



Activia Properties Inc.

Financial Results Presentation for the Period ended May 2018 (the 13th Period) July 2018

(Ticker symbol: 3279/API)

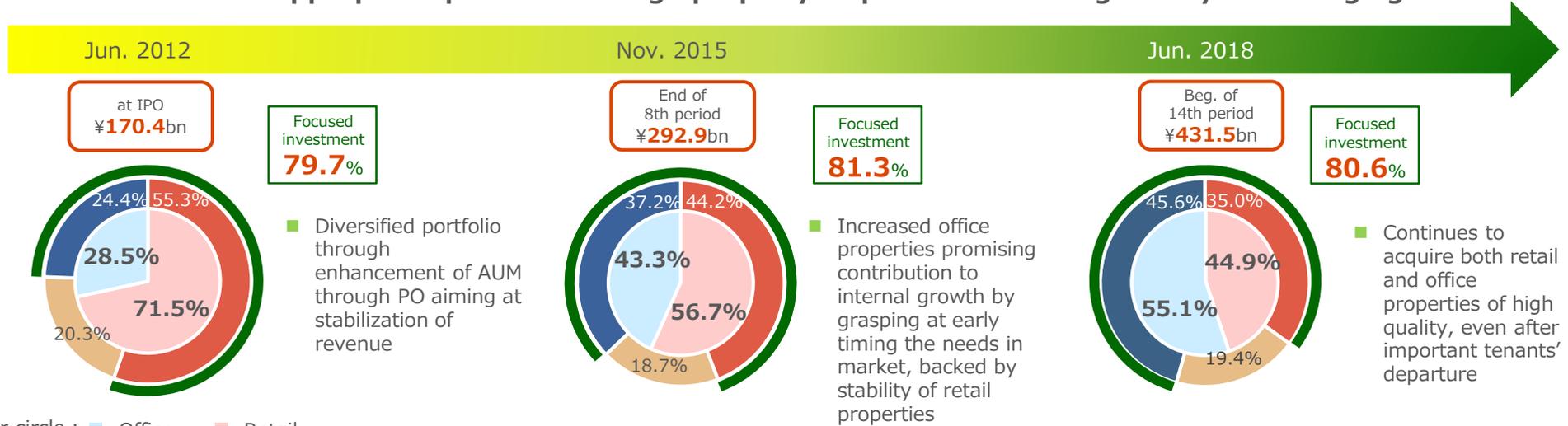
 **TLC REIT Management Inc.**



1. Financial Highlights
2. External Growth, Internal Growth and Financial Strategies
3. Financial Forecasts
4. Others
5. Appendix

Portfolio Strategy backed by High Asset Management Capability and External & Internal Growth Strategy generating Virtuous Cycle

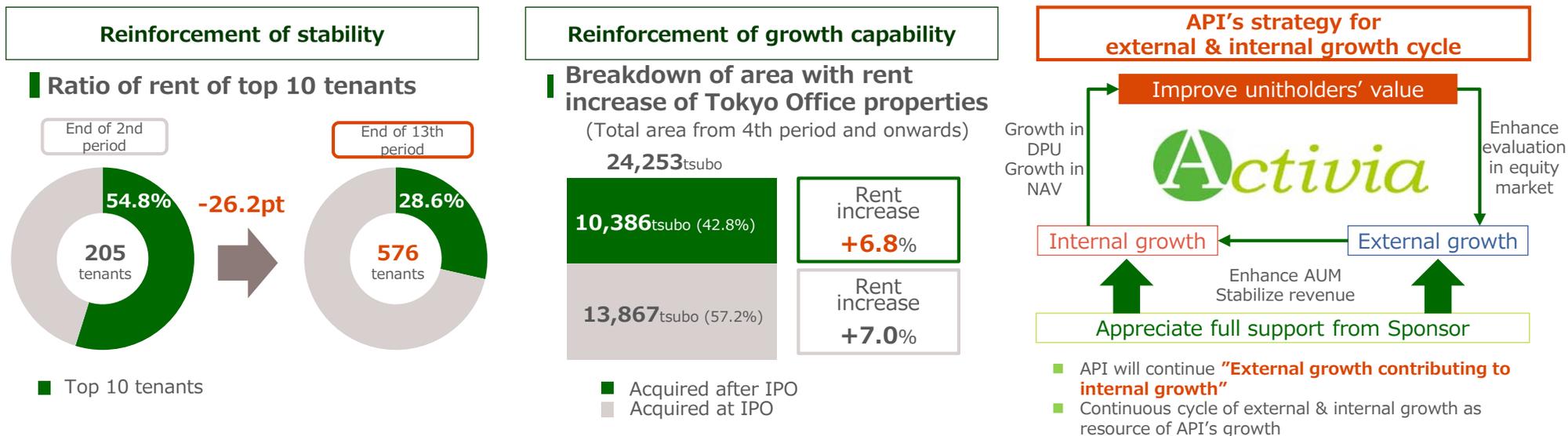
✓ Construct the most appropriate portfolio through property acquisition reflecting closely the changing market



Inner circle : Office (light blue) Retail (pink)

Outer circle : Tokyo Office (TO) (dark blue) Activia Account (AA) (orange) Urban Retail (UR) (red)

✓ Continual external growth created virtuous cycle reinforcing portfolio and generating growth capability



External Growth

◆ Secured further acquisition capacity through 5th PO

■ Assets acquired through PO
(Dec. 2017 / Jan. 2018)

UR-14

**A-FLAG KITA
SHINSAIBASHI**

Acquisition price: ¥4.725bn

UR-15

**DECKS Tokyo
Beach**

Acquisition price: ¥12.74bn
(co-ownership interest 49%)

AA-12

**Commercial Mall
Hakata**

Acquisition price: ¥6.1bn

- Portfolio **42** properties
- AUM **¥431.5**bn
- LTV **44.7**%
- Acquisition capacity approx. **¥47.2**bn
(as of May 31, 2018)

Internal Growth



Tokyo Office

◆ Continued upward rent revisions

- Increased rent in **4,977** tsubo, the largest area ever (period ended May 2018)
- Achieved upside for **11 consecutive periods** (from the period ended Nov. 2013 to the period ending Nov. 2018)



Urban Retail

◆ Achieved tenant replacement with large rent increase

- Rent change from the period ended May 2018 (per full six month period) **+¥72**mn
(Excludes Shinbashi Place)

Financial Strategies

◆ Strengthened financial base through refinance

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

Ave. interest rate : **0.65%** → **0.63%**
Ave. period remaining to maturity : **4.4**years → **4.9**years
(end of Nov. 2017) (as of Jul. 13, 2018)

◆ Issued investment corporation bonds and diversified lenders

- Issued 20-year and 4.5-year investment corporation bonds in Feb. 2018
total **¥2.0**bn (ave. **12.2**years, ave. **0.61**%)
- Refinanced with including 2 new lenders in Mar. 2018
before refinancing **16**banks → after refinancing **18**banks

Continual growth in unitholders' value

Achieved increase in DPU

DPU: **¥9,462** (end of May 2018)
(vs. Nov. 2017: **+¥116** / **+1.2%**)
(vs. forecast: **+¥62** / **+0.7%**)

Achieved continual growth in NAV per unit

NAV per unit : **¥426,311** (end of May 2018)
(vs. end of Nov. 2017: **+¥9,201** / **+2.2%**)

Financial Results for the Period ended May 2018 (the 13th Period): Statement of Income

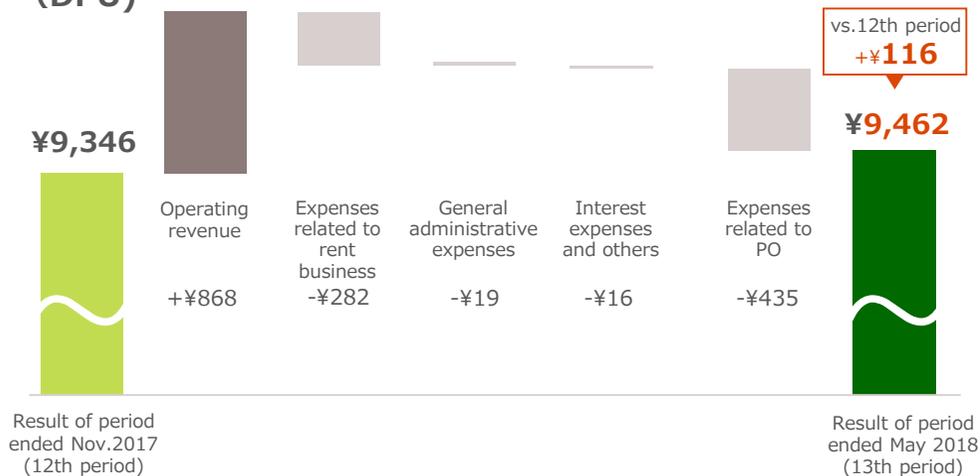
- ◆ **Both revenue and profit increased** vs. the 12th period results and the 13th former forecasts due to (i) new operation of 3 properties acquired at the beg. of the 13th period and (ii) consistent internal growth
- ◆ DPU is **¥9,462**, up **¥116** from the previous period and up **¥62** from the former forecast

1. 13th period vs. 12th period/ former 13th period forecasts (2018.1.17)

(in millions of yen)

	12th Period	Period ended May 2018 (13th period)		13th Period (forecasts)		
	Results	Results	vs. 12th Period Difference	(%)	Forecasts 2017.11.28 2018.1.17	Change (vs. former forecasts)
Operating revenue	12,720	13,327	+606	+4.8%	13,258	+68
Operating expenses	5,645	5,855	+209	+3.7%	5,763	+91
Taxes & public dues	887	895	+7	+0.9%	895	-0
Operating profit	7,074	7,471	+396	+5.6%	7,494	-23
Ordinary profit	6,218	6,611	+393	+6.3%	6,569	+42
Profit	6,217	6,610	+393	+6.3%	6,568	+42
DPU	¥9,346	¥9,462	+¥116	+1.2%	¥9,400	+¥62

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



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

(in millions of yen)

	vs. 12th results		Details
Operating revenue	+606	Increase	New operation +739, Rent of existing properties +84, Other revenue +13, Cancellation fee +10, Parking lot fees +8, Restoration works fee +3
		Decrease	Sales-linked rent at hotels -150, Utility fee -100, Facilities usage fee -2
Expenses related to rent business	+196	Increase	New operation +323, Management operation expenses +43, Depreciation +10, Taxes & public dues +7, Advertisement fee +5, Payment commission +2
		Decrease	Repair & Maintenance -85, Utilities expenses -69, other leasing costs -40
NOI after depreciation	+409		
General administrative expenses	+12	Increase	Asset management fee +20, Taxes & Public dues +1
		Decrease	Miscellaneous expenses -8, Other payment commission -2
Operating profit	+396		

4. Variance analysis (vs. 13th former forecasts)

(in millions of yen)

	vs. 13th former forecasts		Details
Operating revenue	+68	Increase	Rent of existing properties +30, Other fees +18, Utility fee +7, Facilities usage fee +5, Restoration work fee +3, Cancellation penalty +2
		Decrease	
Expenses related to rent business	+126	Increase	Repair & Maintenance +81, Management operation expenses +48, Other leasing cost +20
		Decrease	Utilities expenses -23, Advertisement fee -1
NOI after depreciation	-57		
General administrative expenses	-34	Increase	Taxes & public dues +1
		Decrease	Miscellaneous expenses -31, Asset management fee -2, Payment commission -2
Operating profit	-23		

Financial Results for the Period ended May 2018 (the 13th Period): Balance Sheet

- ◆ Through acquisition of 3 properties (including 1 acquired with cash in hand) in the 13th period, **AUM grew by ¥19.1bn**
- ◆ At the end of 13th period, **LTV stood at 44.7%**, **-1.3pt** from the previous period through 5th PO, and **unrealized gain** grew to **¥74bn**, **up ¥5.1bn** from the previous period

1. Comparison of the 12th and 13th periods (Balance sheet)

(in millions of yen)

	12th Period (2017/11)	13th Period (2018/5)	Change
Assets			
Current assets	18,670	13,770	-4,900
Cash and deposits	17,889	12,615	-5,274
Other	781	1,155	374
Noncurrent assets	408,167	432,171	24,003
Total property, plant and equipment	397,815	421,768	23,952
Total intangible assets	9,133	9,132	0
Other	1,218	1,270	51
Total assets	426,838	445,941	19,103

Liabilities			
Short-term borrowings	10,000	9,100	-900
Long-term loans payable to be repaid within a year	25,000	22,500	-2,500
Investment corporation bonds	16,000	14,000	-2,000
Long-term loans payable	145,150	153,750	8,600
Tenant leasehold and security	22,165	22,814	648
Total liabilities	218,315	222,164	3,848
Net assets			
Unitholders' equity	208,523	223,777	15,254
Unitholders' capital	202,233	217,091	14,858
Surplus	6,289	6,686	396
Total net assets	208,523	223,777	15,254
Total liabilities and net assets	426,838	445,941	19,103

2. Changes in LTV

12th period (2017/11)	13th period (2018/5)	vs Previous period
46.0%	44.7%	-1.3pt

Fund in hand for the acquisition of A-FLAG KITA SHINSAIBASHI

Acquisition of three properties: +¥23.565bn
A-FLAG KITA SHINSAIBASHI, DECKS Tokyo Beach (49%),
Commercial Mall Hakata

Borrowings for property acquisition: +¥3.2bn

Issuance of new unit through 5th PO, etc.: +¥14.858bn

3. Changes in unrealized gains on portfolio

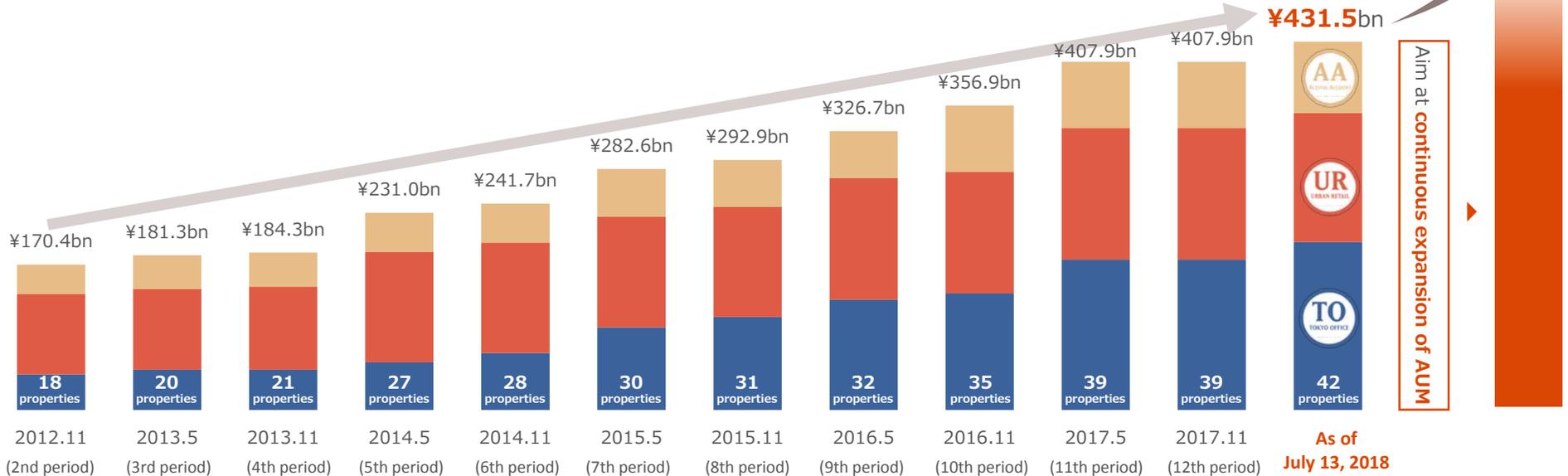
(in millions of yen)

12th Period (2017/11)	13th Period (2018/5)	vs. Previous period
68,944	74,088	+5,143

External Growth ~Continual Expansion of Asset size~

- ◆ Conducted **PO for 5 consecutive years** at the beg. of the 13th period and acquired **3 properties (¥23.6bn)** from Sponsor Group and a third party
- ◆ We aim at further **continuous expansion of our portfolio** contributing to unitholders' value through **rigorous selection of assets** with a focus on location and quality

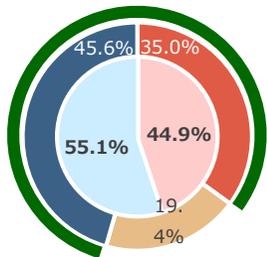
Trends in AUM



Aim at continuous expansion of AUM

Investment Ratio

▶ Proportion of office doubled from at IPO



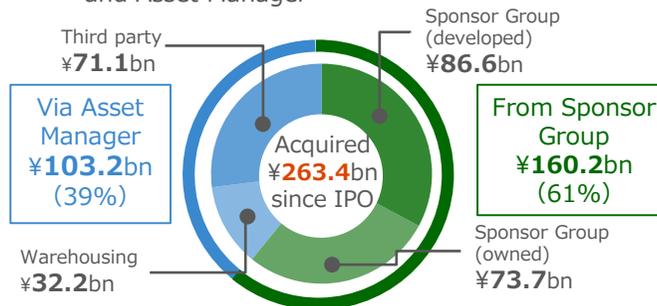
Focused investment (UR and TO)
80.6%

*As of Jul.13, 2018

Inner circle: Office Retail
Outer circle: TO AA UR

Acquisition Route

▶ Since IPO, achieved external growth utilizing source both from Sponsor Group and Asset Manager



Acquisition Capacity

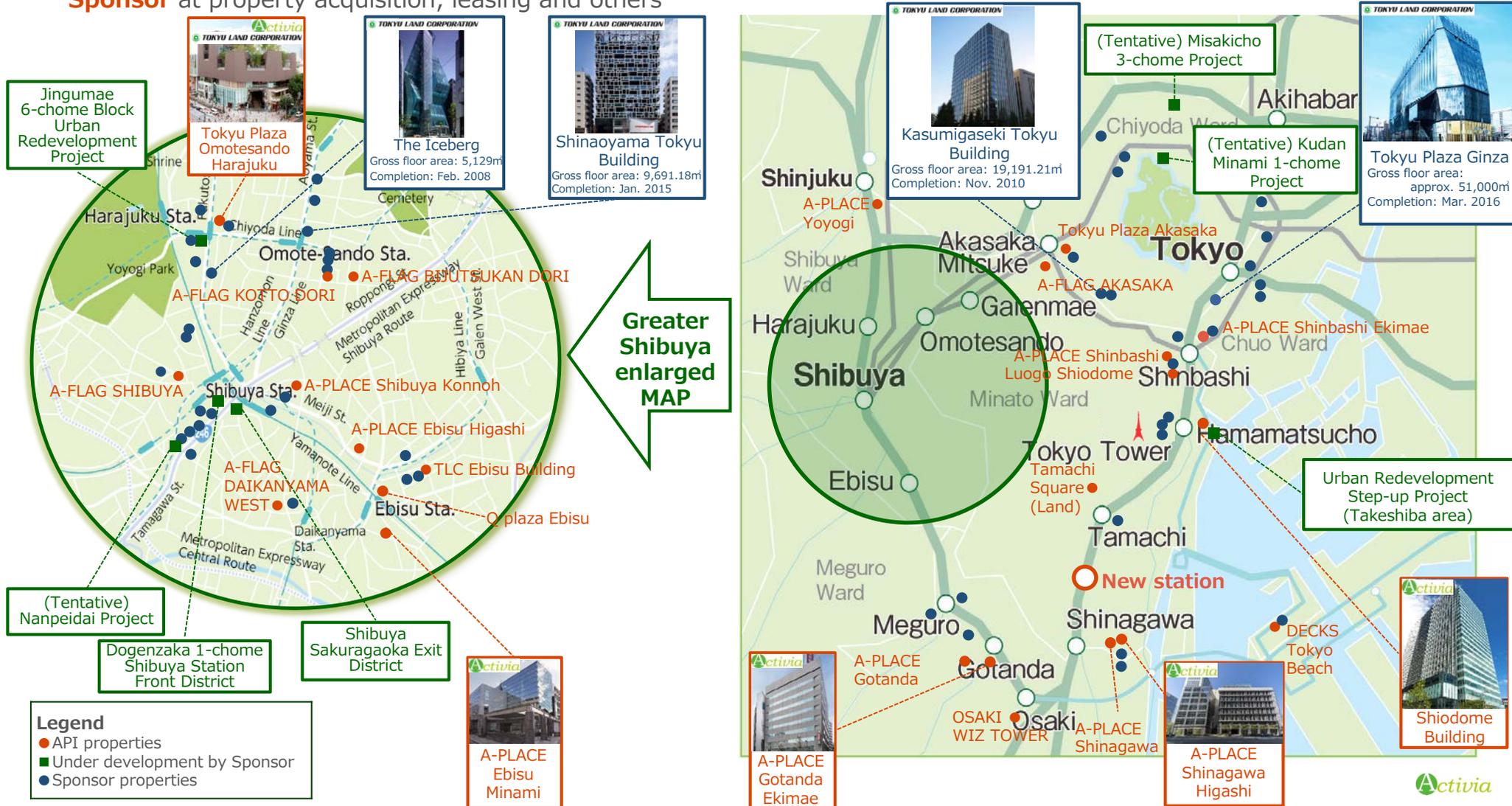
▶ Capacity sufficiently secured for flexible asset acquisition through 5th PO

approx. **¥47.2bn**

* at LTV 50%

External Growth ~Characteristics of API's portfolio and Focused Investment Area~

- ◆ API's portfolio centers on **Greater Shibuya·Gotanda area** with significant growth of tenants and **Shinagawa·Hamamatsucho area** with development potential
- ◆ API has and Sponsor Group have **similarly shaped portfolios**, which permits API to receive **maximum support from Sponsor** at property acquisition, leasing and others



External Growth ~Medium-Term Management Plan and Major Development Projects of Sponsor Group~ 8

- ◆ Sponsor Group has deemed **“Expansion of Associated Assets”** including REITs business as an essential part of the policy under its Medium-Term Management Plan
- ◆ For 2018 and onwards, Sponsor Group is planning **development projects** including **the area surrounding Shibuya Station**, expecting **expansion in its asset size on a continual basis**

1. Medium-Term Plan (FY2020)

Target Value

FY2017 (Actual)	FY2020 (Target)
D/E ratio	D/E ratio
2.6x	approx. 2.3x

Two basic policies

① Expansion of associated assets

Owned assets
AUM of REITs·funds
Assets owned by customers

② Boost of new needs

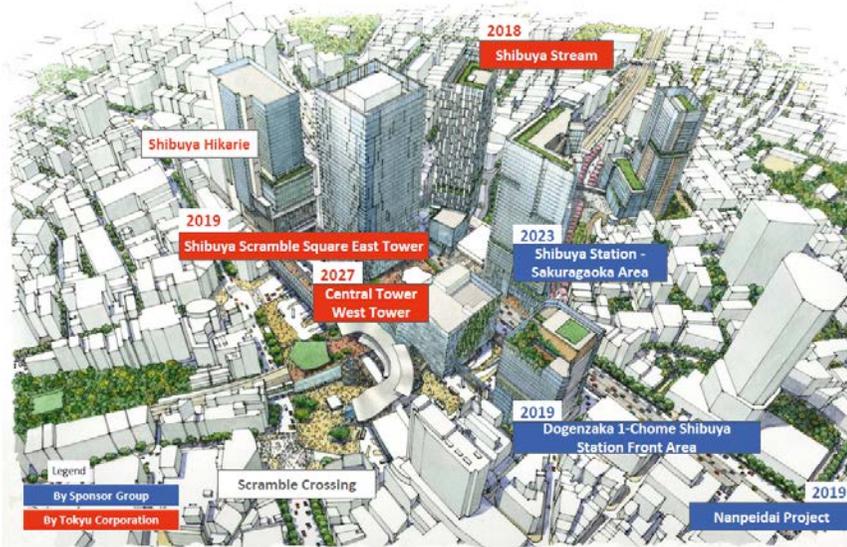
AM
BM·PM
CRE, etc.

