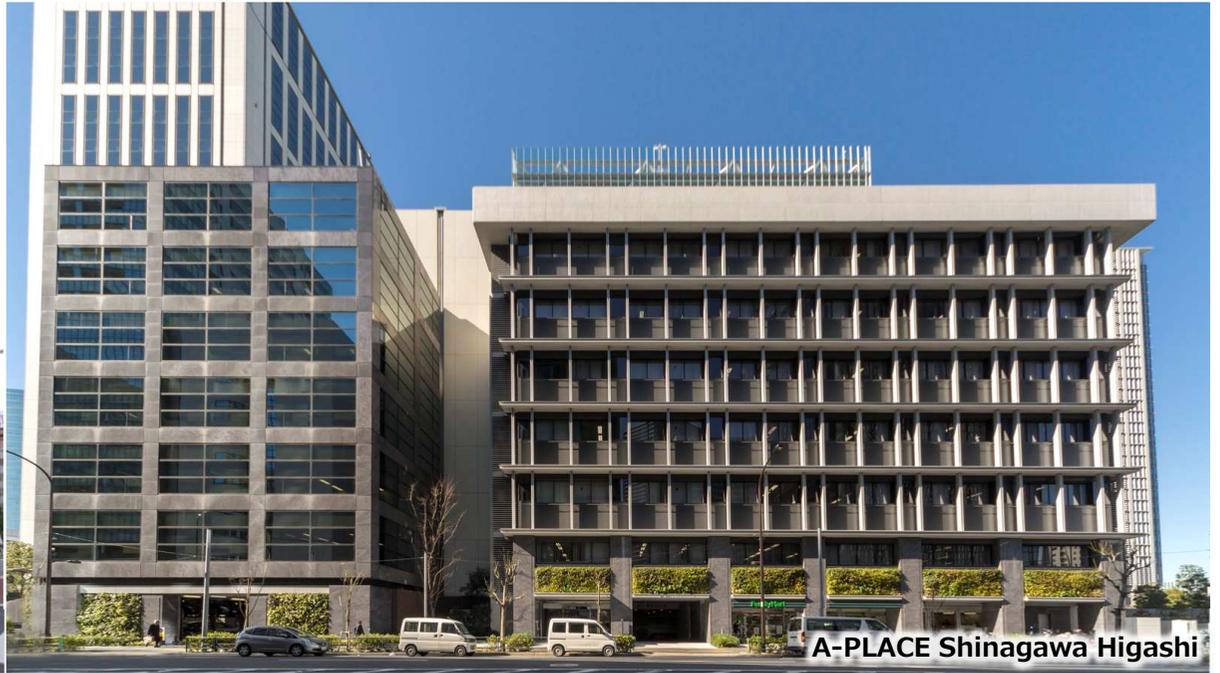




A-PLACE Shinagawa



A-PLACE Shinagawa Higashi



Tokyu Plaza Omotesando Harajuku

Activia

Activia Properties Inc.

(Security code: 3279/API)

 **TLC REIT Management Inc.**



| | |
|--|----|
| 1. Growth Strategy | 4 |
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| 3. Change in Management Fee Structure | 11 |
| 4. Internal Growth, External Growth, and Financial Strategies | 12 |
| 5. ESG and others | 22 |
| 6. Appendix | 28 |

Achieved Unitholder Value Increase

DPU
 ¥**10,017**
 (vs. Previous period
 +¥433/+4.5%)

NAV per unit
 ¥**451,012**
 (vs. Previous period
 +¥13,710/+3.1%)

Internal Growth

■ Strong Internal Growth in Offices

Rent increase
 +¥**11,117**
 thousands/month

Avg. rent increase
 +**9.4%**

External Growth

■ Portfolio increasing stability

Asset size
 (total acquisition price)
 ¥**500.5**bn

Ratio of top 10 tenants
24.2%
 (vs. IPO -27.0pt)

Financial Strategies

■ Solid bank formation

Avg. interest rate
0.57%
 (vs. Previous period
 -0.06pt)

Avg. years remaining to maturity
4.8years
 (vs. Previous period
 +0.3year)

ESG

■ Promote new approach

Issued in July 2019
Green Bonds

Established in April 2019
Sustainability Policy

For the 16th Period ending Nov. 2019 and onwards, API will pursue **the maximization of unitholder value and continuous growth of DPU/NAV** as matters of high priority with the below strategies

- 1 Pursue **Internal Growth** particularly in office properties as a DPU growth driver
- 2 Support DPU growth speed by **External Growth** adapted to external environment
- 3 Select the most appropriate **funding method** considering DPU and NAV levels as well as market environment, etc.
- 4 Review **management fee structure** to strengthen incentives related to maximization of unitholder value

(Note 1) Based on results of the period ended May 2019, except for Financial Strategies of which figures are assumption-based as of Jul. 18, 2019

(Note 2) Figures related to Internal Growth are total of Tokyo Office properties and Activia Account properties, or average of the two categories

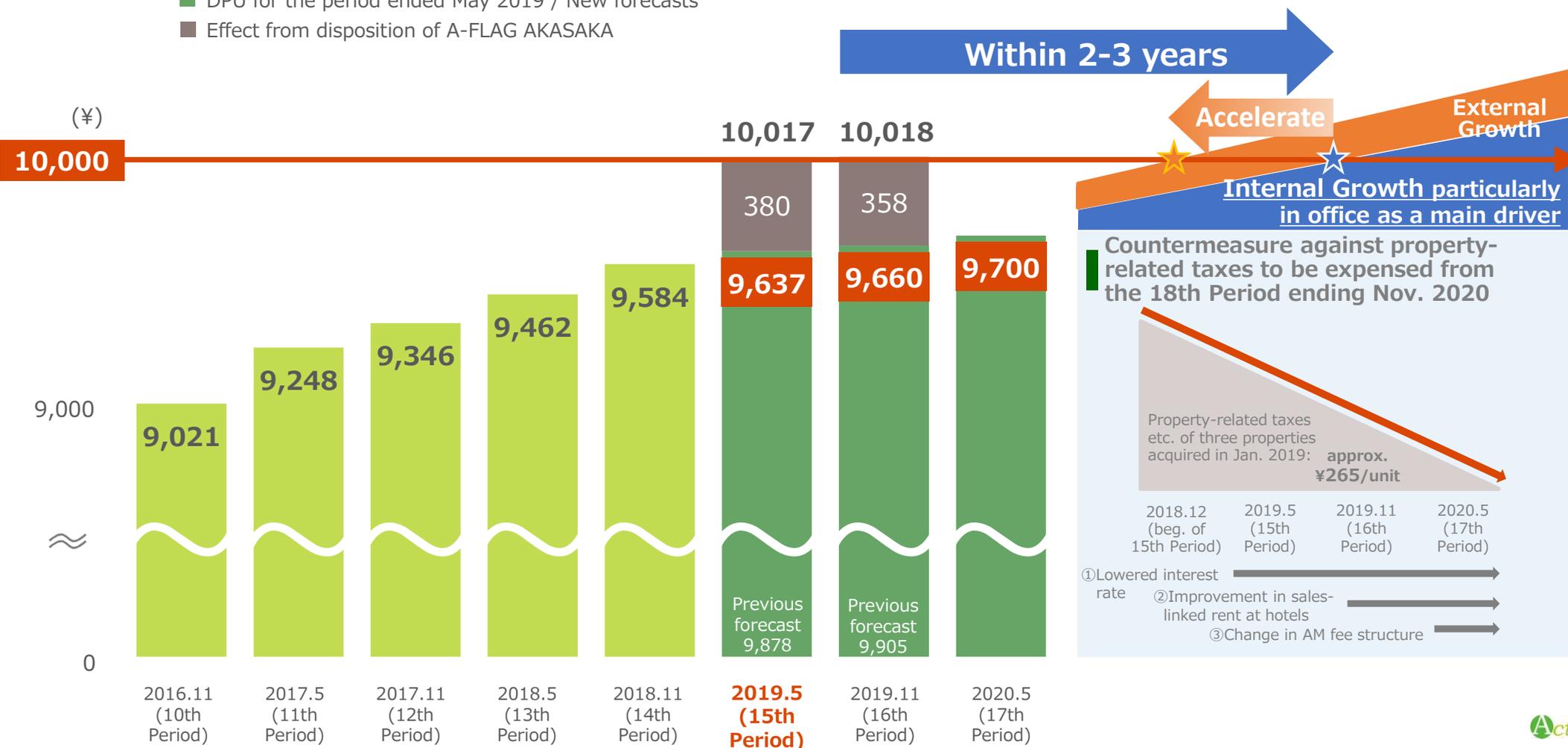
(Note 3) Ratio of top 10 tenants is calculated based on contracted rents excluding lands (tenant: Sumitomo Mitsui Trust Bank, Limited)

Trend in DPU and Growth Strategy ~For further improvement of stabilized DPU~

- Stabilized DPU for the Period ended May 2019 was ¥**9,637**, which is a sign of **steady growth** even after having reached ¥9,000 level (**consecutive increase for 11th period**)
- Aim at **further growth of stabilized DPU**, reaching ¥**10,000** level in coming **2 or 3 years**, with **Internal Growth** to achieve particularly in office properties as the **main driver**



- Actual DPU
- DPU for the period ended May 2019 / New forecasts
- Effect from disposition of A-FLAG AKASAKA



Financial Results : Statement of Income ~the 15th Period Ended May 2019~

- **Both revenue and profit** of the Period ended May 2019 **largely increased** vs. **previous period** due to **new operation of three properties** acquired in Jan. 2019 and **recording of gain on sale** of A-FLAG AKASAKA
- **Exceeded** from previous forecast for the period, owing to **rent increase** realized in existing properties and **lowered interest rates**

(in millions of yen)

| | Result of Period ended May 2019 | Result of Period ended Nov. 2018 | Difference from Result of Period ended Nov.2018 | | Previous forecast for Period ended May 2019 | Difference from previous forecast for Period ended May 2019 | |
|--|---------------------------------|----------------------------------|---|--|---|---|--|
| Rent and common service fees | 13,072 | 12,273 | 798 | New assets +929, Sales-linked rents at hotels -205, Existing properties +91(Tenant replacement +48, Rent review +45, etc.), AF AKASAKA -15 | 13,035 | 37 | Tenant replacement +22, Rent review +10, etc. |
| Parking lot fees and usages fees for warehouse | 400 | 399 | 0 | | 395 | 4 | |
| Utility charge reimbursement | 921 | 1,017 | -95 | | 906 | 15 | |
| Other revenue | 108 | 124 | -16 | | 96 | 11 | |
| Total leasing business revenue | 14,502 | 13,815 | 687 | New assets +984, Existing properties -269, AF AKASAKA -28 | 14,432 | 69 | |
| Gain on sales of real estate properties | 341 | 0 | 341 | AF AKASAKA +341 | 338 | 2 | |
| Operating revenue | 14,843 | 13,815 | 1,028 | | 14,771 | 71 | |
| Management operation expenses | 1,235 | 1,236 | -0 | | 1,209 | 26 | Leasing compensation +19, etc. |
| Utilities expenses | 940 | 1,001 | -61 | | 978 | -38 | |
| Tax and public dues | 998 | 988 | 10 | | 997 | 0 | |
| Repair & maintenance expenses | 189 | 281 | -91 | | 132 | 57 | Works brought forward +44, etc. |
| Other expenses related leasing business | 310 | 301 | 8 | | 302 | 8 | |
| Total expenses related to leasing business | 3,674 | 3,809 | -134 | New assets +99, Existing properties -222, AF AKASAKA -11 | 3,620 | 53 | |
| NOI (excl. gain on sales) | 10,827 | 10,006 | 821 | New assets +884, Existing properties -47, AF AKASAKA -16 | 10,812 | 15 | |
| Depreciation, etc. | 1,298 | 1,267 | 31 | | 1,300 | -1 | |
| NOI after depreciations (excl. gain on sales) | 9,528 | 8,739 | 789 | | 9,511 | 16 | |
| Profit (loss) from real estate leasing business (inclu. gain on sales) | 9,869 | 8,739 | 1,130 | | 9,850 | 19 | |
| General administrative expenses | 1,270 | 1,192 | 77 | Management fee +49, etc. | 1,268 | 2 | |
| Operating profit | 8,599 | 7,546 | 1,052 | | 8,582 | 17 | |
| Total non-operating expenses | 873 | 850 | 23 | Interest payment +52, PO cost -29 | 963 | -89 | Interest payment -79, etc. |
| Ordinary profit | 7,726 | 6,697 | 1,029 | | 7,619 | 107 | |
| Profit | 7,725 | 6,696 | 1,029 | | 7,618 | 107 | |

| | | | | | | |
|-----|----------------|---------------|-------------|--|---------------|-------------|
| DPU | ¥10,017 | ¥9,584 | ¥433 | | ¥9,878 | ¥139 |
|-----|----------------|---------------|-------------|--|---------------|-------------|

(Note 1) New assets refer to the total amount of three properties acquired in Jan. 2019; Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, and EDGE Shinsaibashi

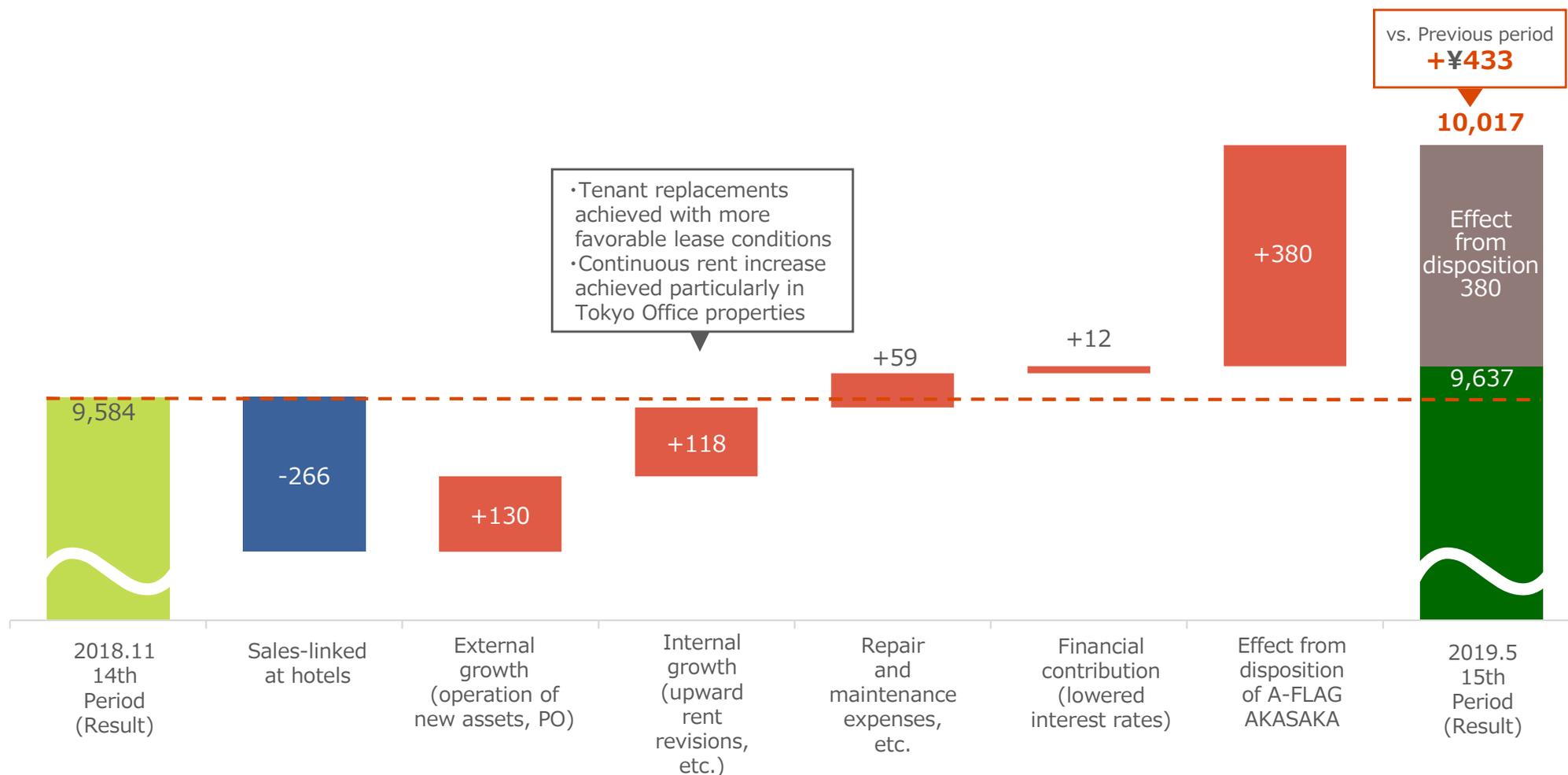
(Note 2) AF AKASAKA refers to A-FLAG AKASAKA, in which 50% co-ownership interest was disposed on Mar. 1, 2019 (the 15th Period) and another 50% co-ownership interest was disposed on June 3, 2019 (the 16th Period).

(Note 3) Existing properties refer to the total amount of the 41 existing properties other than above four

DPU summary ~the 15th Period Ended May 2019~

- **Stabilized DPU** for the 15th Period ended May 2019 **exceeded those of the previous period** owing to **internal growth, external growth**, etc. absorbing impact from decrease in lopsidedly generated sales-linked rent at hotels
- DPU of **¥10,017** are realized, **largely up from the actual DPU of the previous period**, partly owing to **effect from disposition of 50% co-ownership interest in A-FLAG AKASAKA** in Mar. 2019

(¥)



Financial Forecasts ~the 16th Period ending Nov. 2019 and the 17th Period ending May 2020~

- **Both revenue and profit** for the 16th Period ending Nov. 2019 are expected to **increase from previous period** owing to **full operation** of properties acquired at previous PO and **rent increases in existing properties**, absorbing increase in expenses such as tax & public dues and repair & maintenance expenses
- For the 17th Period ending May 2020, despite **benefit from gain on sales of asset terminates**, profit is forecasted to **increase from previous period without considering such effect from disposition**

(in millions of yen)

| | Forecast for Period ending Nov 2019 | Results of Period ended May 2019 | Difference from Result of Period ended May 2019 | | Forecast for Period ending May 2020 | Difference from Forecast for Period ending Nov. 2019 | |
|--|---|--|---|--|--|--|--|
| Rent and common service fees | 13,634 | 13,072 | 562 | Full operation +298, Hotels +186, Existing properties +143 (Tenant replacement +47, Upward revision +62, etc.), AF AKASAKA -64 | 13,492 | -142 | Hotels -186, Existing properties +45 (Tenant replacement +30, Upward revision +50, etc.) |
| Parking lot fees and usage fees for warehouse | 412 | 400 | 12 | | 397 | -15 | |
| Utility charge reimbursement | 1,073 | 921 | 151 | | 917 | -156 | |
| Other revenue | 72 | 108 | -35 | | 76 | 4 | |
| Total leasing business revenue | 15,193 | 14,502 | 690 | Full operation +314, Existing properties +455, AF AKASAKA -79 | 14,883 | -309 | |
| Gain on sales of real estate properties | 343 | 341 | 2 | AF AKASAKA +2 | 0 | -343 | AF AKASAKA -343 |
| Operating revenue | 15,536 | 14,843 | 693 | | 14,883 | -652 | |
| Management operation expenses | 1,242 | 1,235 | 6 | Existing properties +93 (Expensed for two properties acquired in 2018, etc.) | 1,212 | -29 | |
| Utilities expenses | 1,079 | 940 | 139 | | 976 | -103 | |
| Tax and public dues | 1,087 | 998 | 89 | | 1,093 | 5 | |
| Repair & maintenance expenses | 340 | 189 | 150 | | 191 | -148 | |
| Other expenses related rent business | 384 | 310 | 74 | | 336 | -48 | |
| Expenses related to rent business | 4,134 | 3,674 | 459 | Full operation +72, Existing properties +407, AF AKASAKA -19 | 3,810 | -324 | |
| NOI (excl. gain on sales) | 11,058 | 10,827 | 231 | Full operation +242, Existing properties +47, AF AKASAKA -59 | 11,073 | 14 | |
| Depreciation, etc. | 1,303 | 1,298 | 4 | | 1,323 | 19 | |
| NOI after depreciations (excl. gain on sales) | 9,755 | 9,528 | 226 | | 9,749 | -5 | |
| Profit (loss) from real estate leasing business (incl. gain on sales) | 10,098 | 9,869 | 228 | | 9,749 | -348 | |
| General administrative expenses | 1,403 | 1,270 | 133 | Management fee +118, etc. | 1,271 | -132 | Management fee -120 |
| Operating profit | 8,694 | 8,599 | 94 | | 8,478 | -215 | |
| Non-operating expenses | 966 | 873 | 93 | Interest payment +120, PO cost -26 | 996 | 29 | Interest payment +29 |
| Ordinary profit | 7,727 | 7,726 | 0 | | 7,482 | -245 | |
| Profit | 7,726 | 7,725 | 0 | | 7,481 | -245 | |

| | | | | | |
|------------|----------------|----------------|-----------|---------------|--------------|
| DPU | ¥10,018 | ¥10,017 | ¥1 | ¥9,700 | -¥318 |
|------------|----------------|----------------|-----------|---------------|--------------|

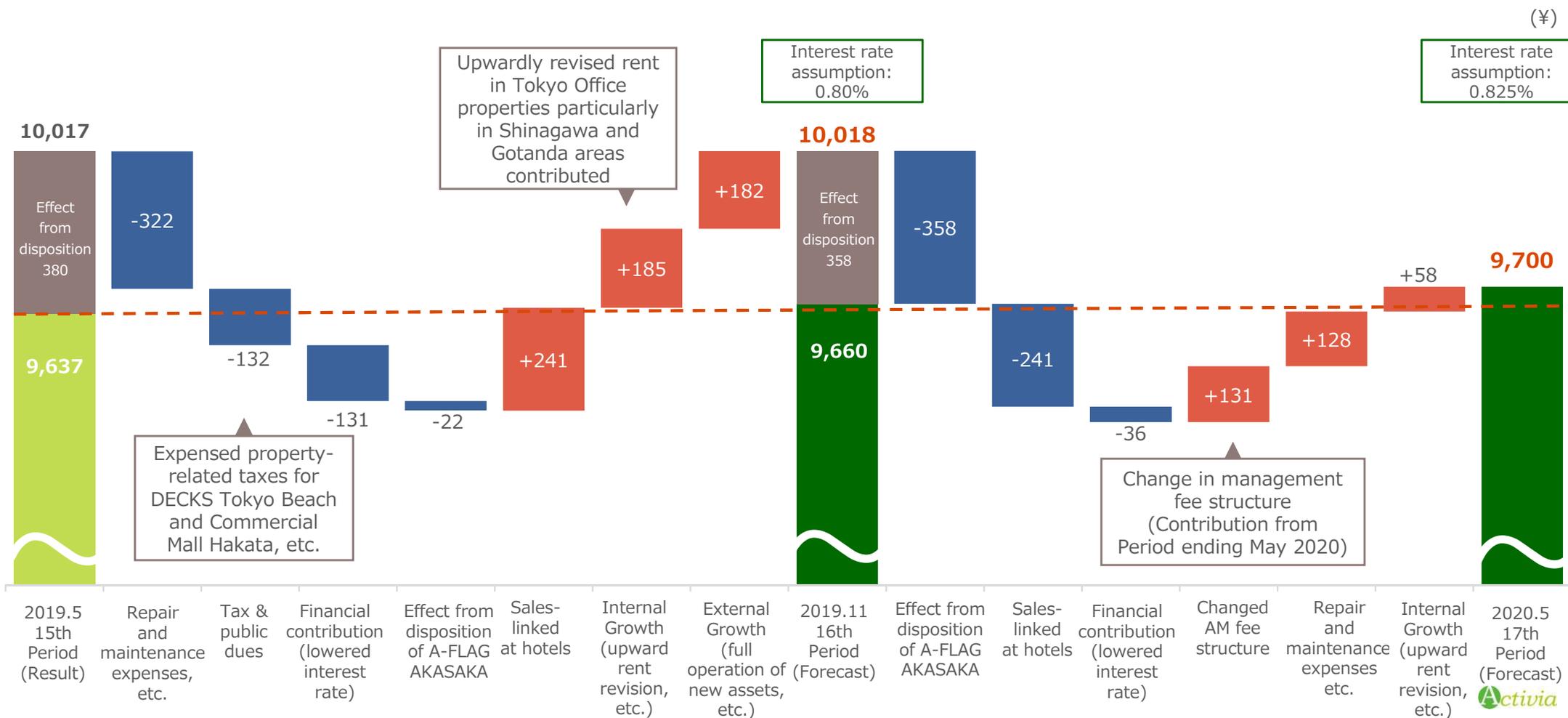
(Note 1) Full operation refers to the contribution of full operation of Tokyu Plaza Gnza (Land), Q plaza HARAJUKU, and EDGE Shinsaibashi

(Note 2) AF AKASAKA refers to A-FLAG AKASAKA, in which 50% co-ownership interest was disposed on Mar. 1, 2019 (the 15th Period) and another 50% co-ownership interest was disposed on June 3, 2019 (the 16th Period)

(Note 3) Existing properties refer to the total 41 existing properties other than above four

DPU summary ~the 16th Period Ending Nov. 2019 and the 17th Period Ending May 2020~

- For the Period ending Nov. 2019, DPU are forecasted to be **¥10,018**, slightly up from the previous period, owing to **increase in revenue** from **sales-linked rent at hotels** and **internal growth** which absorb increase in expenses such as repair & maintenance and tax & public dues
- For the Period ending May 2020 where benefit from disposition of asset terminates, DPU are forecasted to be **¥9,700**, down ¥318 from the previous period, though stabilized DPU are forecasted to increase by **¥40** from the previous period owing to **cost control** measures such as **change in management fee structure** and reduced maintenance expenses which cover lopsidedly-generated revenue from sales-linked rent at hotel
- Aim at DPU at **¥10,000** level on stabilized basis by **management with focus on stable and continuous growth**



Financial Results: Balance Sheet ~the 15th Period Ended May 2019~

- **Total assets** at the end of the 15th Period were **¥+68.9bn from previous period** owing to properties acquired, unitholders' capital grew to ¥31.3bn through a **public offering** and interest-bearing debt increased by ¥35bn after **new borrowings**
- NAV stood at **¥451,012** and unrealized gain grew to **¥91.7bn, up ¥+10bn** owing to decrease in cap rate and improved NOI

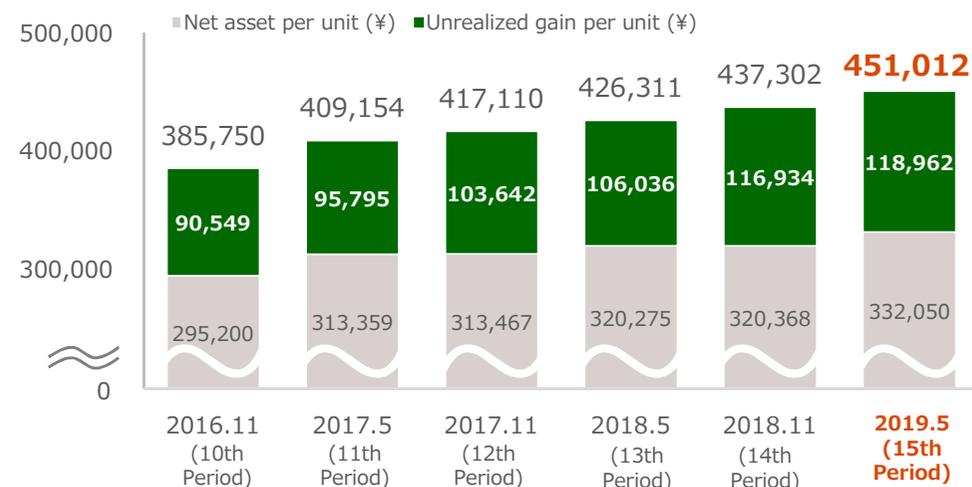
1. Comparison of the 14th and 15th Periods

(in millions of yen)

