

July 30, 2021

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Notice Concerning Introduction of 100% Renewable Energy at 23 Properties Under Management

TOKYU REIT, Inc. (“TOKYU REIT”) announces its decision to switch over to electricity supply powered 100% by renewable energy for 23 of its properties under management (the “Initiative”). Brief details are as follows.

1. Details of the Initiative

The purpose of the Initiative is to achieve zero CO₂ emissions from the electricity used at 23 of the properties owned by TOKYU REIT by changing their contracts for supply and demand of electric power to 100% renewable energy plans (Note 1) provided by Tokyu Power Supply Co., Ltd. and Ennet Corporation.

In the Initiative, 100% renewable energy will be introduced at 23 properties, the number arrived at by excluding the following from all 34 properties owned by TOKYU REIT: (i) land with leasehold interest (3 properties), (ii) properties at which occupying tenants or building management associations directly concluded contracts for electric power supply and demand with power companies (4 properties); and (iii) properties at which contracts for supply and demand of electric power were recently reviewed (4 properties, Note 2). The Initiative will have the effect of reducing CO₂ emissions by approximately 16,000 tons (t-CO₂ conversion) and is expected to reduce TOKYU REIT’s greenhouse gas emissions derived from electricity by approximately 90% and overall greenhouse gas emission by approximately 70% (Note 3). Furthermore, the properties that fall under (iii) above are planned to be switched to 100% renewable energy after their current contracts expire.

Among the properties under management of TOKYU REIT, in addition to CO₂-free electricity being used at Tokyu Nampeidai-cho Building and Shibuya Dogenzaka Sky Building from before by utilizing non-fossil fuel certificates derived from renewable energy, the J-Credit System was used at Tokyu Sakuragaoka-cho Building. As such, TOKYU REIT has been reducing its CO₂ emissions.

Through the Initiative, in addition to such initiatives, 100% renewable energy will be used at 25 of the properties under management of TOKYU REIT (the 23 properties targeted by the Initiative, Tokyu Nampeidai-cho Building and Shibuya Dogenzaka Sky Building), of which total floor space amounts to 198,141.57 m². This is equivalent to 87.9% of the entire total floor space of all 31 properties under management of TOKYU REIT excluding land with leasehold interest (Note 4).

(Note 1) Under the electricity plans, virtually zero CO₂ emissions will be achieved by utilizing FIT non-fossil fuel certificates or zero CO₂ emissions will be achieved by utilizing green electricity (both having renewable energy ratio of 100%).

*FIT non-fossil fuel certificate: A certificate of the environmental value of the electricity generated from renewable energy power sources covered by the Feed-in Tariff Scheme for Renewable Energy (FIT).

Green electricity: Electricity generated from renewable energy power sources and transmitted through power grids of ordinary power grid operators. Zero CO₂ emissions are achieved through combination with non-FIT non-fossil fuel certificates derived from renewable energy.

(Note 2) Shibuya Dogenzaka Sky Building (already switched to 100% renewable energy), TOKYU REIT Shimokitazawa Square, TOKYU REIT Jiyugaoka Square, STYLIO FIT Musashikosugi

(Note 3) Assumed figure calculated based on the actual results in fiscal 2020 is indicated.

(Note 4) Figure as of July 30, 2021, is indicated.