Expansion of AUM

Total Assets of REITs and others sponsored by TLC



2. Major development projects (plan)



Dogenzaka 1-chome Shibuya Station Front District

Project owner: Dogenzaka 1-chome Shibuya Station front district urban redevelopment project type 1 (participants: TLC)

Usage: office, retail

Gross floor area: approx. 59 thousand m²



Shibuya Station Sakuragaoka Exit District

Project owner: Shibuya Station Sakuragaoka Exit district urban redevelopment project (participants: TLC)

Usage: office, retail, residence

Gross floor area: approx. 258 thousand m²

Opening: FY2023 (scheduled)



(Tentative) Nanpeidai Project

Location: Shibuya-ku office
Usage: office
Gross floor area: 47 thousand m²



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

Location: Toshima-ku retail, cinema
Usage: retail, cinema
Gross floor area: 17 thousand m²



(Tentative) Misakicho 3-chome Project

Location: Chiyoda-ku office
Usage: office
Gross floor area: 11 thousand m²



Urban Redevelopment Step-up Project (Takeshiba District)

Location: Minato-ku office, retail, residence
Usage: office, retail, residence
Gross floor area: 201 thousand m²



(Tentative) Kudan Minami 1-chome Project

Location: Chiyoda-ku office, retail
Usage: office, retail
Gross floor area: 68 thousand m²

Opening: FY2022 (scheduled)

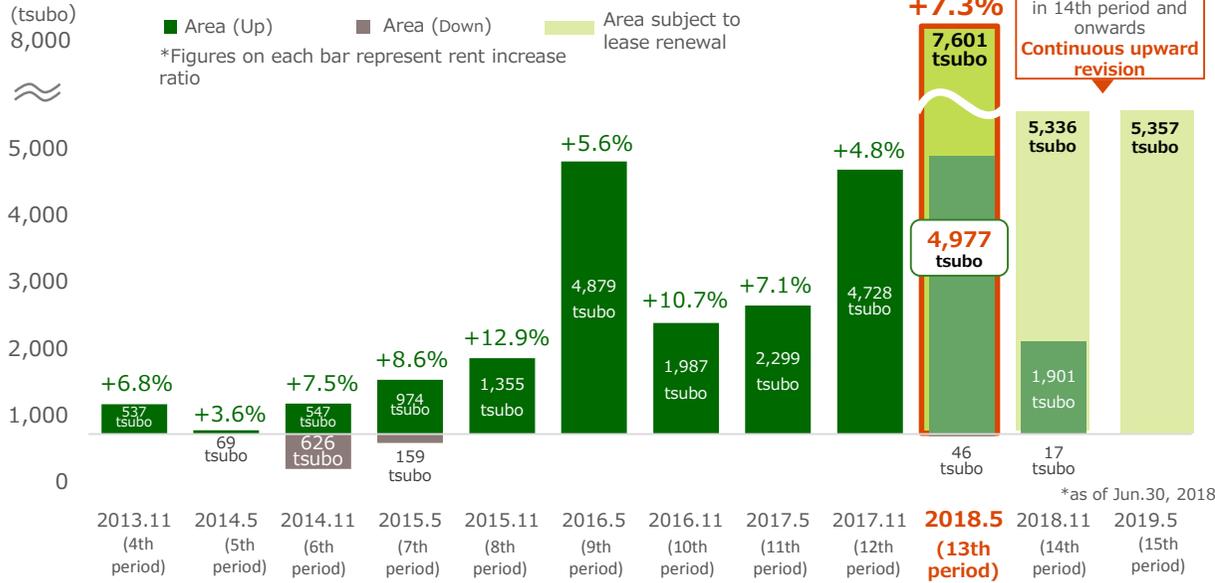


Internal Growth ~Management of Office Properties 1~

1. Upward rent revisions (Tokyo Office properties)

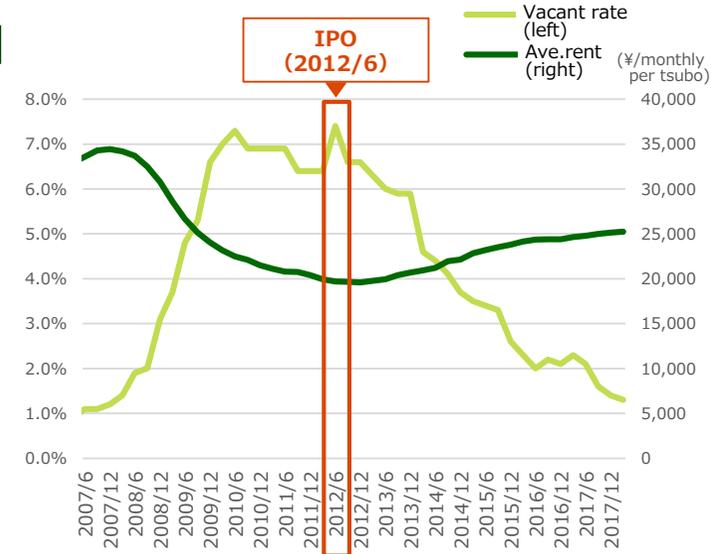
▶ Rent increase achieved for **11 consecutive periods** from the 4th period ended Nov. 2013 to the 14th period ending Nov. 2018. And achieved in **4,977 tsubo**, the largest area, in the 13th period ended May 2018 with continuous favorable situation of ave. **7.3%** of rent increase

Trend in rent increase results



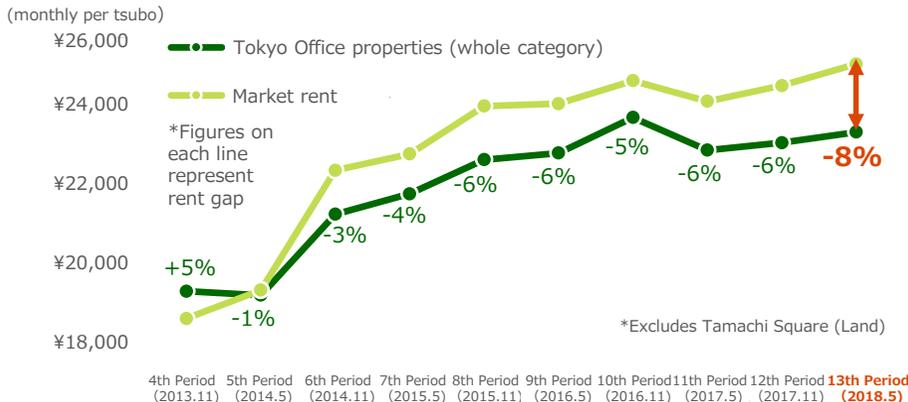
3. Office market trend

Trends in vacant rate and average rent

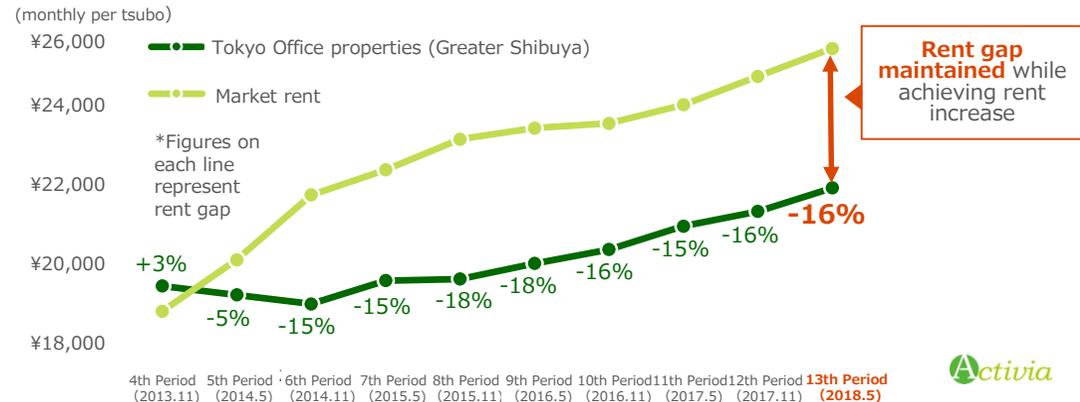


2. Trend in average rent and rent gap

Tokyo Office properties (whole category)



Tokyo Office properties (Greater Shibuya)



Internal Growth ~Management of Office Properties 2~

1. A-PLACE Shinbashi Ekimae

(Note) Category and property name changed as of June 1, 2018



Tenant replacement

- All floor delivered to new tenants w/o down-time by assessing the needs of opening new stores and terminating promptly leasing to 2 key tenants
- Although rent revenue decreased due to area decrease by tenant replacement, **achieved to secure larger revenue than previous assumption** thanks to leasing mainly to tenants with customers visiting in-person, able to be lessee of entire floors

«Tenants from May 15, 2018 and onwards»	
10F	COSMOHEALTH
9F	Shonan Beauty Clinic
6-8F	Business-Airport Shimbashi
3-5F	AP Shimbashi
2F	retail store
1F	Sugi Pharmacy Shinbashi Ekimae

«New tenants»



Membership satellite office operated by Tokyu Land Corporation, opened its 7th office in Shinbashi



Rental meeting room operated by Tokyu Community Group, opened its 18th office in Shinbashi



Drug store catering to community healthcare, counting 1,105 stores all over the country at end-Feb. 2018

2. Examples of upward rent revisions

(Period ended May 2018 and onwards)

TO-16 A-PLACE Shinagawa Higashi

(Acquired in Mar. 2017 (11th period))

- Rent increase achieved in all TO properties

*Excludes Tamachi Square (Land)



Area with rent increase: **2,846**tsubo
(Rent increased in all area subjected to revision)
Rent increase: **+5%** (3 rent revisions)

TO-4 A-PLACE Aoyama

(Acquired in Jun. 2012 (2th period))

Area with rent increase: **778**tsubo
Rent increase: **+11%**
(2 rent revisions)

TO-13 A-PLACE Ebisu Minami

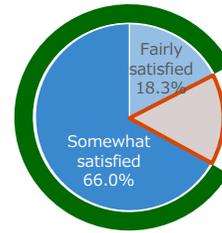
(Acquired in Jul. 2015 (8th period))

Area with rent increase: **640**tsubo
Rent increase: **+11%**
(4 rent revisions, 2 tenant replacements)

3. Build good relations with tenants

- Response to latent needs of tenants contributed to rent increase

Tenant satisfaction survey (implemented in Mar. 2018)



To maintaining high occupancy and increase rent further by placing emphasis on measures to respond promptly to requests / opinions of 15.7% of unsatisfied tenants

Ave. **84.3%** of tenants replied "Satisfied"
(377 valid responses from 7 properties)

Major requests and opinions from tenants and countermeasures

UR-11 A-FLAG KOTTO DORI



Request, opinion

- Insufficient brightness of lighting in owned area
- Aged deterioration of wet area

Countermeasures

- Works done at tenant replacement
- Conversion to LED
- Repair work of the area

Area with rent increase: **229**tsubo
Rent increase: **+61%** (1 rent revision, 2 tenant replacements)

AA-7 Osaka Nakanoshima Building



Request, opinion

- Bad manners of cleaning staff
- Unclear rule for toilet use during cleaning

Countermeasures

- Conducted training for all staff
- Placed notice when toilet is available

Area with rent increase: **406**tsubo
Rent increase: **+7%** (2 rent revisions, 2 tenant replacements)

TO-16 A-PLACE Shinagawa Higashi



Request, opinion

Noise during office cleaning

Countermeasures

Introduced silent vacuum cleaner

Area with rent increase: **2,846**tsubo
Rent increase: **+5%** (3 rent revisions)

(Note) All rent increases mentioned are achieved from 13th period ended May 2018 and onwards

Internal Growth ~Management of Retail Properties 1~

1. "Stability" and "Profitability" anchoring API's urban retail properties

Fixed-rent rate	Ave. leasehold	Ave. NOI yield (Before depreciation)
96%	9.0 years	4.9% <small>(Ave. of 12th & 13th periods)</small>

2. Measures in retail properties for future

- AA-4 icot Mizonokuchi** ▶ Lease contract concluded with Room's-taishodo (whole building lease)
- **5-year fixed lease contract concluded** following termination of current lease
 - Achieved in stabilization of revenue and property management



Contracted area: 4,245 tsubo
Termination of current lease: Jul. 24, 2018
Leasehold period: from Jul. 25, 2018 to Jul. 24, 2023 (fixed term)

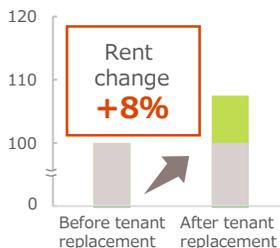
3. Continuous internal growth maximizing potentials

- ▶ **Achieved replacement with rent increase w/o down-time** after intense leasing activity

UR-9 A-FLAG SHIBUYA
(Acquired in Aug. 2013 (4th period))

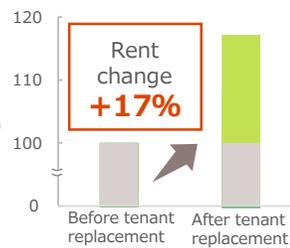


UR-6 A-FLAG AKASAKA
(Acquired in Aug. 2013 (4th period))



- Enjoys a high visibility by facing busy Hitotsugi Street. Bio c'Bon, a talked-about supermarket coming from Paris, France plans to open their shop
- Their planned 7th shop in Japan (after Azabu Juban, Nakameguro, etc.)
- Wide variety of goods from food to commodities

AA-8 icot Omori
(Acquired in Dec. 2013 (5th period))



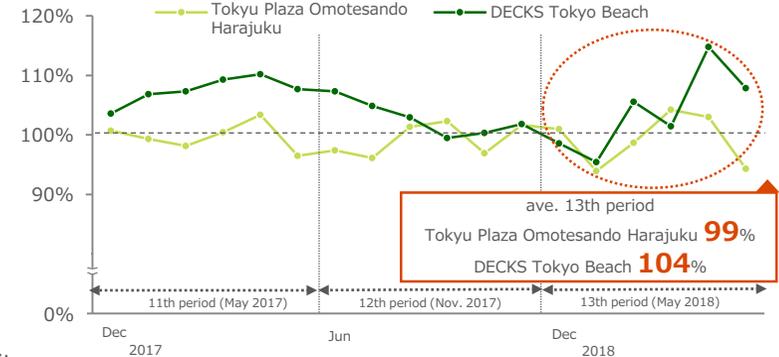
- The drug store, an existing tenant whose business relates to people's daily life is recording favorable sales and expanded its leasing area



4. Tokyu Plaza Omotesando Harajuku/ DECKS Tokyo Beach

Sales transition (Year-on-Year)

- ▶ Sales remains robust owing to strategic renovation and measures taken such as to appeal to inbound tourists



Examples of strategic renovation

- ▶ Invited a make-up brand to open its first shop in Japan (Tokyu Plaza Omotesando Harajuku)

NYX Professional Makeup (Newly opened on Mar. 16, 2018)



- A make-up brand for professionals established in L.A.
- Achieved to stabilize and increase revenue by converting POP-UP (event) space into leasable area

- ▶ Increased capacity to draw visitors by creating "buzz" (DECKS Tokyo Beach)

Odaiba Takoyaki Museum (Renovated and re-opened on Mar. 20, 2018)



- Installed multilingual ticket vendor, expanded eating area, changed layout and extended opening hours
- Sales of the area increased after renovation by **53%** (result of Apr. 2018, Y-on-Y)

Internal Growth ~Management of Retail Properties 2~

1. Urban Retail properties with hotel zone

Overview of each hotel

▶ Highly competitive due to high visibility of the building 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

Key indices of hotel

(Results from Dec. 2017 to May 2018 (ave. of 3 hotels))

Occupancy rate of hotel rooms

86% (Y-on-Y+2pt)

(Ref) Nationwide occupancy for city hotels **78%**

RevPAR trends

Y-on-Y 104%

Inbound sales trend

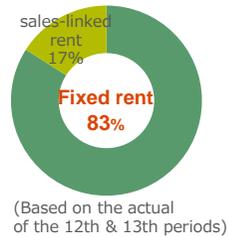
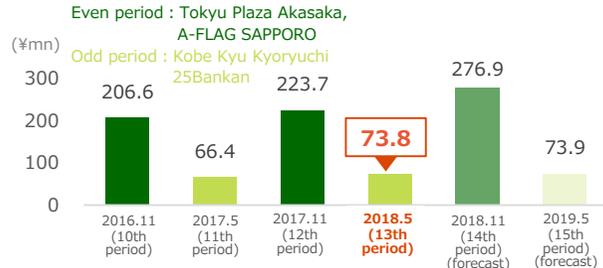
12%

Trend in Sales-linked rent and fixed rent rate

▶ Sales-linked rent continually expands with fixed rent ratio since a year of **83%**

Trends in sales-linked rent

Ratio of fixed rate



▶ Measures taken at major hotels for differentiation in diversified hotel business

Akasaka Excel Hotel Tokyu	Sapporo Tokyu REI Hotel	Oriental Hotel
		
New open of fitness room	Breakfast prepared using ingredients from Hokkaido	Refurbishment of executive floor

2. Measures taken in Urban Retail properties

Trends in inbound tourists and duty-free sales

▶ Duty-free sales of API's retail properties are in increase in association with growth in the number of inbound tourists



Trend in ratio of duty-free sales

Tokyu Plaza Omotesando Harajuku	15%
DECKS Tokyo Beach	12%

(2017 results)

Growth of duty-free sales: High
Ratio of duty-free sales : Low

High Upside potential by filling needs

▶ Various measures to address accelerating demand of inbound tourists

Tokyu Plaza Omotesando Harajuku	Tokyu Plaza Akasaka
	
Area map in foreign languages prepared in collaboration with neighborhood facilities	Installation of toll-free smartphone "handy" in Akasaka Excel Hotel Tokyu
DECKS Tokyo Beach	
	
Appearing on media for Chinese tourists	Installation of chapel
	
	Training on inbound customer service

1. Initiatives taking properties' locational advantage

Efficient use of idle space on roof (Invited BBQ company)

UR-15 DECKS Tokyo Beach

- Suitable for special occasion with outstanding view of Tokyo Bay area
- Increased attractions of the property for visitors in addition to **revenue increase along with larger leased area**



Converted to office building taking locational advantage in front of station

TO-17 A-PLACE Shinbashi Ekimae



- Invested approx. ¥700mn for large-scaled renovation following vacating of whole building by a retail tenant
- **Newly constructed office entrance and converted former ownership area to office, etc.** to meet various tenant needs for an office building in front of station

2. Effort to enhance AM·PM capability

Regular market review



- Organize **on regular basis** latest market **review (office / retail / hotel / transaction) by external specialist to be aware of market trend and problems of each property**
- Major review companies
 - CBRE Japan K.K.
 - Japan Hotel Appraisal Co., Ltd.
 - Sumitomo Mitsui Trust Research Institute Co., Ltd.
 - Japan Real Estate Institute



TLC REIT Management Inc.

