

September 11, 2025

Real Estate Investment Trust Unit Issuer:  
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Momoko Sasaki  
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## **Notice Concerning Disposition (TOKYU REIT Shimokitazawa Square) of Domestic Real Estate**

TOKYU REIT, Inc. (“TOKYU REIT”) today announced that its investment management company, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”), had decided to dispose of domestic real estate (the “Disposition”). Brief details are as follows.

### 1. Disposition Details

Property Name	TOKYU REIT Shimokitazawa Square
Location	6-6-1, Daita, Setagaya-ku, Tokyo
Disposition Price	¥2,687 million
Book Value	¥2,172 million (Expected value as of disposition date)
Amount of Difference from Disposition Price	¥514 million (Note 1)
Purchaser	Sumitomo Corporation (Please refer to “5. Purchaser Profile”)
Brokerage	Yes
Decision of Disposition	September 11, 2025
Contract Date	September 11, 2025
Disposition Date	October 7, 2025
Receiving of Disposition Costs	October 7, 2025 (Note 2)

(Note 1) Amount of difference between the disposition price and the expected book value as of the scheduled disposition date is indicated.

(Note 2) TOKYU REIT is scheduled to receive 271,785 thousand yen as a deposit on the date of conclusion of the purchase and sale agreement and the remaining amount on the disposition date.

## 2. Rationale

TOKYU REIT strives to improve the quality of its portfolio, taking into consideration trends in the capital market and real estate investment market as well as the growth potential of the portfolio's cash flow in the medium to long term. The Disposition will be conducted as part of these efforts in accordance with the "Scope and Policy of Investment Management" as outlined in the Articles of Incorporation of TOKYU REIT.

TOKYU REIT Shimokitazawa Square (the "Property") is a retail facility acquired in April 2019 and located in Setagaya-ku, Tokyo. Since its acquisition, it has contributed to TOKYU REIT's income.

On the other hand, market rents have declined since the COVID-19 pandemic, remaining flat until now, and as there is limited room for upside in rent. Furthermore, large-scale repair work will become necessary in the future as 17 years have passed since completion. TOKYU REIT recognizes that addressing these issues is a challenge.

As a result of the bidding regarding the sale of the Property based on the above circumstances, with the purchaser's intent to purchase the Property at a price exceeding the book value and the most recent appraisal value, TOKYU REIT decided on the disposition, judging that the disposition of the Property in the current market environment was the best decision from the perspective of total return (Note 1).

After comprehensively taking into account real estate transaction market conditions and investment unit price trends and interest rate level, TOKYU REIT will consider utilizing the funds of Disposition for the acquisition of alternative properties, the acquisition of its own investment units, or the repayment of borrowings. (Note 2).

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

(Note 1) Total income comprising income returns (rental income, etc.) and future capital returns (sale income) of each fiscal period.

(Note 2) This is the current policy under consideration by TOKYU REIT, but no decision has been made regarding acquisition of alternative properties, acquisition of its own investment units, or the repayment of borrowings, and the policy is subject to change.

