

# TOKYU REIT

TOKYU REIT, Inc. Semiannual Report

The Fiscal Period Ended January 2022  
(37th Fiscal Period)

From August 1, 2021 to January 31, 2022



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



## 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<sup>(Note)</sup> (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 January 2022.

During the fiscal period ended January 2022, we disposed Shonan Mall Fill (land with leasehold interest) and Daikanyama Forum in August 2021 as well as acquired Aoyama Oval Building and disposed Setagaya Business Square and OKI System Center (land with leasehold interest) in December 2021. With the disposition of the above 4 properties, gain on sale of real estate of ¥4,702 million and provision of reserve for reduction entry of replaced property of ¥3,209 million were posted. As a result, despite the decrease in revenue and income due to the extension work of Tokyu Toranomon Building, operating income stood at ¥7,481 million (increase of ¥3,499 million period on period), net income at ¥7,071 million (increase of ¥3,531 million period on period) and net income per unit at ¥7,233 (increase of ¥3,612 period on period). After retaining a portion as provision of reserve for reduction entry of replaced property, distribution per unit will be ¥3,950 (increase of ¥329 period on period).

Positioning ESG and the SDGs as important management issues, **TOKYU REIT** and Tokyu REIM have promoted identification of material issues (materiality) and ESG initiatives in various

fields. In March 2022, Tokyu REIM established the “Sustainability Policy,” which describes the stance of initiatives towards the contribution to the realization of a sustainable society, sustainable growth aiming to make **TOKYU REIT** a “100-year REIT” as well as the improvement of unitholder value, and set up the Sustainability Promotion Committee to create a promotion system. **TOKYU REIT** and Tokyu REIM will continue to press ahead with initiatives for realizing a sustainable society.

With regard to the next fiscal period onward, while the extension work at Tokyu Toranomon Building is likely to increase repairs and maintenance expenses and such in the fiscal period ending July 2022, gain on sale of real estate of ¥2,024 million from the disposition of OKI System Center (land with leasehold interest) and Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) and provision of reserve for reduction entry of ¥424 million are expected to be posted. Furthermore, in the fiscal period ending January 2023, although an increase in revenue from the extended portion of Tokyu Toranomon Building is expected, income is forecast to decrease due to the decrease in gain on sale of real estate.

Distribution per unit is projected to be ¥3,910 (decrease of ¥40 period on period) for the fiscal period ending July 2022 and ¥3,200 (decrease of ¥710 period on period) for the fiscal period ending January 2023 with a partial reversal of the reserve for reduction entry.

**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.

March 2022

### 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 January 2022  
(FP 37)  
Cash Distribution per Unit

¥3,950 (Fixed)

(Date of payment: April 15, 2022)

Fiscal Period Ending July 2022  
(FP 38)  
Cash Distribution per Unit

¥3,910 (Forecast)

(Date of payment: Mid October 2022)

Fiscal Period Ending January 2023  
(FP 39)  
Cash Distribution per Unit

¥3,200 (Forecast)

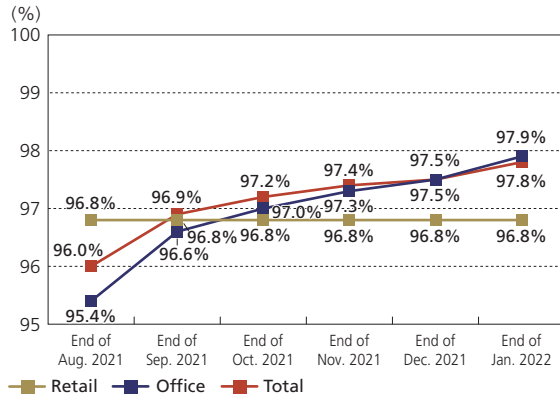
(Date of payment: Mid April 2023)

## Financial Summary

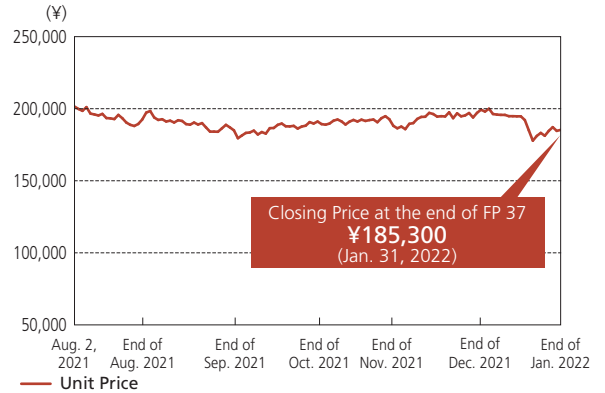
		Ended July 2021 (FP 36) Actual	Ended January 2022 (FP 37) Actual
<b>Balance Sheets</b>	■ Number of Properties	34 properties	32 properties
	■ Total Assets	¥235,035 million	¥226,847 million
	■ Interest-Bearing Debt	¥105,600 million	¥94,400 million
	■ Total Assets Loan-to-Value (LTV) Ratio	44.9%	41.6%
<b>Statements of Income</b>	■ Operating Revenues	¥8,066 million	¥11,641 million
	■ Net Income	¥3,540 million	¥7,071 million
<b>Distributions</b>	■ Distribution per Unit	¥3,621	¥3,950
	■ Average Market Price per Unit	¥189,045	¥190,881

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 January 31, 2022 (FP 37), **TOKYU REIT** held 20 office buildings, 8 retail facilities, 2 residences and 2 land with leasehold interest for a total of 32 properties.

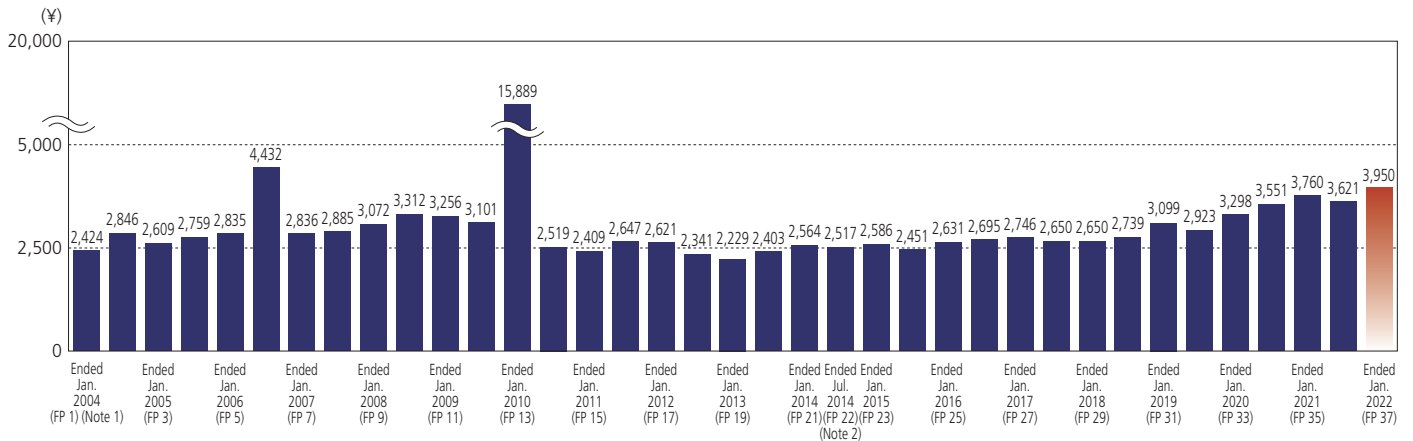
Occupancy Rate



Unit Price



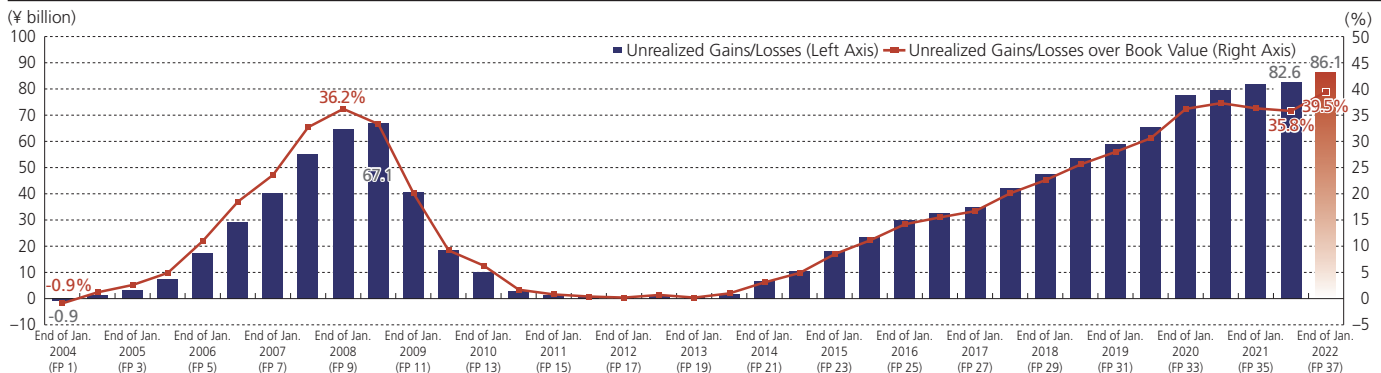
Cash Distribution per Unit



■ 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 ended Jan. 2022 (FP 37))

Continue to conduct property replacement based on the “Long-Term Investment Management Strategy (Surf Plan)”<sup>(Note 1)</sup> Acquisition of property located in Tokyu Areas (Shibuya Ward) while realizing capital gains

#### Acquisition

Aoyama Oval Building (Office)



Overview of property	
Acquisition date	Dec. 10, 2021
Seller	Domestic corporation
Acquisition price	18,600 million yen
Appraisal value on acquisition	18,800 million yen (as of Nov. 1, 2021)
NOI <sup>(Note 2)</sup> (NOI yield)	558 million yen per annum (3.0%)
NOI after depreciation <sup>(Note 2)</sup> (NOI yield after depreciation)	502 million yen per annum (2.7%)
Occupancy rate <sup>(Note 3)</sup>	96.6%
Completion date	Oct. 1988

#### Disposition

Setagaya Business Square (Office)



Overview of property	
Disposition date	Dec. 1, 2021
Buyer	GMO Internet, Inc.
Disposition price	22,750 million yen
Difference between the disposition price and the book value <sup>(Note 4)</sup>	4,088 million yen
NOI <sup>(Note 2)</sup> (NOI yield)	974 million yen per annum (4.3%)
NOI after depreciation <sup>(Note 2)</sup> (NOI yield after depreciation)	527 million yen per annum (2.3%)
Occupancy rate <sup>(Note 5)</sup>	93.4%



#### Effect of Property Replacement

- Acquisition of a property in the prime location of the Greater SHIBUYA Area<sup>(Note 6)</sup>
- Recording of gain on sale of real estate, etc. and provision of reserve for reduction entry of replaced property

(Unit: million yen)		Jan. 2022 (FP 37)
Gain on sale of real estate, etc.		3,374
Of which, provision of reserve for reduction entry of replaced property		2,781

#### Location



(Note 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 (page 17).

(Note 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 2020 to July 2021. Yields are based on acquisition/disposition price.

(Note 3) As of the end of January 2022. NOI and NOI after depreciation for the acquired property are calculated based on the expected annual average occupancy rate (96.3%) as of December 10, 2021.

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

(Note 5) As of the end of July 2021.

(Note 6) Within a 2.5-km radius of Shibuya Station.

### Property Acquisition/Disposition (FP ended Jan. 2022 (FP 37) and FP ending Jul. 2022 (FP 38))

Realized the acquisition of a property located in Tokyu Areas and the recognition of gain on sale of real estate, etc.

#### Acquisition

Meguro Higashiyama Building (Office)



Overview of property	
Acquisition date	Mar. 24, 2022
Seller	Domestic corporation
Acquisition price	8,100 million yen
Appraisal value on acquisition	8,330 million yen (as of February 1, 2022)
NOI <sup>(Note 1)</sup> (NOI yield)	310 million yen per annum (3.8%)
NOI after depreciation <sup>(Note 1)</sup> (NOI yield after depreciation)	275 million yen per annum (3.4%)
Occupancy rate <sup>(Note 2)</sup>	77.1%
Completion date	Mar. 1995
Location	Meguro-ward, Tokyo

#### Disposition

Daikanyama Forum (Retail)



Overview of property	
Disposition date	Aug. 31, 2021
Buyer	Domestic corporation
Disposition price	4,250 million yen
Difference between the disposition price and the book value <sup>(Note 3)</sup>	130 million yen
NOI <sup>(Note 1)</sup> (NOI yield)	133 million yen per annum (3.1%)
NOI after depreciation <sup>(Note 1)</sup> (NOI yield after depreciation)	110 million yen per annum (2.6%)
Occupancy rate <sup>(Note 4)</sup>	100%
Completion date	Feb. 1993
Gain on sale of real estate, etc.	91 million yen

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



Overview of property	
Disposition date	Mar. 31, 2022
Buyer	Domestic corporation
Disposition price	9,820 million yen
Difference between the disposition price and the book value <sup>(Note 3)</sup>	1,523 million yen
NOI <sup>(Note 1)</sup> (NOI yield)	259 million yen per annum (2.6%)
NOI after depreciation <sup>(Note 1)</sup> (NOI yield after depreciation)	227 million yen per annum (2.3%)
Occupancy rate <sup>(Note 2)</sup>	100%
Completion date	Feb. 2003
Gain on sale of real estate, etc.	1,453 million yen

(Note 1) 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 2020 to July 2021. Yields are based on acquisition/disposition price.

(Note 2) As of the end of January 2022.























(Note 3) Difference between the disposition price and estimated book value as of the disposition date is indicated.

(Note 4) As of the end of July 2021.

Identification of Materiality

Identification of Materiality

TOKYU REIT and Tokyu REIM identified the material issues (materiality) from the perspective of the importance of stakeholders as well as economy, society and environment to pursue sustainable investment management focusing on growth potential and stability.

Material issues (materiality)		Relevant SDGs
 <p><b>E</b> (Environment)</p>	Reduction of energy consumption and greenhouse gas (“GHG”) emissions	   
	Reduction of water consumption and waste	
 <p><b>S</b> (Social)</p>	Information disclosure to and dialogue with stakeholders	 
	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	
 <p><b>G</b> (Governance)</p>	Development and operation of a process that ensures highly workable governance	 
	Promotion of compliance and risk management	

Establishment of Policy

Sustainability Policy (Tokyu REIM)

Established the “Sustainability Policy”, which describes the stance of initiatives towards the contribution to the realization of a sustainable society, sustainable growth aiming to make TOKYU REIT a “100-year REIT” as well as the improvement of unitholder value (March 2022)

Sustainability Promotion Committee (Tokyu REIM)

Sustainability Promotion Committee

Function	Discussion, review and reporting of initiatives based on the Sustainability Policy
Members	Chief Executive Officer (Chair), full-time directors, executive officers and all department heads
Frequency	At least once every three months as a rule
Topics of discussion	Basic policy, material issues (materiality) of management, setting various goals and progress management of measures, information disclosure, etc.
Reporting process	Report to Tokyu REIM’s board of directors and TOKYU REIT’s board of directors once a year
Secretariat	General Manager, Finance and IR (Head), person in charge of each department

# Sustainability Measures

## Environmental Measure

### Obtain Certifications from External Assessment Institutions

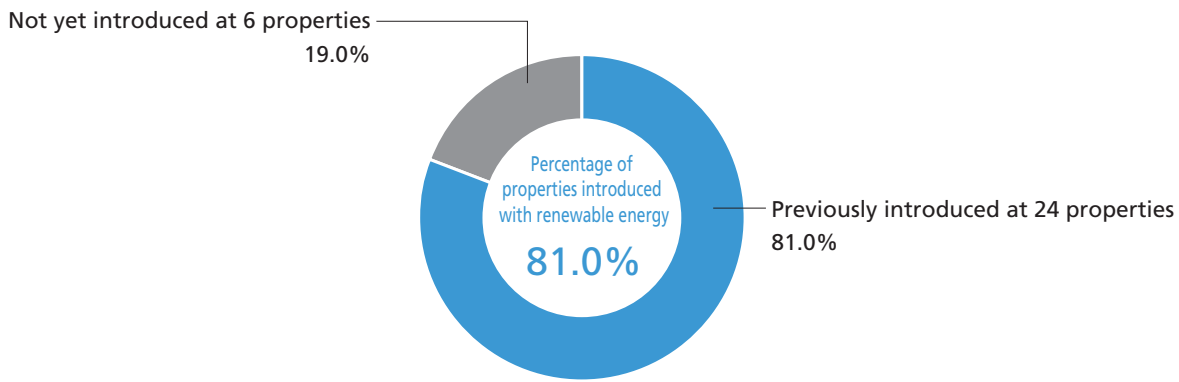


Since 2015, TOKYU REIT has continuously acquired “Green Star”, which is given to companies that are excellent in terms of both “management component” and “performance component” in the sustainability evaluation.

**Acquisition ratio of environmental certification: 31.5%**  
(based on total floor area) (Note 1)

### Introduction of 100% renewable energy

Introduced 100% renewable energy at 81.0% (24 properties) of the total floor area (Note 1) of all the 30 properties under management excluding land with leasehold interest (as of the end of January 2022)



(Note 1) For QFRONT, TOKYU REIT Toranomon Building, TOKYU REIT Shibuya R Building, Tokyu Bancho Building and Aoyama Oval Building, the figures are calculated by using the exclusive ownership area of the portion owned by TOKYU REIT.

### Reduction of Energy Consumption and Greenhouse Gas (“GHG”) Emissions / Reduction of Water Consumption and Waste

#### Reduction target of energy consumption, etc.

**<Goal>**  
Energy consumption intensity, greenhouse gas emission intensity, energy intensity of crude oil equivalent, water consumption intensity: 1.0% year-on-year reduction

**<Actual results>**  
Achieved reduction targets for all items during fiscal period ended Jul. 2020 (FP 34) – fiscal period ended Jul. 2021 (FP 36)

**<Goal>**  
Waste recycling rate more than the previous year (Note 2)

**<Actual results>**  
Achieved the goal for fiscal 2018 and 2019

#### Major construction work related to reduction of energy consumption

- (fiscal period ended Jul. 2021 (FP 36) & fiscal period ended Jan. 2022 (FP 37))
- **Renewal of air conditioning equipment: 6 properties** Reduction of electricity consumption  
(QFRONT, Lexington Aoyama, Kojimachi Square, Akihabara Sanwa Toyo Building, Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building), Setagaya Business Square (Note 3))
  - **Renovation of restrooms: 2 properties** Water-saving  
(Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building), Setagaya Business Square (Note 3))
  - **Progress rate of switching to LED at exclusively owned office areas (Note 4): 60.5%** Reduction of electricity consumption

#### Other

- **Acquisition of Rank A in energy conservation diagnosis conducted by an external business operator**  
(TOKYU REIT Shinjuku Building, fiscal 2018)

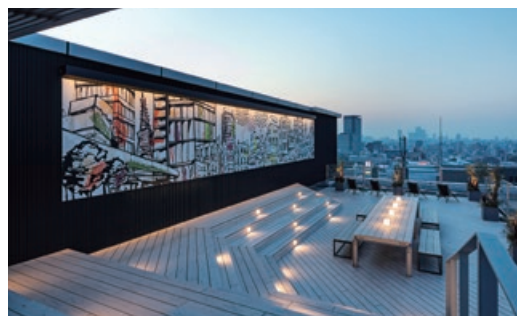
(Note 2) The figures for waste are counted for each fiscal year.  
(Note 3) Disposed on December 1, 2021.  
(Note 4) Based on total leasable area.



## Social Contribution

### Improvement of Safety and Comfort of Tenants

#### Renovation of rooftop (Tokyu Bancho Building (2020))



#### 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

#### Installed disaster-relief vending machines (each property)



Installed 8 vending machines that can provide goods free of charge at the time of emergency including disasters in 6 properties (as of the end of January 2022)

### Allocation and Development of Personnel Sufficient in Both Quality and Quantity

#### <Training program>

Implemented various trainings targeting all officers and employees

- Compliance training: 7 times (actual results for fiscal 2020)
- Training by job class (expansion of online training service)

#### <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
  - 24 Real Estate Notaries
  - 9 ARES Certified Masters
  - 5 Certified Building Administrators
  - 4 Certified Rental Property Manager, etc.
- No. of people who utilized subsidy system of expenses for acquiring and maintaining qualifications: 27 (actual results for fiscal 2020)

\*The investment management company's initiatives are shown.

### Creation of a Healthy Organizational Culture and Work Environment

#### <Development of comfortable work environment>

- Ratio of female officers and employees, and ratio of female managers: 50.0% (23 people) and 28.0% (7 people)
- Percentage of employees taking annual paid holiday: 62.4% (actual results for fiscal 2020)
- Enrichment of childcare and familycare 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: 93.0% (actual results for fiscal 2021)

#### <Initiatives on the health and safety of employees amid the COVID-19 crisis>

- Established in-house rules on remote work/shortened working hours and staggered working hours
- Promoted utilization of IT such as online meetings
- Promoted the use of NewWork<sup>(Note)</sup> (satellite office)
- Promoted vaccination opportunities at workplaces
- Installed thermal cameras to check the body temperature of those entering the room

(Note) Jointly used satellite shared office for corporations operated by Tokyu corporation

\*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 January 2022 (FP 37), there were one Executive Director<sup>(Note)</sup> and two Supervisory Directors at **TOKYU REIT**.

(Note) In addition, appointment of Tatsumi Yamagami as a substitute executive director was approved at the General Meeting of Unitholders of TOKYU REIT held on April 16, 2021.