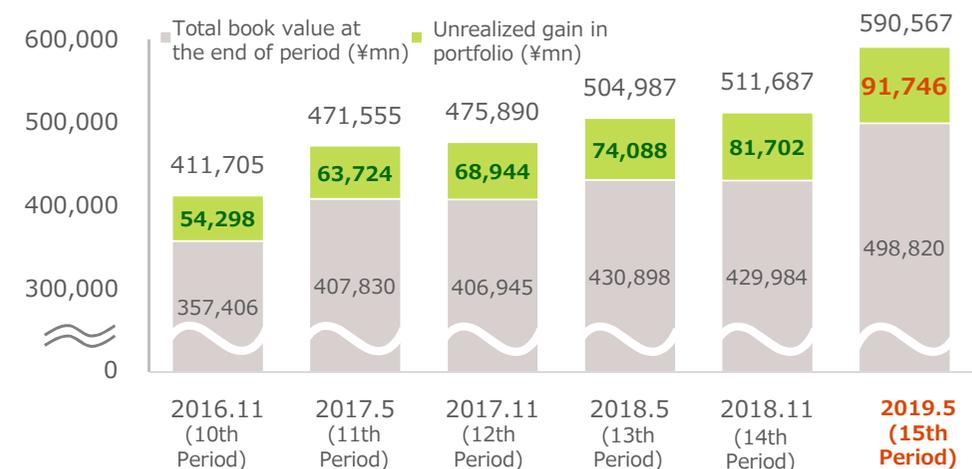
| | 14th Period (2018/11) | 15th Period (2019/5) | Change |
|-------------------------------------|--------------------------|-------------------------|----------------|
| Assets | | | |
| Current assets | 14,237 | 14,181 | -55 |
| Cash and deposits, etc. | 13,090 | 12,800 | -290 |
| Other | 1,146 | 1,381 | +234 |
| Non-current assets | 431,227 | 500,177 | +68,949 |
| Total property, plant and equipment | 420,854 | 489,728 | +68,873 |
| Total intangible assets | 9,132 | 9,094 | -37 |
| Other | 1,240 | 1,355 | +114 |
| Total assets | 445,464 | 514,359 | +68,894 |

| | | | |
|---|----------------|----------------|----------------|
| Liabilities | | | |
| Short-term borrowings | 9,100 | 14,000 | +4,900 |
| Current portion of investment corporation bonds | 4,000 | 6,000 | +2,000 |
| Current portion of long-term borrowings | 19,600 | 20,400 | +800 |
| Investment corporation bonds | 14,000 | 8,000 | -6,000 |
| Long-term borrowings | 152,650 | 185,950 | +33,300 |
| Leasehold and guarantee deposits, etc. | 22,272 | 23,923 | +1,651 |
| Total liabilities | 221,622 | 258,273 | +36,651 |
| Net assets | | | |
| Unitholders' equity | 223,842 | 256,085 | +32,243 |
| Unitholders' capital | 217,091 | 248,370 | +31,279 |
| Surplus | 6,750 | 7,714 | +963 |
| Total net assets | 223,842 | 256,085 | +32,243 |
| Total liabilities and net assets | 445,464 | 514,359 | +68,894 |

2. Changes in NAV per unit



3. Trend in appraisal value



Purpose of the Change: Further improvement of unitholder value

Rebalance the type I (total asset-based) and type II (DPU^(Note 2)/NOI-based) management fees

Strengthen incentives related to maximization of unitholder value

Management from unitholders' perspective

Outline of the Change ^(Note 3)

| Before | | | After | | |
|---------------------------------|---|--|------------------------------------|---|--|
| Type | Type I ^(Note 4) | Type II | Type | Type I ^(Note 4) | Type II |
| Based on | Total assets at end of the preceding period | DPU ^(Note 2) × NOI at each period | Based on | Total assets at the end of preceding period | DPU ^(Note 2) × NOI at each period |
| Actual rate ^(Note 5) | 0.3% (up to 0.4%) | 0.00020% (up to 0.00020%) | Scheduled rate ^(Note 5) | 0.25% (up to 0.3%) ↓ | 0.00021% (up to 0.00021%) ↑ |
| Actual amount | ¥773 million | ¥450 million | Scheduled amount | ¥645 million ↓ | ¥481 million ↑ |
| Ratio I : II | 63.2% | 36.8% | Ratio I : II | 57.3% ↓ | 42.7% ↑ |
| vs. Total assets | 0.48% ^(Note 6) | | vs. Total assets | 0.44% ^(Note 6) | |

(Note 1) The change is supposed to take effect upon approval at the 5th unitholders' meeting on Aug. 9, 2019 and completion of other procedures

(Note 2) DPU refer to distribution per unit before deduction of type II asset management fee

(Note 3) Calculated based on forecast for the 17th period ending May 2020

(Note 4) Annual rate

(Note 5) Rate to be agreed between API and the Asset Manager

(Note 6) No change for the upper limit of total amount of type I and type II management fees (total assets at the end of each period × 0.5%)

approx.-¥100 million/period

4. Internal Growth, External Growth, and Financial Strategies

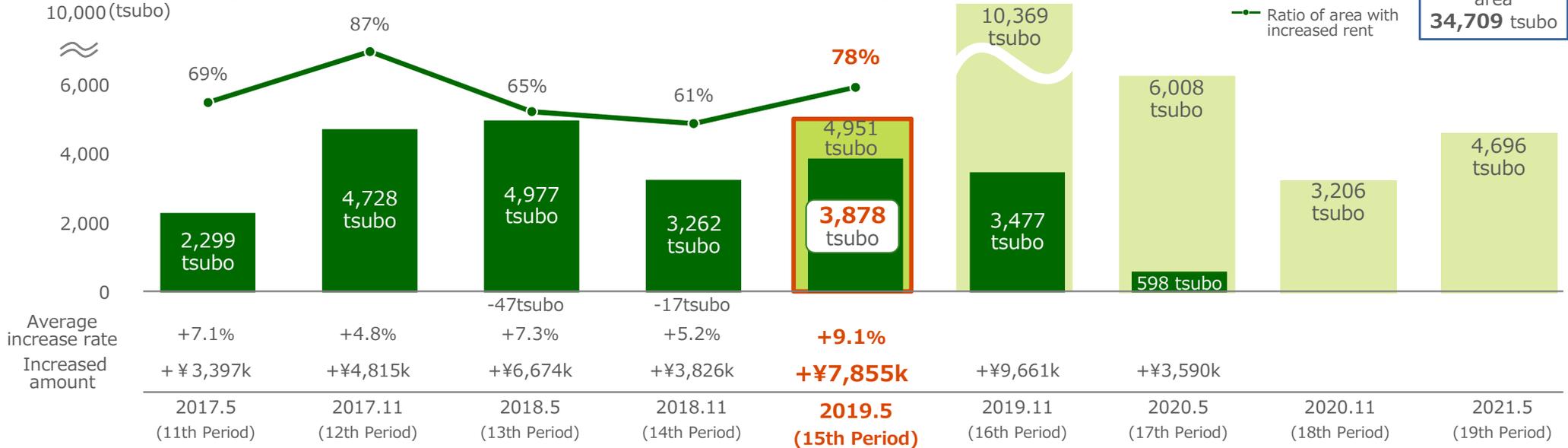
Overall office **¥257.5bn**

Tokyo Office properties **¥196.7bn** **12**
(Based on acquisition price)

Internal Growth ~Management of Tokyo Office Properties 1~

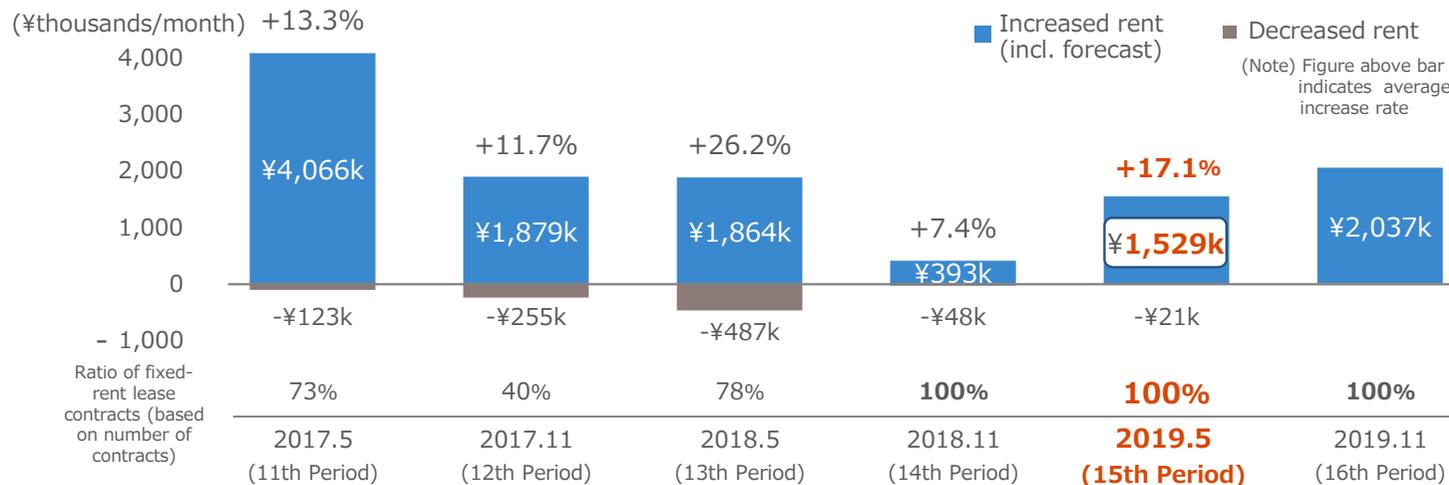
1. Rent revision status (on leased area basis)

- ✓ **Continuous uptrend continues** and **will continue** in the Period ending Nov. 2019 and onwards
- ✓ Increased amount of rent in the Period ended May 2019 recorded **highest ever**, as the result of **aggressive negotiation** backed by favorable market environment and rent gap

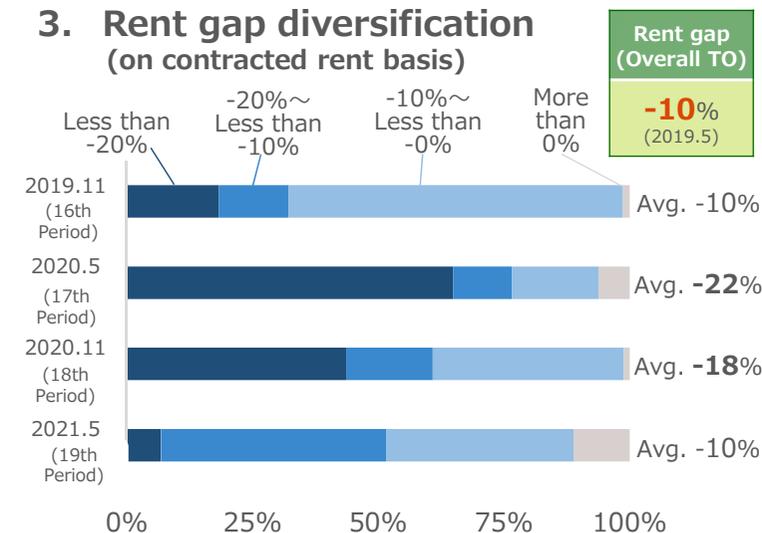


2. Tenant replacement status (on contracted rent basis)

- ✓ **Seek proactively** to conclude **fixed-term lease contracts** in order to **achieve large increase in rent income** as well as **secure further upside potential** at next contract negotiations



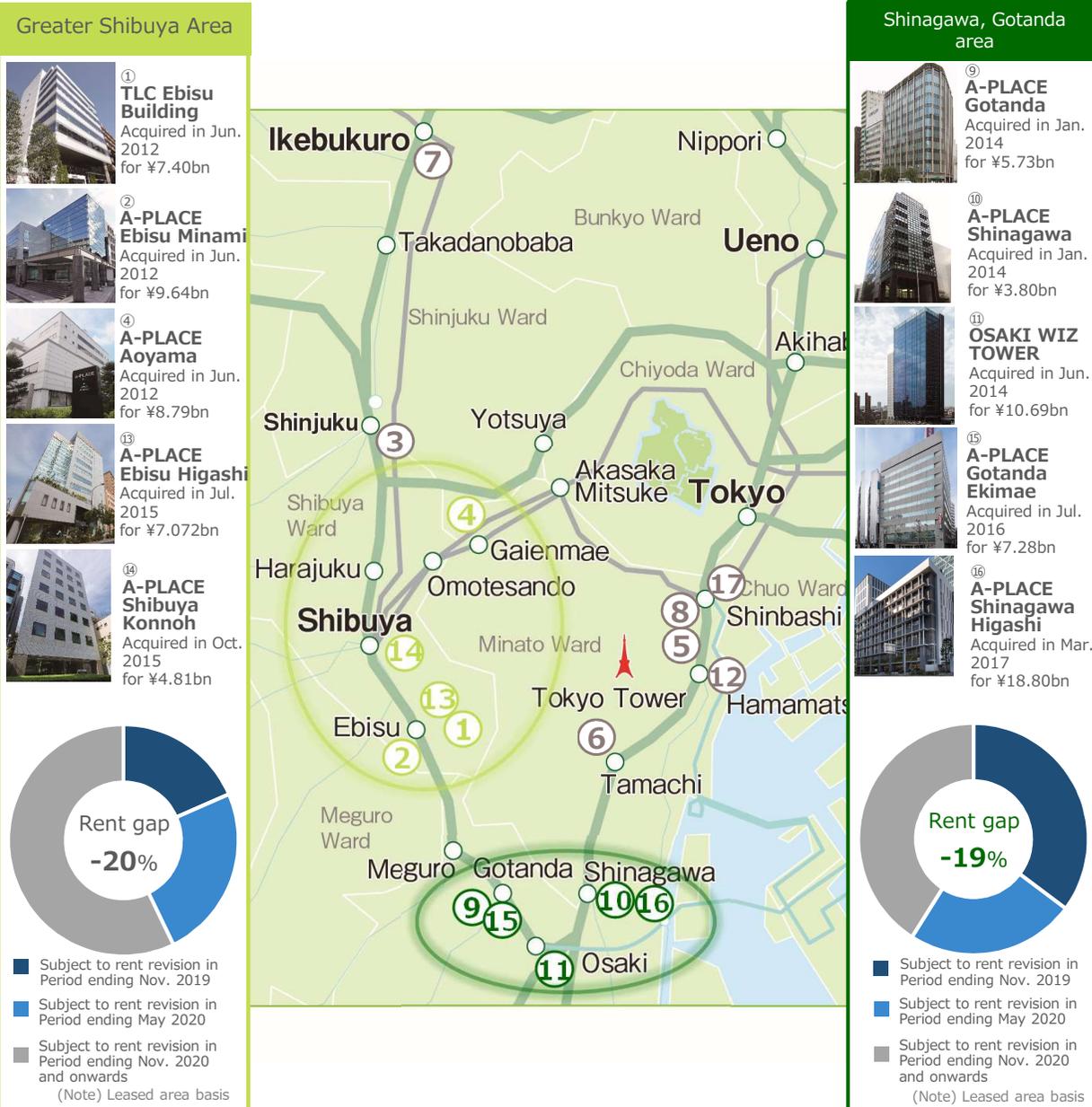
3. Rent gap diversification (on contracted rent basis)



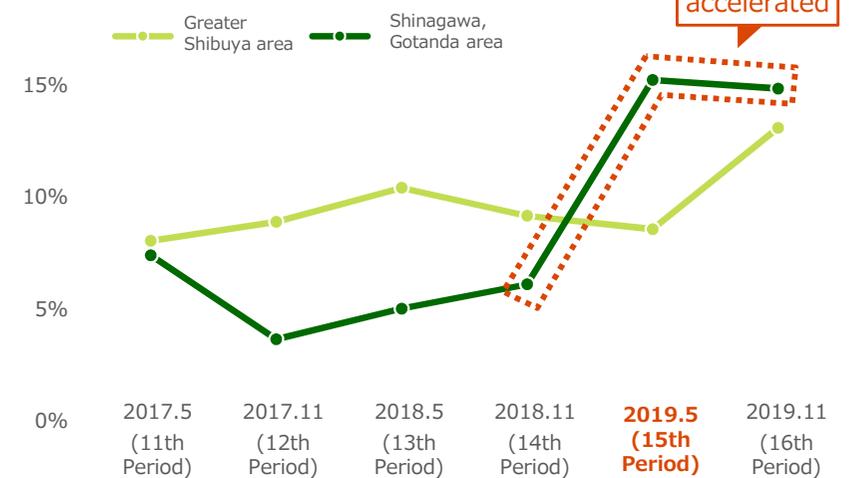
Internal Growth ~Management of Tokyo Office Properties 2~

➤ Increasing trend in rent effected to **Shinagawa, Gotanda area** in addition to **Greater Shibuya Area** where market rent has been raising

1. Rent gap in API's portfolio map



2. Rent increase rate (at rent revision)



3. Examples of tenant replacement w/higher rent, and rent revision in Shinagawa, Gotanda area

TO-10 A-PLACE Shinagawa (replacement with higher rent)

✓ Tenant replacement succeeded with a **contracted rent largely exceeding rent gap** as a result of a bid which is a limited case in leasing activities

| 2019.11 (16th Period) | | | |
|-----------------------|-----------|---------------|---------------|
| Area | 245 tsubo | FR·DT | total 0 month |
| Rent gap | -23% | Rent increase | +40% |

(Note) FR and DT refer to free rent period and down time, respectively

TO-9 A-PLACE Gotanda (rent revision)

| | 2017.11 (11th Period) | 2019.5 (15th Period) |
|---------------------|-----------------------|----------------------|
| Rent reviewed area | 260 tsubo | 520 tsubo |
| Rent increased area | 0 tsubo | 390 tsubo |
| Increase rate | - | +12.2% |

Areas under leasing (Shinagawa, Gotanda area)

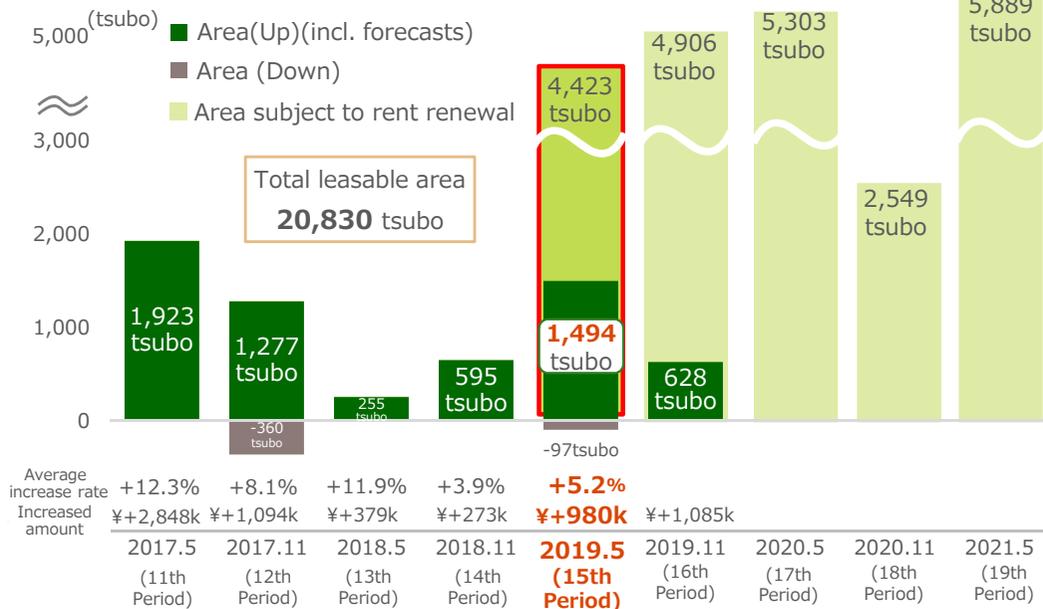
- ⑩ A-PLACE Shinagawa 123 tsubo
- ⑮ A-PLACE Gotanda Ekimae 323 tsubo
- ⑯ A-PLACE Shinagawa Higashi 117 tsubo

(Note) As of June 30, 2019

Internal Growth ~Management of Activia Account Properties (Office)~

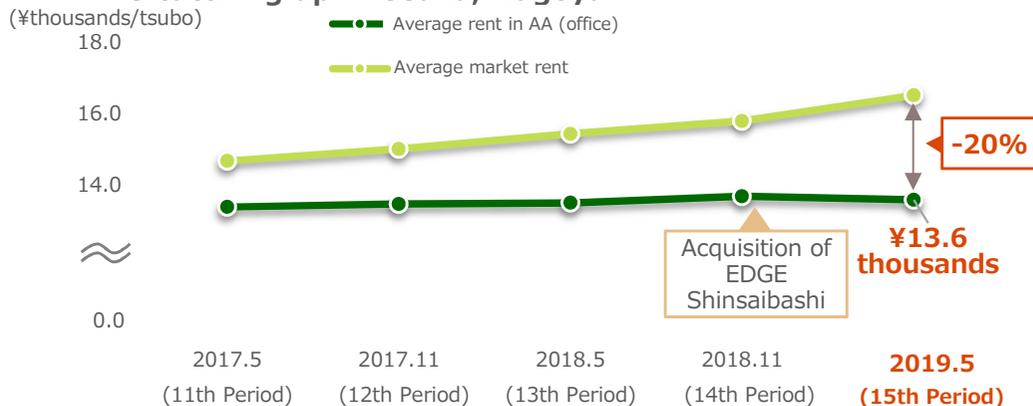
- **Rent gap** grew to **-20%**, exceeding that of Tokyo Office, owing to increasing market average rent
- With EDGE Shinsaibashi acquired in Jan. 2019, further contribution of **Activia Account (office)** to Internal Growth is expected

1. Rent revisions (contracted area basis)



2. Rent gap

- ✓ With widening rent gap in the areas, **rent increase opportunity is catching up in Osaka, Nagoya**



3. Operation of EDGE Shinsaibashi



Acquired in Jan. 2019 (the 15th Period) from Sponsor

- ✓ **A large-sized property** with a standard floor of **374 tsubo** facing **Midosuji street**
- ✓ Enjoys **high traffic convenience**, accessible by **8 lines and 6 stations**

| | |
|-------------------|---|
| Location | Nishi Shinsaibashi, Chuo, Osaka, Osaka |
| Access | 4-minute walk from Shinsaibashi Station 5-minute walk from Namba Station (Osaka Metro Midosuji Line, etc.) |
| Acquisition price | ¥19,800 million |
| Appraisal value | ¥20,000 million |
| NOI yield | 4.0% |
| Completion date | April 1986 |

Leasing activity status (contracted area basis)

- ✓ Occupancy rate is expected to increase to **94.3%** at the end of Aug. 2019 owing to steady leasing activities
- ✓ All lease contracts where leasing activities have completed are concluded with higher rents than office average rent



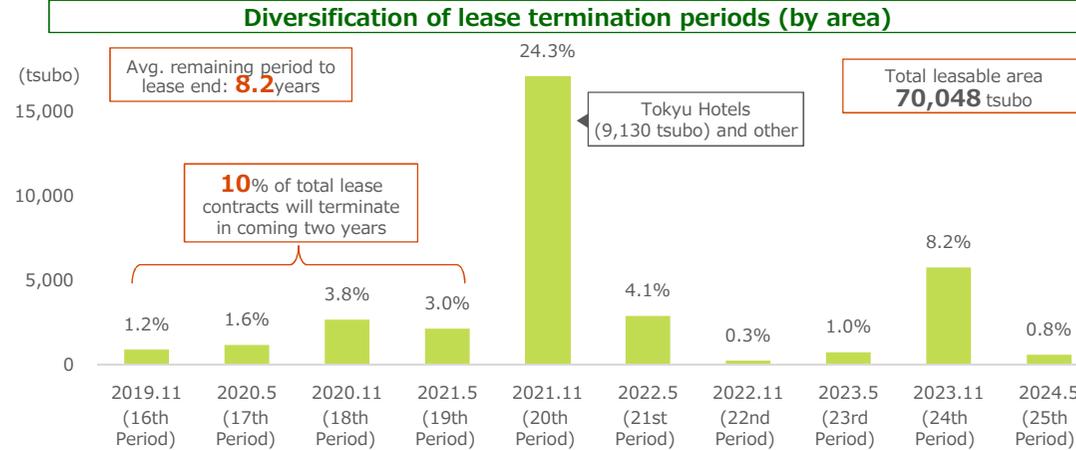
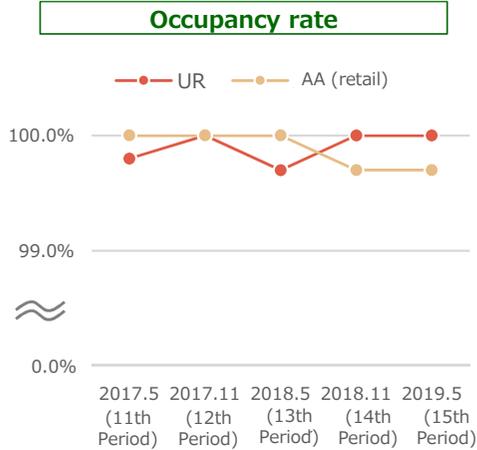
(Note) Average rent increase refers to the ratio of rents in the lease zone where new leasing have been completed to average rent of overall lease contracts in the building before acquisition (end of Sep. 2018)

memo

Internal Growth ~Management of Retail Properties 1~

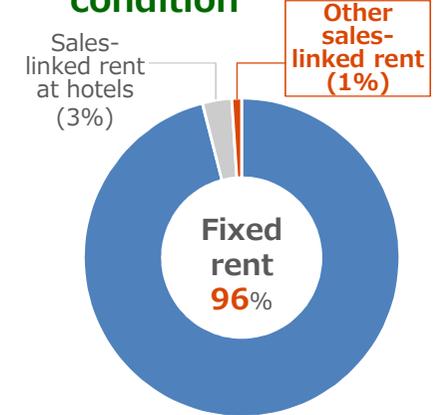
1. Outstanding stability of Retail properties

1 Stable management for long-term



(Note) At the end of the period ended May 2019

2 High ratio of fixed rent hardly affected by economic condition



(Note) Results of the periods ended Nov. 2018 and May 2019

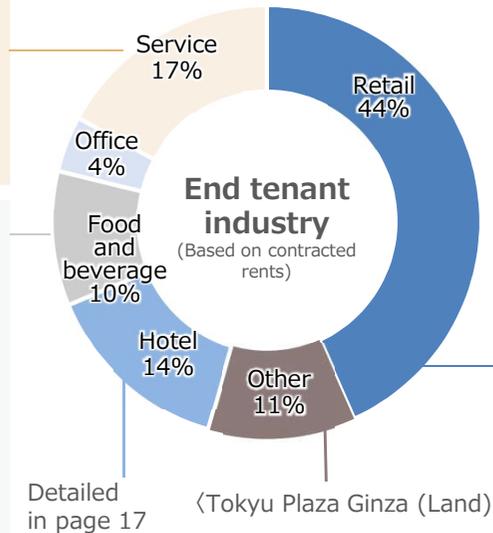
2. Variety of attractive tenants (UR)

Tokyo Joypolis
(Attraction park)
〈DECKS Tokyo Beach〉

HARMONIE SOLUNA Omotesando
(Wedding salon)
〈Q plaza HARAJUKU〉

MEDUSA
(Restaurant & bar lounge)
〈Q plaza EBISU〉

Blue Note Tokyo
(famous jazz club)
〈A-FLAG BIJUTSUKAN DORI〉



Tommy Hilfiger in Omotesando
(American fashion)
〈Tokyu Plaza Omotesando Harajuku〉

The SHEL'TTER TOKYO
(Select shop/Fashion)
〈Tokyu Plaza Omotesando Harajuku〉

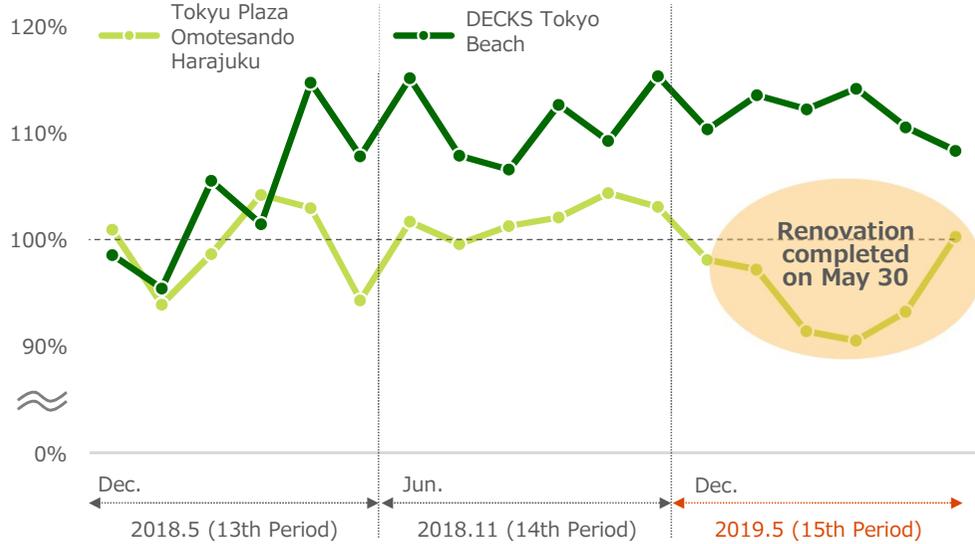
GU in Shibuya
(Apparel brand)
〈A-FLAG SHIBUYA〉

Louis Vuitton Kobe La Maison
(Luxury brand)
〈Kobe Kyu Kyoryuchi 25Bankan〉

Internal Growth ~Management of Retail Properties 2~

1. Trend in sales (Tokyu Plaza Omotesando Harajuku/DECKS Tokyo Beach)

- ✓ Recorded **111%** of Y-on-Y sales in DECKS Tokyo Beach, recorded increase **in every month**
- ✓ Sales decreased to **95%** Y-on-Y in Tokyu Plaza Omotesando Harajuku partly due to **the largest scale renovation held since its completion**