PM awarding program

- Implemented awarding program to honor notable achievements such as large rent increase
- Contribution **to enhance partnership between AM and PM** in addition to **improve motivation of PM person in charge**

<PM awarding ceremony>



TOKYU COMMUNITY CORP.



TOKYU LAND SC MANAGEMENT CORPORATION

Aim at revenue maximization by "Proactive Management" along with taking full advantage of "Location and Quality" of API's portfolio

1. Measures to increase revenue

- ▶ Acquired another secondary revenue by active initiatives

Utilization of front space of the property (Mobile lunch catering)

TO-1 TLC Ebisu Building



- The area is especially concentrated by offices, which high-needs for lunch of office workers is expected
- Achieved **ancillary revenue increase** in addition to improving tenants' convenience by utilizing effectively front space of the property

Other efforts

UR-2 Tokyu Plaza Akasaka



- Rent revenue largely increased by **conversion of warehouse to office**

UR-6 A-FLAG AKASAKA



- Revenue increased by placing extra **tenant signage**

AA-9 Market Square Sagami-hara



- Revenue increased by **installation of ID photo booth**

TO-8 A-PLACE Shinbashi and 2 other properties



- Installed and extended **antennas**

TO-14 A-PLACE Shibuya Konnoh



- Revenue increased by **switching supplier of vending machines**

2. Efforts for cost reduction and environment

- ▶ Actively implemented cost reduction measures such as switching power companies and conversion to LED

UR-2 Tokyu Plaza Akasaka and 2 other properties



- Reduced electric cost by ave. **5%** by **replacing power companies** with attention to reduction of gas emission

UR-15 DECKS Tokyo Beach and 6 other properties



- Reduced electric cost by **upgrade of light to LED**

UR-10 Q plaza SHINSAIBASHI



- Reduced cost by changing **mandatory attached parking facilities**
- Changed **security organization** (cost cut by revision of security operation time)

3. Strategic value-ups contributing to tenant satisfaction

- ▶ Continual value-ups to maintain and improve asset value

UR-11 A-FLAG KOTTO DORI



Improved finish of hand wash basin and toilet

TO-13 A-PLACE Ebisu Higashi



Improved interior finish of common area

Achieved revenue increase by **¥13.4mn per full six months per period** through revenue increase by grasping needs and active cost-reduction

1. External assessment of measures for sustainability

► **Over half of API's existing properties** is awarded environmental certificates by outside certification authorities

GRESB Real Estate Assessment

CASBEE Property Assessment Certification

DBJ Green Building Certification

BELS 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** in the comparative assessment introduced in 2016



Covers **28%** at the end of the period
※Based on gross floor area

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.)



Covers **23%** at the end of the period
※Based on gross floor area

8 properties have been awarded **3 stars to 5 stars**
5 stars:2 properties (Shiodome Building, etc.)
4 stars:2 properties (Tokyu Plaza Omotesando, etc.)
3 stars: 4 properties (Tokyu Plaza Akasaka, etc.)




Covers **6%** at the end of the period
※Based on gross floor area

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)

2. Examples of measures taken by API

Investment related to energy saving

UR-11 A-FLAG KOTTO DORI



Conversion to LED lighting

TO-14 A-PLACE Shibuya Konnoh



Renewal of common area air conditioning

UR-8 A-FLAG SAPPORO

TO-12 A-PLACE Ebisu Minami



Energy saving check-up

Initiatives for local societies through planning and participation to events

UR-1 Tokyu Plaza Omotesando Harajuku



- Experience of vegetable farming by local nursery school kids at **"Yasai-no-mori (garden of vegetables)"** project in terrace on 6th floor
- Celebrated the first harvest in June, the property will continue to engage in local community through various projects

AA-10 Umeda Gate Tower



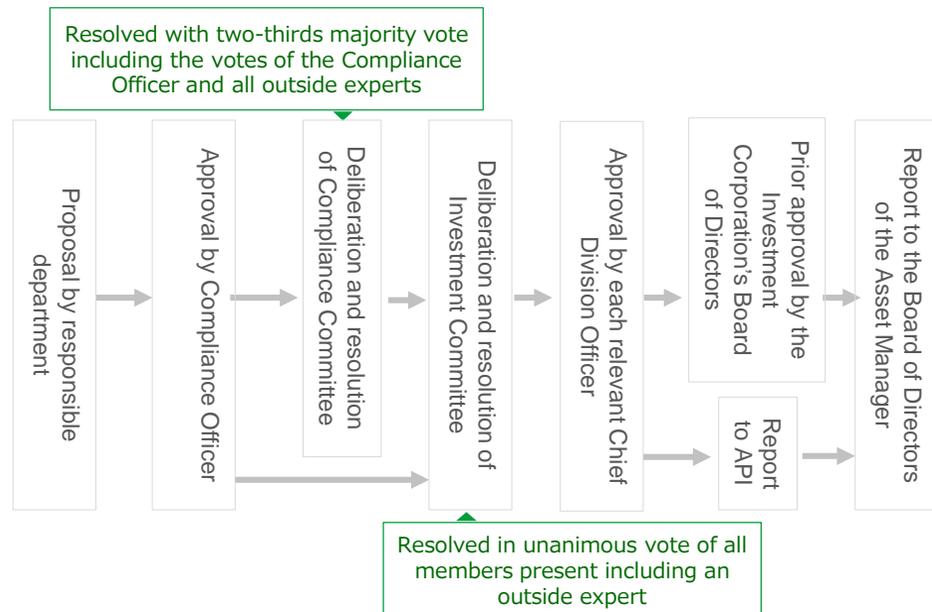
- Participated to **"Challywood"**, an event to boost the Chayamachi area, organized by Kita Umeda town planning council

Establishment of Environmental Engineering Department

- **"Environmental Engineering Department"** is newly established as of Apr. 1, 2018 within Tokyu REIT Management, the asset manager of API, aiming to enhance the organization to maintain and improve the value of API's assets
- The dept. supervises matters concerning repairs and other works of assets and environmental responsiveness of properties, aiming at concentration of management know-how for **a more advanced management**

1. Governance structure aimed at maximizing unitholders' value

- 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



2. Alignment of the interests of the unitholders and Sponsor

Sponsor's investment in API

The Sponsor holds 61,913 units issued by API (approx. 9% of the total units outstanding) as of May 31, 2018 and expressed the following intention to the Asset Manager in the Sponsor Support Agreement:

Common ownership of properties with Sponsor

We 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 Haraiuku	75%	25%
Tokyu Plaza Akasaka	50%	50%
DECKS Tokyo Beach	49%	51%

3. Fee structure of Asset Manager and API's directors

- Fee structures enabling to incentivize to maximize unitholders' 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	Ratio of disposition Fee
0.7%	0.5%
Related-party transactions: 0.5%	Related-party transactions: no fee No disposition fees when loss on sale is accrued

Executive compensation

Title	Director's name	Other responsibilities	Total compensation (thousand of yen)
Executive Director	Kazuyuki Murayama	General Manager of Strategy Department, Activia Management Division, TLC REIT Management Inc.	-
Supervisory Director	Yonosuke Yamada	Managing Partner of Yamada, Goya and Suzuki law offices	(Total) 3,300 (13th period actual)
	Yoshinori Ariga	Ariga Yoshinori tax advisor office	

(Note) None of directors holds any of API's units in their own or the name of another. Supervisory directors might be directors of other entities, though there are no special interests between API and those entities or either of the entities referred to above.

4. Measures to improve expertise in Asset Manager

In-house training program

- Regularly holds seminar by external guest lecturer rich in experience



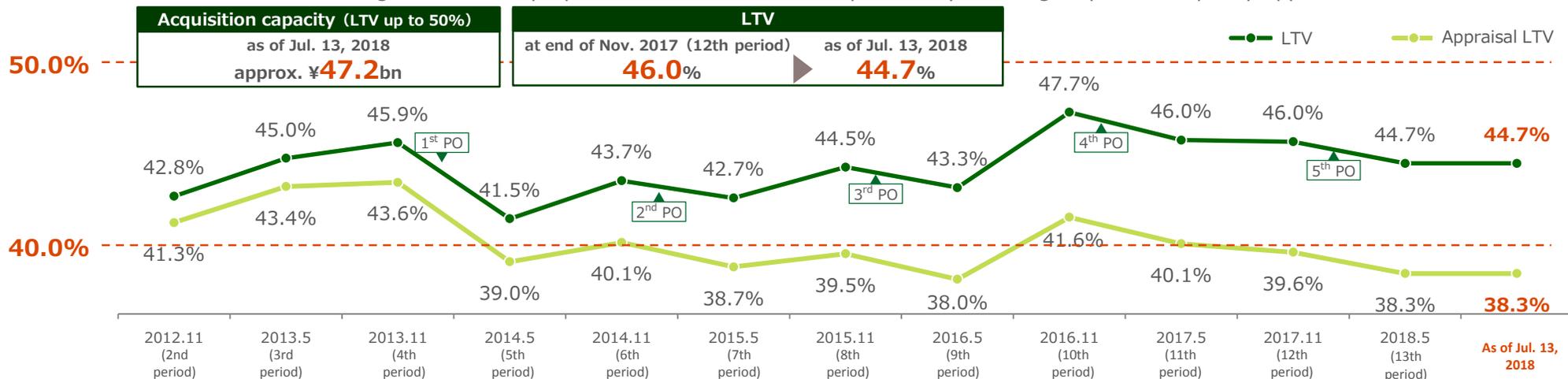
Support system for certification acquisition & list of qualified employees

- Test cost and seminar fees for acquisition/holding of qualification/certification were funded by Asset Manager
- List of the qualification/certification w/number of employees as of Apr. 1, 2018

Registered real estate notary	71 pers.	First-class registered architect	4 pers.
ARES Real estate securitization master	36 pers.	Certified public tax accountant	1 pers.
Real estate appraisers	7 pers.	Certified Building Administrator	17 pers.
Chartered Member of the Securities Analysts Association of Japan	2 pers.	(Note) Includes those are qualified but not registered.	

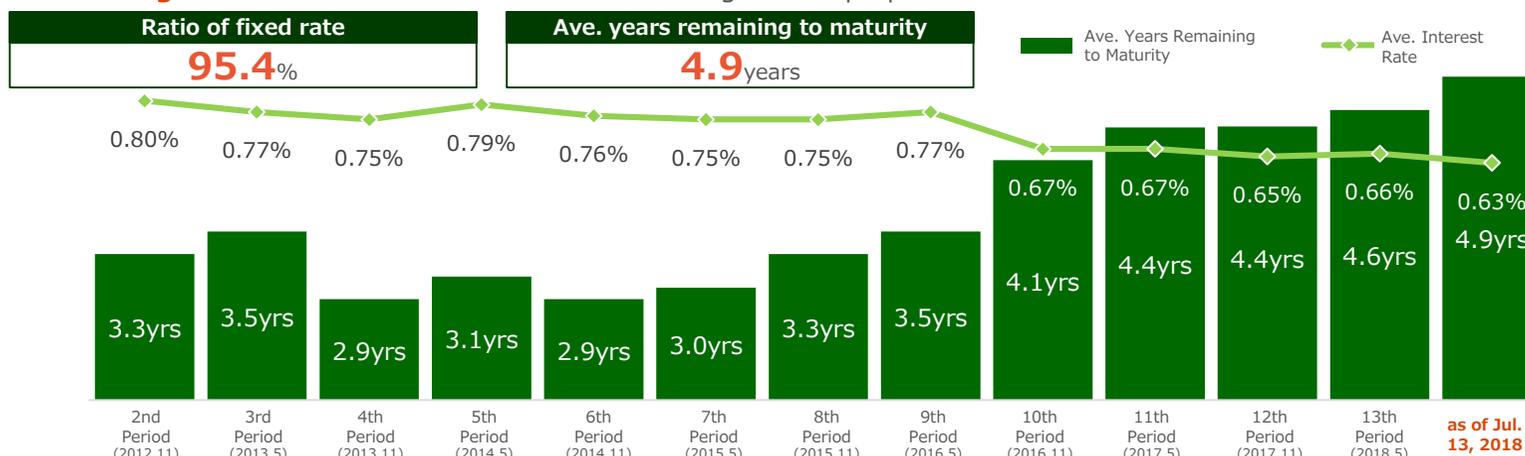
1. Trends in LTV and borrowing indicators

▶ Reduced LTV to **44.7%** through 5th PO and prepared for further flexible acquisition by securing acquisition capacity approx. of **¥47.2bn**



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

Long-term issuer rating

JCR
AA
(Stable)

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	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%	95.4%	95.4%

Financial Strategies ~Status of Financing 2~

1. Latest Refinance Status

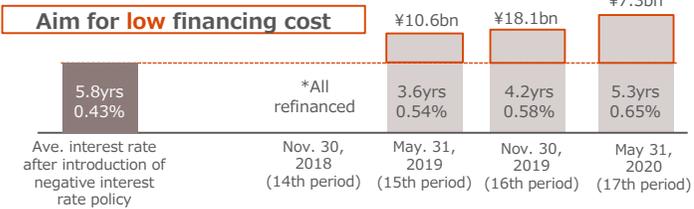
► **Challenged to reduce more average interest rate** at refinance under favorable market for borrowing at low interest rate

Ave. interest rate (Ave. borrowing period)

Borrowings due to be refinanced in the next two years

	Amount	Ave. period	Ave. interest rate
14th period	¥0.0bn	-	-%
15th period	¥10.6bn	3.6 years	0.54%
16th period	¥18.1bn	4.2 years	0.58%
17th period	¥7.3bn	5.3 years	0.65%
Total/Ave.	¥36.0bn	4.3 years	0.58%

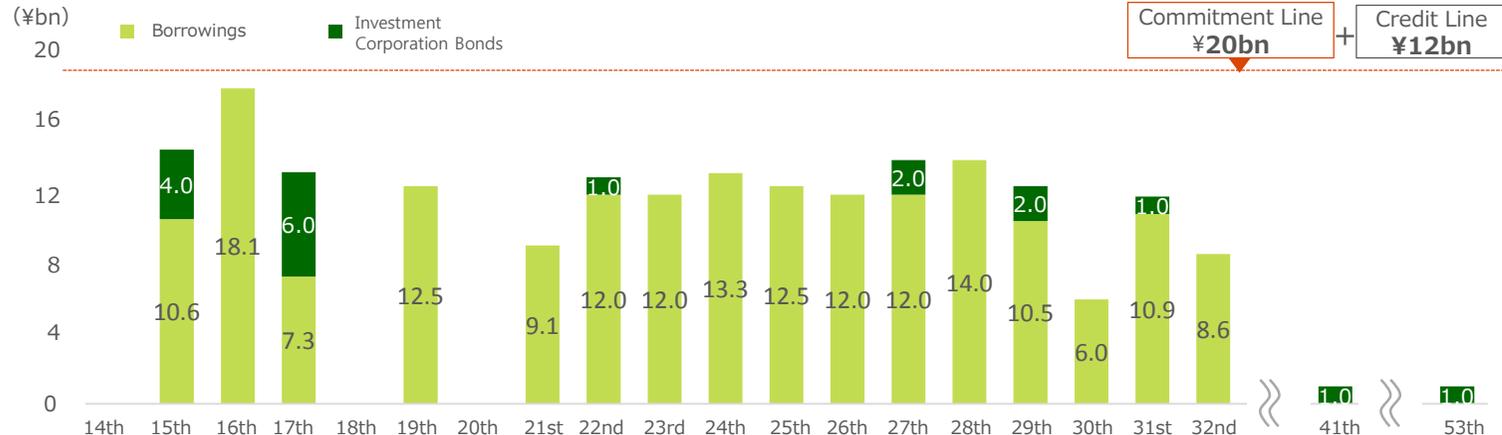
* Issued investment corporation bonds are excepted.



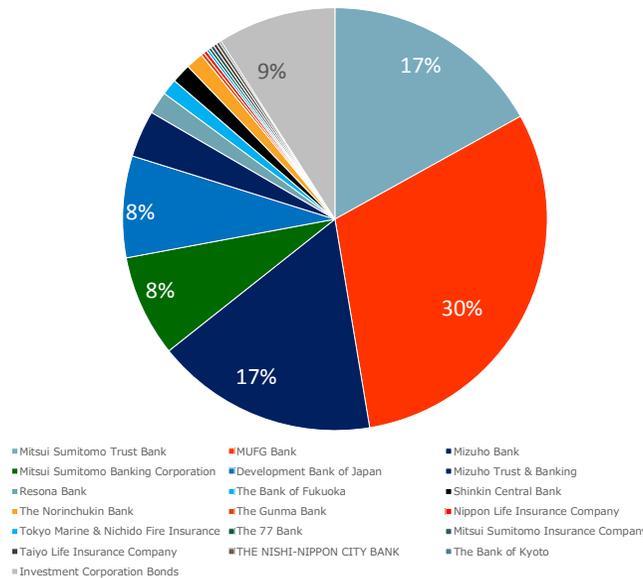
2. Maturity ladder, rating and borrowing status

► **Diversified maturity periods** with attention to refinance of investment corporation bonds

Interest-bearing Debt Maturity Ladder (as of Jul.13, 2018)



Lenders list (as of Jul. 13, 2018)



	Outstanding amount (¥mm)	Ratio
Mitsui Sumitomo Trust Bank	33,715	16.9%
MUFG Bank (*1)	60,740	30.5%
Mizuho Bank	33,715	16.9%
Mitsui Sumitomo Banking Corporation	15,490	7.8%
Development Bank of Japan	15,490	7.8%
Mizuho Trust & Banking	7,140	3.6%
Resona Bank	3,440	1.7%
The Bank of Fukuoka	2,440	1.2%
Shinkin Central Bank	2,940	1.5%
The Norinchukin Bank	2,640	1.3%
The Gunma Bank	500	0.3%
Nippon Life Insurance Company	500	0.3%
Tokyo Marine & Nichido Fire Insurance	400	0.2%
The 77 Bank	400	0.2%
Mitsui Sumitomo Insurance Company	500	0.3%
Taiyo Life Insurance Company	500	0.3%
THE NISHI-NIPPON CITY BANK (*2)	500	0.3%
The Bank of Kyoto (*2)	300	0.2%
Investment Corporation Bonds	18,000	9.0%
Total	199,350	100.0%

(*1) Borrowings from MUFG Bank include borrowings of ¥27.035bn from former Mitsubishi UFJ Trust and Banking Corporation.
(*2) Newly invited lenders at refinancing in Mar. 2018

3. Issuance of Investment Corporation Bonds

► Issued 8th & 9th investment corporation bonds **at low interest rates** in Feb. 2018

Issuance in Feb. 2018		
Debt	Value of issuance	Interest rate
8th 4.5year-bond	¥1.0bn	0.160%
9th 20year-bond	¥1.0bn	1.050%
Total/Ave.	¥2.0bn	0.605%

