

July 13, 2018

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**Notice Concerning Acquisition (Lucid Square Ebisu)
and Disposition (TOKYU REIT Kiba Building)
of Trust Beneficiary Interest in Domestic Real Estate**

TOKYU REIT, Inc. (“TOKYU REIT”) today announced that its investment management company, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”), has decided to acquire trust beneficiary interest in domestic real estate and dispose of trust beneficiary interest in domestic real estate (respectively referred to as the “Acquisition” and the “Disposition”) (the Acquisition and the Disposition collectively referred to as the “Transactions”). Brief details are as follows.

1. Transaction Details

1.1 Acquisition Details

- | | |
|---------------------------------|---|
| (1) Type of Acquisition: | Trust beneficiary interest in domestic real estate |
| (2) Property Name: | Lucid Square Ebisu |
| (3) Use: | Office, retail and parking |
| (4) Acquisition Price: | ¥4,500 million
(Excluding acquisition-related costs, property tax, city planning tax, etc.) |
| (5) Contract Date: | July 13, 2018 (Friday) |
| (6) Scheduled Acquisition Date: | August 1, 2018 (Wednesday) |
| (7) Seller: | Domestic special purpose company (SPC)
(Please refer to the “6. Seller and Purchaser Profile”) |
| (8) Financing: | Disposition price and cash on hand |

1.2 Disposition Details

- | | |
|---|---|
| (1) Type of Disposition: | Trust beneficiary interest in domestic real estate |
| (2) Property Name: | TOKYU REIT Kiba Building |
| (3) Use: | Office, retail and parking |
| (4) Disposition Price: | ¥4,250 million |
| (5) Book Value: | ¥3,861 million (Expected value as of the scheduled disposition date) |
| (6) Amount of Difference
from Disposition Price: | ¥388 million (Expected value as of the scheduled disposition date) |
| (7) Contract Date: | July 13, 2018 (Friday) |
| (8) Scheduled Disposition Date: | August 1, 2018 (Wednesday) |
| (9) Purchaser: | Domestic Special purpose company (SPC)
(Please refer to the “6. Seller and Purchaser Profile”) |

2. Rationale

The Transactions are being conducted in accordance with the “Scope and Policy of Investment Management” as outlined in the Articles of Incorporation of TOKYU REIT. The rationale behind the Acquisition and the Disposition is as follows:

(1) Acquisition of Lucid Square Ebisu

The Ebisu area where Lucid Square Ebisu (the “to-be-acquired asset”) is situated forms a conurbation with the Shibuya area, enjoying transportation convenience, a full range of restaurants, etc., and thus is an area that has strong appeal for foreign, apparel, service-related and IT companies. Furthermore, with few large properties and limited supply of new properties, the area has continued to see stable demand as evident in the office vacancy rate remaining at 0.6% (Note 1) in recent years. In addition, the redevelopment of Shibuya station area led by Tokyu Corporation, TOKYU REIT’s sponsor, is likely to increase the non-resident population of not only Shibuya but also other surrounding areas such as Ebisu, Daikanyama, Harajuku, Omotesando to further enhance the value of the Ebisu area going forward.

The to-be-acquired asset is an office building located approximately a 3-minute walk from Ebisu Station on the JR Yamanote Line and Tokyo Metro Hibiya Line, and the vicinity is concentrated with medium to small office buildings and restaurants. Despite being 26 years old, both the exterior and interior of the building have been adequately renovated and thus the to-be-acquired asset enjoys strong competitiveness in the area, helped also by the proximity to Ebisu.

In addition, the NOI yield calculated based on the expected rent level and occupancy rate of the to-be-acquired asset as of the scheduled acquisition date is 3.2% (Note 2), but the yield is assumed to be 3.7% in the medium to long term, factoring in internal growth generated by future management efforts.

