

Activia Properties Inc.

Financial Results Presentation for the 7th Fiscal Period (May 2015)

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

 **TLC Activia Investment Management Inc.**

July 2015



Internal growth

【Tokyo Office】

1. Increased rents

- New tenants:
average rent growth in the 7th period: +14.9%
- Existing tenants:
average rent growth in the 7th period: +8.6%

【Urban Retail】

2. Captured strong inbound demand

- Sales linked rents: ¥81.6 mn/approx. +¥47.6 mn
(from the previous period)
- % of sales linked rents: 1.05%/approx. +0.56pt
(from the previous period)

External growth

3. The second public offering completed



- Number of properties: 28 → 30
- Asset size: ¥241.7bn → ¥282.6bn
- Acquisition firepower_(note) increased:
¥12.0bn (6th period) → ¥18.0bn (7th period)



Improved unitholder value

➤ Increased distribution/unit (DPU)

DPU: ¥16,535

(vs. previous period: +¥478/3.0%)

➤ Continued growth of NAV/unit

¥608,541

(6th period)



¥671,777

(7th period)

(+¥63,237/10.4%)

(Note) Acquisition firepower (acquisition capacity) calculated with LTV limit of 45.9%

The Second Public Offering

1. Offering summary

Number of units issued	26,070 units
Domestic : International	59.5%:40.5%
# of investment units outstanding after the offering	277,132 units
Offer price	¥979,020 per units
Issue price	¥948,051 per units
Total issue price	¥24.7 billion (include third-party allotment)
Launch	November 27, 2014
Pricing	December 10, 2014
Settlement	December 17, 2014 (Third-party allotment: January 8, 2015)
Delivery	December 18, 2014 (Third-party allotment: January 9, 2015)

2. Offering highlights

1. Realize portfolio growth through selective and quality-driven acquisitions

2. Increase unitholder value through growth in NAV and DPU

3. Evolution and realization of strong sponsor support

4. Internal growth led by Tokyo Office and Urban Retail Properties

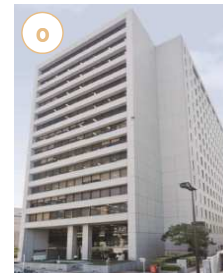
3. Properties acquired

Portfolio after acquisition: 30 properties, ¥282.6 billion

7th period (3 properties): ¥41.0 bn
Average Appraisal NOI yield: 4.5%



Shiodome Building (Note1)
Appraisal NOI yield: 4.2%

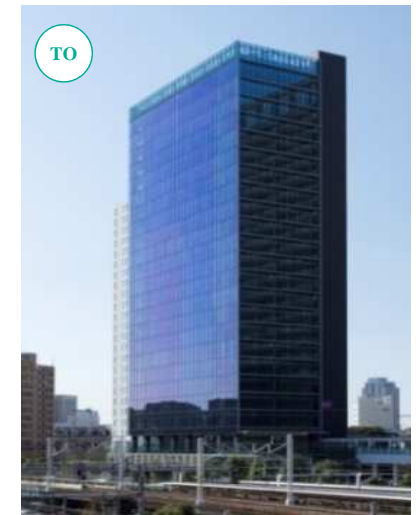


Osaka Nakanoshima Building (Note2)
Acquired 50% in addition
A. NOI yield: 5.5% (Note 4)



Market Square
Sagamihara
A. NOI yield: 5.5%

6th period: ¥10.7 billion



OSAKI WIZTOWER (Note3)
A. NOI yield: 4.6%

(Note1) Acquired 15% co-ownership interest
(Note2) Acquired remaining 50% co-ownership interest
(Note3) Acquired 4–11 floors of the office building

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



1. Financial Highlights and Forecasts

Financial Results for the 7th Period –Income Statement–

- [Better-than-expected] YoY growth in revenue and income mainly due to (i) earnings contributions from 3 newly-acquired properties_(Note) and (ii) increased sales-linked rents from Urban Retail Properties

1. Comparison between previous results and forecasts

(in millions of yen)

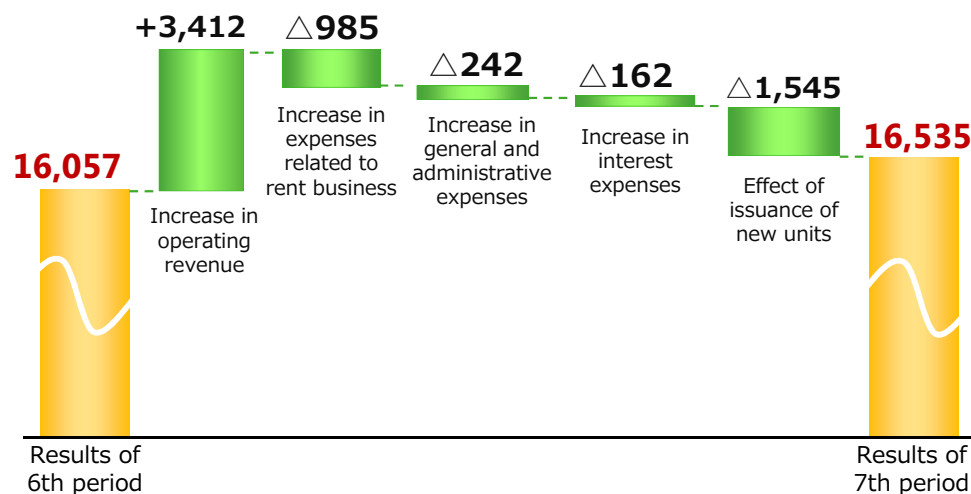
	6th Period	7th Period (vs. 6th period results)		7th Period (vs. forecasts)	
	Results	Results	vs. 6th period	Previous forecasts (2015.1.14)	Result vs. forecasts
Operating revenue	8,174	9,120	+945	9,087	+32
Operating expenses	3,580	3,921	+340	3,894	+26
Tax and public due	575	578	+3	582	△3
Operating income	4,594	5,199	+605	5,193	+6
Ordinary income	4,032	4,583	+551	4,503	+80
Net income	4,031	4,582	+551	4,502	+80
Distributions per unit (yen)	16,057	16,535	+478	16,246	+289

3. Variance analysis (6th vs. 7th periods)

(in millions of yen)

	7th period results vs. 6th period results		Details
Operating revenue	+945		
	PO effect	+909	Rent income (incl. common service fee) +846, Utility fee+41
	Existing portfolio	+36	Rent income (incl. common service fee) +83 (incl. Kobe +43, Osaki +27); Utility fee△56
Expenses related to rent business	+273		
	PO effect	+275	Administrative fee+58 (incl. OSAKI LM return+39)
	Existing portfolio	△2	Utility fee△29; Repair and maintenance fee△40 Depreciation+11
Net operating income after depreciation	+672		
	PO effect	+633	
	Existing portfolio	+38	
General and administrative expenses	+67		Asset management fee+48
Operating income	+605		

2. DPU contributions



4. Variance analysis (7th period vs. forecasts)

(in millions of yen)

	7th period results vs. forecasts		Details
Operating revenue	+32		
	PO effect	+0	
	Existing portfolio	+32	Rent income (incl. common service fee)+11; Parking/facility rental fee+10; Utility fee+6
Expenses related to rent business	+30		
	PO effect	+9	Repair and maintenance fee+7
	Existing portfolio	+21	Utility fee+8; Repair and maintenance fee+4; Depreciation+4
Net operating income after depreciation	+2		
	PO effect	△8	
	Existing portfolio	+11	
General and administrative expenses	△3		Asset management fee+4; Others△8
Operating income	+6		

(Note) "Shiodome Building", "Osaka Nakanoshima Building (acquired in addition)", "Market Square Sagamihara"

Financial Results for the 7th Period (ended May 2015) –Balance Sheet–

- Total assets grew by ¥44.1bn following the acquisition of 3 properties; the unitholders' equity also increased to ¥155.4bn with the new issuance of 26,070 units
- Interest-bearing debt increased by ¥16.3bn to ¥127.1bn; the amount of investment corporation bonds increased to ¥8.0bn following the new issuance worth ¥4.0bn

Comparison of the 6th and 7th periods

(in millions of yen)

	6th Period (2014/11)	7th Period (2015/5)	Comparison
Assets			
Current assets	10,611	13,753	+3,142
Cash and deposits	10,125	12,750	+2,625
Other	486	1,002	+516
Noncurrent assets	242,795	283,713	+40,916
Total property, plant and equipment	237,869	278,747	+40,877
Total intangible assets	4,565	4,565	-
Other	360	400	+39
Total assets	253,407	297,466	+44,059

- Increase in assets following the acquisition of 3 new properties (¥40.97bn) through PO

- Increase in debt due to borrowings of ¥16.3bn to finance new property acquisitions at PO
- Existing borrowings refinanced by the issuance of investment corporation bonds worth ¥4.0bn with low interest cost

Liabilities			
Long-term loans payable to be repaid within a year	18,000	19,000	+1,000
Investment corporation bonds	4,000	8,000	+4,000
Long-term loans payable	88,800	100,100	+11,300
Tenant leasehold and security deposits, and others	12,521	15,013	+2,492
Total liabilities	123,321	142,113	+18,792
Net assets			
Unitholders' equity	130,086	155,353	+25,266
Unitholders' capital	126,054	150,770	+24,715
Surplus	4,031	4,582	+551
Total net assets	130,086	155,353	+25,266
Total liabilities and net assets	253,407	297,466	+44,059

- Increase in net assets due to the new issuance of 26,070 units for the PO (at an issue price of ¥948,051 per unit), etc.

- Changes in unrealized gains in the portfolio

6th period	7th period	Increase
22,695	30,818	+8,123

(Reference) Financial Forecasts for the 8th Period (ending Nov. 2015)

- Revenue/income expected to increase from the previous period, mainly due to (i) fully-year contributions from 3 additional properties, (ii) improved contributions from OSAKI WIZTOWER, (iii) sales-linked rents from Urban Retail Properties, and (iv) anticipated gain from property disposition (approx. JPY0.2bn)
- DPU is also expected to jump to ¥17,195, up ¥660 from the previous fiscal period

1. 7th period results vs. 8th period forecasts

(in millions of yen)

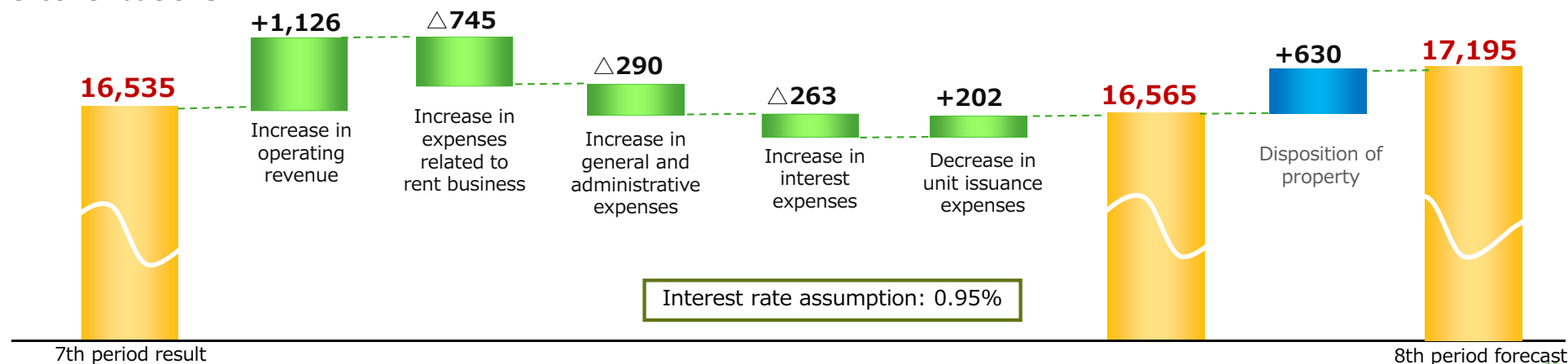
	7th period results	8th period forecasts (New forecasts)		8th period forecasts (Original forecast)	
	(2015.7.10)	(2015.7.10)	Change	(2015.1.14)	Change
Operating revenue (sale of prop.) (excl. sale of prop.)	9,120 (-) (9,120)	9,633 (200) (9,432)	+512 (+200) (+312)	9,327 (-) (9,327)	+306 (+200) (+105)
Operating expenses	3,921	4,233	+312	4,114	+119
Tax and public due	578	643	+64	660	△17
Operating income	5,199	5,399	+199	5,213	+186
Ordinary income	4,583	4,766	+183	4,554	+211
Net income	4,582	4,765	+183	4,553	+211
Distributions per unit (excl. sale of prop.) (yen)	16,535	17,195 (16,565)	+660 (+30)	16,432	+763 (+133)

2. Variance analysis (vs. 7th period results)

(in millions of yen)

	Comparison	Details
Operating revenue	+512	
	PO effect	+197
	Existing portfolio	+84
	Asset replacement	+230
Expenses related to rent business	+211	
	PO effect	+89
	Existing portfolio	+105
	Asset replacement	+16
Net operating income after depreciation	+301	
	PO effect	+107
	Existing portfolio	△20
	Asset replacement	+214
General and administrative expenses	+101	Asset management fee+82
Operating income	+199	

3. DPU contributions



(Note) The forecasts for the 8th period are calculated based on certain assumptions that reflect present conditions, and are subject to change. The forecasts do not guarantee the amount of distributions

(Reference) Financial Forecast for the 9th Period (ending May 2016)

- Expected decline in revenue/income, primarily due to the absence of disposition gains from the previous period, despite the full-period contributions from the new properties
- However, setting aside the impacts from "icot Kongo" disposition gains, income is expected to increase from the previous fiscal period, contributing to DPU increase by ¥60

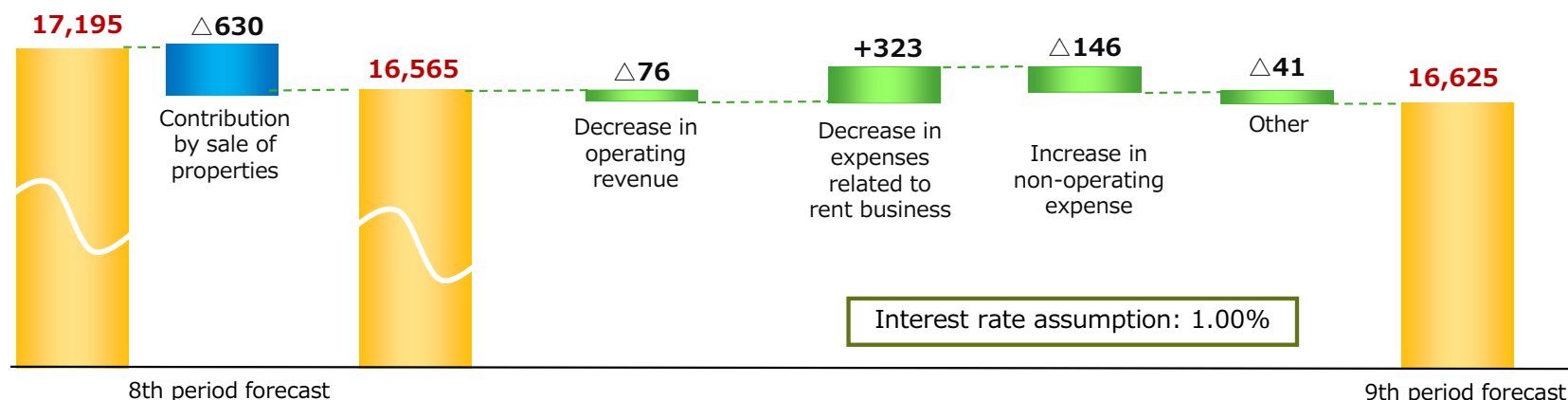
1. Comparison of 9th and 8th period forecasts

	Forecast for 8th period (2015.7.10)	Forecast for 9th period (2015.7.10)	Change
Operating revenue (sale of prop.) (excl. Sale of prop.)	9,633 (200) (9,432)	9,411 (-) (9,411)	△221 (△200) (△21)
Operating expenses	4,233	4,129	△104
Tax and public due	643	652	+8
Operating income	5,399	5,282	△116
Ordinary income	4,766	4,608	△158
Net income	4,765	4,607	△158
Distributions per unit (excl. Sale of prop.) (yen)	17,195 (16,565)	16,625	△570 (+60)

2. Variance analysis (vs. 8th period forecast as of July 10, 2015)

	Comparison	Details
Operating revenue	△221	
	PO effect	△65 Rent income (incl. common facility fee) △54
	Existing portfolio	+9 Rent income (incl. common facility fee) +84 (OSAKI+39); Utility fee△60; Withdrawal penalty△11
	Asset replacement	△165 Sale of prop. △200; Rent income (incl. common facility fee) +30
Expenses related to rent business	△94	
	PO effect	△18 Repair/maintenance fee△21
	Existing portfolio	△72 Repair/maintenance fee△65, Utility fee△37
	Asset replacement	△3
Net operating income after depreciation	△127	
	PO effect	△46
	Existing portfolio	+81
	Asset replacement	△162
General and administrative expenses	△10	
Operating income	△116	

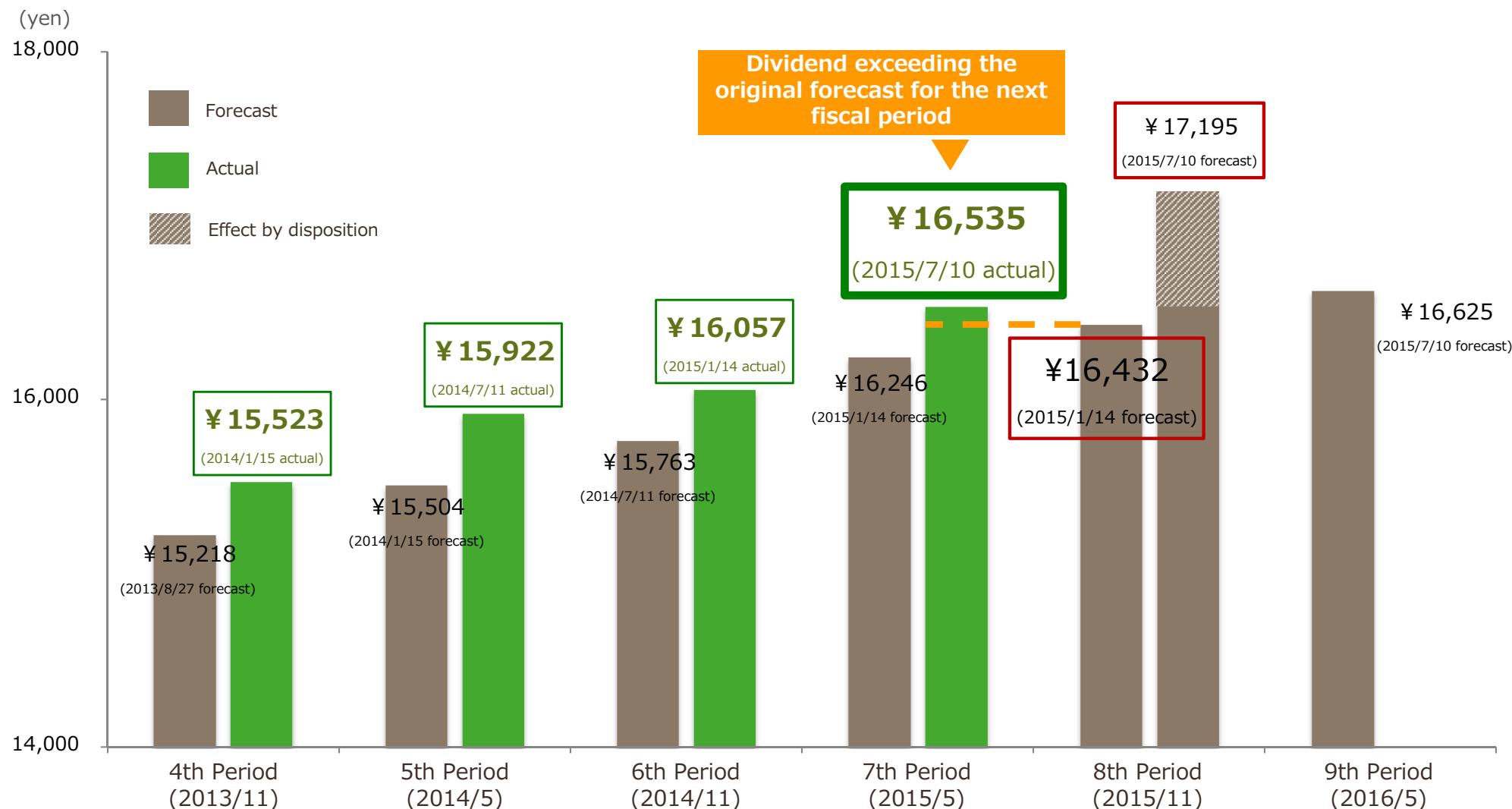
3. DPU contributions



(Note) The forecasts for the 9th period are calculated based on certain assumptions that reflect present conditions, and are subject to change. The forecasts do not guarantee the amount of distributions

Trends of Distributions per Unit (“DPU”)

- Actual DPU for the 7th period even outpaced the original forecast for the next fiscal period (¥16,432), achieving the target of above ¥16,500 level earlier than expected
- Aim to realize normalized DPU level of ¥17,000+ over the medium term



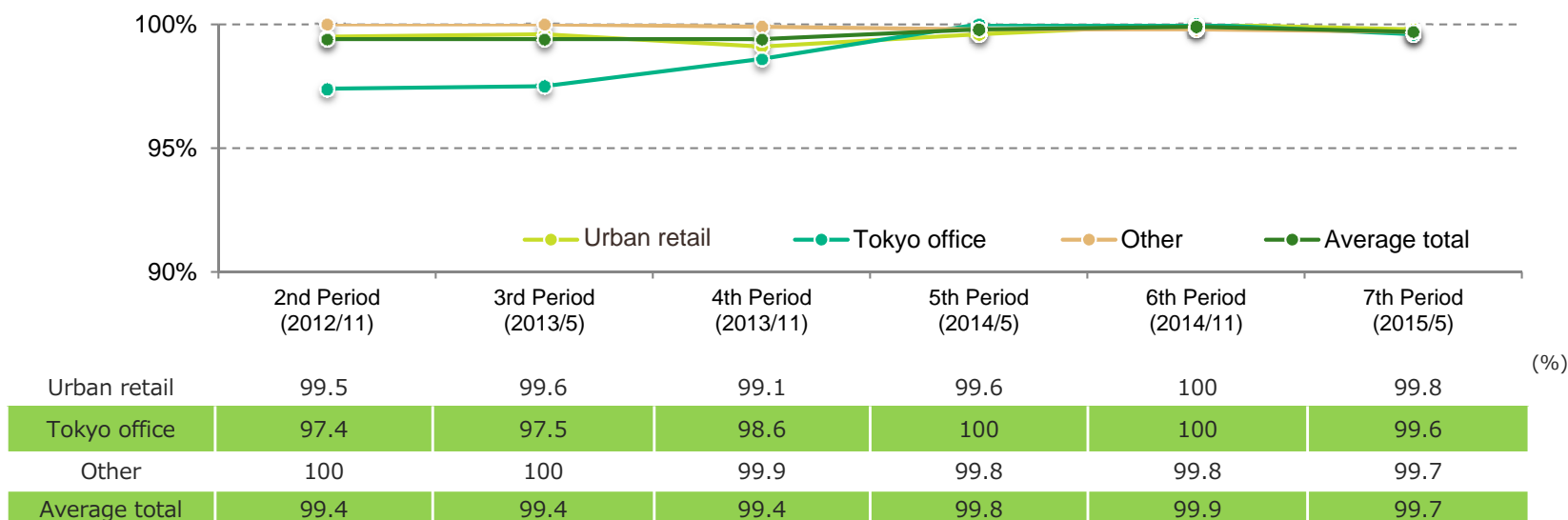


2. Internal Growth, External Growth and Financing Strategies

Internal Growth –Trend of Rent Gap and Occupancy–

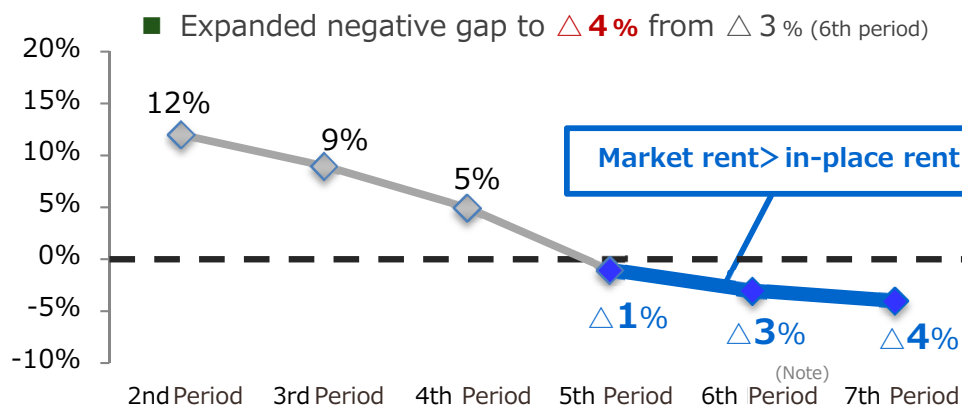
1. Occupancy trend

- **99.7%** portfolio occupancy for the 7th period, maintained above **99%** level since IPO, thanks to property competitiveness and effective leasing strategy



(Note) Occupancy rate is calculated by dividing month-end total leased areas by total leasable areas. Figures are rounded to the 1st decimal place

2. Rental gap for Tokyo Office Properties



(Note) Excluding "OSAKI WIZTOWER" for the 6th fiscal period

3. Monthly average rents for Tokyo Office Properties (note)

- Average rent of the 6 IPO properties increased by **1.4%** from the previous fiscal period

	IPO (2012/6)	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period
Properties acquired at IPO (Note)	¥20,421	¥20,355 ($\Delta 0.3\%$)	¥19,547 ($\Delta 4.0\%$)	¥19,556 (+0.0%)	¥19,400 ($\Delta 0.8\%$)	¥19,270 ($\Delta 0.7\%$)	¥19,548 (+1.4%)
Tokyo Office Properties (reference)	¥20,261	¥20,011 ($\Delta 1.2\%$)	¥19,363 ($\Delta 3.2\%$)	¥19,338 ($\Delta 0.1\%$)	¥19,813 (+2.5%)	¥19,230 ($\Delta 2.9\%$)	¥22,242 (+15.7%)

(Note) Rent amounts include CAM (common area maintenance). "Tamachi Square" excluded

Internal Growth (Tokyo Office Properties)–Positive Turnover, Rent Revision Trend–

1. Positive turnover at tenant replacements (Note)

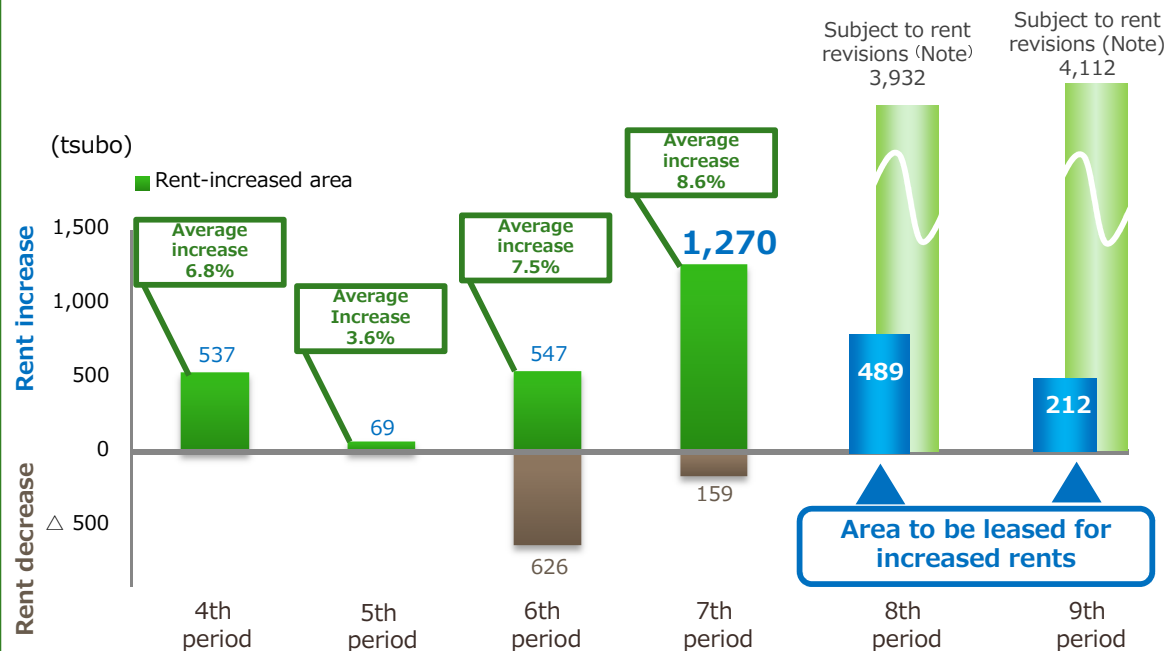
- **Increase in rent at tenant turnover achieved** thanks to the negative rent gaps against the market, despite the less number of tenant departure

