

July 26, 2013

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

TOKYU REIT, Inc. (“TOKYU REIT”) today announced a resolution made at the Board of Directors meeting held on July 26, 2013 concerning issuance of new investment units and secondary offering of investment units, as described below.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

(1) Total number of investment units to be offered: 23,764 units

(2) Amount to be paid-in (purchase price): To be determined

(The amount shall be determined at Board of Directors meeting to be held on a date between August 5, 2013 (Monday) and August 8, 2013 (Thursday) (the “Pricing Date”).

(3) Total amount to be paid-in (purchase price): To be determined

(4) Offering method: The offering of the Investment Units shall be through a public offering, and underwritten in full by Nomura Securities Co., Ltd. and Meryl Lynch Japan Securities Co., Ltd. (collectively referred to as the “Joint Lead Managers”) and along with Daiwa Securities Co., Ltd., Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Inc., Tokai Tokyo Securities Co., Ltd. and UBS Securities Co., Ltd. (the above collectively referred to as the “Underwriters”).

Moreover, the issue price (offer price) for the public offering shall be determined based on the provisional pricing range which is obtained by multiplying the closing price of the

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investment units of TOKYU REIT at the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted on such date, the closing price on the immediately preceding date) by 0.90-1.00 (any fractions less than one yen shall be rounded down), considering the demand for new investment units and other conditions.

- (5) Underwriter's fees: TOKYU REIT shall not pay underwriting fees to the Underwriters. Instead, the difference between the total issue price (offer price) in the public offering and the total amount to be paid in (the amount that the Underwriters shall pay to TOKYU REIT) shall constitute proceeds to the underwriters.
- (6) Subscription unit: One unit or more in multiples of one unit
- (7) Subscription period: Beginning on the business day immediately following the Pricing Date and ending on the second business day immediately following the Pricing Date
- (8) Payment date: One day between August 12, 2013 (Monday) and August 15, 2013 (Thursday). This date shall be the fifth business day immediately following the Pricing Date.
- (9) Delivery date: The business day following the Payment Date
- (10) The amount to be paid-in (purchase price) and other necessary matters regarding the issuance of new investment units will be determined at the Board of Directors meeting to be held hereafter. However, changes, etc. before the official decision will be left to the discretion of the executive director.
- (11) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan.

2. Secondary Offering of Investment Units (Over-Allotment)

- (1) Seller and number of investment units to be offered: Nomura Securities Co., Ltd. 2,376 units
The above number represents the maximum number of units to be offered. Depending on the actual demand, either the number may be reduced, or the secondary offering through over-allotment itself may be cancelled entirely. The number of units to be offered shall be determined at TOKYU REIT's Board of Directors meeting to be held on the Pricing Date as described in (2) of 1. Issuance of New Investment Units through Public Offering (Primary Offering) above after considering the demand for investment units and other conditions.
- (2) Offer price: To be determined
(The offer price shall be determined at the Board of Directors meeting to be held on the Pricing Date, and shall be the same as the issue price (offer price) for the public offering.)
- (3) Total offer price: To be determined
- (4) Offering method: Nomura Securities Co. Ltd., shall, in consideration of the demand and other conditions of the public offering, conduct a secondary offering of up to 2,376 units that it will borrow

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from the unitholders of TOKYU REIT.

- (5) Subscription unit: One unit or more in multiples of one unit
- (6) Subscription period: Same as the subscription period for the primary offering
- (7) Delivery date: The business day immediately following the payment date for the primary offering
- (8) If the primary offering is suspended, the secondary offering through over-allotment shall also be suspended.
- (9) The number of investment units to be offered, the offer price and other items necessary for the issuance of new investment units shall be determined at the Board of Directors meeting to be held hereafter. However, changes, etc. before the official decision will be left to the discretion of the executive director.
- (10) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan.

3. Issuance of New Investment Units to be Offered by Way of Third-Party Allotment

- (1) Number of investment units to be offered: 2,376 units
- (2) Amount to be paid-in (purchase price): To be determined
(The amount to be paid-in (purchase price) will be determined at the Board of Directors meeting to be held on the Pricing Date. The amount to be paid-in (purchase price) shall be the same as that in the primary offering.)
- (3) Total amount to be paid-in (purchase price): To be determined
- (4) Allottee and number of units allotted: Nomura Securities Co., Ltd. 2,376 units
- (5) Subscription unit: One unit or more in multiples of one unit
- (6) Subscription period (Subscription Date): September 9, 2013 (Monday)
- (7) Payment date: September 10, 2013 (Tuesday)
- (8) If there is no subscription for all or a part of the investment units on or before the subscription period (Subscription Date) described in (6) above, the issuance of such investment units shall be canceled.
- (9) If the primary offering is suspended, the issuance of new investment units by way of third-party allotment shall also be suspended.
- (10) The amount to be paid-in (purchase price) and other items necessary for the issuance of new investment units will be determined at the Board of Directors meeting to be held hereafter. However, changes, etc. before the official decision will be left to the discretion of the executive director.
- (11) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan.

