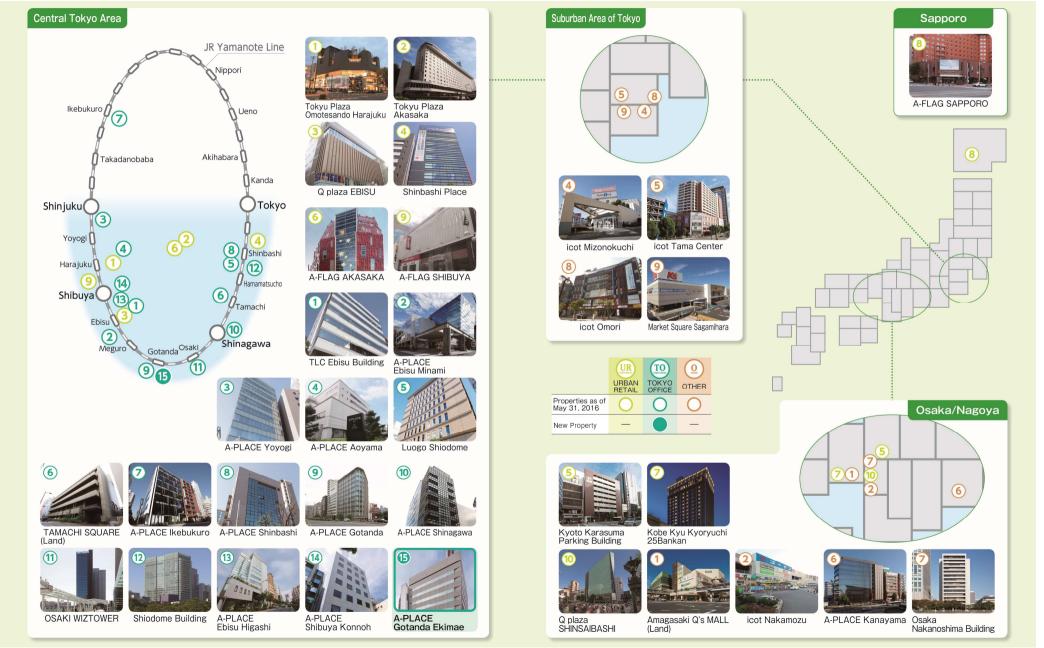
2. Top 10 unitholders

Name	Investment units	Ratio
Japan Trustee Services Bank, Ltd. (Trust accounts)	156,596	26.1%
Tokyu Land Corporation	61,913	10.3%
The Master Trust Bank of Japan, Ltd. (Trust accounts)	58,773	9.8%
Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	54,685	9.1%
The Nomura Trust and Banking Co,. Ltd (Investment accounts)	20,712	3.5%
State Street Bank & Trust Company	10,722	1.8%
THE BANK OF NEW YORK MELLON (Non-treaty JASDEC account)	9,947	1.7%
NOMURA BANK (LUXEMBOURG) S.A.	8,483	1.4%
State Street Bank & Trust Company 505223	8,479	1.4%
The Fuji Fire and Marine Insurance Co., Ltd.	5,623	0.9%
Total	395,933	66.0%



Appendix

Portfolio map





Overview of Lease and Profit and Loss for 9th Period (May 2016) (1/2)

															(Un	it: ¥1,000)
					Urban retai	I properties							Tokyo offic	e properties		
	Tokyu Plaza Omote- sando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAIBA SHI (Note 4)	Rudding	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	TLC Ebisu Building	TAMACHI SQUARE (Land)
①Revenuerelatedto rent business	1,084,181	597,759	268,187	(Note 2)	(Note 2)	107,509	778,208	432,336	205,660	270,411	274,605	345,474	126,461	271,032	166,379	62,502
Rent revenue- real estate	1,035,546	493,066	237,540	(Note 2)	(Note 2)	89,728	709,473	353,175	197,027	258,484	255,904	332,864	114,004	255,227	155,958	62,502
Other lease business revenue	48,635	104,693	30,646	(Note 2)	(Note 2)	17,780	68,735	79,160	8,632	11,926	18,701	12,609	12,456	15,804	10,421	_
②Expenses related to rent business	250,388	249,060	61,337	46,225	35,973	33,249	196,528	234,065	32,858	24,864	85,201	87,622	32,092	64,293	46,983	8,197
Management operation expenses	98,016	83,555	16,534	12,300	3,538	8,361	81,305	110,839	11,849	7,220	29,665	29,327	12,622	18,182	15,248	-
Utilities expenses	29,997	78,108	26,511		_	15,078	61,773	77,287	8,599	13,248	19,190	19,863	7,864	18,696	10,858	_
Tax and public dues	52,137	66,095	8,500	32,549	31,204	7,272	47,721	24,721	10,401	_	17,468	30,845	10,057	20,406	18,224	7,939
Insurance	191	412	75	155	159	36	619	572	53	59	193	247	83	181	158	_
Repair and maintenance expenses	3,309	13,835	539	-	77	616	2,286	13,397	774	616	8,515	4,165	464	2,710	1,042	-
Other expenses related to rent business	66,736	7,052	9,175	1,219	993	1,883	2,821	7,247	1,179	3,720	10,166	3,172	999	4,115	1,451	257
3NOI(1-2)	833,792	348,698	206,849	(Note 2)	(Note 2)	74,259	581,680	198,270	172,801	245,547	189,404	257,852	94,368	206,738	119,395	54,304
①Depreciation and other (Note3)	49,681	37,753	18,559	32,734	15,786	8,316	120,429	45,429	7,977	11,957	42,789	30,565	15,670	23,091	27,533	-
Income (loss) from rent business (③ – ④)	784,111	310,945	188,289	(Note 2)	(Note 2)	65,943	461,251	152,841	164,824	233,589	146,614	227,286	78,698	183,647	91,862	54,304

⁽Note 1) Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership properties, are calculated based on the pro rata share (75% and 50% respectively).



⁽Note 2) Undisclosed due to no consent from tenants.

⁽Note 3) Depreciation and Other includes Loss on retirement of current assets.

⁽Note 4) As Q plaza SHINSAIBASHI was acquired on Dec. 16, 2015, figures are the amounts after acquisition.

Overview of Lease and Profit and Loss for 9th Period (May 2016) (2/2)

(Unit: ¥1,000)

26

															iic. #1,000)	
				Tokyo offic	e properties				Other properties							
	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER	Shiodome Building (Note 1)	Frontier Ebisu	Shibuya Konnoh Building	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara
①Revenue related to rent business	(Note 2)	190,201	176,647	111,362	301,938	994,691	160,390	(Note 2)	345,921	310,642	(Note 2)	142,543	280,349	506,088	232,555	(Note 2)
Rent revenue- real estate	(Note 2)	178,336	166,264	105,412	290,672	945,488	150,784	(Note 2)	345,921	310,612	(Note 2)	131,842	260,786	480,243	198,754	(Note 2)
Other lease business revenue	(Note 2)	11,865	10,382	5,950	11,266	49,202	9,605	(Note 2)	_	30	(Note 2)	10,701	19,562	25,845	33,800	(Note 2)
②Expenses related to rent business	31,464	48,741	45,392	29,257	92,861	159,169	26,220	15,591	45,553	38,614	14,182	49,900	72,605	160,024	59,223	31,785
Management operation expenses	11,356	15,978	14,946	8,914	58,670	69,243	11,057	5,612	-	5,600	2,561	21,775	24,573	55,448	8,832	16,411
Utilities expenses	8,338	11,479	11,264	6,227	10,915	59,902	9,313	5,939	-	30	1	13,065	21,323	43,035	35,764	5,862
Tax and public dues	10,534	15,019	14,642	10,603	21,051	481	128	95	45,296	31,084	9,878	11,851	25,043	47,923	12,790	7,090
Insurance	84	132	106	71	303	1,348	100	76	-	235	100	145	252	749	94	132
Repair and maintenance expenses	328	1,683	2,686	2,047	123	3,671	2,053	904	-	740	_	1,709	54	7,787	958	1,327
Other expenses related to rent business	821	4,448	1,745	1,393	1,798	24,522	3,567	2,963	257	923	1,641	1,352	1,358	5,079	783	960
3NOI(1)-2)	(Note 2)	141,459	131,254	82,105	209,077	835,521	134,169	(Note 2)	300,367	272,028	(Note 2)	92,642	207,744	346,064	173,332	(Note 2)
④Depreciation and other (Note 3)	20,682	25,970	26,920	8,455	48,275	116,297	24,020	11,703	-	34,532	8,515	18,655	52,291	64,130	17,286	23,689
Income (loss)	(Note 2)	115,488	104,334	73,649	160,801	719,224	110,148	(Note 2)	300,367	237,496	(Note 2)	73,987	155,452	281,933	156,045	(Note 2)

(Note 1) API acquired an additional 10% co-ownership interest in Shiodome Building. The figures are calculated based on the total of pro rata share (25%).



⁽Note 2) Undisclosed due to no consent from tenants.

⁽Note 3) Depreciation and Other includes Loss on retirement of current assets.

Occupancy Rate by property

■ The occupancy rate for the entire portfolio is maintained at as high as 99.8%

	Property		2nd	3rd	4th	5th	6th	7th	8th	9th
	#	Property	Nov 2012	May 2013	Nov 2013	May 2014	Nov 2014	May 2015	Nov 2015	May 2016
	UR-1	Tokyu Plaza Omotesando Harajuku	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\subseteq	UR-2	Tokyu Plaza Akasaka	98.5%	98.7%	98.9%	100.0%	100.0%	98.8%	99.9%	100.0%
ba	UR-3	Q plaza EBISU	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ח	UR-4	Shinbashi Place	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
et:	UR-5	Kyoto Karasuma Parking Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>a</u> .	UR-6	A-FLAG AKASAKA	-	-	84.2%	84.2%	100.0%	100.0%	100.0%	100.0%
p	UR-7	Kobe Kyu Kyoryuchi 25Bankan	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%
9	UR-8	A-FLAG SAPPORO	-	_	-	100.0%	100.0%	100.0%	100.0%	100.0%
en	UR-9	A-FLAG SHIBUYA	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%
Urban retail properties	UR-10	Q plaza SHINSAIBASHI	-	-	-	-	-	-	-	88.4%
0,	Urb	an retail properties average	99.5%	99.6%	99.1%	99.6%	100.0%	99.8%	100.0%	99.7%
	TO-1	TLC Ebisu Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	87.5%	100.0%
	TO-2	A-PLACE Ebisu Minami	100.0%	96.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-3	A-PLACE Yoyogi	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
То	TO-4	A-PLACE Aoyama	86.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
হ	TO-5	Luogo Shiodome	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0	TO-6	TAMACHI SQUARE (Land)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
∄	TO-7	A-PLACE Ikebukuro	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ce	TO-8	A-PLACE Shinbashi	-	84.6%	88.4%	100.0%	100.0%	98.7%	97.8%	100.0%
Tokyo office properties	TO-9	A-PLACE Gotanda	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%
g	TO-10	A-PLACE Shinagawa	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%
E E	TO-11	OSAKI WIZTOWER	-	-	-	-	100.0%	100.0%	100.0%	100.0%
E.		Shiodome Building	-	-	-	-	-	98.2%	93.2%	98.2%
0,		A-PLACE Ebisu Higashi	-	-	-	-	-	-	100.0%	100.0%
	TO-14	A-PLACE Shibuya Konnoh	-	-	-	-	-	-	100.0%	100.0%
	Tok	yo office properties average	97.4%	97.5%	98.6%	100.0%	100.0%	99.6%	97.5%	99.6%
	0-1	Amagasaki Q's MALL (Land)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other	0-2	icot Nakamozu	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
he	0-4	icot Mizonokuchi	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
7	0-5	icot Tama Center	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
oro	0-6	A-PLACE Kanayama	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%
properties	0-7	Osaka Nakanoshima Building	-	99.6%	100.0%	97.3%	98.2%	97.9%	97.9%	100.0%
3.	0-8	icot Omori	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%
S	0-9	Market Square Sagamihara	-	-	-	-	-	100.0%	100.0%	100.0%
Other properties average 100.0% 100.0% 99.9% 99.8% 99.8% 99.7%										
	Total	average occupancy rate	99.4%	99.4%	99.4%	99.8%	99.9%	99.7%	99.2%	99.8%
/NI		rate refers to the ratio of the total leased area	4 - 41 - 4 - 4 - 1 1 1	ala anna at tha anna d	- C the			toto-to		

