

J-REIT Asset Size

Number of properties: 2,734 (Last month: 2,714)

※The number includes four properties that NIPPON REIT Investment Corporation owned in 2011.

Total assets (acquisition price) : ¥12,198.5bn (Last month: ¥12,135.1bn)

Total assets (appraised price) : ¥11,859.2 bn (Last month: ¥11,763.0 bn)

Investment corporations: 46 investment corporations

(Last month: 46 investment corporations)

(as of July 31, 2014)

The NOI cap rate **remained level.**

◆On July 30, 2014, the Ministry of Land, Infrastructure, Transport and Tourism published the Residential Property Price Index and presented the Residential Property Price Index (preliminary figures) for April 2014 (with the average of fiscal year 2008 as 100). According to the Index, the price index for Land and Detached House in all of Japan was 85.3 (down 6.1% year on year), and the price index for Condominiums was 114.1 (up 5.6% year on year). Condominium prices rose in all regions. Particularly in Tohoku (up 17.4% year on year), Hokkaido (up 12.6% year on year) and Tokyo (up 9.1% year on year), condominium prices showed a high year-on-year rise.

◆Kenedix, Inc. (Head office: Chuo-ku) announced on August 7, 2014 that it would establish a real estate investment corporation focused on retail facilities and prepare for its listing on the J-REIT market.

According to the presentation material of Kenedix, Inc., it plans the listing in the first half of 2015 and aims for an asset size of some 200 billion yen in the medium term by investing mainly in retail facilities with stores which have high-frequency visits by consumers (retail facilities closely linked to livelihood), capturing trade areas in close proximity to places like residential districts and station-front locations. The asset management company will be Kenedix Real Estate Fund Management, Inc., a wholly owned subsidiary of Kenedix, Inc.

I. Trends of REIT stock prices(July 2014)

◆stock market

Early in the month, the Japanese stock market rose, mainly reflecting the favorable turn in the forecast of Business Conditions DI in the Bank of Japan's Tankan survey and improvement in employment statistics in the United States, but fell back down later due to rising credit uncertainty at some banks in Europe, among other factors. In the middle of the month, there were occasions when the market declined sharply, for instance because of the downing of the Malaysian Airlines flight or the rising geopolitical risk in the Middle East. Towards the end of the month, however, stock prices remained solid, following strong economic indicators in the United States and changes in the exchange rate toward a weaker yen, etc.

The Nikkei Stock Average at the end of July was 15,620.77, up 3.03% from the end of June.

◆REIT Index

The J-REIT market followed a downward trend early in the month, reflecting rising long-term interest rates in the United States as concerns about the tapering of quantitative easing by the FRB (Federal Reserve Board) increased. In the middle of the month, there was an occasion when the investor sentiment was adversely affected temporarily by the downing of the Malaysian Airlines flight and the rising geopolitical risk in the Middle East. From late-July to the end of the month, however, the market stayed on an upward trend, as long-term interest rates remained stable at a low level in Japan and the United States, in addition to the solid performance of the Japanese stock market.

The Tokyo Stock Exchange REIT Index was 2,749.06 (including dividends) at the end of July, up 1.41% from the end of June.

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Tokyu Land Corporation

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II. NOI Cap Rate: 5.5% (Last month: 5.5%)  **±0.0 P**

◆By area

Minato-ku, Chuo-ku, Chiyoda-ku: **4.7%** (Last month: 4.7%)

Other major cities: **6.3%** (Last month: 6.3%)

◆By asset type

Office: **5.2%** (Last month: 5.2%) Residential: **5.5%** (Last month: 5.5%)

III. Acquisition Trends: 22 (Last month: 14)  **+8**

IV. Sales Trends: 2 (Last month: 1)  **+1**

The red number shows a rise, the yellow numbers show remaining level, and the green number shows a decline from the previous month.