

TOKYU REIT

TOKYU REIT, Inc. Semiannual Report

Investment in **Highly Competitive Properties**
in Areas with **Strong Growth Potential**



The Fiscal Period Ended July 2020
(34th Fiscal Period)

From February 1, 2020 to July 31, 2020

BASIC POLICY

1 Investment strategy to secure 'growth potential'

- Invest in areas with strong growth potential
—Investment in properties in central Tokyo and Tokyu Areas
- Committed to continued collaboration with Tokyu Corporation and its subsidiaries^(Note) (Sponsor collaboration)
- Growth through heightened added value of the Tokyu Areas

2 A portfolio that secures 'stability'

- Diversified property uses and limited investment regions
- Winning long-term contracts with well-balanced tenants
- Investment criteria aimed at low risk and steady returns

3 Fund structure that backs 'transparency'

- Thorough implementation of strict measures against conflicts of interest
- Independent third-party checks
- Proactive disclosure of transaction details

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(Note) Tokyu Corporation and its subsidiaries referred to in this semiannual report collectively represent "Tokyu Corporation," "a consolidated subsidiary of Tokyu Corporation (not including equity method affiliates)," "a tokutei mokuteki kaisha (TMK) or a 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%." (The same applies hereinafter.)

Executive Director
TOKYU REIT, Inc.

Representative Director & President,
Chief Executive Officer
Tokyu Real Estate Investment
Management Inc.

Kazuyoshi Kashiwazaki



On behalf of **TOKYU REIT**, I would like to express my sincere appreciation to all of you, our unitholders, for your continued support and patronage to us.

I hereby report our operating environment and results for the fiscal period ended July 2020.

First, concerning the impact of COVID-19, most of the retail tenants of our portfolio properties have reopened since the Japanese government's declaration of a state of emergency was lifted for Tokyo, but some tenants have requested reductions in the amount, exemption, or postponement of rent payments. While offering postponement as the basic response to such requests, we are engaged in individual talks for reduction/exemption with tenants whose current rent exceeds the market rent or other tenants for which there is a certain degree of rationality from the perspective of maximizing cash flow over the medium to long term. In light of the status of talks with tenants, we have projected revenue decreasing by ¥23 million for the fiscal period ended July 2020 (actual), ¥114 million for the fiscal period ending January 2021 (forecast), and ¥24 million for the fiscal period ending July 2021 (forecast).

In the fiscal period ended July 2020, an increase in revenue due to rent revisions, which included those at Tokyu Toranomon Building and QFRONT, led to revenue from property leasing increasing by ¥40 million from the previous fiscal period. With a decrease in utilities expenses and repairs and maintenance expenses as well, NOI from property leasing increased by ¥241 million from the previous fiscal period. In addition, we acquired KN Jiyugaoka Plaza (51% quasi-co-ownership interest) and sold TOKYU REIT Akasaka Hinokicho Building (51% quasi-co-ownership interest) through the property replacement with ORIX JREIT Inc. that

had been agreed upon in the previous fiscal period. As a result, gain on sale of real estate of ¥703 million and provision of reserve for reduction entry of ¥384 million were posted in the fiscal period ended July 2020.

The above resulted in operating income of ¥4,325 million (increase of 275 million from the previous fiscal period), net income of ¥3,855 million (increase of ¥275 million from the previous fiscal period) and net income per unit of ¥3,944 (increase of ¥282 from the previous fiscal period). After retaining a portion as provision of reserve for reduction entry, distribution per unit will be ¥3,551 (increase of ¥253 from the previous fiscal period).

As for subsequent fiscal periods, in September 2020, we entered into an agreement for disposition of OKI System Center (land with leasehold interest) in Warabi City, Saitama, and acquisition of OKI Business Center No.5 in Minato Ward, Tokyo. The asset for acquisition was acquired all at once in September 2020. In the case of the asset for disposition, 40% interest was disposed in September 2020, and 30% interest is scheduled to be disposed in each of December 2021 and February 2022.

In the fiscal period ending January 2021 and the fiscal period ending July 2021, despite the impact of COVID-19 being a factor decreasing revenue, the new acquisition, rent revisions at properties, and other factors increasing revenue are expected to lead to increase in NOI from property leasing. In addition, gain on sale of real estate of ¥760 million and provision of reserve for reduction entry of ¥382 million, which are the amounts for the 40% interest in OKI System Center (land with leasehold interest), are expected to be posted in the fiscal period ending January 2021. Gain on sale of real estate is forecast to decrease in the fiscal period ending July 2021 as we have no property dispositions planned. The forecast is distribution per unit of ¥3,520 (decrease of ¥31 from the previous fiscal period) for the fiscal period ending January 2021 and ¥3,210 (decrease of ¥310 from the previous fiscal period) for the fiscal period ending July 2021.

TOKYU REIT will continue to strive to maximize unitholder value through "investment in highly competitive properties in areas with strong growth potential."

TOKYU REIT greatly appreciates your continued support.

September 2020

April 1985

Entered Tokyu Corporation, Railway Operation Division, Railway Business Unit

April 1986

Tokyu Corporation, Finance & Account Division

March 1998

Tokyu Corporation, Division I, Group Management Division

July 1999

Tokyu Corporation, Division II, Group Management Division

October 1999

Tokyu Corporation, Finance & Account Division

January 2000

Tokyu Corporation, Manager of Finance & Account Division

April 2003

Tokyu Corporation, Manager of Finance, Accounting & Group Strategy Headquarters

April 2005

Tokyu Corporation, Manager of Accounting & IR Division, Finance, Accounting & Group Strategy Headquarters

June 2006

Tokyu Corporation, Manager of Group Management & Planning Division, Finance, Accounting & Group Strategy Headquarters

April 2007

Tokyu Corporation, Manager of Group Strategy Division, Finance, Accounting & Group Strategy Headquarters

April 2008

Tokyu Corporation, General Manager of Group Strategy Division, Finance, Accounting & Group Strategy Headquarters

April 2009

Transferred to Tokyu Agency Inc., Executive Officer & Senior Executive General Manager of Corporate Management Division

June 2009

Tokyu Agency Inc., Director, Executive Officer & Senior Executive General Manager of Corporate Management Division

June 2010

Tokyu Agency Business Service Inc., President & Representative Director

April 2014

Tokyu Corporation, General Manager of Business Planning Department, Building Management Division, Urban Development Headquarters

April 2014

Tokyu REIM, Auditor (Non-Executive)

March 2015

Transferred to Tokyu REIM, Representative Director & Executive Vice President, Chief Investment Officer

May 2015

Tokyu REIM, Representative Director & President, Chief Executive Officer (current position)

May 2015

Executive Director of **TOKYU REIT** (current position)

Fiscal Period Ended July 2020
(FP 34)
Cash Distribution per Unit

¥3,551 (Fixed)

(Date of payment: October 15, 2020)

Fiscal Period Ending January 2021
(FP 35)
Cash Distribution per Unit

¥3,520 (Forecast)

(Date of payment: Mid April 2021)

Fiscal Period Ending July 2021
(FP 36)
Cash Distribution per Unit

¥3,210 (Forecast)

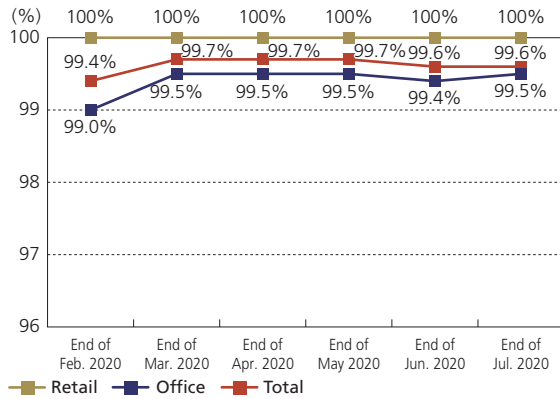
(Date of payment: Mid October 2021)

Financial Summary

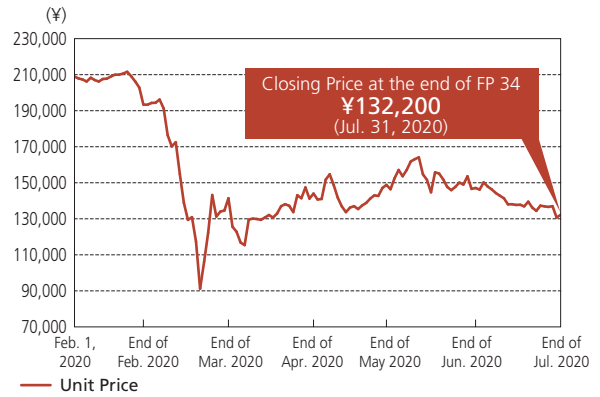
		Ended January 2020 (FP 33) Actual	Ended July 2020 (FP 34) Actual
Balance Sheets	■ Number of Properties	32 properties	31 properties
	■ Total Assets	¥219,504 million	¥220,068 million
	■ Interest-Bearing Debt	¥92,000 million	¥92,000 million
	■ Total Assets Loan-to-Value (LTV) Ratio	41.9%	41.8%
Statements of Income	■ Operating Revenues	¥8,123 million	¥8,203 million
	■ Net Income	¥3,580 million	¥3,855 million
Distributions	■ Distribution per Unit	¥3,298	¥3,551
	■ Average Market Price per Unit	¥204,476	¥153,097

TOKYU REIT, Inc. (TOKYU REIT) listed its units on the Tokyo Stock Exchange on September 10, 2003. With the ultimate goal of maximizing unitholder value, TOKYU REIT is engaged in asset investment and management based on principles of growth, stability, and transparency. TOKYU REIT is committed to securing stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential. TOKYU REIT invests primarily in office properties, retail properties, residences and complexes that include any one of these properties located in Tokyo Central 5 Wards and the Tokyu Areas, which refers to the areas serviced by the Tokyu rail network. As of July 31, 2020 (FP 34), TOKYU REIT held 18 office buildings, 9 retail facilities, 1 residence and 3 land with leasehold interest for a total of 31 properties.

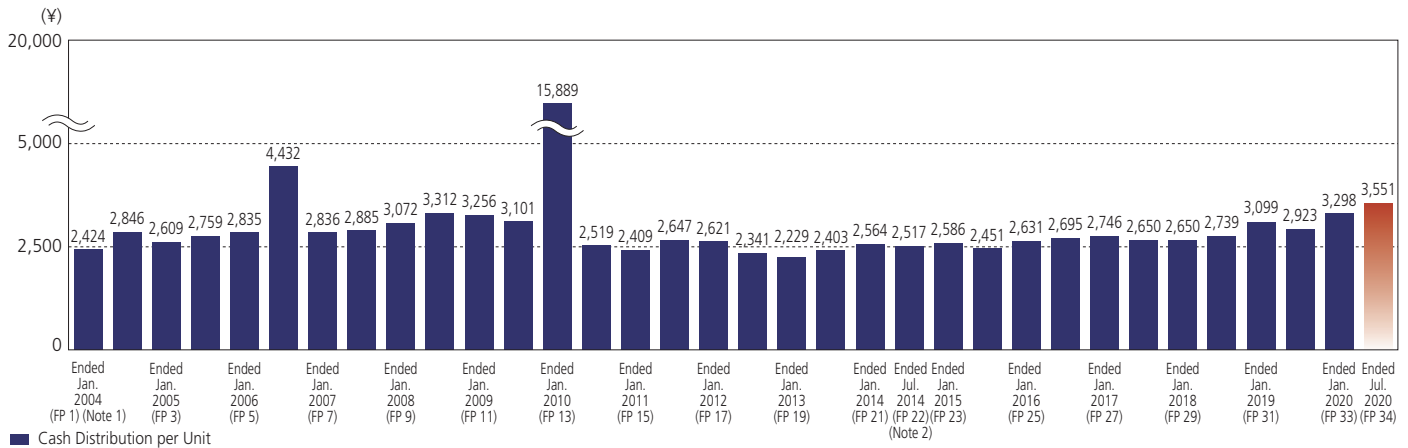
Occupancy Rate



Unit Price

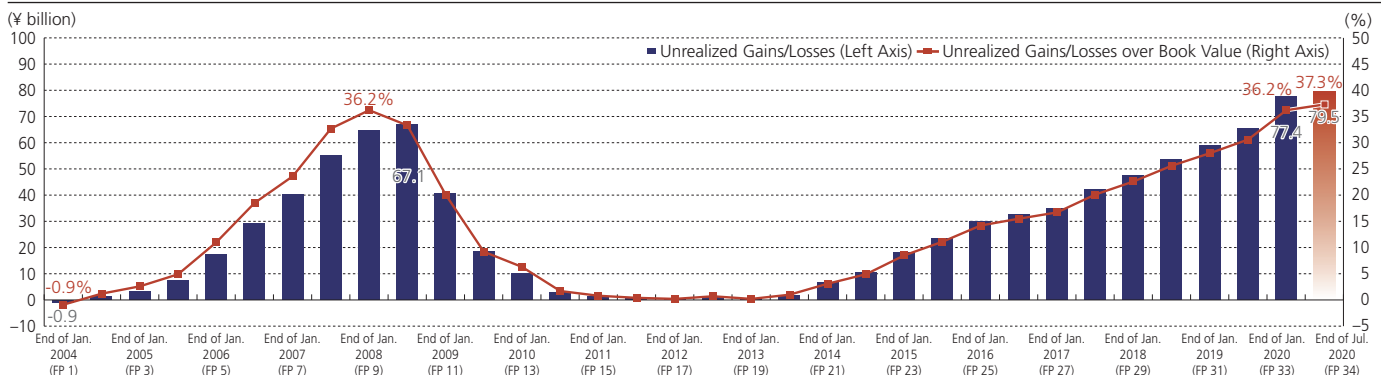


Cash Distribution per Unit



(Notes) 1. Official distribution per unit in the fiscal period ended January 2004 (FP1) 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 fiscal period ended July 2004 (FP2) and thereafter.
 2. Cash distribution per unit 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.

Unrealized Gains/Losses and Unrealized Gains/Losses over Book Value



Topics

Property Replacement (FP ending Jan. 2021 (FP 35) to FP ending Jul. 2022 (FP 38))

Continue to conduct property replacement based on the “Long-Term Investment Management Strategy (Surf Plan)”^(Note 1). Acquisition of property in focused investment areas while realizing capital gains.

Overview of Property Replacement

Acquisition

OKI Business Center No. 5 (Office)



Acquisition date	Sep. 28, 2020
Seller	Domestic corporation
Acquisition price (100%)	11,900 million yen
Appraisal value on acquisition	12,700 million yen (as of Sep. 1, 2020)
NOI ^(Note 2) (NOI yield)	631 million yen per annum (5.3%)
Occupancy rate ^(Note 3)	100%
Completion date	June 1982

Disposition

OKI System Center (Land with leasehold interest)



Disposition date	Sep. 28, 2020 (Co-ownership interest: 40%) Dec. 24, 2021 (Co-ownership interest: 30%) Feb. 25, 2022 (Co-ownership interest: 30%)
Buyer	Domestic corporation
Disposition price (100%)	6,850 million yen
Difference between the disposition price and the book value ^(Note 4)	2,075 million yen
NOI ^(Note 2) (NOI yield)	259 million yen per annum (3.8%)
Occupancy rate ^(Note 3)	100%



(Notes) 1. An idea to secure capital gains while replacing properties, and achieve improvement of portfolio quality through a value and contrarian investment approach that eyes the cyclicity of real estate prices.

2. For the acquired property, estimated figures exclusive of special items from income and expenditure of the acquisition fiscal year; and for the disposed property, the actual results from August 2019 to July 2020. Yields are based on acquisition/disposition price.

3. As of the end of July 2020

4. Difference between the disposition price and estimated book value as of the disposition date is indicated.

Location Map



Effect of Property Replacement

- Improvement of percentage of properties in focused investment areas:
95.1% → 97.1%
- Expansion of asset size (based on acquisition price):
231.0 billion yen → 238.3 billion yen
- Increase in NOI yield: 3.8% → 5.3%
- Expect to record gain on sale for three fiscal periods from the FP ending Jan. 2021 (FP 35)

(Unit: million yen)	Jan. 2021 (FP 35)	Jan. 2022 (FP 37)	Jul. 2022 (FP 38)	Total
Gain on sale of property	760	570	570	1,901
Of which, provision of reserve for reduction entry	382	—	—	382

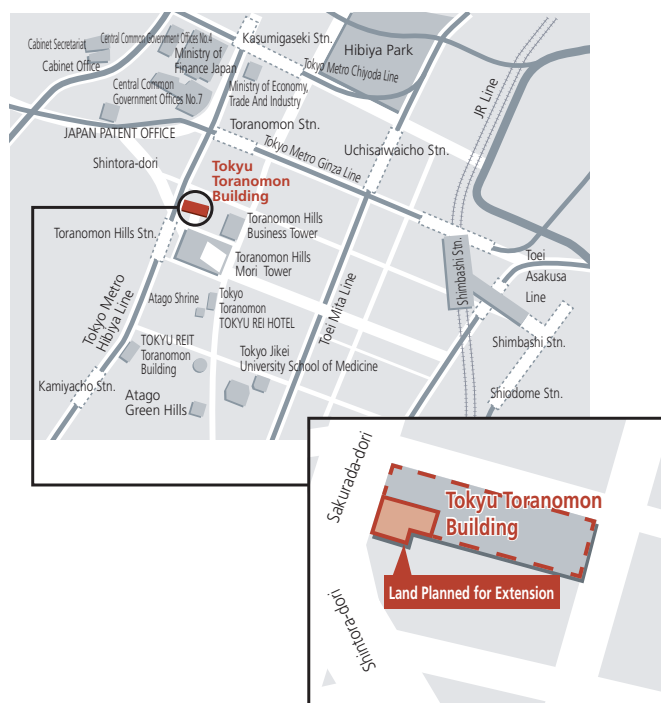
Extension Work for Tokyu Toranomon Building

Aim to increase not only income gain but also future disposition price (terminal value) through extension at additionally acquired land.

Overview of Extension Work

Commencement of extension work	Early February 2021	
Completion of extended building	Late June 2022	
Total project cost	3,800 million yen	
(Breakdown)	Land price (acquired)	1,850 million yen
	Construction cost	1,950 million yen
Design company	Tokyu Architects & Engineers INC.	
Construction company	Tokyu Construction Co., Ltd.	

Area Scheduled to Be Extended



Exterior Image After Extension



Schedule of Extension Work

	Construction plan
Jul. 2021 (FP 36)	<ul style="list-style-type: none"> ● Commencement of extension work ● Move-out of major tenants due to expiration of fixed-term lease period (Note 1)
Jan. 2022 (FP 37)	
Jul. 2022 (FP 38)	<ul style="list-style-type: none"> ● Completion of extended building ● Commencement of operation of extended building

(Notes) 1. As for the amount of decrease in rental revenue due to the move-out of major tenants, the factors of revenue increase related to property replacement, etc. are planned to be allocated (refer to page 6).

Effect of Extension

	Before extension (A)	After extension (B)	Amount of increase due to extension (B-A)
Acquisition price	16,850 million yen	18,800 million yen	1,950 million yen
Total floor space	12,557.47 m ²	14,610.55 m ²	2,053.08 m ²
Total leasable area	9,016.59 m ²	11,029.27 m ²	2,012.68 m ²
Typical floor space	984.55 m ²	1,187.18 m ²	202.63 m ²
NOI (Note 2) (NOI yield) (Note 3)	795 million yen (4.72%)	968 million yen (5.15%)	172 million yen (0.43 pts)

(Notes) 2. "Before extension" indicates the annualized actual figure exclusive of special items from the income and expenditure for the FP ended July 2020 (FP 34), and "After extension" indicates the figure after adding the assumed amount of annual increase due to extension as of now to the NOI before extension.























3. "Before extension" indicates the figure based on the acquisition price of Tokyu Toranomon Building, and "After extension" indicates the figure based on monetary amount after adding construction costs to the acquisition price of Tokyu Toranomon Building.

Sustainability Measures

Identification of Materiality/External Certifications

Identification of Materiality

With the basic policy of conducting asset management that seeks growth, stability and transparency, **TOKYU REIT** and Tokyu REIM have extracted social issues that are highly relevant to our business and identified materiality, recognizing “material issues (materiality)” for sustainable growth.

Material issues (materiality)		Relevant SDGs
 E (Environment)	Reduction of energy consumption and greenhouse gas (“GHG”) emissions	   
	Reduction of water consumption and waste	
	Information disclosure to and dialogue with stakeholders	 
 S (Social)	Improvement of safety and comfort of tenants	   
	Contribution to the development of communities	   
	Allocation and development of personnel sufficient in both quality and quantity	  
	Creation of a healthy organizational culture and work environment	
	Development and operation of a process that ensures highly workable governance	 
 G (Governance)	Promotion of compliance and risk management	

Environmental Measures

Major construction work related to reduction of energy consumption (fiscal period ended Jan. 2020 (FP 33) & fiscal period ended Jul. 2020 (FP 34))

- Renewal of air conditioning equipment: 2 properties **Reduction of electricity consumption**
(QFRONT, Tokyo Nissan Taito Building)
- Switching to LED: 13 properties **Reduction of electricity consumption**
(QFRONT, Lexington Aoyama, cocoti, TOKYU REIT Shimokitazawa Square, Setagaya Business Square, Tokyo Nissan Taito Building, Tokyu Ikejiri-ohashi Building, Kojimachi Square, TOKYU REIT Shinjuku Building, Akihabara Sanwa Toyo Building, TOKYU REIT Shibuya R Building, TOKYU REIT Ebisu Building, Shibuya Dogenzaka Sky Building)
- Renewal of elevator: 1 property **Reduction of electricity consumption**
(Setagaya Business Square)
- Renovation of restroom : 1 property **Water saving**
(Setagaya Business Square)
- Implementation of energy conservation diagnosis conducted by an external business operator (TOKYU REIT Shinjuku Building, fiscal 2018)
- Promotion of effective use of water resources through the reuse of miscellaneous drainage (Setagaya Business Square)
- Commencement of CO₂-free power supply by utilizing non-fossil fuel certificate (Tokyu Nampo-dai-cho Building, May 2020)^(Note 1)



After construction work for switching to LED (Setagaya Business Square)

Efforts on heat countermeasures utilizing the Tokyo Metropolitan Government's subsidy business ^(Note 2) (Setagaya Business Square, 2019)

Development of facility reducing road surface temperature and rise in temperature

- Laying of heat insulation interlocking block
Easing the rise in temperature at walking space by changing to paving block suppressing the rise in road surface temperature by a maximum of approximately 15°C
- Installation of bio-shelter
Creating a new cool spot by installing benches with a mist maker and plants

(Notes) 1. Introduced by Tokyu Corporation, an occupying tenant.
2. Business of the Tokyo Metropolitan Government subsidizing expenses for the development of facilities responding to heat and possessing advanced technology, etc.

Obtain Certifications from External Assessment Institutions

DBJ Green Building Certification



Acquisition ratio of environmental certification: 28.1% (based on total leasable area)

DBJ Green Building Certification: 5 properties

BELS



BELS for 1 property

GRESB

TOKYU REIT has continuously acquired “Green Star” ratings given to companies that excel both in “Management and Policies” and “Implementation and Measurement” related to sustainability evaluation since 2015.



Social Contribution

Improvement of Safety and Comfort of Tenants

■ Conducted a disaster drill



Setagaya Business Square (2019)

■ Promoted disaster prevention and BCP measures (each property)



- 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
- Installing AED

Contribution to the Development of Communities

■ Provided part of the property for a local event



"SBS Christmas Concert"(Setagaya Business Square (2019))

■ Installed disaster-relief vending machines (each property)



Installed 19 vending machines that can provide goods free of charge at the time of emergency including disasters in 8 properties (as of July 2020)

Allocation and Development of Personnel Sufficient in Both Quality and Quantity

<Training program>

Implemented various trainings targeting all officers and employees

- Compliance training (about once a month)
- Training by job class (twice a year)
- Training for personnel evaluator, etc.

<Support for the acquisition of qualifications>

Supported self-development of officers and employees through improved system to subsidize expenses for acquiring and maintaining qualifications

- Major qualifications
 - 5 Real Estate Appraisers
 - 25 Real Estate Notaries
 - 10 ARES Certified Masters and associates
 - 4 Certified Building Administrators, etc.
- No. of people who utilized subsidy system of expenses for acquiring and maintaining qualifications: 24 (actual results for fiscal 2019)

*The investment management company's initiatives are shown.

Creation of a Healthy Organizational Culture and Work Environment

- Ratio of female officers and employees, and ratio of female managers: 53% (25 people) and 22% (5 people)
- Percentage of employees taking annual paid holiday: 82% (actual results for fiscal 2019)
- Enrichment of childcare and nursing care leave system, short-time work system, etc.
- Establishment of health committee (appointment of industrial physician, interview with officers and employees)
- Implementation rate of stress checks for officers and employee: 97% (actual results for fiscal 2019)
- In-house recreation (several times a year)
- Training for fostering work motivation, etc.

*The investment management company's initiatives are shown.

Sustainability Measures

Governance

TOKYU REIT, Inc. Board of Directors

TOKYU REIT's Board of Directors comprises Executive Directors that execute the operations of the investment corporation and Supervisory Directors that oversee the Executive Directors' execution of operations. The Articles of Incorporation stipulate that the Board of Directors must contain one or two Executive Directors and two or three Supervisory Directors, with at least one more Supervisory Director than the number of Executive Directors. It also limits the term of office of these directors at two years. As of the end of the July 2020 (FP 34), there were one Executive Director and two Supervisory Directors ^(Note) at **TOKYU REIT**.

(Note) In addition, appointment of Takashi Aikawa as a substitute supervisory director was approved at the General Meeting of Unitholders of TOKYU REIT held on April 19, 2019.



Giichi Yanagisawa
Supervisory Director



Kazuyoshi Kashiwazaki
Executive Director



Maruhito Kondo
Supervisory Director

Giichi Yanagisawa Supervisory Director

March 1985	Certified as a public accountant in Japan (current position). Established Yanagisawa Certified Public Accountant Office.
May 1985	Certified as a tax accountant in Japan (current position).
June 2000	Appointed representative, Shinsoh Audit Corporation.
July 2001	Appointed member of the Board of The Japanese Institute of Certified Public Accountants.
June 2003	Appointed Supervisory Director, TOKYU REIT, Inc. (current position).
July 2004	Appointed Executive Board of The Japanese Institute of Certified Public Accountants.
July 2010	Appointed Deputy President of the Tokyo Chapter of The Japanese Institute of Certified Public Accountants.
April 2011	Appointed Chief Representative, Shinsoh Audit Corporation (current position).
June 2013	Appointed President of the Tokyo Chapter of The Japanese Institute of Certified Accountants.
July 2013	Appointed Deputy President of The Japanese Institute of Certified Public Accountants (current position).
June 2015	Outside Auditor of Nagatanien Co., Ltd. (currently Nagatanien Holdings Co., Ltd.). (current position).

Maruhito Kondo Supervisory Director

April 1988	Admitted to the Bar of Japan (Tokyo Bar Association). Entered Ohara Law Office.
May 1988	Studied abroad at the Chinese University of Hong Kong.
September 1988	Studied abroad at Renmin University of China.
July 1989	Worked at Robert Lee & Fong Solicitors in Hong Kong.
February 1996	Opened Maruhito Kondo Law Office (current position).
May 1998	Admitted to Daini Tokyo Bar Association (current position).
June 2003	Appointed Supervisory Director, TOKYU REIT, Inc. (current position).

*See page 3 about Kazuyoshi Kashiwazaki's career.

TOKYU REIT's Initiatives (Governance)

TOKYU REIT's Aim, Goals

- 1** | **Unitholder first**
Willing to learn from investors but reject requests from short-term interests
- 2** | **Aim to become a "Global investment product"**
Willing to become invest-worthy for all investors around the globe
- 3** | **Quality decision-making process**
Highest level board management in the REIT industry
- 4** | **Aim to become the most reputable J-REIT**
Outperform other J-REITs

Characteristics of TOKYU REIT's Governance Structure

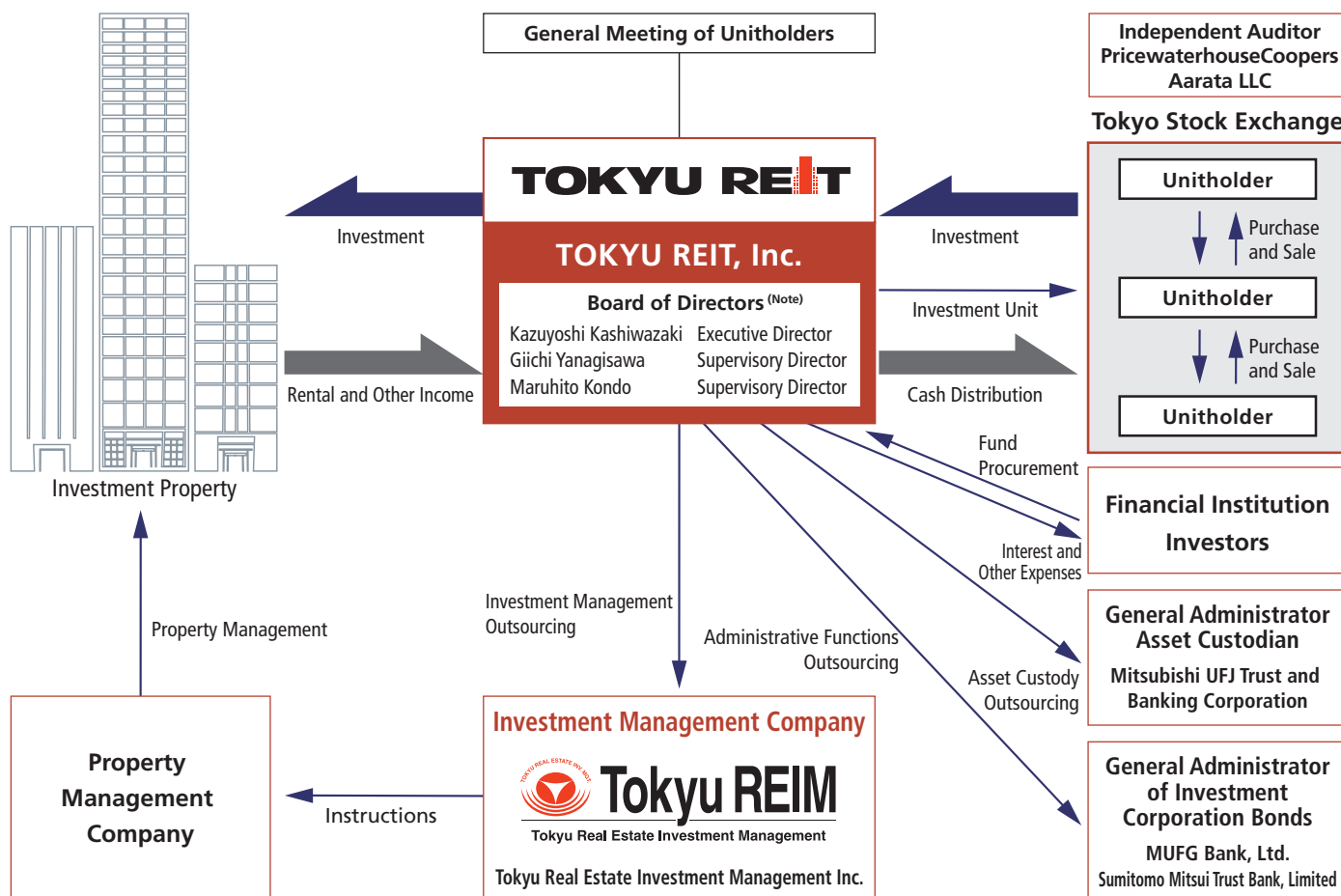
- 1** | **Involvement of independent outside board members**
- 2** | **Optimal balance between sponsor collaboration and independence**
- 3** | **Strict focus on fiduciary duty for investment management company and the others**
- 4** | **Management fee set to "being in the same boat as unitholders"**

TOKYU REIT's Management Characteristics

Excellent Governance as a Source of Competitiveness	Structural	<ul style="list-style-type: none"> ■ Multiple layers of monitoring and proactive involvement of outside board members ■ Management fee set to "being in the same boat as unitholders" 	<ul style="list-style-type: none"> ■ Stringent measures against conflicts of interest ■ Board meetings held twice or more a month on a regular basis and enhanced resolution and reporting system
	Human Resources	<ul style="list-style-type: none"> ■ Carefully select board members to enhance debate* ■ Provide appropriate compensation to board members for the responsibility and the workload 	<ul style="list-style-type: none"> ■ Legal advisor to be present at board meetings
	Culture	<ul style="list-style-type: none"> ■ Board members not hesitant to reject, waive resolution or agree with conditions ■ Willing to debate among independent outside board members 	<ul style="list-style-type: none"> ■ Tokyu REIM's efforts <ul style="list-style-type: none"> • Strict focus on fiduciary duty • Management fee programmed to enhance involvement of all business segments • Intend to let all Tokyu REIM staff communicate directly with investors
	Track Record	<ul style="list-style-type: none"> ■ Status of the Board of Directors' meetings held (ended Jul. 2020 (FP 34)): 1.7 meetings per month on average 	<ul style="list-style-type: none"> ■ Attendance at Board of Directors' meeting (ended Jul. 2020 (FP 34)) <ul style="list-style-type: none"> Kazuyoshi Kashiwazaki (Executive Director) 100% Giichi Yanagisawa (Supervisory Director) 100% Maruhito Kondo (Supervisory Director) 100% General Administrator 100%

* Professional and a company manager with experience as an outside board member.

