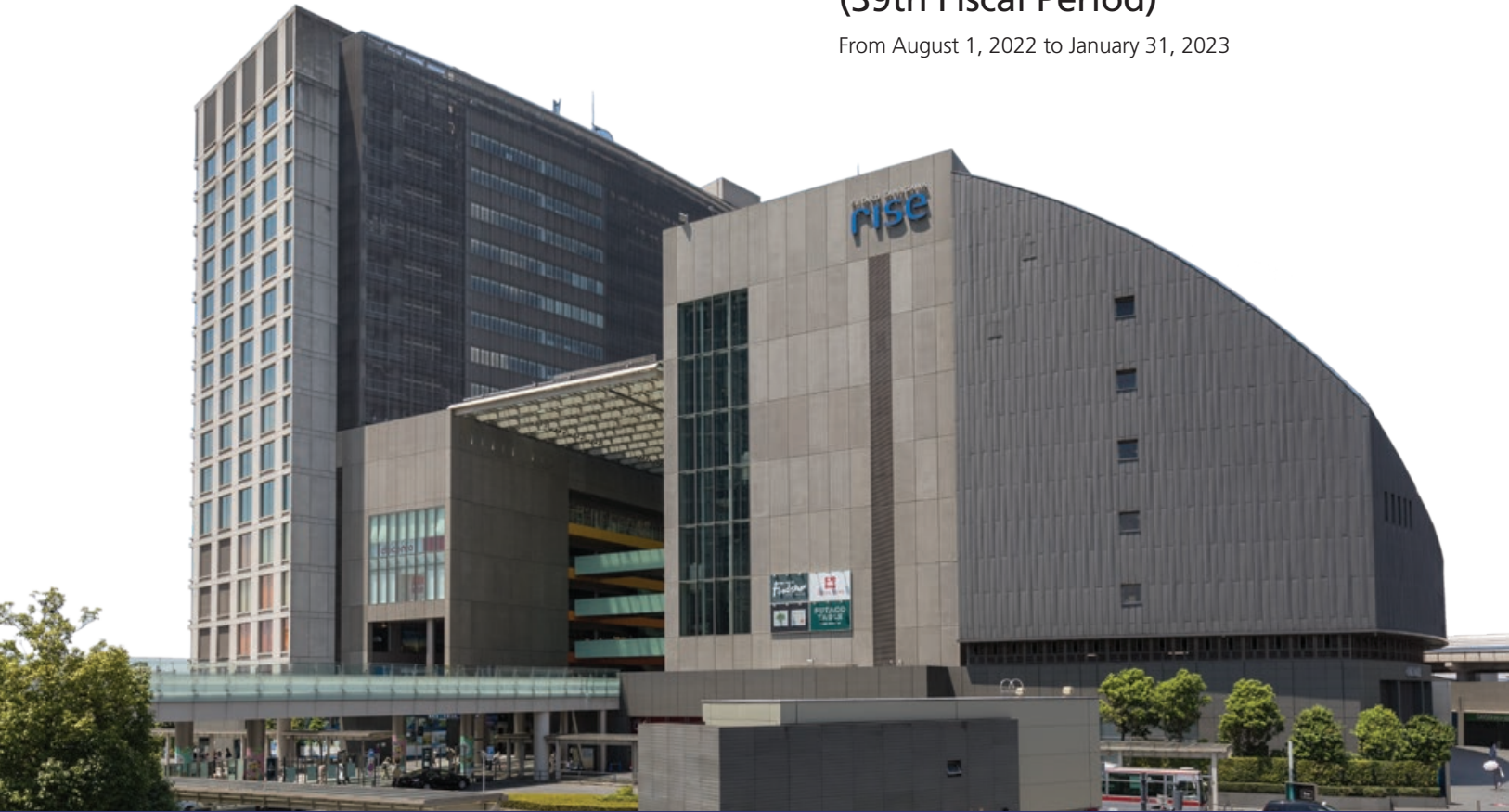


TOKYU REIT

TOKYU REIT, Inc. Semiannual Report

The Fiscal Period Ended January 2023
(39th Fiscal Period)

From August 1, 2022 to January 31, 2023



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 Tokyo Areas
- Committed to continued collaboration with Tokyu Corporation and its subsidiaries ^(Note) (Sponsor collaboration)
- Growth through heightened added value of the Tokyu Areas

2 A portfolio that secures 'stability'

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

3 Fund structure that backs 'transparency'

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

CONTENTS

BASIC POLICY/CONTENTS.....	2	Asset Management Report.....	32
To Our Unitholders	3	Independent Auditor's Report	66
Financial Summary.....	4	Balance Sheet.....	70
Performance.....	5	Statement of Income.....	72
Topics.....	6	Statement of Changes in Unitholders' Equity.....	73
Sustainability Measures.....	7	Statement of Cash Distributions.....	74
Feature.....	14	Statement of Cash Flows.....	75
Investment Management Strategy.....	16	Notes to Financial Statements	76
Financial Strategies.....	20	Supplementary Schedules.....	91
Portfolio.....	21	Unitholder Information.....	96

(Note) Tokyu Corporation and its subsidiaries referred to in this semiannual report collectively represent "Tokyu Corporation," "a subsidiary of Tokyu Corporation" "a tokutei mokuteki kaisha (TMK) or a special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a subsidiary of Tokyu Corporation and where the share of investment by silent partnership 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 2023.

During the fiscal period ended January 2023, we disposed of Tokyu Ginza 2-chome Building in November 2022, posting a gain on sale of ¥4,585 million and provision of reserve for reduction entry of replaced property of ¥2,935 million. The reserve for reduction entry of replaced property will be allocated for the building of Futako Tamagawa Rise, which we acquired in January 2023, and reversed to income such amount in accordance with the depreciation of the building. In addition, Tokyu Toranomon Building, at which extension work was completed in June 2022, saw successive move-ins, and the occupancy rate of the entire portfolio increased by 5.4 percentage points from the end of the previous fiscal period to 96.6%. Compared with the previous fiscal period, gain on sale of real estate increased by ¥2,562 million while operating income stood at ¥7,331 million (increase of ¥2,599 million period on period), net income at ¥6,885 million (increase of ¥2,545 million period on period) and net income per unit at ¥7,042 (increase of ¥2,604 period on period). Distribution per unit will be ¥4,040 (increase of ¥35 period on period).

With regard to the next fiscal period onward, although an increase in revenue and income is expected due to earnings from Futako Tamagawa Rise and increased occupancy of Tokyu Toranomon Building and other properties, gain on sale of real estate will decrease and net income per unit is forecast to be ¥2,958 (decrease of ¥4,084 period on period) in the fiscal period ending July 2023. Net income per unit for the fiscal period ending January 2024 is forecast to be ¥3,105 (increase of ¥147 period on period).

Distribution per unit is planned to be ¥3,400 (decrease of ¥640 period on period) for the fiscal period ending July 2023 and ¥3,400 (same amount as the previous fiscal period) for the fiscal period ending January 2024, with a partial reversal of the reserve for reduction entry.

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 based on the Sustainability Policy. In addition, Tokyu REIM expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in August 2022 and are conducting a qualitative scenario analysis based on “governance,” “strategies,” “risk management” and “indicators and targets” regarding the risks and opportunities related to climate change.

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 2023

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 2023
(FP 39)
Cash Distribution per Unit

¥4,040 (Fixed)

(Date of payment: April 17, 2023)

Fiscal Period Ending July 2023
(FP 40)
Cash Distribution per Unit

¥3,400 (Forecast)

(Date of payment: Mid October 2023)

Fiscal Period Ending January 2024
(FP 41)
Cash Distribution per Unit

¥3,400 (Forecast)

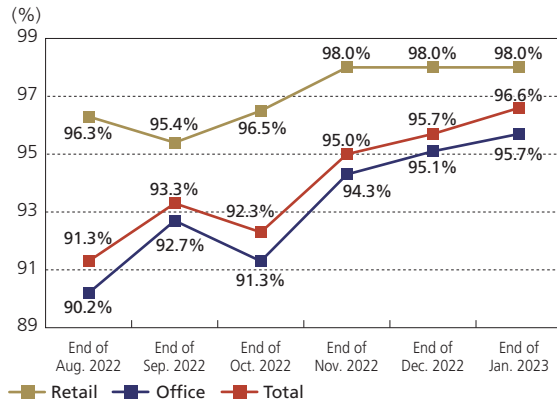
(Date of payment: Mid April 2024)

Financial Summary

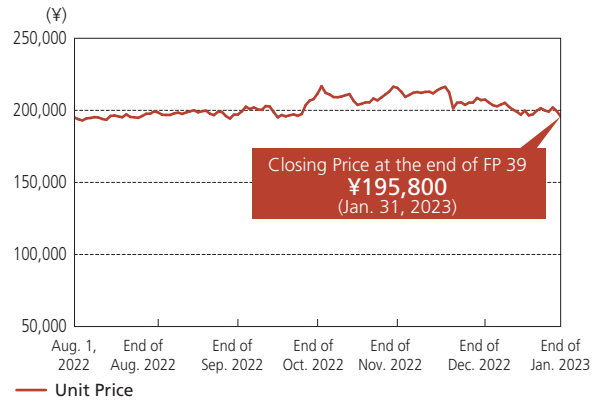
		Ended July 2022 (FP 38) Actual	Ended January 2023 (FP 39) Actual
Balance Sheets	■ Number of Properties	31 properties	31 properties
	■ Total Assets	¥224,636 million	¥239,993 million
	■ Interest-Bearing Debt	¥93,000 million	¥104,500 million
	■ Total Assets Loan-to-Value (LTV) Ratio	41.4%	43.5%
Statements of Income	■ Operating Revenues	¥8,671 million	¥11,321 million
	■ Net Income	¥4,339 million	¥6,885 million
Distributions	■ Distribution per Unit	¥4,005	¥4,040
	■ Average Market Price per Unit	¥188,278	¥202,419

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, 2023 (FP 39), TOKYU REIT held 19 office buildings, 8 retail facilities, 2 residences, 1 complex and 1 land with leasehold interest for a total of 31 properties.

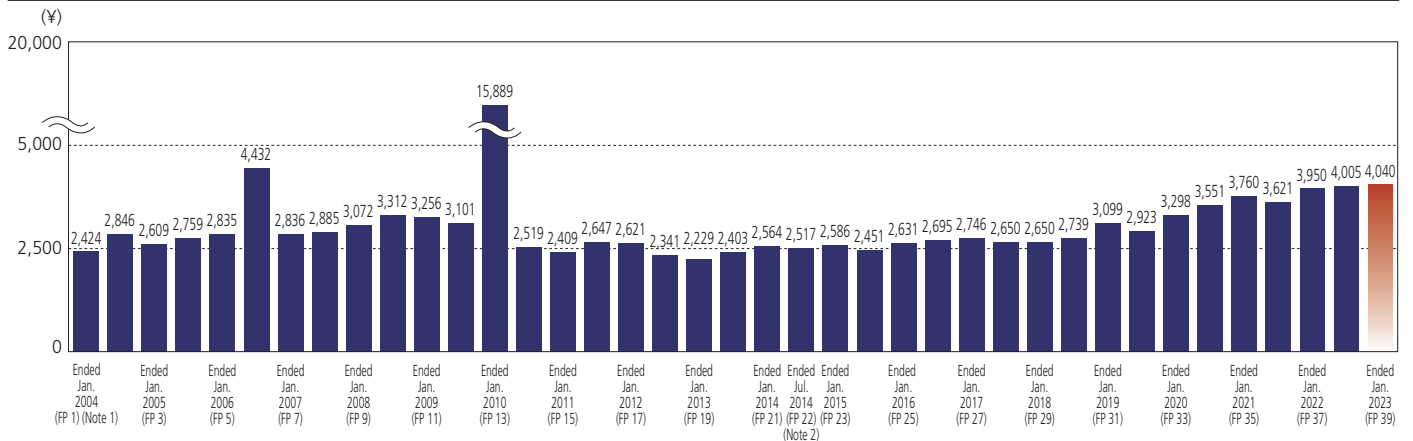
Occupancy Rate



Unit Price



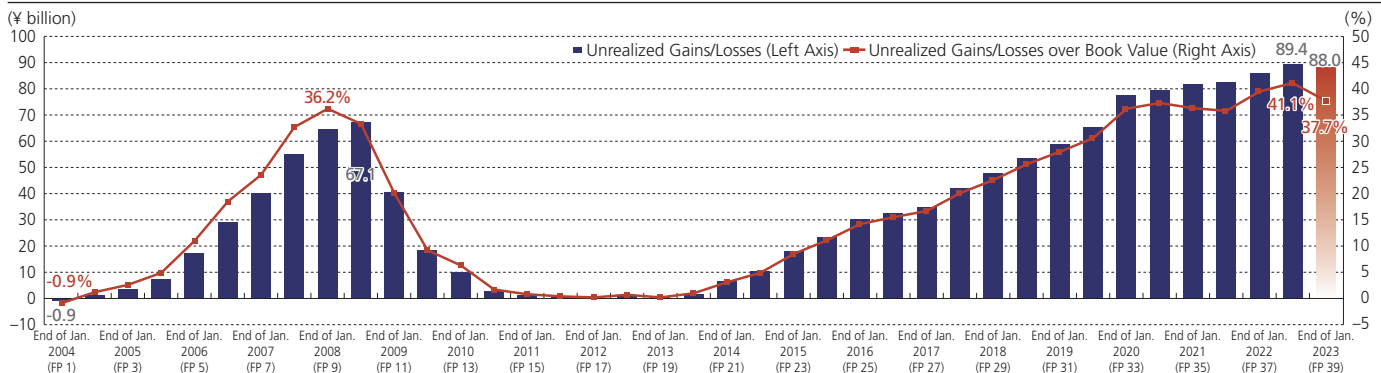
Cash Distribution per Unit



■ 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 Acquisition/Disposition (FP ended Jan. 2023 (FP 39))

TOKYU REIT acquired a large complex directly connected to a major station in the Tokyu Areas while realizing capital gain

Acquisition

Futako Tamagawa Rise (Complex)



Overview of property

Acquisition date	Jan. 31, 2023
Seller	Tokyu Land Corporation
Acquisition price	20,200 million yen
Appraisal value on acquisition ^(Note 1)	20,400 million yen
Use	Retail, office, cinema, hotel
NOI (NOI yield) ^(Note 2)	815 million yen per annum (4.0%)
NOI after depreciation (NOI yield after depreciation) ^(Note 2)	537 million yen per annum (2.7%)
Occupancy rate ^(Note 3)	100.0%
Location	Setagaya-ku, Tokyo

Disposition

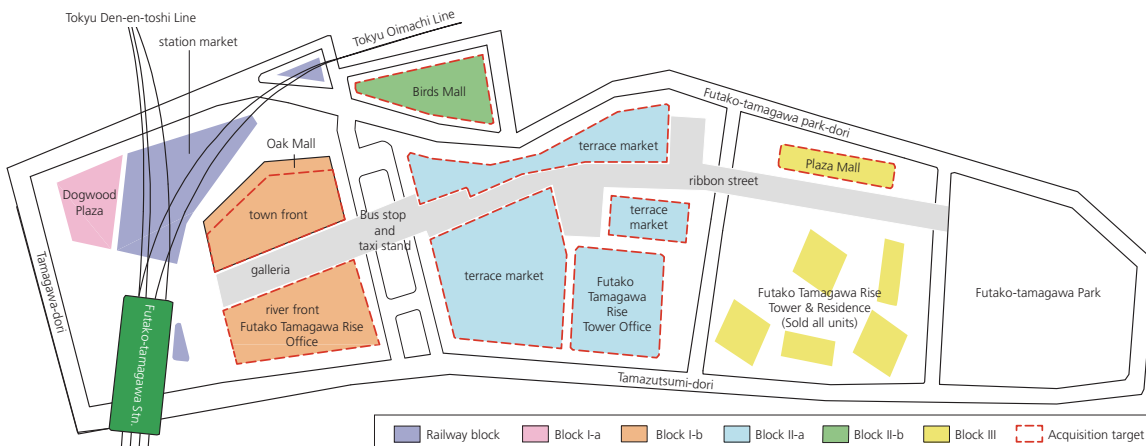
Tokyu Ginza 2-chome Building (Office)



Overview of property

Disposition date	Nov. 30, 2022
Buyer	KR Ginza TMK
Disposition price	8,970 million yen
Difference between the disposition price and the book value ^(Note 4)	4,684 million yen
NOI (NOI yield) ^(Note 2)	250 million yen per annum (2.8%)
NOI after depreciation (NOI yield after depreciation) ^(Note 2)	184 million yen per annum (2.1%)
Occupancy rate ^(Note 5)	37.1%
Location	Chuo-ku, Tokyo

Details of the portion subject to acquisition



Block	Use	Facility name ^(Note 6)	Acquisition ratio	
			Land ^(Note 7)	Building ^(Note 8)
I-b	Retail	Futako Tamagawa Rise Shopping Center town front, river front	4.5%	4.5%
	Office	Futako Tamagawa Rise Office	25.6%	26.1%
II-a	Retail	Futako Tamagawa Rise Shopping Center terrace market	12.3%	12.6%
	Hotel	Futako Tamagawa Rise Tower Office	12.7%	12.7%
II-a	Office	Futako Tamagawa Rise Tower Office	12.7%	12.7%
	Office	Futako Tamagawa Rise Tower Office	12.7%	12.7%
II-b	Retail	Futako Tamagawa Rise Birds Mall	2.1% ^(Note 9)	2.5% ^(Note 9)
III	Retail	Futako Tamagawa Rise Plaza Mall	4.8%	4.8%

<Location map>



(Note 1) As of August 1, 2022.

(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 2021 to July 2022. Yields are based on acquisition/disposition price.

(Note 3) As of end of January 2023.

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

(Note 5) As of end of October 2022.

(Note 6) The name used in facility operation is indicated, and such name differs from the name based on the register and management rules. Only the facility name for the portion to be acquired by **TOKYU REIT** is indicated.

(Note 7) The percentage calculated based on the area for the acquired ownership interest obtained by multiplying the land area in the register by the percentage of site rights at the section subject to acquisition and the percentage of ownership interest in said section acquired by **TOKYU REIT** is indicated.


(Note 8) The percentage calculated based on the area for the acquired ownership interest obtained by multiplying the exclusive building area in the register by the percentage of ownership interest in said section acquired by **TOKYU REIT** is indicated.

(Note 9) The percentage of the entire area including the residential portion is indicated.

External Certification, Green Finance, etc.

Obtain Certifications from External Assessment Institutions

■ GRESB



GRESB Real Estate Assessment

4 Star
Green Star (8th consecutive year)

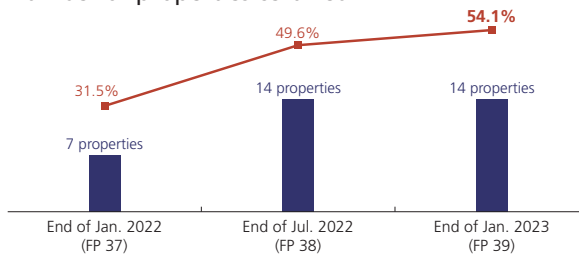


GRESB Public Disclosure

A Level (highest rating)

■ Environmental Certification

Acquisition ratio of environmental certification ^(Note),
Number of properties certified



Target ▶ Increase the acquisition ratio of environmental certification ^(Note) of the owned properties to **70% or more by fiscal 2025**

CASBEE Real Estate Assessment Certification	BELS Certification	LEED Certification
		
Rank S: 3 properties Rank A: 9 properties	★★: 1 property	Gold: 1 property

(Note) Based on total floor space (excluding land with leasehold interest). Even when a certification is acquired only for a certain use at properties including multiple uses, the area for which environmental certification is acquired is calculated based on the total floor area of the said property. The figures are calculated by using the exclusive area for real estate in trust for QFRONT, the exclusive area based on TOKYU REIT's ownership ratio of the compartmentalized ownership and the co-owned portion under compartmentalized ownership for TOKYU REIT Toranomon Building, the exclusive area based on TOKYU REIT's ownership ratio of the compartmentalized ownership and the co-owned portion under compartmentalized ownership for TOKYU REIT Shibuya R Building, the area calculated by multiplying the exclusive area of the compartments under compartmentalized ownership for real estate in trust by the percentage of quasi-co-ownership interest of the trust beneficiary interest of TOKYU REIT for Tokyu Bancho Building and Aoyama Oval Building, and the exclusive area based on TOKYU REIT's ownership ratio of the compartments under compartmentalized ownership for Futako Tamagawa Rise.

Green Finance Framework

■ Green Eligibility Criteria

<p>1. Green buildings</p> <ul style="list-style-type: none"> ● DBJ Green Building Certification (3, 4 or 5 Stars) ● CASBEE Certification (Rank S, A or B+) ● BELS Certification (3, 4 or 5 Stars) ● LEED Certification (Platinum, Gold or Silver) 	<p>2. Renovation work, etc.</p> <ul style="list-style-type: none"> ● Renovation work intending to improve the number of stars or rank by one or more for any of the environmental certifications listed in 1. ● Renovation work capable of reducing energy consumption, greenhouse gas emission or water consumption by 30% or more ● Introduction or acquisition of facilities related to renewable energy
---	--

■ External Evaluation

Obtained the top rank (Green 1 [F]) in the Green Finance Framework evaluation by Japan Credit Rating Agency, Ltd. (JCR)

■ Procurement (balance as of the end of the fiscal period ended Jan. 2023)

Total: 13.5 billion yen (green bond: 6 billion yen, green loan: 7.5 billion yen)

Task Force on Climate-related Financial Disclosures (TCFD) (Tokyu REIM)

- Endorsed TCFD recommendations and joined the TCFD Consortium (August 2022)
- Analyzed the impact of climate change on businesses based on multiple scenarios (less than 1.5°C · less than 2°C, 4°C). Identified and assessed the risks and opportunities for business activities, and implemented disclosure in line with the TCFD recommendations (March 2023)



Sustainability Measures

Environmental Measures

Reduction of Energy Consumption and Greenhouse Gas ("GHG") Emissions / Reduction of Water Consumption and Waste

■ Setting of environmental performance targets

Greenhouse gas emission intensity ^(Note 1)	<ul style="list-style-type: none"> ● 46.2% reduction from the level for fiscal 2019 in fiscal 2030 ● Achieve carbon neutrality by fiscal 2050
Energy consumption intensity and water consumption intensity ^(Note 1)	<ul style="list-style-type: none"> ● 5% reduction from the level for fiscal 2019 by fiscal 2024
Waste recycling rate ^(Note 2)	<ul style="list-style-type: none"> ● Maintain the level of fiscal 2019 or higher by fiscal 2024

■ Acquisition of third-party assurance for environmental performance data

Acquired third-party assurance for each environmental performance data for the entire portfolio

		FY2021 (Feb. 2021 - Jan. 2022)
Energy consumption (GJ)		93,178
Greenhouse gas emissions (t-CO ₂)	Scope1	21
	Scope2	2,363
	Scope3	6,289
Water consumption (m ³)		52,817
Waste discharge ^(Note 2) (t)		1,433

* Please refer to TOKYU REIT's website for other items (<https://www.tokyu-reit.co.jp/eng/>)

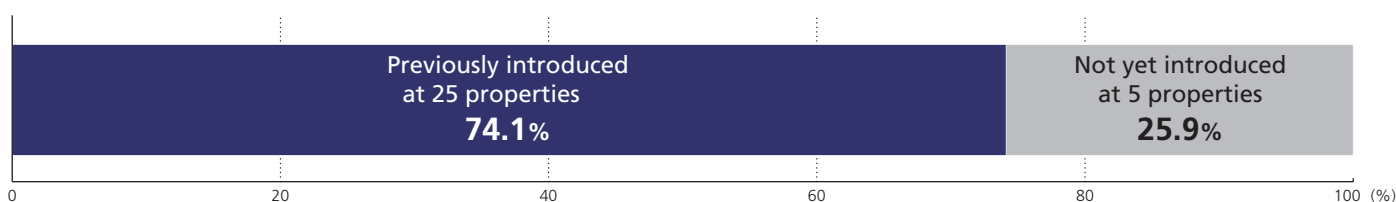
(Note 1) The figures for greenhouse gas, energy and water are counted for each fiscal year from February to January of the following year.

