

# The Fiscal Period Ended January 2018 (29th Fiscal Period) FINANCIAL RESULTS PRESENTATION

Aiming to be a 100-year REIT

**TOKYU REIT, Inc.**

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



Status of development surrounding Shibuya Station (Photographed in February 2018)

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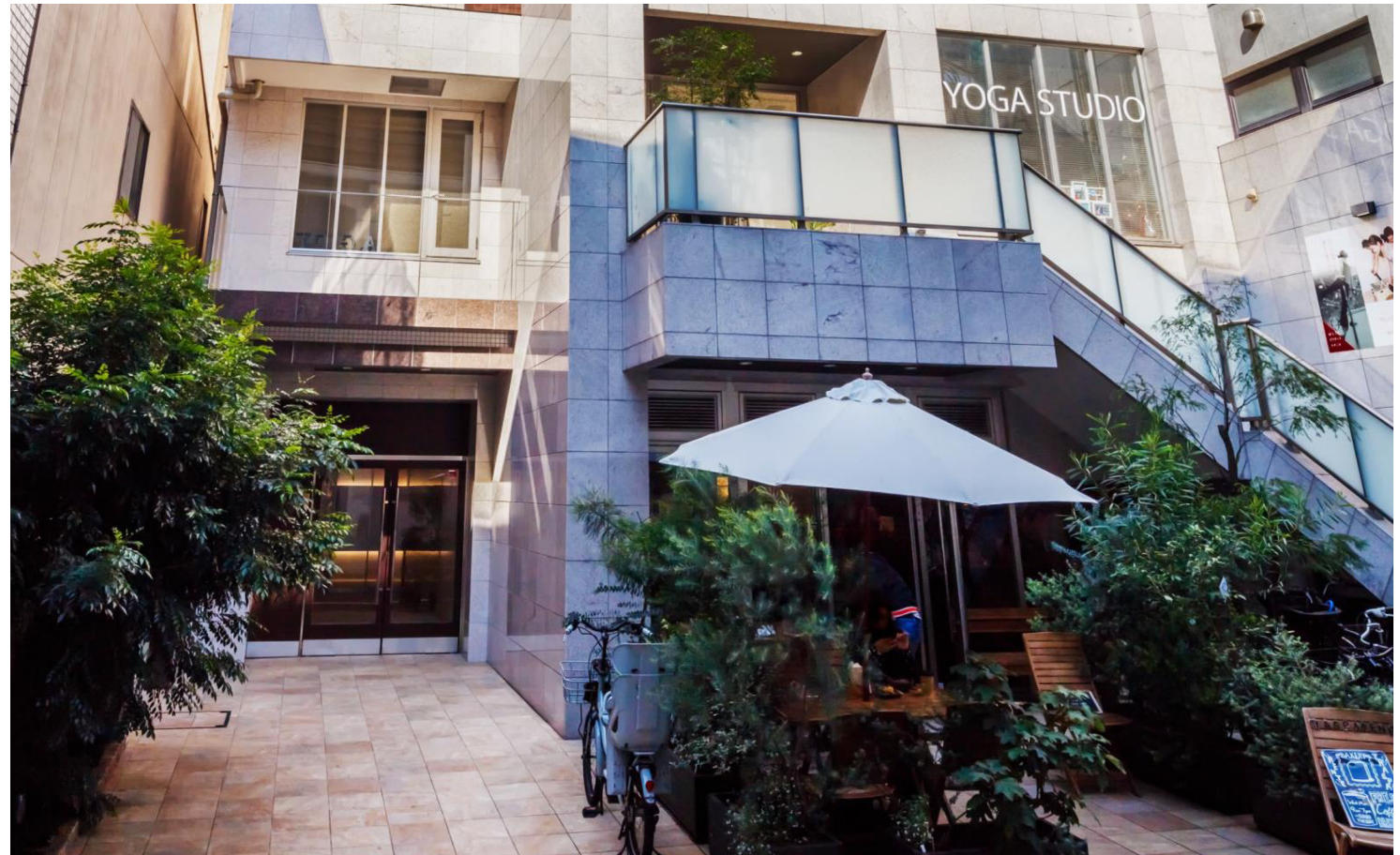
## 5. Appendix 31 –

## 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"> <li>1. Tokyu Corporation</li> <li>2. A consolidated subsidiary of Tokyu Corporation</li> <li>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%.</li> </ol>
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"> <li>1. "Affiliates of Tokyu Corporation except Tokyu Corporation's subsidiaries" refers to affiliates within the scope of consolidation of Tokyu Corporation.</li> <li>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"> <li>(i) Tokyu Fudosan Holdings Corporation ("Tokyu Fudosan Holdings")</li> <li>(ii) A consolidated subsidiary of Tokyu Fudosan Holdings</li> <li>(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%.</li> </ol> </li> </ol>
Tsubo	1 tsubo is approximately 3.305m <sup>2</sup>

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

# 1. Financial Results Overview and Forecast



Maison Peony Toritsudaigaku

## Executive Summary

Trend of revenue increase continues with the progress of internal growth

### Period Ended January 2018 (FP 29) Actual

#### Internal Growth

- Period-end occupancy rate: 99.7% (+1.4pts)
- Rent increase associated with rent revision  
Upward rent revision rate of areas subject to rent revision  
(based on area): 37%  
Increase rate: 5.7%

**NOI: 4,797 million yen**  
(Comparison with previous period: +166 million yen)  
(Comparison with forecast : +51 million yen)

#### Finance, etc.

- Interest expenses: Change of -¥10 mn  
(Average interest rate: 1.17% (-0.04pts))
- LTV based on appraisal value: 38.2% (-0.6pts)
- Acquisition capacity<sup>(Note)</sup>: ¥60,906 mn (+¥4,375 mn)

**Net income per unit: 2,550 yen** (Comparison with previous period +141 yen, comparison with forecast +48 yen)

**Amount of reversal of reserve for reduction entry per unit** : 99 yen (Comparison with forecast -48 yen)

**Distribution per unit: 2,650 yen** (Same amount as previous period and forecast)

**NAV per unit: 162,151 yen** (Comparison with previous period: +5,425 yen)

### Period Ending July 2018 (FP 30) Onward Forecast

#### Internal Growth

- Maintaining high occupancy rate  
Period end occupancy rate  
End of Fiscal Period Ending July 2018 (FP 30): 99.0% (-0.7pts)  
End of Fiscal Period Ending January 2019 (FP 31): 99.1% (+0.1pts)
- Revenue increased due to the termination of free rent period

**NOI: Fiscal Period Ending July 2018 (FP 30):**  
**4,897 million yen (+100 million yen)**  
Fiscal Period Ending January 2019 (FP 31):  
**4,963 million yen (+65 million yen)**

#### Finance, etc.

- Reduction of interest cost through refinancing  
(Average interest rate)  
Fiscal Period Ending July 2018 (FP 30): 1.07% (-0.10pts)  
Fiscal Period Ending January 2019 (FP 31): 1.04% (-0.03pts)

**Net income per unit:**  
Fiscal Period Ending July 2018 (FP 30) : **2,670 yen**  
Fiscal Period Ending January 2019 (FP 31) : **2,730 yen**

**Distribution per unit:**  
Fiscal Period Ending July 2018 (FP 30): **2,670 yen**  
Fiscal Period Ending January 2019 (FP 31): **2,730 yen**

# 1. Financial Results Overview and Forecast

## Financial Results Overview (FP ended Jan. 2018 (FP 29))

Revenue increased from the previous period and forecast with the progress of internal growth. Distribution per unit became 2,650 yen with partial reversal of reserve for reduction entry

### Income Statement (P/L) and Distribution per Unit

Unit: million yen

Item	FP ended Jan. 2018 Actual (FP 29)	FP ended Jul. 2017 Actual (FP 28)	Changes	FP ended Jan. 2018 Forecast (FP 29) As of Sep. 13, 2017	Changes
Operating Revenues (A)	7,032	6,919	113	7,022	9
Revenues from Real Estate Operation (B)	7,032	6,919	113	7,022	9
Rental Revenues	6,588	6,467	121	6,549	38
Other Rental Revenues	443	451	-7	472	-28
Operating Expenses (C)	3,963	3,979	-15	3,996	-32
Expenses from Real Estate Operation	3,271	3,310	-38	3,308	-36
Expenses (D)	2,234	2,287	-52	2,276	-41
NOI (B)-(D)	4,797	4,631	166	4,746	51
Depreciation	1,032	1,012	20	1,028	4
Loss from the Removal of Fixed Assets	4	10	-6	3	0
Other Operating Expenses	692	668	23	687	4
Investment Management Fee	558	538	19	554	3
Operating Income (A)-(C)	3,068	2,940	128	3,026	41
Non-Operating Revenues	2	2	0	0	1
Non-Operating Expenses	576	586	-9	579	-2
Interest Expenses (includes interest of investment corporation bonds)	550	561	-10	550	-0
Ordinary Income	2,494	2,355	138	2,447	46
Net Income	2,493	2,355	138	2,446	46
Information per Unit					
Net Income per Unit (EPS) (¥)	2,550	2,409	141	2,502	48
Amount of Reversal of Reserve for Reduction Entry per Unit (¥)	99	240	-141	147	-48
Distribution per Unit (DPU) (¥)	2,650	2,650	-	2,650	-
Others					
Occupancy Rate (%)	99.7	98.3	1.4pts	98.3	1.4pts
NOI Yield (Note) (%)	4.27	4.20	0.07pts	4.23	0.04pts

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

### Breakdown of Major Differences

<Comparison with previous fiscal period>

<b>Operating Revenues</b>	Revenues from Real Estate Operation	+113 million yen
	Rental Revenues	+121 million yen
	• Setagaya Business Square	+78 million yen
	• Tokyu Bancho Building	+23 million yen
	• cocoti	+14 million yen
	• KALEIDO Shibuya Miyamasuzaka	+13 million yen
	• Akihabara Sanwa Toyo Building	+12 million yen
	• Maison Peony Toritsudaigaku (new acquisition)	+9 million yen
	• Tokyu Toranomon Building	-40 million yen
<b>Operating Expenses</b>	Expenses from Real Estate Operation	-38 million yen
	Expenses	-52 million yen
	• Repair and maintenance costs	-86 million yen
	• Brokerage fee	+31 million yen

<Comparison with forecast>

<b>Operating Revenues</b>	Revenues from Real Estate Operation	+9 million yen
	Rental Revenues	+38 million yen
	• Setagaya Business Square	+15 million yen
	• Maison Peony Toritsudaigaku (new acquisition)	+9 million yen
	• KALEIDO Shibuya Miyamasuzaka	+9 million yen
	Other Rental Revenues	-28 million yen
	• Revenues from utility expenses	-16 million yen
	• Revenues from incidental facilities	-12 million yen
<b>Operating Expenses</b>	Expenses from Real Estate Operation	-36 million yen
	Expenses	-41 million yen
	• Utility expenses	-31 million yen
	• Repair and maintenance	-23 million yen
	• Brokerage fee	+20 million yen

# 1. Financial Results Overview and Forecast

## Financial Results Forecast (FP ending Jul. 2018 and FP ending Jan. 2019)

Distribution per unit for the next period onward are expected to increase without the reversal of reserve for reduction entry

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

Unit: million yen

Item	FP ended Jan. 2018 Actual (FP 29)	FP ending Jul. 2018 Forecast (FP 30) As of Mar. 15, 2018	Changes	FP ending Jan. 2019 Forecast (FP 31) As of Mar. 15, 2018	Changes
Operating Revenues (A)	7,032	7,116	84	7,172	55
Revenues from Real Estate Operation (B)	7,032	7,116	84	7,172	55
Rental Revenues	6,588	6,659	70	6,718	58
Other Rental Revenues	443	456	13	453	-3
Operating Expenses (C)	3,963	3,982	18	3,981	-1
Expenses from Real Estate Operation	3,271	3,276	4	3,267	-8
Expenses (D)	2,234	2,218	-16	2,208	-9
NOI (B)-(D)	4,797	4,897	100	4,963	65
Depreciation	1,032	1,046	13	1,052	6
Loss from the Removal of Fixed Assets	4	11	7	6	-5
Other Operating Expenses	692	706	13	713	7
Investment Management Fee	558	574	16	578	4
Operating Income (A)-(C)	3,068	3,133	65	3,191	57
Non-Operating Revenues	2	0	-1	0	0
Non-Operating Expenses	576	523	-53	521	-2
Interest Expenses (includes interest of investment corporation bonds)	550	494	-55	492	-2
Ordinary Income	2,494	2,611	117	2,670	59
Net Income	2,493	2,610	116	2,669	59
Information per Unit					
Net Income per Unit (EPS) (¥)	2,550	2,670	120	2,730	60
Amount of Reversal of Reserve for Reduction Entry per Unit (¥)	99	—	-99	—	—
Distribution per Unit (DPU) (¥)	2,650	2,670	20	2,730	60
Occupancy Rate (%)	99.7	99.0	-0.7pts	99.1	0.1pts
Others					
NOI Yield (Note) (%)	4.27	4.42	0.15pts	4.40	-0.02pts

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

### Breakdown of Major Differences

<Comparison between FP ending Jul. 2018>

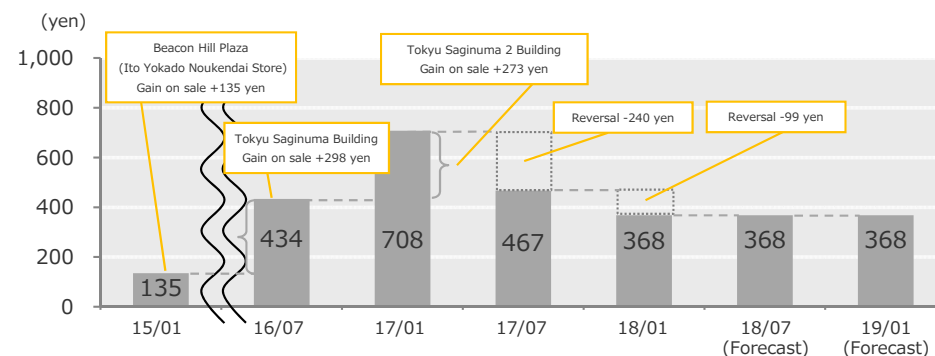
Operating Revenues	Revenues from Real Estate Operation	
Rental Revenues		+84 million yen
• Setagaya Business Square		+70 million yen
• TOKYU REIT Kiba Building		+42 million yen
• Tokyu Ginza 2-chome Building		+21 million yen
• TOKYU REIT Toranomon Building		+17 million yen
• QFRONT		+15 million yen
• Tokyu Ikejiri-ohashi Building		+14 million yen
• Maison Peony Toritsudaigaku (full period contribution)		+14 million yen
• Tokyu Toranomon Building		+13 million yen
		-65 million yen

Operating Expenses	Expenses from Real Estate Operation	
Expenses		+4 million yen
• Brokerage fee		-16 million yen
• Taxes and public dues		-48 million yen
		+20 million yen

<Comparison between FP ending Jan. 2019>

Operating Revenues	Revenues from Real Estate Operation	
Rental Revenues		+55 million yen
• Tokyu Toranomon Building		+58 million yen
• TOKYU REIT Kiba Building		+117 million yen
• Tokyu Bancho Building		-35 million yen
		-20 million yen

### Change in Balance of Reserve for Reduction Entry per Unit



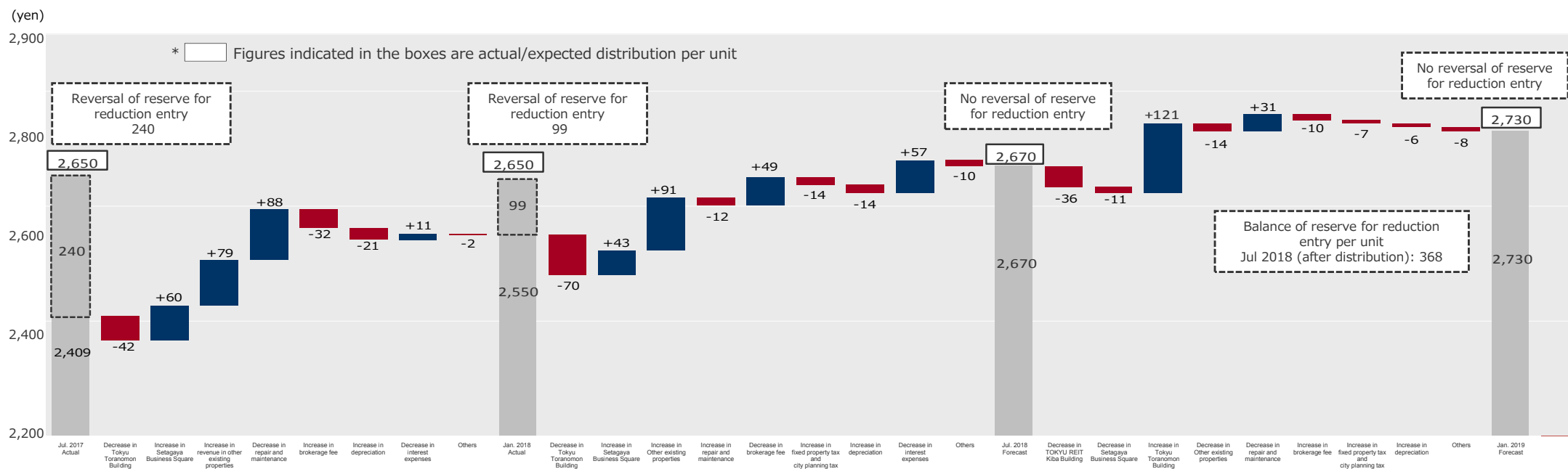
\* Balance of reserve for reduction entry per unit is calculated by dividing the amount derived by adding/subtracting the amount of provision in reserve for reduction entry or reversal of reserve for reduction entry in each period to/from the balance of reserve for reduction entry in each period indicated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

# 1. Financial Results Overview and Forecast

## Variable Factor of Distribution per Unit

Increase in distribution is expected to continue without the reversal of reserve for reduction entry in the fiscal period ending July 2018 onward

■ Breakdown of Distribution per Unit by Variable Factor (FP ended July 2017 to FP ending January 2019 )



	FP ended Jan. 2018 Actual	FP ending Jul. 2018 Forecast	FP ending Jan. 2019 Forecast
Occupancy rate of portfolio	99.7% (+1.4pts)	99.0% (-0.7pts)	99.1% (+0.1pts)
Setagaya Business Square	99.6% (+3.8pts)	96.1% (-3.5pts)	99.1% (+3.0pts)
Tokyu Toranomon Building	100.0% ( - pts)	100.0% ( - pts)	100.0% ( - pts)
TOKYU REIT Kiba Building	100.0% ( - pts)	100.0% ( - pts)	81.1% (-18.9pts)
NOI	4,797 million yen (+166 million yen)	4,897 million yen (+100 million yen)	4,963 million yen (+65 million yen)
Average interest	1.17% (-0.04pts)	1.07% (-0.10pts)	1.04% (-0.03pts)
Note	<ul style="list-style-type: none"> <li>Vacant spaces were occupied by tenants with no downtime but revenue decreased due to free rent period at Tokyu Toranomon Building</li> <li>Revenue increased due to the move-in of tenants in vacant spaces at Setagaya Business Square</li> <li>Revenue increased overall as a result of the decrease in repair costs in addition to the increase in revenue due to rent revision, etc. of other existing properties</li> </ul>	<ul style="list-style-type: none"> <li>Revenue is expected to decrease with the continuation of free rent period at Tokyu Toranomon Building</li> <li>Revenue is expected to increase with the termination of free rent period in occupied spaces at Setagaya Business Square</li> <li>Revenue is expected to increase overall due to the decrease in brokerage charges and interest expenses in addition to the increase in revenue due to rent revision, etc. of other existing properties</li> </ul>	<ul style="list-style-type: none"> <li>Revenue is expected to decrease with the move-out of tenants (2 floors) at TOKYU REIT Kiba Building</li> <li>Tokyu Toranomon Building made full-period profit contribution with the termination of free rent period for tenants</li> </ul>

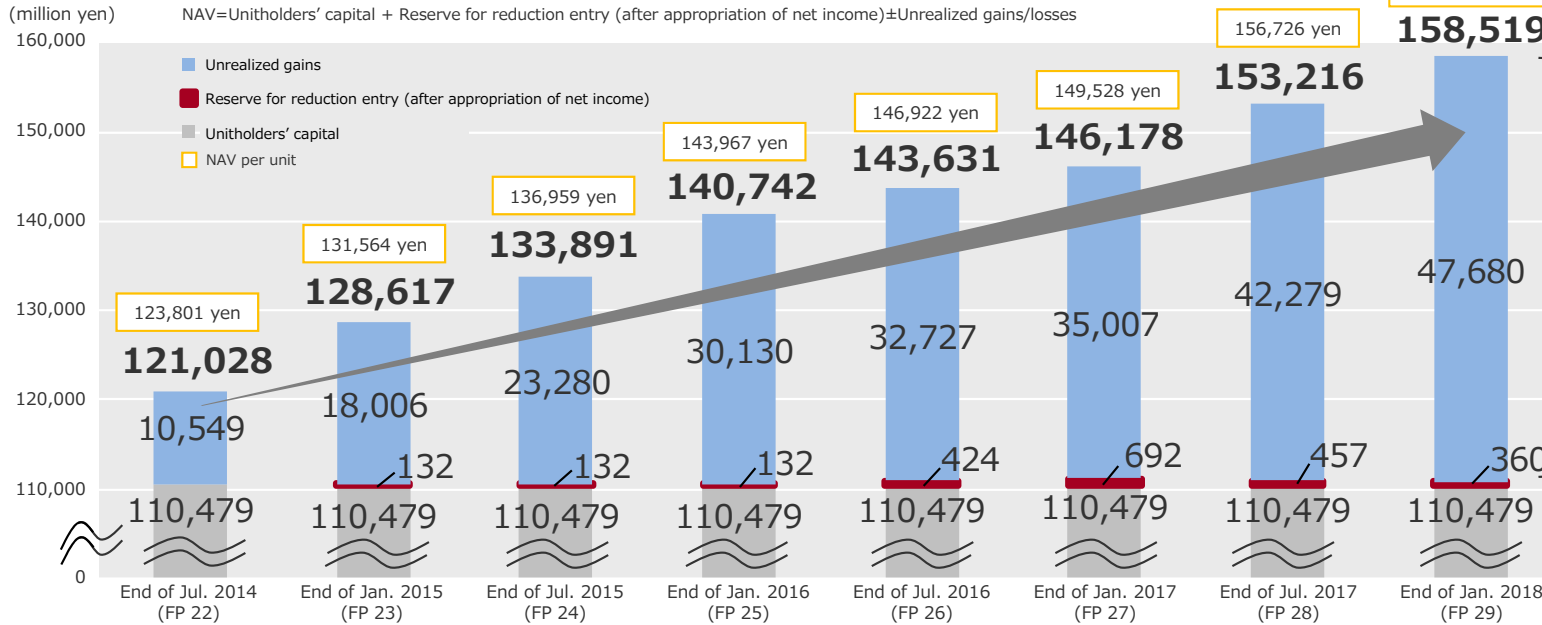
\* Figures in parenthesis are comparison with previous fiscal period

# 1. Financial Results Overview and Forecast

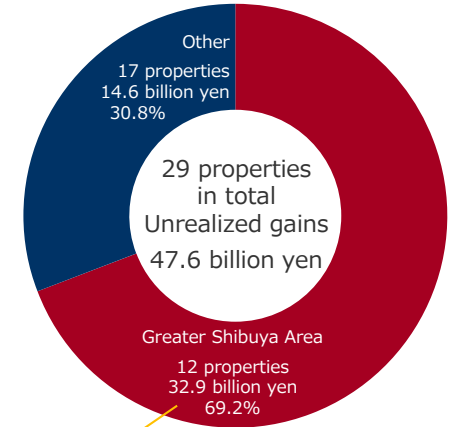
## Change in NAV

NAV of Tokyu REIT will continue to increase with the growth of the investment area centering on Greater Shibuya Area

