

April 28, 2010

**Report Concerning the Management Structures and Systems of the Issuer
of Real Estate Investment Trust Units and Related Parties**

Real Estate Investment Trust Unit Issuer:

TOKYU REIT, Inc.

(Securities Code: 8957)

Masahiro Horie

Executive Director

Investment Management Company:

Tokyu Real Estate Investment Management Inc.

Masahiro Horie

Representative Director & President, Chief Executive Officer

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1. Basic Information

(1) Basic Policy Concerning Compliance

a. The Investment Corporation

I. A Governance-Based Approach toward Compliance

TOKYU REIT, Inc. (“TOKYU REIT” or “the Investment Corporation”) and Tokyu Real Estate Investment Management Inc. (“Tokyu REIM” or “the Investment Management Company”), a company charged with the responsibility for managing TOKYU REIT’s assets, have positioned the highest quality governance as the basis for competitive advantage and efforts to enhance unitholder value. Both TOKYU REIT and Tokyu REIM have engaged in sound business management while formulating and improving a corporate governance system that complies with the highest global standards. Through these means, TOKYU REIT aims to position its investment units as an attractive global financial product for investors both in Japan and overseas.

II. TOKYU REIT's Compliance Policy

As a publicly listed real estate investment trust, TOKYU REIT is conscious of its corporate social responsibility and public mission. In order to secure the trust and confidence of unitholders as well as all other stakeholders, TOKYU REIT has placed the utmost importance on strict adherence to ethical behavior, laws and regulations, market rules, administrative guidelines and its own internal bylaws. As a part of these endeavors, TOKYU REIT has formulated compliance policies based on the following, and in accordance with the policies, TOKYU REIT designs and maintains governance structure:

Compliance Structure

A. TOKYU REIT shall establish a relevant compliance structure as required to be consistent with all appropriate laws, regulations and generally expected standards of behavior.

Strict Adherence to Corporate Governance

B. TOKYU REIT shall implement relevant corporate governance as required to avoid any incidence of a conflict of interest in related-party transactions and to avoid insider trading of investment units.

Accurate Records and Appropriate Information Storage

C. TOKYU REIT shall maintain accurate records of financial accounts, minutes of meetings and all other relevant information while implementing an appropriate information storage system.

Disclosure of Relevant, Accurate and Fair Information on a Timely Basis

D. TOKYU REIT shall disclose and provide relevant, accurate and fair information in a timely fashion to unitholders as well as to all other stakeholders in accordance with laws and regulations.

Supervision of Operations Outsourced to External Parties

E. TOKYU REIT shall monitor and supervise as required all operations and activities outsourced to external parties.

A Strong Posture against Antisocial Forces

F. TOKYU REIT shall maintain an unwavering position against antisocial forces.

Communication and Information Sharing

G. TOKYU REIT shall establish a communication system that incorporates the sharing of information, respond promptly to emergencies and implement preventative measures.

Review and Improvement

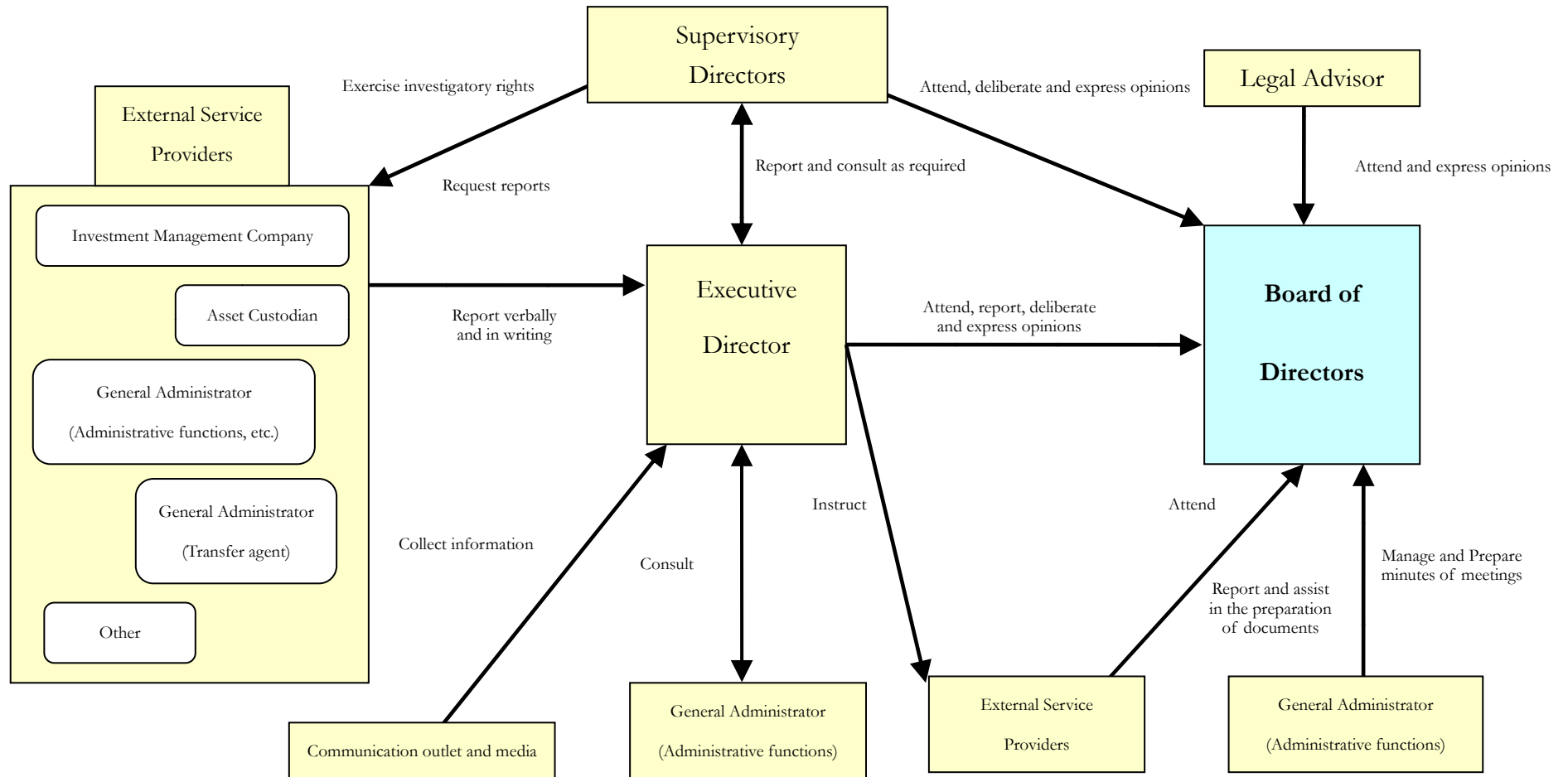
H. TOKYU REIT shall review this compliance policy as necessary and work to continuously improve its compliance structure and systems.

III. Compliance Measures

A. The Effective Application and Management of Board of Directors' Meetings

TOKYU REIT's Board of Directors' meetings are held with its general administrator, Mitsubishi UFJ Trust and Banking Corporation, in attendance. In principle, meetings are held twice per month. A total of 15 Board of Directors' meetings were held during the thirteenth fiscal period from August 1, 2009 through January 31, 2010. In particular, meetings are conducted in such a way that an extensive amount of information can promptly be reflected in deliberations by the Board of Directors. Since its establishment, TOKYU REIT has also invited legal council (Mori Hamada & Matsumoto) to attend Board of Directors' meetings and conduct compliance checks in a timely and appropriate manner in pursuit of efficient and applicable management of these meetings. In the thirteenth fiscal period, legal council attended all of TOKYU REIT's Board of Directors' meetings. Please refer to "TOKYU REIT Management Structure and Reporting Flow" that follows.

TOKYU REIT Management Structure and Reporting Flow



External Service Providers

Investment Management Company : Tokyu Real Estate Investment Management Inc.

General Administrator : Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd. (regarding Investment Corporation Bonds)

Asset Custodian : Mitsubishi UFJ Trust and Banking Corporation

B. Supervision of the Executive Director by Supervisory Directors
Supervisory Directors of TOKYU REIT engage in a full range of supervisory activities such as examining documents cautiously and arbitrarily, in addition to attending meeting of the Board of Directors, as the Executive Director serves concurrently as president of Tokyu REIM.

C. Augmenting Measures to Avoid Conflicts of Interest in Related-Party Transactions
As a part of its external growth strategy, TOKYU REIT aims to expand asset scale while improving portfolio quality. The Investment Corporation adopts a balanced approach relating to the acquisition of investment properties from Tokyu Group companies,* including Tokyu Corporation and Tokyu Land Corporation, and from the real estate investment market. In addition, TOKYU REIT undertakes property management in collaboration with Tokyu Group companies with the aims of realizing stable profits and growth potential from an internal growth perspective. In strengthening collaborative arrangements with Tokyu Corporation and Tokyu Land Corporation, TOKYU REIT inevitably engages in related-party transactions. Accordingly, the Investment Corporation has formulated and adheres strictly to rules regarding conflicts of interest in related-party transactions, making up a system of open, fair and transparent transactions. (For specific details please refer to “2. Management Structure of the Investment Corporation and Investment Management Company (3) Measures to Avoid Conflicts of Interest in Related-Party Transactions.”)

Note : In addition to the related parties designated by relevant laws and regulations (“legally related parties”), TOKYU REIT’s independent definition of “Tokyu Group companies” encompasses the following: companies, whose majority of voting rights is held by a company that has a stake in Tokyu REIM, and their subsidiaries (collectively “related companies”); and special purpose entities whose majority of capital has been contributed by legally related parties and related companies.

D. The Merits and Demerits of a Structure based on Concurrent Responsibilities, and Efforts to Avoid Potential Negative Impact

Pursuant to an approval from the Director-General of the Financial Services Agency on June 16, 2003 in accordance with rules and regulations relating to the article 13 of the Law Concerning Investment Trusts and Investment Corporations (Law No. 198, promulgated in 1951 including amendment), TOKYU REIT’s Executive Director holds the concurrent position of President and Chief Executive Officer of Tokyu REIM. In tune with this structure of

concurrent responsibility, TOKYU REIT enjoys a variety of benefits including prompt and detailed reporting to its Board of Directors. In addition, maintaining concurrent responsibility minimizes the information gap between the Executive Director and external service providers such as the general administrator, asset custodian, lead securities company and property management company; optimizes the Board of Directors' supervisory function with regard to compliance; and promotes the highest quality management.

