



Activia Properties Inc.

Financial Results Presentation for the 11th Fiscal Period (May 2017) July 2017

(Ticker symbol: 3279/API)

 **TLC REIT Management Inc.**



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

2016	Dec.	<div data-bbox="465 296 745 400">External Growth</div> <div data-bbox="465 448 745 552">Financial Strategies</div>	<ul style="list-style-type: none"> ■ Conducted the 4th PO <ul style="list-style-type: none"> • Acquired 3 properties (additional 10% co-ownership interest of Shiodome Building, A-FLAG BIJUSTUKAN DORI and A-FLAG KOTTO DORI from the Sponsor and third parties) • Raised ¥30.7bn (including TPA)
2017	Jan.	<div data-bbox="465 627 745 711">External Growth</div>	<ul style="list-style-type: none"> ■ Acquired A-FLAG DAIKANAYAMA
	Feb.	<div data-bbox="465 767 745 852">Financial Strategies</div>	<ul style="list-style-type: none"> ■ Issued ¥6bn investment corporation bonds
	Mar.	<div data-bbox="465 919 745 1019">External Growth</div> <div data-bbox="465 1043 745 1144">Financial Strategies</div> <div data-bbox="465 1168 745 1268">Others</div>	<ul style="list-style-type: none"> ■ Expanded AUM to ¥400bn after the acquisition of A-PLACE Shinagawa Higashi ■ Diversified lenders by inviting new 5 banks ■ Shiodome Building received the highest rank of DBJ Green Building Certification
	Apr.	<div data-bbox="465 1350 745 1450">Others</div>	<ul style="list-style-type: none"> ■ After the merger of AM (new corp. name: TLC REIT Management Inc.), new operation has begun

External Growth

◆ Expanded AUM to ¥400bn

[Acquired 5 Properties (2 Tokyo Office Properties and 3 Urban Retail Properties)]

- Total Acquisition Price **¥51.1bn**
- vs. Appraisal Value 98.7%
- Appraisal NOI Yield Ave. 4.0%



of properties : **35** (10th period) → **39** (11th period)
 AUM : **¥356.9bn** (10th period) → **¥407.9bn** (11th period)

Internal Growth

【Tokyo Office Properties】

◆ Upward Rent Revision leveraging Properties Potential

- Ratio of Rent Increase at Lease Renewals **69%**
- Ratio of Increase **7.1%**

【Urban Retail Properties】

◆ Continuing Favorable Operation of Hotels

- Sales-linked Rent at Hotels **¥66.4mn** (+22% vs. previous year)

【Other】

◆ Upward Rent Revision and Tenant Replacement with Rent Increase in several Urban Retail Properties and Activia Account Properties



Financial Strategies

◆ Diversified Financing Method

- Issued Investment Corporation Bonds in Feb. 2017
- Total **¥6bn** (Ave. **6.2** yrs, Ave. **0.22%**)
- Borrowed in Mar. 2017 including New 5 Banks
- 12** banks (before) → **17** banks (after)

◆ Implemented Refinance to Avoid Interest-rate Risk

- Lengthening Term with Maintaining Interest Rate
- Interest rate : **0.67%** → **0.65%**
- Ave. term : **4.1** yrs (10th period) → **4.8** yrs (as of Jul.12, 2017)



Continual Improvement in Unitholder Value

Achieved Increase in DPU

DPU : **¥9,248** (11th period)
 (vs. previous period : +¥227 / +2.5%)
 (vs. forecast : +¥132 / +1.4%)

Achieved Ongoing Growth in NAV per Unit

NAV per unit : **¥409,154** (11th period)
 (vs. previous period : +¥23,404 / +6.1%)

Financial Results for the 11th Period (ended May 2017): Income Statement

- In comparison to the 10th period and former 11th forecasts, revenue and income significantly increased due to (i) full contribution from 3 properties acquired in the 10th period, (ii) new contribution from 5 properties acquired in 11th period, and (iii) consistent internal growth
- DPU is **¥9,248**, up **¥227** from the previous period and up **¥132** from the former 11th forecasts

1. 11th Period vs. 10th Period/ Former 11th Period Forecasts (2017.1.17)

(in millions of yen)

	10 th period	11 th period		11 th period (forecasts)		
	Results	Results	vs 10 th period Difference	(%)	Forecasts 2017.1.17	Change (vs. former forecasts)
Operating revenue	10,917	12,107	+1,190	+10.9%	11,905	+201
Operating expenses	4,755	5,127	+371	+7.8%	5,009	+117
Taxes & Public dues	772	778	+6	+0.8%	778	△0
Operating income	6,161	6,980	+818	+13.3%	6,895	+84
Ordinary income	5,410	6,152	+741	+13.7%	6,065	+87
Net income	5,409	6,151	+742	+13.7%	6,064	+87
DPU (yen)	¥9,021	¥9,248	+¥227	+2.5%	¥9,116	+¥132

3. Variance between the 10th and the 11th Period Results (DPU)



2. Variance Analysis (vs. 10th Period Results)

(in millions of yen)

	vs. 10 th results	Details	
Operating revenue	+1,190	Increase	New operation+909, Full-period operation +424 Rent of existing properties, etc.+76, Cancellation fee+3
		Decrease	Sales-linked rent at hotels△140, Utility fee income△63, Others△22
Expenses related to rent business	+264	Increase	New operation+219, Full-period operation+140 Maintenance fee+10, Depreciation+8, Taxes & Public dues+5
		Decrease	Repair expense△51, Utility expense△51, Advertisement expense△9, Others△5
NOI after (Note) depreciation	+925		
General administrative expenses	+107	Increase	Asset management fee+93, Miscellaneous expense+7, Administrative fee+4, Payment commission+2
		Decrease	Taxes and Public Dues△1
Operating income	+818		

(Note) excluding disposition gain

4. Variance Analysis (vs. Former Forecasts)

(in millions of yen)

	vs. 11 th previous forecasts	Details	
Operating revenue	+201	Increase	Shinagawa Hitashi+203, Cancellation fee+10, Facility usage fee +10, Rent of existing properties+7, Others+6, Parking fee income+6
		Decrease	Utility fee income△43
Expenses related to rent business	+109	Increase	Repair expense+99, Shinagawa Higashi+49, Other+15, Depreciation+3, Maintenance fee+3
		Decrease	Utility expense△59, Asset Custody Fee△2
NOI after depreciation	+91		
General administrative expenses	+7	Increase	Asset management fee+10
		Decrease	Miscellaneous expense△3
Operating income	+84		

Financial Results for the 11th Period (ended May 2017): Balance Sheet

- Total asset grew by **¥54.3bn** following the acquisition of 5 new properties during 11th period
- Unrealized gains on portfolio based on appraisal at the end of the 11th period stood at **¥63.7bn**, up **¥9.4bn** from the previous period and LTV is **46.0%**, down **1.7pt** from the previous period following the 4th PO

1. Comparison of the 10th and 11th Periods (Balance Sheet)

(in millions of yen)

	10th Period (2016/11)	11th Period (2017/5)	Change
Assets			
Current assets	13,209	16,938	+3,728
Cash and deposits	12,184	15,840	+3,656
Other	1,024	1,097	+72
Noncurrent assets	358,471	409,039	+50,568
Total property, plant and equipment	352,581	398,699	+46,118
Total intangible assets	4,826	9,130	+4,303
Other	1,063	1,208	+145
Total assets	371,680	425,977	+54,296
Liabilities			
Short-term borrowings	5,400	10,000	+4,600
Long-term loans payable to be repaid within a year	26,400	25,000	△1,400
Investment corporation bonds	10,000	16,000	+6,000
Long-term loans payable	135,350	145,150	+9,800
Tenant leasehold and security deposits, and others	17,512	21,376	+3,863
Total Liabilities	194,662	217,526	+22,863
Net assets			
Unitholders' equity	177,018	208,451	+31,432
Unitholders' capital	171,532	202,233	+30,700
Surplus	5,485	6,217	+732
Total net assets	177,018	208,451	+31,432
Total liabilities and net assets	371,680	425,977	+54,296

2. Changes in Unrealized Gains on Portfolio

(in millions of yen)

10th Period (2016/11)	11th Period (2017/5)	Difference
54,298	63,724	+9,426

3. Changes in LTV

10th Period (2016/11)	11th Period (2017/5)	vs. Previous period
47.7%	46.0%	△1.7pt

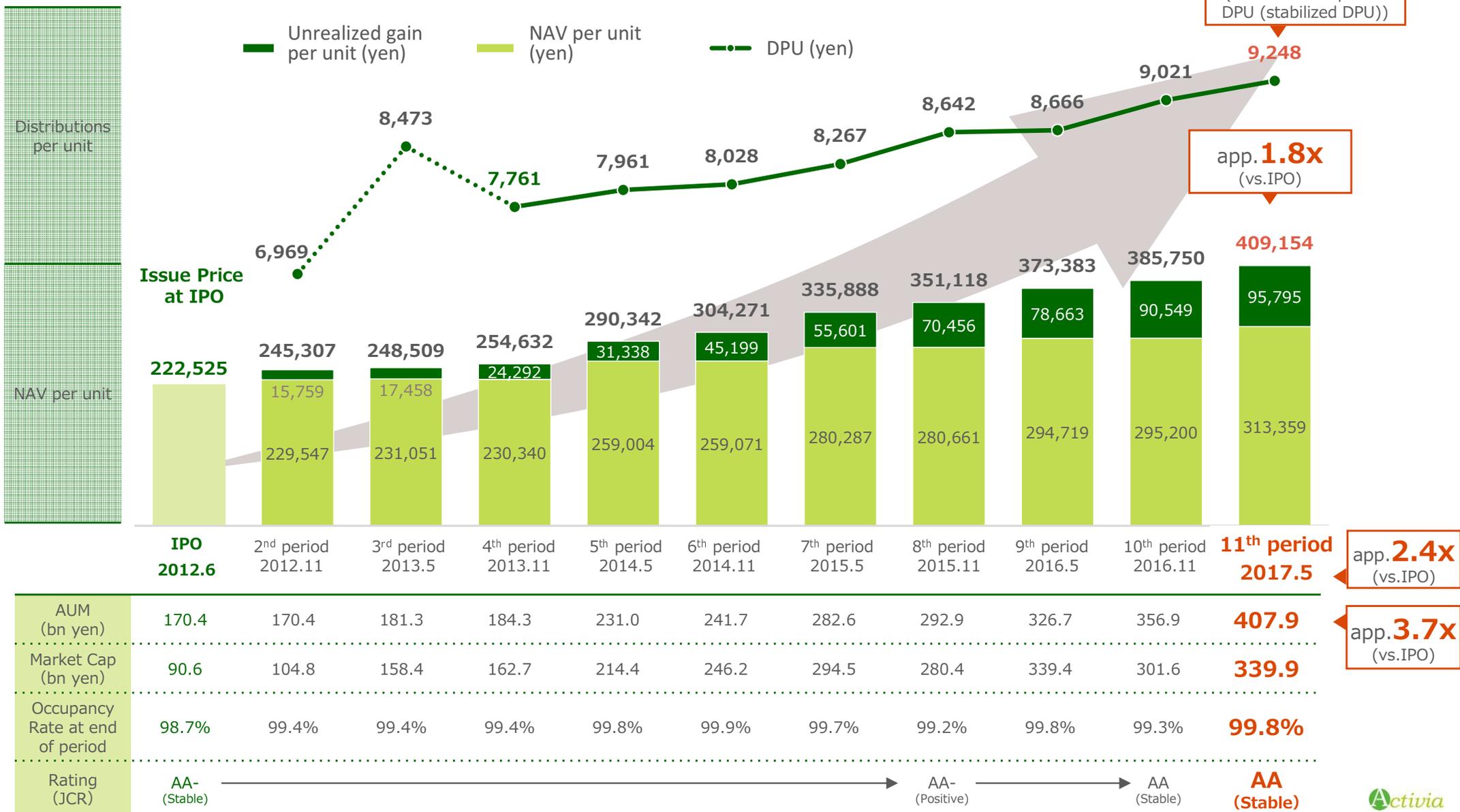
Acquisition of 5 new properties +¥51,050mn (Shiodome building (add+10%), A-FLAG KOTTO DORI, A-FLAG BIJUTSUKAN DORI, A-FLAG DAIKANYAMA WEST, A-PLACE Shinagawa Higashi)

New borrowings associated with the acquisition of A-PLACE Shinagawa Higashi +¥19,000mn

Issue of 65,560 new units at the 4th PO (issue price per unit ¥468,283) +¥30,700mn

5-year Trajectory since IPO

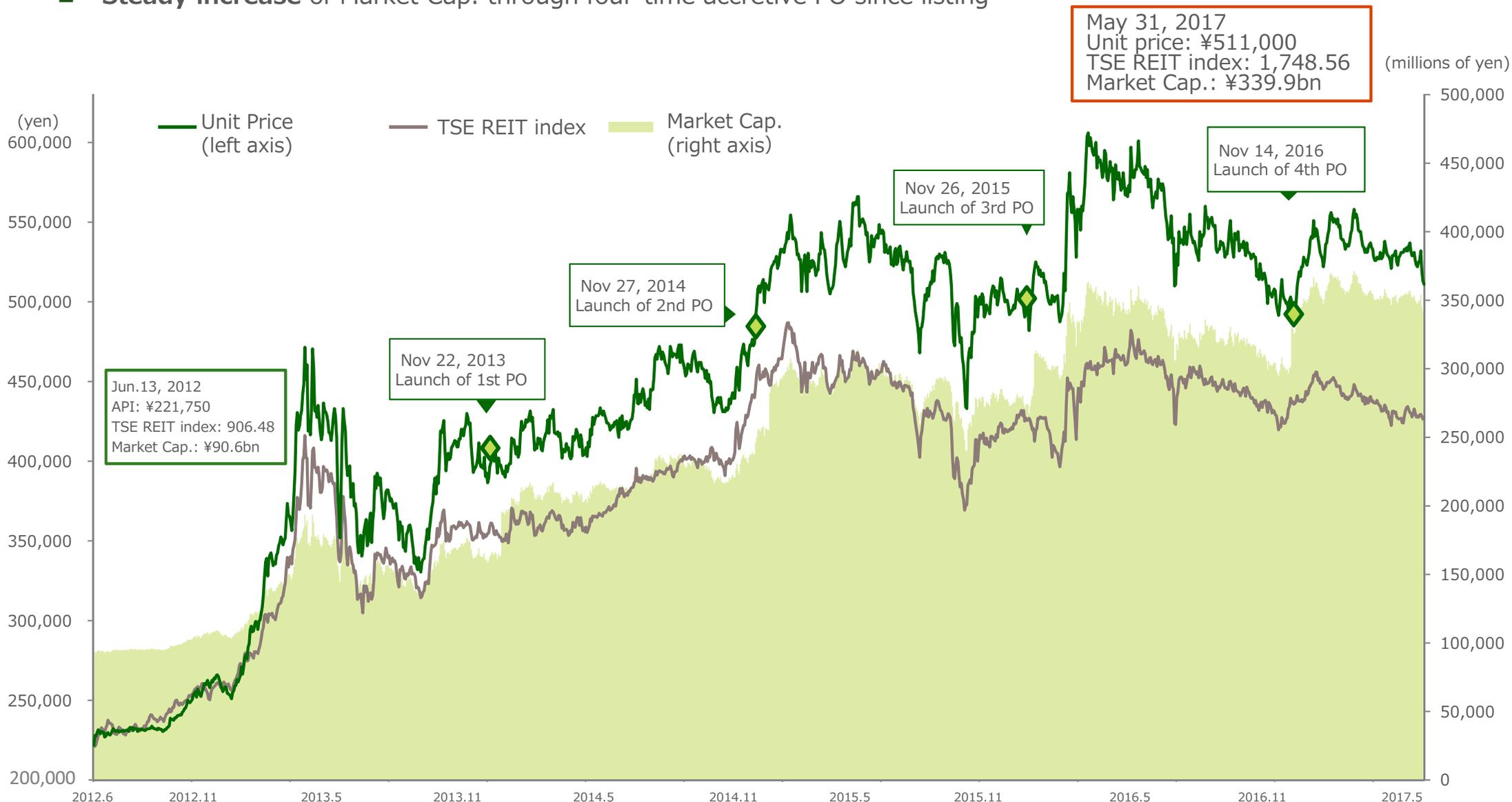
- **Continued steady growth since IPO** by (i) **investing in highly selected properties** with excellent location and quality and (ii) **internal growth** taking advantage of API strength
- Aim to **maximize unitholder value** by **proactive asset management** with investor's perspective



(Note) Adjusted for the 2-for-1 unit split effected as of October 1, 2015. Thus the figures before 7th period are shown as half as the actual DPU.

Unit Price Performance and Market Cap since IPO (June 2012)

- Maintain healthy movement of Unit Price since IPO **largely outperforming TSE index**
- **Steady increase** of Market Cap. through four-time accretive PO since listing

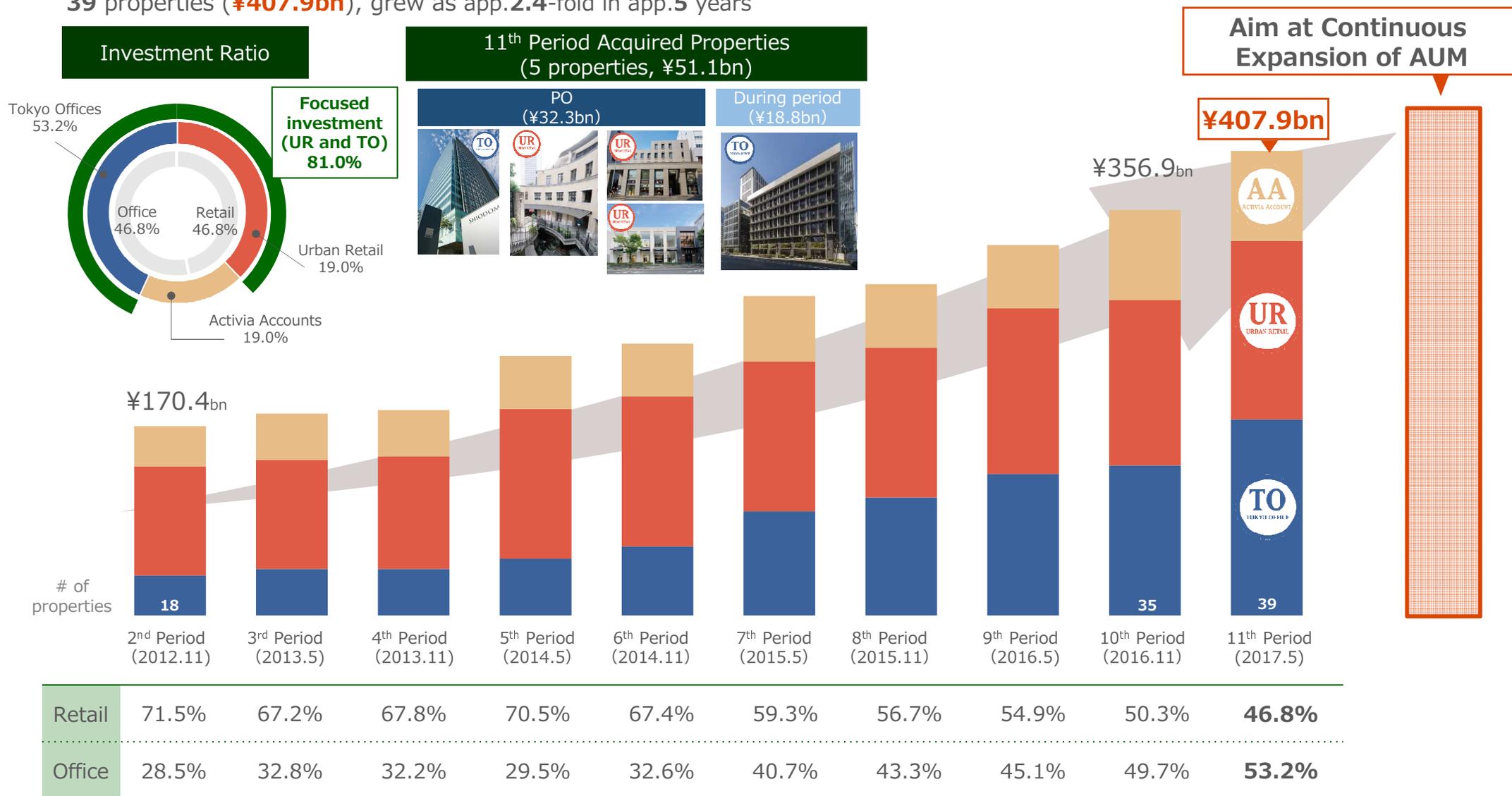


(Note 1) The performance of TSE REIT index is indexed to API unit price as of June 13, 2012.

(Note 2) Adjusted for the 2-for-1 unit split effected as of October 1, 2015. Thus the figures before 7th period are shown as half as the actual DPU.