2. Outline of renovation work (Tokyu Plaza Omotesando Harajuku)

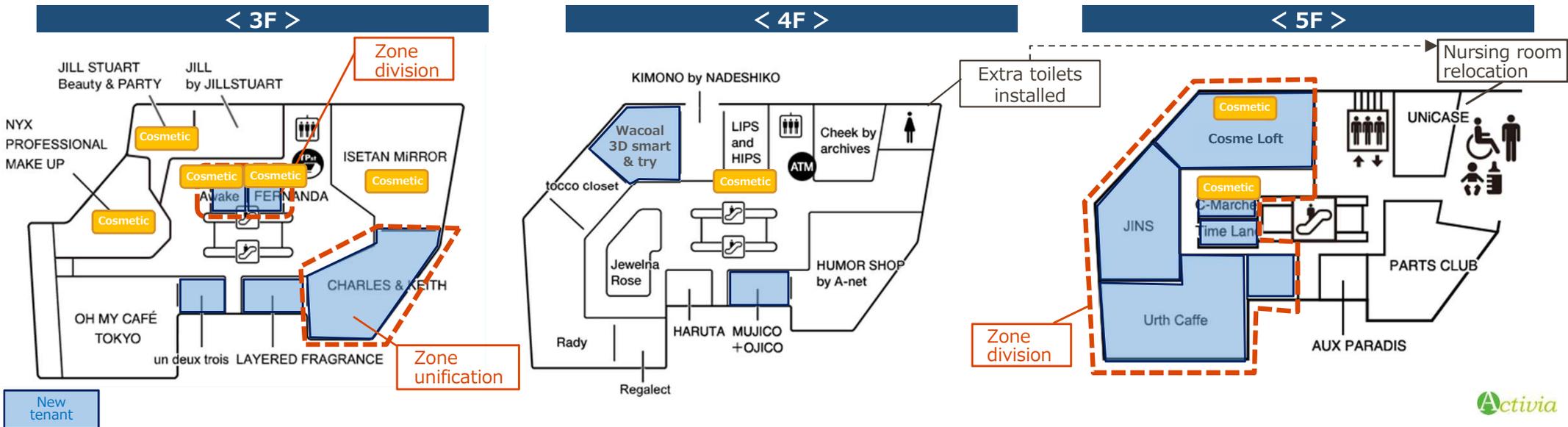
- ✓ After lease termination of 20 zones in Jan., **renovation works of 15 shops** held from Feb. to May 2019
- ✓ Achieved **+7.5% rent increase** in zones under review owing to **tenant replacement (13 shops)** with higher rents in spite of decrease in leased area following area division and integration

| | |
|----------------------|---|
| Merchandising | Reviewed initial merchandising strategy and invited several cosmetic shops |
| Profitability | Realize rent raise per tsubo due to strong leasing capability backed by excellent location |
| Stability | Further promote diversification of tenants by lease zone diversification |

<A case of newly opened shop>

Charles & Keith
(Opened in Mar. 2019)

- Full line-up of brand's products such as woman's shoes, bags, accessories
- Established in Singapore in 1996, now present in 37 countries
- The brand's 5th store in Japan



Internal Growth ~Management of Retail Properties 3~

1. Management status of hotels

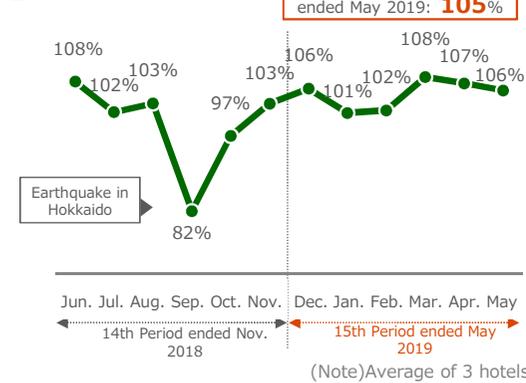
Overview of hotels

| Property | Tokyu Plaza Akasaka | A-FLAG SAPPORO | Kobe Kyu Kyoryuchi 25Bankan |
|------------------|---|---|---|
| |  |  |  |
| Hotel (Operator) | Akasaka Excel Hotel Tokyu (Tokyu Hotels) | Sapporo Tokyu REI Hotel (Tokyu Hotels) | Oriental Hotel (Plan·Do·See) |
| Location | 1-min walk from Akasaka-mitsuke Station | 2-min walk from Susukino Station | 5-min walk from Kyukyoryuchi·Daimarumae Station |
| # of rooms | 487 | 575 | 116 |

Occupancy rates of hotel rooms



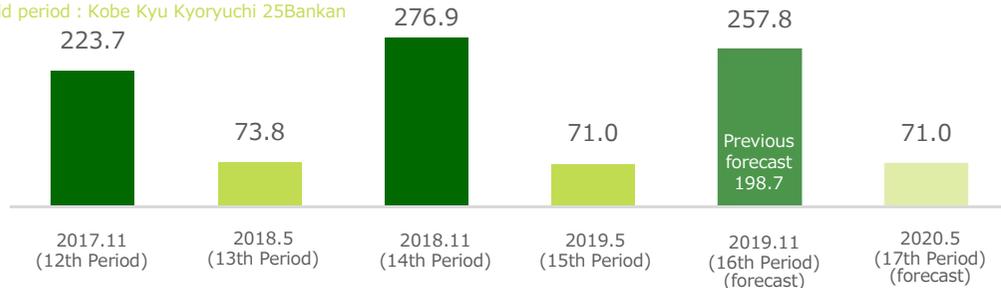
RevPAR (Y-on-Y)



Sales-linked rent

✓ **Large recovery** from previous forecast considering impact of earthquake is expected for the period ending Nov. 2019 (16th Period)

Even period : Tokyu Plaza Akasaka, A-FLAG SAPPORO
 Odd period : Kobe Kyu Kyoryuchi 25Bankan



2. Large-scale international events to be held in Japan

- ✓ API's Urban Retail properties including hotels are located in **proximity to event's venue**
- ✓ **Income increase** in properties following increased number of visitors during the event's period as well as **revitalization** of the area after events are expected

| Major events | Properties nearby |
|--|--|
| Sep.-Nov. 2019 Rugby World Cup™ Japan 2019 | Tokyu Plaza Akasaka Kobe Kyu Kyoryuchi 25Bankan A-FLAG SAPPORO |
| Jul.-Sep. 2020 Olympic and Paralympic Games Tokyo 2020 | Tokyu Plaza Akasaka A-FLAG SAPPORO DECKS Tokyo Beach |
| May-Nov. 2025 Expo 2025 in Osaka | Kobe Kyu Kyoryuchi 25Bankan Q plaza SHINSAIBASHI |

3. Management status of Q plaza HARAJUKU

Acquired in Jan 2019 (15th Period) from Sponsor

- ✓ Fairly new property in **Greater Shibuya area** developed by Sponsor
- ✓ Located along Meiji Street having **growth potential**



| | |
|-------------------|--|
| Location | Jingumae, Shibuya, Tokyo |
| Access | 2-minute walk from Meiji-jingumae <Harajuku> Station on the Tokyo Metro Chiyoda and Fukutoshin Lines |
| Acquisition price | ¥13,200 mn |
| Appraisal value | ¥13,300 mn |
| NOI yield | 3.1% |
| Completion date | Mar. 2015 |

Full occupancy since Apr. 2019

End of Jan. 2019 (at acquisition) → End of May 2019 (end of 15th Period)
 95.2% → **100%**

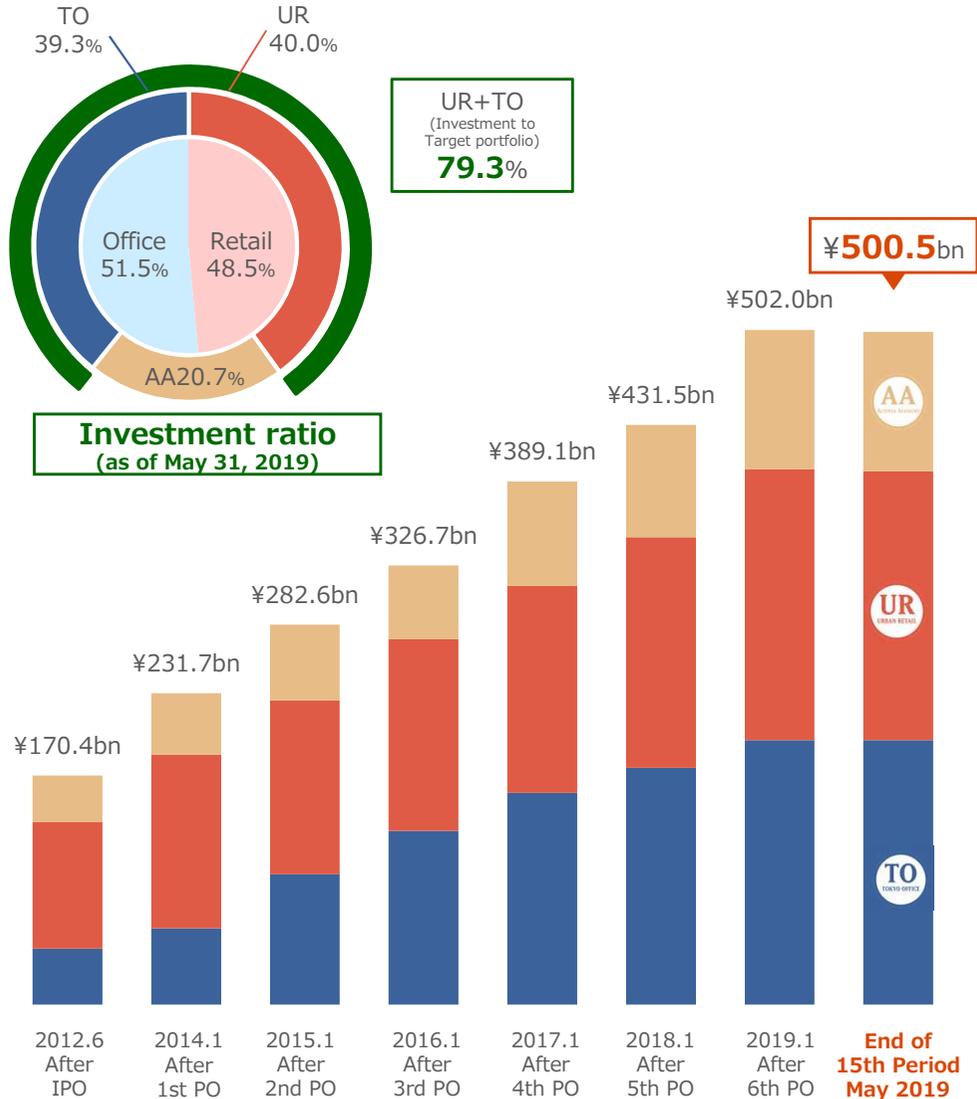
RIZAP Group's female-only dark room gym opened on the 4th floor



External Growth ~External Growth Strategy for Enhancement of Unitholder Value~

- Continuously examine possibilities for **acquisition of and replacement to new assets having Internal Growth potential** in order to **achieve early** stabilized DPU of **¥10,000**
- Given **increased stability of the portfolio** and **market environment**, API **will not** define further target asset size or **seek portfolio expansion**

1. Trends in asset size and investment ratio



(Note) Acquisition price basis

2. External Growth strategy fit to market environment

Recent business environment surrounding API

Decrease in cap rate

- ✓ Demand to real estate investment **remains soaring** with both domestic and oversea investors
- ✓ Although overall offers are in large number, **offered assets in central Tokyo are limited with lowered cap rate**

Slowing DPU growth

- ✓ **Contribution of External Growth to DPU growth gets smaller** after having reached to an asset size of ¥500 bn

New action plan given the business environment

Expansion of asset size is not a priority

- ✓ **No target asset size is to be defined**
- ✓ **Continue to examine possibility of asset replacement** contributable to early achievement of stabilized DPU of ¥10,000
- ✓ **Select most appropriate funding method** considering market environment
- ✓ **Strategic use of LTV**

Enhance opportunities for Internal Growth

- ✓ **Acquisition of new asset** such as office properties in Greater Shibuya area which will **lead enhancement of opportunities for internal growth**
- ✓ Acquisition of additional share in Tokyu Plaza Ginza will be considered only when **contribution to growth** of API can be anticipated

Asset Mix Strategy ~Retail Properties × Office Properties~

1. API's portfolio composition policy

- ✓ **Rigorously selected investment** in retail properties and office properties is implemented since IPO



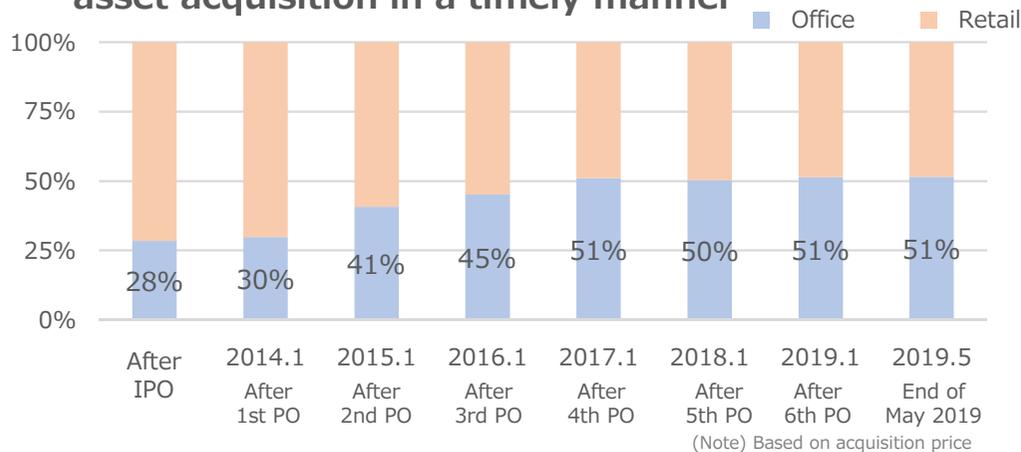
Major properties of combined asset categories

- Acquired high-quality properties taking in advantage of API as REIT having diversified assets



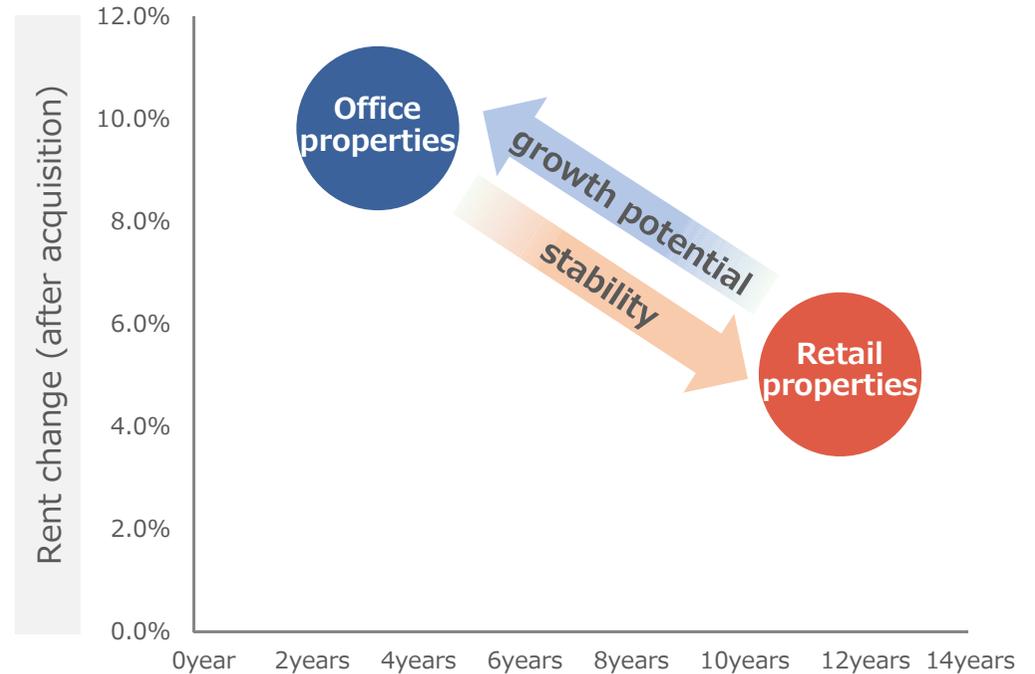
2. Trend in ratio of retail to office properties

- ✓ Realize to **compose most appropriate portfolio** by asset acquisition in a timely manner



3. Asset mix exerting synergetic effect

- ✓ Establish a solid revenue base by **composition of remarkably stable retail properties and office properties with high growth potential in portfolio**

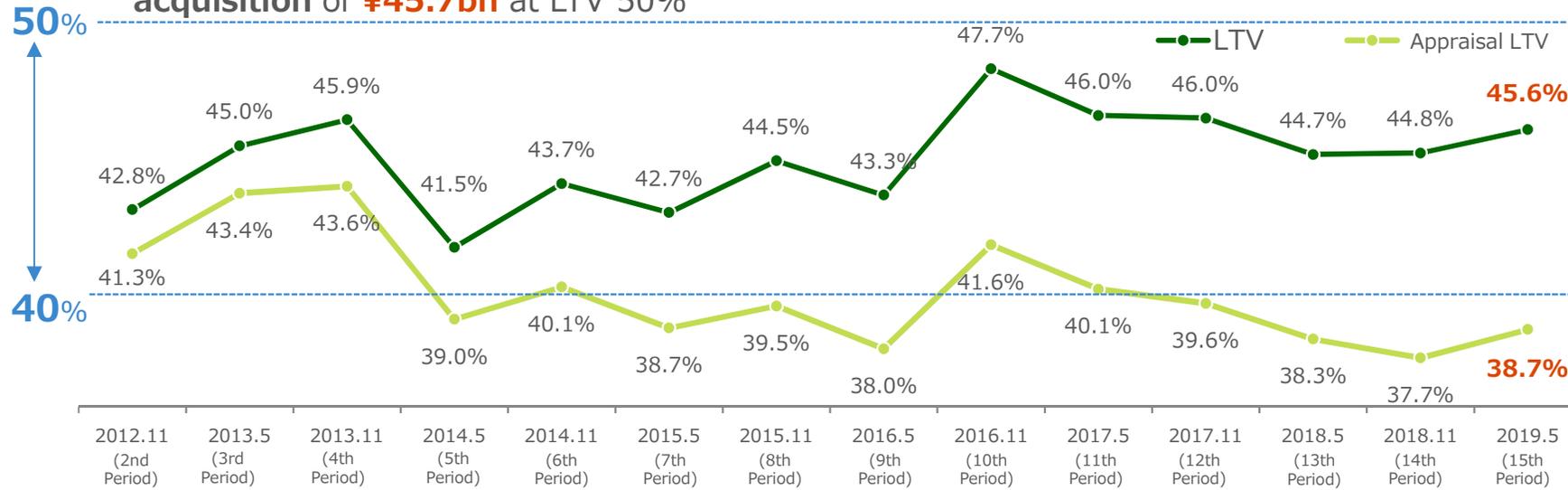


| | Average lease period | |
|--------------------------|-------------------------|---------------|
| | Average contract period | Rent increase |
| Retail properties | 11.6 years | +4.9% |
| Office properties | 3.3 years | +9.9% |

(Note 1) Calculated based on properties acquired in connection with from the 1st to 5th PO
 (Note 2) Average contract period is calculated based on lease contracts as of May 31, 2019
 (Note 3) Rent change is calculated based on rents at the end of month of acquisition and that in lease agreements as of May 31, 2019

1. Trend in LTV

✓ With LTV recently **hovered around 45%**, flexibility for property acquisition still secured with capacity for acquisition of **¥45.7bn** at LTV 50%



Assumed LTV

40% ~ 50%

Acquisition capacity (LTV50%)

¥45.7bn

Credit rating (JCR)

AA (Stable)
*Purchased by Bank of Japan

(Note) At the end of the period ended May 2019

2. Trends in average period remaining to maturity and average interest rate

✓ From the Period ended May 2017, **lowered average interest rate** with maintaining average period remaining to maturity at around 4.5 years



Avg. remaining period to maturity

4.8 yrs

Fixed interest rate ratio

91%

Average interest rate

0.57%

Long-term borrowing ratio

96%

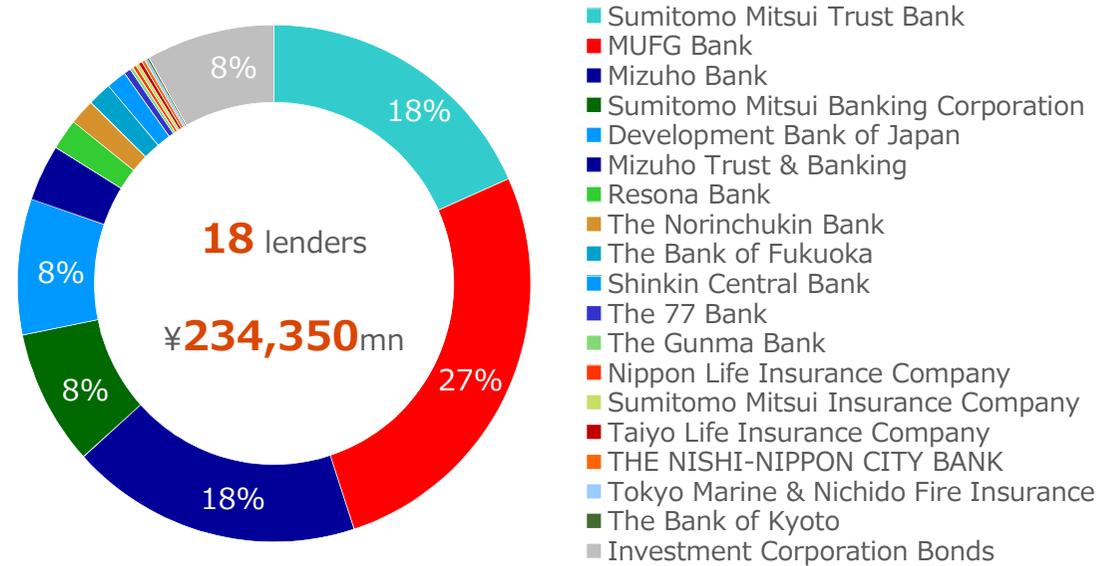
(Note) Assumption-based as of July 18, 2019

1. Recent borrowings and refinancing

| | New borrowing | | Refinance (from Dec. 2018) | |
|--------------------|----------------|--|----------------------------|----------------|
| | Jan. 2019 | | <Before> | <After> |
| Amount | ¥35bn | | ¥29.7bn | ¥29.7bn |
| Avg. period | 4.1 yrs | | 4.0 yrs | 6.7 yrs |
| Avg. interest rate | 0.31 % | | 0.55% | 0.41 % |

| API's first Green Bonds | |
|--------------------------|-----------------|
| Issue date | Jul. 9, 2019 |
| Total issue amount | ¥5 billion |
| Maturity (Interest rate) | 5 years (0.22%) |

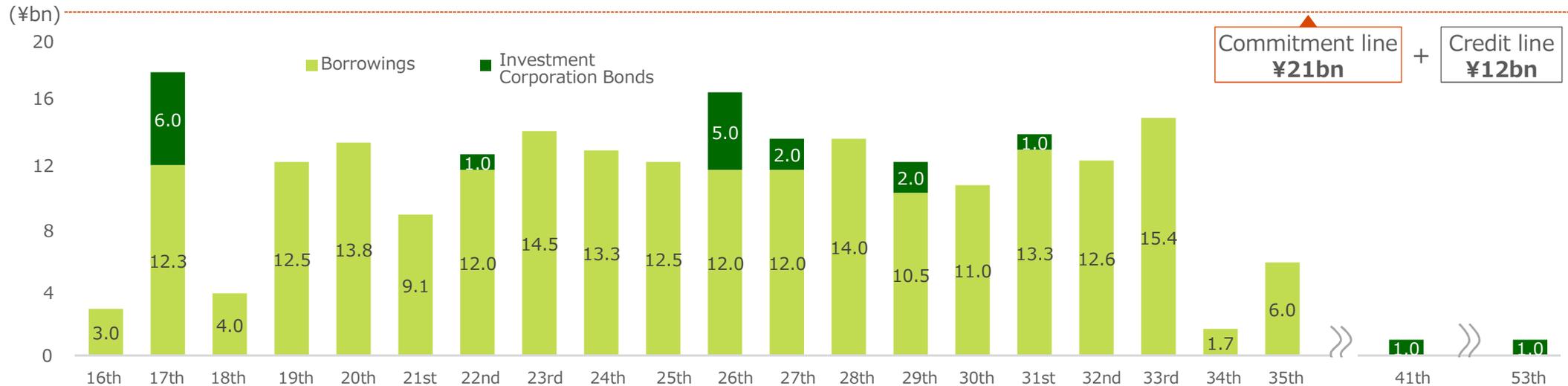
2. List of lenders



(Note) As of Jul. 18, 2019, assumption-based

3. Maturity ladder

✓ **Diversified maturity periods** paying attention to refinancing as well as **leveled outstanding debt and average interest rate** at each period



(Note) As of Jul. 18, 2019, assumption-based

Establishment of Sustainability Policy

- TRM established a **Sustainability Policy** in Apr. 2019 with belief that efforts towards **environment and society and reinforcement of corporate governance** should lead to contribution to **sustainable development of the society**

Sustainability Policy

Environmental Considerations

- Consider energy efficiency, decarbonization, water efficiency, and waste reduction as four major items in investment operation, and promote initiatives by reflecting these items to the measures

Efforts for Employees

- Improve employees' sustainability knowledge and promote enlightenment activities for that purpose, implement capacity building to allow personnel to act professionally and become more proactive, provide training for human resource development, and support acquisition of qualifications
- Improve the way employees work in light of the policies and practices of the entire group and by close internal sharing of information

Cooperation with External Stakeholders

- As a member of the local community, enhance relationships with customers, such as tenants and facility users, and the local community through improvements in disaster prevention and BCP measures, contributing to safety and security
- Promote programs and procurement with environmental and social considerations through engagement with tenants and suppliers, incl. PM companies
- Promote efforts to improve the way employees work in light of the policies and practices of the entire group and by close internal sharing of information

Legal Compliance and Risk Management

- Comply with environmental, social, and governance laws and regulations as well as pay close attention to and appropriately respond to legislative changes
- For risk assessment upon real estate acquisition, work on risk management in an appropriate manner, with consideration for environmental and social impacts

Information Disclosure

- Strive to disclose information on our sustainability efforts to investors and other stakeholders

Sustainability Promotion Council

- To implement the Sustainability Policy, the Sustainability Promotion Council which comprises of company-wide members including President & CEO of the Asset Manager (chief executive) is periodically held

Identification of Materiality

- **Identified core issues (materiality) by extracting significant medium- to long-term social issues** based on Sustainability Policy established by the Asset Manager and prior environmental efforts exercised by API

Identification process

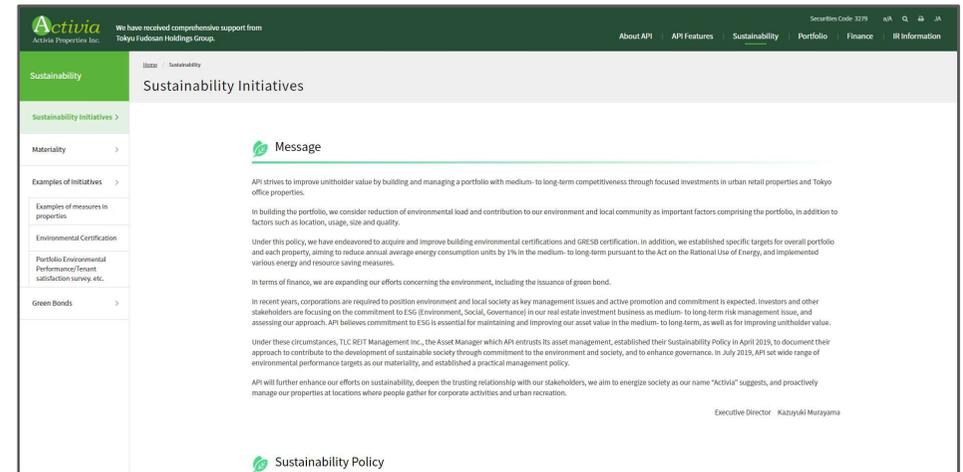


Materiality

| Materiality | Related SDGs |
|--|--|
| Reducing environmental impact | 7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION |
| Human capital development as a group of professionals | 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH |
| Contribution to the local community | 3 GOOD HEALTH AND WELL-BEING, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES |
| Health and well-being of tenants | 3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES |
| Supplier engagement | 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| Management framework corresponding to multifaceted social demand towards sustainable society | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS |

Website renewal

- ✓ **Renewed API's website** on the occasion of establishment of Sustainability Policy and identification of Materiality



QR code for API's Website →



1. Asset Manager's Governance

Decision-making process



Fee Structure

✓ **Management Fee structure** is scheduled to **change** in order to enhance unitholder value

| | Type I (annual rate) | Type II | Acquisition fee | Disposition fee |
|-----------------------|--|----------------------|-------------------------------------|---|
| Basis for calculation | Total assets at the end of the previous period × 0.25% | DPU × NOI × 0.00021% | 0.7% | 0.5% (No disposition fee when loss on sale is accrued) |
| | 0.5% of total assets at maximum | | 0.5% for related-party transactions | No fee for related-party transactions |

(Note) New rate for management fees are scheduled to take effect from Period ending May 2020 upon resolution at the 5th unitholders' meeting

