

Translation Purpose Only

TOKYU REIT



**December 19, 2003
Analyst Meeting Presentation Material**

TOKYU REIT, Inc.
(8957)
<http://www.tokyu-reit.co.jp/>

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TOKYU REIT

New Acquisition

TOKYU REIT Udagawa-cho Square (tentative name)

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■Details

➤ Type of Acquisition: Real Estate (Instead of trust beneficial interest)

➤ Property Name:

TOKYU REIT Shibuya Udagawa-cho Square
(tentative name)

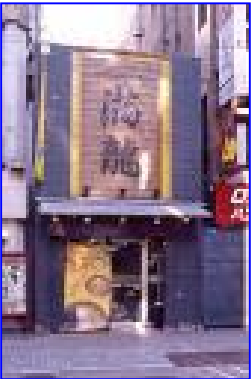
➤ Acquisition Price: ¥6,600,000,000
(excluding acquisition costs, property tax, city planning tax, and consumption tax)

➤ Financing:

Cash on hand and debt financing (proposed)

➤ Scheduled Acquisition Date: March 1, 2004 (Monday)

➤ Seller: TC PROPERTIES CO., LTD
(TC PROPERTIES CO., LTD. is a related party to Tokyu Real Estate Investment Management Inc., TOKYU REIT's asset management company)



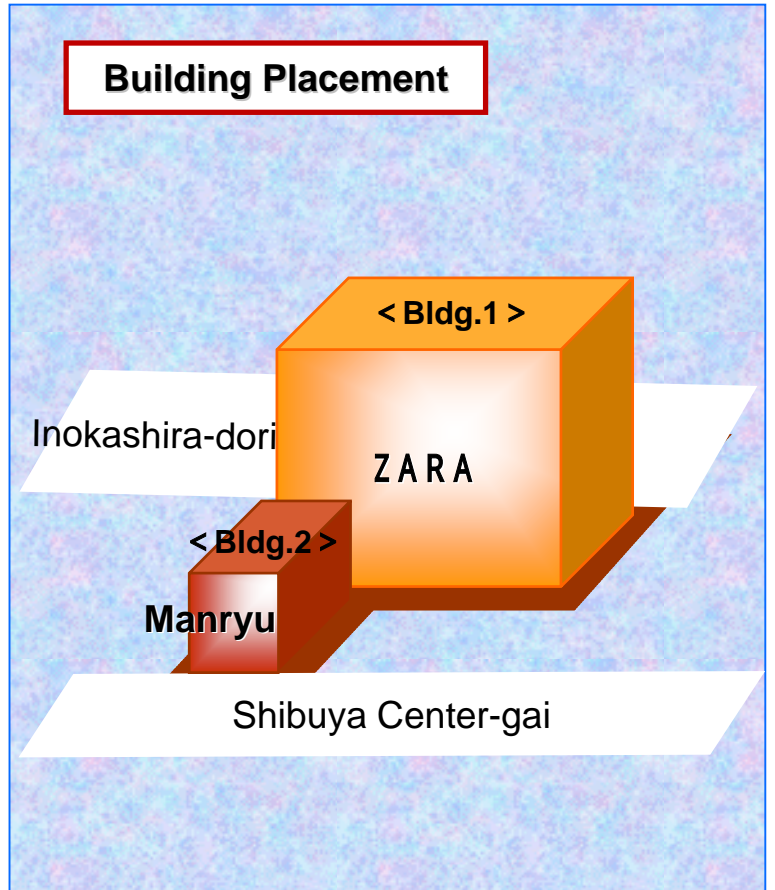
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TOKYU REIT Udagawa-cho Square (tentative name)

Tokyu REIT Shibuya Udagawa-cho Square (tentative name) is located in the center of Shibuya, one of Tokyo's main retail and commercial districts, facing the principal thoroughfares of Inokashira-dori and Center-gai. The building's principal tenant is ZARA, a Spain-based retailer of ZARA brand casual clothing. ZARA boasts a global network of over 550 stores in 46 countries, with the Shibuya store being the company's flagship and first outlet in Asia.



Residential : < Bldg.1 > 25-10 Udagawa-cho, Shibuya-ku, Tokyo
< Bldg.2 > 25-5, Udagawa-cho, Shibuya-ku, Tokyo



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■ Rationale

➤ The acquisition of TOKYU REIT Shibuya Udagawa-cho Square (tentative name) falls within TOKYU REIT's Investment policy as outlined in TOKYU REIT's Articles of Incorporation. This acquisition is anticipated to further enhance portfolio stability and growth.

In addition, the acquisition from TC PROPERTIES CO., LTD. of a retail property located in Shibuya Ward, Tokyo, is consistent with TOKYU REIT's Acquisition policy to leverage the collective strength of the Tokyu Group and represents a positive step in the purchase of Tokyu Group properties. Accordingly, TOKYU REIT's Internal Rules Regarding Related Party Transactions have been applied this acquisition.

■ Special Items

➤ TOKYU REIT has not received a letter of confirmation regarding certain section of the land's boundaries from the owners of adjacent land.

➤ The current owner of Bldg.1 maintains a master lease agreement with Tokyu Department Store Co., LTD. Tokyu Department Store has executed a sublease agreement with Zara Japan Corporation. Following purchase of Bldg.1 by TOKYU REIT, the master lease agreement will be terminated and replaced by a same conditioned lease agreement with Zara Japan Corporation.

➤ Bldg.2 is currently under temporary leasing agreement with a related party Tokyu Bus Corporation. Following settlement, TOKYU REIT intends to extend the term of the temporary lease to April 30, 2004.



TOKYU REIT Udagawa-cho Square (tentative name)

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Appraisal Summary

		Details	Specific Notes
Appraisal Firm		HIRO & REAS network, Inc. / Jones Lang LaSalle K.K.	-
Final Appraised Value		6,680,000	Income Approach applied
Date of Value		2003/10/1	-
Characteristics of the Subject Property	Two buildings and their sites located in highly accumulated shopping zone. Both of two buildings (Total Leasable Floor Area: 466.77 tsubo) do not fully utilize the current FAR and leave space for additional development. However, approximately 96.4% of th		
Value Indicated by Income Approach		6,680,000	Value indicated from DCF method applied as it is more viable
Value Indicated by Direct Capitalization Method <Assumed continuation of current use for existing 2 buildings>		5,850,000	-
(1)Gross Income		328,275	-
Potential Gross Income		328,782	< Building 1 > Based on current lease conditions < Building 2 > Based on tenant turnover with new rent
Vacancy Loss		507	Based on current lease conditions and vacancy rate of comparables, etc.
(2)Total Expenses		33,710	-
Maintenance/Management/Repairs/PM Fee, etc.		3,283	Based on historic figures and lease conditions
Leasing Commissions		127	Based on assumed turnover rate
Real Estate Taxes		30,272	FY2003 actual applied
Insurance Premium		28	Based on historic figures
(3)Net Operating Income		294,565	-
(4)Long-Term Repair Cost Reserve		2,111	Annual average of long-term repair cost reserve indicated in the engineering report
(5)Net Cash Flow		292,454	-
(6)Overall Capitalization Rate		5.00%	Based on market cap rate
Value Indicated by DCF Method <Two buildings are assumed to be demolished after continuing current use for 10 years. The value at the 11th year is derived based on the assumption where high-rise retail/office building will be newly built.>		6,680,000	-
Discount Rate		5.00%	-
Terminal Capitalization Rate		約3.4%	Value at the end of assumed ownership period is derived by DCF method based on projected cash flow of new high-rise retail/office building. Thus, reversion value does not reflect the direct capitalization method. Therefore, the terminal capitalization rat
Value Indicated by DCF Method		6,680,000	-
Value Indicated by Cost Approach		5,080,000	-
Ratio of Land Price		96.70%	-
Ratio of Building Price		3.30%	-
Particular Attention to have been paid in Application of Appraisal Methodology and Final Value Conclusion		Although the subject is located in one of the most accumulated shopping zones in Tokyo, FAR has not been fully utilized and therefore there is sufficient space for additional development. In addition, construction cost, rent projection, and such at the time of future new development are carefully examined.	

Regulated volume-to-lot ratio 700% (underutilized ratio 475%)

Land is not utilized to its full range.

Appraisal based on the assumption of higher utilization after lease agreement expiration.

Based on the assumption the current tenant continues to lease the property for the remainder of the lease agreement (fixed-term lease agreement through July 2013).

The relationship with the current tenant remains unchanged.

This appraisal was performed by licensed real estate appraisers in conformity with the Real Estate Appraisal Act and Real Estate Appraisal Standards that were in place as of the effective date of this appraisal. The real estate appraisers do not make an

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TOKYU REIT Udagawa-cho Square (tentative name)

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Assumptions for Appraisal

Scenario is adopted, because that possibility of realization looks higher and appropriate.

	Scenario Continually using the present building	Scenario Reconstruction as of Appraisal Date	Scenario Reconstruction after 10years
Assumptions	<ul style="list-style-type: none"> · NCF in First Fiscal Year is Divided by Market Cap Rate 	<ul style="list-style-type: none"> · 8above-ground floors & 1underground floor · Maximum Potential Utilized 	<ul style="list-style-type: none"> · 8above-ground floors & 1underground floor · Maximum Potential Utilized · Construction after Expiration of Current Fixed Term Lease · No rent Increase
Evaluation Method	Direct Capitalization Method	Discount Cash Flow Method	Discount Cash Flow Method (Price of Scenario is used as terminal value)
Discount Rate	5.0%	-	5.0%
Value Indicated by Income Approach	¥5,850 million	¥7,250 million	¥6,680 million

- 8above-ground floors & 1underground floor
- Total Floor Area: about 5,800m²
- Rentable Area : about 3,500m²
- Occupancy Rate: 95%

- (Rent Assumptions)
- B1-3F Retail @65thousand yen / tsubo (average)
 - 4-6F Office @28thousand yen / tsubo
 - 7-8F Restaurant @38thousand yen / tsubo
 - Occupancy Rate 95%

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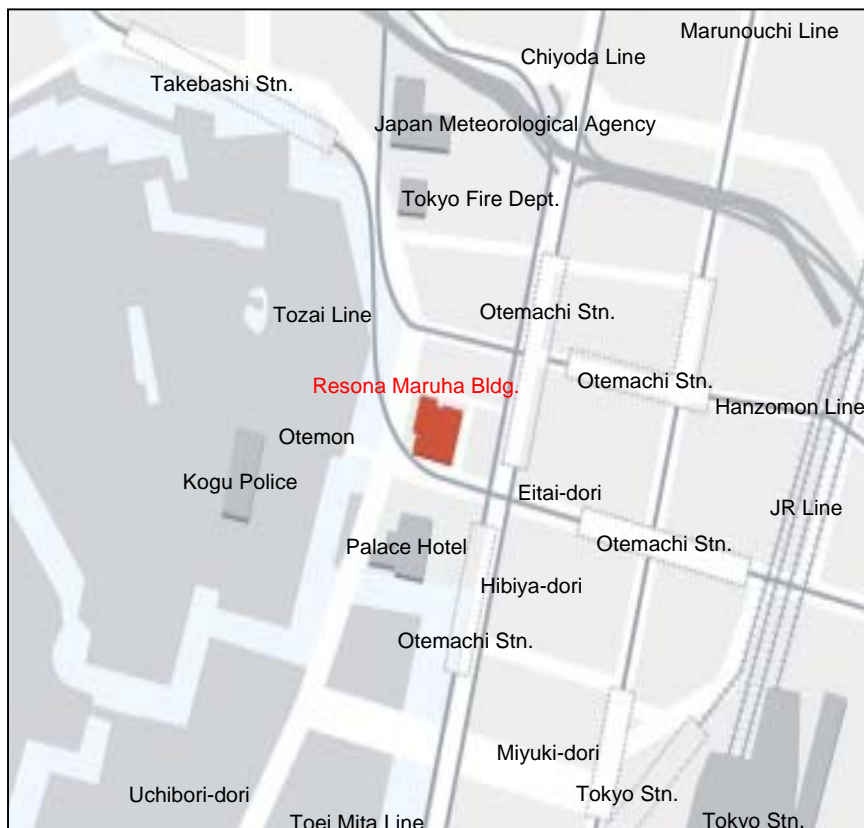
■Details

- Type of Acquisition :
A property in the form of trust beneficial interest
- Property Name :
Resona Maruha Building
 - *Land : 6,893.71 m² (27% under co-ownership)
 - *Building : Compartmentalized ownership of floors B3, 1, and 18 through 25 of the Resona Maruha Building comprising 19,542.77 m²
- Trustee : The Mitsubishi Trust and Banking Corporation
- Expiration Date of Trust :
January 31, 2010
- Acquisition Price :
¥23,260 million
(excluding brokerage fee, acquisition costs, property tax, city planning tax, and consumption tax)
- Scheduled Acquisition Date :
January 15, 2004
- Seller : Just Capital, Y.K.
- Financing : Debt financing



Resona Maruha Building

- The current owner has not received a letter of confirmation regarding roadway areas for certain sections of the building's boundaries from the Tokyo Metropolitan Government.
- TOKYU REIT has entered a fixed six-year lease with MARUHA CORPORATION commencing the date of scheduled acquisition.

