

March 17, 2022

## FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JANUARY 2022

TOKYU REIT, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8957.  
 URL: <https://www.tokyu-reit.co.jp/eng/>

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Planned date of filing Securities Report: April 22, 2022  
 Planned start of dividend payments: April 15, 2022

Supplementary documents for results: YES  
 Results briefing (for institutional investor and analysts): YES

This financial report has been prepared in accordance with Japanese accounting standards and Japanese law.  
 Figures have been rounded down to eliminate amounts of less than one million yen.

### PERFORMANCE FOR THE FISCAL PERIOD ENDED JANUARY 2022 (August 1, 2021 – January 31, 2022)

(1) Business Results	Percentage change shows the increase and decrease ratio to the previous period.					
	Operating Revenues		Operating Income		Ordinary Income	
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)
Period Ended January 2022	11,641	44.3	7,481	87.9	7,072	99.7
Period Ended July 2021	8,066	-6.3	3,981	-12.3	3,540	-13.3

	Net Income		Net Income per Unit	Return on Unitholders' Equity (ROE)	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	(Millions of Yen)	(%)	(Yen)	(%)	(%)	(%)
Period Ended January 2022	7,071	99.8	7,233	6.0	3.1	60.7
Period Ended July 2021	3,540	-13.3	3,621	3.1	1.5	43.9

### (2) Distributions

	Distribution per Unit	Total Distributions	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	(Yen)	(Millions of Yen)	(Yen)	(Millions of Yen)	(%)	(%)
Period Ended January 2022	3,950	3,861	-	-	54.6	3.3
Period Ended July 2021	3,621	3,539	-	-	100.0	3.1

Note: The payout ratio is calculated by the following formula.

$$\text{Payout Ratio} = \text{Total Distributions} / \text{Net Income} \times 100$$

Distribution per unit for the fiscal period ended January 2022 is calculated by dividing by the total number of units issued and outstanding the amount obtained after subtracting ¥3,209 million of provision of reserve for reduction entry of replaced property from unappropriated retained earnings.

**(3) Financial Position**

	Total Assets	Net Assets	Unitholders' Capital to Total Assets	Net Assets per Unit
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Period Ended January 2022	226,847	119,059	52.5	121,787
Period Ended July 2021	235,035	115,527	49.2	118,174

**(4) Cash Flows**

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of Period
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Period Ended January 2022	40,510	-21,270	-14,739	7,479
Period Ended July 2021	4,701	-6,709	324	2,979

**FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JULY 2022 (FEBRUARY 1, 2022 – JULY 31, 2022)  
AND THE FISCAL PERIOD ENDING JANUARY 2023 (AUGUST 1, 2022 – JANUARY 31, 2023)**

Percentage change shows the increase and decrease ratio to the previous period.

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit	Distribution in Excess of Earnings per Unit
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Yen)	(Yen)
Period Ending July 2022	8,512	-26.9	4,641	-38.0	4,246	-40.0	4,248	-39.9	3,910	-
Period Ending January 2023	6,610	-22.3	2,974	-35.9	2,583	-39.2	2,582	-39.2	3,200	-

Reference: Estimated net income per unit for the Fiscal Period Ending July 2022: ¥ 4,345  
 Estimated net income per unit for the Fiscal Period Ending January 2023: ¥ 2,641  
 Total number of investment units issued and outstanding for the Period Ending July 2022: 977,600 units  
 Total number of investment units issued and outstanding for the Period Ending January 2023: 977,600 units

Note: Distribution per unit for the fiscal period ending July 2022 is assumed to be net income less provision of the amount of reserve for reduction entry (estimated amount: ¥ 424 million yen).  
 Distribution per unit for the fiscal period ending January 2023 is assumed to be distributed through reversal of part of the reserve for reduction entry (estimated amount: 545 million yen) in addition to net income.

## OTHERS

**(1) Changes in Account Policies, changes in accounting estimates, and restatement of accounting errors**

Changes according to revision of account standard: Yes

Changes according to another reason: No

Changes in accounting estimates: No

Restatement of accounting errors: No

**(2) Total number of investment units issued and outstanding**

The total number of investment units issued and outstanding is 977,600 units as of January 31, 2022 and 977,600 units as of July 31, 2021.

No investment unit is held by TOKYU REIT itself as of January 31, 2022 and July 31, 2021.

Note 1: Status of auditing procedure

This summary of financial results is not subject to audit procedures by certified public accountant or audit firm.

Note 2: Forecasts for operating revenues, operating income, ordinary income, and net income, distribution per unit and distribution in excess of earnings per unit may differ significantly from actual results due to changes in operating conditions and a variety of factors. Accordingly, TOKYU REIT does not guarantee any distribution amount.

Forecasts presented in this document are based on “Assumptions for Forecasts for the Fiscal Period Ending July 2022 and the Fiscal Period Ending January 2023” identified in the separate reference attached.

## Assumptions for Forecasts for the Fiscal Period Ending July 2022 and the Fiscal Period Ending January 2023

Forecasts for operating revenues, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit for the fiscal period ending July 2022 and the fiscal period ending January 2023 are based on the following preconditions and assumptions. If major discrepancies between the following assumptions and initial forecast are found, and if they may cause a certain level of change in forecast figures displayed above, a revised forecast shall be drafted and announced immediately.

