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For Immediate Release

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**Notice Concerning Revision to Distribution Forecasts and expected operating conditions  
for the Thirteenth Fiscal Period (Ending January 31, 2010)  
and the Fourteenth Fiscal Period (Ending July 31, 2010)**

TOKYU REIT, Inc. ("TOKYU REIT") today announced a decision reached at the Board of Directors' Meeting held on December 24, 2009 to revise to its distribution forecasts and expected operating conditions for its 13th Fiscal Period ( From August 1, 2009 to January 31, 2010 ) and for its 14th Fiscal Period ( From February 1, 2010 to July 31, 2010 ) which were announced on September 11, 2009.

**1. Revision to Distribution Forecasts and expected operating conditions**

13th Fiscal Period ( From August 1, 2009 to January 31, 2010 )

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Unit (Yen)	Distribution per Unit (not including distribution in excess of earnings) (Yen)	Distribution in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	7,222	3,249	2,338	2,337	13,800	13,800	-
Revised Forecast (B)	25,316	14,209	13,297	13,296	78,500	78,500	-
Change (B) - (A)	18,093	10,960	10,958	10,958	64,700	64,700	-
Change	250.5%	337.3%	468.6%	468.8%	468.8%	468.8%	-
<Reference> Actual Distribution per Unit for the Previous Period (Ended July 31, 2009)	7,479	3,475	2,627	2,626	15,505	15,505	-

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14th Fiscal Period ( From February 1, 2010 to July 31, 2010 )

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Unit (Yen)	Distribution per Unit (not including distribution in excess of earnings) (Yen)	Distribution in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	7,005	3,130	2,219	2,218	13,100	13,100	-
Revised Forecast (B)	5,927	2,561	1,694	1,693	10,000	10,000	-
Change (B) - (A)	-1,077	-568	-525	-525	-3,100	-3,100	-
Change	-15.4%	-18.2%	-23.7%	-23.7%	-23.7%	-23.7%	-

(Note 1) The forecasts presented in this document have been calculated in accordance with the assumptions set out under certain condition as follows. Forecasts for Operating Revenues, Operating Income, Ordinary Income, Net Income, Net Income per Unit, and Distribution per unit, may differ from actual figures and TOKYU REIT does not guarantee any figures. In the future, in the event that a discrepancy between the assumptions and the initial forecasts exceeding a certain amount is expected, and the numerical values of forecasts are expected to change beyond a certain amount, we will amend the forecasts and announce them accordingly.

(Note 2) Figures have been rounded down and percentages have been rounded to the nearest first decimal place.

## 2. Rationale

Based on the impacts on revenues resulting from the disposition of properties mentioned in the “Notice Concerning Disposition of Domestic Properties (Resona Maruha Building and Ryoshin Harajuku Building)” announced today, we have revised the current forecasts of business results. As a result, we expect a difference of 30% or more in the forecast for net income and a difference of 5% or more in the forecast for distribution per unit. Therefore, we have revised the distribution forecasts and expected operating conditions for the 13th Fiscal Period ( From August 1, 2009 to January 31, 2010 ) and the 14th Fiscal Period (from February 1, 2010 to July 31, 2010)

## 3. Outlook

TOKYU REIT plans to retain most of the funds collected accompanying the disposition as cash on hand. Although it is not included in the abovementioned expected operating conditions and distributions, we will plan to acquire new properties. For the future policies of TOKYU REIT concerning investment management, including this case, please refer to the “Supplementary Explanatory Material for Notice Concerning Disposition of Domestic Properties (Resona Maruha Building and Ryoshin Harajuku Building)” announced today.