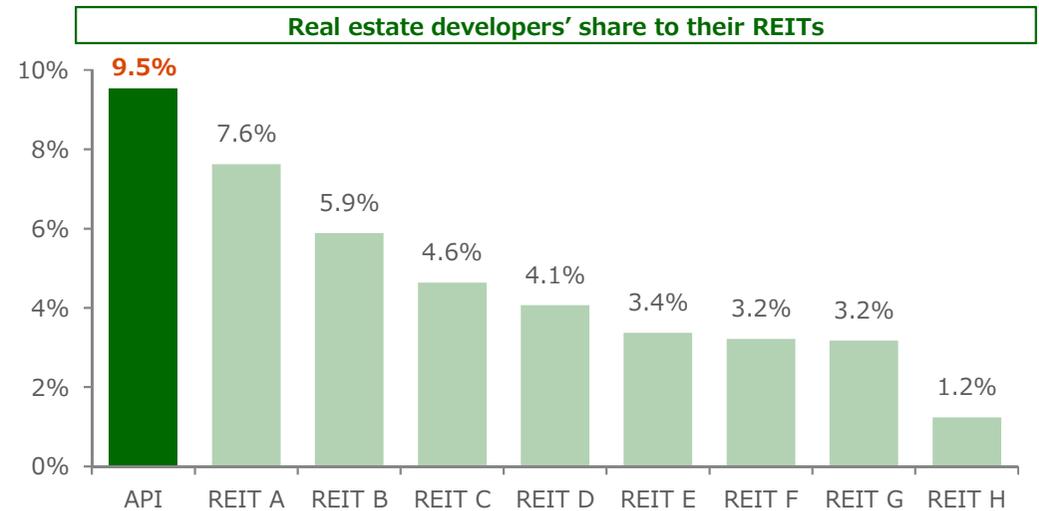
| Title | Name | Status of important current posts | Compensation (¥ thousand) |
|-----------------------|-------------------|---|---|
| Executive Director | Kazuyuki Murayama | General Manager of Strategy Department, Activia Management Division, TLC REIT Management Inc. | - |
| Supervisory Directors | Yonosuke Yamada | Managing partner of Yamada, Goya, and Suzuki law office | 3,300 (Actual for Period ended May 2019) |
| | Yoshinori Ariga | Chief accountant of Ariga Yoshinori accounting office | |

(Note) New Executive Director is scheduled to be appointed upon resolution at the 5th unitholders' meeting, with effective date of Sep. 8, 2019

2. Secured "Same-boat Principle" with Sponsor

Number of units held by Sponsor

✓ **11,512 additional units** acquired by Sponsor (Period ended May 2019)



Co-ownership

✓ Establish **framework which prevents conflict of interest** by enhancement of "Same-boat" investment by co-owning properties



(Note) Above figures are co-ownership interests held by API

1. GRESB Real Estate Assessment



Rating
5 Stars (highest rank)

Benchmark
Sector Leader
for two consecutive years
"Diversified-Office/Retail/Asia"

Public Disclosure
A (highest)

About GRESB ... GRESB is an organization established in 2009 which is committed to assessing the environmental, social and governance (ESG) performance in real estate investments with aim to enhance investors' quality. GRESB assesses sustainability efforts exercised by real estate companies and funds

2. Other environmental certifications



CASBEE Property Assessment Certification
S class (5 stars): 11 properties
A class (4 stars): 12 properties



DBJ Green Building Certification
5 stars: 1 property



BELS Assessment
5 stars: 2 properties
3 stars: 2 properties and 4 others

3. API's measurement examples

Environmental performance improvement

Energy consumption per year
-1.0%

CO₂ emissions per year
-1.5%

Enhancement of conversion to LEDs

Nb of Properties (office)
15 properties

In addition to common areas where conversion to LEDs is already ongoing, works in office areas will be followed accordingly

Conclusion of green lease agreement

Energy-saving equipment was installed in some properties and concluded with a tenant special agreement stipulating payment of green lease fee

(Note) Rates are per each unit, based on FY2018 results (properties comparable to FY2017 results)

Green Bond Framework

API's Eligible Projects are **limited to** buildings obtained **two highest ranks** of green certifications (tightened eligible criteria as **first J-REIT**)

Investors declared intention to invest

Below are investors who invested in API's first green bonds in July and agreed to disclose their names (In alphabetical order)

- Daitokyo Shinyokumiai
- IZAWA METAL Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation
- Sumitomo Mitsui Trust Asset Management
- The Miyazaki Taiyo Bank, Ltd.
- THE OITA BANK, LTD.
- The Sugamo Shinkin Bank
- Wakayamaken Ishi Shinyokumiai

Green certificated assets (¥291.3bn)

Green Eligible projects (¥253.6bn)

Funds procurable (¥110.5bn)

Already procured (¥5bn) (Note) Amount calculated based on the book value at end of Period

LTV45.6% (End of Period ended May 2019)

1. Initiatives at properties



- ✓ **Vegetable farming experience organized for local nursery school kids** in Tokyu Plaza Omotesando Harajuku “Omohara Forest”
- ✓ **Communication with local community enforced** through initiatives such as organization of harvest festivals since June 2018

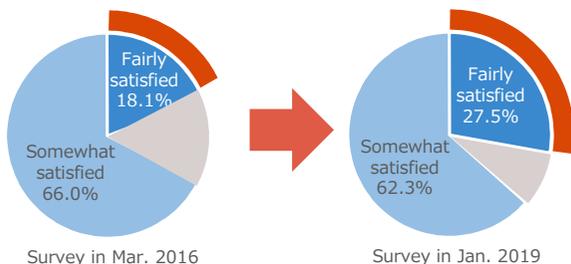


- ✓ **Active participation** at Umeda Gate Tower in various events sponsored by local organizations
- ✓ **Joined “Purari Flower Watching”** led by Umeda Higashi Town Promote Association in Nov. 2018 and **has put garden planters** with flowers of every season

2. Efforts towards tenants

CS survey (office)

- ✓ Customer satisfaction surveys are conducted since 2015 aiming at increase in tenant satisfaction and asset value improvement by response to their latent demands



Avg. **89.7%** of tenants replied “Satisfied” (12 properties surveyed, obtained 274 valid answers)

- ✓ Implemented **trainings to buildings’ keepers and cleaning staffs and value-up works**, using as reference to tenant satisfaction survey results and daily communication with tenants
- ✓ Ratio of reply “Fairly satisfied” in survey **improved by 9.4pts** in three years, which resulted in **maintaining high occupancy rate** and **achieving rent increases**

3. Initiatives at the Asset Manager

Number of employees with related qualifications

| | |
|--|----------|
| Registered real estate notary | 80 pers. |
| ARES Real Estate securitization master | 54 pers. |
| Certified Building Administrator | 23 pers. |
| Real estate appraisers | 7 pers. |

(Note) As of Jun.30, 2019

Measures in line with Work style reform

| | |
|--|------------------------|
| Employment | +15 pers. (vs. FY2017) |
| Turnover | 0% (FY2018 result) |
| Employment of women | 41% |
| Workers with reduced or shifted schedule for childcare | 2 pers. |

(Note) As of Apr.30, 2019

Accession to GRESB Membership



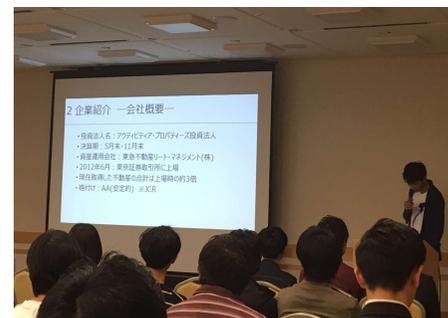
Became member in Feb. 2019 to address as an AM company to **significance of ESG** as an AM company

UN Global Compact Signatory



Group supports the UN Global Compact to for creation of the global framework to **realize sustainable growth**

4. Other initiatives

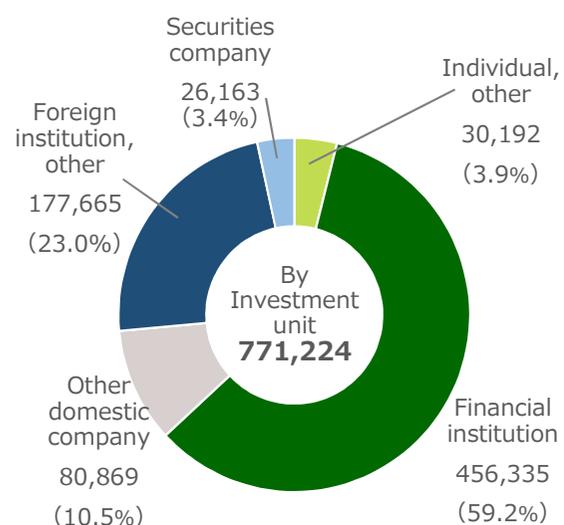
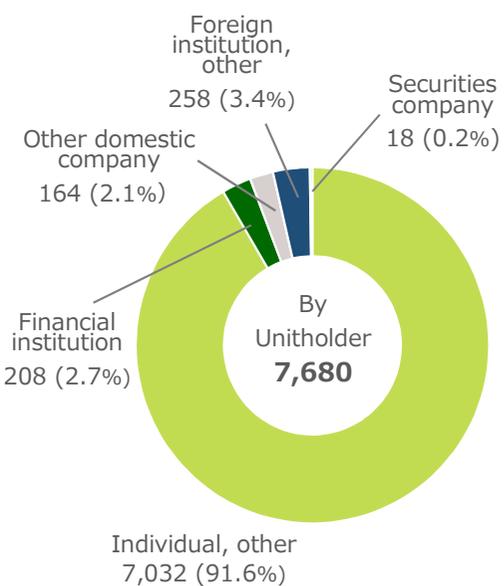


- ✓ **Co-sponsored** in Feb. 2019 in “the 3rd Students’ IR Presentation Competition” organized by USIC (Union of Student Investment Club)
- ✓ **Contributed to increase visibility of J-REITs with offering motivated students unique opportunity**

Distribution of Unitholders

1. Distribution of Unitholders by # of Unitholders and # of Units

| | End of May 2019 (the 15th Period) | | | | End of Nov. 2018 (the 14th Period) | | | |
|----------------------------|-----------------------------------|-------------|----------------|-------------|------------------------------------|-------------|----------------|-------------|
| | # of unit-holders | Ratio | # of units | Ratio | # of unit-holders | Ratio | # of units | Ratio |
| Individual, other | 7,032 | 91.6% | 30,192 | 3.9% | 6,304 | 91.2% | 26,101 | 3.7% |
| Financial institution | 208 | 2.7% | 456,335 | 59.2% | 189 | 2.7% | 417,331 | 59.7% |
| Other domestic company | 164 | 2.1% | 80,869 | 10.5% | 149 | 2.2% | 68,936 | 9.9% |
| Foreign institution, other | 258 | 3.4% | 177,665 | 23.0% | 252 | 3.6% | 172,330 | 24.7% |
| Securities company | 18 | 0.2% | 26,163 | 3.4% | 16 | 0.2% | 14,006 | 2.0% |
| Total | 7,680 | 100% | 771,224 | 100% | 6,910 | 100% | 698,704 | 100% |



2. Top 10 Unitholders

| Name | Investment units | Ratio (%) |
|---|------------------|--------------|
| 1. Japan Trustee Services Bank, Ltd. (Trust accounts) | 137,274 | 17.8% |
| 2. The Master Trust Bank of Japan, Ltd. (Trust accounts) | 116,965 | 15.2% |
| 3. Tokyu Land Corporation | 73,425 | 9.5% |
| 4. The Nomura Trust and Banking Co., Ltd (Investment accounts) | 29,741 | 3.9% |
| 5. Trust & Custody Services Bank, Ltd. (Securities investment trust accounts) | 28,929 | 3.8% |
| 6. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | 10,627 | 1.4% |
| 7. SSBTC CLIENT OMNIBUS ACCOUNT | 10,611 | 1.4% |
| 8. State Street Bank West Client Treaty 505234 | 8,910 | 1.2% |
| 9. Rakuten General Insurance Co., Ltd. | 6,600 | 0.9% |
| 10. Mizuho Trust & Banking Co., Ltd. | 6,415 | 0.8% |
| Total | 429,497 | 55.7% |

Appendix

Portfolio Map

Central Tokyo Area



| | | |
|---|-------------------------------------|--------------------------------|
| UR-1 Tokyu Plaza Omotesando Harajuku | UR-2 Tokyu Plaza Akasaka | UR-3 Q plaza EBISU |
| UR-6 A-FLAG AKASAKA | UR-9 A-FLAG SHIBUYA | UR-11 A-FLAG KOTTO DORI |
| UR-12 A-FLAG BIJUTSUKAN DORI | UR-13 A-FLAG DAIKANYAMA WEST | UR-15 DECKS Tokyo Beach |
| UR-16 Tokyu Plaza Ginza(Land) | UR-17 Q plaza Harajuku | TO-1 TLC Ebisu Building |
| TO-2 A-PLACE Ebisu Minami | TO-3 A-PLACE Yoyogi | TO-4 A-PLACE Aoyama |

| | | | | | | |
|--------------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|---------------------------------------|-----------------------------|
| TO-5 Luogo Shiodome | TO-6 TAMACHI SQUARE (Land) | TO-7 A-PLACE Ikebukuro | TO-8 A-PLACE Shinbashi | TO-9 A-PLACE Gotanda | TO-10 A-PLACE Shinagawa | TO-11 OSAKI WIZTOWER |
| TO-12 Shiodome Building | TO-13 A-PLACE Ebisu Higashi | TO-14 A-PLACE Shibuya Konnoh | TO-15 A-PLACE Gotanda Ekimae | TO-16 A-PLACE Shinagawa Higashi | TO-17 A-PLACE Shinbashi Ekimae | |

Greater Tokyo Area



| | | |
|------------------------------|--------------------------------------|---------------------------------|
| AA-4 icot Mizonokuchi | AA-5 icot Tama Center | |
| AA-8 icot Omori | AA-9 Market Square Sagamihara | AA-11 A-PLACE Bashamichi |

Nagoya

| |
|------------------------------|
| AA-6 A-PLACE Kanayama |
|------------------------------|

Hakata

| |
|-------------------------------------|
| AA-12 Commercial Mall Hakata |
|-------------------------------------|



Hyogo/Osaka/Kyoto

| | | |
|---|---|-----------------------------------|
| UR-5 Kyoto Karasuma Parking Building | UR-7 Kobe Kyu Kyoryuchi 25Bankan | UR-10 Q plaza SHINSAIBASHI |
| UR-14 A-FLAG KITA SHINSAIBASHI | AA-1 Amagasaki Q's MALL (Land) | AA-2 icot Nakamoto |
| AA-7 Osaka Nakanoshima Building | AA-10 Umeda Gate Tower | AA-13 EDGE Shinsaibashi |

Sapporo

| |
|----------------------------|
| UR-8 A-FLAG SAPPORO |
|----------------------------|

Portfolio ~Urban Retail Properties~ (1/3)

| Property name | Tokyu Plaza Omotesando Harajuku (Note 1) | Tokyu Plaza Akasaka (Note 1) | Q plaza EBISU | Kyoto Karasuma Parking Building | A-FLAG AKASAKA (Note 1)(Note 2) | Kobe Kyu Kyoryuchi 25Bankan |
|------------------------------|--|--|---|---|---|---|
| |  |  |  |  |  |  |
| Location | Jingu-mae, Shibuya-ku, Tokyo | Nagatacho, Chiyoda-ku, Tokyo | Ebisu, Shibuya-ku, Tokyo | Moto Honenji-cho, Nakagyo-ku, Kyoto | Akasaka, Minato-ku, Tokyo | Kyomachi, Chuo-ku, Kobe, Hyogo |
| Access | A 1-minute walk from Tokyo Metro Chiyoda Line, Fukutoshin Line "Meiji Jingumae (Harajuku)" Station | A 1-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" Station A 1-minute walk from Tokyo Metro Yurakucho Line, Hanzomon Line, Namboku Line "Nagatacho" Station | A 1-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/Tokyo Metro Hibiya Line "Ebisu" Station | A 1-minute walk from Hankyu Kyoto Line "Karasuma" Station A 1-minute walk from subway Karasuma Line "Shijo" Station | A 3-minute walk from Tokyo Metro Chiyoda Line "Akasaka" Station A 5-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" Station | A 5-minute walk from Kobe subway Kaigan Line "Kyu Kyoryuchi, Daimarumae" Station A 9-minute walk from JR Tokaido Line, Hankyu Kobe Line and Hanshin Main Line "Sannomiya" Station |
| Acquisition price (A) | ¥45,000mn | ¥11,450mn | ¥8,430mn | ¥8,860mn | ¥1,500mn | ¥21,330mn |
| Appraisal value (B) | ¥45,200mn | ¥11,500mn | ¥8,770mn | ¥9,430mn | ¥1,575mn | ¥21,600mn |
| vs appraisal value (A/B) | 99.6% | 99.6% | 96.1% | 94.0% | 95.2% | 98.8% |
| Appraisal NOI yield | 3.9% | 6.1% | 4.5% | 6.2% | 4.5% | 4.8% |
| Structure | Steel framed, RC, SRC | SRC | Steel framed, RC | Steel framed | Steel framed, SRC | Steel framed, SRC |
| Number of floors | 7 floors above and 2 floors underground | 14 floors above and 3 floors underground | 6 floors above and 1 floor underground | 9 floors above and 1 floor underground | 7 floors above and 1 floor underground | 18 floors above and 3 floors underground |
| Gloss floor area (Note 2) | 11,368.11m ² (Total) | 51,491.66m ² (Total) | 4,670.02m ² | 21,495.47m ² | 2,429.01m ² | 27,010.67m ² |
| Total leasable area (Note 2) | 4,918.44m ² | 16,609.75m ² | 4,024.88m ² | 21,616.04m ² | 1,140.11m ² | 19,653.90m ² |
| Occupancy rate (Note 2) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Key tenants (Note 2) | Baroque Japan Limited | Tokyu Hotels Co., Ltd. | Tokyu Sports Oasis Inc. | Times24 Co., Ltd. | - (undisclosed) | Plan Do See Inc. |
| Number of tenants (Note 2) | 35 | 98 | 4 | 2 | 8 | 7 |
| Key points of properties | <ul style="list-style-type: none"> Located at the crossing of Omotesando and Meiji Street, the center of Japan's fashion culture Aiming to develop a "fashion theme park" that enables customers to enjoy the latest fashion and life-style themes in an environment full of greenery Many tenants have positioned their shops in this building as their flagship or prototype shop considering the building's excellent location and high visibility | <ul style="list-style-type: none"> The strong international flavor stems from the many foreign companies and embassies in this area. The Nagatacho and Kasumigaseki areas are located behind the site Located in the busy commercial area of Tokyo city-center, it has good commercial potential to attract diversified businesses Property is facing Akasakamitsuke crossing between Sotobori Dori and Route 246, with high visibility | <ul style="list-style-type: none"> Located in the Ebisu area which is, unlike Shibuya or Daikanyama, well known as an area for grown-up 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"> Located in the Shijo Karasuma area, which is one of Kyoto's most prominent city center areas Highly visible building with a façade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto | <ul style="list-style-type: none"> A 3-minute walking distance from Tokyo Metro Chiyoda Line "Akasaka" Station, and is convenient location where multiple stations and lines may be used Facing "Hitotsugi Street", the street with the heaviest foot traffic in Akasaka area where concentrates various restaurants Leasing area is wide and enables versatile use suiting needs of diverse tenants | <ul style="list-style-type: none"> Located in Kobe, a port city with long history, the area "Kyu Kyoryuchi" has various historic sites/buildings and is one of the leading commercial districts in West Japan in terms of the number of visitors Kobe Luminarie takes place in December every year Tenants include Louis Vuitton shop in the "Louis Vuitton Maison" format offering a full lineup Long-term lease of min. 5 years contributing to a stable income |

(Note 1) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and A-FLAG AKASAKA are calculated based on the pro rata share of the co-ownership interests (75%, 50% and 50%, respectively), except the gross floor area and number of tenants, which indicate the amount for the whole building. (Note 2) API disposed of A-FLAG AKASAKA as of June 3, 2019.

(Note 3) Figures are provided as of May 31, 2019. The same shall apply hereafter in the Portfolio pages.

Portfolio ~Urban Retail Properties~ (2/3)

| Property name | A-FLAG SAPPORO | A-FLAG SHIBUYA | Q plaza SHINSAIBASHI | A-FLAG KOTTO DORI | A-FLAG BIJUTSUKAN DORI | A-FLAG DAIKANYAMA WEST |
|--------------------------|--|---|---|---|--|--|
| |  |  |  |  |  |  |
| Location | Minami-Yonjo-Nishi, Chuo-ku, Sapporo, Hokkaido | Udagawa-cho, Shibuya-ku, Tokyo | Shinsaibashisuji, Chuo-ku, Osaka-city, Osaka | Minami-Aoyama, Tokyo | Minami-Aoyama, Tokyo | Sarugakucho, Shibuya-ku, Tokyo |
| Access | A 2-minute walk from Sapporo subway Nanboku Line "Susukino" Station A 8-minute walk from Sapporo subway Toho Line "Hosui-susukino" Station | A 4-minute walk from Tokyo Metro Ginza Line, Hanzoumon Line, Fukutoshin Line/ Tokyu Denentoshi Line, Toyoko Line "Shibuya" Station A 5-minute walk from Keio Inogashira Line "Shibuya" Station A 6-minute walk from JR Yamanote Line, etc. "Shibuya" Station | A 1-minute walk from Osaka Metro Midosuji Line, Nagahori Tsurumi-ryokuchi Line "Shinsaibashi" Station | A 4-minute walk from "Omotesando" Station on the Tokyo Metro | A 7-minute walk from "Omotesando" Station on the Tokyo Metro | A 4-minute walk from "Daikanyama" Station on the Tokyu Toyoko Line |
| Acquisition price (A) | ¥4,410mn | ¥6,370mn | ¥13,350mn | ¥4,370mn | ¥4,700mn | ¥2,280mn |
| Appraisal value (B) | ¥4,800mn | ¥6,400mn | ¥13,400mn | ¥4,570mn | ¥4,740mn | ¥2,300mn |
| vs appraisal value (A/B) | 91.9% | 99.5% | 99.6% | 95.6% | 99.2% | 99.1% |
| Appraisal NOI yield | 8.7% | 4.9% | 3.9% | 4.3% | 3.9% | 4.0% |
| Structure | Steel framed, RC | RC | Steel framed, SRC, RC | Reinforced concrete | SRC, steel framed | SRC |
| Number of floors | 12 floors above and 1 floor underground | 5 floors above and 1 floor underground | 8 floors above and 2 floors underground | 5 floors above and 2 floors underground | 2 floors above and 2 floors underground | 4 floors above and 2 floor underground |
| Gross floor area | 27,277.85㎡ | 3,340.70㎡ | 3,822.45㎡ | 3,358.28m ² | 2,221.98m ² | 4,036.27m ² |
| Total leasable area | 21,229.16㎡ | 3,403.07㎡ | 2,820.23㎡ | 2,656.53 m ² | 1,994.65 m ² | 2,579.08 m ² |
| Occupancy rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Key tenants | Tokyu Hotels Co., Ltd. | G.U. CO., LTD. | cocokara fine Inc. | AMAN CO., LTD. | BLUE NOTE JAPAN, INC. | - (undisclosed) |
| Number of tenants | 17 | 2 | 6 | 7 | 4 | 1 |
| Key points of properties | <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 retail property holding a hotel and restaurants with high visibility in a 2-minute walk from "Susukino" Station Sapporo Snow Festival is held every February in the city | <ul style="list-style-type: none"> Located in Shibuya area, one of the major commercial districts in Japan and the fashion centers for "young generations" An urban retail property in "Shibuya Center Street", designed to fit the district feature attracting people all day and night Club Quattro is a long-established club, hosts live music and has invited a variety of artists from both Japan and abroad for over 30 years | <ul style="list-style-type: none"> Located in the front entrance of "Shinsaibashi", the top commercial area in Western Japan Shinsaibashi has the ability to attract customers as commercial focal point with passersby reaching about 98,000 people Conveniently located with a 1-minute walk from Osaka Metro "Shinsaibashi" Station, directly connecting to Crysta Nagahori | <ul style="list-style-type: none"> A high versatile space able to meet various commercial needs ranging from small-scale units of approx. 6 tsubo to large-scale units of approx. 130 tsubo Office spaces are equipped with sufficiently high-specification facilities to meet tenants' needs and are highly competitive in this area | <ul style="list-style-type: none"> Located on Museum Street, connecting "Kotto Street" and "Miyuki Street", where many visitors stroll around Location near Nezu Museum, Taro Okamoto Memorial Museum and other cultural facilities Rare property in the fashion-conscious Omotesando/Minami-Aoyama area, including unique tenants such as Blue Note Tokyo and DS STORE | <ul style="list-style-type: none"> Located along "Hachiman Street", the main street of Daikanyama area Very close to Daikanyama crossing, center of the area with sophisticated apparel shops, cafés and restaurants scattered throughout Area draws visitors from broader areas since the opening of large-scale retail properties in 2011 Elaborated design appeals to tenants who prefer the high-end image of the area |

Portfolio ~Urban Retail Properties~ (3/3)

| Property name | A-FLAG KITA SHINSAIBASHI | DECKS Tokyo Beach (Note) | Tokyu Plaza Ginza (Land) (Note) | Q plaza HARAJUKU (Note) |
|--------------------------|---|---|---|---|
| |  |  |  |  |
| Location | Minami Senba, Chuo-ku, Osaka-city, Osaka | Daiba, Minato-ku, Tokyo | Ginza, Chuo-ku, Tokyo | Jingu-mae, Shibuya-ku, Tokyo |
| Access | A 3-minute walk from "Shinsaibashi" Station on the Osaka Metro Midosuji Line | A 2-minute walk from "Odaibakaihinkoen" Station on the Tokyo Waterfront New Transit Waterfront Line A 5-minute walk from "Tokyo Teleport" Station on the Tokyo Waterfront Area Rapid Transit Rinkai Line | 1-minute walk from "Ginza" Station on the Tokyo Metro Marunouchi Line, Ginza Line, and Hibiya Line (directly connected to the station) | 2-minute walk from "Meiji-jingumae <Harajuku>" Station on the Tokyo Metro Chiyoda Line and Fukutoshin Line |
| Acquisition price (A) | ¥4,725mn | ¥12,740mn | ¥37,500mn | ¥13,200mn |
| Appraisal value (B) | ¥4,770mn | ¥12,887mn | ¥39,000mn | ¥13,300mn |
| vs appraisal value (A/B) | 99.1% | 98.9% | 96.2% | 99.2% |
| Appraisal NOI yield | 4.3% | 4.4% | 2.5% | 3.1% |
| Structure | SRC, steel framed | Steel framed | - | SRC, steel framed |
| Number of floors | 7 floors above and 1 floor underground | 8 floors above | - | (Building A) 11 floors above and 2 floors underground (Building B) 2 floors above and 1 floor underground |
| Gross floor area | 3,096.18m ² | 67,506.91m ² | - | 7,667.27m ² |
| Total leasable area | 2,536.75m ² | 16,112.56m ² | 1,130.04m ² | 3,378.49m ² |
| Occupancy rate | 100.0% | 100.0% | 100.0% | 100.0% |
| Key tenants | PRESS Corporation Inc. | CA Sega Joypolis Ltd. | Sumitomo Mitsui Trust Bank, Limited | Take and Give Needs Co., Ltd |
| Number of tenants | 5 | 85 | 1 | 16 |
| Key points of properties | <ul style="list-style-type: none"> Located at a 3-min walk from "Shinsaibashi" Station Facing the arcade of Shinsaibashisuji North shopping street, a busy street with many stores Standing on a highly visible corner Accessible directly to 2nd floor and underground floor by stairs from street level in addition to an elevator Diverse tenants meeting various daily needs such as fitness gym, live music club and cellular phone store | <ul style="list-style-type: none"> Located next to "Odaiba-kaihinkoen" Station 3rd floor with wood decks connected to neighbor commercial facilities and Odaiba Kaihin park "Hands-on experience" tenants such as "Tokyo Joypolis", "LEGOLAND Discovery Center Tokyo" and "Madame Tussauds Tokyo" Offers a great view of the Rainbow Bridge and illumination of Odaiba-kaihin Park, attracting diverse visitors such as foreign tourists and school trip students | <ul style="list-style-type: none"> Located in Ginza, an high competitive commercial area where many international brands have their shops At the corner of Sukiyabashi Intersection with very busy traffic even for Ginza area 70-year land lease contributing long-term stability | <ul style="list-style-type: none"> Located in an area bustling with people going back and forth between Harajuku and Shibuya Facing Meiji Street with growth potential by development projects Includes 1st facility in Kanto region of a wedding company and 1st restaurant in Japan of a food service provider |

(Note) DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), and Q plaza HARAJUKU are calculated based on the pro rata share of the co-ownership interests (49%, 30% and 60%, respectively), except the gross floor area and number of tenants, which indicate the amount for the whole building.

