



Status of development in front of Shibuya Station
(Photographed in August 2017)

TOKYU REIT

The Fiscal Period Ended July 2017 (28th Fiscal Period)

FINANCIAL RESULTS PRESENTATION

TSE 8957 <http://www.tokyu-reit.co.jp/>

Aiming to be a 100-year REIT

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Terms Used in the Material

LTV based on total assets	Interest-Bearing Debt / Total Assets
LTV based on appraisal value	(Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period)
Unrealized Gain/Loss	The balance after deducting the book value from the appraisal value of properties at the end of the period
Adjusted Net Asset Value (NAV) per Unit	(Net Assets – Scheduled Amount of Distribution + Unrealized Gain) ÷ Outstanding Units
NOI Yield	NOI/Acquisition Price
Tokyu Corporation and its subsidiaries	"Tokyu Corporation and its subsidiaries" refers to any entity that falls under the following 1 to 3: <ol style="list-style-type: none"> 1. Tokyu Corporation 2. A consolidated subsidiary of Tokyu Corporation 3. 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 undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.
Related parties	"Related parties" is a collective term for "Tokyu Corporation and its subsidiaries," "Affiliates of Tokyu Corporation except Tokyu Corporation's subsidiaries" and "Tokyu Fudosan Holdings Corporation and its subsidiaries". <ol style="list-style-type: none"> 1. "Affiliates of Tokyu Corporation except Tokyu Corporation's subsidiaries" refers to affiliates within the scope of consolidation of Tokyu Corporation. 2. "Tokyu Fudosan Holdings Corporation and its subsidiaries" refers to any entity that falls under the following (i) to (iii): <ol style="list-style-type: none"> (i) Tokyu Fudosan Holdings Corporation ("Tokyu Fudosan Holdings") (ii) A consolidated subsidiary of Tokyu Fudosan Holdings (iii) 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 undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.
Tsubo	1 tsubo is approximately 3.305m ²

*Please refer to the end of this material for the notes.

1. Financial Results Overview and Forecast



cocoti

Executive Summary

Distribution for the fiscal period ending July 2018 (FP 30) is forecasted to be 2,650 yen without the reversal of reserve for reduction entry due to the progress of internal growth

Period Ended July 2017 (FP 28) Actual

Internal Growth

- Period-end occupancy rate: 98.3% (+1.2pts)
- Rent increase associated with rent revision
 - Upward rent revision rate of areas subject to rent revision (based on area): 56%
 - Increase rate: 4.8%

NOI: 4,631 million yen

Comparison with previous period
-137 million yen

Comparison with forecast
+18 million yen

Finance, etc.

- Interest expenses: Change of -¥53 mn (Average interest rate: 1.21% (-0.07pts))
- LTV based on appraisal value: 38.8% (-1.1pts)
- Acquisition capacity^(Note): ¥56,531 mn (+¥6,910 mn)
- Amount of reversal of reserve for reduction entry per unit: ¥240 (comparison with forecast -¥31)

Distribution: 2,650 yen

Comparison with previous period
-96 yen

Same amount as forecast

Period Ending January 2018 (FP 29) and Onward Forecast

Internal Growth

- Enhancing occupancy rate by promoting leasing activities
 - Period end occupancy rate
 - End of Fiscal Period Ending January 2018 (29th Fiscal Period): 98.3% (+0.0pts)
 - End of Fiscal Period Ending July 2018 (30th Fiscal Period): 99.6% (+1.3pts)
- Revenue increased due to the termination of free rent period

NOI:

End of Fiscal Period Ending January 2018 (29th Fiscal Period):
4,746 million yen (+114 million yen)
End of Fiscal Period Ending July 2018 (30th Fiscal Period):
4,859 million yen (+113 million yen)

Finance, etc.

- Reduction of interest cost through refinancing (Average interest rate)
 - Fiscal Period Ending January 2018 (29th Fiscal Period): 1.17% (-0.04pts)
 - Fiscal Period Ending July 2018 (30th Fiscal Period): 1.07% (-0.10pts)
- Amount of reversal of reserve for reduction entry per unit
 - Fiscal Period Ending January 2018 (29th Fiscal Period): ¥147
 - Fiscal Period Ending July 2018 (30th Fiscal Period): — (No reversal)

Distribution:

Fiscal Period Ending January 2018 (29th Fiscal Period):
2,650 yen
Fiscal Period Ending July 2018 (30th Fiscal Period):
2,650 yen

1. Financial Results Overview and Forecast

Financial Results Overview (FP ended Jul 2017 (FP 28))

Revenue decreased from the previous period due to the absence of gain on sales of properties recorded in the previous period but revenue increased from the forecast due to the reduction of expenses, etc.

Income Statement (P/L) and Distribution per Unit

Unit: million yen

Item	FP ended Jul 2017 Actual (FP 28)	FP ended Jan 2017 Actual (FP 27)	Changes	FP ended Jul 2017 Forecast (FP 28) As of Mar. 16, 2017	Changes
Operating Revenues (A)	6,919	7,514	-595	6,911	7
Revenues from Real Estate Operation (B)	6,919	6,973	-54	6,911	7
Rental Revenues	6,467	6,480	-12	6,454	13
Other Rental Revenues	451	493	-42	457	-5
Gain on Sales of Properties	-	541	-541	-	-
Operating Expenses (C)	3,979	3,926	52	3,997	-18
Expenses from Real Estate Operation	3,310	3,232	77	3,327	-16
Expenses (D)	2,287	2,204	82	2,298	-11
NOI (B)-(D)	4,631	4,768	-137	4,612	18
Depreciation	1,012	1,001	10	1,015	-3
Loss from the Removal of Fixed Assets	10	26	-15	13	-2
Other Operating Expenses	668	694	-25	670	-1
Investment Management Fee	538	558	-19	537	1
Operating Income (A)-(C)	2,940	3,588	-648	2,913	26
Non-Operating Revenues	2	5	-2	0	1
Non-Operating Expenses	586	639	-53	587	-1
Interest Expenses (includes interest of investment corporation bonds)	561	614	-53	561	0
Ordinary Income	2,355	2,954	-598	2,326	29
Net Income	2,355	2,952	-597	2,325	29
Information per Unit					
Net Income per Unit (EPS) (¥)	2,409	3,020	-611	2,379	30
Amount Recorded as Reserve for Reduction Entry per Unit (¥)	-	273	-273	-	-
Amount of Reversal of Reserve for Reduction Entry per Unit (¥)	240	-	240	271	-31
Distribution per Unit (DPU) (¥)	2,650	2,746	-96	2,650	-
Others					
Occupancy Rate (%)	98.3	97.1	1.2pts	97.7	0.6pts
NOI Yield (Note) (%)	4.20	4.23	-0.03pts	4.18	0.02pts

Breakdown of Major Differences

<Comparison with previous fiscal period>

Operating Revenues	Revenues from Real Estate Operation	
	Rental Revenues	-12 million yen
	• Tokyu Saginuma 2 Building (sold in the previous period)	-59 million yen
	• TOKYU REIT Toranomom Building	-24 million yen
	• Akihabara Sanwa Toyo Building	-13 million yen
	• Setagaya Business Square	+13 million yen
	• Tokyu Ikejiri-ohashi Building	+12 million yen
	• Tokyu Ginza 2-chome Building	+11 million yen
	Other Rental Revenues	-42 million yen
	• Miscellaneous income (restoration costs, etc.)	-35 million yen
	Gain on Sales of Properties	-541 million yen
	• Tokyu Saginuma 2 Building (recorded in the previous period)	-541 million yen
Operating Expenses	Expenses from Real Estate Operation	+77 million yen
	Expenses	+82 million yen
	• Repair and maintenance costs	+78 million yen
	• Taxes and public dues	+22 million yen
	• Brokerage fee	-18 million yen

<Comparison with forecast>

Operating Revenues	Revenues from Real Estate Operation	
	Rental Revenues	+13 million yen
	Other Rental Revenues	-5 million yen
	• Revenues from utility expenses	-10 million yen
Operating Expenses	Expenses from Real Estate Operation	-16 million yen
	Expenses	-11 million yen
	• Utility expenses	-14 million yen
	• Building management costs	-12 million yen
	• Repair and maintenance	+15 million yen

(Note) Based on the average balance of assets during the period (acquisition price)

1. Financial Results Overview and Forecast

Financial Results Forecast (FP ending Jan 2018 and FP ending Jul 2018)

Distribution per unit for the fiscal period ending July 2018 (FP 30) is forecasted to be 2,650 yen without the reversal of reserve for reduction entry

Forecast of Income Statement (P/L) and Distribution per Unit

Unit: million yen

Item	FP ended Jul 2017 Actual (FP 28)	FP ending Jan 2018 Forecast (FP 29) As of Sep. 13, 2017	Changes	FP ending Jul 2018 Forecast (FP 30) As of Sep. 13, 2017	Changes
Operating Revenues (A)	6,919	7,022	103	7,075	52
Revenues from Real Estate Operation (B)	6,919	7,022	103	7,075	52
Rental Revenues	6,467	6,549	82	6,621	71
Other Rental Revenues	451	472	21	453	-18
Operating Expenses (C)	3,979	3,996	16	3,958	-37
Expenses from Real Estate Operation	3,310	3,308	-1	3,264	-44
Expenses (D)	2,287	2,276	-11	2,215	-60
NOI (B)-(D)	4,631	4,746	114	4,859	113
Depreciation	1,012	1,028	16	1,043	15
Loss from the Removal of Fixed Assets	10	3	-6	5	1
Other Operating Expenses	668	687	18	693	6
Investment Management Fee	538	554	15	565	10
Operating Income (A)-(C)	2,940	3,026	86	3,116	90
Non-Operating Revenues	2	0	-1	0	0
Non-Operating Expenses	586	579	-7	526	-53
Interest Expenses (includes interest of investment corporation bonds)	561	550	-10	497	-53
Ordinary Income	2,355	2,447	91	2,591	144
Net Income	2,355	2,446	91	2,590	144

Information per Unit	Net Income per Unit (EPS) (¥)	2,409	2,502	93	2,650	148
	Amount of Reversal of Reserve for Reduction Entry per Unit (¥)	240	147	-93	-	-147
	Distribution per Unit (DPU) (¥)	2,650	2,650	-	2,650	-
Others	Occupancy Rate (%)	98.3	98.3	0.0pts	99.6	1.3pts
	NOI Yield (Note) (%)	4.20	4.23	0.03pts	4.41	0.18 pts

(Note) Based on the average balance of assets during the period (acquisition price).

* Balance of reserve for reduction entry per unit is calculated by dividing the amount derived by adding/subtracting the amount of provision in reserve for reduction entry or reversal of reserve for reduction entry in each period to/from the balance of reserve for reduction entry in each period indicated in the balance sheet by outstanding units

Breakdown of Major Differences

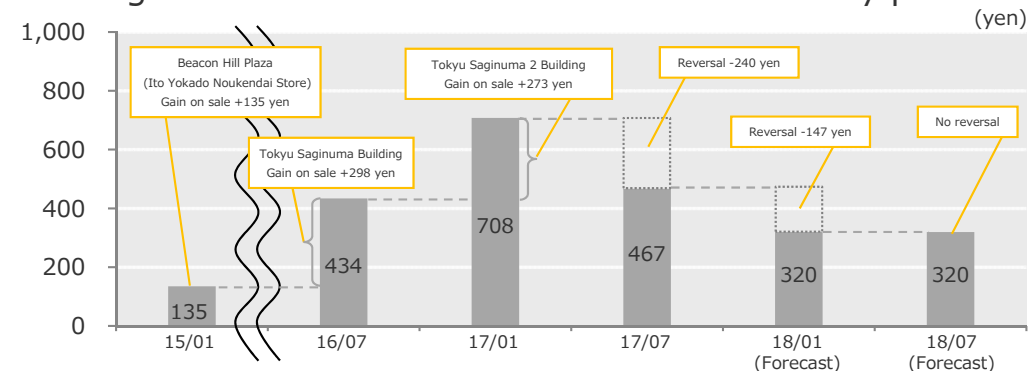
<Comparison between FP ending Jan 2018 and FP ending Jul 2017>

Operating Revenues	Revenues from Real Estate Operation	+103 million yen
	Rental Revenues	+82 million yen
	• Setagaya Business Square	+63 million yen
	• Tokyu Bancho Building	+23 million yen
	• Tokyu Toranomon Building	-46 million yen
	Other Rental Revenues (revenue from utility expenses, etc.)	+21 million yen
Operating Expenses	Expenses from Real Estate Operation	-1 million yen
	Expenses	-11 million yen
	• Repair and maintenance	-62 million yen
	• Utility expenses	+33 million yen
	• Building management costs	+14 million yen

<Comparison between FP ending Jul 2018 and FP ending Jan 2018>

Operating Revenues	Revenues from Real Estate Operation	+52 million yen
	Rental Revenues	+71 million yen
	• Setagaya Business Square	+50 million yen
	• TOKYU REIT Kiba Building	+21 million yen
	• Tokyu Ginza 2-chome Building	+16 million yen
	• Tokyu Ikejiri-ohashi Building	+13 million yen
	• QFRONT	+13 million yen
	• Tokyu Toranomon Building	-65 million yen
	Other Rental Revenues (revenue from utility expenses, etc.)	-18 million yen
Operating Expenses	Expenses from Real Estate Operation	-44 million yen
	Expenses	-60 million yen
	• Repair and maintenance	-31 million yen
	• Utility expenses	-22 million yen

Change in Balance of Reserve for Reduction Entry per Unit



1. Financial Results Overview and Forecast

Change in Results (FP ended Jan 2016 to FP ended Jul 2017)

Portfolio quality enhanced due to property replacement and gain on sales was retained as reserve for reduction entry

	End of Jan. 2016 (End of FP 25)	FP ended July 2016 (FP 26)			FP ended January 2017 (FP 27)		End of Jul. 2017 (End of FP 28)
		Acquisition	Disposition		Disposition		
		Tokyu Bancho Building	Tokyu Saginuma Building	TOKYU REIT Hatchobori Building	Tokyu Saginuma 2 Building	End of Jan. 2017 (End of FP 27)	
Number of properties	30	+ 1	-1	-1	-1	28	28
Total acquisition price	224,810 million yen	+12,740 million yen	-6,920 million yen	-7,000 million yen	-1,290 million yen	222,340 million yen	222,340 million yen
Transaction price	—	12,740 million yen	8,950 million yen	5,010 million yen	1,710 million yen	—	—
Gain or loss on sales	—	—	+2,349 million yen	-1,841 million yen	+541 million yen	—	—
NOI Yield	4.4% (Based on acquisition price)	3.7% (Based on transaction price) (FP 27 Actual)	5.7% (Based on transaction price) (FP 25 Actual)	4.6% (Based on transaction price) (FP 25 Actual)	5.9% (Based on transaction price) (FP 26 Actual)	4.2% (Based on acquisition price)	4.2% (Based on acquisition price)
(Average) Age	20.1 years	4.4 years (As of acquisition in Mar. 2016)	37.5 years (As of disposition in Mar. 2016)	50.7 years (As of disposition in May 2016)	37.2 years (As of disposition in Jan. 2016)	18.8 years	19.3 years
EPS	2,630 yen	—	—	—	—	3,020 yen	2,409 yen
DPU	2,631 yen	—	—	—	—	2,746 yen	2,650 yen
Balance of reserve for reduction entry per unit (Note)	135 yen	—	+298 yen	—	+273 yen	708 yen	467 yen (Reversal: 240 yen)

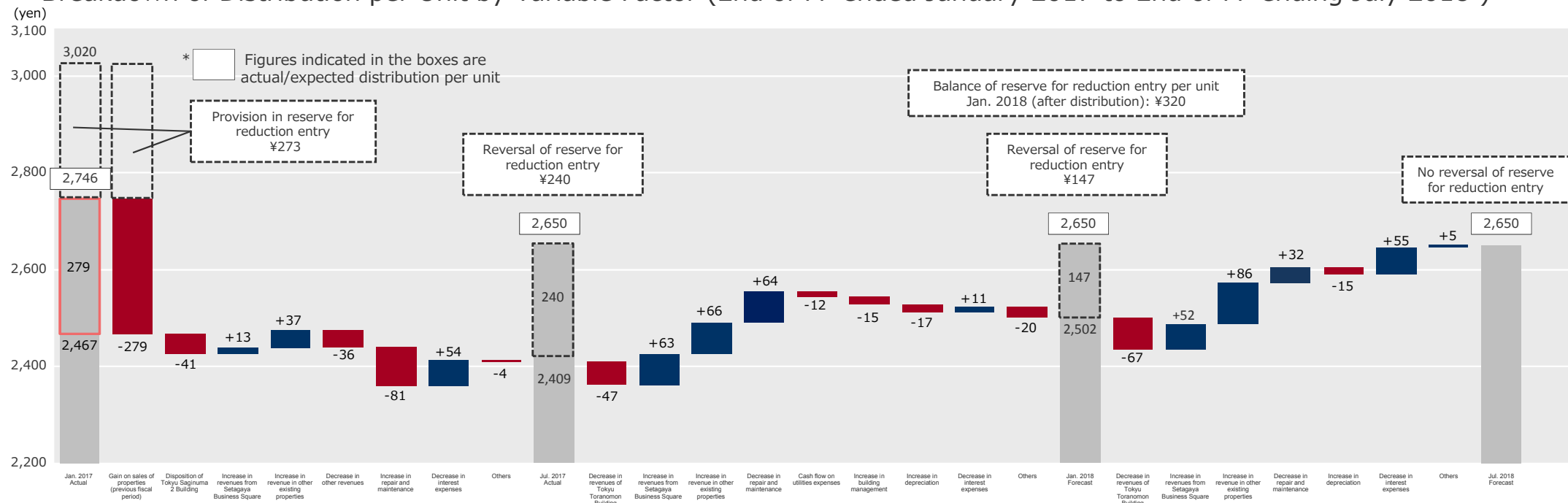
(Note) Balance of reserve for reduction entry per unit is calculated by dividing the amount derived by adding/subtracting the amount of provision in reserve for reduction entry or reversal of reserve for reduction entry in each period to/from the balance of reserve for reduction entry in each period indicated in the balance sheet by the number of outstanding units.

1. Financial Results Overview and Forecast

Variable Factor of Distribution per Unit

Expected to achieve distribution per unit of 2,650 yen without reversal of reserve for reduction entry in the fiscal period ending July 2018

■ Breakdown of Distribution per Unit by Variable Factor (End of FP ended January 2017 to End of FP ending July 2018)



	FP ended Jul. 2017 Actual	FP ending Jan. 2018 Forecast	FP ending Jul. 2018 Forecast
Occupancy rate of portfolio	98.3% (+1.2pts)	98.3% (+0.0pts)	99.6% (+1.3pts)
Setagaya Business Square	95.8% (+14.0pts)	99.5% (+3.7pts)	99.6% (+0.1pts)
Tokyu Toranomon Building	100.0% (- pts)	67.2% (-32.8pts)	100.0% (+32.8pts)
NOI	4,631 million yen (-137 million yen)	4,746 million yen (+114 million yen)	4,859 million yen (+113 million yen)
Average interest	1.21% (-0.07pts)	1.17% (-0.04pts)	1.07% (-0.10pts)
Note	<ul style="list-style-type: none"> Occupancy rate of the overall portfolio will increase due to the recovery of occupancy at Setagaya Business Square but full-fledged profit contribution of occupied sections will be made in the fiscal period ending January 2018 onwards due to the impact of free rent Interest expenses will continue to decrease but revenue will decrease overall due to the impact of the sales of Tokyu Saginuma 2 Building 	<ul style="list-style-type: none"> 4 floors were vacated by large tenants and 1 floor was occupied due to the expansion of floor area during the period at Tokyu Toranomon Building The overall revenue is expected to increase due to the move-in of tenants and termination of free rent period at Setagaya Business Square and the impact of upward rent revision at other existing properties 	<ul style="list-style-type: none"> The vacant section (3 floors) at Tokyu Toranomon Building is expected to be occupied in the fiscal period ending July 2018 but profit contribution is likely to be made in the fiscal period ending January 2019 onwards Setagaya Business Square made full-period profit contribution Revenue is expected to increase overall due to the termination of free rent period and decrease in interest expenses at other existing properties Distribution is expected to be 2,650 yen without reversal of reduction entry

* Figures in parenthesis are comparison with previous fiscal period

Prepared on September 13, 2017

2. Investment Performance Results and Future Outlook



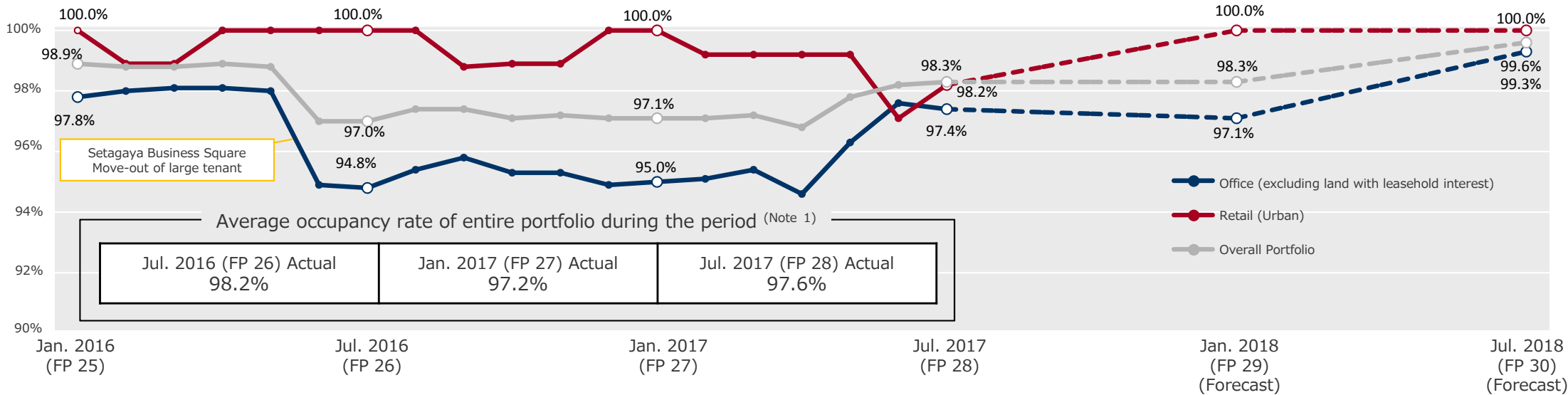
Tokyu Bancho Building

2. Investment Performance Results and Future Outlook

Portfolio Occupancy Status

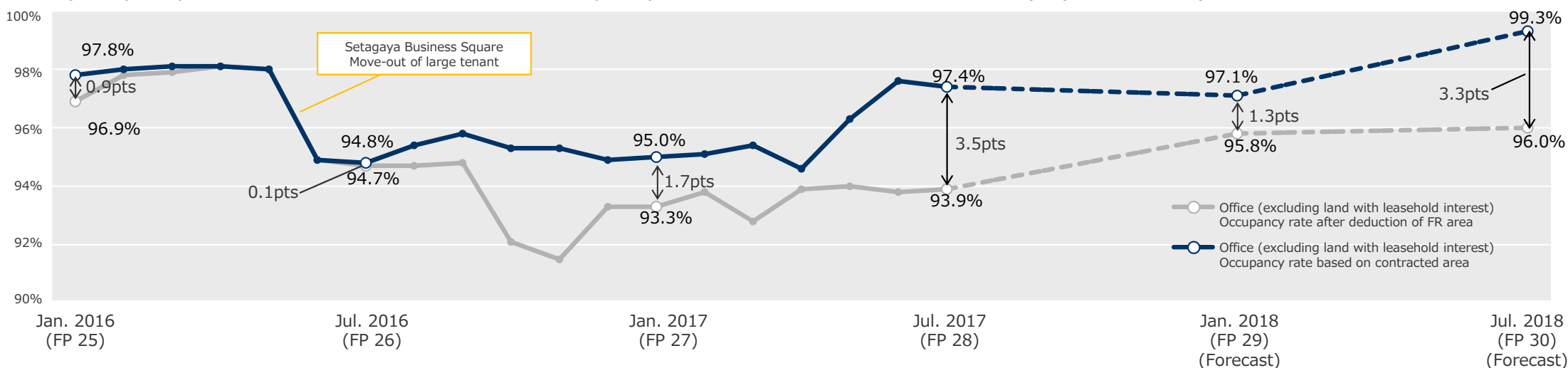
Period-end occupancy rate of overall portfolio is expected to increase.

Occupancy Rate (Overall Portfolio, Office (excluding land with leasehold interest), Retail (Urban))



Occupancy Rate of Office (excluding land with leasehold interest)

(occupancy rate based on contracted area, occupancy rate after deduction of free rent (FR) area (Note 2))



(Note 1) Average occupancy rate of entire portfolio during the period is a simple average of the month-end occupancy rate of the overall portfolio in each period.

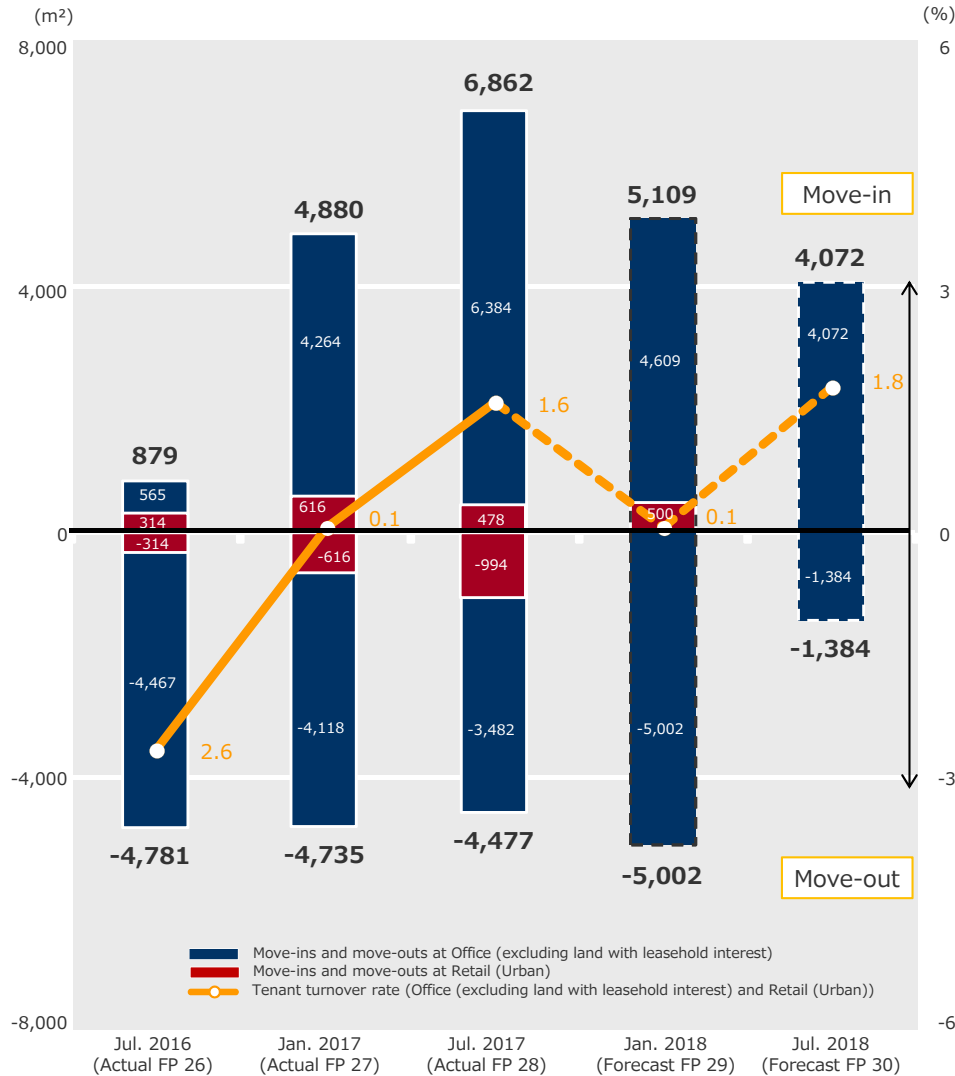
(Note 2) Occupancy rate after deduction of FR area are the figures gained after dividing the leased area calculated by deducting the FR target area from contract-based operating area as of the end of each period by the leasable area.