External Growth ~ Continuous Expansion of Asset Size ~

- Realized PO for 4 consecutive years at the beg. of the 11th period and acquired **5** properties (**¥51.1bn**) from our sponsor and third parties
- Since IPO (June 2012), we acquired **22** properties (**¥239.9bn**) and the asset size (acquisition price basis) expanded into **39** properties (**¥407.9bn**), grew as app.2.4-fold in app.5 years



2. External Growth, Internal Growth and Financial Strategies

External Growth

~Properties Acquired in the 11th Period and Major Internal Growth of Properties Acquired in 10th Period and Onwards~

1. Properties Acquired in the 11th Period

TO-16 A-PLACE Shinagawa Higashi

▶ **Acquired from sponsor group** an office property with high accessibility located near "Shinagawa" station retaining the growth potential

① Accessibility

"Shinagawa" station is the terminal station of Tokaido Shinkansen(bullet train), and has direct access to Haneda Airport via Keikyū Line

② Area potential

Further growth is expected with the prospective opening of the Linear Shinkansen (bullet train)

③ Upside potential

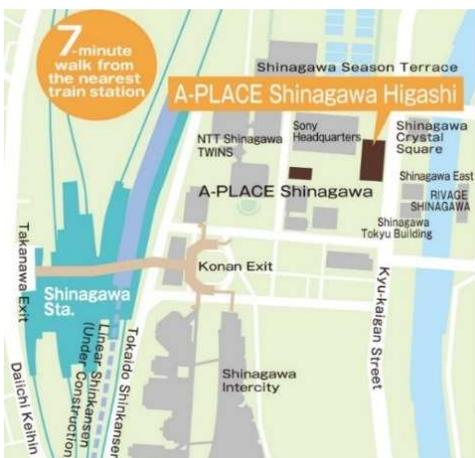
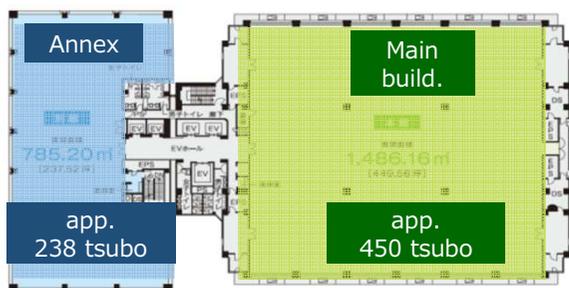
Actual rent lower than Market rent (Rent Gap app.△10%)



Location	Konan, Minato-ku, Tokyo
Closest station	7-minute walk from Shinagawa station on JR and Keikyū Line
Acquisition date	Mar.2017
Acquisition price	¥18,800mn
Appraisal price	¥19,000mn
vs. Appraisal price	98.9%
Appraisal NOI yield	4.2%
Occupancy rate	100.0% (as of the end of 11 th period)

Large-scale Office Build with a Standard Floor Area of app.687 tsubo

- Composed of main building and annex, highly visible with an entrance of 72m large
- Strengthened appeal to tenants through a large scale renovation completed in 2014



2. Major Internal Growth in Properties Acquired in 10th Period and Onwards

▶ Through selective investment in several properties focusing **upside potential for rent**, realized internal growth promptly after acquisition
Rent increase **¥+21mn** (per full six months period)

TO-15 A-PLACE Gotanda Ekimae

(Acquired Jul.2016 (10th period))



Upward rent revision
+11.9%
(11th period, 1 tenant, 176 tsubo)

AA-10 Umeda Gate Tower

(Acquired Sep.2016 (10th period))



Upward rent revision
+13.7%
(11th period, 4 tenants, 1,022 tsubo)

UR-11 A-FLAG KOTTO DORI

(Acquired Dec.2016(11th period))



Upward rent revision
+18.9%
(12th period, 2 tenants, 129 tsubo)

UR-12 A-FLAG BIJUTSUKAN DORI

(Acquired Dec. 2016 (11th period))



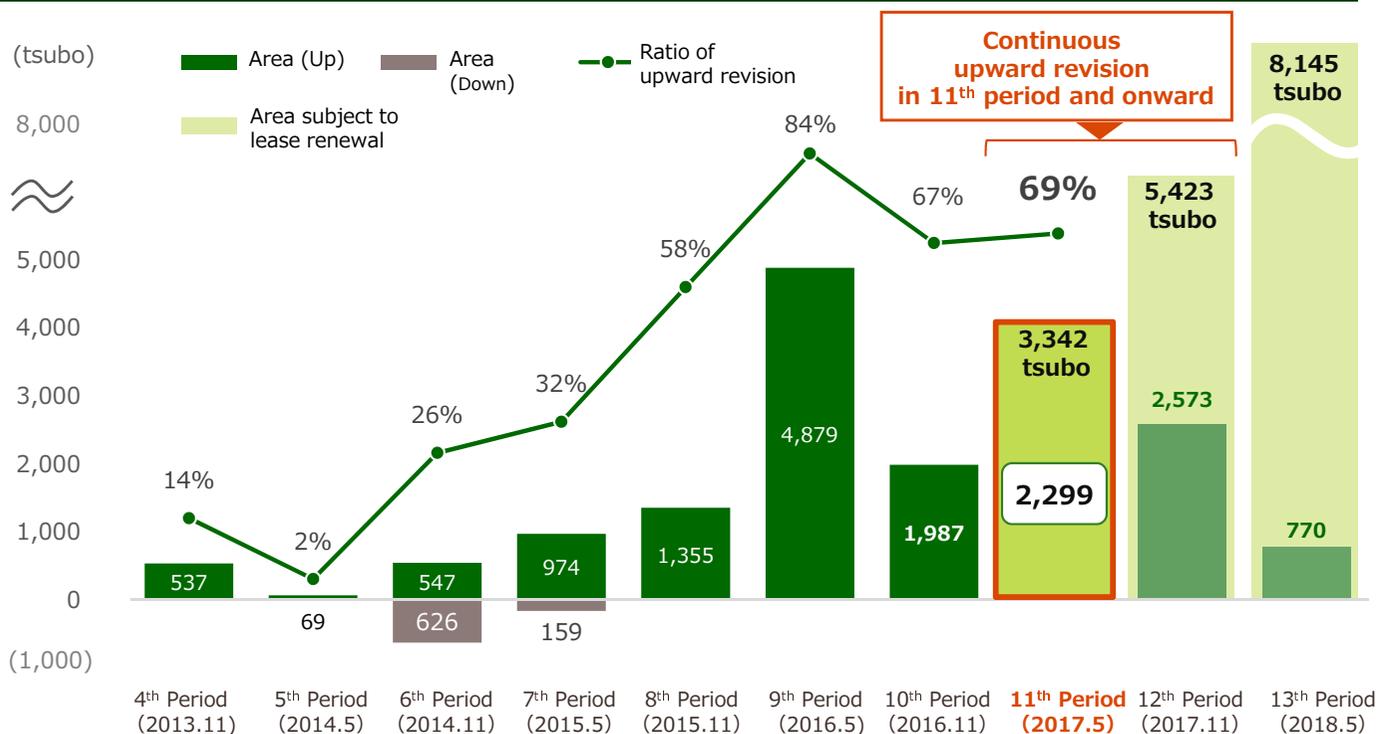
Upward rent revision
+1.6%
(11th period, 1 tenant, 191 tsubo)



1. Upward Rent Revisions

▶ **Continuing upward trend** in rent revision with app. **69%** upward out of all lease renewals during the 11th period, contributed to revenue by **¥+20.4mn** (per full six months period)

Trend of Rent Revisions



Increase	6.8%	3.6%	7.5%	8.6%	12.9%	5.6%	10.7%	7.1%
Rent Gap	5%	-1%	-3%	-4%	-6%	-6%	-5%	-6%
Rent Gap in Greater Shibuya	3%	-5%	-15%	-15%	-18%	-18%	-16%	-15%

2. Revision by Area (11th period and onwards)

Greater Shibuya Area

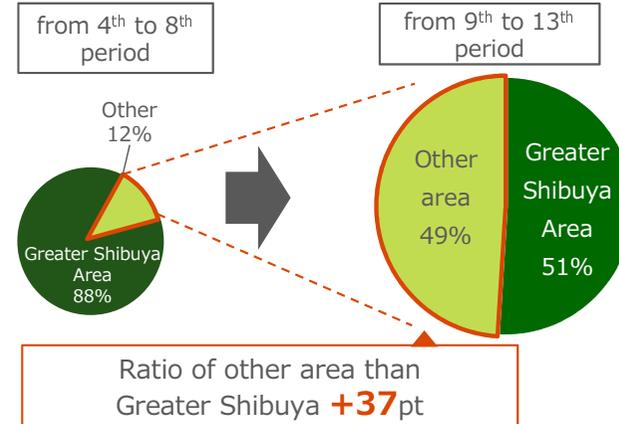
▶ Achieved large increase of rent in Greater Shibuya area where rent gap is important

Major Instances of Upward Rent Revision

TO-14 A-PLACE Shibuya Konnoh	TO-4 A-PLACE Aoyama
2 tenants · 764 tsubo	3 tenants · 496 tsubo
+18.4%	+9.8%

Other Areas

▶ Achieved upward rent revision also in other area



Major Instances of Upward Rent Revision

TO-10 A-PLACE Shinagawa	TO-5 Luogo Shiodome
4 tenants · 413 tsubo	3 tenants · 619 tsubo
+4.5%	+4.2%

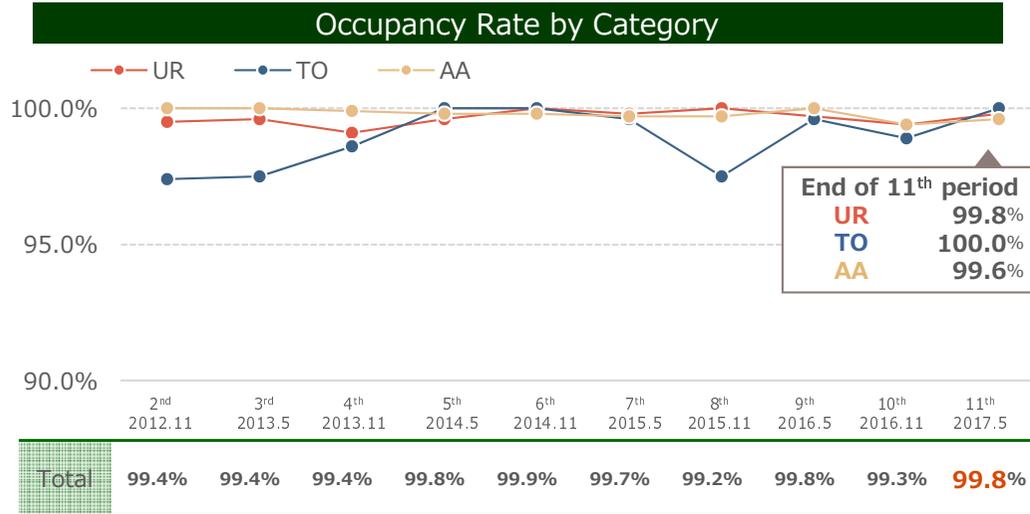
Internal Growth ~Management of Tokyo Office Properties ②~



Tokyo Office Properties

1. Trend in Occupancy Rate

- ▶ Maintain stable high occupancy rate (at the end of each period) at **99% or above** since IPO



2. Internal Growth through Tenant Replacement

- ▶ Succeeded to achieve rent increase in **88%** of area by high leasing capability

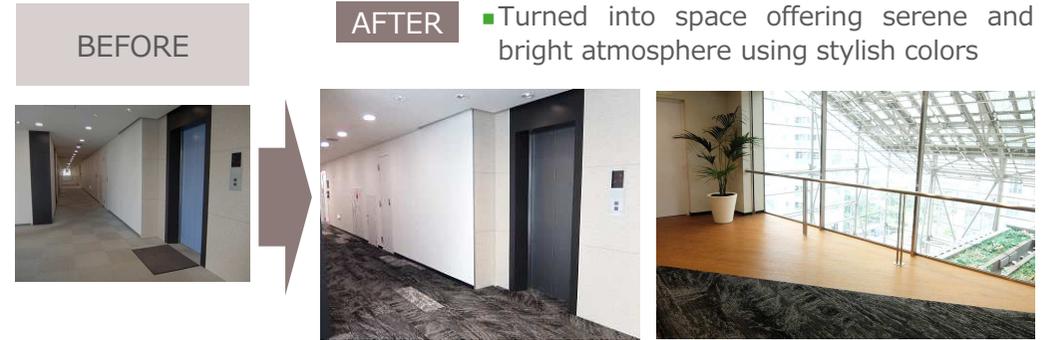
Tenant Replaced Area (# of Replacement)	2,084 tsubo (17 tenants)
Rent Increase Achieved Area (# of Replacement)	1,824 tsubo (14 tenants) (88% of whole replacement)
Ave. Ratio of Increase	+9.8%
Contribution to Revenue	¥+27.7mn (per full six months period)



3. Strategic Value-ups of A-PLACE Ebisu Minami

- ▶ Increased added value and competitiveness of the properties through renovation of hallways and toilet facilities after Move-out of a Major Tenant

Value-ups of Shared Hallways



Value-ups of Shared Toilet Room



- ▶ Trends of tenant replacement in Greater Shibuya Area

Downtime (DT) Period

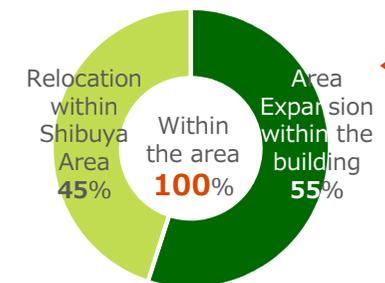
Average DT period at replacements mentioned on the left

1.1 months

of which DT period in Greater Shibuya Area

0.0 month
(1,512 tsubo)

New Tenants Place of Departure



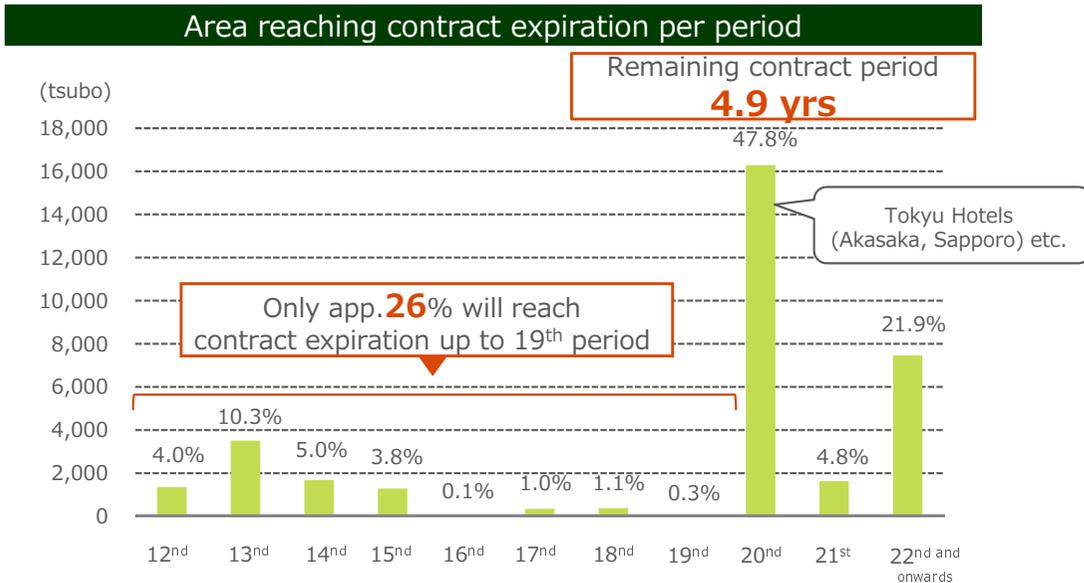
Continuous supply/demand equation within Shibuya Area

Internal Growth ~Management of Urban Retail Properties ①~

UR Urban Retail Properties

1. Stability of API Urban Retail Properties

► **Steady Revenue** expected due to a low number of tenants reaching contract revision stage for coming 4 years until 19th period



2. Internal Growth Achieved through Tenant Replacements (11th period and onwards)

► Achieved rent increase of **90%** at tenant replacements

Tenant Replaced Area (# of Replacement)	701 tsubo (9 tenants)
Rent Increase Achieved Area (# of Replacement)	632 tsubo (8 tenants) (90% of total replacements)
Ave. Ratio of increase	+24.6%
Contribution to Revenue	¥+64.8mn (per full six months period)

► Achieved large rent increase through tenant replacements catching tenant needs

Major Examples of Rent Increase

■ Prompt tenant replacement taking advantage of high property potential

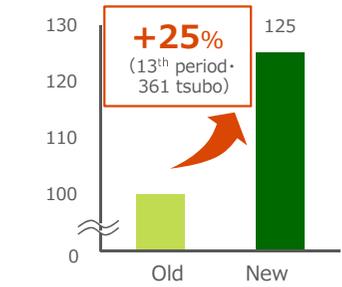
UR-7 Kobe Kyu Kyoryuchi 25Bankan



(Note) Rent of old tenant is defined as 100.

■ Rent increase in addition to securing mid-long term of lease

UR-10 Q plaza SHINSAIBASHI

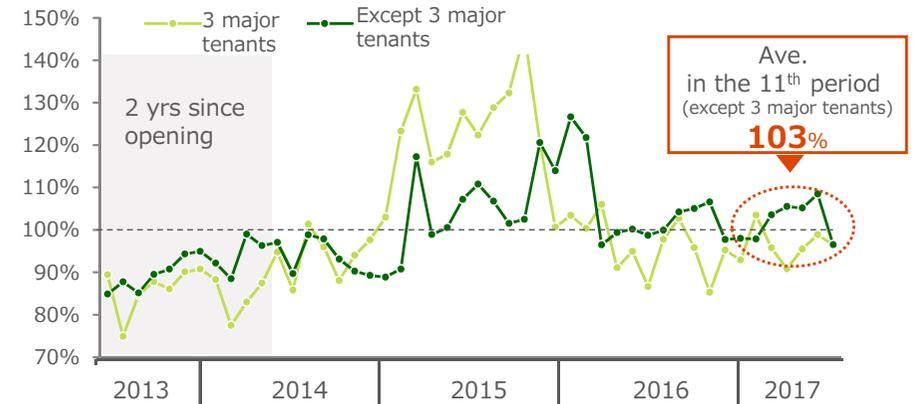


(Note) Rent of old tenant is defined as 100.

3. Operation of Tokyu Plaza Omotesando Harajuku

► Sales are in steady trend except 3 major tenants

Sales Trends (YoY)



Continuous Renewal (RN) Implementation

RN scheduled in 2017

5 zones
(175 tsubo)



■ **Serendipity 3**, one of the most famous cafes in NY appeared in the movie "Serendipity" will open for the first time in Japan in Aug. 2017

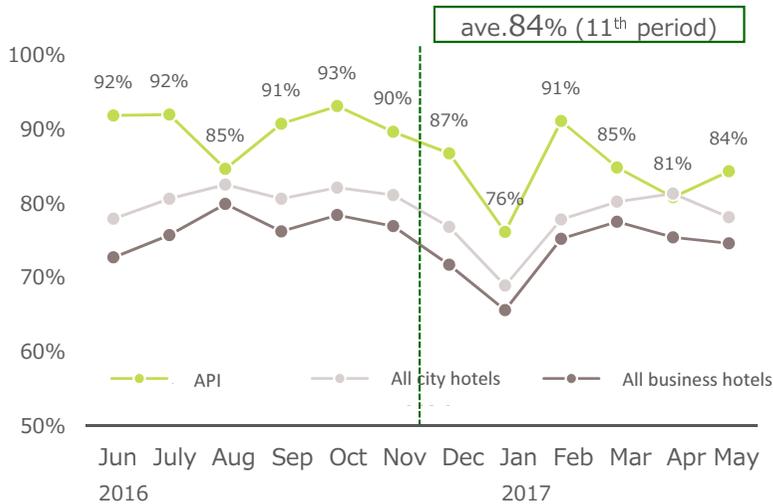


Urban Retail Properties

1. Trends of Occupancy Rates and RevPAR

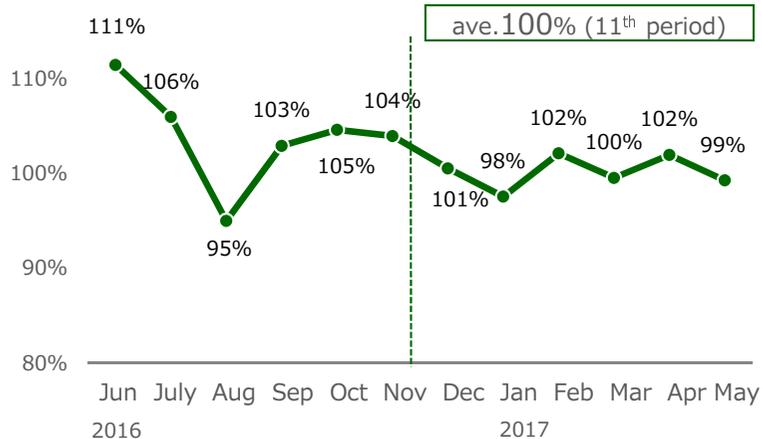
▶ Continued buoyant occupancy rates and RevPAR

Changes of Occupancy Rates of 3 hotels



(Note) Figures of "All city hotels" and "All business hotels" in May 2017 are preliminary results.

Trends of 3 hotels RevPAR

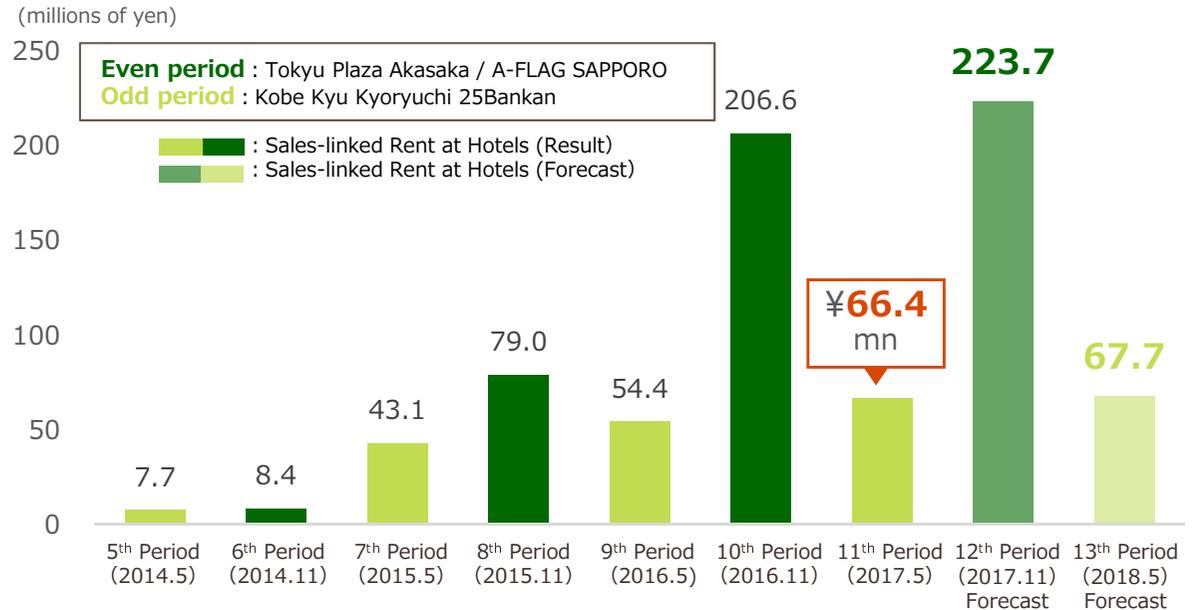


(Note) Year-on-Year rate

2. Trends in Hotel Earnings

▶ Maintained stable growth in sales-linked rent at hotels

Trends of Sales-linked Rent at Hotels



3. Urban Retail Properties including Hotels

▶ Effort for sales increase of each hotel

<p>Tokyu Plaza Akasaka (# of rooms : 487)</p>	<ul style="list-style-type: none"> Enlarge group and individual clients through active approach to South East Asian countries where tourists to Japan is in increase
<p>A-FLAG SAPPORO (# of rooms : 575)</p>	<ul style="list-style-type: none"> Strengthen business-use by companies and others through renovation of banquet spaces Installed a new reservation system for international clients
<p>Kobe Kyu Kyoryuchi 25 Bankan (# of rooms : 116)</p>	<ul style="list-style-type: none"> Renovated executive floors (30 rooms) on 14-16th floors in order to enhance appeal to good customers

Sales Ratio of 3 Hotels (Domestic/International)



Internal Growth ~Summary of Rent Revision and Tenant Replacement (11th Period and Onwards)~

- **Internal growth achieved in all of 3 categories** (Activia Account as well as Urban Retail and Tokyo Office Properties) due to selective investment taking advantage of each property's potential
- Contribution to revenue by upward rent revision and tenant replacement reached **¥+173mn** (per period, per full six months)

		# of tenants	Major Properties	(%)	Increase per period
Urban Retail	Upward Revision	7	•A-FLAG KOTTO DORI •A-FLAG BIJUTSUKAN DORI	8%	¥7.11mn
	Tenant Replacement	9	•Kobe Kyu Kyoryuchi 25 Bankan •Q plaza SHINSAIBASHI • (1 downward revision) A-FLAG AKASAKA	25%	¥64.77mn
		16		20%	¥71.88mn
Tokyo Office	Upward Revision	26	•TLC Ebisu Building •A-PLACE Ebisu Minami •OSAKI WIZ TOWER	7%	¥46.96mn
	Tenant Replacement	17	•A-PLACE Ebisu Minami •A-PLACE Gotanda •(3 downward revisions) Shiodome Building, Ebisu Minami, Shinagawa	10%	¥27.67mn
		43		8%	¥74.63mn
Activia Account	Upward Revision	15	•Umeda Gate Tower •icot Omori	9%	¥17.95mn
	Tenant Replacement with rent increase	7	•Osaka Nakanoshima Building •Umeda Gate Tower	20%	¥8.38mn
		22		11%	¥26.33mn
Total	Upward Revision	48		7%	¥72.03mn
	Tenant Replacement	33		17%	¥100.82mn
		81 tenants		11%	¥172.86mn