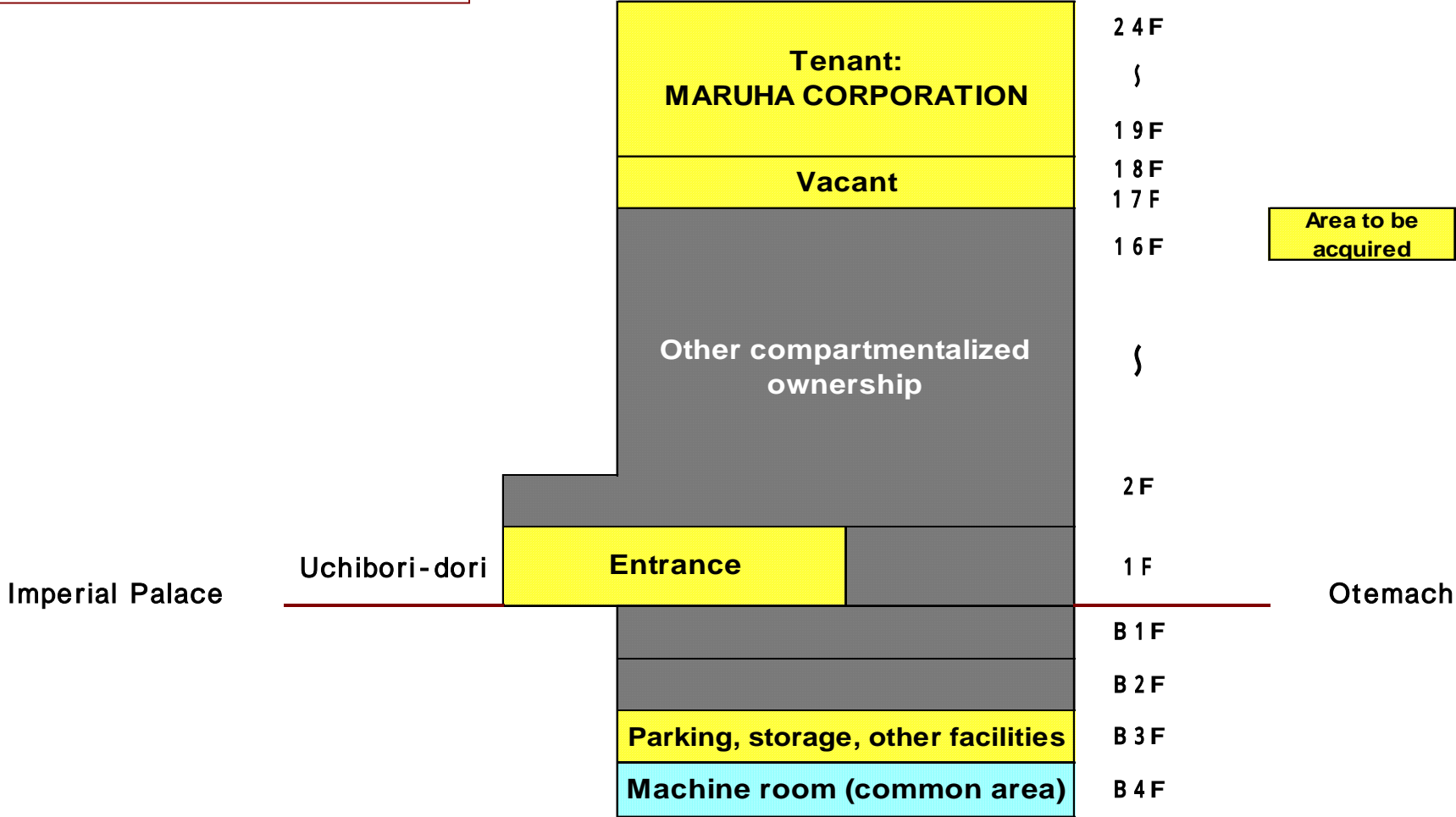


Residential : 1-1-2 Otemachi, Chiyoda-ku, Tokyo



Resona Maruha Building

Overview of the Resona Maruha Building



Note: The number of floors identified above is in accordance with the building management agreement and differs from that disclosed in this document.

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■ Competitive Advantage

➤ Stability

◆ Prime Location

- ✓ A unique site, located one minute's walk from Otemachi Station, the heart of Tokyo's central business district.

Acquisition is consistent with TOKYU REIT's efforts to diversify its property portfolio and provides a significant upgrade in portfolio quality and stability.

◆ Large-scale Property

- ✓ Total Floor Area : 74,379.30m² (Total Building Floor Space)
- ✓ Standard Floor Area : 1,735.74m²

◆ Facilities

- ✓ Despite construction completion in 1978, the building structure, ceiling height, and facilities provide significant leeway for upgrade and renovation to meet the sophisticated needs of today's commercial office building. (refer page 12)

◆ Long-Term Contract

- ✓ TOKYU REIT has concluded a fixed six-year lease with MARUHA CORPORATION for six of the eight floors to be acquired.

➤ Growth

◆ Leasing

- ✓ Vacant two floors are planned comprehensive renovation.
- ✓ TOKYU REIT is currently negotiating with a number of prospective tenants.

◆ Curtailment of Management Costs

- ✓ Steps are in place to reduce costs, primarily security costs, water, and light and power for areas designated for exclusive use.
- ✓ TOKYU REIT plans to put forward cost reduction proposals in connection common areas to other owner.



The view from the west side (17F)



Dedicated entrance



Office space before renovation

■Spec Comparison

	Resona Maruha Building	Property A	Property B	Property C
Type of Structure	High-rise Steel Frameworked	High-rise Steel Frameworked	High-rise Steel Frameworked	High-rise Steel Frameworked
Years after Completing	25years	31years	34years	24years
Exclusive Part	Square, No pillar	Square, No pillar	Square, No pillar	Square, No pillar
Earthquake Resistance	PML : 7.7% (ERS)	Unknown	Unknown	PML : 5% (Shimizu Corporation)
Coating	Aluminium Curtain Wall	Aluminium Curtain Wall	Aluminium Curtain Wall	Aluminium Curtain Wall
Ceiling Hight	2650mm	2450mm	2510mm	2600mm
Facilities Space	Superior	Average	Average	Unknown

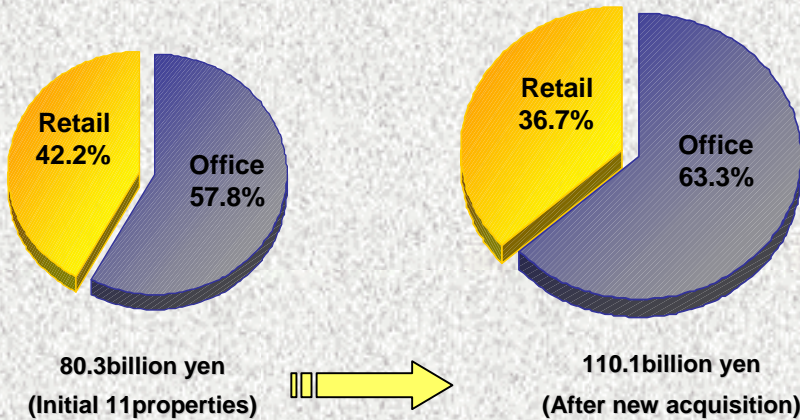
Despite construction completion in 1978,

- 1) Earthquake resistance ability is higher and building life span is longer, as the building is Super High-rise.
- 2) The building structure, ceiling height, and facilities provide significant leeway for upgrade and renovation to meet the sophisticated needs of today's commercial office building.

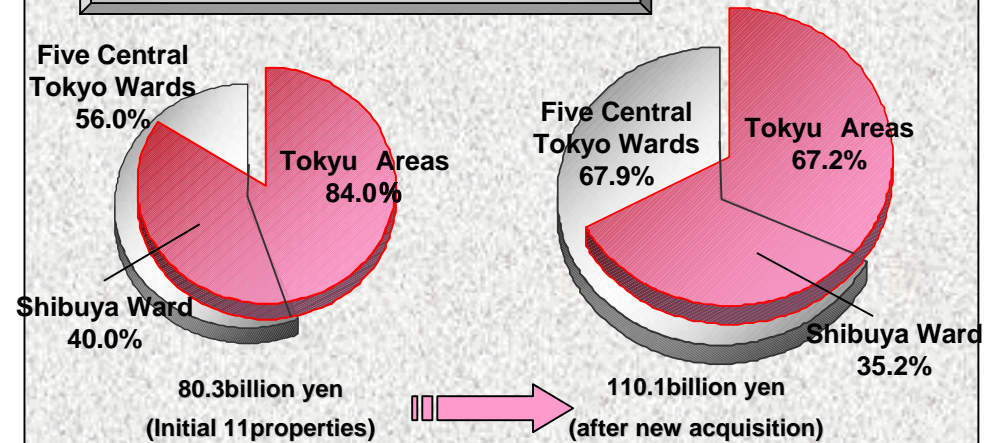
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Portfolio Data

