

**Additional Documentation for  
“Notice Concerning Revision to Expected Operating  
Condition and Distribution Forecast for the Fiscal Period  
Ending January 2023 (39th Fiscal Period) and the Fiscal  
Period Ending July 2023 (40th Fiscal Period)”**

**Announced on October 28, 2022**

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**TOKYU REIT**  
TSE : 8957 <https://www.tokyu-reit.co.jp/eng/>

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## List of abbreviations of properties

Name of Property	Abbreviation
Tokyu Ginza 2-chome Building	Tokyu Ginza 2-chome
Tokyu Toranomom Building	Tokyu Toranomom
Aoyama Oval Building	Aoyama Oval
Meguro Higashiyama Building	Meguro Higashiyama
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Akasaka 4-chome

## Terms Used in the Material

LTV based on total assets	Interest-Bearing Debt / Total Assets
NOI Yield	NOI / Acquisition Price
RH (Rent Holiday)	A type of contract where tenants are exempted from rent payments during a specific period other than the time of move-in among contract types where tenants are exempted from rent payment for a certain period after occupancy in lease agreements.

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

## Main notes

OKI System Center (Land with leasehold interest)	40% of co-ownership interest was disposed on September 28, 2020, 30% of co-ownership interest was disposed on December 24, 2021, and 30% of co-ownership interest was disposed on February 25, 2022.
Setagaya Business Square	Disposed on December 1, 2021.
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Disposed on March 31, 2022.
Tokyu Toranomom Building	Additional acquisition of extended portion was conducted on June 30, 2022.
Futako Tamagawa Rise	Scheduled to be acquired on January 31, 2023.
Tokyu Ginza 2-chome Building	Scheduled to be disposed on November 30, 2022.