	Preconditions and Assumptions
Property portfolio	<ul style="list-style-type: none"> <li>Regarding the 32 properties owned by TOKYU REIT as of January 31, 2022, it is assumed that OKI System Center (land with leasehold interest) was disposed on February 25, 2022, Meguro Higashiyama Building will be acquired on March 24, 2022, and Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) will be disposed on March 31, 2022. After that, it is assumed that there will be no transfers (additional property acquisition or disposition of owned properties) until the end of the fiscal period ending January 2023.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Rental revenue is calculated in consideration of rent level, occupancy rate, etc. fluctuation factors in light of recent real estate market conditions, state of negotiations with tenants, presence of competitive properties in the area, etc. In addition, there is assumed to be no payment delay or nonpayment by tenants.</li> <li>Gain on sale of real estate, etc. of ¥2,024 million resulting from the disposition of OKI System Center (land with leasehold interest) and Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is projected in the fiscal period ending July 2022.</li> <li>Occupancy Rates as of the end of the fiscal period ending July 2022 and the fiscal period ending January 2023 are projected to be 95.6% and 98.5%, respectively.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Outsourcing expenses for the fiscal period ending July 2022 and the fiscal period ending January 2023 are projected to be ¥399 million and ¥403 million, respectively.</li> <li>Repair, maintenance and renovation expenses for buildings for the fiscal period ending July 2022 and the fiscal period ending January 2023 are projected to be ¥361 million and ¥190 million, respectively. In an aim to improve the competitiveness of properties and the satisfaction of tenants under management, etc., constructions scheduled in the future will be implemented with priority. Actual repair, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies and the others.</li> <li>Property and other taxes, such as fixed property tax and city planning tax, on real estate TOKYU REIT possesses, are calculated based on the amount expected to be imposed in each fiscal period (Period Ending July 2022: ¥645 million / Period Ending January 2023: ¥636 million). Fixed property tax and other taxes paid as part of the purchase prices to the seller upon the property acquisition were not recorded as expenses but included in the relevant property acquisition costs.</li> <li>Depreciation and amortization expenses, including associated costs and additional capital expenditure in the future, are calculated based on the straight-line method (Period Ending July 2022: ¥812 million / Period Ending January 2023: ¥852 million).</li> <li>Rental expenses other than those listed above are calculated in consideration of fluctuation factors based on results in past fiscal periods.</li> <li>Operating expenses other than expenses from real estate operation (investment management fees and asset custodian fees, etc.) for the fiscal period ending July 2022 and the fiscal period ending January 2023 are expected to be ¥852 million and ¥760 million, respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses for the fiscal period ending July 2022 and the fiscal period ending January 2023 are expected to be ¥368 million and ¥364 million, respectively. Interest expenses include interest expense, interest expense on investment corporation bonds, and other financial expenses.</li> </ul>

Interest-Bearing Debt	<ul style="list-style-type: none"> <li>The balance of interest-bearing debt as of January 31, 2022, is ¥94,400 million (long-term debt of ¥86,400 million and investment corporation bonds of ¥8,000 million). As for long-term debt of ¥9,400 million due for repayment in the fiscal period ending July 2022, it is assumed that ¥1,400 million of the ¥2,400 million will be repaid while ¥1,000 million will be refinanced, and ¥7,000 million is assumed to be entirely refinanced.</li> <li>As for long-term debt of ¥2,200 million due for repayment in the fiscal period ending January 2023, it is assumed that it will be entirely refinanced, while investment corporation bonds of ¥3,000 million due for redemption in the same period are assumed to be redeemed by issuing investment corporation bonds in the same amount.</li> <li>Balance of interest-bearing debt as of the end of the fiscal period ending July 2022 and the fiscal period ending January 2023 are projected to be ¥93,000 million (long-term debt of ¥85,000 million and investment corporation bonds of ¥8,000 million).</li> <li>LTVs as of the end of the fiscal period ending July 2022 and the fiscal period ending January 2023 are projected to be 41.5% and 41.7%, respectively. (LTV: Interest-bearing debt (forecast) / total assets (forecast))</li> </ul>
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>It is assumed that there will be no additional issuance of investment units to the 977,600 units issued and outstanding as of March 17, 2022, through the end of the fiscal period ending January 2023.</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>Distribution per unit is calculated based on the distribution policy stipulated in the Articles of Incorporation. Calculations are based on a 100% distribution of retained earnings. However, forecasts are based on the assumption that, as for the capital gain projected from the disposition of Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building), ¥424 million of the ¥1,453 million in capital gains, which is to be posted in the fiscal period ending July 2022, is retained through application of the “Special Provisions for Taxation in Cases of Repurchase of Specified Assets” (Article 65-7 of Act on Special Measures Concerning Taxation) for provision as reserve for reduction entry, up to the limit amount of reserve as stipulated in the “Ordinance on Accountings of Investment Corporations.”</li> <li>Distribution for the fiscal period ending January 2023 is assumed to be distributed through reversal of part of the reserve for reduction entry (Period Ending January 2023: ¥545 million).</li> <li>It is possible that the distribution per unit could change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs.</li> </ul>
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>TOKYU REIT does not currently anticipate distribution in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that any major revisions to regulatory requirements, accounting standards and taxation will not impact forecast figures.</li> <li>Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations. This notice is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese notice shall prevail in the event of any discrepancies between the translation and the Japanese original.