

Financial Report for the Fiscal Period Ended May 31, 2017 (December 1, 2016 - May 31, 2017)

Activia Properties Inc.

Listing: Tokyo Stock Exchange
 Securities code: 3279
 URL: <http://www.activia-reit.co.jp/en/>
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 Investment management company: TLC REIT Management Inc.
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Scheduled date to file Securities Report: August 24, 2017
 Scheduled date to start distribution payments: August 14, 2017
 Supplementary material on financial report: Yes
 Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended May 31, 2017 (December 1, 2016 – May 31, 2017)

(1) Operating results (Percentages show changes from the corresponding amounts for the previous period.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2017	12,107	10.9	6,980	13.3	6,152	13.7	6,151	13.7
Fiscal period ended November 30, 2016	10,917	7.3	6,161	4.0	5,410	4.1	5,409	4.1

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended May 31, 2017	9,252	3.2	1.5	50.8
Fiscal period ended November 30, 2016	9,021	3.1	1.5	49.6

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (599,654 units and 664,866 units for the fiscal period ended November 30, 2016, and the fiscal period ended May 31, 2017, respectively).

(2) Cash distributions

	Cash distributions per unit (excluding excess of earnings)	Total distributions (excluding excess of earnings)	Cash distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distribution ratio to unitholders' equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended May 31, 2017	9,248	6,151	0	0	100.0	3.0
Fiscal period ended November 30, 2016	9,021	5,409	0	0	100.0	3.1

(Note) Because new investment units were issued during the fiscal period ended May 31, 2017, the payout ratio for that period is obtained by the following formula with figures rounded to the first decimal place: Payout ratio = total distributions (excluding excess of earnings) / profit × 100

(3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2017	425,977	208,451	48.9	313,359
As of November 30, 2016	371,680	177,018	47.6	295,200

(Reference) Unitholders' equity

As of May 31, 2017: ¥208,451 million

As of November 30, 2016: ¥177,018 million

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2017	8,051	(48,245)	43,850	15,840
Fiscal period ended November 30, 2016	6,749	(30,740)	24,311	12,184

2. Forecasts of results for the fiscal period from June 1, 2017 to November 30, 2017

(Percentages show changes from the corresponding amounts for the previous period.)

	Operating revenue		Operating profit		Ordinary profit		Profit		Cash distributions per unit (excluding excess of earnings)	Cash distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2017	12,670	4.6	7,016	0.5	6,157	0.1	6,156	0.1	9,255	0

(Reference) Forecasted profit per unit (forecasted profit / total projected number of investment units issued at end of period)

For the fiscal period ending November 30, 2017: ¥9,255

*** Other**

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements: None

(2) Total number of units issued

- a. Total number of units issued at end of period (including treasury units)
 - As of May 31, 2017 665,214 units
 - As of November 30, 2016 599,654 units
- b. Number of treasury units at end of period
 - As of May 31, 2017 – units
 - As of November 30, 2016 – units

(Note) Please refer to “Per Unit Information” on page 37 for the number of investment units used as the basis for calculating basic earnings per unit.

*** Status of audit procedures**

As of the time of this financial report, audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are incomplete.

*** Appropriate use of forecasts of results and other special items**

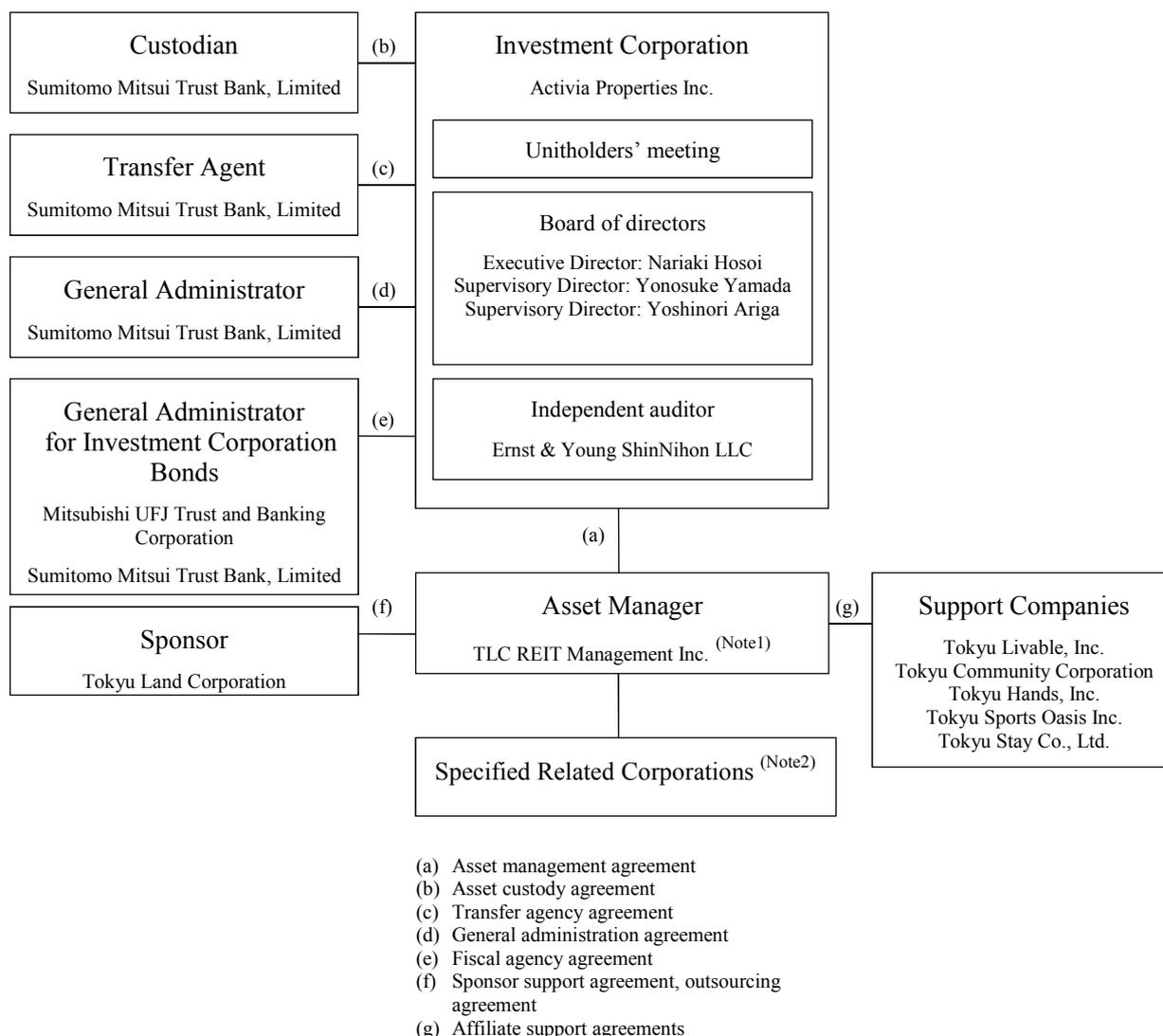
Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially due to a number of factors. Furthermore, these forecasts are in no way a guarantee of any distribution amount. Please refer to “Assumptions for Forecasts of Investment Performance for the 12th Fiscal Period from June 1, 2017 to November 30, 2017 and the 13th Fiscal Period from December 1, 2017 to May 31, 2018” on pages 16 and 17 for information on assumptions for the forecasts.

This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

1. The Investment Corporation and Related Corporations

The “Management structure of the Investment Corporation” in the latest Securities Report (filed on February 23, 2017; prepared in Japanese only) has been changed as follows:

i) The Management Structure of the Investment Corporation



(Note 1) On April 1, 2017, TLC REIT Management Inc. (hereinafter referred to as the “Asset Manager”) implemented an absorption-type merger with the Asset Manager as a surviving company and TLC Activia Investment Management Inc. as an absorbed company (hereinafter referred to as the “Merger”), and taking place concurrently, a portion of the business of Tokyu Land Capital Management Inc. was succeeded to the Asset Manager by means of an absorption-type company split (this in conjunction with the Merger hereinafter referred to as the “Reorganization”). In addition, as of April 1, 2017, in conjunction with the Reorganization the trade name of the Asset Manager has been changed to TLC REIT Management Inc., from TLC Comforia Investment Management INC., previously.

(Note 2) Tokyu Land Corporation, Tokyu Fudosan Holdings Corporation, Tokyu Land SC Management Corporation, Tokyu Community Corporation and Klasse Limited liability Company are specified related corporations.

ii) Names of the Investment Corporation and Related Corporations of the Investment Corporation, Their Operational Roles and the Contents of Their Related Business Operations

Operational role	Business name	Operation
Investment corporation	Activia Properties Inc.	Our basic policy is to manage assets by investing them mainly in assets of real estate, etc., and to maximize unitholder value by achieving stable profits and steady growth in assets under management in the medium to long term through continuous investments.
Asset manager (Re Article 198 of the Investment Trust Act)	TLC REIT Management Inc.	<p>The following operations are related to the management of the assets of the Investment Corporation, and are commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. operations related to the management of the assets under management of the Investment Corporation b. operations related to the financing of the Investment Corporation c. reporting the status of assets under management and other matters to the Investment Corporation, and reporting and filing this information for the Investment Corporation d. developing management plans for the assets under management e. other operations commissioned by the Investment Corporation as needed f. operations that are incidental or related to the items above
Custodian (Re Article 208 of the Investment Trust Act)	Sumitomo Mitsui Trust Bank, Limited	<p>The following operations are related to the custody of the assets of the Investment Corporation, and are commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. custody of assets b. cash management c. operations that are incidental or related to the items above

Operational role	Business name	Operation
Transfer agent	Sumitomo Mitsui Trust Bank, Limited	<p>The following general administration work is commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. affairs related to the preparation and maintenance of the register of unitholders b. affairs related to the issuance of investment units c. affairs related to the calculation and payment of distributions to unitholders d. affairs related to unitholders' requests for exercising rights and the receipt of other requests from unitholders e. following affairs that are based on the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedure (Act No. 27 of 2013, including subsequent amendments of the act) (the "My Number Act") <ul style="list-style-type: none"> (i) affairs related to the request to the Japan Securities Depository Center, Incorporated for Individual Numbers and Corporation Numbers (the "Individual Numbers, etc.") of investors and Investment Equity Subscription right holders, etc. who are subject to preparation of payment records, and of others, as well as affairs related to the receipt of the information (ii) affairs related to the collection of Individual Numbers, etc. of our investors, Investment Equity Subscription right holders, etc. (iii) affairs related to the registration and the custody of Individual Numbers, etc. of our investors, Investment Equity Subscription right holders, etc., as well as affairs related to the disposal or deletion of the information after lapse of storage period which is set separately (iv) affairs related to the providing Individual Numbers, etc. to administrative organs, etc. (v) other operations that are incidental to the above items (i) to (iv), which are based on the My Number Act f. operations that are incidental or related to the items above
General administrator (delegated management agency, agency engaged in accounting-related work)	Sumitomo Mitsui Trust Bank, Limited	<p>The following general administration work is commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. affairs related to accounting b. affairs related to the preparation of accounting books c. affairs related to tax payment d. affairs related to the management of the organization e. operations that are incidental or related to the items above

Operational role	Business name	Operation
General administrator for investment corporation bonds	Mitsubishi UFJ Trust and Banking Corporation	<p>The following work for the first, fourth, fifth, sixth and seventh unsecured investment corporation bonds is commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. issuance agency affairs b. payment agency affairs c. affairs related to the register of investment corporation bonds d. affairs related to receipt of requests from holders of investment corporation bonds regarding exercise of rights and other proposals from holders of investment corporation bonds e. operations that are incidental or related to the items above
General administrator for investment corporation bonds	Sumitomo Mitsui Trust Bank, Limited	<p>The following work for the second and third unsecured investment corporation bonds is commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. issuance agency affairs b. payment agency affairs c. affairs related to the register of investment corporation bonds d. affairs related to receipt of requests from holders of investment corporation bonds regarding exercise of rights and other proposals from holders of investment corporation bonds e. operations that are incidental or related to the items above

Operational role	Business name	Operation
<p>Specified related corporation (parent company of the Asset Manager, or of the interested parties, etc. of the Asset Manager, a corporation that carries out, or has carried out, transactions (acquisition and transfer transactions) in Article 29-3, Paragraph 3, item (ii) and transactions (lending and borrowing transactions) in Article 29-3, Paragraph 3, item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act) Sponsor</p>	<p>Tokyu Land Corporation</p>	<p>Provide sponsor support. Since Tokyu Land Corporation has 100% ownership (parent company) of the Asset Manager, it is deemed a specified related corporation. Tokyu Land Corporation is a previous trust beneficiary of some of the assets held by the Investment Corporation (Tokyu Land Corporation carried out transactions with the Investment Corporation consisting of acquisitions and transfers of beneficiary interests of real estate in trust during the three years up to the end of the previous fiscal period (the fiscal period ended November 30, 2016). The total of the amount Tokyu Land Corporation paid and received for the relevant transactions is equivalent to at least 20% of the total of the amount the Investment Corporation paid and received as consideration for acquisition and transfer transactions during that period). Tokyu Land Corporation is a lessee of some of the assets held by the Investment Corporation (Tokyu Land Corporation carried out transactions with a trustee of beneficiary interests of real estate in trust that are assets held by the Investment Corporation consisting of lending and borrowing of real estate that are assets held in trust during the three years up to the end of the previous fiscal period. The average amount for one fiscal period for the total of the amount received by the said trustee from Tokyu Land Corporation as consideration for the relevant transactions is equivalent to at least 20% of the Investment Corporation's total operating revenue in the previous fiscal period). Tokyu Land Corporation and the Investment Corporation have entered into an incidental agreement for the assets held. Moreover, in association with the Reorganization, a new sponsor support agreement has been concluded with the Asset Manager as of April 1, 2017, but the content thereof remains largely the same as the agreement existing before the Reorganization.</p>
<p>Specified related corporation (parent company of the Asset Manager)</p>	<p>Tokyu Fudosan Holdings Corporation</p>	<p>Since Tokyu Fudosan Holdings Corporation is the parent company of Tokyu Land Corporation, which is the parent company of the Asset Manager, it is deemed a specified related corporation.</p>

