



2. Topics of 16th Period

(1) Executive Summary

Financial Results and Forecast

	16th Period Actual Ended Jul. 2011	17th Period Estimates Ending Jan. 2012	18th Period Estimates Ending Jul. 2012
NOI	¥4,712 million	¥4,576 million	¥4,312 million
NOI Yield	4.77%	4.55%	4.33%
Net Income	¥2,242 million	¥2,066 million	¥1,863 million
Distribution per Unit	¥13,239	¥12,200	¥11,000
LTV at End of Period	48.8%	48.5%	48.4%
LTV / Total Assets	43.3%	43.4%	43.5%

Impact of the Great East Japan Earthquake

- **Casualties : None**
- **Property Damage : Minor (No structural failure)**
Posted 49 million yen (of this, 26 million yen are allowances) in earthquake related expenses during the 16th fiscal period (initial estimate: 60 million yen)

Restructuring of Sponsorship

Jan. 2011	Announcement (held Extraordinary IR)
Apr.	Approved amendment of Articles of Incorporation at the General Meeting of Unitholders
Apr.	Tokyu Corporation acquired TOKYU REIT investment units held by Tokyu Land
Jun.	Tokyu Corporation acquired the Tokyu REIM shares held by Tokyu Land

External Growth

- **Acquired Tokyu Ginza 2-chome Building**
- **Strengthen pipeline with the Sponsor**

Internal Growth

- **Period end occupancy rate improved through leasing activities**
Occupancy rate as of the end of the 16th period: 98.5% (occupancy rate as of the end of the 15th period: 96.3%)
- **Average rent as of the end of the 16th period: ¥19,470** (average rent as of the end of the 15th period: ¥19,472)
- **Two major tenants vacated**
Will impact occupancy rates and distributions in 17th and 18th periods

Debt Finance

- **Enlarged commitment line**

Apr. 2011	Updated commitment line	¥2,000 million
Jul.	Updated commitment line	¥10,000 million
Jul.	Concluded new commitment line	¥8,000 million
Total commitment line		¥20,000 million
- **Refinanced long-term debt (¥10,000 million)**
- **Maintained high credit ratings**



2. Topics of 16th Period

(2) Financial Results and Forecast

Operating Results

		16th Period Actual	15th Period Actual	Change	Change (%)	16th Period	Change	Change (%)
		Ended Jul. 2011 (181 days)	Ended Jan. 2011 (184 days)			Forecast as of 3/15/2011		
Distribution per Unit	(¥)	13,239	12,045	1,194	9.9	12,400	839	6.8
Adjusted ROE	(%)	5.30	4.74	0.56	—			
Average LTV	(%)	49.7	51.3	-1.6	—	49.7	0.0	—
LTV at End of Period	(%)	48.8	48.6	0.2	—	48.5	0.3	—
Balance of Cash and Bank Deposits at End of Period	(¥ million)	4,600	8,393	-3,793	-45.2	4,195	405	9.6
Acquisition Capacity through Cash and Bank Deposits	(¥ million) b	2,357	6,353	-3,996	-62.9	2,094	263	12.6
Acquisition Capacity through Debt	(¥ million) a	4,610	5,300	-691	-13.0	5,775	-1,165	-20.2
Total Acquisition Capacity	(¥ million) a+b	6,967	11,653	-4,686	-40.2	7,869	-902	-11.5
Average Balance of Assets during the Period (Based on Acquisition Price)	(¥ million)	199,285	190,502	8,783	4.6	199,285	0	—
Occupancy Rate (End of Period)	(%)	98.5	96.3	2.2	—	97.3	1.2	—
NOI Yield	(%)	4.77	4.68	0.09	—	4.65	0.12	—
Unrealized Gain	(¥ million)	731	1,487	-756	-50.8			
Adjusted Net Asset Value (NAV) per Unit	(¥)	583,012	587,478	-4,466	-0.8			
Average Unit Price during the Period	(¥)	534,655	490,426	44,229	9.0			

* Average LTV = (Average Balance of Interest-Bearing Debt + Average Balance of Security Deposits without Reserved Cash) / Appraisal Value at End of Previous Period or Weighted Average Appraisal Value at Acquisition

* LTV at End of Period = (Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period or Average Appraisal Value at Acquisition + Balance of Cash and Deposits with Banks at End of Period)

* Acquisition Capacity through Debt indicates the potential acquisition by debt assuming a maximum LTV at the end of the period of 50%.

* Acquisition Capacity through Cash and Bank Deposits = the Balance of Cash and Bank Deposits at End of Period – Balance of Retained Earnings at End of Period

* NOI Yield = Leasing NOI / Average Acquisition Price of Properties during the Period

* Unrealized Gain is the balance after deducting the book value from the appraisal value of properties at the end of the period.

* Adjusted Net Asset Value per Unit is (Total Capital + Unrealized Gain) / Outstanding Units. Total Capital does not include Retained Earnings.

* Adjusted ROE = Distribution Amount after Deduction of Capital Gains / (Total Capital – Accumulated Distribution of Capital Gains)

Detailed B/S and P/L data are presented in the separate DATA BOOK.

17th Period (Ending Jan. 2012) Estimates

■ EPS: ¥12,200 (change from 16th period ¥ -1,039)

Expenses corresponding to the earthquake to be implemented during the 17th fiscal period are already posted in the 16th fiscal period results

➤ Net Income: ¥2,066 million change from 16th period ¥ -176 million (profit decrease)

■ Profit from Leasing Operations change from 16th period ¥ -103 million (profit decrease)

Rental revenues decrease	¥ -94 million ... including estimated rent reductions in the future
Repair and maintenance increase	¥ -47 million ... energy conservation work (installing Eco mirrors, switching lights to LED, etc.) Renovation work for common areas at TOKYU REIT Toranomom Building Original state restoration work at CONZE Ebisu and cocoti External wall renovation work at Tokyu Sakuragaoka-cho Building, etc.
Loss from the removal of fixed assets decrease	¥47 million ...Tokyu Saginuma Building , etc.
Property management fee decrease	¥19 million
Depreciation increase	¥ -16 million ... Tokyu Saginuma Building

■ Construction fees (received from tenants)

change from 16th period ¥ -67 million (profit decrease) ...Tokyu Saginuma Building

■ Non-operating expenses change from 16th period ¥ -14 million (cost increase) ... new establishment of commitment lines, etc.

■ Extraordinary loss change from 16th period ¥ 49 million (cost decrease) ... loss on disaster and allowance for disaster losses

■ Adjusted ROE: 4.8% NOI: ¥4,576 million NOI Yield: 4.6% LTV / Total Assets: 43.4% LT Debt Ratio: 100.0% Period End Occupancy Estimate: 96.8%

18th Period (Ending Jul. 2012) Estimates

■ EPS: ¥11,000

➤ Operating Income: ¥6,329 million Recurring Profit: ¥1,864 million Net Income: ¥1,863 million

■ Adjusted ROE: 4.4% NOI: ¥4,312 million NOI Yield: 4.3% LTV / Total Assets: 43.5% LT Debt Ratio: 99.1% Period End Occupancy Estimate: 94.2%

* Leasing spaces left by tenants who have submitted notices of cancellation is expected to remain vacant up until the end of the 18th period. In addition, we have factored the effect of the recent deterioration in the real estate market into the rent levels.

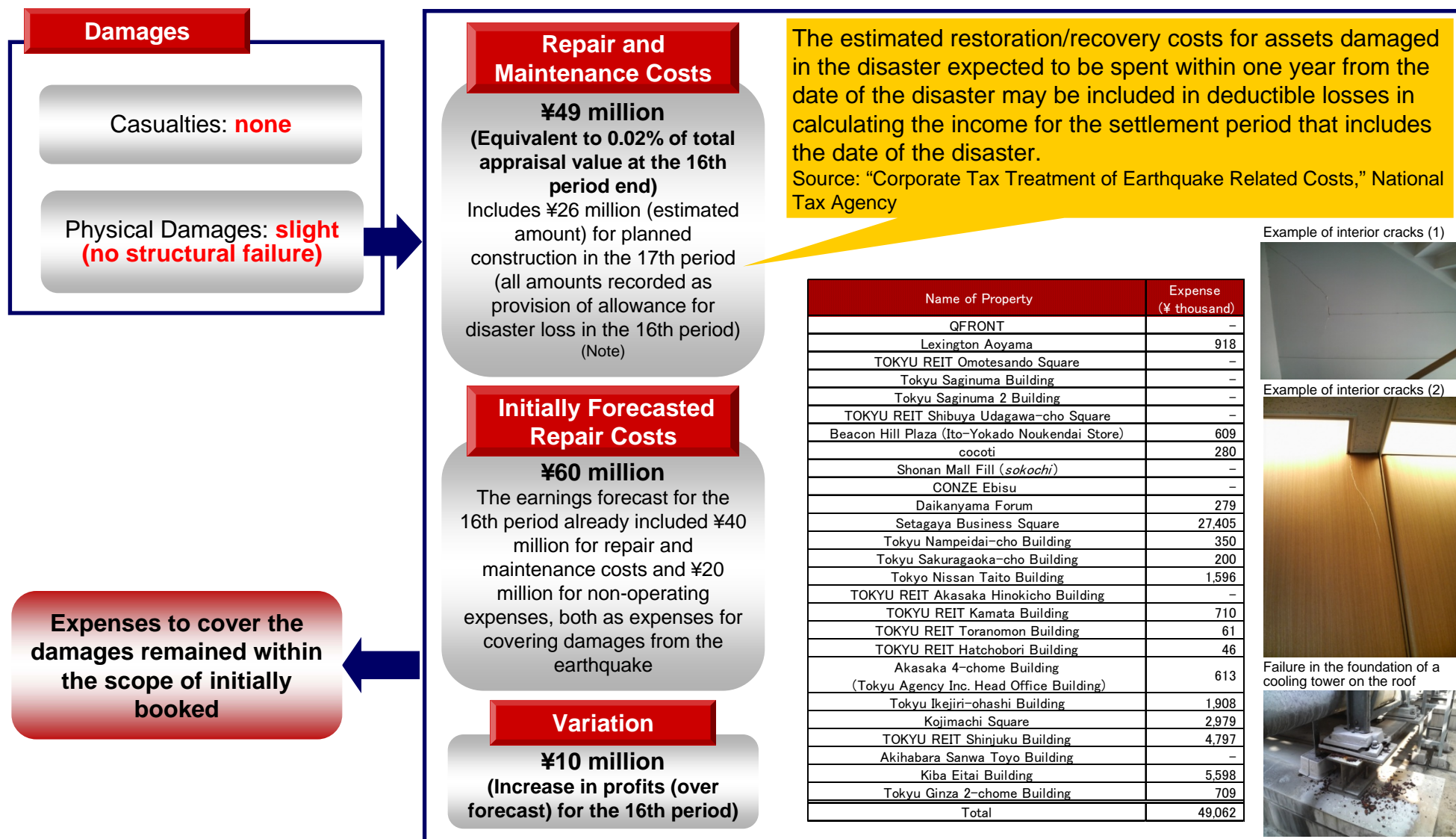
* Expected Period End LTV = Total Assets Expected Period End Interest-Bearing Debt / Expected Period End Total Assets

* Interest-Bearing Debt does not include Security Deposits provided by tenants.



2. Topics of 16th Period

(3) Impact of the Great East Japan Earthquake



(Note) The earnings forecast for the 17th period does not include expenses surpassing the provision of allowances for disaster loss, which was recorded in the 16th period. The earnings results for the 17th period may be affected if the actual repair and maintenance construction amounts differ from the provision of the allowance.