TOKYU REIT Structure and External Service Providers



(Note) In addition, appointment of Takashi Aikawa was approved at the General Meeting of Unitholders of TOKYU REIT held on April 19, 2019.

Overview of Investment Management Fee

Investment management fee structure linked to three performance indices aimed to balance conflicts of interest by “being in the same boat as unitholders”

Remuneration	Criteria for calculation	Remuneration Ended Jul. 2020 (FP 34)
	Reason for adoption	
Base 1 (Linked to asset valuation)	Asset value at the end of previous fiscal 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)	¥360 million
	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 fiscal period ^(Note) × 6.0% (5.7% for the portion exceeding 5.0 billion yen and 7.5 billion yen or less) (5.4% for the portion exceeding 7.5 billion yen)	¥308 million
	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 fiscal period - Highest average price over all previous fiscal 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.

* The above fees are all booked as expenses. TOKYU REIT does not adopt an acquisition incentive fee, which is capitalized on the balance sheet.

Sustainability Measures

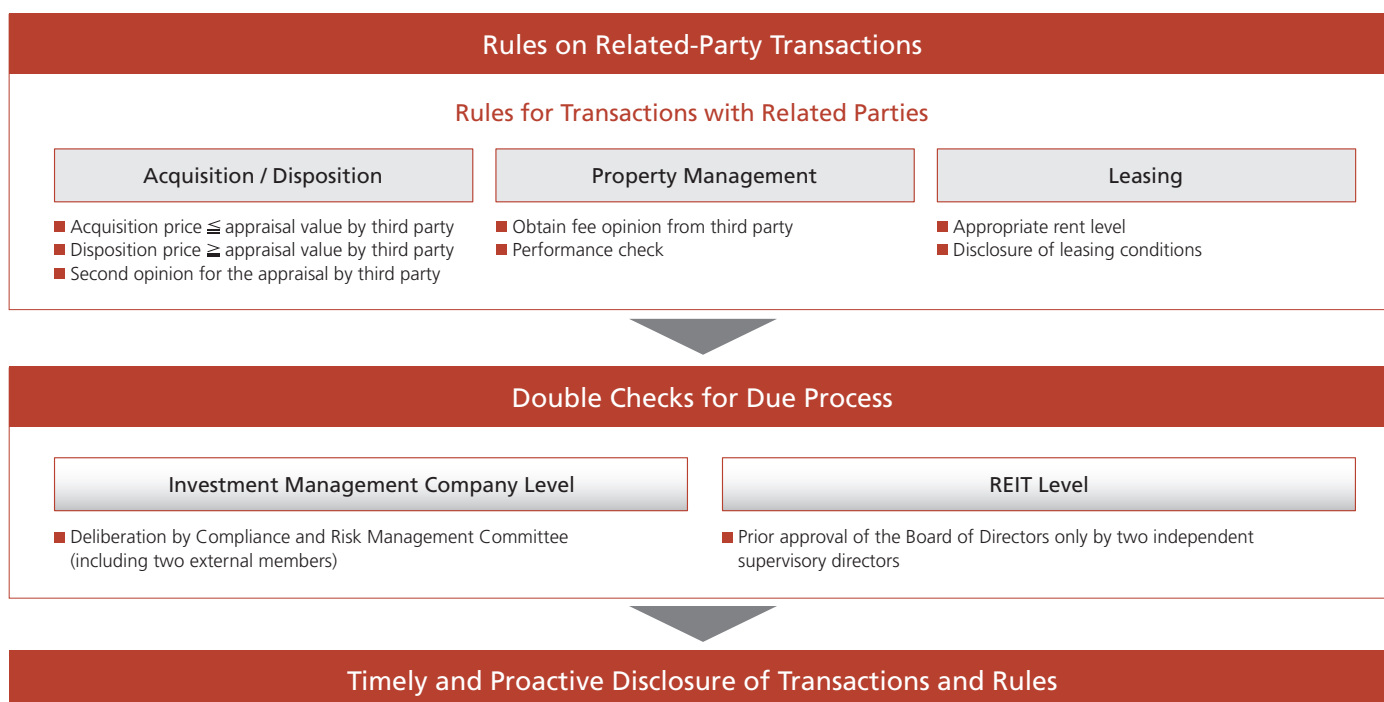
Collaboration with Tokyu Corporation and Its Subsidiaries

To achieve external growth, **TOKYU REIT** works to acquire a balanced mix of properties from the real estate investment market as well as Tokyu Corporation and its subsidiaries. **TOKYU REIT** also conducts replacement of properties and other measures as needed in order to maintain and improve the portfolio quality, aiming to enhance its asset value and increase net income per unit. **TOKYU REIT** also endeavors to achieve internal growth by enhancing earnings stability and growth potential through collaboration with Tokyu Corporation and its subsidiaries in the areas of property maintenance and management.

Pipeline Support for Property Acquisition	<ul style="list-style-type: none"> The memorandum requires that, when Tokyu Corporation and its subsidiaries attempt to sell their owned real estate assets that are qualified for investment by TOKYU REIT, they should preemptively offer the sale to TOKYU REIT. This arrangement will enable TOKYU REIT to make further progress in the implementation of its Capital Re-investment Model explained.
Property Management	<ul style="list-style-type: none"> Will be outsourced, in principle, to Tokyu Corporation and its subsidiaries.
Trademark License	<ul style="list-style-type: none"> TOKYU REIT has received permission from Tokyu Corporation to use the trademarks of “東急” and “TOKYU.”
Holding of Investment Units	<ul style="list-style-type: none"> Tokyu Corporation owns 49,000 investment units (5.01% of total) of TOKYU REIT.

Related Party Transactions

■ Development of self-imposed rules on transactions with Related Parties^(Note) and measures to avoid conflicts of interest through multiple checks



(Note) “Related Parties” is a collective term for “Tokyu Corporation and its subsidiaries,” “Affiliates of Tokyu Corporation except Tokyu Corporation’s subsidiaries,” and “Tokyu Land Corporation and its subsidiaries.”

- “Tokyu Corporation and its subsidiaries” refers to any entity that falls under the following (1) to (3):
 - Tokyu Corporation
 - A consolidated subsidiary of Tokyu Corporation
 - 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%.
- “Affiliates of Tokyu Corporation except Tokyu Corporation’s subsidiaries” refers to affiliates within the scope of consolidation of Tokyu Corporation.
- “Tokyu Fudosan Holdings Corporation and its subsidiaries” refers to any entity that falls under the following (1) to (3):
 - Tokyu Fudosan Holdings Corporation (“Tokyu Fudosan Holdings”)
 - A consolidated subsidiary of Tokyu Fudosan Holdings
 - 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%

**Tokyu Real Estate Investment Management Inc.
(Investment management company)**

URL: www.tokyu-reim.co.jp/en/

Tokyu Real Estate Investment Management Inc. ("Tokyu REIM") contracted with **TOKYU REIT** on June 20, 2003, to act as its investment manager.

Underpinned by investment policies held in common with **TOKYU REIT**, Tokyu REIM strives to maximize unitholder value through business growth, stability and transparent operations. In addition, Tokyu REIM implements strict measures against conflicts of interest and takes all necessary care in transactions with Tokyu Corporation and other related parties.

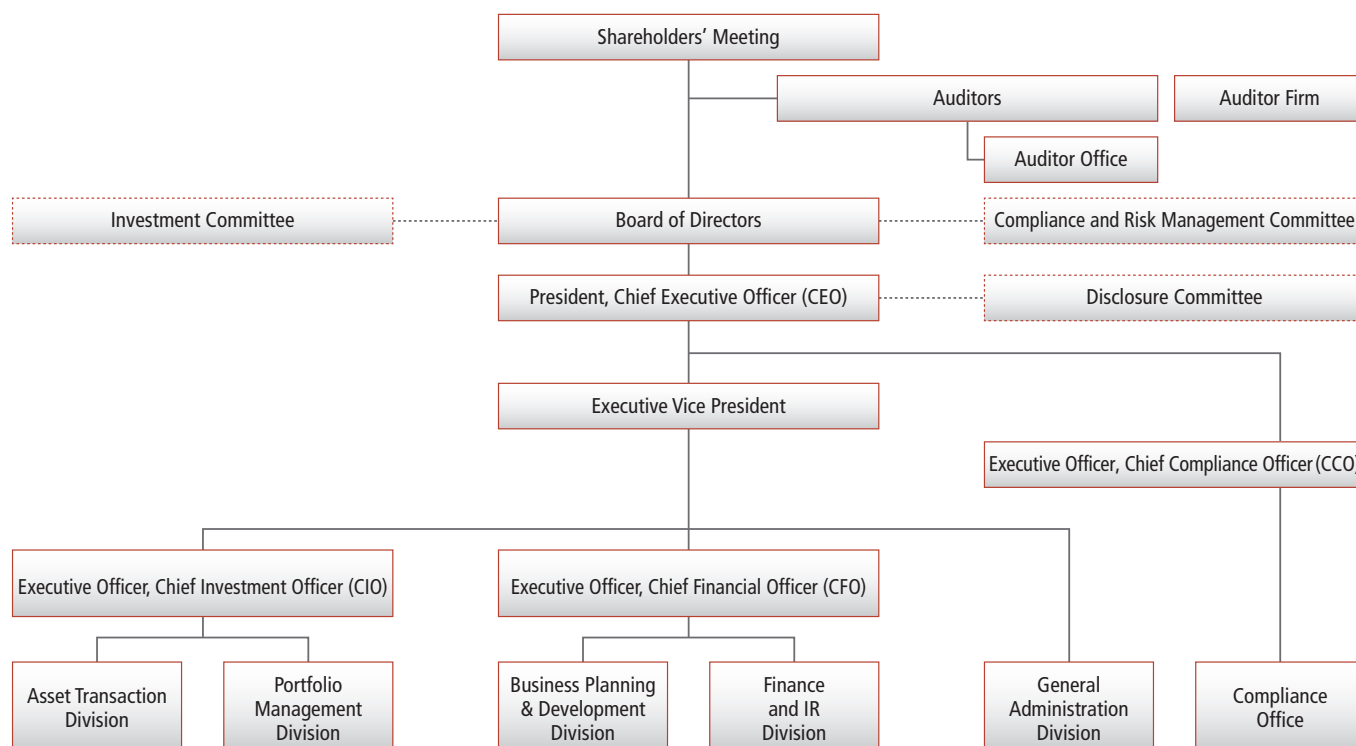
Tokyu REIM is a financial instruments dealer under the Financial Instruments and Exchange Law (Kanto Financial Bureau (*Kin-sho*) No. 360).

Board of Directors	<p>Function : Decision-making on management strategy</p> <p>Members : Representative director & president, representative director & executive vice president, two directors, four directors (part-time) and two auditors (part-time) from sponsors</p>
Compliance and Risk Management Committee	<p>Function : Advisory on compliance and risk management, and Related-Party transactions</p> <p>Members : Two directors (part-time), and two external committee members</p>
Investment Committee	<p>Function : Advisory on investment decisions</p> <p>Members : Representative director & president (committee chairman), representative director & executive vice president, three directors and one appraiser</p>

Major Shareholder

Name	Address	Shares Held	Ratio
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	6,000 shares	100%

Organization Chart



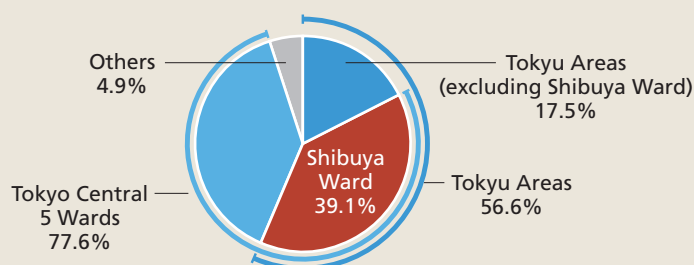
Investment in Highly Competitive Properties in Areas with Strong Growth Potential

Areas with Strong Growth Potential

Investment Area: Tokyo Metropolitan Area

- Investment of more than 85% in Tokyo Central 5 Wards and areas along Tokyu rail lines, areas showing population growth and more growth potential in the Tokyo Metropolitan Area
- ✓ 95.1% of investment in Tokyo Central 5 Wards and areas along Tokyu rail lines as of the end of July 2020 (FP 34)
- *Based on acquisition price
- Control earthquake risk through PML (Set portfolio PML ^(Note) at 10% or lower)
- ✓ Set portfolio PML as of the end of July 2020 (FP 34): 3.8%
- Oriented towards total return (comprised of income return (rental revenues, etc.) of each fiscal period and future capital return (gains on sales))

Percentage Share in Total Portfolio by Region



Area	Targeted Areas of Investment	
Central Tokyo	Tokyo Central 5 Wards	Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards
	Other major commercial and retail districts of Tokyo	The areas surrounding Ikebukuro, Koraku, Ueno and other areas
Tokyu Areas	Tokyu rail network hub	Shibuya Ward
	Other Tokyu rail network areas	Tokyo: Shinagawa, Meguro, Setagaya and Ota wards, Machida city
		Yokohama, Kanagawa Prefecture: Kohoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards
		Kawasaki, Kanagawa Prefecture: Nakahara, Takatsu and Miyamae wards
	Yamato, Kanagawa Prefecture	
Others	Other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba Prefectures (excluding the separately mentioned areas above)	

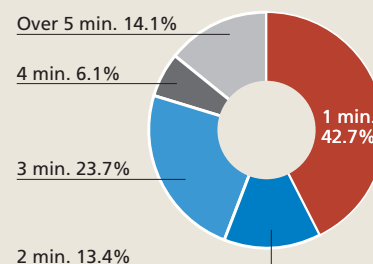
(Note) The PML for the entire portfolio. There is no unified, strict definition of PML; as used in this semiannual report, PML represents the percentage of expected loss due to small- to large-level earthquakes (those statistically calculated as possible over a 475-year period) that occur during an assumed period for the economic life of a building, to procurement cost for restoring expected damage. Calculations incorporate data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation. The PML and the probable lost days are based on the earthquake risk assessment reports prepared by Engineering & Risk Services Corporation and OYO RMS Corporation. Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to fixtures. In addition, damages are limited to structural damage and damages to facilities and building interior and exterior, and do not cover damages caused by earthquake fire and fire damage from surrounding facilities.

Highly Competitive Properties

■ Focus on Location

- Office buildings
 - Within a seven-minute walk from the nearest station as a rule
- Retail properties
 - Conduct various surveys and analyses in many aspects, including purchasing power potential of the trade zone, growth potential, compatibility of tenants with the trade zone, and status of competition
- Residences
 - Primarily located within a ten-minute walk from the nearest station
- Secure favorable location, with focus on exit price and liquidity
- ✓ 79.8%* of properties lie within a three-minute range (as of the end of July 2020 (FP 34))
 - * Based on acquisition price

Travel time from the nearest train station (on foot; acquisition price basis)



■ Minimum Investment Amount per Property

- 4.0 billion yen, in principle ^(Note 1)
- However,
 - (1) Properties located in Tokyu Areas (including Shibuya Ward): 1.0 billion yen
 - (2) Properties located in Central Tokyo (excluding Shibuya Ward) ^(Note 2): 2.0 billion yen
 - (3) Land with leasehold interest: 1.0 billion yen
- ✓ Average amount invested per property is ¥7.4 billion* (end of July 2020 (FP 34))
 - * Based on acquisition price

■ Asset Class

- (1) Office buildings
- (2) Retail properties
- (3) Residences
- (4) Complexes that include any one of the (1) to (3) above ^(Note 3)

(Notes) 1. The portfolio shall maintain 80% or higher ratio of properties with the investment amount per property of 4.0 billion yen or larger.

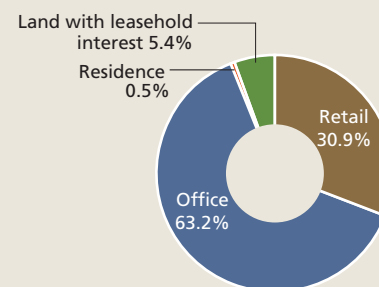
2. Chiyoda, Chuo, Minato and Shinjuku wards, and other major commercial and retail districts of Tokyo.

3. When a hotel is included in the above complex, it shall, in principle, meet the following criteria.

(1) A lease agreement which can reduce business/operational risks of the hotel shall be concluded with the tenant of the hotel portion of the complex.

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

Investment ratio by use *Based on acquisition price



Main Strategy and the Other

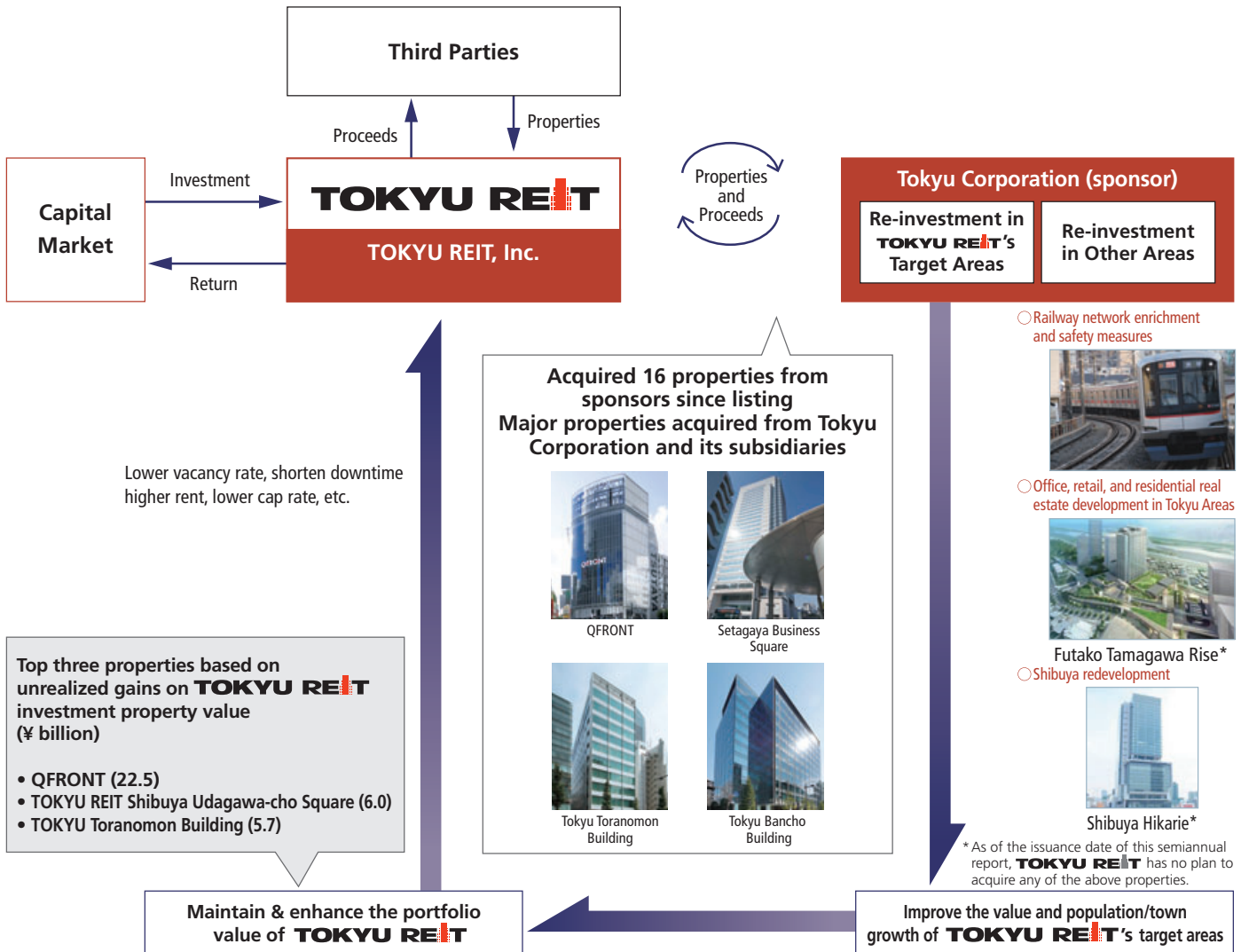
Investment management fee structure “being in the same boat as unitholders”	➔ Refer to Page 11
“Capital Re-investment Model” through collaboration with sponsors	➔ Refer to Page 16
“Value and contrarian investment strategy” focusing on cyclicity of real estate prices	➔ Refer to Page 17
Debt management strong against credit crises	➔ Refer to Page 20

Investment Management Strategy

Capital Re-investment Model

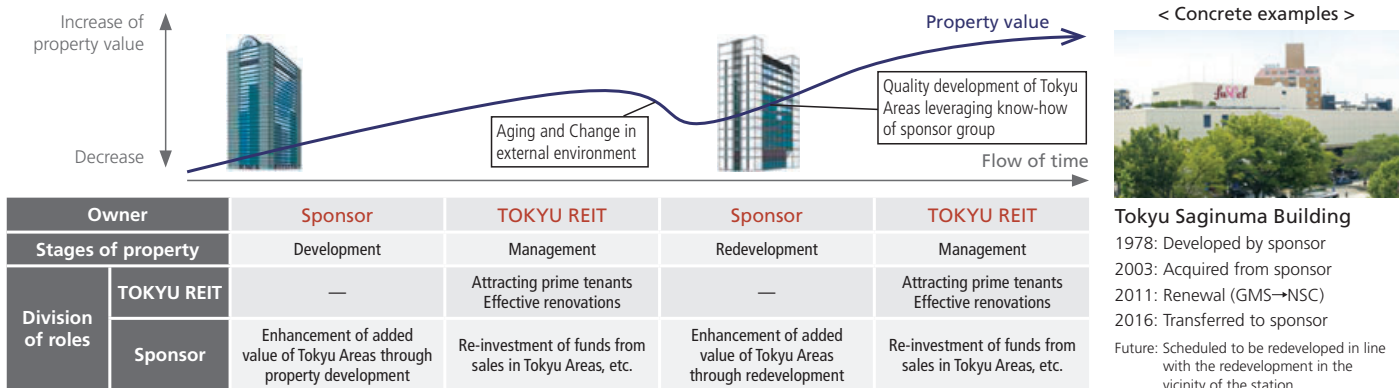
“Capital Re-investment Model” through collaboration with sponsors

Our unique investment strategy involves a re-investment model. When we purchase properties from Tokyu Corporation and its subsidiaries, the proceeds are eventually used for re-investment in the Tokyu Areas by Tokyu Corporation and its subsidiaries, and therefore, contribute to maintaining and improving the value of our target area. While **TOKYU REIT** is not part of and is independent from the Tokyu Group, we try to explore opportunities for collaboration with Tokyu Corporation and its subsidiaries, while, at the same time, making sure we maintain and observe rules on conflicts of interest that investors also believe in.



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

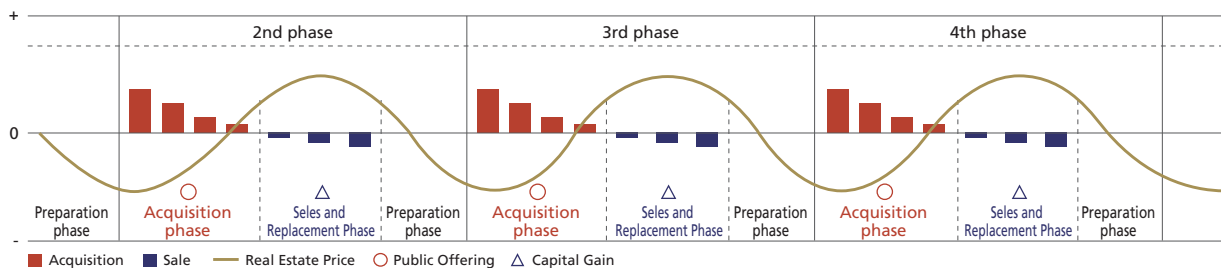
Aim for ceaseless value enhancement in investment targeted areas through division of roles with sponsor



TOKYU REIT's Long-Term Investment Management Strategy (Surf Plan)

“Value and contrarian investment strategy” focusing on cyclicity of real estate prices

TOKYU REIT has conducted investment with a focus on the cyclicity of real estate prices, in order to achieve enhanced portfolio quality. Specifically, TOKYU REIT has been implementing the “Long-Term Investment Management Strategy (Surf Plan).” Under this strategy, through value investment and contrarian investment^(Note) by focusing on the cyclicity of real estate prices, TOKYU REIT secures capital gains while replacing properties, aiming to build a portfolio that boasts lasting competitiveness and balance sheets that are strong against even difficult economic times. The objective of this approach is to accurately discern the ‘waves’ of prosperity and depression in real estate market conditions.



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

Investment Style

Value & Contrary

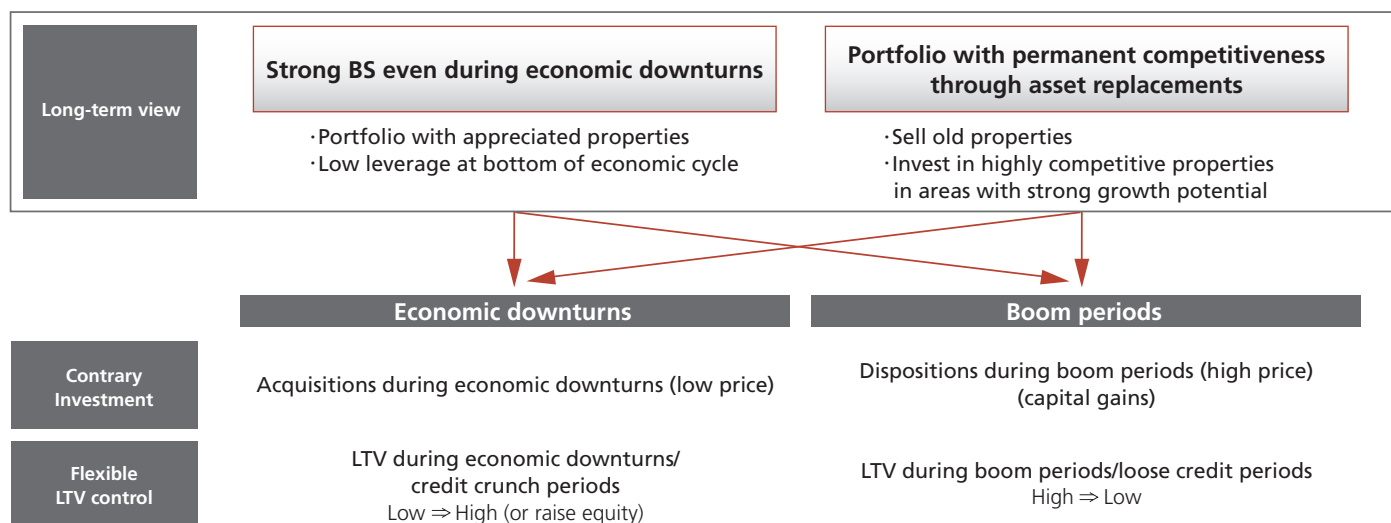
Value Investment

An approach of investing into properties that are undervalued against the respective benchmarks. TOKYU REIT aims to secure high yield (total return) by acquiring properties that appear to be undervalued in terms of their appraisal values, NOI (net operating income) and other indicators.

Contrary Investment

An approach of investing in the phase when prices are falling. TOKYU REIT aims to acquire properties when they are priced low and sell them when they are priced high, thereby recouping the investment.

