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Notice Concerning Change of Tenant in Property under Management

TOKYU REIT, Inc. (“TOKYU REIT”) announced that it received a notice of cancellation for a lease agreement from one of the tenants in Setagaya Business Square, a property invested by TOKYU REIT. Details are as follows.

1. Overview

(1) Tenant Name	Covidien Japan Inc.
(2) Property Name	Setagaya Business Square (the “Property”)
(3) Leased area	3,824.64 m ² *1
(4) Share in the total leasable area of Setagaya Business Square	15.3% *2
(5) Share in the total leasable area of TOKYU REIT	1.7% *3
(6) Date of Cancellation (planned)	May 31, 2016 *4

*1 Leased area indicates figure equivalent to 55% co-ownership interest held by TOKYU REIT.

*2 Total leasable area (as of August 31, 2015) of Setagaya Business Square 24,961.59 m²

*3 Total leasable area (as of August 31, 2015) of TOKYU REIT 229,859.61 m²

*4 Furthermore, 44.59 m² of the leased area of 3,824.64 m² mentioned above is scheduled to be cancelled on March 31, 2016.

2. Upcoming Leasing

Consisting of several buildings, centering on a 28-story high-rise building directly connected to Yoga Station on the Tokyu Den-en-toshi Line, the Property is highly competitive in comparison with properties in the nearby area.

In addition, the Yoga area in which the Property is located is in close proximity to both the Shibuya area, which is currently one of the areas in Tokyo where office demand is growing the most, and Futako Tamagawa Rise, which is currently drawing a lot of attention as a large development facility of TOKYU REIT's sponsor Tokyu Corporation, and is thus an area with promising further growth potential.

Furthermore, in order to enhance competitiveness of the Property, TOKYU REIT recently established a renewal master plan and will implement renewal of its retail zone. In addition, improvement of security functions in the office sections and construction works for value enhancement such as introducing LED lamps are scheduled to be implemented along with the move-out of the concerned tenant.

At TOKYU REIT, efforts will be made going forward in the period leading up to the concerned tenant's date of cancellation (approximately 8 months) to restore the occupancy rate early through proactive tenant leasing activities, with focus on not only the needs of existing tenants for increased floor area but also such other needs as those of local blue-chip companies based within the area and companies operating in the southwestern part of Tokyo by drawing on the convenience of being directly connected to the Yoga Station and the excellent access to the Yoga Interchange on the Tomei Expressway.

3. Outlook

There is no impact on the expected operating condition as the event is already reflected in the forecast figures for the fiscal period ending July 2016 announced on September 11, 2015.