

Disclaimer for Dutch Investors

We present to you this prospectus (this “Prospectus”) solely for the purpose of providing you with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in the Netherlands. Accordingly, you should not use this Prospectus for any other purpose.

Prohibition of Sales to EEA Retail Investors

In addition to the restrictions under the AIFMD, the units of TOKYU REIT, Inc. (the “TOKYU REIT” or the “AIF”) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area, or the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, or the MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in EC Regulation (EU) 2017/1129, as amended, the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014, or the PRIIPs Regulation, for offering or selling the units of TOKYU REIT or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units of TOKYU REIT, or otherwise making them available, to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

European Economic Area Investors

The AIFMD was adopted on June 8, 2011 and was required to be implemented by each Member State of the EEA into its national legislation by July 22, 2013. The units of TOKYU REIT may not be marketed (within the meaning given to the term “marketing” under the AIFMD), and the Communication may not be conducted, to prospective investors domiciled or with a registered office in any Member State of the EEA unless: (i) the units of TOKYU REIT may be marketed under any national private placement regime (including under the AIFMD) or other exemption in that Member State; or (ii) the units of TOKYU REIT can otherwise be lawfully marketed or sold in that Member State in circumstances in which the AIFMD does not apply, provided that any such offer or sale is not made to a retail investor as described above. We have made a notification to the Netherlands Authority for the Financial Markets pursuant to Article 42 of the AIFMD in order to market the units of TOKYU REIT in the Netherlands.

Netherlands

The units of TOKYU REIT are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, Tokyu Real Estate Investment Management, Inc. (the “AIFM”) has notified the Dutch Authority for the Financial Markets (the “AFM”) of its intention to offer these units in the Netherlands, which notification has been approved by the AFM. The units of the TOKYU REIT will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalficeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor the TOKYU REIT is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor TOKYU REIT is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as amended and applicable in the Netherlands. The AIFM is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

Article 23 (1)(a)	
Objectives of the AIF	TOKYU REIT invests in office properties, retail properties, residential properties and multi-complex facilities comprising office, retail and/or residential properties that provide stable profits in the medium to long term and allow for its continued growth. The basic policy is to hold properties over the medium to long term in order to maintain and increase profit.
Investment strategy	TOKYU REIT's investment strategy is to secure its growth potential. TOKYU REIT invests in highly competitive properties in areas with strong growth potential — i.e., investment in properties in the central Tokyo metropolitan area and areas along the Tokyu rail lines (the "Tokyu Areas"). The investment strategy is defined in the articles of incorporation of TOKYU REIT and the investment guidelines determined by the AIFM.
Types of assets the AIF may invest in	Real estate, trust beneficiary interests in real estate, real estate securities, specified assets and other assets.
Techniques it may employ and all associated risks	<p>TOKYU REIT focuses on investing in office properties, retail properties, residential properties and multi-complex facilities comprising office, retail and/or residential properties which TOKYU REIT anticipates will generate relatively stable and profitable investment returns located in the areas in which TOKYU REIT believes there is relatively low risk. TOKYU REIT will not, in principle, invest in developing properties.</p> <p>The principal risks with respect to investment in TOKYU REIT are as follows:</p> <ul style="list-style-type: none"> • any adverse conditions in the Japanese economy could adversely affect TOKYU REIT; • TOKYU REIT may not be able to acquire properties to execute the growth and investment strategy in a manner that is accretive to earnings; • illiquidity in the real estate market may limit the ability to grow or adjust the portfolio; • the past experience of the AIFM in the Japanese real estate market is not an indicator or guarantee of the future results; • TOKYU REIT's reliance on TOKYU CORPORATION and other TOKYU CORPORATION subsidiaries or affiliates could have a material adverse effect on its business; • there are potential conflicts of interest between TOKYU REIT and TOKYU CORPORATION, including its subsidiaries or affiliates as well as the AIFM; • TOKYU REIT's revenues largely comprise leasing revenues from its portfolio properties, which may be negatively affected by factors including vacancies, decreases in rent, and late or missed payments by tenants; • the coronavirus pandemic may adversely affect leasing activities and revenues of TOKYU REIT; • TOKYU REIT faces significant competition in seeking tenants and it may be difficult to find replacement tenants; • increases in prevailing market interest rates may increase the interest expense and may result in a decline in the market price of the units; • TOKYU REIT may suffer large losses if any of the properties incurs damage from a natural or man-made disaster; • most of the properties in the portfolio are concentrated in the Tokyo metropolitan area and Tokyu Areas; • any inability to obtain financing for future acquisitions could adversely affect the growth of the portfolio; • TOKYU REIT's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify TOKYU REIT from certain taxation benefits and significantly reduce the cash distributions to the unitholders; and • the ownership rights in some of the properties may be declared invalid or limited. <p>In addition, we are subject to the following risks:</p> <ul style="list-style-type: none"> • risks related to increasing operating costs; • risks related to TOKYU REIT's dependence on the personnel and financial strength of the AIFM, the custodian and the general administrator; • risks related to the restrictive covenants under debt financing arrangement; • risks related to entering into forward commitment contracts;

	<ul style="list-style-type: none"> • risks related to third party leasehold interests in the land underlying TOKYU REIT's properties; • risks related to holding properties in the form of stratified ownership (kubun shoyū) interests or co-ownership interests (kyōyū-mochibun); • risks related to holding properties through trust beneficiary interests; • risks related to properties not in operation (including properties under development); • risks related to the defective title, design, construction or other defects, non-conformity or problems in the properties; • risks related to suffering impairment losses relating to the properties; • risks related to decreasing tenant leasehold deposits and/or security deposits; • risks related to tenants' default as a result of financial difficulty or insolvency; • risks related to the insolvency of master lessors; • risks related to the insolvency of a property seller following the purchase of a property; • risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data; • risks related to the presence of hazardous or toxic substances in the properties, or the failure to properly remediate such substances; • risks related to epidemics and pandemics that could adversely affect the operation of the properties; • risks related to the strict environmental liabilities for the properties; • risks related to the insider trading regulations; • risks related to the amendment of applicable administrative laws and local ordinances; • risks related to infringing third party's intellectual property right; • risks related to investments in trust beneficiary interests; • risks related to the tight supervision by regulatory authorities and compliance with applicable rules and regulations; • risks related to the tax authority disagreement with the AIFM's interpretations of the Japanese tax laws and regulations; • risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs; • risk of changes in Japanese tax laws; and • the risk of dilution as a result of further issuances of units.
Any applicable investment restrictions	<p>TOKYU REIT is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation.</p> <p>TOKYU REIT must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (<i>chijō-ken</i>) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights. A listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate. Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances. Under its articles of incorporation, TOKYU REIT may not invest in property located on outside Japan.</p>
Circumstances in which the AIF may use leverage	<p>TOKYU REIT may take out long-term or short-term loans or issue investment corporation bonds for the purpose of investing in properties, conducting repairs and related work, paying cash distributions, repaying obligations (including repayment of tenant leasehold or</p>

