

## Financial Report for the Fiscal Period Ended November 30, 2014 (June 1, 2014 - November 30, 2014)

### Activia Properties Inc.

Listing: Tokyo Stock Exchange

Securities code: 3279

URL: <http://www.activia-reit.co.jp/en/>

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Scheduled date to file Securities Report: February 26, 2015

Scheduled date to start distribution payments: February 13, 2015

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 November 30, 2014 (June 1, 2014 – November 30, 2014)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended November 30, 2014	8,174	5.1	4,594	0.3	4,032	0.8	4,031	0.8
Fiscal period ended May 31, 2014	7,778	27.0	4,580	25.8	3,998	25.5	3,997	25.5

	Net income per unit	Return on unitholders' equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenue
	Yen	%	%	%
Fiscal period ended November 30, 2014	16,056	3.1	1.6	49.3
Fiscal period ended May 31, 2014	16,194	3.6	1.8	51.4

(Note) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period (246,842 units and 251,062 units for the fiscal period ended May 31, 2014, and the fiscal period ended November 30, 2014, 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 November 30, 2014	16,057	4,031	0	0	100.0	3.1
Fiscal period ended May 31, 2014	15,922	3,997	0	0	100.0	3.3

(Note) Because new investment units were issued during the fiscal period ended May 31, 2014, the payout ratio for that period is obtained by the following formula with figures rounded to the first decimal place: Payout ratio = total distributions (not including distributions in excess of earnings) / net income × 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 November 30, 2014	253,407	130,086	51.3	518,143
As of May 31, 2014	242,609	130,052	53.6	518,009

(Reference) Unitholders' equity

As of November 30, 2014: ¥130,086 million  
As of May 31, 2014: ¥130,052 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 November 30, 2014	5,767	(10,743)	5,927	10,125
Fiscal period ended May 31, 2014	4,925	(45,878)	43,963	9,173

## 2. Forecasts of results for the fiscal period from December 1, 2014 to May 31, 2015

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

	Operating revenue		Operating income		Ordinary income		Net income		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 May 31, 2015	9,087	11.2	5,193	13.0	4,503	11.7	4,502	11.7	16,246	0

(Reference) Forecasted net income per unit (forecasted net income / forecasted number of investment units at end of period)  
For the fiscal period ending May 31, 2015: ¥16,246

**\* 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) Number of units issued**

- a. Total number of units issued at end of period (including treasury units)
  - As of November 30, 2014 251,062 units
  - As of May 31, 2014 251,062 units
- b. Number of treasury units at end of period
  - As of November 30, 2014 – units
  - As of May 31, 2014 – units

(Note) Please refer to “Per Unit Information” on page 34 for the number of investment units used as the basis for calculating net income 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 Fiscal Period from December 1, 2014 to May 31, 2015 and the Fiscal Period from June 1, 2015 to November 30, 2015” on pages 12 and 13 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

As there have been no significant changes in “Management structure of the Investment Corporation” in the latest Securities Report (filed on August 26, 2014; prepared in Japanese only), the disclosure is omitted.

## 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 August 26, 2014; 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 Activia Investment 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 16, 2013, the Investment Corporation carried out its first publicly offered capital increase after the listing, and on January 15, 2014, it carried out a private placement.

“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 investors, 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 November 30, 2014, the Investment Corporation acquired the OSAKI WIZTOWER, on June 24, 2014, which is categorized as its focused investment properties, “Tokyo Office Properties,” through a direct transaction with a third party. Consequently, the Investment Corporation held 28 properties (with the total acquisition price of ¥241,658 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 has been showing firmness in the short term. This is despite factors such as weak personal consumption which was partially a result of recoiling demand in the aftermath of the surge in spending seen before the April 2014 consumption tax hike along with unfavorable weather during the summer months. Although this soft patch is apt to linger for the time being, overall we expect the trajectory of moderate recovery to persist amid an ongoing trend toward improvement of the employment and income environment, and also given the effects of various government measures.

In the environment surrounding retail properties, positive consumer sentiment appears to have stalled. This was reflected in the Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan, in which the consumer confidence index declined for three consecutive months from August 2014. On the other hand, sales of retailers increased 1.4% in October compared with the same month of the previous year, after having shifted to positive territory in July and subsequent months, according to the Current Survey of Commerce released by the Ministry of Economy, Trade and Industry. Moreover, the amount of tourism consumption by overseas visitors to Japan from July to September 2014 increased by 41.2% year on

year, according to the Consumption Trend Survey for Foreigners Visiting Japan released in October by the Japan Tourism Agency of the Ministry of Land, Infrastructure, Transport and Tourism. Going forward, we anticipate an ongoing scenario of increasing hotel occupancy rates and growing consumption brought on by greater numbers of visitors to Japan from overseas as the trend toward a weaker yen gains further momentum spurred largely by further monetary easing from the Bank of Japan. In the rental office market, the average vacancy rate of five central Tokyo wards (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) has improved. Vacancies are now hovering in 5% territory for the first time since 2009, five years ago, and reached 5.55% as of November 30, 2014, down from 6.52% on May 31, 2014, according to data published by Miki Shoji Co., Ltd. Rent levels are also improving, with market rent prices for existing buildings rising for the fifth consecutive month during the period under review. This upturn in the market is evident also in the major cities of Osaka and Nagoya. In the J-REIT market, acquisitions decreased in terms of both number and financial value following the start of 2014 due to harsh competition for acquisitions in the real estate transaction market. On the other hand, there were numerous publicly offered capital increases given an ongoing scenario of recovery in rent levels and a favorable environment for financing.

### (C) Investment Performance

The Investment Corporation acquired beneficiary rights of real estate in trust on June 24, 2014 to OSAKI WIZTOWER (sectional ownership interest of fourth to eleventh floors) (with the acquisition price of ¥10,690 million) as trust assets with borrowings in accordance with the basic asset management policy set forth in the Articles of Incorporation.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 28 properties (with the total acquisition price of ¥241,658 million) with the total leasable area of 275,398 m<sup>2</sup> (83,308 *tsubo*).

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

	June 30, 2014	July 31, 2014	August 31, 2014	September 30, 2014	October 31, 2014	November 30, 2014
Urban Retail Properties	99.6%	99.6%	99.6%	99.6%	100.0%	100.0%
Tokyo Office Properties	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%
Other Properties	99.6%	99.6%	99.7%	99.7%	99.8%	99.8%
Total	99.7%	99.7%	99.7%	99.7%	99.9%	99.9%

The average rents (Note) at the end of the previous fiscal period and the fiscal period under review are as follows:

	Urban Retail Properties	Tokyo Office Properties	Other Properties	Total
As of May 31, 2014	¥20,560/ <i>tsubo</i>	¥19,813/ <i>tsubo</i>	¥7,606/ <i>tsubo</i>	¥14,712/ <i>tsubo</i>
As of November 30, 2014	¥20,537/ <i>tsubo</i>	¥19,230/ <i>tsubo</i>	¥7,605/ <i>tsubo</i>	¥14,727/ <i>tsubo</i>
Difference [ratio]	¥(23) [(0.1)%]	¥(583) [(2.9)%]	¥(1) [(0.0)%]	¥15 [0.1%]

(Note) Limited to rent for rooms including common service fees, but excluding usage fees for warehouses, signboards, parking lots, etc., and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2014 and November 30, 2014.

#### (D) Overview of Financing

In the fiscal period under review, funds of ¥10,000 million were borrowed mainly to cover acquisition costs for beneficiary rights of real estate in trust for the one property noted above and related costs. Meanwhile, borrowings of ¥6,000 million and ¥3,000 million were refinanced in June 2014 and August 2014, respectively, and we worked to otherwise maintain a stable financial base through moves that included reducing interest costs and diversifying repayment dates on interest-bearing debt. As a result, the ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 43.7% 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 100.0% and 77.4%, 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 by a credit rating agency at the Investment Corporation's request; or a credit rating made available for inspection or one provided by a credit rating agency; or a credit rating scheduled to be made available for inspection.

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

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

As a result of the above-mentioned investments, operating revenue, operating income, and ordinary income were ¥8,174 million, ¥4,594 million, and ¥4,032 million, respectively, for the fiscal period under review, and net income was ¥4,031 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 ¥16,057.

#### ii) Outlook for the Next Fiscal Period

##### (A) Investment Environment for the Next Fiscal Period

Whereas the adverse impact of the post-consumption tax hike retreat in demand will continue to weigh on the Japanese economy going forward, we also expect gradual recovery, in part amid positive effects of various government measures, such as in terms of a more upbeat employment environment, a pick-up in personal consumption, and a trend toward improved corporate earnings primarily among large companies. On the other hand, there are risks of downward economic pressure that need to be considered, including the prospects of increasingly pessimistic consumer sentiment due to a prolonged negative impact from the consumption tax hike, an interest rate rise in the U.S., damage to the economies of resource-rich countries from a fall in the price of crude oil, and expansion of the debt crisis in Europe.