### 3. Details of Asset to Be Disposed

Property Name		TOKYU REIT Shimokitazawa Square				
Type of Specified Asset		Domestic real estate				
Location	Registered	Land: 6-1058-114, 6-1058-27, 6-955-35, Daita, Setagaya-ku, Tokyo				
		Building: 6-1058-114, 6-1058-27, 6-955-35, Daita, Setagaya-ku, Tokyo				
	Residential	6-6-1 Daita, Setagaya-ku, Tokyo				
Access		Approximately a three-minute walk from Shimo-kitazawa Station, Keio Inokashira Line Approximately a five-minute walk from Shimo-kitazawa Station, Odakyu Odawara Line				
Use		Retail				
Area Classification		Category 1 residential districts and Category 1 low-rise exclusive residential districts				
Site/Floor Area (Registered)		Land: 489.27 m <sup>2</sup>				
		Building: 1,306.55 m <sup>2</sup>				
Structure (Registered)		RC B1/4F				
Completion Date (Registered)		June, 2008				
Type of Ownership		Land: Proprietary ownership				
		Building: Proprietary ownership				
Acquisition Date		April 26, 2019				
Acquisition Price		¥2,257 million				
Disposition Date		October 7, 2025				
Disposition Price		¥2,687 million				
Appraisal Value		¥2,260 million (effective date of value: September 1, 2025)				
		Appraiser: Japan Real Estate Institute				
Book Value		¥2,172 million (Expected value as of disposition date)				
Amount of Difference from Disposition Price (Note)		¥514 million				
Special Items		The height of the fence on the subject land may differ from the height specified in the building certification application, but TOKYU REIT has agreed with the purchaser that if the height of the fence exceeds a certain level as a result of verification, it will be removed at the burden and responsibility of TOKYU REIT.				
Lease Details	Total Number of Tenants	9 (as of July 31, 2025)				
	Total Rental Income	¥108 million a year (actual results from August 1, 2024, to July 31, 2025)				
	Lease Deposits and Guarantee Deposits	¥72 million (as of July 31, 2025)				
	NOI	¥79 million a year (actual results from August 1, 2024, to July 31, 2025)				
	NOI after Depreciation	¥58 million a year (actual results from August 1, 2024, to July 31, 2025)				
	Total Leased Area	1,246.98 m <sup>2</sup> (as of July 31, 2025)				
	Total Rentable Area	1,246.98 m <sup>2</sup> (as of July 31, 2025)				
	Occupancy Rates over the Last Five Years	As of July 31, 2021 89.6%	As of July 31, 2022 100.0%	As of July 31, 2023 100.0%	As of July 31, 2024 100.0%	As of July 31, 2025 100.0%
(Note) Amount of difference between the disposition price and the expected book value as of the scheduled disposition date is indicated.						

#### 4. Property Appraisal Summary

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

Property Name: TOKYU REIT Shimokitazawa Square	Estimation	Notes
Appraisal Firm: Japan Real Estate Institute		
Effective Date of Value	Sep. 1, 2025	—
Type of Value	Market Value	—
Appraisal Value	2,260,000	= Value Indicated by Income Capitalization Approach
Value Indicated by Income Approach	2,260,000	= Average of Direct Capitalization and DCF Methods
Value Indicated by Direct Capitalization Method	2,290,000	—
(1) Operating Revenue (a. – b.)	106,972	—
a. Potential Gross Income (rental income, common area charges income, utilities reimbursement, etc.)	112,194	We calculated the rental income and common area charges income based on their stabilized figures, which were based on the current rents and market rent.
b. Vacancy Loss	5,222	We utilized the stabilized occupancy rate, which was based on the occupancy rate trend of similar properties in the local market and the past occupancy rate of the subject property and its future prediction.
(2) Operating Expenses (c. + d. + e. + f. + g. + h. + i. + j.)	26,540	—
c. Building Maintenance Cost	5,500	We considered the characteristics of the subject property after analyzing its maintenance costs in the past and those of similar properties.
d. Utilities Expenses	9,600	Based on the past figures of the subject property and its occupancy rate
e. Repair Expenses	1,352	Based on: (i) the past figures of the subject property; (ii) the future management plan; (iii) the cost levels of similar buildings; and (iv) the annual average repair/replacement costs and replacement allowance in the available engineering report of the subject property.
f. Property Management Fee	2,147	Based on the past figures/characteristics of the subject property and the management fees of similar properties.
g. Tenant Solicitation Expenses, etc.	1,096	We used the annual average amount of the subject property based on the expected turnover rate of tenants.
h. Property Taxes	6,746	Based on the property tax information of the subject property (e.g., taxable value and tax increment adjustments).
i. Property Insurance	99	We considered the subject property's current premiums and those of similar properties.
j. Other Expenses	0	There are no other expenses.
(3) Net Operating Income (NOI) ((1) – (2))	80,432	—
(4) Investment Profits from Refundable Deposits	710	The outstanding balance of security deposits was assumed to be invested to yield a 1.0% annual return. We calculated the outstanding amount by considering the stabilized security deposit and occupancy rate.
(5) Capital Expenditure	3,310	We assumed that a constant amount for capital expenditures would be set aside on a yearly basis considering the building age of the subject property, typical annual expenditures of similar properties, and average annual repair/replacement expenditures in the engineering report.
(6) Net Cash Flow (NCF) ((3) + (4) – (5))	77,832	—
(7) Overall Capitalization Rate	3.4%	—
Value Indicated by DCF Method	2,230,000	—
Discount Rate	3.2%	—
Terminal Capitalization Rate	3.5%	—
Value Indicated by Cost Approach	2,080,000	—
Ratio of Land Value	86.8%	—
Ratio of Building Value	13.2%	—
Reconciliation before Arriving at the Value Conclusion	We placed the most emphasis on the value through the income capitalization approach, which we judged better reflects the actual price formation process in the market.	