	security deposits, and obligations related to loans or long-term or short-term investment corporation bonds) and other activities.
The types and sources of leverage permitted and associated risks	Loans or investment corporation bonds. TOKYU REIT currently does not have any outstanding guarantees, but may be subject to restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties. Furthermore, TOKYU REIT may violate restrictive covenants contained in the loan agreements TOKYU REIT executes, such as the maintenance of debt service coverage or loan-to-value ratios, which may entitle the lenders to require TOKYU REIT to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that TOKYU REIT has any debt with unhedged floating rates of interest or TOKYU REIT incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties. Thus, higher interest rates could cause the market price of the units to decline.
Any restrictions on leverage	The maximum amount of each loan and investment corporation bond issuance will be ¥1 trillion, and the aggregate amount of all such debt will not exceed ¥1 trillion.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	TOKYU REIT has set an upper limit of 60% as a general rule for its loan-to-value, or LTV, ratio in order to operate with a stable financial condition. TOKYU REIT may, however, temporarily exceed such levels as a result of property acquisitions or other events.
Article 23(1) (b)	
Procedure by which the AIF may change its investment strategy / investment policy	<p>Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and our articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where (i) contrary proposals are also being submitted, (ii) a unitholder who continuously holds investment units representing at least 1/100th of the total outstanding investment units for six months or longer notifies the AIF (or both the AIF and the convenor if the convenor is someone other than the executive director or supervisory director) that the unitholder is opposed to the proposal within two weeks from the date on which the AIF announces on AIF's website or the date on which the convenor announces by any other equivalent methods, whichever is earlier, that the following proposals are to be submitted to the meeting, or (iii) the AIF states in the notice of convocation or announces on the AIF's website that it is against any of the following items on the proposals.</p> <ul style="list-style-type: none"> • Appointment or dismissal of executive directors or supervisory directors • Execution or cancellation of our asset management agreement • Our dissolution • Consolidation of investment units • Exemption of liability of executive directors, supervisory directors and independent auditors • Approval to absorption-type merger agreement or consolidation-type merger agreement <p>Additionally, the guidelines of the AIFM, which provide more detailed policies within TOKYU REIT's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.</p>

Article 23(1) (c)	
<p>Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established.</p>	<p>TOKYU REIT is a corporate-type investment trust in the form of investment corporation (<i>toshi hojin</i>) provided for under the ITA. Therefore, the relationship between TOKYU REIT and its unitholders is governed by TOKYU REIT's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. TOKYU REIT's articles of incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of TOKYU REIT's directors.</p> <p>The relationship between TOKYU REIT and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.</p> <p>The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against TOKYU REIT obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) TOKYU REIT has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.</p> <p>TOKYU REIT has entered into memoranda of understanding for pipeline support for property acquisition and for receiving information regarding the sale of certain properties, and a trade mark license agreement with TOKYU CORPORATION, all of which are governed by Japanese law.</p> <p>TOKYU REIT is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.</p>
Article 23(1) (d)	
<p>The identity of the AIFM, AIF's depository, auditor and any other service providers and a description of their duties and the investors' rights thereto</p>	<ul style="list-style-type: none"> • AIFM: Tokyu Real Estate Investment Management Inc. • Auditor: PricewaterhouseCoopers Aarata LLC • Custodian and Transfer Agent: Mitsubishi UFJ Trust and Banking Corporation • General Administrators (Investment corporation bonds): MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited and The Norinchukin Bank • General Administrators (Other): Mitsubishi UFJ Trust and Banking Corporation • Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the asset manager in good faith. The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.
Article 23(1) (e)	
<p>Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)</p>	<p>Not applicable.</p>

Article 23(1) (f)	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations.	Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.
Article 23(1) (g)	
Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets.	<p>TOKYU REIT makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value.</p> <p>TOKYU REIT shall evaluate assets in accordance with its Article of Incorporation. The methods and standards that TOKYU REIT uses for the evaluation of assets shall be based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP.</p> <p>J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.</p> <p>Regarding hard to value assets, such assets comprise tenant leasehold and security deposits and tenant leasehold and security deposits held in trust. These assets are not subject to calculation of fair value, because measurement of the fair value is recognized to be extremely difficult since future cash flows cannot be reasonably estimated due to the lack of market price measurement and difficulty of calculation of the actual deposit period from when lessees move in to when they move out. Valuation of such hard to value assets is included in the notes to our financial statements.</p> <p>If asset valuation methods other than those mentioned in the paragraphs above are to be used in order to determine values for asset management reports, etc., valuation shall be conducted in the following manner:</p> <p>(1) Real estate, real estate leasehold rights and surface rights In principle, valuation shall be based on the appraisal by a real estate appraiser.</p> <p>(2) Trust beneficiary interests and equity interests in anonymous associations and voluntary associations Valuation shall be made by calculating the value of the equity interests in anonymous associations or voluntary associations in relation to real estate, real estate leasehold rights or surface rights, or the value of the trust beneficiary interests obtained by subtracting the amount of liabilities from the aggregate value of assets after (i) determining valuation as described in (1) above with respect to trust assets or the assets of anonymous associations composed of real estate, real estate leasehold rights or surface rights and (ii) determining valuation in accordance with general accepted accounting principles in Japan with respect to trust assets or the assets of anonymous associations or voluntary associations composed of financial assets.</p>
Article 23(1) (h)	
Description of the AIF's liquidity risk management, including redemption	TOKYU REIT seeks to manage the capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions. TOKYU REIT has entered into the commitment lines and prepares the monthly fund management plan, and manages the liquidity risk thereby. As TOKYU REIT is a closed-