**Maruhito Kondo**  
Supervisory Director



**Kazuyoshi Kashiwazaki**  
Executive Director



**Takashi Aikawa**  
Supervisory Director

#### Maruhito Kondo Supervisory Director

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

#### Takashi Aikawa Supervisory Director

<b>November 1997</b>	Admitted to Joto Audit Corporation
<b>March 2001</b>	Admitted to Shinsoh Audit Corporation
<b>April 2003</b>	Certified as a public accountant in Japan (current)
<b>April 2015</b>	Appointed Chief Representative, Shinsoh Audit Corporation (current position)
<b>January 2021</b>	Outside auditor of SHOEI FOODS CORPORATION (current position)
<b>May 2021</b>	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

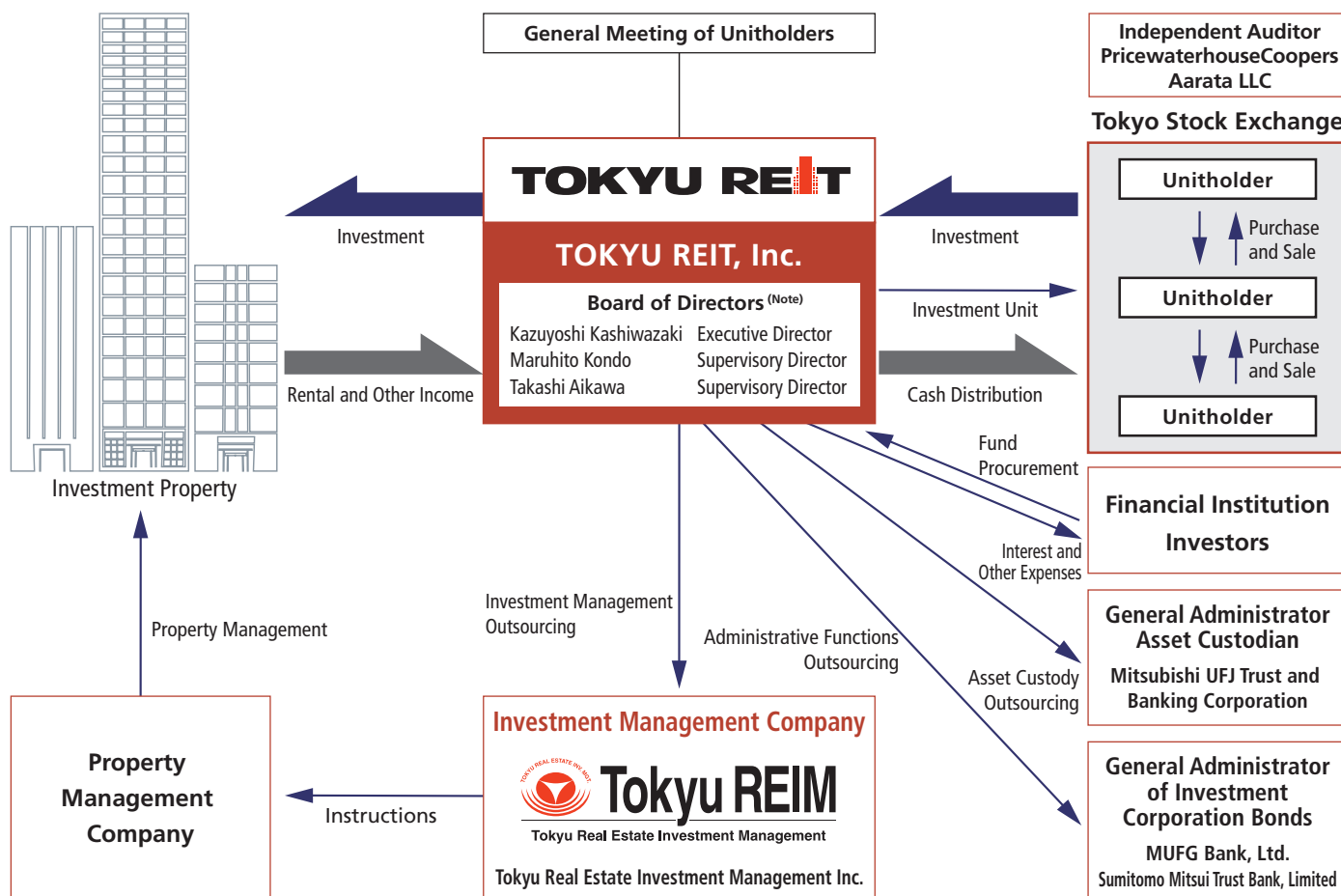
- 1 Involvement of independent outside board members**
- 2 Optimal balance between sponsor collaboration and independence**
- 3 Strict focus on fiduciary duty for investment management company and the others**
- 4 Management fee set to "being in the same boat as unitholders"**

### TOKYU REIT's Management Characteristics

<b>Excellent Governance as a Source of Competitiveness</b>	<b>Structural</b>	<ul style="list-style-type: none"> <li>■ Multiple layers of monitoring and proactive involvement of outside board members</li> <li>■ Management fee set to "being in the same boat as unitholders"</li> </ul>	<ul style="list-style-type: none"> <li>■ Stringent measures against conflicts of interest</li> <li>■ Board meetings held twice or more a month on a regular basis and enhanced resolution and reporting system</li> </ul>
	<b>Human Resources</b>	<ul style="list-style-type: none"> <li>■ Carefully select board members to enhance debate*</li> <li>■ Provide appropriate compensation to board members for the responsibility and the workload</li> </ul>	<ul style="list-style-type: none"> <li>■ Legal advisor to be present at board meetings</li> </ul>
	<b>Culture</b>	<ul style="list-style-type: none"> <li>■ Board members not hesitant to reject, waive resolution or agree with conditions</li> <li>■ Willing to debate among independent outside board members</li> </ul>	<ul style="list-style-type: none"> <li>■ Tokyu REIM's efforts                             <ul style="list-style-type: none"> <li>• Strict focus on fiduciary duty</li> <li>• Management fee programmed to enhance involvement of all business segments</li> <li>• Intend to let all Tokyu REIM staff communicate directly with investors</li> </ul> </li> </ul>
	<b>Track Record</b>	<ul style="list-style-type: none"> <li>■ Status of the Board of Directors' meetings held (ended Jan. 2022 (FP 37)): 1.5 meetings per month on average</li> </ul>	<ul style="list-style-type: none"> <li>■ Attendance at Board of Directors' meeting (ended Jan. 2022 (FP 37)) Kazuyoshi Kashiwazaki (Executive Director) 100% Maruhito Kondo (Supervisory Director) 100% Takashi Aikawa (Supervisory Director) 100% General Administrator 100%</li> </ul>

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

TOKYU REIT Structure and External Service Providers



(Note) In addition, appointment of Tatsumi Yamagami as substitute executive director was approved at the General Meeting of Unitholders of TOKYU REIT held on April 16, 2021.

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 Jan. 2022 (FP 37)
	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)	¥385 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 <sup>(Note)</sup> × 6.0% (5.7% for the portion exceeding 5.0 billion yen and 7.5 billion yen or less) (5.4% for the portion exceeding 7.5 billion yen)	¥382 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

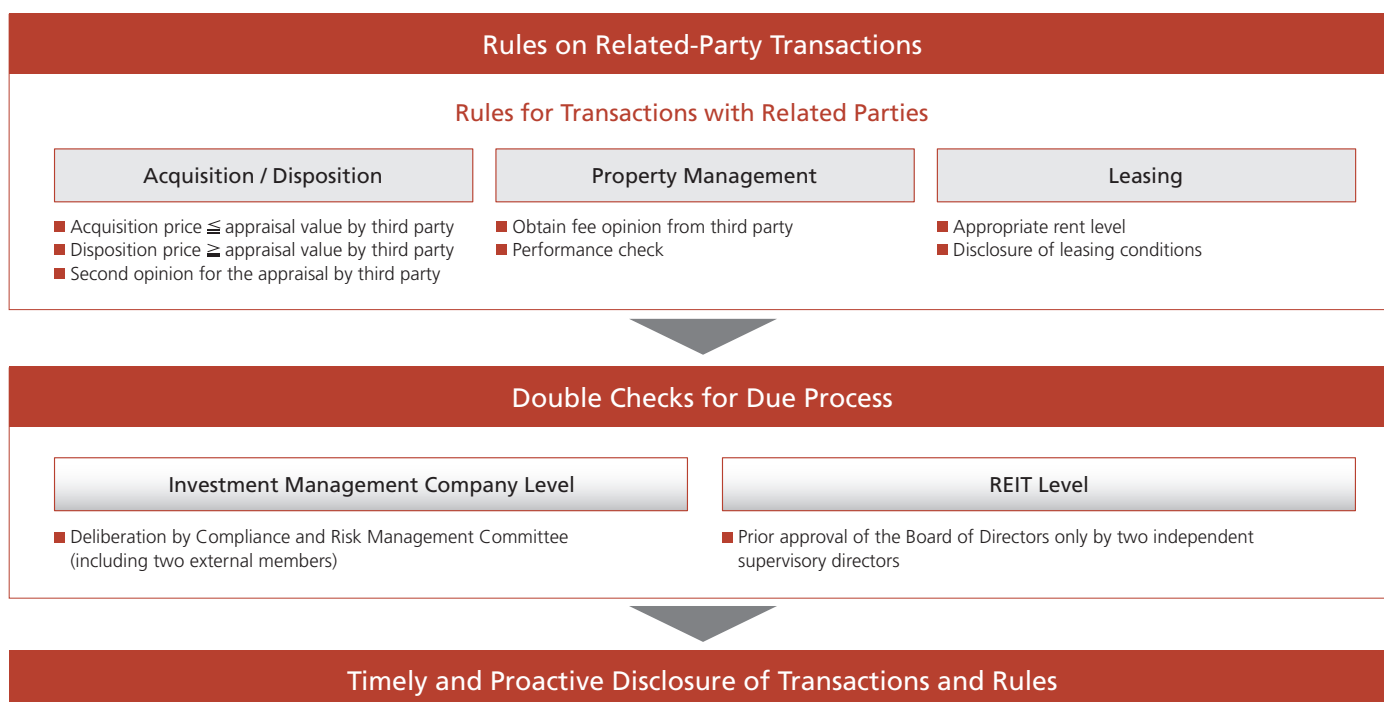
## Collaboration with Tokyu Corporation and Its Subsidiaries

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

## Related Party Transactions

■ Development of self-imposed rules on transactions with Related Parties<sup>(Note)</sup> 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/](http://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.

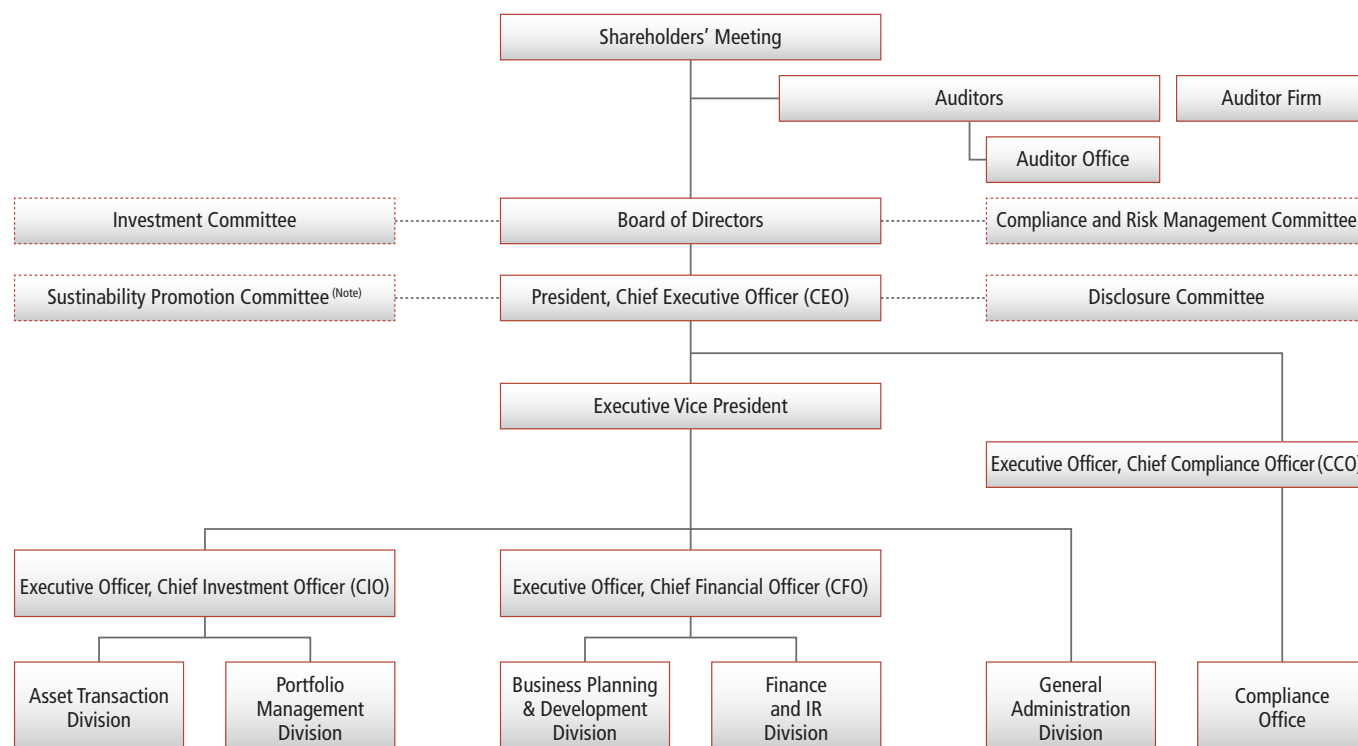
Tokyu REIM is a financial instruments dealer under the Financial Instruments and Exchange Act (Kanto Financial Bureau (*Kin-sho*) No. 360).

<b>Board of Directors</b>	<p>Function : Decision-making on management strategy</p> <p>Members : Representative director &amp; president, representative director &amp; executive vice president, two directors, four directors (part-time) and two auditors (part-time) from sponsors</p>
<b>Compliance and Risk Management Committee</b>	<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>
<b>Investment Committee</b>	<p>Function : Advisory on investment decisions</p> <p>Members : Representative director &amp; president (committee chairman), representative director &amp; 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**



(Note) Established in March 2022

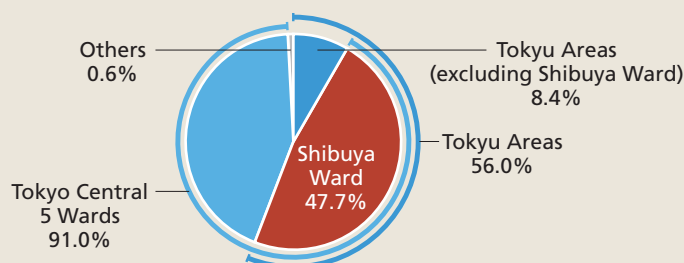
## Investment in Highly Competitive Properties in Areas with Strong Growth Potential

### 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
- ✓ 99.4% of investment in Tokyo Central 5 Wards and areas along Tokyu rail lines as of the end of January 2022 (FP 37)
- \*Based on acquisition price
- Control earthquake risk through PML (Set portfolio PML <sup>(Note)</sup> at 10% or lower)
- ✓ Set portfolio PML as of the end of January 2022 (FP 37): 4.7%
- 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)	

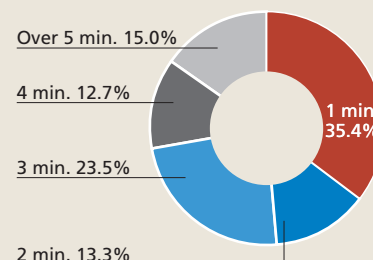
(Note) The PML for the entire portfolio. There is no unified, strict definition of PML; as used in this semiannual report, PML represents the percentage of expected loss due to small- to large-level earthquakes (those statistically calculated as possible over a 475-year period) that occur during an assumed 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
- ✓ 72.2%\* of properties lie within a three-minute range (as of the end of January 2022 (FP 37))
  - \* Based on acquisition price

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



### Minimum Investment Amount per Property

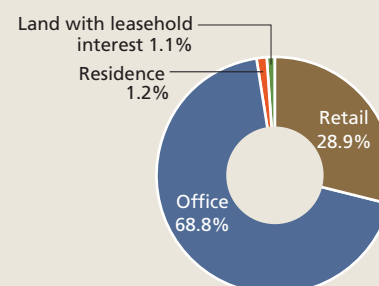
- 4.0 billion yen, in principle (Note 1)
- However,
  - (1) Properties located in Tokyu Areas (including Shibuya Ward): 1.0 billion yen
  - (2) Properties located in Central Tokyo (excluding Shibuya Ward) (Note 2): 2.0 billion yen
  - (3) Land with leasehold interest: 1.0 billion yen
- ✓ Average amount invested per property is ¥7.2 billion\* (end of January 2022 (FP 37))
  - \* 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

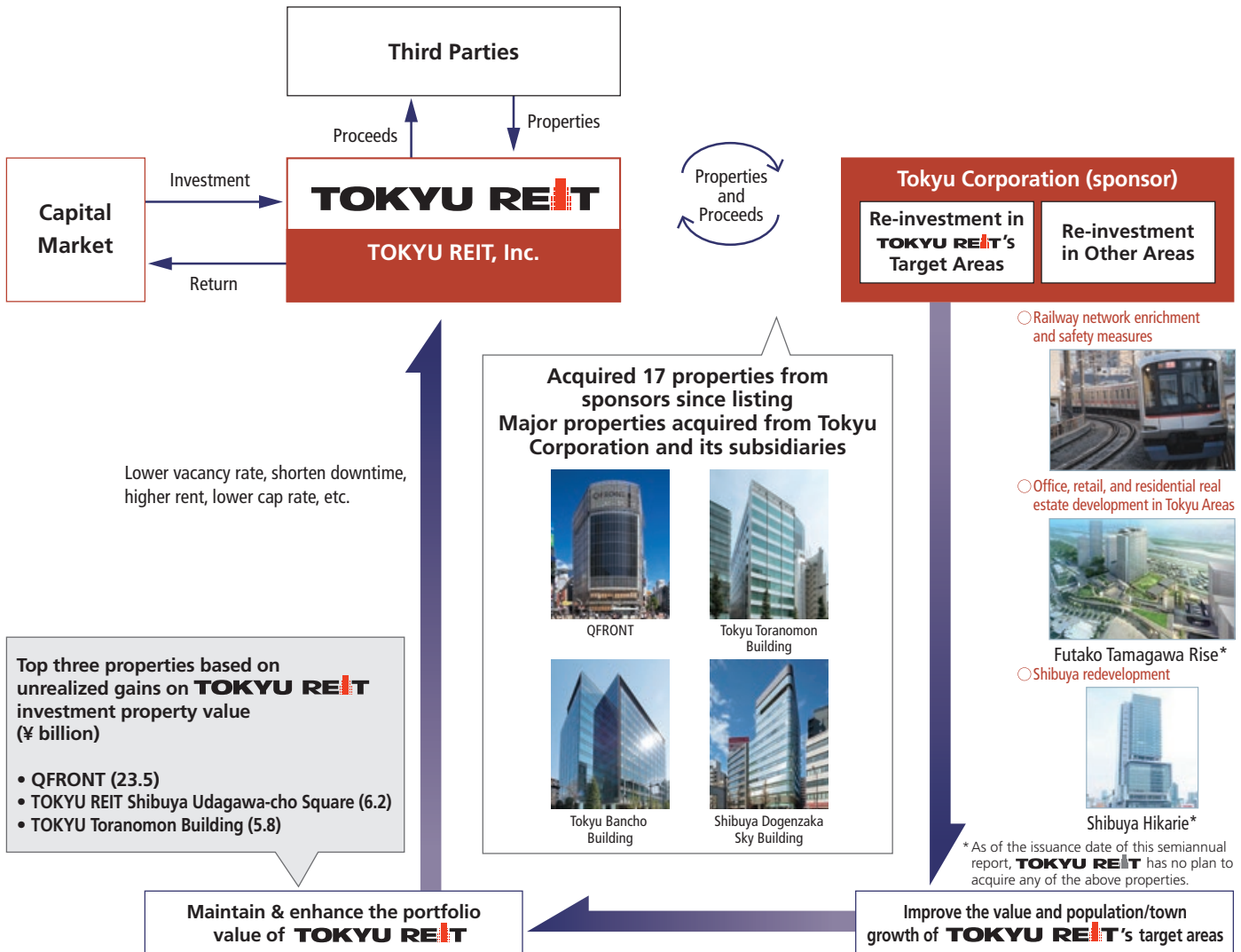
- Investment management fee structure “being in the same boat as unitholders” → Refer to Page 11
- “Capital Re-investment Model” through collaboration with sponsors → Refer to Page 16
- “Value and contrarian investment strategy” focusing on cyclicity of real estate prices → Refer to Page 17
- Debt management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

# Investment Management Strategy

## Capital Re-investment Model

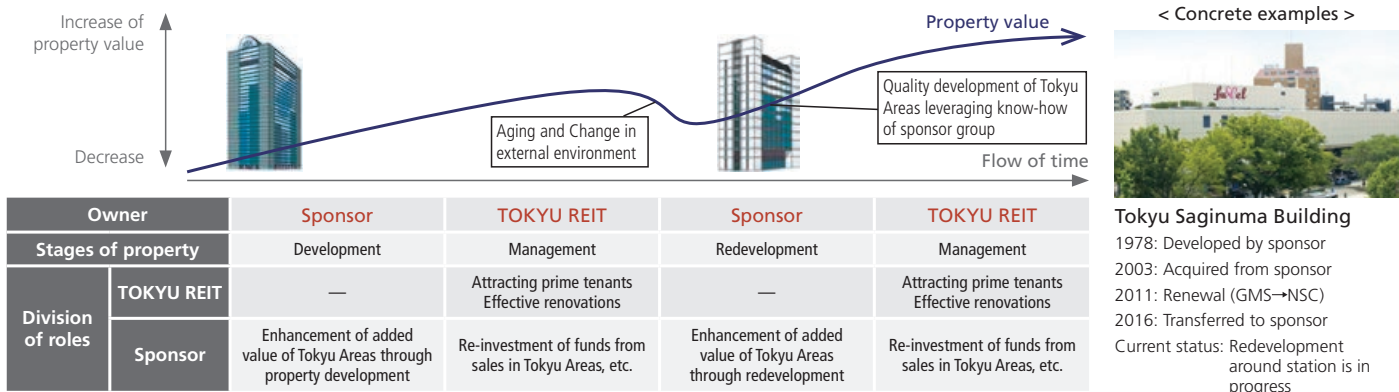
### “Capital Re-investment Model” through collaboration with sponsors