Damage Reduction Measures by TOKYU REIT

Creation of Portfolio Resilient to Disasters

Implementation of due diligence including:

- Earthquake risk analyses (PML)
- Flood hazard investigations
- Liquefaction risk investigations



Has created a portfolio that is resilient to disasters

Probable Loss due to Earthquakes

- PML for the entire portfolio: 4.1%
- Probable loss for the entire portfolio (Note 1): ¥2,717 million

	Item	¥ million	A/B
A	Probable loss for entire portfolio	2,717	-
	Net income before income taxes for 16th period	2,243	121.1%
B	Portfolio replacement value	65,892	4.1%
	Portfolio appraisal value at end of 16th period	191,440	1.4%

(Note 1) Probable loss: economic loss anticipated to be generated by earthquake
PML = amount of probable loss / replacement value

Damage Reduction Measures through Management

Investigations to check fixation status of roof-top facilities

- ⇒ Placed additional orders upon re-obtaining engineering reports for existing properties, starting in January 2011
- ⇒ Aims to prevent function stoppage, etc. caused by horizontal slips or falling of roof-top facilities and equipment due to earthquakes

Investigations on business continuity upon earthquakes

- ⇒ Analyzed reinforcement plans to reduce damages, based on the assumed damages to facilities and equipment due to earthquakes (July 2011)
- ⇒ Examined facility reinforcement works from the perspective of business continuity (17th period)

Evaluation of Anti-seismic Performance

Property	Completion	Earthquake resistance standard (Note 2)	PML (Note 3)
QFRONT	1999	New standards	4.1%
Lexington Aoyama	1998	New standards	2.3%
TOKYU REIT Omotesando Square	1985	New standards	9.5%
Tokyu Saginuma Building	1978	Previous standards (anti-seismic reinforcement work completed)	9.9%
Tokyu Saginuma 2 Building	1979	Previous standards	9.3%
TOKYU REIT Shibuya Udagawa-cho Square	1998	New standards	7.3%
	1995	New standards	
Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1998	New standards	9.5%
cocoti	2004	New standards	6.2%
Shonan Mall Fill (sokochi)	-	New standards	-
CONZE Ebisu	2004	New standards	4.1%
Daikanyama Forum	1993	New standards	8.0%
Setagaya Business Square	1993	New standards	2.8%
Tokyu Nampeidai-cho Building	1992	New standards	7.9%
Tokyu Sakuragaoka-cho Building	1987	New standards	11.1%
Tokyo Nissan Taito Building	1992	New standards	7.4%
TOKYU REIT Akasaka Hinokicho Building	1984	New standards	11.2%
TOKYU REIT Kamata Building	1992	New standards	7.7%
TOKYU REIT Toranomon Building	1988	New standards	7.2%
TOKYU REIT Hatchobori Building	1965	Previous standards (seismic isolation work completed)	4.0%
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	2003	New standards	3.9%
Tokyu Ikejiri-ohashi Building	1989	New standards	5.8%
Kojimachi Square	2003	New standards	4.8%
TOKYU REIT Shinjuku Building	2003	New standards	4.2%
Akihabara Sanwa Toyoko Building	1985	New standards	11.8%
Kiba Eitai Building	1992	New standards	7.3%
Tokyu Ginza 2-chome Building	2008	New standards	4.4%

(Note 2) The new earthquake resistance standards are the earthquake resistant design standards based on the Building Standards Act, which was revised in 1981 with the aim to prevent buildings from collapsing even from earthquakes with seismic intensity of 6 and secure safety for human lives. Buildings that obtained building confirmation in June 1981 and after are understood to satisfy the new earthquake resistance standards. In fact, there were almost no reports of collapsing of buildings that were designed in accordance with the new earthquake resistance standards from the Great Hanshin Earthquake in 1995 and the Great East Japan Earthquake, in which a seismic intensity of 7 was actually observed.

(Note 3) The PML (Probable Maximum Loss) indicates the rate of anticipated losses caused by earthquakes. In this presentation, PML refers to the percentage of expected damages caused by a small-to-large-scale earthquake that happens within the next 475 years to the replacement value.

Overview of Restrictions on Power Consumption

The impact of the Great East Japan Earthquake led to the implementation of Article 27 of the Electricity Business Act, legally imposing restrictions on power consumption to large users.

- **Period and time zone:** July 1, 2011 – September 9 (initially September 22), 2011, from 9:00 am to 8:00 pm on weekdays
- **Coverage:** large users (with contract demand for electricity of 500kw or more)
→ Ten properties out of 26 in TOKYU REIT's portfolio were subject to the restrictions
- **Restrictions:** Usable up to 85% of the maximum power consumption in the same period and the time zone a year ago
→ Two TOKYU REIT properties surpassed the restriction values three times (in August 2011)
- Intentional violation is fined at one million yen or less per hour of excess
- Restrictions are imposed regardless of the occupancy in the same period a year ago (However, mitigation measures are available if the occupancy a year ago was 20% or more less than this year)



QFRONT
cocoti
Setagaya Business Square
Tokyu Namepeidai-cho Building
Tokyo Nissan Taito Building
TOKYU REIT Toranomom Building
Tokyu Ikejiri-ohashi Building
Kojimachi Square
TOKYU REIT Shinjuku Building
Kiba Eitai Building

Partial adoption of the scheme of common restrictions on power consumption

Properties with low reduction rates of power consumption are covered by properties with high such rates, under the scheme in which multiple properties are deemed to be a single property and subject to restrictions as such.

Responses to Power Saving

Responses to Power Saving in the 16th Period

- Lights out and reduction of lamps in use in common areas
- Stoppage or temperature setting at 28°C for air conditioners in common areas
- (Partial) replacement to LED lamps for common area lighting (Setagaya Business Square and CONZE Ebisu)
- Partial stoppage of elevators
- Requesting tenants to cooperate in power saving (setting temperature of air conditioners at 28°C, reduction of lamps in use, etc.)

■ Delivery of circulators to multiple tenants (expenses borne by the Investment Management Company)



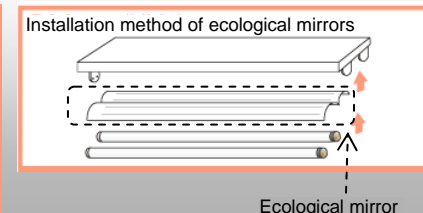
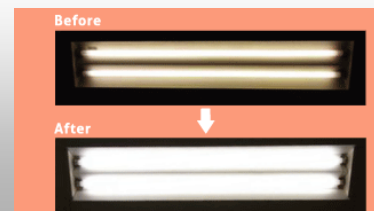
The equipment provides a whirling wind that blows straight and far, resulting in the air in the room to circulate efficiently. It increases cooling efficiency in summer and heating efficiency in winter, leading to reductions in power consumption.

Responses to Power Saving in the 17th Period (Planned)

- **Shift to high frequency fluorescent lamps that feature high lighting efficiency** (exclusive areas)
(TOKYU REIT Toranomom Building)
- **Installation work of ecological mirrors** (exclusive areas)

Ecological mirrors are "high-performance lighting reflection boards" that make lighting brighter and sharper without replacing existing fluorescent lamps. Installation of the equipment allows the illumination to be intensified about 1.6 times. This makes it possible to reduce the number of fluorescent lamps in use, leading to reductions in power consumption.

(Installation planned at Tokyo Nissan Taito Building, Kojimachi Square, TOKYU REIT Shinjuku Building and Kiba Eitai Building)





2. Topics of 16th Period

(4) Restructuring of the Sponsorship

Approval at the General Meeting of Unitholders

Apr. 2011 Related memorandums, etc. took effect by being approved at the General Meeting of Unitholders and conducted various procedures

TOKYU REIT Investment Units

• Transfer of Investment Units

Apr. 2011 Tokyu Corporation acquired 3,920 investment units of TOKYU REIT (2.31%) held by Tokyu Land (Investment units held by Tokyu Corporation became 9,800 units (5.79%))

Tokyu REIM

• Shareholders (Tokyu Corporation to own 100% of shares)

Jun. 2011 Acquisition of shares by Tokyu Corporation completed

• Switch directors

Jun. 2011 Directors from Tokyu Land retired (Representative Director & Vice President and an auditor retired, changing the number of directors from Tokyu Land from 3 to 1)

• Employees

Apr. 2011 2 more employees were seconded from Tokyu Corporation

Tokyu Brand

The new REIT to be launched by Tokyu Land Corporation shall not bear the “Tokyu” brand

Opportunities to Acquire Property

Tokyu Corporation: Provision of Opportunities to Acquire Property

Feb. 2011 Acquisition of Tokyu Ginza 2-chome Building

Tokyu Land Corporation: Provision of Opportunities to Acquire Properties with Upper Limit

- Until the total acquisition price of properties acquired by TOKYU REIT from Tokyu Land Corporation and its subsidiaries reaches 20 billion yen (including properties acquired through cooperation by warehousing)
- Same timing as the new REIT and/or a third party

Property Management

- Will be outsourced, in principle, to Tokyu Corporation and its subsidiaries
(Property management of Tokyu Ginza 2-chome Building will be outsourced to Tokyu Corporation)
- Arrangement with Tokyu Community Corporation will be sustained for the time being
(Continuously outsource to Tokyu Community Corporation the property management of properties currently outsourced to the company)

* Red letters are changes from the “15th Fiscal Period (August 1, 2010 to January 31, 2011) Financial Results Presentation” announced on March 16, 2011.



2. Topics of 16th Period

(5) Investment Management Overview (External Growth)

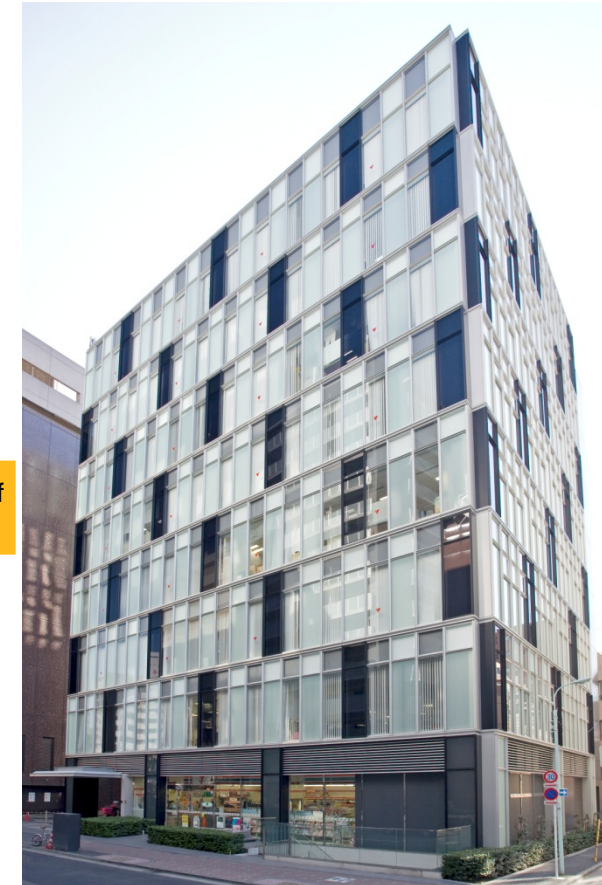
Property Acquisition in the 16th Fiscal Period