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 | A 4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-shinjuku Line "Ebisu" Station A 6-minute walk from Tokyo Metro Hibiya Line "Ebisu" Station | A 4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station | A 3-minute walk from JR Yamanote Line, Chuo Line, Sobu Line/ Toei Oedo Line "Yoyogi" Station | A 4-minute walk from Tokyo Metro Ginza Line "Gaienmae" Station | A 4-minute walk from Toei Oedo Line/ Yurikamome "Shiodome" Station A 5-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station | A 2-minute walk from Toei Asakusa Line, Mita Line "Mita" Station A 4-minute walk from JR Yamanote Line, Keihin-Tohoku Line "Tamachi" Station |
| Acquisition price (A) | ¥7,400mn | ¥9,640mn | ¥4,070mn | ¥8,790mn | ¥4,540mn | ¥2,338mn |
| Appraisal value (B) | ¥7,420mn | ¥9,950mn | ¥4,180mn | ¥8,850mn | ¥4,570mn | ¥2,400mn |
| vs appraisal value (A/B) | 99.7% | 96.9% | 97.4% | 99.3% | 99.3% | 97.4% |
| Appraisal NOI yield | 5.4% | 4.9% | 5.1% | 5.0% | 4.7% | 4.7% |
| Structure | SRC | SRC | Steel framed | RC | Steel framed, RC | - |
| Number of floors | 9 floors above and 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 | 7,950.49m ² | 3,106.17m ² | 7,303.69m ² | 4,476.35m ² | 1,287.96m ² |
| Occupancy rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Key points of properties | <ul style="list-style-type: none"> The building is in the high profile area of Ebisu, which has the highest concentration of office buildings 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 Common area renewed in 2017 | <ul style="list-style-type: none"> Highly visible building located on the roadside of Meiji Street Approx. 346m² astylar space on one floor allows highly efficient space usage Versatile rectangular building shape equipped with shared facilities along the sides allows partial leasing of the floor | <ul style="list-style-type: none"> 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 to companies including apparel companies that need to deliver products and equipment | <ul style="list-style-type: none"> Located on the north side of Shiodome Siosite's western district, known as "Italy Town" which has a high traffic convenience Higher competitiveness compared with other office properties in the neighborhood due to its quake-absorbing structure Strong demand expected from affiliates and customers of the large corporations in other large buildings around "Shiodome" station | <ul style="list-style-type: none"> Convenient location close to center of the city with a good traffic convenience with several JR and Toei lines Area around "Tamachi" Station is highly concentrated of large companies head offices because of easy access to "Shinagawa" Station providing Tokaido Shinkansen (bullet train), and to "Hamamatsu" Station providing direct access to Haneda Airport on JR Line |

Portfolio ~Tokyo Office Properties~ (2/3)

| Property name | A-PLACE Ikebukuro | A-PLACE Shinbashi | A-PLACE Gotanta | A-PLACE Shinagawa | OSAKI WIZTOWER (4-11th floors) | Shiodome Building (Note) |
|--------------------------|--|---|---|--|--|--|
| |  |  |  |  |  |  |
| Location | Minami Ikebukuro, Toshima-ku, Tokyo | Shinbashi, Minato-ku, Tokyo | Nishigotanda, Shinagawa-ku, Tokyo | Konan, Minato-ku, Tokyo | Osaki, Shinagawa-ku, Tokyo | Kaigan, Minato-ku, Tokyo |
| Access | A 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 | A 3-minute walk from JR Tokaido Line, Yamanote Line, KeihinTohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station | A 3-minute walk from Toei Asakusa Line "Gotanda" station A 4-minute walk from JR Yamanote Line "Gotanda" Station | A 4-minute walk from JR Tokaido Shinkansen, Tokaido Line, Yamanote Line, KeihinTohoku Line, Yokosuka Line/ Keikyu Main Line "Shinagawa" Station | A 4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Rinkai Line "Osaki" Station | A 3-minute walk from JR Line "Hamamatsucho" Station A 3-minute walk from Toei Oedo Line/ Asakusa Line "Daimon" Station |
| Acquisition price (A) | ¥3,990mn | ¥5,650mn | ¥5,730mn | ¥3,800mn | ¥10,690mn (sectional ownership) | ¥30,300mn / ¥20,400mn / ¥20,900mn |
| Appraisal value (B) | ¥4,020mn | ¥5,780mn | ¥5,750mn | ¥3,800mn | ¥11,200mn (Sectional ownership) | ¥30,450mn / ¥20,700mn / ¥21,100mn |
| vs appraisal value (A/B) | 99.3% | 97.8% | 99.7% | 100.0% | 95.4% | 99.5% / 98.6%/99.1% |
| Appraisal NOI yield | 5.2% | 5.1% | 4.5% | 4.6% | 4.6% | 4.2% / 4.1%/3.9% |
| 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 (Total) |
| Total leasable area | 3,409.73m ² | 5,052.14m ² | 4,028.69m ² | 2,986.36m ² | 7,193.28m ² (Sectional ownership) | 28,136.05m ² |
| Occupancy rate | 100.0% | 98.7% | 100.0% | 100.0% | 100.0% | 100.0% |
| Key points of properties | <ul style="list-style-type: none"> Located along Meiji Street enjoying high visibility Further development of area is expected with redevelopment plan of the land of former Toyoshima ward municipal building and its surrounding L-shaped floor with shared facilities along the sides offering a large versatility | <ul style="list-style-type: none"> Conveniently located with a 3-minute walk from "Shinbashi" Station serviced by JR, Tokyo Metro Ginza Line, Toei Asakusa Line and Yurikamome Line Can be expected various tenant needs from different business types and categories taking advantage of traffic convenience Further development is expected with redevelopment plan of Shinbashi East exit area Implemented renovation works of 2-5th floors in 2012-2013 | <ul style="list-style-type: none"> Good location with a 3-minute walk from Toei Asakusa Line "Gotanda" Station and 4-minute walk from JR "Gotanda" Station An office building with a high profile facade, developed by Tokyu Land Corporation The relative new building is equipped with high-tech facilities including 100mm-high free-access floors, individual air conditioning units and grid ceilings | <ul style="list-style-type: none"> High traffic convenience located a 4-minute walk from "Shinagawa" Station with easy access to major areas in Tokyo by several JR lines and Tokaido Shinkansen (bullet train) and to Haneda Airport by Keikyu Line Relatively compact rental area with no pillars in the office spaces, allowing for efficient and versatile use of the floors Sufficient facility specification to meet tenant needs equipped with individual OA floor and air conditioner | <ul style="list-style-type: none"> High convenience with a 4-minute walk from "Osaki" Station on JR Yamanote Line Having BCP (Business Continuity Planning) facilities such as emergency power generation system enabling consecutive 48-hour electric power supply in addition to the newest earthquake resistant structure | <ul style="list-style-type: none"> Well located close to "Hamamatsucho" Station with a high visibility Only a 3-minute walk from JR "Hamamatsucho" Station and Toei "Daimon" Station with a direct access to Haneda Airport and major rail terminal stations such as Tokyo and Shinagawa Possess a highly competitiveness with standard office floor area of more than 1,000 tsubo, a rarity in Tokyo market, also is capable to divide the floor space which responds a variety of tenants needs |

(Note) Shiodome Building is calculated based on the pro rata share of the co-ownership interests (35%), except the gross floor area which indicates the amount for the whole building.

Portfolio ~Tokyo Office Properties~ (3/3)

| Property name | A-PLACE Ebisu Higashi | A-PLACE Shibuya Konnoh | A-PLACE Gotanda Ekimae | A-PLACE Shinagawa Higashi | A-PLACE Shinbashi Ekimae |
|--------------------------|---|---|---|--|---|
| |  |  |  |  |  |
| Location | Higashi, Shibuya-ku, Tokyo | Shibuya, Shibuya-ku, Tokyo | NishiGotanda, Shinagawa-ku, Tokyo | Konan, Minato-ku, Tokyo | Shinbashi, Minato-ku, Tokyo |
| Access | A 6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station | A 4-minute walk from JR Yamanote Line "Shibuya" station | A 1-minute walk from JR Yamanote Line/ Toei Asakusa Line/ Tokyu Ikegami Line "Gotanda" Station | A 7-minute walk from "Shinagawa" station on the JR Yamanote Line, Tokaido Shinkansen, Tодаido Line, Keihin-Tohoku Line and Yokosuka Line, and the Keikyu Line | A 1-minute walk from "Shinbashi" station on JR Tokaido Line, Yamanote Line / Keihin-Tohoku Line, Yokosuka Line / Tokyo Metro Ginza Line, Toei Asakusa Line, Yurikamome |
| Acquisition price (A) | ¥7,072mn | ¥4,810mn | ¥7,280mn | ¥18,800mn | ¥20,500mn |
| Appraisal value (B) | ¥7,160mn | ¥4,900mn | ¥7,390mn | ¥19,000mn | ¥22,500mn |
| vs appraisal value (A/B) | 98.8% | 98.2% | 98.5% | 98.9% | 91.1% |
| Appraisal NOI yield | 4.4% | 4.4% | 4.3% | 4.2% | 5.4% |
| Structure | SRC | RC, SRC | SRC | SRC | Steel framed, SRC |
| Number of floors | 10 floors above and 2 floors underground | 8 floors above and 1 floor underground | 9 floors above and 1 floor underground | 8 floors above and 1 floor underground | 10 floors above and 1 floor underground |
| Gross floor area | 5,321.23m ² | 4,331.70m ² | 5,961.02m ² | 21,114.32m ² | 8,541.44m ² |
| Total leasable area | 4,010.69m ² | 2,995.72m ² | 4,316.89m ² | 14,658.98m ² | 6,484.57m ² |
| Occupancy rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Key points of properties | <ul style="list-style-type: none"> Great lighting and visibility as it is located at the corner and along the Meiji street which is 6-minute walk from "Ebisu" station Well in appealing tenants in terms of facilities following the renewal of entrance/restroom and individualizing air conditioner in 2018 despite the age of 20 years Implemented a large-scale renovation of external wall from 2016 to 2017 | <ul style="list-style-type: none"> South entrance of Shibuya Station is expected to be further developed and have better accessibility with pedestrian deck and escalators to be installed through redevelopment of area around Shibuya Station along National Route 245 It underwent large-scale renovations from 2011 to 2012 | <ul style="list-style-type: none"> Just 1-minute walk from the JR Yamanote Line "Gotanda" Station Features a standard office floor area of 148 tsubo with a ceiling height of 2,600 mm, individual air conditioning units, free access floor, etc. The astylar style rooms can be divided which enables to address flexibly the needs from tenants Addresses a wide range of demands of tenants including retail stores, owing to locational rarity and high visibility from the station | <ul style="list-style-type: none"> Excellent traffic links given the accessibility to the Tokaido Shinkansen (bullet train), along with several JR Lines, and direct access to Haneda Airport via the Keikyu Line The area is expected to develop further with the prospective opening of the Linear Shinkansen (bullet train) Owens high competitiveness thanks to great specifications with standard floor area of approx.687 tsubo and renewal works | <ul style="list-style-type: none"> A 1-minute walk from convenient "Shinbashi" station, one of the busiest terminal stations in Japan Located in an area with diverse properties, such as office buildings, restaurants and entertainment facilities including karaoke facilities and bustle with visitors to Ginza and office workers in the area Large renovation works including installation of entrance to office floors completed in 2018 Building has a standard floor area of 205 tsubo and is equipped with a 3 meter-high ceiling and individual air conditioners |

Portfolio ~Activia Account Properties~ (1/2)

| Property name | Amagsaki Q's MALL (Land) | icot Nakamozu | icot Mizonokuchi | icot Tama Center | A-PLACE Kanayama | Osaka Nakanoshima Building |
|--------------------------|---|---|--|--|---|---|
| |  |  |  |  |  |  |
| Location | Shioe, Amagasaki City, Hyogo | Nakamozucho, Kita-ku, Sakai City, Osaka | Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa | Ochiai, Tama City, Tokyo | Kanayama, Naka-ku, Nagoya City, Aichi | Nakanoshima, Kita-ku, Osaka City, Osaka |
| Access | A 2-minute walk from JR Tokaido Main Line, Fukuchiyama Line, Tozai Line "Amagasaki" Station | A 6-minute walk from Osaka Metro Midosuji Line "Nakamozu" Station A 6-minute walk from Nankai Koya Line "Shirasagi" Station A 8-minute walk from Nankai Koya Line "Nakamozu" Station | A 13-minute walk from Tokyu Denen Toshi Line/Oimachi Line "Takatsu" Station | A 4-minute walk from Keio Sagami-hara Line "Keio Tama Center" Station A 4-minute walk from Odakyu Tama Line "Odakyu Tama Center" Station A 4-minute walk from Tama Toshi Monorail "Tama Center" Station | A 1-minute walk from Nagoya Municipal Subway Meijjo Line/Meiko Line "Kanayama" Station A 2-minute walk from JR Chuo Line, Tokaido Line/Meitetsu Nagoya Main Line "Kanayama" Station | A 1-minute walk from Keihan Nakanoshima Line "Oebashi" Station A 5-minute walk from Osaka Municipal Subway Midosuji Line "Yodoyabashi" Station |
| Acquisition price (A) | ¥12,000mn | ¥8,500mn | ¥2,710mn | ¥2,840mn (Sectional Ownership) | ¥6,980mn | ¥5,250mn / ¥5,850mn |
| Appraisal value (B) | ¥12,100mn | ¥8,880mn | ¥2,950mn | ¥2,990mn (Sectional Ownership) | ¥7,120mn | ¥5,800mn / ¥5,900mn |
| vs appraisal value (A/B) | 99.2% | 95.7% | 91.9% | 95.0% | 98.0% | 90.5%/99.2% |
| Appraisal NOI yield | 5.0% | 6.4% | 6.7% | 6.6% | 5.6% | 6.2%/5.5% |
| Structure | - | Steel framed | Steel framed | RC | Steel framed, SRC | SRC |
| Number of floors | - | 3 floors above | 4 floors above and 1 floor underground | 15 floors above and 1 floor underground (total) | 9 floors above and 1 floor underground | 15 floors above and 3 floors underground |
| Gross floor area | - | 27,408.34m ² | 14,032.05m ² | 31,553.75m ² (total) | 12,783.13m ² | 34,248.71m ² |
| Total leasable area | 27,465.44m ² | 28,098.02m ² | 14,032.05m ² | 5,181.58m ² (sectional ownership) | 9,314.90m ² | 20,229.25m ² |
| Occupancy rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 99.9% |
| Key points of properties | <ul style="list-style-type: none"> Multi-tenant property that represents Amagasaki city and is directly connected to the JR train station. Its tenants include the largest sports club and cinema complex in the region also around 140 boutiques Stable income expected owing to the 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 Stable income is expected due to the 20-year fixed-term building lease contracts with such core tenants | <ul style="list-style-type: none"> Good access from the Tokyo city center as property is facing the trunk road and possessing a promising trade area Property presents one of the few opportunities to major retailers who want to open their shops roadside. Stable income ensured by fixed-term leasing contracts with actual tenant through 2023 | <ul style="list-style-type: none"> High traffic convenience with access by Keio Sagami-hara Line and Odakyu Tama Line High concentration of residents in an area which is located in the center of Tama New Town, property designed to be fully integrated in the city is connected with a station and retail properties by a pedestrian walkway | <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 |

Portfolio ~Activia Account Properties~ (2/2)

| Property name | icot Omori | Market Square Sagamihara | Umeda Gate Tower (5-20th floors) | A-PLACE Bashamichi | Commercial Mall Hakata | EDGE Shinsaibashi |
|--------------------------|---|---|--|--|---|---|
| |  |  |  |  |  |  |
| Location | Omorikita, Ota-ku, Tokyo | Shimokuzawa, Chuo-ku, Sagamihara-city, Kanagawa | Tsurunocho, Kita-ku, Osaka, Osaka | Honcho, Naka-ku, Yokohama, Kanagawa | Tokojimachi, Hakata-ku, Fukuoka-city, Fukuoka | Nishishinsaibashi, Chuo-ku, Osaka-city, Osaka |
| Access | A 3-minute walk from JR Keihintohoku Line "Omori" Station | A 15-minute walk from JR Sagamihara Line "Minamihashimoto" Station | A 3-minute walk from "Umeda" Station on the Hankyu Kyoto Line A 6-minute walk from "Umeda" Station on the Osaka Metro Midosuji Line A 7-minute walk from "Osaka" Station on the JR Tokaido Main Line | A 1-minute walk from "Bashamichi" Station on Minatomirai Line A 7-minute walk from "Kannai" Station on JR Negishi Line | A 16-minute walk from "Takeshita" Station on the JR Kagoshima Main Line | 4-minute walk from "Shinsaibashi" Station and 5-minute walk from "Namba" Station on the Osaka Metro Midosuji Line, etc. |
| Acquisition price (A) | ¥5,790mn | ¥4,820mn | ¥19,000mn (Sectional ownership) | ¥3,930mn | ¥6,100mn | ¥19,800mn |
| Appraisal value (B) | ¥5,810mn | ¥4,820mn | ¥19,600mn (Sectional ownership) | ¥4,350mn | ¥6,270mn | ¥20,000mn |
| vs appraisal value (A/B) | 99.7% | 100.0% | 96.9% | 90.3% | 97.3% | 99.0% |
| Appraisal NOI yield | 5.1% | 5.5% | 4.3% | 6.4% | 5.0% | 4.0% |
| Structure | RC, SRC | Steel framed | Steel framed, SRC | SRC | Steel framed | SRC, Reinforced concrete, Steel framed |
| Number of floors | 7 floors above and 1 floor underground | 2 floors above | 21 floors above and 1 floor underground (total) | 12 floors above and 2 floors underground | 3 floors above | 14 floors above and 2 floors underground |
| Gross floor area | 7,040.95㎡ | 9,719.38㎡ | 22,003.14㎡ (total) | 14,009.06㎡ | 13,848.76㎡ | 23,483.28㎡ |
| Total leasable area | 6,209.79㎡ | 15,152.42㎡ | 13,624.49㎡ (sectional ownership) | 9,775.50㎡ | 9,612.88㎡ | 15,916.34㎡ |
| Occupancy rate | 100.0% | 100.0% | 100.0% | 100.0% | 97.0% | 90.7% |
| Key points of property | <ul style="list-style-type: none"> A retail property located a 3-minute walk from Omori Station near the rotary in front of the station Deserved competitiveness as a community-based property close to the station with tenants related to commodity business Tenants a major sport club equipped with a swimming pool with 8 lanes and studios in approx.1,200 tsubo | <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 | <ul style="list-style-type: none"> Located in Umeda area, one of leading business and commercial districts in Osaka A large-scale office building completed in 2010, with a gross floor area of approx. 6,700 tsubo Equipped with the latest specification such as 16-zone individual air-conditioning system and high-performance seismic structural control system Standard office floor area of approx. 265 tsubo, the rental space in rectangular shape with astylar structure dividable into up to 8 spaces, addressing the needs of variety of tenants | <ul style="list-style-type: none"> Located above "Bashamichi" Station with a 1-minute walk Concentration of government administration offices including Kanagawa Pref. Government's Office and Yokohama Second Common Government Office, and Yokohama i-Land TOWER in which Urban Renaissance Agency sets up its headquarter A multi-tenant office building with a standard floor area of 347 tsubo, reducing the risk of vacancy | <ul style="list-style-type: none"> Located in Hakata-ku, Fukuoka-city, which has the largest population growth rate among Japan's government-designated cities Widely facing the Chikushi Street, a heavy traffic road with two lanes in each direction, the property is highly visible and easily accessible A commercial facility attracting crowds by various tenants including nation-wide chains such as TSUTAYA and UNIQLO | <ul style="list-style-type: none"> Facing Midosuji Boulevard where hotels and luxury brand's flagship stores are located, especially busy in Shinsaibashi, the most flourishing area in western Japan Has an excellent competitiveness with a standard floor area of 374 tsubo in Shinsaibashi area where middle and small size offices cumulate Renovation work of external and common area implemented from 2016 to 2017 and building's grade improved |

Appraisal Values of Properties

- Total appraisal value at the end of the 15th Period ended May 31, 2019 is up **¥8.5bn** from the previous period with unrealized gain increased to **¥91.7bn** due to decreased Cap Rate and improved account balance (In millions of yen)

| Category | Property # | Property name | Acquisition price (A) | Investment ratio (%) | Book value as of May 31, 2019 (B) | As of Nov. 30, 2018 (C) | Appraisal value | | Difference from previous period (D-C) | Difference from acquisition price (D-A) | Difference from book value (D-B) |
|---|------------|--|-----------------------|----------------------|-----------------------------------|-------------------------|------------------------|-----------------------------|---------------------------------------|---|----------------------------------|
| | | | | | | | As of May 31, 2019 (D) | Cap rate as of May 31, 2019 | | | |
|  | UR-1 | Tokyu Plaza Omotesando Harajuku (Note 1) | 45,000 | 9.0% | 44,754 | 61,200 | 62,475 | 2.7% | 1,275 | 17,475 | 17,721 |
| | UR-2 | Tokyu Plaza Akasaka (Note 1) | 11,450 | 2.3% | 11,711 | 15,500 | 15,500 | 4.0% | 0 | 4,050 | 3,789 |
| | UR-3 | Q plaza EBISU | 8,430 | 1.7% | 8,233 | 11,900 | 11,900 | 3.2% | 0 | 3,470 | 3,667 |
| | UR-5 | Kyoto Karasuma Parking Building | 8,860 | 1.8% | 8,720 | 11,000 | 11,000 | 4.9% | 0 | 2,140 | 2,280 |
| | UR-6 | A-FLAG AKASAKA (Note 1) | 1,500 | 0.3% | 1,531 | 1,875 | 1,875 | 3.5% | 0 | 375 | 344 |
| | UR-7 | Kobe Kyu Kyoryuchi 25Bankan | 21,330 | 4.3% | 20,645 | 26,900 | 27,300 | 3.9% | 400 | 5,970 | 6,655 |
| | UR-8 | A-FLAG SAPPORO | 4,410 | 0.9% | 4,735 | 7,090 | 7,150 | 5.5% | 60 | 2,740 | 2,415 |
| | UR-9 | A-FLAG SHIBUYA | 6,370 | 1.3% | 6,351 | 7,930 | 8,120 | 3.9% | 190 | 1,750 | 1,769 |
| | UR-10 | Q plaza SHINSAIBASHI | 13,350 | 2.7% | 13,427 | 14,600 | 14,700 | 3.6% | 100 | 1,350 | 1,273 |
| | UR-11 | A-FLAG KOTTO DORI | 4,370 | 0.9% | 4,397 | 4,880 | 4,890 | 3.5% | 10 | 520 | 493 |
| | UR-12 | A-FLAG BIJUTSUKAN DORI | 4,700 | 0.9% | 4,716 | 4,920 | 4,920 | 3.6% | 0 | 220 | 204 |
| | UR-13 | A-FLAG DAIKANYAMA WEST | 2,280 | 0.5% | 2,343 | 2,340 | 2,350 | 3.9% | 10 | 70 | 7 |
| | UR-14 | A-FLAG KITA SHINSAIBASHI | 4,725 | 0.9% | 4,842 | 4,740 | 4,780 | 3.9% | 40 | 55 | -62 |
| | UR-15 | DECKS Tokyo Beach (Note 1) | 12,740 | 2.5% | 12,884 | 12,887 | 12,887 | 3.9% | 0 | 147 | 3 |
| | UR-16 | Tokyu Plaza Ginza (Land) (Note 1) | 37,500 | 7.5% | 37,895 | - | 39,000 | 3.9% | - | 1,500 | 1,105 |
| | UR-17 | Q plaza HARAJUKU (Note 1) | 13,200 | 2.6% | 13,334 | - | 13,300 | 4.0% | - | 100 | -34 |
| | | Subtotal | | 200,215 | 40.0% | 200,524 | 187,762 | 242,147 | - | 2,085 | 41,932 |
|  | TO-1 | TLC Ebisu Building | 7,400 | 1.5% | 7,246 | 10,800 | 11,400 | 3.6% | 600 | 4,000 | 4,154 |
| | TO-2 | A-PLACE Ebisu Minami | 9,640 | 1.9% | 9,382 | 14,600 | 15,000 | 3.5% | 400 | 5,360 | 5,618 |
| | TO-3 | A-PLACE Yoyogi | 4,070 | 0.8% | 3,892 | 4,710 | 4,860 | 3.9% | 150 | 790 | 968 |
| | TO-4 | A-PLACE Aoyama | 8,790 | 1.8% | 8,595 | 10,100 | 10,100 | 4.0% | 0 | 1,310 | 1,505 |
| | TO-5 | Luogo Shiodome | 4,540 | 0.9% | 4,231 | 6,220 | 6,220 | 3.6% | 0 | 1,680 | 1,989 |
| | TO-6 | TAMACHI SQUARE (Land) (Note 2) | 2,338 | 0.5% | 2,362 | 2,830 | 2,920 | 3.5% | 90 | 582 | 558 |
| | TO-7 | A-PLACE Ikebukuro | 3,990 | 0.8% | 3,737 | 5,120 | 5,230 | 4.0% | 110 | 1,240 | 1,493 |
| | TO-8 | A-PLACE Shinbashi | 5,650 | 1.1% | 5,828 | 7,080 | 7,250 | 3.8% | 170 | 1,600 | 1,422 |
| | TO-9 | A-PLACE Gotanda | 5,730 | 1.1% | 5,502 | 6,970 | 7,400 | 3.6% | 430 | 1,670 | 1,898 |
| | TO-10 | A-PLACE Shinagawa | 3,800 | 0.8% | 3,782 | 4,400 | 5,120 | 3.5% | 720 | 1,320 | 1,338 |
| | TO-11 | OSAKI WIZTOWER | 10,690 | 2.1% | 10,664 | 14,600 | 14,600 | 3.5% | 0 | 3,910 | 3,936 |
| | TO-12 | Shiodome Building (Note 1) | 71,600 | 14.3% | 71,017 | 75,600 | 77,700 | 3.3% | 2,100 | 6,100 | 6,683 |
| | TO-13 | A-PLACE Ebisu Higashi | 7,072 | 1.4% | 7,088 | 7,700 | 7,700 | 3.7% | 0 | 628 | 612 |
| | TO-14 | A-PLACE Shibuya Konnoh | 4,810 | 1.0% | 4,958 | 5,350 | 5,350 | 3.6% | 0 | 540 | 392 |
| | TO-15 | A-PLACE Gotanda Ekimae | 7,280 | 1.5% | 7,534 | 7,690 | 7,710 | 3.8% | 20 | 430 | 176 |
| | TO-16 | A-PLACE Shinagawa Higashi | 18,800 | 3.8% | 18,858 | 19,500 | 20,000 | 3.9% | 500 | 1,200 | 1,142 |
| | TO-17 | A-PLACE Shinbashi Ekimae | 20,500 | 4.1% | 20,872 | 20,500 | 20,200 | 3.6% | -300 | -300 | -672 |
| | Subtotal | | 196,700 | 39.3% | 195,556 | 223,770 | 228,760 | - | 4,990 | 32,060 | 33,203 |
|  | AA-1 | Amagasaki Q's MALL (Land) | 12,000 | 2.4% | 12,113 | 13,900 | 13,900 | 4.3% | 0 | 1,900 | 1,787 |
| | AA-2 | icot Nakamozu | 8,500 | 1.7% | 8,103 | 10,500 | 10,700 | 4.9% | 200 | 2,200 | 2,597 |
| | AA-4 | icot Mizonokuchi | 2,710 | 0.5% | 2,621 | 3,170 | 3,190 | 5.5% | 20 | 480 | 569 |
| | AA-5 | icot Tama Center | 2,840 | 0.6% | 2,627 | 3,880 | 3,950 | 5.1% | 70 | 1,110 | 1,323 |
| | AA-6 | A-PLACE Kanayama | 6,980 | 1.4% | 6,327 | 8,550 | 8,820 | 5.1% | 270 | 1,840 | 2,493 |
| | AA-7 | Osaka Nakanoshima Building | 11,100 | 2.2% | 10,910 | 14,300 | 15,000 | 3.9% | 700 | 3,900 | 4,090 |
| | AA-8 | icot Omori | 5,790 | 1.2% | 5,656 | 6,870 | 6,870 | 4.4% | 0 | 1,080 | 1,214 |
| | AA-9 | Market Square Sagami-hara | 4,820 | 1.0% | 4,685 | 5,020 | 5,020 | 5.3% | 0 | 200 | 335 |
| | AA-10 | Umeda Gate Tower | 19,000 | 3.8% | 19,368 | 21,300 | 21,400 | 3.7% | 100 | 2,400 | 2,032 |
| | AA-11 | A-PLACE Bashamichi | 3,930 | 0.8% | 3,995 | 4,500 | 4,520 | 4.9% | 20 | 590 | 525 |
| | AA-12 | Commercial Mall Hakata | 6,100 | 1.2% | 6,324 | 6,290 | 6,290 | 4.9% | 0 | 190 | -34 |
| | AA-13 | EDGE Shinsaibashi | 19,800 | 4.0% | 20,006 | - | 20,000 | 4.8% | - | 200 | -6 |
| | | Subtotal | | 103,570 | 20.7% | 102,739 | 98,280 | 119,660 | - | 1,380 | 16,090 |
| | Total | | 500,485 | 100.0% | 498,820 | 509,812 | 590,567 | - | 8,455 | 90,082 | 91,746 |

(Note 1) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, A-FLAG AKASAKA, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, and Shiodome Building are calculated based on the pro rata share of co-ownership interests (75%, 50%, 50%, 49%, 30%, 60%, and 35%, respectively).

(Note 2) The acquisition price for TAMACHI SQUARE (Land) represents the acquisition price of the land as of the acquisition date (June 13, 2012).