Operational role	Business name	Operation
<p>Specified related corporation (of the interested parties, etc. of the Asset Manager, a corporation that carries out, or has carried out, transactions (lending and borrowing transactions) in Article 29-3, Paragraph 3, item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act)</p>	<p>Tokyu Land SC Management Corporation</p>	<p>Tokyu Land SC Management Corporation is a lessee of some of the assets held by the Investment Corporation (Tokyu Land SC Management Corporation carried out transactions with a trustee of beneficiary interests of real estate in trust that are assets held by the Investment Corporation consisting of lending and borrowing of real estate that are assets held in trust during the three years up to the end of the previous fiscal period. The average amount for one fiscal period for the total of the amount received by the said trustee from Tokyu Land SC Management Corporation as consideration for the relevant transactions, and the average amount for one fiscal period for the total amount expected to be received by the said trustee from Tokyu Land SC Management Corporation as consideration for the relevant transactions during the three years from the first date of the fiscal period under review (the fiscal period ended May 31, 2017), is equivalent to at least 20% of the Investment Corporation's total operating revenue in the previous fiscal period). Tokyu Land SC Management Corporation and the Investment Corporation have entered into an incidental agreement for the assets held.</p>
<p>Specified related corporation (of the interested parties, etc. of the Asset Manager, a corporation that carries out, or has carried out, transactions (lending and borrowing transactions) in Article 29-3, Paragraph 3, item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act)</p>	<p>Tokyu Community Corporation</p>	<p>Tokyu Community Corporation is a lessee of some of the assets held by the Investment Corporation (Tokyu Community Corporation carried out transactions with a trustee of beneficiary interests of real estate in trust that are assets held by the Investment Corporation consisting of lending and borrowing of real estate that are assets held in trust. The average amount for one fiscal period for the total amount expected to be received by the said trustee from Tokyu Community Corporation as consideration for the relevant transactions during the three years from the first date of the fiscal period under review, is equivalent to at least 20% of the Investment Corporation's total operating revenue in the previous fiscal period). Tokyu Community Corporation and the Investment Corporation have entered into an incidental agreement for the assets held.</p>

Operational role	Business name	Operation
<p>Specified related corporation (of the interested parties, etc. of the Asset Manager, a corporation that carries out, or has carried out, transactions (acquisition and transfer transactions) in Article 29- 3, Paragraph 3, item (ii) of the Order for Enforcement of the Financial Instruments and Exchange Act)</p>	<p>Klasse Limited liability Company</p>	<p>Klasse Limited liability Company is a previous trust beneficiary of some of the assets held by the Investment Corporation (Klasse Limited liability Company carried out transactions with the Investment Corporation consisting of acquisitions of beneficiary interests of real estate in trust during the three years up to the end of the previous fiscal period. The total of the amount Klasse Limited liability Company paid for the relevant transactions is equivalent to at least 20% of the total of the amount the Investment Corporation paid and received as consideration for acquisition and transfer transactions during that period).</p>
<p>Support companies</p>	<p>Tokyu Livable, Inc. Tokyu Community Corporation Tokyu Hands, Inc. Tokyu Sports Oasis Inc. Tokyu Stay Co., Ltd.</p>	<p>Provide support. Moreover, in association with the Reorganization, a new support agreement has been concluded with the Asset Manager as of April 1, 2017, but the content thereof remains largely the same as the agreement existing before the Reorganization.</p>

2. Asset Management Policies and Status

(1) Asset Management Policies

As there have been no significant changes in policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the latest Securities Report (filed on February 23, 2017; prepared in Japanese only), the disclosure is omitted.

(2) Asset Management Status

i) Summary of Results for the Current Fiscal Period

(A) Transition of Investment Corporation

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) was established on September 7, 2011, with unitholders’ capital of ¥200 million (400 units) and TLC Township Inc. (currently TLC REIT Management Inc.) as the organizer under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions), and completed its registration in the Kanto Local Finance Bureau on September 20, 2011 (Director-General of the Kanto Local Finance Bureau No. 73).

After that, the Investment Corporation was listed on the real estate investment trust securities market of Tokyo Stock Exchange, Inc. (Securities code 3279) on June 13, 2012. On December 1, 2016, the Investment Corporation carried out a publicly offered capital increase for the fourth consecutive year, and on December 15, 2016, it carried out a third-party allotment.

“Activia” of “Activia Properties,” the name of the Investment Corporation, has been coined from the words “activate” and “ia,” a suffix meaning “place.” By investing in and managing real estate appropriate to its name, the Investment Corporation seeks to become an entity capable of broadly energizing society. The Investment Corporation will also select real estate capable of sustaining customer demand as a location for both corporate activities and urban recreation in popular areas, with the aim of maximizing the medium- and long-term value of unitholders, supported by its proactive management (management to improve the circumstances by taking initiatives and acting for the future).

In the fiscal period under review, which ended on May 31, 2017, the Investment Corporation acquired five properties, including three “Urban Retail Properties” and two “Tokyo Office Properties,” through publicly offered capital increase, etc., which are categorized as its focused investment properties. Consequently, the Investment Corporation held 39 properties (with the total acquisition price of ¥407,920 million) at the end of the fiscal period under review.

(B) Investment Environment in the Fiscal Period under Review

In the fiscal period under review, the Japanese economy held to a path of moderate recovery. This was partially due to ongoing improvement in corporate earnings stemming from factors such as rebounding exports brought about by recovery in the global economy and yen depreciation in the wake of the U.S. presidential elections, and also due to an upward trend in capital investment along with robust personal consumption.

With respect to the environment surrounding retail properties, consumer sentiment showed signs of recovery against a backdrop of the consumer confidence index generally surpassing levels of the prior month, according to the Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan, along with persisting improvement in the employment environment. Moreover, in the quarter spanning January to March 2017, tourism consumption by overseas visitors to Japan increased by 4.0% year on year due to gains in numbers of foreign overseas visitors to Japan, according to the Consumption Trend Survey for Foreigners Visiting Japan released by the Japan Tourism Agency of the Ministry of Land, Infrastructure, Transport and Tourism. As such, demand related to inbound tourism remained at high levels despite a decline in per-person travel expenditure.

In the rental office market, the average vacancy rate of five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) has continued on a generally moderate downward trajectory, hovering in the 3% range since July 2016, according to data published by Miki Shoji Co., Ltd. Rent levels have remained on an upward trend, having increased for 41 consecutive months running up to May 2017. In addition, the market has also continued to improve moderately in major cities outside Tokyo, amid developments that include falling vacancy rates and rising rent levels.

In the J-REIT market, although the Tokyo Stock Exchange REIT Index has marked gains in the wake of the U.S. presidential elections, there has been some sluggishness due to factors such as concerns regarding the interest rate outlook and mounting uncertainties regarding the new administration in the U.S. Nevertheless, the market has seen ongoing expansion in J-REIT asset sizes, fueled by factors such as continuing increases in the number of property acquisitions and rising acquisition prices amid an environment where the Bank of Japan has been maintaining its monetary easing policy and financing activity through publicly offered capital increase has become increasingly brisk.

(C) Investment Performance

The Investment Corporation acquired beneficiary interests of real estate in trust by publicly offered capital increase in a total of four properties, namely A-FLAG BIJUTSUKAN DORI (with the acquisition price of ¥4,700 million) and Shiodome Building (additional acquisition of 10% co-ownership interest, with the acquisition price of ¥20,900 million) on December 2, 2016, A-FLAG KOTTO DORI (with the acquisition price of ¥4,370 million) on December 20, 2016, and A-FLAG DAIKANYAMA WEST (with the acquisition price of ¥2,280 million) on January 6, 2017, as trust assets in accordance with the basic asset management policy set forth in the Articles of Incorporation. Furthermore, the Investment Corporation acquired beneficiary interests of real estate in trust to A-PLACE Shinagawa Higashi (with the acquisition price of ¥18,800 million) on March 16, 2017 as trust assets.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 39 properties (with the total acquisition price of ¥407,920 million) with the total leasable area of 370,194 m² (112,983 *tsubo*).

The trend of monthly average occupancy rate (Note 1) during the fiscal period under review is as follows:

	December 31, 2016	January 31, 2017	February 28, 2017	March 31, 2017	April 30, 2017	May 31, 2017
Urban Retail Properties	99.8%	99.7%	99.8%	99.6%	99.7%	99.8%
Tokyo Office Properties	99.4%	99.7%	99.7%	99.8%	99.5%	100.0%
Activia Account Properties (Note 2)	99.4%	99.4%	99.7%	99.4%	99.2%	99.6%
Total	99.5%	99.6%	99.7%	99.6%	99.4%	99.8%

(Note 1) Figures for occupancy rates are rounded to the nearest tenth.

(Note 2) As of January 17, 2017, the category name of “Other Properties,” one of the Investment Corporation’s investment targets, was changed to “Activia Account Properties”; the same shall apply hereinafter.

(D) Initiatives Regarding Sustainability

In aiming to build a portfolio consisting of “real estate capable of sustaining customer demand,” the Investment Corporation deems that efforts to achieve lower environmental loads while acting to contribute to our nearby surroundings and local communities also constitute an important portfolio consideration. From an environmental perspective, this involves daily to reduce energy consumption backed by our basic objective of cutting unit energy consumption by an annual average of 1% over the medium to long term. In specific terms, we have been successively upgrading to LED lighting at more locations, and accordingly completed installations of entrance spotlights at the Q plaza EBISU property and outdoor footlights at the Osaka Nakanoshima Building property during the fiscal period under review. We also continue to engage in annual initiatives geared to acquiring green building certifications, and have accordingly gained Five Stars in the DBJ Green Building Certification with respect to our Shiodome Building. As such, in conjunction with additionally acquired CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate certification, a total of 20 of our properties have acquired green building certification, which amounted to 56.8% of

our holdings calculated on the basis of gross floor area (as of July 12, 2017). In our communities, we are also taking action to bring about greater vitality with respect to nearby businesses, residents and cities by carrying out clean-up campaigns and holding summer festivals, and also by lending our support to community gardening events and “lights down” initiatives. The Investment Corporation will contribute to achieving a sustainable society by engaging in such initiatives geared to the environment and society.

(E) Overview of Financing

In the fiscal period under review, in order to cover the acquisition costs for beneficiary interests of real estate in trust to the above five properties and related costs, the Investment Corporation additionally issued investment units (61,040 units) through a public offering on December 1, 2016, issued new investment units (4,520 units) by a third-party allotment on December 15, 2016, and borrowed funds of ¥19,000 million on March 16, 2017. In addition, the Investment Corporation refinanced borrowings of ¥8,400 million in December, 2016 and ¥7,800 million in March, 2017. Also, in order to diversify repayment dates, extend the average maturity and diversify means of financing, the Investment Corporation issued investment corporation bonds of ¥6,000 million on February 2, 2017, and used the funds to cover repayment of short-term loans payable. As a result, as of the end of the fiscal period under review, unitholders’ capital amounted to ¥202,233 million, the total number of investment units issued came to 665,214 units and the balance of interest-bearing debt was ¥196,150 million (borrowings of ¥180,150 million and investment corporation bonds of ¥16,000 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.0% as of the end of the fiscal period under review. The ratio of long-term debt and fixed-interest debt to total interest-bearing debt were 94.9% and 92.8%, respectively.

The credit rating the Investment Corporation has obtained as of the end of the fiscal period under review is as follows. This investment unit does not have a credit rating provided or made available for inspection by a credit rating agency or one scheduled to be provided or made available for inspection by a credit rating agency at the Investment Corporation’s request.

Credit Rating Agency	Rating	Forecast
Japan Credit Rating Agency (JCR)	Long-term issuer rating: AA	Stable

(F) Overview of Financial Results and Distributions in the Fiscal Period under Review

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥12,107 million, ¥6,980 million, and ¥6,152 million, respectively, for the fiscal period under review, and profit was ¥6,151 million.

In accordance with the distribution policy set forth by the Investment Corporation (Article 35 of the Articles of Incorporation), it was decided that the all amount of unappropriated retained earnings would be distributed except a fraction of less than ¥1 of distributions per investment unit, with the aim that as greatest as possible distributions of profits would be included in tax deductible expenses under Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent revisions; hereinafter referred to as the “Special Taxation Measures Act”). Consequently, distributions per investment unit resulted in ¥9,248.