2. Investment Performance Results and Future Outlook

Results and Forecasts of Move-ins and Move-outs of Tenants

A trend which the occupied area exceeds the vacated area continued in the fiscal period ended January 2017 (FP 27) onwards

■ Area and Ratio of Tenant Turnover



* Tenant turnover rate (Office (excluding land with leasehold interest) and Retail (Urban))
 = (Occupied area – vacated area) / Total leasable area (Office (excluding land with leasehold interest) and Retail (Urban))

■ Status of Tenant Turnover

Name of Property		Ended Jul. 2017 (FP 28) Actual	Ending Jan. 2018 (FP 29) Forecast	Ending Jul. 2018 (FP 30) Forecast	Remark
Retail Properties					
cocoti	Move-ins	191.01 m ²	-	-	* Conducted construction work to connect the property with SHIBUYA CAST developed by the sponsor, etc. at the adjacent land (April 2017)
	Move-outs	207.08 m ²	-	-	
	Area of vacant rooms as of the end of period	-	-	-	
	Occupancy rate as of the end of period	100.0%	100.0%	100.0%	
CONZE Ebisu	Move-ins	287.18 m ²	-	-	* 1 section was vacated in the 28th Period * The vacated section was occupied by a restaurant during the period with a downtime of one month
	Move-outs	287.15 m ²	-	-	
	Area of vacant rooms as of the end of period	-	-	-	
	Occupancy rate as of the end of period	100.0%	100.0%	100.0%	
KALEIDO Shibuya Miyamasuzaka	Move-ins	-	500.59 m ²	-	* 1 section was vacated in the 28th Period * The vacated section was occupied by the succeeding tenant at the beginning of the 29th Period
	Move-outs	500.59 m ²	-	-	
	Area of vacant rooms as of the end of period	500.59 m ²	-	-	
	Occupancy rate as of the end of period	85.3%	100.0%	100.0%	
Office					
Setagaya Business Square	Move-ins	4,117.44 m ²	935.43 m ²	1,018.76 m ²	* Occupancy rate is expected to recover significantly in the 28th Period onwards (refer to p.15 for details) * The 2 sections scheduled to be vacated in the 30th Period are expected to be occupied in the same period
	Move-outs	672.92 m ²	-	1,004.20 m ²	
	Area of vacant rooms as of the end of period	1,051.21 m ²	115.77 m ²	101.21 m ²	
	Occupancy rate as of the end of period	95.8%	99.5%	99.6%	
TOKYU REIT Toranomon Building	Move-ins	1,184.63 m ²	1,184.63 m ²	99.64 m ²	* 2 sections were vacated in the 28th Period * 1 section was occupied with no downtime during the period due to the expansion of floor area * The remaining section was also occupied in the 29th Period
	Move-outs	2,369.26 m ²	-	380.73 m ²	
	Area of vacant rooms as of the end of period	1,184.63 m ²	-	281.09 m ²	
	Occupancy rate as of the end of period	88.4%	100.0%	97.3%	
Tokyu Ikejiri-ohashi Building	Move-ins	-	1,064.53 m ²	-	* 1 section was vacated at the beginning of the 29th Period * The vacated section was occupied due to the expansion of floor area with a downtime of two weeks
	Move-outs	-	1,064.53 m ²	-	
	Area of vacant rooms as of the end of period	-	-	-	
	Occupancy rate as of the end of period	100.0%	100.0%	100.0%	
TOKYU REIT Shinjuku Building	Move-ins	-	440.25 m ²	-	* 1 section was vacated in the 28th Period * The vacated section was occupied at the beginning of the 29th Period due to the expansion of floor area with a downtime of one month
	Move-outs	440.25 m ²	-	-	
	Area of vacant rooms as of the end of period	440.25 m ²	-	-	
	Occupancy rate as of the end of period	92.9%	100.0%	100.0%	
Akihabara Sanwa Toyo Building	Move-ins	511.65 m ²	-	-	* Conducted renewal work in common areas * The vacant section was occupied by an IT company in the 28th Period
	Move-outs	-	-	-	
	Area of vacant rooms as of the end of period	-	-	-	
	Occupancy rate as of the end of period	100.0%	100.0%	100.0%	
Tokyu Toranomon Building	Move-ins	-	984.55 m ²	2,953.65 m ²	* 4 sections are expected to be vacated and 1 section is expected to be occupied in the 29th Period * The other 3 sections are expected to be occupied in the 30th Period
	Move-outs	-	3,938.20 m ²	-	
	Area of vacant rooms as of the end of period	-	2,953.65 m ²	-	
	Occupancy rate as of the end of period	100.0%	67.2%	100.0%	
Tokyu Bancho Building	Move-ins	564.69 m ²	-	-	* The 2 adjacent sections that were vacant in the 28th Period were occupied by a new tenant after being integrated into one section by eliminating the partition wall
	Move-outs	-	-	-	
	Area of vacant rooms as of the end of period	-	-	-	
	Occupancy rate as of the end of period	100.0%	100.0%	100.0%	

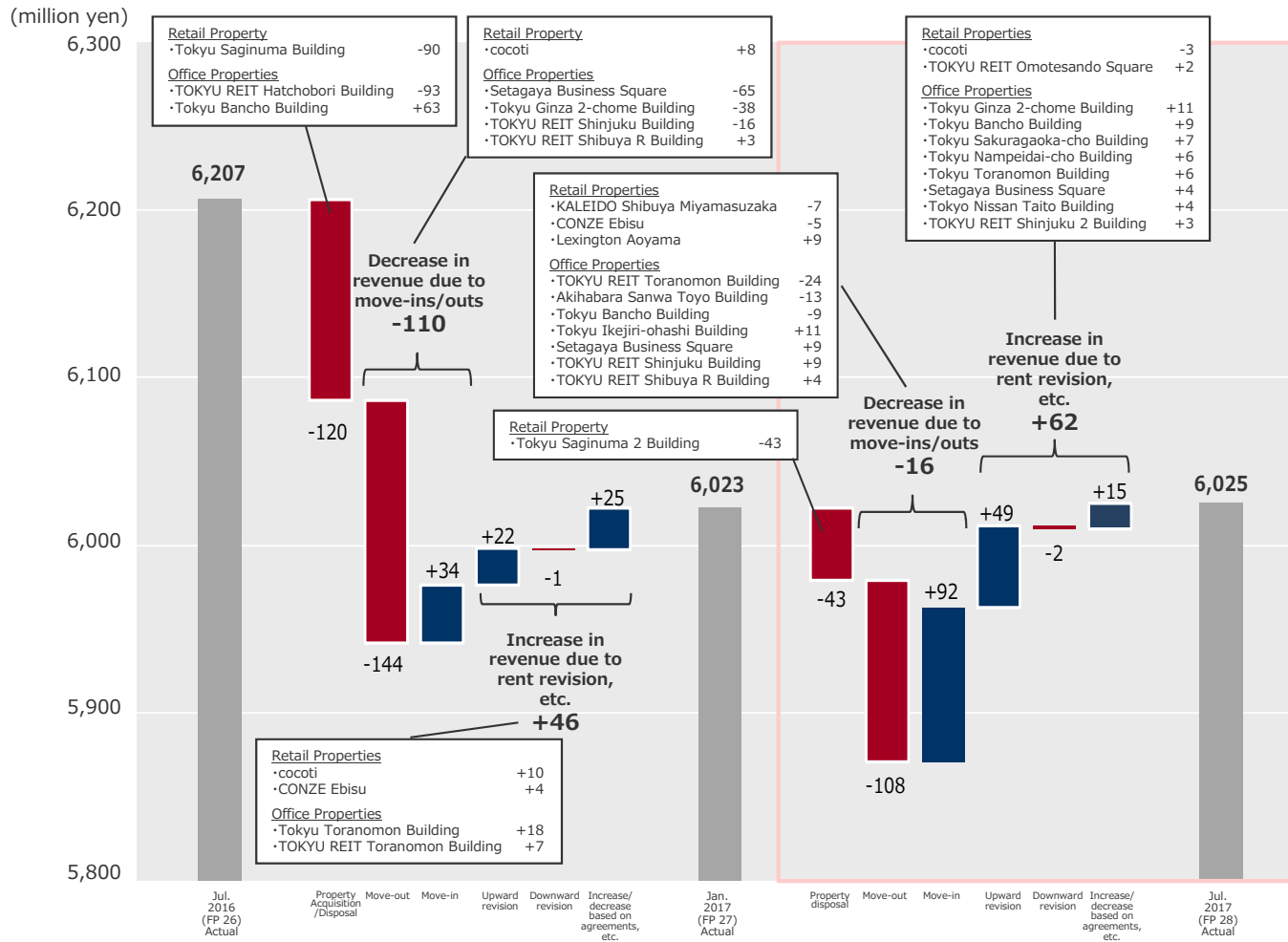
* Figures for Setagaya Business Square are the values after conversion with the 55% coownership interest.

* Figures for Tokyu Bancho Building are the values after conversion with 49% quasi-coownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest.

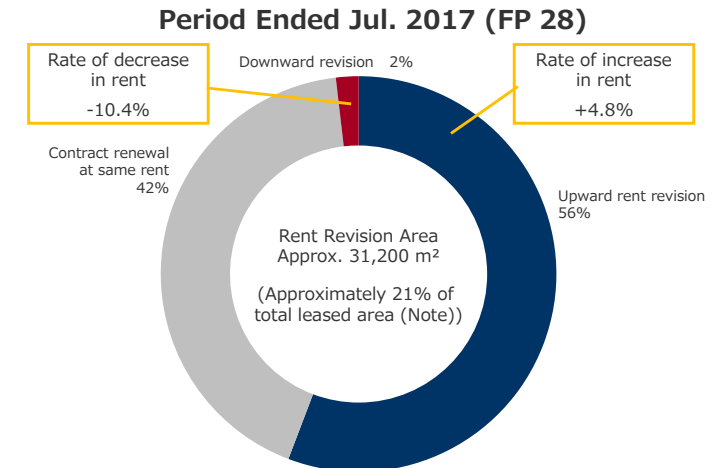
Rental Revenue Results

While there was an impact of property disposition and move-out of tenants, revenue increased overall due to the progress of leasing activities and upward rent revision, etc.

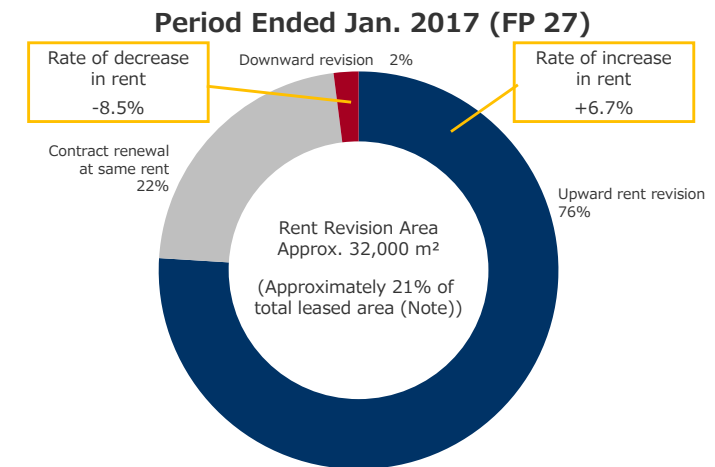
■ Breakdown of Increase/Decrease in Rental Revenues (Period Ended Jan. 2017 (FP 27), Period Ended Jul. 2017 (FP 28))



■ Rent Revision Trends (Retail (Urban) and Office)



Upward rent revision area: Approx. 17,400 m²



Upward rent revision area: Approx. 24,300 m²

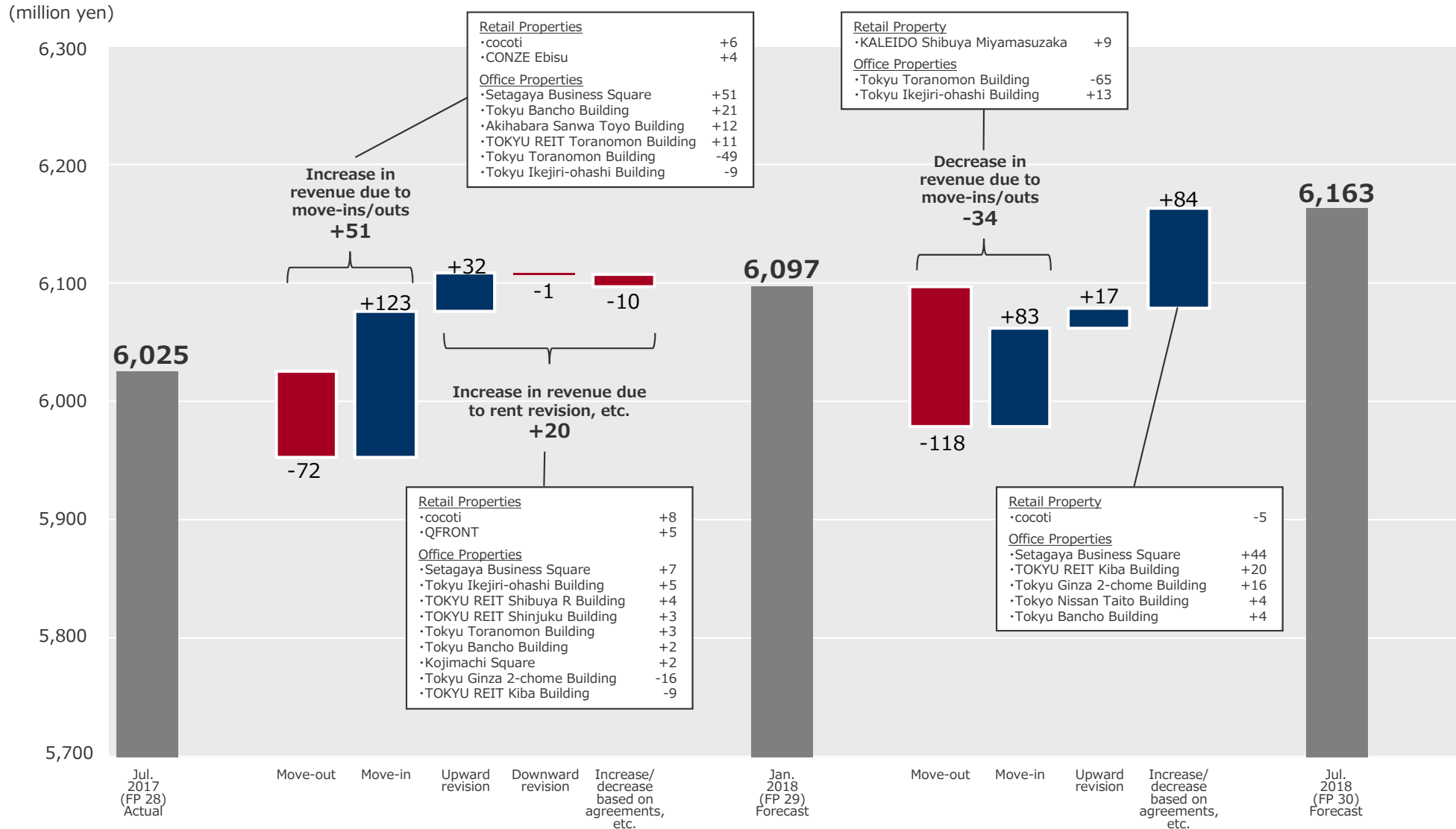
(Note) Total leased area of Retail (Urban) and Office (excluding land with leasehold interest)

2. Investment Performance Results and Future Outlook

Rental Revenue Outlook

An increase trend in revenue will continue in the fiscal period ending January 2018 (FP 29) onwards

■ Breakdown of Increase/Decrease in Rental Revenues (Period Ending Jan. 2018 (FP 29), Period Ending Jul. 2018 (FP 30))



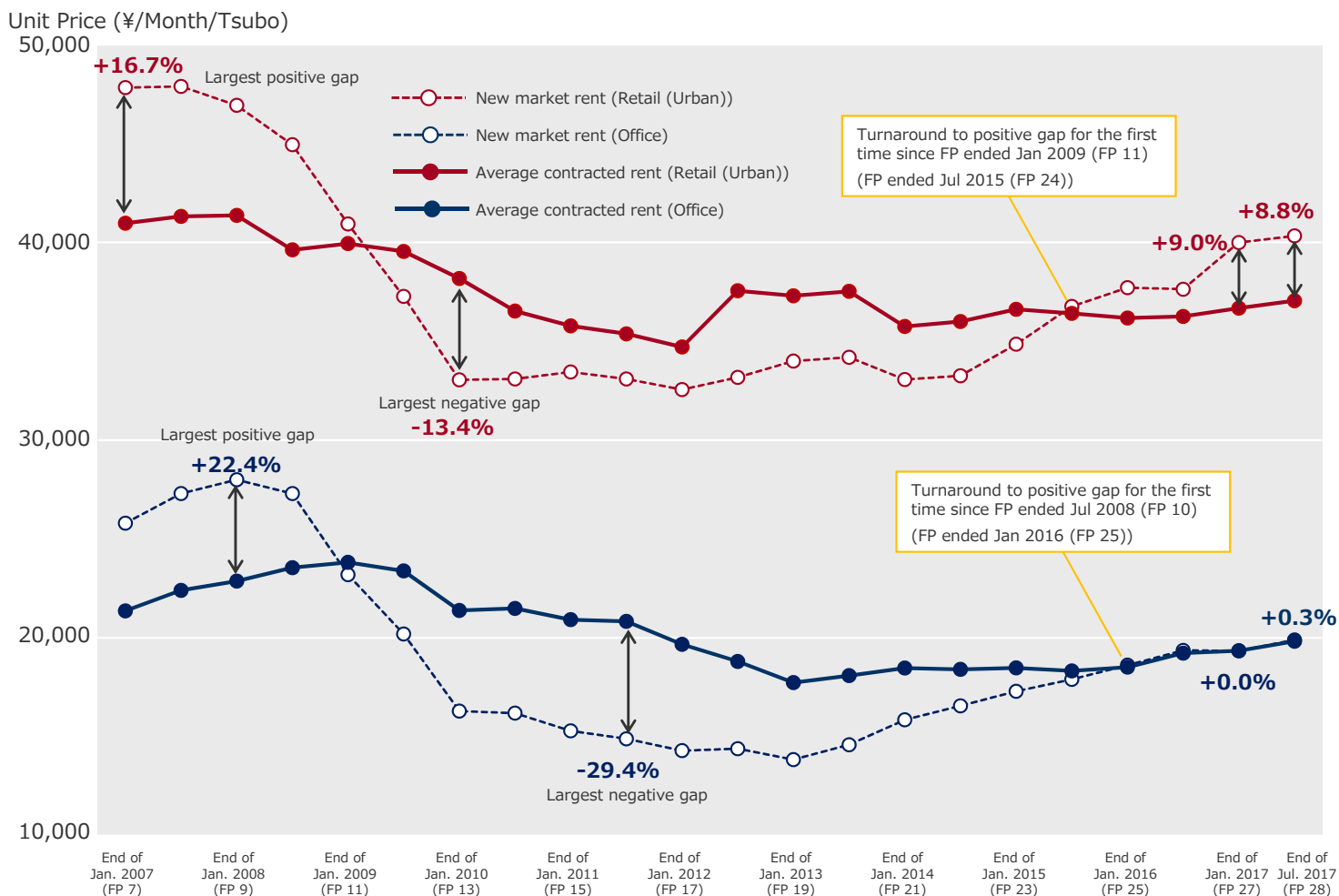
2. Investment Performance Results and Future Outlook

Rent Gap and Percentage of Tenants Facing Rent Revision

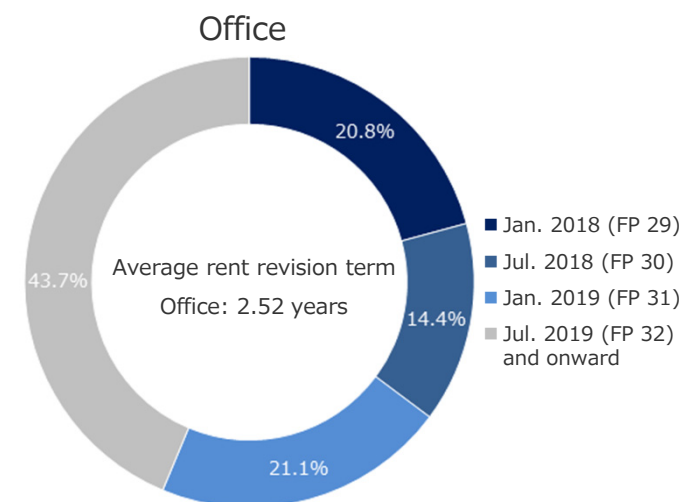
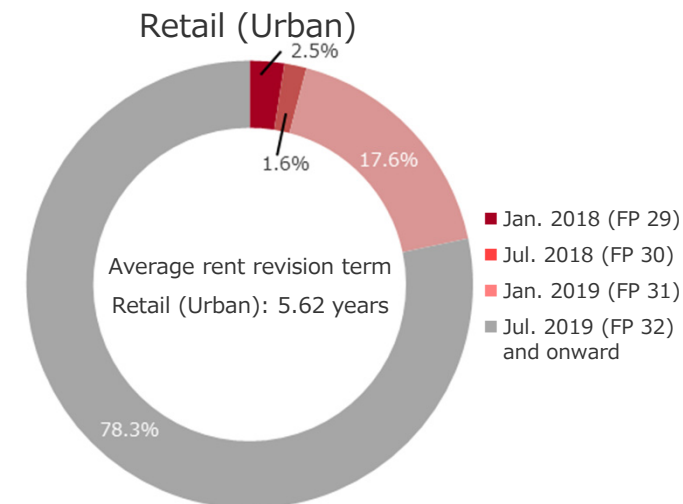
Positive gap continues for rent gap. Will aim for upward rent revisions at the timing of rent revisions

Change in Rent Gap

<Rate of Gap between Average Contracted Rent and New Market Rent>



Percentage of Tenants Facing Rent Revision



* In calculating the average contracted rent, vacant spaces have not been factored in.
 * Both the average contracted rent and new market rent include common area charges (excludes income from parking, warehousing and billboards).
 * (Office) OKI System Center (land with leasehold interest) is excluded. New market rent is the mean value of rents appraised by CBRE for individual properties.
 * Retail (Urban) new market rent is prepared by Tokyu REIM based on various reports and other materials.

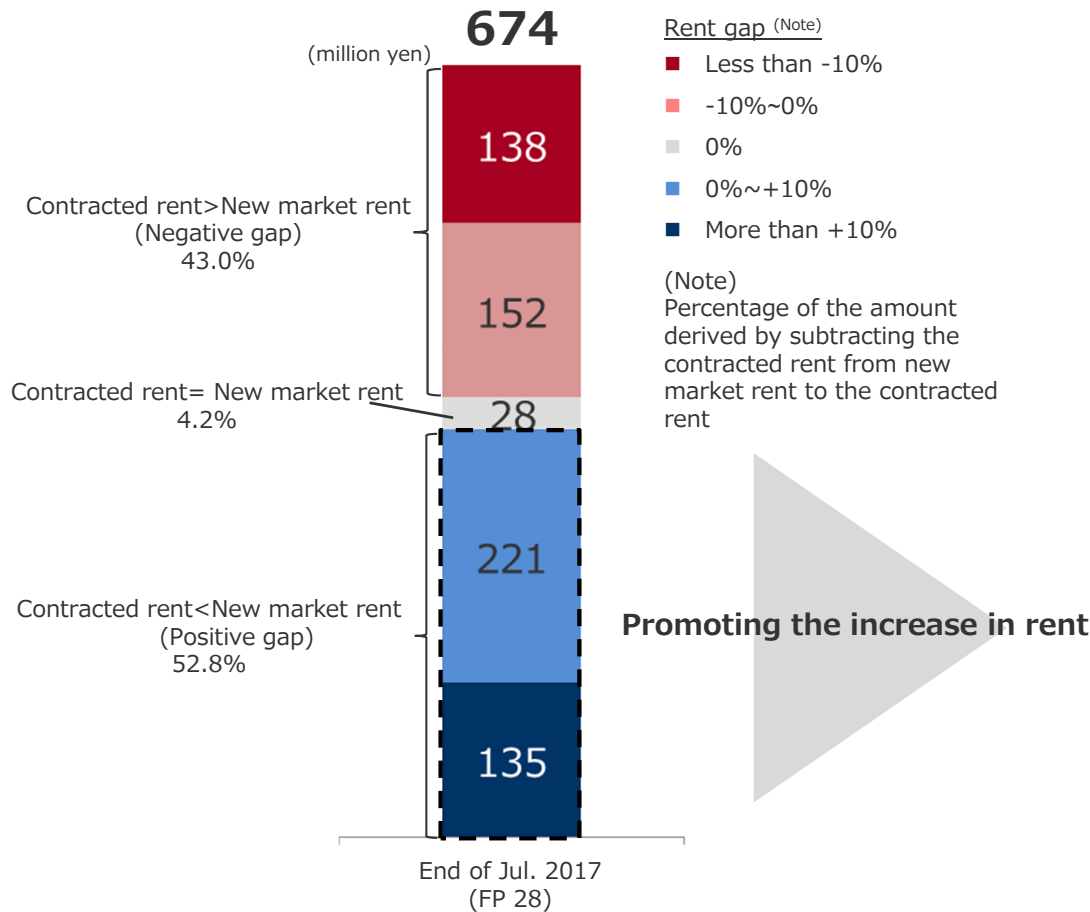
* Percentage calculated by dividing rent for tenants facing rent revision by total rent by asset class.
 * Average rent revision term is calculated by weighted average of monthly rent at the end of FP 28.
 * Rent includes common area charges (excludes income from parking, warehousing and billboards).