(Note 2) The figures for waste are counted for each fiscal year from April to March of the following year.

■ Introduction of 100% renewable energy

Introduced 100% renewable energy at 74.1% (25 properties) of the total floor area ^(Note 3) of all the 30 properties under management excluding land with leasehold interest ^(Note 4)

<Status of introduction of 100% renewable energy at properties under management ^(Note 4)>



■ Major construction work related to reduction of energy consumption (fiscal period ended Jul. 2022 (FP 38) & fiscal period ended Jan. 2023 (FP 39))

- Renewal of air conditioning equipment: 5 properties **Reduction of electricity consumption**
(cocoti, TOKYU REIT Toranomon Building, Kojimachi Square, Akihabara Sanwa Toyo Building, Aoyama Oval Building)
- Renewal of elevator: 2 properties **Reduction of electricity consumption**
(TOKYU REIT Kamata Building, TOKYU REIT Shinjuku 2 Building)
- Renovation of restrooms: 1 property **Water-saving**
(TOKYU REIT Ebisu Building)

<Progress rate of switching to LED at exclusively owned office areas ^(Note 5)>

Period	Progress Rate (%)
End of Jan. 2022 (FP 37)	60.5%
End of Jul. 2022 (FP 38)	67.4%
End of Jan. 2023 (FP 39)	80.3%

■ Other

- Installation of charging station for electric vehicles (Tokyu Toranomon Building, fiscal 2022)

(Note 3) The figures are calculated by using the exclusive area for real estate in trust for QFRONT, the exclusive area based on TOKYU REIT's ownership ratio of the compartmentalized ownership and the co-owned portion under compartmentalized ownership for TOKYU REIT Toranomon Building, the exclusive area based on TOKYU REIT's ownership ratio of the compartmentalized ownership and the co-owned portion under compartmentalized ownership for TOKYU REIT Shibuya R Building, the area calculated by multiplying the exclusive area of the compartments under compartmentalized ownership for real estate in trust by the percentage of quasi-co-ownership interest of the trust beneficiary interest of TOKYU REIT for Tokyu Bancho Building and Aoyama Oval Building, and the exclusive area based on TOKYU REIT's ownership ratio of the compartments under compartmentalized ownership for Futako Tamagawa Rise.

(Note 4) As of March 2023

(Note 5) Based on total leasable area.

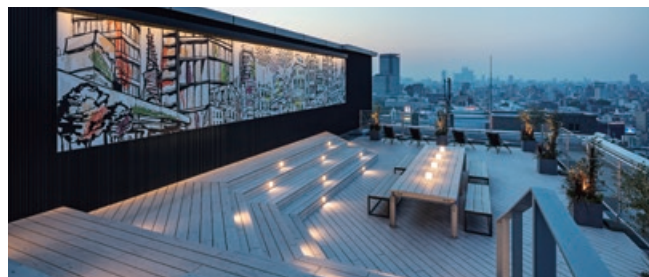
Social Contribution

Improvement of Safety and Comfort of Tenants

Renovation of rooftop (Tokyu Bancho Building 2020)



Before



After

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 emergency portable toilet
- Installing AED

Contribution to the Development of Communities

Installed disaster-relief vending machines (each property)



Installed 10 vending machines that can provide goods free of charge at times of emergency including disasters in 7 properties (as of the end of January 2023)

Allocation and Development of Personnel Sufficient in Both Quality and Quantity

Training program

Implemented various trainings targeting all officers and employees

- Compliance training: 8 times (actual results for fiscal 2021)
- Sustainability training (2022)
- Training by job class (expansion of online training service)

Support for the acquisition of qualifications

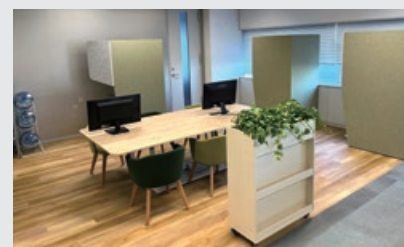
Supported self-development of officers and employees through improved system to subsidize expenses for acquiring and maintaining qualifications

- Major qualifications
 - 6 Real Estate Appraisers
 - 25 Real Estate Notaries
 - 9 ARES Certified Masters
 - 5 Certified Building Administrators
 - 6 Certified Rental Property Managers
 - 1 Certified public accountant, etc.
- No. of people who utilized subsidy system of expenses for acquiring and maintaining qualifications: 13 (actual results for fiscal 2021)

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: 47% (23 people) and 32% (9 people)
- Percentage of employees taking annual paid holiday: 72.6% (actual results for fiscal 2021)
- Enrichment of childcare and nursing care leave system, short-time work system, etc.
- Establishment of health committee: Appointment of industrial physician, interview with officers and employees
- Implementation of stress check for officers and employees: Implementation rate of stress check for officers and employees: 93% (actual results for fiscal 2021), etc.
- 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^(Note) (satellite office)
- Implemented renovation work of the office at the Investment Management Company with an aim to promote communication and improve comfort, etc.



Office (after renovation)

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

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 2023 (FP 39), there were one Executive Director^(Note) 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		Takashi Aikawa Supervisory Director	
April 1988	Admitted to the Bar of Japan (Tokyo Bar Association). Entered Ohara Law Office.	November 1997	Admitted to Joto Audit Corporation
May 1988	Studied abroad at the Chinese University of Hong Kong.	March 2001	Admitted to Shinsoh Audit Corporation
September 1988	Studied abroad at Renmin University of China.	April 2003	Certified as a public accountant in Japan (current)
July 1989	Worked at Robert Lee & Fong Solicitors in Hong Kong.	April 2015	Appointed Chief Representative, Shinsoh Audit Corporation (current position)
February 1996	Opened Maruhito Kondo Law Office (current position).	January 2021	Outside auditor of SHOEI FOODS CORPORATION (current position)
May 1998	Admitted to Daini Tokyo Bar Association (current position).	May 2021	Appointed Supervisory Director, TOKYU REIT, Inc. (current position)
June 2003	Appointed Supervisory Director, TOKYU REIT, Inc. (current position).		

*See page 3 about Kazuyoshi Kashiwazaki's career.

TOKYU REIT's Initiatives (Governance)

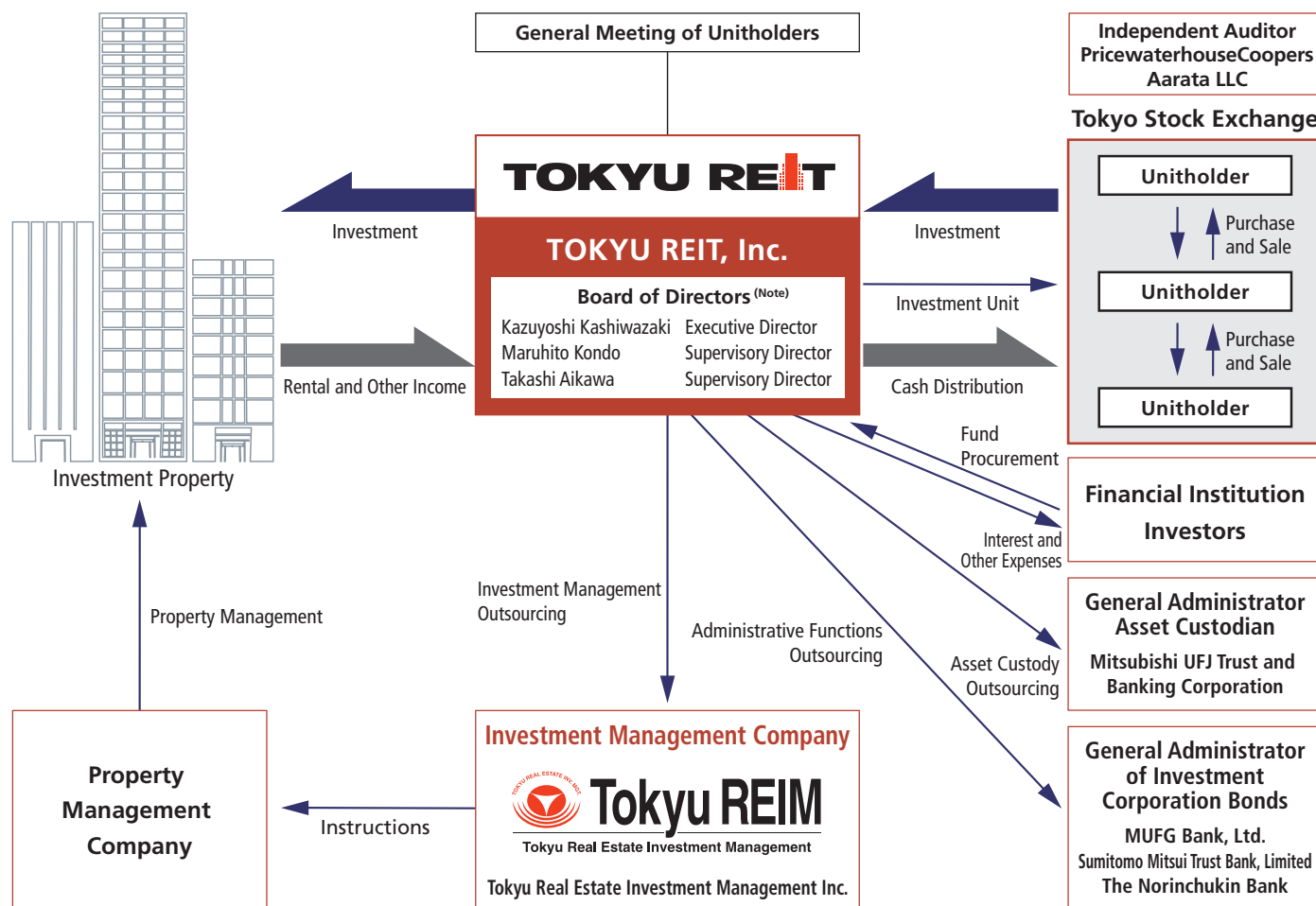
TOKYU REIT's Aim, Goals	Characteristics of TOKYU REIT's Governance Structure
1 Unitholder first Willing to learn from investors but reject requests from short-term interests	1 Proactive involvement of independent outside board members
2 Aim to become a "Global investment product" Willing to become invest-worthy for all investors around the globe	2 Optimal balance between sponsor collaboration and independence
3 Quality decision-making process Highest level board management in the REIT industry	3 Strict focus on fiduciary duty for investment management company and the others
4 Aim to become the most reputable J-REIT Outperform other J-REITs	4 Management fee set to "being in the same boat as unitholders"

TOKYU REIT's Management Characteristics

Excellent Governance as a Source of Competitiveness	Structural	<ul style="list-style-type: none"> Multiple layers of monitoring and proactive involvement of outside board members Management fee set to "being in the same boat as unitholders" 	<ul style="list-style-type: none"> Stringent measures against conflicts of interest Board meetings held twice or more a month on a regular basis and enhanced resolution and reporting system
	Human Resources	<ul style="list-style-type: none"> Carefully select board members to enhance debate* Provide appropriate compensation to board members for the responsibility and the workload 	<ul style="list-style-type: none"> Legal advisor to be present at board meetings
	Culture	<ul style="list-style-type: none"> Board members not hesitant to reject, waive resolution or agree with conditions Willing to debate among independent outside board members 	<ul style="list-style-type: none"> Tokyu REIM's efforts <ul style="list-style-type: none"> Strict focus on fiduciary duty Management fee programmed to enhance involvement of all business segments Intend to let all Tokyu REIM staff communicate directly with investors
	Track Record	<ul style="list-style-type: none"> Status of the Board of Directors' meetings held (ended Jan. 2023 (FP 39)): 1.6 meetings per month on average 	<ul style="list-style-type: none"> Attendance at Board of Directors' meeting (ended Jan. 2023 (FP 39)) <ul style="list-style-type: none"> Kazuyoshi Kashiwazaki (Executive Director) 100% Maruhito Kondo (Supervisory Director) 100% Takashi Aikawa (Supervisory Director) 100% General Administrator 100%

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

TOKYU REIT Structure and External Service Providers



(Note) In addition, appointment of 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. 2023 (FP 39)
	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)	¥378 million
	It will be linked not to the total investment amount but to the total asset valuation and motivate the enhancement of asset value even after the acquisition of properties	
Base 2 (Linked to cash flow)	Standard cash flow in current fiscal period ^(Note) × 6.0% (5.7% for the portion exceeding 5.0 billion yen and 7.5 billion yen or less) (5.4% for the portion exceeding 7.5 billion yen)	¥368 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.

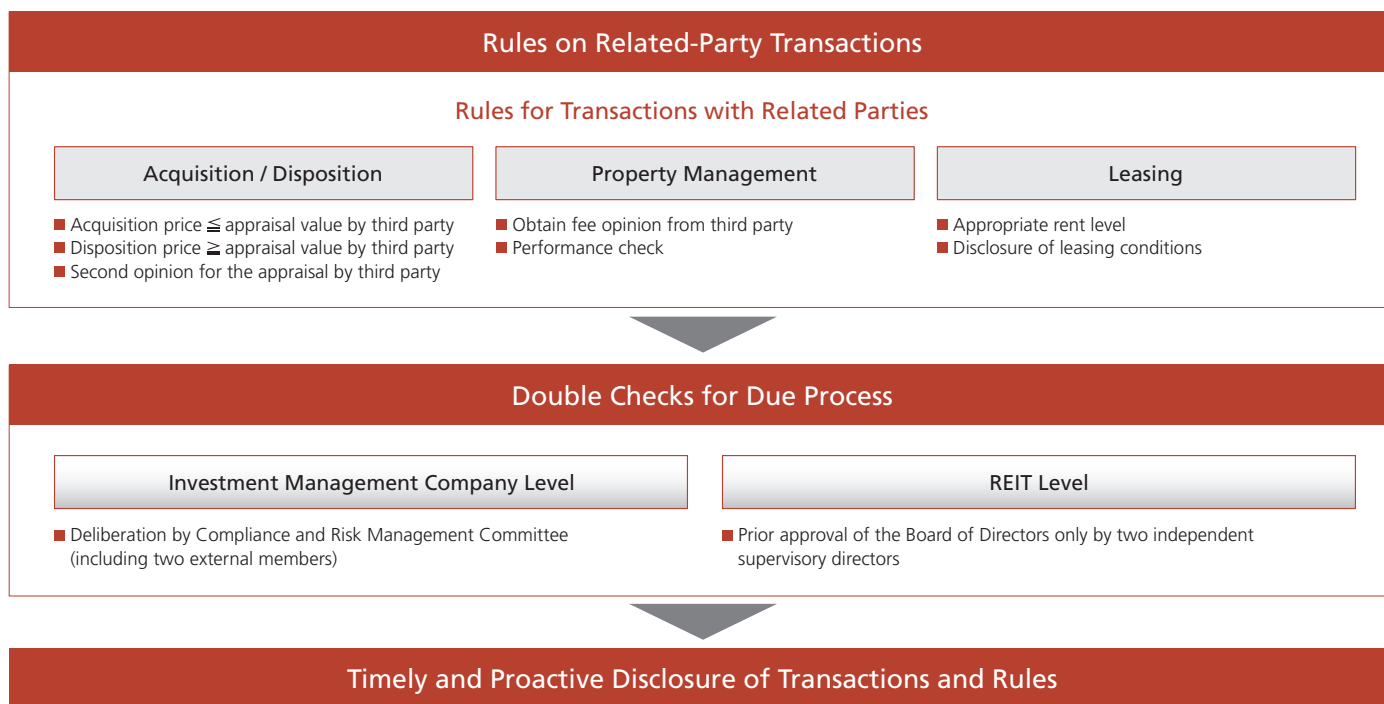
Collaboration with Tokyu Corporation and Its Subsidiaries

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

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

Related Party Transactions

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



(Note) “Related Parties” is a collective term for 1 and 2.

1. “Tokyu Corporation and its subsidiaries” refers to any entity that falls under the following (1) to (3):

(1) Tokyu Corporation

(2) A subsidiary of Tokyu Corporation

(3) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a subsidiary of Tokyu Corporation and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%.

2. Affiliates of Tokyu Corporation

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

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

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

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

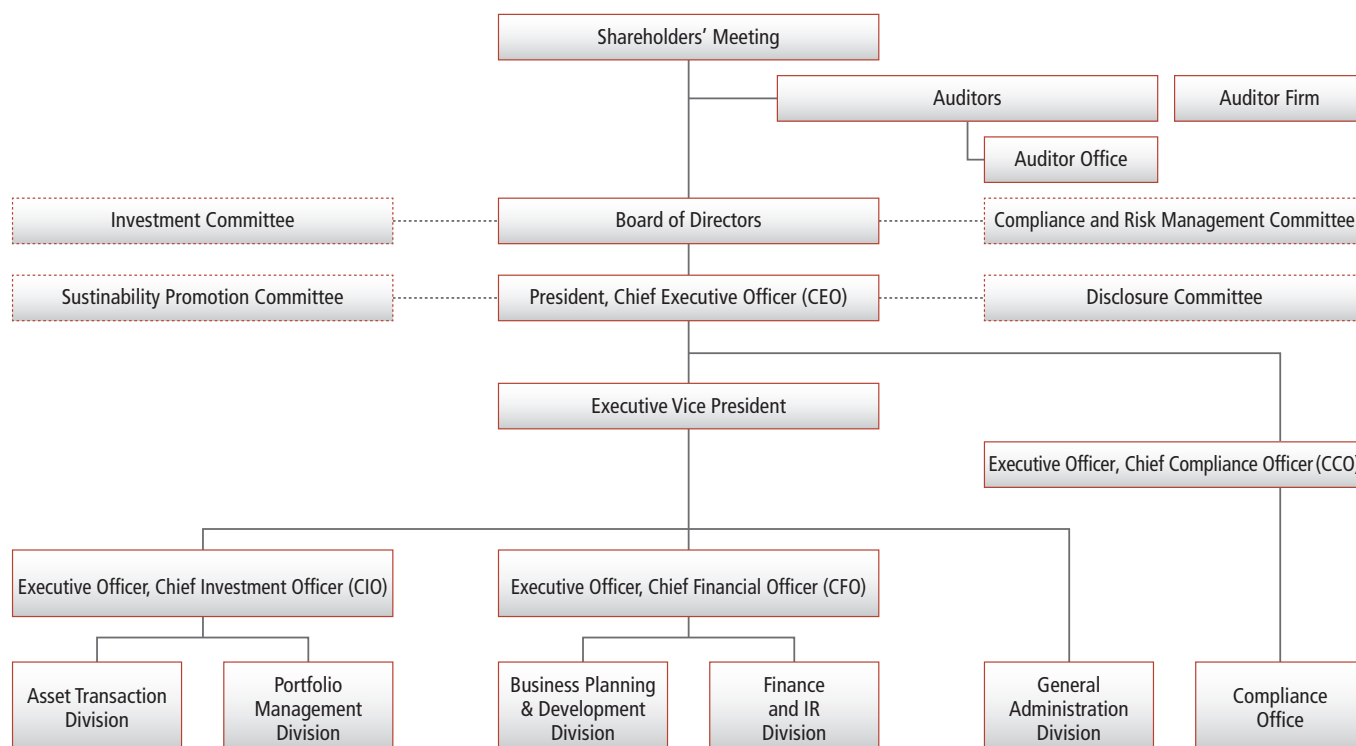
Tokyu REIM is a financial instruments dealer under the Financial Instruments and Exchange Act (Kanto Financial Bureau (*Kin-sho*) No. 360).

