



Activia Properties Inc.

January 15, 2014

Financial Report for the Fiscal Period Ended November 30, 2013 (June 1, 2013 - November 30, 2013)

Activia Properties Inc.

Listing: Tokyo Stock Exchange

Securities code: 3279

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

Representative: Haruki Sakane, Executive Director

Investment management company: TLC Activia Investment Management Inc.

Representative: Haruki Sakane, President & CEO

Contact: Hiroshi Kimoto, Executive Officer of Fund Management Department

TEL: +81-3-6415-3120

Scheduled date to file Securities Report: February 27, 2014

Scheduled date to start distribution payments: February 14, 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 November 30, 2013 (June 1, 2013 – November 30, 2013)

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

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended November 30, 2013	6,124	5.5	3,642	(5.4)	3,187	(8.4)	3,186	(8.4)
Fiscal period ended May 31, 2013	5,803	11.7	3,851	10.1	3,479	19.0	3,478	19.0

	Net income per unit	Return on unitholders' equity (ROE)	Ordinary income to total assets	Ordinary income to operating revenues
	Yen	%	%	%
Fiscal period ended November 30, 2013	15,522	3.4	1.7	52.0
Fiscal period ended May 31, 2013	16,946	3.7	1.9	60.0

(2) Cash distributions

	Cash distributions per unit (excluding excess of earnings)	Total distributions	Cash distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distribution ratio to unitholders' equity
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended November 30, 2013	15,523	3,186	0	0	100.0	3.4
Fiscal period ended May 31, 2013	16,946	3,478	0	0	100.0	3.7

(3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2013	191,841	94,560	49.3	460,680
As of May 31, 2013	188,837	94,852	50.2	462,103

(Reference) Unitholders' equity

As of November 30, 2013: ¥94,560 million

As of May 31, 2013: ¥94,852 million

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended November 30, 2013	3,985	(3,104)	(477)	6,163
Fiscal period ended May 31, 2013	5,237	(11,091)	4,979	5,759

2. Forecasts of results for the fiscal period from December 1, 2013 to May 31, 2014

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

	Operating revenues		Operating income		Ordinary income		Net income		Cash distributions per unit (excluding excess of earnings)	Cash distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending May 31, 2014	7,753	26.6	4,526	24.3	3,893	22.2	3,892	22.2	15,504	0

(Reference) Forecasted net income per unit (forecasted net income / forecasted number of investment units at end of period)

For the fiscal period ending May 31, 2014: ¥15,504

3. Other

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

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

(2) Number of units issued

- a. Total number of units issued at end of period (including treasury units)

As of November 30, 2013	205,262 units
As of May 31, 2013	205,262 units
- b. Number of treasury units at end of period

As of November 30, 2013	– units
As of May 31, 2013	– units

(Note) Please refer to “Per Unit Information” on page 34 for the number of investment units used as the basis for calculating net income per unit.

* Status of audit procedures

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

* Appropriate use of forecasts of results and other special items

Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially due to a number of factors. Furthermore, these forecasts are in no way a guarantee of any distribution amount. Please refer to “Assumptions for Forecasts of Investment Performance for the Fiscal Period from December 1, 2013 to May 31, 2014 and the Fiscal Period from June 1, 2014 to November 30, 2014” on pages 13 and 14 for information on assumptions for the forecasts.

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

1. The Investment Corporation and Related Corporations

As there have been no significant changes in “Management structure of the Investment Corporation” in the latest Securities Report (filed on August 27, 2013; prepared in Japanese only), the disclosure is omitted.

2. Asset Management Policies and Status

(1) Asset Management Policies

As there have been no significant changes in policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the latest Securities Report (filed on August 27, 2013; 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 issued additional investment units (204,100 units) through a public offering on June 13, 2012, and was listed on the real estate investment trust securities market of Tokyo Stock Exchange, Inc. (Securities code 3279). In addition, new investment units (762 units) were issued by private placement on July 10, 2012.

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

In the fiscal period under review, which ended on November 30, 2013, the Investment Corporation acquired the Hitotsugi LIP, on August 30, 2013, which is categorized as its focused investment properties, “Urban Retail Properties,” through a direct transaction with a third party. Consequently, the Investment Corporation held 21 properties (with the total acquisition price of ¥184,270 million) at the end of the fiscal period under review.

(B) Investment Environment in the Fiscal Period under Review

In the fiscal period under review, the Japanese economy has benefitted from an improvement in corporate earnings, particularly those of exporters. This reflects the continuation of high stock prices and yen depreciation on the back of unprecedented monetary easing and emergency economic policies following the inauguration of the new government. Furthermore, improvements in the employment and income situations have contributed to a recovery in personal consumption. On the other hand, although this recovery is expected to continue in the near future partly due to a rush in demand before the consumption tax hike planned for April 2014, demand is forecast to drop following the rush. There has been also a need for caution regarding the implementation of additional economic measures and growth strategies.

In the environment surrounding retail properties, the first half of the current period saw a slowdown in the recovery in consumer confidence that had resulted from expectations for the new government’s economic and monetary policies. This was reflected in the Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan, in which the consumer confidence index declined for three consecutive months from June 2013. In the latter half of the period, however, consumer confidence began to improve again mainly on the back of

improvements in the employment and income situations, and personal consumption is trending firmly at present. This was reflected in the Current Survey of Commerce released by the Ministry of Economy, Trade and Industry, in which the sales of retailers exceed the same month of the previous year for the third consecutive month in and after August 2013. Looking at the rental office market, data published by Miki Shoji Co., Ltd. showed that the average vacancy rate of five central Tokyo wards (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) stood at 7.52% as of November 30, 2013, down from 8.33% as of May 31, 2013. This was partly due to a decrease in the supply of newly constructed office buildings in the central area of Tokyo and progress in contracts for existing buildings mainly on the back of a recovery in corporate earnings. With regard to rent levels, while asking rents for newly constructed buildings followed an upward trend, market rent prices for existing buildings followed a weakening trend except for some areas of the market, which showed signs of a turnaround. Even so, the pace of the fall in rent levels is slowing. In the REIT market, a string of new J-REIT IPOs and publicly offered capital increases on the back of continued strength in the financing environment and a recovery in investment unit prices boosted numbers of acquisitions and dispositions. As a result, amounts of financing from capital increases and acquisitions by J-REITs were both at record highs in 2013. Against this background, competition for acquisitions in the real estate transaction market is getting severe, partly reflecting an upswing in real estate prices.

(C) Investment Performance

The Investment Corporation acquired beneficiary interests of real estate in trust on August 30, 2013 to “Hitotsugi LIP” (with the acquisition price of ¥3,000 million) as trust assets with borrowings in accordance with the basic asset management policy set forth in the Articles of Incorporation.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 21 properties (with the total acquisition price of ¥184,270 million) with the total leasable area of 213,787m² (64,670 *tsubo*).

