

J-REIT Asset Size

Number of properties: 2,710 (Last month: 2,697)

Total assets (acquisition price) : ¥12,117.4bn (Last month: ¥12,025.1bn)

Total assets (appraised price) : ¥11,744.8 bn (Last month: ¥11,643.1 bn)

Investment corporations: 46 investment corporations

(Last month: 45 investment corporations)

(as of June 30, 2014)

The NOI cap rate **remained level.**

◆On June 27, 2014, the Land Economy and Construction and Engineering Industry Bureau of the Ministry of Land, Infrastructure, Transport and Tourism announced the “Guideline Related to the Use of a Health Care REIT that Mainly Targets Residential Housing for Senior Citizens,” in which the ministry mainly presents those matters that are required to be taken into consideration when asset management companies of the health care REIT (retail estate and building operators who have obtained a discretionary trading agency license and other licenses) trade health care facilities. Specifically, the ministry presented the matters that the asset management companies are required to consider mainly in relation to the development of trust relationships, an understanding of the management situation, the collection and disclosure of information and the items to be considered in relation to the users of health care facilities.

◆The Ministry of Land, Infrastructure, Transport and Tourism announced the “Guideline for Examinations of Compliance with the Building Standards Act by Using Designated Confirmation and Inspection Agencies Related to Buildings without Inspection Certificates” (in July 2014). From the perspective of the efficient use of the existing building stock, the guideline presents the methods of inspecting the status of buildings without inspection certificates and examining whether the buildings comply with the act, in light of the importance of taking measures to ensure that the extension or renovation of buildings without inspection certificates and the change in the purpose of use of such buildings are carried out efficiently. Reports on the status of compliance with laws based on this guideline are expected to be used as reference documents attached to the existing noncompliance reports on the existing noncompliant buildings when they undergo extension or renovation work.

I. Trends of REIT stock prices(June 2014)

◆stock market

Early in the month, the Japanese stock market rose, mainly reflecting the strong performance in the U.S. stock market and increasing expectations that the Government Pension Investment Fund (GPIF) would raise the ratio of the allocation of its assets to the stock market. It continued to rise in the middle of the month as the policy of reducing the corporate income tax was finalized and the FOMC maintained its easy monetary policy. However, late in the month, the Japanese stock market performed sluggishly, chiefly due to the increasing sense of caution against the high level of stock prices and the deterioration of the situation in Iraq.

The Nikkei Stock Average at the end of June was 15,162, up 3.62% from the end of May.

◆REIT Index

The J-REIT market temporarily fluctuated significantly early in the month as a result of a rise in long-term interest rates in Japan, which was triggered by a rise in long-term interest rates in the United States. In the middle of the month, however, the J-REIT market shifted to a rising trend, given the return of stability in the long-term interest rates and continued rising stock prices in Japan. Overall, the J-REIT market remained on a rising trend throughout the month, mainly reflecting the high distributions of the J-REIT and an improvement in the office building market in city centers.

The Tokyo Stock Exchange REIT Index was 2,710.90 (including dividends) at the end of June, up 2.48% from the end of May.

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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: **14** (Last month: 37)  -23

IV. Sales Trends: **1** (Last month: 12)  -11

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