

July 30, 2021

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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)

TOKYU REIT, Inc. (“TOKYU REIT”) today announced a decision to revise its expected operating condition and its distribution forecast for its Fiscal Period Ending July 2021 (FP 36) (from February 1, 2021 to July 31, 2021) and to revise its expected operating condition and its distribution forecast for its Fiscal Period Ending January 2022 (FP 37) (from August 1, 2021 to January 31, 2022) which were announced on March 26, 2021.

1. Revision to Expected Operating Condition and Distribution Forecast

(1) Fiscal Period Ending July 2021 (FP 36)

| | 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) | 7,987 | 3,772 | 3,325 | 3,324 | 3,400 | 3,400 | — |
| Revised Forecast (B) | 8,068 | 3,925 | 3,481 | 3,480 | 3,560 | 3,560 | — |
| Change (B) -(A) | 81 | 152 | 156 | 156 | 160 | 160 | — |
| Change | 1.0 % | 4.1 % | 4.7 % | 4.7 % | 4.7 % | 4.7 % | — |
| <Reference> Actual Results (Fiscal Period ended January 2021 (FP 35)) | 8,611 | 4,538 | 4,084 | 4,083 | 4,176 | 3,760 | — |

(2) Fiscal Period Ending January 2022 (FP 37)

| | 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) | 8,414 | 4,125 | 3,704 | 3,703 | 3,788 | 3,410 | — |
| Revised Forecast (B) | 8,415 | 4,103 | 3,691 | 3,690 | 3,774 | 3,410 | — |
| Change (B) -(A) | 1 | -21 | -13 | -13 | -14 | — | — |
| Change | 0.0 % | -0.5 % | -0.4 % | -0.4 % | -0.4 % | — | — |

(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) Revision to Expected Operating Condition and Distribution Forecast for the Fiscal Period Ending July 2021 (FP 36) (from February 1, 2021 to July 31, 2021)

The expected operating condition and distribution forecast will be revised as the amount of rent decrease attributable to the spread of COVID-19 and the amount of decrease in revenue associated with the granting of rent holiday (Note) are forecast to decrease more than the initial forecast and be recorded in the fiscal period ending January 2022 (37th fiscal period). In addition, changes will be made to the forecast figures due to the decrease in repair expenses.

(2) Revision to Expected Operating Condition and Distribution Forecast for the Fiscal Period Ending January 2022 (FP 37) (from August 1, 2021 to January 31, 2022)

While recording 94 million yen of gain on sale of real estate, etc. due to the disposition of the property described in “Notice Concerning Disposition (Daikanyama Forum) of Trust Beneficiary Interest in Domestic Real Estate” announced today, the forecast figures will be changed due to the increase in utilities expenses by 43 million yen resulting from the introduction of electricity powered 100% by renewable energy described in “Notice Concerning Introduction of 100% Renewable Energy at 23 Properties Under Management” announced today, the incorporation of the amount of rent decrease assumed in the fiscal period ending July 2021 (36th fiscal period) and the decrease in revenue associated with the granting of rent holiday and other factors. Therefore, the expected operating condition will be revised, but no revision will be made to the distribution forecast.

(Note) A type of contract where tenants are exempted from rent payments during a specific period other than the time of move-in, out of the contract type where tenants are exempted from rent payment for a certain period after occupancy in lease agreements.

[Reference]

Timely Disclosure Relating to the Disposition of the Property
July 30, 2021

“Notice Concerning Disposition (Daikanyama Forum) of Trust Beneficiary Interest in Domestic Real Estate”

Timely Disclosure Relating to the Introduction of 100% Renewable Energy
July 30, 2021

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

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.