Tokyu Ginza 2-chome Building

1. Property Summary at Acquisition

- Type of Acquisition: Real estate in Japan
- Use: Office
- Tenants: The Dai-ichi Building Co., Ltd.
Seven-Eleven Japan Co., Ltd.
- Location: Ginza, Chuo-ku, Tokyo
Approximately a two-minute walk from Shintomicho Station,
Tokyo Metro Yurakucho Line, approximately a four-minute walk
from Higashi-Ginza Station, Hibiya Line,
approximately an eight-minute walk from Ginza Station,
Ginza Line, etc., and approximately a four-minute walk
from Higashi-Ginza Station, Toei Subway Asakusa Line
- Total Land Area: 805.42m²
- Total Floor Area: 5,098.61m²
- Type of Ownership: Land: Proprietary ownership
Building: Proprietary ownership
- Acquisition Price: 5,010 million yen
- NOI Yield : 7.52% (expected yield of acquisition fiscal year)
(based on acquisition price) 4,58% (expected yield in the medium to long term)
- Appraisal Value at Acquisition: 5,020 million yen (as of January 14, 2011)
- NCF Cap Rate: 4.60%
(Appraisal value at acquisition; capitalization method)
- Completion Date: August 2008
- Acquisition Date: February 15, 2011
- Seller: Tokyu Corporation

Appraisal Value at the End of
16th Period ¥5,060 million



2. Characteristics and Issues of the Property at Acquisition

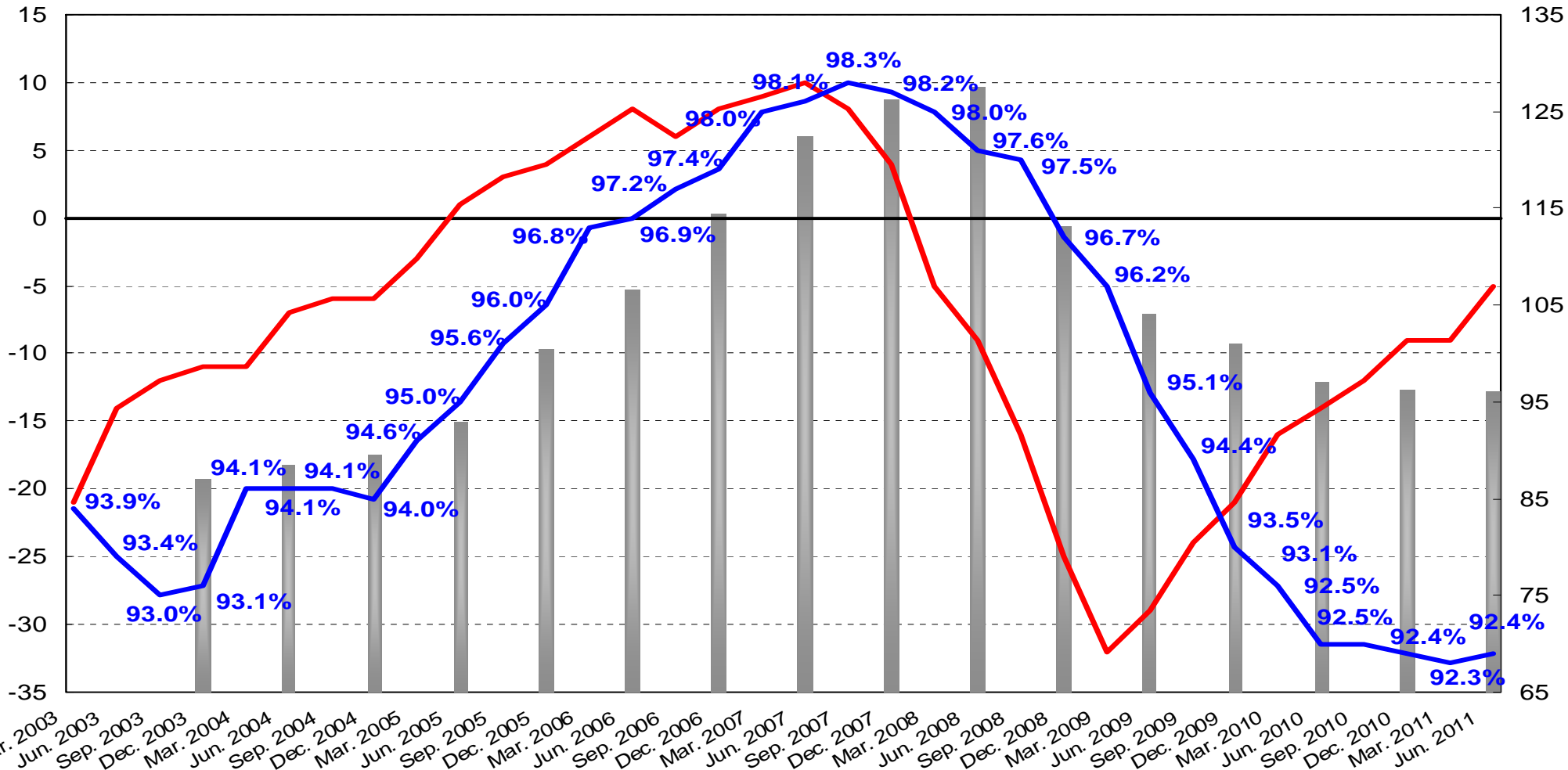
- Strengths: Extremely close to the nearest station, several train lines and stations nearby, a Ginza address, relatively new, and highly competitive building specifications
- Weaknesses: Not very busy commercial area since it is east of Chuo-dori
- Risk: Single tenant (office), and fluctuation of rental revenues after the end of fixed-term lease contracts (21st fiscal period and 25th fiscal period)
- Special Items: None

Changes in Lending Attitude DI/Occupancy Rate/Appraisal Value

Appraisal Value (Total Appraisal Value at End of Period for TOKYU REIT's Initial 12 Properties)
— Lending Attitude DI (Real Estate Sector)
— Office Occupancy Rate (Tokyo 23 Wards)

(Unit: billion yen)

(DI)



* "TOKYU REIT's Initial 12 Properties" refers to the 11 properties TOKYU REIT incorporated into its portfolio at the time of listing and the TOKYU REIT Shibuya Udagawa-cho Square it acquired during the 2nd fiscal period, making a total of 12 properties.

* The December 2003 figure for TOKYU REIT Shibuya Udagawa-cho Square is the appraisal value as of October 1, 2003.

Source: BOJ "Tankan Survey" and "Office Market Report" issued by CB Richard Ellis - Japan.

Investment Environment Recognition and Investment Activities under the Surf Plan

1. Recognition of the Investment Environment (17th period ending January 2012)

Decisions: Acquisition Phase

<Cap Rate>

- The Lending Attitude Diffusion Index continues to show an improving trend even after the earthquake, indicating that buyers' willingness to invest remains strong. However, the impact of the earthquake has caused a decrease in demand as income-generating properties for buildings in bay areas and those conforming to the previous regulatory earthquake resistance standards.
- On the other hand, shortage continues to be felt for quality properties, indicating a gap in supply and demand in the real estate trading market.
⇒ Downward trend of cap rates and re-start of investment in class B office properties and retail facilities become conspicuous

<Cash Flows>

- In the real estate leasing market, vacancy rates remain high but have started to show a sense of peaking out. However, there is a concern for the impact of the earthquake to delay the recovery of rents.
- Although relocations by large tenants have begun to emerge, a full-fledged recovery of rents will probably require more time.
⇒ Recovery in cash flows is yet to come.

<Decisions>

- Although cap rates show a declining trend for the moment, cash flows are believed to be at a low level from a long-term perspective. As such, we judged that the fiscal period under review (17th fiscal period) is still in the acquisition phase as it was in the previous fiscal period (16th fiscal period).
We think that real estate prices will take a path to recovery in association with the recovery in cash flows.

2. Investment Activities

		16th Fiscal Period		17th Fiscal Period	
		Policy	Results	Policy	
Investment Activity	Acquisition	Office	<ul style="list-style-type: none"> • While focusing primarily on properties in the 10 billion yen range, deliberation also on properties worth more than 4 billion yen 	<ul style="list-style-type: none"> • Acquired Tokyu Ginza 2-chome Building (5.01 billion yen, February 15, 2011) 	<ul style="list-style-type: none"> • Add value properties worth more than 4 billion yen to our deliberations, in addition to continued focus on quality properties in the 10 billion yen range • Continue discussing trade in direct negotiation with the sponsor, in addition to sourcing from the market
		Retail (Urban)	<ul style="list-style-type: none"> • In addition to quality properties facing front streets in busy commercial areas, under-priced properties to be made the target of deliberations 	<ul style="list-style-type: none"> • There were projects that were considered, but no contracts were concluded. 	<ul style="list-style-type: none"> • Deliberate under-priced properties in addition to quality properties
		Retail (Suburban)	<ul style="list-style-type: none"> • Under-priced properties were targets of deliberations (value investment) 	<ul style="list-style-type: none"> • There were projects that were considered, but no contracts were concluded. 	<ul style="list-style-type: none"> • Deliberate under-priced properties with stable rents, including sokochi
	Selling	<ul style="list-style-type: none"> • Selection of candidate properties in preparation for the coming selling phase 	<ul style="list-style-type: none"> • Prioritized respective properties for possible sales 	<ul style="list-style-type: none"> • Make preparations for property sales in a dynamic and flexible way 	

* On the condition, however, that LTV is kept at 50% or less as a rule

*This page represents the views of Tokyu REIM **29**

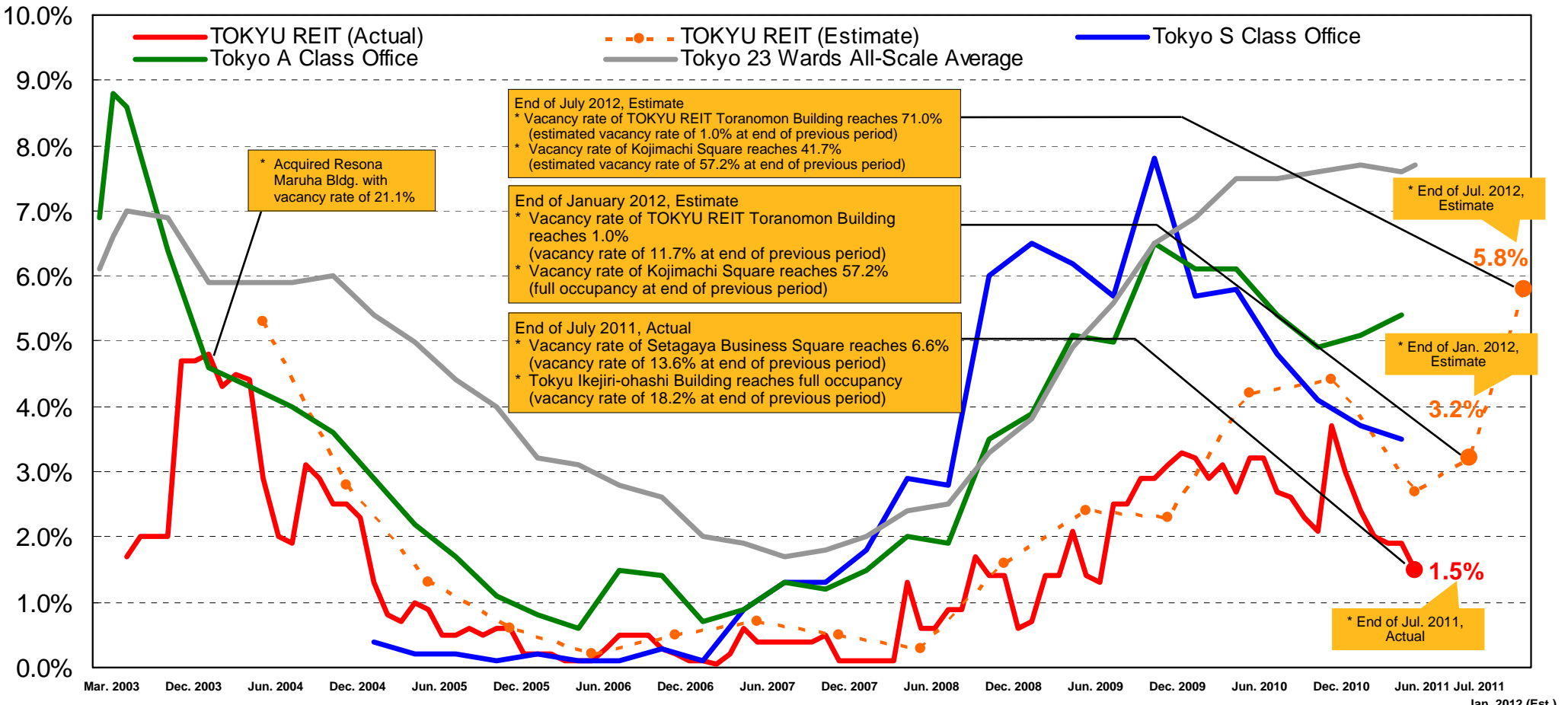


2. Topics of 16th Period

(6) Investment Management Overview (Internal Growth)

