



Activia Properties Inc.

July 11, 2014

Financial Report for the Fiscal Period Ended May 31, 2014 (December 1, 2013 - May 31, 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: August 26, 2014

Scheduled date to start distribution payments: August 15, 2014

Supplementary material on financial report: Yes

Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended May 31, 2014 (December 1, 2013 – May 31, 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 May 31, 2014	7,778	27.0	4,580	25.8	3,998	25.5	3,997	25.5
Fiscal period ended November 30, 2013	6,124	5.5	3,642	(5.4)	3,187	(8.4)	3,186	(8.4)

	Net income per unit	Return on unitholders' equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenue
	Yen	%	%	%
Fiscal period ended May 31, 2014	16,194	3.6	1.8	51.4
Fiscal period ended November 30, 2013	15,522	3.4	1.7	52.0

(Note) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period (205,262 units and 246,842 units for the fiscal period ended November 30, 2013, and the fiscal period ended May 31, 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 May 31, 2014	15,922	3,997	0	0	100.0	3.3
Fiscal period ended November 30, 2013	15,523	3,186	0	0	100.0	3.4

(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 May 31, 2014	242,609	130,052	53.6	518,009
As of November 30, 2013	191,841	94,560	49.3	460,680

(Reference) Unitholders' equity

As of May 31, 2014: ¥130,052 million
As of November 30, 2013: ¥94,560 million

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2014	4,925	(45,878)	43,963	9,173
Fiscal period ended November 30, 2013	3,985	(3,104)	(477)	6,163

2. Forecasts of results for the fiscal period from June 1, 2014 to November 30, 2014

(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 November 30, 2014	8,147 4.7	4,515 (1.4)	3,958 (1.0)	3,957 (1.0)	15,763	0

(Reference) Forecasted net income per unit (forecasted net income / forecasted number of investment units at end of period)
For the fiscal period ending November 30, 2014: ¥15,763

*** 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 May 31, 2014 251,062 units
 - As of November 30, 2013 205,262 units
- b. Number of treasury units at end of period
 - As of May 31, 2014 – units
 - As of November 30, 2013 – units

(Note) Please refer to “Per Unit Information” on page 36 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**

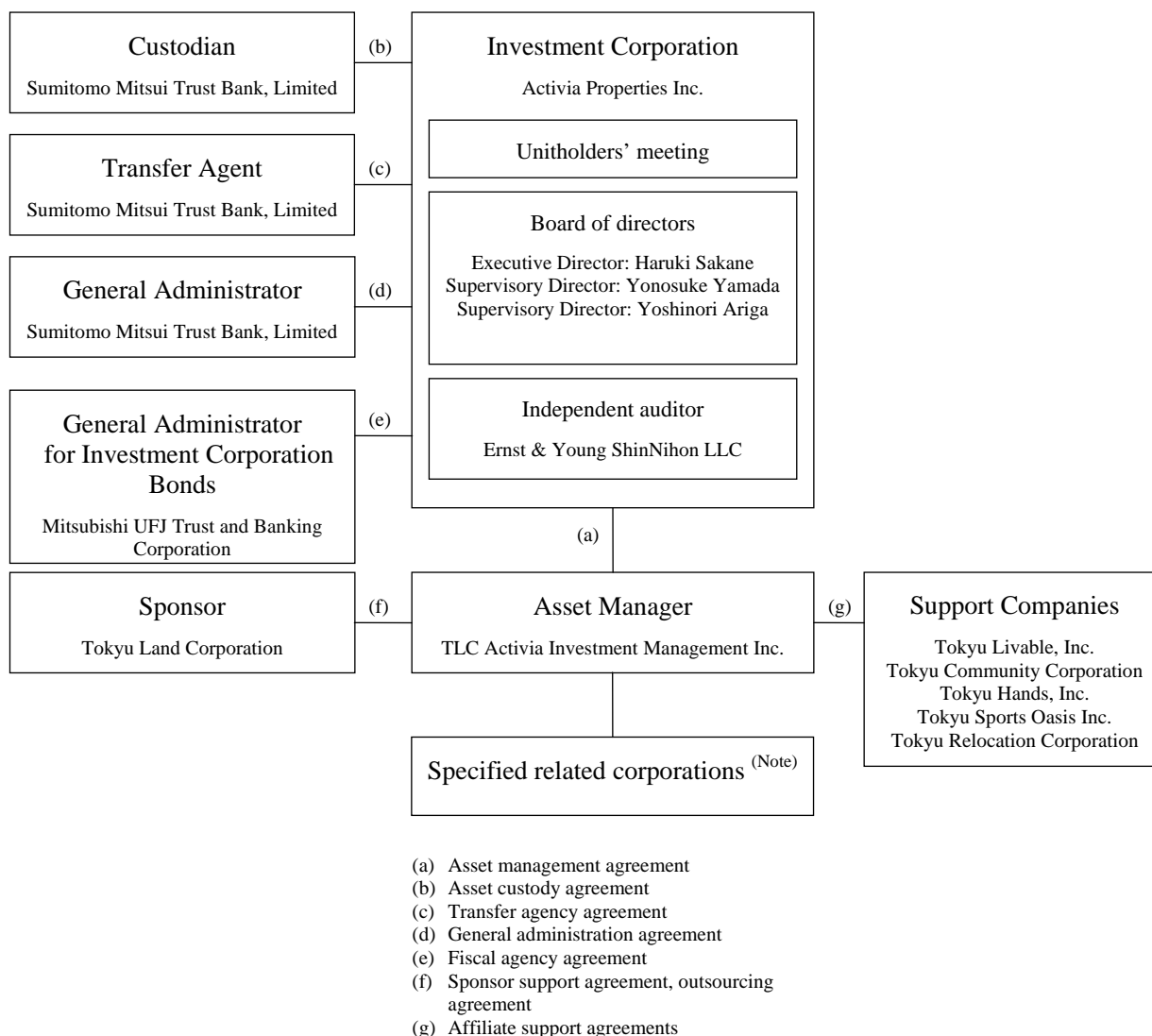
Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially due to a number of factors. Furthermore, 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 June 1, 2014 to November 30, 2014 and the Fiscal Period from December 1, 2014 to May 31, 2015” on pages 14 and 15 for information on assumptions for the forecasts.

<p>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.</p>
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1. The Investment Corporation and Related Corporations

The “Management structure of the Investment Corporation” in the latest Securities Report (filed on February 27, 2014; prepared in Japanese only) has been changed as follows:

i) The Management Structure of the Investment Corporation



(Note) Tokyu Land Corporation, Tokyu Fudosan Holdings Corporation, Cross Special Purpose Company and Tokyu Land SC Management Corporation are specified related corporations of the Asset Manager.

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

Role	Business name	Operation
Investment corporation	Activia Properties Inc.	Our basic policy is to maximize unitholder value by achieving stable profits and steady growth in assets under management in the medium to long term through continuous investments in properties.
Asset manager (Re Article 198 of the Investment Trust Act)	TLC Activia Investment Management Inc.	<p>The following operations are related to the management of the assets of the Investment Corporation, and are commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. operations related to the management of the assets under management of the Investment Corporation b. operations related to the financing of the Investment Corporation c. reporting the status of assets under management and other matters to the Investment Corporation, and reporting and filing this information for the Investment Corporation d. developing management plans for the assets under management e. other operations commissioned by the Investment Corporation as needed f. operations that are incidental or related to the items above
Custodian (Re Article 208 of the Investment Trust Act)	Sumitomo Mitsui Trust Bank, Limited	<p>The following operations are related to the custody of the assets of the Investment Corporation, and are commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. custody of assets b. cash management c. operations that are incidental or related to the items above
Transfer agent	Sumitomo Mitsui Trust Bank, Limited	<p>The following general administration work is commissioned by the Investment Corporation:</p> <ul style="list-style-type: none"> a. affairs related to the preparation and maintenance of the register of unitholders b. affairs related to the issuance of investment units c. affairs related to the calculation and payment of distributions to unitholders d. affairs related to unitholders' requests for exercising rights and the receipt of other requests from unitholders e. operations that are incidental or related to the items above

Role	Business name	Operation
General administrator (delegated management agency, agency engaged in accounting-related work)	Sumitomo Mitsui Trust Bank, Limited	The following general administration work is commissioned by the Investment Corporation: a. affairs related to accounting b. affairs related to the preparation of accounting books c. affairs related to tax payment d. affairs related to the management of the organization e. operations that are incidental or related to the items above
General administrator for investment corporation bonds	Mitsubishi UFJ Trust and Banking Corporation	The following work for investment corporation bonds is commissioned by the Investment Corporation: a. issuance agency affairs b. payment agency affairs c. affairs related to the register of investment corporation bonds d. affairs related to receipt of requests from holders of investment corporation bonds regarding exercise of rights and other proposals from holders of investment corporation bonds e. operations that are incidental or related to the items above
Specified related corporation (parent company of the Asset Manager) Sponsor	Tokyu Land Corporation	Since Tokyu Land Corporation has 100% ownership (parent company) of the Asset Manager, it is deemed a specified related corporation. Tokyu Land Corporation and the Investment Corporation have entered into a transfer contract for the beneficiary rights of some of the assets held by the Investment Corporation, a master lease and property management agreement for some of the assets, an incidental agreement for the assets held, and a sponsor support agreement.
Specified related corporation (parent company of the Asset Manager)	Tokyu Fudosan Holdings Corporation	Since Tokyu Fudosan Holdings Corporation is the parent company of Tokyu Land Corporation, which is the parent company of the Asset Manager, it is deemed a specified related corporation.