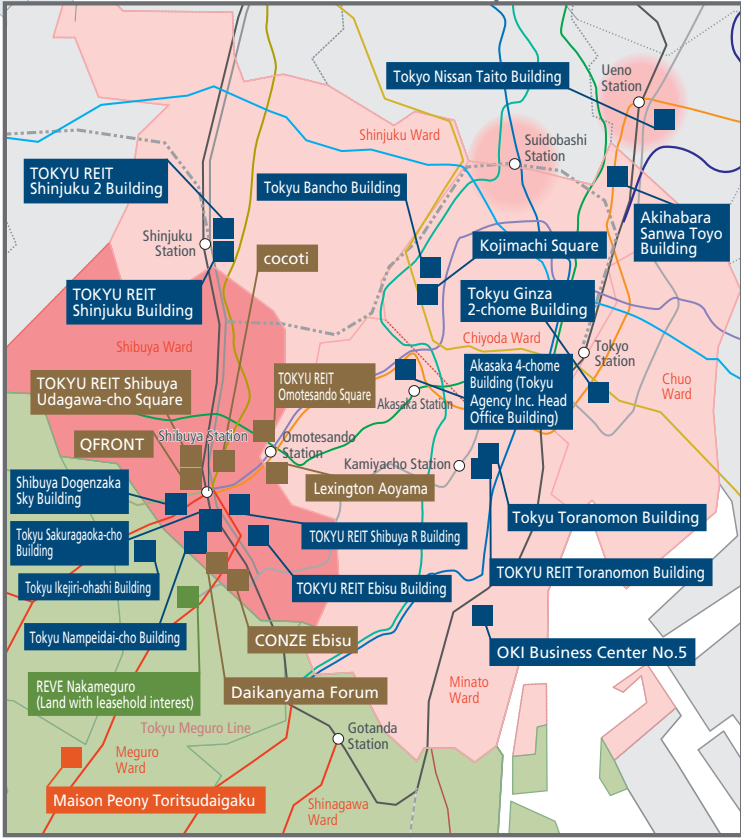
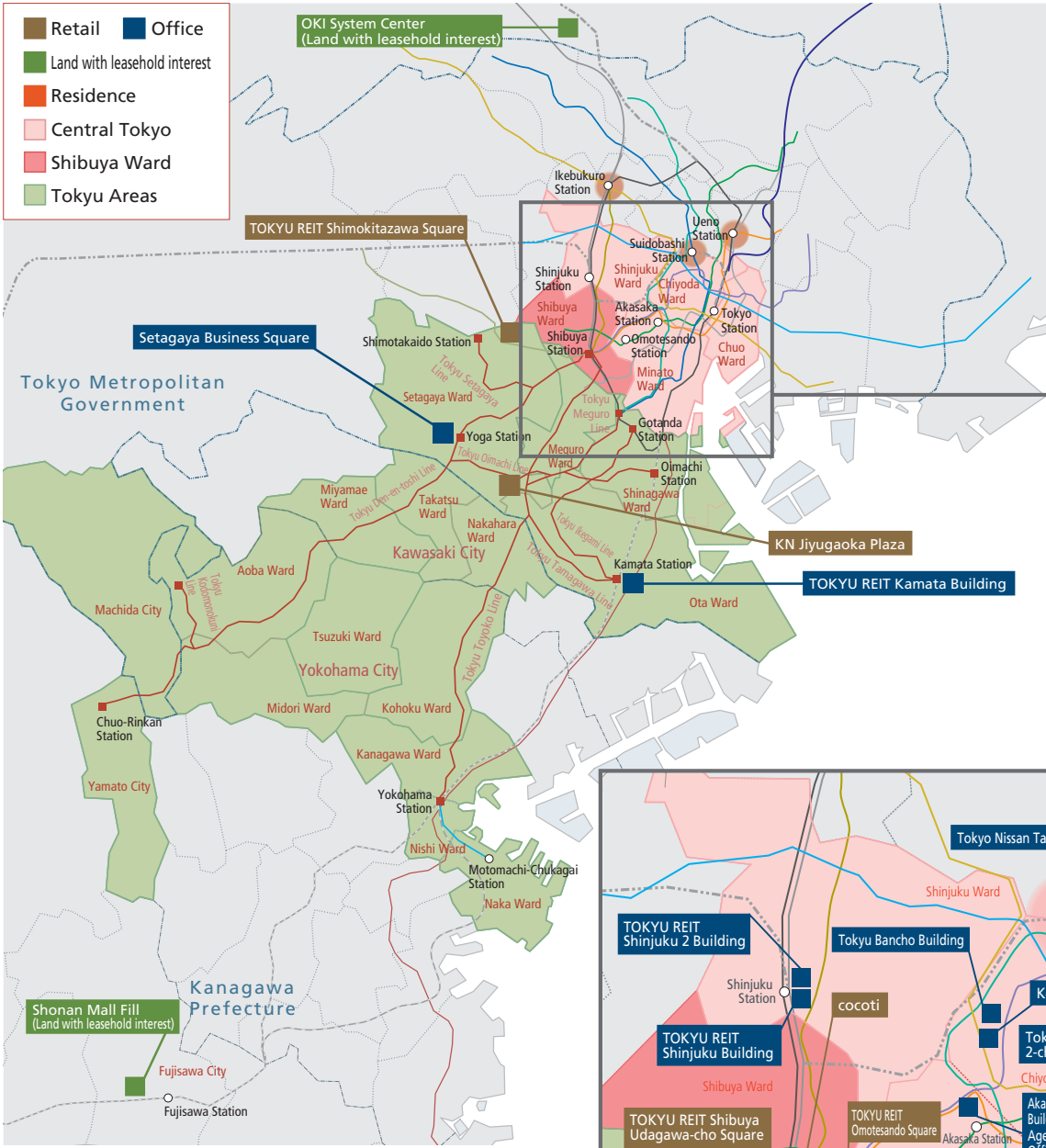
Concept



Investment Management Strategy

Investment Targeted Areas

- Retail
- Office
- Land with leasehold interest
- Residence
- Central Tokyo
- Shibuya Ward
- Tokyu Areas



- Tokyu Railways
- Minatomirai Line
- Tokyo Metro Hanzomon Line
- Toei Mita Line
- Tokyo Metro Ginza Line
- Keio Inokashira Line
- Tokyo Metro Yurakucho Line
- Keikyū Line
- Tokyo Metro Hibiya Line
- Tsukuba Express
- Tokyo Metro Chiyoda Line
- JR Yamanote Line
- Tokyo Metro Tozai Line
- JR Saikyo Line
- Tokyo Metro Namboku Line
- JR Tokaido Line
- Tokyo Metro Fukutoshin Line
- JR Chuo Line
- JR Keihin Tokoku Line
- JR Negishi Line

* Some properties are only partially owned by TOKYU REIT.
 * OKI Business Center No.5 was acquired on September 28, 2020.
 * OKI System Center (Land with leasehold interest) was disposed in the form of 40% co-ownership interest on September 28, 2020, and is scheduled to be disposed in the form of 30% co-ownership interest on December 24, 2021, and February 25, 2022, respectively.

Status of Redevelopment around Shibuya Station

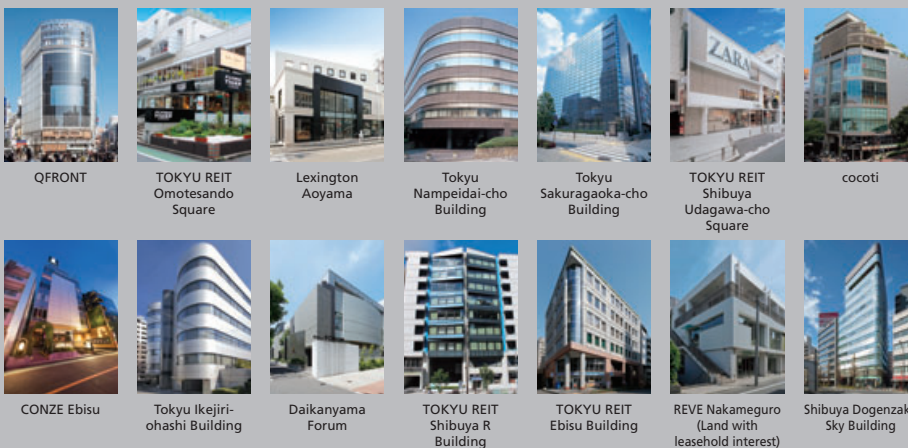
Redevelopment of Greater SHIBUYA (extensive Shibuya area) ^(Note) is in progress mainly by Tokyu Group



*As of the issuance date of this semiannual report.

TOKYU REIT owns 14 properties in Greater SHIBUYA (extensive Shibuya area) ^(Note) where redevelopment is in progress

Acquisition Price: 101.8 billion yen Appraisal Value: 144.8 billion yen



(Note) Area within radius of 2.5 km from Shibuya Station.

*Some properties are only partially owned by TOKYU REIT or Tokyu Corporation and its subsidiaries.

*As of the issuance date of this semiannual report, TOKYU REIT has no plan to acquire properties owned by Tokyu Corporation and its subsidiaries, and properties planned by the Tokyu Group.

*Pictures are provided by SHIBUYA SCRAMBLE SQUARE and Shibuya Station Area Kyodo Building operators ①, SHIBUYA STREAM ②, Shibuya 2-Chome 17 District Urban Redevelopment Association ③ and Tokyu Land Corporation (④-⑥).

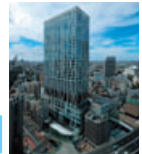
1 SHIBUYA SCRAMBLE SQUARE



Phase I (East building)
Opened on November 1, 2019
Phase II (Central building/West building)
Scheduled to open in fiscal 2027

Implementing body	Tokyu Corporation, East Japan Railway Company, Tokyo Metro Co., Ltd.
Usage	Office, store, observation facility, parking lot, etc.
Major tenants	<Office> CyberAgent, Inc., mixi, Inc., WeWork
Floors	East building: B7/47F Central building: B2/10F West building: B5/13F

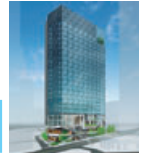
2 SHIBUYA STREAM



Opened on September. 13, 2018

Implementing body	Tokyu Corporation, etc.
Usage	Office, store, hotel, hall, parking lot, etc.
Major tenants	<Office> Google GK <Hotel> Shibuya Stream Excel Hotel TOKYU
Floors	B4/35F

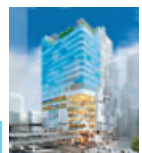
3 SHIBUYA 2Chome 17 District



Scheduled for completion in fiscal 2024

Implementing body	Shibuya 2-chome 17 District Urban Redevelopment Association (Members: Tokyu Corporation, etc.)
Usage	Office, store, parking lot, etc.
Floors	B2/23F

4 SHIBUYA FUKURAS



Completed in October 2019

Implementing body	Dogenzaka 1-chome Ekimae Area Urban Redevelopment Association (Member: Tokyu Land Corporation)
Usage	Office, store, bus terminal, etc.
Major tenants	<Office> GMO Internet Group <Retail> Tokyu Plaza Shibuya
Floors	B4/18F

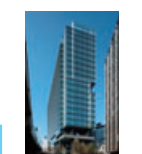
5 Shibuya Station Sakuragaoka Exit Block



Scheduled for completion in fiscal 2023

Implementing body	Shibuya Station Sakuragaoka-guchi Area Urban Redevelopment Association (Member: Tokyu Land Corporation)
Usage	Office, store, residences, church, parking lot, etc.
Floors	Block A: B4/39F Block B: B2/29F Block C: 4F

6 SHIBUYA SOLASTA



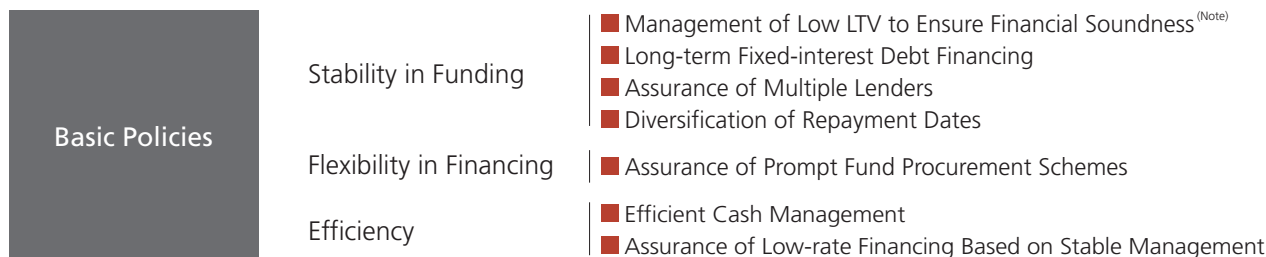
Completed in March 2019

Implementing body	General Incorporated Association Dogenzaka 121 (business company formed by Tokyu Land Corporation and land owners)
Usage	Office, assembly hall (incubation office, etc.), store, parking lot, etc.
Major tenants	<Office> Tokyu Land Corporation, Business-Airport
Floors	B1/21F

TOKYU REIT's Financial Strategies

Debt management strong against credit crises

With its financial strategies based on stability, flexibility and efficiency, **TOKYU REIT** strives to maximize unitholder value by reducing capital costs as well as fostering external growth with minimal expenditures.



(Note) An acronym for Loan to Value (LTV). The proportion of liabilities including bonds, debt financing and other interest-bearing liabilities to total asset value. This formula derives the liability level to the acquired property's value. Low LTV (namely, less liabilities or high-valued properties) is considered as high level of financial soundness.

Debt

Total Interest-Bearing Debt	¥92.0 billion
Long-Term Fixed-Rate Ratio	100%
Avg. Duration	4.23 years
Commitment Line	¥18.0 billion ^(Note)

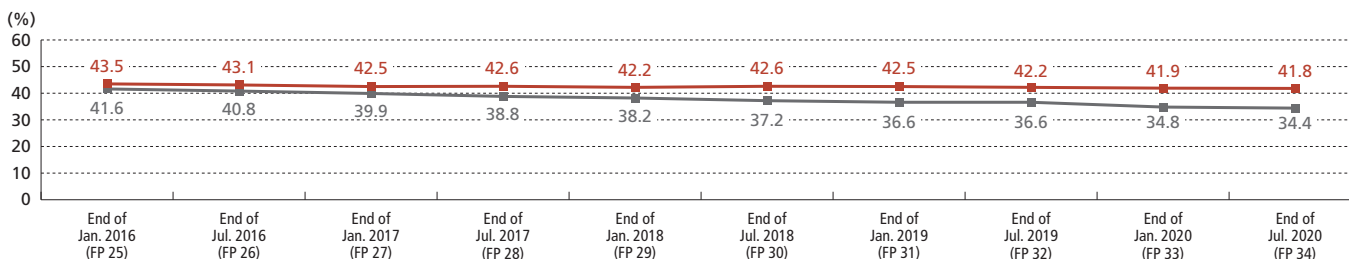
(Note) The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured. Moreover, there is no outstanding debt under the commitment line agreement as of July 31, 2020.

Ratings

Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating	AA- (Outlook: Stable)
Rating and Investment Information, Inc. (R&I)	Issuer Rating	A+ (Rating Outlook: Stable)

Changes in LTV

TOKYU REIT controls its LTV in a conservative manner in order to secure financial soundness.



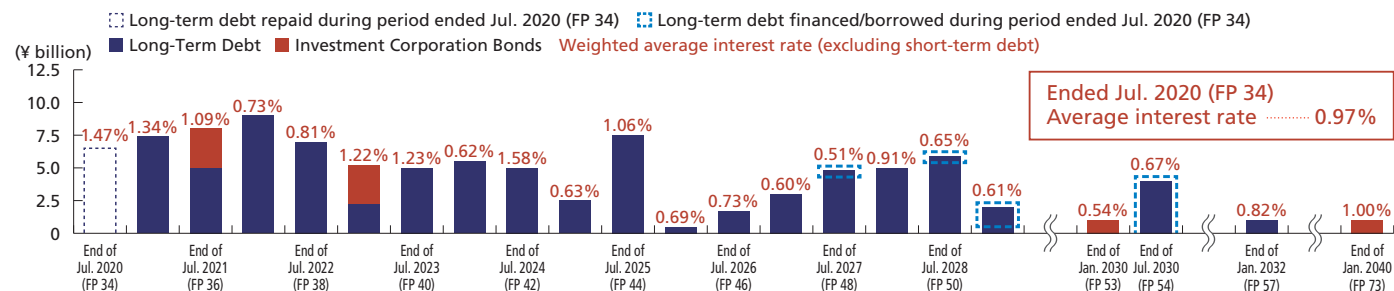
■ LTV based on total assets at the end of period = Balance of period-end interest-bearing debt / Period end total assets

■ LTV based on appraisal value = (Balance of interest-bearing debt at the end of period + Balance of securities deposit without reserved cash at the end of period) / (Appraisal value at the end of period)

LTV based on appraisal value is calculated by using appraisal value, and thus increases or decreases if appraisal value at the end of period decreases or increases.

Diversification of Repayment and Redemption Dates of Interest-Bearing Debts

In addition, **TOKYU REIT** works to diversify repayment dates for its debt financing in order to avoid the risk of large-scale refinancing within a short period of time.



Ended Jul. 2020 (FP 34)
Average interest rate 0.97%

Data of the Fiscal Period ended July 2020 (FP 34)

In the acquisition of investment properties, TOKYU REIT considers a variety of factors, including a comprehensive analysis of forecasted revenue stream, growth potential of the area, property size, construction and facility specifications, earthquake resistance, leasing rights, occupancy and appeal to tenants, property management, the environment and foundation quality, and the property's competitiveness.

■ Top 10 Tenants by Leased Area

No.	Tenant Name	Business Category	Property Name	Expiration Date	Leased Area (m ²)	Ratio ^(Note 1)
1	DAIWA INFORMATION SERVICE Co., Ltd	Real estate	Shonan Mall Fill (Land with leasehold interest)	3/31/2033	44,078.12	21.2%
2	OKI Electric Industry Co., Ltd.	Electric equipment	OKI System Center (Land with leasehold interest)	3/26/2033	17,019.19	8.2%
3	Tokyu Corporation	Real estate	Tokyu Nampeidai-cho Building	12/31/2021	7,148.18	3.4%
			Tokyu Sakuragaoka-cho Building	12/31/2021	3,878.36	1.9%
			REVE Nakameguro (Land with leasehold interest)	9/26/2068	497.02	0.2%
			Setagaya Business Square ^(Note 2)	1/31/2022	315.62	0.2%
4	VENDOR SERVICE CO., LTD.	Wholesale	Tokyu Toranomom Building	7/31/2021	5,907.30	2.8%
5	FUJITSU LIMITED	Electric equipment	TOKYU REIT Kamata Building	9/30/2020 ^(Note 3)	4,593.33	2.2%
6	TSUTAYA BOOKS Co., Ltd.	Wholesale	QFRONT	12/14/2039	4,502.93	2.2%
7	Tokyu Community Corporation	Service	Setagaya Business Square ^(Note 2)	7/31/2021 ^(Note 3)	3,857.61	1.9%
8	DIGITAL HOLDINGS, Inc.	Other financial services	Tokyu Bancho Building ^(Note 4)	12/31/2020	3,637.02	1.8%
9	Japan Post Insurance Co., Ltd.	Insurance	TOKYU REIT Toranomom Building	4/30/2020 ^(Note 3)	3,553.89	1.7%
10	Tokyu Agency Inc.	Service	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1/31/2023	3,533.03	1.7%
Total of top 10 tenants in leased area					102,521.60	49.4%
Total leased area as of the end of July 2020 (FP 34) (31 properties)					207,535.44	100.0%

(Notes) 1. "Ratio" indicates ratio of tenant's leased areas to total leased area of 31 properties held as of the end of Jul. 2020 (FP34).

2. Leased area for the 55% co-ownership interest is indicated for the tenant of Setagaya Business Square.

3. Expiration date of contract for largest leased area in plural leased area

4. Leased area for the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest is indicated for the tenant of Tokyu Bancho Building.

■ Creation of Portfolio Resilient to Earthquakes

Structural status (earthquake resistance)

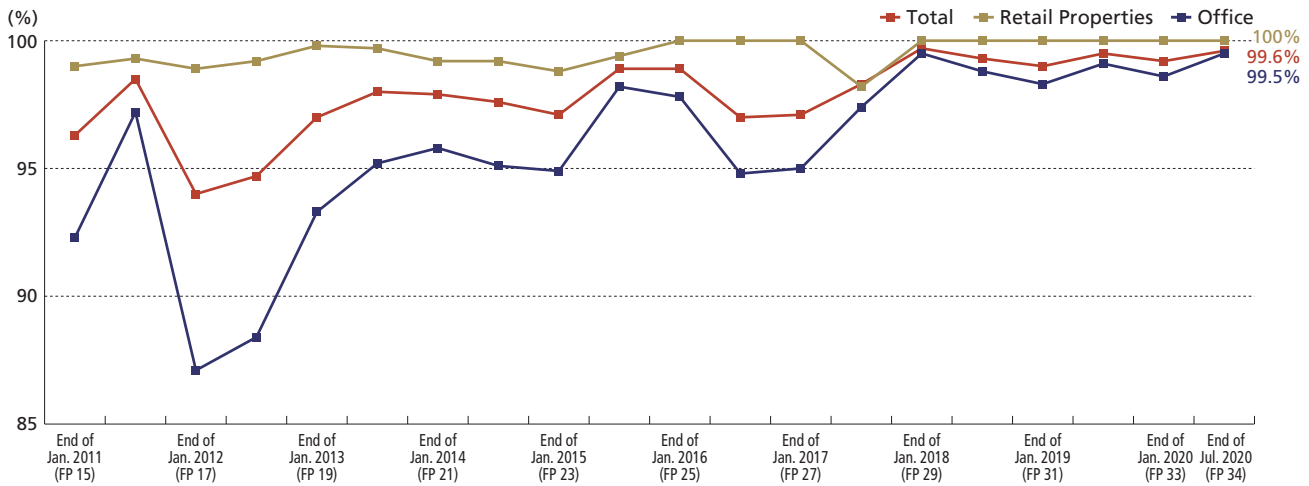
Investment Criteria	Properties that are compliant with the new earthquake resistance standards ^(Note) , that completed anti-seismic reinforcement work, or that has PML of less than 15%	Manage properties with a portfolio PML of 10% or less; examine purchasing earthquake insurance if PML of any property surpasses the figure.
Portfolio	<ul style="list-style-type: none"> 28 out of 31 properties comply with the new earthquake resistance standards (Three remaining properties are land with leasehold interest only) 	<ul style="list-style-type: none"> Portfolio PML: 3.8% Although the merit of geographical diversification in terms of earthquake risks is small, the value of the portfolio PML for properties which have high earthquake resistance ratings is kept at a fairly low level as individual properties have high earthquake resistant ratings.

(Note) The new earthquake resistance standards are the earthquake resistant design standards based on the Building Standards Act, which was revised in 1981 with the aim to prevent buildings from collapsing even from earthquakes with seismic intensity of six and secure safety for human lives. Buildings that obtained building confirmation in June 1981 and after are understood to satisfy the new earthquake resistance standards. In fact, there were almost no reports of collapsing of buildings that were designed in accordance with the new earthquake resistance standards from the Great Hanshin Earthquake in 1995 and the Great East Japan Earthquake in 2011, in which a seismic intensity of seven was actually observed.

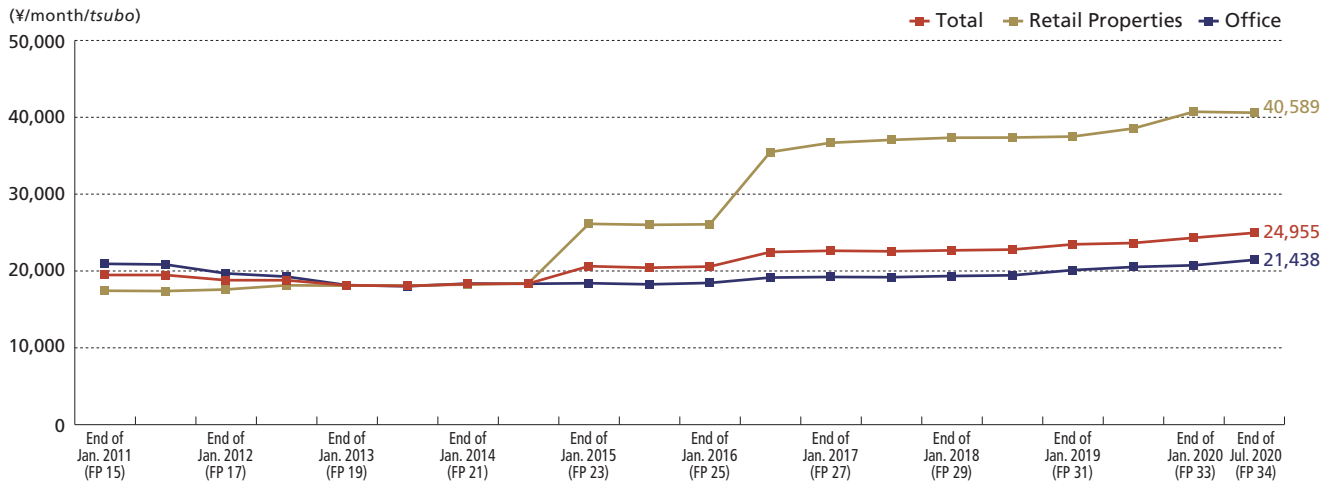
Portfolio (properties owned at the end of July 2020 (FP 34))

Track Record (Results of Management)

Changes in Occupancy Rate

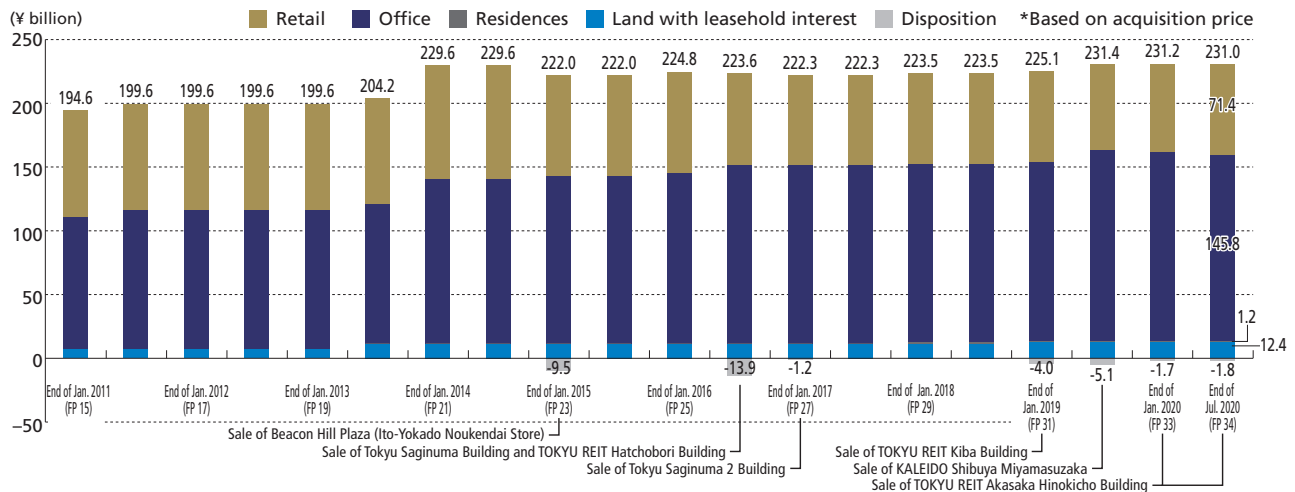


Changes in Average Rent



* In calculating the above unit price, we haven't factored in vacant spaces.
 * Includes common area charges and excludes income from parking, warehouses, etc.
 * 1 tsubo \approx 3.30578m²

Change in Asset Size



Portfolio Overview (at the end of July 2020 (FP 34))

Use	Name of Property	Acquisition Date	Acquisition Price (¥ million)	Location	Total Leasable Area (m ²)	Occupancy Rate	Ratio (Based on Acquisition Price) ^(Note1)	Probable Maximum Loss (PML) in Earthquake Risk Analysis
Retail	QFRONT	Sep. 10, 2003	15,100	Shibuya Ward, Tokyo	4,502.93	100%	6.5%	4.2%
	Lexington Aoyama	Sep. 11, 2003	4,800	Minato Ward, Tokyo	2,094.96	100%	2.1%	2.3%
	TOKYU REIT Omotesando Square	Sep. 10, 2003	5,770	Shibuya Ward, Tokyo	2,669.10	100%	2.5%	9.5%
	TOKYU REIT Shibuya Udagawa-cho Square	Mar. 1, 2004	6,600	Shibuya Ward, Tokyo	1,543.05	100%	2.9%	7.3%
	cocoti	Apr. 6, 2005	14,700	Shibuya Ward, Tokyo	8,295.62	100%	10.6%	6.2%
		Aug. 2, 2005	9,800					
	CONZE Ebisu	Oct. 31, 2006	5,116	Shibuya Ward, Tokyo	2,327.00	100%	2.2%	4.1%
	Daikanyama Forum	Apr. 22, 2008	4,136	Shibuya Ward, Tokyo	2,477.37	100%	1.8%	8.0%
	TOKYU REIT Shimokitazawa Square	Apr. 26, 2019	2,257	Setagaya Ward, Tokyo	1,246.98	100%	1.0%	10.9%
KN Jiyugaoka Plaza	Oct. 1, 2019	1,548	Meguro Ward, Tokyo	1,231.80	100%	1.4%	8.8%	
	Mar. 4, 2020	1,611						
Office	Setagaya Business Square	Sep. 11, 2003	22,400	Setagaya Ward, Tokyo	24,920.26	99.4%	9.7%	2.9%
	Tokyu Nampocho Building	Sep. 11, 2003	4,660	Shibuya Ward, Tokyo	7,148.18	100%	2.0%	7.9%
	Tokyu Sakuragaoka-cho Building	Sep. 11, 2003	6,620	Shibuya Ward, Tokyo	4,737.19	100%	2.9%	11.1%
	Tokyo Nissan Taito Building	Sep. 11, 2003	4,450	Taito Ward, Tokyo	7,870.79	95.8%	1.9%	7.4%
	TOKYU REIT Kamata Building	Sep. 10, 2003	4,720	Ota Ward, Tokyo	7,337.82	100%	2.0%	7.7%
	TOKYU REIT Toranomom Building	Dec. 15, 2004	8,630	Minato Ward, Tokyo	10,247.06	100%	4.4%	7.2%
		Sep. 21, 2007	1,100					
		Oct. 26, 2007	200					
		Jan. 21, 2015	107					
	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Jan. 31, 2008	8,500	Minato Ward, Tokyo	3,533.03	100%	3.7%	3.9%
	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5,480	Meguro Ward, Tokyo	5,733.23	100%	2.4%	5.8%
	Kojimachi Square	Mar. 19, 2010	9,030	Chiyoda Ward, Tokyo	5,409.11	100%	3.9%	4.8%
	TOKYU REIT Shinjuku Building	Mar. 26, 2010	9,000	Shinjuku Ward, Tokyo	6,270.68	100%	3.9%	4.2%
	Akihabara Sanwa Toyo Building	Oct. 29, 2010	4,600	Chiyoda Ward, Tokyo	4,538.02	100%	2.0%	11.8%
	Tokyu Ginza 2-chome Building	Feb. 15, 2011	5,010	Chuo Ward, Tokyo	3,473.16	100%	2.2%	4.4%
	TOKYU REIT Shibuya R Building	Aug. 16, 2013	5,270	Shibuya Ward, Tokyo	5,266.15	100%	2.3%	5.9%
	Tokyu Toranomom Building	Aug. 16, 2013	15,000	Minato Ward, Tokyo	9,016.59	98.3%	7.3%	5.4%
		Jan. 9, 2015	1,850					
	TOKYU REIT Shinjuku 2 Building	Oct. 30, 2015	2,750	Shinjuku Ward, Tokyo	1,790.46	100%	1.2%	4.2%
	Tokyu Bancho Building	Mar. 24, 2016	12,740	Chiyoda Ward, Tokyo	6,137.50	100%	6.0%	3.3%
Mar. 28, 2019		1,040						
TOKYU REIT Ebisu Building	Aug. 1, 2018	4,500	Shibuya Ward, Tokyo	1,879.17	100%	1.9%	5.5%	
Shibuya Dogenzaka Sky Building	Mar. 28, 2019	8,100	Shibuya Ward, Tokyo	4,136.05	100%	3.5%	6.4%	
Maison Peony Toritsudaigaku	Nov. 15, 2017	1,200	Meguro Ward, Tokyo	852.16	87.3%	0.5%	6.2%	
Land with leasehold interest	Shonan Mall Fill (Land with leasehold interest)	Apr. 28, 2006	6,810	Fujisawa City, Kanagawa Prefecture	44,078.12	100%	2.9%	—
	OKI System Center ^(Note 2) (Land with leasehold interest)	Mar. 27, 2013	4,530	Warabi City, Saitama Prefecture	17,019.19	100%	2.0%	—
	REVE Nakameguro (Land with leasehold interest)	Sep. 27, 2018	1,150	Meguro Ward, Tokyo	497.02	100%	0.5%	—
	Total		231,026		208,279.76	99.6%	100.0%	3.8%

Acquired Property in Fiscal Period Ending January 2021 (FP35)

Office	OKI Business Center No.5 ^(Note 3)	Sep. 28, 2020	11,900	Minato Ward, Tokyo	18,102.32	100%	—	8.1%
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(Notes) 1. Ratio is rounded to one decimal place. Accordingly, the total may not exactly match the sum of relevant items.

