



## Financial Summary for the 12<sup>th</sup> Fiscal Period

(from July 1, 2008 to December 31, 2008)

Name	: TGR Investment Inc.
Representative	: Takashi Tsunogae, Executive Director
Stock Listing	: Tokyo Stock Exchange
Securities Code	: 8963
URL	: <a href="http://www.tgr-inv.co.jp/eng/">http://www.tgr-inv.co.jp/eng/</a>
Contact	: GrowthREIT Advisors, Ltd. (Asset Manager of TGR) Eiji Takizawa, Chief Financial Officer Tel. +81-3-3238-5341
Start date for dividend distribution	: March 13, 2009

(Note) This financial summary has been prepared in accordance with generally accepted accounting principles in Japan and Japanese laws.

## **Overview of TGR Investment Inc.**

TGR Investment Inc. (hereinafter, "TGR") was established in January 2002 in accordance with the Law concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951, and subsequent revisions; hereinafter, the "Investment Trust Law"). TGR was listed as a Real Estate Investment Trust on the Osaka Securities Exchange (hereinafter, the "OSE") in May 2004 and on the Tokyo Stock Exchange (hereinafter, the "TSE") in August 2006 on the J-REIT market (Securities Code: 8963). Subsequently, in order to focus trading on one securities exchange and reduce administrative tasks and costs accompanying cross listing, TGR delisted from the OSE in October 2007. Consequently, TGR is listed only on the TSE as of the end of the 12<sup>th</sup> fiscal period (ended December 31, 2008).

TGR has built up a solid track record since establishment. TGR will continue its efforts to realize its "Growth Potential" and seek to improve investor value as a comprehensive REIT that invests in a variety of assets.

## **Overview of Financial Results**

TGR announced financial results for its 12<sup>th</sup> fiscal period (ended December 31, 2008) on February 18, 2009.

For the 12<sup>th</sup> fiscal period, operating revenues were JPY 1,967 million, operating income was JPY 1,010 million, recurring profits were JPY 736 million and net income was JPY 735 million. Concerning distributions, with the aim of having the maximum amount of profit distribution included in expenses in accordance with Article 67-15 of the Special Taxation Measures Law, TGR will decide to distribute the full amount of unappropriated retained earnings for the 12<sup>th</sup> fiscal period's distribution per unit, excluding fractional amounts less than JPY 1, and thus distribution per unit is JPY 13,641.

As of the end of the 12<sup>th</sup> fiscal period, total assets were approximately JPY 47,028 million, total liabilities were JPY 27,169 million and total net assets were JPY 19,859 million (JPY 368,452 per unit).

## **Summary of the 12<sup>th</sup> Fiscal Period**

### **Investment Environment**

The Japanese economy in the 12<sup>th</sup> fiscal period was marked by growing fears of a deflation spiral as turmoil in financial markets, the stock market plunge and rapid fluctuations in foreign exchange markets stemming from the subprime mortgage crisis in the U.S. negatively impacted even the real economy.

Moreover, the tighter stance on lending related to real estate adopted by financial institutions is causing a series of bankruptcies by real estate, construction and other companies and a decrease in the volume of transactions in the real estate transaction market.

In the residential real estate rental market, while a fall in occupancy rates was found at some luxury rental properties due to the economic slowdown, rent levels remained strong backed by robust demand from an increase in single-person and small households in the Tokyo 23 wards and other urban areas. In the office rental market, similar impacts from the economic slowdown were found and the increase in rent levels from contract revisions, etc. found in recent years has also come to a standstill.

## **Portfolio Overview**

Properties acquired during the 12<sup>th</sup> fiscal period totaled 7 parking lots (total acquisition price: JPY 457 million). On the other hand, 2 offices (total sale price: JPY 1,642 million) were sold under the objective of enhancing the ability to generate revenues through the replacement of properties.