Role	Business name	Operation
<p>Specified related corporation (of the interested parties, etc. of the Asset Manager, a corporation that carries out, or has carried out, transactions (acquisitions and transfers) in Article 29-3, Paragraph 3, item (ii) of the Order for Enforcement of the Financial Instruments and Exchange Act)</p>	<p>Cross Special Purpose Company</p>	<p>Cross Special Purpose Company carried out transactions with the Investment Corporation consisting of acquisitions and transfers of beneficiary interests of real estate, etc. in trust during the three years up to the end of the previous fiscal period (the fiscal period ended November 30, 2013). The total of the amount Cross Special Purpose Company paid as consideration and the amount received for the relevant transactions is equivalent to at least 20% of the total of the amount the Investment Corporation paid as consideration and the amount received for acquisition and transfer transactions during that period.</p> <p>Cross Special Purpose Company and the Investment Corporation have entered into a transfer contract for the beneficiary rights of some of the assets held by the Investment Corporation.</p>
<p>Specified related corporation (of the interested parties, etc. of the Asset Manager, a corporation that carries out, or has carried out, transactions (lending and borrowing transactions) in Article 29-3, Paragraph 3, item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act)</p>	<p>Tokyu Land SC Management Corporation</p>	<p>Tokyu Land SC Management Corporation carried out transactions with a trustee of beneficiary interests of real estate, etc. in trust that are assets held by the Investment Corporation consisting of lending and borrowing of real estate, etc. that are assets held in trust during the three years up to the end of the previous fiscal period (the fiscal period ended November 30, 2013). The average amount for one fiscal period for the total of the amount the said trustee paid as consideration and the amount received for the relevant transactions, or the average amount for one fiscal period for the total amount expected to be received by the said trustee from Tokyu Land SC Management Corporation as consideration for the relevant transactions during the three years from the first date of the fiscal period under review (the fiscal period ended May 31, 2014), is equivalent to at least 20% of the Investment Corporation's total operating revenue in the previous fiscal period.</p> <p>Tokyu Land SC Management Corporation and the Investment Corporation have entered into a master lease and property management agreement for some of the assets held by the Investment Corporation.</p>
<p>Support companies</p>	<p>Tokyu Livable, Inc. Tokyu Community Corporation Tokyu Hands, Inc. Tokyu Sports Oasis Inc. Tokyu Relocation Corporation</p>	<p>Provide support.</p>

2. Asset Management Policies and Status

(1) Asset Management Policies

As there have been no significant changes in policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the latest Securities Report (filed on February 27, 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 May 31, 2014, the Investment Corporation acquired six properties including three “Urban Retail Properties” and two “Tokyo Office Properties,” by publicly offered capital increase, which are both categorized as its focused investment properties. In addition, the Investment Corporation transferred Tokyo Kikai Honsha Building (building) to Tokyu Land Corporation, the sponsor of the Investment Corporation, on May 30, 2014. Consequently, the Investment Corporation held 27 properties (with the total acquisition price of ¥230,968 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 continued along a moderate recovery path underpinned by the effects of various government measures. Despite lingering weakness in consumption resulting from a rush in demand before the April 2014 consumption tax hike and the consequent drop in demand, which had been a cause for concern, the impact of this drop gradually softened. This was reflected in the May 2014 Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan, in which the consumer confidence index rose from the previous month for the first time in six months. As a result, the Japanese economy is expected to mount a gradual, albeit moderate, recovery.

In the environment surrounding retail properties, there was a 4.3% decrease in the sales of retailers in April from the same month of the previous year according to the Current Survey of Commerce released by the Ministry of Economy, Trade and Industry. Even so, there were improvements in the employment and income situations, and consumption trends are being closely watched leading up to the summer. Furthermore, the number of tourists visiting Japan from abroad is increasing partly due to the impact of yen depreciation and relaxation of visa issuance requirements. According to the Consumption Trend Survey for Foreigners Visiting Japan announced by the Japan Tourism Agency, the Ministry of Land, Infrastructure, Transport and Tourism in May, the amount of tourism consumption by foreigners visiting Japan from January 2014 through March 2014 increased by 48.5% year on year, which was the highest amount since the start of the survey. Consequently, the increase in foreign visitors is expected to result in a higher hotel utilization rate and an increase in consumption. In the rental office market, according to data published by Miki Shoji Co., Ltd., the average vacancy

rate of five central Tokyo wards (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of May 31, 2014 stood at 6.52%, down from 7.52% as of November 30, 2013, showing improvement for the eleventh consecutive month. With regard to rent levels, although average rents for newly constructed buildings were about level with those of the previous month, market rent prices for existing buildings rose for the fifth consecutive month and there was an increase in examples of turnarounds in rents mainly in major cities such as Tokyo, Osaka and Nagoya. In the J-REIT market, although a large number of new IPOs and publicly offered capital increases were carried out in the fiscal period under review, the funds raised and property acquisition prices were down in comparison to 2013 due to harsh competition for acquisitions in the real estate transaction market.

(C) Investment Performance

The Investment Corporation acquired beneficiary rights of real estate in trust to six properties by publicly offered capital increase (with a total acquisition price of ¥47,430 million) in accordance with the basic asset management policy set forth in the Articles of Incorporation. These consisted of four properties acquired on December 19, 2013: Kobe Kyu Kyoryuchi 25Bankan, Tokyu Plaza Sapporo, Kamata Kosan Building and J-CORE Omori; and two properties acquired on January 10, 2014: Gotanda Front and Shinagawa Place. In addition, the Investment Corporation transferred the building portion of Tokyo Kikai Honsha Building (transfer price: ¥695 million) to Tokyu Land Corporation, the sponsor of the Investment Corporation, on May 30, 2014.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 27 properties (with the total acquisition price of ¥230,968 million) with the total leasable area of 268,207 m² (81,132 *tsubo*).

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

	December 31, 2013	January 31, 2014	February 28, 2014	March 31, 2014	April 30, 2014	May 31, 2014
Urban Retail Properties	99.6%	99.6%	99.6%	99.4%	99.4%	99.6%
Tokyo Office Properties	98.6%	98.9%	96.4%	96.4%	97.5%	100.0%
Other Properties	99.9%	99.9%	99.9%	100.0%	99.7%	99.8%
Total	99.6%	99.6%	99.1%	99.1%	99.2%	99.8%

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 November 30, 2013	¥25,797/ <i>tsubo</i>	¥19,338/ <i>tsubo</i>	¥7,104/ <i>tsubo</i>	¥14,654/ <i>tsubo</i>
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>
Difference [ratio]	¥(5,237)[(20.3)%]	¥475 [2.5%]	¥502 [7.1%]	¥58 [0.4%]

(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 whether the rent was free as of November 30, 2013 and May 31, 2014.

(D) Overview of Financing

In the fiscal period under review, mainly to cover the acquisition costs for beneficiary interests of real estate in trust to the above six properties and related costs, the Investment Corporation issued additional investment units (43,100 units) through a public offering on December 16, 2013 and new investment units (2,700 units) by private placement on January 15, 2014, and borrowed funds of ¥12,800 million. In addition, on April 25, 2014, in order to diversify its means of financing, and extend borrowing periods, the Investment Corporation issued its first investment corporation bonds at ¥4,000 million and used the funds to cover repayment of short-term loans payable. As a result, as of the end of the fiscal period under review, unitholders' capital amounted to ¥126,054 million, the number of investment units issued came to 251,062 units and the balance of interest-bearing debt came to ¥100,800 million (borrowings of ¥96,800 million and investment corporation bonds of ¥4,000 million). In addition, the ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 41.5% 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 97.0% and 79.2%, 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 ¥7,778 million, ¥4,580 million, and ¥3,998 million, respectively, for the fiscal period under review, and net income was ¥3,997 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 ¥15,922.