Portfolio Appraisal Values Status/PML (1/2)

■ Existing 32 properties (as of May 31, 2016)

(Unit: ¥ mn)

				Investment	A				Capitalizatio	on Value			
Category	Property #	Property name	Acquisition price	ratio (%)	Appraisal agency (Note 1)	Appraisal value	Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)	NOI (Note 2)	PML(%)
	UR-1	Tokyu Plaza Omotesando Harajuku (Note 3)	45,000	13.5%	J	54,525	55,050	3.1%	53,925	2.8%	3.2%	1,689	2.9
	UR-2	Tokyu Plaza Akasaka (Note 3) (Note 6)	11,450	3.4%	Т	14,000	14,200	4.4%	13,900	4.5%	4.6%	718	3.6
	UR-3	Q plaza EBISU (Note 4)	8,430	2.5%	Т	10,200	10,300	3.7%	10,100	3.9/3.8%	3.9%	374	5.7
	UR-4	Shinbashi Place	20,500	6.1%	D	24,700	25,100	4.5%	24,500	4.3%	4.7%	1,107	6.8
(III)	UR-5	Kyoto Karasuma Parking Building	8,860	2.6%	D	10,900	10,900	5.1%	10,900	5.1%	5.3%	569	2.4
I UK 1	UR-6	A-FLAG AKASAKA	3,000	0.9%	J	3,520	3,570	3.8%	3,470	3.6%	4.0%	136	6.4
URBAN RETAIL	UR-7	Kobe Kyu Kyoryuchi 25bankan	21,330	6.4%	J	25,100	25,400	4.2%	24,800	4.0%	4.4%	1,063	2.6
	UR-8	A-FLAG SAPPORO (Note 6)	4,410	1.3%	D	6,550	6,540	5.8%	6,560	5.6%	6.0%	452	0.3
	UR-9	A-FLAG SHIBUYA	6,370	1.9%	D	7,190	7,290	4.2%	7,150	4.0%	4.4%	308	7.9
	UR-10	Q plaza SHINSAIBASHI	13,350	4.0%	V	13,400	13,500	3.9%	13,200	3.7%	4.1%	523	6.9
	TO-1	TLC Ebisu Building	7,400	2.2%	Т	8,800	8,940	4.1%	8,740	4.2%	4.3%	410	6.5
	TO-2	A-PLACE Ebisu Minami	9,640	2.9%	Т	11,800	12,100	4.0%	11,600	4.1%	4.2%	490	8.0
	TO-3	A-PLACE Yoyogi	4,070	1.2%	V	4,330	4,410	4.2%	4,240	4.0%	4.4%	187	5.1
	TO-4	A-PLACE Aoyama (Note 6)	8,790	2.6%	D	9,110	9,200	4.3%	9,070	4.1%	4.5%	408	8.9
	TO-5	Luogo Shiodome	4,540	1.4%	D	5,660	5,740	3.9%	5,620	3.7%	4.1%	231	2.7
	TO-6	TAMACHI SQUARE (Land)	2,338	0.7%	Т	2,620	2,730	4.0%	2,570	4.4%	4.2%	109	(Note 5) -
	TO-7	A-PLACE Ikebukuro	3,990	1.2%	J	4,730	4,790	4.5%	4,660	4.3%	4.7%	219	3.2
V TO \	TO-8	A-PLACE Shinbashi	5,650	1.7%	J	6,430	6,540	4.1%	6,310	3.9%	4.3%	279	7.4
TOKYO OFFICE	TO-9	A-PLACE Gotanda	5,730	1.7%	М	6,300	6,410	4.0%	6,190	3.8%	4.2%	255	6.1
	TO-10	A-PLACE Shinagawa	3,800	1.1%	J	4,230	4,310	4.0%	4,150	3.8%	4.2%	175	4.9
	TO-11	OSAKI WIZTOWER	10,690	3.2%	D	13,600	13,700	3.8%	13,600	3.4%	3.8%	516	2.4
	TO-12	Shiodome Building (Note 3)	50,700	15.2%	М	52,000	55,250	3.7%	50,750	3.5%	3.9%	2,029	2.6
	TO-13	A-PLACE Ebisu Higashi	7,072	2.1%	V	7,360	7,730	4.0%	7,230	3.8%	4.2%	310	5.2
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.4%	V	5,000	5,230	3.9%	4,920	3.6%	4.0%	208	4.3

(Note 1) Abbreviation represents each appraisal agency as follows: J: Japan Real Estate Institute; T: The Tanizawa Sōgō Appraisal; D: Daiwa Real Estate Appraisal Corp.; V: Japan Valuers; and M: Morii Appraisal & Investment Consulting

(Note 2) Calculated based on direct capitalization method. The figures are rounded to the million yen.

(Note 3) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Shiodome Building, the co-ownership properties, are calculated based on pro rata base share (75%, 50% and 25% respectively).

(Note 4) The discount rate for Q Plaza EBISU is 3.9% for the 1st to 7th year and 3.8% for 8th year onwards.

(Note 5) Not listed as we own only the land for TAMACHI SQUARE(land).

(Note 6) Seismic strengthening was conducted at Tokyu Plaza Akasaka, A-FLAG SAPPORO and A-PLACE Aoyama in April 2009, June 2007 and July 2008, respectively.



■ Existing 32 properties (as of May 31, 2016)

(Unit: ¥mn)

		Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note 1)	Appraisal value	Capitalization Value						
Category	Property #						Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)	NOI	PML(%)
	0-1	Amagasaki Q's MALL (Land)	12,000	3.6%	J	13,100	13,200	4.6%	12,900	4.3%	4.8%	600	(Note 5) -
	0-2	icot Nakamozu (Note 2)	8,500	2.5%	Т	10,000	10,200	5.3%	9,940	5.2/5.3%	5.5%	547	4.8
	0-4	icot Mizonokuchi	2,710	0.8%	М	3,210	3,280	5.5%	3,130	5.3%	5.9%	183	8.3
	0-5	icot Tama Center	2,840	0.9%	J	3,450	3,520	5.6%	3,370	5.0%	5.8%	198	1.8
OTHER (Retail·Office)	0-6	A-PLACE Kanayama	6,980	2.1%	V	7,780	7,830	5.2%	7,730	5.0%	5.4%	409	5.3
inclusii oililee	0-7	OsakaNakanoshima Building	11,100	3.3%	J	12,800	12,900	4.5%	12,600	4.3%	4.7%	649	7.9
	0-8	icot Omori	5,790	1.7%	J	6,360	6,400	4.7%	6,310	4.5%	4.9%	300	3.9
	0-9	Market Square Sagamihara	4,820	1.4%	V	4,960	4,980	5.4%	4,930	5.2%	5.6%	263	7.7
Subtotal (32 properties)		326,660	97.8%	_	373,715	381,240	_	369,065	_	-	15,914	-	

New property

(A-PLACE Gotanda Ekimae : as of March 1, 2016)

(Unit: ¥mn)

							Capitalization Value						
Category	Property #	Property name	Acquisition price	Investment ratio (%)	Appraisal agency	Appraisal value	Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)	NOI	PML(%)
Tokyo office	TO-15	A-PLACE Gotanda Ekimae	7,280	2.2%	V	7,390	7,550	4.1	7,220	3.8	4.2	310	7.7
Total (32 properties + New property)		333,940	100.0%	-	381,105	388,790	ı	376,285	-	-	16,224	(Note3) 2.1	

⁽Note 4) Calculation is based on the seismic data derived from the "National Seismic Hazard Maps for Japan" publicized by the Headquarters for Earthquake Research Promotion, Ministry of Education, Culture, Sports, Science and Technology on Dec. 2012. The figures are rounded to the first decimal place.





⁽Note 1) Abbreviation represents each appraisal agency as follows: J: Japan Real Estate Institute; T: The Tanizawa Sōgō Appraisal; D: Daiwa Real Estate Appraisal Corp.; V: Japan Valuers; and M: Morii Appraisal & Investment Consulting

⁽Note 2) The discount rate for icot Nakamozu is 5.2% for 1st to 6th year and 5.3% for 7th year onwards.

⁽Note 3) PML for the entire portfolio is based on the "Report of portfolio seismic PML analysis" as of March 2016.

1. Average monthly rents for Tokyo Office properties (incl. common service fee)

	4 th Period	5 th Period	6 th Period	7 th Period	8 th Period	9 th Period
	(Nov.	(May	(Nov.	(May	(Nov.	(May
	2013)	2014)	2014)	2015)	2015)	2016)
Tokyo	¥19,338	¥19,813	¥19,230	¥22,242	¥22,127	¥23,358
Office		(+2.5%)	(△2.9%)	(+15.7%)	(△0.5%)	(+5.6%)
Tokyo Office (at IPO) (Note)	¥19,556	¥19,400 (△0.8%)	¥19,270 (△0.7%)	¥19,548 (+1.4%)	¥19,995 (+2.3%)	¥20,406 (+2.1%)

(Note) Tokyo Office properties (at IPO) refers to 6 properties: Tokyu Fudosan Ebisu Building, A-PLACE Ebisu-Minami, A-PLACE Yoyogi, A-PLACE Aoyama, Luogo Shiodome and A-PLACE Ikebukuro

2. Contract period and remaining contract period

	Urban Retail	Tokyo Office	Others	Total
Contract Period (Years)	9.7	4.2(3.2)	13.6(10.1)	8.5(7.3)
Remaining Contract Period (Years)	4.7	2.7(1.7)	9.3(5.8)	4.9(3.8)

(Note 1) The figures in the parenthesis are excluding those of TAMACHI SQUARE (Land) and Amagasaki O's MALL (Land).

(Note 2) Calculated based on figures as of May 31, 2016 with taking account A-PLACE Gotanda Ekimae.

