

# TOKYU REIT

TOKYU REIT, Inc. Semiannual Report

The Fiscal Period Ended July 2023  
(40th Fiscal Period)

From February 1, 2023 to July 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 <sup>(Note)</sup> (Sponsor collaboration)
- Growth through heightened added value of the Tokyu Areas

### 2 A portfolio that secures 'stability'

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

### 3 Fund structure that backs 'transparency'

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

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(Note) Tokyu Corporation and its subsidiaries referred to in this semiannual report collectively represent "Tokyu Corporation," "a 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.

Yoshitaka Kimura



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.

My name is Yoshitaka Kimura, and I was appointed Executive Director of **TOKYU REIT** on May 1, 2023. We appreciate your continued guidance and encouragement, as we will make utmost efforts for the development of **TOKYU REIT**.

I hereby report our operating environment and results for the fiscal period ended July 2023.

During the fiscal period ended July 2023, we disposed of our 30% quasi-co-ownership in Tokyo Nissan Taito Building, posting a gain on the sale of ¥1,282 million and provision of reserve for reduction entry of replaced property of ¥652 million. In addition, there were move-ins into the new section of Tokyu Toranomom Building, at which the extension work was completed in June 2022, with the occupancy rate rising by 1.9 percentage points from the end of the previous fiscal period to 98.5%. Furthermore, due to factors such as profit contributions throughout the fiscal period from Futako Tamagawa Rise, which we acquired in January 2023, leasing NOI was ¥5,226 million (increase of ¥634 million period on period), but compared with the previous fiscal period, gains on sale of real estate decreased by ¥3,303 million while operating income stood at ¥4,682 million (decrease of ¥2,648 million period on period), net income at ¥4,260 million (decrease of ¥2,625 million period on period), and net income per unit at ¥4,357 (decrease of ¥2,685

period on period). The distribution per unit will be ¥3,750 (decrease of ¥290 period on period), with provision and partial reversal of reserve for reduction entry of replaced property.

With regard to the next fiscal period onward, we are planning to dispose of our 30% quasi-co-ownership in Tokyo Nissan Taito Building in January 2024 and 40% quasi-co-ownership in February 2024 and therefore expect to post gains on these sales in the fiscal period ending January 2024 and fiscal period ending July 2024. As a result, net income per unit is forecast to be ¥4,401 (increase of ¥44 period on period) in the fiscal period ending January 2024, while net income per unit for the fiscal period ending July 2024 is forecast to be ¥4,567 (increase of ¥166 period on period).

Distribution per unit is planned to be ¥3,750 (same amount as the previous fiscal period) for the fiscal period ending January 2024 and ¥3,750 (same amount as the previous fiscal period) for the fiscal period ending July 2024 as well, with provision and partial reversal of reserve for reduction entry of replaced property.

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, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in August 2022 and conducted a qualitative scenario analysis based on “governance,” “strategies,” “risk management,” and “indicators and targets” regarding climate change-related risks and opportunities, which was disclosed on the **TOKYU REIT** website in March 2023.

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

**TOKYU REIT** greatly appreciates your continued support.

September 2023

**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**

Transferred to Tokyu Green System Co., Ltd., 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

**May 2023**

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

**May 2023**

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

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

¥3,750 (Fixed)

(Date of payment: October 17, 2023)

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

¥3,750 (Forecast)

(Date of payment: Mid April 2024)

Fiscal Period Ending July 2024  
(FP 42)  
Cash Distribution per Unit

¥3,750 (Forecast)

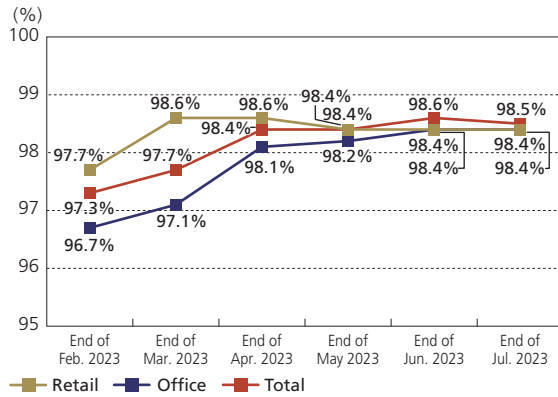
(Date of payment: Mid October 2024)

## Financial Summary

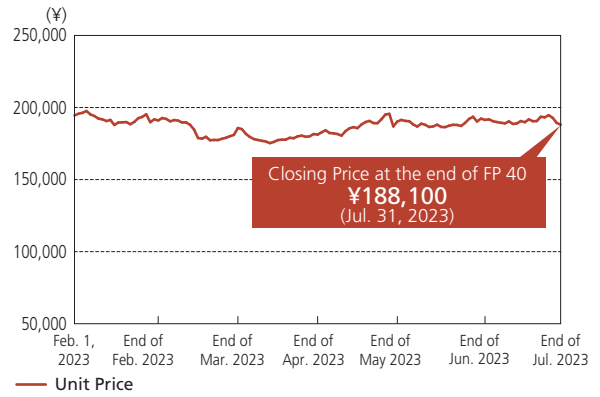
		Ended January 2023 (FP 39) Actual	Ended July 2023 (FP 40) Actual
<b>Balance Sheets</b>	■ Number of Properties	31 properties	31 properties
	■ Total Assets	¥239,993 million	¥241,453 million
	■ Interest-Bearing Debt	¥104,500 million	¥104,500 million
	■ Total Assets Loan-to-Value (LTV) Ratio	43.5%	43.3%
<b>Statements of Income</b>	■ Operating Revenues	¥11,321 million	¥8,924 million
	■ Net Income	¥6,885 million	¥4,260 million
<b>Distributions</b>	■ Distribution per Unit	¥4,040	¥3,750
	■ Average Market Price per Unit	¥202,419	¥187,116

TOKYU REIT, Inc. (**TOKYU REIT**) listed its units on the Tokyo Stock Exchange on September 10, 2003. With the ultimate goal of maximizing unitholder value, **TOKYU REIT** is engaged in asset investment and management based on principles of growth, stability, and transparency. **TOKYU REIT** is committed to securing stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential. **TOKYU REIT** invests primarily in office properties, retail properties, residences and complexes that include any one of these properties located in Tokyo Central 5 Wards and the Tokyu Areas, which refers to the areas serviced by the Tokyu rail network. As of July 31, 2023 (FP 40), **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.

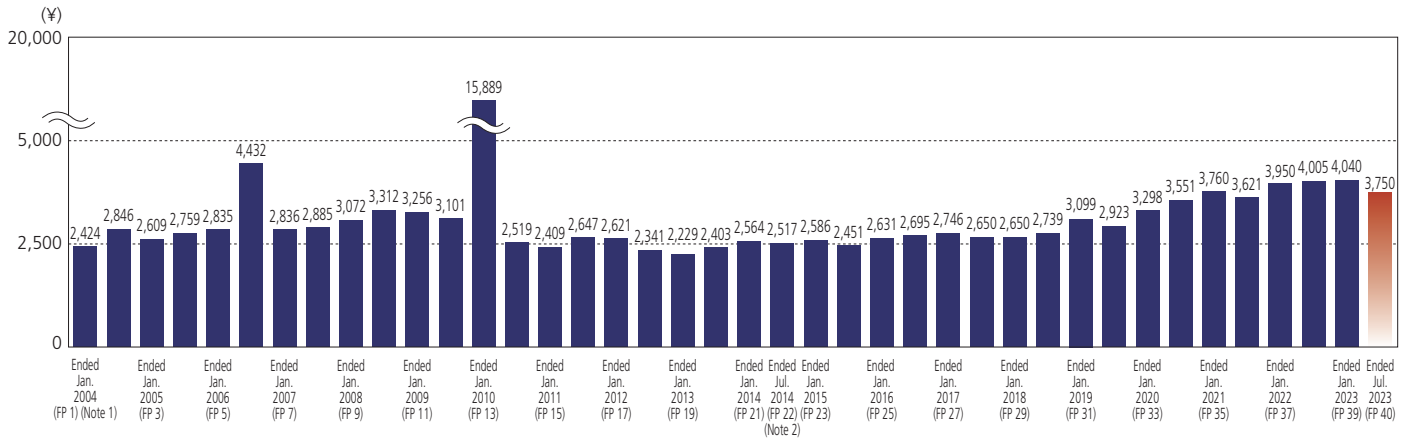
Occupancy Rate



Unit Price

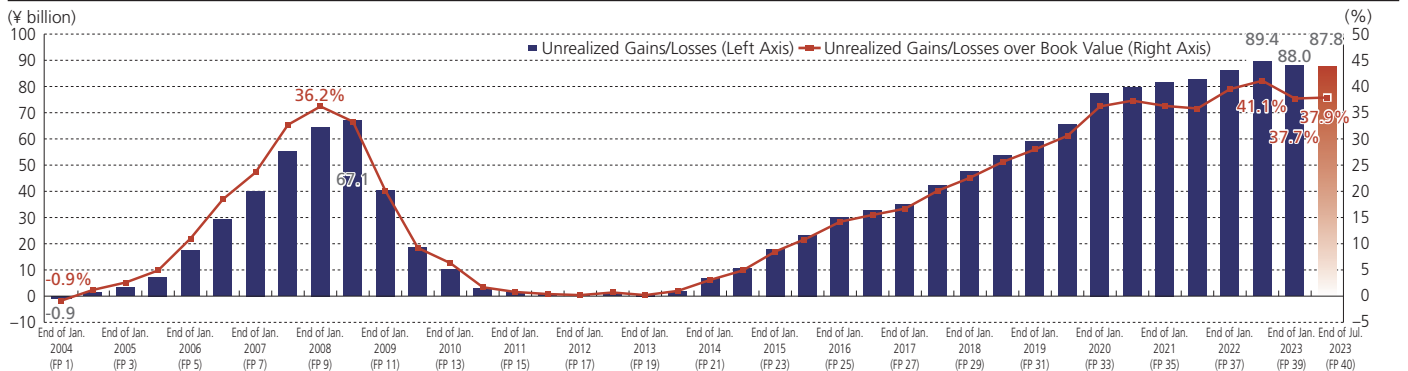


Cash Distribution per Unit



(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



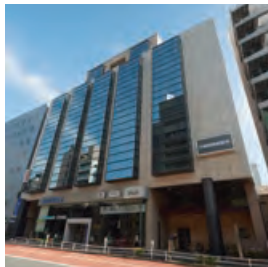
## Topics

### Property Disposition (FP ended Jul. 2023 (FP 40) - FP ending Jul. 2024 (FP 42))

Aimed to level incremental distributions and secured funds for future external growth by disposing over three fiscal periods

#### Disposition

##### Tokyo Nissan Taito Building (Office)



Overview of property			
Disposition date	Jul. 31, 2023 (30% quasi-co-ownership interest)	Jan. 31, 2024 (30% quasi-co-ownership interest)	Feb. 29, 2024 (40% quasi-co-ownership interest)
Buyer	Domestic godo kaisha (GK)		
Disposition price	2,385 million yen	2,385 million yen	3,180 million yen
Difference between the disposition price and the book value <sup>(Note 1)</sup>	1,288 million yen	1,301 million yen	1,738 million yen
NOI (NOI yield) <sup>(Note 2)</sup>	279 million yen per annum (3.5%)		
NOI after depreciation (NOI yield after depreciation) <sup>(Note 2)</sup>	175 million yen per annum (2.2%)		
Occupancy rate <sup>(Note 3)</sup>	100.0%		
Completion date	September 1992		
Location	Taito-ku, Tokyo		

#### Effect of Disposition

(Unit: million yen)	FP ended Jul. 2023 (FP 40) Actual	FP ending Jan. 2024 (FP 41) Forecast	FP ending Jul. 2024 (FP 42) Forecast	Total
Gain on sale of real estate, etc.	1,282	1,297	1,729	4,309
Of which, provision of reserve for reduction entry of replaced property	652	696	862	2,210

#### Use of Proceeds from Sale

Out of sales proceeds, 5,831 million yen <sup>(Note 4)</sup> will be held as cash on hand for property acquisitions targeted to be made by the fiscal period ending July 2024.

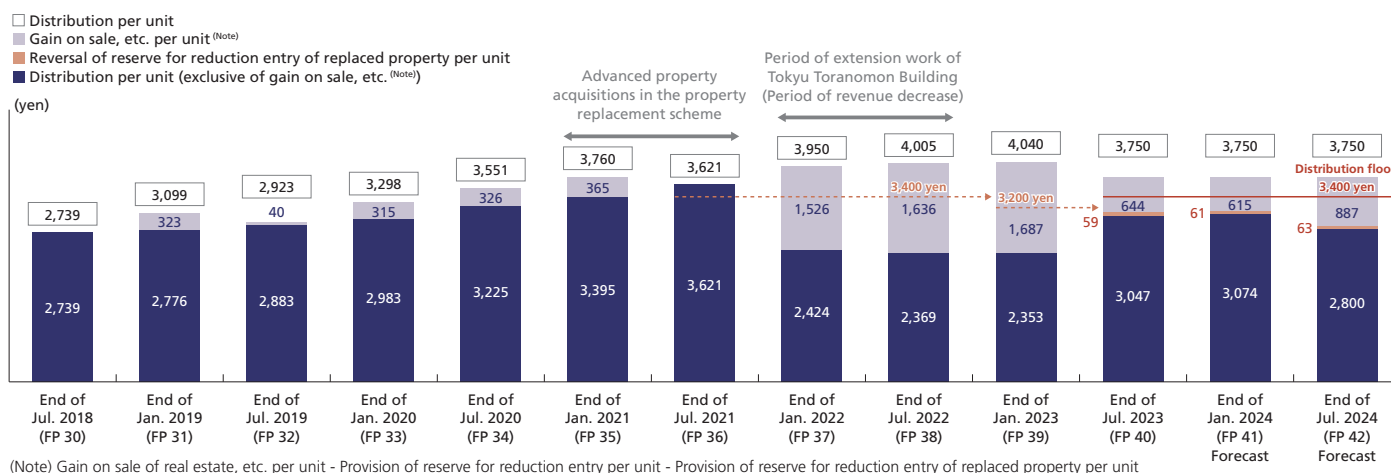
(Note 1) Difference between the disposition price and estimated book value as of the disposition date (as of July 14, 2023) is indicated.

(Note 2) The actual results from February 2022 to January 2023. Yields are based on disposition price.

(Note 3) As of the end of the fiscal period ended July 2023 (FP 40).

(Note 4) Sum of the book value as of the disposition date, the actual amount of provision of reserve for reduction entry of replaced property and the estimated amount is indicated.

## Trend and Guidance for Distribution per Unit



#### (Reference) Change in/Forecast of Balance of Reserve for Reduction Entry per Unit and Balance of Reserve for Reduction Entry of Replaced Property per Unit

Reversed due to the depreciation for the building of Futako Tamagawa Rise


(Unit: yen)

		End of Jul. 2019 (FP 32)	End of Jan. 2020 (FP 33)	End of Jul. 2020 (FP 34)	End of Jan. 2021 (FP 35)	End of Jul. 2021 (FP 36)	End of Jan. 2022 (FP 37)	End of Jul. 2022 (FP 38)	End of Jan. 2023 (FP 39)	End of Jul. 2023 (FP 40)	End of Jan. 2024 (FP 41) Forecast	End of Jul. 2024 (FP 42) Forecast
Reserve for reduction entry per unit	Provision	—	364	393	416	—	—	433	—	—	—	—
	Reversal	—	—	—	—	—	—	—	—	—	—	—
	Balance	368	733	1,126	1,542	1,542	1,542	1,976	1,976	1,976	1,976	1,976
Reserve for reduction entry of replaced property per unit	Provision	—	—	—	—	—	3,283	—	3,003	667	711	881
	Reversal	—	—	—	—	—	—	—	—	59	61	63
	Balance	—	—	—	—	—	3,283	3,283	6,286	6,894	7,544	8,362

External Certification, Green Finance, etc.

Obtain Certifications from External Assessment Institutions

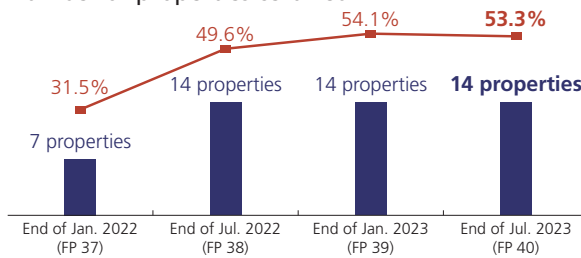
■ GRESB

	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 <sup>(Note)</sup>, Number of properties certified



**Target (Tokyu REIM)**  
 Increase the acquisition ratio of environmental certification <sup>(Note)</sup> of the owned properties to **70% or more** by fiscal 2025

(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 based on ownership ratio when part of the ownership interest is held at buildings under compartmentalized ownership and the total floor area or exclusive area based on ownership ratio when part of the ownership interest is held at co-owned properties.

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

Green Finance Framework

■ Green Eligibility Criteria

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

■ 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 Jul. 2023)

Total: 15.5 billion yen (green bond: 6 billion yen, green loan: 9.5 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 <sup>(Note 1)</sup>	<ul style="list-style-type: none"> <li>● <b>46.2%</b> reduction from the level for fiscal 2019 in fiscal 2030</li> <li>● Achieve <b>carbon neutrality</b> by fiscal 2050</li> </ul>
Energy consumption intensity and water consumption intensity <sup>(Note 1)</sup>	<ul style="list-style-type: none"> <li>● 5% reduction from the level for fiscal 2019 by fiscal 2024</li> </ul>
Waste recycling rate <sup>(Note 2)</sup>	<ul style="list-style-type: none"> <li>● Maintain the level of fiscal 2019 or higher by fiscal 2024</li> </ul>

#### ■ Acquisition of third-party assurance for environmental performance data

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

		FY2022 (Feb. 2022 - Jan. 2023)
Energy consumption(GJ)		52,740
Greenhouse gas emissions (t-CO <sub>2</sub> )	Scope1	78
	Scope2	161
	Scope3	1,358
Water consumption (m <sup>3</sup> )		40,653
Waste discharge <sup>(Note 2)</sup> (t)		928

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

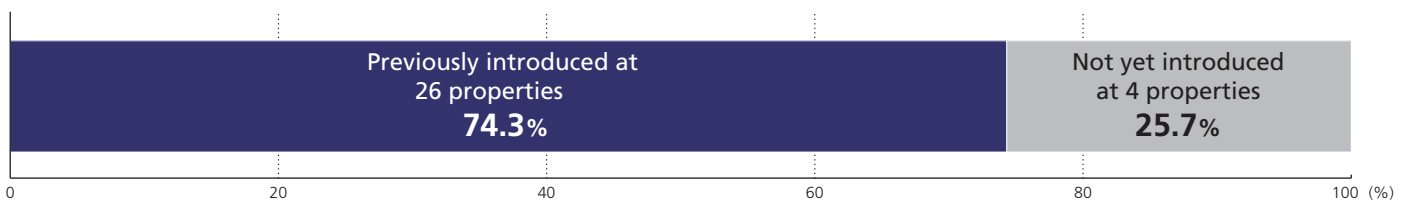
(Note 1) The figures for greenhouse gas, energy and water are counted for each fiscal year from February to January of the following year.