Appraisal Values of Properties

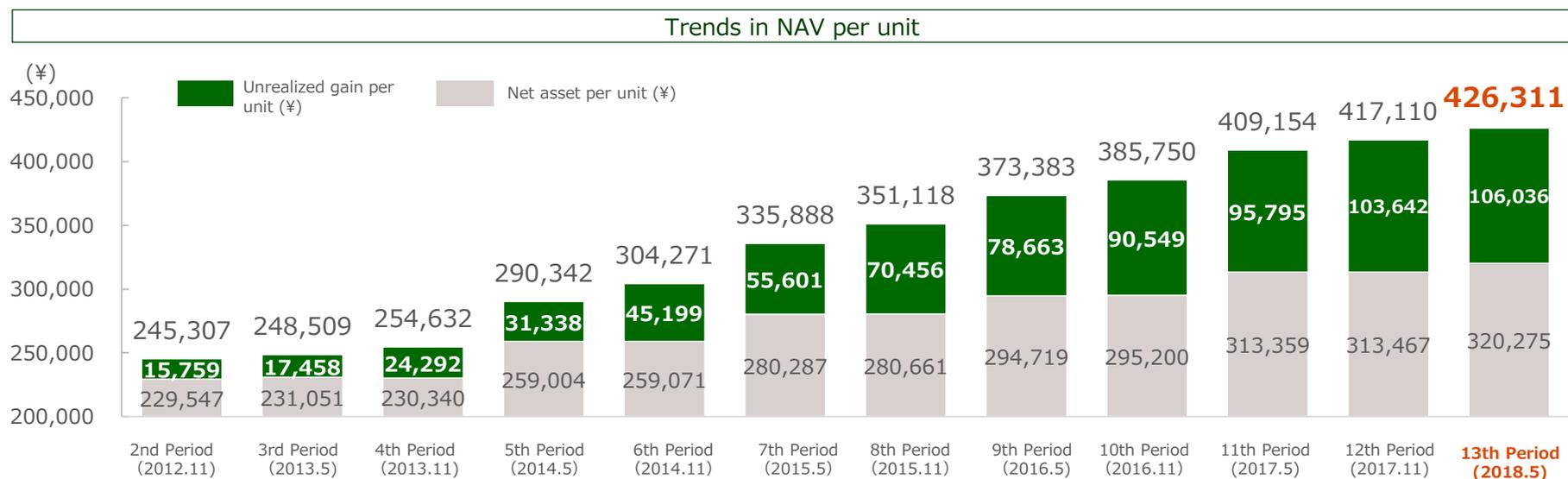
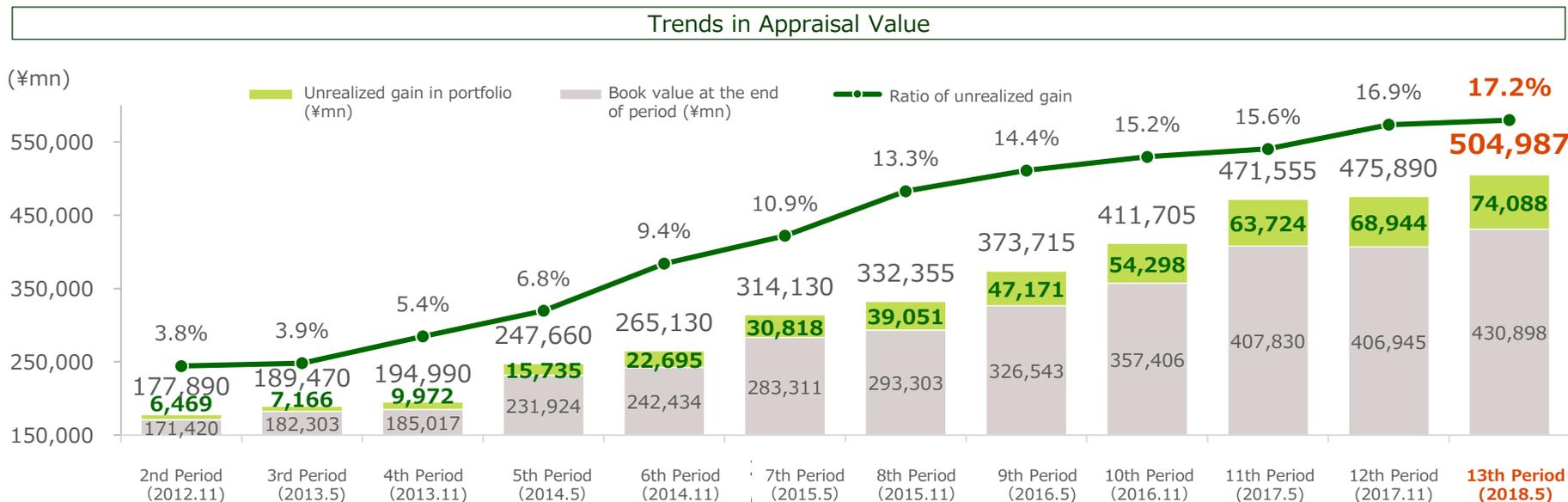
- ◆ The appraisal values of properties at the end of May 2018 (the 13th period) is **up ¥5.2b** from the previous period, with unrealized gain expanded to **¥74bn**.

Category	Property number	Property name	Acquisition price (A)	Investment ratio (%)	Book value at the end of May 2018 (13th period)	Appraisal value			Difference from previous period (D-C)	Difference from acquisition price (D-A)	Difference from book value (D-B)
						As of Nov. 30, 2017 (C)	As of May 31, 2018				
							(D)	Cap rate as of May 31, 2018			
	UR-1	Tokyu Plaza Omotesando Harajuku (Note 1)	45,000	10.4%	44,796	58,200	59,100	2.8%	900	14,100	14,304
	UR-2	Tokyu Plaza Akasaka (Note 1)	11,450	2.7%	11,755	15,000	15,000	4.1%	0	3,550	3,245
	UR-3	Q plaza EBISU	8,430	2.0%	8,269	11,100	11,300	3.3%	200	2,870	3,031
	UR-4	Shinbashi Place	20,500	4.8%	20,971	20,500	20,300	3.6%	-200	-200	-671
	UR-5	Kyoto Karasuma Parking Building	8,860	2.1%	8,752	11,100	11,000	4.9%	-100	2,140	2,248
	UR-6	A-FLAG AKASAKA	3,000	0.7%	3,078	3,730	3,730	3.6%	0	730	652
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	4.9%	20,847	26,800	26,800	4.0%	0	5,470	5,953
	UR-8	A-FLAG SAPPORO	4,410	1.0%	4,650	6,880	7,080	5.5%	200	2,670	2,430
	UR-9	A-FLAG SHIBUYA	6,370	1.5%	6,350	7,400	7,430	4.0%	30	1,060	1,080
	UR-10	Q plaza SHINSAIBASHI	13,350	3.1%	13,449	14,400	14,600	3.6%	200	1,250	1,151
	UR-11	A-FLAG KOTTO DORI	4,370	1.0%	4,406	4,780	4,880	3.5%	100	510	474
	UR-12	A-FLAG BIDUTSUKAN DORI	4,700	1.1%	4,713	4,760	4,760	3.6%	0	60	47
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	0.5%	2,348	2,400	2,340	3.9%	-60	60	-8
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	1.1%	4,849	-	4,740	4.0%	-	15	-109
	UR-15	DECKS Tokyo Beach (Note 1)	12,740	3.0%	12,907	-	12,887	4.0%	-	147	-20
	Sub-total		171,515	39.7%	172,148	187,050	205,947	-	1,270	34,432	33,798
	TO-1	TLC Ebisu Building	7,400	1.7%	7,315	9,860	10,300	3.7%	440	2,900	2,985
	TO-2	A-PLACE Ebisu Minami	9,640	2.2%	9,443	13,600	13,900	3.6%	300	4,260	4,457
	TO-3	A-PLACE Yoyogi	4,070	0.9%	3,922	4,610	4,710	3.9%	100	640	788
	TO-4	A-PLACE Aoyama	8,790	2.0%	8,638	9,680	9,970	4.0%	290	1,180	1,332
	TO-5	Luogo Shiodome	4,540	1.1%	4,279	6,220	6,220	3.6%	0	1,680	1,941
	TO-6	TAMACHI SQUARE (Land) (Note 2)	2,338	0.5%	2,362	2,770	2,770	3.7%	0	432	408
	TO-7	A-PLACE Ikebukuro	3,990	0.9%	3,778	5,010	5,020	4.2%	10	1,030	1,242
	TO-8	A-PLACE Shinbashi	5,650	1.3%	5,712	6,670	6,670	3.9%	0	1,020	958
	TO-9	A-PLACE Gotanda	5,730	1.3%	5,556	6,930	6,940	3.7%	10	1,210	1,384
	TO-10	A-PLACE Shinagawa	3,800	0.9%	3,788	4,300	4,300	3.7%	0	500	512
	TO-11	OSAKI WIZTOWER	10,690	2.5%	10,761	14,500	14,600	3.5%	100	3,910	3,839
	TO-12	Shiodome Building (Note 1)	71,600	16.6%	71,280	74,550	75,600	3.4%	1,050	4,000	4,320
	TO-13	A-PLACE Ebisu Higashi	7,072	1.6%	7,128	7,680	7,700	3.7%	20	628	572
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.1%	4,979	5,340	5,350	3.6%	10	540	371
	TO-15	A-PLACE Gotanda Ekimae	7,280	1.7%	7,549	7,650	7,690	3.8%	40	410	141
	TO-16	A-PLACE Shinagawa Higashi	18,800	4.4%	18,905	19,500	19,500	3.9%	0	700	595
	Sub-total		176,200	40.8%	175,402	198,870	201,240	-	2,370	25,040	25,837
	AA-1	Amagasaki Q's MALL (Land)	12,000	2.8%	12,113	13,900	13,900	4.3%	0	1,900	1,787
	AA-2	icot Nakamozu	8,500	2.0%	8,172	10,200	10,300	5.1%	100	1,800	2,128
	AA-4	icot Mizonokuchi	2,710	0.6%	2,637	3,250	3,230	5.4%	-20	520	593
	AA-5	icot Tama Center	2,840	0.7%	2,664	3,810	3,890	5.1%	80	1,050	1,226
	AA-6	A-PLACE Kanayama	6,980	1.6%	6,428	7,900	8,530	5.1%	630	1,550	2,102
	AA-7	Osaka Nakanoshima Building	11,100	2.6%	11,035	13,800	14,100	4.1%	300	3,000	3,065
	AA-8	icot Omori	5,790	1.3%	5,688	6,590	6,750	4.4%	160	960	1,062
	AA-9	Market Square Sagamihara	4,820	1.1%	4,733	5,020	5,030	5.3%	10	210	297
	AA-10	Umeda Gate Tower	19,000	4.4%	19,498	21,000	21,300	3.7%	300	2,300	1,802
	AA-11	A-PLACE Bashamichi	3,930	0.9%	4,031	4,500	4,500	4.9%	0	570	469
	AA-12	Commercial Mall Hakata	6,100	1.4%	6,344	-	6,270	4.8%	-	170	-74
		Sub-total		83,770	19.4%	83,348	89,970	97,800	-	1,560	14,030
	Total		431,485	100.0%	430,898	475,890	504,987	-	5,200	73,502	74,088

(Note 1) Values for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach and Shiodome Building are calculated based on the pro rata share of the respective co-ownership interests (75%, 50%, 49% 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 per unit before the 7th period are shown as half of actual value.

(Reference) Financial Forecasts for the Period Ending Nov. 2018 (the 14th Period)

- ◆ **Both revenue and profit are forecasted to increase** from the previous period due to (i) full-period operation of 2 properties acquired in 13th period and (ii) sales-linked rent at hotels, absorbing the decrease in revenue of existing properties and increased taxes & public dues
- ◆ (Forecast) DPU is expected to be **¥9,500**, up from **¥38** from the previous period

1. 14th period latest forecast vs. 13th period results/14th period former forecasts

(In millions of yen)

	13th period	14th period ending Nov. 2018		14th period (vs. former forecast)	
	Results	Forecast 2018.7.13	vs. previous period Difference (%)	Forecast 2017.11.28 2018.1.17	Change (vs. former forecasts)
Operating revenue	13,327	13,717	+390 +2.9%	13,600	+117
Operating expenses	5,855	6,230	+374 +6.4%	6,094	+136
Taxes & public dues	895	987	+92 +10.3%	1,001	-13
Operating profit	7,471	7,487	+15 +0.2%	7,506	-18
Ordinary profit	6,611	6,639	+27 +0.4%	6,575	+63
Profit	6,610	6,638	+27 +0.4%	6,574	+63
DPU	¥9,462	¥9,500	+¥38 +0.4%	¥9,410	+¥90

2. Variance analysis (vs. 13th period results)

(In millions of yen)

	vs. 13th results	Details
Operating revenue	+390	Increase: Full-period operation +201, Sales-linked rent at hotels +203, Utility fee +145, Cancellation fee +4, Other revenues +1
		Decrease: Rent of existing properties -158, Restoration works -3, Facilities usage fee -2, Parking lot fees -1
Expenses related to rent business	+329	Increase: Full-period operation +71, Utility expense +115, Taxes & public dues +92, Other expenses +26, Repair & maintenance +25, Depreciation +21
		Decrease: Management operation expense -14, Advertisement fee -3, Payment commission -2
NOI after depreciation	+60	
General administrative expenses	+44	Increase: Asset management fee +35, Miscellaneous expenses +8, Payment commission +1
		Decrease: Taxes & public dues -1
Operating profit	+15	

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

Interest rate assumption: 0.825%



(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 Period Ending May 2019 (the 15th Period)

- ◆ **Profit is forecasted to increase** due to (i) rent increase backed by internal growth and (ii) controlled cost such as repair & maintenance, despite a large decrease in revenue caused by gap in periods generating sales-linked rent at hotels
- ◆ (Forecast) DPU is expected to be **¥9,502**, slightly up from the previous period

1. Comparison to the 14th forecasts

(In millions of yen)

	14th period	15th period ending May 2019		
	Forecasts 2018.7.13	Forecasts 2018.7.13	vs. previous period	
			Difference	(%)
Operating revenue	13,717	13,431	-285	-2.1%
Operating expenses	6,230	5,922	-307	-4.9%
Taxes & public dues	987	997	+9	+0.9%
Operating profit	7,487	7,509	+21	+0.3%
Ordinary profit	6,639	6,640	+0	+0.0%
Profit	6,638	6,639	+0	+0.0%
DPU	¥9,500	¥9,502	+¥2	+0.0%

2. Variance analysis (vs. the 14th period latest forecasts)

(In millions of yen)

	vs. 14th forecasts	Details	
Operating revenue	-285	Increase	Rent of existing properties +74
		Decrease	Sales-linked rent at hotels -203, Utility fee -109, Other revenue -24
Expenses related to rent business	-310	Increase	Cancellation fee -14, Parking lot fees -4, Facility usage fee -2
		Decrease	Taxes & public dues +9, Depreciation +8, Advertisement fee +7
NOI after depreciation	+24		Repair & maintenance -168, Management operation expenses -64, Utility expenses -52, Other expenses -50
General administrative expenses	+2	Increase	Miscellaneous expenses +4
		Decrease	Asset management fee -1
Operating profit	+21		

3. Variance between the 15th period forecasts and the 14th period forecasts (DPU)

Interest rate assumption: 0.85%

vs. previous period
+¥2

¥9,500



Operating revenue

-¥409

Expenses related to rent business

+¥444

General administrative expenses

-¥3

Interest expenses and others

-¥30

¥9,502



Forecast of the period ending Nov. 2018 (14th period)

Forecast of the period ending May 2019 (the 15th 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.

Trends in Distributions per Unit

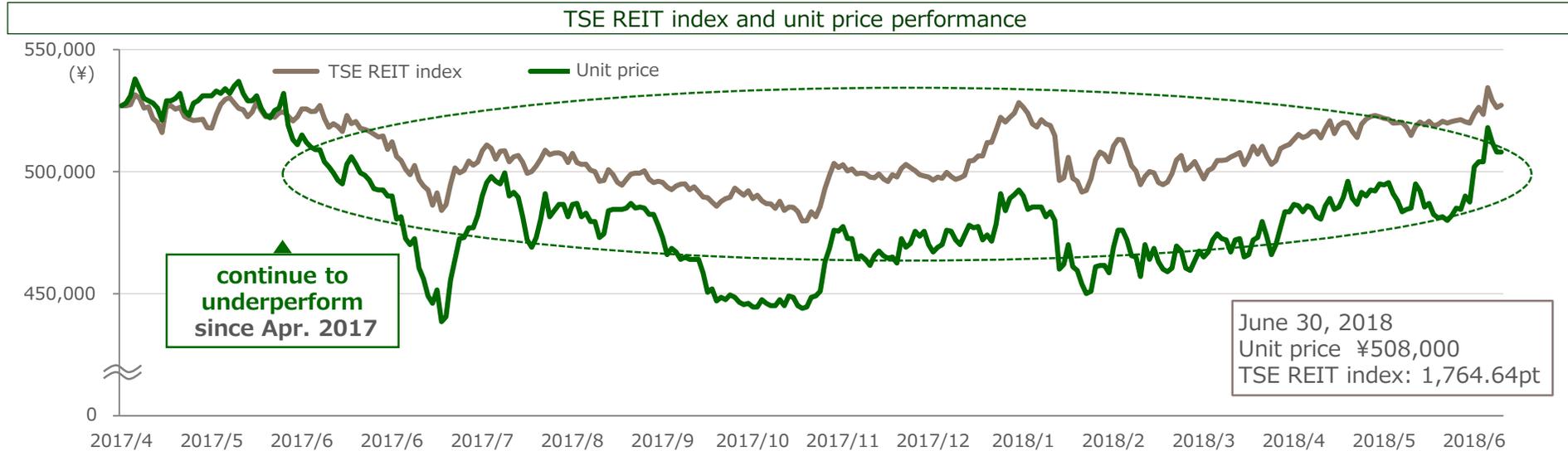
- ◆ Actual DPU for the 13th period reached **¥9,462**, mainly due to (i) external growth due to new contribution of properties acquired at the beg. of the period and (ii) continued steady internal growth, exceeding the initial forecast for the 13th period as well as the 12th period results
- ◆ Forecast **¥9,500** for the 14th period and **¥9,502** for the 15th period, aiming to **steadily realize** formerly targeted DPU level of **¥9,500**



(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.

Business Strategy for Step-up toward Top-class Brand of J-REIT

**API unit price underperforms TSE REIT index since Apr. 2017
in persistently sluggish J-REIT market**



(Note) The performance of TSE REIT index is indexed to API unit price as of Apr. 3, 2017

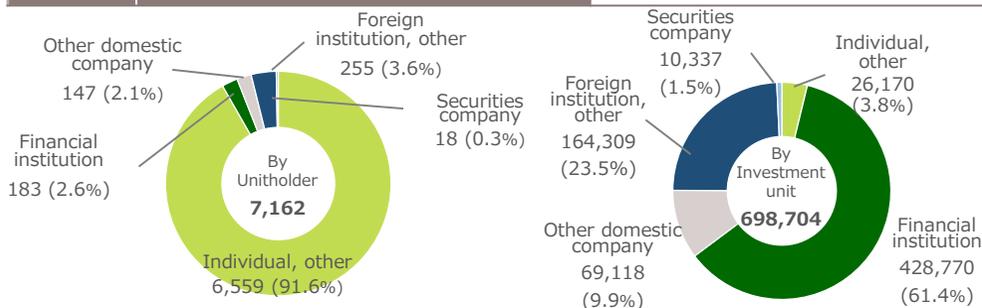
Aim to shift promptly to next stage enhancing the evaluation of API to be a top-class brand representing J-REIT by driving proactive business strategies



Distribution of Unitholders, IR Activities and Selection to Index

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

	End of May 2018 (13th period)				End of Nov. 2017 (12th period)			
	# of unit-holders	Ratio	# of units	Ratio	# of unit-holders	Ratio	# of units	Ratio
Individual, other	6,559	91.6%	26,170	3.8%	6,311	91.8%	27,117	4.1%
Financial institution	183	2.6%	428,770	61.4%	156	2.3%	410,500	61.7%
Other domestic company	147	2.1%	69,118	9.9%	145	2.1%	68,468	10.3%
Foreign institution, other	255	3.6%	164,309	23.5%	246	3.6%	151,170	22.7%
Securities company	18	0.3%	10,337	1.5%	13	0.2%	7,959	1.2%
Total	7,162	100%	698,704	100%	6,871	100%	665,214	100%



2. Top 10 Unitholders

Name	Investment units	Ratio (%)
1. Japan Trustee Services Bank, Ltd. (Trust accounts)	149,033	21.3
2. The Master Trust Bank of Japan, Ltd. (Trust accounts)	107,549	15.4
3. Tokyu Land Corporation	61,913	8.9
4. The Nomura Trust and Banking Co., Ltd (Investment accounts)	28,237	4.0
5. Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	26,472	3.8
6. THE BANK OF NEW YORK 133970	10,246	1.5
7. State Street Bank & Trust Company	9,317	1.3
8. State Street Bank & Trust Company 505012	8,425	1.2
9. State Street Bank West Client Treaty 505234	8,193	1.2
10. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	7,283	1.0
Total	416,668	59.6

3. IR activities

▶ For the communication of the result of the period ended Nov. 2017 (12th) published in Jan. 2018, we have met **122 institutional investors & others, including 15 for first time**

Total	Domestic	Oversea	Individual
122	77	34	11 (1,167pers.)