In the context of both TOKYU REIT and Tokyu REIM, the Executive Director of TOKYU REIT maintains dedicated office space, a filing system, mailing address and official seal independent of the positions of the President and Chief Executive Officer of Tokyu REIM. Through these initiatives and steps to establish a system capable of adequately monitoring the Investment Management Company, every effort is made to eliminate confusion of responsibilities regarding executive functions.

Demerits of a structure under which one officer holds the concurrent positions of Executive Director of TOKYU REIT and President and Chief Executive Officer of Tokyu REIM include risks attributed to conflicts of interest as well as potential deterioration of the supervisory function attributed to the marked increase in business duties and responsibilities. In order to offset these potential negative factors, Supervisory Directors strictly monitor the activities of the Executive Director and Investment Management Company. In addition, rules and regulations are formulated on a voluntary basis to ensure that TOKYU REIT conducts fair business operations. Furthermore, officers and employees are appointed to support the Chief Executive Officer of Tokyu REIM with authority delegated to alleviate the executive burden.

E. Mutual Cooperation with Independent Auditor

Executive Director and Supervisory Director have a meeting with Independent Auditor every fiscal period. Explanation and report about accountings and audit are executed by Independent Auditor.

F. Maintenance of Governance Structure for External Service Providers

On a periodic basis, the General Administrator, Transfer Agent and Asset Custodian provide reports and explanations of administrative matters and their treatment to the Board of Directors of TOKYU REIT. Subject to the content of each report, the Board of Directors may commission an investigation as appropriate. In addition, TOKYU REIT

makes every effort to secure broad based investment management supervision by requiring Tokyu REIM to enhance the content of explanations and reports it provides to TOKYU REIT's Board of Directors.

A compliance study was conducted covering principal service providers in December 2008, formerly conducted in June 2006 (additional study for several service providers were conducted in October 2006 and September 2008). In response to these studies, all service providers surveyed have replied that an adequate compliance structure is in place.

b. The Investment Management Company

I. Fiduciary Responsibilities Underlying Compliance

TOKYU REIT aims to position its investment units as an attractive global financial product for investors both in Japan and overseas by providing quality that meets global standards. In an effort to ensure investment management transparency, Tokyu REIM makes every effort to fulfill its external supervisory and disclosure obligations, as well as its fiduciary responsibilities as a publicly listed real estate investment trust fund manager.

II. Development of Compliance-Related Rules and Regulations

Tokyu REIM has formulated a set of internal rules that encompass compliance policy, compliance standards, a code of corporate behavior, compliance manual and program. All company officers and employees adhere strictly to these rules, which include compliance with corporate ethics and statutory requirements, appropriately manage insider and personal information, and ensure reliable disclosure of financial and other reports.

III. Compliance Structure and Related Systems

A. Compliance Structure

i. Board of Directors

The Board of Directors of Tokyu REIM is comprised of two representative directors (the President and Chief Executive Officer, and the Executive Vice President) and three non-executive directors (as of the date of this report, these positions are mainly held by employees of certain shareholders of Tokyu REIM). Non-executive directors fulfill a supervisory function in connection with management of the Investment Management Company.

ii. Compliance and Risk Management Committee

The Compliance and Risk Management Committee is comprised of two non-executive directors of the Investment Management Company and two external members. Under the guidance of the Board of Directors, the Compliance and Risk Management Committee discusses material matters relating to compliance and risk management (including matters relating to individual transactions with interested parties and other matters that the Compliance Officer deems necessary) as well as the adequacy of internal rules regarding conflicts of interest in related-party transactions. It also provides opinions and recommendations to Tokyu REIM's Board of Directors.

iii. Disclosure Committee

The head of the Disclosure Committee is the Investor Relations Officer. The other members of the Committee include the Compliance Officer, Corporate Secretary Officer, Business Planning & Development Officer and other members the Committee head judges to be necessary. Of information that is disclosed on a timely basis, the Committee reviews the handling of disclosure concerning matters that occur regarding TOKYU REIT, Tokyu REIM and TOKYU REIT's assets under management. The results of the Committee's discussions are reported to the Representative Director & President, Chief Executive Officer.

iv. Representative Director & President, Chief Executive Officer

The Representative Director & President, Chief Executive Officer maintains ultimate responsibility for both the executive and compliance functions of Tokyu REIM.

v. Corporate Auditor

Tokyu REIM has appointed two non-standing corporate auditors. Tokyu REIM has also established the Auditors' Secretariat to ensure the efficacy of audit activities and enhance audit capabilities. In principle, each corporate auditor attends meetings of the Board of Directors, the Compliance and Risk Management Committee and the Investment Committee. Corporate auditors mainly focus on ensuring business activities comply with all relevant laws and regulations. At the same time, corporate auditors, operating through the Auditors' Secretariat, coordinate with the auditing firm as well as the Corporate Secretary Division in order to further enhance efficacy of the

independent accounting audit of business activities and internal audits.

vi. Auditing Firm

Consistent with the implementation of the Corporation Law, Tokyu REIM has voluntarily adopted a corporate structure that encompasses an auditing firm system. In an effort to ensure reliability in the audit of financial statements, TOKYU REIT and Tokyu REIM appoint separate auditing firms. In addition, regular meetings are held between the auditing firm and the Representative Director to ensure that information essential to the audit function is proactively channeled to the auditing firm.

vii. Chief Compliance Officer

The Chief Compliance Officer is the supervisor of all matters relating to compliance in Tokyu REIM.

The Chief Compliance Officer appropriately reports all relevant matters including compliance, risk management issue (including matters relating to individual transactions with interested parties and other matters that the Compliance Officer deems necessary) and related-party transaction issues to the Compliance and Risk Management Committee in accordance with the Committee's rules and regulations. The Chief Compliance Officer also oversees the formulation of the compliance manual and programs, the implementation of compliance training in line with this manual and programs, and the management of the compliance consultation hotline. Accordingly, the Chief Compliance Officer strives to avoid conflicts of interest in related party transactions, enhance Tokyu REIM's compliance posture and raise the awareness and confidence of all officers and employees in the implemented systems.

viii. Compliance Department

Tokyu REIM has established the Compliance Department to assume overall control and responsibility for the administrative function in support of the Compliance and Risk Management Committee, and for the overall management of compliance issues. Activities include the planning, proposal and promotion of initiatives as they relate to compliance.

B. Other Specific Measures

i. Board of Directors' Resolution on the Fundamental Policies Relating to Internal Control Systems

As an investment management company charged with the responsibility of investment management of a publicly listed real estate investment trust, Tokyu REIM has basic policies in connection with the establishment of an internal control system, which have been ratified by its Board of Directors, pursuant to Article 362, Paragraph 4.6 of the Corporation Law.

ii. Formulation of an Internal Control Policy

The Investment Management Company has formulated an internal control policy in connection with the execution of its business activities in order to clarify its fundamental business policies. Through these means, Tokyu REIM strives to rebuild and strengthen internal controls, while ensuring the efficiency and efficacy of business processes, the reliability of financial statements, compliance with legal requirements and regulations, and the safekeeping of assets.

iii. Implementation of Internal Audits

Tokyu REIM considers the relevance, adequacy and efficiency of all business processes and reviews their compliance with statutory requirements and regulations as well as in-house standards and rules. Results are reported to the Board of Directors and the Representative Director & President, Chief Executive Officer.

iv. Implementation of In-house Compliance Training

Tokyu REIM implements in-house compliance training in an effort to ensure the efficacy of business operations in the context of statutory requirements and regulations, market rules and other in-house standards and rules. Tokyu REIM strives to enhance the compliance structure and systems and raise awareness and confidence of the attitudes of all directors, officers and employees.

v. Establishment of a Compliance Consultation Hotline

In an effort to further supplement its compliance system, Tokyu REIM established a compliance consultation hotline in accordance with the Whistleblower Protection Act (Law No. 122, promulgated in 2004 including amendment). In this manner, Tokyu REIM has created a support structure to facilitate the early identification, prompt resolution and implementation of measures to prevent recurrence of illegalities and unacceptable behavior.

(2) Details of the Investment Corporation's Unitholders

The following table sets forth information regarding TOKYU REIT's major unitholders as of January 31, 2010.

Name	Relationship with TOKYU REIT, Tokyu REIM and Sponsor Companies; Investment History	Number of Units Owned	Ownership (%)
Japan Trustee Services Bank, Ltd. (trust account)	No specific relationship	17,979	10.61
NikkoCiti Trust and Banking Corporation (investment trust account)	No specific relationship	13,662	8.07
Trust & Custody Services Bank, Ltd. (securities investment trust account)	No specific relationship	9,587	5.66
The Master Trust Bank of Japan, Ltd. (trust account)	No specific relationship	6,384	3.77
Tokyu Corporation	<p>Parent company of Tokyu REIM Tokyu Corporation functions as a Pipeline Support company, and has entered with Tokyu REIM, TOKYU REIT and Tokyu Land Corporation into a Memorandum concerning the purchase and sale of held real estate, which establishes codes of conduct with respect to the buying and selling of real estate and the provision of information.</p> <p>Tokyu Corporation has concluded with TOKYU REIT a property management agreement that covers a portion of the latter's held real estate. In addition, Tokyu Corporation has concluded with TOKYU REIT a Brand Licensing Agreement for licensing the "TOKYU" trademark.</p> <p>Tokyu Corporation has entered with Tokyu REIM, TOKYU REIT, and Tokyu Land Corporation into a Memorandum concerning the holding of investment units of TOKYU REIT.</p>	5,880	3.47

	Tokyu Corporation has held TOKYU REIT's investment units since TOKYU REIT was first established.		
The Nomura Trust and Banking Co., Ltd.	No specific relationship	5,652	3.34
AIG Star Life Insurance Co., Ltd. (general account) (Standing Proxy: Citibank Japan Ltd.)	No specific relationship	4,871	2.88
American Life Insurance Company (Standing Proxy: Citibank Japan Ltd.)	No specific relationship	4,000	2.36
Tokyu Land Corporation	Shareholder of Tokyu REIM Tokyu Land Corporation functions as a Pipeline Support company, and has entered with Tokyu REIM, TOKYU REIT and Tokyu Corporation into a Memorandum concerning the purchase and sale of held real estate, which establishes codes of conduct with respect to the buying and selling of real estate and the provision of information. Tokyu Land Corporation has entered with Tokyu REIM, TOKYU REIT, and Tokyu Corporation into a Memorandum concerning the holding of investment units of the Investment Corporation. Tokyu Land Corporation has held TOKYU REIT's investment units since TOKYU REIT was first established.	3,920	2.31
Momiji Bank, Ltd.	No specific relationship	3,819	2.25
Total: (10 Companies)		75,754	44.72

Note: Percentages are rounded to second decimal point.