(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 74.3% (26 properties) of the total floor area <sup>(Note 3)</sup> of all the 30 properties under management excluding land with leasehold interest

<Status of introduction of 100% renewable energy at properties under management>



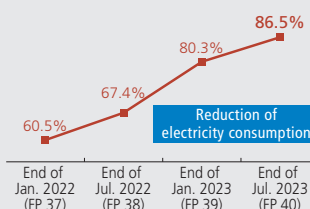
(Note 3) The figures are calculated by using the exclusive area based on ownership ratio when part of the ownership interest is held at buildings under compartmentalized ownership and the total floor area or exclusive area based on ownership ratio when part of the ownership interest is held at co-owned properties.

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

(fiscal period ended Jan. 2023 (FP 39) & fiscal period ended Jul. 2023 (FP 40))

- Renewal of air conditioning equipment: 5 properties **Reduction of electricity consumption**  
(cocoti, TOKYU REIT Toranomon Building, Akihabara Sanwa Toyo Building, Aoyama Oval Building, Futako Tamagawa Rise)
- Renewal of elevators: 1 property **Reduction of electricity consumption**  
(TOKYU REIT Shinjuku 2 Building)
- Renovation of restrooms: 1 property **Water-saving**  
(Futako Tamagawa Rise)

<Progress rate of switching to LED at exclusively owned office areas <sup>(Note 4)</sup>>



#### ■ Other

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



(Note 4) Based on total leasable area.



## Social Contribution

### Contribution to the Development of Communities

#### ■ Hosting the “Futakoza” Futako Tamagawa street market (Futako Tamagawa Rise)

Regularly hold a market participated by over 60 vendors



©Futakotamagawa Rise

#### ■ Established the roof garden as a venue for learning (Futako Tamagawa Rise)

At the roof garden, various events such as wildlife observation sessions and vegetable gardening workshops are held



©Futakotamagawa Rise

#### ■ Installed disaster-relief vending machines (6 properties: 8 machines)

### Improvement of Safety and Comfort of Tenants

#### ■ Promoted disaster prevention and BCP measures



Following measures installed in each property.

- Display board for emergency contact
- Booklet of “Tokyo Bousai”
- Wireless device
- Portable emergency power generator
- Bar and hydraulic jack
- Emergency disaster prevention box (inside elevator)
- Emergency portable toilet
- AED

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



Before



After

### 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 2022)
- Sustainability training (2022)
- Training by job class

#### ■ Support for the acquisition of qualifications

##### Supported self-development of officers and employees with enhanced subsidy programs for acquiring and maintaining qualifications

- Major qualifications
  - 6 Real Estate Appraisers
  - 1 Certified public accountant
  - 29 Real Estate Notaries
  - 1 First-Class Architect
  - 10 ARES Certified Masters
  - 2 Second-Class Architects
  - 5 Certified Building Administrators
  - 1 AML/CFT Officer, etc.
  - 7 Certified Rental Property Managers
- No. of people who utilized the subsidy programs for acquiring and maintaining qualifications: 12 (actual results for fiscal 2022)

### 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: 48% and 37%
- Percentage of employees taking annual paid holiday: 75.8% (actual results for fiscal 2022)
- 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; consultation rate: 93.3% (actual results for fiscal 2022)
- Established in-house rules on remote work/shortened working hours and staggered working hours
- Promoted the use of NewWork<sup>(Note)</sup> (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 July 2023 (FP 40), there were one Executive Director and two Supervisory Directors<sup>(Note)</sup> at **TOKYU REIT**.

(Note) In addition, appointments of Tatsumi Yamagami as a substitute executive director and Minako Matsumoto as a substitute supervisory director were approved at the General Meeting of Unitholders of TOKYU REIT held on April 21, 2023.



**Maruhito Kondo**  
Supervisory Director



**Yoshitaka Kimura**  
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 Yoshitaka Kimura's career.

### TOKYU REIT's Initiatives (Governance)

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

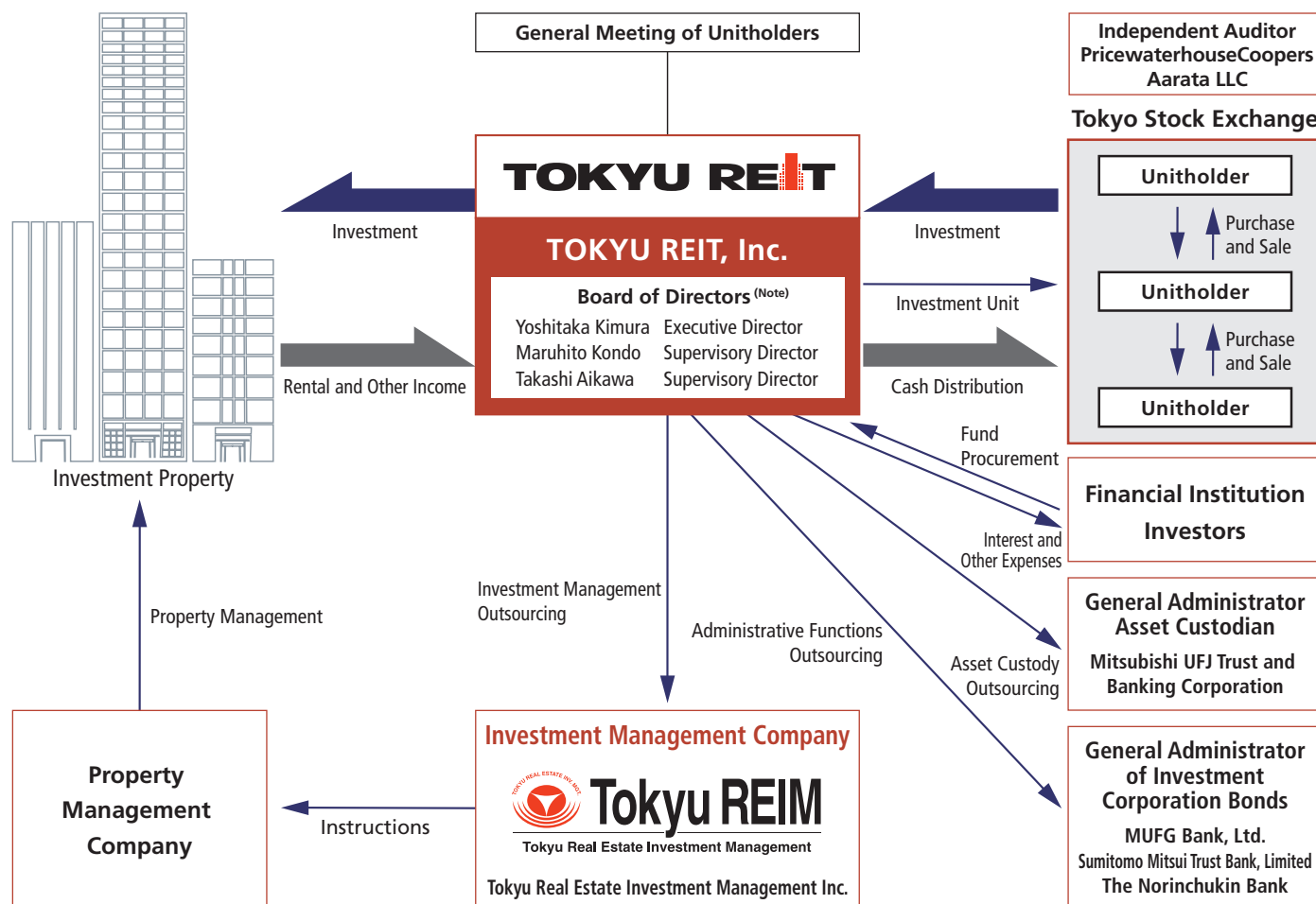
### TOKYU REIT's Management Characteristics

Excellent Governance as a Source of Competitiveness	Structural	<ul style="list-style-type: none"> <li>Multiple layers of monitoring and proactive involvement of outside board members</li> <li>Management fee set to "being in the same boat as unitholders"</li> </ul>	<ul style="list-style-type: none"> <li>Stringent measures against conflicts of interest</li> <li>Board meetings held twice or more a month on a regular basis and enhanced resolution and reporting system</li> </ul>
	Human Resources	<ul style="list-style-type: none"> <li>Carefully select board members to enhance debate<sup>(Note 1)</sup></li> <li>Provide appropriate compensation to board members for the responsibility and the workload</li> </ul>	<ul style="list-style-type: none"> <li>Legal advisor to be present at board meetings</li> </ul>
	Culture	<ul style="list-style-type: none"> <li>Board members not hesitant to reject, waive resolution or agree with conditions</li> <li>Willing to debate among independent outside board members</li> </ul>	<ul style="list-style-type: none"> <li>Tokyu REIT's efforts                             <ul style="list-style-type: none"> <li>Strict focus on fiduciary duty</li> <li>Management fee programmed to enhance involvement of all business segments</li> <li>Intend to let all Tokyu REIT staff communicate directly with investors</li> </ul> </li> </ul>
	Track Record	<ul style="list-style-type: none"> <li>Status of the Board of Directors' meetings held (ended Jul. 2023 (FP 40)): 1.6 meetings per month on average</li> </ul>	<ul style="list-style-type: none"> <li>Attendance at Board of Directors' meeting (ended Jul. 2023 (FP 40))<sup>(Note 2)</sup> <ul style="list-style-type: none"> <li>Kazuyoshi Kashiwazaki (Executive Director) 100%</li> <li>Yoshitaka Kimura (Executive Director) 100%</li> <li>Maruhito Kondo (Supervisory Director) 100%</li> <li>Takashi Aikawa (Supervisory Director) 100%</li> <li>General Administrator 100%</li> </ul> </li> </ul>

(Note 1) Professional and a company manager with experience as an outside board member.

(Note 2) Attendance before April 2023 is indicated for Kazuyoshi Kashiwazaki and attendance after May 2023 is for Yoshitaka Kimura.

TOKYU REIT Structure and External Service Providers



(Note) In addition, appointments of Tatsumi Yamagami as a substitute executive director and Minako Matsumoto as a substitute supervisory director were approved at the General Meeting of Unitholders of TOKYU REIT held on April 21, 2023.

Overview of Investment Management Fee

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

Remuneration	Criteria for calculation	Remuneration Ended Jul. 2023 (FP 40)
	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)	¥394 million
	It will be linked not to the total investment amount but to the total asset valuation and motivate the enhancement of asset value even after the acquisition of properties	
Base 2 (Linked to cash flow)	Standard cash flow in current fiscal period <sup>(Note)</sup> × 6.0% (5.7% for the portion exceeding 5.0 billion yen and 7.5 billion yen or less) (5.4% for the portion exceeding 7.5 billion yen)	¥316 million
	Motivating the increase of distributions through the increase in rent revenue and reduction of expenses	
Incentive Fee (Linked to investment unit price)	(Average price in current fiscal period - Highest average price over all previous fiscal periods) × number of units × 0.4%	Not occurred
	It will motivate the increase in investment unit price and efforts on the overall asset management business such as finance, IR, governance and compliance in addition to the normal asset management business will be enriched	

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

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

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

# Sustainability Measures

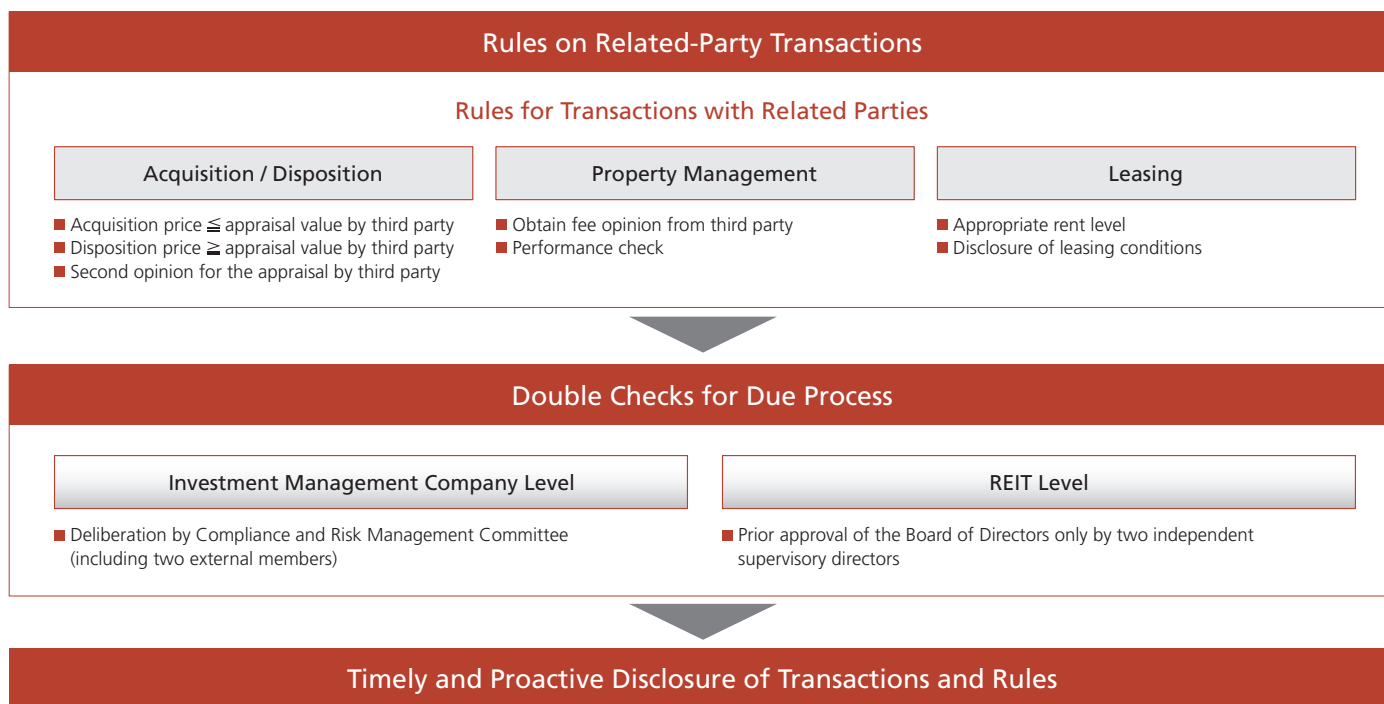
## Collaboration with Tokyu Corporation and Its Subsidiaries

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

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

## Related Party Transactions

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



(Note) “Related Parties” is a collective term for 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/](http://www.tokyu-reim.co.jp/en/)

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

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

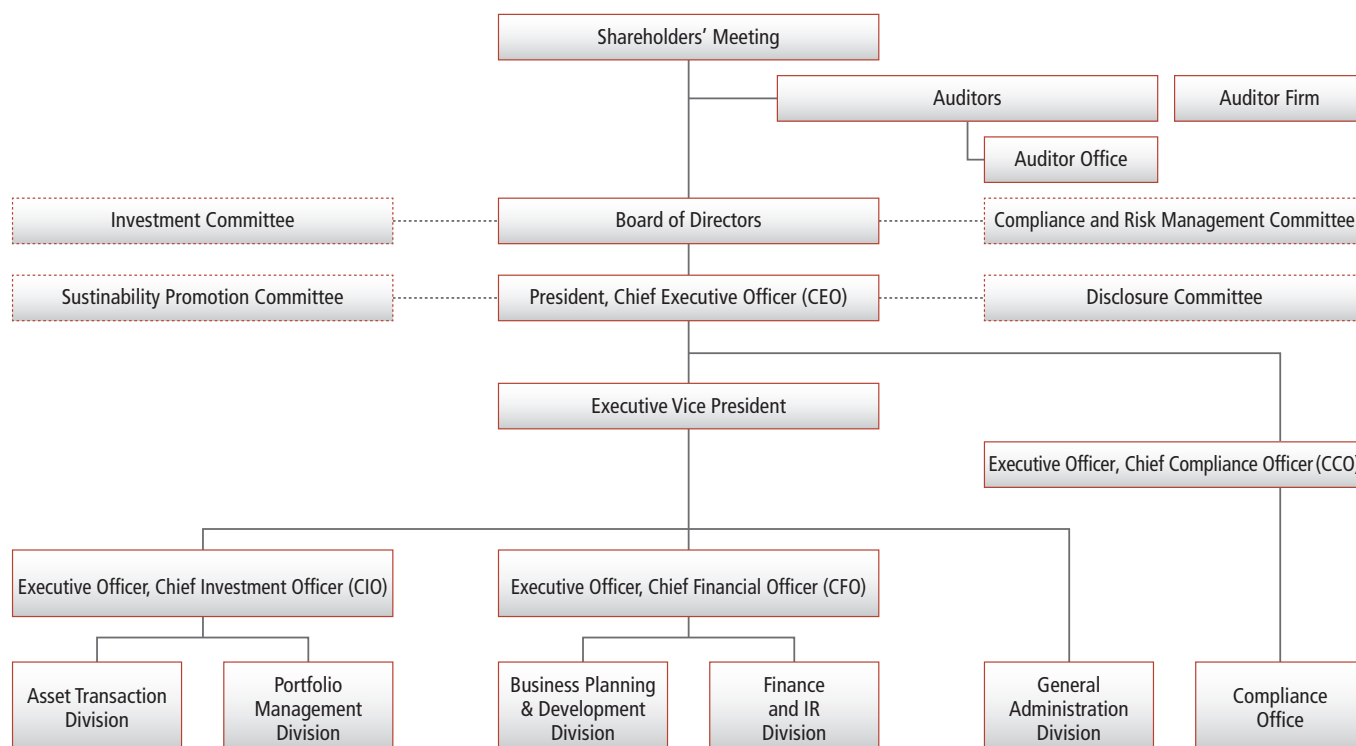
Tokyu REIM is a financial instruments dealer under the Financial Instruments and Exchange Act (Kanto Financial Bureau (*Kin-sho*) No. 360).