Changes in Vacancy Rate

Changes in Vacancy Rate (TOKYU REIT, Tokyo S Class Office, Tokyo A Class Office, Tokyo 23 Wards All-Scale Average)

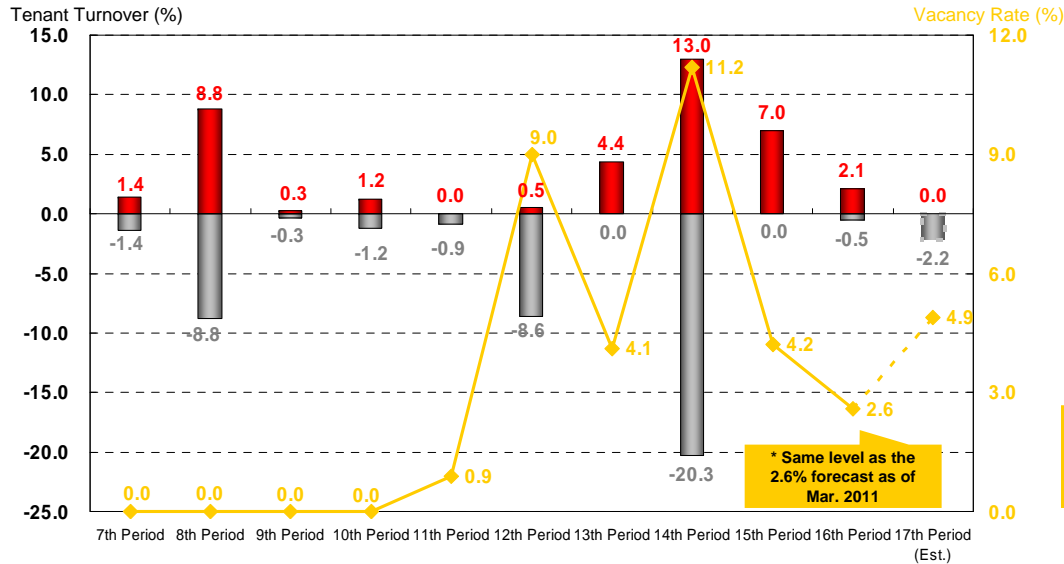


* S Class Office and A Class Office are defined by CB Richard Ellis – Japan.
 S Class Office... Office buildings located in Tokyo's major 5 wards with especially significant features as an office property (features include total floor space over 20,000 tsubo, typical floor area over 500 tsubo)
 A Class Office... Located in Tokyo's major 5 wards (Chiyoda, Chuo, Minato, Shinjuku, Shibuya) with features including total floor space of over 10,000 tsubo and typical floor area over 200 tsubo)
 Source: "Office Market Report" issued by CB Richard Ellis – Japan.

*** TOKYU REIT's portfolio has lower vacancy than the average market rate in Tokyo and has recorded stable performance. Occupancy rate forecasts are conservative figures.**

Changes in Tenant Turnover and Vacancy Rate

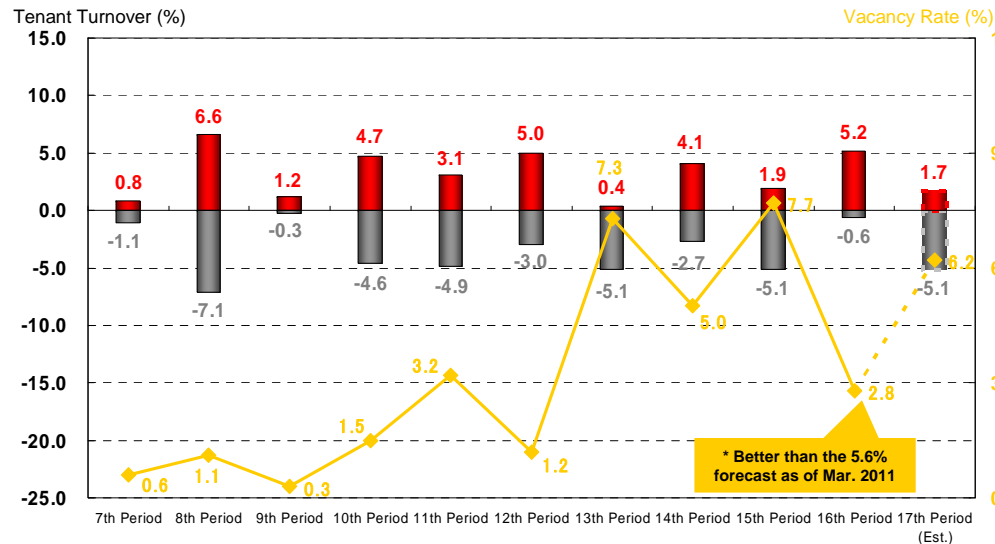
Retail (Urban)



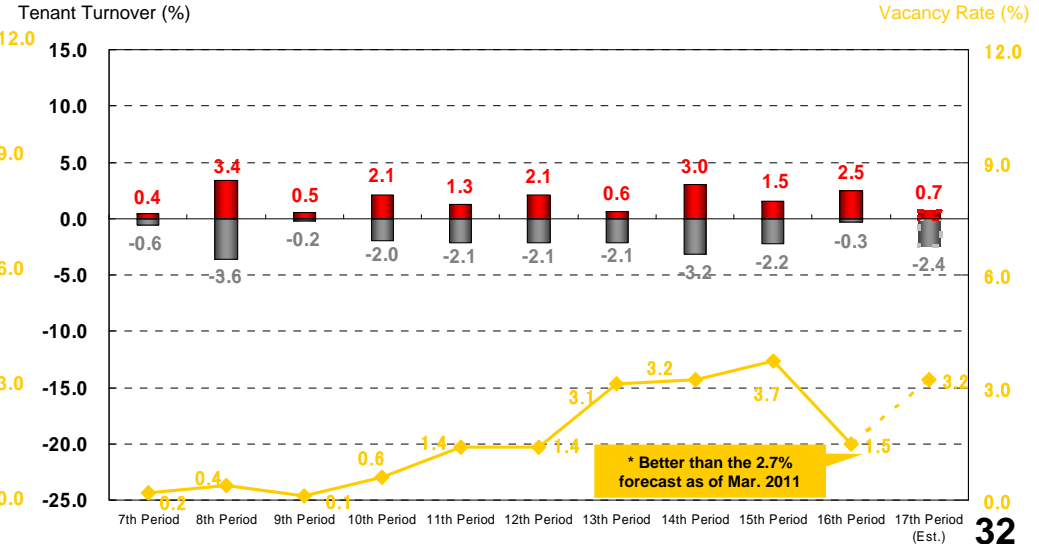
- * Retail (Urban)
 - QFRONT
 - TOKYU REIT Omotesando Square
 - Lexington Aoyama
 - TOKYU REIT Shibuya Udagawa-cho Square
 - cocoti
 - CONZE Ebisu
 - Daikanyama Forum
- * Retail (Suburban)
 - Tokyu Saginuma Building
 - Tokyu Saginuma 2 Building
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store)
 - Shonan Mall Fill (*sokochi*)

*** No vacancy for suburban retail properties**

Office



Overall Portfolio



1. Recognition of the Leasing Market Environment (17th period ending January 2012)

Negative factors		Positive factors	
Vacancy Rate Changes and Rent Level	Impact of the Earthquake	Changes of Tenant Needs Caused by the Earthquake	Heightened Tenant Needs for Relocation and Integration
<p>The vacancy rate of office buildings in Tokyo's 23 wards has remained largely unchanged for a year, at 7.5% for the third quarter of 2010, 7.6% for the fourth quarter of 2010, 7.7% for the first quarter of 2011 and 7.6% for the second quarter of 2011. (Note)</p> <p>⇒ The vacancy rate stays at a high level, and the rent level for new tenants is lower than the previous period or remains unchanged</p>	<p>No movement is seen on a macroscopic scale, such as relocation of headquarters from the Tokyo metropolitan area to Kansai and other areas. However, there are concerns for delays in the recovery of economy and demand for office spaces due to the GDP growth rate for 2011 drifting on the downside</p> <p>⇒ Peaking out of the vacancy rate and bottoming out of the rent level are being postponed</p>	<p>Heightened consciousness for anti-seismic performance (building ages, grounds and liquefaction risk) and private power generation facilities</p> <p>⇒ Needs are shifting to inland locations, young buildings (buildings conforming to new earthquake resistance standards) and buildings with high specifications (seismic isolation and control structures, emergency power sources, etc.)</p>	<p>• Demand for office spaces turned into growth in 2010, and showed expansion in the first quarter of 2011 as well</p> <p>• New demand also showed a positive reversal even for office buildings with total floor space of less than 10,000 tsubos</p> <p>⇒ Private vies and applications also increased for vacant spaces of TOKYU REIT's properties by tenants who have relocation and integration needs requiring a large space</p>

2. Management Activities

- Recovery of the rent level within a short period of time is difficult to anticipate and, like the 16th period, focus is placed on occupancy for the 17th period
- Conduct leasing activities by taking advantage of such strengths as inland locations and buildings conforming to the new earthquake resistance standards
- Maintain and enhance competitiveness through renovation work timed to leasing