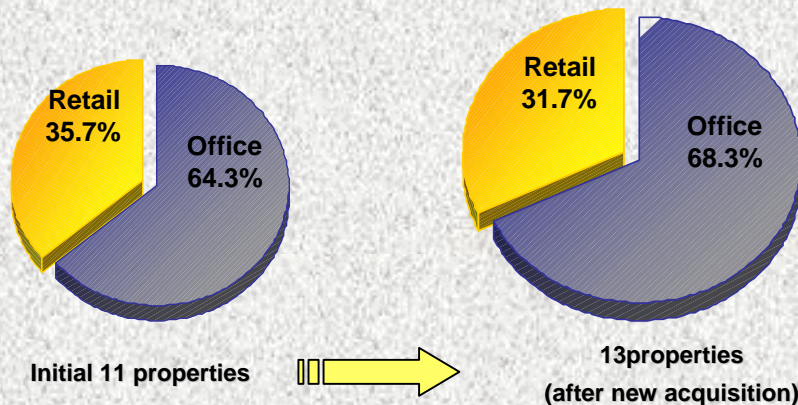
Investment Allocation by Sector



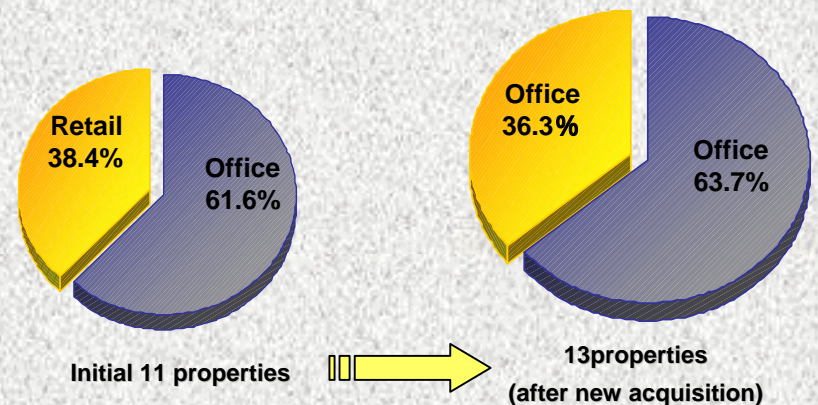
Investment Allocation by Area



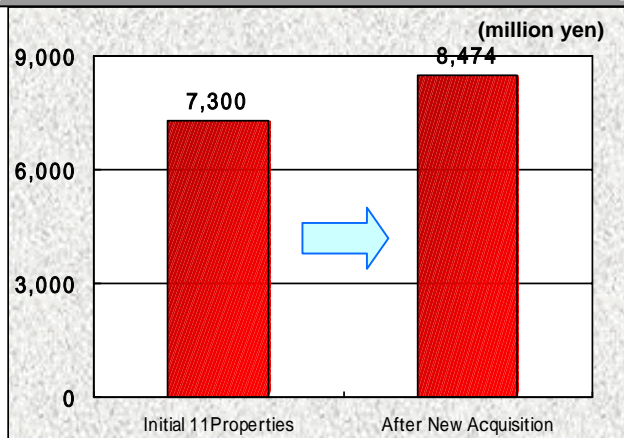
Leased Area Allocation by Sector



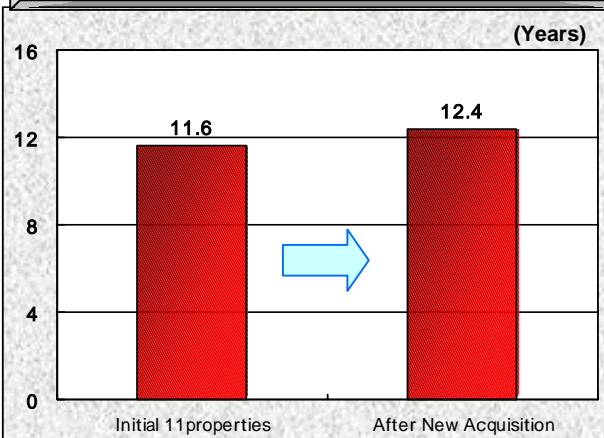
Rental Income Allocation by Sector



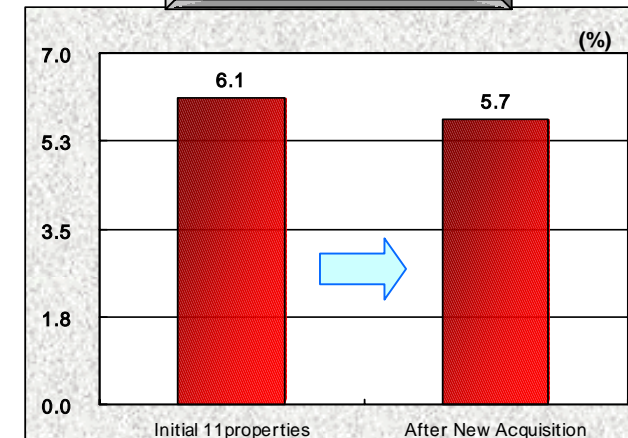
Average Investment Amount per Property



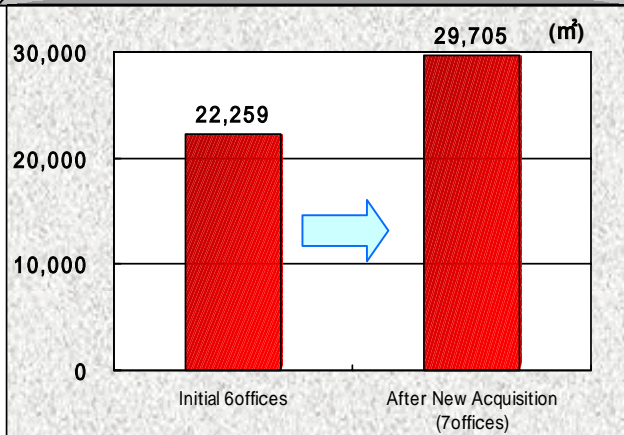
Weighted Average Building Age



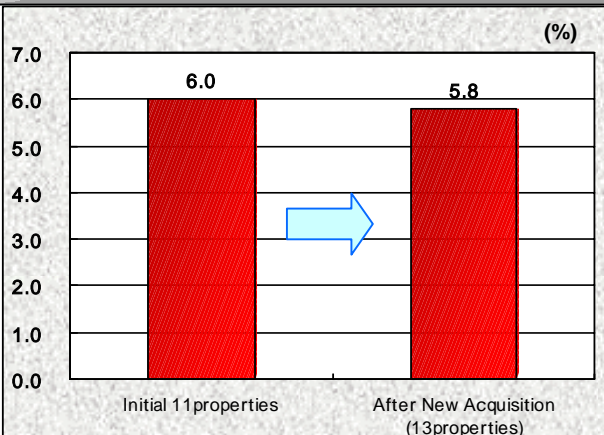
Portfolio PML



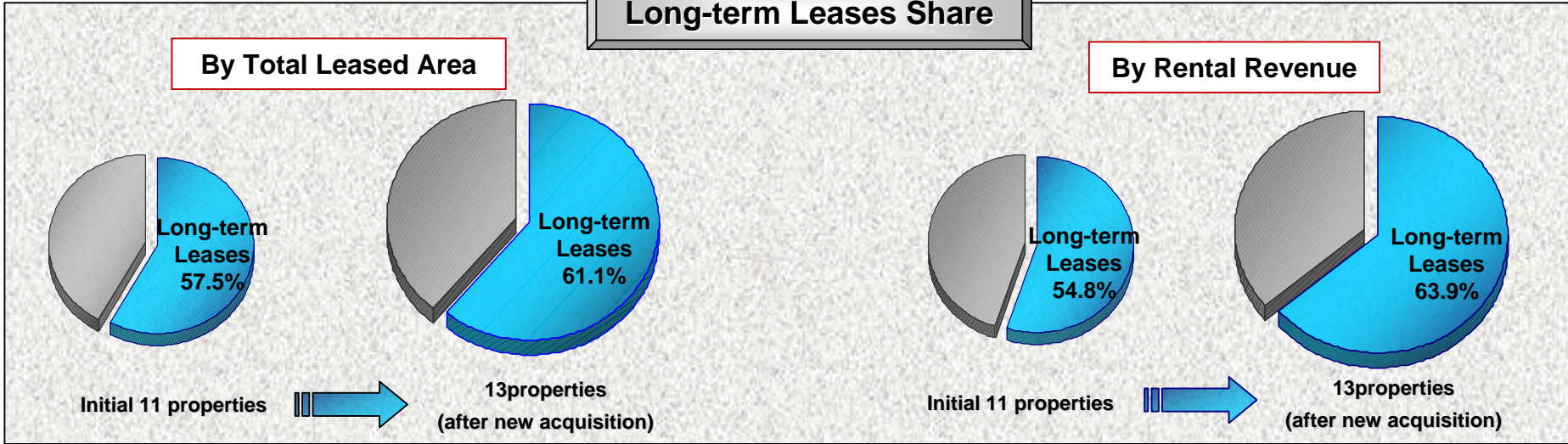
Average Total Floor Area (Office)



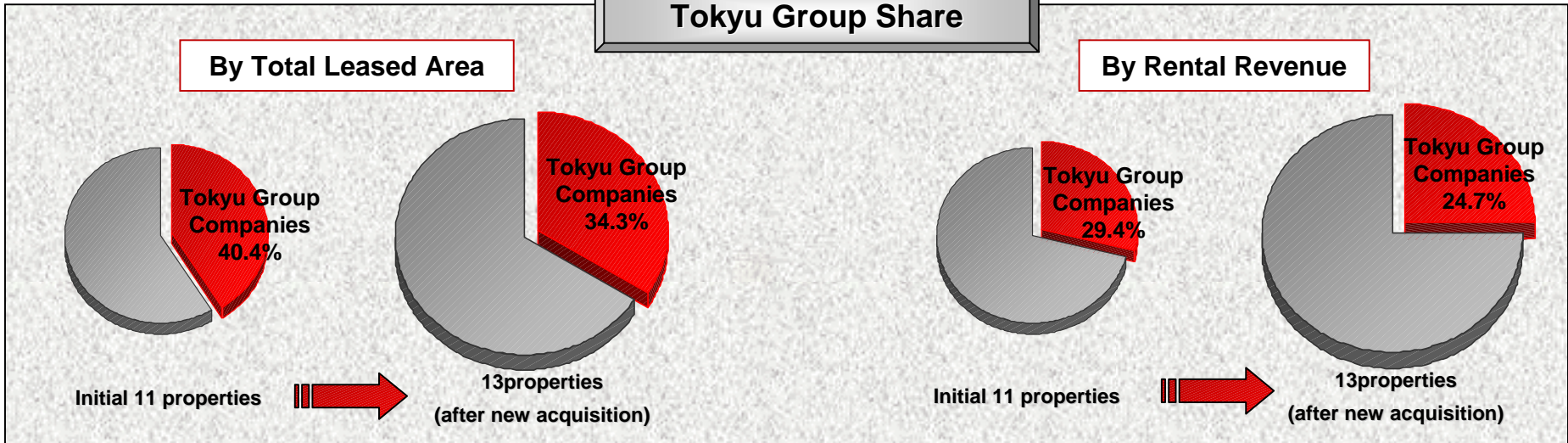
Weighted Average appraisal Cap Rate



Long-term Leases Share

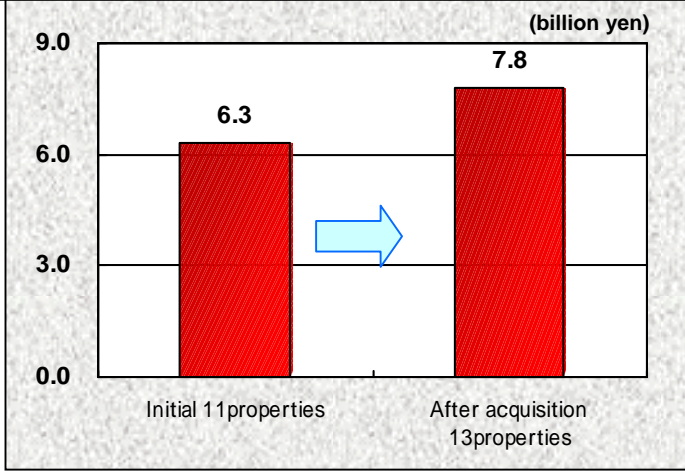


Tokyu Group Share

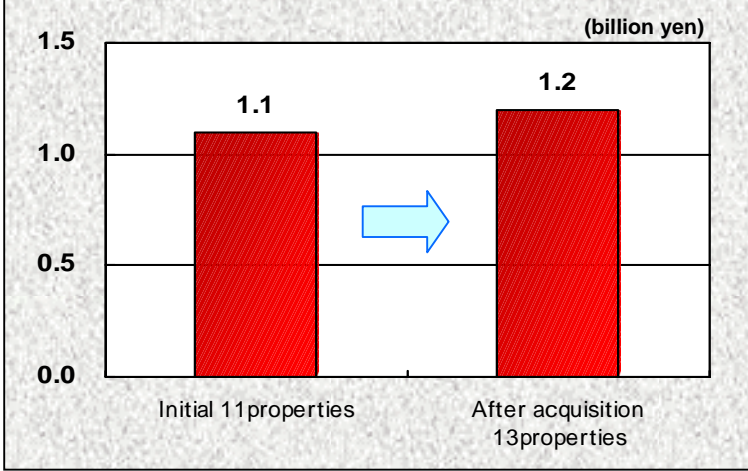


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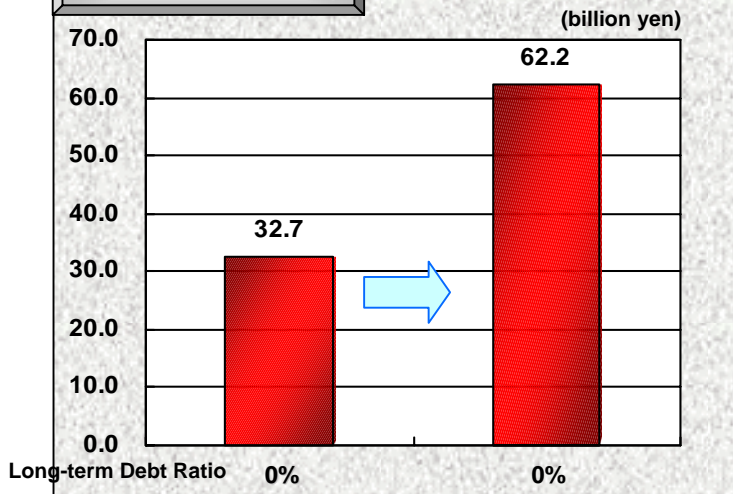
Long-term Capex & Repair Cost Reserve Estimate



