



# Activia Properties Inc.

Financial Results Presentation for the 12th Fiscal Period (November 2017) January 2018

(Ticker symbol: 3279/API)

 **TLC REIT Management Inc.**



1. Financial Highlights
2. Financial Forecasts
3. External Growth, Internal Growth and Financial Strategies
4. Others
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- Conducted the 5th **Global PO** in Dec 2017 and the issue received a demand of **¥162.2bn**, approx. **10.6x** the offer size of **¥15.3bn**
- Acquired 4 properties (total **¥42.4bn**) consisted of 1 office building (¥18.8bn) and 3 retail properties (¥23.6bn) including properties acquired during 12th period
- Achieved continual growth in unitholder value through PO for 5 consecutive years since 2013

## Offering summary

Number of investment units offered	33,490 units (PO:31,090 OA:2,400)
Ratio of Dom. : Int.	55 : 45
Total number of units issued after PO	698,704 units (inclu. TPA)
Offer price	¥458,150 (per unit)
Issue price	¥443,657 (per unit)
Total issue price	14,858,072,930 yen (inclu. TPA)
Issuance resolution date	November 28, 2017 (tue)
Pricing date	December 6, 2017 (wed)
Payment date	December 13, 2017 (wed) (TPA: Dec 26)
Delivery date	December 14, 2017 (thu) (TPA: Dec 27)

### Key points of PO

- First PO** after the reorganization of the Asset Manager
- Achieved **growth both in NAV and DPU** through **accretive PO** in spite of sluggish market
- Received high demand both from overseas and domestic, including **27 regional banks**

### Indicators value before and after PO

	Before PO	After PO	
① AUM	¥389.1bn	<b>¥431.5bn</b>	<b>¥+42.4bn</b>
② Ratio of Focused investment targets (UR·TO)	80.0%	<b>80.6%</b>	<b>+0.6pt</b>
③ NAV per unit	¥409,154	<b>¥418,901</b>	<b>+2.4%</b>
④ DPU per unit (forecast for 13th Period)	¥9,260	<b>¥9,400</b>	<b>+1.5%</b>
⑤ LTV	46.0%	<b>44.8%</b>	<b>-1.2pt</b>

## Properties acquired in 11<sup>th</sup> Period and onwards



	Property	Location	Acquired from	Date of Acquisition	Acquisition price (¥mn)	Appraisal value (¥mn)	Appraisal NOI yield
Office	A-PLACE Shinagawa Higashi (Acquired in 11th Period)	Minato, Tokyo	Sponsor group	2017.3.16	18,800	19,000	4.2%
Retail	DECKS Tokyo Beach (49% Co-ownership)	Minato, Tokyo	Sponsor group	2018.1.5	12,740	12,887	4.4%
	A-FLAG KITA SHINSAIBASHI	Osaka, Osaka	Via Asset Manager	2017.12.1	4,725	4,770	4.3%
	Commercial Mall Hakata	Fukuoka, Fukuoka	Via Asset Manager	2018.1.5	6,100	6,270	5.0%
Total					42,365	42,977	4.4%

## External Growth

### ◆ AUM enhanced to ¥431.5bn

[Acquired 3 properties  
2 Urban Retail properties + 1 Activia Account property]

- Total acquisition price      **¥23.6bn**
- vs. Appraisal value              98.5%
- Appraisal NOI yield              ave.4.6%



Portfolio : **39** properties → **42** properties  
(end of 11th period)      (as of Jan.17, 2018)

AUM :    **¥407.9bn** → **¥431.5bn**  
(end of 11th period)      (as of Jan.17, 2018)

## Internal Growth



### ◆ Continued upward rent revisions

- Achieved upside for **10 consecutive periods** (from 4th period to 13th period)
- Rate of contract renewal with rent upside      **87%**  
(12th Period)



### ◆ Steady increase in hotel operation

- Sales-linked rent                      **¥223.7mn**  
(vs. previous year **¥+17.1mn**)

## Financial Strategies

### ◆ Implemented refinance against interest rate fluctuation risk

- Achieved both average interest rate cut and lengthening period remaining to maturity

Ave. Interest rate :    **0.67%** → **0.65%**  
Ave. period remaining to maturity : **4.4** years → **4.5** years  
(end of 11th period)      (as of Jan.17, 2018)

### ◆ Reduced LTV and generated acquisition capacity

- Conducted 5th PO in order to enable flexible acquisition

LTV :                      **46.0%** → **44.8%**  
(as of Jan.17, 2018)  
Acquisition capacity : **¥33.3bn** → **¥46.2bn**  
(at LTV50%)      (end of 11th period)      (as of Jan.17, 2018)

## Continual growth in unitholder value

### Achieved increase in DPU

DPU : **¥9,346** (end of 12th period)  
(vs.11th period : **+¥98** / **+1.1%**)  
(vs. forecast : **+¥91** / **+1.0%**)

### Achieved continual growth in NAV per unit

NAV per unit : **¥417,110** (end of 12th period)  
(vs. 11th period : **+¥7,956** / **+1.9%**)

## Financial Results for the 12th Period (ended November 2017): Statement of Income

- Both revenue and profit increased vs. 11th period results and forecasts due to (i) full-contribution of 5 properties acquired in 11th period and (ii) consistent internal growth
- DPU is ¥9,346, up ¥98 from the previous period and up ¥91 from the former forecast

### 1. 12th period vs. 11th period/ former 12th period forecasts (2017.7.12)

(in millions of yen)

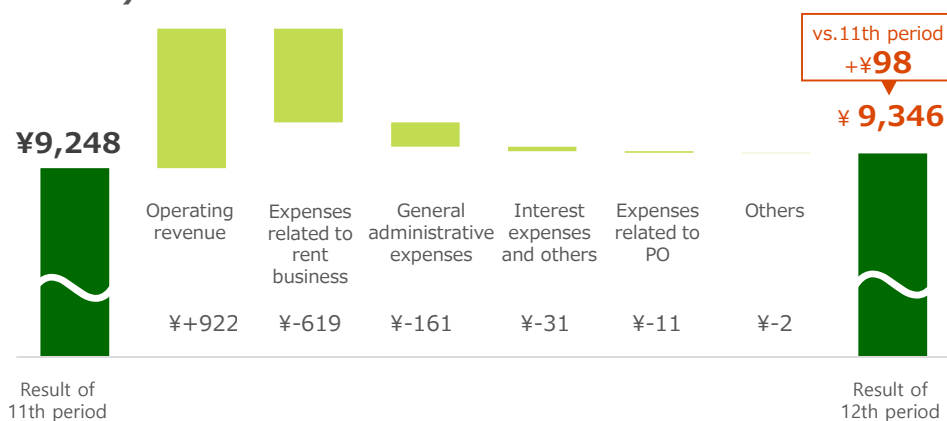
	11th Period	12th Period			12th Period (forecasts)	
	Results	Results	vs 11th Period Difference	(%)	Forecasts 2017.1.17	Change (vs. former forecasts)
Operating revenue	12,107	<b>12,720</b>	+613	+5.1%	12,670	+50
Operating expenses	5,127	<b>5,645</b>	+518	+10.1%	5,653	-8
Taxes & Public dues	778	<b>887</b>	+108	+14.0%	888	-0
Operating profit	6,980	<b>7,074</b>	+94	+1.4%	7,016	+58
Ordinary profit	6,152	<b>6,218</b>	+65	+1.1%	6,157	+60
Profit	6,151	<b>6,217</b>	+65	+1.1%	6,156	+60
DPU	¥9,248	<b>¥9,346</b>	+98	+1.1%	¥9,255	¥+91

### 2. Variance analysis (vs. 11th period results)

(in millions of yen)

	vs. 11th results	Details	
Operating revenue	+613	Increase	Full-period operation +321, Sales-linked rent at hotels +157, Utilities fee +109, Rent of existing properties +51
		Decrease	Cancellation fee -17, Facility usage fee -4, Others -2
Expenses related to rent business	+411	Increase	Full-period operation +159, Utility expenses +82, Repair & Maintenance +69, Taxes & Public dues +64, Other expenses +37, Advertisement fee +2
		Decrease	Management operation expense -1, Depreciation fee -1
NOI after depreciation	+201		
General administrative expenses	+107	Increase	Asset management fee +97, Miscellaneous expense +5, Payment commission +3, Administrative service fee +2
		Decrease	Taxes and Public Dues -1
Operating profit	+94		

### 3. Variance between the 11th and the 12th period results (DPU)



### 4. Variance analysis (vs. 12th period former forecasts)

(in millions of yen)

	vs. 12th former forecasts	Details	
Operating revenue	+50	Increase	Utilities fee +40, Rent of existing properties +9, Other fees +4
		Decrease	Parking fee -1, Cancellation fee -1
Expenses related to rent business	+5	Increase	Utilities expense +14, Other expenses +6, Management operation expense +6
		Decrease	Repair & Maintenance -12, Depreciation -4, Loss on retirement of non-current assets -1
NOI after depreciation	+45		
General administrative expenses	-13	Increase	Asset management fee +6
		Decrease	Miscellaneous expenses -16, Payment commission -2, Administrative service fee -1
Operating profit	+58		

## Financial Results for the 12th Period (ended November 2017): Balance Sheet

- No significant fluctuation recorded from the end of the 11th period with LTV at **46.0%**
- Unrealized gains on portfolio based on appraisal at the end of the 12th period stood at **¥68.9bn**, up **¥5.2bn** from the 11th period

## 1. Comparison of the 11th and 12th periods (Balance sheet)

(in millions of yen)

	11th Period (2017/5)	12th Period (2017/11)	Change
<b>Assets</b>			
Current assets	16,938	<b>18,670</b>	+1,732
Cash and deposits	15,840	<b>17,889</b>	+2,048
Other	1,097	<b>781</b>	-315
Noncurrent assets	409,039	<b>408,167</b>	-871
Total property, plant and equipment	398,699	<b>397,815</b>	-884
Total intangible assets	9,130	<b>9,133</b>	+2
Other	1,208	<b>1,218</b>	+10
<b>Total assets</b>	<b>425,977</b>	<b>426,838</b>	<b>+861</b>
<b>Liabilities</b>			
Short-term borrowings	10,000	<b>10,000</b>	+0
Long-term loans payable to be repaid within a year	25,000	<b>25,000</b>	+0
Investment corporation bonds	16,000	<b>16,000</b>	+0
Long-term loans payable	145,150	<b>145,150</b>	+0
Tenant leasehold and security deposits, and others	21,376	<b>22,165</b>	+789
<b>Total Liabilities</b>	<b>217,526</b>	<b>218,315</b>	<b>+789</b>
<b>Net assets</b>			
Unitholders' equity	208,451	<b>208,523</b>	+71
Unitholders' capital	202,223	<b>202,233</b>	+0
Surplus	6,217	<b>6,289</b>	+71
<b>Total net assets</b>	<b>208,451</b>	<b>208,523</b>	<b>+71</b>
<b>Total liabilities and net assets</b>	<b>425,977</b>	<b>426,838</b>	<b>+861</b>

## 2. Changes in LTV

11th Period (2017/5)	12th Period (2017/11)	vs. Previous Period
46.0%	<b>46.0%*</b>	-0.0pt

\* 44.8% as of Jan. 17, 2018

## 3. Changes in unrealized gains on portfolio

(in millions of yen)

11th Period (2017/5)	12th Period (2017/11)	vs. Previous Period
63,724	<b>68,944</b>	+5,220

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

- Both revenue and profit are forecasted to increase due to (i) new operation from 3 properties acquired in 13th period and (ii) favorable internal growth, absorbing the bias of periods generating sales-linked rent at hotels, etc.
- (Forecast) DPU is expected to be ¥9,400, up ¥54 from the previous period

## 1. 13th period latest forecast vs. 12th period results / 13th period former forecasts

(in millions of yen)

	12th Period	13th Period			13th Period (vs former forecast)	
	Results	Forecasts 2017.11.28 2018.1.17	vs Previous Period Difference	(%)	Forecast 2017.7.12	Change (vs. former forecasts)
Operating revenue	12,720	13,258	+537	+4.2%	12,481	+777
Operating expenses	5,645	5,763	+118	+2.1%	5,417	+346
Taxes & Public dues	887	895	+7	+0.9%	895	-0
Operating profit	7,074	7,494	+419	+5.9%	7,063	+430
Ordinary profit	6,218	6,569	+350	+5.6%	6,161	+407
Profit	6,217	6,568	+350	+5.6%	6,160	+407
DPU	¥9,346	¥9,400	¥+54	+0.6%	¥9,260	¥+140

## 2. Variance analysis (vs. 12th period results)

(in millions of yen)

	vs. 12th results	Details	
Operating revenue	+537	Increase	New operation +737, Rent of existing properties +52, Parking +7, Cancellation fee +7
		Decrease	Sales-linked rent at hotels -149, Utility fee -105, Facility usage fee -5, Others -4
Expenses related to rent business	+70	Increase	New operation +335, Depreciation +10, Taxes & Public dues +7, Advertisement fee +5, Payment commission +2
		Decrease	Repair & maintenance -163, other expenses -60, Utility expense -48, Management operation expense -15, Insurance -1
NOI after depreciation	+467		
General administrative expenses	+47	Increase	Asset management fee +23, Miscellaneous expense +23
		Decrease	
Operating profit	+419		

## 3. Variance between 12th period results and 13th period forecasts (DPU)

Interest rate assumption : 0.85%

¥9,346

Result of  
12th periodOperating  
revenue

¥+770

Expenses  
related to  
rent  
business

¥-101

General  
administrative  
expenses

¥-68

Interest  
expenses  
and others

¥-93

Expenses  
related to PO

¥+22

Others

¥-476

vs. 12th period  
¥+54

¥9,400

Forecast of  
13th period

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

## (Reference) Financial Forecasts for the 14th Period (ending November 2018)

- Both revenue and profit are forecasted to increase due to (i) full contribution from 2 properties acquired in 13th period and (ii) sales-linked rent of hotels, despite a large increase in taxes and public dues caused by the expense generated to the three properties acquired in 2017 and the revised expenses of existing properties
- (Forecast) DPU is expected to be **¥9,410, up ¥10** from the previous period

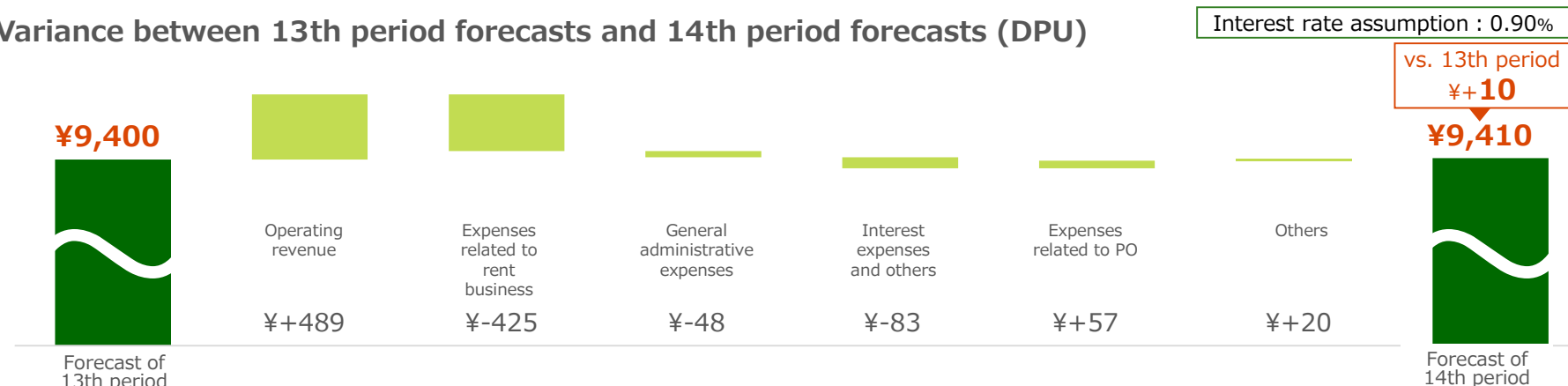
1. Comparison to the 13th period forecasts (in millions of yen)

	13th Period	14th Period		
	Forecasts 2017.11.28 2018.1.17	Forecasts 2017.11.28 2018.1.17	vs. Previous Period Difference (%)	
Operating revenue	13,258	<b>13,600</b>	+341	+2.6%
Operating expenses	5,763	<b>6,094</b>	+330	+5.7%
Taxes & Public Dues	895	<b>1,001</b>	+105	+11.8%
Operating profit	7,494	<b>7,506</b>	+11	+0.2%
Ordinary profit	6,569	<b>6,575</b>	+6	+0.1%
Profit	6,568	<b>6,574</b>	+6	+0.1%
DPU	¥9,400	<b>¥9,410</b>	¥+10	+0.1%

2. Variance analysis (vs. 13th period latest forecasts) (in millions of yen)

	vs. 13th forecasts	Details	
Operating revenue	<b>+341</b>	Increase	Full-period operation +209, Sales-linked rent at hotels +197, Utility fee +102, Parking +2, Facility usage fee +1, Other revenue +1
		Decrease	Rent of existing properties -167, Cancellation fee -7
Expenses related to rent business	<b>+296</b>	Increase	Full-period operation +55, Taxes & public dues +106, Utility expenses +94, Depreciation +17, Repair & maintenance +14, Management operation expense +8, Other expenses +4
		Decrease	Payment commission -2, Advertisement fee -1
NOI after depreciation	<b>+45</b>		
General administrative expenses	<b>+33</b>	Increase	Asset management fee +26, Miscellaneous expense +7
		Decrease	
Operating profit	<b>+11</b>		

## 3. Variance between 13th period forecasts and 14th period forecasts (DPU)

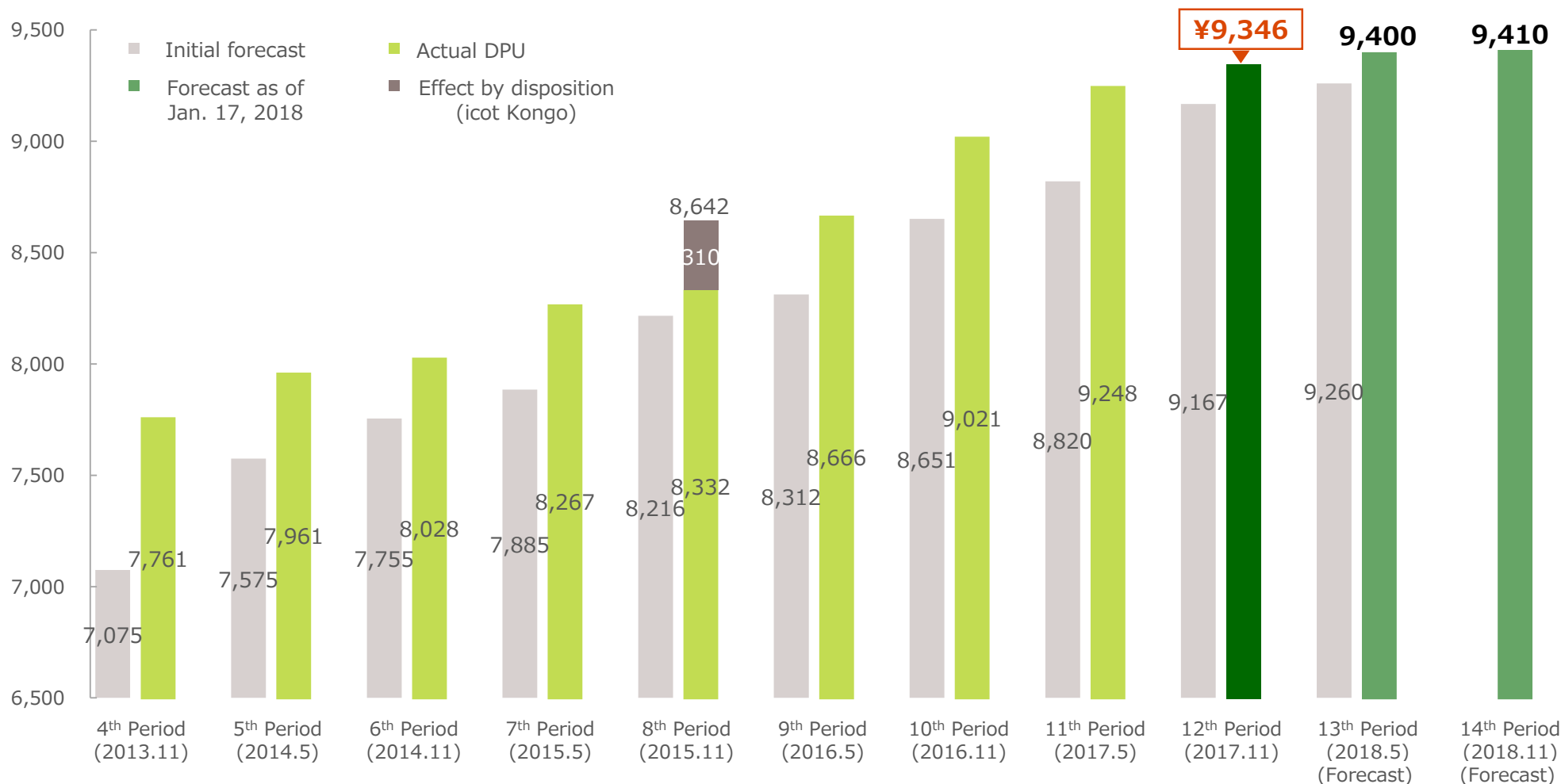


(Note) The forecasts are calculated based on certain assumptions that reflect present conditions, and are subject to change. The forecasts do not guarantee any amount of distributions.



## Trends in Distributions per unit

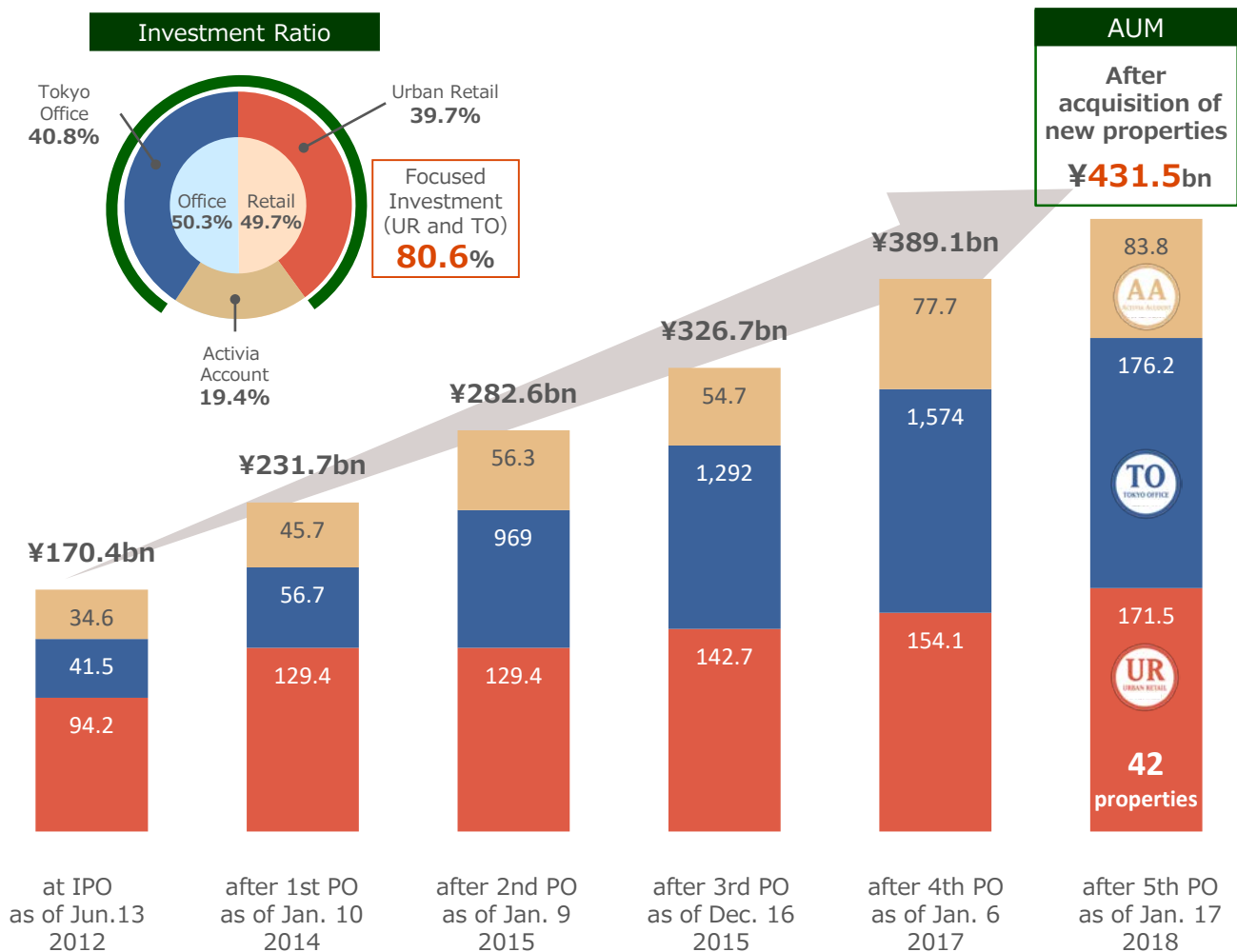
- Actual DPU for the 12th period reached **¥9,346**, mainly due to (i) external growth due to full-period contribution of properties acquired during the 11th period and (ii) continued steady internal growth, exceeding the initial forecast for the 12th period (¥9,167) as well as the former forecast for the 13th period (¥9,260)
- Forecast **¥9,400** for the 13th period and **¥9,410** for the 14th period, aiming to realize rapidly DPU level of **¥9,500** with steady (¥) growth



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

## External Growth ~Continual Expansion of Asset Size~

- Conducted PO for 5 consecutive years at the beg. of the 13th period and acquired 4 properties (¥42.2bn) from Sponsor Group and a third party
- Since IPO (June 2012), we acquired 25 properties (¥263.4bn) and the asset size (acquisition price basis) expanded into 42 properties (¥431.5bn), grew as approx. 2.5x in approx. 5.5 years



**New assets acquired ¥42.4bn**

**from Sponsor Group ¥31.5bn**

- A-PLACE Shinagawa Higashi (TO)
- DECKS Tokyo Beach (Co-ownership interest 49%) (UR)

**via Asset Manager ¥10.8bn**

- A-FLAG KITA SHINSAIBASHI (UR)
- Commercial Mall Hakata (AA)

**Steadily achieved external growth utilizing source both from Sponsor Group and Asset Manager**

**Acquired ¥263.4bn since IPO**

- Via Asset Manager ¥103.2bn (39%)
- From Sponsor Group ¥160.2bn (61%)
  - Third party ¥71.1bn
  - Sponsor Group (developed) ¥86.6bn
  - Sponsor Group (owned) Activia ¥73.7bn
  - Warehousing ¥32.2bn

# External Growth ~Properties acquired in the 13th Period (DECKS Tokyo Beach 1)~

## UR-15 DECKS Tokyo Beach (49% Co-ownership interest)

- ▶ Urban retail property in the Odaiba area, with strong ability to attract visitors acquired from Sponsor Group



### 1 Odaiba area, a major sightseeing spot in Tokyo

- A major entertainment hub with domestic and international visitors
- An area in which development and infrastructure improvement projects are under way in preparation for the 2020 Olympic and Paralympic Games

### 2 Excellent location facing the waterfront

- Bayside shopping mall on the beach, with a scenic view of Rainbow Bridge and the heart of Tokyo