As a result, as of the end of the 12<sup>th</sup> fiscal period, the number of properties in TGR's portfolio was 35 residences, 8 offices, etc., and 19 parking lots to total 62 properties with a total acquisition price of JPY 43,950 million and total leasable area of 94,172.72 m<sup>2</sup>.

In addition, TGR conducted asset management with a focus on internal growth, being especially committed to improving occupancy rates and the unit price of rent as well as minimizing property related expenses. Moreover, TGR performed a renewal of the interior finishing at Kokura Kosan 7th and carried out other renovations and repairs in a systematic manner under the objective of enhancing property competitiveness and tenant satisfaction levels. Consequently, the occupancy rate of TGR's entire portfolio was 95.6% at the end of the 12<sup>th</sup> fiscal period.

(Note) For further information, please see the "Portfolio (Portfolio List and Portfolio Data)" pages on the following website of TGR.

URL: <http://www.tgr-inv.co.jp/eng/>

## **Debt Financing**

With regard to capital procurement, TGR's basic policy is to reduce financing costs, seek to diversify sources of financing, and work to spread out and aim for later maturity dates. With the goal of enabling flexible leverage control, TGR is promoting debt with variable interest rates to account for a greater percentage of its total debt.

During the 12<sup>th</sup> fiscal period, TGR did not conduct any financing to acquire properties, refinance debt or for any other purpose. TGR strived to lower LTV by repaying JPY 1,214 million in the form of repayments before the maturity date in correlation with the sale of properties and in the form of scheduled repayments.

As a result, as of the end of the 12<sup>th</sup> fiscal period, the interest-bearing debt outstanding at TGR was JPY 25,727 million (of which, 53.4% is long-term debt) and the LTV was 57.3%\*.

\*LTV (Loan-to-Value) = Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' capital) × 100

(Note) For further information, please see the "Investors' Guide (Financial Information)" page on the following website of TGR.

URL: <http://www.tgr-inv.co.jp/eng/>

## **Outlook**

### **Acquisitions and Dispositions**

TGR will consider new property acquisitions of various property types, ranging from residences and offices to parking lots that charge by time and other commercial facilities. In addition, in view of enhancing acquisition competitiveness, ongoing efforts are made to expand the asset manager's independent property sourcing channels.

However, TGR believes that the current financial market trends and other factors call for acquisitions to be approached with a more cautious stance by focusing acquisitions on real estate that exhibit promising potential and profitability.

In correlation with the real estate market having shifted to a buyers' market, the cap rates are on the rise and prices are also on a downward trend for revenue-generating real estate. In light of such circumstances, TGR will review its selection of properties to be considered for sale in a timely and appropriate manner. In the selection, small properties (acquisition price of less than JPY 500 million for residences and less than JPY 700 million for offices, etc.) or old properties are mainly considered. In such occasions, real estate market conditions, future fluctuations in profitability and the asset value of properties, expected capital expenditures to deal with the deterioration or obsolescence of properties, and portfolio composition, among other factors, are all taken into consideration.

While the gain (loss) on sales of real estate properties has a significant impact on distributions, the amount and timing of such may vary substantially. Consequently, the distribution forecasts set forth later in this document in "2. Forecast of Results for the 13<sup>th</sup> Fiscal Period" are calculated based on the premise that there will be no change in the assets under management outlined under "Pre-Conditions and Assumptions Underlying Operating Forecasts for the 13<sup>th</sup> Fiscal Period." In addition, in the event that a decision is made to execute an acquisition or sales contract, TGR will promptly announce a review of the forecasts.

Furthermore, as of February 18, 2009, 3.4% of the properties in TGR's portfolio have been selected as properties to be considered for sale and 8.8% have been selected as properties to be sold at an early date (based on acquisition price). In the abovementioned selection, the properties to be sold at an early date represent the order of priority for selling properties and do

not indicate that the properties will be sold during the 13<sup>th</sup> fiscal period. While TGR does strive to ensure that the sale price is at a level exceeding the book value, there may be cases in which TGR will carry out a property sale that is accompanied by a loss on sales of real estate properties if it deems that reducing interest-bearing debt will contribute to enhancing returns for unitholders.