### Change in NAV



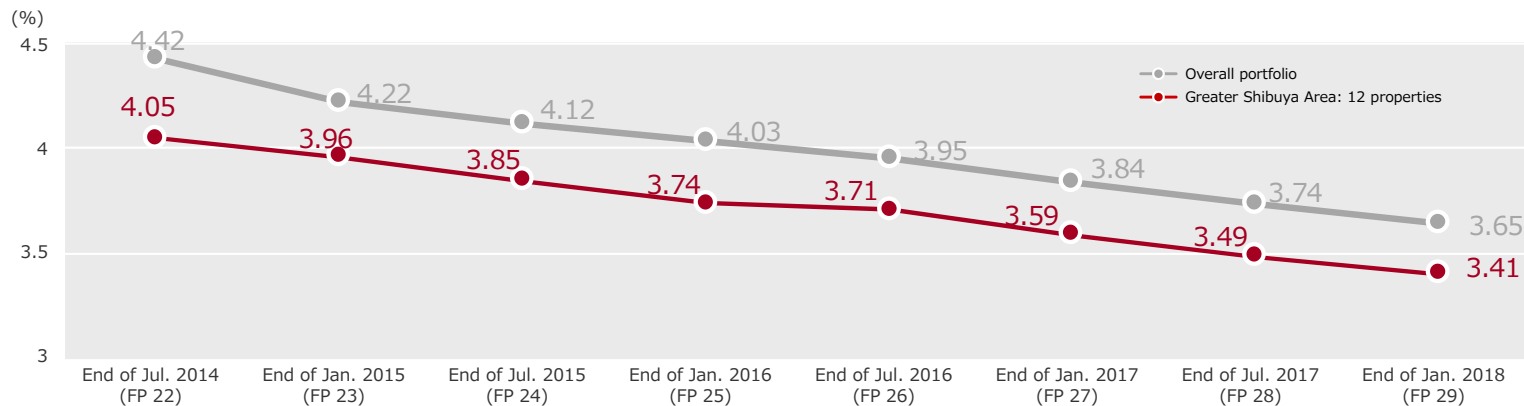
### <Breakdown of unrealized gains> End of January 2018 (FP 29)



QFRONT 14.8 billion yen  
TOKYU REIT Shibuya Udagawa-cho Square 5.8 billion yen

- Greater Shibuya Area 12 properties
- Acquisition Price: 93.2 billion yen
- Appraisal Value: 121.4 billion yen

### (Reference) Change in Cap Rate



■ Retail ■ Office



## 2. Investment Performance Results and Future Outlook



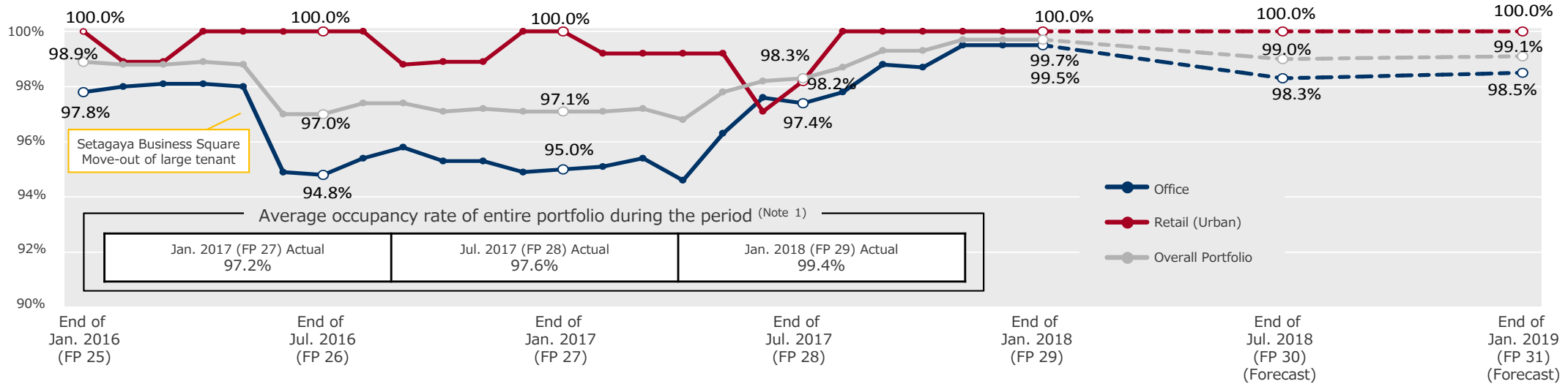
QFRONT

## 2. Investment Performance Results and Future Outlook

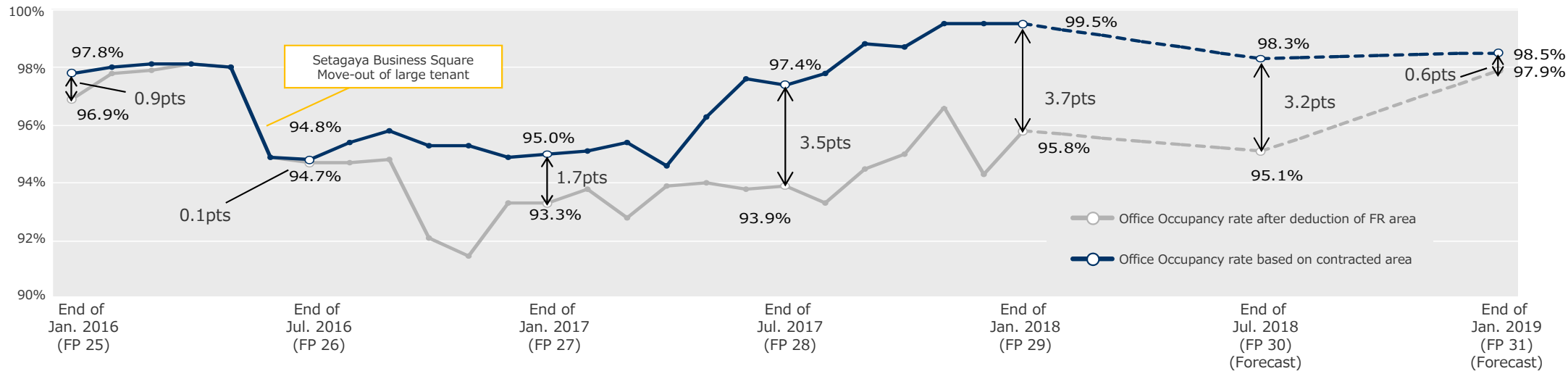
# Portfolio Occupancy Status

High occupancy is expected in next fiscal period onward with the progress of tenant move-ins to vacant units

### ■ Occupancy Rate (Overall Portfolio, Office, Retail (Urban))



### ■ Occupancy Rate of Office (occupancy rate based on contracted area, occupancy rate after deduction of FR(Free Rent) 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.

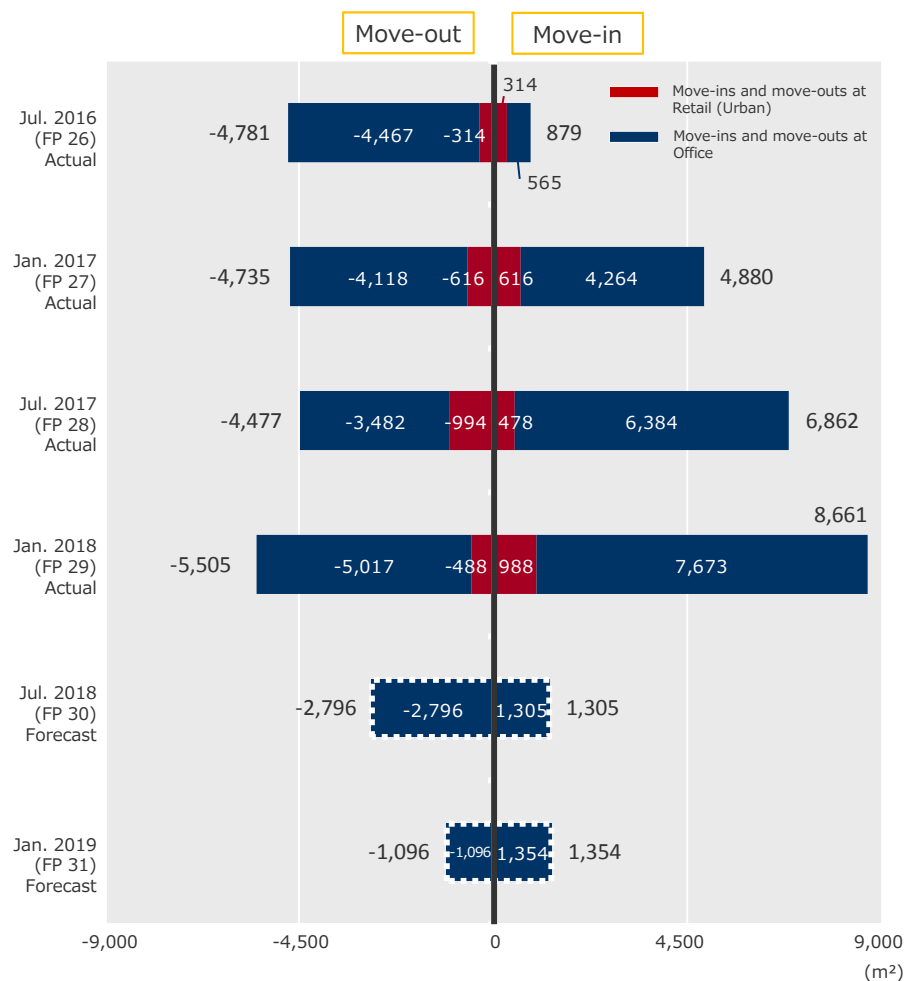
(Note 2) Occupancy rate after deduction of FR area are the figures gained after dividing the leased area calculated by deducting the FR target area from contract-based operating area as of the end of each period by the leasable area.

## 2. Investment Performance Results and Future Outlook

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

Occupied area significantly exceeded the vacated area in the fiscal period ended January 2018 (FP 29)

### ■ Area of Tenant Turnover



### ■ Status of Tenant Turnover

Name of Property		Ended Jan. 2018 (FP 29) Actual	Ending Jul. 2018 (FP 30) Forecast	Ending Jan. 2019 (FP 31) Forecast	Remark
<b>Retail Properties</b>					
KALEIDO Shibuya Miyamasuzaka	Move-ins	988.59 m <sup>2</sup>	-	-	* As for the 2 sections that were occupied in the fiscal period ended January 2018, 1 section was occupied with a downtime of two months and the other section was occupied with no downtime
	Move-outs	488.00 m <sup>2</sup>	-	-	
	Area of vacant rooms as of the end of period	-	-	-	
	Occupancy rate as of the end of period	100.0%	100.0%	100.0%	
<b>Office</b>					
Setagaya Business Square	Move-ins	949.99 m <sup>2</sup>	1,004.20 m <sup>2</sup>	748.29 m <sup>2</sup>	* As for the 6 sections scheduled to be vacated in the fiscal period ending July 2018, 2 sections are expected to be occupied in the fiscal period ending July 2018 and three in the fiscal period ending January 2019
	Move-outs	-	1,832.19 m <sup>2</sup>	-	
	Area of vacant rooms as of the end of period	97.68 m <sup>2</sup>	979.89 m <sup>2</sup>	231.60 m <sup>2</sup>	
	Occupancy rate as of the end of period	99.6%	96.1%	99.1%	
TOKYU REIT Toranomon Building	Move-ins	1,184.63 m <sup>2</sup>	300.92 m <sup>2</sup>	-	* 1 section was occupied in the fiscal period ended January 2018 * As for the 2 sections scheduled to be vacated in the fiscal period ending July 2018, 1 section is expected to be occupied with a downtime of three weeks and the other section with no downtime
	Move-outs	-	300.92 m <sup>2</sup>	-	
	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 Ikejiri-ohashi Building	Move-ins	1,064.53 m <sup>2</sup>	-	-	* 1 section vacated at the beginning of the fiscal period ended January 2018 has been occupied due to the expansion of floor area with a downtime of two weeks
	Move-outs	1,064.53 m <sup>2</sup>	-	-	
	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	498.59 m <sup>2</sup>	-	606.50 m <sup>2</sup>	* 1 section occupied in the fiscal period ended January 2018 has been occupied due to the expansion of floor area with a downtime of one month * 1 section scheduled to be vacated in the fiscal period ending July 2018 is expected to be occupied during the fiscal period ending January 2019
	Move-outs	-	609.33 m <sup>2</sup>	-	
	Area of vacant rooms as of the end of period	-	609.33 m <sup>2</sup>	-	
	Occupancy rate as of the end of period	100.0%	90.3%	100.0%	
TOKYU REIT Kiba Building	Move-ins	-	-	-	* 2 sections scheduled to be vacated at the end of July 2018 are reflected on the financial results forecast under the assumption that they will not be occupied by successive tenants in the fiscal period ending January 2019
	Move-outs	-	-	1,096.62 m <sup>2</sup>	
	Area of vacant rooms as of the end of period	-	-	1,096.62 m <sup>2</sup>	
	Occupancy rate as of the end of period	100.0%	100.0%	81.1%	
Tokyu Toranomon Building	Move-ins	3,938.20 m <sup>2</sup>	-	-	* As for the 4 sections that were occupied in the fiscal period ended January 2018, 1 section was occupied due to the expansion of floor area and 3 sections were occupied by new tenants with no downtime
	Move-outs	3,938.20 m <sup>2</sup>	-	-	
	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.

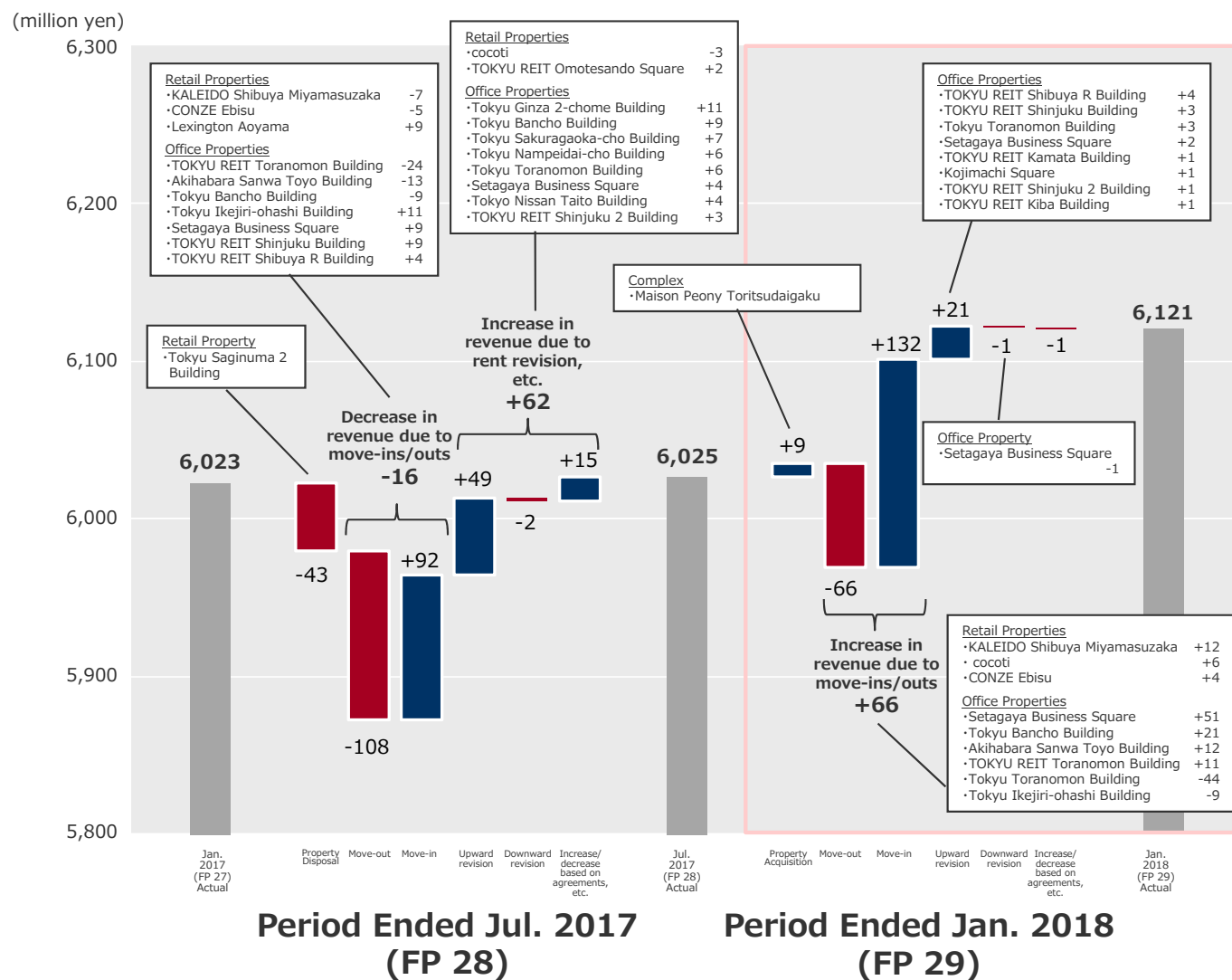
\* Move-ins and Move-out areas do not include the warehouse space.

## 2. Investment Performance Results and Future Outlook

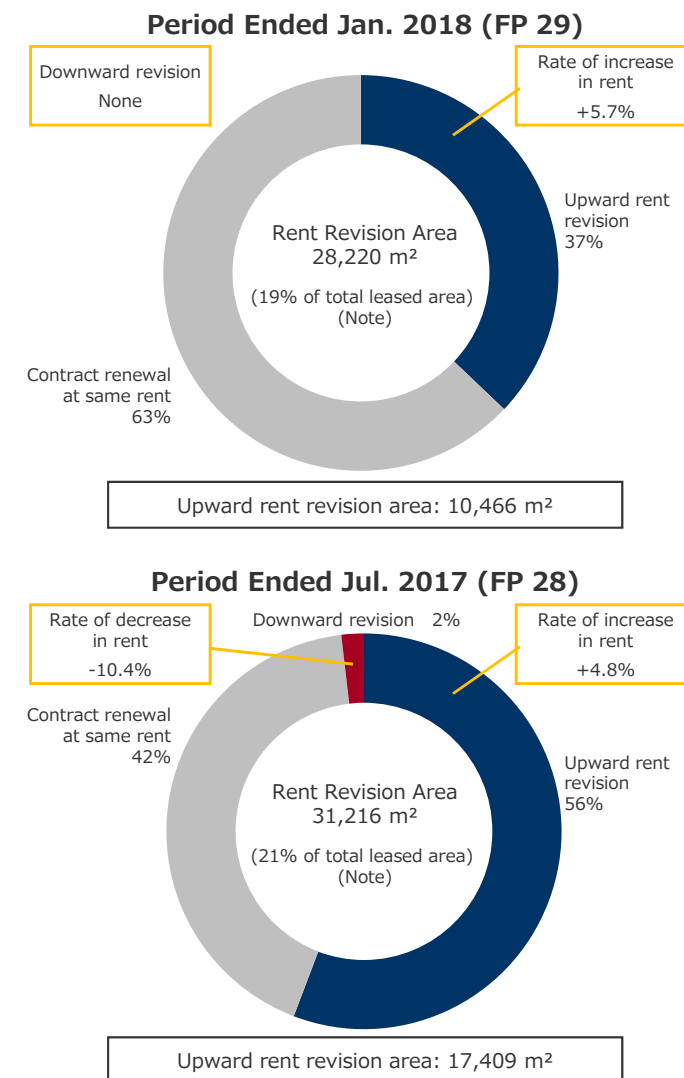
### Rental Revenue Results

Revenue increased due to the progress in leasing and upward rent revision in addition to the acquisition of new properties

#### ■ Breakdown of Increase/Decrease in Rental Revenues (Period Ended Jul. 2017 (FP 28), Period Ended Jan. 2018 (FP 29))



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



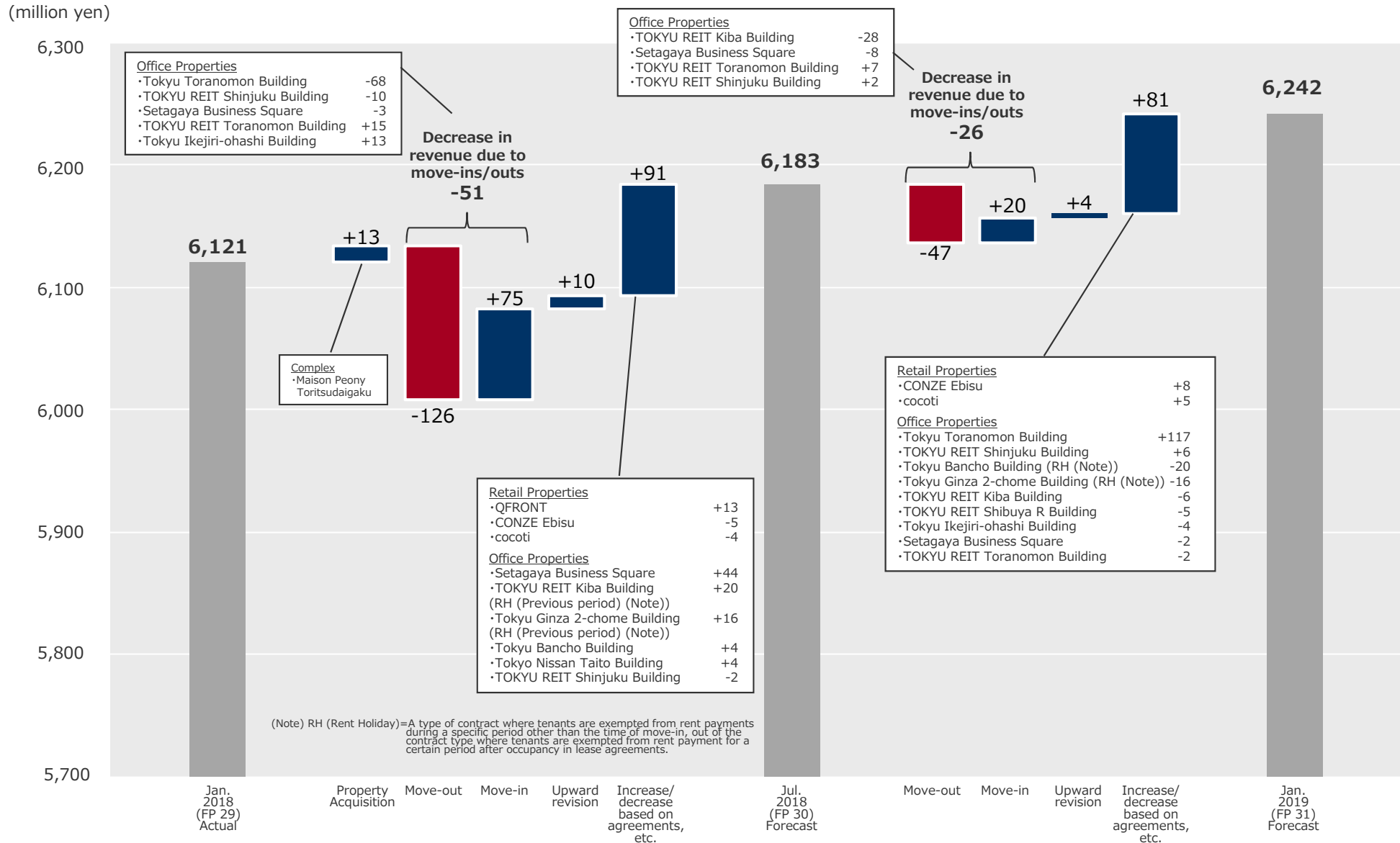
(Note) Total leased area of Retail (Urban) and Office

