

March 8, 2019

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**Notice Concerning Revision to Expected Operating Condition
 and Revision to Distribution Forecast for the Fiscal Period Ended January 2019 (31st Fiscal Period)
 and the Fiscal Period Ending July 2019 (32nd Fiscal Period)**

TOKYU REIT, Inc. (“TOKYU REIT”) today announced a decision to revise its expected operating condition and its distribution forecast for its Fiscal Period Ended January 2019 (FP 31) (from August 1, 2018 to January 31, 2019) and to revise its expected operating condition and its distribution forecast for its Fiscal Period Ending July 2019 (FP 32) (from February 1, 2019 to July 31, 2019) which were announced on September 13, 2018.

1. Revision to Expected Operating Condition and Revision to Distribution Forecast

(1) Fiscal Period Ended January 2019 (FP 31) (from August 1, 2018 to January 31, 2019)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Unit (Yen)	Distribution per Unit (not including distribution in excess of earnings) (Yen)	Distribution in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	7,495	3,473	2,953	2,952	3,020	3,020	0
Revised Forecast (B)	7,523	3,547	3,029	3,029	3,098	3,099	0
Change (B)-(A)	28	73	76	76	78	79	—
Change	0.4%	2.1%	2.6%	2.6%	2.6%	2.6%	—
<Reference> Actual Distribution per Unit for the Previous Period (Fiscal Period ended July, 2018 (FP 30))	7,119	3,197	2,679	2,678	2,739	2,739	0

(2) Fiscal Period Ending July 2019 (FP 32) (from February 1, 2019 to July 31, 2019)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Unit (Yen)	Distribution per Unit (not including distribution in excess of earnings) (Yen)	Distribution in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	7,196	3,194	2,686	2,685	2,746	2,800	0
Revised Forecast (B)	7,371	3,261	2,767	2,766	2,829	2,880	0
Change (B) -(A)	175	66	80	80	83	80	—
Change	2.4%	2.1%	3.0%	3.0%	3.0%	2.9%	—

(Note 1) The forecasts presented in this document have been calculated in accordance with the assumptions set out under certain condition. Forecasts for Operating Revenues, Operating Income, Ordinary Income, Net Income, Net Income per Unit, Distribution per Unit, and Distribution in Excess of Earnings per Unit may differ from actual figures and TOKYU REIT does not guarantee any figures. In the future, in the event that a discrepancy between the assumptions and the initial forecast exceeding a certain amount is expected, and the numerical values of the forecast are expected to change beyond a certain amount, we will amend the forecast and announce them accordingly.

(Note 2) Figures have been rounded down and percentages have been rounded to the nearest first decimal place.

2. Rationale

(1) Fiscal Period Ended January 2019 (FP 31) (from August 1, 2018 to January 31, 2019)

The main factors for the revision are the increase in rental revenue from early move-ins of succeeding tenants for the vacant sections, etc. and the decrease in repair, maintenance and renovation expenses, etc.

(2) Fiscal Period Ending July 2019 (FP 32) (from February 1, 2019 to July 31, 2019)

In line with the exchange of the assets described in “Notice Concerning Acquisition (Shibuya Dogenzaka Sky Building and Tokyu Bancho Building (Additional Acquisition)) and Disposition (KALEIDO Shibuya Miyamasuzaka) of Trust Beneficiary Interest in Domestic Real Estate by Exchanging” separately announced today, gain on property disposition of 40 million yen is to be recorded, resulting in changes to the forecast figures for the fiscal period. Accordingly, TOKYU REIT has decided to revise the operating condition and distribution forecasts.

[Reference]

Timely Disclosure Relating to the exchange of the assets

March 8, 2019 “Notice Concerning Acquisition (Shibuya Dogenzaka Sky Building and Tokyu Bancho Building (Additional Acquisition)) and Disposition (KALEIDO Shibuya Miyamasuzaka) of Trust Beneficiary Interest in Domestic Real Estate by Exchanging”

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.
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