(Note) Source: "Office Market Report Japan" by CB Richard Ellis

*This page represents the views of Tokyu REIM **33**

Status of Leasing Activities

Type	Name of Property	Status
Retail	Lexington Aoyama	<ul style="list-style-type: none"> In 16th period, a new contract was concluded for 1 space (approx. 88 tsubos) and the occupancy rate as of the end of the 16th period improved to 94.0% Currently conducting marketing for 1 vacant space (approx. 38 tsubos), targeting offices, showrooms, etc.
	cocoti	<ul style="list-style-type: none"> As for the 1 space (approx. 63 tsubos) for which a contract was concluded during the 15th period, the settlement was completed at the beginning of the 16th period and full occupancy was attained for the entire 16th period. However, as 1 space (approx. 163 tsubos) became vacant at the beginning of the 17th period, currently marketing is being conducted centering on merchandising stores. Expected occupancy rate as of the end of the 17th period is 93.5%
	CONZE Ebisu	<ul style="list-style-type: none"> Although a contract for 1 space (approx. 87 tsubos) was concluded at the beginning of the 16th period, it was cancelled before the settlement date due to the impact of the Great East Japan Earthquake. Therefore, the occupancy rate as of the end of the 16th period was 87.6%, the same as at the end of the 15th period. Currently marketing is being conducted targeting restaurants.
	Daikanyama Forum	<ul style="list-style-type: none"> Progress was not made on new contracts during the 16th period and so the occupancy rate at the end of the period remains at 91.5% or the same as the end of the 15th period. We newly received a cancellation notice for 1 space (approx. 63 tsubos) in the 17th period and so the expected occupancy rate as of the end of the 18th period is 83.1%. Currently conducting marketing for 2 vacant spaces (approx. 126 tsubos in total), targeting merchandising stores, showrooms, etc. Furthermore, Culture Convenience Club Co., Ltd. is planning to start the "Daikanyama Project" in Autumn 2011 on the land adjacent to the property.
Retail Portfolio		<p>The occupancy rate for retail properties (urban): 97.4% at end of the 16th period 95.1% expected at the end of 17th period 94.3% expected at the end of the 18th period</p> <p>The occupancy rate for retail properties (suburban): 100% at end of the 16th period 100% expected at the end of 17th period 100% expected at the end of the 18th period</p>
Office	Setagaya Business Square	<ul style="list-style-type: none"> In 16th period, new contracts were concluded for 10 spaces and the occupancy rate as of the end of the period improved to 93.4% (86.4% at end of 15th period). Currently conducting marketing for 10 vacant spaces (approx. 714 tsubos), targeting offices conducting restructurings and relocations from central Tokyo, IT companies, etc. (Note) Expected occupancy rate as of the end of the 17th period is 90.4%
	TOKYU REIT Toranomon Building	<ul style="list-style-type: none"> In 16th period, new contracts were concluded for 2 spaces and the occupancy rate as of the end of the 16th period improved to 88.3% (76.6% at end of 15th period). Expected occupancy rate as of the end of the 17th period is 99.0%, but expect 29.0% for the occupancy rate as of the end of the 18th period due to a cancellation by a large tenant. Currently conducting marketing for 7 vacant spaces (approx. 2,177 tsubos), targeting offices conducting restructurings and relocations, or needing to integrate their offices, etc. Details are indicated on the next page.
	TOKYU REIT Kamata Building	<ul style="list-style-type: none"> In 16th period, new contracts were concluded for 2 spaces and the occupancy rate as of the end of the period improved to 100% (88.4% at end of 15th period). Currently conducting marketing for 1 vacant space (approx. 257 tsubos) which occurred due to a cancellation for 1 floor, targeting companies related to manufacturers on the same train line, while responding to needs for renting the space by dividing office space. Expected occupancy rate as of the end of the 17th period is 88.4%
	TOKYU REIT Akasaka Hinokicho Building	<ul style="list-style-type: none"> As for the 1 space for which a contract was concluded during the 15th period, the settlement was completed at the beginning of the 16th period and the occupancy rate as of the end of the period improved to 95.0% (92.5% at end of 15th period). Currently conducting marketing for 1 vacant space (approx. 48 tsubos) which occurred during the 16th period, targeting restaurants, clinics, etc. Expected occupancy rate as of the end of the 17th period is 95.0%
	Kojimachi Square	<ul style="list-style-type: none"> The occupancy rate as of the end of the 16th period is 100%. However, 5 spaces (approx. 1,138 tsubos) are expected to be cancelled in the 17th period, due to a large tenant and others moving out. Of these, new contracts are already concluded for 2 spaces (approx. 456 tsubos) and are planned to be settled in the 17th and 18th periods respectively. Expected occupancy rate as of the end of the 17th period is 42.8%, and expected occupancy rate as of the end of the 18th period is 58.3%. Currently conducting marketing for 3 vacant spaces (approx. 682 tsubos), targeting offices conducting restructurings and relocations, or needing to integrate their offices, etc. Details are indicated on the next page.
	TOKYU REIT Shinjuku Building	<ul style="list-style-type: none"> Conducted replacement for 1 space in the 16th period, and the occupancy rate as of the end of the period was 100%, the same as that of the end of the 15th period. Expected occupancy rate as of the end of the 17th period is 100% as well.
Office Portfolio		The occupancy rate of office properties: 97.2% at end of the 16th period 93.8% expected at the end of 17th period 87.9% expected at the end of the 18th period
Entire portfolio		<ul style="list-style-type: none"> 20 out of 26 properties had full occupancy at the end of the 16th period. Full occupancy is expected at 17 out of 26 properties at the end of the 17th period and at the end of the 18th period. The occupancy rate of properties was 98.5% at the end of the 16th period. The expected occupancy rate is 96.8% at the end of the 17th period and 94.2% at the end of the 18th period.

Expected occupancy rate as of the end of the 16th period was 97.3% at the time of announcing the 15th financial period settlement (as of March 2011). However, we leased approx. 1,826 tsubos during the 16th period, exceeding expectations by approx. 889 tsubos.

* 16th Period: February 1, 2011 – July 31, 2011; 17th Period: August 1, 2011 – January 31, 2012; 18th Period: February 1, 2012 – July 31, 2012
 * Expected occupancy rates at the end of the 17th and 18th periods only reflect tenants with whom contracts have been contracted and tenants from whom we have received cancellation notices as of August 24, 2011.
 (Note) Areas indicated for Setagaya Business Square are the figures for the 55% co-ownership interest.

Status of Leasing Activities (Move-outs of Large Tenants)

■ TOKYU REIT Toranomom Building

➤ Cancellation by a large tenant

(4th through 9th floors, Japan Nuclear Energy Safety Organization)
 Planned cancellation date: January 31, 2012
 Leased floor space: 7,096.8m²

Total leasable floor space: 10,136.44 m²

➤ New contracts for 2 floors (2nd and 3rd floors)

Leased floor space: 2,276.37m²

Delivery date: Aug. 2011 (2F) and Jul. 2011 (3F)

Occupancy rate of the property at 16th period end: 88.3%

→Expected occupancy rate at 17th period end: 99.0% Expected occupancy rate at 18th period end: 29.0%

Impact of the 2 properties on the office property portfolio.

Expected vacancy rate of office property portfolio at 17th period end
 6.2% (3.0% for the 2 properties).

Expected vacancy rate of office property portfolio at 18th period end
 12.1% (8.9% for the 2 properties).

- ✓ **Strength:** Approximately one-minute walk from Kamiyacho Station, large floor space of more than 350 tsubos per floor
- ✓ **Weakness:** High vacancy rate in the Toranomom zone (9.1% as of June 2011), aged common areas

<Leasing policy>

- (1) Respond to relocation and integration needs for restructuring purposes, etc. by taking advantage of the property's scarcity value that offers a large leasable space of more than 2,000 tsubos in a single building
- (2) Respond to relocation needs from the bay areas or from buildings with the previous regulatory earthquake-resistance standards in neighboring areas
- (3) Implement renewal of common areas in line with leases

<Leasing status>

Multiple companies have had private viewing and inquiries since pre-leasing for the 4th through 9th floors, but no agreement has been reached in terms of lease conditions.



■ Kojimachi Square

➤ Cancellation by large tenant (2nd, 3rd and 5th floors)

Planned cancellation date: December 26, 2011 Leased floor space: 2,486.25m² (2F, 3F and 5F) Total leasable floor space: 5,409.11m²

➤ Cancellation by tenant on the 1st floor (606.25m²)

➤ New contract for the 3rd floor (839.47m²)

Planned delivery date: Feb. 2012

Occupancy rate of the property at 16th period end: 100.0%

→Expected occupancy rate at 17th period end: 42.8% / Expected occupancy rate at 18th period end: 58.3%

- ✓ **Strength:** Multiple train lines available, about a one-minute walk from Kojimachi Station, about a 7 minute-walk from Hanzomon Station and about an 8-minute walk from Ichigaya Station
- High specifications (including ceiling height of about 2,700mm, OA floor of about 100mm and independent air conditioning systems)
- Floor space of approximately 250 tsubos per floor

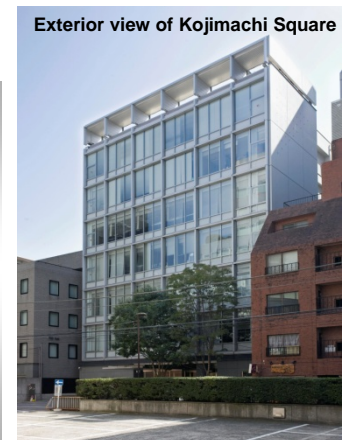
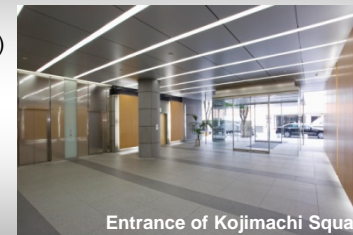
- ✓ **Weakness:** High vacancy rates in surrounding areas
 (9.5% for the Bancho zone and 13.7% for the Kojimachi-Hirakawacho-Kioicho zone as of June 2011)

<Leasing policy>

- (1) Appeal to tenants for the highly convenient location and high specifications
- (2) Respond to relocations from the bay areas or from buildings with previous regulatory earthquake-resistance standards in neighboring areas
- (3) Respond to the needs for large spaces on multiple floors

<Leasing status>

Received applications from multiple tenant candidates
 Contracts concluded for 3F, while leasing activities under way for other floors, though agreements not yet reached in terms of lease conditions



Status of Existing Tenants

Percentage of Tenants Facing Rent Renegotiation

Asset Class	17th Period	18th Period	19th Period	20th Period	21st Period	22nd Period
Retail	24.7%	13.1%	22.8%	8.0%	14.8%	14.4%
Urban	33.7%	7.8%	10.4%	11.9%	19.1%	8.4%
Suburban	6.0%	24.2%	48.9%	0.0%	6.0%	26.9%
Office	24.9%	22.6%	14.0%	24.1%	18.1%	17.5%
Total	24.8%	19.1%	17.3%	18.1%	16.9%	16.3%

* Percentage calculated by dividing rent for tenants facing rent renegotiation by total rent by asset class

* Rent includes common service charge (except revenue from parking, warehousing, or billboards).

* As of the end of the 16th Period

* Since occupancy rates are high, it does not mean that continuous rents will immediately decrease to market levels.

* Market rents have dropped due to the deterioration of the market environment.

Divergence from Market Rent

Asset Class	13th Period End (21 Properties)	14th Period End (23 Properties)	15th Period End (25 Properties)	16th Period End (26 Properties)
Retail	-8.9%	-6.1%	-4.3%	-3.2%
Urban	-13.4%	-9.4%	-6.5%	-5.0%
Suburban	-0.2%	-0.4%	-0.2%	-0.1%
Office	-28.3%	-28.5%	-30.3%	-29.3%
Total	-19.2%	-19.4%	-19.8%	-19.3%

* Divergence = (New market monthly rent at beginning of next period – Monthly rent at end of period) / Monthly rent at end of period

* New market rent is calculated by Tokyu REIM based on market reports of third parties

* Monthly rent includes common service charges (except revenue from parking, warehousing, or billboards).

* Vacant spaces are not included in the divergence calculation

* Market rents underperformed against monthly rents (contracted rents).

Changes in Market Rents (New Rents Appraised by CBRE)

	Market Rents									
	Jun. 2009	Sep. 2009	Dec. 2009	Mar. 2010	Jun. 2010	Sep. 2010	Dec. 2010	Mar. 2011	Jun. 2011	
Marunouchi / Otemachi / Yurakucho	100	111	96	96	91	90	94	89	91	
Kojimachi / Hirakawacho / Kioicho	100	97	95	92	91	87	85	83	79	
Kayabacho / Hatchobori / Shinkawa	100	99	99	96	95	94	91	91	88	
Ginza	100	96	94	94	93	92	90	88	87	
Toranomon	100	95	95	93	90	87	87	83	83	
Akasaka	100	101	101	97	95	92	92	90	88	
Shinjuku	100	97	93	92	90	91	90	90	88	
Shibuya	100	98	95	92	92	91	87	84	85	
Jinnan / Udagawacho / Dogenzaka	100	99	99	99	96	96	96	92	91	
Ueno / Okachimachi	100	101	100	97	95	94	92	92	92	
Kamata	100	101	99	97	98	99	102	102	97	

* With regards to the new rents appraised by CBRE, figures as of the end of June 2009 are given an index value of 100 and changes until the end of June 2011 are indicated in comparison.