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

While it is important to keep a close watch on trends in personal consumption in line with the consumption tax hike, the Japanese economy is expected to mount a sustained recovery mainly on the back of optimism toward the government's various economic measures and their growth strategies, improvement in the employment situation, and improvement in economies overseas, primarily in the U.S. On the other hand, there is a risk of adverse pressure from economic downturns overseas, including concerns of stagnation in Asian economies and economic instability in emerging countries.

In the rental office market, turnarounds in rents are expected to increase further on the back of improvements in average vacancy rates and higher rent levels, mainly reflecting increased demand for floor space expansion and office expansion through moving as a result of improved corporate conditions. Even so, regarding the rebound in rent levels, the overall rental market is expected to rise in accordance with further development in the economic recovery, as there are still many cases in which levels are determined by the situations of areas or individual buildings. With respect to retail properties, recovery in household income on the back of improvements in the employment and income situations and business related to foreign visitors to Japan are forecast to underpin overall consumption. In the J-REIT market, attention will be focused on future actions by the Government Pension Investment Fund (GPIF) and IPOs of J-REITs in the field of healthcare. As further property acquisitions are forecast due to publicly offered capital increases by existing J-REITs, competition for property acquisitions is expected to increase, particularly in Tokyo. In order to continue to acquire competitive assets, the Investment Corporation will work to control LTV and make property acquisitions using its own means and through its sponsor 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 Land 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 Land 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 and Tokyu Land SC Management Corporation.

d. Financial Strategy

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

(C) Significant Subsequent Events

Not applicable

< Reference Information >

The Investment Corporation acquired property listed below on June 24, 2014.

(TO-11) OSAKI WIZTOWER (Note)

Type of assets	Trust beneficiary interest
Acquisition price	¥10,690 million (section owned)
Acquisition date	June 24, 2014
Location	11-1, Osaki 2-chome, Shinagawa-ku, Tokyo
Use	Office, residence, retail and other (complex facility of Osaki Wiz City)
Land area	7,171.46 m ² (total land area)
Gross floor area	54,363.84 m ² (complex facility of Osaki Wiz City)
Structure	Steel framed, reinforced concrete, SRC/ 25 floors above and 2 floors underground (complex facility of Osaki Wiz City)
Month and year of completion	January 2014
Ownership	Land: Right of site (ownership ratio: 31,246,760/100,000,000) Building: Sectional ownership interest (fourth to eleventh floors of OSAKI WIZTOWER, total of 7,122 m ²)

(Note) The acquisition by the Investment Corporation is the fourth through eleventh floors of the office building called OSAKI WIZTOWER, which is mainly comprised of offices, within the large complex facility Osaki Wiz City, which is comprised of office, residence, retail and other facilities.

(D) Outlook of Investment Performance

For the fiscal period ending November 30, 2014 (6th fiscal period: from June 1, 2014 to November 30, 2014), 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 June 1, 2014 to November 30, 2014 and the Fiscal Period from December 1, 2014 to May 31, 2015” on pages 14 and 15.

Operating revenue	¥8,147 million
Operating income	¥4,515 million
Ordinary income	¥3,958 million
Net income	¥3,957 million
Cash distributions per unit	¥15,763
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 June 1, 2014 to November 30, 2014 and the Fiscal Period from December 1, 2014 to May 31, 2015,” the outlook of investment performance for the fiscal period ending May 31, 2015 (7th fiscal period: from December 1, 2014 to May 31, 2015) is estimated as follows.

Operating revenue	¥8,152 million
Operating income	¥4,549 million
Ordinary income	¥3,960 million
Net income	¥3,959 million
Cash distributions per unit	¥15,771
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 June 1, 2014 to November 30, 2014 and the Fiscal Period from December 1, 2014 to May 31, 2015

Item	Assumptions
Period	<ul style="list-style-type: none"> • 6th fiscal period (June 1, 2014 to November 30, 2014) (183 days) • 7th fiscal period (December 1, 2014 to May 31, 2015) (182 days)
Investment portfolio	<ul style="list-style-type: none"> • We assume that there will be no material changes to the composition of our investment portfolio, including acquisition of properties or disposition of properties, associated with the 28 properties (the “Assets Currently Held”) for which we hold the trust beneficiary interests as of today, before the end of the 7th fiscal period (May 31, 2015). • Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenue	<ul style="list-style-type: none"> • We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc. • Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to rent business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors, for the Assets Currently Held (the “Assets Held as of the End of the 5th Fiscal Period”), excluding OSAKI WIZTOWER acquired on June 24, 2014. Expenses for OSAKI WIZTOWER are calculated based on the information provided by the former owner (seller) and upon considering variable factors and others. • 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. There is no property tax and city planning tax on OSAKI WIZTOWER that are treated as a part of the acquisition cost. For property tax and city planning tax, ¥577 million and ¥577 million for the Assets Held as of the End of the 5th Fiscal Period, excluding Gotanda Front and Shinagawa Place, will be expensed in the fiscal period ending November 30, 2014 (6th fiscal period) and in the fiscal period ending May 31, 2015 (7th fiscal period), respectively. Moreover, property tax and city planning tax for fiscal 2015, with respect to Gotanda Front, Shinagawa Place and OSAKI WIZTOWER will be expensed from the 8th fiscal period ending November 30, 2015. • 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. • We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥779 million and ¥790 million for the 6th fiscal period ending November 30, 2014 and the 7th fiscal period ending May 31, 2015, respectively.
Non-operating expenses	<ul style="list-style-type: none"> • We expect interest and other borrowing-related expenses of ¥561 million and ¥592 million for the 6th fiscal period ending November 30, 2014 and the 7th fiscal period ending May 31, 2015, respectively.

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> • As of today, we have a balance of ¥110,800 million in interest-bearing debt (borrowings of ¥106,800 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 7th fiscal period (May 31, 2015). • We assume that there will be refinancing of all borrowings coming due before the end of the 6th fiscal period (November 30, 2014) and the 7th fiscal period (May 31, 2015) (6th fiscal period: short-term loans payable of ¥3,000 million; 7th fiscal period: long-term loans payable of ¥6,000 million). Although we borrowed ¥10,000 million on June 24, 2014, as short-term loans payable, this was converted to long-term loans payable on July 9, 2014. • The LTV ratios as of November 30, 2014 and May 31, 2015 are both projected to be approximately 44%. • The LTV ratio is obtained by the following formula: LTV = Balance of interest-bearing debt / Total assets x 100
Units	<ul style="list-style-type: none"> • The number is based on our assumption of 251,062 units issued as of today. We assume that there will be no additional issuance of new units before the end of the 7th fiscal period (May 31, 2015). • The cash distributions per unit for the 6th fiscal period ending November 30, 2014 and the 7th fiscal period ending May 31, 2015 have been calculated in accordance with the projected number of units issued as of the end of each of the fiscal periods, which are 251,062 units.
Cash distributions per unit	<ul style="list-style-type: none"> • Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. • The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> • We do not currently anticipate cash distributions in excess of our distributable profit (cash distributions in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts. • We assume that there will be no material changes in general economic conditions or real estate markets.

3. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2013	As of May 31, 2014
Assets		
Current assets		
Cash and deposits	5,016,162	7,702,411
Cash and deposits in trust	1,147,579	1,471,491
Operating accounts receivable	200,590	304,241
Prepaid expenses	151,720	273,265
Deferred tax assets	16	22
Consumption taxes receivable	–	541,917
Other	126	353
Total current assets	6,516,196	10,293,704
Non-current assets		
Property, plant and equipment		
Buildings in trust	34,180,684	48,593,214
Accumulated depreciation	(1,382,563)	(2,013,828)
Buildings in trust, net	32,798,121	46,579,386
Structures in trust	360,792	395,537
Accumulated depreciation	(28,285)	(39,436)
Structures in trust, net	332,506	356,100
Machinery and equipment in trust	622,914	1,091,124
Accumulated depreciation	(43,752)	(67,624)
Machinery and equipment in trust, net	579,161	1,023,499
Tools, furniture and fixtures in trust	23,882	36,977
Accumulated depreciation	(1,943)	(4,417)
Tools, furniture and fixtures in trust, net	21,939	32,560
Land in trust	146,717,786	179,363,166
Construction in progress in trust	5,200	5,200
Total property, plant and equipment	180,454,715	227,359,913
Intangible assets		
Leasehold rights in trust	4,562,599	4,562,599
Other	1,814	3,550
Total intangible assets	4,564,414	4,566,150
Investments and other assets		
Long-term prepaid expenses	296,095	356,026
Invest securities	9,955	9,967
Total investments and other assets	306,051	365,994
Total non-current assets	185,325,181	232,292,058
Deferred assets		
Investment corporation bond issuance costs	–	23,404
Total deferred assets	–	23,404
Total assets	191,841,377	242,609,167

(Unit: Thousands of yen)

	As of November 30, 2013	As of May 31, 2014
Liabilities		
Current liabilities		
Operating accounts payable	330,353	431,447
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	10,000,000	12,000,000
Accounts payable - other	46,700	64,636
Accrued expenses	245,470	315,924
Income taxes payable	538	674
Accrued consumption taxes	173,647	–
Advances received	103,875	111,860
Deposits received	4,772	11,350
Other	–	1
Total current liabilities	13,905,358	15,935,895
Non-current liabilities		
Investment corporation bond	–	4,000,000
Long-term loans payable	75,000,000	81,800,000
Tenant leasehold and security deposits in trust	8,375,764	10,820,768
Other	50	31
Total non-current liabilities	83,375,815	96,620,799
Total liabilities	97,281,173	112,556,695
Net assets		
Unitholders' equity		
Unitholders' capital	91,373,833	126,054,921
Surplus		
Unappropriated retained earnings (undisposed loss)	3,186,370	3,997,550
Total surplus	3,186,370	3,997,550
Total unitholders' equity	94,560,203	130,052,471
Total net assets	*2 94,560,203	*2 130,052,471
Total liabilities and net assets	191,841,377	242,609,167

(2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
Operating revenue		
Rent revenue - real estate	*1, *3 5,712,126	*1, *3 7,237,545
Other lease business revenue	*1, *3 412,776	*1, *3 541,200
Total operating revenue	6,124,902	7,778,746
Operating expenses		
Expenses related to rent business	*1, *3 1,975,285	*1, *3 2,632,911
Loss on sales of real estate properties	–	*2 7,099
Asset management fee	436,004	483,899
Asset custody fee	5,374	6,562
Administrative service fees	13,446	11,856
Directors' compensations	3,300	3,300
Other operating expenses	49,339	52,584
Total operating expenses	2,482,749	3,198,214
Operating income	3,642,152	4,580,531
Non-operating income		
Interest income	189	394
Interest on securities	1,848	1,744
Insurance income	2,522	63
Total non-operating income	4,560	2,203
Non-operating expenses		
Interest expenses	330,975	386,485
Interest expenses on investment corporation bonds	–	1,458
Amortization of investment corporation bond issuance costs	–	793
Investment unit issuance expenses	48,310	106,174
Borrowing related expenses	79,700	88,739
Other	500	520
Total non-operating expenses	459,486	584,173
Ordinary income	3,187,226	3,998,562
Income before income taxes	3,187,226	3,998,562
Income taxes - current	949	1,105
Income taxes - deferred	(0)	(5)
Total income taxes	949	1,099
Net income	3,186,276	3,997,462
Retained earnings brought forward	93	88
Unappropriated retained earnings (undisposed loss)	3,186,370	3,997,550

(3) Statement of Unitholders' Equity

Previous fiscal period (From June 1, 2013 to November 30, 2013)

(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	3,478,463	3,478,463	94,852,296	94,852,296
Changes of items during period					
Dividends of surplus		(3,478,369)	(3,478,369)	(3,478,369)	(3,478,369)
Net income		3,186,276	3,186,276	3,186,276	3,186,276
Total changes of items during period	–	(292,093)	(292,093)	(292,093)	(292,093)
Balance at end of current period	*1 91,373,833	3,186,370	3,186,370	94,560,203	94,560,203

Current 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

(4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
	Amount	Amount
I Unappropriated retained earnings	¥3,186,370,302	¥3,997,550,439
II Distributions	¥3,186,282,026	¥3,997,409,164
[Cash Distributions per unit]	[¥15,523]	[¥15,922]
III Earnings carried forward	¥88,276	¥141,275

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 ¥3,186,282,026, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 205,262, 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 ¥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.
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(5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
Cash flows from operating activities		
Income before income taxes	3,187,226	3,998,562
Depreciation	518,685	739,644
Loss on retirement of non-current assets	555	4,426
Amortization of investment corporation bond issuance costs	–	793
Interest income and interest on securities	(2,038)	(2,139)
Interest expenses	330,975	387,944
Investment unit issuance expenses	48,310	106,174
Borrowing related expenses	67,489	88,739
Decrease (increase) in operating accounts receivable	(22,373)	(103,650)
Decrease (increase) in consumption taxes refund receivable	–	(541,917)
Increase (decrease) in accrued consumption taxes	140,157	(173,647)
Decrease (increase) in prepaid expenses	67,287	(108,049)
Decrease in sales of property, plant and equipment in trust	–	692,998
Increase (decrease) in operating accounts payable	7,060	98,507
Increase (decrease) in accrued expenses	(22,501)	47,221
Increase (decrease) in advances received	(12,444)	7,984
Decrease (increase) in long-term prepaid expenses	4,633	4,224
Other, net	2,429	6,335
Subtotal	4,315,454	5,254,154
Interest income received	2,026	2,126
Interest expenses paid	(330,722)	(329,717)
Income taxes paid	(907)	(970)
Net cash provided by (used in) operating activities	3,985,850	4,925,593
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(3,182,161)	(48,323,518)
Purchase of intangible assets in trust	(74,982)	–
Repayments of tenant leasehold and security deposits	(129,626)	(339,594)
Proceeds from tenant leasehold and security deposits	282,363	2,784,598
Net cash provided by (used in) investing activities	(3,104,407)	(45,878,514)
Cash flows from financing activities		
Increase in short-term loans payable	2,997,375	–
Proceeds from long-term loans payable	–	12,645,800
Decrease in long-term loans payable	–	(4,000,000)
Proceeds from issuance of investment corporation bonds	–	3,978,087
Proceeds from issuance of investment units	–	34,527,660
Dividends paid	(3,473,778)	(3,186,247)
Other, net	(1,058)	(2,218)
Net cash provided by (used in) financing activities	(477,461)	43,963,082
Net increase (decrease) in cash and cash equivalents	403,981	3,010,160
Cash and cash equivalents at beginning of period	5,759,761	6,163,742
Cash and cash equivalents at end of period	*1 6,163,742	*1 9,173,903

(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 64 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. The amount equivalent to property tax included in acquisition cost for properties for the current fiscal period is ¥77,519 thousand.
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 November 30, 2013	As of May 31, 2014
Total amount specified in the commitment line contracts	¥10,000,000 thousand	¥10,000,000 thousand
Loan balance	-	-
Net balance	¥10,000,000 thousand	¥10,000,000 thousand

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

	As of November 30, 2013	As of May 31, 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 June 1, 2013 to November 30, 2013)		Current fiscal period (From December 1, 2013 to May 31, 2014)	
A. Real estate leasing business revenues				
Rent revenue – real estate				
Rent	5,197,037		6,619,646	
Common service fees	377,139		429,060	
Parking lots fees	98,275		142,732	
Other rent revenue	39,673	5,712,126	46,105	7,237,545
Other lease business revenue		412,776		541,200
Total real estate leasing business revenues		6,124,902		7,778,746
B. Real estate leasing business expenses				
Expenses related to rent business				
Management operation expenses	425,239		638,757	
Utilities expenses	371,251		524,265	
Tax and public dues	433,411		457,189	
Insurance	5,277		7,211	
Repair and maintenance expenses	71,060		114,693	
Depreciation	518,426		739,386	
Loss on retirement of non-current assets	555		4,426	
Other expenses related to rent business	150,061	1,975,285	146,980	2,632,911
Total real estate leasing business expenses		1,975,285		2,632,911
C. Income (loss) from real estate leasing business (A – B)		4,149,617		5,145,835

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

Previous fiscal period (From June 1, 2013 to November 30, 2013)

Not applicable

Current 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	9,101	
Loss on sales of real estate properties		7,099

*3. Transactions with Major Unitholders

	(Unit: Thousands of yen)	
	Previous fiscal period (From June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
Operating transactions		
Rent revenue – real estate	4,926,245	5,470,711
Other lease business revenue	351,734	393,854
Expenses related to rent business	255,524	296,465

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 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	205,262 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 November 30, 2013	As of May 31, 2014
Cash and deposits	¥5,016,162 thousand	¥7,702,411 thousand
Cash and deposits in trust	¥1,147,579 thousand	¥1,471,491 thousand
Cash and cash equivalents	¥6,163,742 thousand	¥9,173,903 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 repayments. However, these risks are managed through management of liquidity in hand by preparing a monthly funding plan, efforts to reduce liquidity risk on loans payable and investment corporation bond by diversifying repayment periods, etc., and other means.

