

Summary of Q&A at Analyst Meeting (Telephone Meeting)
for the Fiscal Period Ended July 2026 (FP 46) Held on September 15, 2026
TOKYU REIT, Inc.

[Q&A]

<Questioner A>

(Q: A-1) There has been a decrease in the Adjusted EPS^(Note) forecast for the fiscal period ending July 2027 (FP 48) compared with actual results. Could you please explain the factors behind this?

(A: A-1) With regard to rent revenues, growth has accelerated against the backdrop of a strong rental market. We anticipate annual growth of 3.2% from the fiscal period ended July 2026 (FP 46) through the fiscal period ending July 2027 (FP 48). Meanwhile, the Adjusted EPS forecast has decreased temporarily for the fiscal period ending July 2027 (FP 48) due to the impact of increased costs in the form of fixed property tax and city planning tax, as well as repair and maintenance costs. We expect an increase in fixed property tax and city planning tax in conjunction with building revaluations in FY 2027. As for repair and maintenance costs, they will be elevated temporarily due to the early property disposition and the planned concentration of construction work in line with the recording on gain of real estate, etc. We expect normalized levels of repair and maintenance costs at around ¥250 million, and expect them to normalize from the fiscal period ending January 2028 (FP 49).

(Note) Adjusted EPS = EPS — Gain on sale of real estate, etc. per unit

+ Amount of reversal of reserve for reduction entry of replaced property (building) per unit

(Q: A-2) To achieve the Adjusted EPS Medium-term Target, you've stated that you're planning ¥30-35 billion in property acquisitions, excluding those already publicly disclosed. Could you please explain what types of properties you are considering acquiring? Has your acquisition approach changed given the current rise in interest rates?

(A: A-2) Current implied cap rates are in the mid-3% range. While it will depend on the specifics of the property to be acquired, our aim is to acquire properties with NOI yields that do not deviate significantly from this range. It is challenging to secure a property with both high yields and growth potential.

As such, our strategy is to acquire a combination of multiple types of properties. This combination is comprised of growth model properties (properties that offer low yields at the time of acquisition but are expected to grow in the medium to long term), balanced model properties (properties that offer a balanced combination of yield and growth potential), and income-focused model properties (properties that offer high yields at the time of acquisition with strong earnings contribution). We are discussing each type of property with our sponsors without any particular bias. We are exploring the acquisition of growth model properties, but with interest rates having risen sharply recently and real estate prices remaining at high levels, our policy is to make acquisition decisions carefully.

<Questioner B>

(Q: B-1) You have indicated that you assume the Bank of Japan's policy interest rate will reach 1.5% during the first half of 2027. Please tell us your thoughts on interest rate trends through the fiscal period ending July 2028 (FP 50).

(A: B-1) Currently, we expect two hikes in the Bank of Japan's policy interest rate. The first is expected to come within this year, and the second within the first half of 2027. In the event that there is a third rate hike and the policy interest rate rises to 1.75%, we have calculated the impact on distributions per unit to be roughly ¥20-30, and believe that this change is well within the range to be covered by internal growth.

(Q: B-2) With regard to external growth on page 8 of your financial results presentation, you mentioned the possibility that anticipated effects may not be achieved if borrowing costs rise further. Is there a possibility that the ratio of income-focused model properties will rise, depending on borrowing costs?

(A: B-2) While we believe that the acquisition of income-focused model properties is critical for current contributions to distributions, we would also like to acquire properties with future growth potential in combination with them. In addition, depending on future market conditions, we may consider the acquisition of our own investment units as an option in addition to property acquisitions. As such, we will continue to consider the optimal measures from both external growth and capital policy perspectives.

<Questioner C>

(Q: C-1) You disclosed the acquisition of STYLIO SHIN-MARUKO EKIMAE at the same time as you announced your financial results. Could you please provide an update on the status of your consideration regarding the acquisition of preferential negotiation rights for the five residential properties disclosed in March 2026?

(A: C-1) While we have the preferential negotiation rights, this doesn't necessarily mean that we will proceed with an acquisition. Rather, we will consider acquisitions if we can agree on terms through future negotiations.

(Q: C-2) You have set a target of annual growth in rental revenues of 3.5% or higher. Could you please explain the feasibility of achieving this target and the background behind setting it?

(A: C-2) We expect rental revenues to grow at 3.2% per annum from the fiscal period ended July 2026 (FP 46) through the fiscal period ending July 2027 (FP 48). We have raised this annual growth target from 3%, which was set six months prior, to 3.5% or higher. Taking into account current increases in market rents, we conducted a simulation assuming that market rents grow by roughly 4% per fiscal period, with fixed-term tenants up for contract renewal accepting rent increases above market rents, and half of regular tenants accepting rent increases that close half of the rent gap. Based on actual results and our outlook, we believe there is a high likelihood of achieving this target.

<Questioner D>

(Q: D-1) You mentioned that there are retail tenants in the Shibuya area who are growing their sales through service consumption needs rather than merchandise sales. Do you have any concrete examples of this within your portfolio?

(A: D-1) In city centers with high entertainment value, such as Shibuya, we are seeing an increase in tenants that are generating revenue through not only merchandise sales but also service consumption needs and experience services, supported by inbound demand. One property in our portfolio that comes to mind is QFRONT. QFRONT is a high-value property with future growth potential, but tenants are regular lease tenants, and the rent structure is not linked to sales. We would like to continue engaging in

dialogue with our tenants and communicating with them to increase revenue for both parties.