(Note 1) As of the end of March 2018; Source: CBRE K.K.’s “Japan Office Market View” “Shibuya/Ebisu Area”

(Note 2) Calculation premised on projection of future occupancy rate as of the end of January 2019 (82.6%)

(2) Disposition of TOKYU REIT Kiba Building

TOKYU REIT acquired TOKYU REIT Kiba Building (the “to-be-disposed asset”) in October 2010. Although 26 years have passed since its completion, TOKYU REIT has maintained a high occupancy rate by continuously putting forth efforts to maintain/improve the asset value, such as carrying out external wall renovation in 2011 and common area renovation in 2013.

However, continuing to maintain/improve competitiveness of the to-be-disposed asset will require upgrading of key facilities, large-scale repair, etc.; and a major tenant occupants is scheduled to move out on July 31, 2018. TOKYU REIT is aware of the challenges that lie ahead in addressing these points.

Under such circumstances, with the purchaser indicating an intention to purchase the asset, TOKYU REIT has judged that disposition would be the optimal choice in the current market environment.

As a result of asset replacement of the to-be-acquired asset mentioned in (1) above and the to-be-disposed asset mentioned in (2) above, TOKYU REIT will own a favorably-located property in Shibuya ward, which falls under both the Tokyo Central 5 Wards and Tokyu Areas, TOKYU REIT’s main investment target areas. This is expected to further stabilize cash flows and increase total return (Note), and also improve portfolio quality, eventually resulting in enhancement of unitholder value.

TOKYU REIT will continue to conduct investment management while closely monitoring trends in capital and real estate investment markets, all while adhering to its investment policy. TOKYU REIT will strive to form a portfolio that leads to an improvement in asset value and growth of net income per investment unit.

(Note) Comprises each fiscal period’s income return (rental income, etc.) and future capital return (gain on sale)

3. Property Details

Property Name		Lucid Square Ebisu				
Type of Specified Asset		Trust beneficiary interest in domestic real estate				
Trustee Trust Period		Mitsubishi UFJ Trust and Banking Corporation From May 31, 2005 to July 31, 2028 (planned)				
Location	Registered	Land 3-2-11 Higashi, Shibuya-ku, Tokyo				
		Building 3-2-11 Higashi, Shibuya-ku, Tokyo				
	Residential	3-25-11 Higashi Shibuya-ku, Tokyo				
Access		Approximately a 3-minute walk from Ebisu Station, JR Yamanote Line and Tokyo Metro Hibiya Line				
Use		Office, retail and parking				
Area Classification		Commercial district				
Site/Floor Area (Registered)		Land 478.40 m ²				
		Building 2,603.30 m ²				
Structure (Registered)		S, SRC, B1F/7F				
Completion Date (Registered)		April 1992				
Design Company		Consortium comprised of First-Class Architect Office, Taku Co., Ltd. and Kotsu Kenchiku Architects Inc.				
Construction Company		ANDO Corporation				
Inspection Authority		Shibuya ward				
Earthquake Resistance		PML (Probable Maximum Loss) of 5.5% is based on the earthquake risk assessment (detailed) report prepared by Engineering and Risk Services Corporation and OYO RMS Corporation. PML refers to the expected damages caused by earthquakes. Although there is no single authoritative definition of PML, it refers to the percentage of expected damages caused by a small-to large-scale earthquake that may happen within the next 475 years to the replacement value. Calculations also include data relating to individual property surveys, assessment of building conditions, conformity to architectural design, ground conditions of the relevant site, surveys of local areas and structural evaluation.				
Type of Ownership		Land Proprietary ownership				
		Building Proprietary ownership				
Acquisition Price		¥4,500 million				
Appraisal Value		¥4,700 million (effective date of value: June 30, 2018)				
		Appraiser: Japan Valuers Co., Ltd.				
Building Assessment Reporter		SHIMIZU CORPORATION				
Date of Building Assessment Report		June 6, 2018				
Property Management Company		Tokyu Corporation				
Security/Guarantee		None				
Special Items		Although a fire-fighting equipment inspection has pointed out a need for replacement of a flowmeter, this is to be corrected before the acquisition under the seller's responsibility and at the seller's expense.				
Tenant Details	Total Number of Tenants	8				
	Total Rental Income	182 million a year				
	Lease Deposits and Guarantee Deposits	121 million (as of May 31, 2018)				
	Estimated NOI	145 million a year				
	Estimated NOI after depreciation	124 million a year				
	Total Leased Area	1,879.17 m ² (entire building)				
	Total Rentable Area	1,879.17 m ² (entire building)				
	Occupancy Rate	100.0%				
	Occupancy Rates over the Last Five Years	As of May 31, 2014	As of May 31, 2015	As of May 31, 2016	As of May 31, 2017	As of May 31, 2018
	100.0%	100.0%	100.0%	82.6%	100.0%	