In the rental office market, we are seeing ongoing expansion associated with recovery in corporate earnings along with an upturn in demand irrespective of company size and industrial sector. Vacancy rates in many major provincial cities including Tokyo continue to improve, while rent levels are showing nationwide gains amid falling vacancy rates, despite variation in different areas. In part amid tight supply relative to demand for office space, we expect falling vacancy rates and rising rent levels going forward. With respect to retail properties, despite the negative impact of soft personal consumption due to the consumption tax hike, there is an overall trend toward gradual improvement in retail sales of department stores and other such businesses brought on by increasing numbers of overseas visitors to Japan and higher amounts of tourism consumption. In the J-REIT market, the Tokyo Stock Exchange REIT Index is showing firmness due to factors including the Bank of Japan's further monetary easing policies, which were announced at the end of October 2014, and the government's postponement of the consumption tax hike, which was previously slated for October 2015. As a result, we anticipate continued brisk activity in terms of transactions in this market. On the other hand, a limited supply of high-quality properties particularly in Tokyo and the trend toward lower capitalization rates indicate a likelihood of increasingly stringent competition with respect to property acquisitions. The Investment Corporation aims to keep adding to its overall assets and working to control LTV while making careful investment decisions that help to improve investor

value by drawing on its own channels and its sponsor's pipeline.

(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 investor 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 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 management company.

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 management company. 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

a. Issuance of New Investment Units

At meetings of the board of directors held on November 27, 2014 and December 10, 2014, we resolved to issue new investment units as described below, and issued these per the terms below once payment was completed on December 17, 2014 and January 8, 2015. As a result, unitholders' capital amounted to ¥150,770,610,870, and the number of investment units issued came to 277,132 units.

(i) Issuance of new investment units through the public offering (Public placement)

Number of new investment units issued	24,050 units
Offering price	¥979,020 per unit
Total offering price	¥23,545,431,000
Paid-in amount	¥948,051 per unit
Total paid-in amount	¥22,800,626,550
Payment date	December 17, 2014

(ii) Issuance of new investment units through third-party allotment

Number of new investment units issued	2,020 units
Paid-in amount	¥948,051 per unit
Total paid-in amount	¥1,915,063,020
Payment date	January 8, 2015
Allottee	Nomura Securities Co., Ltd.



b. Borrowing of Funds

The Investment Corporation borrowed funds as follows.

Category	Lender	Total amount borrowed	Interest rate	Drawdown date	Due date (Note)	Borrowing and repayment methods, security, and guarantee
Short-term	Sumitomo Mitsui Trust Bank, Limited	¥4,000 million	Base rate + 0.14%	January 9, 2015	April 30, 2015	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Long-term	Sumitomo Mitsui Trust Bank, Limited	¥780 million	0.49815%	January 9, 2015	January 9, 2018	
	Mitsubishi UFJ Trust and Banking Corporation	¥780 million				
	Mizuho Bank, Ltd.	¥780 million				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥780 million				
	Sumitomo Mitsui Banking Corporation	¥390 million				
	Development Bank of Japan Inc.	¥390 million				
	Sumitomo Mitsui Trust Bank, Limited	¥500 million	0.52304%	January 9, 2015	January 9, 2019	
	Mitsubishi UFJ Trust and Banking Corporation	¥500 million				
	Mizuho Bank, Ltd.	¥500 million				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥500 million				
	Sumitomo Mitsui Banking Corporation	¥250 million				
	Development Bank of Japan Inc.	¥250 million				
	Sumitomo Mitsui Trust Bank, Limited	¥340 million	0.54352%	January 9, 2015	July 9, 2019	
	Mitsubishi UFJ Trust and Banking Corporation	¥340 million				
	Mizuho Bank, Ltd.	¥340 million				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥340 million				
	Sumitomo Mitsui Banking Corporation	¥170 million				
	Development Bank of Japan Inc.	¥170 million				
	Sumitomo Mitsui Trust Bank, Limited	¥840 million	0.73690%	January 9, 2015	January 9, 2022	
Mitsubishi UFJ Trust and Banking Corporation	¥840 million					
Mizuho Bank, Ltd.	¥840 million					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥840 million					
Sumitomo Mitsui Banking Corporation	¥420 million					
Development Bank of Japan Inc.	¥420 million					
Total		¥16,300 million				

(Note) If the due date is a non-business day, the due date shall be the following business day. If such day comes in the following month, the due date shall be the immediately preceding business day.

c. Acquisition of Properties

The Investment Corporation acquired properties listed below with proceeds from the issuance of new investment units through the public offering (public placement) and third-party allotment and borrowings, etc. in accordance with the basic asset management policy set forth in the Articles of Incorporation.

(TO-12) Shiodome Building

Type of assets	Trust beneficiary interest
Acquisition price	¥30,300 million
Acquisition date	January 9, 2015
Location	2-20 Kaigan 1-chome, Minato-ku, Tokyo
Use	Office, retail and parking lots
Land area	16,875.61 m <sup>2</sup> (Note)
Gross floor area	115,930.83 m <sup>2</sup>
Structure	Steel framed, SRC/ 24 floors above and 2 floors underground
Month and year of completion	December 2007
Ownership	Land: Owned (Trust beneficiary co-ownership interests ( <i>jun kyōyū-mochibun</i> ) 15%) Building: Owned (Trust beneficiary co-ownership interests ( <i>jun kyōyū-mochibun</i> ) 15%)

(Note) Land area is the one stated for the ancient land. The total area of designated provisional replotting is approximately 12,046 m<sup>2</sup>.

(O-7) Osaka Nakanoshima Building (additional acquisition of the remaining 50% co-ownership interest)

Type of assets	Trust beneficiary interest
Acquisition price	¥5,850 million
Acquisition date	December 19, 2014
Location	2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka
Use	Office and parking lots
Land area	3,038.20 m <sup>2</sup>
Gross floor area	34,248.71 m <sup>2</sup>
Structure	SRC/ 15 floors above and 3 floors underground
Month and year of completion	March 1984
Ownership	Land: Owned (Trust beneficiary co-ownership interests ( <i>jun kyōyū-mochibun</i> ) 50%) Building: Owned (Trust beneficiary co-ownership interests ( <i>jun kyōyū-mochibun</i> ) 50%)

(O-9) Market Square Sagamihara

Type of assets	Trust beneficiary interest
Acquisition price	¥4,820 million
Acquisition date	January 9, 2015
Location	777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa
Use	Retail
Land area	17,327.30 m <sup>2</sup>
Gross floor area	9,719.38 m <sup>2</sup>
Structure	Steel framed/ 2 floors above ground
Month and year of completion	June 2014
Ownership	Land: Owned Building: Owned

(D) Outlook of Investment Performance

For the fiscal period ending May 31, 2015 (7th fiscal period: December 1, 2014 to May 31, 2015), 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 Fiscal Period from December 1, 2014 to May 31, 2015 and the Fiscal Period from June 1, 2015 to November 30, 2015” on pages 12 and 13.

Operating revenue	¥9,087 million
Operating income	¥5,193 million
Ordinary income	¥4,503 million
Net income	¥4,502 million
Cash distributions per unit	¥16,246
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 the Fiscal Period from December 1, 2014 to May 31, 2015 and the Fiscal Period from June 1, 2015 to November 30, 2015,” the outlook of investment performance for the fiscal period ending November 30, 2015 (8th fiscal period: June 1, 2015 to November 30, 2015) is estimated as follows.