(3) Major Shareholders of the Investment Management Company

The following table sets forth information regarding Tokyu REIM's major shareholders, as of the date of this report.

Name	Relationship with TOKYU REIT, Tokyu REIM and Sponsor Companies; Investment History	Number of Shares Owned	Ownership (%)
Tokyu Corporation	Refer above to item: “1. Basic Information” under section “(2) Details of the Investment Corporation’s Unitholders”.	3,600	60.00
Tokyu Land Corporation	Refer above to item: “1. Basic Information” under section “(2) Details of the Investment Corporation’s Unitholders”.	2,400	40.00
Total		6,000	100.00

(4) Investment Policies & Objectives

(4) -2.Matters Concerning Investment in Overseas Real Estate

a. Basic Approach toward Investment in Overseas Real Estate

TOKYU REIT shall not invest in overseas real estate.

(5) Sponsors

a. Principal activities of Corporate Group Sponsors

- I. Tokyu Corporation
- II. Tokyu Land Corporation

b. Agreements with Corporate Group Sponsors pertaining to property supply and information provision

- I. Outline of the Memorandum Concerning the Purchase and Sale of Held Real Estate
- II. Compartmentalization or duplication between Corporate Group Sponsors and the Investment Corporation

Note: An English translation of “1. Basic Information (4) Investment Policies & Objectives” and “1. Basic Information (5) Sponsors” has been omitted.

2. Management Structure of the Investment Corporation and Investment Management Company

(1) The Investment Corporation

a. TOKYU REIT Executives

The following information details the status of TOKYU REIT's executives as of the date of this report.

Title	Name	Career Summary		Basis for Selection
Executive Director	Masahiro Horie	April 1984	Entered Tokyu Corporation, Railway Operation Division	Selected based on expectations that with wide-ranging experience and expertise in the real estate and business finance industries and having had held the responsibility of assistant liquidation trustee, Mr. Horie would possess the ability to execute business operations with advanced adeptness as Executive Director for the Investment Corporation. Also, that as Chief Executive Officer of Tokyu REIM, the investment management company of TOKYU REIT, Mr. Horie would be most appropriate in the interest of maintaining a close working relationship between TOKYU REIT and Tokyu REIM. (For details refer to item b. "Initiatives to Address Conflicts of Interest and the Basis for the Concurrent Appointment of the Executive Director of TOKYU REIT as a Tokyu REIM Executive," under section 2. "Management Structure of the Investment Corporation and Investment Management Company," paragraph (1) "The Investment Corporation".
		April 1985	Tokyu Corporation, Tama Den-en-toshi Division (Residential Development)	
		March 1986	Tokyu Corporation, Resort Operation Division, Overseas Development Department	
		July 1989	Posted to Emerald Resorts and Hotels, Assistant Vice President; Emerald Liquidation Trust, Executive Assistant to Trustee (Honolulu)	
		March 1994	Tokyu Corporation, Finance & Accounting Division	
		February 1996	Tokyu Corporation, Group Controllers Division	
		December 1999	Tokyu Corporation, Manager of Group Restructuring Strategy & Investor Relations Division	
		June 2001	Posted to Tokyu REIM, Executive Vice President and Representative Director	
		September 2002	Appointed Representative Director & President, Chief Executive Officer of Tokyu REIM (current position)	
		June 2003	Appointed Executive Director of TOKYU REIT (current position)	
June 2009	Posted a member of the Board of The Investment Trusts Association, Japan (current position)			

Supervisory Director	Giichi Yanagisawa	March 1985	Certified as a public accountant in Japan. (current) Established Yanagisawa Certified Public Accountant Office	Selected based on expectations that in addition to having experience and expertise as an accounting specialist, operating an audit firm, possessing insight as a businessperson as well as having a wealth of experience as an outside director, Mr. Yanagisawa would possess the ability to monitor the Executive Director's execution of operations from a broad ranging perspective.
		May 1985	Certified as a tax accountant in Japan. (current)	
June 2000	Appointed Representative, Shinso Audit Corporation (current position)			
July 2001	Appointed Council Member of the Japanese Institute of Certified Public Accountants			
June 2003	Appointed Supervisory Director, TOKYU REIT (current position)			
		July 2004	Appointed Executive Board Member of the Japanese Institute of Certified Public Accountants (current position)	
		* Other concurrent appointments		
		<ul style="list-style-type: none"> • Director: 2; Statutory Auditor: 5, all of which are unrelated to TOKYU REIT • Director: 2; Statutory Auditor: 5, all of which are unrelated to TOKYU REIT 		
Supervisory Director	Maruhito Kondo	April 1988	Admitted to the Bar of Japan (Tokyo Bar Association); Entered Ohara Law Office	Selected based on expectations that in addition to having experience and expertise as a law specialist, operating a law office, possessing insight as a businessperson as well as having a wealth of experience as an outside director, Mr. Kondo would possess the ability to monitor the Executive Director's execution of operations from a broad ranging perspective.
		May 1988	Studied abroad at the Chinese University of Hong Kong	
September 1988	Studied abroad at the Renmin University of China			
July 1989	Employed at Robert Lee & Fong Solicitors (Law office), Hong Kong			
February 1996	Established Maruhito Kondo Law Office (current)			
May 1998	Admitted to Daini Tokyo Bar Association (current)			
		June 2003	Appointed Supervisory Director, TOKYU REIT (current position)	
		* Other concurrent appointments		
		<ul style="list-style-type: none"> • Director: 1; Statutory Auditor: 1, both of which are unrelated to TOKYU REIT 		

b. Initiatives to Address Conflicts of Interest and the Basis for Concurrent Appointments of the Executive Director of TOKYU REIT as a Tokyu REIM Executive

Name	Tokyu REIM Executives	Basis for Concurrent Appointments	Initiatives to Address Conflicts of Interest
Masahiro Horie	Representative Director & President, Chief Executive Officer	<p>The sole purpose of TOKYU REIT is investment management, and since it has entrusted Tokyu REIM with the management of these assets, it is important that both companies work closely together to promote their business and strengthen compliance. Having the Tokyu REIM Representative Director & President, Chief Executive Officer concurrently serve as the Executive Director of TOKYU REIT helps to facilitate cooperation between the two entities. Therefore, the concurrent holding of these two posts is considered to be extremely important. The Representative Director & President, Chief Executive Officer of Tokyu REIM is responsible for the investment management business that TOKYU REIT has entrusted to it, and his concurrent holding of the position of TOKYU REIT's Executive Director is considered as most appropriate for the achievement of closer cooperation between Tokyu REIM and TOKYU REIT. In other words, having the Representative Director & President, Chief Executive Officer of Tokyu REIM concurrently hold the post of TOKYU REIT's Executive Director helps, in each of the following three cases below, provide for more effective and complete reporting and explanations, and leads to close cooperation between Tokyu REIM and TOKYU REIT. In cases where, 1) the Executive Director of TOKYU REIT manages the business and affairs of TOKYU REIT and represents TOKYU REIT, and TOKYU REIT requires reports and other materials from Tokyu REIM to execute its duties; 2) in status reports on the Executive Director's execution of duties at TOKYU REIT's Board of Directors meetings, and; 3) when the Executive Director must give an account to unitholders at TOKYU REIT's unitholders' general meetings.</p>	<p>Aside from having entered an investment management agreement, Tokyu REIM and TOKYU REIT have no intention of engaging in any other business.</p> <p>In addition, with respect to the Investment Management Agreement, 1) investment management fees are listed in the Articles of Incorporation and require a resolution of the unitholders' general meeting to change them; 2) changes to the investment management contract and payment of investment management fees as well as other fees pertaining to the management of assets are matters to be resolved by the Board of Directors (also, as the Executive Director has a special interest, participation in said resolutions is prohibited); 3) and in addition, as a general rule, the cancellation of the Investment Management Agreement requires a resolution of the unitholders' general meeting. Therefore, the Executive Director cannot individually change or cancel the Investment Management Agreement.</p> <p>At the same time, the Representative Director & President, Chief Executive Officer of Tokyu REIM 1) has a duty to exercise appropriate management and a duty of loyalty to Tokyu REIM; 2) changes to the Investment Management Agreement are matters that the Board of Directors shall resolve as "important agreement-related items" (in this case too, because the Representative Director & President, Chief Executive Officer has a special interest, participation in the said resolution is prohibited), and the Chief Executive Officer cannot individually change or cancel the Investment Management Agreement. In like manner, even if the Representative Director & President, Chief Executive Officer of Tokyu REIM assumes the post of TOKYU REIT's Executive Director, he or she cannot individually change or cancel</p>

		Therefore, it is extremely important that the Representative Director & President, Chief Executive Officer who is responsible for Tokyu REIM's investment management business assume the post of the Executive Director of TOKYU REIT.	the Investment Management Agreement. In addition, while the function of the Supervisory Director, a member of the Board of Directors, is important to avoid conflicts of interest, an attorney or CPA who has absolutely no vested interest in the Executive Director or Tokyu REIM is to assume the post of Supervisory Director. Under this system, the Supervisory Director serves to provide an adequate monitoring function.
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c. No Other Items Correspond to the Status of Conflicts of Interest Deriving from Concurrent Appointments Held by TOKYU REIT Executives

(2) The Investment Management Company

a. Tokyu REIM Executives

The following information details the status of Tokyu REIM's executives as of the date of this report.