Portfolio Appraisal Values Status/PML (1/2) ~the End of the 15th Period Ended May 2019~ 39

(In millions of yen)

| Category | Property # | Property name | Acquisition price (A) | Investment ratio (%) | Appraisal agency (Note 1) | Appraisal value | Capitalization value | | | | | | PML (%) |
|--|--|--|-----------------------|----------------------|---------------------------|-----------------|------------------------------|-----------------------|-----------------------------|-------------------|---------------------------------|--------------|-----------|
| | | | | | | | Direct capitalization method | Capitalization method | Discounted cash flow method | Discount rate (%) | Terminal capitalization rate(%) | NOI (Note 2) | |
|  | UR-1 | Tokyu Plaza Omotesando Harajuku (Note 3) | 45,000 | 9.0% | J | 62,475 | 63,225 | 2.7% | 61,650 | 2.4% | 2.8% | 1,702 | 2.9 |
| | UR-2 | Tokyu Plaza Akasaka (Note 3)(Note 4) | 11,450 | 2.3% | T | 15,500 | 15,700 | 4.0% | 15,400 | 4.1% | 4.2% | 726 | 3.6 |
| | UR-3 | Q plaza EBISU (Note 5) | 8,430 | 1.7% | T | 11,900 | 12,000 | 3.2% | 11,800 | 3.4%/3.3% | 3.4% | 384 | 5.7 |
| | UR-5 | Kyoto Karasuma Parking Building | 8,860 | 1.8% | D | 11,000 | 11,100 | 4.9% | 11,000 | 4.9% | 5.1% | 555 | 2.4 |
| | UR-6 | A-FLAG AKASAKA (Note 3) | 1,500 | 0.3% | J | 1,875 | 1,905 | 3.5% | 1,840 | 3.3% | 3.7% | 69 | 6.4 |
| | UR-7 | Kobe Kyu Kyoryuchi 25Bankan | 21,330 | 4.3% | J | 27,300 | 27,700 | 3.9% | 26,900 | 3.7% | 4.1% | 1,094 | 2.6 |
| | UR-8 | A-FLAG SAPPORO(Note 4) | 4,410 | 0.9% | D | 7,150 | 7,160 | 5.5% | 7,150 | 5.3% | 5.7% | 467 | 0.3 |
| | UR-9 | A-FLAG SHIBUYA | 6,370 | 1.3% | D | 8,120 | 8,150 | 3.9% | 8,100 | 3.7% | 4.1% | 325 | 7.9 |
| | UR-10 | Q plaza SHINSAIBASHI | 13,350 | 2.7% | V | 14,700 | 14,600 | 3.6% | 14,700 | 3.4% | 3.8% | 527 | 6.9 |
| | UR-11 | A-FLAG KOTTO DORI | 4,370 | 0.9% | D | 4,890 | 4,940 | 3.5% | 4,870 | 3.2% | 3.6% | 180 | 6.4 |
| | UR-12 | A-FLAG BIJUTSUKAN DORI | 4,700 | 0.9% | J | 4,920 | 5,010 | 3.6% | 4,830 | 3.4% | 3.8% | 182 | 7.5 |
| | UR-13 | A-FLAG DAIKANYAMA WEST | 2,280 | 0.5% | V | 2,350 | 2,390 | 3.9% | 2,310 | 3.7% | 4.1% | 88 | 4.2 |
| | UR-14 | A-FLAG KITA SHINSAIBASHI | 4,725 | 0.9% | V | 4,780 | 4,890 | 3.9% | 4,660 | 3.6% | 4.0% | 193 | 5.4 |
| | UR-15 | DECKS Tokyo Beach (Note 3) | 12,740 | 2.5% | M | 12,887 | 13,083 | 4.0% | 12,642 | 3.8% | 4.2% | 565 | 4.0 |
| | UR-16 | Tokyu Plaza Ginza (Land) (Note 3) | 37,500 | 7.5% | M | 39,000 | 38,400 | 2.6% | 39,000 | 2.5% | - | 952 | (Note 6)- |
| | UR-17 | Q plaza HARAJUKU (Note 3) | 13,200 | 2.6% | V | 13,300 | 13,440 | 3.0% | 13,140 | 2.7% | 3.1% | 404 | 5.1 |
| |  | TO-1 | TLC Ebisu Building | 7,400 | 1.5% | T | 11,400 | 11,600 | 3.6% | 11,300 | 3.7% | 3.8% | 463 |
| TO-2 | | A-PLACE Ebisu Minami | 9,640 | 1.9% | T | 15,000 | 15,100 | 3.5% | 15,000 | 3.6% | 3.7% | 541 | 8.0 |
| TO-3 | | A-PLACE Yoyogi | 4,070 | 0.8% | V | 4,860 | 4,930 | 3.9% | 4,790 | 3.7% | 4.1% | 196 | 5.1 |
| TO-4 | | A-PLACE Aoyama (Note 4) | 8,790 | 1.8% | D | 10,100 | 10,100 | 4.0% | 10,100 | 3.8% | 4.2% | 422 | 8.9 |
| TO-5 | | Luogo Shiodome | 4,540 | 0.9% | D | 6,220 | 6,280 | 3.6% | 6,200 | 3.4% | 3.8% | 236 | 2.7 |
| TO-6 | | TAMACHI SQUARE (Land) | 2,338 | 0.5% | T | 2,920 | 3,050 | 3.5% | 2,860 | 3.9% | 3.7% | 107 | (Note 6)- |
| TO-7 | | A-PLACE Ikebukuro | 3,990 | 0.8% | J | 5,230 | 5,320 | 4.0% | 5,140 | 3.8% | 4.2% | 218 | 3.2 |
| TO-8 | | A-PLACE Shinbashi | 5,650 | 1.1% | J | 7,250 | 7,300 | 3.8% | 7,190 | 3.5% | 3.9% | 291 | 7.4 |

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

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

(Note 3) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, A-FLAG Akasaka, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), and Q plaza HARAJUKU are calculated based on the pro rata base share of the respective co-ownership interests (75%, 50%, 50%, 49%, 30% and 60%, respectively).

(Note 4) Seismic strengthening works were conducted at Tokyu Plaza Akasaka, A-FLAG SAPPORO and A-PLACE Aoyama, in Apr. 2009, Jun. 2007 and Jul. 2008, respectively.

(Note 5) The discount rate for Q plaza Ebisu is 3.4% from the 1st to the 4th year, and 3.3% from the 5th year onwards.

(Note 6) Not listed as we own only the land for Tokyu Plaza Ginza (Land) and TAMACHI SQUARE (Land).

Portfolio Appraisal Values Status/PML (2/2) ~the End of the 15th Period Ended May 2019~ 40

(in millions of yen)

| Category | Property # | Property name | Acquisition price (A) | Investment ratio (%) | Appraisal agency (Note 1) | Appraisal value | Capitalization value | | | | | PML (%) | |
|---|----------------------------|----------------------------|-----------------------|----------------------|---------------------------|-----------------|------------------------------|-----------------------|-----------------------------|-------------------|---------------------------------|----------|---------------|
| | | | | | | | Direct capitalization method | Capitalization method | Discounted cash flow method | Discount rate (%) | Terminal capitalization rate(%) | | NOI (Note 2) |
|  | TO-9 | A-PLACE Gotanda | 5,730 | 1.1% | M | 7,400 | 7,470 | 3.6% | 7,330 | 3.4% | 3.8% | 273 | 6.1 |
| | TO-10 | A-PLACE Shinagawa | 3,800 | 0.8% | J | 5,120 | 5,220 | 3.5% | 5,010 | 3.3% | 3.7% | 187 | 4.9 |
| | TO-11 | OSAKI WIZTOWER | 10,690 | 2.1% | D | 14,600 | 14,600 | 3.5% | 14,600 | 3.1% | 3.5% | 512 | 2.4 |
| | TO-12 | Shiodome Building (Note 3) | 71,600 | 14.3% | M | 77,700 | 82,250 | 3.3% | 75,950 | 3.1% | 3.5% | 2,724 | 2.6 |
| | TO-13 | A-PLACE Ebisu Higashi | 7,072 | 1.4% | V | 7,700 | 7,870 | 3.7% | 7,530 | 3.5% | 3.9% | 295 | 5.2 |
| | TO-14 | A-PLACE Shibuya Konnoh | 4,810 | 1.0% | V | 5,350 | 5,420 | 3.6% | 5,270 | 3.3% | 3.7% | 201 | 4.3 |
| | TO-15 | A-PLACE Gotanda Ekimae | 7,280 | 1.5% | V | 7,710 | 7,810 | 3.8% | 7,610 | 3.5% | 3.9% | 301 | 7.7 |
| | TO-16 | A-PLACE Shinagawa Higashi | 18,800 | 3.8% | M | 20,000 | 20,400 | 3.9% | 19,600 | 3.7% | 4.1% | 813 | 4.3 |
| | TO-17 | A-PLACE Shinbashi Ekimae | 20,500 | 4.1% | D | 20,200 | 20,700 | 3.6% | 20,000 | 3.3% | 3.7% | 751 | 6.8 |
|  | AA- 1 | Amagasaki Q's MALL (Land) | 12,000 | 2.4% | J | 13,900 | 14,000 | 4.3% | 13,700 | 4.0% | 4.5% | 600 | (Note 5)- |
| | AA- 2 | icot NakamoZU (Note 4) | 8,500 | 1.7% | T | 10,700 | 10,900 | 4.9% | 10,600 | 4.8%/4.9%/5.0% | 5.1% | 548 | 4.8 |
| | AA- 4 | icot Mizonokuchi | 2,710 | 0.5% | M | 3,190 | 3,260 | 5.5% | 3,110 | 5.3% | 5.9% | 182 | 8.3 |
| | AA- 5 | icot Tama Center | 2,840 | 0.6% | J | 3,950 | 3,960 | 5.1% | 3,940 | 4.7% | 5.3% | 205 | 1.8 |
| | AA- 6 | A-PLACE Kanayama | 6,980 | 1.4% | V | 8,820 | 8,970 | 5.1% | 8,660 | 4.9% | 5.3% | 463 | 5.3 |
| | AA- 7 | Osaka Nakanoshima Building | 11,100 | 2.2% | J | 15,000 | 15,200 | 3.9% | 14,700 | 3.7% | 4.1% | 669 | 7.9 |
| | AA- 8 | icot Omori | 5,790 | 1.2% | J | 6,870 | 6,940 | 4.4% | 6,800 | 4.2% | 4.6% | 308 | 3.9 |
| | AA- 9 | Market Square Sagamihara | 4,820 | 1.0% | V | 5,020 | 5,040 | 5.3% | 5,000 | 5.1% | 5.5% | 265 | 7.7 |
| | AA-10 | Umeda Gate Tower | 19,000 | 3.8% | D | 21,400 | 21,900 | 3.7% | 21,200 | 3.4% | 3.8% | 816 | 2.4 |
| | AA-11 | A-PLACE Bashamichi | 3,930 | 0.8% | M | 4,520 | 4,600 | 4.9% | 4,430 | 4.6% | 5.1% | 251 | 10.2 |
| | AA-12 | Commercial Mall Hakata | 6,100 | 1.2% | V | 6,290 | 6,310 | 4.8% | 6,260 | 4.5% | 4.9% | 306 | 1.9 |
| | AA-13 | EDGE Shinsaibashi | 19,800 | 4.0% | V | 20,000 | 20,100 | 3.8% | 19,800 | 3.5% | 3.9% | 794 | 5.0 |
| | Total 45 properties | | | 500,485 | 100.0% | - | 590,567 | 600,293 | - | 583,672 | - | - | 22,351 |

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

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

(Note 3) Shiodome Building is calculated based on the pro rata share of the respective co-ownership interest (35%).

(Note 4) The discount rate for icot NakamoZU is 4.8% from 1st to 3rd year, 4.9% from 4th to 8th year and 5.0% from 9th year onwards.

(Note 5) Not listed as we own only the land for Amagasaki Q's MALL (Land).

(Note 6) 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 Technologies in Dec. 2012. The figures are rounded to the first decimal place. PML for the entire portfolio is based on the "Report of portfolio seismic PML analysis" as of Oct. 2018.

6. Appendix

Trends of Cap Rate (Note 1)

| Category | Property # | Property name | Acquisition date | Acquisition price (¥mn) | At acquisition | 2012.11 (2nd Period) | 2013.5 (3rd Period) | 2013.11 (4th Period) | 2014.5 (5th Period) | 2014.11 (6th Period) | 2015.5 (7th Period) | 2015.11 (8th Period) | 2016.5 (9th Period) | 2016.11 (10th Period) | 2017.5 (11th Period) | 2017.11 (12th Period) | 2018.5 (13th Period) | 2018.11 (14th Period) | 2019.5 (15th Period) | |
|-----------------------|---------------------------|--|--------------------|-------------------------|----------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|------|
| UR URBAN RETAIL | UR-1 | Tokyu Plaza Omotesando Harajuku (Note 2) | 2012/6/13 | 45,000 | 3.8% | 3.7% | 3.7% | 3.6% | 3.4% | 3.3% | 3.2% | 3.1% | 3.1% | 3.0% | 2.9% | 2.8% | 2.8% | 2.7% | 2.7% | |
| | UR-2 | Tokyu Plaza Akasaka (Note 2) | 2012/6/13 | 11,450 | 5.3% | 5.3% | 5.2% | 5.1% | 4.9% | 4.8% | 4.6% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.1% | 4.0% | 4.0% | |
| | UR-3 | Q plaza EBISU | 2012/6/13 | 8,430 | 4.3% | 4.3% | 4.2% | 4.2% | 4.1% | 4.0% | 3.9% | 3.8% | 3.7% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.2% | |
| | UR-5 | Kyoto Karasuma Parking Building | 2012/6/13 | 8,860 | 5.7% | 5.7% | 5.7% | 5.6% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | |
| | UR-6 | A-FLAG AKASAKA (Note 2) | 2013/8/30 | 1,500 | 4.3% | - | - | 4.3% | 4.2% | 4.0% | 3.9% | 3.8% | 3.8% | 3.7% | 3.7% | 3.6% | 3.6% | 3.5% | 3.5% | |
| | UR-7 | Kobe Kyu Kyoryuchi 25Bankan | 2013/12/19 | 21,330 | 4.8% | - | - | - | 4.7% | 4.6% | 4.5% | 4.3% | 4.2% | 4.1% | 4.1% | 4.0% | 4.0% | 4.0% | 4.0% | |
| | UR-8 | A-FLAG SAPPORO | 2013/12/19 | 4,410 | 6.5% | - | - | - | 6.2% | 6.0% | 6.0% | 5.9% | 5.8% | 5.7% | 5.6% | 5.5% | 5.5% | 5.5% | 5.5% | |
| | UR-9 | A-FLAG SHIBUYA | 2013/12/19 | 6,370 | 4.8% | - | - | - | 4.7% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.0% | 4.0% | 4.0% | 4.0% | 3.9% | |
| | UR-10 | Q plaza SHINSAIBASHI | 2015/12/16 | 13,350 | 3.9% | - | - | - | - | - | - | - | 3.9% | 3.8% | 3.7% | 3.6% | 3.6% | 3.6% | 3.6% | |
| | UR-11 | A-FLAG KOTTO DORI | 2016/12/20 | 4,370 | 3.8% | - | - | - | - | - | - | - | - | - | - | 3.6% | 3.5% | 3.5% | 3.5% | |
| | UR-12 | A-FLAG BJUTSUKAN DORI | 2016/12/2 | 4,700 | 3.8% | - | - | - | - | - | - | - | - | - | - | 3.6% | 3.6% | 3.6% | 3.6% | |
| | UR-13 | A-FLAG DAIKANYAMA WEST | 2017/1/6 | 2,280 | 4.1% | - | - | - | - | - | - | - | - | - | - | 4.0% | 3.9% | 3.9% | 3.9% | |
| | UR-14 | A-FLAG KITA SHINSAIBASHI | 2017/12/1 | 4,725 | 4.0% | - | - | - | - | - | - | - | - | - | - | - | - | 4.0% | 3.9% | |
| | UR-15 | DECKS Tokyo Beach (Note 2) | 2018/1/5 | 12,740 | 4.0% | - | - | - | - | - | - | - | - | - | - | - | - | 4.0% | 4.0% | |
| | UR-16 | Tokyu Plaza Ginza (Land) (Note 2) | 2019/1/10 | 37,500 | 2.6% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | UR-17 | Q plaza HARAJUKU (Note 2) | 2019/1/10 | 13,200 | 3.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | TO TOKYO OFFICE | TO-1 | TLC Ebisu Building | 2012/6/13 | 7,400 | 4.7% | 4.7% | 4.6% | 4.6% | 4.5% | 4.3% | 4.2% | 4.1% | 4.1% | 4.0% | 3.9% | 3.8% | 3.7% | 3.6% | 3.6% |
| TO-2 | | A-PLACE Ebisu Minami | 2012/6/13 | 9,640 | 4.6% | 4.6% | 4.5% | 4.5% | 4.4% | 4.2% | 4.1% | 4.0% | 4.0% | 3.9% | 3.8% | 3.7% | 3.6% | 3.5% | 3.5% | |
| TO-3 | | A-PLACE Yoyogi | 2012/6/13 | 4,070 | 4.6% | 4.6% | 4.5% | 4.6% | 4.5% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.0% | 3.9% | 3.9% | 3.9% | 3.9% | |
| TO-4 | | A-PLACE Aoyama | 2012/6/13 | 8,790 | 4.9% | 4.9% | 4.9% | 4.8% | 4.7% | 4.6% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.0% | 4.0% | 4.0% | 4.0% | |
| TO-5 | | Luogo Shiodome | 2012/6/13 | 4,540 | 4.5% | 4.5% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.0% | 3.9% | 3.8% | 3.7% | 3.6% | 3.6% | 3.6% | 3.6% | |
| TO-6 | | TAMACHI SQUARE (Land) (Note 3) | 2012/6/13 | 2,338 | 4.4% | - | - | - | 4.4% | 4.3% | 4.2% | 4.1% | 4.0% | 3.9% | 3.8% | 3.7% | 3.7% | 3.6% | 3.5% | |
| TO-7 | | A-PLACE Ikebukuro | 2012/6/13 | 3,990 | 5.1% | 5.1% | 5.0% | 4.9% | 4.9% | 4.8% | 4.6% | 4.5% | 4.5% | 4.4% | 4.3% | 4.3% | 4.2% | 4.1% | 4.0% | |
| TO-8 | | A-PLACE Shinbashi | 2013/4/19 | 5,650 | 4.7% | - | 4.6% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.1% | 4.0% | 3.9% | 3.9% | 3.9% | 3.8% | 3.8% | |
| TO-9 | | A-PLACE Gotanda | 2014/1/10 | 5,730 | 4.4% | - | - | - | 4.3% | 4.3% | 4.2% | 4.1% | 4.0% | 3.9% | 3.8% | 3.7% | 3.7% | 3.7% | 3.6% | |
| TO-10 | | A-PLACE Shinagawa | 2014/1/10 | 3,800 | 4.4% | - | - | - | 4.3% | 4.2% | 4.1% | 4.0% | 4.0% | 3.9% | 3.8% | 3.8% | 3.7% | 3.6% | 3.5% | |
| TO-11 | | OSAKI WIZTOWER | 2014/6/24 | 10,690 | 4.3% | - | - | - | - | 4.2% | 4.1% | 3.9% | 3.8% | 3.7% | 3.6% | 3.5% | 3.5% | 3.5% | 3.5% | |
| TO-12 | | Shiodome Building (Note 4) | 2015/1/9 | 30,300 | 3.9% | - | - | - | - | - | 3.8% | 3.8% | - | 3.7% | 3.6% | - | - | 3.5% | 3.5% | 3.4% |
| | | | 2015/12/16 | 20,400 | 3.8% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | 2016/12/2 | 20,900 | 3.6% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TO-13 | | A-PLACE Ebisu Higashi | 2015/7/29 | 7,072 | 4.1% | - | - | - | - | - | - | 4.0% | 4.0% | 3.9% | 3.8% | 3.7% | 3.7% | 3.7% | 3.7% | |
| TO-14 | | A-PLACE Shibuya Konnoh | 2015/10/1 | 4,810 | 4.0% | - | - | - | - | - | - | 4.0% | 3.9% | 3.8% | 3.7% | 3.6% | 3.6% | 3.6% | 3.6% | |
| TO-15 | | A-PLACE Gotanda Ekimae | 2016/7/1 | 7,280 | 4.1% | - | - | - | - | - | - | - | - | 4.0% | 3.9% | 3.8% | 3.8% | 3.8% | 3.8% | |
| TO-16 | A-PLACE Shinagawa Higashi | 2017/3/16 | 18,800 | 4.0% | - | - | - | - | - | - | - | - | - | 4.0% | 3.9% | 3.9% | 3.9% | 3.9% | | |
| TO-17 | A-PLACE Shinbashi Ekimae | 2012/6/13 | 20,500 | 4.9% | 4.9% | 4.9% | 4.8% | 4.8% | 4.7% | 4.6% | 4.5% | 4.5% | 4.4% | 4.4% | 4.3% | 4.3% | 4.3% | 4.3% | | |
| AA ACTIVIA ACCOUNT | AA-1 | Amagasaki Q's MALL (Land) | 2012/6/13 | 12,000 | 5.0% | 5.0% | 5.0% | 4.9% | 4.8% | 4.8% | 4.8% | 4.7% | 4.6% | 4.5% | 4.4% | 4.3% | 4.3% | 4.3% | 4.3% | |
| | AA-2 | icot Nakamoze | 2012/6/13 | 8,500 | 6.0% | 6.0% | 5.9% | 5.8% | 5.6% | 5.5% | 5.4% | 5.3% | 5.3% | 5.2% | 5.2% | 5.2% | 5.1% | 5.0% | 4.9% | |
| | AA-4 | icot Mizonokuchi | 2012/6/13 | 2,710 | 6.0% | 6.0% | 6.0% | 5.9% | 5.8% | 5.8% | 5.7% | 5.6% | 5.5% | 5.4% | 5.4% | 5.4% | 5.4% | 5.5% | 5.5% | |
| | AA-5 | icot Tama Center | 2012/6/13 | 2,840 | 6.2% | 6.2% | 6.2% | 6.1% | 6.0% | 5.9% | 5.8% | 5.7% | 5.6% | 5.4% | 5.3% | 5.2% | 5.1% | 5.1% | 5.1% | |
| | AA-6 | A-PLACE Kanayama | 2012/6/13 | 6,980 | 5.3% | 5.3% | 5.2% | 5.4% | 5.4% | 5.4% | 5.4% | 5.3% | 5.2% | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% | |
| | | | 2013/1/25 | 5,250 | 5.0% | - | 5.0% | 5.0% | 4.9% | 4.8% | - | 4.6% | 4.5% | 4.5% | 4.4% | 4.3% | 4.2% | 4.1% | 4.0% | |
| | AA-7 | Osaka Nakanoshima Building (Note 5) | 2014/12/19 | 5,850 | 4.8% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | AA-8 | icot Omori | 2013/12/19 | 5,790 | 5.1% | - | - | - | 5.0% | 4.9% | 4.8% | 4.7% | 4.7% | 4.7% | 4.6% | 4.5% | 4.4% | 4.4% | 4.4% | |
| | AA-9 | Market Square Sagamihara | 2015/1/9 | 4,820 | 5.6% | - | - | - | - | - | 5.5% | 5.4% | 5.4% | 5.3% | 5.3% | 5.3% | 5.3% | 5.3% | 5.3% | |
| | AA-10 | Umeda Gate Tower | 2016/9/21 | 19,000 | 4.0% | - | - | - | - | - | - | - | - | - | 3.9% | 3.8% | 3.7% | 3.7% | 3.7% | |
| | AA-11 | A-PLACE Bashamichi | 2016/10/6 | 3,930 | 5.1% | - | - | - | - | - | - | - | - | - | 5.0% | 4.9% | 4.9% | 4.9% | 4.9% | |
| | AA-12 | Commercial Mall Hakata | 2018/1/5 | 6,100 | 4.8% | - | - | - | - | - | - | - | - | - | - | - | - | 4.8% | 4.8% | |
| | AA-13 | EDGE Shinsaibashi | 2019/1/10 | 19,800 | 3.8% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

(Note 1) Calculated based on direct capitalization method.

(Note 2) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, A-FLAG AKASAKA, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), and Q plaza HARAJUKU are calculated based on the pro rata share of the co-ownership interests (75%, 50%, 50%, 49%, 30% and 60%, respectively).

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

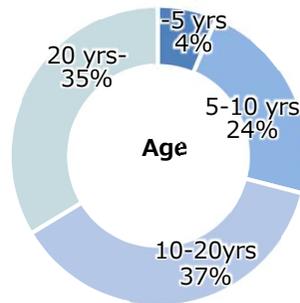
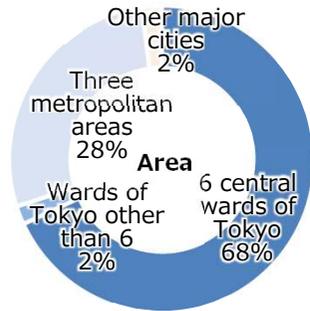
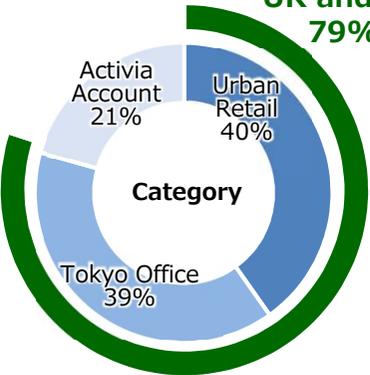
(Note 4) Regarding Shiodome Building, the first row, the second row, and the third row represent the figures for the stake acquired on January 9, 2015, December 16, 2015 and December 2, 2016 (co-ownership of 15%, 10% and 10%, respectively).

(Note 5) Regarding Osaka Nakanoshima Building, the first row represents the figures for the stake acquired on January 25, 2013 and the second row represents the figures for the stake acquired on December 19, 2014 (co-ownership of 50% each).

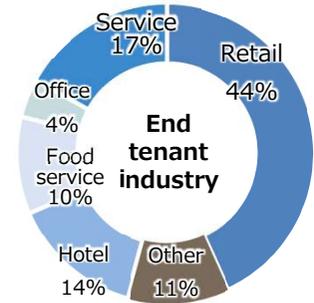
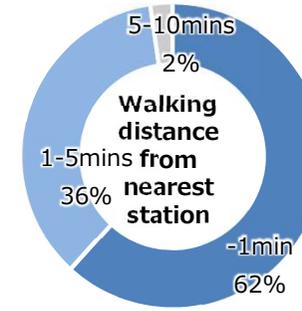
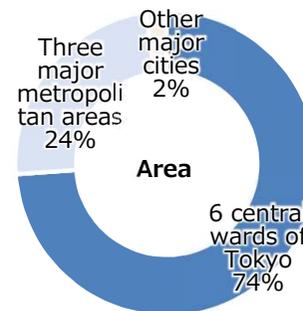
Overall portfolio

Urban Retail properties

UR and TO
79%

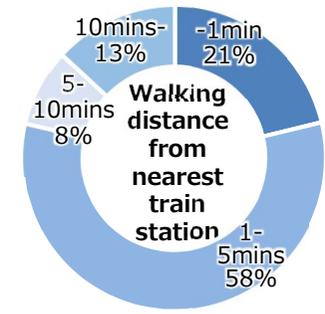
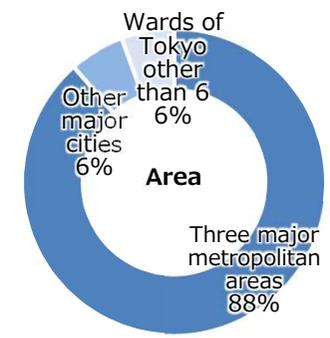
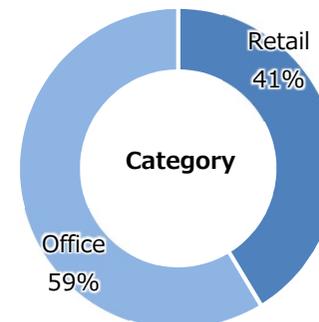
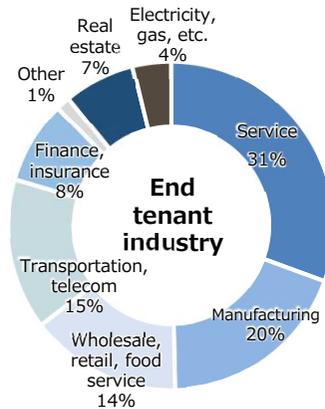
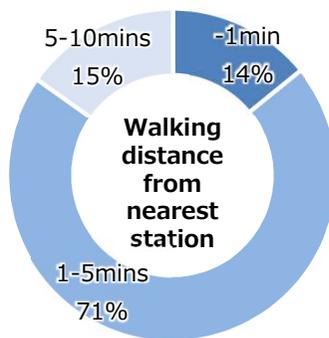
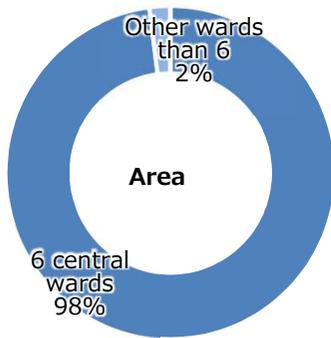


Portfolio average
17.6 years



Tokyo Office properties

Activia Account properties



(Note 1) Calculated based on the acquisition price as of May 31, 2019.

(Note 2) "6 central wards of Tokyo" refers to Shibuya ward, Minato ward, Chuo ward, Chiyoda ward, Shinjuku ward and Shinagawa ward.

(Note 3) Average of property age is calculated excluding the properties API owns only land.

(Note 4) Industrial distribution is based on annual rents.

