

March 17, 2025

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JANUARY 2025

TOKYU REIT, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8957.
URL: <https://www.tokyu-reit.co.jp/eng/>

Contact: Tokyu Real Estate Investment Management Inc. (Investment Management Company)
Yoshitaka Kimura, Representative Director & President, Chief Executive Officer
Tatsumi Yamagami, Representative Director & Executive Vice President, Chief Financial Officer
Tel: +81-3-5428-5828

Planned date of filing Securities Report: April 25, 2025
Planned start of dividend payments: April 16, 2025

Supplementary documents for results: YES
Results briefing (for institutional investor and analysts): YES

This financial report has been prepared in accordance with Japanese accounting standards and Japanese law.
Figures have been rounded down to eliminate amounts of less than one million yen.

PERFORMANCE FOR THE FISCAL PERIOD ENDED JANUARY 2025 (August 1, 2024 – January 31, 2025)

(1) Business Results

Percentage change shows the increase and decrease ratio to the previous period.

	Operating Revenues		Operating Income		Ordinary Income	
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)
Period Ended January 2025	9,742	0.8	5,171	-0.2	4,706	-1.0
Period Ended July 2024	9,667	7.9	5,184	7.0	4,751	7.7

	Net Income		Net Income per Unit	Return on Unitholders' Equity (ROE)	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	(Millions of Yen)	(%)	(Yen)	(%)	(%)	(%)
Period Ended January 2025	4,705	-1.0	4,812	3.8	1.9	48.3
Period Ended July 2024	4,750	7.7	4,859	3.8	1.9	49.2

(2) Distributions

	Distribution per Unit	Total Distributions	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	(Yen)	(Millions of Yen)	(Yen)	(Millions of Yen)	(%)	(%)
Period Ended January 2025	4,002	3,912	-	-	83.2	3.1
Period Ended July 2024	3,800	3,714	-	-	78.2	3.0

Note: The payout ratio is calculated by the following formula.

$$\text{Payout Ratio} = \text{Total Distributions} / \text{Net Income} \times 100$$

Distribution per unit for the fiscal period ended January 2025 is calculated by dividing by the total number of units issued and outstanding the amount obtained after adding ¥85 million of reversal of reserve for reduction entry of replaced property to net income and subtracting ¥877 million of provision of reserve for reduction entry of replaced property from unappropriated retained earnings.

Distribution per unit for the fiscal period ended July 2024 is calculated by dividing by the total number of units issued and outstanding the amount obtained after adding ¥65 million of reversal of reserve for reduction entry of replaced property to net income and subtracting ¥1,101 million of provision of reserve for reduction entry of replaced property from unappropriated retained earnings.

(3) Financial Position

	Total Assets	Net Assets	Unitholders' Capital to Total Assets	Net Assets per Unit
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Period Ended January 2025	246,612	125,636	50.9	128,515
Period Ended July 2024	249,945	124,646	49.9	127,502

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of Period
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Period Ended January 2025	11,022	-593	-8,713	5,910
Period Ended July 2024	7,864	-16,618	3,334	4,195

FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JULY 2025 (February 1, 2025 – July 31, 2025) AND THE FISCAL PERIOD ENDING JANUARY 2026 (August 1, 2025 – January 31, 2026)

Percentage change shows the increase and decrease ratio to the previous period.

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit	Distribution in Excess of Earnings per Unit
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Yen)	(Yen)
Period Ending July 2025	9,649	-1.0	5,151	-0.4	4,690	-0.3	4,689	-0.3	4,000	-
Period Ending January 2026	9,834	1.9	5,078	-1.4	4,582	-2.3	4,581	-2.3	4,000	-

Reference: Estimated net income per unit for the Fiscal Period Ending July 2025: ¥4,796
 Estimated net income per unit for the Fiscal Period Ending January 2026: ¥4,686
 Total number of investment units issued and outstanding for the Period Ending July 2025: 977,600 units
 Total number of investment units issued and outstanding for the Period Ending January 2026: 977,600 units

Note: Distribution per unit for the fiscal period ending July 2025 is assumed to be distributed through reversal of part of the reserve for reduction entry of replaced property (¥88 million) after subtracting provision of reserve for reduction entry of replaced property (¥867 million) from net income.
 Distribution per unit for the fiscal period ending January 2026 is assumed to be distributed through reversal of part of the reserve for reduction entry of replaced property (¥91 million) after subtracting provision of reserve for reduction entry of replaced property (¥762 million) from net income.

OTHERS

(1) Changes in Account Policies, changes in accounting estimates, and restatement of accounting errors

Changes according to revision of account standard: No

Changes according to another reason: No

Changes in accounting estimates: No

Restatement of accounting errors: No

(2) Total number of investment units issued and outstanding

The total number of investment units issued and outstanding is 977,600 units as of January 31, 2025 and 977,600 units as of July 31, 2024.

No investment unit is held by TOKYU REIT itself as of January 31, 2025 and July 31, 2024.

Note 1: Status of auditing procedure

This summary of financial results is not subject to audit procedures by certified public accountant or audit firm.

Note 2: Forecasts for operating revenues, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may differ significantly from actual results due to changes in operating conditions and a variety of factors. Accordingly, TOKYU REIT does not guarantee any distribution amount.

Forecasts presented in this document are based on “Assumptions for Forecasts for the Fiscal Period Ending July 2025 and the Fiscal Period Ending January 2026” identified in the separate reference attached.

Assumptions for Forecasts for the Fiscal Period Ending July 2025 and the Fiscal Period Ending January 2026

Forecasts for operating revenues, operating income, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit for the fiscal period ending July 2025 and the fiscal period ending January 2026 are based on the following preconditions and assumptions. If major discrepancies between the following assumptions and initial forecast are found, and if they may cause a certain level of change in forecast figures displayed above, a revised forecast shall be drafted and announced immediately.