3. 10 largest tenants by leased area

End-tenant	Property name	Total leased area (㎡) (Note 1)	% of leased area (%) (Note 2)	Lease expiration
1. Tokyu Hotels	Tokyu Plaza Akasaka (Note 3) A-FLAG SAPPORO	30,183	9.7	2021/10
Sumitomo Mitsui Trust Bank, Ltd.	TAMACHI SQUARE(Land) Amagasaki Q's MALL (Land)	28,753	9.2	2074/5 2042/1
3. Kohnan Shoji	icot Nakamozu	26,529	8.5	2027/7
4. Paraca	Kyoto Karasuma Parking Building	21,224	6.8	-
5. Plan·Do·See	Kobe Kyu Kyoryuchi 25Bankan	14,195	4.6	-
6. Room's-Taishodo	icot Mizonokuchi	14,032	4.5	2018/7
7. K`s Holdings Corporation	Market Square Sagamihara	11,864	3.8	2034/6
8. Yamada-Denki	Shinbashi Place	9,156	2.9	-
9. NTT Communications	Shiodome Building (Note 3)	7,383	2.4	-
10. The Bank of Tokyo- Mitsubishi UFJ Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609	1.8	-

(Note1) Based on the lease agreement as of May 31, 2016.

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

(Note3) Tokyu Plaza Akasaka and Shiodome Building, the co-ownership properties, are calculated based on the pro rata share (50% and 25%, respectively).

(Note4) "-" denotes that the data is not disclosed due to no consent from tenants.



Portfolio – Urban Retail Properties (1/2)

Property name	Tokyu Plaza Omotesando Harajuku (Note1)	Tokyu Plaza Akasaka (Note1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building
				AAIS -VINIBII	
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	1-minute walk from Tokyo Metro Chiyoda Line, Fukutoshin Line "Meiji Jingumae" station	1-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" station 1-minute walk from Tokyo Metro Yurakucho Line, Hanzomon Line, Namboku Line "Nagatacho" station	1-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" station	1-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line, Toei Asakusa Line/ Yurikamome "Shinbashi" station	1-minute walk from Hankyu Kyoto Line "Karasuma" station 1-minute walk from subway Karasuma Line "Shijo" station
Acquisition price (A)	¥45,000 mn	¥11,450 mn	¥8,430 mn	¥20,500 mn	¥8,860 mn
Appraisal value (B)	¥45,200 mn	¥11,500 mn	¥8,770 mn	¥22,500 mn	¥9,430 mn
vs appraisal value (A/B)	99.6%	99.6%	96.1%	91.1%	94.0%
Appraisal NOI yield	3.9%	6.1%	4.5%	5.4%	6.2%
Structure	Steel framed, RC, SRC	SRC	Steel framed, RC	Steel framed, 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 (Note 2)	11,368.11m² (Total)	51,491.66m ² (Total)	4,670.02m ²	8,541.70m ²	21,495.47m ²
Total leasable area(Note 2)	4,904.94m²	16,579.26m²	4,024.88m²	9,156.01m²	21,616.04m ²
Occupancy rate(Note 2)	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants(Note 2)	Baroque Japan Limited	Tokyu Hotels Co., Ltd.	Tokyu Sports Oasis Inc.	Yamada-Denki Co., Ltd.	Paraca Inc.
Number of tenants(Note 2)	29	99	4	1	2
Key points of properties	Located at the crossing of Omotesando and Meiji Street, the center of Japan's fashion culture 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	 The strong international flavor stems from the many foreign companies and embassies in this area. The Nagatacho and Kasumigaseki areas are located behind the site Located in the busy commercial area of Tokyo city-center, it has good commercial potential to attract diversified businesses Property is facing Akasakamitsuke crossing between Sotobori Dori and Route 246, with high visibility 	 Located in the Ebisu area which is, unlike Shibuya or Daikanyama, wellknown as an area for grown-ups High-profile building located in front of a station with a large façade 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 	1-minute walking distance from convenient "Shinbashi" station, which is one of the busiest terminal stations in Japan Shinbashi Place is in an area with diverse properties, such as office buildings, restaurants, apparel shops, and entertainment facilities, including karaoke facilities Versatile structure of the building allows various alternative uses including, but not limited to, use as offices for versatile coverage of diversified tenants' needs	 Located in the Shijo Karasuma area, which is one of Kyoto's most prominent city center areas Highly visible building with a facade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto

(Note 1) Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership properties, are calculated based on the pro rata share (75% and 50%, respectively), except the gross floor area and number of tenants, which are the amount as a whole building.



Portfolio – Urban Retail Properties (2/2)

Property name	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q Plaza SHINSAIBASHI
	72				
Location	Akasaka, Minato-ku, Tokyo	Kyomachi, Chuo-ku, Kobe City, Hyogo	Minami-Yonjo-Nishi, Chuo-ku, Sapporo, Hokkaido	Udagawa-cho, Shibuya-ku, Tokyo	Shinsaibashi-suji, Chuo-ku, Osaka City, Osaka
Access	3-minute walk from Tokyo Metro Chiyoda Line "Akasaka" station 5-minute from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" station	5-minute walk from Kobe subway Kaigan Line "Kyu Kyoryuchi, Daimarumae" station 9-minute walk from JR Tokaido Line "Sannomiya" station 9-minute from Hankyu railway Kobe Line/ Hanshin electric railway/ Kobe kosoku railway/ Kobe subway Seishin-Yamanote Line "Sannomiya" station	2-minute walk from Sapporo subway Nanbou Line "Susukino" station 8-minute walk from Sapporo subway Toho Line "Hosui-susukino" station	4-minute walk from Tokyo Metro Ginza Line, Hanzomon Line, Fukutoshin Line/ Tokyu Denentoshi Line, Toyoko Line "Shibuya" station 5-minute walk from Keio Inokashira Line "Shibuya" station 6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line "Shibuya" station	1-minute walk from Osaka City's Subway Midosuji Line, Nagahori Tsurumi-ryokuchi Line "Shinsaibashi" Station
Acquisition price (A)	¥3,000 mn	¥21,330 mn	¥4,410 mn	¥6,370 mn	¥13,350 mn
Appraisal value (B)	¥3,150 mn	¥21,600 mn	¥4,800 mn	¥6,400 mn	¥13,400 mn
vs appraisal value (A/B)	95.2%	98.8%	91.9%	99.5%	99.6%
Appraisal NOI yield	4.5%	4.8%	8.7%	4.9%	3.9%
Structure	Steel framed, SRC	Steel framed, SRC	Steel framed, RC	RC	Steel framed, SRC, RC
Number of floors	7 floors above and 1 floor underground	18 floors above and 3 floors underground	12 floors above and 1 floor underground	5 floors above and 1 floor underground	8 floors and 2 floors underground
Gross floor area	2,429.01㎡	27,010.67㎡	27,277.85㎡	3,340.70㎡	3,822.45㎡
Total leasable area	2,280.22m²	19,653.90㎡	21,229.16㎡	3,413.80m²	2,820.23ml
Occupancy rate	100.0%	100.0%	100.0%	100.0%	88.4%
Key tenants	- (Note)	Plan Do See Inc.	Tokyu Hotels Co., Ltd.	BOOKOFF CORPORATION LIMITED	Zara Japan Corp.
Number of tenants	8	7	18	2	5
Key points of properties	3-minute walking distance from Tokyo Metro Chiyoda Line's Akasaka Sta. and is convenient location where multiple stations and lines may be used A highly visible commercial building on Hitotsugi-dori, the busiest street, with various restaurants and the heaviest foot traffic, in Akasaka Leasing area of one floor is wider and versatile use for needs of diverse tenants	 Kyu Kyoryuchi is located in Kobe, a port city with long history and various historic sites/buildings. The Kyu Kyoryuchi area, where various top-class luxury brands are located, is one of the leading commercial districts in West Japan in terms of the number of visitors Tenants include Louis Vuitton shop in the "Louis Vuitton Maison" format offering a full lineup 	 In Sapporo, Sapporo Snow Festival is held very February Hotel located in "Susukino", the most popular entertainment district in Hokkaido and one of Japan's major tourist spots In 2011, Susukino Sta. was connected from Subway Sapporo Sta via underground mall, and synergy effects between areas are expected 	 An urban retail property located in the Shibuya area, one of the major commercial districts and the fashion centers for "younger generations" Located on and designed to match "Shibuya Center street," attracting people all day and night Club Quattro is a long-established club, hosts live music and has invited a variety of artists from both Japan and Abroad for 25 years 	 Located in the front entrance of "Shinsaibashi", the top commercial area in Western Japan Shinsaibashi has the ability to attract customers as commercial focal point with passers-by reaching about 98,000 people Multi-tenant commercial facility with the flagship shop of global brand, "ZARA"



Portfolio – Tokyo Office Properties (1/3)

Property name	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome	TAMACHI SQUARE (Land)
				APPLICE .		
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
Access	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-shinjuku Line "Ebisu" station 6-minute walk from Tokyo Metro Hibiya Line "Ebisu" station	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" station	3-minute walk from JR Yamanote Line, Chuo Line, Sobu Line/ Toei Oedo Line "Yoyogi" station	4-minute walk from Tokyo Metro Ginza Line "Gaienmae" station	4-minute walk from Toei Oedo Line/ Yurikamome "Shiodome" station 5-minute walk from JR Tokaido Line, Yamanote Line, Keihin- Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" station	2-minute walk from Toei Asakusa Line, Mita Line "Mita" station 4-minute walk from JR Yamanote Line, Keihin-Tohoku Line "Tamachi" station
Acquisition price (A)	¥7,400 mn	¥9,640 mn	¥4,070 mn	¥8,790 mn	¥4,540 mn	¥2,338 mn
Appraisal value (B)	¥7,420 mn	¥9,950 mn	¥4,180 mn	¥8,850 mn	¥4,570 mn	¥2,400 mn
vs appraisal value (A/B)	99.7%	96.9%	97.4%	99.3%	99.3%	97.4%
Appraisal NOI yield	5.4%	4.9%	5.1%	5.0%	4.7%	4.7%
Structure	SRC	SRC	Steel framed	RC	Steel framed, RC	-
Number of floors	9 floors above and 1floor 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	-
Gross floor area	10,297.73m ²	12,167.57m ²	4,201.59m ²	9,958.33m ²	8,242.61m ²	-
Total leasable area	7,342.60m²	7,950.51m ²	3,106.17m ²	7,303.69m ²	4,476.35m ²	1,287.96m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Key points of properties	 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. 805m2 on standard floors makes it highly competitive Large-scale renovations were completed in 2011, and the building continues to be a high grade property 	 Suited to the high traffic of Ebisu area and high demand by IT companies including software developers, apparel companies, as well as service providers such as restaurants, beauty salons and clinics and schools Large standard floor area of approx. 1,655 m² 	 Highly visible building located on the roadside of Meiji Street, within walking distance from "Shinjuku" station Approx. 346 m² astylar space on one floor allows highly efficient space usage Versatile rectangular building shape allows partial leasing of the building 	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 ample parking spaces provides an attractive feature companies including apparel companies that need to deliver products and equipment	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	Convenient location with several lines High concentration of large companies because of easy access to Shinagawa station providing Tokaido bullet train, and Hamamatsu station providing direct access to Haneda Airport from Tamachi station on JR Line



Portfolio – Tokyo Office Properties (2/3)