Fiscal period	# of tenant replacements	# of upward rent revisions	Floor area subject to upward rent revisions	Average rate of rent increases
7th period	3	3	589 tsubo	14.9 %

(Note) Excluding OSAKI WIZTOWER

2. Rent renewal with existing tenants

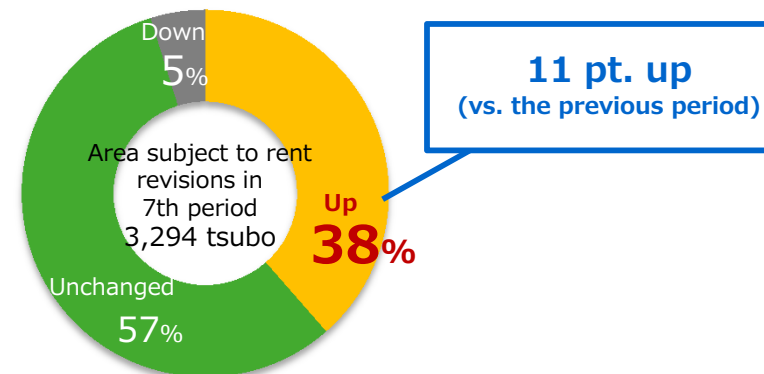
- **Upward rent revisions** for a half of the properties in Tokyo office portfolio (12 properties)
- Rent increase achieved for over 700 tsubo, among the spaces subject to rent revisions in the 8th & 9th period



(Note) Floors subject to rent revisions include Frontier Ebisu

3. Upward revisions in 7th period

- The proportion of upward rent revisions rose by **11pt.** from the previous fiscal period in terms of leased area
- **Rent increase of nearly 40%** of floors subject to rent revision



4. Positive impacts on the 7th period results (Note1)

- Approx. **0.9%** (Note2) **increase in revenue for the 7th period is expected** from Tokyo Office Properties due to rent increase

Period	Rent increases during the period
7th fiscal period (at turnover)	Approx. ¥9.2 million
7th period (at rent revision)	Approx. ¥6.8 million
8th & 9th periods (contracted)	Approx. ¥8.1 million
Total	Approx. ¥24.1 million

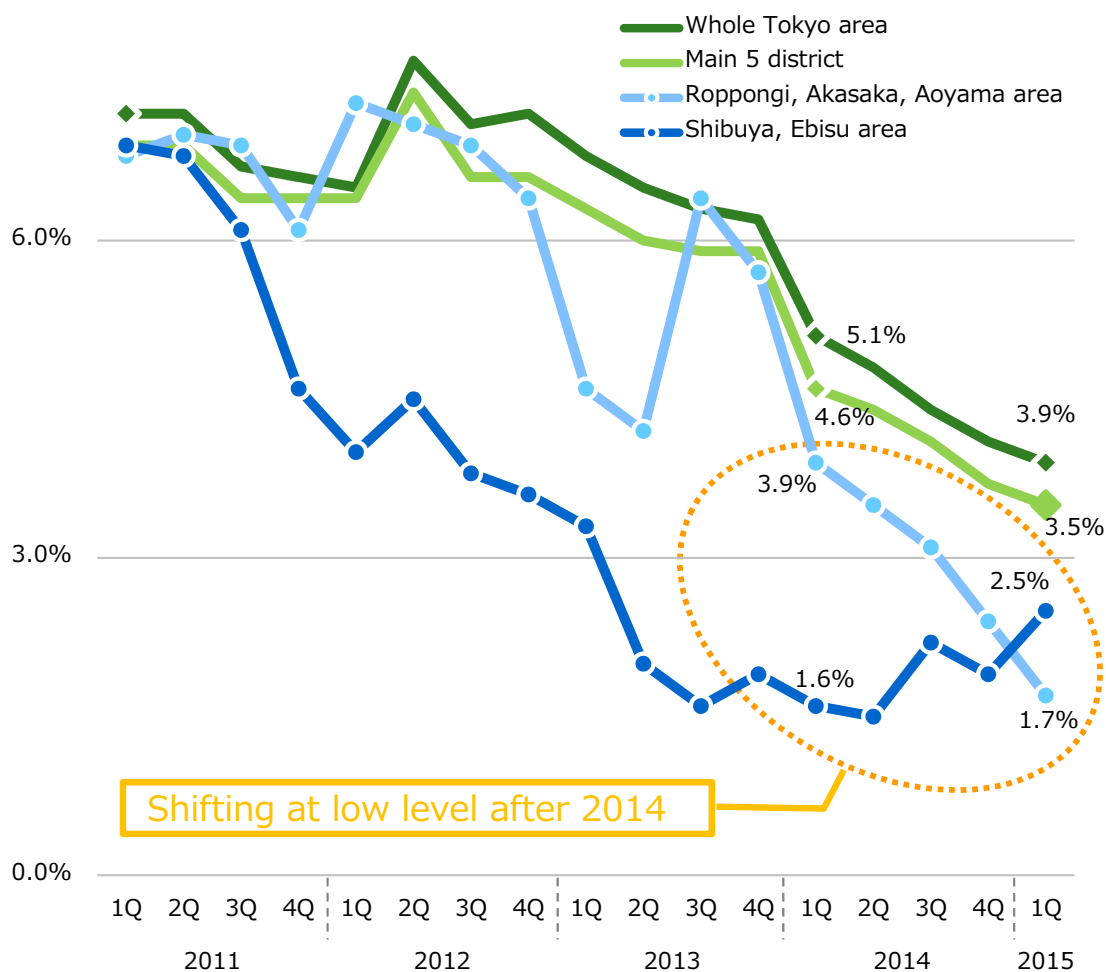
(Note1) Excluding OSAKI WIZTOWER

(Note2) The value is (change per month*6)/the value of the 7th period

Internal growth (Tokyo Office Properties) –Strength of Shibuya/Aoyama/Ebisu Areas–

- **Strong demand** from foreign-affiliated and IT-related startup tenants to office properties in Shibuya/Aoyama/Ebisu areas
- Abundant **tenant replacement and floor expansion** opportunities in the area as the tenants tend to relocate their offices within the area

1. Office areas with low vacancy rates among the major 5 districts of Tokyo



Source: CBRE Inc.

2. Tenant turnover at A-PLACE AOYAMA

Previous (IT related company)

Move-in from a sponsor's property located in **Shibuya**

Occupied (approx. 238 tsubo)

Cancellation as fully occupied, despite **the needs of additional space**

Additional space (approx. 227 tsubo)

Move-out to **Ebisu**

New (IT related company)

Newly contracted rent **+16.0%**

Contracted

Occupied (approx. 465 tsubo)

Occupied **without downtime** on the very next day the previous tenant left

3rd period

4th period

5th period

6th period

7th period

8th period

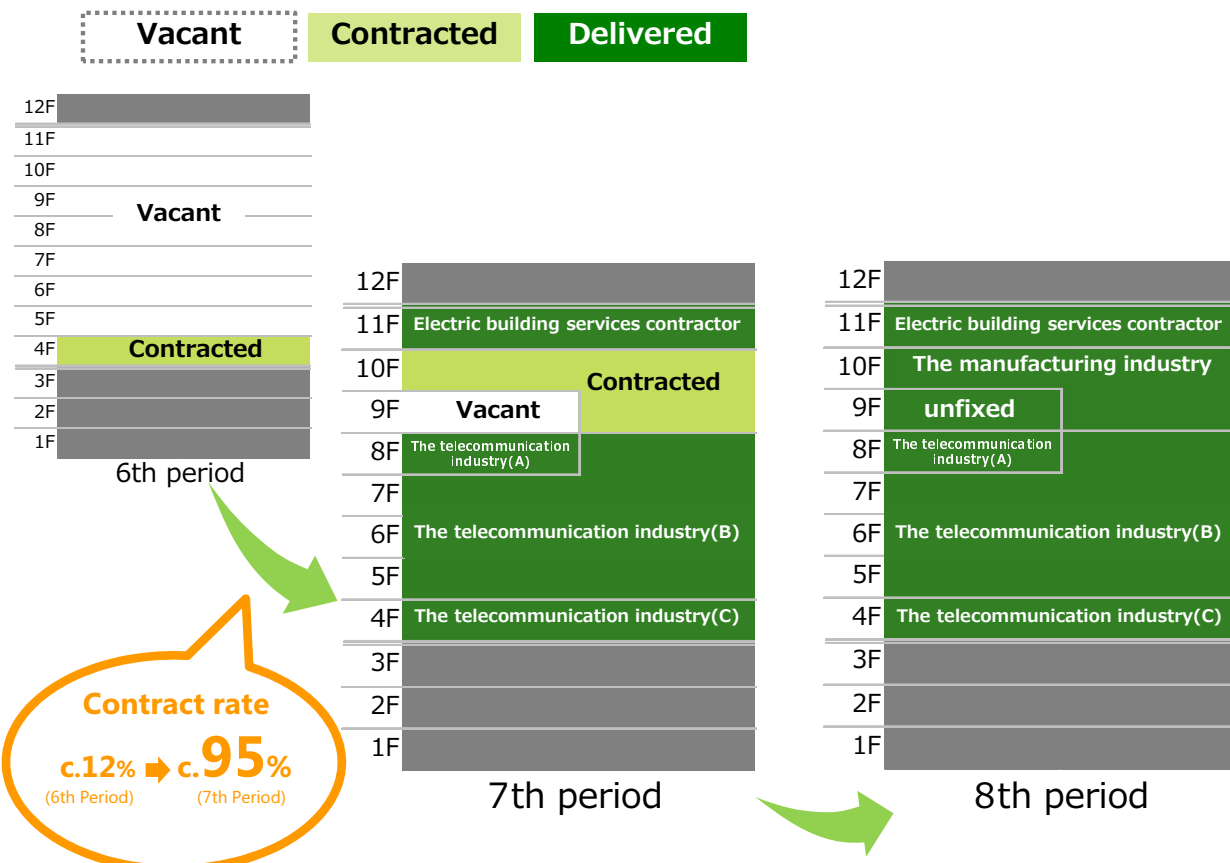


Internal Growth (Tokyo Office Properties) – OSAKI WIZTOWER–

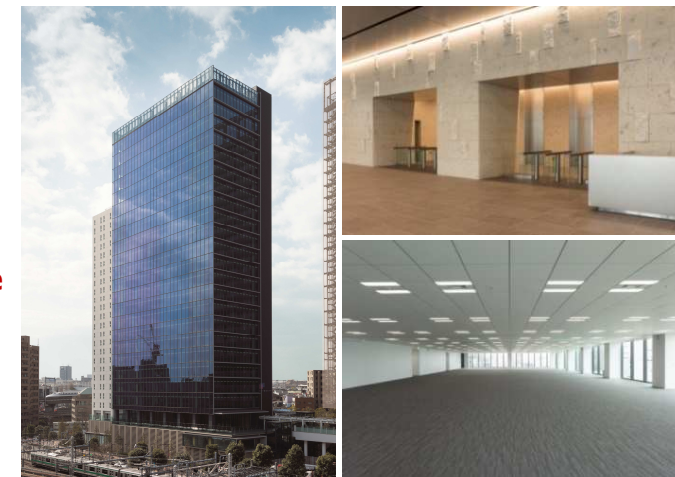
1. Leasing of OSAKI WIZTOWER

- The contract rate significantly improved 6th to 7th period:
(approx. 12% ➡ period: **approx. 95% / approx. 7.5 floors out of 8 floors**)
- Aiming the completion of leasing within the minimum rent guarantee period, which is 2 years
- Diversification of tenant departure risks by leasing the property to multiple tenants
(**5 tenants** by the end of 7th period)
- **More favorable leasing terms on a normalized basis** by choosing **tenants of high unit price**

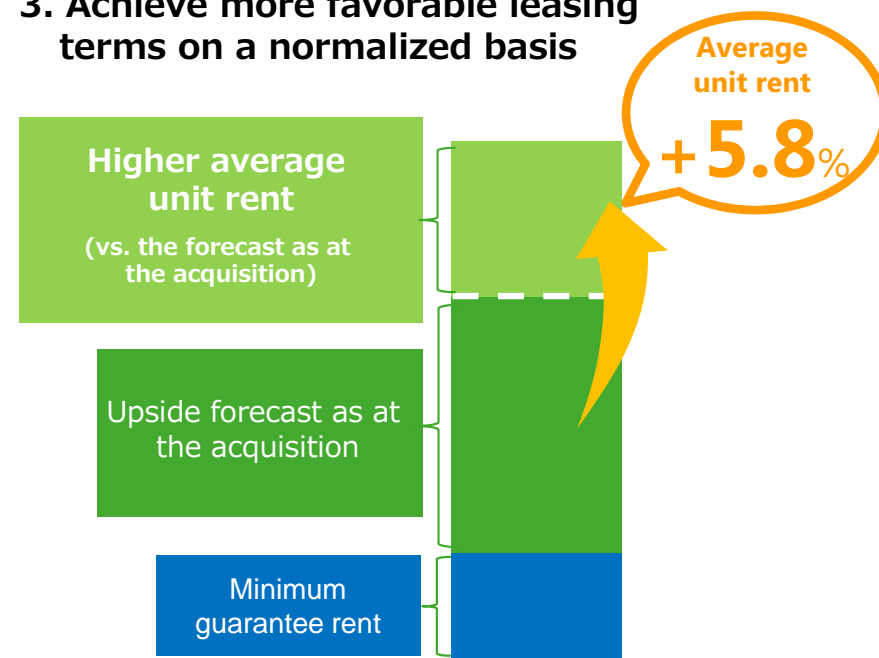
2. Progress in leasing



(Note) 4–11F are owned by us in this building



3. Achieve more favorable leasing terms on a normalized basis

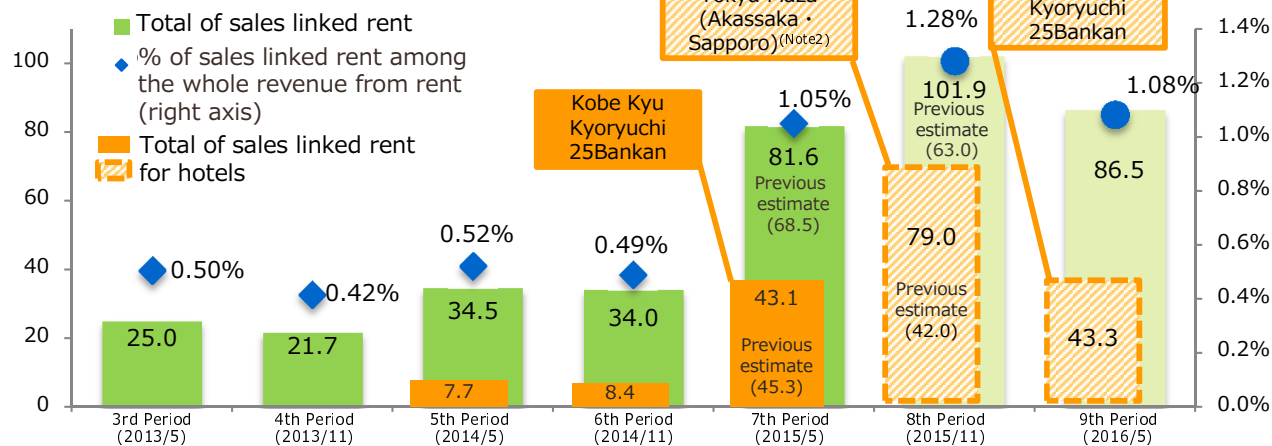


Internal Growth (Urban Retail Properties) –Rise in Sales Linked Rent–

1. Sales linked rent (Note1)

- Revenues from hotels have remaining strong, with sales linked rents picking up sharply, on the back of solid inbound demand

(in millions of yen)

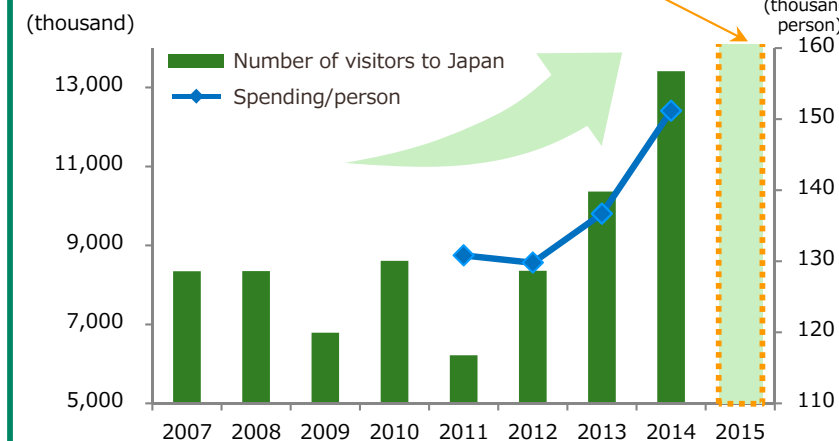


(Note1) The subject properties include "Tokyu Plaza Omotesando Harajuku," "Tokyu Plaza Akasaka," "Kobe Kyu Kyoryuchi 25Bankan" and "Tokyu Plaza Sapporo"
 (Note2) To be renamed from "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" as of August 1, 2015
 (Note3) The figures in the parentheses are the forecasts as of Jan. 14, 2015

3. Foreign travelers and their consumption (Note)

- Dramatic increase in both foreign travelers to Japan and their average spending per person

Increasing dramatically from the same period of last year(*) (* Jan. – Mar. 2015)

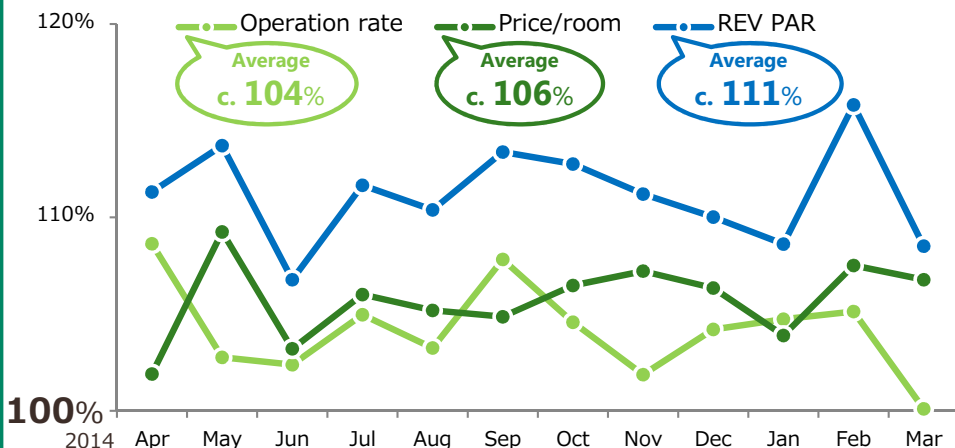


Source: Japan National Tourist Organization (JNTO) / Japan Tourism Agency Consumption Trend Survey for Foreigners Visiting Japan

(Note) The spending per foreign traveler represents the average spending per traveler per visit

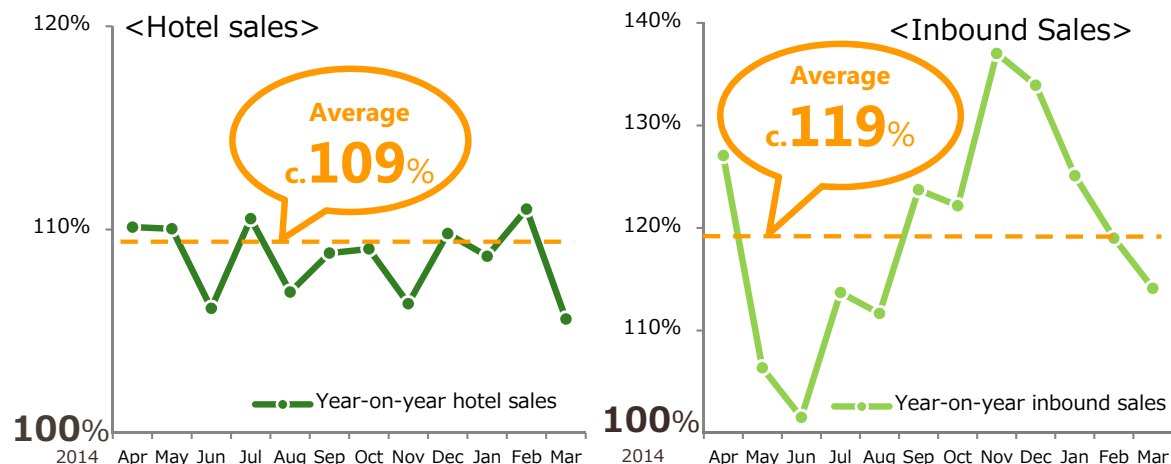
2. Hotels in operation

- More than 100% increase in all of occupancy rates, ADR and REV PAR from the same period of previous year



(Note) The subject properties include "Tokyu Plaza Akasaka," "Kobe Kyu Kyoryuchi 25Bankan" and "Tokyu Plaza Sapporo"

- Increased from the year-ago levels in both overall sales and inbound sales



Internal Growth (Urban Retail Properties) –Capturing Inbound Demand–

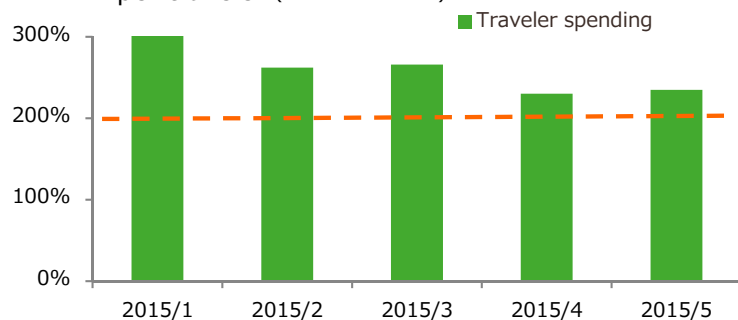
<Tokyu Plaza Omotesando Harajuku>

Measures

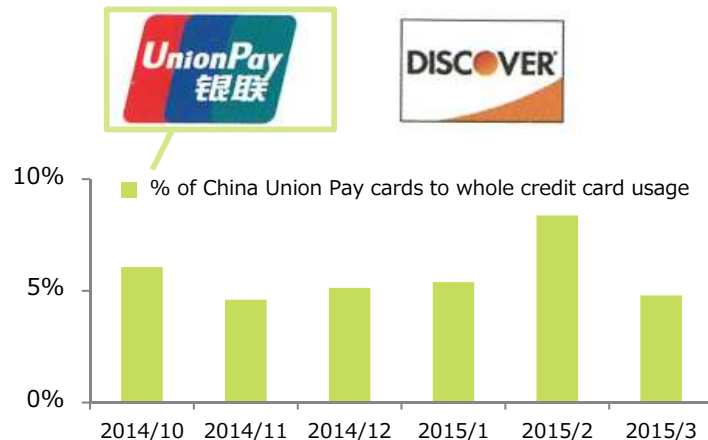
- ① Enhance duty-free offerings
- ② Facilitate credit card payments by foreign travelers
- ③ Actively participate in campaigns targeted at foreign travelers
- ④ Open a multilingual call center
- ⑤ Install free Wi-Fi (scheduled for 2015)
- ⑥ Provide room broadcasting in multiple languages (emergency broadcast) (scheduled for 2015)
- ⑦ Provide more information in multiple languages on websites (HP) (scheduled for 2015)
- ⑧ Include "Yubisashi (finger-pointing) Q&A" in floor guides

① Enhance duty-free offerings

- Increase in number of duty-free shops:
8 shops (last year) ➡ **currently 15 shops**
- % of average spending as duty-free shopping per traveler (see chart below)



② Facilitate credit card payments by foreign travelers



③ Actively participate in campaigns targeted at travelers to Japan

Participate in "Tokyo Grand Shopping Week," which is a program where the retail/service businesses in Omotesando & Harajuku host foreign travelers

Key initiatives for "Tokyo Grand Shopping Week"

- Provide free Wi-Fi services across the Omotesando area
- Set up a temporary tourist information center
- "Scratch" campaign by 200 shops in the Omotesando Harajuku area
- Allocate concierges on the street



< Shinbashi Place >

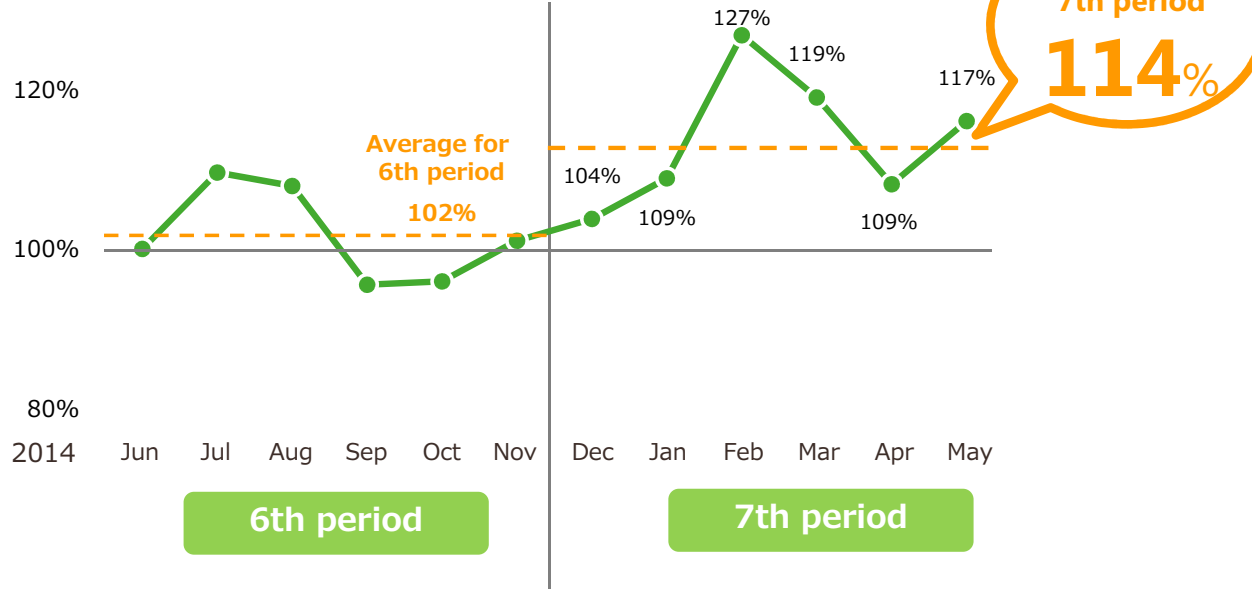
- A new platform of Yamada Denki (Amenity & Tax Free Shinbashi-ginza-guchi Shop)
- Products line-ups designed for the foreign travelers
- Japanese-style customer services focusing on having conversation by Chinese-speaking staffs



Internal Growth (Urban Retail Properties) –Tokyu Plaza in Omotesando/Harajuku–

■ **Overall sales surpassed forecasts**, and sales linked rents **remained higher** than the forecasts **all through the 7th period**

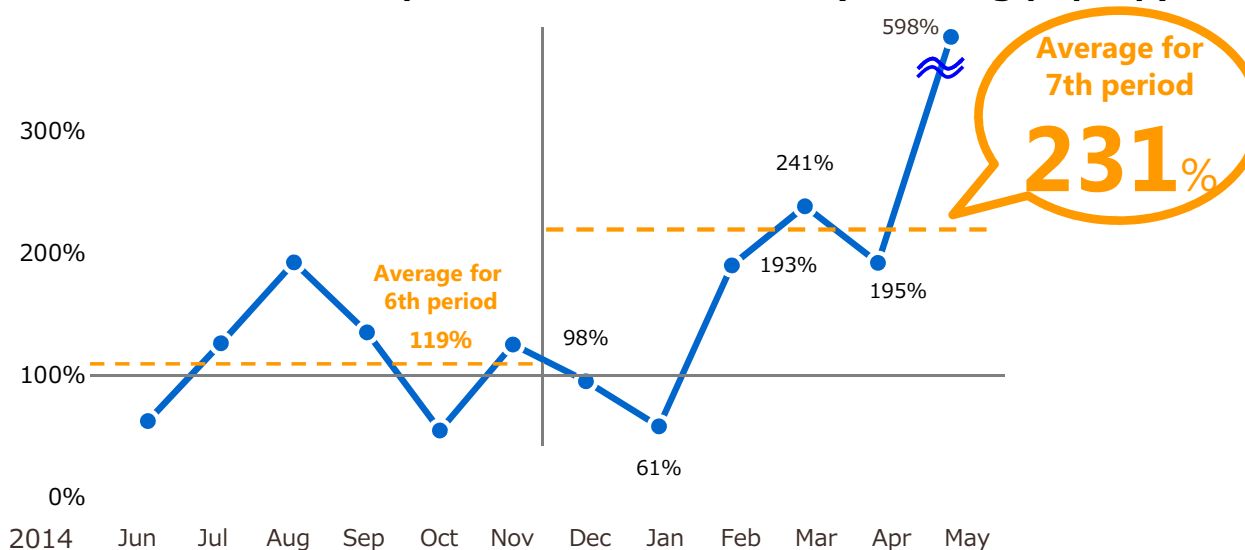
Amount of sales vs. expected amount/month