Title (Full-time/ part-time)	Name	Career Summary		Concurrent Appointments
Representative Director & President, Chief Executive Officer (Full-time)	Masahiro Horie	Refer above to item: a. "TOKYU REIT Executives" under section 2. "Management Structure of the Investment Corporation and Investment Management Company," (1) "The Investment Corporation"		TOKYU REIT, Executive Director Transferred from Tokyu Corporation A member of the Board of The Investment Trusts Association, Japan
Representative Director, Executive Vice President and Chief Investment Officer (Full-time)	Motoshi Nagamachi	April 1983	Entered Tokyu Land Corporation and assigned to a position in the General Administration Department	Transferred from Tokyu Land Corporation
		April 1983	Tokyu Land Corporation, Marketing Division, Osaka Branch	
		April 1988	Tokyu Land Corporation, DUET Division, Kansai Branch.	

		<p>April 1998 Tokyu Land Corporation, Manager of Business Management Division, Kansai Branch</p> <p>July 2000 Tokyu Land Corporation, Manager of Asset Management Division</p> <p>April 2005 Tokyu Land Corporation, General Manager of Real Estate Fund Management Department No.2, Asset Management Division(Resigned in July 2007)</p> <p>February 2007 Tokyu Land Capital Management Inc. , Director</p> <p>April 2007 Tokyu Land Capital Management Inc., Managing Director & COO, Asset Management Division</p> <p>April 2010 Tokyu REIM, Representative Director, Executive Vice President and Chief Investment Officer (current position)</p>	
Director (Part-time)	Masao Tomoe	<p>April 1976 Entered Tokyu Corporation, Railway Operation Division</p> <p>May 1977 Tokyu Corporation, Finance & Accounting Division</p> <p>March 1993 Tokyu Corporation, Manager of Group Management Division</p> <p>April 1996 Tokyu Corporation, Manager of Personnel Division</p> <p>July 1999 Tokyu Corporation, Manager of Hotel Division</p> <p>April 2001 Posted to Tokyu Hotel Management Co., Ltd., General Manager of Administration Division</p> <p>June 2001 Tokyu Hotel Management Co., Ltd., Director, General Manager of Administration Division</p> <p>April 2002 Tokyu Hotel Management Co., Ltd.,</p>	<p>Tokyu Finance & Accounting Co., Ltd., President and Representative Director</p> <p>Tokyu Insurance Consulting Co., Ltd., Director (part-time)</p> <p>TH Properties Co., Ltd., Director (part-time)</p> <p>Gold-Pak Co., Ltd., Auditor (part-time)</p> <p>Tokyu-hakuba corporation, Director (part-time)</p> <p>Nippon Rent-A-Car Tokyu. Inc. Director (part-time)</p>

		April 2003	Director, Business Planning & Administration Division Tokyu Corporation, Accounting and Group Strategy Headquarters, General Manager of Finance and Accounting Division	
		June 2003	Tokyu REIM, Director (part-time, non-executive) (current position)	
		April 2005	Appointed to Tokyu Corporation, Executive Officer, Deputy Executive General Manager of Finance, Accounting and Group Strategy Headquarters, and General Manager of Finance Division of Finance, Accounting and Group Strategy	
		June 2006	Tokyu Corporation, Executive Officer and Executive General Manager of Finance, Accounting and Group Strategy Headquarters	
		June 2007	Tokyu Corporation, Director, Executive General Manager of Finance, Accounting and Group Strategy Headquarters	
		December 2007	Tokyu Corporation, Director, Executive General Manager of Finance, Accounting and Group Strategy Headquarters, and General Manager of Accounting, & IR Division	
		April 2008	Tokyu Corporation, Director, Executive General Manager of Finance, Accounting and Group Strategy Headquarters, (current position)	
		April 1986	Entered Tokyu Corporation, Railway Operation Division	Tokyu Station Retail Service Inc.,
		December 1986	Tokyu Corporation, Tama	Auditor (part-time)

Director (Part-time)	Toshitake Ashizawa	<p>May 1987</p> <p>October 1991</p> <p>April 1997</p> <p>July 2002</p> <p>April 2003</p> <p>April 2005</p> <p>June 2005</p> <p>April 2010</p>	<p>Den-en-toshi Division Tokyu Corporation, Office Building Management Division</p> <p>Posted to Tokyu Bus Corporation</p> <p>Tokyu Corporation, Urban Development Division</p> <p>Tokyu Corporation, Manager of Urban Development Division</p> <p>Tokyu Corporation, Deputy General Manager of the Planning and Administration Division of Urban Development Headquarters</p> <p>Tokyu Corporation, General Manager of the Management Planning Department of Management Headquarters</p> <p>Tokyu REIM, Director (part-time, non-executive) (current position)</p> <p>Tokyu Corporation, General Manager of Office of Asset Portfolio Planning Committee, Management Headquarters (current position)</p>	<p>Tokyu Gourmet Front Inc., Auditor (part-time)</p> <p>Tokyu Convenience System Inc., Auditor (part-time)</p>
Director (Part-time)	Hideyuki Takada	<p>April 1981</p> <p>May 1981</p> <p>Nov 1982</p> <p>April 1991</p> <p>April 1993</p> <p>April 1995</p> <p>April 1996</p>	<p>Entered Tokyu Land Corporation and assigned to a position in the General Administration Department</p> <p>Residential Development Division</p> <p>Transferred to Tokyu Home Corporation</p> <p>Tokyu Land Corporation, Development Business Department</p> <p>Tokyu Land Corporation, Strategy Planning Office</p> <p>Tokyu Land Corporation, Manager of Planning, Strategy Planning Office</p> <p>Tokyu Land Corporation, Manager of</p>	<p>Tokyu Land Capital Management Inc., Director (Part-time)</p>

		<p>April 1999 Business Planning Office Tokyu Land Corporation, Manager of Corporate Planning Department</p> <p>April 2004 Tokyu Land Corporation, General Manager of Planning Group, Corporate Planning Department</p> <p>April 2006 Tokyu Land Corporation, General Manager of Business Promotion Group and Real Estate Fund Planning Department, Asset Management Division</p> <p>April 2007 Tokyu Land Corporation, General Manager of Real Estate Fund Planning Department, and General Manager of Business Promotion Group, Asset Management Division</p> <p>June 2007 Tokyu REIM, Director (part-time, non-executive) (Retired in May, 2009)</p> <p>April 2008 Tokyu Land Corporation, General Manager of Real Estate Fund Planning Department, Asset Management Division</p> <p>April 2009 Tokyu Land Corporation, General Manager of Strategic Planning Department, Asset Planning & Management Division</p> <p>April 2010 Tokyu Land Corporation, General Manager of Strategic Development Department, Investment & Management Division (current position) Tokyu REIM, Director (part-time, non-executive) (current position)</p>	
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Auditor (Part-time)	Noriaki Takahide	April 1984	Entered Tokyu Corporation, Railway Operation Division	Tokyu-Computer-System., Director (part-time)
		April 1985	Tokyu Corporation, Cable Television Development Office	Tokyu Finance & Accounting Co., Ltd., Auditor (part-time)
		October 1987	Posted to Tokyu Cable Television Co., Ltd., (currently, its communications Inc.)	Kidsbasecamp Inc., Auditor (part-time)
		May 1989	Tokyu Corporation, Railway Division, Administration Department	
		April 1990	Tokyu Corporation, Related Business Office, Related Section	
		July 1993	Tokyu Corporation, Group Business Office, Related Section	
		July 1999	Tokyu Corporation, Group Administration Division	
		July 2000	Tokyu Corporation, Manager of Management Planning Division	
		April 2003	Tokyu Corporation, General Manager of Corporate Strategy, Corporate Headquarters Statutory Auditor (part-time, non-executive), Tokyu REIM (current position)	
		April 2005	Posted to its communications Inc., General Manager of the Corporate Management Division	
June 2007	its communications Inc., Executive Director, General Management Division			
April 2008	Tokyu Corporation, General Manager, of Management Planning Division of Management Headquarters (current position)			
Auditor (Part-time)	Takashi Matsuzawa	April 1974	Entered Tokyu Corporation, Real Estate Development Business Unit	Tokyu Cerulean Tower Co., Ltd., Director (part-time)
		April 1985	Tokyu Corporation, Tama Den-en-toshi Division	TMD Corporation, Auditor (part-time)

		October 1992	Tokyu Corporation, Manager of Personal Division	
		April 1996	Tokyu Corporation, Manager of Tama Den-en-toshi Division, Urban Development Division	
		July 2000	Tokyu Corporation, Manager of Marketing Department I of Urban Development Division	
		July 2001	Tokyu Corporation, General Manager of Planning & Administration Division, Resort Headquarters	
		April 2003	Tokyu Corporation, General Manager of Resort Division of Corporate Headquarters	
		April 2005	Tokyu Corporation, General Manager of Sales Promotion Division, Information & Communication Headquarters	
		June 2006	Jotetsu Corporation, Managing Director, Senior Executive General Manager of Management Headquarters	
		May 2007	Jotetsu Corporation, Managing Director, Senior Executive General Manager of Management Headquarters and Bus Operation Business Unit	
		March 2008	Tokyu Corporation, General Manager of Real Estate Development Business Unit	
		April 2008	Tokyu Corporation, Executive Officer & Executive General Manager of Property Management & Development Headquarters, Real Estate	

		June 2008	Development Business Unit Statutory Auditor (part-time, non executive) of Tokyu Real Estate Investment Management, Inc. (current position)	
		April 2010	Tokyu Corporation, Executive Officer & Executive General Manager of Building (Development & Management) of Headquarters, Urban Life Produce Business Unit (current position)	