## 2. Investment Performance Results and Future Outlook

### Rental Revenue Outlook

Trend of revenue increase will continue in the next period onward

■ Breakdown of Increase/Decrease in Rental Revenues (Period Ending Jul. 2018 (FP 30), Period Ending Jan. 2019 (FP 31))



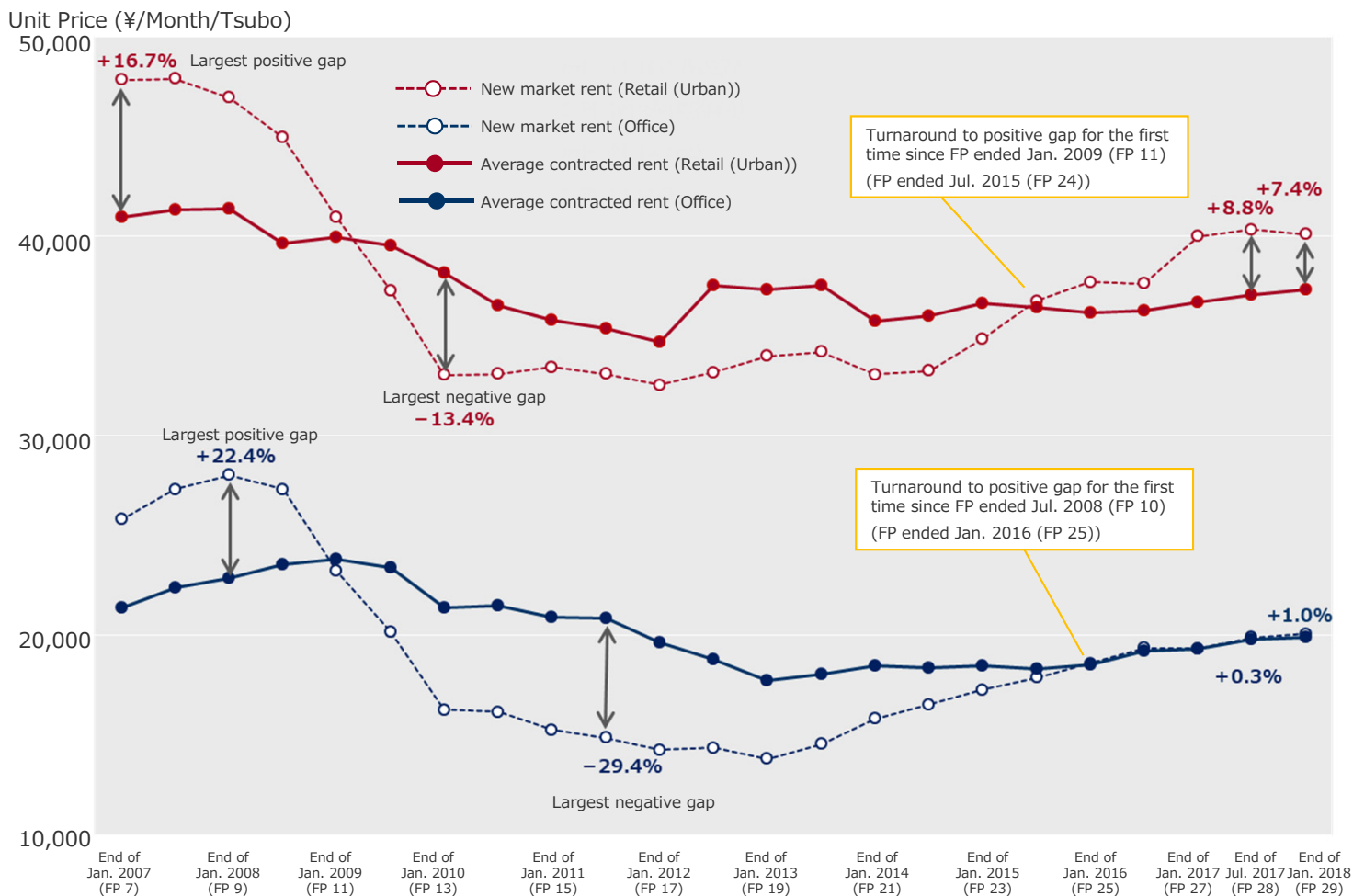
## 2. Investment Performance Results and Future Outlook

# Rent Gap and Percentage of Tenants Facing Rent Revision

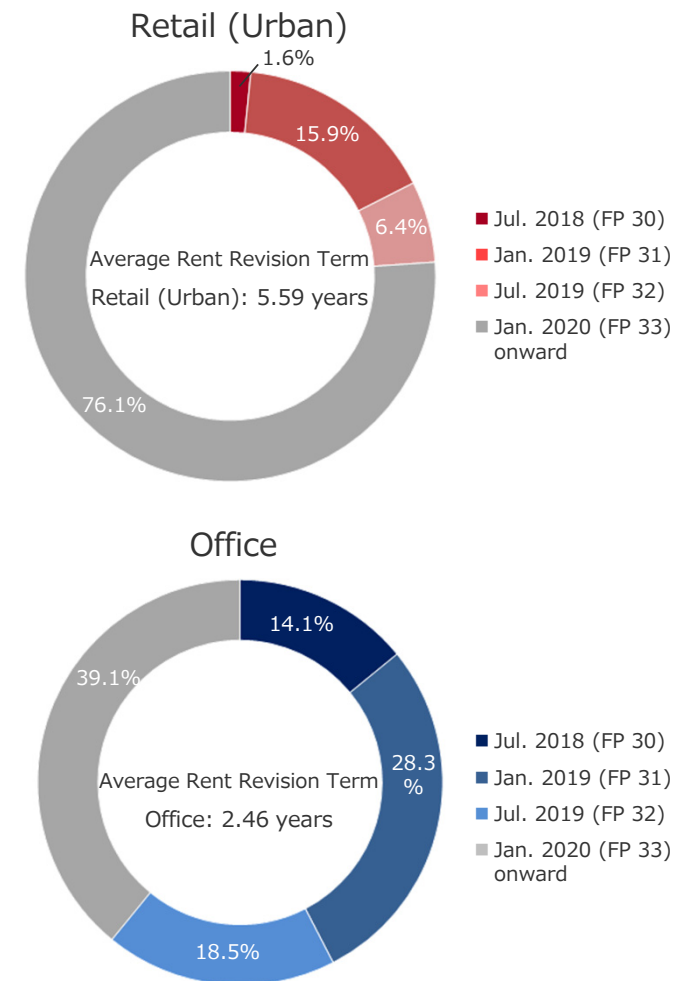
Positive gap continues. Will aim for upward rent revisions at the timing of rent revisions.

### 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 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.

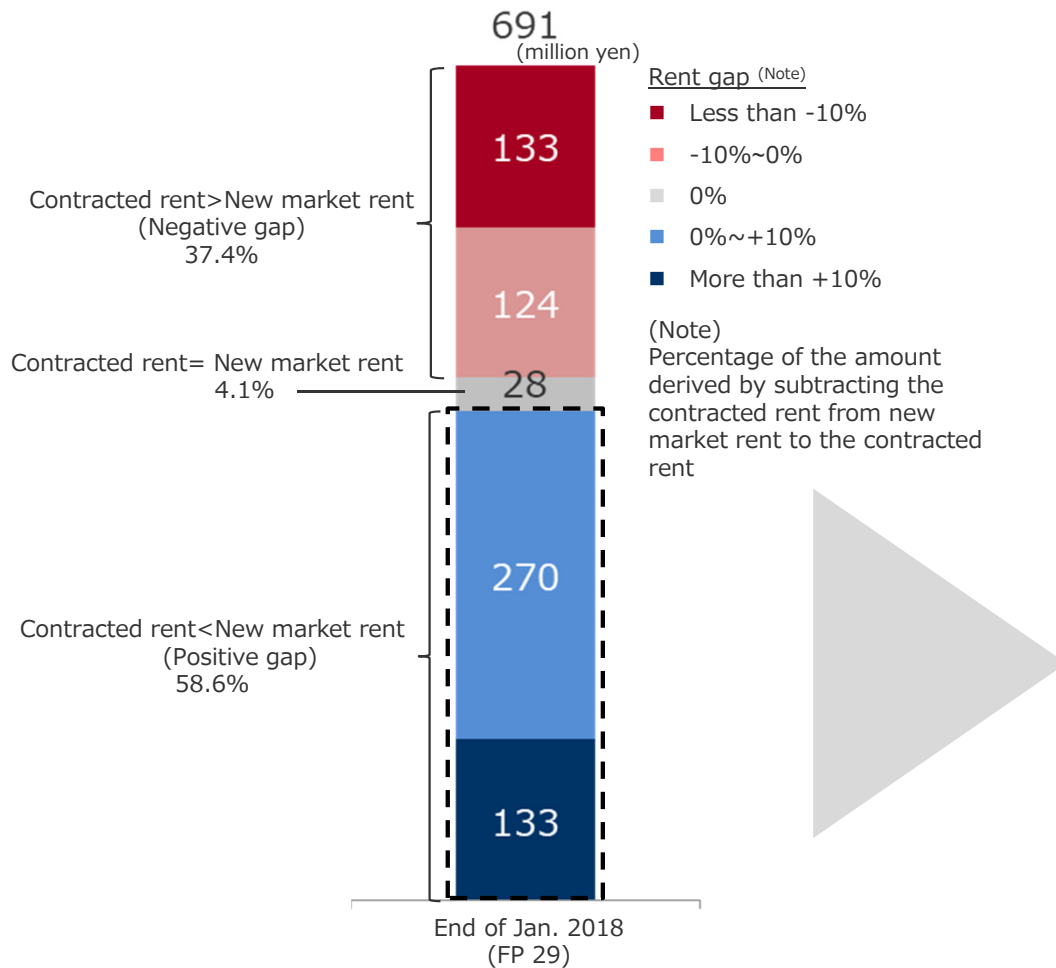
\* Percentage calculated by dividing rent for tenants facing rent revision by total rent by asset class.  
 \* Average rent revision term is calculated by weighted average of monthly rent at the end of Jan. 2018(FP 29).  
 \* Rent includes common area charges (excludes income from parking, warehousing and billboards).

# Breakdown of Office Rent Gap

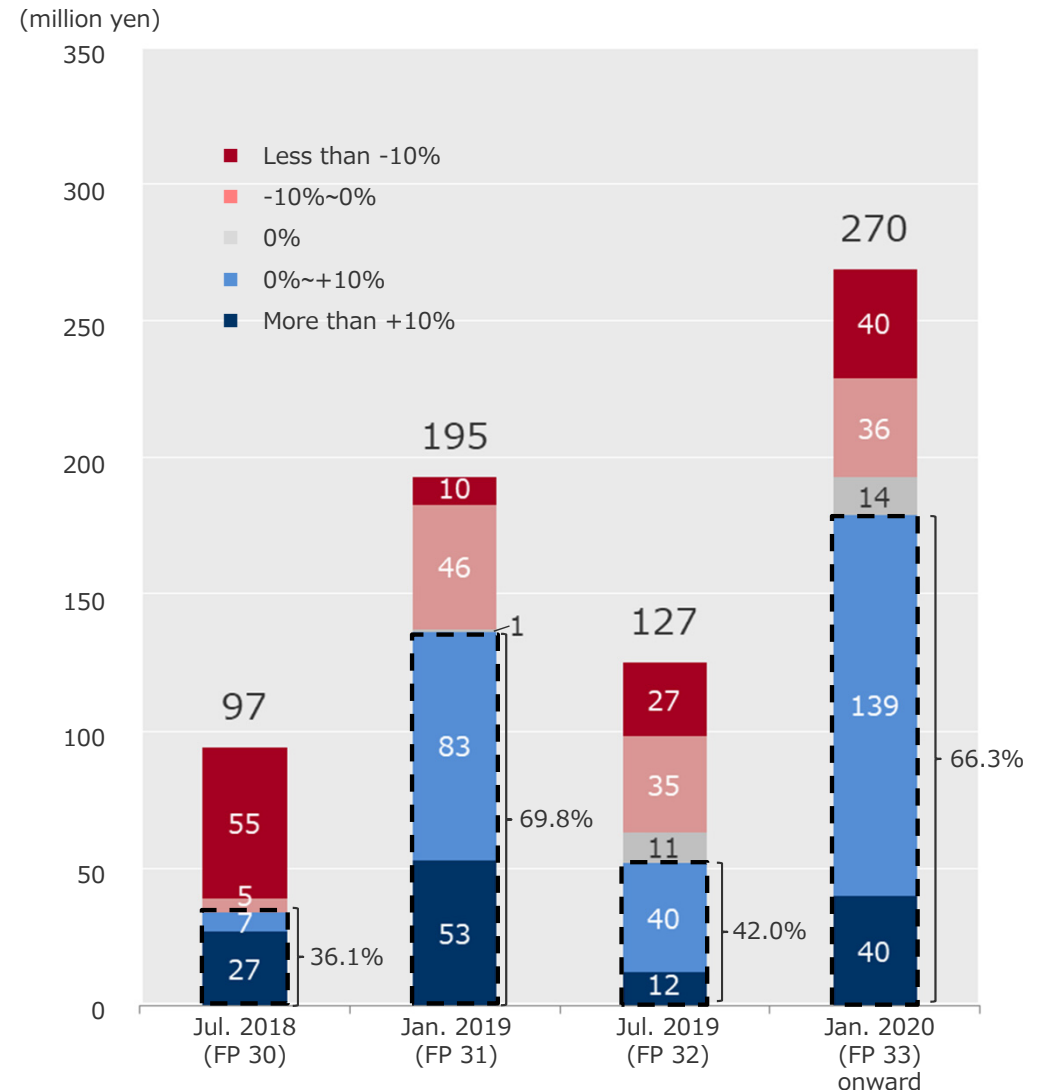
### Continue to aim for rent increase centering on tenants with positive gap

#### ■ 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 January 2018 (FP 29) recorded an overall positive gap of 1.0% compared with the new market rent (refer to p.13)



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



\* 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 Jan. 2018 (FP 29) in office buildings owned at the end of the fiscal period ended Jan. 2018 (FP 29).

# External Growth Policy

Pursuing investment opportunities in prime properties 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 and market rent level>**

- Cap rate decreased to the lower limit as there was an extremely small supply of investment-grade properties.
- Although concerns over the deterioration of market condition due to mass supply of office buildings from 2018 to 2020 receded, the market rent level is forecasted to decrease gradually in the future.

**Conducting selective investments in highly competitive properties by eyeing the peak out of the real estate market**

**<Core measures>**

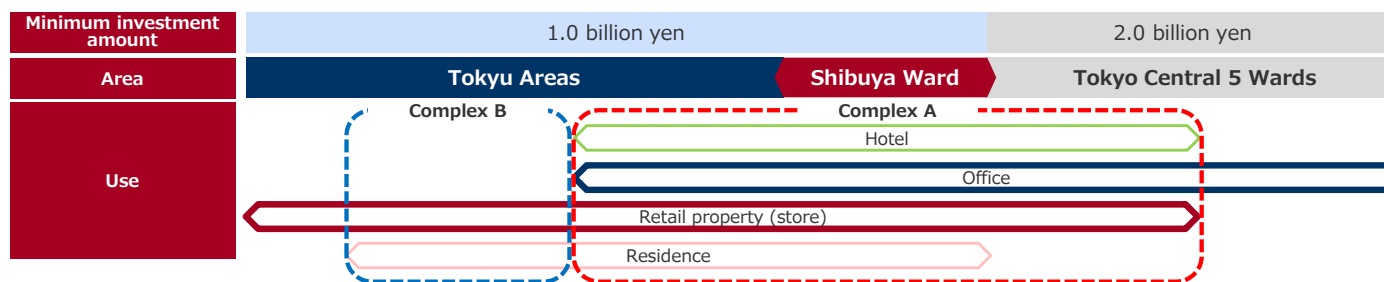
- Investment in Tokyu Areas including Greater Shibuya Area

**<Expected effects>**

- Increase in total return (Note)
- Further stabilization of cash flow and enhancement of portfolio quality

(Note) Comprises each fiscal period's income return (rental income, etc.) and future capital return (gains on sales)

### ■ Image of the Targeted Use Composition



#### 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

#### 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

### <Acquisition case of Complex B>

Name	Maison Peony Toritsudaigaku
Address	1-2-5 Nakane, Meguro-ku, Tokyo
Access	Approximately a one-minute walk from Toritsu-daigaku Station on the Tokyu Toyoko Line
Usage	Retail, apartment
Established	August 2014
Acquisition price	1,200 million yen
Appraisal value	1,200 million yen End of Jan. 2018 (FP 29)
Occupancy rate	96.9% End of Jan. 2018 (FP 29)





## 2. Investment Performance Results and Future Outlook

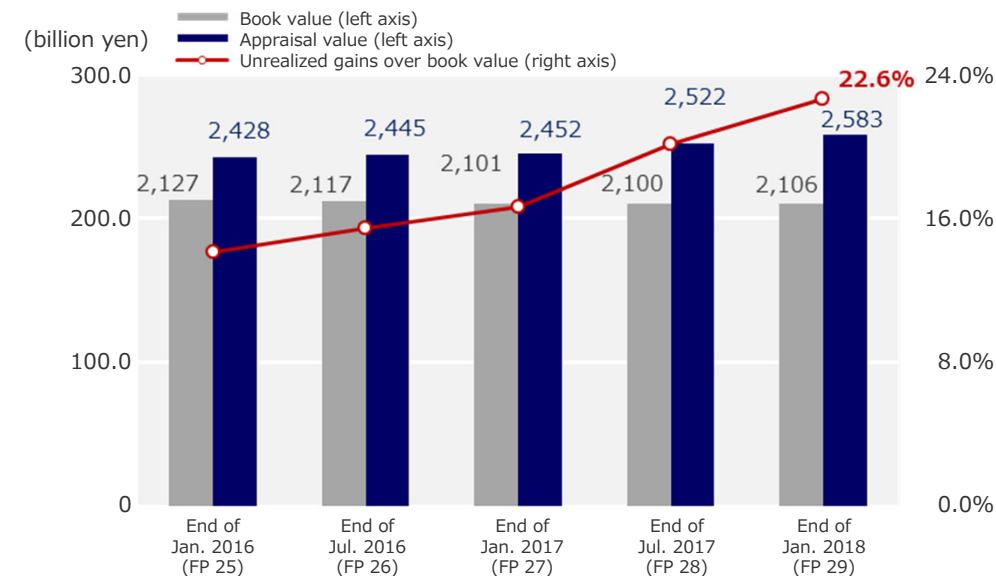
# Status of Appraisal Value at the End of Fiscal Period

Unrealized gains of the overall portfolio increased by 5.4 billion yen mainly due to the decrease of cap rate

### ■ Appraisal Value at the End of Period

	End of Jan. 2018 (FP 29)	End of Jul. 2017 (FP 28)	Change
Number of Properties	29 Properties	28 Properties	+1 Property
Appraisal value	258.3 billion yen	252.2 billion yen	+6.0 billion yen
Book value	210.6 billion yen	210.0 billion yen	+0.6 billion yen
Unrealized gains	47.6 billion yen	42.2 billion yen	+5.4 billion yen
Unrealized gains over book value	22.6%	20.1%	+2.5pts
Cap Rate	3.65%	3.74%	-0.09pts

### ■ 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 Jan. 2018 (FP 29)	End of Jul. 2017 (FP 28)
Decrease	18	26
Unchanged	10	2
Increase	0	0

#### <Appraisal Value>

(Number of Properties)

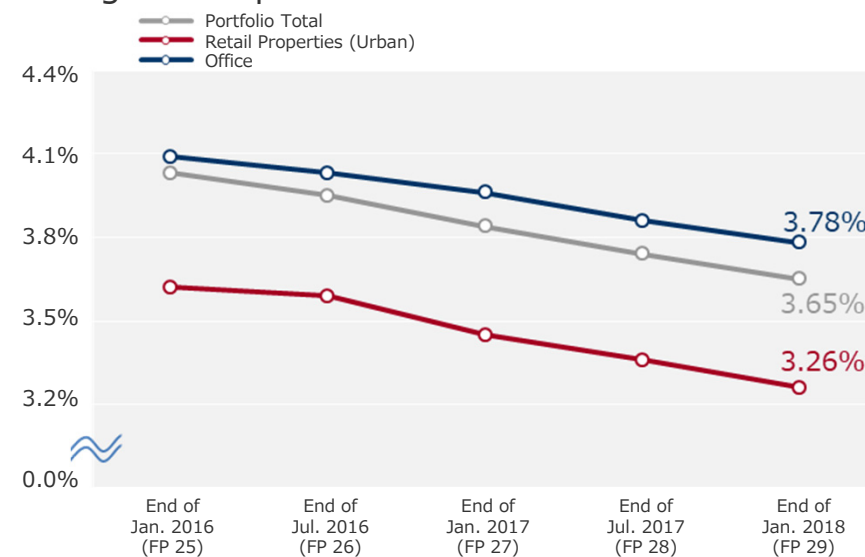
	End of Jan. 2018 (FP 29)	End of Jul. 2017 (FP 28)
Increase	23	26
Unchanged	5	2
Decrease	0	0

(Note) Properties acquired during the period are excluded

Fiscal Period Ended January 2018 (29th Fiscal Period) 28 properties (excluding Maison Peony Toritsudaigaku)

\* Please refer to page 36 for details of appraisal value of each property at the end of fiscal period

### ■ Changes in Cap Rate



# Interest-Bearing Debt Status

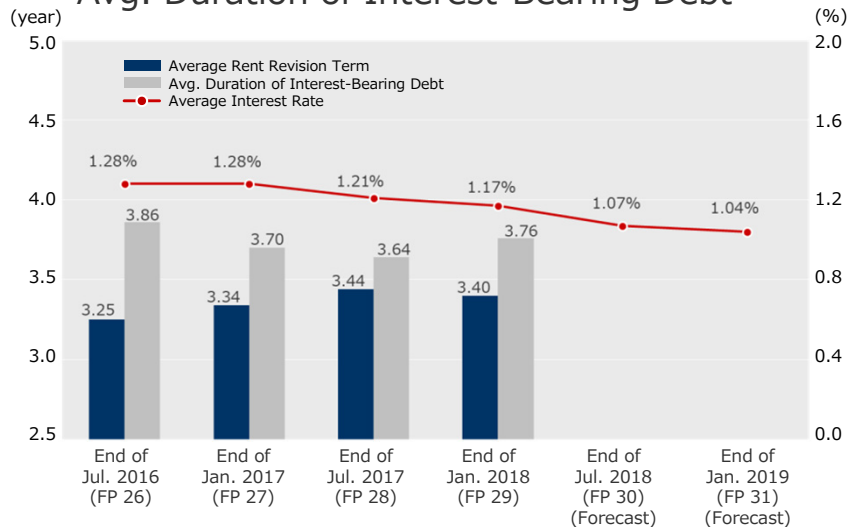
### Average interest continued to decrease due to refinancing

#### Major Financial Indices

	End of Jan. 2018 (FP 29)	End of Jul. 2017 (FP 28)	Change
Total Interest-Bearing Debt	92.0 billion yen	93.5 billion yen	-1.5 billion yen
Average Interest Rate	1.17%	1.21%	-0.04pts
Avg. Duration	3.76 years	3.64 years	+0.12 years
Long-Term Fixed-Rate Ratio	100%	100%	-
LTV / Total Assets	42.2%	42.6%	-0.4pts
LTV Based on Appraisal Value	38.2%	38.8%	-0.6pts
Acquisition Capacity <sup>(Note)</sup>	60.9 billion yen	56.5 billion yen	+4.3 billion yen