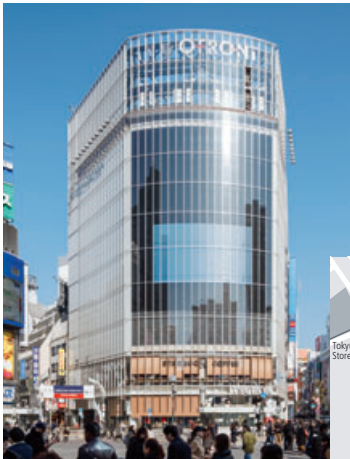
2. OKI System Center (Land with leasehold interest) was disposed in the form of 40% co-ownership interest on September 28, 2020, and is scheduled to be disposed in the form of 30% co-ownership interest on December 24, 2021 and February 25, 2022, respectively.

3. OKI Business Center No.5 was acquired on September 28, 2020.

PORTFOLIO (properties owned at the end of July 2020 (FP 34))

QFRONT

Properties contributed by sponsors



A retail property representing Tokyo facing the scramble crossing in front of Shibuya Station and having extremely high visibility with a large display screen installed on the wall.



Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, etc.
 Total Land Space: 784.26m² (Land included in the property trust totals 728.30m²)
 Total Floor Space: 6,675.52m² (Exclusive area 4,804.46m²)
 Structure/Floors: SRC/S, B3/8F
 Completed: October 1999
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership

Lexington Aoyama

Properties contributed by sponsors



A retail property comprised of tenants such as apparel stores and convenience stores and located at the center of Kotto-dori where stores serving customers with high sensibility concentrate.



Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Omotesando Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 776.59m²
 Total Floor Space: 2,342.21m²
 Structure/Floors: S/RC, B1/4F
 Completed: January 1998
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Omotesando Square



A retail property located near Omotesando Station, comprised of various stores such as restaurants, cafés, general merchandise store, sports gym and beauty salon, etc.



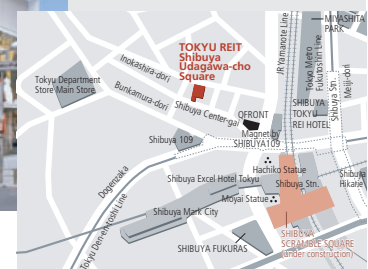
Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Omotesando Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 1,259.21m²
 Total Floor Space: 3,321.20m²
 Structure/Floors: S/SRC, B1/4F
 Completed: October 1985
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Shibuya Udagawa-cho Square

Properties contributed by sponsors



A retail property facing Inokashira-dori and Shibuya Center-gai, occupied by apparel stores and restaurants.

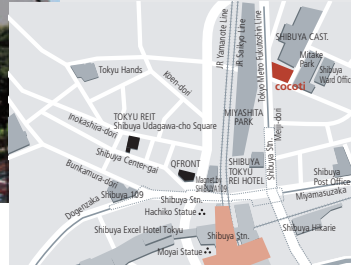


Address: [Bldg. 1] 25-10, Udagawa-cho, Shibuya-ku, Tokyo
 [Bldg. 2] 25-5, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Shibuya Station—JR Yamanote Line, etc.
 Total Land Space: 679.27m²
 Total Floor Space: [Bldg. 1] 1,473.10m²
 [Bldg. 2] 56.39m²
 Structure/Floors: [Bldg. 1] S, 3F
 [Bldg. 2] S, 2F
 Completed: [Bldg. 1] July 1998
 [Bldg. 2] June 1995
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

cocoti



A retail property with high-quality design located along Meiji-dori and occupied by brand shops and cafés.

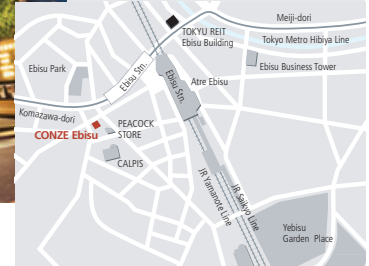


Address: 1-23-16, Shibuya, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—Tokyo Metro Ginza Line
 Total Land Space: 1,705.35m²
 Total Floor Space: 11,847.87m²
 Structure/Floors: S/SRC, B2/12F
 Completed: September 2004
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

CONZE Ebisu



A retail property located in the Ebisu area occupied by restaurants and service stores. Redevelopments are underway nearby and the area can be expected to grow more vibrant.



Address: 2-3-14, Ebisu-Minami, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Ebisu Station—Tokyo Metro Hibiya Line, etc.
 Total Land Space: 562.07m²
 Total Floor Space: 2,789.35m²
 Structure/Floors: S/SRC, B1/9F
 Completed: March 2004
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Daikanyama Forum



A retail property occupied by high-end tenants comprised of two buildings with an external appearance in harmony with Kyu Yamate-dori.



Address: 17-16, Sarugaku-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a six-minute walk from Daikanyama Station—Tokyu Toyoko Line
 Total Land Space: Building 1 (East): Site rights area 942.30m²
 Building 2 (West): Site rights area 1,108.01m²
 Total Floor Space: Building 1 (East): 1,441.57m²
 Building 2 (West): 2,388.70m²
 (Exclusive area 1,182.62m²)
 Structure/Floors: Building 1 (East): RC, B1/2F
 Building 2 (West): RC, B1/5F
 Completed: February 1993
 Type of Ownership: Land—Building 1 (East): Proprietary ownership
 Building 2 (West): Proprietary ownership
 (Co-ownership ratio 64.13%)
 Building—Building 1 (East): Compartmentalized ownership
 Building 2 (West): Compartmentalized ownership

TOKYU REIT Shimokitazawa Square



A retail property located in the Shimo-kitazawa area occupied by stores and offices. Redevelopment of the station-front plaza of Shimo-kitazawa Station, pedestrian pathways, etc. are underway and greater bustle are anticipated.



Address: 6-6-1 Daita, Setagaya-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Shimo-kitazawa Station—Keio Inokashira Line
 Approximately a five-minute walk from Shimo-kitazawa Station—Odakyu Odawara Line
 Total Land Space: 489.27m²
 Total Floor Space: 1,306.55m²
 Structure/Floors: RC, B1/4F
 Completed: June 2008
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

PORTFOLIO (properties owned at the end of July 2020 (FP 34))

KN Jiyugaoka Plaza



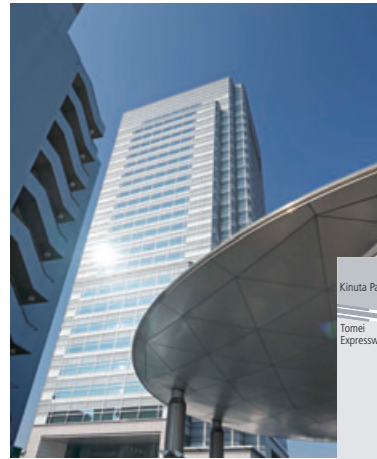
A retail property located approximately a two-minute walk from Jiyugaoka Station on the Tokyu Toyoko and Oimachi lines. Facing Kuhombutsugawa Ryokudo (Green Street), where there is a concentration of many sophisticated stores and customer-visiting-type offices.



Address: 2-13-6, Jiyugaoka, Meguro-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Jiyugaoka Station—Tokyu Toyoko Line and Oimachi Line
 Total Land Space: 575.54m²
 Total Floor Space: 1,272.60m²
 Structure/Floors: SRC, 5F
 Completed: December, 2001
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Setagaya Business Square

Properties contributed by sponsors



A large office building comprised of office and retails directly connected to Yoga Station. Has excellent access from Metropolitan Expressway.



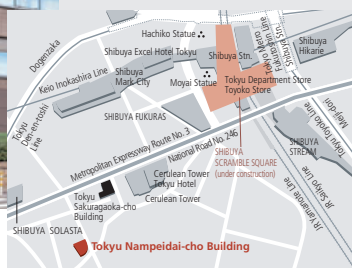
Address: 4-10-1,2,3,4,5,6, Yoga, Setagaya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Yoga Station—Tokyu Den-en-toshi Line
 Total Land Space: 21,315.68m²
 Total Floor Space: 94,373.72m²
 Structure/Floors: SRC/RC/S, B2/28F
 Completed: September 1993
 Type of Ownership: Land—Proprietary ownership (Co-ownership ratio: 55%)
 Building—Proprietary ownership (Co-ownership ratio: 55%)

Tokyu Nampeidai-cho Building

Properties contributed by sponsors



A five-story office building located in the Shibuya area where development is progressing. Occupied by the headquarters of Tokyu Corporation.



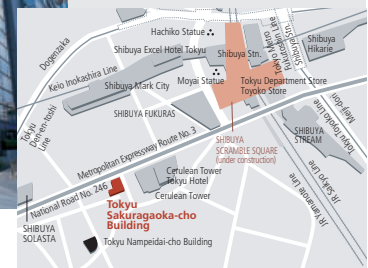
Address: 5-6, Nampeidai-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a seven-minute walk from Shibuya Station—JR Yamanote Line, etc.
 Total Land Space: 2,013.28m²
 Total Floor Space: 7,003.88m²
 Structure/Floors: S/SRC, B2/5F
 Completed: July 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Tokyu Sakuragaoka-cho Building

Properties contributed by sponsors



A nine-story office building located in the Shibuya area where development is progressing. Occupied by the headquarters of Tokyu Corporation.

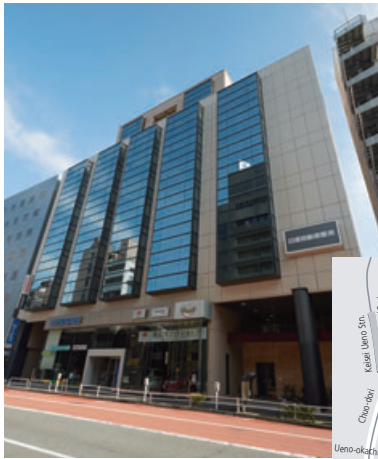


Address: 31-2, Sakuragaoka-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Shibuya Station—JR Yamanote Line, etc.
 Total Land Space: 1,013.03m²
 Total Floor Space: 6,505.39m²
 Structure/Floors: SRC, B3/9F
 Completed: June 1987
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership (Note)

(Note) All of compartmentalized ownership with whole building are entrusted.

Tokyo Nissan Taito Building

Properties contributed by sponsors

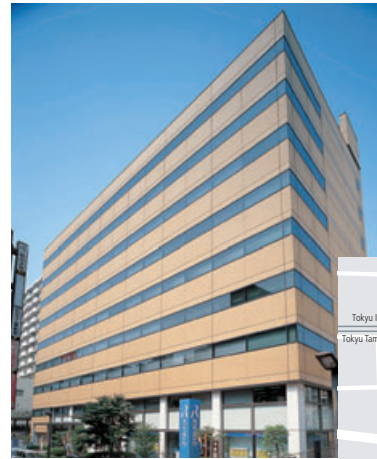


A highly convenient office several stations including Ueno Station, Inaricho Station and Shin-Okachimachi Station available for use.



Address: 2-6-6, Moto-Asakusa, Taito-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Inari-cho Station—Tokyo Metro Ginza Line
 Total Land Space: 1,718.45m²
 Total Floor Space: 11,373.20m²
 Structure/Floors: SRC, B2/10F
 Completed: September 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Kamata Building



A nine-story office building located near Kamata Station where there are available three lines operated by two railway companies as well as the Ota Ward Office.



Address: 5-13-23, Kamata, Ota-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Kamata Station—JR Keihin Tohoku Line, etc.
 Total Land Space: 1,642.86m²
 Total Floor Space: 10,244.51m²
 Structure/Floors: S/SRC, B1/9F
 Completed: February 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Toranomon Building



An office building located in an area expected to become more vibrant where large-scale redevelopments are underway nearby.



Address: 3-17-1, Toranomon, Minato-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Kamiyacho Station—Tokyo Metro Hibiya Line, etc.
 Total Land Space: 1,728.38m² (Co-ownership ratio: 86.116%)
 Total Floor Space: 15,343.73m² (Area owned by TOKYU REIT: 10,882.65m²)
 Structure/Floors: SRC/RC, B2/9F
 Completed: April 1988
 Type of Ownership: Land—Proprietary ownership (Co-ownership ratio: 86.116%)
 Building—Compartmentalized ownership and co-ownership of compartmentalized ownership

Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)

Properties contributed by sponsors



A nine-story office building located in the Akasaka-Mitsuke and Nagatacho area. Occupied by the headquarters of Tokyu Agency Inc.



Address: 4-8-18, Akasaka, Minato-ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Akasaka-Mitsuke Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 712.49m²
 Total Floor Space: 5,002.36m²
 Structure/Floors: S/SRC, B1/9F
 Completed: February 2003
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

PORTFOLIO (properties owned at the end of July 2020 (FP 34))

Tokyu Ikejiri-ohashi Building

Properties contributed by sponsors



A seven-story office building, expected to accommodate stable demand in the Shibuya area.



Address: 3-8-1, Higashiyama, Meguro-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Ikejiri-ohashi Station—Tokyu Den-en-toshi Line
 Total Land Space: 2,382.67m²
 Total Floor Space: 7,619.56m²
 Structure/Floors: SRC, 7F
 Completed: October 1989
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Kojimachi Square

Properties contributed by sponsors



An office building where demand from tenants pursuing an image of an academic area, proximity to central Tokyo, and a quiet environment is expected.

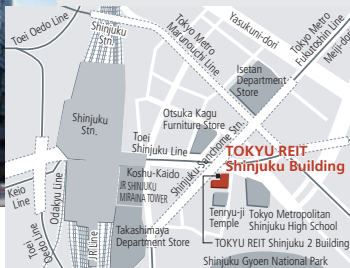


Address: 3, Nibancho, Chiyoda-ku Tokyo
 Nearest Station: Approximately a one-minute walk from Kojimachi Station—Tokyo Metro Yurakucho Line, etc.
 Total Land Space: 1,269.24m²
 Total Floor Space: 6,803.47m²
 Structure/Floors: S/RC, B1/7F
 Completed: January 2003
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Shinjuku Building



An office building where demand from IT and service-related companies is expected against the backdrop of the vibrant commercial areas.

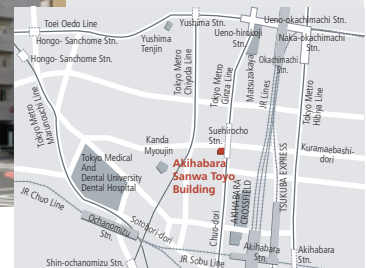


Address: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi Line, etc.
 Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.
 Total Land Space: 1,113.87m²
 Total Floor Space: 8,720.09m²
 Structure/Floors: SRC, 10F
 Completed: May 2003
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Akihabara Sanwa Toyo Building



Located at a corner lot at the intersection of Chuo-dori and Kuramaebashi-dori. An office building with high transportation convenience in being directly connected to Suehirocho Station.

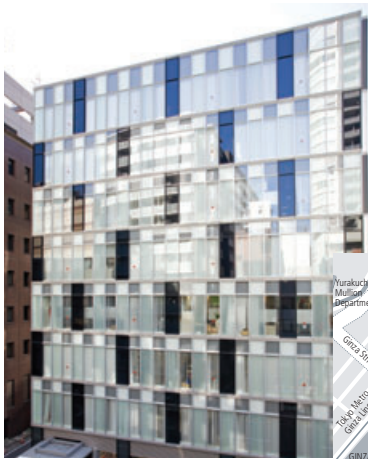


Address: 3-16-8, Sotokanda, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Suehirocho Station—Tokyo Metro Ginza Line
 Total Land Space: 795.33m²
 Total Floor Space: 5,704.69m²
 Structure/Floors: SRC, B1/8F
 Completed: September 1985
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership (Note)

(Note) All of compartmentalized ownership with whole building are entrusted.

Tokyu Ginza 2-chome Building

Properties contributed by sponsors



Located in one of Japan's busiest commercial areas with high brand strength. An office building where demand from companies that prefer an address in Ginza is expected.

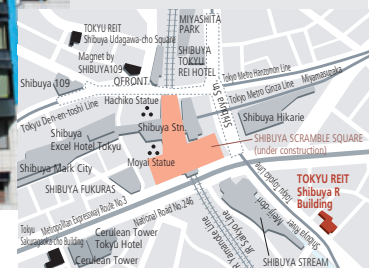


Address: 2-15-2, Ginza, Chuo-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Shintomicho Station—Tokyo Metro Yurakucho Line
 Approximately an eight-minute walk from Ginza Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 805.42m²
 Total Floor Space: 5,098.61m²
 Structure/Floors: S/RC, B1/8F
 Completed: August 2008
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Shibuya R Building



A large office building with high scarcity along Meiji-dori. Access from Shibuya Station is expected to further improve with the development around the station.



Address: 3-10-13, Shibuya, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Shibuya Station—JR Lines, etc.
 Total Land Space: 1,077.45m² (Area owned by TOKYU REIT: 819.41m²)
 Total Floor Space: 7,289.38m² (Including parking space 41.18m²)
 (Area owned by TOKYU REIT: 4,403.69m²)
 Structure/Floors: SRC (Parking: S), B1/9F
 Completed: March 1990
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership, and co-ownership of compartmentalized ownership

Tokyu Toranomon Building

Properties contributed by sponsors



An office building located in an area expected to be further developed and the establishment of new Toranomon Station and large-scale developments in the surrounding areas are scheduled.

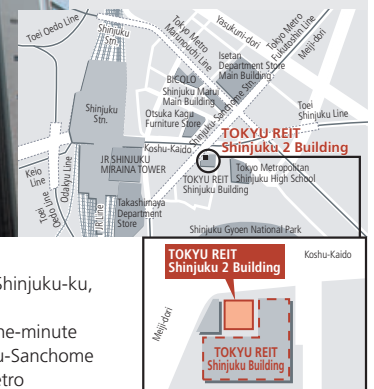


Address: 1-21-19, Toranomon, Minato-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Toranomon-hills Station—Tokyo Metro Hibiya Line
 Approximately a three-minute walk from Toranomon Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 2,016.83m²
 Total Floor Space: 11,983.09m²
 Structure/Floors: S, 10F
 Completed: April 2010
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Shinjuku 2 Building



Located on a corner lot at the intersection of Meiji-dori and Koshu Kaido. An office building adjacent to TOKYU REIT Shinjuku Building.



Address: 4-3-23, Shinjuku, Shinjuku-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi Line, etc.
 Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.
 Total Land Space: 270.05m²
 Total Floor Space: 2,006.13m²
 Structure/Floors: S, 10F
 Completed: December 1991
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

PORTFOLIO (properties owned at the end of July 2020 (FP 34))

Tokyu Bancho Building

Properties contributed by sponsors



A large office building with high visibility and office specifications located in the Ichigaya and Yotsuya area.



Address: 6, Yonbancho, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Ichigaya Station—JR Chuo Main Line, etc.
 Total Land Space: 2,754.18m² (Land included in the property trust totals: 2,573.80m²)
 Total Floor Space: 15,834.55m²
 (Exclusive ownership area of compartments under compartmentalized ownership pertaining to property trust: 11,431.09m²)
 Structure /Floors: S, 11F
 Completed: September 2011
 Type of Ownership: Land—Proprietary ownership
 (Quasi-co-ownership interest of trust beneficiary interest: 52.6%)
 Building—Compartmentalized ownership
 (Quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest: 52.6%)

TOKYU REIT Ebisu Building



An office building located near Ebisu Station. The vicinity is concentrated with medium to small office buildings and restaurants.



Address: 3-25-11 Higashi Shibuya-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Ebisu Station—JR Yamanote Line and Tokyo Metro Hibiya Line
 Total Land Space: 478.40m²
 Total Floor Space: 2,603.30m²
 Structure/Floors: S/SRC, B1F/7F
 Completion: April 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Shibuya Dogenzaka Sky Building

Properties contributed by sponsors



Highly visible office building sitting at the intersection of Tamagawa-dori Street (National Route No.246) and Dogenzaka Street. Surrounding the area, the redevelopment around Shibuya Station is in progress.



Address: 28-1 Maruyamacho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Shibuya Station—Keio Inokashira Line
 Approximately a three-minute walk from Shinsen Station,—Keio Inokashira Line
 Total Land Space: 721.34m²
 Total Floor Space: 5,644.91m²
 Structure/Floors: SRC, B1/11F
 Completed: March 1988
 Type of ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Maison Peony Toritsudaigaku



The property is a residence building located approximately a one-minute walk from Toritsu-daigaku Station on the Tokyu Toyoko line.



Address: 1-2-5 Nakane, Meguro-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Toritsu-daigaku Station—Tokyu Toyoko Line
 Total Land Space: 245.61m²
 Total Floor Space: 950.36m²
 Structure/Floors: RC, 10F
 Completed: August 2014
 Type of ownership: Land—Proprietary ownership
 Building—Proprietary ownership

Shonan Mall Fill (Land with leasehold interest)



Land with leasehold interest of a large retail property located between Fujisawa Station and Tsujido Station. In the vicinity of the Property, “Fujisawa Sustainable Smart Town” opened in 2014.



Address: 4-1-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa
 Nearest Station: Approximately a three-minute by bus or a twenty-minute walk from Tsujido Station—JR Tokaido Line
 Total Land Space: 44,078.12m²
 Type of Ownership: Land—Proprietary ownership

OKI System Center (Land with leasehold interest)



Land with leasehold interest of OKI System Center occupied by tenants such as Oki Electric Industry Co., Ltd. Warabi City has excellent accessibility to central Tokyo and high potential as a residential area.



Address: 1-16-8 Chuo, Warabi-shi, Saitama
 Nearest Station: Approximately a four-minute walk from Warabi Station—JR Keihin Tohoku Line
 Total Land Space: 17,019.18m²
 Type of Ownership: Land—Proprietary ownership

*40% of co-ownership interest is scheduled to be disposed on September 28, 2020, 30% co-ownership interest is scheduled to be disposed on December 24, 2021, and 30% of co-ownership interest is scheduled to be disposed on February 25, 2022.

Acquired property in Fiscal Period ending January 2021 (FP35)

REVE Nakameguro (Land with leasehold interest)



Land with leasehold interest of a complex comprised of retail facilities and residences located approximately a four-minute walk from Naka-Meguro Station on the Tokyu Toyoko Line.



Address: 1-13-14, Kamimeguro Meguro-ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Naka-Meguro Station—Tokyu Toyoko Line and Tokyo Metro Hibiya Line
 Total Land Space: 497.02m²
 Type of Ownership: Land—Proprietary ownership

OKI Business Center No.5



An office building located in the Shibaura area, an area expected to develop further with a large-scale mixed-use development in front of Tamachi Station and the opening of a new station. Occupied by Oki Electric Industry Co., Ltd.



Address: 4-10-16 Shibaura, Minato-ku, Tokyo
 Nearest Station: Approximately an eight-minute walk from Tamachi Station—JR Yamanote Line
 Total Land Space: 4,646.65m²
 Total Floor Space: 18,102.32m²
 Structure/Floors: SRC, B2/12F
 Completed: June 1982
 Type of ownership: Land—Proprietary ownership
 Building—Proprietary ownership

*OKI Business Center No.5 was acquired on September 28, 2020.

I. Asset Management Report
1. Financial Highlights
(1) Result of Operation and Financial Position

		34th fiscal period From February 1, 2020 to July 31, 2020 (182 days)	33rd fiscal period From August 1, 2019 to January 31, 2020 (184 days)	32nd fiscal period From February 1, 2019 to July 31, 2019 (181 days)	31st fiscal period From August 1, 2018 to January 31, 2019 (184 days)	30th fiscal period From February 1, 2018 to July 31, 2018 (181 days)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 8,203	¥ 8,123	¥ 7,366	¥ 7,523	¥ 7,119	
		Operating income	¥ 4,325	¥ 4,049	¥ 3,349	¥ 3,547	¥ 3,197	
		Net income	¥ 3,855	¥ 3,580	¥ 2,857	¥ 3,029	¥ 2,678	
	Operating income	Revenue from property leasing (a)	¥ 7,499	¥ 7,459	¥ 7,327	¥ 7,207	¥ 7,119	
		Rental service expenses (b)	¥ 3,067	¥ 3,284	¥ 3,251	¥ 3,238	¥ 3,211	
		[Depreciation and amortization] (included in (b)) (c) (Note 2)	[¥ 975]	[¥ 991]	[¥ 994]	[¥ 1,028]	[¥ 1,054]	
		NOI (Net Operating Income) (a) - (b) + (c)	¥ 5,407	¥ 5,165	¥ 5,070	¥ 4,996	¥ 4,962	
	Cash flow	FFO (Funds from Operation) (d) (Note 3)	¥ 4,127	¥ 3,906	¥ 3,812	¥ 3,740	¥ 3,732	
		Capital expenditures (e)	¥ 469	¥ 635	¥ 583	¥ 506	¥ 413	
		AFFO (Adjusted Funds from Operation) (d) - (e)	¥ 3,658	¥ 3,271	¥ 3,229	¥ 3,233	¥ 3,318	
Financial position	Balance sheet	Total assets (f)	¥ 220,068	¥ 219,504	¥ 218,587	¥ 219,958	¥ 219,396	
		[Change from the preceding period]	[0.3%]	[0.4%]	[-0.6%]	[0.3%]	[0.6%]	
		Interest-bearing liabilities (g) (Note 4)	¥ 92,000	¥ 92,000	¥ 92,300	¥ 93,500	¥ 93,500	
		Total unitholders' equity (Net assets) (h)	¥ 115,051	¥ 114,420	¥ 113,697	¥ 113,869	¥ 113,517	
		[Change from the preceding period]	[0.6%]	[0.6%]	[-0.2%]	[0.3%]	[0.1%]	
		Unitholders' capital	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	
	Portfolio	Acquisition costs of properties (Note 5)	¥ 231,026	¥ 231,235	¥ 231,436	¥ 225,189	¥ 223,539	
		Book value of properties (Note 5)	¥ 213,613	¥ 214,240	¥ 214,720	¥ 211,404	¥ 210,047	
		Appraisal value of properties at end of period (i) (Note 5)	¥ 293,200	¥ 291,721	¥ 280,340	¥ 270,500	¥ 263,730	
		Number of properties at end of period	31 properties	32 properties	31 properties	30 properties	29 properties	
		Total leasable area (Note 6)	208,279.76 m ²	209,337.25 m ²	210,274.91 m ²	207,848.65 m ²	211,267.00 m ²	
		Occupancy rate at end of period (Note 6)	99.6%	99.2%	99.5%	99.0%	99.3%	
	Other	Distri- bution	Cash distribution	¥ 3,471	¥ 3,224	¥ 2,857	¥ 3,029	¥ 2,677
			Dividend payout ratio	90.0%	90.0%	100.0%	100.0%	100.0%
		Per unit data	Total number of units issued and outstanding	977,600 units	977,600 units	977,600 units	977,600 units	977,600 units
			Total unitholders' equity per unit (base value)	¥ 117,688	¥ 117,041	¥ 116,302	¥ 116,478	¥ 116,118
Cash distribution per unit			¥ 3,551	¥ 3,298	¥ 2,923	¥ 3,099	¥ 2,739	
Management index		Return on total unitholders' equity (annualized) (Note 7)	6.7%	6.2%	5.1%	5.3%	4.8%	
		Equity ratio (h)÷(f)	52.3%	52.1%	52.0%	51.8%	51.7%	
		[Change from the preceding period]	[0.2%]	[0.1%]	[0.2%]	[0.0%]	[-0.3%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	41.8%	41.9%	42.2%	42.5%	42.6%	
		Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	31.4%	31.5%	32.9%	34.6%	35.5%	
	Average market price per unit during period (Note 8)	¥ 153,097	¥ 204,476	¥ 179,134	¥ 159,494	¥ 146,066		

- Note 1. Consumption tax is not included in result of operation.
- Note 2. 'Depreciation and amortization' includes loss on disposal of property and equipment (30th fiscal period: ¥5 million; 31st fiscal period: ¥13 million; 32nd fiscal period: ¥7 million; 33rd fiscal period: ¥3 million; 34th fiscal period: ¥0 million).
- Note 3. Net income + Depreciation and amortization + Other property related depreciation and amortization + Loss on sales of real estate properties – Gain on sales of real estate properties – Gain on exchange of real estate properties – Revenues from facility acceptance.
Other property related depreciation and amortization was not incurred.
- Note 4. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds due within one year + Investment corporation bonds
- Note 5. For 'Trust beneficiary interest in real estate,' the portion equivalent to the properties held in substance, which is total assets less the money that is part of the assets of the concerned trust beneficiary interest in real estate, is shown.
- Note 6. Regarding 'Total leasable area' and 'Occupancy rate at end of period,' please refer to notes 2, 4 and 5 of '3. Portfolio Profile (2) Major Portfolio.'
- Note 7. $\text{Net income} \div \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2\} \times 365 \div \text{Number of days of investment management}$
- Note 8. Average price during period (closing price) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on which the investment certificates of TOKYU REIT, Inc. ("TOKYU REIT") are listed.