2. Properties Where the Initiative Will Be Introduced

	Use	Property Name	Type of Renewable Energy	Contract Changeover Period	Total Floor Space (m ²)
1	Retail	QFRONT	Green electricity	August 2021	4,804.46 (Note)
2		Lexington Aoyama	FIT non-fossil fuel certificate		2,342.21
3		TOKYU REIT Omotesando Square	FIT non-fossil fuel certificate		3,321.20
4		cocoti	Green electricity		11,847.87
5		CONZE Ebisu	FIT non-fossil fuel certificate		2,789.35
6	Office	Setagaya Business Square	Green electricity		51,905.54
7		Tokyu Sakuragaoka-cho Building	FIT non-fossil fuel certificate		6,505.39
8		Tokyo Nissan Taito Building	FIT non-fossil fuel certificate		11,373.20
9		TOKYU REIT Kamata Building	FIT non-fossil fuel certificate		10,244.51
10		TOKYU REIT Toranomom Building	FIT non-fossil fuel certificate		10,882.65 (Note)
11		Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	FIT non-fossil fuel certificate		5,002.36
12		Tokyu Ikejiri-ohashi Building	FIT non-fossil fuel certificate		7,619.56
13		Kojimachi Square	FIT non-fossil fuel certificate		6,803.47
14		TOKYU REIT Shinjuku Building	FIT non-fossil fuel certificate		8,720.09
15		Akihabara Sanwa Toyo Building	FIT non-fossil fuel certificate		5,704.69
16		Tokyu Ginza 2-chome Building	FIT non-fossil fuel certificate		5,098.61
17		TOKYU REIT Shibuya R Building	FIT non-fossil fuel certificate		4,403.69 (Note)
18		Tokyu Toranomom Building	Green electricity		11,983.09
19		TOKYU REIT Shinjuku 2 Building	FIT non-fossil fuel certificate		2,006.13
20		Tokyu Bancho Building	Green electricity		6,012.75 (Note)
21		TOKYU REIT Ebisu Building	FIT non-fossil fuel certificate		2,603.30
22		Hulic Shibuya Miyashita Koen Building	FIT non-fossil fuel certificate		2,568.30
23		Residence	Maison Peony Toritsudaigaku		FIT non-fossil fuel certificate
Total					185,492.78

(Note) Exclusive ownership areas in areas owned by TOKYU REIT are indicated.

3. 100% Renewable Energy Introduction Scheme

(1) Retail system

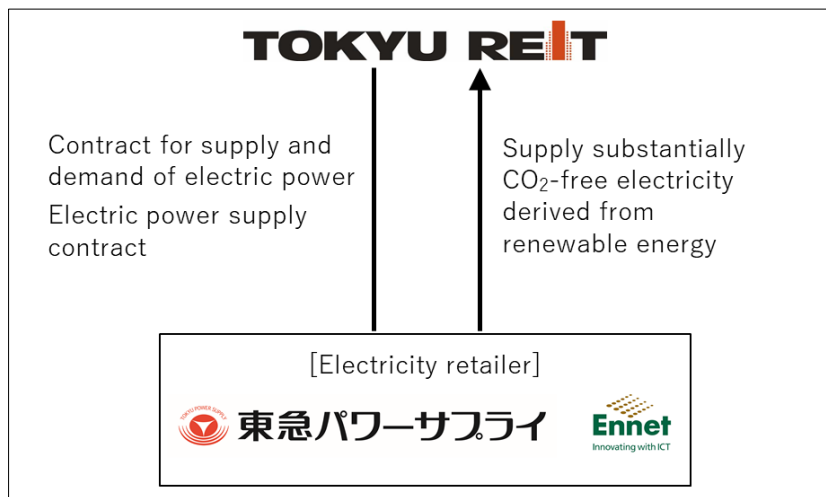
Subject properties: Properties in which electricity powered 100% by renewable energy will be introduced by utilizing FIT non-fossil fuel certificates

(i) Retail and office (17 properties)

Counterparty of contract for supply and demand of electric power	Tokyu Power Supply Co., Ltd.
Electricity retailer	Tokyu Power Supply Co., Ltd.

(ii) Residence (1 property)

Counterparty of electric power supply contract	ENNET Corporation
Electricity retailer	ENNET Corporation