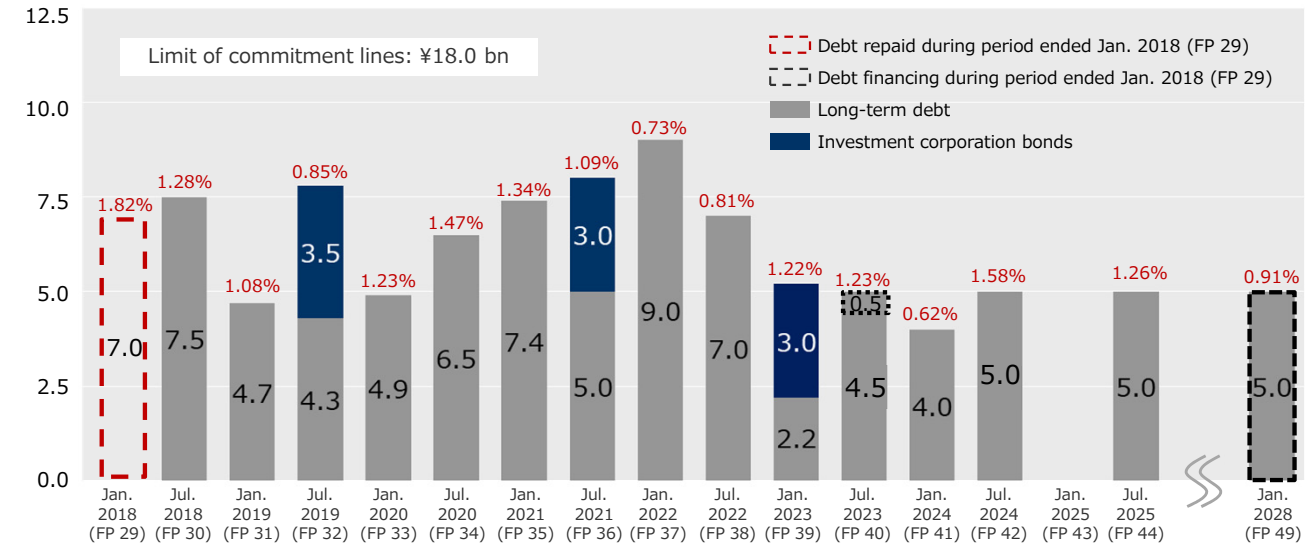
(Note) Assumed LTV based on appraisal value to be 50%

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



#### Breakdown by Repayment/Redemption Dates of Interest-Bearing Debt (as of End of Jan. 2018 (FP 29))

(billion yen)



#### Refinancing made during the FP 29 (ended Jan. 2018)

- Development Bank of Japan ¥5.0 bn (12 years; 1.95%) ⇒ ¥5.0 bn (10 years; 0.91%)
- Nippon Life Insurance ¥2.0 bn (6.5 years; 1.50%) ⇒ ¥0.5 bn (5.5 years; 0.58%)

#### 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%)

#### Borrowings to be due during FP 31 ending Jan. 2019

- Mizuho Bank ¥1.7 bn (7 years; 1.49%)
- The Norinchukin Bank ¥3.0 bn (5 years; 0.85%)

#### 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 does 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. ESG Measures



cocoti

### 3. ESG Measures

## 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.

Properties with exceptionally high environmental & social awareness



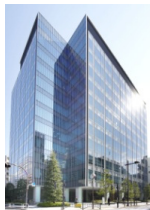
Setagaya Business Square

(Evaluated points)  
Contributing also to heat island countermeasures by creating lush on-site greenery while saving water resources by installing facilities for reuse of rainwater and greywater.



cocoti

(Evaluated points)  
Enhancing the attractiveness of retail properties by establishing interactive facilities such as fitness clubs and movie theaters while contributing to heat island countermeasures in cities by conducting large-scale rooftop and wall greening.



Tokyu Bancho Building

(Evaluated points)

- Shows high performance in energy saving with installment of water-saving toilets as well as employment of LED lighting in common areas and exclusive areas among others.
- Not only possesses sufficient specifications as the most recent building, but also offers building management that is considerate of working environment, providing a space to refresh that is surrounded by greenery and a convenience store.
- Excellent in terms of risk management, having disaster response equipment such as a reserve power source and emergency kit cabinets in elevators along with IC card readers monitoring entry and exit.



Tokyu Toranomon Building

(Evaluated points)  
Proactively promotes heat island countermeasures by providing enhanced rooftop and wall greenery and provides comfort to the building's office workers.



QFRONT

(Evaluated points)  
Proactively engaged in formation of communities in the surrounding environment by participating in local events while promoting energy saving in the entire facility by adopting LED lighting.

#### ■ GRESB

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.

#### ■ BELS



Tokyu Ikejiri-ohashi Building  
★★

BELS (Building-Housing Energy-efficiency Labeling System) is the third-party certification system to rate houses and buildings in accordance with duty to make effort to label energy saving performance in the Act on Improving Energy Consumption Performance for Architectural Structures.  
The result is labeled by stars (1 to 5 stars).

#### ■ Classification and Evaluation System of Businesses Based on the Energy Conservation Law

Tokyu REIT continuously acquired "Class S," the highest ranking, in the evaluation 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. Prime businesses (Class S) will be announced on the website of the Ministry of Economy, Trade and Industry by business category.

### Striving to make social contributions in collaboration with Tokyu Corporation (sponsor)

#### ■ Regional contribution/Enhancement of tenant satisfaction

##### • Setagaya Business Square **Tokyu REIT** **Sponsor**

###### <Participated in a local summer festival> (July 2017)



- Providing the site of the property and part of common use facility at the summer festival hosted by Yoga Shopping District Promotion Association
- Deploying security staff to support the safe management of the event

###### <Development of bicycle parking lot> (from December 2007)



Entrusting development of a bicycle parking lot to an NPO to eliminate illegal parking around the property

##### • TOKYU REIT Toranomom Building **Tokyu REIT**

###### <Rooftop renovation> (October 2016)

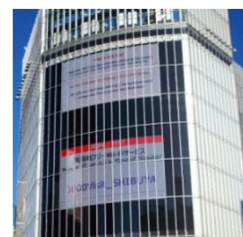


Installing smoking area and refreshing space

#### ■ Response to emergency

##### • QFRONT **Tokyu REIT** **Sponsor**

###### <Participated in "Council for Measures for People Having Difficulty Returning Home in Shibuya Station Area" in which Tokyu Corporation acts as secretariat and a large-scale training conducted by the Tokyo Metropolitan Government and Shibuya Ward> (February 2017)



Showed emergency information issued by Shibuya Ward by using a large screen of the property in a large-scale training in which approximately 4,300 people participate

###### <Conducted joint training for explosive ordnance disposal as a countermeasure against terrorism> (March 2016)



Conducted a joint training in which the Metropolitan Police Department, Shibuya Police Station, tenants, sponsor (Tokyu Corporation), etc. participated at the property

##### • Each Property **Tokyu REIT**



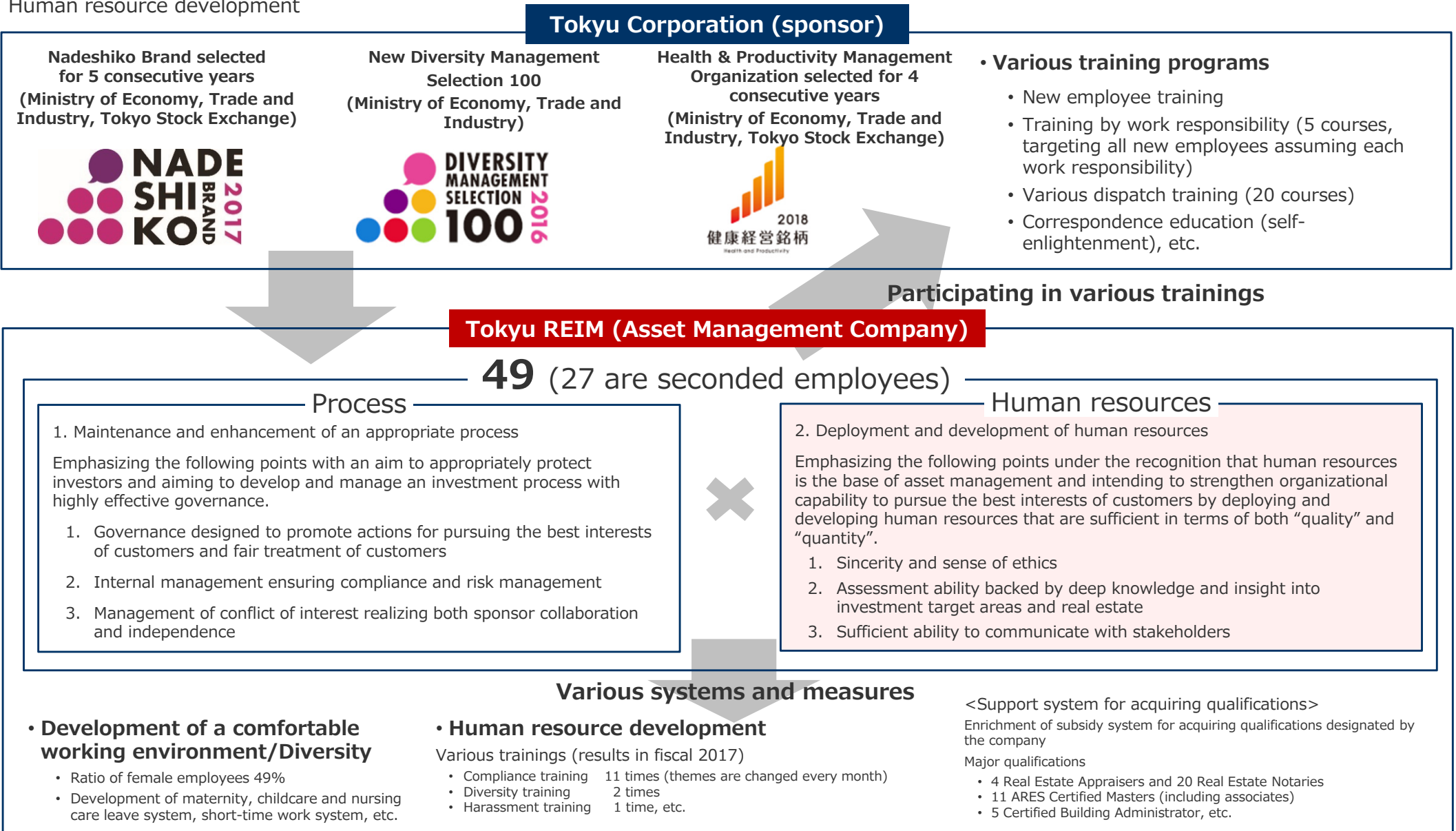
###### <Various responses to disaster prevention> (from 2012)

- Installing display board for emergency contact
- Keeping the booklet of "Tokyo Bousai"
- Installing wireless device
- Installing portable emergency power generator
- Installing bar and hydraulic jack
- Installing emergency disaster prevention box (inside elevator)
- Installing rescue pack toilet

# Social Contribution (2)

Striving to develop human resources at the Asset Management Company in collaboration with Tokyu Corporation (sponsor)

■ Human resource development



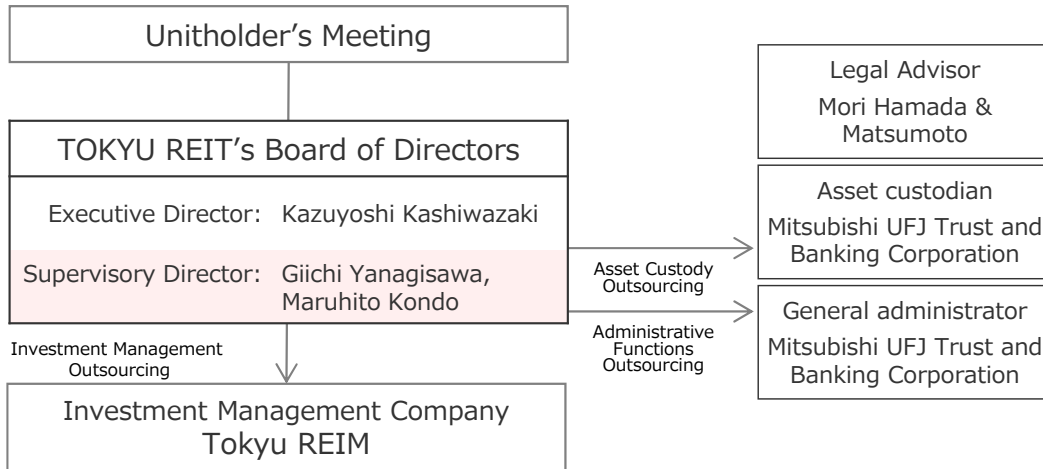
### 3. ESG Measures

## Governance (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 Jan. 2018 (FP 29))

- 10 meetings held (1.6 meetings per month)
- 20 resolutions and 84 reports in total (2 resolutions and 8.4 reports per meeting in average)
- Attendance
  - Kazuyoshi Kashiwazaki (Executive Director) 100%
  - Giichi Yanagisawa (Supervisory Director) 100%
  - Maruhito Kondo (Supervisory Director) 100%
  - General Administrator 100%

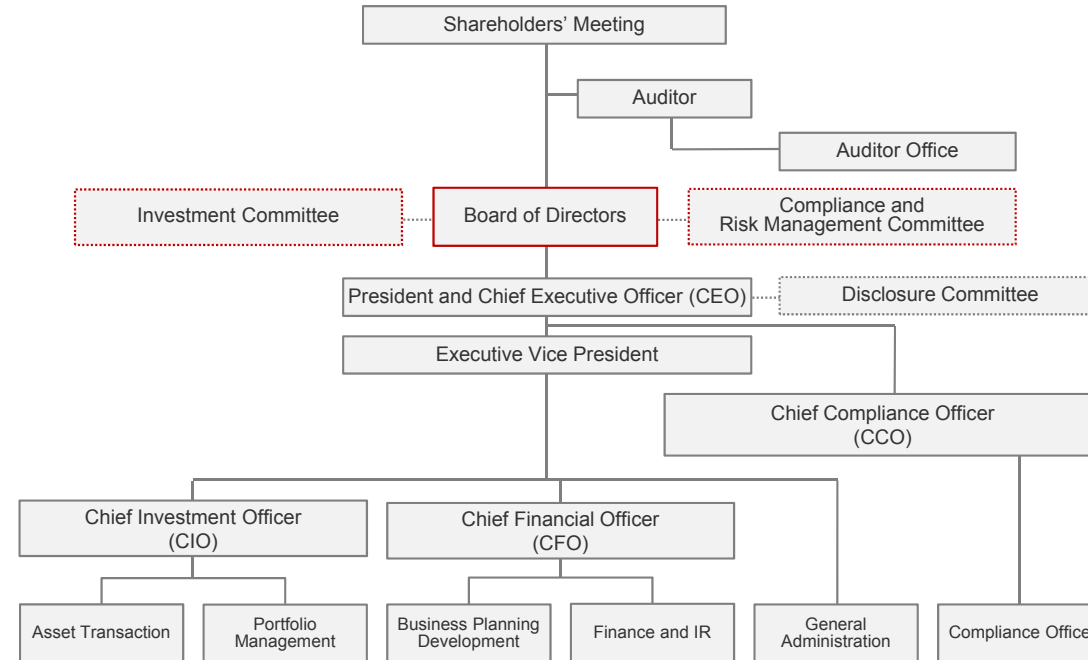
Cooperation between Supervisory Directors and Accounting Auditor

- Accounting Auditor and directors of TOKYU REIT meet each period to exchange information
- Financials in (FP ended Jan. 2018 (FP 29)) were audited by:
  - Company: PricewaterhouseCoopers Aarata LLC
  - Name: Takashi Sasaki (4 period), Takeshi Yamaguchi (2 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

## Governance (2)

#### ■ 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 Jan. 2018)
	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)	¥312 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 <sup>(Note)</sup> × 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)	¥245 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.	

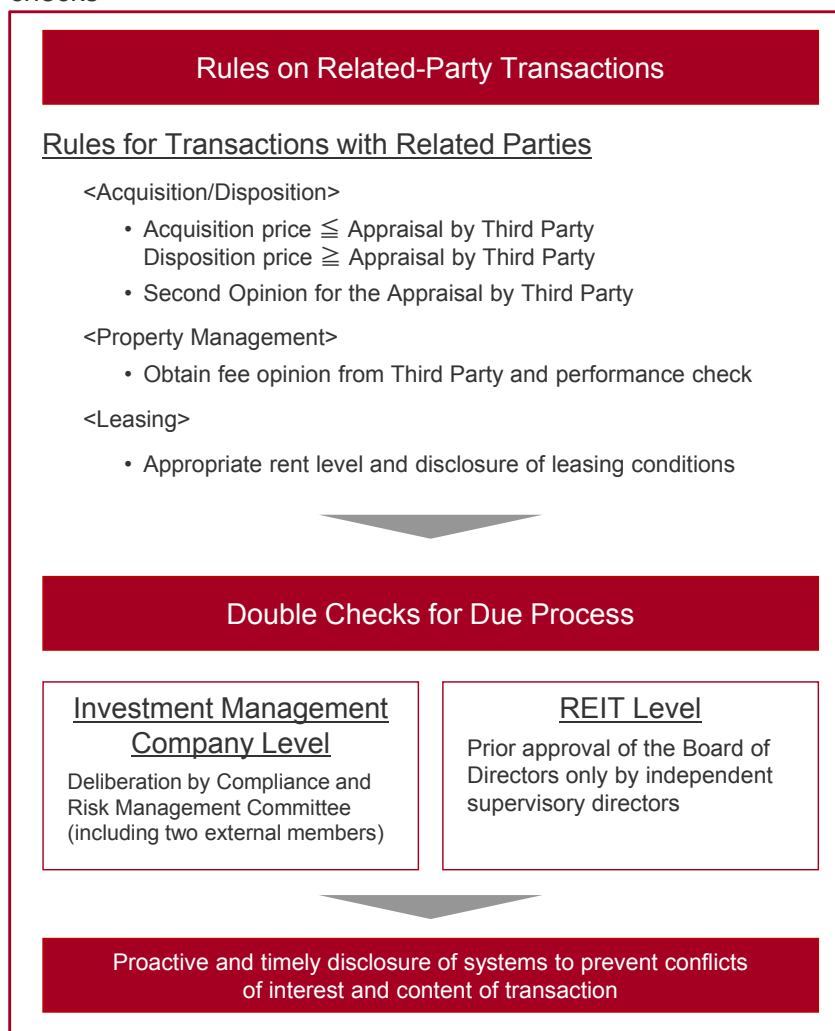
(Note) Standard cash flow here shall be the amount derived by subtracting an amount equivalent to 50% each of profit or loss from the sale of specified assets and profit or loss from the valuation of specified assets from the net income before income taxes, plus depreciation and amortization of deferred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





## 4. Investment Management Strategy



Setagaya Business Square

## Investment Policy

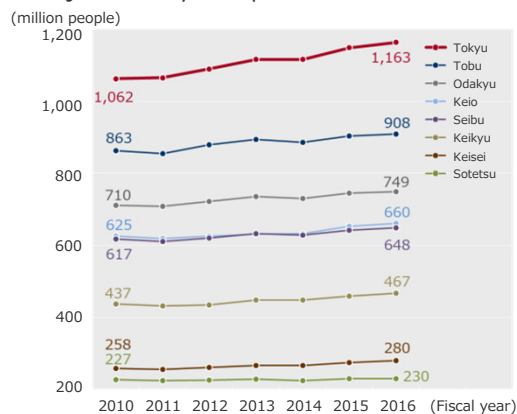
### Investment in “Highly Competitive Properties” in “Areas with Strong Growth Potential”

#### ■ Areas with Strong Growth Potential

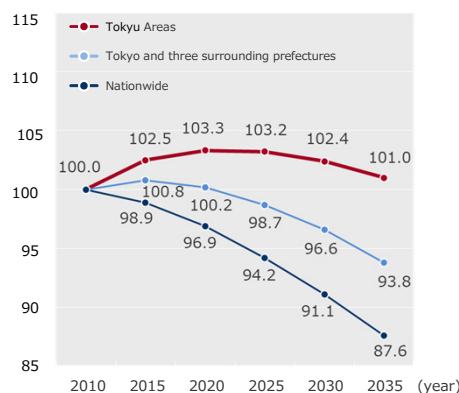
- Investment limited to the Tokyo Metropolitan Area
- Concentrated Investment in Tokyo’s central 5 wards where office demand concentrates and in areas along Tokyu rail lines where the population continues to be on an upward trend (over 85% of investments are conducted in these areas)

	Investment areas	Holding ratio
Focused investment areas	Tokyo Central 5 Wards	85% or more (As of End of Jan. 2018: 93%) *Based on acquisition price
	Tokyu Areas	
Other	Tokyo Metropolitan Area centering on Tokyo, Kanagawa, Saitama and Chiba Prefectures excluding Tokyo Central 5 Wards and Tokyu Areas	15% or lower

Transport Results of Railway Businesses in 8 Major Railway Companies in Kanto Area (Note 1)



Population Forecasts for Tokyu Areas (Year 2010 = 100) (Note 2)



(Note 1) Source: Association of Japanese Private Railways “The Databook of the Major Private Railways”

(Note 2) Prepared by Tokyu Corporation based on the 2013 National Institute of Population and Social Security Research’s data by municipalities.

(Note 3) 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 4) The portfolio shall maintain 80% or higher ratio of properties with the investment amount per property of 4 billion yen or larger.

(Note 5) Chiyoda, Chuo, Minato and Shinjuku wards, and other major commercial and retail districts of Tokyo.

#### ■ Highly Competitive Properties

##### • Focus on location

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

(The ratio of properties within a 3-minute walk from station is 79% (as of End of Jan. 2018))

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 3)

##### • Minimum investment amount per property

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

Tokyu Areas (including Shibuya Ward)	Tokyo’s central 5 wards (excluding Shibuya Ward) (Note 5)	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

## Sponsor Collaboration

### Aim for stable growth through sponsor collaboration

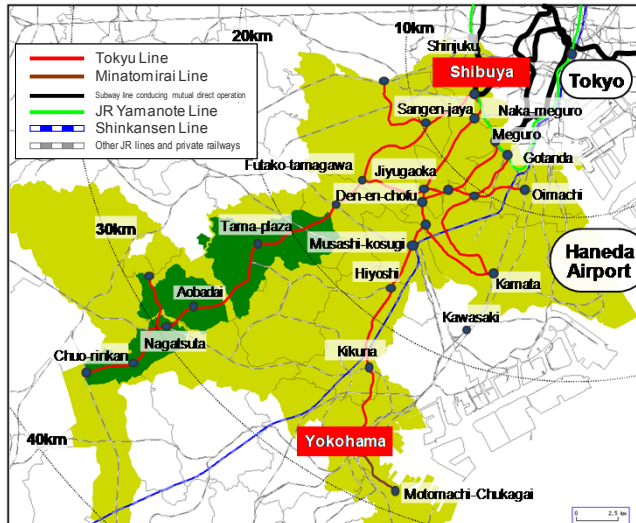
#### ■ Outline of Sponsor (Tokyu Corporation)

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 3.18 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.