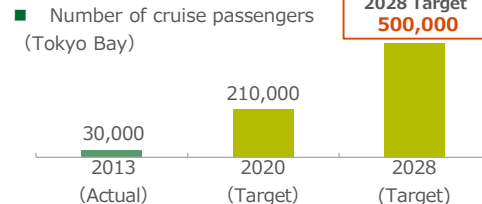
### 3 Rare, hands-on experience based retail tenants

- A wide variety of tenants with some being the one and only outlet in Japan or in Tokyo Metropolitan Area

Location	Daiba, Minato-ku, Tokyo
Nearest station	2-min walk from Odaiba-kaihinkoen Station on Yurikamome Line 5-min walk from Tokyo Teleport Station on Rinkai Line
Acquisition price	¥12,740mn
Appraisal value	¥12,887mn
Acquisition price vs. appraisal value	98.9%
Appraisal NOI yield	4.4%
Occupancy rate	100.0% (as of Nov.30, 2017)

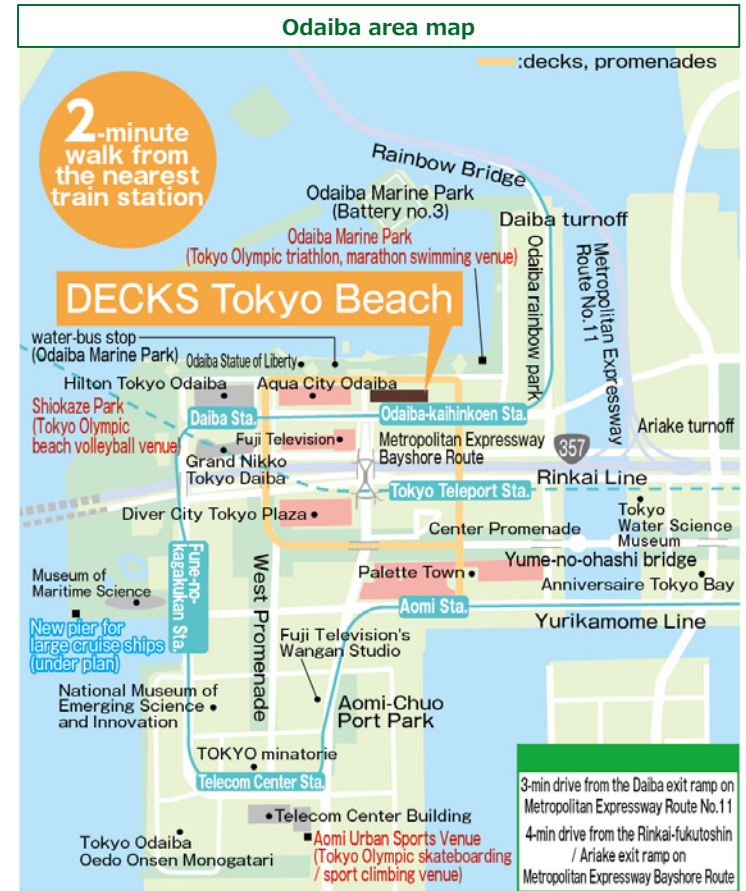
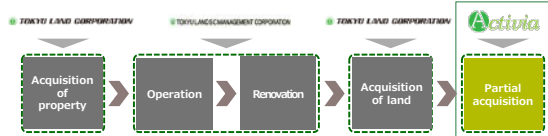
### Tokyo Cruise Vision

- A new offshore passenger pier is under construction and is scheduled to be completed by 2020. The pier will be located by the Museum of Maritime Science in the Tokyo Waterfront City in order to accommodate the growing number of visitors by cruise ship



### Value chain of the Sponsor group

- The Sponsor Group's support is fully utilized in each phase of the process from of the Sponsor Group's property acquisition to its acquisition by API



- The deck is lit up throughout the year



**Odaiba – an area with high potential for growth as a prime commercial and sightseeing area**

- Tokyo Waterfront City has established its position as a sightseeing hub with attractions such as theme parks and spots for viewing the cityscape at night, and the annual number of visitors rose to approx. 56.6 mn in 2016
- The area is expected to strengthen its ability to attract visitors further as a result of being designated as an area subject to urban revitalization and a Special Zone for “Asian Headquarters”
- The Tokyo Metropolitan Government is now promoting structural improvements to accommodate more foreign visitors by 2020, with the aim of making Tokyo Waterfront City a hub for MICE and an international tourist destination

**Continuous increase in the number of visitors**

- Number of visitors to the Tokyo Waterfront City (FY2016)

(Reference)	Name	Annual number of visitors (mn)
	Tokyo Disney Resort	30
	Universal Studio Japan	14.6

**One of the most popular destination amongst foreign visitors**

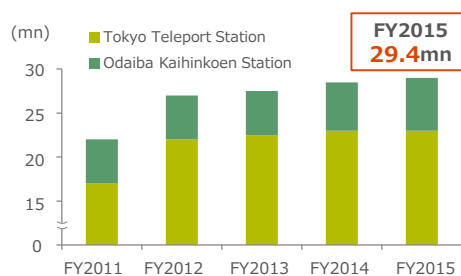
- Top 10 destinations for foreign visitors in Tokyo (FY2016)

1	Shinjuku & Okubo
2	Asakusa
3	Ginza
4	Shibuya
5	Akihabara
6	Tokyo Station area (Marunouchi and Nihonbashi)
7	Ueno
8	Harajuku, Omotesando & Aoyama
9	Odaiba & Tokyo Bay area
10	Ikebukuto

**Number of foreign visitors to Odaiba in 2016**

**3.66mn**  
(28% of all overseas visitors to Tokyo)

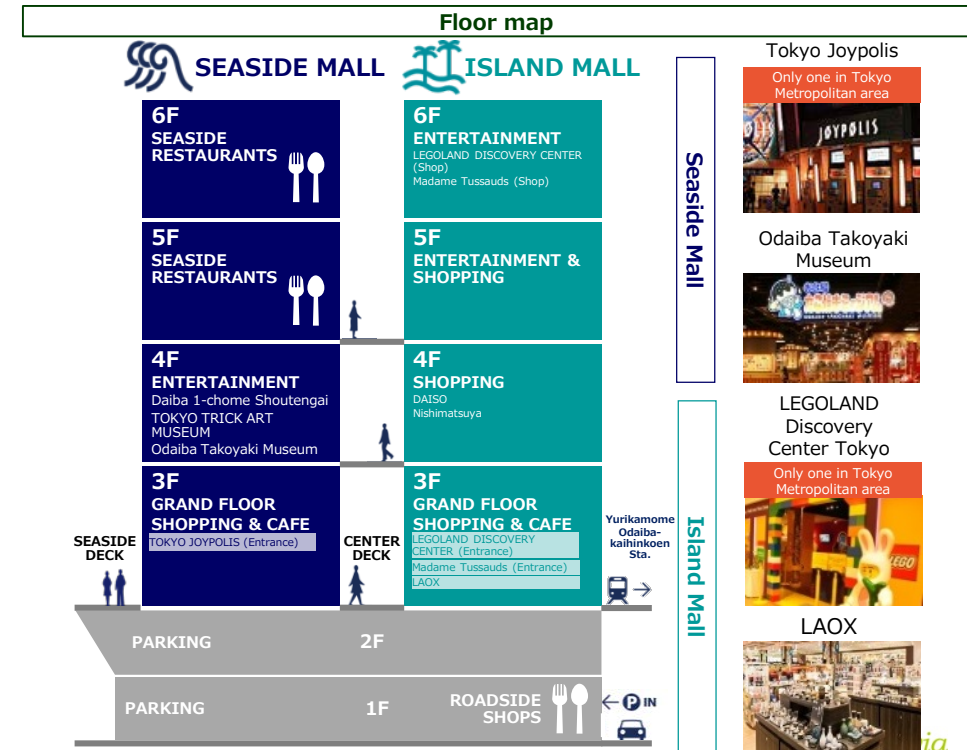
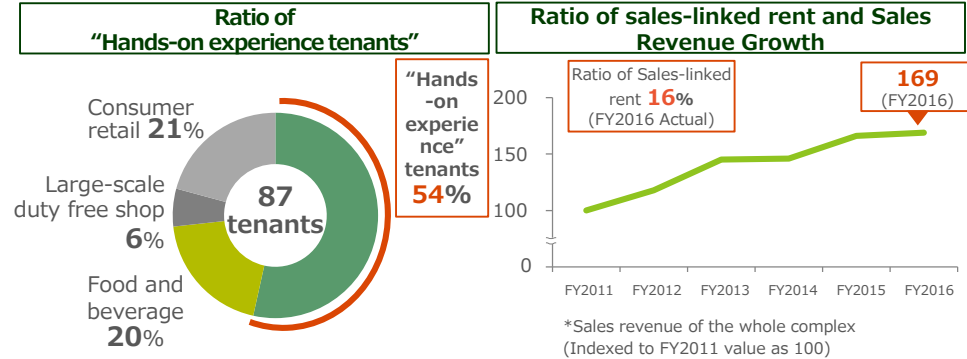
- Number of passengers to and from the nearest stations



- What visitors who chose “Odaiba & Tokyo Bay Area” as the most satisfying destination in Tokyo did in the area

1	Exploring the waterfront, enjoying the views of area at night	37%	<b>No.1 in Tokyo</b>
2	Spending time at theme parks and recreational facilities	13%	<b>No.1 in Tokyo</b>
3	Shopping for clothing and accessories	8%	<b>No.8 in Tokyo</b>

**One of the few commercial properties that provide “hands-on” activities such as at Tokyo Joypolis (indoors theme park)**



**UR-14 A-FLAG KITA SHINSAIBASHI**

▶ Retail property located in the Shinsaibashi area, one of the busiest commercial areas in western Japan, acquired with support from the Sponsor Group



- The property is located along Shinsaibashi-suji which extends from north to south in this busy commercial area. With several large-scale hotels scheduled to be developed around Hommachi Station, this area is expected to flourish further
- Upward rent revision is expected at contract renewal or tenant replacement in the future, as the current rent is below the market level

Via Asset Manager

**1 Shinsaibashi: commercial area with strong ability to attract visitors in western Japan**

- The property enjoys a locational advantage as a retail property, as it faces a popular shopping arcade of the Shinsaibashi-suji Kita shopping district

**2 Favorable location along Shinsaibashi-suji Street**

- This relatively new (building aged of 9 years) property is able to attract new tenants due to its location at the corner of the street with high visibility

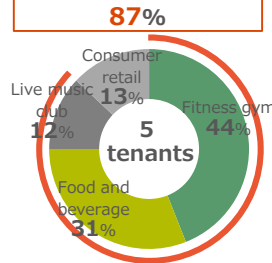
**3 Diversity of tenants**

- This property can meet the needs of customers, with a diverse tenant structure including a cellular phone store, a fitness gym and a live music club

Location	Minami-Senba, Chuo-ku, Osaka, Osaka
Nearest station	3-minute walk from Shinsaibashi Station on Osaka Municipal Subway
Acquisition price	¥ 4,725mn
Appraisal value	¥ 4,770mn
Acquisition price vs. appraisal value	99.1%
Appraisal NOI yield	4.3%
Occupancy rate	100.0% (as of Nov. 30, 2017)

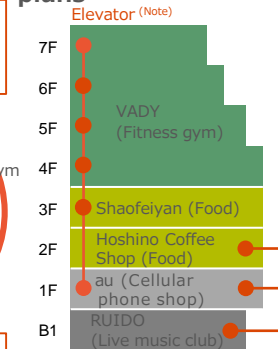
**Tenant structure**

"Consumption based on experiences and activities" tenants **87%**



**Ratio of fixed-rent 100%**

**Well-designed floor plans**



Direct Access from street-level  
(Note) Customers can access the marked floors via elevator

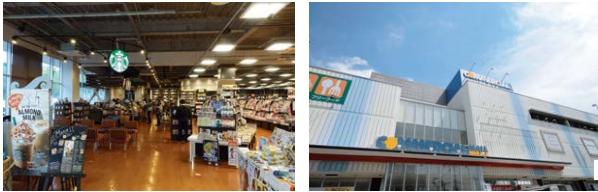
**Development projects of hotels and retail properties being planned in the area**



# External Growth ~Properties acquired in 13th Period (Commercial Mall Hakata)~

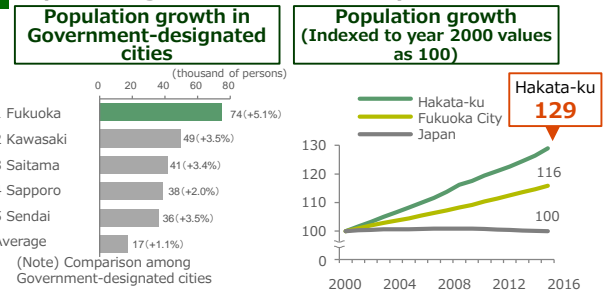
## AA-12 Commercial Mall Hakata

▶ Retail property located in an area adjacent to the center of Fukuoka City, about 2.2km from Hakata Station, acquired with support from the Sponsor group

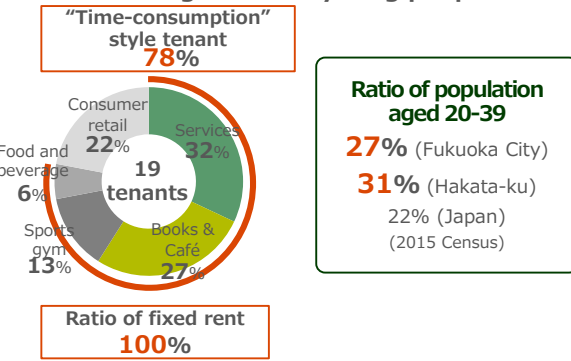


- Area with robust population growth**
  - Population growth rate in Hakata-ku exceeds that of other areas in Fukuoka City, which has the largest population growth rate among Government-designated cities
- High visibility and ease of access from the roadside**
  - The property is highly visible and can be easily accessed as it widely faces Chikushi Street, a busy road with two lanes on each side
- Tenants that attract visitors to spend time at the mall**
  - Tenants that are nationwide businesses, such as TSUTAYA and UNIQLO. Further upside is expected along with the estimated increase in the local population

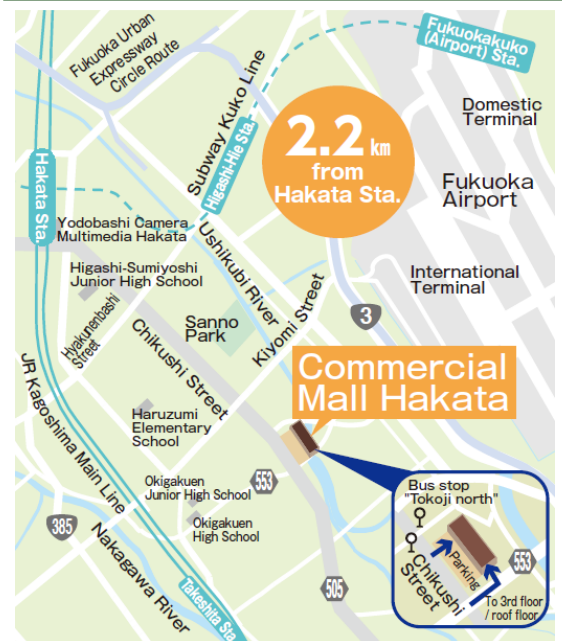
### Population growth in Fukuoka-city and Hakata-ku



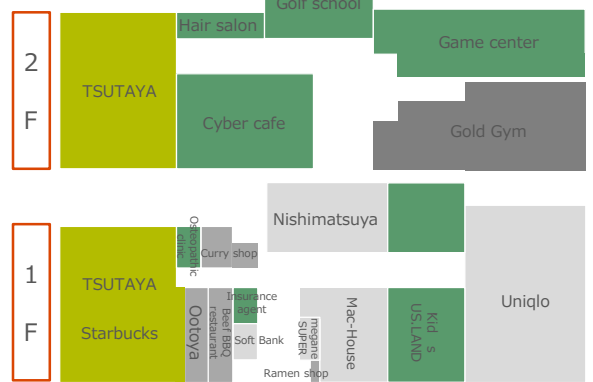
Tenant structure well-suited to the area with high ratio of young people



Retail facility on roadside equipped with 325 parking spaces accessible from two directions



### Floor map

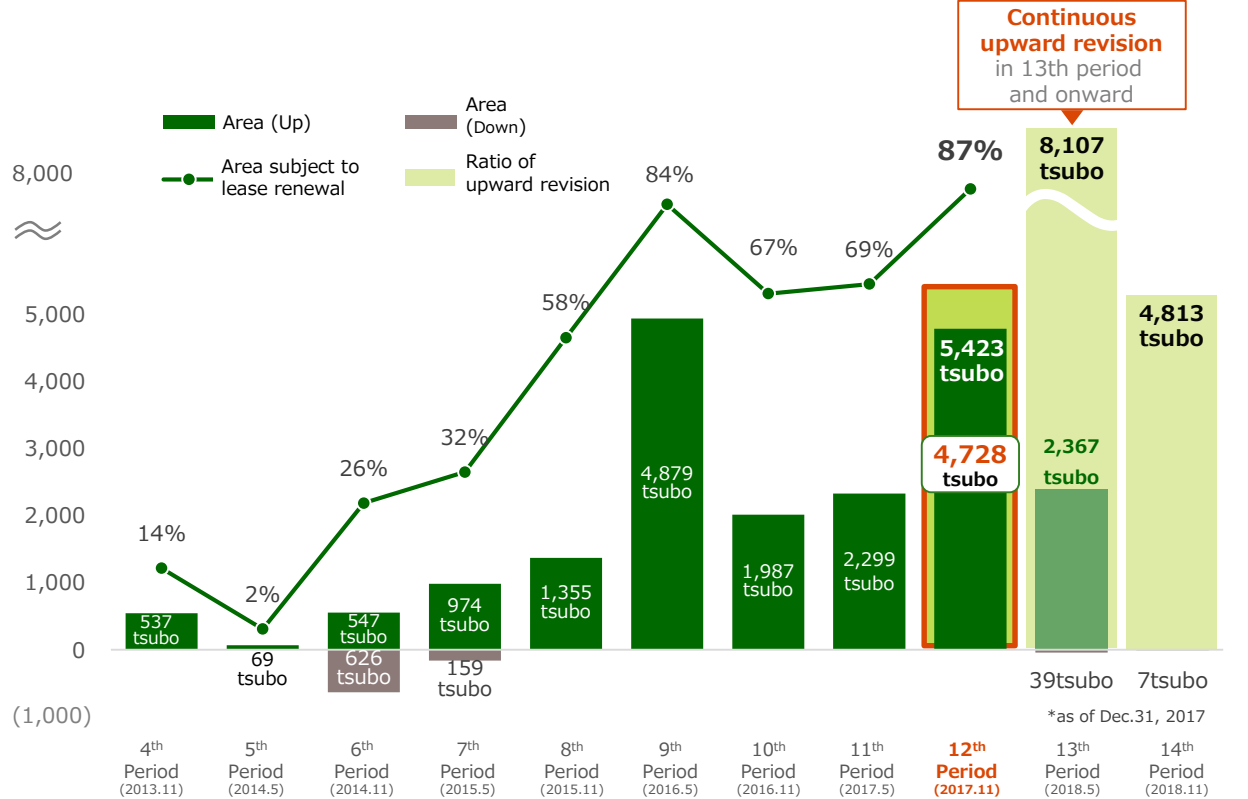


Location	Tokojimachi, Hakata-ku, Fukuoka City, Fukuoka
Nearest station	16-minute walk from Takeshita Station on JR Kagoshima Main Line
Acquisition price	¥ 6,100mn
Appraisal value	¥ 6,270mn
Acquisition price vs. appraisal value	97.3%
Appraisal NOI yield	5.0%
Occupancy rate	100.0% (as of Nov. 30, 2017)

1. Upward Rent Revisions (Tokyo Office properties)

- Upward rent revision achieved in **87%**, the highest rate ever, out of all lease contract renewals held during the 12th period, with upward trend through the 13th period, rent increase achieved for **10 consecutive periods** since the 4th period

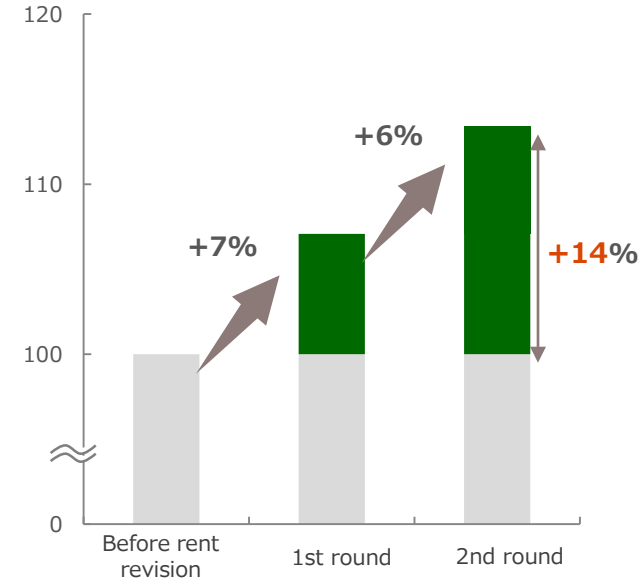
Trend of Rent Revisions



Increase	6.8%	3.6%	7.5%	8.6%	12.9%	5.6%	10.7%	7.1%	4.8%
Rent Gap	5%	-1%	-3%	-4%	-6%	-6%	-5%	-6%	-6%
Rent Gap in Greater Shibuya	3%	-5%	-15%	-15%	-18%	-18%	-16%	-15%	-16%

- Achieved repeated upward rent revision for **22 tenants**

Repeated upward rent revision realized for the same tenants



2. Examples of upward rent revisions (Activia Account)

- Rigorous selection of assets enabled upward revision of rent for Activia Account offices (since the 12th period)

<b>AA-10</b> Umeda Gate Tower Rent increase <b>+24%</b> (1 upward rent revision, 2 tenant replacements with increased rent)	<b>AA-11</b> A-PLACE Bashamichi Rent increase <b>+21%</b> (1 upward rent revision, 1 tenant replacement with increased rent)
<b>AA-7</b> Osaka Nakanoshima Building Rent change <b>+2%</b> (5 upward rent revisions, 1 downward rent revision, 4 tenant replacements with increased rent)	

# Internal Growth ~Management of office properties 2~

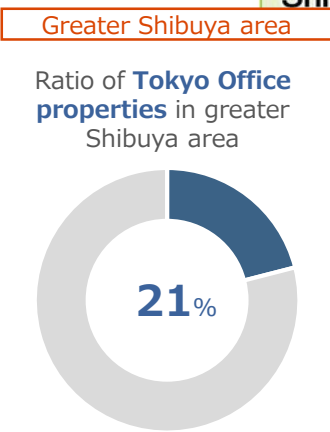
## 1. Upward rent revision map (Tokyo Office properties)

▶ Achieved upward rent revision in 12 Tokyo Office properties out of 14 (since the 9th period)

Greater Shibuya area	
① TLC Ebisu Building	+10.7%
② A-PLACE Ebisu Minami	+7.2%
④ A-PLACE Aoyama	+12.1%
⑬ A-PLACE Ebisu Higashi	+11.6%
⑭ A-PLACE Shibuya Konnoh	+16.5%



Shinagawa·Shinbashi·Shiodome area	
⑤ Luogo Shiodome	+6.0%
⑧ A-PLACE Shinbashi	+9.0%
⑩ A-PLACE Shinagawa	+2.6%
⑫ Shiodome Building	-3.9%
⑯ A-PLACE Shinagawa Higashi	-
Gotanda·Osaki area	
⑨ A-PLACE Gotanda	+6.6%
⑪ OSAKI WIZ TOWER	+2.7%
⑮ A-PLACE Gotanda Ekimae	+10.8%
Other areas	
③ A-PLACE Yoyogi	+7.3%



(Note) Excluded Tamachi Square (Land) as it is land and A-PLACE Ikebukuro due to that the data is not disclosed.