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

	June 30, 2013	July 31, 2013	August 31, 2013	September 30, 2013	October 31, 2013	November 30, 2013
Urban Retail Properties	99.6%	99.6%	98.9%	98.9%	98.9%	99.1%
Tokyo Office Properties	97.5%	98.3%	98.5%	98.6%	98.6%	98.6%
Other Properties	100.0%	99.9%	99.8%	99.7%	99.9%	99.9%
Total	99.4%	99.5%	99.3%	99.3%	99.4%	99.4%

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

	Urban Retail Properties	Tokyo Office Properties	Other Properties	Total
As of May 31, 2013	¥25,887/ <i>tsubo</i>	¥19,363/ <i>tsubo</i>	¥7,119/ <i>tsubo</i>	¥14,571/ <i>tsubo</i>
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>
Difference [ratio]	¥(90) [(0.3)%]	¥(25) [(0.1)%]	¥(15) [(0.2)%]	¥83 [(0.6)%]

(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 May 31, 2013 and November 30, 2013.

(D) Overview of Financing

In the fiscal period under review, in order to cover the acquisition costs for beneficiary interests of real estate in trust to the above one property and related costs, funds of ¥3,000 million were borrowed, resulting in the total borrowings of ¥88,000 million as of the end of the fiscal period under review. Consequently, the ratio of interest-bearing debt to total assets (LTV = Balance of aggregate principal amount of interest-bearing debt / Total assets x 100) was 45.9% 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 96.6% and 71.6%, 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.

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 revenues, operating income, and ordinary income were ¥6,124 million, ¥3,642 million, and ¥3,187 million, respectively, for the fiscal period under review, and net income was ¥3,186 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 ¥15,523.

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

In the Japanese economy, the current trend toward recovery is expected to be consolidated. Specifically, exports are expected to recover as a result of solid performances by overseas economies and yen depreciation, while various government measures are expected to yield results. Against this background, improved corporate earnings are expected to contribute to rises in household income and increased capital investments, thus contributing to the recovery. On the other hand, there is a need for caution regarding the effects of a reduction of quantitative monetary easing and future developments of debt ceiling problem in the U.S., while the Japanese economy will continue to be exposed to risks including the risk of adverse pressure from a downswing in economies outside Japan.

In circumstances surrounding retail properties, consumer confidence is expected to continue improving gradually, mainly on the back of improvements in the employment and income situations, while a rush in demand is expected to occur prior to the forthcoming consumption tax hike. Partly reflecting these developments, personal consumption is expected to trend firmly. On the other hand, there is a need for caution regarding trends in employment and income in view of increased upward pressure on prices in Japan reflecting the impact of the consumption tax hike and higher prices for imported goods due to yen depreciation. In the rental office market, while corporate earnings and employment situations are recovering, vacancy rates are expected to continue to improve gradually. Moreover, rent levels are close to bottoming and a rebound in rent prices is also expected. In the J-REIT market, with the financing environment continuing to be favorable, property acquisitions through J-REITs are expected to increase. On the other hand, competition for acquisitions in the real estate transaction market is expected to become increasingly severe, partly because of upward trends in asking prices causing sellers to be reluctant to make dispositions. Even so, the Investment Corporation intends to make the necessary preparations to enable stringent selection of high-quality properties and flexible acquisitions by lowering the LTV ratio.

(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 an aim of achieving long-term and stable growth, the Investment Corporation will flexibly issue new investment units while paying appropriate attention to dilution of investment units.

(C) Significant Subsequent Events

a. Issuance of New Investment Units

At meetings of the board of directors held on November 22, 2013 and December 9, 2013, we resolved to issue new investment units as described below, and issued these per the terms below once payment was completed on December 16, 2013 and January 15, 2014. As a result, unitholders' capital amounted to ¥126,054,921,300, and the number of investment units issued came to 251,062 units.

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

Number of new investment units issued	43,100 units
Offering price	¥782,925 per unit
Total offering price	¥33,744,067,500
Paid-in amount	¥757,229 per unit
Total paid-in amount	¥32,636,569,900
Payment date	December 16, 2013

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

Number of new investment units issued	2,700 units
Paid-in amount	¥757,229 per unit
Total paid-in amount	¥2,044,518,300
Payment date	January 15, 2014
Allottee	Nomura Securities Co., Ltd.

b. Borrowing of Funds

The Investment Corporation borrowed funds as follows.

Category	Lender	Total amount borrowed	Interest rate	Drawdown date	Due date (Note)	Borrowing and repayment methods, security, and guarantee
Long-term	Sumitomo Mitsui Trust Bank, Limited	¥1,060 million	1.07980%	December 19, 2013	December 19, 2020	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
	Mitsubishi UFJ Trust and Banking Corporation	¥1,060 million				
	Mizuho Bank, Ltd.	¥1,060 million				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,060 million				
	Sumitomo Mitsui Banking Corporation	¥530 million				
	Development Bank of Japan Inc.	¥530 million				
	Sumitomo Mitsui Trust Bank, Limited	¥160 million	0.93846%	January 10, 2014	January 10, 2020	
	Mitsubishi UFJ Trust and Banking Corporation	¥160 million				
	Mizuho Bank, Ltd.	¥160 million				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥160 million				
	Sumitomo Mitsui Banking Corporation	¥80 million				
	Development Bank of Japan Inc.	¥80 million				
	Sumitomo Mitsui Trust Bank, Limited	¥1,340 million	1.07856%	January 10, 2014	January 10, 2021	
	Mitsubishi UFJ Trust and Banking Corporation	¥1,340 million				
	Mizuho Bank, Ltd.	¥1,340 million				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,340 million				
	Sumitomo Mitsui Banking Corporation	¥670 million				
	Development Bank of Japan Inc.	¥670 million				
Total		¥12,800 million				

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

c. Acquisition of Properties

The Investment Corporation acquired properties listed below with proceeds from the issuance of new investment units and borrowings in accordance with the basic asset management policy set forth in the Articles of Incorporation.

(UR-7) Kobe Kyu Kyoryuchi 25Bankan

Type of assets	Trust beneficiary interest
Acquisition price	¥21,330 million
Acquisition date	December 19, 2013
Location	25 Kyomachi, Chuo-ku, Kobe City, Hyogo (Note)
Use	Hotel, retail, parking lot
Land area	3,013.68 m ²
Gross floor area	27,010.67 m ²
Structure	Steel framed, partially SRC/ 18 floors above and 3 floors underground
Month and year of completion	January 2010
Ownership	Land: Owned Building: Owned

(Note) Location provided is that obtained from the property registry for those that have no residential address (or, for those that have multiple addresses, only one address is provided).