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

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

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

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of November 30, 2013, 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	5,016,162	5,016,162	–
(2) Cash and deposits in trust	1,147,579	1,147,579	–
Total assets	6,163,742	6,163,742	–
(1) Short-term loans payable	3,000,000	3,000,000	–
(2) Current portion of long-term loans payable	10,000,000	10,000,000	–
(4) Long-term loans payable	75,000,000	75,196,047	196,047
Total liabilities	88,000,000	88,196,047	196,047
Derivative transactions	–	–	–

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	–	–	–

(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 29 and 30.

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

(Unit: Thousands of yen)

Category	As of November 30, 2013	As of May 31, 2014
Tenant leasehold and security deposits in trust *	8,375,764	10,820,768

* 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 Repayment of Monetary Claims after the Account Closing Date (November 30, 2013)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	5,016,162	-	-	-	-	-
Deposits in trust	1,147,579	-	-	-	-	-
Total	6,163,742	-	-	-	-	-

Expected Amounts of Repayment 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	-	-	-	-	-

(Note 4) Expected Amounts of Repayment of Loans Payable after the Account Closing Date (November 30, 2013)

(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	-	-	-	-	-
Long-term loans payable	10,000,000	18,000,000	12,000,000	18,000,000	17,000,000	10,000,000
Total	13,000,000	18,000,000	12,000,000	18,000,000	17,000,000	10,000,000

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

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2013)

Not applicable

(As of May 31, 2014)

Not applicable

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of November 30, 2013)

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 27.)

(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 27.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of November 30, 2013	As of May 31, 2014
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥16 thousand	¥22 thousand
Total deferred tax assets	¥16 thousand	¥22 thousand
Net deferred tax assets	¥16 thousand	¥22 thousand

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

	As of November 30, 2013	As of May 31, 2014
Effective statutory tax rate	36.59%	36.59%
Adjustments		
Distributions paid included in deductibles	(36.58)%	(36.58)%
Other	0.02%	0.02%
Effective income tax rate after application of tax effect accounting	0.03%	0.03%

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

The “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction from the Great East Japan Earthquake” (Act No. 117 of 2011) was partially revised through the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 10 of 2014), which was promulgated on March 31, 2014. With this revision, the special corporation tax for reconstruction (a surtax for reconstruction funding after the Great East Japan Earthquake) will no longer be levied from the fiscal period beginning on or after April 1, 2014. In conjunction with this, for temporary differences expected to be reversed in the fiscal periods beginning on or after June 1, 2014, the normal statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was changed to 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 June 1, 2013 to November 30, 2013)

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	10.47%	None	Major unitholder, and rent and management of properties	Receipt of tenant leasehold and security deposits	155,196	Tenant leasehold and security deposits in trust	7,149,976
								Repayments of tenant leasehold and security deposits	129,626		
								Rental revenues, etc.	5,277,980	Operating accounts receivable	184,665
										Advances received	103,819
Fees for consignment for real estate management	254,702	Operating accounts payable	50,042								

Current 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		
										Advances received	111,462
Fees for consignment for real estate management	295,565	Operating accounts payable	61,614								

(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 June 1, 2013 to November 30, 2013)

Not applicable

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

Not applicable

3. Sister companies, etc.

Previous fiscal period (From June 1, 2013 to November 30, 2013)

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	Delivery of tenant leasehold and security deposits	127,166	Tenant leasehold and security deposits in trust	1,225,788
								Receipt of tenant leasehold and security deposits	127,166		
								Rental revenues, etc.	846,922	Operating accounts receivable	15,924
										Advances received	56
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	457,004	Other accrued expenses	159,570

Current 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 Kandajinbocho 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 Kandajinbocho 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

(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 June 1, 2013 to November 30, 2013)

Not applicable

Current fiscal period (From December 1, 2013 to May 31, 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 June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	94,776,350	97,815,993
	Changes during period	3,039,642	32,530,367
	Balance at end of period	97,815,993	130,346,361
	Fair value at end of period	103,910,000	140,110,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	47,445,214	47,267,541
	Changes during period	(177,673)	8,715,517
	Balance at end of period	47,267,541	55,983,058
	Fair value at end of period	48,280,000	58,050,000
Other Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	40,081,494	39,933,780
	Changes during period	(147,713)	5,661,307
	Balance at end of period	39,933,780	45,595,087
	Fair value at end of period	42,800,000	49,500,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	182,303,059	185,017,315
	Changes during period	2,714,255	46,907,192
	Balance at end of period	185,017,315	231,924,507
	Fair value at end of period	194,990,000	247,660,000

(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 six properties (Kobe Kyu Kyoryuchi 25Bankan, Tokyu Plaza Sapporo, Kamata Kosan Building, Gotanda Front, Shinagawa Place and J-CORE Omori) worth ¥48,229,812 thousand. The decrease is mainly due to the transfer of the building portion of Tokyo Kikai Honsha Building and the provision of depreciation worth ¥692,998 thousand and ¥739,386 thousand, respectively.

(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 June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
Net assets per unit	¥460,680	¥518,009
Net income per unit	¥15,522	¥16,194

(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 205,262 units; current fiscal period 246,842 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 June 1, 2013 to November 30, 2013)	Current fiscal period (From December 1, 2013 to May 31, 2014)
Net income (Thousands of yen)	3,186,276	3,997,462
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	3,186,276	3,997,462
Average number of investment units for the period (Units)	205,262	246,842

Significant Subsequent Events

Not applicable

Omission of Disclosure

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

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

The Investment Corporation carried out issuances of new investment units on December 16, 2013, and January 15, 2014 (43,100 units in a capital increase through public offering and 2,700 units in a third-party allotment), thus procuring funds of ¥34,681 million. Changes in total investments and the number of investment units issued up to the current fiscal period are as follows:

Date	Summary	Total investments (Thousands of yen)		Total number of investment units issued (Units)		Remarks
		Change	Balance	Change	Balance	
September 7, 2011	Establishment through private placement	200,000	200,000	400	400	(Note 1)
June 12, 2012	Capital increase through public offering	90,834,705	91,034,705	204,100	204,500	(Note 2)
July 10, 2012	Capital increase through third-party allotment	339,128	91,373,833	762	205,262	(Note 3)
December 16, 2013	Capital increase through public offering	32,636,569	124,010,403	43,100	248,362	(Note 4)
January 15, 2014	Capital increase through third-party allotment	2,044,518	126,054,921	2,700	251,062	(Note 5)

(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 and Corporate Auditors

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

There have been no changes of directors and corporate auditors described in “Directors and Corporate Auditors” in the latest Securities Report (filed on February 27, 2014; prepared in Japanese only).