Property name	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER (4-11th floors)	Shiodome Building (Note)
Location	Minami Ikebukuro, Toshima-ku, Tokyo	Shinbashi, Minato-ku, Tokyo	Nishigotanda, Shinagawa-ku, Tokyo	Konan, Minato-ku, Tokyo	Osaki, Shinagawa-ku, Tokyo	Kaigan, Minato-ku, Tokyo
Access	6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Marunouchi Line, Yurakucho Line, Fukutoshin Line/ Seibu Ikebukuro Line/ Tobu Tojo Line "Ikebukuro" station	3-minute walk from JR Tokaido Line, Yamanote Line, Keihin- Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" station	3-minute walk from Toei Asakusa Line "Gotanda" station 4-minute walk from JR Yamanote Line "Gotanda" station	4-minute walk from JR Tokaido Shinkansen, Tokaido Line, Yamanote Line, Keihin- Tohoku Line, Yokosuka Line/ Keikyu Main Line "Shinagawa" station	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Rinkai Line "Osaki" station	3-minute walk from JR Line "Hamamatsucho" station 3-minute walk from Toei Oedo Line/ Asakusa Line "Daimon" station
Acquisition price (A)	¥3,990 mn	¥5,650 mn	¥5,730 mn	¥3,800 mn	¥10,690 mn (sectional ownership)	¥30,300 mn / ¥20,400 mn
Appraisal value (B)	¥4,020 mn	¥5,780 mn	¥5,750 mn	¥3,800 mn	¥11,200 mn (sectional ownership)	¥30,450 mn / ¥20,700 mn
vs appraisal value (A/B)	99.3%	97.8%	99.7%	100.0%	95.4%	99.5% / 98.6%
Appraisal NOI yield	5.2%	5.1%	4.5%	4.6%	4.6%	4.2% / 4.1%
Structure	Steel framed, RC	RC, SRC	RC, SRC	RC, SRC	RC, SRC	RC, SRC
Number of floors	7 floors above and 1 floor underground	9 floors above and 2 floors underground	10 floors above and 1 floor underground	8 floors above and 1 floor underground	25 floors above and 2 floors underground (total)	24 floors above and 2 floors underground
Gross floor area	4,709.05m ²	7,143.97m ²	5,782.65m²	3,937.61m ²	54,363.84m (total)	115,930.83m (Total)
Total leasable area	3,409.73m²	5,052.14m ²	4,028.69m	2,986.36m²	7,193.28m² (sectional ownership)	20,097.18m²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	98.2%
Key points of properties	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	Loop Road No. 2 is under	 Highly visible by facing a platform of "Gotanda" station on JR Line and locating on the corner of Sakurada Street (National Road No.1) An office building with a highprofile facade, developed by Tokyu Land Corporation The building is highly competitive, and also equipped with high-tech facilities including 100mmhigh free-access floors, individual air conditioning units and grid ceilings 	 High convenience with easy access to major areas in Tokyo and access to the Tokaido bullet train Located in Konan, an area with a high concentration of headquarter buildings of major companies Relatively compact rental area with 120 tsubo floor area on standard floors, with no pillars in the office spaces, allowing for efficient and versatile use of the floors 	 High convenience with a fourminute walk from "Osaki" Station on JR YamaNoteLine and Shonan- Shinjuku Line,etc Further expansion as the new office area is expected by the reconstruction development around the station Having BCP (Business Continuity Planning) facilities such as emergency power supplies enabling consecutive 48-hour electric power generation, in addition to the newest earthquake resistant Structure 	 Only a 3-minute walk from JR Hamamatsucho Station and the Toei Daimon Station with a direct access to Haneda Airport and major rail terminals such as Tokyo and Shinagawa stations Highly competitive building with standard office floor area of more than 1,000 tsubo, a rarity in Tokyo, which meets wide variety of tenants needs by dividing the floor space

Portfolio – Tokyo Office Properties (3/3), Other Properties (1/2)

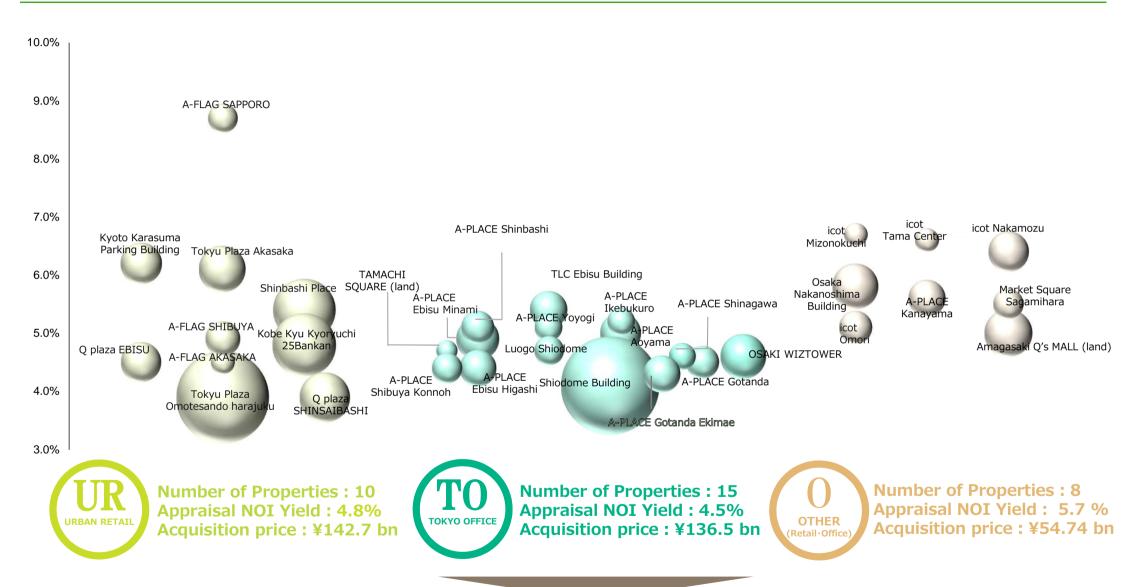
Property name	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi
Location	Higashi, Shibuya-ku, Tokyo	Shibuya, Shibuya-ku, Tokyo	NishiGotanda, Shinagawa-ku, Tokyo	Shioe, Amagasaki City, Hyogo	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa
Access	6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	4-minute walk from JR Yamanote Line Shibuya station "Shinminamiguchi"gate	1-minute walk from JR Yamanote Line/ Toei Asakusa Line/ Tokyu Ikegami Line "Gotanda" Station	2-minute walk from JR Tokaido Main Line, Fukuchiyama Line, Tozai Line "Amagasaki" station	6-minute walk from Osaka Municipal Subway Midosuji Line "Nakamozu" station 6-minute walk from Nankai Koya Line "Shirasagi" station 8-minute walk from Nankai Koya Line "Nakamozu" station	13-minute walk from Tokyu Denen Toshi Line/ Oimachi Line "Takatsu" station
Acquisition price (A)	¥7,072 mn	¥4,810 mn	¥7,280 mn	¥12,000 mn	¥8,500 mn	¥2,710 mn
Appraisal value (B)	¥7,160 mn	¥4,900 mn	¥7,390 mn	¥12,100 mn	¥8,880 mn	¥2,950 mn
vs appraisal value (A/B)	98.8%	98.2 %	98.5%	99.2%	95.7%	91.9%
Appraisal NOI yield	4.4%	4.4 %	4.3%	5.0%	6.4%	6.7%
Structure	SRC	RC, SRC	SRC	-	Steel framed	Steel framed
Number of floors	10 floors above and 2 floors underground	8 floors above and 1 floor underground	9 floors above and 1 floor underground	-	3 floors above	4 floors above and 1 floor underground
Gross floor area	5,321.23m ²	4,331.70m ²	5,961.02m ²	-	27,408.34m ²	14,032.05m ²
Total leasable area	4,010.69m ²	2,958.85m ²	4,311.57m²	27,465.44m²	28,098.02m ²	14,032.05m ²
Occupancy rate	100.0%	100.0%	88.7% (Note)	100.0%	100.0%	100.0%
Key points of properties	 Great lighting and visibility as it is located at the corner and along the Meiji street which is 6minute walk from 'Ebisu' station Well in appealing tenants in terms of facilities following the renewal of entrance/restroom and individualizing air conditioner despite the age of 20 years 	■ South entrance of Shibuya Station is expected to be developed with better accessibility through improvement of Shibuya Station and its surroundings as well as re-development on such area ■ It underwent large-scale renovations from 2011 to 2012	 Just 1-minute walk from the JR Yamanote Line "Gotanda" station West exit The property's features include a standard office floor area of 148 tsubo with a ceiling height of 2,600 mm, individual air conditioning units, free access floor, etc. The rooms can be divided, and so it can flexibly address the needs from tenants The property is capable of addressing a wide range of demands from tenants including retail stores, due to locational rarity and high visibility from the station 	 Multi-tenant property that represents Amagasaki and is directly connected to the JR Amagasaki train station. Its tenants include the largest sports club and cinema complex in the region and a department store that specializes in household accessories 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 	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 centers in the nearby commercial area The property houses the flagship store of home improvement retailer Kohnan Shoji. Stable income is expected from the 20-year fixedterm lease contracts with such core Tenants	 Good access from the Tokyo city center as property is facing the trunk road. It is located in an area with many residential developments 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

Portfolio –Other Properties (2/2)

Property name	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara
					TO ALL PLANTS AND ALL
Location	Ochiai, Tama City, Tokyo	Kanayama, Naka-ku, Nagoya City, Aichi	Nakanoshima, Kita-ku, Osaka City, Osaka	Omorikita, Ota-ku, Tokyo	Shimokuzawa, Chuo-ku, Sagamihara-city, Kanagawa
Access	4-minute walk from Keio Sagamihara Line "Keio Tama Center" station 4-minute walk from Odakyu Tama Line "Odakyu Tama Center" station 4-minute walk from Tama Toshi Monorail "Tama Center" station	1-minute walk from Nagoya Municipal Subway Meijo Line/Meiko Line "Kanayama" station 2-minute walk from JR Chuo Line, Tokaido Line/ Meitetsu Nagoya Main Line "Kanayama" station	1-minute walk from Keihan Nakanoshima Line "Oebashi" station 5-minute walk from Osaka Municipal Subway Midosuji Line "Yodoyabashi" station	3-minute walk from JR Keihitohoku Line "Omori" station	15-minute walk from from JR Sagamihara Line "Minamihashimoto" station
Acquisition price (A)	¥2,840 mn (sectional ownership)	¥6,980 mn	¥5,250 mn/¥5,850 mn	¥5,790 mn	¥4,820 mn
Appraisal value (B)	¥2,990 mn mn (sectional ownership)	¥7,120 mn	¥5,800 mn/¥5,900 mn	¥5,810 mn	¥4,820 mn
vs appraisal value (A/B)	95.0%	98.0%	90.5%/99.2%	99.7%	100.0%
Appraisal NOI yield	6.6%	5.6%	6.2%/5.5%	5.1%	5.5%
Structure	RC	Steel framed, SRC	SRC	RC, SRC	Steel framed
Number of floors	15 floors above and 1 floor underground (total)	9 floors above and 1 floor underground	15 floors above and 3 floors underground	7 floors above and 1 floor underground	2 floors above
Gross floor area	31,553.75m² (total)	12,783.13m²	34,248.71m ²	7,040.95m²	9,719.38m ²
Total leasable area	5,181.58m² (sectional ownership)	9,314.91m²	20,235.57m²	6,209.79m²	15,152.42m²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%
Key points of properties	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 walkway Unique tenant structure that includes a one-price shop, clinic mall and bank branches helps satisfy the needs of people in surrounding areas	Property is located in front of "Kanayama" station which has good access to "Nagoya" station and Chubu International Airport. The large standard floor size of 300 tsubo and its landmark exterior ensures sufficient competitiveness in the area	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	A convenient location that serves a large population of approximately 72,000 persons in 1-km retail area and 471,000 persons in the 3-km retail area Its location has heavy foot traffic from commuters, students and residents due to easy access from both the residential district near the west exit of Omori Station and a commercial district	Newly opened in July 2014 Tenants—a major home electronics retailer K's Denki, a major supermarket chain OK Store, and a well-known revolving sushi chain Hamazushi—cater to the needs of local area residents



API Portfolio matrix (Asset type × NOI yield)



Number of Properties: 33, Portfolio average Appraisal NOI Yield: 4.8 %, Acquisition price: ¥333.94bn



Portfolio Summary



(Note 1) Each chart is based on the acquisition price as of May 31,2016 with adding A-PLACE Gotanda Ekimae acquired on July 1,2016. As for "End tenant industry", it is calculated based on the annual rents as of May 31, 2016. (Note 2) Average property age is calculated excluding the properties API owns only land.