3 keys for growth

- **Achieved large increase of rent especially at replacements** maintaining stable income capacity by long term lease contract and high fixed rent ratio



- **Rent increase in almost all properties** taking advantage of properties potential and stable needs for offices
- **Further internal growth is expected** as actual rent gap is $\Delta 6\%$



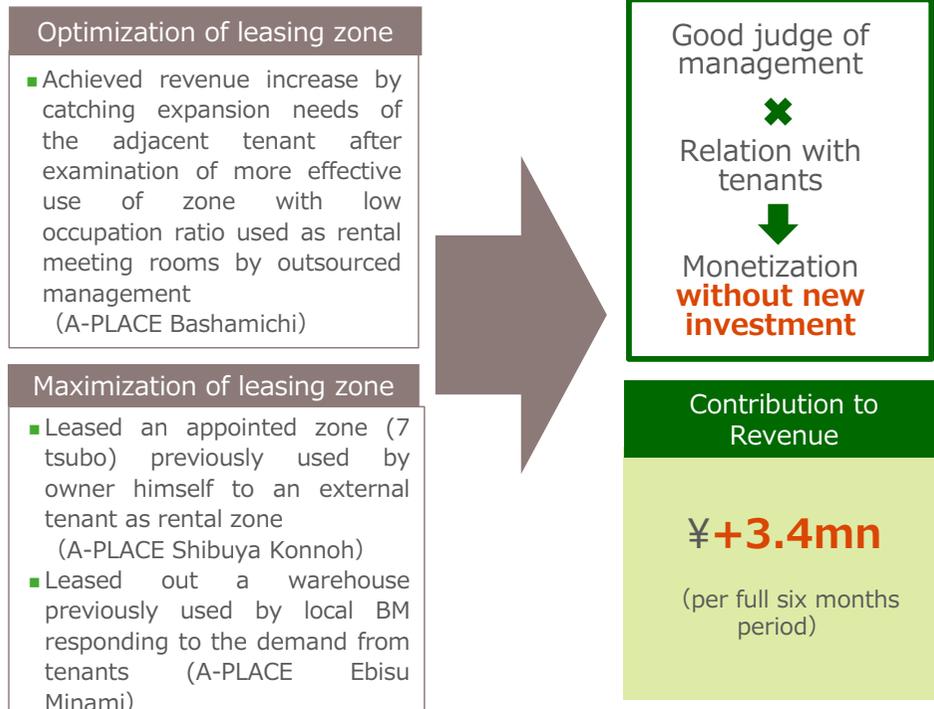
- Achieved upward rent revision and rent increase at tenant replacement by **selective investment to competitive properties** with API capacity of judgement

Internal Growth ~other topics~

■ Implemented various measures across categories such as Urban Retail Properties and Tokyo Office Properties for continuous growth

1. Contribution to Revenue through Effective Use of Zone

▶ Realized revenue increase through prospects exploitation



2. Measures for Revenue Increase



“Omohara no mori”
Beer terrace on the roof terrace on 6th floor (until Sep 10, 2017)
(Tokyu Plaza Omotesando Harajuku)



“Akasaka Marche”
regional foods market on the 2nd floor hallway
(Tokyu Plaza Akasaka)



Hanging advertisement display installed on 2nd floor external wall
(Tokyu Plaza Akasaka)

3. Measures for Cost Reduction

▶ Achieved improvement in PL in addition to revenue increase

Revision of Management System



A-PLACE Shinagawa Higashi (Jun. 2017~)

• **Reduced ¥2.8mn** in management cost by introduction of ITV camera (per full six months period)



icot Tama Center (Aug. 2017~)

• **Reduced ¥1.1mn** in management cost by assigning a Sponsor group company (Tokyu Community) as BM company (per full six months period)

Revision of Electricity Supply Contract



A-FLAG SAPPORO (Apr. 2017~), **Shiodome Building** (Jun. 2017~)

• **Reduced total ¥9.6mn** of electricity expense for 2 properties by switching to new electricity (per period, estimated figure)

4. Measures for Value-up

▶ Improve tenant satisfaction by taking measures for value-up

Value-Ups



External wall
(A-PLACE Ebisu Higashi)



Conversion to LED illumination
(Q plaza EBISU)



Installation of bar
(A-PLACE Bashamichi)



Replacement of mail box
(A-PLACE Bashamichi)



Renovation of signage
(Tokyu Plaza Omotesando Harajuku)



Special clean-up
(A-FLAG DAIKANYAMA)

Update on Shinbashi Place Situation①

1. Property Outline

(UR-4 Shinbashi Place)



2. Change in Tenant (Cancellation of Lease Contract)

▶ Yamada Denki (single tenant) will move out as of May 14, 2018 (13th period)

3. Characteristics of the Property and Area

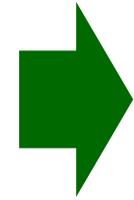
Characteristics of the Property

- 1-minute walk from the nearest train station
- 1-minute walk, high visibility from the train station and rare quality building with "Prime Location" and "In-front-of-train-station"
- Multi-use as commercial and office building
- Available for both a commercial facility (current use) and office property (originally developed as office building)



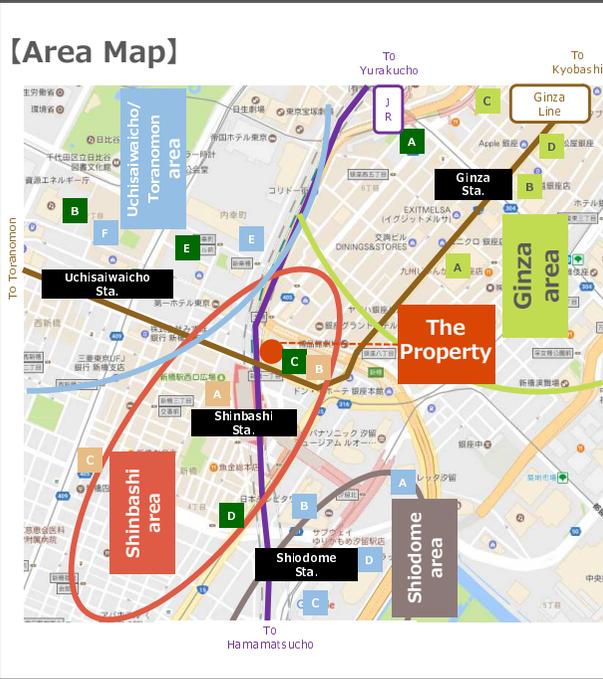
Characteristics of Shinbashi Area

- Easy access to Ginza area by walk
- As the southern entrance of Ginza area (the most busiest commercial district in Japan), together with high traffic convenience with multi lines crossing, this area attracts many customers
- Concentration as office area
- Shinbashi area is one of the leading office area in Japan, surrounded by Shiodome area (south east side), Uchisaiwaicho/Toranomon area (north west side)



By leveraging the potential of property and area, **we will focus on increase of unitholder value**

Location	Shinbashi, Minato-ku, Tokyo
Access	1-minute walk from Shinbashi Sta. of JR, Tokyo Metro, Toei Subway Line, Yurikamome
Completion	Apr. 2008 (9 yrs)
Structure	Steel Framed/SRC 10 floors above and 1 floor underground
Leased Area	9,156.01m ²
Tenant	Yamada Denki Co., Ltd.
Rent/NOI	Undisclosed
Cancellation Date	May 14, 2018 (Scheduled)
Acquisition Price	¥20,500mn
Appraisal NOI Yield	5.4%
Book Value	¥20,315mn (as of the end of 11 th period)
Appraisal Value	¥24,900mn (as of the end of 11 th period)



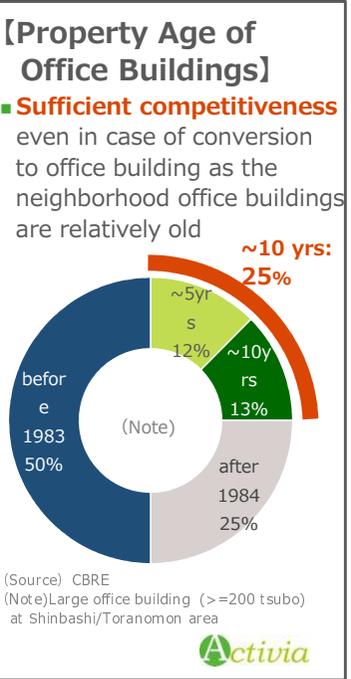
Sponsor Developed/Owned	
A Tokyu Plaza Ginza	Open in 2016
B Hibiya Park Front	Completed in 2017
C Shinbashi Center Place	RN in 2009
D Shinbashi Tokyu Building	Completed in 2008
E Uchisaiwaicho Tokyu Building	Completed in 2006
Neighbourhood Commercial Facility	
A GINZA SIX	app.148,700m ²
B Ginza Mitsukoshi	app.81,500m ²
C MARRONNIER GATE GINZA	app.34,900m ²
D Matsuya Ginza	app.57,100m ²
Company with Headquarter	
A DENTSU INC.	D SoftBank Group Corp.
B Nippon Television Network Corporation	E Tokyo Electric Power Company Holdings, Inc.
C Nippon Shipping Co., Ltd.	F JFE Holdings, Inc.
Major New Development	
A Redevelopment project of West area of Shinbashi Sta.	NA
B (tentative)Shinbashi 1-9 plan	2018 (scheduled)
C (tentative)Shinbashi 4-chome plan	2018 (scheduled)

[# of Users per Day]

Very busy both in day and night and **high potential area as commercial and office area**

Rank	(thousand)	
	JR	Tokyo Metro
1	Shinjuku 760	Ikebukuro 549
2	Ikebukuro 557	Otemachi 314
3	Tokyo 435	Kitasenju 289
4	Yokohama 411	Ginza 245
5	Shibuya 372	Shinbashi 241
6	Shinagawa 361	Shinjuku 231
7	Shinbashi 266	Shibuya 217
8	Omiya 250	Ueno 207
9	Akihabara 244	Toyosu 201
10	Kitasenju 210	Tokyo 197

(Source) website of each company
(Note) actual number of FY2015



Update on Shinbashi Place Situation②

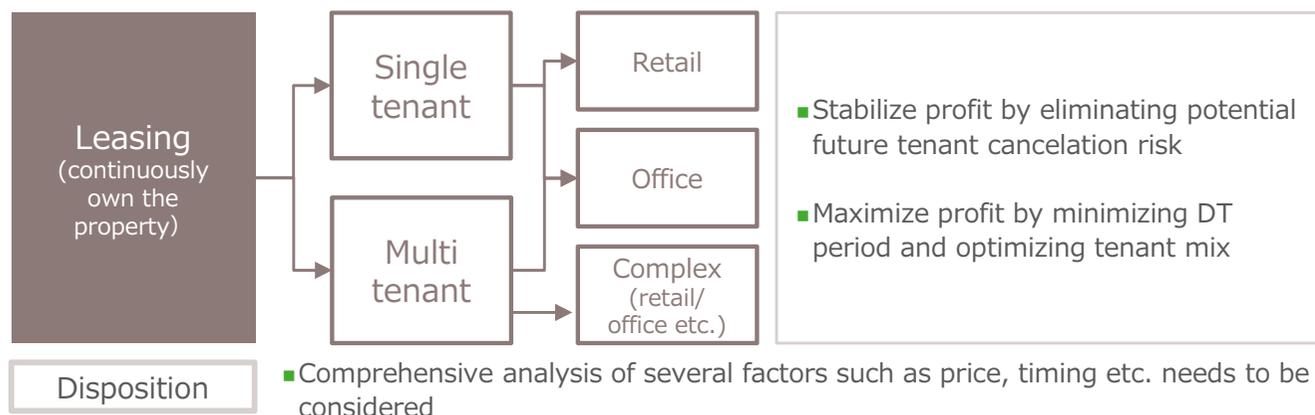
1. Schedule

- ▶ Conduct various actions towards May 14, 2018 (scheduled cancellation date of lease contract)



2. Possible options

- ▶ Backed by high potential of the property and area, we are carefully analyzing the details of various options to seek the best solution



Other Measurements for Continuous Growth in DPU

- External Growth
Leverage app. ¥33.3bn (at 50% LTV) **acquisition capacity**
- Internal Growth
Achieve further **rent upward revision/tenant replacement**
- Sponsor Support
Support for leasing, master lease, property sourcing etc.

3. Impact on DPU

12th Period **None** (Forecast DPU : ¥9,255)

13th Period **Minimal** as the vacancy is only 0.5 month at maximum (Forecast DPU¥9,260)

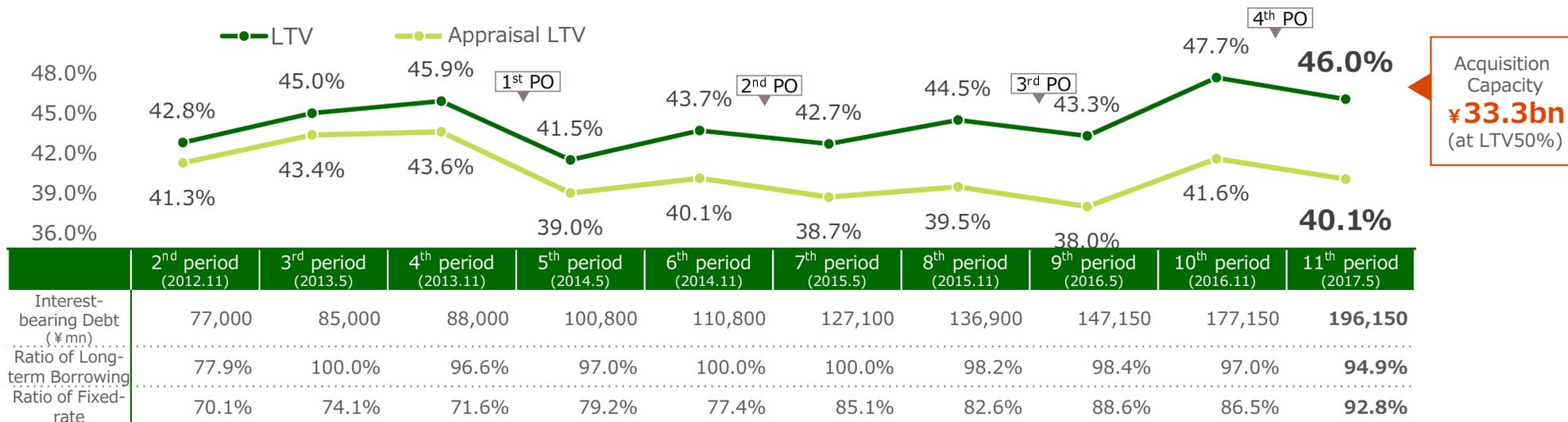
14th Period **Temporary negative impact** (DT period, LM fee etc.) **can be absorbed** by contribution from A-PLACE Shinagawa Higashi acquired on Mar. 2017 and DPU management

Aim for further growth in DPU by achieving better lease term, early replacement, and internal and external growth

Financing Strategy ~Status of Financing ①~

1. Trends in LTV and Borrowing Figures

▶ Managed proper LTV control and secured acquisition capacity



2. Invest Corporation Bonds

▶ Issued 5th-7th series unsecured invest corporation bonds at low interest rate in Feb. 2017

Feb. 2017			
Issue Date	Amount	Maturity	Interest Rate
①Feb. 2 (5th)	¥4bn	3yrs	0.001%
②Feb. 2 (6th)	¥1bn	10yrs	0.480%
③Feb. 2 (7th)	¥1bn	15yrs	0.810%
Total/Ave.	¥6bn	6.2yrs	0.216%

Obtained an interest rate of 0.001%, the minimum level of rate for 3-year bond

3. Solid Lender Formation

▶ Diversified lender formation with achieving borrowings from 17 lenders from the borrowings in Mar.2017

Lender name	Amount (¥ mn)	Ratio (%)
Sumitomo Mitsui Trust Bank, Limited	39,970	20.4
Mitsubishi UFJ Trust and Banking Corporation	30,870	15.7
Mizuho Bank, Ltd.	30,870	15.7
The Bank of Tokyo-Mitsubishi UFJ Ltd.	30,870	15.7
Investment Corporation Bonds	16,000	8.2
Sumitomo Mitsui Banking Corporation	14,185	7.2
Development Bank of Japan Inc.	14,185	7.2
Mizuho Trust & Banking Co., Ltd.	6,700	3.4
Resona Bank, Ltd.	3,000	1.5
Shinkin Central Bank	2,500	1.3

Lender name	Amount (¥ mn)	Ratio (%)
The Norinchukin Bank	2,200	1.1
The Bank of Fukuoka, Ltd.	2,000	1.0
The Gunma Bank, Ltd.	500	0.3
Nippon Life Insurance Company	500	0.3
Mitsui Sumitomo Insurance Company Ltd.	500	0.3
Taiyo Life Insurance Company	500	0.3
Tokio Marine & Nichido Fire Insurance Co., Ltd.	400	0.2
The 77 Bank, Ltd.	400	0.2
Interest-Bearing Debt	196,150	100

(Note) New lenders (from borrowings on Mar.31, 2017)

4. Issuer Rating Situation

Credit Rating Agency	J C R (Japan Credit Rating Agency, Ltd.)
Type of Credit Rating	Long-term issuer rating
Rating	AA (Upgraded in Oct. 2016)
Outlook	Stable

Financing Strategy ~Status of financing ②~

1. Refinance in the 11th period and onwards

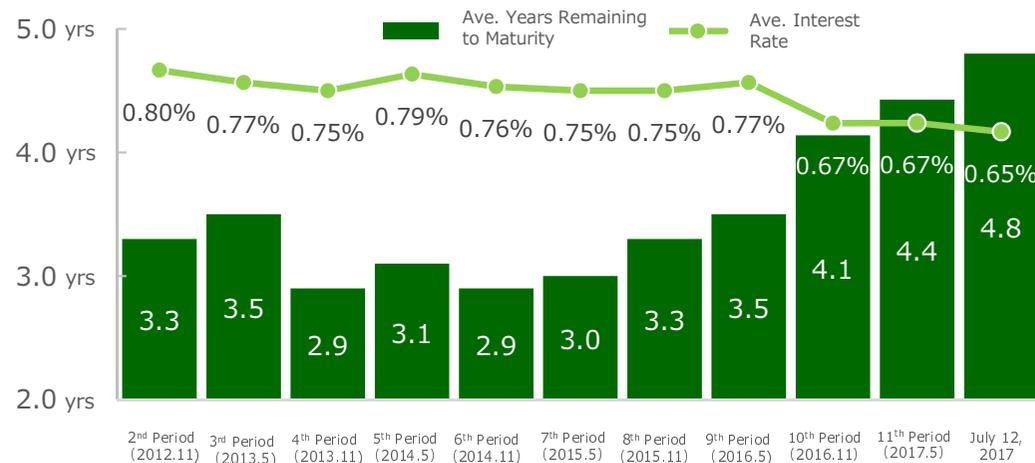
- Implemented refinance of ¥25.8bn in the 11th period and onwards and lengthened ave. remaining maturity by **4.0yrs** with **maintained interest rate**

		Before	After	Change
①Dec. 13	¥6bn	2.5yrs (float)0.18%	9.5yrs (fixed)0.70%	+7.0yrs +0.51pt
②Mar. 31	¥6bn	4.0yrs (float)0.21%	7.0yrs (fixed)0.41% 4.0yrs (fixed)0.25%	+2.7yrs +0.20pt
③Mar. 31	¥2.4bn (¥6bn repaid)	0.7yrs (float)0.16%	5.0yrs (fixed)0.31% 6.5yrs (fixed)0.36%	+5.2yrs +0.18pt
④Jun. 13	¥12bn	5.0yrs (fixed)0.95%	6.0yrs (fixed)0.46% 9.5yrs (fixed)0.71%	+3.0yrs △0.35pt
Average / Total Refinance	¥25.8bn	3.9yrs 0.55%	7.9yrs 0.56%	+4.0yrs +0.02pt

All refinanced **with fixed rate**

2. Ave. Years Remaining to Maturity and Interest Rate

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



3. Maturity Ladder and Borrowings to be Refinanced

- Enhancing financial stability through lengthening and diversifying maturity period



Borrowings Close to be Refinanced

(FP)	Amount	Ave. Years	Ave. Interest Rate
12 th	¥ 5bn	0.5yr	0.16%
13 th	¥ 18bn	2.7yrs	0.38%
14 th	¥ 12bn	6.0yrs	1.06%
15 th	¥ 10.5bn	5.1yrs	0.62%
Average /Total	¥ 45.5	3.9yrs	0.59%

Carry out **flexible financing strategy** to ensure continuous stable DPU

Other Achievements

1. Activities to Enhance Sustainability

GRESB Real Estate Assessment



- API was designated as highest grade **"Green Star"** for **3 consecutive years since 2014**, the 2nd year of participation
- Earned **4 stars** in GRESB rating by relative evaluation of total scores which is introduced in FY2016

GRESB is abbreviation for "Global Real Estate Sustainability Benchmark", a benchmark established primarily by major European pension fund groups that measure sustainability performance in the real estate sector. Major institutional investors in Europe and Asia use this benchmark to select investment.

CASBEE Property Assessment Certification



- 12 properties** acquired certification, and all of them rated at the **highest level** on five-star scale
- S rank (5 stars) : 6 properties (A-PLACE Ebisu Minami and others)
- A rank (4 stars) : 6 properties (Q Plaza EBISU and others)

CASBEE(Comprehensive Assessment System for Built Environment Efficiency) evaluates comprehensively environment-friendliness such as energy conservation and use of environmental load-reducing materials/equipment, as well as building quality including comfort of rooms and care for landscape.

DBJ Green Building Certification



- Rated at **the highest level of five stars** for **Shiodome Building** dated Mar.28, 2017
- 8 properties acquired 3-5 stars** as of today
- 5 stars : 2 properties (OSAKI WIZTOWER etc.)
- 4 stars : 2 property (Tokyu Plaza Omotesando Harajuku)
- 3 stars : 4 properties (Tokyu Plaza Akasaka, etc.)

DBJ Green Building Certification Program is awarded to properties which give proper care to environment and society (Green Building) with the evaluation score model (from 1 to 5 stars) originally developed by Development Bank of Japan Inc.

BELS Certification



- First acquisition of certificate in Feb. 2017** for 2 properties
- 3 stars : 1 property (A-PLACE Shibuya Konnoh)
- 2 stars : 1 property (A-PLACE Yoyogi)

BELS is a public labelling program established by MILT which evaluates the performances in energy-saving measures of non-residential buildings. This system is expected to promote appropriate disclosure of related information and further improvements of properties' energy-saving capability.