### **Property Management and Operation**

Concerning properties in its portfolio, TGR will strive to maintain and enhance occupancy rates and rent levels in view of securing stable cash flows. TGR will also be dedicated to research intended to accurately discern residential rental market, office rental market and other trends, and will conduct strategic tenant solicitation activities based on an analysis of the characteristics specific to properties, characteristics of the region and other features. While strengthening its partnership with real estate management companies, TGR will implement ongoing evaluation of property management capabilities and also consider reviews for the purpose of reducing costs.

The development and execution of renovation and repair plans are important elements in maintaining favorable relationships of trust with tenants and maintaining the portfolio's ability to generate revenues. TGR adequately plans renovations and repairs designed to improve the asset value starting from the time of property acquisition in pursuit of diversifying and leveling property management costs as well as maximizing future cash flows.

### **Issues to be Addressed**

TGR may possibly borrow from financial institutions, increase its capital or conduct other forms of financing in repaying existing debt or making new property acquisitions. TGR will be committed to adequate financing while taking heed of the trends in capital markets and the financial environment.

At TGR, JPY 12.0 billion in debt is due for repayment in August 2009. Naturally, in the quest to refinance said debt, TGR will be devoted to maintaining stable financial relationships with its financial institutions. Additionally, various measures will be taken to diversify sources and means of financing.

Moreover, in the event that surplus funds generate from selling property or in other ways, TGR will seek to reduce interest-bearing debt by repaying debt before the maturity date.

## 1. Performance for the 12<sup>th</sup> Fiscal Period

(from July 1, 2008 to December 31, 2008)

### 1) Business Results

(Percentages in brackets represent change from previous fiscal period)

	Operating Revenues		Operating Income		Recurring Profits		Net Income	
	mn JPY	%	mn JPY	%	mn JPY	%	mn JPY	%
12 <sup>th</sup> Fiscal Period	1,967	(10.1)	1,010	(24.7)	736	(38.8)	735	(39.2)
11 <sup>th</sup> Fiscal Period	1,787	(7.4)	810	(8.8)	530	(9.2)	528	(9.7)

	Earnings per Unit	Net Income / NAV*	Reference (Annualized)	Recurring Profits / Total Assets	Reference (Annualized)	Recurring Profits / Operating Revenues
	JPY	%	%	%	%	%
12 <sup>th</sup> Fiscal Period	13,641	3.7	(7.4)	1.5	(3.1)	37.4
11 <sup>th</sup> Fiscal Period	9,800	2.7	(5.4)	1.1	(2.2)	29.7

\*NAV = Total net assets

### 2) Cash Distributions

	Distribution per Unit (Excluding exceeding profit distribution per unit)	Distribution Amount	Exceeding Profit Distribution per Unit	Exceeding Profit Distribution Amount	Dividend Payout Ratio	Distribution / NAV
	JPY	mn JPY	JPY	JPY	%	%
12 <sup>th</sup> Fiscal Period	13,641	735	0	0	100.0	3.7
11 <sup>th</sup> Fiscal Period	9,800	528	0	0	99.9	2.7

(Note) "Dividend Payout Ratio" is rounded to one decimal place.

### 3) Financial Position

	Total Assets	NAV	NAV / Total Assets	NAV per Unit
	mn JPY	mn JPY	%	JPY
12 <sup>th</sup> Fiscal Period	47,028	19,859	42.2	368,452
11 <sup>th</sup> Fiscal Period	48,196	19,651	40.8	364,591

(Reference) NAV:

12<sup>th</sup> Fiscal Period: JPY 19,859 million      11<sup>th</sup> Fiscal Period: JPY 19,651 million

### 4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investment Activities	Cash Flows from Financing Activities	Closing Balance of Cash and Cash Equivalents
	mn JPY	mn JPY	mn JPY	mn JPY
12 <sup>th</sup> Fiscal Period	2,260	-605	-1,743	3,142
11 <sup>th</sup> Fiscal Period	1,338	-435	-826	3,230