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

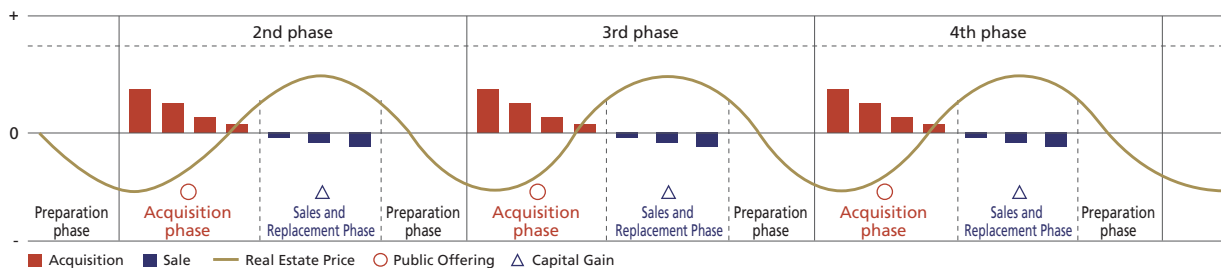




## TOKYU REIT's Long-Term Investment Management Strategy (Surf Plan)

### “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<sup>(Note)</sup> 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

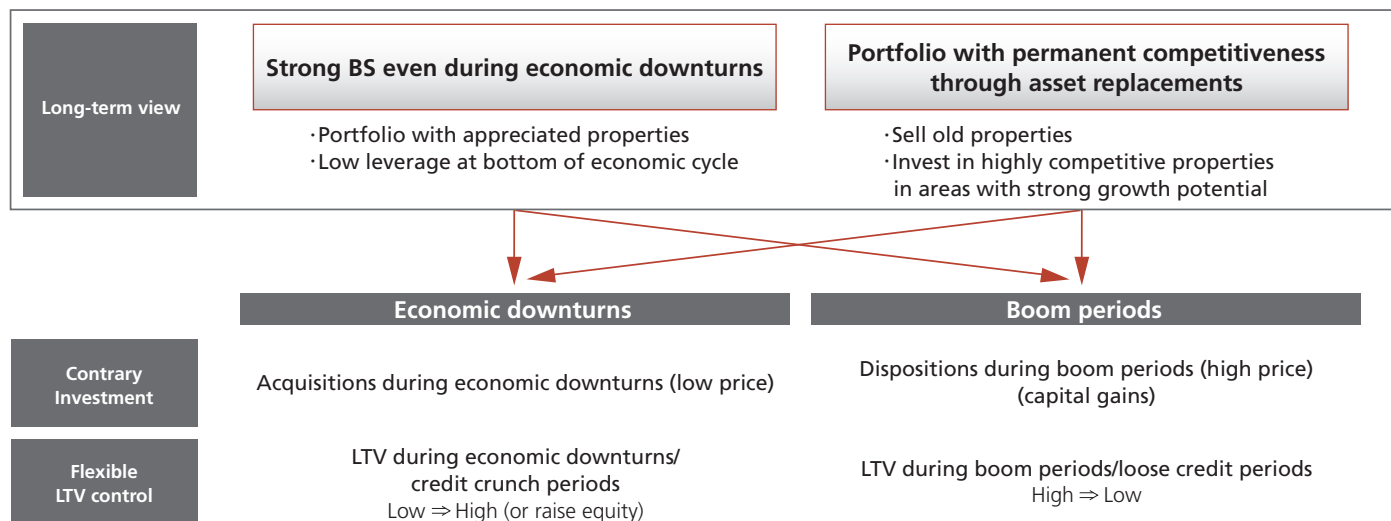
### Value Investment

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

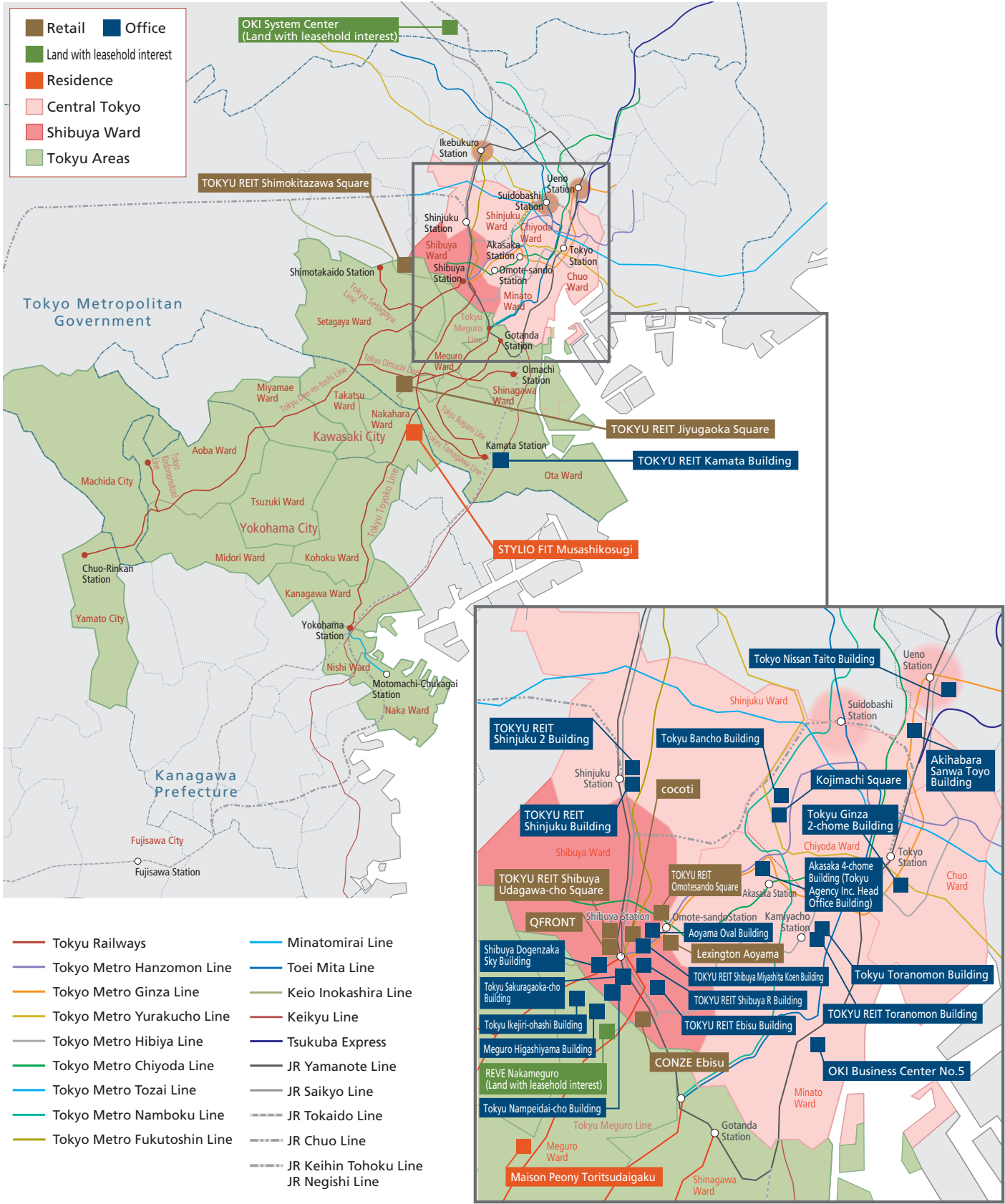
An approach of investing in the phase when prices are falling. TOKYU REIT aims to acquire properties when they are priced low and sell them when they are priced high, thereby recouping the investment.

## Concept



# Investment Management Strategy

## Investment Targeted Areas



\* Some properties are only partially owned by TOKYU REIT.  
 \* OKI System Center (Land with leasehold interest) was disposed in the form of 40% co-ownership interest on September 28, 2020, and in the form of 30% co-ownership interest on December 24, 2021, and February 25, 2022, respectively.  
 \* Meguro Higashiyama Building was acquired on March 24, 2022.  
 \* Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) was disposed on March 31, 2022  
 \* TOKYU REIT Shibuya Miyashita koen Building changed its name from the Hulic Shibuya Miyashita Koen Building on October 1, 2021.

# Status of Redevelopment around Shibuya Station

Redevelopment of Greater SHIBUYA (extensive Shibuya area) (Note 1) is in progress mainly by Tokyu Group



\*As of the issuance date of this semiannual report.

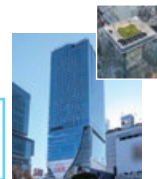
**TOKYU REIT owns 15 properties in Greater SHIBUYA (extensive Shibuya area) (Note 1) where redevelopment is in progress**

Acquisition Price: 122.2 billion yen Appraisal Value: 169.4 billion yen



(Notes) 1. Area within radius of 2.5 km from Shibuya Station.  
 2. TOKYU REIT Shibuya Miyashita Koen Building changed its name from the Hulic Shibuya Miyashita Koen Building on October 1, 2021.  
 3. Meguro Higashiyama Building was acquired on March 24, 2022.  
 \*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 [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 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 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 2-Chome 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	B4/23F

## 4 SHIBUYA FUKURAS



Opened in November 2019

Implementing body	Dogenzaka 1-chome Ekimae Area Urban Redevelopment Association (Member: Tokyu Land Corporation)
Usage	Office, store, parking lot, 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

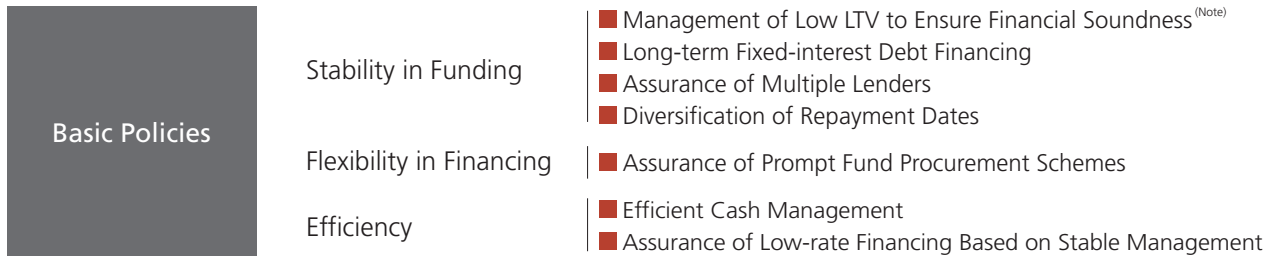
Implementing body	General Incorporated Association Dogenzaka 121 (business company formed by Tokyu Land Corporation and land owners)
Usage	Office, store, assembly hall (incubation office, etc.), store, parking lot, etc.
Major tenants	<Office> Tokyu Land Corporation, Business-Airport
Floors	B1/21F

# Financial Strategies

## 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	¥94.4 billion
Long-Term Fixed-Rate Ratio	97.5%
Avg. Duration	4.66 years
Commitment Line	¥18.0 billion <sup>(Note)</sup>

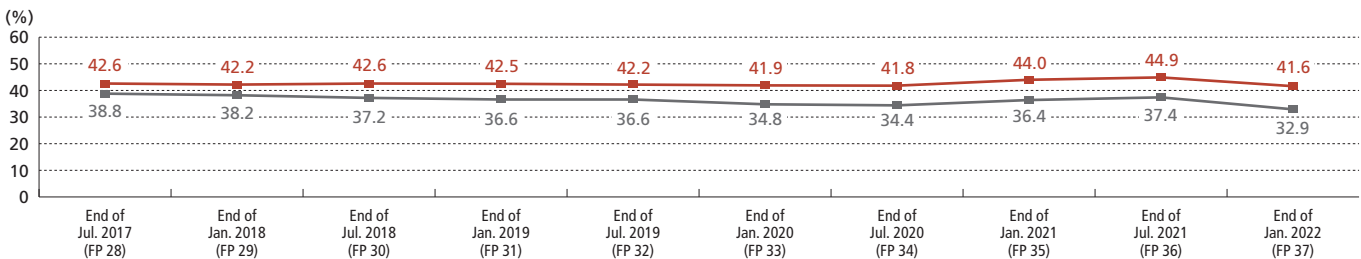
(Note) The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured. Moreover, there is no outstanding debt under the commitment line agreement as of January 31, 2022.

### 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.



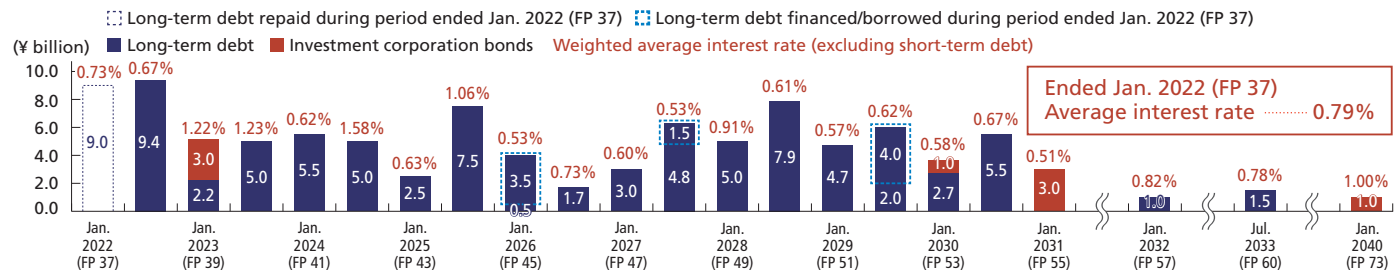
■ LTV based on total assets at the end of period = Balance of period-end interest-bearing debt / Period end total assets

■ 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.



## Data of the Fiscal Period ended January 2022 (FP 37)

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 <sup>2</sup> )	Ratio (Note 1)
1	OKI Electric Industry Co., Ltd.	Electric equipment	OKI Business Center No. 5	Mar. 31, 2030	18,102.32	12.4%
			OKI System Center (land with leasehold interest) (Note 2)	Mar. 26, 2033	5,105.75	3.5%
2	Tokyu Corporation	Real estate	Tokyu Nampeidai-cho Building	Dec. 31, 2031	7,148.18	4.9%
			Tokyu Sakuragaoka-cho Building	Dec. 31, 2031	3,878.36	2.7%
			REVE Nakameguro (land with leasehold interest)	Sep. 26, 2068	497.02	0.3%
3	FUJITSU LIMITED	Electric equipment	TOKYU REIT Kamata Building	Sep. 30, 2022 (Note 3)	4,593.33	3.2%
4	Culture Convenience Club Co., Ltd.	Other financial business	QFRONT	Dec. 14, 2039	4,502.93	3.1%
5	Sansan, Inc.	Service	Aoyama Oval Building (Note 4)	Dec. 31, 2024 (Note 3)	3,730.65	2.6%
6	Japan Post Insurance Co., Ltd.	Insurance	TOKYU REIT Toranomom Building	Apr. 30, 2022 (Note 3)	3,553.89	2.4%
7	Tokyu Agency Inc.	Service	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (Note 5)	Feb. 24, 2022	3,533.03	2.4%
8	Netyear Group Corporation	Service	Tokyu Ginza 2-chome Building	Sep. 30, 2022	3,282.06	2.3%
9	THINK FITNESS Corporation	Service	cocoti	Nov. 30, 2024	1,584.79	1.1%
			TOKYU REIT Omotesando Square	Apr. 30, 2024	1,317.44	0.9%
10	Relo Group, Inc.	Other financial business	TOKYU REIT Shinjuku 2 Building	Mar. 31, 2023	1,683.22	1.2%
			TOKYU REIT Shinjuku Building	Jul. 31, 2022	1,201.05	0.8%
Total of top 10 tenants in leased area					63,714.02	43.7%
Total leased area as of end of Jan. 2022 (FP 37 (32 properties))					145,740.69	100.0%

(Notes) 1. "Ratio" indicates ratio of tenant's leased areas to total leased area of 32 properties held as of the end of the fiscal period ended Jan. 2022 (FP 37).

2. Leased area for the 30% co-ownership interest is indicated for the tenant of OKI System Center (land with leasehold interest). 40% of co-ownership interest was disposed on September 28, 2020, 30% of co-ownership interest was disposed on December 24, 2021, and 30% of co-ownership interest was disposed on February 25, 2022.

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

4. Leased area for the 47.5% quasi-co-ownership interest of trust beneficiary interest of the 97.1% compartmentalized ownership interest is indicated for the tenant of Aoyama Oval Building.

5. Disposed on March 31, 2022.

## Creation of Portfolio Resilient to Earthquakes

## Structural status (earthquake resistance)

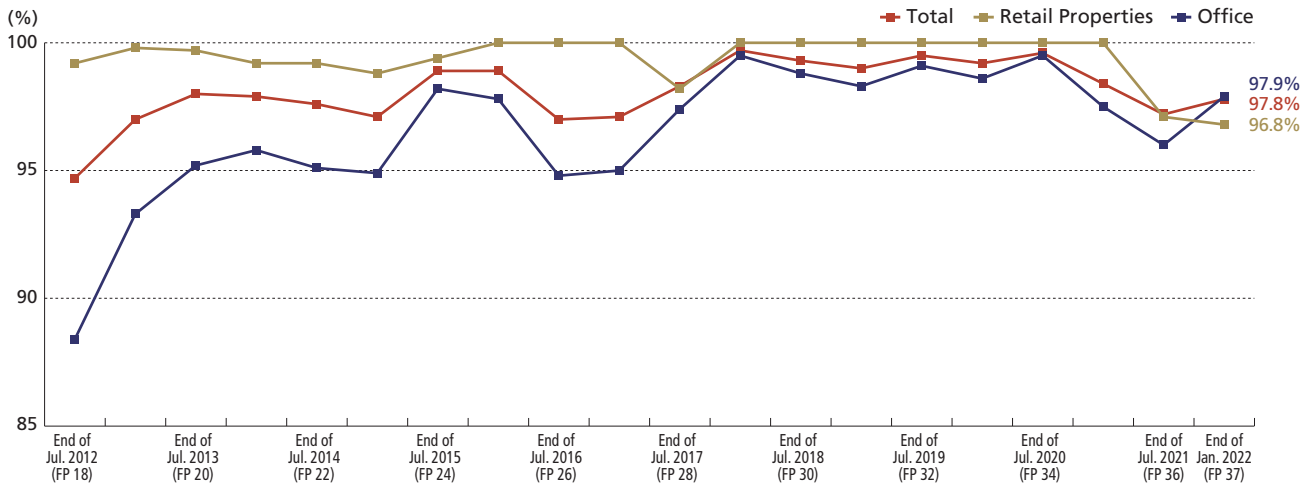
Investment Criteria	Properties that are compliant with the new earthquake resistance standards (Note), that completed anti-seismic reinforcement work, or that has PML of less than 15%	Manage properties with a portfolio PML of 10% or less; examine purchasing earthquake insurance if PML of any property surpasses the figure.
Portfolio	<ul style="list-style-type: none"> <li>29 out of 32 properties comply with the new earthquake resistance standards (Two remaining properties are land with leasehold interest only)</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio PML: 4.7%</li> <li>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.</li> </ul>

(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.