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

Major Shareholder

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

Organization Chart



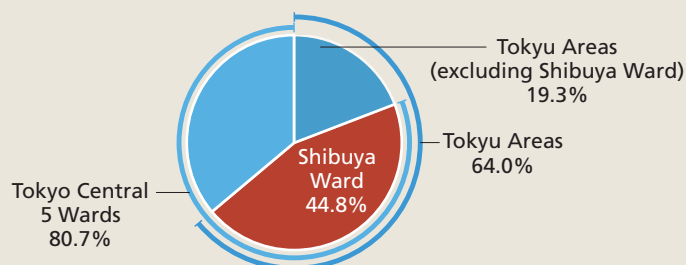
Investment in Highly Competitive Properties in Areas with Strong Growth Potential

Areas with Strong Growth Potential

Investment Area: Tokyo Metropolitan Area

- Investment of more than 85% in Tokyo Central 5 Wards and areas along Tokyu rail lines, areas showing population growth and more growth potential in the Tokyo Metropolitan Area
- ✓ 100% of investment in Tokyo Central 5 Wards and areas along Tokyu rail lines as of the end of January 2023 (FP 39)
- *Based on acquisition price
- Control earthquake risk through PML (Set portfolio PML ^(Note) at 10% or lower)
- ✓ Set portfolio PML as of the end of January 2023 (FP 39): 3.3%
- 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)	

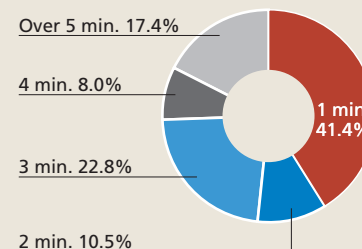
(Note) The PML for the entire portfolio. There is no unified, strict definition of PML; as used in this semiannual report, PML represents the amount and percentage of damages in the event of the occurrence of the largest earthquake that is expected to happen once in 475 years. Calculations incorporate data relating to the assessment of building conditions of individual properties, conformity to architectural design, assessment of ground conditions of relevant site and assessment of seismic performance. The PML is based on the earthquake risk assessment reports prepared by Tokio Marine dR Co., Ltd. Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to surrounding facilities. 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 which started within the property 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
 - ✓ 74.6%* of properties lie within a three-minute range (as of the end of January 2023 (FP 39))
 - * Based on acquisition price

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



Minimum Investment Amount per Property

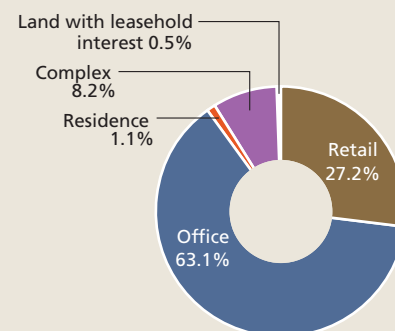
- 4.0 billion yen, in principle ^(Note 1)
- However,
 - (1) Properties located in Tokyu Areas (including Shibuya Ward): 1.0 billion yen
 - (2) Properties located in Central Tokyo (excluding Shibuya Ward) ^(Note 2): 2.0 billion yen
 - (3) Land with leasehold interest: 1.0 billion yen
- ✓ Average amount invested per property is ¥7.9 billion* (end of January 2023 (FP 39))
- * 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

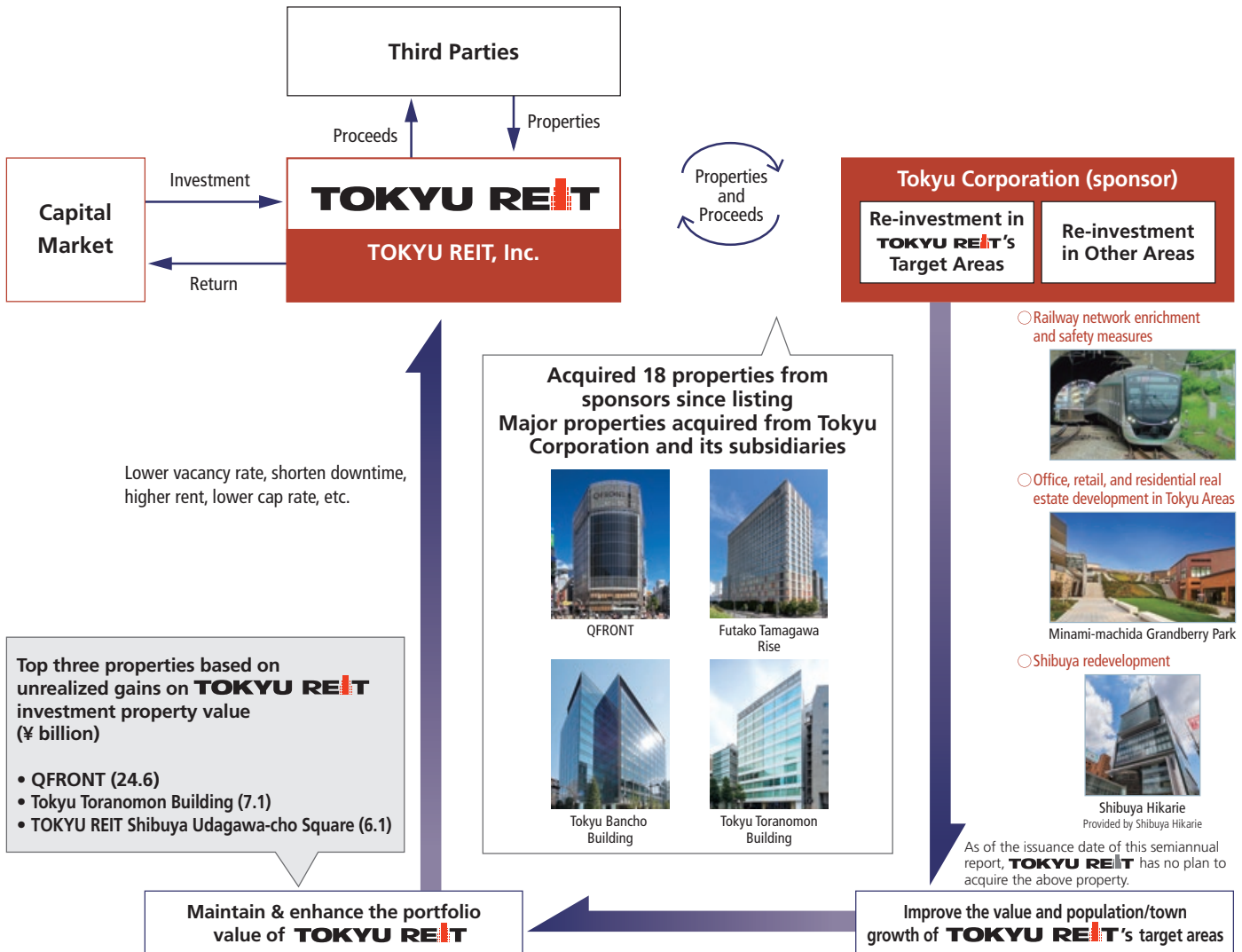
Investment management fee structure “being in the same boat as unitholders”	➔ Refer to Page 11
“Capital Re-investment Model” through collaboration with sponsors	➔ Refer to Page 16
“Value and contrarian investment strategy” focusing on cyclicity of real estate prices	➔ Refer to Page 17
Debt management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

Investment Management Strategy

Capital Re-investment Model

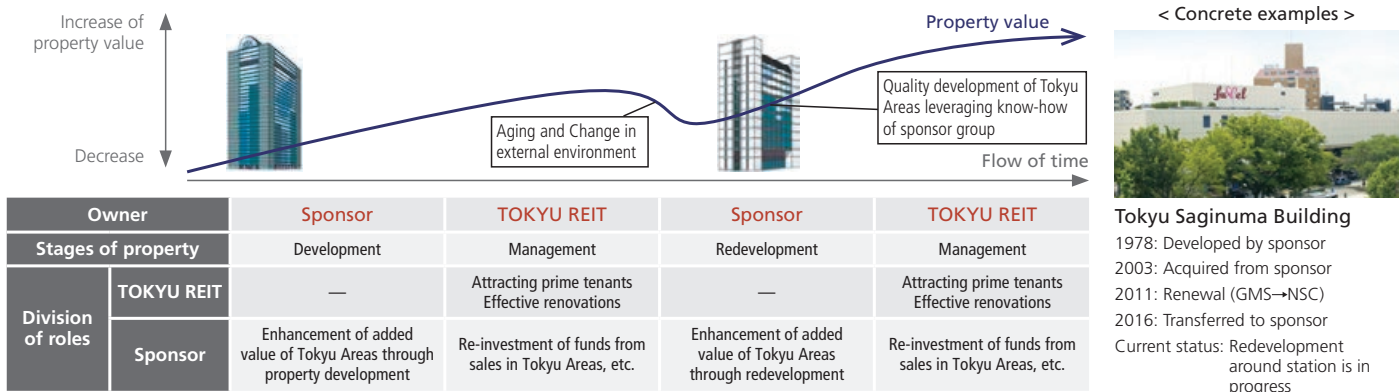
“Capital Re-investment Model” through collaboration with sponsors

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



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

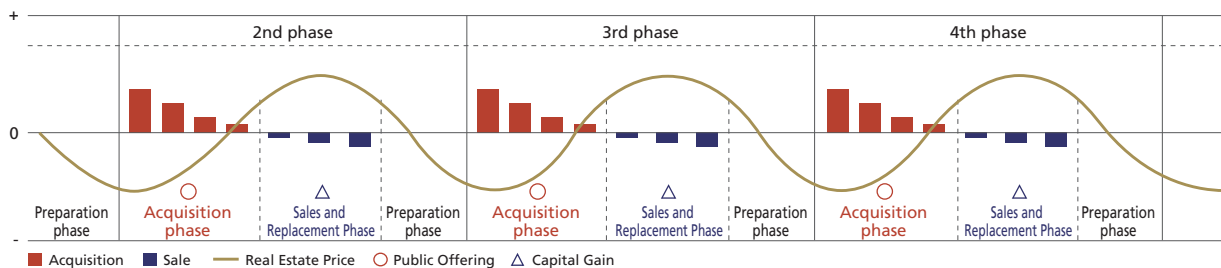
Aim for ceaseless value enhancement in investment targeted areas through division of roles with sponsor



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

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

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



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

Investment Style

Value & Contrary

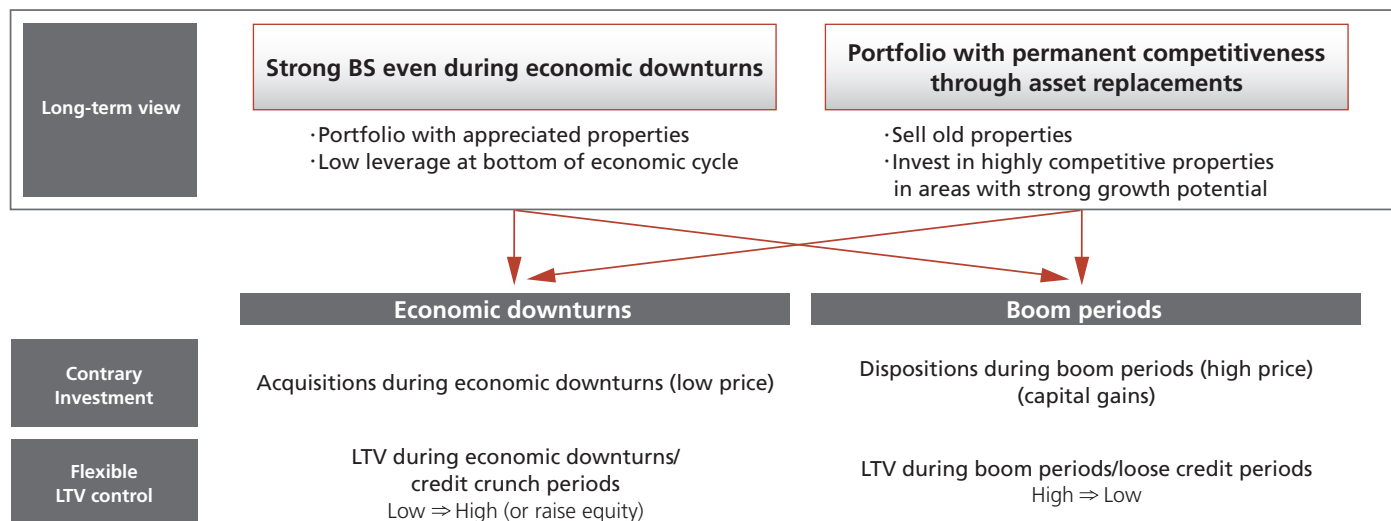
Value Investment

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

Contrary Investment

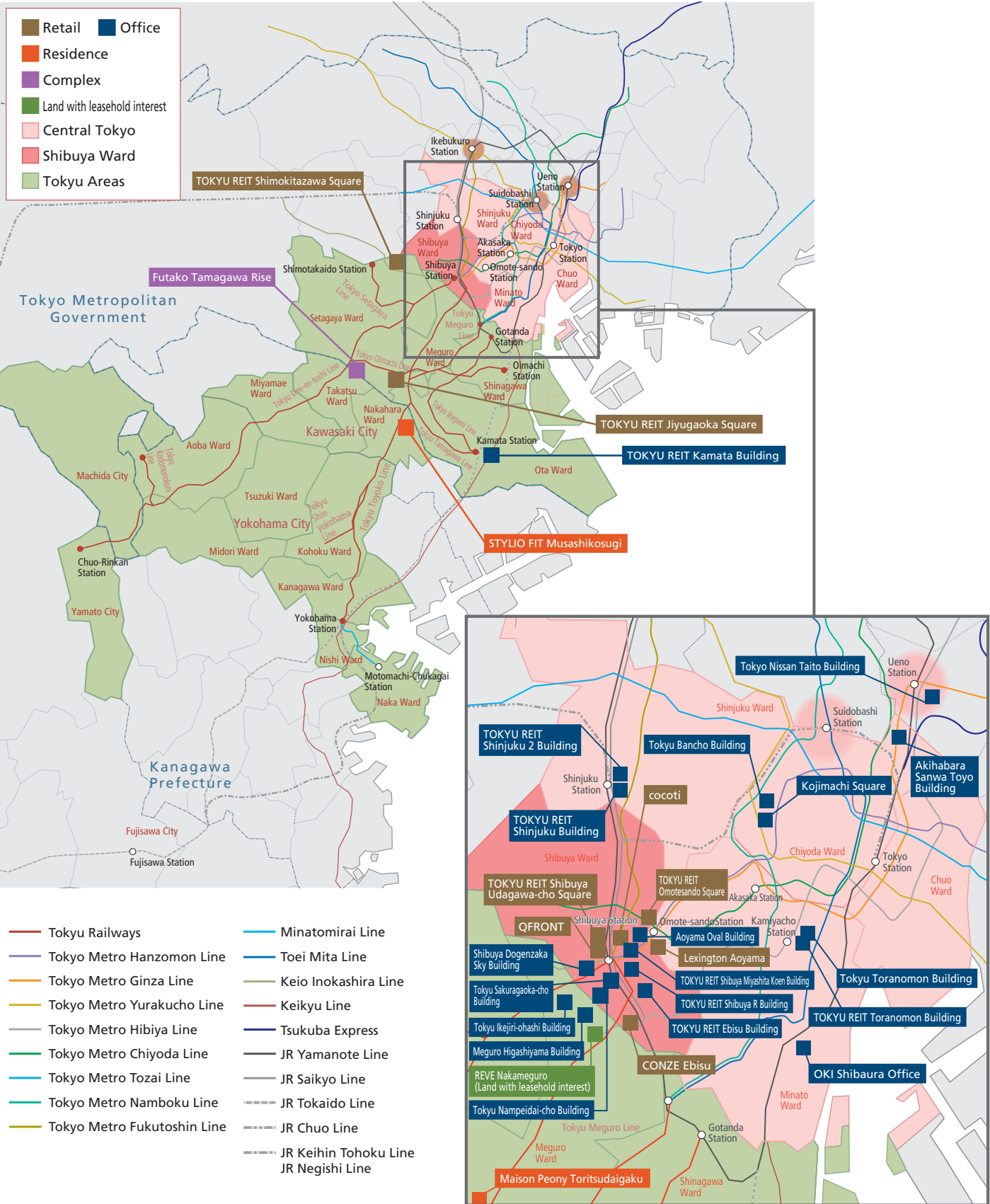
An approach of investing in the phase when prices are falling. TOKYU REIT aims to acquire properties when they are priced low and sell them when they are priced high, thereby recouping the investment.

Concept



Investment Management Strategy

Investment Targeted Areas



* Some properties are only partially owned by TOKYU REIT.

Status of Redevelopment around Shibuya Station

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



*As of the issuance date of this semiannual report.

TOKYU REIT owns 16 properties in Greater SHIBUYA (extensive Shibuya area)^(Note) where redevelopment is in progress

Acquisition Price: 130.3 billion yen Appraisal Value: 178.4 billion yen



QFRONT TOKYU REIT Omotesando Square Lexington Aoyama Tokyu Nampeidai-cho Building Tokyu Sakuragaoka-cho Building TOKYU REIT Shibuya Udagawa-cho Square cocoti



CONZE Ebisu Tokyu Ikejiri-ohashi Building Aoyama Oval Building TOKYU REIT Shibuya R Building TOKYU REIT Ebisu Building TOKYU REIT Shibuya Miyashita Koen Building Shibuya Dogenzaka Sky Building
and Meguro Higashiyama Building, RAVE Nakameguro (land with leasehold interest)

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

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

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

*Pictures are provided by SHIBUYA SCRAMBLE SQUARE [1], Shibuya 2-Chome 17 District Urban Redevelopment Association [2] and Tokyu Land Corporation [3]. The source of [4] is as follows. Image by Proloog/Copyright:Snøhetta (Provided by: Tokyu Corporation)

1 SHIBUYA SCRAMBLE SQUARE

Phase I (East building)
Opened in November 2019
Phase II (Central building/West building)
Scheduled to open in fiscal 2027
*The schedule may be changed in the future



Implementing body	Tokyu Corporation, East Japan Railway Company, Tokyu 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 2-Chome 17 District

Scheduled to open in the first half of 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

3 Shibuya Station Sakuragaoka Exit Block (Shibuya Sakura Stage)

Scheduled for completion in November 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: B1/30F Block C: 4F

4 Shibuya Upper West Project

Scheduled for completion in fiscal 2027



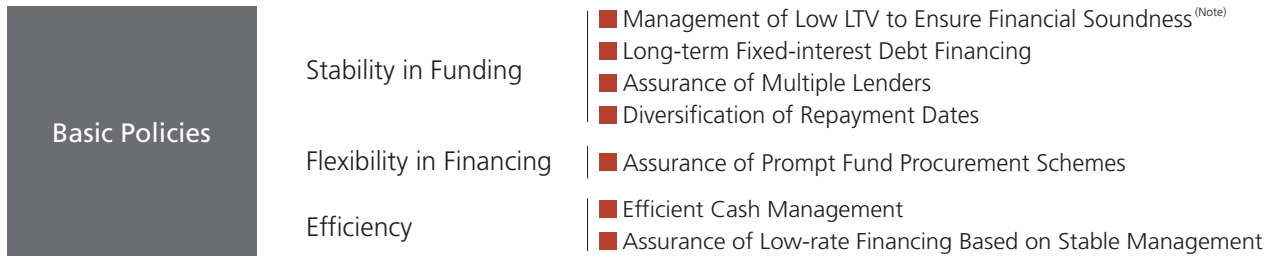
Implementing body	Tokyu Corporation, L Catterton Real Estate, Tokyu Department Store
Usage	Retail, hotel, residence, etc.
Floors	B4/36F

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	¥104.5 billion
Long-Term Fixed-Rate Ratio	100.0%
Avg. Duration	4.77 years
Commitment Line	¥18.0 billion ^(Note)

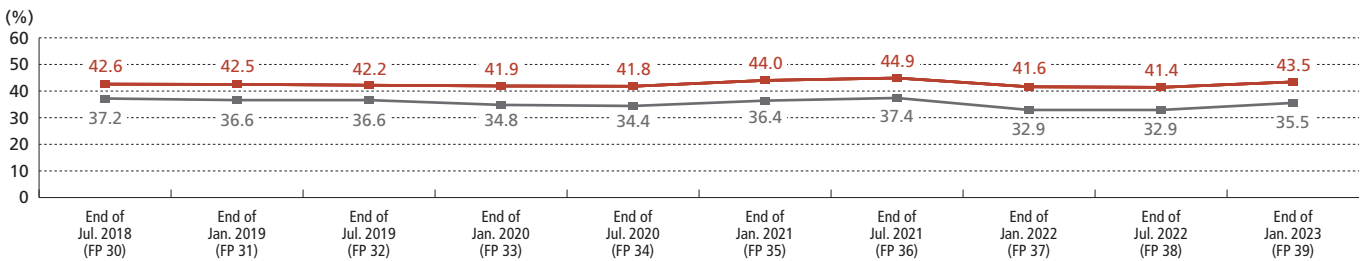
(Note) The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured. Moreover, there is no outstanding debt under the commitment line agreement as of January 31, 2023.

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.



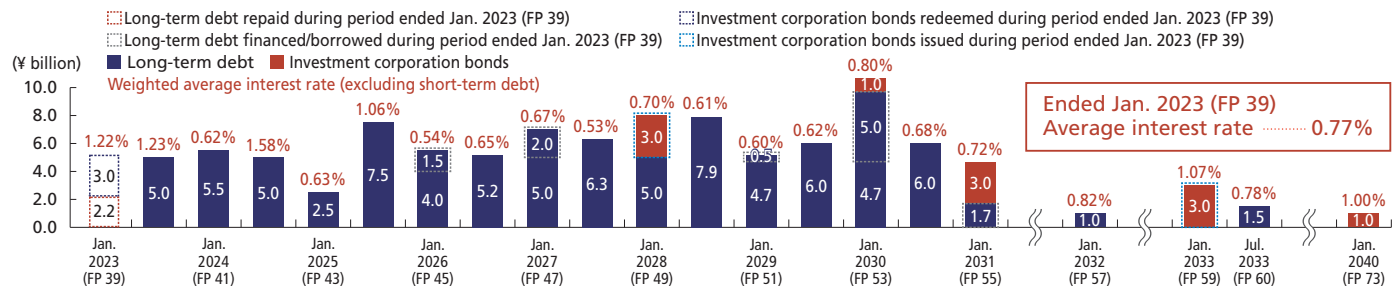
■ LTV based on total assets at the end of period = Balance of period-end interest-bearing debt / Period end total assets

■ 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 2023 (FP 39)

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

Top 10 Tenants by Leased Area

No.	Tenant name	Business category	Property name	Expiration date	Leased area (m ²)	Ratio (Note 1)
1	OKI Electric Industry Co., Ltd.	Electric equipment	OKI Shibaura Office	Mar. 31, 2030	18,102.32	11.0%
2	Rakuten Group, Inc.	Service	Futako Tamagawa Rise (Note 2)	Mar. 31, 2024 (Note 3)	12,165.27	7.4%
3	Tokyu Corporation	Real estate	Tokyu Nampeidai-cho Building	Dec. 31, 2031	7,148.18	4.3%
			Tokyu Sakuragaoka-cho Building	Dec. 31, 2031	3,878.36	2.4%
			REVE Nakameguro (land with leasehold interest)	Sep. 26, 2068	497.02	0.3%
			Futako Tamagawa Rise (Note 2)	Mar. 31, 2023 (Note 3)	260.83	0.2%
4	Culture Convenience Club Co., Ltd.	Other financial business	QFRONT	Dec. 14, 2039	4,502.93	2.7%
			Futako Tamagawa Rise (Note 2)	Aug. 31, 2025	907.95	0.6%
5	FUJITSU LIMITED	Electric equipment	TOKYU REIT Kamata Building	Sep. 30, 2024 (Note 3)	4,593.33	2.8%
6	Sansan, Inc.	Service	Aoyama Oval Building (Note 4)	Dec. 31, 2024 (Note 3)	3,730.65	2.3%
7	Relo Group, Inc.	Other financial business	TOKYU REIT Shinjuku Building	Jul. 31, 2024 (Note 3)	1,955.57	1.2%
			TOKYU REIT Shinjuku 2 Building	Mar. 31, 2023	1,683.22	1.0%
8	Japan Post Insurance Co., Ltd.	Insurance	TOKYU REIT Toranomon Building	Apr. 30, 2024 (Note 3)	3,553.89	2.2%
9	THINK FITNESS Corporation	Service	cocoti	Nov. 30, 2024	1,584.79	1.0%
			TOKYU REIT Omotesando Square	Apr. 30, 2024	1,317.44	0.8%
10	NISSAN NETWORK HOLDINGS	Real estate	Tokyo Nissan Taito Building	Sep. 30, 2028	2,620.06	1.6%
Total of top 10 tenants in leased area					68,501.81	41.6%
Total leased area as of end of Jan. 2023 (FP 39 (31 properties))					164,642.62	100.0%

(Notes) 1. "Ratio" indicates ratio of tenant's leased areas to total leased area of 31 properties held as of the end of the fiscal period ended Jan. 2023 (FP 39).

2. The leased area at Futako Tamagawa Rise is based on the percentage of co-ownership interest of the acquired compartment under compartmentalized ownership.

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.