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

**Major Shareholder**

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

**Organization Chart**



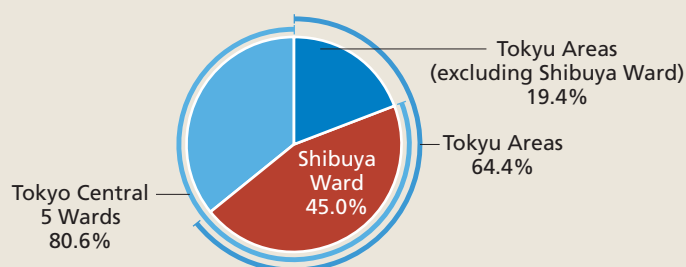
## Investment in Highly Competitive Properties in Areas with Strong Growth Potential

### 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 July 2023 (FP 40)
- \*Based on acquisition price
- Control earthquake risk through PML (Set portfolio PML <sup>(Note)</sup> at 10% or lower)
- ✓ Set portfolio PML as of the end of July 2023 (FP 40): 3.4%
- 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)	

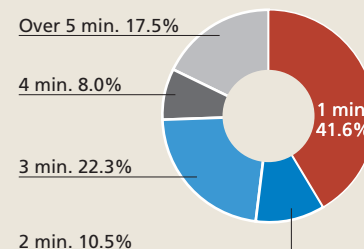
(Note) The PML for the entire portfolio. There is no unified, strict definition of PML; as used in this semiannual report, PML represents the amount and percentage of damages in the event of the occurrence of the largest earthquake that is expected to happen once in 475 years. Calculations incorporate 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  
✓ 74.5%\* of properties lie within a three-minute range (as of the end of July 2023 (FP 40))  
\* Based on acquisition price

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



### ■ Minimum Investment Amount per Property

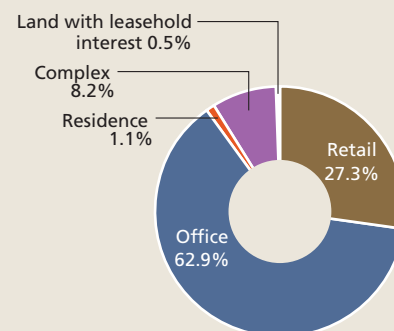
- 4.0 billion yen, in principle (Note 1)
- However,
  - (1) Properties located in Tokyu Areas (including Shibuya Ward): 1.0 billion yen
  - (2) Properties located in Central Tokyo (excluding Shibuya Ward) (Note 2): 2.0 billion yen
  - (3) Land with leasehold interest: 1.0 billion yen
- ✓ Average amount invested per property is ¥7.9 billion (end of July 2023 (FP 40))  
\* 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

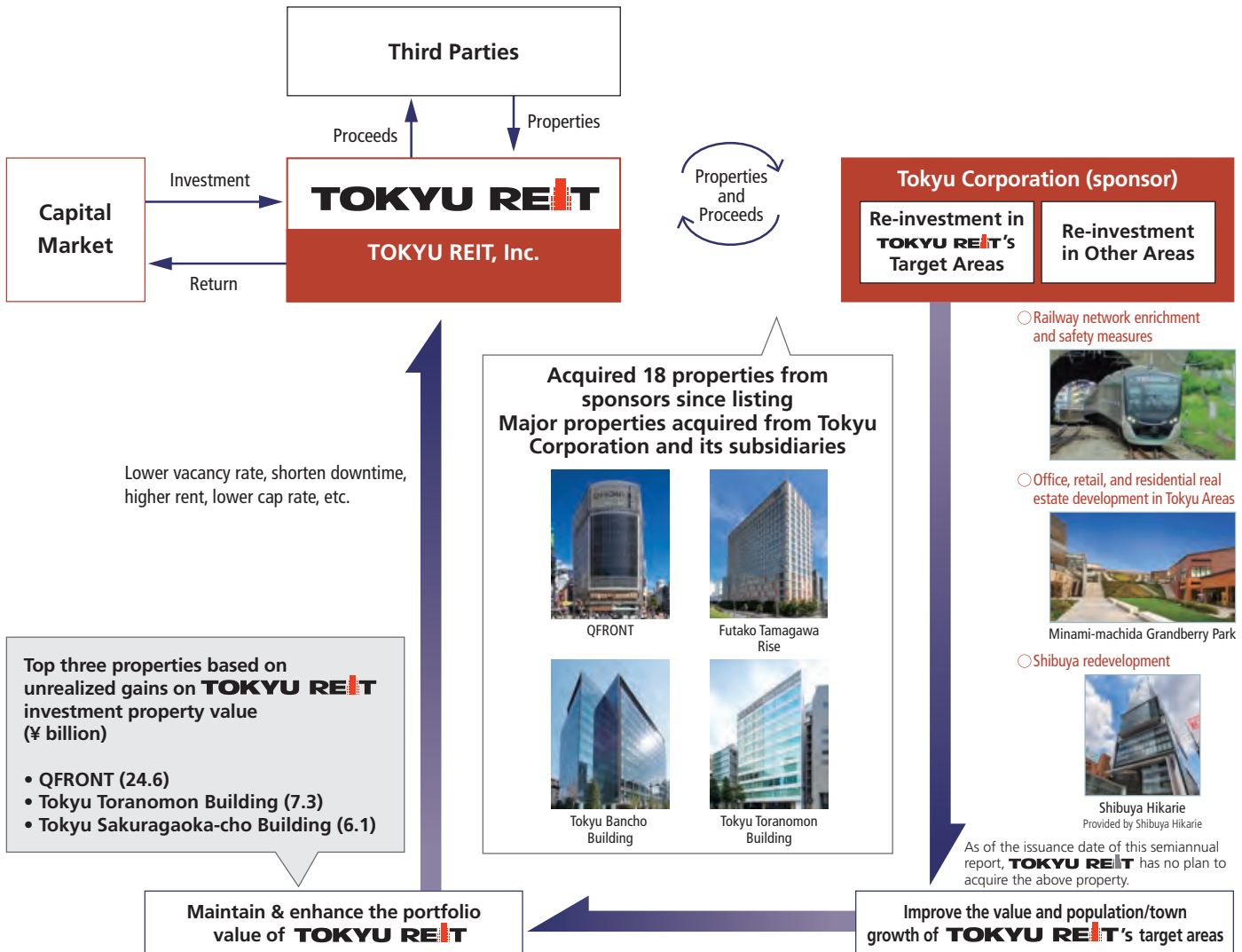
Investment management fee structure “being in the same boat as unitholders”	➔ Refer to Page 11
“Capital Re-investment Model” through collaboration with sponsors	➔ Refer to Page 16
“Value and contrarian investment strategy” focusing on cyclicity of real estate prices	➔ Refer to Page 17
Debt management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

# Investment Management Strategy

## Capital Re-investment Model

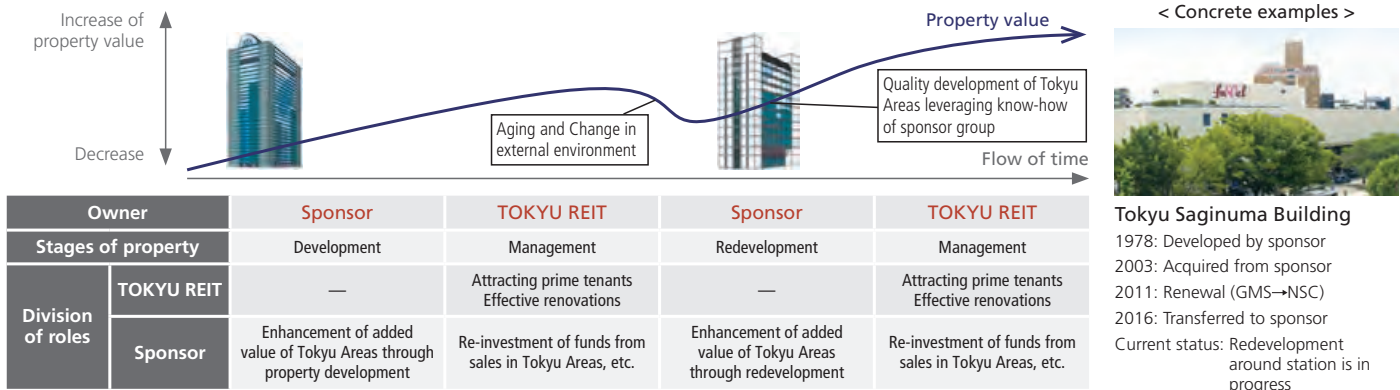
### “Capital Re-investment Model” through collaboration with sponsors

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

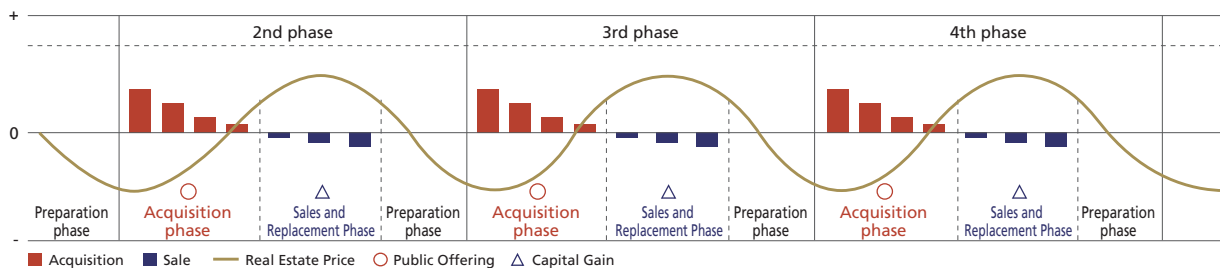




## TOKYU REIT's Long-Term Investment Management Strategy (Surf Plan)

### “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<sup>(Note)</sup> by focusing on the cyclicity of real estate prices, TOKYU REIT secures capital gains while replacing properties, aiming to build a portfolio that boasts lasting competitiveness and balance sheets that are strong against even difficult economic times. The objective of this approach is to accurately discern the ‘waves’ of prosperity and depression in real estate market conditions.



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

## Investment Style

# Value & Contrary

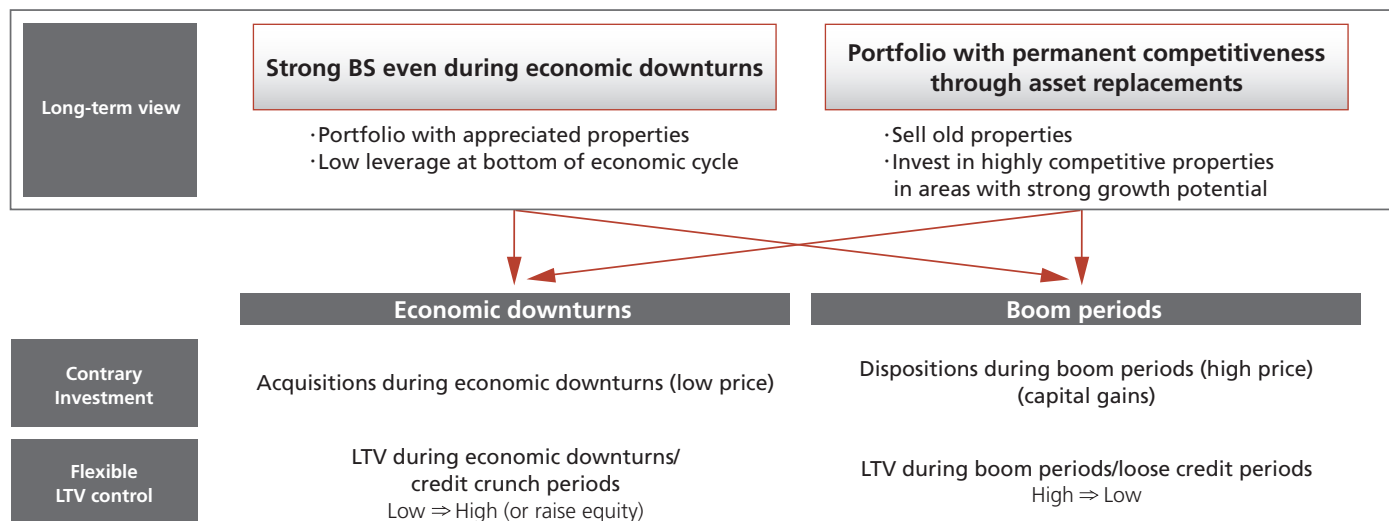
### Value Investment

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

### Contrary Investment

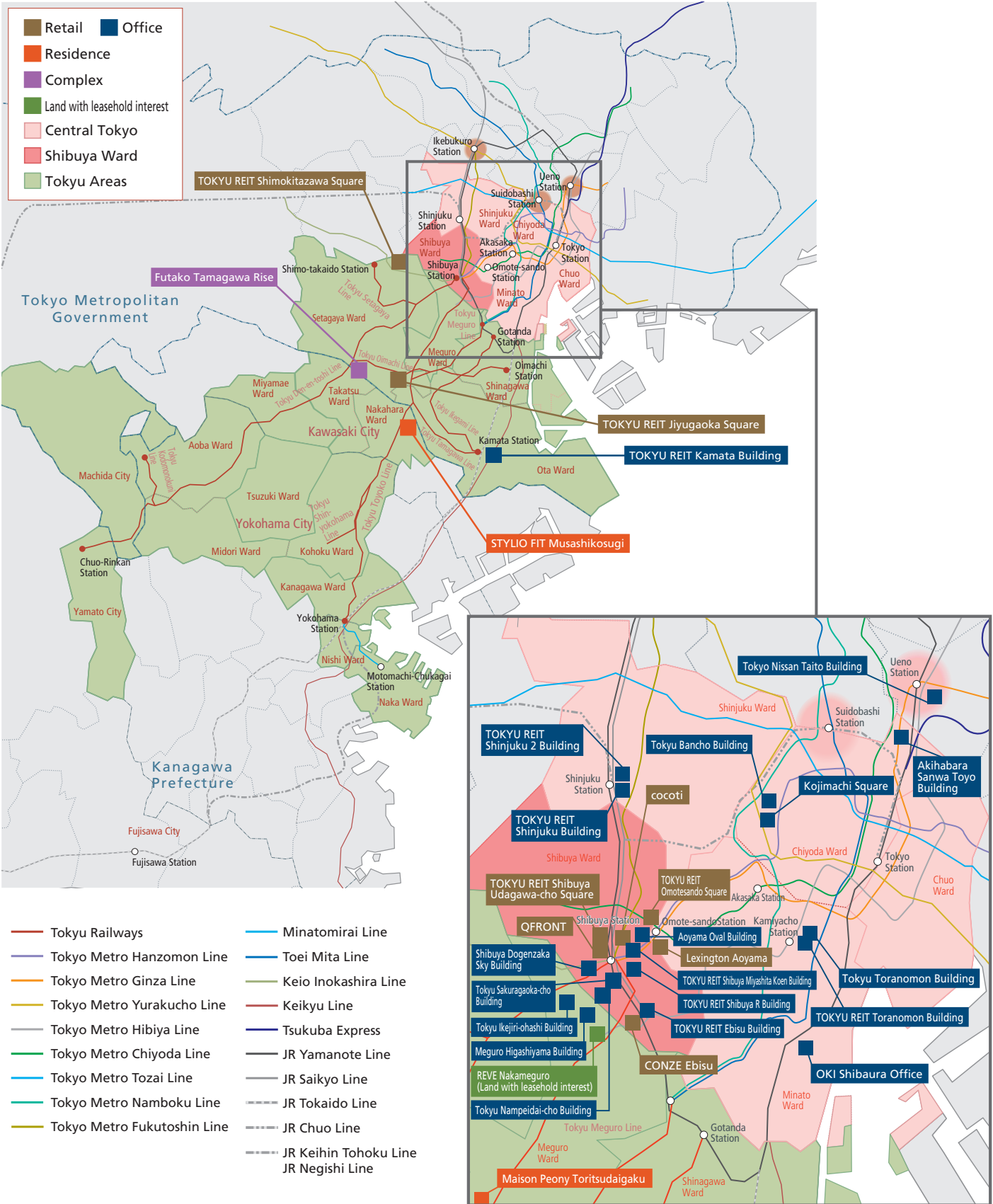
An approach of investing in the phase when prices are falling. TOKYU REIT aims to acquire properties when they are priced low and sell them when they are priced high, thereby recouping the investment.

## Concept



# Investment Management Strategy

## Investment Targeted Areas



\* Some properties are only partially owned by TOKYU REIT.  
 \* 30% of the quasi-co-ownership interest was disposed on July 31, 2023, another 30% of the quasi-co-ownership interest is scheduled to be disposed on January 31, 2024, and the remaining 40% of the quasi-co-ownership interest is scheduled to be disposed on February 29, 2024.

## Status of Redevelopment around Shibuya Station

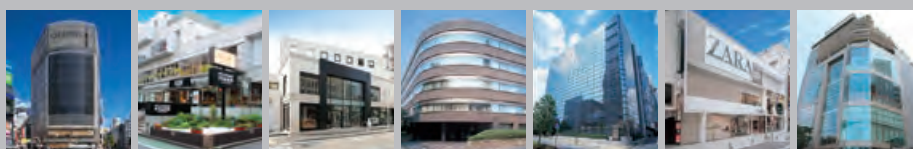
Redevelopment of Greater SHIBUYA (extensive Shibuya area) <sup>(Note)</sup> is in progress mainly by Tokyu Group



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

**TOKYU REIT owns 16 properties in Greater SHIBUYA (extensive Shibuya area) <sup>(Note)</sup> where redevelopment is in progress**

Acquisition Price: 130.3 billion yen Appraisal Value: 178.0 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, Tokyo Metro Co., Ltd.
Usage	Office, store, observation facility, parking lot, etc.
Major tenants	<Office> CyberAgent, Inc., MIXI, Inc., WeWork
Floors	East building: B7/47F Central building: B2/10F West building: B5/13F

### 2 SHIBUYA AXSH

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 Sakura Stage

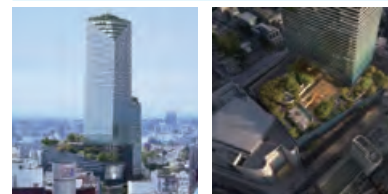
Scheduled for completion in November 2023



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



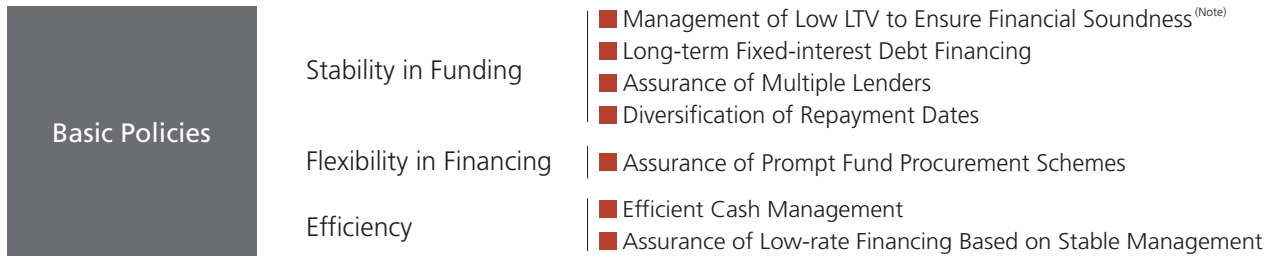
Implementing body	Tokyu Corporation, L Catterton Real Estate, Tokyu Department Store
Usage	Retail, hotel, residence, etc.
Floors	B4/36F

# 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	4.60 years
Commitment Line	¥18.0 billion <sup>(Note)</sup>

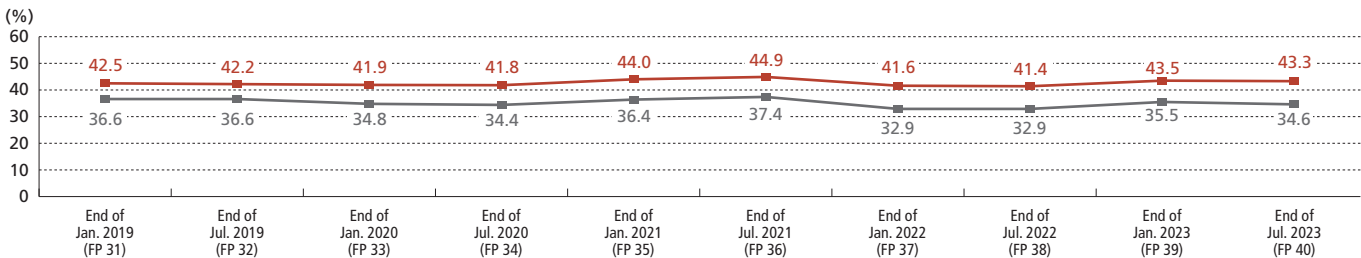
(Note) The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured. Moreover, there is no outstanding debt under the commitment line agreement as of July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



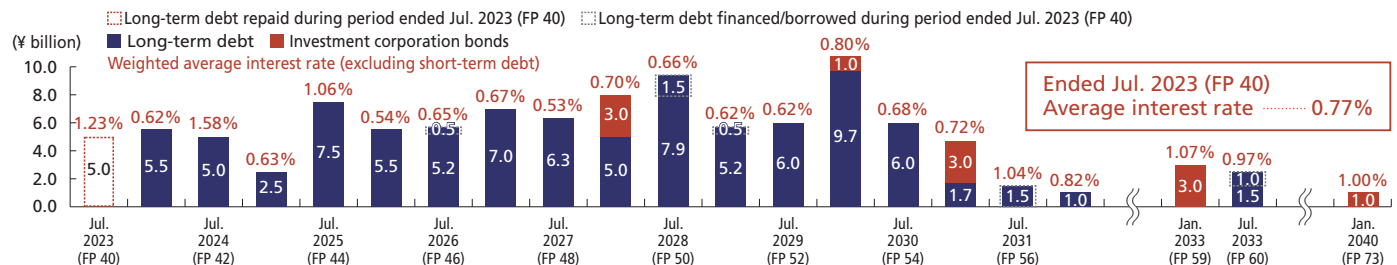
■ LTV based on total assets at the end of period = Balance of period-end interest-bearing debt / Period end total assets

■ 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 July 2023 (FP 40)

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

## Top 10 Tenants by Leased Area

No.	Tenant name	Business category	Property name	Expiration date	Leased area (m <sup>2</sup> )	Ratio (Note 1)
1	OKI Electric Industry Co., Ltd.	Electric equipment	OKI Shibaura Office	Mar. 31, 2030	18,102.32	10.9%
2	Rakuten Group, Inc.	Service	Futako Tamagawa Rise (Note 2)	Mar. 31, 2024 (Note 3)	12,152.44	7.3%
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	2.3%
			REVE Nakameguro (land with leasehold interest)	Sep. 26, 2068	497.02	0.3%
			Futako Tamagawa Rise (Note 2)	Mar. 31, 2025	134.78	0.1%
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	0.5%
5	Sansan, Inc.	Service	Aoyama Oval Building (Note 4)	Dec. 31, 2024 (Note 3)	4,683.18	2.8%
6	FUJITSU LIMITED	Electric equipment	TOKYU REIT Kamata Building	Sep. 30, 2024 (Note 3)	4,593.33	2.8%
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, 2025	1,683.22	1.0%
8	Japan Post Insurance Co., Ltd.	Insurance	TOKYU REIT Toranomon Building	Apr. 30, 2024 (Note 3)	3,553.89	2.1%
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	PCI Holdings, Inc.	Other financial business	Tokyu Toranomon Building	Nov. 30, 2023	2,374.36	1.4%
Total of top 10 tenants in leased area					69,069.76	41.7%
Total leased area as of end of Jul. 2023 (FP 40 (31 properties))					165,649.36	100.0%

(Note 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 Jul. 2023 (FP 40).