## 2. Competitiveness of each asset and further internal growth potential

▶ To negotiate intensively lease renewal with rent increase especially properties with actual market gap over -10% fully utilizing each asset's competitiveness

**TO-1** **TLC Ebisu Building**

- Rent increased in all of rent revision targeted area (906 tsubo) in the 12th period
- Area where rent revision in the 13 & 14th periods is targeted is 528 tsubo

**TO-4** **A-PLACE Aoyama**

- Area of standard floor is approx. 230 tsubo, larger than other office buildings in the proximity
- Area where rent revision in the 13 & 14th period is targeted is 1,236 tsubo (in which rent increase is already concluded for 465 tsubo)

**TO-5** **Luogo Shiodome**

- Occupancy rate maintained at 100% since acquisition of the property in Jun. 2012
- Area where rent revision in the 13 & 14th period is targeted is 624 tsubo (in which rent increase is already concluded for 475 tsubo)

**TO-14** **A-PLACE Shibuya Konnoh**

- Rent gap is still more than 20% after several rent revisions after acquisition of the asset in Oct. 2015
- Area where rent increase in the 13th & 14th periods is targeted is 598 tsubo (of which rent increase is already concluded for 598 tsubo)

**TO-16** **A-PLACE Shinagawa Higashi**

- Office building in Shinagawa where growth is expected
- Area where rent is targeted in the 13 & 14th period is 2,846 tsubo

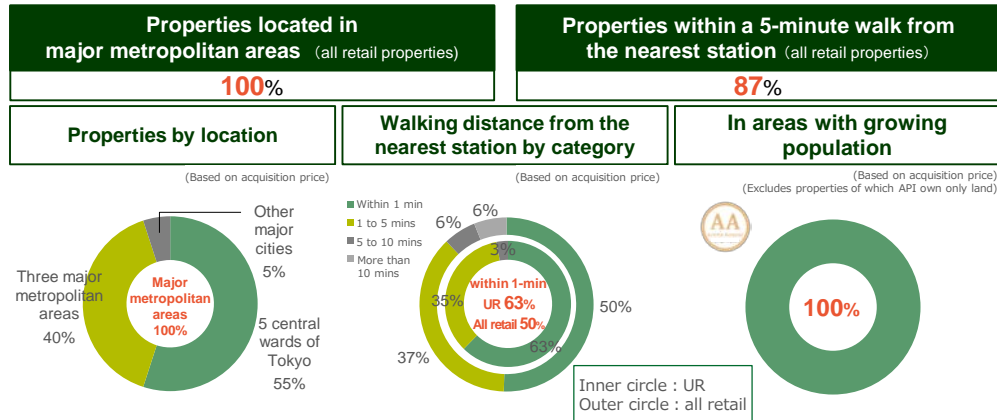
**AA-10** **Umeda Gate Tower**

- Achieved rent increase with 8 tenants since acquisition of the property in Sep. 2016
- Area where rent increase is targeted in the 13th & 14th periods is 191 tsubo (of which rent increase is already concluded for 124 tsubo)

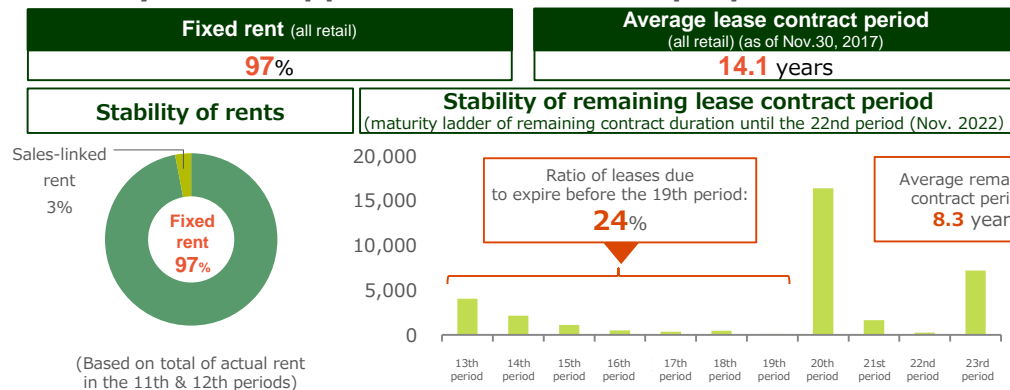


### 1. Locational advantage and Stability

▶ New measures to secure stability of high profitability



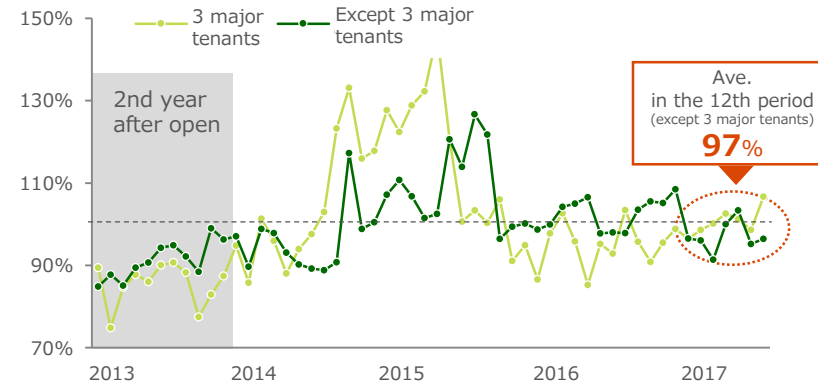
### 2. "Stability" that supports Activia's retail properties



### 3. Operation of Tokyu Plaza Omotesando Harajuku

#### Sales trends (YoY)

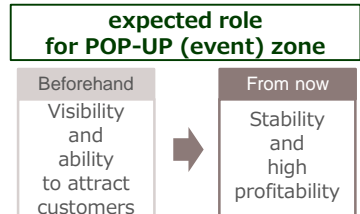
▶ Sales except three major tenants are **97%** year on year due to renovation works at some tenant replacements



#### Example of rent increase (Lease of POP-UP zone)

▶ Succeed to invite a make-up brand to have the first store in Japan

#### NYX Professional Makeup



Started to lease pop-up zone in 3rd floor formerly used simply to increase visibility and attract customers, **strategically securing profitability over mid to long term**

Revenue increase due to zone lease **¥+10mn per period** (vs. average results of the 11th & 12th periods)

#### Achieved substantial rent increase by making full use of quality of portfolio assets (in the 12th period and onwards)

<b>UR-7</b> Kobe Kyukyoryuchi 25Bankan (acquired in Dec. 2013 (5th period))	<b>UR-10</b> Q plaza SHINSAIBASHI (acquired in Dec. 2015 (9th period))	<b>UR-11</b> A-FLAG KOTTO DORI (acquired in Dec. 2016 (11th period))
Rent increase <b>+83%</b> (1 tenant replacement with increased rent)	Rent change <b>+22%</b> (1 tenant replacement with increased rent, 1 downward rent revision)	Rent increase <b>+19%</b> (2 upward rent revisions)

Outline of the tenant :	A make-up brand established in LA in 1999. Actually marketed in over 70 countries and Tokyu Plaza Omotesando is <b>the first store in Japan.</b>
Store open:	Mar. 16, 2018 (plan)
Operated by :	Japan Laoreal

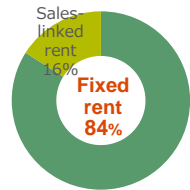
# Internal Growth ~Management of retail properties 2~

## 1. Urban retail properties with hotel zone

▶ High ratio of fixed rent backed by high recognition as landmark and excellent accessibility

Property	Tokyu Plaza Akasaka	A-FLAG SAPPORO	Kobe Kyu Kyoryuchi 25Bankan
			
Hotel (Operator)	Akasaka Excel Hotel Tokyu (Tokyu Hotels)	Sapporo Tokyu REI Hotel (Tokyu Hotels)	Oriental Hotel (Plan·Do·See)
Location	1-min walk from Akasaka-mitsuke Station	2-min walk from Susukino Station	5-min walk from Kyukyoryuchi·Daimarumae Station
# of rooms	487	575	116

Ratio of fixed rent

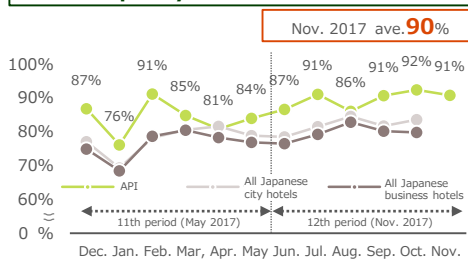


(Based on the actual of the 11th & 12th periods)

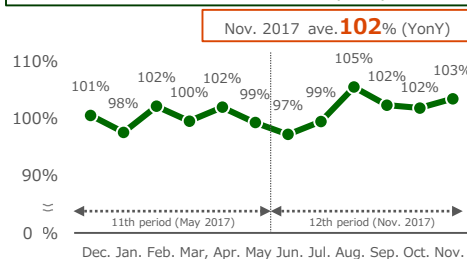
## 2. Track records of hotel operation

▶ Both occupancy rates and RevPAR remained at mostly unchanged year-on year

Occupancy rates of hotel rooms

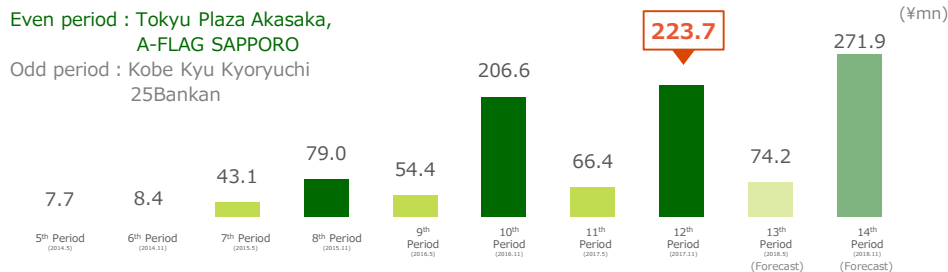


Hotel RevPAR trends (YonY)



▶ Sales-linked rent increased due to steady management while inbound boom took a break

Trends in sales-linked rent



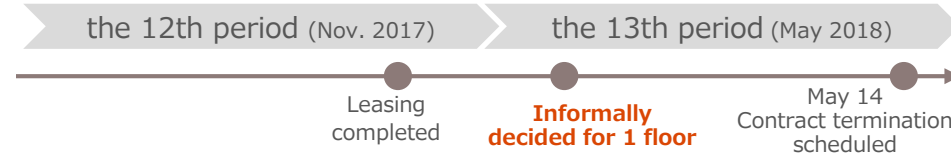
Even period : Tokyu Plaza Akasaka, A-FLAG SAPPORO  
 Odd period : Kobe Kyu Kyoryuchi 25Bankan

## UR-4 Updates on Shinbashi Place



### 1. Management policy and leasing status

- Aim to improve profitability and stability due to risk diversification by multi-tenancy
- **Lease to a new tenant informally decided** in the 13th period



10F	Searching lessees (3 floors)	Leasing aimed for early conclusion and favorable terms of contract taking advantage of locational advantage
9F		
8F		
7F	Tokyu Land Corporation	Leasing completed (approx. 70%) *Delivery scheduled to take effect without down-time
6F	AP Shinbashi (tentative name)	
5F		
4F	Not disclosed (retail) ※Informally decided	
3F	Sugi Pharmacy Shinbashi Ekimae (tentative name)	
2F		
1F		

### 2. Outline of two group companies and leasing support

	Tenant	Business category
3-5F ※will move from 2-4F	TC Forum *Fully owned by Tokyu Community	Rental conference room *Marketed 17 sites in Japan
6-7F ※will move from 5-6F	Tokyu Land Corporation	New business scheduled



Above two group companies will move **1-floor above** in response to a request from the new tenant in 2nd floor (retail)

# Internal Growth ~other topics~

■ Implement various measures aiming continual growth of API over asset category such as UR and TO

## 1. Measures for Revenue Increase

▶ Acquired secondary revenues through active creation of mechanism

**UR-5** **Kyoto Karasuma Parking Building**



■ Generate revenue grasping needs of neighbor facilities regarding **mandatory attached parking facilities**

**TO-14** **A-PLACE Shibuya Konnoh**



■ Effective use of excess space as **bicycle-parking space**

**TO-16** **A-PLACE Shinagawa Higashi and another asset**



■ Installed and added **antennas**



Contribution to revenue  
**¥+2.25mn**  
(per full six months period)

## 2. Measures for Cost Reduction and Environment

▶ Actively replaced power companies and converted to LED light

**TO-10** **Umeda Gate Tower and other 5 assets**



■ Reduced electric cost by approx. **10%** on ave. in 6 assets by newly **replacing power companies**

**TO-5** **Luogo Shiodome and other 3 assets**



■ Reduced electricity cost by approx. **59%** on ave. by **converting to LED light** in 4 assets



Contribution to revenue  
**¥+16.1mn**  
(per full six months period)

## 3. Strategic Value-ups contributing Tenants Satisfaction

▶ Implemented continual value-ups to maintain and improve asset value



Improved interior finish of sharing corridor (A-PLACE Aoyama)



Improved interior finish of sharing corridor (A-PLACE Shibuya Konnoh)



Renovated toilet room (A-PLACE Shinagawa)



Renovated exterior wall (A-FLAG SAPPORO)



Individualized air-conditioner in B1 floor (Osaka Nakanoshima Building)



Multilingual support of emergency announcement system (A-FLAG SAPPORO)

## 4. Events Organization (Tokyu Plaza Omotesando Harajuku)

▶ Organized most talked-about events to attract visitors

**Open-air cinema with Yukata**

■ Showed "Banksy does New York" free of charge in an event featuring Yukata organized by "KIMONO by NADESHIKO"



**OMOHARA photo exhibition**

■ A photo exhibition themed on Omotesando Harajuku streets in 70's to 90's edited by a stylist Non Nakamura



# Occupancy Rate by Property

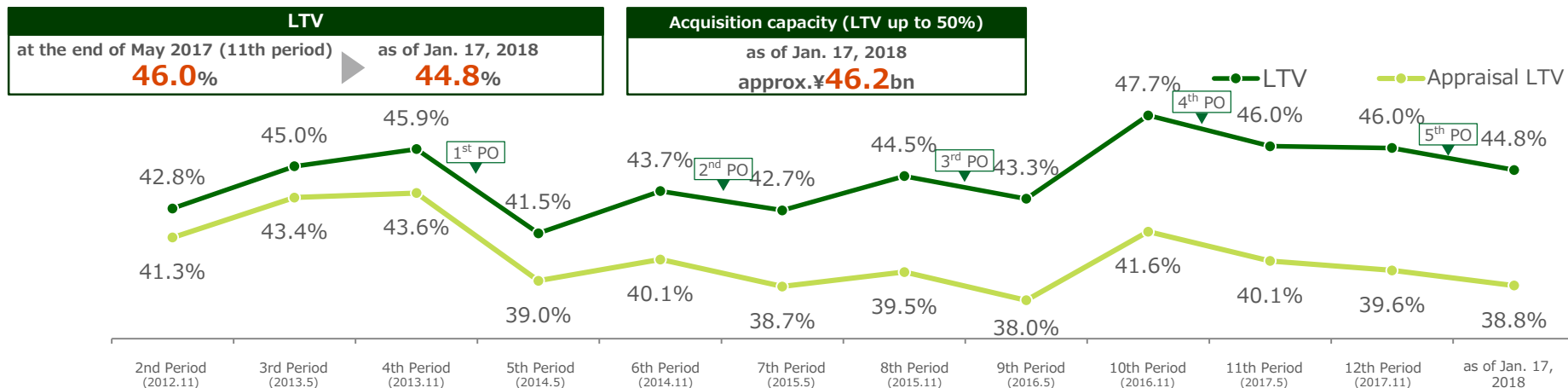
■ The occupancy rate for the entire portfolio is maintained over 99% since IPO and recorded **100.0%**, the highest figure ever at the end of 12th period

	Property #	Property	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	
			Nov. 2012	May 2013	Nov. 2013	May 2014	Nov. 2014	May 2015	Nov. 2015	May 2016	Nov. 2016	May 2017	Nov. 2017	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	UR-2	Tokyu Plaza Akasaka	98.5%	98.7%	98.9%	100.0%	100.0%	98.8%	99.9%	100.0%	100.0%	100.0%	99.7%	
	UR-3	Q plaza EBISU	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	UR-4	Shinbashi Place	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	UR-5	Kyoto Karasuma Parking Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	UR-6	A-FLAG AKASAKA	-	-	84.2%	84.2%	100.0%	100.0%	100.0%	100.0%	100.0%	74.1%	90.0%	90.0%
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-8	A-FLAG SAPPORO	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-9	A-FLAG SHIBUYA	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	UR-10	Q plaza SHINSAIBASHI	-	-	-	-	-	-	-	-	88.4%	100.0%	100.0%	100.0%
	UR-11	A-FLAG KOTTO DORI	-	-	-	-	-	-	-	-	-	-	100.0%	100.0%
	UR-12	A-FLAG BIJUTSUKAN DORI	-	-	-	-	-	-	-	-	-	-	100.0%	100.0%
	UR-13	A-FLAG DAIKANYAMA WEST	-	-	-	-	-	-	-	-	-	-	100.0%	100.0%
Urban Retail Properties average			99.5%	99.6%	99.1%	99.6%	100.0%	99.8%	100.0%	99.7%	99.4%	99.8%	100.0%	
Tokyo Office Properties	TO-1	TLC Ebisu Building	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	87.5%	100.0%	100.0%	100.0%	100.0%	
	TO-2	A-PLACE Ebisu Minami	100.0%	96.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	TO-3	A-PLACE Yoyogi	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.9%	100.0%	100.0%	
	TO-4	A-PLACE Aoyama	86.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	TO-5	Luogo Shiodome	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	TO-6	TAMACHI SQUARE (Land)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	TO-7	A-PLACE Ikebukuro	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	TO-8	A-PLACE Shinbashi	-	84.6%	88.4%	100.0%	100.0%	98.7%	97.8%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-9	A-PLACE Gotanda	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	89.3%	100.0%	100.0%
	TO-10	A-PLACE Shinagawa	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-11	OSAKI WIZTOWER	-	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-12	Shiodome Building	-	-	-	-	-	98.2%	93.2%	98.2%	99.4%	99.9%	99.7%	
	TO-13	A-PLACE Ebisu Higashi	-	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-14	A-PLACE Shibuya Konnoh	-	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	TO-15	A-PLACE Gotanda Ekimae	-	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%
	TO-16	A-PLACE Shinagawa Higashi	-	-	-	-	-	-	-	-	-	100.0%	100.0%	100.0%
Tokyo Office Properties average			97.4%	97.5%	98.6%	100.0%	100.0%	99.6%	97.5%	99.6%	98.9%	100.0%	99.9%	
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-2	icot Nakamozu	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-4	icot Mizonokuchi	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-5	icot Tama Center	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-6	A-PLACE Kanayama	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-7	Osaka Nakanoshima Building	-	99.6%	100.0%	97.3%	98.2%	97.9%	97.9%	100.0%	100.0%	96.9%	100.0%	
	AA-8	icot Omori	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-9	Market Square Sagamiara	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-10	Umeda Gate Tower	-	-	-	-	-	-	-	-	93.6%	100.0%	100.0%	
	AA-11	A-PLACE Bashamichi	-	-	-	-	-	-	-	-	99.1%	100.0%	100.0%	
	Activia Account Properties average			100.0%	100.0%	99.9%	99.8%	99.8%	99.7%	99.7%	100.0%	99.4%	99.6%	100.0%
<b>Total average occupancy rate</b>			<b>99.4%</b>	<b>99.4%</b>	<b>99.4%</b>	<b>99.8%</b>	<b>99.9%</b>	<b>99.7%</b>	<b>99.2%</b>	<b>99.8%</b>	<b>99.3%</b>	<b>99.8%</b>	<b>100.0%</b>	

(Note) The occupancy rate refers to the share of the leased area to the total leasable area of each property at the end of month. The figures are rounded to the first decimal place.

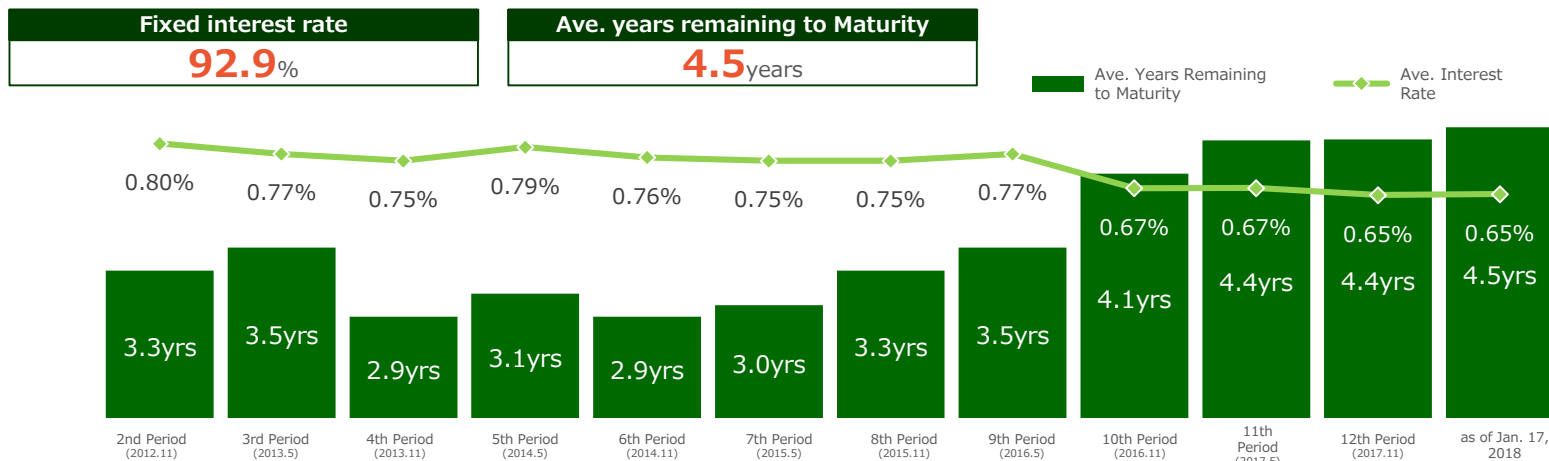
### 1. Trends in LTV and borrowing indicators

▶ Reduced LTV to **44.8%** through 5th PO and **prepared for further flexible acquisition** securing acquisition capacity of **¥46.2bn**



### 2. Average years remaining to maturity and interest rate

▶ Secured high rate of fixed interest in interest-bearing debt in preparation for increase of future increase of interest



### 3. Issuer rating situation

Long-term Issuer Rating
JCR : <b>AA</b> (Stable)

### 4. Debts summary

Bond/Borrowing	Amount (¥bn)	Ratio
Investment Corporation Bonds	16.0	8%
Borrowings	183.3	92%
<b>Total</b>	<b>199.3</b>	<b>-</b>

	2nd Period (2012.11)	3rd Period (2013.5)	4th Period (2013.11)	5th Period (2014.5)	6th Period (2014.11)	7th Period (2015.5)	8th Period (2015.11)	9th Period (2016.5)	10th Period (2016.11)	11th Period (2017.5)	12th Period (2017.11)	as of Jan. 17, 2018
Interest bearing debt (¥mn)	77,000	85,000	88,000	100,800	110,800	127,100	136,900	147,150	177,150	196,150	196,150	199,350
Ratio of fixed-rate	70.1%	74.1%	71.6%	79.2%	77.4%	85.1%	82.6%	88.6%	86.5%	92.8%	92.8%	92.9%

### 1. Latest Refinance status

▶ Challenged to reduce more average interest rate at refinance under favorable market for borrowing at low interest rate

#### Average interest rate (Average borrowing period)

After introduction of negative interest rate policy	Due to be refinanced in the next two years
<b>0.41% (5.9 years)</b>	<b>0.63% (4.3 years)</b>

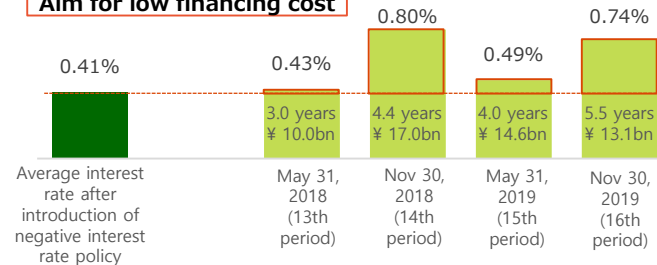
▶ Borrowings after introduction of negative interest rate policy

Date of Borrowings	Amount	Period	Ratio of fixed-rate Borrowings	Interest Rate
Before 10th period (Nov. 2016)	¥47.5bn	6.2 years	73.5%	0.40%
11th period (May 2017)	¥41.2bn	5.6 years	69.9%	0.38%
12th period and onwards (Nov. 2017)	¥28.2bn	5.7 years	67.7%	0.48%
<b>Total/Average</b>	<b>¥116.9bn</b>	<b>5.9 years</b>	<b>70.8%</b>	<b>0.41%</b>

▶ Borrowings due to be refinanced in the next two years

	Amount	Average Period	Average Interest Rate
13th period	¥10.0bn	3.0 years	0.43%
14th period	¥17.0bn	4.4 years	0.80%
15th period	¥14.6bn	4.0 years	0.49%
16th period	¥13.1bn	5.5 years	0.74%
<b>Total/Average</b>	<b>¥54.7bn</b>	<b>4.3 years</b>	<b>0.63%</b>

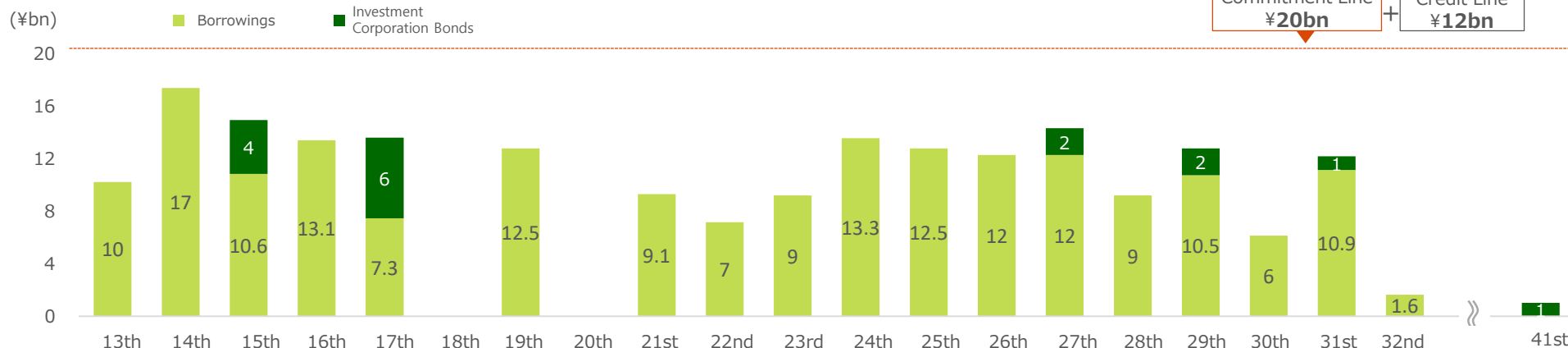
▶ Aim for low financing cost



### 2. Maturity ladder, Rating and Borrowing status

▶ Diversification of maturity periods with attention to refinancing of investment corporation bonds

#### Interest-bearing Debt Maturity Ladder (as of Jan. 17, 2018)



## Environment

## Social

## Governance

### Evidence of API's commitment to sustainability

#### GRESB Real Estate Assessment



- "Sector Leader" in "Diversified – Office/Retail/Asia" sector in 2017
- Since its participation in 2013, API has obtained the highest grade "Green Star" for four consecutive years from 2014
- Awarded **Four Stars** for 2 consecutive years in the comparative assessment introduced in 2016

#### CASBEE Property Assessment Certification

- **A-FLAG AKASAKA** received the highest rank of **Five Stars** in 2017
- Achieved high level of performance by establishment of management system of saving energy/water and indoor atmosphere



A-FLAG AKASAKA

**12 properties** have been assessed and all evaluated **top level evaluation** out of 5 classes

- S class(5 stars):6 properties (A-PLACE Ebisu Minami, etc.)
- A class(4 stars):6 properties (Q plaza EBISU, etc.)

#### DBJ Green Building Certification



- **8 properties** have been awarded **3 stars to 5 stars**
- 5 stars:2 properties (OSAKI WIZ TOWER, etc.)
- 4 stars:2 properties (Tokyu Plaza Omotesando, etc.)
- 3 stars: 4 properties (Tokyu Plaza Akasaka, etc.)

### Social Contributions

#### Tokyu Plaza Akasaka

- Enhanced the ability to prevent disasters by introducing analyze support system of the safety of building



The system "visually" shows the level of safety after an earthquake for each floor, due to its quick and accurate analysis

#### Shiodome Building

- API builds good relationship with the local community through participation in local events



#### BELS Assessment

- Received the **first authentication in Feb. 2017**, and **obtained for 4 other properties** in Nov. 2017



A-PLACE Ebisu Higashi

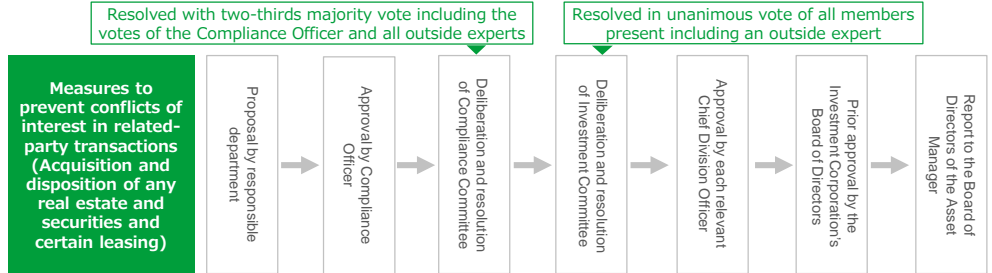
A-PLACE Gotanda

**6 properties** have been awarded **3 stars to 1 star**

- 3 stars:2 properties (A-PLACE Shibuya Konnoh, etc.)
- 2 stars:3 properties (A-PLACE Yoyogi, etc.)
- 1 star: 1 property (A-PLACE Shinagawa)

### Measures to ensure objectivity against conflict of interests

Any acquisition of properties involving a related-party transaction is required to be approved by the Compliance Committee of the Asset Manager and Board of Directors of API



Measures to prevent conflicts of interest in related-party transactions (Acquisition and disposition of any real estate and securities and certain leasing)

### Alignment of the interests of the unitholders and Tokyu Land Corporation (Sponsor)

- Sponsor's investment in API

The Sponsor holds 61,913 units issued by API (approx. 9% of the total units outstanding) as of November 30, 2017 and expressed the following intention to the Asset Manager in the Sponsor Support Agreement:

An intention to sincerely consider in good faith the further acquisition of our units in the event that API conducts further offerings

- Common ownership or co-ownership of properties with the Sponsor group
- We believe that we can align our interests in operating individual properties with the Sponsor group's interests by jointly owning properties (holding co-ownership interests)

Property Name	API's Share	Share held by the Sponsor Group
Tokyu Plaza Omotesando	75%	25%
Tokyu Plaza Akasaka	50%	50%
DECKS Tokyo Beach	49%	51%

(as of Jan, 17, 2018)

### Asset Management Fee Structure Including DPU-linked Fee

API adopts the management fee structure linked to DPU for a part of management fees paid to the Asset Manager. This structure provides the Asset Manager an incentive for maximizing unitholder value.