rights in normal and exceptional circumstances and existing redemption arrangements with investors	end investment corporation, unitholders are not entitled to request the redemption of their investment.																																				
Article 23(1) (i)																																					
Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors	<p>Compensation: The articles of incorporation provide that AIF may pay its executive director up to ¥1 million per month and each of its supervisory directors up to ¥800 thousand per month. The board of directors is responsible for determining a reasonable compensation amount for the executive director and each of the supervisory directors.</p> <p>Asset Management Fee: AIF will pay the Asset Manager an asset management fee which comprises the Base 1 management fee, the Base 2 management fee and an incentive fee as follows:</p> <table> <tr> <td>Base 1 management fee (linked to asset valuation)</td><td>Asset value at end of previous period × 0.125% (except as follows: 0.120% for the portion exceeding ¥200 billion and ¥300 billion or less, and 0.115% for the portion exceeding ¥300 billion).</td></tr> <tr> <td>Base 2 management fee (linked to cash flow)</td><td>Standard cash flow in current period × 6.0% (except as follows: 5.7% for the portion exceeding ¥5 billion and ¥7.5 billion or less, and 5.4% for the portion exceeding ¥7.5 billion)</td></tr> <tr> <td>Incentive fee (linked to investment unit price)</td><td>(Average price in current period – Highest average price over all previous periods) × Number of units × 0.4%</td></tr> </table> <p>Custodian Fee: AIF will pay the Custodian as follows:</p> <table> <tr> <th>Amount of Total Assets</th><th>Calculation Method (Annual Amount)</th></tr> <tr> <td>¥10 billion or less</td><td>¥7,000,000</td></tr> <tr> <td>Over ¥10 billion and not more than ¥50 billion</td><td>¥7,000,000 + (Total Assets - ¥10 billion) × 0.050%</td></tr> <tr> <td>Over ¥50 billion and not more than ¥100 billion</td><td>¥27,000,000 + (Total Assets - ¥50 billion) × 0.040%</td></tr> <tr> <td>Over ¥100 billion and not more than ¥200 billion</td><td>¥47,000,000 + (Total Assets - ¥100 billion) × 0.035%</td></tr> <tr> <td>Over ¥200 billion and not more than ¥300 billion</td><td>¥82,000,000 + (Total Assets - ¥200 billion) × 0.030%</td></tr> <tr> <td>Over ¥300 billion and not more than ¥500 billion</td><td>¥112,000,000 + (Total Assets - ¥300 billion) × 0.025%</td></tr> <tr> <td>Over ¥500 billion</td><td>¥162,000,000 + (Total Assets - ¥500 billion) × 0.020%</td></tr> </table> <p>General Administrators Fee: AIF will pay the General Administrators as follows:</p> <table> <tr> <th>Amount of Total Assets</th><th>Calculation Method (Annual Amount)</th></tr> <tr> <td>¥10 billion or less</td><td>¥11,000,000</td></tr> <tr> <td>Over ¥10 billion and not more than ¥50 billion</td><td>¥11,000,000 + (Total Assets - ¥10 billion) × 0.080%</td></tr> <tr> <td>Over ¥50 billion and not more than ¥100 billion</td><td>¥43,000,000 + (Total Assets - ¥50 billion) × 0.060%</td></tr> <tr> <td>Over ¥100 billion and not more than ¥200 billion</td><td>¥73,000,000 + (Total Assets - ¥100 billion) × 0.055%</td></tr> <tr> <td>Over ¥200 billion and not more than ¥300 billion</td><td>¥128,000,000 + (Total Assets - ¥200 billion) × 0.040%</td></tr> <tr> <td>Over ¥300 billion and not more than ¥500 billion</td><td>¥168,000,000 + (Total Assets - ¥300 billion) × 0.035%</td></tr> </table>	Base 1 management fee (linked to asset valuation)	Asset value at end of previous period × 0.125% (except as follows: 0.120% for the portion exceeding ¥200 billion and ¥300 billion or less, and 0.115% for the portion exceeding ¥300 billion).	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Over ¥500 billion	$\text{¥238,000,000} + (\text{Total Assets} - \text{¥500 billion}) \times 0.030\%$
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Transfer Agent Fee (Standard Fee):

Standard fees are for services such the preparation, maintenance and storage of the unitholder register; and preparation of materials concerning end-of-period unitholder statistical data (number of unitholders, total units held, distribution per geographic area). Monthly standard fees equal one sixth of the total amount of fees calculated in the manner below. There is a minimum monthly fee of ¥220,000.

Number of Investors	Fees per Investor
The first 5,000 Investors	¥390
Over 5,000 and up to 10,000	¥330
Over 10,000 and up to 30,000	¥280
Over 30,000 and up to 50,000	¥230
Over 50,000 and up to 100,000	¥180
Over 100,000 Investors	¥150

TOKYU REIT also pays certain other fees in addition to the standard fee in connection with the administration and handling of distributions (minimum of 350,000 yen per distribution) and other shareholder related functions.

Auditor Fee: AIF may pay the independent auditor up to ¥15 million per fiscal period. The board of directors is responsible for determining the compensation amount for the independent auditor.

Miscellaneous:

TOKYU REIT also pays fees to certain service providers in connection with;

- Office management;
- Property control;
- Property transfer;
- Referral of tenants;
- Property development;
- Accounting and tax administration; and
- Administration for corporate bonds governance

Article 23(1) (j)

Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM.	Under Article 77 paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.
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Article 23(1) (k)

The latest annual report referred to in Article 22(1)	Additional information may be found in our most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at 1-12-1 Dogenzaka, Shibuya-ku, Tokyo.
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Article 23(1) (l)

The procedure and conditions for the issue and sale of the units	TOKYU REIT is authorized under the articles of incorporation to issue up to 10,000,000 units. Its units have been listed on the Tokyo Stock Exchange since September 10, 2003. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-
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	time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.																										
Article 23(1) (m)																											
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	TOKYU REIT's latest market price is publicly available at the Tokyo Stock Exchange or from financial information vendors at https://www.reuters.com/markets/companies/8957.T																										
Article 23(1) (n)																											
Details of the historical performance of the AIF, where available	<p>The units of TOKYU REIT were listed on the Tokyo Stock Exchange on September 10, 2003. The most recent five fiscal period performance of the units is as follows.</p> <table> <tr> <th>Fiscal period</th><th>Total Assets (JPY million)</th><th>Total Net Assets (JPY million)</th><th>Total unitholders' equity per unit (base value) (JPY)</th></tr> <tr> <td>35th fiscal period (From August 1, 2020 to January 31, 2021)</td><td>231,090</td><td>115,663</td><td>118,313</td></tr> <tr> <td>36th fiscal period (From February 1, 2021 to July 31, 2021)</td><td>235,035</td><td>115,527</td><td>118,174</td></tr> <tr> <td>37th fiscal period (From August 1, 2021 to January 31, 2022)</td><td>226,847</td><td>119,059</td><td>121,787</td></tr> <tr> <td>38th fiscal period (From February 1, 2022 to July 31, 2022)</td><td>224,636</td><td>119,537</td><td>122,276</td></tr> <tr> <td>39th fiscal period (From August 1, 2022 to January 31, 2023)</td><td>239,993</td><td>122,507</td><td>125,314</td></tr> </table>			Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Total unitholders' equity per unit (base value) (JPY)	35th fiscal period (From August 1, 2020 to January 31, 2021)	231,090	115,663	118,313	36th fiscal period (From February 1, 2021 to July 31, 2021)	235,035	115,527	118,174	37th fiscal period (From August 1, 2021 to January 31, 2022)	226,847	119,059	121,787	38th fiscal period (From February 1, 2022 to July 31, 2022)	224,636	119,537	122,276	39th fiscal period (From August 1, 2022 to January 31, 2023)	239,993	122,507	125,314
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Article 23(1) (o)																											
Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist.	No applicable prime broker.																										
Article 23(1) (p)																											
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to	AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through its Internet website and asset management report.																										

