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Real Estate Investment Trust Unit Issuer:  
TOKYU REIT, Inc.  
1-12-1, Dogenzaka,  
Shibuya-ku, Tokyo, 150-0043, Japan  
Kazuyoshi Kashiwazaki  
Executive Director  
(Securities Code: 8957)

Investment Management Company:  
Tokyu Real Estate Investment Management Inc.  
Representative:  
Kazuyoshi Kashiwazaki  
Representative Director & President, Chief Executive Officer  
Inquiries:  
Kiyoshi Yamakawa  
Chief Financial Officer and General Manager, Finance and IR  
TEL: +81-3-5428-5828

### **Notice Concerning Partial Amendment to Management Guideline**

TOKYU REIT, Inc. (“TOKYU REIT”) announced that its investment management company, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”) decided at a Board of Directors’ meeting held today to partially amend the management guideline of Tokyu REIM with resolution of the proposal concerning partial amendments to the Articles of Incorporation (Note) at TOKYU REIT’s General Meeting of Unitholders scheduled to be held on April 19, 2019 as a condition precedent.

(Note) For details of the proposal, please refer to “Notice Concerning Amendments to the Articles of Incorporation and Election of Directors” separately announced today.

#### 1. Purpose of Amendment

With a basic policy of “investment in highly competitive properties in areas with strong growth potential,” TOKYU REIT has, since listing in 2003, worked to build a quality portfolio centering on the Tokyo Metropolitan Area by setting certain criteria regarding location, use, investment size and other factors and investing accordingly, as well as by placing Central Tokyo (referring to Five Central Tokyo Wards of Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards, and other major commercial and retail districts of Tokyo. The same applies hereafter.) and Tokyu Areas as focused investment target areas.

On the other hand, since the time of listing, the investor base in the J-REIT market has expanded due to wider recognition of the market. Accordingly, the use of assets under management, which had centered on office and retail properties at the time of listing, has become more diversified and now includes residences, hotels, logistics facilities, etc.

With regard to the investment policy of TOKYU REIT and in light of such changes in the external environment, amendments were made in April 2017 to the management guidelines concerning use and investment size, and “complexes that include office or retail properties” were added to the investment target while the minimum investment amount per property was simultaneously lowered for properties located in Central Tokyo and Tokyu Areas. With these contributing to the expansion of investment opportunities, acquisition of complexes that include residences as well as of medium- to small-sized prime properties has progressed.

TOKYU REIT has decided to amend the management guideline to further develop the portfolio and to improve unitholders value by adding residences (by itself or as part of a complex) to the use of investable properties with an aim to further expand opportunities to invest in prime residential properties located in Central Tokyo and Tokyu Areas, which are its focused investment target areas.

## 2. Main Contents of the Amendment

### (1) Before Amendment

- Use of properties targeted for investment: Office buildings, retail facilities and complexes that include either of these facilities.

### (2) After Amendment

- Use of properties targeted for investment: Office buildings, retail facilities, residences and complexes that include any one of these facilities. (Changed part is written with underline)

- Addition of the following investment criteria for each property concerning residence use.

#### ① Location

With respect to the acquisition of residences, TOKYU REIT will comprehensively assess local rental market conditions, the proximity of the property to the nearest station, property characteristics, etc. TOKYU REIT generally only considers properties that are within 10 minutes' walking distance from a station, or within 15 minutes' walking distance for properties with special characteristics (Note).

(Note) The figures are calculated given it takes 1 minute to walk 80 meters based on fair competition rules concerning real estate indication.

#### ② Property size

TOKYU REIT will determine the appropriate size of each property with consideration of location, attributes of tenants or user groups, liquidity in the real estate market, economic performance of investment in terms of management, etc.

#### ③ Fixtures

TOKYU REIT installs fixtures that are above standard in the relevant locality, with respect to fixtures in common areas and exclusive areas.

## 3. Date of Revision

April 19, 2019 (Planned)

However, the amendment accompanies a condition precedent that the proposal to partially amend the Articles of Incorporation be resolved at the General Meeting of Unitholders scheduled to be held on the same day.

## 4. Future Outlook

There are no impacts of the establishment on the business results of TOKYU REIT.

## 5. Other

Concerning the amendment, an Extraordinary Report is to be submitted to the Director of Kanto Local Finance Bureau today.