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.

## 5. Purchaser Profile

Company Name	Sumitomo Corporation
Head Office Address	2-3-2, Otemachi, Chiyoda-ku, Tokyo
Representative	Shingo Ueno, Representative Director, President and Chief Executive Officer
Business Activities	Steel-related business, aircraft business, healthcare business, infrastructure business, comprehensive urban development business and other businesses
Capital	¥221 billion
Foundation Date	December 24, 1919
Net Assets of the Previous Business Year	¥1,800.5 billion (as of March 31, 2025)
Total Assets of the Previous Business Year	¥5,377.6 billion (as of March 31, 2025)
Major Shareholder and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust account) 16.37%, etc. (as of March 31, 2025)
Relationship between the Investment Corporation or its Investment Management Company and the Company	
Capital Relationship	There is no capital relationship to state between TOKYU REIT or its investment management company and the Company. In addition, there is no capital relationship to note between the affiliated persons or affiliated companies of TOKYU REIT or its investment management company and the affiliated persons or affiliated companies of the Company.
Personnel Relationship	There is no personnel relationship to state between TOKYU REIT or its investment management company and the Company. In addition, there is no personnel relationship to note between the affiliated persons or affiliated companies of TOKYU REIT or its investment management company and the affiliated persons or affiliated companies of the Company.
Business Relationship	There is no business relationship to state between TOKYU REIT or its investment management company and the Company. In addition, there is no business relationship to note between the affiliated persons or affiliated companies of TOKYU REIT or its investment management company and the affiliated persons or affiliated companies of the Company.
Status of Classification as Related Party	The Company does not fall under the category of related party of TOKYU REIT or its investment management company. In addition, the affiliated persons or affiliated companies of the Company do not fall under the category of related party of TOKYU REIT or its investment management company.

## 6. Settlement Method

TOKYU REIT is scheduled to receive 271,785 thousand yen as a deposit on the date of conclusion of the purchase and sale agreement and the remaining amount on the disposition date.

## 7. Outlook

As a result of the Disposition, a gain on sale of real estate, etc. of ¥ 478 million is expected to be posted for the fiscal period ending January 2026 (FP 45), but the impact is minor. For details, please refer to the “FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JULY 2025” announced today.

## Attachments

Property Portfolio after the Disposition (assumption figure as of October 7, 2025)

\*Website of TOKYU REIT: <https://www.tokyu-reit.co.jp/eng/>

Attachment

Property Portfolio after the Disposition (assumption figure as of October 7, 2025)