Balance Sheets ~the 15th Period Ended May 2019~

| | 14th Period ended Nov. 2018 | 15th Period ended May 2019 |
|---|--------------------------------|-------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,023,157 | 9,257,380 |
| Cash and deposits in trust | 3,067,204 | 3,542,901 |
| Operating accounts receivable | 848,825 | 866,251 |
| Prepaid expenses | 294,817 | 507,187 |
| Other | 3,066 | 7,987 |
| Total current assets | 14,237,072 | 14,181,708 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings in trust | 83,354,620 | 84,710,063 |
| Accumulated depreciation | -10,879,394 | -12,065,901 |
| Buildings in trust, net | 72,475,226 | 72,644,162 |
| Structures in trust | 696,585 | 698,826 |
| Accumulated depreciation | -168,417 | -185,296 |
| Structures in trust, net | 528,167 | 513,529 |
| Machinery and equipment in trust | 1,390,538 | 1,406,968 |
| Accumulated depreciation | -330,343 | -359,497 |
| Machinery and equipment in trust, net | 1,060,195 | 1,047,471 |
| Tools, furniture and fixtures in trust | 193,307 | 222,204 |
| Accumulated depreciation | -98,107 | -113,714 |
| Tools, furniture and fixtures in trust, net | 95,200 | 108,489 |
| Land in trust | 346,689,270 | 415,408,426 |
| Construction in progress in trust | 6,708 | 5,928 |
| Total property, plant and equipment | 420,854,767 | 489,728,007 |
| Intangible assets | | |
| Leasehold leasehold interests in trust | 9,130,097 | 9,092,591 |
| Other | 2,118 | 1,695 |
| Total intangible assets | 9,132,216 | 9,094,287 |
| Investments and other assets | | |
| Long-term prepaid expenses | 1,080,595 | 1,258,760 |
| Derivatives | 54,245 | - |
| Deferred tax assets | 18 | 24 |
| Other | 38,322 | 38,322 |
| Total investments and other assets | 1,173,181 | 1,297,107 |
| Total non-current assets | 431,160,166 | 500,119,401 |
| Deferred assets | | |
| Investment corporation bond issuance costs | 67,645 | 58,103 |
| Total deferred assets | 67,645 | 58,103 |
| Total assets | 445,464,883 | 514,359,213 |

| | 14th Period ended Nov. 2018 | 15th Period ended May 2019 |
|---|--------------------------------|-------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 913,616 | 614,988 |
| Short-term borrowings | 9,100,000 | 14,000,000 |
| Current portion of Investment corporation bonds | 4,000,000 | 6,000,000 |
| Current portion of long-term borrowings | 19,600,000 | 20,400,000 |
| Accounts payable-other | 73,949 | 375,773 |
| Accrued expenses | 902,125 | 929,635 |
| Income taxes payable | 976 | 1,099 |
| Accrued consumption taxes | 457,386 | 165,430 |
| Advances received | 428,888 | 574,299 |
| Deposits received | 566 | 11,019 |
| Total current liabilities | 35,477,509 | 43,072,245 |
| Non-current liabilities | | |
| Investment corporation bonds | 14,000,000 | 8,000,000 |
| Long-term borrowings | 152,650,000 | 185,950,000 |
| Leasehold and guarantee deposits received in trust | 19,494,916 | 21,239,977 |
| Derivatives | - | 11,474 |
| Other | 2 | - |
| Total non-current liabilities | 186,144,918 | 215,201,452 |
| Total liabilities | 221,622,427 | 258,273,697 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 217,091,520 | 248,370,846 |
| Surplus | | |
| Unappropriated retained earnings (undisposed loss) | 6,696,690 | 7,726,143 |
| Total surplus | 6,696,690 | 7,726,143 |
| Total unitholders' equity | 223,788,210 | 256,096,990 |
| Valuation, translation, adjustments and others | | |
| Deferred gains or losses on hedges | 54,245 | -11,474 |
| Total valuation, translation, adjustments and others | 54,245 | -11,474 |
| Total net assets | 223,842,455 | 256,085,515 |
| Total liabilities and net assets | 445,464,883 | 514,359,213 |

Statement of Income ~the 15th Period Ended May 2019~

| | (in thousands of yen) | |
|--|--------------------------------|-------------------------------|
| | 14th Period ended Nov. 2018 | 15th Period ended May 2019 |
| Operating revenue | | |
| Leasing business revenue | 12,673,479 | 13,472,375 |
| Other leasing business revenue | 1,141,921 | 1,030,063 |
| Gain on sales of real estate properties | - | 341,051 |
| Total operating revenue | 13,815,400 | 14,843,490 |
| Operating expenses | | |
| Expenses related to leasing business | 5,076,357 | 4,973,578 |
| Asset management fee | 1,077,918 | 1,127,058 |
| Asset custody fee | 12,638 | 14,021 |
| Administrative service fees | 32,248 | 35,168 |
| Remuneration for directors (and other officers) | 3,300 | 3,300 |
| Other operating expenses | 66,403 | 90,830 |
| Total operating expenses | 6,268,867 | 6,243,957 |
| Operating profit | 7,546,533 | 8,599,533 |
| Non-operating income | | |
| Interest income | 55 | 73 |
| Reversal of distributions payable | 830 | 913 |
| Interest on tax refund | 409 | - |
| Insurance claim income | 149 | - |
| Total non-operating income | 1,443 | 986 |
| Non-operating expenses | | |
| Interest expenses | 595,522 | 634,549 |
| Interest expenses on investment corporation bonds | 37,928 | 36,262 |
| Amortization of investment corporation bond issuance costs | 9,938 | 9,542 |
| Investment unit issuance expenses | 54,545 | 25,013 |
| Borrowing related expenses | 151,997 | 167,716 |
| Other | 500 | 500 |
| Total non-operating expenses | 850,432 | 873,583 |
| Ordinary profit | 6,697,544 | 7,726,936 |
| Profit before income taxes | 6,697,544 | 7,726,936 |
| Income taxes-current | 984 | 1,110 |
| Income taxes-deferred | -12 | -6 |
| Total income taxes | 971 | 1,104 |
| Profit | 6,696,573 | 7,725,832 |
| Retained earnings brought forward | 117 | 311 |
| Unappropriated retained earnings (undisposed loss) | 6,696,690 | 7,726,143 |

Occupancy Rate by Property

- The occupancy rate for the entire portfolio at the end of each period is **maintained over 99% since IPO** and records **99.5%** at the end of the 15th Period ended May 2019

| Category | Property # | Property name | 2012.11 (2nd Period) | 2013.5 (3rd Period) | 2013.11 (4th Period) | 2014.5 (5th Period) | 2014.11 (6th Period) | 2015.5 (7th Period) | 2015.11 (8th Period) | 2016.5 (9th Period) | 2016.11 (10th Period) | 2017.5 (11th Period) | 2017.11 (12th Period) | 2018.5 (13th Period) | 2018.11 (14th Period) | 2019.5 (15th Period) | |
|---|-------------------------|-----------------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------|
|  | UR-1 | Tokyu Plaza Omotesando Harajuku | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 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% | 99.9% | 100.0% | 100.0% | 100.0% | 99.7% | 100.0% | 100.0% | 100.0% | |
| | UR-3 | Q plaza EBISU | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | UR-4 | Shinbashi Place (Note 2) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 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% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | UR-6 | A-FLAG AKASAKA | - | - | 84.2% | 84.2% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 74.1% | 90.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | UR-7 | Kobe Kyu Kyoryuchi 25Bankan | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | UR-8 | A-FLAG SAPPORO | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | UR-9 | A-FLAG SHIBUYA | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | UR-10 | Q plaza SHINSAIBASHI | - | - | - | - | - | - | - | 88.4% | 100.0% | 100.0% | 100.0% | 88.4% | 100.0% | 100.0% | |
| | UR-11 | A-FLAG KOTTO DORI | - | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | UR-12 | A-FLAG BIJUTSUKAN DORI | - | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | UR-13 | A-FLAG DAIKANYAMA WEST | - | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | UR-14 | A-FLAG KITA SHINSAIBASHI | - | - | - | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | |
| | UR-15 | DECKS Tokyo Beach | - | - | - | - | - | - | - | - | - | - | - | 100.0% | 99.7% | 100.0% | |
| | UR-16 | Tokyu Plaza Ginza (Land) | - | - | - | - | - | - | - | - | - | - | - | - | - | 100.0% | |
| | UR-17 | Q plaza HARAJUKU | - | - | - | - | - | - | - | - | - | - | - | - | - | 100.0% | |
| | UR average rate | | 99.5% | 99.6% | 99.1% | 99.6% | 100.0% | 99.8% | 100.0% | 99.7% | 99.4% | 99.8% | 100.0% | 99.7% | 100.0% | 100.0% | |
|  | TO-1 | TLC Ebisu Building | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 87.5% | 100.0% | 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% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-3 | A-PLACE Yoyogi | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 88.9% | 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% | 100.0% | 100.0% | 100.0% | 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% | 100.0% | 100.0% | 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% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-7 | A-PLACE Ikebukuro | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 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% | 97.8% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 98.7% | 98.7% | |
| | TO-9 | A-PLACE Gotanda | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 89.3% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-10 | A-PLACE Shinagawa | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-11 | OSAKI WIZTOWER | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-12 | Shiodome Building | - | - | - | - | - | 98.2% | 93.2% | 98.2% | 99.4% | 99.9% | 99.7% | 99.9% | 100.0% | 100.0% | |
| | TO-13 | A-PLACE Ebisu Higashi | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-14 | A-PLACE Shibuya Konnoh | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-15 | A-PLACE Gotanda Ekimae | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-16 | A-PLACE Shinagawa Higashi | - | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | TO-17 | A-PLACE Shinbashi Ekimae (Note 2) | - | - | - | - | - | - | - | - | - | - | - | - | 100.0% | 100.0% | |
| | TO average rate | | 97.4% | 97.5% | 98.6% | 100.0% | 100.0% | 99.6% | 97.5% | 99.6% | 98.9% | 100.0% | 99.9% | 100.0% | 99.9% | 99.9% | |
|  | AA-1 | Amagasaki Q's MALL (Land) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-2 | icot Nakamozu | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-4 | icot Mizonokuchi | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-5 | icot Tama Center | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-6 | A-PLACE Kanayama | 100.0% | 100.0% | 98.6% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-7 | Osaka Nakanoshima Building | - | 99.6% | 100.0% | 97.3% | 98.2% | 97.9% | 97.9% | 100.0% | 100.0% | 96.9% | 100.0% | 98.4% | 100.0% | 99.9% | |
| | AA-8 | icot Omori | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-9 | Market Square Sagamihara | - | - | - | - | - | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-10 | Umeda Gate Tower | - | - | - | - | - | - | - | - | 93.6% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-11 | A-PLACE Bashamichi | - | - | - | - | - | - | - | - | 99.1% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | AA-12 | Commercial Mall Hakata | - | - | - | - | - | - | - | - | - | - | - | 97.0% | 97.0% | 97.0% | |
| | AA-13 | EDGE Shinsaibashi | - | - | - | - | - | - | - | - | - | - | - | - | - | 90.7% | |
| | | AA average | | 100.0% | 100.0% | 99.9% | 99.8% | 99.8% | 99.7% | 99.7% | 100.0% | 99.4% | 99.6% | 100.0% | 99.6% | 99.8% | 99.0% |
| | Total portfolio average | | 99.4% | 99.4% | 99.4% | 99.8% | 99.9% | 99.7% | 99.2% | 99.8% | 99.3% | 99.8% | 100.0% | 99.8% | 99.9% | 99.5% | |

(Note 1) The occupancy rate refers to the share of the leased area to the total leasable area of each property at the end of month. The figures are rounded to the first decimal place.

(Note 2) Asset category and property name changed as of June 1, 2018 from UR and Shinbashi Place, respectively.

10 Largest Tenants / Average Monthly Rents for TO Properties / Contract Period & Remaining Years

1. 10 largest tenants by leased area (Note 1)

| End-tenant | Property name | Total leased area (㎡) | Ratio of leased area (%) (Note 2) | Lease expiration (Note 4) |
|--|---|-----------------------|-----------------------------------|----------------------------|
| 1. Tokyu Hotels Co., Ltd. | Tokyu Plaza Akasaka (Note 3) A-FLAG SAPPORO | 30,183 | 7.3 | 2021.10 |
| 2. Sumitomo Mitsui Trust Bank, Limited | Tokyu Plaza Ginza (Land)(Note3) TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land) | 29,883 | 7.2 | 2089.1 2074.5 2042.1 |
| 3. Kohnan Shoji Co., Ltd. | icot Nakamozu | 26,529 | 6.4 | 2027.7 |
| 4. Times24 Co., Ltd. | Kyoto Karasuma Parking Building | 21,224 | 5.1 | - |
| 5. Plan・Do・See Inc. | Kobe Kyu Kyoryuchi 25Bankan | 14,195 | 3.4 | - |
| 6. Room's-Taishodo | icot Mizonokuchi | 14,032 | 3.4 | 2023.7 |
| 7. K'S HOLDINGS CORPORATION | Market Square Sagamihara | 11,864 | 2.9 | 2034.6 |
| 8. NTT Communications | Shiodome Building (Note 3) | 10,337 | 2.5 | - |
| 9. YANMAR Co., Ltd. | Umeda Gate Tower | 7,871 | 1.9 | - |
| 10. Swing Corporation | A-PLACE Shinagawa Higashi | 6,101 | 1.5 | 2020.4 |

(Note 1) Based on the lease agreements as of May 31, 2019.

(Note 2) The percentage of area for each end-tenant is the ratio to the total leased area of API's portfolio, rounded to the first decimal place.

(Note 3) Tokyu Plaza Akasaka, Tokyu Plaza Ginza (Land) and Shiodome Building are calculated based on the pro-rata share of the co-ownership interests (50%, 30% and 35%, respectively).

(Note 4) "-" denotes that the data is not disclosed due to no consent from tenants.

2. Average monthly rents for Tokyo Office Properties (incl. common service fee)

| | Tokyo Office properties | Tokyo Office properties (at IPO) (Note) |
|-----------------------|-------------------------|---|
| Nov. 2013 4th Period | ¥19,338 | ¥19,556 |
| May 2014 5th Period | ¥19,813 (+2.5%) | ¥19,400 (-0.8%) |
| Nov. 2014 6th Period | ¥19,230 (-2.9%) | ¥19,270 (-0.7%) |
| May 2015 7th Period | ¥22,242 (+15.7%) | ¥19,548 (+1.4%) |
| Nov. 2015 8th Period | ¥22,127 (-0.5%) | ¥19,995 (+2.3%) |
| May 2016 9th Period | ¥23,358 (+5.6%) | ¥20,406 (+2.1%) |
| Nov. 2016 10th Period | ¥23,441 (+0.4%) | ¥20,748 (+1.7%) |
| May 2017 11th Period | ¥23,323 (-0.5%) | ¥21,253 (+2.4%) |
| Nov. 2017 12th Period | ¥23,510 (+0.8%) | ¥21,681 (+2.0%) |
| May 2018 13th Period | ¥23,761 (+1.1%) | ¥21,870 (+0.9%) |
| Nov. 2018 14th Period | ¥24,420 (+2.8%) | ¥21,981 (+0.5%) |
| May 2019 15th Period | ¥24,657 (+1.0%) | ¥22,390 (+1.9%) |

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

3. Contract period and remaining contract period

| | Urban Retail | Tokyo Office | Activia Account | Total |
|----------------------------------|--------------|--------------|-----------------|-----------|
| Contract Period (Year) | 16.0(9.3) | 4.3(3.6) | 9.8(7.2) | 10.1(6.5) |
| Remaining Contract Period (Year) | 11.8(4.6) | 2.6(1.9) | 5.9(3.8) | 6.9(3.3) |

(Note 1) The figures in the parenthesis are excluding those of Tokyu Plaza Ginza (Land), TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land).

(Note 2) Based on the lease agreements as of May 31, 2019.

(Note 3) The figures are based on rents.

Overview of Lease, Profit and Loss ~the 15th Period Ended May 2019~ (1/3)

(in thousands of yen)

| | Urban Retail properties | | | | | | | | | | | | | | | |
|--|--|------------------------------|---------------|---------------------------------|-------------------------|-----------------------------|----------------|----------------|-----------------------|-------------------|------------------------|------------------------|---------------------------|----------------------------|-----------------------------------|---------------------------|
| | Tokyu Plaza Omotesando Harajuku (Note 1) | Tokyu Plaza Akasaka (Note 1) | Q plaza EBISU | Kyoto Karasuma Parking Building | A-FLAG AKASAKA (Note 1) | Kobe Kyu Kyoryuchi 25Bankan | A-FLAG SAPPORO | A-FLAG SHIBUYA | Q plaza SHINSAIBAS HI | A-FLAG KOTTO DORI | A-FLAG BIJUTSUKAN DORI | A-FLAG DAIKANYAMA WEST | A-FLAG KITA SHINSAIBAS HI | DECKS Tokyo Beach (Note 1) | Tokyu Plaza Ginza (Land) (Note 1) | Q plaza HARAJUKU (Note 1) |
| ① Revenues related to rent business | 1,081,530 | 613,632 | 271,722 | (Note 2) | 79,559 | 805,383 | 448,991 | 217,481 | 353,208 | 122,203 | 124,811 | (Note 2) | 106,644 | 583,811 | 448,596 | 184,813 |
| Rent revenue-real estate | 1,035,000 | 510,536 | 242,794 | (Note 2) | 66,740 | 738,461 | 366,310 | 209,911 | 335,429 | 116,821 | 117,289 | (Note 2) | 98,322 | 466,376 | 448,596 | 172,584 |
| Other lease business revenue | 46,529 | 103,096 | 28,928 | (Note 2) | 12,818 | 66,922 | 82,681 | 7,569 | 17,778 | 5,381 | 7,522 | (Note 2) | 8,322 | 117,435 | - | 12,228 |
| ② Expense related to rent business | 260,449 | 246,753 | 61,970 | 38,594 | 24,531 | 201,851 | 246,501 | 51,058 | 44,694 | 31,387 | 32,491 | 30,427 | 22,590 | 273,075 | 235 | 31,448 |
| Management operation expenses | 97,455 | 79,568 | 16,428 | 3,720 | 6,204 | 82,244 | 107,857 | 12,819 | 8,023 | 8,754 | 3,363 | 12,134 | 5,648 | 112,485 | - | 16,964 |
| Utilities expenses | 27,600 | 74,613 | 24,275 | - | 9,293 | 55,105 | 87,146 | 6,672 | 14,524 | 6,028 | 7,341 | 300 | 8,509 | 103,376 | - | 11,939 |
| Tax and public dues | 59,311 | 69,487 | 8,688 | 33,643 | 7,644 | 46,632 | 24,609 | 11,105 | 14,347 | 13,182 | 2,190 | 13,167 | 5,969 | 1,533 | - | 3 |
| Insurance | 190 | 409 | 75 | 158 | 26 | 616 | 590 | 53 | 64 | 72 | 36 | 58 | 70 | 604 | - | 69 |
| Repair and maintenance expenses | 9,551 | 11,122 | 2,633 | 345 | - | 13,037 | 7,660 | 18,543 | 1,596 | 1,510 | 1,717 | 2,340 | 673 | 11,858 | - | 396 |
| Other expenses related to rent | 66,340 | 11,551 | 9,868 | 727 | 1,362 | 4,214 | 18,637 | 1,863 | 6,138 | 1,838 | 17,842 | 2,426 | 1,719 | 43,217 | 235 | 2,074 |
| ③ NOI (①-②) | 821,080 | 366,879 | 209,751 | (Note 2) | 55,027 | 603,532 | 202,489 | 166,422 | 308,514 | 90,815 | 92,320 | (Note 2) | 84,053 | 310,735 | 448,361 | 153,365 |
| ④ Depreciation and other (Note 3) | 51,827 | 39,503 | 18,301 | 16 | 6,706 | 121,373 | 67,220 | 8,303 | 16,707 | 4,933 | 6,491 | 2,665 | 4,671 | 22,035 | - | 5,353 |
| Income (loss) from rent business (③-④) | 769,252 | 327,375 | 191,449 | (Note 2) | 48,321 | 482,158 | 135,268 | 158,119 | 291,806 | 85,882 | 85,828 | (Note 2) | 79,381 | 288,700 | 448,361 | 148,011 |

(Note 1) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, A-FLAG AKASAKA, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), and Q plaza HARAJUKU are calculated based on the pro-rata share of the co-ownership interests (75%, 50%, 50%, 49%, 30% and 60%, respectively).

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

(Note 3) Loss on retirement of current assets is included.

Overview of Lease, Profit and Loss ~the 15th Period Ended May 2019~ (2/3)

(In thousands of yen)

| | Tokyo Office properties | | | | | | | | | | | | | | | | |
|--|-------------------------|----------------------|----------------|----------------|----------------|-----------------------|-------------------|-------------------|-----------------|-------------------|----------------|----------------------------|-----------------------|------------------------|------------------------|---------------------------|--------------------------|
| | TLC Ebisu Building | A-PLACE Ebisu Minami | A-PLACE Yoyogi | A-PLACE Aoyama | Luogo Shiodome | Tamachi Square (Land) | A-PLACE Ikebukuro | A-PLACE Shinbashi | A-PLACE Gotanda | A-PLACE Shinagawa | OSAKI WIZTOWER | Shiodome Building (Note 1) | A-PLACE Ebisu Higashi | A-PLACE Shibuya Konnoh | A-PLACE Gotanda Ekimae | A-PLACE Shinagawa Higashi | A-PLACE Shinbashi Ekimae |
| ①Revenues related to rent business | 343,327 | 374,943 | 130,674 | 303,306 | 179,809 | 62,502 | (Note 2) | 199,698 | 182,820 | 116,662 | 337,640 | 1,524,068 | 175,004 | 115,433 | 185,621 | 518,513 | 399,332 |
| Rent revenue-real estate | 307,768 | 360,896 | 123,811 | 286,318 | 167,931 | 62,502 | (Note 2) | 186,328 | 172,357 | 109,854 | 325,837 | 1,446,125 | 165,129 | 109,653 | 176,404 | 479,612 | 380,509 |
| Other lease business revenue | 35,558 | 14,047 | 6,863 | 16,988 | 11,878 | - | (Note 2) | 13,369 | 10,463 | 6,808 | 11,802 | 77,943 | 9,874 | 5,779 | 9,216 | 38,901 | 18,823 |
| ②Expense related to rent business | 85,890 | 91,314 | 31,728 | 67,995 | 47,927 | 8,955 | 34,605 | 53,747 | 44,573 | 30,137 | 91,007 | 346,984 | 37,469 | 30,131 | 51,337 | 140,396 | 81,603 |
| Management operation expenses | 36,373 | 29,311 | 10,817 | 19,076 | 12,263 | - | 10,693 | 16,922 | 14,306 | 9,200 | 58,231 | 104,352 | 11,637 | 11,388 | 13,289 | 46,968 | 19,210 |
| Utilities expenses | 18,956 | 20,588 | 9,126 | 19,571 | 13,006 | - | 9,127 | 12,825 | 10,527 | 7,025 | 8,808 | 78,439 | 9,154 | 6,616 | 11,691 | 36,406 | 18,768 |
| Tax and public dues | 17,229 | 32,375 | 10,377 | 21,857 | 18,683 | 8,700 | 10,713 | 15,623 | 14,409 | 10,989 | 21,821 | 116,090 | 14,022 | 9,696 | 18,306 | 48,479 | 34,574 |
| Insurance | 192 | 245 | 83 | 180 | 157 | - | 83 | 132 | 106 | 71 | 302 | 911 | 100 | 76 | 116 | 460 | 155 |
| Repair and maintenance expenses | 2,346 | 4,726 | 291 | 2,865 | 2,053 | - | 2,947 | 2,910 | 3,071 | 853 | - | 22,792 | 567 | 593 | 1,744 | 4,163 | 4,406 |
| Other expenses related to rent | 10,792 | 4,065 | 1,030 | 4,443 | 1,762 | 255 | 1,038 | 5,333 | 2,152 | 1,996 | 1,843 | 24,398 | 1,986 | 1,760 | 6,189 | 3,917 | 4,488 |
| ③NOI (①-②) | 257,436 | 283,629 | 98,946 | 235,311 | 131,881 | 53,546 | (Note 2) | 145,951 | 138,247 | 86,525 | 246,633 | 1,177,083 | 137,535 | 85,302 | 134,283 | 378,117 | 317,729 |
| ④Depreciation and other (Note 3) | 44,082 | 32,980 | 15,429 | 23,614 | 27,379 | - | 20,685 | 21,931 | 26,844 | 8,930 | 48,275 | 149,973 | 23,742 | 13,034 | 12,371 | 30,553 | 52,325 |
| Income (loss) from rent business (③-④) | 213,354 | 250,648 | 83,516 | 211,697 | 104,502 | 53,546 | (Note 2) | 124,020 | 111,402 | 77,595 | 198,357 | 1,027,110 | 113,792 | 72,268 | 121,912 | 347,564 | 265,404 |

(Note 1) Shiodome Building is calculated based on the pro-rata share of the co-ownership interest (35%).

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

(Note 3) Loss on retirement of current assets is included.

Overview of Lease, Profit and Loss ~the 15th Period Ended May 2019~ (3/3)

(In thousands of yen)

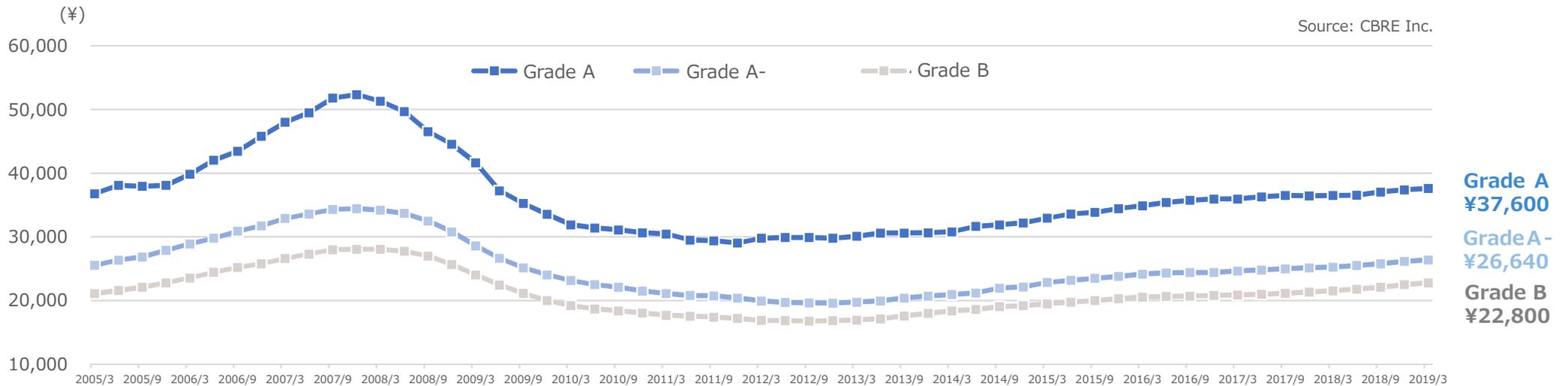
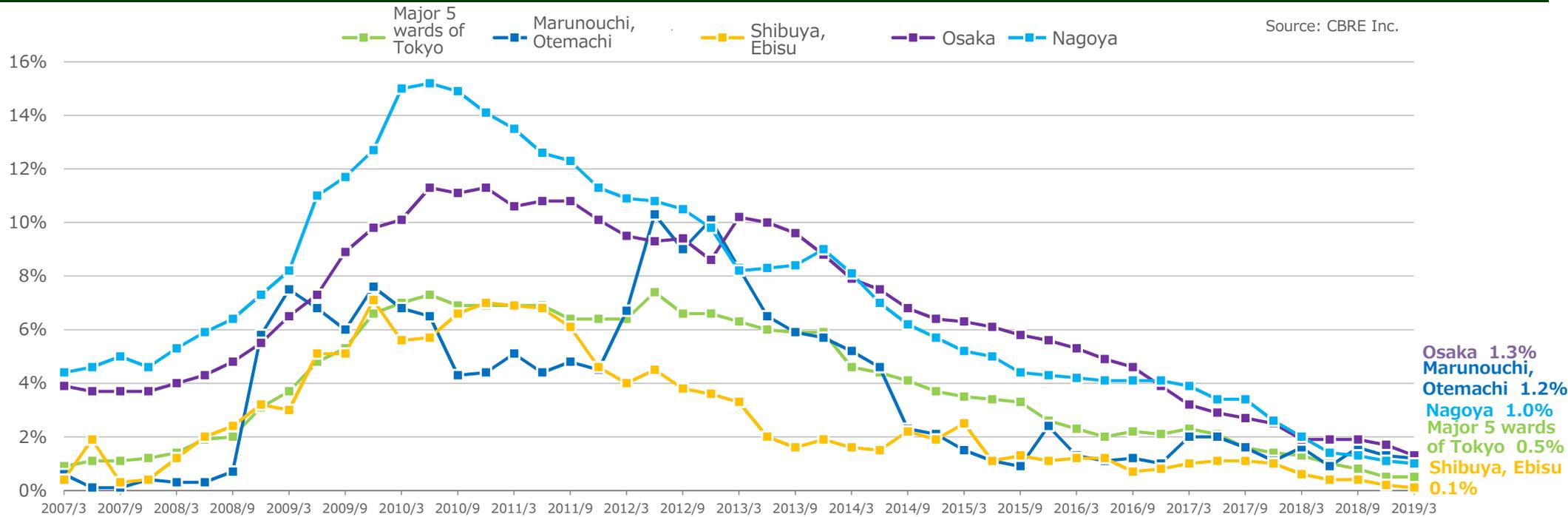
| | Activia Account properties | | | | | | | | | | | |
|---|----------------------------|---------------|------------------|------------------|------------------|----------------------------|------------|--------------------------|------------------|--------------------|------------------------|-------------------|
| | Amagasaki Q's MALL (Land) | icot Nakamozu | icot Mizonokuchi | icot Tama Center | A-PLACE Kanayama | Osaka Nakanoshima Building | icot Omori | Market Square Sagamihara | Umeda Gate Tower | A-PLACE Bashamichi | Commercial Mall Hakata | EDGE Shinsaibashi |
| ①Revenues related to rent business | 356,759 | 311,321 | (Note 1) | 146,957 | 287,942 | 535,365 | 233,223 | (Note 1) | 464,740 | 184,747 | 210,449 | 351,179 |
| Rent revenue-real estate | 356,759 | 310,491 | (Note 1) | 135,589 | 267,940 | 505,556 | 202,775 | (Note 1) | 430,721 | 168,938 | 176,908 | 317,792 |
| Other lease business revenue | - | 830 | (Note 1) | 11,367 | 20,002 | 29,808 | 30,448 | (Note 1) | 34,018 | 15,809 | 33,540 | 33,387 |
| ②Expense related to rent business | 56,389 | 39,756 | 15,254 | 46,343 | 78,817 | 178,686 | 53,233 | 37,263 | 103,074 | 68,632 | 55,592 | 67,958 |
| Management operation expenses | - | 5,661 | 2,340 | 18,777 | 24,451 | 57,230 | 8,821 | 15,913 | 31,725 | 19,903 | 20,767 | 32,524 |
| Utilities expenses | - | 30 | - | 13,527 | 23,285 | 42,219 | 30,202 | 5,186 | 28,205 | 21,878 | 24,305 | 24,325 |
| Tax and public dues | 56,134 | 30,423 | 10,073 | 11,753 | 25,802 | 51,131 | 12,520 | 13,784 | 34,134 | 16,917 | - | 15 |
| Insurance | - | 234 | 100 | 144 | 251 | 745 | 93 | 132 | 363 | 291 | 173 | 397 |
| Repair and maintenance expenses | - | 2,504 | 1,980 | 1,072 | 2,789 | 22,774 | 674 | - | 5,889 | 3,769 | 4,040 | 5,146 |
| Other expenses related to rent | 255 | 903 | 760 | 1,069 | 2,237 | 4,586 | 921 | 2,247 | 2,755 | 5,872 | 6,305 | 5,548 |
| ③NOI (①-②) | 300,369 | 271,564 | (Note 1) | 100,613 | 209,125 | 356,678 | 179,990 | (Note 1) | 361,666 | 116,115 | 154,857 | 283,221 |
| ④Depreciation and other (Note 2) | - | 34,767 | 8,424 | 18,944 | 51,767 | 72,220 | 17,553 | 23,863 | 69,084 | 29,914 | 14,948 | 13,157 |
| Income (loss) from rent business (③-④) | 300,369 | 236,797 | (Note 1) | 81,668 | 157,357 | 284,457 | 162,437 | (Note 1) | 292,581 | 86,200 | 139,908 | 270,063 |

(Note 1) Undisclosed due to no consent from tenants.
 (Note 2) Loss on retirement of current assets is included.