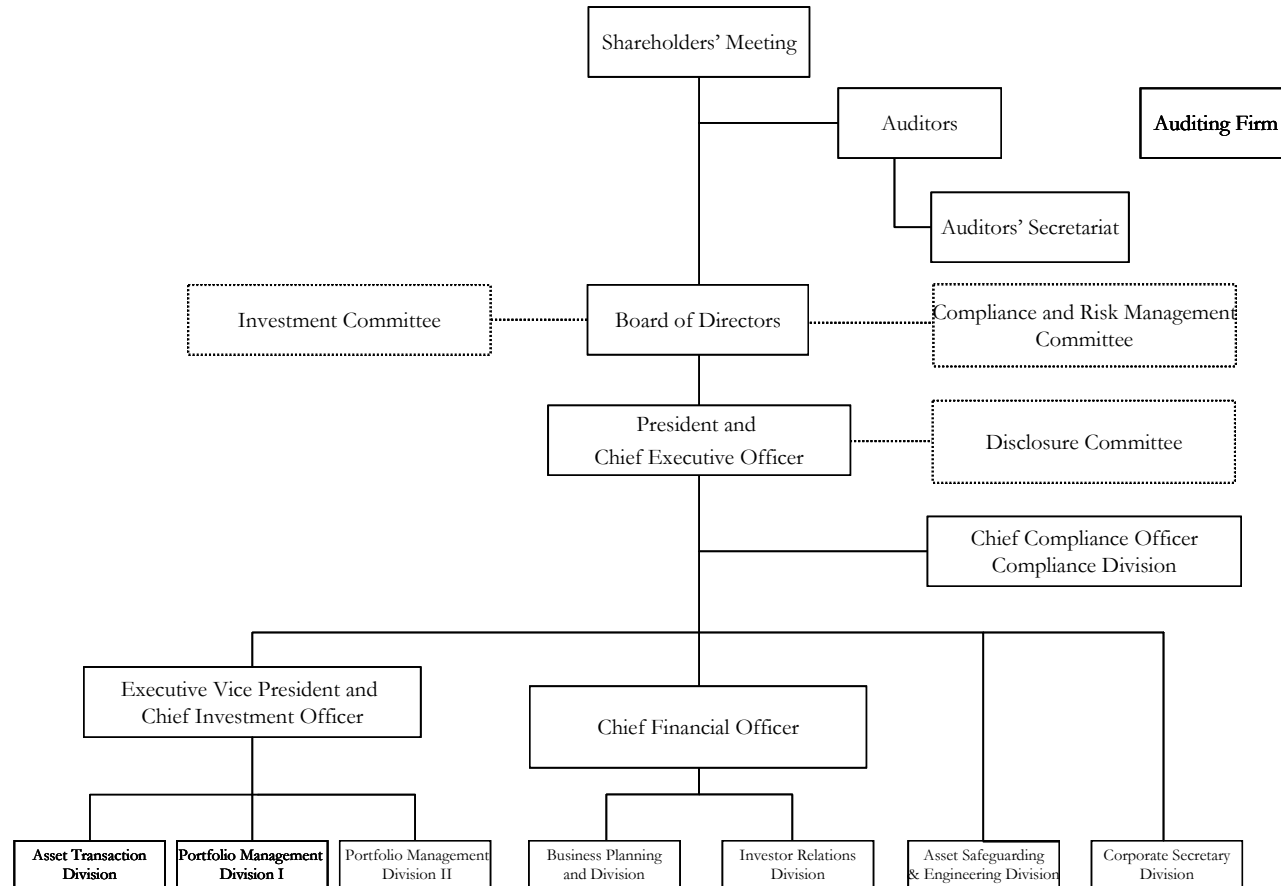
b. Status of Employees at the Investment Management Company

The status of employees at Tokyu REIM as of the date of this report is as follows.

	Number of Employees	Concurrent Appointment with Previous Company
Transferred Staff	26	—
Transferred from Tokyu Corporation	17	None
Transferred from Tokyu Land Corporation	7	None
Transferred from Tokyu Finance & Accounting Co., Ltd	2	None
Employees	4	—
Temporary Staff	10	—
The number of total employees	40	—

c. Management Structure of the Investment Corporation and Investment Management Company

I .Management Structure of the Investment Management Company (Organization Chart) (Revised on April 1, 2009)



(Scope of Responsibilities) (Revised on August 1, 2009)

Organization	Scope of Responsibilities
Compliance Division	<ul style="list-style-type: none"> ■ Matters relating to compliance <ul style="list-style-type: none"> •Matters relating to the formulation, modification and execution of the compliance program •Matters relating to the gathering of information on the formulation and revision of laws and regulations for the investment management industry and the passing on of that information to officers and employees •Matters relating to providing officers and employees with compliance-related education and training •Matters relating to the handling of compliance-related queries and internal reports from officers, employees and other parties •Matters necessary to maintain compliance associated with the above items ■ Matters relating to the Office of the Secretariat of the Compliance and Risk Management Committee ■ Matters relating to the monitoring and assessment of internal control <ul style="list-style-type: none"> •Matters relating to deliberation and authorization of compliance that pertains to proposals from each department •Matters relating to the verification of the status of adherence to laws and regulations, internal regulations and rules pertaining to the overall execution of business activities •Matters relating to validity assessment of internal controls ■ Matters relating to the coordination of initiatives to deal with antisocial forces ■ Matters relating to litigation and disputes ■ Matters relating to reception desks for relevant government authority audits

Asset Transaction Division	<ul style="list-style-type: none"> ■ Matters relating to the formulation of basic policies concerning the acquisition and sale of investment properties as well as to the planning of property acquisition ■ Matters relating to the acquisition and sale of TOKYU REIT's investment properties ■ Matters relating to real estate market surveys (real estate transaction markets and others) ■ Matters relating to appraisal method research and development for portfolio properties ■ Matters relating to the Office of the Secretariat of the Investment Committee
Portfolio Management Division I	<ul style="list-style-type: none"> ■ Matters relating to the coordination of basic policies and the planning of property-specific budgets and property management, as well as accounting associated with investment management for TOKYU REIT's entire portfolio ■ Matters relating to the formulation of basic policies and the planning of property-specific budgets and property management for TOKYU REIT's investment properties (mainly office properties) ■ The following matters relating to real estate (mainly office properties) held by TOKYU REIT <ul style="list-style-type: none"> • Matters relating to the supervision and reporting of investment management status • Matters relating to leasing, property management and large-scale repair and Maintenance • Matters relating to property surveys and appraisals • Matters relating to management method research and development for portfolio properties • Matters relating to market surveys (real estate leasing markets and others)

<p>Portfolio Management Division II</p>	<ul style="list-style-type: none"> ■ Matters relating to the formulation of basic policies and the planning of property-specific budgets and property management for TOKYU REIT's investment properties (mainly retail properties) ■ The following matters relating to real estate (mainly retail properties) held by TOKYU REIT <ul style="list-style-type: none"> · Matters relating to the supervision and reporting of investment management status · Matters relating to leasing, property management and large-scale repair and Maintenance • Matters relating to property surveys and appraisals • Matters relating to management method research and development for portfolio properties • Matters relating to market surveys (real estate leasing markets and others)
<p>Business Planning and Development Division</p>	<ul style="list-style-type: none"> ■ General affairs <ul style="list-style-type: none"> · Matters relating to human resources, general affairs and others within Tokyu REIM. • Matters relating to the handling and storing of records pertaining to client (investors and others) complaints • Matters relating to the management of fixtures and fittings • Matters relating to operations based on the Brand Licensing Agreement with the parent company • Matters relating to overall financial and accounting affairs • Matters relating to IT maintenance • Matters relating to other general affairs ■ Financial affairs for TOKYU REIT <ul style="list-style-type: none"> · Matters relating to debt financing and the issuance of investment corporation Bonds • Matters relating to dealings with the General Administrator (accounting operations) • Matters relating to the preparation of statutory disclosure materials • Matters relating to TOKYU REIT's distribution policy • Matters relating to the management of surplus funds

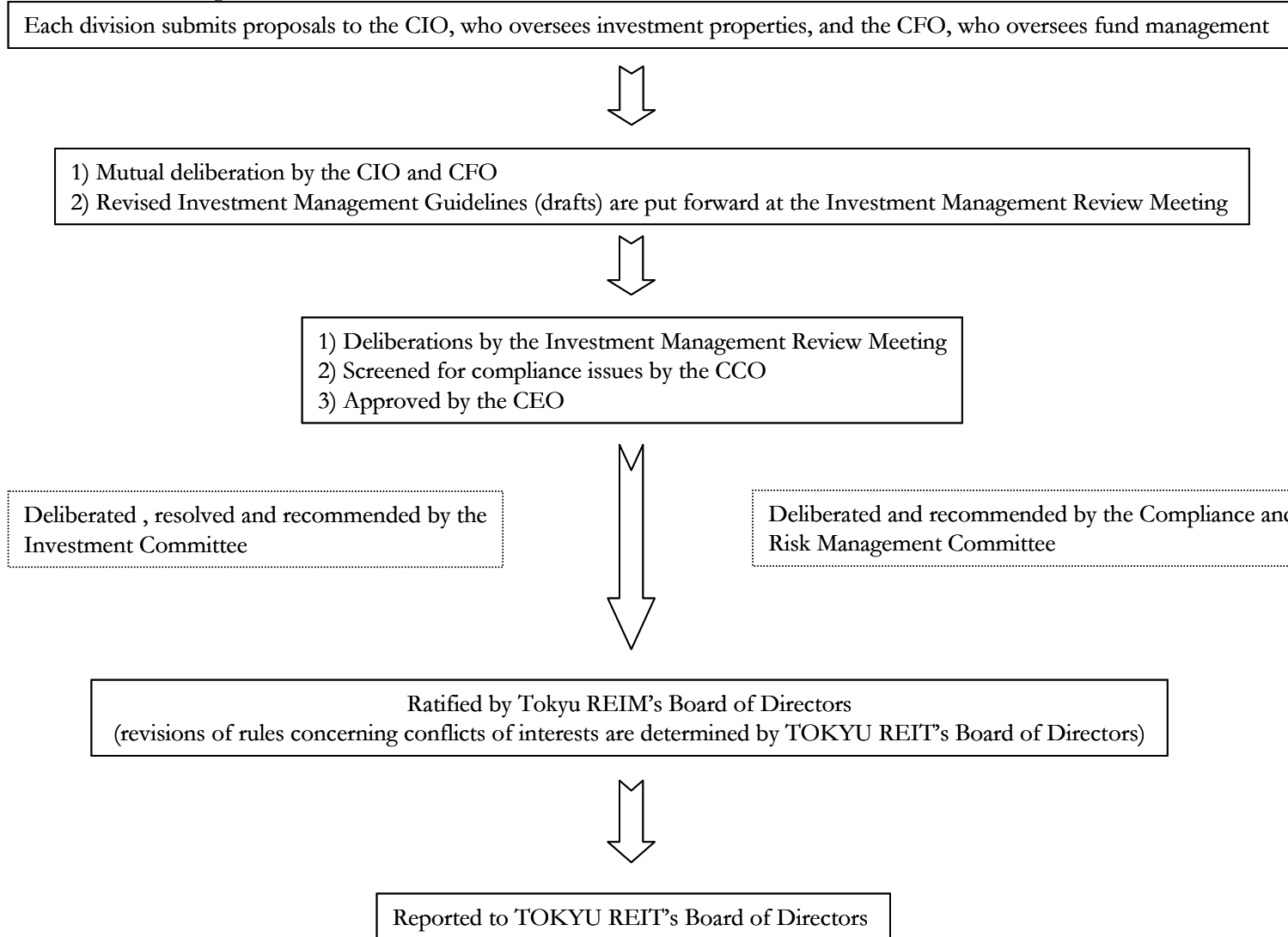
	<ul style="list-style-type: none"> ■ TOKYU REIT executive officer assistance operations <ul style="list-style-type: none"> •Matters relating to dealings with the General Administrator (administrative functions) •Matters relating to operations to assist TOKYU REIT executive officers ■ Business planning and development <ul style="list-style-type: none"> •Matters relating to management guidelines •Matters relating to the formulation of TOKYU REIT's investment management and property management plans •Matters relating to the overall management and planning of Tokyu REIM business, including the formulation of annual management policies and budgets •Matters relating to new businesses •Matters relating to market statistics and surveys associated with the formulation of management strategy
Investor Relations Division	<ul style="list-style-type: none"> ■ Matters relating to TOKYU REIT's information disclosure ■ Matters relating to communication between TOKYU REIT and investors ■ Matters relating to notifying TOKYU REIT investors through asset management reports ■ Matters relating to the Office of the Secretariat of the Disclosure Committee ■ Matters relating to external relations with the Tokyo Stock Exchange and Japan Securities Depository Center, Inc. ■ Matters relating to the additional issue of TOKYU REIT's units ■ Matters relating to surveys and analysis of the publicly listed real estate investment trust market ■ Matters relating to association with TOKYU REIT's General Administrator (unitholder registry administrator)