- Market rents have increased from the previous appraisal
- Market rents have not changed from the previous appraisal
- Market rents have decreased from the previous appraisal

Changes in Repair and Maintenance Costs and CapEx

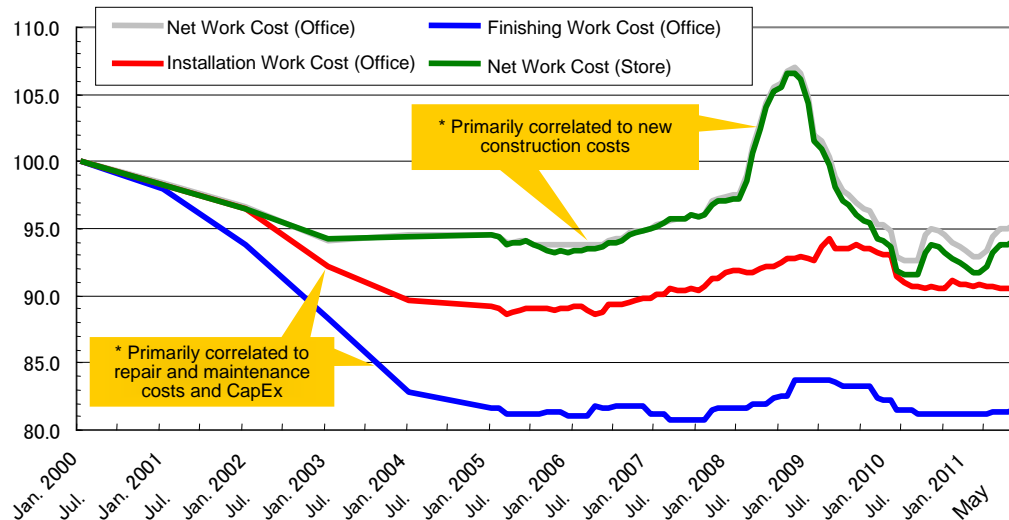
(¥ million)

	12th Period (Actual)	13th Period (Actual)	14th Period (Actual)	15th Period (Actual)	16th Period (Actual)	17th Period (Estimate)
Repair and Maintenance Costs	182	129	142	163	219	266
CapEx	205	125	121	235	259	262
Disaster loss	-	-	-	-	22	26
Total	388	255	263	398	501	555
Depreciation	1,032	1,019	983	1,039	994	1,010

* The 26 million yen for work corresponding to the earthquake, scheduled to be conducted in the 17th period, was recorded as a provision of allowances for disaster loss in the 16th period.

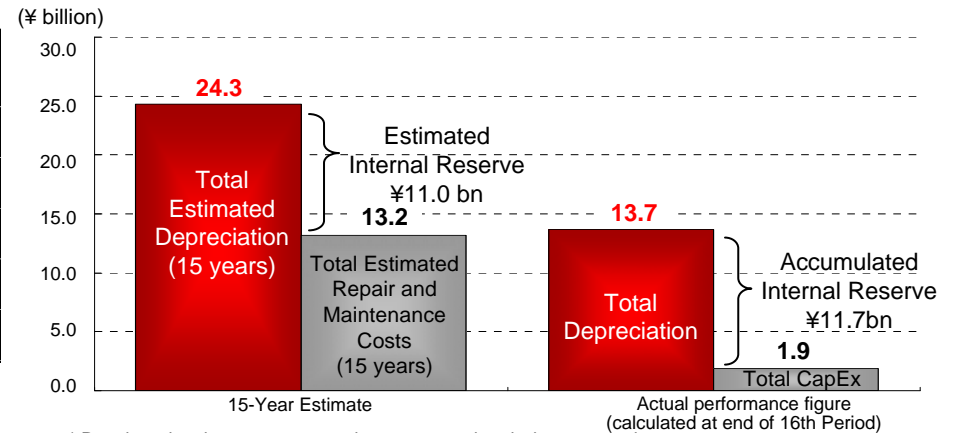
* Increase investment in repair and maintenance costs and CapEx

Changes in the Building Construction Cost Index (January 2000 = 100)



Source: "Building Construction Cost Index" by the Construction Research Institute
 (Office: Modeled after the following building type: SRC, 7,000m², 9 floors above ground and 1-2 floors below ground)
 (Store: Modeled after the following building type: SRC, 4,000m², 8 floors above ground and 1 floor below ground)

Balance of Depreciation and Repair and Maintenance Costs



* Repair and maintenance cost estimates are updated when appropriate.

* Not including Shonan Mall Fill (sokochi)

Strategic renovation

- (16th period) ·Renovation of Tokyu Saginuma Building: ¥265 million (of which, ¥67 million was received from Tokyu Store)
- OA floor installation work on the 2nd and 3rd floors at TOKYU REIT Toranomon Building: ¥11 million
- (17th period) ·Renewal construction of common areas on the 2nd through 9th floors at TOKYU REIT Toranomon Building: ¥141 million
- Construction start for renewal at cocoti
- Completion and renewal opening scheduled for 18th period

Property maintenance and management

- (16th period) ·Work on damage from the earthquake: ¥22 million
- Renovation of external walls at Kiba Eitai Building: ¥15 million
- (17th period) ·External wall renovation construction at Tokyu Sakuragaokacho Building: ¥75 million
- Reduced future maintenance costs by introducing the panel covering method
- Work on damages from the earthquake: ¥26 million
- (All amounts recorded as provision of allowances in the 16th period)

Power saving

- (16th period) ·Replacement of lighting equipment on the 2nd, 8th and 9th floors at TOKYU REIT Kamata Building: ¥9 million
- Replacement of LED lamps on the 1st basement floor at Setagaya Business Square: ¥0.4 million
- Replacement with LED lamps on the 1st floor at CONZE Ebisu: ¥1 million
- (17th period) ·Replacement of lighting equipment on the 2nd through 9th floors at TOKYU REIT Toranomon Building: ¥44 million
- Installation of ecological mirrors: ¥18 million
- Replacement with LED lamps for common areas: ¥7 million

Asset investigation

- (16th period) ·Implemented investigations on business continuity in times of earthquakes at QFRONT and TOKYU REIT Toranomon Building
- Re-obtained engineering reports (ER) for 4 properties under management
- (17th period) ·Examine implementation of construction for damage reductions based on the investigations on business continuity in times of earthquakes
- Plan to re-obtain ERs for 2 properties under management

* The above-indicated amounts represent the total construction amounts including repair and maintenance costs and the CapEx.

*Comments by Tokyu REIM **37**

Renovation of Tokyu Saginuma Building

Need for TOKYU REIT

32 years since building completion and facilities becoming old
 →Need to maintain functions that can satisfy the long-term contract through the end of June 2018

Total construction costs: ¥265 million
 (CapEx: ¥198 million, repair and maintenance costs: ¥66 million)

- Renovation of external walls
- Renovation of power reception and transformation facilities
- Renewal of turbo freezers
- Renewal of toilets, etc.

Loss on retirement: ¥47 million

NOI yield for 16th period: **5.57%** (against acquisition price)
5.74% (against book value at end of 16th period)
 Assumed NOI yield for 17th period: **7.17%** (against acquisition price)
7.35% (against assumed book value at end of 17th period)

<Effects of Renovation>

- (1) Reduced costs and shortened construction period
 Achieved cost reductions and shortening of the construction period through cooperative efforts and synchronized order placement for constructions with the tenant
 - (2) Increased store sales
 Sales increased by over 6% year-on-year since June 2011 (Grand opening on May 20, 2011)
 - (3) Increased asset value (appraisal value at end of period)
 Enhanced property competitiveness and reduced risk of aging of the building
- ↓
 Cap rate decreased by 0.2 percentage points
- ↓
 Appraisal value at end of period increased ¥280 million (up 3.55%) period-on-period
 (Appraisal value at 15th period end: ¥7,880 million → appraisal value at 16th period end: ¥8,160 million)

Proceeds for construction cost received from the tenant for its portion
 ¥67 million (Note)

Need for the Tenant (Tokyu Store)

Need to shift the existing GMS business format to the SC format with Tokyu Store at the core

Renovation work on exclusive areas (borne by the tenant)
 ¥774 million

Saginuma Tokyu (before renovation)



Total construction cost: ¥1,039 million

< Fullel Saginuma (after renovation) >



Fullel Saginuma: Tokyu Store on the 1st floor



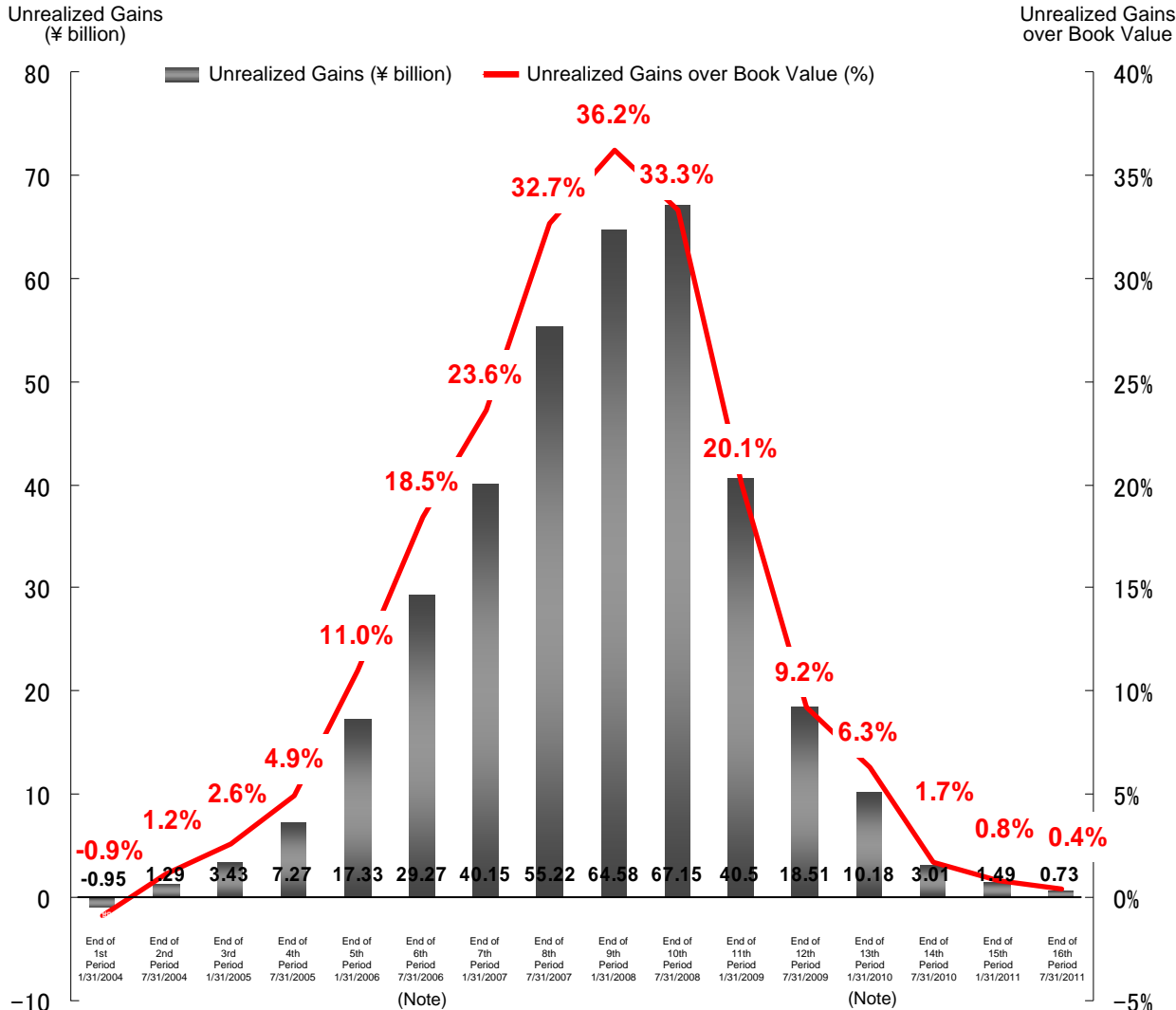
Fullel Saginuma: specialty store floor on the 3rd floor

Collaboration with Tokyu Store contributed to enhancing the value of areas along the Tokyu lines and, in accompanying this, the value of TOKYU REIT

(Note) The 67 million yen received for production costs from the tenant for its portion was recorded as revenue in the settlement for the 16th period.