Seminar co-organized with Comforia Residential REIT Inc. held in Apr. 2018

4. Selected for a new index

▶ **API was selected for "TSE REIT Core Index"**, operated since Mar. 26, 2018 in response to various needs for security index

Index	TSE REIT Core Index	Related product	MAXIS J-REIT Core Listed investment trust(2517) *Listed in Apr. 2018
component securities	26 J-REITs including API (as of Jun. 30, 2018)	Operated by	Mitsubishi UFJ Kokusai Asset Management

Appendix

Central Tokyo Area

UR-1 Tokyu Plaza Omotesando Harajuku

UR-2 Tokyu Plaza Akasaka

UR-3 Q plaza EBISU

UR-4 Shinbashi Place

UR-6 A-FLAG AKASAKA

UR-9 A-FLAG SHIBUYA

UR-11 A-FLAG KOTTO DORI

UR-12 A-FLAG BIJUTSUKAN DORI

UR-13 A-FLAG DAIKANYAMA WEST

UR-15 DECKS Tokyo Beach

TO-1 TLC Ebisu Building

TO-2 A-PLACE Ebisu Minami

TO-3 A-PLACE Yoyogi

TO-4 A-PLACE Aoyama

TO-5 Luogo Shiodome

TO-6 TAMACHI SQUARE (Land)

TO-7 A-PLACE Ikebukuro

TO-8 A-PLACE Shinbashi

TO-9 A-PLACE Gotanda

TO-10 A-PLACE Shinagawa

TO-11 OSAKI WIZTOWER

TO-12 Shiodome Building

TO-13 A-PLACE Ebisu Higashi

TO-14 A-PLACE Shibuya Konoh

TO-15 A-PLACE Gotanda Ekimae

TO-16 A-PLACE Shinagawa Higashi

Greater Tokyo Area

AA-4 icot Mizonokuchi

AA-5 icot Tama Center

AA-8 icot Omori

AA-9 Market Square Sagami-hara

AA-11 A-PLACE Bashamichi

Nagoya

AA-6 A-PLACE Kanayama

Hakata

AA-12 Commercial Mall Hakata

Kyoto Area

UR-10 Q plaza SHINSAIBASHI

UR-14 A-FLAG KITA SHINSAIBASHI

AA-2 icot Nakamozu

AA-7 Osaka Nakanoshima Building

Sapporo

UR-8 A-FLAG SAPPORO



Hyogo/Osaka/Kyoto

UR-5 Kyoto Karasuma Parking Building

UR-7 Kobe Kyu Kyoryuchi 25Bankan

AA-1 Amagasaki Q's MALL (Land)

AA-10 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	A 1-minute walk from Tokyo Metro Chiyoda Line, Fukutoshin Line, "Meiji Jingu-mae" Station	A 1-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" Station A 1-minute walk from Tokyo Metro Yurakucho Line, Hanzomon Line, Namboku Line "Nagatacho" Station	A 1-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	A 1-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line, Toei Asakusa Line/Yurikamome "Shinbashi" Station	A 1-minute walk from Hankyu Kyoto Line "Karasuma" Station A 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 ² (Total)	51,491.66m ² (Total)	4,670.02m ²	8,541.70m ²	21,495.47m ²
Total leasable area (Note 2)	4,999.87m ²	16,579.26m ²	4,024.88m ²	6,484.57m ²	21,616.04m ²
Occupancy rate (Note 2)	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants (Note 2)	Baroque Japan Limited	Tokyu Hotels Co., Ltd.	Tokyu Sports Oasis Inc.	-	Times24 Co., Ltd.
Number of tenants (Note 2)	30	97	4	6	2
Key points of properties	<ul style="list-style-type: none"> Located at the crossing of Omotesando and Meiji Street, the center of Japan's fashion culture 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 Many tenants have positioned their shops in this building as their flagship or prototype shop considering the building's excellent location and high visibility 	<ul style="list-style-type: none"> 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 Located in the busy commercial area of Tokyo city-center, it has good commercial potential to attract diversified businesses Property is facing Akasakamitsuke crossing between Sotobori Dori and Route 246, with high visibility 	<ul style="list-style-type: none"> Located in the Ebisu area which is, unlike Shibuya or Daikanyama, well known as an area for grown-up High-profile building located in front of a station with a large façade made of terracotta bars and glass 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 	<ul style="list-style-type: none"> A 1-minute walk from convenient "Shinbashi" station, one of the busiest terminal stations in Japan Shinbashi Place is in an area with diverse properties, such as office buildings, restaurants, apparel shops, and entertainment facilities, including karaoke facilities 	<ul style="list-style-type: none"> Located in the Shijo Karasuma area, which is one of Kyoto's most prominent city center areas Highly visible building with a façade facing Karasuma Street, it is a high-profile building with an automated parking lot open 24 hours a day Highly important facility as it provides parking space to retail centers in the neighborhood such as Daimaru Kyoto and Takashimaya Kyoto

(Note 1) Tokyu Plaza Omotesando Harajuku and Tokyu 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 May 31, 2018. 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	A 3-minute walk from Tokyo Metro Chiyoda Line "Akasaka" Station A 5-minute walk from Tokyo Metro Ginza Line, Marunouchi Line "Akasaka-mitsuke" Station	A 5-minute walk from Kobe subway Kaigan Line "Kyu Kyoryuchi, Daimarumae" Station 9-minute walk from JR Tokaido Line "Sannomiya" Station A 9-minute walk	A 2-minute walk from Sapporo subway Nanbou Line "Susukino" Station A 8-minute walk from Sapporo subway Toho Line "Hosui-susukino" Station	A 4-minute walk from Tokyo Metro Ginza Line, Hanzoumon Line, Fukutoshin Line/ Tokyo Denentoshi Line, Toyoko Line "Shibuya" Station A 6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line "Shibuya" Station	A 1-minute walk from Osaka Metro Midotsuji 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 above and 2 floors underground
Gross floor area	2,429.01㎡	27,010.67㎡	27,277.85㎡	3,340.70㎡	3,822.45㎡
Total leasable area	2,280.22㎡	19,653.90㎡	21,229.16㎡	3,413.80㎡	2,820.23㎡
Occupancy rate	100.0%	100.0%	100.0%	100.0%	88.4%
Key tenants	- (Disclosed)	Plan Do See Inc.	Tokyu Hotels Co., Ltd.	BOOKOFF CORPORATION LIMITED	cocokara fine Inc.
Number of tenants	8	7	18	2	5
Key points of properties	<ul style="list-style-type: none"> A 3-minute walking distance from Tokyo Metro Chiyoda Line "Akasaka" Station, and is convenient location where multiple stations and lines may be used Facing "Hitotsugi Street", the street with the heaviest foot traffic in Akasaka area where concentrates various restaurants Leasing area is wide and enables versatile use suiting needs of diverse tenants 	<ul style="list-style-type: none"> 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 Kobe Luminarie takes place in December every year Tenants include Louis Vuitton shop in the "Louis Vuitton Maison" format offering a full lineup Long-term lease of minimum five years contributing to a stable income 	<ul style="list-style-type: none"> Located in Susukino, the most popular entertainment district in Hokkaido and one of Japan's major tourist spots A retail property holding a hotel and restaurants with high visibility in a 2-minute walk from "Susukino" Station Sapporo Snow Festival is held every February in the city 	<ul style="list-style-type: none"> Located in Shibuya area, one of the major commercial districts in Japan and the fashion centers for "young generations" An urban retail property in "Shibuya Center Street", designed to fit the district feature attracting people all day and night Club Quattro is a long-established club, hosts live music and has invited a variety of artists from both Japan and abroad for over 30 years 	<ul style="list-style-type: none"> Located in the front entrance of "Shinsaibashi", the top commercial area in Western Japan Shinsaibashi has the ability to attract customers as commercial focal point with passersby reaching about 98,000 people Conveniently located with a 1-minute walk from Osaka Metro "Shinsaibashi" Station, directly connecting to Crysta Nagahori

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	Sarugakuchō, Shibuya-ku, Tokyo	Senba, Chuo-ku, Osaka-city, Osaka	Daiba, Minato-ku, Tokyo
Access	A 4-minute walk from "Omotesando" Station on the Tokyo Metro	A 7-minute walk from "Omotesando" Station on the Tokyo Metro	A 4-minute walk from "Daikanyama" Station on the Tokyo Yamanote Line	A 3-minute walk from "Shinsaibashi" Station on the Osaka Metro Midosuji Line	A 2-minute walk from "Odaibakaihinkoen" Station on the Tokyo Waterfront New Transit Waterfront Line A 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 ²	2,221.98m ²	4,036.27m ²	3,096.18m ²	67,506.91m ²
Total leasable area	2,656.53 m ²	2,055.97 m ²	2,579.08 m ²	2,536.75m ²	16,112.00m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%
Key tenants	AMAN CO., LTD.	BLUE NOTE JAPAN, INC.	- (Disclosed)	PRESS Corporation Inc.	CA Sega Joypolis Ltd.
Number of tenants	7	3	1	5	86
Key points of properties	<ul style="list-style-type: none"> A high versatile space able to meet various commercial needs ranging from small-scale units of approx. 6 tsubo to large-scale units of approx. 130 tsubo Office spaces are equipped with sufficiently high-specification facilities to meet tenants' needs and are highly competitive in this area 	<ul style="list-style-type: none"> Located on Museum Street, connecting "Kotto Street" and "Miyuki Street", where many visitors stroll around Location near Nezu Museum, Taro Okamoto Memorial Museum and other cultural facilities 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 	<ul style="list-style-type: none"> Located along "Hachiman Street", the main street of Daikanyama area Very close to Daikanyama crossing, center of the area with sophisticated apparel shops, cafés and restaurants scattered throughout Area draws visitors from broader areas since the opening of large-scale retail properties in 2011 Elaborated design appeals to tenants who prefer the high-end image of the area 	<ul style="list-style-type: none"> Located at a 3-min walk from "Shinsaibashi" Station Facing the arcade of Shinsaibashisuji North shopping street, a busy street with many stores Standing on a highly visible corner Accessible directly to 2nd floor and underground floor by stairs from streetlevel in addition to an elevator Diverse tenants meeting various daily needs such as fitness gym, live music club and cellular phone store 	<ul style="list-style-type: none"> Located next to "Odaiba-kaihinkoen" Station 3rd floor with wood decks connected to neighbor commercial facilities and Odaiba Kaihin park "Hands-on experience" tenants such as "Tokyo Joypolis", "LEGOLAND Discovery Center Tokyo" and "Madame Tussauds Tokyo" Offers a great view of the Rainbow Bridge and illumination of Odaiba-kaihin Park, attracting both overseas and domestic tourists

(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	A 4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-shinjuku Line "Ebisu" Station A 6-minute walk from Tokyo Metro Hibiya Line "Ebisu" Station	A 4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	A 3-minute walk from JR Yamanote Line, Chuo Line, Sobu Line/ Toei Oedo Line "Yoyogi" Station	A 4-minute walk from Tokyo Metro Ginza Line "Gaienmae" Station	A 4-minute walk from Toei Oedo Line/ Yurikamome "Shiodome" Station A 5-minute walk from JR Tokaido Line, Yamanote Line, Keihin-Tohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station	A 2-minute walk from Toei Asakusa Line, Mita Line "Mita" Station A 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 ²	12,167.57m ²	4,201.59m ²	9,958.33m ²	8,242.61m ²	-
Total leasable area	7,342.60m ²	7,950.49m ²	3,106.17m ²	7,303.69m ²	4,476.35m ²	1,287.96m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Key points of properties	<ul style="list-style-type: none"> The building is in the high profile area of Ebisu, which has the highest concentration of office buildings Compared with other buildings in the neighborhood, its large floor size of approx. 805m² on standard floors makes it highly competitive Large-scale renovations were completed in 2011, and the building continues to be a high grade property 	<ul style="list-style-type: none"> 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 Large standard floor area of approx. 1,655 m² Common area renovation underwent in 2017 	<ul style="list-style-type: none"> Highly visible building located on the roadside of Meiji Street Approx. 346m² astylar space on one floor allows highly efficient space usage Versatile rectangular building shape equipped with shared facilities along the sides allows partial leasing of the floor 	<ul style="list-style-type: none"> Has strong competitive advantages compared with the office buildings in the neighborhood due to its large size Large-scale renovation of the building including seismic strengthening completed in 2008 Above-ground ample parking spaces provides an attractive feature to companies including apparel companies that need to deliver products and equipment 	<ul style="list-style-type: none"> Located on the north side of Shiodome Siosite's western district, known as "Italy Town" which has a high traffic convenience Higher competitiveness compared with other office properties in the neighborhood due to its quakeabsorbing structure Strong demand expected from affiliates and customers of the large corporations in other large buildings around "Shiodome" station 	<ul style="list-style-type: none"> Convenient location close to center of the city with a good traffic convenience with several JR and Toei lines 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

Portfolio ~Tokyo Office properties~ (2/3)

Property name	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanta	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	A 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	A 3-minute walk from JR Tokaido Line, Yamanote Line, KeihinTohoku Line, Yokosuka Line/ Tokyo Metro Ginza Line/ Toei Asakusa Line/ Yurikamome "Shinbashi" Station	A 3-minute walk from Toei Asakusa Line "Gotanda" station A 4-minute walk from JR Yamanote Line "Gotanda" Station	A 4-minute walk from JR Tokaido Shinkansen, Tokaido Line, Yamanote Line, KeihinTohoku Line, Yokosuka Line/ Keikyu Main Line "Shinagawa" Station	A 4-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Rinkai Line "Osaki" Station	A 3-minute walk from JR Line "Hamamatsucho" Station A 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 ²	7,143.97m ²	5,782.65m ²	3,937.61m ²	54,363.84m ² (Total)	115,930.83m ² (Total)
Total leasable area	3,409.73m ²	5,052.14m ²	4,028.69m ²	2,986.36m ²	7,193.28m ² (Sectional ownership)	28,136.05m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	99.9%
Key points of properties	<ul style="list-style-type: none"> Located along Meiji Street enjoying high visibility Further development of area is expected with redevelopment plan of the land of former Toyoshima ward municipal building and its surrounding L-shaped floor with shared facilities along the sides offering a large versatility 	<ul style="list-style-type: none"> Conveniently located with a 3-minute walk from "Shinbashi" Station serviced by JR, Tokyo Metro Ginza Line, Toei Asakusa Line and Yurikamome Line Can be expected various tenant needs from different business types and categories taking advantage of traffic convenience. Further development is expected with redevelopment plan of Shinbashi East exit area Implemented renovation works of 2-5th floors in 2012-2013 	<ul style="list-style-type: none"> Good location with a 3-minute walk from Toei Asakusa Line "Gotanda" Station and 4-minute walk from JR "Gotanda" Station An office building with a high profile facade, developed by Tokyu Land Corporation The relative new building is equipped with high-tech facilities including 100mm-high free-access floors, individual air conditioning units and grid ceilings 	<ul style="list-style-type: none"> 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 Keikyu Line Relatively compact rental area with no pillars in the office spaces, allowing for efficient and versatile use of the floors Sufficient facility specification to meet tenant needs equipped with individual OA floor and air conditioner 	<ul style="list-style-type: none"> High convenience with a 4-minute walk from "Osaki" Station on JR Yamanote Line 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 	<ul style="list-style-type: none"> Well located close to "Hamamatsucho" Station with high visibility 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 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

(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.

Portfolio ~Tokyo Office Properties~ (3/3)

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	A 6-minute walk from JR Yamanote Line, Saikyo Line, Shonan-Shinjuku Line/ Tokyo Metro Hibiya Line "Ebisu" Station	A 4-minute walk from JR Yamanote Line Shibuya station "Shinminamiguchi" gate	A 1-minute walk from JR Yamanote Line/ Toei Asakusa Line/ Tokyu Ikegami Line "Gotanda" Station	A 7-minute walk from Shinagawa station on the JR Yamanote Line, Tokaido Shinkansen, Toaido 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 ²	4,331.70m ²	5,961.02m ²	21,114.32m ²
Total leasable area	4,010.69m ²	2,995.72m ²	4,316.89m ²	14,658.98m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%
Key points of properties	<ul style="list-style-type: none"> Great lighting and visibility as it is located at the corner and along the Meiji street which is 6-minute walk from "Ebisu" station Well in appealing tenants in terms of facilities following the renewal of entrance/restroom and individualizing air conditioner despite the age of 20 years Implemented a large-scale renovation of external wall from 2016 to 2017 	<ul style="list-style-type: none"> South entrance of Shibuya Station is expected to be developed with better accessibility through improvement of Shibuya Station and its surroundings as well as redevelopment on such area It underwent large-scale renovations from 2011 to 2012 	<ul style="list-style-type: none"> Just 1-minute walk from the JR Yamanote Line "Gotanda" Station 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 Addresses a wide range of demands of tenants including retail stores, owing to locational rarity and high visibility from the station 	<ul style="list-style-type: none"> Excellent traffic links given the accessibility to the Tokaido Shinkansen (bullet train), along with several JR Lines, and direct access to Haneda Airport via the Keikyu Line The area is expected to develop further with the prospective opening of the Linear Shinkansen (bullet train) Owens high competitiveness thanks to great specifications with standard floor area of approx.687 tsubo and renewal works

Portfolio ~Activia Account properties~ (1/2)

Property name	Amagsaki 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	A 2-minute walk from JR Tokaido Main Line, Fukuchiyama Line, Tozai Line "Amagasaki" Station	A 6-minute walk from Osaka Metro Midotsuji Line "Nakamozu" Station A 6-minute walk from Nankai Koya Line "Shirasagi" Station A 8-minute walk from Nankai Koya Line "Nakamozu" Station	A 13-minute walk from Tokyu Denen Toshi Line/Oimachi Line "Takatsu" Station	A 4-minute walk from Keio Sagami-hara Line "Keio Tama Center" Station A 4-minute walk from Odakyu Tama Line "Odakyu Tama Center" Station A 4-minute walk from Tama Toshi Monorail "Tama Center" Station	A 1-minute walk from Nagoya Municipal Subway Meijo Line/Meiko Line "Kanayama" Station A 2-minute walk from JR Chuo Line, Tokaido Line/Meitetsu Nagoya Main Line "Kanayama" Station	A 1-minute walk from Keihan Nakanoshima Line "Oebashi" Station A 5-minute walk from Osaka Municipal Subway Midotsuji 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
Gloss floor area	-	27,408.34m ²	14,032.05m ²	31,553.75m ² (total)	12,783.13m ²	34,248.71m ²
Total leasable area	27,465.44m ²	28,098.02m ²	14,032.05m ²	5,181.58m ² (sectional ownership)	9,314.91m ²	20,229.20m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	100.0%	98.4%
Key points of properties	<ul style="list-style-type: none"> 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 Stable income expected owing to the 30-year term leasehold agreement (land) for commercial use with the leaseholder 	<ul style="list-style-type: none"> Located in Nakamozu area where housing concentration is growing steadily as it connects Osaka City with Senboku New Town It is one of the No. 1 neighborhood shopping centers in the nearby commercial area Stable income is expected due to the 20-year fixed-term building lease contracts with such core tenants 	<ul style="list-style-type: none"> Good access from the Tokyo city center as property is facing the trunk road and possessing a promising trade area Property presents one of the few opportunities to major retailers who want to open their shops roadside. Stable income ensured by fixed-term leasing contracts with actual tenant through 2023 	<ul style="list-style-type: none"> High traffic convenience with access by Keio Sagami-hara Line and Odakyu Tama Line 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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

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	Tsurunochi, Kita-ku, Osaka, Osaka	Honcho, Naka-ku, Yokohama, Kanagawa	Tokojimachi 2-chome, Hakata-ku, Fukuoka-city, Fukuoka
Access	A 3-minute walk from JR Keihinohoku Line "Omori" Station	A 15-minute walk from JR Sagamihara Line "Minamihashimoto" Station	A 3-minute walk from "Umeda" Station on the Hankyu Kyoto Line A 6-minute walk from "Umeda" Station on the Osaka Metro Midosuji Line A 7-minute walk from "Osaka" Station on the JR Tokaido Main Line	A 1-minute walk from "Bashamichi" Station on Minatomirai Line A 7-minute walk from "Kannai" Station on JR Negishi Line	A 16-minute walk from "Takeshita" Station on the JR Kagoshima Main Line
Acquisition price (A)	¥5,790mn	¥4,820mn	¥19,000mn (Sectional ownership)	¥3,930mn	¥6,100mn
Appraisal value (B)	¥5,810mn	¥4,820mn	¥19,600mn (Sectional ownership)	¥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	7,040.95m ²	9,719.38m ²	22,003.14m ² (total)	14,009.06m ²	13,848.76m ²
Total leasable area	6,209.79m ²	15,152.42m ²	13,624.49m ² (sectional ownership)	9,775.50m ²	9,612.88m ²
Occupancy rate	100.0%	100.0%	100.0%	100.0%	97.0%
Key points of property	<ul style="list-style-type: none"> A retail property located a 3-minute walk from Omori Station near the rotary in front of the station Deserved competitiveness as a community-based property close to the station with tenants related to commodity business Tenants a major sport club equipped with a swimming pool with 8 lanes and studios in approx.1,200 tsubo 	<ul style="list-style-type: none"> Newly opened in July 2014 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 	<ul style="list-style-type: none"> Located in Umeda area, one of leading business and commercial districts in Osaka A large-scale office building completed in 2010, with a gross floor area of approx. 6,700 tsubo Equipped with the latest specification such as 16-zone individual air-conditioning system and high-performance seismic structural control system 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 	<ul style="list-style-type: none"> Located above "Bashamichi" Station with a 1-minute walk 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 Further development is expected due to relocation plan of Yokohama City Hall in 2020 and developments of large-scale condos and hotels A multi-tenant office building with large-scale standard floor area of approx. 347 tsubo, reducing the risk of vacancy 	<ul style="list-style-type: none"> Located in Hakata-ku, Fukuoka-city, which has the largest population growth rate among Japan's government-designated cities Widely facing the Chikushi Street, a heavy traffic road with two lanes in each direction, the property is highly visible and easily accessible A commercial facility attracting crowds by various tenants including nationwide chains such as TSUTAYA and UNIQLO

Portfolio Appraisal Values Status/PML at the end of May 2018 (the 13th period) (1/2)

(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-1	Tokyu Plaza Omotesando Harajuku (Note 3)	45,000	10.4%	J	59,100	59,775	2.8%	58,350	2.5%	2.9%	1,669	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	11,300	11,400	3.3%	11,200	3.5%/3.4%	3.5%	375	5.7
	UR-4	Shinbashi Place	20,500	4.8%	D	20,300	21,000	3.6%	20,000	3.3%	3.7%	754	6.8
	UR-5	Kyoto Karasuma Parking Building	8,860	2.1%	D	11,000	11,100	4.9%	11,000	4.9%	5.1%	555	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 Karasuma Parking Building	21,330	4.9%	J	26,800	27,200	4.0%	26,400	3.8%	4.2%	1,095	2.6
	UR-8	A-FLAG SAPPORO (Note 6)	4,410	1.0%	D	7,080	7,090	5.5%	7,080	5.3%	5.7%	463	0.3
	UR-9	A-FLAG SHIBUYA	6,370	1.5%	D	7,430	7,570	4.0%	7,370	3.8%	4.2%	308	7.9
	UR-10	Q plaza SHINSAIBASHI	13,350	3.1%	V	14,600	14,500	3.6%	14,600	3.4%	3.8%	523	6.9
	UR-11	A-FLAG KOTTO DORI	4,370	1.0%	D	4,880	4,940	3.5%	4,850	3.2%	3.6%	180	6.4
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	1.1%	J	4,760	4,860	3.6%	4,650	3.4%	3.8%	176	7.5
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	0.5%	V	2,340	2,390	3.9%	2,280	3.7%	4.1%	88	4.2
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	1.1%	V	4,740	4,940	4.0%	4,670	3.7%	4.1%	200	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%	566	4.0
	TO-1	TLC Ebisu Building	7,400	1.7%	T	10,300	10,500	3.7%	10,200	3.8%	3.9%	436	6.5
	TO-2	A-PLACE Ebisu Minami	9,640	2.2%	T	13,900	14,000	3.6%	13,900	3.7%	3.8%	515	8.0
	TO-3	A-PLACE Yoyogi	4,070	0.9%	V	4,710	4,790	3.9%	4,630	3.7%	4.1%	190	5.1
	TO-4	A-PLACE Aoyama (Note 6)	8,790	2.0%	D	9,970	10,100	4.0%	9,920	3.8%	4.2%	419	8.9
	TO-5	Luogo Shiodome	4,540	1.1%	D	6,220	6,280	3.6%	6,190	3.4%	3.8%	236	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)-

(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 : JLL Morii Valuation & Appraisal K.K.