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

(Note 3) Expiration date of contract for largest leased area among multiple leased areas is indicated.

(Note 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)

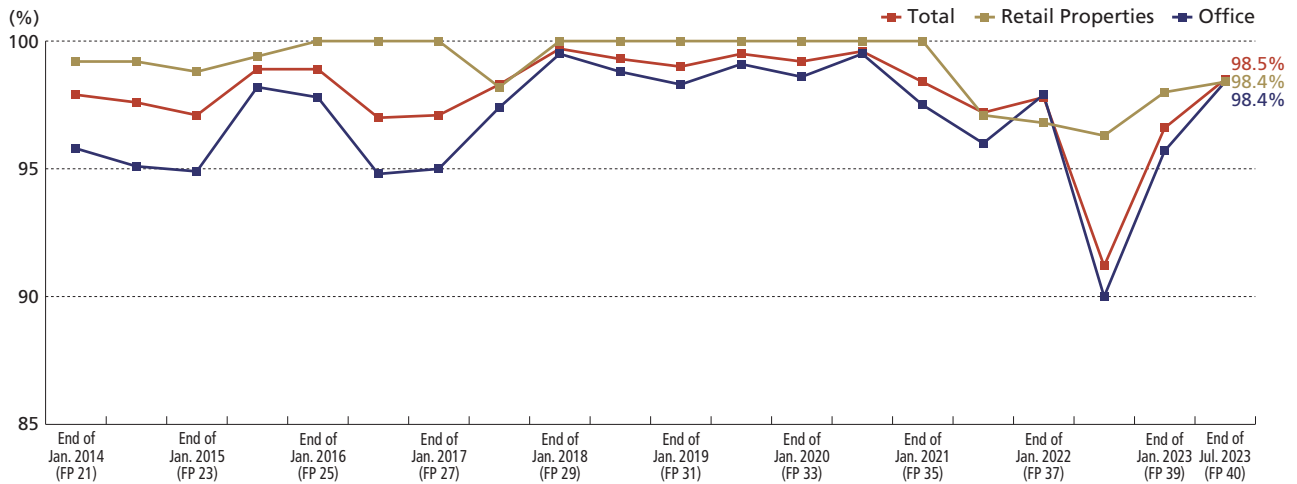
<b>Investment Criteria</b>	Properties that are compliant with the new earthquake resistance standards (Note), that completed anti-seismic reinforcement work, or that has PML of less than 15%	Manage properties with a portfolio PML of 10% or less; examine purchasing earthquake insurance if PML of any property surpasses the figure.
<b>Portfolio</b>	<ul style="list-style-type: none"> <li>29 out of 31 properties comply with the new earthquake resistance standards (One remaining property is land with leasehold interest only)</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio PML: 3.4%</li> <li>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.</li> </ul>

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

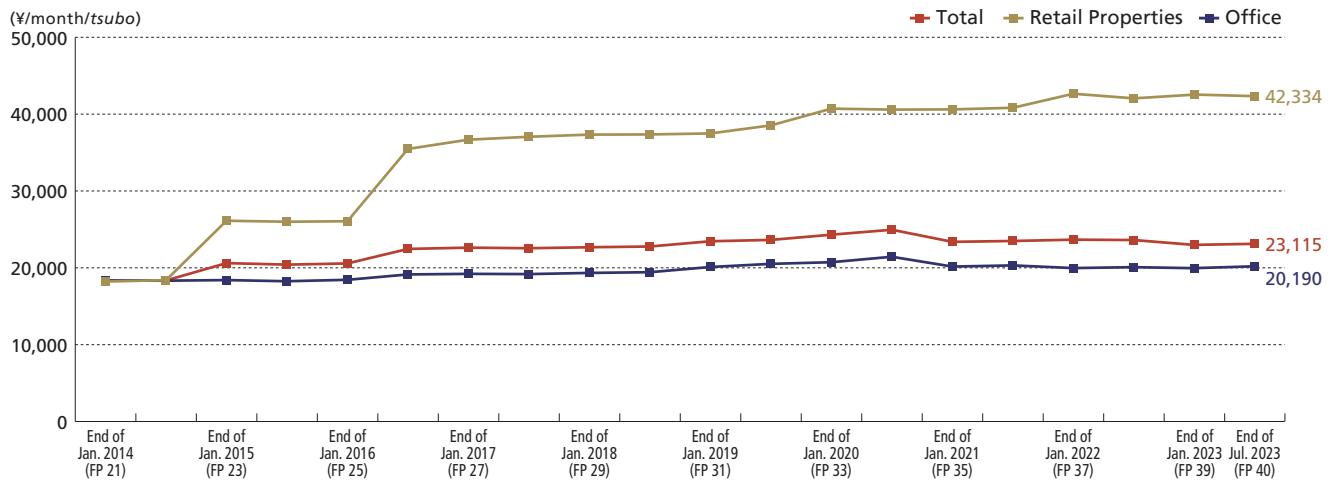
# Portfolio (properties owned at the end of July 2023 (FP 40))

## Track Record (Results of Management)

### Changes in Occupancy Rate

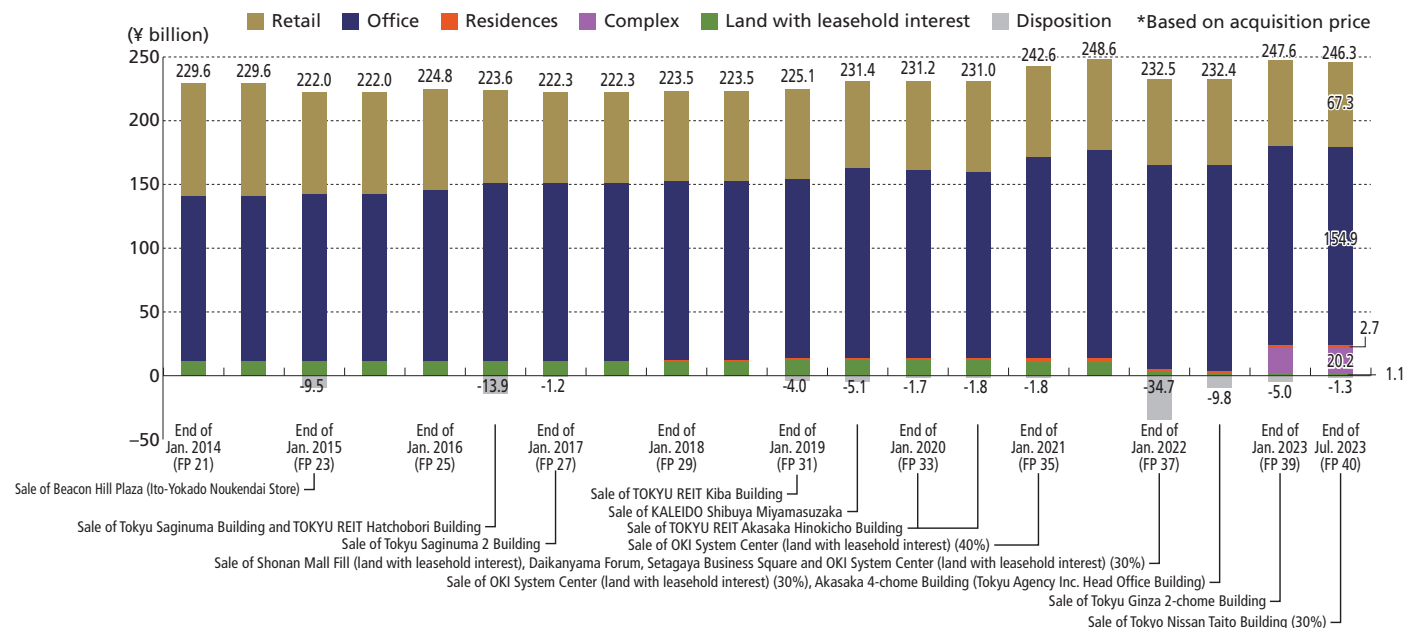


### Changes in Average Rent



\* In calculating the above unit price, we haven't factored in vacant spaces.  
 \* Includes common area charges and excludes income from parking, warehouses, etc.  
 \* 1 tsubo ≈ 3.30578m<sup>2</sup>

### Change in Asset Size



## Portfolio Overview (at the end of July 2023 (FP 40))

Use	Name of Property	Acquisition Date	Acquisition Price (¥ million)	Location	Total Leasable Area (m <sup>2</sup> )	Occupancy Rate	Ratio (Based on Acquisition Price) <sup>(Note 1)</sup>	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	96.4%	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	100%	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 <sup>(Note 2)</sup>	Sep. 11, 2003	3,115	Taito Ward, Tokyo	5,514.20	100%	1.3%	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	10,238.07	100%	4.1%	3.2%
		Sep. 21, 2007	1,100					
			200					
		Oct. 26, 2007	140					
		Jan. 21, 2015	107					
	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5,480	Meguro Ward, Tokyo	5,710.32	100%	2.2%	3.8%
	Kojimachi Square	Mar. 19, 2010	9,030	Chiyoda Ward, Tokyo	5,409.09	87.6%	3.7%	3.3%
	TOKYU REIT Shinjuku Building	Mar. 26, 2010	9,000	Shinjuku Ward, Tokyo	6,270.68	100%	3.7%	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	89.2%	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	100%	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	99.3%	7.6%	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	99.3%	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%	—
	<b>Total</b>		246,306		168,104.20	98.5%	100.0%	3.4%

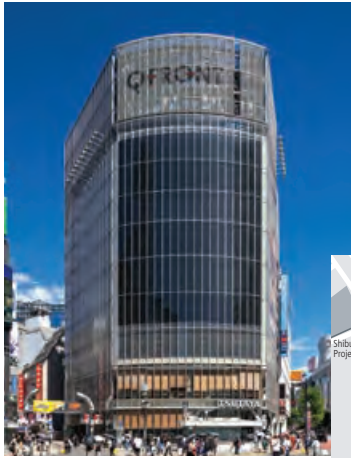
(Note 1) Ratio is rounded to one decimal place. Accordingly, the total may not exactly match the sum of relevant items.

(Note 2) 30% of the quasi-co-ownership interest was disposed on July 31, 2023, another 30% of the quasi-co-ownership interest is scheduled to be disposed on January 31, 2024, and the remaining 40% of the quasi-co-ownership interest is scheduled to be disposed on February 29, 2024.

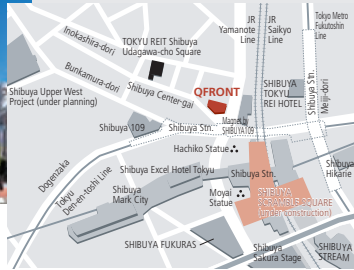
# PORTFOLIO (properties owned at the end of July 2023 (FP 40))

## QFRONT

Properties contributed by sponsors



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



Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, etc.  
 Total Land Space: 784.26m<sup>2</sup> (Land included in the property trust totals 728.30m<sup>2</sup>)  
 Total Floor Space: 6,675.52m<sup>2</sup> (Exclusive area 4,804.46m<sup>2</sup>)  
 Structure/Floors: SRC/S, B3/8F  
 Completed: October 1999  
 Type of Ownership: Land—Proprietary ownership  
 Building—Compartmentalized ownership

## Lexington Aoyama

Properties contributed by sponsors



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



Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo  
 Nearest Station: Approximately a five-minute walk from Omote-sando Station—Tokyo Metro Ginza Line, etc.  
 Total Land Space: 776.59m<sup>2</sup>  
 Total Floor Space: 2,342.21m<sup>2</sup>  
 Structure/Floors: S/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.



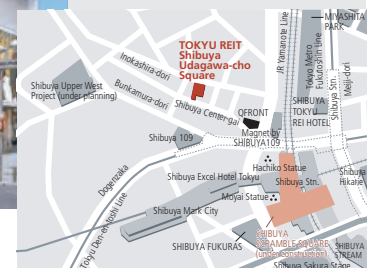
Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a two-minute walk from Omote-sando Station—Tokyo Metro Ginza Line, etc.  
 Total Land Space: 1,259.21m<sup>2</sup>  
 Total Floor Space: 3,321.20m<sup>2</sup>  
 Structure/Floors: S/SRC, B1/4F  
 Completed: October 1985  
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

## TOKYU REIT Shibuya Udagawa-cho Square

Properties contributed by sponsors



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



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



## cocoti



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

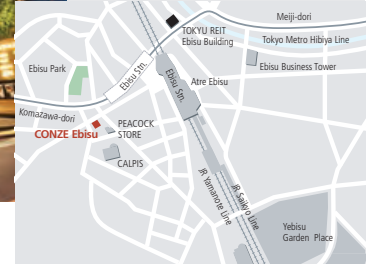


Address: 1-23-16, Shibuya, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, Tokyu Toyoko Line and Tokyo Metro Fukutoshin Line, etc.  
 Total Land Space: 1,705.35m<sup>2</sup>  
 Total Floor Space: 11,847.87m<sup>2</sup>  
 Structure/Floors: S/SRC, B2/12F  
 Completed: September 2004  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## CONZE Ebisu



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



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

## TOKYU REIT Shimokitazawa Square



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

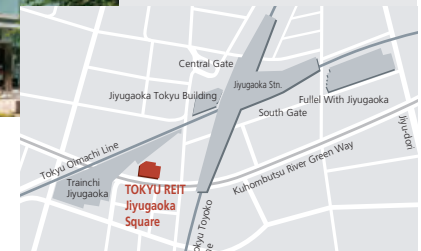


Address: 6-6-1, Daita, Setagaya-ku, Tokyo  
 Nearest Station: Approximately a three-minute walk from Shimo-kitazawa Station—Keio Inokashira Line  
 Approximately a five-minute walk from Shimo-kitazawa Station—Odakyu Odawara Line  
 Total Land Space: 489.27m<sup>2</sup>  
 Total Floor Space: 1,306.55m<sup>2</sup>  
 Structure/Floors: RC, B1/4F  
 Completed: June 2008  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## TOKYU REIT Jiyugaoka Square



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



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

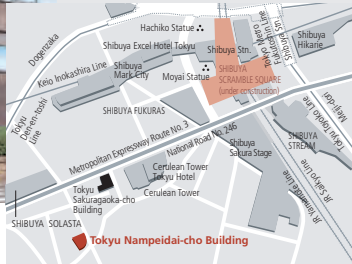
# PORTFOLIO (properties owned at the end of July 2023 (FP 40))

## 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: 2,013.28m<sup>2</sup>  
 Total Floor Space: 7,003.88m<sup>2</sup>  
 Structure/Floors: S/SRC, B2/5F  
 Completed: July 1992  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## Tokyu Sakuragaoka-cho Building

Properties contributed by sponsors



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



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

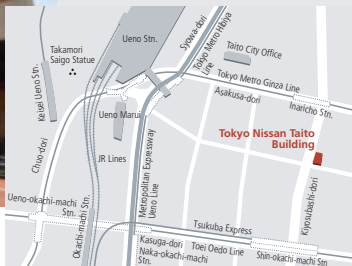
(Note) All of compartmentalized ownership with whole building are entrusted.

## Tokyo Nissan Taito Building

Properties contributed by sponsors



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



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

\* 30% of the quasi-co-ownership interest was disposed on July 31, 2023, another 30% of the quasi-co-ownership interest is scheduled to be disposed on January 31, 2024, and the remaining 40% of the quasi-co-ownership interest is scheduled to be disposed on February 29, 2024.