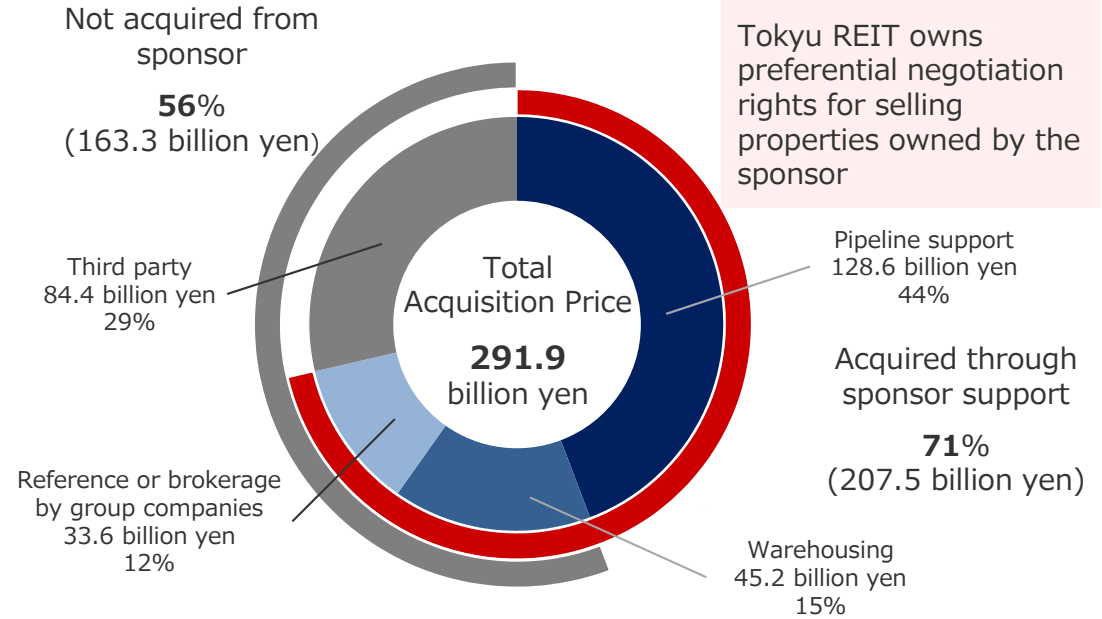
Tokyu REIT sets Tokyu Areas where synergistic effects with sponsors are expected as concentrated investment areas.

< Tokyu Lines Route Map and Tokyu Areas >



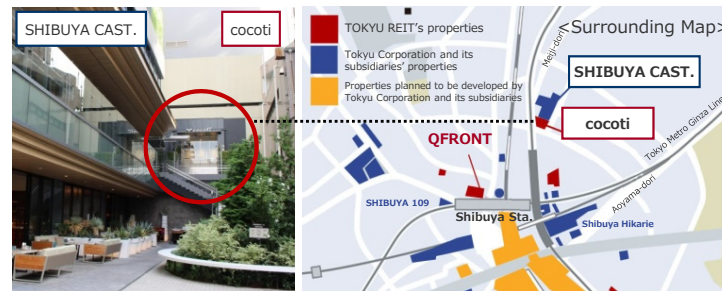
Source: IR material of Tokyu Corporation

#### ■ Status of Pipeline Support



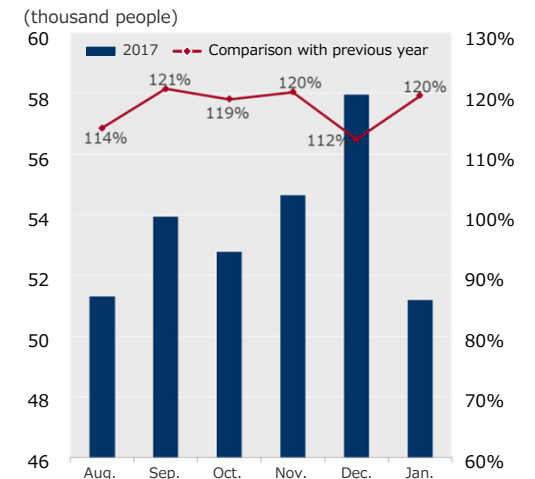
#### ■ Collaboration Project with Tokyu Corporation

##### Connection with SHIBUYA CAST. (cocoti)



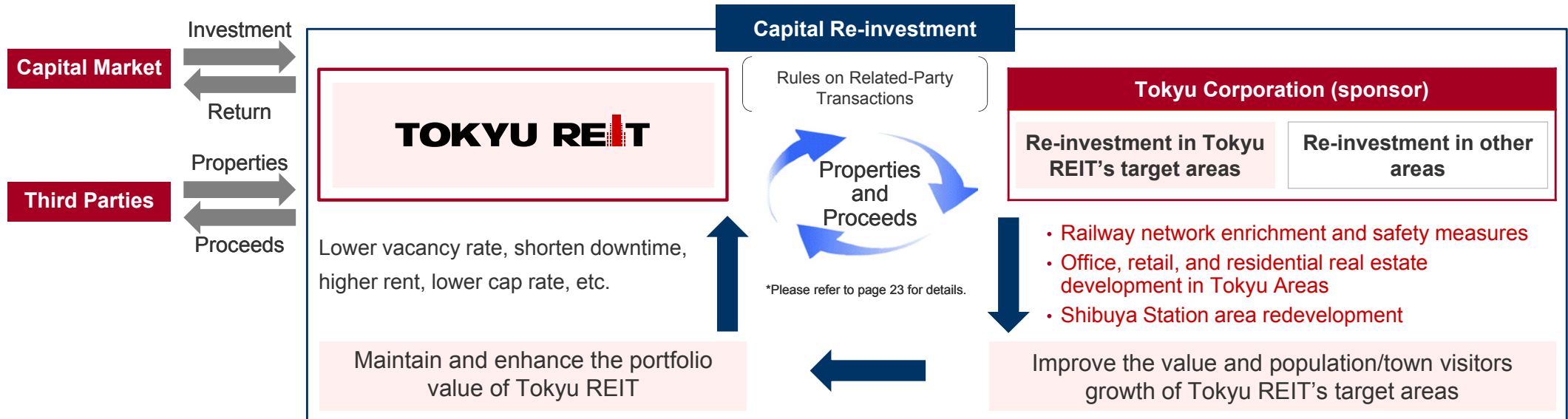
- Installed a deck connected to SHIBUYA CAST., a property developed by sponsors which opened in Apr. 2017.
- Intends to further enhance value as a retail property through improvement of traffic line and partnership with sponsors in business, etc.

##### Number of visitors at cocoti



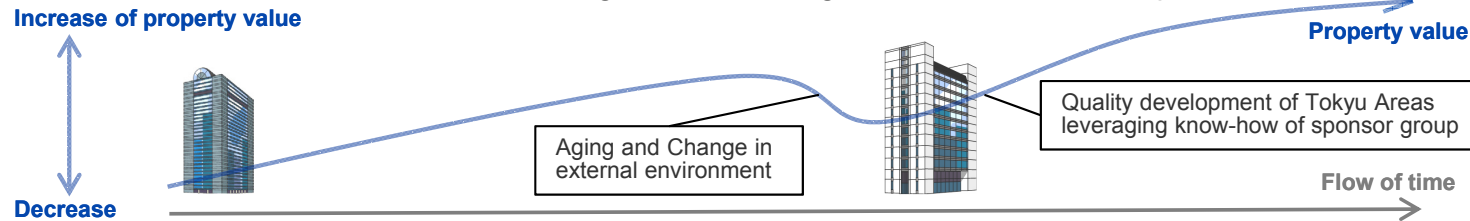
## Investment Strategy through Sponsor Collaboration (Capital Re-investment Model)

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 area 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)

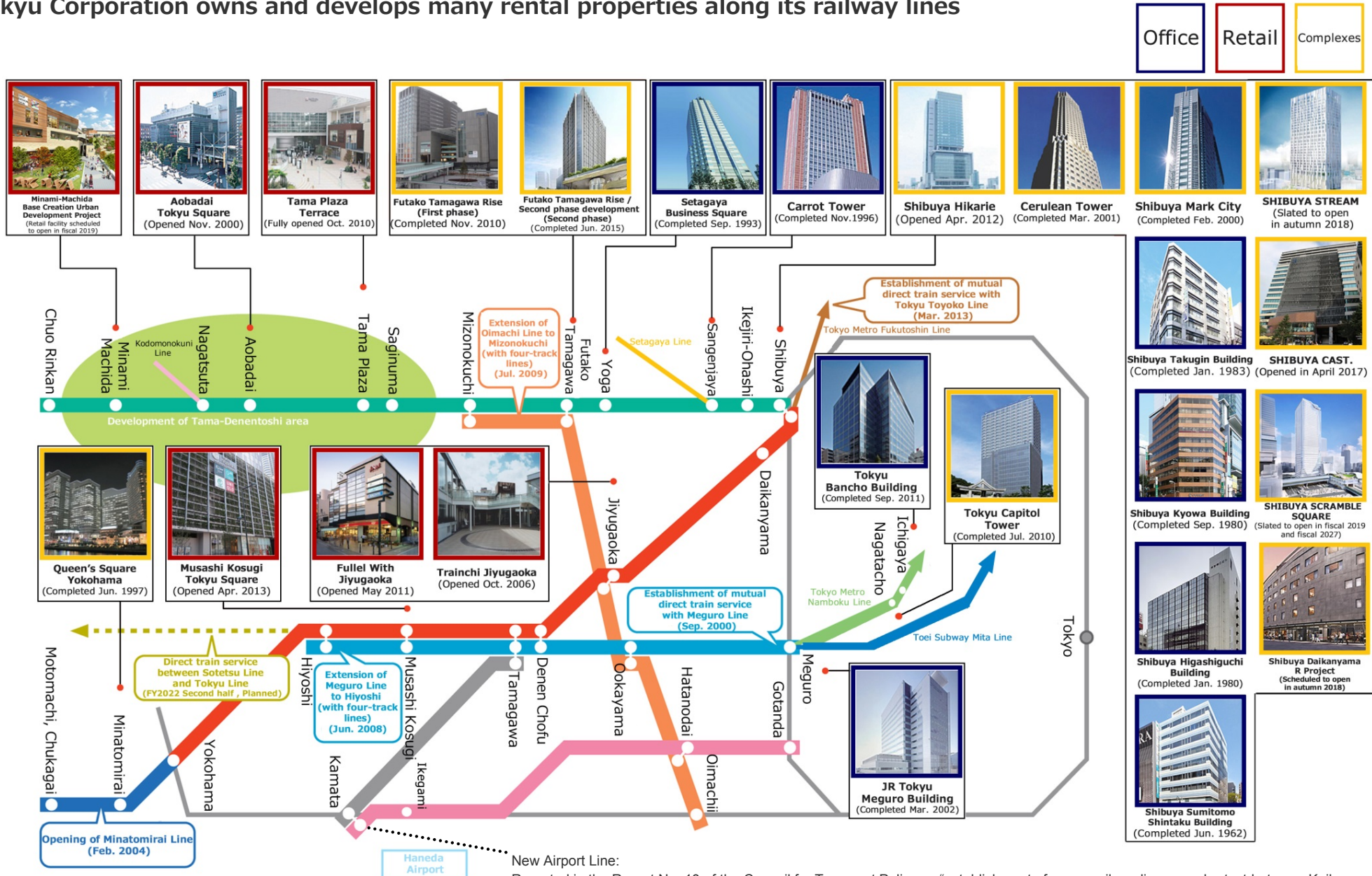
2016 Transferred to sponsor

Future Scheduled to be redeveloped in line with the redevelopment in the vicinity of the station

# 4. Investment Management Strategy

## Major Properties Owned by Tokyu Corporation

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



# 4. 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 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 <sup>2</sup>
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 STREAM



Implementing body	Tokyu Corporation, etc.
Usage	Office, store, hotel, hall, parking lot, etc.
Total floor space	Approx. 116,700m <sup>2</sup>
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 <sup>2</sup>
Height	Approx. 71m
Opening	April 28, 2017

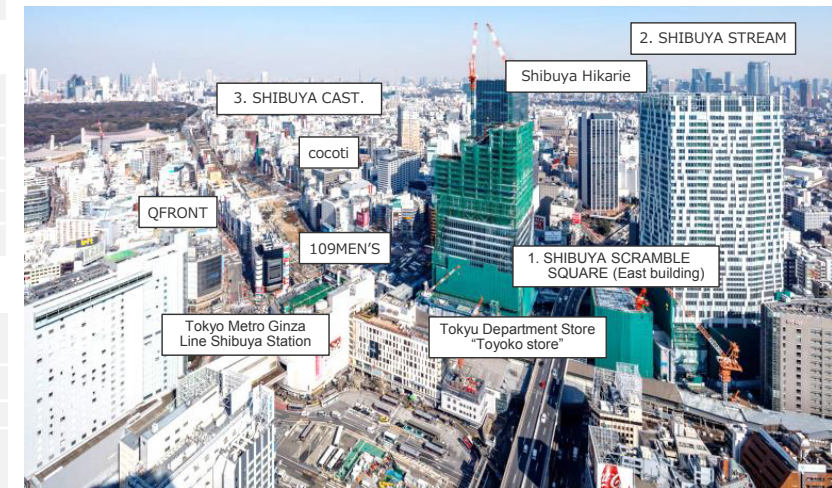
\*Connecting passage to adjacent building cocoti is installed

### 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. 58,970m <sup>2</sup>
Height	Approx. 103m
Opening	Autumn 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 <sup>2</sup>
Height	A1 building: Approx. 180m A2 building: Approx. 90m B building: Approx. 150m C building: Approx. 16.5m
Opening	To be completed in fiscal 2023(scheduled)



Current Appearance Around Shibuya Station  
 (Photo of Shibuya Hikarie taken from Cerulean Tower in February 2018)

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

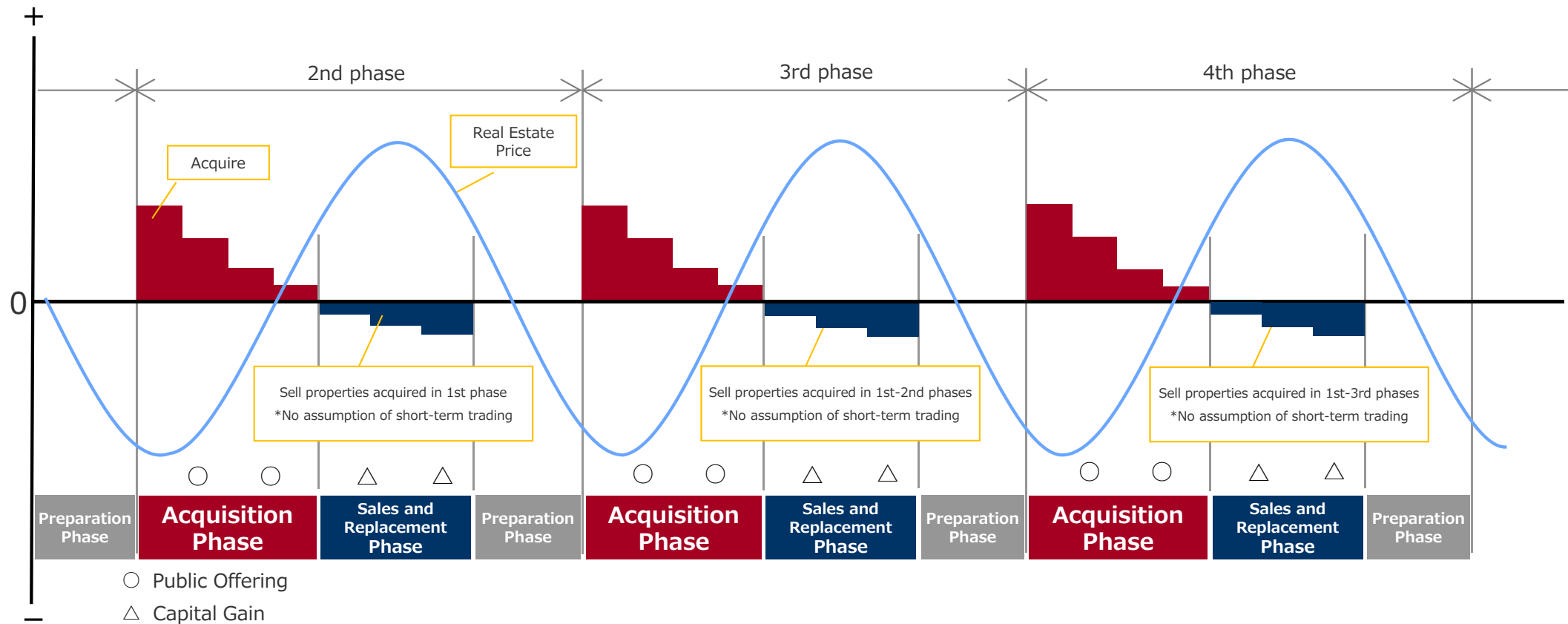
Acquisition Price: 93.2 billion yen  
 Appraisal Value: 121.4 billion yen



# Long-Term Investment Management Strategy (Surf Plan)

### Value & Contrary

Through a value and contrarian investment approach (Note) 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.).



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

## 5. Appendix



**Tokyu Bancho Building**



# Portfolio Summary (1)

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

	Investment Criteria	End of Jan. 2018 (FP 29)
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)
Minimum investment amount per property	4.0 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	7.7 billion yen per property (Note)
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 a 3-minute walk from station: 78.0% (Note)

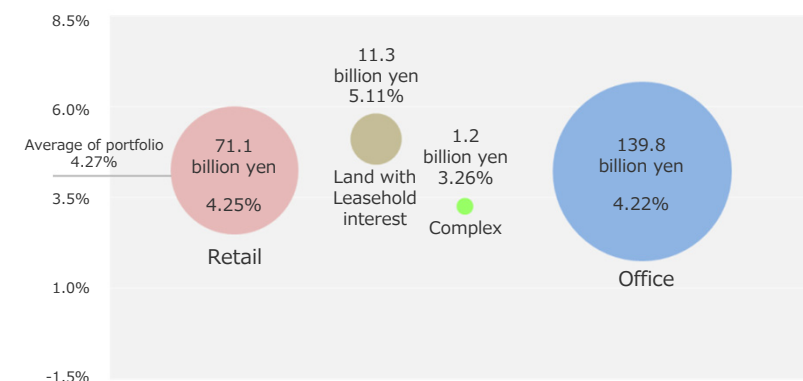
(Note) Based on acquisition price

## Portfolio Overview

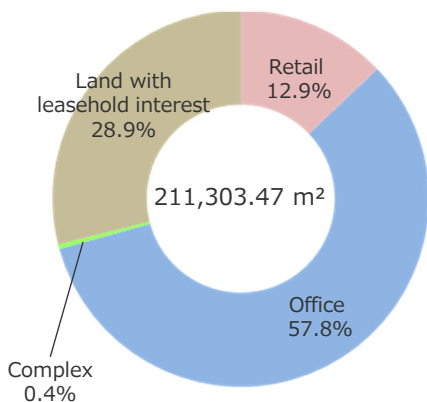
Number of properties	Occupancy rate	Leasable area	Number of tenants	Acquisition price	NOI Yield	Yield after depreciation
29	99.7%	211,303.47 m <sup>2</sup>	239	223.5 billion yen	4.27%	3.35%

### <NOI Yield and Asset Size by Segment>

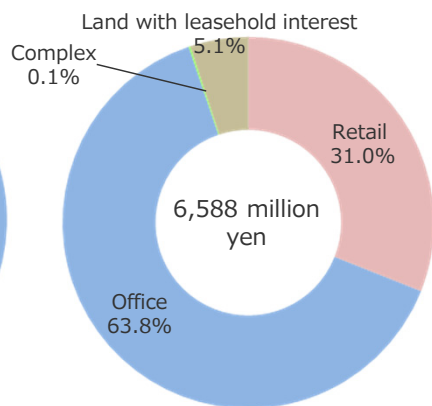
\*Based on acquisition price



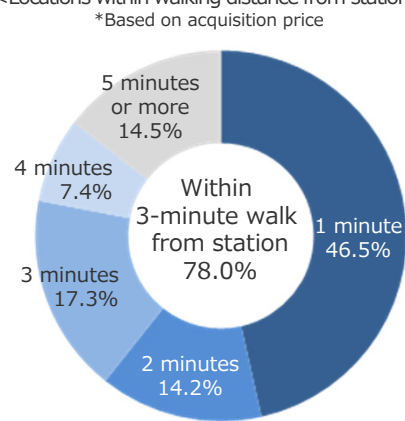
<Total Leasable Area by Segment>



<Rental Revenues by Segment>



<Locations within walking distance from station>



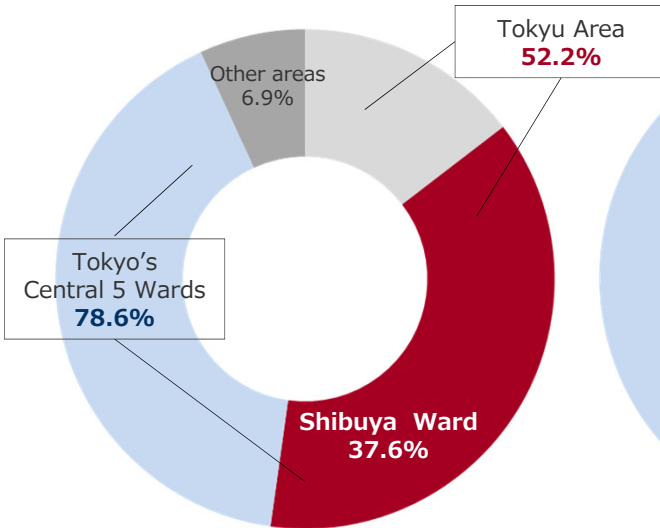
	End of Jan. 2018 (FP 29)	End of Jul. 2017 (FP 28)
Weighted Average Property Age	<b>19.7 years</b>	19.3 years
Portfolio PML	<b>3.8%</b>	3.8%

## 5. Appendix

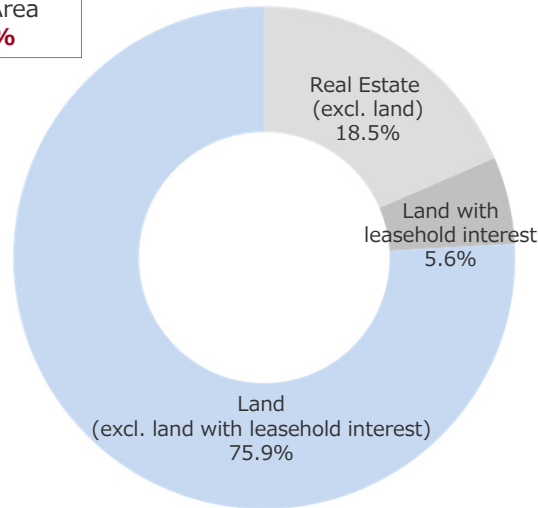
# Portfolio Summary (2)

### ■ Portfolio Data

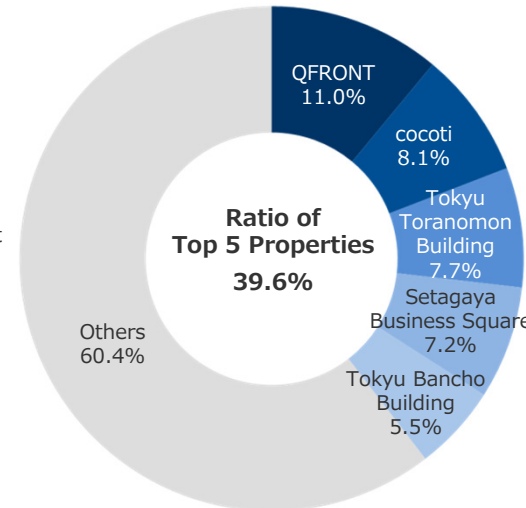
<Area Ratio>  
Based on acquisition price



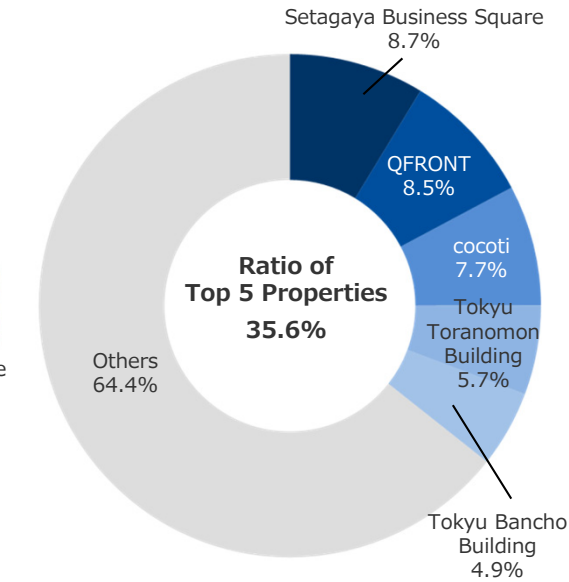
<Land / Building Ratio>  
Based on book value



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



<Composition Ratio for NOI of each property>



\* Shibuya Ward (37.6%) is included in both the Tokyo Central 5 Wards and the Tokyu Areas.