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

In the Japanese economy going forward, we expect modest recovery to continue, fueled by positive effects of factors that include rising capital investment brought about as corporate earnings improve and various economic measures take hold, as well as recovering consumer sentiment brought about by a more upbeat employment environment. Nevertheless, we will need to keep monitoring the situation with respect to developments such as the direction of monetary and economic policy in the U.S., instabilities in Europe such as those involving negotiations ahead of the U.K.'s withdrawal from the European Union, and the outlook in emerging economies including China.

In the rental office market, the trend of rising rents currently persists amid ongoing strong demand for corporate office expansion. As for concerns regarding the anticipated increase in office supply going forward, the likelihood of any such increase substantially affecting the Investment Corporation is seemingly low given that the geographic area involved is limited. Nevertheless, the Investment Corporation needs to monitor potential effects of such developments. With respect to the environment surrounding retail properties, while it is necessary to pay attention to the situation of demand involving inbound tourism, we anticipate ongoing moderate recovery in consumer sentiment against a backdrop of a robust employment environment. Meanwhile, we need to keep an eye on the situation of the J-REIT market, as although it continues to be supported by the monetary easing initiatives of the Bank of Japan, there are concerns regarding potential effects of normalizing interest rates in the U.S. and instabilities in Europe, and presently, the trend of a soft rise in demand appears to be weakening. Amid this environment, the Investment Corporation aims to improve unitholder value while constantly expanding the size of its assets through making continual advancements in internal growth by leveraging on the competitiveness of its assets under management and making careful investment decisions.

(B) Investment Policy and Developments to Be Addressed in the Next Fiscal Period

a. Basic Policy

The Investment Corporation's basic policies are to invest in assets, with targeted investments in Urban Retail and Tokyo Office properties; utilize the Tokyu Fudosan Holdings Group's value chain based on the comprehensive support system; and a governance structure that maximizes unitholder value.

b. External Growth Strategy

The Investment Corporation will invest in Urban Retail and Tokyo Office properties as a main target. It will make its investment decisions carefully, concentrating on selecting properties in excellent locations, including surrounding areas, and thoroughly considering individual factors such as use, size, quality, specifications, and tenants in order to construct a competitive portfolio in the medium to long term.

To acquire these competitive assets on an ongoing basis, the Investment Corporation will work to maintain and improve the quality of its portfolio and will seek to expand the size of its assets by carefully selecting investment assets based on the information it receives under its sponsor support agreement with Tokyu Land Corporation regarding the management of the Investment Corporation and its support agreement with five group companies in the Tokyu Fudosan Holdings Group. It will also acquire properties through the exclusive know-how and information-gathering network of the Asset Manager.

c. Internal Growth Strategy

The Investment Corporation will operate, manage, and refurbish its portfolio to maintain and improve the competitiveness of its facilities through a comprehensive understanding of the features of its overall portfolio and its individual assets under management, based on the unique expertise of its Asset Manager. The Investment Corporation will also seek to manage its portfolio in a stable manner and strengthen its earnings by establishing appropriate operational and management systems tailored to the specific characteristics of the assets it has invested in, and through regular and non-regular inspections by the property management company that has considerable experience in the operation and management of real estate.

The Investment Corporation will also maintain and improve the value of its assets through its expertise in internal growth through operating and managing properties. It will maximize the competitiveness of its assets through the ongoing assistance of Tokyu Land Corporation and other

support companies, which, through their face-to-face business with consumers, have rich information regarding consumer needs and developments in industries such as retail and services.

With respect to the property management business for the assets under management, leasing support has been provided from Tokyu Land Corporation, Tokyu Land SC Management Corporation or Tokyu Community Corporation.

d. Financial Strategy

Having the sound financial strategy in an effort to conservatively control LTV as well as make stable long-term loans and diversify maturities (diversifying repayment dates), the Investment Corporation will endeavor to build stable financial base with solid bank formation. In addition, with the aim of diversifying means of raising funds, the Investment Corporation will issue investment corporation bonds while paying close attention to trends in financial markets. The Investment Corporation will also continue to flexibly issue new investment units while paying appropriate attention to dilution of investment units with the aim of achieving long-term and stable growth.

(C) Significant Subsequent Events

Not applicable

(D) Outlook of Investment Performance

For the fiscal period ending November 30, 2017 (12th fiscal period: June 1, 2017 to November 30, 2017), investment performance is estimated as follows. For the assumptions used for the estimation of investment performance, please refer to “Assumptions for Forecasts of Investment Performance for the 12th Fiscal Period from June 1, 2017 to November 30, 2017 and the 13th Fiscal Period from December 1, 2017 to May 31, 2018” on pages 16 and 17.

Operating revenue	¥12,670 million
Operating profit	¥7,016 million
Ordinary profit	¥6,157 million
Profit	¥6,156 million
Cash distributions per unit	¥9,255
Cash distributions in excess of earnings per unit	¥0

If it is assumed that there are no changes in “Assumptions for Forecasts of Investment Performance for 12th Fiscal Period from June 1, 2017 to November 30, 2017 and the 13th Fiscal Period from December 1, 2017 to May 31, 2018” on pages 16 and 17, the outlook of investment performance for the fiscal period ending May 31, 2018 (13th fiscal period: December 1, 2017 to May 31, 2018) is estimated as follows.

Operating revenue	¥12,481 million
Operating profit	¥7,063 million
Ordinary profit	¥6,161 million
Profit	¥6,160 million
Cash distributions per unit	¥9,260
Cash distributions in excess of earnings per unit	¥0

(Note) The above estimation is determined based on certain assumptions at the time of preparing the financial statements. Due to changes in the circumstances surrounding the Investment Corporation including acquisition or disposition of properties, the trend of real estate market, etc. in the future, actual operating revenue, operating profit, ordinary profit, profit and cash distributions per unit may change. Furthermore, this estimation does not guarantee the amount of distributions.

Assumptions for Forecasts of Investment Performance for the 12th Fiscal Period from June 1, 2017 to November 30, 2017 and the 13th Fiscal Period from December 1, 2017 to May 31, 2018

Item	Assumptions
Period	<ul style="list-style-type: none"> • 12th fiscal period (June 1, 2017 to November 30, 2017) (183 days) • 13th fiscal period (December 1, 2017 to May 31, 2018) (182 days)
Investment portfolio	<ul style="list-style-type: none"> • We assume that there will be no material changes to the composition of our investment portfolio, including acquisition of properties or disposition of properties, associated with the 39 properties (the “Assets Currently Held”) for which we hold the trust beneficiary interests as of today, before the end of the 13th fiscal period (May 31, 2018). • Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenue	<ul style="list-style-type: none"> • We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc. • Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to rent business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors. • In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. For property tax and city planning tax, ¥888 million for the Assets Currently Held will be expensed in the fiscal period ending November 30, 2017 (12th fiscal period) and in the fiscal period ending May 31, 2018 (13th fiscal period), respectively. • Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period. • We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,194 million and ¥1,200 million for the 12th fiscal period ending November 30, 2017 and the 13th fiscal period ending May 31, 2018, respectively.
Non-operating expenses	<ul style="list-style-type: none"> • We expect interest and other borrowing-related expenses of ¥858 million and ¥902 million for the 12th fiscal period ending November 30, 2017 and the 13th fiscal period ending May 31, 2018, respectively.

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> • As of today, we have a balance of ¥196,150 million in interest-bearing debt (borrowings of ¥180,150 million and investment corporation bonds of ¥16,000 million). We assume that there will be no change to the balance of interest-bearing debt before the end of the 13th fiscal period (May 31, 2018). • We assume that there will be refinancing of borrowings coming due before the end of the 12th fiscal period (November 30, 2017) and the 13th fiscal period (May 31, 2018) (12th fiscal period: short-term loans payable of ¥5,000 million; 13th fiscal period: short-term loans payable of ¥5,000 million, long-term loans payable of ¥13,000 million). • We assume the LTV ratios as of November 30, 2017 and May 31, 2018 are both to be approximately 46%. • The LTV ratio is obtained by the following formula: LTV = Balance of interest-bearing debt / Total assets × 100
Units	<ul style="list-style-type: none"> • The number is based on our assumption of total of 665,214 units issued as of today. We assume that there will be no additional issuance of new investment units before the end of the 13th fiscal period (May 31, 2018). • The cash distributions per unit for the 12th fiscal period ending November 30, 2017 and the 13th fiscal period ending May 31, 2018 have been calculated in accordance with the total projected number of investment units issued as of the end of each of the fiscal periods which are 665,214 units.
Cash distributions per unit	<ul style="list-style-type: none"> • Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. • The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> • We do not currently anticipate cash distributions in excess of our distributable profit (cash distributions in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts. • We assume that there will be no material changes in general economic conditions or real estate markets.

3. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2016	As of May 31, 2017
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
Non-current assets		
Property, plant and equipment		
Buildings in trust	74,293,765	79,082,209
Accumulated depreciation	(6,259,822)	(7,373,381)
Buildings 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 non-current 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

(Unit: Thousands of yen)

	As of November 30, 2016	As of May 31, 2017
Liabilities		
Current liabilities		
Operating accounts payable	666,864	668,243
Short-term loans payable	5,400,000	10,000,000
Current portion of long-term loans payable	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
Non-current liabilities		
Investment corporation bond	10,000,000	16,000,000
Long-term loans payable	135,350,000	145,150,000
Tenant leasehold and security deposits in trust	15,790,599	19,194,160
Other	72	51
Total non-current 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 and translation adjustments		
Deferred gains or losses on hedges	75,684	65,673
Total valuation and translation adjustments	75,684	65,673
Total net assets	*2 177,018,373	*2 208,451,272
Total liabilities and net assets	371,680,572	425,977,400

(2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
Operating revenue		
Lease business revenue	*1, *2 10,175,270	*1, *2 11,370,770
Other lease business revenue	*1, *2 741,808	*1, *2 736,582
Total operating revenue	10,917,079	12,107,352
Operating expenses		
Expenses related to rent business	*1, *2 3,833,354	*1, *2 4,097,908
Asset management fee	821,891	915,853
Asset custody fee	10,016	11,446
Administrative service fees	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 profit	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 profit	5,410,581	6,152,573
Profit before income taxes	5,410,581	6,152,573
Income taxes - current	954	811
Income taxes - deferred	(0)	7
Total income taxes	954	818
Profit	5,409,626	6,151,755
Retained earnings brought forward	247	395
Unappropriated retained earnings (undisposed loss)	5,409,874	6,152,150

(3) Statement of Unitholders' Equity

Previous fiscal period (From June 1, 2016 to November 30, 2016)

(Unit: Thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of current period	171,532,813	5,196,849	5,196,849	176,729,663	–	–	176,729,663
Changes of items during period							
Dividends of surplus		(5,196,601)	(5,196,601)	(5,196,601)			(5,196,601)
Profit		5,409,626	5,409,626	5,409,626			5,409,626
Net changes of items other than unitholders' equity					75,684	75,684	75,684
Total changes of items during period	–	213,025	213,025	213,025	75,684	75,684	288,710
Balance at end of current period	*1 171,532,813	5,409,874	5,409,874	176,942,688	75,684	75,684	177,018,373

Current fiscal period (From December 1, 2016 to May 31, 2017)

(Unit: Thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of current period	171,532,813	5,409,874	5,409,874	176,942,688	75,684	75,684	177,018,373
Changes of items during period							
Issuance of new investment units	30,700,633			30,700,633			30,700,633
Dividends of surplus		(5,409,478)	(5,409,478)	(5,409,478)			(5,409,478)
Profit		6,151,755	6,151,755	6,151,755			6,151,755
Net changes of items other than unitholders' equity					(10,010)	(10,010)	(10,010)
Total changes of items during period	30,700,633	742,276	742,276	31,442,909	(10,010)	(10,010)	31,432,898
Balance at end of current period	*1 202,233,447	6,152,150	6,152,150	208,385,598	65,673	65,673	208,451,272

(4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
	Amount	Amount
I Unappropriated retained earnings	¥5,409,874,423	¥6,152,150,774
II Distributions	¥5,409,478,734	¥6,151,899,072
[Cash Distributions per unit]	[¥9,021]	[¥9,248]
III Earnings carried forward	¥395,689	¥251,702