## TOKYU REIT Kamata Building



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



Address: 5-13-23, Kamata, Ota-ku, Tokyo  
 Nearest Station: Approximately a three-minute walk from Kamata Station—JR Keihin Tohoku Line, etc.  
 Total Land Space: 1,642.86m<sup>2</sup>  
 Total Floor Space: 10,244.51m<sup>2</sup>  
 Structure/Floors: S/SRC, B1/9F  
 Completed: February 1992  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## TOKYU REIT Toranomon Building



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



Address: 3-17-1, Toranomon, Minato-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Kamiyacho Station—Tokyo Metro Hibiya Line  
 Total Land Space: 1,728.38m<sup>2</sup> (Co-ownership ratio: 86.116%)  
 Total Floor Space: 15,343.73m<sup>2</sup> (Area owned by TOKYU REIT: 10,882.65m<sup>2</sup>)  
 Structure/Floors: SRC/RC, B2/9F  
 Completed: April 1988  
 Type of Ownership: Land—Proprietary ownership (Co-ownership ratio: 86.116%)  
 Building—Compartmentalized ownership and co-ownership of compartmentalized ownership

## Tokyu Ikejiri-ohashi Building

Properties contributed by sponsors



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



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

## Kojimachi Square

Properties contributed by sponsors



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

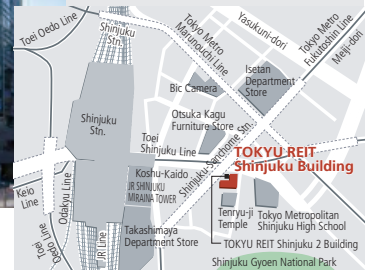


Address: 3, Nibancho, Chiyoda-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Kojimachi Station—Tokyo Metro Yurakucho Line  
 Total Land Space: 1,269.24m<sup>2</sup>  
 Total Floor Space: 6,803.47m<sup>2</sup>  
 Structure/Floors: S/RC, B1/7F  
 Completed: January 2003  
 Type of Ownership: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

## TOKYU REIT Shinjuku Building



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



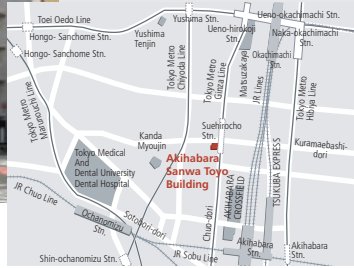
Address: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi Line, etc.  
 Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.  
 Total Land Space: 1,113.87m<sup>2</sup>  
 Total Floor Space: 8,720.09m<sup>2</sup>  
 Structure/Floors: SRC, 10F  
 Completed: May 2003  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

# PORTFOLIO (properties owned at the end of July 2023 (FP 40))

## Akihabara Sanwa Toyo Building



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



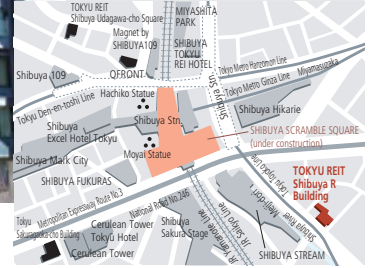
Address: 3-16-8, Sotokanda, Chiyoda-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Suehirocho Station—Tokyo Metro Ginza Line  
 Total Land Space: 795.33m<sup>2</sup>  
 Total Floor Space: 5,704.69m<sup>2</sup>  
 Structure/Floors: SRC, B1/8F  
 Completed: September 1985  
 Type of Ownership: Land—Proprietary ownership  
 Building—Compartmentalized ownership (Note)

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

## TOKYU REIT Shibuya R Building



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



Address: 3-10-13, Shibuya, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a two-minute walk from Shibuya Station—JR Lines, etc.  
 Total Land Space: 1,077.45m<sup>2</sup> (Area owned by TOKYU REIT: 819.41m<sup>2</sup>)  
 Total Floor Space: 7,289.38m<sup>2</sup> (Including parking space 41.18m<sup>2</sup>)  
 (Area owned by TOKYU REIT: 4,403.69m<sup>2</sup>)  
 Structure/Floors: SRC (Parking: S), B1/9F  
 Completed: March 1990  
 Type of Ownership: Land—Proprietary ownership  
 Building—Compartmentalized ownership and co-ownership of compartmentalized ownership

## Tokyu Toranomon Building

Properties contributed by sponsors



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

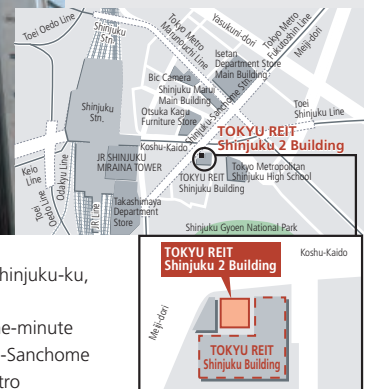


Address: 1-21-19, Toranomon, Minato-ku, Tokyo  
 Nearest Station: Approximately a one-minute walk from Toranomon-hills Station—Tokyo Metro Hibiya Line  
 Approximately a three-minute walk from Toranomon Station—Tokyo Metro Ginza Line  
 Total Land Space: 2,016.83m<sup>2</sup>  
 Total Floor Space: 14,033.73m<sup>2</sup>  
 Structure/Floors: S, 10F  
 Completed: April 2010  
 June 2022 (Extended Portion)  
 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: 270.05m<sup>2</sup>  
 Total Floor Space: 2,006.13m<sup>2</sup>  
 Structure/Floors: S, 10F  
 Completed: December 1991  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## Tokyu Bancho Building

Properties contributed by sponsors



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



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

## Shibuya Dogenzaka Sky Building

Properties contributed by sponsors



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



Address: 28-1, Maruyamacho, Shibuya-ku, Tokyo  
 Nearest Station: Approximately a five-minute walk from Shibuya Station—Keio Inokashira Line  
 Approximately a three-minute walk from Shinsen Station—Keio Inokashira Line  
 Total Land Space: 721.34m<sup>2</sup>  
 Total Floor Space: 5,644.91m<sup>2</sup>  
 Structure/Floors: SRC, B1/11F  
 Completed: March 1988  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## TOKYU REIT Ebisu Building



An office building located near Ebisu Station. The vicinity is concentrated with restaurants.



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

## 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.



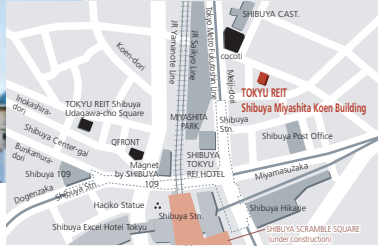
Address: 4-10-16, Shibaura, Minato-ku, Tokyo  
 Nearest Station: Approximately an eight-minute walk from Tamachi Station—JR Yamanote Line, etc.  
 Total Land Space: 4,646.65m<sup>2</sup>  
 Total Floor Space: 18,102.32m<sup>2</sup>  
 Structure/Floors: SRC, B2/12F  
 Completed: June 1982  
 Type of Ownership: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

# | PORTFOLIO (properties owned at the end of July 2023 (FP 40))

## 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: 364.74m<sup>2</sup>  
 Total Floor Space: 2,568.30m<sup>2</sup>  
 Structure/Floors: S, 12F  
 Completed: April 2008  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## Aoyama Oval Building



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



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

## Meguro Higashiyama Building

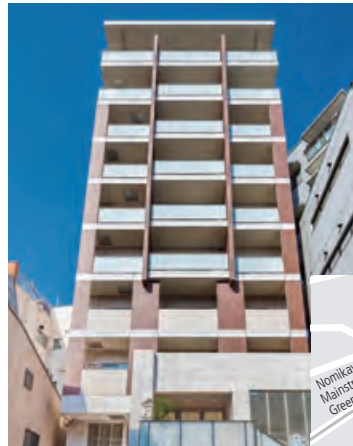


An office building located in the Nakameguro area, which is a flourishing area with many offices of IT, apparel and entertainment companies as well as restaurants and such. High visibility property facing Yamate-dori Avenue.



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 m<sup>2</sup>  
 Total Floor Space: 8,540.29 m<sup>2</sup>  
 Structure/Floors: SRC/S/RC, 8F  
 Completed: March 1995  
 Type of Ownership: Land—Proprietary ownership  
 Building—Compartmentalized ownership (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: 245.61m<sup>2</sup>  
 Total Floor Space: 950.36m<sup>2</sup>  
 Structure/Floors: RC, 10F  
 Completed: August 2014  
 Type of Ownership: Land—Proprietary ownership  
 Building—Proprietary ownership

## STYLIO FIT Musashikosugi

Properties contributed by sponsors



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



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

## REVE Nakameguro (Land with leasehold interest)



Land with leasehold interest of a complex located approximately a four-minute walk from Naka-meguro Station on the Tokyu Toyoko Line.



- Address: 1-13-14, Kamimeguro, Meguro-ku, Tokyo
- Nearest Station: Approximately a four-minute walk from Naka-meguro Station—Tokyu Toyoko Line and Tokyo Metro Hibiya Line
- Total Land Space: 497.02m<sup>2</sup>  
 Type of Ownership: Land—Proprietary ownership

## 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 m<sup>2</sup>  
 Percentage of site rights of the acquired portion: 1,098,663/10,000,000  
 (Block II-a) Land area: 28,082.83 m<sup>2</sup>  
 Percentage of site rights of the acquired portion: 126,480/1,000,000  
 (Block II-b) Land area: 3,472.03 m<sup>2</sup>  
 Percentage of site rights of the acquired portion: 21,160/1,000,000  
 (Block III) Land area: 296.51 m<sup>2</sup>  
 Percentage of site rights of the acquired portion: 4,516/94,273
- Total Floor Space: (Block I-b) Entire building: 99,137.30 m<sup>2</sup>  
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 77,290.76 m<sup>2</sup>  
 Of such area, the acquired ownership interest is 10.7% (retail: 3.2%, office: 7.4%)  
 (Block II-a) Entire building: 154,232.18 m<sup>2</sup>  
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 118,463.13 m<sup>2</sup>  
 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 m<sup>2</sup>  
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 3,277.59 m<sup>2</sup>  
 Of such area, the acquired ownership interest is 4.5% (retail)  
 (Block III) Entire building: 1,385.49 m<sup>2</sup>  
 Exclusive area of compartments under compartmentalized ownership pertaining to the acquisition: 566.94 m<sup>2</sup>  
 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

		40th fiscal period From February 1, 2023 to July 31, 2023 (181 days)	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)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 8,924	¥ 11,321	¥ 8,671	¥ 11,641	¥ 8,066	
		Operating income	¥ 4,682	¥ 7,331	¥ 4,732	¥ 7,481	¥ 3,981	
		Net income	¥ 4,260	¥ 6,885	¥ 4,339	¥ 7,071	¥ 3,540	
	Operating income	Revenue from property leasing (a) (Note 1)	¥ 7,638	¥ 6,736	¥ 6,637	¥ 6,934	¥ 8,059	
		Rental service expenses (b)	¥ 3,369	¥ 3,008	¥ 3,065	¥ 3,131	¥ 3,241	
		[Depreciation and amortization] (included in (b)) (c) (Note 2)	[¥ 957]	[¥ 863]	[¥ 824]	[¥ 968]	[¥ 1,030]	
		NOI (Net Operating Income) (a) – (b) + (c)	¥ 5,226	¥ 4,591	¥ 4,395	¥ 4,771	¥ 5,848	
	Cash flow	FFO (Funds from Operation) (d) (Note 3)	¥ 3,935	¥ 3,163	¥ 3,129	¥ 3,332	¥ 4,570	
		Capital expenditures (e)	¥ 422	¥ 375	¥ 2,379	¥ 417	¥ 513	
		AFFO (Adjusted Funds from Operation) (d) – (e)	¥ 3,512	¥ 2,788	¥ 750	¥ 2,915	¥ 4,057	
Financial position	Balance sheet	Total assets (f)	¥ 241,453	¥ 239,993	¥ 224,636	¥ 226,847	¥ 235,035	
		[Change from the preceding period]	[0.6%]	[6.8%]	[–1.0%]	[–3.5%]	[1.7%]	
		Interest-bearing liabilities (g) (Note 4)	¥ 104,500	¥ 104,500	¥ 93,000	¥ 94,400	¥ 105,600	
		Total unitholders' equity (Net assets) (h)	¥ 122,817	¥ 122,507	¥ 119,537	¥ 119,059	¥ 115,527	
		[Change from the preceding period]	[0.3%]	[2.5%]	[0.4%]	[3.1%]	[–0.1%]	
		Unitholders' capital	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	¥ 110,479	
	Portfolio	Acquisition costs of properties (Note 5)	¥ 246,306	¥ 247,641	¥ 232,451	¥ 232,509	¥ 248,614	
		Book value of properties (Note 5)	¥ 231,833	¥ 233,453	¥ 217,720	¥ 217,976	¥ 230,620	
		Appraisal value of properties at end of period (i) (Note 5)	¥ 319,636	¥ 321,480	¥ 307,150	¥ 304,110	¥ 313,250	
		Number of properties at end of period	31 properties	31 properties	31 properties	32 properties	34 properties	
		Total leasable area (Note 6)	168,104.20 m <sup>2</sup>	170,499.25 m <sup>2</sup>	155,157.45 m <sup>2</sup>	149,024.77 m <sup>2</sup>	223,691.34 m <sup>2</sup>	
		Occupancy rate at end of period (Note 6)	98.5%	96.6%	91.2%	97.8%	97.2%	
	Other	Distri- bution	Cash distribution	¥ 3,666	¥ 3,949	¥ 3,915	¥ 3,861	¥ 3,539
			Dividend payout ratio	86.1%	57.4%	90.2%	54.6%	100.0%
		Per unit data	Total number of units issued and outstanding	977,600 units	977,600 units	977,600 units	977,600 units	977,600 units
			Total unitholders' equity per unit (base value)	¥ 125,631	¥ 125,314	¥ 122,276	¥ 121,787	¥ 118,174
Cash distribution per unit			¥ 3,750	¥ 4,040	¥ 4,005	¥ 3,950	¥ 3,621	
Management index		Return on total unitholders' equity (annualized) (Note 7)	7.0%	11.3%	7.3%	12.0%	6.2%	
		Equity ratio (h)÷(f)	50.9%	51.0%	53.2%	52.5%	49.2%	
		[Change from the preceding period]	[–0.2%]	[–2.2%]	[0.7%]	[3.3%]	[–0.9%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	43.3%	43.5%	41.4%	41.6%	44.9%	
		Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	32.7%	32.5%	30.3%	31.0%	33.7%	
Average market price per unit during period (Note 8)	¥ 187,116	¥ 202,419	¥ 188,278	¥ 190,881	¥ 189,045			



- Note 1. 'Revenue from property leasing' does not include revenues from facility acceptance (37th fiscal period: ¥5 million; 38th fiscal period: ¥10 million) or contributions for construction (36th fiscal period: ¥6 million; 40th fiscal period: ¥3 million).
- Note 2. 'Depreciation and amortization' includes loss on disposal of property and equipment (36th fiscal period: ¥2 million; 37th fiscal period: ¥13 million; 38th fiscal period: ¥3 million; 39th fiscal period: ¥2 million; 40th fiscal period: ¥1 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 (40th fiscal period: six-month period ended July 31, 2023), the Japanese economy was recovering moderately.

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 overall. The employment situation was on an improving trend, including the active job openings-to-applicants ratio increasing while the number of new job openings and the unemployment rate remained unchanged.

Population movements saw a net immigration of over 100,000 people into the Tokyo metropolitan area from other regions of the country during the period from January 2023 to June 2023 (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 rising, mainly due to newly constructed buildings having reached construction completion while largely yet to be leased up. On the other hand, progress in filling vacancies at existing buildings kept the rate of increase in the vacancy rate down. Office rent continued to be on a downward trend as rent adjustments continued, mainly at buildings with prolonged vacancies.

In the retail property leasing market, many shopping centers were seen to have increased visitors/sales due in part to the restrictions on social and economic activities becoming relaxed with the reclassification of COVID-19 to a Class V Infectious Disease leading to increased opportunities to go out, as well as the domestic travel subsidy program and an increase in inbound tourism demand. In terms of location, the retail property leasing market was particularly active in large cities due to more opportunities for people to go out and the increase in domestic and foreign travelers. Department store sales turnover remained brisk with month-on-month increases. In terms of customer demographics, inbound tourists accounted for an increasing share, boosting the sales of urban retail properties with a high

spending rate per customer, and consumer sentiment, too, showed signs of improving.

In the real estate trading market, the amount of investment of commercial real estate maintained levels slightly above the average of the past five years. The amount of investment of J-REITs increased considerably on the rebound of the same period of the previous year when it was low.

Overseas investment demand that was showing some weakness was also bullish overall, and the state of being propped up by diverse domestic investors remained pretty much unchanged, keeping the expected cap rate hovering at a low level.

## 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 40th fiscal period, TOKYU REIT sold 30% quasi-co-ownership interest of the trust beneficiary interest in Tokyo Nissan Taito Building on July 31, 2023.

As of July 31, 2023, TOKYU REIT held an investment portfolio totaling 31 properties with a total acquisition price of ¥246,306 million and total leasable area of 168,104.20 m<sup>2</sup>. The period-end appraisal value for TOKYU REIT’s entire portfolio amounted to ¥319,636 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 ¥87,802 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 40th fiscal period increased by 0.6% compared with the end of the 39th fiscal period. In addition, the vacancy rate at the end of the 40th fiscal period decreased from the 3.4% at the end of the 39th fiscal period by 1.9 percentage points to 1.5%.

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

#### b. Countering Conflicts of Interest

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

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

Note. "Related parties" refers to any entity that falls under 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.

#### ③ Financing

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

During the 40th fiscal period, to secure interest-bearing liabilities with fixed long-term interest rates and diversified repayment dates, long-term debt of ¥5,000 million due for repayment in the 40th fiscal period was refinanced.

TOKYU REIT has established commitment lines with four financial institutions, which provide credit facilities up to a total of ¥18,000 million, in order to secure financial credibility through the enhancement of liquidity on hand. Funds were procured through these credit facilities in the form of short-term debt in the amount of ¥1,000 million to fund part of the payment of cash distributions, the entire amount of which was repaid in the 40th fiscal period. The balance of interest-bearing liabilities as of the end of the 40th 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 40th fiscal period was 0.77% (calculated based on the annualized amount of interest payable for the 40th fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of the end of the 40th 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:

	40th fiscal period From February 1, 2023 to July 31, 2023	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
	Yen				
Highest	¥ 197,600	¥ 216,800	¥ 199,000	¥ 201,500	¥ 209,700
Lowest	¥ 175,300	¥ 193,000	¥ 177,000	¥ 177,800	¥ 163,700

#### (4) Distribution Information

In the 40th fiscal period, ¥652 million of the ¥1,282 million in capital gains from the disposition of Tokyo Nissan Taito Building (30% quasi-co-ownership interest) on July 31, 2023 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). In addition, a ¥58 million portion of the reserve for reduction entry under special provisions for property replacement posted in prior fiscal years was reversed. Consequently, with respect to the distribution, TOKYU REIT decided to distribute unappropriated retained earnings, less the concerned provision of reserve for reduction entry after adding the concerned reversal of reserve for reduction entry to net income, 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 40th fiscal period was ¥3,750.

	40th fiscal period From February 1, 2023 to July 31, 2023	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
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 4,318	¥ 6,885	¥ 4,339	¥ 7,071	¥ 3,540
Undistributed earnings	¥ 652	¥ 2,936	¥ 424	¥ 3,209	¥ 0
Cash distribution	¥ 3,666	¥ 3,949	¥ 3,915	¥ 3,861	¥ 3,539
[Cash distribution per unit]	[¥ 3,750]	[¥ 4,040]	[¥ 4,005]	[¥ 3,950]	[¥ 3,621]
Cash distribution of accumulated earnings	¥ 3,666	¥ 3,949	¥ 3,915	¥ 3,861	¥ 3,539
[Cash distribution of accumulated earnings per unit]	[¥ 3,750]	[¥ 4,040]	[¥ 4,005]	[¥ 3,950]	[¥ 3,621]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]
Cash distribution from allowance for temporary difference adjustment	—	—	—	—	—
[Cash distribution from allowance for temporary difference adjustment per unit]	[—]	[—]	[—]	[—]	[—]
Cash distribution from distribution accompanying decrease in capital, etc. under tax law	—	—	—	—	—
[Cash distribution from distribution accompanying decrease in capital, etc. under tax law per unit]	[—]	[—]	[—]	[—]	[—]

## (5) Future Policies of Investment Management

### ① Forecast of Future Movement

The economic outlook is that the economy is expected to continue recovering at a moderate pace with the improving employment and income situation due in part to the effects of various measures and policies. 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 and financial and capital market volatility are among factors that require due attention.

In light of such an outlook, in the real estate leasing market, the scale of new supply slated for 2023 being large in Tokyo's office market and other underlying factors are expected to lead to an increase in leasing market activity. On the other hand, the vacancy rate is forecast to rise with the surplus of supply over demand, continuing to apply downward pressure on rent.

In the real estate trading market, prices are expected to drop moderately with the moderate drop in rent as there is limited room for reducing return on investment.