	Preconditions and Assumptions
Property portfolio	<ul style="list-style-type: none"> Regarding the 29 properties owned by TOKYU REIT as of January 31, 2025, it is assumed that 30% co-ownership interest in TOKYU REIT Toranomon Building will be disposed on April 9, 2025, 30% co-ownership interest on January 30, 2026 and 40% co-ownership interest on February 27, 2026, respectively.
Operating revenues	<ul style="list-style-type: none"> Rental revenue is calculated in consideration of rent level, occupancy rate, etc. fluctuation factors in light of recent real estate market conditions, state of negotiations with tenants, presence of competitive properties in the area, etc. In addition, there is assumed to be no payment delay or nonpayment by tenants. Gain on sale of real estate, etc. of ¥1,906 million in the fiscal period ending July 2025, and gain on sale of estate, etc. of ¥1,930 million in the fiscal period ending January 2026 resulting from the disposition of TOKYU REIT Toranomon Building are projected. Occupancy Rates as of the end of the fiscal period ending July 2025 and the fiscal period ending January 2026 are projected to be 98.7% and 99.6%, respectively.
Operating expenses	<ul style="list-style-type: none"> Outsourcing expenses for the fiscal period ending July 2025 and the fiscal period ending January 2026 are projected to be ¥563 million and ¥594 million, respectively. Repair, maintenance and renovation expenses for buildings for the fiscal period ending July 2025 and the fiscal period ending January 2026 are projected to be ¥219 million and ¥376 million, respectively. In an aim to improve the competitiveness of properties and the satisfaction of tenants under management, etc., constructions scheduled in the future will be implemented with priority. Actual repair, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies and the others. Property and other taxes, such as fixed property tax and city planning tax, on real estate TOKYU REIT possesses are calculated based on the amount expected to be imposed in each fiscal period (Period Ending July 2025: ¥800 million / Period Ending January 2026: ¥794 million). Fixed property tax and other taxes paid as part of the purchase prices to the seller upon the property acquisition were not recorded as expenses but included in the relevant property acquisition costs. Depreciation and amortization expenses, including associated costs related to the acquisition of real estate and additional capital expenditure in the future, are calculated based on the straight-line method (Period Ending July 2025: ¥991 million / Period Ending January 2026: ¥1,005 million). Rental expenses other than those listed above are calculated in consideration of fluctuation factors based on results in past fiscal periods. Operating expenses other than expenses from real estate operation (investment management fees and asset custodian fees, etc.) for the fiscal period ending July 2025 and the fiscal period ending January 2026 are expected to be ¥926 million and ¥927 million, respectively.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses for the fiscal period ending July 2025 and the fiscal period ending January 2026 are expected to be ¥433 million and ¥466 million, respectively. Interest expenses include interest expense and interest expense on investment corporation bonds.
Interest-Bearing Debt	<ul style="list-style-type: none"> The balance of interest-bearing debt as of January 31, 2025, is ¥106,500 million (long-term debt of ¥95,500 million and investment corporation bonds of ¥11,000 million). As for long-term debt of ¥7,500 million due for repayment in the fiscal period ending July 2025, it is assumed that it will be entirely refinanced. As for long-term debt of ¥5,500 million due for repayment in the fiscal period ending January 2026, it is assumed that it will be entirely refinanced. Balance of interest-bearing debt as of the end of the fiscal period ending July 2025 and the fiscal period ending January 2026 are projected to be ¥106,500 million (long-term debt of ¥95,500 million and investment corporation bonds of ¥11,000 million). LTVs as of the end of the fiscal period ending July 2025 and the fiscal period ending January 2026 are projected to be 43.1% and 43.0%, respectively. (LTV: Interest-bearing debt (forecast) / total assets (forecast))

Total number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed that there will be no additional issuance of investment units to the 977,600 units issued and outstanding as of today, through the end of the fiscal period ending January 2026. The impact of the acquisition and cancellation of own investment units is not considered in the forecasts as it has not been finalized as of this document's publication.
Distribution per unit	<ul style="list-style-type: none"> Distribution per unit is calculated based on the distribution policy stipulated in the Articles of Incorporation. Calculations are based on a 100% distribution of retained earnings. Forecasts are based on the assumption that, as for the capital gain projected from the disposition of TOKYU REIT Toranomon Building, ¥867 million of the ¥1,906 million in capital gains projected, which is to be posted in the fiscal period ending July 2025, and ¥762 million of the ¥1,930 million in capital gains projected, which is to be posted in the fiscal period ending January 2026, are retained through application of the "Special Provisions for Taxation in Cases of Repurchase of Specified Assets" (Article 65-7 of the Act on Special Measures Concerning Taxation) for provision as reserve for reduction entry of replaced property as stipulated in the "Ordinance on Accountings of Investment Corporations." Distribution for the fiscal period ending July 2025 is assumed to be distributed through reversal of part of the reserve for reduction entry of replaced property (¥88 million). Distribution for the fiscal period ending January 2026 is assumed to be distributed through reversal of part of the reserve for reduction entry of replaced property (¥91 million). It is possible that the distribution per unit could change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> TOKYU REIT does not currently anticipate distribution in excess of earnings per unit.
Other	<ul style="list-style-type: none"> Forecasts are based on the assumption that any major revisions to regulatory requirements, accounting standards and taxation will not impact forecast figures. Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations. This notice is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese notice shall prevail in the event of any discrepancies between the translation and the Japanese original.