(UR-8) Tokyu Plaza Sapporo

Type of assets	Trust beneficiary interest
Acquisition price	¥4,410 million
Acquisition date	December 19, 2013
Location (address)	1, Minami-Yonjo-Nishi 5-chome, Chuo-ku, Sapporo City, Hokkaido
Use	Hotel, retail
Land area	4,438.39 m ²
Gross floor area	27,277.85 m ²
Structure	SRC, partially RC/ 12 floors above and 1 floor underground
Month and year of completion	May 1980 (extension in July 1983)
Ownership	Land: Owned Building: Owned

(UR-9) Kamata Kosan Building

Type of assets	Trust beneficiary interest
Acquisition price	¥6,370 million
Acquisition date	December 19, 2013
Location (address)	32-13, Udagawa-cho, Shibuya-ku, Tokyo
Use	Retail
Land area	701.21 m ²
Gross floor area	3,340.70 m ²
Structure	RC/ 5 floors above and 1 floor underground
Month and year of completion	June 1988
Ownership	Land: Owned Building: Owned

(TO-9) Gotanda Front

Type of assets	Trust beneficiary interest
Acquisition price	¥5,730 million
Acquisition date	January 10, 2014
Location (address)	27-3, Nishigotanda 2-chome, Shinagawa-ku, Tokyo
Use	Office, retail, parking lot
Land area	694.01 m ²
Gross floor area	5,782.65 m ²
Structure	Steel framed, partially SRC/ 10 floors above and 1 floor underground
Month and year of completion	February 2012
Ownership	Land: Owned Building: Owned

(TO-10) Shinagawa Place

Type of assets	Trust beneficiary interest
Acquisition price	¥3,800 million
Acquisition date	January 10, 2014
Location (address)	8-40, Konan 1-chome, Minato-ku, Tokyo
Use	Office, parking lot
Land area	638.44 m ²
Gross floor area	3,937.61 m ²
Structure	Steel framed, partially SRC/ 8 floors above and 1 floor underground
Month and year of completion	September 1991
Ownership	Land: Owned Building: Owned

(O-8) J-CORE Omori

Type of assets	Trust beneficiary interest
Acquisition price	¥5,790 million
Acquisition date	December 19, 2013
Location (address)	8-2, Omorikita 1-chome, Ota-ku, Tokyo
Use	Fitness club, retail
Land area	1,242.74 m ²
Gross floor area	7,040.95 m ²
Structure	Steel framed, partially RC/ 7 floors above and 1 floor underground
Month and year of completion	March 2007
Ownership	Land: Owned Building: Owned

(D) Outlook of Investment Performance

For the fiscal period ending May 31, 2014 (5th fiscal period: from December 1, 2013 to May 31, 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 December 1, 2013 to May 31, 2014 and the Fiscal Period from June 1, 2014 to November 30, 2014” on pages 13 and 14.

Operating revenues	¥7,753 million
Operating income	¥4,526 million
Ordinary income	¥3,893 million
Net income	¥3,892 million
Cash distributions per unit	¥15,504
Cash distributions in excess of earnings per unit	¥0

If it is assumed that there are no changes in “Assumptions for Forecasts of Investment Performance for the Fiscal Period from December 1, 2013 to May 31, 2014 and the Fiscal Period from June 1, 2014 to November 30, 2014,” the outlook of investment performance for the fiscal period ending November 30, 2014 (6th fiscal period: from June 1, 2014 to November 30, 2014) is estimated as follows.

Operating revenues	¥7,993 million
Operating income	¥4,447 million
Ordinary income	¥3,895 million
Net income	¥3,894 million
Cash distributions per unit	¥15,511
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 revenues, operating income, ordinary income, net income and cash distribution per unit may change. Furthermore, this estimation does not guarantee the amount of distributions.

Assumptions for Forecasts of Investment Performance for the Fiscal Period from December 1, 2013 to May 31, 2014 and the Fiscal Period from June 1, 2014 to November 30, 2014

Item	Assumptions
Period	<ul style="list-style-type: none"> • 5th fiscal period (December 1, 2013 to May 31, 2014) (182 days) • 6th fiscal period (June 1, 2014 to November 30, 2014) (183 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 27 properties (the “Assets Currently Held”) for which we hold the trust beneficiary interests as of today, before the end of the 6th fiscal period (November 30, 2014). • Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenues	<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 revenues are 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 4th Fiscal Period”), excluding Kobe Kyu Kyoryuchi 25Bankan, Tokyu Plaza Sapporo, Kamata Kosan Building and J-CORE Omori acquired on December 19, 2013 (the “Four Acquired Assets”), and Gotanda Front and Shinagawa Place acquired on January 10, 2014 (the “Two Acquired Assets”; hereinafter the Four Acquired Assets and the Two Acquired Assets are collectively referred to as the “Acquired Assets”). Expenses for the Acquired Assets are calculated based on the information provided by the former owner (seller) and upon considering variable factors and others. • In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. The total amount of property tax and city planning tax on the Acquired Assets that are treated as a part of the acquisition cost is assumed to be ¥77 million. For property tax, city planning tax, ¥448 million and ¥584 million for the Assets Held as of the End of the 4th Fiscal Period and the Acquired Assets will be expensed in the fiscal period ending May 31, 2014 (5th fiscal period) and in the fiscal period ending November 30, 2014 (6th fiscal period), respectively. With respect to the Four Acquired Assets, property tax and city planning tax for fiscal 2014 will be expensed for Tokyu Plaza Sapporo starting from the 5th fiscal period ending May 31, 2014, and for the other three properties from the 6th fiscal period ending November 30, 2014. Moreover, property tax and city planning tax for fiscal 2015, with respect to the Two Acquired Assets 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.

Item	Assumptions
	<ul style="list-style-type: none"> We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥741 million and ¥750 million for the 5th fiscal period ending May 31, 2014 and the 6th fiscal period ending November 30, 2014, respectively.
Non-operating expenses	<ul style="list-style-type: none"> We expect interest and other borrowing-related expenses of ¥506 million and ¥545 million for the 5th fiscal period ending May 31, 2014 and the 6th fiscal period ending November 30, 2014, respectively. We assume the temporary expense relating to the issuance of investment units of ¥119 million for the 5th fiscal period ending May 31, 2014.
Borrowings	<ul style="list-style-type: none"> As of today, we have a balance of ¥100,800 million in borrowings. We assume that there will be no change to the borrowing balance before the end of the 6th fiscal period (November 30, 2014). We assume that there will be refinancing of all borrowings coming due before the end of the 5th fiscal period (May 31, 2014) and the 6th fiscal period (November 30, 2014) (5th fiscal period: long-term borrowings of ¥4,000 million; 6th fiscal period: short-term borrowings of ¥3,000 million and long-term borrowings of ¥6,000 million). The LTV ratios as of May 31, 2014 and November 30, 2014 are both projected to be approximately 42%. The LTV ratio is obtained by the following formula: $\text{LTV} = \frac{\text{Balance of aggregate principal amount of interest-bearing debt}}{\text{Total assets}} \times 100$
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 6th fiscal period (November 30, 2014). The cash distributions per unit for the 5th fiscal period ending May 31, 2014 and the 6th fiscal period ending November 30, 2014 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 Sheets