### 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 40th 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. 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 (October 26, 2023).

## 2. Company Profiles

### (1) Summary of Unitholders' Contributions

	40th fiscal period As of July 31, 2023	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
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)	9,823	9,793	10,116	10,190	10,162

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

The following table sets forth the major unitholders of TOKYU REIT as of July 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	325,814	33.33
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	145,821	14.92
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	44,290	4.53
State Street Bank West Client – Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	18,996	1.94
SMBC Nikko Securities Inc.	3-3-1, Marunouchi, Chiyoda-ku, Tokyo	17,973	1.84
JPMorgan Chase Bank 385771 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	10,902	1.12
Japan Securities Finance Co., Ltd.	1-2-10, Nihonbashi-Kayabacho, Chuo-ku, Tokyo	7,425	0.76
MetLife Insurance K.K. (Standing Proxy: Citibank, N.A.)	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	7,400	0.76
State Street Bank and Trust Company 505103 (Standing Proxy: Mizuho Bank, Ltd.)	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo	6,982	0.71
Total		634,603	64.91

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



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

#### ① Name of Directors and Auditor (as of July 31, 2023)

Title	Name	Title at other companies	Total fee for each title (Note 3) (Thousands of yen)
Executive Director	Yoshitaka Kimura (Note 1)	Representative Director & President, and Chief Executive Officer of Tokyu Real Estate Investment Management Inc.	¥— (Note 4)
Supervisory Director	Maruhito Kondo	Head of Maruhito Kondo Law Office Lawyer	¥ 3,000
Supervisory Director	Takashi Aikawa	Representative Partner of Shinsoh Audit Corporation Certified public accountant	¥ 3,000
Independent Auditor	PricewaterhouseCoopers Aarata LLC		¥ 10,000

Note 1. Kazuyoshi Kashiwazaki resigned as the executive director upon the end of his term of office on April 30, 2023. Yoshitaka Kimura was appointed as the new executive director at TOKYU REIT's General Meeting of Unitholders held on April 21, 2023, and assumed the office on May 1, 2023.

Note 2. 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 3. 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 4. The executive director serves without compensation from TOKYU REIT.

#### ② Policies Regarding Decision of Dismissing and Not Reappointing Independent Auditors

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

#### (4) Details Regarding Directors and Officers Liability Insurance Contract

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

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

The following table sets forth information about TOKYU REIT's investment management company, asset custodian and general administrators as of July 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	40th fiscal period As of July 31, 2023		39th fiscal period As of January 31, 2023		
			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	¥ 11,211	4.6	¥ 11,230	4.7	
		Tokyu Areas (excluding Shibuya Ward)	2,211	0.9	2,220	0.9	
		Sub total	13,423	5.6	13,451	5.6	
	Office	Shibuya Ward	11,250	4.7	11,278	4.7	
		Central Tokyo (excluding Shibuya Ward)	38,491	15.9	38,577	16.1	
		Tokyu Areas (excluding Shibuya Ward)	8,403	3.5	8,417	3.5	
		Sub total	58,146	24.1	58,273	24.3	
	Residence	Tokyu Areas (excluding Shibuya Ward)	2,645	1.1	2,664	1.1	
		Sub total	2,645	1.1	2,664	1.1	
	Complex	Tokyu Areas (excluding Shibuya Ward)	20,371	8.4	20,470	8.5	
		Sub total	20,371	8.4	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			95,748	39.7	96,022	40.0
	Trust beneficiary interest in real estate	Retail	Shibuya Ward	39,745	16.5	39,820	16.6
Central Tokyo (excluding Shibuya Ward)			4,665	1.9	4,673	1.9	
Tokyu Areas (excluding Shibuya Ward)			3,176	1.3	3,179	1.3	
Sub total			47,587	19.7	47,673	19.9	
Office		Shibuya Ward	39,296	16.3	39,333	16.4	
		Central Tokyo (excluding Shibuya Ward)	40,090	16.6	41,263	17.2	
		Tokyu Areas (excluding Shibuya Ward)	9,110	3.8	9,160	3.8	
		Sub total	88,497	36.7	89,757	37.4	
Total			136,085	56.4	137,430	57.3	
Other assets			9,619	4.0	6,540	2.7	
Total assets			¥ 241,453 [¥ 231,833]	100.0 [96.0]	¥ 239,993 [¥ 233,453]	100.0 [97.3]	

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 Counterred.'

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

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

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

## (2) Major Portfolio

Major portfolio held by TOKYU REIT as of July 31, 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 <sup>2</sup>	m <sup>2</sup>	%	%	
QFRONT	¥ 13,355	4,502.93	4,502.93	100.0	10.5	Retail
Lexington Aoyama	4,665	2,094.96	2,094.96	100.0	1.8	Retail
TOKYU REIT Omotesando Square	5,613	2,669.10	2,669.10	100.0	2.4	Retail
TOKYU REIT Shibuya Udagawa-cho Square	6,538	1,543.05	1,487.21	96.4	3.2	Retail
cocoti	20,775	8,295.62	8,295.62	100.0	7.3	Retail
CONZE Ebisu	4,673	2,327.00	1,995.89	85.8	1.3	Retail
TOKYU REIT Shimokitazawa Square	2,211	1,246.98	1,246.98	100.0	0.6	Retail
TOKYU REIT Jiyugaoka Square	3,176	1,231.80	1,231.80	100.0	1.0	Retail
Tokyu Nampeidai-cho Building	4,033	7,148.18	7,148.18	100.0	2.3	Office
Tokyu Sakuragaoka-cho Building	6,274	4,737.19	4,737.19	100.0	3.3	Office
Tokyo Nissan Taito Building	2,558	5,514.20	5,514.20	100.0	2.7	Office
TOKYU REIT Kamata Building	3,730	7,337.82	7,337.82	100.0	3.1	Office
TOKYU REIT Toranomom Building	9,770	10,238.07	10,238.07	100.0	4.8	Office
Tokyu Ikejiri-ohashi Building	5,380	5,710.32	5,710.32	100.0	2.6	Office
Kojimachi Square	8,236	5,409.09	4,739.26	87.6	2.7	Office
TOKYU REIT Shinjuku Building	8,712	6,270.68	6,270.68	100.0	3.8	Office
Akihabara Sanwa Toyo Building	4,544	4,433.37	4,433.37	100.0	2.2	Office
TOKYU REIT Shibuya R Building	5,266	5,246.68	5,246.68	100.0	3.6	Office
Tokyu Toranomom Building	17,191	11,029.27	9,842.09	89.2	4.6	Office
TOKYU REIT Shinjuku 2 Building	2,817	1,790.46	1,790.46	100.0	1.1	Office
Tokyu Bancho Building	12,633	6,137.50	6,137.50	100.0	4.6	Office
TOKYU REIT Ebisu Building	4,609	1,872.61	1,872.61	100.0	1.3	Office
Shibuya Dogenzaka Sky Building	5,731	4,136.05	4,136.05	100.0	2.4	Office
OKI Shibaura Office	12,117	18,102.32	18,102.32	100.0	5.2	Office
TOKYU REIT Shibuya Miyashita Koen Building	5,984	2,299.71	2,299.71	100.0	1.6	Office
Aoyama Oval Building	18,646	8,527.90	8,471.16	99.3	5.4	Office
Meguro Higashiyama Building	8,403	6,152.43	6,152.43	100.0	2.8	Office
Maison Peony Toritsudaigaku	1,185	852.16	824.08	96.7	0.4	Residence
STYLIO FIT Musashikosugi	1,460	1,830.00	1,830.00	100.0	0.5	Residence
Futako Tamagawa Rise	20,371	18,919.73	18,793.67	99.3	10.4	Complex
REVE Nakameguro (land with leasehold interest)	1,162	497.02	497.02	100.0	0.3	Land with leasehold interest
Total	¥ 231,833	168,104.20	165,649.36	98.5	100.0	

- Note 1. The properties listed in the table 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 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. 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 Tokyo Nissan Taito Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 70% 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 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. 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 Tokyo Nissan Taito Building, the stated figure is calculated by multiplying the total leased area of the whole building by the 70% 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 July 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 <sup>2</sup>	Millions of yen	Millions of yen	
Retail	Shibuya Ward	QFRONT	75-8, etc., Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,502.93	¥ 38,000	¥ 13,355	
		TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya- ku, Tokyo	Trust beneficiary interest in real estate	2,669.10	8,340	5,613	
		TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	12,500	6,538	
		cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,295.62	23,400	20,775	
		CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,327.00	5,210	4,673	
	Sub total					19,337.70	87,450	50,956
	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	6,460	4,665	
		Sub total				2,094.96	6,460	4,665
	Tokyu Areas (excluding Shibuya Ward)	TOKYU REIT Shimokitazawa Square	6-1058-114, etc., Daita, Setagaya-ku, Tokyo	Real estate	1,246.98	2,260	2,211	
		TOKYU REIT Jiyugaoka Square	2-20-10, etc., Jiyugaoka, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	1,231.80	3,530	3,176	
		Sub total				2,478.78	5,790	5,388
	Total					23,911.44	99,700	61,010
	Office	Shibuya Ward	Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	7,880	4,033
Tokyu Sakuragaoka-cho Building			109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	12,400	6,274	
TOKYU REIT Shibuya R Building			3-10-2, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	5,246.68	10,100	5,266	
TOKYU REIT Ebisu Building			3-2-11, Higashi, Shibuya- ku, Tokyo	Trust beneficiary interest in real estate	1,872.61	4,740	4,609	
Shibuya Dogenzaka Sky Building			22-1, etc., Maruyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,136.05	8,640	5,731	
TOKYU REIT Shibuya Miyashita Koen Building			1-17-5, etc., Shibuya, Shibuya-ku, Tokyo	Real estate	2,299.71	6,100	5,984	
Aoyama Oval Building			5-52-1, etc., Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,527.90	18,500	18,646	
Sub total						33,968.32	68,360	50,546

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m <sup>2</sup>	Millions of yen	Millions of yen
Office	Central Tokyo (excluding Shibuya Ward)	Tokyo Nissan Taito Building	2-120-2, etc., Moto- Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	5,514.20	4,396	2,558
		TOKYU REIT Toranomon Building	3-45-6, Toranomon, Minato-ku, Tokyo	Real estate	10,238.07	14,300	9,770
		Kojimachi Square	3-9 and 3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.09	10,200	8,236
		TOKYU REIT Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,270.68	13,500	8,712
		Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,433.37	6,600	4,544
		Tokyu Toranomon Building	1-216-2, etc., Toranomon, Minato-ku, Tokyo	Real estate	11,029.27	24,500	17,191
		TOKYU REIT Shinjuku 2 Building	4-3-4, Shinjuku, Shinjuku- ku, Tokyo	Real estate	1,790.46	3,280	2,817
		Tokyu Bancho Building	6-2, etc., Yonban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	6,137.50	16,000	12,633
		OKI Shibaura Office	4-1-6, Shibaura, Minato- ku, Tokyo	Trust beneficiary interest in real estate	18,102.32	13,600	12,117
		Sub total				68,924.96	106,376
Office	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	3,730
		Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,710.32	6,360	5,380
		Meguro Higashiyama Building	1-1316-1, etc., Higashiyama, Meguro-ku, Tokyo	Real estate	6,152.43	8,240	8,403
		Sub total				19,200.57	20,550
Total				122,093.85	195,286	146,643	
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	1,185
		STYLIO FIT Musashikosugi	2-1324-1, etc., Kamimaruko-sannocho, Nakahara-ku, Kawasaki- shi, Kanagawa	Real estate	1,830.00	1,630	1,460
		Sub total				2,682.16	3,030
Total				2,682.16	3,030	2,645	

Use	Area	Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
					m <sup>2</sup>	Millions of yen	Millions of yen
Complex	Tokyu Areas (excluding Shibuya Ward)	Futako Tamagawa Rise	2-5000-2, etc., Tamagawa, Setagaya-ku, Tokyo	Real estate	18,919.73	20,400	20,371
		Sub total			18,919.73	20,400	20,371
	Total				18,919.73	20,400	20,371
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	1,220	1,162
		Sub total			497.02	1,220	1,162
	Total				497.02	1,220	1,162
Grand total					168,104.20	¥ 319,636	¥ 231,833

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 Nampocho 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 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. 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 Tokyo Nissan Taito Building, the stated figure is calculated by multiplying the total leasable area of the whole building by the 70% 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	40th fiscal period From February 1, 2023 to July 31, 2023				39th fiscal period From August 1, 2022 to January 31, 2023				
			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	¥ 804	10.5	2	100.0	¥ 787	11.7	
		TOKYU REIT Omotesando Square	4	100.0	179	2.4	4	100.0	183	2.7	
		TOKYU REIT Shibuya Udagawa-cho Square	1	96.4	245	3.2	2	100.0	245	3.6	
		cocoti	15	100.0	560	7.3	15	100.0	534	7.9	
		CONZE Ebisu	7	85.8	100	1.3	7	85.8	109	1.6	
		Sub total	29	98.0	1,891	24.8	30	98.3	1,861	27.6	
	Central Tokyo (excl. Shibuya Ward)	Lexington Aoyama	7	100.0	137	1.8	7	100.0	147	2.2	
		Sub total	7	100.0	137	1.8	7	100.0	147	2.2	
	Tokyu Areas (excl. Shibuya Ward)	TOKYU REIT Shimokitazawa Square	9	100.0	49	0.6	8	88.6	51	0.8	
		TOKYU REIT Jiyugaoka Square	5	100.0	79	1.0	5	100.0	80	1.2	
		Sub total	14	100.0	128	1.7	13	94.3	132	2.0	
	Total			50	98.4	2,158	28.3	50	98.0	2,142	31.8
	Office	Shibuya Ward	Tokyu Nampeidai-cho Building	1	100.0	178	2.3	1	100.0	179	2.7
Tokyu Sakuragaoka-cho Building			2	100.0	252	3.3	2	100.0	254	3.8	
TOKYU REIT Shibuya R Building			12	100.0	272	3.6	12	100.0	283	4.2	
TOKYU REIT Ebisu Building			8	100.0	101	1.3	8	100.0	92	1.4	
Shibuya Dogenzaka Sky Building			9	100.0	186	2.4	8	92.0	174	2.6	
TOKYU REIT Shibuya Miyashita Koen Building			8	100.0	122	1.6	8	100.0	132	2.0	
Aoyama Oval Building			26	99.3	409	5.4	25	87.5	424	6.3	
Sub total			66	99.8	1,523	19.9	64	95.9	1,540	22.9	
Central Tokyo (excl. Shibuya Ward)		Tokyo Nissan Taito Building	17	100.0	203	2.7	17	100.0	210	3.1	
		TOKYU REIT Toranomon Building	10	100.0	369	4.8	9	96.5	375	5.6	
		Kojimachi Square	8	87.6	203	2.7	8	100.0	223	3.3	
		TOKYU REIT Shinjuku Building	7	100.0	292	3.8	8	100.0	290	4.3	
		Akihabara Sanwa Toyo Building	7	100.0	165	2.2	7	100.0	142	2.1	
		Tokyu Ginza 2-chome Building	—	—	—	—	—	—	65	1.0	
		Tokyu Toranomon Building	11	89.2	348	4.6	8	67.7	239	3.6	
		TOKYU REIT Shinjuku 2 Building	2	100.0	83	1.1	2	100.0	85	1.3	
		Tokyu Bancho Building	8	100.0	353	4.6	8	100.0	352	5.2	
OKI Shibaura Office	1	100.0	396	5.2	1	100.0	387	5.7			
Sub total			71	97.3	2,416	31.6	68	94.5	2,373	35.2	

Use	Area	Name of property	40th fiscal period From February 1, 2023 to July 31, 2023				39th fiscal period From August 1, 2022 to January 31, 2023			
			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	238	3.1	5	100.0	237	3.5
		Tokyu Ikejiri-ohashi Building	6	100.0	202	2.6	6	99.6	180	2.7
		Meguro Higashiyama Building	13	100.0	214	2.8	13	100.0	169	2.5
		Sub total	24	100.0	654	8.6	24	99.9	587	8.7
Total			161	98.4	4,594	60.2	156	95.7	4,501	66.8
Residence	Tokyu Areas (excl. Shibuya Ward)	Maison Peony Toritsudaigaku	25	96.7	28	0.4	25	96.7	28	0.4
		STYLIO FIT Musashikosugi	1	100.0	39	0.5	1	100.0	39	0.6
		Sub total	26	99.0	67	0.9	26	99.0	68	1.0
Total			26	99.0	67	0.9	26	99.0	68	1.0
Complex	Tokyu Areas (excl. Shibuya Ward)	Futako Tamagawa Rise	146	99.3	796	10.4	144	100.0	3	0.0
		Sub total	146	99.3	796	10.4	144	100.0	3	0.0
		Total			146	99.3	796	10.4	144	100.0
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
		Total			1	100.0	21	0.3	1	100.0
Grand total			384	98.5	¥ 7,638	100.0	377	96.6	¥ 6,736	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 July 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 July 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
TOKYU REIT Shinjuku 2 Building	Shinjuku-ku, Tokyo	Renovation of restrooms and plumbing and sanitary equipment	From July 2023 to December 2023	¥ 96	—	—
QFRONT	Shibuya-ku, Tokyo	Replacement of air-conditioning equipment	From June 2023 to January 2024	¥ 82	—	—
Aoyama Oval Building	Shibuya-ku, Tokyo	Replacement of sprinklers	From May 2023 to September 2023	¥ 61	—	—
QFRONT	Shibuya-ku, Tokyo	Replacement of cooling tower	From June 2023 to September 2023	¥ 39	—	—
Futako Tamagawa Rise	Setagaya-ku, Tokyo	Replacement of air-conditioning equipment	From July 2023 to January 2024	¥ 16	—	—

##### (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 40th fiscal period amounted to ¥422 million and ¥185 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥608 million spent for such work.