Creation of Portfolio Resilient to Earthquakes

Structural status (earthquake resistance)

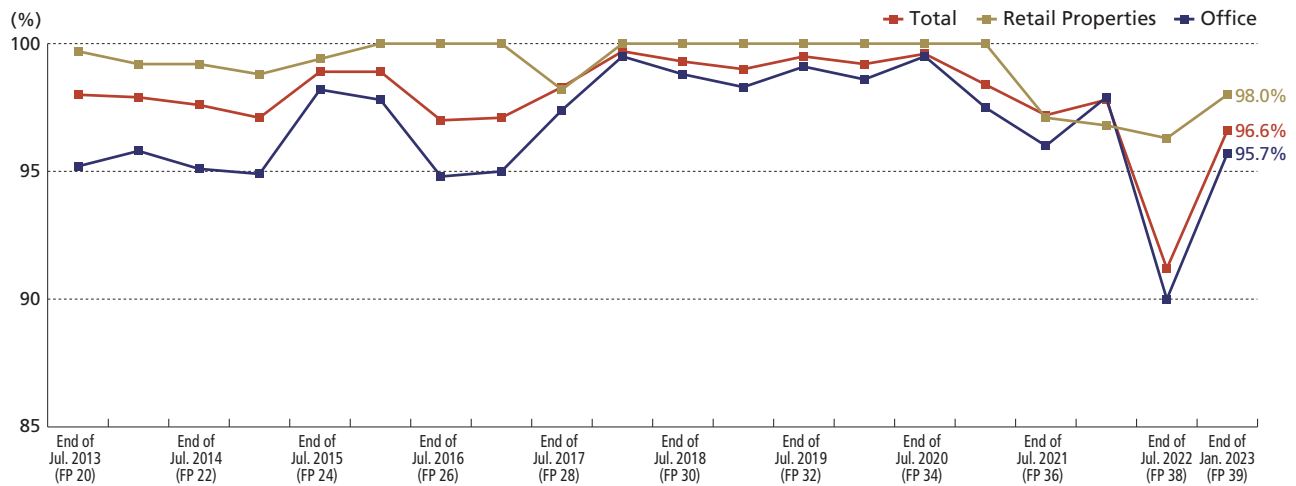
Investment Criteria	Properties that are compliant with the new earthquake resistance standards (Note), that completed anti-seismic reinforcement work, or that has PML of less than 15%	Manage properties with a portfolio PML of 10% or less; examine purchasing earthquake insurance if PML of any property surpasses the figure.
Portfolio	<ul style="list-style-type: none"> 29 out of 31 properties comply with the new earthquake resistance standards (One remaining property is land with leasehold interest only) 	<ul style="list-style-type: none"> Portfolio PML: 3.3% Although the merit of geographical diversification in terms of earthquake risks is small, the value of the portfolio PML is kept at a fairly low level as individual properties have high earthquake resistant ratings.

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

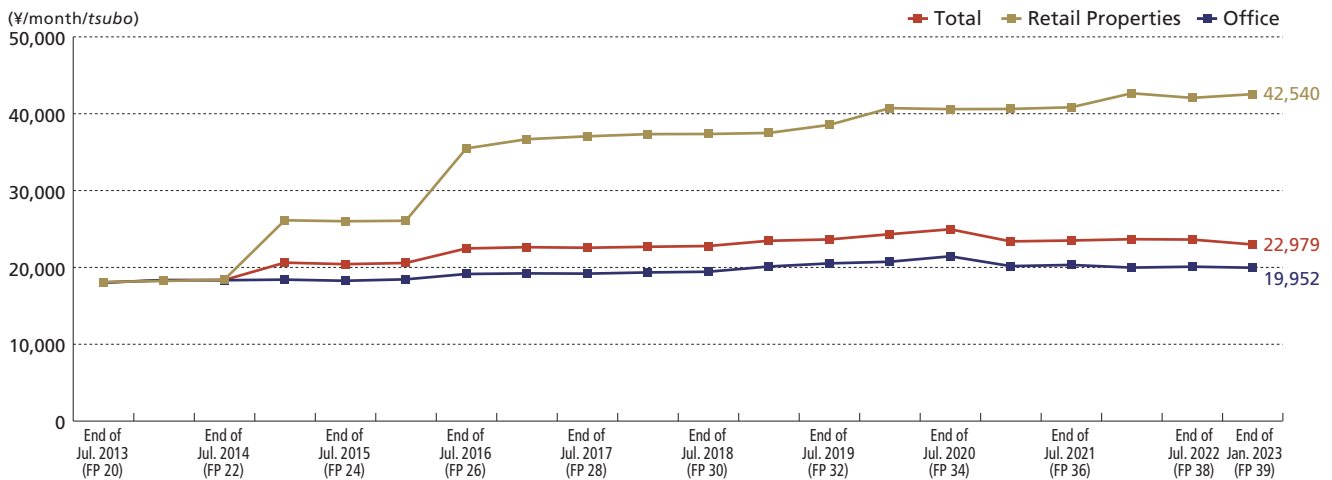
Portfolio (properties owned at the end of January 2023 (FP 39))

Track Record (Results of Management)

Changes in Occupancy Rate

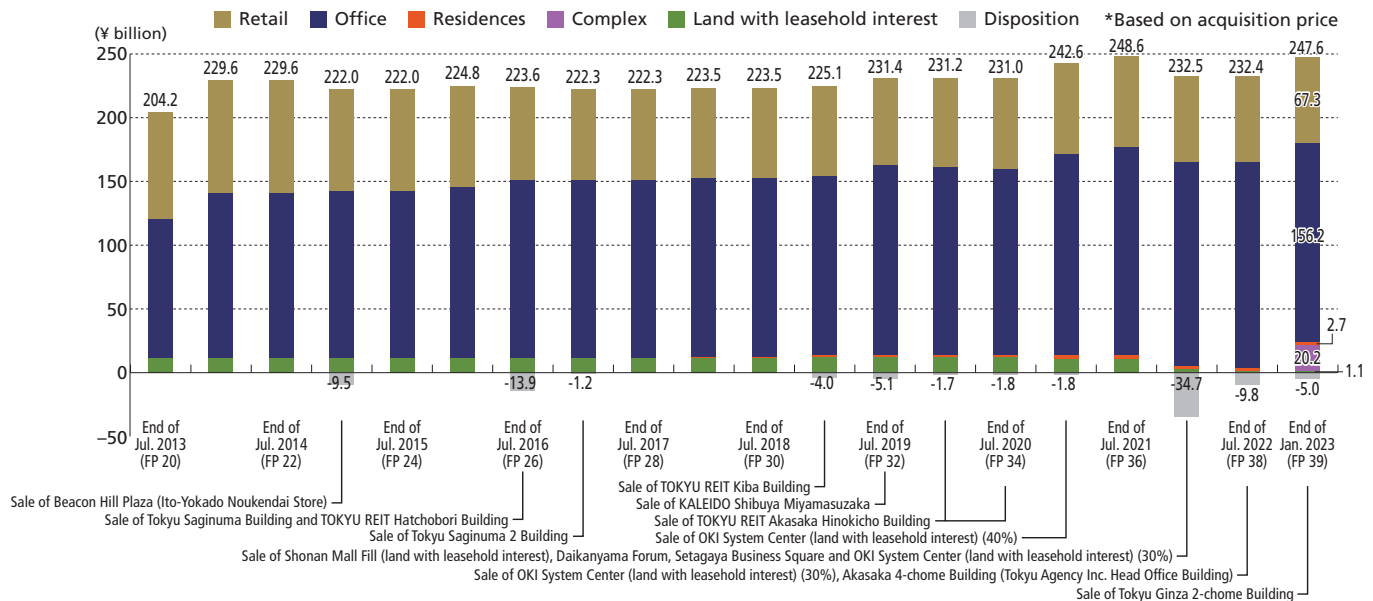


Changes in Average Rent



* 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 ≈ 3.30578m²

Change in Asset Size



Portfolio Overview (at the end of January 2023 (FP 39))

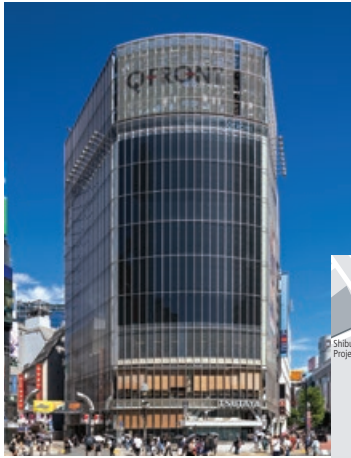
Use	Name of Property	Acquisition Date	Acquisition Price (¥ million)	Location	Total Leasable Area (m ²)	Occupancy Rate	Ratio (Based on Acquisition Price) ^(Note)	Probable Maximum Loss (PML) in Earthquake Risk Analysis	
Retail	QFRONT	Sep. 10, 2003	15,100	Shibuya Ward, Tokyo	4,502.93	100%	6.1%	2.0%	
	Lexington Aoyama	Sep. 11, 2003	4,800	Minato Ward, Tokyo	2,094.96	100%	1.9%	8.0%	
	TOKYU REIT Omotesando Square	Sep. 10, 2003	5,770	Shibuya Ward, Tokyo	2,669.10	100%	2.3%	9.9%	
	TOKYU REIT Shibuya Udagawa-cho Square	Mar. 1, 2004	6,600	Shibuya Ward, Tokyo	1,543.05	100%	2.7%	8.5%	
	cocoti		Apr. 6, 2005	14,700	Shibuya Ward, Tokyo	8,295.62	100%	9.9%	1.8%
			Aug. 2, 2005	9,800					
	CONZE Ebisu	Oct. 31, 2006	5,116	Shibuya Ward, Tokyo	2,327.00	85.8%	2.1%	4.3%	
	TOKYU REIT Shimokitazawa Square	Apr. 26, 2019	2,257	Setagaya Ward, Tokyo	1,246.98	88.6%	0.9%	7.8%	
	TOKYU REIT Jiyugaoka Square		Oct. 1, 2019	1,548	Meguro Ward, Tokyo	1,231.80	100%	1.3%	5.8%
Mar. 4, 2020			1,611						
Office	Tokyu Nampeidai-cho Building	Sep. 11, 2003	4,660	Shibuya Ward, Tokyo	7,148.18	100%	1.9%	6.4%	
	Tokyu Sakuragaoka-cho Building	Sep. 11, 2003	6,620	Shibuya Ward, Tokyo	4,737.19	100%	2.7%	3.8%	
	Tokyo Nissan Taito Building	Sep. 11, 2003	4,450	Taito Ward, Tokyo	7,877.43	100%	1.8%	1.7%	
	TOKYU REIT Kamata Building	Sep. 10, 2003	4,720	Ota Ward, Tokyo	7,337.82	100%	1.9%	4.9%	
	TOKYU REIT Toranomon Building		Dec. 15, 2004	8,630	Minato Ward, Tokyo	10,247.06	96.5%	4.1%	3.2%
			Sep. 21, 2007	1,100					
			Oct. 26, 2007	200					
			Jan. 21, 2015	140					
	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5,480	Meguro Ward, Tokyo	5,733.14	99.6%	2.2%	3.8%	
	Kojimachi Square	Mar. 19, 2010	9,030	Chiyoda Ward, Tokyo	5,409.10	100%	3.6%	3.3%	
	TOKYU REIT Shinjuku Building	Mar. 26, 2010	9,000	Shinjuku Ward, Tokyo	6,270.68	100%	3.6%	3.9%	
	Akihabara Sanwa Toyo Building	Oct. 29, 2010	4,600	Chiyoda Ward, Tokyo	4,433.37	100%	1.9%	6.2%	
	TOKYU REIT Shibuya R Building	Aug. 16, 2013	5,270	Shibuya Ward, Tokyo	5,246.68	100%	2.1%	3.1%	
	Tokyu Toranomon Building		Aug. 16, 2013	15,000	Minato Ward, Tokyo	11,029.27	67.7%	7.5%	2.4%
			Jan. 9, 2015	1,850					
			Jun. 30, 2022	1,700					
	TOKYU REIT Shinjuku 2 Building	Oct. 30, 2015	2,750	Shinjuku Ward, Tokyo	1,790.46	100%	1.1%	3.6%	
	Tokyu Bancho Building		Mar. 24, 2016	12,740	Chiyoda Ward, Tokyo	6,137.50	100%	5.6%	2.2%
			Mar. 28, 2019	1,040					
	TOKYU REIT Ebisu Building	Aug. 1, 2018	4,500	Shibuya Ward, Tokyo	1,872.61	100%	1.8%	2.8%	
	Shibuya Dogenzaka Sky Building	Mar. 28, 2019	8,100	Shibuya Ward, Tokyo	4,136.05	92.0%	3.3%	4.9%	
	OKI Shibaura Office	Sep. 28, 2020	11,900	Minato Ward, Tokyo	18,102.32	100%	4.8%	3.4%	
TOKYU REIT Shibuya Miyashita Koen Building	Mar. 29, 2021	6,000	Shibuya Ward, Tokyo	2,299.71	100%	2.4%	2.8%		
Aoyama Oval Building	Dec. 10, 2021	18,600	Shibuya Ward, Tokyo	8,527.90	87.5%	7.5%	2.3%		
Meguro Higashiyama Building	Mar. 24, 2022	8,100	Meguro Ward, Tokyo	6,152.43	100%	3.3%	3.6%		
Residence	Maison Peony Toritsudaigaku	Nov. 15, 2017	1,200	Meguro Ward, Tokyo	852.16	96.7%	0.5%	2.9%	
	STYLIO FIT Musashikosugi	Jan. 20, 2021	1,500	Kawasaki City, Kanagawa Prefecture	1,830.00	100%	0.6%	6.3%	
Complex	Futako Tamagawa Rise	Jan. 31, 2023	20,200	Setagaya Ward, Tokyo	18,919.73	100%	8.2%	(Block I-b) 3.9% (Block II-a) 2.5% (Block II-b) 3.6% (Block III) 3.3%	
Land with leasehold interest	REVE Nakameguro (Land with leasehold interest)	Sep. 27, 2018	1,150	Meguro Ward, Tokyo	497.02	100%	0.5%	—	
	Total		247,641		170,499.25	96.6%	100.0%	3.3%	

(Note) Ratio is rounded to one decimal place. Accordingly, the total may not exactly match the sum of relevant items.

PORTFOLIO (properties owned at the end of January 2023 (FP 39))

QFRONT

Properties contributed by sponsors



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



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

Lexington Aoyama

Properties contributed by sponsors



A retail property comprised of tenants such as apparel stores and 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: 776.59m²
 Total Floor Space: 2,342.21m²
 Structure/Floors: S/RC, B1/4F
 Completed: January 1998
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Omotesando Square



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



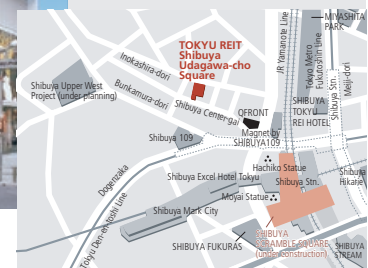
Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Omote-sando Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 1,259.21m²
 Total Floor Space: 3,321.20m²
 Structure/Floors: S/SRC, B1/4F
 Completed: October 1985
 Type of Ownership: Land—Proprietary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

TOKYU REIT Shibuya Udagawa-cho Square

Properties contributed by sponsors



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



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

cocoti



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

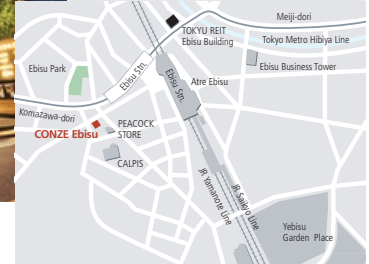


Address: 1-23-16, Shibuya, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, Tokyu Toyoko Line and Tokyo Metro Fukutoshin Line, etc.
 Total Land Space: 1,705.35m²
 Total Floor Space: 11,847.87m²
 Structure/Floors: S/SRC, B2/12F
 Completed: September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

CONZE Ebisu



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



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

TOKYU REIT Shimokitazawa Square



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

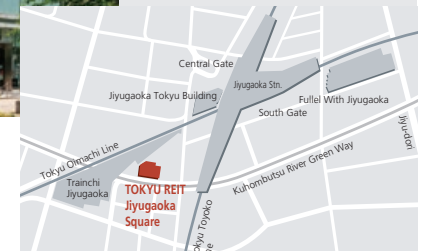


Address: 6-6-1, Daita, Setagaya-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Shimo-kitazawa Station—Keio Inokashira Line
 Approximately a five-minute walk from Shimo-kitazawa Station—Odakyu Odawara Line
 Total Land Space: 489.27m²
 Total Floor Space: 1,306.55m²
 Structure/Floors: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

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: 575.54m²
 Total Floor Space: 1,272.60m²
 Structure/ Floors: SRC, 5F
 Completed: December 2001
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

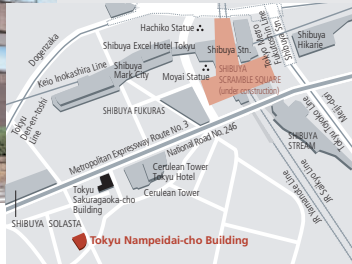
PORTFOLIO (properties owned at the end of January 2023 (FP 39))

Tokyu Nampeidai-cho Building

Properties contributed by sponsors



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



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

Tokyu Sakuragaoka-cho Building

Properties contributed by sponsors



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



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

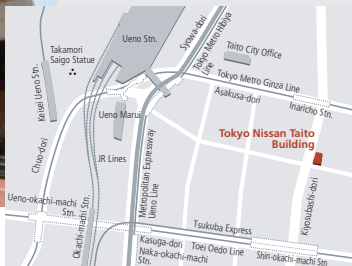
(Note) All of compartmentalized ownership with whole building are entrusted.

Tokyo Nissan Taito Building

Properties contributed by sponsors



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



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

TOKYU REIT Kamata Building



A nine-story office building located near Kamata Station where there are available three lines operated by two railway companies as well as the Ota 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: 1,642.86m²
 Total Floor Space: 10,244.51m²
 Structure/Floors: S/SRC, B1/9F
 Completed: February 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Toranomon Building



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



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

Tokyu Ikejiri-ohashi Building

Properties contributed by sponsors



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



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

Kojimachi Square

Properties contributed by sponsors



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

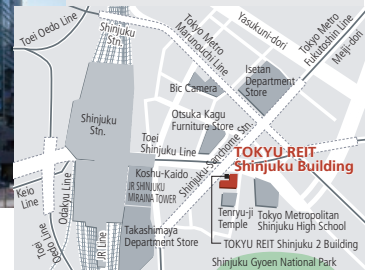


Address: 3, Nibancho, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Kojimachi Station—Tokyo Metro Yurakucho Line, etc.
 Total Land Space: 1,269.24m²
 Total Floor Space: 6,803.47m²
 Structure/Floors: S/RC, B1/7F
 Completed: January 2003
 Type of Ownership: Land—Proprietary ownership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

TOKYU REIT Shinjuku Building



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



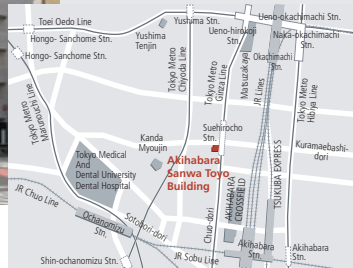
Address: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi Line, etc.
 Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.
 Total Land Space: 1,113.87m²
 Total Floor Space: 8,720.09m²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

PORTFOLIO (properties owned at the end of January 2023 (FP 39))

Akihabara Sanwa Toyo Building



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



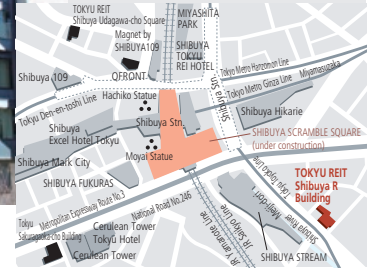
Address: 3-16-8, Sotokanda, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Suehirocho Station—Tokyo Metro Ginza Line
 Total Land Space: 795.33m²
 Total Floor Space: 5,704.69m²
 Structure/Floors: SRC, B1/8F
 Completed: September 1985
 Type of Ownership: Land—Proprietary ownership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

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

TOKYU REIT Shibuya R Building



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



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

Tokyu Toranomon Building

Properties contributed by sponsors



An office building located in an area expected to be further developed and the establishment of Toranomon-hills Station and large-scale developments in the surrounding areas are scheduled. Extension work completed in June 2022.

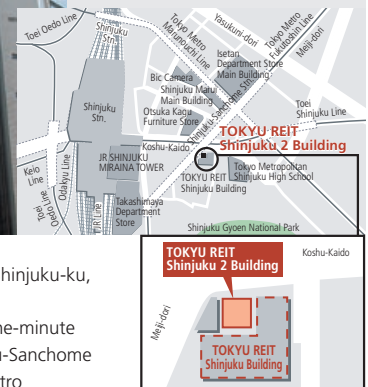


Address: 1-21-19, Toranomon, Minato-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Toranomon-hills Station—Tokyo Metro Hibiya Line
 Approximately a three-minute walk from Toranomon Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 2,016.83m²
 Total Floor Space: 14,033.73m²
 Structure/Floors: S, 10F
 Completed: April 2010
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

TOKYU REIT Shinjuku 2 Building



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



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

Tokyu Bancho Building

Properties contributed by sponsors



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



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

TOKYU REIT Ebisu Building



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



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

Shibuya Dogenzaka Sky Building

Properties contributed by sponsors



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



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

OKI Shibaura Office



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.



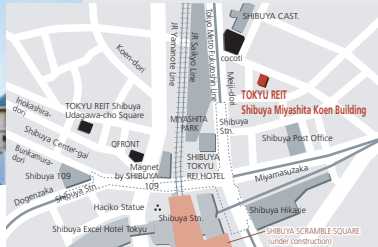
Address: 4-10-16, Shibaura, Minato-ku, Tokyo
 Nearest Station: Approximately an eight-minute walk from Tamachi Station—JR Yamanote Line, etc.
 Total Land Space: 4,646.65m²
 Total Floor Space: 18,102.32m²
 Structure/Floors: SRC, B2/12F
 Completed: June 1982
 Type of Ownership: Land—Proprietary ownership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

PORTFOLIO (properties owned at the end of January 2023 (FP 39))

TOKYU REIT Shibuya Miyashita Koen Building



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, Tokyu Toyoko Line and Tokyo Metro Fukutoshin Line, etc.
 Total Land Space: 364.74m²
 Total Floor Space: 2,568.30m²
 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 m² [Land included in the property trust totals: 4,602.60 m²]
 Total Floor Space: 28,629.19 m² [Exclusive ownership area of compartments under compartmentalized ownership pertaining to property trust: 20,801.49 m²]
 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%]

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 m²
 Total Floor Space: 8,540.29 m²
 Structure/Floors: SRC/S/R, 8F
 Completed: March 1995
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership^(Note)
 (Note) All compartmentalized ownership of the building has been acquired.

Maison Peony Toritsudaigaku



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



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

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, Kamimaru-annocho, 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: 676.26m²
 Total Floor Space: 2,320.12m²
 Structure/Floors: RC, 7F
 Completed: April 2020
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership

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: 497.02m²
 Type of Ownership: Land—Proprietary ownership

Futako Tamagawa Rise

Properties contributed by sponsors



A large complex consisting of retail, office, hotel and residence directly connected to Futako-tamagawa Station, a major station in the Tokyu Areas. With the development of this property, further development is expected in the Futako Tamagawa area as a city with a mixture of work, residence and leisure.