Operating revenue	¥9,327 million
Operating income	¥5,213 million
Ordinary income	¥4,554 million
Net income	¥4,553 million
Cash distributions per unit	¥16,432
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 income, ordinary income, net income 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 Fiscal Period from December 1, 2014 to May 31, 2015 and the Fiscal Period from June 1, 2015 to November 30, 2015**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>• 7th fiscal period (December 1, 2014 to May 31, 2015) (182 days)</li> <li>• 8th fiscal period (June 1, 2015 to November 30, 2015) (183 days)</li> </ul>
Investment portfolio	<ul style="list-style-type: none"> <li>• 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 30 properties (the “Assets Currently Held”) for which we hold the trust beneficiary interests as of today, before the end of the 8th fiscal period (November 30, 2015).</li> <li>• Our forecasts, however, may change due to any changes to the composition of our investment portfolio.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• 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, for the Assets Currently Held (the “Assets Held as of the End of the 6th Fiscal Period”), excluding Osaka Nakanoshima Building (additional acquisition of the remaining 50% co-ownership interest) acquired on December 19, 2014 and Shiodome Building and Market Square Sagamihara acquired on January 9, 2015 (collectively, the “Acquired Assets”). Expenses for the Acquired Assets are calculated based on the information provided by the former owner (seller) and upon considering variable factors and others.</li> <li>• 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. The total amount of property tax and city planning tax on the Acquired Assets that are treated as a part of the acquisition cost is assumed to be ¥124 million. For property tax and city planning tax, ¥576 million and ¥660 million for the Assets Currently Held, will be expensed in the fiscal period ending May 31, 2015 (7th fiscal period) and in the fiscal period ending November 30, 2015 (8th fiscal period), respectively. Moreover, property tax and city planning tax of the Acquired Assets for fiscal 2015 will be expensed from the fiscal period ending November 30, 2015 (8th fiscal period) with respect to Osaka Nakanoshima Building (additional acquisition of the remaining 50% co-ownership interest). Property tax and city planning tax for fiscal 2016 will be expensed from the fiscal period ending May 31, 2016 (9th fiscal period) with respect to Market Square Sagamihara and from the fiscal period ending November 30, 2016 (10th fiscal period) with respect to Shiodome Building.</li> <li>• 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 management company. 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.</li> </ul>

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> <li>We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥883 million and ¥906 million for the 7th fiscal period ending May 31, 2015 and the 8th fiscal period ending November 30, 2015, respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>We expect interest and other borrowing-related expenses of ¥608 million and ¥663 million for the 7th fiscal period ending May 31, 2015 and the 8th fiscal period ending November 30, 2015, respectively.</li> <li>We assume the temporary expense of ¥84 million for the 7th fiscal period ending May 31, 2015, relating to the issuance of investment units, etc.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>As of today, we have a balance of ¥127,100 million in interest-bearing debt (borrowings of ¥123,100 million and investment corporation bonds of ¥4,000 million). We assume that there will be no change to the balance of interest-bearing debt before the end of the 8th fiscal period (November 30, 2015).</li> <li>We assume that there will be refinancing of all borrowings coming due before the end of the 7th fiscal period (May 31, 2015) and the 8th fiscal period (November 30, 2015) (7th fiscal period: short-term loans payable of ¥4,000 million and long-term loans payable of ¥6,000 million; 8th fiscal period: long-term loans payable of ¥12,000 million).</li> <li>We assume the LTV ratios as of May 31, 2015 and November 30, 2015 are both to be 43.7%.</li> <li>The LTV ratio is obtained by the following formula:  <math display="block">\text{LTV} = \text{Balance of interest-bearing debt} / \text{Total assets} \times 100</math> </li> </ul>
Units	<ul style="list-style-type: none"> <li>The number is based on our assumption of 277,132 units issued as of today. We assume that there will be no additional issuance of new investment units before the end of the 8th fiscal period (November 30, 2015).</li> <li>The cash distributions per unit for the 7th fiscal period ending May 31, 2015 and the 8th fiscal period ending November 30, 2015 have been calculated in accordance with the projected number of investment units issued as of the end of each of the fiscal periods which are 277,132 units.</li> </ul>
Cash distributions per unit	<ul style="list-style-type: none"> <li>Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation.</li> <li>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.</li> </ul>
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>We do not currently anticipate cash distributions in excess of our distributable profit (cash distributions in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>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.</li> <li>We assume that there will be no material changes in general economic conditions or real estate markets.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheet

(Unit: Thousands of yen)

	As of May 31, 2014	As of November 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	7,702,411	8,585,158
Cash and deposits in trust	1,471,491	1,540,009
Operating accounts receivable	304,241	316,083
Prepaid expenses	273,265	170,163
Deferred tax assets	22	11
Consumption taxes receivable	541,917	–
Other	353	–
Total current assets	10,293,704	10,611,426
Non-current assets		
Property, plant and equipment		
Buildings in trust	48,593,214	52,319,762
Accumulated depreciation	(2,013,828)	(2,734,761)
Buildings in trust, net	46,579,386	49,585,001
Structures in trust	395,537	403,342
Accumulated depreciation	(39,436)	(49,339)
Structures in trust, net	356,100	354,002
Machinery and equipment in trust	1,091,124	1,142,718
Accumulated depreciation	(67,624)	(93,321)
Machinery and equipment in trust, net	1,023,499	1,049,397
Tools, furniture and fixtures in trust	36,977	61,618
Accumulated depreciation	(4,417)	(8,702)
Tools, furniture and fixtures in trust, net	32,560	52,916
Land in trust	179,363,166	186,823,468
Construction in progress in trust	5,200	5,200
Total property, plant and equipment	227,359,913	237,869,985
Intangible assets		
Leasehold rights in trust	4,562,599	4,562,628
Other	3,550	3,089
Total intangible assets	4,566,150	4,565,717
Investments and other assets		
Long-term prepaid expenses	356,026	329,135
Invest securities	9,967	9,979
Total investments and other assets	365,994	339,115
Total non-current assets	232,292,058	242,774,818
Deferred assets		
Investment corporation bond issuance costs	23,404	21,024
Total deferred assets	23,404	21,024
Total assets	242,609,167	253,407,269

(Unit: Thousands of yen)

	As of May 31, 2014	As of November 30, 2014
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	431,447	582,927
Short-term loans payable	3,000,000	–
Current portion of long-term loans payable	12,000,000	18,000,000
Accounts payable - other	64,636	42,874
Accrued expenses	315,924	375,920
Income taxes payable	674	383
Accrued consumption taxes	–	116,971
Advances received	111,860	105,716
Deposits received	11,350	2,129
Other	1	–
Total current liabilities	15,935,895	19,226,923
Non-current liabilities		
Investment corporation bond	4,000,000	4,000,000
Long-term loans payable	81,800,000	88,800,000
Tenant leasehold and security deposits in trust	10,820,768	11,294,108
Other	31	12
Total non-current liabilities	96,620,799	104,094,121
Total liabilities	112,556,695	123,321,044
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	126,054,921	126,054,921
Surplus		
Unappropriated retained earnings (undisposed loss)	3,997,550	4,031,303
Total surplus	3,997,550	4,031,303
Total unitholders' equity	130,052,471	130,086,225
Total net assets	*2 130,052,471	*2 130,086,225
Total liabilities and net assets	242,609,167	253,407,269

## (2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
<b>Operating revenue</b>		
Rent revenue - real estate	*1, *3 7,237,545	*1, *3 7,544,941
Other lease business revenue	*1, *3 541,200	*1, *3 630,009
Total operating revenue	7,778,746	8,174,951
<b>Operating expenses</b>		
Expenses related to rent business	*1, *3 2,632,911	*1, *3 2,937,675
Loss on sales of real estate properties	*2 7,099	*2 -
Asset management fee	483,899	567,459
Asset custody fee	6,562	7,089
Administrative service fees	11,856	14,062
Directors' compensations	3,300	3,300
Other operating expenses	52,584	51,359
Total operating expenses	3,198,214	3,580,945
Operating income	4,580,531	4,594,005
<b>Non-operating income</b>		
Interest income	394	442
Interest on securities	1,744	1,787
Interest on refund	-	1,889
Insurance income	63	1,472
Total non-operating income	2,203	5,593
<b>Non-operating expenses</b>		
Interest expenses	386,485	413,995
Interest expenses on investment corporation bonds	1,458	7,416
Amortization of investment corporation bond issuance costs	793	2,380
Investment unit issuance expenses	106,174	49,228
Borrowing related expenses	88,739	93,976
Other	520	593
Total non-operating expenses	584,173	567,590
Ordinary income	3,998,562	4,032,008
Income before income taxes	3,998,562	4,032,008
Income taxes - current	1,105	833
Income taxes - deferred	(5)	11
Total income taxes	1,099	845
Net income	3,997,462	4,031,162
Retained earnings brought forward	88	141
Unappropriated retained earnings (undisposed loss)	3,997,550	4,031,303



### (3) Statement of Unitholders' Equity

Previous fiscal period (From December 1, 2013 to May 31, 2014)

(Unit: Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	91,373,833	3,186,370	3,186,370	94,560,203	94,560,203
Changes of items during period					
Issuance of new investment units	34,681,088			34,681,088	34,681,088
Dividends of surplus		(3,186,282)	(3,186,282)	(3,186,282)	(3,186,282)
Net income		3,997,462	3,997,462	3,997,462	3,997,462
Total changes of items during period	34,681,088	811,180	811,180	35,492,268	35,492,268
Balance at end of current period	*1 126,054,921	3,997,550	3,997,550	130,052,471	130,052,471

Current fiscal period (From June 1, 2014 to November 30, 2014)

(Unit: Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	126,054,921	3,997,550	3,997,550	130,052,471	130,052,471
Changes of items during period					
Dividends of surplus		(3,997,409)	(3,997,409)	(3,997,409)	(3,997,409)
Net income		4,031,162	4,031,162	4,031,162	4,031,162
Total changes of items during period	–	33,753	33,753	33,753	33,753
Balance at end of current period	*1 126,054,921	4,031,303	4,031,303	130,086,225	130,086,225