Calculation method for distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, we will pay distributions at the total amount of ¥5,409,478,734, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 599,654, which is the total number of investment units issued; provided, however, that we will not pay the portion of amount that exceeds the net profit defined in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation.	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, we will pay distributions at the total amount of ¥6,151,899,072, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 665,214, which is the total number of investment units issued; provided, however, that we will not pay the portion of amount that exceeds the net profit defined in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation.
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(5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
Cash flows from operating activities		
Profit before income taxes	5,410,581	6,152,573
Depreciation	1,052,200	1,176,077
Loss on retirement of non-current assets	–	0
Amortization of investment corporation bond issuance costs	5,053	7,524
Interest income and interest on securities	(56)	(174)
Interest expenses	561,849	627,531
Investment unit issuance expenses	56,862	48,191
Borrowing related expenses	129,896	146,928
Decrease (increase) in operating accounts receivable	(62,249)	(134,894)
Decrease (increase) in consumption taxes refund receivable	(235,727)	240,810
Increase (decrease) in accrued consumption taxes	–	232,885
Decrease (increase) in prepaid expenses	120,125	(160,833)
Increase (decrease) in operating accounts payable	117,857	94,699
Increase (decrease) in accrued expenses	29,848	63,227
Increase (decrease) in advances received	112,838	111,220
Decrease (increase) in long-term prepaid expenses	2,654	15,594
Other, net	(5,876)	23,628
Subtotal	7,295,857	8,644,992
Interest income received	56	174
Interest expenses paid	(545,308)	(592,201)
Income taxes paid	(711)	(972)
Net cash provided by (used in) operating activities	6,749,894	8,051,992
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(31,446,459)	(47,344,411)
Purchase of intangible assets in trust	(263,070)	(4,304,399)
Repayments of tenant leasehold and security deposits in trust	(162,489)	(427,568)
Proceeds from tenant leasehold and security deposits in trust	1,131,156	3,831,129
Other, net	–	(426)
Net cash provided by (used in) investing activities	(30,740,863)	(48,245,675)
Cash flows from financing activities		
Increase in short-term loans payable	8,497,828	12,396,074
Decrease in short-term loans payable	(5,500,000)	(7,800,000)
Proceeds from long-term loans payable	38,534,925	22,519,387
Decrease in long-term loans payable	(12,000,000)	(14,400,000)
Proceeds from issuance of investment corporation bonds	–	5,962,843
Proceeds from issuance of investment units	–	30,597,876
Dividends paid	(5,197,061)	(5,410,632)
Other, net	(24,251)	(15,326)
Net cash provided by (used in) financing activities	24,311,441	43,850,222
Net increase (decrease) in cash and cash equivalents	320,471	3,656,538
Cash and cash equivalents at beginning of period	11,863,978	12,184,450
Cash and cash equivalents at end of period	*1 12,184,450	*1 15,840,989

(6) Notes on Assumption of Going Concern

Not applicable

(7) Notes on Important Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is used. The useful lives of major property, plant and equipment are listed below.</p> <table border="0"><tr><td>Buildings</td><td>2 to 70 years</td></tr><tr><td>Structures</td><td>2 to 60 years</td></tr><tr><td>Machinery and equipment</td><td>2 to 33 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr></table> <p>(2) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 70 years	Structures	2 to 60 years	Machinery and equipment	2 to 33 years	Tools, furniture and fixtures	2 to 15 years
Buildings	2 to 70 years								
Structures	2 to 60 years								
Machinery and equipment	2 to 33 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.</p>								
3. Accounting for income and expenses	<p>Property-related taxes</p> <p>For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to rent business.</p> <p>The settlement money for property tax that is paid to the transferor for acquisition of real properties (so-called “amount equivalent to property tax”) is not recorded as expenses related to rent business but included in the acquisition costs for the related properties. The amount equivalent to property tax included in acquisition cost for properties for the current fiscal period is ¥101,356 thousand.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. For interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term loans payable</p> <p>(3) Hedging policy Based on the management policy of financial market risks, the Investment Corporation makes interest rate swaps for the purpose to hedge risks set forth in the Articles of Incorporation of the Investment Corporation.</p> <p>(4) Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.</p>								
5. Scope of cash (cash and cash equivalents) in the statement of cash flows	<p>Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.</p>								

6. Other important matters related to the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interest with real estate, etc. as trust asset</p> <p>With regard to trust beneficiary interest with real estate, etc. in holding as trust asset, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheet and statement of income.</p> <p>Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheet.</p> <p>i) Cash and deposits in trust</p> <p>ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and leasehold rights in trust</p> <p>iii) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting method for consumption tax and local consumption tax</p> <p>Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for non-current assets, etc. are included in acquisition cost for each asset.</p>
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(8) Notes to Financial Statements

Notes to Balance Sheet

1. Commitment Line Contracts

The Investment Corporation has the commitment line contracts with four of the banks with which it does business.

	As of November 30, 2016	As of May 31, 2017
Total amount specified in the commitment line contracts	¥16,000,000 thousand	¥20,000,000 thousand
Loan balance	-	-
Net balance	¥16,000,000 thousand	¥20,000,000 thousand

*2. Minimum Net Assets Stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	As of November 30, 2016	As of May 31, 2017
	¥50,000 thousand	¥50,000 thousand

Notes to Statement of Income

*1. Breakdown of Profit (Loss) from Real Estate Leasing Business

	(Unit: Thousands of yen)			
	Previous fiscal period (From June 1, 2016 to November 30, 2016)		Current fiscal period (From December 1, 2016 to May 31, 2017)	
A. Real estate leasing business revenues				
Lease business revenue				
Rent	9,237,180		10,233,375	
Common service fees	677,667		845,780	
Parking lots fees	182,642		206,124	
Other rent revenue	77,779	10,175,270	85,490	11,370,770
Other lease business revenue		741,808		736,582
Total real estate leasing business revenues		10,917,079		12,107,352
B. Real estate leasing business expenses				
Expenses related to rent business				
Management operation expenses	917,069		1,037,552	
Utilities expenses	652,342		682,073	
Tax and public dues	772,413		778,702	
Insurance	7,417		8,854	
Repair and maintenance expenses	231,085		197,447	
Depreciation	1,051,941		1,175,819	
Loss on retirement of non-current assets	-		0	
Other expenses related to rent business	201,084	3,833,354	217,457	4,097,908
Total real estate leasing business expenses		3,833,354		4,097,908
C. Profit (loss) from real estate leasing business (A – B)		7,083,724		8,009,444

*2. Transactions with Major Unitholders

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
Operating transactions		
Lease business revenue	2,008,147	-
Other lease business revenue	151,391	-
Expenses related to rent business	72,757	-

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
*1. Total number of authorized investment units and total number of investment units issued		
Total number of authorized investment units	4,000,000 units	4,000,000 units
Total number of investment units issued	599,654 units	665,214 units

Notes to Statement of Cash Flows

*1. Reconciliation between Cash and Cash Equivalents at End of Period and the Amount on the Balance Sheet

	As of November 30, 2016	As of May 31, 2017
Cash and deposits	¥7,919,219 thousand	¥12,959,519 thousand
Cash and deposits in trust	¥4,265,231 thousand	¥2,881,469 thousand
Cash and cash equivalents	¥12,184,450 thousand	¥15,840,989 thousand

Notes on Financial Instruments

1. Matters Regarding Financial Instruments

(1) Policy for Financial Instruments

The Investment Corporation raises funds by borrowing, issuing investment corporation bonds, or issuing investment units for the purpose of acquiring real estate-related assets and repaying interest-bearing debt.

When raising funds, the Investment Corporation aims to sustain stable financing capability for a long time at low cost by enhancing its capital adequacy and maintaining conservative interest-bearing debt, looking for attributes such as extended borrowing periods for interest-bearing debt, fixed interest rates, and diversified due dates to ensure financial stability and avoid the risk of interest-rate hikes.

We also invest temporary excess funds in deposits in general, taking safety and liquidity, etc. into account and carefully considering the interest-rate environment and our cash management.

We may carry out derivatives transactions for the purpose of hedging the interest-rate risk of borrowings and other risks, but do not engage in speculative transactions.

(2) Content and Risks of Financial Instruments and Risk Management System

As the excess funds of the Investment Corporation are invested in deposits, they are exposed to credit risks such as the insolvency of the financial institutions in which the excess funds are deposited. However, we deposit excess funds carefully by limiting the period of deposits to the short term, taking safety and liquidity, etc. into account and carefully considering the financial environment and our cash management.

Borrowings and investment corporation bond are mainly for the purpose of acquiring real estate and refinancing of existing borrowings. Tenant leasehold and security deposits are deposits provided by tenants. Borrowings, investment corporation bond, tenant leasehold and security deposits are exposed to liquidity risks at the time of repayment or redemption. However, these risks are managed through management of liquidity in hand by preparing a monthly funding plan, efforts to reduce liquidity risk on loans payable and investment corporation bond by diversifying repayment periods, etc., and other means.

Floating-rate loans payable are also exposed to the risk of fluctuations in interest-rates. However, these risks are managed through derivative transactions (interest rate swaps) as hedging instruments in certain floating-rate loans payable.

(3) Supplemental Remarks on the Fair Value of Financial Instruments

The fair value of financial instruments is based on market prices or reasonably calculated value if it has no market price. As certain assumptions are made in calculating these values, if different assumptions, etc. are used, these values could vary.

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of November 30, 2016, are as shown below. Financial instruments whose fair value is considered to be extremely difficult to determine are not included in this table (please refer to (Note 2)).

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	7,919,219	7,919,219	—
(2) Cash and deposits in trust	4,265,231	4,265,231	—
Total assets	12,184,450	12,184,450	—
(1) Short-term loans payable	5,400,000	5,400,000	—
(2) Current portion of long-term loans payable	26,400,000	26,447,238	47,238
(3) Investment corporation bond	10,000,000	10,171,335	171,335
(4) Long-term loans payable	135,350,000	137,875,039	2,525,039
Total liabilities	177,150,000	179,893,614	2,743,614
Derivative transactions	75,684	75,684	—

Carrying amounts, fair values, and the differences between the two values as of May 31, 2017, are as shown below. Financial instruments whose fair value is considered to be extremely difficult to determine are not included in this table (please refer to (Note 2)).

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	12,959,519	12,959,519	–
(2) Cash and deposits in trust	2,881,469	2,881,469	–
Total assets	15,840,989	15,840,989	–
(1) Short-term loans payable	10,000,000	10,000,000	–
(2) Current portion of long-term loans payable	25,000,000	25,038,580	38,580
(3) Investment corporation bond	16,000,000	16,201,572	201,572
(4) Long-term loans payable	145,150,000	147,457,012	2,307,012
Total liabilities	196,150,000	198,697,165	2,547,165
Derivative transactions	65,673	65,673	–

(Note 1) Measurement Methods for Fair Values of Financial Instruments

Assets

(1) Cash and deposits, (2) Cash and deposits in trust

The book value is used as the fair value of these assets, given that the fair value is almost the same as the book value, as it is settled in a short time.

Liabilities

(1) Short-term loans payable

The book value is used as the fair value of these liabilities, given that the fair value is almost the same as the book value, as it is settled in a short time.

(2) Current portion of long-term loans payable, (4) Long-term loans payable

These fair values are determined by discounting the total of principal and interest at the rate assumed when a new loan is made corresponding to the remaining period. The book value is used as the fair value of those loans payable with floating interest rate, given that the fair value is almost the same as the book value, as their interest rates are reviewed on a short-term interval to reflect market interest rates (however, for long-term loans payable with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar new loan).

(3) Investment corporation bond

The fair value is determined by discounting the total of principal and interest at a rate taking into account the remaining period and credit risk of the said investment corporation bonds.

Derivative transactions

Please refer to “Notes on Derivative Transactions” on page 31 and 32.

(Note 2) Carrying Amounts of Financial Instruments Whose Fair Value Is Considered to Be Extremely Difficult to Determine

(Unit: Thousands of yen)

Category	As of November 30, 2016	As of May 31, 2017
Tenant leasehold and security deposits in trust *	15,790,599	19,194,160

* As there are no market prices for tenant leasehold and security deposits in trust from tenants for leasehold properties and the actual period of deposit from move-in of the tenant to move-out is difficult to determine, it is extremely difficult to reasonably estimate the cash flow. Therefore, the fair value for tenant leasehold and security deposits in trust is not subject to the disclosure of fair value.

(Note 3) Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (November 30, 2016)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	7,919,219	-	-	-	-	-
Deposits in trust	4,265,231	-	-	-	-	-
Total	12,184,450	-	-	-	-	-

Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (May 31, 2017)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	12,959,519	-	-	-	-	-
Deposits in trust	2,881,469	-	-	-	-	-
Total	15,840,989	-	-	-	-	-

(Note 4) Expected Amounts of Repayment of Loans Payable and Investment Corporation Bond after the Account Closing Date (November 30, 2016)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Short-term loans payable	5,400,000	-	-	-	-	-
Investment corporation bond	-	-	4,000,000	2,000,000	-	4,000,000
Long-term loans payable	26,400,000	25,000,000	19,600,000	7,300,000	12,000,000	71,450,000
Total	31,800,000	25,000,000	23,600,000	9,300,000	12,000,000	75,450,000

Expected Amounts of Repayment of Loans Payable and Investment Corporation Bond after the Account Closing Date (May 31, 2017)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Short-term loans payable	10,000,000	–	–	–	–	–
Investment corporation bond	–	4,000,000	6,000,000	–	–	6,000,000
Long-term loans payable	25,000,000	18,500,000	20,400,000	12,500,000	7,500,000	86,250,000
Total	35,000,000	22,500,000	26,400,000	12,500,000	7,500,000	92,250,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2016)

Not applicable

(As of May 31, 2017)

Not applicable

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of November 30, 2016)

The following table shows contract amount or principal amount, etc. set forth in the contract as of the account closing date by method of hedge accounting.

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term loans payable	14,400,000	14,400,000	75,684	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term loans payable	10,000,000	10,000,000	*	–

(As of May 31, 2017)

The following table shows contract amount or principal amount, etc. set forth in the contract as of the account closing date by method of hedge accounting.