- Address: 2-21-1, Tamagawa, Setagaya-ku, Tokyo, etc.
- Nearest Station: Approximately a one-minute walk from Futako-tamagawa Station on the Tokyu Den-en-toshi Line and Oimachi Line
- Total Land Space: (Block I-b) Land area: 13,416.66 m²
 Percentage of site rights of the acquired portion: 1,098,663/10,000,000
 (Block II-a) Land area: 28,082.83 m²
 Percentage of site rights of the acquired portion: 126,480/1,000,000
 (Block II-b) Land area: 3,472.03 m²
 Percentage of site rights of the acquired portion: 21,160/1,000,000
 (Block III) Land area: 296.51 m²
 Percentage of site rights of the acquired portion: 4,516/94,273
- Total Floor Space: (Block I-b) Entire building: 99,137.30 m²
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 77,290.76 m²
 Of such area, the acquired ownership interest is 10.7% (retail: 3.2%, office: 7.4%)
 (Block II-a) Entire building: 154,232.18 m²
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 118,463.13 m²
 Of such area, the acquired ownership interest is 12.7% (retail: 5.4%, hotel: 0.5%, office: 6.8%)
 (Block II-b) Entire building: 7,502.36 m²
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 3,277.59 m²
 Of such area, the acquired ownership interest is 4.5% (retail)
 (Block III) Entire building: 1,385.49 m²
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 566.94 m²
 Of such area, the acquired ownership interest is 7.5% (retail)
- Structure /Floors: (Block I-b) S/RC/SRC, B3/16F
 (Block II-a) RC, B3/30F
 (Block II-b) RC, B1/3F
 (Block III) RC/S, 2F
- Completed: (Block I-b) November 2010
 (Block II-a) June 2015
 (Block II-b) April 2010
 (Block III) April 2010
- Type of Ownership: Land—Co-ownership of site rights (proprietary ownership)
 Building—Co-ownership of compartmentalized ownership

I. Asset Management Report

1. Financial Highlights

(1) Result of Operation and Financial Position

		39th fiscal period From August 1, 2022 to January 31, 2023 (184 days)	38th fiscal period From February 1, 2022 to July 31, 2022 (181 days)	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)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 11,321	¥ 8,671	¥ 11,641	¥ 8,066	¥ 8,611	
		Operating income	¥ 7,331	¥ 4,732	¥ 7,481	¥ 3,981	¥ 4,538	
		Net income	¥ 6,885	¥ 4,339	¥ 7,071	¥ 3,540	¥ 4,083	
	Operating income	Revenue from property leasing (a) (Note 1)	¥ 6,736	¥ 6,637	¥ 6,934	¥ 8,059	¥ 7,845	
		Rental service expenses (b)	¥ 3,008	¥ 3,065	¥ 3,131	¥ 3,241	¥ 3,221	
		[Depreciation and amortization] (included in (b)) (c) (Note 2)	[¥ 863]	[¥ 824]	[¥ 968]	[¥ 1,030]	[¥ 1,001]	
		NOI (Net Operating Income) (a) – (b) + (c)	¥ 4,591	¥ 4,395	¥ 4,771	¥ 5,848	¥ 5,626	
	Cash flow	FFO (Funds from Operation) (d) (Note 3)	¥ 3,163	¥ 3,129	¥ 3,332	¥ 4,570	¥ 4,319	
		Capital expenditures (e)	¥ 375	¥ 2,379	¥ 417	¥ 513	¥ 607	
		AFFO (Adjusted Funds from Operation) (d) – (e)	¥ 2,788	¥ 750	¥ 2,915	¥ 4,057	¥ 3,712	
Financial position	Balance sheet	Total assets (f)	¥ 239,993	¥ 224,636	¥ 226,847	¥ 235,035	¥ 231,090	
		[Change from the preceding period]	[6.8%]	[–1.0%]	[–3.5%]	[1.7%]	[5.0%]	
		Interest-bearing liabilities (g) (Note 4)	¥ 104,500	¥ 93,000	¥ 94,400	¥ 105,600	¥ 101,600	
		Total unitholders' equity (Net assets) (h)	¥ 122,507	¥ 119,537	¥ 119,059	¥ 115,527	¥ 115,663	
		[Change from the preceding period]	[2.5%]	[0.4%]	[3.1%]	[–0.1%]	[0.5%]	
	Portfolio	Unitholders' capital	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	
		Acquisition costs of properties (Note 5)	¥ 247,641	¥ 232,451	¥ 232,509	¥ 248,614	¥ 242,614	
		Book value of properties (Note 5)	¥ 233,453	¥ 217,720	¥ 217,976	¥ 230,620	¥ 225,085	
		Appraisal value of properties at end of period (i) (Note 5)	¥ 321,480	¥ 307,150	¥ 304,110	¥ 313,250	¥ 306,780	
		Number of properties at end of period	31 properties	31 properties	32 properties	34 properties	33 properties	
		Total leasable area (Note 6)	170,499.25 m ²	155,157.45 m ²	149,024.77 m ²	223,691.34 m ²	221,411.04 m ²	
	Other	Distri- bution	Occupancy rate at end of period (Note 6)	96.6%	91.2%	97.8%	97.2%	98.4%
			Cash distribution	¥ 3,949	¥ 3,915	¥ 3,861	¥ 3,539	¥ 3,675
		Per unit data	Dividend payout ratio	57.4%	90.2%	54.6%	100.0%	90.0%
			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)	¥ 125,314	¥ 122,276	¥ 121,787	¥ 118,174	¥ 118,313
Management index		Cash distribution per unit	¥ 4,040	¥ 4,005	¥ 3,950	¥ 3,621	¥ 3,760	
		Return on total unitholders' equity (annualized) (Note 7)	11.3%	7.3%	12.0%	6.2%	7.0%	
		Equity ratio (h)+(f)	51.0%	53.2%	52.5%	49.2%	50.1%	
		[Change from the preceding period]	[–2.2%]	[0.7%]	[3.3%]	[–0.9%]	[–2.2%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)+(f)	43.5%	41.4%	41.6%	44.9%	44.0%	
Proportion of interest-bearing liabilities to appraisal value at end of period (g)+(i)	32.5%	30.3%	31.0%	33.7%	33.1%			
Average market price per unit during period (Note 8)	¥ 202,419	¥ 188,278	¥ 190,881	¥ 189,045	¥ 147,909			

- Note 1. 'Revenue from property leasing' does not include revenues from facility acceptance (35th fiscal period: ¥1 million; 37th fiscal period: ¥5 million; 38th fiscal period: ¥10 million) or contributions for construction (36th fiscal period: ¥6 million).
- Note 2. 'Depreciation and amortization' includes loss on disposal of property and equipment (35th fiscal period: ¥5 million; 36th fiscal period: ¥2 million; 37th fiscal period: ¥13 million; 38th fiscal period: ¥3 million; 39th fiscal period: ¥2 million).
- Note 3. Net income + Depreciation and amortization + Other property related depreciation and amortization + Loss on sales of real estate properties – Gain on sales of real estate properties – Gain on exchange of real estate properties – Revenues from facility acceptance.
Other property related depreciation and amortization was not incurred.
- Note 4. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds due within one year + Investment corporation bonds.
- Note 5. For 'Trust beneficiary interest in real estate,' the portion equivalent to the properties held in substance, which is total assets less the money that is part of the assets of the concerned trust beneficiary interest in real estate, is shown.
- Note 6. Regarding 'Total leasable area' and 'Occupancy rate at end of period,' please refer to notes 2, 4 and 5 of '3. Portfolio Profile (2) Major Portfolio.'
- Note 7. $\text{Net income} \div \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2\} \times 365 \div \text{Number of days of investment management}$.
- Note 8. Average price during period (closing price) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on which the investment certificates of TOKYU REIT, Inc. ("TOKYU REIT") are listed.

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

① Investment Environment

During the fiscal period under review (39th fiscal period: six-month period ended January 31, 2023), the Japanese economy was picking up moderately, albeit with weakness seen in some aspects.

Specifically, in the Tokyo metropolitan area's economy, while showing some impact of rising prices, department stores, supermarkets and convenience stores had greater sales turnover than the previous year, and accommodation and restaurant services were picking up. These, among other factors, showed that consumer spending was picking up moderately overall. The employment situation was gradually turning around as the unemployment rate improved with the active job openings-to-applicants ratio rising and the number of new job openings remaining unchanged.

Population movements saw a net immigration of over 90,000 people into the Tokyo metropolitan area from other regions of the country during the period from January 2022 to December 2022 (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 23 wards' office market, the vacancy rate was trending downwards. Amid limited new supply, there were relocations for upgrade or better location and relocations for greater floor space due in part to there being more companies intending to improve their office environment, leading to progress in filling vacancies. Rent adjustments for securing demand continued, mainly at buildings in the bay areas or with a large volume of advertised floor space. But with the rate of decrease being smaller, office rent remained pretty much unchanged.

In the retail property leasing market, many shopping centers were seen to have increased visitors/sales as there was greater demand for going out with Christmas, the year-end and New Year's having no movement restrictions for the first time in three years and as tourists increased with the domestic travel subsidy program. While department stores were on the road to recovery, those located in central Tokyo had sales turnover exceeding pre-COVID-19 levels with the recovery in the flow of people. On the other hand, the price hikes for daily necessities were

impediments to the recovery in consumer spending, causing consumer sentiment to remain weak.

In the real estate trading market, with the amount of investment by domestic investors and overseas investors increasing, but the amount of investment by J-REITs decreasing, the total amount of investment in 2022 decreased by 2% compared with that of 2021.

With interest rate spreads still high compared with those overseas, despite interest rates rising following the Bank of Japan's partial monetary policy tweaks, real estate investors maintain an active investment stance for prime properties in Japan, keeping the expected cap rate at a record low.

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 39th fiscal period, TOKYU REIT sold Tokyu Ginza 2-chome Building on November 30, 2022. In addition, TOKYU REIT acquired co-ownership interest in Futako Tamagawa Rise on January 31, 2023.

As of January 31, 2023, TOKYU REIT held an investment portfolio totaling 31 properties with a total acquisition price of ¥247,641 million and total leasable area of 170,499.25 m². The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥321,480 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 ¥88,026 million. Based on accounting principles generally accepted in Japan, such unrealized gains are not reflected in TOKYU REIT's financial statements.

The average per-subso rental rate for the existing property portfolio at the end of the 39th fiscal period decreased by 0.2% compared with the end of the 38th fiscal period. In addition, the vacancy rate at the end of the 39th fiscal period decreased from the 8.8% at the end of the 38th fiscal period by 5.4 percentage points to 3.4%.

Note. The "Long-Term Investment Management Strategy (Surf Plan)" is a strategy of TOKYU REIT formed by its investment management company Tokyu Real Estate Investment Management Inc. ("Tokyu REIM"). Under this strategy, while replacing properties through value investment and contrarian investment by focusing on the cyclical nature 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 any of (i) to (iv) below:

- (i) Tokyu Corporation
- (ii) A 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 subsidiary of Tokyu Corporation and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%
- (iv) An affiliate of Tokyu Corporation.

Tokyu REIM amended its Management Guideline and Rules on Related-Party Transactions on January 31, 2023. Accordingly, the scope of related parties has changed to the above. The same applies hereafter.

③ Financing

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

During the 39th fiscal period, TOKYU REIT took out long-term debt of ¥8,500 million and issued investment corporation bonds of ¥3,000 million to fund the acquisition of a specified asset and for other purposes, and issued investment corporation bonds of ¥3,000 million to fund the redemption of the investment corporation bonds due for redemption in the 39th fiscal period. In addition, to secure interest-bearing liabilities with fixed long-term interest rates and diversified repayment dates, long-term debt of ¥2,200 million due for repayment in the 39th fiscal period was refinanced.

TOKYU REIT has established commitment lines with four financial institutions, which provide credit facilities up to a total of ¥18,000 million, in order to secure financial credibility through the enhancement of liquidity on hand. The balance of interest-bearing liabilities as of the end of the 39th fiscal period was ¥104,500 million, consisting of ¥11,000 million in investment corporation bonds and ¥93,500 million in long-term debt (of which, ¥10,500 million is the current portion of long-term debt). The weighted-average interest rate for the 39th fiscal period was 0.77% (calculated based on the annualized amount of interest payable for the 39th fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of the end of the 39th 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:

	39th fiscal period From August 1, 2022 to January 31, 2023	38th fiscal period From February 1, 2022 to July 31, 2022	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
	Yen				
Highest	¥ 216,800	¥ 199,000	¥ 201,500	¥ 209,700	¥ 168,000
Lowest	¥ 193,000	¥ 177,000	¥ 177,800	¥ 163,700	¥ 128,600

(4) Distribution Information

In the 39th fiscal period, ¥2,935 million of the ¥4,585 million in capital gains from the disposition of Tokyu Ginza 2-chome Building on November 30, 2022 was retained in the reserve for reduction entry under special provisions for property replacement as set forth in the Regulation on Accountings of Investment Corporations pursuant to the special provisions for taxation in the case of replacement by purchase of specified assets (Article 65-7 of the Special Taxation Measures Law). Consequently, with respect to the distribution, TOKYU REIT decided to distribute unappropriated retained earnings, less the concerned reserve for reduction entry, in the entire amount (except for the rounding amount, which is the distribution per unit of less than ¥1) for application of Article 67-15 of the Special Taxation Measures Law that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, the distribution per unit for the 39th fiscal period was ¥4,040.

	39th fiscal period From August 1, 2022 to January 31, 2023	38th fiscal period From February 1, 2022 to July 31, 2022	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
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 6,885	¥ 4,339	¥ 7,071	¥ 3,540	¥ 4,083
Undistributed earnings	¥ 2,936	¥ 424	¥ 3,209	¥ 0	¥ 407
Cash distribution	¥ 3,949	¥ 3,915	¥ 3,861	¥ 3,539	¥ 3,675
[Cash distribution per unit]	[¥ 4,040]	[¥ 4,005]	[¥ 3,950]	[¥ 3,621]	[¥ 3,760]
Cash distribution of accumulated earnings	¥ 3,949	¥ 3,915	¥ 3,861	¥ 3,539	¥ 3,675
[Cash distribution of accumulated earnings per unit]	[¥ 4,040]	[¥ 4,005]	[¥ 3,950]	[¥ 3,621]	[¥ 3,760]
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 under the “new normal” with COVID-19. However, overseas economic downturn poses downside risks to the Japanese economy amid ongoing global monetary tightening and other factors. In addition, the impact of rising prices, supply-side constraints, financial and capital market volatility and the spread of infection in China are among factors that require due attention.

In light of such an outlook, in the real estate leasing market, the spread of COVID-19 having peaked out has led to moderate progress in the return to offices, but demand is still on the road to recovery. Furthermore, the vacancy rate is expected to rise again in the future as new supply over the next three years in Tokyo’s office market is slated to be approximately 30% more than the average of the past ten years.

In the real estate trading market, investors still maintain an active stance even given a certain level of interest rate hike in the unpredictable situation surrounding the future of Japan’s monetary policy. Going forward, more investors may adopt a cautious stance on prices and returns though if interest rates rise further.

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” refers to any entity that falls under any of (i) to (iii) below:

- (i) Tokyu Corporation
- (ii) A 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 subsidiary of Tokyu Corporation and where the share of investment by silent partnership 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 39th 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. In August 2022, Tokyu REIM expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and joined the TCFD Consortium, an organization formed by domestic companies supporting the TCFD recommendations. A qualitative scenario analysis has been conducted based on “governance,” “strategy,” “risk management” and “metrics and targets,” regarding the risks and opportunities related to climate change. The understanding and disclosure of this analysis are included in the TCFD recommendations, and such has been disclosed on TOKYU REIT’s website since March 2023. 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

There were no matters requiring explanation as of the date of the Independent Auditor's Report (April 27, 2023).

(Reference Information)

① Partial Amendments to TOKYU REIT's Articles of Incorporation

A proposal for the following partial amendments to TOKYU REIT's Articles of Incorporation was submitted and approved at TOKYU REIT's General Meeting of Unitholders held on April 21, 2023.

(Underlined portions indicate changes)

Current Articles	Proposed Amendments
<p>Article 2. (Purpose) The purpose of TOKYU REIT shall be to manage its assets primarily as investments in real estate, etc. [as defined in Article 105 Paragraph 1 item (f) of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000, as amended) included in specified assets (hereinafter referred to as "specified assets") as defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended, hereinafter referred to as the "Investment Trusts Act")]</p>	<p>Article 2. (Purpose) The purpose of TOKYU REIT shall be to manage its assets primarily as investments in real estate, etc. [as defined in Article 105 Paragraph 1 item (f) of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000, as amended, <u>hereinafter referred to as the "Ordinance for Enforcement of the Investment Trusts Act"</u>) included in specified assets (hereinafter referred to as "specified assets") as defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended, hereinafter referred to as the "Investment Trusts Act")]</p>
<p>Article 10. (Convocation)</p> <p>1. (Omitted) 2. (Omitted) 3. (Omitted) 4. (Omitted) 5. (Omitted) 6. (Omitted) <u>(New addition)</u></p> <p><u>(New addition)</u></p>	<p>Article 10. (Convocation)</p> <p>1. (No change) 2. (No change) 3. (No change) 4. (No change) 5. (No change) 6. (No change) <u>7. TOKYU REIT shall provide information pertaining to the reference documents for General Meetings of Unitholders, etc. in electronic format, upon the convocation of General Meetings of Unitholders.</u> <u>8. TOKYU REIT may decide not to include the whole or part of the matters stipulated by the Ordinance for Enforcement of the Investment Trusts Act among the information provided in electronic format in the documents delivered to unitholders who requested the delivery of documents in paper-based format by the reference date of voting rights.</u></p>

Current Articles	Proposed Amendments
<p>Article 29. (Asset Valuation Methods, Standards and Reference Dates)</p> <p>1. (Omitted)</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) Attachment 1, 2. (2): Asset-backed securities for investment, mainly real estate</p> <p><u>a. Asset-backed securities listed on financial instrument exchanges</u> The valuation of asset-backed securities listed on financial instrument exchanges is computed based on the closing price (hereinafter referred to as "closing price." If there is no closing price, defined as the lowest ask price or the highest bid price; if both are available, then the median price) on the reference date for the financial instrument market or foreign financial instrument market operated by a financial instrument exchange.</p> <p><u>b. Asset-backed securities other than a. above</u> The valuation of other asset-backed securities is computed based on the trading price of securities traded on a system that facilitates their buying, selling and conversion based on a. above.</p> <p><u>c. If the amount based on the above market prices cannot be obtained, valuation shall be computed based on a reasonably calculated amount.</u></p> <p><u>d. As for preferred subscription certificates, if there is no amount based on market prices or reasonably calculated amount, the acquisition cost shall be used.</u></p> <p><u>e. The amount based on appropriate market prices and the reasonably calculated amount shall be obtained by the same method every fiscal period. However, this does not apply when seeking higher accuracy of valuation.</u></p> <p>(4) Attachment 1, 2. (3): Marketable securities in specified assets</p> <p><u>a. Securities listed on financial instrument exchanges</u> The valuation of securities listed on financial instrument exchanges shall be computed based on the closing price of the reference date on the financial instrument market or foreign financial instrument market operated by the financial instrument exchange.</p> <p><u>b. Securities other than a. above</u> The valuation of other securities is computed based on the trading price of securities traded on a system that facilitates their buying, selling and conversion based on a. above.</p> <p><u>c. If the amount based on the above market prices cannot be obtained, valuation shall be computed based on a reasonably calculated amount.</u></p> <p><u>d. The amount based on appropriate market prices and the reasonably calculated amount shall be obtained by the same method every fiscal period. However, this does not apply when seeking higher accuracy of valuation.</u></p> <p>(5) (Omitted)</p>	<p>Article 29. (Asset Valuation Methods, Standards and Reference Dates)</p> <p>1. (No change)</p> <p>(1) (No change)</p> <p>(2) (No change)</p> <p>(3) Attachment 1, 2. (2): Asset-backed securities for investment, mainly real estate <u>The valuation is computed based on the fair value. However, when there is no market price, the acquisition cost shall be used.</u></p> <p>(4) Attachment 1, 2. (3): Marketable securities in specified assets <u>The valuation is computed based on the acquisition cost when said securities are classified as bonds held to maturity and based on the fair value when they are classified as other securities. When there is no market price, the acquisition cost shall be used.</u></p>

Current Articles	Proposed Amendments
<p>(6) Attachment 1, 2. (3) c.: Interests in derivative transactions</p> <p>a. <u>The valuation of receivables and liabilities generated by derivative transactions on listed financial instrument exchanges is computed as an amount based on the closing price on the reference date of the financial instrument exchange. In the event that there are no closing prices on the reference date, valuations shall be computed based on the closing prices of the previous date.</u></p> <p>b. <u>The valuation of receivables and liabilities generated by derivative transactions on non-listed financial instrument exchanges with no markets is computed as an amount reasonably calculated based on market prices. In the event that it is extremely difficult to calculate an amount based on market prices, the acquisition cost shall be used.</u></p> <p>c. Hedge accounting shall be applied to those recognized as hedge transactions based on the generally accepted accounting principles.</p> <p>(7) (Omitted)</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p>	<p>(5) (No change)</p> <p>(6) Attachment 1, 2. (3) c.: Interests in derivative transactions</p> <p><u>The valuation of net receivables and liabilities generated by derivative transactions is computed based on the fair value. However, hedge accounting shall be applied to those recognized as hedge transactions based on the generally accepted accounting principles.</u></p> <p>(7) (No change)</p> <p>2. (No change)</p> <p>3. (No change)</p>
<p style="text-align: center;">Attachment 1</p> <p>Scope and Policy of Investment Management</p> <p>1. Basic Policy of Investment Management</p> <p style="padding-left: 40px;">(Omitted)</p> <p>(1) Growth</p> <p style="padding-left: 40px;">(Omitted)</p> <p>① Internal growth factors</p> <p style="padding-left: 40px;">(Omitted)</p> <p>② External growth factors</p> <p style="padding-left: 40px;">Proactive property acquisition, and maintaining and increasing portfolio quality</p> <p style="padding-left: 80px;">(Omitted)</p> <p style="padding-left: 40px;">Property acquisition from Tokyu Corporation and its subsidiaries</p> <p style="padding-left: 80px;">TOKYU REIT shall secure stable and continuous opportunities for acquisition of property owned by Tokyu Corporation and its subsidiaries.</p> <p style="padding-left: 80px;">In these Articles of Incorporation, Tokyu Corporation and its subsidiaries refers to any of a. to c. below:</p> <p style="padding-left: 40px;">a. Tokyu Corporation</p> <p style="padding-left: 40px;">b. A <u>consolidated</u> subsidiary of Tokyu Corporation</p> <p style="padding-left: 40px;">c. A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a <u>consolidated</u> subsidiary of Tokyu Corporation and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%.</p> <p>③ (Omitted)</p>	<p style="text-align: center;">Attachment 1</p> <p>Scope and Policy of Investment Management</p> <p>1. Basic Policy of Investment Management</p> <p style="padding-left: 40px;">(No change)</p> <p>(1) Growth</p> <p style="padding-left: 40px;">(No change)</p> <p>① Internal growth factors</p> <p style="padding-left: 40px;">(No change)</p> <p>② External growth factors</p> <p style="padding-left: 40px;">Proactive property acquisition, and maintaining and increasing portfolio quality</p> <p style="padding-left: 80px;">(No change)</p> <p style="padding-left: 40px;">Property acquisition from Tokyu Corporation and its subsidiaries</p> <p style="padding-left: 80px;">TOKYU REIT shall secure stable and continuous opportunities for acquisition of property owned by Tokyu Corporation and its subsidiaries.</p> <p style="padding-left: 80px;">In these Articles of Incorporation, Tokyu Corporation and its subsidiaries refers to any of a. to c. below:</p> <p style="padding-left: 40px;">a. Tokyu Corporation</p> <p style="padding-left: 40px;">b. A subsidiary of Tokyu Corporation</p> <p style="padding-left: 40px;">c. A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a subsidiary of Tokyu Corporation and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%.</p> <p>③ (No change)</p>

Current Articles	Proposed Amendments
(2) Stability (Omitted)	(2) Stability (No change)
(3) Transparency (Omitted)	(3) Transparency (No change)
2. Type, Purpose and Scope of Specified Assets for Investments Management	2. Type, Purpose and Scope of Specified Assets for Investments Management
(Omitted)	(No change)
(1) (Omitted)	(1) (No change)
(2) (Omitted)	(2) (No change)
(3) (Omitted)	(3) (No change)
(4) (Omitted)	(4) (No change)
a. (Omitted)	a. (No change)
b. (Omitted)	b. (No change)
c. (Omitted)	c. (No change)
d. (Omitted)	d. (No change)
e. (Omitted)	e. (No change)
f. (Omitted)	f. (No change)
g. (Omitted)	g. (No change)
h. (Omitted)	h. (No change)
i. (Omitted)	i. (No change)
j. (Omitted)	j. (No change)
k. (Omitted)	k. (No change)
l. (Omitted)	l. (No change)
m. (Omitted)	m. (No change)
n. Renewable energy power generation facility specified in Article 2 Paragraph 3 of the Act on Special Measures Concerning <u>Procurement</u> of Electricity from Renewable Energy Sources <u>by Electricity Utilities</u> (Law No. 108 of 2011, including amendments thereto.) (excluding those categorized as real estate)	n. Renewable energy power generation facility specified in Article 2 Paragraph 2 of the Act on Special Measures Concerning <u>Promotion of Utilization</u> of Electricity from Renewable Energy Sources (Law No. 108 of 2011, including amendments thereto.) (excluding those categorized as real estate)
o. (Omitted)	o. (No change)
p. (Omitted)	p. (No change)
(5) (Omitted)	(5) (No change)
3. Investment Posture (Omitted)	3. Investment Posture (No change)
4. Restriction on Assets Subject to Asset Management	4. Restriction on Assets Subject to Asset Management
(1) (Omitted)	(1) (No change)
(2) (Omitted)	(2) (No change)
(3) (Omitted)	(3) (No change)
<u>(New addition)</u>	<u>(4) Interests in derivative transactions</u> <u>Interests in derivative transactions set forth in 2.(3)c. above shall be limited to management for the purpose of hedging interest rate fluctuation risks and other risks arising from the liabilities of TOKYU REIT.</u>
5. Asset Portfolio Leasing (Omitted)	5. Asset Portfolio Leasing (No change)

② Election of Directors

The term of office of one executive director (Kazuyoshi Kashiwazaki) and two supervisory directors (Maruhito Kondo and Takashi Aikawa) will end on April 30, 2023. A proposal for the nomination of one executive director (Yoshitaka Kimura) and two supervisory directors (Maruhito Kondo and Takashi Aikawa) was submitted and approved at TOKYU REIT's General Meeting of Unitholders held on April 21, 2023. Under this item, the term of office of the executive director and supervisory directors shall be two years from May 1, 2023, in accordance with TOKYU REIT's current Articles of Incorporation.