*The total number of tenants, total rental income and occupancy rate are based on projections as of the scheduled acquisition date (August 1, 2018).
 *Estimated NOI is the estimated annual figure exclusive of special items of the acquisition fiscal year (not the forecast figure for the current fiscal period) and is based on the following assumptions.
 1) Total rental income is the estimated annual figures based on an occupancy rate as of the end of January 2019 (82.6%) that assume a termination of a part of tenants.
 2) Property-related taxes are projected to be the same amount as the fiscal 2018 assessment amount.
 3) Repairs and maintenance expenses are calculated based on expenses estimated for the next one-year period.

4. Profile of Properties

Property Name		TOKYU REIT Kiba Building				
Type of Specified Assets		Trust beneficiary interest in real estate				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Trust Period		August 30, 2002 to October 31, 2020				
Location	Registered	Land	3-21-5, 3-21-7, 3-21-9, 3-21-11, 3-21-12, 3-21-13, 3-21-14, 3-21-15, 3-21-17, 3-21-18, Toyo, Koto-ku, Tokyo			
		Building	3-21-12, 3-21-5, 3-21-13, 3-21-15, 3-21-9, 3-21-17, 3-21-18, 3-21-14, 3-21-11, Toyo, Koto-ku, Tokyo			
	Residential	3-7-13, Toyo Koto-ku, Tokyo				
Access		Approximately a 2-minute walk from Kiba Station, Tokyo Metro Tozai Line				
Use		Office, retails and parking				
Area Classification		Commercial district				
Site/Floor Area (Registered)		Land	1,259.52 m ²			
		Building	7,513.09 m ² *Including parking spaces (41.74 m ²).			
Structure (Registered)		SRC 10F				
Completion Date (Registered)		February 1992				
Type of Ownership		Land	Proprietary ownership			
		Building	Proprietary ownership			
Acquisition Date		October 29, 2010				
Acquisition Price		¥ 4,000 million				
Appraisal Value as of the Period-End		¥ 4,020 million (effective date of value: January 31, 2018)				
		Appraiser: Japan Valuers Co., Ltd.				
Book Value		¥3,861 million (expected value as of the scheduled disposition date)				
Disposition Price		¥4,250 million				
Gain(Loss) on Disposition		¥ 388 million (amount of difference between disposition price and book value (expected value as of the scheduled disposition date))				
Appraisal Value as of Property Disposition		¥ 4,010 million (effective date of value: June 30, 2018)				
		Appraiser: Daiwa Real Estate Appraisal Co., Ltd.				
Tenant Details	Total Number of Tenants	6 (as of July 13, 2018)				
	Total Rental Income	¥283 million a year (actual results from February 1, 2017 to January 31, 2018)				
	Lease Deposits and Guarantee Deposits	¥248 million (as of January 31, 2018)				
	NOI	¥202 million a year (actual results from February 1, 2017 to January 31, 2018)				
	Estimated NOI after depreciation	¥134 million a year (actual results from February 1, 2017 to January 31, 2018)				
	Total Leased Area	5,797.79 m ² (as of January 31, 2018)				
	Total Rentable Area	5,797.79 m ² (as of January 31, 2018)				
	Occupancy Rate	100.0% (as of January 31, 2018)				
Occupancy Rates over the Last Five Years	As of January 31, 2014	As of January 31, 2015	As of January 31, 2016	As of January 31, 2017	As of January 31, 2018	
	100.0%	100.0%	100.0%	100.0%	100.0%	
Special Items		None				

5. Property Appraisal Summary

(1) Lucid Square Ebisu

(JPY in thousands) (rounded down to the nearest specified unit)