Articles 23(4) and 23(5).	
Article 23(2)	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depository to contractually discharge itself of liability in accordance with Article 21(13).	Not applicable.
The AIFM shall also inform investors of any changes with respect to depository liability without delay.	Not applicable.
Article 23(4)(a)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned.	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements.	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements.	There are no such special arrangements.
How management and performance fees apply to such assets.	There are no such special arrangements.
Article 23(4)(b)	
Any new arrangements for managing the liquidity of the AIF.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	
Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant.	TOKYU REIT is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.
Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included.	There are no voting or other restrictions on the rights attaching to units.
Article 23(4)(c)	
The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks.	<p>The appropriateness and effectiveness of TOKYU REIT's risk management structure are regularly evaluated and enhanced by the Asset Manager. The financial instruments-related risks we face and our risk management structure are as follows.</p> <p>Our deposits are exposed to the risk of failure of the financial institution holding the deposits and other credit risks, which are managed through diversification of the financial institutions that hold our deposits.</p> <p>Borrowings and investment corporation bonds are mainly used as funds for asset acquisition or debt repayment. These funds are exposed to the liquidity risk at the time of repayment, but the liquidity risk is managed by maintaining and strengthening our capacity to procure funds from the capital markets via equity offerings, securing multiple sources of funds and spreading out repayment deadlines, entering into commitment lines (currently totaling ¥18,000 million with the main financial institutions), and executing monthly fund management plans.</p> <p>Debt with floating interest rates is exposed to the interest rate fluctuation risk, but the impact of rising interest rates is limited by keeping the appraisal LTV low, maintaining a high ratio of long-term fixed-rate debt, and establishing an appropriate procurement limit depending on the economic and financial environment, terms of lease agreements with tenants, asset holding period and other factors. Furthermore, derivative transactions (interest rate swap transactions) may be used to hedge the risk of rises in floating interest rates.</p> <p>Tenant leasehold and security deposits are deposits from tenants and are exposed to the liquidity risk when tenants moving out of properties. The liquidity risk is managed through appropriate monthly fund management.</p> <p>Note: $\text{Appraisal LTV} = [\text{Interest-bearing liabilities} + \text{Security and guarantee deposits without reserved cash}] \div [\text{Total appraisal value at the end of the fiscal period or at the time of acquisition of specified assets}] \times 100$</p>

Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed;	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken.	No such situation has occurred.
Article 23(5)(a)	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted.	To be disclosed in the semi-annual report.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Article 23(5)(b)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods.	The aggregate amount of debt with interest is JPY 104,500 million as of January 31, 2023.

PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS – SFDR PRE-CONTRACTUAL DISCLOSURE

Product Name/Legal Entity Identifier: TOKYU REIT, Inc.

TOKYU REIT, Inc. promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). TOKYU REIT, Inc. has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan and relies on Tokyu Real Estate Investment Management Inc. (the “Asset Manager”), to manage and operate the properties in TOKYU REIT, Inc.’s portfolio. TOKYU REIT, Inc. and the Asset Manager are hereinafter referred to collectively as “we”, “us” or “our” unless noted otherwise. References to “fiscal year” or “FY” are to the 12 months began or beginning February 1 of the year specified in line with the fiscal year of the TOKYU REIT, Inc., unless noted otherwise.

Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : __% <div style="margin-left: 20px;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy </div> <div style="margin-left: 20px;"> <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy </div>	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <div style="margin-left: 20px;"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy </div> <div style="margin-left: 20px;"> <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy </div> <div style="margin-left: 20px;"> <input type="checkbox"/> with a social objective </div>
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by TOKYU REIT, Inc.?

ESG (Environment, Social and Governance) matters and SDGs (Sustainable Development Goals) are important considerations as we seek to make sustainable investments primarily in office properties, commercial facilities, residential properties and complexes that include any of the foregoing. The Asset Manager established a Sustainability Policy in March 2022, based on its belief that contribution to the sustainability of society is the most important challenge that must be met in pursuing sustainable growth and maximizing unitholder value over the medium to long term. We work together with the Asset Manager to promote initiatives that help to realize a sustainable society, while aiming to enhance portfolio value and maximize unitholder value.

Our environmental initiatives include the following.

- *Climate change initiatives.* We monitor environmental performance, such as energy consumption, CO2 emissions and water consumption, and strive to improve continuously improve our performance. We obtain independent assurance on these environmental performance data from Sustainability Accounting

Co., Ltd (SusA), an organization providing assurance services on non-financial information including environmental performance data.

- *Reducing energy consumption.* We aim to reduce energy consumption intensity that we are responsible for by 3% at our properties and reduce greenhouse gas emission intensity by 5% at our properties by FY2024 in each case as compared to the level in FY2019.
- *Introduction of 100% renewable energy.* We had introduced 100% renewable energy at 25 of our properties (74.1% of our properties based on the gross floor area) as of March 31, 2023. We had installed LED lighting at 80.3 % of our office properties (based on total leasable area of exclusively owned areas) as of January 31, 2023. We also renewed air conditioning equipment in 5 of our properties in the year ended January 31, 2023.
- *Reducing water consumption intensity.* We aim to reduce water consumption intensity by 5% at our properties by FY2024 in each case as compared to the level in FY2019. We renovated restrooms at one of our properties to install water-saving equipment in the year ended January 31, 2023.
- *Initiatives of our Sponsor.* TOKYU CORPORATION, our sponsor, has established long-term targets of 100% renewable energy procurement and net zero CO₂ emissions by 2050 and is implementing various initiatives to achieve these targets. In 2019, TOKYU CORPORATION joined RE100, a global joint initiative between international non-profits Climate Group and CDP that brought together international businesses committed to 100% renewable electricity.
- *Introduction of green lease clauses.* As part of our efforts in cooperation with tenants and property management companies, we generally include “green lease clauses” in new lease agreements. These green lease clauses provide that we will work together with our counterparties to improve the environmental performance of our properties and maintain and enhance their comfort and productivity by, among other things, sharing energy data, obtaining environmental certifications, sustainably procuring resources used in our properties and reducing waste.
- *Biodiversity Conservation.* In Futako Tamagawa Rise, we have developed a "Water and Greenery Open Space," including a large-scale rooftop greening facility, as part of its efforts to create an urban development in harmony with the rich natural environment of the surrounding area. The design is inspired by the river terraces of the Tama River and Todoroki Valley, and a roof garden of approximately 6,000 m² is located on top of the low-rise building, providing a space where visitors can feel the richness of nature throughout the entire facility.