HANDS CAFE opened in March 2015



Sales linked rent vs. expected amount/month (including pop-up)



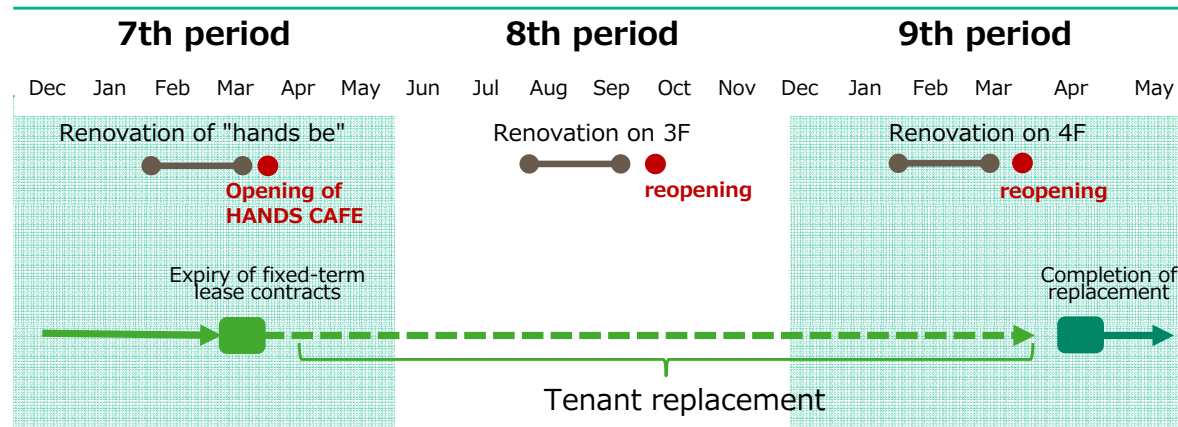
Example of a pop-up shop: JILL STUART CAFÉ



Internal Growth (Urban Retail Properties) –Examples of Value Enhancement–

1. Tenant replacement/renovation of Tokyu Plaza Omotesando Harajuku for 3F and 4F

- Keeping the property appealing and compelling to customers by attracting numerous trendy tenants at the time of the contract expiry, for 3 years since opening
- **Expands the customer base** (e.g. women in their 30s) by drawing in new tenants
- Doing renovations **without entirely closing the floors** within a short period of time
- **Raising the percentage of sales linked rent** at tenant replacement



How it looks after renovation (3F)

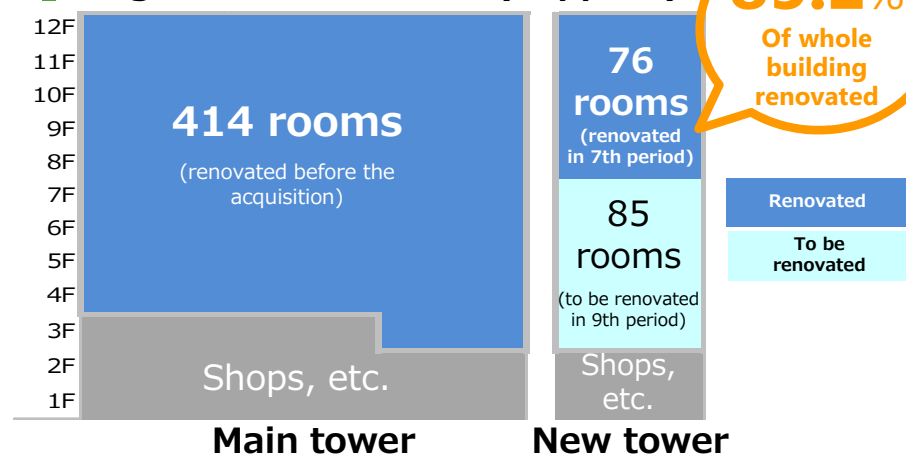


2. Renovation plans of hotel rooms

- **76 rooms** out of 575 guest rooms at Tokyu Plaza Sapporo during the 7th fiscal period, completion of renewal with 85 rooms in the 9th period
- **57 rooms** out of 487 guest rooms at Tokyu Plaza Akasaka during the 8th fiscal period



Progress of renovation (Sapporo)



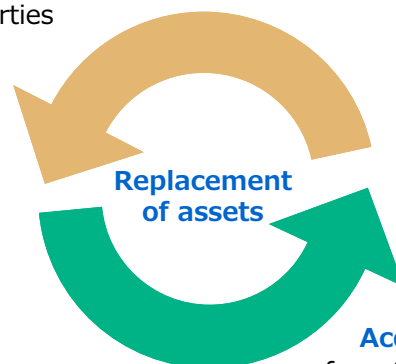
External Growth –Strategic Replacement of Assets–

- The disposition of icot Kongo (¥1.88bn) and acquisition of "Frontier Ebisu", which is categorized in our primary investment target "Tokyo Office", planned for the 8th period in order to reshuffle our portfolio

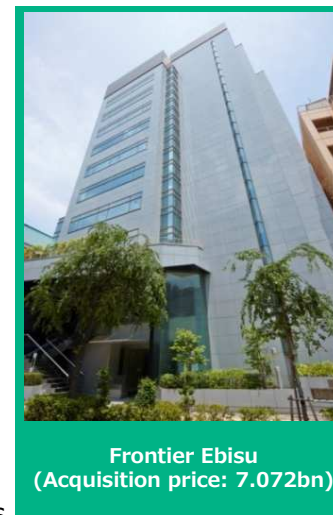


Activia

Transfer to
third parties

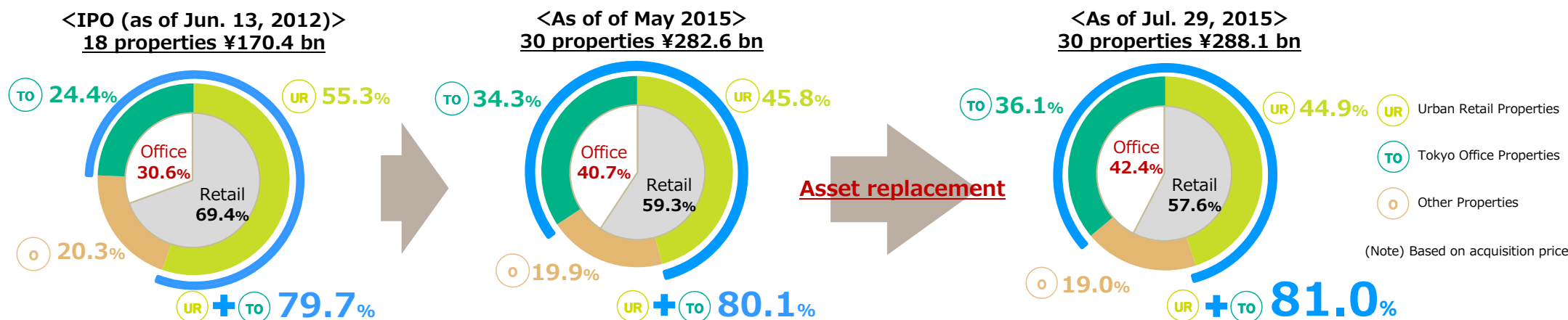


Acquisition
from third parties



➤ Increase in the rate of our primary investment target

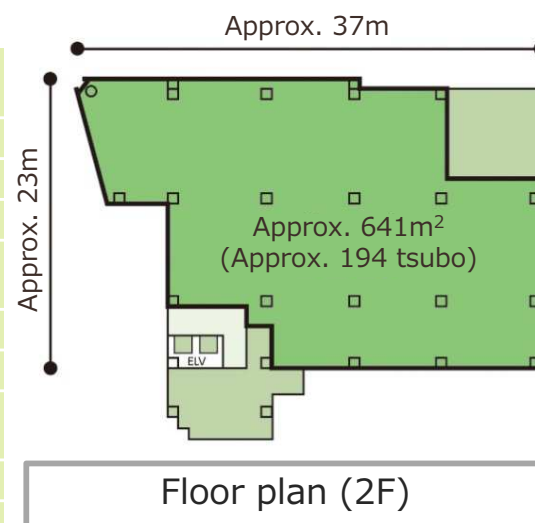
- The proportion of our primary investment target (Urban Retail Properties and Tokyo Office Properties) in our portfolio



External Growth –Strategic Replacement of Assets–

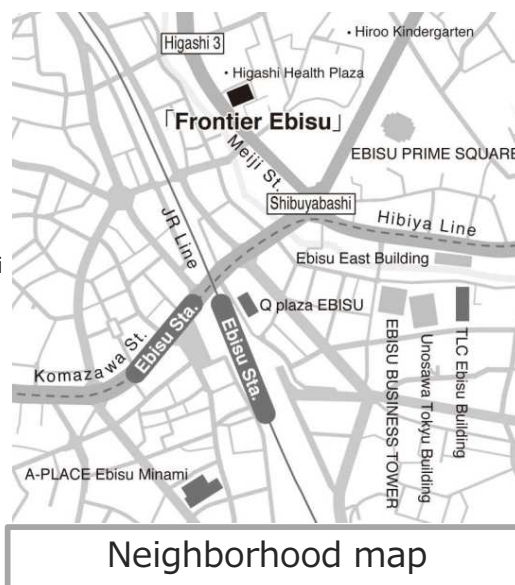
1. Property overview: Frontier Ebisu

Location	3-chome, Higashi, Shibuya-ku, Tokyo
Nearest station	6-minute walk from "Ebisu" station
Date of completion	January 1992
Acquisition price	¥7,072 mn
Appraisal value	¥7,160 mn (as of June 1, 2015)
vs. Appraisal value	98.8%
Appraisal NOI yield (Note)	4.4% (appraisal NOI: ¥310 mn)
Cap rate / discount rate / terminal cap rate	4.1% / 3.9% / 4.3%
Gross floor area	5,321m ²
Total leasable area	4,010m ²
Occupancy rate (at acquisition)	100.0%
Acquisition date	July 29, 2015 (planned)



2. Features

- Great location which is **6 minutes walk from "Ebisu" station** where it is reachable by four railways including JR Yamanote, Saikyo and Shonan Shinjuku Lines and Tokyo Metro Hibiya Line; not only Tokyo but also easy to access Yokohama and Saitama areas
- **Highly and well-lit property** as it is located at the corner of Meiji-dori
- The building is **well-equipped and highly appealing to potential tenants** due to its full renovation in 2008, including the conversion to individual air conditioning systems, the renovation of the entrance, bathrooms, etc., although it is constructed more than 20 years ago
- Extremely high occupancy rate of "Tokyu Land Corporation Ebisu Building" and "A-PLACE Ebisu Minami," of more than 99% since the time of acquisition, backed by solid demand in favorable market environments



(Note) "Appraisal NOI" refers to Net Operating Income before depreciation expenses, which is calculated by subtracting the operating expense from the operating income described in the Appraisal Report for each property, and hence, differs from NCF (Net Cash Flow), which is calculated by adding the gains from the investment of leasehold deposits, etc. to and subtracting capex from NOI

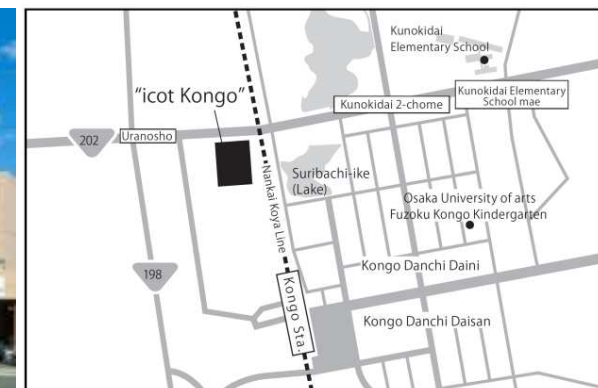
External Growth –Strategic Replacement of Assets–

1. Property overview: icot Kongo

Location	1-chome, Handa, Osakasayama City, Osaka
Nearest station	5-minute walk from "Kongo" station
Date of transfer	July 8, 2015
Transfer price	¥1,880 mn
Book value	¥1,618 mn (as of May 31, 2015)
Appraisal value	¥1,860 mn (as of May 31, 2015)
Cap rate / discount rate / terminal cap rate	6.6% / 6.4% / 7.1%
(Reference) Acquisition price	¥1,600 mn

2. Background of the disposition

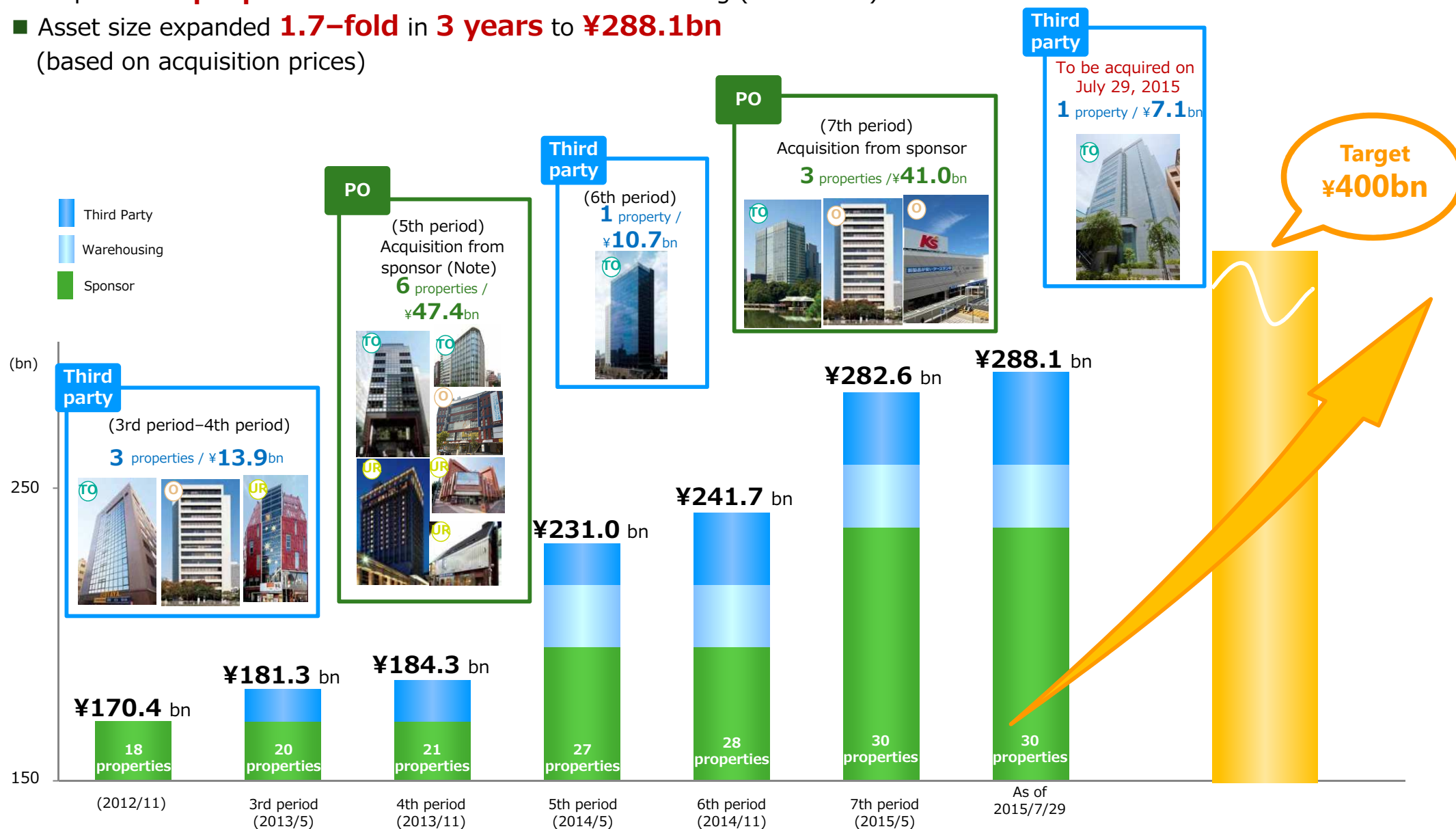
- Decided to sell the property given favorable mood in the market, regarding the fact that it is 38 years old implying the substantial maintenance costs, and the uncertainty of future sales of existing tenants
- Planning to acquire "Frontier Ebisu" (our primary investment target, Tokyo office property), simultaneously with the sale of icot Kongo in order to strengthen the portfolio and improve its profitability
- Expecting **a gain on sale of approx. ¥200mn** (8th Period) by selling the property at a price exceeding both the appraisal value and the ending book value



Completed in 1977/2 (38 years)

External Growth –Expansion of Asset Size–

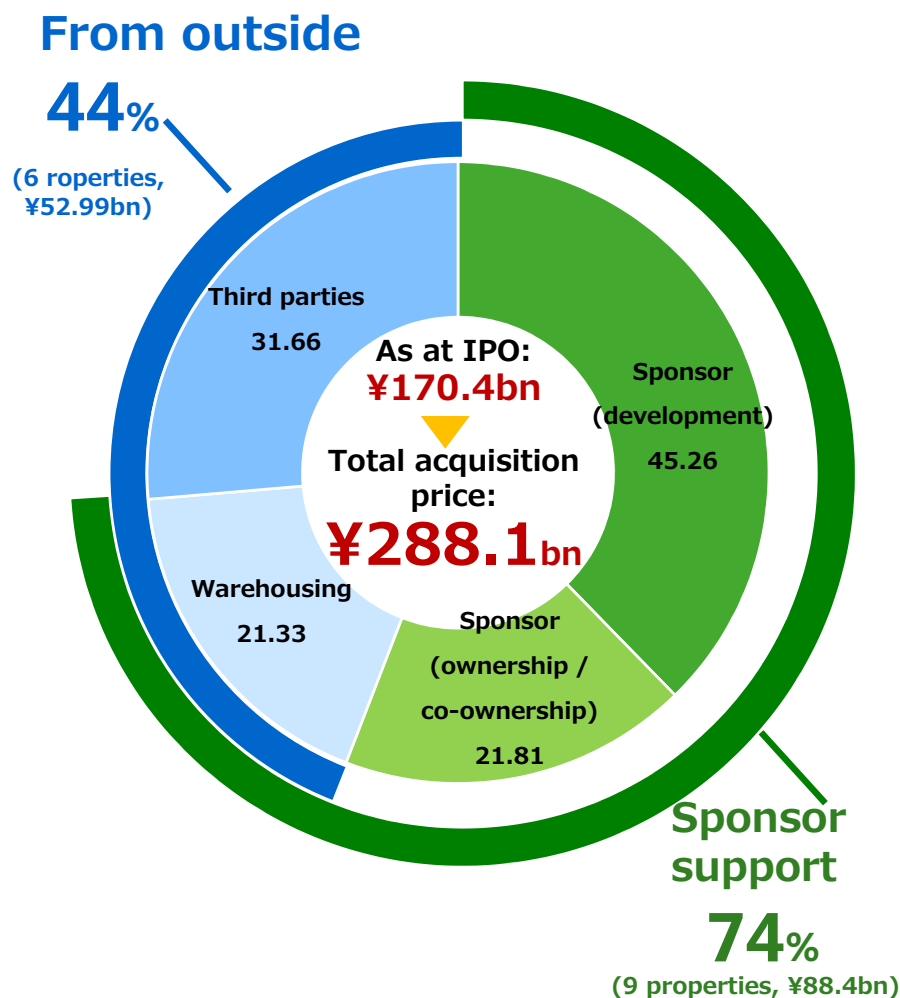
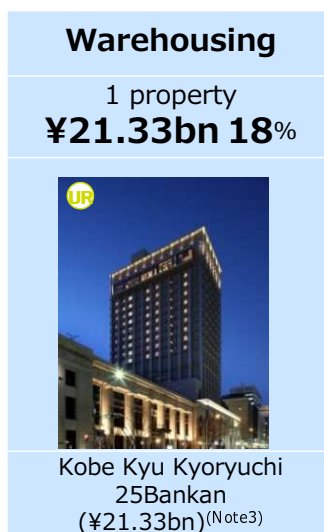
- Acquired **13 properties worth ¥120.1bn** since listing (June 2012)
- Asset size expanded **1.7-fold** in **3 years** to **¥288.1bn**
(based on acquisition prices)



(Note) Kobe Kyu Kyoryuchi 25Bankan was acquired leveraging our sponsor's warehousing function

External Growth –Sourcing Channels and Methods of Acquisitions since listing–

- Strong external growth potential **through acquisition opportunities such leveraging the unique routes of the asset manager and the sponsor support**, including warehousing and pipeline support with its developed properties



(Note1) Including ownership or co-ownership by subsidiaries of Tokyu Land Corporation

(Note2) "Osaka Nakanoshima Building (already acquired)" is included in "Third parties" and "Osaka Nakanoshima Building (additional acquisition)" is included in "Sponsor ownership / co-ownership"

(Note3) Acquired using the warehousing function of Tokyu Land Corporation and the actual seller is a subsidiary of Tokyu Land Corporation

(Note4) Percentages are calculated based on acquisition price

Financing Strategy –Status of Financing (1)–

1. Key financial information

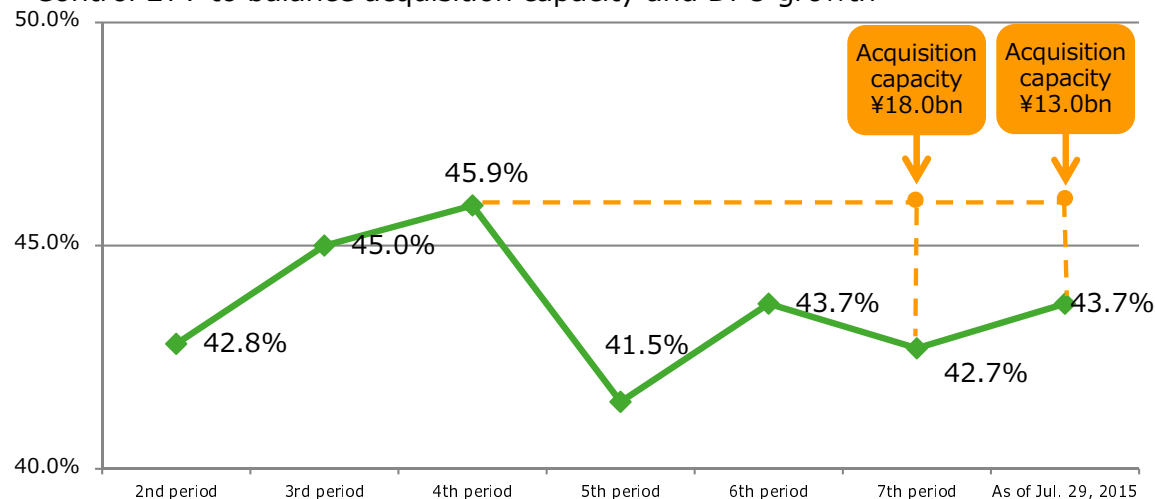
- **Reduce interest cost** through diversifying financing method, and solidify financial base through **extending and diversifying debt maturity**

	4th period	5th period	6th period	7th period	As of Jul. 29, 2015
Total interest-bearing debt (Investment corporation bonds)	¥88.0 bn	¥100.8 bn (¥4.0 bn)	¥110.8 bn (¥4.0 bn)	¥127.1 bn (¥8.0 bn)	¥132.1 bn (¥8.0 bn)
Long-term borrowing ratio	96.6%	97.0%	100.0%	100.0%	96.2%
Fixed interest ratio	71.6%	79.2%	77.4%	85.1%	81.8%
Average period remaining to maturity	2.9 years	3.1 years	2.9 years	3.0 years	3.4 years
Average interest rate	0.75%	0.79%	0.76%	0.75%	0.75%
Rating Agency ^(Note)	Object		Rating	Outlook	
Japan Credit Rating Agency (JCR)	Long-term issuer rating		AA-	Stable	

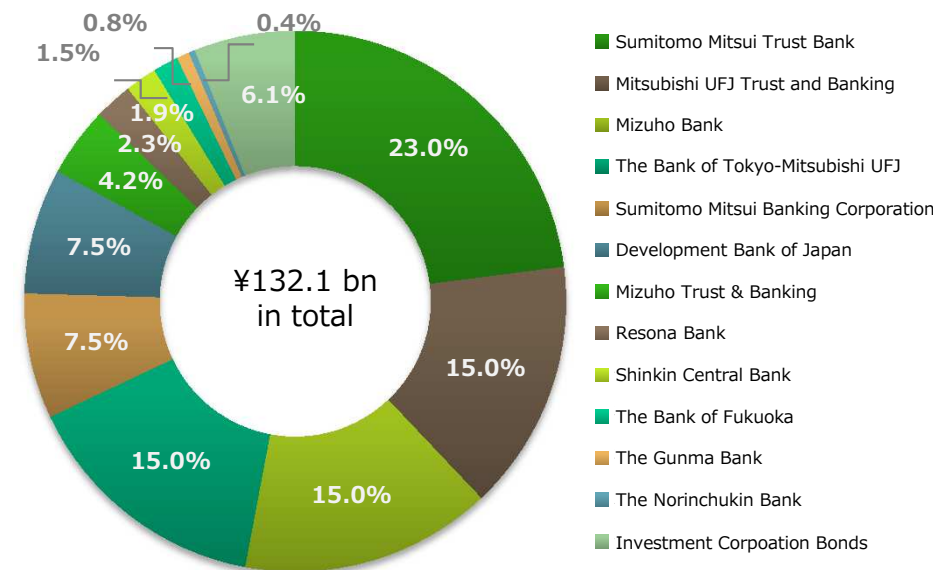
(Note) This investment unit does not have a credit rating provided by a credit rating agency at the Investment Corporation's request; or a credit rating made available for inspection or one provided by a credit rating agency; or a credit rating scheduled to be made available for inspection

2. LTV

- Control LTV to balance acquisition capacity and DPU growth



3. Interest-bearing debt breakdown by lenders (As of Jul. 29, 2015)



4. Investment corporation bond issues

- 5-year bond issued at **the lowest coupon rate ever** ^(Note)
- 10-year bond issued at **an significantly low coupon rate**

	Second Unsecured investment corporation bonds	Third Unsecured investment corporation bonds
Issue date	April 21, 2015	April 21, 2015
Issue size	¥2.0bn	¥2.0bn
Maturity	5 years	10 years
Coupon rate	0.297%	0.726%
Pricing	JGB + 22bp	JGB + 40bp

(Note) The lowest coupon rate ever for 5-year bonds

Financing Strategy –Status of Financing (2)–

Strategic refinancing on the 7th and 8th period

- Stabilization of the financial position resulting from **extending the maturity** through refinancing

	Before refinancing (7th -8th period)(Note2)	After refinancing ^(Note1) (7th -8th period) (Note2)
Total repayment	¥22.0bn	¥22.0bn
Average borrowing period	2.2 years	7.1 years
Interest rate	0.56%	0.80%
Average interest rate	0.75%	0.77%

Extend the
borrowing period

Average years to maturity
2.9 years → 3.4 years
(6th period) (Jul. 29, 2015 assumed)