The elected executive director is as follows:

Name (Date of Birth)	Career Summary	
Yoshitaka Kimura (April 17, 1963)	April 1988	Entered Tokyu Corporation, Railway Operation Division, Railway Business Unit
	November 1988	Tokyu Corporation, Resort Headquarters
	September 1996	Transferred to K.K. Urabandai Kougen Tokyu Resort
	April 1997	Transferred to TOKYU RESEARCH INSTITUTE, INC.
	February 2002	Tokyu Corporation, Management Planning Division, Corporate Headquarters
	April 2005	Tokyu Corporation, Manager of Management Planning Division, Corporate Headquarters
	April 2009	Tokyu Corporation, Manager of Planning & Administration Division, Group Companies Business Unit
	April 2011	Tokyu Corporation, General Manager of Planning & Administration Division, Group Companies Business Unit
	June 2011	Tokyu REIM, Auditor (Part-time)
	July 2011	Tokyu Corporation, General Manager of Division I, Group Companies Business Unit
	April 2012	Tokyu Corporation, General Manager of Group Business Division, Group Companies Business Unit
	April 2014	Tokyu Corporation, General Manager of Business Strategy Division, Corporate Planning Unit
	October 2014	Tokyu REIM, Director (Part-time)
	April 2015	Tokyu Green System Co., Ltd., Representative Director & President
	April 2019	Tokyu Corporation, Deputy Executive General Manager of Corporate Planning Headquarters
	April 2020	Tokyu Corporation, Executive General Manager of Corporate Planning Headquarters
	April 2020	Tokyu REIM, Director (Part-time)
July 2022	Transferred to Tokyu REIM, Representative Director & Executive Vice President (current position)	

2. Company Profiles

(1) Summary of Unitholders' Contributions

	39th fiscal period As of January 31, 2023	38th fiscal period As of July 31, 2022	37th fiscal period As of January 31, 2022	36th fiscal period As of July 31, 2021	35th fiscal period As of January 31, 2021
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)	9,793	10,116	10,190	10,162	10,585

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of January 31, 2023.

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	325,712	33.32
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	147,322	15.07
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	42,889	4.39
SMBC Nikko Securities Inc.	3-3-1, Marunouchi, Chiyoda-ku, Tokyo	16,699	1.71
State Street Bank West Client - Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	16,179	1.65
JPMorgan Chase Bank 385781 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	10,958	1.12
JPMorgan Chase Bank 385771 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	9,800	1.00
Japan Securities Finance Co., Ltd.	1-2-10, Nihonbashi-Kayabacho, Chuo-ku, Tokyo	8,531	0.87
SSBTC Client Omnibus Account (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	3-11-1, Nihonbashi, Chuo-ku, Tokyo	7,989	0.82
Total		635,079	64.96

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, 2023)

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		¥ 14,000 (Note 4)

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.

Note 4. The amount inclusive of the fees for comfort letter services pertaining to the issuance of investment corporation bonds is shown.

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><Insured events> 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><Share of burden of insurance expenses> The insurance expenses are fully borne by TOKYU REIT.</p> <p><Measures to ensure the proper execution of duties is not impaired> 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, 2023.

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 The Norinchukin Bank

3. Portfolio Profile
(1) Asset Composition

Asset type	Use	Area	39th fiscal period As of January 31, 2023		38th fiscal period As of July 31, 2022		
			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	¥ 11,230	4.7	¥ 11,248	5.0	
		Tokyu Areas (excluding Shibuya Ward)	2,220	0.9	2,228	1.0	
		Sub total	13,451	5.6	13,476	6.0	
	Office	Shibuya Ward	11,278	4.7	11,311	5.0	
		Central Tokyo (excluding Shibuya Ward)	38,577	16.1	42,951	19.1	
		Tokyu Areas (excluding Shibuya Ward)	8,417	3.5	8,407	3.7	
		Sub total	58,273	24.3	62,670	27.9	
	Residence	Tokyu Areas (excluding Shibuya Ward)	2,664	1.1	2,683	1.2	
		Sub total	2,664	1.1	2,683	1.2	
	Complex	Tokyu Areas (excluding Shibuya Ward)	20,470	8.5	—	—	
		Sub total	20,470	8.5	—	—	
	Land with leasehold interest	Tokyu Areas (excluding Shibuya Ward)	1,162	0.5	1,162	0.5	
		Sub total	1,162	0.5	1,162	0.5	
	Total			96,022	40.0	79,993	35.6
	Trust beneficiary interest in real estate	Retail	Shibuya Ward	39,820	16.6	39,900	17.8
Central Tokyo (excluding Shibuya Ward)			4,673	1.9	4,681	2.1	
Tokyu Areas (excluding Shibuya Ward)			3,179	1.3	3,178	1.4	
Sub total			47,673	19.9	47,760	21.3	
Office		Shibuya Ward	39,333	16.4	39,376	17.5	
		Central Tokyo (excluding Shibuya Ward)	41,263	17.2	41,408	18.4	
		Tokyu Areas (excluding Shibuya Ward)	9,160	3.8	9,181	4.1	
		Sub total	89,757	37.4	89,966	40.1	
Total			137,430	57.3	137,727	61.3	
Other assets			6,540	2.7	6,915	3.1	
Total assets			¥ 239,993 [¥ 233,453]	100.0 [97.3]	¥ 224,636 [¥ 217,720]	100.0 [96.9]	

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 Counteracted.'

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, 2023 is as follows:

Name of property	Book value	Total leasable area	Leased area	Occupancy rate	As a percentage of revenue from property leasing	Main use
	Millions of yen	m ²	m ²	%	%	
QFRONT	¥ 13,391	4,502.93	4,502.93	100.0	11.7	Retail
Lexington Aoyama	4,673	2,094.96	2,094.96	100.0	2.2	Retail
TOKYU REIT Omotesando Square	5,624	2,669.10	2,669.10	100.0	2.7	Retail
TOKYU REIT Shibuya Udagawa-cho Square	6,542	1,543.05	1,543.05	100.0	3.6	Retail
cocoti	20,804	8,295.62	8,295.62	100.0	7.9	Retail
CONZE Ebisu	4,688	2,327.00	1,995.89	85.8	1.6	Retail
TOKYU REIT Shimokitazawa Square	2,220	1,246.98	1,104.98	88.6	0.8	Retail
TOKYU REIT Jiyugaoka Square	3,179	1,231.80	1,231.80	100.0	1.2	Retail
Tokyu Nampeidai-cho Building	4,027	7,148.18	7,148.18	100.0	2.7	Office
Tokyu Sakuragaoka-cho Building	6,310	4,737.19	4,737.19	100.0	3.8	Office
Tokyo Nissan Taito Building	3,697	7,877.43	7,877.43	100.0	3.1	Office
TOKYU REIT Kamata Building	3,749	7,337.82	7,337.82	100.0	3.5	Office
TOKYU REIT Toranomom Building	9,785	10,247.06	9,883.42	96.5	5.6	Office
Tokyu Ikejiri-ohashi Building	5,410	5,733.14	5,710.32	99.6	2.7	Office
Kojimachi Square	8,261	5,409.10	5,409.10	100.0	3.3	Office
TOKYU REIT Shinjuku Building	8,692	6,270.68	6,270.68	100.0	4.3	Office
Akihabara Sanwa Toyo Building	4,518	4,433.37	4,433.37	100.0	2.1	Office
TOKYU REIT Shibuya R Building	5,283	5,246.68	5,246.68	100.0	4.2	Office
Tokyu Toranomom Building	17,287	11,029.27	7,467.73	67.7	3.6	Office
TOKYU REIT Shinjuku 2 Building	2,811	1,790.46	1,790.46	100.0	1.3	Office
Tokyu Bancho Building	12,651	6,137.50	6,137.50	100.0	5.2	Office
TOKYU REIT Ebisu Building	4,613	1,872.61	1,872.61	100.0	1.4	Office
Shibuya Dogenzaka Sky Building	5,733	4,136.05	3,804.38	92.0	2.6	Office
OKI Shibaura Office	12,134	18,102.32	18,102.32	100.0	5.7	Office
TOKYU REIT Shibuya Miyashita Koen Building	5,995	2,299.71	2,299.71	100.0	2.0	Office
Aoyama Oval Building	18,649	8,527.90	7,459.27	87.5	6.3	Office
Meguro Higashiyama Building	8,417	6,152.43	6,152.43	100.0	2.5	Office
Maison Peony Toritsudaigaku	1,190	852.16	824.08	96.7	0.4	Residence
STYLIO FIT Musashikosugi	1,474	1,830.00	1,830.00	100.0	0.6	Residence
Futako Tamagawa Rise	20,470	18,919.73	18,912.59	100.0	0.0	Complex
REVE Nakameguro (land with leasehold interest)	1,162	497.02	497.02	100.0	0.3	Land with leasehold interest
Total	¥ 233,453	170,499.25	164,642.62	96.6	99.0	

- 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 REIT Shibuya R Building, Tokyu Toranomom Building, TOKYU REIT Shinjuku 2 Building, TOKYU REIT Shibuya Miyashita Koen Building, Meguro Higashiyama Building, Maison Peony Toritsudaigaku, STYLIO FIT Musashikosugi, Futako Tamagawa Rise and REVE Nakameguro (land with leasehold interest) (total of 17 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. For REVE Nakameguro (land with leasehold interest), the stated figure is the leased area of land. For Tokyu Bancho Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest. For Futako Tamagawa Rise, the stated figure is the sum total of the figures calculated by multiplying the total leasable area of each block by the percentage of interest in the compartments under compartmentalized ownership; and the area of part of the exclusive ownership portions co-owned with other compartmentalized owners is included since Tokyu Corporation and TOKYU REIT rent that area and lease it out together with the exclusive ownership portion under Tokyu Corporation and TOKYU REIT's ownership. For Aoyama Oval Building, the area of part of the exclusive ownership portions co-owned with other compartmentalized owners is included since the fiduciary rents that area and leases it out together with the exclusive ownership portion under the fiduciary's proprietary ownership; and 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 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. For REVE Nakameguro (land with leasehold interest), the stated figure is the leased area of land. For Tokyu Bancho Building, the stated figure is calculated by multiplying the total leased area of the whole building by the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest. For Futako Tamagawa Rise, the stated figure is the sum total of the figures calculated by multiplying the total leased area of each block by the percentage of interest in the compartments under compartmentalized ownership; and the area of part of the exclusive ownership portions co-owned with other compartmentalized owners is included since Tokyu Corporation and TOKYU REIT rent that area and lease it out together with the exclusive ownership portion under Tokyu Corporation and TOKYU REIT's ownership. For Aoyama Oval Building, the area of part of the exclusive ownership portions co-owned with other compartmentalized owners is included since the fiduciary rents that area and leases it out together with the exclusive ownership portion under the fiduciary's proprietary ownership; and 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.

(3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of January 31, 2023 are as follows:

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value	
					m ²	Millions of yen	Millions of yen	
Retail	Shibuya Ward	QFRONT	75-8, etc., Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,502.93	¥ 38,000	¥ 13,391	
		TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya- ku, Tokyo	Trust beneficiary interest in real estate	2,669.10	8,290	5,624	
		TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	12,700	6,542	
		cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,295.62	23,800	20,804	
		CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,327.00	5,250	4,688	
	Sub total					19,337.70	88,040	51,051
	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	6,350	4,673	
		Sub total				2,094.96	6,350	4,673
	Tokyu Areas (excluding Shibuya Ward)	TOKYU REIT Shimokitazawa Square	6-1058-114, etc., Daita, Setagaya-ku, Tokyo	Real estate	1,246.98	2,260	2,220	
		TOKYU REIT Jiyugaoka Square	2-20-10 and 2-20-11, Jiyugaoka, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,231.80	3,510	3,179	
		Sub total				2,478.78	5,770	5,400
	Total					23,911.44	100,160	61,124
	Office	Shibuya Ward	Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	7,720	4,027
			Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	12,200	6,310
			TOKYU REIT Shibuya R Building	3-10-2, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	5,246.68	10,000	5,283
TOKYU REIT Ebisu Building			3-2-11, Higashi, Shibuya- ku, Tokyo	Trust beneficiary interest in real estate	1,872.61	4,750	4,613	
Shibuya Dogenzaka Sky Building			22-1, etc., Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,136.05	8,450	5,733	
TOKYU REIT Shibuya Miyashita Koen Building			1-17-5, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	2,299.71	6,100	5,995	
Aoyama Oval Building			5-52-1, etc., Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,527.90	19,000	18,649	
Sub total						33,968.32	68,220	50,612

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m ²	Millions of yen	Millions of yen
Office	Central Tokyo (excluding Shibuya Ward)	Tokyo Nissan Taito Building	2-120-2, etc., Moto- Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,877.43	6,280	3,697
		TOKYU REIT Toranomon Building	3-45-6, Toranomon, Minato-ku, Tokyo	Real estate	10,247.06	14,200	9,785
		Kojimachi Square	3-9 and 3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.10	10,000	8,261
		TOKYU REIT Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,270.68	13,500	8,692
		Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,433.37	6,570	4,518
		Tokyu Toranomon Building	1-216-2, etc., Toranomon, Minato-ku, Tokyo	Real estate	11,029.27	24,400	17,287
		TOKYU REIT Shinjuku 2 Building	4-3-4, Shinjuku, Shinjuku- ku, Tokyo	Real estate	1,790.46	3,280	2,811
		Tokyu Bancho Building	6-2, etc., Yonban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,137.50	16,000	12,651
		OKI Shibaura Office	4-1-6, Shibaura, Minato- ku, Tokyo	Trust beneficiary interest in real estate	18,102.32	13,600	12,134
	Sub total				71,297.19	107,830	79,840
	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	5,950	3,749
		Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,733.14	6,360	5,410
		Meguro Higashiyama Building	1-1316-1, etc., Higashiyama, Meguro-ku, Tokyo	Real estate	6,152.43	8,330	8,417
Sub total				19,223.39	20,640	17,577	
Total				124,488.90	196,690	148,030	
Residence	Tokyu Areas (excluding Shibuya Ward)	Maison Peony Toritsudaigaku	1-8-1 and 1-8-8, Nakane, Meguro-ku, Tokyo	Real estate	852.16	1,400	1,190
		STYLIO FIT Musashikosugi	2-1324-1, etc., Kamimaruko-sannocho, Nakahara-ku, Kawasaki- shi, Kanagawa	Real estate	1,830.00	1,640	1,474
	Sub total				2,682.16	3,040	2,664
Total				2,682.16	3,040	2,664	

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m ²	Millions of yen	Millions of yen
Complex	Tokyu Areas (excluding Shibuya Ward)	Futako Tamagawa Rise	2-5000-2, etc., Tamagawa, Setagaya-ku, Tokyo	Real estate	18,919.73	20,400	20,470
		Sub total			18,919.73	20,400	20,470
	Total				18,919.73	20,400	20,470
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	1,190	1,162
		Sub total			497.02	1,190	1,162
	Total				497.02	1,190	1,162
Grand total					170,499.25	¥ 321,480	¥ 233,453

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 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. For REVE Nakameguro (land with leasehold interest), the stated figure is the leased area of land. For Tokyu Bancho Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 52.6% quasi-co-ownership interest of the 95.1% compartmentalized ownership interest of the trust beneficiary interest. For Futako Tamagawa Rise, the stated figure is the sum total of the figures calculated by multiplying the total leasable area of each block by the percentage of interest in the compartments under compartmentalized ownership; and the area of part of the exclusive ownership portions co-owned with other compartmentalized owners is included since Tokyu Corporation and TOKYU REIT rent that area and lease it out together with the exclusive ownership portion under Tokyu Corporation and TOKYU REIT's ownership. For Aoyama Oval Building, the area of part of the exclusive ownership portions co-owned with other compartmentalized owners is included since the fiduciary rents that area and leases it out together with the exclusive ownership portion under the fiduciary's proprietary ownership; and 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	39th fiscal period From August 1, 2022 to January 31, 2023				38th fiscal period From February 1, 2022 to July 31, 2022			
			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	¥ 787	11.7	2	100.0	¥ 774	11.7
		TOKYU REIT Omotesando Square	4	100.0	183	2.7	4	100.0	170	2.6
		TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	245	3.6	2	100.0	251	3.8
		cocoti	15	100.0	534	7.9	13	93.2	625	9.4
		CONZE Ebisu	7	85.8	109	1.6	7	85.8	105	1.6
		Sub total	30	98.3	1,861	27.6	28	95.4	1,926	29.0
	Central Tokyo (excl. Shibuya Ward)	Lexington Aoyama	7	100.0	147	2.2	7	100.0	145	2.2
		Sub total	7	100.0	147	2.2	7	100.0	145	2.2
	Tokyu Areas (excl. Shibuya Ward)	TOKYU REIT Shimokitazawa Square	8	88.6	51	0.8	9	100.0	48	0.7
		TOKYU REIT Jiyugaoka Square	5	100.0	80	1.2	5	100.0	79	1.2
		Sub total	13	94.3	132	2.0	14	100.0	127	1.9
		Total	50	98.0	2,142	31.8	49	96.3	2,199	33.1
	Office	Shibuya Ward	Tokyu Nampeidai-cho Building	1	100.0	179	2.7	1	100.0	179
Tokyu Sakuragaoka-cho Building			2	100.0	254	3.8	2	100.0	250	3.8
TOKYU REIT Shibuya R Building			12	100.0	283	4.2	12	100.0	275	4.2
TOKYU REIT Ebisu Building			8	100.0	92	1.4	8	100.0	71	1.1
Shibuya Dogenzaka Sky Building			8	92.0	174	2.6	7	82.9	253	3.8
TOKYU REIT Shibuya Miyashita Koen Building			8	100.0	132	2.0	9	100.0	120	1.8
Aoyama Oval Building			25	87.5	424	6.3	24	96.6	340	5.1
		Sub total	64	95.9	1,540	22.9	63	97.1	1,490	22.5
Central Tokyo (excl. Shibuya Ward)		Tokyo Nissan Taito Building	17	100.0	210	3.1	17	100.0	204	3.1
		TOKYU REIT Toranomon Building	9	96.5	375	5.6	9	96.5	374	5.6
		Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	—	—	—	—	—	—	24	0.4
		Kojimachi Square	8	100.0	223	3.3	7	91.9	199	3.0
		TOKYU REIT Shinjuku Building	8	100.0	290	4.3	8	88.1	287	4.3
		Akihabara Sanwa Toyo Building	7	100.0	142	2.1	5	74.9	157	2.4
		Tokyu Ginza 2-chome Building	—	—	65	1.0	2	100.0	161	2.4
		Tokyu Toranomon Building	8	67.7	239	3.6	4	39.9	101	1.5
		TOKYU REIT Shinjuku 2 Building	2	100.0	85	1.3	2	100.0	82	1.2
		Tokyu Bancho Building	8	100.0	352	5.2	8	100.0	346	5.2
		OKI Shibaura Office	1	100.0	387	5.7	1	100.0	385	5.8
			Sub total	68	94.5	2,373	35.2	63	87.6	2,326

Use	Area	Name of property	39th fiscal period From August 1, 2022 to January 31, 2023				38th fiscal period From February 1, 2022 to July 31, 2022			
			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)	TOKYU REIT Kamata Building	5	100.0	237	3.5	5	100.0	236	3.6
		Tokyu Ikejiri-ohashi Building	6	99.6	180	2.7	4	81.0	180	2.7
		Meguro Higashiyama Building	13	100.0	169	2.5	10	77.0	109	1.7
		Sub total	24	99.9	587	8.7	19	87.0	526	7.9
		Total	156	95.7	4,501	66.8	145	90.0	4,344	65.5
Residence	Tokyu Areas (excl. Shibuya Ward)	Maison Peony Toritsudaigaku	25	96.7	28	0.4	26	100.0	27	0.4
		STYLIO FIT Musashikosugi	1	100.0	39	0.6	1	100.0	39	0.6
		Sub total	26	99.0	68	1.0	27	100.0	66	1.0
		Total	26	99.0	68	1.0	27	100.0	66	1.0
Complex	Tokyu Areas (excl. Shibuya Ward)	Futako Tamagawa Rise	144	100.0	3	0.0	—	—	—	—
		Sub total	144	100.0	3	0.0	—	—	—	—
		Total	144	100.0	3	0.0	—	—	—	—
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	OKI System Center (land with leasehold interest)	—	—	—	—	—	—	6	0.1
		Sub total	—	—	—	—	—	—	6	0.1
		Total	1	100.0	21	0.3	1	100.0	27	0.4
		Grand total	377	96.6	¥ 6,736	100.0	222	91.2	¥ 6,637	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. For Futako Tamagawa Rise, when the same tenant occupies compartments in different blocks or for different uses, the tenant is counted as separate tenants in the number of tenants.