2. Continued IR Activity

- Seminars for individual investors in various cities in Japan
- For the 11th period, meetings held with total **119** institutional investors
- API continuously participated in J-REIT Caravan organized by ARES or securities companies, and brokerage-sponsored seminars held in its head office or branches. During the 11th period, approx. **1,100** individual investors have participated.
- Visits of API owned properties
 - Organized visits of properties for institutional investors aiming to increase visibility of API and of its owned properties
 - 90** pers. participated in **3** tours during the 11th period

Seminar for individual investors

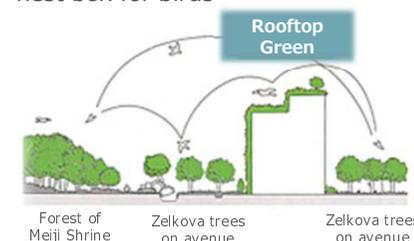


Visit of API properties



3. Efforts to Environment (Tokyu Plaza Omotesando Harajuku)

- CO2 Reduction
 - Implementation of the wind-power generator, rare as retail properties, and use of daylighting by top-light system
- Biological diversity
 - Device installed in "Omohara Forest" on the roof to let wildlife gather such as watering place and nest box for birds



(Reference) Financial Forecasts for the 12th Period (ending Nov. 2017)

- Revenue and income are forecasted to increase mainly due to (i) full contribution from 5 properties acquired in the 11th period and (ii) favorable internal growth, both of these contributed to absorb the increase of taxes and public dues (from properties acquired in 2016)
- (Forecast) DPU is expected to be **¥9,255**, up **¥7** from the previous period

1. 12th period latest forecasts vs.11th period results / 12th period former forecasts

(in millions of yen)

	11th period	12 th period			12 th period (former forecasts)	
	Results	Forecasts 2017.7.12	vs previous period		Forecasts 2017.1.14	Change (vs. former forecasts)
			Difference	(%)		
Operating revenue	12,107	12,670	+562	+4.6	12,242	+427
Operating expenses	5,127	5,653	+526	+10.3	5,316	+337
Taxes & public dues	778	888	+109	+14.1	888	+0
Operating income	6,980	7,016	+36	+0.5	6,925	+90
Ordinary income	6,152	6,157	+5	+0.1	6,099	+58
Net income	6,151	6,156	+5	+0.1	6,098	+58
DPU (yen)	¥9,248	¥9,255	¥+7	+0.1%	¥9,167	¥+88

2. Variance analysis (vs 11th period results)

(in millions of yen)

	vs. 11th results	Details	
Operating revenue	+562	Increase	Full-period operation +320, Sales-linked rent at hotels+157, Rent of existing properties+43, Utility fee income+68
		Decrease	Cancellation fee△16, Facility usage fee△5, Other△4
Expenses related to rent business	+406	Increase	Full-period operation+144, Repair expense+96, Utility expense+64, Taxes & public dues+63, Other+33, Depreciation+2, Advertisement expense+2
		Decrease	Maintenance fee△5
NOI after depreciation	+156		
General administrative expenses	+120	Increase	Asset management fee +90, Miscellaneous expense+21, Administrative fee+4, Payment commission+4
		Decrease	Taxes & public dues △1
Operating income	+36		

3. Variance between the 11th Result and 12th Period Forecast (DPU)

Interest rate assumption : 0.85%

vs. 11th period
+¥7**¥9,255****¥9,248**

Result of 11th period

+¥846
Operating revenue△¥611
Expenses related to rent business△¥181
General administrative expenses+¥72
Unit issuance expenses△¥119
Interest expenses and others

Forecast of 12th period

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

(Reference) Financial Forecasts for the 13th Period (ending May 2018)

- Revenue is forecasted to decrease due to sales-linked rent at hotels (different period of calculation) and income is forecasted to increase mainly due to (i) increase in rents (internal growth), (ii) DPU management such as repair expense control
- (Forecast) DPU is expected to be **¥9,260**, up **¥5** from the previous period

1. 13th period forecasts vs. 12th period forecasts

(in millions of yen)

	12 th period	13 th period		
	Forecasts 2017.7.12	Forecasts 2017.7.12	vs Previous period Difference	(%)
Operating revenue	12,670	12,481	△188	△1.5%
Operating expenses	5,653	5,417	△235	△4.2%
Taxes & public dues	888	895	+7	+0.9%
Operating income	7,016	7,063	+47	+0.7%
Ordinary income	6,157	6,161	+3	+0.1%
Net income	6,156	6,060	+3	+0.1%
DPU (yen)	¥9,255	¥9,260	+¥5	+0.1%

2. Variance analysis (vs. 12th period forecasts)

(in millions of yen)

	vs. 12th period forecasts	Details	
		Increase	Decrease
Operating revenue	△188	Rent of existing properties+30, Parking fee income+4	Sales-linked rent at hotels△156, Utility fee△54, Facility usage fee△7, Cancellation fee △1
Expenses related to rent business	△213	Taxes and public dues+7, Depreciation+6, Advertisement expense+4	Repair expense△135, Other△40, Utility expense△27, Maintenance fee△26
NOI after depreciation	+24		
General administrative expenses	△22		Miscellaneous expense△15, Payment commission△5, Administrative fee△1
Operating income	+47		

3. Variance between the 12th and the 13th Period Forecasts (DPU)

Interest rate assumption : 0.90%

vs. 12th period +¥5

¥9,260



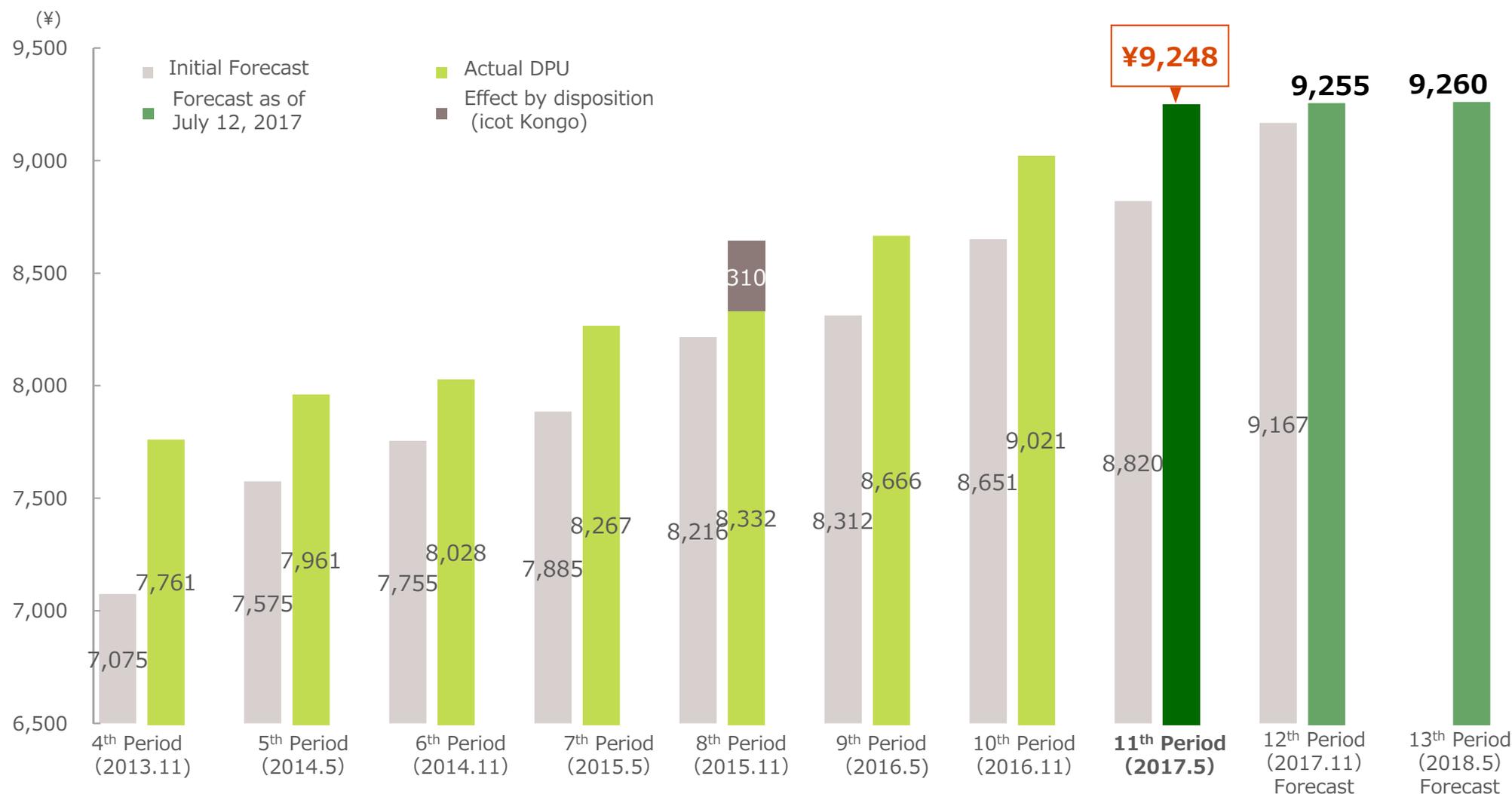
Forecast of 12th period

Forecast of 13th period

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

Trends in Distributions per Unit

- Actual DPU for the 11th period reached **¥9,248**, mainly due to (i) new contributions from properties acquired in the 11th period (external growth) and (ii) consistent and steady internal growth, exceeding the initial forecast for the 11th period (¥8,820) as well as the former forecast for the next 12th period (¥9,167)
- Aim to realize DPU level of **¥9,500** in the medium to long term



(Note) Adjusted for the 2-for-1 unit split effected as of October 1, 2015. Thus, the figures before the 7th period are shown as half as the actual DPU.

4. Others

Appraisal Values of Properties ~as of the end of May 2017~

(In millions of yen) 25

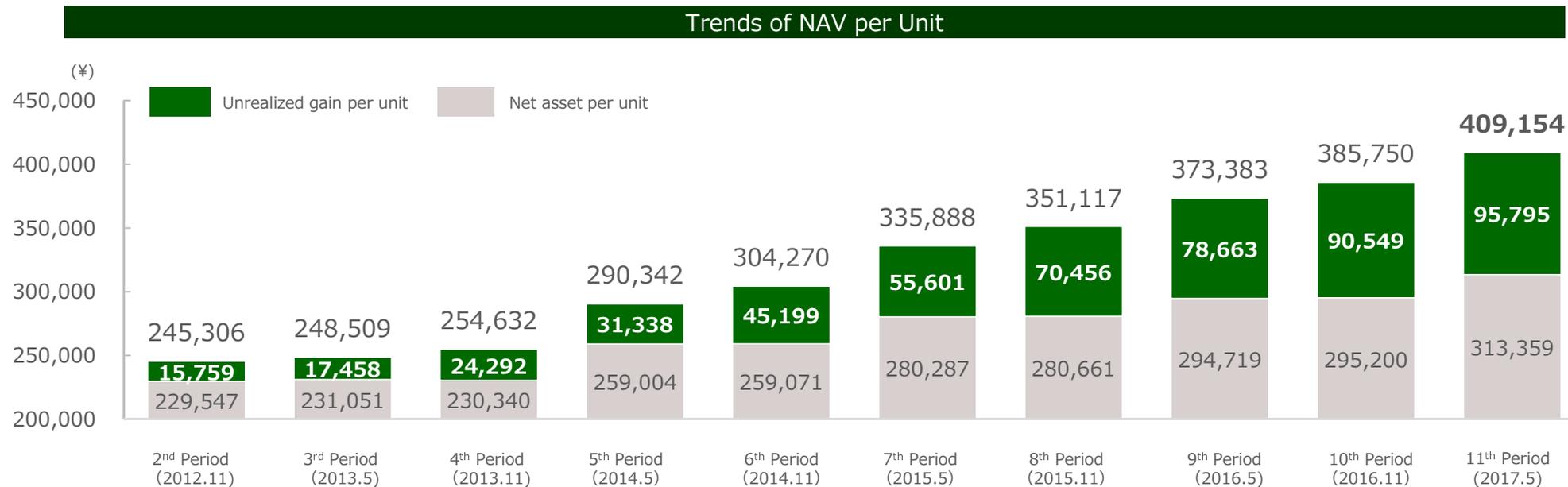
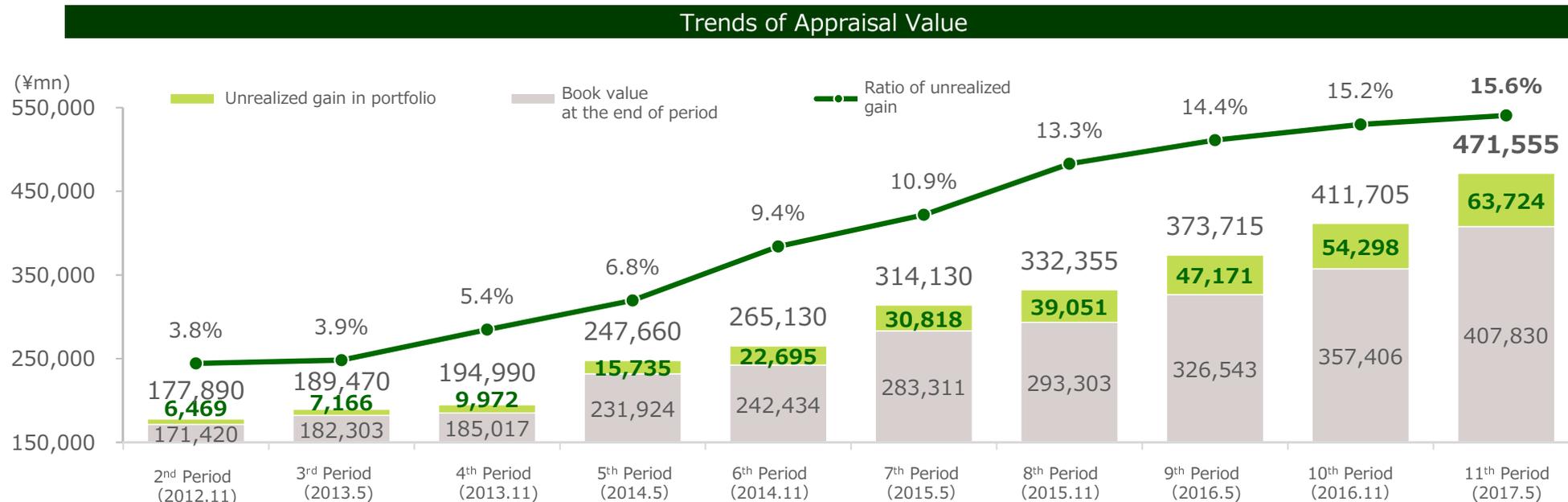
Category	Property number	Property name	Acquisition price (A)	Investment ratio (%)	Book value at end of period (B)	Appraisal value			Difference from previous period (D-C)	Difference from acquisition price (D-A)	Difference from book value (D-B)
						As of Nov. 30, 2016 (C)	As of May 31, 2017 (D)	Cap rate as of May 31, 2017			
	UR-1	Tokyu Plaza Omotesando Harajuku (Note 1)	45,000	11.0%	44,880	54,975	56,025	2.9%	1,050	11,025	11,145
	UR-2	Tokyu Plaza Akasaka (Note 1)	11,450	2.8%	11,803	14,500	14,600	4.2%	100	3,150	2,797
	UR-3	Q plaza EBISU	8,430	2.1%	8,306	10,400	10,700	3.5%	300	2,270	2,394
	UR-4	Shinbashi Place	20,500	5.0%	20,315	24,900	24,900	4.4%	0	4,400	4,585
	UR-5	Kyoto Karasuma Parking Building	8,860	2.2%	8,783	11,100	11,100	4.9%	0	2,240	2,317
	UR-6	A-FLAG AKASAKA	3,000	0.7%	3,089	3,600	3,620	3.7%	20	620	531
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	5.2%	21,080	25,300	26,100	4.1%	800	4,770	5,020
	UR-8	A-FLAG SAPPORO	4,410	1.1%	4,554	6,670	6,810	5.6%	140	2,400	2,256
	UR-9	A-FLAG SHIBUYA	6,370	1.6%	6,365	7,290	7,380	4.0%	90	1,010	1,015
	UR-10	Q plaza SHINSAIBASHI	13,350	3.3%	13,475	13,500	13,900	3.7%	400	550	425
	UR-11	A-FLAG KOTTO DORI (Note 3)	4,370	1.1%	4,411	-	4,690	3.6%	-	320	279
	UR-12	A-FLAG BIJUSTUKAN DORI (Note 3)	4,700	1.2%	4,723	-	4,760	3.6%	-	60	37
	UR-13	A-FLAG DAIKANYAMA WEST (Note 3)	2,280	0.6%	2,320	-	2,380	4.0%	-	100	60
	Sub-total		154,050	37.8%	154,110	172,235	186,965	-	2,900	32,915	32,855
	TO-1	TLC Ebisu Building	7,400	1.8%	7,381	9,080	9,570	3.9%	490	2,170	2,189
	TO-2	A-PLACE Ebisu Minami	9,640	2.4%	9,477	12,500	13,300	3.8%	800	3,660	3,823
	TO-3	A-PLACE Yoyogi	4,070	1.0%	3,953	4,420	4,550	4.0%	130	480	597
	TO-4	A-PLACE Aoyama	8,790	2.2%	8,662	9,440	9,460	4.1%	20	670	798
	TO-5	Luogo Shiodome	4,540	1.1%	4,333	5,760	5,870	3.7%	110	1,330	1,537
	TO-6	TAMACHI SQUARE (Land) (Note 2)	2,338	0.6%	2,362	2,690	2,700	3.8%	10	362	338
	TO-7	A-PLACE Ikebukuro	3,990	1.0%	3,819	4,790	4,870	4.3%	80	880	1,051
	TO-8	A-PLACE Shinbashi	5,650	1.4%	5,747	6,510	6,670	3.9%	160	1,020	923
	TO-9	A-PLACE Gotanda	5,730	1.4%	5,610	6,400	6,590	3.8%	190	860	980
	TO-10	A-PLACE Shinagawa	3,800	0.9%	3,791	4,270	4,300	3.8%	30	500	509
	TO-11	OSAKI WIZTOWER	10,690	2.6%	10,857	13,900	14,100	3.6%	200	3,410	3,243
	TO-12	Shiodome Building (Note 1)(Note 3)	71,600	17.6%	71,572	73,850	74,550	3.5%	-	2,950	2,978
	TO-13	A-PLACE Ebisu Higashi	7,072	1.7%	7,73	7,490	7,650	3.8%	160	578	477
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.2%	4,974	5,020	5,100	3.7%	80	290	126
	TO-15	A-PLACE Gotanda Ekimae	7,280	1.8%	7,564	7,400	7,640	3.9%	240	360	76
	TO-16	A-PLACE Shinagawa Higashi (Note 3)	18,800	4.6%	18,959	-	19,100	4.0%	-	300	141
	Sub-total		176,200	43.2%	176,243	152,420	196,020	-	2,700	19,820	19,777
	AA-1	Amagasaki Q's MALL (Land)	12,000	2.9%	12,113	13,300	13,600	4.4%	300	1,600	1,487
	AA-2	icot Nakamozu	8,500	2.1%	8,238	10,100	10,200	5.2%	100	1,700	1,962
	AA-4	icot Mizonokuchi	2,710	0.7%	2,654	3,250	3,250	5.4%	0	540	596
	AA-5	icot Tama Center	2,840	0.7%	2,692	3,650	3,700	5.3%	50	860	1,008
	AA-6	A-PLACE Kanayama	6,980	1.7%	6,531	7,880	7,890	5.1%	10	910	1,359
	AA-7	Osaka Nakanoshima Building	11,100	2.7%	11,044	13,100	13,500	4.3%	400	2,400	2,456
	AA-8	icot Omori	5,790	1.4%	5,712	6,360	6,440	4.6%	80	650	728
	AA-9	Market Square Sagamihara	4,820	1.2%	4,781	4,990	5,000	5.3%	10	180	219
	AA-10	Umeda Gate Tower	19,000	4.7%	19,629	20,000	20,500	3.8%	500	1,500	871
	AA-11	A-PLACE Bashamichi	3,930	1.0%	4,078	4,420	4,490	4.9%	70	560	412
		Sub-total		77,670	19.0%	77,476	87,050	88,570	-	1,520	10,900
	Total		407,920	100.0%	407,830	411,705	471,555	-	7,120	63,635	63,724

(Note 1) Values for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Shiodome Building are calculated based on the pro rata share of the respective co-ownership interests (75%, 50% and 35% respectively).

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

(Note 3) No appraisal value as of Nov. 30, 2016 is stated as the properties were acquired after Dec. 1, 2016. Values for Shiodome Building is calculated based on the pro rata share of the co-ownership interests (25%).

Trends of Appraisal Value/NAV per Unit

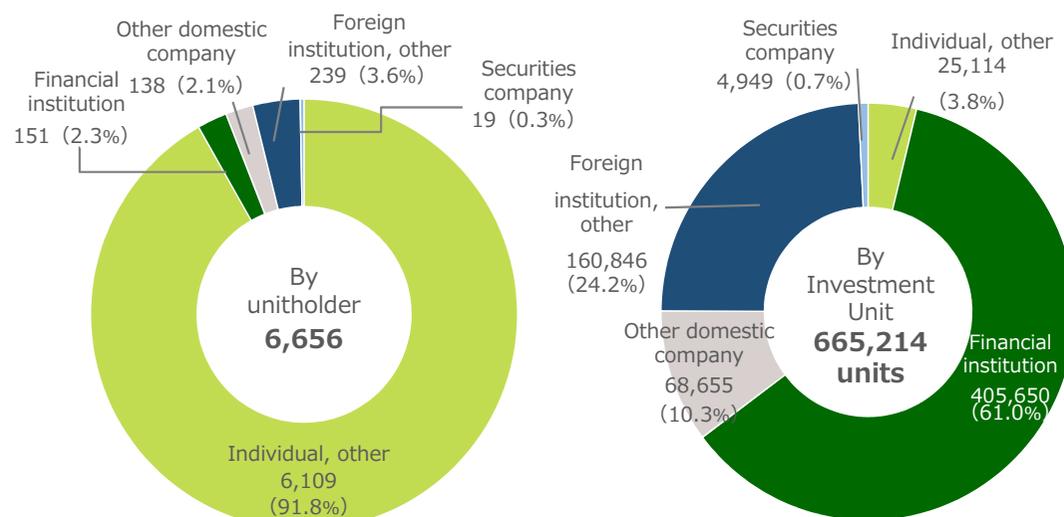


(Note) To reflect the 2-for-1 split of investment units as of October 1, 2015 as the effective date, the figures of NAV before the 7th period are shown as half of actual value.