Property Name: Lucid Square Ebisu	Estimation	Notes
Appraisal Firm: Japan Valuers Co., Ltd.		
Effective Date of Value	June 30, 2018	—
Type of Value	Market Value	—
Appraisal Value	4,700,000	Derived from the Income Approach
Value Indicated by Income Approach	4,700,000	Reconciled with the value by DCF Method and the value by Direct Capitalization Method
Value Indicated by Direct Capitalization Method	4,750,000	—
(1) Operating Revenue (a.–b.)	202,702	—
a. Potential Gross Income (rental income, common area charges income, utilities reimbursement, etc.)	208,378	Assessed based on both existing rent level and market rent level.
b. Vacancy Loss	5,675	Assessed based on both terms of existing lease agreement as well as market standard in the subject vicinity
(2) Operating Expenses (c.+d.+e.+f.+g.+h.+i. +j.)	35,298	—
c. Building Maintenance Cost	5,850	On actual basis
d. Utilities Expenses	9,581	On actual basis
e. Repair Expenses	2,738	Annual repairs estimate sourced from the engineering report
f. Property Management Fee	4,296	Based on the fee ratio from scheduled agreement
g. Tenant Solicitation Expenses, etc.	1,210	Assessed based on assumed turnover rate
h. Property Taxes	10,467	On actual basis in 2018
i. Property Insurance	323	On quotation basis
j. Other Expenses	831	On actual basis
(3) Net Operating Income (NOI) ((1)–(2))	167,404	—
(4) Investment Profits from Refundable Deposits	1,228	1.0% interest rate on the deposit outstanding
(5) Capital Expenditure	7,066	annual restoration cost estimate sourced from the engineering report
(6) Net Cash Flow (NCF) ((3)+(4)–(5))	161,565	—
(7) Overall Capitalization Rate	3.4%	—
Value Indicated by DCF Method	4,640,000	—
Discount Rate	3.1%	—
Terminal Capitalization Rate	3.5%	—
Value Indicated by Cost Approach	2,420,000	—
Ratio of Land Value	94.0%	—
Ratio of Building Value	6.0%	—
Reconciliation before Arriving at the Value Conclusion	The indicated value by Cost Approach looks into cost aspect of a real property. On the other hand, the indicated value by Income Approach is derived from profitability of a real property. In regard to an income-producing property valuation, the utmost importance should be placed on the value by the Income Approach. In conclusion, we have regarded the value by Cost Approach only as guide, and our concluded value is fully based on the Income Approach.	

(2) TOKYU REIT Kiba Building

(JPY in thousands) (rounded down to the nearest specified unit)