	(Unit: Thousands of yen)	
	As of May 31, 2013	As of November 30, 2013
Assets		
Current assets		
Cash and deposits	4,707,652	5,016,162
Cash and deposits in trust	1,052,109	1,147,579
Operating accounts receivable	178,217	200,590
Prepaid expenses	223,261	151,720
Deferred tax assets	16	16
Other	-	126
Total current assets	6,161,257	6,516,196
Noncurrent assets		
Property, plant and equipment		
Buildings in trust	33,521,802	34,180,684
Accumulated depreciation	(891,456)	(1,382,563)
Buildings in trust, net	32,630,345	32,798,121
Structures in trust	352,430	360,792
Accumulated depreciation	(18,096)	(28,285)
Structures in trust, net	334,334	332,506
Machinery and equipment in trust	617,991	622,914
Accumulated depreciation	(28,449)	(43,752)
Machinery and equipment in trust, net	589,542	579,161
Tools, furniture and fixtures in trust	8,049	23,882
Accumulated depreciation	(699)	(1,943)
Tools, furniture and fixtures in trust, net	7,350	21,939
Land in trust	144,250,646	146,717,786
Construction in progress in trust	3,224	5,200
Total property, plant and equipment	177,815,442	180,454,715
Intangible assets		
Leasehold rights in trust	4,487,617	4,562,599
Other	2,072	1,814
Total intangible assets	4,489,689	4,564,414
Investments and other assets		
Long-term prepaid expenses	361,340	296,095
Invest securities	9,942	9,955
Total investments and other assets	371,283	306,051
Total noncurrent assets	182,676,416	185,325,181
Total assets	188,837,673	191,841,377

(Unit: Thousands of yen)

	As of May 31, 2013	As of November 30, 2013
Liabilities		
Current liabilities		
Operating accounts payable	340,229	330,353
Short-term loans payable	–	3,000,000
Current portion of long-term loans payable	4,000,000	10,000,000
Accounts payable-other	49,078	46,700
Accrued expenses	220,466	245,470
Income taxes payable	495	538
Accrued consumption taxes	33,490	173,647
Advances received	116,320	103,875
Deposits received	2,235	4,772
Total current liabilities	4,762,316	13,905,358
Noncurrent liabilities		
Long-term loans payable	81,000,000	75,000,000
Tenant leasehold and security deposits in trust	8,223,028	8,375,764
Other	31	50
Total noncurrent liabilities	89,223,059	83,375,815
Total liabilities	93,985,376	97,281,173
Net assets		
Unitholders' equity		
Unitholders' capital	91,373,833	91,373,833
Surplus		
Unappropriated retained earnings (undisposed loss)	3,478,463	3,186,370
Total surplus	3,478,463	3,186,370
Total unitholders' equity	94,852,296	94,560,203
Total net assets	*2 94,852,296	*2 94,560,203
Total liabilities and net assets	188,837,673	191,841,377

(2) Statements of Income

	(Unit: Thousands of yen)			
	Previous fiscal period (From December 1, 2012 to May 31, 2013)		Current fiscal period (From June 1, 2013 to November 30, 2013)	
Operating revenue				
Rent revenue-real estate	*1, *2	5,453,936	*1, *2	5,712,126
Other lease business revenue	*1, *2	349,567	*1, *2	412,776
Total operating revenue		5,803,503		6,124,902
Operating expenses				
Expenses related to rent business	*1, *2	1,435,773	*1, *2	1,975,285
Asset management fee		442,330		436,004
Asset custody fee		5,144		5,374
Administrative service fees		15,564		13,446
Directors' compensations		3,300		3,300
Other operating expenses		49,765		49,339
Total operating expenses		1,951,879		2,482,749
Operating income		3,851,624		3,642,152
Non-operating income				
Interest income		237		189
Interest on securities		2,003		1,848
Interest on refund		3,407		-
Insurance income		-		2,522
Total non-operating income		5,648		4,560
Non-operating expenses				
Interest expenses		313,535		330,975
Investment unit issuance expenses		-		48,310
Borrowing related expenses		64,401		79,700
Other		-		500
Total non-operating expenses		377,936		459,486
Ordinary income		3,479,336		3,187,226
Income before income taxes		3,479,336		3,187,226
Income taxes-current		948		949
Income taxes-deferred		9		(0)
Total income taxes		957		949
Net income		3,478,378		3,186,276
Retained earnings brought forward		85		93
Unappropriated retained earnings (undisposed loss)		3,478,463		3,186,370

(3) Statements of Unitholders' Equity

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of current period	91,373,833	91,373,833
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	* 91,373,833	* 91,373,833
Surplus		
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of current period	2,861,026	3,478,463
Changes of items during the period		
Dividends from surplus	(2,860,941)	(3,478,369)
Net income	3,478,378	3,186,276
Total changes of items during the period	617,436	(292,093)
Balance at the end of current period	3,478,463	3,186,370
Total surplus		
Balance at the beginning of current period	2,861,026	3,478,463
Changes of items during the period		
Dividends from surplus	(2,860,941)	(3,478,369)
Net income	3,478,378	3,186,276
Total changes of items during the period	617,436	(292,093)
Balance at the end of current period	3,478,463	3,186,370
Total unitholders' equity		
Balance at the beginning of current period	94,234,859	94,852,296
Changes of items during the period		
Dividends from surplus	(2,860,941)	(3,478,369)
Net income	3,478,378	3,186,276
Total changes of items during the period	617,436	(292,093)
Balance at the end of current period	94,852,296	94,560,203
Total net assets		
Balance at the beginning of current period	94,234,859	94,852,296
Changes of items during the period		
Dividends from surplus	(2,860,941)	(3,478,369)
Net income	3,478,378	3,186,276
Total changes of items during the period	617,436	(292,093)
Balance at the end of current period	94,852,296	94,560,203

(4) Statements of Cash Distributions

	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
	Amount	Amount
I Unappropriated retained earnings	¥3,478,463,414	¥3,186,370,302
II Distributions	¥3,478,369,852	¥3,186,282,026
[Cash Distributions per unit]	[¥16,946]	[¥15,523]
III Earnings carried forward	¥93,562	¥88,276

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 ¥3,478,369,852, 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 ¥3,186,282,026, 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.
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(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	3,479,336	3,187,226
Depreciation and amortization	488,241	518,685
Loss on retirement of noncurrent assets	2,746	555
Interest income and interest on securities	(2,241)	(2,038)
Interest expenses	313,535	330,975
Investment unit issuance expenses	–	48,310
Borrowing related expenses	52,838	67,489
Decrease (increase) in operating accounts receivable	(21,974)	(22,373)
Decrease (increase) in consumption taxes refund receivable	1,446,329	–
Increase (decrease) in accrued consumption taxes	33,490	140,157
Decrease (increase) in prepaid expenses	(69,997)	67,287
Increase (decrease) in operating accounts payable	35,856	7,060
Increase (decrease) in accrued expenses	(214,740)	(22,501)
Increase (decrease) in advances received	13,378	(12,444)
Decrease (increase) in long-term prepaid expenses	2,334	4,633
Other, net	(19,668)	2,429
Subtotal	5,539,465	4,315,454
Interest income received	2,228	2,026
Interest expenses paid	(303,292)	(330,722)
Income taxes paid	(1,286)	(907)
Net cash provided by (used in) operating activities	5,237,115	3,985,850
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(11,403,309)	(3,182,161)
Purchase of intangible assets in trust	(222,459)	(74,982)
Repayments of tenant leasehold and security deposits	(231,159)	(129,626)
Proceeds from tenant leasehold and security deposits	765,360	282,363
Net cash provided by (used in) investing activities	(11,091,568)	(3,104,407)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	–	2,997,375
Decrease in short-term loans payable	(17,000,000)	–
Proceeds from long-term loans payable	24,827,100	–
Dividends paid	(2,847,488)	(3,473,778)
Other, net	–	(1,058)
Net cash provided by (used in) financing activities	4,979,611	(477,461)
Net increase (decrease) in cash and cash equivalents	(874,841)	403,981
Cash and cash equivalents at beginning of period	6,634,602	5,759,761
Cash and cash equivalents at end of period	* 5,759,761	* 6,163,742