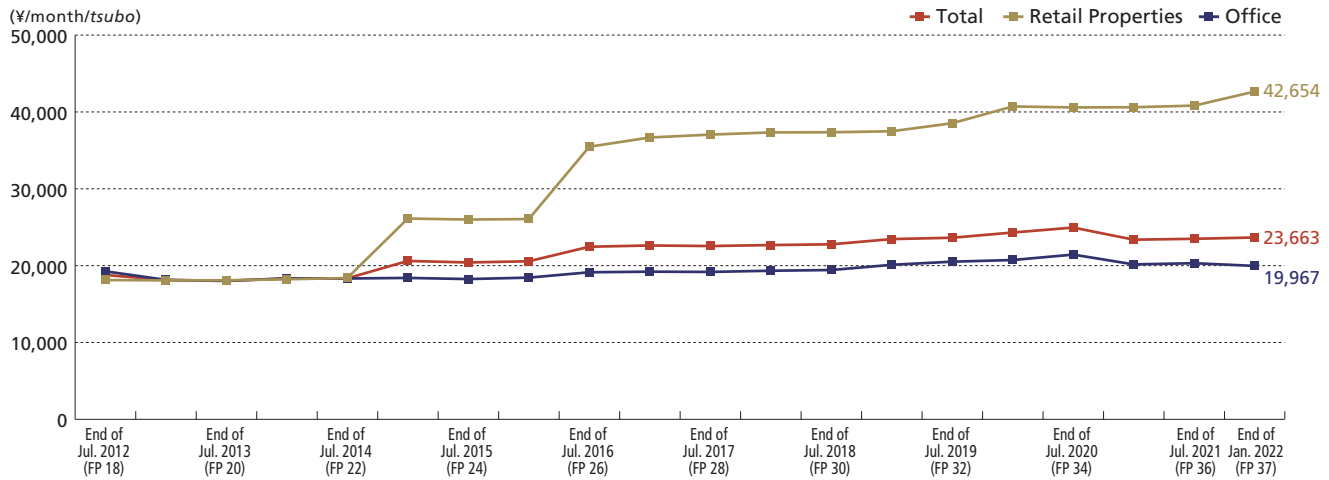
# Portfolio (properties owned at the end of January 2022 (FP 37))

## Track Record (Results of Management)

### Changes in Occupancy Rate

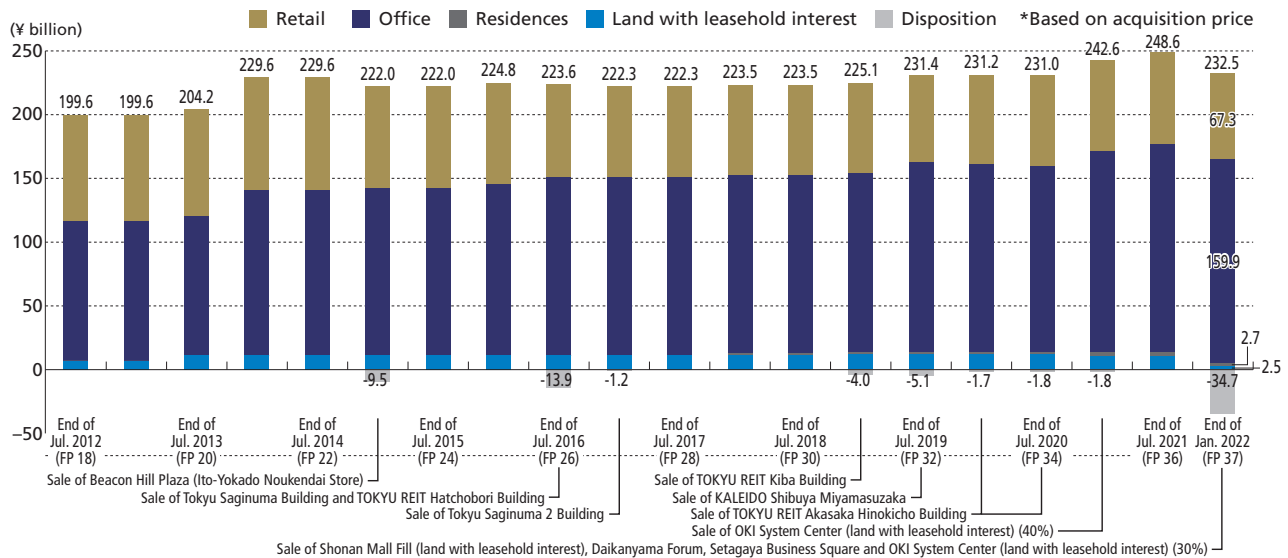


### Changes in Average Rent



\* 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 ≈ 3.30578m<sup>2</sup>

### Change in Asset Size



**Portfolio Overview (at the end of January 2022 (FP 37))**

Use	Name of Property	Acquisition Date	Acquisition Price (¥ million)	Location	Total Leasable Area (m <sup>2</sup> )	Occupancy Rate	Ratio (Based on Acquisition Price) <sup>(Note1)</sup>	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%	2.8%	7.3%
	cocoti	Apr. 6, 2005	14,700	Shibuya Ward, Tokyo	8,295.62	96.2%	10.5%	6.2%
		Aug. 2, 2005	9,800					
	CONZE Ebisu	Oct. 31, 2006	5,116	Shibuya Ward, Tokyo	2,327.00	85.8%	2.2%	4.1%
	TOKYU REIT Shimokitazawa Square	Apr. 26, 2019	2,257	Setagaya Ward, Tokyo	1,246.98	89.6%	1.0%	10.9%
TOKYU REIT Jiyugaoka Square	Oct. 1, 2019	1,548	Meguro Ward, Tokyo	1,231.80	100%	1.4%	8.8%	
	Mar. 4, 2020	1,611						
Office	Tokyu Nampeidai-cho 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%	2.8%	11.1%
	Tokyo Nissan Taito Building	Sep. 11, 2003	4,450	Taito Ward, Tokyo	7,877.43	100%	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 Toranomon Building	Dec. 15, 2004	8,630	Minato Ward, Tokyo	10,247.06	96.5%	4.4%	7.2%
		Sep. 21, 2007	1,100					
		Oct. 26, 2007	200					
		Jan. 21, 2015	140					
	Akasaka 4-chome Building <sup>(Note 2)</sup> (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	5,409.10	91.9%	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	5,246.68	100%	2.3%	5.9%
	Tokyu Toranomon Building <sup>(Note 3)</sup>	Aug. 16, 2013	15,000	Minato Ward, Tokyo	2,407.70	100%	7.2%	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%	5.9%	3.3%
		Mar. 28, 2019	1,040					
TOKYU REIT Ebisu Building	Aug. 1, 2018	4,500	Shibuya Ward, Tokyo	1,875.15	68.3%	1.9%	5.5%	
Shibuya Dogenzaka Sky Building	Mar. 28, 2019	8,100	Shibuya Ward, Tokyo	4,136.05	80.2%	3.5%	6.4%	
OKI Business Center No.5	Sep. 28, 2020	11,900	Minato Ward, Tokyo	18,102.32	100%	5.1%	8.1%	
TOKYU REIT Shibuya Miyashita Koen Building <sup>(Note 4)</sup>	Mar. 29, 2021	6,000	Shibuya Ward, Tokyo	2,299.75	100%	2.6%	3.0%	
Aoyama Oval Building	Dec. 10, 2021	18,600	Shibuya Ward, Tokyo	8,527.89	96.6%	8.0%	2.4%	
Residence	Maison Peony Toritsudaigaku	Nov. 15, 2017	1,200	Meguro Ward, Tokyo	852.16	100%	0.5%	6.2%
	STYLIO FIT Musashikosugi	Jan. 20, 2021	1,500	Kawasaki City, Kanagawa Prefecture	1,830.00	100%	0.6%	7.1%
Land with leasehold interest	OKI System Center <sup>(Note 5)</sup> (Land with leasehold interest)	Mar. 27, 2013	1,359	Warabi City, Saitama Prefecture	5,105.75	100%	0.6%	—
	REVE Nakameguro (Land with leasehold interest)	Sep. 27, 2018	1,150	Meguro Ward, Tokyo	497.02	100%	0.5%	—
Total			232,509		149,024.77	97.8%	100.0%	4.7%

**Acquired Property in Fiscal Period Ending July 2022 (FP 38)**

Office	Meguro Higashiyama Building <sup>(Note 6)</sup>	Mar. 24, 2022	8,100	Meguro Ward, Tokyo	6,152.43	77.1%	—	5.0%
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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. Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) was disposed on March 31, 2022.

3. Total Leasable Area of Tokyu Toranomon Building indicates that of the area scheduled to be leased continuously even during the period of extension work.

4. TOKYU REIT Shibuya Miyashita Koen Building changed its name from the HULIC Shibuya Miyashita Koen Building on October 1, 2021.

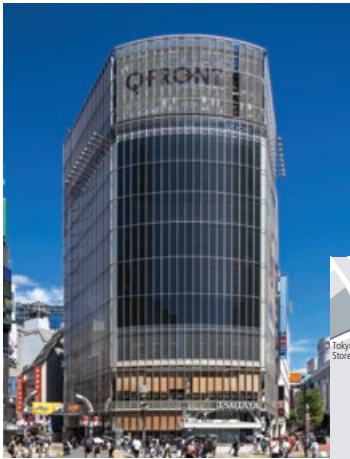
5. OKI System Center (Land with leasehold interest) was disposed in the form of 40% co-ownership interest on September 28, 2020, and in the form of 30% co-ownership interest on December 24, 2021 and February 25, 2022, respectively.

6. Meguro Higashiyama Building was acquired on March 24, 2022.

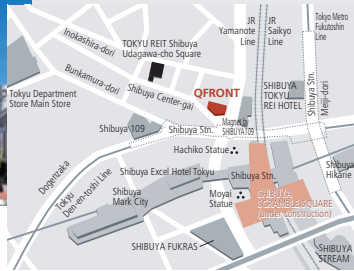
# PORTFOLIO (properties owned at the end of January 2022 (FP 37))

## 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: 784.26m<sup>2</sup> (Land included in the property trust totals 728.30m<sup>2</sup>)  
 Total Floor Space: 6,675.52m<sup>2</sup> (Exclusive area 4,804.46m<sup>2</sup>)  
 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 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 Omote-sando Station—Tokyo Metro Ginza Line, etc.  
 Total Land Space: 776.59m<sup>2</sup>  
 Total Floor Space: 2,342.21m<sup>2</sup>  
 Structure/Floors: S/R, B1/4F  
 Completed: January 1998  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## TOKYU REIT Omotesando Square



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



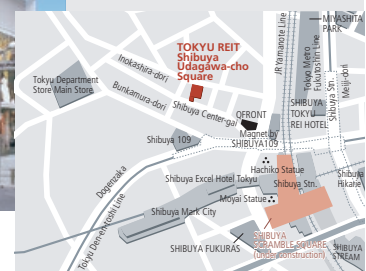
Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a two-minute walk from Omote-sando Station—Tokyo Metro Ginza Line, etc.  
 Total Land Space: 1,259.21m<sup>2</sup>  
 Total Floor Space: 3,321.20m<sup>2</sup>  
 Structure/Floors: S/SRC, B1/4F  
 Completed: October 1985  
 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: 679.27m<sup>2</sup>  
 Total Floor Space: [Bldg. 1] 1,473.10m<sup>2</sup>  
 [Bldg. 2] 56.39m<sup>2</sup>  
 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.

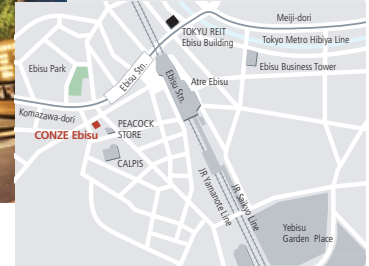


Address: 1-23-16, Shibuya, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, Tokyu Toyoko Line and Tokyo Metro Fukutoshin Line, etc.  
 Total Land Space: 1,705.35m<sup>2</sup>  
 Total Floor Space: 11,847.87m<sup>2</sup>  
 Structure/Floors: 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: 562.07m<sup>2</sup>  
 Total Floor Space: 2,789.35m<sup>2</sup>  
 Structure/Floors: S/SRC, B1/9F  
 Completed: March 2004  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary 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: 489.27m<sup>2</sup>  
 Total Floor Space: 1,306.55m<sup>2</sup>  
 Structure/Floors: RC, B1/4F  
 Completed: June 2008  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## TOKYU REIT Jiyugaoka Square



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: 575.54m<sup>2</sup>  
 Total Floor Space: 1,272.60m<sup>2</sup>  
 Structure/ Floors: SRC, 5F  
 Completed: December 2001  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

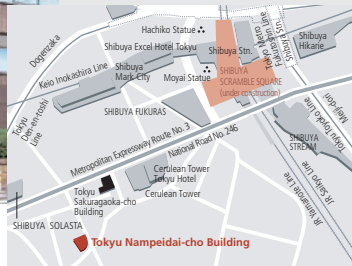
# PORTFOLIO (properties owned at the end of January 2022 (FP 37))

## 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, Nanpeidai-cho, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a seven-minute walk from Shibuya Station—JR Yamanote Line, etc.  
 Total Land Space: 2,013.28m<sup>2</sup>  
 Total Floor Space: 7,003.88m<sup>2</sup>  
 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 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: 1,013.03m<sup>2</sup>  
 Total Floor Space: 6,505.39m<sup>2</sup>  
 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

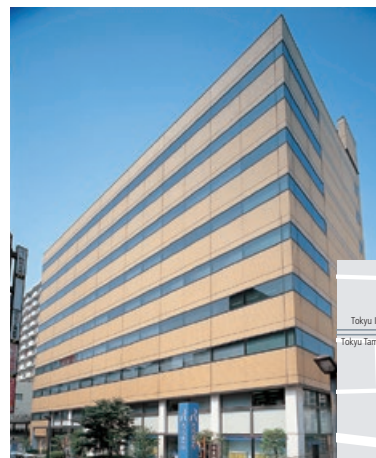


A highly convenient office several stations including Ueno Station, Inaricho Station and Shin-Okachimachi Station available for use.



Address: 2-6-6, Moto-Asakusa, Taito-ku, Tokyo  
 Nearest Station: Approximately a three-minute walk from Inaricho Station—Tokyo Metro Ginza Line  
 Total Land Space: 1,718.45m<sup>2</sup>  
 Total Floor Space: 11,373.20m<sup>2</sup>  
 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 City 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: 1,642.86m<sup>2</sup>  
 Total Floor Space: 10,244.51m<sup>2</sup>  
 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  
 Total Land Space: 1,728.38m<sup>2</sup> (Co-ownership ratio: 86.116%)  
 Total Floor Space: 15,343.73m<sup>2</sup> (Area owned by TOKYU REIT: 10,882.65m<sup>2</sup>)  
 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.



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: 712.49m<sup>2</sup>  
 Total Floor Space: 5,002.36m<sup>2</sup>  
 Structure/Floors: S/SRC, B1/9F  
 Completed: February 2003  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

\* Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) was disposed on March 31, 2022.

## 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: 2,382.67m<sup>2</sup>  
 Total Floor Space: 7,619.56m<sup>2</sup>  
 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.

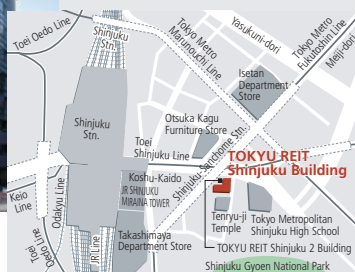


Address: 3, Nibancho, Chiyoda-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Kojimachi Station—Tokyo Metro Yurakucho Line, etc.  
 Total Land Space: 1,269.24m<sup>2</sup>  
 Total Floor Space: 6,803.47m<sup>2</sup>  
 Structure/Floors: S/RC, B1/7F  
 Completed: January 2003  
 Type 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.

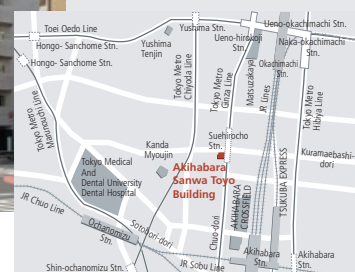


Address: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi Line, etc.  
 Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.  
 Total Land Space: 1,113.87m<sup>2</sup>  
 Total Floor Space: 8,720.09m<sup>2</sup>  
 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: 795.33m<sup>2</sup>  
 Total Floor Space: 5,704.69m<sup>2</sup>  
 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.

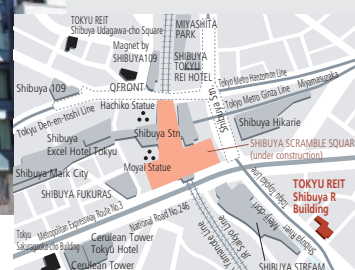


Address: 2-15-2, Ginza, Chuo-ku, Tokyo  
 Nearest Station: Approximately a two-minute walk from Shintomicho Station—Tokyo Metro Yurakucho Line  
 Approximately an eight-minute walk from Ginza Station—Tokyo Metro Ginza Line, etc.  
 Total Land Space: 805.42m<sup>2</sup>  
 Total Floor Space: 5,098.61m<sup>2</sup>  
 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: 1,077.45m<sup>2</sup> (Area owned by TOKYU REIT: 819.41m<sup>2</sup>)  
 Total Floor Space: 7,289.38m<sup>2</sup> (Including parking space 41.18m<sup>2</sup>)  
 (Area owned by TOKYU REIT: 4,403.69m<sup>2</sup>)  
 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 Toranomon-hills Station and large-scale developments in the surrounding areas are scheduled. Extension work is scheduled for completion in summer 2022.



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: 2,016.83m<sup>2</sup>  
 Total Floor Space: 11,983.09m<sup>2</sup>  
 Structure/Floors: S, 10F  
 Completed: April 2010  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## Tokyu Bancho Building

Properties contributed by sponsors



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

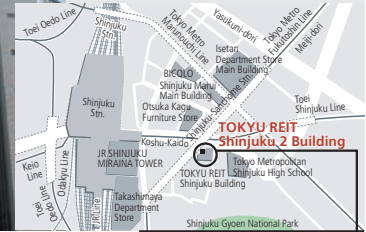


Address: 6, Yonbancho, Chiyoda-ku, Tokyo  
 Nearest Station: Approximately a three-minute walk from Ichigaya Station—JR Chuo Main Line, etc.  
 Total Land Space: 2,754.18m<sup>2</sup> (Land included in the property trust totals: 2,573.80m<sup>2</sup>)  
 Total Floor Space: 15,834.55m<sup>2</sup>  
 (Exclusive ownership area of compartments under compartmentalized ownership pertaining to property trust: 11,431.09m<sup>2</sup>)  
 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%)

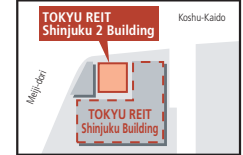
## TOKYU REIT Shinjuku 2 Building



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-Sanjome Station—Tokyo Metro Marunouchi Line, etc.  
 Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.  
 Total Land Space: 270.05m<sup>2</sup>  
 Total Floor Space: 2,006.13m<sup>2</sup>  
 Structure/Floors: S, 10F  
 Completed: December 1991  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership



## 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: 478.40m<sup>2</sup>  
 Total Floor Space: 2,603.30m<sup>2</sup>  
 Structure/Floors: S/SRC, B1F/7F  
 Completion: April 1992  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

# PORTFOLIO (properties owned at the end of January 2022 (FP 37))

## 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: 721.34m<sup>2</sup>  
 Total Floor Space: 5,644.91m<sup>2</sup>  
 Structure/Floors: SRC, B1/11F  
 Completed: March 1988  
 Type of Ownership: Land—Proprietary ownership  
 Building—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.

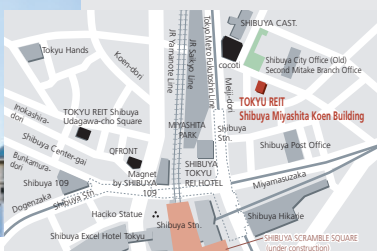


Address: 4-10-16, Shibaura, Minato-ku, Tokyo  
 Nearest Station: Approximately an eight-minute walk from Tamachi Station—JR Yamanote Line, etc.  
 Total Land Space: 4,646.65m<sup>2</sup>  
 Total Floor Space: 18,102.32m<sup>2</sup>  
 Structure/Floors: SRC, B2/12F  
 Completed: June 1982  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## TOKYU REIT Shibuya Miyashita Koen Building (Note)



An office building located in the Shibuya area, which has ongoing large-scale redevelopment and is an area with high brand strength for both the office and the retail markets.



Address: 1-17-2 Shibuya, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, Tokyo Toyoko Line and Tokyo Metro Fukutoshin Line, etc.  
 Total Land Space: 364.74m<sup>2</sup>  
 Total Floor Space: 2,568.30m<sup>2</sup>  
 Structure/Floors: S, 12F  
 Completed: April 2008  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## Aoyama Oval Building



An office building located in the Omotesando and Aoyama area, which has high demand in both the office and the retail markets. High visibility property facing Aoyama-dori Avenue.



Address: 5-52-2, Jingumae, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a four-minute walk from Omote-sando Station—Tokyo Metro Ginza Line, etc.  
 Total Land Space: 4,702.82 m<sup>2</sup> [Land included in the property trust totals: 4,602.60 m<sup>2</sup>]  
 Total Floor Space: 28,629.19 m<sup>2</sup> [Exclusive ownership area of compartments under compartmentalized ownership pertaining to property trust: 20,801.49 m<sup>2</sup>]  
 Structure/Floors: S/SRC, B2/16F  
 Completed: October 1988  
 Type of Ownership: Land-Proprietary ownership  
 [Quasi-co-ownership interest of trust beneficiary interest: 47.5%]  
 Building-Compartmentalized ownership  
 [Quasi-co-ownership interest of the 97.1% compartmentalized ownership interest of the trust beneficiary interest: 47.5%]

(Note) TOKYU REIT Shibuya Miyashita Koen Building changed its name from the Hulic Shibuya Miyashita Koen Building on October 1, 2021.

## 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: 245.61m<sup>2</sup>  
 Total Floor Space: 950.36m<sup>2</sup>  
 Structure/Floors: RC, 10F  
 Completed: August 2014  
 Type of Ownership: Land—Proprietary ownership  
 Building—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.

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: 17,019.18m<sup>2</sup>  
 Type of Ownership: Land—Proprietary ownership  
 \*40% of co-ownership interest was disposed on September 28, 2020, 30% of co-ownership interest was disposed on December 24, 2021, and 30% of co-ownership interest was disposed on February 25, 2022.

## REVE Nakameguro (Land with leasehold interest)



Land with leasehold interest of a complex 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: 497.02m<sup>2</sup>  
 Type of Ownership: Land—Proprietary ownership

## STYLIO FIT Musashikosugi

Properties contributed by sponsors



The property is a residence building located in the Musashikosugi area where development is rapidly progressing in recent years as result of redevelopment.



Address: 2-chome, Kamimaruko-sannocho, Nakahara-ku, Kawasaki-shi, Kanagawa  
 Nearest Station: Approximately a five-minute walk from Mukaigawara Station—JR Nambu Line  
 Approximately a nine-minute walk from Musashi-kosugi Station—JR Yokosuka Line, Shonan-Shinjuku Line and Sotetsu Line through service  
 Approximately a twelve-minute walk from Musashi-kosugi Station—Tokyu Toyoko Line and Meguro Line  
 Total Land Space: 676.26m<sup>2</sup>  
 Total Floor Space: 2,320.12m<sup>2</sup>  
 Structure/Floors: RC, 7F  
 Completed: April 2020  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## Acquired property in Fiscal Period ending July 2022 (FP38)

## Meguro Higashiyama Building



An office building located in the Nakameguro area, which is a flourishing area with many offices of IT, apparel and entertainment companies as well as restaurants and such. High visibility property facing Yamate-dori Avenue.



Address: 1-4-4, Higashiyama, Meguro-ku, Tokyo  
 Nearest Station: Approximately a six-minute walk from Naka-meguro Station—Tokyu Toyoko Line and Tokyo Metro Hibiya Line  
 Total Land Space: 1,572.38 m<sup>2</sup>  
 Total Floor Space: 8,540.29 m<sup>2</sup>  
 Structure/Floors: SRC/S/RC, 8F  
 Completed: March 1995  
 Type of Ownership: Land-Proprietary ownership  
 Building-Compartmentalized ownership<sup>(Note)</sup>

(Note) All compartmentalized ownership of the building is acquired.

\* Meguro Higashiyama Building was acquired on March 24, 2022.