Financial Highlights ~From the 4th Period ended Nov. 2013~

| (in millions of yen) | Nov. 2013 (4th Period) | May 2014 (5th Period) | Nov. 2014 (6th Period) | May 2015 (7th Period) | Nov. 2015 (8th Period) | May 2016 (9th Period) | Nov. 2016 (10th Period) | May 2017 (11th Period) | Nov. 2017 (12th Period) | May 2018 (13th Period) | Nov. 2018 (14th Period) | May 2019 (15th Period) | Nov. 2019 (16th Period) (Forecast) | May 2020 (17th Period) (Forecast) |
|---|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|--|---|
| Total real estate leasing business revenues | 6,124 | 7,778 | 8,174 | 9,120 | 9,500 | 10,175 | 10,917 | 12,107 | 12,720 | 13,327 | 13,815 | 14,502 | 15,193 | 14,883 |
| Gain on sales of real estate properties | - | - | - | - | 200 | - | - | - | - | - | - | 341 | 343 | - |
| Revenue from leasing business (including gain on sales of properties) | 6,124 | 7,778 | 8,174 | 9,120 | 9,701 | 10,175 | 10,917 | 12,107 | 12,720 | 13,327 | 13,815 | 14,843 | 15,536 | 14,883 |
| Expenses related to lease business | 1,456 | 1,889 | 2,174 | 2,323 | 2,494 | 2,409 | 2,781 | 2,922 | 3,319 | 3,471 | 3,809 | 3,674 | 4,134 | 3,810 |
| Management operation expenses | 425 | 638 | 693 | 825 | 822 | 869 | 917 | 1,037 | 1,062 | 1,225 | 1,236 | 1,235 | 1,242 | 1,212 |
| Utilities expenses | 371 | 524 | 593 | 627 | 658 | 629 | 652 | 682 | 791 | 836 | 1,001 | 940 | 1,079 | 976 |
| Tax and public dues | 433 | 457 | 575 | 578 | 643 | 649 | 772 | 778 | 887 | 895 | 988 | 998 | 1,087 | 1,093 |
| Insurance | 5 | 7 | 7 | 8 | 6 | 7 | 7 | 8 | 9 | 8 | 8 | 9 | 9 | 9 |
| Repair and maintenance expenses | 71 | 114 | 142 | 118 | 202 | 78 | 231 | 197 | 304 | 235 | 281 | 189 | 340 | 191 |
| Other expenses related to lease business | 150 | 146 | 161 | 165 | 161 | 175 | 201 | 217 | 264 | 269 | 292 | 300 | 374 | 326 |
| NOI | 4,668 | 5,889 | 6,000 | 6,796 | 7,006 | 7,766 | 8,135 | 9,185 | 9,400 | 9,855 | 10,006 | 10,827 | 11,058 | 11,073 |
| NOI yield(%) | 5.10 | 5.23 | 4.98 | 4.93 | 4.84 | 4.79 | 4.73 | 4.63 | 4.61 | 4.61 | 4.64 | 4.42 | - | - |
| Depreciations, etc. | 518 | 743 | 763 | 887 | 928 | 989 | 1,051 | 1,175 | 1,189 | 1,234 | 1,267 | 1,298 | 1,303 | 1,323 |
| Profit (loss) from real estate leasing business | 4,149 | 5,145 | 5,237 | 5,909 | 6,078 | 6,776 | 7,083 | 8,009 | 8,211 | 8,620 | 8,739 | 9,528 | 9,755 | 9,749 |
| Loss on sales of real estate properties | - | 7 | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit (loss) from real estate leasing business (incl. gain or loss on sales of real estate properties) | 4,149 | 5,138 | 5,237 | 5,909 | 6,278 | 6,776 | 7,083 | 8,009 | 8,211 | 8,620 | 8,739 | 9,869 | 10,098 | 9,749 |
| General and administrative expenses | 507 | 558 | 643 | 710 | 818 | 849 | 922 | 1,029 | 1,136 | 1,149 | 1,192 | 1,270 | 1,403 | 1,271 |
| Operating profit | 3,642 | 4,580 | 4,594 | 5,199 | 5,460 | 5,926 | 6,161 | 6,980 | 7,074 | 7,471 | 7,546 | 8,599 | 8,694 | 8,478 |
| Non-operating income | 4 | 2 | 5 | 3 | 5 | 8 | 3 | 3 | 1 | 0 | 1 | 0 | 0 | 0 |
| Non-operating expenses | 459 | 584 | 567 | 619 | 674 | 737 | 754 | 830 | 858 | 860 | 850 | 873 | 966 | 996 |
| Ordinary profit | 3,187 | 3,998 | 4,032 | 4,583 | 4,790 | 5,197 | 5,410 | 6,152 | 6,218 | 6,611 | 6,697 | 7,726 | 7,727 | 7,482 |
| Profit | 3,186 | 3,997 | 4,031 | 4,582 | 4,789 | 5,196 | 5,409 | 6,151 | 6,217 | 6,610 | 6,696 | 7,725 | 7,726 | 7,481 |

Vacancy Rate By Area and Trends of Average Rent for 23 Wards of Tokyo

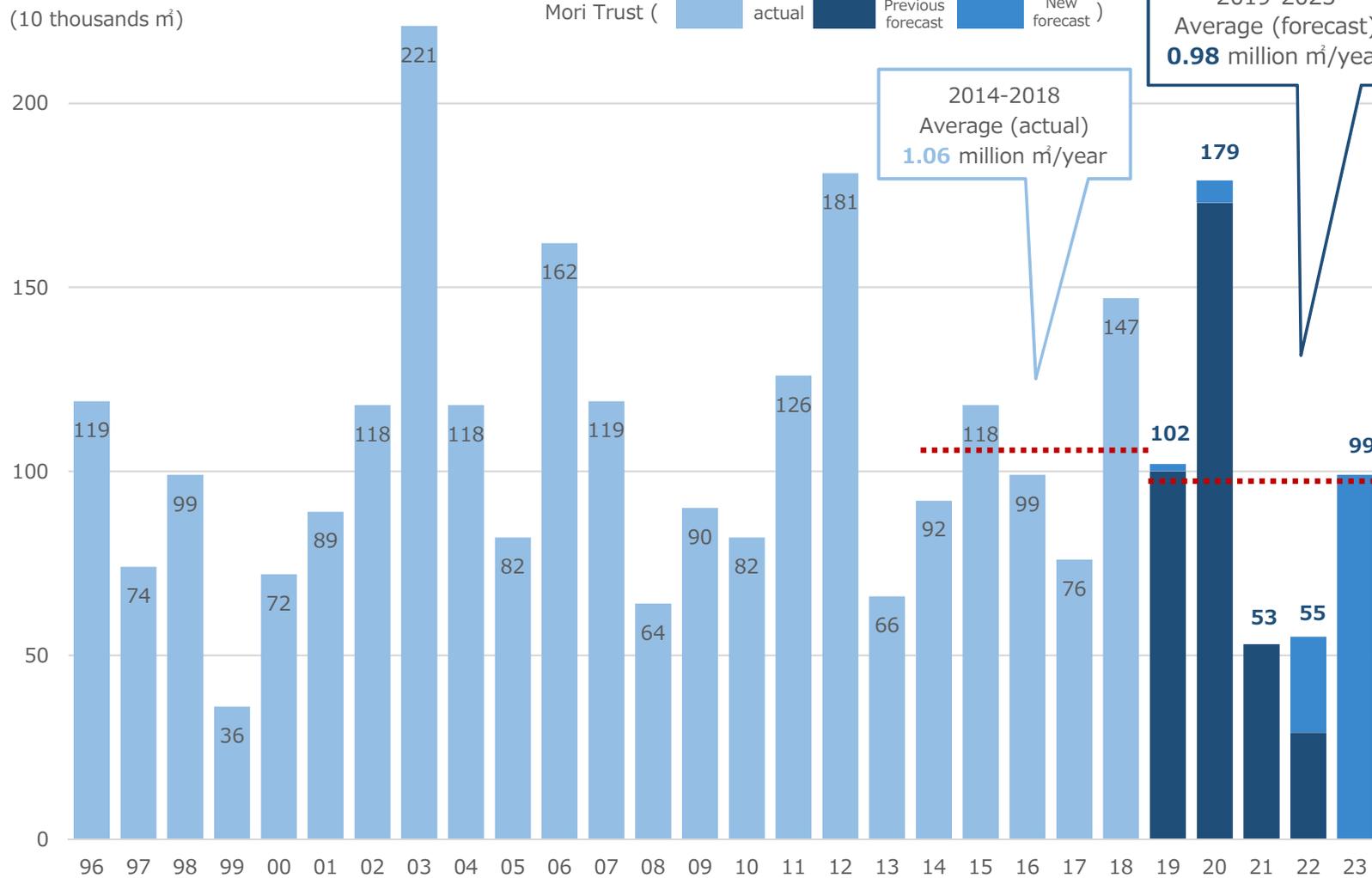


(Note) Grade A: Office buildings within the 5 central wards of Tokyo, with more than 6,500 tsubo of total leasable area, 10,000 tsubo of gross floor area, 500 tsubo of basic floor area and aged less than 11 years. Grade A-: Office buildings within the 23 wards of Tokyo, with more than 4,500 tsubo of total leasable area, 7,000 tsubo of gross floor area, 250 tsubo of basic floor area and complying with the new earthquake resistance standard. Grade B: Office buildings within the 23 wards of Tokyo, having more than 2000 tsubo of basic floor area, between 2,000 and 7,000 tsubo of gross area, and complying with the new earthquake resistance standard.

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

- New report released in Apr. 2019 indicates no significant fluctuation from the previous forecast, and **oversupply trend has not seen**
- Supply forecasted for coming five years is centered mainly in Minato ward (Toranomon, Shinbashi areas, etc.) and Chiyoda ward (Otemachi, Marunouchi, Yurakucho areas, etc.) and **impact on API is limited**

1. Supply trend

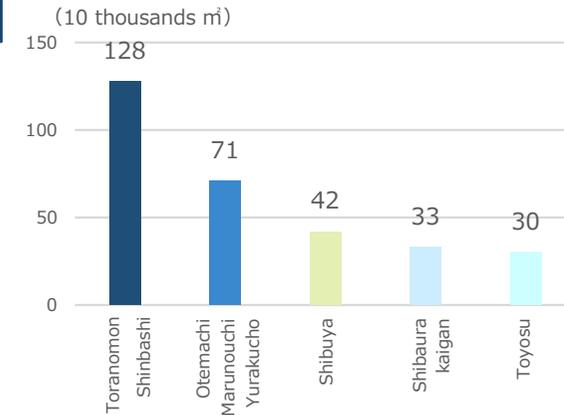


(Source) Mori Trust Co., Ltd.

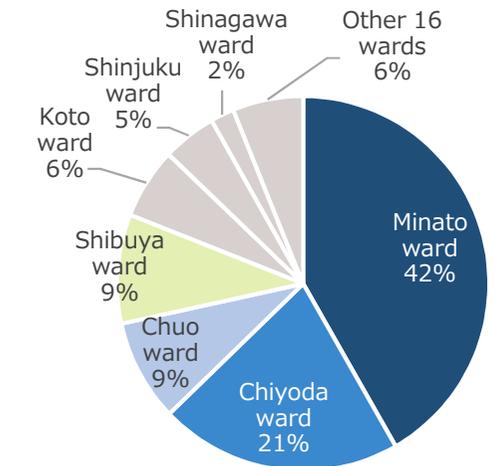
(Note) "Large-scale office buildings" refers to office buildings with a total office floor area of 10,000 m² or more.

2. Supply forecast 2019-2023

Top 5 areas



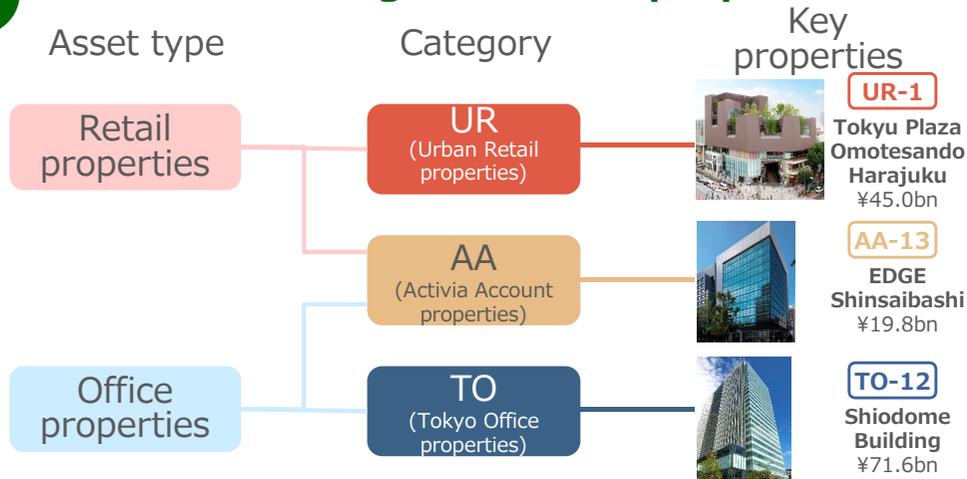
By ward



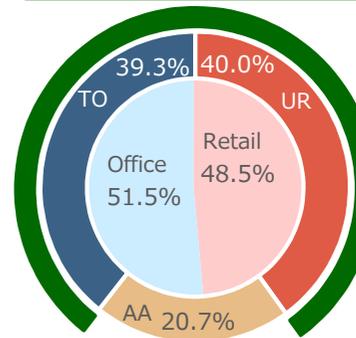
API's Characteristics and Strength

API is a J-REIT which primarily invests in Urban Retail properties and Tokyo Office properties as focused investment target and has a high-quality portfolio

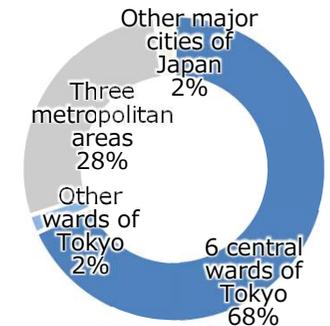
1 Investment target : Retail properties and office properties (Diversified assets)



Investment ratio (by category)



Investment ratio (by area)



Focused investment ratio **79.3%** (UR+TO)

Asset size **¥500.5bn** (end of Period ended May 2019)

2 Sponsor : Tokyu Land Corporation (Comprehensive real estate developer)



Listed on the 1st section of Tokyo Stock Exchange with security code 3289, Operating revenue: ¥901.9bn, Operating profit: ¥80.2bn (Result FY2019)



3 Operation result: DPU on the increase for 11 consecutive periods

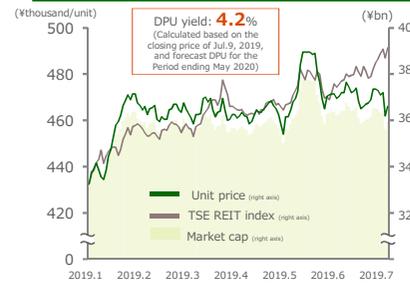
Trend in DPU



Trend in NAV per



Trend in unit price

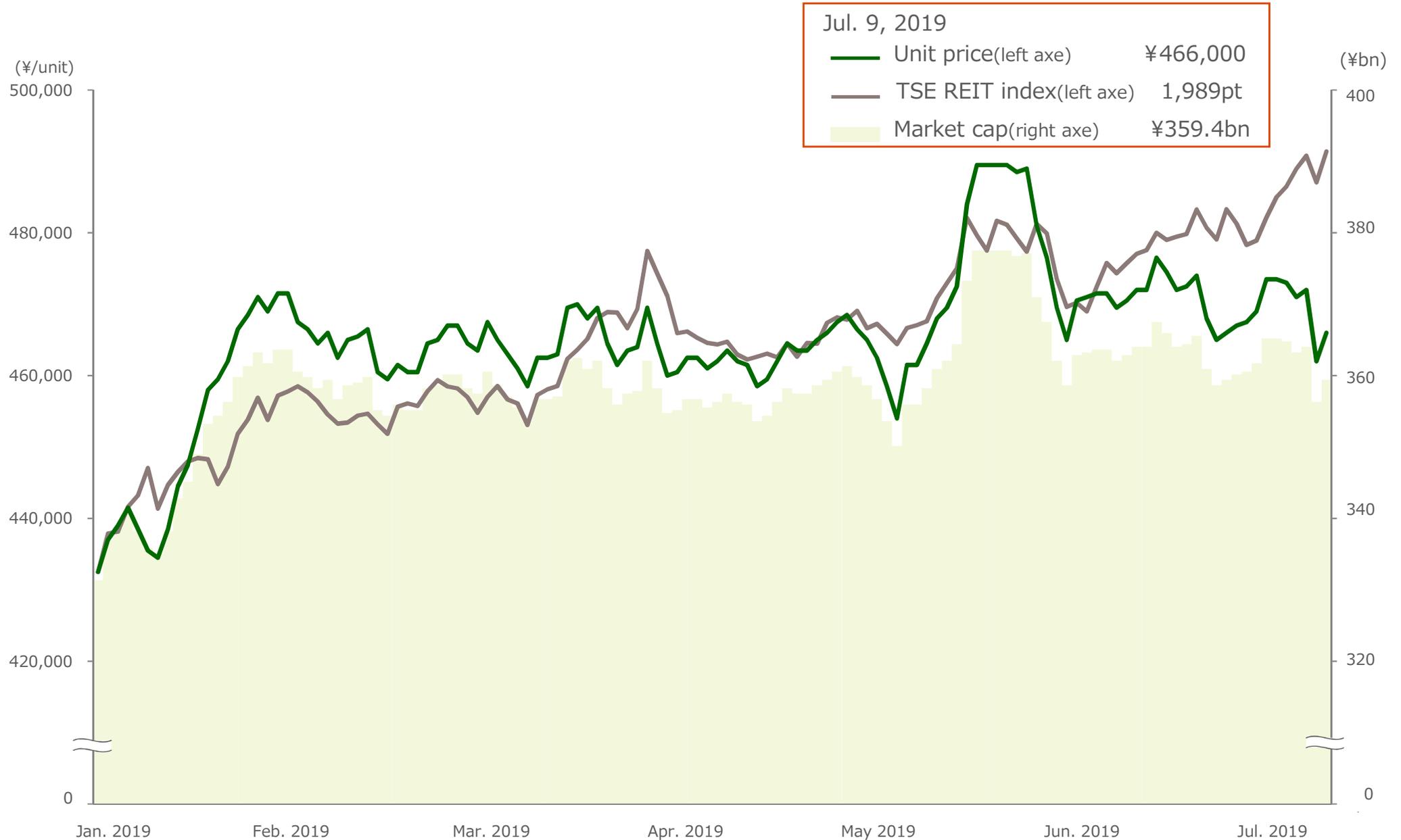


4 Basic information

| | |
|-------------------------------------|--------------------------|
| Name | Activia Properties Inc. |
| Closing | May 31 / November 30 |
| Date of IPO | June 13, 2012 |
| Asset manager | TLC REIT Management Inc. |
| Rating by Japan Credit Rating (JCR) | AA (stable) |



Unit Price Performance and Market Cap since Jan. 4, 2019



(Note) The performance of TSE REIT index is indexed to API unit price as of Jan. 4, 2019.

1. Corporate Philosophy

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

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

2. Basic Policies

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

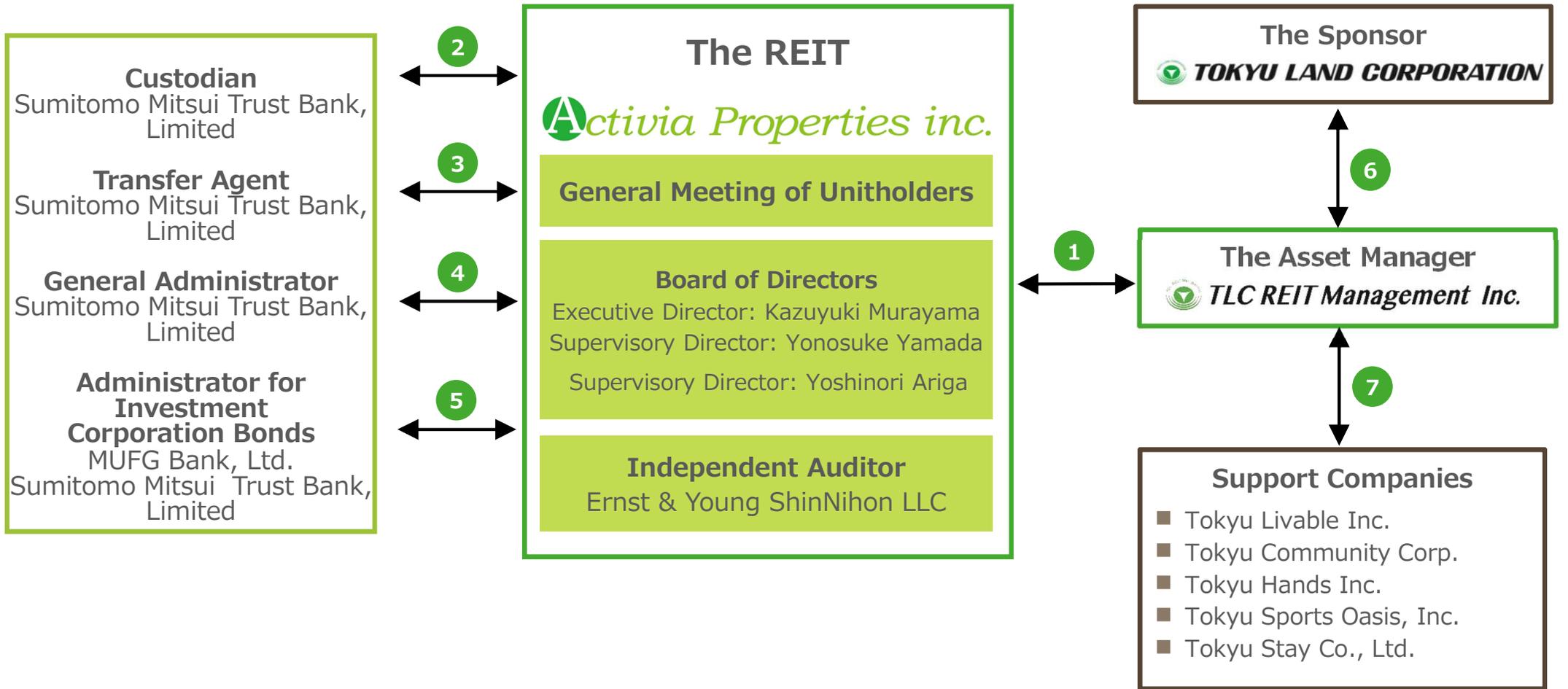
In order to maximize unitholder value over the medium to long term, we rigorously select properties which we can expect **stable and sustainable demand from retail customers and office tenants**, such as properties that are located in areas where large numbers of people gather and that serve as a foothold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

3. Portfolio Composition Policy

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



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



1 Asset Management Agreement

2 Asset Custody Agreement

3 Transfer Agency Agreement

4 General Administration Agreement

5 Fiscal Agency Agreement

6 Sponsor Support Agreement / Outsourcing Agreement

7 Affiliate Support Agreements

1. Overview of the Asset Manager

TLC REIT Management Inc.

Established on Oct. 2009

Capital ¥200 million

Shareholder/Sponsor
Tokyu Land Corporation 100%

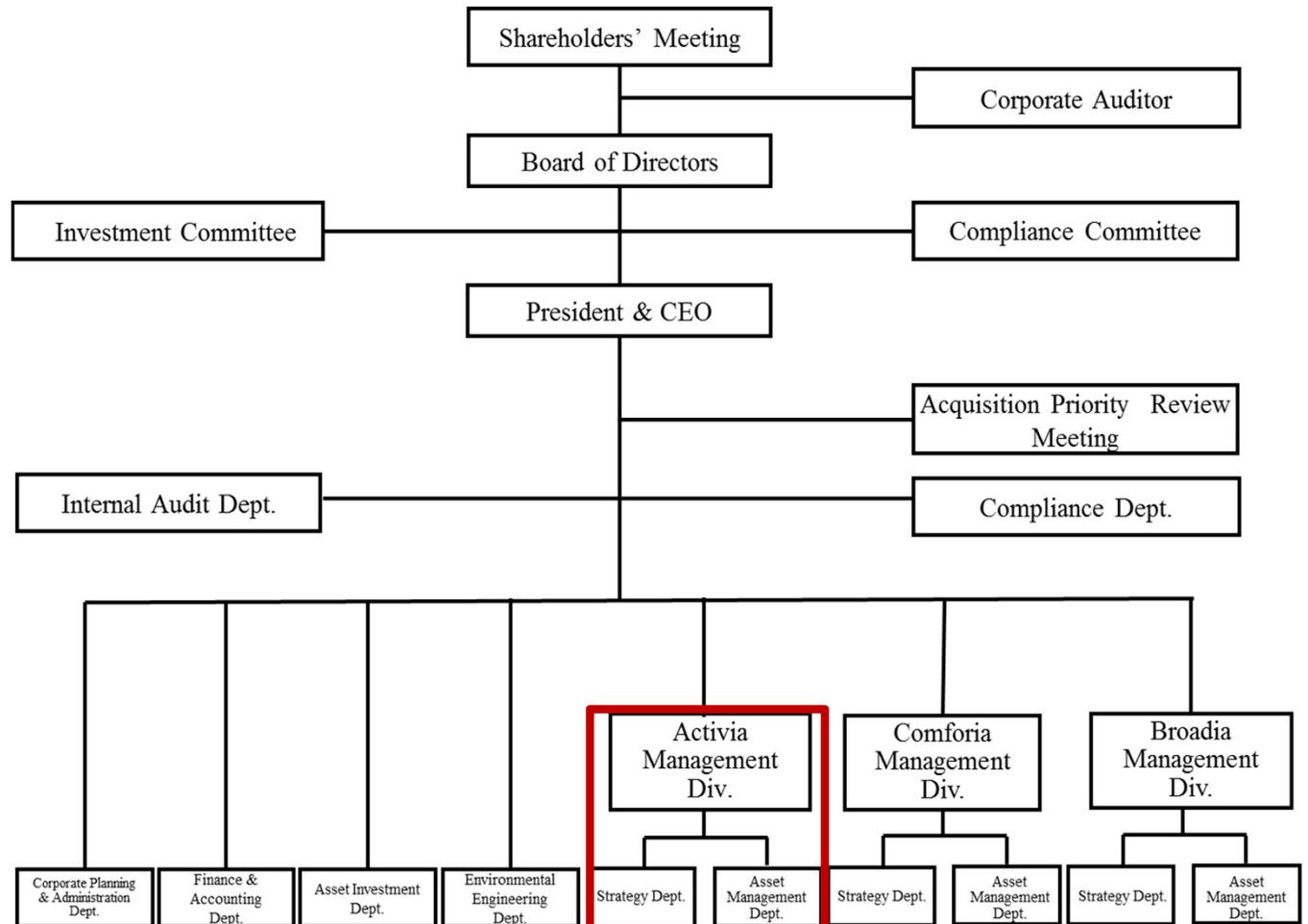


Hiroyuki Tohmata
President & CEO



Kazushi Sato
Managing Director,
Chief Division Officer of
Activia Management Division

2. Asset Manager Organizational Chart



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