(4) Statement of Cash Distributions

	Previous fiscal period (From December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
	Amount	Amount
I Unappropriated retained earnings	¥3,997,550,439	¥4,031,303,721
II Distributions	¥3,997,409,164	¥4,031,302,534
[Cash Distributions per unit]	[¥15,922]	[¥16,057]
III Earnings carried forward	¥141,275	¥1,187

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 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 ¥3,997,409,164, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 251,062, which is the number of investment units issued; provided, however, that we will not pay the portion of amount that exceeds the 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 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 ¥4,031,302,534, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 251,062, which is the number of investment units issued; provided, however, that we will not pay the portion of amount that exceeds the 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 December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
<b>Cash flows from operating activities</b>		
Income before income taxes	3,998,562	4,032,008
Depreciation	739,644	763,242
Loss on retirement of non-current assets	4,426	115
Amortization of investment corporation bond issuance costs	793	2,380
Interest income and interest on securities	(2,139)	(2,230)
Interest expenses	387,944	421,411
Investment unit issuance expenses	106,174	49,228
Borrowing related expenses	88,739	93,976
Decrease (increase) in operating accounts receivable	(103,650)	(11,842)
Decrease (increase) in consumption taxes refund receivable	(541,917)	541,917
Increase (decrease) in accrued consumption taxes	(173,647)	116,971
Decrease (increase) in prepaid expenses	(108,049)	109,947
Decrease in sales of property, plant, and equipment in trust	692,998	–
Increase (decrease) in operating accounts payable	98,507	72,950
Increase (decrease) in accrued expenses	47,221	9,030
Increase (decrease) in advances received	7,984	(6,144)
Decrease (increase) in long-term prepaid expenses	4,224	350
Other, net	6,335	(8,889)
Subtotal	5,254,154	6,184,423
Interest income received	2,126	2,218
Interest expenses paid	(329,717)	(417,839)
Income taxes paid	(970)	(1,124)
Net cash provided by (used in) operating activities	4,925,593	5,767,677
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(48,323,518)	(11,215,077)
Purchase of intangible assets in trust	–	(2,056)
Repayments of tenant leasehold and security deposits	(339,594)	(77,350)
Proceeds from tenant leasehold and security deposits	2,784,598	550,690
Net cash provided by (used in) investing activities	(45,878,514)	(10,743,793)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	–	10,000,000
Decrease in short-term loans payable	–	(13,000,000)
Proceeds from long-term loans payable	12,645,800	18,939,062
Decrease in long-term loans payable	(4,000,000)	(6,000,000)
Proceeds from issuance of investment corporation bonds	3,978,087	–
Proceeds from issuance of investment units	34,527,660	–
Dividends paid	(3,186,247)	(3,996,503)
Other, net	(2,218)	(15,179)
Net cash provided by (used in) financing activities	43,963,082	5,927,379
Net increase (decrease) in cash and cash equivalents	3,010,160	951,264
Cash and cash equivalents at beginning of period	6,163,742	9,173,903
Cash and cash equivalents at end of period	*1 9,173,903	*1 10,125,167

(6) Notes on Assumption of Going Concern

Not applicable

(7) Notes on Important Accounting Policies

1. Valuation basis and method for securities	Held-to-maturity bonds The amortized cost method (straight-line method) is used.
2. Method of depreciation of non-current assets	(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. 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) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years). (3) Long-term prepaid expenses The straight-line method is used.
3. Accounting method for deferred assets	(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred. (2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.
4. Accounting for income and expenses	Property-related taxes 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. 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. There is no amount equivalent to property tax included in acquisition cost for properties for the current fiscal period.
5. Method of hedge accounting	(1) Method of hedge accounting For interest rate swaps, special treatment is applied since the swaps satisfy the requirements for special treatment. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term loans payable (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. (4) Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness is ensured based upon the fulfillment of the requirements of special treatment.
6. Scope of cash (cash and cash equivalents) in the statement of cash flows	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.

7. Other important matters related to the preparation of financial statements	<p>(1) Accounting method for trust beneficiary right with real estate, etc. as trust asset</p> <p>With regard to trust beneficiary right 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 May 31, 2014	As of November 30, 2014
Total amount specified in the commitment line contracts	¥10,000,000 thousand	¥12,000,000 thousand
Loan balance	-	-
Net balance	¥10,000,000 thousand	¥12,000,000 thousand

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

	As of May 31, 2014	As of November 30, 2014
	¥50,000 thousand	¥50,000 thousand

## Notes to Statement of Income

### \*1. Breakdown of Income (Loss) from Real Estate Leasing Business

	(Unit: Thousands of yen)			
	Previous fiscal period (From December 1, 2013 to May 31, 2014)		Current fiscal period (From June 1, 2014 to November 30, 2014)	
A. Real estate leasing business revenues				
Rent revenue – real estate				
Rent	6,619,646		6,945,300	
Common service fees	429,060		402,113	
Parking lots fees	142,732		146,907	
Other rent revenue	46,105	7,237,545	50,619	7,544,941
Other lease business revenue		541,200		630,009
Total real estate leasing business revenues		7,778,746		8,174,951
B. Real estate leasing business expenses				
Expenses related to rent business				
Management operation expenses	638,757		693,503	
Utilities expenses	524,265		593,991	
Tax and public dues	457,189		575,707	
Insurance	7,211		7,426	
Repair and maintenance expenses	114,693		142,813	
Depreciation	739,386		762,984	
Loss on retirement of non-current assets	4,426		115	
Other expenses related to rent business	146,980	2,632,911	161,132	2,937,675
Total real estate leasing business expenses		2,632,911		2,937,675
C. Income (loss) from real estate leasing business (A – B)		5,145,835		5,237,275

\*2. Breakdown of Gain (Loss) on Sales of Real Estate Properties

Previous fiscal period (From December 1, 2013 to May 31, 2014)

		(Unit: Thousands of yen)
Tokyo Kikai Honsha Building (Building)		
Income from sales of real estate properties	695,000	
Costs of sales of real estate properties	692,998	
Other costs of sales	<u>9,101</u>	
Loss on sales of real estate properties		<u>7,099</u>

Current fiscal period (From June 1, 2014 to November 30, 2014)

Not applicable

\*3. Transactions with Major Unitholders

			(Unit: Thousands of yen)
	Previous fiscal period (From December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)	
Operating transactions			
Rent revenue – real estate	5,470,711	5,458,629	
Other lease business revenue	393,854	437,394	
Expenses related to rent business	296,465	286,118	

**Notes to Statement of Unitholders' Equity**

	Previous fiscal period (From December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
* Total number of authorized investment units and total number of investment units issued		
Total number of authorized investment units	2,000,000 units	2,000,000 units
Total number of investment units issued	251,062 units	251,062 units

**Notes to Statement of Cash Flows**

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

	As of May 31, 2014	As of November 30, 2014
Cash and deposits	¥7,702,411 thousand	¥8,585,158 thousand
Cash and deposits in trust	¥1,471,491 thousand	¥1,540,009 thousand
Cash and cash equivalents	¥9,173,903 thousand	¥10,125,167 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 fund-raising 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 May 31, 2014, 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	7,702,411	7,702,411	–
(2) Cash and deposits in trust	1,471,491	1,471,491	–
Total assets	9,173,903	9,173,903	–
(1) Short-term loans payable	3,000,000	3,000,000	–
(2) Current portion of long-term loans payable	12,000,000	12,000,000	–
(3) Investment corporation bond	4,000,000	4,000,000	–
(4) Long-term loans payable	81,800,000	82,215,990	415,990
Total liabilities	100,800,000	101,215,990	415,990
Derivative transactions	–	–	–



Carrying amounts, fair values, and the differences between the two values as of November 30, 2014, 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	8,585,158	8,585,158	–
(2) Cash and deposits in trust	1,540,009	1,540,009	–
Total assets	10,125,167	10,125,167	–
(2) Current portion of long-term loans payable	18,000,000	18,027,930	27,930
(3) Investment corporation bond	4,000,000	4,022,063	22,063
(4) Long-term loans payable	88,800,000	89,766,861	966,861
Total liabilities	110,800,000	111,816,856	1,016,856
Derivative transactions	–	–	–

(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 pages 27 and 28.