(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 noncurrent 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 32 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	Investment unit issuance expenses The full amount is recorded as expenses when incurred.
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 ¥4,906 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 statements 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 sheets and statements 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 sheets.</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 noncurrent assets, etc. are included in acquisition cost for each asset.</p>
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(8) Notes to Financial Statements

Notes to Balance Sheets

1. Commitment Line Contracts

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

	As of May 31, 2013	As of November 30, 2013
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 May 31, 2013	As of November 30, 2013
	¥50,000 thousand	¥50,000 thousand

Notes to Statements of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From December 1, 2012 to May 31, 2013)		Current fiscal period (From June 1, 2013 to November 30, 2013)	
A. Real estate leasing business revenues				
Rent revenue—real estate				
Rent	4,946,608		5,197,037	
Common service fees	373,661		377,139	
Parking lots fees	93,053		98,275	
Other rent revenue	40,613	5,453,936	39,673	5,712,126
Other lease business revenue		349,567		412,776
Total real estate leasing business revenues		5,803,503		6,124,902
B. Real estate leasing business expenses				
Expenses related to rent business				
Management operation expenses	411,855		425,239	
Utilities expenses	288,930		371,251	
Tax and public dues	10,265		433,411	
Insurance	4,962		5,277	
Repair and maintenance expenses	97,004		71,060	
Depreciation	487,983		518,426	
Loss on retirement of noncurrent assets	2,746		555	
Other expenses related to rent business	132,024	1,435,773	150,061	1,975,285
Total real estate leasing business expenses		1,435,773		1,975,285
C. Income (loss) from real estate leasing business (A – B)		4,367,729		4,149,617

*2. Transactions with Major Unitholders

	(Unit: Thousands of yen)	
	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
Operating transactions		
Rent revenue—real estate	4,706,243	4,926,245
Other lease business revenue	315,989	351,734
Expenses related to rent business	256,607	255,524

Notes to Statements of Unitholders' Equity

	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
* 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	205,262 units

Notes to Statements of Cash Flows

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

	As of May 31, 2013	As of November 30, 2013
Cash and deposits	¥4,707,652 thousand	¥5,016,162 thousand
Cash and deposits in trust	¥1,052,109 thousand	¥1,147,579 thousand
Cash and cash equivalents	¥5,759,761 thousand	¥6,163,742 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 are received mainly for the purpose of acquiring real estate and refinancing of existing borrowings. Tenant leasehold and security deposits are deposits provided by tenants. Borrowings, 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 by diversifying repayment periods, etc., and other means.

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

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

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

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of May 31, 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	4,707,652	4,707,652	–
(2) Cash and deposits in trust	1,052,109	1,052,109	–
Total assets	5,759,761	5,759,761	–
(2) Current portion of long-term loans payable	4,000,000	4,000,000	–
(3) Long-term loans payable	81,000,000	80,714,493	(285,506)
Total liabilities	85,000,000	84,714,493	(285,506)
Derivative transactions	–	–	–

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	–
(3) Long-term loans payable	75,000,000	75,196,047	196,047
Total liabilities	88,000,000	88,196,047	196,047
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, (3) 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).

Derivative transactions

Please refer to “Notes on Derivative Transactions” on pages 27 and 28.

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

(Unit: Thousands of yen)

Category	As of May 31, 2013	As of November 30, 2013
Tenant leasehold and security deposits in trust *	8,223,028	8,375,764

* 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 (May 31, 2013)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Deposits	4,707,652	–	–	–	–	–
Deposits in trust	1,052,109	–	–	–	–	–
Total	5,759,761	–	–	–	–	–

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	–	–	–	–	–

(Note 4) Expected Amounts of Repayment of Loans Payable after the Account Closing Date (May 31, 2013)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Long-term loans payable	4,000,000	12,000,000	12,000,000	18,000,000	17,000,000	22,000,000
Total	4,000,000	12,000,000	12,000,000	18,000,000	17,000,000	22,000,000

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

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2013)

Not applicable

(As of November 30, 2013)

Not applicable

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of May 31, 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 (3)” on page 26.)

(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 (3)” on page 26.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

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

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

	As of May 31, 2013	As of November 30, 2013
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%

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

Previous fiscal period (From December 1, 2012 to May 31, 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	Delivery of tenant leasehold and security deposits	621,227	Tenant leasehold and security deposits in trust	7,124,406	
								Receipt of tenant leasehold and security deposits	765,360			
								Repayments of tenant leasehold and security deposits	231,159			
								Rental revenues, etc.	5,022,232	Operating accounts receivable		166,319
										Advances received		116,288
		Fees for consignment for real estate management	256,597	Operating accounts payable	62,858							

Current 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							

(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. Affiliates, etc.

Previous fiscal period (From December 1, 2012 to May 31, 2013)

Not applicable

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

Not applicable

3. Sister companies, etc.

Previous fiscal period (From December 1, 2012 to May 31, 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	96,209	Tenant leasehold and security deposits in trust	1,098,621
								Receipt of tenant leasehold and security deposits	96,209		
								Rental revenues, etc.	781,270	Operating accounts receivable	11,897
										Advances received	31
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	518,630	Other accrued expenses	181,619

Current 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

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

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

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

4. Directors and major individual unitholders

Previous fiscal period (From December 1, 2012 to May 31, 2013)

Not applicable

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

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 sheets, changes during the fiscal period, and fair values of investment and rental properties are as follows.

(Unit: Thousands of yen)

Use		Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
Urban Retail Properties	Carrying amount on the balance sheets		
	Balance at beginning of period	94,817,681	94,776,350
	Changes during period	(41,331)	3,039,642
	Balance at end of period	94,776,350	97,815,993
	Fair value at end of period	99,650,000	103,910,000
Tokyo Office Properties	Carrying amount on the balance sheets		
	Balance at beginning of period	41,721,522	47,445,214
	Changes during period	5,723,692	(177,673)
	Balance at end of period	47,445,214	47,267,541
	Fair value at end of period	47,710,000	48,280,000
Other Properties	Carrying amount on the balance sheets		
	Balance at beginning of period	34,881,212	40,081,494
	Changes during period	5,200,281	(147,713)
	Balance at end of period	40,081,494	39,933,780
	Fair value at end of period	42,110,000	42,800,000
Total	Carrying amount on the balance sheets		
	Balance at beginning of period	171,420,417	182,303,059
	Changes during period	10,882,642	2,714,255
	Balance at end of period	182,303,059	185,017,315
	Fair value at end of period	189,470,000	194,990,000

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

(Note 2) The main reason for the increase for the current fiscal period is the acquisition of one property (Hitotsugi LIP) worth ¥3,125,128 thousand. The decrease is mainly due to provision of depreciation (¥518,426 thousand).