Distribution of Unitholders ~as of the end of May 2017~

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

	11th Period (May 2017)				10th Period (Nov. 2016)			
	# of unit-holders	Ratio	# of units	Ratio	# of unit-holders	Ratio	# of units	Ratio
Individual, other	6,109	91.8%	25,114	3.8%	5,835	91.8%	25,693	4.3%
Financial institution	151	2.3%	405,650	61.0%	138	2.2%	379,445	63.3%
Other domestic company	138	2.1%	68,655	10.3%	126	2.0%	68,457	11.4%
Foreign institution, other	239	3.6%	160,846	24.2%	241	3.8%	113,775	19.0%
Securities company	19	0.3%	4,949	0.7%	19	0.3%	12,284	2.0%
Total	6,656	100%	665,214	100%	6,359	100%	599,654	100%



2. Top 10 Unitholders

	Name	Investment units	Ratio (%)
1.	Japan Trustee Services Bank, Ltd. (Trust accounts)	153,771	23.1
2.	The Master Trust Bank of Japan, Ltd. (Trust accounts)	69,067	10.4
3.	Tokyu Land Corporation	61,913	9.3
4.	Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	54,169	8.1
5.	The Nomura Trust and Banking Co., Ltd (Investment accounts)	26,203	3.9
6.	State Street Bank & Trust Company 505012	12,930	1.9
7.	State Street Bank & Trust Company 505223	12,118	1.8
8.	State Street Bank & Trust Company	11,988	1.8
9.	THE BANK OF NEW YORK MELLON SA/NV 10	9,973	1.5
10.	THE BANK OF NEW YORK 133970	7,016	1.1
	Total	419,148	63.0

Appendix



Portfolio ~Urban Retail Properties~ (1/3)

Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building
					
Location	Jingu-mae, Shibuya-ku, Tokyo	Nagatacho, Chiyoda-ku, Tokyo	Ebisu, Shibuya-ku, Tokyo	Shinbashi, Minato-ku, Tokyo	Moto Honenji-cho, Nakagyo-ku, Kyoto
Access	1-minute walk from Tokyo Metro Chiyoda Line, Fukutoshin Line "Meiji Jingumae" station	1-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" station 1-minute walk from Tokyo Metro Yurakucho Line, Hanzomon Line, Namboku Line "Nagatacho" station	1-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" station	1-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line, Toei Asakusa Line/ Yurikamome "Shinbashi" station	1-minute walk from Hankyu Kyoto Line "Karasuma" station 1-minute walk from subway Karasuma Line "Shijo" station
Acquisition price (A)	¥45,000mn	¥11,450mn	¥8,430mn	¥20,500mn	¥8,860mn
Appraisal value (B)	¥45,200mn	¥11,500mn	¥8,770mn	¥22,500mn	¥9,430mn
vs appraisal value (A/B)	99.6%	99.6%	96.1%	91.1%	94.0%
Appraisal NOI yield	3.9%	6.1%	4.5%	5.4%	6.2%
Structure	Steel framed, RC, SRC	SRC	Steel framed, RC	Steel framed, SRC	Steel framed
Number of floors	7 floors above and 2 floors underground	14 floors above and 3 floors underground	6 floors above and 1 floor underground	10 floors above and 1 floor underground	9 floors above and 1 floor underground
Gross floor area (Note 2)	11,368.11m ² (Total)	51,491.66m ² (Total)	4,670.02m ²	8,541.70m ²	21,495.47m ²
Total leasable area(Note 2)	4,904.94m ²	16,579.26m ²	4,024.88m ²	9,156.01m ²	21,616.04m ²
Occupancy rate(Note 2)	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants(Note 2)	Baroque Japan Limited	Tokyu Hotels Co., Ltd.	Tokyu Sports Oasis Inc.	Yamada-Denki Co., Ltd.	Times24 Co., Ltd.
Number of tenants(Note 2)	28	96	4	1	2
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, wellknown as an area for grown-ups High-profile building located in front of a station with a large façade made of terracotta bars and glass One of the few buildings with significant presence in the West exit area of "Ebisu" station where there are very few large-sized retail properties 	<ul style="list-style-type: none"> 1-minute walking distance from convenient "Shinbashi" station, which is one of the busiest terminal stations in Japan Shinbashi Place is in an area with diverse properties, such as office buildings, restaurants, apparel shops, and entertainment facilities, including karaoke facilities Versatile structure of the building allows various alternative uses including, but not limited to, use as offices for versatile coverage of diversified tenants' needs 	<ul style="list-style-type: none"> Located in the Shijo Karasuma area, which is one of Kyoto's most prominent city center areas Highly visible building with a facade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto

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

(Note 2) As of May 31, 2017. The same shall apply hereafter in the Portfolio pages.

Portfolio ~Urban Retail Properties~ (2/3)

Property name	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q Plaza SHINSAIBASHI
					
Location	Akasaka, Minato-ku, Tokyo	Kyomachi, Chuo-ku, Kobe, Hyogo	Minami-Yonjo-Nishi, Chuo-ku, Sapporo, Hokkaido	Udagawa-cho, Shibuya-ku, Tokyo	Shinsaibashisuji Chuo-ku, Osaka-city, Osaka
Access	3-minute walk from Tokyo Metro Chiyoda Line "Akasaka" station 5-minute from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" Station	5-minute walk from Kobe subway Kaigan Line "Kyu Kyoryuchi, Daimarumae" Station 9-minute walk from JR Tokaido Line "Sannomiya" Station 9-minute from Hankyu railway Kobe Line/ Hanshin electric railway/ Kobe kosoku railway/ Kobe subway Seishin-Yamanote Line "Sannomiya" Station	2-minute walk from Sapporo subway Nanbou Line "Susukino" station 8-minute walk from Sapporo subway Toho Line "Hosui-susukino" Station	4-minute walk from Tokyo Metro Ginza Line, Hanzomon Line, Fukutoshin Line/ Tokyo Denentoshi Line, Toyoko Line "Shibuya" Station 5-minute walk from Keio Inokashira Line "Shibuya" Station 6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line "Shibuya" Station	1-minute walk from Osaka City's Subway Midosuji Line, Nagahori Tsurumi-ryokuchi Line "Shinsaibashi" Station
Acquisition price (A)	¥3,000mn	¥21,330mn	¥4,410mn	¥6,370mn	¥13,350mn
Appraisal value (B)	¥3,150mn	¥21,600mn	¥4,800mn	¥6,400mn	¥13,400mn
vs appraisal value (A/B)	95.2%	98.8%	91.9%	99.5%	99.6%
Appraisal NOI yield	4.5%	4.8%	8.7%	4.9%	3.9%
Structure	Steel framed, SRC	Steel framed, SRC	Steel framed, RC	RC	Steel framed, SRC, RC
Number of floors	7 floors above and 1 floor underground	18 floors above and 3 floors underground	12 floors above and 1 floor underground	5 floors above and 1 floor underground	8 floors and 2 floors underground
Gross floor area	2,429.01㎡	27,010.67㎡	27,277.85㎡	3,340.70㎡	3,822.45㎡
Total leasable area	2,280.22㎡	19,653.90㎡	21,229.16㎡	3,413.80㎡	2,820.23㎡
Occupancy rate	90.0%	100.0%	100.0%	100.0%	100.0%
Key tenants	- (Note)	Plan Do See Inc.	Tokyu Hotels Co., Ltd.	BOOKOFF CORPORATION LIMITED	Zara Japan Corp.
Number of tenants	7	7	18	2	6
Key points of properties	<ul style="list-style-type: none"> 3-minute walking distance from Tokyo Metro Chiyoda Line "Akasaka" Station, and is convenient location where multiple stations and lines may be used Building along "Hitotsugi Street", the street with the heaviest foot traffic in Akasaka area where concentrates various restaurants Leasing area of one floor is wider and versatile use for 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 Tenants include Louis Vuitton shop in the "Louis Vuitton Maison" format offering a full lineup Long-term lease of minimum five years contributing to a stable income 	<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 25 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 Multi-tenant commercial facility with the flagship shop of global brand "ZARA"

(Note) Undisclosed due to no consent from tenants.

Portfolio ~Urban Retail Properties~ (3/3)

Property name	A-FLAG KOTTO DORI	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST
			
Location	Minami-Aoyama, Minato-ku, Tokyo	Minami-Aoyama, Minato-ku, Tokyo	Sarugakucho, Shibuya-ku, Tokyo
Access	4-minute walk from "Omotesando" Station on the Tokyo Metro	7-minute walk from "Omotesando" Station on the Tokyo Metro	4-minute walk from "Daikanyama" Station on the Tokyu Toyoko Line
Acquisition price (A)	¥4,370mn	¥4,700mn	¥2,280mn
Appraisal value (B)	¥4,570mn	¥4,740mn	¥2,300mn
vs appraisal value (A/B)	95.6%	99.2%	99.1%
Appraisal NOI yield	4.3%	3.9%	4.0%
Structure	Reinforced concrete	SRC, steel framed	SRC
Number of floors	5 floors above and 2 floor underground	2 floors above and 2 floor underground	4 floors above and 2 floor underground
Gross floor area	3,358.28m ²	2,221.98m ²	4,036.27m ²
Total leasable area	2,656.53m ²	2,055.97m ²	2,579.08m ²
Occupancy rate	100.0%	100.0%	100.0%
Key tenants	AMAN CO., LTD.	BLUE NOTE JAPAN, INC.	- (Note)
Number of tenants	7	3	1
Key points of properties	<ul style="list-style-type: none"> High versatility 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 Current rents of both retail and office spaces are below the market level, expecting future upside in rents 	<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, a famous jazz club based in New York, and the flagship store of Jil Sander, one of the world's premium fashion brands 	<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 Elaborate design appeals to tenants who prefer the high-end image of the area

(Note) Undisclosed due to no consent from tenants.

Portfolio ~Tokyo Office Properties~ (1/3)

Property name	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome	TAMACHI SQUARE (Land)
						
Location	Ebisu, Shibuya-ku, Tokyo	Ebisu-Minami, Shibuya-ku, Tokyo	Sendagaya, Shibuya-ku, Tokyo	Kita-Aoyama, Minato-ku, Tokyo	Higashi Shinbashi, Minato-ku, Tokyo	Shiba, Minato-ku, Tokyo
Access	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-shinjuku Line "Ebisu" Station 6-minute walk from Tokyo Metro Hibiya Line "Ebisu" Station	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line, Tokyo Metro Hibiya Line "Ebisu" Station	3-minute walk from JR Yamanote Line, Chuo Line, Sobu Line, Toei Oedo Line "Yoyogi" Station	4-minute walk from Tokyo Metro Ginza Line "Gaienmae" Station	4-minute walk from Toei Oedo Line/ Yurikamome "Shiodome" Station 5-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station	2-minute walk from Toei Asakusa Line, Mita Line "Mita" Station 4-minute walk from JR Yamanote Line, Keihin-Tohoku Line "Tamachi" Station
Acquisition price (A)	¥7,400mn	¥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%
PML	6.5%	8.0%	5.1%	8.9%	2.7%	-
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, clinics and schools Large standard floor area of approx. 1,655 m² 	<ul style="list-style-type: none"> Highly visible building located on the roadside of Meiji Street Approx. 346 m² 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 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 Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER (4-11th floors)	Shiodome Building (Note)
						
Location	Minami Ikebukuro, Toshima-ku, Tokyo	Shinbashi, Minato-ku, Tokyo	Nishigotanda, Shinagawa-ku, Tokyo	Konan, Minato-ku, Tokyo	Osaki, Shinagawa-ku, Tokyo	Kaigan, Minato-ku, Tokyo
Access	6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Marunouchi Line, Yurakucho Line, Fukutoshin Line/ Seibu Ikebukuro Line/ Tobu Tojo Line "Ikebukuro" Station	3-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station	3-minute walk from Toei Asakusa Line "Gotanda" station 4-minute walk from JR Yamanote Line "Gotanda" Station	4-minute walk from JR Tokaido Shinkansen, Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Keikyu Main Line "Shinagawa" Station	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Rinkai Line "Osaki" Station	3-minute walk from JR Line "Hamamatsucho" Station 3-minute walk from Toei Oedo Line/ Asakusa Line "Daimon" Station
Acquisition price (A)	¥3,990mn	¥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%	100.0%	100.0%	100.0%	100.0%	99.9%
PML	3.2%	7.4%	6.1%	4.9%	2.4%	2.6%
Key points of properties	<ul style="list-style-type: none"> High-profile building located within a 6-minute walking distance from "Ikebukuro" Station along Meiji Street Relatively new building which is built by the latest building, facility specifications and located in an area with little supply of new office properties L-shaped floor with shared facilities along the sides offering a large versatility 	<ul style="list-style-type: none"> Demand in this area expected from prospective tenants running various types of business in different categories The second through fifth floors were renovated from 2012 to 2013 	<ul style="list-style-type: none"> High visibility by facing a platform of "Gotanda" Station on JR Line and locating on the corner of Sakurada Street (National Road No.1) An office building with a 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 Located in Konan, an area with a high concentration of headquarter buildings of major companies Relatively compact rental area with 120 tsubo floor area on standard floors, with no pillars in the office spaces, allowing for efficient and versatile use of the floors 	<ul style="list-style-type: none"> High convenience with a 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 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 which indicates the amount for the whole building.

Portfolio ~Tokyo Office Properties~ (3/3)

Property name	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi
				
Location	Higashi, Shibuya-ku, Tokyo	Shibuya, Shibuya-ku, Tokyo	NishiGotanda, Shinagawa-ku, Tokyo	Konan, Minato-ku, Tokyo
Access	6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	4-minute walk from JR Yamanote Line Shibuya station "Shinminamiguchi" gate	1-minute walk from JR Yamanote Line/ Toei Asakusa Line/ Tokyu Ikegami Line "Gotanda" Station	7-minute walk from Shinagawa station on the JR Yamanote Line, Tokaido Shinkansen, Tokaido Line, Keihin-Tohoku Line and Yokosuka Line, and the Keikyuu Line
Acquisition price (A)	¥7,072mn	¥4,810mn	¥7,280mn	¥18,800mn
Appraisal value (B)	¥7,160mn	¥4,900mn	¥7,390mn	¥19,000mn
vs appraisal value (A/B)	98.8%	98.2 %	98.5%	98.9%
Appraisal NOI yield	4.4%	4.4 %	4.3%	4.2%
Structure	SRC	RC, SRC	SRC	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
Gross floor area	5,321.23m ²	4,331.70m ²	5,961.02m ²	21,114.32m ²
Total leasable area	4,010.69m ²	2,983.36m ²	4,316.89m ²	14,658.98m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%
PML	5.2%	4.3%	7.7%	4.3%
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 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 developed with better accessibility through improvement of Shibuya Station and its surroundings as well as re-development on such area It underwent large-scale renovations from 2011 to 2012 	<ul style="list-style-type: none"> Just 1-minute walk from the JR Yamanote Line "Gotanda" Station The property's features include a standard office floor area of 148 tsubo with a ceiling height of 2,600 mm, individual air conditioning units, free access floor, etc. The astylar style rooms can be divided which enables to address flexibly the needs from tenants The property addressing 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 Tokaido Shinkansen (bullet train), along with several JR Lines, and direct access to Haneda Airport via the Keikyuu 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

Portfolio ~Activia Account Properties~ (1/2)

Property name	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building
						
Location	Shioe, Amagasaki City, Hyogo	428-2 Nakamozucho 3-cho, 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	2-minute walk from JR Tokaido Main Line, Fukuchiyama Line, Tozai Line "Amagasaki" Station	6-minute walk from Osaka Municipal Subway Midosuji Line "Nakamozu" Station 6-minute walk from Nankai Koya Line "Shirasagi" Station 8-minute walk from Nankai Koya Line "Nakamozu" Station	13-minute walk from Tokyu Denen Toshi Line/Oimachi Line "Takatsu" Station	4-minute walk from Keio Sagami-hara Line "Keio Tama Center" Station 4-minute walk from Odakyu Tama Line "Odakyu Tama Center" Station 4-minute walk from Tama Toshi Monorail "Tama Center" Station	1-minute walk from Nagoya Municipal Subway Meijo Line/Meiko Line "Kanayama" Station 2-minute walk from JR Chuo Line, Tokaido Line/Meitetsu Nagoya Main Line "Kanayama" Station	1-minute walk from Keihan Nakanoshima Line "Oebashi" Station 5-minute walk from Osaka Municipal Subway Midosuji Line "Yodoyabashi" Station
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)	9,314.91m ²	20,231.13m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	96.9%
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 owing to the 20-year fixed term 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 leasing contracts with terms through 2018 	<ul style="list-style-type: none"> 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
				
Location	Omorikita, Ota-ku, Tokyo	Shimokuzawa, Chuo-ku, Sagamihara-city, Kanagawa	Tsurunochi, Kita-ku, Osaka, Osaka	Honcho, Naka-ku, Yokohama, Kanagawa
Access	3-minute walk from JR Keihinohoku Line "Omori" Station	15-minute walk from JR Sagamihara Line "Minamihashimoto" Station	3-minute walk from "Umeda" Station on the Hankyu Kyoto Line 6-minute walk from "Umeda" Station on the Osaka Municipal Subway Midosuji Line 7-minute walk from "Osaka" Station on the JR Tokaido Main Line	1-minute walk from "Bashamichi" Station on Minatomirai Line 7-minute walk from "Kannai" Station on JR Negishi Line
Acquisition price (A)	¥5,790mn	¥4,820mn	¥19,000mn	¥ 3,930mn
Appraisal value (B)	¥5,810mn	¥4,820mn	¥19,600mn	¥4,350mn
vs appraisal value (A/B)	99.7%	100.0%	96.9%	90.3%
Appraisal NOI yield	5.1%	5.5%	4.3%	6.4%
Structure	RC, SRC	Steel framed	Steel framed, SRC	SRC
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
Gross floor area	7,040.95m ²	9,719.38m ²	22,003.14m ² (total)	14,009.06m ²
Total leasable area	6,209.79m ²	15,152.42m ²	13,743.89m ² (sectional ownership)	9,613.95m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%
Key points of properties	<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, which is one of leading business and commercial districts in Osaka ▪ Relatively new large-scale office building completed in 2010, with a gross floor area of approx. 6,700 tsubo ▪ The building is 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 can be divided into up to 8 spaces, addressing the needs of variety of tenants 	<ul style="list-style-type: none"> ▪ 1-minute walk from "Bashamichi" Station, located just above the station ▪ Concentration of business facilities such as government administration offices including Kanagawa Prefectural Government's Office and Yokohama Second Common Government Office, and Yokohama i-Land TOWER in which Urban Renaissance Agency sets up its headquarter ▪ Further development is expected due to redevelopment projects from a relocation plan of Yokohama City Hall in 2020 to developments of large-scale condominiums and hotels ▪ A multi-tenant office building with large-scale standard floor area of approx. 347 tsubo, reducing the risk of vacancy by addressing various needs of tenants

Occupancy Rate by Property

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

Property #	Property	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	
		Nov. 2012	May 2013	Nov. 2013	May 2014	Nov. 2014	May 2015	Nov. 2015	May 2016	Nov. 2016	May 2017	
Urban Retail Properties	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%
	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%
	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%
	UR-4	Shinbashi Place	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%
	UR-6	A-FLAG AKASAKA	-	-	84.2%	84.2%	100.0%	100.0%	100.0%	100.0%	74.1%	90.0%
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	-	-	-	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%
	UR-9	A-FLAG SHIBUYA	-	-	-	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%
	UR-11	A-FLAG KOTTO DORI	-	-	-	-	-	-	-	-	-	100.0%
	UR-12	A-FLAG BIJUTSUKAN DORI	-	-	-	-	-	-	-	-	-	100.0%
	UR-13	A-FLAG DAIKANYAMA WEST	-	-	-	-	-	-	-	-	-	100.0%
Urban Retail Properties average		99.5%	99.6%	99.1%	99.6%	100.0%	99.8%	100.0%	99.7%	99.4%	99.8%	
Tokyo Office Properties	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%
	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%
	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%
	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%
	TO-5	Luogo Shiodome	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%
	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%
	TO-8	A-PLACE Shinbashi	-	84.6%	88.4%	100.0%	100.0%	98.7%	97.8%	100.0%	100.0%	100.0%
	TO-9	A-PLACE Gotanda	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	89.3%	100.0%
	TO-10	A-PLACE Shinagawa	-	-	-	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%
	TO-12	Shiodome Building	-	-	-	-	-	98.2%	93.2%	98.2%	99.4%	99.9%
	TO-13	A-PLACE Ebisu Higashi	-	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%
	TO-14	A-PLACE Shibuya Konnoh	-	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%
	TO-15	A-PLACE Gotanda Ekimae	-	-	-	-	-	-	-	-	100.0%	100.0%
	TO-16	A-PLACE Shinagawa Higashi	-	-	-	-	-	-	-	-	-	100.0%
Tokyo Office Properties average		97.4%	97.5%	98.6%	100.0%	100.0%	99.6%	97.5%	99.6%	98.9%	100.0%	
Activia Account Properties	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%
	AA-2	icot Nakamozu	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%
	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%
	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%
	AA-7	Osaka Nakanoshima Building	-	99.6%	100.0%	97.3%	98.2%	97.9%	97.9%	100.0%	100.0%	96.9%
	AA-8	icot Omori	-	-	-	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%
	AA-10	Umeda Gate Tower	-	-	-	-	-	-	-	-	93.6%	100.0%
	AA-11	A-PLACE Bashamichi	-	-	-	-	-	-	-	-	99.1%	100.0%
	Activia Account Properties average		100.0%	100.0%	99.9%	99.8%	99.8%	99.7%	99.7%	100.0%	99.4%	99.6%
Total average occupancy rate		99.4%	99.4%	99.4%	99.8%	99.9%	99.7%	99.2%	99.8%	99.3%	99.8%	

Portfolio Appraisal Values Status/PML~as of the end of May 2017~ (1/2)

39 properties (as of May 31, 2017)

(In millions of yen)

Category	Property #	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note 1)	Appraisal value	Capitalization Value					PML (%) (Note 3)	
							Direct capitalization method	Capitalization rate (%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)		NOI (Note 2)
	UR-1	Tokyu Plaza Omotesando Harajuku (Note 3)	45,000	11.0%	J	56,025	56,625	2.9%	55,425	2.6%	3.0%	1,638	2.9
	UR-2	Tokyu Plaza Akasaka (Note 3) (Note 6)	11,450	2.8%	T	14,600	14,800	4.2%	14,500	4.3%	4.4%	717	3.6
	UR-3	Q plaza EBISU (Note 4)	8,430	2.1%	T	10,700	10,800	3.5%	10,600	3.7%/3.6%	3.7%	377	5.7
	UR-4	Shinbashi Place	20,500	5.0%	D	24,900	25,300	4.4%	24,700	4.2%	4.6%	1,103	6.8
	UR-5	Kyoto Karasuma Parking Building	8,860	2.2%	D	11,100	11,100	4.9%	11,100	4.9%	5.1%	557	2.4
	UR-6	A-FLAG AKASAKA	3,000	0.7%	J	3,620	3,690	3.7%	3,550	3.5%	3.9%	138	6.4
	UR-7	Kobe Kyu Kyoryuchi 25bankan	21,330	5.2%	J	26,100	26,400	4.1%	25,800	3.9%	4.3%	1,091	2.6
	UR-8	A-FLAG SAPPORO (Note 6)	4,410	1.1%	D	6,810	6,780	5.6%	6,820	5.4%	5.8%	453	0.3
	UR-9	A-FLAG SHIBUYA	6,370	1.6%	D	7,380	7,500	4.0%	7,330	3.8%	4.2%	305	7.9
	UR-10	Q plaza SHINSAIBASHI	13,350	3.3%	V	13,900	14,000	3.7%	13,700	3.5%	3.9%	517	6.9
	UR-11	A-FLAG KOTTO DORI	4,370	1.1%	D	4,690	4,830	3.6%	4,630	3.3%	3.7%	181	6.4
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	1.2%	J	4,760	4,840	3.6%	4,680	3.4%	3.8%	176	7.5
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	0.6%	V	2,380	2,440	4.0%	2,320	3.8%	4.2%	92	4.2
	TO-1	TLC Ebisu Building	7,400	1.8%	T	9,570	9,730	3.9%	9,500	4.0%	4.1%	426	6.5
	TO-2	A-PLACE Ebisu Minami	9,640	2.4%	T	13,300	13,200	3.8%	13,300	3.9%	4.0%	515	8.0
	TO-3	A-PLACE Yoyogi	4,070	1.0%	V	4,550	4,610	4.0%	4,480	3.8%	4.2%	188	5.1
	TO-4	A-PLACE Aoyama (Note 6)	8,790	2.2%	D	9,460	9,550	4.1%	9,420	3.9%	4.3%	408	8.9
	TO-5	Luogo Shiodome	4,540	1.1%	D	5,870	5,940	3.7%	5,840	3.5%	3.9%	230	2.7
	TO-6	TAMACHI SQUARE (Land)	2,338	0.6%	T	2,700	2,800	3.8%	2,650	4.2%	4.0%	107	(Note 5)-
	TO-7	A-PLACE Ikebukuro	3,990	1.0%	J	4,870	4,940	4.3%	4,800	4.1%	4.5%	218	3.2

(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) Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka are calculated based on the pro rata base share of the respective co-ownership interests (75% and 50%, respectively).

(Note 4) The discount rate for Q Plaza EBISU is 3.7% from the 1st to the 6th year and 3.6% from the 7th year onwards.