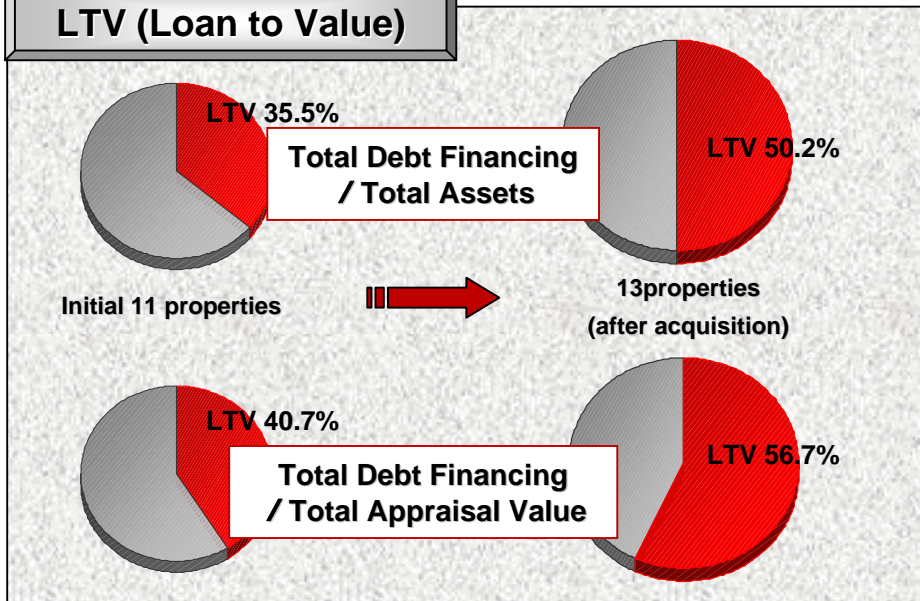
Annual Depreciation



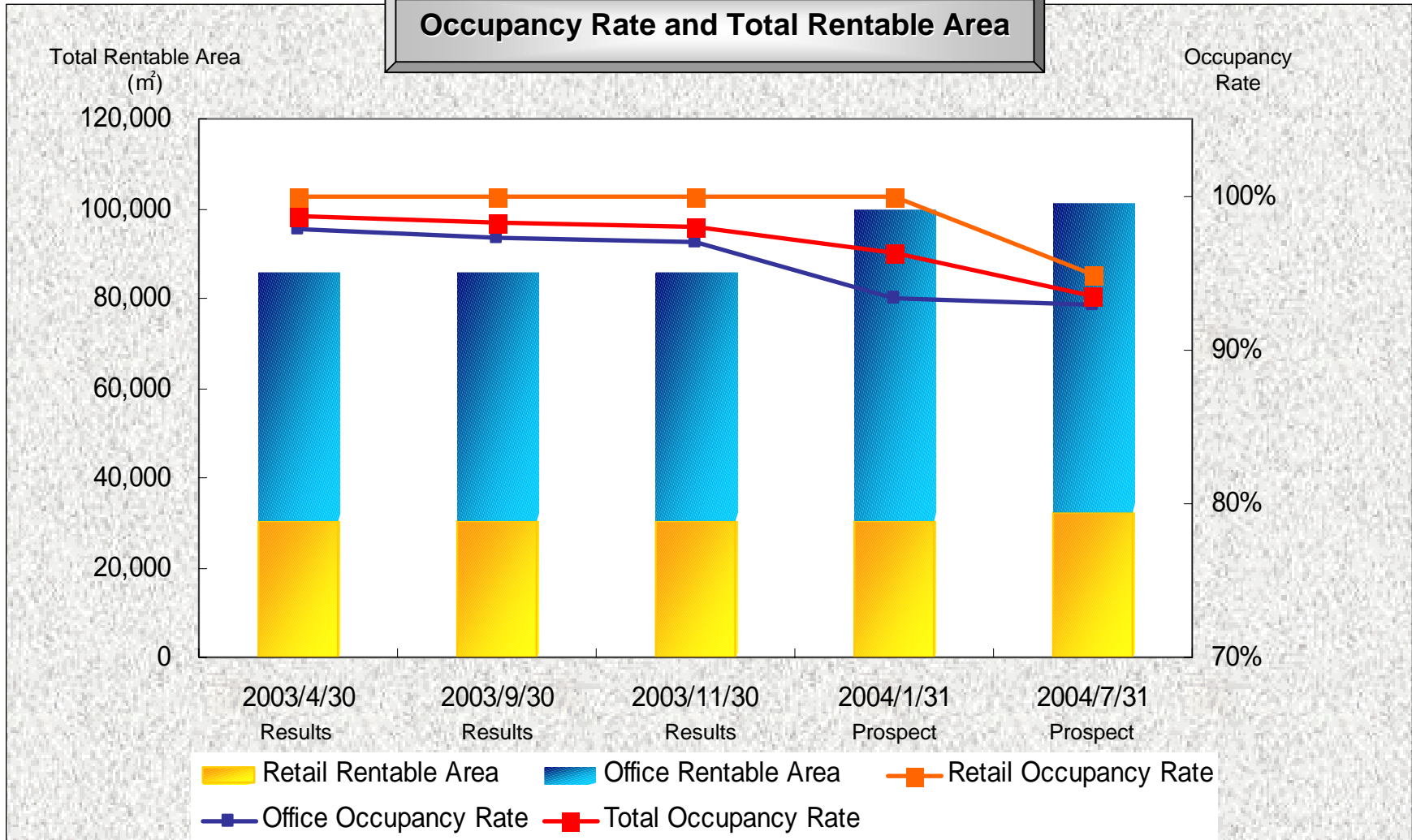
Debt Financing



LTV (Loan to Value)



Occupancy Rate and Total Rentable Area



Occupancy rate forecasts are based on existing lease agreements adjusted by lease agreements expired as of November 30, 2003 and notices received as to the termination of existing lease agreements.

Occupancy rate forecasts have not been adjusted to include new lease agreements as a result of future marketing activity.

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Occupancy Rate (Results and Prospect)

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Property Number	Name	Number of Tenants	Total Rentable Area (m ²)	Occupancy Rate				
		2003/11/30 Actual		2003/4/30 Actual	2003/9/30 Actual	2003/11/30 Actual	2004/1/31 Forecast	2004/7/31 Forecast
R1	QFRONT	4	4,544.07	100%	100%	100%	100%	100%
R2	Lexington Aoyama	2	2,241.65	100%	100%	100%	100%	100%
R3	Tokyu REIT Omotesando Square	3	2,879.37	100%	100%	100%	100%	42.2%
R4	Tokyu Saginuma Building	1	19,610.06	100%	100%	100%	100%	100%
R5	Tokyu Saginuma 2 Building	1	1,284.60	100%	100%	100%	100%	100%
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	-	1,543.05	-	-	-	-	100%
Retail Properties Total		11	32,102.80	100%	100%	100%	100.0%	94.8%
O1	Setagaya Business Square	54	24,931.53	95.5%	94.0%	95.0%	94.8%	95.4%
O2	Tokyu Nampeidai-cho Building	1	7,148.18	100%	100%	100%	100%	100%
O3	Tokyu Sakuragaoka-cho Building	2	4,737.19	100%	100%	100%	100%	100%
O4	Tokyo Nissan Taito Building	15	7,942.63	99.0%	100%	100%	100%	94.5%
O5	TOKYU REIT Akasaka Hinokicho Building	4	3,186.52	100%	100%	85.9%	85.9%	85.9%
O6	TOKYU REIT Kamata Building	5	7,213.95	100%	100%	100%	100%	100%
O7	Resona Maruha Building	-	14,064.53	-	-	-	78.9%	78.9%
Office Properties Total		81	69,224.53	97.8%	97.3%	96.9%	93.2%	92.8%
Grand Total		92	101,327.33	98.6%	98.3%	98.0%	96.2%	93.4%

Occupancy rate forecasts are based on existing lease agreements adjusted by lease agreements expired as of November 30, 2003 and notices received as to the termination of existing lease agreements.

Occupancy rate forecasts have not been adjusted to include new lease agreements as a result of future marketing activity.

Properties	Cancelled Area (m ²)* a	Newly Contracted Area (m ²)** b	Ratio c=b/a
Setagaya Business Square	1,990.75	1,961.23	98.5%
Tokyo Nissan Taito Building	518.50	159.64	30.8%
TOKYU REIT Akasaka Hinokicho Building	450.56	0.00	0.0%
TOKYU REIT Omotesando Square	1,664.19	0.00	0.0%
Total	4,624.00	2,120.87	45.9%

*Cancelled area is based on contract termination notices received between May 1, 2003 and November 30, 2003, and which cancellation is fulfilled by May 29, 2004.

**Newly contracted area is based on contract concluded between May 1, 2003 and November 30, 2003, and which contract is occupied by April 9, 2004.

By Acquisition Price

(million yen)

	Trust Beneficial Interest	Ratio	Real Estate	Ratio	Total	Ratio
Initial 11 Properties	80,300	100.0%	0	0%	80,300	100.0%
New Acquisition 2 Properties	23,260	77.9%	6,600	22.1%	29,860	100.0%
Total 13 Properties	103,560	94.0%	6,600	6.0%	110,160	100.0%

*Acquisition price is excluding acquisition costs, property tax, city planning tax, and consumption tax.