(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 DECKS Tokyo Beach are calculated based on the pro rata base share of the respective co-ownership interests (75%, 50% and 49%).

(Note 4) The discount rate for Q Plaza Ebisu is 3.5% from the 1st to the 5th year and 3.4% from the 6th 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 at the end of May 2018 (the 13th period) (2/2)

(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-7	A-PLACE Ikebukuro	3,990	0.9%	J	5,020	5,100	4.2%	4,940	4.0%	4.4%	219	3.2
	TO-8	A-PLACE Shinbashi	5,650	1.3%	J	6,670	6,790	3.9%	6,540	3.7%	4.1%	279	7.4
	TO-9	A-PLACE Gotanda	5,730	1.3%	M	6,940	7,060	3.7%	6,810	3.5%	3.9%	262	6.1
	TO-10	A-PLACE Shinagawa	3,800	0.9%	J	4,300	4,380	3.7%	4,220	3.5%	3.9%	167	4.9
	TO-11	OSAKI WIZTOWER	10,690	2.5%	D	14,600	14,600	3.5%	14,600	3.1%	3.5%	512	2.4
	TO-12	Shiodome Building (Note 3)	71,600	16.6%	M	75,600	79,450	3.4%	73,850	3.2%	3.6%	2,719	2.6
	TO-13	A-PLACE Ebisu Higashi	7,072	1.6%	V	7,700	7,870	3.7%	7,530	3.5%	3.9%	295	5.2
	TO-14	A-PLACE Shibuya Konnoh	4,810	1.1%	V	5,350	5,420	3.6%	5,270	3.3%	3.7%	201	4.3
	TO-15	A-PLACE Gotanda Ekimae	7,280	1.7%	V	7,690	7,810	3.8%	7,560	3.5%	3.9%	301	7.7
	TO-16	A-PLACE Shinagawa Higashi	18,800	4.4%	M	19,500	19,800	3.9%	19,100	3.7%	4.1%	788	4.3
	AA-1	Amagasaki Q's MALL (Land) (Note 4)	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	10,300	10,500	5.1%	10,200	5.0%/5.1%/5.2%	5.3%	548	4.8
	AA-4	icot Mizonokuchi	2,710	0.6%	M	3,230	3,300	5.4%	3,150	5.2%	5.8%	182	8.3
	AA-5	icot Tama Center	2,840	0.7%	J	3,890	3,900	5.1%	3,880	4.7%	5.3%	202	1.8
	AA-6	A-PLACE Kanayama	6,980	1.6%	V	8,530	8,690	5.1%	8,360	4.9%	5.3%	449	5.3
	AA-7	Osaka Nakanoshima Building	11,100	2.6%	J	14,100	14,300	4.1%	13,900	3.9%	4.3%	662	7.9
	AA-8	icot Omori	5,790	1.3%	J	6,750	6,820	4.4%	6,670	4.2%	4.6%	303	3.9
	AA-9	Market Square Sagamihara	4,820	1.1%	V	5,030	5,050	5.3%	5,000	5.1%	5.5%	265	7.7
	AA-10	Umeda Gate Tower	19,000	4.4%	D	21,300	21,900	3.7%	21,100	3.4%	3.8%	815	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
	AA-12	Commercial Mall Hakata	6,100	1.4%	V	6,270	6,280	4.8%	6,250	4.5%	4.9%	305	1.9
	Total (existing 42 properties)			431,485	100.0%	-	504,987	514,908	-	498,242	-	-	20,033

(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 & Investment Consulting.

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

(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 5.0% from 1st to 5th year, 5.1% from 6th to 9th year, and 5.2% from 10th year and 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

Technologies 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.

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)	13th period (2018/5)	
	UR-1	Tokyu Plaza Omotesando Harajuku (Note 2)	2012/6/13	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%	2.8%	
	UR-2	Tokyu Plaza Akasaka (Note 2)	2012/6/13	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%	4.1%	
	UR-3	Q plaza EBISU	2012/6/13	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%	3.3%	
	UR-4	Shinbashi Place	2012/6/13	20,500	4.9%	4.9%	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.5%	4.4%	4.4%	3.6%	3.6%	
	UR-5	Kyoto Karasuma Parking Building	2012/6/13	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%	4.9%	
	UR-6	A-FLAG AKASAKA	2013/8/30	3,000	4.3%	-	-	4.3%	4.2%	4.0%	3.9%	3.8%	3.8%	3.7%	3.7%	3.6%	3.6%	
	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%	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%	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%	4.0%	
	UR-10	Q plaza SHINSAIBASHI	2015/12/16	13,350	3.9%	-	-	-	-	-	-	-	3.9%	3.8%	3.7%	3.6%	3.6%	
	UR-11	A-FLAG KOTTO DORI	2016/12/20	4,370	3.8%	-	-	-	-	-	-	-	-	-	3.6%	3.5%	3.5%	
	UR-12	A-FLAG BIJUTSUKAN DORI	2016/12/2	4,700	3.8%	-	-	-	-	-	-	-	-	-	3.6%	3.6%	3.6%	
	UR-13	A-FLAG DAIKANYAMA WEST	2017/1/6	2,280	4.1%	-	-	-	-	-	-	-	-	-	4.0%	3.9%	3.9%	
	UR-14	A-FLAG KITA SHINSAIBASHI	2017/12/1	4,725	4.0%	-	-	-	-	-	-	-	-	-	-	-	-	4.0%
	UR-15	DECKS Tokyo Beach (Note 2)	2018/1/5	12,740	4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-
	TO-1	TLC Ebisu Building	2012/6/13	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%	3.7%	
	TO-2	A-PLACE Ebisu Minami	2012/6/13	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%	3.6%	
	TO-3	A-PLACE Yoyogi	2012/6/13	4,070	4.6%	4.6%	4.5%	4.6%	4.5%	4.4%	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.9%	
	TO-4	A-PLACE Aoyama	2012/6/13	8,790	4.9%	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%	4.0%	
	TO-5	Luogo Shiodome	2012/6/13	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%	3.6%	
	TO-6	TAMACHI SQUARE (Land) (Note 3)	2012/6/13	2,338	4.4%	-	-	-	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.7%	
	TO-7	A-PLACE Ikebukuro	2012/6/13	3,990	5.1%	5.1%	5.0%	4.9%	4.9%	4.8%	4.6%	4.5%	4.4%	4.4%	4.3%	4.3%	4.2%	
	TO-8	A-PLACE Shinbashi	2013/4/19	5,650	4.7%	-	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.1%	4.0%	3.9%	3.9%	3.9%	
	TO-9	A-PLACE Gotanda	2014/1/10	5,730	4.4%	-	-	-	4.3%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.7%	
	TO-10	A-PLACE Shinagawa	2014/1/10	3,800	4.4%	-	-	-	4.3%	4.2%	4.1%	4.0%	4.0%	3.9%	3.8%	3.8%	3.7%	
	TO-11	OSAKI WIZTOWER	2014/6/24	10,690	4.3%	-	-	-	-	4.2%	4.1%	3.9%	3.8%	3.7%	3.6%	3.5%	3.5%	
	TO-12	Shiodome Building (Note 4)	2015/1/9	30,300	3.9%	-	-	-	-	-	3.8%	3.8%	-	-	-	-	-	
			2015/12/16	20,400	3.8%	-	-	-	-	-	-	-	3.7%	3.6%	3.5%	3.5%	3.4%	
			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%	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%	3.6%	
TO-15	A-PLACE Gotanda Ekimae	2016/7/1	7,280	4.1%	-	-	-	-	-	-	-	-	4.0%	3.9%	3.8%	3.8%		
TO-16	A-PLACE Shinagawa Higashi	2017/3/16	18,800	4.0%	-	-	-	-	-	-	-	-	-	4.0%	3.9%	3.9%		
	AA- 1	Amagasaki Q's MALL (Land)	2012/6/13	12,000	5.0%	5.0%	5.0%	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.3%		
	AA- 2	icot Nakamozu	2012/6/13	8,500	6.0%	6.0%	5.9%	5.8%	5.6%	5.5%	5.4%	5.3%	5.2%	5.2%	5.2%	5.1%		
	AA- 4	icot Mizonokuchi	2012/6/13	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	2012/6/13	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%	5.1%	
	AA- 6	A-PLACE Nanayama	2012/6/13	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%	5.1%	
			2013/1/25	5,250	5.0%	-	5.0%	5.0%	4.9%	4.8%	-	4.6%	4.5%	4.5%	4.4%	4.2%	4.1%	
	AA- 7	Osaka Nakanoshima Building (Note 5)	2014/12/19	5,850	4.8%	-	-	-	-	-	-	4.6%	4.5%	4.5%	4.4%	4.3%	4.2%	
			2013/12/19	5,790	5.1%	-	-	-	5.0%	4.9%	4.8%	4.7%	4.7%	4.7%	4.6%	4.5%	4.4%	
	AA- 9	Market Square Sagamihara	2015/1/9	4,820	5.6%	-	-	-	-	-	5.5%	5.4%	5.4%	5.3%	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%	
	AA-12	Commercial Mall Hakata	2018/1/5	6,100	4.8%	-	-	-	-	-	-	-	-	-	-	-	-	4.8%

(Note 1) Calculated based on direct capitalization method.

(Note 2) Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka and DECKS Tokyo Beach are calculated based on the pro rata share of the co-ownership interests (75%, 50% and 49%, 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).

Occupancy Rate by Property

- ◆ The occupancy rate for the entire portfolio at the end of each period is **maintained over 99% since IPO** and records **99.8%**, a persistently high level of occupancy, at the end of May 2018 (the 13th period)

	Property #	Property	2nd Nov. 2012	3rd May 2013	4th Nov. 2013	5th May 2014	6th Nov. 2014	7th May 2015	8th Nov. 2015	9th May 2016	10th Nov. 2016	11th May 2017	12th Nov. 2017	13th May 2018	
	UR-1	Tokyu Plaza Omotesando	100.0%	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%	100.0%	
	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%	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%	100.0%	
	UR-5	Kyoto Karasuma Parking	100.0%	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%	100.0%	100.0%
	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%	88.4%	
	UR-11	A-FLAG KOTTO DORI	-	-	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	
	UR-12	A-FLAGBIJUTSUKAN DORI	-	-	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	
	UR-13	A-FLAG DAIKANYAMA WEST	-	-	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	
	UR-14	A-FLAG KITA SHINSAIBASHI	-	-	-	-	-	-	-	-	-	-	-	100.0%	
	UR-15	DECKS Tokyo Beach	-	-	-	-	-	-	-	-	-	-	-	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%	99.7%	
	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%	99.7%	
	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%	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%	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%	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%	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%	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%	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%	89.3%	100.0%	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%	99.9%	
	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%	100.0%	
	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%	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%	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%	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%	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%	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%	98.4%	
	AA-8	icot Omori	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	AA-9	Market Square Sagami-hara	-	-	-	-	-	100.0%	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%	100.0%	
	AA-12	Commercial Mall Hakata	-	-	-	-	-	-	-	-	-	-	-	97.0%	
		Activa 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%	99.6%
	Total average occupancy rate		99.4%	99.4%	99.4%	99.8%	99.9%	99.7%	99.2%	99.8%	99.3%	99.8%	100.0%	99.8%	

(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.

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 ²)	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	5.4	-
5. Plan·Do·See Inc.	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 Sagamihara	11,864	3.0	2034/6
8. NTT Communications	Shiodome Building (Note 3)	10,337	2.6	-
9. YANMAR Co., Ltd.	Umeda Gate Tower	8,745 (Note 4)	2.2	-
10. Swing Corporation	A-PLACE Shinagawa Higashi	6,101	1.5	2020/4

(Note 1) Based on the lease agreements as of May 31, 2018.

(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 (875m²) terminated at the end of June 2018, though no change has 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.

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

	Tokyo Office properties	Tokyo Office properties (at IPO) (Note)
4 th Period Nov. 2013	¥19,338	¥19,556
5 th Period May 2014	¥19,813 (+2.5%)	¥19,400 (-0.8%)
6 th Period Nov. 2014	¥19,230 (-2.9%)	¥19,270 (-0.7%)
7 th Period May 2015	¥22,242 (+15.7%)	¥19,548 (+1.4%)
8 th Period Nov. 2015	¥22,127 (-0.5%)	¥19,995 (+2.3%)
9 th Period May 2016	¥23,358 (+5.6%)	¥20,406 (+2.1%)
10 th Period Nov. 2016	¥23,441 (+0.4%)	¥20,748 (+1.7%)
11 th Period May 2017	¥23,323 (-0.5%)	¥21,253 (+2.4%)
12 th Period Nov. 2017	¥23,510 (+0.8%)	¥21,681 (+2.0%)
13 th Period May 2018	¥23,761 (+1.1%)	¥21,870 (+0.9%)

(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.

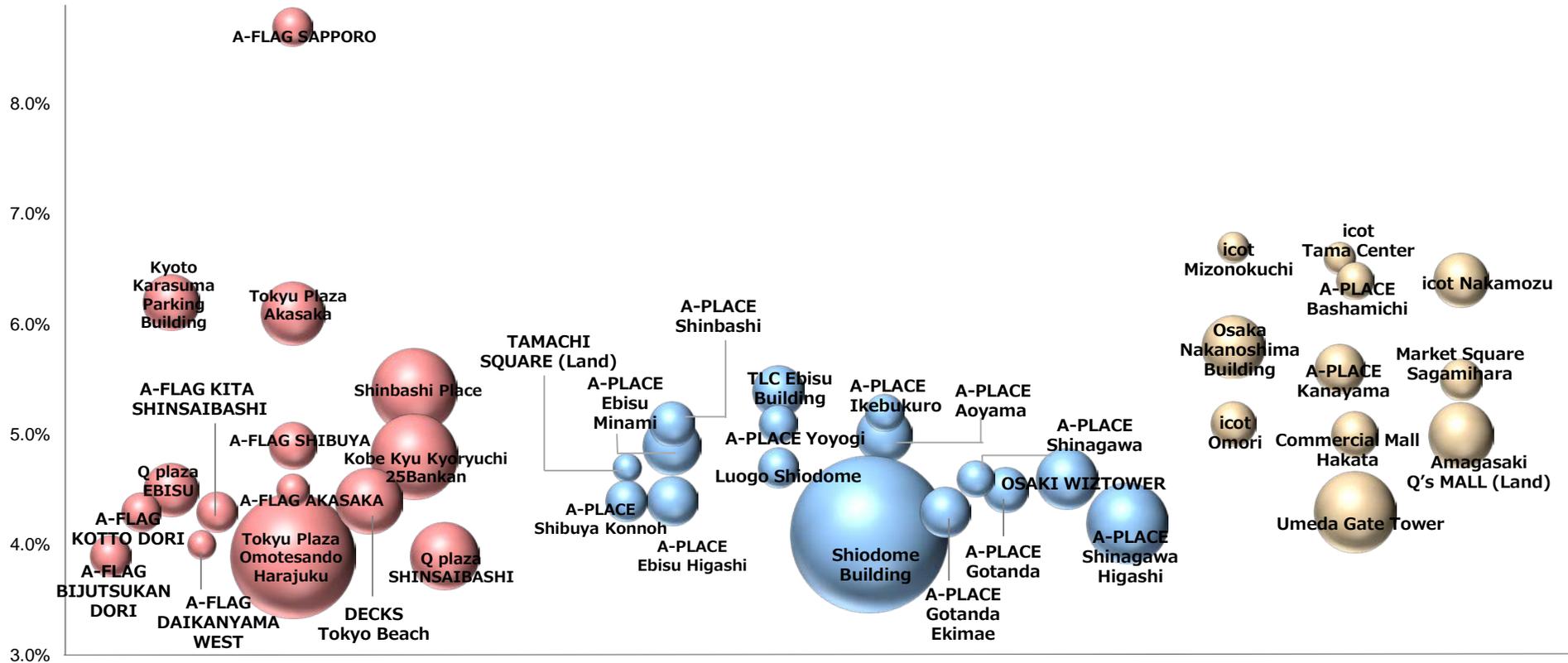
3. Contract period and remaining contract period

	Urban Retail	Tokyo Office	Activia Account	Total
Contract Period (Year)	9.0	4.0(3.2)	11.1(8.3)	7.5(6.6)
Remaining Contract Period (Year)	4.8	2.3(1.6)	6.8(4.3)	4.3(3.4)

(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 May 31, 2018.

(Note 3) The figures are based on rents.