- Asset Management Fee

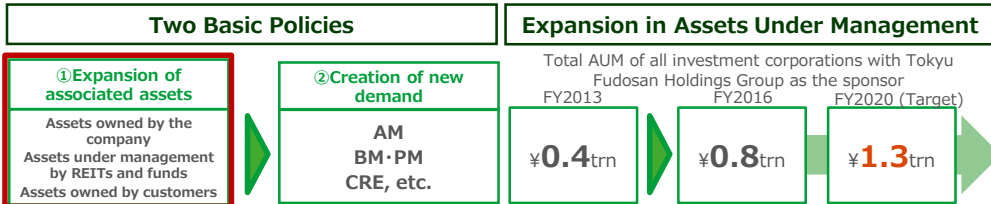
	Fee I (annual)	Fee II
Basis for calculation of fee rate	Total assets at the end of the previous fiscal period × 0.3%	DPU before deduction of Fee II × NOI × 0.0002%
	The sum of Fee I and Fee II may not exceed 0.5% of our total assets at the end of each period	

- Acquisition / Disposition Fee

Ratio of Acquisition Fee	Disposition Fee
0.7% Related-party transactions: 0.5%	0.5% Related-party transactions: no fee No disposition fees when loss on sale is accrued

## Significance of the REIT/Fund businesses to Tokyu Fudosan Holdings Group

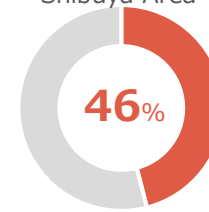
As Tokyu Fudosan Holdings Group has deemed "Expansion of Associated Assets" as one of its two basic policies under its Medium-Term Management Plan for 2017 to 2020, which was announced in May 2017, and the REIT business comprises an essential part of this policy, the group as a whole provides support for external growth of API



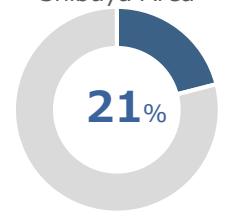
### ◆What is Greater Shibuya Area?

Area defined by Tokyu Fudosan Holdings Group such as **Shibuya, Ebisu, Aoyama** holding both high ability to attract visitors and strong needs for offices from emerging companies comprised mainly of IT companies

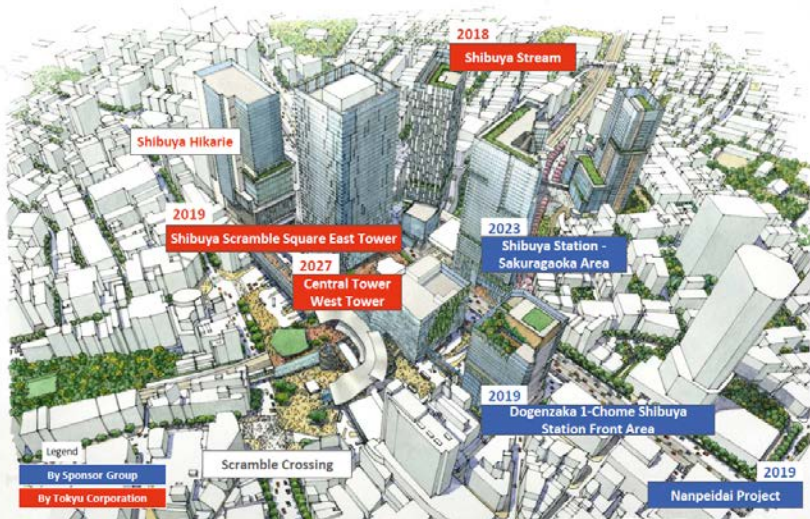
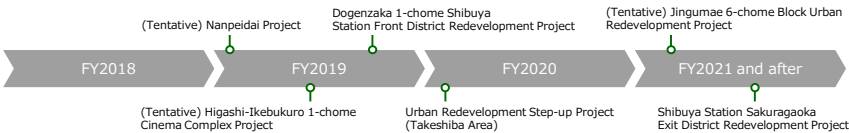
Ratio of **Urban Retail properties** in Greater Shibuya Area



Ratio of **Tokyo Office properties** in Greater Shibuya Area



## Major Development Projects planned by Tokyu Fudosan Holdings Group



### ■ Greater Shibuya Area

#### Dogenzaka 1-chome Shibuya Station Front District

Project owner: Dogenzaka 1-chome Shibuya Station front district urban redevelopment project type 1 (participants: **Tokyu Land Corporation**)

Usage: office, retail, parking, bus terminal, etc.

Total floor area: approx. 58,900m<sup>2</sup>

Height: 110m

Opening: FY2019 (scheduled)



#### Shibuya Station Sakuragaoka Exit District

Project owner: Shibuya Station Sakuragaoka Exit district urban redevelopment project (participants: **Tokyu Land Corporation**)

Usage: office, retail, church, business support facility, etc.

Total floor area: approx. 252,870m<sup>2</sup>

Height: approx. 180m (building A1)

Opening: FY2023 (scheduled)



#### Shibuya Station Block (Tokyu Corporation)

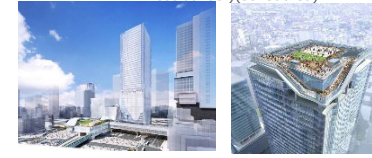
Project owner: Tokyu Corporation, Tokyu Metro, East Japan Railway Company

Usage: office, retail, observation deck, parking, etc.

Total floor area: approx. 276,000m<sup>2</sup>

Height: approx. 230m (East build.), approx. 60m (Central build.), 75m (West build.)

Opening: FY2019 (East build.), FY2027 (Central, West builds.) (scheduled)



#### Shibuya Stream (Tokyu Corporation)

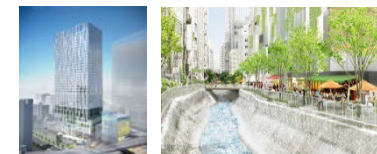
Project owner: Tokyu Corporation, etc.

Usage: office, retail, hotel, multipurpose hall, parking, etc.

Total floor area: approx. 116,700m<sup>2</sup>

Height: approx. 180m

Opening: FY2018 (scheduled)



### ■ Other Areas

#### (Tentative) Higashi-Ikebukuro 1-chome Cinema Complex Project

Location: Toshima-ku

Completion: FY2019 (scheduled)

Total floor area: approx. 17K<sup>2</sup>

Usage: retail, movie theater



#### Urban Redevelopment Step-up Project (Takeshiba District)

Location: Minato-ku

Completion: FY2020 (scheduled)

Total floor area: approx. 200K<sup>2</sup>

Usage: office, retail, residence








## 4. Others

## Appraisal Values of Properties ~as of the end of 12th Period (Nov. 30, 2017)~

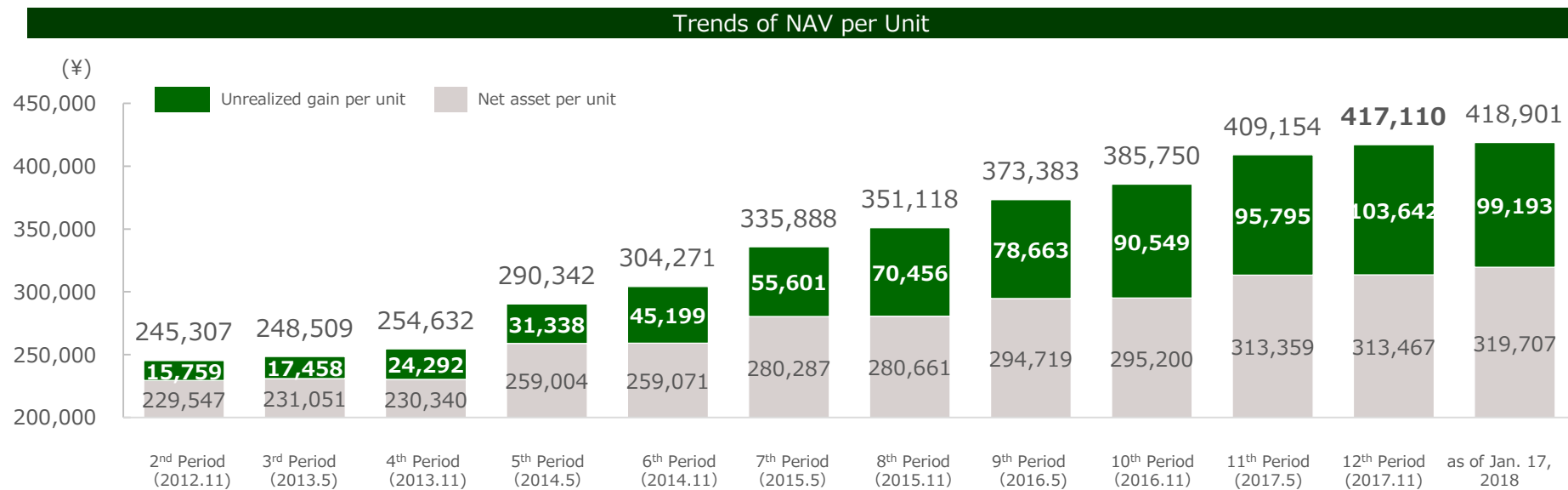
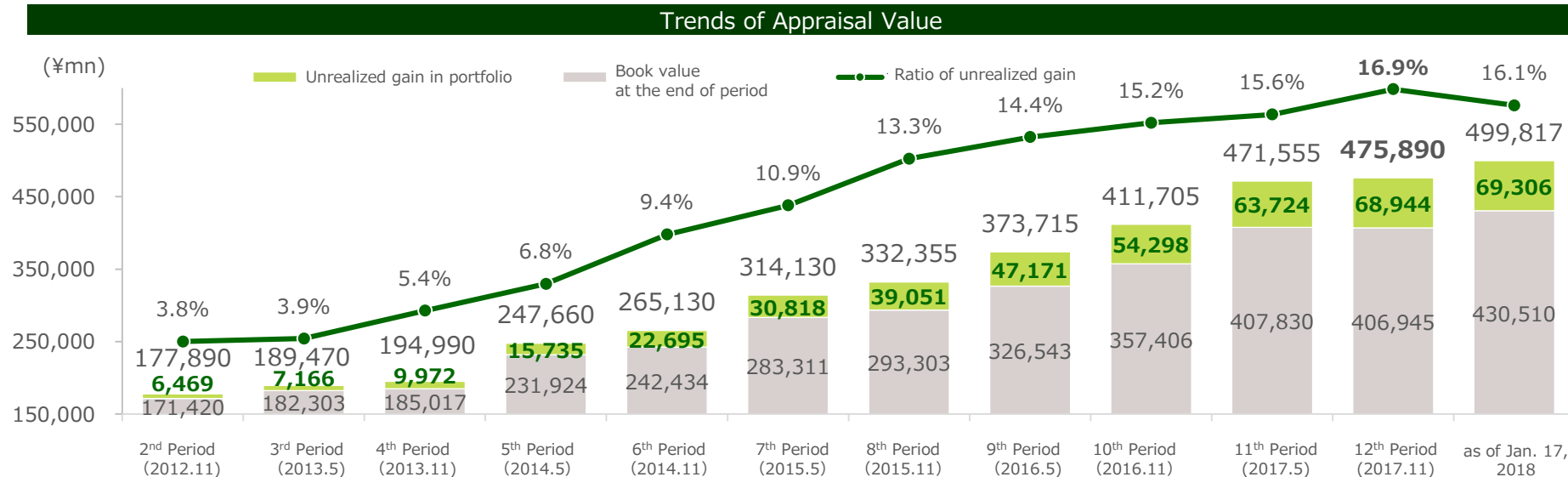
(In millions of yen) 25

Category	Property number	Property name	Acquisition price (A)	Investment ratio (%)	Book value at end of period (B)	Appraisal value			Difference from previous period (D-C)	Difference from acquisition price (D-A)	Difference from book value (D-B)
						As of May 31, 2016(C)	As of Nov. 30, 2017 (D)	Cap rate as of Nov. 30, 2017			
	UR-1	Tokyu Plaza Omotesando Harajuku (Note 1)	45,000	11.0%	44,836	56,025	58,200	2.8%	2,175	13,200	13,364
	UR-2	Tokyu Plaza Akasaka (Note 1)	11,450	2.8%	11,787	14,600	15,000	4.1%	400	3,550	3,213
	UR-3	Q plaza EBISU	8,430	2.1%	8,288	10,700	11,100	3.4%	400	2,670	2,812
	UR-4	Shinbashi Place	20,500	5.0%	20,283	24,900	20,500	3.6%	(4,400)	0	217
	UR-5	Kyoto Karasuma Parking Building	8,860	2.2%	8,767	11,100	11,100	4.9%	0	2,240	2,333
	UR-6	A-FLAG AKASAKA	3,000	0.7%	3,085	3,620	3,730	3.6%	110	730	645
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	5.2%	20,964	26,100	26,800	4.0%	700	5,470	5,836
	UR-8	A-FLAG SAPPORO	4,410	1.1%	4,561	6,810	6,880	5.5%	70	2,470	2,319
	UR-9	A-FLAG SHIBUYA	6,370	1.6%	6,358	7,380	7,400	4.0%	20	1,030	1,042
	UR-10	Q plaza SHINSAIBASHI	13,350	3.3%	13,460	13,900	14,400	3.6%	500	1,050	940
	UR-11	A-FLAG KOTTO DORI	4,370	1.1%	4,408	4,690	4,780	3.5%	90	410	372
	UR-12	A-FLAG BIJUTUKAN DORI	4,700	1.2%	4,717	4,760	4,760	3.6%	0	60	43
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	0.6%	2,323	2,380	2,400	3.9%	20	120	77
		Sub-total		154,050	37.8%	153,842	186,965	187,050	-	85	33,000
	TO-1	TLC Ebisu Building	7,400	1.8%	7,355	9,570	9,860	3.8%	290	2,460	2,505
	TO-2	A-PLACE Ebisu Minami	9,640	2.4%	9,463	13,300	13,600	3.7%	300	3,960	4,137
	TO-3	A-PLACE Yoyogi	4,070	1.0%	3,938	4,550	4,610	3.9%	60	540	672
	TO-4	A-PLACE Aoyama	8,790	2.2%	8,648	9,460	9,680	4.0%	220	890	1,032
	TO-5	Luogo Shiodome	4,540	1.1%	4,306	5,870	6,220	3.6%	350	1,680	1,914
	TO-6	TAMACHI SQUARE (Land) (Note 2)	2,338	0.6%	2,362	2,700	2,770	3.7%	70	432	408
	TO-7	A-PLACE Ikebukuro	3,990	1.0%	3,798	4,870	5,010	4.3%	140	1,020	1,212
	TO-8	A-PLACE Shinbashi	5,650	1.4%	5,732	6,670	6,670	3.9%	0	1,020	938
	TO-9	A-PLACE Gotanda	5,730	1.4%	5,583	6,590	6,930	3.7%	340	1,200	1,347
	TO-10	A-PLACE Shinagawa	3,800	0.9%	3,795	4,300	4,300	3.8%	0	500	505
	TO-11	OSAKI WIZTOWER	10,690	2.6%	10,809	14,100	14,500	3.5%	400	3,810	3,691
	TO-12	Shiodome Building (Note 1)	71,600	17.6%	71,427	74,550	74,550	3.5%	0	2,950	3,123
	TO-13	A-PLACE Ebisu Higashi	7,072	1.7%	7,150	7,650	7,680	3.7%	30	608	530
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.2%	4,981	5,100	5,340	3.6%	240	530	359
	TO-15	A-PLACE Gotanda Ekimae	7,280	1.8%	7,560	7,640	7,650	3.8%	10	370	90
	TO-16	A-PLACE Shinagawa Higashi	18,800	4.6%	18,931	19,100	19,500	3.9%	400	700	569
	Sub-total		176,200	43.2%	175,846	196,020	198,870	-	2,850	22,670	23,024
	AA-1	Amagasaki Q's MALL (Land)	12,000	2.9%	12,113	13,600	13,900	4.3%	300	1,900	1,787
	AA-2	icot Nakamozu	8,500	2.1%	8,238	10,200	10,200	5.2%	0	1,700	1,996
	AA-4	icot Mizonokuchi	2,710	0.7%	2,654	3,250	3,250	5.4%	0	540	604
	AA-5	icot Tama Center	2,840	0.7%	2,692	3,700	3,810	5.2%	110	970	1,129
	AA-6	A-PLACE Kanayama	6,980	1.7%	6,531	7,890	7,900	5.1%	10	920	1,421
	AA-7	Osaka Nakanoshima Building	11,100	2.7%	11,044	13,500	13,800	4.2%	300	2,700	2,478
	AA-8	icot Omori	5,790	1.4%	5,712	6,440	6,590	4.5%	150	800	7896
	AA-9	Market Square Sagami-hara	4,820	1.2%	4,781	5,000	5,020	5.3%	20	200	263
	AA-10	Umeda Gate Tower	19,000	4.7%	19,629	20,500	21,000	3.7%	500	2,000	1,434
	AA-11	A-PLACE Bashamichi	3,930	1.0%	4,078	4,490	4,500	4.9%	10	570	440
		Sub-total		77,670	19.0%	77,476	88,570	89,970	-	1,400	12,300
	Total		407,920	100.0%	407,830	471,555	475,890	-	4,335	67,970	68,944

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

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

## Trends of Appraisal Value/NAV per Unit

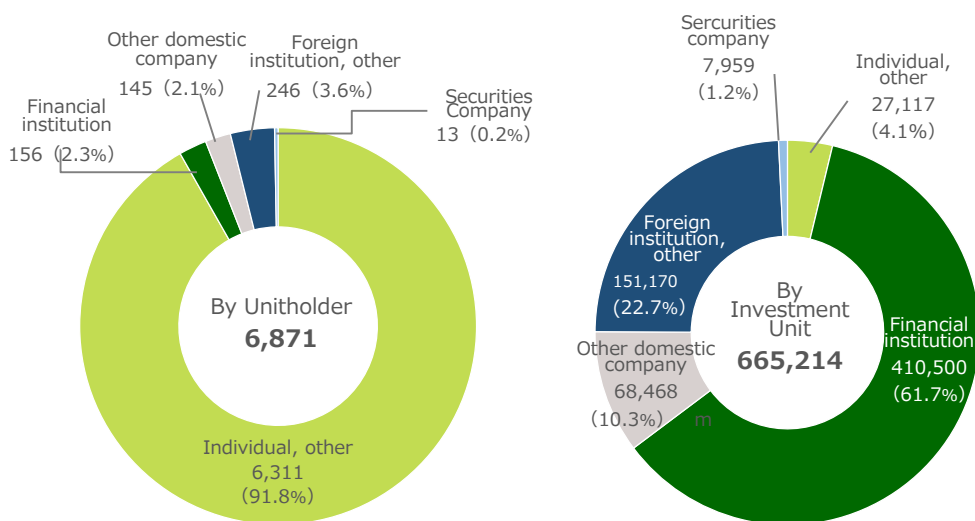


(Note) To reflect the 2-for-1 split of investment units as of October 1, 2015 as the effective date, the figures of NAV before the 7th period are shown as half of actual value.

## Distribution of Unitholders ~as of the end of Nov. 2017~

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

	12th Period (Nov. 2017)				11th Period (May 2017)			
	# of unit-holders	Ratio	# of units	Ratio	# of unit-holders	Ratio	# of units	Ratio
Individual, other	6,311	91.8%	27,117	4.1%	6,109	91.8%	25,114	3.8%
Financial institution	156	2.3%	410,500	61.7%	151	2.3%	410,500	61.0%
Other domestic company	145	2.1%	68,468	10.3%	138	2.1%	68,468	10.3%
Foreign institution, other	246	3.6%	151,170	22.7%	239	3.6%	160,846	24.2%
Securities company	13	0.2%	7,959	1.2%	19	0.3%	4,949	0.7%
<b>Total</b>	<b>6,871</b>	<b>100%</b>	<b>665,214</b>	<b>100%</b>	<b>6,656</b>	<b>100%</b>	<b>665,214</b>	<b>100%</b>



## 2. Top 10 Unitholders

Name	Investment units	Ratio (%)
1. Japan Trustee Services Bank, Ltd. (Trust accounts)	156,980	23.6
2. The Master Trust Bank of Japan, Ltd. (Trust accounts)	90,637	13.6
3. Tokyu Land Corporation	61,913	9.3
4. Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	27,343	4.1
5. The Nomura Trust and Banking Co., Ltd (Investment accounts)	25,716	3.9
6. State Street Bank & Trust Company 505012	11,720	1.8
7. State Street Bank & Trust Company	7,955	1.2
8. THE BANK OF NEW YORK 133970	7,016	1.1
9. State Street Bank West Client Treaty 505234	6,944	1.0
10. CBNYDFA International Real Estate Securities Portfolio	6,675	1.0
<b>Total</b>	<b>402,899</b>	<b>60.6</b>

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# Appendix

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# Portfolio Map

### Central Tokyo Area

<b>UR-1</b> Tokyo Plaza Omotesando Harajuku	<b>UR-2</b> Tokyo Plaza Akasaka
<b>UR-3</b> Q plaza EBISU	<b>UR-4</b> Shinbashi Place
<b>UR-6</b> A-FLAG AKASAKA	<b>UR-9</b> A-FLAG SHIBUYA
<b>UR-11</b> A-FLAG KOTTU DORI	<b>UR-12</b> BULTSUKAN DORI
<b>UR-13</b> A-FLAG DAKINYAMA WEST	<b>UR-15</b> DECKS Tokyo Beach
<b>TO-1</b> TLC Ebisu Building	<b>TO-2</b> A-PLACE Ebisu Minami
<b>TO-3</b> A-PLACE Yoyogi	<b>TO-4</b> A-PLACE Aoyama
<b>TO-5</b> Luogo Shiodome	<b>TO-6</b> TAMACHI SQUARE (Land)
<b>TO-7</b> A-PLACE Kojikuro	<b>TO-8</b> A-PLACE Shinbashi
<b>TO-9</b> A-PLACE Gotanda	<b>TO-10</b> A-PLACE Shinagawa
<b>TO-11</b> OSAKI WZTOWER	<b>TO-12</b> Shiodome Building
<b>TO-13</b> A-PLACE Ebisu Higashi	<b>TO-14</b> A-PLACE Shibuya Korinoh
<b>TO-15</b> A-PLACE Gotanda Ekimae	<b>TO-16</b> A-PLACE Shinagawa Higashi

### Greater Tokyo Area

<b>AA-4</b> Icot Mizonokuchi	<b>AA-5</b> Icot Tama Center
<b>AA-8</b> Icot Omori	<b>AA-9</b> Market Square Sagamihara
<b>AA-11</b> A-PLACE Bashiichu	<b>AA-12</b> Commercial Mall Hakata

### Sapporo

**UR-8** A-FLAG SAPPORO

### Nagoya

**AA-6** A-PLACE Kanayama

**UR** UREAN RETAIL  
**TO** TOKYO OFFICE  
**AA** ACTIVA ACCOUNT

### Hakata (Fukuoka)





**AA-12** Commercial Mall Hakata

### Hyogo/Osaka/Kyoto

<b>UR-5</b> Kyoto Karasuma Parking Buildings	<b>UR-7</b> Kobe Kyu Kyoruchi Zassankan
<b>UR-10</b> Q plaza SHINSABASHI	<b>UR-14</b> A-FLAG KITA SHINSABASHI
<b>AA-1</b> Amagasaki Q's MALL (Land)	<b>AA-2</b> Icot Nakamozu
<b>AA-7</b> Osaka Nishinoshima Building	<b>AA-10</b> Umeda Gate Tower

## Portfolio ~Urban Retail Properties~ (1/3)

Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building
					
Location	Jingu-mae, Shibuya-ku, Tokyo	Nagatacho, Chiyoda-ku, Tokyo	Ebisu, Shibuya-ku, Tokyo	Shinbashi, Minato-ku, Tokyo	Moto Honenji-cho, Nakagyo-ku, Kyoto
Access	1-minute walk from Tokyo Metro Chiyoda Line, Fukutoshin Line "Meiji Jingu-mae" station	1-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" station 1-minute walk from Tokyo Metro Yurakucho Line, Hanzomon Line, Namboku Line "Nagatacho" station	1-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" station	1-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line, Toei Asakusa Line/ Yurikamome "Shinbashi" station	1-minute walk from Hankyu Kyoto Line "Karasuma" station 1-minute walk from subway Karasuma Line "Shijo" station
Acquisition price (A)	¥45,000mn	¥11,450mn	¥8,430mn	¥20,500mn	¥8,860mn
Appraisal value (B)	¥45,200mn	¥11,500mn	¥8,770mn	¥22,500mn	¥9,430mn
vs appraisal value (A/B)	99.6%	99.6%	96.1%	91.1%	94.0%
Appraisal NOI yield	3.9%	6.1%	4.5%	5.4%	6.2%
Structure	Steel framed, RC, SRC	SRC	Steel framed, RC	Steel framed, SRC	Steel framed
Number of floors	7 floors above and 2 floors underground	14 floors above and 3 floors underground	6 floors above and 1 floor underground	10 floors above and 1 floor underground	9 floors above and 1 floor underground
Gross floor area (Note 2)	11,368.11m <sup>2</sup> (Total)	51,491.66m <sup>2</sup> (Total)	4,670.02m <sup>2</sup>	8,541.70m <sup>2</sup>	21,495.47m <sup>2</sup>
Total leasable area(Note 2)	4,904.94m <sup>2</sup>	16,579.26m <sup>2</sup>	4,024.88m <sup>2</sup>	9,156.01m <sup>2</sup>	21,616.04m <sup>2</sup>
Occupancy rate(Note 2)	100.0%	99.7%	100.0%	100.0%	100.0%
Key tenants(Note 2)	Baroque Japan Limited	Tokyu Hotels Co., Ltd.	Tokyu Sports Oasis Inc.	Yamada-Denki Co., Ltd.	Times24 Co., Ltd.
Number of tenants(Note 2)	29	96	4	1	2
Key points of properties	<ul style="list-style-type: none"> <li>Located at the crossing of Omotesando and Meiji Street, the center of Japan's fashion culture</li> <li>Aiming to develop a "fashion theme park" that enables customers to enjoy the latest fashion and life-style themes in an environment full of greenery</li> <li>Many tenants have positioned their shops in this building as their flagship or prototype shop considering the building's excellent location and high visibility</li> </ul>	<ul style="list-style-type: none"> <li>The strong international flavor stems from the many foreign companies and embassies in this area. The Nagatacho and Kasumigaseki areas are located behind the site</li> <li>Located in the busy commercial area of Tokyo city-center, it has good commercial potential to attract diversified businesses</li> <li>Property is facing Akasakamitsuke crossing between Sotobori Dori and Route 246, with high visibility</li> </ul>	<ul style="list-style-type: none"> <li>Located in the Ebisu area which is, unlike Shibuya or Daikanyama, wellknown as an area for grown-ups</li> <li>High-profile building located in front of a station with a large façade made of terracotta bars and glass</li> <li>One of the few buildings with significant presence in the West exit area of "Ebisu" station where there are very few large-sized retail properties</li> </ul>	<ul style="list-style-type: none"> <li>1-minute walking distance from convenient "Shinbashi" station, which is one of the busiest terminal stations in Japan</li> <li>Shinbashi Place is in an area with diverse properties, such as office buildings, restaurants, apparel shops, and entertainment facilities, including karaoke facilities</li> <li>Versatile structure of the building allows various alternative uses including, but not limited to, use as offices for versatile coverage of diversified tenants' needs</li> </ul>	<ul style="list-style-type: none"> <li>Located in the Shijo Karasuma area, which is one of Kyoto's most prominent city center areas</li> <li>Highly visible building with a facade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day</li> <li>Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto</li> </ul>

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

(Note 2) As of Nov. 30, 2017. The same shall apply hereafter in the Portfolio pages.