# I. Asset Management Report

## 1. Financial Highlights

### (1) Result of Operation and Financial Position

		37th fiscal period From August 1, 2021 to January 31, 2022 (184 days)	36th fiscal period From February 1, 2021 to July 31, 2021 (181 days)	35th fiscal period From August 1, 2020 to January 31, 2021 (184 days)	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)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 11,641	¥ 8,066	¥ 8,611	¥ 8,203	¥ 8,123	
		Operating income	¥ 7,481	¥ 3,981	¥ 4,538	¥ 4,325	¥ 4,049	
		Net income	¥ 7,071	¥ 3,540	¥ 4,083	¥ 3,855	¥ 3,580	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 6,934	¥ 8,059	¥ 7,845	¥ 7,499	¥ 7,459	
		Rental service expenses (b)	¥ 3,131	¥ 3,241	¥ 3,221	¥ 3,067	¥ 3,284	
		[Depreciation and amortization] (included in (b)) (c) (Note 3)	¥ 968	¥ 1,030	¥ 1,001	¥ 975	¥ 991	
		NOI (Net Operating Income) (a) – (b) + (c)	¥ 4,771	¥ 5,848	¥ 5,626	¥ 5,407	¥ 5,165	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,332	¥ 4,570	¥ 4,319	¥ 4,127	¥ 3,906	
		Capital expenditures (e)	¥ 417	¥ 513	¥ 607	¥ 469	¥ 635	
		AFFO (Adjusted Funds from Operation) (d) – (e)	¥ 2,915	¥ 4,057	¥ 3,712	¥ 3,658	¥ 3,271	
Financial position	Balance sheet	Total assets (f)	¥ 226,847	¥ 235,035	¥ 231,090	¥ 220,068	¥ 219,504	
		[Change from the preceding period]	[–3.5%]	[1.7%]	[5.0%]	[0.3%]	[0.4%]	
		Interest-bearing liabilities (g) (Note 5)	¥ 94,400	¥ 105,600	¥ 101,600	¥ 92,000	¥ 92,000	
		Total unitholders' equity (Net assets) (h)	¥ 119,059	¥ 115,527	¥ 115,663	¥ 115,051	¥ 114,420	
		[Change from the preceding period]	[3.1%]	[–0.1%]	[0.5%]	[0.6%]	[0.6%]	
	Portfolio	Unitholders' capital	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	
		Acquisition costs of properties (Note 6)	¥ 232,509	¥ 248,614	¥ 242,614	¥ 231,026	¥ 231,235	
		Book value of properties (Note 6)	¥ 217,976	¥ 230,620	¥ 225,085	¥ 213,613	¥ 214,240	
		Appraisal value of properties at end of period (i) (Note 6)	¥ 304,110	¥ 313,250	¥ 306,780	¥ 293,200	¥ 291,721	
		Number of properties at end of period	32 properties	34 properties	33 properties	31 properties	32 properties	
		Total leasable area (Note 7)	149,024.77 m <sup>2</sup>	223,691.34 m <sup>2</sup>	221,411.04 m <sup>2</sup>	208,279.76 m <sup>2</sup>	209,337.25 m <sup>2</sup>	
	Other	Distri- bution	Cash distribution	¥ 3,861	¥ 3,539	¥ 3,675	¥ 3,471	¥ 3,224
			Dividend payout ratio	54.6%	100.0%	90.0%	90.0%	90.0%
		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)	¥ 121,787	¥ 118,174	¥ 118,313	¥ 117,688	¥ 117,041
			Cash distribution per unit	¥ 3,950	¥ 3,621	¥ 3,760	¥ 3,551	¥ 3,298
Management index		Return on total unitholders' equity (annualized) (Note 8)	12.0%	6.2%	7.0%	6.7%	6.2%	
		Equity ratio (h)÷(f)	52.5%	49.2%	50.1%	52.3%	52.1%	
		[Change from the preceding period]	[3.3%]	[–0.9%]	[–2.2%]	[0.2%]	[0.1%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	41.6%	44.9%	44.0%	41.8%	41.9%	
		Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	31.0%	33.7%	33.1%	31.4%	31.5%	
Average market price per unit during period (Note 9)	¥ 190,881	¥ 189,045	¥ 147,909	¥ 153,097	¥ 204,476			



- Note 1. Consumption tax is not included in result of operation.
- Note 2. 'Revenue from property leasing' does not include revenues from facility acceptance (35th fiscal period: ¥1 million; 37th fiscal period: ¥5 million) or contributions for construction (36th fiscal period: ¥6 million).
- Note 3. 'Depreciation and amortization' includes loss on disposal of property and equipment (33rd fiscal period: ¥3 million; 34th fiscal period: ¥0 million; 35th fiscal period: ¥5 million; 36th fiscal period: ¥2 million; 37th fiscal period: ¥13 million).
- Note 4. 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 5. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds due within one year + Investment corporation bonds.
- Note 6. 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 7. 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 8.  $\text{Net income} \div \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2\} \times 365 \div \text{Number of days of investment management}$ .
- Note 9. 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 (37th fiscal period: six-month period ended January 31, 2022), the Japanese economy was showing signs of improvement recently as the severe situation due to the impact of COVID-19 is gradually easing.

Specifically, in the Tokyo metropolitan area's economy, while home appliance and home improvement stores had less sales turnover than the previous year, supermarkets and department stores had greater sales turnover than the previous year, and accommodation and restaurant services were increasing. These factors, among others, showed that consumer spending was picking up moderately, although still showing some impact of COVID-19. The employment situation was also picking up moderately, although still showing some impact of COVID-19.

Population movements saw a net emigration out of Tokyo since July 2021. Yet, there was still a net immigration of over 80,000 people into the Tokyo metropolitan area from other regions of the country during the period from January 2021 to December 2021 (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, the vacancy rate continued to remain flat. However, there was divergence in office relocation trends. On the one hand, in light of fewer employees commuting to offices, cancellations of office reorganization contracts are increasing. On the other hand, for reasons such as an increase in the number of employees, large relocations for the purpose of moving to a better location, building upgrades, or expanding office space are also increasing. With there being a large volume of supply slated for 2023 as well as other factors, there was progress in rent adjustments for securing demand, leading to the five central Tokyo wards' average rent continuing to trend downward.

In the retail property leasing market, demand was sluggish, with the exception of a few rare prime locations in central Tokyo, amid setbacks to the recovery of inbound tourism demand. After the Japanese government's declaration of a state of emergency was lifted in October,

there was an increase in demand for regional shopping centers catering to leisure as more people began going out. But the increase in consumers being anxious about crowds due to concerns of COVID-19 infection continued to prevent foot traffic from fully returning to previous levels. Although consumer sentiment seemed to be at a standstill, retail sales showed signs of picking up with strong demand for big-ticket items as the target of the surplus funds of domestic high-net-worth individuals.

In the real estate trading market, the investment amount decreased following the previous year's large transactions, mainly from overseas investors, but exceeded the pre-pandemic 2018 and 2019 levels.

The expected cap rate was flat for central urban retail properties and hotels, for which the impact of the constraints on the movement of people in the COVID-19 pandemic was large, and decreased for offices, residential properties and logistics facilities.

## 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 37th fiscal period, TOKYU REIT sold Shonan Mall Fill (land with leasehold interest) on August 2, 2021, Daikanyama Forum on August 31, 2021, and 30% co-ownership interest in OKI System Center (land with leasehold interest) on December 24, 2021. TOKYU REIT also sold Setagaya Business Square on December 1, 2021, and then acquired Aoyama Oval Building on December 10, 2021. TOKYU REIT has further sold 30% co-ownership interest in OKI System Center (land with leasehold interest) on February 25, 2022. In addition, the disposition of Akasaka 4-chome Building was decided on October 29, 2021, and took place on March 31, 2022.

As of January 31, 2022, TOKYU REIT held an investment portfolio totaling 32 properties with a total acquisition price of ¥232,509 million and total leasable area of 149,024.77 m<sup>2</sup>. The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥304,110 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 ¥86,133 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 37th fiscal period decreased by 0.5% compared with the end of the 36th fiscal period. In addition, the vacancy rate at the end of the 37th fiscal period decreased from the 2.8% at the end of the 36th fiscal period by 0.6 percentage points to 2.2%.

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 37th fiscal period, to secure interest-bearing liabilities with fixed long-term interest rates and diversified repayment dates, long-term debt of ¥9,000 million due for repayment in the 37th 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. Funds were procured through these credit facilities in the form of short-term debt in the amount of ¥1,000 million to fund the repayment of the short-term debt due for repayment in the 37th fiscal period, the entire amount of which was repaid in the 37th fiscal period. The entire amount of the short-term debt due for repayment in the 37th fiscal period has been repaid. The balance of interest-bearing liabilities as of the end of the 37th fiscal period was ¥94,400 million, consisting of ¥8,000 million in investment corporation bonds (of which, ¥3,000 million is the current portion of investment corporation bonds) and ¥86,400 million in long-term debt (of which, ¥11,600 million is the current portion of long-term debt). The weighted-average interest rate for the 37th fiscal period was 0.79% (calculated based on the annualized amount of interest payable for the 37th fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of the end of the 37th 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:

	37th fiscal period From August 1, 2021 to January 31, 2022	36th fiscal period From February 1, 2021 to July 31, 2021	35th fiscal period From August 1, 2020 to January 31, 2021	34th fiscal period From February 1, 2020 to July 31, 2020	33rd fiscal period From August 1, 2019 to January 31, 2020
	Yen				
Highest	¥ 201,500	¥ 209,700	¥ 168,000	¥ 211,600	¥ 213,900
Lowest	¥ 177,800	¥ 163,700	¥ 128,600	¥ 91,200	¥ 194,500

### (4) Distribution Information

In the 37th fiscal period, ¥3,209 million of the gain on sales of Shonan Mall Fill (land with leasehold interest), which was sold on August 2, 2021, and Setagaya Business Square, which was sold on December 1, 2021, was retained through the application of the system of special provisions for taxation in the case of replacement by purchase of specified assets (Article 65-7 of the Special Taxation Measures Law) for provision as the reserve for reduction entry under the special provisions for property replacement as set forth in the Regulation on Accountings of Investment Corporations. 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, the distribution per unit for the 37th fiscal period was ¥3,950.

	37th fiscal period From August 1, 2021 to January 31, 2022	36th fiscal period From February 1, 2021 to July 31, 2021	35th fiscal period From August 1, 2020 to January 31, 2021	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, except per unit data				
Unappropriated retained earnings	¥ 7,071	¥ 3,540	¥ 4,083	¥ 3,855	¥ 3,580
Undistributed earnings	¥ 3,209	¥ 0	¥ 407	¥ 384	¥ 356
Cash distribution	¥ 3,861	¥ 3,539	¥ 3,675	¥ 3,471	¥ 3,224
[Cash distribution per unit]	[¥ 3,950]	[¥ 3,621]	[¥ 3,760]	[¥ 3,551]	[¥ 3,298]
Cash distribution of accumulated earnings	¥ 3,861	¥ 3,539	¥ 3,675	¥ 3,471	¥ 3,224
[Cash distribution of accumulated earnings per unit]	[¥ 3,950]	[¥ 3,621]	[¥ 3,760]	[¥ 3,551]	[¥ 3,298]
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 pick up due in part to the effects of various measures and policies and improvement in overseas economies, as economic and social activities are kept going while taking all possible measures against COVID-19. However, the situation in Ukraine, the impact of COVID-19, and downside risks from supply-side constraints and developments in raw material prices require due attention. In addition, there is the need to closely monitor financial and capital market volatility and other impacts.

In light of such an outlook, in the real estate leasing market, the impact of large companies relocating to reduce office space in light of there being fewer employees commuting to offices and the weakening of consumption-related indicators lead to the forecast that the vacancy rate will trend moderately upward and rent will trend downward. In the real estate trading market, overseas investors still maintain a high investment appetite for real estate in Japan on the back of improvement of the business sentiment in Japan. With concerns over domestic factors subsiding while risk factors being observed stem mainly from overseas factors, such as the impact of high global inflation and monetary tightening and the rise in construction costs, properties located in central Tokyo with stable earnings potential continue to attract attention as promising investment targets.

### ② Future Policies of Investment Management and Issues to be Countered

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 37th 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 rise 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 will 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 accrue 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.

In March 2022, Tokyu REIM established a Sustainability Policy, and also installed a Sustainability Promotion Committee as part of its efforts to develop a system to continuously and systematically promote and discuss company-wide sustainability initiatives. TOKYU REIT will work together with Tokyu REIM to promote initiatives that advance contributions to realize a sustainable society, while aiming to enhance portfolio value and maximize unitholder value.

## (6) Subsequent Events

The following events occurred after the end of the 37th fiscal period of TOKYU REIT.

### Disposition of Assets

#### a. Asset Sold on February 25, 2022

- (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): ¥2,055 million
- (iv) Contract date: September 14, 2020
- (v) Disposition date: February 25, 2022
- (vi) Purchaser: Domestic company (Note 2)
- (vii) Impact on income (loss):

Gain on sale of real estate of ¥570 million is expected to be posted in the six months ending July 31, 2022 (38th fiscal period).

Note 1. 'Disposition price' is the amount for the 30% co-ownership interest, and 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, personnel relationship or business 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. Asset Sold on March 31, 2022

- (i) Type of asset: Trust beneficiary interest in domestic real estate
- (ii) Property name: Akasaka 4-chome Building  
(Tokyu Agency Inc. Head Office Building)
- (iii) Disposition price (Note 1): ¥9,820 million
- (iv) Contract date: October 29, 2021
- (v) Disposition date: March 31, 2022
- (vi) Purchaser: Domestic company (Note 2)
- (vii) Posting of gain on sale of real estate and reserve for reduction entry:

Gain on sale of real estate of ¥1,417 million and provision of reserve for reduction entry of ¥410 million are expected to be posted in 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, personnel relationship or business 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.

### (Reference Information)

#### Acquisition of Asset

TOKYU REIT entered into a sale and purchase agreement on March 17, 2022, for acquisition of the following asset. The acquisition took place on March 24, 2022.

- (i) Type of asset: Domestic real estate
- (ii) Property name: Meguro Higashiyama Building
- (iii) Acquisition price (Note 1): ¥8,100 million



- (iv) Contract date: March 17, 2022
- (v) Acquisition date: March 24, 2022
- (vi) Seller: Domestic company (Note 2)
- (vii) Financing: Cash on hand 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, personnel relationship or business 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.

## Acquired Property Details

Property name		Meguro Higashiyama Building
Type of specified asset		Domestic real estate
Location	Registered	Land 1-1316-1, 1-1318-1, 1-1318-2, 1-1318-3, 1-1318-4, 1-1319-1, 1-1319-2, 1-1319-3, 1-1319-4, Higashiyama, Meguro-ku, Tokyo
		Building 1-1316-1, 1-1318-1, 1-1318-2, 1-1318-3, 1-1318-4, 1-1319-1, 1-1319-2, 1-1319-3, 1-1319-4, Higashiyama, Meguro-ku, Tokyo
Travel time from nearest train station (Note 1)		Approximately a six-minute walk from Naka-meguro Station on the Tokyu Toyoko Line and Tokyo Metro Hibiya Line
Use		Office
Site/Floor area (Registered)		Land 1,572.38 m <sup>2</sup>
		Building 8,540.29 m <sup>2</sup>
Structure/Floors (Registered)		SRC/S/RC, 8F
Completion date (Registered)		March 1995
Seller		Domestic company (Note 2)
Type of ownership		Land Proprietary ownership (Note 3)
		Building Compartmentalized ownership (Note 4)
Total number of tenants (Note 5)		11
Acquisition price (Note 6)		¥8,100 million
Appraisal value at time of acquisition		¥8,330 million (effective date of value: February 1, 2022)
		Appraiser: Japan Real Estate Institute
Special items	<p>1. The current owner has been granted subsidies for an energy-saving promotion business from the Environmentally Symbiotic Housing Promotion Council. If the property is to be transferred, etc. during a period of 10 years from March 31, 2016, the approval of the Environmentally Symbiotic Housing Promotion Council is required. This is relevant in this case as TOKYU REIT is inheriting the position of the seller.</p> <p>2. An area of the boundary between the property and an adjoining property has not been confirmed with that property's owner, but there is a boundary confirmation agreement with part of the co-owners of that property. The applicable Legal Affairs Bureau has filed a land survey map for both properties.</p> <p>3. As part of the site was sold as project land for a city planning road, the building has become a non-conforming building and therefore may not be in compliance with building laws and regulations. In particular, the building's floor area ratio is at approximately 570% while the designated floor area ratio is 500%, so it is possible that the building may not maintain its current size upon reconstruction.</p> <p>4. A previous owner had conducted a soil contamination survey for the land. The results showed that the land's elution of fluorine and cyanide exceeded the standard level. In acquiring the property, TOKYU REIT commissioned Tokio Marine dR Co., Ltd. to conduct a soil contamination risk survey. The company reported that the groundwater was not found to be used for drinking and that there is thought to be little health risk as the ground surface is covered.</p> <p>5. There was a registration remaining for a building which no longer exists on the land. Procedures for the registration of the loss of property was completed by the day before the delivery of the property.</p> <p>6. A malfunction was found in an exhaust fan in the rooftop elevator machine room, but this was resolved by the day before the delivery of the property at the seller's expense and responsibility.</p> <p>7. An outdoor advertisement permit for a first-floor tenant's outdoor advertisement could not be confirmed, but the situation is scheduled to be resolved at the seller's expense and responsibility by the end of April 2022 by ensuring that the outdoor advertisement is not in violation of any laws.</p>	

Note 1. 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 2. There is no capital relationship, personnel relationship or business 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 3. A part of the southwest side of the subject land (approximately 100.86 m<sup>2</sup>) is used for passage as a road based on Article 42, Paragraph 2 of the Building Standards Law (Paragraph 2 road).

Note 4. All compartmentalized ownership interests of the building have been acquired.

Note 5. 'Total number of tenants' is as of the acquisition date (March 24, 2022).

Note 6. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the asset (property-related taxes, etc.).

## 2. Company Profiles

### (1) Summary of Unitholders' Contributions

	37th fiscal period As of January 31, 2022	36th fiscal period As of July 31, 2021	35th fiscal period As of January 31, 2021	34th fiscal period As of July 31, 2020	33rd fiscal period As of January 31, 2020
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)	10,190	10,162	10,585	10,789	9,737

### (2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of January 31, 2022.

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	253,770	25.96
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	170,540	17.44
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	41,623	4.26
Custody Bank of Japan, Ltd. (securities investment trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	28,261	2.89
State Street Bank West Client - Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	15,334	1.57
Legal + General Assurance Pensions Management Limited (Standing Proxy: Citibank, N.A., Tokyo Branch)	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	12,774	1.31
JPMorgan Chase Bank 385781 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	11,580	1.18
JPMorgan Chase Bank 385771 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	9,332	0.95
Mizuho Securities Co., Ltd.	1-5-1, Otemachi, Chiyoda-ku, Tokyo	9,284	0.95
Total		601,498	61.53

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 January 31, 2022)

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	Maruhito Kondo	Head of Maruhito Kondo Law Office Lawyer	¥ 3,000
Supervisory Director	Takashi Aikawa	Representative Partner of Shinsoh Audit Corporation Certified public accountant	¥ 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) Details Regarding Directors and Officers Liability Insurance Contract

Insured parties	Contract details
Executive directors and supervisory directors	<p>&lt;Insured events&gt; Insurance coverage is provided for the compensation for damages, litigation expenses, etc. incurred by the insured parties should claims be made against the insured parties for damages arising from acts in their capacity as directors of TOKYU REIT.</p> <p>&lt;Share of burden of insurance expenses&gt; The insurance expenses are fully borne by TOKYU REIT.</p> <p>&lt;Measures to ensure the proper execution of duties is not impaired&gt; No insurance coverage is provided for cases such as damages incurred by the insured parties from criminal acts, acts conducted while aware that doing so would be in violation of laws and regulations, etc.</p>

(5) 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 January 31, 2022.