(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 May 31, 2014	As of November 30, 2014
Tenant leasehold and security deposits in trust *	10,820,768	11,294,108

\* 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 (May 31, 2014)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	7,702,411	-	-	-	-	-
Deposits in trust	1,471,491	-	-	-	-	-
Total	9,173,903	-	-	-	-	-

Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (November 30, 2014)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	8,585,158	-	-	-	-	-
Deposits in trust	1,540,009	-	-	-	-	-
Total	10,125,167	-	-	-	-	-

(Note 4) Expected Amounts of Repayment of Loans Payable and Investment Corporation Bond after the Account Closing Date (May 31, 2014)

(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	3,000,000	-	-	-	-	-
Investment corporation bond	-	-	-	-	4,000,000	-
Long-term loans payable	12,000,000	12,000,000	18,000,000	17,000,000	16,000,000	18,800,000
Total	15,000,000	12,000,000	18,000,000	17,000,000	20,000,000	18,800,000

Expected Amounts of Repayment of Loans Payable and Investment Corporation Bond after the Account Closing Date (November 30, 2014)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Investment corporation bond	–	–	–	–	4,000,000	–
Long-term loans payable	18,000,000	19,000,000	24,000,000	17,000,000	13,000,000	15,800,000
Total	18,000,000	19,000,000	24,000,000	17,000,000	17,000,000	15,800,000

**Notes on Derivative Transactions**

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2014)

Not applicable

(As of November 30, 2014)

Not applicable

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of May 31, 2014)

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		
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term loans payable	5,000,000	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 25.)

(As of November 30, 2014)

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		
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term loans payable	5,000,000	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 25.)

### Notes on Tax Effect Accounting

#### 1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of May 31, 2014	As of November 30, 2014
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥22 thousand	¥11 thousand
Total deferred tax assets	¥22 thousand	¥11 thousand
Net deferred tax assets	¥22 thousand	¥11 thousand

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

	As of May 31, 2014	As of November 30, 2014
Effective statutory tax rate	36.59%	34.16%
Adjustments		
Distributions paid included in deductibles	(36.58)%	(34.15)%
Other	0.02%	0.02%
Effective income tax rate after application of tax effect accounting	0.03%	0.02%

#### 3. Tax Rate Change in Line with Revision to Income Taxes

In accordance with the “the Local Corporation Tax Act” (Act No. 11 of 2014) and “the Act for Partial Revision of the Local Tax Act” (Act No. 4 of 2014), which were promulgated on March 31, 2014, the local corporation tax has been established and the tax rates for corporate inhabitant tax, corporation business tax and special local corporate tax were revised from the fiscal period beginning on or after October 1, 2014. In conjunction with this, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities for the current fiscal period was changed to 34.15% from the previous tax rate of 34.16%. The impact of this change is immaterial.

## Notes on Transactions with Related Parties

### 1. Parent Company and Major Corporate Unitholders

Previous fiscal period (From December 1, 2013 to May 31, 2014)

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	10.38%	None	Major unitholder, and rent and management of properties	Purchase of beneficiary interests of real estate in trust	17,890,000	-	-		
								Sales of beneficiary interests of real estate in trust	695,000	-	-		
								Acceptance of tenant leasehold and security deposits	972,323	Tenant leasehold and security deposits in trust	7,580,200		
								Delivery of tenant leasehold and security deposits	612,744				
								Receipt of tenant leasehold and security deposits	740,651				
								Repayments of tenant leasehold and security deposits	129,249				
								Delivery of tenant leasehold and security deposits due to sale	181,176				
								Rental revenues, etc.	5,864,566			Operating accounts receivable	225,969
												Advances received	111,462
								Fees for consignment for real estate management	295,565	Operating accounts payable	61,614		

Current fiscal period (From June 1, 2014 to November 30, 2014)

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 unit-holder	Tokyu Land Corporation	21-2 Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.38%	None	Major unitholder, and rent and management of properties	Delivery of tenant leasehold and security deposits	430,841	Tenant leasehold and security deposits in trust	6,203,539	
								Receipt of tenant leasehold and security deposits	514,425			
								Repayments of tenant leasehold and security deposits	1,891,086			
								Rental revenues, etc.	5,896,023	Operating accounts receivable		222,533
										Advances received		105,267
Fees for consignment for real estate management	286,522	Operating accounts payable	60,189									

(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.

2. Associates, etc.

Previous fiscal period (From December 1, 2013 to May 31, 2014)

Not applicable

Current fiscal period (From June 1, 2014 to November 30, 2014)

Not applicable

3. Sister companies, etc.

Previous fiscal period (From December 1, 2013 to May 31, 2014)

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	Godo Kaisha SSG9	11 Kandajinbo cho 1-chome, Chiyoda-ku, Tokyo	0	Real estate business	-	None	Subsidiary of major unitholder	Purchase of beneficiary interests of real estate in trust	21,330,000	-	-
								Acceptance of tenant leasehold and security deposits	1,333,965	-	-
Subsidiary of major unitholder	Momo Holdings Yugen Kaisha	11 Kandajinbo cho 1-chome, Chiyoda-ku, Tokyo	3	Real estate business	-	None	Subsidiary of major unitholder	Purchase of beneficiary interests of real estate in trust	3,800,000	-	-
								Acceptance of tenant leasehold and security deposits	188,125	-	-
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	Delivery of tenant leasehold and security deposits	1,829,571	Tenant leasehold and security deposits in trust	3,047,739
								Receipt of tenant leasehold and security deposits	1,851,119		
								Repayments of tenant leasehold and security deposits	29,167		
								Rental revenues, etc.	1,731,053	Operating accounts receivable	
										Advances received	398
Subsidiary of major unitholder	TLC Activia Investment Management Inc.	16-3 Dogenzaka 1-chome, Shibuya-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	721,049	Other accrued expenses	212,680

Current fiscal period (From June 1, 2014 to November 30, 2014)

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	232,384	Tenant leasehold and security deposits in trust	3,277,798
								Repayments of tenant leasehold and security deposits	2,325		
								Rental revenues, etc.	1,922,667	Operating accounts receivable	
										Advances received	339
Subsidiary of major unitholder	TLC Activia Investment Management Inc.	16-3 Dogenzaka 1-chome, Shibuya-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	642,289	Other accrued expenses	218,752

(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.

4. Directors and major individual unitholders

Previous fiscal period (From December 1, 2013 to May 31, 2014)

Not applicable

Current fiscal period (From June 1, 2014 to November 30, 2014)

Not applicable



## Notes on Investment and Rental Properties

The Investment Corporation holds Urban Retail and Tokyo Office properties and other properties 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 December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	97,815,993	130,346,361
	Changes during period	32,530,367	(235,926)
	Balance at end of period	130,346,361	130,110,434
	Fair value at end of period	140,110,000	144,270,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	47,267,541	55,983,058
	Changes during period	8,715,517	10,866,858
	Balance at end of period	55,983,058	66,849,917
	Fair value at end of period	58,050,000	71,050,000
Other Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	39,933,780	45,595,087
	Changes during period	5,661,307	(121,033)
	Balance at end of period	45,595,087	45,474,053
	Fair value at end of period	49,500,000	49,810,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	185,017,315	231,924,507
	Changes during period	46,907,192	10,509,897
	Balance at end of period	231,924,507	242,434,405
	Fair value at end of period	247,660,000	265,130,000

(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 a property (OSAKI WIZTOWER) worth ¥11,107,329 thousand. The decrease is mainly due to the provision of depreciation worth ¥762,984 thousand.

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

The income/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 December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
Net assets per unit	¥518,009	¥518,143
Net income per unit	¥16,194	¥16,056

(Note 1) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period (previous fiscal period 246,842 units; current fiscal period 251,062 units). Fully diluted net income per unit is not stated, as there is no potential investment unit.

(Note 2) The basis for calculating net income per unit is as follows:

	Previous fiscal period (From December 1, 2013 to May 31, 2014)	Current fiscal period (From June 1, 2014 to November 30, 2014)
Net income (Thousands of yen)	3,997,462	4,031,162
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	3,997,462	4,031,162
Average number of investment units for the period (Units)	246,842	251,062

## Significant Subsequent Events

### 1. Issuance of New Investment Units

At meetings of the board of directors held on November 27, 2014 and December 10, 2014, we resolved to issue new investment units as described below, and issued these per the terms below once payment was completed on December 17, 2014 and January 8, 2015. As a result, unitholders' capital amounted to ¥150,770,610,870, and the number of investment units issued came to 277,132 units.

#### (i) Issuance of new investment units through the public offering (Public placement)

i) Number of new investment units issued	24,050 units
ii) Offering price	¥979,020 per unit
iii) Total offering price	¥23,545,431,000
iv) Paid-in amount	¥948,051 per unit
v) Total paid-in amount	¥22,800,626,550
vi) Payment date	December 17, 2014
vii) Initial date of reckoning distributions	December 1, 2014

#### (ii) Issuance of new investment units through third-party allotment

i) Number of new investment units issued	2,020 units
ii) Paid-in amount	¥948,051 per unit
iii) Total paid-in amount	¥1,915,063,020
iv) Payment date	January 8, 2015
v) Initial date of reckoning distributions	December 1, 2014
vi) Allottee	Nomura Securities Co., Ltd.

## 2. Borrowing of Funds

In order to cover the acquisition costs for beneficiary rights of real estate in trust to two properties and related costs, the Investment Corporation borrowed funds of ¥16,300 million on January 9, 2015. For the details, please refer to the preceding “2. Asset Management Policies and Status, (2) Asset Management Status, ii) Outlook for the Next Fiscal Period, (C) Significant Subsequent Events, b. Borrowing of Funds” on page 9.