UR
URBAN RETAIL
Number of Properties : 15
Appraisal NOI Yield : 4.7%
Acquisition Price : ¥171.5bn

TO
TOKYO OFFICE
Number of Properties : 16
Appraisal NOI Yield : 4.4%
Acquisition Price : ¥176.2bn

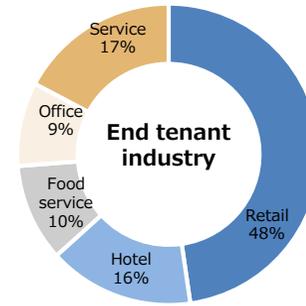
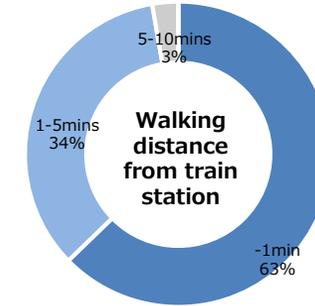
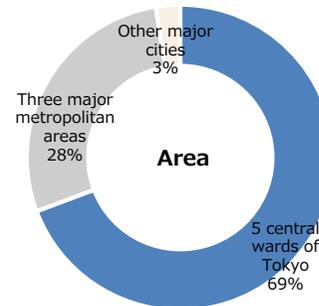
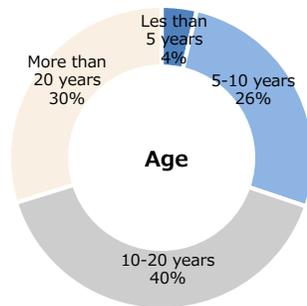
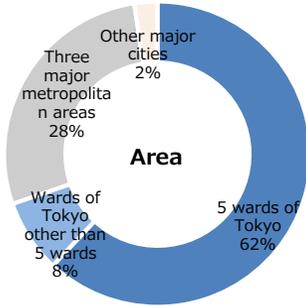
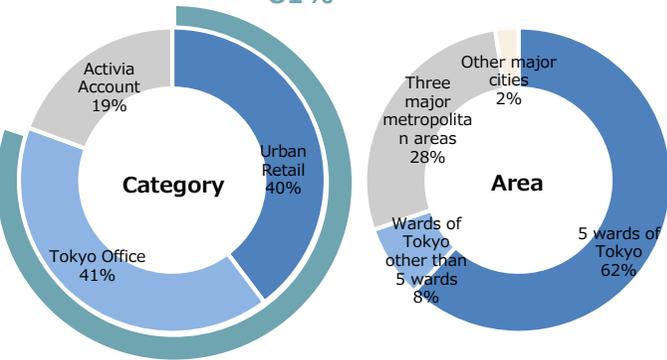
AA
ACTIVIA ACCOUNT
Number of Properties : 11
Appraisal NOI Yield : 5.4%
Acquisition Price : ¥83.8bn

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

Entire Portfolio

Urban Retail properties

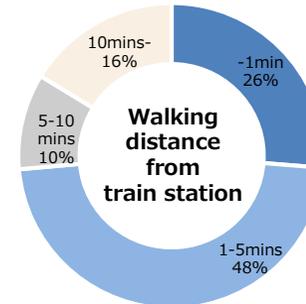
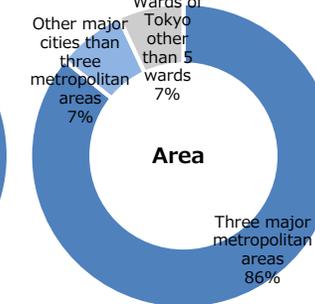
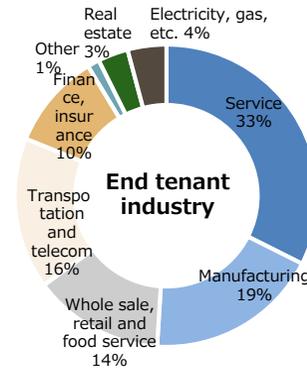
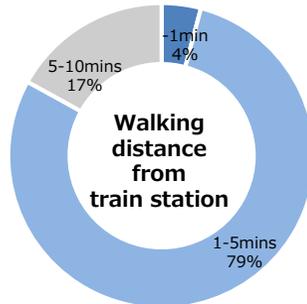
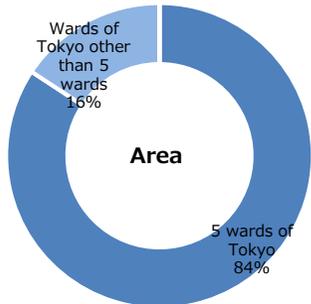
UR and TO
81%



Portfolio average
16.3 years

Tokyo Office properties

Activia Account properties



(Note 1) Average of property age is calculated excluding the properties API owns only land.

(Note 2) Industrial distribution is based on annual rents as of May 31, 2018.

Balance Sheets ~the period ended May 2018 (the 13th period)~

	(In thousands of yen)	
	12th period ended Nov. 2017	13th period ended May 2018
Assets		
Current assets		
Cash and deposits	15,165,946	9,498,104
Cash and deposits in trust	2,723,436	3,116,967
Operating accounts receivable	486,257	645,833
Prepaid expenses	292,870	455,470
Deferred tax assets	18	5
Consumption taxes receivable	-	47,699
Other	2,230	6,514
Total current assets	18,670,759	13,770,595
Noncurrent assets		
Property, plant and equipment		
Building in trust	79,354,657	83,050,493
Accumulated depreciation	(8,503,434)	(9,675,982)
Building in trust, net	70,851,222	73,374,511
Structures in trust	638,231	689,748
Accumulated depreciation	(132,712)	(150,438)
Structures in trust, net	505,519	539,310
Machinery and equipment in trust	1,364,809	1,364,809
Accumulated depreciation	(271,072)	(300,583)
Machinery and equipment in trust, net	1,093,736	1,064,225
Tools, furniture and fixtures in trust	150,520	183,401
Accumulated depreciation	(68,153)	(82,287)
Tools, furniture and fixtures in trust, net	82,367	101,113
Land in trust	325,281,819	346,689,270
Construction in progress in trust	1,126	-
Total property, plant and equipment	397,815,791	421,768,431
Intangible assets		
Leasehold rights in trust	9,130,097	9,130,097
Other	3,032	2,575
Total intangible assets	9,133,130	9,132,673
Investments and other assets		
Long-term prepaid expenses	1,064,673	1,078,965
Derivatives	72,117	74,904
Other	15,217	38,742
Total investments and other assets	1,152,009	1,192,612
Total noncurrent assets	408,100,931	432,093,717
Deferred assets		
Investment corporation bond issuance costs	66,891	77,584
Total deferred assets	66,891	77,584
Total assets	426,838,582	445,941,897

	(In thousands of yen)	
	12th period ended Nov. 2017	13th period ended May 2018
Liabilities		
Current liabilities		
Operating accounts payable	764,214	846,139
Short-term borrowings	10,000,000	9,100,000
Long-term borrowing to be repaid within a year	25,000,000	22,500,000
Accounts payable-other	65,580	234,813
Accrued expenses	822,039	809,070
Income taxes payable	972	708
Accrued consumption taxes	494,431	-
Advances received	434,216	314,273
Deposits received	1,190	4,755
Other	-	-
Total current liabilities	37,582,644	33,809,761
Noncurrent liabilities		
Investment corporation bonds	16,000,000	14,000,000
Long-term borrowings payable	145,150,000	153,750,000
Tenant leasehold and security deposits in trust	19,582,816	20,604,450
Other	23	6
Total noncurrent liabilities	180,732,839	188,354,456
Total liabilities	218,315,484	222,164,217
Net assets		
Unitholders' equity		
Unitholders' capital	202,233,447	217,091,520
Surplus		
Unappropriated retained earnings (undisposed loss)	6,157,532	6,611,254
Total surplus	6,157,532	6,611,254
Total unitholders' equity	208,450,980	223,702,774
Valuation, translation, adjustments and others		
Deferred gains or losses on hedges	72,117	74,904
Total valuation, translation, adjustments and others	72,117	74,904
Total net assets	208,523,097	223,777,679
Total liabilities and net assets	426,838,582	445,941,897

Statement of Income ~the period ended May 2018 (the 13th period)~

	(In thousands of yen)	
	12th period ended Nov. 2017	13th period ended May 2018
Operating revenue		
Lease business reven	11,861,072	12,409,430
Other lease business revenue	859,517	917,584
Total Operating revenue	12,720,589	13,327,014
Operating expenses		
Expenses related to rent business	4,509,419	4,706,236
Asset management fee	1,013,473	1,034,028
Asset custody fee	11,946	12,427
Administrative service fee	31,652	32,131
Directors' compensations	3,300	3,300
Other operating expenses	76,091	67,522
Total operating expenses	5,645,884	5,855,645
Operating profit (loss)	7,074,704	7,471,369
Non-operating income		
Interest income	68	81
Interest on securities	-	-
Reversal of distribution payable	1,456	908
Interest on refund	-	-
Insurance income	177	-
Total non-operating income	1,702	990
Non-operating expenses		
Interest expenses	609,206	615,512
Interest expenses on investment corporation bonds	31,863	35,235
Amortization of investment corporation bond issuance costs	8,760	9,546
Investment unit issuance expenses	55,185	46,468
Borrowing related expenses	152,635	153,550
Other	500	500
Total non-operating expenses	858,151	860,813
Ordinary profit (loss)	6,218,255	6,611,545
Income (loss) before income taxes	6,218,255	6,611,545
Income taxes-current	982	721
Income taxes-deferred	(8)	12
Total income taxes	974	734
Profit (loss)	6,217,281	6,610,811
Retained earnings (deficit) brought forward	251	442
Unappropriated retained earnings (undisposed loss)	6,217,532	6,611,254

Overview of Lease, Profit and Loss for the period ended May 2018 (the 13th period) (1/3) 46

(in thousands of yen)

	Urban Retail properties														
	Tokyu Plaza Omotesando 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 SHINSAIBA SHI	A-FLAG KOTTO DORI	A-FLAG BIJUTSUKA N DORI	A-FLAG DAIKANYAM A WEST	A-FLAG KITA SHINSAIBA SHI	DECKS Tokyo Beach (Note 1)
①Revenue related to rent business	1,084,967	612,945	267,995	(Note 2)	(Note 2)	103,491	809,232	443,146	205,369	283,883	107,664	123,823	(Note 2)	108,407	462,110
Rent revenue-real estate	1,035,914	511,127	237,694	(Note 2)	(Note 2)	87,803	743,600	369,946	197,027	272,999	102,816	115,591	(Note 2)	99,508	367,446
Other lease business revenue	49,053	101,817	30,300	(Note 2)	(Note 2)	15,688	65,632	73,200	8,341	10,884	4,847	8,231	(Note 2)	8,898	94,664
②Expense related to rent business	246,032	241,218	59,758	97,949	35,920	32,526	197,918	239,762	31,894	88,469	39,889	34,683	20,573	18,753	221,983
Management operation expenses	90,654	79,424	16,244	41,854	3,707	8,232	83,984	107,938	11,794	54,804	8,836	3,940	12,086	5,680	95,962
Utilities expenses	27,012	70,233	25,272	-	-	12,417	56,862	79,002	7,017	10,832	5,578	7,572	300	8,815	82,800
Tax and public dues	55,207	65,844	8,384	32,189	31,129	7,220	46,126	24,476	10,389	13,176	12,375	2,268	324	-	268
Insurance	190	409	75	155	158	36	616	591	53	64	72	36	58	70	488
Repair and maintenance expenses	3,607	18,586	710	22,788	28	2,520	7,178	20,179	650	3,714	10,656	3,345	5,632	1,766	11,468
Other expenses related to rent	69,360	6,719	9,071	961	896	2,100	3,151	7,573	1,988	5,878	2,369	17,520	2,171	2,420	30,996
③NOI (① - ②)	838,935	371,726	208,237	(Note 2)	(Note 2)	70,965	611,313	203,384	173,475	195,413	67,774	89,139	(Note 2)	89,653	240,127
④Depreciation and other (Note 3)	50,843	38,777	18,539	35,830	15,810	8,019	120,251	57,122	7,749	15,357	4,838	6,449	1,637	4,557	17,872
Income (loss) from rent business	788,091	332,949	189,698	(Note 2)	(Note 2)	62,945	491,061	146,261	165,725	180,056	62,936	82,690	(Note 2)	85,096	222,255

(Note 1) Tokyu Plaza Harajuku, Tokyu Plaza Akasaka and DECKS Tokyo Beach are calculated based on the pro-rata share of the co-ownership interests (75%, 50% and 49%, 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 period ended May 2018 (the 13th period) (2/3) 47

(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 WIZTOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi
①Revenue related to rent business	317,889	368,362	127,209	293,177	174,419	62,502	(Note 2)	197,854	175,695	114,560	334,774	1,499,557	179,638	(Note 2)	180,302	492,138
Rent revenue-real estate	296,055	355,346	121,266	276,945	163,796	62,502	(Note 2)	184,377	167,227	108,320	323,805	1,425,707	162,656	(Note 2)	172,121	454,640
Other lease business revenue	21,834	13,016	5,942	16,232	10,622	-	(Note 2)	13,476	8,468	6,240	10,968	73,849	16,981	(Note 2)	8,180	37,498
②Expense related to rent business	77,246	95,042	31,594	66,416	46,066	8,192	34,422	53,994	40,594	28,782	90,770	345,998	56,244	35,852	51,474	97,482
Management operation expenses	25,026	28,243	10,576	18,950	12,831	-	10,290	17,139	12,332	9,263	57,994	104,406	17,906	16,349	13,765	45,578
Utilities expenses	19,620	19,123	8,231	18,869	11,579	-	8,801	12,240	8,907	6,031	8,693	77,237	8,011	5,699	11,005	34,450
Tax and public dues	16,893	30,854	9,942	20,337	17,979	7,939	10,341	14,883	14,241	10,580	22,171	111,219	13,485	9,334	17,488	1,399
Insurance	192	245	83	180	157	-	83	132	106	71	302	911	100	76	116	460
Repair and maintenance expenses	5,135	13,573	1,836	4,035	1,938	-	371	4,453	127	1,386	-	25,490	14,585	2,508	3,397	10,446
Other expenses related to rent	10,377	3,001	923	4,042	1,580	252	4,533	5,146	4,878	1,449	1,607	26,733	2,156	1,884	5,701	5,146
③NOI (① - ②)	240,642	273,319	95,615	226,761	128,352	54,309	(Note 2)	143,860	135,100	85,777	244,003	1,153,558	123,393	(Note 2)	128,827	394,656
④Depreciation and other (Note 3)	41,426	33,443	15,429	23,059	27,633	-	20,682	22,729	26,844	8,583	48,275	148,067	23,624	12,581	13,043	30,145
Income (loss) from rent business	199,216	239,875	80,185	203,702	100,719	54,309	(Note 2)	121,130	108,256	77,194	195,728	1,005,491	99,768	(Note 2)	115,783	364,510

(Note 1) Shiodome Building is calculated based on the pro-rata share of the co-ownership interest (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 period ended May 2018 (the 13th period) (3/3) 48

(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	Commercial Mall Hakata
①Revenue related to rent business	353,283	310,526	(Note 1)	147,533	285,836	525,384	233,962	(Note 1)	449,487	185,701	168,957
Rent revenue-real estate	353,283	310,496	(Note 1)	135,589	265,376	501,032	200,633	(Note 1)	418,923	169,211	140,593
Other lease business revenue	-	30	(Note 1)	11,943	20,460	24,352	33,328	(Note 1)	30,563	16,489	28,364
②Expense related to rent business	52,911	39,659	13,005	47,461	75,550	170,795	59,996	35,831	99,406	61,287	48,297
Management operation expenses	-	5,641	2,261	18,180	23,797	55,067	9,144	16,057	33,603	18,609	16,911
Utilities expenses	-	30	(Note 1)	12,918	21,962	41,809	33,840	4,860	26,675	19,632	22,907
Tax and public dues	52,658	30,713	9,873	11,773	25,054	50,359	12,560	13,934	33,741	16,395	-
Insurance	-	234	100	144	251	745	93	132	363	291	140
Repair and maintenance expenses	-	1,999	-	2,955	2,289	14,525	3,564	-	174	3,175	5,054
Other expenses related to rent	252	1,041	770	1,487	2,195	8,287	793	847	4,848	3,182	3,283
③NOI (① - ②)	300,372	270,866	(Note 1)	100,071	210,285	354,589	173,965	(Note 1)	350,080	124,413	120,660
④Depreciation and other (Note 2)	-	34,625	8,464	18,812	51,991	70,402	17,159	23,941	68,952	28,713	12,230
Income (loss) from rent business	300,372	236,240	(Note 1)	81,259	158,294	284,186	156,806	(Note 1)	281,128	95,699	108,429

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

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

Financial Highlight

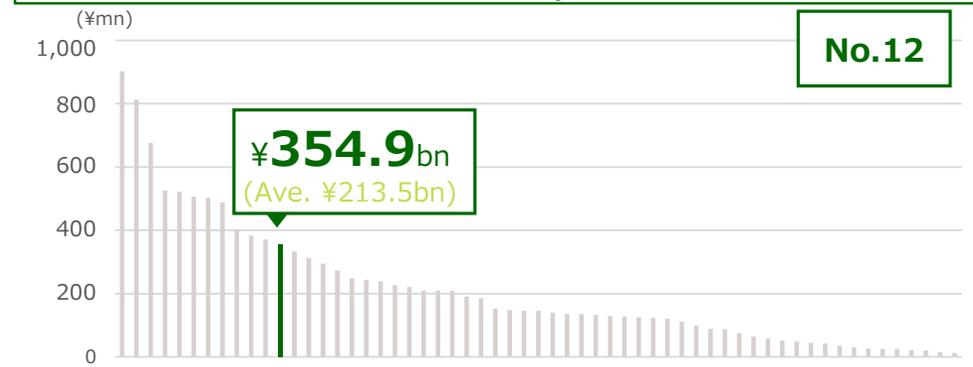
(¥ mn)	4th period (Nov. 2013)	5th period (May 2014)	6th period (Nov. 2014)	7th period (May 2015)	8th period (Nov. 2015)	9th period (May 2016)	10 th period (Nov. 2016)	11th period (May 2017)	12th period (Nov. 2017)	13th period (May 2018)	14th period (Nov. 2018) (Forecast)	15th period (May 2019) (Forecast)
Revenue related to rent business	6,124	7,778	8,174	9,120	9,500	10,175	10,917	12,107	12,720	13,327	13,717	13,431
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	13,327	13,717	13,431
Expenses related to rent business	1,456	1,889	2,174	2,323	2,494	2,409	2,781	2,922	3,319	3,471	3,773	3,454
Management operation expenses	425	638	693	825	822	869	917	1,037	1,062	1,225	1,226	1,162
Utilities expenses	371	524	593	627	658	629	652	682	791	836	988	936
Tax and public dues	433	457	575	578	643	649	772	778	887	895	987	997
Insurance	5	7	7	8	6	7	7	8	9	8	8	8
Repair and maintenance expenses	71	114	142	118	202	78	231	197	304	235	256	88
Other expenses related to rent business	150	146	161	165	161	175	201	217	264	269	304	261
NOI	4,668	5,889	6,000	6,796	7,006	7,766	8,135	9,185	9,400	9,855	9,943	9,976
NOI yield(%)	5.10	5.23	4.98	4.93	4.84	4.79	4.73	4.63	4.61	4.61	-	-
Depreciation and other	518	743	763	887	928	989	1,051	1,175	1,189	1,234	1,262	1,271
Income (loss) from rent business	4,149	5,145	5,237	5,909	6,078	6,776	7,083	8,009	8,211	8,620	8,681	8,705
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	8,620	8,681	8,705
General and administrative expenses	507	558	643	710	818	849	922	1,029	1,136	1,149	1,194	1,196
Operating profit	3,642	4,580	4,594	5,199	5,460	5,926	6,161	6,980	7,074	7,471	7,487	7,509
Non-operating income	4	2	5	3	5	8	3	3	1	0	0	0
Non-operating expenses	459	584	567	619	674	737	754	830	858	860	847	868
Ordinary profit	3,187	3,998	4,032	4,583	4,790	5,197	5,410	6,152	6,218	6,611	6,639	6,640
Profit	3,186	3,997	4,031	4,582	4,789	5,196	5,409	6,151	6,217	6,610	6,638	6,639

API's Position in J-REITs

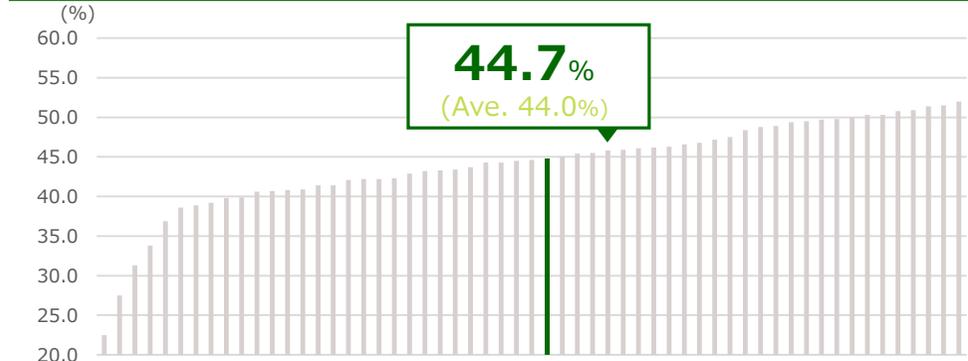
AUM



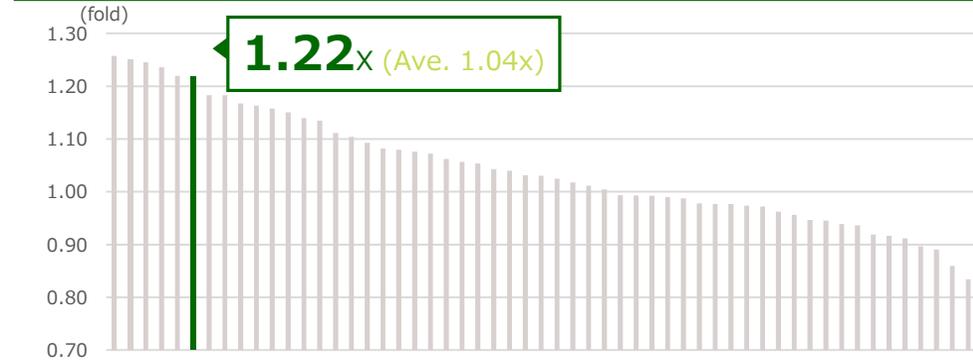
Market Cap.