## 2. Forecast of Results for the 13<sup>th</sup> Fiscal Period

(from January 1, 2009 to June 30, 2009)

(Percentages in brackets represent change from previous fiscal period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (Excluding exceeding profit distribution per unit)	Exceeding Profit Distribution per Unit
	mn JPY	%	mn JPY	%	mn JPY	%	mn JPY	%	JPY	JPY
13 <sup>th</sup> Fiscal Period	1,588	(-19.3)	572	(-43.4)	326	(-55.7)	323	(-56.0)	6,000	0

(Reference) Estimated earnings per unit for the 13<sup>th</sup> fiscal period: JPY 6,000

### Pre-Conditions and Assumptions Underlying Operating Forecasts for the 13<sup>th</sup> Fiscal Period

Item	Assumptions
Fiscal Period	13 <sup>th</sup> fiscal period (fiscal period ending June 30, 2009): from January 1, 2009 to June 30, 2009 (181 days)
Assets under Management	Forecasts are based on TGR's portfolio consisting of 62 properties, which is the number of properties held as of February 18, 2009.  In reality, however, the number of properties in TGR's portfolio may vary due to TGR acquiring new properties, selling portfolio properties or changing the portfolio in a way other than the above.
Units Outstanding	Forecasts are based on the number of investment units issued and outstanding being 53,899 units, which is the number of investment units issued and outstanding as of February 18, 2009. Forecasts are based on the assumption that TGR will not issue additional investment units through to the end of the 13 <sup>th</sup> fiscal period.
LTV (Loan-to-Value)	Forecasts are based on there being no large variances in the LTV* from 57.3%, which is the LTV as of February 18, 2009.  *LTV = Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' capital) × 100
Operating Revenues	TGR assumes it will incur JPY 1,588 million in operating revenues. The breakdown is as follows:  <ul style="list-style-type: none"> <li>• Rental revenues JPY 1,588 million</li> <li>• TGR assumes no gain on sales of real estate properties.</li> </ul> Rental revenues are calculated based on historical data and taking into account tenant trends, property competitiveness, market environment and other factors. In addition, TGR assumes there are no delinquencies or non-payment of rent by tenants.

Item	Assumptions
Operating Expenses	<p>TGR assumes it will incur JPY 798 million in property related expenses. The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>• Facility management fees                      JPY 285 million</li> <li>• Taxes and other public charges              JPY 102 million</li> <li>• Insurance expenses                                      JPY 7 million</li> <li>• Other expenses    JPY 106 million</li> <li>• Depreciation expenses                              JPY 296 million</li> </ul> <p>Other than depreciation expenses, the property related expenses are calculated based on historical data and reflect elements that may cause fluctuations. Of the assessed and decided amount of real property tax, city planning tax, depreciable property tax, etc. applicable to assets under management, TGR records as expenses the tax amount that it expects to pay during the 13<sup>th</sup> fiscal period. Furthermore, concerning assets newly acquired during the year in which the 13<sup>th</sup> fiscal period falls, the tax amount is calculated on a pro-rata basis with the prior titleholder, and this adjusted amount is reimbursed at the time of acquisition. TGR, however, capitalizes an amount equivalent to the concerned adjusted amount reimbursed as part of the acquisition cost, and thus does not record the amount as expenses.</p> <p>Repair costs are recorded for the amount estimated based on the repair plans of TGR's asset manager. However, the actual amount may vary substantially from the amount estimated owing to changes in conditions and other factors.</p> <p>In addition, other than the property related expenses, TGR assumes it will incur JPY 218 million in operating expenses.</p>
Non-operating Expenses	TGR assumes it will incur JPY 249 million in non-operating expenses.
Distribution per Unit	<p>The distribution per unit is calculated in accordance with the cash distribution policy set forth in TGR's Articles of Incorporation.</p> <p>The distribution per unit may vary due to various factors, such as fluctuations in rental revenues due to changes in the portfolio composition, changes in the tenant composition, etc. and incurrence of unexpected repairs.</p>
Exceeding Profit Distribution per Unit	TGR currently does not expect to make distributions exceeding profits (exceeding profit distribution per unit).
Other	<p>TGR assumes there will be no amendments to laws and ordinances, the taxation system, accounting standards and other regulations that will affect the foregoing forecasts.</p> <p>In addition, TGR assumes there will be no unforeseen material changes in the environment, including general economic trends and real estate market conditions.</p>