## Portfolio ~Urban Retail Properties~ (2/3)

Property name	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q Plaza SHINSAIBASHI
					
Location	Akasaka, Minato-ku, Tokyo	Kyomachi, Chuo-ku, Kobe, Hyogo	Minami-Yonjo-Nishi, Chuo-ku, Sapporo, Hokkaido	Udagawa-cho, Shibuya-ku, Tokyo	Shinsaibashisuji Chuo-ku, Osaka-city, Osaka
Access	3-minute walk from Tokyo Metro Chiyoda Line "Akasaka" station 5-minute from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" Station	5-minute walk from Kobe subway Kaigan Line "Kyu Kyoryuchi, Daimarumae" Station 9-minute walk from JR Tokaido Line "Sannomiya" Station 9-minute from Hankyu railway Kobe Line/ Hanshin electric railway/ Kobe kosoku railway/ Kobe subway Seishin-Yamanote Line "Sannomiya" Station	2-minute walk from Sapporo subway Nanbou Line "Susukino" station 8-minute walk from Sapporo subway Toho Line "Hosui-susukino" Station	4-minute walk from Tokyo Metro Ginza Line, Hanzomon Line, Fukutoshin Line/ Tokyu Denentoshi Line, Toyoko Line "Shibuya" Station 5-minute walk from Keio Inokashira Line "Shibuya" Station 6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line "Shibuya" Station	1-minute walk from Osaka City's Subway Midosuji Line, Nagahori Tsurumi-ryokuchi Line "Shinsaibashi" Station
Acquisition price (A)	¥3,000mn	¥21,330mn	¥4,410mn	¥6,370mn	¥13,350mn
Appraisal value (B)	¥3,150mn	¥21,600mn	¥4,800mn	¥6,400mn	¥13,400mn
vs appraisal value (A/B)	95.2%	98.8%	91.9%	99.5%	99.6%
Appraisal NOI yield	4.5%	4.8%	8.7%	4.9%	3.9%
Structure	Steel framed, SRC	Steel framed, SRC	Steel framed, RC	RC	Steel framed, SRC, RC
Number of floors	7 floors above and 1 floor underground	18 floors above and 3 floors underground	12 floors above and 1 floor underground	5 floors above and 1 floor underground	8 floors and 2 floors underground
Gross floor area	2,429.01m <sup>2</sup>	27,010.67m <sup>2</sup>	27,277.85m <sup>2</sup>	3,340.70m <sup>2</sup>	3,822.45m <sup>2</sup>
Total leasable area	2,280.22m <sup>2</sup>	19,653.90m <sup>2</sup>	21,229.16m <sup>2</sup>	3,413.80m <sup>2</sup>	2,820.23m <sup>2</sup>
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants	- (Note)	Plan Do See Inc.	Tokyu Hotels Co., Ltd.	BOOKOFF CORPORATION LIMITED	Zara Japan Corp.
Number of tenants	8	7	18	2	6
Key points of properties	<ul style="list-style-type: none"> <li>3-minute walking distance from Tokyo Metro Chiyoda Line "Akasaka" Station, and is convenient location where multiple stations and lines may be used</li> <li>Building along "Hitotsugi Street", the street with the heaviest foot traffic in Akasaka area where concentrates various restaurants</li> <li>Leasing area of one floor is wider and versatile use for needs of diverse tenants</li> </ul>	<ul style="list-style-type: none"> <li>Located in Kobe, a port city with long history, the area "Kyu Kyoryuchi" has various historic sites/buildings and is one of the leading commercial districts in West Japan in terms of the number of visitors</li> <li>Tenants include Louis Vuitton shop in the "Louis Vuitton Maison" format offering a full lineup</li> <li>Long-term lease of minimum five years contributing to a stable income</li> </ul>	<ul style="list-style-type: none"> <li>Located in Susukino, the most popular entertainment district in Hokkaido and one of Japan's major tourist spots</li> <li>A retail property holding a hotel and restaurants with high visibility in a 2-minute walk from "Susukino" Station</li> <li>Sapporo Snow Festival is held every February in the city</li> </ul>	<ul style="list-style-type: none"> <li>Located in Shibuya area, one of the major commercial districts in Japan and the fashion centers for "young generations"</li> <li>An urban retail property in "Shibuya Center Street", designed to fit the district feature attracting people all day and night</li> <li>Club Quattro is a long-established club, hosts live music and has invited a variety of artists from both Japan and abroad for over 25 years</li> </ul>	<ul style="list-style-type: none"> <li>Located in the front entrance of "Shinsaibashi", the top commercial area in Western Japan</li> <li>Shinsaibashi has the ability to attract customers as commercial focal point with passersby reaching about 98,000 people</li> <li>Multi-tenant commercial facility with the flagship shop of global brand "ZARA"</li> </ul>

(Note) Undisclosed due to no consent from tenants.

## Portfolio ~Urban Retail Properties~ (3/3)

Property name	A-FLAG KOTTO DORI	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST	A-FLAG KITA SHINSAIBASHI	DECKS Tokyo Beach (Note)
					
Location	Minami-Aoyama, Tokyo	Minami-Aoyama, Tokyo	Sarugakucho, Shibuya-ku, Tokyo	Senba, Chuo-ku, Osaka-city, Osaka	Daiba, Minato-ku, Tokyo
Access	4-minute walk from "Omotesando" Station on the Tokyo Metro	7-minute walk from "Omotesando" Station on the Tokyo Metro	4-minute walk from "Daikanyama" Station on the Tokyu Toyoko Line	3-minute walk from "Shinsaibashi" Station on the Osaka Municipal Subway Midosuji Line	2-minute walk from "Odaiba-kaihinkoen" Station on the Tokyo Waterfront New Transit Waterfront Line 5-minute walk from "Tokyo Teleport" Station on the Tokyo Waterfront Area Rapid Transit Rinkai Line
Acquisition Price (A)	¥4,370mn	¥4,700mn	¥2,280mn	¥4,725mn	¥12,740mn
Appraisal Value (B)	¥4,570mn	¥4,740mn	¥2,300mn	¥4,770mn	¥12,887mn
vs appraisal value (A/B)	95.6%	99.2%	99.1%	99.1%	98.9%
Appraisal NOI yield	4.3%	3.9%	4.0%	4.3%	4.4%
Structure	Reinforced concrete	SRC, steel framed	SRC	SRC, steel framed	Steel framed
Number of floors	5 floors above and 2 floors underground	2 floors above and 2 floors underground	4 floors above and 2 floor underground	7 floors above and 1 floor underground	8 floors above
Gross floor area	3,358.28m <sup>2</sup>	2,221.98m <sup>2</sup>	4,036.27m <sup>2</sup>	3,096.18m <sup>2</sup>	67,506.91m <sup>2</sup>
Total leasable area	2,656.53m <sup>2</sup>	2,055.97m <sup>2</sup>	2,579.08m <sup>2</sup>	2,536.75m <sup>2</sup>	16,136.88m <sup>2</sup>
Occupancy Rate	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants	AMAN CO., LTD.	BLUE NOTE JAPAN, INC.	- (Note)	PRESS Corporation Inc.	CA Sega Joypolis Ltd.
Number of tenants	7	3	1	5	87
Key points of properties	<ul style="list-style-type: none"> <li>High versatility to meet various commercial needs ranging from small-scale units of approx. 6 tsubo to large-scale units of approx. 130 tsubo</li> <li>Office spaces are equipped with sufficiently high-specification facilities to meet tenants' needs and are highly competitive in this area</li> <li>Current rents of both retail and office spaces are below the market level, expecting future upside in rents</li> </ul>	<ul style="list-style-type: none"> <li>Located on Museum Street, connecting "Kotto Street" and "Miyuki Street", where many visitors stroll around</li> <li>Location near Nezu Museum, Taro Okamoto Memorial Museum and other cultural facilities</li> <li>Rare property in the fashion-conscious Omotesando/Minami-Aoyama Area, including unique tenants such as Blue Note Tokyo, a famous jazz club based in New York, and the flagship store of Jil Sander, one of the world's premium fashion brands</li> </ul>	<ul style="list-style-type: none"> <li>Located along "Hachiman Street", the main street of Daikanyama area</li> <li>Very close to Daikanyama crossing, center of the area with sophisticated apparel shops, cafes and restaurants scattered throughout</li> <li>Area draws visitors from broader areas since the opening of large-scale retail properties in 2011</li> <li>Elaborate design appeals to tenants who prefer the high-end image of the area</li> </ul>	<ul style="list-style-type: none"> <li>Located at a 3-min walk from "Shinsaibashi" Station</li> <li>Facing the arcade of Shinsaibashisuji North shopping street, a busy street with many stores</li> <li>Standing on a highly visible corner</li> <li>Accessible directly to 2<sup>nd</sup> floor and underground floor by stairs from street-level in addition to an elevator</li> <li>Diverse tenants meeting various daily needs such as fitness gym, live music club and cellular phone store</li> </ul>	<ul style="list-style-type: none"> <li>Located next to "Odaiba-kaihinkoen" Station</li> <li>3<sup>rd</sup> floor with wood decks connected to neighbor commercial facilities and Odaiba kaihin park</li> <li>"Hands-on experience" tenants such as "Tokyo Joypolis", "LEGOLAND Discovery Center Tokyo" and "Madame Tussauds Tokyo"</li> <li>Offers a great view of the Rainbow Bridge and illumination of Odaiba-kaihin park, attracting both overseas and domestic tourists</li> </ul>

(Note) Figures of DECKS Tokyo Beach are calculated based on pro rata share of the co-ownership of interest (49%) except of gross floor area and number of tenants (the entire building).



## Portfolio ~Tokyo Office Properties~ (1/3)

Property name	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome	TAMACHI SQUARE (Land)
						
Location	Ebisu, Shibuya-ku, Tokyo	Ebisu-Minami, Shibuya-ku, Tokyo	Sendagaya, Shibuya-ku, Tokyo	Kita-Aoyama, Minato-ku, Tokyo	Higashi Shinbashi, Minato-ku, Tokyo	Shiba, Minato-ku, Tokyo
Access	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-shinjuku Line "Ebisu" Station 6-minute walk from Tokyo Metro Hibiya Line "Ebisu" Station	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	3-minute walk from JR Yamanote Line, Chuo Line, Sobu Line/ Toei Oedo Line "Yoyogi" Station	4-minute walk from Tokyo Metro Ginza Line "Gaienmae" Station	4-minute walk from Toei Oedo Line/ Yurikamome "Shiodome" Station 5-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station	2-minute walk from Toei Asakusa Line, Mita Line "Mita" Station 4-minute walk from JR Yamanote Line, Keihin-Tohoku Line "Tamachi" Station
Acquisition price (A)	¥7,400mn	¥9,640mn	¥4,070mn	¥8,790mn	¥4,540mn	¥2,338mn
Appraisal value (B)	¥7,420mn	¥9,950mn	¥4,180mn	¥8,850mn	¥4,570mn	¥2,400mn
vs appraisal value (A/B)	99.7%	96.9%	97.4%	99.3%	99.3%	97.4%
Appraisal NOI yield	5.4%	4.9%	5.1%	5.0%	4.7%	4.7%
Structure	SRC	SRC	Steel framed	RC	Steel framed, RC	-
Number of floors	9 floors above and 1 floor underground	6 floors above and 1 floor underground	10 floors above and 1 floor underground	9 floors above and 1 floor underground	11 floors above and 1 floor underground	-
Gross floor area	10,297.73m <sup>2</sup>	12,167.57m <sup>2</sup>	4,201.59m <sup>2</sup>	9,958.33m <sup>2</sup>	8,242.61m <sup>2</sup>	-
Total leasable area	7,342.60m <sup>2</sup>	7,950.49m <sup>2</sup>	3,106.17m <sup>2</sup>	7,303.69m <sup>2</sup>	4,476.35m <sup>2</sup>	1,287.96m <sup>2</sup>
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Key points of properties	<ul style="list-style-type: none"> <li>The building is in the high profile area of Ebisu, which has the highest concentration of office buildings</li> <li>Compared with other buildings in the neighborhood, its large floor size of approx. 805m<sup>2</sup> on standard floors makes it highly competitive</li> <li>Large-scale renovations were completed in 2011, and the building continues to be a high grade property</li> </ul>	<ul style="list-style-type: none"> <li>Suited to the high traffic of Ebisu area and high demand by IT companies including software developers, apparel companies, as well as service providers such as restaurants, beauty salons and clinics and schools</li> <li>Large standard floor area of approx. 1,655 m<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Highly visible building located on the roadside of Meiji Street</li> <li>Approx. 346 m<sup>2</sup> astylar space on one floor allows highly efficient space usage</li> <li>Versatile rectangular building shape equipped with shared facilities along the sides allows partial leasing of the floor</li> </ul>	<ul style="list-style-type: none"> <li>Has strong competitive advantages compared with the office buildings in the neighborhood due to its large size</li> <li>Large-scale renovation of the building including seismic strengthening completed in 2008</li> <li>Above-ground ample parking spaces provides an attractive feature to companies including apparel companies that need to deliver products and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Located on the north side of Shiodome Siosite's western district, known as "Italy Town" which has a high traffic convenience</li> <li>Higher competitiveness compared with other office properties in the neighborhood due to its quake-absorbing structure</li> <li>Strong demand expected from affiliates and customers of the large corporations in other large buildings around "Shiodome" station</li> </ul>	<ul style="list-style-type: none"> <li>Convenient location close to center of the city with a good traffic convenience with several JR and Toei lines</li> <li>Area around "Tamachi" Station is highly concentrated of large companies because of easy access to "Shinagawa" Station providing Tokaido Shinkansen (bullet train), and to "Hamamatsu" Station providing direct access to Haneda Airport on JR Line</li> </ul>

## Portfolio ~Tokyo Office Properties~ (2/3)

Property name	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER (4-11th floors)	Shiodome Building (Note)
						
Location	Minami Ikebukuro, Toshima-ku, Tokyo	Shinbashi, Minato-ku, Tokyo	Nishigotanda, Shinagawa-ku, Tokyo	Konan, Minato-ku, Tokyo	Osaki, Shinagawa-ku, Tokyo	Kaigan, Minato-ku, Tokyo
Access	6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Marunouchi Line, Yurakucho Line, Fukutoshin Line/ Seibu Ikebukuro Line/ Tobu Tojo Line "Ikebukuro" Station	3-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station	3-minute walk from Toei Asakusa Line "Gotanda" station 4-minute walk from JR Yamanote Line "Gotanda" Station	4-minute walk from JR Tokaido Shinkansen, Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Keikyuu Main Line "Shinagawa" Station	4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Rinkai Line "Osaki" Station	3-minute walk from JR Line "Hamamatsucho" Station 3-minute walk from Toei Oedo Line/ Asakusa Line "Daimon" Station
Acquisition price (A)	¥3,990mn	¥5,650mn	¥5,730mn	¥3,800mn	¥10,690mn (sectional ownership)	¥30,300mn / ¥20,400mn / ¥20,900mn
Appraisal value (B)	¥4,020mn	¥5,780mn	¥5,750mn	¥3,800mn	¥11,200mn (sectional ownership)	¥30,450mn / ¥20,700mn / ¥21,100mn
vs appraisal value (A/B)	99.3%	97.8%	99.7%	100.0%	95.4%	99.5% / 98.6% / 99.1%
Appraisal NOI yield	5.2%	5.1%	4.5%	4.6%	4.6%	4.2% / 4.1% / 3.9%
Structure	Steel framed, RC	RC, SRC	RC, SRC	RC, SRC	RC, SRC	RC, SRC
Number of floors	7 floors above and 1 floor underground	9 floors above and 2 floors underground	10 floors above and 1 floor underground	8 floors above and 1 floor underground	25 floors above and 2 floors underground (total)	24 floors above and 2 floors underground
Gross floor area	4,709.05m <sup>2</sup>	7,143.97m <sup>2</sup>	5,782.65m <sup>2</sup>	3,937.61m <sup>2</sup>	54,363.84m <sup>2</sup> (total)	115,930.83m <sup>2</sup> (Total)
Total leasable area	3,409.73m <sup>2</sup>	5,052.14m <sup>2</sup>	4,028.69m <sup>2</sup>	2,986.36m <sup>2</sup>	7,193.28m <sup>2</sup> (sectional ownership)	28,136.05m <sup>2</sup>
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%
Key points of properties	<ul style="list-style-type: none"> <li>High-profile building located within a 6-minute walking distance from "Ikebukuro" Station along Meiji Street</li> <li>Relatively new building which is built by the latest building, facility specifications and located in an area with little supply of new office properties</li> <li>L-shaped floor with shared facilities along the sides offering a large versatility</li> </ul>	<ul style="list-style-type: none"> <li>Demand in this area expected from prospective tenants running various types of business in different categories</li> <li>The second through fifth floors were renovated from 2012 to 2013</li> </ul>	<ul style="list-style-type: none"> <li>High visibility by facing a platform of "Gotanda" Station on JR Line and locating on the corner of Sakurada Street (National Road No.1)</li> <li>An office building with a high profile facade, developed by Tokyuu Land Corporation</li> <li>The relative new building is equipped with high-tech facilities including 100mm-high free-access floors, individual air conditioning units and grid ceilings</li> </ul>	<ul style="list-style-type: none"> <li>High traffic convenience located a 4-minute walk from "Shinagawa" Station with easy access to major areas in Tokyo by several JR lines and Tokaido Shinkansen (bullet train) and to Haneda Airport by Keikyuu Line</li> <li>Located in Konan, an area with a high concentration of headquarter buildings of major companies</li> <li>Relatively compact rental area with 120 tsubo floor area on standard floors, with no pillars in the office spaces, allowing for efficient and versatile use of the floors</li> </ul>	<ul style="list-style-type: none"> <li>High convenience with a 4-minute walk from "Osaki" Station on JR Yamanote Line.</li> <li>Having BCP (Business Continuity Planning) facilities such as emergency power generation system enabling consecutive 48-hour electric power supply in addition to the newest earthquake resistant structure</li> </ul>	<ul style="list-style-type: none"> <li>Well located close to "Hamamatsucho" Station with a high visibility</li> <li>Only a 3-minute walk from JR "Hamamatsucho" Station and Toei "Daimon" Station with a direct access to Haneda Airport and major rail terminal stations such as Tokyo and Shinagawa</li> <li>Possess a highly competitiveness with standard office floor area of more than 1,000 tsubo, a rarity in Tokyo market, also is capable to divide the floor space which responds a variety of tenants needs</li> </ul>

(Note) Shiodome Building is calculated based on the pro rata share of the co-ownership interests (35%), except the gross floor which indicates the amount for the whole building.

Property name	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi
				
Location	Higashi, Shibuya-ku, Tokyo	Shibuya, Shibuya-ku, Tokyo	NishiGotanda, Shinagawa-ku, Tokyo	Konan, Minato-ku, Tokyo
Access	6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	4-minute walk from JR Yamanote Line Shibuya station "Shinminamiguchi" gate	1-minute walk from JR Yamanote Line/ Toei Asakusa Line/ Tokyu Ikegami Line "Gotanda" Station	7-minute walk from Shinagawa station on the JR Yamanote Line, Tokaido Shinkansen, Todaido Line, Keihin-Tohoku Line and Yokosuka Line, and the Keikyu Line
Acquisition price (A)	¥7,072mn	¥4,810mn	¥7,280mn	¥18,800mn
Appraisal value (B)	¥7,160mn	¥4,900mn	¥7,390mn	¥19,000mn
vs appraisal value (A/B)	98.8%	98.2 %	98.5%	98.9%
Appraisal NOI yield	4.4%	4.4 %	4.3%	4.2%
Structure	SRC	RC, SRC	SRC	SRC
Number of floors	10 floors above and 2 floors underground	8 floors above and 1 floor underground	9 floors above and 1 floor underground	8 floors above and 1 floor underground
Gross floor area	5,321.23m <sup>2</sup>	4,331.70m <sup>2</sup>	5,961.02m <sup>2</sup>	21,114.32m <sup>2</sup>
Total leasable area	4,010.69m <sup>2</sup>	2,983.36m <sup>2</sup>	4,316.89m <sup>2</sup>	14,658.98m <sup>2</sup>
Occupancy rate	100.0%	100.0%	100.0%	100.0%
Key points of properties	<ul style="list-style-type: none"> <li>Great lighting and visibility as it is located at the corner and along the Meiji street which is 6-minute walk from "Ebisu" station</li> <li>Well in appealing tenants in terms of facilities following the renewal of entrance/restroom and individualizing air conditioner despite the age of 20 years</li> <li>Implemented a large-scale renovation of external wall from 2016 to 2017</li> </ul>	<ul style="list-style-type: none"> <li>South entrance of Shibuya Station is expected to be developed with better accessibility through improvement of Shibuya Station and its surroundings as well as re-development on such area</li> <li>It underwent large-scale renovations from 2011 to 2012</li> </ul>	<ul style="list-style-type: none"> <li>Just 1-minute walk from the JR Yamanote Line "Gotanda" Station</li> <li>Features a standard office floor area of 148 tsubo with a ceiling height of 2,600 mm, individual air conditioning units, free access floor, etc. The astylar style rooms can be divided which enables to address flexibly the needs from tenants</li> <li>Addresses a wide range of demands of tenants including retail stores, owing to locational rarity and high visibility from the station</li> </ul>	<ul style="list-style-type: none"> <li>Excellent traffic links given the accessibility to Tokaido Shinkansen (bullet train), along with several JR Lines, and direct access to Haneda Airport via the Keikyu Line</li> <li>The area is expected to develop further with the prospective opening of the Linear Shinkansen (bullet train)</li> <li>Owns high competitiveness thanks to great specifications with standard floor area of approx. 687 tsubo and renewal works</li> </ul>




## Portfolio ~Activia Account Properties~ (1/2)

Property name	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building
						
Location	Shioe, Amagasaki City, Hyogo	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa	Ochiai, Tama City, Tokyo	Kanayama, Naka-ku, Nagoya City, Aichi	Nakanoshima, Kita-ku, Osaka City, Osaka
Access	2-minute walk from JR Tokaido Main Line, Fukuchiyama Line, Tozai Line "Amagasaki" Station	6-minute walk from Osaka Municipal Subway Midosuji Line "Nakamozu" Station 6-minute walk from Nankai Koya Line "Shirasagi" Station 8-minute walk from Nankai Koya Line "Nakamozu" Station	13-minute walk from Tokyu Denen Toshi Line/Oimachi Line "Takatsu" Station	4-minute walk from Keio Sagami-hara Line "Keio Tama Center" Station 4-minute walk from Odakyu Tama Line "Odakyu Tama Center" Station 4-minute walk from Tama Toshi Monorail "Tama Center" Station	1-minute walk from Nagoya Municipal Subway Meijo Line/Meiko Line "Kanayama" Station 2-minute walk from JR Chuo Line, Tokaido Line/Meitetsu Nagoya Main Line "Kanayama" Station	1-minute walk from Keihan Nakanoshima Line "Oebashi" Station 5-minute walk from Osaka Municipal Subway Midosuji Line "Yodoyabashi" Station
Acquisition price (A)	¥12,000mn	¥8,500mn	¥2,710mn	¥2,840mn (sectional ownership)	¥6,980mn	¥5,250mn / ¥5,850mn
Appraisal value (B)	¥12,100mn	¥8,880mn	¥2,950mn	¥2,990mn (sectional ownership)	¥7,120mn	¥5,800mn / ¥5,900mn
vs appraisal value (A/B)	99.2%	95.7%	91.9%	95.0%	98.0%	90.5%/99.2%
Appraisal NOI yield	5.0%	6.4%	6.7%	6.6%	5.6%	6.2%/5.5%
Structure	-	Steel framed	Steel framed	RC	Steel framed, SRC	SRC
Number of floors	-	3 floors above	4 floors above and 1 floor underground	15 floors above and 1 floor underground (total)	9 floors above and 1 floor underground	15 floors above and 3 floors underground
Gross floor area	-	27,408.34m <sup>2</sup>	14,032.05m <sup>2</sup>	31,553.75m <sup>2</sup> (total)	12,783.13m <sup>2</sup>	34,248.71m <sup>2</sup>
Total leasable area	27,465.44m <sup>2</sup>	28,098.02m <sup>2</sup>	14,032.05m <sup>2</sup>	5,181.58m <sup>2</sup> (sectional ownership)	9,314.91m <sup>2</sup>	20,231.13m <sup>2</sup>
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Key points of properties	<ul style="list-style-type: none"> <li>Multi-tenant property that represents Amagasaki city and is directly connected to the JR train station. Its tenants include the largest sports club and cinema complex in the region also around 140 boutiques</li> <li>Stable income expected owning to the 30-year term leasehold agreement (land) for commercial use with the leaseholder</li> </ul>	<ul style="list-style-type: none"> <li>Located in Nakamozu area where housing concentration is growing steadily as it connects Osaka City with Senboku New Town</li> <li>It is one of the No. 1 neighborhood shopping centers in the nearby commercial area</li> <li>Stable income is expected due to the 20-year fixed-term building lease contracts with such core tenants</li> </ul>	<ul style="list-style-type: none"> <li>Good access from the Tokyo city center as property is facing the trunk road and possessing a promising trade area</li> <li>Property presents one of the few opportunities to major retailers who want to open their shops roadside.</li> <li>Stable income ensured by leasing contracts with terms through 2018</li> </ul>	<ul style="list-style-type: none"> <li>Keio Sagami-hara Line and Odakyu Tama Line</li> <li>High concentration of residents in an area which is located in the center of Tama New Town. Property designed to be fully integrated in the city is connected with a station and retail properties by a pedestrian walkway</li> </ul>	<ul style="list-style-type: none"> <li>Property is located in front of "Kanayama" Station which has good access to "Nagoya" station and Chubu International Airport. The large standard floor size of 300 tsubo and its landmark exterior ensures sufficient competitiveness in the area</li> </ul>	<ul style="list-style-type: none"> <li>The Nakanoshima area features many office buildings, including financial institutions and government offices, such as the Bank of Japan Osaka branch and the Osaka City Hall, as well as offices of major companies such as The Asahi Shimbun Company and Kansai Electric Power</li> </ul>

## Portfolio ~Activia Account Properties~ (2/2)

Property name	icot Omori	Market Square Sagamihara	Umeda Gate Tower (5-20th floors)	A-PLACE Bashamichi	Commercial Mall Hakata
					