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

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

(4) Other Assets

As of January 31, 2023, 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, 2023. 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
cocoti	Shibuya-ku, Tokyo	Replacement of firefighting equipment	From April 2023 to May 2023	¥ 42	—	—
cocoti	Shibuya-ku, Tokyo	Renovation of fire prevention equipment	From March 2023 to May 2023	¥ 35	—	—
TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Work for move-in to 1F	From March 2023 to June 2023	¥ 34	—	—
Tokyu Nampeidai-cho Building	Shibuya-ku, Tokyo	Renovation of elevators	From April 2023 to May 2023	¥ 33	—	—
Akihabara Sanwa Toyo Building	Chiyoda-ku, Tokyo	Replacement of air-conditioning equipment	From February 2023 to June 2023	¥ 32	—	—

(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 39th fiscal period amounted to ¥375 million and ¥139 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥514 million spent for such work.

Name of property	Location	Objective	Period	Construction cost	
				Millions of yen	
cocoti	Shibuya-ku, Tokyo	Replacement of air-conditioning equipment	From September 2022 to October 2022		¥ 41
TOKYU REIT Shinjuku 2 Building	Shinjuku-ku, Tokyo	Renovation of elevators	From October 2022 to November 2022		31
Aoyama Oval Building	Shibuya-ku, Tokyo	Replacement of sprinklers	From September 2022 to January 2023		18
TOKYU REIT Kamata Building	Ota-ku, Tokyo	Renovation of rooftop for waterproofing	From October 2022 to November 2022		15
TOKYU REIT Shinjuku Building	Shinjuku-ku, Tokyo	Switching to LED lighting	From December 2022 to December 2022		14
Other					254
Total					¥ 375

(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:

	39th fiscal period From August 1, 2022 to January 31, 2023	38th fiscal period From February 1, 2022 to July 31, 2022	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
	Millions of yen				
Reserve at beginning of period	¥ 180	¥ 101	¥ 105	¥ 88	¥ 99
Amount transferred to reserve during period	418	364	573	824	608
Reversal from reserve during period	503	285	577	807	618
Reserve at end of period	¥ 96	¥ 180	¥ 101	¥ 105	¥ 88

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

	39th fiscal period From August 1, 2022 to January 31, 2023		38th fiscal period From February 1, 2022 to July 31, 2022	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 378		¥ 374	
Cash-based fees	368		288	
Unit price-based fees	—	¥ 746	—	¥ 663
Asset custodian fees		16		16
General administration fees		37		37
Directors' fees		6		6
Other operating expenses		175		149
Total		¥ 982		¥ 873

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

Short-term debt and long-term debt from each financial institution as of January 31, 2023 are as follows:

Category	Draw-down date	Balance as of January 31, 2023	Balance as of July 31, 2022	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 (Notes 2 and 3)
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			Unsecured and Unguaranteed (Note 2)
Development Bank of Japan Inc.	June 25, 2015	5,000	5,000	1.26125	June 25, 2025			
Mizuho Bank, Ltd.	November 11, 2015	—	1,700	0.89250	November 11, 2022			
Daido Life Insurance Company	December 25, 2015	—	500	0.85875	December 25, 2022			Unsecured and Unguaranteed (Notes 2 and 3)
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 (Notes 2 and 3)
Sumitomo Mitsui Trust Bank, Limited	May 25, 2017	1,000	1,000	0.62116	November 25, 2023			
Mizuho Bank, Ltd.	June 27, 2017	2,000	2,000	0.61773	December 27, 2023			Unsecured and Unguaranteed (Note 2)
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 (Notes 2 and 3)
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			Unsecured and Unguaranteed (Note 2)
MUFG Bank, Ltd.		2,500	2,500	0.65250	March 26, 2025			
Nippon Life Insurance Company	April 10, 2018	1,500	1,500	0.60000	October 10, 2023			Unsecured and Unguaranteed (Notes 2 and 3)
MUFG Bank, Ltd.	June 25, 2018	500	500	0.68569	December 25, 2025			
The Dai-ichi Life Insurance Company, Limited	July 31, 2018	2,000	2,000	0.90260	July 31, 2028			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			

Category	Draw-down date	Balance as of January 31, 2023	Balance as of July 31, 2022	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
MUFG Bank, Ltd.	June 25, 2019	1,500	1,500	0.46789	June 28, 2027	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
MUFG Bank, Ltd.	June 28, 2019	400	400	0.48124				
Sumitomo Mitsui Trust Bank, Limited		400	400	0.50641				
MUFG Bank, Ltd.	August 29, 2019	1,400	1,400	0.46876	February 29, 2028			
MUFG Bank, Ltd.	November 19, 2019	2,000	2,000	0.55395				
Mizuho Bank, Ltd.	December 25, 2019	500	500	0.64089	December 25, 2028			
The Dai-ichi Life Insurance Company, Limited	January 27, 2020	1,000	1,000	0.82000	January 27, 2032			
MUFG Bank, Ltd.	June 25, 2020	1,500	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			
Sumitomo Mitsui Trust Bank, Limited	December 25, 2020	2,700	2,700	0.53896	December 25, 2028			
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			
Mizuho Bank, Ltd.	October 22, 2021	800	800	0.64577	April 22, 2029			
MUFG Bank, Ltd.		1,600	1,600	0.63943				
Sumitomo Mitsui Trust Bank, Limited		1,600	1,600	0.64830				
Sumitomo Mitsui Trust Bank, Limited	December 27, 2021	3,500	3,500	0.51005	December 27, 2025			
Nippon Life Insurance Company	January 31, 2022	1,500	1,500	0.60055	July 31, 2027			
Mizuho Trust & Banking Co., Ltd.	February 25, 2022	500	500	0.56880	February 25, 2026			
Mizuho Trust & Banking Co., Ltd.		500	500	0.78815	February 25, 2030			
Sumitomo Mitsui Trust Bank, Limited	May 25, 2022	3,000	3,000	0.62630	May 25, 2026			

Category	Draw-down date	Balance as of January 31, 2023	Balance as of July 31, 2022	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	2,000	2,000	0.62329	January 27, 2027	Refinance fund	(Note 4)	Unsecured and Unguaranteed (Note 2)
	Shinkin Central Bank	2,000	2,000	0.77489	January 27, 2030			
	Sumitomo Mitsui Trust Bank, Limited	1,500	—	0.56282	January 30, 2026	Refinance fund		
	Mizuho Bank, Ltd.	1,700	—	1.10315	November 11, 2030			
	Daido Life Insurance Company	500	—	0.91500	December 26, 2028	Bullet payment		
	Mitsui Sumitomo Insurance Co., Ltd.	1,000	—	0.81130	January 30, 2027			
	Shinkin Central Bank	1,000	—					
	The Yamagata Bank, Ltd.	950	—	0.97750	January 30, 2030			
	The 77 Bank, Ltd.	480	—					
	Kansai Mirai Bank, Limited	480	—					
	The Bank of Kyoto, Ltd.	480	—					
	The Joyo Bank, Ltd.	240	—					
	The Chiba Bank, Ltd.	480	—					
	The Nishi-Nippon City Bank, Ltd.	240	—					
	The Hachijuni Bank, Ltd.	700	—					
	The Bank of Fukuoka, Ltd.	950	—					
Sub total		93,500	85,000					
Total		¥ 93,500	¥ 85,000					

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

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

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

Note 4. The funds are for the 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, 2023 is as follows:

Name	Issue date	Balance as of January 31, 2023	Balance as of July 31, 2022	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
		Millions of yen		%				
3rd Series Unsecured Investment Corporation Bonds	October 22, 2012	¥ —	¥ 3,000	1.47000	October 21, 2022	Full amount on maturity	Repayment of debt financing	Unsecured/Unguaranteed (Note 1)
6th Series Unsecured Investment Corporation Bonds	October 24, 2019	1,000	1,000	0.54000	October 24, 2029			
7th Series Unsecured Investment Corporation Bonds		1,000	1,000	1.00000	October 24, 2039			
8th Series Unsecured Investment Corporation Bonds	October 29, 2020	3,000	3,000	0.51000	October 29, 2030			
9th Series Unsecured Investment Corporation Bonds (Green Bonds)	October 14, 2022	3,000	—	0.36000	October 14, 2027			
10th Series Unsecured Investment Corporation Bonds (Green Bonds)	January 23, 2023	3,000	—	1.07400	January 21, 2033		(Note 2)	
Total		¥ 11,000	¥ 8,000					

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

Note 2. The funds are for the acquisition of property and for expenditures pertaining to the acquisition.

(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 39th 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)	Book value	Gain (Loss) on sale (Note 2)
			Millions of yen				
Trust beneficiary interest in real estate	Tokyu Ginza 2-chome Building	—	—	November 30, 2022	¥ 8,970	¥ 4,271	¥ 4,585
Real estate	Futako Tamagawa Rise	January 31, 2023	¥ 20,200	—	—	—	—

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. '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)	Appraisal value	Appraiser	Date of value
				Millions of yen			
Disposition	Trust beneficiary interest in real estate	Tokyu Ginza 2-chome Building	November 30, 2022	¥ 8,970	¥ 6,490	Japan Real Estate Institute	July 31, 2022
Acquisition	Real estate	Futako Tamagawa Rise	January 31, 2023	¥ 20,200	¥ 20,400	Daiwa Real Estate Appraisal Co., Ltd.	August 1, 2022

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 Securitized Subject Property."

② Other

There is no item that falls under this category.

(4) Trading with Interested Persons, Etc.

① Status of Trading

The status of transactions, including the trading of specified assets, with interested persons, etc. is as follows:

Item	Amount of trading	
	Purchase amount	Sale amount
	Millions of yen	
Total trading amount	¥ 20,200	¥ 8,970
Breakdown of the total amount relating to trading with interested persons, etc.		
Tokyu Land Corporation	¥ 20,200 [100.0%]	—
Total	¥ 20,200 [100.0%]	—

Note. Figures in brackets indicate the ratio of the amount relating to purchases from or sales to interested persons, etc. to the total trading amount.

② Amounts of Commissions Paid

Item	Total amounts of commissions paid (A) Thousands of yen	Paid to interested persons, etc.		B/A (%)
		Payee	Amount of payment (B)	
			Thousands of yen	
Utilities expenses	¥ 539,285	Tokyu Power Supply Co., Ltd.	¥ 190,438	35.3
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Subcontract expenses	¥ 407,341	Tokyu Community Corporation	¥ 165,136	40.5
		Tokyu Property Management Co., Ltd.	¥ 67,111	16.5
Other rental service expenses	¥ 268,487	Tokyu Property Management Co., Ltd.	¥ 22,681	8.4
		Tokyu Malls Development Corporation	¥ 2,898	1.1
		its communications Inc.	¥ 970	0.4
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.3
		Tokyu Community Corporation	¥ 76	0.0
		Tokyu Lifia Corporation	¥ 23	0.0
Property management fees	¥ 155,153	Tokyu Property Management Co., Ltd.	¥ 125,962	81.2
		Tokyu Community Corporation	¥ 26,188	16.9
		Tokyu Housing Lease Corporation (Note 3)	¥ 2,702	1.7
		Tokyu Corporation	¥ 300	0.2
Insurance premium	¥ 7,503	Tokyu Insurance Consulting Co., Ltd.	¥ 7,503	100.0

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 Property Management Co., Ltd. and Tokyu Community Corporation in the amount of ¥87,869 thousand and ¥30,388 thousand, respectively. In addition to the commissions paid as described above, the amount paid for repair and maintenance work related to interested persons, etc. during the 39th fiscal period are as follows:

Tokyu Renewal Co., Ltd.	¥ 119,376 thousand
Tokyu Property Management Co., Ltd.	¥ 20,890 thousand
Tokyu Construction Co., Ltd.	¥ 9,775 thousand
Tokyu Community Corporation	¥ 9,365 thousand
Tokyu Re · design Corporation (Note 3)	¥ 3,339 thousand
Tokyu Corporation	¥ 193 thousand
Tokyu Lifia Corporation	¥ 30 thousand

Note 3. Although no longer falling under the category of related parties as of January 31, 2023, with the change in the scope of related parties that took effect on said date, all transactions during the 39th fiscal period are shown.

(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 Sheet, Statement of Income, Statement of Changes in Unitholders' Equity, Statement of Cash Distributions, Statement of Cash Flows and Notes to Financial Statements.

The data for the previous fiscal period in such Balance Sheet, Statement of Income, Statement of Changes in Unitholders' Equity, Statement of Cash Distributions, Statement of Cash Flows and Notes to Financial Statements are for reference, and not subject to the audit by a financial auditor pursuant to the provisions of Article 130 of the Investment Trust Law in the fiscal period under review.

(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 25, 2022	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, 2023, 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, 2023, 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.

Other Information

The other information comprises the information included in the Semiannual Report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, Supervisory Directors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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



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:

- 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

PricewaterhouseCoopers Aarata LLC

April 27, 2023

佐藤孝

Takashi Sato

Designated Engagement Partner
Certified Public Accountant

TOKYU REIT, Inc.
Balance Sheet
As of January 31, 2023 and July 31, 2022

	January 31, 2023	July 31, 2022
	(Millions of yen)	
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 2,430	¥ 3,087
Cash and deposits with banks held in trust	2,344	2,082
Tenant receivables	117	128
Consumption tax refund receivables	321	338
Lease deposits held in trust due within one year	18	18
Other current assets	65	116
Total current assets	5,297	5,772
Fixed assets:		
Property and equipment		
Buildings and structures	22,474	17,595
Land	78,711	68,011
Other tangible assets	268	307
Construction in progress	1	12
Buildings and structures held in trust	32,910	32,717
Land held in trust	119,930	119,930
Other tangible assets held in trust	1,250	1,234
Construction in progress held in trust	13	3
Less accumulated depreciation	(22,105)	(22,093)
Total property and equipment	233,452	217,720
Intangible assets		
Intangible assets	-	0
Intangible assets held in trust	0	0
Total intangible assets	0	0
Investments and other assets		
Lease deposits	211	208
Lease deposits held in trust	613	632
Deferred tax assets	0	0
Other assets	356	272
Total investments and other assets	1,182	1,113
Total fixed assets	234,635	218,834
Deferred assets:		
Investment corporation bond issuance expenses	60	28
Total deferred assets	60	28
Total assets	¥ 239,993	¥ 224,636

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

TOKYU REIT, Inc.
Balance Sheet, continued
As of January 31, 2023 and July 31, 2022

	January 31, 2023	July 31, 2022
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Investment corporation bonds due within one year	¥ -	¥ 3,000
Long-term debt due within one year	10,500	7,200
Accounts payable	1,262	1,426
Rent received in advance	1,117	1,083
Accrued expenses and other current liabilities	138	119
Total current liabilities	13,018	12,829
Long-term liabilities:		
Investment corporation bonds	11,000	5,000
Long-term debt	83,000	77,800
Tenant leasehold and security deposits	4,327	3,514
Tenant leasehold and security deposits held in trust	6,103	5,919
Other long-term liabilities	37	35
Total long-term liabilities	104,468	92,269
Total liabilities	¥ 117,486	¥ 105,099
 <u>NET ASSETS</u>		
Unitholders' capital	¥ 110,479	¥ 110,479
Reserve for reduction entry	1,932	1,508
Reserve for reduction entry under special provisions for property replacement	3,209	3,209
Retained earnings	6,885	4,339
Total net assets	122,507	119,537
Total liabilities and net assets	¥ 239,993	¥ 224,636

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

TOKYU REIT, Inc.
Statement of Income

For the six months ended January 31, 2023 and July 31, 2022

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 6,241	¥ 6,054
Other rental revenue	494	582
Gain on sales of real estate properties	4,585	2,023
Revenues from facility acceptance	-	10
Operating expenses:		
Rental service expenses	(3,008)	(3,065)
Asset management fees	(746)	(663)
Other	(235)	(209)
Operating income	7,331	4,732
Non-operating income:		
Interest income	0	0
Other	2	3
Non-operating expenses:		
Interest expense	(336)	(331)
Interest expense on investment corporation bonds	(29)	(37)
Amortization of investment corporation bond issuance expenses	(2)	(2)
Financing fees	(57)	-
Other	(22)	(24)
Income before income taxes	6,885	4,340
Income taxes:		
Current	(0)	(1)
Deferred	(0)	0
Net income	6,885	4,339
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 6,885	¥ 4,339

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, 2023 and July 31, 2022

For the six months ended January 31, 2023

	Unitholders' capital	Reserve for reduction entry	Reserve for reduction entry under special provisions for property replacement	Retained earnings	Total
	(Millions of yen)				
Balance at beginning of period	¥ 110,479	¥ 1,508	¥ 3,209	¥ 4,339	¥ 119,537
Changes during the period					
Provision of reserve for reduction entry	-	423	-	(423)	-
Cash distributions declared	-	-	-	(3,915)	(3,915)
Net income	-	-	-	6,885	6,885
Total changes during the period	-	423	-	2,545	2,969
Balance at end of period	¥ 110,479	¥ 1,932	¥ 3,209	¥ 6,885	¥ 122,507

For the six months ended July 31, 2022

	Unitholders' capital	Reserve for reduction entry	Reserve for reduction entry under special provisions for property replacement	Retained earnings	Total
	(Millions of yen)				
Balance at beginning of period	¥ 110,479	¥ 1,508	¥ -	¥ 7,071	¥ 119,059
Changes during the period					
Provision of reserve for reduction entry under special provisions for property replacement	-	-	3,209	(3,209)	-
Cash distributions declared	-	-	-	(3,861)	(3,861)
Net income	-	-	-	4,339	4,339
Total changes during the period	-	-	3,209	(2,731)	478
Balance at end of period	¥ 110,479	¥ 1,508	¥ 3,209	¥ 4,339	¥ 119,537

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, 2023 and July 31, 2022

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Retained earnings at end of period	¥ 6,885	¥ 4,339
Cash distributions declared	3,949	3,915
Provision of reserve for reduction entry	-	423
Provision of reserve for reduction entry under special provisions for property replacement	2,935	-
Retained earnings carried forward	¥ 0	¥ 0

The Board of Directors of TOKYU REIT resolved on March 16, 2023 and September 14, 2022 to effect payment of cash distributions of ¥4,040 and ¥4,005 per unit to unitholders of record on January 31, 2023 and July 31, 2022, respectively. The cash distributions were calculated as follows:

For the six months ended January 31, 2023

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 ¥3,949 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, 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. Based on this policy, TOKYU REIT decided to distribute ¥3,915 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 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.

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, 2023 and July 31, 2022

	For the six months ended	
	January 31, 2023	July 31, 2022
(Millions of yen)		
Cash flows from operating activities:		
Income before income taxes	¥ 6,885	¥ 4,340
Depreciation and amortization	861	820
Amortization of investment corporation bond issuance expenses	2	2
Loss on disposal of property and equipment	2	3
Interest income	(0)	(0)
Interest expense	366	368
(Increase) Decrease in tenant receivables	6	70
(Increase) Decrease in consumption tax refund receivables	17	(338)
Increase (Decrease) in consumption tax payable	-	(755)
Increase (Decrease) in accounts payable	(69)	(89)
Increase (Decrease) in rent received in advance	32	(945)
Decrease in property and equipment due to sale	4,271	1,432
Decrease in property and equipment held in trust due to sale	-	8,263
Other, net	(49)	(165)
Total	12,328	13,006
Interest received	0	0
Interest paid	(366)	(373)
Income taxes paid	(1)	(0)
Net cash provided by (used in) operating activities	11,960	12,632
Cash flows from investing activities:		
Payments for purchases of property and equipment	(20,577)	(9,464)
Payments for purchases of property and equipment held in trust	(376)	(520)
Payments for lease deposits	(3)	-
Proceeds from lease deposits held in trust	18	-
Proceeds from tenant leasehold and security deposits	1,130	771
Payments for tenant leasehold and security deposits	(310)	(241)
Proceeds from tenant leasehold and security deposits held in trust	372	164
Payments for tenant leasehold and security deposits held in trust	(159)	(391)
Net cash provided by (used in) investing activities	(19,906)	(9,680)
Cash flows from financing activities:		
Proceeds from short-term debt	-	2,000
Repayment of short-term debt	-	(2,000)
Proceeds from long-term debt	10,700	8,000
Repayment of long-term debt	(2,200)	(9,400)
Proceeds from investment corporation bonds	5,965	-
Repayment of investment corporation bonds	(3,000)	-
Payment of dividends	(3,915)	(3,860)
Net cash provided by (used in) financing activities	7,550	(5,260)
Net change in cash and cash equivalents	(395)	(2,308)
Cash and cash equivalents at beginning of period	5,170	7,479
Cash and cash equivalents at end of period	¥ 4,775	¥ 5,170

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, 2023 and July 31, 2022

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, 2023, TOKYU REIT’s total capital is ¥110,479 million with 977,600 units issued and outstanding. TOKYU REIT has been operating 31 properties at an occupancy rate of approximately 96.6%. Total acquisition cost of the 31 properties is ¥247,641 million and total rentable area is 170,499.25 m².

(b) Basis of presentation

The financial statements of TOKYU REIT, which is incorporated in Japan, have been prepared in accordance with the provisions set forth in the 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, 2023 and July 31, 2022

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, 2023	July 31, 2022
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-45	2-50
Other tangible assets		
Machinery and equipment	2-16	2-16
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 properties. Capitalized property-related taxes are ¥94,349 thousand for the six months ended January 31, 2023. Capitalized property-related taxes are ¥24,801 thousand for the six months ended July 31, 2022.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

- (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) **Non-deductible consumption taxes** - Non-deductible consumption taxes related to fixed assets are recorded as long-term prepaid expenses and are amortized using the straight-line method over five 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, 2023 and July 31, 2022

3. 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, 2023.

4. Reserve for reduction entry under special provisions for property replacement

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 has been made in accordance with tax regulations.	
Description of reversal in the period	Not applicable.	
	Amount as of January 31, 2023	Amount as of July 31, 2022
	(Millions of yen)	
Balance before provision or reversal in the period	¥ 3,209	¥ 3,209
Reversal in the statements of income	-	-
Balance on the balance sheets	3,209	3,209
Provision in the statements of cash distributions	-	-
Reversal in the statements of cash distributions	-	-
Balance after provision or reversal in the period	<u>¥ 3,209</u>	<u>¥ 3,209</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

5. 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.

6. Rental revenue and expense

Rental revenues and expenses for the six months ended January 31, 2023 and July 31, 2022 were as follows:

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 5,298	¥ 5,107
Common area charges	530	535
Parking lot revenue under monthly contract	131	130
Other rent income	280	281
Sub total	6,241	6,054
Other rental revenue:		
Incidental income	435	338
Other miscellaneous income	59	244
Sub total	494	582
Total revenue from property leasing	6,736	6,637
Rental service expenses:		
Utilities expenses	539	360
Subcontract expenses	407	395
Property management fees	155	165
Repairs and maintenance expenses	139	437
Property-related taxes	627	642
Insurance premium	7	7
Depreciation and amortization	861	820
Loss on disposal of property and equipment	2	3
Other	268	232
Total rental service expenses	3,008	3,065
Operating income from property leasing activities	¥ 3,727	¥ 3,571

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

7. Breakdown of gain on sales of real estate properties

Tokyu Ginza 2-chome Building was sold on November 30, 2022.

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Revenue from sale of property	¥ 8,970	—
Cost of property	4,271	
Other sales expenses	113	
Gain on sales of real estate properties	¥ 4,585	

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

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Revenue from sale of property	—	¥ 9,820
Cost of property		8,263
Other sales expenses		103
Gain on sales of real estate properties		¥ 1,452

OKI System Center (land with leasehold interest) (30% co-ownership interest) was sold on February 25, 2022.