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term loans payable	14,400,000	14,400,000	65,673	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term loans payable	10,000,000	5,000,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term loans payable, a hedged item. Thus, their fair values are included in the fair value of long-term loans payable. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (4)” on page 29.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of November 30, 2016	As of May 31, 2017
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥17 thousand	¥10 thousand
Total deferred tax assets	¥17 thousand	¥10 thousand
Net deferred tax assets	¥17 thousand	¥10 thousand

2. Reconciliation of Significant Difference between Effective Statutory Tax Rate and Effective Income Tax Rate after Application of Tax Effect Accounting

	As of November 30, 2016	As of May 31, 2017
Effective statutory tax rate	31.74%	31.74%
Adjustments		
Distributions paid included in deductibles	(31.73)%	(31.74)%
Other	0.01%	0.01%
Effective income tax rate after application of tax effect accounting	0.02%	0.01%

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

Previous fiscal period (From June 1, 2016 to November 30, 2016)

Attribute	Name	Address	Capital stock or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unitholder	Tokyu Land Corporation	21-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.32%	None	Major unitholder, and rent and management of properties	Receipt of tenant leasehold and security deposits	7,261	Tenant leasehold and security deposits in trust	2,485,408
								Repayments of tenant leasehold and security deposits	15,956		
								Rental revenues, etc.	2,159,539	Operating accounts receivable	68,012
										Advances received	104,270

Current fiscal period (From December 1, 2016 to May 31, 2017)

Attribute	Name	Address	Capital stock or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned) (Note 3)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Ending balance (Thousands of yen) (Note 3)
						Interlocking officers, etc.	Business relationship				
Major unitholder	Tokyu Land Corporation	21-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.32%	None	Major unitholder, and rent and management of properties	-	-	Tenant leasehold and security deposits in trust	2,485,408
										Operating accounts receivable	68,012
										Advances received	104,270

(Note 1) Of the amounts above, the transaction amount does not include consumption taxes, and the ending balance includes consumption taxes.

(Note 2) The transaction terms are based on current market practices.

(Note 3) Due to the Investment Corporation's issuance of new investment units through public offering that was conducted on December 1, 2016 (first day of the fiscal period), Tokyu Land Corporation no longer qualifies as a related party. Consequently, the percentage of voting rights owning (owned) and the ending balance stated above, are for the percentage and amount as of the start of the fiscal period when that company ceased to qualify as a related party.

2. Associates, etc.

Previous fiscal period (From June 1, 2016 to November 30, 2016)

Not applicable

Current fiscal period (From December 1, 2016 to May 31, 2017)

Not applicable

3. Sister companies, etc.

Previous fiscal period (From June 1, 2016 to November 30, 2016)

Attribute	Name	Address	Capital stock or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	2-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	-	None	Subsidiary of major unitholder	Receipt of tenant leasehold and security deposits	22,712	Tenant leasehold and security deposits in trust	5,382,707
								Repayments of tenant leasehold and security deposits	29,000		
								Rental revenues, etc.	3,912,813	Operating accounts receivable	147,261
										Advances received	1,083
Subsidiary of major unitholder	TLC Activia Investment Management Inc.	1-1, Minami-Aoyama 1-chome, Minato-ku, Tokyo	300	Operations related to management of the Investment Corporation's portfolio assets	-	1 interlocking officer	Asset manager	Payment of fees for asset management	1,033,361	Other accrued expenses	335,504

Current fiscal period (From December 1, 2016 to May 31, 2017)

Attribute	Name	Address	Capital stock or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned) (Note 4)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Ending balance (Thousands of yen) (Note 4)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	2-2, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	-	None	Subsidiary of major unitholder	-	-	Tenant leasehold and security deposits in trust	5,382,707
								-	-	Operating accounts receivable	147,261
								-	-	Advances received	1,083
Subsidiary of major unitholder	TLC Activia Investment Management Inc.	1-1, Minami-Aoyama 1-chome, Minato-ku, Tokyo	300	Operations related to management of the Investment Corporation's portfolio assets	-	1 interlocking officer	Asset manager	-	-	Other accrued expenses	335,504

(Note 1) The amount of remuneration above is in accordance with the terms set forth in the Articles of Incorporation of the Investment Corporation.

(Note 2) Of the amounts above, the transaction amount does not include consumption taxes, and the ending balance includes consumption taxes.

(Note 3) The transaction terms are based on current market practices.

(Note 4) As a result of Tokyu Land Corporation no longer qualifying as a related party due to the Investment Corporation's issuance of new investment units through public offering that was conducted on December 1, 2016 (first day of the fiscal period), Tokyu Land Corporation's subsidiaries Tokyu Land SC Management Corporation, and TLC Activia Investment Management Inc. (currently TLC REIT Management Inc.) no longer qualify as related parties. Consequently, the percentage of voting rights owning (owned) and the ending balance stated above, are for the percentage and amount as of the start of the fiscal period when the two companies ceased to qualify as related parties.

4. Directors and major individual unitholders

Previous fiscal period (From June 1, 2016 to November 30, 2016)

Not applicable

Current fiscal period (From December 1, 2016 to May 31, 2017)

Not applicable

Notes on Investment and Rental Properties

The Investment Corporation holds Urban Retail and Tokyo Office properties, etc. in Tokyo and other regions for rental revenue. The carrying amounts on the balance sheet, changes during the fiscal period, and fair values of investment and rental properties are as follows.

(Unit: Thousands of yen)

Use		Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	142,985,252	142,972,944
	Changes during period	(12,308)	11,137,686
	Balance at end of period	142,972,944	154,110,630
	Fair value at end of period	172,235,000	186,965,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	129,392,529	136,678,436
	Changes during period	7,285,907	39,564,647
	Balance at end of period	136,678,436	176,243,083
	Fair value at end of period	152,420,000	196,020,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	54,166,215	77,755,251
	Changes during period	23,589,036	(278,260)
	Balance at end of period	77,755,251	77,476,991
	Fair value at end of period	87,050,000	88,570,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	326,543,997	357,406,633
	Changes during period	30,862,635	50,424,072
	Balance at end of period	357,406,633	407,830,705
	Fair value at end of period	411,705,000	471,555,000

(Note 1) The carrying amount on the balance sheet is the acquisition cost less accumulated depreciation.

(Note 2) The main reason for the increase in the current fiscal period is the acquisition of five properties (A-FLAG KOTTO DORI, A-FLAG BIJUTSUKAN DORI, A-FLAG DAIKANYAMA WEST, Shiodome Building and A-PLACE Shinagawa Higashi) worth ¥51,452,384 thousand. The decrease is mainly due to the provision of depreciation worth ¥1,175,819 thousand.

(Note 3) The fair value at end of period is the appraisal value provided by an outside real estate appraiser.

The profit/loss concerning investment and rental properties for the current fiscal period is indicated under “Notes to Statement of Income.”

Per Unit Information

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
Net assets per unit	¥295,200	¥313,359
Basic earnings per unit	¥9,021	¥9,252

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (previous fiscal period 599,654 units; current fiscal period 664,866 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

(Note 2) The basis for calculating basic earnings per unit is as follows:

	Previous fiscal period (From June 1, 2016 to November 30, 2016)	Current fiscal period (From December 1, 2016 to May 31, 2017)
Profit (Thousands of yen)	5,409,626	6,151,755
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	5,409,626	6,151,755
Average number of investment units for the period (Units)	599,654	664,866

Significant Subsequent Events

Not applicable

Omission of Disclosure

As the need for disclosing notes on lease transactions, securities, retirement benefits, equity in earnings of affiliates, asset retirement obligations, and segment information in this financial report is not considered to be substantial, the disclosure of these items is omitted.

(9) Changes in Total Number of Investment Units Issued and Outstanding

The Investment Corporation carried out issuances of new investment units on December 1, 2016, and December 15, 2016 (61,040 units in a capital increase through public offering and 4,520 units in a third-party allotment), thus procuring funds of ¥30,700 million. Changes in total investments and the number of investment units issued up to the current fiscal period are as follows:

Date	Summary	Total investments (Thousands of yen)		Total number of investment units issued (Units)		Remarks
		Change	Balance	Change	Balance	
September 7, 2011	Establishment through private placement	200,000	200,000	400	400	(Note 1)
June 12, 2012	Capital increase through public offering	90,834,705	91,034,705	204,100	204,500	(Note 2)
July 10, 2012	Capital increase through third-party allotment	339,128	91,373,833	762	205,262	(Note 3)
December 16, 2013	Capital increase through public offering	32,636,569	124,010,403	43,100	248,362	(Note 4)
January 15, 2014	Capital increase through third-party allotment	2,044,518	126,054,921	2,700	251,062	(Note 5)
December 17, 2014	Capital increase through public offering	22,800,626	148,855,547	24,050	275,112	(Note 6)
January 8, 2015	Capital increase through third-party allotment	1,915,063	150,770,610	2,020	277,132	(Note 7)
October 1, 2015	Investment unit split	–	150,770,610	277,132	554,264	(Note 8)
December 15, 2015	Capital increase through public offering	19,152,091	169,922,702	41,870	596,134	(Note 9)
January 6, 2016	Capital increase through third-party allotment	1,610,111	171,532,813	3,520	599,654	(Note 10)
December 1, 2016	Capital increase through public offering	28,583,994	200,116,808	61,040	660,694	(Note 11)
December 15, 2016	Capital increase through third-party allotment	2,116,639	202,233,447	4,520	665,214	(Note 12)

(Note 1) The Investment Corporation was established with an offering price per unit of ¥500,000.

(Note 2) New investment units were issued by public offering with an offering price per unit of ¥460,000 (paid-in amount of ¥445,050 per unit) in order to raise funds for the acquisition of new properties, etc., and then investment operations were commenced.

(Note 3) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥445,050 per unit.

- (Note 4) New investment units were issued by public offering with an offering price per unit of ¥782,925 (paid-in amount of ¥757,229 per unit) in order to raise funds for the acquisition of new properties, etc.
- (Note 5) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥757,229 per unit.
- (Note 6) New investment units were issued by public offering with an offering price per unit of ¥979,020 (paid-in amount of ¥948,051 per unit) in order to raise funds for the acquisition of new properties.
- (Note 7) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥948,051 per unit.
- (Note 8) A two-for-one split of the investment units has been implemented, with September 30, 2015 as the record date and October 1, 2015 as the effective date.
- (Note 9) New investment units were issued by public offering with an offering price per unit of ¥472,360 (paid-in amount of ¥457,418 per unit) in order to raise funds for the acquisition of new properties, etc.
- (Note 10) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥457,418 per unit.
- (Note 11) New investment units were issued by public offering with an offering price per unit of ¥483,326 (paid-in amount of ¥468,283 per unit) in order to raise funds for the acquisition of new properties.
- (Note 12) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥468,283 per unit.

4. Changes in Directors and Corporate Auditors

(1) Changes in Directors and Corporate Auditors at the Investment Corporation

On March 31, 2017, Executive Director Michie Kawai resigned from office, and alternate Executive Director Nariaki Hosoi newly assumed office as an Executive Director on April 1, 2017. As of the date of this financial report, the situation of Directors and Corporate Auditors at the Investment Corporation is as follows:

Position	Name	Brief personal history		Number of investment units owned
Executive Director	Nariaki Hosoi	Apr. 1987 Jul. 2000 Apr. 2010 Apr. 2011 Apr. 2013 Mar. 2015 Apr. 2017 Apr. 2017	Tokyu Land Corporation Manager of the Urban Business Division Executive Manager of the Commercial Facilities Development Department, Commercial Facilities Division Seconded to TLC Township Inc. (currently TLC REIT Management Inc.) Director, Managing Executive Officer, and Executive Officer of the Asset Management Department Director, Managing Executive Officer Executive Director of Activia Properties Inc. Seconded to TLC REIT Management Inc. Currently serves as Managing Director, Chief Division Officer of Activia Management Division Currently serves as Executive Director of Activia Properties Inc.	–
Supervisory Director	Yonosuke Yamada	Apr. 1989 Oct. 1989 Dec. 1994 Jan. 1996 Mar. 2004 Jun. 2004 Jan. 2005 May 2005 May 2006 Jun. 2006 Sep. 2011 Oct. 2014 Dec. 2014	Registered as an attorney (Dai-ichi Tokyo Bar Association) Nagashima & Ohno law firm (currently Nagashima, Ohno & Tsunematsu) Partner, the Yamada law firm Outside Corporate Auditor, SANYO TRADING CO., LTD. Director of Denenchofufutaba Gakuen Currently serves as Corporate Auditor of Higeta Shoyu, Inc. Currently serves as Outside Corporate Auditor of Mitsubishi Logistics Corporation Instructor (defense in criminal cases) at the Judicial Research and Training Institute of the Supreme Court of Japan Currently serves as Managing Partner of Yamada, Goya and Suzuki law offices Independent Committee Member of Inabata & Co., Ltd. Currently serves as Outside Corporate Auditor of Kanematsu Corporation Currently serves as Supervisory Director of Activia Properties Inc. Director of Morimura Gakuen Currently serves as Outside Director of SANYO TRADING CO., LTD.	–
Supervisory Director	Yoshinori Ariga	Oct. 1989 Mar. 1994 Oct. 1995 Sep. 2000 Sep. 2004 Sep. 2004 Jan. 2005 Sep. 2011 Jan. 2013 Jun. 2016	Chuo Shinko Audit Corporation Registered as an accountant Seconded to the Amsterdam office of PricewaterhouseCoopers ChuoAoyama Audit Corporation Currently serves at Ariga Yoshinori accounting office Sakamaki Keiji tax advisor office Registered as a tax advisor Currently serves as Supervisory Director of Activia Properties Inc. Currently serves at Ariga Yoshinori tax advisor office Currently serves as Outside Corporate Auditor of Achilles Corporation	–