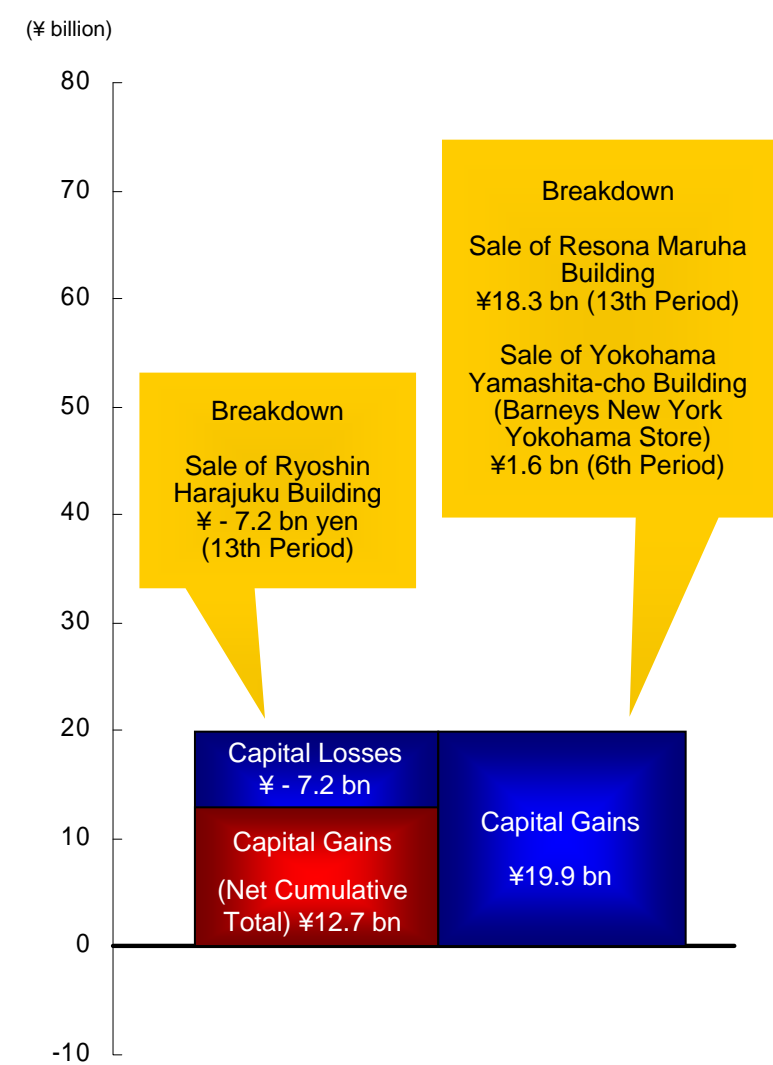
Unrealized Gains and Capital Gains

Unrealized Gains



* Unrealized Gains over Book Value = $\frac{\text{Unrealized Gains}}{\text{Book Value of Assets}}$
 (Note) Capital gain distribution period

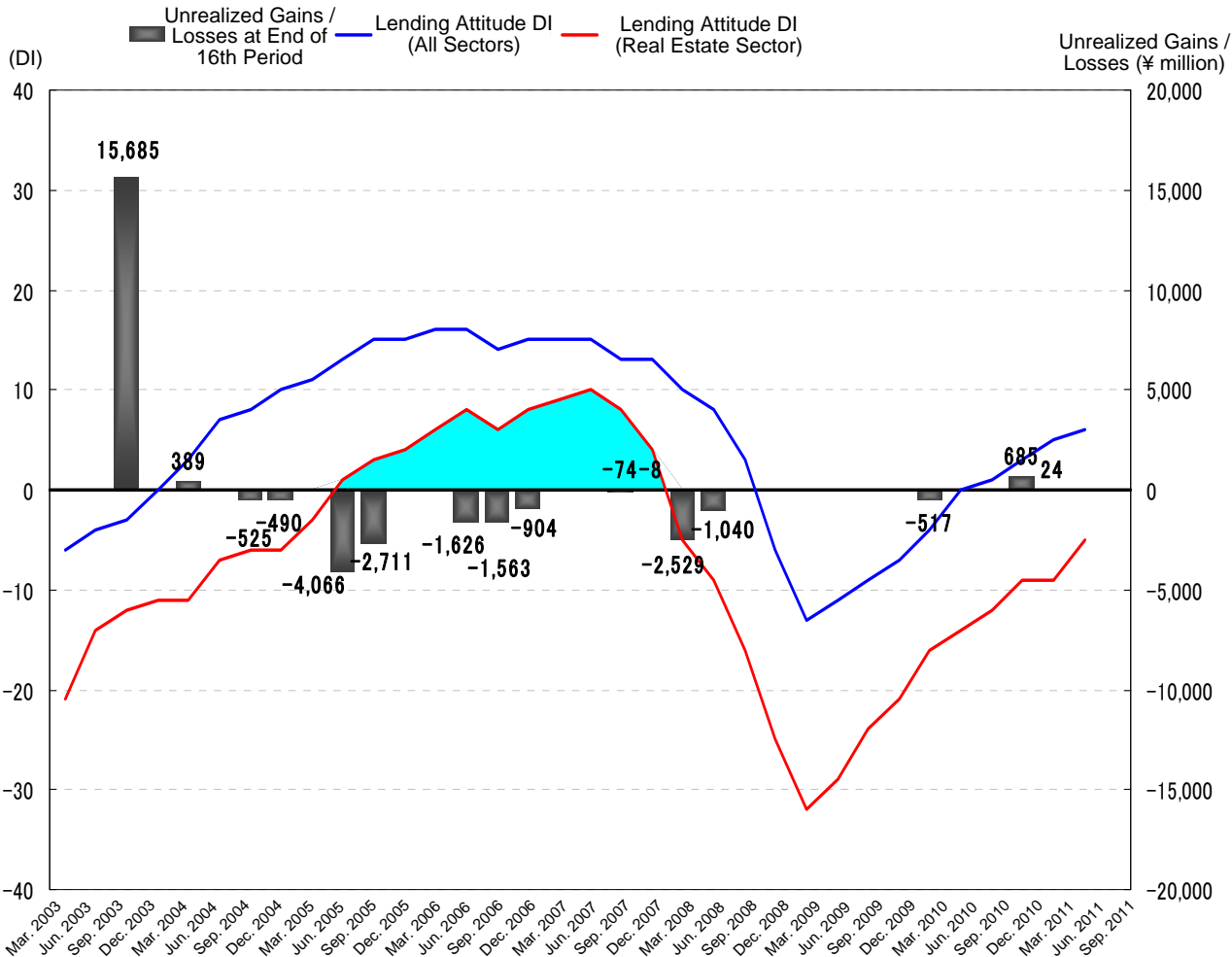
Capital Gains (Realized Gains)



* Net cumulative total as of the end of the 16th period

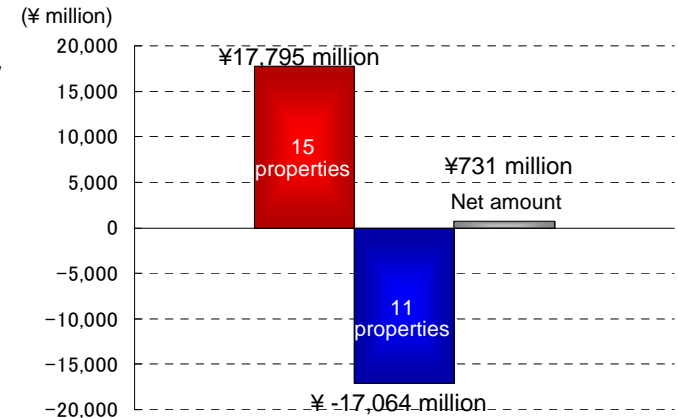
Analysis of Unrealized Gains / Losses

Unrealized Gains / Losses Due to Timing of Property Acquisition

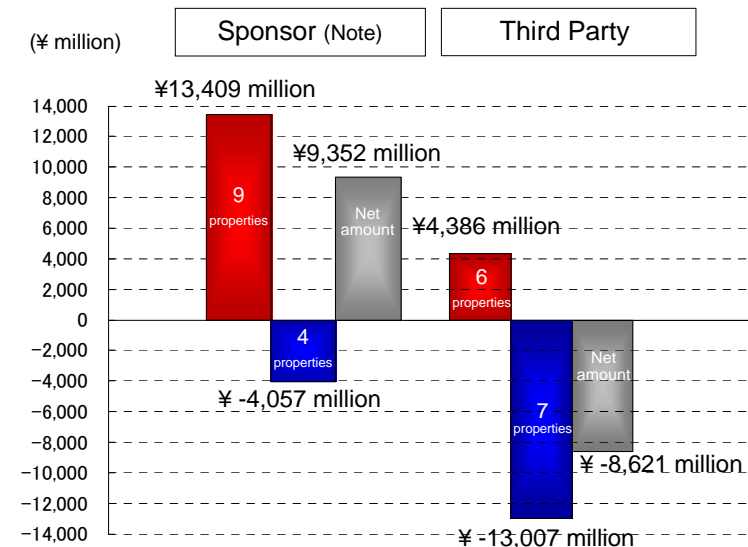


* Figures for properties for which additional acquisition was conducted (cocoti and TOKYU REIT Toranomon Building) are calculated in accordance with the respective percentage of acquisition price.