Asset Safeguarding & Engineering Division	<ul style="list-style-type: none"> ■ Matters relating to the safeguarding of TOKYU REIT's investment properties (matters relating to internal control) ■ Matters relating to technical support associated with the acquisition of investment properties for TOKYU REIT ■ Matters relating to assistance in formulating investment plans (repair expenses, capital expenditures and others), included in planning of property-specific budgets for properties held by TOKYU REIT ■ Matters relating to the provision of supervisory assistance for construction work on properties held by TOKYU REIT ■ Matters relating to the provision of assistance to ensure legal compliance and safety of properties held by TOKYU REIT ■ Matters relating to technical support required in acquisition of properties and safeguarding by TOKYU REIT
Corporate Secretary Division	<ul style="list-style-type: none"> ■ Matters relating to the formulation and implementation of internal audit plans ■ Matters relating to the coordination of risk management activities ■ Matters relating to legal affairs ■ Matters relating to the administration of shareholders' and Board of Directors' meetings ■ Matters relating to the administration and storage of important documents, seals, etc. ■ Matters relating to external relations with relevant government authorities (excluding reception desks of relevant government authorities audits) ■ Matters relating to communication with relevant external organizations ■ Matters relating to secretarial support operations for executive officers ■ Matters relating to information security ■ Matters relating to the formulation, revision and abolition of internal rules, guidelines and regulations ■ Matters relating to the formulation and coordination of internal control policies
Secretary to Corporate Auditors	<ul style="list-style-type: none"> ■ Administrative assistance for auditors

II. Decision-Making Structures

A. Decision-Making Processes Regarding Investment Management Policies

i. Investment Management Guidelines



TOKYU REIT entrusts Tokyu REIM with investment management in accordance with its Articles of Incorporation. With the aim of clearly defining its basic policies for matters that arise in the course of investment and fund management, Tokyu REIM formulates Investment Management Guidelines (hereafter, the “Guidelines”). The Guidelines stipulate its policies concerning investment, distribution and disclosure as well as measures to prevent conflicts of interest. When it is deemed necessary to review and revise the Guidelines due to economic conditions, investment environments and changes to relevant laws and regulations, a relevant division makes proposals for revising the Guidelines (hereafter, the “Guideline Proposals”). Tokyu REIM’s Executive Vice President and Chief Investment Officer (CIO), who oversees investment properties, and the Chief Financial Officer (CFO), who oversees fund management, the Business Planning and Development Division and the Investor Relations Division, discuss the Guideline Proposals. Consequently, the Business Planning and Development Division serves as a secretariat office for organizing the Guideline Proposals to submit them to the Investment Management Review Meeting (hereafter, the “Review Meeting”). Tokyu REIM’s President and Chief Executive Officer (CEO), CIO, CFO, the Chief Compliance Officer (CCO) and all division heads attend the Review Meeting to deliberate on the Guideline Proposals. The Guideline Proposals refined at the Review Meeting are screened for compliance issues by the CCO and subject to approval by the CEO. Following the CEO’s approval, the Guideline Proposals are submitted to Tokyu REIM’s Board of Directors for ratification. Prior to its ratification, the Board of Directors may submit the Guideline Proposals to the Investment Committee (resolution body) and the Compliance and Risk Management Committee (deliberation body) for their review and recommendation. After all these processes, the Board of Directors makes the final decision to revise the Guidelines, respecting deliberation results, approvals and recommendations presented by the aforementioned internal organizations and minority opinions and reports submitted by the said committees. Following the final decision, the revised Guidelines are submitted and reported to TOKYU REIT’s Board of Directors. Revising items that are prescribed in the Guidelines in line with TOKYU REIT’s Articles of Incorporation requires resolutions by the General Meeting of TOKYU REIT’s Unitholders. Similarly, revising measures to prevent conflicts of interest requires resolutions by TOKYU REIT’s Board of Directors.

ii. Investment Management Plans

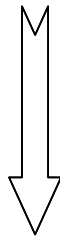
Each division submits proposals to the CIO, who oversees investment properties, and the CFO, who oversees fund management



1) Mutual deliberation by the CIO and CFO
2) Revised investment management plans (drafts) are put forward at the Investment Management Review Meeting



1) Deliberations by the Investment Management Review Meeting
2) Screened for compliance issues by the CCO
3) Approved by the CEO



Deliberated , resolved and recommended
by the Investment Committee

Deliberated and recommended
by the Compliance and Risk Management Committee
(only matters related to compliance and risks)

Ratified by Tokyu REIM's Board of Directors



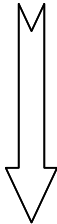
Reported to TOKYU REIT's Board of Directors

Tokyu REIM formulates investment management plans (hereafter, the “Management Plans”) to define specific action plans regarding its investment management. First, the Asset Transaction Division and the Portfolio Management Division I and II —both in charge of asset management—submit to the CIO their individual plans, and the CIO prepares property-specific investment management plans (hereafter, the “Property Plans”) based on the plans submitted by the two divisions. The CIO submits the Property Plans to the CFO. Based on the Property Plans and incorporating fund procurement plans prepared by the Business Planning and Development Division, the CFO prepares proposals for investment management plans (hereafter, the “Management Proposals”). The CIO and CFO discuss the Management Proposals and then submit them to the Review Meeting. The CEO, CIO, CFO, CCO and all division heads attend the Review Meeting to deliberate on the Management Proposals. The Management Proposals refined at the Review Meeting are screened for compliance issues by the CCO and subject to approval by the CEO. Following the CEO’s approval, the Management Proposals are submitted to Tokyu REIM’s Board of Directors for ratification. Prior to its ratification, the Board of Directors may submit the Management Proposals to the Investment Committee (resolution body) and the Compliance and Risk Management Committee (deliberation body) for their review and recommendation. After all these processes, the Board of Directors finally formulates the Management Plans, respecting deliberation results, approvals and recommendations presented by the aforementioned internal organizations and minority opinions and reports submitted by the said committees. Following the formulation, the Management Plans are submitted and reported to TOKYU REIT’s Board of Directors. In principle, the Management Plans shall be reviewed and revised by the end of January and July, the months in which TOKYU REIT settles its accounts. However, the Management Plans shall be revised on an as-required basis should significant changes occur in economic and other conditions.

B. Decision-Making Processes Regarding Investment Management

i. Acquisition and Sale of Investment Properties

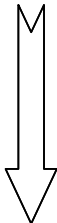
1) Investment selection targets prepared by the CIO, who oversees investment properties
2) Proposals put forward at the Investment Management Review Meeting



1) Deliberations by the Investment Management Review Meeting
2) Screened for compliance issues by the CCO
3) Approved by the CEO

Deliberated, resolved and recommended
by the Investment Committee

Deliberated and recommended
by the Compliance and Risk Management Committee
(according to necessity of the CCO)



Ratified by Tokyu REIM's Board of Directors
(related-party transactions require prior approval by TOKYU REIT's Board of Directors)

Prior to the acquisition and sale of investment properties, the Asset Transaction Division and the Portfolio Management Division I and II conduct due diligence on: (1) property and other rights; (2) property lessees; (3) property lease agreements; (4) repair and maintenance history; (5) property conditions; (6) environmental conditions; and (7) property appraisal (all hereafter referred to as “Due Diligence”). Based on the outcome of the Due Diligence, the two divisions prepare the documents required for making a decision to acquire and sell of investment properties, along with transaction agreements, and submit these documents to the CIO. The CIO reviews these documents to check whether they coincide with TOKYU REIT’s investment policy and criteria and, based on the review results, selects properties that TOKYU REIT can invest in or sell. The Asset Transaction Division, as a secretariat office, organizes the CIO’s selection of properties into plans for property acquisition and sale (hereafter, the “Acquisition and Sale Plans”) and submits them to the Review Meeting. The CEO, CIO, CFO, CCO and all division heads attend the Review Meeting to deliberate on the Acquisition and Sale Plans. The CCO examines the outcome of the deliberation at the Review Meeting for compliance issues, and the Acquisition and Sale Plans are subject to approval by the CEO. Following the CEO’s approval, the Acquisition and Sale Plans are submitted to Tokyu REIT’s Board of Directors for ratification. Prior to its ratification, the Board of Directors may submit the Acquisition and Sale Plans to the Investment Committee (resolution body) and the Compliance and Risk Management Committee (deliberation body) for their review and recommendation. After all these processes, the Board of Directors makes the final decision on property acquisition and sale, respecting deliberation results, approvals and recommendations presented by the aforementioned internal organizations and minority opinions and reports submitted by the said committees. Following the ratification, the Acquisition and Sale Plans are submitted and reported to TOKYU REIT’s Board of Directors. In particular, property acquisition and sale involving Tokyu Group companies require deliberation at the Compliance and Risk Management Committee and an advance approval by TOKYU REIT’s Board of Directors.