## 3. Acquisition of Properties

The Investment Corporation acquired beneficiary rights of real estate in trust to one property for ¥5,850 million on December 19, 2014, and two properties for ¥35,120 million on January 9, 2015, with proceeds from the issuance of new investment units through public offering (public placement) and third-party allotment and borrowings, etc. in accordance with the basic asset management policy set forth in the Articles of Incorporation. For the details, please refer to the preceding “2. Asset Management Policies and Status, (2) Asset Management Status, ii) Outlook for the Next Fiscal Period, (C) Significant Subsequent Events, c. Acquisition of Properties” on pages 10 and 11.

### 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

There is no capital increases, etc. for the current fiscal period. The overview of capital increases, etc. in and before the previous fiscal period is 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)

(Note 1) The Investment Corporation was established with an offer 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.

#### 4. Changes in Directors

There have been no changes of directors.

## 5. Reference Information

### (1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of May 31, 2014)		Current fiscal period (As of November 30, 2014)	
		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	–	–	–	–
	Other Properties	–	–	–	–
	By location				
	5 wards of Tokyo (Note 3)	–	–	–	–
	Wards of Tokyo other than the 5 wards	–	–	–	–
	Three major metropolitan areas (Note 4)	–	–	–	–
	Other locations	–	–	–	–
	Subtotal	–	–	–	–
Real estate in trust	By property type				
	Urban Retail Properties	130,346	53.7	130,110	51.3
	Tokyo Office Properties	55,983	23.1	66,849	26.4
	Other Properties	45,595	18.8	45,474	17.9
	By location				
	5 wards of Tokyo (Note 3)	141,536	58.3	141,318	55.8
	Wards of Tokyo other than the 5 wards	15,521	6.4	26,517	10.5
	Three major metropolitan areas (Note 4)	70,464	29.0	70,223	27.7
	Other locations	4,402	1.8	4,375	1.7
	Subtotal	231,924	95.6	242,434	95.7
Total real estate assets		231,924	95.6	242,434	95.7
Deposits and other assets		10,684	4.4	10,972	4.3
Total assets (Note 5)		242,609	100.0	253,407	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)	112,556	46.4	123,321	48.7
Total net assets (Note 5)	130,052	53.6	130,086	51.3

- (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) “5 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

Type of assets	Name	Total face value (Thousands of yen)	Book value (Thousands of yen)	Accrued interest (Thousands of yen)	Prepaid accrued interest (Thousands of yen)	Fair value (Thousands of yen)	Valuation gain or loss (Thousands of yen)	Remark
Government bonds	Principal-only book-entry transfer government bonds (5 years, Series 91)	10,000	9,979	–	–	9,999	19	Deposited as business security deposit
Total		10,000	9,979	–	–	9,999	19	

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 6th fiscal period. Figures shown in the table are as of November 30, 2014 unless otherwise provided.

a. Overview of assets held (1)

(As of November 30, 2014)

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	45,044	50,550	51,750	3.3	49,350	3.1	3.5	18.6
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,754	12,900	13,000	4.8	12,900	4.9	5.0	4.7
	UR-3	Ebisu Q Plaza (Note 7)	8,430	8,395	9,490	9,500	4.0	9,480	4.2/4.1	4.2	3.5
	UR-4	Shinbashi Place	20,500	20,479	23,700	24,000	4.7	23,500	4.5	4.9	8.5
	UR-5	Kyoto Karasuma Parking Building	8,860	8,861	9,820	9,830	5.4	9,820	5.4	5.6	3.7
	UR-6	Hitotsugi LIP	3,000	3,126	3,320	3,360	4.0	3,280	3.8	4.2	1.2
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	21,679	22,600	22,800	4.6	22,300	4.4	4.8	8.8
	UR-8	Tokyu Plaza Sapporo	4,410	4,375	5,100	5,100	6.0	5,100	5.8	6.4	1.8
	UR-9	Kamata Kosan Building	6,370	6,393	6,790	6,840	4.5	6,770	4.3	4.7	2.6
		Subtotal	129,350	130,110	144,270	146,180	-	142,500	-	-	53.5
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,267	7,750	7,970	4.3	7,650	4.4	4.5	3.1
	TO-2	A-PLACE Ebisu Minami	9,640	9,582	11,100	11,200	4.2	11,100	4.3	4.4	4.0
	TO-3	A-PLACE Yoyogi (Note 8)	4,070	4,031	4,100	4,190	4.5	4,000	4.3	4.7	1.7
	TO-4	A-PLACE Aoyama (Note 8)	8,790	8,771	8,450	8,640	4.6	8,370	4.4	4.8	3.6
	TO-5	Luogo Shiodome	4,540	4,454	5,120	5,150	4.2	5,110	4.0	4.4	1.9
	TO-6	Tokyo Kikai Honsha Building (Land) (Note 9)	2,338 (Note 8)	2,362	2,450	2,530	4.3	2,410	4.7	4.5	1.0
	TO-7	A-PLACE Ikebukuro	3,990	3,922	4,330	4,380	4.8	4,270	4.6	5.0	1.7
	TO-8	A-PLACE Shinbashi (Note 8)	5,650	5,826	6,220	6,320	4.3	6,110	4.1	4.5	2.3
	TO-9	A-PLACE Gotanda (Note 8)	5,730	5,743	5,940	6,040	4.3	5,840	4.1	4.5	2.4
	TO-10	A-PLACE Shinagawa (Note 8)	3,800	3,828	3,990	4,060	4.2	3,910	4.0	4.4	1.6
	TO-11	OSAKI WIZTOWER	10,690	11,059	11,600	11,700	4.2	11,500	3.7	4.1	4.4
	Subtotal	66,638	66,849	71,050	72,180	-	70,270	-	-	27.6	
Other Properties	O-1	Amagasaki Q's MALL (Land)	12,000	12,113	12,600	12,600	4.8	12,500	4.4	5.0	5.0
	O-2	icot Nakamozu (Note 10)	8,500	8,411	9,700	9,840	5.5	9,640	5.4/5.5	5.7	3.5
	O-3	icot Kongo	1,600	1,628	1,860	1,900	6.7	1,810	6.5	7.2	0.7
	O-4	icot Mizonokuchi	2,710	2,697	3,050	3,110	5.8	2,980	5.6	6.2	1.1
	O-5	icot Tama Center	2,840	2,782	3,160	3,210	5.9	3,100	5.2	6.1	1.2

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  (%)	
	O-6	A-PLACE Kanayama (Note 8)	6,980	6,791	7,570	7,630	5.4	7,500	5.2	5.6	2.9
	O-7	Osaka Nakanoshima Building (Note 6)	5,250	5,259	5,900	5,950	4.8	5,850	4.6	5.0	2.2
	O-8	icot Omori (Note 8)	5,790	5,791	5,970	6,040	4.9	5,900	4.8	5.2	2.4
		Subtotal	45,670	45,474	49,810	50,280	–	49,280	–	–	18.9
		Total	241,658	242,434	265,130	268,640	–	262,050	–	–	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 O (meaning Other properties).

(Note 2) Acquisition price represents trading value of beneficiary rights in trust stipulated in each beneficiary right 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 November 30, 2014, 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 shows value described in each real estate appraisal report with the date of value estimate of November 30, 2014.

(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 Osaka Nakanoshima Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50% and 50%, respectively).

(Note 7) The discount rates of Ebisu Q Plaza show the discount rate in the holding period at 4.2% and the discount rate for terminal value at 4.1%.

(Note 8) Property name of J-CORE Omori was changed to icot Omori on October 1, 2014, and property names of Yoyogi Place, Aoyama Plaza Building, TK Shinbashi Building, Gotanda Front, Shinagawa Place and Kanayama Center Place were changed to A-PLACE Yoyogi, A-PLACE Aoyama, A-PLACE Shinbashi, A-PLACE Gotanda, A-PLACE Shinagawa and A-PLACE Kanayama respectively, on November 1, 2014; the same shall apply hereinafter.

(Note 9) Trust beneficiary right with building as trust asset for Tokyo Kikai Honsha Building (Land) was transferred to Tokyu Land Corporation on May 30, 2014. The acquisition price shown is the acquisition price of the land at the time of acquisition (June 13, 2012).