Breakdown of Unrealized Gains / Losses



Unrealized Gains / Losses by Seller



(Note) Includes properties acquired from Tokyu Land Corporation

Change in Appraisal Value (End of 16th Period – End of 15th Period)

(¥ million)

Name of Property	Appraisal Value at End of Period (JPY mm)		Increase / Decrease (JPY mm)	Increase / Decrease %	Impact from change in NCF	Impact from change in NCF Cap Rate	NCF (Direct capitalization method)			NCF Cap Rate (Direct cap rate)			Appraiser (Note)
	16th Period	15th Period					16th Period	15th Period	Change	16th Period	15th Period	Change	
QFRONT	19,900	19,900	0	0.00%	0.02%	0.00%	782	782	0	3.90%	3.90%	0.00%	a
Lexington Aoyama	4,190	4,390	-200	-4.56%	-4.59%	0.00%	187	196	-9	4.40%	4.40%	0.00%	a
TOKYU REIT Omotesando Square	6,540	6,670	-130	-1.95%	-2.18%	0.00%	299	306	-7	4.50%	4.50%	0.00%	a
TOKYU REIT Shibuya Udagawa-cho Square	7,020	6,830	190	2.78%	16.67%	0.00%	309	265	44	4.50%	4.50%	0.00%	b
cocoti	16,600	16,500	100	0.61%	0.24%	0.00%	727	725	2	4.30%	4.30%	0.00%	c
CONZE Ebisu	4,070	4,110	-40	-0.97%	-0.90%	0.00%	177	179	-2	4.30%	4.30%	0.00%	c
Daikanyama Forum	3,100	3,090	10	0.32%	0.58%	0.00%	138	137	1	4.40%	4.40%	0.00%	b
Retail Properties (Urban) Total	61,420	61,490	-70	-0.11%	1.14%	-1.25%	2,619	2,589	30	4.26%	4.21%	0.05%	
Tokyu Saginuma Building	8,160	7,880	280	3.55%	0.00%	3.39%	467	467	0	5.70%	5.90%	-0.20%	a
Tokyu Saginuma 2 Building	1,350	1,350	0	0.00%	-0.03%	0.00%	92	92	0	6.80%	6.80%	0.00%	a
Beacon Hill Plaza (Ito-Yokado Noukendai Store)	8,120	8,100	20	0.25%	0.59%	0.00%	474	472	3	5.50%	5.50%	0.00%	b
Shonan Mall Fill (sokochi)	5,400	5,400	0	0.00%	0.00%	0.00%	302	302	0	5.50%	5.50%	0.00%	d
Retail Properties (Suburban) Total	23,030	22,730	300	1.32%	0.21%	1.10%	1,336	1,333	3	5.80%	5.86%	-0.06%	
Retail Properties Total	84,450	84,220	230	0.27%	0.82%	-0.55%	3,955	3,922	32	4.68%	4.66%	0.03%	
Setagaya Business Square	20,300	19,900	400	2.01%	1.73%	0.00%	1,037	1,019	18	5.10%	5.10%	0.00%	a
Tokyu Nampo-dai-cho Building	5,550	5,540	10	0.18%	0.11%	0.00%	274	273	0	4.90%	4.90%	0.00%	a
Tokyu Sakuragaoka-cho Building	8,110	8,260	-150	-1.82%	0.26%	-2.17%	385	384	1	4.70%	4.60%	0.10%	a
Tokyo Nissan Taito Building	5,010	5,010	0	0.00%	0.02%	0.00%	258	257	0	5.10%	5.10%	0.00%	a
TOKYU REIT Akasaka Hinokicho Building	4,030	3,960	70	1.77%	-0.39%	2.13%	188	188	-1	4.60%	4.70%	-0.10%	a
TOKYU REIT Kamata Building	5,990	6,600	-610	-9.24%	-9.04%	0.00%	321	352	-32	5.30%	5.30%	0.00%	a
TOKYU REIT Toranomon Building	9,350	10,200	-850	-8.33%	-5.51%	-2.13%	453	480	-26	4.80%	4.70%	0.10%	a
TOKYU REIT Hatchobori Building	5,320	5,370	-50	-0.93%	-0.60%	0.00%	251	252	-2	4.70%	4.70%	0.00%	c
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	6,790	6,760	30	0.44%	0.50%	0.00%	316	314	2	4.40%	4.40%	0.00%	b
Tokyu Ikejiri-ohashi Building	4,470	4,330	140	3.23%	2.56%	0.00%	234	228	6	5.20%	5.20%	0.00%	c
Kojimachi Square	7,940	8,610	-670	-7.78%	-11.83%	4.26%	361	409	-48	4.50%	4.70%	-0.20%	a
TOKYU REIT Shinjuku Building	9,690	9,780	-90	-0.92%	0.19%	0.00%	449	448	1	4.50%	4.50%	0.00%	c
Akihabara Sanwa Toyo Building	4,940	4,900	40	0.82%	0.84%	0.00%	252	250	2	4.80%	4.80%	0.00%	b
Kiba Eitai Building	4,440	4,460	-20	-0.45%	-0.88%	0.00%	248	251	-2	5.20%	5.20%	0.00%	b
Office Properties Total	101,930	103,680	-1,750	-1.69%	-1.60%	-0.09%	5,025	5,107	-82	4.93%	4.93%	0.00%	
Total	186,380	187,900	-1,520	-0.81%	-0.55%	-0.26%	8,980	9,029	-50	4.82%	4.81%	0.01%	

(Note) a. Japan Real Estate Institute, b. Japan Valuers Co., Ltd., c. Daiwa Real Estate Appraisal Corporation, d. Jones Lang LaSalle IP, Inc.

* Appraisal Value is determined by using several methodologies including the direct capitalization approach and DCF approach. Therefore, the Appraisal Value may differ from the above NCF figures divided by the NCF Cap Rate. Therefore, the total change in NCF and change in NCF Cap Rate may not add up to Increase/Decrease (%).

* We acquired Tokyu Ginza 2-chome Building on February 15, 2011 (appraisal value at acquisition: 5,020 million yen). The Appraisal Value at End of 16th Period, NCF and NCF Cap Rate of the property are as follows:
Tokyu Ginza 2-chome Building (Appraisal Value at End of 16th Period: 5,060 million yen, NCF: 233 million yen and NCF Cap Rate: 4.6%)

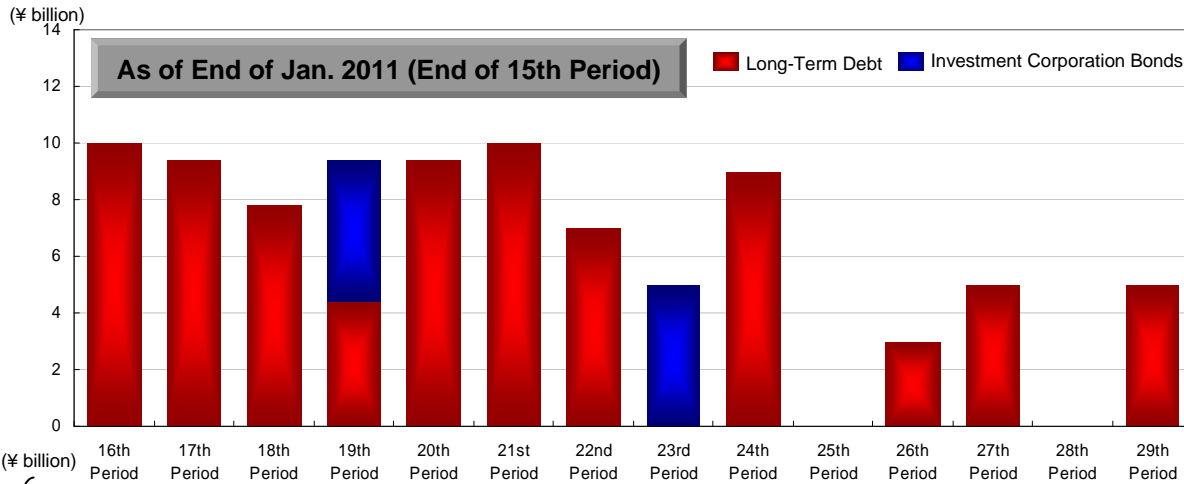


2. Topics of 16th Period

(7) Debt Finance

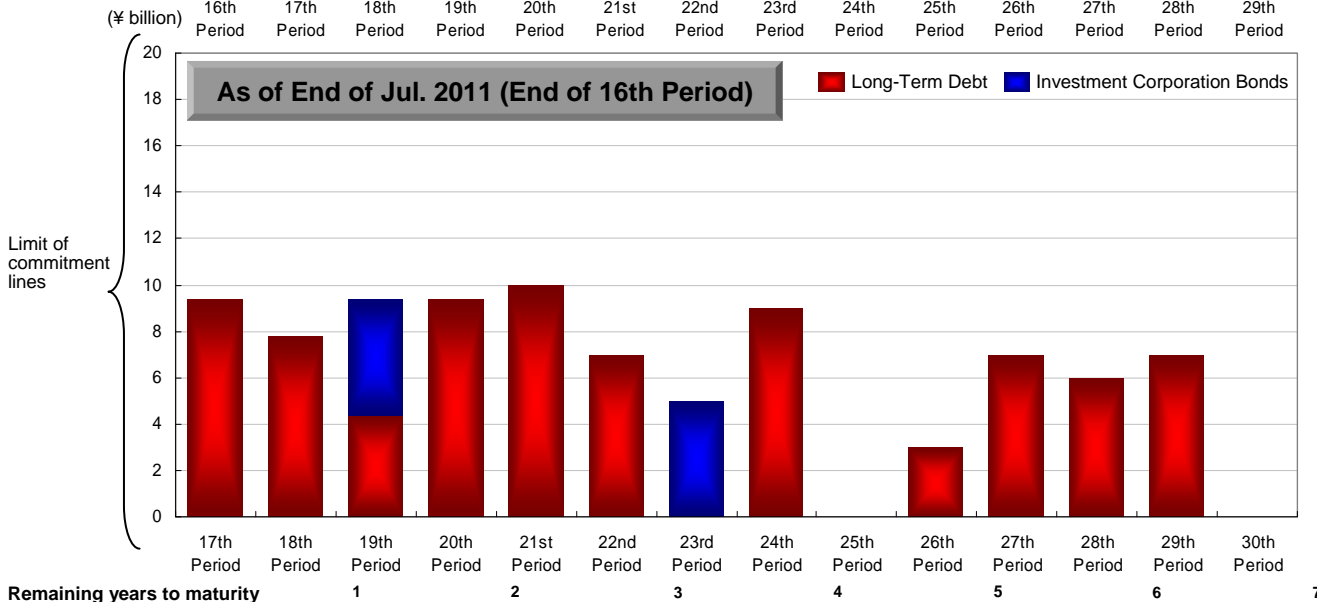
Diversification of Repayment (Redemption) Dates

Maturity Ladder (Interest-Bearing Debt Balance by Repayment Date)



*** ¥9.4 billion in long-term debt due by end of Jan. 2012 (17th Period) (10.4%)**

Bank of Tokyo- Mitsubishi UFJ	¥5.0 bn	...	Due 9/25/2011
National Mutual Insurance Federation of Agricultural Cooperatives	¥1.0 bn	...	Due 10/25/2011
Mizuho Corporate Bank	¥0.4 bn	...	Due 10/27/2011
Mizuho Corporate Bank	¥3.0 bn	...	Due 11/11/2011



Total	: ¥90.0 bn (¥ ±0 bn)
Avg. Remaining Yrs.	: 2.96 yrs (+0.17 yrs)
LT Ratio	: 100% (±0 pts.)
Number of Ladders	: 12 (±0 ladders)
Avg. Ladder Amount	: ¥7.5 bn (¥ ±0 bn)

* Figures in the parentheses indicate changes from the end of the 15th Period.

* Interest-Bearing Debt in this presentation does not include security deposits provided by tenants.

*** Strive to prolong interest-bearing debt and diversify repayment dates**

Changes in Base Interest Rates: Result of Strategic Debt Management

(Unit: %)

Category	Duration	Borrowing Date																
		2007			2008				2009			2010			2011			
		Jan.	Jun.	Sep.	Mar.	Jun.	Jul.	Nov.	Feb.	Apr.	Jun.	Jun.	Jul.	Dec.	May	Jun.	Jul.	
Long term	1.5 yr																	
	2.0 yr						1.55500											
	2.5 yr							1.48125	1.47500		1.32750			1.17125				
	3.0 yr					1.81875		1.54250	1.52875				1.46875					
	3.2 yr												1.39000 (Note)					
	3.5 yr		1.81062						1.63062									
	4.0 yr			1.62625			1.80375	1.72500				1.67500	1.66375	1.31250				
	4.5 yr												1.78812					
	5.0 yr									1.79000					1.46250			
	5.5 yr					2.10187												1.36875
	6.0 yr														1.63250	1.47625	1.45375	
	6.5 yr																	1.49563
	7.0 yr	1.92000				2.21100												
	7.5 yr																	
8.0 yr				1.76625														

(Note) Floating rates are based on JBA TIBOR and not the base interest rate as of the date this presentation was prepared (interest rates in the table are the interest rates as of the borrowing date).

*** Spreads have risen since the credit crunch in 2008, although base interest rates have fallen due to the shrinkage in spread and the decline in the market interest rate.**