(2) Development of Asset Investment Management during the Current Period

① Investment Environment

During the fiscal period under review (34th fiscal period: six-month period ended July 31, 2020), the Japanese economy was still in a severe situation due to the impact of coronavirus disease 2019 (COVID-19), but was recently showing signs of picking up.

Specifically, in the Tokyo metropolitan area's economy, supermarket sales turnover and drugstore sales turnover were among those with sales turnover exceeding that of the previous year. Department store sales turnover and convenience store sales turnover fell below that of the previous year, but were recently showing signs of bottoming out. These, among other factors, showed that while affected by COVID-19, consumer spending was picking up moderately. The employment situation worsened due to the impact of COVID-19 as evidenced by the active job openings-to-applicants ratio decreasing and the unemployment rate increasing, among other factors.

With regard to population movements, over 100,000 people migrated to the Tokyo metropolitan area from other regions of the country during the period between January and June 2020 (Source: "Report on Internal Migration in Japan Derived from the Basic Resident Registration" (Statistics Bureau, Ministry of Internal Affairs and Communications)). This has further exacerbated the disparity between the Tokyo metropolitan area and other regions of the country.

Under these circumstances, in Tokyo's office market, vacancies were filling up at a slower pace as property viewings were postponed and contracts were occasionally put on hold or cancelled amidst the COVID-19 pandemic. In the five central Tokyo wards' office leasing market, the average vacancy rate trended upward. The average rent continued to increase in terms of comparisons with the same month of the previous year, mainly for newly-built buildings. But, Shibuya ward's average rent took a downward turn.

Meanwhile, the retail property leasing market showed signs of picking up as businesses reopened in the Tokyo metropolitan area with the lifting of the Japanese government's declaration of a state of emergency. Although consumer sentiment remained subdued, the environment surrounding retail properties was recovering, mainly for superstores and those supermarkets that sell mostly food products and also daily necessities. This rebound is partly attributable to quarantine fatigue and the effects of the Japanese government's special cash payments.

In the real estate trading market, while the monetary easing measures continued, the stance of being selective with properties and other factors due to the impact of COVID-19 led to the volume of transactions in the five central Tokyo wards decreasing in the second quarter of 2020.

In terms of the expected cap rate, the impact of the spread of COVID-19 varied depending on the asset type. For hotels, the expected cap rate increased. On the other hand, it was flat for central urban retail properties and still hovered at a low level for offices.

② Investment Performance Results

a. Acquisition and Sale of Properties and Investment Management Control

TOKYU REIT engaged in investment activities by adopting a basic policy based on the stance of “investment in highly competitive properties in areas with strong growth potential” as it has to date, and additionally pursuant to its “Long-Term Investment Management Strategy (Surf Plan)” (see Note below) that was formed by applying the investment management experience that it has gained since its listing.

During the 34th fiscal period, TOKYU REIT acquired 51% quasi-co-ownership interest of the trust beneficiary interest in KN Jiyugaoka Plaza and sold 51% quasi-co-ownership interest of the trust beneficiary interest in TOKYU REIT Akasaka Hinokicho Building on March 4, 2020.

As of July 31, 2020, TOKYU REIT held an investment portfolio totaling 31 properties with a total acquisition price of ¥231,026 million and total leasable area of 208,279.76 m². The period-end appraisal value for TOKYU REIT’s entire portfolio amounted to ¥293,200 million.

As in the previous fiscal period, the total period-end appraisal value exceeded the total book value, resulting in an amount of difference of ¥79,586 million. Based on accounting principles generally accepted in Japan, such unrealized gains are not reflected in TOKYU REIT’s financial statements.

The average per-tsubo rental rate for the existing property portfolio at the end of the 34th fiscal period increased by 2.3% compared with the end of the 33rd fiscal period. In addition, the vacancy rate at the end of the 34th fiscal period decreased from the 0.8% at the end of the 33rd fiscal period by 0.4 percentage points to 0.4%.

Note. The “Long-Term Investment Management Strategy (Surf Plan)” is a strategy of TOKYU REIT formed by its investment management company Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”). Under this strategy, while replacing properties through value investment and contrarian investment by focusing on the cyclicity of real estate prices, TOKYU REIT aims to build a portfolio that boasts lasting competitiveness and balance sheets that are strong against even difficult economic times.

b. Countering Conflicts of Interest

The fairness and transparency of transactions were ensured by strictly adhering to the Rules on Related-Party Transactions that are Tokyu REIM's self-imposed rules, and accordingly following prescribed procedures.

Moreover, TOKYU REIT has received an opinion report from Urban Research Institute Corporation stating that fees paid to related parties (see Note below) for property management services pertaining to its portfolio properties were within the range set by other J-REITs listed on the Tokyo Stock Exchange.

Note. "Related parties" refers to any entity that falls under the following (i) to (vii):

- (i) Tokyu Corporation
- (ii) A consolidated subsidiary of Tokyu Corporation
- (iii) 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 silent partnerships or other investment shares in that entity by the respective company exceeds 50%
- (iv) Affiliates within the scope of consolidation of Tokyu Corporation
- (v) Tokyu Fudosan Holdings Corporation ("Tokyu Fudosan Holdings")
- (vi) A consolidated subsidiary of Tokyu Fudosan Holdings
- (vii) 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 silent partnerships or other investment shares in that entity by the respective company exceeds 50%

③ Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency.

During the 34th fiscal period, to secure interest-bearing liabilities with fixed long-term interest rates and diversified repayment dates, long-term debt of ¥6,500 million due for repayment in the 34th fiscal period was refinanced. TOKYU REIT has established commitment lines with four financial institutions, which provide credit facilities up to a total of ¥18,000 million, in order to secure financial credibility through the enhancement of liquidity on hand. The balance of interest-bearing liabilities as of the end of the 34th fiscal period was ¥92,000 million, consisting of ¥8,000 million in investment corporation bonds and ¥84,000 million in long-term debt (of which, ¥3,000 million is the current portion of investment corporation bonds and ¥12,400 million is the current portion of long-term debt). The weighted-average interest rate for the 34th fiscal period was 0.97% (calculated based on the annualized amount of interest payable for the 34th fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of the end of the 34th fiscal period were as follows:

Rating Agency	Credit Rating	
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA-	Outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer rating: A+	Outlook: Stable

(3) Issuance of New Investment Units

There were no new investment units issued during the fiscal period under review, and there was no increase or decrease in the total number of units issued and outstanding or unitholders' capital. Issuance of new investment units until the end of the previous fiscal period is as follows:

Date	Remark	Total number of units issued and outstanding		Unitholders' capital		Note
		Units		Millions of yen		
		Change	Total	Change	Total	
June 20, 2003	Incorporation through private offering	400	400	¥ 200	¥ 200	(Note 1)
September 10, 2003	Issuance of units through public offering	97,600	98,000	¥ 49,917	¥ 50,117	(Note 2)
August 3, 2004	Issuance of units through public offering	42,000	140,000	¥ 26,481	¥ 76,599	(Note 3)
August 25, 2004	Issuance of units through third-party allotment	2,000	142,000	¥ 1,261	¥ 77,860	(Note 4)
August 1, 2005	Issuance of units through public offering	26,700	168,700	¥ 19,658	¥ 97,519	(Note 5)
August 26, 2005	Issuance of units through third-party allotment	680	169,380	¥ 500	¥ 98,019	(Note 6)
August 12, 2013	Issuance of units through public offering	23,764	193,144	¥ 11,327	¥ 109,346	(Note 7)
September 10, 2013	Issuance of units through third-party allotment	2,376	195,520	¥ 1,132	¥ 110,479	(Note 8)
February 1, 2014	Split of units	782,080	977,600	—	¥ 110,479	(Note 9)

Note 1. TOKYU REIT was incorporated at an offer price of ¥500,000 per unit.

Note 2. Issued new investment units through public offering at an offer price of ¥530,000 (issue price: ¥511,450) per unit for the purpose of acquiring new properties.

Note 3. Issued new investment units through a public offering at an offer price of ¥652,484 (issue price: ¥630,512) per unit for the purpose of acquiring new properties and repayments of short-term loans.

Note 4. Issued new investment units through a third-party allotment at an issue price of ¥630,512 per unit for the purpose of acquiring new properties and repayments of short-term loans.

Note 5. Issued new investment units through a public offering at an offer price of ¥761,950 (issue price: ¥736,292) per unit for the purpose of acquiring new properties and the repayment of short-term loans.

Note 6. Issued new investment units through third-party allotment at an issue price of ¥736,292 per unit for the purpose of acquiring new properties and repayments of short-term loans.

Note 7. Issued new investment units through a public offering at an offer price of ¥493,350 (issue price: ¥476,652) per unit for the purpose of acquiring new properties.

Note 8. Issued new investment units through a third-party allotment at an issue price of ¥476,652 per unit for the purpose of acquiring new properties.

Note 9. TOKYU REIT conducted a five-for-one split of investment units with January 31, 2014 as the reference date and February 1, 2014 as the effective date.

【Movements of Market Price】

The highest and lowest (closing price) market prices on the Tokyo Stock Exchange, on which the investment certificates of TOKYU REIT are listed, are as follows:

	34th fiscal period From February 1, 2020 to July 31, 2020	33rd fiscal period From August 1, 2019 to January 31, 2020	32nd fiscal period From February 1, 2019 to July 31, 2019	31st fiscal period From August 1, 2018 to January 31, 2019	30th fiscal period From February 1, 2018 to July 31, 2018
	Yen				
Highest	¥ 211,600	¥ 213,900	¥ 202,000	¥ 168,400	¥ 156,900
Lowest	¥ 91,200	¥ 194,500	¥ 161,500	¥ 151,600	¥ 134,000

(4) Distribution Information

In the 34th fiscal period, ¥384 million of the ¥703 million in capital gains from the disposition of 51% quasi-co-ownership interest of the trust beneficiary interest in TOKYU REIT Akasaka Hinokicho Building on March 4, 2020 is retained as reserve for reduction entry pursuant to the “Special Provisions for Taxation in the Case of Advance Acquisition of Land, etc. in 2009 and 2010” (Article 66-2 of the Special Taxation Measures Law). Consequently, with respect to the distribution, TOKYU REIT decided to distribute unappropriated retained earnings, less the concerned reserve for reduction entry, in the entire amount (except for the rounding amount, which is the distribution per unit of less than ¥1) for application of Article 67-15 of the Special Taxation Measures Law that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, distribution per unit for the 34th fiscal period was ¥3,551.

	34th fiscal period From February 1, 2020 to July 31, 2020	33rd fiscal period From August 1, 2019 to January 31, 2020	32nd fiscal period From February 1, 2019 to July 31, 2019	31st fiscal period From August 1, 2018 to January 31, 2019	30th fiscal period From February 1, 2018 to July 31, 2018
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 3,855	¥ 3,580	¥ 2,857	¥ 3,029	¥ 2,678
Undistributed earnings	¥ 384	¥ 356	¥ 0	¥ 0	¥ 0
Cash distribution	¥ 3,471	¥ 3,224	¥ 2,857	¥ 3,029	¥ 2,677
[Cash distribution per unit]	[¥ 3,551]	[¥ 3,298]	[¥ 2,923]	[¥ 3,099]	[¥ 2,739]
Cash distribution of accumulated earnings	¥ 3,471	¥ 3,224	¥ 2,857	¥ 3,029	¥ 2,677
[Cash distribution of accumulated earnings per unit]	[¥ 3,551]	[¥ 3,298]	[¥ 2,923]	[¥ 3,099]	[¥ 2,739]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]
Cash distribution from allowance for temporary difference adjustment	—	—	—	—	—
[Cash distribution from allowance for temporary difference adjustment per unit]	[—]	[—]	[—]	[—]	[—]
Cash distribution from distribution accompanying decrease in capital, etc. under tax law	—	—	—	—	—
[Cash distribution from distribution accompanying decrease in capital, etc. under tax law per unit]	[—]	[—]	[—]	[—]	[—]

(5) Future Policies of Investment Management

① Forecast of Future Movement

The economic outlook is that the economy is expected to continue showing signs of picking up due in part to the effects of various measures and policies and improvement in overseas economies, as social and economic activities are resumed in phases while taking steps to prevent the spread of COVID-19. However, the impact of COVID-19 on the Japanese and overseas economies requires due attention. In addition, there is the need to take due note of financial and capital market volatility.

In light of such an outlook, in the real estate leasing market, the deterioration in employment, increase in teleworking, decrease in inbound tourism consumption and other factors stemming from COVID-19 lead to the forecast that the vacancy rate will increase and rent will decrease. In the real estate trading market, although the ongoing low interest rates and active demand for funds continue, the deterioration in the leasing market with the impact of COVID-19 casts uncertainty over the future.

② Future Policies of Investment Management and Issues to be Counteracted

Adopting a basic policy of “investment in highly competitive properties in areas with strong growth potential,” TOKYU REIT engages in investment by placing Central Tokyo and Tokyu Areas (see Note 1 below) as focused investment target areas and setting certain criteria for location, use, investment size, etc. In addition, in the selection of individual properties, TOKYU REIT conducts a comprehensive consideration of the expected earnings of the property, future potential of the area it is located in, etc. In this manner, TOKYU REIT will keep obtaining a balanced mix of competitive, high-quality properties from the real estate investment market as well as Tokyu Corporation and its subsidiaries (see Note 2 below).

Note 1. “Central Tokyo” is the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) and other major commercial and retail districts of Tokyo (the areas surrounding Ikebukuro, Koraku, Ueno and other areas).

“Tokyu Areas” is the Tokyu rail network hub (Shibuya ward) and other Tokyu rail network areas (Tokyo (Shinagawa, Meguro, Setagaya and Ota wards, and Machida city); Yokohama city, Kanagawa prefecture (Kohoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards); Kawasaki city, Kanagawa prefecture (Nakahara, Takatsu and Miyamae wards); and Yamato city, Kanagawa prefecture).

Shibuya ward is included in both Central Tokyo and Tokyu Areas.

“Other” is other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above).

The same applies hereafter.

Note 2. Tokyu Corporation and its subsidiaries refer to any of (i) to (iii) below:

(i) Tokyu Corporation

(ii) A consolidated subsidiary of Tokyu Corporation

(iii) 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 silent partnerships or other investment shares in that entity by the respective company exceeds 50%

TOKYU REIT will endeavor to achieve internal growth by enhancing earnings stability and growth potential through collaboration with Tokyu Corporation and its subsidiaries in property maintenance and management aspects. To that end, by maintaining a careful watch on corporate earnings and consumption trends, TOKYU REIT will make every effort to manage facilities in a way that makes each property the choice of corporate tenants and visitors over the medium to long term. Specifically, with the objective of maintaining and raising rent levels, TOKYU REIT will make strategic and appropriate renovations commensurate with the grade of the properties being improved and implement leasing activities from a medium to long term perspective. TOKYU REIT will also implement appropriate cost control measures with regard to maintenance fees and additional capital expenditures.

The investment environment assessment at the end of the 34th fiscal period was that the price of real estate in the Tokyo Metropolitan Area continues to hover at a high level despite the uncertain state of the real estate trading market, and thus in the “sales and replacement phase” of the “Long-Term Investment Management Strategy (Surf Plan).” Within the Tokyo Metropolitan Area, expectations are for the price of real estate in Shibuya and Tokyu Areas to continue rising as development of the Greater Shibuya Area (within a 2.5 km radius of Shibuya Station) and Tokyu Areas will continue following the development of the area surrounding Shibuya Station by Tokyu Corporation, the sponsor. These lead to increase in unrealized gains of the portfolio properties of TOKYU REIT, which places Central Tokyo and Tokyu Areas as focused investment target areas.

Based on the environment described above, TOKYU REIT’s measure from 2018 to 2020 will be to conduct property replacement after taking into consideration the portfolio properties’ total return (see Note 3 below), property age, location, etc., as well as consider the acquisition and retirement of treasury investment units by using surplus funds that accrued from property replacement, in line with the “Long-Term Investment Management Strategy (Surf Plan)” and “Capital Re-investment Model.”

Note 3. Portfolio properties’ total return is composed of income return (rental revenues, etc.) of each fiscal period and future capital return (gains on sales).

Furthermore, to assure transparency, Tokyu REIM will improve external audit functions and disclosure activities so as to fulfill its responsibilities as a REIT fund manager operating according to global standards.

(6) Subsequent Events

The following events occurred after the end of the 34th fiscal period of TOKYU REIT.

① Disposition and Acquisition of Assets

The following disposition and acquisition of assets were decided on September 14, 2020. The “1st” phase of the disposition and the acquisition took place on September 28, 2020.

a. Disposition of Asset

- (i) Type of asset: Domestic real estate (ownership of land to which a fixed-term business-use land lease is attached)
- (ii) Property name: OKI System Center (land with leasehold interest)
- (iii) Disposition price (Note 1): Total: ¥6,850 million
(The disposition is scheduled to take place in the form of disposition of co-ownership in three phases (40% of co-ownership interest “1st,” 30% of co-ownership interest “2nd,” and 30% of co-ownership interest “3rd”) and the planned disposition prices are as follows.)
1st: ¥2,740 million (40% co-ownership interest)
2nd: ¥2,055 million (30% co-ownership interest)
3rd: ¥2,055 million (30% co-ownership interest)
- (iv) Contract date: September 14, 2020
- (v) Disposition date: 1st: September 28, 2020 (40% co-ownership interest)
2nd: December 24, 2021 (30% co-ownership interest)
3rd: February 25, 2022 (30% co-ownership interest)
- (vi) Purchaser: Domestic company (Note 2)
- (vii) Recorded gain on sale of real estate and reserve for reduction: Gain on sale of real estate of ¥760 million and provision for reserve for reduction entry of ¥382 million are expected to be posted in the six months ending January 31, 2021 (35th fiscal period), while gain on sale of real estate of ¥570 million is expected to be posted in both the six months ending January 31, 2022 (37th fiscal period) and the six months ending July 31, 2022 (38th fiscal period).

Note 1. ‘Disposition price’ is the amount exclusive of the expenses required for disposition of the asset (property-related taxes, etc.).

Note 2. The name, etc. have not been disclosed as the purchaser has not provided consent. There is no capital relationship or personnel relationship to state between TOKYU REIT or Tokyu REIM and the purchaser, and the purchaser does not fall under the category of a related party of TOKYU REIT or Tokyu REIM.

b. Acquisition of Asset

- (i) Type of asset: Trust beneficiary interest in domestic real estate
- (ii) Property name: OKI Business Center No.5
- (iii) Acquisition price (Note 1): ¥11,900 million
- (iv) Contract date: September 14, 2020
- (v) Acquisition date: September 28, 2020
- (vi) Seller: Domestic company (Note 2)
- (vii) Financing: Funds from the disposition of OKI System Center (land with leasehold interest) and debt financing

Note 1. ‘Acquisition price’ is the amount exclusive of the expenses required for acquisition of the asset (property-related taxes, etc.).

Note 2. The name, etc. have not been disclosed as the seller has not provided consent. There is no capital relationship or personnel relationship to state between TOKYU REIT or Tokyu REIM and the seller, and the seller does not fall under the category of a related party of TOKYU REIT or Tokyu REIM.

(Reference Information)
Acquired Property Details

Property name		OKI Business Center No.5
Type of specified asset		Trust beneficiary interest in domestic real estate (Note 1)
Location	Registered	Land 4-1-6, Shibaura, Minato-ku, Tokyo
		Building 4-1-8, 4-1-36, Shibaura, Minato-ku, Tokyo (Note 2)
Travel time from nearest train station (Note 3)		Approximately an eight-minute walk from Tamachi Station on the JR Yamanote Line and Keihin-Tohoku Line
Use		Office
Site/Floor area (Registered)	Land 4,646.65 m ² (Note 4)	
	Building 18,102.32 m ²	
Structure/Floors (Registered)		SRC, B2, 12F
Completion date (Registered)		June 1982
Seller		Domestic company (Note 5)
Type of ownership	Land Proprietary ownership	
	Building Proprietary ownership	
Total number of tenants (Note 6)		1
Acquisition price (Note 7)		¥11,900 million
Appraisal value at time of acquisition		¥12,700 million (effective date of value: September 1, 2020)
		Appraiser: Daiwa Real Estate Appraisal Co., Ltd.
Special items	<ol style="list-style-type: none"> 1. A sublease agreement for temporary use was concluded on a portion of the land in trust, and while the sublessee has installed a condominium showroom, this shall be removed by the end of March 2022 when the agreement expires. Based on the above premise, TOKYU REIT has determined that there will be no operational issues concerning the showroom. In addition, if operational issues do arise before the above date, the showroom shall be removed at the risk and expense of the sublessee. Furthermore, if TOKYU REIT suffers damages or other losses in connection with the showroom, the seller of the property shall compensate TOKYU REIT. 2. While the property does not satisfy the obligation to have parking spaces under regulations, this is scheduled to be resolved at the risk and expense of the seller within three months of the property delivery. 3. There are deficiencies in the grounding of the total heat exchanger near the rooftop lightning rod and this is scheduled to be resolved at the risk and expense of the seller within three months of the property delivery. 4. It is confirmed that the PML of the buildings in trust satisfies TOKYU REIT's investment criteria. However, given that they are buildings that satisfy the former standards for quake resistance, TOKYU REIT plans to survey the details of the quake resistance voluntarily. Seismic strengthening work is scheduled to be conducted when necessary after the delivery of the property at the expense of the seller. 	

Note 1. An agreement on amendment of real estate trust was concluded between TOKYU REIT and the trustee on September 28, 2020.

Note 2. Following the consolidation of the land in trust on February 28, 2003, the two lots are scheduled to be changed to "1-6" in accordance with the registration of the change in address.

Note 3. The figure is calculated based on it taking one minute to walk a road distance of 80 meters pursuant to the Fair Competition Codes Regarding the Description of Real Estate.

Note 4. A part of the south side of the land in trust (approximately 101 m²) is used for passage as a road based on Article 42, Paragraph 2 of the Building Standards Law (Paragraph 2 road) and four street lights owned by a third party are installed.

Note 5. There is no capital relationship or personnel relationship to state between TOKYU REIT or Tokyu REIM and the seller, and the seller does not fall under the category of a related party of TOKYU REIT or Tokyu REIM.

Note 6. 'Total number of tenants' is as of the acquisition date (September 28, 2020).

Note 7. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the asset (property-related taxes, etc.).

② Issuance of investment corporation bonds

Based on the "information on the engagement of underwriters for investment corporation bond

offerings" at the meeting of the Board of Directors of TOKYU REIT held on November 22, 2019, investment corporation bonds were issued on October 29, 2020, and payments for such have been completed.

Name:	TOKYU REIT, Inc. 8th Series Unsecured Investment Corporation Bond (Ranks <i>pari passu</i> in right of payment with certain investment corporation bonds)
Total issue amount:	¥3,000 million
Issue price:	Nominal par value of each bond: ¥100 per ¥100
Redemption value:	Nominal par value of each bond: ¥100 per ¥100
Annual interest rate:	0.510%
Security/Guarantee:	Unsecured and unguaranteed
Maturity date:	The entire amount will be redeemed on October 29, 2030. The investment corporation bonds may be redeemed at any time from the day following the payment date, unless determined otherwise by Japan Securities Depository Center, Incorporated.
Interest payment dates:	April 29 and October 29 every year
Underwriters:	SMBC Nikko Securities Inc., and Mizuho Securities Co., Ltd.
Use of funds:	The funds will be allocated as part of funds for the repayment of the short-term debt (commitment line) due for repayment on December 28, 2020.

2. Company Profiles

(1) Summary of Unitholders' Contributions

	34th fiscal period As of July 31, 2020	33rd fiscal period As of January 31, 2020	32nd fiscal period As of July 31, 2019	31st fiscal period As of January 31, 2019	30th fiscal period As of July 31, 2018
Total number of units authorized (units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of units issued and outstanding (units)	977,600	977,600	977,600	977,600	977,600
Unitholders' capital (millions of yen)	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479
Number of unitholders (persons)	10,789	9,737	10,209	10,983	11,775

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of July 31, 2020.

Name	Address	Number of units owned	As a percentage of total number of units issued and outstanding
		Units	%
Custody Bank of Japan, Ltd. (trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	268,418	27.46
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	138,421	14.16
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	49,000	5.01
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	47,969	4.91
Custody Bank of Japan, Ltd. (securities investment trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	26,534	2.71
State Street Bank West Client - Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	13,759	1.41
Legal + General Assurance Pensions Management Limited (Standing Proxy: Citibank, N.A., Tokyo Branch)	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	12,157	1.24
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2-5-2, Marunouchi, Chiyoda-ku, Tokyo	11,357	1.16
State Street Bank and Trust Company 505103 (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	3-11-1, Nihonbashi, Chuo-ku, Tokyo	11,020	1.13
JPMorgan Chase Bank 385771 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	9,867	1.01
Total		588,502	60.20

Note. '(Number of units owned) As a percentage of total number of units issued and outstanding' is rounded to two decimal places. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(3) Details of TOKYU REIT's Directors and Auditor

① Name of Directors and Auditor (as of July 31, 2020)

Title	Name	Title at other companies	Total fee for each title (Note 2) (Thousands of yen)
Executive Director	Kazuyoshi Kashiwazaki	Representative Director & President, and Chief Executive Officer of Tokyu Real Estate Investment Management Inc.	¥— (Note 3)
Supervisory Director	Giichi Yanagisawa	Chief Representative Partner of Shinsoh Audit Corporation Certified public accountant Certified public tax accountant	¥ 3,000
Supervisory Director	Maruhito Kondo	Head of Maruhito Kondo Law Office Lawyer	¥ 3,000
Independent Auditor	PricewaterhouseCoopers Aarata LLC		¥ 10,000

Note 1. The executive director, supervisory directors and independent auditor do not possess investment units of TOKYU REIT under their own name nor under another person's name. Although there are cases in which supervisory directors could be directors of companies other than those stated above, none of the companies or those stated above have vested interest in TOKYU REIT.

Note 2. The amount paid to the executive director and supervisory directors in the fiscal period under review and the amount payable to the independent auditor for audits pertaining to the fiscal period under review are shown.

Note 3. The executive director serves without compensation from TOKYU REIT.

② Policies Regarding Decision of Dismissing and Not Reappointing Independent Auditors

TOKYU REIT shall observe the stipulations in the Law Concerning Investment Trust and Investment Corporation (Law No. 198 of 1951, including amendments thereto) ("Investment Trust Law") in making decisions for the dismissal of an independent auditor. With regard to the abrogation of an independent auditor's reappointment, appropriate decisions shall be made at TOKYU REIT's Board of Directors meetings with due consideration given to audit quality, compensation and various other factors.

(4) Investment Management Company, Asset Custodian and General Administrators

The following table sets forth information about TOKYU REIT's investment management company, asset custodian and general administrators as of July 31, 2020.

Business to be entrusted	Name
Investment Management Company	Tokyu Real Estate Investment Management Inc.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (accounting matters, running of the organization, transfer agent for investment units, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (administration of investment corporation bonds)	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited

3. Portfolio Profile
(1) Asset Composition

Asset type	Use	Area	34th fiscal period As of July 31, 2020		33rd fiscal period As of January 31, 2020		
			Total amount held	As a percentage of total assets	Total amount held	As a percentage of total assets	
			Millions of yen	%	Millions of yen	%	
Real estate	Retail	Shibuya Ward	¥ 15,375	7.0	¥ 15,405	7.0	
		Tokyu Areas (excluding Shibuya Ward)	2,270	1.0	2,256	1.0	
		Sub total	17,645	8.0	17,661	8.0	
	Office	Shibuya Ward	5,350	2.4	5,357	2.4	
		Central Tokyo (excluding Shibuya Ward)	41,983	19.1	42,165	19.2	
		Sub total	47,333	21.5	47,523	21.7	
	Residence	Tokyu Areas (excluding Shibuya Ward)	1,216	0.6	1,222	0.6	
		Sub total	1,216	0.6	1,222	0.6	
	Land with leasehold interest	Tokyu Areas (excluding Shibuya Ward)	1,162	0.5	1,162	0.5	
		Other	4,774	2.2	4,774	2.2	
		Sub total	5,936	2.7	5,936	2.7	
	Total			72,132	32.8	72,344	33.0
	Trust beneficiary interest in real estate	Retail	Shibuya Ward	40,403	18.4	40,540	18.5
			Central Tokyo (excluding Shibuya Ward)	4,698	2.1	4,704	2.1
Tokyu Areas (excluding Shibuya Ward)			3,176	1.4	1,561	0.7	
Sub total			48,278	21.9	46,807	21.3	
Office		Shibuya Ward	20,890	9.5	20,946	9.5	
		Central Tokyo (excluding Shibuya Ward)	37,193	16.9	39,074	17.8	
		Tokyu Areas (excluding Shibuya Ward)	28,092	12.8	28,042	12.8	
		Sub total	86,176	39.2	88,063	40.1	
Land with leasehold interest		Other	7,026	3.2	7,026	3.2	
		Sub total	7,026	3.2	7,026	3.2	
Total			141,480	64.3	141,896	64.6	
Other assets			6,455	2.9	5,264	2.4	
Total assets			¥ 220,068 [¥ 213,613]	100.0 [97.1]	¥ 219,504 [¥ 214,240]	100.0 [97.6]	

Note 1. Regarding 'Area,' please refer to note 1 of '1. Financial Highlights (5) Future Policies of Investment Management ② Future Policies of Investment Management and Issues to be Countered.'

Note 2. 'Total amount held' is the amount allocated in the balance sheet at the end of the period (as to properties, figures are net book value after deducting depreciation).

Note 3. Figures in brackets of 'Total assets' represent the portion of actually held properties in the target assets above.