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

On March 31, 2014, Director (Part-time) Hitoshi Uemura resigned from office, and Michie Ishimoda newly assumed office as a Director (Part-time) on April 1, 2014. As of the date of this financial report, the situation of Directors and Corporate Auditors at the Asset Management Company is as follows:

Position	Name	Brief personal history		Number of shares owned
Representative Director	Haruki Sakane	Apr. 1977 Nov. 1978 Nov. 1981 Oct. 1985 Apr. 1987 Apr. 1990 Apr. 1995 Apr. 1997 Oct. 2000 Apr. 2004 Apr. 2005 Apr. 2008 Apr. 2009 Apr. 2010 Apr. 2011 Apr. 2011 Sep. 2011 Apr. 2014	Nihon Kangyou Kakumaru Securities Inc. Property Distribution Department, Tokyu Land Corporation Seconded to Tokyu Land Regional Services, Inc. Ready-Built Housing Sales Department, Tokyu Land Corporation Distribution and Sales Department Finance Department Manager of the Tenant Sales Department, Urban Business Division Manager of the Office Building Leasing and Marketing Department, Urban Business Division Manager of the Finance Department Executive Manager of the Property Management Department and the Office Building Leasing and Marketing Department, Urban Business Division Executive Manager of the Office Building Management Department, Urban Business Division Executive Officer and Executive Manager of the Office Building Management Department, Office Building Division Executive Officer, Deputy Manager of the Office Building Division, and Executive Manager of the Office Building Management Department and the Office Building Leasing and Marketing Department Executive Officer, Deputy Manager of the Office Building Division, and Executive Manager of the Office Building Management Department Group Executive Officer Seconded to TLC Activia Investment Management Inc. Currently serves as Representative Director, President and Chief Executive Officer of TLC Activia Investment Management Inc. Currently serves as Executive Director of Activia Properties Inc. Currently serves as Executive Officer of Tokyu Land Corporation	—
Director	Nariaki Hosoi	Apr. 1987 Apr. 1987 Apr. 1988 Jul. 1992 Oct. 1994 Oct. 1997 Apr. 1998 Apr. 1999 Jul. 2000 Apr. 2010 Apr. 2011 Apr. 2013	General Administration Department, Tokyu Land Corporation Office Building Planning Division Office Building Division Urban Business Division Seconded to Tokyu Research Institute, Inc. Planning Department, Tokyu Land Corporation Urban Business Division Office Building Division Manager of the Urban Business Division Executive Manager of the Commercial Facilities Development Department, Commercial Facilities Division Seconded to TLC Activia Investment Management Inc. Director, Managing Executive Officer, and Executive Manager of the Asset Management Department Currently serves as Director, Managing Executive Officer	—

Position	Name	Brief personal history		Number of shares owned
Director (Part-time)	Michie Ishimoda	Apr. 1987	General Administration Department, Tokyu Land Corporation	-
		Apr. 2000	Manager of the Duet Business Department No. 1, Office Building Division	
		Jul. 2000	Manager of the Office Building Development Department No. 1, Urban Business Division	
		Apr. 2002	Manager of the Office Building Development Department No. 1	
		Jun. 2006	Manager of Office Building Division	
		Apr. 2007	Executive Manager of the Office Building Development Department, Office Building Division	
		Apr. 2009	Executive Director of Tokyu Land Capital Management Inc. Executive Manager of the Asset Development Department, Asset Management Division	
		Oct. 2009	Executive Manager of the Investment Planning Department, Office Building Division, Tokyu Land Corporation	
		Apr. 2010	Executive Manager of the Office Building Development Department No. 1, Office Building Division	
		Apr. 2012	Executive Manager of the Commercial Facilities Development Department, Commercial Facilities Division	
		Apr. 2014	Currently serves as Executive Officer and Deputy Manager of the Urban Business Division, Urban Business Unit	
		Apr. 2014	Currently serves as Director of Tokyu Land Capital Management Inc.	
		Apr. 2014	Currently serves as Director of Tokyu Land SC Management Corporation	
		Apr. 2014	Currently serves as Director of TLC Activia Investment Management Inc.	
Director (Part-time)	Takashi Ikeuchi	Apr. 1989	General Administration Department, Tokyu Land Corporation	-
		Apr. 1989	Duet Business Division	
		Jul. 1992	Urban Business Division	
		Apr. 1995	Related Businesses Office	
		Apr. 1996	Finance Department	
		Apr. 1999	Corporate Planning Department	
		Apr. 2006	Manager of the Asset Utilization Business Division	
		Apr. 2009	Manager of the Asset Planning and Development Division	
		Apr. 2010	Manager of the Investment Management Division	
		Apr. 2011	Executive Manager of the Investment Management Department, Investment Management Division	
		Apr. 2011	Currently serves as Director of TLC Activia Investment Management Inc.	
		Apr. 2014	Currently serves as Executive Manager of the Investment Planning Department, Investment Management Division, Urban Business Unit, Tokyu Land Corporation	
		Apr. 2014	Currently serves as Director of Tokyu Land Capital Management Inc.	
		Apr. 2014	Currently serves as Director of TLC Comforia Investment Management Inc.	

Position	Name	Brief personal history		Number of shares owned
Corporate Auditor (Part-time)	Akira Yamaguchi	Apr. 1982	General Administration Department, Tokyu Land Corporation,	-
		Apr. 1997	Manager of the Urban Business Division	
		Oct. 1999	Seconded to Urban Renaissance Agency	
		Apr. 2003	Manager of the Compliance Department, Tokyu Land Corporation	
		Apr. 2008	Head of the Internal Audit Office	
		Apr. 2008	Currently serves as Corporate Auditor of Tokyu Land Capital Management Inc.	
		Oct. 2009	Currently serves as Corporate Auditor of TLC Comforia Investment Management Inc.	
		Nov. 2010	Currently serves as Corporate Auditor of TLC Activia Investment Management Inc.	
		Apr. 2011	Executive Manager of the Internal Audit Department, Tokyu Land Corporation	
		Oct. 2013	Executive Manager of the Internal Audit Department	
		Oct. 2013	Executive Manager of the Internal Audit Department, Tokyu Fudosan Holdings Corporation	
		Apr. 2014	Currently serves as Executive Manager of the Internal Audit Department, Tokyu Land Corporation	
		Apr. 2014	Currently serves as Executive Manager of the Internal Audit Department, Tokyu Fudosan Holdings Corporation	
Corporate Auditor (Part-time)	Takaji Kumakura	Apr. 1973	Tokyu Land Corporation	-
		Apr. 1978	Seconded to Tokyu Resort Corporation	
		Oct. 1984	Resort Business Division, Tokyu Land Corporation	
		Apr. 1990	Overseas Business Department	
		Aug. 1995	Seconded as Vice President to Hatomohaji Dan Kawan Inc.	
		Apr. 1996	Manager of the Appraisal Planning Office, Tokyu Land Corporation	
		Dec. 1998	Manager of the Asset Utilization Business Department	
		Apr. 1999	Executive Manager of the Appraisal Department, Asset Utilization Business Division	
		Sep. 2007	Seconded as Representative Director to TLDB Partners Limited	
		Oct. 2010	Senior Advisor of the Investment Management Division, Tokyu Land Corporation	
		Oct. 2010	Senior Advisor of the Appraisal Planning Office	
		Nov. 2010	Representative Director of TLC Activia Investment Management Inc.	
		Apr. 2011	Senior Advisor of the Investment Management Division and the Appraisal Planning Office, CSR Promotion Department, Business Innovation Division, Tokyu Land Corporation	
		Apr. 2011	Currently serves as Corporate Auditor of TLC Activia Investment Management Inc.	
		Jun. 2011	Full-time Corporate Auditor of Tokyu Hands, Inc.	
		Apr. 2014	Currently serves as Senior Advisor of the Urban Business Unit and the Business Innovation Division, Tokyu Land Corporation	

5. Reference Information

(1) Composition of Invested Assets

Type of assets	Category (Note 1)	Previous fiscal period (As of November 30, 2013)		Current fiscal period (As of May 31, 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	97,815	51.0	130,346	53.7
	Tokyo Office Properties	47,267	24.6	55,983	23.1
	Other Properties	39,933	20.8	45,595	18.8
	By location				
	5 wards of Tokyo (Note 3)	132,226	68.9	141,536	58.3
	Wards of Tokyo other than the 5 wards	3,964	2.1	15,521	6.4
	Three major metropolitan areas (Note 4)	48,826	25.5	70,464	29.0
	Other locations	–	–	4,402	1.8
	Subtotal	185,017	96.4	231,924	95.6
Total real estate assets		185,017	96.4	231,924	95.6
Deposits and other assets		6,824	3.6	10,684	4.4
Total assets (Note 5)		191,841	100.0	242,609	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)	97,281	50.7	112,556	46.4
Total net assets (Note 5)	94,560	49.3	130,052	53.6

