

J-REIT Asset Size

Number of properties: 2,745※ (Last month: 2,734)

※We previously counted the IIF Narashino Logistics Center owned by Industrial & Infrastructure Fund Investment Corporation as two properties, land and the leasehold of a building. We have changed our method and now count the logistics center as one property. The number of properties has been accordingly reduced by one.

Total assets (acquisition price) : ¥12,266.4bn (Last month: ¥12,198.5bn)

Total assets (appraised price) : ¥11,969.9 bn (Last month: ¥11,859.2 bn)

Investment corporations: 46 investment corporations

(Last month: 46 investment corporations)

(as of August 31, 2014)

The NOI cap rate **remained level.**

◆On August 29, 2014, the Land Price Research Division of the Land Economy and Construction and Engineering Industry Bureau of the Ministry of Land, Infrastructure, Transport and Tourism published its Trend Report of the Value of Intensively Used Land in Major Cities: Land Value LOOK Report. The report says that in the second quarter of 2014 (from April 1 through June 30), in 80% of 150 intensively used districts in major cities, the land price rose. According to an analysis of the report, real estate investment appetite remains strong, backed chiefly by monetary easing, and land prices continued to rise in a number of districts, primarily in business districts.

◆On September 3, Tosei Corporation (head office: Minato-ku) decided to set up an investment corporation. The organizer is its subsidiary Tosei Asset Advisors, Inc. (“the Company”). The main businesses of the Company have been the investment management business and the investment advisory and agency business, and on September 2, the Company received the prime minister’s approval for the investment corporation to carry out specified investment management activities as part of the Tosei Group’s growth strategy. The Company plans to establish and register Tosei REIT Investment Corporation and to make preparations to list the investment corporation’s investment units on the Tokyo Stock Exchange.

I. Trends of REIT stock prices (August 2014)

◆Trends of Japanese stock market

Early in the month, the Japanese stock market declined sharply, principally reflecting the rise in geopolitical risk, including growing tensions in Ukraine, U.S. approval of airstrikes in Iraq, and the Argentina default risk. The market rose in the middle of the month on signs of an easing of tensions in Ukraine and the announcement of favorable economic indicators in the United States. Towards the end of the month, the yen weakened, which worked to bolster the market. However, stock prices did not rise significantly, and the market did not move in any given direction.

The Nikkei Stock Average at the end of August was 15,424.59, down 1.26% from the end of July.

◆REIT Index

The J-REIT market was soft early in the month as stock markets worldwide trended downward, reflecting growing tensions in Ukraine and Iraq. In the middle of the month, however, the market was solid, chiefly because of the easing of tensions in Ukraine and the lowering of long-term interest rates. Late in the month, the market was on an upward trend as long-term interest rates fell further both in Japan and the United States. At the end of the month, the market was higher than it was at the end of July.

The Tokyo Stock Exchange REIT Index was 2,815.18 (including dividends) at the end of August, up 2.41% from the end of July.

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Tokyu Land Corporation

Report for September 2014 (September 15, 2014) 1

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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: 14 (Last month: 22)  **-8**

IV. Sales Trends: 2 (Last month: 2)  **±0**

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