Note 4. '(Total amount held) As a percentage of total assets' is rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(2) Major Portfolio

Major portfolio held by TOKYU REIT as of July 31, 2020 is as follows:

Name of property	Book value	Total leasable area	Leased area	Occupancy rate	As a percentage of revenue from property leasing	Main use
	Millions of yen	m ²	m ²	%	%	
QFRONT	¥ 13,534	4,502.93	4,502.93	100.0	9.9	Retail
Lexington Aoyama	4,698	2,094.96	2,094.96	100.0	1.9	Retail
TOKYU REIT Omotesando Square	5,651	2,669.10	2,669.10	100.0	2.3	Retail
TOKYU REIT Shibuya Udagawa-cho Square	6,560	1,543.05	1,543.05	100.0	3.4	Retail
cocoti	21,217	8,295.62	8,295.62	100.0	7.5	Retail
CONZE Ebisu	4,757	2,327.00	2,327.00	100.0	1.6	Retail
Daikanyama Forum	4,057	2,477.37	2,477.37	100.0	1.4	Retail
TOKYU REIT Shimokitazawa Square	2,270	1,246.98	1,246.98	100.0	0.7	Retail
KN Jiyugaoka Plaza	3,176	1,231.80	1,231.80	100.0	1.0	Retail
Setagaya Business Square	18,810	24,920.26	24,770.44	99.4	13.2	Office
Tokyu Nampeidai-cho Building	4,116	7,148.18	7,148.18	100.0	2.3	Office
Tokyu Sakuragaoka-cho Building	6,430	4,737.19	4,737.19	100.0	3.2	Office
Tokyo Nissan Taito Building	3,761	7,870.79	7,539.99	95.8	2.6	Office
TOKYU REIT Kamata Building	3,708	7,337.82	7,337.82	100.0	2.9	Office
TOKYU REIT Toranomom Building	9,913	10,247.06	10,247.06	100.0	5.1	Office
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	7,835	3,533.03	3,533.03	100.0	2.3	Office
Tokyu Ikejiri-ohashi Building	5,572	5,733.23	5,733.23	100.0	2.6	Office
Kojimachi Square	8,139	5,409.11	5,409.11	100.0	3.0	Office
TOKYU REIT Shinjuku Building	8,726	6,270.68	6,270.68	100.0	3.9	Office
Akihabara Sanwa Toyo Building	4,493	4,538.02	4,538.02	100.0	2.3	Office
Tokyu Ginza 2-chome Building	4,423	3,473.16	3,473.16	100.0	2.2	Office
TOKYU REIT Shibuya R Building	5,350	5,266.15	5,266.15	100.0	3.6	Office
Tokyu Toranomom Building	16,102	9,016.59	8,860.95	98.3	6.6	Office
TOKYU REIT Shinjuku 2 Building	2,817	1,790.46	1,790.46	100.0	1.0	Office
Tokyu Bancho Building	12,963	6,137.50	6,137.50	100.0	4.0	Office
TOKYU REIT Ebisu Building	4,588	1,879.17	1,879.17	100.0	1.4	Office
Shibuya Dogenzaka Sky Building	5,753	4,136.05	4,136.05	100.0	3.0	Office
Maison Peony Toritsudaigaku	1,216	852.16	744.10	87.3	0.3	Residence
Shonan Mall Fill (land with leasehold interest)	7,026	44,078.12	44,078.12	100.0	2.5	Land with leasehold interest
OKI System Center (land with leasehold interest)	4,774	17,019.19	17,019.19	100.0	1.9	Land with leasehold interest
REVE Nakameguro (land with leasehold interest)	1,162	497.02	497.02	100.0	0.3	Land with leasehold interest
Total	¥ 213,613	208,279.76	207,535.44	99.6	99.8	

- Note 1. The properties listed above except for TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, Daikanyama Forum, TOKYU REIT Shimokitazawa Square, TOKYU REIT Toranomom Building, TOKYU REIT Shinjuku Building, Tokyu Ginza 2-chome Building, TOKYU REIT Shibuya R Building, Tokyu Toranomom Building, TOKYU REIT Shinjuku 2 Building, Maison Peony Toritsudaigaku, OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) (total of 18 properties) are all owned in the form of trust beneficiary interest in real estate.
- Note 2. 'Total leasable area' is the total area of the building's, facility's and land's leasable office, retail, warehouse, residential and land space as indicated in the agreements and drawings (common-use portion is included when leased). For Tokyu Nampeidai-cho Building, the area of parking lots is included. For QFRONT, the area of other compartmentalized owners' exclusive ownership portions is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is co-owned with another owner, the stated figure is calculated by multiplying the total leasable area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive ownership portions co-owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive ownership portion under TOKYU REIT's proprietary ownership. For TOKYU REIT Shibuya R Building, the area of part of the exclusive ownership portions under the proprietary ownership of and the exclusive ownership portions co-owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive ownership portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (land with leasehold interest), OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) indicates the leased area of land. For Tokyu Bancho Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest.
- Note 3. 'Leased area' is the area out of the total leasable area that is actually under lease agreements and leased (the area as indicated in the agreements; does not include lease agreements for parking lots, side signboards, etc.). For Tokyu Nampeidai-cho Building, the area of parking lots is included. For QFRONT, the area of other compartmentalized owners' exclusive ownership portions is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is co-owned with another owner, the stated figure is calculated by multiplying the total leased area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive ownership portions co-owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive ownership portion under TOKYU REIT's proprietary ownership. For TOKYU REIT Shibuya R Building, the part of the exclusive ownership portions under the proprietary ownership of and the exclusive ownership portions co-owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive ownership portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (land with leasehold interest), OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) indicates the leased area of land. For Tokyu Bancho Building, the stated figure is calculated by multiplying the total leased area of the whole building by the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest.
- Note 4. 'Occupancy rate' is the leased area expressed as a percentage of total leasable area at the end of the period.
- Note 5. 'Occupancy rate' and '(Book value) As a percentage of revenue from property leasing' are rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of July 31, 2020 are as follows:

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m ²	Millions of yen	Millions of yen
Retail	Shibuya Ward	QFRONT	75-8, etc., Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,502.93	¥ 36,100	¥ 13,534
		TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,669.10	8,350	5,651
		TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	12,600	6,560
		cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,295.62	24,200	21,217
		CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,327.00	5,300	4,757
		Daikanyama Forum	Building 1 (East) 33-18, etc., Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) 33-1, Sarugaku-cho, Shibuya-ku, Tokyo	Real estate	2,477.37	3,520	4,057
	Sub total				21,815.07	90,070	55,779
	Central Tokyo (excluding Shibuya Ward)	Lexington Aoyama	5-235-7, etc., Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,094.96	6,290	4,698
		Sub total				2,094.96	6,290
	Tokyu Areas (excluding Shibuya Ward)	TOKYU REIT Shimokitazawa Square	6-1058-114, etc., Daita, Setagaya-ku, Tokyo	Real estate	1,246.98	2,320	2,270
		KN Jiyugaoka Plaza	2-20-10 and 2-20-11, Jiyugaoka, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,231.80	3,490	3,176
		Sub total				2,478.78	5,810
Total				26,388.81	102,170	65,924	
Office	Shibuya Ward	Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	6,840	4,116
		Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	10,700	6,430
		TOKYU REIT Shibuya R Building	3-10-2, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	5,266.15	9,680	5,350
		TOKYU REIT Ebisu Building	3-2-11, Higashi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,879.17	5,060	4,588
		Shibuya Dogenzaka Sky Building	22-1, etc., Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,136.05	8,660	5,753
		Sub total				23,166.74	40,940

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m ²	Millions of yen	Millions of yen
Office	Central Tokyo (excluding Shibuya Ward)	Tokyo Nissan Taito Building	2-120-2, etc., Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,870.79	5,940	3,761
		TOKYU REIT Toranomon Building	3-45-6, Toranomon, Minato-ku, Tokyo	Real estate	10,247.06	13,600	9,913
		Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	4-806 and 4-819, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,533.03	7,340	7,835
		Kojimachi Square	3-9 and 3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.11	10,100	8,139
		TOKYU REIT Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,270.68	13,600	8,726
		Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,538.02	6,400	4,493
		Tokyu Ginza 2-chome Building	2-215-1, Ginza, Chuo-ku, Tokyo	Real estate	3,473.16	6,020	4,423
		Tokyu Toranomon Building	1-216-2, etc., Toranomon, Minato-ku, Tokyo	Real estate	9,016.59	21,900	16,102
		TOKYU REIT Shinjuku 2 Building	4-3-4, Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,790.46	3,310	2,817
		Tokyu Bancho Building	6-2, etc., Yonban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,137.50	15,800	12,963
		Sub total			58,286.40	104,010	79,177
Tokyu Areas (excluding Shibuya Ward)		Setagaya Business Square	4-260-2, etc., Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,920.26	18,800	18,810
		TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	5,510	3,708
		Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,733.23	6,390	5,572
		Sub total			37,991.31	30,700	28,092
		Total			119,444.45	175,650	133,509
Residence	Tokyu Areas (excluding Shibuya Ward)	Maison Peony Toritsudaigaku	1-8-1 and 1-8-8, Nakane, Meguro-ku, Tokyo	Real estate	852.16	1,270	1,216
		Sub total			852.16	1,270	1,216
		Total			852.16	1,270	1,216

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m ²	Millions of yen	Millions of yen
Land with leasehold interest	Tokyu Areas (excluding Shibuya Ward)	REVE Nakameguro (land with leasehold interest)	1-202-1, Kamimeguro, Meguro-ku, Tokyo	Real estate	497.02	1,150	1,162
	Sub total				497.02	1,150	1,162
	Other	Shonan Mall Fill (land with leasehold interest)	4-4300-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa	Trust beneficiary interest in real estate	44,078.12	6,830	7,026
		OKI System Center (land with leasehold interest)	1-16-20, etc., Chuo, Warabi-shi, Saitama	Real estate	17,019.19	6,130	4,774
Sub total				61,097.31	12,960	11,800	
Total				61,594.33	14,110	12,962	
Grand total				208,279.76	¥ 293,200	¥ 213,613	

Note 1. 'Location (lot number)' is stated as based on the description shown in the registry book. The present status of the property might not correspond to the descriptions in the registry book.

Note 2. 'Total leasable area' is the total area of the building's, facility's and land's leasable office, retail, warehouse, residential and land space as indicated in the agreements and drawing (common-use portion is included when leased). For Tokyu Nampeidai-cho Building, the area of parking lots is included. For QFRONT, the area of other compartmentalized owners' exclusive ownership portions is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is co-owned with another owner, the stated figure is calculated by multiplying the total leasable area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive ownership portions co-owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive ownership portion under TOKYU REIT's proprietary ownership. For TOKYU REIT Shibuya R Building, the area of part of the exclusive ownership portions under the proprietary ownership of and the exclusive ownership portions co-owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive ownership portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (land with leasehold interest), OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) indicates the leased area of land. For Tokyu Bancho Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest.

Note 3. For 'Appraisal value at end of period,' TOKYU REIT indicates the assessed value based on the appraisal by real estate appraisers following the asset evaluation method, standards and reporting date laid down in TOKYU REIT's Articles of Incorporation and rules of The Investment Trusts Association, Japan (based on real estate appraisal reports prepared by Japan Real Estate Institute, Japan Valuers Co., Ltd., and Daiwa Real Estate Appraisal Co., Ltd., which adopt the period end date as the date of value estimate).

The developments of the leasing business of the properties held by TOKYU REIT are as follows:

Use	Area	Name of property	34th fiscal period From February 1, 2020 to July 31, 2020				33rd fiscal period From August 1, 2019 to January 31, 2020				
			Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	
				%	Millions of yen	%		%	Millions of yen	%	
Retail	Shibuya Ward	QFRONT	2	100.0	¥ 739	9.9	2	100.0	¥ 705	9.5	
		TOKYU REIT Omotesando Square	4	100.0	173	2.3	4	100.0	181	2.4	
		TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	251	3.4	2	100.0	251	3.4	
		cocoti	15	100.0	560	7.5	15	100.0	568	7.6	
		CONZE Ebisu	8	100.0	121	1.6	8	100.0	127	1.7	
		Daikanyama Forum	5	100.0	103	1.4	5	100.0	108	1.5	
		Sub total	36	100.0	1,950	26.0	36	100.0	1,943	26.1	
		Central Tokyo (excl. Shibuya Ward)	Lexington Aoyama	8	100.0	143	1.9	8	100.0	124	1.7
			Sub total	8	100.0	143	1.9	8	100.0	124	1.7
		Tokyu Areas (excl. Shibuya Ward)	TOKYU REIT Shimokitazawa Square	9	100.0	52	0.7	9	100.0	50	0.7
			KN Jiyugaoka Plaza	5	100.0	71	1.0	5	100.0	25	0.3
			Sub total	14	100.0	123	1.7	14	100.0	75	1.0
		Total	58	100.0	2,217	29.6	58	100.0	2,142	28.7	
	Office	Shibuya Ward	Tokyu Nampeidai-cho Building	1	100.0	171	2.3	1	100.0	171	2.3
Tokyu Sakuragaoka-cho Building			2	100.0	239	3.2	2	100.0	240	3.2	
TOKYU REIT Shibuya R Building			11	100.0	267	3.6	11	100.0	266	3.6	
TOKYU REIT Ebisu Building			7	100.0	103	1.4	8	100.0	101	1.4	
Shibuya Dogenzaka Sky Building			8	100.0	227	3.0	8	100.0	217	2.9	
		Sub total	29	100.0	1,009	13.5	30	100.0	999	13.4	
Central Tokyo (excl. Shibuya Ward)		Tokyo Nissan Taito Building	12	95.8	196	2.6	13	96.8	183	2.5	
		TOKYU REIT Akasaka Hinokicho Building	—	—	12	0.2	3	100.0	92	1.2	
		TOKYU REIT Toranomon Building	11	100.0	380	5.1	11	100.0	384	5.2	
		Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	175	2.3	1	100.0	177	2.4	
		Kojimachi Square	6	100.0	225	3.0	7	100.0	225	3.0	
		TOKYU REIT Shinjuku Building	9	100.0	291	3.9	9	100.0	292	3.9	
		Akihabara Sanwa Toyoko Building	6	100.0	174	2.3	5	87.7	172	2.3	
		Tokyu Ginza 2-chome Building	2	100.0	161	2.2	2	100.0	142	1.9	
		Tokyu Toranomon Building	2	98.3	491	6.6	2	98.3	468	6.3	
		TOKYU REIT Shinjuku 2 Building	2	100.0	75	1.0	2	100.0	73	1.0	
		Tokyu Bancho Building	7	100.0	299	4.0	6	90.1	311	4.2	
			Sub total	58	99.2	2,484	33.1	61	97.4	2,524	33.8

Use	Area	Name of property	34th fiscal period From February 1, 2020 to July 31, 2020				33rd fiscal period From August 1, 2019 to January 31, 2020			
			Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing
				%	Millions of yen	%		%	Millions of yen	%
Office	Tokyu Areas (excl. Shibuya Ward)	Setagaya Business Square	64	99.4	990	13.2	64	99.4	994	13.3
		TOKYU REIT Kamata Building	5	100.0	217	2.9	5	100.0	221	3.0
		Tokyu Ikejiri-ohashi Building	5	100.0	198	2.6	5	100.0	196	2.6
		Sub total	74	99.6	1,406	18.8	74	99.6	1,411	18.9
	Total	161	99.5	4,901	65.4	165	98.6	4,935	66.2	
Residence	Tokyu Areas (excl. Shibuya Ward)	Maison Peony Toritsudaigaku	22	87.3	25	0.3	26	100.0	26	0.4
		Sub total	22	87.3	25	0.3	26	100.0	26	0.4
	Total	22	87.3	25	0.3	26	100.0	26	0.4	
Land with leasehold interest	Tokyu Areas (excl. Shibuya Ward)	REVE Nakameguro (land with leasehold interest)	1	100.0	21	0.3	1	100.0	21	0.3
		Sub total	1	100.0	21	0.3	1	100.0	21	0.3
	Other	Shonan Mall Fill (land with leasehold interest)	1	100.0	188	2.5	1	100.0	188	2.5
		OKI System Center (land with leasehold interest)	1	100.0	145	1.9	1	100.0	145	1.9
		Sub total	2	100.0	333	4.4	2	100.0	333	4.5
Total	3	100.0	354	4.7	3	100.0	354	4.8		
Grand total			244	99.6	¥ 7,499	100.0	252	99.2	¥ 7,459	100.0

Note 1. 'Number of tenants' is counted cumulatively, i.e., when one tenant leases plural rooms for rent in the same property, it is regarded as one tenant, and when in plural properties, it is regarded as plural tenants. For QFRONT, the number of tenants includes one tenant (Tokyu Corporation) leasing space on the facade of the building for installing a large LED display screen, etc. and posting signboards, among other purposes. For Tokyo Nissan Taito Building and Maison Peony Toritsudaigaku, the number of tenants includes residential tenants.

Note 2. 'Occupancy rate' is the leased area expressed as a percentage of total leasable area at the end of the period.

Note 3. 'Occupancy rate' and '(Revenue from property leasing) As a percentage of revenue from property leasing' are rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(4) Other Assets

As of July 31, 2020, there are no assets targeted for investment other than those described above.

(5) Assets Held in Each Country and Region

TOKYU REIT does not invest in overseas properties.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

The following lists the estimated amounts of major capital expenditures for repair and maintenance work of properties held, as scheduled as of July 31, 2020. The estimated construction costs shown below include those recorded in expenses for accounting purposes.

Repairs and maintenance and capital expenditures will be conducted based on efficient repair and maintenance plans prepared for each property to maintain and improve their competitiveness from a medium to long term perspective.

Name of property	Location	Objective	Estimated period	Estimated construction cost		
				Millions of yen		
				Total	Amount paid during period	Amount paid by end of period
Setagaya Business Square	Setagaya-ku, Tokyo	Renovation of rooftop for waterproofing	From February 2020 to November 2020	¥ 106	—	—
Setagaya Business Square	Setagaya-ku, Tokyo	Renovation of elevators	From June 2020 to January 2021	¥ 81	—	—
Tokyo Nissan Taito Building	Taito-ku, Tokyo	Renovation of elevators	From June 2020 to January 2021	¥ 64	—	—
Tokyo Nissan Taito Building	Taito-ku, Tokyo	Renovation of residential sections	From May 2020 to August 2020	¥ 46	—	—
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Minato-ku, Tokyo	Replacement of air-conditioning equipment	From September 2020 to January 2021	¥ 39	—	—

(2) Capital Expenditures Made during Period

The following is an overview of construction work conducted during the fiscal period under review that fall under the category of capital expenditures for properties held.

Capital expenditures during the 34th fiscal period amounted to ¥469 million and ¥170 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥639 million spent for such work.

Name of property	Location	Objective	Period	Construction cost
				Millions of yen
Setagaya Business Square	Setagaya-ku, Tokyo	Renovation of elevators	From November 2019 to June 2020	¥ 180
Setagaya Business Square	Setagaya-ku, Tokyo	Renovation of security equipment	From December 2019 to March 2020	33
Setagaya Business Square	Setagaya-ku, Tokyo	Renovation of rooftop for waterproofing	From February 2020 to July 2020	17
Tokyu Bancho Building	Chiyoda-ku, Tokyo	Renewal of rooftop	From December 2019 to May 2020	19
TOKYU REIT Ebisu Building	Shibuya-ku, Tokyo	Renovation of power receiving and transformation equipment	From May 2020 to May 2020	19
Other				198
Total				¥ 469

(3) Reserve for Long-Term Repair and Maintenance Plan (Reserve for Repairs and Maintenance)

Based on long-term repair and maintenance plans decided for each property, TOKYU REIT accounted for reserves for repairs and maintenance from cash flows made during the period in order to pay for significant repairs and maintenance scheduled in the medium to long term future as follows:

	34th fiscal period From February 1, 2020 to July 31, 2020	33rd fiscal period From August 1, 2019 to January 31, 2020	32nd fiscal period From February 1, 2019 to July 31, 2019	31st fiscal period From August 1, 2018 to January 31, 2019	30th fiscal period From February 1, 2018 to July 31, 2018
	Millions of yen				
Reserve at beginning of period	¥ 63	¥ 87	¥ 198	¥ 235	¥ 109
Amount transferred to reserve during period	842	543	656	305	517
Reversal from reserve during period	807	566	767	342	392
Reserve at end of period	¥ 99	¥ 63	¥ 87	¥ 198	¥ 235

Note. TOKYU REIT took over reserves made in the trust assets that the prior owner accounted for at the time of trade of beneficiary interests in trust accounts and such reserves are included in the 'Amount transferred to reserve during period.'

5. Expenses and Debt

(1) Investment Management Expenses

	34th fiscal period From February 1, 2020 to July 31, 2020		33rd fiscal period From August 1, 2019 to January 31, 2020	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 360		¥ 346	
Cash-based fees	308		292	
Unit price-based fees	—	¥ 668	—	¥ 639
Asset custodian fees		16		16
General administration fees		38		40
Directors' fees		6		6
Other operating expenses		80		87
Total		¥ 810		¥ 790

(2) Short-term Debt and Long-term Debt

Short-term debt and long-term debt from each financial institution as of July 31, 2020 are as follows:

Category	Draw-down date	Balance as of July 31, 2020	Balance as of January 31, 2020	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
Lender								
Development Bank of Japan Inc.	June 25, 2012	¥ —	¥ 4,000	1.48000	June 25, 2020	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
Sumitomo Mitsui Trust Bank, Limited	June 25, 2013	2,900	2,900	1.53375	December 25, 2020			Unsecured and Unguaranteed (Notes 2 and 3)
MUFG Bank, Ltd.		—	1,500	1.45125	June 25, 2020			
Mizuho Trust & Banking Co., Ltd.		June 27, 2013	1,500	1,500	1.91375			June 27, 2023
Development Bank of Japan Inc.	1,000		1,000					
Mitsui Sumitomo Insurance Co., Ltd.	June 27, 2013	—	500	1.47250	June 27, 2020			
The Norinchukin Bank		—	500					
The Dai-ichi Life Insurance Company, Limited	July 31, 2013	2,500	2,500	1.51375	July 31, 2021			Unsecured and Unguaranteed (Notes 2 and 3)
Nippon Life Insurance Company		500	500					
Sumitomo Mitsui Trust Bank, Limited	December 25, 2013	2,500	2,500	1.21000	December 25, 2020			
MUFG Bank, Ltd.		2,000	2,000					

Category	Draw-down date	Balance as of July 31, 2020	Balance as of January 31, 2020	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
Development Bank of Japan Inc.	February 25, 2014	5,000	5,000	1.57750	February 25, 2024	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
Mizuho Bank, Ltd.	June 25, 2014	1,000	1,000	1.05250	June 25, 2021			Unsecured and Unguaranteed (Notes 2 and 3)
Mitsui Sumitomo Insurance Co., Ltd.		1,000	1,000					
MUFG Bank, Ltd.	October 22, 2014	800	800	0.96875	October 22, 2021			
Mizuho Bank, Ltd.		800	800					
MUFG Bank, Ltd.		800	800					
Sumitomo Mitsui Trust Bank, Limited		1,600	1,600					
Development Bank of Japan Inc.	June 25, 2015	5,000	5,000	1.26125	June 25, 2025			
Shinkin Central Bank	July 27, 2015	2,000	2,000	0.99000	July 27, 2022			
Sumitomo Mitsui Trust Bank, Limited		2,000	2,000					
Mizuho Bank, Ltd.	November 11, 2015	1,700	1,700	0.89250	November 11, 2022			
Daido Life Insurance Company	December 25, 2015	500	500	0.85875	December 25, 2022			
Daido Life Insurance Company	March 10, 2016	1,500	1,500	0.57130	March 10, 2023			Unsecured and Unguaranteed (Note 2)
MUFG Bank, Ltd.	June 27, 2016	500	500	0.45630	June 27, 2023			
Sumitomo Mitsui Trust Bank, Limited	December 27, 2016	3,500	3,500	0.56000	December 27, 2021			
Nippon Life Insurance Company	January 31, 2017	1,500	1,500	0.50000	January 31, 2022			
Sumitomo Mitsui Trust Bank, Limited	May 18, 2017	2,000	2,000	0.56093	May 25, 2022			
Sumitomo Mitsui Trust Bank, Limited	May 25, 2017	1,000	1,000	0.55529				
Sumitomo Mitsui Trust Bank, Limited		1,000	1,000	0.62116	November 25, 2023			
Mizuho Bank, Ltd.	June 27, 2017	2,000	2,000	0.61773	December 27, 2023			
The Norinchukin Bank	July 25, 2017	1,000	1,000	0.63573	January 25, 2024			
Development Bank of Japan Inc.	January 25, 2018	5,000	5,000	0.90880	January 25, 2028			
Nippon Life Insurance Company	January 31, 2018	500	500	0.58000	July 31, 2023			

Long-term debt

Category	Draw-down date	Balance as of July 31, 2020	Balance as of January 31, 2020	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
MUFG Bank, Ltd.	March 26, 2018	2,500	2,500	0.62827	September 26, 2024	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
MUFG Bank, Ltd.		2,500	2,500	0.65250	March 26, 2025			
Nippon Life Insurance Company	April 10, 2018	1,500	1,500	0.60000	October 10, 2023			
MUFG Bank, Ltd.	June 25, 2018	500	500	0.68569	December 25, 2025			
The Dai-ichi Life Insurance Company, Limited	July 31, 2018	2,000	2,000	0.90260	July 31, 2028			
Mizuho Bank, Ltd.	November 12, 2018	1,700	1,700	0.72652	May 12, 2026			
The Norinchukin Bank	January 28, 2019	3,000	3,000	0.60380	January 28, 2027			
MUFG Bank, Ltd.	May 27, 2019	2,000	2,000	0.56166	May 27, 2027			
MUFG Bank, Ltd.	June 25, 2019	1,500	1,500	0.46789	June 28, 2027			
MUFG Bank, Ltd.	June 28, 2019	400	400	0.48124				
Sumitomo Mitsui Trust Bank, Limited		400	400	0.50641				
MUFG Bank, Ltd.	August 29, 2019	1,400	1,400	0.46876	February 29, 2028			
MUFG Bank, Ltd.	November 19, 2019	2,000	2,000	0.55395				
Mizuho Bank, Ltd.	December 25, 2019	500	500	0.64089	December 25, 2028			
The Dai-ichi Life Insurance Company, Limited	January 27, 2020	1,000	1,000	0.82000	January 27, 2032			
MUFG Bank, Ltd.	June 25, 2020	1,500	—	0.60137	December 25, 2028			
Development Bank of Japan Inc.		4,000	—	0.67380	June 25, 2030			
Mitsui Sumitomo Insurance Co., Ltd.	June 29, 2020	500	—	0.49250	June 29, 2027			
The Norinchukin Bank		500	—	0.55000	June 29, 2028			
Sub total		84,000	84,000					
Total		¥ 84,000	¥ 84,000					

Note 1. 'Average interest rate' is the weighted average interest rate during the period.

Note 2. Depending on the financial position of TOKYU REIT, additional interest rates, additional cash reserves, asset acquisition and disposition restrictions, debt burden and payment restrictions, dividend restrictions, offering of additional pledge and other financial covenants may apply.

Note 3. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

(3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of July 31, 2020 is as follows:

Name	Issue date	Balance as of July 31, 2020	Balance as of January 31, 2020	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
		Millions of yen		(%)				
3rd Series Unsecured Investment Corporation Bond	October 22, 2012	¥ 3,000	¥ 3,000	1.47000	October 21, 2022	Full amount on maturity	Repayment of debt financing	Unsecured/Unguaranteed (Note 1)
5th Series Unsecured Investment Corporation Bond	March 11, 2014	3,000	3,000	0.68200	March 11, 2021			Unsecured/Unguaranteed (Notes 1 and 2)
6th Series Unsecured Investment Corporation Bond	October 24, 2019	1,000	1,000	0.54000	October 24, 2029			Unsecured/Unguaranteed (Note 1)
7th Series Unsecured Investment Corporation Bond		1,000	1,000	1.00000	October 24, 2039			
Total		¥ 8,000	¥ 8,000					

Note 1. These bonds rank pari passu in right of payment with certain investment corporation bonds.

Note 2. As of the end of the fiscal period, the amount is recorded in the balance sheets as 'Investment corporation bonds due within one year' under 'Current liabilities.'

(4) Short-term Investment Corporation Bonds

There is no item that falls under this category.

(5) Investment Unit Options

There is no item that falls under this category.

6. Acquisitions and Dispositions during the 34th Fiscal Period

(1) Sales and Purchases of Properties and Asset Backed Securities or Infrastructure Assets and Infrastructure-related Assets

Asset type	Name of property	Acquisition		Disposition			
		Acquisition date	Acquisition price (Note 1) (Note 2)	Disposition date	Disposition price (Note 1) (Note 2)	Book value (Note 2)	Gain (Loss) on sale (Note 3)
			Millions of yen		Millions of yen		
Trust beneficiary interest in real estate	KN Jiyugaoka Plaza	March 4, 2020	¥ 1,611	—	—	—	—
Trust beneficiary interest in real estate	TOKYU REIT Akasaka Hinokicho Building	—	—	March 4, 2020	¥ 2,448	¥ 1,738	¥ 703

Note 1. 'Acquisition price' or 'Disposition price' is the amount exclusive of the expenses required for acquisition or disposition of the property (brokerage charges, property-related taxes, etc.) and is identical to the acquisition or disposition costs stated in the sale and purchase agreement, etc.

Note 2. 'Acquisition price,' 'Disposition price' and 'Book value' for KN Jiyugaoka Plaza and TOKYU REIT Akasaka Hinokicho Building are the amounts for the 51% quasi-co-ownership interest of the trust beneficiary interest.

Note 3. 'Gain (Loss) on sale' is the disposition price, minus the book value and other sales expenses.

(2) Sales and Purchases of Other Assets

Major assets other than the aforementioned properties and asset backed securities are either bank deposits or bank deposits held as trust assets.

(3) Research on Prices of Specified Assets

① Property

Acquisition or disposition	Asset type	Name of property	Acquisition or disposition date	Acquisition or disposition price (Note 1) (Note 3)	Appraisal value (Note 3)	Appraiser	Date of value
				Millions of yen			
Acquisition	Trust beneficiary interest in real estate	KN Jiyugaoka Plaza	March 4, 2020	¥ 1,611	¥ 1,718	Japan Valuers Co., Ltd.	September 1, 2019
Disposition	Trust beneficiary interest in real estate	TOKYU REIT Akasaka Hinokicho Building	March 4, 2020	¥ 2,448	¥ 2,371	Daiwa Real Estate Appraisal Co., Ltd.	September 1, 2019

Note 1. 'Acquisition or disposition price' is the amount exclusive of the expenses required for acquisition or disposition of the property (brokerage charges, property-related taxes, etc.) and is identical to the acquisition or disposition costs stated in the sale and purchase agreement, etc.

Note 2. The appraisal value above is based on "Real Estate Appraisal Standards; Practical Theory; Chapter 3: Appraisal in respect with Securitizable Subject Property."