<Reference Information>

1. Details of the Secondary Offering (Over-Allotment)

- (1) A secondary offering through over-allotment will be conducted by Nomura Securities CO., Ltd. separate from the primary offering in consideration of demand and other conditions with regard to the public offering, up to a limit of 2,376 units of TOKYU REIT's investment units borrowed from unitholders of TOKYU REIT. The

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2,376 units scheduled to be offered in the secondary offering through over-allotment represent the maximum number, and the actual number of issues offered may be less than indicated above, or the secondary offering through over-allotment itself may be canceled entirely, depending on demand and other conditions.

In order to cause Nomura Securities Co., Ltd. to acquire investment units necessary to repay TOKYU REIT's investment units borrowed by Nomura Securities Co., Ltd. from the above-mentioned unitholders of TOKYU REIT (the "Borrowed Units") in connection with the secondary offering through over-allotment, TOKYU REIT resolved at its Board of Directors meeting held on July 26, 2013 (Friday) to newly issue 2,376 units to be allocated to Nomura Securities Co., Ltd. (the "Third-Party Allotment"; also, the public offering and secondary offering through over-allotment may together be referred to as the "Offering" while the Offering and Third-Party Allotment may together be referred to as the "Offering, etc." hereafter) with September 10, 2013 (Tuesday) as the payment date.

In addition, Nomura Securities Co., Ltd. may, within the period commencing on the day immediately following the end of the subscription period for the primary offering and the secondary offering through over-allotment and ending on September 3, 2013 (Tuesday) (the "Syndicate Cover Transaction Period"), purchase up to the maximum number of investment units offered in the secondary offering through over-allotment on the Tokyo Stock Exchange ("Syndicate Cover Transaction") with the aim of procuring and repaying the Borrowed Units. Investment units purchased by Nomura Securities Co., Ltd. by way of Syndicate Cover Transaction will be allocated in full as repayment for the Borrowed Units. Nomura Securities Co., Ltd., at its discretion, may choose not to enter into any Syndicate Cover Transaction, or to terminate such transaction prior to reaching the maximum number of investment units to be offered in the secondary offering through over-allotment.

In addition, Nomura Securities Co., Ltd. may conduct stabilization transactions in relation to the primary offering and offering through over-allotment, and allocate all or part of TOKYU REIT's investment units purchased through stabilization transactions, to repayment of the Borrowed Units.

Nomura Securities Co., Ltd. intends to agree to the third-party allotment to acquire the investment units for the number of investment units obtained by subtracting the number of investment units that are purchased through the Syndicated Cover Transaction and the stabilization transactions, and used to return the borrowed investment units from the number of investment units for the secondary offering through over-allotment. As a result, there may be cases in which there will be no subscription to the investment units to be offered through the Third-Party Allotment in whole or in part. Accordingly, the subscription right will be forfeited and the final number of investment units offered with respect to the Third-Party Allotment may be reduced to the same extent, or the issue itself may be suspended.

(2) Nomura Securities Co., Ltd. shall conduct the transactions described in the above (1) upon consultation with Meryl Lynch Japan Securities Co., Ltd.

2. Changes in Number of Investment Units Outstanding after This Issuance of New Investment Units

Total number of Investment Units outstanding at present	169,380 units
Number of new Investment Units to be issued through primary offering	23,764 units
Total number of Investment Units outstanding after new issuance through primary offering	193,144 units
Number of Investment Units to be issued by way of the Third-Party Allotment	2,376 units (Note)
Total number of Investment Units outstanding after new	195,520 units (Note)

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issuance by way of the Third-Party Allotment

(Note) The number is on the assumption that Nomura Securities Co., Ltd. subscribes to all the Investment Units to be issued by the Third-Party Allotment and all such units are issued.

3. Reason for and Purpose of New Issuance

The purpose of the issuance of new investment units is to realize new property acquisitions in collaboration with the sponsor, focused selective investment in Tokyo and Shibuya and an increase of quality of and stabilization of the portfolio through a steady increase of the asset size as well as diversification. Moreover, together with the Offering, etc., increased liquidity of per unit distributions as well as a maintenance and decrease of LTV going forward are targeted.