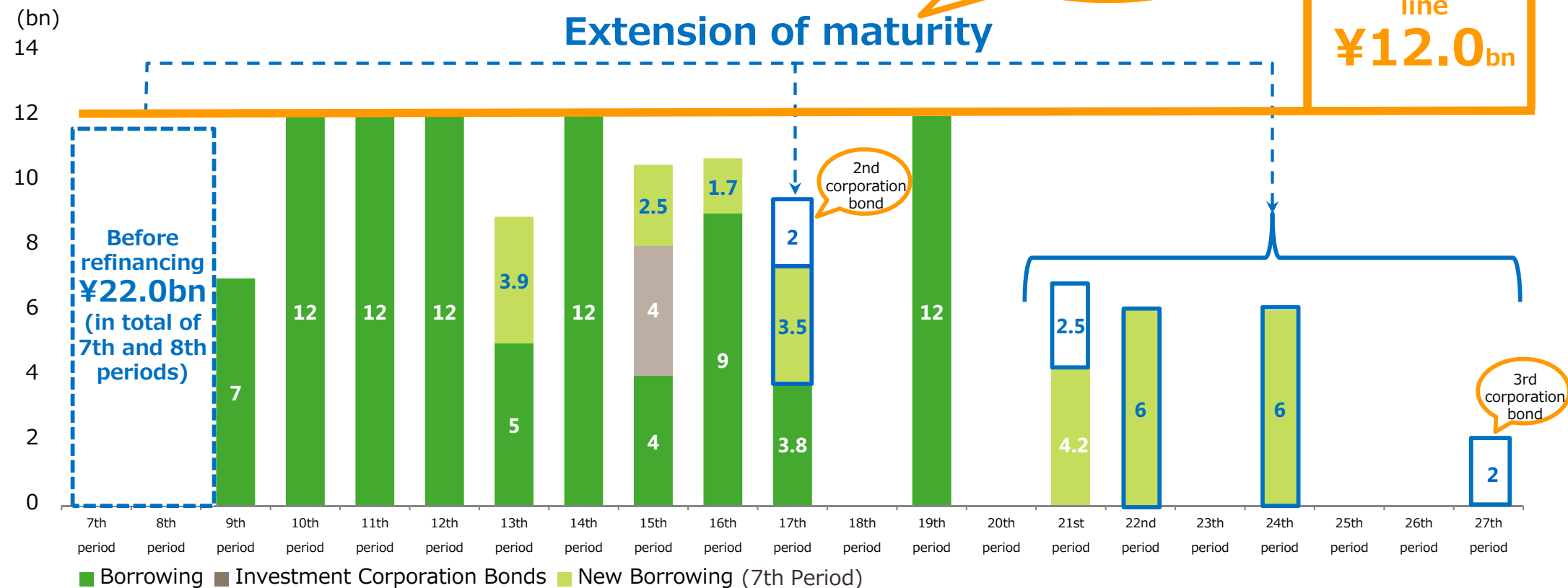
Revolving credit
line

¥12.0bn



Commitment
line

¥12.0bn






(Note1) Undertaken during May 31, 2015 through Jun. 13, 2016

(Note2) Excluding a short-term borrowing of ¥5.0bn for the acquisition of "Frontier Ebisu"

Appraisal Values of Properties (as of May 31, 2015)

(In millions of yen)

Category	Property number	Property name	Acquisition Price (A)	Investment ratio (%)	Book value at end of period (B)	Appraisal value		Difference from previous period (D-C)	Difference from acquisition price (D-A)	Difference from book value (D-B)
						As of Nov. 30, 2014 (C)	As of May 31, 2014 (D)			
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note1)	45,000	15.9	44,997	50,550	52,050	1,500	7,050	7,053
	UR-2	Tokyu Plaza Akasaka ^(Note1)	11,450	4.1	11,792	12,900	13,400	500	1,950	1,608
	UR-3	Q plaza EBISU	8,430	3.0	8,378	9,490	9,620	130	1,190	1,242
	UR-4	Shinbashi Place	20,500	7.3	20,447	23,700	24,100	400	3,600	3,653
	UR-5	Kyoto Karasuma Parking Building	8,860	3.1	8,845	9,820	9,910	90	1,050	1,065
	UR-6	Hitotsugi LIP ^(Note2)	3,000	1.1	3,118	3,320	3,360	40	360	242
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	7.5	21,560	22,600	23,300	700	1,970	1,740
	UR-8	Tokyu Plaza Sapporo ^(Note2)	4,410	1.6	4,443	5,100	5,880	780	1,470	1,437
	UR-9	Kamata Kosan Building ^(Note2)	6,370	2.3	6,387	6,790	6,860	70	490	473
	Subtotal		129,350	45.8	129,968	144,270	148,480	4,210	19,130	18,512
	TO-1	TLC Ebisu Building	7,400	2.6	7,324	7,750	7,980	230	580	656
	TO-2	A-PLACE Ebisu Minami	9,640	3.4	9,554	11,100	11,300	200	1,660	1,746
	TO-3	A-PLACE Yoyogi	4,070	1.4	4,015	4,100	4,080	△20	10	65
	TO-4	A-PLACE Aoyama	8,790	3.1	8,750	8,450	8,660	210	△130	△90
	TO-5	Luogo Shiodome	4,540	1.6	4,429	5,120	5,220	100	680	791
	TO-6	TAMACHI SQUARE (Land)	^(note4) 2,338	0.8	2,363	2,450	2,500	50	162	137
	TO-7	A-PLACE Ikebukuro	3,990	1.4	3,902	4,330	4,380	50	390	478
	TO-8	A-PLACE Shinbashi	5,650	2.0	5,845	6,220	6,280	60	630	435
	TO-9	A-PLACE Gotanda	5,730	2.0	5,717	5,940	6,030	90	300	313
	TO-10	A-PLACE Shinagawa	3,800	1.3	3,822	3,990	4,090	100	290	268
	TO-11	OSAKI WIZTOWER	10,690	3.8	11,014	11,600	12,600	1,000	1,910	1,586
	TO-12	Shiodome Building ^(Note1)	30,300	10.7	30,488	^(Note5) 30,450	31,200	750	900	712
	Subtotal		96,938	34.3	97,225	101,500	104,320	2,820	7,382	7,095
	O-1	Amagasaki Q's MALL (Land)	12,000	4.2	12,113	12,600	12,600	0	600	487
	O-2	icot Nakamozu	8,500	3.0	8,377	9,700	9,820	120	1,320	1,443
	O-3	icot Kongo ^(Note3)	1,600	0.6	1,618	1,860	1,860	0	260	242
	O-4	icot Mizonokuchi	2,710	1.0	2,689	3,050	3,090	40	380	401
	O-5	icot Tama Center	2,840	1.0	2,764	3,160	3,200	40	360	436
	O-6	A-PLACE Kanayama	6,980	2.5	6,739	7,570	7,480	△90	500	741
	O-7	Osaka Nakanoshima Building	11,100	3.9	11,171	^(Note6) 11,800	12,300	500	1,200	1,129
	O-8	icot Omori	5,790	2.0	5,775	5,970	6,130	160	340	355
	O-9	Market Square Sagamihara	4,820	1.7	4,874	^(Note5) 4,820	4,850	30	30	△24
	Subtotal		56,340	19.9	56,119	60,530	61,330	800	4,990	5,211
Total of 30 properties			282,628	100.0	283,312	306,300	314,130	7,830	31,502	30,818

(Note1) 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 15% respectively)

(Note2) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note3) "icot Kongo" is sold as of July 8, 2015

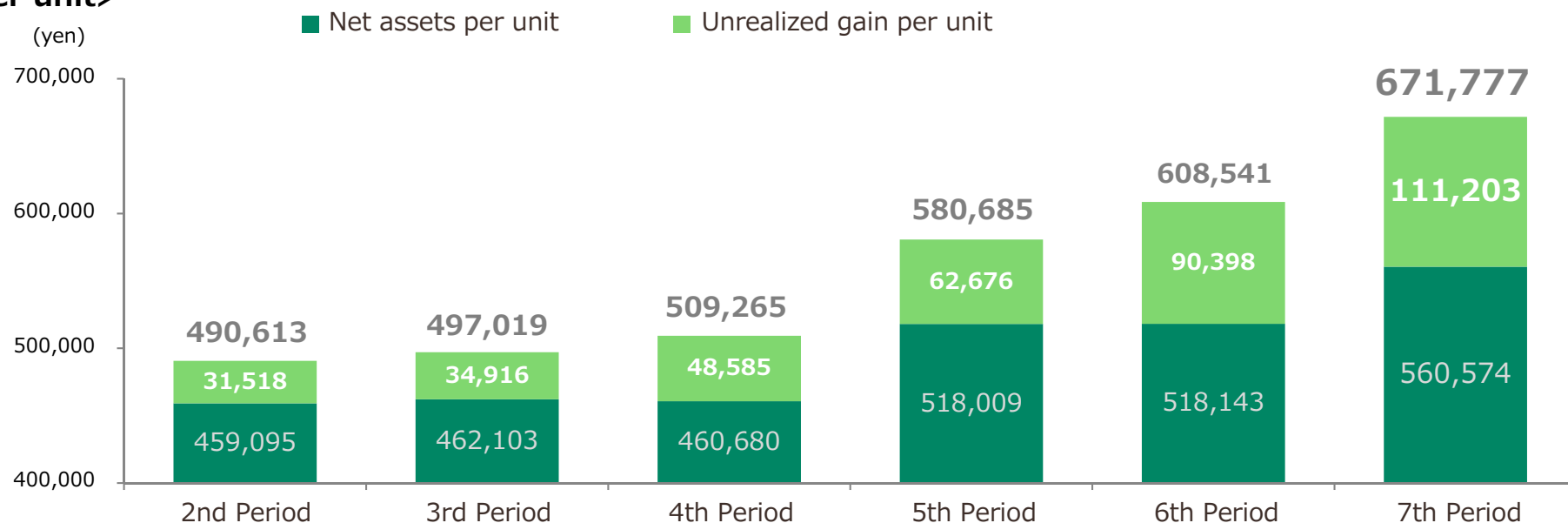
(Note4) The acquisition price for "TAMACHI SQUARE (Land)" represents the acquisition price of the land as of the acquisition date (June 13, 2012)

(Note5) Appraisal values as of September 1, 2014, for "Shiodome Building" and "Market Square Sagamihara"

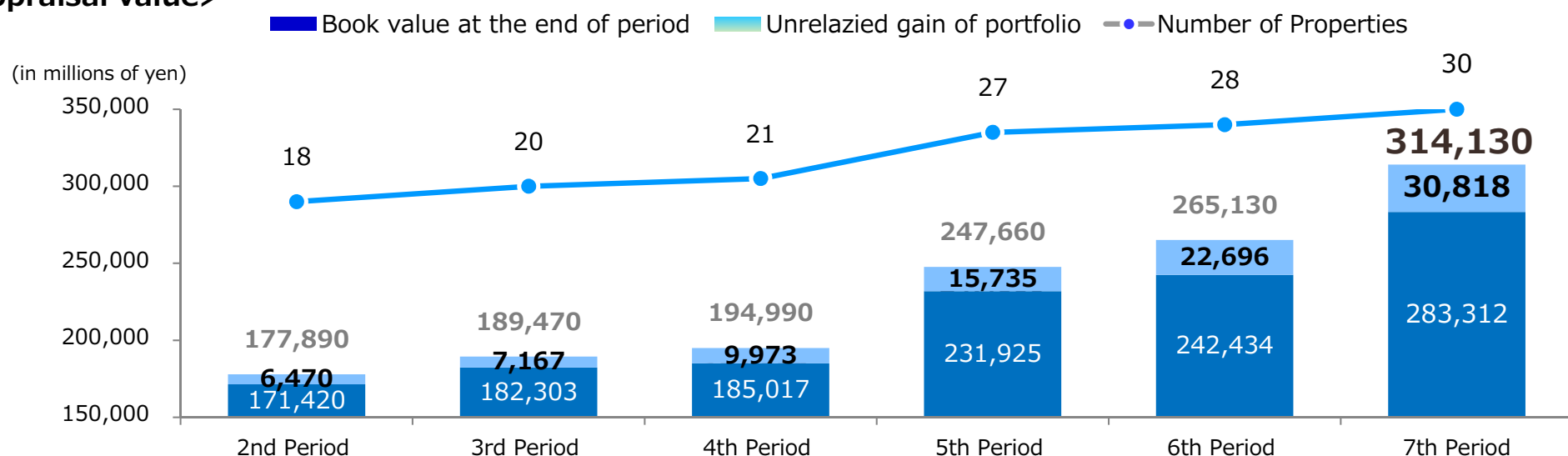
(Note6) Values for Osaka Nakanoshima Building, a co-ownership property, are calculated based on the pro rata share (100% following the additional acquisition on December 19, 2014)

Trends of NAV per unit/appraisal value

<NAV per unit>



<Appraisal value>





3. Others

Initiatives in the 7th Fiscal Period

1. Initiatives in relation to environmental protection and CSR

<DBJ Green Building Certification>

"4 stars" award for Tokyu Plaza Omotesando Harajuku and "3 stars" for Tokyu Plaza Akasaka in March 2015



Tokyu Plaza Omotesando Harajuku

Tokyu Plaza Akasaka

- Promoted energy saving by installing LED lightings in common areas
- Reduced lifecycle costs through the use of recycled materials and optimally scheduled renovations
- Mitigated heat island effects by planting trees and installing DRYMIST systems, and thus contributed to neighboring communities
- Focused on meeting inbound demand



<The highest grade of Rated Green Star by GRESB (6th period)>



GRESB

Global Real Estate Sustainability Benchmark or GRESB is an international organization consisted of institutional investors, primarily the pension funds in Europe, committed to assessing the sustainability performance of real estate portfolios

- Joined GRESB Survey since fiscal 2013
- Awarded "Green Star," the highest among four grades, from "Green Starter," "Green Walk," "Green Talk" to "Green Star," as the result of the GRESB survey conducted in 2014; our "Management & Policy" and "Execution and Measurement" were especially highly evaluated in the survey

2. Rebranding of portfolio assets

<Our properties brandings>

Tokyu Fudosan brands

Urban Retail Properties
Tokyu Plaza

Mall Retail Properties
Q's Mall

Life-connected Retail Properties
Market Square

Urban Retail Properties
Q Plaza

TOKYU PLAZA

Q's MALL

MARKET SQUARE

Q plaza



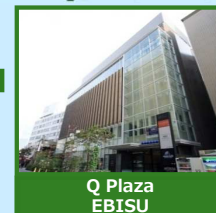
Tokyu Plaza Omotesando Harajuku



Amagasaki Q's MALL



Market Square Sagami-hara



Q Plaza EBISU

<Renaming of Ebisu Q Plaza>

Characteristics of Q Plaza

- Ebisu Q Plaza was recently renamed to Q Plaza EBISU, Incorporating "Q plaza," a brand for the type of retail properties that are conveniently located and consisted of suitable tenants **Q plaza**
- Tokyu Land Corporation owns two "Q plaza" buildings: Q Plaza HARAJUKU and Q Plaza SHINSAIBASHI

<Renaming of 3 Urban Retail Properties>

- Urban Retail Properties, "Hitotsugi LIP," "Tokyu Plaza Sapporo" and "Kamata Kosan Building," have respectively been renamed to "A-FLAG Akasaka," "A-FLAG Sapporo" and "A-FLAG Shibuya"



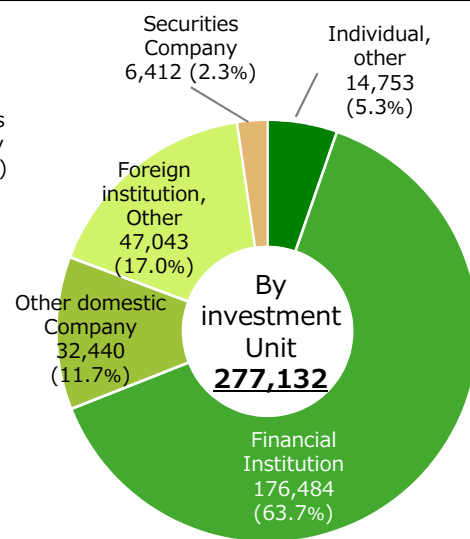
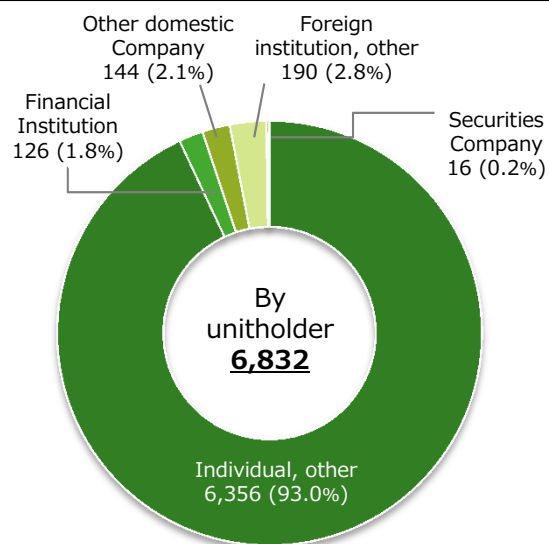
A-FLAG Akasaka (Hitotsugi-LIP)

Distribution of Unitholders

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

(As of the end of May 2015)

	7th Period (May 2015)				6th Period (Nov. 2014)			
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
Individual, other	6,356	93.0%	14,753	5.3%	6,636	93.8%	16,034	6.4%
Financial institution	126	1.8%	176,484	63.7%	97	1.4%	150,294	59.9%
Other domestic company	144	2.1%	32,440	11.7%	138	2.0%	30,598	12.2%
Foreign institution, other	190	2.8%	47,043	17.0%	184	2.6%	49,066	19.5%
Securities company	16	0.2%	6,412	2.3%	16	0.2%	5,070	2.0%
Total	6,832	100%	277,132	100%	7,071	100.0%	251,062	100.0%



(As of the end of May 2015)

2. Top 10 unitholders

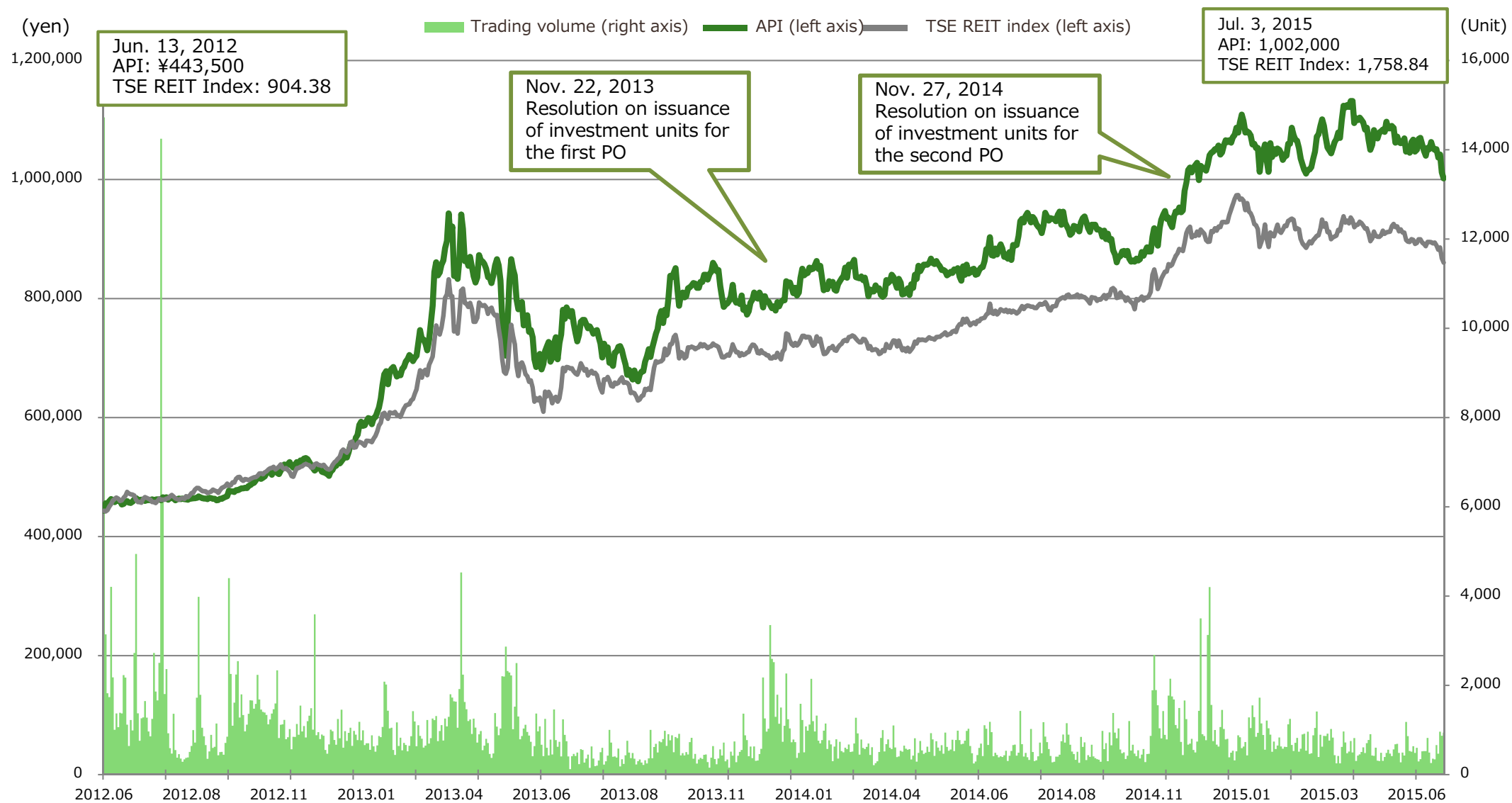
(As of the end of May 2015)

Name	Investment units	Ratio
Japan Trustee Services Bank, Ltd. (Trust accounts)	72,891	26.3%
The Master Trust Bank of Japan, Ltd. (Trust accounts)	29,545	10.7%
Tokyu Land Corporation	28,687	10.4%
Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	22,851	8.2%
The Nomura Trust and Banking Co., Ltd (Investment accounts)	10,641	3.8%
THE BANK OF NEW YORK MELLON SA/NV 10	3,363	1.2%
Mizuho Trust & Banking Co., Ltd.	3,108	1.1%
State Street Bank & Trust Company 505223	3,045	1.1%
EVERGREEN	2,926	1.1%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,924	1.1%
Total	179,981	65.0%



Reference Data

Unit Price Performance Since IPO



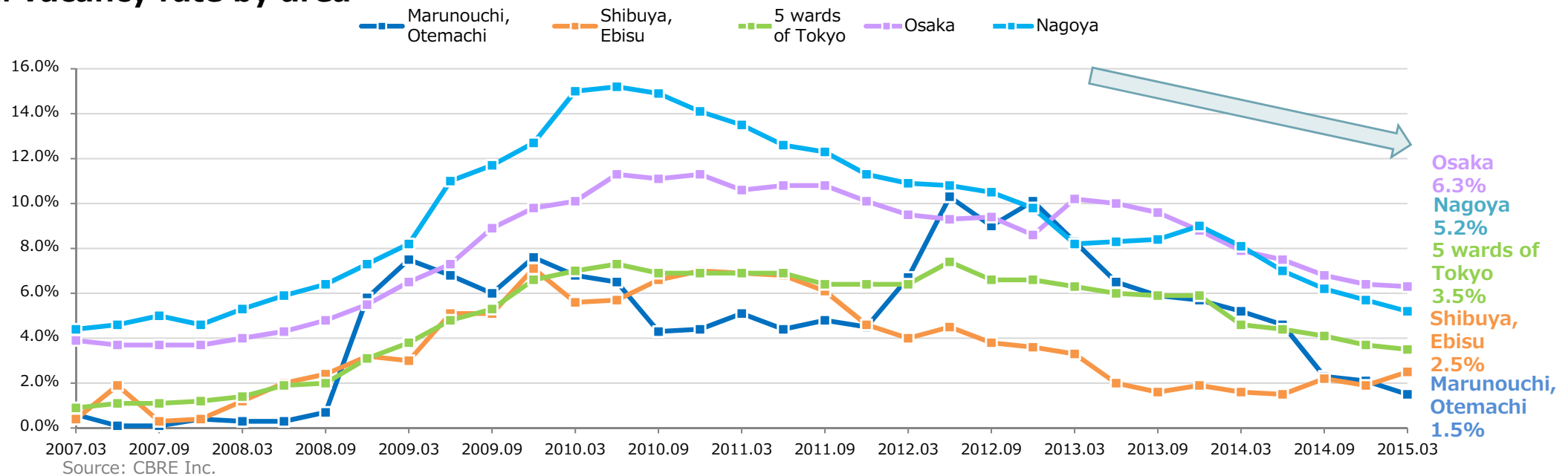
(Note) Indexed to API unit price as of June 13, 2012

Trends of Dividend Yield (vs. JGB)

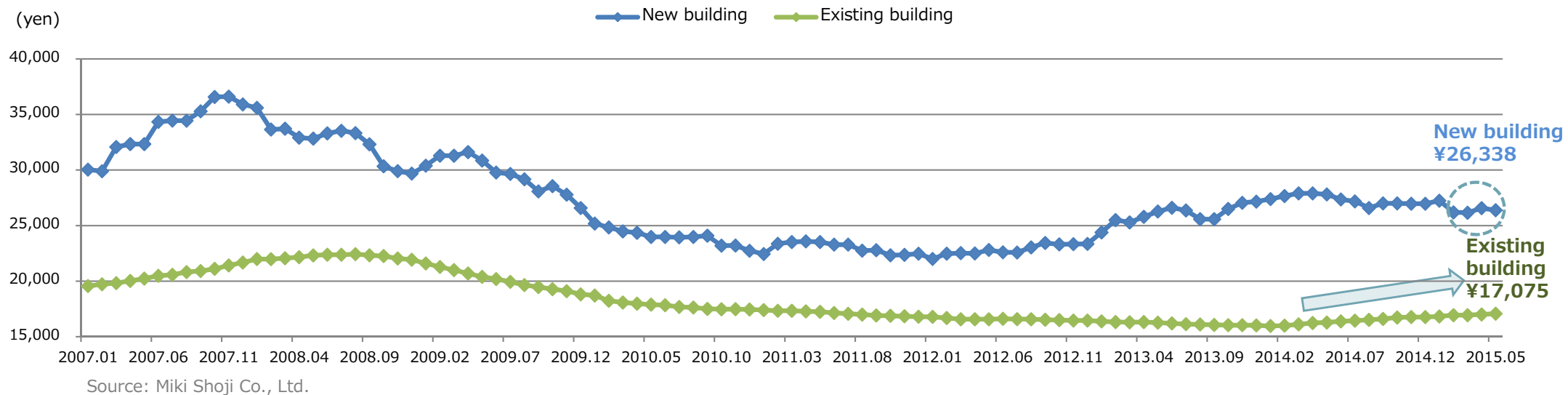


Macro Data for Real Estate Market

1. Vacancy rate by area

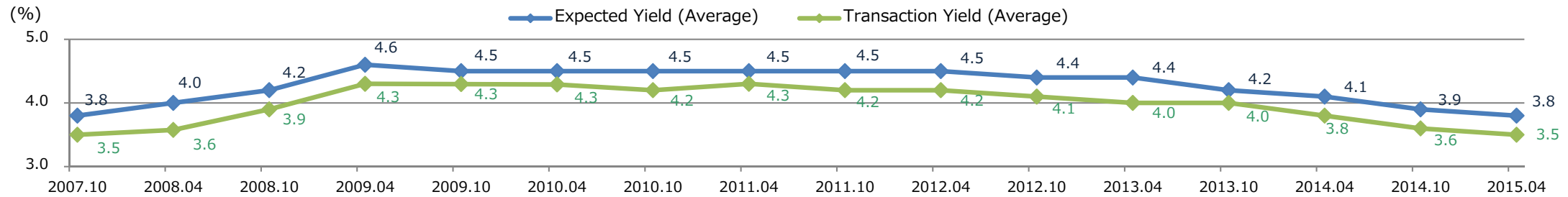


2. Trends of average rent for 5 wards of Tokyo



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"