Property Name: TOKYU REIT Kiba Building	Estimation	Notes
Appraisal Firm: Daiwa Real Estate Appraisal Co., Ltd.		
Effective Date of Value	June 30, 2018	—
Type of Value	Market value	—
Appraisal Value	4,010,000	Applied the value indicated by the income approach
Value Indicated by Income Approach	4,010,000	Assessed by correlation of the value indicated by the direct capitalization method with the value indicated by the DCF method
Value Indicated by Direct Capitalization Method	4,030,000	—
(1) Operating Revenue (a.–b.)	279,190	—
a. Potential Gross Income (rental income, common area charges income, utilities reimbursement, etc.)	292,968	Assessed the stabilized assumed rental income and common area charges income of the subject property based on leasing case examples and the level of new rent of similar buildings in the market area and the trends thereof, and by taking into consideration such factors as the medium- to long-term competitiveness of the subject property
b. Vacancy Loss	13,777	Assessed based on the current vacancy rate and the market vacancy rate
(2) Operating Expenses (c.+d.+e.+f.+g.+h.+i. +j.)	82,885	—
c. Building Maintenance Cost	16,665	Recorded based on the current agreement
d. Utilities Expenses	24,202	Recorded considering the level of utilities expenses and past actual revenue and expenditure of similar properties, etc.
e. Repair Expenses	8,554	Recorded based on the annual average repair expenses in the engineering report obtained from the requested party
f. Property Management Fee	5,405	Recorded based on the current contract details
g. Tenant Solicitation Expenses, etc.	1,947	Recorded based on the level of tenant solicitation expenses, etc. of similar properties
h. Property Taxes	22,775	Recorded based on the fiscal 2018 actual amount
i. Property Insurance	535	Recorded based on the current agreement
j. Other Expenses	2,800	Recorded based on the actual amount
(3) Net Operating Income (NOI) ((1)–(2))	196,305	—
(4) Investment Profits from Refundable Deposits	2,315	Recorded by comprehensively taking into consideration the actual state of investment of refundable deposits, etc. from the perspective of both the investment aspect and the procurement aspect
(5) Capital Expenditure	25,293	Recorded based on the annual average renewal costs in the engineering report obtained from the requested party, considering the construction management fee
(6) Net Cash Flow (NCF) ((3)+(4)–(5))	173,327	—
(7) Overall Capitalization Rate	4.3%	Assessed by comprehensively taking into consideration the location conditions, building conditions and other conditions of the subject property, and also by referring to such factors as the overall capitalization rate of similar properties in the market area, and considering such factors as the rights relations of the subject property
Value Indicated by DCF Method	4,000,000	—
Discount Rate	4.1%	—
Terminal Capitalization Rate	4.5%	—
Value Indicated by Cost Approach	2,810,000	—
Ratio of Land Value	76.2%	—
Ratio of Building Value	23.8%	—
Reconciliation before Arriving at the Value Conclusion	The income approach is applied judging from it being reflected in the reality of the market as it estimates the market value in terms of profitability, regarding the value by cost approach only as a guide	

The above appraisal value conclusion is a value opinion as of the effective date of value, indicated by the licensed real estate appraiser in conformity with the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards. A reappraisal of the same property could result in another value if it were carried out either by a different appraiser, with different methods, or at a different time. This appraisal does not guarantee or assure, at present or in the future, any sales transactions at the concluded value.

6. Seller and Purchaser Profile

The name and such are not disclosed as consent from both the Seller and the Purchaser has not been received.

There is no capital relationship, personnel relationship or business relationship to state between TOKYU REIT or its investment management company and the Seller and the Purchaser, and the Seller and the Purchaser does not fall under the category of related party of TOKYU REIT or its investment management company.

7. Status of Property Acquirers, etc. and Transactions with Interested Persons, etc.

The Property is not an acquisition from a party that has particular vested interest in TOKYU REIT or its investment management company.

Tokyu Corporation, the company to which TOKYU REIT is to outsource property management services of Lucid Square Ebisu, falls under the category of related parties, etc. (Note), to which self-imposed rules of TOKYU REIT for preventing conflicts of interested are applied. Accordingly, TOKYU REIT has implemented procedures in accordance with the rules with acquisition of the Property by TOKYU REIT as a condition precedent. Moreover, concerning the fees for the property management services, TOKYU REIT has received an opinion report from Urban Research Institute Corporation stating that, upon a comparison with the range set by other investment corporations, etc. listed on the Tokyo Stock Exchange, the fees are within the standard range.

(Note) Related parties, etc. includes interested persons, etc. specified in Article 123 of the “Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations” and refers to either of 1. through 3. below.

1. Tokyu Corporation and its subsidiaries (refers to any entity that falls under the following (i) to (iii))

(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 undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.

2. Affiliates within the scope of consolidation of Tokyu Corporation.

3. Tokyu Fudosan Holdings Corporation and its subsidiaries (refers to any entity that falls under the following (i) to (iii))

(i) Tokyu Fudosan Holdings Corporation (“Tokyu Fudosan Holdings”)

(ii) A consolidated subsidiary of Tokyu Fudosan Holdings

(iii) 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 undisclosed associations or other investment shares in that entity by the respective company exceeds 50%

8. Brokerage

The name, etc. as well as the breakdown and amount of the brokerage fees are not disclosed as consent from the broker, which is a domestic business corporation, has not been obtained.