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

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

Portfolio Appraisal Values Status/PML~as of the end of May 2017~ (2/2)

39 properties (as of May 31, 2017)

(In millions of yen)

Category	Property #	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note 1)	Appraisal value	Capitalization Value						PML(%)
							Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)	NOI (Note 2)	
	TO-8	A-PLACE Shinbashi	5,650	1.4%	J	6,670	6,790	3.9%	6,540	3.7%	4.1%	279	7.4
	TO-9	A-PLACE Gotanda	5,730	1.4%	M	6,590	6,700	3.8%	6,470	3.6%	4.0%	256	6.1
	TO-10	A-PLACE Shinagawa	3,800	0.9%	J	4,300	4,380	3.8%	4,210	3.6%	4.0%	171	4.9
	TO-11	OSAKI WIZTOWER	10,690	2.6%	D	14,100	14,100	3.6%	14,100	3.2%	3.6%	510	2.4
	TO-12	Shiodome Building (Note 3)	50,700	17.6%	M	74,550	78,050	3.5%	72,800	3.3%	3.7%	2,745	2.6
	TO-13	A-PLACE Ebisu Higashi	7,072	1.7%	V	7,650	8,020	3.8%	7,530	3.6%	4.0%	308	5.2
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.2%	V	5,100	5,350	3.7%	5,010	3.4%	3.8%	204	4.3
	TO-15	A-PLACE Gotanda Ekimae	7,280	1.8%	V	7,640	7,780	3.9%	7,500	3.6%	4.0%	308	7.7
	TO-16	A-PLACE Shinagwa Higashi	18,800	4.6%	M	19,100	19,500	4.0%	18,600	3.8%	4.2%	796	4.3
	AA- 1	Amagasaki Q's MALL (Land)	12,000	2.9%	J	13,600	13,700	4.4%	13,400	4.1%	4.6%	600	(Note 4)-
	AA- 2	icot Nakamozu (Note 5)	8,500	2.1%	T	10,200	10,300	5.2%	10,100	5.1%/5.2%	5.4%	547	4.8
	AA- 4	icot Mizonokuchi	2,710	0.7%	M	3,250	3,320	5.4%	3,170	5.2%	5.8%	183	8.3
	AA- 5	icot Tama Center	2,840	0.7%	J	3,700	3,700	5.3%	3,700	4.9%	5.5%	199	1.8
	AA- 6	A-PLACE Kanayama	6,980	1.7%	V	7,890	7,920	5.1%	7,850	4.9%	5.3%	410	5.3
	AA- 7	OsakaNakanoshima Building	11,100	2.7%	J	13,500	13,600	4.3%	13,300	4.1%	4.5%	662	7.9
	AA- 8	icot Omori	5,790	1.4%	J	6,440	6,510	4.6%	6,370	4.4%	4.8%	302	3.9
	AA- 9	Market Square Sagamihara	4,820	1.2%	V	5,000	5,020	5.3%	4,980	5.1%	5.5%	263	7.7
	AA-10	Umeda Gate Tower	19,000	4.7%	D	20,500	21,100	3.8%	20,300	3.5%	3.9%	810	2.4
	AA-11	A-PLACE Bashamichi	3,930	1.0%	M	4,490	4,590	4.9%	4,390	4.6%	5.1%	251	10.2
	Total			407,920	100.0%	-	471,555	480,305	-	465,465	-	-	19,241

(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 base share of the co-ownership interests (35%).

(Note 4) Not listed as we own only the land for Amagasaki Q's MALL (Land).

(Note 5) The discount rate for icot Nakamozu is 5.1% from the 1st to the 5th year and 5.2% from the 6th year onwards.

(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 Technology 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 Jan. 2017.

Trends of Cap Rate (Note 1)

Category	Property #	Property name	Acquisition date	Acquisition price (¥mn)	At acquisition	2nd period (2012/11)	3rd period (2013/5)	4th period (2013/11)	5th period (2014/5)	6th period (2014/11)	7th period (2015/5)	8th period (2015/11)	9th period (2016/5)	10th period (2016/11)	11th period (2017/5)	
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note 2)	2012/06/13	45,000	3.8%	3.7%	3.7%	3.6%	3.4%	3.3%	3.2%	3.1%	3.1%	3.0%	2.9%	
	UR-2	Tokyu Plaza Akasaka ^(Note 2)	2012/06/13	11,450	5.3%	5.3%	5.2%	5.1%	4.9%	4.8%	4.6%	4.5%	4.4%	4.3%	4.2%	
	UR-3	Q plaza EBISU	2012/06/13	8,430	4.3%	4.3%	4.2%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.6%	3.5%	
	UR-4	Shinbashi Place	2012/06/13	20,500	4.9%	4.9%	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.5%	4.4%	4.4%	
	UR-5	Kyoto Karasuma Parking Building	2012/06/13	8,860	5.7%	5.7%	5.7%	5.6%	5.5%	5.4%	5.3%	5.2%	5.1%	5.0%	4.9%	
	UR-6	A-FLAG AKASAKA	2013/08/30	3,000	4.3%	-	-	4.3%	4.2%	4.0%	3.9%	3.8%	3.8%	3.7%	3.7%	
	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%	
	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%	
	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%	
	UR-10	Q plaza SHINSAIBASHI	2015/12/16	13,350	3.9%	-	-	-	-	-	-	-	3.9%	3.8%	3.7%	
	UR-11	A-FLAG KOTTO DORI	2016/12/20	4,370	3.8%	-	-	-	-	-	-	-	-	-	3.6%	
	UR-12	A-FLAG BIJUTSUKAN DORI	2016/12/2	4,700	3.8%	-	-	-	-	-	-	-	-	-	3.6%	
	UR-13	A-FLAG DAIKANYAMA WEST	2017/1/6	2,280	4.1%	-	-	-	-	-	-	-	-	-	4.0%	
	TO-1	TLC Ebisu Building	2012/06/13	7,400	4.7%	4.7%	4.6%	4.6%	4.5%	4.3%	4.2%	4.1%	4.1%	4.0%	3.9%	
	TO-2	A-PLACE Ebisu Minami	2012/06/13	9,640	4.6%	4.6%	4.5%	4.5%	4.4%	4.2%	4.1%	4.0%	4.0%	3.9%	3.8%	
	TO-3	A-PLACE Yoyogi	2012/06/13	4,070	4.6%	4.6%	4.5%	4.6%	4.5%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	
	TO-4	A-PLACE Aoyama	2012/06/13	8,790	4.9%	4.9%	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	
	TO-5	Luogo Shiodome	2012/06/13	4,540	4.5%	4.5%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	
	TO-6	TAMACHI SQUARE (Land)	2012/06/13	(Note3) 2,338	4.4%	-	-	-	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	
	TO-7	A-PLACE Ikebukuro	2012/06/13	3,990	5.1%	5.1%	5.0%	4.9%	4.9%	4.8%	4.6%	4.5%	4.5%	4.4%	4.3%	
	TO-8	A-PLACE Shinbashi	2013/04/19	5,650	4.7%	-	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.1%	4.0%	3.9%	
	TO-9	A-PLACE Gotanda	2014/01/10	5,730	4.4%	-	-	-	4.3%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	
	TO-10	A-PLACE Shinagawa	2014/01/10	3,800	4.4%	-	-	-	4.3%	4.2%	4.1%	4.0%	4.0%	3.9%	3.8%	
	TO-11	OSAKI WIZTOWER	2014/06/24	10,690	4.3%	-	-	-	-	4.2%	4.1%	3.9%	3.8%	3.7%	3.6%	
	TO-12	Shiodome Building ^(Note 4)	2015/01/09	30,300	3.9%	-	-	-	-	-	3.8%	3.8%	-	3.7%	3.6%	3.5%
			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%
	TO-14	A-PLACE Shibuya Konnoh	2015/10/1	4,810	4.0%	-	-	-	-	-	-	-	4.0%	3.9%	3.8%	3.7%
TO-15	A-PLACE Gotanda Ekimae	2016/7/1	7,280	4.1%	-	-	-	-	-	-	-	-	-	4.0%	3.9%	
TO-16	A-PLACE Shinagawa Higashi	2017/3/16	18,800	4.0%	-	-	-	-	-	-	-	-	-	-	4.0%	
	AA-1	Amagasaki Q's MALL (Land)	2012/06/13	12,000	5.0%	5.0%	5.0%	4.9%	4.8%	4.8%	4.8%	4.7%	4.6%	4.5%	4.4%	
	AA-2	icot Nakamozu	2012/06/13	8,500	6.0%	6.0%	5.9%	5.8%	5.6%	5.5%	5.4%	5.3%	5.3%	5.2%	5.2%	
	AA-4	icot Mizonokuchi	2012/06/13	2,710	6.0%	6.0%	6.0%	5.9%	5.8%	5.8%	5.7%	5.6%	5.5%	5.4%	5.4%	
	AA-5	icot Tama Center	2012/06/13	2,840	6.2%	6.2%	6.2%	6.1%	6.0%	5.9%	5.8%	5.7%	5.6%	5.4%	5.3%	
	AA-6	A-PLACE Kanayama	2012/06/13	6,980	5.3%	5.3%	5.2%	5.4%	5.4%	5.4%	5.4%	5.3%	5.2%	5.1%	5.1%	
	AA-7	Osaka Nakanoshima Building ^(Note 5)	2013/01/25	5,250	5.0%	-	5.0%	5.0%	4.9%	4.8%	-	4.6%	4.5%	4.5%	4.4%	4.3%
			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%	
	AA-9	Market Square Sagamihara	2015/01/09	4,820	5.6%	-	-	-	-	-	-	5.5%	5.4%	5.4%	5.3%	5.3%
	AA-10	Umeda Gate Tower	2016/9/21	19,000	4.0%	-	-	-	-	-	-	-	-	-	3.9%	3.8%
	AA-11	A-PLACE Bashamichi	2016/10/6	3,930	5.1%	-	-	-	-	-	-	-	-	-	5.0%	4.9%

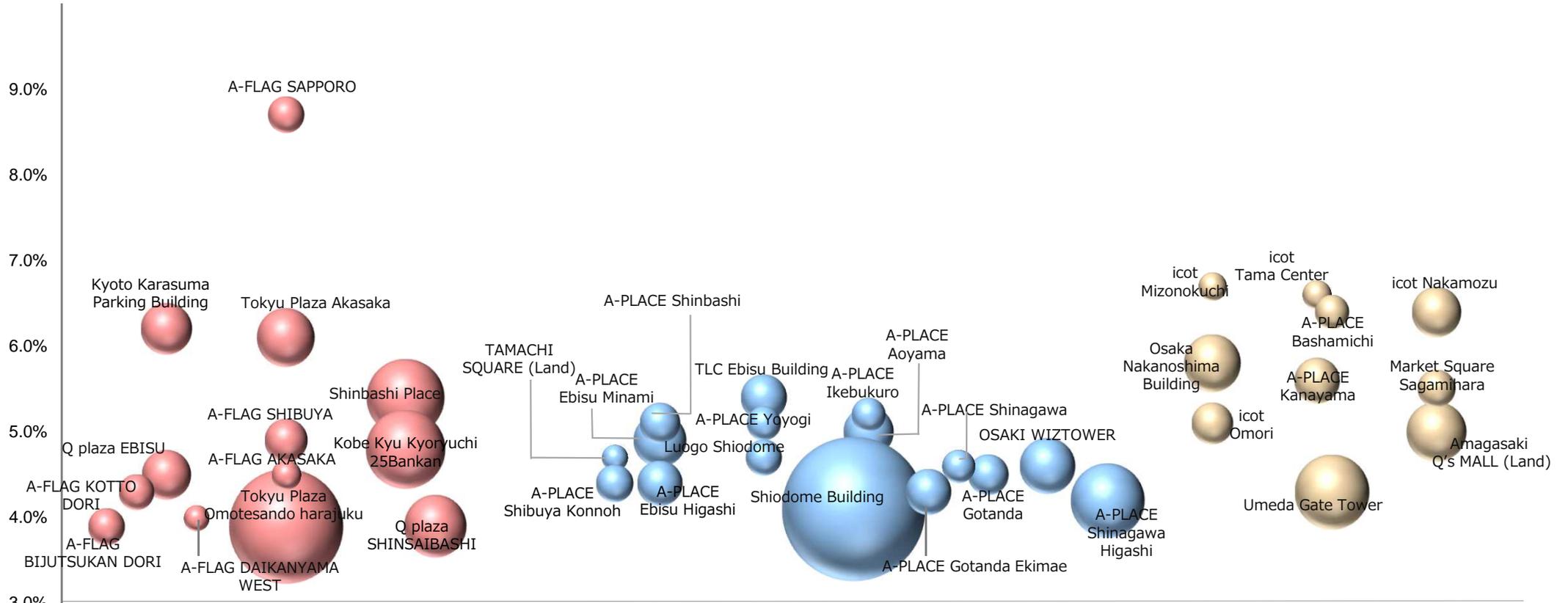
(Note 1) Calculated based on direct capitalization method. (Note 2) Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka are calculated based on the pro rata share of the co-ownership interests (75% and 50%, respectively).

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

(Note 4) Regarding Shiodome Building, the 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).

API Portfolio Matrix (Asset Types × NOI Yield)



Number of Properties : 13
Appraisal NOI Yield : 4.8%
Acquisition Price : ¥154.05bn



Number of Properties : 16
Appraisal NOI Yield : 4.4%
Acquisition Price : ¥176.2bn



Number of Properties : 10
Appraisal NOI Yield : 5.4%
Acquisition Price : ¥77.67bn

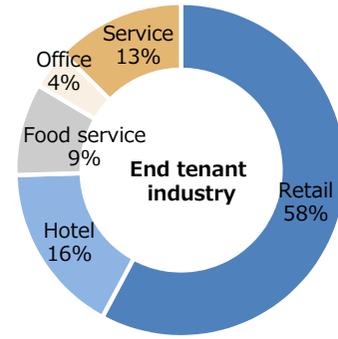
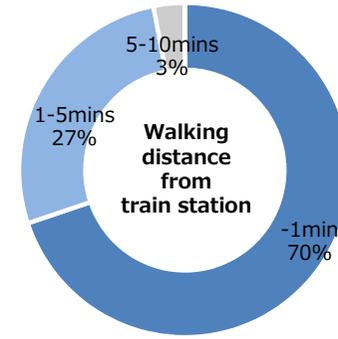
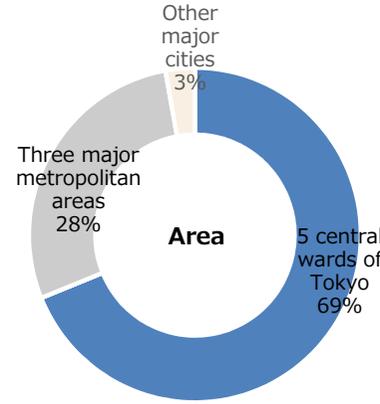
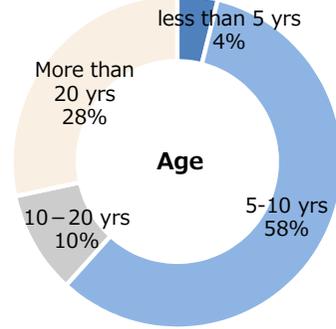
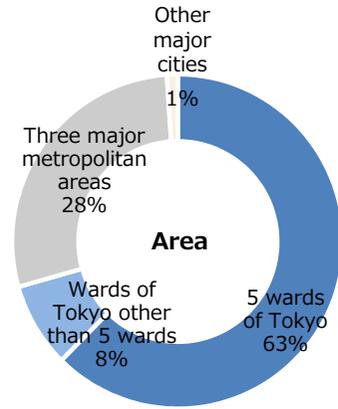
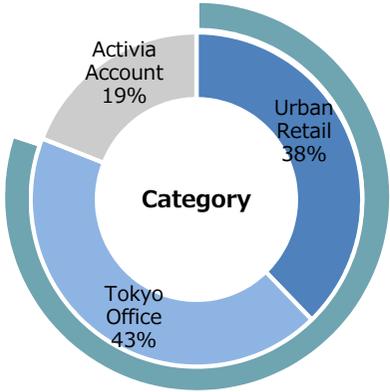


Number of Properties : 39, Portfolio Ave. Appraisal NOI Yield: 4.7%, Acquisition Price: ¥407.92bn

Entire Portfolio

Urban Retail Properties

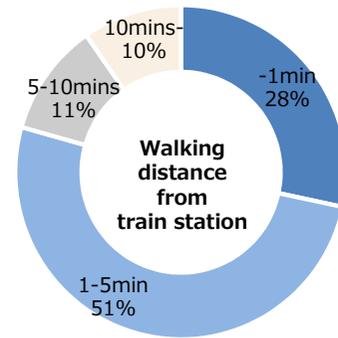
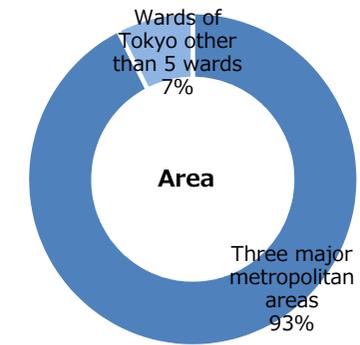
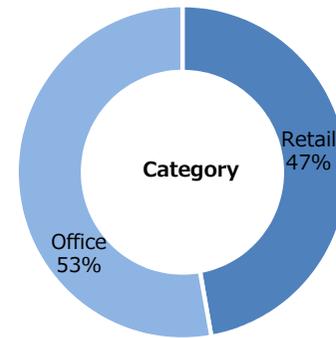
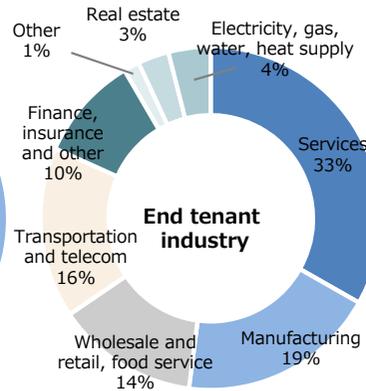
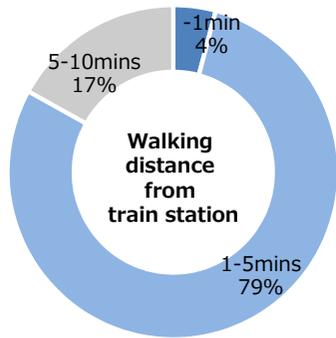
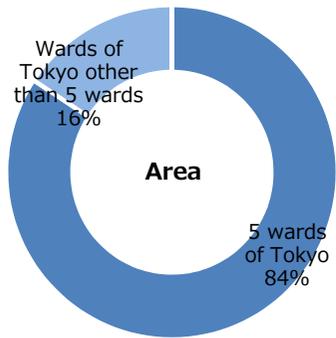
UR and TO
81%



Portfolio average
15.3 yrs

Tokyo Office Properties

Activia Account Properties



(Note 1) Average of property age is calculated excluding the properties API owns only land.
 (Note 2) Industrial distribution is based on annual rents as of May 31, 2017.

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 (㎡)	% of leased area (%) (Note 2)	Lease expiration
1. Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka (Note 3) Tokyu Plaza Sapporo	30,183	8.2	2021/10
2. Sumitomo Mitsui Trust Bank, Limited	TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	28,753	7.8	2074/5 2042/1
3. Kohnan Shoji Co., Ltd.	icot Nakamozu	26,529	7.2	2027/7
4. Times24 Co., Ltd.	Kyoto Karasuma Parking Building	21,224	5.7	-
5. Plan・Do・See	Kobe Kyu Kyoryuchi 25Bankan	14,195	3.8	-
6. Room's-Taishodo	icot Mizonokuchi	14,032	3.8	2018/7
7. K'S HOLDINGS CORPORATION	Market Square Sagamihara	11,864	3.2	2034/6
8. NTT Communications	Shiodome Building (Note 3)	10,337	2.8	-
9. Yamada-Denki Co., Ltd.	Shinbashi Place	9,156	2.5	2018/5 (Note 5)
10. YANMAR Co., Ltd.	Umeda Gate Tower	8,745	2.4	-

(Note 1) Based on the lease agreement as of May 31, 2017.

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

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

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

(Note 5) Yamada-Denki Co., Ltd. will move-out in May 2018 upon expiration of the lease.

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

	Tokyo Office	Tokyo Office (at IPO) (Note)
4 th Period Nov. 2013	¥19,338	¥19,556
5 th Period May 2014	¥19,813 (+2.5%)	¥19,400 (△0.8%)
6 th Period Nov. 2014	¥19,230 (△2.9%)	¥19,270 (△0.7%)
7 th Period May 2015	¥22,242 (+15.7%)	¥19,548 (+1.4%)
8 th Period Nov 2015	¥22,127 (△0.5%)	¥19,995 (+2.3%)
9 th Period May 2016	¥23,358 (+5.6%)	¥20,406 (+2.1%)
10 th Period Nov 2016	¥23,441 (+0.4%)	¥20,748 (+1.7%)
11 th Period May 2017	¥23,323 (△0.5%)	¥21,253 (+2.4%)

(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)	9.3	4.0(3.3)	11.2(8.2)	7.6(6.6)
Remaining Contract Period (Year)	4.2	2.0(1.3)	7.6(4.8)	4.1(3.1)

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

(Note 2) Calculated based on the lease agreement as of May 31, 2017.

(Note 3) The figures are based on rents.

Seller and Acquisition Form of Acquired Assets after IPO (Acquisition Price Base)

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

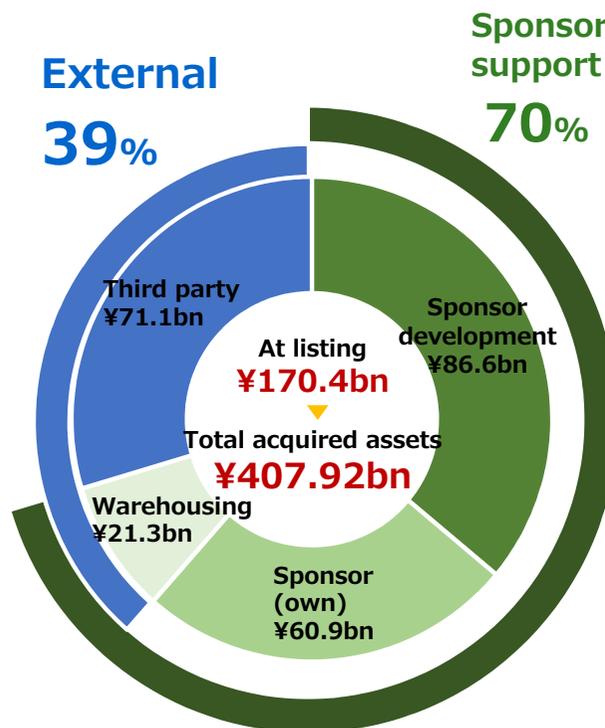
Third party

10 properties at **¥71.1bn** **29.6%**



Warehousing

1 property **¥21.3bn** **8.9%**

Sponsor development

4 properties **¥86.6bn** **36.1%**



Sponsor (own) (Note 1)

8 properties **¥60.9bn** **25.4%**



(Note 1) This includes properties held by subsidiary of Tokyo Land Corp.

(Note 2) Regarding to Osaka Nakanoshima Building, the initial acquisition belongs to "Third party" and the additional acquisition belongs to "Sponsor (own)".