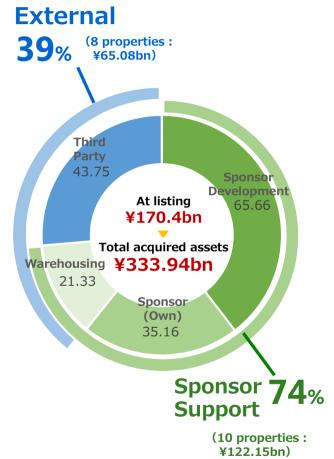


Seller and Acquisition Form of Acquired Assets since IPO (Acquisition Price Basis)

■ In addition to acquisition of sponsor-developed properties and sponsor support such as warehousing, we have strong external growth power via diverse opportunities of acquiring properties such as the asset managers' own channel







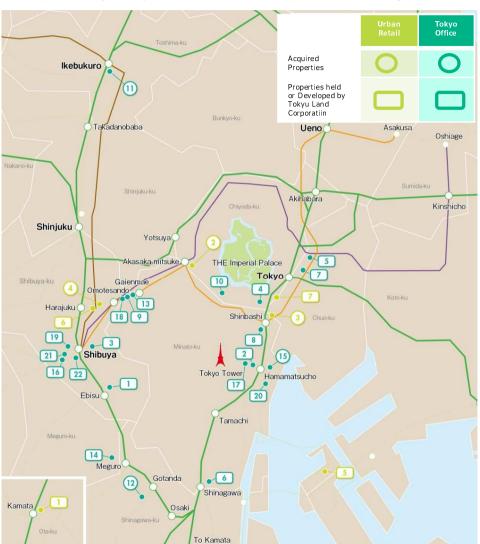




Major developments and properties by Tokyu Fudosan Holdings Group

Major developments and properties by Tokyu Fudosan Holdings Group

<Examples of major Tokyu Fudosan HLDGS developments and holding properties>



(Note 1) It indicates the time of renovation

(Note 2) It includes commercial area.

(Note 3) Part of the property (residential buildings) is to be operational in FY 2017

(Note 4) It includes commercial and housing developments.

(Note 5) Other than those already acquired, we do not own or intend to acquire these properties in the above table

<Major developments & properties of urban retail properties (including plans)>

#	Acquired	Name	Nearest Sta	Walking distance from Sta	Completed (plan) acquired time	Gross fl. area
1		Tokyu Plaza Kamata	Kamata	1 minute	1968 (2014(Note1))	app 29 Km²
2	0	Tokyu Plaza Akasaka	Akasaka-Mitsuke	1 minute	1969	app 51 Km
-	0	Tokyu Plaza Sapporo	Susukino	2 minutes	1980	app 27 Km
3	0	Shinbashi Place	Shinbashi	1 minute	2008	app 9 Km
-		Futakotamagawa Rise Shopping Center	Futakotamagawa	1 minute	2011	app 124 Km
		Abeno Q's MALL	Tennoji	2 minutes	2011	app 184 Km
4	0	Tokyu Plaza Omotesando Harajuku	Meiji-jingumae	1 minute	2012	app 11 Km
-	0	Q Plaza SHINSAIBASHI	Shinsaibashi	1 minute	2013 (acquired)	app 4 Km
5		DECKS Tokyo Beach	Odaiba-Kaihinkoen	2 minutes	2013 (acquired)	app 69 Km
-		Northport Mall	Center-kita	1 minute	2014 (acquired)	app 141 Km
6		Q Plaza HARAJUKU	Meiji-jingumae	1 minute	2015	app 8 Km
7		Tokyu Plaza Ginza	Ginza	1 minute	2016	app 50 Km²

<Major developments & holding properties of Tokyo Office (including plans)>

#	Acquired	Name	Nearest Sta	Walking distance from Sta	Completed (plan) acquired time	Gross fl. area
1		Ebisu Business Tower	Ebisu	2 minutes	2003	app 28 Km
2		Hamamatsucho Square	Hamamatsucho	1 minute	2004	app 24 Km
3		Shibuya Minami Tokyu Building	Shibuya	3 minutes	2005	app 20 Km
4		Uchisaiwaicho Tokyu Building	Shinbashi	5 minutes	2006	app 14 Km
5		Nihonbashi Maruzen Tokyu Building	Nihonbashi	1 minute	2006	app 17 Km
6		Shinagawa Tokyu Building	Shinagawa	6 minutes	2007	app 21 Km
7		Nihonbashi Front	Nihonbashi	2 minutes	2008	app 29 Km
8		Shinbashi Tokyu Building	Shinbashi	2 minutes	2008	app 15 Km
9		Minami Aoyama Tokyu Building	Omotesando	4 minutes	2008	app 12 Km
10		Kasumigaseki Tokyu Building	Tameike-Sannō	4 minutes	2010	app 19 Km
11	0	A-PLACE Ikebukuro	Ikebukuro	6 minutes	2011	app 5 Km
12		A-PLACE Gotanda	Gotanda	3 minutes	2012	app 6 Km
13		Spline Aoyama Tokyu Building	Gaienmae	3 minutes	2012	app 8 Km
14		Shin Meguro Tokyu Building	Meguro	2 minutes	2012	app 22 Km²
15	0	Shiodome Building	Hamamatsucho	3 minutes	2014 (acquired)	app 119 Km
16		Nikko Shibuya Nampei-dai Building	Shibuya	7 minutes	2014 (acquired)	app 7 Km
17		CROSS PLACE Hamamatsucho	Daimon	3 minutes	2015 (acquired)	app 12 Km
18		Shin Aoyama Tokyu Building	Omotesando	3 minutes	2015	app 9 Km
19		Dogenzaka 1-Chome Shibuya Station Front Redevelopment Project (Note2)	Shibuya	-	FY2018 (plan)	app 59 Km
20		Urban Redevelopment "Step Up" Project Takeshiba District	-	-	FY2019 (plan) (Note3)	app 200 Km
21		<provisional>Shibuya Nanpeidai Project</provisional>	Shibuya	-	FY2019 (plan)	app 47 Km
22		Shibiya Station Sakuragaoka Block Redevelopment Project (Note4)	Shibuya	-	FY2020 (plan)	app 253 Km



Corporate Philosophy

Our name "Activia" has been coined from the English word "activate" and the Latin suffix "ia" meaning "place"

We aim to invigorate society through investment in and operation of our properties

Basic Policies

- ✓ Focused investments in Urban Retail and Tokyo Office Properties
- ✓ Utilization of the comprehensive support and capabilities of Tokyu Fudosan Holdings Group's value chain
- ✓ Strong governance structure aimed at maximizing unitholder value

In order to maximize unitholder value over the medium to long term, we carefully select properties which we can expect stable and sustainable demand from retail customers and office tenants, such as properties that are located in areas where large numbers of people gather and that serve as a foothold for bustling social and corporate activities. We also seek to maximize unitholder value by proactively managing our properties and taking effective measures to maintain and improve the properties' value.

Portfolio Composition Policy



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



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

70% or more



To enhance the stability and profitability of our portfolio, we carefully select commercial facilities other than Urban Retail Properties and office building other than Tokyo Office Properties, assessing the attributes and competitiveness of each property

30% or less

(Note) The actual split of our portfolio may differ from the above over the short term due to acquisition / disposal of properties



Tokyu Fudosan Holdings Group's Support System

- To ensure stable growth over the medium to long-term, the Asset Manager has applied its know-how and utilized its independent network to the management of properties. The Asset Manager has also leveraged Tokyu Fudosan Holdings Group companies' value chain and comprehensive support to ensure asset growth through the continued acquisition of competitive assets (external growth) and operation/management of properties through ways designed to bring out the competitive strengths of properties under management and improve their profitability (internal growth)
- Utilization of Tokyu Fudosan Holdings Group's multi-faceted and comprehensive know-how and value chain **Tokyu Fudosan Holdings Group**
 - One of the major property development groups in Japan with a solid track record in development, operation and management of properties
 - The group also includes B-to-C businesses which may serve as tenants in our properties and has deep knowledge of consumer needs

Value Chain





Affiliate support agreements

Property

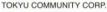
management

agreements

















Development / Property Management

TOKYU LAND SC MANAGEMENT CORPORATION **Retail facilities Management**

TOKYU COMMUNITY CORP



Building Management



Support for

Capitalize on the Asset Manager's own know-how

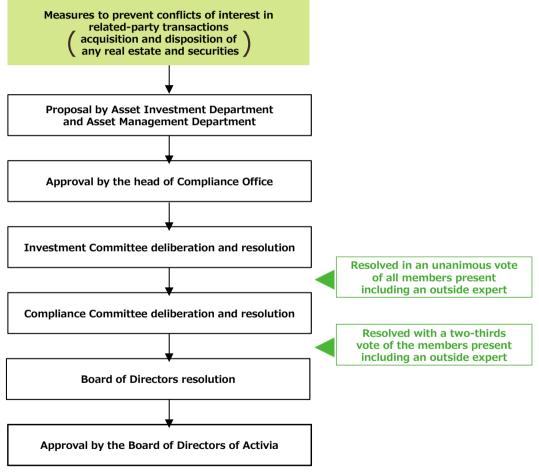


- The management's years of experience in development, operation and management of retail facilities and office buildings
- Expand portfolio by leveraging its know-how for property acquisitions and its wide-ranging network



Strong Governance Structure to Maximize Unitholder Value

- Strong Governance Structure
- Involvement of third parties to protect the interests of unitholders
- Related-party transactions such as acquisition of properties required to be approved by resolution of the compliance committee and Board of Directors of TLC Activia.