- (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	9,967	–	–	9,989	22	Deposited as business security deposit
Total		10,000	9,967	–	–	9,989	22	

ii) Investment properties

(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 5th fiscal period. Figures shown in the table are as of May 31, 2014 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 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	45,088	48,750	49,800	3.4	47,625	3.2	3.6	19.5
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,735	12,200	12,300	4.9	12,100	5.0	5.1	5.0
	UR-3	Ebisu Q Plaza (Note 7)	8,430	8,413	9,310	9,320	4.1	9,310	4.3/4.2	4.3	3.6
	UR-4	Shinbashi Place	20,500	20,512	23,200	23,500	4.8	23,000	4.6	5.0	8.9
	UR-5	Kyoto Karasuma Parking Building	8,860	8,876	9,650	9,650	5.5	9,650	5.5	5.7	3.8
	UR-6	Hitotsugi LIP	3,000	3,116	3,210	3,230	4.2	3,180	3.9	4.3	1.3
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	21,800	22,300	22,500	4.7	22,100	4.5	4.9	9.2
	UR-8	Tokyu Plaza Sapporo	4,410	4,402	4,970	4,950	6.2	4,980	6.0	6.6	1.9
	UR-9	Kamata Kosan Building	6,370	6,400	6,520	6,550	4.7	6,510	4.5	4.9	2.8
		Subtotal	129,350	130,346	140,110	141,800	-	138,455	-	-	56.0
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,294	7,740	7,960	4.5	7,650	4.6	4.7	3.2
	TO-2	A-PLACE Ebisu Minami	9,640	9,609	10,600	10,700	4.4	10,500	4.5	4.6	4.2
	TO-3	Yoyogi Place	4,070	4,045	3,960	4,030	4.5	3,890	4.3	4.7	1.8
	TO-4	Aoyama Plaza Building	8,790	8,791	8,240	8,430	4.7	8,160	4.5	4.9	3.8
	TO-5	Luogo Shiodome	4,540	4,481	5,010	5,020	4.3	5,010	4.1	4.5	2.0
	TO-6	Tokyo Kikai Honsha Building (Land) (Note 8)	2,338 (Note 8)	2,362	2,400	2,480	4.4	2,360	4.8	4.6	1.0
	TO-7	A-PLACE Ikebukuro	3,990	3,943	4,250	4,300	4.9	4,200	4.7	5.1	1.7
	TO-8	TK Shinbashi Building	5,650	5,848	6,070	6,160	4.4	5,970	4.2	4.6	2.4
	TO-9	Gotanda Front	5,730	5,769	5,910	6,000	4.3	5,810	4.1	4.5	2.5
	TO-10	Shinagawa Place	3,800	3,836	3,870	3,940	4.3	3,800	4.1	4.5	1.6
		Subtotal	55,948	55,983	58,050	59,020	-	57,350	-	-	24.2
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	5.2
	O-2	icot Nakamozu (Note 9)	8,500	8,445	9,520	9,650	5.6	9,460	5.5/5.6	5.8	3.7
	O-3	icot Kongo	1,600	1,602	1,860	1,900	6.7	1,810	6.5	7.2	0.7
	O-4	icot Mizonokuchi	2,710	2,705	3,050	3,110	5.8	2,980	5.6	6.2	1.2
	O-5	icot Tama Center	2,840	2,801	3,120	3,170	6.0	3,070	5.3	6.2	1.2
	O-6	Kanayama Center Place	6,980	6,842	7,580	7,640	5.4	7,510	5.2	5.6	3.0
	O-7	Osaka Nakanoshima Building (Note 6)	5,250	5,276	5,850	5,850	4.9	5,800	4.7	5.1	2.3
	O-8	J-CORE Omori	5,790	5,808	5,920	5,970	5.0	5,860	4.9	5.3	2.5
		Subtotal	45,670	45,595	49,500	49,890	-	48,990	-	-	19.8
	Total	230,968	231,924	247,660	250,710	-	244,795	-	-	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 May 31, 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 May 31, 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 4.3% and the discount rate for terminal value at 4.2%.
- (Note 8) 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 (an amount obtained by subtracting ¥732 million, which is the building acquisition price, from the property acquisition price) at the time of acquisition (June 13, 2012).
- (Note 9) The discount rates of icot Nakamozu represent 5.5% from the first year to the eighth year and 5.6% in and after the ninth year.

b. Overview of assets held (2)

(As of May 31, 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 ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	27	2,063	1,757	4,904.55	4,904.55	100.0
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	100	904	389	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	7	155	132	2,280.22	1,918.86	84.2
	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	102,537.68
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	11	473	388	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	9	623	474	7,950.51	7,950.51	100.0
	TO-3	Yoyogi Place	Shibuya, Tokyo	February 22, 2007	3	222	177	3,106.17	3,106.17	100.0
	TO-4	Aoyama Plaza Building	Minato, Tokyo	September 6, 1966	8	500	474	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	6	300	249	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	TK Shinbashi Building	Minato, Tokyo	March 4, 1999	10	352	309	5,052.14	5,052.14	100.0
	TO-9	Gotanda Front	Shinagawa, Tokyo	February 27, 2012	11	327	283	4,028.69	4,028.69	100.0
	TO-10	Shinagawa Place	Minato, Tokyo	September 20, 1991	8	207	189	2,986.36	2,986.36	100.0
	Subtotal			–	68	–	–	46,944.20	46,944.20	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	428	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	Kanayama Center Place	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	458	326	10,178.28	9,900.47	97.3
	O-8	J-CORE Omori	Ota, Tokyo	March 6, 2007	9	382	365	6,209.79	6,209.79	100.0
	Subtotal			–	87	–	–	118,364.62	118,086.81	99.8
	Total			–	323	–	–	268,207.86	267,568.69	99.8

- (Note 1) Date of construction of the main building, as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. The construction date is omitted in case of acquisition of land only (Land represents the part of site on which the building is established under a land lease right; the same shall apply hereinafter). However, for TK Shinbashi Building, the date of inspection confirming completion of construction written on the certificate of inspection is provided.
- (Note 2) At each property, the number of tenants is equal to the aggregate number of tenants as of May 31, 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 May 31, 2014), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of whether the rent was free as of May 31, 2014, as indicated in the lease agreements in relation to buildings as of May 31, 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 May 31, 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 whether the rent was free as of May 31, 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 May 31, 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 May 31, 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 May 31, 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 May 31, 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. In addition, the calculation for J-CORE Omori includes part of an external bicycle parking lot (approximately 21 m²) and part of a common area on the second floor (approximately 28 m²).
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of May 31, 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) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), tenant leasehold and security deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 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 5th fiscal period as of May 31, 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
icot Kongo (Osakasayama, Osaka)	Replacement work for electric generator	From September 2014 to October 2014	42	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Maintenance for outer wall	From June 2014 to November 2014	32 (Note)	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Replacement for bus duct	From September 2014 to November 2014	27 (Note)	–	–
Aoyama Plaza Building (Minato, Tokyo)	Replacement work for outer wall sealing	From September 2014 to November 2014	27	–	–
Hitotsugi LIP (Minato, Tokyo)	New equipment construction work for disaster prevention standard for air conditioning on the fourth floor	From September 2014 to September 2014	20	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Renovation work for mechanical parking facility equipment	From November 2014 to November 2014	14	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement work for central monitoring apparatus for electricity	From November 2014 to November 2014	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 5th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2014 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2014 amounted to ¥114 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2014 came to ¥114 million. On aggregate, construction work of ¥228 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Replacement work for transformer equipment	From October 2013 to February 2014	20 (Note)
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Renovation work for office hallways	From February 2014 to March 2014	16 (Note)
Other			76
Total			114