Breakdown of Office Rent Gap

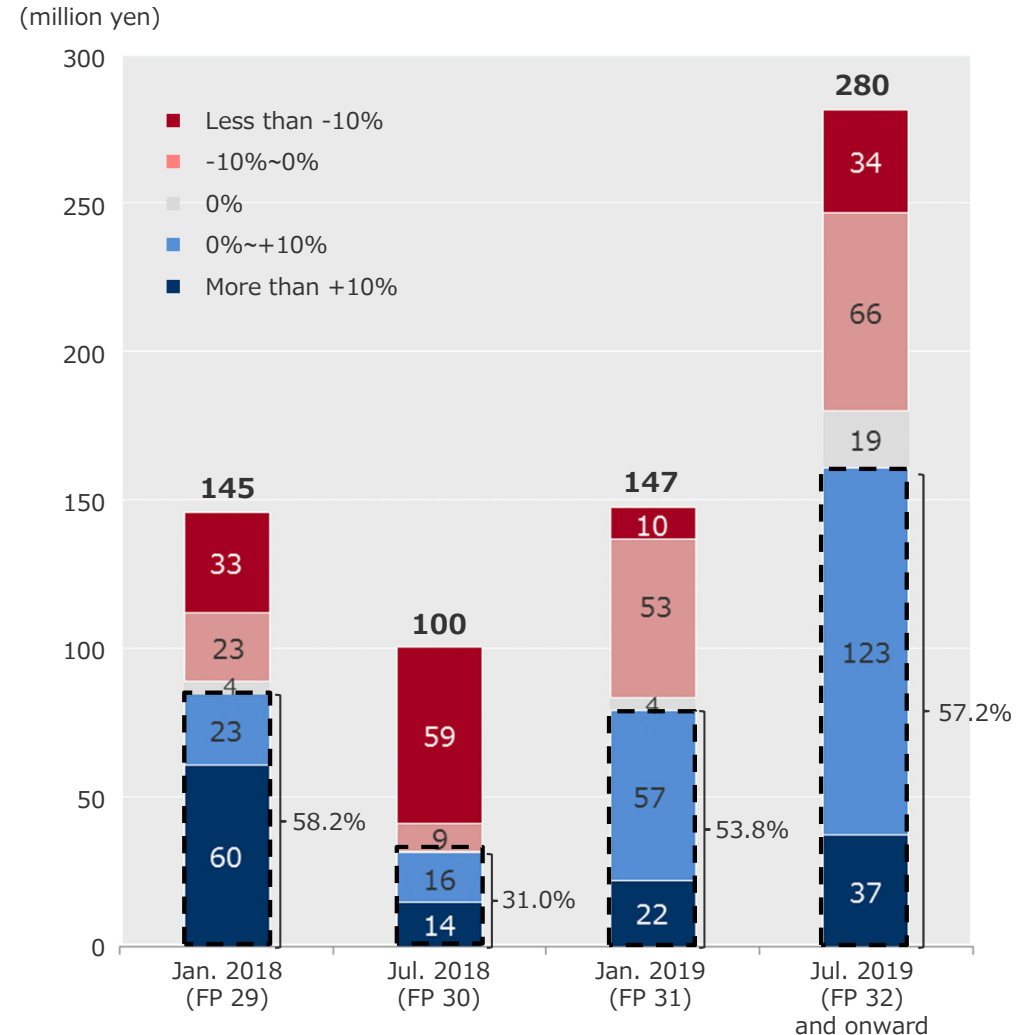
Continue to aim for rent increase centering on tenants with positive gap

■ Breakdown of Office Rent Gap (based on monthly rent)

- The contracted rent of office buildings owned by Tokyo REIT as of the end of the fiscal period ended July 2017 (FP 28) recorded an overall positive gap of 0.3% compared with the new market rent (refer to p.13)



■ Status of Rent Gap by Renewal Period (based on monthly rent)



* Excludes OKI System Center (land with leasehold interest).

* Rent includes common area charges (excludes income from parking, warehousing and billboards).

* New market rent is the rent appraised by CBRE for individual properties.

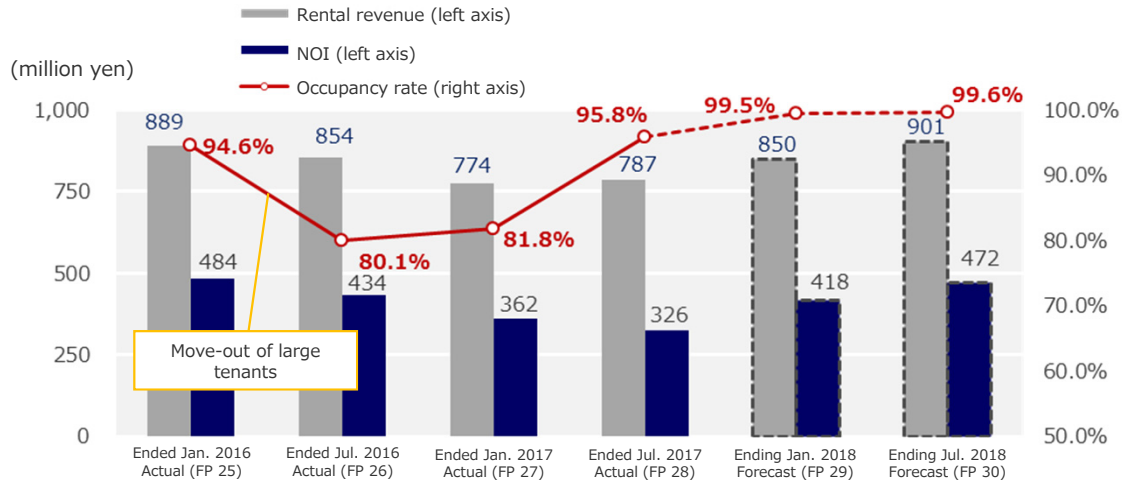
* Prepared based on the contracted rent of each tenant and the rent appraised by CBRE for individual properties in the fiscal period ended July 2017 (FP 28) in office buildings owned at the end of the fiscal period ended July 2017 (FP 28)

2. Investment Performance Results and Future Outlook

Status of Setagaya Business Square

Occupancy improved significantly due to the progress of leasing activities of vacated sections

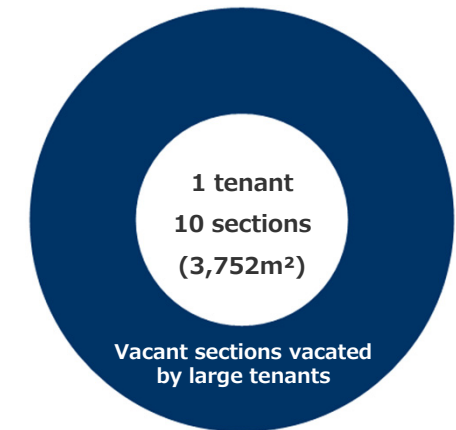
■ Results and Forecast of Occupancy Rate, Rental Revenue and NOI



■ Diversifying Tenants in Sections Vacated by Large Tenants



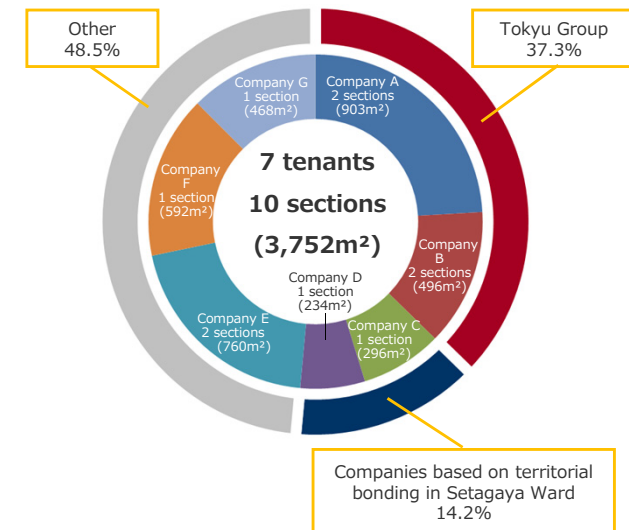
End of Period Ended Jul. 2016 (FP 26)



■ Actual and Forecasts of Move-in/Move-outs (excluding warehouse)

Area		FP 25 (ended Jan. 2016) Actual	FP 26 (ended Jul. 2016) Actual	FP 27 (ended Jan. 2017) Actual	FP 28 (ended Jul. 2017) Actual	FP 29 (ending Jan. 2018) Forecast	FP 30 (ending July 2018) Forecast
Tower	Move-ins	1 section (639m ²)	2 sections (476m ²)	3 sections (1,223m ²)	6 sections (2,088m ²)	2 sections (935m ²)	3 sections (1,018m ²)
	Move-outs	2 sections (495m ²)	3 sections (1,500m ²)	4 sections (1,818m ²)	4 sections (627m ²)	-	2 sections (1,004m ²)
	Vacant sections at end of FP	3 sections (791m ²)	4 sections (1,816m ²)	5 sections (2,410m ²)	3 sections (949m ²)	1 section (14m ²)	-
Hills 1	Move-ins	-	-	-	4 sections (1,400m ²)	-	-
	Move-outs	-	4 sections (1,400m ²)	-	-	-	-
	Vacant sections at end of FP	-	4 sections (1,400m ²)	4 sections (1,400m ²)	-	-	-
Hills 2	Move-ins	-	-	1 section (20m ²)	3 sections (65m ²)	-	-
	Move-outs	-	-	2 sections (40m ²)	2 sections (44m ²)	-	-
	Vacant sections at end of FP	-	-	1 section (20m ²)	-	-	-
Hills 3/4	Move-ins	-	-	3 sections (1,037m ²)	2 sections (560m ²)	-	-
	Move-outs	-	4 sections (1,176m ²)	-	-	-	-
	Vacant sections at end of FP	1 section (420m ²)	5 sections (1,597m ²)	2 sections (560m ²)	-	-	-
Overall	Move-ins	1 section (639m ²)	2 sections (476m ²)	7 sections (2,281m ²)	15 sections (4,114m ²)	2 sections (935m ²)	3 sections (1,018m ²)
	Move-outs	2 sections (495m ²)	11 sections (4,077m ²)	6 sections (1,858m ²)	6 sections (672m ²)	-	2 sections (1,004m ²)
	Vacant sections at end of FP	4 sections (1,212m ²)	13 sections (4,813m ²)	12 sections (4,391m ²)	3 sections (949m ²)	1 section (14m ²)	-

End of Period Ended Jul. 2017 (FP 28)



* Respective figure on amount of money and areas indicate value calculated as 55%, the co-ownership ratio of Tokyu REIT

External Growth Policy

Aiming to expand the acquisition opportunity of prime properties by changing the investment policy while maintaining the stance of selective investment

■ Investment Environment Decisions

<Player>

- Funds scheduled to be used for real estate investment across the world remain at a high level
- Capital inflow into Japanese real estate with relatively large yield gap
- Many players centering on funds, etc. exist

<Cap rate level>

- There was an extremely small supply of investment-grade properties and prime properties in central Tokyo with high scarcity decreased to the lower end of around the 2% range

<Market rent level>

- Forecasted to continue increasing gradually for the meanwhile, peak out with the mass supply in 2018 to 2020 and decrease gradually after that

Conducting selective investment in properties in prime locations and offering prospect of medium-to long-term stability in cash flow by eyeing the future peak out of the real estate market

■ Change in Investment Policy (April 2017)

	Old Standard	New Standard						
Use of investment properties	1. Office properties 2. Retail Properties	1. Office properties + 3. Complexes that include office or retail properties (Note 1) 2. Retail Properties						
Minimum investment amount per property	4.0 billion yen	4.0 billion yen, in principle, except for the following cases (Note 2) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Tokyu Areas (including Shibuya ward)</th> <th>Central Tokyo (excluding Shibuya ward) (Note 3)</th> <th>Land with leasehold interest</th> </tr> </thead> <tbody> <tr> <td>1.0 billion yen</td> <td>2.0 billion yen</td> <td>1.0 billion yen</td> </tr> </tbody> </table>	Tokyu Areas (including Shibuya ward)	Central Tokyo (excluding Shibuya ward) (Note 3)	Land with leasehold interest	1.0 billion yen	2.0 billion yen	1.0 billion yen
Tokyu Areas (including Shibuya ward)	Central Tokyo (excluding Shibuya ward) (Note 3)	Land with leasehold interest						
1.0 billion yen	2.0 billion yen	1.0 billion yen						
Focused investment areas		Central Tokyo and Tokyu Areas (unchanged)						

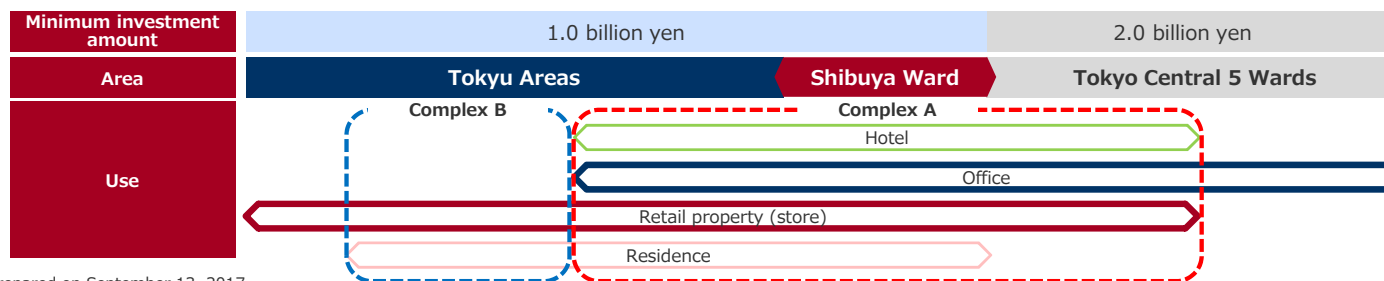
(Note 1) When a hotel is included in the complex, the hotel portion shall, in principle, meet the following criteria.

1. A lease agreement which can reduce business/operational risks of the hotel (e.g. fixed rent + sales-linked rent, etc.) shall be concluded
2. The tenant (the body operating the hotel) shall be Tokyu Corporation and its subsidiaries or shall possess operational skills equal to those of Tokyu Corporation and its subsidiaries.

(Note 2) The portfolio shall maintain 80% or higher ratio of properties with the investment amount per property of 4 billion yen or larger.

(Note 3) Chiyoda, Chuo, Minato and Shinjuku wards, and other major commercial districts of Tokyo.

■ Image of the Targeted Use Composition



(Reference) Change in the number of property information

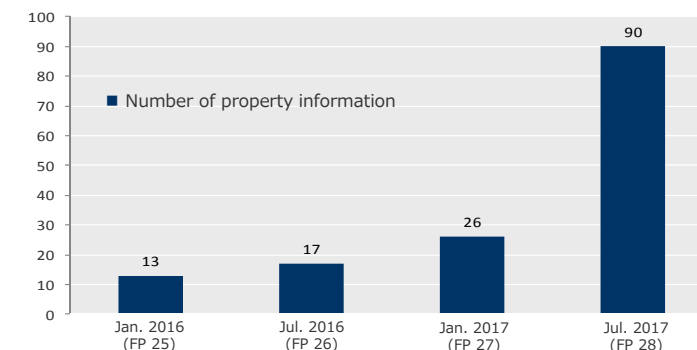


Image of Complex A

- Property owned and developed by the sponsor in the Tokyo Central 5 Wards and Tokyu Areas
- Investment amount: 4.0 billion yen or larger

Image of Complex B

- Complex that includes residence and retail properties located in the Tokyu Area (Conducted selective investment by assessing the composition of use in accordance with the characteristics of each area)
- Investment amount: Around 1.0 billion to 4.0 billion yen

2. Investment Performance Results and Future Outlook

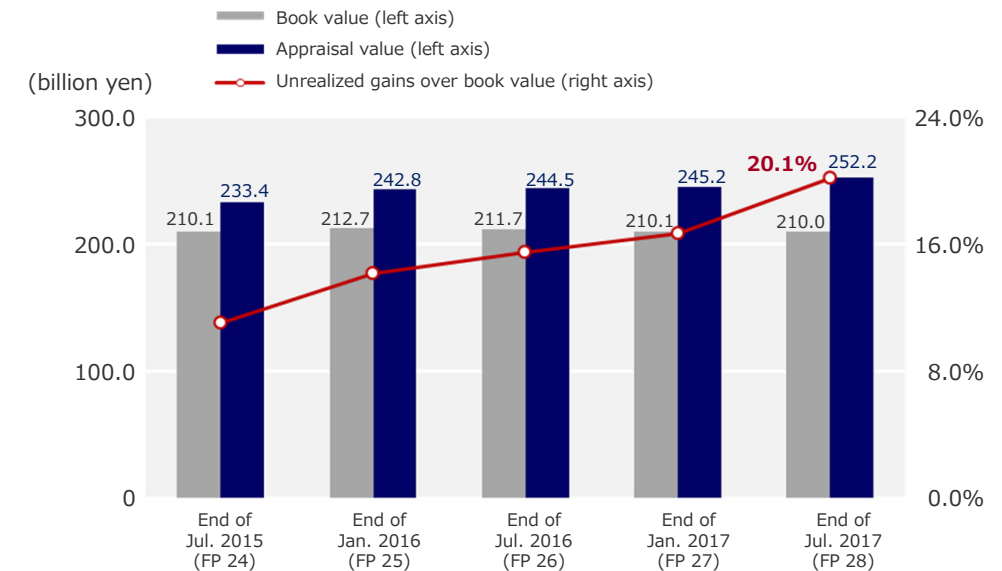
Status of Appraisal Value at the End of Fiscal Period

Unrealized gains of the entire portfolio increased by 7.2 billion yen mainly due to the decrease of cap rate

■ Appraisal Value at the End of Period

	End of Jul. 2017 (FP 28)	End of Jan. 2017 (FP 27)	Change
Number of Properties	28 Properties	28 Properties	-
Appraisal value	252.2 billion yen	245.2 billion yen	+7.0 billion yen
Book value	210.0 billion yen	210.1 billion yen	-0.1 billion yen
Unrealized gains	42.2 billion yen	35.0 billion yen	+7.2 billion yen
Unrealized gains over book value	20.1%	16.7%	+3.4pts
Cap Rate	3.74%	3.84%	-0.10pts

■ Changes in Appraisal Value at the End of Fiscal Period, Book Value and Ratio of Unrealized Gains



■ Changes in Each Property (Comparison with Previous Fiscal Period)

<Cap Rate>

(Number of Properties)

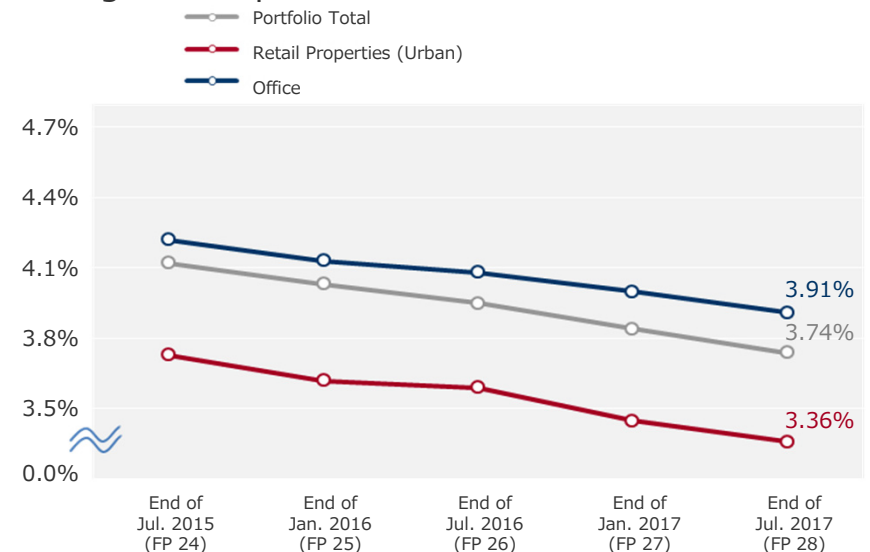
	End of Jul. 2017 (FP 28)	End of Jan. 2017 (FP 27)
Decrease	26	25
Unchanged	2	3
Increase	0	0

<Appraisal Value>

(Number of Properties)

	End of Jul. 2017 (FP 28)	End of Jan. 2017 (FP 27)
Increase	26	23
Unchanged	2	3
Decrease	0	2

■ Changes in Cap Rate



* Please refer to page 32 for details of appraisal value of each property at the end of fiscal period

2. Investment Performance Results and Future Outlook

Interest-Bearing Debt Status

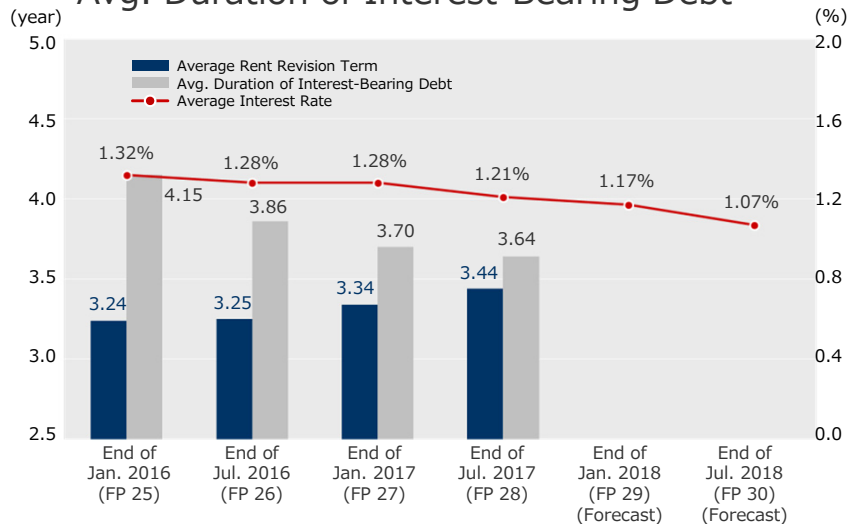
Average interest continued to decrease due to refinancing

Major Financial Indices

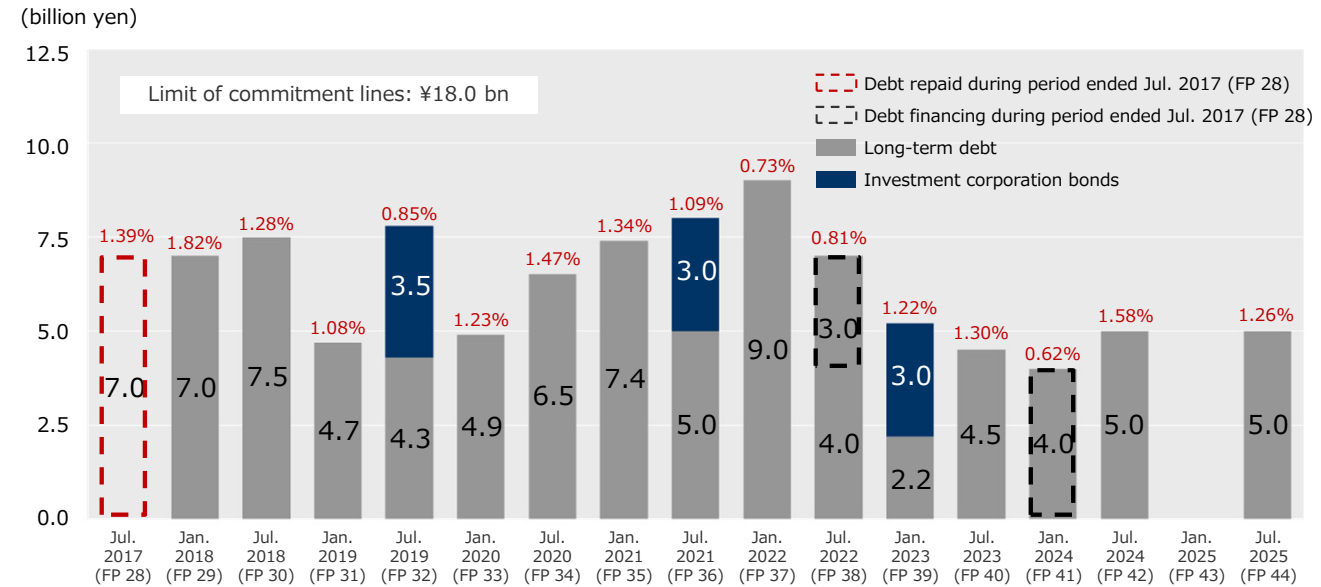
	End of Jul. 2017 (FP 28)	End of Jan. 2017 (FP 27)	Change
Total Interest-Bearing Debt	93.5 billion yen	93.5 billion yen	-
Average Interest Rate	1.21%	1.28%	-0.07pts
Avg. Duration	3.64 years	3.70 years	-0.06 years
Long-Term Fixed-Rate Ratio	100%	100%	-
LTV / Total Assets	42.6%	42.5%	+0.1pts
LTV based on appraisal value	38.8%	39.9%	-1.1pts
Acquisition Capacity ^(Note)	56.5 billion yen	49.6 billion yen	+6.9 billion yen

(Note) Assumed LTV based on appraisal value to be 50%

Average Rent Revision Term and Avg. Duration of Interest-Bearing Debt



Breakdown by Repayment/Redemption Dates of Interest-Bearing Debt (as of End of Jul. 2017 (FP 28))



Refinancing made during the FP 28 (ended Jul. 2017)

- Sumitomo Mitsui Trust Bank ¥4.0 bn (6 years; 1.48%) ⇒ ¥3.0 bn (5 years; 0.56%), ¥1.0 bn (6.5 years; 0.62%)
- Mizuho Bank ¥2.0 bn (6 years; 1.45%) ⇒ ¥2.0 bn (6.5 years; 0.62%)
- The Norinchukin Bank ¥1.0 bn (5 years; 0.94%) ⇒ ¥1.0 bn (6.5 years; 0.64%)

Borrowings to be due during FP 29 ending Jan. 2018

- Development Bank of Japan ¥5.0 bn (12 years; 1.95%)
- Nippon Life Insurance ¥2.0 bn (6.5 years; 1.50%)

Borrowings to be due during FP 30 ending Jul. 2018

- Bank of Tokyo-Mitsubishi UFJ ¥5.0 bn (6.5 years; 1.41%)
- Mitsubishi UFJ Trust and Banking ¥0.5 bn (5 years; 1.08%)
- Dai-Ichi Life Insurance ¥2.0 bn (5 years; 0.99%)

Rating

JCR	Long-Term: AA- (Stable)
R&I	A+ (Stable)
S&P	Long-Term: A (Stable) Short-Term: A-1

TOKYU REIT's Debt Management Policy

- High long-term debt ratio that do not depend on short-term debt
- Control each period's repayment amount by long average duration of interest-bearing debt
- Control issuance of investment corporation bonds by focusing on highly-stable indirect finance
- Secure transparency of effective interest rate level by not applying financing fee

3. Investment Management Strategy



TOKYU REIT Shinjuku 2 Building
After renovation of the entrance

Investment Policy

Investment in “Highly Competitive Properties” in “Areas with Strong Growth Potential”

■ Areas with Strong Growth Potential

- Investment limited to the Tokyo Metropolitan Area
- Concentrated Investment in Tokyo’s central 5 wards where office demand concentrates and in areas along Tokyu rail lines where the population continues to be on an upward trend (over 85% of investments are conducted in these areas)

	Investment areas	Holding ratio
Focused investment areas	Tokyo Central 5 Wards	85% or more
	Tokyu Areas	(As of End of Jul 2017 :93% (Note 1))
Other	Tokyo Metropolitan Area centering on Tokyo, Kanagawa, Saitama and Chiba Prefectures excluding Tokyo Central 5 Wards and Tokyu Areas	15% or lower

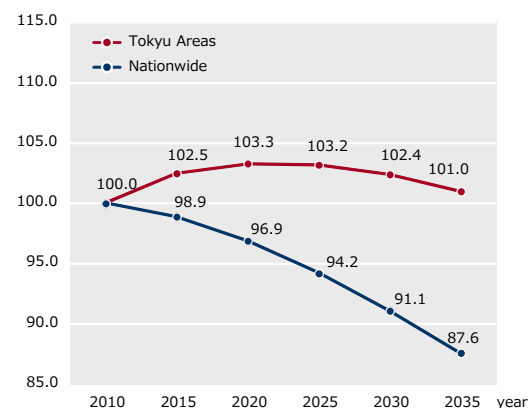
Change in Population in Three Major Metropolitan Areas (cumulative total for past 10 years) (Note 2)

Tokyo Metropolitan Area +1,090,311

Osaka Metropolitan Area -77,610

Nagoya Metropolitan Area +20,524

Population Forecasts for Tokyu Areas (Year 2010 = 100)(Note 3)



(Note 1) Based on acquisition price

(Note 2) Source: Population Movement Report from Basic Resident Register, Ministry of Internal Affairs and Communications.