2. Trends of 30 properties cap rate (Note1)

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)
UR URBAN RETAIL	UR-1	Tokyu Plaza Omotesando Harajuku (Note2)	2012/06/13	45,000	3.8%	3.7%	3.7%	3.6%	3.4%	3.3%	3.2%
	UR-2	Tokyu Plaza Akasaka (Note2)	2012/06/13	11,450	5.3%	5.3%	5.2%	5.1%	4.9%	4.8%	4.6%
	UR-3	Q plaza EBISU	2012/06/13	8,430	4.3%	4.3%	4.2%	4.2%	4.1%	4.0%	3.9%
	UR-4	Shinbashi Place	2012/06/13	20,500	4.9%	4.9%	4.9%	4.8%	4.8%	4.7%	4.6%
	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%
	UR-6	Hitotsugi LIP (Note3)	2013/08/30	3,000	4.3%	-	-	4.3%	4.2%	4.0%	3.9%
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	2013/12/19	21,330	4.8%	-	-	-	4.7%	4.6%	4.5%
	UR-8	Tokyu Plaza Sapporo (Note3)	2013/12/19	4,410	6.5%	-	-	-	6.2%	6.0%	6.0%
	UR-9	Kamata Kosan Building (Note3)	2013/12/19	6,370	4.8%	-	-	-	4.7%	4.5%	4.4%
TO TOKYO OFFICE	TO-1	TLC Ebisu Building	2012/06/13	7,400	4.7%	4.7%	4.6%	4.6%	4.5%	4.3%	4.2%
	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%
	TO-3	A-PLACE Yoyogi	2012/06/13	4,070	4.6%	4.6%	4.5%	4.6%	4.5%	4.5%	4.4%
	TO-4	A-PLACE Aoyama	2012/06/13	8,790	4.9%	4.9%	4.9%	4.8%	4.7%	4.6%	4.5%
	TO-5	Luogo Shiodome	2012/06/13	4,540	4.5%	4.5%	4.5%	4.4%	4.3%	4.2%	4.1%
	TO-6	TAMACHI SQUARE (Land) (Note4)	2012/06/13	2,338	4.4%	-	-	-	4.4%	4.3%	4.2%
	TO-7	A-PLACE Ikebukuro	2012/06/13	3,990	5.1%	5.1%	5.0%	4.9%	4.9%	4.8%	4.6%
	TO-8	A-PLACE Shinbashi	2013/04/19	5,650	4.7%	-	4.6%	4.5%	4.4%	4.3%	4.2%
	TO-9	A-PLACE Gotanda	2014/01/10	5,730	4.4%	-	-	-	4.3%	4.3%	4.2%
	TO-10	A-PLACE Shinagawa	2014/01/10	3,800	4.4%	-	-	-	4.3%	4.2%	4.1%
	TO-11	OSAKI WIZTOWER	2014/06/24	10,690	4.3%	-	-	-	-	4.2%	4.1%
	TO-12	Shiodome Building (Note2)	2015/01/09	30,300	3.9%	-	-	-	-	-	3.8%
O OTHER (Retail・Office)	O-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%
	O-2	icot Nakamozu	2012/06/13	8,500	6.0%	6.0%	5.9%	5.8%	5.6%	5.5%	5.4%
	O-3	icot Kongo (Note5)	2012/06/13	1,600	6.9%	6.9%	6.9%	6.8%	6.7%	6.7%	6.6%
	O-4	icot Mizonokuchi	2012/06/13	2,710	6.0%	6.0%	6.0%	5.9%	5.8%	5.8%	5.7%
	O-5	icot Tama Center	2012/06/13	2,840	6.2%	6.2%	6.2%	6.1%	6.0%	5.9%	5.8%
	O-6	A-PLACE Kanayama	2012/06/13	6,980	5.3%	5.3%	5.2%	5.4%	5.4%	5.4%	5.4%
	O-7	Osaka Nakanoshima Building (Note6)	2013/01/25	5,250	5.0%	-	5.0%	5.0%	4.9%	4.8%	4.6%
			2014/12/19	5,850	4.8%	-	-	-	-	-	
	O-8	icot Omori	2013/12/19	5,790	5.1%	-	-	-	5.0%	4.9%	4.8%
	O-9	Market Square Sagamihara	2015/01/09	4,820	5.6%	-	-	-	-	-	5.5%

(Note1) Calculated based on Direct capitalization method

(Note2) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Shiodome Building, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75%, 50% and 15% respectively)

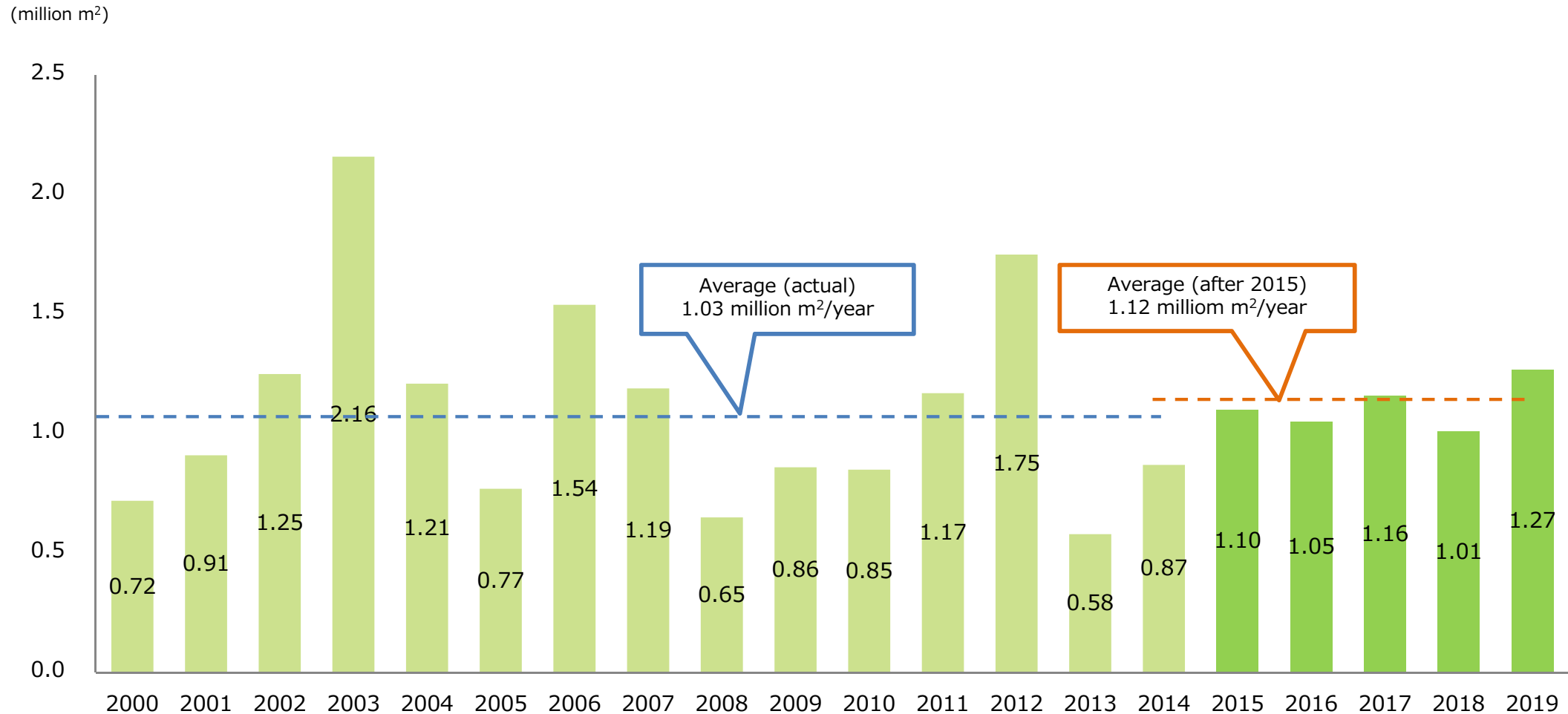
(Note3) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note4) The acquisition price for "TAMACHI SQUARE (Land)" represents the acquisition price of the land as of the acquisition date (June 13, 2012)

(Note5) "icot Kongo" is disposed of as of July 8, 2015

(Note6) With respect to Osaka Nakanoshima Building, the upper represent the figures for the stake acquired on January 25, 2013 and the lower the figures for the stake acquired on December 19, 2019 (co-ownership of 50% each)

Supply of Large-scale Office Building in 23 wards of Tokyo

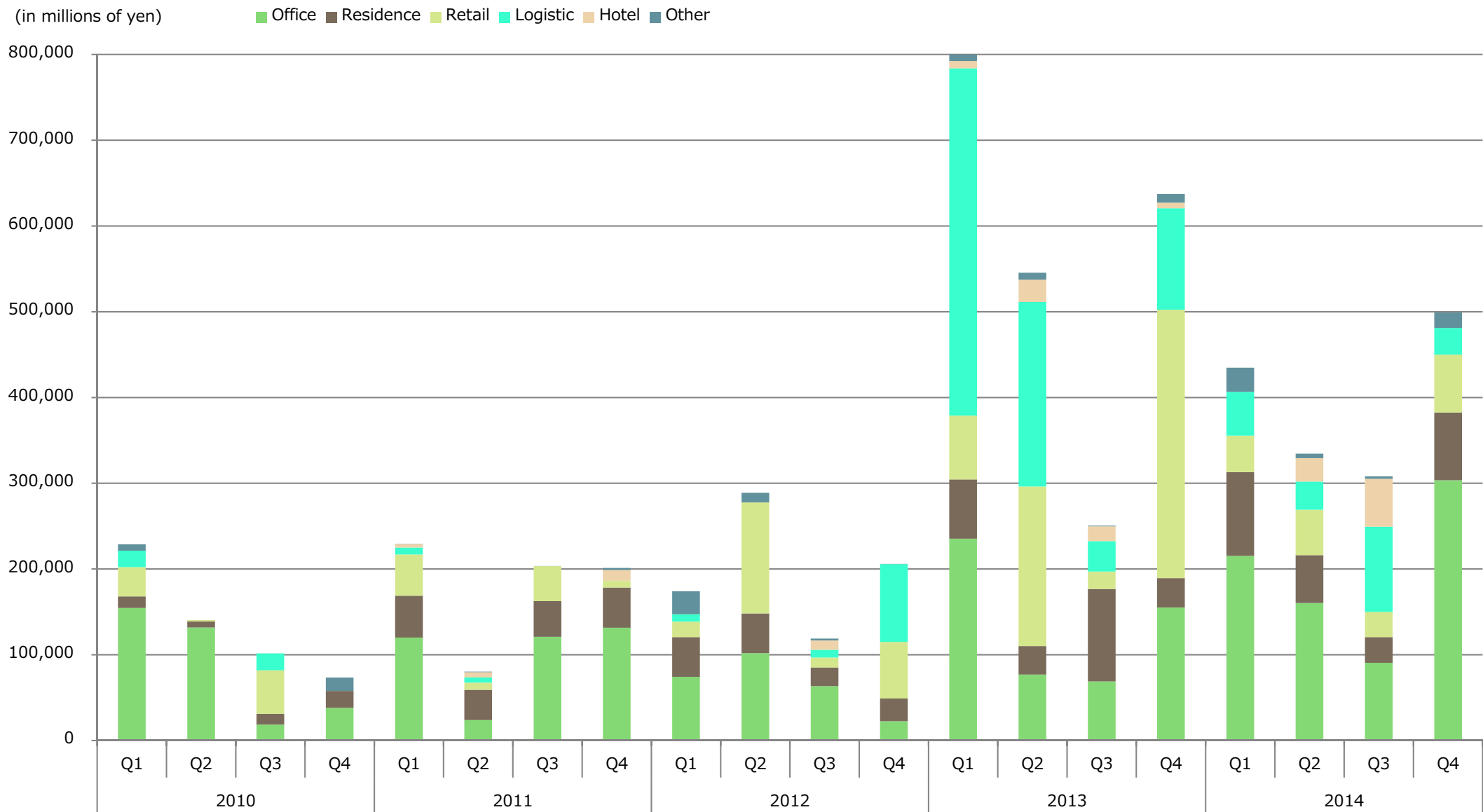


(Note1) Large-scale Building is the buildings with more than 10,000 m² of the gross floor area for the office area

(Note2) Figures are based on the gross floor area

(Note3) Source: Mori Building Co., Ltd.

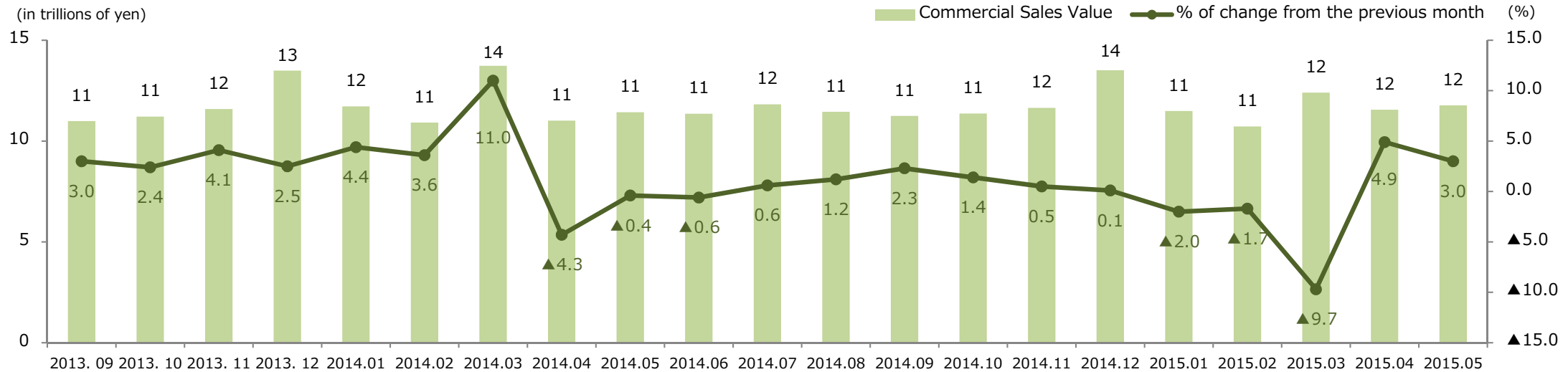
Trends of Acquisition Market



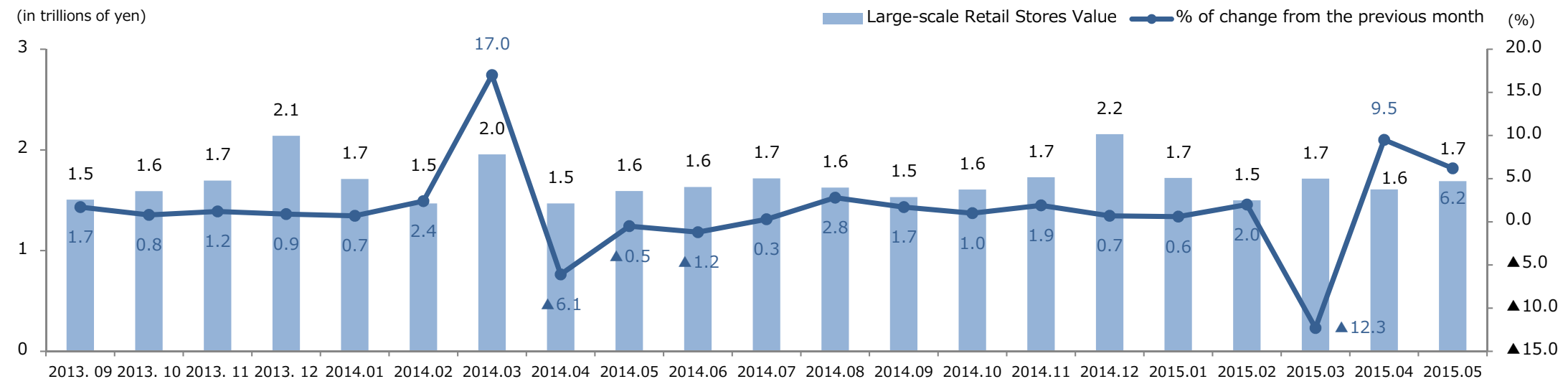
Source: ARES

Trends of Retail Sales Value

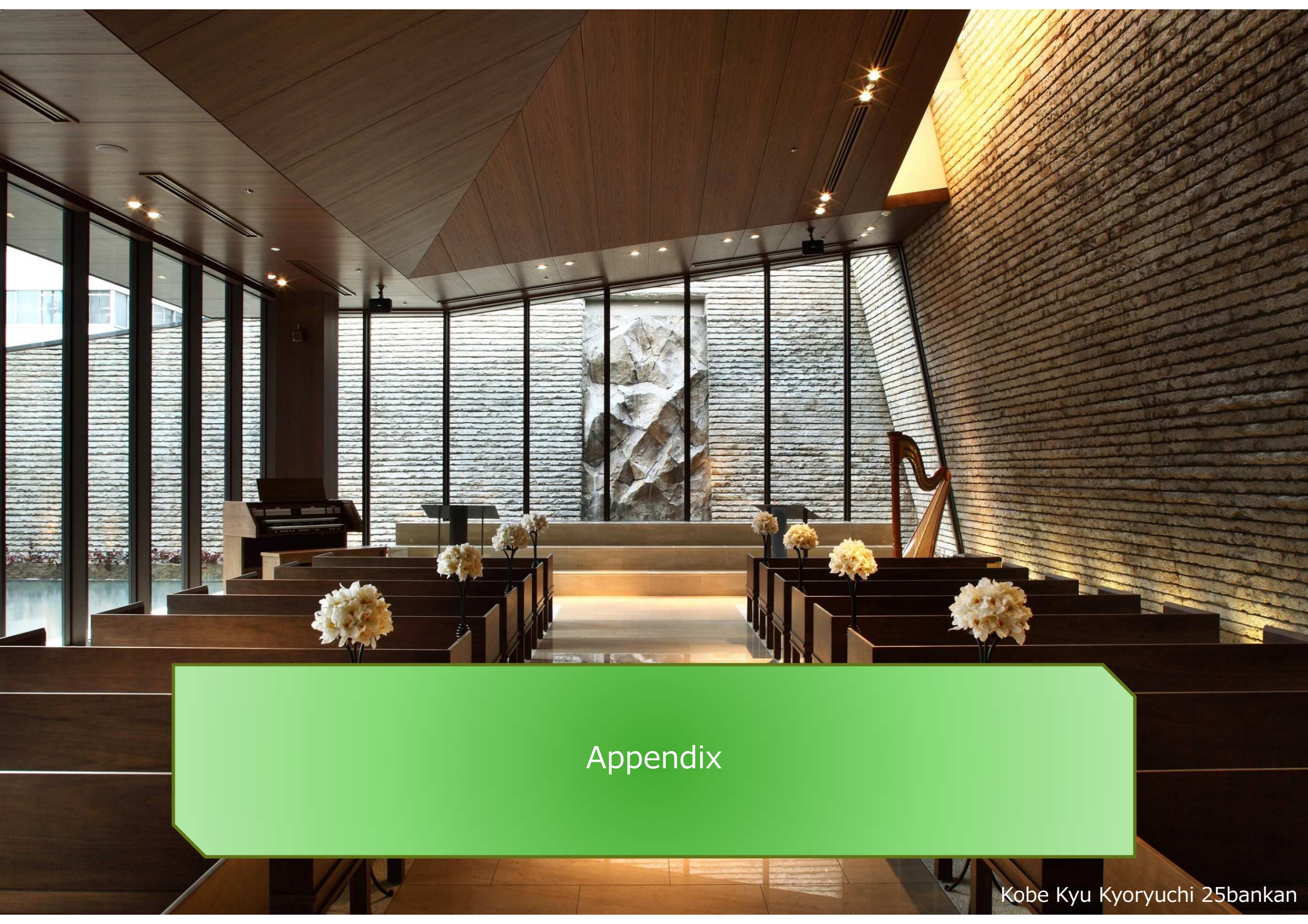
1. Trends of commercial sales value



2. Trends of large-scale retail stores value



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

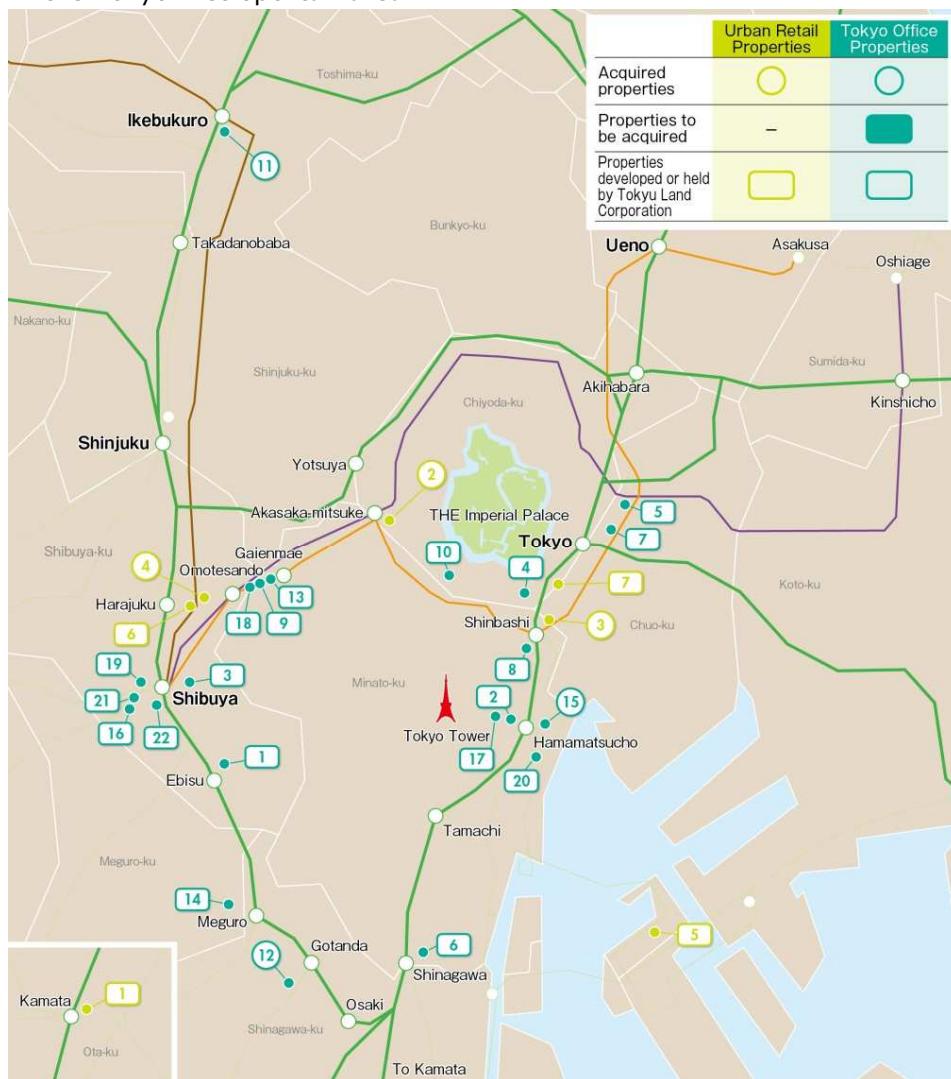


Appendix

Major Properties Developed/Acquired by Tokyu Fudosan HD Group

Major properties developed / acquired by Tokyu Fudosan Holdings Group

<Selected properties developed/acquired by the Tokyu Fudosan HD Group in the Tokyo metropolitan area>



(Note1) Include the retail property portion

(Note2) Part of the residential buildings are to be open in FY2017

(Note3) Including the development of retail and residential properties

(Note4) To be renamed from "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" as of August 1, 2015

(Note5) Other than those already acquired, we do not own or intend to acquire any of the properties in the table as May 31, 2015

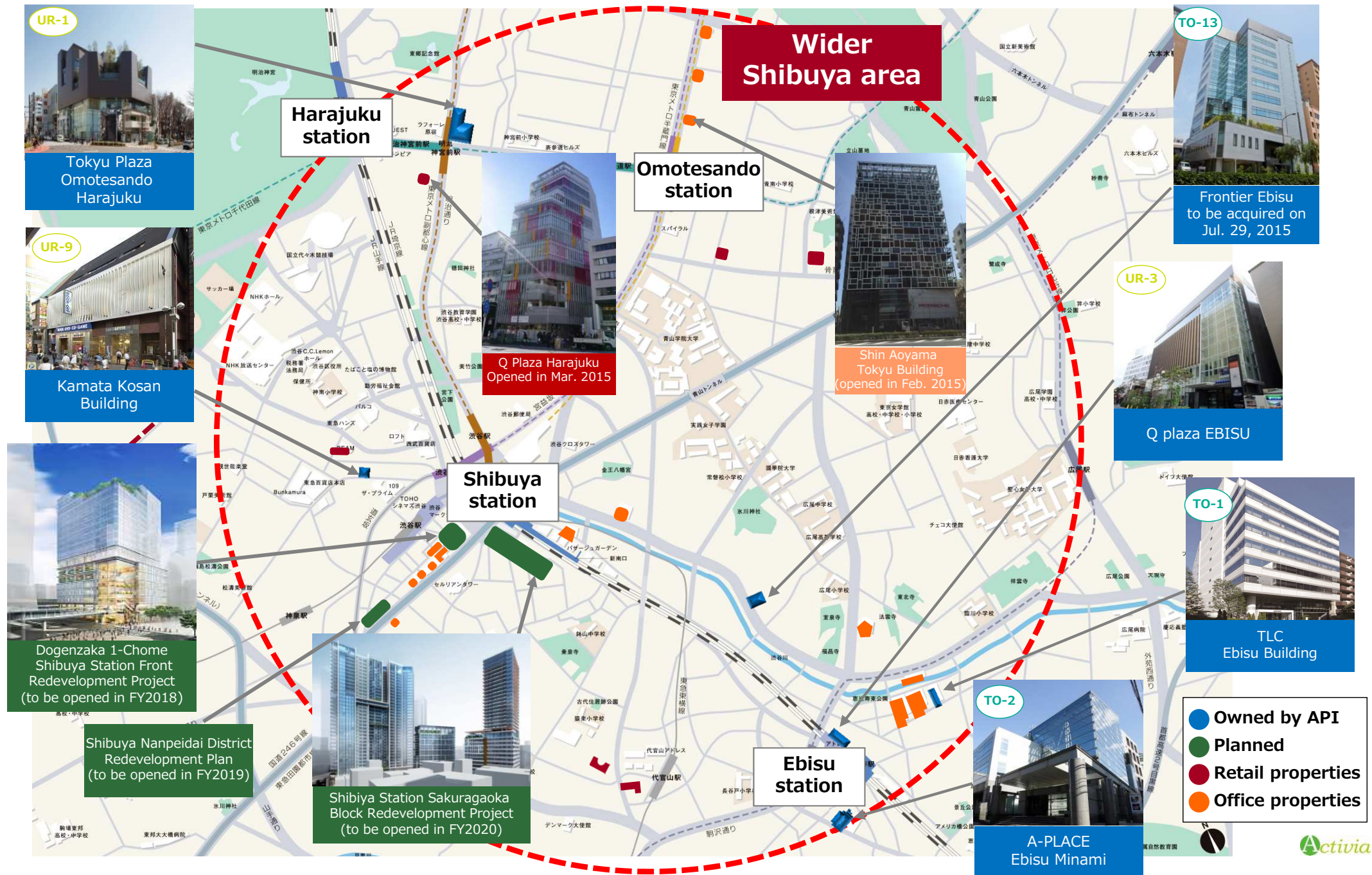
<Major Urban Retail Properties developed or acquired by the sponsor (including plans)>

Property number	Acquired by API	Property	Nearest train station	Walking distance from nearest train station	Year of (scheduled) completion or acquisition	Approximate gross floor area (in thousand m ²)
1		Tokyu Plaza Kamata	Kamata	1 minute	1968	Approx. 26
2	○	Tokyu Plaza Akasaka	Akasaka-Mitsuke	1 minute	1969	Approx. 51
-	○	Tokyu Plaza Sapporo	Susukino	2 minutes	1980	Approx. 27
3	○	Shinbashi Place	Shinbashi	1 minute	2008	Approx. 9
-		Futakotamagawa Rise Shopping Center	Futakotamagawa	1 minute	2011	Approx. 99
-		Abeno Q's MALL	Tennoji	2 minutes	2011	Approx. 171
4	○	Tokyu Plaza Omotesando Harajuku	Meiji-jingumae	1 minute	2012	Approx. 11
-		Q Plaza SHINSAIBASHI	Shinsaibashi	1 minute	2013 (acquired)	Approx. 4
5		DECKS Tokyo Beach	Odaiba-Kaihinkoen	2 minutes	2013 (acquired)	Approx. 69
-		Northport Mall	Center-kita	1 minute	2014 (acquired)	Approx. 141
6		Q Plaza HARAJUKU	Meiji-jingumae	1 minute	2015	Approx. 8
7		<Tentative name>Ginza 5-chome Project	Ginza	1 minute	FY2015 (plan)	Approx. 50

<Major Tokyo Office Properties developed or acquired by the sponsor (including plans)>