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

The income/loss concerning investment and rental properties for the current fiscal period is indicated under "Notes to Statements of Income."

Per Unit Information

	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
Net assets per unit	¥462,103	¥460,680
Net income per unit	¥16,946	¥15,522

(Note 1) 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). Fully diluted net income per unit is not stated, as there is no potential investment unit.

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

	Previous fiscal period (From December 1, 2012 to May 31, 2013)	Current fiscal period (From June 1, 2013 to November 30, 2013)
Net income (Thousands of yen)	3,478,378	3,186,276
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	3,478,378	3,186,276
Average number of investment units for the period (Units)	205,262	205,262

Significant Subsequent Events

1. Issuance of New Investment Units

At meetings of the board of directors held on November 22, 2013 and December 9, 2013, we resolved to issue new investment units as described below, and issued these per the terms below once payment was completed on December 16, 2013 and January 15, 2014. As a result, unitholders' capital amounted to ¥126,054,921,300, and the number of investment units issued came to 251,062 units.

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

- i) Number of new investment units issued 43,100 units
- ii) Offering price ¥782,925 per unit
- iii) Total offering price ¥33,744,067,500
- iv) Paid-in amount ¥757,229 per unit
- v) Total paid-in amount ¥32,636,569,900
- vi) Payment date December 16, 2013
- vii) Initial date of reckoning distributions December 1, 2013

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

- i) Number of new investment units issued 2,700 units
- ii) Paid-in amount ¥757,229 per unit
- iii) Total paid-in amount ¥2,044,518,300
- iv) Payment date January 15, 2014
- v) Initial date of reckoning distributions December 1, 2013
- vi) Allottee Nomura Securities Co., Ltd.

2. Borrowing of Funds

In order to cover the acquisition costs for beneficiary rights of real estate in trust to six properties and related costs, the Investment Corporation borrowed funds of ¥5,300 million on December 19, 2013, and ¥7,500 million on January 10, 2013. For the details, please refer to the preceding “2. Asset Management Policies and Status, (2) Asset Management Status, ii) Outlook for the Next Fiscal Period, (C) Significant Subsequent Events, b. Borrowing of Funds” on page 9.

3. Acquisition of Properties

The Investment Corporation acquired beneficiary rights of real estate in trust to four properties for ¥37,900 million on December 19, 2013, and two properties for ¥9,530 million on January 10, 2014, with proceeds from the issuance of new investment units through public offering (public placement) and borrowings in accordance with the basic asset management policy set forth in the Articles of Incorporation. For the details, please refer to the preceding “2. Asset Management Policies and Status, (2) Asset Management Status, ii) Outlook for the Next Fiscal Period, (C) Significant Subsequent Events, c. Acquisition of Properties” on pages 10 and 11.

Omission of Disclosure

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

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

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

Date	Summary	Total investments (Thousands of yen)		Total number of investment units issued (Units)		Remarks
		Change	Balance	Change	Balance	
September 7, 2011	Establishment through private placement	200,000	200,000	400	400	(Note 1)
June 12, 2012	Capital increase through public offering	90,834,705	91,034,705	204,100	204,500	(Note 2)
July 10, 2012	Capital increase through third- party allotment	339,128	91,373,833	762	205,262	(Note 3)

(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.

4. Changes in Directors

There have been no changes of directors described in “Directors” in the latest Securities Report (filed on August 27, 2013; prepared in Japanese only).

5. Reference Information

(1) Composition of Invested Assets

Type of assets	Category (Note 1)	Previous fiscal period (As of May 31, 2013)		Current fiscal period (As of November 30, 2013)	
		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	–	–	–	–
	Other locations	–	–	–	–
	Subtotal	–	–	–	–
Real estate in trust	By property type				
	Urban Retail Properties	94,776	50.2	97,815	51.0
	Tokyo Office Properties	47,445	25.1	47,267	24.6
	Other Properties	40,081	21.2	39,933	20.8
	By location				
	5 wards of Tokyo (Note 3)	129,327	68.5	132,226	68.9
	Wards of Tokyo other than the 5 wards	3,984	2.1	3,964	2.1
	Three major metropolitan areas	48,990	25.9	48,826	25.5
	Other locations	–	–	–	–
	Subtotal	182,303	96.5	185,017	96.4
Total real estate assets		182,303	96.5	185,017	96.4
Deposits and other assets		6,534	3.5	6,824	3.6
Total assets (Note 4)		188,837	100.0	191,841	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 4) (Note 5)	93,985	49.8	97,281	50.7
Total net assets (Note 4)	94,852	50.2	94,560	49.3

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

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

(Note 3) “5 wards of Tokyo” refers to Chiyoda ward (*Chiyoda-ku*), Chuo ward (*Chuo-ku*), Minato ward (*Minato-ku*), Shinjuku ward (*Shinjuku-ku*) and Shibuya ward (*Shibuya-ku*) in Tokyo.

(Note 4) 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 5) 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	9,955	–	–	9,985	30	Deposited as business security deposit
Total		10,000	9,955	–	–	9,985	30	

ii) Investment properties

(A) Overview of real estate and beneficiary rights 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 4th fiscal period. Figures shown in the table are as of November 30, 2013 unless otherwise provided.

a. Overview of assets held (1)

(As of November 30, 2013)