(3) Measures to Avoid Conflicts of Interest in Related-Party Transactions

a. Policies and Management Structure Regarding Conflicts of Interest in Related-Party Transactions

I. Basic Principle

II. Specific Rules

b. Reason for Adopting the Management Structures

I. Reason for confidence that the internal control structure in investment decision-making outlined in (3) a. above is appropriate as a system to avoid conflicts of interest in related-party transactions

The reason we believe our internal control structure for investment decision-making is appropriate as a system to avoid conflicts of interest in related-party transactions is, as detailed below, that there are sufficient checks of the Tokyu REIM's decisions as a result of effective external oversight functions, including by third parties, and multi-level checks (including the Investment Corporation) that are in place.

A. Adherence to Rules Regarding Conflicts of Interest in Related-Party Transactions

- TOKYU REIT understands the importance of collaboration with Sponsors as a part of our growth strategy and the risks that are involved with such collaboration. As a self-imposed rule to determine the incidence or absence of conflicts of interests in transactions, TOKYU REIT conducts checks across a wider range of related parties than those defined under the law.

B. Multi-Level Checks Including Activities of Independent Third Parties

- Tokyu REIM has formed its Compliance and Risk Management Committee comprised of four members, including two outside members that are independent third parties, to deliberate on the appropriateness of individual transactions as stipulated in its rules regarding conflicts of interest in related-party transactions.
- The prior resolution of TOKYU REIT's Board of Directors is required regarding individual transactions that are regulated in the rules regarding conflicts of interest in related-party transactions. Moreover, when such prior resolution is needed, the Executive Director of the Investment Corporation, who also serves as the President of Tokyu REIM, does not hold the decision-making authority for the resolution.

C. Confirming the Implementation Status of Rules Regarding Conflicts of Interest in Related-Party Transactions

- In order to ascertain the appropriateness of appraisal value, which is also the maximum acquisition price, when considering

property acquisitions from Tokyu Group companies, TOKYU REIT shall obtain second opinions regarding the propriety of the appraisal value from trust banks or other third parties.

- Concerning the implementation status of rules regarding conflicts of interest in related-party transactions, TOKYU REIT shall obtain an “Agreed Upon Procedures Report” from an audit firm other than the its usual independent auditor for TOKYU REIT. In the event that special items are noted in the report, the Compliance Officer shall make a determination as to whether or not such items will be the subject of deliberations by the Compliance and Risk Management Committee.

II. Other Considerations

A. Perspective on Functions of the Investment Corporation’s Executive Director in Avoiding Conflicts of Interest when Serving Concurrently as a Director of the Investment Management Company.

Please refer to section 2. “Management Structure of the Investment Corporation and Investment Management Company,” paragraph (1) “The Investment Corporation,” point b. “Initiatives to Address Conflicts of Interest and the Basis for Concurrent Appointments of the Executive Director of TOKYU REIT as a Tokyu REIM Executive.”

B. Perspective on Functions of the Board of Directors in Avoiding Conflicts of Interest with Tokyu Group Companies when the Sponsor is a Shareholder of the Investment Management Company and Tokyu REIM’s Board of Directors is comprised of a Majority of Loan Employees and Dual Position Holders from Tokyu Group Companies

TOKYU REIT believes that it can, through its activities detailed previously in 2. “Management Structure of the Investment Corporation and Investment Management Company,” (3) Measures to Avoid Conflicts of Interest in Related-Party Transactions b. “Reason for Adopting the Management Structures” points A through C respectively, “Adherence to Rules Regarding Conflicts of Interest in Related-Party Transactions,” “Multi-Level Checks Including Activities of Independent Third Parties” and “Confirming the Implementation Status of Rules Regarding Conflicts of Interest in Related-Party Transactions”, confirm the appropriateness of resolutions made by its Board of Directors regarding individual transactions that are regulated under rules regarding conflicts of interest in related-party transactions.

C. External Members of Committees: Names, Career Summaries, Status of Concurrent Appointments and Positions, and Relation to Tokyu Group Companies; Perspective on Functions of Such Committee Members in Avoiding Conflicts of Interest in Light of These Details

The Compliance and Risk Management Committee includes two external members who have experience and academic standing and

are not executives or employees at any Tokyu Group company (currently or within the past five years).

As of the date of this report, external appointees are Naoyoshi Tamura, a specialist in risk management from InterRisk Research Institute & Consulting, Inc. and Kenju Watanabe, a lawyer licensed in New York, a specialist in compliance. Both add their broad perspectives to the Committee's deliberations based upon their knowledge and experience as seasoned professionals in risk management and compliance. TOKYU REIT believes that they perform the function of external oversight by independent third parties in relation to Tokyu REIM's decision-making processes.

Brief details regarding external members of the Compliance and Risk Management Committee are as follows.

Title	Name	Career Summary	
Committee Member, Compliance and Risk Management Committee	Naoyoshi Tamura	April 1990 April 1998 October 2001 June 2003 April 2007 April 2010	Joined Taisho Marine and Fire Insurance Company (currently Mitsui Sumitomo Insurance Co., Ltd.) Dispatched to InterRisk Co., Ltd.; Affiliated with legal risk group Dispatched to InterRisk Research Institute & Consulting, Inc. (Merger of InterRisk Co., Ltd. and Sumitomo Marine Risk Research Institute); Senior Consultant, legal risk group Tokyu REIM Committee Member, Compliance and Risk Management Committee (current position) InterRisk Research Institute & Consulting, Inc., Manager, Senior Consultant, Consulting Department 1 InterRisk Research Institute & Consulting, Inc., Manager, Senior Consultant, CSR/legal risk group, Consulting Department 1, (current position)
Committee Member, Compliance and Risk Management Committee	Kenju Watanabe	June 1984 March 1987 November 1999 April 2001 August 2008 June 2009	Licensed as a lawyer in New York Entered Skadden, Arps, Slate, Meagher & Flom Licensed Foreign Law Specialist Partner, Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates Partner, Paul, Hastings, Janofsky & Walker LLP (current position) Tokyu REIM Committee Member, Compliance and Risk Management Committee (current position)

The Investment Committee has also invited one qualified appraiser as an external member, and as of the date of this report, Hogiko Iwata has been appointed to this position. Ms. Iwata adds her broad perspectives to Committee deliberations based upon her knowledge and experience as a seasoned professional in real estate appraisal. TOKYU REIT is confident that she fulfills

oversight functions in relation to Tokyu REIM's decision-making processes.

Brief details regarding the external member of the Investment Committee are as follows.

Title	Name	Career Summary	
Committee Member, Investment Committee	Hogiko Iwata	April 1979	Joined Tokyu Land Corporation Real Estate Sales Division
		October 1989	Tokyu Land Corporation, Appraisal Service Department
		February 1992	Registered as real estate appraiser (name registered under: Kamejima)
		July 1995	Ministry of Land Infrastructure and Transport, Published Land Price Appraiser
		January 1998	Tokyo Metropolitan Government, Central Fixed Assets Evaluation Commission Member
		October 2000	Taxation Bureau Market Value Based Inheritance Tax Calculation, Land Appraisal Evaluation Member
		January 2002	Tokyo Metropolitan Government, Land Price Trends Research Committee Member
		April 2004	Tokyo Metropolitan Government New City Construction Public Corporation, Land Valuation Deliberation Committee Member (current position)
		January 2005	Tokyo District Court, Appraisal Committee Member (current position)
		June 2005	Tokyo Metropolitan Government, Central Fixed Assets Evaluation Commission Member (current position)
		June 2006	Real Estate Appraiser Examination, Third Examination Committee Member
		April 2007	Tokyo Metropolitan Government, Land Price Research Appraiser
		September 2007	Tokyu Land Corporation, Asset Utilization Division, Appraisal Department, Group Leader
		May 2008	Ministry of Land, Infrastructure, Transport and Tourism, Land Appraisal Committee, Expert Committee Member (current position)
June 2009	Japanese Association of Real Estate Appraisal, Financial Statement Appraisal Response Special Committee Member (current position)		
April 2010	Tokyu Land Corporation, Real Estate Consulting & Solution Division, Real Estate Consulting & Solution No. 1, Appraisal Service Department Head (current position)		
	Tokyu REIM Committee Member, Investment Committee, (current position)		

D. Chief Compliance Officers: Names, Career Summaries, Status of Concurrent Appointments and Positions, Status of Dispatches, Concurrent In-House Positions and Relation to Group Companies; In Light of these Details, Perspective on Functions of Chief Compliance Officers in Avoiding Conflicts of Interest in Related-Party Transactions and Compliance

The Chief Compliance Officer appropriately reports all relevant matters including compliance, risk management issue and related-party transaction issues to the Compliance and Risk Management Committee in accordance with the Committee's rules and regulations. The Chief Compliance Officer also oversees the formulation of the compliance manual and programs, the implementation of compliance training in line with this manual and programs, and the management of the compliance consultation hotline. Accordingly, the Chief Compliance Officer strives to avoid conflicts of interest in related party transactions,

enhance and Tokyu REIM's compliance posture and raise the awareness and confidence of all officers and employees in the implemented systems.

Currently, Takashi Takada serves as the Chief Compliance Officer.

Brief details regarding the Chief Compliance Officer are as follows.