9. Acquisition and Disposition Schedule

(1) Lucid Square Ebisu

July, 13 2018	Decision of acquisition Execution of trust beneficiary interest sales and purchase agreement
August 1, 2018	Acquisition of trust beneficiary interest (planned) Payment of acquisition costs (planned) Property management agreement become effective (planned)

(2) TOKYU REIT Kiba Building

July 13, 2018	Decision of disposition Execution of Trust beneficiary interest purchase agreement
August 1, 2018	Disposition of Trust beneficiary interest (planned) Receive of disposition costs (planned)

10. Settlement Method

Payment/receipt for the purchase/sale of properties will be made by lump-sum settlement at the time of delivery on August 1, 2018.

11. Financing Details

TOKYU REIT intends to fund the acquisition of the Property using disposition price and cash on hand.

12. Outlook

Through the Transactions, gain on property disposition of 314 million yen from the for the 31st fiscal period (ending January 31, 2019) is expected to occur, resulting in a difference from the already announced forecasts of operating condition and distribution for the 31st fiscal period (ending January 31, 2019).

For details, please refer to the “Notice Concerning Revision to Expected Operating Condition and Revision to Distribution Forecast for the 30th Fiscal Period (Ending July 31, 2018) and the 31st Fiscal Period (Ending January 31, 2019)” separately announced today.

Attachments

1. Property Portfolio after Acquisition and Disposition (as of August 1, 2018)
2. Photograph of Lucid Square Ebisu
3. Location Map of Lucid Square Ebisu

Attachment 1

Property Portfolio after Acquisition and Disposition (assumption figure as of August 1, 2018)

Use	Property Name	Area	Acquisition Date	Acquisition Price(million yen)	Ratio(%)*8	Appraisal Value at End of 29th Fiscal Period (million yen)
R	QFRONT	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	15,100	6.7%	28,500
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.1%	5,470
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	2.6%	7,880
R	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	2.9%	12,400
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	10.9%	21,000
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	2.3%	4,940
R	Daikanyama Forum	Central Tokyo and Tokyu Areas	April 22, 2008	4,136	1.8%	3,440
R	Kaleido Shibuya Miyamasuzaka	Central Tokyo and Tokyu Areas (Shibuya)	August 16, 2013	5,150	2.3%	7,340
Retail Properties Total				71,172	31.8%	90,970
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	10.0%	18,700
O	Tokyu Nampo-dai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.1%	6,000
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.0%	9,440
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.0%	5,410
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	1.6%	4,410
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.1%	5,240
O	TOKYU REIT Toranomon Building	Central Tokyo	December 15, 2004 *3 September 21, 2007 *4 September 21, 2007 *5 October 26, 2007 *6 January 21, 2015 *7	8,630 1,100 200 140 107	4.5%	10,800
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008	8,500	3.8%	7,250
O	Tokyu Ikejiri-ohashi Building	Tokyu Areas	March 28, 2008	5,480	2.4%	5,830
O	Kojimachi Square	Central Tokyo	March 19, 2010	9,030	4.0%	8,840
O	TOKYU REIT Shinjuku Building	Central Tokyo	March 26, 2010	9,000	4.0%	11,300
O	Akihabara Sanwa Toyo Building	Central Tokyo	October 29, 2010	4,600	2.1%	6,150
O	Tokyu Ginza 2-chome Building	Central Tokyo	February 15, 2011	5,010	2.2%	5,030
O	TOKYU REIT Shibuya R Building	Central Tokyo and Tokyu Areas (Shibuya)	August 16, 2013	5,270	2.4%	9,180
O	Tokyu Toranomon Building	Central Tokyo	August 16, 2013 January 9, 2015	15,000 1,850	7.5%	19,800
O	TOKYU REIT Shinjuku 2 Building	Central Tokyo	October 30, 2015	2,750	1.2%	2,930
O	Tokyu Bancho Building	Central Tokyo	March 24, 2016	12,740	5.7%	14,200
O	Lucid Square Ebisu	Central Tokyo and Tokyu Areas	August 1, 2018	4,500	2.0%	4,700 *9
Office Properties Total				140,327	62.6%	155,210
C	Maison Peony Toritsudaigaku	Tokyu Areas	November 15, 2017	1,200	0.5%	1,200
Complex Properties Total				1,200	0.5%	1,200
L	Shonan Mall Fill (land with leasehold interest)	Other	April 28, 2006	6,810	3.0%	6,490
L	OKI System Center(land with leasehold interest)	Other	March 27, 2013	4,530	2.0%	5,170
Land with Leasehold Interest Total				11,340	5.1%	11,660
Total				224,039	100.0%	259,040

*1 Details of the 60% portion of trust beneficiary interests acquired under quasi-co-ownership.