Property number	Acquired by API	Property	Nearest train station	Walking distance from nearest train station	Year of (scheduled) completion or acquisition	Approximate gross floor area (in thousand m ²)
1		Ebisu Business Tower	Ebisu	2 minutes	2003	Approx. 28
2		Hamamatsucho Square	Hamamatsucho	1 minute	2004	Approx. 24
3		Shibuya Minami Tokyu Building	Shibuya	3 minutes	2005	Approx. 20
4		Uchisaiwaicho Tokyu Building	Shinbashi	5 minutes	2006	Approx. 14
5		Nihonbashi Maruzen Tokyu Building	Nihonbashi	1 minute	2006	Approx. 17
6		Shinagawa Tokyu Building	Shinagawa	6 minutes	2007	Approx. 21
7		Nihonbashi Front	Nihonbashi	2 minutes	2008	Approx. 29
8		Shinbashi Tokyu Building	Shinbashi	2 minutes	2008	Approx. 15
9		Minami Aoyama Tokyu Building	Omotesando	4 minutes	2008	Approx. 12
10		Kasumigaseki Tokyu Building	Tameike-Sannō	4 minutes	2010	Approx. 19
11	○	A-PLACE Ikebukuro	Ikebukuro	6 minutes	2011	Approx. 5
12	○	A-PLACE Gotanda	Gotanda	3 minutes	2012	Approx. 6
13		Spline Aoyama Tokyu Building	Gaienmae	3 minutes	2012	Approx. 8
14		Shin Meguro Tokyu Building	Meguro	2 minutes	2012	Approx. 22
15	○	Shiodome Building	Hamamatsucho	3 minutes	2014 (acquired)	Approx. 119
16		Nikko Shibuya Nanpei-dai Building	Shibuya	7 minutes	2014 (acquired)	Approx. 7
17		CROSS PLACE Hamamatsucho	Daimon	3 minutes	2015 (acquired)	Approx. 12
18		Shin Aoyama Tokyu Building	Omotesando	3 minutes	2015	Approx. 9
19		Dogenzaka 1-Chome Shibuya Station Front Redevelopment Project (Note1)	Shibuya	-	FY2018 (plan)	Approx. 59
20		Urban Regeneration Step Up Project (Takeshiba District)	-	-	FY2019 (plan) (Note2)	Approx. 200
21		Shibuya Nanpeidai District Redevelopment Plan	Shibuya	-	FY2019 (plan)	Approx. 45
22		Shibiya Station Sakuragaoka Block Redevelopment Project (Note3)	Shibuya	-	FY2020 (plan)	Approx. 241

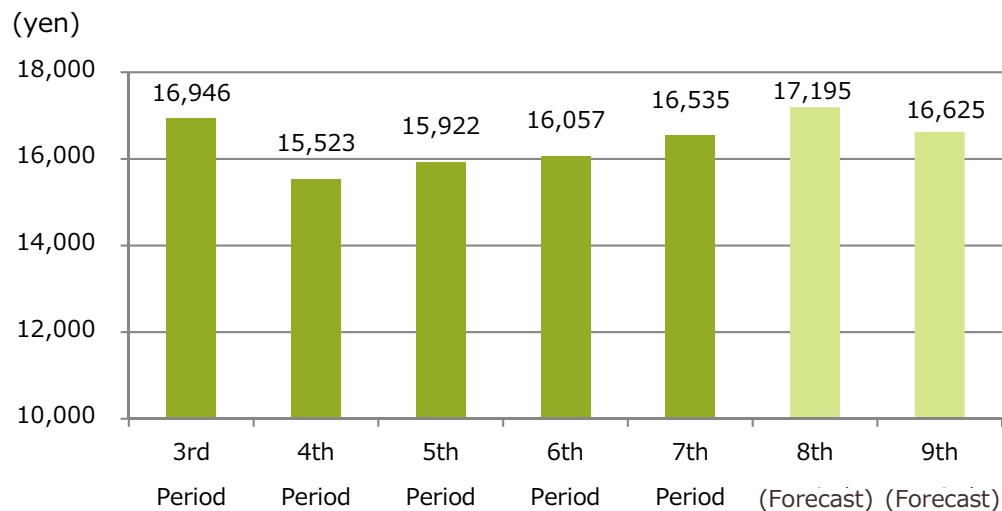
Wider Shibuya area



Key Financial and Valuation Indicators (Reference)

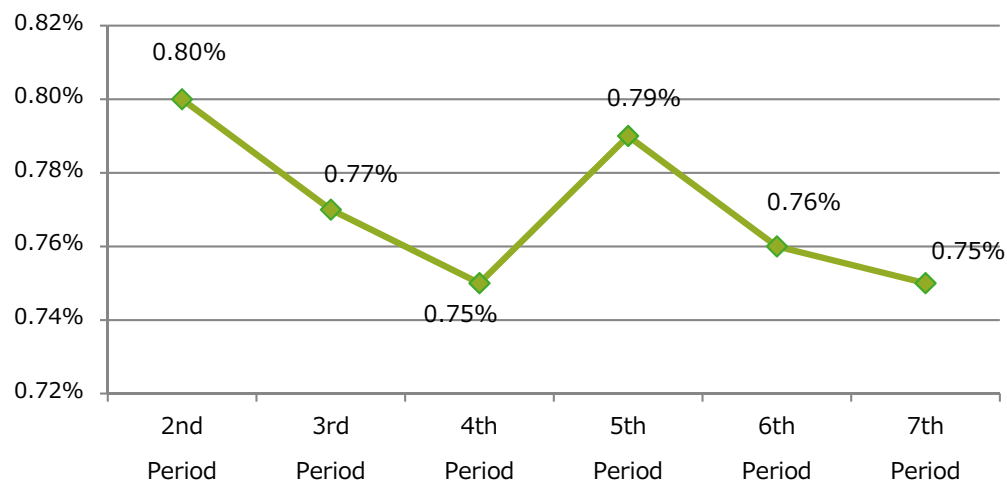
✓ Continuously maximizing unitholder value since IPO

1. DPU per unit

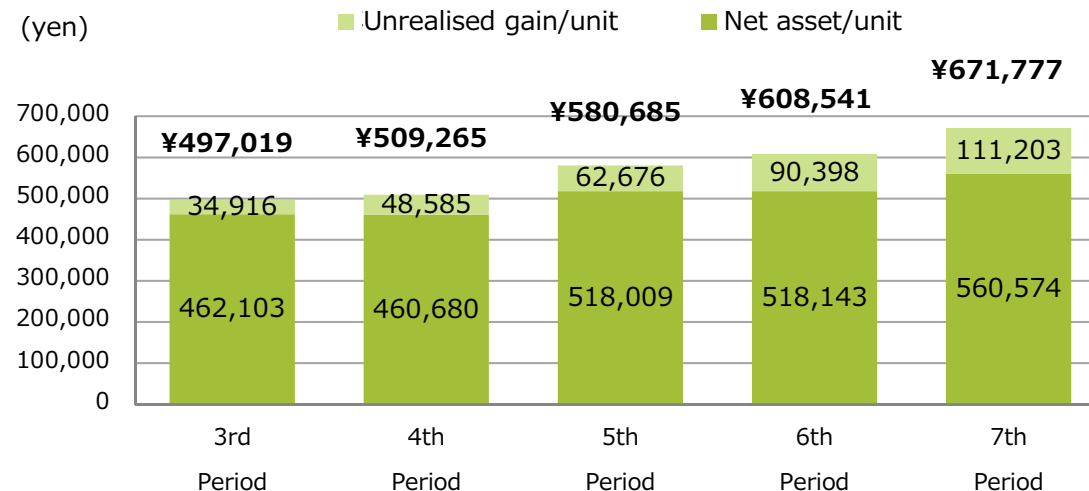


2. Average interest rate

—◆— Average interest rate

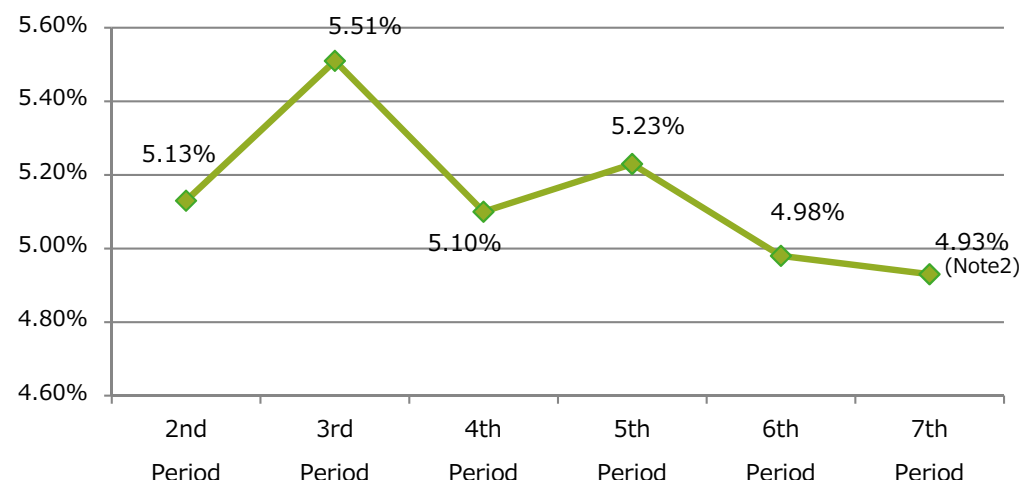


3. NAV per unit



4. NOI yield

—◆— NOI yield



(Note1) The 2nd fiscal period: 2012/11, The 3rd fiscal period: 2013/5, The 4th fiscal period: 2013/11, The 5th fiscal period: 2014/5, The 6th fiscal period: 2014/11, The 7th fiscal period: 2015/5, The 8th fiscal period: 2015/11, The 9th fiscal period: 2016/5

(Note2) NOI yield excluding OSAKI WIZTOWER is 5.04%

Key Leasing/Asset Sourcing Information

1. Average monthly rents by category (Note1)

	At IPO (Jun. 2012)	2nd Period (Nov. 2012)	3rd Period (May 2013)	4th Period (Nov. 2013)	5th Period (May 2014)	6th Period (Nov.2014)	7th Period (May 2015)
Urban Retail Properties (UR)	¥26,047	¥25,973 (△0.3%)	¥25,887 (△0.3%)	¥25,797 (△0.3%)	¥20,560 (△20.3%)	¥20,537 (△0.1%)	¥20,391 (△0.7%)
UR acquired at IPO incl. sales-linked rents (Note2)	-	¥26,163 (-)	¥26,076 (△0.3%)	¥25,951 (△0.5%)	¥20,699 (△20.2%)	¥20,683 (△0.1%)	¥20,833 (+0.7%)
Tokyo Office Properties (TO)	¥20,261	¥20,011 (△1.2%)	¥19,363 (△3.2%)	¥19,338 (△0.1%)	¥19,813 (+2.5%)	¥19,230 (△2.9%)	¥22,242 (+15.7%)
Other properties	¥6,541	¥6,541 (-)	¥7,119 (+8.8%)	¥7,104 (△0.2%)	¥7,606 (+7.1%)	¥7,605 (△0.0%)	¥7,798 (+2.5%)

(Note1) Including common service fees

(Note2) Calculated as the average rent (incl. sales-linked rent) in each period

2. Contract period and remaining contract period

	Urban Retail	Tokyo Office	Other	Total
Contract Period (year)	9.7	4.3 (3.1)	13.8 (10.3)	8.9 (7.6)
Remaining Contract Period (year)	5.2	3.1 (1.8)	9.8 (6.1)	5.5 (4.2)

(Note1) The figures in the parentheses are excluding those of TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land)

(Note2) Excluding "icot Kongo" which is disposed of as of July 8, 2015

(Note3) Including "Frontier Ebisu" which is scheduled to be acquired as of July 29, 2015

3. Asset information by category

Category	3rd period # (%)	4th period # (%)	5th period # (%)	6th period # (%)	7th period # (%)
Urban Retail	28 (13.0%)	20 (10.7%)	29 (15.5%)	35 (12.0%)	21 (9.5%)
Tokyo Office	97 (44.9%)	79 (42.2%)	82 (43.9%)	117 (40.1%)	88 (39.8%)
Other	91 (42.1%)	88 (47.1%)	76 (40.6%)	140 (47.9%)	112 (50.7%)
Total	216 (100.0%)	187 (100.0%)	187 (100.0%)	292 (100.0%)	221 (100.0%)

4. Asset information by sourcing channel

Sourcing Channels	3rd period # (%)	4th period # (%)	5th period # (%)	6th period # (%)	7th period # (%)
Sponsor and Support Companies	62 (28.7%)	93 (49.7%)	81 (43.3%)	196 (67.1%)	129 (58.4%)
Sellers	5 (2.3%)	9 (4.8%)	5 (2.7%)	1 (0.3%)	4 (1.8%)
Trust Bank	75 (34.7%)	31 (16.6%)	41 (21.9%)	30 (10.3%)	25 (11.3%)
Mediators & others	74 (34.3%)	54 (28.9%)	60 (32.1%)	65 (22.3%)	63 (28.5%)
Total	216 (100.0%)	187 (100.0%)	187 (100.0%)	292 (100.0%)	221(100.0%)

Internal Growth (Tokyo Office Properties)

✓ The occupancy rate for the entire portfolio is as high as 99.7%

	Property number	Property	2nd period	3rd period	4th period	5th period	6th period	7th period
			Nov. 2012	May 2013	Nov. 2013	May 2014	Nov. 2014	May 2015
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-2	Tokyu Plaza Akasaka	98.5%	98.7%	98.9%	100.0%	100.0%	98.8%
	UR-3	Q plaza EBISU	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-4	Shinbashi Place	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-5	Kyoto Karasuma Parking Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-6	Hitotsugi LIP (Note1)	-	-	84.2%	84.2%	100.0%	100.0%
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	-	-	-	100.0%	100.0%	100.0%
	UR-8	Tokyu Plaza Sapporo (Note1)	-	-	-	100.0%	100.0%	100.0%
	UR-9	Kamata Kosan Building (Note1)	-	-	-	100.0%	100.0%	100.0%
	Urban Retail Properties average		99.5%	99.6%	99.1%	99.6%	100.0%	99.8%
Tokyo Office Properties	TO-1	TLC Ebisu Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-2	A-PLACE Ebisu Minami	100.0%	96.1%	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%
	TO-4	A-PLACE Aoyama	86.7%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-5	Luogo Shiodome	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-6	TAMACHI SQUARE (Land)	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%
	TO-8	A-PLACE Shinbashi	-	84.6%	88.4%	100.0%	100.0%	98.7%
	TO-9	A-PLACE Gotanda	-	-	-	100.0%	100.0%	100.0%
	TO-10	A-PLACE Shinagawa	-	-	-	100.0%	100.0%	100.0%
	TO-11	OSAKI WIZTOWER	-	-	-	-	100.0%	100.0%
	TO-12	Shiodome Building	-	-	-	-	-	98.2%
	Tokyo Office Properties Average		97.4%	97.5%	98.6%	100.0%	100.0%	99.6%
Other Properties	O-1	Amagasaki Q's MALL (Land)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	O-2	icot Nakamozu	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	O-3	icot Kongo (Note2)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	O-4	icot Mizonokuchi	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	O-5	icot Tama Center	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	O-6	A-PLACE Kanayama	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%
	O-7	Osaka Nakanoshima Building	-	99.6%	100.0%	97.3%	98.2%	97.9%
	O-8	icot Omori	-	-	-	100.0%	100.0%	100.0%
	O-9	Market Square Sagamihara	-	-	-	-	-	100.0%
	Other Portfolio average		100.0%	100.0%	99.9%	99.8%	99.8%	99.7%
Total			99.4%	99.4%	99.4%	99.8%	99.9%	99.7%

(Note1) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note2) "icot Kongo" is disposed of as of July 8, 2015

(Note3) The occupancy rate is the ratio of the total leased area to the total leasable area as at the end of the month on each property, rounded to the first decimal place

(in millions of yen)

	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) (Estimate)	9th period (May 2016) (Estimate)
Revenue related to rent business	5,194	5,803	6,124	7,778	8,174	9,120	9,432	9,411
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	9,633	9,411
Expenses related to rent business	820	945	1,456	1,889	2,174	2,323	2,505	2,402
Management operation expenses	343	411	425	638	693	825	811	816
Utilities expenses	272	288	371	524	593	627	700	659
Tax and public dues	-	10	433	457	575	578	643	652
Insurance	4	4	5	7	7	8	6	6
Repair and maintenance expenses	108	97	71	114	142	118	190	102
Other expenses related to rent business	92	132	150	146	161	165	152	164
NOI	4,373	4,858	4,668	5,889	6,000	6,796	6,928	7,009
Depreciation and other	457	490	518	743	763	887	917	925
Income (loss) from rent business	3,916	4,367	4,149	5,145	5,237	5,909	6,011	6,083
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	6,211	6,083
General and administrative expenses	418	516	507	558	643	710	812	801
Operating income	3,498	3,851	3,642	4,580	4,594	5,199	5,399	5,282
Non-operating income	1	5	4	2	5	3	3	2
Non-operating expenses	576	377	459	584	567	619	636	676
Ordinary income	2,923	3,479	3,187	3,998	4,032	4,583	4,766	4,608
Net income	2,922	3,478	3,186	3,997	4,031	4,582	4,765	4,607

Statement of Income –7th Period ended May 2015–

(in thousands of yen)

	6th period	7th period
Operating revenue		
Rent revenue-real estate	7,544,941	8,501,606
Other lease business revenue	630,009	619,027
Total operating revenue	8,174,951	9,120,633
Operating expenses		
Expenses related to rent business	2,937,675	3,210,806
Asset management fee	567,459	615,641
Asset custody fee	7,089	7,981
Administrative service fee	14,062	14,611
Directors' compensations	3,300	3,300
Other operating expenses	51,359	68,984
Total operating expenses	3,580,945	3,921,326
Operating income (loss)	4,594,005	5,199,306
Non operating income		
Interest income	442	550
Interest on securities	1,787	3,083
Interest on refund	1,889	-
Insurance income	1,472	161
Total non-operating income	5,593	3,794
Non-operating expenses		
Interest expenses	413,995	449,096
Interest expenses on investment corporation bonds	7,416	9,615
Amortization of investment corporation bond issuance costs	2,380	3,012
Investment unit issuance expenses	49,228	56,205
Borrowing related expenses	93,976	101,181
Other	593	500
Total non-operating expenses	567,590	619,611
Ordinary income (loss)	4,032,008	4,583,489
Income (loss) before income taxes	4,032,008	4,583,489
Income taxes-current	833	992
Income taxes-deferred	11	△6
Total income taxes	845	985
Net income (loss)	4,031,162	4,582,504
Retained earnings (deficit) brought forward	141	1
Unappropriated retained earnings (undisposed loss)	4,031,303	4,582,505



Balance Sheets – 7th Period ended May 2015–

	(in thousands of yen)			(in thousands of yen)	
	6th period	7th period		6th period	7th period
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	8,585,158	9,743,232	Operating accounts payable	582,927	687,543
Cash and deposits in trust	1,540,009	3,007,251	Long-term borrowing to be repaid within a year	18,000,000	19,000,000
Operating accounts receivable	316,083	353,933	Accounts payable-other	42,874	112,013
Prepaid expenses	170,163	288,392	Accrued expenses	375,920	402,760
Deferred tax assets	11	17	Income taxes payable	383	258
Consumption taxes receivable	-	359,151	Consumption taxes payable	116,971	-
Other	-	1,546	Advances received	105,716	217,484
Total current assets	10,611,426	13,753,525	Deposits received	2,129	9,647
Noncurrent assets			Other	-	433
Property, plant and equipment			Total current liabilities	19,226,923	20,430,142
Building in trust	52,319,762	61,617,753	Noncurrent liabilities		
Accumulated depreciation	△2,734,761	△3,573,458	Investment Corporation Bonds	4,000,000	8,000,000
Building in trust, net	49,585,001	58,044,295	Long-term loans payable	88,800,000	100,100,000
Structures in trust	403,342	548,652	Tenant leasehold and security deposits in trust	11,294,108	13,583,386
Accumulated depreciation	△49,339	△62,644	Other	12	2
Structures in trust, net	354,002	486,007	Total noncurrent liabilities	104,094,121	121,683,388
Machinery and equipment in trust	1,142,718	1,205,731	Total liabilities	123,321,044	142,113,530
Accumulated depreciation	△93,321	△121,137			
Structures in trust, net	1,049,397	1,084,594	Net assets		
Tools, furniture and fixtures in trust	61,618	65,463	Unitholders' equity		
Accumulated depreciation	△8,702	△15,743	Unitholders' capital	126,054,921	150,770,610
Tools, furniture and fixtures in trust, net	52,916	49,720	Surplus		
Land in trust	186,823,468	219,073,983	Unappropriated retained earnings (undisposed loss)	4,031,303	4,582,505
Construction in progress in trust	5,200	9,174	Total surplus	4,031,303	4,582,505
Total property, plant and equipment	237,869,985	278,747,775	Total unitholders' equity	130,086,225	155,353,116
Intangible assets			Total net assets	130,086,225	155,353,116
Leasehold rights in trust	4,562,628	4,562,628	Total liabilities and net assets	253,407,269	297,466,647
Other	3,089	2,628			
Total intangible assets	4,565,717	4,565,256			
Investments and other assets					
Long-term prepaid expenses	329,135	341,930			
Invest securities	9,979	9,992			
Others	-	3,794			
Total investments and other assets	339,115	355,717			
Total noncurrent assets	242,774,818	283,668,749			
Deferred assets					
Investment corporation bond issuance costs	21,024	44,372			
Total deferred assets	21,024	44,372			
Total assets	253,407,269	297,466,647			

Portfolio Appraisal Values Status (1 / 2)

30 properties (as of May 31, 2015)

(in millions of yen)

Category	Property #	Property name	Acquisition price	Investment ratio (%) (Note1)	Appraisal agency (Note2)	Appraisal value	Capitalization					
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)	NOI (Note3)
	UR-1	Tokyu Plaza Omotesando Harajuku (Note3)	45,000	15.6	J	52,050	52,650	3.2	51,450	2.9	3.3	1,667
	UR-2	Tokyu Plaza Akasaka (Note4)	11,450	4.0	T	13,400	13,500	4.6	13,400	4.7	4.8	714
	UR-3	Q plaza EBISU	8,430	2.9	T	9,620	9,660	3.9	9,600	4.1/4.0 (Note7)	4.1	372
	UR-4	Shinbashi Place	20,500	7.1	D	24,100	24,500	4.6	23,900	4.4	4.8	1,105
	UR-5	Kyoto Karasuma Parking Building	8,860	3.1	D	9,910	9,920	5.3	9,900	5.3	5.5	537
	UR-6	Hitotsugi LIP (Note5)	3,000	1.0	J	3,360	3,400	3.9	3,310	3.7	4.1	132
	UR-7	Kobe Kyu Kyoryuchi 25bankan	21,330	7.4	J	23,300	23,600	4.5	23,000	4.3	4.7	1,054
	UR-8	Tokyu Plaza Sapporo (Note5)	4,410	1.5	D	5,880	5,880	6.0	5,880	5.8	6.3	425
	UR-9	Kamata Kosan Building (Note5)	6,370	2.2	D	6,860	6,920	4.4	6,840	4.2	4.6	307
	TO-1	TLC Ebisu Building	7,400	2.6	T	7,980	8,200	4.2	7,880	4.3	4.4	388
	TO-2	A-PLACE Ebisu Minami	9,640	3.3	T	11,300	11,400	4.1	11,200	4.2	4.3	476
	TO-3	A-PLACE Yoyogi	4,070	1.4	V	4,080	4,170	4.4	3,980	4.2	4.6	186
	TO-4	A-PLACE Aoyama	8,790	3.1	D	8,660	8,820	4.5	8,590	4.3	4.7	409
	TO-5	Luogo Shiodome	4,540	1.6	D	5,220	5,280	4.1	5,200	3.9	4.3	224
	TO-6	TAMACHI SQUARE (Land)(Note6)	2,338	0.8	T	2,500	2,600	4.2	2,450	4.6	4.4	109
	TO-7	A-PLACE Ikebukuro	3,990	1.4	J	4,380	4,440	4.6	4,320	4.4	4.8	208

(Note1) Investment ratios are calculated with the 30 properties excluding icot Kongo and including Frontier Ebisu

(Note2) J: Japan Real Estate Institute, T: The Tanizawa Sōgō Appraisal Co., Ltd., D: Daiwa Real Estate Appraisal Co., Ltd., V: Japan Valuers Co., Ltd., M: Morii Appraisal & Investment Consulting, Inc.

(Note3) Calculated based on Direct capitalization method. The figures are rounded down to the million yen

(Note4) Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, the co-ownership (jun kyoyu-mochibun) properties, are calculated based on the pro rata share (75% and 50,% respectively)

(Note5) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"



(Note6) The acquisition price for "TAMACHI SQUARE (Land)" represents the acquisition price of the land as of the acquisition date (June 13, 2012)

(Note7) The discount rate for Q Plaza Ebisu is 4.1% while owned and 4.0% for the terminal discount rate

Portfolio Appraisal Values Status (2/2)


30 properties (as of May 31, 2015)

(in millions of yen)

Category	Property #	Property name	Acquisition price	Investment ratio (%) (Note1)	Appraisal agency (Note2)	Appraisal value	Capitalization					
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)	NOI (Note3)
	TO-8	A-PLACE Shinbashi	5,650	2.0	J	6,280	6,390	4.2	6,170	4.0	4.4	279
	TO-9	A-PLACE Gotanda	5,730	2.0	M	6,030	6,130	4.2	5,930	4.0	4.4	256
	TO-10	A-PLACE Shinagawa	3,800	1.3	J	4,090	4,160	4.1	4,010	3.9	4.3	173
	TO-11	OSAKI WIZTOWER	10,690	3.7	D	12,600	12,600	4.1	12,600	3.6	4.0	511
	TO-12	Shiodome Building (Note4)	30,300	10.7	M	31,200	33,300	3.8	30,300	3.6	4.0	1,255
	O-1	Amagasaki Q's MALL (Land)	12,000	4.2	J	12,600	12,600	4.8	12,500	4.4	5.0	600
	O-2	icot Nakamozu	8,500	3.0	T	9,820	9,980	5.4	9,750	5.3/5.4 (Note6)	5.6	547
	O-3	icot Kongo (Note5)	1,600	-	M	1,860	1,900	6.6	1,810	6.4	7.1	152
	O-4	icot Mizonokuchi	2,710	0.9	M	3,090	3,150	5.7	3,020	5.5	6.1	182
	O-5	icot Tama Center	2,840	1.0	J	3,200	3,270	5.8	3,120	5.2	6.0	190
	O-6	A-PLACE Kanayama	6,980	2.4	V	7,480	7,540	5.4	7,420	5.2	5.6	409
	O-7	Osaka Nakanoshima Building	11,100	3.9	J	12,300	12,400	4.6	12,100	4.4	4.8	642
	O-8	icot Omori	5,790	2.0	J	6,130	6,170	4.8	6,090	4.6	5.0	295
	O-9	Market Square Sagamihara	4,820	1.7	V	4,850	4,870	5.5	4,830	5.3	5.7	262

Anticipated acquisition (as of Jun. 1, 2015)

(in millions of yen)

Category	Property #	Property name	Acquisition price	Investment ratio (%) (Note1)	Appraisal agency (Note2)	Appraisal value	Capitalization					
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)	NOI (Note3)
	TO-13	Frontier Ebisu	7,072	2.5	V	7,160	7,550	4.1	7,030	3.9	4.3	310

(Note1) Investment ratios are calculated with the 30 properties excluding icot Kongo and including Frontier Ebisu

(Note2) J: Japan Real Estate Institute, T: The Tanizawa Sōgō Appraisal Co., Ltd., D: Daiwa Real Estate Appraisal Co., Ltd., V: Japan Valuers Co., Ltd., M: Morii Appraisal & Investment Consulting, Inc.