- 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

Asset Management Fee

- Asset Management Fee system that enhances the incentive of maximizing the unitholder value
- Fee : Including the management fee links DPU

	Fee I (Note 36-A)	Fee II				
Basis for calculation Fee rate	Total assets at the end of the previous fiscal period × 0.3% per year	DPU (before deduction of Fee II) × NOI × 0.0002%				
. 55 . 4.5	*The sum of Fee I and Fee II may not exceed 0.5% per year of our total assets					

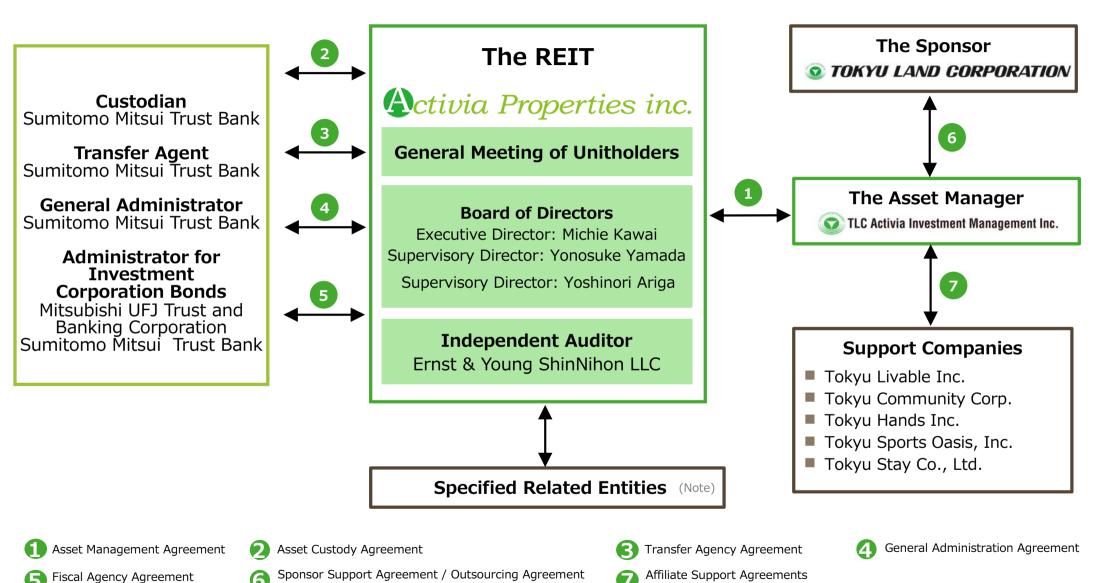
Acquisition / Disposition Fee

- 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 unitholder value

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



REIT Organizational Structure Overview



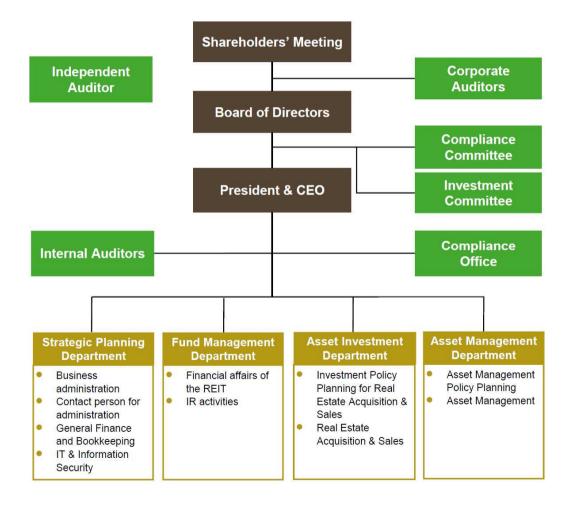


Asset Manager Organizational Overview

- Development of an organization that capitalizes on the capabilities of the Tokyu Fudosan Holdings Group for efficient management and for controlling conflicts of interest
- Appointment of an independent property appraiser as a member of the Investment Committee with veto rights
- 1. Overview of the Asset Manager

2. Asset Manager Organizational Chart

Corporate name	TLC Activia Investment Management Inc.
Established on	Nov, 15, 2010
Capital	¥300 mn
Shareholder	Tokyu Land Corporation 100%
Representative Director and President	Michie Kawai
License	Real estate agent license (Governor of Tokyo (2) No. 92551) Discretionary Transaction Agent License (Minister of Land, Infrastructure and Transportation Approval No. 67) Licensed Financial Instrument Trader (kinsho) No. 2551 The Investment trust Association, Japan The Association for Real Estate Securitization





✓ Focus on Urban Retail and Tokyo Office properties

80% of portfolio is comprised of UR & TO

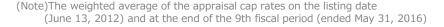
✓ Leading governance
structure among JREITs
Interest alignments through DPUlinked AM fees and arms' length
principles

- ✓ Advantageous IPO timing
 - IPO price at ¥460,000, initial AUM ¥170 bn / Avg. NOI yield of 5.1%
 - Potential for accretive transactions

- Intensive focus on mid- to long-term earnings stability on the back of declining population and economy size
 - Properties located in major cities such as 5 central wards of Tokyo, Osaka, Kobe and Sapporo
 - Properties with high competitiveness
- The 1st J-REIT to adopt DPU linked AM fee
- Managing conflicts of interest through strict arms' length principles in decision making process, including the requirement of unanimous votes of external committee members for acquisitions
- Same-boat principle of our Sponsor, Tokyu Land, that they will seriously consider to subscribe to additional investment units in our equity issuances
- Listed in June, 2012, when real estate and capital markets were extremely weak after the global financial crisis
 - TSE REIT Index dropped 65% from pre-Lehman level
- 18 properties, asset size 170 billion yen.Started with a solid initial portfolio with average 5.1% NOI yield

- Taking advantage of NAV premium and low capital cost for further growth
- For initial properties, weighted average cap rate compressed from 4.7% to 4.1% (note) since IPO
- Portfolio unrealized gain of ¥47.1billion

(9th period: 2016/5)



Statement of Income – 9th Period (ended May 2016)

(Unit: ¥1,000)

	8 th period	9 th period
Operating revenue		·
Rent revenue-real estate	8,780,954	9,528,262
Other lease business revenue	719,892	647,599
Gain on sale of real estate properties	200,380	_
Total Operating revenue	9,701,227	10,175,862
Operating expenses		
Expenses related to rent business	3,422,612	3,399,234
Asset management fee	703,280	747,023
Asset custody fee	8,490	9,502
Administrative service fee	26,348	25,059
Directors' compensations	3,300	3,300
Other operating expenses	77,059	64,988
Total operating expenses	4,241,090	4,249,107
Operating income (loss)	5,460,137	5,926,754
Non-operating income		
Interest income	451	549
Interest on securities	3,488	1,055
Reversal of distribution payable	_	6,902
Interest on refund	1,138	_
Total non-operating income	5,078	8,507
Non-operating expenses		
Interest expenses	483,538	539,715
Interest expenses on investment corporation bonds	17,664	22,639
Amortization of investment corporation bond issuance costs	4,276	4,794
Investment unit issuance expenses	62,950	49,399
Borrowing related expenses	105,568	120,564
Other	500	500
Total non-operating expenses	674,498	737,613
Ordinary income (loss)	4,790,716	5,197,648
Income (loss) before income taxes	4,790,716	5,197,648
Income taxes-current	745	948
Income taxes-deferred	6	△4
Total income taxes	751	943
Net income (loss)	4,789,965	5,196,705
Retained earnings (deficit) brought forward	127	143
Unappropriated retained earnings (undisposed loss)	4,790,093	5,196,849



Balance Sheets – 9th Period (ended May 2016)

		(Unit: ¥1,000)
	8 th period	9 th period
Assets		
Current assets		
Cash and deposits	10,356,687	7,850,554
Cash and deposits in trust	2,985,837	4,013,423
Operating accounts receivable	364,124	448,019
Prepaid expenses	198,238	353,242
Deferred tax assets	11	16
Income taxes receivable	53	-
Consumption taxes receivable	_	5,083
Other	1,692	1,968
Total current assets	13,906,644	12,672,309
Noncurrent assets		
Property, plant and equipment		
Building in trust	62,998,720	67,043,786
Accumulated depreciation	△ 4,327,404	△5,263,878
Building in trust, net	58,671,315	61,779,907
Structures in trust	541,463	565,465
Accumulated depreciation	△ 69,712	△83,894
Structures in trust, net	471,750	481,570
Machinery and equipment in trust	1,231,423	1,264,865
Accumulated depreciation	△ 149,904	△179,609
Machinery and equipment in trust, net	1,081,519	1,085,255
Tools, furniture and fixtures in trust	73,944	77,138
Accumulated depreciation	△ 23,340	△31,583
Tools, furniture and fixtures in trust, net	50,603	45,554
Land in trust	228,459,519	258,584,206
Construction in progress in trust	4,879	4,102
Total property, plant and equipment	288,739,588	321,980,596
Intangible assets	4 562 620	4 562 620
Leasehold rights in trust Other	4,562,628 2,167	4,562,628 1,706
Total intangible assets	4,564,795	4,564,334
Investments and other assets	4,304,793	4,304,334
Long-term prepaid expenses	481,518	611,931
Others	13,944	14,791
Total investments and other assets	495,463	626,723
Total investments and other assets Total noncurrent assets	293,799,847	327,171,654
Deferred assets	233,/33,04/	327,171,034
Investment corporation bond issuance costs	40,096	50,969
Total deferred assets	40,096	50,969
Total assets	307,746,588	339,894,933
1044140000	30777 40,300	555,654,555

		(Unit: ¥1,000)
	8 th period	9 th period
Liabilities Current liabilities		
Operating accounts payable	644,184	394,577
Short-term borrowings	2,400,000	2,400,000
Long-term borrowing to be repaid within a year	19,000,000	26,400,000
Accounts payable-other	68,571	14,969
Accrued expenses	540,277	574,049
Income taxes payable	_	702
Consumption taxes payable	324,818	
Advances received	192,393	203,975
Deposits received Other	2,251	5,011
Total current liabilities	2,128 23,174,626	20 002 205
Noncurrent liabilities	23,174,020	29,993,285
Investment corporation bonds	8,000,000	10,000,000
Long-term borrowings payable	107,500,000	108,350,000
Tenant leasehold and security deposits in trust	13,511,215	14,821,932
Other	42	51
Total noncurrent liabilities	129,011,258	133,171,984
Total liabilities	152,185,884	163,165,269
Net assets		
Unitholders' equity		
Unitholders' capital	150,770,610	171,532,813
Surplus		
Unappropriated retained earnings (undisposed loss)	4,790,093	5,196,849
Total surplus	4,790,093	5,196,849
Total unitholders' equity	155,560,704	176,729,663

Total net assets

Total liabilities and net assets

155,560,704

307,746,588



176,729,663

339,894,933

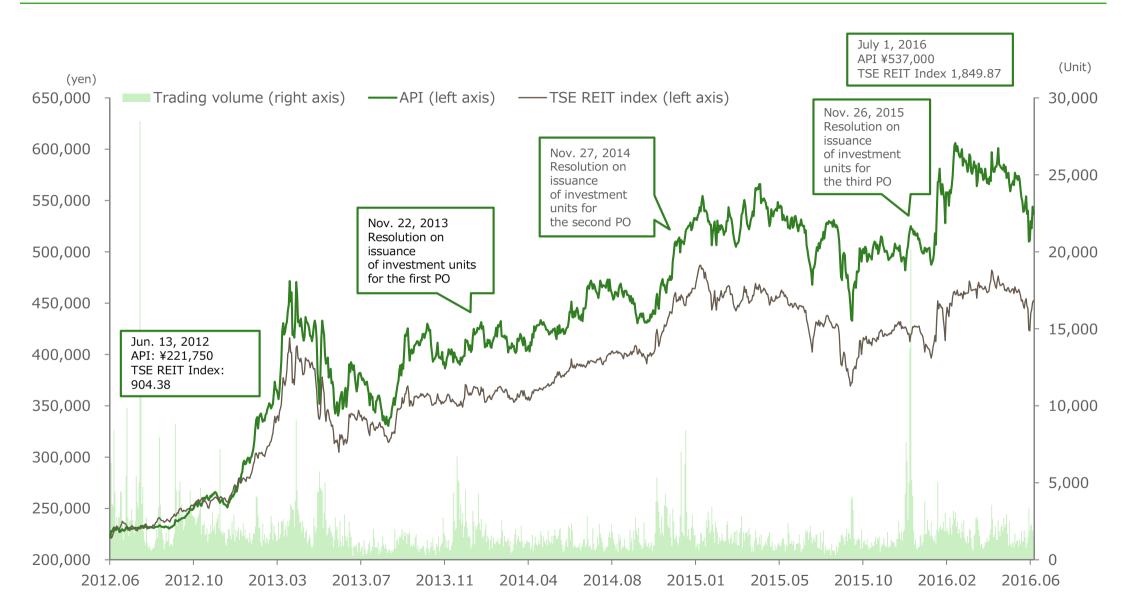
Financial Highlight

(Unit: ¥mn)