### ■ Major Tenants

	Tenant name	Business category	Property name	Expiration date	Leased area (m <sup>2</sup> )	Ratio (Note 1)
1	DAIWA INFORMATION SERVICE Co., Ltd	Real estate	Shonan Mall Fill (land with leasehold interest)	3/31/2033	44,078.12	20.9%
2	OKI Electric Industry Co., Ltd.	Electric equipment	OKI System Center (land with leasehold interest)	3/26/2033	17,019.19	8.1%
3	Tokyu Corporation	Land transportation	Tokyu Nampo-dai-cho Building	12/31/2021	7,148.18	3.4%
			Tokyu Sakuragaoka-cho Building	12/31/2021	3,878.36	1.8%
4	VENDOR SERVICE CO., LTD.	Wholesale	Tokyu Toranomon Building	3/31/2020	5,907.30	2.8%
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	1.9%
7	Japan Post Insurance	Insurance	TOKYU REIT Toranomon Building	4/30/2018 (Note 2)	3,553.89	1.7%
8	Tokyu Agency Inc.	Service	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1/31/2023	3,533.03	1.7%
9	OPT Holding Inc.	Other financial services	Tokyu Bancho Building (Note 3)	12/31/2018	3,388.15	1.6%
10	Netyear Group Corporation	Service	Tokyu Ginza 2-chome Building	9/30/2019	3,278.04	1.6%
Total of top 10 tenants in leased area					100,421.69	47.7%
Total leased area as of end of Jan. 2018 (FP 29)(29 properties)					210,689.91	100.0%

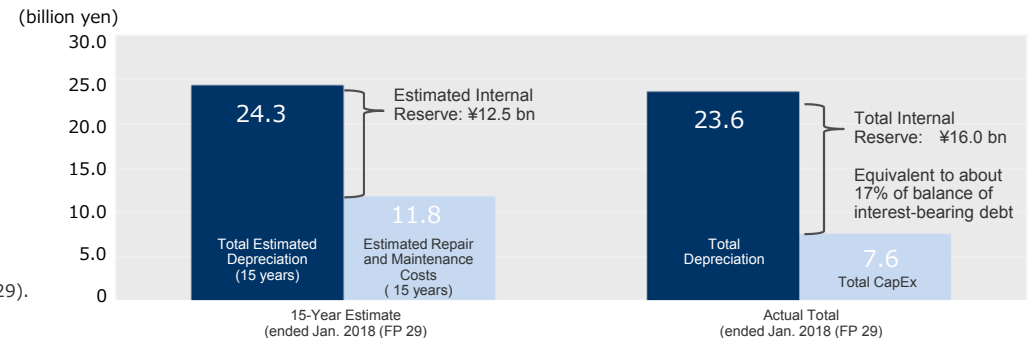
(Note 1) "Ratio" indicates ratio of tenant's leased areas to total leased area of 29 properties held as of end of Jan. 2018 FP (FP 29).

(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.



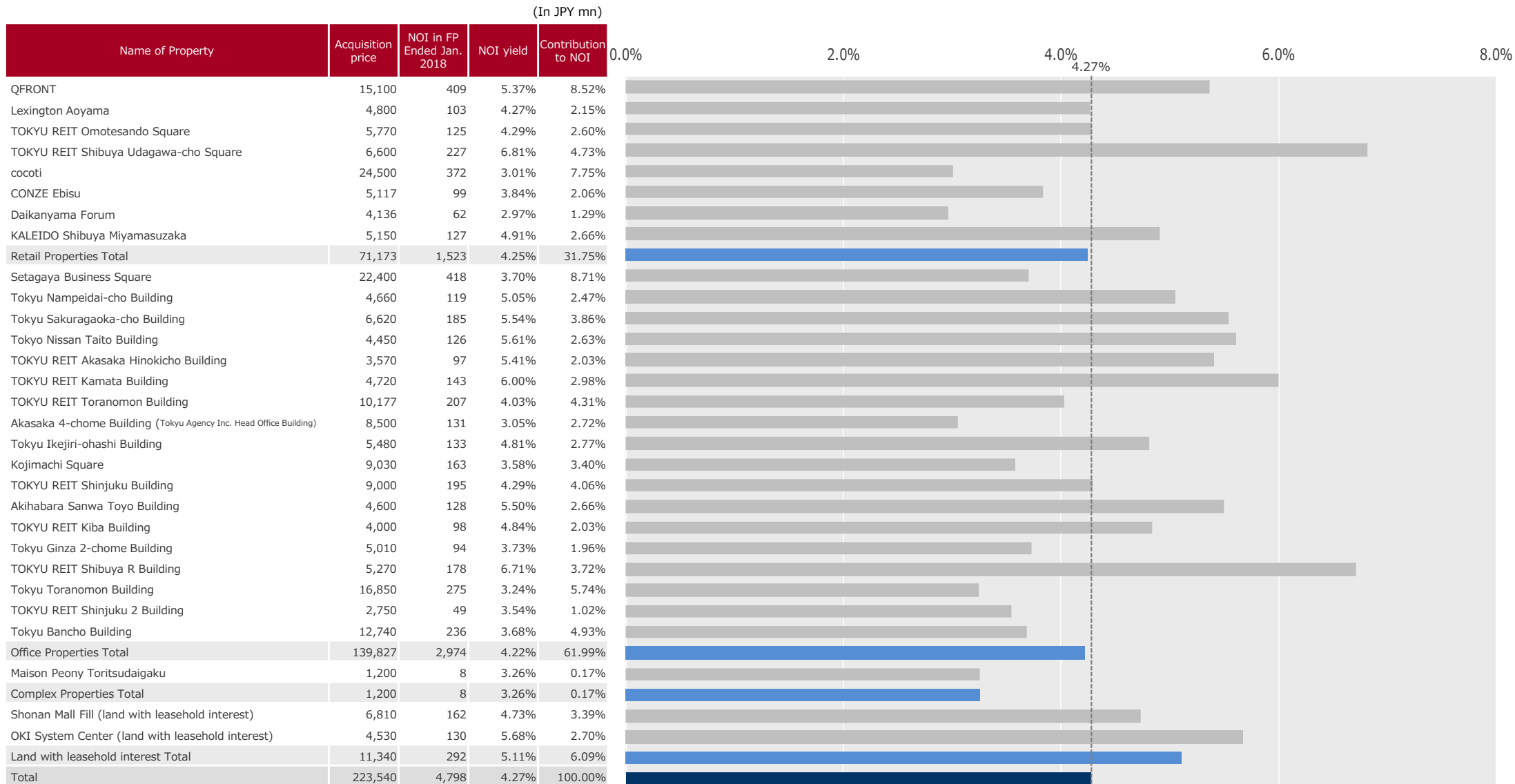
\* Long-term repair and maintenance cost estimates are updated when appropriate.

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

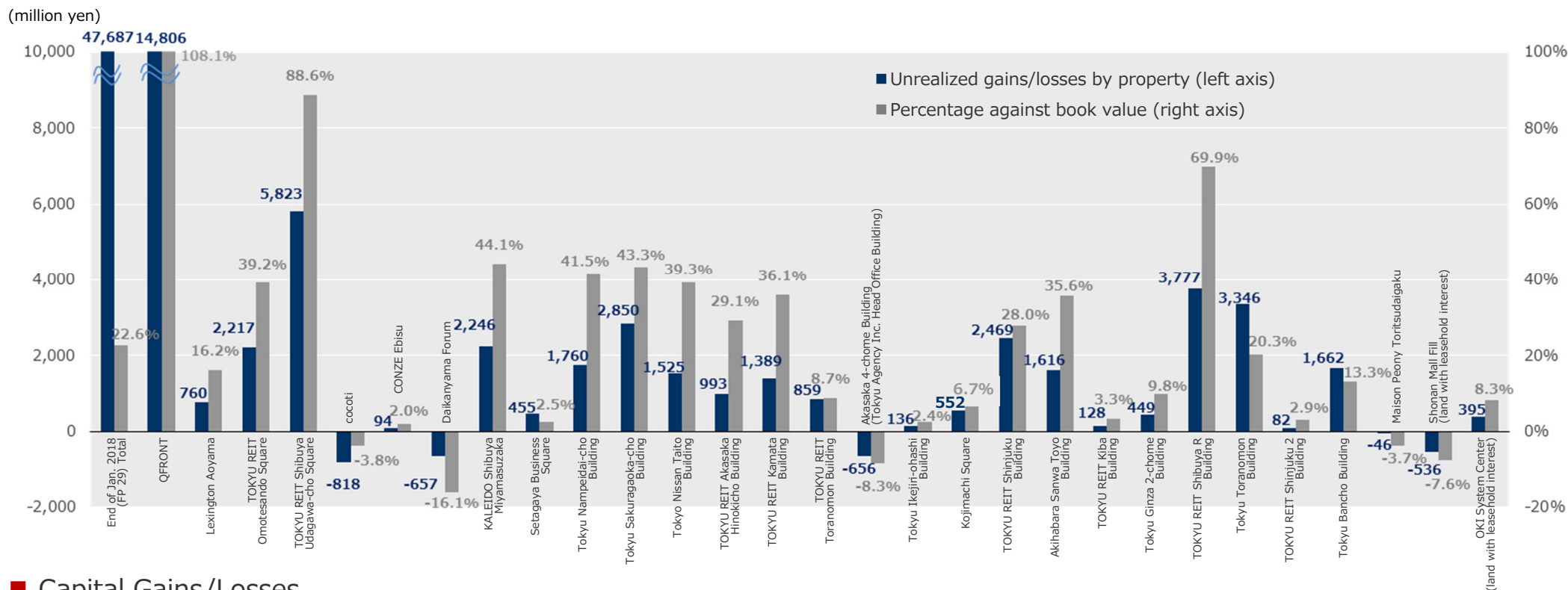
## 5. Appendix

# NOI Yield for Each Property (FP ended Jan. 2018 (FP 29))

Overall	4.27%	Retail	4.25%	Office	4.22%	Complexes	3.26%	Land with leasehold interest	5.11%
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■ Unrealized Gains/Losses and Percentage Against Book Value by Property (As of End of Jan. 2018 (FP 29))



■ Capital Gains/Losses

Total Capital Gain

(Acquisition: 36 properties, Disposition: 7 properties) **¥14.2 bn**  
(Breakdown)

Property	Gain/Loss (¥ bn)	Period
Tokyu Saginuma 2 Building	¥0.5 bn	(Jan. 2017 (FP 27))
Tokyu Saginuma Building	¥2.3 bn	(Jul. 2016 (FP 26))
Beacon Hill Plaza (Ito-Yokado Noukendai store)	¥0.4 bn	(Jan. 2015 (FP 23))
Resona Maruha Building	¥18.2 bn	(Jan. 2010 (FP 13))
Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)	¥1.6 bn	(Jul. 2006 (FP 6))

Property	Gain/Loss (¥ bn)	Period
TOKYU REIT Hatchobori Building	-¥1.8 bn	(Jul. 2016 (FP 26))
Ryoshin Harajuku Building	-¥7.1 bn	(Jan. 2010 (FP 13))

## 5. 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 Jan 2018 FP 29	Ended Jul 2017 FP 28		Ended Jan 2018 FP 29	Ended Jul 2017 FP 28	Change	Ended Jan 2018 FP 29	Ended Jul 2017 FP 28	Change	Change (pts)	
QFRONT	15,100	6.8%	28,500	27,200	1,300	784	769	14	2.70%	2.80%	-0.10%	-0.10	a
Lexington Aoyama	4,800	2.1%	5,470	5,410	60	190	193	-2	3.40%	3.50%	-0.10%	-0.10	a
TOKYU REIT Omotesando Square	5,770	2.6%	7,880	7,660	220	273	273	-0	3.40%	3.50%	-0.10%	-0.10	a
TOKYU REIT Shibuya Udagawa-cho Square	6,600	3.0%	12,400	12,000	400	424	424	-0	3.40%	3.50%	-0.10%	-0.10	b
cocoti	24,500	11.0%	21,000	20,400	600	710	709	1	3.30%	3.40%	-0.10%	-0.10	c
CONZE Ebisu	5,117	2.3%	4,940	4,760	180	178	176	2	3.50%	3.60%	-0.10%	-0.10	c
Daikanyama Forum	4,136	1.9%	3,440	3,330	110	135	135	0	3.80%	3.90%	-0.10%	-0.10	b
KALEIDO Shibuya Miyamasuzaka	5,150	2.3%	7,340	7,170	170	269	270	-1	3.60%	3.70%	-0.10%	-0.10	b
<b>Retail Properties Total (8 properties)</b>	<b>71,173</b>	<b>31.8%</b>	<b>90,970</b>	<b>87,930</b>	<b>3,040</b>	<b>2,965</b>	<b>2,951</b>	<b>14</b>	<b>3.26%</b>	<b>3.36%</b>	<b>-0.10%</b>	<b>-0.10</b>	
Setagaya Business Square	22,400	10.0%	18,700	18,700	-	809	806	2	4.30%	4.30%	-	-	a
Tokyu Nampeidai-cho Building	4,660	2.1%	6,000	5,750	250	237	227	9	3.90%	3.90%	-	-	a
Tokyu Sakuragaoka-cho Building	6,620	3.0%	9,440	9,440	-	354	354	0	3.70%	3.70%	-	-	a
Tokyo Nissan Taito Building	4,450	2.0%	5,410	5,400	10	240	240	0	4.40%	4.40%	-	-	a
TOKYU REIT Akasaka Hinokicho Building	3,570	1.6%	4,410	4,410	-	175	174	0	3.90%	3.90%	-	-	a
TOKYU REIT Kamata Building	4,720	2.1%	5,240	5,240	-	235	235	0	4.50%	4.50%	-	-	a
TOKYU REIT Toranomom Building	10,177	4.6%	10,800	10,700	100	412	409	3	3.80%	3.80%	-	-	a
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,500	3.8%	7,250	7,110	140	266	268	-2	3.60%	3.70%	-0.10%	-0.10	b
Tokyu Ikejiri-ohashi Building	5,480	2.5%	5,830	5,730	100	252	252	-0	4.30%	4.40%	-0.10%	-0.10	c
Kojimachi Square	9,030	4.0%	8,840	8,830	10	329	329	0	3.70%	3.70%	-	-	a
TOKYU REIT Shinjuku Building	9,000	4.0%	11,300	11,000	300	395	395	-0	3.40%	3.50%	-0.10%	-0.10	c
Akihabara Sanwa Toyo Building	4,600	2.1%	6,150	6,100	50	249	253	-4	4.00%	4.10%	-0.10%	-0.10	b
TOKYU REIT Kiba Building	4,000	1.8%	4,020	3,960	60	191	192	-0	4.70%	4.80%	-0.10%	-0.10	b
Tokyu Ginza 2-chome Building	5,010	2.2%	5,030	5,020	10	212	212	0	4.20%	4.20%	-	-	a
TOKYU REIT Shibuya R Building	5,270	2.4%	9,180	8,950	230	328	329	-0	3.50%	3.60%	-0.10%	-0.10	b
Tokyu Toranomom Building (Note 2)	16,850	7.5%	19,800	19,800	-	548	631	-83	3.20%	3.20%	-	-	a
TOKYU REIT Shinjuku 2 Building	2,750	1.2%	2,930	2,860	70	108	108	-0	3.60%	3.70%	-0.10%	-0.10	c
Tokyu Bancho Building	12,740	5.7%	14,200	13,800	400	485	483	1	3.30%	3.40%	-0.10%	-0.10	c
<b>Office Properties Total (18 properties)</b>	<b>139,827</b>	<b>62.6%</b>	<b>154,530</b>	<b>152,800</b>	<b>1,730</b>	<b>5,833</b>	<b>5,905</b>	<b>-71</b>	<b>3.78%</b>	<b>3.86%</b>	<b>-0.08%</b>	<b>-0.08</b>	
Maison Peony Toritsudaigaku (Note 3)	1,200	0.5%	1,200	1,200	-	47	47	-0	3.90%	3.90%	-	-	a
<b>Complex Properties Total (1 property)</b>	<b>1,200</b>	<b>0.5%</b>	<b>1,200</b>	<b>1,200</b>	<b>-</b>	<b>47</b>	<b>47</b>	<b>-0</b>	<b>3.90%</b>	<b>3.90%</b>	<b>-</b>	<b>-</b>	
Shonan Mall Fill (land with leasehold interest) (Note 4)	6,810	3.0%	6,490	6,430	60	328	328	-0	4.80%	4.90%	-0.10%	-0.10	b
OKI System Center (land with leasehold interest) (Note 4)	4,530	2.0%	5,170	5,120	50	262	262	-0	4.90%	5.00%	-0.10%	-0.10	b
<b>Land with leasehold interest Total (2 properties)</b>	<b>11,340</b>	<b>5.1%</b>	<b>11,660</b>	<b>11,550</b>	<b>110</b>	<b>590</b>	<b>590</b>	<b>-0</b>	<b>5.07%</b>	<b>5.12%</b>	<b>-0.05%</b>	<b>-0.05</b>	
<b>End of Jan. 2018 (FP 29) Total (29 properties)</b>	<b>223,540</b>	<b>100.0%</b>	<b>258,360</b>	<b>253,480</b>	<b>4,880</b>	<b>9,437</b>	<b>9,495</b>	<b>-57</b>	<b>3.65%</b>	<b>3.75%</b>	<b>-0.10%</b>	<b>-0.10</b>	

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

(Note 2) As for assumptions of "Appraisal Value at End of Period," "NCF (Direct Capitalization Method)" and "NCF Cap Rate (Direct Cap Rate)" for Tokyu Toranomom Building, which contiguous land was acquired on January 9, 2015, please refer to "Portfolio Cap Rate (by appraisal value in DATA BOOK)."

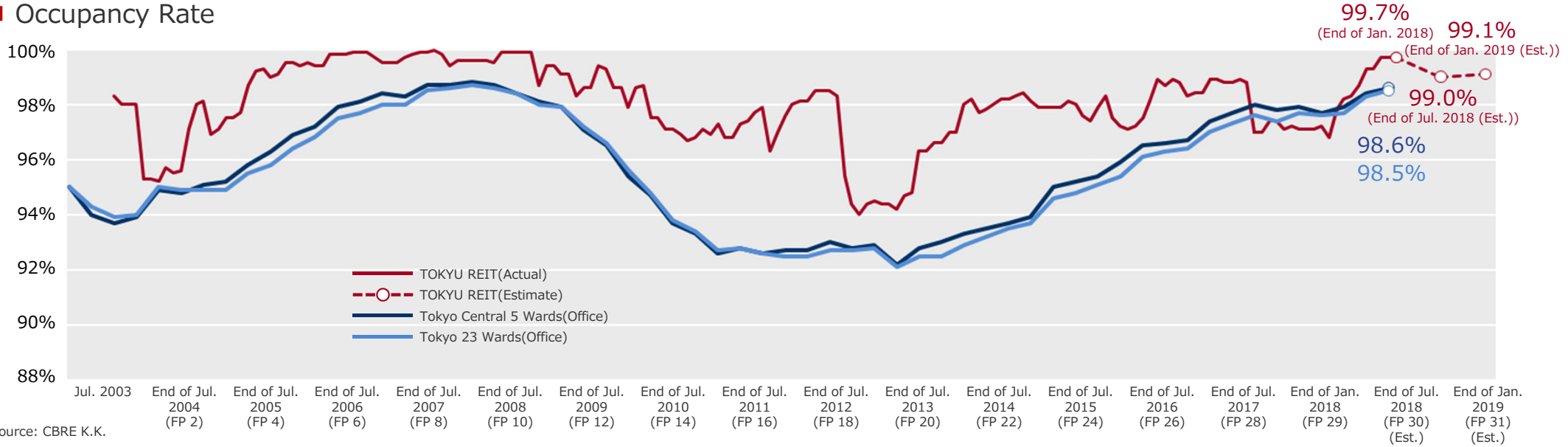
(Note 3) As Maison Peony Toritsudaigaku was acquired during the FP ended Jan. 2018(FP29), NCF and NCF Cap Rate for the fiscal period ended July 2017 (FP 28) are calculated by using the appraisal value upon acquisition of the property (as of September 1, 2017).

(Note 4) For Shonan Mall Fill (land with leasehold interest) and 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).

\* 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 )

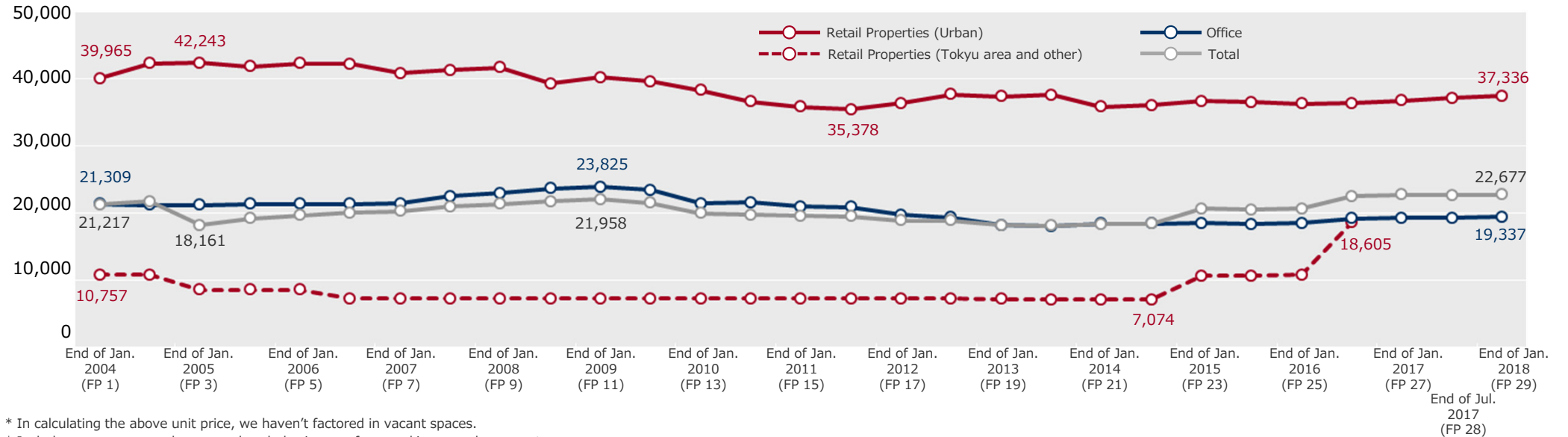
## Occupancy Rate



Source: CBRE K.K.