Title	Name	Career Summary	
Executive Officer, Chief Compliance Officer & Executive Secretary to Corporate Auditors (Full-Time)	Takashi Takada	April 1979	Entered Tokyu Land Corporation, Property Development Division, Den-en-toshi Department
		July 1983	Tokyu Land Corporation, Community Development Division, Business Department No.2
		April 1987	Tokyu Land Corporation, Property Development Division, Business Department No.1
		April 1991	Tokyu Land Corporation, Finance and Accounting Division
		April 1993	Tokyu Land Corporation, Corporate Planning Office
		April 1995	Tokyu Land Corporation, Project Manager of Property Planning, Fukuoka Branch
		December 1998	Tokyu Land Corporation, Manager of Business Development Department No.1, Business Development Division
		April 1999	Tokyu Land Corporation, Manager of Housing Planning and Development Department No.1, Residential Business Division
		April 2000	Transferred to Tokyu Relocation Co., Ltd., General Manager of Rental Management Department
		October 2008	Transferred to Tokyu REIM, Assistant Corporate Secretary, Compliance Officer
		April 2009	Tokyu REIM, General Manager, Corporate Secretary & Chief Compliance Officer
August 2009	Tokyu REIM, Executive Officer and Chief Compliance Officer		
April 2010	Tokyu REIM, Executive Officer, Chief Compliance Officer & Executive Secretary to Corporate Auditors (current position)		

3. Transactions, etc., with Sponsors and Other Related Parties

(1) Transactions with Related Parties

(2) Status of Property Acquisitions

During the thirteenth fiscal period, there is no property acquisition from related parties, special-purpose companies (“SPCs,” which are subsidiary companies) where related parties have control over decision-making bodies, or parties in other specific relationships with the Investment Corporation (hereafter “specifically related parties”).

4. Other

(1) Policies and Summary for Selection of Real Estate Appraisers

a. Policies for Selection of Real Estate Appraisers

Tokyu REIM uses a designated service-provider system for selecting real estate appraisers.

Prior to selection, investigations are made regarding the capacities and the performance records of appraisal candidates in order to ensure the quality of real estate appraisal reports. Final selection of real estate appraisers is subject to the authorization of Tokyu REIM’s Board of Directors.

Selection of real estate appraisers for individual cases is determined following a comprehensive assessment of factors including whether or not there are impediments to doing business, the reliability of delivery dates and others.

As of the current date of this report, the following eight companies are designated appraisers.

- Japan Real Estate Institute
- HIRO & REAS network, Inc.
- Jones Lang LaSalle Inc.
- Daiwa Real Estate Appraisal Co., Ltd.
- Four other companies

b. Summary of Real Estate Appraisers

A summary of real estate appraisers for properties held as of January 31, 2010, is set out below.

Property name	Summary of real estate appraisers			
	Name of appraiser	Address	No. of qualified appraisers	Basis for selection
<ul style="list-style-type: none"> • QFRONT • Lexington Aoyama • TOKYU REIT Omotesando Square • Tokyu Saginuma Building • Tokyu Saginuma 2 Building • Setagaya Business Square • Tokyu Nampeidai-cho Building • Tokyu Sakuragaoka-cho Building • Tokyo Nissan Taito Building • TOKYU REIT Akasaka Hinokicho Building • TOKYU REIT Kamata Building 	Japan Real Estate Institute	1-3-2, Toranomom, Minato-ku, Tokyo	273	As Japan's largest real estate appraisal office, Japan Real Estate Institute has high credibility. Since several appraisals were needed quickly at the time of the Investment Corporation's stock exchange listing, an appraiser with the capacity to deal with high volume was selected and commissioned for the entire project.
<ul style="list-style-type: none"> • Resona Maruha Building • TOKYU REIT Toranomom Building • Ryoshin Harajuku Building 				With no disruption to business commissions, this appraiser could very much be relied upon to deliver on time.
<ul style="list-style-type: none"> • TOKYU REIT Shibuya Udagawa-cho Square • Beacon Hill Plaza (Ito-Yokado Noukendai Store) • Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) • Daikanyama Forum 	HIRO & REAS network, Inc.	2-13, Goban-cho, Chiyoda-ku, Tokyo	14	HIRO & REAS network, Inc. is a pioneer of the cash flow method in Japan, with a track record in appraisals of income-producing real estate, with no disruption to business commissions, this appraiser could very much be relied upon to deliver on time.
<ul style="list-style-type: none"> • Shonan Mall Fill (<i>sokochi</i>) 	Jones Lang LaSalle Inc.	2-13-10, Nagatacho, Chiyoda-ku, Tokyo	6	Jones Lang LaSalle Inc., a name with excellent credentials recognized the world over, is with no disruption to business

				commissions, this appraiser could very much be relied upon to deliver on time.
<ul style="list-style-type: none"> • cocoti • TOKYU REIT Hatchobori Building • CONZE Ebisu • TOKYU Ikejiri-ohashi Building 	Daiwa Real Estate Appraisal Co., Ltd.	3-13-7, Kandanishiki cho, Chiyoda-ku, Tokyo	76	Its profitable real estate evaluations and delivery times are highly dependable, as personnel and other systems have been put in place.

(2) Engineering Report Producer Selection Policy and Outline

a. Engineering Report Producer Selection Policy

Tokyu REIM uses a designated service-provider system in selecting engineering report producers.

By undertaking reviews in advance of engineering report producers covering such factors as competence and past results, the designated service-provider system aims to ensure the quality of engineering reports, and the approval of appointments is a prerequisite at Tokyu REIM's Board of Directors' meetings.

The selection of individual engineering report producers generally takes into account and is decided on such factors as whether or not it will hinder business operations and delivery reliability.

However, as calculating probable maximum loss (PML) involves calculating the PML not only of each property but also of the entire portfolio, the Engineering & Risk Services Corporation is commissioned on an ongoing basis to ensure the consistency of analysis data.

As of the date of this report, there are five designated engineering report producers, as follows:

- Engineering & Risk Services Corporation
- Shimizu Corporation
- Takenaka Corporation
- Property Risk Solution Corporation
- Another company

PML (Probable Maximum Loss) refers to the expected maximum loss ratio caused by earthquakes. As used in these documents PML is the percentage of expected loss due to small- to large-level earthquakes (those statistically calculated as possible over a 475 year period) that occur during an assumed period for the economic life of a building, to procurement cost for restoring expected damage. Calculations incorporate data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation. Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to fixtures. In addition, damages are limited to structural damage and damages to facilities and building interior

and exterior, and do not cover damages caused by earthquake fire and fire damage from surrounding facilities.

b. Summary of Engineering Report Producers

No property acquired in the thirteenth period.

(3) Conflicts of Interest

There are no cases involving the possibility of a conflict of interest.

(4) IR-Related Activities

a. Holding of Explanatory Meetings, etc.

I. For Individual Investors

After a general unitholders' meeting has been held, explanatory unitholder meetings specifically aimed at individual investors are conducted. Individual investor explanatory meetings are conducted as appropriate by the President & CEO of Tokyu REIM at securities company branches, in cooperation with the securities companies concerned.

II. For Analysts and Institutional Investors

In principle, the President & CEO of Tokyu REIM conducts semiannual explanatory meetings the day after financial statements are announced. About financial statements of thirteenth fiscal period, the meeting took place on March 16, 2010. In the main, Tokyu REIM's President & CEO holds meetings as appropriate with institutional investors who are unable to attend an explanatory meeting.

III. Foreign Investors

After the financial statements are announced, mainly the President & CEO of Tokyu REIM visits foreign institutional investors in Europe, North America, Asia and Oceania to hold individual meetings.

b. IR information Accessible by Web site

IR information is provided on the following URL:

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

IR information appearing on the Web site includes: financial information (financial statements, presentation materials, data books, audio presentation); timely disclosure information other than earnings information (including notices convening unitholder meetings); semiannual report; and information disclosed since its stock exchange listing.

c. Existence of the IR Department (Person in Charge)

Tokyu Real Estate Investment Management Inc.
Senior Executive Officer, Chief Financial Officer and General Manager, Investor Relations
: Yosuke Koi

d. Activity Guidelines

TOKYU REIT's ultimate goals are maximizing unitholder value and undertaking investments that aim to ensure growth potential, stability and transparency, based on guidelines prescribed in its Articles of Incorporation. Among the guidelines for ensuring transparency, rules on disclosure are in place for disclosing information of a statutory nature as well as important information deemed of use to and appropriate for unitholders in a specific and timely manner.

As an investment corporation under the terms of the Investment Trust and Investment Corporation Law of Japan, TOKYU REIT entrusts business affairs related to investment management, including timely disclosure, to Tokyu REIM based on the Investment Management Agreement. Tokyu REIM institutes disclosure guidelines and regulations, based on the Investment Corporation's rules on disclosure. The disclosure guidelines specified in management guidelines are posted on TOKYU REIT's Web site.

(5) Measures for Eliminating Relationships with Antisocial Forces

a. Basic Approaches
<TOKYU REIT>

TOKYU REIT's compliance policies clearly state that TOKYU REIT shall maintain an unwavering position against antisocial forces. TOKYU REIT notifies its principal outsourcees of such policies and other related matters.

<Tokyu REIM>

Tokyu REIM respects and works to help maintain public order while adhering to a basic approach of not using, fearing and engaging in transactions with antisocial forces. Not leaving slightest margin for compromise, Tokyu REIM constantly observes the policy of maintaining a strong posture against antisocial forces.

b. Structure to Eliminate Relationships with Antisocial Forces

I. Internal Regulations

Tokyu REIM clearly defines its stance against antisocial forces in its code of corporate behavior, while more specific initiatives are stipulated in its compliance manuals.

II. Coordinator

Tokyu REIM has established a Compliance Department in charge of issues relating to antisocial forces. Responsible for the preparation of relevant manuals, the provision of training programs in related subjects and collaboration with external specialist organizations, the department is working to establish the necessary structures and systems.

III. Collaboration with External Specialist Organizations

Tokyu REIM is striving to eliminate relationships with antisocial forces through collaboration with external specialist organizations. In more specific terms, Tokyu REIM representatives periodically visit applicable police stations to facilitate communication in case of emergencies while maintaining relationships with attorneys to make available necessary legal consultation.

IV. Collection and Management of Information Relating to Antisocial Forces

In the screening of outsources and new tenants as well as the purchase and sale of portfolio properties, Tokyu REIM conducts careful investigation of the relevant parties and properties for any affiliation with antisocial forces. In this way, Tokyu REIM endeavors to eliminate relationships with antisocial forces.

V. Antisocial Forces Handling Manual

In its compliance manual, Tokyu REIM clearly defines procedures for dealing with antisocial forces. In addition, Tokyu REIM's operational and other manuals stipulate specific procedures deemed necessary in the course of business activities.

VI. Training Programs

Positioning the elimination of relationships with antisocial forces as an important compliance issue, Tokyu REIM provides its employees with compliance training programs.

This report may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations.

This report is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese report shall prevail in the event of any discrepancies between the translation and the Japanese original.