*2 Details of the 40% portion of trust beneficiary interests acquired under quasi-co-ownership.

*3 Floor area: 9,688.59 m²; Interest of site rights: 73,585/100,000

*4 Floor area: 865.14 m²; Interest of site rights: 8,579/100,000

*5 Floor area: 139.93 m²; Interest of site rights: 1,322/100,000

*6 Floor area: 93.93 m²; Interest of site rights: 1,166/100,000

*7 Floor area: 95.06 m²; Interest of site rights: 1,464/100,000

*8 Ratio is rounded to one decimal place. Accordingly, the subtotal and total may not exactly match the sum of relevant items.

*9 Appraisal value at the end of the fiscal period for Lucid Square Ebisu is the appraisal value with June 30, 2018 as the effective date of value.

*10 The PML for the entire portfolio above based on earthquake risk assessment reports prepared by Engineering and Risk Services Corporation is 3.7%. PML (Probable Maximum Loss) refers to the expected damages caused by earthquakes. Although there is no single authoritative definition of PML, it refers to the percentage of expected damages caused by a small-to large-scale earthquake that may happen within the next 475 years to the replacement value. Calculations also include data relating to individual property surveys, assessment of building conditions, conformity to architectural design, ground conditions of the relevant site, surveys of local areas and structural evaluation.

*11 As for use, properties owned by TOKYU REIT are categorized into R (retail property), O (office property), C (complexes) and L (land with leasehold interest).

*12 TOKYU REIT plans to acquire REVE Nakameguro (land with leasehold interest) on September 27, 2018. For details of the property, please refer to "Notice Concerning Acquisition of Property (REVE Nakameguro (land with leasehold interest))" announced on June 22, 2018.

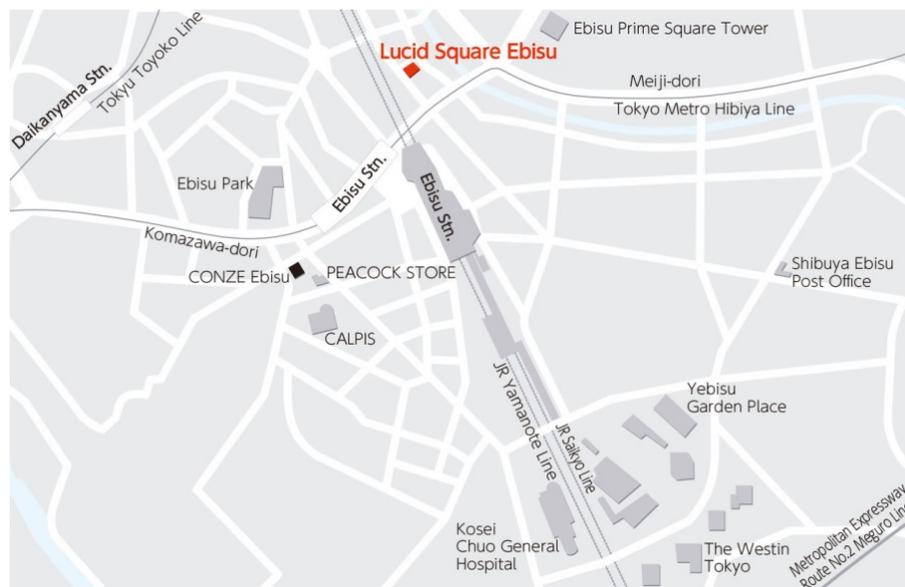
Attachment 2

Photograph of Lucid Square Ebisu



Attachment 3

Location Map of Lucid Square Ebisu



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.