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	45,133	47,100	48,075	3.6	46,050	3.4	3.8	24.4
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,690	11,800	11,900	5.1	11,700	5.2	5.3	6.2
	UR-3	Ebisu Q Plaza	8,430	8,432	9,160	9,170	4.2	9,160	4.4 4.3 (Note 7)	4.4	4.6
	UR-4	Shinbashi Place	20,500	20,545	23,200	23,500	4.8	23,000	4.6	5.0	11.1
	UR-5	Kyoto Karasuma Parking Building	8,860	8,892	9,480	9,480	5.6	9,480	5.6	5.8	4.8
	UR-6	Hitotsugi LIP	3,000	3,122	3,170	3,190	4.3	3,140	4.0	4.4	1.6
		Subtotal	97,240	97,815	103,910	105,315	–	102,530	–	–	52.8
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,338	7,610	7,810	4.6	7,520	4.7	4.8	4.0
	TO-2	A-PLACE Ebisu Minami	9,640	9,639	10,400	10,500	4.5	10,300	4.6	4.7	5.2
	TO-3	Yoyogi Place	4,070	4,060	3,880	3,950	4.6	3,810	4.4	4.8	2.2
	TO-4	Aoyama Plaza Building	8,790	8,812	8,150	8,250	4.8	8,100	4.6	5.0	4.8
	TO-5	Luogo Shiodome	4,540	4,509	4,880	4,910	4.4	4,870	4.2	4.6	2.5
	TO-6	Tokyo Kikai Honsha Building	3,070	3,073	3,130	3,260	5.1	3,070	5.2 5.1 (Note 8)	5.3	1.7
	TO-7	A-PLACE Ikebukuro	3,990	3,964	4,250	4,300	4.9	4,190	4.7	5.1	2.2
	TO-8	TK Shinbashi Building	5,650	5,869	5,980	6,080	4.5	5,880	4.3	4.7	3.1
		Subtotal	47,150	47,267	48,280	49,060	–	47,740	–	–	25.6
Other Properties	O-1	Amagasaki Q's MALL (Land)	12,000	12,113	12,300	12,400	4.9	12,200	4.5	5.1	6.5
	O-2	icot Nakamozu	8,500	8,480	9,220	9,320	5.8	9,170	5.7	6.0	4.6
	O-3	icot Kongo	1,600	1,625	1,840	1,870	6.8	1,800	6.5	7.3	0.9
	O-4	icot Mizonokuchi	2,710	2,712	3,010	3,060	5.9	2,950	5.6	6.3	1.5
	O-5	icot Tama Center	2,840	2,819	3,070	3,110	6.1	3,020	5.4	6.3	1.5
	O-6	Kanayama Center Place	6,980	6,894	7,560	7,620	5.4	7,500	5.2	5.6	3.8
	O-7	Osaka Nakanoshima Building (Note 6)	5,250	5,288	5,800	5,800	5.0	5,750	4.8	5.2	2.8
		Subtotal	39,880	39,933	42,800	43,180	–	42,390	–	–	21.6
	Total	184,270	185,017	194,990	197,555	–	192,660	–	–	100.0	

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

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

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of November 30, 2013, rounding down to the nearest million yen.

- (Note 4) The appraisal of properties is commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Valuers Co., Ltd. or Morii Appraisal & Investment Consulting, Inc. Assessed value at end of period and return price shows value described in each real estate appraisal report with the date of value estimate of November 30, 2013.
- (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 4.4% and the discount rate for terminal value at 4.3%.
- (Note 8) The discount rates of Tokyo Kikai Honsha Building represent 5.2% for the first year and 5.1% from the second year to the eleventh year.

b. Overview of assets held (2)

(As of November 30, 2013)

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	99	894	382	16,620.48	16,442.62	98.9
	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	158	135	2,280.22	1,918.86	84.2
	Subtotal				–	140	–	–	58,602.18	58,062.96
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	9	519	483	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	Minato, Tokyo	June 6, 1985	3	278	204	4,389.20	4,389.20	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	8	317	276	5,052.14	4,465.66	88.4
	Subtotal				–	50	–	–	43,030.39	42,443.91
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	485	381	9,314.91	9,188.67	98.6
	O-7	Osaka Nakanoshima Building (Note 8)	Osaka, Osaka	March 5, 1984	42	473	334	10,178.03	10,178.03	100.0
	Subtotal				–	79	–	–	112,154.58	112,028.34
Total				–	269	–	–	213,787.15	212,535.21	99.4

- (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 November 30, 2013 described in the lease agreements in relation to buildings, except that for properties with master lease agreements, the total number of end-tenants is listed. For properties for which we acquire only land, the total number of tenants of the land is listed.
- (Note 3) The contracted rent (annual) for each property other than properties for which we acquire only land is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as of November 30, 2013), 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 November 30, 2013, as indicated in the lease agreements in relation to buildings as of November 30, 2013 by 12 (for where multiple lease agreements are concluded in relation to buildings, the aggregate anticipated monthly rent for all lease agreements) (excluding consumption tax) and rounding to the nearest million yen. For properties for which we acquire only land, it is calculated as the annual contracted rent (excluding consumption tax) as indicated in the lease agreement for such land as of November 30, 2013, 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 November 30, 2013), as indicated in the relevant sublease agreement with end-tenants by 12.
- (Note 4) The tenant leasehold and security deposit is calculated as the total amount on the lease agreement for each property as of November 30, 2013 (limited to tenant leasehold and security deposit based on the lease agreement for leased property that was occupied by the tenant as of the same date), rounding to the nearest million yen. For properties with master lease agreements, the tenant leasehold and security deposit is calculated as the total amount required based on the sub-lease agreements with end-tenants, rounding to the nearest million yen.
- (Note 5) The total leasable area represents the total of gross floor area considered to be leasable based on the lease agreements for building or floor plans as of November 30, 2013 of each property other than properties of which we acquire only land, and gross land area considered to be leasable based on the lease agreement for land or land plans as of November 30, 2013 of each property of which we acquire only land.
- (Note 6) The total leased area is equal to the total of leased area presented in each lease agreement for properties held as of November 30, 2013. For properties with master lease agreements, counted is the total of the area of properties for which sublease agreements are concluded with end-tenants and that are actually subleased.
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of November 30, 2013, 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 November 30, 2013, 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 4th fiscal period as of November 30, 2013. 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
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Maintenance work for west outer wall (office side)	From October 2013 to February 2014	25 (Note)	–	–
Hitotsugi LIP (Minato, Tokyo)	Replacement work for air conditioning on the fourth floor	From February 2014 to February 2014	20	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Replacement work for A substation	From October 2013 to March 2014	19 (Note)	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Renovation work for office lighting	From February 2014 to March 2014	18 (Note)	–	–
Tokyu Plaza Akasaka (Chiyoda, Tokyo)	Renovation work for signs	From February 2014 to April 2014	11 (Note)	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Work for building equipment	From May 2014 to May 2014	10 (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 4th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended November 30, 2013 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended November 30, 2013 amounted to ¥108 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended November 30, 2013 came to ¥71 million. On aggregate, construction work of ¥179 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)	Air conditioning work separately for each shop on the first floor	From August 2013 to September 2013	33 (Note)
TK Shinbashi Building (Minato, Tokyo)	Work for the control system in the building	From October 2013 to November 2013	16
Other		From June 2013 to November 2013	58
Total			108

(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 4th fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of November 30, 2013. In regard to forms of agreements with the tenants in the table, the agreement with Sumitomo Mitsui Trust Bank, Limited 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 November 30, 2013. 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)	16,442.62	894	382	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	519	483	June 30, 2022
		Luogo Shiodome	4,476.35	300	249	June 30, 2022
		Tokyo Kikai Honsha Building	4,389.20	278	204	June 30, 2022
		A-PLACE Ikebukuro	3,409.73	– (Note 6)	– (Note 6)	June 30, 2022
		TK Shinbashi Building	4,465.66	317	276	April 30, 2023
		icot Tama Center	5,181.58	230	230	June 30, 2022
		Kanayama Center Place	9,188.67	485	381	June 30, 2022
		Osaka Nakanoshima Building (Note 5)	10,178.03	473	334	January 31, 2023
		Total	119,111.41	–	–	–
Tokyu Land SC Management Corporation	Real Estate Management	Ebisu Q Plaza	4,024.88	475	475	June 30, 2022
		Hitotsugi LIP	1,918.86	158	135	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
				Total	65,958.36	–
Sumitomo Mitsui Trust Bank, Limited (Note 7)	Finance	Amagasaki Q's MALL (Land)	27,465.44	683	341	January 31, 2042
			Total	27,465.44	683	341

(Note 1) The total leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of November 30, 2013 where the tenant is the master lease company and sublessor, rounding to the nearest hundredth.