(2) Changes in Directors and Corporate Auditors at the Asset Manager

Associated with the Reorganization, the Asset Manager was changed from TLC Activia Investment Management Inc. to TLC REIT Management Inc. on April 1, 2017. As of the date of this financial report, the situation of Directors and Corporate Auditors at the Asset Manager is as follows:

Position	Name	Brief personal history		Number of investment units owned
Representative Director	Hiroyuki Tohmata	Apr. 1983 Apr. 1996 Apr. 2002 Apr. 2007 Apr. 2008 Apr. 2009 Oct. 2009 Oct. 2009 Jun. 2010 Apr. 2015	Tokyu Land Corporation Manager of the Residential Business Division Manager of the Corporate Planning Department Manager of the Asset Utilization Business Division General Manager of the Asset Solution Department No.2, Asset Utilization Business Division Head of the Business Planning Office General Manager of the Strategic Planning and Corporate Finance Department, Asset Planning and Development Division Seconded to TLC Realty Management Inc. (currently TLC REIT Management Inc.) Currently serves as Representative Director Executive Director of Comforia Residential REIT, Inc Operating Officer of Tokyu Land Corporation	—
Managing Director	Nariaki Hosoi	Please refer to the above “(1) Changes in Directors and Corporate Auditors at the Investment Corporation.”		—
Director (Part-time)	Takashi Ikeuchi	Apr. 1989 Apr. 2002 Apr. 2006 Apr. 2009 Apr. 2010 Apr. 2011 Apr. 2011 Apr. 2014 Apr. 2014 Apr. 2014 Apr. 2015 Jun. 2015 Feb. 2016 Feb. 2016 Feb. 2016 Apr. 2016 Apr. 2017 Apr. 2017	Tokyu Land Corporation Manager of the Corporate Planning Department Manager of the Asset Utilization Business Division Manager of the Asset Planning and Development Division Manager of the Investment Management Division Executive Manager of the Investment Management Department, Investment Management Division Director (Part-time) of TLC Township Inc. (currently TLC REIT Management Inc.) Executive Manager of the Investment Planning Department, Investment Management Division, Urban Business Unit, Tokyu Land Corporation Currently serves as Director (Part-time) of Tokyu Land Capital Management Inc. Director of TLC Comforia Investment Management INC. (currently TLC REIT Management Inc.) Deputy Manager of the Investment Management Division and Executive Manager of the Investment Planning Department No. 1, Urban Business Unit, Tokyu Land Corporation Director of Shinjuku-I-Land Corporation Director of Sendai International Airport Co., Ltd. Director of Sendai Air Cargo Terminal Co., Ltd. Director of Sendai Airport Service Co., Ltd. Operating Officer and Division Manager of the Investment Management Division, Urban Business Unit, Tokyu Land Corporation Currently serves as Operating Officer and Division Manager of the Investment Management Division and Executive Manager of the Investment Planning Department, Urban Business Unit, Tokyu Land Corporation Currently serves as Director (Part-time) of TLC REIT Management Inc.	—

Position	Name	Brief personal history		Number of investment units owned
Director (Part-time)	Yasuhiro Kurokawa	Apr. 1995 Feb. 2007 Jul. 2007 Jan. 2011 Apr. 2016 Apr. 2017 Apr. 2017 Apr. 2017 Apr. 2017 Jun. 2017	Tokyu Construction Co., Ltd. Tokyu Land Corporation Seconded to Tokyu Land Capital Management Inc. Manager of the Investment Management Division, Tokyu Land Corporation General Manager of the Investment Planning Department, Investment Management Division, Urban Business Unit Currently serves as Executive Manager of Business Strategy Department, Urban Business Unit Currently serves as Director (Part-time) of TLC REIT Management Inc. Currently serves as Director (Part-time) of Tokyu Land Capital Management Inc. Currently serves as Representative Director of Life & Work Design Co., Ltd. Currently serves as Director (Part-time) of Shinjuku-I-Land Corporation	—
Corporate Auditor (Part-time)	Akira Yamaguchi	Apr. 1982 Apr. 1997 Oct. 1999 Apr. 2003 Apr. 2008 Apr. 2008 Oct. 2009 Nov. 2010 Apr. 2011 Oct. 2013 Oct. 2013 Apr. 2014 Apr. 2014 Apr. 2016 Apr. 2016 Apr. 2017 Apr. 2017	Tokyu Land Corporation Manager of the Urban Business Division Seconded to Urban Renaissance Agency Manager of the Compliance Department, Tokyu Land Corporation Head of the Internal Audit Office Currently serves as Corporate Auditor (Part-time) of Tokyu Land Capital Management Inc. Currently serves as Corporate Auditor (Part-time) of TLC Realty Management INC. (currently TLC REIT Management Inc.) Currently serves as Corporate Auditor (Part-time) of TLC Township Inc. (currently TLC REIT Management Inc.) Executive Officer of the Internal Audit Department, Tokyu Land Corporation Executive Manager of the Internal Audit Department, Tokyu Land Corporation Executive Manager of the Internal Audit Department, Tokyu Fudosan Holdings Corporation Executive Officer of the Internal Audit Department, Tokyu Land Corporation Executive Officer of the Internal Audit Department, Tokyu Fudosan Holdings Corporation Executive Officer of the Group Internal Audit Department, Tokyu Fudosan Holdings Corporation Director (Part-time) of Pacific Islands Development Corporation Currently serves as General Manager of the Internal Audit Department, Tokyu Land Corporation Currently serves as General Manager of the Group Internal Audit Department, Tokyu Fudosan Holdings Corporation	—

(Note) In addition to the details provided above, Corporate Auditor Akira Yamaguchi is currently in office as part-time corporate auditor at the companies presented below.
NATIONAL STUDENTS INFORMATION CENTER CO., LTD., HOKUWA CONSTRUCTION, INC.,
HOMIC CO., LTD., Nasic I support Co., Ltd., Nasic Educational Solution Co., Ltd., SIGMA JAPAN CO., LTD.

5. Reference Information

(1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of November 30, 2016)		Current fiscal period (As of May 31, 2017)	
		Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	By property type				
	Urban Retail Properties	–	–	–	–
	Tokyo Office Properties	–	–	–	–
	Activia Account Properties	–	–	–	–
	By location				
	The five central wards of Tokyo (Note 3)	–	–	–	–
	Wards of Tokyo other than the five central wards	–	–	–	–
	Three major metropolitan areas (Note 4)	–	–	–	–
	Other locations	–	–	–	–
Subtotal	–	–	–	–	
Real estate in trust	By property type				
	Urban Retail Properties	142,972	38.5	154,110	36.2
	Tokyo Office Properties	136,678	36.8	176,243	41.4
	Activia Account Properties	77,755	20.9	77,476	18.2
	By location				
	The five central wards of Tokyo (Note 3)	203,613	54.8	254,607	59.8
	Wards of Tokyo other than the five central wards	33,683	9.1	33,564	7.9
	Three major metropolitan areas (Note 4)	115,518	31.1	115,104	27.0
	Other locations	4,590	1.2	4,554	1.1
Subtotal	357,406	96.2	407,830	95.7	
Total real estate assets		357,406	96.2	407,830	95.7
Deposits and other assets		14,273	3.8	18,146	4.3
Total assets (Note 5)		371,680	100.0	425,977	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)
Total liabilities (Note 5) (Note 6)	194,662	52.4	217,526	51.1
Total net assets (Note 5)	177,018	47.6	208,451	48.9

(Note 1) The total amount held is based on the carrying amounts on the balance sheet as of the end of each fiscal period (for real estate and real estate in trust, book value less depreciation expenses), in accordance with the asset valuation method set forth in the Articles of Incorporation of the Investment Corporation.

(Note 2) Figures are rounded to the nearest tenth.

(Note 3) “The five central wards of Tokyo” refers to Chiyoda ward (*Chiyoda-ku*), Chuo ward (*Chuo-ku*), Minato ward (*Minato-ku*), Shinjuku ward (*Shinjuku-ku*) and Shibuya ward (*Shibuya-ku*) in Tokyo.

(Note 4) “Three major metropolitan areas” refers to the Tokyo area (Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture), the Chukyo area (Aichi Prefecture) and the Kinki area (Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture); the same shall apply hereinafter.

(Note 5) Total assets, total liabilities and total net assets represent the amounts reported in the balance sheet as of the end of each fiscal period.

(Note 6) Total liabilities include the obligation to refund tenant leasehold and security deposits.

(2) Investment Assets

i) Major investment securities

Not applicable

ii) Investment properties

Properties in trust held by the Investment Corporation are included in the below section “iii) Other investment assets.”

iii) Other investment assets

(A) Overview of real estate and beneficiary interests of real estate in trust

The following table shows property name, acquisition price, book value at the end of the fiscal period, assessed value at the end of the fiscal period, return price and investment ratio related to the assets held by the Investment Corporation as of the end of the 11th fiscal period. Figures shown in the table are as of May 31, 2017 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 2017)

Category	Property number (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Assessed value at end of period (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 6)	45,000	44,880	56,025	56,625	2.9	55,425	2.6	3.0	11.0
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,803	14,600	14,800	4.2	14,500	4.3	4.4	2.8
	UR-3	Q plaza EBISU (Note 7)	8,430	8,306	10,700	10,800	3.5	10,600	3.7/3.6	3.7	2.1
	UR-4	Shinbashi Place	20,500	20,315	24,900	25,300	4.4	24,700	4.2	4.6	5.0
	UR-5	Kyoto Karasuma Parking Building	8,860	8,783	11,100	11,100	4.9	11,100	4.9	5.1	2.2
	UR-6	A-FLAG AKASAKA	3,000	3,089	3,620	3,690	3.7	3,550	3.5	3.9	0.7
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	21,080	26,100	26,400	4.1	25,800	3.9	4.3	5.2
	UR-8	A-FLAG SAPPORO	4,410	4,554	6,810	6,780	5.6	6,820	5.4	5.8	1.1
	UR-9	A-FLAG SHIBUYA	6,370	6,365	7,380	7,500	4.0	7,330	3.8	4.2	1.6
	UR-10	Q plaza SHINSAIBASHI	13,350	13,475	13,900	14,000	3.7	13,700	3.5	3.9	3.3
	UR-11	A-FLAG KOTTO DORI	4,370	4,411	4,690	4,830	3.6	4,630	3.3	3.7	1.1
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,723	4,760	4,840	3.6	4,680	3.4	3.8	1.2
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,320	2,380	2,440	4.0	2,320	3.8	4.2	0.6
		Subtotal	154,050	154,110	186,965	189,105	-	185,155	-	-	37.8
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,381	9,570	9,730	3.9	9,500	4.0	4.1	1.8
	TO-2	A-PLACE Ebisu Minami	9,640	9,477	13,300	13,200	3.8	13,300	3.9	4.0	2.4
	TO-3	A-PLACE Yoyogi	4,070	3,953	4,550	4,610	4.0	4,480	3.8	4.2	1.0
	TO-4	A-PLACE Aoyama	8,790	8,662	9,460	9,550	4.1	9,420	3.9	4.3	2.2
	TO-5	Luogo Shiodome	4,540	4,333	5,870	5,940	3.7	5,840	3.5	3.9	1.1
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	2,700	2,800	3.8	2,650	4.2	4.0	0.6
	TO-7	A-PLACE Ikebukuro	3,990	3,819	4,870	4,940	4.3	4,800	4.1	4.5	1.0
	TO-8	A-PLACE Shinbashi	5,650	5,747	6,670	6,790	3.9	6,540	3.7	4.1	1.4
	TO-9	A-PLACE Gotanda	5,730	5,610	6,590	6,700	3.8	6,470	3.6	4.0	1.4
	TO-10	A-PLACE Shinagawa	3,800	3,791	4,300	4,380	3.8	4,210	3.6	4.0	0.9
	TO-11	OSAKI WIZTOWER	10,690	10,857	14,100	14,100	3.6	14,100	3.2	3.6	2.6
	TO-12	Shiodome Building (Note 6)	71,600	71,572	74,550	78,050	3.5	72,800	3.3	3.7	17.6
	TO-13	A-PLACE Ebisu Higashi	7,072	7,173	7,650	8,020	3.8	7,530	3.6	4.0	1.7
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,974	5,100	5,350	3.7	5,010	3.4	3.8	1.2
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,564	7,640	7,780	3.9	7,500	3.6	4.0	1.8
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,959	19,100	19,500	4.0	18,600	3.8	4.2	4.6
		Subtotal	176,200	176,243	196,020	201,440	-	192,750	-	-	43.2

Category	Property number (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Assessed value at end of period (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	12,000	12,113	13,600	13,700	4.4	13,400	4.1	4.6	2.9
	AA-2	icot Nakamozu (Note 8)	8,500	8,238	10,200	10,300	5.2	10,100	5.1/5.2	5.4	2.1
	AA-4	icot Mizonokuchi	2,710	2,654	3,250	3,320	5.4	3,170	5.2	5.8	0.7
	AA-5	icot Tama Center	2,840	2,692	3,700	3,700	5.3	3,700	4.9	5.5	0.7
	AA-6	A-PLACE Kanayama	6,980	6,531	7,890	7,920	5.1	7,850	4.9	5.3	1.7
	AA-7	Osaka Nakanoshima Building	11,100	11,044	13,500	13,600	4.3	13,300	4.1	4.5	2.7
	AA-8	icot Omori	5,790	5,712	6,440	6,510	4.6	6,370	4.4	4.8	1.4
	AA-9	Market Square Sagamihara	4,820	4,781	5,000	5,020	5.3	4,980	5.1	5.5	1.2
	AA-10	Umeda Gate Tower	19,000	19,629	20,500	21,100	3.8	20,300	3.5	3.9	4.7
	AA-11	A-PLACE Bashamichi	3,930	4,078	4,490	4,590	4.9	4,390	4.6	5.1	1.0
			Subtotal	77,670	77,476	88,570	89,760	-	87,560	-	-
		Total	407,920	407,830	471,555	480,305	-	465,465	-	-	100.0

(Note 1) A property number is assigned to each of assets held by the Investment Corporation, which are divided into the three categories: UR (meaning Urban Retail Properties), TO (meaning Tokyo Office Properties) and AA (Activia Account Properties).