## Average Rent

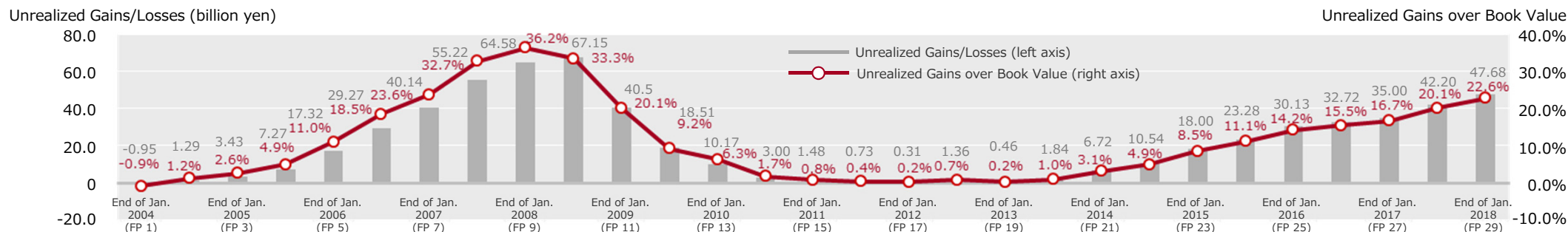
Unit Price (¥/Month/Tsubo)



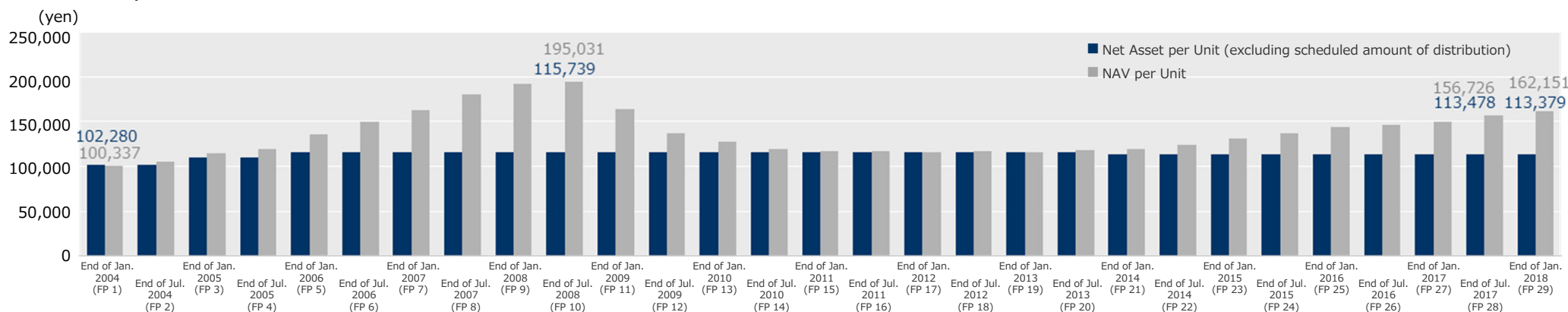
\* In calculating the above unit price, we haven't factored in vacant spaces.  
 \* Includes common area charges and excludes income from parking, warehouses, etc.

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

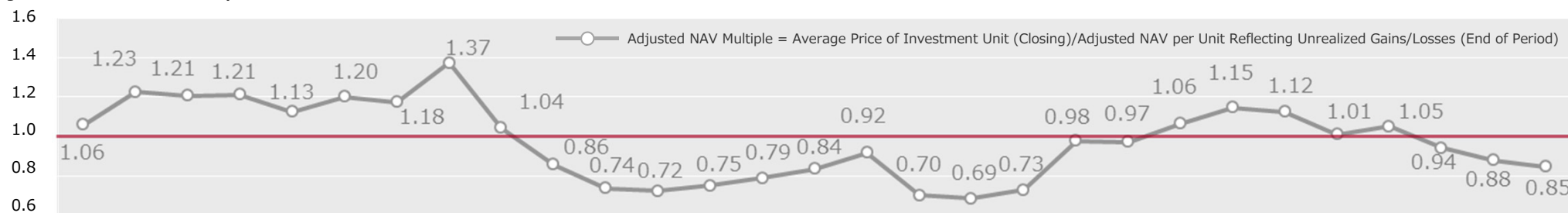
## ■ Unrealized Gains and Unrealized Gains over Book Value



## ■ Net Asset per Unit/NAV



## ■ Adjusted NAV Multiple



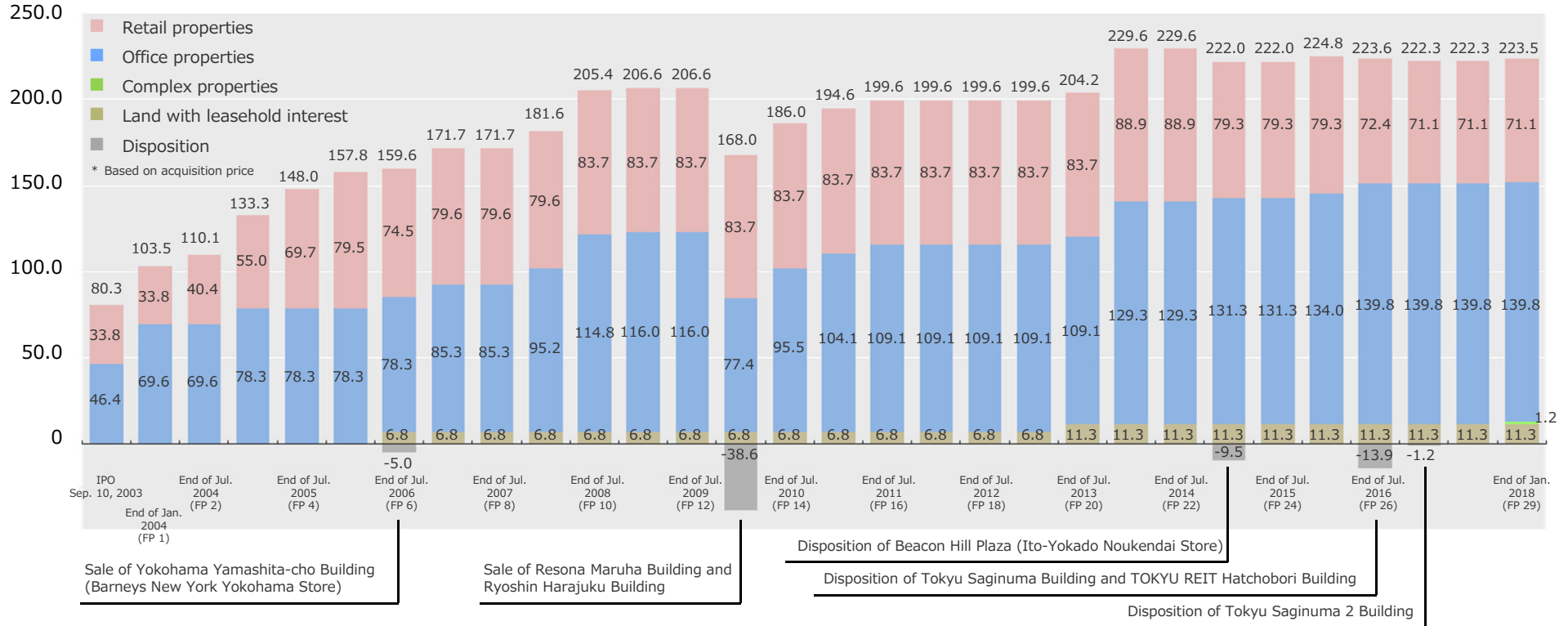
Average Investment Unit Price (yen)	End of Jan. 2004 (FP 1)	End of Jul. 2004 (FP 2)	End of Jan. 2005 (FP 3)	End of Jul. 2005 (FP 4)	End of Jan. 2006 (FP 5)	End of Jul. 2006 (FP 6)	End of Jan. 2007 (FP 7)	End of Jul. 2007 (FP 8)	End of Jan. 2008 (FP 9)	End of Jul. 2008 (FP 10)	End of Jan. 2009 (FP 11)	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)	End of Jan. 2018 (FP 29)
	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	137,260

\* 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.

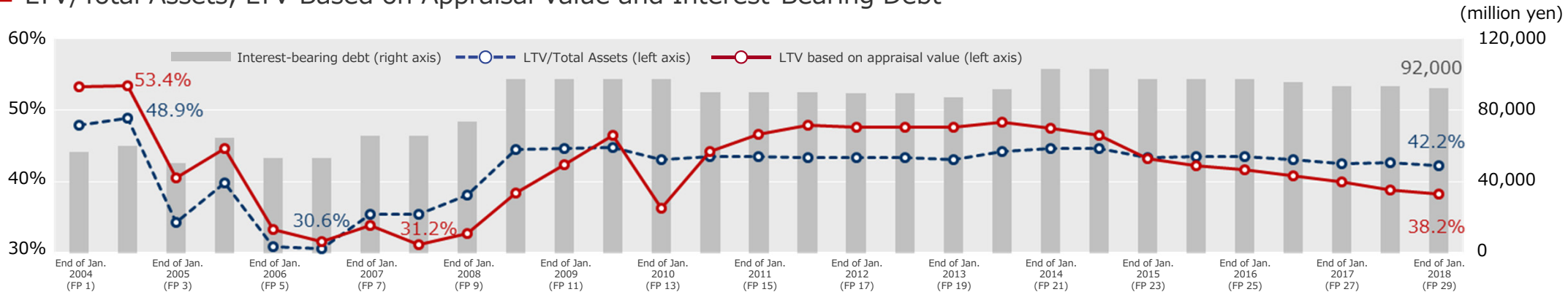
# Track Records (3) (Change in Asset Size, LTV and Interest-Bearing Debt)

## Change in Asset Size

(billion yen)



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





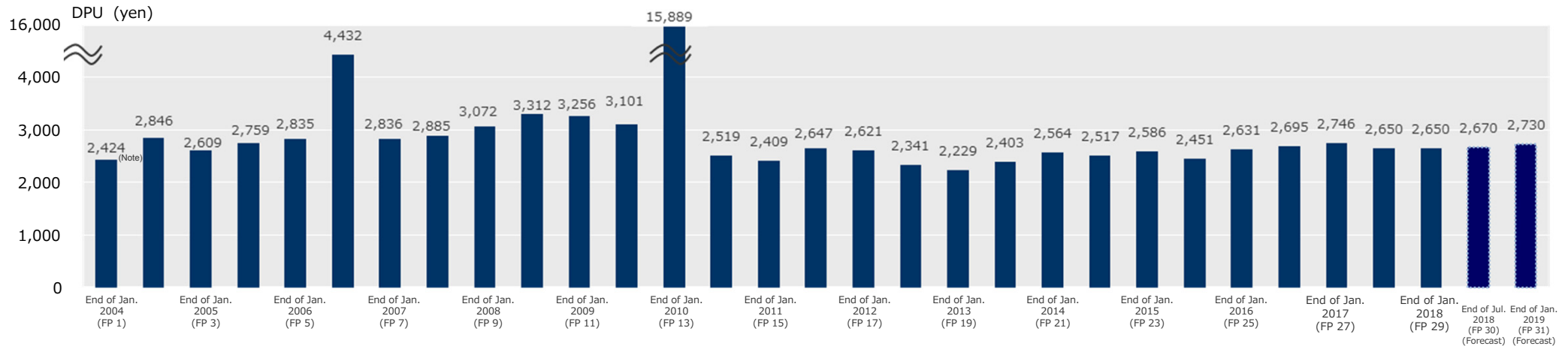
## 5. Appendix

# 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

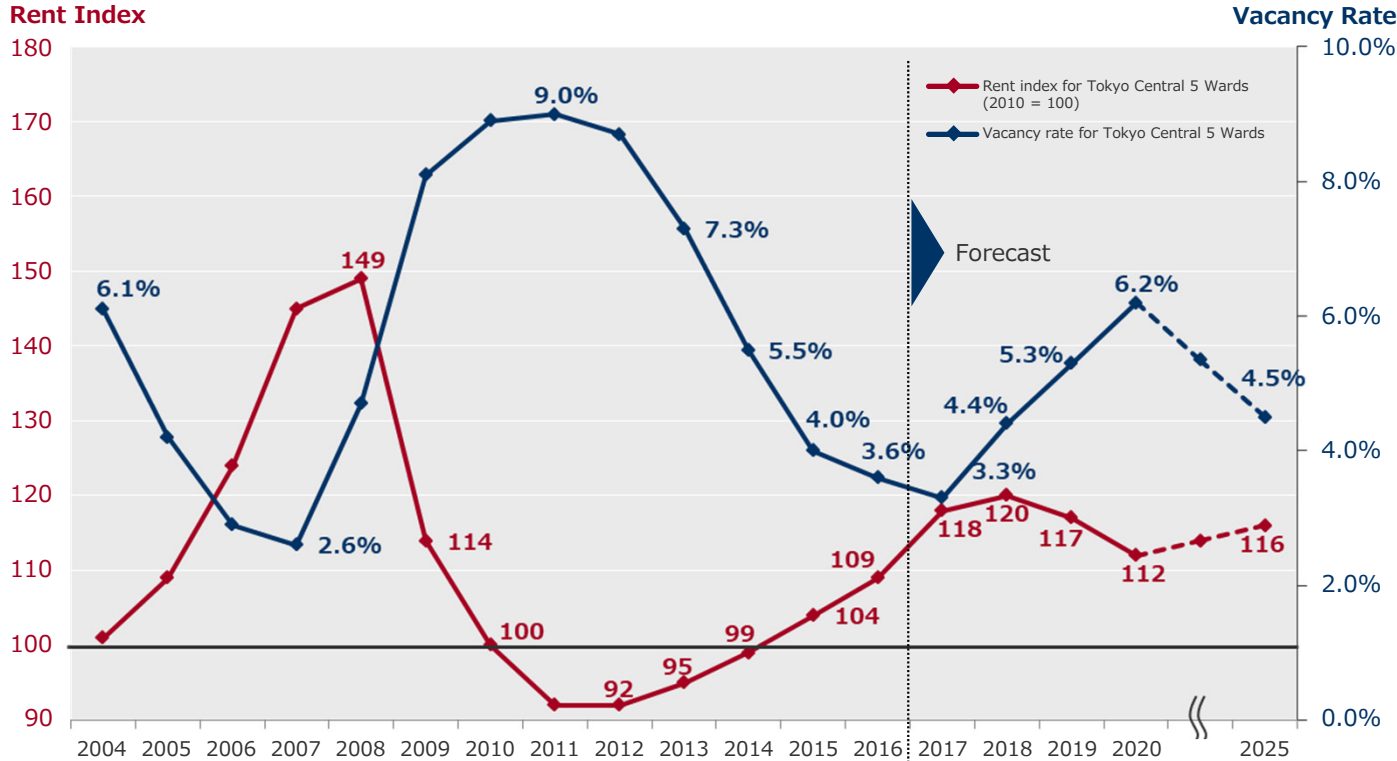


(Note) Official distribution per unit in the 1st period was ¥1,897 (adjusted for five-for-one split) based on the actual operating period of 144 days, but the recalculated distribution per unit of ¥2,424 based on 184 operating days is used in the above graph for the sake of comparison with figures from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

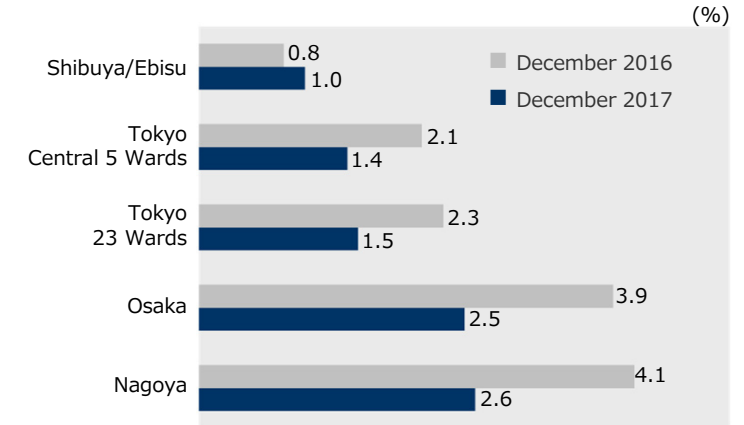
\* Investment unit price and distribution per unit stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

# Market Summary

## Forecast of New Market Rents and Vacancy Rates for Office Properties (as announced on October 30, 2017)



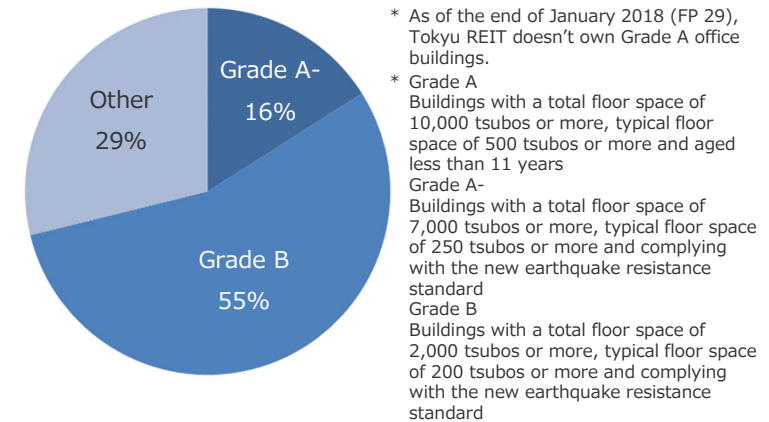
## Vacancy Rate by Market (Office)



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

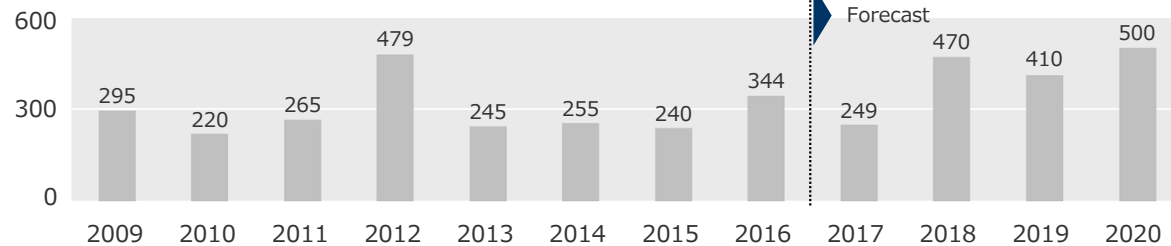
## Ratio of Office Buildings Owned by Grade

(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) (1,000 tsubos)



Source: Materials announced by Office Market Trends Research Committee (Japan Real Estate Institute and Miki Shoji Co., Ltd.) on October 30, 2017

# List of Sources of Funds for Interest-Bearing Debt

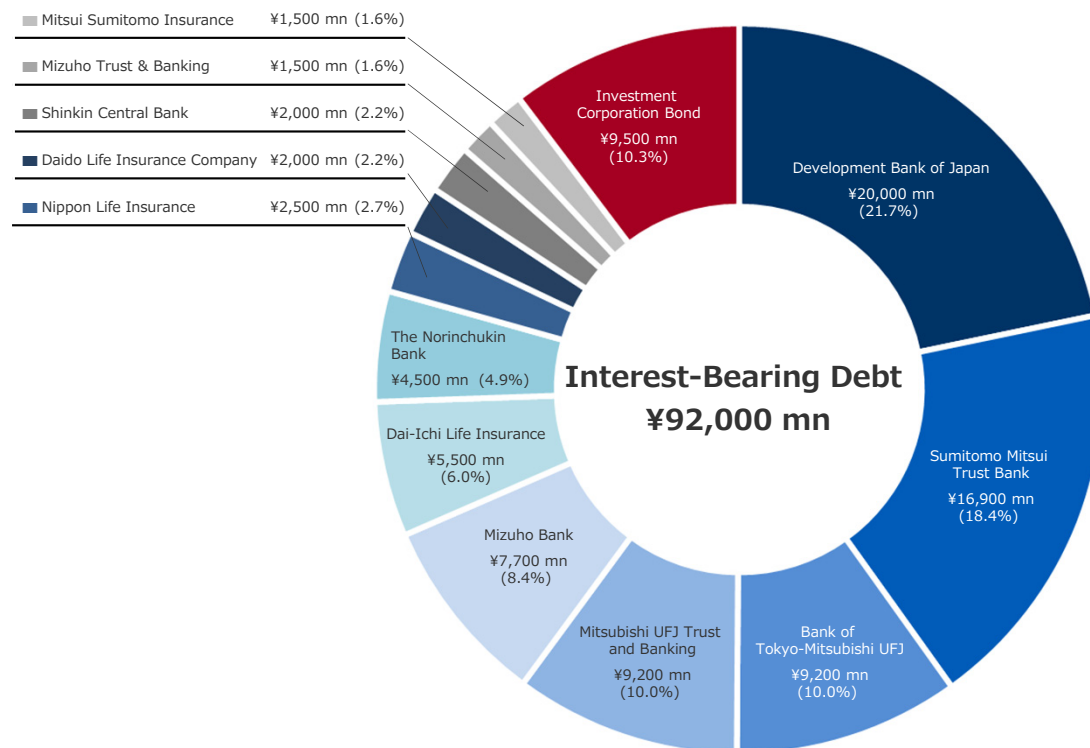
Aim to diversify and stabilize sources of funds

■ Borrowings and Investment Corporation Bonds

Category	Lender	Amount	Interest Rate	Term	Debt Origination Date	Maturity	
		(¥ million)	(%)	(year)		Due Date	Period
Long term	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	31st
	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	32nd
	Mitsubishi UFJ Trust and Banking	500	1.07500	5.0	Jun. 25, 2013	Jun. 25, 2020	34th
	Sumitomo Mitsui Trust Bank	2,900	1.53375	7.5	Jun. 25, 2013	Jun. 25, 2020	34th
	The Norinchukin Bank	500	1.47250	7.0	Jun. 27, 2013	Jun. 27, 2020	34th
	Mitsui Sumitomo Insurance	500	-	-	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	-	-	Jun. 27, 2013	Jun. 27, 2023	40th
	Dai-Ichi Life Insurance	2,500	1.51375	8.0	Jul. 31, 2013	Jul. 31, 2021	36th
	Mitsui Sumitomo 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	-	-	Dec. 25, 2013	Dec. 25, 2020	35th
	Mitsubishi UFJ Trust and Banking	1,500	0.95625	5.5	Dec. 25, 2013	Jun. 25, 2019	32nd
	Dai-Ichi Life Insurance	1,000	1.04625	6.5	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	Feb. 25, 2014	Jun. 25, 2021	36th
	Mitsui Sumitomo Insurance	1,000	-	-	Feb. 25, 2014	Jun. 25, 2021	36th
	Sumitomo Mitsui Trust Bank	1,600	-	-	Feb. 25, 2014	Jun. 25, 2021	36th
	Bank of Tokyo-Mitsubishi UFJ	800	0.96875	7.0	Oct. 22, 2014	Oct. 22, 2021	37th
	Mizuho Bank	800	-	-	Oct. 22, 2014	Oct. 22, 2021	37th
	Mitsubishi UFJ Trust and Banking	800	-	-	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	-	-	Jul. 27, 2015	Jul. 27, 2022	38th
	Mizuho Bank	1,700	0.89250	7.0	Nov. 11, 2015	Nov. 11, 2022	39th
	Dai-Ichi Life Insurance	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	39th
	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	42nd
	Development Bank of Japan	5,000	0.90880	10.0	Jan. 25, 2018	Jan. 25, 2028	49th
Nippon Life Insurance	500	0.58000	5.5	Jan. 31, 2018	Jul. 31, 2023	40th	
<b>Total Long-Term Borrowings</b>	<b>82,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Borrowings</b>	<b>82,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
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
<b>Total Investment Corporation Bonds</b>	<b>9,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Interest-Bearing Debt</b>	<b>92,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