We implement various social initiatives at our properties including the following.

- *Improving tenant safety and comfort.* We have renovated the building rooftop of two of our properties to make the space a comfortable gathering place. Also, we have implemented disaster prevention and business continuity planning measures. We have also installed portable emergency power generators and emergency disaster prevention boxes containing emergency portable toilets, water, food and other emergency supplies in the elevators at some of our properties.
- *Urban Development Initiatives in Collaboration with Sponsor.* Our sponsor, TOKYU CORPORATION, promotes development aimed at enhancing the value of areas along its railways to remain the railway company of choice. In addition to promoting large-scale development projects in Shibuya and elsewhere, our sponsor strives to create environmentally friendly communities and revitalize rail-side areas in its next-generation urban development efforts. In collaboration with our sponsor, we are making efforts to increase the value of our investment target areas by investing in the same areas as our sponsor and pursuing a long-term investment management strategy that makes us resistant against the cyclical nature of real estate price over the medium to long term.

- *Improving work environment.* The Asset Manager strives to create a work environment that enables its officers and employees to work flexibly and brings out the best in each. The Asset Manager promotes work-life balance of its officers and employees with a flexible-hours system as well as through a leave policy that requires every officer and employee to take five consecutive business days off per fiscal year and allows them to take leave from work on an hourly basis, rather than only on a daily basis. The Asset Manager also conducts an employee satisfaction survey for its officers and employees (FY2021 response rate: 100.0%) and uses the survey results to improve its workplace environment. In January 2023, we also have conducted renewal work of the Asset Manager's office in order to promote communication and improve comfort.
- *Employee health management.* The Asset Manager engages in a number of health initiatives for its officers and employees, which include establishing a health committee that meets once a month to discuss various topics relating employees' health and work environment, having corporate physicians available whom officers and employees can consult, reimbursing officers and employees for flu vaccinations, offering workplace COVID-19 vaccination programs, and providing stress checks.
- *Initiatives for HR development.* The Asset Manager conducts a variety of training for all officers and employees (including temporary workers) including sustainability training. The attendance rate was 95.6% in both FY2020 and FY2021 and 100% in FY2022. In addition, we financially support our officers and employees seeking to acquire professional certifications such as real estate appraiser, real estate transaction agent, or ARES (Association for Real Estate Securitization) Certified Master, certified building administrator and certified rental property manager. As of January 31, 2023, six employees had been certified as real estate appraisers, 25 employees had been certified as real estate transaction agents, nine employees had been certified as ARES Certified Masters, five employees had been certified as building administrators, six employees had been certified as rental property managers and one employee had been certificated as chartered accountant.

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by TOKYU REIT, Inc.?

We use the following indicators to measure the attainment of the environmental or social characteristics we promote.

- *Environmental certification of individual properties.* To track the environmental performance of our properties, we rely on certifications issued by third party organizations, such as Building-Housing Energy-efficiency Labeling System ("BELS") certification, Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") certification, Leadership in Energy and Environmental Design ("LEED") certification and other equivalent certifications. We call our properties that receive any such certifications "Green Buildings". With respect to BELS, we consider a property to have sufficient environmental certification if it received two stars or higher out of BELS' five-star ranking system. With respect to CASBEE, we consider a property to have sufficient environmental certification if it received a B+ Rank or higher out of the CASBEE ranking system featuring Rank S (excellent), Rank A (very good), Rank B+ (good), Rank B- (slightly inferior) and Rank C (inferior). With respect to LEED, we consider a property to have sufficient environmental certification if it received Platinum, Gold or Silver. As of January 31, 2023, we received two stars of BELS for one of our properties, S rank of CASBEE for three of our properties, A rank of CASBEE for nine of our properties and Gold of LEED for one of our properties, which results in 54% of our properties were Green Buildings based on gross floor area.
- *GRESB Real Estate Assessment.* The GRESB, established in 2009, validates ESG performance data and provide benchmarks for measuring real estate companies' and institutional investors' commitment to sustainability. Leading European, U.S., and Asian institutional investors use these benchmarks in selecting investment targets. We have participated in the GRESB Real Estate Assessment since 2014 and have acquired "Green Star," which is given based on evaluation of the management component, which evaluates policies and organizational structure for ESG promotion, and the performance

component, which assesses environmental performance and tenant engagement of properties owned, for eight consecutive years since 2015. In the 2022 GRESB Real Estate Assessment, we have received a “4 Stars” in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. We also have received the highest “A Level” for the GRESB Public Disclosure, which assess the width of ESG disclosure.

- *Task Force on Climate-related Financial Disclosures (“TCFD”).* The TCFD was established by the Financial Stability Board (FSB) to develop recommendations for more effective climate-related disclosures. In September 2020, our sponsor, TOKYU CORPORATION announced its endorsement of the TCFD recommendations, which are designed to help companies provide better information to support informed capital allocation. Our sponsor is promoting the introduction of renewable energy and private (electric) power generation in response to risks associated with the transition to a low-carbon society, and taking measures against risks associated with floods and slope failures that might affect its railways and properties. In August 2022, the Asset Manager announced its endorsement of TCFD recommendations and joined TCFD Consortium, an organization made up of Japanese companies that support the recommendations. Based on the TCFD recommendations on the impact of climate change on TOKYU REIT, Inc., we analyze multiple scenarios (less than 1.5°C and less than 2°C scenarios and 4°C scenario) to identify and assess climate change risks and opportunities that may affect our business activities.
- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

Principal Adverse Impact

Does TOKYU REIT, Inc. consider principal adverse impacts on sustainability factors?

Yes, on an ongoing basis we collect select information on our existing portfolio regarding the principal adverse impact indicators, exposure to energy-inefficient investment assets, GHG emissions and energy consumption intensity. We aim to manage the risk connected to principal adverse impacts from our investment decisions in several ways, including general screening criteria and due diligence.

- *Exposure to fossil fuels through assets.* We do not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.
- *Exposure to energy-inefficient investment assets.* We consider properties other than the properties that have received any of the green building certifications to be energy-inefficient. As described in more detail above, we implement as appropriate measures to reduce the environmental impact of these properties and believe such engagement leads the acquisition of environmental certifications and ultimately to investments in energy-efficient properties.
- *GHG emission intensity.* Total GHG emissions generated by properties was 8,675t-CO₂ (in FY2021). We aim to reduce GHG emission intensity by 46.2% at our properties by FY2030 as compared to the level in FY2019, and to ultimately achieve carbon neutrality at our properties by FY2050.