(Note 3) Prepared by Tokyu Corporation based on the 2013 National Institute of Population and Social Security Research’s data by municipalities.

(Note 4) The investment policy was changed at the general Meeting of Unitholders held on April 21, 2017.

(Note 5) When a hotel is included in the complex, the hotel portion shall, in principle, meet the following criteria.

1. A lease agreement which can reduce business/operational risks of the hotel (e.g. fixed rent + sales-linked rent, etc.) shall be concluded.

2. The tenant (the body operating the hotel) shall be Tokyu Corporation and its subsidiaries or shall possess operational skills equal to those of Tokyu Corporation and its subsidiaries.

(Note 6) The portfolio shall maintain 80% or higher ratio of properties with the investment amount per property of 4 billion yen or larger.

(Note 7) Chiyoda, Chuo, Minato and Shinjuku wards, and other major commercial and retail districts of Tokyo.

■ Highly Competitive Properties (Note 4)

• Focus on location

Offices are primarily located within a seven-minute walk from the nearest station

(The ratio of properties within 3-minute walk from station is 77% (as of End of Jul 2017 (Note 1)))

For retail properties, various surveys and analysis in many aspects including purchasing power potential of the trade zone, growth potential, compatibility of tenants with the trade zone, and status of competition are conducted

• Use of target properties

1. Office properties
2. Retail properties
3. Complexes that include office or retail properties (Note 5)

• Minimum investment amount per property

4 billion yen, in principle, except for the following cases (Note 6)

Tokyu Areas (including Shibuya Ward)	Tokyo’s central 5 wards (excluding Shibuya Ward) (Note 7)	Land with leasehold interest
<u>1.0 billion yen</u>	<u>2.0 billion yen</u>	<u>1.0 billion yen</u>

• Earthquake resistance

Control earthquake risks due to investment limited to regions through portfolio PML (at 10% or lower)

< Total return orientation >

In addition to income gains of each period, also focus on future property value (terminal value) stability and liquidity

3. Investment Management Strategy

Sponsor Collaboration

Aim for stable growth through sponsor collaboration.

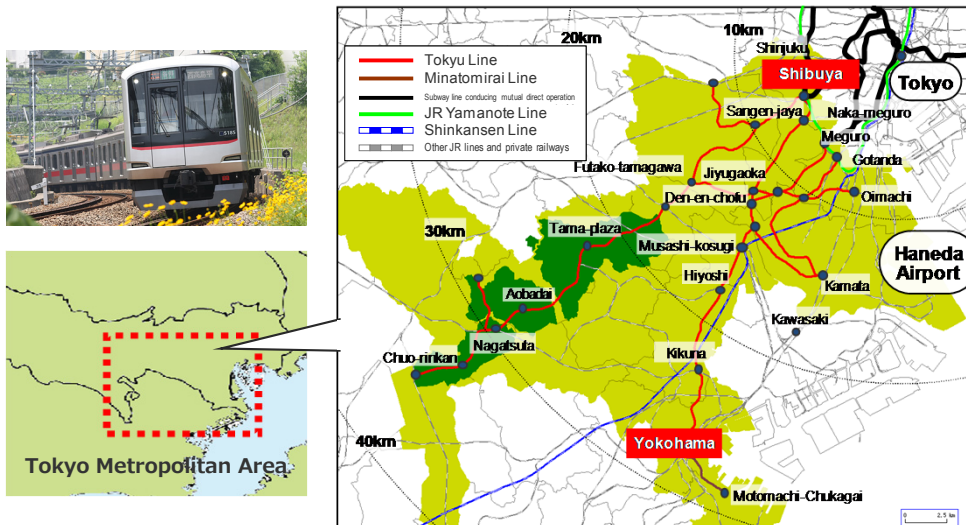
■ Outline of Sponsor (Tokyu Corporation)

With Shibuya as its base, it develops the railway businesses on 8 lines with a total length of 104.9km in the southwestern part of Tokyo and Kanagawa Metropolitan Areas and is used by 3.138 million people per day (second largest number of users following Tokyo Metro among major private railways)

The population of the Tokyu Areas (17 cities and wards) where Tokyu rail lines pass through is approximately 5.34 million people. Tokyu Corporation develops and owns many rental properties mainly in the Tokyu Areas and develops business in various fields that are closely related to daily living

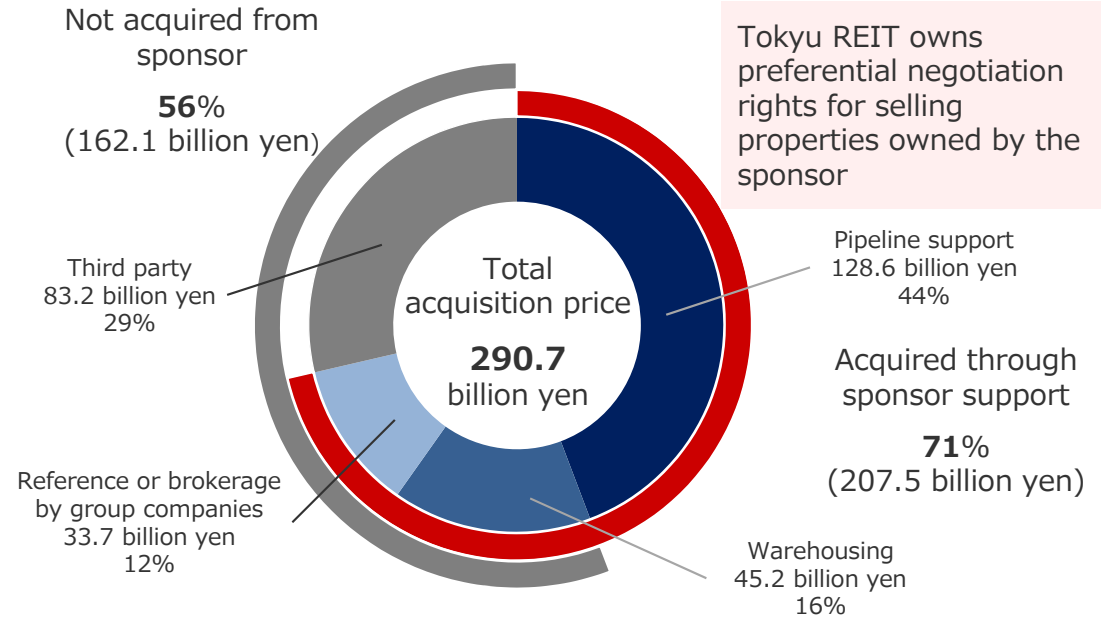
Tokyu REIT sets Tokyu Areas where synergistic effects with sponsors are expected as concentrated investment areas

< Tokyu Lines Route Map and Tokyu Areas >



Source: IR material of Tokyu Corporation

■ Status of Pipeline Support



■ Collaboration Project with Tokyu Corporation

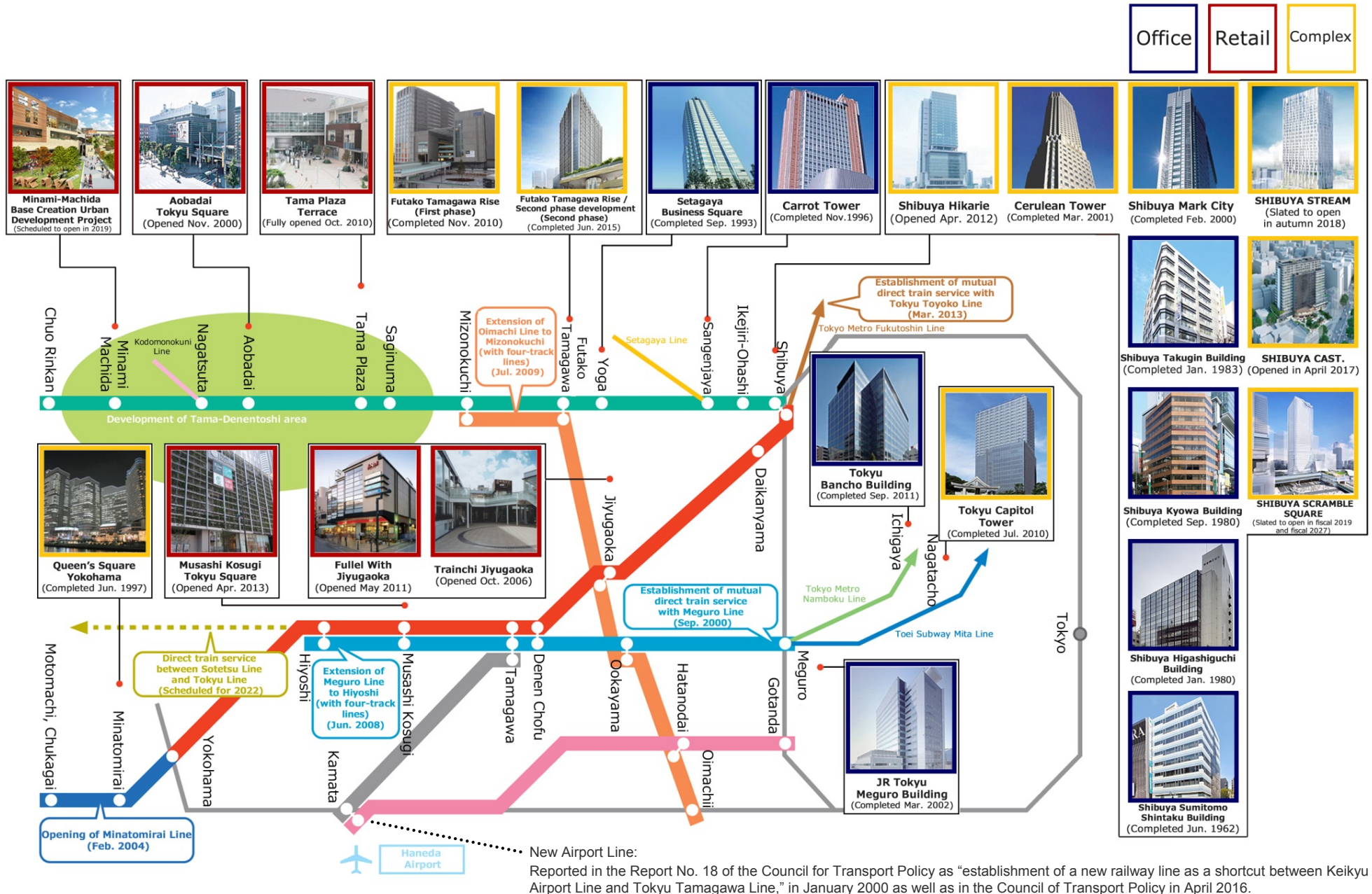
Connection with SHIBUYA CAST. (cocoti)



3. Investment Management Strategy

Major Properties Owned by Tokyu Corporation

Tokyu Corporation owns and develops many rental properties along its railway lines.



3. Investment Management Strategy

Status of Redevelopment around Shibuya Station

Redevelopments underway mainly by Tokyu Group around Shibuya Station where properties owned by TOKYU REIT concentrate.



* Some properties are only partially owned by TOKYU REIT or Tokyu Corporation and its subsidiaries.
 * As of the date this presentation was prepared, TOKYU REIT has no plan to acquire properties owned by Tokyu Corporation and its subsidiaries.

1. Shibuya Station Area Development Project (SHIBUYA SCRAMBLE SQUARE)



Implementing body	Tokyu Corporation, East Japan Railway Company, Tokyo Metro
Usage	Office, store, observation facility, parking lot, etc.
Total floor space	Approx. 276,000m ²
Height	East building: Approx. 230m Central building: Approx. 61m West building: Approx. 76m
Opening	East building: to be completed in fiscal 2019 (scheduled) Central building, west building: to be completed in fiscal 2027 (scheduled)

2. Shibuya Station South Area Project (SHIBUYA STREAM)



Implementing body	Tokyu Corporation, etc.
Usage	Office, store, hotel, hall, parking lot, etc.
Total floor space	Approx. 116,700m ²
Height	Approx. 180m
Opening	Autumn 2018 (scheduled)

3. SHIBUYA CAST.



Implementing body	Shibuya Miyashitacho Realty
Usage	Office, store, apartment, etc.
Total floor space	Approx. 35,000m ²
Height	Approx. 71m
Opening	April 28, 2017

*Connecting passage to adjacent building cocoti is installed

4. Dogenzaka 1-chome Ekimae Area

Implementing body	Dogenzaka 1-chome Ekimae Area Urban Redevelopment Association (Member: Tokyu Land Corporation)
Usage	Office, store, parking lot, etc.
Total floor space	Approx. 58,680m ²
Height	Approx. 103m
Opening	Fiscal 2019 (scheduled)

5. Shibuya Station Sakuragaoka-guchi Area

Implementing body	Shibuya Station Sakuragaoka-guchi Area Urban Redevelopment Association (Member: Tokyu Land Corporation)
Usage	Office, store, residences, church, parking lot, etc.
Total floor space	Approx. 252,870m ²
Height	A1 building: Approx. 180m A2 building: Approx. 90m B building: Approx. 150m C building: Approx. 16.5m
Opening	To be completed in 2023 (scheduled)



Current Appearance Around Shibuya Station
 (Photo of Shibuya Hikarie taken from Shibuya Mark City from in August 2017)

List of Properties Owned by TOKYU REIT in Greater Shibuya Area (12 Properties)

Acquisition Price: 93.2 billion yen
 Appraisal Value: 117.7 billion yen

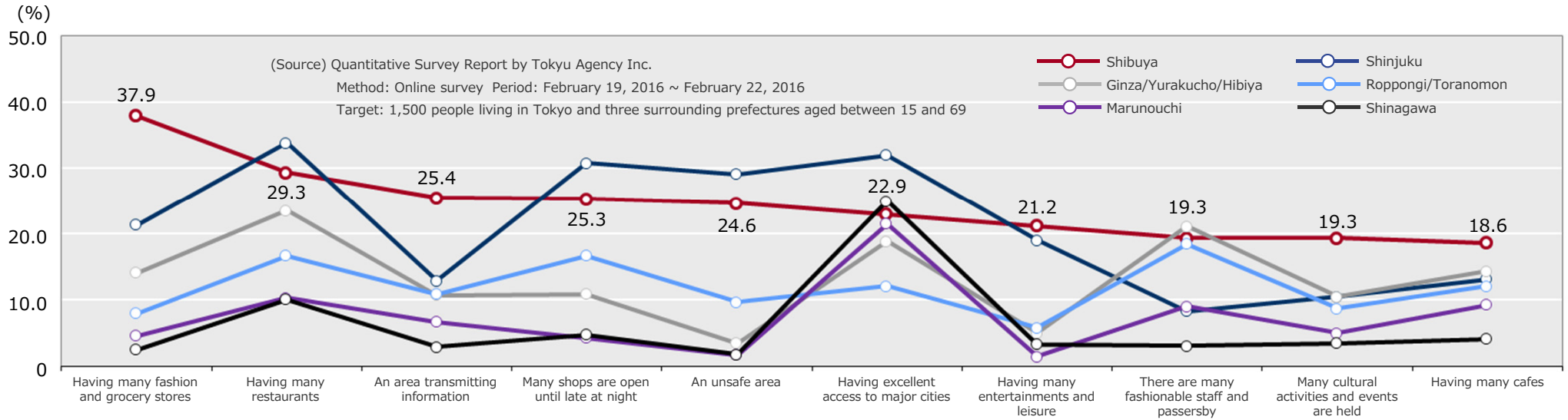


3. Investment Management Strategy

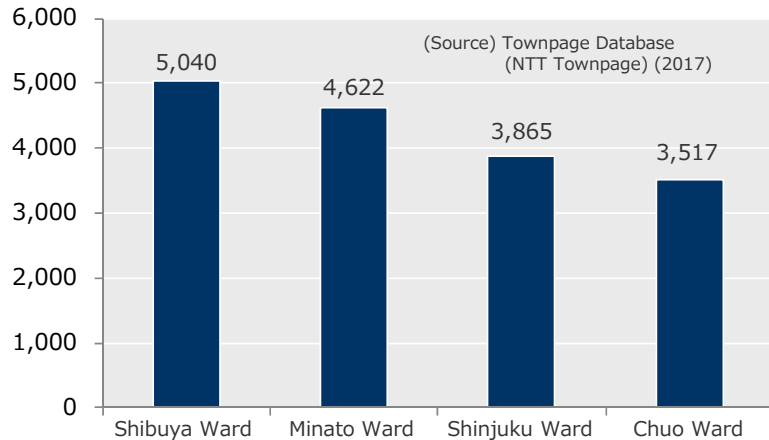
Overview of Shibuya Area

■ Functional Value of Shibuya Compared with Other Major Cities in Tokyo

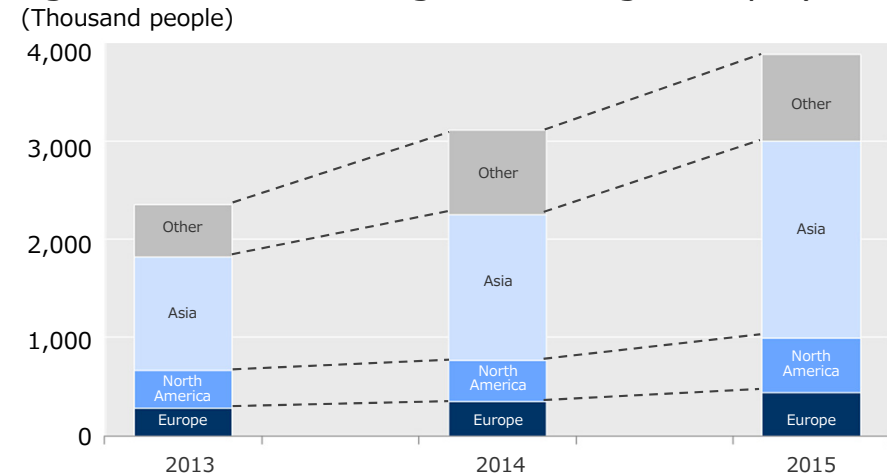
Shibuya gained a high image in items such as “having many fashion and grocery stores,” “having many restaurants” and “an area transmitting information.”



■ Number of Offices in Creative Contents Industry



■ Change in Number of Foreigners Visiting Shibuya (2013-2015)



* Creative contents industry
Content services related to fashion, digital contents, ICT, design, publication, media, advertisement, entertainment, event, performance, artists, art, etc.

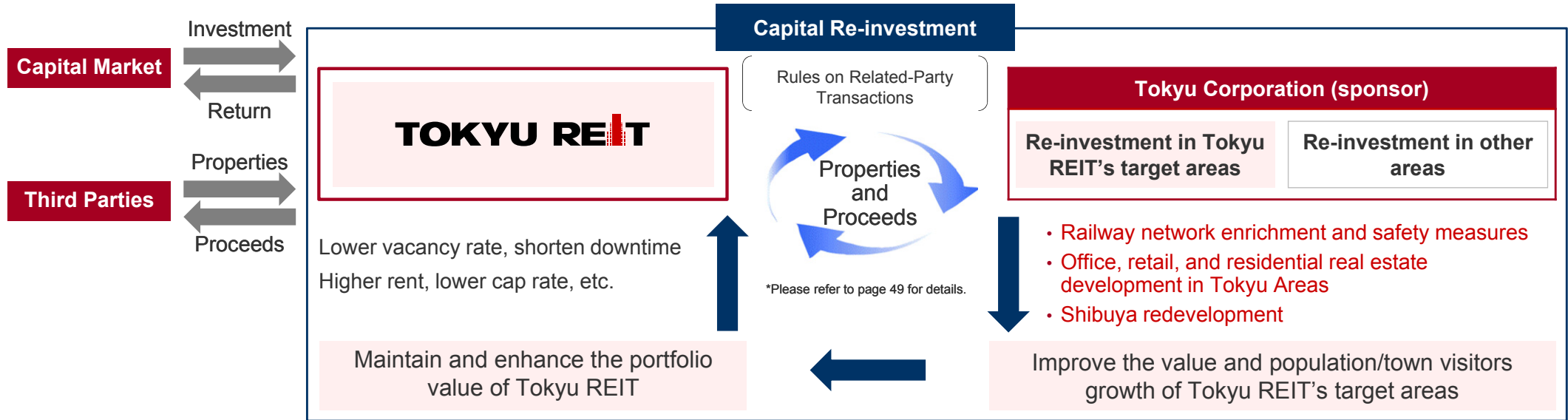
Prepared by Tokyu REIM based on the Survey on Behavioral Characteristics of Foreign Tourists by Country (Tokyo Metropolitan Government) and the Statistics of Immigration Control (Ministry of Justice)

3. Investment Management Strategy

Investment Strategy through Sponsor Collaboration

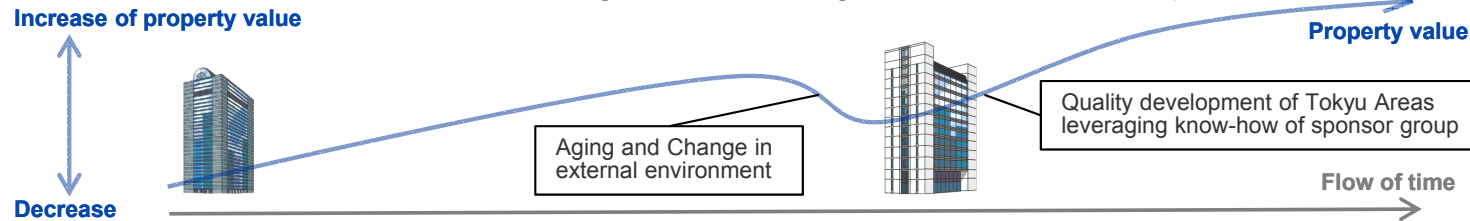
(Capital Re-investment Model)

Continuous value enhancement of portfolio with overlap of investment target area of sponsor and Tokyu REIT.



Sponsor Collaboration in Line with Stages of Life of Property (medium- to long-term)

Aim for ceaseless value enhancement in investment targeted areas through division of roles with sponsor



< Concrete examples >



Tokyu Saginuma Building

Owner		Sponsor	Tokyu REIT	Sponsor	Tokyu REIT
Stages of property		Development	Management	Redevelopment	Management
Division of roles	Tokyu REIT	—	Attracting prime tenants Effective renovations	—	Attracting prime tenants Effective renovations
	Sponsor	Enhancement of added value of Tokyu Areas through property development	Re-investment of funds from sales in Tokyu Areas, etc.	Enhancement of added value of Tokyu Areas through redevelopment	Re-investment of funds from sales in Tokyu Areas, etc.

