

Summary of Q&As at Analyst Meeting (Telephone Meeting)
for the Fiscal Period Ended January 2026 (FP 45) Held on March 17, 2026
TOKYU REIT, Inc.

[Q&A]

<Questioner A>

(Q: A-1) Looking at changes in rent gap, the positive gap for retail facilities has expanded significantly more than that for offices this fiscal period. Do you see greater upside potential in retail facilities compared to that in offices?

(A: A-1) We aim to continue realizing internal growth through tailwinds created by favorable markets for both offices and retail facilities. Furthermore, for retail facilities, we plan to conduct assertive negotiations against the backdrop of a tight supply-demand balance and rising market rents. As retail facilities have a higher ratio of fixed-term tenants than offices, we will continue advancing negotiations to align with market rents and achieve rent increases through upward rent revisions and tenant replacements at higher rents timed with rent revisions. In particular, we aim to achieve solid upward rent revisions as multiple fixed-term leases are scheduled for rent revisions from the fiscal period ending July 2027 onward.

(Q: A-2) You have stated your intention to expand your AUM (Assets Under Management) to about 40-45 billion yen by fiscal period ending July 2028. What type of properties are you considering acquiring? Could you also please share your thoughts as to whether you will be going with a growth model or an income-focused model as indicated on page 9 of your financial results presentation?

(A: A-2) It is challenging to secure a property with both high yields and growth potential. As such, our strategy is to achieve external growth by combining multiple properties with a focus on implied cap rates. This combination is comprised of growth models (properties that offer low yields at the time of acquisition but are expected to grow in the medium to long term), balanced models (properties that offer a balanced combination of yield and growth potential), and income-focused models (properties that offer high yields at the time of acquisition with strong earnings contribution). Current implied cap rates stand in the low- to 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.

<Questioner B>

(Q: B-1) With regard to your target of a 3% annual growth rate in rental revenues, could you please share your assumptions for growth rates by asset types of retail facilities and offices?

(A: B-1) Due to the rent gap being significantly larger in retail facilities, we anticipate their rent growth rates to be higher up to fiscal period ending July 2028. That said, we still believe it's feasible to secure an annual growth rate of 3% or more for offices.

<Questioner C>

(Q: C-1) In the breakdown of the increase/decrease in Adjusted EPS ^(Note) Medium-term Target of 3,500 yen on page 8 of your financial results presentation, there is an increase of around 435 yen from internal growth. Could you please explain the rationale behind this number?

(A: C-1) The expected increase of around 435 yen is broken down to approximately 360 yen from rent increases, etc., and about 75 yen from a reduction in special factors in real estate lease business expenses. With regard to the latter reduction, this reflects the impact of repair and maintenance costs and stabilization of depreciation expenses.

(Note) 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: C-2) Could you please tell us about the scale of properties you plan to acquire by fiscal period ending July 2028 and your LTV level post-acquisition?

(A: C-2) Excluding the Togoshi Ginza Round Building and the Tokyu Susukino Building, whose acquisitions were announced with the most recent financial results, we are planning to expand our assets by approximately 35-40 billion yen. While our total asset LTV has risen to roughly 49% due to use of cash on hand and fund procurement through borrowings, we expect to keep it within 50%.

<Questioner D>

(Q: D-1) You explained that real estate prices remain at a high level and that the

Sales-and-Replacement Phase in the Surf Plan is ongoing. Please tell us whether you expect real estate prices to stabilize, thereby allowing you to enter an Acquisition Phase, or whether you anticipate that prices will continue rising.

(A: D-1) We believe that the current real estate transaction market will remain overheated for the time being. Amid this situation, we plan to actively consider selling properties to third parties while effectively using the funds from property sales to continue acquiring properties from our sponsor. Should real estate prices enter a downward phase in the future, we will carefully monitor the market, assess whether cap rates have risen and real estate prices are at realistically acquirable levels, and proceed with acquisitions where possible.

<Questioner E>

(Q: E-1) Could you please explain how you plan to close the 15.6% positive gap for retail facilities going forward? Excluding fixed-term leases, what degree of upside do you anticipate from future rent revisions for regular leases and sales-linked rent leases?

(A: E-1) Our basic strategy for fixed-term lease tenants is to negotiate rent increases above market rents at time of renewal, thereby securing the numbers. Our property with the highest rental gap is QFRONT. Moved-in tenants have regular leases where a 5% rent increase every 3 years is agreed. So, while this will take time, rents are expected to steadily increase. At Futako Tamagawa Rise, which is a retail facility, sales-linked rent has been set for many tenants. While these rents are steadily increasing with sales, their share of the total rent is small.

(Q: E-2) Could you tell us what types of properties you expect to receive from the sponsor in the future? If you have a rough idea, please share them with us.

(A: E-2) The sponsor is advancing large-scale development projects mainly in the Shibuya area, and we consider such properties as potential growth model properties. At the same time, since yields at the time of acquisition would be relatively low, we aim to continue acquiring properties that contribute to distributions by combining them with properties that currently provide a strong earnings contribution, like Tokyu Susukino Building.