Note 3. 'Acquisition or disposition price' and 'Appraisal value' for KN Jiyugaoka Plaza and TOKYU REIT Akasaka Hinokicho Building are the amounts for the 51% quasi-co-ownership interest of the trust beneficiary interest.

② Other

There is no item that falls under this category.

(4) Trading with Interested Persons, Etc.

① Status of Trading

TOKYU REIT carried out no transactions, including the trading of specified assets, with interested persons, etc.

② Amounts of Commissions Paid

Item	Total amounts of commissions paid (A)	Paid to interested persons, etc.		B/A (%)
		Payee	Amount of payment (B)	
	Thousands of yen		Thousands of yen	
Subcontract expenses	¥ 434,609	Tokyu Community Corporation	¥ 264,014	60.7
		Tokyu Facility Service Co., Ltd.	¥ 72,098	16.6
		Tokyu Corporation	¥ 630	0.1
Utilities expenses	¥ 395,611	Yoga District Heating and Cooling Co., Ltd.	¥ 105,834	26.8
		Tokyu Power Supply Co., Ltd.	¥ 10,405	2.6
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Other rental service expenses	¥ 209,161	Tokyu Corporation	¥ 18,336	8.8
		Tokyu Agency Inc.	¥ 2,785	1.3
		Tokyu Community Corporation	¥ 2,332	1.1
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.4
		its communications Inc.	¥ 459	0.2
		Tokyu Lifa Corporation	¥ 8	0.0
Property management fees	¥ 178,459	Tokyu Corporation	¥ 116,966	65.5
		Tokyu Community Corporation	¥ 59,910	33.6
		Tokyu Housing Lease Corporation	¥ 1,290	0.7
Insurance premium	¥ 7,930	Tokyu Insurance Consulting Co., Ltd.	¥ 7,740	97.6

Note 1. Pursuant to Article 123 of the Investment Trust Law Enforcement Order, interested persons, etc. are defined as having interests in Tokyu REIM based on the investment management agreement concluded with TOKYU REIT. However, information provided in this section, '(4) Trading with Interested Persons, Etc.' includes trading with related parties, which are subject to the Rules on Related-Party Transactions that are Tokyu REIM's self-imposed rules.

Note 2. In addition to the commissions paid as described above, TOKYU REIT paid commissions to third parties through interested persons, etc., Tokyu Corporation and Tokyu Community Corporation in the amount of ¥70,063 thousand and ¥4,047 thousand, respectively.

In addition to the commissions paid as described above, the amount paid for repair and maintenance work placed to interested persons, etc. during the 34th fiscal period are as follows:

Tokyu Re・design Corporation	¥ 35,638 thousand
Tokyu Renewal Co., Ltd.	¥ 29,679 thousand
Tokyu Community Corporation	¥ 26,423 thousand
Tokyu Facility Service Co., Ltd.	¥ 19,342 thousand
Tokyu Corporation	¥ 4,719 thousand
Tokyu Architects & Engineers Inc.	¥ 568 thousand
Tokyu Green System Co., Ltd.	¥ 59 thousand
Ishikatsu Exterior Inc.	¥ 40 thousand
Tokyu Bldg Maintenance Co., Ltd.	¥ 10 thousand

(5) Trading between the Investment Management Company and TOKYU REIT Pertaining to Business Concurrently Operated by the Investment Management Company
There is no item that falls under this category.

7. Accounting

(1) Assets, Liabilities, Unitholders' Capital and Profit/Loss

See accompanying Balance Sheets, Statements of Income, Statements of Changes in Unitholders' Equity, Statements of Cash Flows and Notes to Financial Statements.

(2) Change in Depreciation Method

There is no item that falls under this category.

(3) Change in Property and Infrastructure Asset Valuation Methods

There is no item that falls under this category.

8. Other

(1) News

There is no item that falls under this category.

(2) Status, etc. of Beneficiary Certificates of Investment Trust Issuing Beneficiary Certificates

There is no item that falls under this category.

(3) Disclosure Pertaining to Corporation Holding Overseas Properties

There is no item that falls under this category.

(4) Disclosure Pertaining to Properties of Corporation Holding Overseas Properties

There is no item that falls under this category.

(5) Other

Unless otherwise specifically mentioned, the figures in this report have been rounded down for amounts and rounded for ratios to the nearest specified unit.



Independent Auditor's Report

To the Board of TOKYU REIT, Inc.:

Opinion

We have audited the financial statements of TOKYU REIT, Inc. (the Company), which comprise the balance sheets as at July 31, 2020, and the statements of income, statements of changes in unitholders' equity and statements of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2020, and its financial performance and its cash flows for the six months then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Supervisory Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

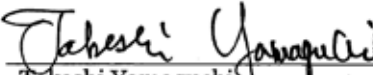
We communicate with Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Executive Director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.


Susumu Arakawa
Designated Engagement Partner
Certified Public Accountant


Takeshi Yamaguchi
Designated Engagement Partner
Certified Public Accountant

PricewaterhouseCoopers Sarata LLC

October 29, 2020

TOKYU REIT, Inc.
Balance Sheets
As of July 31, 2020 and January 31, 2020

	July 31, 2020	January 31, 2020
	(Millions of yen)	
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 2,979	¥ 1,753
Cash and deposits with banks held in trust	2,084	2,264
Tenant receivables	234	92
Lease deposits held in trust due within one year	18	18
Other current assets	42	48
Total current assets	5,360	4,177
Fixed assets:		
Property and equipment		
Buildings and structures	14,225	14,182
Land	62,741	62,739
Other tangible assets	206	205
Construction in progress	89	89
Buildings and structures held in trust	46,282	46,262
Land held in trust	115,341	115,304
Other tangible assets held in trust	1,589	1,563
Construction in progress held in trust	9	11
Less accumulated depreciation	(26,876)	(26,121)
Total property and equipment	213,610	214,237
Intangible assets		
Intangible assets	3	4
Intangible assets held in trust	2	3
Total intangible assets	6	7
Investments and other assets		
Lease deposits	208	208
Lease deposits held in trust	669	669
Deferred tax assets	0	0
Other assets	191	178
Total investments and other assets	1,069	1,056
Total fixed assets	214,686	215,302
Deferred assets:		
Investment corporation bond issuance expenses	21	24
Total deferred assets	21	24
Total assets	¥ 220,068	¥ 219,504

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Balance Sheets, continued
As of July 31, 2020 and January 31, 2020

	July 31, 2020	January 31, 2020
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Investment corporation bonds due within one year	¥ 3,000	¥ -
Long-term debt due within one year	12,400	13,900
Accounts payable	1,067	1,349
Consumption tax payable	209	167
Rent received in advance	1,271	1,238
Accrued expenses and other current liabilities	113	134
Total current liabilities	18,061	16,790
Long-term liabilities:		
Investment corporation bonds	5,000	8,000
Long-term debt	71,600	70,100
Tenant leasehold and security deposits	3,881	3,809
Tenant leasehold and security deposits held in trust	6,465	6,378
Other long-term liabilities	7	5
Total long-term liabilities	86,955	88,293
Total liabilities	¥ 105,016	¥ 105,084
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized - 10,000,000 units as of July 31, 2020 and 10,000,000 units as of January 31, 2020		
Units issued and outstanding - 977,600 units as of July 31, 2020 and 977,600 units as of January 31, 2020	¥ 110,479	¥ 110,479
Reserve for reduction entry	716	360
Retained earnings	3,855	3,580
Total net assets	115,051	114,420
Total liabilities and net assets	¥ 220,068	¥ 219,504

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Statements of Income
For the six months ended July 31, 2020 and January 31, 2020

	For the six months ended	
	July 31, 2020	January 31, 2020
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 7,175	¥ 6,995
Other rental revenue	324	463
Gain on sales of real estate properties	703	664
Operating expenses:		
Rental service expenses	(3,067)	(3,284)
Asset management fees	(668)	(639)
Other	(141)	(150)
Operating income	4,325	4,049
Non-operating income:		
Interest income	0	0
Other	0	13
Non-operating expenses:		
Interest expense	(403)	(424)
Interest expense on investment corporation bonds	(39)	(36)
Amortization of investment corporation bond issuance expenses	(2)	(2)
Other	(22)	(21)
Extraordinary income:		
Subsidy income	-	19
Extraordinary losses:		
Loss on reduction entries of fixed assets	-	(16)
Income before income taxes	3,856	3,581
Income taxes:		
Current	(0)	(0)
Deferred	0	(0)
Net income	3,855	3,580
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 3,855	¥ 3,580

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Statements of Changes in Unitholders' Equity
For the six months ended July 31, 2020 and January 31, 2020

For the six months ended July 31, 2020

	Unitholders' capital	Reserve for reduction entry	Retained earnings	Total
	(Millions of yen)			
Balance at beginning of period	¥ 110,479	¥ 360	¥ 3,580	¥ 114,420
Changes during the period				
Provision for reserve for reduction entry	-	356	(356)	-
Cash distributions declared	-	-	(3,224)	(3,224)
Net income	-	-	3,855	3,855
Total changes during the period	-	356	275	631
Balance at end of period	¥ 110,479	¥ 716	¥ 3,855	¥ 115,051

For the six months ended January 31, 2020

	Unitholders' capital	Reserve for reduction entry	Retained earnings	Total
	(Millions of yen)			
Balance at beginning of period	¥ 110,479	¥ 360	¥ 2,857	¥ 113,697
Changes during the period				
Cash distributions declared	-	-	(2,857)	(2,857)
Net income	-	-	3,580	3,580
Total changes during the period	-	-	723	723
Balance at end of period	¥ 110,479	¥ 360	¥ 3,580	¥ 114,420

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Statements of Cash Flows
For the six months ended July 31, 2020 and January 31, 2020

	For the six months ended	
	July 31, 2020	January 31, 2020
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 3,856	¥ 3,581
Depreciation and amortization	974	987
Amortization of investment corporation bond issuance expenses	2	2
Loss on disposal of property and equipment	0	3
Interest income	(0)	(0)
Interest expense	443	461
Subsidy income	-	(19)
Loss on reduction entries of fixed assets	-	16
(Increase) Decrease in tenant receivables	(142)	30
(Increase) Decrease in consumption tax refund receivables	-	20
Increase (Decrease) in consumption tax payable	41	167
Increase (Decrease) in accounts payable	(66)	(1)
Increase (Decrease) in rent received in advance	32	55
Decrease in property and equipment held in trust due to sale	1,738	1,677
Other, net	(10)	(34)
Total	6,872	6,949
Interest received	0	0
Interest paid	(450)	(461)
Income taxes paid	(0)	(0)
Net cash provided by (used in) operating activities	6,420	6,486
Cash flows from investing activities:		
Payments for purchases of property and equipment	(71)	(49)
Payments for purchases of property and equipment held in trust	(2,239)	(1,972)
Proceeds from lease deposits held in trust	-	18
Proceeds from tenant leasehold and security deposits	120	46
Payments for tenant leasehold and security deposits	(48)	(27)
Proceeds from tenant leasehold and security deposits held in trust	266	464
Payments for tenant leasehold and security deposits held in trust	(179)	(384)
Subsidies received	-	19
Net cash provided by (used in) investing activities	(2,151)	(1,884)
Cash flows from financing activities:		
Proceeds from short-term debt	-	600
Repayment of short-term debt	-	(2,900)
Proceeds from long-term debt	6,500	4,900
Repayment of long-term debt	(6,500)	(4,900)
Proceeds from investment corporation bonds	-	1,982
Payment of dividends	(3,223)	(2,856)
Net cash provided by (used in) financing activities	(3,223)	(3,173)
Net change in cash and cash equivalents	1,045	1,427
Cash and cash equivalents at beginning of period	4,018	2,590
Cash and cash equivalents at end of period	¥ 5,064	¥ 4,018

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Notes to Financial Statements
For the six months ended July 31, 2020 and January 31, 2020

1. Organization and basis of presentation

(a) Organization

TOKYU REIT, Inc. ("TOKYU REIT"), a real estate investment corporation with initial capital of ¥200 million, was formed on June 20, 2003 under the Investment Trust and Investment Corporation Law of Japan ("Investment Trust Law"). Registration with the Kanto Local Finance Bureau of the Ministry of Finance was completed on July 18, 2003 in accordance with the Investment Trust Law.

On September 10, 2003, TOKYU REIT was listed on the Tokyo Stock Exchange and issued 97,600 investment units for proceeds totaling ¥49,917 million through initial public offering. TOKYU REIT acquired 11 properties with those proceeds and started its substantial operation.

In August 2004, TOKYU REIT completed its second public offering of 42,000 units and third party allotment of 2,000 units. Net proceeds totaling ¥27,742 million were utilized in the partial repayments of short-term debt and the acquisition of an additional two properties.

In August 2005, TOKYU REIT completed its third public offering of 26,700 units and third party allotment of 680 units. With net proceeds totaling ¥20,159 million, TOKYU REIT repaid short-term debt and acquired 40% of trust beneficiary interest of cocoti.

TOKYU REIT completed its fourth public offering of 23,764 units in August 2013 and third party allotment of 2,376 units in September 2013. Net proceeds totaling ¥12,459 million were utilized in the partial repayments of short-term debt and the acquisition of an additional three properties.

TOKYU REIT conducted a five-for-one split of investment units with January 31, 2014 as the reference date and February 1, 2014 as the effective date.

As of July 31, 2020, TOKYU REIT's total capital is ¥110,479 million with 977,600 units issued and outstanding. TOKYU REIT has been operating 31 properties at an occupancy rate of approximately 99.6%. Total acquisition cost of the 31 properties is ¥231,026 million and total rentable area is 208,279.76 m².

(b) Basis of presentation

The financial statements of TOKYU REIT, which is incorporated in Japan, have been prepared in accordance with the provisions set forth in the Corporate Law, the Investment Trust Law, the Financial Instruments and Exchange Law and related regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards ("IFRS Standards").

Certain items presented in the financial statements for domestic purposes, which were submitted to the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance, have been reclassified in the accompanying financial statements for the convenience of readers outside Japan.

The accompanying financial statements have been reclassified and translated into English from the audited financial statements that were prepared for Japanese domestic purposes from the accounts and records maintained by TOKYU REIT and were filed with the Kanto Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law (in place of the Securities and Exchange Law effective from September 30, 2007). TOKYU REIT does not prepare consolidated financial statements, as TOKYU REIT has no subsidiaries.

TOKYU REIT's first fiscal period began on June 20, 2003, the date of incorporation, and ended on January 31, 2004. TOKYU REIT's fiscal period is a six-month period, which ends at the end of January and July of each year.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

2. Significant accounting policies

- (a) **Cash and cash equivalents** - Cash and cash equivalents consist of cash, demand deposits, cash and deposits held in trust and short-term investments that are highly liquid, readily convertible to cash, have insignificant risk of price fluctuation and expire within three months from the date of acquisition.
- (b) **Property and equipment** - Property and equipment are carried at cost, less accumulated depreciation. Depreciation of property and equipment, except for land and construction in progress, is computed by using the straight-line method at rates based on the estimated useful lives of the respective assets.

The ranges of useful lives used in the computation of depreciation are generally as follows (including those held in trust):

	July 31, 2020	January 31, 2020
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-52	2-52
Other tangible assets		
Machinery and equipment	2-17	2-17
Tools, furniture and fixtures	2-15	2-15

- (c) **Intangible assets** - Amortization is computed by using the straight-line method.
- (d) **Accounting treatment of beneficiary interest in trust accounts, including real estate** - For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan and through which TOKYU REIT holds most of its property, all accounts of assets and liabilities within the trust, as well as all income generated and expenses incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.
- (e) **Accounting standard for impairment of fixed assets** - Effective August 1, 2005, TOKYU REIT adopted the "Accounting Standard for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council in Japan on August 9, 2002) and "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets" ("Financial Accounting Standard Implementation Guidance No. 6" issued by the Accounting Standards Board of Japan (ASBJ) on October 31, 2003). The standard requires the recognition of an impairment loss on fixed assets whenever events or changes in circumstances indicate that the carrying amounts of fixed assets may not be recoverable.
- (f) **Accounting method for deferred assets** - Amortization of investment corporation bond issuance expenses is computed by using the straight-line method at rates based on the redemption period of the respective bonds.
- (g) **Accounting standard for asset retirement obligations** - Effective April 1, 2010, TOKYU REIT adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008).
- (h) **Revenue recognition** - TOKYU REIT operates rental office properties, rental retail properties, rental residential properties and complexes that include any one of these. Revenue from leasing is recognized on an accrual basis over the term of each lease. Rental revenue includes fixed rental revenues, recoveries of utility charges and other income.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

- (i) **Property-related taxes** – Property-related taxes (property tax, city planning tax and depreciable property tax) are imposed on property on a calendar year basis. The amount of such taxes assessed in the period is charged to income as rental service expenses. In accordance with Japanese business practice, at the time of disposal, the seller of the property is generally liable for property-related taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser of the property for the accrued property-related tax liabilities up to the time of disposal, and the amount of the settlement reflects this adjustment when acquiring a property. TOKYU REIT is allocating the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amount of those allocated portions of the property-related taxes is capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes are ¥2,911 thousand for the six months ended July 31, 2020. Capitalized property-related taxes are ¥851 thousand for the six months ended January 31, 2020.
- (j) **Income taxes** – Income taxes are accounted for financial reporting purposes. The tax effect of temporary differences between the amount of assets and liabilities for financial statements and for income tax reporting is recognized as deferred taxes. Deferred tax assets are ¥13 thousand as of July 31, 2020. Deferred tax assets are ¥11 thousand as of January 31, 2020.
- (k) **Net income per unit** – Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

3. Unapplied accounting standards, etc.

- **“Accounting Standard for Revenue Recognition”**
(ASBJ Statement No. 29 issued on March 31, 2020)
- **“Implementation Guidance on Accounting Standard for Revenue Recognition”**
(ASBJ Guidance No. 30 issued on March 31, 2020)
- **“Implementation Guidance on Disclosures about Fair Value of Financial Instruments”**
(ASBJ Guidance No. 19 issued on March 31, 2020)

(a) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have jointly developed a comprehensive accounting standard for revenue recognition, issuing “Revenue from Contracts with Customers” (IFRS 15 issued by IASB, and Topic 606 issued by FASB) in May 2014. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, and Topic 606 is effective for annual reporting periods beginning after December 15, 2017. In light of such circumstances, ASBJ has developed a comprehensive accounting standard for revenue recognition, and issued it along with implementation guidance.

The basic policies in developing the accounting standard for revenue recognition of ASBJ were (1) To set an accounting standard by starting off with incorporating the basic principles of IFRS 15 in order to ensure the comparability of financial statements, whether they adopt IFRS Standards, U.S. GAAP or Japanese GAAP, as the comparability of financial statements is one of the benefits of ensuring consistency with IFRS 15, and (2) To add alternative accounting treatments, but to the extent not impairing comparability, in case there is an item where consideration should be given to other factors, such as the practices in Japan to date.

(b) Scheduled date of the application

TOKYU REIT will adopt the accounting standard, etc. from the beginning of the six months ending January 31, 2022.

(c) Impact of the application

TOKYU REIT is currently evaluating the amount of impact that the application of the accounting standard, etc. will have on its financial statements.

- **“Accounting Standard for Fair Value Measurement”**
(ASBJ Statement No. 30 issued on July 4, 2019)
- **“Accounting Standard for Financial Instruments”**
(ASBJ Statement No. 10 issued on July 4, 2019)
- **“Implementation Guidance on Accounting Standard for Fair Value Measurement”**
(ASBJ Guidance No. 31 issued on July 4, 2019)
- **“Implementation Guidance on Disclosures about Fair Value of Financial Instruments”**
(ASBJ Guidance No. 19 issued on March 31, 2020)

(a) Overview

IASB and FASB have provided detailed guidance on fair value measurement of substantially identical content (IFRS 13 “Fair Value Measurement” in the case of IFRS Standards, and Topic 820 “Fair Value Measurement” of the FASB Accounting Standards Codification in the case of U.S. GAAP). In light of such circumstances, ASBJ has issued the accounting standards, etc. in efforts to ensure the consistency of Japanese GAAP with IFRS Standards and U.S. GAAP for guidance and disclosure concerning the fair value of financial instruments in particular.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

The basic policies in developing the accounting standard for fair value measurement of ASBJ were (1) To incorporate basically all of the provisions of IFRS 13 in order to enhance the comparability of financial statements across entities, whether they adopt IFRS Standards, U.S. GAAP or Japanese GAAP, by taking a uniform approach to measurement, and (2) To provide other accounting treatments for specific items in consideration of other factors, such as the practices in Japan to date, but to the extent not significantly impairing comparability of financial statements.

(b) Scheduled date of the application

TOKYU REIT will adopt the accounting standards, etc. from the beginning of the six months ending January 31, 2022.

(c) Impact of the application

TOKYU REIT is currently evaluating the amount of impact that the application of the accounting standards, etc. will have on its financial statements.

- **“Accounting Standard for Disclosure of Accounting Estimates”
(ASBJ Statement No. 31 issued on March 31, 2020)**

(a) Overview

In the International Accounting Standards (IAS), Paragraph 125 of IAS 1 “Presentation of Financial Statements” issued in 2003 by IASB requires disclosure of the “sources of estimation uncertainty.” Having received requests to also consider requiring the disclosure in Japanese GAAP, as the information would be highly useful to users of financial statements, ASBJ has developed and issued an accounting standard for disclosure of accounting estimates.

The basic policies in developing the accounting standard for disclosure of accounting estimates of ASBJ were (1) To not expand on the individual notes, but rather provide the principles (disclosure objectives) and then have the specific content of disclosure determined by entities in light of the disclosure objectives, and (2) To refer to the provisions of Paragraph 125 of IAS 1 in the development.

(b) Scheduled date of the application

TOKYU REIT will adopt the accounting standard from the end of the six months ending July 31, 2021.

- **“Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections”
(ASBJ Statement No. 24 issued on March 31, 2020)**

(a) Overview

Having received recommendations to consider enriching the notes for “accounting principles and procedures adopted when there are no clearly relevant accounting standards or other provisions,” ASBJ made the required revisions and issued such as an accounting standard for accounting policy disclosures, accounting changes and error corrections.

In enriching the notes for “accounting principles and procedures adopted when there are no clearly relevant accounting standards or other provisions,” the policy is for the provisions of one of the annotations to Japanese corporate accounting principles (*Kigyō Kaikēi Gensoku Chūkai (Chu 1-2)*) to be followed so as not to affect the practices to date for when there are clearly relevant accounting standards or other provisions.

(b) Scheduled date of the application

TOKYU REIT will adopt the accounting standard from the end of the six months ending July 31, 2021.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

4. Cash and cash equivalents

Cash and cash equivalents as of July 31, 2020 and January 31, 2020 consisted of the following:

	July 31, 2020	January 31, 2020
	(Millions of yen)	
Cash and deposits with banks	¥ 2,979	¥ 1,753
Cash and deposits with banks held in trust	2,084	2,264
Cash and cash equivalents	¥ 5,064	¥ 4,018

5. Schedule of property and equipment and intangible assets

Property and equipment and intangible assets as of July 31, 2020 and January 31, 2020 consisted of the following:

	July 31, 2020			January 31, 2020		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 14,037	¥ (4,874)	¥ 9,162	¥ 13,995	¥ (4,629)	¥ 9,365
Structures	188	(81)	107	187	(76)	110
Land	62,741	-	62,741	62,739	-	62,739
Other tangible assets						
Machinery and equipment	108	(101)	7	108	(98)	10
Tools, furniture and fixtures	97	(73)	23	96	(69)	27
Construction in progress	89	-	89	89	-	89
Property and equipment held in trust						
Buildings and structures						
Buildings	45,532	(19,906)	25,625	45,520	(19,435)	26,085
Structures	750	(478)	271	742	(466)	275
Land	115,341	-	115,341	115,304	-	115,304
Other tangible assets						
Machinery and equipment	1,050	(965)	85	1,049	(959)	90
Tools, furniture and fixtures	539	(395)	143	513	(386)	127
Construction in progress	9	-	9	11	-	11
Sub total	240,487	(26,876)	213,610	240,359	(26,121)	214,237
Intangible assets						
Intangible assets	10	(6)	3	10	(6)	4
Intangible assets held in trust	30	(27)	2	30	(27)	3
Sub total	41	(34)	6	41	(33)	7
Total	¥ 240,528	¥ (26,911)	¥ 213,616	¥ 240,400	¥ (26,154)	¥ 214,245

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

6. Short-term debt and long-term debt

Short-term debt and long-term debt as of July 31, 2020 and January 31, 2020 consisted of the following:

	Balance as of July 31, 2020	Balance as of January 31, 2020	Average interest rate (Note 1)
	(Millions of yen)		(%)
	¥	¥	
Short-term debt			
Sub total	-	-	
Long-term debt			
Unsecured loans due on June 25, 2020 with fixed rate	-	4,000	1.48000
Unsecured loans due on June 25, 2020 with fixed rate	-	1,500	1.45125
Unsecured loans due on June 27, 2020 with fixed rate	-	1,000	1.47250
Unsecured loans due on December 25, 2020 with fixed rate (Note 2)	2,900	2,900	1.53375
Unsecured loans due on December 25, 2020 with fixed rate (Note 2)	4,500	4,500	1.21000
Unsecured loans due on June 25, 2021 with fixed rate (Note 2)	2,000	2,000	1.05250
Unsecured loans due on July 31, 2021 with fixed rate (Note 2)	3,000	3,000	1.51375
Unsecured loans due on October 22, 2021 with fixed rate	4,000	4,000	0.96875
Unsecured loans due on December 27, 2021 with fixed rate	3,500	3,500	0.56000
Unsecured loans due on January 31, 2022 with fixed rate	1,500	1,500	0.50000
Unsecured loans due on May 25, 2022 with fixed rate	2,000	2,000	0.56093
Unsecured loans due on May 25, 2022 with fixed rate	1,000	1,000	0.55529
Unsecured loans due on July 27, 2022 with fixed rate	4,000	4,000	0.99000
Unsecured loans due on November 11, 2022 with fixed rate	1,700	1,700	0.89250
Unsecured loans due on December 25, 2022 with fixed rate	500	500	0.85875
Unsecured loans due on March 10, 2023 with fixed rate	1,500	1,500	0.57130
Unsecured loans due on June 27, 2023 with fixed rate	2,500	2,500	1.91375
Unsecured loans due on June 27, 2023 with fixed rate	500	500	0.45630
Unsecured loans due on July 31, 2023 with fixed rate	500	500	0.58000
Unsecured loans due on October 10, 2023 with fixed rate	1,500	1,500	0.60000
Unsecured loans due on November 25, 2023 with fixed rate	1,000	1,000	0.62116
Unsecured loans due on December 27, 2023 with fixed rate	2,000	2,000	0.61773
Unsecured loans due on January 25, 2024 with fixed rate	1,000	1,000	0.63573
Unsecured loans due on February 25, 2024 with fixed rate	5,000	5,000	1.57750
Unsecured loans due on September 26, 2024 with fixed rate	2,500	2,500	0.62827
Unsecured loans due on March 26, 2025 with fixed rate	2,500	2,500	0.65250
Unsecured loans due on June 25, 2025 with fixed rate	5,000	5,000	1.26125
Unsecured loans due on December 25, 2025 with fixed rate	500	500	0.68569
Unsecured loans due on May 12, 2026 with fixed rate	1,700	1,700	0.72652
Unsecured loans due on January 28, 2027 with fixed rate	3,000	3,000	0.60380
Unsecured loans due on May 27, 2027 with fixed rate	2,000	2,000	0.56166
Unsecured loans due on June 28, 2027 with fixed rate	1,500	1,500	0.46789
Unsecured loans due on June 28, 2027 with fixed rate	400	400	0.48124
Unsecured loans due on June 28, 2027 with fixed rate	400	400	0.50641
Unsecured loans due on June 29, 2027 with fixed rate	500	-	0.49250
Unsecured loans due on January 25, 2028 with fixed rate	5,000	5,000	0.90880
Unsecured loans due on February 29, 2028 with fixed rate	1,400	1,400	0.46876
Unsecured loans due on February 29, 2028 with fixed rate	2,000	2,000	0.55395
Unsecured loans due on June 29, 2028 with fixed rate	500	-	0.55000
Unsecured loans due on July 31, 2028 with fixed rate	2,000	2,000	0.90260
Unsecured loans due on December 25, 2028 with fixed rate	500	500	0.64089
Unsecured loans due on December 25, 2028 with fixed rate	1,500	-	0.60137
Unsecured loans due on June 25, 2030 with fixed rate	4,000	-	0.67380
Unsecured loans due on January 27, 2032 with fixed rate	1,000	1,000	0.82000
Sub total	84,000	84,000	
Total	¥ 84,000	¥ 84,000	

Note 1. 'Average interest rate' is the weighted average interest rate during the period.

Note 2. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

TOKYU REIT has commitment line agreements which provide credit facilities totaling ¥2,000 million with one financial institution, ¥8,000 million with one financial institution and ¥8,000 million with three financial institutions. Combined, commitment lines total ¥18,000 million with four financial institutions. No amount has been drawn down as of July 31, 2020.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

7. Investment corporation bonds

The status of investment corporation bonds issued and outstanding as of July 31, 2020 and January 31, 2020 were as follows:

Name	Issue date	Balance as of	Balance as of	Annual	Maturity date
		July 31, 2020	January 31, 2020	interest rate	
		(Millions of yen)		(%)	
3 rd Series Unsecured Investment Corporation Bond	October 22, 2012	¥ 3,000	¥ 3,000	1.47000	October 21, 2022
5 th Series Unsecured Investment Corporation Bond (Note)	March 11, 2014	3,000	3,000	0.68200	March 11, 2021
6 th Series Unsecured Investment Corporation Bond	October 24, 2019	1,000	1,000	0.54000	October 24, 2029
7 th Series Unsecured Investment Corporation Bond	October 24, 2019	1,000	1,000	1.00000	October 24, 2039
Total		<u>¥ 8,000</u>	<u>¥ 8,000</u>		

Note. As of the end of the fiscal period, the amount is recorded in the balance sheets as 'Investment corporation bonds due within one year' under 'Current liabilities.'

8. Unitholders' equity

TOKYU REIT issues investment units in accordance with the Investment Trust Law. All the proceeds from the issuance of new units are designated as share capital. TOKYU REIT maintains minimum net assets of at least ¥50 million as required by the Investment Trust Law.