Type of Ownership

TOKYU REIT

(million yen)

		Land						Building						Total			
		Ownership		Single		Co-ownership		Ownership		Single			Co-ownership		Total	Ratio	
			Ratio		Ratio		Ratio		Ratio	Single	Ratio	*	Ratio				Ratio
Initial 11 properties	Retail	28,311	51.9%	28,311	65.0%	0	0.0%	5,569	21.7%	2,594	22.8%	2,975	100.0%	0	0.0%	33,880	42.2%
	Office	26,282	48.1%	15,217	35.0%	11,066	100.0%	20,138	78.3%	8,803	77.2%	0	0.0%	11,334	100.0%	46,420	57.8%
			100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
	Total	54,593	68.0%	43,528	54.2%	11,066	13.8%	25,707	32.0%	11,397	14.2%		0.0%	11,334	14.1%	80,300	100.0%
New Acquired 2 properties	Retail	6,382	22.9%	6,382	100.0%		0.0%	218	10.9%	218	100.0%		0.0%		0.0%	6,600	22.1%
	Office	21,469	77.1%		0.0%	21,469	100.0%	1,791	89.1%		0.0%	1,791	100.0%		0.0%	23,260	77.9%
			100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		0.0%		100.0%
	Total	27,851	93.3%	6,382	21.4%	21,469	71.9%	2,009	6.7%	218	0.7%	1,791	6.0%	0	0.0%	29,860	100.0%
13properties after acquisition	Retail	34,693	42.1%	34,693	69.5%	0	0.0%	5,787	20.9%	2,812	24.2%	2,975	62.4%	0	0.0%	40,480	36.7%
	Office	47,751	57.9%	15,217	30.5%	32,535	100.0%	21,929	79.1%	8,803	75.8%	1,791	37.6%	11,334	100.0%	69,680	63.3%
			100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
	Total	82,444	74.8%	49,910	45.3%	32,535	29.5%	27,716	25.2%	11,615	10.5%	4,766	4.3%	11,334	10.3%	110,160	100.0%

* Compartmentalized ownership

Land / Building Ratio

TOKYU REIT

(million yen)

Property Number	Type	Property Name	Acquisition Price	Land Price		Building Price		Building Age (years)	Long-term Capex & Repair Cost Estimate (15years)
					Ratio		Ratio		
R1	Retail	QFRONT	15,100	12,125	80.3%	2,975	19.7%	4.2	159
R2	Retail	Lexington Aoyama	4,800	4,478	93.3%	322	6.7%	5.9	81
R3	Retail	Tokyu REIT Omotesando Square	5,770	5,291	91.7%	479	8.3%	18.2	208
R4	Retail	Tokyu Saginuma Building	6,920	5,432	78.5%	1,488	21.5%	25.3	1,233
R5	Retail	Tokyu Saginuma 2 Building	1,290	984	76.3%	306	23.7%	24.2	256
R6	Retail	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	6,600	6382	96.7%	218	3.3%	5.4	29
O1	Office	Setagaya Business Square	22,400	11,066	49.4%	11,334	50.6%	10.3	2,438
O2	Office	Tokyu Nampeidai-cho Building	4,660	2,968	63.7%	1,692	36.3%	11.4	416
O3	Office	Tokyu Sakuragaoka-cho Building	6,620	5,223	78.9%	1,397	21.1%	16.5	593
O4	Office	Tokyo Nissan Taito Building	4,450	1,918	43.1%	2,532	56.9%	11.3	359
O5	Office	TOKYU REIT Akasaka Hinokicho Building	3,570	2,945	82.5%	625	17.5%	19.3	186
O6	Office	TOKYU REIT Kamata Building	4,720	2,162	45.8%	2,558	54.2%	11.8	383
O7	Office	Resona Maruha Buiding	23,260	21469	92.3%	1,791	7.7%	25.1	1,490
Initial 11 Properties			80,300	54,593	68.0%	25,707	32.0%		6,312
New Acquisition 2 Properties			29,860	27,851	93.3%	2,009	6.7%		1,519
Total 13 Properties			110,160	82,444	74.8%	27,716	25.2%		7,831

*Building Age is counted from November 30, 2003.

Reliance to major Properties

TOKYU REIT

(million yen)

Property Name	Initial 11 Properties				Total 13 Properties			
	Acquisition Price	Ratio	NOI** (Second Fiscal Period)	Ratio	Acquisition Price	Ratio	NOI** (Second Fiscal Period)	Ratio
Resona Maruha Building	-	-	-	-	23,260	21.1%	446	15.8%
Setagaya Business Square	22,400	27.9%	681	30.2%	22,400	20.3%	681	24.1%
QFRONT	15,100	18.8%	343	15.2%	15,100	13.7%	343	12.1%
Others*	42,800	53.3%	1,227	54.5%	49,400	44.8%	1,360	48.1%
Total	80,300	100.0%	2,250	100.0%	110,160	100.0%	2,829	100.0%

*Properties acquisition price is under 10billion yen

*Acquisition price is excluding acquisition costs, property tax, city planning tax, and consumption tax.

**Net Operating Income (before depreciation) : forecast

(properties, million yen)

		Acquisition of Tokyu Developed Properties			Acquisition from Third Parties			Total		
		Properties	Acquisition Price	Ratio	Properties	Acquisition Price	Ratio	Properties	Acquisition Price	Ratio
Initial 11 Properties	Retail	3	23,310	40.9%	2	10,570	45.3%	5	33,880	42.2%
	Office	3	33,680	59.1%	3	12,740	54.7%	6	46,420	57.8%
				100.0%			100.0%			100.0%
	Total	6	56,990	71.0%	5	23,310	29.0%	11	80,300	100.0%
Acquired 2 Properties	Retail	1	6600	100.0%			0.0%	1	6600	22.1%
	Office			0.0%	1	23,260	100.0%	1	23,260	77.9%
				100.0%			100.0%			100.0%
	Total	1	6,600	22.1%	1	23,260	77.9%	2	29,860	100.0%
Total 13 Properties	Retail	4	29,910	47.0%	2	10,570	22.7%	6	40,480	36.7%
	Office	3	33,680	53.0%	4	36,000	77.3%	7	69,680	63.3%
				100.0%			100.0%			100.0%
	Total	7	63,590	57.7%	6	46,570	42.3%	13	110,160	100.0%

*Acquisition price is excluding acquisition costs, property tax, city planning tax, and consumption tax.

Long-term Contracted Tenants

TOKYU REIT

Tenants	Properties Name	Contract Term	Revision Term of Rent	Leased Area (㎡)	Monthly Rental Income (yen)	Ratio
Maruha Corporation	Resona Maruha Building	From To After Acquisition January 14, 2010	3years	11,097.27	407,451,647	63.9%
Zara Japan Corporation	TOKYU REIT Shibuya Udagaw a-cho Square (tentative)	From To After Acquisition July 31, 2013	No Revision	1,487.21		
Tokyu Corporation	Tokyu Nampeidai-cho Building	From To December 27, 2002 December 31, 2012	2years	7,148.18		
Tokyu Corporation	Tokyu Sakuragaoka-cho Building	From To December 27, 2002 December 31, 2011	2years	3,878.36		
Tokyu Store Corporation	Tokyu Saginuma Building	From To September 10, 2003 June 30, 2018	3years	19,610.06		
Tokyu Store Corporation	Tokyu Saginuma 2 Building	From To December 27, 2002 June 30, 2018	3years	Parking		
Tokyo Nissan Auto Sales Co., Ltd.	Tokyo Nissan Taito Building	From To August 29, 2001 August 31, 2011	No Revision	2,620.06		
Tokyo Nissan Auto Sales Co., Ltd.	Tokyo Nissan Taito Building	From To August 29, 2001 August 31, 2011	No Revision	Parking		
Seven-Eleven Japan Co., Ltd.	TOKYU REIT Akasaka Hinokicho Building	From To July 1, 1999 June 30, 2019	3years	158.60		
World Co., Ltd.	Lexington Aoyama	From To July 25, 2000 March 31, 2009	3years	1,767.27		
Sun Microsystems K.K.	Setagaya Business Square	From To May 1, 2002 April 30, 2010	2years	7,644.20		
Shin Caterpillar Mitsubishi Ltd.	Setagaya Business Square	From To October 22, 1993 October 21, 2013	2years	708.01		
Yoga District Heating and Cooling	Setagaya Business Square	From To October 1, 1993 September 30, 2013	2years	1,207.80		
Shibuya TSUTAYA Co., Ltd.	QFRONT	From To July 2, 2001 December 14, 2019	3years	3,556.31		
Punraku Co., Ltd.	QFRONT	From To July 1, 2002 December 14, 2019	3years	458.83		
Toho Co., Ltd.	QFRONT	From To December 18, 1999 December 17, 2019	3years	528.93		
Tokyu Corporation	QFRONT	From To December 20, 2002 December 31, 2019	No Revision	External Facade		

Total Rental Income	637,249,661	100.0%
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*Long-term lease contract: Notwithstanding the existence or otherwise of fixed lease contracts, long-term lease contracts are defined as lease contracts as of January 1, 2004 with an outstanding term of more than five years.

*Maruha Corporation, Zara Japan Corporation, Tokyu Corporation (Tokyu Nampeidai-cho building, Tokyu Sakuragaoka-cho Building) and Tokyo Nissan Auto Sales are concluded fixed lease contracts.

Duration of Lease by Income

TOKYU REIT

		Within 1 year	1-2 years	2-5 years	5-10 years	Over 10 years	Total
Initial 11 Properties	Retail	11.6%	8.9%	0.0%	10.1%	69.3%	100.0%
	Office	32.0%	22.2%	3.3%	42.0%	0.4%	100.0%
	Total	23.9%	17.0%	2.0%	29.3%	27.7%	100.0%
Acquired 2 Properties	Retail	1.6%	0.0%	0.0%	98.4%	0.0%	100.0%
	Office	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
	Total	0.4%	0.0%	0.0%	99.6%	0.0%	100.0%
Total 13 Properties	Retail	10.4%	7.9%	0.0%	20.7%	61.0%	100.0%
	Office	24.6%	17.1%	2.5%	55.5%	0.3%	100.0%
	Total	19.4%	13.7%	1.6%	42.8%	22.4%	100.0%

*Amounts above are calculated based on room rental income, common-area expenses and income from lease agreements with monthly rental income exceeding ¥1 million per month as of November 30, 2003. They are not total rental income.

*Contract remains term is counted from January 1, 2004

Tenant Credit by Income

(%)

	Teikoku Databank Ranking					
	A	B	C	D	E	Not Applied
Retail	0.0%	48.3%	35.0%	13.4%	0.0%	3.3%
Office	0.3%	28.3%	59.3%	1.0%	0.0%	11.1%
Total	0.2%	35.6%	50.4%	5.5%	0.0%	8.3%

*Amounts above are calculated based on room rental income, common-area expenses and income from lease agreements with monthly rental income.

*Financial Facilities are classified into "Not Applied"

Definition of Teikoku Databank Ranking	A:	86 ~ 100point	Overly superior
	B:	66 ~ 85point	Superior
	C:	51 ~ 65point	Normal
	D:	36 ~ 50point	A little inferior
	E:	~ 35point	Inferior

No.	Tenants	Business	Property Name	Leased Area (m ²)	Ratio	Annual Rental Income (yen)	Monthly Rental Income (yen)	Ratio
1	Tokyu Store Corporation	Retail	Tokyu Saginuma Building	19,610.06	19.4%	620,324,244	51,693,687	8.1%
2	Tokyu Corporation	Transportation	Tokyu Nampeidai-cho Building	7,148.18	7.1%	341,702,616	28,475,218	4.5%
3	Tokyu Corporation	Transportation	Tokyu Sakuragaoka-cho Building	3,878.36	3.8%	327,510,900	27,292,575	4.3%
4	Tokyu Community Co., Ltd.	Service	Setagaya Business Square	2,827.68	2.8%	254,767,776	21,230,648	3.3%
5	Yoga District Heating and Cooling	Service	Setagaya Business Square	1,207.80	1.2%	47,036,088	3,919,674	0.6%
6	Tokyu Corporation	Transportation	QFRONT	(External Facade)	-	259,200,000	21,600,000	3.4%
7	Others	-	-	55.84	0.1%	36,494,172	3,041,181	0.5%
Tokyu Group Tenants Total				34,727.92	34.3%	1,887,035,796	157,252,983	24.7%
Total 13 Properties			Total rentable Area (m ²)	101,327.33	100.0%	-	-	-
			Total Rental Income (yen)	-	-	7,646,995,932	637,249,661	100.0%

Long-term Capex & Repair Cost Reserve and Depreciation

TOKYU REIT

By Acquisition Price

(million yen)

	Total Acquisition Price	Long-term Capex & Repair Cost Reserve Estimate				Depreciation	
		Total of 15 years	Ratio	Annual Average	Ratio	Annual Forecast*	Ratio
Initial 11 Properties	80,300	6,312	7.9%	421	0.5%	1,103	1.4%
Acquired 2 Properties	29,860	1,519	5.1%	101	0.3%	122	0.4%
Total 13 Properties	110,160	7,831	7.1%	522	0.5%	1,225	1.1%

*It is doubled to prospects of second fiscal period.