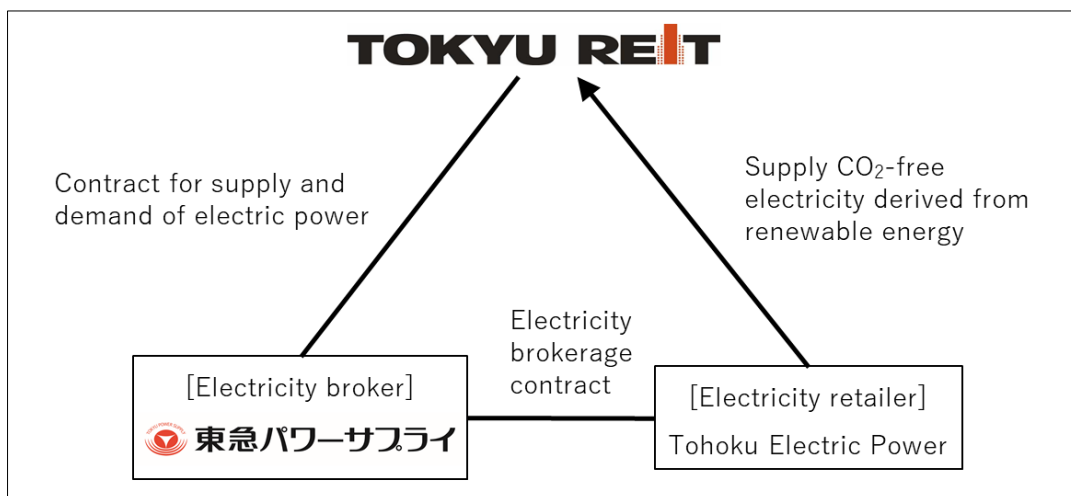


(2) Brokerage system

Subject properties: Properties in which electricity powered 100% by renewable energy will be introduced by utilizing green electricity (5 properties)

*To be supplied by combining electricity generated from renewable energy power sources and non-FIT non-fossil fuel certificates derived from renewable energy.

Counterparty of contract for supply and demand of electric power	Tokyu Power Supply Co., Ltd.
Electricity broker	Tokyu Power Supply Co., Ltd.
Electricity retailer	Tohoku Electric Power Co., Inc.



4. Transactions with Interested Persons, Etc.

Tokyu Power Supply Co., Ltd. is the electricity retailer and electricity broker for properties 1 through 22 indicated in the abovementioned “2. Properties Where the Initiative Will Be Introduced” and falls under the category of related parties, etc. (Note), to which the self-imposed rules “Rules on Related-Party Transactions” of Tokyu REIM are applied. Accordingly, competitive quotes from multiple companies as well as multiple checks based on the rules were implemented, and the contracts for supply and demand of electric power were concluded based on the results and after obtaining approval at a meeting of TOKYU REIT's Board of Directors.

(Note) Related Party includes Interested Persons, etc., as defined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, as well as any entity that falls under the following (1) to (3):

- (1) Tokyu Corporation and its subsidiaries (any entity that falls under the following);
 - Tokyu Corporation;
 - A consolidated subsidiary of Tokyu Corporation;
 - A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%;
- (2) Affiliates within the scope of consolidation of Tokyu Corporation;
- (3) Tokyu Fudosan Holdings Corporation and its subsidiaries (any entity that falls under the following);
 - Tokyu Fudosan Holdings Corporation (“Tokyu Fudosan Holdings”);
 - A consolidated subsidiary of Tokyu Fudosan Holdings;
 - A tokutei mokuteki kaisha (TMK) or special purpose company (SPC) that was established based on the intention of Tokyu Fudosan Holdings or a consolidated subsidiary of Tokyu Fudosan Holdings and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%.

5. Outlook

Utilities expenses for the fiscal period ending January 2022 (FP 37) are expected to increase by ¥43 million due to the Initiative.

For details, please refer to “Notice Concerning Revision to Expected Operating Condition and Distribution Forecast for the Fiscal Period Ending July 2021 (36th Fiscal Period) and the Fiscal Period Ending January 2022 (37th Fiscal Period)” separately announced today.

[Reference]

- Profile of Tokyu Power Supply Co., Ltd.

Company Name	Tokyu Power Supply Co., Ltd.
Head Office Address	Setagaya Business Square Tower, 4-10-1 Yoga, Setagaya-ku, Tokyo
Representative	Kenji Murai, Representative Director and President
Business Activities	Electricity retail business and gas brokerage business
Capital	¥2,550 million (as of March 31, 2021)
Foundation Date	October 1, 2015
Major Shareholder and Shareholding Ratio	TOKYU CORPORATION 66.7%, Tohoku Electric Power Co., Inc. 33.3% (as of March 31, 2021)

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 pressure, 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.