Location	Omorikita, Ota-ku, Tokyo	Shimokuzawa, Chuo-ku, Sagamihara-city, Kanagawa	Tsurunocho, Kita-ku, Osaka, Osaka	Honcho, Naka-ku, Yokohama, Kanagawa	Tokojimachi 2-chome, Hakata-ku, Fukuoka-city, Fukuoka
Access	3-minute walk from JR Keihinohoku Line "Omori" Station	15-minute walk from JR Sagamihara Line "Minamihashimoto" Station	3-minute walk from "Umeda" Station on the Hankyu Kyoto Line 6-minute walk from "Umeda" Station on the Osaka Municipal Subway Midosuji Line 7-minute walk from "Osaka" Station on the JR Tokaido Main Line	1-minute walk from "Bashamichi" Station on Minatomirai Line 7-minute walk from "Kannai" Station on JR Negishi Line	16-minute walk from "Takeshita" Station on the JR Kagoshima Main Line
Acquisition price (A)	¥5,790mn	¥4,820mn	¥19,000mn	¥ 3,930mn	¥6,100mn
Appraisal value (B)	¥5,810mn	¥4,820mn	¥19,600mn	¥4,350mn	¥6,270mn
vs appraisal value (A/B)	99.7%	100.0%	96.9%	90.3%	97.3%
Appraisal NOI yield	5.1%	5.5%	4.3%	6.4%	5.0%
Structure	RC, SRC	Steel framed	Steel framed, SRC	SRC	Steel framed
Number of floors	7 floors above and 1 floor underground	2 floors above	21 floors above and 1 floor underground (total)	12 floors above and 2 floors underground	3 floors above
Gross floor area	7,040.95㎡	9,719.38㎡	22,003.14㎡ (total)	14,009.06㎡	13,848.76㎡
Total leasable area	6,209.79㎡	15,152.42㎡	13,743.89㎡ (sectional ownership)	9,613.95㎡	9,612.88㎡
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%
Key points of properties	<ul style="list-style-type: none"> <li>A retail property located a 3-minute walk from Omori Station near the rotary in front of the station</li> <li>Deserved competitiveness as a community-based property close to the station with tenants related to commodity business</li> <li>Tenants a major sport club equipped with a swimming pool with 8 lanes and studios in approx.1,200 tsubo</li> </ul>	<ul style="list-style-type: none"> <li>Newly opened in July 2014</li> <li>Tenants – a major home electronics retailer K's Denki, a major supermarket chain OK Store, and a well-known revolving sushi chain Hamazushi – cater to the needs of local area residents</li> </ul>	<ul style="list-style-type: none"> <li>Located in Umeda area, one of leading business and commercial districts in Osaka</li> <li>A large-scale office building completed in 2010, with a gross floor area of approx. 6,700 tsubo</li> <li>Equipped with the latest specification such as 16-zone individual air-conditioning system and high-performance seismic structural control system</li> <li>Standard office floor area of approx. 265 tsubo, the rental space in rectangular shape with astylar structure dividable into up to 8 spaces, addressing the needs of variety of tenants</li> </ul>	<ul style="list-style-type: none"> <li>Located above "Bashamichi" Station</li> <li>Concentration of government administration offices including Kanagawa Pref. Government's Office and Yokohama Second Common Government Office, and Yokohama i-Land TOWER in which Urban Renaissance Agency sets up its headquarter</li> <li>Further development is expected due to relocation plan of Yokohama City Hall in 2020 and developments of large-scale condos and hotels</li> <li>A multi-tenant office building with large-scale standard floor area of approx. 347 tsubo, reducing the risk of vacancy</li> </ul>	<ul style="list-style-type: none"> <li>Located in Hakata-ku, Fukuoka-city, which has the largest population growth rate among Japan's government-designated cities</li> <li>Widely facing the Chikushi Street, a heavy traffic road with two lanes in each direction, the property is highly visible and easily accessible</li> <li>A commercial facility attracting crowds by various tenants including nation-wide chains such as TSUTAYA and UNIQLO</li> </ul>

## Trends of Cap Rate (Note 1)

Category	Property #	Property name	Acquisition date	Acquisition price (¥mn)	At acquisition	2nd period (2012/11)	3rd period (2013/5)	4th period (2013/11)	5th period (2014/5)	6th period (2014/11)	7th period (2015/5)	8th period (2015/11)	9th period (2016/5)	10th period (2016/11)	11th period (2017/5)	12th period (2017/11)	
	UR-1	Tokyu Plaza Omotesando Harajuku <sup>(Note 2)</sup>	2012/06/13	45,000	3.8%	3.7%	3.7%	3.6%	3.4%	3.3%	3.2%	3.1%	3.1%	3.0%	2.9%	2.8%	
	UR-2	Tokyu Plaza Akasaka <sup>(Note 2)</sup>	2012/06/13	11,450	5.3%	5.3%	5.2%	5.1%	4.9%	4.8%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	
	UR-3	Q plaza EBISU	2012/06/13	8,430	4.3%	4.3%	4.2%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.6%	3.5%	3.4%	
	UR-4	Shinbashi Place	2012/06/13	20,500	4.9%	4.9%	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.5%	4.4%	4.4%	4.4%	
	UR-5	Kyoto Karasuma Parking Building	2012/06/13	8,860	5.7%	5.7%	5.7%	5.6%	5.5%	5.4%	5.3%	5.2%	5.1%	5.0%	4.9%	4.9%	
	UR-6	A-FLAG AKASAKA	2013/08/30	3,000	4.3%	-	-	4.3%	4.2%	4.0%	3.9%	3.8%	3.8%	3.7%	3.7%	3.7%	
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	2013/12/19	21,330	4.8%	-	-	-	4.7%	4.6%	4.5%	4.3%	4.2%	4.1%	4.1%	4.0%	
	UR-8	A-FLAG SAPPORO	2013/12/19	4,410	6.5%	-	-	-	6.2%	6.0%	6.0%	5.9%	5.8%	5.7%	5.6%	5.5%	
	UR-9	A-FLAG SHIBUYA	2013/12/19	6,370	4.8%	-	-	-	4.7%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	4.0%	
	UR-10	Q plaza SHINSAIBASHI	2015/12/16	13,350	3.9%	-	-	-	-	-	-	-	3.9%	3.8%	3.7%	3.6%	
	UR-11	A-FLAG KOTTO DORI	2016/12/20	4,370	3.8%	-	-	-	-	-	-	-	-	-	3.6%	3.5%	
	UR-12	A-FLAG BIJUTSUKAN DORI	2016/12/2	4,700	3.8%	-	-	-	-	-	-	-	-	-	3.6%	3.6%	
	UR-13	A-FLAG DAIKANYAMA WEST	2017/1/6	2,280	4.1%	-	-	-	-	-	-	-	-	-	4.0%	3.9%	
	TO-1	TLC Ebisu Building	2012/06/13	7,400	4.7%	4.7%	4.6%	4.6%	4.5%	4.3%	4.2%	4.1%	4.1%	4.0%	3.9%	3.8%	
	TO-2	A-PLACE Ebisu Minami	2012/06/13	9,640	4.6%	4.6%	4.5%	4.5%	4.4%	4.2%	4.1%	4.0%	4.0%	3.9%	3.8%	3.7%	
	TO-3	A-PLACE Yoyogi	2012/06/13	4,070	4.6%	4.6%	4.5%	4.6%	4.5%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	
	TO-4	A-PLACE Aoyama	2012/06/13	8,790	4.9%	4.9%	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	
	TO-5	Luogo Shiodome	2012/06/13	4,540	4.5%	4.5%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.6%	
	TO-6	TAMACHI SQUARE (Land)	2012/06/13	(Note 3) 2,338	4.4%	-	-	-	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	
	TO-7	A-PLACE Ikebukuro	2012/06/13	3,990	5.1%	5.1%	5.0%	4.9%	4.9%	4.8%	4.6%	4.5%	4.5%	4.4%	4.3%	4.3%	
	TO-8	A-PLACE Shinbashi	2013/04/19	5,650	4.7%	-	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.1%	4.0%	3.9%	3.9%	
	TO-9	A-PLACE Gotanda	2014/01/10	5,730	4.4%	-	-	-	4.3%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	
	TO-10	A-PLACE Shinagawa	2014/01/10	3,800	4.4%	-	-	-	4.3%	4.2%	4.1%	4.0%	4.0%	3.9%	3.8%	3.8%	
	TO-11	OSAKI WIZTOWER	2014/06/24	10,690	4.3%	-	-	-	-	4.2%	4.1%	3.9%	3.8%	3.7%	3.6%	3.5%	
	TO-12	Shiodome Building <sup>(Note 4)</sup>	2015/01/09	30,300	3.9%	-	-	-	-	-	3.8%	3.8%	3.7%	3.6%	3.5%	3.5%	
			2015/12/16	20,400	3.8%	-	-	-	-	-	-	-	-	-	-	-	
			2016/12/2	20,900	3.6%	-	-	-	-	-	-	-	-	-	-	-	
	TO-13	A-PLACE Ebisu Higashi	2015/7/29	7,072	4.1%	-	-	-	-	-	-	4.0%	4.0%	3.9%	3.8%	3.7%	
	TO-14	A-PLACE Shibuya Konnoh	2015/10/1	4,810	4.0%	-	-	-	-	-	-	4.0%	3.9%	3.8%	3.7%	3.6%	
TO-15	A-PLACE Gotanda Ekimae	2016/7/1	7,280	4.1%	-	-	-	-	-	-	-	-	4.0%	3.9%	3.8%		
TO-16	A-PLACE Shinagawa Higashi	2017/3/16	18,800	4.0%	-	-	-	-	-	-	-	-	-	4.0%	3.9%		
	AA-1	Amagasaki Q's MALL (Land)	2012/06/13	12,000	5.0%	5.0%	5.0%	4.9%	4.8%	4.8%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	
	AA-2	icot Nakamotozu	2012/06/13	8,500	6.0%	6.0%	5.9%	5.8%	5.6%	5.5%	5.4%	5.3%	5.3%	5.2%	5.2%	5.2%	
	AA-4	icot Mizonokuchi	2012/06/13	2,710	6.0%	6.0%	6.0%	5.9%	5.8%	5.8%	5.7%	5.6%	5.5%	5.4%	5.4%	5.4%	
	AA-5	icot Tama Center	2012/06/13	2,840	6.2%	6.2%	6.2%	6.1%	6.0%	5.9%	5.8%	5.7%	5.6%	5.4%	5.3%	5.2%	
	AA-6	A-PLACE Kanayama	2012/06/13	6,980	5.3%	5.3%	5.2%	5.4%	5.4%	5.4%	5.4%	5.3%	5.2%	5.1%	5.1%	5.1%	
	AA-7	Osaka Nakanoshima Building <sup>(Note 5)</sup>	2013/01/25	5,250	5.0%	-	5.0%	5.0%	4.9%	4.8%	-	4.6%	4.5%	4.5%	4.4%	4.3%	4.2%
			2014/12/19	5,850	4.8%	-	-	-	-	-	-	-	-	-	-	-	
	AA-8	icot Omori	2013/12/19	5,790	5.1%	-	-	-	5.0%	4.9%	4.8%	4.7%	4.7%	4.7%	4.6%	4.5%	
	AA-9	Market Square Sagamiyara	2015/01/09	4,820	5.6%	-	-	-	-	-	5.5%	5.4%	5.4%	5.3%	5.3%	5.3%	
	AA-10	Umeda Gate Tower	2016/9/21	19,000	4.0%	-	-	-	-	-	-	-	-	3.9%	3.8%	3.7%	
	AA-11	A-PLACE Bashamichi	2016/10/6	3,930	5.1%	-	-	-	-	-	-	-	-	5.0%	4.9%	4.9%	

(Note 1) Calculated based on direct capitalization method.

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

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

(Note 4) Regarding Shiodome Building, the first row, the second row, and the third row represent the figures for the stake acquired on January 9, 2015, December 16, 2015 and December 2, 2016 (co-ownership of 15%, 10% and 10%, respectively).

(Note 5) Regarding Osaka Nakanoshima Building, the first row represents the figures for the stake acquired on January 25, 2013 and the second row represents the figures for the stake acquired on December 19, 2014 (co-ownership of 50% each).

## Portfolio Appraisal Values Status/PML (1/2)

## 39 properties (as of Nov. 30, 2017)

(In millions of yen)

Category	Property #	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note 1)	Appraisal value	Capitalization Value						PML(%)
							Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)	NOI (Note 2)	
UR URBAN RETAIL	UR-1	Tokyu Plaza Omotesando Harajuku (Note 3)	45,000	10.4%	J	58,200	58,875	2.8%	57,525	2.5%	2.9%	1,643	2.9
	UR-2	Tokyu Plaza Akasaka (Note 3) (Note 6)	11,450	2.7%	T	15,000	15,100	4.1%	14,900	4.2%	4.3%	717	3.6
	UR-3	Q plaza EBISU (Note 4)	8,430	2.0%	T	11,100	11,100	3.4%	11,100	3.6%/3.5%	3.6%	377	5.7
	UR-4	Shinbashi Place	20,500	4.8%	D	20,500	21,100	3.6%	20,300	3.3%	3.7%	755	6.8
	UR-5	Kyoto Karasuma Parking Building	8,860	2.1%	D	11,100	11,200	4.9%	11,100	4.9%	5.1%	560	2.4
	UR-6	A-FLAG AKASAKA	3,000	0.7%	J	3,730	3,790	3.6%	3,660	3.4%	3.8%	138	6.4
	UR-7	Kobe Kyu Kyoryuchi 25bankan	21,330	4.9%	J	26,800	27,100	4.0%	26,400	3.8%	4.2%	1,091	2.6
	UR-8	A-FLAG SAPPORO (Note 6)	4,410	1.0%	D	6,880	6,880	5.5%	6,880	5.3%	5.7%	451	0.3
	UR-9	A-FLAG SHIBUYA	6,370	1.5%	D	7,400	7,530	4.0%	7,350	3.8%	4.2%	307	7.9
	UR-10	Q plaza SHINSAIBASHI	13,350	3.1%	V	14,400	14,300	3.6%	14,500	3.4%	3.8%	514	6.9
	UR-11	A-FLAG KOTTO DORI	4,370	1.0%	D	4,780	4,930	3.5%	4,710	3.2%	3.6%	180	6.4
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	1.1%	J	4,760	4,840	3.6%	4,680	3.4%	3.8%	176	7.5
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	0.5%	V	2,400	2,460	3.9%	2,340	3.7%	4.1%	90	4.2
TO TOKYO OFFICE	TO-1	TLC Ebisu Building	7,400	1.7%	T	9,860	9,920	3.8%	9,840	3.9%	4.0%	424	6.5
	TO-2	A-PLACE Ebisu Minami	9,640	2.2%	T	13,600	13,600	3.7%	13,600	3.8%	3.9%	514	8.0
	TO-3	A-PLACE Yoyogi	4,070	0.9%	V	4,610	4,670	3.9%	4,540	3.7%	4.1%	186	5.1
	TO-4	A-PLACE Aoyama (Note 6)	8,790	2.0%	D	9,680	9,790	4.0%	9,630	3.8%	4.2%	408	8.9
	TO-5	Luogo Shiodome	4,540	1.1%	D	6,220	6,330	3.6%	6,170	3.4%	3.8%	237	2.7
	TO-6	TAMACHI SQUARE (Land)	2,338	0.5%	T	2,770	2,880	3.7%	2,720	4.1%	3.9%	107	(Note 5)-
	TO-7	A-PLACE Ikebukuro	3,990	0.9%	J	5,010	5,080	4.3%	4,940	4.1%	4.5%	224	3.2
	TO-8	A-PLACE Shinbashi	5,650	1.3%	J	6,670	6,790	3.9%	6,550	3.7%	4.1%	279	7.4
	TO-9	A-PLACE Gotanda	5,730	1.3%	M	6,930	7,060	3.7%	6,800	3.5%	3.9%	262	6.1
	TO-10	A-PLACE Shinagawa	3,800	0.9%	J	4,300	4,380	3.8%	4,220	3.6%	4.0%	171	4.9
	TO-11	OSAKI WIZTOWER	10,690	2.5%	D	14,500	14,500	3.5%	14,500	3.1%	3.5%	511	2.4
	TO-12	Shiodome Building (Note 3)	71,600	16.6%	M	74,550	78,400	3.5%	72,800	3.3%	3.7%	2,755	2.6

(Note 1) Abbreviation represents each appraisal agency as follows: J: Japan Real Estate Institute; T: The Tanizawa Sōgō Appraisal; D: Daiwa Real Estate Appraisal Corp.; V: Japan Valuers; and M: Morii Appraisal &amp; Investment Consulting.

(Note 2) Calculated based on Direct capitalization method. The figures are rounded to million yen.

(Note 3) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and Shiodome Building are calculated based on the pro rata base share of the respective co-ownership interests (75%, 50% and 35%).



(Note 4) The discount rate for Q Plaza EBISU is 3.6% from the 1<sup>st</sup> to the 6th year and 3.5% from the 7th year onwards. (Note 5) Not listed as we own only the land for TAMACHI SQUARE (land).

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



## Portfolio Appraisal Values Status/PML (2/2)

## 39 properties (as of Nov. 30, 2017)

(In millions of yen)


Category	Property #	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note 1)	Appraisal value	Capitalization Value					PML(%)	
							Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)		NOI (Note 2)
	TO-13	A-PLACE Ebisu Higashi	7,072	1.6%	V	7,680	7,860	3.7%	7,490	3.5%	3.9%	294	5.2
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.1%	V	5,340	5,420	3.6%	5,260	3.3%	3.7%	201	4.3
	TO-15	A-PLACE Gotanda Ekimae	7,280	1.7%	V	7,650	7,770	3.8%	7,520	3.5%	3.9%	299	7.7
	TO-16	A-PLACE Shinagwa Higashi	18,800	4.4%	M	19,500	19,900	3.9%	19,000	3.7%	4.1%	795	4.3
	AA- 1	Amagasaki Q's MALL (Land)	12,000	2.8%	J	13,900	14,000	4.3%	13,700	4.0%	4.5%	600	(Note 4)-
	AA- 2	icot Nakamozu (Note 5)	8,500	2.0%	T	10,200	10,300	5.2%	10,100	5.1%/5.2%	5.4%	547	4.8
	AA- 4	icot Mizonokuchi	2,710	0.6%	M	3,250	3,320	5.4%	3,170	5.2%	5.8%	183	8.3
	AA- 5	icot Tama Center	2,840	0.7%	J	3,810	3,810	5.2%	3,810	4.8%	5.4%	201	1.8
	AA- 6	A-PLACE Kanayama	6,980	1.6%	V	7,900	7,950	5.1%	7,850	4.9%	5.3%	412	5.3
	AA- 7	OsakaNakanoshima Building	11,100	2.6%	J	13,800	13,900	4.2%	13,600	4.0%	4.4%	662	7.9
	AA- 8	icot Omori	5,790	1.3%	J	6,590	6,670	4.5%	6,500	4.3%	4.7%	302	3.9
	AA- 9	Market Square Sagamihara	4,820	1.1%	V	5,020	5,050	5.3%	4,990	5.1%	5.5%	265	7.7
	AA-10	Umeda Gate Tower	19,000	4.4%	D	21,000	21,600	3.7%	20,800	3.4%	3.8%	806	2.4
	AA-11	A-PLACE Bashamichi	3,930	0.9%	M	4,500	4,600	4.9%	4,400	4.6%	5.1%	251	10.2
<b>Subtotal (existing 39 properties)</b>			<b>407,920</b>	<b>94.5%</b>	-	<b>475,890</b>	<b>484,755</b>	-	<b>469,945</b>	-	-	<b>18,895</b>	-

## New assets (as of Oct. 1, 2017) (A-FLAG KITA SHINSAIBASHI, DECKS Tokyo Beach, Commercial Mall Hakata)

Category	Property #	Property name	Acquisition price	Investment ratio (%)	Appraisal agency (Note 1)	Appraisal value	Capitalization Value					PML(%)	
							Direct capitalization method	Capitalization rate(%)	Discounted cash flow method	Discount rate (%)	Terminal capitalization rate(%)		NOI (Note 2)
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	1.1%	V	4,770	4,990	4.0%	4,700	3.7%	4.1%	202	5.4
	UR-15	DECKS Tokyo Beach (Note 3)	12,740	3.0%	M	12,887	13,083	4.0%	12,642	3.8%	4.2%	565	4.0
	AA-12	Commercial Mall Hakata	6,100	1.4%	V	6,270	6,300	4.8%	6,240	4.5%	4.9%	306	1.9
<b>Subtotal (New assets)</b>			<b>23,565</b>	<b>5.5%</b>	-	<b>23,927</b>	<b>24,373</b>	-	<b>23,582</b>	-	-	<b>1,073</b>	-
<b>Total</b>			<b>431,485</b>	<b>100.0%</b>		<b>499,817</b>	<b>509,128</b>	-	<b>493,527</b>	-	-	<b>19,968</b>	(Note 6)2.3

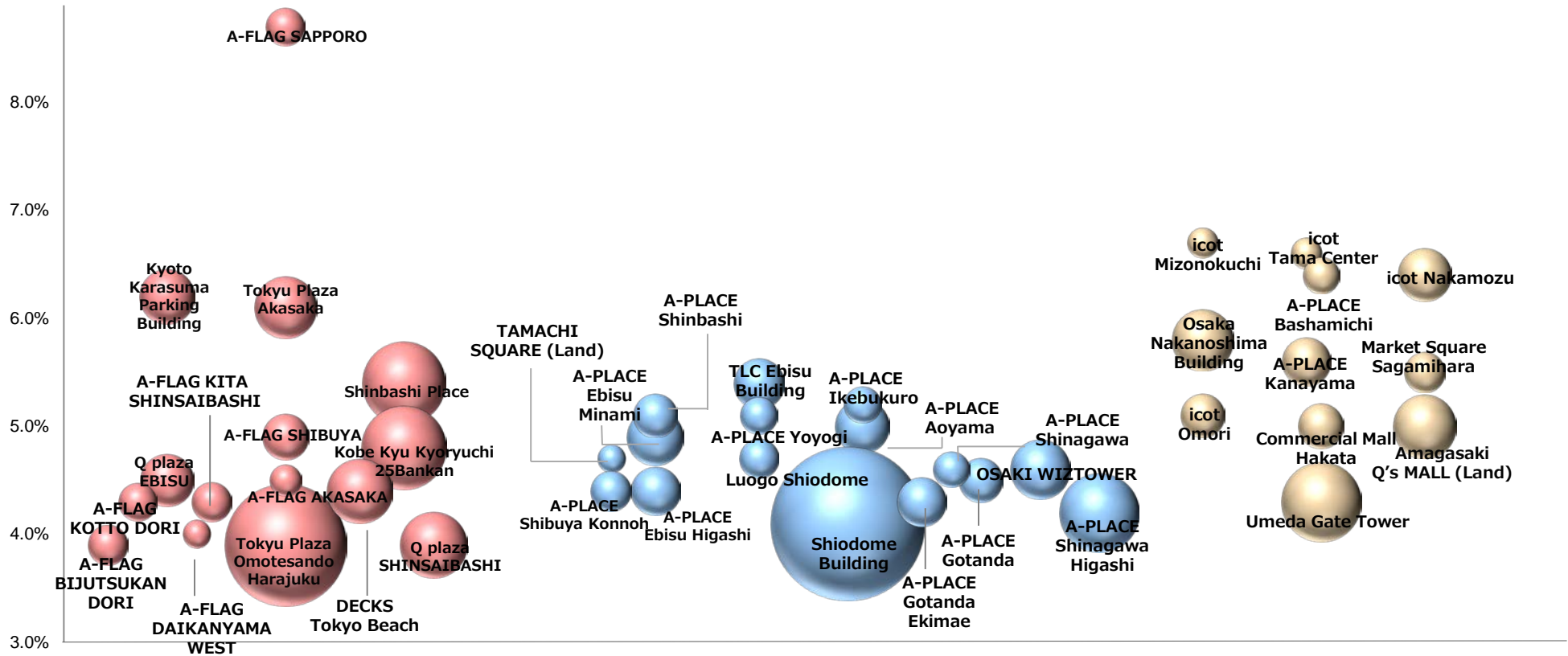
(Note 1) Abbreviation represents each appraisal agency as follows: J: Japan Real Estate Institute; T: The Tanizawa Sōgō Appraisal; D: Daiwa Real Estate Appraisal Corp.; V: Japan Valuers; and M: Mori Appraisal &amp; Investment Consulting.

(Note 2) Calculated based on Direct capitalization method. The figures are rounded to million yen. (Note 3) DECKS Tokyo Beach is calculated based on the pro rata base share of the co-ownership interest (49%).

(Note 4) Not listed as we own only the land for Amagasaki Q's MALL (Land). (Note 5) The discount rate for icot Nakamozu is 5.1% from the 1<sup>st</sup> to the 5<sup>th</sup> year and 5.2% from the 6<sup>th</sup> year onwards.(Note 6) Calculation is based on the seismic data derived from the "National Seismic Hazard Maps for Japan" publicized by the Headquarters for Earthquake Research Promotion, Ministry of Education, Culture, Sports, Science and Technology.  Activia in Dec. 2012. The figures are rounded to the first decimal place. PML for the entire portfolio is based on the "Report of portfolio seismic PML analysis" as of Nov. 2017.



# API Portfolio Matrix (Asset Types × NOI Yield)



**Number of Properties : 15**  
**Appraisal NOI Yield : 4.7%**  
**Acquisition Price : ¥171.5bn**



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



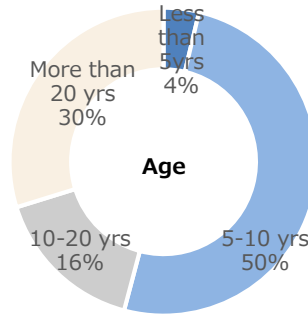
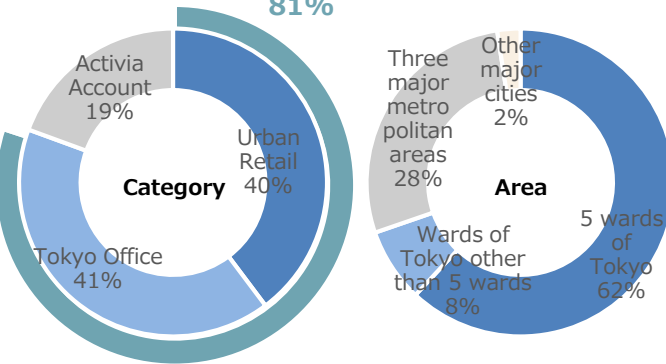
**Number of Properties : 11**  
**Appraisal NOI Yield : 5.4%**  
**Acquisition Price : ¥83.8bn**

**Number of Properties : 42, Appraisal NOI Yield : 4.7%,  
 Acquisition Price : ¥431.5bn**

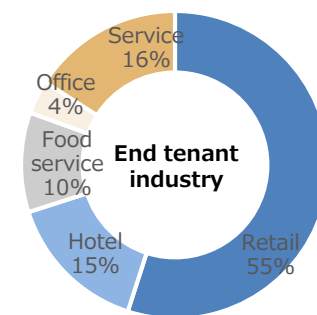
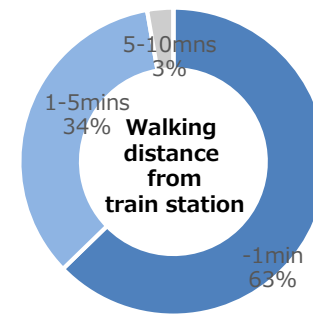
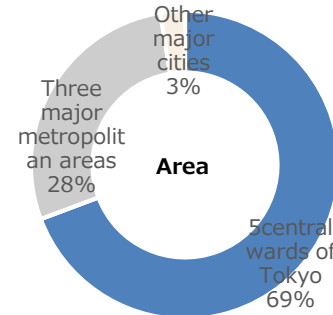
Entire Portfolio

Urban Retail Properties

UR and TO  
81%

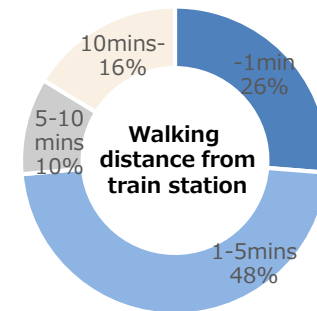
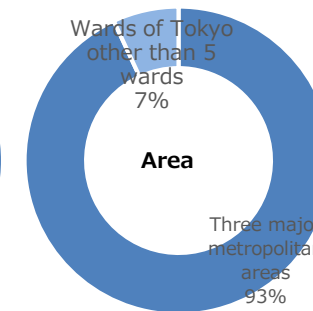
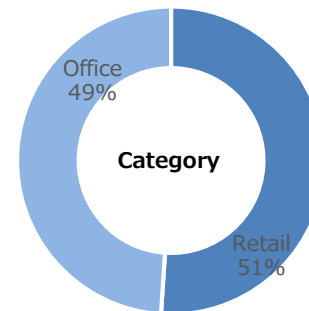
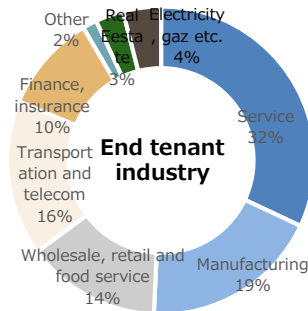
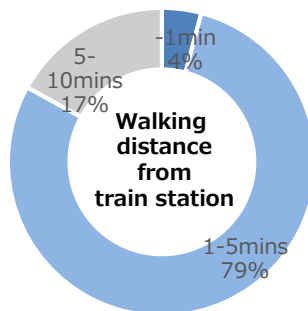
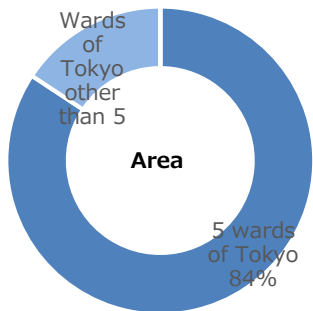


Portfolio average  
15.8 yrs



Tokyo Office Properties

Activia Account Properties



(Note 1) Data are based on 42 properties including A-FLAG KITA SHINSAIBASHI, DECKS Tokyo Beach and Commercial Mall Hakata, three properties acquired in 13th period.