*Acquisition price is excluding acquisition costs, property tax, city planning tax, and consumption tax.

Long-term Capex & Repair Cost Reserve and Forecast of Second Fiscal Period

TOKYU REIT

(million yen)

No.	Property Name	Long-term Repair Cost Reserve		Repairs cost + Capital Expenditure Forecast of Second Fiscal Year	Depreciation Forecast of Second Fiscal Year
		Total of 15years	Average of Half Year		
R 1	QFRONT	159	5	8	64
R 2	Lexington Aoyama	81	3	3	7
R 3	Tokyu REIT Omotesando Square	208	7	15	10
R 4	Tokyu Saginuma Building	1,233	41	33	26
R 5	Tokyu Saginuma 2 Building	256	9	12	8
R 6	TOKYU REIT Shibuya Udagawa-cho Square(tentative name)	29	1	2	4
O1	Setagaya Business Square	2,438	81	13	267
O2	Tokyu Nampeidai-cho Building	416	14	20	30
O3	Tokyu Sakuragaoka-cho Building	593	20	3	25
O4	Tokyo Nissan Taito Building	359	12	8	49
O5	TOKYU REIT Akasaka Hinokicho Building	186	6	8	14
O6	TOKYU REIT Kamata Building	383	13	5	51
O7	Resona Maruha Building	1,490	50	360	57
Total		7,831	261	490	612

Property Management Fee

TOKYU REIT

Property Name		Property Management Company	Rate of Basic Fee(a)	Rate of Basic Fee(b)	Contract Term	Condition for Cancellation
R1	QFRONT	Tokyu Corporation	1.0%	2.8%	1year	One Month Advance Notice
R2	Lexington Aoyama	Tokyu Land Corporation		1.3%		
R3	Tokyu REIT Omotesando Square	Tokyu Land Corporation		1.3%		
R4	Tokyu Saginuma Building	Tokyu Corporation		-		
R5	Tokyu Saginuma 2 Building	Tokyu Corporation		1.3%		
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	Tokyu Corporation (Proposed)		-		
O1	Setagaya Business Square	Tokyu Land Corporation		2.8%		
O2	Tokyu Nampeidai-cho Building	Tokyu Corporation		-		
O3	Tokyu Sakuragaoka-cho Building	Tokyu Corporation		0.5%		
O4	Tokyo Nissan Taito Building	Tokyu Land Corporation		1.3%		
O5	TOKYU REIT Akasaka Hinokicho Building	Tokyu Land Corporation		1.3%		
O6	TOKYU REIT Kamata Building	Tokyu Corporation		1.3%		
O7	Resona Maruha Building	Tokyu Land Corporation (Proposed)		1.3%		

Rate of Basic Fee(a) : The rate multiplied by the total monthly rental income for each property less water, light and power expenses.

Rate of Basic Fee(b) : The rate multiplied by the monthly operating income for each property (Note: depreciation, tax and public dues, rent payable, fire and other casualty insurance premiums, repair and maintenance expenses, and brokerage fees are not included in total operating expenses, which are deducted from total rental income).

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Targeted Areas of Investment

TOKYU REIT

By Acquisition Price

(million yen)

		Main Target Area (over 85%)							Other Areas (Under 15%)				
		a		b		c		d=a+b-c	Ratio	e	Ratio	d+e Total	Ratio
		Five Central Tokyo Wards		Tokyu Area		Shibuya Ward		Total					
		Ratio	Ratio	Ratio	Ratio								
Initial 11 Properties	Retail	25,670	57.1%	29,080	43.1%	20,870	64.9%	33,880	42.2%	0	0.0%	33,880	42.2%
	Office	19,300	42.9%	38,400	56.9%	11,280	35.1%	46,420	57.8%	0	0.0%	46,420	57.8%
	Total	44,970	56.0%	67,480	84.0%	32,150	40.0%	80,300	100.0%	0	0.0%	80,300	100.0%
Acquired 2 Properties	Retail	6,600	22.1%	6,600	100.0%	6,600	100.0%	13,200	36.2%	0	0.0%	13,200	36.2%
	Office	23,260	77.9%		0.0%		0.0%	23,260	63.8%	0	0.0%	23,260	63.8%
	Total	29,860	81.9%	6,600	18.1%	6,600	18.1%	36,460	100.0%	0	0.0%	36,460	100.0%
Total 13 Properties	Retail	32,270	43.1%	35,680	48.2%	27,470	70.9%	40,480	36.7%	0	0.0%	40,480	36.7%
	Office	42,560	56.9%	38,400	51.8%	11,280	29.1%	69,680	63.3%	0	0.0%	69,680	63.3%
	Total	74,830	67.9%	74,080	67.2%	38,750	35.2%	110,160	100.0%	0	0.0%	110,160	100.0%

*Shibuya Ward is included to "a" and "b".

*Acquisition price is excluding acquisition costs, property tax, city planning tax, and consumption tax.

Weighted Average Building Age

TOKYU REIT

No.	Property Name	Weighted Average Building Age		
		Completion Date	Bldg. Age(years)	Bldg. Price (million yen)
R1	QFRONT	October 1999	4.2	2,975
R2	Lexington Aoyama	January 1998	5.9	322
R3	Tokyu REIT Omotesando Square	October 1985	18.2	479
R4	Tokyu Saginuma Building	September 1978	25.3	1,488
R5	Tokyu Saginuma 2 Building	October 1979	24.2	306
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	July 1998	5.6	218
		June 1995		
Retail Properties Total			12.0	5,787
O1	Setagaya Business Square	September 1993	10.3	11,334
O2	Tokyu Nampeidai-cho Building	July 1992	11.4	1,692
O3	Tokyu Sakuragaoka-cho Building	June 1987	16.5	1,397
O4	Tokyo Nissan Taito Building	September 1992	11.3	2,532
O5	TOKYU REIT Akasaka Hinokicho Building	August 1984	19.3	625
O6	TOKYU REIT Kamata Building	February 1992	11.8	2,558
O7	Resona Maruha Building	November 1978	25.1	1,791
Office Properties Total			12.5	21,929
Initial 11 Properties Total			11.6	25,707
Acquired 2 Properties Total			23.0	2,009
13 Properties Total			12.4	27,716

*Building age of TOKYU REIT Shibuya Udagawa-cho Square(tentative name) is weighted averaged by total floor area of two buildings.

No.	Property Name	Earthquake-proof Test			Earthquake Insurance
		Current Earthquake Regulatory Standards	Structural Reinforcement	PML	
R1	QFRONT			6.7%	-
R2	Lexington Aoyama			5.0%	-
R3	Tokyu REIT Omotesando Square			11.3%	-
R4	Tokyu Saginuma Building			12.3%	-
R5	Tokyu Saginuma 2 Building			12.1%	-
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)			15.8%	-
Retail Properties Total					
O1	Setagaya Business Square			5.6%	-
O2	Tokyu Nampeidai-cho Building			12.8%	-
O3	Tokyu Sakuragaoka-cho Building			13.9%	-
O4	Tokyo Nissan Taito Building			10.6%	-
O5	TOKYU REIT Akasaka Hinokicho Building			12.6%	-
O6	TOKYU REIT Kamata Building			11.0%	-
O7	Resona Maruha Building	*		7.7%	-
Office Properties Total					
Initial 11 Properties Total				**6.1%	-
13 Properties Total				**5.7%	-

*Structure consultation is acquired from The Building Center of Japan on construction check, though Resona Maruha Building had built before establishment of current earthquake regulatory standards.

**Portfolio PML is calculated by Engineering & Risk Services Corporation and OYO RMS Corporation.

PML: Probable Maximum Loss

Submit by	Investigated Properties	Report Date
Engineering & Risk Services Corporation	R1 QFRONT	August 7, 2002
	R2 Lexington Aoyama	March 17, 2003
	R3 Tokyu REIT Omotesando Square	November 29, 2002
	R4 Tokyu Saginuma Building	April 30, 2003
	R5 Tokyu Saginuma 2 Building	November 8, 2002
	R6 TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	October 24, 2003
	O1 Setagaya Business Square	November 8, 2002
	O2 Tokyu Nampeidai-cho Building	November 8, 2002
	O3 Tokyu Sakuragaoka-cho Building	November 8, 2002
	O4 Tokyo Nissan Taito Building	January 31, 2003
	O5 TOKYU REIT Akasaka Hinokicho Building	November 29, 2002
O7 Resona Maruha Building	July 25, 2003	
Shimizu Corporation	O6 TOKYU REIT Kamata Building	March 26, 2003

Weighted Average Appraisal NOI Cap Rate

TOKYU REIT

(million yen)

No.	Property Name	Weighted Average Appraisal Cap Rate Calculation			
		Acquisition Price	Appraisal Price	Appraisal NOI	Appraisal NOI Cap Rate
R1	QFRONT	15,100	15,100	700	4.6%
R2	Lexington Aoyama	4,800	4,800	277	5.7%
R3	Tokyu REIT Omotesando Square	5,770	5,770	311	5.3%
R4	Tokyu Saginuma Building	6,920	6,920	527	7.6%
R5	Tokyu Saginuma 2 Building	1,290	1,290	105	8.1%
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	6,680	6,680	295	4.4%
Retail Properties Total		40,560	40,560	2,215	5.4%
O1	Setagaya Business Square	22,400	22,400	1,395	6.2%
O2	Tokyu Nampeidai-cho Building	4,660	4,660	280	6.0%
O3	Tokyu Sakuragaoka-cho Building	6,620	6,620	385	5.8%
O4	Tokyo Nissan Taito Building	4,450	4,450	290	6.5%
O5	TOKYU REIT Akasaka Hinokicho Building	3,570	3,570	223	6.2%
O6	TOKYU REIT Kamata Building	4,720	4,720	329	6.9%
O7	Resona Maruha Building	23,260	22,800	1,299	5.6%
Office Properties Total		69,680	69,220	4,200	6.0%
Initial 11 Properties		80,300	80,300	4,822	6.0%
Acquired 2 Properties		29,940	29,480	1,593	5.4%
Total 13 Properties		110,240	109,780	6,415	5.8%

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Outline of Properties 1

TOKYU REIT

No.	Property Name	Location (Registered)	Land Space (m ²)	Floor Area (m ²)	Type of Structure	Completion Date	Building Age (years)	Type of Ownership	
								Land	Building
R1	QFRONT	75-8, Udagawa-cho, Shibuya-ku Tokyo	784.26 (728.30)	6,692.14 (4,821.09)	SRC・S B3/8F	October 1999	4.2	Proprietary ownership	Compartmentalized ownership
R2	Lexington Aoyama	5-235-7, Aoyama, Minato-ku, Tokyo	776.59	2,342.21	S・RC B1/4F	January 1998	5.9	Proprietary ownership	Proprietary ownership
R3	Tokyu REIT Omotesando Square	4-3-18, Jingu-mae, Shibuya-ku, Tokyo	1,259.21	3,321.20	S・SRC B1/4F	October 1985	18.2	Proprietary ownership	Proprietary ownership
R4	Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki City, Kanagawa	5,658.00	18,320.87	RC B1/4F	September 1978	25.3	Proprietary ownership	Proprietary ownership
R5	Tokyu Saginuma 2 Building	1-18-5, Kodai, Miyamae-ku, Kawasaki City, Kanagawa	1,807.21	4,409.50	SRC B2/4F	October 1979	24.2	Proprietary ownership	Proprietary ownership
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	86-2, Udagawa-cho, Shibuya-ku, Tokyo	679.27	1,473.10 56.39	S 3F S 2F	July 1998 June 1995	5.4 8.5	Proprietary ownership	Proprietary ownership
O1	Setagaya Business Square	4-260-2, Yoga, Setagaya-ku, Tokyo	21,315.68	94,373.72	SRC・RC・S B2/28F	September 1993	10.3	Proprietary ownership (Co-ownership ratio 55%)	Proprietary ownership (Co-ownership ratio 55%)
O2	Tokyu Nampocho Building	12-3, Nampocho, Shibuya-ku, Tokyo	2,013.28	7,003.88	SRC B2/5F	July 1992	11.4	Proprietary ownership	Proprietary ownership
O3	Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	1,013.03	6,505.39	SRC B3/9F	June 1987	16.5	Proprietary ownership	Compartmentalized ownership
O4	Tokyo Nissan Taito Building	2-120-2, Motoasakusa, Taito-ku, Tokyo	1,718.45	11,373.20	SRC B2/10F	September 1992	11.3	Proprietary ownership	Proprietary ownership
O5	TOKYU REIT Akasaka Hinokicho Building	6-1401, Akasaka, Minato-ku, Tokyo	866.61	4,058.92	RC 7F	August 1984	19.3	Proprietary ownership	Proprietary ownership
O6	TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	1,642.86	10,244.51	SRC B1/9F	February 1992	11.8	Proprietary ownership	Proprietary ownership
O7	Resona Maruha Building	1-2-1, Otemachi, Chiyoda-ku, Tokyo	6,893.71	74,379.30	S・SRC B4/25F	November 1978	25.1	Proprietary ownership (Co-ownership ratio 27%)	Compartmentalized ownership

* Land space of QFRONT, Setagaya Business Square and Resona Maruha Building is included other owner's share.