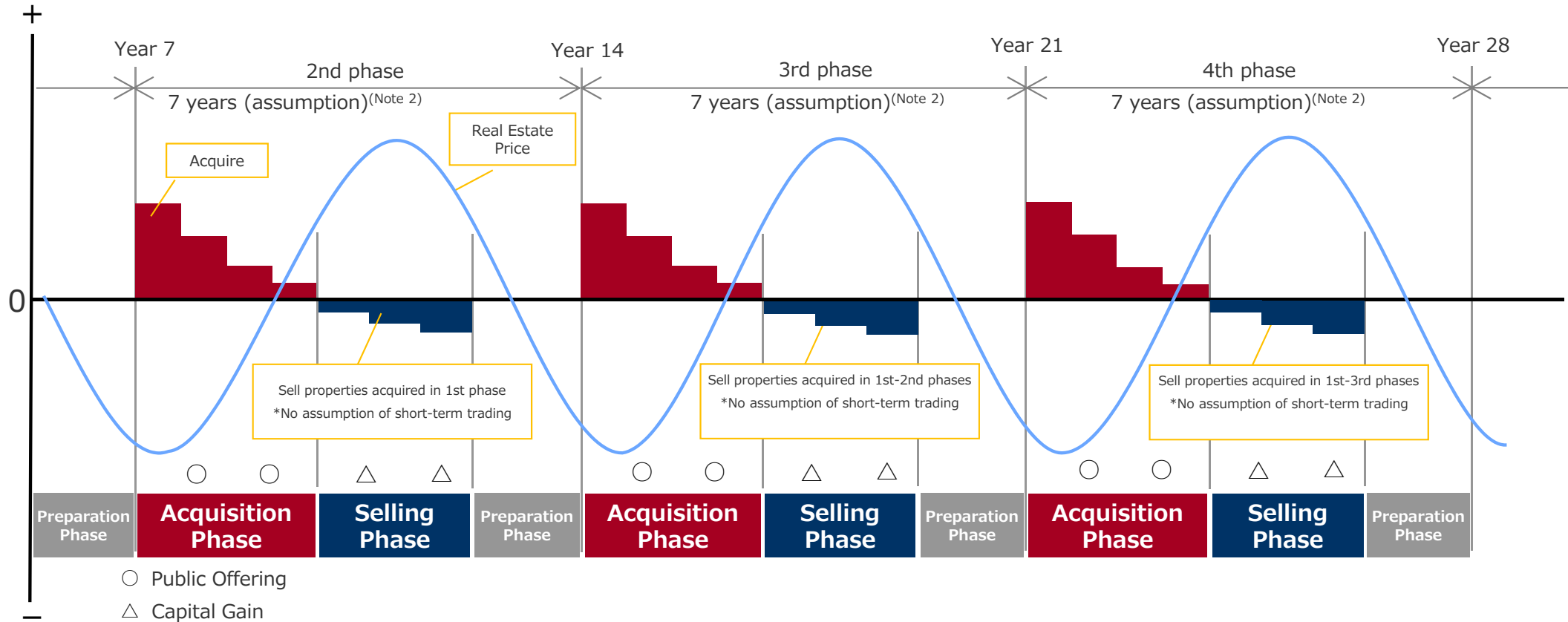
- 1978 Developed by sponsor
- 2003 Acquired from sponsor
- 2011 Renewal (GMS→NSC)
- 2016 Transferred to sponsor
- Future Scheduled to be redeveloped in line with the redevelopment in the vicinity of the station

3. Investment Management Strategy

Long-Term Investment Management Strategy (Surf Plan)

Value & Contrary

Through a value and contrarian investment approach (Note 1) that focuses on the cyclicity of real estate prices, TOKYU REIT secures capital gains while replacing properties, and achieves improvement of both portfolio quality (rejuvenating average age of properties, etc.) and adjusted ROE (capital yield after deduction of capital gains/losses).



(Note 1) It is not intended for TOKYU REIT to engage in short-term trading in property investments.

(Note 2) Indicated as 7 years as of matter of convenience, and actual assumptions differ.

4. Appendix



TOKYU REIT Shibuya R Building
After renovation of the entrance on 1st floor

Investment Criteria of TOKYU REIT and Status at the End of Fiscal Period

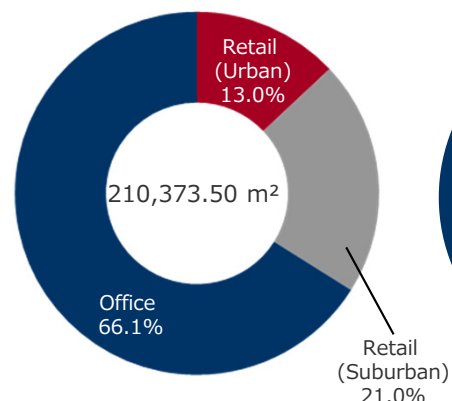
	Investment Criteria	End of Jul. 2017 (FP 28)
Target Area	Limited to the Tokyo Metropolitan Area. Investing 85% or more in major target areas (Tokyo's central 5 wards and in areas along Tokyu rail lines)	Ratio of major target area: 93.1% (Note 1)
Minimum investment amount per property	4 billion yen, in principle, except for the following cases i. Properties located in Tokyu Areas (including Shibuya Ward): 1.0 billion yen ii. Properties located in Tokyo's central 5 wards (excluding Shibuya Ward): 2.0 billion yen iii. Land with leasehold interest (all investment target areas): 1.0 billion yen	7.9 billion yen per property (Note 1)
Location	(Office properties) Within a 7-minute walk from the nearest station as a rule (Retail properties) Decisions on acquisitions are made based on surveys and analysis of trade zones	Ratio within 3-minute walk from station: 77.9% (Note 1)

(Note 1) Based on acquisition price.

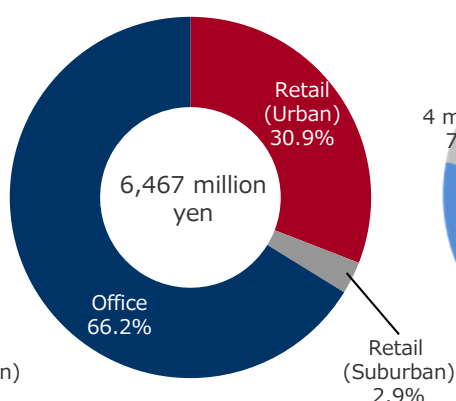
Portfolio Overview

Number of properties	Occupancy rate	Leasable area	Number of tenants	Acquisition price	NOI Yield	Yield after depreciation
28	98.3%	210,373.50 m ²	212	222.3 billion yen	4.20%	3.27%

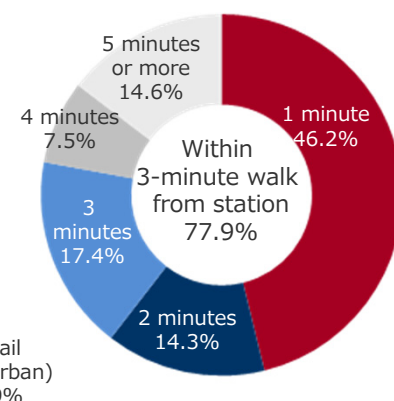
<Total Leasable Area by Segment>



<Rental Revenues by Segment>

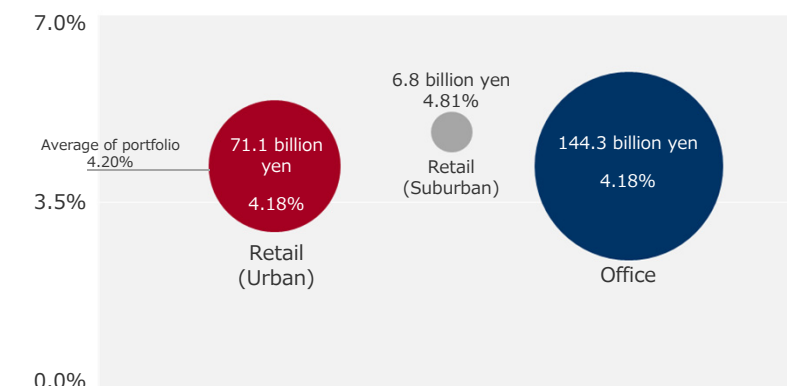


<Locations within walking distance from station>
*Based on acquisition price



<NOI Yield and Asset Size by Segment>

*Based on acquisition price



	End of Jul. 2017 (FP 28)	End of Jan. 2017 (FP 27)
Weighted Average Property Age	19.3 years	18.8 years
Portfolio PML	3.8%	3.8% (Note 2)

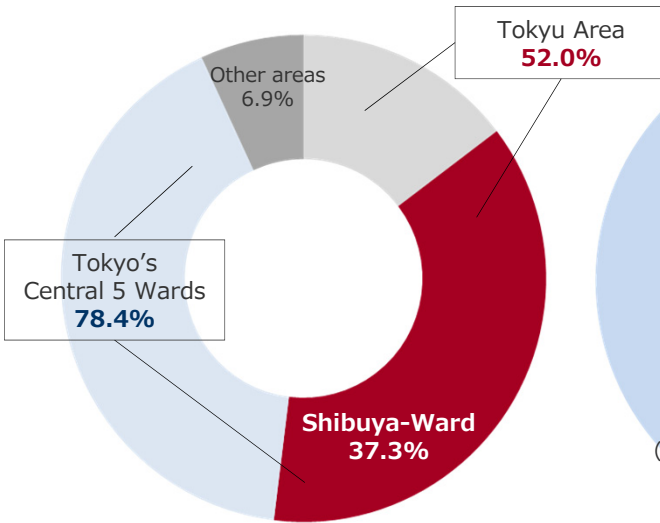
(Note 2) Excludes Tokyu Saginuma 2 Building disposed on January 31, 2017.

4. Appendix

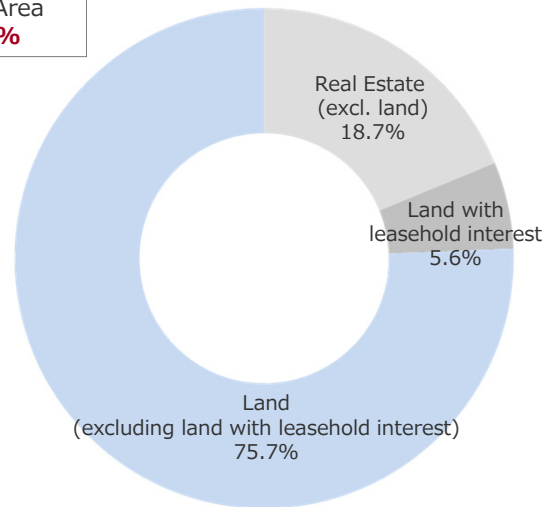
Portfolio Summary (2)

■ Portfolio Data

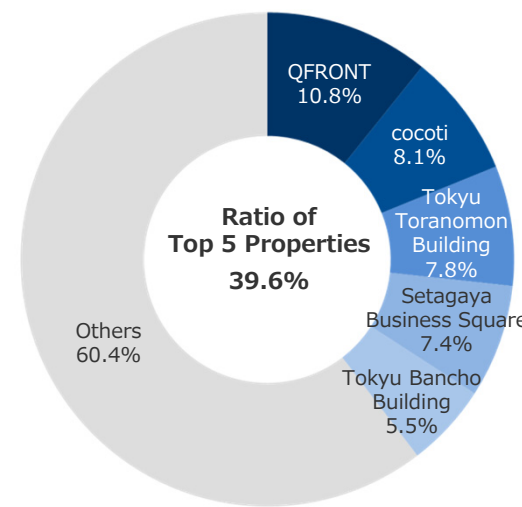
<Area ratio>
Based on acquisition price



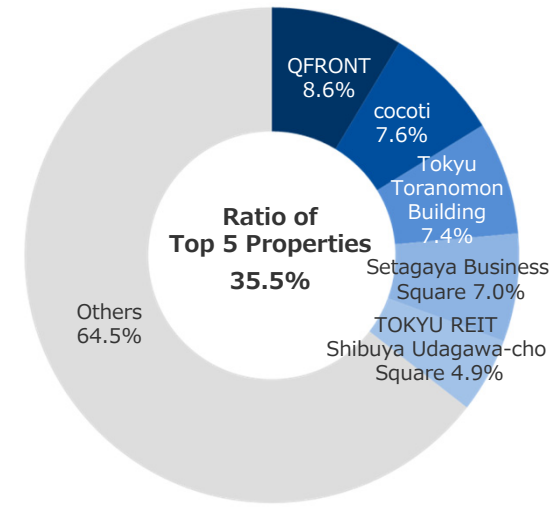
<Land / Building Ratio>
Based on book value



<Property Ratio>
Based on appraisal value at the end of the period



<Composition Ratio for NOI of each property>



* Shibuya Ward (37.3%) is included in both the Tokyo Central 5 Wards and the Tokyu Areas.

■ Major Tenants

Ranking	Tenant name	Business category	Property name	Expiration date	Leased area (m ²)	Ratio (Note 1)
1	DAIWA INFORMATION SERVICE Co., Ltd	Real estate	Shonan Mall Fill (land with leasehold interest)	3/31/2033	44,078.12	21.3%
2	OKI Electric Industry Co., Ltd.	Electric equipment	OKI System Center (land with leasehold interest)	3/26/2033	17,019.19	8.2%
3	Tokyu Corporation	Land transportation	Tokyu Nampeidai-cho Building	12/31/2021	7,148.18	3.5%
			Tokyu Sakuragaoka-cho Building	12/31/2021	3,878.36	1.9%
4	VENDOR SERVICE CO., LTD.	Wholesale	Tokyu Toranomon Building	3/31/2020	4,922.75	2.4%
5	FUJITSU LIMITED	Electric equipment	TOKYU REIT Kamata Building	9/14/2018 (Note 2)	4,593.33	2.2%
6	TSUTAYA Co., Ltd.	Wholesale	QFRONT	12/14/2019	4,044.10	2.0%
7	NTT DATA Corporation	Service	Tokyu Toranomon Building	6/30/2020	3,938.20	1.9%
8	Japan Post Insurance	Insurance	TOKYU REIT Toranomon Building	4/30/2018 (Note 2)	3,553.89	1.7%
9	Tokyu Agency Inc.	Service	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1/31/2023	3,533.03	1.7%
10	OPT Holding Inc.	Other financial services	Tokyu Bancho Building (Note 3)	12/31/2018	3,388.15	1.6%
Total of top 10 tenants in leased area					100,097.30	48.4%
Total leased area as of end of FP 28 (ended Jul. 2017) (28 properties)					206,707.60	100.0%

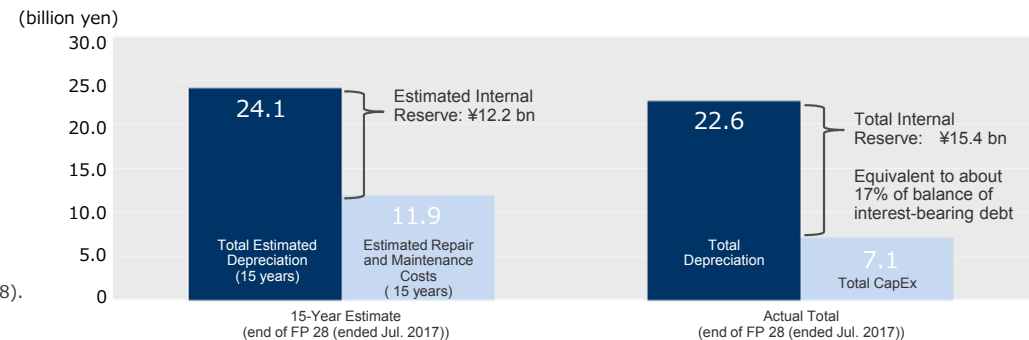
(Note 1) "Ratio" indicates ratio of tenant's leased areas to total leased area of 28 properties held as of end of Jul. 2017 FP (FP 28).

(Note 2) Expiration date of contract for largest leased area in plural leased area.

(Note 3) Leased areas for the tenants of Tokyu Bancho Building are indicated as 49% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest.

■ Balance of Depreciation and Repair and Maintenance Cost Estimates

The source of funds for CapEx is limited to the total amount of depreciation for REITs, as 100% of profits are distributed. Therefore, we manage by focusing on maintaining the proper balance between long-term repair and maintenance estimates and total depreciation estimates



* Long-term repair and maintenance cost estimates are updated when appropriate.

* Not including Shonan Mall Fill (land with leasehold interest) and OKI System Center (land with leasehold interest)

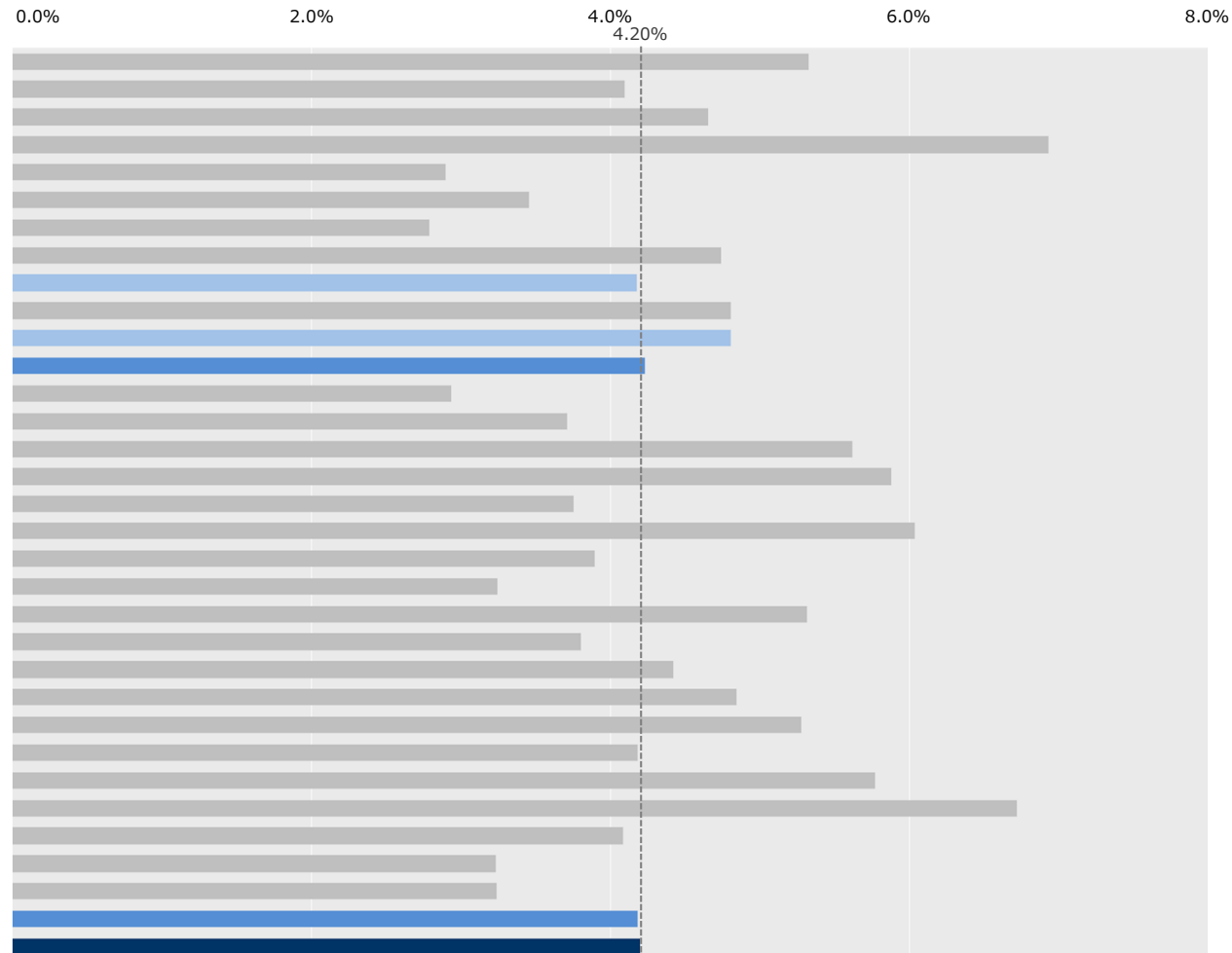
4. Appendix

NOI Yield for Each Property (FP ended Jul. 2017 (FP 28))

Overall	4.20%	Retail	4.23%	Office	4.18%
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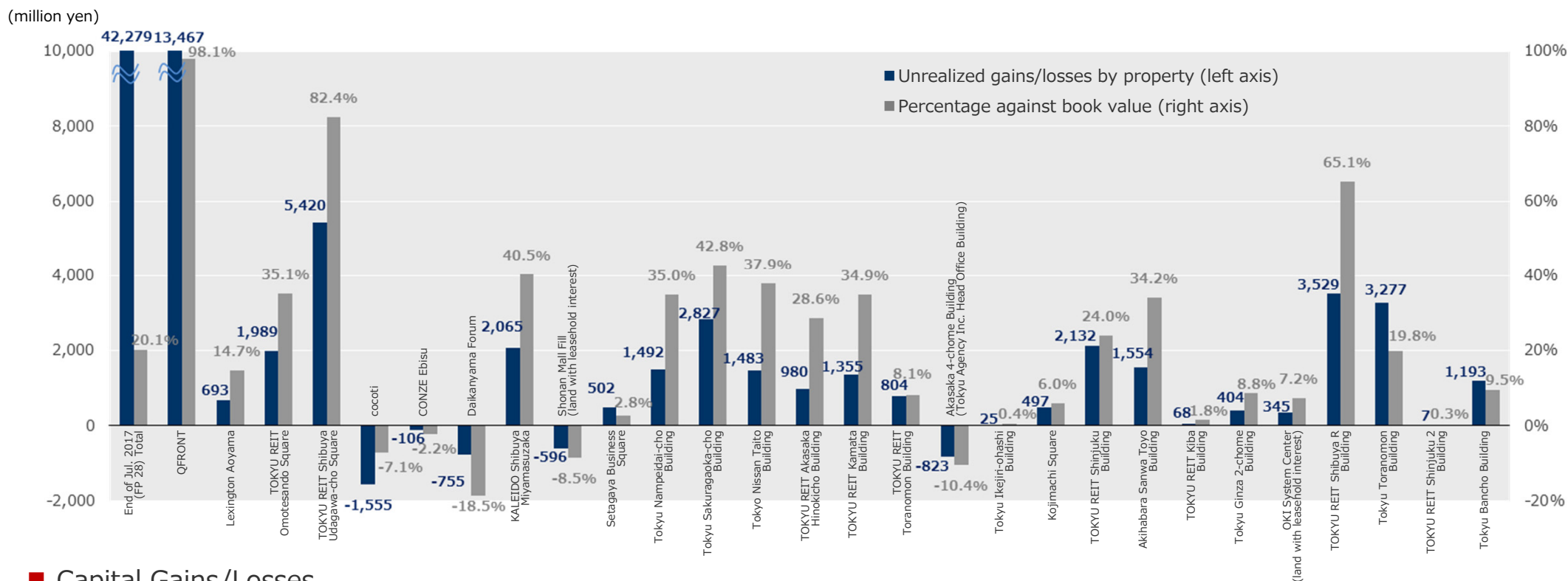
(In JPY mn)

Name of Property	Acquisition price	NOI in FP Ended Jul 2017	NOI yield	Contribution to NOI
QFRONT	15,100	399	5.33%	8.62%
Lexington Aoyama	4,800	98	4.10%	2.11%
TOKYU REIT Omotesando Square	5,770	133	4.66%	2.88%
TOKYU REIT Shibuya Udagawa-cho Square	6,600	227	6.93%	4.90%
cocoti	24,500	352	2.90%	7.60%
CONZE Ebisu	5,117	88	3.46%	1.89%
Daikanyama Forum	4,136	57	2.79%	1.24%
KALEIDO Shibuya Miyamasuzaka	5,150	121	4.74%	2.61%
Retail Properties (Urban) Total	71,173	1,475	4.18%	31.84%
Shonan Mall Fill (land with leasehold interest)	6,810	162	4.81%	3.51%
Retail Properties (Suburban) Total	6,810	162	4.81%	3.51%
Retail Properties Total	77,983	1,637	4.23%	35.35%
Setagaya Business Square	22,400	326	2.94%	7.05%
Tokyu Nampeidai-cho Building	4,660	86	3.71%	1.85%
Tokyu Sakuragaoka-cho Building	6,620	184	5.62%	3.98%
Tokyo Nissan Taito Building	4,450	130	5.88%	2.80%
TOKYU REIT Akasaka Hinokicho Building	3,570	66	3.75%	1.43%
TOKYU REIT Kamata Building	4,720	141	6.03%	3.05%
TOKYU REIT Toranomon Building	10,177	197	3.90%	4.25%
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,500	137	3.24%	2.95%
Tokyu Ikejiri-ohashi Building	5,480	144	5.32%	3.12%
Kojimachi Square	9,030	170	3.81%	3.68%
TOKYU REIT Shinjuku Building	9,000	197	4.42%	4.26%
Akihabara Sanwa Toyo Building	4,600	111	4.85%	2.39%
TOKYU REIT Kiba Building	4,000	105	5.28%	2.26%
Tokyu Ginza 2-chome Building	5,010	104	4.18%	2.24%
OKI System Center (land with leasehold interest)	4,530	130	5.77%	2.80%
TOKYU REIT Shibuya R Building	5,270	176	6.72%	3.79%
Tokyu Toranomon Building	16,850	341	4.08%	7.37%
TOKYU REIT Shinjuku 2 Building	2,750	44	3.23%	0.95%
Tokyu Bancho Building	12,740	205	3.24%	4.42%
Office Properties Total	144,357	2,994	4.18%	64.65%
Total	222,340	4,631	4.20%	100.00%



Unrealized Gains/Losses and Capital Gains/Losses by Property

■ Unrealized Gains/Losses and Percentage Against Book Value by Property (As of End of Jul. 2017 (FP 28))



■ Capital Gains/Losses

Total Capital Gain

(Acquisition: 35 properties, Disposition: 7 properties) **¥14.2 bn**
(Breakdown)

Capital Gains	¥23.2 bn	Tokyu Saginuma 2 Building	¥0.5 bn (2017/01 (FP 27))
		Tokyu Saginuma Building	¥2.3 bn (2016/07 (FP 26))
		Beacon Hill Plaza (Ito-Yokado Noukendai store)	¥0.4 bn (2015/01 (FP 23))
		Resona Maruha Building	¥18.2 bn (2010/01 (FP 13))
		Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)	¥1.6 bn (2006/07 (FP 6))

Capital Losses	-¥9.0 bn	TOKYU REIT Hatchobori Building	-¥1.8 bn (2016/07 (FP 26))
		Ryoshin Harajuku Building	-¥7.1 bn (2010/01 (FP 13))