We consider, both at the entity-level (i.e., the Asset Manager) and at the fund-level (i.e., TOKYU REIT, Inc.), principal adverse impacts of our investment decisions on sustainability factors. Under the Investment Trust Act of Japan, TOKYU REIT, Inc., is prohibited from having any employees and is required to outsource asset management

to a third party. Accordingly, as discussed in detail elsewhere, any consideration at the fund-level of principal adverse impacts of our investment decisions on sustainability is conducted by the Asset Manager. In addition to the Asset Manager's contractual obligations to TOKYU REIT, Inc. under the asset management agreement, the Financial Instruments and Exchange Act of Japan provides that the Asset Manager owes TOKYU REIT, Inc. fiduciary duty in conducting its activities, including making investment decisions, and the Asset Manager makes investment decisions that take sustainability considerations into account.

We believe that investment decisions that negatively affect climate or other environment-related resources, or have negative implications for society, can have a significant impact to risk and value creation for our unitholders. To this end, we consider the principal adverse impacts of our investment decisions on the above sustainability factors in major steps of management process throughout the lifecycle of the properties in our portfolio.

Investment Strategy

What investment strategy does TOKYU REIT, Inc. follow?

TOKYU REIT, Inc. invests directly or indirectly through trust beneficiary interests in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable. The investment and due diligence policies as described below are related to real estate and real estate-related assets.

TOKYU REIT, Inc. invests primarily in office properties, commercial facilities, residential properties and complexes that include any of the foregoing, located in Tokyo's central five wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) or what we refer to as the "Tokyu Areas", which are the areas serviced by the Tokyu rail network.

Since its founding, TOKYU CORPORATION, our sponsor and the Asset Manager's parent, has a history of addressing social issues through its business activities by focusing on railways-based urban development. Its basic sustainable management stance is captured by the group's slogan "Toward a Beautiful Age." To maximize our unitholder value, the Asset Manager has continually worked to improve the value of our portfolio and investment target areas by investing in highly competitive properties in areas with strong growth potential. Our asset management strategy is to seek growth, stability and transparency, in addition to collaboration with TOKYU CORPORATION.

We will pursue sustainable investment management that emphasizes growth potential and stability to be a "100-year REIT" by implementing our long-term investment management strategy that addresses the medium- to long-term cyclicity of real estate prices. We recognize that ESG and SDGs are important considerations in pursuing sustainable investment management.

The Asset Manager has established a Sustainability Promotion Committee, which is composed of Chief Financial Officer as Chief Sustainability Manager, as the chairperson, full-time directors, executive officers and heads of each division, which generally meets at least once every quarter, to establish sustainability goals, review the progress and achievement against those goals and report to the Board of Directors of the Asset Manager and our Board of Directors. Our Sustainability Policy and any material issues we identify will be reviewed and discussed by the Sustainability Promotion Committee as necessary and reported to the Board of Directors of the Asset Manager and our Board of Directors.

In July 2022, we have formulated the "Green Finance Framework" as follows in order to contribute to the realization of a sustainable environment and society through financing in investments contributing to the resolution of environmental issues (green financing) and to strengthen the financing base through the expansion of the investor base interested in ESG investments.

- *Use of Funds.* Funds procured through green finance (the "Procured Funds") shall be allocated to funds for new acquisition of assets fulfilling the green eligibility criteria (1) described below (the "Green Buildings"), funds for renovation work, etc. fulfilling the green eligibility criteria (2) described below (the "Renovation Work, etc."), or refinancing of borrowings or investment corporation bonds required for them (the "Refinancing of Borrowings, etc.>").

- *Green Eligibility Criteria.*

- (1) Green Buildings

Structures that have acquired or are scheduled to acquire one of the environmental certifications from third-party certification bodies in (i) to (iv) below that are effective as of the payment date of green bonds or the drawdown date of green loans.

- (i) DBJ Green Building Certification: 3, 4 or 5 Stars

- (ii) CASBEE Certification: Rank S, A or B+

- (iii) BELS Certification: 3, 4 or 5 Stars

- (iv) LEED Certification: Platinum, Gold or Silver (top three)

- (2) Renovation Work, etc.

Renovation Work, etc. fulfilling one of the criteria in (i) to (iii) below

- (i) Renovation work intending to improve the number of stars or rank by one or more for one of the certifications in green eligibility criteria of (1) Green Buildings above

- (ii) Renovation work capable of reducing energy consumption, greenhouse gas emission or water consumption by 30% or more

- (iii) Introduction or acquisition of facilities related to renewable energy

- *Evaluation and Selection Process of Projects.* Upon the evaluation and selection of Green Buildings and Renovation Work, etc., the Finance and IR Division considers the adequacy based on the sustainability policy and green eligibility criteria at the Asset Manager, and the President and Chief Executive Officer conducts evaluation and selection after confirmation by the Sustainability Promotion Committee. The details will be reported at the Asset Manager's Board of Directors and TOKYU REIT, Inc.'s Board of Directors' meeting.

- *Management of Procured Funds.* If there are unallocated funds, the Procured Funds shall be managed as cash or cash equivalents. If the assets subject to the use of funds are excluded from the target due to sale or damage, etc. by the date of redemption or repayment of the targeted investment corporation bonds or borrowings even after the allocation of the entire amount, the unallocated funds which occur temporarily shall be managed through Portfolio Management (Note).

(Note) "Portfolio Management" refers to the management method of confirming that the total balance of green finance does not exceed the amount of green eligible debt in each fiscal period. Moreover, green eligible debt is calculated with the formula of total acquisition price of Green Buildings \times total assets LTV ratio (as of the end of fiscal period) + amount invested in Renovation Work, etc., and is the maximum amount of the balance of green finance.

- *Reporting.*

- *Reporting of the status of allocation of funds.* The following items will be disclosed on our website on an annual basis so long as any amount raised through green finance has been invested in eligible green assets, and such assets remain in our portfolio.

- Green Finance Allocated Amount
- Green Finance Unallocated Amount
- *Reporting of the effect on environmental improvement, etc.* The following items will be disclosed on our website for on an annual basis.
 - Green Buildings
 - Environmental Performance Data

Our Green Finance Framework received the highest rank “Green 1(F)” by Japan Credit Rating Agency, Ltd. (“JCR”) on July 2022. JCR evaluates green bond issuance or green loan borrowing policies for the purpose of ensuring compliance with the International Capital Markets Association’s (ICMA) International Green Bond Principles, the Loan Market Association’s Green Loan Principles or the Guidelines for Green Bonds established by the Ministry of the Environment of Japan.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by TOKYU REIT, Inc.?