Major Developments and Properties by Tokyu Fudosan Holdings Group

■ Major developments and properties by Tokyu Fudosan Holdings Group



<Major developments & holding properties : retail properties (including plan)>

No.	Name	Nearest Station	Walking Distance	Completion	Total Floor Area
—	Tokyu Plaza Kamata	Kamata	Direct	1968	28,000㎡
1	Shibuya BEAM	Shibuya	5	1992	7,000㎡
2	Daini Musashino Building	Shinjuku 3-chome	1	1992	6,000㎡
—	DECKS Tokyo Beach	Odaiba Kaihin Koen	2	1997	69,000㎡
—	Northport Mall	Center Kita	1	2007	141,000㎡
—	Tokyu Plaza Totsuka	Totsuka	Direct	2010	10,000㎡
—	Futakotamagawa rise S.C.	Futakotamagawa	1	2011	20,000㎡
3	Q plaza HARAJUKU	Meiji-jingumae	1	2015	8,000㎡
4	Tokyu Plaza Ginza	Ginza	1	2016	49,000㎡
—	Higashi Ikebukuro 1-chome Cinema Complex project (tentative name)	Ikebukuro	4	FY2019 (Scheduled)	17,000㎡
5	Dogenzaka 1-chome urban redevelopment project for the area around station	Shibuya	1	FY2019 (Scheduled)	59,000㎡

<Major developments & holding properties : office properties (including plan)>

No.	Name	Nearest Station	Walking Distance	Completion	Total Floor Area
1	Shibuya Dogenzaka Tokyu Building	Shibuya	4	1983	13,000㎡
2	Ichibancho Tokyu Building	Hanzomon	1	2002	20,000㎡
3	Ebisu Business Tower	Ebisu	2	2003	23,000㎡
4	Shibuya Square	Shibuya	3	2004	13,000㎡
5	Hamamatsucho Square	Hamamatsucho	1	2004	24,000㎡
6	Shibuya Minami Tokyu Building	Shibuya	6	2005	20,000㎡
7	Uchisaiwaicho Tokyu Building	Shinbashi	2	2006	14,000㎡
8	Nihonbashi Maruzen Tokyu Building	Nihonbashi	1	2006	17,000㎡
9	Minami-Aoyama Tokyu Building	Omotesando	4	2008	12,000㎡
10	Shinbashi Tokyu Building	Shinbashi	2	2008	15,000㎡
11	Kasumigaseki Tokyu Building	Tameike-Sanno	4	2010	19,000㎡
12	Shin-Meguro Tokyu Building	Meguro	2	2012	22,000㎡
13	Shin-Aoyama Tokyu Building	Omotesando	3	2015	9,000㎡
14	Hibiya Park Front	Kasumigaseki	3	2017	67,000㎡
15	Nanpeidai project (tentative name)	Shibuya	3	FY2019 (scheduled)	46,000㎡

(Note) We do not own or intend to acquire any of the properties listed in the above table.

Balance Sheets ~11th Period ended May 2017~

	(In thousands of yen)	
	10th period	11th period
Assets		
Current assets		
Cash and deposits	7,919,219	12,959,519
Cash and deposits in trust	4,265,231	2,881,469
Operating accounts receivable	510,269	645,163
Prepaid expenses	271,796	449,641
Deferred tax assets	17	10
Consumption taxes receivable	240,810	—
Other	2,040	2,241
Total current assets	13,209,384	16,938,046
Noncurrent assets		
Property, plant and equipment		
Building in trust	74,293,765	79,082,209
Accumulated depreciation	△6,259,822	△7,373,381
Building in trust, net	68,033,942	71,708,828
Structures in trust	604,762	637,056
Accumulated depreciation	△99,187	△116,034
Structures in trust, net	505,575	521,022
Machinery and equipment in trust	1,321,677	1,352,828
Accumulated depreciation	△210,123	△241,957
Machinery and equipment in trust, net	1,111,554	1,110,871
Tools, furniture and fixtures in trust	115,826	131,955
Accumulated depreciation	△41,572	△54,665
Tools, furniture and fixtures in trust, net	74,253	77,290
Land in trust	282,854,628	325,281,819
Construction in progress in trust	1,160	—
Total property, plant and equipment	352,581,114	398,699,831
Intangible assets		
Leasehold rights in trust	4,825,698	9,130,097
Other	1,245	784
Total intangible assets	4,826,943	9,130,881
Investments and other assets		
Long-term prepaid expenses	926,738	1,052,097
Derivatives	75,684	65,673
Other	14,791	15,217
Total investments and other assets	1,017,214	1,132,989
Total noncurrent assets	358,425,272	408,963,702
Deferred assets		
Investment corporation bond issuance costs	45,916	75,651
Total deferred assets	45,916	75,651
Total assets	371,680,572	425,977,400

	(In thousands of yen)	
	10th period	11th period
Liabilities		
Current liabilities		
Operating accounts payable	666,864	668,243
Short-term borrowings	5,400,000	10,000,000
Long-term borrowing to be repaid within a year	26,400,000	25,000,000
Accounts payable-other	61,823	103,682
Accrued expenses	672,969	720,452
Income taxes payable	946	784
Accrued consumption taxes	—	232,885
Advances received	316,814	428,034
Deposits received	2,083	23,755
Other	27	4,076
Total current liabilities	33,521,528	37,181,916
Noncurrent liabilities		
Investment corporation bonds	10,000,000	16,000,000
Long-term borrowings payable	135,350,000	145,150,000
Tenant leasehold and security deposits in trust	15,790,599	19,194,160
Other	72	51
Total noncurrent liabilities	161,140,671	180,344,211
Total liabilities	194,662,199	217,526,128
Net assets		
Unitholders' equity		
Unitholders' capital	171,532,813	202,233,447
Surplus		
Unappropriated retained earnings (undisposed loss)	5,409,874	6,152,150
Total surplus	5,409,874	6,152,150
Total unitholders' equity	176,942,688	208,385,598
Valuation, translation, adjustments and others		
Deferred gains or losses on hedges	75,684	65,673
Total valuation, translation, adjustments and others	75,684	65,673
Total net assets	177,018,373	208,451,272
Total liabilities and net assets	371,680,572	425,977,400

Statement of Income ~11th Period ended May 2017~

(In thousands of yen)

	10th period	11th period
Operating revenue		
Rent revenue-real estate	10,175,270	11,370,770
Other lease business revenue	741,808	736,582
Total Operating revenue	10,917,079	12,107,352
Operating expenses		
Expenses related to rent business	3,833,354	4,097,908
Asset management fee	821,891	915,853
Asset custody fee	10,016	11,446
Administrative service fee	26,211	29,098
Directors' compensations	3,300	3,300
Other operating expenses	60,776	69,516
Total operating expenses	4,755,550	5,127,122
Operating income (loss)	6,161,528	6,980,230
Non-operating income		
Interest income	56	60
Interest on securities	-	113
Reversal of distribution payable	2,924	1,768
Interest on refund	153	1,076
Insurance income	80	-
Total non-operating income	3,214	3,019
Non-operating expenses		
Interest expenses	536,470	598,109
Interest expenses on investment corporation bonds	25,379	29,422
Amortization of investment corporation bond issuance costs	5,053	7,524
Investment unit issuance expenses	56,862	48,191
Borrowing related expenses	129,896	146,928
Other	500	500
Total non-operating expenses	754,161	830,676
Ordinary income (loss)	5,410,581	6,152,573
Income (loss) before income taxes	5,410,581	6,152,573
Income taxes-current	954	811
Income taxes-deferred	△0	7
Total income taxes	954	818
Net income (loss)	5,409,626	6,151,755
Retained earnings (deficit) brought forward	247	395
Unappropriated retained earnings (undisposed loss)	5,409,874	6,152,150

Overview of Lease, Profit and Loss for the 11th Period ~May 2017 ~ (1/3)

	Urban Retail Properties												
	Tokyu Plaza Omote-sando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAI BASHI	A-FLAG KOTTO DORI (Note 4)	A-FLAG BIJUTSUKAN DORI (Note 4)	A-FLAG DAIKANYAMA WEST (Note 4)
①Revenue related to rent business	1,089,353	609,883	268,987	(Note 2)	(Note 2)	93,356	787,546	437,786	205,231	310,118	94,911	122,297	(Note 2)
Rent revenue-real estate	1,033,941	510,393	237,540	(Note 2)	(Note 2)	74,443	724,295	368,178	197,027	294,932	88,283	114,076	(Note 2)
Other lease business revenue	55,412	99,489	31,447	(Note 2)	(Note 2)	18,913	63,250	69,607	8,204	15,186	6,627	8,221	(Note 2)
②Expenses related to rent business	238,316	242,034	60,246	46,460	35,954	32,493	193,195	221,720	33,667	44,014	15,506	28,497	16,369
Management operation expenses	93,097	79,972	16,298	12,300	3,701	10,161	82,961	106,738	11,861	7,608	7,555	5,263	10,596
Utilities expenses	26,750	68,402	24,551	-	-	11,563	55,352	75,128	7,041	14,072	5,416	7,449	241
Tax and public dues	55,288	65,958	8,437	32,343	31,152	7,244	46,810	24,644	10,393	13,136	23	-	54
Insurance	190	409	75	155	158	36	616	579	53	64	65	36	46
Repair and maintenance expenses	4,344	20,945	2,122	-	206	294	3,688	5,397	1,040	2,290	718	823	1,450
Other expenses related to rent business	58,645	6,346	8,761	1,661	736	3,194	3,766	9,232	3,277	6,843	1,726	14,924	3,979
③NOI (① - ②)	851,037	367,848	208,741	(Note 2)	(Note 2)	60,863	594,350	216,065	171,564	266,104	79,404	93,800	(Note 2)
④Depreciation and other (Note 3)	50,080	38,724	18,497	32,734	15,806	8,391	120,500	53,738	8,019	15,359	4,714	6,384	1,058
Income (loss) from rent business (③ - ④)	800,956	329,123	190,243	(Note 2)	(Note 2)	52,472	473,849	162,326	163,544	250,745	74,690	87,415	(Note 2)

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

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

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

(Note 4) The figures of A-FLAG KOTTO DORI acquired on Dec. 20, 2016, A-FLAG BIJUTSUKAN DORI acquired on Dec. 2, 2016 and A-FLAG DAIKANYAMA WEST acquired on Jan. 6, 2017 are calculated after the acquisition.

Overview of Lease, Profit and Loss for the 11th Period ~May 2017 ~ (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 WIZ-TOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi (Note 4)
①Revenue related to rent business	295,243	350,143	122,616	287,324	168,279	62,502	(Note 2)	189,687	166,381	113,958	332,683	1,525,603	164,622	(Note 2)	172,880	203,772
Rent revenue-real estate	274,828	339,381	116,468	272,162	157,189	62,502	(Note 2)	178,011	158,296	107,891	318,880	1,450,958	155,631	(Note 2)	165,323	189,636
Other lease business revenue	20,414	10,762	6,148	15,162	11,089	-	(Note 2)	11,675	8,085	6,066	13,803	74,645	8,991	(Note 2)	7,557	14,136
②Expenses related to rent business	85,522	134,769	33,925	64,865	43,935	8,192	29,771	57,779	39,546	28,657	89,119	305,925	87,787	29,478	30,971	35,066
Management operation expenses	26,363	55,486	12,633	18,892	11,679	-	10,342	20,197	15,009	9,265	57,450	102,122	13,440	10,438	11,949	20,470
Utilities expenses	18,110	16,978	7,282	18,619	11,165	-	7,689	10,759	8,179	5,916	8,208	80,013	7,293	5,255	9,821	12,882
Tax and public dues	17,482	30,906	9,991	20,359	18,090	7,939	10,435	14,928	14,429	10,589	21,557	79,669	13,597	9,328	153	-
Insurance	192	245	83	180	157	-	83	132	106	71	302	1,966	100	76	116	194
Repair and maintenance expenses	10,393	26,274	2,954	2,902	1,126	-	433	7,164	296	1,252	-	13,787	49,869	828	2,920	403
Other expenses related to rent business	9,979	4,877	979	3,910	1,717	252	787	4,597	1,526	1,560	1,601	28,370	3,492	3,551	6,010	1,114
③NOI (①-②)	212,720	215,373	88,690	222,458	124,343	54,309	(Note 2)	131,907	126,835	85,300	243,563	1,219,677	76,835	(Note 2)	141,908	168,706
④Depreciation and other (Note 3)	46,433	31,430	15,641	23,075	27,605	-	20,682	23,509	26,958	8,329	48,275	148,023	24,550	12,240	12,455	14,895
Income (loss) from rent business (③-④)	166,287	183,943	73,049	199,383	96,737	54,309	(Note 2)	108,398	99,876	76,971	195,287	1,071,654	52,284	(Note 2)	129,452	153,810

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

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

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

(Note 4) The figures of A-PLACE Shinagawa Higashi acquired on Mar. 16, 2017 are calculated after the acquisition.

Overview of Lease, Profit and Loss for the 11th Period ~May 2017 ~ (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
① Revenue related to rent business	350,309	310,604	(Note 1)	146,246	283,171	517,150	231,751	(Note 1)	414,373	174,485
Rent revenue-real estate	350,309	310,574	(Note 1)	135,589	264,680	487,613	199,679	(Note 1)	388,553	157,371
Other lease business revenue	-	30	(Note 1)	10,656	18,491	29,536	32,071	(Note 1)	25,819	17,113
② Expenses related to rent business	49,937	38,348	13,525	47,732	71,925	169,639	58,637	36,075	70,665	54,809
Management operation expenses	-	5,591	2,261	19,328	24,468	56,893	9,523	16,065	39,998	19,565
Utilities expenses	-	30	-	12,502	19,759	40,579	32,887	4,740	26,709	20,719
Tax and public dues	49,684	30,870	9,874	11,806	25,306	49,426	12,650	14,099	-	42
Insurance	-	234	100	144	251	745	93	132	363	291
Repair and maintenance expenses	-	720	-	2,581	592	15,223	1,916	198	699	11,589
Other expenses related to rent business	252	901	1,289	1,367	1,546	6,722	1,566	839	2,894	2,599
③ NOI (① - ②)	300,372	272,256	(Note 1)	98,514	211,246	347,511	173,114	(Note 1)	343,708	119,676
④ Depreciation and other (Note 2)	-	34,532	8,516	18,571	52,169	65,883	17,099	23,912	68,809	28,205
Income (loss) from rent business (③ - ④)	300,372	237,724	(Note 1)	79,943	159,077	281,628	156,014	(Note 1)	274,898	91,470

(Note 1) Undisclosed due to no consent from tenants.

(Note 2) Loss on retirement of current assets is included.

Financial Highlight

(In millions of yen)

	4th period (Nov. 2013)	5th period (May 2014)	6th period (Nov. 2014)	7th period (May 2015)	8th period (Nov. 2015)	9th period (May 2016)	10 th period (Nov. 2016)	11 th period (May 2017)	12 th period (Nov. 2017) (Forecast)	13 th period (May 2018) (Forecast)
Revenue related to rent business	6,124	7,778	8,174	9,120	9,500	10,175	10,917	12,107	12,670	12,481
Gain on sale of real estate properties	-	-	-	-	200	-	-	-	-	-
Revenue from leasing business (including gain on sale of properties)	6,124	7,778	8,174	9,120	9,701	10,175	10,917	12,107	12,670	12,481
Expenses related to rent business	1,456	1,889	2,174	2,323	2,494	2,409	2,781	2,922	3,308	3,090
Management operation expenses	425	638	693	825	822	869	917	1,037	1,056	1,030
Utilities expenses	371	524	593	627	658	629	652	682	777	750
Tax and public dues	433	457	575	578	643	649	772	778	888	895
Insurance	5	7	7	8	6	7	7	8	9	9
Repair and maintenance expenses	71	114	142	118	202	78	231	197	316	180
Other expenses related to rent business	150	146	161	165	161	175	201	217	259	223
NOI	4,668	5,889	6,000	6,796	7,006	7,766	8,135	9,185	9,361	9,391
NOI yield(%)	5.10	5.23	4.98	4.93	4.84	4.79	4.73	4.63	-	-
Depreciation and other	518	743	763	887	928	989	1,051	1,175	1,195	1,200
Income (loss) from rent business	4,149	5,145	5,237	5,909	6,078	6,776	7,083	8,009	8,166	8,190
Loss on sales of real estate properties	-	7	-	-	-	-	-	-	-	-
Net operating income (including loss on sales of real estate properties)	4,149	5,138	5,237	5,909	6,278	6,776	7,083	8,009	8,166	8,190
General and administrative expenses	507	558	643	710	818	849	922	1,029	1,149	1,126
Operating income	3,642	4,580	4,594	5,199	5,460	5,926	6,161	6,980	7,016	7,063
Non-operating income	4	2	5	3	5	8	3	3	0	0
Non-operating expenses	459	584	567	619	674	737	754	830	859	903
Ordinary income	3,187	3,998	4,032	4,583	4,790	5,197	5,410	6,152	6,157	6,161
Net income	3,186	3,997	4,031	4,582	4,789	5,196	5,409	6,151	6,156	6,160

Activia Account Properties

- In order to clarify positioning of “Other Properties”, API changed one of its asset category name “Other Properties” to “**Activia Account Properties (AA)**”
- No change will be made to the portfolio composition policy investing primarily in “Urban Retail Properties” and “Tokyo Office Properties”
 - ▶ Use category name “Activia Account Properties” positioned as strategic investment target



- “Activia Account Properties” represents an asset category where API make **selective investment in properties by carefully assessing the competitiveness of each property** which is more than just “Other Properties”
e.g. office building located other than in Tokyo, commercial properties other than Urban Retail Properties
- No change to the portfolio percentage and the investment targets

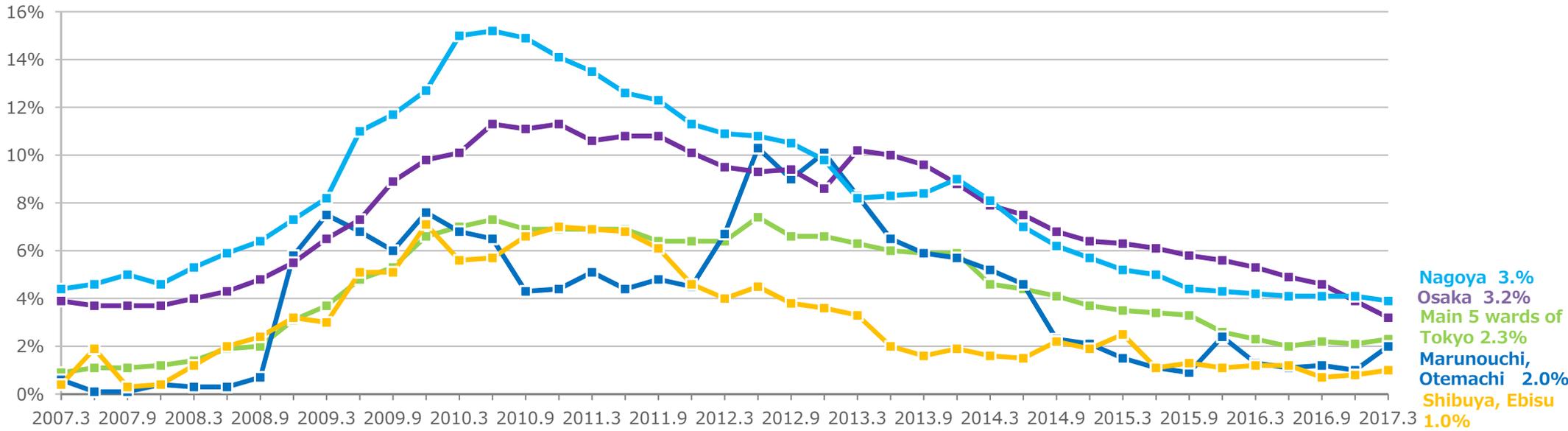


Major Properties Categorized in “Activia Account Properties”

Property Type	Property Name	Acquired	Description	Location	Acquisition Price	Closest Station	Appraisal NOI Yield
Office buildings	Umeda Gate Tower	<Acquired in Sep.2016>	<ul style="list-style-type: none"> ■ New office building with state-of-the-art specifications in one of the leading business districts in western Japan ■ Lease agreement concluded with 4 tenants with upward rent revision ave.114% rent vs. previous tenant in 11th period 	Tsurunochi, Kita-ku, Osaka, Osaka	¥19,000mn	3-minute walk from Umeda station on the Hankyu Kyoto Line	4.3%
	Osaka Nakanoshima Building	<Acquired in Jan. 2013 and Dec. 2014>	<ul style="list-style-type: none"> ■ The large-scale office building in the area where office buildings concentrate, which is a multi-tenant type building comprised of 40 tenants ■ Upward rent revision for ave.105% with 5 tenants in 11th period and onwards 	Nakanoshima, Kita, Osaka, Osaka	¥11,100mn	1-minute walk from Obashi station on Keihan Nakanoshima Line	5.8%
	A-PLACE Kanayama	<Acquired in Jun.2012>	<ul style="list-style-type: none"> ■ The landmark building located in front of Kanayama station as a transport hub ■ Maintaining 100% occupancy rate since Mar. 2014 and upward rent revisions with 2 tenants for ave.111% rent vs. previous tenants 	Kanayama, Nagoya, Aichi	¥6,980mn	1-minute walk from Kanayama station on Nagoya Municipal Subway Meijo Line and others	5.6%
Retail properties	icot Omori	<Acquired in Dec. 2013>	<ul style="list-style-type: none"> ■ Located 3-minute walk from Omori station with excellent traffic accessibility to the city center ■ Lease agreement concluded with 4 tenants with ave.102 % rent vs. previous tenant in 11th period 	Omorikita, Ota, Tokyo	¥5,790mn	3-minute walk from Omori station on the JR Keihintohoku Line	5.1%
	Amagasaki Q's MALL (Land)	<Acquired in Jun. 2012>	<ul style="list-style-type: none"> ■ The landmark property with a gross floor area of 50,000 tsubo, which is 2-minute walk from Amagasaki station ■ Revenue stability with almost no fluctuation on NOI yield due to a long term lease contract effective until 2042 	Shioe, Amagasaki, Hyogo	¥12,000mn	2-minute walk from Amagasaki station on JR Tokaido Main Line and other	5.0%
	icot Nakamozu	<Acquired in Jun. 2012>	<ul style="list-style-type: none"> ■ Located near Nakamozu station on Midosuji line in Nakamozu area where housing concentration is growing steadily ■ Revenue stability based on a long-term lease contract effective until 2027 	Nakamozu, Kita-ku, Sakai, Osaka	¥8,500mn	6-minute walk from Nakamozu station on Osaka Municipal Subway Midosuji Line	6.4%

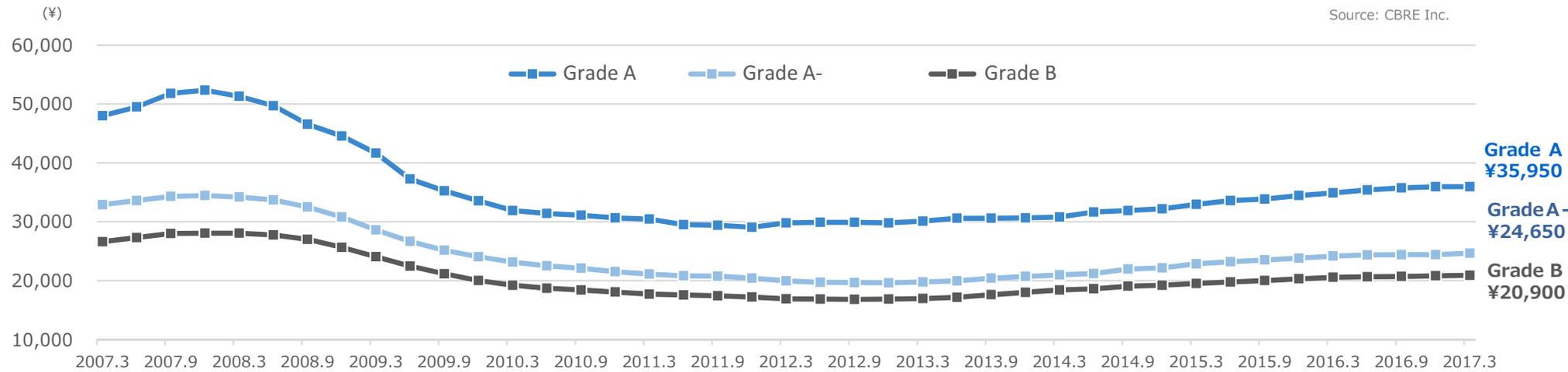
1. Vacancy rate by area

Source: CBRE Inc.