# Executive Summary (Updated : October 28, 2022)

	Period Ended Jul. 2022 (FP 38) Actual	Period Ending Jan. 2023 (FP 39) Forecast	Period Ending Jul. 2023 (FP 40) Forecast
<b>External Growth</b>	<ul style="list-style-type: none"> <li>• <b>Property Disposition</b> Akasaka 4-chome OKI System Center (land with leasehold interest) (30%)</li> <li>• <b>Property Acquisition</b> Meguro Higashiyama</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Property Disposition</b> Tokyu Ginza 2-chome</li> <li>• <b>Property Acquisition</b> Futako Tamagawa Rise</li> </ul>	New property sales and purchases were not incorporated upon the preparation of financial results forecast
<b>Gain on sale of real estate, etc.</b>	<b>2,023 million yen</b> <b>(-2,678 million yen)</b>	<b>4,586 million yen</b> <b>(+2,563 million yen)</b>	<b>–</b> <b>(-4,586 million yen)</b>
<b>Internal Growth</b>	<ul style="list-style-type: none"> <li>• Period-end occupancy rate: 91.2% (-6.6pts)</li> <li>• Tokyu Toranomon NOI: -196 million yen</li> <li>• Miscellaneous income (restoration costs, etc.): +165 million yen</li> <li>• (Acquired in FP 37) Aoyama Oval NOI: +56 million yen</li> <li>• (Acquired in FP 38) Meguro Higashiyama NOI: +84 million yen</li> <li>• (Disposed in FP 37) Setagaya Business Square NOI: -313 million yen</li> <li>• (Disposed in FP 38) Akasaka 4-chome NOI: -167 million yen</li> <li>• (Disposed in FP 38) OKI System Center (land with leasehold interest)(Note 2) NOI: -63 million yen</li> </ul>	<ul style="list-style-type: none"> <li>• Period-end occupancy rate: 99.2% (+8.0pts)</li> <li>• Tokyu Toranomon NOI: +276 million yen</li> <li>• Miscellaneous income (restoration costs, etc.): -195 million yen</li> <li>• Aoyama Oval Termination of rent holiday: +102 million yen</li> <li>• Difference in utilities income and expenses: -84 million yen</li> <li>• (Disposed in FP 39) Tokyu Ginza 2-chome NOI: -88 million yen</li> </ul>	<ul style="list-style-type: none"> <li>• Period-end occupancy rate: 99.3% (+0.1pts)</li> <li>• Tokyu Toranomon NOI: +162 million yen</li> <li>• Move-ins and move-outs of tenants (excluding Tokyu Toranomon): +126 million yen</li> <li>• Fixed property tax and city planning tax: +64 million yen</li> <li>• (Acquired in FP 39) Futako Tamagawa Rise NOI: +460 million yen</li> <li>• (Disposed in FP 39) Tokyu Ginza 2-chome NOI: -39 million yen</li> </ul>
<b>NOI</b>	<b>4,395 million yen</b> <b>(-375 million yen)</b>	<b>4,518 million yen</b> <b>(+122 million yen)</b>	<b>5,186 million yen</b> <b>(+668 million yen)</b>
<b>Operating income</b>	<b>4,732 million yen</b> <b>(-2,748 million yen)</b>	<b>7,299 million yen</b> <b>(+2,566 million yen)</b>	<b>3,402 million yen</b> <b>(-3,896 million yen)</b>
<b>Finance (Note 1)</b>	<ul style="list-style-type: none"> <li>• Interest expenses: -16 million yen (Average interest rate: 0.80% (+0.01pts))</li> <li>• LTV based on total assets : 41.4% (-0.2pts)</li> </ul>	<ul style="list-style-type: none"> <li>• Interest expenses: -3 million yen (Average interest rate: 0.77% (-0.03pts))</li> <li>• LTV based on total assets : 43.5% (+2.1pts)</li> </ul>	<ul style="list-style-type: none"> <li>• Interest expenses: +17 million yen (Average interest rate: 0.74% (-0.03pts))</li> <li>• LTV based on total assets : 43.7% (+0.2pts)</li> </ul>
<b>Net income</b> [per unit]	<b>4,339 million yen</b> <b>(-2,731 million yen)</b> <b>4,438 yen</b> <b>(-2,795 yen)</b>	<b>6,907 million yen</b> <b>(+2,568 million yen)</b> <b>7,066 yen</b> <b>(+2,628 yen)</b>	<b>3,000 million yen</b> <b>(-3,907 million yen)</b> <b>3,069 yen</b> <b>(-3,997 yen)</b>
<b>Provision of reserve for reduction entry</b> [per unit]	<b>423 million yen</b> <b>(+423 million yen)</b> <b>433 yen</b> <b>(+433 yen)</b>	<b>–</b> <b>(-423 million yen)</b> <b>–</b> <b>(-433 yen)</b>	<b>–</b>
<b>Provision of reserve for reduction entry of replaced property</b> [per unit]	<b>–</b> <b>(-3,209 million yen)</b> <b>–</b> <b>(-3,283 yen)</b>	<b>2,958 million yen</b> <b>(+2,958 million yen)</b> <b>3,025 yen</b> <b>(+3,025 yen)</b>	<b>–</b> <b>(-2,958 million yen)</b> <b>–</b> <b>(-3,025 yen)</b>
<b>Reversal of reserve for reduction entry</b> [per unit]	<b>–</b>	<b>–</b>	<b>323 million yen</b> <b>(+323 million yen)</b> <b>330 yen</b> <b>(+330 yen)</b>
<b>Distribution per unit</b>	<b>4,005 yen</b> <b>(+55 yen)</b>	<b>4,040 yen</b> <b>(+35 yen)</b>	<b>3,400 yen</b> <b>(-640 yen)</b>