(Note 2) Acquisition price represents trading value of beneficiary interests in trust stipulated in each beneficiary interest sales agreement in relation to the assets held (excluding consumption tax and local consumption tax, and expenses such as trading commissions, rounding down to the nearest million yen).

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of May 31, 2017, rounding down to the nearest million yen.

(Note 4) The appraisal of properties is commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Valuers Co., Ltd. or Morii Appraisal & Investment Consulting, Inc. Assessed value at end of period and return price show value described in each real estate appraisal report with the date of value estimate of May 31, 2017.

(Note 5) Investment ratio is calculated by dividing the acquisition price for each property by the total acquisition price (excluding consumption tax and other acquisition-related expenses). Figures are rounded to the nearest tenth.

(Note 6) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50% and 35%, respectively).

(Note 7) The discount rates of Q plaza EBISU represent 3.7% from the first year to the sixth year and 3.6% in and after the seventh year.

(Note 8) The discount rates of icot Nakamozu represent 5.1% from the first year to the fifth year and 5.2% in and after the sixth year.

b. Overview of assets held (2)

(As of May 31, 2017)

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Tenant leasehold and security deposit (Millions of yen) (Note 4)	Total leasable area (m ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	28	1,985	1,685	4,904.94	4,904.94	100.0
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	96	954	396	16,579.26	16,579.26	100.0
	UR-3	Q plaza EBISU	Shibuya, Tokyo	August 20, 2008	4	475	475	4,024.88	4,024.88	100.0
	UR-4	Shinbashi Place	Minato, Tokyo	April 25, 2008	1	(Note 9)	(Note 9)	9,156.01	9,156.01	100.0
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	July 24, 2006	2	(Note 9)	(Note 9)	21,616.04	21,616.04	100.0
	UR-6	A-FLAG AKASAKA	Minato, Tokyo	February 18, 2008	7	156	127	2,280.22	2,051.28	90.0
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	January 31, 2010	7	1,231	1,399	19,653.90	19,653.90	100.0
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	18	622	137	21,229.16	21,229.16	100.0
	UR-9	A-FLAG SHIBUYA	Shibuya, Tokyo	June 29, 1988	2	393	323	3,413.80	3,413.80	100.0
	UR-10	Q plaza SHINSAIBASHI	Osaka, Osaka	November 16, 2007	6	587	467	2,820.23	2,820.23	100.0
	UR-11	A-FLAG KOTTO DORI	Minato, Tokyo	January 22, 1992	7	194	133	2,656.53	2,656.53	100.0
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato, Tokyo	December 1, 1998	3	231	296	2,055.97	2,055.97	100.0
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya, Tokyo	April 21, 1992	1	(Note 9)	(Note 9)	2,579.08	2,579.08	100.0
	Subtotal			–	182	–	–	112,970.02	112,741.08	99.8
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	12	551	452	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	11	708	588	7,950.49	7,950.49	100.0
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	4	236	211	3,106.17	3,106.17	100.0
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	528	494	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	6	308	270	4,476.35	4,476.35	100.0
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	–	1	125	–	1,287.96	1,287.96	100.0
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	October 13, 2011	1	(Note 9)	(Note 9)	3,409.73	3,409.73	100.0
	TO-8	A-PLACE Shinbashi	Minato, Tokyo	March 4, 1999	10	364	308	5,052.14	5,052.14	100.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	11	331	292	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	208	192	2,986.36	2,986.36	100.0
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	5	635	635	7,193.28	7,193.28	100.0
	TO-12	Shiodome Building (Note 8)	Minato, Tokyo	December 14, 2007	38	3,216	2,629	28,136.05	28,113.60	99.9
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	9	306	208	4,010.69	4,010.69	100.0
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	3	(Note 9)	(Note 9)	2,983.36	2,983.36	100.0
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	10	328	282	4,316.89	4,316.89	100.0
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	9	884	789	14,658.98	14,658.98	100.0
	Subtotal			–	146	–	–	108,243.43	108,220.98	100.0

Category	Property number	Property name	Location	Date of construction	Number of tenants	Contracted rent (Annual)	Tenant leasehold and security deposit	Total leasable area	Total leased area	Occupancy rate
				(Note 1)						
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	–	1	701	341	27,465.44	27,465.44	100.0
	AA-2	icot Nakamozu	Sakai, Osaka	June 27, 2007	2	619	430	28,098.02	28,098.02	100.0
	AA-4	icot Mizonokuchi	Kawasaki, Kanagawa	July 15, 1998	1	(Note 9)	100	14,032.05	14,032.05	100.0
	AA-5	icot Tama Center	Tama, Tokyo	March 7, 2006	9	239	237	5,181.58	5,181.58	100.0
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	20	502	398	9,314.91	9,314.91	100.0
	AA-7	Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	40	919	661	20,231.13	19,594.85	96.9
	AA-8	icot Omori	Ota, Tokyo	March 6, 2007	9	383	364	6,209.79 (Note 10)	6,209.79 (Note 10)	100.0
	AA-9	Market Square Sagami-hara	Sagami-hara, Kanagawa	June 13, 2014	3	(Note 9)	(Note 9)	15,152.42	15,152.42	100.0
	AA-10	Umeda Gate Tower	Osaka, Osaka	January 15, 2010	11	814	537	13,682.03	13,682.03	100.0
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	32	313	195	9,613.95	9,613.95	100.0
		Subtotal			–	128	–	–	148,981.32	148,345.04
	Total			–	456	–	–	370,194.77	369,307.10	99.8

- (Note 1) Date of construction of the main building, as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. The construction date is omitted in case of acquisition of land only (Land represents the part of site on which the building is established under a land lease right; the same shall apply hereinafter). However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection confirming completion of construction written on the certificate of inspection is provided.
- (Note 2) At each property, the number of tenants is equal to the aggregate number of tenants as of May 31, 2017 described in the lease agreements in relation to buildings, except that for properties with master lease agreements, the total number of end-tenants is listed. For properties for which we acquire only land, the total number of tenants of the land is listed.
- (Note 3) The contracted rent (annual) for each property other than properties for which we acquire only land is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as of May 31, 2017), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2017, as indicated in the lease agreements in relation to buildings as of May 31, 2017 by 12 (for where multiple lease agreements are concluded in relation to buildings, the aggregate anticipated monthly rent for all lease agreements) (excluding consumption tax) and rounding to the nearest million yen. For properties for which we acquire only land, it is calculated as the annual contracted rent (excluding consumption tax) as indicated in the lease agreement for such land as of May 31, 2017, rounding to the nearest million yen. For properties with master lease agreements, the annual contracted rent is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms; including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2017), as indicated in the relevant sublease agreement with end-tenants by 12.
- (Note 4) The tenant leasehold and security deposit is calculated as the total amount on the lease agreement for each property as of May 31, 2017 (limited to tenant leasehold and security deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2017), rounding to the nearest million yen. For properties with master lease agreements, the tenant leasehold and security deposit is calculated as the total amount required based on the sublease agreements with end-tenants, rounding to the nearest million yen.
- (Note 5) The total leasable area represents the total of gross floor area considered to be leasable based on the lease agreements for building or floor plans as of May 31, 2017 of each property other than properties of which we acquire only land, and gross land area considered to be leasable based on the lease agreement for land or land plans as of May 31, 2017 of each property of which we acquire only land.
- (Note 6) The total leased area is equal to the total of leased area presented in each lease agreement for properties held as of May 31, 2017. For properties with master lease agreements, counted is the total of the area of properties for which sublease agreements are concluded with end-tenants and that are actually subleased.
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of May 31, 2017, rounding to the nearest tenth. The subtotal and total are calculated by dividing aggregate leased area by aggregate leasable area, rounding to the nearest tenth.
- (Note 8) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50% and 35%, respectively). However, the numbers of tenants provided are the numbers for each whole building.
- (Note 9) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 10) The calculation of total leasable area and total leased area for icot Omori includes part of an external bicycle parking lot (approximately 21 m²) and part of a common area on the second floor (approximately 28 m²).

(Note 11) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), tenant leasehold and security deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 2017, assuming that the lease agreements with the end-tenants remained effective; the same shall apply hereinafter.

(B) Capital expenditure for assets under management

a. Scheduled capital expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held in the 11th fiscal period as of May 31, 2017. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Maintenance of exterior wall tile and sealant (First period)	From August 2017 to November 2017	58	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Repair and replacement of air conditioning units	From March 2017 to October 2017	55	–	–
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Restroom appearance enhancement (Second period)	From July 2017 to November 2017	34	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Maintenance of exterior wall tile	From July 2017 to October 2017	28	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Maintenance of rooftop waterproofing, coping and rain gutters	From September 2017 to November 2017	21	–	–
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Commercialization work	From September 2017 to October 2017	20 (Note)	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of air conditioning units of main building systems	From September 2017 to November 2017	19	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement work of main horizontal drainage piping in the lowest floor of the new annex	From June 2017 to September 2017	14	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of electrical room systems of main building	From September 2017 to November 2017	13	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Exchange work of total heat exchanger rotors for air conditioning	From August 2017 to October 2017	12	–	–
A-PLACE Shinbashi (Minato, Tokyo)	Servicing of parking facility equipment for conveying machinery	From September 2017 to November 2017	12	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-FLAG SAPPORO (Sapporo, Hokkaido)	Installation work of wheelchair-accessible restrooms	From October 2017 to November 2017	12	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of water well double casing in new annex	From September 2017 to November 2017	11	–	–
icot Tama Center (Tama, Tokyo)	Exchange, repair and maintenance work of elevator parts, etc. (elevator rope, etc.)	From July 2017 to November 2017	10	–	–

(Note) The shown estimated construction cost with regard to Tokyu Plaza Omotesando Harajuku is the amount equivalent to the ratio of the Investment Corporation's co-ownership interests of real estate trust beneficiary (75%).

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 11th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2017 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2017 amounted to ¥147 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2017 came to ¥197 million. On aggregate, construction work of ¥344 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Restroom appearance enhancement (First period)	From April 2017 to May 2017	21
Osaka Nakanoshima Building (Osaka, Osaka)	Exchange work of Scott connection transformers in electric pipe space on each floor	From December 2016 to March 2017	11
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Partial remodeling work	From May 2017 to May 2017	10 (Note)
Other			103
Total			147

(Note) The shown construction cost with regard to Tokyu Plaza Omotesando Harajuku is the amount equivalent to the ratio of the Investment Corporation's co-ownership interests of real estate trust beneficiary (75%).

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 11th fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of May 31, 2017. The forms of agreements with the tenants in the table are ordinary lease agreements.

As for certain assets held, the Investment Corporation has entered into lease agreements (master lease agreements) with Tokyu Community Corporation and Tokyu Land SC Management Corporation with the objective of allowing them to be master lease companies and sublease the leased assets to end-tenants. The table below shows information on the major tenants with master lease agreements based on the data as of May 31, 2017. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Tenant leasehold and security deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corporation	Real Estate Management	A-FLAG KOTTO DORI	2,656.53	194	133	December 31, 2026
		TLC Ebisu Building	7,342.60	551	452	May 31, 2025
		A-PLACE Ebisu Minami	7,950.49	708	588	May 31, 2025
		A-PLACE Yoyogi	3,106.17	236	211	May 31, 2025
		A-PLACE Aoyama	7,303.69	528	494	May 31, 2025
		Luogo Shiodome	4,476.35	308	270	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	5,052.14	364	308	May 31, 2025
		A-PLACE Gotanda	4,028.69	331	292	May 31, 2025
		A-PLACE Shinagawa	2,986.36	208	192	May 31, 2025
		OSAKI WIZTOWER	7,193.28	635	635	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	306	208	May 31, 2025
		A-PLACE Shibuya Konnoh	2,983.36	(Note 5)	(Note 5)	September 30, 2025
		A-PLACE Gotanda Ekimae	4,316.89	328	282	June 30, 2026
		A-PLACE Shinagawa Higashi	14,658.98	884	789	March 31, 2027
		A-PLACE Kanayama	9,314.91	502	398	May 31, 2025
		Osaka Nakanoshima Building	19,594.85	919	661	November 30, 2024
		A-PLACE Bashamichi	9,613.95	313	195	October 31, 2026
		Total	119,999.66	-	-	-
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	475	475	June 30, 2022
		Shinbashi Place	9,156.01	(Note 5)	(Note 5)	November 30, 2024
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		A-FLAG AKASAKA	2,051.28	156	127	August 31, 2023
		Kobe Kyu Kyoryuchi 25Bankan	19,653.90	1,231	1,399	August 31, 2023
		A-FLAG SAPPORO	21,229.16	622	137	December 31, 2023
		A-FLAG SHIBUYA	3,413.80	393	323	December 31, 2023
		Q plaza SHINSAIBASHI	2,820.23	587	467	December 31, 2025
		A-FLAG BIJUTSUKAN DORI	2,055.97	231	296	December 31, 2026
		A-FLAG DAIKANYAMA WEST	2,579.08	(Note 5)	(Note 5)	December 31, 2026
		icot Nakamozu	28,098.02	619	430	June 30, 2022
		icot Mizonokuchi	14,032.05	(Note 5)	100	June 30, 2022
		icot Tama Center	5,181.58	239	237	November 30, 2024
		icot Omori	6,209.79	383	364	December 31, 2023

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Tenant leasehold and security deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
		Market Square Sagamihara	15,152.42	(Note 5)	(Note 5)	January 31, 2025
		Total	157,274.21	–	–	–

(Note 1) The leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of May 31, 2017 where the tenant is the master lease company and sublessor, rounding to the nearest hundredth.