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Revenue from sale of property	—	¥ 2,055
Cost of property		1,432
Other sales expenses		52
Gain on sales of real estate properties		¥ 570

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

8. Investment units authorized and investment units issued and outstanding

The total number of units authorized and the total number of units issued and outstanding for the six months ended January 31, 2023 and July 31, 2022 were as follows:

	For the six months ended	
	January 31, 2023	July 31, 2022
Total number of units authorized	10,000,000 units	10,000,000 units
Total number of units issued and outstanding	977,600 units	977,600 units

9. Cash and cash equivalents

Cash and cash equivalents as of January 31, 2023 and July 31, 2022 consisted of the following:

	January 31, 2023	July 31, 2022
	(Millions of yen)	
Cash and deposits with banks	¥ 2,430	¥ 3,087
Cash and deposits with banks held in trust	2,344	2,082
Cash and cash equivalents	¥ 4,775	¥ 5,170

10. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of January 31, 2023 and July 31, 2022, the future lease revenues under the non-cancelable operating leases were as follows:

	January 31, 2023	July 31, 2022
	(Millions of yen)	
Due within one year	¥ 6,722	¥ 6,175
Due after one year	37,361	38,754
Total	¥ 44,083	¥ 44,929

As of January 31, 2023 and July 31, 2022, the future lease payments under the non-cancelable operating leases were as follows:

	January 31, 2023	July 31, 2022
	(Millions of yen)	
Due within one year	¥ 247	¥ 237
Due after one year	554	615
Total	¥ 802	¥ 853

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

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. $[\text{Interest-bearing liabilities} + \text{Security and guarantee deposits without reserved cash}] \div$

$[\text{Total appraisal value at the end of the fiscal period or at the time of acquisition of specified assets}] \times 100$

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

(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, 2023			July 31, 2022		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
	(Millions of yen)					
(1) Investment corporation bonds due within one year	¥ -	¥ -	¥ -	¥ 3,000	¥ 3,015	¥ 15
(2) Long-term debt due within one year	10,500	10,520	20	7,200	7,242	42
(3) Investment corporation bonds	11,000	10,592	(407)	5,000	4,756	(243)
(4) Long-term debt	83,000	81,709	(1,290)	77,800	77,742	(57)
Liabilities total	¥ 104,500	¥ 102,822	¥ (1,677)	¥ 93,000	¥ 92,756	¥ (243)

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, 2023			July 31, 2022		
	Investment corporation bonds	Long-term debt	Total	Investment corporation bonds	Long-term debt	Total
	(Millions of yen)					
Within one year	¥ -	¥ 10,500	¥ 10,500	¥ 3,000	¥ 7,200	¥ 10,200
Within two years, but over one year	-	7,500	7,500	-	10,500	10,500
Within three years, but over two years	-	13,000	13,000	-	10,000	10,000
Within four years, but over three years	-	12,200	12,200	-	9,200	9,200
Within five years, but over four years	3,000	11,300	14,300	-	11,300	11,300
Over five years	8,000	39,000	47,000	5,000	36,800	41,800

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2023 and July 31, 2022

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 ¥6 thousand as of January 31, 2023. Deferred tax assets are ¥20 thousand as of July 31, 2022.

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, 2023 and July 31, 2022.

	January 31, 2023	July 31, 2022
Statutory income tax rate	31.46%	31.46%
Deductible cash distributions	(18.04)	(28.38)
Provision of reserve for reduction entry under special provisions for property replacement	(13.41)	-
Other	0.01	(3.06)
Effective tax rate	0.01%	0.02%

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, 2023 and July 31, 2022 and payable due to asset manager as of then were as follows:

	January 31, 2023	July 31, 2022
	(Millions of yen)	
Asset management fees for the period	¥ 746	¥ 663
Management fees payable due to asset manager	405	317

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

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, 2023	July 31, 2022
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 217,720	¥ 217,976
Change during the period (Note 3)	15,732	(256)
Balance at end of period	¥ 233,453	¥ 217,720
	As of January 31, 2023	As of July 31, 2022
	(Millions of yen)	
Fair value at end of period (Note 4)	¥ 321,480	¥ 307,150

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, 2023, the amount of increase is mainly attributable to the acquisition of Futako Tamagawa Rise (¥20,492 million), and the amount of decrease is mainly attributable to the disposition of Tokyu Ginza 2-chome Building (¥4,271 million) and depreciation and amortization (¥860 million).

Of the change during the six months ended July 31, 2022, the amount of increase is mainly attributable to the acquisition of Meguro Higashiyama Building (¥8,417 million), the extension of Tokyu Toranomon Building (¥1,602 million), and the replacement of equipment and commercialization work of Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) and other capital expenditures (¥777 million), and the amount of decrease is mainly attributable to the disposition of Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (¥8,263 million) and 30% co-ownership interest in OKI System Center (land with leasehold interest) (¥1,432 million), depreciation and amortization (¥820 million), and the reversal of construction in progress for the extension of Tokyu Toranomon Building (¥555 million).

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

The income (loss) in the six months ended January 31, 2023 and July 31, 2022 for investment and rental properties are as presented in “Rental revenue and expense” of the “Notes to Financial Statements.”

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

15. Revenue recognition

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

For the six months ended January 31, 2023

For information about disaggregation of revenue from contracts with customers, please refer to “Rental revenue and expense” 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 recoveries of utility charges (“Incidental income” of “Other rental revenue”).

For the six months ended July 31, 2022

For information about disaggregation of revenue from contracts with customers, please refer to “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, 2023

Not applicable.

For the six months ended July 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: ¥982 million).

Contract liabilities are reversed upon recognition of revenue.

The balance at the beginning of the period of ¥982 million was reversed during the period.

(2) Transaction price allocated to the remaining performance obligations

(i) Sales of real estate properties

Not applicable.

(ii) Recoveries of utility charges

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, 2023 and July 31, 2022

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, 2023

Party	Operating revenues (Note 2)	Name of related segment
(Millions of yen)		
Related parties (Note 1)	¥ 715	Property Leasing Business

For the six months ended July 31, 2022

Party	Operating revenues	Name of related segment
(Millions of yen)		
Related parties (Note 3)	¥ 751	Property Leasing Business

Note 1. “Related parties” refers to any entity that falls under any of (i) to (iv) below:

- (i) Tokyu Corporation
- (ii) A 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 subsidiary of Tokyu Corporation and where the share of investment by silent partnership or other investment shares in that entity by the respective company exceeds 50%
- (iv) An affiliate of Tokyu Corporation.

Note 2. Effective January 31, 2023, the scope of related parties has changed to the scope shown in Note 1. However, the calculation is based on the scope before the change (the scope shown in Note 3).

Note 3. “Related parties” refers to any entity that falls under any of (i) to (vii) 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 partnership or other investment shares in that entity by the respective company exceeds 50%
- (iv) An affiliate 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 partnership 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, 2023 and July 31, 2022

17. Per unit information

The following table summarizes the net income per unit for the six months ended January 31, 2023 and July 31, 2022 and the unitholders' equity per unit as of January 31, 2023 and July 31, 2022.

	For the six months ended	
	January 31, 2023	July 31, 2022
Net income per unit	¥ 7,042	¥ 4,438
	As of January 31, 2023	As of July 31, 2022
Unitholders' equity per unit	¥ 125,314	¥ 122,276

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, 2023 and July 31, 2022.

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

	For the six months ended	
	January 31, 2023	July 31, 2022
	(Millions of yen)	
Net income	¥ 6,885	¥ 4,339
Amount not available to ordinary unitholders	-	-
Net income available to ordinary unitholders	¥ 6,885	¥ 4,339
Weighted-average number of units	977,600 units	977,600 units

18. Subsequent events

TOKYU REIT is not aware of any circumstances that may have a material impact on TOKYU REIT's financial position after the end of the six months ended January 31, 2023 (39th fiscal period).

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2023 and July 31, 2022

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	Futako Tamagawa Rise	
Reason for recognition and amount	Gain on sale of ¥4,585 million due to sale of Tokyu Ginza 2-chome Building in November 2022	
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, 2023	Amount as of July 31, 2022
	(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	2,935	
Reversal in the statements of cash distributions	-	
Balance after provision or reversal in the period	<u>¥ 2,935</u>	

TOKYU REIT, Inc.
Supplementary Schedules
As of January 31, 2023 and July 31, 2022

1. Schedule of property and equipment and intangible assets

Property and equipment and intangible assets as of January 31, 2023 and July 31, 2022 consisted of the following:

	January 31, 2023			July 31, 2022		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 22,257	¥ (5,197)	¥ 17,059	¥ 17,380	¥ (5,658)	¥ 11,721
Structures	217	(89)	127	215	(92)	122
Land	78,711	—	78,711	68,011	—	68,011
Other tangible assets						
Machinery and equipment	137	(65)	71	179	(102)	76
Tools, furniture and fixtures	131	(80)	50	128	(80)	47
Construction in progress	1	—	1	12	—	12
Property and equipment held in trust						
Buildings and structures						
Buildings	32,574	(15,291)	17,282	32,382	(14,795)	17,586
Structures	335	(237)	98	335	(230)	105
Land	119,930	—	119,930	119,930	—	119,930
Other tangible assets						
Machinery and equipment	973	(901)	71	962	(894)	68
Tools, furniture and fixtures	277	(242)	34	271	(237)	33
Construction in progress	13	—	13	3	—	3
Sub total	255,558	(22,105)	233,452	239,813	(22,093)	217,720
Intangible assets						
Intangible assets	10	(10)	—	10	(10)	0
Intangible assets held in trust	12	(11)	0	12	(11)	0
Sub total	22	(22)	0	22	(22)	0
Total	¥ 255,581	¥ (22,128)	¥ 233,453	¥ 239,836	¥ (22,115)	¥ 217,721

TOKYU REIT, Inc.
Supplementary Schedules, continued
As of January 31, 2023 and July 31, 2022

2. Investment corporation bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2023 and July 31, 2022 were as follows:

Name	Issue date	Balance as of January 31, 2023	Decrease during the period	Balance as of July 31, 2022	Annual interest rate	Maturity date	Use of proceeds	Remark
		Millions of yen						
3rd Series Unsecured Investment Corporation Bonds	October 22, 2012	¥ —	¥ 3,000	¥ 3,000	1.47000	October 21, 2022	Repayment of debt financing	Unsecured/Unguaranteed (Note 1)
6th Series Unsecured Investment Corporation Bonds	October 24, 2019	1,000	—	1,000	0.54000	October 24, 2029		
7th Series Unsecured Investment Corporation Bonds		1,000	—	1,000	1.00000	October 24, 2039		
8th Series Unsecured Investment Corporation Bonds	October 29, 2020	3,000	—	3,000	0.51000	October 29, 2030		
9th Series Unsecured Investment Corporation Bonds (Green Bonds)	October 14, 2022	3,000	—	—	0.36000	October 14, 2027		
10th Series Unsecured Investment Corporation Bonds (Green Bonds)	January 23, 2023	3,000	—	—	1.07400	January 21, 2033	(Note 2)	
Total		¥ 11,000	¥ 3,000	¥ 8,000				

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

Note 2. The funds are for the acquisition of property and for expenditures pertaining to the acquisition.

Note 3. 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 bonds	¥ —	¥ —	¥ —	¥ —	¥ 3,000

TOKYU REIT, Inc.
Supplementary Schedules, continued
As of January 31, 2023 and July 31, 2022

3. Short-term debt and long-term debt

Short-term debt and long-term debt as of January 31, 2023 and July 31, 2022 consisted of the following:

Category	Balance as of January 31, 2023	Increase during the period	Decrease during the period	Balance as of July 31, 2022	Average interest rate (Note 1)	Maturity date	Use of funds	Remark	
	Lender				Millions of yen				%
Long-term debt	Mizuho Trust & Banking Co., Ltd.	¥1,500	¥ —	¥ —	¥1,500	1.91375	June 27, 2023	Unsecured and Unguaranteed (Notes 2 and 3)	
	Development Bank of Japan Inc.	1,000	—	—	1,000				
	Development Bank of Japan Inc.	5,000	—	—	5,000	1.57750	February 25, 2024	Unsecured and Unguaranteed (Note 2)	
	Development Bank of Japan Inc.	5,000	—	—	5,000	1.26125	June 25, 2025		
	Mizuho Bank, Ltd.	—	—	1,700	1,700	0.89250	November 11, 2022		
	Daido Life Insurance Company	—	—	500	500	0.85875	December 25, 2022	Unsecured and Unguaranteed (Notes 2 and 3)	
	Daido Life Insurance Company	1,500	—	—	1,500	0.57130	March 10, 2023		
	MUFG Bank, Ltd.	500	—	—	500	0.45630	June 27, 2023	Unsecured and Unguaranteed (Notes 2 and 3)	
	Sumitomo Mitsui Trust Bank, Limited	1,000	—	—	1,000	0.62116	November 25, 2023		
	Mizuho Bank, Ltd.	2,000	—	—	2,000	0.61773	December 27, 2023	Unsecured and Unguaranteed (Notes 2 and 3)	
	The Norinchukin Bank	1,000	—	—	1,000	0.63573	January 25, 2024		
	Development Bank of Japan Inc.	5,000	—	—	5,000	0.90880	January 25, 2028	Refinance fund	Unsecured and Unguaranteed (Note 2)
	Nippon Life Insurance Company	500	—	—	500	0.58000	July 31, 2023	Unsecured and Unguaranteed (Notes 2 and 3)	
	MUFG Bank, Ltd.	2,500	—	—	2,500	0.62827	September 26, 2024	Unsecured and Unguaranteed (Note 2)	
	MUFG Bank, Ltd.	2,500	—	—	2,500	0.65250	March 26, 2025	Unsecured and Unguaranteed (Notes 2 and 3)	
	Nippon Life Insurance Company	1,500	—	—	1,500	0.60000	October 10, 2023	Unsecured and Unguaranteed (Notes 2 and 3)	
	MUFG Bank, Ltd.	500	—	—	500	0.68569	December 25, 2025	Unsecured and Unguaranteed (Note 2)	
	The Dai-ichi Life Insurance Company, Limited	2,000	—	—	2,000	0.90260	July 31, 2028		
	Mizuho Bank, Ltd.	1,700	—	—	1,700	0.72652	May 12, 2026		
	The Norinchukin Bank	3,000	—	—	3,000	0.60380	January 28, 2027		
MUFG Bank, Ltd.	2,000	—	—	2,000	0.56116	May 27, 2027			

TOKYU REIT, Inc.
Supplementary Schedules, continued
As of January 31, 2023 and July 31, 2022

Category	Balance as of January 31, 2023	Increase during the period	Decrease during the period	Balance as of July 31, 2022	Average interest rate (Note 1)	Maturity date	Use of funds	Remark	
	Lender			Millions of yen					%
Long-term debt	MUFG Bank, Ltd.	1,500	—	—	1,500	0.46789	June 28, 2027	Refinance fund	Unsecured and Unguaranteed (Note 2)
	MUFG Bank, Ltd.	400	—	—	400	0.48124			
	Sumitomo Mitsui Trust Bank, Limited	400	—	—	400	0.50641			
	MUFG Bank, Ltd.	1,400	—	—	1,400	0.46876	February 29, 2028		
	MUFG Bank, Ltd.	2,000	—	—	2,000	0.55395			
	Mizuho Bank, Ltd.	500	—	—	500	0.64089	December 25, 2028		
	The Dai-ichi Life Insurance Company, Limited	1,000	—	—	1,000	0.82000	January 27, 2032		
	MUFG Bank, Ltd.	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.	500	—	—	500	0.49250	June 29, 2027		
	The Norinchukin Bank	500	—	—	500	0.55000	June 29, 2028		
	Sumitomo Mitsui Trust Bank, Limited	2,700	—	—	2,700	0.53896	December 25, 2028		
	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.	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	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		
	Mizuho Bank, Ltd.	800	—	—	800	0.64577	April 22, 2029		
	MUFG Bank, Ltd.	1,600	—	—	1,600	0.63943			
	Sumitomo Mitsui Trust Bank, Limited	1,600	—	—	1,600	0.64830			
	Sumitomo Mitsui Trust Bank, Limited	3,500	—	—	3,500	0.51005	December 27, 2025		
Nippon Life Insurance Company	1,500	—	—	1,500	0.60055	July 31, 2027			
Mizuho Trust & Banking Co., Ltd.	500	—	—	500	0.56880	February 25, 2026			
Mizuho Trust & Banking Co., Ltd.	500	—	—	500	0.78815	February 25, 2030			
Sumitomo Mitsui Trust Bank, Limited	3,000	—	—	3,000	0.62630	May 25, 2026			

TOKYU REIT, Inc.
Supplementary Schedules, continued
As of January 31, 2023 and July 31, 2022

Category	Balance as of January 31, 2023	Increase during the period	Decrease during the period	Balance as of July 31, 2022	Average interest rate (Note 1)	Maturity date	Use of funds	Remark
	Millions of yen				%			
Lender								
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	2,000	—	—	2,000	0.62329	January 27, 2027	Refinance fund
	Shinkin Central Bank	2,000	—	—	2,000	0.77489	January 27, 2030	
	Sumitomo Mitsui Trust Bank, Limited	1,500	1,500	—	—	0.56282	January 30, 2026	(Note 4)
	Mizuho Bank, Ltd.	1,700	1,700	—	—	1.10315	November 11, 2030	Refinance fund
	Daido Life Insurance Company	500	500	—	—	0.91500	December 26, 2028	
	Mitsui Sumitomo Insurance Co., Ltd.	1,000	1,000	—	—	0.81130	January 30, 2027	Unsecured and Unguaranteed (Note 2)
	Shinkin Central Bank	1,000	1,000	—	—			
	The Yamagata Bank, Ltd.	950	950	—	—	0.97750	January 30, 2030	
	The 77 Bank, Ltd.	480	480	—	—			
	Kansai Mirai Bank, Limited	480	480	—	—			
	The Bank of Kyoto, Ltd.	480	480	—	—			
	The Joyo Bank, Ltd.	240	240	—	—			
	The Chiba Bank, Ltd.	480	480	—	—			
	The Nishi-Nippon City Bank, Ltd.	240	240	—	—			
The Hachijuni Bank, Ltd.	700	700	—	—				
The Bank of Fukuoka, Ltd.	950	950	—	—				
Sub total	93,500	10,700	2,200	85,000				
Total	¥ 93,500	¥ 10,700	¥ 2,200	¥ 85,000				

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

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

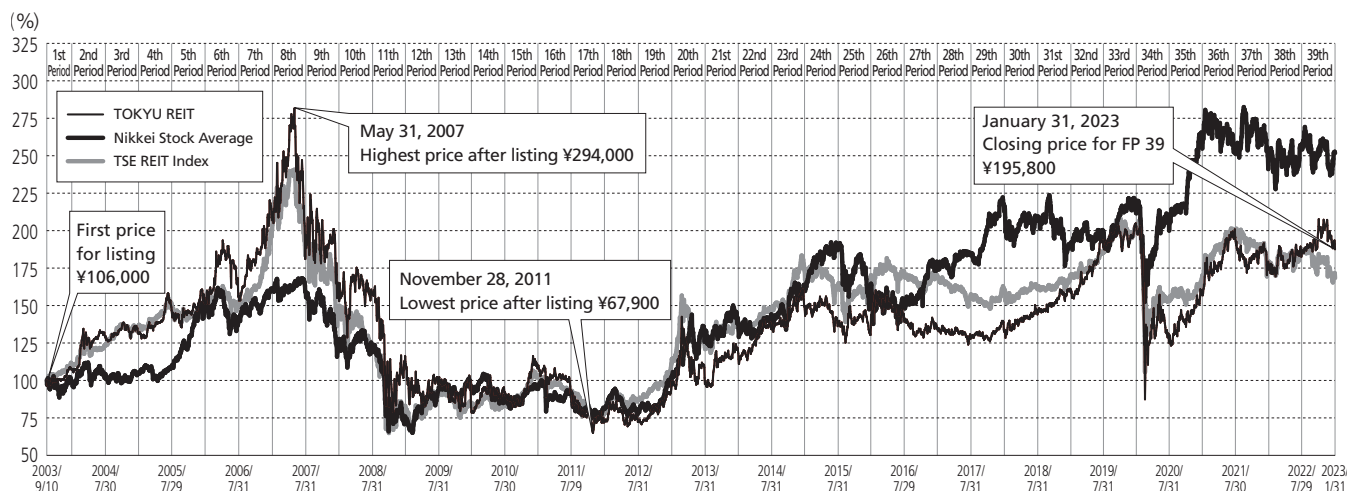
Note 3. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

Note 4. The funds are for the acquisition of property and for expenditures pertaining to the acquisition.

Note 5. 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:

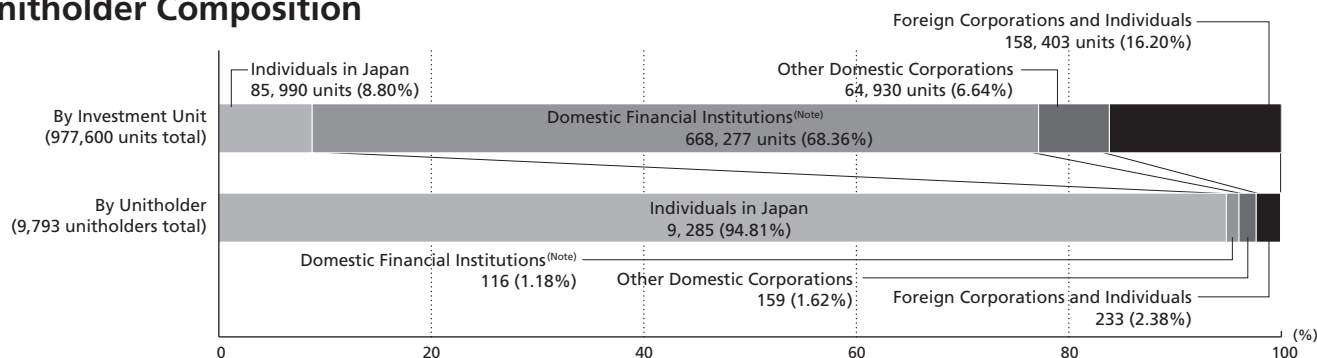
	Within one year	Within two years, but over one year	Within three years, but over two years	Within four years, but over three years	Within five years, but over four years
	Millions of yen				
Long-term debt	¥ 10,500	¥ 7,500	¥ 13,000	¥ 12,200	¥ 11,300

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. 2023 (FP 39)	Ending Jul. 2023 (FP 40)		Ended Jan. 2023 (FP 39)	Ending Jul. 2023 (FP 40)
Date of settlement	Jan. 31, 2023	Jul. 31, 2023	Delivery of investment management report (Japanese only)	Apr. 14, 2023	Mid. Oct. 2023
Announcement of financial results	Mar. 16, 2023	Mid. Sep. 2023	Payment of cash distributions	Apr. 17, 2023	Mid. Oct. 2023

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

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

Tokyu Real Estate Investment Management Inc.

Shibuya Mark City West Bldg. 11F 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 2020 (FP 34) is on October 15, 2020 and for fiscal period ended January 2021 (FP 35) is on April 15, 2021.

■ Investment Management Company

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

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

■ Disclaimer

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

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

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

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

■ The information in this report without description of dates is as of January 31, 2023.

TOKYU REIT

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