(Note 10) The discount rates of icot Nakamozu represent 5.4% from the first year to the eighth year and 5.5% in and after the ninth year.



b. Overview of assets held (2)

(As of November 30, 2014)

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 <sup>2</sup> ) (Note 5)	Total leased area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	27	2,063	1,756	4,904.55	4,904.55	100.0
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	99	901	386	16,620.48	16,620.48	100.0
	UR-3	Ebisu Q Plaza	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	Hitotsugi LIP	Minato, Tokyo	February 18, 2008	8	176	153	2,280.22	2,280.22	100.0
	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	Tokyu Plaza Sapporo	Sapporo, Hokkaido	May 23, 1980	18	585	140	21,229.16	21,229.16	100.0
	UR-9	Kamata Kosan Building	Shibuya, Tokyo	June 29, 1988	2	393	323	3,413.80	3,413.80	100.0
		Subtotal			–	168	–	–	102,899.04	102,899.04
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	11	474	390	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	9	624	475	7,950.51	7,950.51	100.0
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	3	222	177	3,106.17	3,106.17	100.0
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	478	452	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	6	304	252	4,476.35	4,476.35	100.0
	TO-6	Tokyo Kikai Honsha Building (Land)	Minato, Tokyo	–	1	125	0	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	345	309	5,052.14	5,052.14	100.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	11	327	283	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	202	186	2,986.36	2,986.36	100.0
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	1	– (Note 9)	– (Note 9)	7,193.28	7,193.28	100.0
	Subtotal			–	69	–	–	54,137.48	54,137.48	100.0
Other Properties	O-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	–	1	683	341	27,465.44	27,465.44	100.0
	O-2	icot Nakamozu	Sakai, Osaka	June 27, 2007	2	619	430	28,098.02	28,098.02	100.0
	O-3	icot Kongo	Osakasayama, Osaka	February 8, 1977	1	– (Note 9)	– (Note 9)	17,884.55	17,884.55	100.0
	O-4	icot Mizonokuchi	Kawasaki, Kanagawa	July 15, 1998	1	– (Note 9)	100	14,032.05	14,032.05	100.0
	O-5	icot Tama Center	Tama, Tokyo	March 7, 2006	11	230	230	5,181.58	5,181.58	100.0
	O-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	21	490	385	9,314.91	9,314.91	100.0
	O-7	Osaka Nakanoshima Building (Note 8)	Osaka, Osaka	March 5, 1984	41	462	327	10,176.06	9,993.05	98.2
	O-8	icot Omori	Ota, Tokyo	March 6, 2007	9	380	363	6,209.79 (Note 10)	6,209.79 (Note 10)	100.0
	Subtotal			–	87	–	–	118,362.40	118,179.39	99.8
	Total			–	324	–	–	275,398.92	275,215.91	99.9

- (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, 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 November 30, 2014 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 November 30, 2014), 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 November 30, 2014, as indicated in the lease agreements in relation to buildings as of November 30, 2014 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 November 30, 2014, 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 (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 November 30, 2014), 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 November 30, 2014 (limited to tenant leasehold and security deposit based on the lease agreement for leased property that was occupied by the tenant as of the same date), 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 sub-lease 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 November 30, 2014 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 November 30, 2014 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 November 30, 2014. 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 November 30, 2014, 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 Osaka Nakanoshima Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50% and 50%, 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 m<sup>2</sup>) and part of a common area on the second floor (approximately 28 m<sup>2</sup>).
- (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 November 30, 2014, 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 6th fiscal period as of November 30, 2014. 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
TLC Ebisu Building (Shibuya, Tokyo)	Replacement of air conditioning units	From October 2014 to May 2015	97	–	–
Tokyu Plaza Sapporo (Sapporo, Hokkaido)	Renovations of new annex guest rooms	From February 2015 to April 2015	82	–	–
A-PLACE Shinbashi (Minato, Tokyo)	Replacement work of air conditioning units and total heat exchangers	From September 2014 to December 2014	46	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Installation work of individual packaged air conditioning units	From September 2014 to January 2015	25 (Note)	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of disaster prevention control panels	From December 2014 to May 2015	24 (Note)	–	–
Tokyu Plaza Sapporo (Sapporo, Hokkaido)	Replacement work of FCUs in new annex guest rooms	From February 2015 to April 2015	20	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Replacement work of bus duct B systems	From December 2014 to March 2015	20 (Note)	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Replacement work of bus duct C systems (Second period)	From September 2014 to March 2015	14 (Note)	–	–

(Note) The shown construction cost with regard to Tokyu Plaza Akasaka and Osaka Nakanoshima Building is the amount equivalent to the ratio of the Investment Corporation's co-ownership interests of real estate trust beneficiary (50%).

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 6th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended November 30, 2014 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended November 30, 2014 amounted to ¥165 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended November 30, 2014 came to ¥142 million. On aggregate, construction work of ¥308 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
icot Kongo (Osakasayama, Osaka)	Replacement work of emergency power generator facilities	From September 2014 to November 2014	42
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Replacement work of bus duct C systems (First period)	From August 2014 to November 2014	22 (Note)
Hitotsugi LIP (Minato, Tokyo)	Installation of air conditioning	From October 2014 to October 2014	14
TLC Ebisu Building (Shibuya, Tokyo)	Replacement work of mechanical parking facility equipment	From November 2014 to November 2014	11
Other			75
Total			165

(Note) The shown construction cost with regard to Tokyu Plaza Akasaka is the amount equivalent to the ratio of the Investment Corporation's co-ownership interests of real estate trust beneficiary (50%).

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 6th 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 November 30, 2014. In regard to forms of agreements with the tenants in the table, the agreement with Sumitomo Mitsui Trust Bank, Limited for Amagasaki Q's MALL (Land) is an agreement for fixed-term business-use lease agreement, and the agreements with other tenants are ordinary lease agreements.

As for certain assets held, the Investment Corporation has entered into lease agreements (master lease agreements) with Tokyu Land Corporation, Tokyu Land SC Management Corporation and Tokyu Community 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 November 30, 2014. 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 <sup>2</sup> ) (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 Land Corporation	Real Estate business	Tokyu Plaza Omotesando Harajuku (Note 5)	4,904.55	2,063	1,756	June 30, 2022
		Tokyu Plaza Akasaka (Note 5)	16,620.48	901	386	June 30, 2022
		Tokyu Plaza Sapporo	21,229.16	585	140	December 31, 2023
		TLC Ebisu Building	7,342.60	474	390	June 30, 2022
		A-PLACE Ebisu Minami	7,950.51	624	475	June 30, 2022
		A-PLACE Yoyogi	3,106.17	222	177	June 30, 2022
		A-PLACE Aoyama	7,303.69	478	452	June 30, 2022
		Luogo Shiodome	4,476.35	304	252	June 30, 2022
		A-PLACE Ikebukuro	3,409.73	– (Note 6)	– (Note 6)	June 30, 2022
		A-PLACE Shinbashi	5,052.14	345	309	April 30, 2023
		A-PLACE Gotanda	4,028.69	327	283	December 31, 2023
		A-PLACE Shinagawa	2,986.36	202	186	December 31, 2023
		OSAKI WIZTOWER	7,193.28	– (Note 6)	– (Note 6)	June 30, 2024
		A-PLACE Kanayama	9,314.91	490	385	June 30, 2022
		Total	104,918.62	–	–	–
Tokyu Land SC Management Corporation	Real Estate Management	Ebisu Q Plaza	4,024.88	475	475	June 30, 2022
		Shinbashi Place	9,156.01	– (Note 6)	– (Note 6)	November 30, 2024
		Kyoto Karasuma Parking Building	21,616.04	– (Note 6)	– (Note 6)	November 30, 2024
		Hitotsugi LIP	2,280.22	176	153	August 31, 2023
		Kobe Kyu Kyoryuchi 25Bankan	19,653.90	1,231	1,399	August 31, 2023
		Kamata Kosan Building	3,413.80	393	323	December 31, 2023
		icot Nakamozu	28,098.02	619	430	June 30, 2022
		icot Kongo	17,884.55	– (Note 6)	– (Note 6)	June 30, 2022
		icot Mizonokuchi	14,032.05	– (Note 6)	100	June 30, 2022
		icot Tama Center	5,181.58	230	230	November 30, 2024
		icot Omori	6,209.79	380	363	December 31, 2023
		Total	131,550.84	–	–	–
Sumitomo Mitsui Trust Bank, Limited (Note 7)	Finance	Tokyo Kikai Honsha Building (Land)	1,287.96	125	0	May 31, 2074
		Amagasaki Q's MALL (Land)	27,465.44	683	341	January 31, 2042
		Total	28,753.40	808	341	–

(Note 1) The total leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of November 30, 2014 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 November 30, 2014), 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 November 30, 2014, as indicated in the sublease agreement concluded with the end-tenant as of November 30, 2014 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 November 30, 2014 (limited to tenant leasehold and security deposit based on the lease agreement for leased property that was occupied by the tenant as of the same date), 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) As for Tokyu Plaza Omotesando Harajuku and Tokyu Plaza Akasaka, leased area, annual contracted rent (Annual rent) and tenant leasehold and security deposit are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75% and 50%, respectively).
- (Note 6) We have not obtained permission from the tenant of this property to release the information missing from this table.
- (Note 7) Tenant is the trustee of the building on the land; Tokyu Land Corporation is the trust beneficiary under such trust.