(Note 2) Under master lease contracts concluded with tenants, for properties of which the master lease rent payable by the tenant equals to the rent payable by the end-tenant to the tenant, the contracted rent (annual) for each property is calculated by multiplying the monthly rent (limited to rooms which were occupied by tenants as of November 30, 2013), 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 November 30, 2013, as indicated in the sublease agreement concluded with the end-tenant as of November 30, 2013 by 12, rounding to the nearest million yen.

- (Note 3) The tenant leasehold and security deposit is calculated as the total amount on the sublease agreement with the end-tenant as of November 30, 2013 (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 November 30, 2013.

End-tenants	Property name	Total leased area (m ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Sumitomo Mitsui Trust Bank, Limited (Note 3)	Amagasaki Q's MALL (Land)	27,465.44 (Note 4)	January 31, 2042	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	–	–	–
Room's-Taishodo	icot Mizonokuchi	14,032.05	July 24, 2018	Ordinary building lease agreement
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka	11,291.30	March 31, 2016	Fixed-term 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	–	–
Riso Kyoiku Co., Ltd.	A-PLACE Ikebukuro	3,409.73	–	–
–	A-PLACE Ebisu Minami	–	–	–

- (Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of November 30, 2013. As for Tokyu Plaza Akasaka, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (50%).
- (Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of November 30, 2013.
- (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 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

4th fiscal period (From June 1, 2013 to November 30, 2013)

(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 4th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	1,108,706	585,267	272,019	(Note 2)	(Note 2)
Rent revenue—real estate	1,048,253	476,964	237,540	(Note 2)	(Note 2)
Other lease business revenue	60,452	108,302	34,478	(Note 2)	(Note 2)
b. Expenses related to rent business	264,425	265,064	66,818	45,595	34,556
Management operation expenses	90,679	78,090	16,280	12,309	3,557
Utilities expenses	38,652	91,326	32,362	—	—
Tax and public dues	45,287	64,936	8,732	32,256	29,349
Insurance	399	616	122	267	234
Repair and maintenance expenses	144	24,856	817	—	484
Other expenses related to rent business	89,261	5,236	8,503	760	930
c. NOI (a – b)	844,280	320,203	205,200	(Note 2)	(Note 2)
d. Depreciation, etc. (Note 3)	47,655	25,947	18,481	32,734	16,007
Income (loss) from rent business (c – d)	796,624	294,255	186,719	(Note 2)	(Note 2)

(Unit: Thousands of yen)

Property number	UR-6
Property name	Hitotsugi LLP (Note 4)
Number of business days in the 4th fiscal period	93
a. Real estate leasing business revenues	64,753
Rent revenue—real estate	38,220
Other lease business revenue	26,532
b. Expenses related to rent business	29,785
Management operation expenses	6,170
Utilities expenses	7,289
Tax and public dues	—
Insurance	29
Repair and maintenance expenses	2,289
Other expenses related to rent business	14,007
c. NOI (a – b)	34,967
d. Depreciation, etc. (Note 3)	4,819
Income (loss) from rent business (c – d)	30,147

(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 4th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	278,731	327,795	121,024	266,227	169,380
Rent revenue—real estate	247,988	309,944	113,491	246,821	154,089
Other lease business revenue	30,742	17,850	7,532	19,406	15,290
b. Expenses related to rent business	76,236	85,407	30,712	74,046	46,262
Management operation expenses	22,016	28,606	10,031	19,941	11,253
Utilities expenses	25,521	24,387	8,801	20,351	15,146
Tax and public dues	16,720	29,120	9,883	20,409	17,779
Insurance	278	335	119	255	218
Repair and maintenance expenses	3,336	985	1,078	10,453	383
Other expenses related to rent business	8,363	1,972	797	2,634	1,481
c. NOI (a – b)	202,494	242,388	90,312	192,181	123,117
d. Depreciation, etc. (Note 3)	46,402	33,244	15,563	22,418	27,401
Income (loss) from rent business (c – d)	156,091	209,143	74,748	169,763	95,716

(Unit: Thousands of yen)

Property number	TO-6	TO-7	TO-8
Property name	Tokyo Kikai Honsha Building	A-PLACE Ikebukuro	TK Shinbashi Building
Number of business days in the 4th fiscal period	183	183	183
a. Real estate leasing business revenues	154,118	(Note 2)	164,711
Rent revenue—real estate	148,093	(Note 2)	152,544
Other lease business revenue	6,025	(Note 2)	12,166
b. Expenses related to rent business	47,232	32,424	39,189
Management operation expenses	16,897	9,781	16,558
Utilities expenses	13,143	11,053	14,928
Tax and public dues	14,064	10,699	0
Insurance	179	115	186
Repair and maintenance expenses	931	31	2,847
Other expenses related to rent business	2,016	742	4,669
c. NOI (a – b)	106,885	(Note 2)	125,521
d. Depreciation, etc. (Note 3)	17,356	20,682	24,619
Income (loss) from rent business (c – d)	89,528	(Note 2)	100,901

(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 4th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	341,532	310,699	(Note 2)	(Note 2)	144,737
Rent revenue–real estate	341,532	310,669	(Note 2)	(Note 2)	130,690
Other lease business revenue	–	30	(Note 2)	(Note 2)	14,047
b. Expenses related to rent business	41,161	38,861	26,064	15,739	49,162
Management operation expenses	–	5,576	2,675	2,365	19,090
Utilities expenses	–	30	–	–	16,260
Tax and public dues	40,908	32,035	13,800	9,884	12,026
Insurance	–	333	440	143	205
Repair and maintenance expenses	–	125	8,880	2,585	381
Other expenses related to rent business	252	760	267	760	1,197
c. NOI (a – b)	300,371	271,837	(Note 2)	(Note 2)	95,575
d. Depreciation, etc. (Note 3)	–	34,521	22,710	8,345	18,704
Income (loss) from rent business (c – d)	300,371	237,316	(Note 2)	(Note 2)	76,871

(Unit: Thousands of yen)

Property number	O-6	O-7
Property name	Kanayama Center Place	Osaka Nakanoshima Building (Note 1)
Number of business days in the 4th fiscal period	183	183
a. Real estate leasing business revenues	289,263	263,514
Rent revenue–real estate	256,131	248,319
Other lease business revenue	33,131	15,195
b. Expenses related to rent business	77,824	69,730
Management operation expenses	24,567	28,785
Utilities expenses	24,523	27,473
Tax and public dues	25,516	0
Insurance	337	457
Repair and maintenance expenses	1,506	8,943
Other expenses related to rent business	1,372	4,070
c. NOI (a – b)	211,439	193,784
d. Depreciation, etc. (Note 3)	52,064	29,301
Income (loss) from rent business (c – d)	159,374	164,482

(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 noncurrent assets.

(Note 4) Hitotsugi LIP was acquired on August 30, 2013. 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.