										(Unit: ¥mn)
	2nd period (Nov. 2012)	3rd period (May 2013)	4th period (Nov. 2013)	5th period (May 2014)	6th period (Nov. 2014)	7th period (May 2015)	8th period (Nov. 2015)	9th period (May 2016)	10 th period (Nov. 2016) (Estimate)	11 th period (Nov. 2016) (Estimate)
Revenue related to rent business	5,194	5,803	6,124	7,778	8,174	9,120	9,500	10,175	10,778	10,632
Gain on sale of real estate properties	-	-	-	-	-	-	200	-	-	-
Revenue from leasing business (including gain on sale of properties)	5,194	5,803	6,124	7,778	8,174	9,120	9,701	10,175	10,778	10,632
Expenses related to rent business	820	945	1,456	1,889	2,174	2,323	2,494	2,409	2,828	2,632
Management operation expenses	343	411	425	638	693	825	822	869	889	893
Utilities expenses	272	288	371	524	593	627	658	629	739	691
Tax and public dues	-	10	433	457	575	578	643	649	775	782
Insurance	4	4	5	7	7	8	6	7	7	7
Repair and maintenance expenses	108	97	71	114	142	118	202	78	220	99
Other expenses related to rent business	92	132	150	146	161	165	161	175	195	158
NOI	4,373	4,858	4,668	5,889	6,000	6,796	7,006	7,766	7,949	7,999
NOI yield(%)	5.13	5.51	5.10	5.23	4.98	4.93	4.84	4.79	-	-
Depreciation and other	457	490	518	743	763	887	928	989	1,006	1,016
Income (loss) from rent business	3,916	4,367	4,149	5,145	5,237	5,909	6,078	6,776	6,943	6,983
Loss on sales of real estate properties	-	-	-	7	-	-	-	-	-	-
Net operating income (including loss on sales of real estate properties)	3,916	4,367	4,149	5,138	5,237	5,909	6,278	6,776	6,943	6,983
General and administrative expenses	418	516	507	558	643	710	818	849	929	924
Operating income	3,498	3,851	3,642	4,580	4,594	5,199	5,460	5,926	6,013	6,059
Non-operating income	1	5	4	2	5	3	5	8	0	0
Non-operating expenses	576	377	459	584	567	619	674	737	729	769
Ordinary income	2,923	3,479	3,187	3,998	4,032	4,583	4,790	5,197	5,284	5,290
Net income	2,922	3,478	3,186	3,997	4,031	4,582	4,789	5,196	5,283	5,289



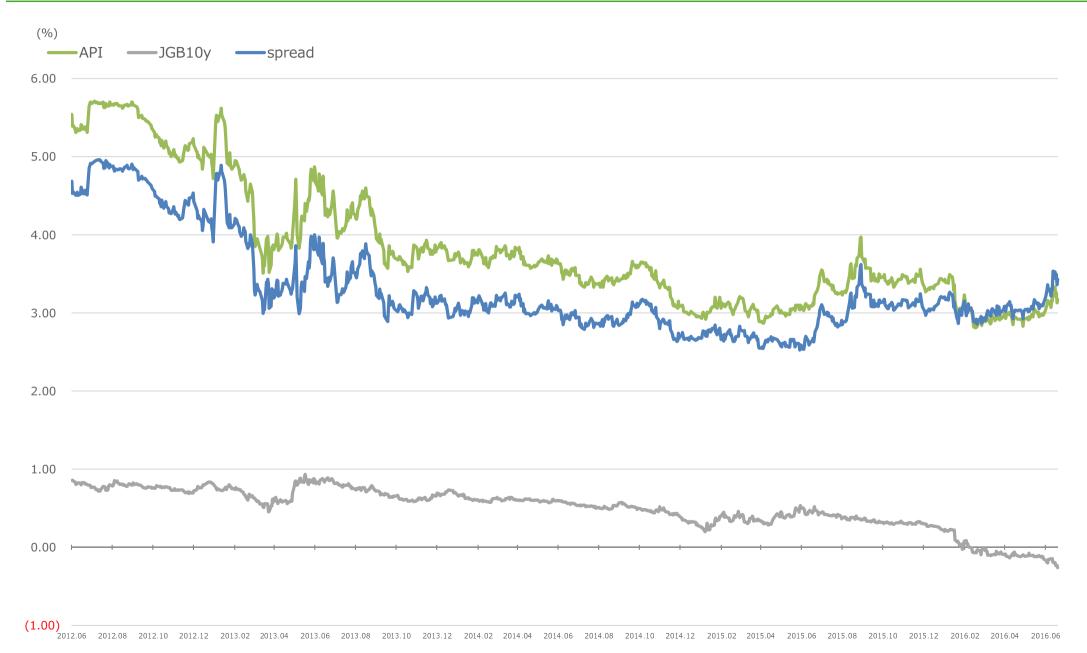
Unit Price Performance Since IPO



(Note 1) The performance of TSE REIT Index is Indexed to API unit price as of June 13, 2012 (Note 2) We implemented a 2-for-1 split of investment units effective October 1, 2015. As a result, the unit price before the split is half of actual and trading volume before split is twice as actual. The decimal point is truncated



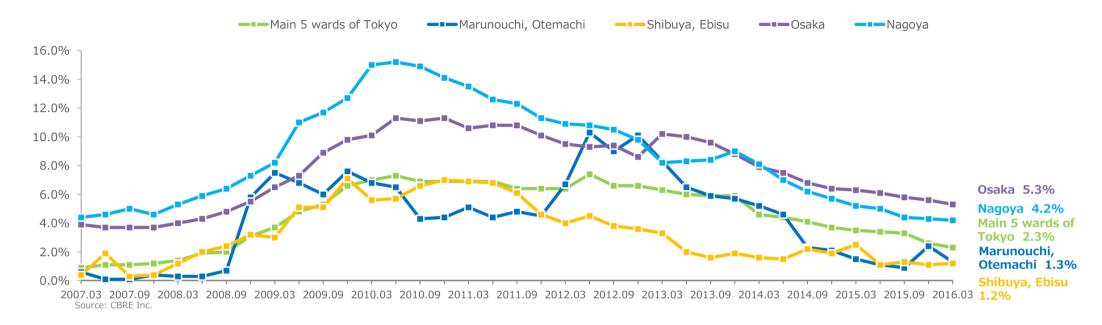
Trends of Dividend Yield (vs. JGB)

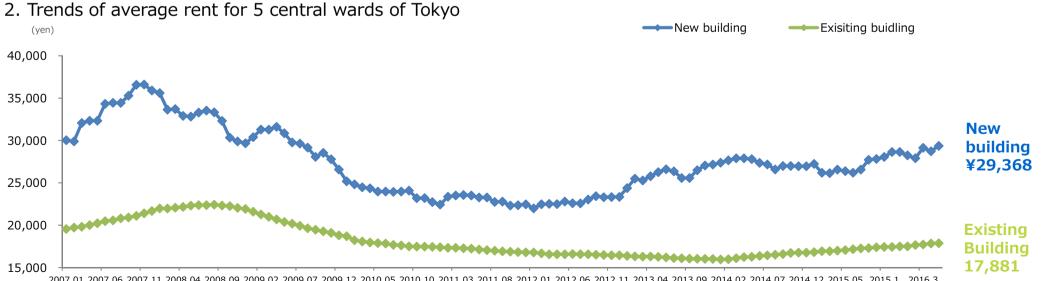




Macro Data for Real Estate Market

1. Vacancy rate by area





2007.01 2007.06 2007.11 2008.04 2008.09 2009.02 2009.07 2009.12 2010.05 2010.10 2011.03 2011.08 2012.01 2012.06 2012.11 2013.04 2013.09 2014.02 2014.07 2014.12 2015.05 2015.1 2016.3 Source: Miki Shoji Co., Ltd.



Macro Data for Real Estate Market

1. Trends of expected and transaction yield (Marunouchi & Otemachi area) Source: Japan Real Estate Institute "Japanese Real Estate investor Survey" 4.5 4.5 4.5 Expected yield (average) 4.5 4.5 4.4 Transaction yield (average) 4.2 4.2 4.4 4.1 4.0 3.9 4.3 4.3 4.0 3 8 4.3 4.3 3.8 3.8 4.2 4.2 4.2 3.7 4.1 4.0 4.0 3.9 3.6 3.8 3.6 3.6 3.2 3<u>l5</u> **3.**4 2009.04 2010.10 2011.04 2011.10 2012.04 2012.10 2013.04 2013.10 2014.04 2014.10 2015.04 2015.10 2016.04 2007.10 2008.04 2008.10 2009.10 2010.04

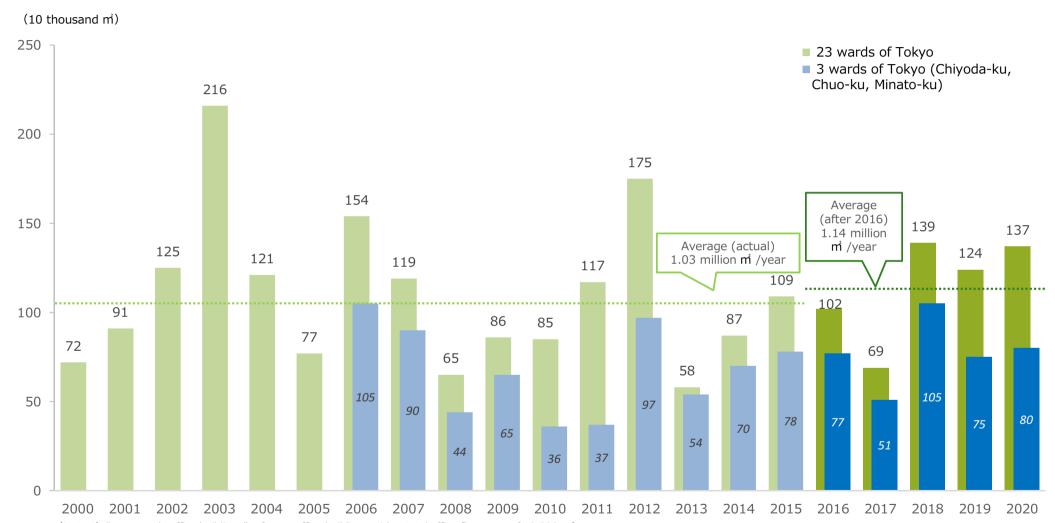
۷.	rrenas or	32 pro	pertie	s cap ra	ate (More 1)