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, 2014.

End-tenants	Property name	Total leased area (m <sup>2</sup> ) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka Tokyu Plaza Sapporo	30,182.69	March 31, 2016	Fixed-term building lease agreement
Sumitomo Mitsui Trust Bank, Limited (Note 3)	Tokyo Kikai Honsha Building (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
Paraca Inc.	Kyoto Karasuma Parking Building	21,224.14	–	–
Daiei, Inc.	icot Kongo	–	–	–
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
Yamada-Denki Co., Ltd.	A-PLACE Shinbashi	9,156.01	–	–
NIPPO CORPORATION	OSAKI WIZTOWER	7,193.28	June 23, 2016	Fixed-term building lease agreement
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609.11	–	–

- (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 November 30, 2014. As for Tokyu Plaza Akasaka, 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%).
- (Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of November 30, 2014.
- (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 Tokyo Kikai Honsha Building (Land) and Amagasaki Q's MALL (Land) is in respect of the land.
- (Note 5) We have not obtained permission from the end-tenant of this property to release the information missing from this table.

## (D) Overview of lease and profit and loss

6th fiscal period (From June 1, 2014 to November 30, 2014)

(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)	Ebisu Q Plaza	Shinbashi Place	Kyoto Karasuma Parking Building
Number of business days in the 6th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	1,111,912	590,876	272,334	(Note 2)	(Note 2)
Rent revenue–real estate	1,053,027	481,766	237,540	(Note 2)	(Note 2)
Other lease business revenue	58,885	109,110	34,794	(Note 2)	(Note 2)
b. Expenses related to rent business	258,352	307,081	67,505	45,213	35,285
Management operation expenses	90,818	80,017	16,240	12,300	3,561
Utilities expenses	37,353	95,013	33,283	–	–
Tax and public dues	48,415	65,096	8,632	31,878	30,125
Insurance	398	613	121	265	231
Repair and maintenance expenses	370	61,514	540	–	507
Other expenses related to rent business	80,996	4,825	8,687	769	859
c. NOI (a – b)	853,560	283,795	204,829	(Note 2)	(Note 2)
d. Depreciation, etc. (Note 3)	48,050	30,252	18,481	32,734	15,776
Income (loss) from rent business (c – d)	805,509	253,543	186,347	(Note 2)	(Note 2)

(Unit: Thousands of yen)

Property number	UR-6	UR-7	UR-8	UR-9
Property name	Hitotsugi LIP	Kobe Kyu Kyoryuchi 25Bankan	Tokyu Plaza Sapporo	Kamata Kosan Building
Number of business days in the 6th fiscal period	183	183	183	183
a. Real estate leasing business revenues	98,649	726,712	447,877	209,907
Rent revenue–real estate	80,328	648,542	359,709	196,913
Other lease business revenue	18,321	78,170	88,168	12,993
b. Expenses related to rent business	39,321	209,650	222,942	38,271
Management operation expenses	9,912	81,653	105,331	11,936
Utilities expenses	17,906	69,945	74,286	12,068
Tax and public dues	7,192	49,800	27,792	10,235
Insurance	57	866	655	93
Repair and maintenance expenses	1,032	542	5,128	2,904
Other expenses related to rent business	3,220	6,841	9,747	1,032
c. NOI (a – b)	59,327	517,061	224,935	171,635
d. Depreciation, etc. (Note 3)	7,510	120,408	39,249	7,537
Income (loss) from rent business (c – d)	51,816	396,653	185,685	164,098

(Unit: Thousands of yen)

Property number	TO-1	TO-2	TO-3	TO-4	TO-5
Property name	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome
Number of business days in the 6th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	279,714	337,858	121,480	258,440	169,378
Rent revenue—real estate	249,205	319,858	113,591	235,800	155,544
Other lease business revenue	30,509	17,999	7,888	22,639	13,833
b. Expenses related to rent business	77,287	90,336	31,682	96,965	52,475
Management operation expenses	22,413	27,111	10,328	20,037	11,821
Utilities expenses	26,794	25,243	9,169	22,925	14,216
Tax and public dues	16,541	28,958	9,750	20,238	17,657
Insurance	276	333	118	254	217
Repair and maintenance expenses	2,560	6,185	1,522	30,688	5,520
Other expenses related to rent business	8,701	2,502	791	2,820	3,042
c. NOI (a – b)	202,426	247,522	89,798	161,474	116,902
d. Depreciation, etc. (Note 3)	39,629	30,299	15,687	22,552	27,472
Income (loss) from rent business (c – d)	162,797	217,222	74,110	138,922	89,430

(Unit: Thousands of yen)

Property number	TO-6	TO-7	TO-8	TO-9	TO-10
Property name	Tokyo Kikai Honsha Building (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa
Number of business days in the 6th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	62,291	(Note 2)	191,832	180,896	99,368
Rent revenue—real estate	62,502	(Note 2)	177,352	165,948	93,542
Other lease business revenue	(210)	(Note 2)	14,480	14,948	5,826
b. Expenses related to rent business	7,979	31,904	53,889	31,115	22,398
Management operation expenses	–	9,888	15,528	13,291	10,409
Utilities expenses	(289)	10,414	14,751	15,175	6,718
Tax and public dues	7,948	10,514	14,842	–	–
Insurance	–	115	183	163	109
Repair and maintenance expenses	–	242	3,984	426	3,686
Other expenses related to rent business	320	729	4,598	2,059	1,475
c. NOI (a – b)	54,311	(Note 2)	137,943	149,781	76,969
d. Depreciation, etc. (Note 3)	–	20,682	25,537	26,792	9,170
Income (loss) from rent business (c – d)	54,311	(Note 2)	112,405	122,989	67,799

(Unit: Thousands of yen)

Property number	TO-11
Property name	OSAKI WIZTOWER (Note 4)
Number of business days in the 6th fiscal period	160
a. Real estate leasing business revenues	(Note 2)
Rent revenue—real estate	(Note 2)
Other lease business revenue	(Note 2)
b. Expenses related to rent business	51,685
Management operation expenses	48,424
Utilities expenses	42
Tax and public dues	–
Insurance	361
Repair and maintenance expenses	–
Other expenses related to rent business	2,856
c. NOI (a – b)	(Note 2)
d. Depreciation, etc. (Note 3)	47,929
Income (loss) from rent business (c – d)	(Note 2)



(Unit: Thousands of yen)

Property number	O-1	O-2	O-3	O-4	O-5
Property name	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Kongo	icot Mizonokuchi	icot Tama Center
Number of business days in the 6th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	341,533	310,655	(Note 2)	(Note 2)	144,281
Rent revenue—real estate	341,533	310,625	(Note 2)	(Note 2)	130,690
Other lease business revenue	—	30	(Note 2)	(Note 2)	13,591
b. Expenses related to rent business	41,164	41,187	20,466	13,068	49,501
Management operation expenses	—	5,700	2,459	2,262	19,074
Utilities expenses	—	30	—	—	16,673
Tax and public dues	40,908	31,634	13,886	9,865	11,959
Insurance	—	329	376	141	204
Repair and maintenance expenses	—	2,720	3,476	30	344
Other expenses related to rent business	256	771	269	769	1,246
c. NOI (a – b)	300,368	269,468	(Note 2)	(Note 2)	94,780
d. Depreciation, etc. (Note 3)	—	34,523	16,248	8,515	18,667
Income (loss) from rent business (c – d)	300,368	234,945	(Note 2)	(Note 2)	76,112

(Unit: Thousands of yen)

Property number	O-6	O-7	O-8
Property name	A-PLACE Kanayama	Osaka Nakanoshima Building (Note 1)	icot Omori
Number of business days in the 6th fiscal period	183	183	183
a. Real estate leasing business revenues	281,533	253,480	235,283
Rent revenue—real estate	257,473	237,509	197,520
Other lease business revenue	24,059	15,970	37,763
b. Expenses related to rent business	83,555	90,059	64,225
Management operation expenses	24,901	28,260	9,816
Utilities expenses	26,171	26,255	39,840
Tax and public dues	24,932	23,779	13,118
Insurance	335	454	146
Repair and maintenance expenses	431	7,898	556
Other expenses related to rent business	6,782	3,411	747
c. NOI (a – b)	197,977	163,420	171,058
d. Depreciation, etc. (Note 3)	52,115	30,044	17,230
Income (loss) from rent business (c – d)	145,862	133,376	153,827

(Note 1) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Osaka Nakanoshima Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50% and 50%, respectively).

(Note 2) We have not obtained permission from the tenant of this property to release the information missing from this table.

(Note 3) “Depreciation, etc.” includes loss on retirement of non-current assets.

(Note 4) OSAKI WIZTOWER was acquired on June 24, 2014. Therefore, figures after the acquisition date are presented.