4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

(1) Amount of funds to be procured (approximate net balance the Investment Corporation will obtain)

13,860,000,000 yen (maximum)

(Note) The above-mentioned amount represents the sum of 12,600,000,000 yen in net proceeds the Investment Corporation will receive from the primary offering and the maximum amount of 1,260,000,000 yen the Investment Corporation will receive from the issuance of new investment units by way of the Third-Party Allotment. Moreover, the amount is an estimate calculated on the basis of the closing price of the Investment Units in a regular trading session at the Tokyo Stock Exchange as of July 17, 2013 (Wednesday).

(2) Specific use of the funds to be procured and scheduled expenditure date

TOKYU REIT will allocate the proceeds from the primary offering (¥12,600,000,000) (Note 1) as part of funds to acquire specified assets as described in the press release “Notice Concerning Acquisition of Properties” announced today. Furthermore, proceeds from the issuance of new investment units by way of Third-Party Allotment (maximum of ¥1,260,000,000) (Note 1) will be considered as cash reserves and allocated either as part of funds for future acquisition of specified assets or part of repayment of borrowings (Note 2) (Note 3).

(Note 1) The above figure is an estimated amount calculated based on the closing price of TOKYU REIT’s investment units quoted at the Tokyo Stock Exchange on July 17, 2012 (Wednesday).

(Note 2) Future acquisitions of specified assets and borrowings will be announced once determined.

(Note 3) The procured funds are scheduled to be deposited to financial institutions until the time of expenditure.

5. Designated Destination of Distribution

None

6. Future Outlook

Please refer to the press release “Notice Concerning Revision to Distribution Forecast and Expected Operating Condition for the Twenty-First Fiscal Period (Ending January 31, 2014) and Distribution Forecast and Expected Operating Condition for the Twenty-Second Fiscal Period (Ending July 31, 2014)” announced today.

7. Operating Results of Last Three Fiscal Periods and Status of Equity Financing, Etc.

(1) Operating results of last three fiscal periods

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	Fiscal period ended January 2012	Fiscal period ended July 2012	Fiscal period ended January 2013
Net income per unit (Note)	13,106 yen	11,704 yen	11,146 yen
Distribution per unit	13,106 yen	11,705 yen	11,146 yen
Payout ratio	100%	100%	100%
Net assets per unit	591,803 yen	590,402 yen	589,843 yen

(Note) The net income per unit is calculated by dividing net income by the day-weighted average number of Investment Units during the period.

(2) Recent status of investment unit price

(i) Status in the last three fiscal periods

	Fiscal period ended January 2012	Fiscal period ended July 2012	Fiscal period ended January 2013
Opening price	480,000 yen	381,000 yen	380,000 yen
Highest price	480,000 yen	451,000 yen	522,000 yen
Lowest price	339,500 yen	361,000 yen	369,000 yen
Closing price	381,000 yen	380,000 yen	518,000 yen

(ii) Status in the last six months

	February 2013	March	April	May	June	July
Opening price	520,000 yen	522,000 yen	707,000 yen	616,000 yen	574,000 yen	580,000 yen
Highest price	528,000 yen	745,000 yen	730,000 yen	625,000 yen	590,000 yen	590,000 yen
Lowest price	488,500 yen	519,000 yen	607,000 yen	517,000 yen	504,000 yen	559,000 yen
Closing price	522,000 yen	706,000 yen	620,000 yen	593,000 yen	577,000 yen	577,000 yen

(Note) The investment unit prices for July 2013 show the figures as of July 25, 2013.

(iii) Investment unit price on the business day preceding the resolution day of the issuance

	July 25, 2013
Opening price	579,000 yen
Highest price	580,000 yen
Lowest price	575,000 yen
Closing price	577,000 yen

(3) Status of equity financing conducted in the last three fiscal periods

None

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8. Other (Restrictions on Sale and Additional Issue)

- (1) Tokyu Corporation, a unitholder of TOKYU REIT, has agreed with the Joint Lead Managers not to sell, etc. the investment units of TOKYU REIT which it holds (however, excluding the lending of TOKYU REIT investment units to Nomura Securities Co., Ltd. for the secondary offering through over-allotment and such) during the period starting from the Pricing Date and ending the day six months after the Delivery Date without obtaining the prior written consent of the Joint Lead Managers.
- (2) TOKYU REIT and its Asset Management Company have agreed with the Joint Lead Managers not to issue additional investment units, etc. (however, excluding the issuance of new investment units, etc. for the primary offering, the Third-Party Allotment or split of investment units) during the period starting from the Pricing Date and ending the day three months after the Delivery Date without obtaining the prior written consent of the Joint Lead Managers.

In either (1) or (2) above, the Joint Lead Managers have the right to cancel all or part of the above restrictions during the above periods at their discretion.

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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.