(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 5th fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of May 31, 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 and Tokyu Land SC Management Corporation with the objective of allowing them to be master lease companies and sublease the leased assets to end-tenants. The table below shows information on the major tenants with master lease agreements based on the data as of May 31, 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 ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Tenant leasehold and security deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land Corporation	Real Estate business	Tokyu Plaza Omotesando Harajuku (Note 5)	4,904.55	2,063	1,757	June 30, 2022
		Tokyu Plaza Akasaka (Note 5)	16,620.48	904	389	June 30, 2022
		Shinbashi Place	9,156.01	– (Note 6)	– (Note 6)	June 30, 2022
		Kyoto Karasuma Parking Building	21,616.04	– (Note 6)	– (Note 6)	June 30, 2022
		TLC Ebisu Building	7,342.60	473	388	June 30, 2022
		A-PLACE Ebisu Minami	7,950.51	623	474	June 30, 2022
		Yoyogi Place	3,106.17	222	177	June 30, 2022
		Aoyama Plaza Building	7,303.69	500	474	June 30, 2022
		Luogo Shiodome	4,476.35	300	249	June 30, 2022
		A-PLACE Ikebukuro	3,409.73	– (Note 6)	– (Note 6)	June 30, 2022
		TK Shinbashi Building	5,052.14	352	309	April 30, 2023
		icot Tama Center	5,181.58	230	230	June 30, 2022
		Kanayama Center Place	9,314.91	490	385	June 30, 2022
		Osaka Nakanoshima Building (Note 5)	9,900.47	458	326	January 31, 2023
		Gotanda Front	4,028.69	327	283	December 31, 2023
		Shinagawa Place	2,986.36	207	189	December 31, 2023
		Total	122,350.28	–	–	–
Tokyu Land SC Management Corporation	Real Estate Management	Ebisu Q Plaza	4,024.88	475	475	June 30, 2022
		Hitotsugi LIP	1,918.86	155	132	August 31, 2023
		icot Nakamozu	28,098.02	619	428	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
		Kobe Kyu Kyoryuchi 25Bankan	19,653.90	1,231	1,399	August 31, 2023
		Tokyu Plaza Sapporo	21,229.16	585	140	February 28, 2023
		Kamata Kosan Building	3,413.80	393	323	December 31, 2023
		J-CORE Omori	6,209.79	382	365	December 31, 2023
				Total	116,465.01	–
Sumitomo Mitsui Trust Bank, Limited (Note 7)	Finance	Amagasaki Q's MALL (Land)	27,465.44	683	341	January 31, 2042
		Tokyo Kikai Honsha Building (Land)	1,287.96	125	0	June 30, 2022
			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 May 31, 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 May 31, 2014), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of whether the rent was free as of May 31, 2014, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 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 May 31, 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, Tokyu Plaza Akasaka and Osaka Nakanoshima Building, 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%, 50% 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 ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka Tokyu Plaza Sapporo	30,182.69 (Note 1)	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.	Shinbashi Place	9,156.01	–	–
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	icot Nakamozu icot Tama Center Kanayama Center Place	5,609.11	–	–
–	J-CORE Omori	–	–	–

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 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 May 31, 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

5th fiscal period (From December 1, 2013 to May 31, 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 5th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	1,104,666	590,383	267,554	(Note 2)	(Note 2)
Rent revenue—real estate	1,052,381	483,962	237,540	(Note 2)	(Note 2)
Other lease business revenue	52,284	106,420	30,013	(Note 2)	(Note 2)
b. Expenses related to rent business	238,356	285,551	63,122	45,583	36,706
Management operation expenses	89,944	80,278	16,271	12,300	3,642
Utilities expenses	32,257	84,164	28,836	–	–
Tax and public dues	45,538	65,490	8,749	32,257	29,349
Insurance	397	613	121	265	232
Repair and maintenance expenses	2,335	51,313	601	–	2,681
Other expenses related to rent business	67,883	3,691	8,540	760	800
c. NOI (a – b)	866,309	304,831	204,431	(Note 2)	(Note 2)
d. Depreciation, etc. (Note 3)	48,512	29,887	18,481	32,734	16,007
Income (loss) from rent business (c – d)	817,797	274,943	185,950	(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 (Note 4)	Tokyu Plaza Sapporo (Note 4)	Kamata Kosan Building (Note 4)
Number of business days in the 5th fiscal period	182	164	164	164
a. Real estate leasing business revenues	84,595	658,086	384,121	186,242
Rent revenue—real estate	70,052	592,342	316,022	177,831
Other lease business revenue	14,543	65,744	68,098	8,411
b. Expenses related to rent business	26,006	134,004	196,443	23,079
Management operation expenses	11,052	75,013	95,308	11,379
Utilities expenses	13,312	56,227	71,867	8,510
Tax and public dues	1	—	13,897	48
Insurance	57	799	695	87
Repair and maintenance expenses	475	350	4,071	2,140
Other expenses related to rent business	1,106	1,613	10,602	913
c. NOI (a – b)	58,589	524,082	187,677	163,163
d. Depreciation, etc. (Note 3)	7,304	120,407	39,025	7,493
Income (loss) from rent business (c – d)	51,284	403,675	148,652	155,669

(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	Yoyogi Place	Aoyama Plaza Building	Luogo Shiodome
Number of business days in the 5th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	273,117	334,527	120,109	269,948	167,800
Rent revenue—real estate	249,490	319,256	113,531	252,660	154,792
Other lease business revenue	23,626	15,270	6,577	17,288	13,008
b. Expenses related to rent business	80,415	96,103	30,660	71,589	49,651
Management operation expenses	22,169	26,576	9,986	22,076	11,397
Utilities expenses	24,065	21,322	8,152	19,703	13,878
Tax and public dues	17,700	30,453	10,007	20,471	18,267
Insurance	276	333	118	254	217
Repair and maintenance expenses	5,205	6,068	700	5,725	3,434
Other expenses related to rent business	10,997	11,347	1,694	3,358	2,457
c. NOI (a – b)	192,702	238,424	89,448	198,359	118,149
d. Depreciation, etc. (Note 3)	47,696	33,312	15,581	22,456	27,483
Income (loss) from rent business (c – d)	145,005	205,111	73,867	175,902	90,665

(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	TK Shinbashi Building	Gotanda Front (Note 4)	Shinagawa Place (Note 4)
Number of business days in the 5th fiscal period	182	182	182	142	142
a. Real estate leasing business revenues	134,880	(Note 2)	182,081	138,389	78,975
Rent revenue—real estate	129,786	(Note 2)	170,044	129,555	74,953
Other lease business revenue	5,093	(Note 2)	12,036	8,834	4,021
b. Expenses related to rent business	50,402	31,472	40,906	21,405	18,223
Management operation expenses	15,796	9,810	17,595	9,905	8,655
Utilities expenses	10,601	9,777	12,452	10,228	4,967
Tax and public dues	19,177	10,918	367	67	39
Insurance	178	115	183	132	88
Repair and maintenance expenses	1,379	45	5,484	93	2,314
Other expenses related to rent business	3,268	806	4,823	979	2,157
c. NOI (a – b)	84,477	(Note 2)	141,174	116,983	60,752
d. Depreciation, etc. (Note 3)	17,387	20,682	25,396	22,310	7,619
Income (loss) from rent business (c – d)	67,090	(Note 2)	115,778	94,673	53,132

(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 5th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	341,532	310,693	(Note 2)	(Note 2)	143,597
Rent revenue—real estate	341,532	310,663	(Note 2)	(Note 2)	130,690
Other lease business revenue	—	30	(Note 2)	(Note 2)	12,907
b. Expenses related to rent business	41,175	38,727	18,101	17,147	48,903
Management operation expenses	—	5,563	2,367	2,418	19,117
Utilities expenses	—	30	—	—	15,799
Tax and public dues	40,907	32,033	13,849	9,883	12,025
Insurance	—	331	437	142	204
Repair and maintenance expenses	—	—	1,180	3,941	524
Other expenses related to rent business	267	768	267	760	1,231
c. NOI (a – b)	300,357	271,966	(Note 2)	(Note 2)	94,693
d. Depreciation, etc. (Note 3)	—	34,521	23,032	8,373	18,704
Income (loss) from rent business (c – d)	300,357	237,444	(Note 2)	(Note 2)	75,989

(Unit: Thousands of yen)

Property number	O-6	O-7	O-8
Property name	Kanayama Center Place	Osaka Nakanoshima Building (Note 1)	J-CORE Omori (Note 4)
Number of business days in the 5th fiscal period	182	182	164
a. Real estate leasing business revenues	274,482	265,738	207,561
Rent revenue—real estate	254,435	246,524	178,957
Other lease business revenue	20,047	19,214	28,604
b. Expenses related to rent business	77,292	65,026	43,036
Management operation expenses	24,338	27,748	8,039
Utilities expenses	22,548	23,122	32,437
Tax and public dues	25,516	165	5
Insurance	335	453	137
Repair and maintenance expenses	3,071	9,871	1,685
Other expenses related to rent business	1,481	3,665	730
c. NOI (a – b)	197,190	200,711	164,525
d. Depreciation, etc. (Note 3)	52,089	30,097	17,213
Income (loss) from rent business (c – d)	145,101	170,614	147,311

(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) Kobe Kyu Kyoryuchi 25Bankan, Tokyu Plaza Sapporo, Kamata Kosan Building and J-CORE Omori were acquired on December 19, 2013 and Gotanda Front and Shinagawa Place were acquired on January 10, 2014. Therefore, figures after the acquisition date are presented.

iii) Other investment assets

Properties in trust held by the Investment Corporation are included in the above section “ii) Investment properties.” Other than those properties in trust, we have no other investment assets.