\*Average Interest Rate: 1.17%

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



■ List of Commitment Line Limits

<Secure level to cover planned annual repayment amount>

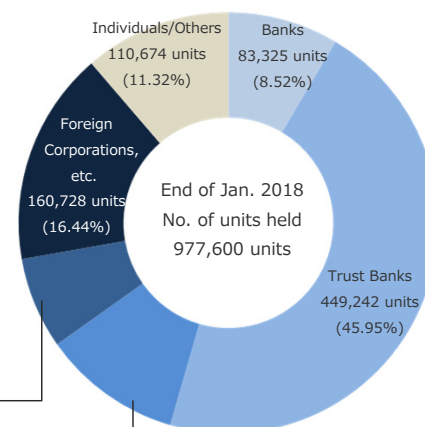
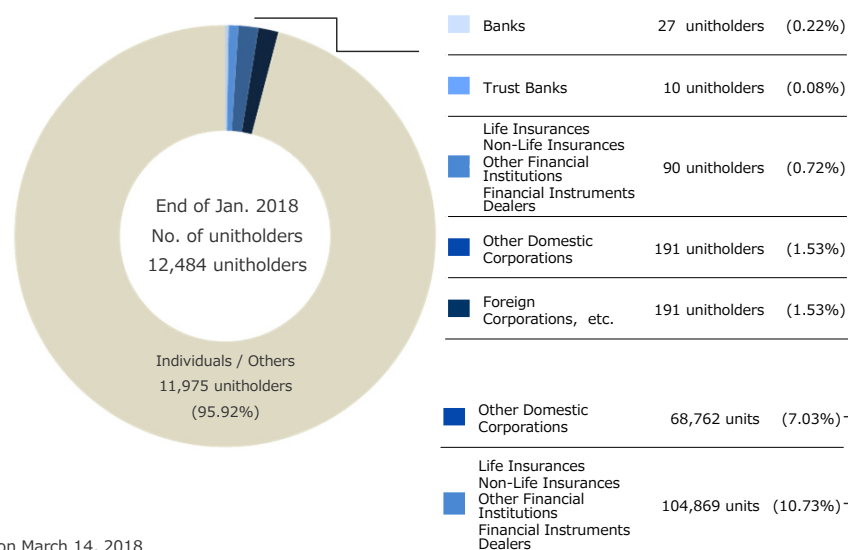
Lender	Amount
Development Bank of Japan	¥8,000 mn
Sumitomo Mitsui Trust Bank	¥5,200 mn
Mizuho Bank	¥1,600 mn
Bank of Tokyo-Mitsubishi UFJ	¥1,600 mn
Mitsubishi UFJ Trust and Banking	¥1,600 mn
<b>Total</b>	<b>¥18,000 mn</b>

## 5. Appendix

# Unitholders

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

	End of Jan. 2018 (FP 29)				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	27	0.22%	83,325	8.52%	29	0.22%	80,434	8.23%
Trust Banks	10	0.08%	449,242	45.95%	12	0.09%	447,880	45.81%
Life Insurances Non-Life Insurances Other Financial Institutions Financial Instruments Dealers	90	0.72%	104,869	10.73%	94	0.72%	98,988	10.13%
Other Domestic Corporations	191	1.53%	68,762	7.03%	195	1.48%	73,138	7.48%
Foreign Corporations, etc.	191	1.53%	160,728	16.44%	184	1.40%	158,642	16.23%
Individuals / Others	11,975	95.92%	110,674	11.32%	12,630	96.09%	118,518	12.12%
<b>Total</b>	<b>12,484</b>	<b>100.00%</b>	<b>977,600</b>	<b>100.00%</b>	<b>13,144</b>	<b>100.00%</b>	<b>977,600</b>	<b>100.00%</b>

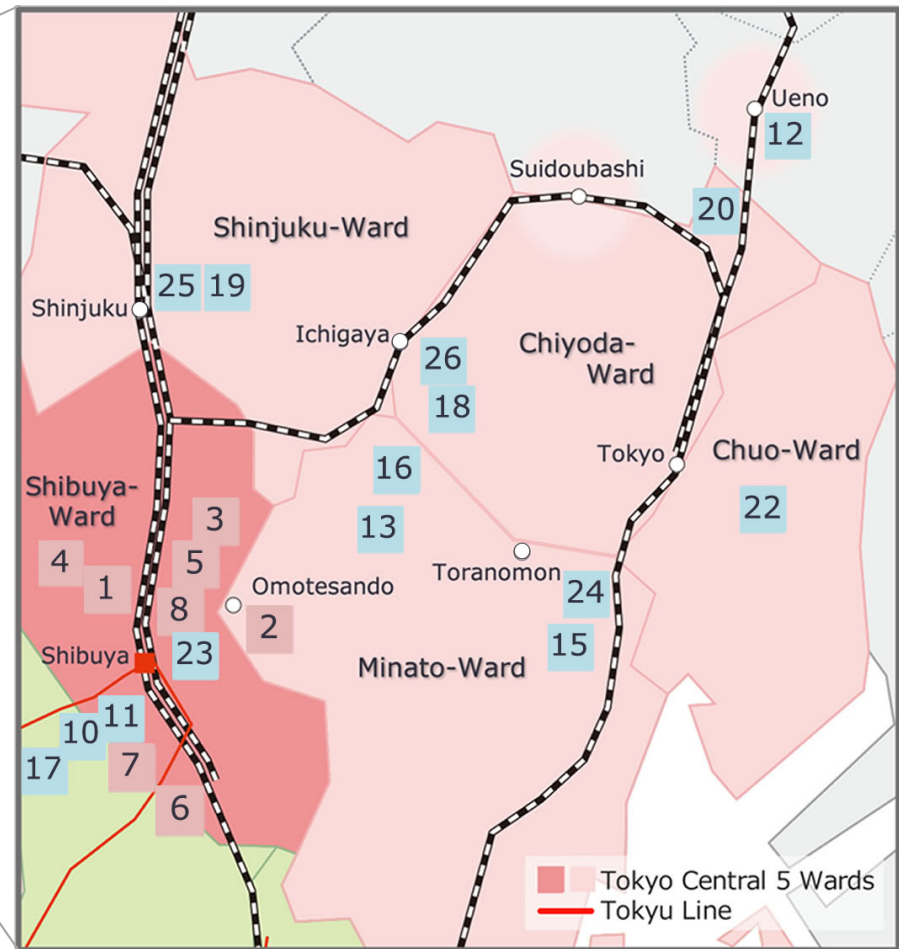
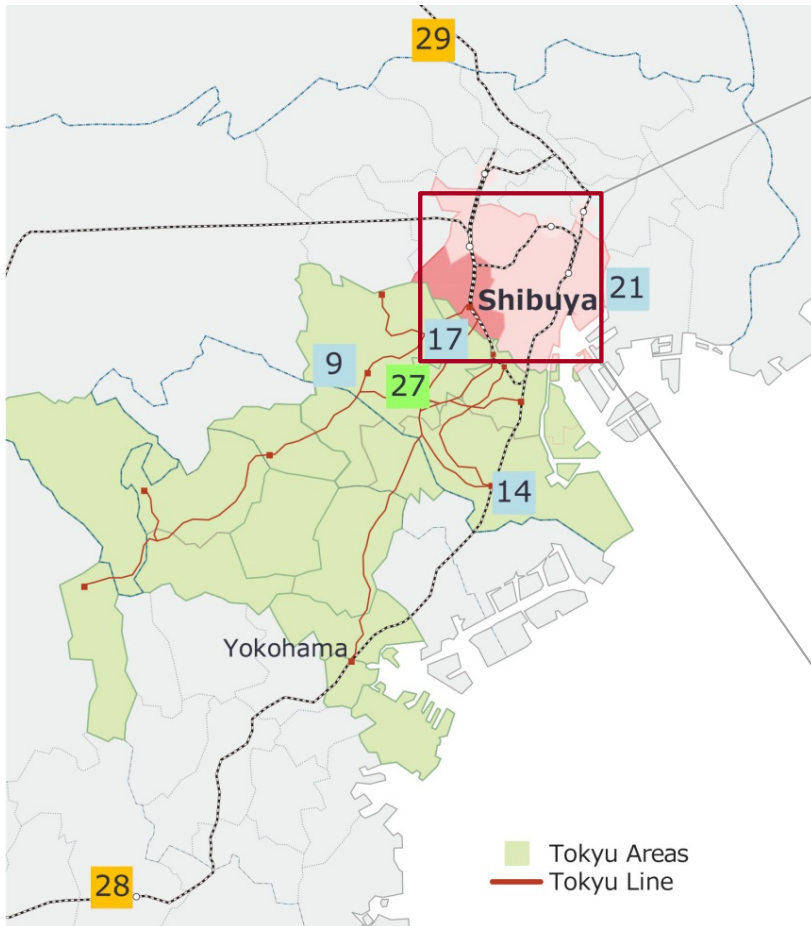


### ■ Top 20 Unitholders

Unitholders	No. of units held	Ownership ratio (%)
1 Japan Trustee Services Bank, Ltd. (Trust)	238,723	24.41
2 The Master Trust Bank of Japan, Ltd. (Trust)	94,580	9.67
3 Tokyu Corporation	49,000	5.01
4 Trust & Custody Services Bank, Ltd. (Trust)	48,003	4.91
5 The Nomura Trust and Banking Co., Ltd. (Trust)	39,732	4.06
6 STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	16,124	1.64
7 Asahi Fire and Marine Insurance	14,000	1.43
8 DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	13,586	1.38
9 STATE STREET BANK WEST CLIENT-TREATY 505234	12,825	1.31
10 LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	12,808	1.31
11 The Hachijuni Bank, Ltd.	11,170	1.14
12 Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	10,750	1.09
13 BNP PARIBAS SECURITIES SERVICES SYDNEY/JASDEC/AUSTRALIAN RESIDENTS	10,038	1.02
14 MetLife Insurance K.K.	9,700	0.99
15 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9,537	0.97
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 The Chukyo Bank, Ltd.	7,290	0.74
<b>Total Units Held by Top 20 Unitholders</b>	<b>632,255</b>	<b>64.67</b>
<b>Outstanding Units</b>	<b>977,600</b>	<b>100.00</b>

<Tokyo Metropolitan Area>

<Tokyo Central 5 Wards>



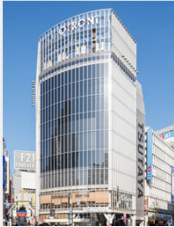




1 QFRONT	7 Daikanyama Forum	13 TOKYU REIT Akasaka Hinokicho Building	19 TOKYU REIT Shinjuku Building	25 TOKYU REIT Shinjuku 2 Building
2 Lexington Aoyama	8 KALEIDO Shibuya Miyamasuzaka	14 TOKYU REIT Kamata Building	20 Akihabara Sanwa Toyo Building	26 Tokyu Bancho Building
3 TOKYU REIT Omotesando Square	9 Setagaya Business Square	15 TOKYU REIT Toranomon Building	21 TOKYU REIT Kiba Building	27 Maison Peony Toritsudaigaku
4 TOKYU REIT Shibuya Udagawa-cho Square	10 Tokyu Nampeidai-cho Building	16 Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	22 Tokyu Ginza 2-chome Building	28 Shonan Mall Fill (Land with leasehold interest)
5 cocoti	11 Tokyu Sakuragaoka-cho Building	17 Tokyu Ikejiri-ohashi Building	23 TOKYU REIT Shibuya R Building	29 OKI System Center (Land with leasehold interest)
6 CONZE Ebisu	12 Tokyo Nissan Taito Building	18 Kojimachi Square	24 Tokyu Toranomon Building	

■ Retail Properties  
 ■ Office Properties  
 ■ Complexes  
 ■ Land with leasehold interest  
 ■ Properties contributed by sponsors

\* Please refer to page 45 onward for details of each property






## 5. 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		Approx. 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	28,500 million yen		5,470 million yen		7,880 million yen		12,400 million yen		21,000 million yen		
Total Land Space	784.26 m <sup>2</sup> [Land included in the property trust totals 728.30 m <sup>2</sup> ]		776.59 m <sup>2</sup>		1,259.21 m <sup>2</sup>		679.27 m <sup>2</sup>		1,705.35 m <sup>2</sup>		
Total Floor Space	6,675.52 m <sup>2</sup> [Exclusive area 4,804.46 m <sup>2</sup> ]		2,342.21 m <sup>2</sup>		3,321.20 m <sup>2</sup>		[Building1] 1,473.10 m <sup>2</sup> [Building2] 56.39 m <sup>2</sup>		11,847.87 m <sup>2</sup>		
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 (18.3 years)		January 1998 (20.1 years)		October 1985 (32.3 years)		[Building1] July 1998 (19.5 years) [Building2] June 1995 (22.6 years)		September 2004 (13.3 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%		

## 5. Appendix

# Portfolio List (2)






Name of Property	6 CONZE Ebisu	7 Daikanyama Forum	8 KALEIDO Shibuya Miyamasuzaka	Properties contributed by sponsors 9 Setagaya Business Square	Properties contributed by sponsors 10 Tokyu Nampeidai-cho Building
					
Address	2-chome Ebisu-Minami, Shibuya-ku, Tokyo	Sarugaku-cho, Shibuya-ku, Tokyo	1-chome Shibuya, Shibuya-ku, Tokyo	4-chome Yoga, Setagaya-ku, Tokyo	Nampeidai-cho, Shibuya-ku, Tokyo
Nearest Station	Approx. 2-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line and other lines	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	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
Acquisition Date	October 31, 2006	April 22, 2008	August 16, 2013	September 11, 2003	September 11, 2003
Acquisition Price	5,117 million yen	4,136 million yen	5,150 million yen	22,400 million yen	4,660 million yen
Appraisal Value as of the End of Period	4,940 million yen	3,440 million yen	7,340 million yen	18,700 million yen	6,000 million yen
Total Land Space	562.07 m <sup>2</sup>	Building 1 (East): Site rights area 942.30 m <sup>2</sup> Building 2 (West): Site rights area 1,108.01 m <sup>2</sup>	821.65 m <sup>2</sup>	21,315.68 m <sup>2</sup>	2,013.28 m <sup>2</sup>
Total Floor Space	2,789.35 m <sup>2</sup>	Building 1 (East): 1,441.57 m <sup>2</sup> Building 2 (West): 2,388.70 m <sup>2</sup> [Exclusive area: 1,182.62 m <sup>2</sup> ]	4,475.10 m <sup>2</sup>	94,373.72 m <sup>2</sup>	7,003.88 m <sup>2</sup>
Structure / Floors	S/SRC B1/9F	Building 1 (East): RC, B1/2F Building 2 (West): RC, B1/5F	S/RC B4/6F	SRC/RC/S B2/28F	S/SRC B2/5F
Completion Date (building age)	March 2004 (13.9 years)	February 1993 (24.9 years)	January 1992 (26.0 years)	September 1993 (24.3 years)	July 1992 (25.5 years)
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership [Co-ownership ratio: 55%]	Proprietary Ownership
	Building	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership [Co-ownership ratio: 55%]	Proprietary Ownership
Type of Holding Form	Real estate	Real estate	Trust beneficiary interest	Trust beneficiary interest	Trust beneficiary interest
Number of Tenants	8	5	8	68	1
Occupancy Rate	100%	100%	100%	99.6%	100%
PML ratio	4.1%	8.0%	4.4%	2.9%	7.9%






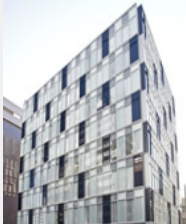


## 5. Appendix

# Portfolio List (4)

Name of Property	Properties contributed by sponsors		Properties contributed by sponsors		Properties contributed by sponsors	
	16 Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	17 Tokyu Ikejiri-ohashi Building	18 Kojimachi Square	19 TOKYU REIT Shinjuku Building	20 Akihabara Sanwa Toyo Building	
						
Address	4-chome Akasaka, Minato-ku, Tokyo	3-chome Higashiyama, Meguro-ku, Tokyo	Nibancho, Chiyoda-ku, Tokyo	4-chome Shinjuku, Shinjuku-ku, Tokyo	3-chome Soto-Kanda, Chiyoda-ku, Tokyo	
Nearest Station	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	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	
Acquisition Date	January 31, 2008	March 28, 2008	March 19, 2010	March 26, 2010	October 29, 2010	
Acquisition Price	8,500 million yen	5,480 million yen	9,030 million yen	9,000 million yen	4,600 million yen	
Appraisal Value as of the End of Period	7,250 million yen	5,830 million yen	8,840 million yen	11,300 million yen	6,150 million yen	
Total Land Space	712.49 m <sup>2</sup>	2,382.67 m <sup>2</sup>	1,269.24 m <sup>2</sup>	1,113.87 m <sup>2</sup>	795.33 m <sup>2</sup>	
Total Floor Space	5,002.36 m <sup>2</sup>	7,619.56 m <sup>2</sup>	6,803.47 m <sup>2</sup>	8,720.09 m <sup>2</sup>	5,704.69 m <sup>2</sup>	
Structure / Floors	S/SRC B1/9F	SRC 7F	S/RC B1/7F	SRC 10F	SRC B1/8F	
Completion Date (building age)	February 2003 (15.0 years)	October 1989 (28.3 years)	January 2003 (15.0 years)	May 2003 (14.7 years)	September 1985 (32.4 years)	
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	
	Building	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	Compartmentalized Ownership * Compartmentalized ownership of whole building is entrusted.
Type of Holding Form	Trust beneficiary interest	Trust beneficiary interest	Trust beneficiary interest	Real estate	Trust beneficiary interest	
Number of Tenants	1	5	7	9	6	
Occupancy Rate	100%	100%	100%	100%	100%	
PML ratio	3.9%	5.8%	4.8%	4.2%	11.8%	





## 5. Appendix

# Portfolio List (5)

Name of Property	21 TOKYU REIT Kiba Building	Properties contributed by sponsors 22 Tokyu Ginza 2-chome Building	23 TOKYU REIT Shibuya R Building	Properties contributed by sponsors 24 Tokyu Toranomon Building	25 TOKYU REIT Shinjuku 2 Building
					
Address	3-chome Toyo, Koto-ku, Tokyo	2-chome Ginza, Chuo-ku, Tokyo	3-chome Shibuya, Shibuya-ku, Tokyo	1-chome Toranomon, Minato-ku, Tokyo	4-chome Shinjuku, Shinjuku-ku, Tokyo
Nearest Station	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. 2-minute walk from Shibuya Station on the JR Yamanote Line and other lines	Approx. 3-minute walk from Toranomon 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
Acquisition Date	October 29, 2010	February 15, 2011	August 16, 2013	August 16, 2013 January 9, 2015 (Additional acquisition)	October 30, 2015
Acquisition Price	4,000 million yen	5,010 million yen	5,270 million yen	16,850 million yen * Total price including those of additional acquisitions	2,750 million yen
Appraisal Value as of the End of Period	4,020 million yen	5,030 million yen	9,180 million yen	19,800 million yen	2,930 million yen
Total Land Space	1,259.52 m <sup>2</sup>	805.42 m <sup>2</sup>	1,077.45 m <sup>2</sup> [Area owned by Tokyu REIT: 819.41 m <sup>2</sup> ]	2,016.83 m <sup>2</sup>	270.05 m <sup>2</sup>
Total Floor Space	7,513.09 m <sup>2</sup> [Including parking spaces (41.74 m <sup>2</sup> )]	5,098.61 m <sup>2</sup>	7,289.38 m <sup>2</sup> [Including parking spaces (41.18 m <sup>2</sup> )] [Area owned by Tokyu REIT: 4,403.69 m <sup>2</sup> ]	11,983.09 m <sup>2</sup>	2,006.13 m <sup>2</sup>
Structure / Floors	SRC 10F	S/RC B1/8F	SRC *Parking space: S B1/9F	S 10F	S 10F
Completion Date (building age)	February 1992 (26.0 years)	August 2008 (9.4 years)	March 1990 (27.8 years)	April 2010 (7.8 years)	December 1991 (26.1 years)
Type of Ownership	Land	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership
	Building	Proprietary Ownership	Proprietary Ownership	Compartmentalized Ownership and Co-ownership of Compartmentalized Ownership	Proprietary Ownership
Type of Holding Form	Trust beneficiary interest	Real estate	Real estate	Real estate	Real estate
Number of Tenants	6	2	11	3	2
Occupancy Rate	100%	100%	100%	100%	100%
PML ratio	7.4%	4.4%	5.9%	5.4%	4.2%

## 5. Appendix

# Portfolio List (6)

Name of Property		Properties contributed by sponsors			
		<b>26 Tokyu Bancho Building</b>	<b>27 Maison Peony Toritsudaigaku</b>	<b>28 Shonan Mall Fill (land with leasehold interest)</b>	<b>29 OKI System Center (land with leasehold interest)</b>
					
Address		Yonbancho, Chiyoda-ku, Tokyo	1-chome Nakane, Meguro-ku, Tokyo	4-chome Tsujido- Shinmachi, Fujisawa-shi, Kanagawa	1-chome Chuo, Warabi-shi, Saitama
Nearest Station		Approx. 3-minute walk from Ichigaya Station on the JR Chuo Line and other lines	Approx. 1-minute walk from Toritsu-daigaku Station on the Tokyu Toyoko Line	Approx. 3 minute by bus or approx. 20-minute walk from Tsujido Station on the JR Tokaido Main Line	Approx. 4-minute walk from Warabi Station on the JR Keihin Tohoku Line
Acquisition Date		March 24, 2016	November 15, 2017	April 28, 2006	March 27, 2013
Acquisition Price		12,740 million yen	1,200 million yen	6,810 million yen	4,530 million yen
Appraisal Value as of the End of Period		14,200 million yen	1,200 million yen	6,490 million yen	5,170 million yen
Total Land Space		2,754.18 m <sup>2</sup> [Land included in the property trust totals: 2,573.80 m <sup>2</sup> ]	245.61 m <sup>2</sup>	44,078.12 m <sup>2</sup>	17,019.18 m <sup>2</sup>
Total Floor Space		15,834.55 m <sup>2</sup> [Exclusive ownership area of compartments under compartmentalized ownership pertaining to property trust: 11,431.09 m <sup>2</sup> ]	950.36 m <sup>2</sup>	-	-
Structure / Floors		S 11F	RC 10F	-	-
Completion Date (building age)		September 2011 (6.3 years)	August 2014 (3.5 years)	-	-
Type of Ownership	Land	Proprietary Ownership [Quasi-co-ownership interest of trust beneficiary interest: 49%]	Proprietary Ownership	Proprietary Ownership	Proprietary Ownership
	Building	Compartmentalized ownership [Quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest: 49%]	Proprietary Ownership	-	-
Type of Holding Form		Trust beneficiary interest	Real estate	Trust beneficiary interest	Real estate
Number of Tenants		7	25	1	1
Occupancy Rate		100%	96.9%	100%	100%
PML ratio		3.3%	6.2%	-	-



### ■ 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 : 49 (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 Jul. 2017 (FP 28) and FP ended Jan. 2018 (FP 29)>

- Daiwa J-REIT Festa 2017
- Mitsubishi UFJ Morgan Stanley Securities Premium Seminar
- ARES J-REIT Fair 2017
- Conference targeting foreign institutional investors
- SMBC Nikko Securities J-REIT Seminar 2017 (Kumamoto)
- ARES J-REIT Caravan (Nagoya)
- Mitsubishi UFJ Morgan Stanley Securities Osaka J-REIT Seminar
- Seminars for individual investors held by securities companies (Futako-Tamagawa, Yokohama)
- Daiwa J-REIT Caravan 2017 (Fukuoka)
- SMBC Nikko Securities J-REIT Fair 2018



SMBC Nikko J-REIT Seminar 2017 (Kumamoto)

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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.

Although much attention has been paid to the inclusion of all relevant information in this document, there may be errors and omissions. Therefore, they are subject to correction or amendment without prior notice.

Information without any special description is that as of January 31, 2018.

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