Before the Board of Directors of the Asset Manager makes a final decision to invest in a property, it reviews sustainability-related findings about the property reported by the Asset Transaction Division of the Asset Manager as part of the overall investment proposal. In particular, the Board of Directors, assesses, among other things, the following factors: (i) asbestos in the property; (ii) usage and handling of PCB-containing machines in the property; (iii) usage of chlorofluorocarbon gas and halon gas in the property; (iv) soil contamination; (v) carbon dioxide concentration; (vi) water pollution (vii) radioactivity exposure risk; (viii) earthquake-resistance of the building; and (ix) Acquisition of Environmental Certifications. The Asset Transaction Division of the Asset Manager excludes from its investment proposal any property with ESG issues that are not safe and harmful to the health of tenants and other property users.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Prior to our investment in a property, the Asset Manager conducts due diligence review of the property based on real estate valuation conducted by independent agencies, including the assessment of compliance with applicable environmental laws and ordinances and environmental and disaster risks, as well as investigation into hazardous substances and soil contamination. We do not consider investing in properties that do not meet the standards stipulated in applicable environmental laws and ordinances. However, from time to time we acquire properties not meeting the standards as long as they are deemed fixable after acquisition, comprehensively considering their impact on our entire portfolio and the degree of expected contribution to the enhancement of our portfolio value. The above investment strategy applies to all of our properties.

What is the policy to assess good governance practices of the investee companies and TOKYU REIT, Inc.?

We invest directly or indirectly through trust beneficiary interests in real estate and real estate-related assets. Therefore, due diligence review (including the assessment of good governance practices) in relation to investee companies is not applicable.

We, along with the Asset Manager, have introduced the following measures to assess and enhance our governance systems

- *Compliance and risk management.* The Asset Manager has established the Compliance and Risk Management Committee, which is an advisory body to the Asset Manager’s Board of Directors. The Committee consists of 2 part-time directors and 2 external committee members with relevant knowledge and experience, who are not officers or employees of the Asset Manager or interested parties. It meets

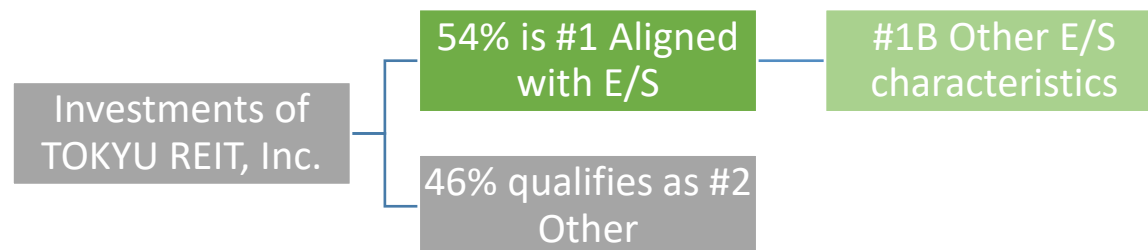
at the request of the Board of Directors to discuss important compliance and risk management matters (including related party transactions and any other matters deemed necessary by the Executive Officer in charge of compliance or the Head of the Committee Secretariat). It also reviews the related party transaction rules and reports to the Asset Manager's Board of Directors.

- *Measures against conflicts of interest.* We are not allowed to carry out related party transactions without deliberation of the Compliance and Risk Management Committee and the approval of our Board of Directors, which reviews each such transaction to make sure that it is in accordance with our interested-party transaction rules as well as the appropriateness of each transaction, and approval of the Board of Directors of the Asset Manager. We disclose related party transactions in a timely manner.
- *Internal audit.* The Asset Manager examines whether its operations are being conducted appropriately and efficiently in accordance with applicable laws and regulations and internal rules, reports the results to its Board of Directors and the President and CEO and makes recommendations for improvement to the divisions subject to internal audits. Internal audits cover all organizations, divisions and operations within the Asset Manager as well as certain aspects of outside parties to which operations are outsourced.
- *Transparent and appropriate information disclosure.* We disclose information on our sustainability initiatives on our website in accordance with the GRI Sustainability Reporting Standards, the global standards for sustainability reporting that enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way. We disclose on our website a table that compares our ESG-related information to the relevant GRI Sustainability Reporting Standards.

Asset Allocation

What is the asset allocation planned for TOKYU REIT, Inc.?

As of January 31, 2023, 54% of the properties in our portfolio were Green Buildings, and 46% were nonqualified assets based on gross floor area. We aim to increase the percentage of Green Building in our properties by over 70% by FY2025 based on gross floor area.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

There are no assets specifically earmarked as having a sustainable objective and as such, no calculation is required to be made as to whether any individual asset does significant harm to any sustainable investment objective

as referred to in the SFDR. Nevertheless, our sustainable investment objective is consistently integrated and monitored in the management of the assets.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the investment units of TOKYU REIT, Inc.?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

- ***Did TOKYU REIT, Inc. invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy?***

Not applicable. TOKYU REIT, Inc. does not invest in real estate assets involved in fossil gas and/or nuclear energy-related activities.

- ***What was the share of investments made in transitional and enabling activities***

Not applicable.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods***

Not applicable.

What investments are included under “#2 Other,” what is their purpose and are there any minimum environmental or social safeguards?

The investments under “#2 Other” are those properties that do not so far qualify as Green Buildings. As discussed in detail above, we invest in properties that have been subjected to ESG-related due diligence review and risk assessment. We do not consider investing in properties that do not meet the standards for environmental contamination in accordance with the applicable environmental laws and ordinances, unless deemed fixable promptly after acquisition.

Index as Reference Benchmark

Is a specific index designated as a reference benchmark to determine whether TOKYU REIT, Inc. is aligned with the environmental or social characteristics that it promotes?

Not applicable. TOKYU REIT, Inc. does not have a specific index designated as a reference benchmark to determine whether TOKYU REIT, Inc. is aligned with the environmental or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by TOKYU REIT, Inc.?

Not applicable.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.

How does the designated index differ from a relevant broad market index?

Not applicable.

More Product-specific Information

Where can I find more product-specific information online?

More product-specific information can be found on the website:

<https://www.tokyu-reit.co.jp/eng/portfolio/index>

<https://www.tokyu-reit.co.jp/eng/financial/index>

Note Regarding the EU Taxonomy Regulation

As set out above, we promote certain environmental characteristics.

The Asset Manager is required, under Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy regulation. The EU Taxonomy Regulation is to be complemented by technical standards and screening criteria which are currently developed. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021. They apply as of January 1, 2022.

We invest in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The Asset Manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and the fact that, as a result thereof, data on alignment of our investments with these environmental objectives and climate related goals in line with EU Taxonomy Regulation are not sufficiently available, the Asset Manager is not currently in a position to disclose on an accurate and reliable basis to what extent our investments technically qualify as Taxonomy-aligned or “environmentally sustainable” within the specific meaning of the EU Taxonomy Regulation. Our investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the Asset Manager is required to state that there is no minimum proportion of our investments that qualify as such.