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	37th fiscal period As of January 31, 2022		36th fiscal period As of July 31, 2021	
			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	¥ 11,267	5.0	¥ 15,320	6.5
		Tokyu Areas (excluding Shibuya Ward)	2,238	1.0	2,249	1.0
		Sub total	13,505	6.0	17,569	7.5
	Office	Shibuya Ward	11,343	5.0	11,362	4.8
		Central Tokyo (excluding Shibuya Ward)	41,980	18.5	41,694	17.7
		Sub total	53,323	23.5	53,057	22.6
	Residence	Tokyu Areas (excluding Shibuya Ward)	2,690	1.2	2,709	1.2
		Sub total	2,690	1.2	2,709	1.2
	Land with leasehold interest	Tokyu Areas (excluding Shibuya Ward)	1,162	0.5	1,162	0.5
		Other	1,432	0.6	2,864	1.2
		Sub total	2,594	1.1	4,026	1.7
	Total		72,114	31.8	77,363	32.9
	Trust beneficiary interest in real estate	Retail	Shibuya Ward	40,025	17.6	40,171
Central Tokyo (excluding Shibuya Ward)			4,678	2.1	4,686	2.0
Tokyu Areas (excluding Shibuya Ward)			3,178	1.4	3,177	1.4
Sub total			47,883	21.1	48,036	20.4
Office		Shibuya Ward	39,379	17.4	20,765	8.8
		Central Tokyo (excluding Shibuya Ward)	49,456	21.8	49,498	21.1
		Tokyu Areas (excluding Shibuya Ward)	9,142	4.0	27,930	11.9
		Sub total	97,978	43.2	98,194	41.8
Land with leasehold interest		Other	—	—	7,026	3.0
		Sub total	—	—	7,026	3.0
Total		145,861	64.3	153,257	65.2	
Other assets		8,870	3.9	4,415	1.9	
Total assets		¥ 226,847 [¥ 217,976]	100.0 [96.1]	¥ 235,035 [¥ 230,620]	100.0 [98.1]	

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 January 31, 2022 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 <sup>2</sup>	m <sup>2</sup>	%	%	
QFRONT	¥ 13,455	4,502.93	4,502.93	100.0	11.1	Retail
Lexington Aoyama	4,678	2,094.96	2,094.96	100.0	2.1	Retail
TOKYU REIT Omotesando Square	5,645	2,669.10	2,669.10	100.0	2.6	Retail
TOKYU REIT Shibuya Udagawa-cho Square	6,549	1,543.05	1,543.05	100.0	3.6	Retail
cocoti	20,924	8,295.62	7,981.41	96.2	8.0	Retail
CONZE Ebisu	4,717	2,327.00	1,995.89	85.8	1.3	Retail
TOKYU REIT Shimokitazawa Square	2,238	1,246.98	1,117.05	89.6	0.7	Retail
TOKYU REIT Jiyugaoka Square	3,178	1,231.80	1,231.80	100.0	1.0	Retail
Tokyu Nampeidai-cho Building	4,035	7,148.18	7,148.18	100.0	2.6	Office
Tokyu Sakuragaoka-cho Building	6,376	4,737.19	4,737.19	100.0	3.6	Office
Tokyo Nissan Taito Building	3,786	7,877.43	7,877.43	100.0	3.0	Office
TOKYU REIT Kamata Building	3,674	7,337.82	7,337.82	100.0	3.4	Office
TOKYU REIT Toranomom Building	9,775	10,247.06	9,883.42	96.5	5.3	Office
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	7,996	3,533.03	3,533.03	100.0	2.5	Office
Tokyu Ikejiri-ohashi Building	5,468	5,733.23	5,733.23	100.0	2.9	Office
Kojimachi Square	8,240	5,409.10	4,970.09	91.9	2.6	Office
TOKYU REIT Shinjuku Building	8,714	6,270.68	6,270.68	100.0	4.3	Office
Akihabara Sanwa Toyo Building	4,497	4,538.02	4,538.02	100.0	2.3	Office
Tokyu Ginza 2-chome Building	4,326	3,473.16	3,473.16	100.0	2.2	Office
TOKYU REIT Shibuya R Building	5,323	5,246.68	5,246.68	100.0	3.9	Office
Tokyu Toranomom Building	16,375	2,407.70	2,407.70	100.0	1.3	Office
TOKYU REIT Shinjuku 2 Building	2,789	1,790.46	1,790.46	100.0	1.2	Office
Tokyu Bancho Building	12,772	6,137.50	6,137.50	100.0	4.6	Office
TOKYU REIT Ebisu Building	4,594	1,875.15	1,279.95	68.3	1.2	Office
Shibuya Dogenzaka Sky Building	5,743	4,136.05	3,316.01	80.2	2.3	Office
OKI Business Center No.5	12,162	18,102.32	18,102.32	100.0	5.6	Office
TOKYU REIT Shibuya Miyashita Koen Building	6,020	2,299.75	2,299.75	100.0	1.7	Office
Aoyama Oval Building	18,628	8,527.89	8,236.95	96.6	1.4	Office
Maison Peony Toritsudaigaku	1,200	852.16	852.16	100.0	0.4	Residence
STYLIO FIT Musashikosugi	1,489	1,830.00	1,830.00	100.0	0.6	Residence
OKI System Center (land with leasehold interest)	1,432	5,105.75	5,105.75	100.0	1.1	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	¥ 217,976	149,024.77	145,740.69	97.8	90.3	

- Note 1. The properties listed above except for TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, 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, TOKYU REIT Shibuya Miyashita Koen Building, Maison Peony Toritsudaigaku, STYLIO FIT Musashikosugi, 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 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 OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) indicates the leased area of land. For OKI System Center (land with leasehold interest), the stated figure is calculated by multiplying by the ratio of co-ownership (30%). 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. For Aoyama Oval Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 47.5% quasi-co-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 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 OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) indicates the leased area of land. For OKI System Center (land with leasehold interest), the stated figure is calculated by multiplying by the ratio of co-ownership (30%). 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. For Aoyama Oval Building, the stated figure is calculated by multiplying the total leased area of the whole building by the 47.5% quasi-co-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.
- Note 6. The name of Hulic Shibuya Miyashita Koen Building was changed to TOKYU REIT Shibuya Miyashita Koen Building on October 1, 2021 (the same hereafter).



## (3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of January 31, 2022 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 <sup>2</sup>	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	¥ 37,000	¥ 13,455
		TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,669.10	8,460	5,645
		TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	12,800	6,549
		cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,295.62	24,200	20,924
		CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,327.00	5,320	4,717
	Sub total				19,337.70	87,780	51,292
	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	6,300	4,678
		Sub total			2,094.96	6,300	4,678
	Tokyu Areas (excluding Shibuya Ward)	TOKYU REIT Shimokitazawa Square	6-1058-114, etc., Daita, Setagaya-ku, Tokyo	Real estate	1,246.98	2,280	2,238
		TOKYU REIT Jiyugaoka Square	2-20-10 and 2-20-11, Jiyugaoka, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,231.80	3,610	3,178
		Sub total			2,478.78	5,890	5,417
	Total				23,911.44	99,970	61,389
	Office	Shibuya Ward	Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	7,570
Tokyu Sakuragaoka-cho Building			109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	11,800	6,376
TOKYU REIT Shibuya R Building			3-10-2, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	5,246.68	10,000	5,323
TOKYU REIT Ebisu Building			3-2-11, Higashi, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	1,875.15	4,910	4,594
Shibuya Dogenzaka Sky Building			22-1, etc., Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,136.05	8,670	5,743
TOKYU REIT Shibuya Miyashita Koen Building			1-17-5, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	2,299.75	6,070	6,020
Aoyama Oval Building			5-52-1, etc., Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,527.89	18,800	18,628
Sub total					33,970.89	67,820	50,723

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m <sup>2</sup>	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	7,877.43	6,270	3,786
		TOKYU REIT Toranomom Building	3-45-6, Toranomom, Minato-ku, Tokyo	Real estate	10,247.06	14,000	9,775
		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	7,580	7,996
		Kojimachi Square	3-9 and 3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.10	10,200	8,240
		TOKYU REIT Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,270.68	13,400	8,714
		Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,538.02	6,400	4,497
		Tokyu Ginza 2-chome Building	2-215-1, Ginza, Chuo-ku, Tokyo	Real estate	3,473.16	6,510	4,326
		Tokyu Toranomom Building	1-216-2, etc., Toranomom, Minato-ku, Tokyo	Real estate	2,407.70	22,200	16,375
		TOKYU REIT Shinjuku 2 Building	4-3-4, Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,790.46	3,240	2,789
		Tokyu Bancho Building	6-2, etc., Yonban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,137.50	15,700	12,772
		OKI Business Center No.5	4-1-6, Shibaura, Minato-ku, Tokyo	Trust beneficiary interest in real estate	18,102.32	12,700	12,162
	Sub total				69,786.46	118,200	91,436
	Tokyu Areas (excluding Shibuya Ward)	TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	5,760	3,674
Tokyu Ikejiri-ohashi Building		3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,733.23	6,350	5,468	
Sub total				13,071.05	12,110	9,142	
Total				116,828.40	198,130	151,302	
Residence	Tokyu Areas (excluding Shibuya Ward)	Maison Peony Toritsudaigaku	1-8-1 and 1-8-8, Nakane, Meguro-ku, Tokyo	Real estate	852.16	1,350	1,200
		STYLIO FIT Musashikosugi	2-1324-1, etc., Kamimaru-ku-sannocho, Nakahara-ku, Kawasaki-shi, Kanagawa	Real estate	1,830.00	1,610	1,489
	Sub total				2,682.16	2,960	2,690
Total				2,682.16	2,960	2,690	

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m <sup>2</sup>	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	OKI System Center (land with leasehold interest)	1-16-20, etc., Chuo, Warabi-shi, Saitama	Real estate	5,105.75	1,900	1,432
	Sub total				5,105.75	1,900	1,432
	Total				5,602.77	3,050	2,594
Grand total				149,024.77	¥ 304,110	¥ 217,976	

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 TOKYU REIT Toranomon 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 OKI System Center (land with leasehold interest) and REVE Nakameguro (land with leasehold interest) indicates the leased area of land. For OKI System Center (land with leasehold interest), the stated figure is calculated by multiplying by the ratio of co-ownership (30%). 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. For Aoyama Oval Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 47.5% quasi-co-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	37th fiscal period From August 1, 2021 to January 31, 2022				36th fiscal period From February 1, 2021 to July 31, 2021			
			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	¥ 767	11.1	2	100.0	¥ 764	9.5
		TOKYU REIT Omotesando Square	4	100.0	180	2.6	4	100.0	179	2.2
		TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	251	3.6	2	100.0	251	3.1
		cocoti	14	96.2	555	8.0	14	96.2	632	7.8
		CONZE Ebisu	7	85.8	93	1.3	7	85.8	103	1.3
		Daikanyama Forum	—	—	18	0.3	5	100.0	104	1.3
		Sub total	29	96.7	1,865	26.9	34	97.0	2,035	25.3
	Central Tokyo (excl. Shibuya Ward)	Lexington Aoyama	8	100.0	144	2.1	8	100.0	137	1.7
	Sub total	8	100.0	144	2.1	8	100.0	137	1.7	
	Tokyu Areas (excl. Shibuya Ward)	TOKYU REIT Shimokitazawa Square	8	89.6	47	0.7	8	89.6	50	0.6
	TOKYU REIT Jiyugaoka Square	5	100.0	67	1.0	5	100.0	75	0.9	
	Sub total	13	94.8	114	1.7	13	94.8	126	1.6	
	Total	50	96.8	2,125	30.6	55	97.1	2,300	28.5	
Office	Shibuya Ward	Tokyu Nampoedai-cho Building	1	100.0	179	2.6	1	100.0	179	2.2
		Tokyu Sakuragaoka-cho Building	2	100.0	249	3.6	2	100.0	247	3.1
		TOKYU REIT Shibuya R Building	12	100.0	267	3.9	12	100.0	254	3.2
		TOKYU REIT Ebisu Building	6	68.3	79	1.2	7	100.0	110	1.4
		Shibuya Dogenzaka Sky Building	6	80.2	161	2.3	6	70.2	178	2.2
		TOKYU REIT Shibuya Miyashita Koen Building	9	100.0	116	1.7	10	100.0	75	0.9
		Aoyama Oval Building	24	96.6	96	1.4	—	—	—	—
		Sub total	60	95.0	1,151	16.6	38	95.2	1,046	13.0
	Central Tokyo (excl. Shibuya Ward)	Tokyo Nissan Taito Building	17	100.0	206	3.0	17	100.0	199	2.5
		TOKYU REIT Toranomon Building	10	96.5	364	5.3	10	96.5	359	4.5
		Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	171	2.5	1	100.0	174	2.2
		Kojimachi Square	7	91.9	179	2.6	5	69.6	210	2.6
		TOKYU REIT Shinjuku Building	9	100.0	298	4.3	9	100.0	297	3.7
		Akihabara Sanwa Toyo Building	6	100.0	161	2.3	6	100.0	178	2.2
		Tokyu Ginza 2-chome Building	2	100.0	151	2.2	2	100.0	160	2.0
		Tokyu Toranomon Building	1	100.0	88	1.3	2	92.8	638	7.9
		TOKYU REIT Shinjuku 2 Building	2	100.0	82	1.2	2	100.0	81	1.0
		Tokyu Bancho Building	8	100.0	315	4.6	8	100.0	305	3.8
		OKI Business Center No.5	1	100.0	388	5.6	1	100.0	388	4.8
		Sub total	64	98.8	2,409	34.7	63	96.5	2,994	37.2

Use	Area	Name of property	37th fiscal period From August 1, 2021 to January 31, 2022				36th fiscal period From February 1, 2021 to July 31, 2021			
			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	—	—	650	9.4	60	93.4	973	12.1
		TOKYU REIT Kamata Building	5	100.0	234	3.4	5	100.0	217	2.7
		Tokyu Ikejiri-ohashi Building	5	100.0	197	2.9	5	100.0	173	2.2
		Sub total	10	100.0	1,081	15.6	70	95.7	1,364	16.9
Total			134	97.9	4,642	67.0	171	96.0	5,405	67.1
Residence	Tokyu Areas (excl. Shibuya Ward)	Maison Peony Toritsudaigaku	26	100.0	27	0.4	25	96.9	23	0.3
		STYLIO FIT Musashikosugi	1	100.0	39	0.6	1	100.0	34	0.4
		Sub total	27	100.0	66	1.0	26	99.0	58	0.7
		Total	27	100.0	66	1.0	26	99.0	58	0.7
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	0.0	1	100.0	188	2.3
		OKI System Center (land with leasehold interest)	1	100.0	77	1.1	1	100.0	87	1.1
		Sub total	1	100.0	78	1.1	2	100.0	275	3.4
Total			2	100.0	100	1.4	3	100.0	296	3.7
Grand total			213	97.8	¥ 6,934	100.0	255	97.2	¥ 8,059	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. For STYLIO FIT Musashikosugi, the number of tenants is the number of lessees under the master lease agreement.

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 January 31, 2022, 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 January 31, 2022. 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
Tokyu Toranomom Building	Minato-ku, Tokyo	Extension	From February 2021 to June 2022	¥ 1,803	¥ 439	¥ 547
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Minato-ku, Tokyo	Replacement and renewal of equipment	From October 2021 to March 2022	¥ 315	—	¥ 1
TOKYU REIT Kamata Building	Ota-ku, Tokyo	Renovation of elevators	From September 2021 to July 2022	¥ 110	—	—
TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Renovation of mechanical parking equipment	From March 2022 to June 2022	¥ 74	—	—
Kojimachi Square	Chiyoda-ku, Tokyo	Replacement of air-conditioning equipment	From March 2022 to June 2022	¥ 74	—	—

##### (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 37th fiscal period amounted to ¥417 million and ¥263 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥680 million spent for such work.

Name of property	Location	Objective	Period	Construction cost
				Millions of yen
Kojimachi Square	Chiyoda-ku, Tokyo	Replacement of air-conditioning equipment	From May 2021 to December 2021	¥ 93
Tokyu Sakuragaoka-cho Building	Shibuya-ku, Tokyo	Replacement of emergency power generator	From October 2021 to November 2021	50
Setagaya Business Square	Setagaya-ku, Tokyo	Renewal of restroom	From June 2021 to November 2021	26
TOKYU REIT Shinjuku Building	Shinjuku-ku, Tokyo	Switching to LED lighting	From December 2021 to January 2022	18
Akihabara Sanwa Toyo Building	Chiyoda-ku, Tokyo	Renovation of external walls, and rooftop for waterproofing	From July 2021 to November 2021	17
Other				210
Total				¥ 417

(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:

	37th fiscal period From August 1, 2021 to January 31, 2022	36th fiscal period From February 1, 2021 to July 31, 2021	35th fiscal period From August 1, 2020 to January 31, 2021	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				
Reserve at beginning of period	¥ 105	¥ 88	¥ 99	¥ 63	¥ 87
Amount transferred to reserve during period	573	824	608	842	543
Reversal from reserve during period	577	807	618	807	566
Reserve at end of period	¥ 101	¥ 105	¥ 88	¥ 99	¥ 63

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

	37th fiscal period From August 1, 2021 to January 31, 2022		36th fiscal period From February 1, 2021 to July 31, 2021	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 385		¥ 377	
Cash-based fees	382		315	
Unit price-based fees	—	¥ 767	—	¥ 692
Asset custodian fees		17		16
General administration fees		40		41
Directors' fees		6		6
Other operating expenses		197		85
Total		¥ 1,029		¥ 842

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

Short-term debt and long-term debt from each financial institution as of January 31, 2022 are as follows:

Category	Draw-down date	Balance as of January 31, 2022	Balance as of July 31, 2021	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark	
		Millions of yen	Millions of yen	%					
Short-term debt	Mizuho Bank, Ltd.	¥ —	¥ 600	0.71706	August 10, 2021	Bullet payment	(Note 4)	Unsecured and Unguaranteed (Note 2)	
	MUFG Bank, Ltd.	—	1,200						
	Sumitomo Mitsui Trust Bank, Limited	—	1,200						
	Mizuho Bank, Ltd.	—	1,000	0.40026	August 2, 2021				(Note 5)
	MUFG Bank, Ltd.	—	2,000						
	Sumitomo Mitsui Trust Bank, Limited	—	2,000						
	Mizuho Bank, Ltd.	—	640	0.73636	September 29, 2021	Refinance fund			
	MUFG Bank, Ltd.	—	1,280						
	Sumitomo Mitsui Trust Bank, Limited	—	1,280						
	Mizuho Bank, Ltd.	August 10, 2021	—	—	0.64416	August 31, 2021	Refinance fund		
	MUFG Bank, Ltd.		—	—					
	Sumitomo Mitsui Trust Bank, Limited		—	—					
	Mizuho Bank, Ltd.	September 29, 2021	—	—	0.35958	December 24, 2021	Refinance fund		
	MUFG Bank, Ltd.		—	—					
	Sumitomo Mitsui Trust Bank, Limited		—	—					
Sub total		—	11,200						



Category	Draw-down date	Balance as of January 31, 2022	Balance as of July 31, 2021	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark	
		Millions of yen	Millions of yen	%					
Mizuho Trust & Banking Co., Ltd.	June 27, 2013	1,500	1,500	1.91375	June 27, 2023	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)	
Development Bank of Japan Inc.		1,000	1,000						
Development Bank of Japan Inc.	February 25, 2014	5,000	5,000	1.57750	February 25, 2024				
MUFG Bank, Ltd.	October 22, 2014	—	800	0.96875	October 22, 2021				
Mizuho Bank, Ltd.		—	800						
MUFG Bank, Ltd.		—	800						
Sumitomo Mitsui Trust Bank, Limited		—	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				Unsecured and Unguaranteed (Notes 2 and 3)
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				
MUFG Bank, Ltd.	June 27, 2016	500	500	0.45630	June 27, 2023			Unsecured and Unguaranteed (Note 2)	
Sumitomo Mitsui Trust Bank, Limited	December 27, 2016	—	3,500	0.56000	December 27, 2021				
Nippon Life Insurance Company	January 31, 2017	—	1,500	0.50000	January 31, 2022				
Sumitomo Mitsui Trust Bank, Limited	May 18, 2017	2,000	2,000	0.56093	May 25, 2022			Unsecured and Unguaranteed (Notes 2 and 3)	
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			Unsecured and Unguaranteed (Note 2)	
Nippon Life Insurance Company	January 31, 2018	500	500	0.58000	July 31, 2023				
MUFG Bank, Ltd.	March 26, 2018	2,500	2,500	0.62827	September 26, 2024				
MUFG Bank, Ltd.	March 26, 2018	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				

Long-term debt

Category	Draw-down date	Balance as of January 31, 2022	Balance as of July 31, 2021	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
Long-term debt	The Dai-ichi Life Insurance Company, Limited	July 31, 2018	2,000	2,000	0.90260	July 31, 2028	Refinance fund	Unsecured and Unguaranteed (Note 2)
	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	0.56116	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	June 28, 2019	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	1,500	0.60137	December 25, 2028		
	Development Bank of Japan Inc.		4,000	4,000	0.67380	June 25, 2030		
	Mitsui Sumitomo Insurance Co., Ltd.	June 29, 2020	500	500	0.49250	June 29, 2027		
	The Norinchukin Bank		500	500	0.55000	June 29, 2028		
	Mizuho Trust & Banking Co., Ltd.	September 28, 2020	2,400	2,400	0.28727	February 25, 2022	(Note 5)	Unsecured and Unguaranteed (Notes 2 and 3)
	Sumitomo Mitsui Trust Bank, Limited	December 25, 2020	2,700	2,700	0.53896	December 25, 2028	Refinance fund	Unsecured and Unguaranteed (Note 2)
	MUFG Bank, Ltd.		2,000	2,000	0.57127	June 25, 2029		
	Sumitomo Mitsui Trust Bank, Limited		2,700	2,700	0.59776	December 25, 2029		
	Mitsui Sumitomo Insurance Co., Ltd.	June 25, 2021	1,000	1,000	0.48880	June 25, 2028		
Mizuho Bank, Ltd.	1,000		1,000	0.66140	June 25, 2030			
The Dai-ichi Life Insurance Company, Limited	July 30, 2021	1,000	1,000	0.47000	July 31, 2028			
Nippon Life Insurance Company		500	500	0.61130	July 30, 2030			
The Dai-ichi Life Insurance Company, Limited		1,500	1,500	0.78000	July 29, 2033			

	Category	Draw-down date	Balance as of January 31, 2022	Balance as of July 31, 2021	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
	Lender		Millions of yen	Millions of yen	%				
Long-term debt	Mizuho Bank, Ltd.	October 22, 2021	800	—	0.64577	April 22, 2029	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
	MUFG Bank, Ltd.		1,600	—	0.63943				
	Sumitomo Mitsui Trust Bank, Limited		1,600	—	0.64830				
	Sumitomo Mitsui Trust Bank, Limited	December 27, 2021	3,500	—	0.51005	December 27, 2025			
	Nippon Life Insurance Company	January 31, 2022	1,500	—	0.60055	July 31, 2027			
	Sub total		86,400	86,400					
	Total		¥ 86,400	¥ 97,600					

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.'

Note 4. The funds are for redemption of investment corporation bonds.

Note 5. The funds are for acquisition of property and for expenditures pertaining to the acquisition.

### (3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2022 is as follows:

Name	Issue date	Balance as of January 31, 2022	Balance as of July 31, 2021	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)
6th Series Unsecured Investment Corporation Bond	October 24, 2019	1,000	1,000	0.54000	October 24, 2029			
7th Series Unsecured Investment Corporation Bond		1,000	1,000	1.00000	October 24, 2039			
8th Series Unsecured Investment Corporation Bond	October 29, 2020	3,000	3,000	0.51000	October 29, 2030			
Total		¥ 8,000	¥ 8,000					

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

### (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 37th 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)	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	Shonan Mall Fill (land with leasehold interest)	—	—	August 2, 2021	¥ 7,700	¥ 7,026	¥ 664
Trust beneficiary interest in real estate	Daikanyama Forum	—	—	August 31, 2021	¥ 4,250	¥ 4,032	¥ 91
Trust beneficiary interest in real estate	Setagaya Business Square	—	—	December 1, 2021	¥ 22,750	¥ 18,661	¥ 3,374
Trust beneficiary interest in real estate	Aoyama Oval Building	December 10, 2021	¥ 18,600	—	—	—	—
Real estate	OKI System Center (land with leasehold interest)	—	—	December 24, 2021	¥ 2,055	¥ 1,432	¥ 570

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. 'Disposition price' and 'Book value' for OKI System Center (land with leasehold interest) are the amounts for the 30% co-ownership interest in the real estate.