2. Trends of average rent for 23 wards of Tokyo

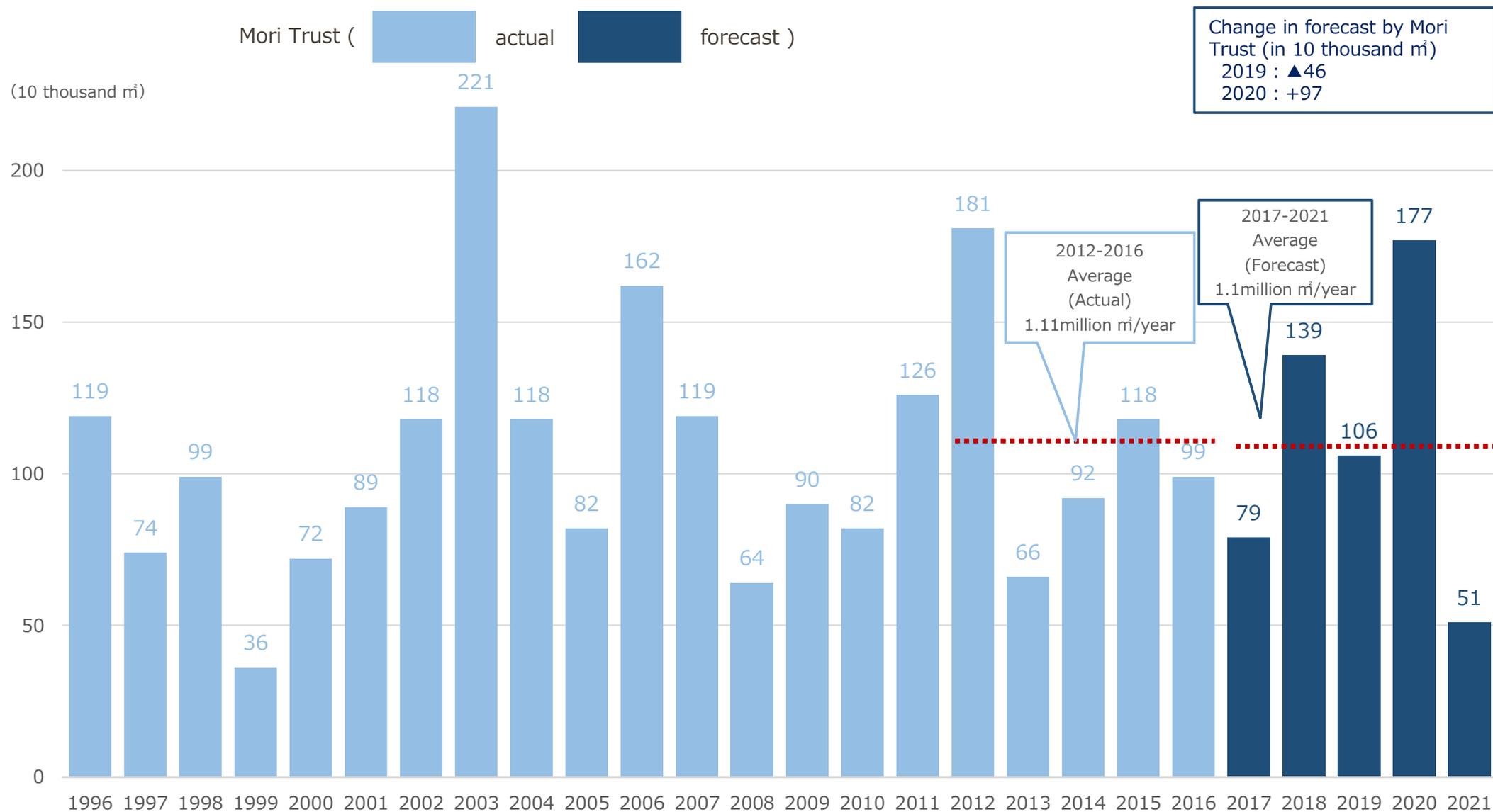
Source: CBRE Inc.



(Note) Grade A: Office buildings within the 5 central wards of Tokyo, having more than 6,500 tsubo of total leasable area, 10,000 tsubo of gross floor area, and 500 tsubo of basic floor area and less than 11 years.
 Grade A-: Office buildings within the 23 wards of Tokyo, having more than 4,500 tsubo of total leasable area, 7,000 tsubo of gross floor area, and 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.



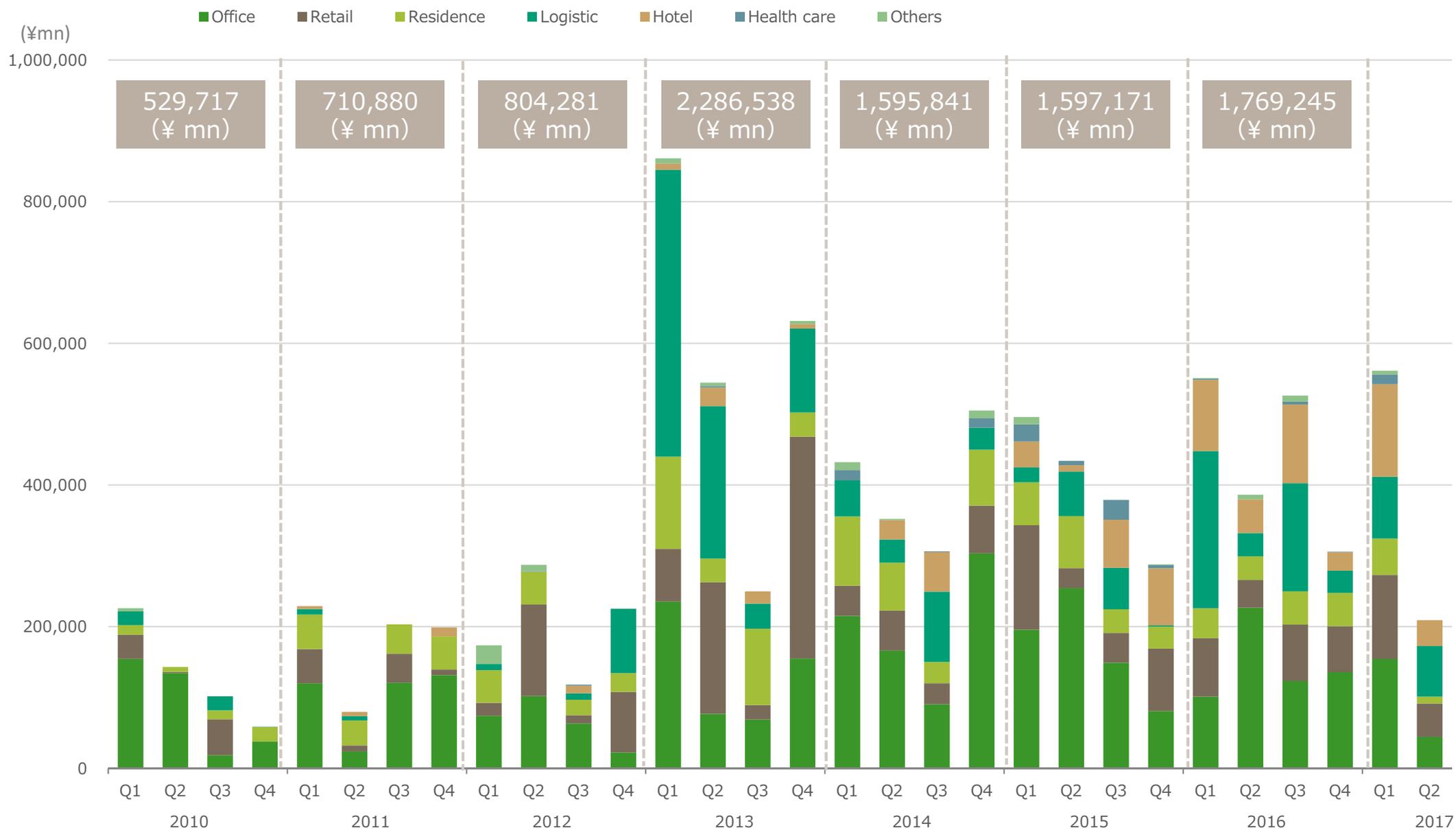
Supply of Large-scale Office Building in 23 wards of Tokyo



(Source) Mori Trust Co., Ltd. and CBRE Inc..

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

Trends of Acquisition Market



(Note) Acquisition date Basis. As of June 2016 for 2017Q2.

(Source) TOREIT

3 Advantages of API

✓ *Focus on Urban Retail and Tokyo Office properties*

81% of portfolio is comprised of UR & TO

✓ *Leading governance structure among JREITs*

Interest alignments through DPU-linked AM fees and arms' length principles

✓ *Advantageous IPO timing*

- IPO price at ¥230,000
- Listing after tenant replacement in the post-global financial crisis

- Intensive focus on mid- to long-term earnings stability on the back of declining population and economy size
 - Properties located in major cities such as 5 central wards of Tokyo, Osaka, Kobe and Sapporo
 - Properties with high competitiveness
- The 1st J-REIT to adopt DPU linked AM fee
- Managing the conflicts of interest through strict arms' length principles in decision making process, including the requirement of unanimous votes of external committee members for acquisitions
- Same-boat principle of our Sponsor, Tokyu Land, that they will seriously consider to subscribe to additional investment units in our equity issuances
- Listed in June, 2012, when real estate and capital markets were extremely weak after the global financial crisis
 - TSE REIT Index dropped 65% from pre-Lehman level
- Almost no rent gap by replacing many tenants right after the global financial crisis
- Taking advantage of NAV premium and low capital cost for further growth
- Achieved upward rent revisions for Tokyo Office properties since the 4th period (Nov. 2013), ahead of other J-REITs
- Rent gap at -6% for the 11th period (as of the end of May 2017)

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

3. Portfolio Composition Policy



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



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



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

70% or more

30% or less

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

Tokyu Fudosan Holdings Group's Support System

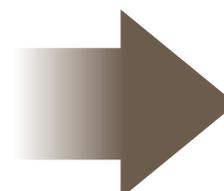
- To ensure stable growth over the medium to long-term, the Asset Manager has applied its know-how and utilized its independent network to the management of properties. The Asset Manager has also leveraged Tokyu Fudosan Holdings Group companies' value chain and comprehensive support to ensure asset growth through the continued acquisition of competitive assets (external growth) and operation/management of properties through ways designed to bring out the competitive strengths of properties under management and improve their profitability (internal growth)

■ Utilization of Tokyu Fudosan Holdings Group's multi-faceted and comprehensive know-how and value chain

Tokyu Fudosan Holdings Group

- One of the major property development groups in Japan with a solid track record in development, operation and management of properties
- The group also includes B-to-C businesses which may serve as tenants in our properties and has deep knowledge of consumer needs

Value Chain



■ Capitalize on the Asset Manager's own know-how

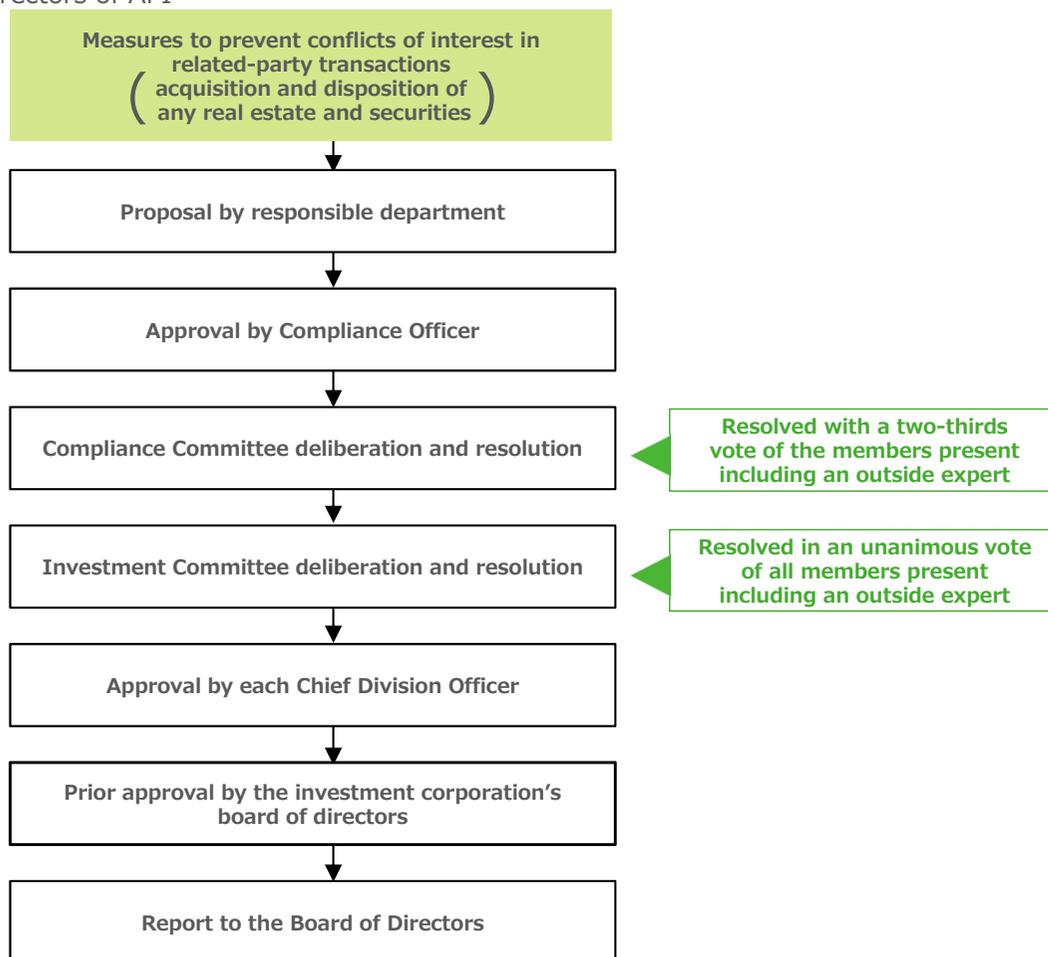
TLC REIT Management Inc.

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

Strong Governance Structure to Maximize Unitholder Value

Strong Governance Structure

- Involvement of third parties to protect the interests of unitholders
- Related-party transactions such as acquisition of properties requires resolution by the Compliance Committee of the asset manager and an approval by the Board of Directors of API



- Sponsor's interests aligned with those of the unitholders
- In order to maximize the unitholder value, we have built a governance structure which aligns the interests of the asset manager and Tokyu Land Corporation with those of our unitholders

Asset Management Fee

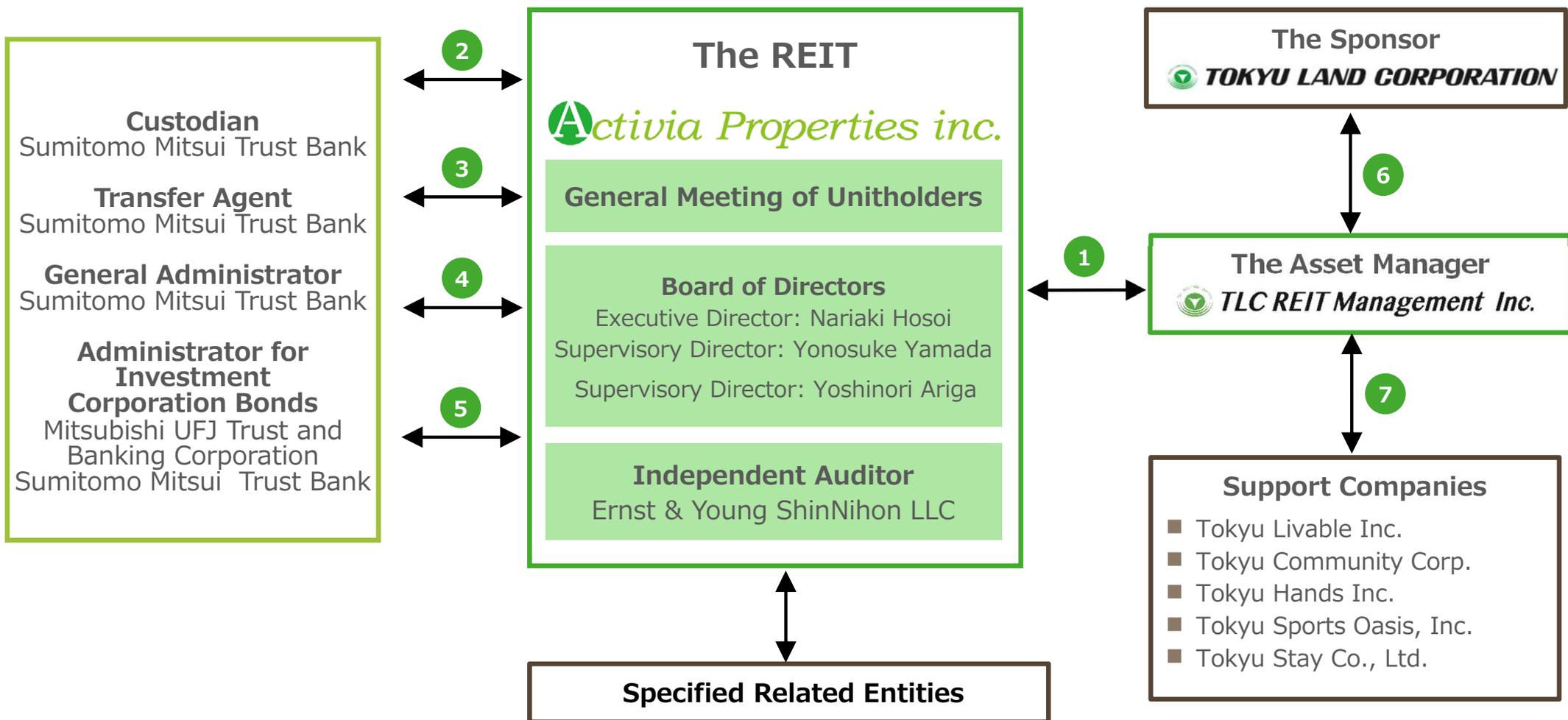
- Asset Management Fee system that enhances the incentive of maximizing the unitholder value
- Fee : Including the management fee links DPU

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

Acquisition / Disposition Fee

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

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



- ➊ Asset Management Agreement
- ➋ Asset Custody Agreement
- ➌ Transfer Agency Agreement
- ➍ General Administration Agreement
- ➎ Fiscal Agency Agreement
- ➏ Sponsor Support Agreement / Outsourcing Agreement
- ➐ Affiliate Support Agreements

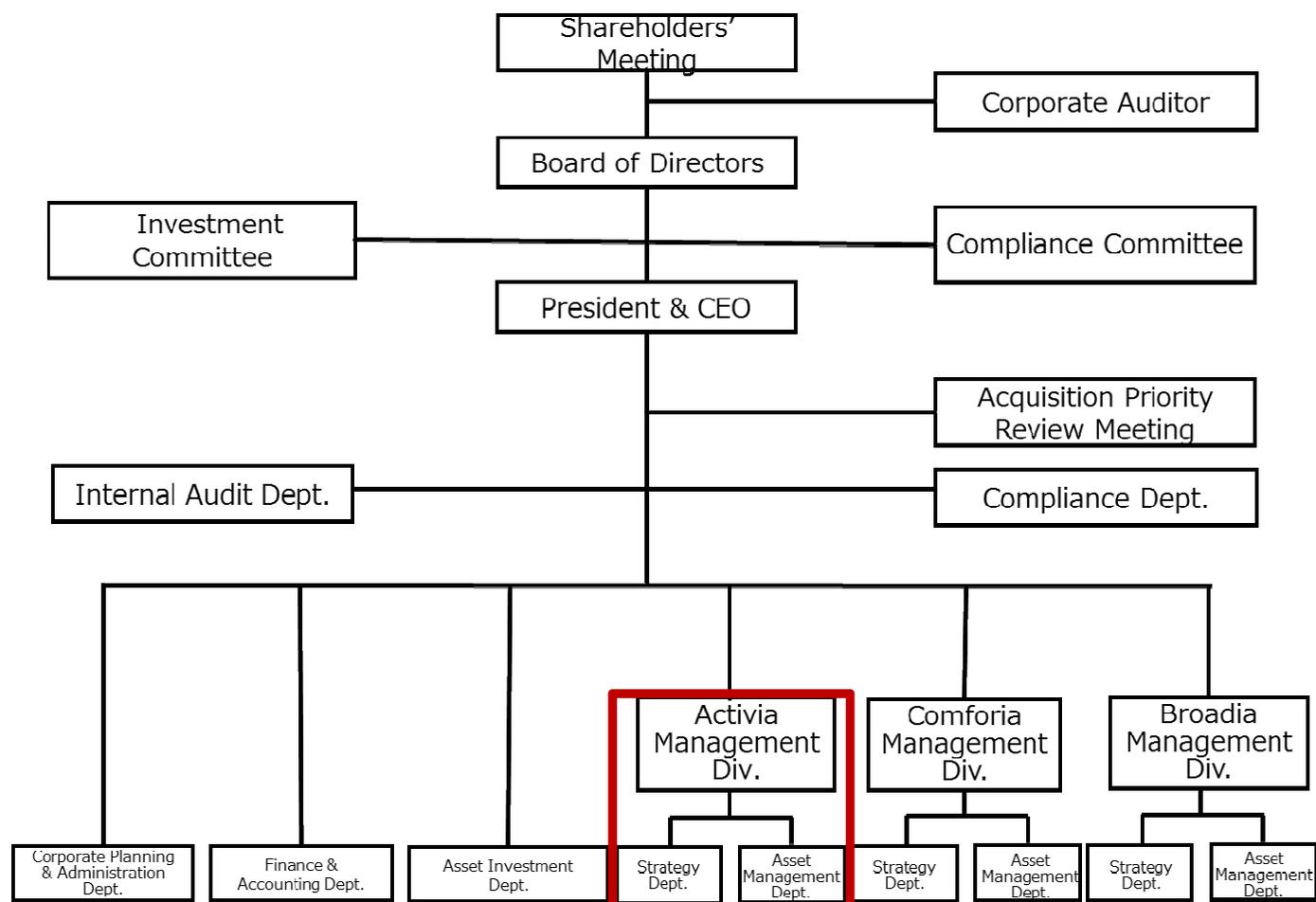
Asset Manager Organizational Overview

- New asset management operation has begun from April 1, 2017
- Asset management is handled by management division of each REIT for efficient operation and prevention of conflicts of interest
- No change of sponsor support from Tokyu Land Corporation

1. Overview of the Asset Manager

Corporate name	TLC REIT Management Inc.
Established on	Oct. 2009
Capital	¥200mn
Shareholder /Sponsor	Tokyu Land Corporation 100%
President & CEO	Hiroyuki Tohmata

2. Asset Manager Organizational Chart



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