Summary of Q&As at Analyst Meeting (Telephone Meeting)
for the Fiscal Period Ended July 2025 (FP 44) Held on September 12, 2025
TOKYU REIT, Inc.

[Q&A]

<Questioner A>

(Q: A-1) I understand that the achievement period for the Adjusted EPS* Medium-term target of 3,500 yen, which was set as the fiscal period ending January 2027 in the previous financial results, has been pushed back to the fiscal period ending July 2028. Is this due to the early property disposition? And is internal growth steadily progressing?

(A: A-1) We changed the target achievement period to the fiscal period ending July 2028 in conjunction with our plan to acquire alternative properties in stages across multiple fiscal periods using the funds from the disposition of TOKYU REIT Shimokitazawa Square and the second and third installment for the disposition of TOKYU REIT Toranomon Building. To achieve the Medium-term target of Adjusted EPS, external growth is a key factor along with internal growth, and we are holding detailed individual discussions with our sponsor about multiple properties. As for internal growth, upward rent revisions are progressing well. While the achievement period for the Medium-term target of Adjusted EPS will be delayed somewhat, we plan to ensure a high growth rate of 18.5% during the two years from the fiscal period ending July 2026 to the fiscal period ending July 2028, and we will steadily promote various measures so that we can reach the target level as soon as possible.

*Adjusted EPS = EPS - Gain on sale of real estate, etc. per unit + Amount of reversal of reserve for reduction entry of replaced property per unit

(Q: A-2) New property acquisitions of around 25 to 30 billion yen are factored into the breakdown for achieving the Medium-term target of Adjusted EPS. Could you tell us about the status of discussions with the sponsor and the possibility of acquiring properties from them?

(A: A-2) We plan to acquire properties in stages for a total of 25 to 30 billion yen utilizing sponsor pipeline support. First, in connection with the provision of reserve for reduction entry of replaced property associated with the first installment for the disposition of TOKYU REIT Toranomon Building, it will be necessary to acquire a comparable property by the fiscal period ending July 2026, and discussions with the sponsor are under way. The sponsor is undertaking multiple large-scale redevelopment projects in key areas along its railway lines, such as in Shibuya, and controlling the total amount of investment capital from a medium- to long-term perspective is increasingly important. In its current Three-year Medium-term Management Plan (FY2024 to FY2026), the sponsor has stated that it will implement cyclical re-investment through liquidation of owned assets by using TOKYU REIT and other methods, and it is planning to sell properties totalling 70 billion yen. We will continue to hold discussions with the sponsor aimed at property acquisition in stages.

<Questioner B>

(Q: B-1) It has been announced that completion of part of the sponsor's redevelopment around Shibuya Station area will be delayed due to the impact of soaring construction costs and other factors. Due to this, is it possible that the sponsor's demand for funds will diminish? Or will there be no change in its demand for funds?

(A: B-1) While the schedule for part of the redevelopment has been delayed, construction has begun and the project is steadily progressing. Since there is no change in the asset contributions policy indicated in the sponsor's current Three-year Medium-term Management Plan (FY2024 to FY2026), we consider that there will no effect due to the change in the redevelopment schedule.

(Q: B-2) With regard to internal growth of retail facilities, are sales progressing well at retail stores, and is any sales-linked rent being generated?

(A: B-2) At Futako Tamagawa Rise, although the ownership ratio of TOKYU REIT is small, sales-linked rent has been set for many tenants, and since sales are strong, we aim to steadily increase it. As for the retail facilities located in the Shibuya area, performance is strong in the area as a whole, and we secure rent revenue from fixed rent rather than sales-linked rent due to the business structure of the properties owned by TOKYU REIT.

<Questioner C>

(Q: C-1) The current office market is favorable, but how long do you see this environment will continue? Please tell us what you forecast.

(A: C-1) At present, we are realizing upward rent revision and replacement at higher rent under the strong market conditions, and going forward, we expect annual rent revenue growth of 2% or more as we seek to achieve our Medium-term target of Adjusted EPS. Since that includes tenants with whom higher rents have already been agreed, we believe it is highly probable that we will achieve this.

(Q: C-2) With regard to external growth, we expect property acquisition from sponsor, but what kind of properties are you planning to acquire?

(A: C-2) We are considering the acquisition of properties expected to have profitability and growth potential located in the Tokyo Central 5 Wards and along Tokyu Areas, mainly from the sponsor pipeline. Our focus is on the growth potential and competitiveness of area and location rather than asset type. When replacing properties, our policy is to acquire properties with yields that exceeds the yield based on the disposition price of the disposed property while being mindful of the implied cap rate.