

September 14, 2006

FINANCIAL REPORT

FOR THE SIXTH FISCAL PERIOD ENDED JULY 31, 2006

TOKYU REIT, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8957.

URL: <http://www.tokyu-reit.co.jp>

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Board of Directors meeting for approving financial results: September 14, 2006

Planned start of dividend payments: October 13, 2006

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

PERFORMANCE FOR THE SIXTH FISCAL PERIOD (FEBRUARY 1, 2006 – JULY 31, 2006)

(1) Business Results

(Millions of yen)

	Operating Revenues	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
Sixth Fiscal Period	7,875	24.2%	4,119	49.7%	3,754	56.3%	3,753	56.3%
Fifth Fiscal Period	6,343	11.6%	2,752	18.4%	2,402	22.6%	2,401	22.6%

(Yen)

	Net Income per Unit	Return on Unitholders' Equity (ROE)	(Reference) Annualized	Ordinary Income to Total Assets	(Reference) Annualized	Ordinary Income to Operating Revenues
Sixth Fiscal Period	22,162	3.7%	7.5%	2.2%	4.4%	47.7%
Fifth Fiscal Period	14,200	2.7%	5.3%	1.4%	2.9%	37.9%

Notes:

- Net income per unit is calculated by dividing net income by the weighted average number of investment units (sixth fiscal period: 169,380 units; fifth fiscal period: 169,131 units) for each period.
- Changes in accounting policies: Yes
- Percentage change shows the increase and decrease ratio to the previous period. Figures are rounded to the nearest first decimal place.
- Return on unitholders' equity and ordinary income to total assets are calculated using the average of unitholders' equity and total assets as of the beginning of each fiscal period and each term-end.
- Annualized percentage figures for the sixth fiscal period
 = Percentage figures for the sixth fiscal period / Number of days in the sixth fiscal period of asset management (181 days) x 365 days (days during the year)
 Annualized percentage figures for the fifth fiscal period
 = Percentage figures for the fifth fiscal period / Number of days in the fifth fiscal period of asset management (184 days) x 365 days (days during the year)

(2) Distributions

(Millions of yen unless otherwise stated)

	Distribution per Unit (Yen)	Total Distributions	Distribution in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
Sixth Fiscal Period	22,162	3,753	0	—	100.0%	3.7%
Fifth Fiscal Period	14,179	2,401	0	—	100.0%	2.4%

Note: The payout ratio is rounded down to the nearest first decimal place.

(3) Financial Position

(Millions of yen unless otherwise stated)

	Total Assets	Unitholders' Equity	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
Sixth Fiscal Period	172,929	101,773	58.9%	600,860
Fifth Fiscal Period	171,791	100,421	58.5%	592,877

Note: The number of investment units outstanding totaled 169,380 units as of July 31, 2006 and January 31, 2005.

FORECAST OF RESULTS FOR SEVENTH FISCAL PERIOD (AUGUST 1, 2006 – JANUARY 31, 2007)

(Millions of yen unless otherwise stated)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (Yen)	Distribution in Excess of Earnings per Unit (Yen)
Seventh Fiscal Period	6,244	2,372	2,371	14,000	0

Reference: Estimated net income per unit for the seventh fiscal period: ¥14,000

Note: Forecasts presented in this document are based on “Assumptions for Forecasts for the Seventh Fiscal Period (from August 1, 2006 to January 31, 2007) and for the Eighth Fiscal Period (from February 1, 2007 to July 31, 2007)” identified in the separate reference attached (Japanese only). Forecasts for operating revenues, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may differ significantly from actual results due to changes in operating conditions and a variety of factors. Accordingly, TOKYU REIT does not guarantee any distribution amount.

This is an English translation of the captioned report. This translation is prepared and provided for readers' convenience. All readers are recommended to refer to the original version in Japanese of the report for complete and accurate information.