4. Appendix

Appraisal Value at End of Period by Property

Unit: million yen

Name of Property	Acquisition Price	Investment Ratio	Appraisal Value at End of Period		Increase / Decrease	NCF (Direct capitalization method)			NCF cap rate (Direct cap rate)			Appraiser (Note1)
			Ended Jul 2017 FP 28	Ended Jan 2017 FP 27		Ended Jul 2017 FP 28	Ended Jan 2017 FP 27	Change	Ended Jul 2017 FP 28	Ended Jan 2017 FP 27	Change (pts)	
QFRONT	15,100	6.8%	27,200	25,500	1,700	769	741	28	2.80%	2.90%	-0.10	a
Lexington Aoyama	4,800	2.2%	5,410	5,150	260	193	189	4	3.50%	3.60%	-0.10	a
TOKYU REIT Omotesando Square	5,770	2.6%	7,660	7,330	330	273	269	4	3.50%	3.60%	-0.10	a
TOKYU REIT Shibuya Udagawa-cho Square	6,600	3.0%	12,000	11,700	300	424	424	-	3.50%	3.60%	-0.10	b
cocoti	24,500	11.0%	20,400	19,900	500	709	712	-3	3.40%	3.50%	-0.10	c
CONZE Ebisu	5,117	2.3%	4,760	4,600	160	176	174	2	3.60%	3.70%	-0.10	c
Daikanyama Forum	4,136	1.9%	3,330	3,270	60	136	136	-	3.90%	4.00%	-0.10	b
KALEIDO Shibuya Miyamasuzaka	5,150	2.3%	7,170	6,730	440	271	260	11	3.70%	3.80%	-0.10	b
Retail Properties (Urban) Total (8 properties)	71,173	32.0%	87,930	84,180	3,750	2,951	2,905	46	3.36%	3.45%	-0.09	
Shonan Mall Fill (land with leasehold interest)	6,810	3.1%	6,430	6,370	60	329	329	-	4.90%	5.00%	-0.10	b
Retail Properties (Suburban) Total (1 properties)	6,810	3.1%	6,430	6,370	60	329	329	-	4.90%	5.00%	-0.10	
Retail Properties Total (9 properties)	77,983	35.1%	94,360	90,550	3,810	3,280	3,234	46	3.48%	3.57%	-0.09	
Setagaya Business Square	22,400	10.1%	18,700	18,700	-	807	825	-18	4.30%	4.40%	-0.10	a
Tokyu Nampo-dai-cho Building	4,660	2.1%	5,750	5,610	140	228	228	-	3.90%	4.00%	-0.10	a
Tokyu Sakuragaoka-cho Building	6,620	3.0%	9,440	9,210	230	354	355	-1	3.70%	3.80%	-0.10	a
Tokyo Nissan Taito Building	4,450	2.0%	5,400	5,300	100	240	241	-1	4.40%	4.50%	-0.10	a
TOKYU REIT Akasaka Hinokicho Building	3,570	1.6%	4,410	4,320	90	175	171	4	3.90%	3.90%	-	a
TOKYU REIT Kamata Building	4,720	2.1%	5,240	5,100	140	235	240	-5	4.50%	4.70%	-0.20	a
TOKYU REIT Toranomon Building	10,177	4.6%	10,700	10,400	300	409	409	-	3.80%	3.90%	-0.10	a
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,500	3.8%	7,110	6,920	190	268	268	-	3.70%	3.80%	-0.10	b
Tokyu Ikejiri-ohashi Building	5,480	2.5%	5,730	5,320	410	253	240	13	4.40%	4.50%	-0.10	c
Kojimachi Square	9,030	4.1%	8,830	8,630	200	329	331	-2	3.70%	3.80%	-0.10	a
TOKYU REIT Shinjuku Building	9,000	4.0%	11,000	10,600	400	395	391	4	3.50%	3.60%	-0.10	c
Akihabara Sanwa Toyo Building	4,600	2.1%	6,100	6,080	20	253	259	-6	4.10%	4.20%	-0.10	b
TOKYU REIT Kiba Building	4,000	1.8%	3,960	3,870	90	192	190	2	4.80%	4.90%	-0.10	b
Tokyu Ginza 2-chome Building	5,010	2.3%	5,020	4,910	110	212	212	-	4.20%	4.30%	-0.10	a
OKI System Center (land with leasehold interest) (Note 2)	4,530	2.0%	5,120	5,060	60	262	262	-	5.00%	5.10%	-0.10	b
TOKYU REIT Shibuya R Building	5,270	2.4%	8,950	8,650	300	330	327	3	3.60%	3.70%	-0.10	b
Tokyu Toranomon Building (Note 3)	16,850	7.6%	19,800	19,800	-	632	648	-16	3.20%	3.20%	-	a
TOKYU REIT Shinjuku 2 Building	2,750	1.2%	2,860	2,770	90	108	108	-	3.70%	3.80%	-0.10	c
Tokyu Bancho Building	12,740	5.7%	13,800	13,400	400	483	484	-1	3.40%	3.50%	-0.10	c
Office Properties Total (19 properties)	144,357	64.9%	157,920	154,650	3,270	6,168	6,189	-21	3.91%	4.00%	-0.09	
Ended Jul 2017 (FP 28) Total (28 properties)	222,340	100.0%	252,280	245,200	7,080	9,448	9,423	25	3.74%	3.84%	-0.10	

(Note 1) a. Japan Real Estate Institute, b. Japan Valuers Co., Ltd., c. Daiwa Real Estate Appraisal Co., Ltd.

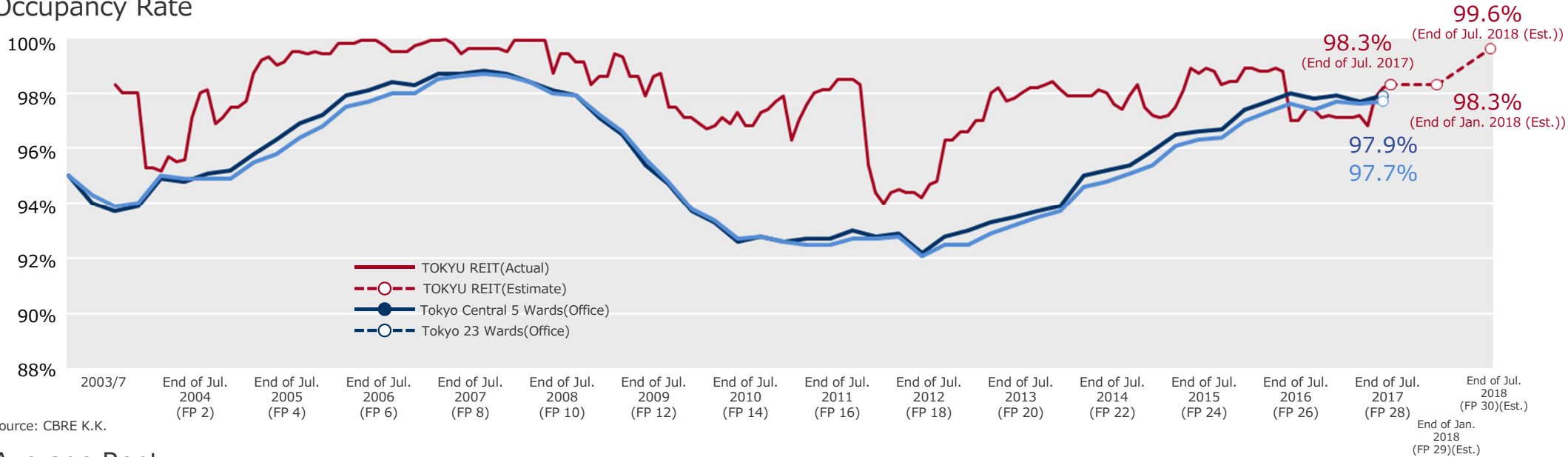
(Note 2) For OKI System Center (land with leasehold interest), direct capitalization method is not employed for its appraisal value at end of period. Accordingly, annual cash flow and discount rate under the DCF approach are indicated for NCF (Direct Capitalization Method) and NCF Cap Rate (Direct Cap Rate).

(Note 3) As for assumptions of "Appraisal Value at End of Period," "NCF (Direct Capitalization Method)" and "NCF Cap Rate (Direct Cap Rate)" for Tokyu Toranomon Building, which contiguous land was acquired on January 9, 2015, please refer to "Portfolio Cap Rate (by appraisal value in DATA BOOK)."

* Appraisal Value at End of Period is determined by using several methodologies including the direct capitalization approach and DCF approach. Therefore, the Appraisal Value may differ from the above NCF figures divided by the NCF Cap Rate. Therefore, the total change in NCF and change in NCF Cap Rate may not add up to Increase/Decrease (%).

Track Records (1) (Occupancy Rate/Rent)

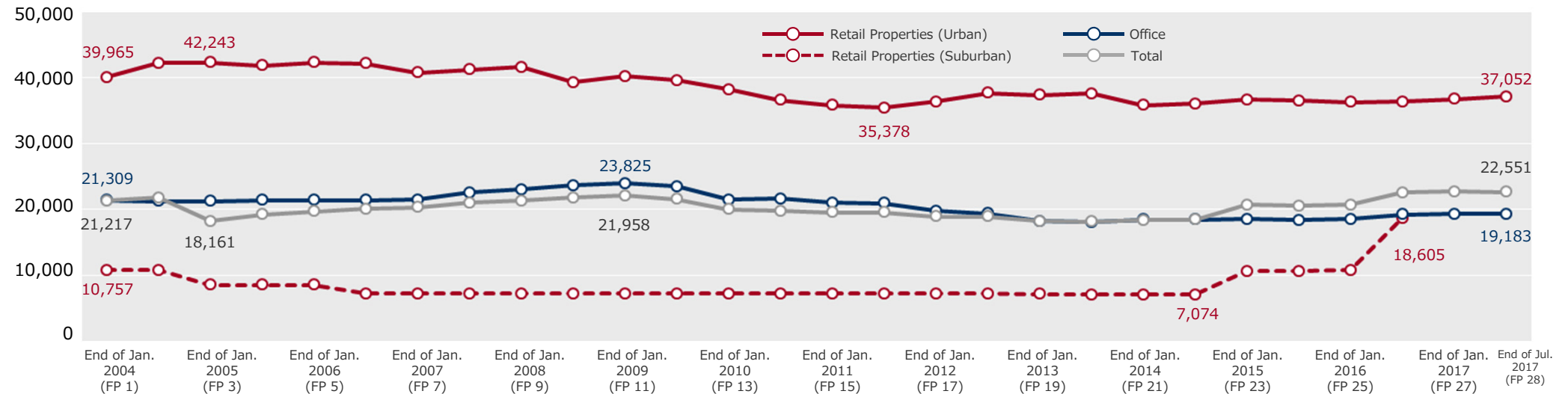
Occupancy Rate



Source: CBRE K.K.

Average Rent

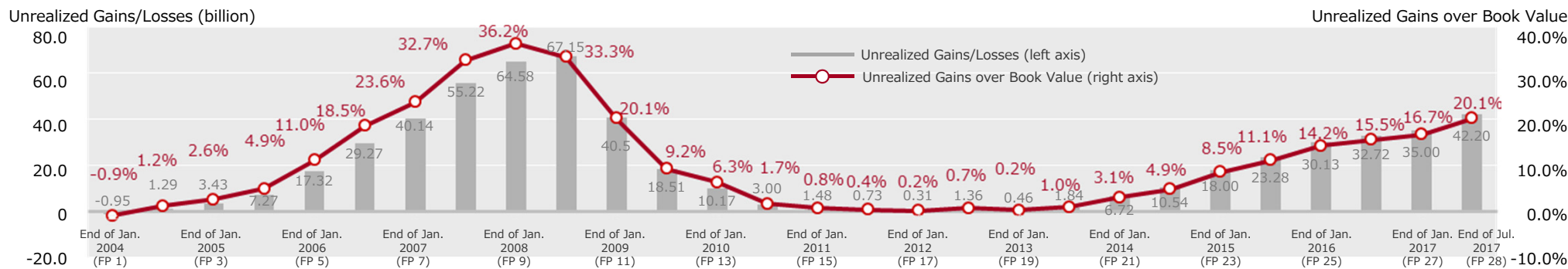
Unit Price(¥/Month/Tsubo)



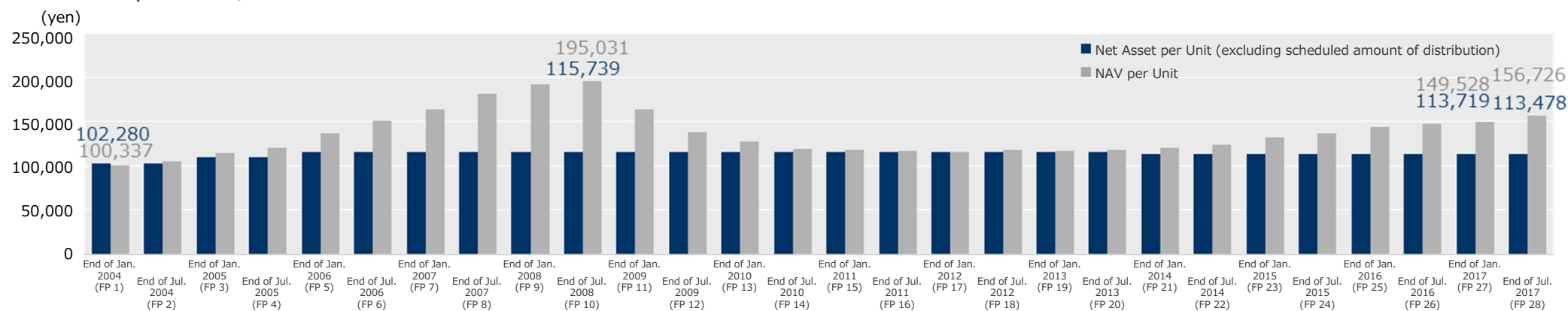
* In calculating the above unit price, we haven't factored in vacant spaces.
 * Shonan Mall Fill (Land with leasehold interest) is not included in Retail (Suburban).
 * OKI System Center (Land with leasehold interest) is not included in Office.
 * Includes common area charges and excludes income from parking, warehouses, etc.

Track Records (2) (Unrealized Gains / Losses and NAV)

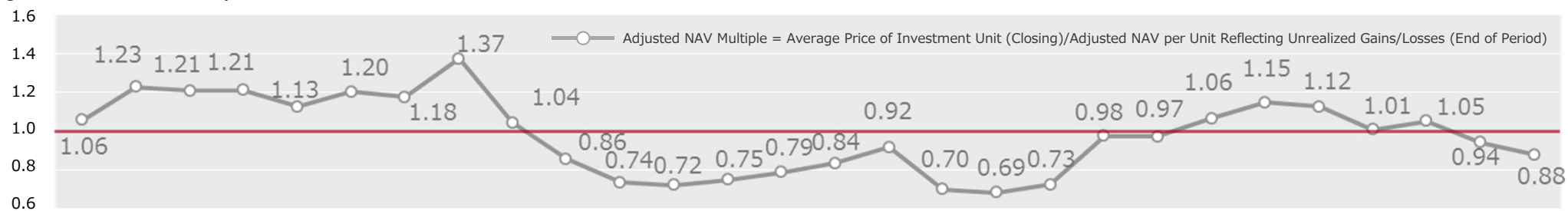
■ Unrealized Gains and Unrealized Gains over Book Value



■ Net Asset per Unit/NAV



■ Adjusted NAV Multiple



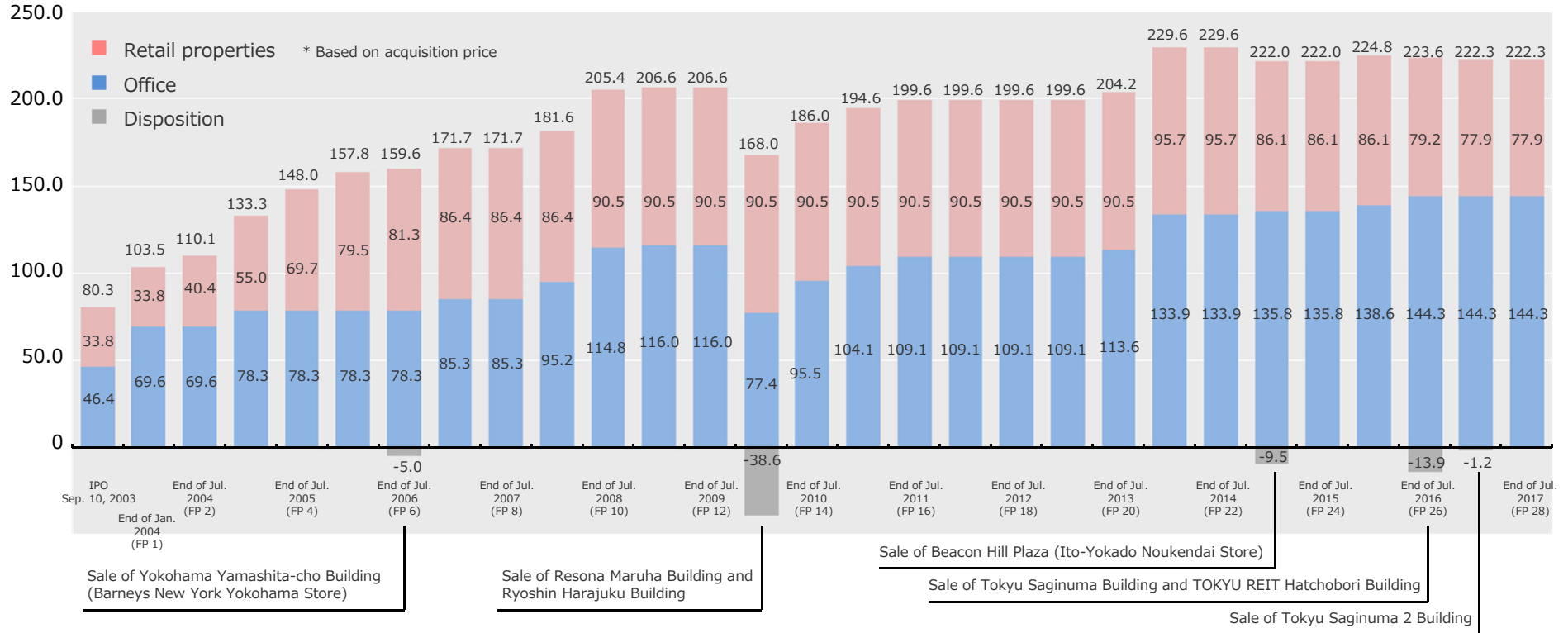
Average Investment Unit Price (yen)	End of Jan. 2004 (FP 1)	End of Jul. 2004 (FP 2)	End of Jan. 2005 (FP 3)	End of Jul. 2005 (FP 4)	End of Jan. 2006 (FP 5)	End of Jul. 2006 (FP 6)	End of Jan. 2007 (FP 7)	End of Jul. 2007 (FP 8)	End of Jan. 2008 (FP 9)	End of Jul. 2008 (FP 10)	End of Jan. 2009 (FP 11)	End of Jul. 2009 (FP 12)	End of Jan. 2010 (FP 13)	End of Jul. 2010 (FP 14)	End of Jan. 2011 (FP 15)	End of Jul. 2011 (FP 16)	End of Jan. 2012 (FP 17)	End of Jul. 2012 (FP 18)	End of Jan. 2013 (FP 19)	End of Jul. 2013 (FP 20)	End of Jan. 2014 (FP 21)	End of Jul. 2014 (FP 22)	End of Jan. 2015 (FP 23)	End of Jul. 2015 (FP 24)	End of Jan. 2016 (FP 25)	End of Jul. 2016 (FP 26)	End of Jan. 2017 (FP 27)	End of Jul. 2017 (FP 28)
	106,165	128,619	138,141	145,216	153,304	180,487	191,661	248,307	200,132	167,180	120,714	99,354	95,715	94,172	98,085	106,931	81,328	80,332	84,558	115,068	116,503	131,777	150,756	153,975	145,209	154,325	140,910	137,786

* Investment unit price, Net Asset per Unit and NAV per Unit stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

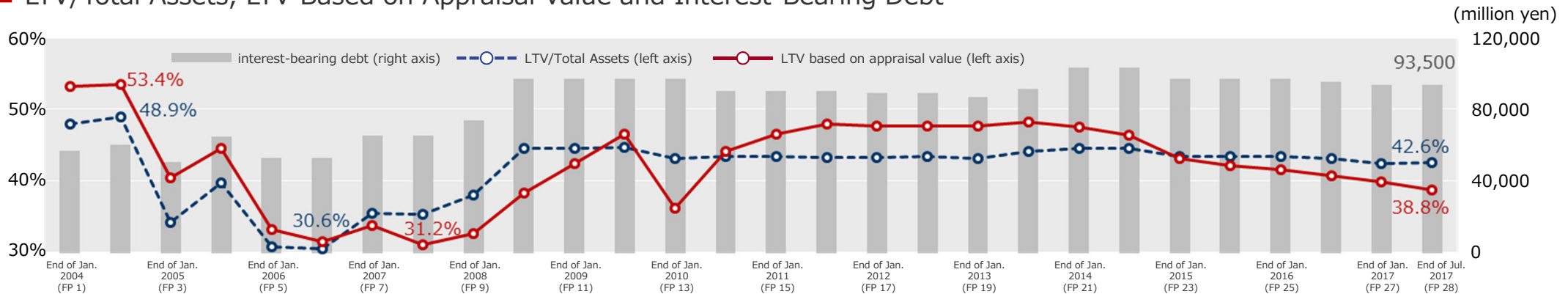
Track Records (3) (Change in Asset Size, LTV and Interest-Bearing Debt)

Change in Asset Size

(billion yen)



LTV/Total Assets, LTV Based on Appraisal Value and Interest-Bearing Debt

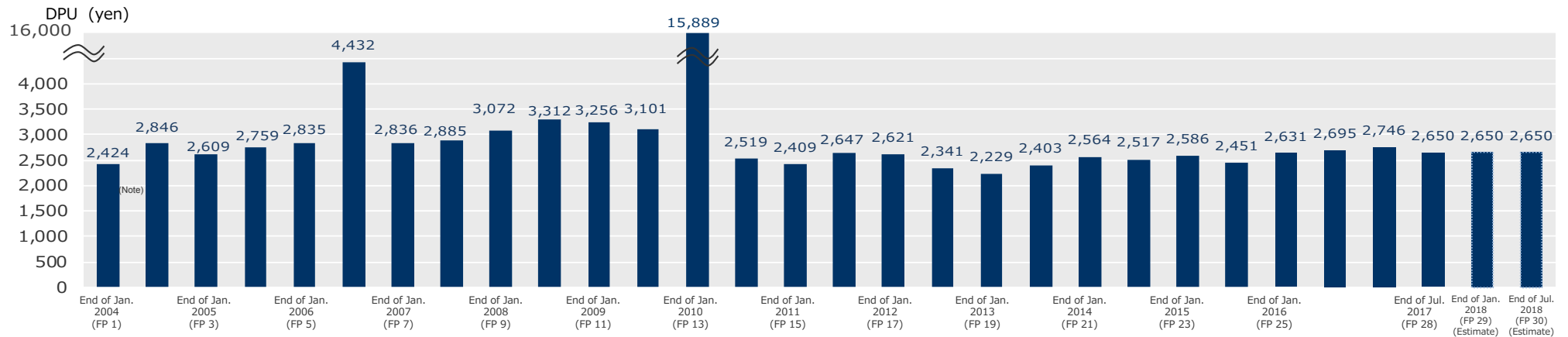


Track Records (4) (Investment Unit Price, Distribution, Distribution Yield and 10-yr JGB yield)

Investment Unit Price, Distribution Yield and 10-yr JGB Yield



Distribution

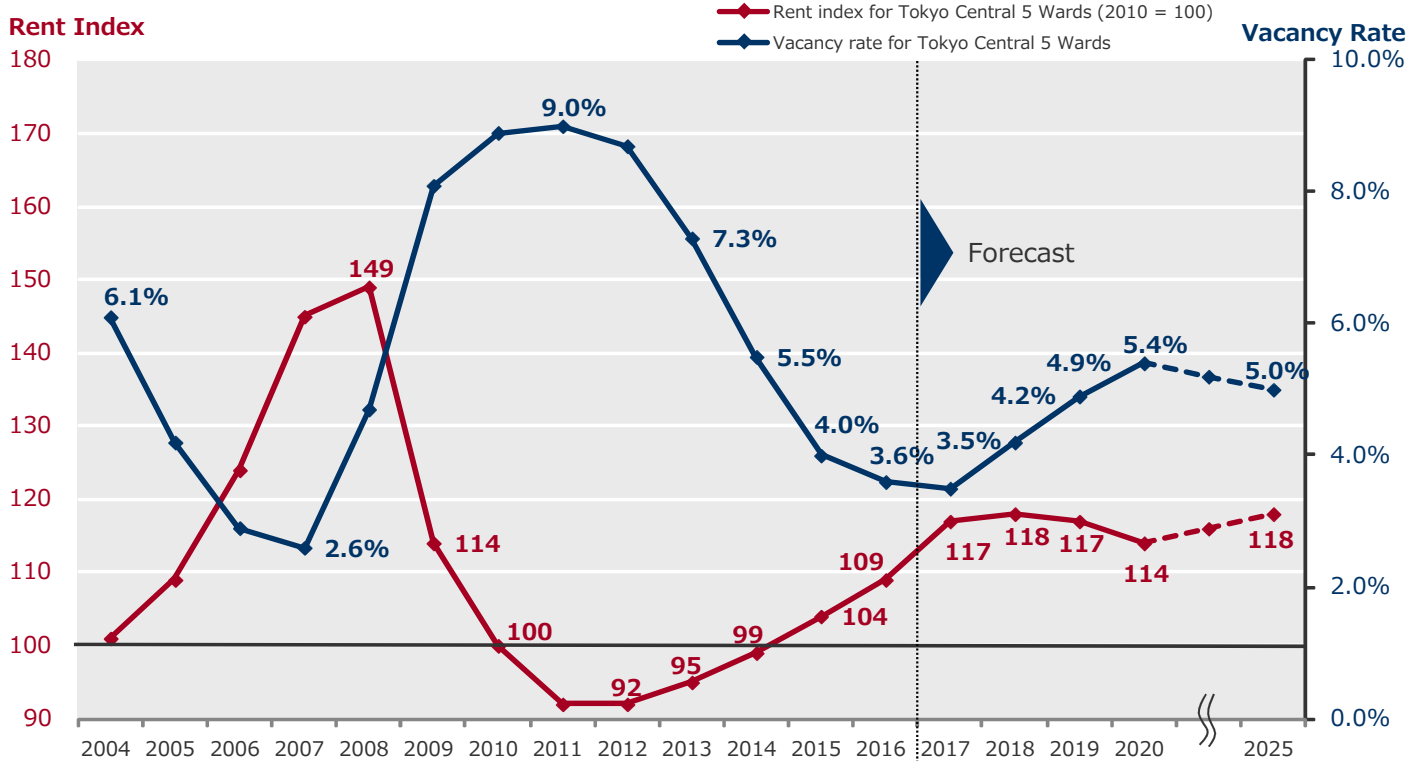


(Note 1) Official distribution per unit in the 1st period was ¥1,897 (adjusted for five-for-one split) based on the actual operating period of 144 days, but the recalculated distribution per unit of ¥2,424 based on 184 operating days is used in the above graph for the sake of comparison with figures from the 2nd period and thereafter.