* QFRONTの括弧内の数値は、信託不動産に係る敷地の面積及び専有部分の面積です。

* Building Age is counted from November 30, 2003.

Outline of Properties 2

No.	Property Name	Appraisal Price (million yen)	Total Rentable Area (m ²)	Office Standard Floor Area (m ²)
R1	QFRONT	15,100	4,544.07	
R2	Lexington Aoyama	4,800	2,241.65	
R3	Tokyu REIT Omotesando Square	5,770	2,879.37	
R4	Tokyu Saginuma Building	6,920	19,610.06	
R5	Tokyu Saginuma 2 Building	1,290	1,284.60	
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	6,600	1,543.05	
O1	Setagaya Business Square	22,400	24,931.53	1,162.25
O2	Tokyu Nampeidai-cho Building	4,660	7,148.18	1,129.66
O3	Tokyu Sakuragaoka-cho Building	6,620	4,737.19	504.67
O4	Tokyo Nissan Taito Building	4,450	7,942.63	778.76
O5	TOKYU REIT Akasaka Hinokicho Building	3,570	3,186.52	450.56
O6	TOKYU REIT Kamata Building	4,720	7,213.95	850.71
O7	Resona Maruha Building	23,260	14,064.53	1,735.74
Total		110,160	101,327.33	

Outline of Properties 3

TOKYU REIT

As of November 30, 2003

No.	Property Name	Monthly Rental Income (thousand yen)	Annual Rental Income (thousand yen)	Deposit, Security (thousand yen)	Long-term Capex & Repair Cost Estimate (15years) (thousand yen)	PML	Earthquake Insurance
R1	QFRONT	87,984	1,055,804	2,518,621	159,379	6.7%	None
R2	Lexington Aoyama	25,189	302,272	240,910	80,971	5.0%	None
R3	Tokyu REIT Omotesando Square	29,401	352,807	398,039	208,256	11.3%	None
R4	Tokyu Saginuma Building	51,694	620,324	294,898	1,232,974	12.3%	None
R5	Tokyu Saginuma 2 Building	10,340	124,075	101,188	256,186	12.1%	None
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	26,983	323,790	175,371	29,440	15.8%	None
O1	Setagaya Business Square	162,448	1,949,374	2,984,505	2,438,048	5.6%	None
O2	Tokyu Nampeidai-cho Building	28,475	341,703	156,863	415,669	12.8%	None
O3	Tokyu Sakuragaoka-cho Building	37,200	446,401	372,365	593,146	13.9%	None
O4	Tokyo Nissan Taito Building	35,071	420,854	343,982	358,646	10.6%	None
O5	TOKYU REIT Akasaka Hinokicho Building	18,928	227,139	263,788	185,547	12.6%	None
O6	TOKYU REIT Kamata Building	31,871	382,450	366,523	382,934	11.0%	None
O7	Resona Maruha Building	91,667	1,100,004	1,100,000	1,489,828	7.7%	None
Total		637,250	7,646,996	9,317,054	7,831,024	5.7% *	

R6 and O7 are estimate at property acquisition performed

*Portfolio PML

TOKYU REIT

Corporate Governance, Meetings and Resolutions

Meetings Operating Situation

TOKYU REIT

(Number of Times)

		2003							Total
		Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec. (Prospect)	
TOKYU REIT	Unitholders' Meeting	-	1	-	-	-	-	-	1
	Board of Directors Meeting	2	6	2	3	2	2	2	20
Tokyu REIM	Board of Directors Meeting	1	3	3	4	2	2	4	19
	Investment Committee	4	4	3	6	4	2	3	26
	Risk Management and Compliance Committee	2	5	2	2	2	2	2	17
	Third-party evaluation whether each related-party transaction is in compliance with TOKYU REIT's internal rules.	0	2 (11 Properties)	0	0	0	0	3 (2 Properties)	5

* () is the number of check items

Resolution by the Board of Directors Relating to Related-Party Transactions

Items for resolution by the Board of Directors relating to internal rules regarding related-party transactions with the aim of avoiding conflicts of interest.

Item	Meeting Held	Agenda Item for Resolution
1	Jun.	Trademark licensing agreement
2	Jul.	Memorandum concerning purchase and sale of property portfolio
3		Property management agreements (11 properties)
4		Trust beneficial interest agreements (11 properties)
5		Internal rules concerning conflicts of interest
6		Memorandum concerning TOKYU REIT investment unit holdings
7		Memorandum concerning the prevention of insider trading
8		Revisions to owners in common memorandum (Setagaya Business Square)
9		Implementation of advertising and promotion plan (onboard advertising)
10	Sep.	Rentals to Tokyu Group companies relating to properties acquired
11	Nov.	Formulation of AUP confirmation procedures relating to rentals to Tokyu Group companies
12		Implementation of train board video advertising program
13	Dec.	Settlement agreement relating to previously executed trust beneficial interest transfer agreement
14		Appointment of construction company (related party) to complete renovations of TOKYU REIT Hinoki-cho Bldg.
15		The acquisition of land and buildings located in Undagawa-cho, Shibuya-ku

TOKYU REIT

Projection / Financing Strategy

Operating Forecasts (Fiscal Period ending Jan.31, 2004 & Jul.31, 2004)

TOKYU REIT

(million Yen)

P/L	1st FP (Ending Jan.31,2004)				2nd FP (Ending Jul.31,2004)			
	Notice on Sep.10, 2003	Revision on Dec.18, 2003	Change	%	Notice on Sep.10, 2003	Revision on Dec.18, 2003	Change	%
Operating Revenues	2,764	2,858	94	100%	3,541	4,182	641	100%
Rental Revenues ()	2,517	2,614	97	91%	3,233	3,889	656	93%
Non-rental Revenues	247	244	-3	9%	308	293	-15	7%
Operating Expenses	711	724	13	25%	1,205	1,353	148	32%
Utility Expenses	282	291	9	10%	357	364	7	9%
Property Management Fees	304	311	7	11%	389	465	76	11%
Repairs & Maintenance	45	34	-11	1%	44	106	62	3%
Leasing Commissions	0	2	2	0%	3	3	0	0%
Property and Other Taxes	0	0	0	0%	321	320	-1	8%
Casualty Insurance	9	9	0	0%	11	13	2	0%
Other Rental Expenses	71	77	6	3%	80	82	2	2%
Net Operating Income (NOI)	2,053	2,134	81	75%	2,336	2,829	493	68%
Depreciation	444	468	24	16%	575	612	37	15%
Gross Operating Income	1,609	1,666	57	58%	1,761	2,217	456	53%
Sales, General & Administration	239	248	9	9%	416	488	72	12%
(Asset Management Fees)	181	185	4	6%	241	301	60	7%
Operating Profits	1,370	1,418	48	50%	1,345	1,729	384	41%
Non-Operating Revenues	0	0	0	0%	0	0	0	0%
Non-Operating Expenses	544	555	11	19%	147	355	207	8%
Ordinary Income	826	863	37	30%	1,198	1,374	176	33%
Extraordinary profit	0	0	0	0%	0	0	0	0%
Extraordinary Loss	0	0	0	0%	0	0	0	0%
Income Before Income Taxes	826	863	37	30%	1,198	1,374	176	33%
Income Taxes	1	1	0	0%	2	2	0	0%
Net Income	825	862	37	30%	1,196	1,372	176	33%
Estimated Distribution per Unit (Yen)	8,422	8,800	378		12,210	14,000	1,790	

() Including common service

Resona Maruha Building 50
Delay of evacuation 27
Earlier start-up 14
Others 3

Resona Maruha Building 550
TOKYU REIT Shibuya Udagawa-cho Square 135
Initial 11 properties 29

Resona Maruha Building 81
Initial 11 properties 5

Interest for
Resona Maruha Building Loan 151
TOKYU REIT Shibuya Udagawa-cho Square Loan 37
Existing Loan 19

Operating Forecasts

(Fiscal Period ending Jan.31, 2004 & Jul.31, 2004)

TOKYU REIT

(million Yen)

B/S	End of 1st FP (Jan. 31, 2004)			End of 2nd FP (Jul. 31, 2004)		
	Notice on Sep.10, 2003	Revision on Dec.18, 2003	Change	Notice on Sep.10, 2003	Revision on Dec.18, 2003	Change
Total Assets	91,727	117,432	25,705	92,098	123,817	31,719
Current Asset	10,673	12,627	1,954	11,560	12,540	980
Fixed Asset	81,054	104,805	23,751	80,538	111,277	30,739
Total Liabilities	40,784	66,452	25,668	40,784	72,327	31,543
Debt	32,700	56,700	24,000	32,700	62,200	29,500
Deposit	8,084	9,208	1,123	8,084	9,383	1,299
Other Liabilities	0	545	545	0	744	744
Unitholders' Equity	50,943	50,980	37	51,314	51,490	176
Unitholders' Capital	50,118	50,118	0	50,118	50,118	0
Retained Earnings	825	862	37	1,196	1,372	176

LTV (FYE)

Interest-bearing debts / Total assets	35.6%	48.3%	12.7%	35.5%	50.2%	14.7%
Interest-bearing debts / Total Appraisal values	40.7%	55.0%	14.3%	40.7%	56.7%	16.0%

TOKYU REIT has a financing policy of maintaining a low Loan to Value (LTV) ratio with the aim of ensuring a sound financial position.

LTV remains within the scope of TOKYU REIT's established financing policy, however a significant increase in LTV following the acquisition of new properties compared with the ratio as of TOKYU REIT's listing is expected.