(Note 2) Under master lease contracts concluded with tenants, for properties of which the master lease rent payable by the tenant equals to the rent payable by the end-tenant to the tenant, the contracted rent (annual) for each property is calculated by multiplying the monthly rent (limited to rooms which were occupied by tenants as of May 31, 2017), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2017, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 2017 by 12, rounding to the nearest million yen.

(Note 3) The tenant leasehold and security deposit is calculated as the total amount on the sublease agreement with the end-tenant as of May 31, 2017 (limited to tenant leasehold and security deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2017), rounding to the nearest million yen, where the tenant is the master lease company and sublessor.

(Note 4) The expiration date is the date provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.

(Note 5) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.

b. End-tenants in the top 10 in terms of total leased area

For assets held by the Investment Corporation, the following table shows end-tenants ranked in the top 10 in terms of total leased area in the entire portfolio as of May 31, 2017.

End-tenants	Property name	Total leased area (m ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka A-FLAG SAPPORO	30,182.69	October 31, 2021	Fixed-term building lease agreement
Sumitomo Mitsui Trust Bank, Limited (Note 3)	TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	28,753.40 (Note 4)	May 31, 2074 January 31, 2042	Ordinary leasehold land agreement Fixed-term business-use lease agreement
Kohnan Shoji Co., Ltd.	icot Nakamozu	26,529.03	July 11, 2027	Fixed-term building lease agreement
Times24 Co., Ltd.	Kyoto Karasuma Parking Building	21,224.14	–	Fixed-term building lease agreement
Plan·Do·See Inc.	Kobe Kyu Kyoryuchi 25Bankan	14,195.42	–	–
Room's-Taishodo	icot Mizonokuchi	14,032.05	July 24, 2018	Ordinary building lease agreement
K'S HOLDINGS CORPORATION	Market Square Sagamihara	11,863.92	June 30, 2034	Fixed-term building lease agreement
NTT Communications Corporation	Shiodome Building	10,336.62	–	–
Yamada-Denki Co., Ltd. (Note 5)	Shinbashi Place	9,156.01	May 14, 2018	–
YANMAR Co., Ltd.	Umeda Gate Tower	8,745.40	–	–

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 2017. As for Tokyu Plaza Akasaka and Shiodome Building, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (50% and 35%, respectively).

(Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of May 31, 2017.

(Note 3) Tenant is the trustee of the building on the land; Tokyu Land Corporation is the trust beneficiary under such trust.

(Note 4) Total leased area for TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land) is in respect of the land.

(Note 5) Yamada-Denki Co., Ltd. is scheduled to vacate upon expiration of contract on May 14, 2018.

(Note 6) Since we have not obtained permission from the tenant of the properties to release the information, the information missing from this table is not disclosed.

(D) Overview of lease and profit and loss

11th fiscal period (From December 1, 2016 to May 31, 2017)

(Unit: Thousands of yen)

Property number	UR-1	UR-2	UR-3	UR-4	UR-5
Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building
Number of business days in the 11th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	1,089,353	609,883	268,987	(Note 2)	(Note 2)
Lease business revenue	1,033,941	510,393	237,540	(Note 2)	(Note 2)
Other lease business revenue	55,412	99,489	31,447	(Note 2)	(Note 2)
b. Expenses related to rent business	238,316	242,034	60,246	46,460	35,954
Management operation expenses	93,097	79,972	16,298	12,300	3,701
Utilities expenses	26,750	68,402	24,551	–	–
Tax and public dues	55,288	65,958	8,437	32,343	31,152
Insurance	190	409	75	155	158
Repair and maintenance expenses	4,344	20,945	2,122	–	206
Other expenses related to rent business	58,645	6,346	8,761	1,661	736
c. NOI (a – b)	851,037	367,848	208,741	(Note 2)	(Note 2)
d. Depreciation	50,080	38,724	18,497	32,734	15,806
Profit (loss) from rent business (c – d)	800,956	329,123	190,243	(Note 2)	(Note 2)

(Unit: Thousands of yen)

Property number	UR-6	UR-7	UR-8	UR-9	UR-10
Property name	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAIBASHI
Number of business days in the 11th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	93,356	787,546	437,786	205,231	310,118
Lease business revenue	74,443	724,295	368,178	197,027	294,932
Other lease business revenue	18,913	63,250	69,607	8,204	15,186
b. Expenses related to rent business	32,493	193,195	221,720	33,667	44,014
Management operation expenses	10,161	82,961	106,738	11,861	7,608
Utilities expenses	11,563	55,352	75,128	7,041	14,072
Tax and public dues	7,244	46,810	24,644	10,393	13,136
Insurance	36	616	579	53	64
Repair and maintenance expenses	294	3,688	5,397	1,040	2,290
Other expenses related to rent business	3,194	3,766	9,232	3,277	6,843
c. NOI (a – b)	60,863	594,350	216,065	171,564	266,104
d. Depreciation	8,391	120,500	53,738	8,019	15,359
Profit (loss) from rent business (c – d)	52,472	473,849	162,326	163,544	250,745

(Unit: Thousands of yen)

Property number	UR-11	UR-12	UR-13	TO-1	TO-2
Property name	A-FLAG KOTTO DORI (Note 3)	A-FLAG BIJUTSUKAN DORI (Note 3)	A-FLAG DAIKANYAMA WEST (Note 3)	TLC Ebisu Building	A-PLACE Ebisu Minami
Number of business days in the 11th fiscal period	163	181	146	182	182
a. Real estate leasing business revenues	94,911	122,297	(Note 2)	295,243	350,143
Lease business revenue	88,283	114,076	(Note 2)	274,828	339,381
Other lease business revenue	6,627	8,221	(Note 2)	20,414	10,762
b. Expenses related to rent business	15,506	28,497	16,369	82,522	134,769
Management operation expenses	7,555	5,263	10,596	26,363	55,486
Utilities expenses	5,416	7,449	241	18,110	16,978
Tax and public dues	23	–	54	17,482	30,906
Insurance	65	36	46	192	245
Repair and maintenance expenses	718	823	1,450	10,393	26,274
Other expenses related to rent business	1,726	14,924	3,979	9,979	4,877
c. NOI (a – b)	79,404	93,800	(Note 2)	212,720	215,373
d. Depreciation	4,714	6,384	1,058	46,433	31,430
Profit (loss) from rent business (c – d)	74,690	87,415	(Note 2)	166,287	183,943

(Unit: Thousands of yen)

Property number	TO-3	TO-4	TO-5	TO-6	TO-7
Property name	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro
Number of business days in the 11th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	122,616	287,324	168,279	62,502	(Note 2)
Lease business revenue	116,468	272,162	157,189	62,502	(Note 2)
Other lease business revenue	6,148	15,162	11,089	–	(Note 2)
b. Expenses related to rent business	33,925	64,865	43,935	8,192	29,771
Management operation expenses	12,633	18,892	11,679	–	10,342
Utilities expenses	7,282	18,619	11,165	–	7,689
Tax and public dues	9,991	20,359	18,090	7,939	10,435
Insurance	83	180	157	–	83
Repair and maintenance expenses	2,954	2,902	1,126	–	433
Other expenses related to rent business	979	3,910	1,717	252	787
c. NOI (a – b)	88,690	222,458	124,343	54,309	(Note 2)
d. Depreciation	15,641	23,075	27,605	–	20,682
Profit (loss) from rent business (c – d)	73,049	199,383	96,737	54,309	(Note 2)

(Unit: Thousands of yen)

Property number	TO-8	TO-9	TO-10	TO-11	TO-12
Property name	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER	Shiodome Building (Note 1, 4)
Number of business days in the 11th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	189,687	166,381	113,958	332,683	1,525,603
Lease business revenue	178,011	158,296	107,891	318,880	1,450,958
Other lease business revenue	11,675	8,085	6,066	13,803	74,645
b. Expenses related to rent business	57,779	39,546	28,657	89,119	305,925
Management operation expenses	20,197	15,009	9,265	57,450	102,122
Utilities expenses	10,759	8,179	5,916	8,208	80,013
Tax and public dues	14,928	14,429	10,589	21,557	79,663
Insurance	132	106	71	302	1,966
Repair and maintenance expenses	7,164	296	1,252	–	13,787
Other expenses related to rent business	4,597	1,526	1,560	1,601	28,370
c. NOI (a – b)	131,907	126,835	85,300	243,563	1,219,677
d. Depreciation	23,509	26,958	8,329	48,275	148,023
Profit (loss) from rent business (c – d)	108,398	99,876	76,971	195,287	1,071,654

(Unit: Thousands of yen)

Property number	TO-13	TO-14	TO-15	TO-16	AA-1
Property name	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi (Note 3)	Amagasaki Q's MALL (Land)
Number of business days in the 11th fiscal period	182	182	182	77	182
a. Real estate leasing business revenues	164,622	(Note 2)	172,880	203,772	350,309
Lease business revenue	155,631	(Note 2)	165,323	189,636	350,309
Other lease business revenue	8,991	(Note 2)	7,557	14,136	–
b. Expenses related to rent business	87,787	29,478	30,971	35,066	49,937
Management operation expenses	13,440	10,438	11,949	20,470	–
Utilities expenses	7,293	5,255	9,821	12,882	–
Tax and public dues	13,597	9,328	153	–	49,684
Insurance	100	76	116	194	–
Repair and maintenance expenses	49,863	828	2,920	403	–
Other expenses related to rent business	3,492	3,551	6,010	1,114	252
c. NOI (a – b)	76,835	(Note 2)	141,908	168,706	300,372
d. Depreciation	24,550	12,240	12,455	14,895	–
Profit (loss) from rent business (c – d)	52,284	(Note 2)	129,452	153,810	300,372

(Unit: Thousands of yen)

Property number	AA-2	AA-4	AA-5	AA-6	AA-7
Property name	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building
Number of business days in the 11th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	310,604	(Note 2)	146,246	283,171	517,150
Lease business revenue	310,574	(Note 2)	135,589	264,680	487,613
Other lease business revenue	30	(Note 2)	10,656	18,491	29,536
b. Expenses related to rent business	38,348	13,525	47,732	71,925	169,639
Management operation expenses	5,591	2,261	19,328	24,468	56,893
Utilities expenses	30	–	12,502	19,759	40,579
Tax and public dues	30,870	9,874	11,806	25,306	49,426
Insurance	234	100	144	251	745
Repair and maintenance expenses	720	–	2,581	592	15,223
Other expenses related to rent business	901	1,289	1,367	1,546	6,772
c. NOI (a – b)	272,256	(Note 2)	98,514	211,246	347,511
d. Depreciation	34,532	8,516	18,571	52,169	65,883
Profit (loss) from rent business (c – d)	237,724	(Note 2)	79,943	159,077	281,628

(Unit: Thousands of yen)

Property number	AA-8	AA-9	AA-10	AA-11
Property name	icot Omori	Market Square Sagami-hara	Umeda Gate Tower	A-PLACE Bashamichi
Number of business days in the 11th fiscal period	182	182	182	182
a. Real estate leasing business revenues	231,751	(Note 2)	414,373	174,485
Lease business revenue	199,679	(Note 2)	388,553	157,371
Other lease business revenue	32,071	(Note 2)	25,819	17,113
b. Expenses related to rent business	58,637	36,075	70,665	54,809
Management operation expenses	9,523	16,065	39,998	19,565
Utilities expenses	32,887	4,740	26,709	20,719
Tax and public dues	12,650	14,099	–	42
Insurance	93	132	363	291
Repair and maintenance expenses	1,916	198	699	11,589
Other expenses related to rent business	1,566	839	2,894	2,599
c. NOI (a – b)	173,114	(Note 2)	343,708	119,676
d. Depreciation	17,099	23,912	68,809	28,205
Profit (loss) from rent business (c – d)	156,014	(Note 2)	274,898	91,470

- (Note 1) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50% and 35%, respectively).
- (Note 2) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 3) A-FLAG KOTTO DORI, A-FLAG BIJUTSUKAN DORI, A-FLAG DAIKANYAMA WEST and A-PLACE Shinagawa Higashi were acquired on December 20, 2016, December 2, 2016, January 6, 2017 and March 16, 2017, respectively. Therefore, figures after the acquisition date are presented.
- (Note 4) For Shiodome Building, we made an additional acquisition of 10% of trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) on December 2, 2016. Therefore, figures after the additional acquisition date are added.