(Note3) NOI calculated based on Direct Capitalization Method, rounded down to the million yen

(Note4) Shiodome Building, the co-ownership (jun kyoyu-mochibun) property is calculated based on the pro rata share (15%)

(Note5) "icot Kongo" is disposed of as of July 8, 2015

(Note6) The discount rate for icot Nakamozu is 5.3% for the first year through seventh year, and 5.4% after the eighth year

Overview of Lease and Profit and Loss for 7th Period (1 / 2)

(in thousands of yen)

	Urban Retail Properties									Tokyo Office Properties				
	Tokyu Plaza Omote-sando Harajuku (Note1)	Tokyu Plaza Akasaka (Note1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building	Hitotsugi LIP (Note2)	Kobe Kyu Kyoryuchi 25Bankan	Tokyu Plaza Sapporo (Note2)	Kamata Kosan Building (Note2)	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome
①Revenue related to rent business	1,107,421	590,359	268,477	(Note3)	(Note3)	107,970	765,424	431,838	207,567	275,682	338,144	117,491	248,547	168,635
Rent revenue-real estate	1,054,618	479,045	237,540	(Note3)	(Note3)	89,592	697,075	351,167	197,027	250,627	323,291	110,662	232,076	156,765
Other lease business revenue	52,803	111,313	30,936	(Note3)	(Note3)	18,378	68,348	80,671	10,539	25,054	14,853	6,829	16,471	11,870
②Expenses related to rent business	250,923	274,542	65,433	45,209	36,083	37,236	206,489	240,016	37,707	81,466	85,295	33,446	74,362	52,648
Management operation expenses	90,713	79,711	16,666	12,300	3,589	9,065	85,401	105,738	12,146	23,001	27,960	12,560	28,756	11,725
Utilities expenses	33,120	92,196	29,955	-	-	17,683	63,254	82,287	10,018	24,847	22,750	8,591	19,856	13,382
Tax and public dues	48,679	65,690	8,650	31,884	30,124	7,194	49,798	26,268	10,285	17,524	30,293	9,874	20,300	18,145
Insurance	395	610	121	264	229	56	859	735	92	275	331	118	252	215
Repair and maintenance expenses	1,349	31,226	1,325	-	1,339	1,830	225	14,883	3,213	5,464	1,054	608	1,186	5,753
Other expenses related to rent business	76,664	5,047	8,713	760	800	1,405	6,950	10,102	1,950	10,352	2,905	1,693	4,009	3,425
③NOI (① – ②)	856,497	315,817	203,044	(Note3)	(Note3)	70,734	558,935	191,822	169,859	194,215	252,848	84,045	174,185	115,986
④Depreciation and other (Note4)	48,332	32,870	18,499	32,734	15,776	8,324	120,416	41,415	7,594	41,045	30,398	15,670	22,954	27,484
Income (loss) from rent business (③ – ④)	808,165	282,946	184,545	(Note3)	(Note3)	62,409	438,518	150,407	162,265	153,169	222,450	68,374	151,231	88,502

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

(Note2) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note3) Undisclosed due to no consent from tenants

(Note4) Loss on retirement of current assets included in Depreciation and Other

Overview of Lease and Profit and Loss for 7th Period (2/2)

(in thousands of yen)

	Tokyo Office Properties							Other Properties								
	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER	Shiodome Building (Note1)	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Kongo (Note2)	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara
① Revenue related to rent business	62,502	(Note3)	190,702	178,516	109,150	(Note3)	540,466	341,533	310,640	(Note3)	(Note3)	144,447	281,622	490,349	232,517	135,647
Rent revenue-real estate	62,502	(Note3)	177,548	166,608	102,735	(Note3)	513,853	341,533	310,610	(Note3)	(Note3)	130,654	258,259	464,256	196,774	130,703
Other lease business revenue	-	(Note3)	13,153	11,908	6,414	(Note3)	26,612	-	30	(Note3)	(Note3)	13,793	23,362	26,092	35,743	4,943
② Expenses related to rent business	8,192	32,113	57,073	28,509	21,346	95,976	78,434	41,168	40,141	17,244	13,458	49,473	78,167	156,273	65,448	19,860
Management operation expenses	-	10,349	16,113	12,603	8,947	94,576	34,379	-	5,633	2,347	2,267	19,128	23,916	53,220	8,934	13,297
Utilities expenses	-	9,606	13,666	12,896	7,004	92	35,053	-	30	-	-	16,364	25,235	45,805	38,422	5,664
Tax and public dues	7,939	10,733	15,211	69	39	3	94	40,907	31,633	13,713	9,865	11,958	24,932	23,800	13,123	-
Insurance	-	114	182	161	108	411	744	-	327	249	140	203	333	859	144	179
Repair and maintenance expenses	-	632	7,547	464	3,506	242	2,086	-	1,750	674	164	510	430	27,089	3,516	-
Other expenses related to rent business	252	677	4,352	2,314	1,740	650	6,075	260	768	260	1,020	1,308	3,318	5,497	1,305	719
③ NOI (① - ②)	54,309	(Note3)	133,629	150,006	87,804	(Note3)	462,031	300,364	270,498	(Note3)	(Note3)	94,974	203,454	334,075	167,069	115,786
④ Depreciation and other (Note4)	-	20,682	26,970	26,892	9,307	47,937	65,416	-	34,532	17,498	8,515	18,667	52,245	57,931	17,271	19,677
Income (loss) from rent business (③ - ④)	54,309	(Note3)	106,658	123,114	78,496	(Note3)	396,614	300,364	235,966	(Note3)	(Note3)	76,306	151,209	276,144	149,798	96,108

(Note1) Shiodome Building, the co-ownership (jun kyoyu-mochibun) property is calculated based on the pro rata share (15%)

(Note2) "icot Kongo" is disposed of as of July 8, 2015

(Note3) Undisclosed due to no consent from tenants

(Note4) Loss on retirement of current assets included in Depreciation and Other

10 Largest Tenants by Leased Area/PML

1. 10 largest tenants by leased area

End-tenants	Property name	Total leased area (m) (Note1)	% of leased area (Note2)	Lease expiration
1. Tokyu Hotels	Tokyu Plaza Akasaka (Note3) Tokyu Plaza Sapporo (Note4)	30,183	10.1	Oct. 2021
2. Sumitomo Mitsui Trust Bank	TAMACHI SQUARE(Land) Amagasaki Q's MALL (Land)	28,753	9.6	May 2074 Jan. 2042
3. Kohnan Shoji	icot Nakamozu	26,529	8.9	Jul. 2027
4. Paraca	Kyoto Karasuma Parking Building	21,224	7.1	-
5. Plan・Do・See	Kobe Kyu Kyoryuchi 25Bankan	14,195	4.8	-
6. Room's-Taishodo	icot Mizonokuchi	14,032	4.7	Jul. 2018
7. K's Holdings Corporation	Market Square Sagamihara	11,864	4.0	Jun. 2034
8. Yamada-Denki	Shinbashi Place	9,156	3.1	-
9. The Bank of Tokyo-Mitsubishi UFJ Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609	1.9	-
10. -	Shiodome Building	-	-	-

(Note1) Based on the lease agreement as of the end of May 2015. Excl. icot Kongo, which is disposed of as of July 8, 2015

(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, the co-ownership (jun kyoyu-mochibun) property, is calculated based on the pro rata share (50%)

(Note4) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note5) "-" denotes that the data is not disclosed due to no consent from tenants

(Note6) PML not listed as we own only the land for TAMACHI SQUARE(land) and Amagasaki Q's MALL (land)

(Note7) Seismic strengthening was conducted on Tokyu Plaza Akasaka, Tokyu Plaza Sapporo and A-PLACE Aoyama in April 2009, June 2007 and July 2008 respectively

(Note8) PML for the entire portfolio is based on the "Report of portfolio seismic PML analysis" as of June 2015

(Note9) 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

2. PML (Probable maximum loss)

Property #	Property name	PML (%)
UR-1	Tokyu Plaza Omotesando Harajuku	2.9
UR-2	Tokyu Plaza Akasaka (Note7)	3.6
UR-3	Q plaza EBISU	5.7
UR-4	Shinbashi Place	6.8
UR-5	Kyoto Karasuma Parking Building	2.4
UR-6	Hitotsugi LIP (Note4)	6.4
UR-7	Kobe Kyu Kyoryuchi 25Bankan	2.6
UR-8	Tokyu Plaza Sapporo (Note4)(Note7)	0.3
UR-9	Kamata Kosan Building (Note4)	7.9
TO-1	TLC Ebisu Building	6.5
TO-2	A-PLACE Ebisu Minami	8.0
TO-3	A-PLACE Yoyogi	5.1
TO-4	A-PLACE Aoyama (Note7)	8.9
TO-5	Luogo Shiodome	2.7
TO-6	TAMACHI SQUARE(Land)	(Note6)-
TO-7	A-PLACE Ikebukuro	3.2
TO-8	A-PLACE Shinbashi	7.4
TO-9	A-PLACE Gotanda	6.1
TO-10	A-PLACE Shinagawa	4.9
TO-11	OSAKI WIZTOWER	2.4
TO-12	Shiodome Building	2.6
TO-13	Frontier Ebisu	5.2
O-1	Amagasaki Q's MALL (Land)	(Note6)-
O-2	icot Nakamozu	4.8
O-4	icot Mizonokuchi	8.3
O-5	icot Tama Center	1.8
O-6	A-PLACE Kanayama	5.3
O-7	Osaka Nakanoshima Building	7.9
O-8	icot Omori	3.9
O-9	Market Square Sagamihara	7.7
Average of the current portfolio (Note8)		2.1

Borrowings and investment Corporation Bonds (1 / 2)

(as of July 10, 2015)

(as of July 16, 2019)							
Classification	Lender	Amounts borrowed (¥ mn)	Interest rate (Fixed/Floating)	Maturity (Note2)	Remaining borrowing period (Note3)	Repayment method	Comment
Long-term debt (Note1)	Sumitomo Mitsui Trust Bank, Ltd.	1,400	Base rate+0.15% (Floating) (Note4)	Jan. 9, 2016	0.5 years	Bullet maturity	No- collateral
	Mitsubishi UFJ Trust and Banking Corporation	1,400					
	Mizuho Bank, Ltd.	1,400					
	The Bank of Tokyo-Mitsubishi UFJ Ltd.	1,400					
	Sumitomo Mitsui Banking Corporation	700					
	Development Bank of Japan Inc.	700					
	Mitsubishi UFJ Trust and Banking Corporation	3,000	0.86572% (Fixed)	Jun. 13, 2016	0.9 years		
	Sumitomo Mitsui Trust Bank, Ltd.	3,000					
	Mizuho Bank, Ltd.	3,000					
	The Bank of Tokyo-Mitsubishi UFJ Ltd.	3,000					
	Sumitomo Mitsui Banking Corporation	6,000	Base rate+0.17% (Floating) (Note4)	Dec. 13, 2016	1.4 years		
	Mizuho Trust & Banking Co., Ltd.	2,000	Base rate+0.175% (Floating) (Note4)	Mar. 31, 2017	1.7 years		
	Resona Bank, Ltd.	1,500					
	The Bank of Fukuoka, Ltd.	1,000					
	The Gunma Bank, Ltd.	500					
	Shinkin Central Bank	500					
	Sumitomo Mitsui Trust Bank, Ltd.	500					
	The Bank of Tokyo-Mitsubishi UFJ Ltd.	3,000	0.95315% (Fixed)	Jun. 13, 2017	1.9 years		
	Sumitomo Mitsui Trust Bank, Ltd.	3,000					
	Mitsubishi UFJ Trust and Banking Corporation	3,000					
	Mizuho Bank, Ltd.	3,000					
	Sumitomo Mitsui Trust Bank, Ltd.	780	0.49815% (Fixed)	Jan. 9, 2018	2.5 years		
	Mitsubishi UFJ Trust and Banking Corporation	780					
	Mizuho Bank, Ltd.	780					
	The Bank of Tokyo-Mitsubishi UFJ Ltd.	780					
	Sumitomo Mitsui Banking Corporation	390					
	Development Bank of Japan Inc.	390					
	Sumitomo Mitsui Trust Bank, Ltd.	5,000	0.68315% (Note5)	Mar. 31, 2018	2.7 years		
Mizuho Bank, Ltd.	3,000	1.06309% (Fixed)	Jun. 13, 2018	2.9 years			
Sumitomo Mitsui Trust Bank, Ltd.	3,000						
Mitsubishi UFJ Trust and Banking Corporation	3,000						
The Bank of Tokyo-Mitsubishi UFJ Ltd.	3,000						
Sumitomo Mitsui Trust Bank, Ltd.	500	0.52304% (Fixed)	Jan. 9, 2019	3.5 years			
Mitsubishi UFJ Trust and Banking Corporation	500						
Mizuho Bank, Ltd.	500						
The Bank of Tokyo-Mitsubishi UFJ Ltd.	500						
Sumitomo Mitsui Banking Corporation	250						
Development Bank of Japan Inc.	250						
Sumitomo Mitsui Trust Bank, Ltd.	800	0.91941% (Fixed)	Apr. 19, 2019	3.8 years			
Mitsubishi UFJ Trust and Banking Corporation	800						
Mizuho Bank, Ltd.	800						
The Bank of Tokyo-Mitsubishi UFJ Ltd.	800						
Sumitomo Mitsui Banking Corporation	400						
Development Bank of Japan Inc.	400						

(Note1) Long-term borrowings include long term borrowings repaid within a year

(Note2) If the repayment date falls on a non-business day, then the repayment is to be made on the next available business day. However, if the next available business day is in the next month, then the repayment is to be made on the business day immediately before the repayment date

(Note3) Years to maturity are calculated starting on July 10, 2015

(Note4) The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month Japanese Yen TIBOR of the Japanese Bankers Association, two business days before the interest payment date immediately preceding each interest payment date. However, if the calculation period is less than one month, the base rate will be the one corresponding to the period that will be calculated based on a method provided for in the agreement

(Note5) Risks arising from interest rate fluctuations are hedged by interest rate swap agreements. The interest rates described in the table reflect the hedging effect of such swap agreements

Borrowings and Investment Corporation Bonds (2/2)

(as of July 10, 2015)

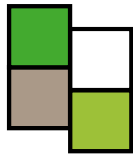
Classification	Lender	Amounts borrowed (¥ mn)	Interest rate (Fixed/Floating)	Maturity (Note2)	Remaining borrowing period (Note3)	Repayment method	Comment
Long-term debt (Note1)	Development Bank of Japan Inc.	6,000	1.19051% (Fixed)	Jun. 13, 2019	3.9 years	Bullet maturity	No-collateral
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	340 340 340 340 170 170	0.54352% (Fixed)	Jul. 9, 2019	4 years		
	Mizuho Trust & Banking Co., Ltd. Shinkin Central Bank	1,500 1,500	0.51000% (Fixed)	Aug. 29, 2019	4.1 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	160 160 160 160 80 80	0.93846% (Fixed)	Jan. 10, 2020	4.5 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	600 600 600 600 300 300	0.72546% (Fixed)	Jan. 10, 2020	4.5 years		
	Resona Bank, Ltd. The Bank of Fukuoka, Ltd. The Gunma Bank, Ltd. The Norinchukin Bank	1,500 1,000 500 500	0.52500% (Fixed)	Mar. 31, 2020	4.7 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	1,060 1,060 1,060 1,060 530 530	1.07980% (Fixed)	Dec. 19, 2020	5.4 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	1,340 1,340 1,340 1,340 670 670	1.07856% (Fixed)	Jan. 10, 2021	5.5 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	840 840 840 840 420 420	0.73690% (Fixed)	Jan. 9, 2022	6.5 years		
	Mizuho Trust & Banking Co., Ltd. Shinkin Central Bank	2,000 500	0.68500% (Fixed)	Mar. 31, 2022	6.7 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd.	1,500 1,500 1,500 1,500	0.94688% (Fixed)	Jun. 15, 2022	6.9 years		
	Sumitomo Mitsui Trust Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ Ltd.	1,500 1,500 1,500 1,500	1.06316% (Fixed)	Jun. 15, 2023	7.9 years		
	Total	119,100	-	-	-		
The Investment Corporation bonds		Issue price	Interest rate	Maturity (Note4)	Remaining borrowing period (Note3)	Maturity method	Comment
The Investment Corporation 1st unsecured bonds (with pari passu conditions among specified investment corporation bonds)		4,000	0.37%	Apr. 25, 2019	3.8 years	Bullet maturity	No-collateral
The Investment Corporation 2nd unsecured bonds (with pari passu conditions among specified investment corporation bonds)		2,000	0.297%	Apr. 21, 2020	4.8 years		
The Investment Corporation 3rd unsecured bonds (with pari passu conditions among specified investment corporation bonds)		2,000	0.726%	Apr. 21, 2025	9.8 years		
Total of Borrowings and Investment Corporation Bonds		127,100	-	-	-	-	-

(Note1) Long-term include long term borrowings repaid within a year

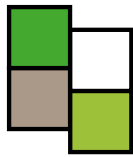
(Note2) If the repayment date falls on a non-business day, then the repayment is to be made on the next available business day. However, if the next available business day is in the next month, then the repayment is to be made on the business day immediately before the repayment date

(Note3) Years to maturity are calculated starting on July 10, 2015

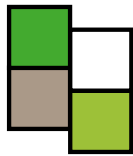
(Note4) Redemption by purchase will be available any time on and after the date following the repayment date except for the case separately determined by the depository



Focused investments in Urban Retail Properties 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 the value of our unitholders

Tokyu Plaza Omotesando Harajuku



Tokyu Plaza Akasaka



OSAKI WIZTOWER



Portfolio Composition Policy

- We intend to acquire a portfolio competitive in the medium to long term by investing primarily in Urban Retail and Tokyo Office Properties.
- In making these investments, we consider location the most important factor, followed by other factors such as size, quality, specifications, and suitability for use by tenants



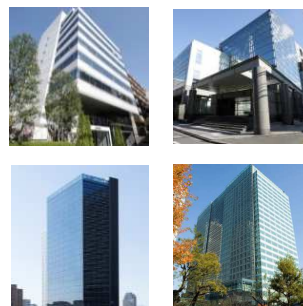
Urban Retail Properties

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



Tokyo Office Properties

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

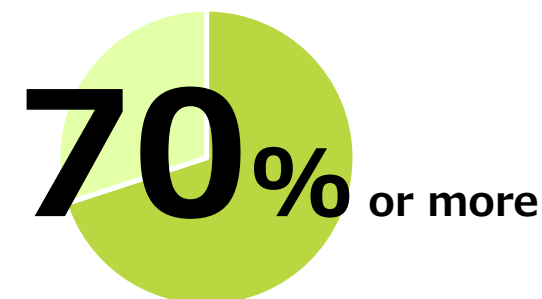


Other Properties

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



Target portfolio
(acquisition price basis)



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

Strengths and Competiveness of Activia Properties Inc.

- ✓ *Focus on Urban Retail and Tokyo Office properties*
80% of portfolio is comprised of UR & TO

- ✓ *Leading governance structure among JREITs*
Interest alignments through DPU-linked AM fees and arms' length principles

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

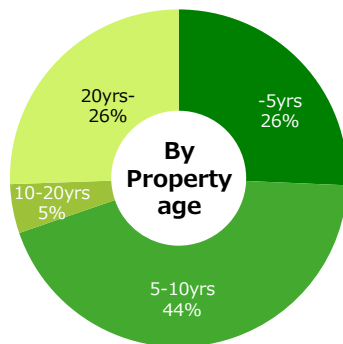
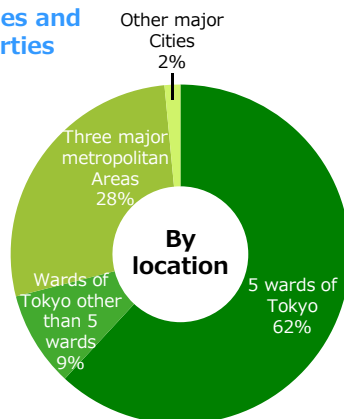
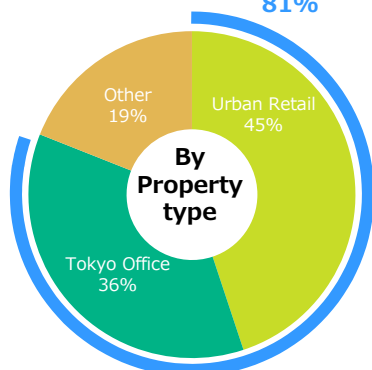
- Intensive focus on mid- to long-term earnings stability on the back of declining population and economy size
 - Properties located in major cities such as 5 central wards of Tokyo, Osaka, Kobe and Sapporo
 - Properties with high competitiveness
- The 1st J-REIT to adopt DPU linked AM fee
- Managing 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
- Started with a solid initial portfolio with average 5.1% NOI yield
- For initial 18 properties, weighted average cap rate compressed from 4.7% to 4.4% (note) since IPO
- Portfolio unrealized gain of ¥30.8billion (the 7th period: 2015/5)
- Taking advantage of NAV premium and low capital cost for further growth

(Note) The weighted average of the appraisal cap rates on the listing date (June 13, 2012) and at 7th fiscal period (ended May 2015)

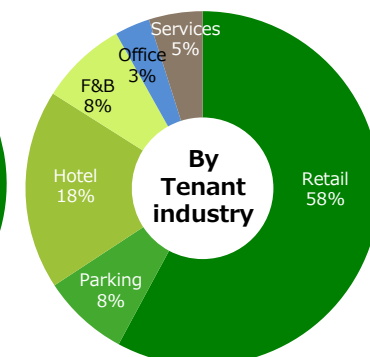
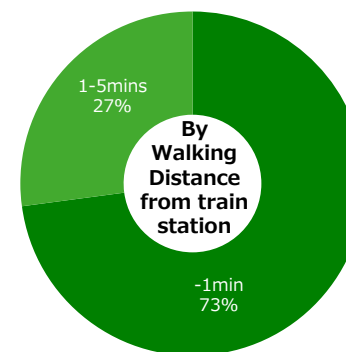
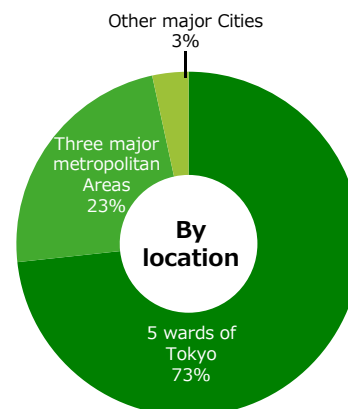
Portfolio Summary

Overview of the portfolio (Note1)

Urban Retail Properties and Tokyo Office Properties 81%

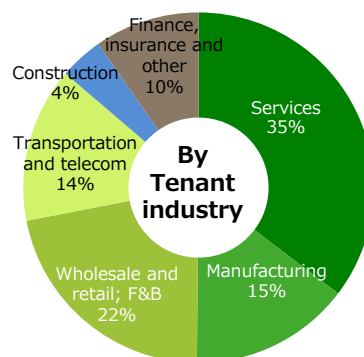
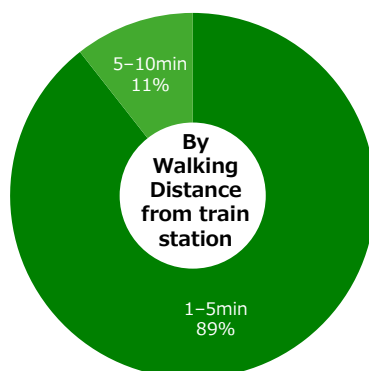
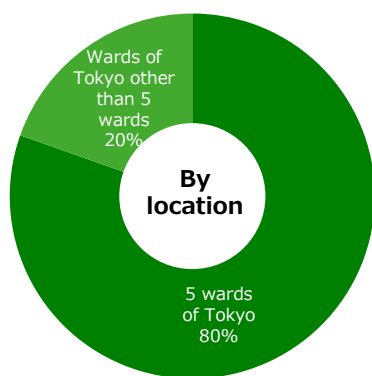


Urban Retail Properties (Note1)

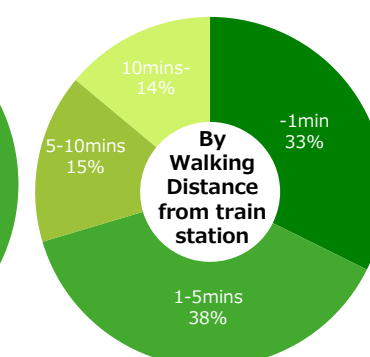
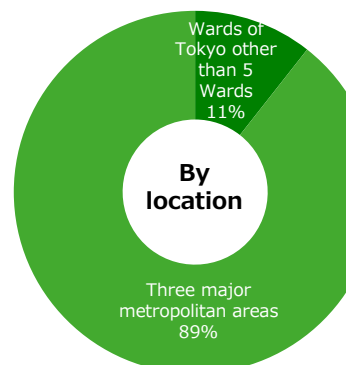
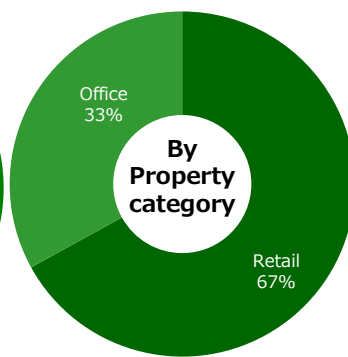


Average: 12.7years (Note2)

Tokyo Office Properties (Note1)



Other Properties (Note1)



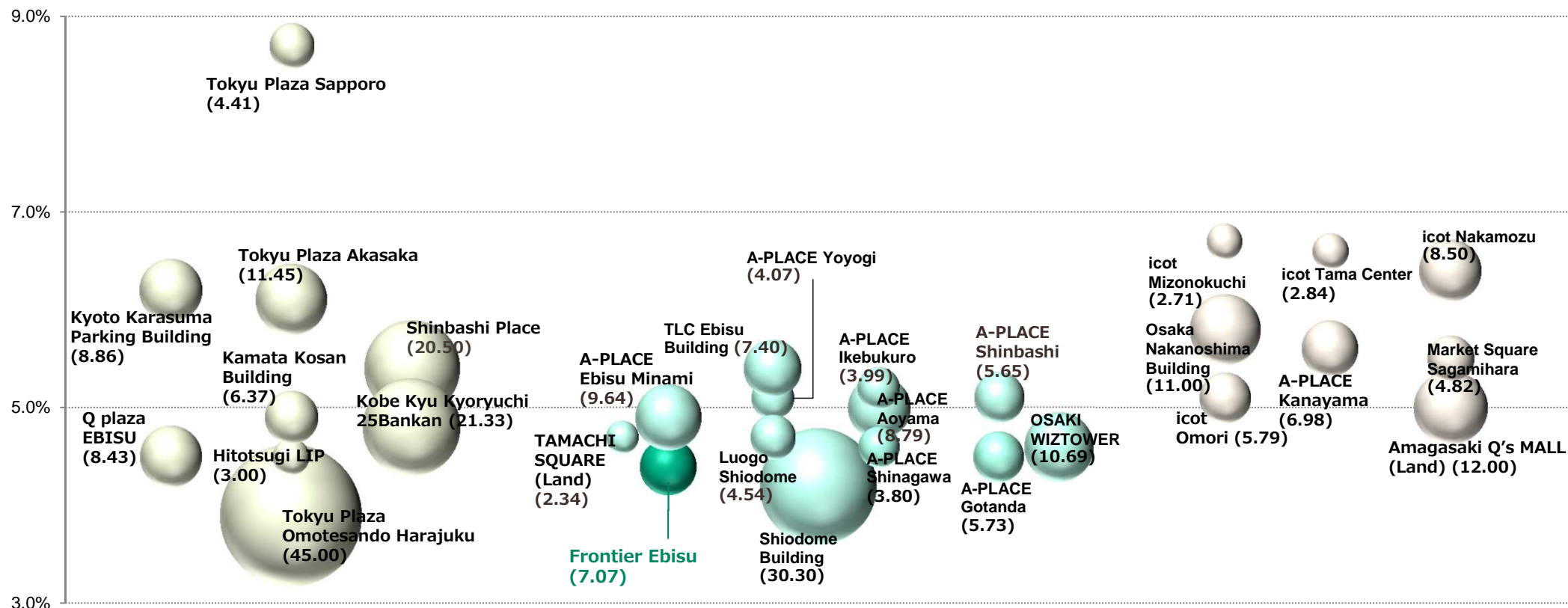
(Note1) Each chart is based on the acquisition price as of the end of May 2015 and adjusted for the acquisition of Frontier Ebisu planned on July 29, 2015 and the sale of icot Kongo planned on July 8, 2015

(Note2) Average property age is calculated as a weighted-average property age as of the end of May 2015 (as of July 29, 2015 for Frontier Ebisu) on an acquisition price basis. "Tamachi Square (sokochi)" and "Amagasaki Q's MALL" are excluded as API owns only the land; "icot Kongo" is also excluded as the property is disposed of on July 8, 2015

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

58

API's portfolio matrix (Asset types × NOI yield)



of Property: 9
Average NOI yield: 4.9%
Acquisition price: 129.35bn



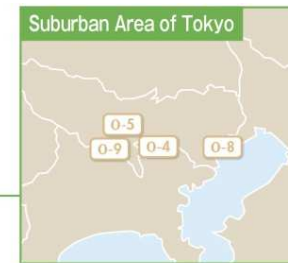
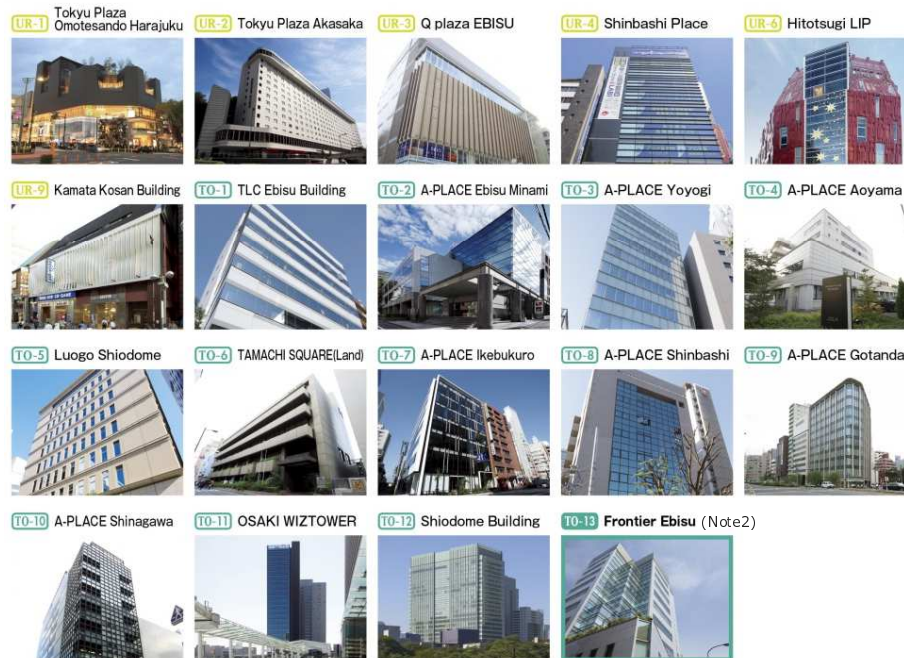
of Property: 13
Average NOI yield: 4.6%
Acquisition price: 104.01bn



of Property: 8
Average NOI yield: 5.7%
Acquisition price: ¥54.74bn

of Property: 30, Average NOI yield: 5.0%, Acquisition price: ¥288.1bn

(Note1) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"
 (Note2) Acquisition prices (in billion yen) are shown in parentheses








