

March 25, 2010

Real Estate Investment Trust Unit Issuer:  
TOKYU REIT, Inc.  
1-12-1, Dogenzaka,  
Shibuya-ku, Tokyo, 150-0043, Japan  
Masahiro Horie  
Executive Director  
(Securities Code: 8957)

Investment Management Company:  
Tokyu Real Estate Investment Management Inc.  
Representative:  
Masahiro Horie  
Representative Director & President, Chief Executive Officer  
Inquiries:  
Yosuke Koi  
Senior Executive Officer,  
Chief Financial Officer and General Manager, Investor Relations  
TEL: +81-3-5428-5828

**Notice Concerning Revision to Distribution Forecasts and expected operating conditions  
for the Fourteenth Fiscal Period (Ending July 31, 2010)  
and the Fifteenth Fiscal Period (Ending January 31, 2011)**

TOKYU REIT, Inc. (“TOKYU REIT”) today announced a decision reached at the Board of Directors’ Meeting held on March 25, 2010 to revise to its distribution forecasts and expected operating conditions for its 14th Fiscal Period (From February 1, 2010 to July 31, 2010) and for its 15th Fiscal Period (From August 1, 2010 to January 31, 2011) which were announced on March 15, 2010.

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

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)	6,264	2,716	1,864	1,863	11,000	11,000	—
Revised Forecast (B)	6,483	2,867	2,016	2,015	11,900	11,900	—
Change (B) — (A)	218	150	152	152	900	900	—
Change	3.5%	5.6%	8.2%	8.2%	8.2%	8.2%	—
<Reference> Actual Distribution per Unit for the Previous Period (Ended January 31, 2010)	25,359	14,374	13,457	13,456	79,445	79,446	—

15th Fiscal Period (From August 1, 2010 to January 31, 2011)

	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)	6,022	2,546	1,694	1,693	10,000	10,000	—
Revised Forecast (B)	6,330	2,751	1,898	1,897	11,200	11,200	—
Change (B) — (A)	307	204	203	203	1,200	1,200	—
Change	5.1%	8.0%	12.0%	12.0%	12.0%	12.0%	—

(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, Distribution per unit, and Distribution in Excess of Earnings 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 acquisition of property mentioned in the “Notice Concerning Acquisition of Property” announced today, we have revised the current forecasts of business results. As a result, we expect 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 14th Fiscal Period (from February 1, 2010 to July 31, 2010) and the 15th Fiscal Period (from August 1, 2010 to January 31, 2011)

Item	Preconditions and Assumptions
Period of operation	<ul style="list-style-type: none"> <li>14th Fiscal Period (From February 1, 2010 to July 31, 2010)</li> <li>15th Fiscal Period (From August 1, 2010 to January 31, 2011)</li> </ul>
Property portfolio	<ul style="list-style-type: none"> <li>It is assumed that there will be no transfers (new properties added or existing properties removed from the initial portfolio, etc.) by the end of the Fifteenth Fiscal Period (January 31, 2011) from the 23 properties, which include Kojimachi Square acquired on March 19, 2010 and ORIX Shinjuku Building will be acquired on March 26, 2010 along with the 21 properties owned by the Investment Corporation as of January 31, 2010.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Rental revenues are calculated based on lease agreements effective as of March 19, 2010. For tenants, announced lease cancellation by the issuance date of this document is considered as vacant during the period from the cancellation date to the end of the fifteenth fiscal period. Average leasing rates are calculated based on those for competitive properties located in the same areas and exhibiting the same 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 14th fiscal period and the end of the 15th fiscal period are projected to be 96.6% and 96.5%, respectively.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Outsourcing expenses for the fourteenth and fifteenth fiscal periods are projected to be ¥431 million and ¥436 million, respectively.</li> <li>Repair, maintenance and renovation expenses for buildings for the fourteenth and fifteenth fiscal periods are projected to be ¥188 million and ¥186 million, respectively. 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 fixed property tax and city planning tax TOKYU REIT possesses are calculated based on the amount expected to be imposed in each fiscal period (fourteenth fiscal period: ¥516 million / fifteenth fiscal period: ¥509 million). Fixed 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. Property and other</li> </ul>

Item	Preconditions and Assumptions
	<p>taxes for the fourteenth period is projected 52 million.</p> <ul style="list-style-type: none"> <li>• Depreciation and amortization expenses, including associated costs and additional capital expenditure in the future, are calculated based on the straight-line method (fourteenth fiscal period: approximately 976 million / fifteenth fiscal period approximately 997 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> </ul> <p>Operating expenses other than expenses from real estate operation (investment management fees and asset custodian fees, etc.) for the fourteenth and fifteenth fiscal periods are expected to be ¥578 million and ¥600 million, respectively.</p>
Debt financing	<ul style="list-style-type: none"> <li>• With debt financing (short-term debt financing of ¥7,000 million and long-term debt financing of ¥12,000 million) repayment dates approaching in the Fourteenth and Fifteenth Fiscal Periods, it is assumed that the short-term debt financing of ¥7,000 million will be repaid with cash reserves and the entire long-term debt financing of ¥12,000 million will be refinanced. There is no investment corporation bonds maturing during the fourteenth fiscal period and the fifteenth fiscal period.</li> <li>• LTVs as of the end of the fourteenth fiscal period and the end of the fifteenth fiscal period are projected to be 43.5% and 43.6%, respectively. LTV: Interest-bearing debt (forecast) / total assets (forecast)</li> <li>• Interest expenses for the fourteenth and fifteenth fiscal periods are expected to be ¥856 million and ¥856 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 Fifteenth Fiscal Period in addition to the 169,380 investment units outstanding as of March 25, 2010.</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. It is possible that the distribution per unit could 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>• Forecasts are based on the assumption that any major revisions to regulatory requirements, accounting standards and taxation will not impact forecast figures.</li> </ul> <p>Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</p>

This notice 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 notice 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 notice shall prevail in the event of any discrepancies between the translation and the Japanese original.