(Note 2) Average of property age is calculated excluding the properties API owns only land.

(Note 3) Industrial distribution is based on annual rents as of Nov. 30, 2017.

# 10 Largest Tenants / Average Monthly Rents for TO Properties / Contract Period & Remaining Years

## 1. 10 largest tenants by leased area (Note 1)

End-tenant	Property name	Total leased area (m <sup>2</sup> )	Ratio of leased area (%) (Note 2)	Lease expiration (Note 5)
1. Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka (Note 3) Tokyu Plaza Sapporo	30,183	7.6	2021/10
2. Sumitomo Mitsui Trust Bank, Limited	TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	28,753	7.2	2074/5 2042/1
3. Kohnan Shoji Co., Ltd.	icot Nakamozu	26,529	6.7	2027/7
4. Times24 Co., Ltd.	Kyoto Karasuma Parking Building	21,224	5.3	-
5. Plan·Do·See	Kobe Kyu Kyoryuchi 25Bankan	14,195	3.6	-
6. Room's-Taishodo	icot Mizonokuchi	14,032	3.5	2018/7 (Note 6)
7. K'S HOLDINGS CORPORATION	Market Square Sagami-hara	11,864	3.0	2034/6
8. NTT Communications	Shiodome Building (Note 3)	10,337	2.6	-
9. Yamada-Denki Co., Ltd.	Shinbashi Place	9,156	2.3	2018/5 (Note 7)
10. YANMAR Co., Ltd.	Umeda Gate Tower	8,745 (Note 4)	2.2	-

(Note 1) Based on the lease agreements as of Nov.30, 2017 of 42 properties including A-FLAG KITA SHINSAIBASHI, DECKS Tokyo Beach (49% co-ownership) and Commercial Mall Hakata

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

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

(Note 4) Lease of partial area (875m<sup>2</sup>) will terminate, though no change will be made to the rank.

(Note 5) "-" denotes that the data is not disclosed due to no consent from tenants.

(Note 6) New lease contract has been concluded with an expiration month as July 2023.

(Note 7) Yamada-Denki Co., Ltd. will move-out in May 2018 upon expiration of the lease.

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

	Tokyo Office	Tokyo Office (at IPO) (Note)
4 <sup>th</sup> Period Nov. 2013	¥19,338	¥19,556
5 <sup>th</sup> Period May 2014	¥19,813 (+2.5%)	¥19,400 (-0.8%)
6 <sup>th</sup> Period Nov. 2014	¥19,230 (-2.9%)	¥19,270 (-0.7%)
7 <sup>th</sup> Period May 2015	¥22,242 (+15.7%)	¥19,548 (+1.4%)
8 <sup>th</sup> Period Nov. 2015	¥22,127 (-0.5%)	¥19,995 (+2.3%)
9 <sup>th</sup> Period May 2016	¥23,358 (+5.6%)	¥20,406 (+2.1%)
10 <sup>th</sup> Period Nov. 2016	¥23,441 (+0.4%)	¥20,748 (+1.7%)
11 <sup>th</sup> Period May 2017	¥23,323 (-0.5%)	¥21,253 (+2.4%)
12 <sup>th</sup> Period Nov. 2017	¥23,510 (+0.8%)	¥21,681 (+2.0%)

(Note) "Tokyo Office Properties (at IPO)" refers to 6 properties: TLC Ebisu Building, A-PLACE Ebisu-Minami, A-PLACE Yoyogi, A-PLACE Aoyama, Luogo Shiodome and A-PLACE Ikebukuro

## 3. Contract period and remaining contract period

	Urban Retail	Tokyo Office	Activia Account	Total
Contract Period (Year)	9.3	4.0(3.3)	11.2(8.3)	7.7(6.8)
Remaining Contract Period (Year)	3.9	1.9(1.2)	7.1(4.6)	3.9(3.0)

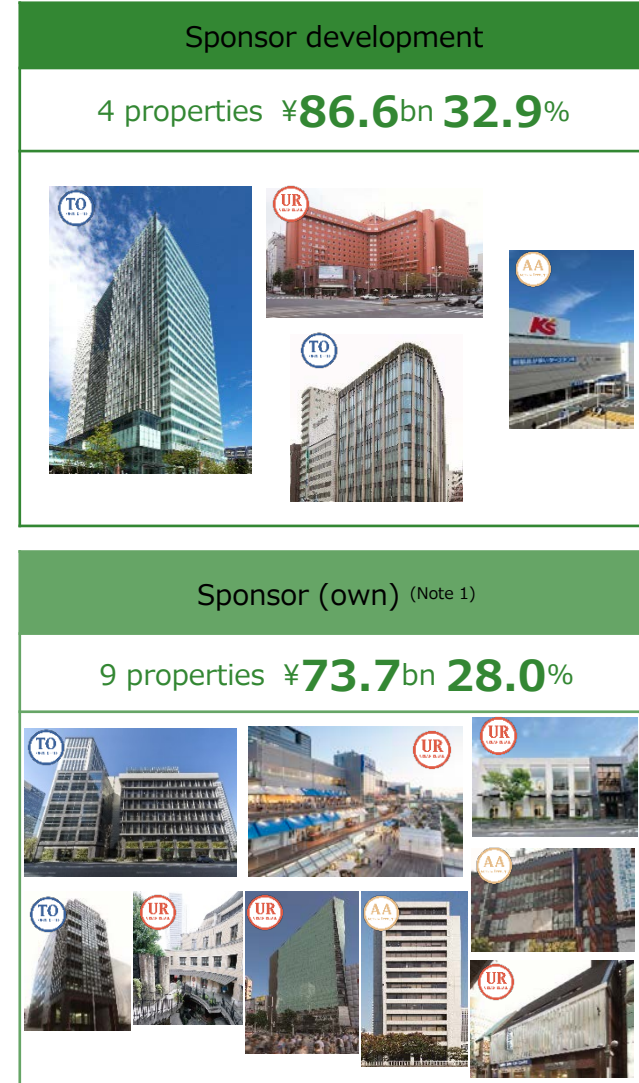
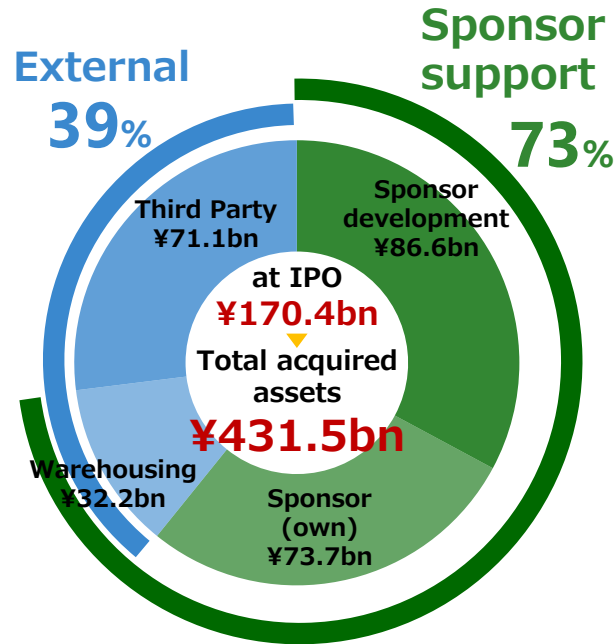
(Note 1) The figures in the parenthesis are excluding those of TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land).

(Note 2) Based on the lease agreements as of Nov. 30, 2017 of 42 properties including A-FLAG KITA SHINSAIBASHI, DECKS Tokyo Beach (49% co-ownership interest) and Commercial Mall Hakata.

(Note 3) The figures are based on rents.

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

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



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

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

## Major Developments and Properties by Tokyu Fudosan Holdings Group

## ■ Major developments and properties by Tokyu Fudosan Holdings Group



## &lt;Major developments &amp; holding properties : retail properties &gt;

No.	Name	Nearest Station	Walking Distance	Completion	Total Floor Area
—	Tokyu Plaza Kamata	Kamata	Direct	1968	28,000㎡
1	Shibuya BEAM	Shibuya	5	1992	7,000㎡
2	Daini Musashino Building	Shinjuku 3-chome	1	1992	6,000㎡
—	Northport Mall	Center Kita	1	2007	141,000㎡
—	Tokyu Plaza Totsuka	Totsuka	Direct	2010	10,000㎡
—	Futakotamagawa rise S.C.	Futakotamagawa	1	2011	20,000㎡
3	Q plaza HARAJUKU	Meiji-jingumae	1	2015	8,000㎡
4	Tokyu Plaza Ginza	Ginza	1	2016	59,000㎡

## &lt;Major developments &amp; holding properties :office properties &gt;

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

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

## Balance Sheets ~12th Period ended Nov. 2017~

	(In thousands of yen)	
	11th period	12th period
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	12,959,519	15,165,946
Cash and deposits in trust	2,881,469	2,723,436
Operating accounts receivable	645,163	486,257
Prepaid expenses	449,641	292,870
Deferred tax assets	10	18
Consumption taxes receivable	-	-
Other	2,241	2,230
<b>Total current assets</b>	<b>16,938,046</b>	<b>18,670,759</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Building in trust	79,082,209	79,354,657
Accumulated depreciation	(7,373,381)	(8,503,434)
Building in trust, net	71,708,828	70,851,222
Structures in trust	637,056	638,231
Accumulated depreciation	(116,034)	(132,712)
Structures in trust, net	521,022	505,519
Machinery and equipment in trust	1,352,828	1,364,809
Accumulated depreciation	(241,957)	(271,072)
Machinery and equipment in trust, net	1,110,871	1,093,736
Tools, furniture and fixtures in trust	131,955	150,520
Accumulated depreciation	(54,665)	(68,153)
Tools, furniture and fixtures in trust, net	77,290	82,367
Land in trust	325,281,819	325,281,819
Construction in progress in trust	-	1,126
Total property, plant and equipment	398,699,831	397,815,791
Intangible assets		
Leasehold rights in trust	9,130,097	9,130,097
Other	784	3,032
Total intangible assets	9,130,881	9,133,130
Investments and other assets		
Long-term prepaid expenses	1,052,097	1,064,673
Derivatives	65,673	72,117
Other	15,217	15,217
Total investments and other assets	1,132,989	1,152,009
<b>Total noncurrent assets</b>	<b>408,963,702</b>	<b>408,100,931</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	75,651	66,891
Total deferred assets	75,651	66,891
<b>Total assets</b>	<b>425,977,400</b>	<b>426,838,582</b>

	(In thousands of yen)	
	11th period	12th period
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	668,243	764,214
Short-term borrowings	10,000,000	10,000,000
Long-term borrowing to be repaid within a year	25,000,000	25,000,000
Accounts payable-other	103,682	65,580
Accrued expenses	720,452	822,039
Income taxes payable	784	972
Accrued consumption taxes	232,885	494,431
Advances received	428,034	434,216
Deposits received	23,755	1,190
Other	4,076	-
<b>Total current liabilities</b>	<b>37,181,916</b>	<b>37,582,644</b>
<b>Noncurrent liabilities</b>		
Investment corporation bonds	16,000,000	16,000,000
Long-term borrowings payable	145,150,000	145,150,000
Tenant leasehold and security deposits in trust	19,194,160	19,582,816
Other	51	23
<b>Total noncurrent liabilities</b>	<b>180,344,211</b>	<b>180,732,839</b>
<b>Total liabilities</b>	<b>217,526,128</b>	<b>218,315,484</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	202,233,447	202,233,447
Surplus		
Unappropriated retained earnings (undisposed loss)	6,152,150	6,157,532
Total surplus	6,152,150	6,157,532
Total unitholders' equity	208,385,598	208,450,980
<b>Valuation, translation, adjustments and others</b>		
Deferred gains or losses on hedges	65,673	72,117
Total valuation, translation, adjustments and others	65,673	72,117
<b>Total net assets</b>	<b>208,451,272</b>	<b>208,523,097</b>
<b>Total liabilities and net assets</b>	<b>425,977,400</b>	<b>426,838,582</b>

## Statement of Income ~12th Period ended Nov. 2017~

	(In thousands of yen)	
	11th period	12th period
<b>Operating revenue</b>		
Rent revenue-real estate	11,370,770	11,861,072
Other lease business revenue	736,582	859,517
<b>Total Operating revenue</b>	<b>12,107,352</b>	<b>12,720,589</b>
<b>Operating expenses</b>		
Expenses related to rent business	4,097,908	4,509,419
Asset management fee	915,853	1,013,473
Asset custody fee	11,446	11,946
Administrative service fee	29,098	31,652
Directors' compensations	3,300	3,300
Other operating expenses	69,516	76,091
<b>Total operating expenses</b>	<b>5,127,122</b>	<b>5,645,884</b>
<b>Operating income (loss)</b>	<b>6,980,230</b>	<b>7,074,704</b>
<b>Non-operating income</b>		
Interest income	60	68
Interest on securities	113	-
Reversal of distribution payable	1,768	1,456
Interest on refund	1,076	-
Insurance income	-	177
<b>Total non-operating income</b>	<b>3,019</b>	<b>1,702</b>
<b>Non-operating expenses</b>		
Interest expenses	598,109	609,206
Interest expenses on investment corporation bonds	29,422	31,863
Amortization of investment corporation bond issuance costs	7,524	8,760
Investment unit issuance expenses	48,191	55,185
Borrowing related expenses	146,928	152,635
Other	500	500
<b>Total non-operating expenses</b>	<b>830,676</b>	<b>858,151</b>
<b>Ordinary income (loss)</b>	<b>6,152,573</b>	<b>6,218,255</b>
Income (loss) before income taxes	6,152,573	6,218,255
Income taxes-current	811	982
Income taxes-deferred	7	(8)
<b>Total income taxes</b>	<b>818</b>	<b>974</b>
Net income (loss)	6,151,755	6,217,281
Retained earnings (deficit) brought forward	395	251
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>6,152,150</b>	<b>6,217,532</b>

## Overview of Lease, Profit and Loss for the 12th Period ~Ended Nov. 2017 ~ (1/3)

	Urban Retail Properties												
	Tokyu Plaza Omote-sando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Shinbashi Place	Kyoto Karasuma Parking Building	A-FLAG AKASAKA	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAI BASHI	A-FLAG KOTTO DORI	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST
① Revenue related to rent business	1,077,766	654,462	273,860	(Note 2)	(Note 2)	97,562	731,857	629,398	207,470	314,066	106,370	125,885	(Note 2)
Rent revenue-real estate	1,024,874	553,594	237,590	(Note 2)	(Note 2)	81,538	653,996	548,726	197,027	292,900	100,451	115,591	(Note 2)
Other lease business revenue	52,891	100,867	36,269	(Note 2)	(Note 2)	16,024	77,860	80,672	10,442	21,166	5,919	10,293	(Note 2)
② Expenses related to rent business	235,723	252,969	64,151	45,721	37,521	39,468	215,344	271,746	37,675	54,309	32,335	36,525	25,554
Management operation expenses	88,465	82,176	16,288	12,600	3,761	11,345	80,604	118,818	12,251	7,739	7,535	3,764	12,227
Utilities expenses	32,110	75,758	28,463	-	-	12,615	67,456	70,300	8,222	18,307	6,548	9,458	300
Tax and public dues	54,920	65,254	8,366	32,189	31,130	7,218	46,127	24,593	10,340	13,175	12,281	2,268	-
Insurance	191	412	75	155	159	36	619	487	53	64	73	36	58
Repair and maintenance expenses	2,578	22,668	1,217	-	1,624	6,229	15,012	44,466	3,397	6,653	3,479	4,339	7,673
Other expenses related to rent business	57,457	6,699	9,740	775	845	2,024	5,523	13,080	3,410	8,370	2,417	16,658	5,294
③ NOI (① - ②)	842,043	401,492	209,708	(Note 2)	(Note 2)	58,094	516,513	357,651	169,795	259,757	74,035	89,359	(Note 2)
④ Depreciation and other (Note 3)	50,621	38,080	18,553	32,57	15,810	8,313	120,572	54,765	8,041	15,368	4,807	6,411	1,336
Income (loss) from rent business (③ - ④)	791,422	363,412	191,155	(Note 2)	(Note 2)	49,780	395,941	302,886	161,753	244,388	69,228	82,948	(Note 2)

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

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

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



## Overview of Lease, Profit and Loss for the 12th Period ~Ended Nov. 2017 ~ (2/3)

(In thousands of yen)

	Tokyo Office Properties															
	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZ-TOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi
① Revenue related to rent business	291,729	356,167	128,251	296,016	167,693	62,502	(Note 2)	197,618	177,283	113,291	339,141	1,522,582	166,357	(Note 2)	181,521	495,623
Rent revenue-real estate	271,963	339,930	120,576	275,935	154,694	62,502	(Note 2)	183,959	165,537	107,471	322,876	1,444,949	156,690	(Note 2)	170,421	452,475
Other lease business revenue	19,766	16,236	7,675	20,081	12,998	-	(Note 2)	13,658	11,745	5,819	16,264	77,632	9,666	(Note 2)	11,100	43,148
② Expenses related to rent business	81,267	126,805	32,403	72,430	59,167	8,196	37,302	55,874	42,978	38,575	94,150	358,955	41,477	34,349	54,437	106,652
Management operation expenses	33,872	34,234	10,140	18,509	18,122	-	10,737	16,395	12,920	11,929	58,350	102,974	12,110	11,641	13,103	45,378
Utilities expenses	18,910	21,457	8,690	20,350	12,358	-	9,315	12,662	10,191	5,839	11,735	89,879	8,477	5,900	12,525	34,522
Tax and public dues	16,536	29,537	9,818	20,275	17,578	7,939	10,122	14,570	13,937	10,403	22,171	110,275	13,293	9,107	17,258	-
Insurance	193	247	83	181	158	-	84	132	106	71	304	1,973	100	76	116	463
Repair and maintenance expenses	2,434	33,191	670	8,864	7,617	-	221	5,844	35	5,914	-	28,689	2,520	4,990	5,271	20,660
Other expenses related to rent business	9,319	8,136	2,999	4,247	3,332	256	6,821	6,268	5,787	4,417	1,588	25,162	4,974	2,632	6,162	5,628
③ NOI (① - ②)	210,461	229,361	95,848	223,586	108,526	54,305	(Note 2)	141,743	134,304	74,715	244,990	1,163,627	124,879	(Note 2)	127,084	388,971
④ Depreciation and other (Note 3)	41,123	32,601	15,566	23,052	27,666	-	20,682	23,482	26,938	8,500	48,275	148,254	23,756	12,338	12,637	30,056
Income (loss) from rent business (③ - ④)	169,338	196,760	80,282	200,534	80,859	54,305	(Note 2)	118,260	107,366	66,215	196,714	1,015,372	101,123	(Note 2)	114,446	358,914

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

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

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

## Overview of Lease, Profit and Loss for the 12th Period ~Ended Nov. 2017 ~ (3/3)

(In thousands of yen)

	Activia Account Properties									
	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara	Umeda Gate Tower	A-PLACE Bashamichi
① Revenue related to rent business	358,283	310,528	(Note 1)	147,501	288,864	515,688	238,723	(Note 1)	436,025	191,378
Rent revenue-real estate	353,283	310,498	(Note 1)	135,589	264,718	487,846	200,360	(Note 1)	401,800	169,144
Other lease business revenue	-	30	(Note 1)	11,912	24,146	27,842	38,363	(Note 1)	34,225	22,233
② Expenses related to rent business	52,915	38,149	16,966	51,080	78,207	197,794	64,537	36,851	111,629	77,682
Management operation expenses	-	5,883	2,407	18,642	23,539	59,784	9,173	16,069	38,430	20,796
Utilities expenses	-	30	-	13,612	23,811	47,450	38,227	5,298	29,602	21,602
Tax and public dues	52,659	30,716	9,872	11,773	25,052	50,363	12,553	14,018	33,703	16,293
Insurance	-	235	100	145	252	749	94	132	365	293
Repair and maintenance expenses	-	352	3,650	4,709	1,170	24,295	3,796	280	3,345	16,317
Other expenses related to rent business	256	931	935	2,196	4,380	15,151	691	1,052	6,182	2,379
③ NOI (① - ②)	300,367	272,379	(Note 1)	96,421	210,657	317,894	174,186	(Note 1)	324,396	113,696
④ Depreciation and other (Note 2)	-	34,532	8,466	18,634	52,141	67,105	17,126	23,941	68,884	28,520
Income (loss) from rent business (③ - ④)	300,367	237,847	(Note 1)	77,787	158,516	250,789	157,060	(Note 1)	255,511	85,175

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

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

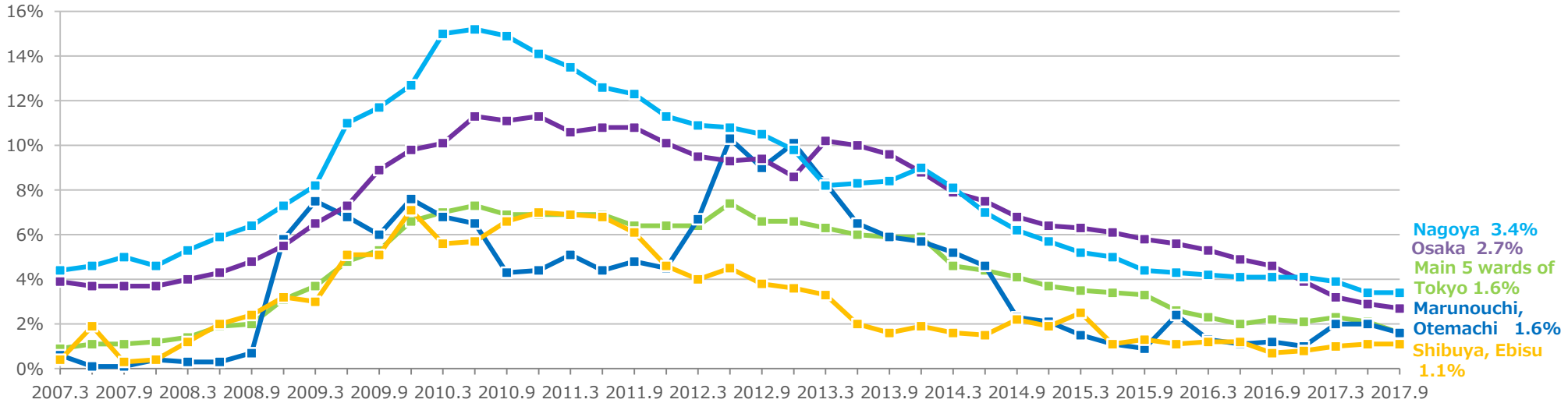
## Financial Highlight

(In millions of yen)

	4th period (Nov. 2013)	5th period (May 2014)	6th period (Nov. 2014)	7th period (May 2015)	8th period (Nov. 2015)	9th period (May 2016)	10 <sup>th</sup> period (Nov. 2016)	11th period (May 2017)	12th period (Nov. 2017)	13th period (May 2018) (Forecast)	14th period (Nov. 2018) (Forecast)
Revenue related to rent business	6,124	7,778	8,174	9,120	9,500	10,175	10,917	12,107	12,720	13,258	13,600
Gain on sale of real estate properties	-	-	-	-	200	-	-	-	-	-	-
Revenue from leasing business (including gain on sale of properties)	6,124	7,778	8,174	9,120	9,701	10,175	10,917	12,107	12,720	13,258	13,600
Expenses related to rent business	1,456	1,889	2,174	2,323	2,494	2,409	2,781	2,922	3,319	3,345	3,618
Management operation expenses	425	638	693	825	822	869	917	1,037	1,062	1,176	1,195
Utilities expenses	371	524	593	627	658	629	652	682	791	860	990
Tax and public dues	433	457	575	578	643	649	772	778	887	895	1,001
Insurance	5	7	7	8	6	7	7	8	9	9	9
Repair and maintenance expenses	71	114	142	118	202	78	231	197	304	154	164
Other expenses related to rent business	150	146	161	165	161	175	201	217	264	249	258
NOI	4,668	5,889	6,000	6,796	7,006	7,766	8,135	9,185	9,400	9,912	9,981
NOI yield(%)	5.10	5.23	4.98	4.93	4.84	4.79	4.73	4.63	4.61	-	-
Depreciation and other	518	743	763	887	928	989	1,051	1,175	1,189	1,234	1,257
Income (loss) from rent business	4,149	5,145	5,237	5,909	6,078	6,776	7,083	8,009	8,211	8,678	8,723
Loss on sales of real estate properties	-	7	-	-	-	-	-	-	-	-	-
Net operating income (including loss on sales of real estate properties)	4,149	5,138	5,237	5,909	6,278	6,776	7,083	8,009	8,211	8,678	8,723
General and administrative expenses	507	558	643	710	818	849	922	1,029	1,136	1,183	1,217
Operating profit	3,642	4,580	4,594	5,199	5,460	5,926	6,161	6,980	7,074	7,494	7,506
Non-operating income	4	2	5	3	5	8	3	3	1	0	0
Non-operating expenses	459	584	567	619	674	737	754	830	858	925	930
Ordinary profit	3,187	3,998	4,032	4,583	4,790	5,197	5,410	6,152	6,218	6,569	6,575
Profit	3,186	3,997	4,031	4,582	4,789	5,196	5,409	6,151	6,217	6,568	6,574

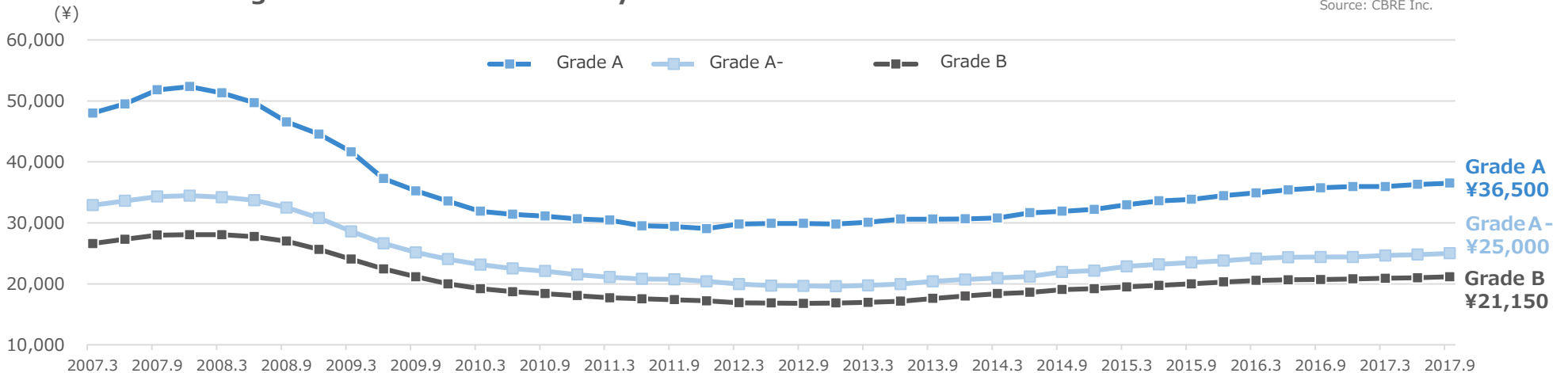
1. Vacancy rate by area

Source: CBRE Inc.