Use	Property Name	Area *1	Acquisition Date	Acquisition Price (million yen)	Ratio(%) *2	Appraisal Value at the end of July 2025 (FP44) (million yen)
Retail	QFRONT	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	15,100	6.1%	40,100
	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	1.9%	6,500
	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	5,770	2.3%	8,510
	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	2.7%	15,300
	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *3	14,700	9.9%	23,800
			August 2, 2005 *4	9,800		
	TOKYU REIT Jiyugaoka Square	Tokyu Areas	October 1, 2019 *5	1,548	1.3%	3,630
			March 4, 2020 *6	1,611		
Retail Total				59,930	24.2%	97,840
Office	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	1.9%	8,270
	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	2.7%	12,800
	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	1.9%	6,200
	TOKYU REIT Toranomon Building *7	Central Tokyo	December 15, 2004 *8	6,041	2.9%	10,000
			September 21, 2007 *9	770		
			September 21, 2007 *10	140		
			October 26, 2007 *11	98		
			January 21, 2015 *12	74		
	Tokyu Ikejiri-ohashi Building	Tokyu Areas	March 28, 2008	5,480	2.2%	6,680
	Kojimachi Square	Central Tokyo	March 19, 2010	9,030	3.7%	10,500
	TOKYU REIT Shinjuku Building	Central Tokyo	March 26, 2010	9,000	3.6%	13,500
	Akihabara Sanwa Toyo Building	Central Tokyo	October 29, 2010	4,600	1.9%	7,300
	TOKYU REIT Shibuya R Building	Central Tokyo and Tokyu Areas (Shibuya)	August 16, 2013	5,270	2.1%	10,400
	Tokyu Toranomon Building	Central Tokyo	August 16, 2013	15,000	7.5%	26,000
			January 9, 2015 *13	1,850		
			June 30, 2022 *14	1,700		
	TOKYU REIT Shinjuku 2 Building	Central Tokyo	October 30, 2015	2,750	1.1%	3,400
	Tokyu Bancho Building	Central Tokyo	March 24, 2016 *15	12,740	11.5%	31,000
			March 28, 2019 *16	1,040		
			July 19, 2024 *17	14,700		
	TOKYU REIT Ebisu Building	Central Tokyo and Tokyu Areas (Shibuya)	August 1, 2018	4,500	1.8%	4,820
	Shibuya Dogenzaka Sky Building	Central Tokyo and Tokyu Areas (Shibuya)	March 28, 2019	8,100	3.3%	8,920
	OKI Shibaura Office	Central Tokyo	September 28, 2020	11,900	4.8%	14,000
	TOKYU REIT Shibuya Miyashita Koen Building	Central Tokyo and Tokyu Areas (Shibuya)	March 29, 2021	6,000	2.4%	6,300
	Aoyama Oval Building	Central Tokyo and Tokyu Areas (Shibuya)	December 10, 2021	18,600	7.5%	18,900
	Meguro Higashiyama Building	Tokyu Areas	March 24, 2022	8,100	3.3%	8,240
Office Total				163,484	66.1%	207,230
Residence	Maison Peony Toritsudaigaku	Tokyu Areas	November 15, 2017	1,200	0.5%	1,400
	STYLIO FIT Musashikosugi	Tokyu Areas	January 20, 2021	1,500	0.6%	1,680
	ISM Tsunashima	Tokyu Areas	July 5, 2024	1,000	0.4%	1,100
Residence Total				3,700	1.5%	4,180
Complex	Futako Tamagawa Rise	Tokyu Areas	January 31, 2023	20,200	8.2%	20,400
Complex Total				20,200	8.2%	20,400
Total				247,314	100.0%	329,650

\*1 Properties located in Shibuya Ward are indicated by (Shibuya).

\*2 Ratio is rounded to one decimal place. Accordingly, the subtotal and total may not exactly match the sum of relevant items.

\*3 Details of the 60% portion of trust beneficiary interests acquired under quasi-co-ownership.

\*4 Details of the 40% portion of trust beneficiary interests acquired under quasi-co-ownership.

\*5 Details of the 49% portion of trust beneficiary interests acquired under quasi-co-ownership.

\*6 Details of the 51% portion of trust beneficiary interests acquired under quasi-co-ownership.

\*7 Since the 30% co-ownership interest was disposed on April 9, 2025, acquisition price and appraisal value for the 70% co-ownership interest currently owned are indicated.

\*8 Floor area: 9,688.59 m<sup>2</sup>; Interest of site rights: 73,585/100,000

\*9 Floor area: 865.14 m<sup>2</sup>; Interest of site rights: 8,579/100,000

\*10 Floor area: 139.93 m<sup>2</sup>; Interest of site rights: 1,322/100,000

\*11 Floor area: 93.93 m<sup>2</sup>; Interest of site rights: 1,166/100,000

\*12 Floor area: 95.06 m<sup>2</sup>; Interest of site rights: 1,464/100,000

\*13 Details of the contiguous land (251.91 m<sup>2</sup>) additionally acquired on January 9, 2015.

\*14 Details of the Extended Portion additionally acquired on June 30, 2022.

\*15 Details of the 49% portion of trust beneficiary interests acquired under quasi-co-ownership.

\*16 Details of the 3.6% portion of trust beneficiary interests acquired under quasi-co-ownership.

\*17 Details of the 47.4% portion of trust beneficiary interests acquired under quasi-co-ownership.

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.