## 3. Financial Statements

1) Balance Sheet of TGR as of December 31, 2008  
(Consistent with Japanese GAAP)

Items	11th Fiscal Period (As of Jun. 2008)		12th Fiscal Period (As of Dec. 2008)		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
<b>Assets</b>						
<b>I Current assets</b>						
Cash and cash equivalents	1,122,870		1,255,226		132,356	
Cash and cash equivalents in trust	2,107,958		1,887,235		-220,722	
Rental receivables	16,070		15,454		-616	
Payment in advance	85		31		-53	
Deposit payments	44,760		15,201		-29,558	
Prepaid expenses	51,935		49,208		-2,727	
Consumption tax refundable	-		-		-	
Deferred income taxes	685		8,193		7,508	
Allowance for doubtful accounts	-978		-854		124	
<b>Total current assets</b>	<b>3,343,387</b>	<b>6.9</b>	<b>3,229,697</b>	<b>6.9</b>	<b>-113,689</b>	<b>-3.4</b>
<b>II Non-current assets</b>						
Property, plant and equipment, at cost						
Buildings	666,282		659,180		-7,101	
Equipment	156,447		152,330		-4,116	
Building improvements	7,104		10,201		3,096	
Tools, furniture and fixtures	-		395		395	
Land	3,182,166		3,650,309		468,143	
Buildings in trust	16,043,373		15,276,612		-766,760	
Equipment in trust	2,566,438		2,431,793		-134,644	
Building improvements in trust	175,931		154,270		-21,660	
Furniture and fixtures in trust	34,769		45,911		11,141	
Land in trust	21,816,173		21,228,686		-587,486	
<b>Net property, plant and equipment, at cost</b>	<b>44,648,687</b>	<b>92.6</b>	<b>43,609,692</b>	<b>92.7</b>	<b>-1,038,994</b>	<b>-2.3</b>
Intangible assets net of amortization						
Other intangible assets	121		103		-17	
Other intangible assets in trust	5,666		5,006		-660	
<b>Intangible assets</b>	<b>5,788</b>	<b>0.0</b>	<b>5,110</b>	<b>0.0</b>	<b>-678</b>	<b>-11.7</b>
Investments						
Lease deposits	109,295		120,166		10,871	
Long-term prepaid expenses	32,103		14,365		-17,737	
Deferred income taxes	7,852		267		-7,585	
Other Investments	45,523		47,078		1,554	
<b>Total investments</b>	<b>194,775</b>	<b>0.4</b>	<b>181,877</b>	<b>0.4</b>	<b>-12,897</b>	<b>-6.6</b>
<b>Total non-current assets</b>	<b>44,849,250</b>	<b>93.1</b>	<b>43,796,680</b>	<b>93.1</b>	<b>-1,052,570</b>	<b>-2.3</b>
<b>III Deferred assets</b>						
Offering costs	3,793		2,042		-1,750	
<b>Total deferred assets</b>	<b>3,793</b>	<b>0.0</b>	<b>2,042</b>	<b>0.0</b>	<b>-1,750</b>	<b>-46.2</b>
<b>Total assets</b>	<b>48,196,432</b>	<b>100.0</b>	<b>47,028,421</b>	<b>100.0</b>	<b>-1,168,010</b>	<b>-2.4</b>