Operating Forecasts (by Type of Use)

(Fiscal Period ending Jan.31, 2004 & Jul.31, 2004)

TOKYU REIT

(million Yen)

P/L	1st FP (Ending Jan.31,2004)			2nd FP (Ending Jul.31,2004)		
	Retail	Office	Total	Retail	Office	Total
Operating Revenues	1,026	1,832	2,858	1,371	2,811	4,182
Rental Revenues ()	963	1,651	2,614	1,305	2,584	3,889
Non-rental Revenues	63	181	244	66	227	293
Operating Expenses	221	503	724	383	970	1,353
Utility Expenses	53	238	291	58	306	364
Outsourcing fees	73	169	242	90	267	357
Property Management Fees	25	44	69	33	75	108
Repairs & Maintenance	11	23	34	40	66	106
Leasing Commissions	0	2	2	0	3	3
Property and Other Taxes	0	0	0	91	229	320
Casualty Insurance	2	7	9	2	11	13
Other Rental Expenses	57	20	77	69	13	82
Net Operating Income (NOI)	805	1,329	2,134	988	1,841	2,829
Depreciation	97	371	468	119	493	612
Gross Operating Income	708	958	1,666	869	1,348	2,217
Planned Capital Expenditure	8	50	58	33	351	384
Repairs & Maintenance + Planned Capital Expenditure	19	73	92	73	417	490
Repairs & Maintenance + Capital Expenditure ()	64	146	210	64	146	210

() Estimated by Third Party Appraisal Report

Tokyu Saginuma Building 33

Resona Maruha Building 360
Tokyu Nampeidai-cho Building 20
Setagaya Business Square 13

■Debt Financing (as of Mar.1, 2004, Proposed)

	Amount (million yen)	Interest	Expected Draw down	Term of payment	Collateral	Lender
Existing Loan A	15,700	0.70% (*)	2003/9/11	2004/9/11	Secured	Sumitomo Trust and Banking The Chuo Mitsui Trust and Banking Bank of Tokyo Mitsubishi Mizuho Corporate Bank The Mitsubishi Trust and Banking
Existing Loan B	17,000				Secured	
Debt for Acquisition of Resona Maruha Building	24,000	TBA	2004/1/15		Secured	
Debt for Acquisition of TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	5500 (expected)	TBA	2004/3/1 (expected)	TBA	TBA	TBA
Total	56,700					

(*) Applied for the first six month

■Finance Policy

➤ Equity Finance

- ◆ A flexible new investment unit issue program with the aim of ensuring long-term and stable portfolio growth.

➤ Debt Finance

- ◆ Low Loan-to-Value (LTV) ratio in an effort to ensure financial health.
 - ✓ LTV (Percentage of Interest bearing debt to the total asset): Up to 60%
- ◆ Long-term Debt Finance
 - ✓ Plan to convert a portion of short-term loans to long-term loans.
- ◆ Secure diverse sources of finance
 - ✓ Increase the number of financial institutions. Acquire credit rating for corporate bond issues.

TOKYU REIT

Macro Data (Reference)

Change of Official Land Price Indication (Koji) (Retail and Commercial Lot)(2002-2003)

TOKYU REIT

	Nationwide Commercial Area		Tokyo Metropolitan Area (Tokyo·Kanagawa·Chiba·Saitama)		Tokyo		Targeted Areas of Investment							
							Five Central Tokyo Wards				Tokyu Areas *3 (excluding Shubuya-ward)		Total	
							Five Central Tokyo Wards		Others *2					
	Points	Ratio	Points	Ratio	Points	Ratio	Points	Ratio	Points	Ratio	Points	Ratio	Points	Ratio
Rise *1	40	0.7%	39	2.2%	39	4.0%	38	13.1%	0	0%	1	0.4%	39	6.6%
Leveling Off (No Change)	100	1.9%	56	3.2%	54	5.5%	41	14.1%	0	0%	7	2.7%	48	8.1%
Fall	5,240	97.4%	1,654	94.6%	880	90.4%	211	72.8%	38	100%	256	97.0%	505	85.3%
Total	5,380	100%	1,749	100%	973	100%	290	100%	38	100%	264	100%	592	100%

*1 "Rise" means the point which official land price rises from 2002.

"Levelling off" means the point which official land price is equal to 2002.

"Fall" means the point which official land price fall from 2002.

*2 "Others" means comparable business districts such as Ikebukuro, Kouraku and Ueno.

*3 Tokyu Areas refer to :

Tokyo . . . Shibuya ward, Shinagawa ward, Meguro ward, Setagaya ward, Ota ward, Machida city

Kanagawa pref. . . Kouhoku ward, Kanagawa ward, Naka ward, Nishi ward, Midori ward, Aoba ward and Tsuzuki ward (Yokohama city)

Nakahara ward, Takatsu ward and Miyamae ward (Kawasaki city)

Yamato city

(Source) Added up by Tokyu Real Estate Investment Management Inc. on the basis of Land Price Investigation (Koji) which is released annually by Ministry of Land, Infrastructure and Transport.

Change of Official Land Price Indication (Kijun) (Retail and Commercial Lot)(2002-2003)

TOKYU REIT

	Targeted Areas of Investment							
	Five Central Tokyo Wards				Tokyu Areas *3 (excluding Shubuya-ward)		Total	
	Five Central Tokyo Wards		Others *2		Points	Ratio		
	Points	Ratio	Points	Ratio			Points	Ratio
Rise *1	10	7.7%	0	0%	1	0.8%	11	4.1%
Leveling Off (No Change)	17	13.1%	0	0%	7	5.5%	24	9.0%
Fall	103	79.2%	11	100%	119	93.7%	233	86.9%
Total	130	100%	11	100%	127	100%	268	100%

*1 "Rise" means the point which official land price rises from 2002.

"Levelling off" means the point which official land price is equal to 2002.

"Fall" means the point which official land price fall from 2002.

*2 "Others" means comparable business districts such as Ikebukuro, Kouraku and Ueno.

*3 Tokyu Areas refer to :

Tokyo . . . Shibuya ward, Shinagawa ward, Meguro ward, Setagaya ward, Ota ward, Machida city
 Kanagawa pref. . . Kouhoku ward, Kanagawa ward, Naka ward, Nishi ward, Midori ward, Aoba ward
 and Tsuzuki ward (Yokohama city)
 Nakahara ward, Takatsu ward and Miyamae ward (Kawasaki city)
 Yamato city

(Source) Added up by Tokyu Real Estate Investment Management Inc. on the basis of Land Price Investigation (Kijun),
 which is released annually by prefectures.

Office Vacant Ratio on Sub-market

TOKYU REIT

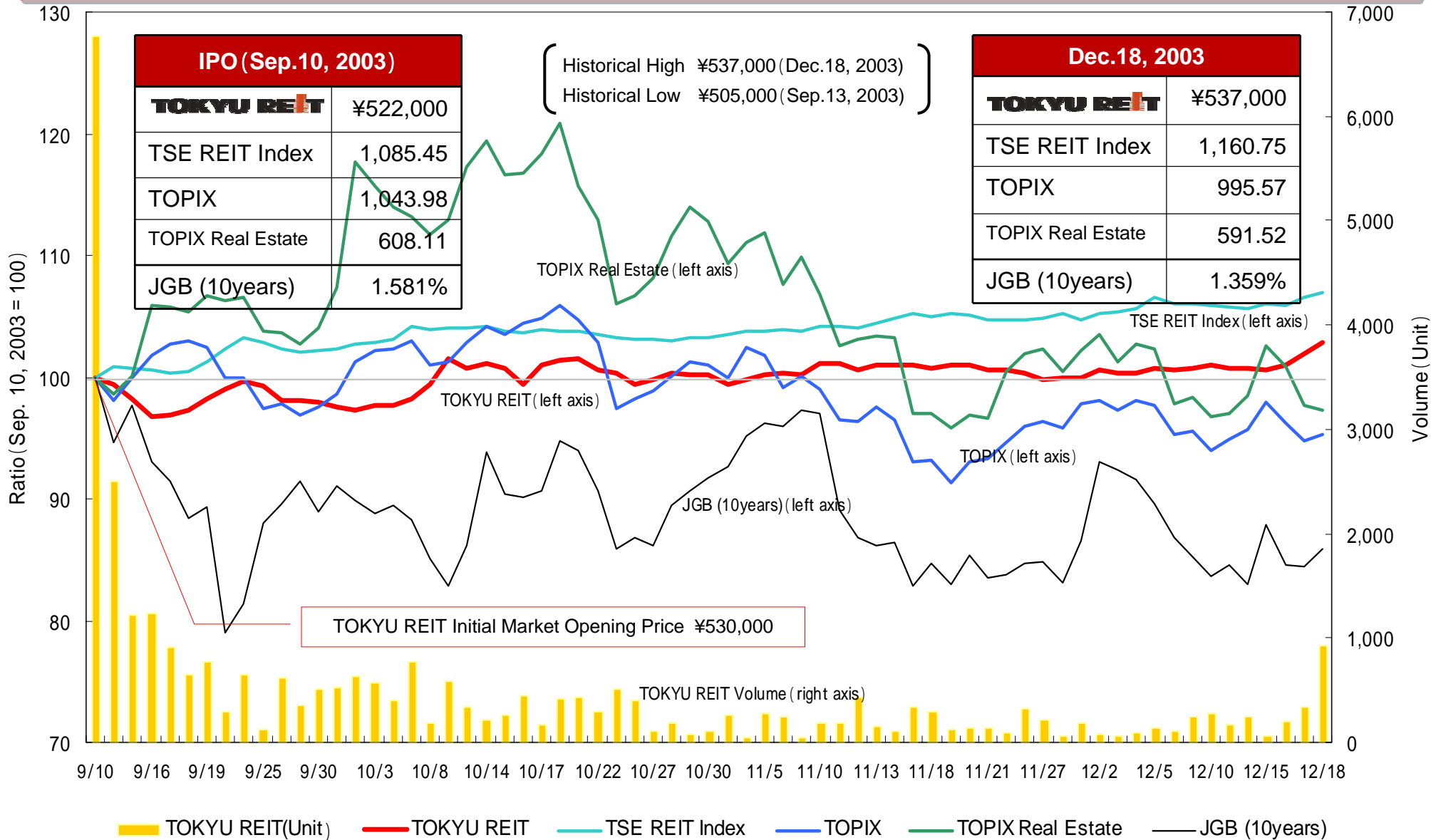
Division		2002				2003		
		March	June	September	December	March	June	September
Five Central Tokyo Wards	Five Wards	4.4%	4.9%	5.1%	6.1%	6.0%	6.7%	7.1%
	Shibuya Ward	4.2%	4.8%	4.5%	6.1%	4.9%	6.4%	6.7%
	Chuo Ward	6.2%	6.7%	7.2%	7.8%	7.7%	8.4%	8.6%
	Chiyoda Ward	3.5%	3.8%	3.9%	4.8%	4.5%	4.9%	5.5%
	Minato Ward	4.8%	5.1%	5.4%	6.4%	6.6%	7.9%	7.8%
	Shinjuku Ward	3.2%	4.1%	4.2%	5.6%	6.7%	6.7%	7.5%
	Ueno	6.4%	7.1%	5.9%	6.2%	6.5%	6.1%	5.8%
	Koraku	2.9%	3.1%	3.6%	5.2%	4.6%	3.8%	4.4%
	Ikebukuro (Nishi-ikebukuro · Ikebukuro)	6.2%	7.8%	7.5%	10.5%	10.2%	8.0%	8.2%
	Ikebukuro (Higashi-ikebukuro · Minami-ikebukuro)	4.9%	5.2%	4.8%	5.2%	4.9%	3.9%	5.7%
Tokyu Areas	Shinagawa (Shinagawa · Tennozu)	2.2%	3.6%	4.1%	2.8%	4.4%	5.2%	5.0%
	Shinagawa (Osaki)	2.2%	3.2%	2.3%	2.8%	2.7%	3.3%	2.6%
	Shinagawa (Gotanda)	4.8%	4.4%	6.0%	5.8%	6.0%	6.3%	6.6%
	Meguro	2.1%	3.0%	3.8%	4.3%	4.7%	5.7%	6.1%
	Ota (Omori)	11.3%	12.9%	13.1%	13.8%	14.0%	14.1%	14.1%
	Ota (Kamata)	7.2%	7.7%	9.1%	9.1%	9.5%	9.9%	10.1%

(Source) Ikoma CB Richard Ellis K.K. "Office Market Report" and K.K. Ikoma Data Service System

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Market Performance

TOKYU REIT



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