Assumptions for Forecasts for the 13th Fiscal Period (from August 1, 2009 to January 31, 2010) and the 14th Fiscal Period (from February 1, 2010 to July 31, 2010)

Item	Preconditions and Assumptions
Period of operation	<ul style="list-style-type: none"> <li>• 13th Fiscal Period ( From August 1, 2009 to January 31, 2010 )</li> <li>• 14th Fiscal Period ( From February 1, 2010 to July 31, 2010 )</li> </ul>
Property portfolio	It is assumed that Ryoshin Harajuku Building will be disposed on December 25, 2009 and Resona Maruha Building will be disposed on January 15, 2010. It is assumed that, concerning other properties, there will no changes until the end of the 14th Fiscal Period (No additional acquisitions, no disposing existing properties, etc.).
Operating revenues	<ul style="list-style-type: none"> <li>• Rental revenues are calculated based on lease agreements effective as of the issuance date of this document. For tenants, effective lease cancellation notice by the issuance date of this document is considered as vacant during the period from the cancellation date to the end of the 14th fiscal period. Average leasing rates are calculated based on those for competitive properties located in the same areas and exhibiting the deteriorating market trends. Forecasts are based on the assumption that there is no payment delay or nonpayment of tenants.</li> <li>• Occupancy Rates as of the end of the 13th fiscal period and the end of the 14th fiscal period are projected to be 96.9% and 94.8%, respectively.</li> </ul>

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Item	Preconditions and Assumptions
Operating expenses	<ul style="list-style-type: none"> <li>• Outsourcing expenses for the 13th and 14th fiscal periods are projected to be ¥450 million and ¥412 million, respectively.</li> <li>• Repair, maintenance and renovation expenses for buildings are calculated based on amounts considered essential for the 13th and 14th fiscal periods. Actual repair, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>• Property and other taxes, such as property tax and city planning tax TOKYU REIT possesses are calculated based on the amount expected to be imposed in each fiscal period (13th fiscal period: ¥607 million / 14th fiscal period: ¥515 million). Property tax and other taxes paid as part of the purchase prices to the seller upon the property acquisition were not recorded as expenses but included in the relevant property acquisition costs. In the 13th and 14th fiscal periods, no property tax will be recorded as property acquisition costs.</li> <li>• Depreciation and amortization expenses, including associated costs and additional capital expenditure, are calculated based on the straight-line method (13th fiscal period: approximately 1,014 million / 14th fiscal period approximately 903 million).</li> <li>• Rental expenses other than those listed above were calculated in consideration of fluctuation factors based on results in past fiscal periods.</li> <li>• Operating expenses other than expenses from real estate operation (investment management fees and asset custodian fees, etc.) for the 13th and 14th fiscal periods are expected to be ¥703 million and ¥549 million, respectively.</li> </ul>
Debt financing	<ul style="list-style-type: none"> <li>• There is no debt maturing during the 13th fiscal period. Forecasts are based on the assumption that the debt maturing during the 14th fiscal period (Short-term 7,000 million, Long-term 7,000 million) will be refinanced. There is no investment corporation bond maturing during the 13th fiscal period and the 14th fiscal period.</li> <li>• LTVs as of the end of the 13th fiscal period and the end of the 14th fiscal period are projected to be 42.6% and 45.0%, respectively. LTV: Interest-bearing debt (forecast) / total assets (forecast)</li> <li>• Interest expenses for the 13th and 14th fiscal periods are expected to be ¥894 million and ¥885 million, respectively. Interest expenses include interest expense, interest expense on investment corporation bonds, interest expense on security deposits and other financial expenses.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• It is assumed that there will be no additional issuances of investment units until the end of the 14th Fiscal Period in addition to the 169,380 investment units outstanding as of December 24, 2009.</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>• Distribution per unit is calculated based on the distribution policy stipulated in the Articles of Incorporation. Calculations are based on a 100% distribution of retained earnings.</li> <li>• There remains the possibility that the distribution per unit may change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc. and unexpected maintenance and repairs.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• TOKYU REIT does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• It is assumed that there will be no revisions to relevant laws and ordinances, the tax system, accounting standards, listing regulations, regulations of the Investment Trusts Association, Japan, etc. which might impact the numerical values of the abovementioned forecasts.</li> <li>• Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>