Category	Property #	Property name	Acquisition date	Acquisition price (¥mn)	As of acquisition	2nd period (2012/11)	3rd period (2013/5)	4th period (2013/11)	5th period (2014/5)	6th period (2014/11)	7th period (2015/5)	8th period (2015/11)	9th period (2016/5)
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note 2)	2012/06/13	45,000	3.8%	3.7%	3.7%	3.6%	3.4%	3.3%	3.2%	3.1%	3.1%
(III)	UR-2	Tokyu Plaza Akasaka ^(Note 2)	2012/06/13	11,450	5.3%	5.3%	5.2%	5.1%	4.9%	4.8%	4.6%	4.5%	4.4%
	UR-3	Q plaza EBISU	2012/06/13	8,430	4.3%	4.3%	4.2%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%
	UR-4	Shinbashi Place	2012/06/13	20,500	4.9%	4.9%	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.5%
/ HR V	UR-5	Kyoto Karasuma Parking Building	2012/06/13	8,860	5.7%	5.7%	5.7%	5.6%	5.5%	5.4%	5.3%	5.2%	5.1%
	UR-6	A-FLAG AKASAKA	2013/08/30	3,000	4.3%	-	-	4.3%	4.2%	4.0%	3.9%	3.8%	3.8%
URBAN RETAIL	UR-7	Kobe Kyu Kyoryuchi 25Bankan	2013/12/19	21,330	4.8%	-	-	-	4.7%	4.6%	4.5%	4.3%	4.2%
	UR-8	A-FLAG SAPPORO	2013/12/19	4,410	6.5%	-	-	-	6.2%	6.0%	6.0%	5.9%	5.8%
	UR-9	A-FLAG SHIBUYA	2013/12/19	6,370	4.8%	-	-	-	4.7%	4.5%	4.4%	4.3%	4.2%
	UR-10	Q plaza SHINSAIBASHI	2015/12/16	13,350	3.9%	-	-	-	-	-	-	-	3.9%
	TO-1	TLC Ebisu Building	2012/06/13	7,400	4.7%	4.7%	4.6%	4.6%	4.5%	4.3%	4.2%	4.1%	4.1%
	TO-2	A-PLACE Ebisu Minami	2012/06/13	9,640	4.6%	4.6%	4.5%	4.5%	4.4%	4.2%	4.1%	4.0%	4.0%
	TO-3	A-PLACE Yoyogi	2012/06/13	4,070	4.6%	4.6%	4.5%	4.6%	4.5%	4.5%	4.4%	4.3%	4.2%
_	TO-4	A-PLACE Aoyama	2012/06/13	8,790	4.9%	4.9%	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%
	TO-5	Luogo Shiodome	2012/06/13	4,540	4.5%	4.5%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%
$\sqrt{m}\Omega$	TO-6	TAMACHI SQUARE (Land)	2012/06/13	^(Note 3) 2,338	4.4%	-	-	-	4.4%	4.3%	4.2%	4.1%	4.0%
1101	TO-7	A-PLACE Ikebukuro	2012/06/13	3,990	5.1%	5.1%	5.0%	4.9%	4.9%	4.8%	4.6%	4.5%	4.5%
TOKYO OFFICE	TO-8	A-PLACE Shinbashi	2013/04/19	5,650	4.7%	-	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.1%
Toni o on ha	TO-9	A-PLACE Gotanda	2014/01/10	5,730	4.4%	-	-	-	4.3%	4.3%	4.2%	4.1%	4.0%
	TO-10	A-PLACE Shinagawa	2014/01/10	3,800	4.4%	-	-	-	4.3%	4.2%	4.1%	4.0%	4.0%
	TO-11	OSAKI WIZTOWER	2014/06/24	10,690	4.3%	-	-	-	-	4.2%	4.1%	3.9%	3.8%
	TO-12	Shiodome Building (Note 4)	2015/01/09	30,300	3.9%	-	-	-	-	-	3.8%	3.8%	3.7%
		Siliodoffic Building	2015/12/16	20,400	3.8%	-	-	-	-	-	_	-	
	TO-13	A-PLACE Ebisu Higashi	2015/07/29	7,072	4.1%	-	-	-	-	-	-	4.0%	4.0%
	TO-14	A-PLACE Shibuya Konnoh	2015/10/01	4,810	4.0%	-	-	-	-	-	-	4.0%	3.9%
	0-1	Amagasaki Q's MALL (Land)	2012/06/13	12,000	5.0%	5.0%	5.0%	4.9%	4.8%	4.8%	4.8%	4.7%	4.6%
	0-2	icot Nakamozu	2012/06/13	8,500	6.0%	6.0%	5.9%	5.8%	5.6%	5.5%	5.4%	5.3%	5.3%
	0-4	icot Mizonokuchi	2012/06/13	2,710	6.0%	6.0%	6.0%	5.9%	5.8%	5.8%	5.7%	5.6%	5.5%
/ () \	0-5	icot Tama Center	2012/06/13	2,840	6.2%	6.2%	6.2%	6.1%	6.0%	5.9%	5.8%	5.7%	5.6%
OTHER	0-6	A-PLACE Kanayama	2012/06/13	6,980	5.3%	5.3%	5.2%	5.4%	5.4%	5.4%	5.4%	5.3%	5.2%
(Retail/Office	0-7	Osaka Nakanoshima Building (Note 5)	2013/01/25	5,250	5.0%	-	5.0%	5.0%	4.9%	4.8%	4.6%	4.5%	4.5%
	0-8	icot Omori	2014/12/19 2013/12/19	5,850 5,790	4.8% 5.1%	-	-	-	5.0%	4.9%	4.8%	4.7%	4.7%
	0-8	Market Square Sagamihara	2015/12/19	4,820	5.6%	-	_		5.0%	4.9%	5.5%	5.4%	5.4%
		on method (Note 2) Tokyu Plaza Omotesando Hara		-		-	_	-		- 1	5.5%	J.4%	5.4%

(Note 1) Calculated based on direct capitalization method (Note 2) Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership properties, are calculated based on the pro rata share (75% and 50%, respectively) (Note 3) The acquisition price for TAMACHI SQUARE (Land) represents the acquisition price of the land as of the acquisition date (June 13, 2012).

(Note 4) Regarding Shiodome Building, the upper represent the figures for the stake acquired on January 9, 2015 and the lower represent the figures for the stake acquired on December 16, 2015 (co-ownership of 15% and 10% each) (Note 5) Regarding Osaka Nakanoshima Building, the upper represent the figures for the stake acquired on January 25, 2013 and the lower represent the figures for the stake acquired on December 19, 2014 (co-ownership of 50% each)





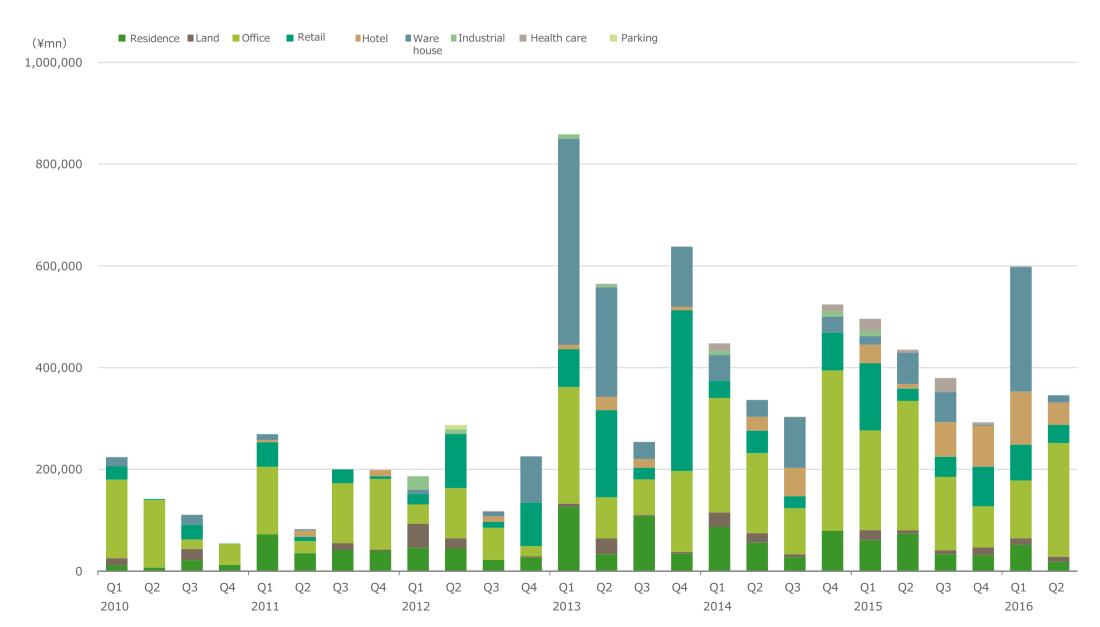
(Note 1) "Large-scale office buildings" refers to office buildings with a total office floor area of 10,000 m² or more.

(Note 2) Figures are based on the gross floor area

(Note 3) Source: Mori Building Co., Ltd.



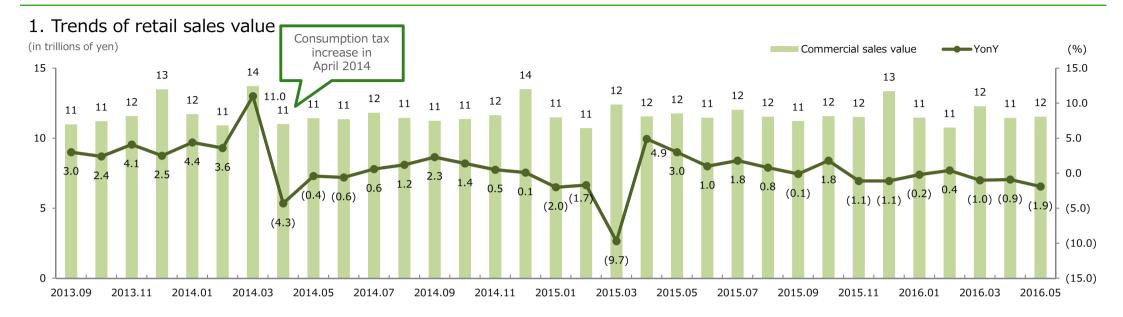
Trends of Acquisition Market







Trends of Retail Sales Value



2. Trends of large-scale retail stores value



Source: Ministry of Economy, Trade and Industry "Preliminary Report on the Current Survey of Commerce"



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This document includes charts and data described by TLC Activia Investment Management Inc. (hereinafter the "Asset Manager") and refers 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 points 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.

The figures included in this document may be different from the corresponding figures in other disclosure materials due to differences in rounding. Although the information contained in this document is the best available at the time of its publication, no assurances can be given regarding the accuracy, certainty, validity or fairness of this information. The content of this document can be modified or withdrawn without prior notice.

The Investment Corporation and the Asset Manager do not guarantee the accuracy of the data, indexes and other information provided by third parties.

The Investment Corporation's actual performance may be materially different from results anticipated by forward-looking statements contained in this document.

Dates indicated in this document may not be business days.

Disclaimer for Dutch Investors

The units of the Investment Corporation are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (Wet op het financiael toezicht, or the "Wft"). In accordance with this provision, the Asset Manager has notified the Dutch Authority for the Financial Markets of its intention to offer these units in the Netherlands. The units of the Investment Corporation will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (gekwalificeerde beleggers) within the meaning of Article 1:1 of the Wft, and as a consequence neither the Asset Manager nor the Investment Corporation is subject to the license requirement pursuant to the Wft. The Asset Manager is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the "AIFMD").

Please visit the Investment Corporation's home page (http://www.activia-reit.co.jp/english/index.html) to access information provided under Article 23 of the AIFMD.



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