Items	11th Fiscal Period (As of Jun. 2008)		12th Fiscal Period (As of Dec. 2008)		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
<b>Liabilities</b>						
<b>I Current liabilities</b>						
Accounts payable	55,782		72,683		16,900	
Current portion of long-term debts	-		12,000,000		12,000,000	
Accrued liabilities	12,294		14,690		2,395	
Accrued expenses	89,233		92,238		3,004	
Accrued income taxes	447		995		548	
Accrued consumption taxes	31,148		29,956		-1,192	
Unearned revenues	182,374		176,927		-5,446	
Deposits received	121,671		14,613		-107,057	
Derivatives liabilities	-		17,251		17,251	
<b>Total current liabilities</b>	<b>492,952</b>	<b>1.0</b>	<b>12,419,356</b>	<b>26.4</b>	<b>11,926,403</b>	<b>2419.4</b>
<b>II Non-current liabilities</b>						
Long-term debt	26,941,000		13,727,000		-13,214,000	
Tenant leasehold and security	1,022,870		896,315		-126,555	
Tenant leasehold and security in trust	69,456		126,547		57,091	
Derivative liabilities	19,040		-		-19,040	
<b>Total non-current liabilities</b>	<b>28,052,366</b>	<b>58.2</b>	<b>14,749,862</b>	<b>31.4</b>	<b>-13,302,504</b>	<b>-47.4</b>
<b>Total liabilities</b>	<b>28,545,318</b>	<b>59.2</b>	<b>27,169,218</b>	<b>57.8</b>	<b>-1,376,100</b>	<b>-4.8</b>
<b>Net assets</b>						
<b>I Unitholders' equity</b>						
1. Unitholders' capital	19,134,417		19,134,417		-	
2. Retained earnings						
Unappropriated profit for the year	528,236		735,252		207,015	
<b>Total unitholders' equity</b>	<b>19,662,653</b>	<b>40.8</b>	<b>19,869,669</b>	<b>42.3</b>	<b>207,015</b>	<b>1.1</b>
<b>II Evaluation, currency translation and etc.</b>						
Deferred hedge losses	-11,540		-10,466		1,073	
<b>Total evaluation, currency translation and etc.</b>	<b>-11,540</b>	<b>-0.0</b>	<b>-10,466</b>	<b>-0.0</b>	<b>1,073</b>	<b>-9.3</b>
<b>Total net assets</b>	<b>19,651,113</b>	<b>40.8</b>	<b>19,859,203</b>	<b>42.2</b>	<b>208,089</b>	<b>1.1</b>
<b>Total liabilities and net assets</b>	<b>48,196,432</b>	<b>100.0</b>	<b>47,028,421</b>	<b>100.0</b>	<b>-1,168,010</b>	<b>-2.4</b>

2) Statement of Income for the 6 months ended December 31, 2008  
(Consistent with Japanese GAAP)

Items	11th Fiscal Period ( Six months ended Jun. 2008)		12th Fiscal Period ( Six months ended Dec. 2008)		Changes	
	Ths JPY	%	Ths JPY	%	Ths JPY	%
I. Operating revenues	1,787,281	100.0	1,967,896	100.0	180,615	10.1
Rental revenues (1)	1,770,195		1,643,918		-126,276	
Gain from sales of properties	17,085		323,978		306,892	
II. Operating expenses	976,891	54.7	957,468	48.7	-19,423	-2.0
Property related expenses (2)	781,649		768,502		-13,147	
Depreciation expenses (3)	318,362		300,212		-180,150	
NOI(1)-(2)+(3)	1,306,908		1,175,628		-131,280	
Directors' fees	3,300		3,300		-	
Asset management fees	103,922		101,562		-2,360	
Asset custodian fees	11,264		11,832		567	
Administrative service fees	18,855		20,501		1,645	
Provision of allowance for doubtful accounts	248		-		-248	
Bad debt expenses	2,303		-		-2,303	
Other operating expenses	55,347		51,770		-3,577	
Operating income	810,390	45.3	1,010,428	51.3	200,038	24.7
III. Non-operating revenues	7,173	0.4	4,343	0.2	-2,830	-39.5
Interest revenues	3,413		3,392		-20	
Other non-operating revenues	3,760		826		-2,934	
Reversal of allowance for doubtful accounts	-		124		124	
IV. Non-operating expenses	287,175	16.1	278,539	14.2	-8,636	-3.0
Interest expenses	278,097		269,595		-8,501	
Finance related costs	5,983		5,884		-98	
Public listing related costs	1,090		1,090		-	
Other non-operating expenses	253		217		-35	
Amortization of offering costs	1,750		1,750		-	
Recurring profits	530,388	29.7	736,232	37.4	205,843	38.8
Income before income taxes	530,388	29.7	736,232	37.4	205,843	38.8
Income and other taxes	605		1,644		1,039	
Tax adjustments	1,557		-637		-2,195	
Net income	528,226	29.6	735,226	37.4	206,999	39.2
Retained earnings (begning balance)	10		26		15	
Retained earnings (ending balance)	528,236	29.6	735,252	37.4	207,015	39.2