LTV



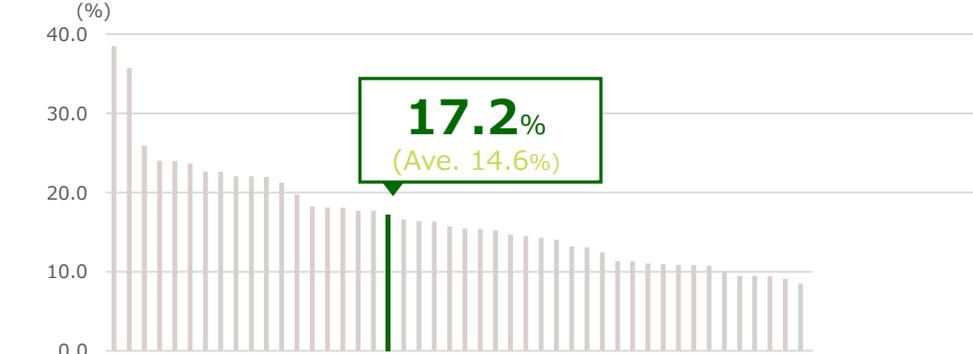
NAV multiple



Distribution yield

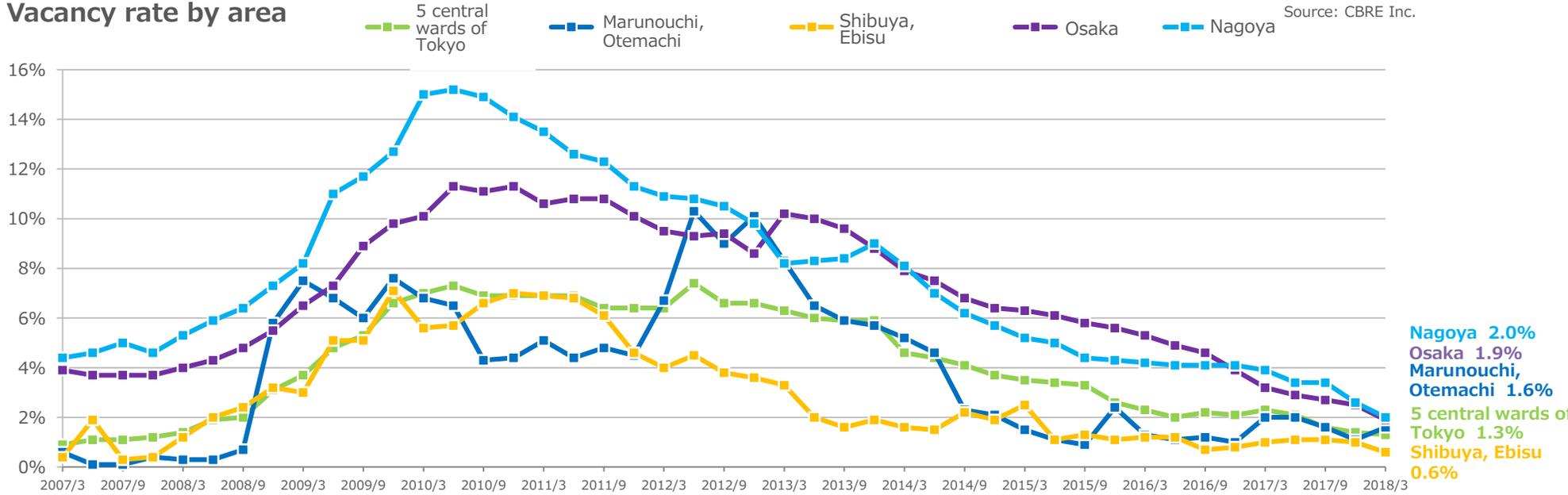


Ratio of unrealized gain

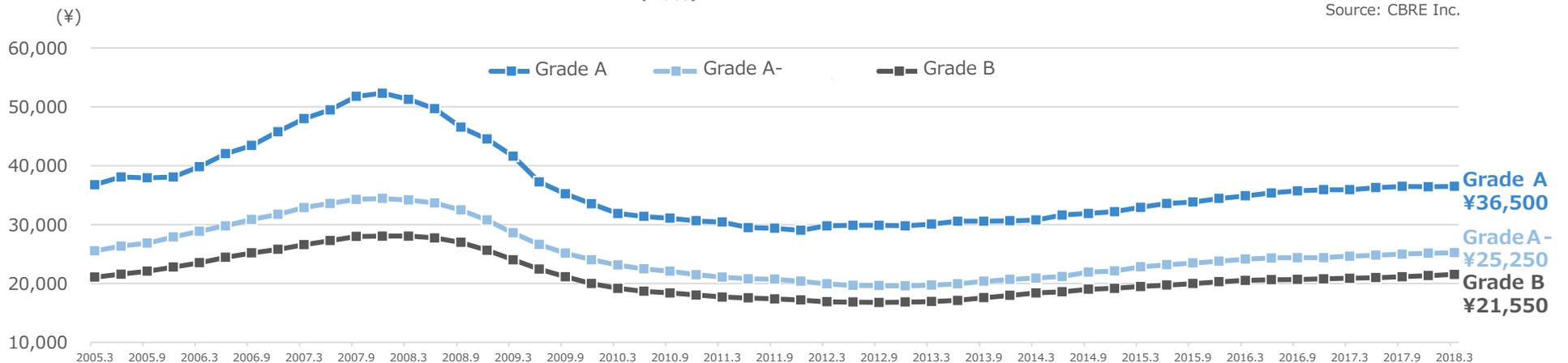


(Note 1) The data were prepared based on the unit price of each REIT as of Jun. 29, 2018 and its disclosed information as of the same date. (Note 2) Only the data of API is calculated based on the figures as of May 31, 2018. (Note 3) Figures are calculated based on simple average without using the weighted average.

1. Vacancy rate by area



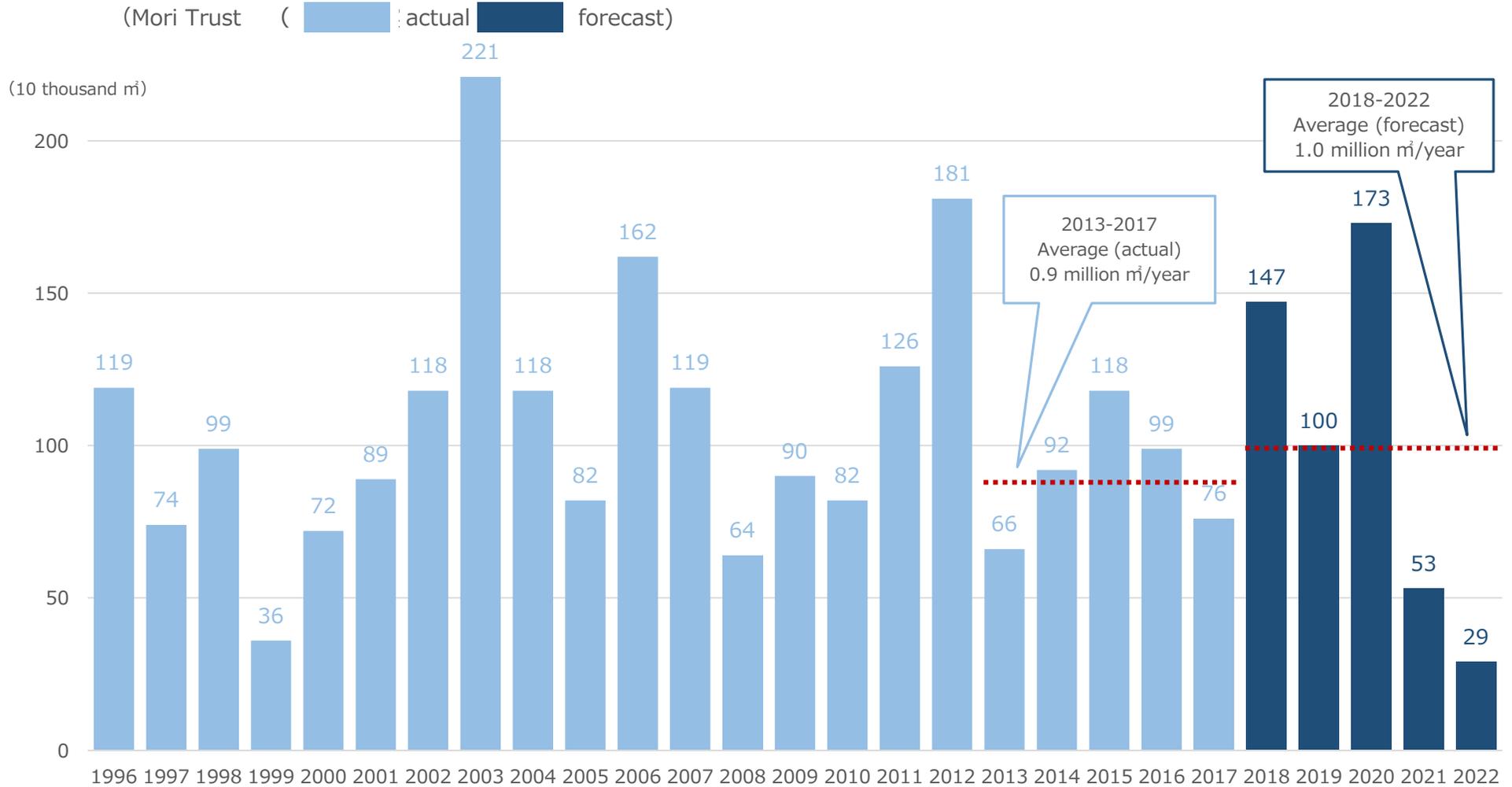
2. Trends of average rent for 23 wards of Tokyo (Note)



(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 2000 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

- ◆ New report published in April 2018 has indicated no significant fluctuation from the previous forecast, though **FY2022 forecasted for the first time to be 290 thousands m², the lowest level ever.**



(Source) Mori Trust Co., Ltd.

(Note) "Large-scale office buildings" refers to office buildings with a total office floor area of 10,000 m² or more.

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

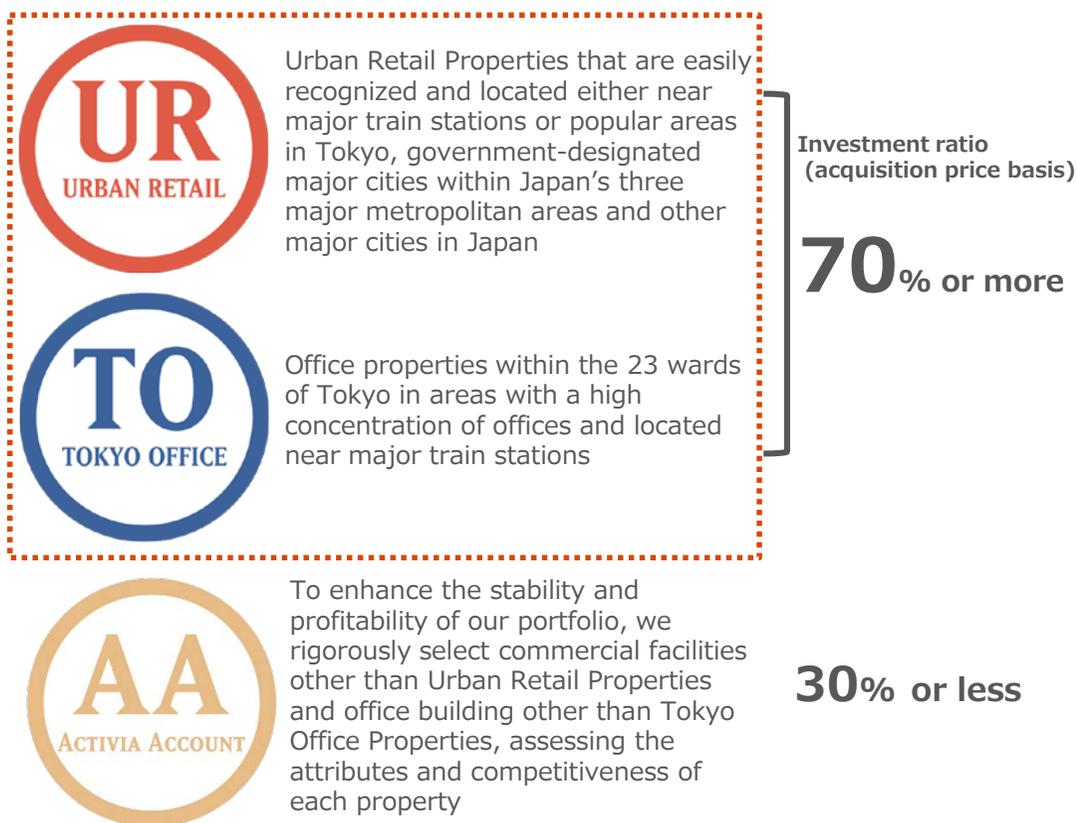
2. Basic Policies

- ✓ 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

- We intend to maintain a competitive portfolio in the medium to long term by investing primarily in Urban Retail properties and Tokyo Office properties upon careful consideration of location as the most important factor, followed by other factors such as size, quality, specifications and suitability for use by tenants.



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

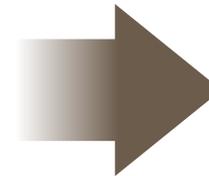
Tokyu Fudosan Holdings Group's Support System

- 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

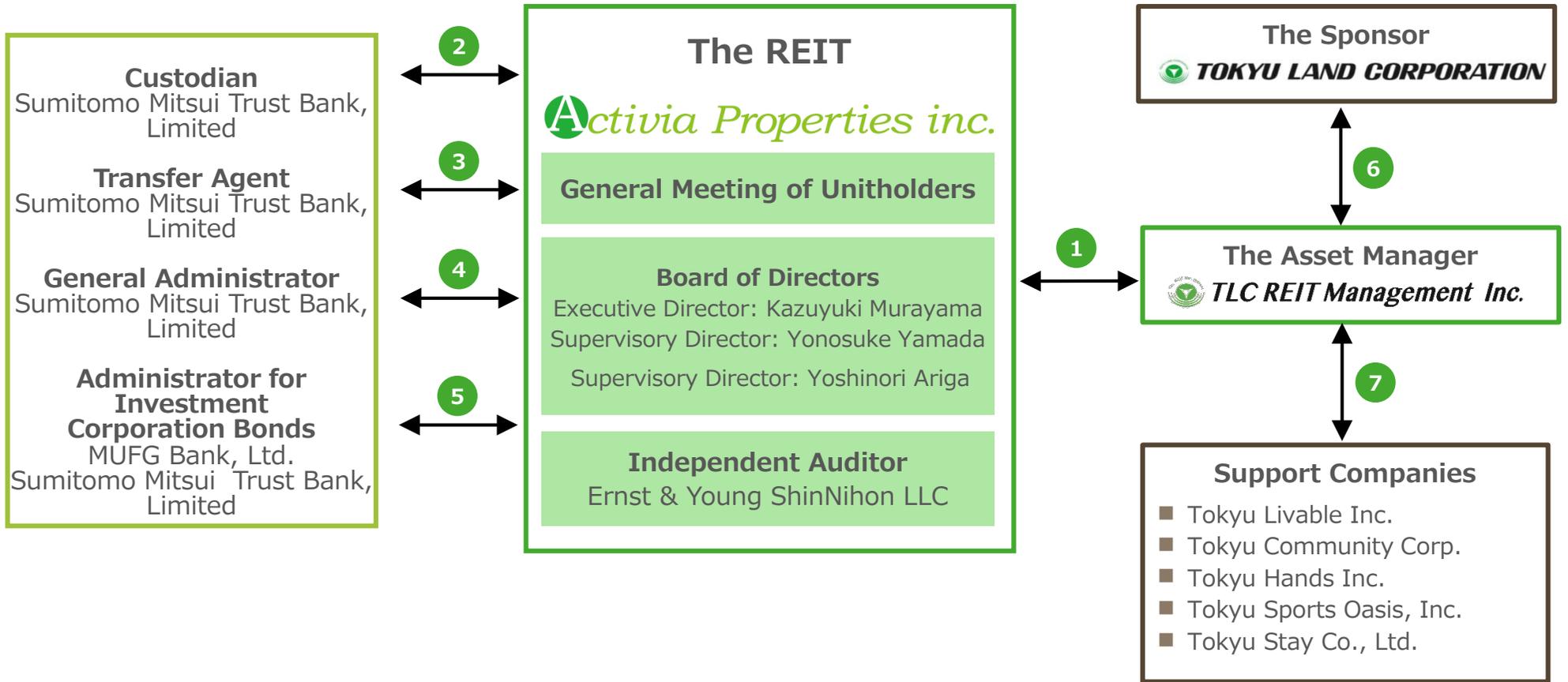
Value Chain



- 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

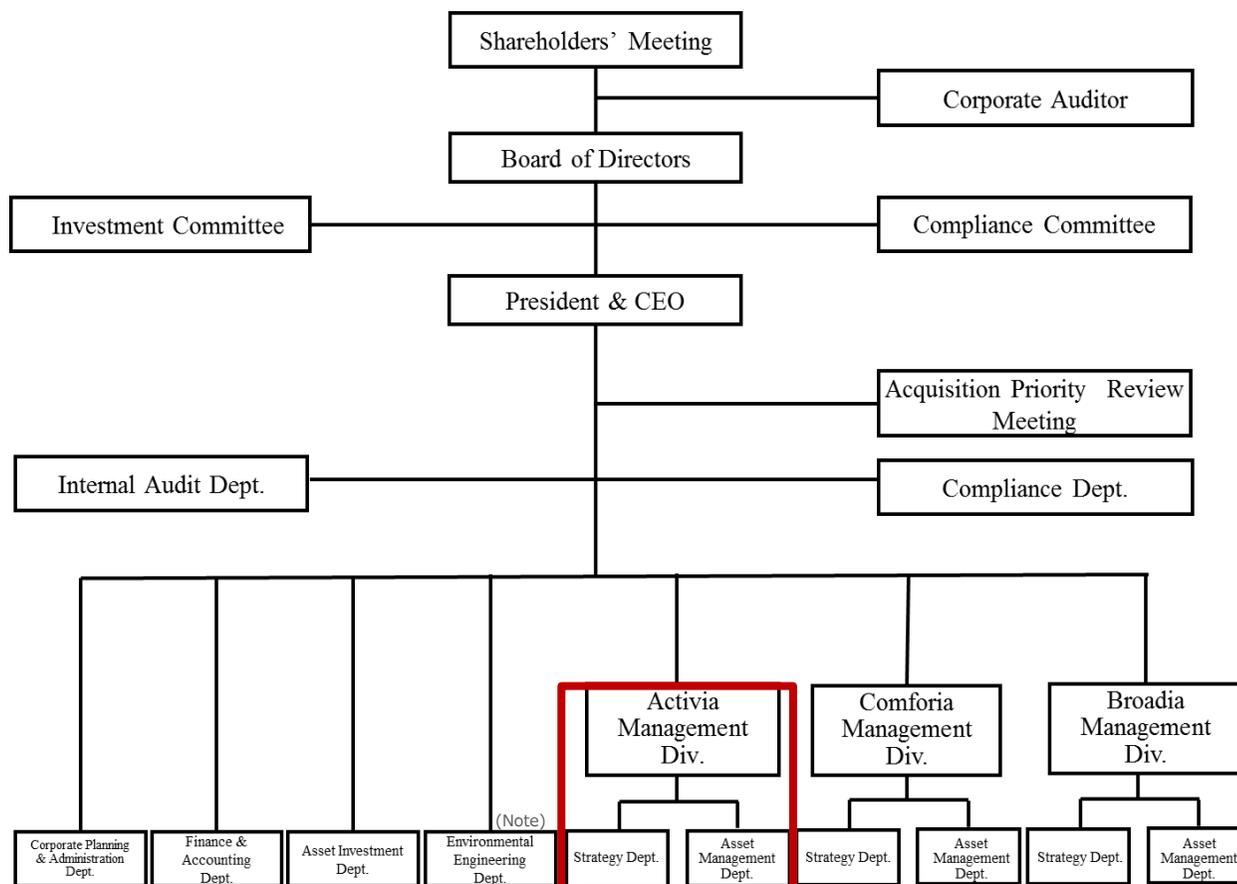
6 Sponsor Support Agreement / Outsourcing Agreement

7 Affiliate Support Agreements

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	 <p>Hiroyuki Tohmata Personal motto: My Word is My Bond</p>

2. Asset Manager Organizational Chart



(Note) Newly established as of Apr.1, 2018

API's Management Members



Managing Director, Chief Division Officer of Activia Management Division of TRM

Kazushi Sato

Personal motto: Will and Preparedness

Career summary

Apr. 1987	Tokyu Land Corporation
Apr. 2000	Manager of Office Building Business Division
Apr. 2009	Executive Manager of Asset Planning and Development Division
Apr. 2011	Director (part-time), TLC Realty Management INC. (current TLC REIT Management Inc.)
Apr. 2014	Executive Manager, Business Strategy Department, Urban Business Unit, Tokyu Land Corporation
Apr. 2016	President & CEO, Tokyu Land SC Management Corporation
Apr. 2018	Managing Director, Chief Division Officer of Activia Management Division, TLC REIT Management, Inc.



General Manager of Strategy Department, Activia Management Division

Kazuyuki Murayama

Personal motto: Enter through the narrow gate



General Manager of Asset Management Department, Activia Management Division

Daisuke Kawauchi

Personal motto: Go full-out



General Manager, Finance & Accounting Department

Hiroshi Kimoto

Personal motto: After storm, comes a calm



General Manager, Asset Investment Department

Takashi Aikawa

Personal motto: Fall seven times, rise eight

Disclaimer

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