Name of property	Location	Objective	Period	Construction cost	
				Millions of yen	
cocoti	Shibuya-ku, Tokyo	Replacement of firefighting equipment	From April 2023 to May 2023	¥ 43	
Tokyu Nampeidai-cho Building	Shibuya-ku, Tokyo	Renovation of elevators	From April 2023 to May 2023	34	
Tokyu Bancho Building	Chiyoda-ku, Tokyo	Replacement of LED equipment in common areas	From March 2023 to July 2023	32	
Akihabara Sanwa Toyo Building	Chiyoda-ku, Tokyo	Replacement of air-conditioning equipment	From March 2023 to July 2023	31	
cocoti	Shibuya-ku, Tokyo	Renovation of fire prevention equipment	From March 2023 to May 2023	30	
Other				250	
Total				¥ 422	

(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:

	40th fiscal period From February 1, 2023 to July 31, 2023	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
	Millions of yen				
Reserve at beginning of period	¥ 96	¥ 180	¥ 101	¥ 105	¥ 88
Amount transferred to reserve during period	297	418	364	573	824
Reversal from reserve during period	258	503	285	577	807
Reserve at end of period	¥ 135	¥ 96	¥ 180	¥ 101	¥ 105

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

	40th fiscal period From February 1, 2023 to July 31, 2023		39th fiscal period From August 1, 2022 to January 31, 2023	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 394		¥ 378	
Cash-based fees	316		368	
Unit price-based fees	—	¥ 711	—	¥ 746
Asset custodian fees		17		16
General administration fees		38		37
Directors' fees		6		6
Other operating expenses		98		175
Total		¥ 871		¥ 982

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

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

Category	Draw-down date	Balance as of July 31, 2023	Balance as of January 31, 2023	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
Lender								
Sumitomo Mitsui Trust Bank, Limited	April 7, 2023	¥ —	¥ —	0.47455	July 7, 2023	Bullet payment	(Note 5)	Unsecured and Unguaranteed (Note 2)
Sub total		—	—					

Category	Draw-down date	Balance as of July 31, 2023	Balance as of January 31, 2023	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	1.91375	June 27, 2023	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)																																																																																																																																			
Development Bank of Japan Inc.		—	1,000						Development Bank of Japan Inc.	February 25, 2014	5,000	5,000	1.57750	February 26, 2024	Unsecured and Unguaranteed (Notes 2 and 3)	Development Bank of Japan Inc.	June 25, 2015	5,000	5,000	1.26125	June 25, 2025	Unsecured and Unguaranteed (Note 2)	Daido Life Insurance Company	March 10, 2016	—	1,500	0.57130	March 10, 2023	MUFG Bank, Ltd.	June 27, 2016	—	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 27, 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	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	MUFG Bank, Ltd.	June 25, 2019	1,500	1,500	0.46789	June 28, 2027	MUFG Bank, Ltd.	June 28, 2019	400	400	0.48124	Sumitomo Mitsui Trust Bank, Limited	400	400	0.50641	MUFG Bank, Ltd.	August 29, 2019	1,400	1,400	0.46876	February 29, 2028	MUFG Bank, Ltd.
Development Bank of Japan Inc.	February 25, 2014	5,000	5,000	1.57750	February 26, 2024			Unsecured and Unguaranteed (Notes 2 and 3)																																																																																																																																			
Development Bank of Japan Inc.	June 25, 2015	5,000	5,000	1.26125	June 25, 2025			Unsecured and Unguaranteed (Note 2)																																																																																																																																			
Daido Life Insurance Company	March 10, 2016	—	1,500	0.57130	March 10, 2023																																																																																																																																						
MUFG Bank, Ltd.	June 27, 2016	—	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 27, 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	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																																																																																																																																						
MUFG Bank, Ltd.	June 25, 2019	1,500	1,500	0.46789	June 28, 2027																																																																																																																																						
MUFG Bank, Ltd.	June 28, 2019	400	400	0.48124																																																																																																																																							
Sumitomo Mitsui Trust Bank, Limited		400	400	0.50641																																																																																																																																							
MUFG Bank, Ltd.	August 29, 2019	1,400	1,400	0.46876	February 29, 2028																																																																																																																																						
MUFG Bank, Ltd.	November 19, 2019	2,000	2,000	0.55395																																																																																																																																							

Category	Draw-down date	Balance as of July 31, 2023	Balance as of January 31, 2023	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark	
		Millions of yen	Millions of yen	%					
Mizuho Bank, Ltd.	December 25, 2019	500	500	0.64089	December 25, 2028	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)	
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 26, 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 23, 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 29, 2025				
Nippon Life Insurance Company	January 31, 2022	1,500	1,500	0.60055	July 30, 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				
Sumitomo Mitsui Trust Bank, Limited	July 27, 2022	2,000	2,000	0.62329	January 27, 2027				
Shinkin Central Bank		2,000	2,000	0.77489	January 28, 2030				
Sumitomo Mitsui Trust Bank, Limited	August 5, 2022	1,500	1,500	0.56282	January 30, 2026				(Note 4)

Category	Draw-down date	Balance as of July 31, 2023	Balance as of January 31, 2023	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
		Millions of yen	Millions of yen	%				
Mizuho Bank, Ltd.	November 11, 2022	1,700	1,700	1.10315	November 11, 2030	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
Daido Life Insurance Company	December 26, 2022	500	500	0.91500	December 26, 2028			
Mitsui Sumitomo Insurance Co., Ltd.	January 30, 2023	1,000	1,000	0.81130	January 29, 2027		(Note 4)	
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						
Daido Life Insurance Company	March 10, 2023	1,500	—				0.95125	
MUFG Bank, Ltd.	June 27, 2023	500	—	0.58500	June 29, 2026			
Mizuho Trust & Banking Co., Ltd.		1,500	—	1.03690	June 27, 2031			
Development Bank of Japan Inc.		1,000	—	1.25250	June 27, 2033			
Nippon Life Insurance Company		July 31, 2023	500	—	0.83036	January 31, 2029		
Sub total		93,500	93,500					
Total		¥ 93,500	¥ 93,500					

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 funds are for the payment of cash distributions.



(3) Investment Corporation Bonds

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

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

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 40th 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	Disposition date	Disposition price (Note 1) (Note 2)	Book value (Note 2)	Gain (Loss) on sale (Note 3)
			Millions of yen		Millions of yen		
Trust beneficiary interest in real estate	Tokyo Nissan Taito Building	—	—	July 31, 2023	¥ 2,385	¥ 1,096	¥ 1,282

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

Note 2. 'Disposition price' and 'Book value' are the amounts for the 30% quasi-co-ownership interest of the trust beneficiary interest.

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

### (2) Sales and Purchases of Other Assets

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

### (3) Research on Prices of Specified Assets

#### ① Property

Acquisition or disposition	Asset type	Name of property	Acquisition or disposition date	Acquisition or disposition price (Note 1) (Note 3)	Appraisal value (Note 3)	Appraiser	Date of value
				Millions of yen			
Disposition	Trust beneficiary interest in real estate	Tokyo Nissan Taito Building	July 31, 2023	¥ 2,385	¥ 1,944	Daiwa Real Estate Appraisal Co., Ltd.	June 1, 2023

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

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

Note 3. 'Acquisition or disposition price' and 'Appraisal value' are the amounts for the 30% quasi-co-ownership interest of the trust beneficiary interest.

#### ② Other

There is no item that falls under this category.

(4) Trading with Interested Persons, Etc.

① Status of Trading

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

② Amounts of Commissions Paid

Item	Total amounts of commissions paid (A) Thousands of yen	Paid to interested persons, etc.		B/A (%)
		Payee	Amount of payment (B)	
			Thousands of yen	
Utilities expenses	¥ 520,331	Tokyu Power Supply Co., Ltd.	¥ 137,864	26.5
		Shibuya Chikagai Co., Ltd.	¥ 57	0.0
Subcontract expenses	¥ 513,410	Tokyu Community Corporation	¥ 182,410	35.5
		Tokyu Property Management Co., Ltd.	¥ 66,277	12.9
		Tokyu Lifa Corporation	¥ 9,940	1.9
		Tokyu Corporation	¥ 3,056	0.6
		its communications Inc.	¥ 290	0.1
		Tokyu Agency Inc.	¥ 123	0.0
		Tokyu Renewal Co., Ltd.	¥ 25	0.0
Other rental service expenses	¥ 320,396	Tokyu Property Management Co., Ltd.	¥ 20,453	6.4
		Tokyu Card, Inc.	¥ 10,407	3.2
		Tokyu Malls Development Corporation	¥ 2,504	0.8
		Tokyu Community Corporation	¥ 2,422	0.8
		Tokyu Business Support Co., Ltd.	¥ 2,158	0.7
		Tokyu Agency Pro-mix Co., Ltd.	¥ 1,886	0.6
		Tokyu Agency Inc.	¥ 1,787	0.6
		its communications Inc.	¥ 1,174	0.4
		Shibuya Chikagai Co., Ltd.	¥ 840	0.3
		Tokyu Corporation	¥ 131	0.0
		Tokyu Department Store Co., Ltd.	¥ 112	0.0
		Tokyu Recreation Co., Ltd.	¥ 58	0.0
		Tokyu Linen Supply Co., Ltd.	¥ 46	0.0
		Tokyu Lifa Corporation	¥ 6	0.0
Property management fees	¥ 178,597	Tokyu Property Management Co., Ltd.	¥ 128,702	72.1
		Tokyu Community Corporation	¥ 25,744	14.4
		Tokyu Corporation	¥ 21,555	12.1
Other operating expenses	¥ 98,376	Tokyu Hotels & Resorts Co., Ltd.	¥ 964	1.0
		Tokyu Power Supply Co., Ltd.	¥ 54	0.1
Insurance premium	¥ 8,824	Tokyu Insurance Consulting Co., Ltd.	¥ 8,649	98.0

Note 1. "Interested persons, etc." refers to persons having interests in Tokyu REIM based on the investment management agreement concluded with TOKYU REIT as defined in Article 123 of the Investment Trust Law Enforcement Order and Article 26, Paragraph 1, Item 27 of the Rules on Investment Reports, etc. for Investment Trusts and Investment Corporations of The Investment Trusts Association, Japan. However, information provided in this section, '(4) Trading with Interested Persons, Etc.' also 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 in the table, TOKYU REIT paid commissions to third parties through interested persons, etc., Tokyu Property Management Co., Ltd. and Tokyu Community Corporation in the amount of ¥86,701 thousand and ¥30,376 thousand, respectively.

In addition to the commissions paid as described in the table, the amount paid for repair and maintenance work related to interested persons, etc. during the 40th fiscal period are as follows:

Tokyu Community Corporation	¥ 43,410 thousand
Tokyu Property Management Co., Ltd.	¥ 23,646 thousand
Tokyu Renewal Co., Ltd.	¥ 23,415 thousand
Tokyu Agency Pro-mix Co., Ltd.	¥ 1,279 thousand
Tokyu Corporation	¥ 670 thousand
Tokyu Architects & Engineers Inc.	¥ 490 thousand
its communications Inc.	¥ 254 thousand
Tokyu Construction Co., Ltd.	¥ 232 thousand
Tokyu Security Co., Ltd.	¥ 150 thousand
Tokyu Agency Inc.	¥ 10 thousand

(5) Trading between the Investment Management Company and TOKYU REIT Pertaining to Business Concurrently Operated by the Investment Management Company

There is no item that falls under this category.

## 7. Accounting

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

See accompanying Balance 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
March 10, 2023	Signing of memorandum on amendment of investment management agreement	Regarding the investment management agreement executed with the investment management company Tokyu REIM, the meeting approved the signing of a memorandum that is for purposes that include amendment in line with the redefinition of "Tokyu Corporation and its subsidiaries," with a resolution on the amendment of TOKYU REIT's Articles of Incorporation for the abovementioned amendment being passed at a General Meeting of Unitholders as a conditional precedent.
May 26, 2023	Addition of potential company for engagement of underwriters for investment corporation bond offerings and other outsourcing of general administrative operations relating to investment corporation bonds	The meeting approved newly adding one candidate to the several candidates that the meeting held on November 25, 2022 approved as potential providers of general administrative operations 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.

### THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of TOKYU REIT, Inc. (the Company), which comprise the balance sheet as at July 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 July 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

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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, action taken to eliminate threats or safeguards applied.

**FEE-RELATED INFORMATION**

In connection with our audit of the financial statements for the six months period ended July 31, 2023, the amounts of fees for the audit and the other services charged to TOKYU REIT, Inc. by PricewaterhouseCoopers Aarata LLC and other PwC Network firms are ¥10 million and ¥5.4 million, respectively.

**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.

Hideo Ohta

Designated Engagement Partner  
Certified Public Accountant

PricewaterhouseCoopers Aarata LLC

October 26, 2023

Takashi Yabutahi

Designated Engagement Partner  
Certified Public Accountant





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

	July 31, 2023	January 31, 2023
	(Millions of yen)	
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits with banks	¥ 5,564	¥ 2,430
Cash and deposits with banks held in trust	2,486	2,344
Tenant receivables	183	117
Consumption tax refund receivables	-	321
Lease deposits held in trust due within one year	18	18
Other current assets	75	65
<b>Total current assets</b>	8,327	5,297
<b>Fixed assets:</b>		
<b>Property and equipment</b>		
Buildings and structures	22,616	22,474
Land	78,715	78,711
Other tangible assets	271	268
Construction in progress	3	1
Buildings and structures held in trust	32,175	32,910
Land held in trust	119,353	119,930
Other tangible assets held in trust	1,217	1,250
Construction in progress held in trust	15	13
Less accumulated depreciation	(22,535)	(22,105)
<b>Total property and equipment</b>	231,833	233,452
<b>Intangible assets</b>		
Intangible assets held in trust	0	0
<b>Total intangible assets</b>	0	0
<b>Investments and other assets</b>		
Lease deposits	211	211
Lease deposits held in trust	613	613
Deferred tax assets	0	0
Other assets	410	356
<b>Total investments and other assets</b>	1,236	1,182
<b>Total fixed assets</b>	233,070	234,635
<b>Deferred assets:</b>		
Investment corporation bond issuance expenses	56	60
<b>Total deferred assets</b>	56	60
<b>Total assets</b>	¥ 241,453	¥ 239,993

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

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

	July 31, 2023	January 31, 2023
	(Millions of yen)	
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Long-term debt due within one year	¥ 10,500	¥ 10,500
Accounts payable	1,268	1,262
Consumption tax payable	483	-
Rent received in advance	1,688	1,117
Accrued expenses and other current liabilities	121	138
<b>Total current liabilities</b>	14,061	13,018
<b>Long-term liabilities:</b>		
Investment corporation bonds	11,000	11,000
Long-term debt	83,000	83,000
Tenant leasehold and security deposits	4,541	4,327
Tenant leasehold and security deposits held in trust	5,993	6,103
Other long-term liabilities	39	37
<b>Total long-term liabilities</b>	104,574	104,468
<b>Total liabilities</b>	¥ 118,635	¥ 117,486
 <b><u>NET ASSETS</u></b>		
Unitholders' capital	¥ 110,479	¥ 110,479
Reserve for reduction entry	1,932	1,932
Reserve for reduction entry under special provisions for property replacement	6,087	3,209
Retained earnings	4,318	6,885
<b>Total net assets</b>	122,817	122,507
<b>Total liabilities and net assets</b>	¥ 241,453	¥ 239,993

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

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

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

	For the six months ended	
	July 31, 2023	January 31, 2023
	(Millions of yen)	
<b>Operating revenues:</b>		
Rental revenue	¥ 7,097	¥ 6,241
Other rental revenue	540	494
Gain on sales of real estate properties	1,282	4,585
Contribution for construction	3	-
<b>Operating expenses:</b>		
Rental service expenses	(3,369)	(3,008)
Asset management fees	(711)	(746)
Other	(160)	(235)
<b>Operating income</b>	4,682	7,331
<b>Non-operating income:</b>		
Interest income	0	0
Other	8	2
<b>Non-operating expenses:</b>		
Interest expense	(366)	(336)
Interest expense on investment corporation bonds	(36)	(29)
Amortization of investment corporation bond issuance expenses	(3)	(2)
Financing fees	-	(57)
Other	(23)	(22)
<b>Income before income taxes</b>	4,261	6,885
Income taxes:		
Current	(0)	(0)
Deferred	0	(0)
<b>Net income</b>	4,260	6,885
<b>Retained earnings at beginning of period</b>	0	0
<b>Reversal of reserve for reduction entry under special provisions for property replacement</b>	58	-
<b>Retained earnings at end of period</b>	¥ 4,318	¥ 6,885

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 July 31, 2023 and January 31, 2023

**For the six months ended July 31, 2023**

	Unitholders' capital	Reserve for reduction entry	Reserve for reduction entry under special provisions for property replacement	Retained earnings	Total
	(Millions of yen)				
<b>Balance at beginning of period</b>	¥ 110,479	¥ 1,932	¥ 3,209	¥ 6,885	¥ 122,507
<b>Changes during the period</b>					
Provision of reserve for reduction entry under special provisions for property replacement	-	-	2,935	(2,935)	-
Reversal of reserve for reduction entry under special provisions for property replacement	-	-	(58)	58	-
Cash distributions declared	-	-	-	(3,949)	(3,949)
Net income	-	-	-	4,260	4,260
<b>Total changes during the period</b>	-	-	2,877	(2,566)	310
<b>Balance at end of period</b>	¥ 110,479	¥ 1,932	¥ 6,087	¥ 4,318	¥ 122,817

**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)				
<b>Balance at beginning of period</b>	¥ 110,479	¥ 1,508	¥ 3,209	¥ 4,339	¥ 119,537
<b>Changes during the period</b>					
Provision of reserve for reduction entry	-	423	-	(423)	-
Cash distributions declared	-	-	-	(3,915)	(3,915)
Net income	-	-	-	6,885	6,885
<b>Total changes during the period</b>	-	423	-	2,545	2,969
<b>Balance at end of period</b>	¥ 110,479	¥ 1,932	¥ 3,209	¥ 6,885	¥ 122,507

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

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

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

	For the six months ended	
	July 31, 2023	January 31, 2023
	(Millions of yen)	
Retained earnings at end of period	¥ 4,318	¥ 6,885
Cash distributions declared	3,666	3,949
Provision of reserve for reduction entry under special provisions for property replacement	652	2,935
Retained earnings carried forward	¥ 0	¥ 0

The Board of Directors of TOKYU REIT resolved on September 14, 2023 and March 16, 2023 to effect payment of cash distributions of ¥3,750 and ¥4,040 per unit to unitholders of record on July 31, 2023 and January 31, 2023, respectively. The cash distributions were calculated as follows:

**For the six months ended July 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 ¥3,666 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 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. 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.

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

**TOKYU REIT, Inc.**  
**Statement of Cash Flows**  
For the six months ended July 31, 2023 and January 31, 2023

	For the six months ended	
	July 31, 2023	January 31, 2023
(Millions of yen)		
<b>Cash flows from operating activities:</b>		
Income before income taxes	¥ 4,261	¥ 6,885
Depreciation and amortization	956	861
Amortization of investment corporation bond issuance expenses	3	2
Loss on disposal of property and equipment	1	2
Interest income	(0)	(0)
Interest expense	402	366
(Increase) Decrease in tenant receivables	(66)	6
(Increase) Decrease in consumption tax refund receivables	321	17
Increase (Decrease) in consumption tax payable	483	-
Increase (Decrease) in accounts payable	26	(69)
Increase (Decrease) in rent received in advance	571	32
Decrease in property and equipment due to sale	-	4,271
Decrease in property and equipment held in trust due to sale	1,096	-
Other, net	(74)	(49)
Total	7,984	12,328
Interest received	0	0
Interest paid	(400)	(366)
Income taxes paid	(0)	(1)
Net cash provided by (used in) operating activities	7,582	11,960
<b>Cash flows from investing activities:</b>		
Payments for purchases of property and equipment	(250)	(20,577)
Payments for purchases of property and equipment held in trust	(212)	(376)
Payments for lease deposits	-	(3)
Proceeds from lease deposits held in trust	-	18
Proceeds from tenant leasehold and security deposits	255	1,130
Payments for tenant leasehold and security deposits	(41)	(310)
Proceeds from tenant leasehold and security deposits held in trust	50	372
Payments for tenant leasehold and security deposits held in trust	(161)	(159)
Net cash provided by (used in) investing activities	(359)	(19,906)
<b>Cash flows from financing activities:</b>		
Proceeds from short-term debt	1,000	-
Repayment of short-term debt	(1,000)	-
Proceeds from long-term debt	5,000	10,700
Repayment of long-term debt	(5,000)	(2,200)
Proceeds from investment corporation bonds	-	5,965
Repayment of investment corporation bonds	-	(3,000)
Payment of dividends	(3,948)	(3,915)
Net cash provided by (used in) financing activities	(3,948)	7,550
<b>Net change in cash and cash equivalents</b>	3,274	(395)
<b>Cash and cash equivalents at beginning of period</b>	4,775	5,170
<b>Cash and cash equivalents at end of period</b>	¥ 8,050	¥ 4,775

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

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

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

**1. Organization and basis of presentation**

**(a) Organization**

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

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

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

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

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

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

As of July 31, 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 98.5%. Total acquisition cost of the 31 properties is ¥246,306 million and total rentable area is 168,104.20 m<sup>2</sup>.