9. Rental revenue and expense

Rental revenues and expenses for the six months ended July 31, 2020 and January 31, 2020 were as follows:

	For the six months ended	
	July 31, 2020	January 31, 2020
(Millions of yen)		
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 6,013	¥ 5,815
Common area charges	685	702
Parking lot revenue under monthly contract	148	153
Other rent income	327	323
Sub total	<u>7,175</u>	<u>6,995</u>
Other rental revenue:		
Incidental income	307	403
Other miscellaneous income	17	60
Sub total	<u>324</u>	<u>463</u>
Total revenue from property leasing	(a) <u>7,499</u>	<u>7,459</u>
Rental service expenses:		
Utilities expenses	395	489
Subcontract expenses	434	451
Property management fees	178	184
Repairs and maintenance expenses	170	247
Property-related taxes	696	660
Insurance premium	7	9
Depreciation and amortization	974	987
Loss on disposal of property and equipment	0	3
Other	209	249
Total rental service expenses	(b) <u>3,067</u>	<u>3,284</u>
Operating income from property leasing activities	(a)-(b) <u>¥ 4,432</u>	<u>¥ 4,174</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

10. The financial results of each property (Unaudited)

Details on the financial results of each property for the six months ended July 31, 2020 and January 31, 2020 were as follows: (Unaudited)

For the six months ended July 31, 2020

Name of building	Revenue from property leasing	Property leasing expenses (Note 1)	NOI (Note 2)	Depreciation and amortization (Note 3)	Operating income from property leasing activities
	(Millions of yen)				
QFRONT	¥ 739	¥ 262	¥ 476	¥ 37	¥ 438
Lexington Aoyama	143	33	110	7	102
TOKYU REIT Omotesando Square	173	34	139	12	127
TOKYU REIT Shibuya Udagawa-cho Square cocoti	251	33	217	3	213
CONZE Ebisu	560	142	417	114	303
Daikanyama Forum	121	23	97	16	81
TOKYU REIT Shimokitazawa Square	103	38	65	11	53
KN Jiyugaoka Plaza	52	28	23	10	12
Setagaya Business Square	71	9	61	2	59
Tokyu Nampeidai-cho Building	990	464	526	216	309
Tokyu Sakuragaoka-cho Building	171	31	140	27	112
Tokyo Nissan Taito Building	239	43	195	35	159
TOKYU REIT Akasaka Hinokicho Building	196	52	143	47	96
TOKYU REIT Kamata Building	12	4	8	2	5
TOKYU REIT Toranomom Building	217	70	147	35	112
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	380	123	257	49	208
Tokyu Ikejiri-ohashi Building	175	35	139	14	124
Kojimachi Square	198	39	158	36	122
TOKYU REIT Shinjuku Building	225	93	131	25	106
Akihabara Sanwa Toyo Building	291	56	235	22	212
Tokyu Ginza 2-chome Building	174	49	124	14	110
TOKYU REIT Shibuya R Building	161	31	130	33	97
Tokyu Toranomom Building	267	78	188	20	168
TOKYU REIT Shinjuku 2 Building	491	111	380	69	310
Tokyu Bancho Building	75	25	49	13	35
TOKYU REIT Ebisu Building	299	61	238	69	169
Shibuya Dogenzaka Sky Building	103	19	84	5	78
Maison Peony Toritsudaigaku	227	44	182	11	171
Shonan Mall Fill (land with leasehold interest)	25	4	21	5	15
OKI System Center (land with leasehold interest)	188	25	162	-	162
REVE Nakameguro (land with leasehold interest)	145	15	129	-	129
Total	21	1	19	-	19
	¥ 7,499	¥ 2,092	¥ 5,407	¥ 974	¥ 4,432

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

For the six months ended January 31, 2020

Name of building	Revenue from property leasing	Property leasing expenses (Note 1)	NOI (Note 2)	Depreciation and amortization (Note 3)	Operating income from property leasing activities
	(Millions of yen)				
QFRONT	¥ 705	¥ 288	¥ 417	¥ 37	¥ 380
Lexington Aoyama	124	37	86	7	79
TOKYU REIT Omotesando Square	181	37	143	12	131
TOKYU REIT Shibuya Udagawa-cho Square	251	29	221	4	217
cocoti	568	182	386	135	250
CONZE Ebisu	127	45	81	15	65
Daikanyama Forum	108	43	65	11	54
TOKYU REIT Shimokitazawa Square	50	11	38	10	27
KN Jiyugaoka Plaza	25	3	22	0	21
Setagaya Business Square	994	508	486	204	281
Tokyu Nampeidai-cho Building	171	32	139	27	111
Tokyu Sakuragaoka-cho Building	240	44	196	36	160
Tokyo Nissan Taito Building	183	69	114	47	67
TOKYU REIT Akasaka Hinokicho Building	92	30	62	10	51
TOKYU REIT Kamata Building	221	79	142	35	107
TOKYU REIT Toranomom Building	384	126	257	50	207
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	177	41	136	15	121
Tokyu Ikejiri-ohashi Building	196	43	152	36	116
Kojimachi Square	225	50	174	24	149
TOKYU REIT Shinjuku Building	292	68	224	22	202
Akihabara Sanwa Toyo Building	172	41	131	14	117
Tokyu Ginza 2-chome Building	142	43	98	33	65
TOKYU REIT Shibuya R Building	266	80	185	20	165
Tokyu Toranomom Building	468	103	364	70	294
TOKYU REIT Shinjuku 2 Building	73	79	(6)	13	(19)
Tokyu Bancho Building	311	60	251	71	179
TOKYU REIT Ebisu Building	101	16	85	5	79
Shibuya Dogenzaka Sky Building	217	48	169	10	158
Maison Peony Toritsudaigaku	26	3	23	5	17
Shonan Mall Fill (land with leasehold interest)	188	25	162	-	162
OKI System Center (land with leasehold interest)	145	15	129	-	129
REVE Nakameguro (land with leasehold interest)	21	1	19	-	19
Total	<u>¥ 7,459</u>	<u>¥ 2,293</u>	<u>¥ 5,165</u>	<u>¥ 990</u>	<u>¥ 4,175</u>

Note 1. Property leasing expenses are defined as rental service expenses adjusted for depreciation and amortization.

Note 2. NOI represents net operating income, calculated as revenue from property leasing minus property leasing expenses.

Note 3. Depreciation and amortization include loss on disposal of property and equipment.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

11. Breakdown of gain on sales of real estate properties

TOKYU REIT Akasaka Hinokicho Building (51% quasi-co-ownership interest) was sold on March 4, 2020 and TOKYU REIT Akasaka Hinokicho Building (49% quasi-co-ownership interest) was sold on October 1, 2019.

	For the six months ended	
	July 31, 2020	January 31, 2020
	(Millions of yen)	
Revenue from sale of property	¥ 2,448	¥ 2,352
Cost of property	1,738	1,677
Other sales expenses	5	9
Gain on sales of real estate properties	¥ 703	¥ 664

12. Reduction entries of fixed assets

TOKYU REIT posted reduction entries of fixed assets acquired through national subsidies, etc. as of July 31, 2020 and January 31, 2020.

	July 31, 2020	January 31, 2020
		(Millions of yen)
Buildings and structures held in trust	¥ 16	¥ 16
Total	¥ 16	¥ 16

13. Income taxes

Income taxes in Japan applicable to TOKYU REIT consist of corporate income tax, enterprise tax and inhabitant tax. The following is a reconciliation between the statutory income tax rate in Japan and the effective tax rate reflected in the accompanying financial statements for the six months ended July 31, 2020 and January 31, 2020.

	July 31, 2020	January 31, 2020
Statutory income tax rate	31.46%	31.51%
Deductible cash distributions	(28.32)	(28.37)
Other	(3.12)	(3.12)
Effective tax rate	0.02%	0.02%

TOKYU REIT has a policy of making cash distributions in excess of 90% of distributable income as defined in the Special Taxation Measures Law of Japan (“Special Taxation Measures Law”) for the fiscal period to qualify for conditions as set forth in the Special Taxation Measures Law to achieve a deduction of cash distributions for income tax purposes. Based on this policy, TOKYU REIT treated the cash distributions as a tax allowable distribution as defined in the Special Taxation Measures Law.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

14. Per unit information

The following table summarizes the net income per unit for the six months ended July 31, 2020 and January 31, 2020 and the unitholders' equity per unit as of July 31, 2020 and January 31, 2020.

	For the six months ended	
	July 31, 2020	January 31, 2020
Net income per unit	¥ 3,944	¥ 3,662
Weighted-average number of units *1	977,600 units	977,600 units
*1 Average number of units weighed by days in each fiscal period.		
	As of July 31, 2020	As of January 31, 2020
Unitholders' equity per unit	¥ 117,688	¥ 117,041

Diluted net income per unit is not presented since neither warrants nor convertible bonds were issued during the six months ended July 31, 2020 and January 31, 2020.

15. Distribution information

The Board of Directors of TOKYU REIT resolved on September 14, 2020 and March 16, 2020 to effect payment of cash distributions of ¥3,551 and ¥3,298 per unit to unitholders of record on July 31, 2020 and January 31, 2020, respectively. Retained earnings carried forward after the distributions were as follows:

	July 31, 2020	January 31, 2020
	(Millions of yen)	
Retained earnings at end of period	¥ 3,855	¥ 3,580
Cash distributions declared	3,471	3,224
Provision for reserve for reduction entry	384	356
Retained earnings carried forward	¥ 0	¥ 0

16. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of July 31, 2020 and January 31, 2020, the future lease revenues under the non-cancelable operating leases were as follows:

	July 31, 2020	January 31, 2020
	(Millions of yen)	
Due within one year	¥ 6,224	¥ 5,282
Due after one year	43,491	43,828
Total	¥ 49,716	¥ 49,111

As of July 31, 2020 and January 31, 2020, the future lease payments under the non-cancelable operating leases were as follows:

	July 31, 2020	January 31, 2020
	(Millions of yen)	
Due within one year	¥ 233	¥ 229
Due after one year	1,086	1,203
Total	¥ 1,319	¥ 1,433

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

17. Fair value of financial instruments

(a) Matters concerning status of financial instruments

(1) Policy for handling financial instruments

TOKYU REIT procures funds for asset acquisition or debt repayment, etc. through additional issuance of investment units, debt financing or issuance of investment corporation bonds. In the procurement of funds, TOKYU REIT adopts the financial policy of seeking maximization of unitholder value based on ensuring stability, flexibility and efficiency and also through reduction of funding costs, external growth and keeping expenditures at a minimum.

Concerning the investment management of surplus funds, while the scope of investment includes securities and monetary claims, considering safety, in principle, TOKYU REIT manages surplus funds in the form of deposits.

While derivative transactions may possibly be utilized for the purpose of hedging interest rate fluctuation risks, etc., TOKYU REIT adopts the policy of not engaging in speculative transactions. At present, TOKYU REIT does not engage in any derivative transactions.

(2) Description of financial instruments and associated risks, and risk management structure

At TOKYU REIT, the appropriateness and effectiveness of the risk management structure is regularly evaluated and enhanced by the investment management company. The following outlines the description of individual financial instruments and the associated risks, and the risk management structure.

Deposits are exposed to risks of failure of the financial institution holding the deposit and other credit risks, but the concerned risks are controlled by striving to diversify the financial institutions holding the deposit.

Funds from debts and investment corporation bonds are mainly used as funds for asset acquisition or debt repayment, etc. These funds are exposed to liquidity risk at the time of repayment, but the liquidity risk is controlled at TOKYU REIT through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital increases, securing several fund procurement sources and diversifying repayment deadlines, executing commitment line agreements which provide credit facilities totaling ¥18,000 million with TOKYU REIT's main financial institutions, and also preparing monthly fund management plans.

Debt with floating interest rates are exposed to interest rate fluctuation risks, but the impact of rising interest rate on TOKYU REIT operations is limited by keeping the LTV based on appraisal value (Note) at low levels, maintaining the ratio of debt that are long-term fixed-rate debt at high levels, and setting a procurement limit depending on the economic environment and financial environment, terms of lease agreements with tenants, asset holding period and other factors. Furthermore, derivative transactions (interest rate swap transactions) are available as a hedging instrument to avoid risks of rises in floating interest rates and to promote fixed interest payable.

Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risks arising from tenants moving out of properties. The liquidity risk is controlled through such measures as preparing monthly fund management plans.

Note. [Interest-bearing liabilities + Security and guarantee deposits without reserved cash] ÷

[Total appraisal value at the end of the fiscal period or at the time of acquisition of specified assets] × 100

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

(3) Supplementary explanation on matters concerning fair value of financial instruments

The fair value of financial instruments, aside from values based on market price, include values based on reasonable calculations when there is no market price. Certain assumptions are adopted in the calculations of said values and there may be cases where said values will vary when different assumptions are adopted.

(b) Matters concerning fair value of financial instruments

The following are the carrying amount and fair value as of the end of the fiscal periods, and the difference between these amounts. Please note that the table below does not include those for which measurement of fair value is recognized to be extremely difficult (please refer to Note 2).

	July 31, 2020			January 31, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
	(Millions of yen)					
(1) Cash and deposits with banks	¥ 2,979	¥ 2,979	¥ -	¥ 1,753	¥ 1,753	¥ -
(2) Cash and deposits with banks held in trust	2,084	2,084	-	2,264	2,264	-
Assets total	5,064	5,064	-	4,018	4,018	-
(1) Investment corporation bonds due within one year	3,000	3,012	12	-	-	-
(2) Long-term debt due within one year	12,400	12,493	93	13,900	14,010	110
(3) Investment corporation bonds	5,000	5,054	54	8,000	8,081	81
(4) Long-term debt	71,600	72,752	1,152	70,100	71,390	1,290
Liabilities total	¥ 92,000	¥ 93,312	¥ 1,312	¥ 92,000	¥ 93,483	¥ 1,483

Note 1. Method of calculation of fair value of financial instruments.

Assets

(1) Cash and deposits with banks; (2) Cash and deposits with banks held in trust

As all of these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

Liabilities

(1) Investment corporation bonds due within one year; (3) Investment corporation bonds

The fair value of investment corporation bonds is calculated by discounting the sum total amount of principal and interest by the rate that takes into account the investment corporation bonds' remaining term and credit risks.

(2) Long-term debt due within one year; (4) Long-term debt

The fair value of long-term debt is calculated based on the method of discounting the sum total amount of principal and interest by the rate assumed as being applicable in the event of a new drawdown of a similar debt.

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Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

Note 2. Financial instruments for which measurement of fair value is recognized to be extremely difficult.

	July 31, 2020	January 31, 2020
	(Millions of yen)	
Carrying amount		
(i) Tenant leasehold and security deposits	¥ 3,881	¥ 3,809
(ii) Tenant leasehold and security deposits held in trust	6,465	6,378

These are not subject to calculation of fair value because measurement of the fair value is recognized to be extremely difficult since future cash flows cannot be reasonably estimated due to the lack of market price measurement and difficulty of calculation of the actual deposit period from when lessees move in to when they move out.

Note 3. Amount of redemption of monetary claims scheduled to be due after balance sheet date.

	July 31, 2020			January 31, 2020		
	Cash and deposits with banks	Cash and deposits with banks held in trust	Total	Cash and deposits with banks	Cash and deposits with banks held in trust	Total
	(Millions of yen)					
Within one year	¥ 2,979	¥ 2,084	¥ 5,064	¥ 1,753	¥ 2,264	¥ 4,018
Within two years, but over one year	-	-	-	-	-	-
Within three years, but over two years	-	-	-	-	-	-
Within four years, but over three years	-	-	-	-	-	-
Within five years, but over four years	-	-	-	-	-	-
Over five years	-	-	-	-	-	-

Note 4. Amount of repayment of short-term debt, investment corporation bonds and long-term debt scheduled to be due after balance sheet date.

	July 31, 2020			January 31, 2020		
	Investment corporation bonds	Long-term debt	Total	Investment corporation bonds	Long-term debt	Total
	(Millions of yen)					
Within one year	¥ 3,000	¥ 12,400	¥ 15,400	¥ -	¥ 13,900	¥ 13,900
Within two years, but over one year	-	16,000	16,000	3,000	14,000	17,000
Within three years, but over two years	3,000	7,200	10,200	3,000	9,200	12,200
Within four years, but over three years	-	10,500	10,500	-	10,500	10,500
Within five years, but over four years	-	10,000	10,000	-	7,500	7,500
Over five years	2,000	27,900	29,900	2,000	28,900	30,900

TOKYU REIT, Inc.
Notes to Financial Statements, continued
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18. Related party transactions

Kazuyoshi Kashiwazaki, who holds no voting units of TOKYU REIT, is Executive Director of TOKYU REIT and Representative Director & President and Chief Executive Officer of Tokyu REIM, has entered into an asset management agreement subject to the conditions set forth in TOKYU REIT's Articles of Incorporation with TOKYU REIT. The amount of management fees incurred for the six months ended July 31, 2020 and January 31, 2020 and payable due to asset manager as of then were as follows:

	<u>July 31, 2020</u>	<u>January 31, 2020</u>
	(Millions of yen)	
Asset management fees for the period	¥ 668	¥ 639
Management fees payable due to asset manager	339	321

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

19. Fair value of investment and rental properties

TOKYU REIT owns rental office properties, rental retail properties, rental residential properties and complexes that include any one of these (including land) primarily in Central Tokyo and Tokyu Areas (Note 1). The following are the carrying amount at the end of the fiscal period, change during the fiscal period and fair value at the end of the fiscal period for these investment and rental properties.

	For the six months ended	
	July 31, 2020	January 31, 2020
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 214,240	¥ 214,720
Change during the period (Note 3)	(627)	(479)
Balance at end of period	¥ 213,613	¥ 214,240
	(Millions of yen)	
	As of July 31, 2020	As of January 31, 2020
Fair value at end of period (Note 4)	¥ 293,200	¥ 291,721

Note 1. Area classification:

“Central Tokyo” is the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) and other major commercial and retail districts of Tokyo (the areas surrounding Ikebukuro, Koraku, Ueno and other areas).

“Tokyu Areas” is the Tokyu rail network hub (Shibuya ward) and other Tokyu rail network areas (Tokyo (Shinagawa, Meguro, Setagaya and Ota wards, and Machida city); Yokohama city, Kanagawa prefecture (Kohoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards); Kawasaki city, Kanagawa prefecture (Nakahara, Takatsu and Miyamae wards); and Yamato city, Kanagawa prefecture). Shibuya ward is included in both Central Tokyo and Tokyu Areas. “Other” is other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above).

Note 2. The carrying amount is the acquisition price (including expenditures pertaining to the purchase) less accumulated depreciation.

Note 3. Of the change during the six months ended July 31, 2020, the amount of increase is mainly attributable to acquisition of 51% quasi-co-ownership interest of the trust beneficiary interest in KN Jiyugaoka Plaza (¥1,617 million) and renovation of elevators of Setagaya Business Square and other capital expenditures (¥469 million), and the amount of decrease is mainly attributable to disposition of 51% quasi-co-ownership interest of the trust beneficiary interest in TOKYU REIT Akasaka Hinokicho Building (¥1,738 million) and depreciation and amortization (¥973 million).

Of the change during the six months ended January 31, 2020, the amount of increase is mainly attributable to acquisition of 49% quasi-co-ownership interest of the trust beneficiary interest in KN Jiyugaoka Plaza (¥1,562 million) and renovation of elevators of Setagaya Business Square and other capital expenditures (¥635 million), and the amount of decrease is mainly attributable to disposition of 49% quasi-co-ownership interest of the trust beneficiary interest in TOKYU REIT Akasaka Hinokicho Building (¥1,677 million) and depreciation and amortization (¥986 million).

Note 4. The fair value as of the end of the fiscal period shows the appraisal value as appraised by an independent real estate surveyor.

The income (loss) in the six months ended July 31, 2020 and January 31, 2020 for investment and rental properties are as presented in “Rental revenue and expense” of the “Notes to Financial Statements.”

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

20. Segment and related information

[Segment information]

Disclosure of segment information is omitted because TOKYU REIT has a single segment—the Property Leasing Business.

[Related information]

(a) Information about products and services

Disclosure is omitted because net sales to external customers of a single products and services category account for over 90% of the operating revenues recorded in the statements of income.

(b) Information about geographical areas

(1) Operating revenues

Disclosure is omitted because operating revenues from external customers in Japan account for over 90% of the operating revenues recorded in the statements of income.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan account for over 90% of the amount of property and equipment recorded in the balance sheets.

(c) Information about major customers

For the six months ended July 31, 2020

<u>Party</u>	<u>Operating revenues</u> (Millions of yen)	<u>Name of related segment</u>
Related parties (Note)	¥ 1,198	Property Leasing Business

For the six months ended January 31, 2020

<u>Party</u>	<u>Operating revenues</u> (Millions of yen)	<u>Name of related segment</u>
Related parties (Note)	¥ 1,219	Property Leasing Business

Note. “Related parties” refers to any entity that falls under the following (i) to (vii):

- (i) Tokyu Corporation
- (ii) A consolidated subsidiary of Tokyu Corporation
- (iii) 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%.
- (iv) Affiliates within the scope of consolidation of Tokyu Corporation
- (v) Tokyu Fudosan Holdings Corporation (“Tokyu Fudosan Holdings”)
- (vi) A consolidated subsidiary of Tokyu Fudosan Holdings
- (vii) 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%.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

21. Subsequent events

The following events occurred after the end of the 34th fiscal period of TOKYU REIT.

① Disposition and acquisition of assets

The following disposition and acquisition of assets were decided on September 14, 2020. The “1st” phase of the disposition and the acquisition took place on September 28, 2020.

(a) Disposition of asset

- (i) Type of asset: Domestic real estate (ownership of land to which a fixed-term business-use land lease is attached)
- (ii) Property name: OKI System Center (land with leasehold interest)
- (iii) Disposition price (Note 1): Total: ¥6,850 million
(The disposition is scheduled to take place in the form of disposition of co-ownership in three phases (40% of co-ownership interest “1st,” 30% of co-ownership interest “2nd,” and 30% of co-ownership interest “3rd”) and the planned disposition prices are as follows.)
1st: ¥2,740 million (40% co-ownership interest)
2nd: ¥2,055 million (30% co-ownership interest)
3rd: ¥2,055 million (30% co-ownership interest)
- (iv) Contract date: September 14, 2020
- (v) Disposition date: 1st: September 28, 2020 (40% co-ownership interest)
2nd: December 24, 2021 (30% co-ownership interest)
3rd: February 25, 2022 (30% co-ownership interest)
- (vi) Purchaser: Domestic company (Note 2)
- (vii) Recorded gain on sale of real estate and reserve for reduction: Gain on sale of real estate of ¥760 million and provision for reserve for reduction entry of ¥382 million are expected to be posted in the six months ending January 31, 2021 (35th fiscal period), while gain on sale of real estate of ¥570 million is expected to be posted in both the six months ending January 31, 2022 (37th fiscal period) and the six months ending July 31, 2022 (38th fiscal period).

Note 1. ‘Disposition price’ is the amount exclusive of the expenses required for disposition of the asset (property-related taxes, etc.).

Note 2. The name, etc. have not been disclosed as the purchaser has not provided consent.

There is no capital relationship or personnel relationship to state between TOKYU REIT or Tokyu REIM and the purchaser, and the purchaser does not fall under the category of a related party of TOKYU REIT or Tokyu REIM.

(b) Acquisition of asset

- (i) Type of asset: Trust beneficiary interest in domestic real estate
- (ii) Property name: OKI Business Center No.5
- (iii) Acquisition price (Note 1): ¥11,900 million
- (iv) Contract date: September 14, 2020
- (v) Acquisition date: September 28, 2020
- (vi) Seller: Domestic company (Note 2)
- (vii) Financing: Funds from the disposition of OKI System Center (land with leasehold interest) and debt financing

Note 1. ‘Acquisition price’ is the amount exclusive of the expenses required for acquisition of the asset (property-related taxes, etc.).

Note 2. The name, etc. have not been disclosed as the seller has not provided consent.

There is no capital relationship or personnel relationship to state between TOKYU REIT or Tokyu REIM and the seller, and the seller does not fall under the category of a related party of TOKYU REIT or Tokyu REIM.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2020 and January 31, 2020

② Issuance of investment corporation bonds

Based on the “information on the engagement of underwriters for investment corporation bond offerings” at the meeting of the Board of Directors of TOKYU REIT held on November 22, 2019, investment corporation bonds were issued on October 29, 2020, and payments for such have been completed.

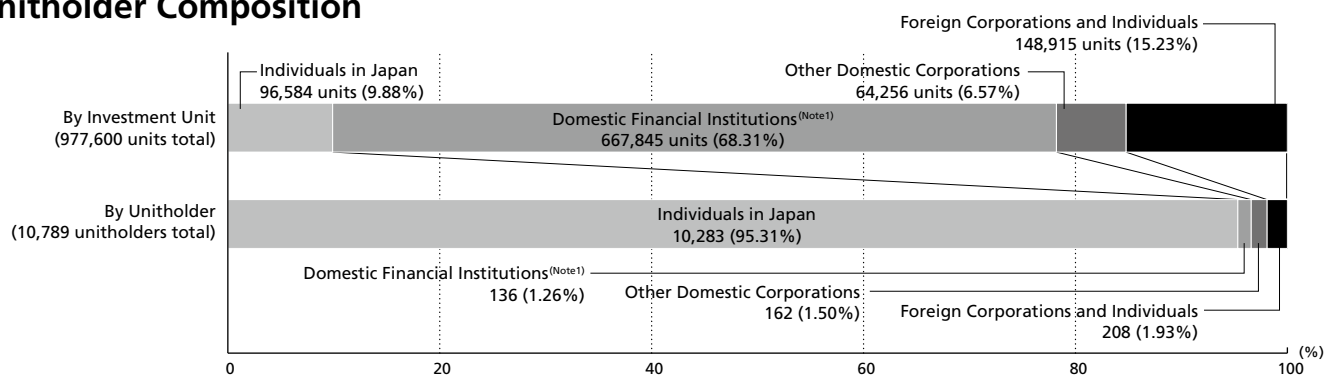
Name:	TOKYU REIT, Inc. 8th Series Unsecured Investment Corporation Bond (Ranks <i>pari passu</i> in right of payment with certain investment corporation bonds)
Total issue amount:	¥3,000 million
Issue price:	Nominal par value of each bond: ¥100 per ¥100
Redemption value:	Nominal par value of each bond: ¥100 per ¥100
Annual interest rate:	0.510%
Security/Guarantee:	Unsecured and unguaranteed
Maturity date:	The entire amount will be redeemed on October 29, 2030. The investment corporation bonds may be redeemed at any time from the day following the payment date, unless determined otherwise by Japan Securities Depository Center, Incorporated.
Interest payment dates:	April 29 and October 29 every year
Underwriters:	SMBC Nikko Securities Inc., and Mizuho Securities Co., Ltd.
Use of funds:	The funds will be allocated as part of funds for the repayment of the short-term debt (commitment line) due for repayment on December 28, 2020.

Unit Price Chart (Note)



(Note) Investment unit prices prior to February 1, 2014, on which a five-for-one split of investment units was implemented, have been changed in consideration of the split.

Unitholder Composition



(Notes) 1. Domestic Financial Institutions include financial instruments dealers.
2. The ratio is rounded to two decimal places.

Results Reporting Schedule

	Ended Jul. 2020 (FP 34)	Ending Jan. 2021 (FP 35)		Ended Jul. 2020 (FP 34)	Ending Jan. 2021 (FP 35)
Date of settlement	Jul. 31, 2020	Jan. 31, 2021	Delivery of investment management report (Japanese only)	Oct. 14, 2020	Mid. Apr. 2021
Announcement of financial results	Sep. 14, 2020	Mid. Mar. 2021	Payment of cash distributions	Oct. 15, 2020	Mid. Apr. 2021

Concerning the distribution of analyst-oriented presentation materials, etc.

Every fiscal period, **TOKYU REIT** conducts an analyst-oriented explanatory meeting which is held by the investment management company on the next business day after the announcement of results. The presentation materials, etc. used at the explanatory meetings are posted on **TOKYU REIT**'s website (www.tokyu-reit.co.jp/eng/), but for unitholders that are not able to view the website we will consider sending the presentation materials, etc. used at the explanatory meeting. Unitholders that wish to receive these materials should contact the investment management company listed below by mail or fax. When contacting the company please include your unitholder number which can be found in the enclosed "distributions statement."

Tokyu Real Estate Investment Management Inc.

Shibuya Mark City West Bldg. 11F 12-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043 Fax: +81-3-5489-1633

* The investment management company will cover postal fees.
* If there are any questions please contact us at +81-3-5428-5828.

Address

1-12-1, Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan

Established

June 20, 2003

Executive Director

Kazuyoshi Kashiwazaki

Supervisory Directors

Giichi Yanagisawa

Maruhito Kondo

Independent Auditor

PricewaterhouseCoopers Aarata LLC

1-1-1, Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan

Date of Settlement

Annually on January 31 and July 31

Unitholders' General Meeting

More than once every two years

Date for Finalizing General Meeting Voting Rights

As designated under Article 12 of the by-laws

Newspaper for Posting Public Announcements

The Nikkei (Nihon Keizai Shimbun)

Date for Determining Cash Distribution Payments

Annually on January 31 and July 31

(Cash distributions paid within three months of each date)

The Administrator of the Register of Unitholders

The Mitsubishi UFJ Trust and Banking Corporation

1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

Transfer Agent Head Business Office

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

Contact

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

1-1 Nikko-cho, Fuchu-shi

Tokyo 183-0044, Japan

Address

The Mitsubishi UFJ Trust and Banking Corporation

Shin-Tokyo Post Office, PO box No.29,

Tokyo 137-8081, Japan

Tel: 0120-232-711 (toll free number: Japan only)

Listing

Tokyo Stock Exchange (8957)

■ Distributions

The Time Limit for Claiming Cash Distributions

The Articles of Incorporation of **TOKYU REIT** stipulates that the time limit for claiming cash distributions shall be three years from the date on which payment commenced, at which point the right of unitholders to receive cash distributions that remain unclaimed shall be annulled.

The date on which payment commenced for fiscal period ended January 2018 (FP 29) is on April 16, 2018 and for fiscal period ended July 2018 (FP 30) is on October 16, 2018.

■ Investment Management Company

Tokyu Real Estate Investment Management Inc. TEL: +81-3-5428-5828

Financial Instruments Dealer (Kanto Financial Bureau (*Kin-sho*) No. 360) / Member of the Investment Trusts Association, Japan

■ Disclaimer

This Semiannual Report is, in principle, an English translation of the Japanese report on TOKYU REIT's investment management published every six months.

This translation is prepared and provided for the readers' convenience.

All readers are recommended to refer to the original version in Japanese of the report for complete and accurate information.

■ For further information please visit the **TOKYU REIT** website at (www.tokyu-reit.co.jp/eng/).

■ The information in this report without description of dates is as of July 31, 2020.

TOKYU REIT

TOKYU REIT, Inc.
www.tokyu-reit.co.jp/eng/