(Note1) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note2) "Frontier Ebisu" is planned to be acquired as of July 29, 2015

(Note3) "icot Kongo" is disposed of as of July 8, 2015

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
					
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) (Note2)	¥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 (Note3)	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	11,368.11m ²	51,491.66m ²	4,670.02m ²	8,541.70m ²	21,495.47m ²
Total leasable area	4,904.55m ²	16,620.46m ²	4,024.88m ²	9,156.01m ²	21,616.04m ²
Occupancy rate (Note4)	100.0%	98.8%	100.0%	100.0%	100.0%
Key tenants	Baroque Japan Limited	Tokyu Hotels Co., Ltd.	Tokyu Sports Oasis Inc.	Yamada-Denki Co., Ltd.	Paraca Inc.
Number of tenants (Note4)	27	97	4	1	2
Investment criteria	<ul style="list-style-type: none"> Located at the crossing of Omotesando and Meiji Street, the center of Japan's fashion culture. It is an excellent location with a strong branding effect for fashion shops Aiming to develop a "fashion theme park" that enables customers to enjoy the latest fashion and life-style themes in an environment full of greenery Many tenants have positioned their shops in this building as their flagship or prototype shop considering the building's excellent location and high visibility 	<ul style="list-style-type: none"> Property is located in an area of Akasaka with a high concentration of restaurants, hotels and offices where many middle-aged office workers like to meet. The strong international flavor stems from the many foreign companies and embassies in this area. 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. It is a high profile building with a large façade and one of the landmarks of the Akasaka area 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 It is located in a place that is convenient for both shoppers visiting Ginza and office workers Versatile structure of the building allows various alternative uses including, but not limited to, use as offices for versatile coverage of diversified tenants' needs 	<ul style="list-style-type: none"> Located in the Shijo Karasuma area, which is one of Kyoto's most prominent city center areas With a facade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day It is one of the few retail properties in the area with a large car park Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto

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

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

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

(Note4) As of the end of May 2015

Portfolio – Urban Retail Properties (2/2)

Property name	Hitotsugi LIP (Note1)	Kobe Kyu Kyoryuchi 25Bankan	Tokyu Plaza Sapporo (Note1)	Kamata Kosan Building (Note1)
				
Location	Akasaka, Minato-ku, Tokyo	Kyomachi, Chuo-ku, Kobe City, Hyogo	Minami-Yonjo-Nishi, Chuo-ku, Sapporo, Hokkaido	Udagawa-cho, Shibuya-ku, Tokyo
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-YamaNoteLine "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
Acquisition price (A)	¥3,000 mn	¥21,330 mn	¥4,410 mn	¥6,370 mn
Appraisal value (B) (Note2)	¥3,150 mn	¥21,600 mn	¥4,800 mn	¥6,400 mn
vs appraisal value (A/B)	95.2%	98.8%	91.9%	99.5%
Appraisal NOI yield (Note3)	4.5%	4.8%	8.7%	4.9%
Structure	Steel framed, SRC	Steel framed, SRC	Steel framed, RC	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
Gross floor area	2,429.01m ²	27,010.67m ²	27,277.85m ²	3,340.70m ²
Total leasable area	2,280.22m ²	19,653.90m ²	21,229.16m ²	3,413.80m ²
Occupancy rate (Note4)	100.0%	100.0%	100.0%	100.0%
Key tenants	KICHIRI & Co., Ltd.	Plan Do See Inc.	Tokyu Hotels Co., Ltd.	BOOKOFF CORPORATION LIMITED
Number of tenants (Note4)	8	7	18	2
Investment criteria	<ul style="list-style-type: none"> ● A highly visible commercial building on Hitotsugidori, the busiest street, with various restaurants and the heaviest foot traffic, in Akasaka ● Located close to Akasaka Hills, a largescale complex opened in 2008, with the potential for attracting shoppers ● Leasable area for is 361m² for the basic floor, ready to deal with various needs of tenants with floors being suitable for partial leasing 	<ul style="list-style-type: none"> ● 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 ● Tenants under a lease contract for 5 years or longer have helped stabilize portfolio revenue 	<ul style="list-style-type: none"> ● Located in "Susukino", the most popular entertainment district in Hokkaido and one of Japan's major tourist spots ● A highly visible landmark located a twominute walk from Susukino station along Tsukisamu-dori, one of the major roads in Sapporo city ● As an "old established" hotel in the city, Tokyu Inn, the key tenant, has retained high occupancy rates since opening in 1980 	<ul style="list-style-type: none"> ● 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, which occupies the 4–5 floors, is a long-established club, hosts live music and has invited a variety of artists from both Japan and Abroad for 25 years





(Note1) As of August 1, 2015, "Hitotsugi LIP" is to be renamed to "A-FLAG Akasaka," "Tokyu Plaza Sapporo" to "A-FLAG Sapporo" and "Kamata Kosan Building" to "A-FLAG Shibuya"

(Note2) As of July 1, 2013 for "Hitotsugi LIP" and "Kobe Kyu Kyoryuchi 25Bankan" and as of September 1, 2013 for "Tokyu Plaza Sapporo" and "Kamata Kosan Building"

(Note3) Appraisal NOI yield is calculated by dividing NOI (derived from direct capitalization) described in Appraisal Report by the acquisition price

(Note4) As of the end of May 2015

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)
						
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) (Note2)	¥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 (Note3)	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 1 floor underground	6 floors above and 1 floor underground	10 floors above and 1 floor underground	9 floors above and 1 floor underground	11 floors above and 1 floor underground	-
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	7,342.60m ²	7,950.51m ²	3,106.17m ²	7,303.69m ²	4,476.35m ²	1,287.96m ²
Occupancy rate (Note4)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants	<ul style="list-style-type: none"> The building is in the highprofile 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Building has strong competitive advantages compared with the office buildings in the neighborhood due to its large size Large-scale renovation of the building including seismic strengthening completed in 2008 Above-ground ample parking spaces provides an attractive feature companies including apparel companies that need to deliver products and equipment 	<ul style="list-style-type: none"> Located on the north side of Shiodome Siosite's western district, known as "Italy Town", which has high traffic Higher competitiveness compared with other office properties in the neighborhood due to its quake-absorbing structure Strong demand expected from affiliates and customers of large corporations that are tenants in large buildings around "Shiodome" station 	<ul style="list-style-type: none"> 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

(Note1) The date of value estimate is as of Feb. 29, 2012 except for Tokyo Kikai Honsha Building (Land), as of Mar. 1, 2014

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

(Note3) As of the end of May 2015

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
						
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/ YamanoteLine/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 (Holding portion)	¥30,300 mn
Appraisal value (B) (Note2)	¥4,020 mn	¥5,780 mn	¥5,750 mn	¥3,800 mn	¥11,200 mn (Holding portion)	¥30,450 mn
vs appraisal value (A/B)	99.3%	97.8%	99.7%	100.0%	95.4%	99.5%
Appraisal NOI yield (Note3)	5.2%	5.1%	4.5%	4.6%	4.6%	4.2%
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	5,782.65m ²	3,937.61m ²	54,363.84m ² (Total)	115,930.83m ² (Whole building)
Total leasable area	3,409.73m ²	5,052.14m ²	4,028.69m ²	2,986.36m ²	7,193.28m ² (Holding portion)	12,058.31m ² (Converting holding portion)
Occupancy rate (Note4)	100.0%	98.7%	100.0%	100.0%	100.0%	98.2%
Key tenants	<ul style="list-style-type: none"> High-profile building located within a 6-minute walking distance from "Ikebukuro" station along Meiji Street Relatively new building which is built by the latest building, facility specifications and located in an area with little supply of new office Properties 	<ul style="list-style-type: none"> Demand in this area from prospective tenants running various types of business in different categories is expected In a block on the southern side, Loop Road No. 2 is under onstruction. The district has the potential for further evelopment in the future The second through fifth floors were renovated 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> High convenience with a four-minute 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 	<ul style="list-style-type: none"> 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

(Note1) Shiodome Building, the co-ownership (jun kyoyu-mochibun) property is calculated based on the pro rata share (15%)

(Note2) As of February 29, 2012 for A-PLACE Ikebukuro, as of March 1, 2012 for A-PLACE Shinbashi, as of September 1, 2013 for A-PLACE Gotanda and A-PLACE Shinagawa, as of March 31, 2014 for OSAKI WIZTOWER and as of September 1, 2014 for Shiodome building

(Note3) Appraisal NOI yield is calculated by dividing NOI (derived from direct capitalization) described in Appraisal Report by the acquisition price

(Note4) As of the end of May 2015

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

Property name	Frontier Ebisu	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Kongo (Note1)	icot Mizonokuchi
					
Location	Higashi, Shibuya-ku, Tokyo	Shioe, Amagasaki City, Hyogo	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Handa, Osaka Sayama 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	2-minute walk from JR Tokaido Main Line/ Fukuchiyama Line/ Tozai Line "Amagasaki" station	6-minute walk from Osaka Municipal Subway Midotsuji Line "Nakamozu" station 6-minute walk from Nankai Koya Line "Shirasagi" station 8-minute walk from Nankai Koya Line "Nakamozu" station	5-minute walk from Nankai Koya Line "Kongou" station	13-minute walk from Tokyu Denen Toshi Line/ Oimachi Line "Takatsu" station
Acquisition price (A)	¥7,072 mn	¥12,000 mn	¥8,500 mn	¥1,600 mn	¥2,710 mn
Appraisal value (B) (Note2)	¥7,160 mn	¥12,100 mn	¥8,880 mn	¥1,780 mn	¥2,950 mn
vs appraisal value (A/B)	98.8%	99.2%	95.7%	89.9%	91.9%
Appraisal NOI yield (Note3)	4.4%	5.0%	6.4%	9.4%	6.7%
Structure	SRC	-	Steel framed	RC	Steel framed
Number of floors	10 floors above and 2 floors underground	-	3 floors above	3 floors above	4 floors above and 1 floor underground
Gross floor area	5321.23m ²	-	27,408.34m ²	17,894.95m ²	14,032.05m ²
Total leasable area	4010.69m ²	27,465.44m ²	28,098.02m ²	17,884.55m ²	14,032.05m ²
Occupancy rate (Note4)	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Located in Nakamozu area where housing concentration is growing steadily as it connects Osaka City with Senboku New Town It is one of the No. 1 neighborhood shopping 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 	<ul style="list-style-type: none"> Strong competitiveness in the area, supported by its location in Osaka's commuter town, proximity to the station, large floor area and the large open above-ground parking space Building was renovated in 2006 to maintain/increase its Competitiveness 	<ul style="list-style-type: none"> 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

(Note1) "icot Kongo" was sold as of July 8, 2015

(Note2) As of June 1, 2015 for Frontier Ebisu and as of February 29, 2012 for all other properties

(Note3) Appraisal NOI yield is calculated by dividing NOI (derived from direct capitalization) described in Appraisal Report by the acquisition price

(Note4) As of the end of May 2015

Portfolio – Other Properties (2/2)

Property name	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara
					
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 Midotsuji Line "Yodoyabashi" station	3-minute walk from JR Keihinohoku Line "Omori" station	15-minute walk from from JR Sagamihara Line "Minamihashimoto" station
Acquisition price (A)	¥2,840 mn (stratified ownership)	¥6,980 mn	¥5,250 mn/¥5,850 mn	¥5,790 mn	¥4,820 mn
Appraisal value (B) (Note2)	¥2,990 mn mn (stratified 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 (Note3)	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	31,553.75m ² (total)	12,783.13m ²	34,248.71m ²	7,040.95m ²	9,719.38m ²
Total leasable area	5,181.58m ² (stratified ownership)	9,314.91m ²	20,344.33m ²	6,209.79m ²	15,152.42m ²
Occupancy rate (Note4)	100.0%	100.0%	97.9%	100.0%	100.0%
Key tenants	<ul style="list-style-type: none"> High concentration of residents in an area which is located in the center of Tama New Town. Property is connected with a station and retail properties by a pedestrian walkway Unique tenant structure that includes a one-price shop, clinic mall and bank branches helps satisfy the needs of people in surrounding areas, and parking for over 100 cars provides convenience to shoppers who come by car 	<ul style="list-style-type: none"> Property is located in front of "Kanayama" station which has good access to "Nagoya" station and Chubu International Airport. The large standard floor size of 300 tsubo and its landmark exterior ensures sufficient competitiveness in the area 	<ul style="list-style-type: none"> The Nakanoshima area features many office buildings, including financial institutions and government offices, such as the Bank of Japan Osaka branch and the Osaka City Hall, as well as offices of major companies such as The Asahi Shimbun Company and Kansai Electric Power 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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

(Note1) As of Feb. 29, 2012 for A-PLACE Kanayama, Dec. 1, 2012 for Osaka Nakanoshima Building (initial 50%) , Sep. 1, 2013 for icot Omori, and Sep. 1, 2014 for additional 50% of Osaka Nakanoshima Building and Market Square Sagamihara

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

(Note3) As of the end of May 2015

Tokyu Fudosan Holdings Group's Value Chain



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

Tokyu Fudosan Holdings Group's Support System

- To ensure stable growth over the medium to long term after the IPO, the Asset Manager has applied its knowhow and utilized its independent network to the management of properties. The Asset Manager has also leveraged Tokyu Land Corporation's 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)

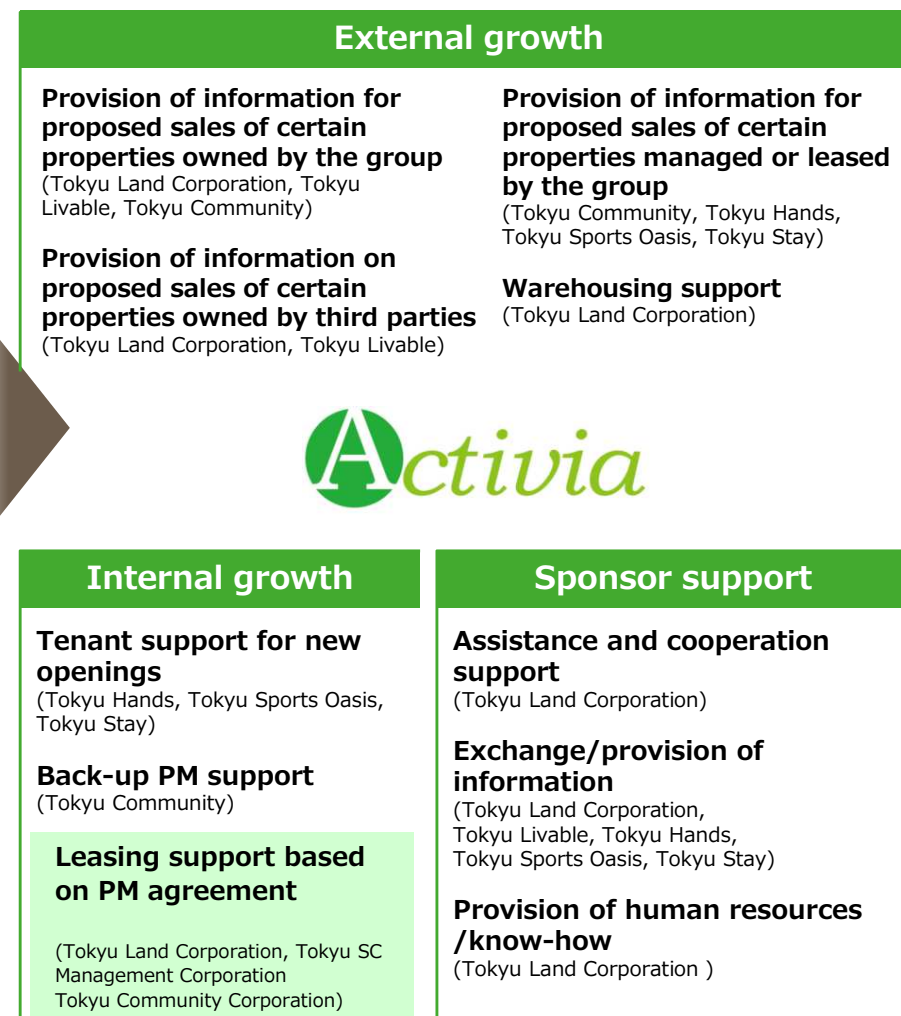
Utilization of Tokyu Fudosan Holdings Group's multi-faceted and comprehensive knowhow and value chain

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



Capitalize on the asset manager's own knowhow

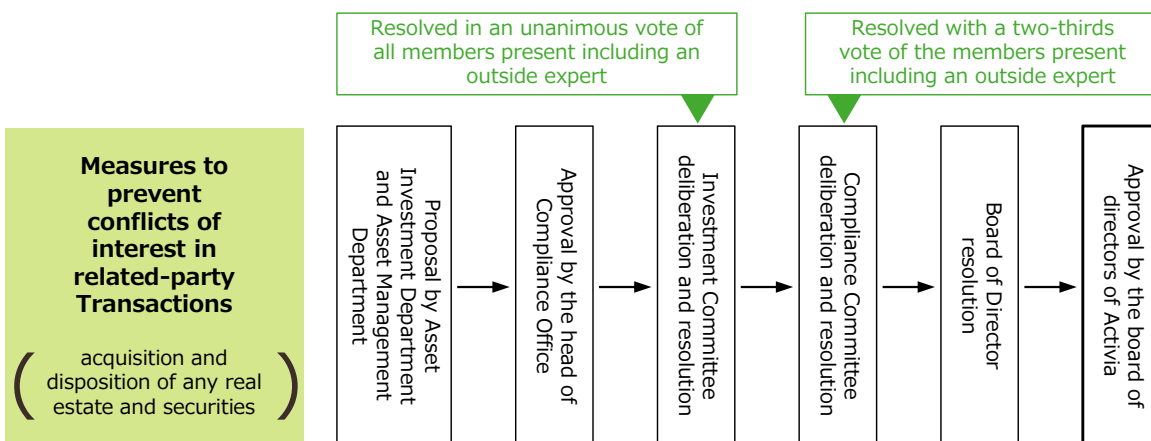
TLC Activia Investment Management Inc.

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

Strong Governance Structure to Maximize Unitholder Value

1. Strong governance structure

- Involvement of Third Parties to Protect the Interests of Unitholders
- Related-party transactions are approved to resolution by the compliance committee



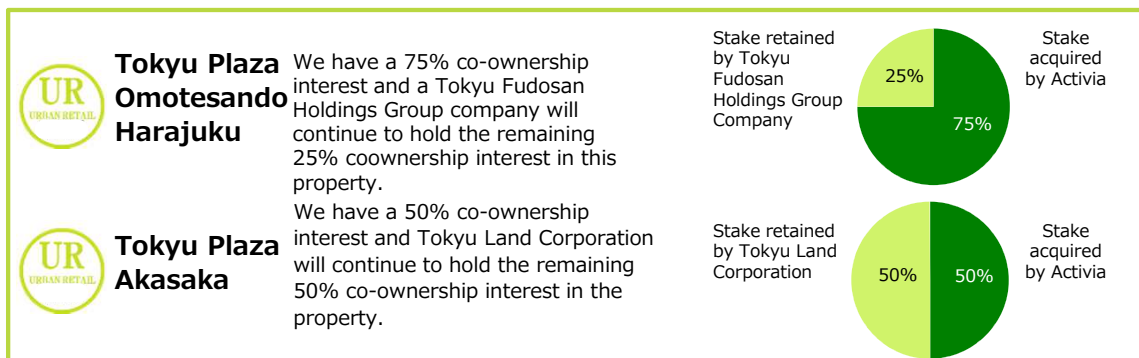
- Sponsor's interests aligned with those of the unitholders
- In order to maximize the value of our units, we have built a governance structure which aligns the interests of the Asset Manager and Tokyo Land Corporation with those of our unitholders

1 Tokyu Land Corporation's equity investment in US

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

2 Co-ownership of properties

We co-own properties with Tokyu Fudosan Holdings Group companies to share the same objectives and interests in the management of properties



2. Asset management fee

- Asset management fee system that partly depends on our DPU

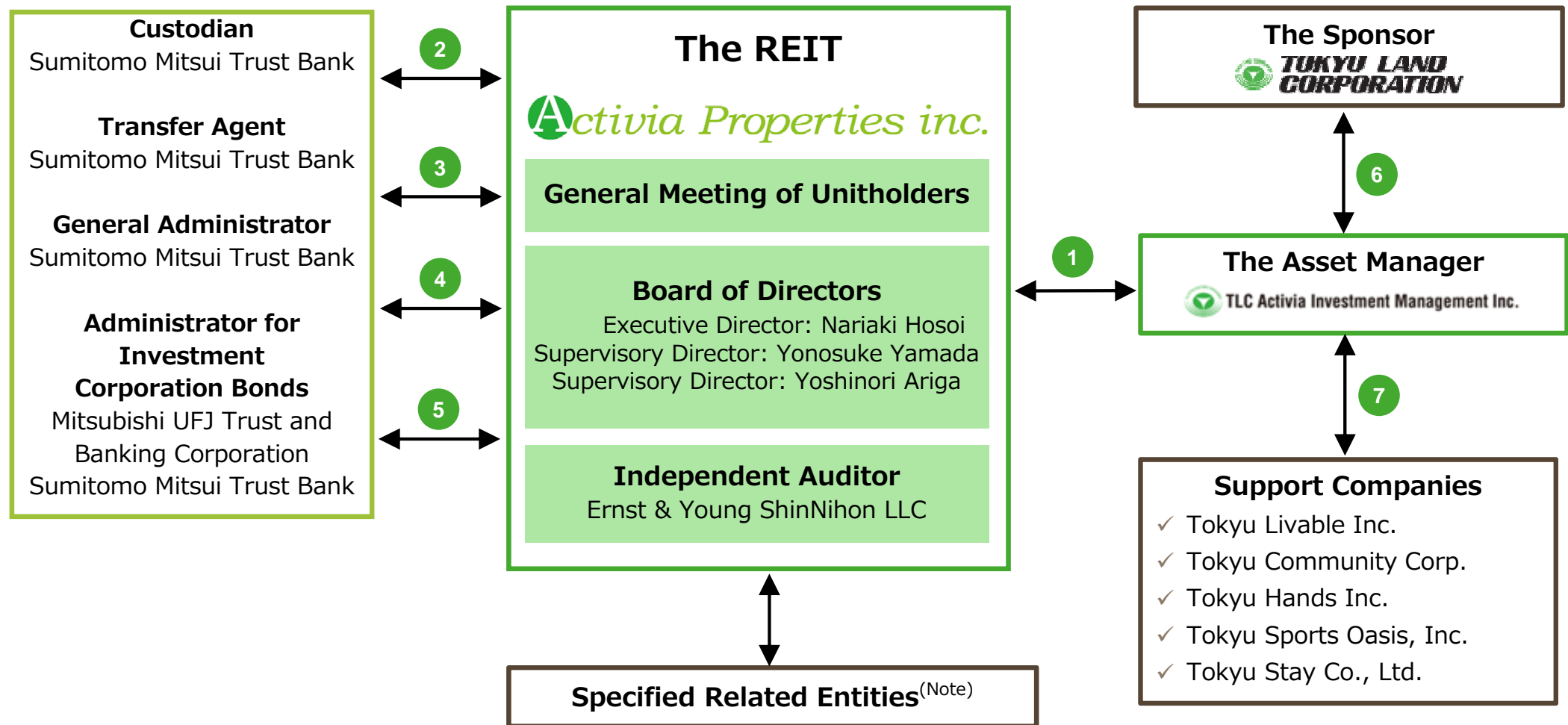
	Fee I	Fee II
Basis for calculation Fee rate	Total assets at the end of the previous fiscal period × 0.3% per year	DPU (before deduction of Fee II) × NOI × 0.0002%
	*The sum of Fee I and Fee II may not exceed 0.5% per year of our total assets	

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

REIT Organizational Structure Overview



① Asset management agreement

⑤ Fiscal Agency Agreement

② Asset custody agreement

⑥ Sponsor support agreement/
Outsourcing agreement

③ Transfer Agency agreement

⑦ Affiliate Support agreements

④ General administration
agreement

(Note) Tokyu Land Corporation, Tokyu Fudosan Holdings Corporation, and Tokyu Land SC Management Corporation are our Specified Related Entities

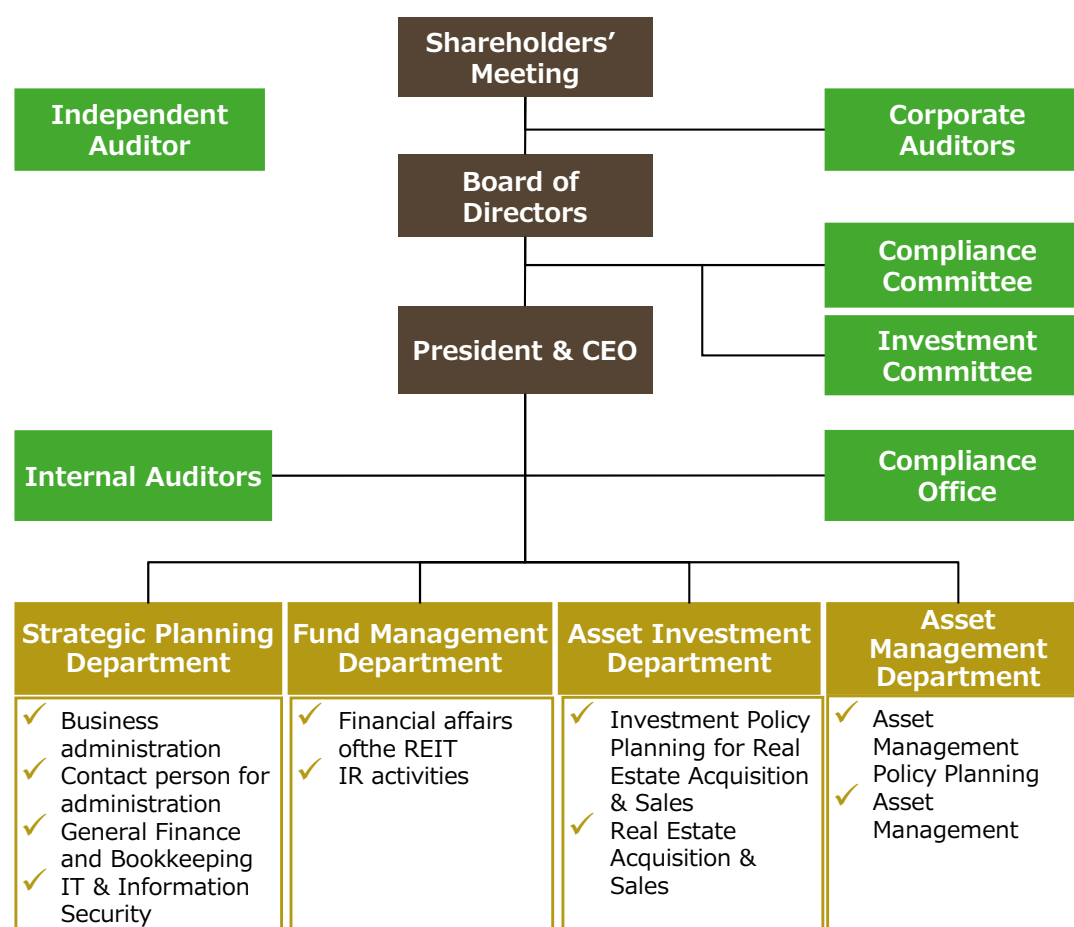
Asset Manager Organizational Overview

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

1. Overview of the asset manager

Corporate name	TLC Activia Investment Management Inc.
Established on	November 15, 2010
Capital	¥300 mn
Shareholder	Tokyu Land Corp. 100%
Representative Director and President	Michie Kawai
Registration & License	<p>Real estate agent license (Governor of Tokyo (1) No. 92551)</p> <p>Discretionary Transaction Agent License (Minister of Land, Infrastructure and Transportation Approval No. 67)</p> <p>Licensed Financial Instrument Trader (kinsho) Kanto Local Finance Bureau License No. 2551</p>

2. Asset manager organizational chart



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