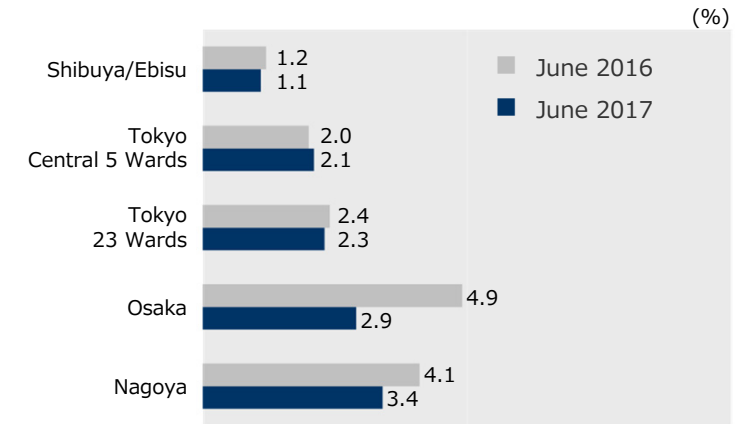
* Investment unit price and distribution per unit stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

Market Summary

Forecast of New Market Rents and Vacancy Rates for Office Properties (as announced on April 27, 2017)



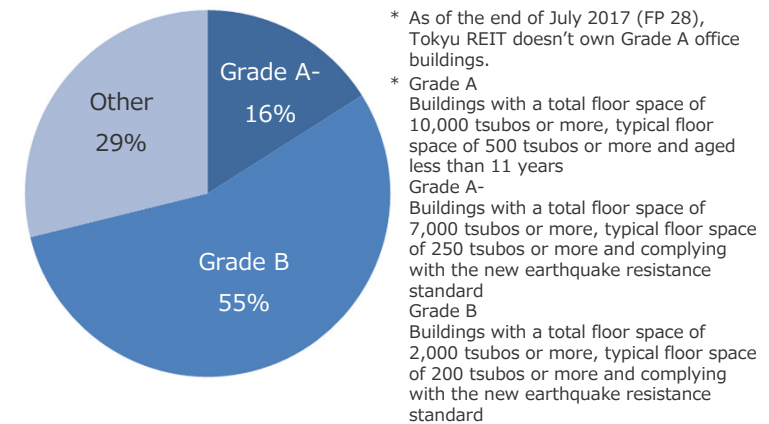
Vacancy Rate by Market (Office)



Source: CBRE K.K.
* All Grades. Vacancy is a count of properties that are available for immediate occupancy at the time of the count.

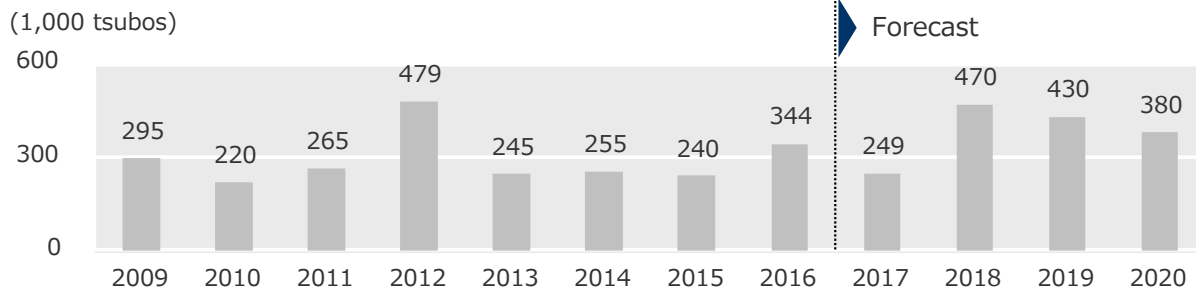
Ratio of Office Buildings Owned by Grade

(Based on acquisition price)



The impact of the future mass supply of office buildings (mainly Grade A buildings) is considered to be limited as the ratio of Grade A and A- buildings owned by Tokyu REIT is low

Forecast of New Supply Volume in Tokyo's Business Districts (Tokyo Central 5 Wards)



Source: Materials announced by Office Market Trends Research Committee (Japan Real Estate Institute and Miki Shoji Co., Ltd.) on April 27, 2017

4. Appendix

List of Sources of Funds for Interest-Bearing Debt

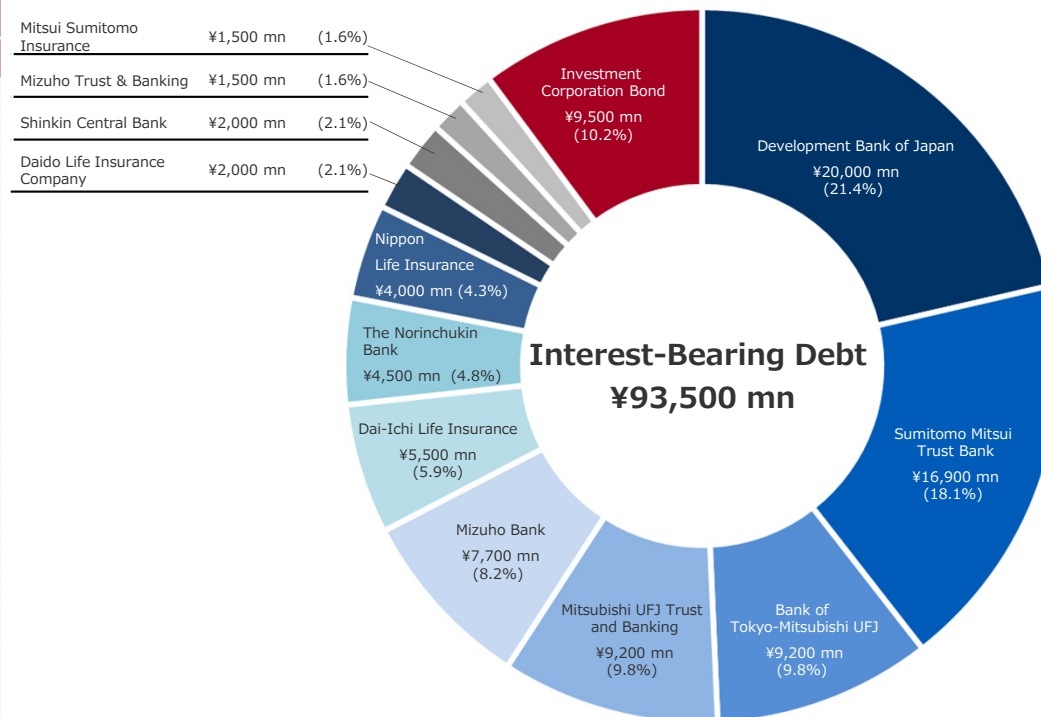
Aim to diversify and stabilize sources of funds.

■ Borrowings and Investment Corporation Bonds

Category	Lender	Amount	Interest Rate	Term	Debt Origination Date	Maturity	
		(¥ million)	(%)	(year)		Due Date	Period
Long term	Development Bank of Japan	5,000	1.95000	12.0	Jan. 25, 2006	Jan. 25, 2018	29th
	Nippon Life Insurance	2,000	1.49563	6.5	Jul. 29, 2011	Jan. 31, 2018	29th
	Bank of Tokyo-Mitsubishi UFJ	5,000	1.41375	6.5	Sep. 26, 2011	Mar. 26, 2018	30th
	Mizuho Bank	1,700	1.48875	7.0	Nov. 11, 2011	Nov. 11, 2018	31st
	Bank of Tokyo-Mitsubishi UFJ	2,000	1.37250	7.0	May 25, 2012	May 25, 2019	32nd
	Development Bank of Japan	4,000	1.48000	8.0	Jun. 25, 2012	Jun. 25, 2020	34th
	Sumitomo Mitsui Trust Bank	400	1.32375	7.0	Jun. 29, 2012	Jun. 29, 2019	32nd
	Mitsubishi UFJ Trust and Banking	400	1.32375	7.0	Jun. 29, 2012	Jun. 29, 2019	32nd
	Bank of Tokyo-Mitsubishi UFJ	1,400	1.32250	7.0	Aug. 29, 2012	Aug. 29, 2019	33rd
	Mitsubishi UFJ Trust and Banking	2,000	1.24625	7.0	Nov. 19, 2012	Nov. 19, 2019	33rd
	Mizuho Bank	500	1.23375	7.0	Dec. 25, 2012	Dec. 25, 2019	33rd
	Mitsubishi UFJ Trust and Banking	500	1.07500	5.0	Jun. 25, 2018	Jun. 25, 2018	30th
	Mitsubishi UFJ Trust and Banking	1,500	1.45125	7.0	Jun. 25, 2013	Jun. 25, 2020	34th
	Sumitomo Mitsui Trust Bank	2,900	1.53375	7.5	Jun. 25, 2013	Dec. 25, 2020	35th
	The Norinchukin Bank	500	1.47250	7.0	Jun. 27, 2013	Jun. 27, 2020	34th
	Mitsui Sumitomo Insurance	500	1.47250	7.0	Jun. 27, 2013	Jun. 27, 2020	34th
	Development Bank of Japan	1,000	1.91375	10.0	Jun. 27, 2013	Jun. 27, 2023	40th
	Mizuho Trust & Banking	1,500	1.91375	10.0	Jun. 27, 2013	Jun. 27, 2023	40th
	Dai-Ichi Life Insurance	2,500	1.51375	8.0	Jul. 31, 2013	Jul. 31, 2021	36th
	Dai-Ichi Life Insurance	2,000	0.99125	5.0	Jul. 31, 2013	Jul. 31, 2018	30th
	Nippon Life Insurance	500	1.51375	8.0	Jul. 31, 2013	Jul. 31, 2021	36th
	Sumitomo Mitsui Trust Bank	2,500	1.21000	7.0	Dec. 25, 2013	Dec. 25, 2020	35th
	Mitsubishi UFJ Trust and Banking	2,000	0.95625	5.5	Dec. 25, 2013	Jun. 25, 2019	32nd
	Dai-Ichi Life Insurance	1,500	0.95625	5.5	Dec. 25, 2013	Jun. 25, 2019	32nd
	Dai-Ichi Life Insurance	1,000	1.04625	6.0	Jan. 27, 2014	Jan. 27, 2020	33rd
	The Norinchukin Bank	3,000	0.85000	5.0	Jan. 27, 2014	Jan. 27, 2019	31st
	Development Bank of Japan	5,000	1.57750	10.0	Feb. 25, 2014	Feb. 25, 2024	42nd
	Mizuho Bank	1,000	1.05250	7.0	Jun. 25, 2014	Jun. 25, 2021	36th
	Mitsui Sumitomo Insurance	1,000	1.05250	7.0	Jun. 25, 2014	Jun. 25, 2021	36th
	Sumitomo Mitsui Trust Bank	1,600	0.96875	7.0	Oct. 22, 2014	Oct. 22, 2021	37th
	Bank of Tokyo-Mitsubishi UFJ	800	0.96875	7.0	Oct. 22, 2014	Oct. 22, 2021	37th
	Mizuho Bank	800	0.96875	7.0	Oct. 22, 2014	Oct. 22, 2021	37th
	Mitsubishi UFJ Trust and Banking	800	0.96875	7.0	Oct. 22, 2014	Oct. 22, 2021	37th
	Development Bank of Japan	5,000	1.26125	10.0	Jun. 25, 2015	Jun. 25, 2025	44th
	Shinkin Central Bank	2,000	0.99000	7.0	Jul. 27, 2015	Jul. 27, 2022	38th
	Sumitomo Mitsui Trust Bank	2,000	0.99000	7.0	Jul. 27, 2015	Jul. 27, 2022	38th
	Mizuho Bank	1,700	0.89250	7.0	Nov. 11, 2015	Nov. 11, 2022	39th
	Daido Life Insurance Company	500	0.85875	7.0	Dec. 25, 2015	Dec. 25, 2022	39th
	Daido Life Insurance Company	1,500	0.57130	7.0	Mar. 10, 2016	Mar. 10, 2023	40th
	Mitsubishi UFJ Trust and Banking	500	0.45630	7.0	Jun. 27, 2016	Jun. 27, 2023	40th
	Sumitomo Mitsui Trust Bank	3,500	0.56000	5.0	Dec. 27, 2016	Dec. 27, 2021	37th
	Nippon Life Insurance	1,500	0.50000	5.0	Jan. 31, 2017	Jan. 31, 2022	37th
	Sumitomo Mitsui Trust Bank	2,000	0.56093	5.0	May 18, 2017	May 25, 2022	38th
	Sumitomo Mitsui Trust Bank	1,000	0.55529	5.0	May 25, 2017	May 25, 2022	38th
	Sumitomo Mitsui Trust Bank	1,000	0.62116	6.5	May 25, 2017	Nov. 25, 2023	41st
Mizuho Bank	2,000	0.61773	6.5	Jun. 27, 2017	Dec. 27, 2023	41st	
The Norinchukin Bank	1,000	0.63573	6.5	Jul. 25, 2017	Jan. 25, 2024	41st	
Total Long-Term Borrowings	84,000	-	-	-	-	-	
Total Borrowings	84,000	-	-	-	-	-	
Bonds	#3 Investment Corporation Bond	3,000	1.47000	10.0	Oct. 22, 2012	Oct. 21, 2022	39th
	#4 Investment Corporation Bond	3,500	0.39900	5.0	Feb. 14, 2014	Feb. 14, 2019	32nd
	#5 Investment Corporation Bond	3,000	0.68200	7.0	Mar. 11, 2014	Mar. 11, 2021	36th
Total Investment Corporation Bonds	9,500	-	-	-	-	-	
Total Interest-Bearing Debt	93,500	-	-	-	-	-	

*Average Interest Rate: 1.21%

*Interest-Bearing Debt does not include Securities Deposits provided by tenants.



■ List of Commitment Line Limits

<Secure level to cover planned annual repayment amount>

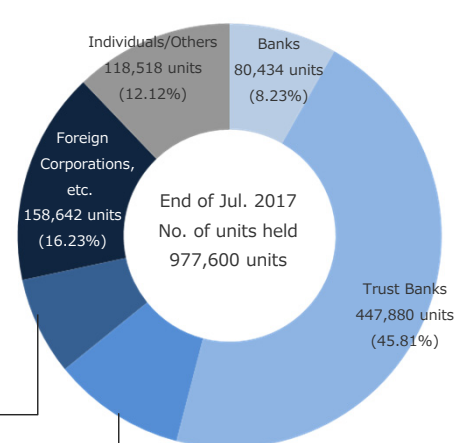
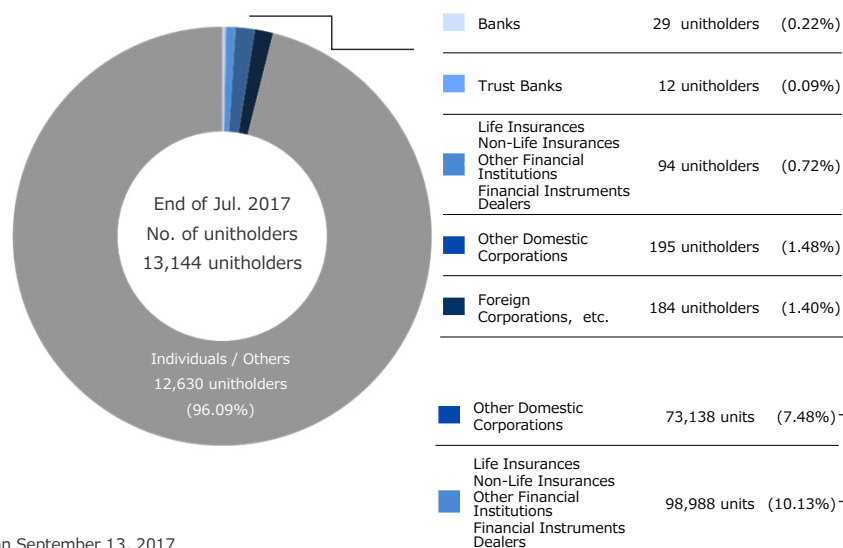
Lender	Amount
Development Bank of Japan	¥8,000 mn
Sumitomo Mitsui Trust Bank	¥2,000 mn
Sumitomo Mitsui Trust Bank	¥3,200 mn
Mizuho Bank	¥1,600 mn
Bank of Tokyo-Mitsubishi UFJ	¥1,600 mn
Mitsubishi UFJ Trust and Banking	¥1,600 mn
Total	¥18,000 mn

4. Appendix

Unitholders

■ Breakdown of Numbers of Unitholders and Investment Units by Owner Type

	End of Jan. 2017 (FP 27)				End of Jul. 2017 (FP 28)			
	No. of Unitholders (Party)	Ratio	No. of units held	Ownership ratio	No. of Unitholders (Party)	Ratio	No. of units held	Ownership ratio
Banks	33	0.26%	79,873	8.17%	29	0.22%	80,434	8.23%
Trust Banks	12	0.09%	460,847	47.14%	12	0.09%	447,880	45.81%
Life Insurances Non-Life Insurances Other Financial Institutions Financial Instruments Dealers	95	0.74%	118,371	12.11%	94	0.72%	98,988	10.13%
Other Domestic Corporations	185	1.45%	71,465	7.31%	195	1.48%	73,138	7.48%
Foreign Corporations, etc.	198	1.55%	129,972	13.30%	184	1.40%	158,642	16.23%
Individuals / Others	12,237	95.90%	117,072	11.98%	12,630	96.09%	118,518	12.12%
Total	12,760	100.00%	977,600	100.00%	13,144	100.00%	977,600	100.00%



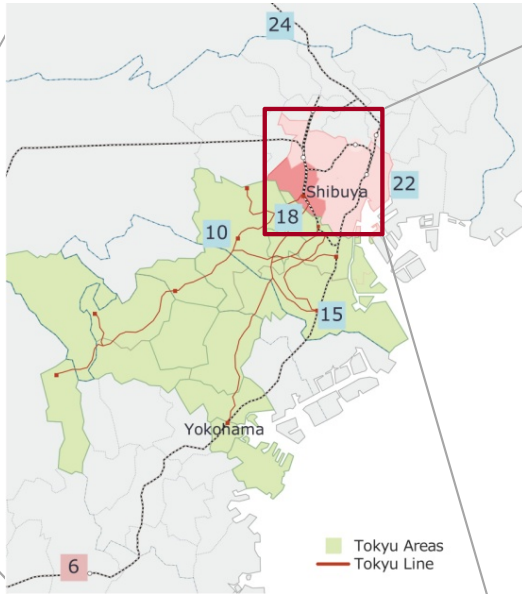
■ Top 20 Unitholders

	Unitholders	No. of units held	Ownership ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust)	237,115	24.25
2	Trust & Custody Services Bank, Ltd. (Trust)	87,429	8.94
3	The Master Trust Bank of Japan, Ltd. (Trust)	58,098	5.94
4	Tokyu Corporation	49,000	5.01
5	The Nomura Trust and Banking Co., Ltd. (Trust)	36,795	3.76
6	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	15,532	1.58
7	Asahi Fire and Marine Insurance	14,000	1.43
8	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	12,019	1.22
9	The Hachijuni Bank, Ltd.	11,170	1.14
10	BNP PARIBAS SECURITIES SERVICES SYDNEY/JASDEC/AUSTRALIAN RESIDENTS	11,073	1.13
11	STATE STREET BANK AND TRUST COMPANY 505223	11,058	1.13
12	STATE STREET BANK WEST CLIENT-TREATY 505234	11,011	1.12
13	Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	10,810	1.10
14	MetLife Insurance K.K.	10,500	1.07
15	LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	9,389	0.96
16	Mitsubishi UFJ Trust and Banking Corporation	9,196	0.94
17	The Hokkoku Bank, Ltd.	8,680	0.88
18	The Bank of Kyoto, Ltd.	8,422	0.86
19	Japan Trustee Services Bank, Ltd. (Trust 9)	8,091	0.82
20	JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	7,024	0.71
Total Units Held by Top 20 Unitholders		626,412	64.07
Outstanding Units		977,600	100.00

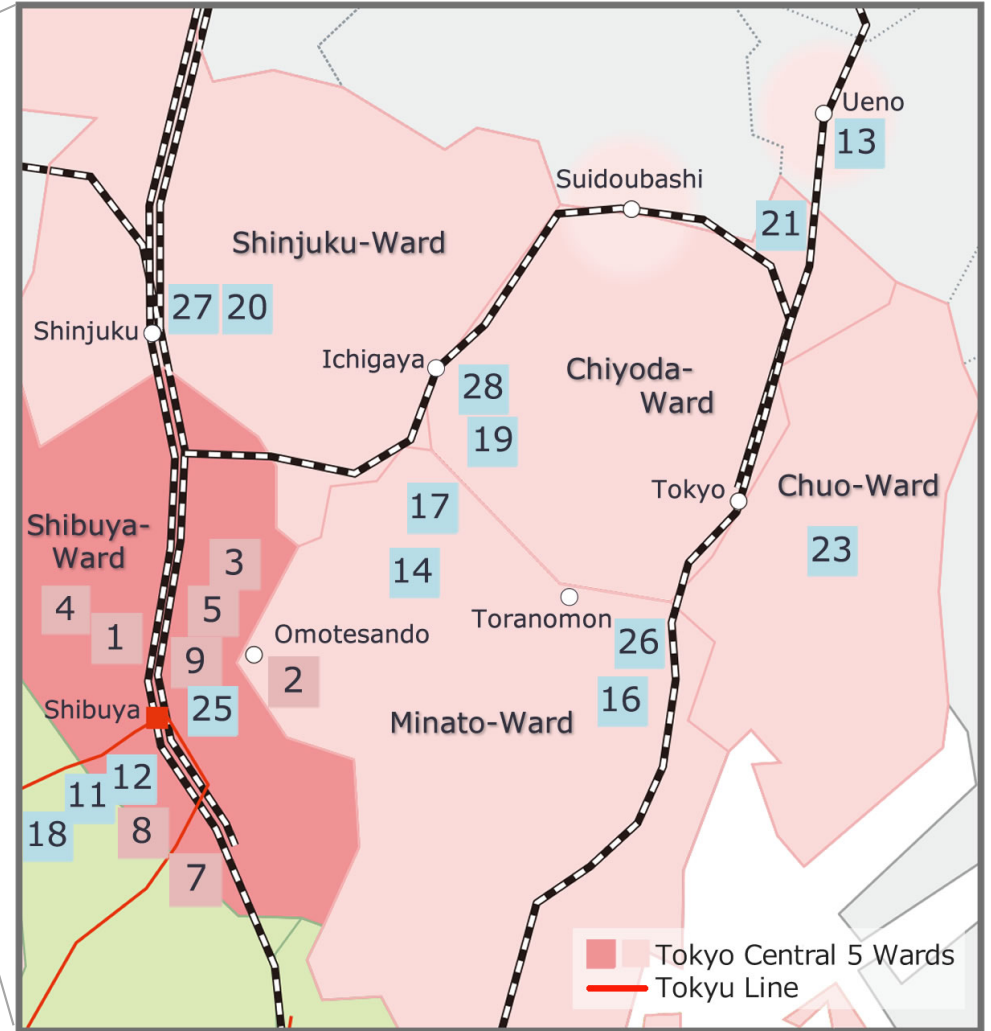
4. Appendix

Portfolio Map

<Tokyo Metropolitan Area>



<Tokyo Central 5 Wards>








1	QFRONT	15	TOKYU REIT Kamata Building
2	Lexington Aoyama	16	TOKYU REIT Toranomom Building
3	TOKYU REIT Omotesando Square	17	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)
4	TOKYU REIT Shibuya Udagawa-cho Square	18	Tokyu Ikejiri-ohashi Building
5	cocoti	19	Kojimachi Square
6	Shonan Mall Fill (Land with leasehold interest)	20	TOKYU REIT Shinjuku Building
7	CONZE Ebisu	21	Akihabara Sanwa Toyo Building
8	Daikanyama Forum	22	TOKYU REIT Kiba Building
9	KALEIDO Shibuya Miyamasuzaka	23	Tokyu Ginza 2-chome Building
10	Setagaya Business Square	24	OKI System Center (Land with leasehold interest)
11	Tokyu Nampeidai-cho Building	25	TOKYU REIT Shibuya R Building
12	Tokyu Sakuragaoka-cho Building	26	Tokyu Toranomom Building
13	Tokyo Nissan Taito Building	27	TOKYU REIT Shinjuku 2 Building
14	TOKYU REIT Akasaka Hinokicho Building	28	Tokyu Bancho Building

* Please refer to page 41 onward for details of each property

- Retail Properties
- Office Properties
- Properties contributed by sponsors





4. Appendix

Portfolio List (1)

Name of Property	Properties contributed by sponsors		Properties contributed by sponsors		Properties contributed by sponsors		Properties contributed by sponsors				
	1	QFRONT	2	Lexington Aoyama	3	TOKYU REIT Omotesando Square	4	TOKYU REIT Shibuya Udagawa-cho Square	5	cocoti	
											
Address	Udagawa-cho, Shibuya-ku, Tokyo		5-chome Minami-Aoyama, Minato-ku, Tokyo		4-chome Jingumae, Shibuya-ku, Tokyo		Udagawa-cho, Shibuya-ku, Tokyo		1-chome Shibuya, Shibuya-ku, Tokyo		
Nearest Station	Approx. 1-minute walk from Shibuya Station on the JR Yamanote and other lines		5-minute walk from Omotesando Station on the Tokyo Metro Ginza Line and other lines		Approx. 2-minute walk from Omotesando Station on the Tokyo Metro Ginza Line and other lines		Approx. 2-minute walk from Shibuya Station on JR Yamanote and other lines		Approx. 1-minute walk from Shibuya Station on the Tokyo Metro Ginza Line and other lines		
Acquisition Date	September 10, 2003		September 11, 2003		September 10, 2003		March 1, 2004		April 6, 2005 August 2, 2005 (Additional acquisition)		
Acquisition Price	15,100 million yen		4,800 million yen		5,770 million yen		6,600 million yen		24,500 million yen *Total price including those of additional acquisitions		
Appraisal Value as of the End of Period	27,200 million yen		5,410 million yen		7,660 million yen		12,000 million yen		20,400 million yen		
Total Land Space	784.26 m ² [Land included in the property trust totals 728.30 m ²]		776.59 m ²		1,259.21 m ²		679.27 m ²		1,705.35 m ²		
Total Floor Space	6,675.52 m ² [Exclusive area 4,804.46 m ²]		2,342.21 m ²		3,321.20 m ²		[Building1] 1,473.10 m ² [Building2] 56.39 m ²		11,847.87 m ²		
Structure / Floors	SRC/S B3/8F		S/SRC B1/4F		S/SRC B1/4F		[Building1] S, 3F [Building2] S, 2F		S/SRC B2/12F		
Completion Date (building age)	October 1999 (17.8 years)		January 1998 (19.6 years)		October 1985 (31.8 years)		[Building1] July 1998 (19.0 years) [Building2] June 1995 (22.1 years)		September 2004 (12.8 years)		
Type of Ownership	Land	Proprietary ownership		Proprietary ownership		Proprietary ownership		Proprietary ownership		Proprietary ownership	
	Building	Compartmentalized ownership		Proprietary ownership		Proprietary ownership		Proprietary ownership		Proprietary ownership	
Type of Holding Form	Trust beneficiary interest		Trust beneficiary interest		Trust beneficiary interest		Real estate		Trust beneficiary interest		
Number of Tenants	3		7		4		2		15		
Occupancy Rate	100%		100%		100%		100%		100%		
PML ratio	4.2%		2.3%		9.5%		7.3%		6.2%		