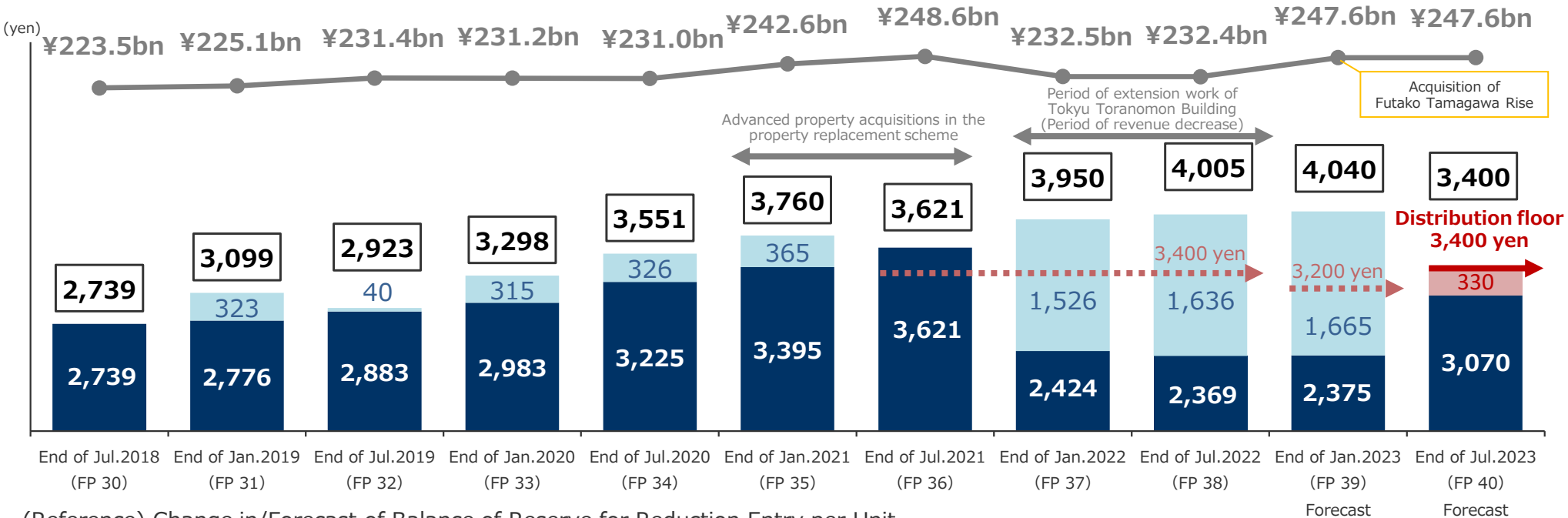
(Note 1) Borrowings and investment corporation bonds

(Note 2) Total value of the full-period impact of the disposition (30% ownership interest) in the fiscal period ended January 2022 (FP 37) and the impact of the disposition (30% ownership interest) in the fiscal period ended July 2022 (FP 38).

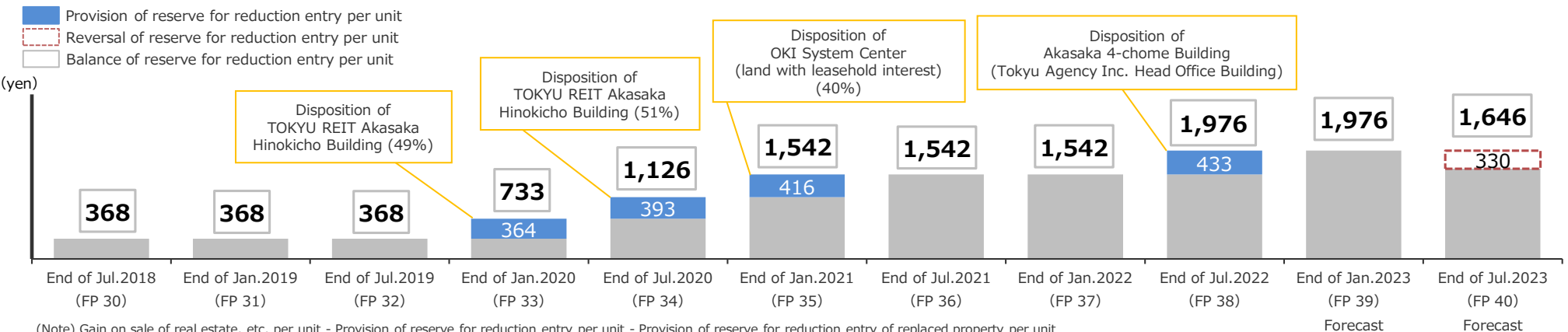
\* Figures in parentheses are comparison with previous fiscal period