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			
Disposition	Trust beneficiary interest in real estate	Shonan Mall Fill (land with leasehold interest)	August 2, 2021	¥ 7,700	¥ 7,510	Japan Real Estate Institute	March 1, 2021
Disposition	Trust beneficiary interest in real estate	Daikanyama Forum	August 31, 2021	¥ 4,250	¥ 3,630	Japan Real Estate Institute	July 1, 2021
Disposition	Trust beneficiary interest in real estate	Setagaya Business Square	December 1, 2021	¥ 22,750	¥ 19,100	Daiwa Real Estate Appraisal Co., Ltd.	October 1, 2021
Acquisition	Trust beneficiary interest in real estate	Aoyama Oval Building	December 10, 2021	¥ 18,600	¥ 18,800	Japan Valuers Co., Ltd.	November 1, 2021
Disposition	Real estate	OKI System Center (land with leasehold interest)	December 24, 2021	¥ 2,055	¥ 2,055	Japan Real Estate Institute	September 1, 2020

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 OKI System Center (land with leasehold interest) are the amounts for the 30% co-ownership interest in the real estate.

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	¥ 441,359	Tokyu Community Corporation	¥ 236,170	53.5
		Tokyu Property Management Co., Ltd.	¥ 68,331	15.5
		Community One Co., Ltd.	¥ 918	0.2
		Tokyu Corporation	¥ 25	0.0
Utilities expenses	¥ 403,512	Tokyu Power Supply Co., Ltd.	¥ 250,311	62.0
		Yoga District Heating and Cooling Co., Ltd.	¥ 70,550	17.5
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Other rental service expenses	¥ 231,404	Tokyu Corporation	¥ 16,317	7.1
		Tokyu Agency Inc.	¥ 1,804	0.8
		Tokyu Community Corporation	¥ 1,036	0.4
		its communications Inc.	¥ 1,007	0.4
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.4
		Tokyu Re · design Corporation	¥ 140	0.1
Property management fees	¥ 177,327	Tokyu Corporation	¥ 121,466	68.5
		Tokyu Community Corporation	¥ 53,755	30.3
		Tokyu Housing Lease Corporation	¥ 2,106	1.2
Insurance premium	¥ 8,487	Tokyu Insurance Consulting Co., Ltd.	¥ 8,285	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 ¥70,599 thousand and ¥26,860 thousand, respectively.

In addition to the commissions paid as described above, TOKYU REIT paid property transaction brokerage charges (¥614,250 thousand) to Tokyu Asset Management Inc. for Setagaya Business Square, which was sold during the 37th fiscal period. Likewise, TOKYU REIT paid property transaction brokerage charges for Daikanyama Forum, but the payment amount has not been disclosed as Tokyu Livable, Inc. has not provided consent for the disclosure. In each case, the amount is capitalized as part of the disposition costs of the property. In addition, the amount paid for repair and maintenance work related to interested persons, etc. during the 37th fiscal period are as follows:

Tokyu Construction Co., Ltd.	¥ 439,500 thousand
Tokyu Community Corporation	¥ 15,920 thousand
Tokyu Corporation	¥ 6,965 thousand
Tokyu Renewal Co., Ltd.	¥ 6,708 thousand
Ishikatsu Exterior Inc.	¥ 6,114 thousand
Tokyu Property Management Co., Ltd.	¥ 5,473 thousand
Tokyu Architects & Engineers Inc.	¥ 5,390 thousand
Tokyu Re · design Corporation	¥ 526 thousand
Tokyu Security Co., Ltd.	¥ 368 thousand
Tokyu Housing Lease Corporation	¥ 30 thousand
Tokyu Bldg Maintenance Co., Ltd.	¥ 6 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 Distributions, 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

During the fiscal period under review, TOKYU REIT's Board of Directors approved the following matters stipulated under Article 109, Paragraph 2, Items 2, 3, 5, 6 and 8 of the Investment Trust Law.

Date of meeting	Agenda item	Summary
November 26, 2021	Matters concerning engagement of underwriters for investment corporation bond offerings, and outsourcing of general administrative operations relating to investment corporation bonds	In connection with a comprehensive resolution passed on the same date regarding the engagement of underwriters for investment corporation bond offerings, the meeting approved that TOKYU REIT's executive director shall have full authority on the selection, etc. of providers of general administrative services relating to investment corporation bond offerings to be issued in the future.

### (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 sheet as at January 31, 2022, and the statement of income, statement of changes in unitholders' equity, statement of cash distributions and statement of cash flows for the six months then ended, notes to financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022, 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:

PricewaterhouseCoopers Aarata LLC  
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan  
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, [www.pwc.com/jp/assurance](http://www.pwc.com/jp/assurance)





- 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.

大田 英男

Hideo Ohta  
Designated Engagement Partner  
Certified Public Accountant

佐藤 存

Takashi Sato  
Designated Engagement Partner  
Certified Public Accountant

PricewaterhouseCoopers Aarata LLC

April 21, 2022

**TOKYU REIT, Inc.**  
**Balance Sheet**  
As of January 31, 2022 and July 31, 2021

	January 31, 2022	July 31, 2021
	(Millions of yen)	
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits with banks	¥ 5,491	¥ 987
Cash and deposits with banks held in trust	1,987	1,991
Tenant receivables	198	158
Lease deposits held in trust due within one year	18	18
Other current assets	109	73
<b>Total current assets</b>	7,805	3,230
 <b>Fixed assets:</b>		
<b>Property and equipment</b>		
Buildings and structures	15,132	15,629
Land	61,868	67,060
Other tangible assets	204	206
Construction in progress	555	128
Buildings and structures held in trust	33,988	48,034
Land held in trust	126,993	126,809
Other tangible assets held in trust	1,315	1,612
Construction in progress held in trust	4	18
Less accumulated depreciation	(22,086)	(28,881)
<b>Total property and equipment</b>	217,976	230,618
<b>Intangible assets</b>		
Intangible assets	1	2
Intangible assets held in trust	0	2
<b>Total intangible assets</b>	1	4
<b>Investments and other assets</b>		
Lease deposits	208	208
Lease deposits held in trust	632	650
Deferred tax assets	0	0
Other assets	191	289
<b>Total investments and other assets</b>	1,032	1,148
<b>Total fixed assets</b>	219,010	231,771
 <b>Deferred assets:</b>		
Investment corporation bond issuance expenses	31	33
<b>Total deferred assets</b>	31	33
<b>Total assets</b>	¥ 226,847	¥ 235,035

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

**TOKYU REIT, Inc.**  
**Balance Sheet, continued**  
As of January 31, 2022 and July 31, 2021

	January 31, 2022	July 31, 2021
	(Millions of yen)	
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Short-term debt	¥ -	¥ 11,200
Investment corporation bonds due within one year	3,000	-
Long-term debt due within one year	11,600	18,400
Accounts payable	1,241	1,076
Consumption tax payable	755	173
Rent received in advance	2,028	1,434
Accrued expenses and other current liabilities	164	158
<b>Total current liabilities</b>	18,789	32,443
<b>Long-term liabilities:</b>		
Investment corporation bonds	5,000	8,000
Long-term debt	74,800	68,000
Tenant leasehold and security deposits	2,984	3,873
Tenant leasehold and security deposits held in trust	6,179	7,159
Other long-term liabilities	33	32
<b>Total long-term liabilities</b>	88,998	87,065
<b>Total liabilities</b>	¥ 107,788	¥ 119,508
 <b><u>NET ASSETS</u></b>		
Unitholders' capital:		
Units authorized - 10,000,000 units as of January 31, 2022 and 10,000,000 units as of July 31, 2021		
Units issued and outstanding - 977,600 units as of January 31, 2022 and 977,600 units as of July 31, 2021	¥ 110,479	¥ 110,479
Reserve for reduction entry	1,508	1,508
Retained earnings	7,071	3,540
<b>Total net assets</b>	119,059	115,527
<b>Total liabilities and net assets</b>	¥ 226,847	¥ 235,035

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

**TOKYU REIT, Inc.**  
**Statement of Income**

For the six months ended January 31, 2022 and July 31, 2021

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
<b>Operating revenues:</b>		
Rental revenue	¥ 6,548	¥ 7,528
Other rental revenue	386	530
Gain on sales of real estate properties	4,702	-
Revenues from facility acceptance	5	-
Contribution for construction	-	6
<b>Operating expenses:</b>		
Rental service expenses	(3,131)	(3,241)
Asset management fees	(767)	(692)
Other	(261)	(149)
<b>Operating income</b>	7,481	3,981
<b>Non-operating income:</b>		
Interest income	0	0
Other	0	2
<b>Non-operating expenses:</b>		
Interest expense	(347)	(385)
Interest expense on investment corporation bonds	(37)	(39)
Amortization of investment corporation bond issuance expenses	(2)	(2)
Other	(21)	(15)
<b>Income before income taxes</b>	7,072	3,540
Income taxes:		
Current	(0)	(0)
Deferred	(0)	0
<b>Net income</b>	7,071	3,540
<b>Retained earnings at beginning of period</b>	0	0
<b>Retained earnings at end of period</b>	¥ 7,071	¥ 3,540

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

**TOKYU REIT, Inc.**  
**Statement of Changes in Unitholders' Equity**  
For the six months ended January 31, 2022 and July 31, 2021

**For the six months ended January 31, 2022**

	Unitholders' capital	Reserve for reduction entry	Retained earnings	Total
	(Millions of yen)			
<b>Balance at beginning of period</b>	¥ 110,479	¥ 1,508	¥ 3,540	¥ 115,527
<b>Changes during the period</b>				
Cash distributions declared	-	-	(3,539)	(3,539)
Net income	-	-	7,071	7,071
<b>Total changes during the period</b>	-	-	3,531	3,531
<b>Balance at end of period</b>	¥ 110,479	¥ 1,508	¥ 7,071	¥ 119,059

**For the six months ended July 31, 2021**

	Unitholders' capital	Reserve for reduction entry	Retained earnings	Total
	(Millions of yen)			
<b>Balance at beginning of period</b>	¥ 110,479	¥ 1,101	¥ 4,083	¥ 115,663
<b>Changes during the period</b>				
Provision of reserve for reduction entry	-	407	(407)	-
Cash distributions declared	-	-	(3,675)	(3,675)
Net income	-	-	3,540	3,540
<b>Total changes during the period</b>	-	407	(543)	(135)
<b>Balance at end of period</b>	¥ 110,479	¥ 1,508	¥ 3,540	¥ 115,527

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

**TOKYU REIT, Inc.**  
**Statement of Cash Distributions**

For the six months ended January 31, 2022 and July 31, 2021

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Retained earnings at end of period	¥ 7,071	¥ 3,540
Cash distributions declared	3,861	3,539
Provision of reserve for reduction entry under special provisions for property replacement	3,209	-
Retained earnings carried forward	¥ 0	¥ 0

The Board of Directors of TOKYU REIT resolved on March 17, 2022 and September 10, 2021 to effect payment of cash distributions of ¥3,950 and ¥3,621 per unit to unitholders of record on January 31, 2022 and July 31, 2021, respectively. The cash distributions were calculated as follows:

**For the six months ended January 31, 2022**

As set forth in Article 30, Paragraph 2 of TOKYU REIT's Articles of Incorporation, TOKYU REIT has a policy of making cash distributions in excess of 90% of distributable income as defined in Article 67-15 of the Special Taxation Measures Law of Japan ("Special Taxation Measures Law"). Based on this policy, TOKYU REIT decided to distribute ¥3,861 million as cash distributions of earnings, which is almost the entire amount of unappropriated retained earnings remaining after deducting the provision of reserve for reduction entry under special provisions for property replacement as set forth in Article 65-7 of the Special Taxation Measures Law. TOKYU REIT will not be making the cash distributions in excess of earnings as set forth in Article 30, Paragraph 4 of the Articles of Incorporation.

**For the six months ended July 31, 2021**

As set forth in Article 30, Paragraph 2 of TOKYU REIT's Articles of Incorporation, TOKYU REIT has a policy of making cash distributions in excess of 90% of distributable income as defined in Article 67-15 of the Special Taxation Measures Law. Based on this policy, TOKYU REIT decided to distribute ¥3,539 million as cash distributions of earnings, which is almost the entire amount of unappropriated retained earnings. TOKYU REIT will not be making the cash distributions in excess of earnings as set forth in Article 30, Paragraph 4 of the Articles of Incorporation.

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

**TOKYU REIT, Inc.**  
**Statement of Cash Flows**  
For the six months ended January 31, 2022 and July 31, 2021

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
<b>Cash flows from operating activities:</b>		
Income before income taxes	¥ 7,072	¥ 3,540
Depreciation and amortization	955	1,027
Amortization of investment corporation bond issuance expenses	2	2
Loss on disposal of property and equipment	13	2
Interest income	(0)	(0)
Interest expense	384	424
(Increase) Decrease in tenant receivables	(101)	(71)
Increase (Decrease) in consumption tax payable	582	117
Increase (Decrease) in accounts payable	184	(43)
Increase (Decrease) in rent received in advance	593	135
Decrease in property and equipment due to sale	5,465	-
Decrease in property and equipment held in trust due to sale	25,687	-
Other, net	81	(15)
Total	40,920	5,121
Interest received	0	0
Interest paid	(410)	(418)
Income taxes paid	(0)	(0)
Net cash provided by (used in) operating activities	40,510	4,701
<b>Cash flows from investing activities:</b>		
Payments for purchases of property and equipment	(474)	(6,083)
Payments for purchases of property and equipment held in trust	(19,008)	(616)
Payments for purchases of intangible assets held in trust	-	(0)
Proceeds from lease deposits held in trust	18	-
Proceeds from tenant leasehold and security deposits	109	222
Payments for tenant leasehold and security deposits	(997)	(99)
Proceeds from tenant leasehold and security deposits held in trust	980	257
Payments for tenant leasehold and security deposits held in trust	(1,899)	(390)
Net cash provided by (used in) investing activities	(21,270)	(6,709)
<b>Cash flows from financing activities:</b>		
Proceeds from short-term debt	4,200	12,200
Repayment of short-term debt	(15,400)	(5,200)
Proceeds from long-term debt	9,000	5,000
Repayment of long-term debt	(9,000)	(5,000)
Repayment of investment corporation bonds	-	(3,000)
Payment of dividends	(3,539)	(3,675)
Net cash provided by (used in) financing activities	(14,739)	324
<b>Net change in cash and cash equivalents</b>	4,499	(1,684)
<b>Cash and cash equivalents at beginning of period</b>	2,979	4,663
<b>Cash and cash equivalents at end of period</b>	¥ 7,479	¥ 2,979

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

**TOKYU REIT, Inc.**  
**Notes to Financial Statements**  
For the six months ended January 31, 2022 and July 31, 2021

**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 January 31, 2022, TOKYU REIT’s total capital is ¥110,479 million with 977,600 units issued and outstanding. TOKYU REIT has been operating 32 properties at an occupancy rate of approximately 97.8%. Total acquisition cost of the 32 properties is ¥232,509 million and total rentable area is 149,024.77 m<sup>2</sup>.

**(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 Financial Instruments and Exchange Law and related regulations and accounting principles 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 January 31, 2022 and July 31, 2021

**2. Significant accounting policies**

- (a) **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):

	January 31, 2022	July 31, 2021
	(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

- (b) **Intangible assets** - Amortization is computed by using the straight-line method.
- (c) **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.
- (d) **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.

The nature of the main performance obligations for revenue from contracts with customers of TOKYU REIT and the general timing that the concerned performance obligations are satisfied (general timing of revenue recognition) are as follows:

- (1) **Sales of real estate properties** - TOKYU REIT recognizes revenue from sales of real estate properties when buyers (customers) obtain control of the concerned real estate properties upon satisfying the delivery obligations under the real estate sale agreements.
- (2) **Recoveries of utility charges** - TOKYU REIT recognizes recoveries of utility charges in accordance with the supply of electricity, water, etc. to lessees (customers) based on the content of the lease agreements and incidental agreements for the real estate properties. For the recoveries of utility charges for which TOKYU REIT is deemed to act as agent, TOKYU REIT recognizes revenue as being the net amount of the amount receivable of the charges for the electricity, gas, etc. supplied by third parties after deducting the amount payable to the concerned third parties.
- (e) **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

**TOKYU REIT, Inc.**

**Notes to Financial Statements, continued**

For the six months ended January 31, 2022 and July 31, 2021

properties. Capitalized property-related taxes are ¥7,683 thousand for the six months ended January 31, 2022. Capitalized property-related taxes are ¥15,618 thousand for the six months ended July 31, 2021.

- (f) **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.
- (g) **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.
- (h) **Consumption taxes** - Consumption taxes received and paid are not included in the statement of income and retained earnings. Non-deductible consumption taxes related to non-current assets are recorded as long-term prepaid expenses and are amortized using the straight-line method over 5 years.
- (i) **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.
- (j) **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).

**TOKYU REIT, Inc.**

**Notes to Financial Statements, continued**

For the six months ended January 31, 2022 and July 31, 2021

**3. Changes in accounting policies**

**(a) Application of the “Accounting Standard for Revenue Recognition,” etc.**

Effective August 1, 2021, TOKYU REIT adopted the “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 26, 2021) and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 issued on March 31, 2020). As a result, TOKYU REIT recognizes revenue when control of promised goods or services passes to customers, and in the amount of consideration to which TOKYU REIT expects to be entitled in exchange for those goods or services. This had minimal impact on the financial statements for the six months ended January 31, 2022.

**(b) Application of the “Accounting Standard for Fair Value Measurement,” etc.**

Effective August 1, 2021, TOKYU REIT adopted the “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 June 17, 2021) and “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 issued on March 31, 2020). As a result, in accordance with the transitional treatment set forth in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Paragraph 44-2 of the “Accounting Standard for Financial Instruments,” the new accounting policies set forth in the accounting standards, etc. are applied prospectively. This had minimal impact on the financial statements for the six months ended January 31, 2022. Furthermore, pursuant to the provisions of Article 2, Paragraph 5 of the Supplementary Provisions to the Act Partially Amending the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements, Etc. (Cabinet Office Order No. 61 of September 24, 2021), disclosure of the matters set forth in Article 8-6-2, Paragraph 1, Item 3 of the amended Regulation on Terminology, Forms, and Preparation Methods of Financial Statements is omitted. This had no impact on the financial statements for the six months ended January 31, 2022.

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**4. Reduction entries of fixed assets**

TOKYU REIT posted reduction entries of fixed assets acquired through national subsidies, etc. as of July 31, 2021.

	January 31, 2022	July 31, 2021
	(Millions of yen)	
Buildings and structures held in trust	—	¥ 16
Total		¥ 16

**5. Commitment line agreements**

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 January 31, 2022.

**6. 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.

**7. Rental revenue and expense**

Rental revenues and expenses for the six months ended January 31, 2022 and July 31, 2021 were as follows:

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 5,486	¥ 6,341
Common area charges	585	678
Parking lot revenue under monthly contract	154	167
Other rent income	322	341
Sub total	6,548	7,528
Other rental revenue:		
Incidental income	322	293
Other miscellaneous income	64	236
Sub total	386	530
Total revenue from property leasing (a)	6,934	8,059
Rental service expenses:		
Utilities expenses	403	370
Subcontract expenses	441	467
Property management fees	177	189
Repairs and maintenance expenses	263	221
Property-related taxes	637	721
Insurance premium	8	8
Depreciation and amortization	955	1,027
Loss on disposal of property and equipment	13	2
Other	231	231
Total rental service expenses (b)	3,131	3,241
Operating income from property leasing activities (a)-(b)	¥ 3,803	¥ 4,817

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**8. Breakdown of gain on sales of real estate properties**

Shonan Mall Fill (land with leasehold interest) was sold on August 2, 2021.

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Revenue from sale of property	¥ 7,700	—
Cost of property	7,026	
Other sales expenses	9	
Gain on sales of real estate properties	¥ 664	

Daikanyama Forum was sold on August 31, 2021.

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Revenue from sale of property	¥ 4,250	—
Cost of property	4,032	
Other sales expenses	125	
Gain on sales of real estate properties	¥ 91	

Setagaya Business Square was sold on December 1, 2021.

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Revenue from sale of property	¥ 22,750	—
Cost of property	18,661	
Other sales expenses	713	
Gain on sales of real estate properties	¥ 3,374	

OKI System Center (land with leasehold interest) (30% co-ownership interest) was sold on December 24, 2021.

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Revenue from sale of property	¥ 2,055	—
Cost of property	1,432	
Other sales expenses	51	
Gain on sales of real estate properties	¥ 570	

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**9. Cash and cash equivalents**

Cash and cash equivalents as of January 31, 2022 and July 31, 2021 consisted of the following:

	January 31, 2022	July 31, 2021
	(Millions of yen)	
Cash and deposits with banks	¥ 5,491	¥ 987
Cash and deposits with banks held in trust	1,987	1,991
Cash and cash equivalents	<u>¥ 7,479</u>	<u>¥ 2,979</u>

**10. Leases**

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of January 31, 2022 and July 31, 2021, the future lease revenues under the non-cancelable operating leases were as follows:

	January 31, 2022	July 31, 2021
	(Millions of yen)	
Due within one year	¥ 5,763	¥ 5,674
Due after one year	39,158	39,769
Total	<u>¥ 44,922</u>	<u>¥ 45,443</u>

As of January 31, 2022 and July 31, 2021, the future lease payments under the non-cancelable operating leases were as follows:

	January 31, 2022	July 31, 2021
	(Millions of yen)	
Due within one year	¥ 237	¥ 236
Due after one year	733	849
Total	<u>¥971</u>	<u>¥ 1,086</u>

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**11. 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 January 31, 2022 and July 31, 2021

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

Certain assumptions are adopted in the calculation of the fair value of financial instruments and there may be cases where the value will vary when different assumptions are adopted.

**(b) Matters concerning fair value of financial instruments**

The following are the carrying amounts and fair value as of the end of the fiscal periods, and the differences between these amounts. Notes on “cash and deposits with banks,” and “cash and deposits with banks held in trust” are omitted because these are settled within a short period of time and the fair value is thus approximately the same as the book value. Notes on “tenant receivables,” “accounts payable,” “tenant leasehold and security deposits” and “tenant leasehold and security deposits held in trust” are omitted because these accounts are immaterial.