The Asset Manager further states that the “do no significant harm” principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF TOKYU REIT, INC. (SFDR ARTICLE 6 DISCLOSURE)

The Asset Manager has established the Sustainability Promotion Committee, which generally meets at least once every quarter, to review the progress and achievement related to the sustainability initiatives and report to the Board of Directors of the Asset Manager and our Board of Directors. The Sustainability Promotion Committee composed of Chief Financial Officer as Chief Sustainability Manager, as the chairperson, full-time directors, executive officers and heads of each division.

Under this organizational structure, we have instituted a number of initiatives to promote E/S characteristics. Such initiatives include climate change initiatives, initiatives for saving/reducing energy consumption, local community initiatives, and initiatives for employees'/tenant's initiatives.

In order to conduct sustainable asset management while maximizing the value of our properties, we have taken into consideration ESG factors in our investment and asset management processes.

While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as one of the top priorities in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns. In other words, we believe that if we fail to consider ESG factors enough in the investment decision-making process, it may cause the increase of capital cost and even reduce investors' returns. If our ESG initiatives are not sufficient, our investment units may be excluded from investment by investors who use the status of ESG initiatives as one of their investment criteria. As a result, the investment unit price may be adversely affected. We are exposed to the following risks in particular.

Physical risks

The assets in which we invest are exposed to physical climate risks, which can materialize through, for example, floods, storms, heat and limited access to natural resources, which in turn can cause the value of our assets to decline. Specifically, for TOKYU REIT, Inc., the following risks are, among other risks, particularly relevant. The risks are assessed by the TCFD 4 °C scenario. More information can be found on the website: <https://www.tokyu-reit.co.jp/eng/sustainability/climate>

Potential Changes in Business Environment	Impact on Business	Degree of Impact		Potential Countermeasures
		FY2030	FY2050	
Increase in abnormal weather	<ul style="list-style-type: none">• Decreased asset value for properties at high risk from natural disasters due to increases in abnormal weather.• Increased repair costs and insurance premium expenses for properties that suffer damage from abnormal weather such as flooding and storm surges.	Small	Small	<ul style="list-style-type: none">• Identifying risks based on hazard maps, etc.• Reducing disaster risks by installing waterproof boards and emergency power sources, implementing BCP measures, etc.• Providing disaster prevention information to tenants

	<ul style="list-style-type: none"> • Lost sales opportunities for properties that suffer damage from abnormal weather such as flooding and storm surges. 			
Impact of increased average temperatures	<ul style="list-style-type: none"> • Increased cooling costs for properties due to abnormally high temperatures. • Incurring renovation costs due to sea level rise, etc. (regrading, etc.) 	Small	Small	<ul style="list-style-type: none"> • Reducing energy consumption by implementing energy-saving-related work • Carrying out renovations in response to risks, such as regrading • Reducing disaster risks by installing waterproof boards and emergency power sources, implementing BCP measures, etc. • Providing disaster prevention information to tenants

Transition risks

The assets in which we invest are exposed to physical transition risks, which can materialize through, for example, changes in regulations, technical developments and/or social developments, which in turn may cause the value of our assets to decline. Specifically, for TOKYU REIT, Inc., the following risk is, among other risks, particularly relevant. The risks are assessed by TCFD 1.5°C or 2°C scenario. More information can be found on the website: <https://www.tokyu-reit.co.jp/eng/sustainability/climate>

Potential Changes in Business Environment	Impact on Business	Degree of Impact		Potential Countermeasures
		FY2030	FY2050	
Introduction of carbon taxation/enhancement of emissions trading systems	<ul style="list-style-type: none"> • Increased financial burden due to tighter greenhouse gas emission regulations based on carbon pricing, etc. 	Medium	Medium	<ul style="list-style-type: none"> • Ongoing introduction of 100% renewable energy-based power • Planned reduction of energy consumption aimed at reaching targets
Strengthening/expansion of legal systems, energy efficiency assessment	<ul style="list-style-type: none"> • Increased adaptation burden as information disclosure requirements 	Small	Small	<ul style="list-style-type: none"> • Planned certification acquisition aimed at reaching environmental certification acquisition rate target

labeling systems, and disclosure requirements	<p>are strengthened and expanded.</p> <ul style="list-style-type: none"> • Increased financial burden due to growing demand to acquire environmental certifications for existing properties and increased acquisition of environmental certifications for portfolio properties. 			<ul style="list-style-type: none"> • Replacing assets with properties that have acquired environmental certification and acquiring new ones
Increased retrofitting costs (increased renovation costs to comply with greenhouse gas emission regulations)	<ul style="list-style-type: none"> • Incurring renovation costs for ZEB and ZEH conversion of existing properties in response to stricter laws and changing customer demands. 	Large	Large	<ul style="list-style-type: none"> • Promoting ZEB/ZEH conversion work • Acquiring properties with excellent energy-saving performance
Soaring energy prices	<ul style="list-style-type: none"> • Rising energy costs due to soaring electricity prices, natural gas prices, etc. 	Large	Large	<ul style="list-style-type: none"> • Reducing energy consumption by implementing energy-saving-related work • Ongoing introduction of 100% renewable energy-based power • Considering energy creation
Changes in customer demand	<ul style="list-style-type: none"> • More competitive acquisition environment due to growing demand for properties with excellent environmental performance, soaring property acquisition prices, etc. • Lower competitiveness as demand for portfolio properties with inferior environmental performance decreases. 	Large	Large	<ul style="list-style-type: none"> • Planned certification acquisition aimed at reaching environmental certification acquisition rate target • Improving energy efficiency of existing portfolio properties through facility upgrades, renovations, etc. • Introducing ESG assessment criteria when acquiring properties • Promoting ESG and climate change adaptation; enhancing disclosure details • Promoting initiatives aimed at improving ESG assessments by external organizations

Changes in investors' and financial institutions' attitude and evaluations	<ul style="list-style-type: none"> • Changes in investors' and financial institutions' attitudes to ESG lending and investment and company assessments. • Less positive assessment due to delays in adapting to ESG/climate change. • Increased financing costs due to less positive ESG assessment. 	Medium	Medium–Large	<ul style="list-style-type: none"> • Proactive use of sustainable financing • Promoting ESG and climate change adaptation; enhancing disclosure details • Promoting initiatives aimed at improving ESG assessments by external organizations
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Social and governance risks

The assets in which we invest are exposed to physical social and governance risks, such as, among other risks, the following.

- Risk of infectious diseases: An epidemic or pandemic of infectious diseases may hinder the operation of our properties and adversely affect profitability of our portfolio. We address this risk by adopting countermeasures such as increased cleaning and sanitization by our building managers.