**(b) Basis of presentation**

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

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

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

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



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

**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):

	July 31, 2023	January 31, 2023
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-45	2-45
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 nil for the six months ended July 31, 2023. Capitalized property-related taxes are ¥94,349 thousand for the six months ended January 31, 2023.

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

- (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 July 31, 2023 and January 31, 2023

**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 July 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	Futako Tamagawa Rise
Reason for recognition and amount	Gain on sale of ¥4,585 million due to the sale of Tokyu Ginza 2-chome Building in November 2022
Policy for reversal	Reversal into retained earnings has been made in accordance with tax regulations.
Description of reversal in the period	Reversal has been made with depreciation.

	Amount as of July 31, 2023	Amount as of January 31, 2023
	(Millions of yen)	
Balance before provision or reversal in the period	¥ 2,935	—
Reversal in the statements of income	58	
Balance on the balance sheets	2,877	
Provision in the statements of cash distributions	-	
Reversal in the statements of cash distributions	-	
Balance after provision or reversal in the period	¥ 2,877	

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 the 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 July 31, 2023	Amount as of January 31, 2023
	(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	¥ 3,209	¥ 3,209

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

**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 July 31, 2023 and January 31, 2023 were as follows:

	For the six months ended	
	July 31, 2023	January 31, 2023
	(Millions of yen)	
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 6,071	¥ 5,298
Common area charges	582	530
Parking lot revenue under monthly contract	143	131
Other rent income	299	280
Sub total	7,097	6,241
Other rental revenue:		
Incidental income	435	435
Other miscellaneous income	105	59
Sub total	540	494
Total revenue from property leasing	7,638	6,736
Rental service expenses:		
Utilities expenses	520	539
Subcontract expenses	513	407
Property management fees	178	155
Repairs and maintenance expenses	185	139
Property-related taxes	684	627
Insurance premium	8	7
Depreciation and amortization	956	861
Loss on disposal of property and equipment	1	2
Other	320	268
Total rental service expenses	3,369	3,008
Operating income from property leasing activities	¥ 4,268	¥ 3,727

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

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

Tokyo Nissan Taito Building (30% quasi-co-ownership interest) was sold on July 31, 2023.

	For the six months ended	
	July 31, 2023	January 31, 2023
	(Millions of yen)	
Revenue from sale of property	¥ 2,385	—
Cost of property	1,096	
Other sales expenses	6	
Gain on sales of real estate properties	¥ 1,282	

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

	For the six months ended	
	July 31, 2023	January 31, 2023
	(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

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

**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 July 31, 2023 and January 31, 2023 were as follows:

	For the six months ended	
	July 31, 2023	January 31, 2023
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 July 31, 2023 and January 31, 2023 consisted of the following:

	July 31, 2023	January 31, 2023
	(Millions of yen)	
Cash and deposits with banks	¥ 5,564	¥ 2,430
Cash and deposits with banks held in trust	2,486	2,344
Cash and cash equivalents	¥ 8,050	¥ 4,775

**10. Leases**

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

	July 31, 2023	January 31, 2023
	(Millions of yen)	
Due within one year	¥ 6,898	¥ 6,722
Due after one year	36,497	37,361
Total	¥ 43,396	¥ 44,083

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

	July 31, 2023	January 31, 2023
	(Millions of yen)	
Due within one year	¥ 251	¥ 247
Due after one year	427	554
Total	¥ 679	¥ 802

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

**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. 
$$\frac{[\text{Interest-bearing liabilities} + \text{Security and guarantee deposits without reserved cash}] \div [\text{Total appraisal value at the end of the fiscal period or at the time of acquisition of specified assets}] \times 100$$

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

**(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.

	July 31, 2023			January 31, 2023		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
	(Millions of yen)					
(1) Long-term debt due within one year	¥ 10,500	¥ 10,537	¥ 37	¥ 10,500	¥ 10,520	¥ 20
(2) Investment corporation bonds	11,000	10,590	(409)	11,000	10,592	(407)
(3) Long-term debt	83,000	82,243	(756)	83,000	81,709	(1,290)
Liabilities total	¥ 104,500	¥ 103,371	¥ (1,128)	¥ 104,500	¥ 102,822	¥ (1,677)

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

Liabilities

(1) Long-term debt due within one year; (3) 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.

(2) 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.

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

	July 31, 2023			January 31, 2023		
	Investment corporation bonds	Long-term debt	Total	Investment corporation bonds	Long-term debt	Total
	(Millions of yen)					
Within one year	¥ -	¥ 10,500	¥ 10,500	¥ -	¥ 10,500	¥ 10,500
Within two years, but over one year	-	10,000	10,000	-	7,500	7,500
Within three years, but over two years	-	11,200	11,200	-	13,000	13,000
Within four years, but over three years	-	13,300	13,300	-	12,200	12,200
Within five years, but over four years	3,000	14,400	17,400	3,000	11,300	14,300
Over five years	8,000	34,100	42,100	8,000	39,000	47,000



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

**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 ¥13 thousand as of July 31, 2023. Deferred tax assets are ¥6 thousand as of January 31, 2023.

Income taxes in Japan applicable to TOKYU REIT consist of corporate income tax, enterprise tax and inhabitant tax. The following is a reconciliation between the statutory income tax rate in Japan and the effective tax rate reflected in the accompanying financial statements for the six months ended July 31, 2023 and January 31, 2023.

	<u>July 31, 2023</u>	<u>January 31, 2023</u>
Statutory income tax rate	31.46%	31.46%
Deductible cash distributions	(27.07)	(18.04)
Provision of reserve for reduction entry under special provisions for property replacement	(4.82)	(13.41)
Other	0.45	0.01
Effective tax rate	<u>0.02%</u>	<u>0.01%</u>

**13. Related party transactions**

**For the six months ended July 31, 2023**

TOKYU REIT's Executive Director and Tokyu REIM's Representative Director & President and Chief Executive Officer Yoshitaka Kimura, who holds no voting units of TOKYU REIT, has entered into an asset management agreement subject to the conditions set forth in TOKYU REIT's Articles of Incorporation with TOKYU REIT. The amount of management fees incurred for the six months ended July 31, 2023 and payable due to asset manager as of then were as follows:

	<u>July 31, 2023</u>
	(Millions of yen)
Asset management fees for the period	¥ 711
Management fees payable due to asset manager	348

Note. Kazuyoshi Kashiwazaki resigned as the executive director upon the end of his term of office on April 30, 2023. Yoshitaka Kimura was appointed as the new executive director at TOKYU REIT's General Meeting of Unitholders held on April 21, 2023, and assumed the office on May 1, 2023. The asset management fees for the period include the payment during the period when Kazuyoshi Kashiwazaki was the executive director.

**For the six months ended January 31, 2023**

TOKYU REIT's Executive Director and Tokyu REIM's Representative Director & President and Chief Executive Officer Kazuyoshi Kashiwazaki, who holds no voting units of TOKYU REIT, 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 payable due to asset manager as of then were as follows:

	<u>January 31, 2023</u>
	(Millions of yen)
Asset management fees for the period	¥ 746
Management fees payable due to asset manager	405

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

**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	
	July 31, 2023	January 31, 2023
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 233,453	¥ 217,720
Change during the period (Note 3)	(1,619)	15,732
Balance at end of period	¥ 231,833	¥ 233,453
	As of July 31, 2023	As of January 31, 2023
	(Millions of yen)	
Fair value at end of period (Note 4)	¥ 320,805	¥ 321,480

Note 1. Area classification:

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

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

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

Note 3. Of the change during the six months ended July 31, 2023, the amount of increase is mainly attributable to renovation work conducted on each property and other capital expenditures (¥422 million), and the amount of decrease is mainly attributable to the disposition of 30% quasi-co-ownership interest of the trust beneficiary interest in Tokyo Nissan Taito Building (¥1,096 million) and depreciation and amortization (¥956 million).

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).

Note 4. The fair value as of July 31, 2023 shows the disposition price in the case of the properties for which a disposition agreement has been concluded, and the appraisal value as appraised by an independent real estate surveyor in the case of the other properties.

The fair value as of January 31, 2023 shows the appraisal value as appraised by an independent real estate surveyor.

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

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

**15. Revenue recognition**

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

For information about disaggregation of revenue from contracts with customers, please refer to “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”).

**(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**

Not applicable.

**(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 July 31, 2023 and January 31, 2023

**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 July 31, 2023**

Party	Operating revenues (Millions of yen)	Name of related segment
Domestic godo kaisha (GK) (Note 1)	¥ 1,282	Property Leasing Business
Related parties (Note 2)	¥ 776	Property Leasing Business

**For the six months ended January 31, 2023**

Party	Operating revenues (Note 3) (Millions of yen)	Name of related segment
KR Ginza TMK	¥ 4,585	Property Leasing Business
Related parties (Note 2)	¥ 715	Property Leasing Business

Note 1. The name of the company has not been disclosed as the Domestic godo kaisha(GK) has not provided consent. There is no capital relationship, personnel relationship or business relationship between TOKYU REIT or Tokyu REIM and said domestic company, and said Domestic godo kaisha(GK) is not a related party of TOKYU REIT or Tokyu REIM.

Note 2. “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 3. Effective January 31, 2023, the scope of related parties has changed to the scope shown in Note 2. However, the calculation is based on the scope before the change (the scope shown in Note 4).

Note 4. “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

**TOKYU REIT, Inc.**

**Notes to Financial Statements, continued**

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

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 July 31, 2023 and January 31, 2023

**17. Per unit information**

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

	For the six months ended	
	July 31, 2023	January 31, 2023
Net income per unit	¥ 4,357	¥ 7,042
	As of July 31, 2023	As of January 31, 2023
Unitholders' equity per unit	¥ 125,631	¥ 125,314

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 July 31, 2023 and January 31, 2023.

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

	For the six months ended	
	July 31, 2023	January 31, 2023
	(Millions of yen)	
Net income	¥ 4,260	¥ 6,885
Amount not available to ordinary unitholders	-	-
Net income available to ordinary unitholders	¥ 4,260	¥ 6,885
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 July 31, 2023 (40th fiscal period).

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

**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	To be determined
Reason for recognition and amount	Gain on sale of ¥1,282 million due to the sale of Tokyo Nissan Taito Building (30% quasi-co-ownership interest) in July 2023
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 July 31, 2023	Amount as of January 31, 2023
	(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	652	
Reversal in the statements of cash distributions	-	
Balance after provision or reversal in the period	¥ 652	

Item	Breakdown
Relevant properties	Futako Tamagawa Rise
Reason for recognition and amount	Gain on sale of ¥4,585 million due to the sale of Tokyu Ginza 2-chome Building in November 2022
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 July 31, 2023	Amount as of January 31, 2023
	(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		¥ 2,935

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

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

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

	July 31, 2023			January 31, 2023		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 22,395	¥ (5,608)	¥ 16,786	¥ 22,257	¥ (5,197)	¥ 17,059
Structures	221	(94)	126	217	(89)	127
Land	78,715	—	78,715	78,711	—	78,711
Other tangible assets						
Machinery and equipment	137	(69)	67	137	(65)	71
Tools, furniture and fixtures	134	(85)	48	131	(80)	50
Construction in progress	3	—	3	1	—	1
Property and equipment held in trust						
Buildings and structures						
Buildings	31,840	(15,310)	16,530	32,574	(15,291)	17,282
Structures	335	(243)	91	335	(237)	98
Land	119,353	—	119,353	119,930	—	119,930
Other tangible assets						
Machinery and equipment	945	(882)	62	973	(901)	71
Tools, furniture and fixtures	272	(239)	32	277	(242)	34
Construction in progress	15	—	15	13	—	13
Sub total	254,369	(22,535)	231,833	255,558	(22,105)	233,452
Intangible assets						
Intangible assets	10	(10)	—	10	(10)	—
Intangible assets held in trust	12	(11)	0	12	(11)	0
Sub total	22	(22)	0	22	(22)	0
Total	¥ 254,392	¥ (22,558)	¥ 231,833	¥ 255,581	¥ (22,128)	¥ 233,453



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

**2. Investment corporation bonds**

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

Name	Issue date	Balance as of July 31, 2023	Decrease during the period	Balance as of January 31, 2023	Annual interest rate	Maturity date	Use of proceeds	Remark
		Millions of yen			%			
6th Series Unsecured Investment Corporation Bonds	October 24, 2019	¥ 1,000	¥ —	¥ 1,000	0.54000	October 24, 2029	Repayment of debt financing	Unsecured/Unguaranteed (Note 1)
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	—	3,000	0.36000	October 14, 2027		
10th Series Unsecured Investment Corporation Bonds (Green Bonds)	January 23, 2023	3,000	—	3,000	1.07400	January 21, 2033	(Note 2)	
<b>Total</b>		<b>¥ 11,000</b>	<b>¥ —</b>	<b>¥ 11,000</b>				

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

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

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

Category	Balance as of July 31, 2023	Increase during the period	Decrease during the period	Balance as of January 31, 2023	Average interest rate (Note 1)	Maturity date	Use of funds	Remark
	Millions of yen				%			
Lender								
Short-term debt								
Sumitomo Mitsui Trust Bank, Limited	¥ —	¥ 1,000	¥ 1,000	¥ —	0.47455	July 7, 2023	(Note 5)	Unsecured and Unguaranteed (Note 2)
Sub total	—	1,000	1,000	—				

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

Category	Balance as of July 31, 2023	Increase during the period	Decrease during the period	Balance as of January 31, 2023	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 (Note 2)
	Development Bank of Japan Inc.	—	—	1,000	1,000			
	Development Bank of Japan Inc.	5,000	—	—	5,000	1.57750	February 26, 2024	Unsecured and Unguaranteed (Notes 2 and 3)
	Development Bank of Japan Inc.	5,000	—	—	5,000	1.26125	June 25, 2025	Unsecured and Unguaranteed (Note 2)
	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 27, 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	Unsecured and Unguaranteed (Note 2)
	Nippon Life Insurance Company	—	—	500	500	0.58000	July 31, 2023	
	MUFG Bank, Ltd.	2,500	—	—	2,500	0.62827	September 26, 2024	Unsecured and Unguaranteed (Notes 2 and 3)
	MUFG Bank, Ltd.	2,500	—	—	2,500	0.65250	March 26, 2025	
	Nippon Life Insurance Company	1,500	—	—	1,500	0.60000	October 10, 2023	Unsecured and Unguaranteed (Note 2)
	MUFG Bank, Ltd.	500	—	—	500	0.68569	December 25, 2025	
	The Dai-ichi Life Insurance Company, Limited	2,000	—	—	2,000	0.90260	July 31, 2028	Unsecured and Unguaranteed (Note 2)
	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	
	MUFG Bank, Ltd.	1,500	—	—	1,500	0.46789	June 28, 2027	
MUFG Bank, Ltd.	400	—	—	400	0.48124			
Sumitomo Mitsui Trust Bank, Limited	400	—	—	400	0.50641	February 29, 2028		
MUFG Bank, Ltd.	1,400	—	—	1,400	0.46876			
MUFG Bank, Ltd.	2,000	—	—	2,000	0.55395			

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

Category	Balance as of July 31, 2023	Increase during the period	Decrease during the period	Balance as of January 31, 2023	Average interest rate (Note 1)	Maturity date	Use of funds	Remark
	Millions of yen				%			
Mizuho Bank, Ltd.	500	—	—	500	0.64089	December 25, 2028	Refinance fund	Unsecured and Unguaranteed (Note 2)
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 26, 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 23, 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 29, 2025		
Nippon Life Insurance Company	1,500	—	—	1,500	0.60055	July 30, 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		
Sumitomo Mitsui Trust Bank, Limited	2,000	—	—	2,000	0.62329	January 27, 2027		
Shinkin Central Bank	2,000	—	—	2,000	0.77489	January 28, 2030		
Sumitomo Mitsui Trust Bank, Limited	1,500	—	—	1,500	0.56282	January 30, 2026	(Note 4)	

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

Category	Balance as of July 31, 2023	Increase during the period	Decrease during the period	Balance as of January 31, 2023	Average interest rate (Note 1)	Maturity date	Use of funds	Remark	
	Millions of yen				%				
Lender					%				
Long-term debt	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 29, 2027	(Note 4)  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				
	Daido Life Insurance Company	1,500	1,500	—	—				0.95125
	MUFG Bank, Ltd.	500	500	—	—	0.58500	June 29, 2026		
Mizuho Trust & Banking Co., Ltd.	1,500	1,500	—	—	1.03690	June 27, 2031			
Development Bank of Japan Inc.	1,000	1,000	—	—	1.25250	June 27, 2033			
Nippon Life Insurance Company	500	500	—	—	0.83036	January 31, 2029			
Sub total	93,500	5,000	5,000	93,500					
Total	¥ 93,500	¥ 6,000	¥ 6,000	¥ 93,500					

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 funds are for the payment of cash distributions.

Note 6. 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	¥ 10,000	¥ 11,200	¥ 13,300	¥ 14,400

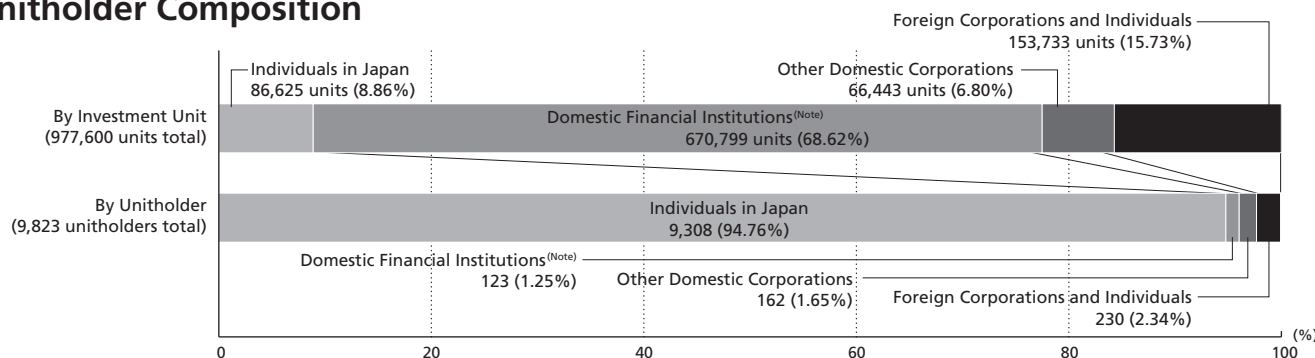


## Unit Price Chart (Note)



(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 Jul. 2023 (FP 40)	Ending Jan. 2024 (FP 41)		Ended Jul. 2023 (FP 40)	Ending Jan. 2024 (FP 41)
Date of settlement	Jul. 31, 2023	Jan. 31, 2024	Delivery of investment management report (Japanese only)	Oct. 16, 2023	Mid. Apr. 2024
Announcement of financial results	Sep. 14, 2023	Mid. Mar. 2024	Payment of cash distributions	Oct. 17, 2023	Mid. Apr. 2024

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

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

### Tokyu Real Estate Investment Management Inc.

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

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

### Address

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

### Established

June 20, 2003

### Executive Director

Yoshitaka Kimura

### 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 January 2021 (FP 35) is on April 15, 2021 and for fiscal period ended July 2021 (FP 36) is on October 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/](http://www.tokyu-reit.co.jp/eng/)).

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

**TOKYU REIT**

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