	January 31, 2022			July 31, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
	(Millions of yen)					
(1) Investment corporation bonds due within one year	¥ 3,000	¥ 3,035	¥ 35	¥ -	¥ -	¥ -
(2) Long-term debt due within one year	11,600	11,620	20	18,400	18,444	44
(3) Investment corporation bonds	5,000	4,997	(2)	8,000	8,060	60
(4) Long-term debt	74,800	74,940	140	68,000	68,884	884
Liabilities total	¥ 94,400	¥ 94,594	¥ 194	¥ 94,400	¥ 95,389	¥ 989

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

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.

Note 2. Amount of repayment of investment corporation bonds and long-term debt scheduled to be due after balance sheet date.

	January 31, 2022			July 31, 2021		
	Investment corporation bonds	Long-term debt	Total	Investment corporation bonds	Long-term debt	Total
	(Millions of yen)					
Within one year	¥ 3,000	¥ 11,600	¥ 14,600	¥ -	¥ 18,400	¥ 18,400
Within two years, but over one year	-	10,500	10,500	3,000	7,200	10,200
Within three years, but over two years	-	7,500	7,500	-	10,500	10,500
Within four years, but over three years	-	11,500	11,500	-	10,000	10,000
Within five years, but over four years	-	4,700	4,700	-	2,200	2,200
Over five years	5,000	40,600	45,600	5,000	38,100	43,100



**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**12. 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 ¥10 thousand as of January 31, 2022. Deferred tax assets are ¥15 thousand as of July 31, 2021.

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 January 31, 2022 and July 31, 2021.

	<u>January 31, 2022</u>	<u>July 31, 2021</u>
Statutory income tax rate	31.46%	31.46%
Deductible cash distributions	(17.18)	(31.45)
Provision of reserve for reduction entry under special provisions for property replacement	(14.28)	-
Other	0.01	0.02
Effective tax rate	<u>0.01%</u>	<u>0.03%</u>

**13. 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 January 31, 2022 and July 31, 2021 and payable due to asset manager as of then were as follows:

	<u>January 31, 2022</u>	<u>July 31, 2021</u>
	(Millions of yen)	
Asset management fees for the period	¥ 767	¥ 692
Management fees payable due to asset manager	420	346

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**14. 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	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 230,620	¥ 225,085
Change during the period (Note 3)	(12,643)	5,535
Balance at end of period	¥ 217,976	¥ 230,620
	As of January 31, 2022	As of July 31, 2021
	(Millions of yen)	
Fair value at end of period (Note 4)	¥ 306,505	¥ 315,110

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 January 31, 2022, the amount of increase is mainly attributable to the acquisition of Aoyama Oval Building (¥18,629 million) and the replacement of air-conditioning equipment of Kojimachi Square and other capital expenditures (¥417 million), and the amount of decrease is mainly attributable to the disposition of 55% co-ownership interest of the trust beneficiary interest in Setagaya Business Square (¥18,661 million), 30% co-ownership interest in OKI System Center (land with leasehold interest) (¥1,432 million), Shonan Mall Fill (land with leasehold interest) (¥7,026 million) and trust beneficiary interest in Daikanyama Forum (¥4,032 million), and depreciation and amortization (¥954 million).

Of the change during the six months ended July 31, 2021, the amount of increase is mainly attributable to the acquisition of TOKYU REIT Shibuya Miyashita Koen Building (¥6,043 million) and the replacement of air-conditioning equipment of Kojimachi Square and other capital expenditures (¥513 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥1,026 million).

Note 4. The fair value as of the end of the fiscal period shows the disposition price in the case of the properties for which a disposition agreement has been concluded, and the appraisal value as appraised by an independent real estate surveyor in the case of the other properties.

The income (loss) in the six months ended January 31, 2022 and July 31, 2021 for investment and rental properties are as presented in “Rental revenue and expense” of the “Notes to Financial Statements.”

**15. Revenue recognition**

**(a) Information about disaggregation of revenue from contracts with customers**

For information about disaggregation of revenue from contracts with customers, please refer to

**TOKYU REIT, Inc.**

**Notes to Financial Statements, continued**

For the six months ended January 31, 2022 and July 31, 2021

“Rental revenue and expense” and “Breakdown of gain on sales of real estate properties” in the “Notes to Financial Statements.”

“Rental revenue and expense” includes revenue based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).” The main revenue from contracts with customers consists of revenue from sales of real estate properties and recoveries of utility charges (“Incidental income” of “Other rental revenue”).

**(b) Information as basis for understanding revenue from contracts with customers**

The information is as presented in “Significant accounting policies” in the “Notes to Financial Statements.”

**(c) Information for understanding the amount of revenue for the fiscal period under review and subsequent fiscal periods**

**(1) Balance, etc. of contract assets and contract liabilities**

**For the six months ended January 31, 2022**

The nature of contract liabilities is advances received, such as deposits received from the counterparties in sales of real estate properties based on the sale and purchase agreements for the real estate properties (balance at the beginning of the period: ¥212 million; balance at the end of the period: ¥982 million).

Contract liabilities are reversed upon recognition of revenue.

The balance at the beginning of the period of ¥212 million was reversed during the period.

**(2) Transaction price allocated to the remaining performance obligations**

**For the six months ended January 31, 2022**

As of January 31, 2022, the total transaction price allocated to the remaining performance obligations in sales of real estate properties was the ¥9,820 million on the real estate property for which a sale agreement was concluded on October 29, 2021. For the concerned remaining performance obligations, TOKYU REIT expects to recognize revenue upon the delivery of the concerned real estate property, which is planned for March 31, 2022.

For recoveries of utility charges, as TOKYU REIT has a right to consideration from lessees (customers) in an amount that directly corresponds with the value to the customers of the portion of performance completed by the end of the period, revenue is recognized in the amount to which TOKYU REIT has the right to invoice in accordance with Paragraph 19 of the “Implementation Guidance on Accounting Standard for Revenue Recognition.” Accordingly, through application of Paragraph 80-22 (2) of the “Accounting Standard for Revenue Recognition,” the transaction price allocated to the remaining performance obligations is not included in the notes.

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**16. 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 January 31, 2022**

<u>Party</u>	<u>Operating revenues</u> (Millions of yen)	<u>Name of related segment</u>
Related parties (Note)	¥ 1,121	Property Leasing Business

**For the six months ended July 31, 2021**

<u>Party</u>	<u>Operating revenues</u> (Millions of yen)	<u>Name of related segment</u>
Related parties (Note)	¥ 1,239	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 January 31, 2022 and July 31, 2021

**17. Per unit information**

The following table summarizes the net income per unit for the six months ended January 31, 2022 and July 31, 2021 and the unitholders' equity per unit as of January 31, 2022 and July 31, 2021.

	For the six months ended	
	January 31, 2022	July 31, 2021
Net income per unit	¥ 7,233	¥ 3,621
	As of January 31, 2022	As of July 31, 2021
Unitholders' equity per unit	¥ 121,787	¥ 118,174

Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.

Diluted net income per unit is not presented since neither warrants nor convertible bonds were issued during the six months ended January 31, 2022 and July 31, 2021.

Note. The basis for calculating net income per unit is as follows:

	For the six months ended	
	January 31, 2022	July 31, 2021
	(Millions of yen)	
Net income	¥ 7,071	¥ 3,540
Amount not available to ordinary unitholders	-	-
Net income available to ordinary unitholders	¥ 7,071	¥ 3,540
Weighted-average number of units	977,600 units	977,600 units

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**

For the six months ended January 31, 2022 and July 31, 2021

**18. Subsequent events**

The following events occurred after the end of the six months ended January 31, 2022 (37th fiscal period) of TOKYU REIT.

**Disposition of assets**

**(a) Asset sold on February 25, 2022**

- (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): ¥2,055 million
- (iv) Contract date: September 14, 2020
- (v) Disposition date: February 25, 2022
- (vi) Purchaser: Domestic company (Note 2)
- (vii) Impact on income (loss):  
Gain on sale of real estate of ¥570 million is expected to be posted in the six months ending July 31, 2022 (38th fiscal period).

Note 1. 'Disposition price' is the amount for the 30% co-ownership interest, and is 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, personnel relationship or business 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) Asset sold on March 31, 2022**

- (i) Type of asset: Trust beneficiary interest in domestic real estate
- (ii) Property name: Akasaka 4-chome Building  
(Tokyu Agency Inc. Head Office Building)
- (iii) Disposition price (Note 1): ¥9,820 million
- (iv) Contract date: October 29, 2021
- (v) Disposition date: March 31, 2022
- (vi) Purchaser: Domestic company (Note 2)
- (vii) Posting of gain on sale of real estate and reserve for reduction entry:  
Gain on sale of real estate of ¥1,453 million and provision of reserve for reduction entry of ¥424 million are expected to be posted in 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, personnel relationship or business 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.

**TOKYU REIT, Inc.**  
**Notes to Financial Statements, continued**  
For the six months ended January 31, 2022 and July 31, 2021

**19. Other**

The breakdown of the reserve for reduction entry under special provisions for property replacement as set forth in Article 2, Paragraph 2, Item 28 of the Regulation on Accountings of Investment Corporations is as follows:

Item	Breakdown
Relevant properties	STYLIO FIT Musashikosugi, TOKYU REIT Shibuya Miyashita Koen Building and Aoyama Oval Building
Reason for recognition and amount	Gain on sales of ¥4,039 million due to sales of Shonan Mall Fill (land with leasehold interest) in August 2021 and Setagaya Business Square in December 2021
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.
Description of reversal in the period	Not applicable.

	Amount as of January 31, 2022	Amount as of July 31, 2021
	(Millions of yen)	
Balance before provision or reversal in the period	¥ -	-
Reversal in the statements of income	-	
Balance on the balance sheets	-	
Provision in the statements of cash distributions	3,209	
Reversal in the statements of cash distributions	-	
Balance after provision or reversal in the period	¥ 3,209	

**TOKYU REIT, Inc.**  
**Supplementary Schedules**  
As of January 31, 2022 and July 31, 2021

**1. Schedule of property and equipment and intangible assets**

Property and equipment and intangible assets as of January 31, 2022 and July 31, 2021 consisted of the following:

	January 31, 2022			July 31, 2021		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 14,939	¥ (5,376)	¥ 9,563	¥ 15,414	¥ (5,389)	¥ 10,025
Structures	192	(87)	104	214	(90)	124
Land	61,868	-	61,868	67,060	-	67,060
Other tangible assets						
Machinery and equipment	108	(102)	5	108	(102)	6
Tools, furniture and fixtures	95	(79)	16	97	(79)	18
Construction in progress	555	-	555	128	-	128
Property and equipment held in trust						
Buildings and structures						
Buildings	33,650	(15,013)	18,637	47,215	(21,306)	25,909
Structures	338	(225)	112	818	(503)	315
Land	126,993	-	126,993	126,809	-	126,809
Other tangible assets						
Machinery and equipment	1,043	(960)	83	1,063	(980)	83
Tools, furniture and fixtures	271	(241)	29	549	(430)	118
Construction in progress	4	-	4	18	-	18
Sub total	<u>240,062</u>	<u>(22,086)</u>	<u>217,976</u>	<u>259,500</u>	<u>(28,881)</u>	<u>230,618</u>
Intangible assets						
Intangible assets	10	(9)	1	10	(8)	2
Intangible assets held in trust	12	(11)	0	30	(27)	2
Sub total	<u>22</u>	<u>(21)</u>	<u>1</u>	<u>41</u>	<u>(36)</u>	<u>4</u>
Total	<u>¥ 240,085</u>	<u>¥ (22,107)</u>	<u>¥ 217,978</u>	<u>¥ 259,541</u>	<u>¥ (28,918)</u>	<u>¥ 230,622</u>

**2. Investment corporation bonds**

The status of investment corporation bonds issued and outstanding as of January 31, 2022 and July 31, 2021 were as follows:

Name	Issue date	Balance as of	Balance as of	Annual	Maturity date
		January 31, 2022	July 31, 2021	interest rate	
		(Millions of yen)		(%)	
3 <sup>rd</sup> Series Unsecured Investment Corporation Bond	October 22, 2012	¥ 3,000	¥ 3,000	1.47000	October 21, 2022
6 <sup>th</sup> Series Unsecured Investment Corporation Bond	October 24, 2019	1,000	1,000	0.54000	October 24, 2029
7 <sup>th</sup> Series Unsecured Investment Corporation Bond	October 24, 2019	1,000	1,000	1.00000	October 24, 2039
8 <sup>th</sup> Series Unsecured Investment Corporation Bond	October 29, 2020	3,000	3,000	0.51000	October 29, 2030
Total		<u>¥ 8,000</u>	<u>¥ 8,000</u>		



**TOKYU REIT, Inc.**  
**Supplementary Schedules, continued**  
As of January 31, 2022 and July 31, 2021

Note. The total amount of bonds due for redemption within five years of the date of the balance sheet and expected to be repaid by specific year(s) is as follows:

	Within one year	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
	(Millions of yen)				
Investment corporation bond	¥ 3,000	-	-	-	-

**TOKYU REIT, Inc.**  
**Supplementary Schedules, continued**  
As of January 31, 2022 and July 31, 2021

**3. Short-term debt and long-term debt**

Short-term debt and long-term debt as of January 31, 2022 and July 31, 2021 consisted of the following:

	Balance as of January 31, 2022	Balance as of July 31, 2021	Average interest rate (Note 1)
	(Millions of yen)		(%)
<b>Short-term debt</b>			
Unsecured loans due on August 2, 2021 with fixed rate	¥ -	¥ 5,000	0.40026
Unsecured loans due on August 10, 2021 with fixed rate	-	3,000	0.71706
Unsecured loans due on August 31, 2021 with fixed rate	-	-	0.64416
Unsecured loans due on September 29, 2021 with fixed rate	-	3,200	0.73636
Unsecured loans due on December 24, 2021 with fixed rate	-	-	0.35958
Sub total	-	11,200	
<b>Long-term debt</b>			
Unsecured loans due on October 22, 2021 with fixed rate	-	4,000	0.96875
Unsecured loans due on December 27, 2021 with fixed rate	-	3,500	0.56000
Unsecured loans due on January 31, 2022 with fixed rate	-	1,500	0.50000
Unsecured loans due on February 25, 2022 with floating rate (Note 2)	2,400	2,400	0.28727
Unsecured loans due on May 25, 2022 with fixed rate (Note 2)	2,000	2,000	0.56093
Unsecured loans due on May 25, 2022 with fixed rate (Note 2)	1,000	1,000	0.55529
Unsecured loans due on July 27, 2022 with fixed rate (Note 2)	4,000	4,000	0.99000
Unsecured loans due on November 11, 2022 with fixed rate (Note 2)	1,700	1,700	0.89250
Unsecured loans due on December 25, 2022 with fixed rate (Note 2)	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 December 27, 2025 with fixed rate	3,500	-	0.51005
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	0.56116
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	500	0.49250
Unsecured loans due on July 31, 2027 with fixed rate	1,500	-	0.60055
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 25, 2028 with fixed rate	1,000	1,000	0.48880
Unsecured loans due on June 29, 2028 with fixed rate	500	500	0.55000
Unsecured loans due on July 31, 2028 with fixed rate	2,000	2,000	0.90260
Unsecured loans due on July 31, 2028 with fixed rate	1,000	1,000	0.47000
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	1,500	0.60137
Unsecured loans due on December 25, 2028 with fixed rate	2,700	2,700	0.53896
Unsecured loans due on April 22, 2029 with fixed rate	800	-	0.64577
Unsecured loans due on April 22, 2029 with fixed rate	1,600	-	0.63943
Unsecured loans due on April 22, 2029 with fixed rate	1,600	-	0.64830
Unsecured loans due on June 25, 2029 with fixed rate	2,000	2,000	0.57127
Unsecured loans due on December 25, 2029 with fixed rate	2,700	2,700	0.59776
Unsecured loans due on June 25, 2030 with fixed rate	4,000	4,000	0.67380
Unsecured loans due on June 25, 2030 with fixed rate	1,000	1,000	0.66140
Unsecured loans due on July 30, 2030 with fixed rate	500	500	0.61130
Unsecured loans due on January 27, 2032 with fixed rate	1,000	1,000	0.82000
Unsecured loans due on July 29, 2033 with fixed rate	1,500	1,500	0.78000
Sub total	86,400	86,400	
Total	¥ 86,400	¥ 97,600	

**TOKYU REIT, Inc.**  
**Supplementary Schedules, continued**  
As of January 31, 2022 and July 31, 2021

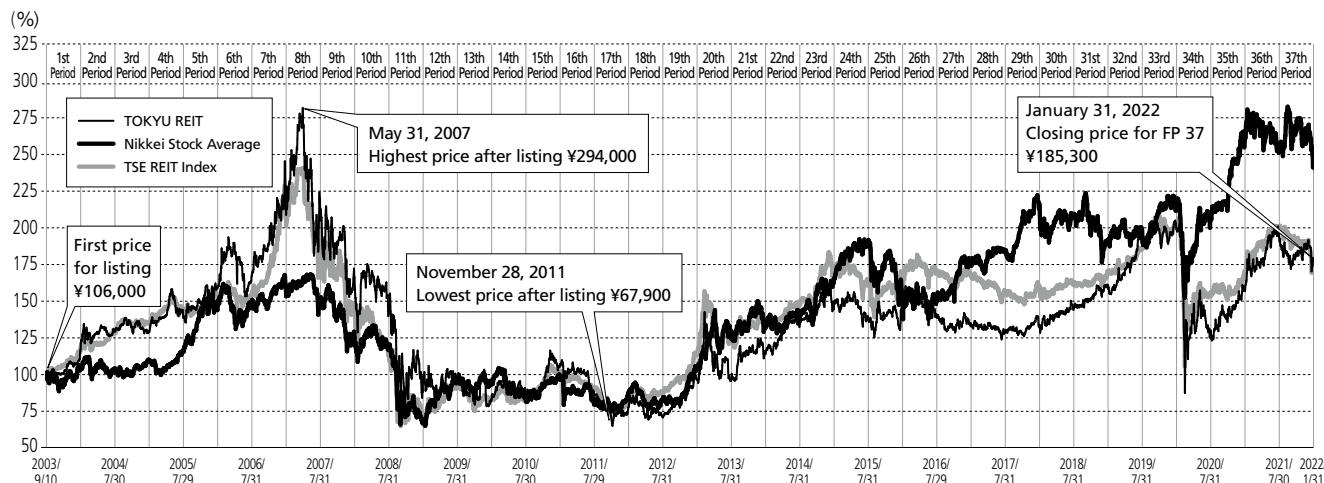
Note 1. 'Average interest rate' is the weighted average interest rate during the period.

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.'

Note 3. The total amount of long-term debt repayable within five years of the date of the balance sheet and expected to be repaid by specific year(s) is as follows:

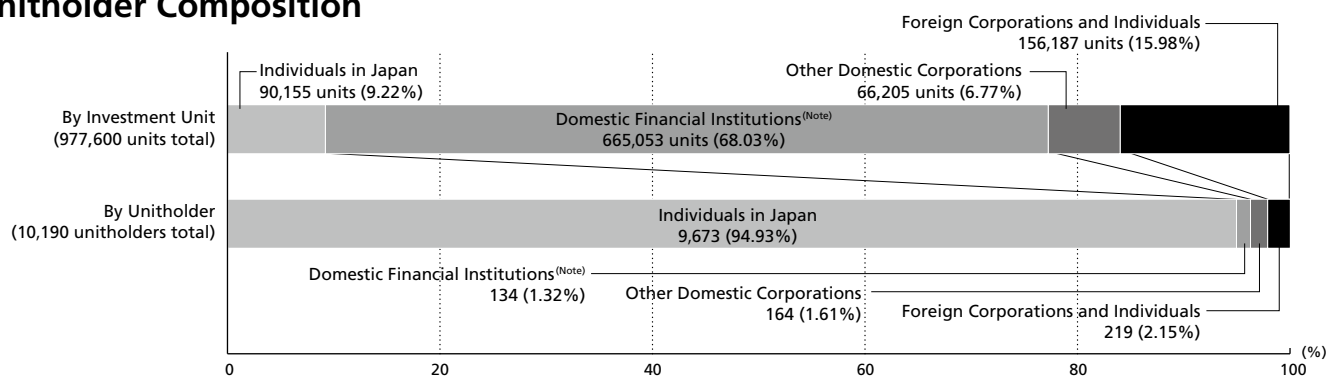
	Within one year	Within two years, but over one year	Within three years, but over two years	Within four years, but over three years	Within five years, but over four years
			(Millions of yen)		
Long-term debt	¥ 11,600	¥ 10,500	¥ 7,500	¥ 11,500	¥ 4,700

## 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



(Note) Domestic Financial Institutions include financial instruments dealers.  
\*The ratio is rounded to two decimal places.

## Results Reporting Schedule

	Ended Jan. 2022 (FP 37)	Ending Jul. 2022 (FP 38)		Ended Jan. 2022 (FP 37)	Ending Jul. 2022 (FP 38)
Date of settlement	Jan. 31, 2022	Jul. 31, 2022	Delivery of investment management report (Japanese only)	Apr. 14, 2022	Mid. Oct. 2022
Announcement of financial results	Mar. 17, 2022	Mid. Sep. 2022	Payment of cash distributions	Apr. 15, 2022	Mid. Oct. 2022

## 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/](http://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 1-12-1, Dogenzaka, 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

Maruhito Kondo

Takashi Aikawa

### 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

Mitsubishi UFJ Trust and Banking Corporation

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

### Transfer Agent Head Business Office

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

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

### Contact

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

1-1 Nikko-cho, Fuchu-shi

Tokyo 183-0044, Japan

### Address

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 July 2019 (FP 32) is on October 16, 2019 and for fiscal period ended January 2020 (FP 33) is on April 15, 2020.

## ■ 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/](http://www.tokyu-reit.co.jp/eng/)).

■ The information in this report without description of dates is as of January 31, 2022.

**TOKYU REIT**

**TOKYU REIT, Inc.**  
[www.tokyu-reit.co.jp/eng/](http://www.tokyu-reit.co.jp/eng/)