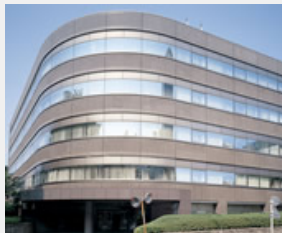



4. Appendix

Portfolio List (2)

Name of Property		6 Shonan Mall Fill (land with leasehold interest)	7 CONZE Ebisu	8 Daikanyama Forum	9 KALEIDO Shibuya Miyamasuzaka
					
Address		4-chome Tsujido- Shinmachi, Fujisawa-shi, Kanagawa	2-chome Ebisu-Minami, Shibuya-ku, Tokyo	Sarugaku-cho, Shibuya-ku, Tokyo	1-chome Shibuya, Shibuya-ku, Tokyo
Nearest Station		Approx. 3 minutes by bus or approx. 20-minute walk from Tsujido Station on the JR Tokaido Main Line	Approx. 2-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line	Approx. 6-minute walk from Daikanyama Station on the Tokyu Toyoko Line	Approx. 1-minute walk from Shibuya Station on the Tokyo Metro Ginza Line and other lines
Acquisition Date		April 28, 2006	October 31, 2006	April 22, 2008	August 16, 2013
Acquisition Price		6,810 million yen	5,117 million yen	4,136 million yen	5,150 million yen
Appraisal Value as of the End of Period		6,430 million yen	4,760 million yen	3,330 million yen	7,170 million yen
Total Land Space		44,078.12 m ²	562.07 m ²	Building 1 (East): Site rights area 942.30 m ² Building 2 (West): Site rights area 1,108.01 m ²	821.65 m ²
Total Floor Space		-	2,789.35 m ²	Building 1 (East): 1,441.57 m ² Building 2 (West): 2,388.70 m ² [Exclusive area: 1,182.62 m ²]	4,475.10 m ²
Structure / Floors		-	S/SRC B1/9F	Building 1 (East): RC, B1/2F Building 2 (West): RC, B1/5F	S/RC B4/6F
Completion Date (building age)		-	March 2004 (13.4 years)	February 1993 (24.4 years)	January 1992 (25.5 years)
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership	Building 1 (East): Proprietary Ownership Building 2 (West): Proprietary Ownership [Co-ownership ratio: 64.13%]	Proprietary Ownership
	Building	-	Proprietary Ownership	Compartmentalized ownership	Proprietary Ownership
Type of Holding Form		Trust beneficiary interest	Real estate	Real estate	Trust beneficiary interest
Number of Tenants		1	8	5	7
Occupancy Rate		100%	100%	100%	85.3%
PML ratio		-	4.1%	8.0%	4.4%





4. Appendix

Portfolio List (3)

Name of Property	Properties contributed by sponsors		Properties contributed by sponsors		Properties contributed by sponsors		Properties contributed by sponsors			
	10	Setagaya Business Square	11	Tokyu Nampeidai-cho Building	12	Tokyu Sakuragaoka-cho Building	13	Tokyo Nissan Taito Building	14	TOKYU REIT Akasaka Hinokicho Building
										
Address	4-chome Yoga, Setagaya-ku, Tokyo		Nampeidai-cho, Shibuya-ku, Tokyo		Sakuragaoka-cho, Shibuya-ku, Tokyo		2-chome Motoasakusa, Taito-ku, Tokyo		6-chome Akasaka, Minato-ku, Tokyo	
Nearest Station	Approx. 1-minute walk from Yoga Station on the Tokyu Den-en-toshi Line		Approx. 7-minute walk from Shibuya Station on the JR Yamanote Line and other lines		Approx. 5-minute walk from Shibuya Station on the JR Yamanote Line and other lines		Approx. 3-minute walk from Inaricho Station on the Tokyo Metro Ginza Line		Approx. 4-minute walk from Akasaka Station on the Tokyo Metro Chiyoda Line	
Acquisition Date	September 11, 2003		September 11, 2003		September 11, 2003		September 11, 2003		September 10, 2003	
Acquisition Price	22,400 million yen		4,660 million yen		6,620 million yen		4,450 million yen		3,570 million yen	
Appraisal Value as of the End of Period	18,700 million yen		5,750 million yen		9,440 million yen		5,400 million yen		4,410 million yen	
Total Land Space	21,315.68 m ²		2,013.28 m ²		1,013.03 m ²		1,718.45 m ²		866.61 m ²	
Total Floor Space	94,373.72 m ²		7,003.88 m ²		6,505.39 m ²		11,373.20 m ²		4,058.92 m ²	
Structure / Floors	SRC/RC/S B2/28F		S/SRC B2/5F		SRC B3/9F		SRC B2/10F		RC 7F	
Completion Date (building age)	September 1993 (23.8 years)		July 1992 (25.0 years)		June 1987 (30.2 years)		September 1992 (24.9 years)		August 1984 (32.9 years)	
Type of Ownership	Land	Proprietary Ownership [Co-ownership ratio: 55%]	Proprietary Ownership		Proprietary Ownership		Proprietary Ownership		Proprietary Ownership	
	Building	Proprietary Ownership [Co-ownership ratio: 55%]	Proprietary Ownership		Compartmentalized ownership * Compartmentalized ownership of whole building are entrusted.		Proprietary Ownership		Proprietary Ownership	
Type of Holding Form	Trust beneficiary interest		Trust beneficiary interest		Trust beneficiary interest		Trust beneficiary interest		Trust beneficiary interest	
Number of Tenants	67		1		2		11		3	
Occupancy Rate	95.8%		100%		100%		93.8%		100%	
PML ratio	2.9%		7.9%		11.1%		7.4%		11.2%	




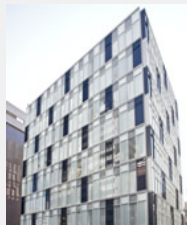

4. Appendix

Portfolio List (4)

Name of Property		15 TOKYU REIT Kamata Building	16 TOKYU REIT Toranomon Building	Properties contributed by sponsors 17 Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Properties contributed by sponsors 18 Tokyu Ikejiri-ohashi Building	Properties contributed by sponsors 19 Kojimachi Square
						
Address		5-chome Kamata, Ota-ku, Tokyo	3-chome Toranomon, Minato-ku, Tokyo	4-chome Akasaka, Minato-ku, Tokyo	3-chome Higashiyama, Meguro-ku, Tokyo	Nibancho, Chiyoda-ku, Tokyo
Nearest Station		Approx. 3-minute walk from Kamata Station on the JR Keihin Tohoku Line and other lines	Approx. 1-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line	Approx. 4-minute walk from Akasaka-mitsuke Station on the Tokyo Metro Ginza Line and other lines	Approx. 5-minute walk from Ikejiri-ohashi Station on the Tokyu Den-en-toshi Line	Approx. 1-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line
Acquisition Date		September 10, 2003	December 15, 2004 September 21, 2007 (Additional acquisition) October 26, 2007 (Additional acquisition) January 21, 2015 (Additional acquisition)	January 31, 2008	March 28, 2008	March 19, 2010
Acquisition Price		4,720 million yen	10,177 million yen *Total price including those of additional acquisitions	8,500 million yen	5,480 million yen	9,030 million yen
Appraisal Value as of the End of Period		5,240 million yen	10,700 million yen	7,110 million yen	5,730 million yen	8,830 million yen
Total Land Space		1,642.86 m ²	1,728.38 m ² [Co-ownership ratio: 86.116%]	712.49 m ²	2,382.67 m ²	1,269.24 m ²
Total Floor Space		10,244.51 m ²	15,343.73 m ² [Area owned by TOKYU REIT: 10,882.65 m ²]	5,002.36 m ²	7,619.56 m ²	6,803.47 m ²
Structure / Floors		S/SRC B1/9F	SRC/RC B2/9F	S/SRC B1/9F	SRC 7F	S/RC B1/7F
Completion Date (building age)		February 1992 (25.5 years)	April 1988 (29.2 years)	February 2003 (14.5 years)	October 1989 (27.7 years)	January 2003 (14.5 years)
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership [Co-ownership ratio: 86.116%]	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership
	Building	Proprietary Ownership	Compartmentalized Ownership and Co-ownership of Compartmentalized Ownership	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership
Type of Holding Form		Trust beneficiary interest	Real estate	Trust beneficiary interest	Trust beneficiary interest	Trust beneficiary interest
Number of Tenants		5	10	1	6	7
Occupancy Rate		100%	88.4%	100%	100%	100%
PML ratio		7.7%	7.2%	3.9%	5.8%	4.8%




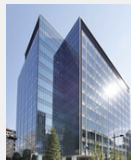
4. Appendix

Portfolio List (5)

Name of Property	20 TOKYU REIT Shinjuku Building	21 Akihabara Sanwa Toyo Building	22 TOKYU REIT Kiba Building	<small>Properties contributed by sponsors</small> 23 Tokyu Ginza 2-chome Building	24 OKI System Center (land with leasehold interest)
					
Address	4-chome Shinjuku, Shinjuku-ku, Tokyo	3-chome Soto-Kanda, Chiyoda-ku, Tokyo	3-chome Toyo, Koto-ku, Tokyo	2-chome Ginza, Chuo-ku, Tokyo	1-chome Chuo, Warabi-shi, Saitama
Nearest Station	Approx. 1-minute walk from Shinjuku-Sanchome Station on the Tokyo Metro Marunouchi Line and other lines Approx. 4-minute walk from Shinjuku Station on the JR Yamanote Line and other lines	Approx. 1-minute walk from Suehirocho Station on the Tokyo Metro Ginza Line	Approx. 2-minute walk from Kiba Station on the Tokyo Metro Tozai Line	Approx. 2-minute walk from Shintomicho Station on the Tokyo Metro Yurakucho Line Approx. 8-minute walk from Ginza Station on the Ginza Line and other lines	Approx. 4-minute walk from Warabi Station on the JR Keihin Tohoku Line
Acquisition Date	March 26, 2010	October 29, 2010	October 29, 2010	February 15, 2011	March 27, 2013
Acquisition Price	9,000 million yen	4,600 million yen	4,000 million yen	5,010 million yen	4,530 million yen
Appraisal Value as of the End of Period	11,000 million yen	6,100 million yen	3,960 million yen	5,020 million yen	5,120 million yen
Total Land Space	1,113.87 m ²	795.33 m ²	1,259.52 m ²	805.42 m ²	17,019.18 m ²
Total Floor Space	8,720.09 m ²	5,704.69 m ²	7,513.09 m ² [Including parking spaces (41.74 m ²)]	5,098.61 m ²	-
Structure / Floors	SRC 10F	SRC B1/8F	SRC 10F	S/RC B1/8F	-
Completion Date (building age)	May 2003 (14.2 years)	September 1985 (31.9 years)	February 1992 (25.5 years)	August 2008 (8.9 years)	-
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership
	Building	Proprietary Ownership	Compartmentalized Ownership <small>* Compartmentalized ownership of whole building are entrusted.</small>	Proprietary Ownership	Proprietary Ownership
Type of Holding Form	Real estate	Trust beneficiary interest	Trust beneficiary interest	Real estate	Real estate
Number of Tenants	9	6	6	2	1
Occupancy Rate	92.9%	100%	100%	100%	100%
PML ratio	4.2%	11.8%	7.4%	4.4%	-

4. Appendix

Portfolio List (6)

Name of Property		Properties contributed by sponsors	Properties contributed by sponsors		
25 TOKYU REIT Shibuya R Building		26 Tokyu Toranomom Building	27 TOKYU REIT Shinjuku 2 Building		
					
					
Address		3-chome Shibuya, Shibuya-ku, Tokyo	1-chome Toranomom, Minato-ku, Tokyo	4-chome Shinjuku, Shinjuku-ku, Tokyo	Yonbancho, Chiyoda-ku, Tokyo
Nearest Station		Approx. 2-minute walk from Shibuya Station on the JR Yamanote Line and other lines	Approx. 3-minute walk from Toranomom Station on the Tokyo Metro Ginza Line	Approx. 1-minute walk from Shinjuku-Sanchome Station on the Tokyo Metro Marunouchi Line and other lines Approx. 4-minute walk from Shinjuku Station on the JR Yamanote Line and other lines	Approx. 3-minute walk from Ichigaya Station on the JR Chuo Line and other lines
Acquisition Date		August 16, 2013	August 16, 2013 January 9, 2015 (Additional acquisition)	October 30, 2015	March 24, 2016
Acquisition Price		5,270 million yen	16,850 million yen * Total price including those of additional acquisitions	2,750 million yen	12,740 million yen
Appraisal Value as of the End of Period		8,950 million yen	19,800 million yen	2,860 million yen	13,800 million yen
Total Land Space		1,077.45 m ² [Area owned by Tokyu REIT: 819.41 m ²]	2,016.83 m ²	270.05 m ²	2,754.18 m ² [Land included in the property trust totals: 2,573.80 m ²]
Total Floor Space		7,289.38 m ² [Including parking spaces (41.18 m ²)] [Area owned by Tokyu REIT: 4,403.69 m ²]	11,983.09 m ²	2,006.13 m ²	15,834.55 m ² [Exclusive ownership area of compartments under compartmentalized ownership pertaining to property trust: 11,431.09 m ²]
Structure / Floors		SRC *Parking space: S B1/9F	S 10F	S 10F	S 11F
Completion Date (building age)		March 1990 (27.3 years)	April 2010 (7.3 years)	December 1991 (25.6 years)	September 2011 (5.8 years)
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership [Quasi-co-ownership interest of trust beneficiary interest: 49%]
	Building	Compartmentalized Ownership and Co-ownership of Compartmentalized Ownership	Proprietary Ownership	Proprietary Ownership	Compartmentalized ownership [Quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest: 49%]
Type of Holding Form		Real estate	Real estate	Real estate	Trust beneficiary interest
Number of Tenants		11	3	2	7
Occupancy Rate		100%	100%	100%	100%
PML ratio		5.9%	5.4%	4.2%	3.3%

Environmental Measures

TOKYU REIT will continue to implement environmentally-friendly operations.

■ **DBJ Green Building Certification**

The DBJ Green Building Certification program is a certification program to evaluate real estate demonstrating environmental and social awareness in five grades with a scoring model developed originally by Development Bank of Japan Inc.



DBJ Green Building
2016 

Properties with exceptionally high environmental & social awareness



Setagaya Business Square

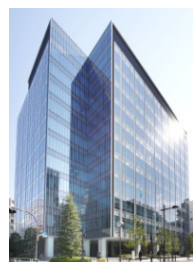


DBJ Green Building
2016 

Properties with excellent environmental & social awareness



cocoti



Tokyu Bancho Building

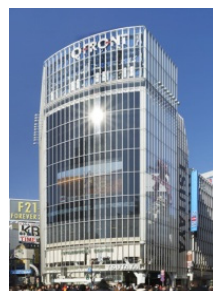


DBJ Green Building
2016 

Properties with high environmental & social awareness



Tokyu Toranomom Building



QFRONT

■ **Continuously acquired "Green Star" rating, the highest category in the GRESB Survey**

Tokyu REIM has participated in GRESB survey since 2014 by placing TOKYU REIT as the target. Continuously acquired "Green Star" rating, the highest category, from 2015



GRESB
(Global Real Estate Sustainability Benchmark)

Benchmark developed by a group of leading western pension funds. Evaluates the sustainability consideration of real estate companies and the managing entities, and is being utilized by some major institutional investors, for example when selecting investment targets.

■ **Continuously acquired "Class S," the highest ranking, in the classification and evaluation system of businesses based on the Energy Conservation Law**

Tokyu REIT continuously acquired "Class S," the highest ranking, in the system from fiscal 2015. The classification and evaluation system of businesses is a system to classify all businesses submitting regular reports on measures at factories and workplaces with regard to the "Act on the Rational Use of Energy (Energy Conservation Law)" into four classes of S, A, B and C (Note). Prime businesses (Class S) will be announced on the website of the Ministry of Economy, Trade and Industry by business category.

(Note) Class S Business:

Those whose 5-year average original unit price decreased by 1% or more (target) or those who achieved the benchmark target in the regular report (as of the end of March in fiscal 2017)

Class A Business:

Those that don't fall under the category of Class S and Class B businesses

Class B Business:

Those whose target haven't been achieved and whose original unit price increased year-on-year for the most recent two consecutive years or whose 5-year average original unit price increased by more than 5% in the regular report

Class C Business:

Those whose efforts on energy saving are judged to be especially insufficient

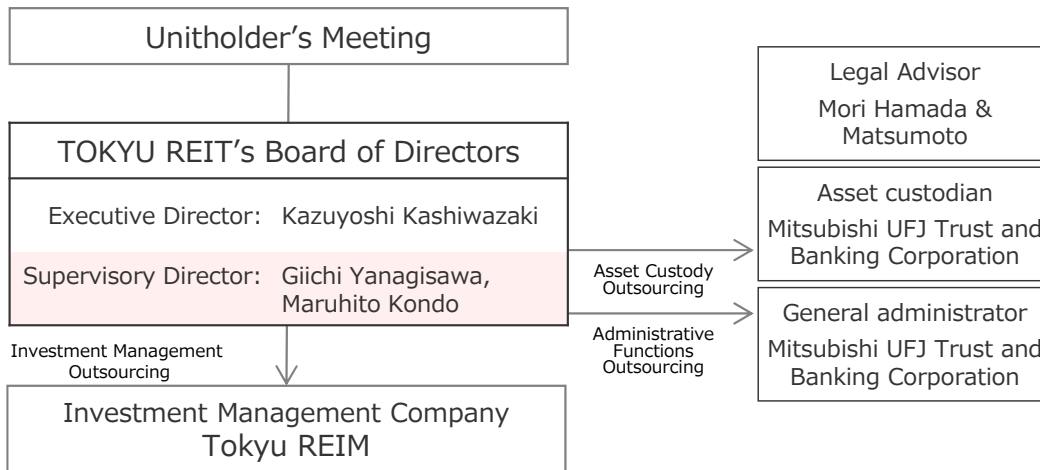
4. Appendix

Governance of TOKYU REIT (1)

■ Governance Structure of TOKYU REIT Involvement of independent outside board members



Accounting Auditor: PricewaterhouseCoopers Aarata LLC



Status of Board of Directors' Meetings Held (FP ended Jul 2017 (FP 28))

- 11 meetings held (1.8 meetings per month)
- 24 resolutions and 88 reports in total (2.1 resolutions and 8 reports per meeting in average)
- Attendance
 - Kazuyoshi Kashiwazaki (Executive Director) 100%
 - Giichi Yanagisawa (Supervisory Director) 100%
 - Maruhito Kondo (Supervisory Director) 100%
 - General Administrator 100%

Cooperation between Supervisory Directors and Accounting Auditor

- Accounting Auditor and directors of TOKYU REIT meet each period to exchange information
 - Financials in (FP ended Jul 2017 (FP 28)) were audited by:
 - Company: PricewaterhouseCoopers Aarata LLC
 - Name: Takashi Sasaki (3 period), Takeshi Yamaguchi (1 period)
- *() indicates number of continuous audit periods to date

TOKYU REIM (Investment management company)

Accounting Auditor: Ernst & Young ShinNihon LLC



Board of Directors

Function: Decision-making on management strategy

Members: Representative director & president, representative director & executive vice president, 2 full-time directors, and 4 directors (part-time) from sponsor and 2 auditors (part-time)

Compliance and Risk Management Committee

Function: Advisory on compliance and risk management, and related parties transactions

Members: 2 directors (part-time), and 2 **external committee members**

Investment Committee

Function: Advisory on investment decisions

Members: Representative director & president [committee chairman], representative director & executive vice president, 3 directors and 1 appraiser

■ Investment Management Fee

Incentive system which “the Investment Management Company is in the same boat as unitholders”

Investment management fee is linked to “appraisal value of assets,” “cash flow” and “price of investment unit,” which are the three indexes indicating unitholder value, and acquisition incentive fees, etc. that are not recorded in the income statement are not adopted

<Investment management fee structure and remuneration>

Remuneration	Criteria for calculation	Remuneration (FP ended Jul 2017)
	Reason for adoption	
Base 1 (Linked to asset valuation)	Asset value at end of previous period × 0.125% (0.120% for the portion exceeding 200 billion yen and 300 billion yen or less) (0.115% for the portion exceeding 300 billion yen)	¥304 mn
	It will be linked not to the total investment amount but to the total asset valuation and motivate the enhancement of asset value even after the acquisition of properties	
Base 2 (Linked to cash flow)	Standard cash flow in current period ^(Note) × 6.0% (5.7% for the portion exceeding 5.0 billion yen and 7.5 billion yen or less) (5.4% for the portion exceeding 7.5 billion yen)	¥234 mn
	Motivating the increase of distributions through the increase in rent revenue and reduction of expenses	
Incentive Fee (Linked to investment unit price)	(Average price in current period - Highest average price over all previous periods) × number of units × 0.4%	Not occurred
	It will motivate the increase in investment unit price and efforts on the overall asset management business such as finance, IR, governance and compliance in addition to the normal asset management business will be enriched	

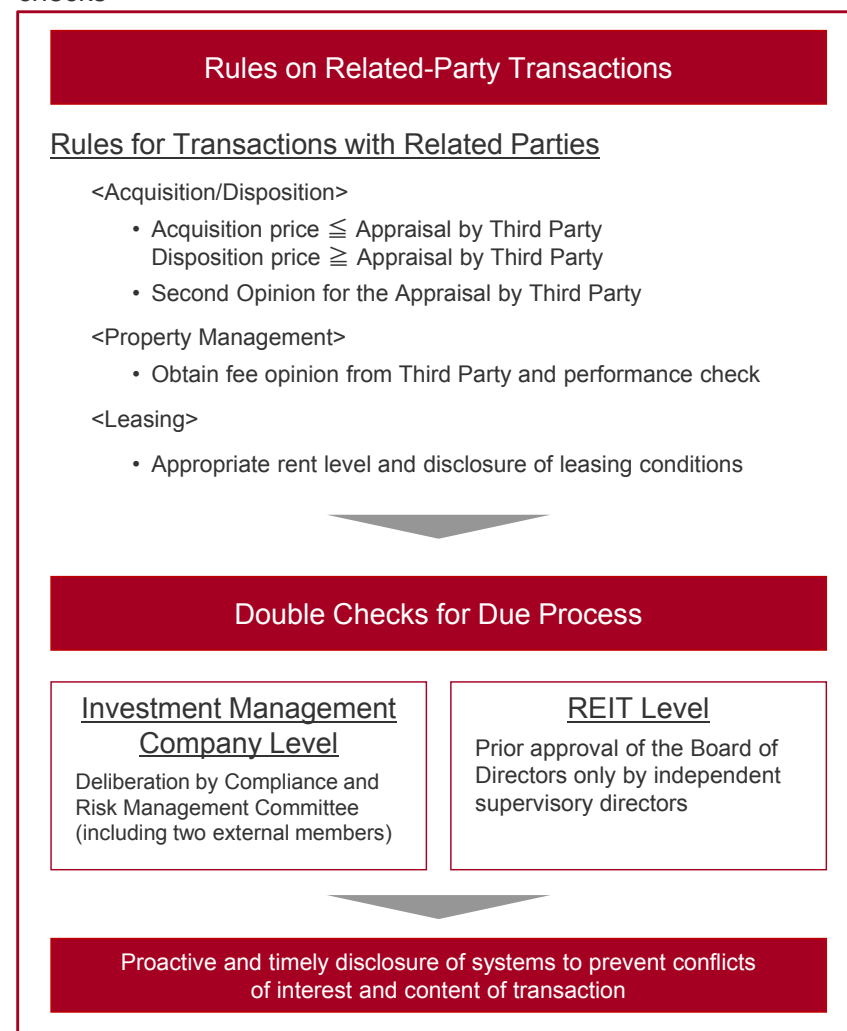
(Note) Standard cash flow here shall be the amount derived by subtracting an amount equivalent to 50% each of profit or loss from the sale of specified assets and profit or loss from the valuation of specified assets from the net income before income taxes, plus depreciation and amortization of deferred assets.

* Apart from the above, TOKYU REIT pays predetermined fees, etc. to an asset custodian, general administrators, property management companies and an independent auditor, among others.

■ Measures Against Conflicts of Interest

Strict rules support sponsor collaboration

Development of self-imposed rules on transactions with related parties and measures to avoid conflicts of interest through multiple checks



Overview of Investment Management Company



■ Company Overview

Name : **Tokyu Real Estate Investment Management Inc.**

Address : Shibuya Mark City West 11F, 1-12-1 Dogenzaka
Shibuya-ku, Tokyo

Established : June 27, 2001

Paid-in Capital : 300 million yen
(Number of shares issued and outstanding: 6,000)

Representative : Representative Director & President, Chief Executive Officer
Kazuyoshi Kashiwazaki

Shareholders and
ratio of shareholding : Tokyu Corporation 100%

Number of employees : 50 (Excludes part-time executives)

Registration/Approval, etc. : Acquired Real Estate Brokerage License
(No.79964 Governor of Tokyo)

Acquired discretionary transaction agent approval in
accordance with the Building Lots and Building Transactions
Business Law
(Ministry of Land, Infrastructure, Transport and Tourism No.17)

Registered as a General Real Estate Investment Management
Company
(No. 016)

Registered as a Financial Instruments Dealer
(Kanto Financial Bureau (Kin-sho) No.360)

■ Content of IR Activities

Costs of TOKYU REIT's IR activities are borne by TOKYU REIM

<Major activities conducted in FP ended Jan. 2017 (FP 27) and FP ended Jul. 2017 (FP 28)>

- Participated in a conference targeting foreign institutional investors
- Held seminars at branch offices of securities companies centering on Tokyu Areas targeting individual investors
- Participated in "ARES J-REIT Caravan 2017"
- Participated in "Daiwa J-REIT Festa 2017"
- Participated in seminars for individual investors held by securities companies
- Conducted property viewing tours and other activities for institutional investors



ARES J-REIT Caravan
(Kawagoe)

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Information provided in this material is requested in the Financial Instruments and Exchange Law, laws concerning investment trusts and investment corporations and government ordinances pertaining to them, Cabinet Office Ordinance, regulations as well as listing regulation of Tokyo Stock Exchange and regulation of Investment Trusts Association, etc. and are not disclosure documents or management reports based on them.

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This document contains 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.

Numbers for the same item may be different from other disclosure materials due to difference in rounding.

Dates indicated in this document may differ from business days for the convenience of preparing charts.

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