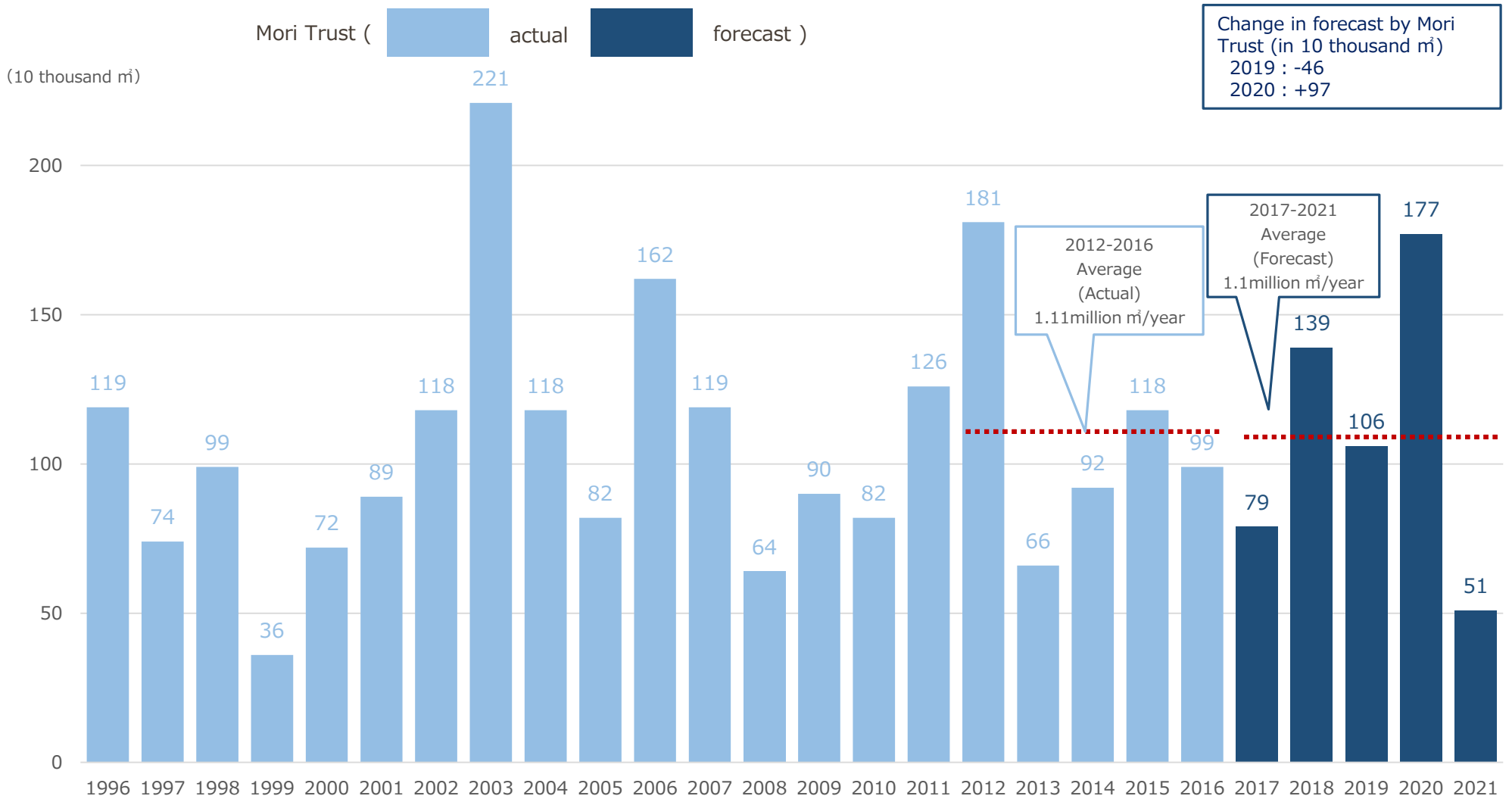
2. Trends of average rent for 23 wards of Tokyo

Source: CBRE Inc.



(Note) Grade A: Office buildings within the 5 central wards of Tokyo, with more than 6,500 tsubo of total leasable area, 10,000 tsubo of gross floor area, 500 tsubo of basic floor area and aged less than 11 years.  
 Grade A-: Office buildings within the 23 wards of Tokyo, with more than 4,500 tsubo of total leasable area, 7,000 tsubo of gross floor area, 250 tsubo of basic floor area and complying with the new earthquake resistance standard.  
 Grade B: Office buildings within the 23 wards of Tokyo, having more than 2,000 tsubo of basic floor area, between 2,000 and 7,000 tsubo of gross area, and complying with the new earthquake resistance standard.

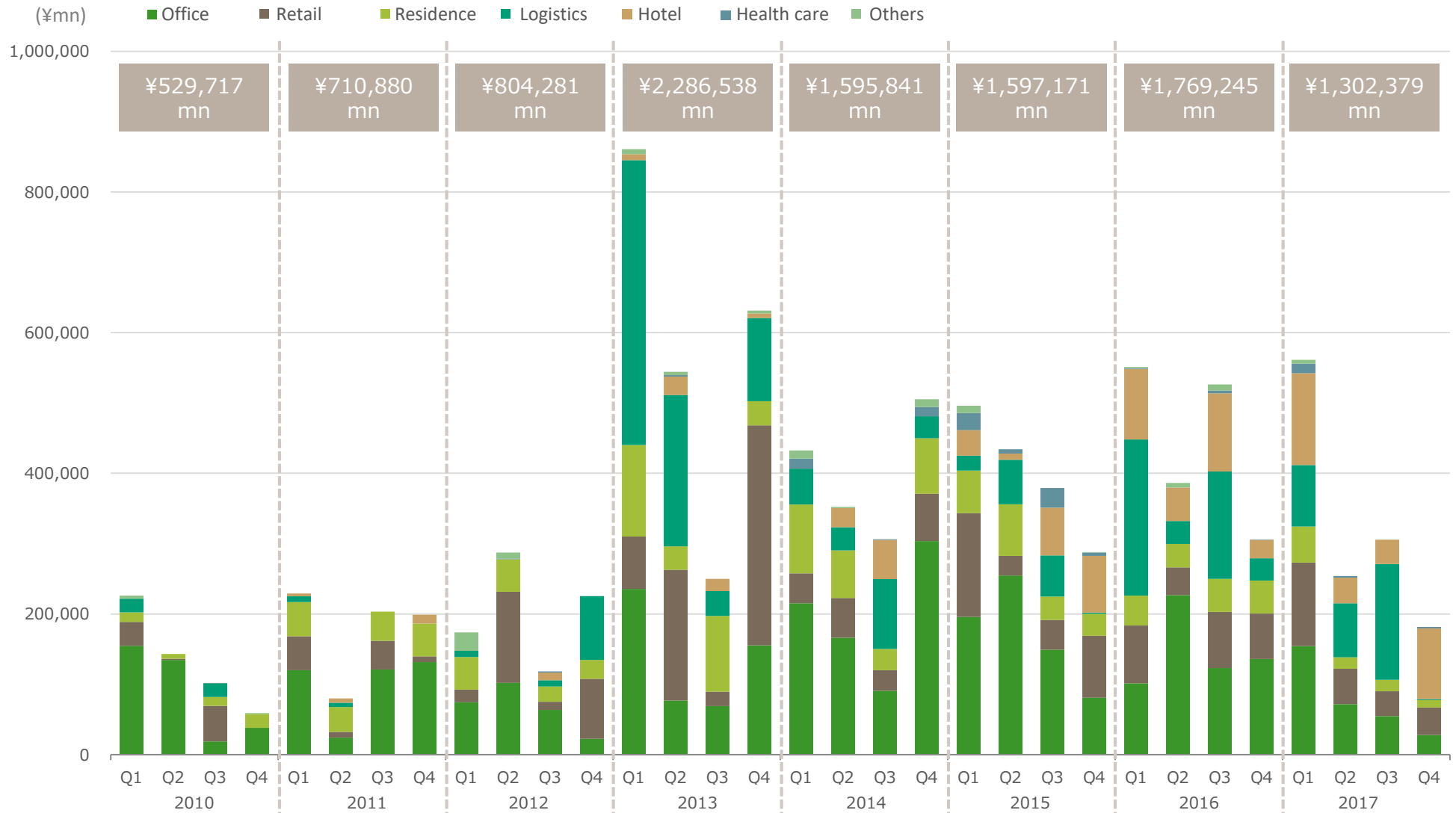
# Supply of Large-scale Office Building in 23 wards of Tokyo



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

(Note) "Large-scale office buildings" refers to office buildings with a total office floor area of 10,000 m<sup>2</sup> or more.

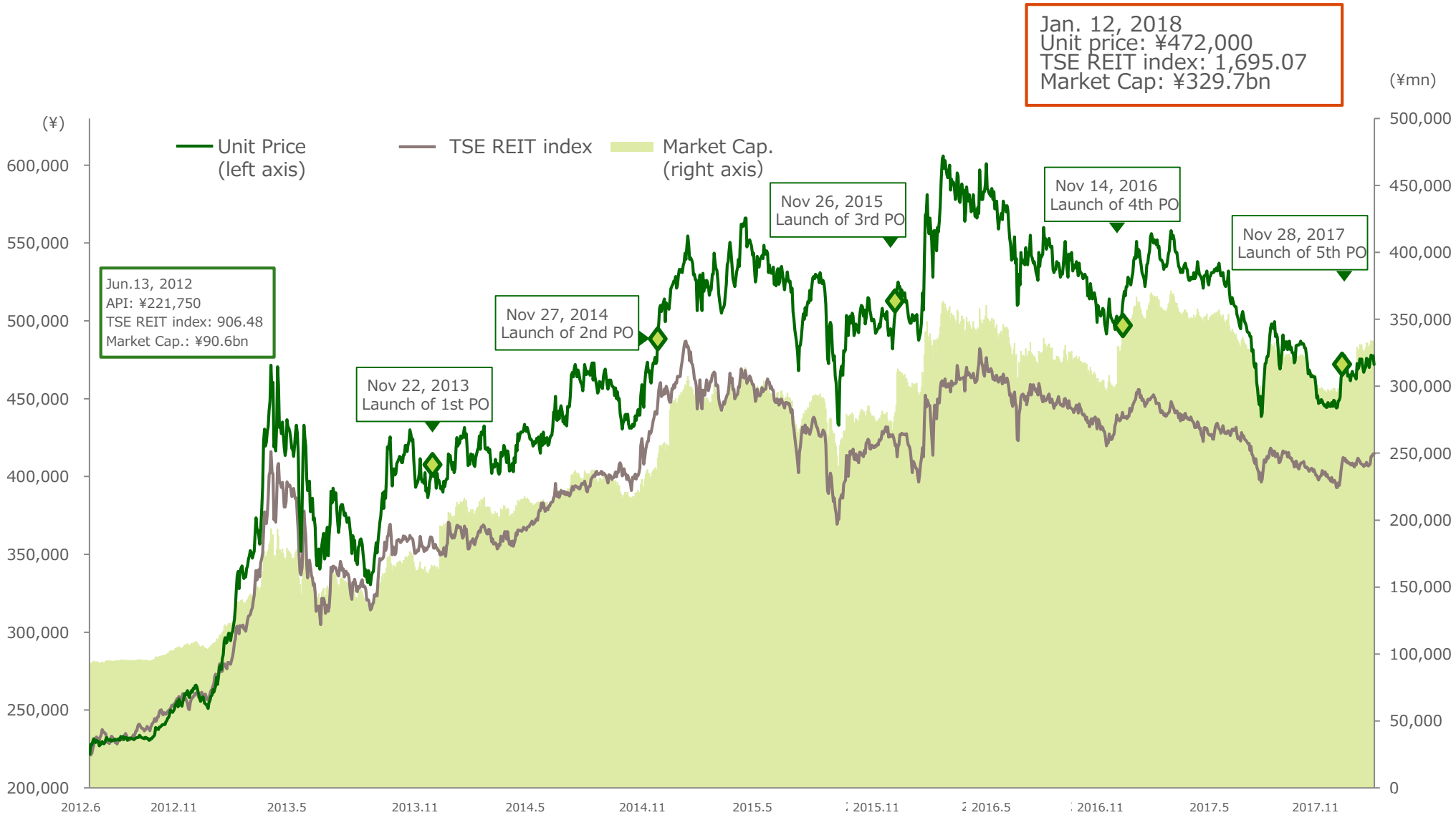
# Trends of Acquisition Market



(Source) ARES

(Note) Acquisition date basis. As of November 2017 for 2017Q4.

# Unit Price Performance and Market Cap since IPO (Jun. 2012)



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

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

## Focus on Urban Retail and Tokyo Office properties

~ 81% of portfolio is comprised of UR & TO ~

## Leading governance structure among J-REITs

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

## Advantageous IPO timing

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

- Intensive focus on mid- to long-term earnings stability on the back of declining population and economy size
  - ✓ Properties located in major cities such as 5 central wards of Tokyo, Osaka, Kobe and Sapporo
  - ✓ Properties with high competitiveness

- The 1st J-REIT to adopt DPU linked AM fee

- Managing the conflicts of interest through strict arms' length principles in decision making process, including the requirement of unanimous votes of external committee members for acquisitions

- Same-boat principle of our Sponsor, Tokyu Land, that they will seriously consider to subscribe to additional investment units in our equity issuances

- Listed in June, 2012, when real estate and capital markets were extremely weak after the global financial crisis

- Almost no rent gap by replacing many tenants right after the global financial crisis

- ✓ TSE REIT Index dropped 65% from pre-Lehman level

- ✓ Taking advantage of NAV premium and low capital cost for further growth

- ✓ Achieved upward rent revisions for Tokyo Office properties since the 4<sup>th</sup> period (Nov. 2013), ahead of other J-REITs

- ✓ Rent gap at -6% for the 12th period (as of the end of Nov. 2017)



## 1. Corporate Philosophy

Our name “**Activia**” has been coined from the English word “**activate**” and the Latin suffix “**ia**” meaning “place”

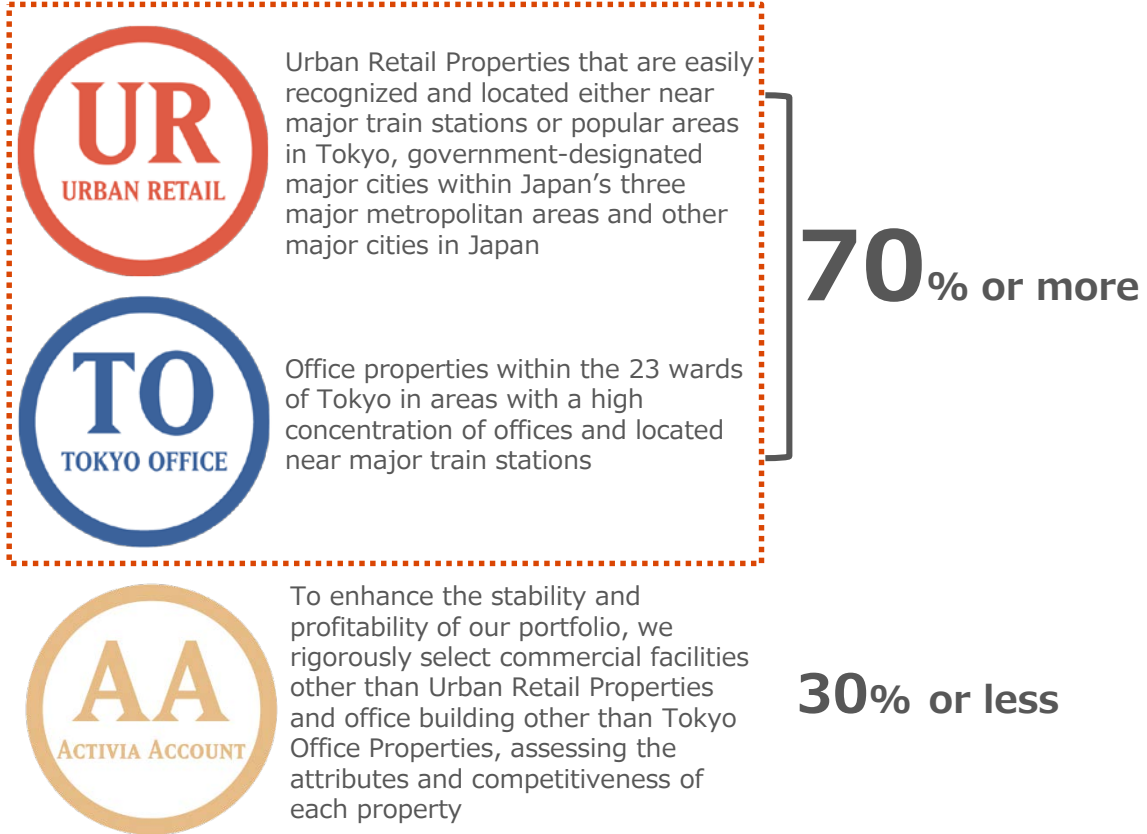
We aim to invigorate society through investment in and operation of our properties

## 2. Basic Policies

- ✓ Focused investments in Urban Retail and Tokyo Office Properties
- ✓ Utilization of the comprehensive support and capabilities of Tokyu Fudosan Holdings Group's value chain
- ✓ Strong governance structure aimed at maximizing unitholder value

In order to maximize unitholder value over the medium to long term, we rigorously select properties which we can expect **stable and sustainable demand from retail customers and office tenants**, such as properties that are located in areas where large numbers of people gather and that serve as a foothold for bustling social and corporate activities. We also seek to maximize unitholder value by **proactively managing our properties** and taking initiatives to maintain and improve its asset management.

## 3. Portfolio Composition Policy



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

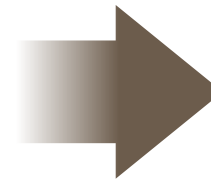
# Tokyu Fudosan Holdings Group's Support System

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

### Tokyu Fudosan Holdings Group

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

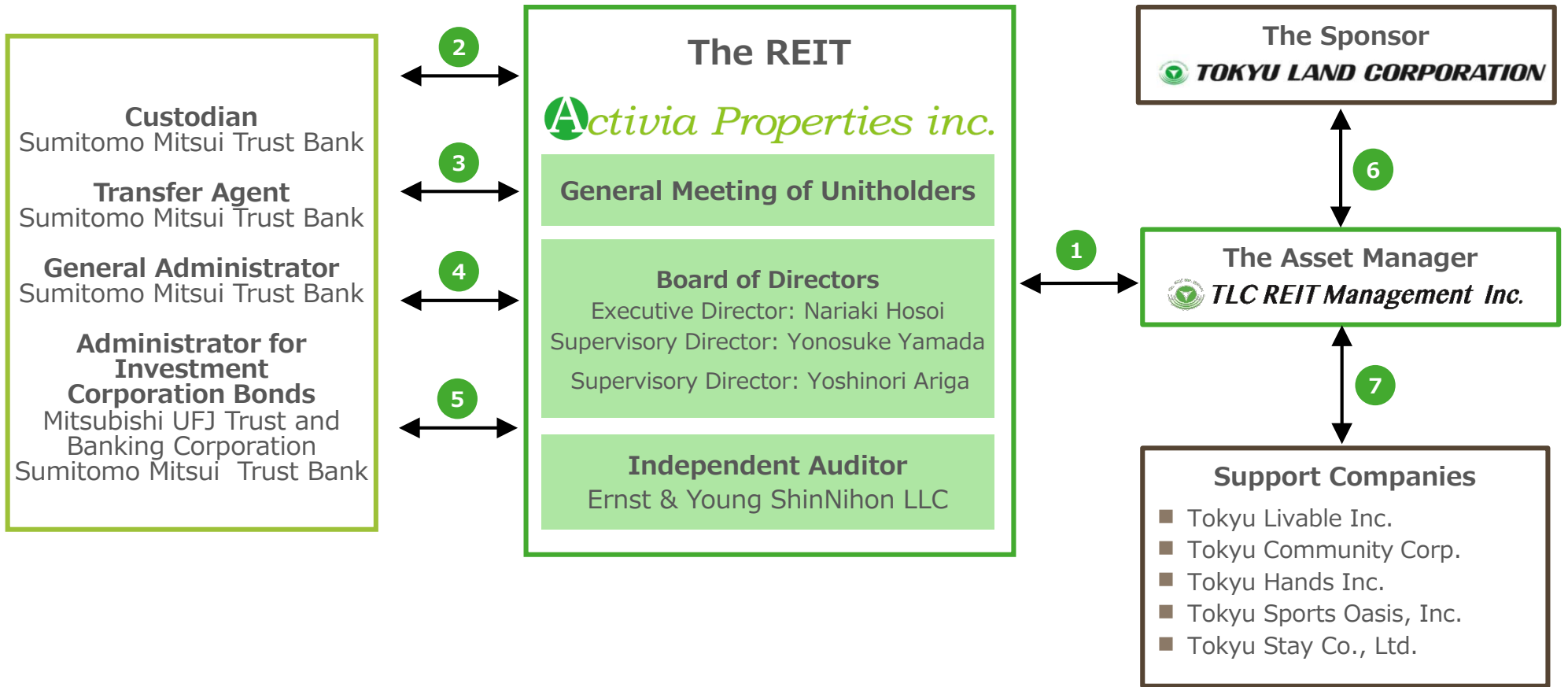
### Value Chain



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

### TLC REIT Management Inc.

- The management's years of experience in development, operation and management of retail facilities and office buildings
  - Expand portfolio by leveraging its know-how for property acquisitions and its wide-ranging network
  - Establish proper operational and management systems tailored to the specific characteristics of the assets of API



1 Asset Management Agreement

2 Asset Custody Agreement

3 Transfer Agency Agreement

4 General Administration Agreement

5 Fiscal Agency Agreement

6 Sponsor Support Agreement / Outsourcing Agreement

7 Affiliate Support Agreements

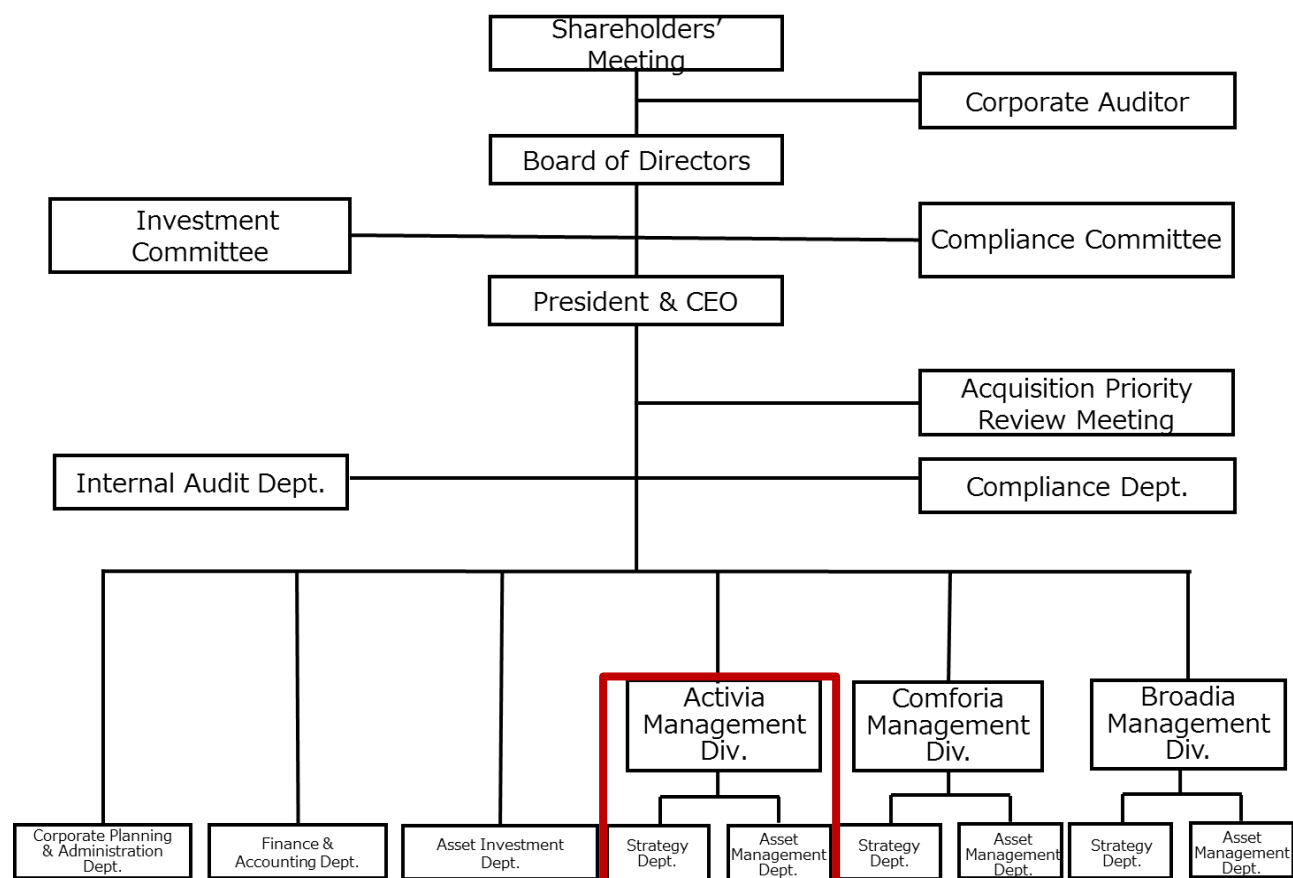
# Asset Manager Organizational Overview

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

## 1. Overview of the Asset Manager

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

## 2. Asset Manager Organizational Chart



# Disclaimer

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