3) Statement of Cash Flow for the 6 months ended December31, 2008  
(Consistent with Japanese GAAP)

Items	11th Fiscal Period ( Six months ended Jun. 2008)	12th Fiscal Period ( Six months ended Dec. 2008)
	Ths JPY	Ths JPY
<i>Cash flow from operating activities</i>		
Net income before taxes	530,388	736,232
Depreciation expenses	318,976	300,872
Public listing related costs	1,090	1,090
Finance related costs	5,983	5,884
Amortization of offering costs	1,750	1,750
Interest received	(3,413)	(3,392)
Interest paid	278,097	269,595
Increase (decrease) in allowance for doubtful accounts	(3,025)	(124)
Amortization of tenant leasehold and security deposits in trust	(772)	(534)
Decrease (increase) in accounts receivable	34,944	616
Decrease (increase) in deposit payments	(29,746)	29,558
Decrease (increase) in consumption tax receivable	62,284	-
Decrease (increase) in guarantee money paid	(9,628)	(10,871)
Increase (decrease) in accrued consumption taxes	31,148	(1,192)
Increase (decrease) in accounts payable	(10,091)	16,900
Increase (decrease) in accrued liabilities	(9,294)	(2,130)
Increase (decrease) in accrued expenses	(593)	669
Increase (decrease) in unearned revenues	(14,677)	(5,446)
Increase (decrease) in deposits received	107,911	(107,057)
Decrease due to sale of tangible assets in trust	289,767	1,275,061
Others	14,069	(289)
Subtotal	1,595,173	2,507,194
Proceeds of interest	3,413	3,392
Payment of interest	(259,811)	(248,651)
Payment of corporate taxes	(636)	(1,095)
<i>Cash flow from operating activities</i>	1,338,138	2,260,840
<i>Cash flow from investment activities</i>		
Payment for acquisition of tangible assets	(316,850)	(472,059)
Payment for acquisition of tangible assets in trust	(44,348)	(64,219)
Payment for acquisition of other intangible assets	(3,468)	-
Payment of security deposits & guarantee money	(40,756)	(1,500)
Proceeds of security deposits & guarantee money	268	58,591
Payment of security deposits & guarantee money in trust	(67,024)	(212,211)
Proceeds of security deposits & guarantee money in trust	36,845	86,190
<i>Cash flow from investment activities</i>	(435,335)	(605,209)
<i>Cash flow from financing activities</i>		
Repayment of long-term debt	(342,000)	(1,214,000)
Public listing related costs	(1,090)	(1,090)
Finance related costs	(5,983)	(5,884)
Payment of distributions	(477,841)	(523,022)
<i>Cash flow from financing activities</i>	(826,915)	(1,743,997)
<i>Increase (decrease) in cash and cash equivalents</i>	75,888	(88,366)
<i>Beginning balance of cash and cash equivalents</i>	3,154,940	3,230,828
<i>Closing balance of cash and cash equivalents</i>	3,230,828	3,142,462

### **For further information:**

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