# Trend and Guidance for Distribution per Unit (Updated : October 28, 2022)

- Distribution per unit
- Gain on sale, etc. per unit (Note)
- Distribution per unit (exclusive of gain on sale, etc. (Note))
- Reversal of reserve for reduction entry per unit
- Change in asset size (based on acquisition price)



(Reference) Change in/Forecast of Balance of Reserve for Reduction Entry per Unit



(Note) Gain on sale of real estate, etc. per unit - Provision of reserve for reduction entry per unit - Provision of reserve for reduction entry of replaced property per unit

# Financial Results Forecast

(FP ending Jan. 2023 (FP 39) and FP ending Jul. 2023 (FP 40) ) (Updated : October 28, 2022)

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

(Unit: million yen)

Item	FP ended Jul. 2022 Actual (FP 38)	FP ending Jan. 2023 Forecast (FP 39)			Change (PoP)	FP ending Jul. 2023 Forecast (FP 40)			Change (PoP)	
		① As of Oct. 28, 2022	② As of Sep. 14, 2022	①-② Change (Change from previous forecast)		① As of Oct. 28, 2022	② As of Sep. 14, 2022	①-② Change (Change from previous forecast)		
Operating revenues (A)	8,671	11,295	6,730	4,565	2,624	7,615	7,682	-67	-3,679	
Revenues from real estate operation (B)	6,637	6,708	6,730	-21	71	7,615	7,682	-67	907	
Rental revenues	6,054	6,223	6,243	-19	168	7,089	7,148	-58	866	
Other rental revenues	582	485	487	-1	-97	525	534	-8	40	
Gain on sale of real estate, etc.	2,023	4,586	—	4,586	2,563	—	—	—	-4,586	
Revenues from facility acceptance	10	—	—	—	-10	—	—	—	—	
Operating expenses (C)	3,938	3,995	3,841	154	57	4,213	4,307	-94	217	
Expenses from real estate operation	3,065	3,056	3,080	-24	-9	3,400	3,488	-87	344	
Expenses (D)	2,241	2,189	2,202	-13	-51	2,428	2,482	-53	239	
NOI (B) - (D)	4,395	4,518	4,527	-8	122	5,186	5,199	-13	668	
Depreciation	820	861	872	-11	40	966	1,000	-33	105	
Loss from the retirement of fixed assets	3	5	5	—	1	5	5	—	—	
Other operating expenses	873	939	761	178	66	812	819	-7	-127	
Investment management fee	663	748	617	130	84	672	679	-6	-75	
Operating income (A) - (C)	4,732	7,299	2,888	4,411	2,566	3,402	3,374	27	-3,896	
Non-operating revenues	3	2	2	—	-0	0	0	—	-1	
Non-operating expenses	395	393	400	-7	-2	401	432	-31	8	
Interest expenses	331	336	335	0	5	362	377	-15	25	
Interest of investment corporation bonds	37	28	33	-4	-8	20	29	-8	-8	
Ordinary income	4,340	6,908	2,489	4,418	2,568	3,001	2,942	58	-3,907	
Net income	4,339	6,907	2,488	4,418	2,568	3,000	2,941	58	-3,907	
Information per unit	Net income per unit (EPS) (¥)	4,438	7,066	2,546	4,520	2,628	3,069	3,009	60	-3,997
	Amount of provision of reserve for reduction entry per unit (¥)	433	—	—	—	-433	—	—	—	—
	Amount of reversal of reserve for reduction entry per unit (¥)	—	—	653	-653	—	330	390	-60	330
	Amount of provision of reserve for reduction entry of replaced property per unit (¥)	—	3,025	—	3,025	3,025	—	—	—	-3,025
	Distribution per unit (DPU) (¥)	4,005	4,040	3,200	840	35	3,400	3,400	—	-640
Others	Occupancy rate (%)	91.2	99.2	97.9	1.3pts	8.0pts	99.3	99.4	-0.1pts	0.1pts
	NOI yield (Note) (%)	3.83	3.88	3.86	0.02pts	0.05pts	4.22	4.15	0.07pts	0.34pts

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

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