

October 28, 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
Director, 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 Fifteenth Fiscal Period (Ending January 31, 2011)
and the Sixteenth Fiscal Period (Ending July 31, 2011)**

TOKYU REIT, Inc. (“TOKYU REIT”) today announced a decision reached at the Board of Directors’ Meeting held on October 28, 2010 to revise to its distribution forecasts and expected operating conditions for its 15th Fiscal Period (From August 1, 2010 to January 31, 2011) and for its 16th Fiscal Period (From February 1, 2011 to July 31, 2011) which were announced on September 13, 2010.

1. Revision to Distribution Forecasts and expected operating conditions
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)	6,291	2,712	1,864	1,863	11,000	11,000	—
Revised Forecast (B)	6,503	2,824	1,965	1,964	11,600	11,600	—
Change (B) — (A)	212	112	101	101	600	600	—
Change	3.4%	4.1%	5.5%	5.5%	5.5%	5.5%	—
<Reference> Actual Distribution per Unit for the Previous Period (Ended July 31, 2010)	6,550	3,001	2,134	2,133	12,597	12,598	—

16th Fiscal Period (From February 1, 2011 to July 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)	6,212	2,670	1,830	1,829	10,800	10,800	—
Revised Forecast (B)	6,594	2,787	1,948	1,947	11,500	11,500	—
Change (B) — (A)	382	117	118	118	700	700	—
Change	6.2%	4.4%	6.5%	6.5%	6.5%	6.5%	—

(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 Properties” 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 15th Fiscal Period (from August 1, 2010 to January 31, 2011) and the 16th Fiscal Period (from February 1, 2011 to July 31, 2011)

Item	Preconditions and Assumptions
Period of operation	<ul style="list-style-type: none"> Fifteenth fiscal period (From August 1, 2010 to January 31, 2011) Sixteenth fiscal period (From February 1, 2011 to July 31, 2011)
Property portfolio	<ul style="list-style-type: none"> 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 sixteenth fiscal period (July 31, 2011) from the 25 properties, which include Akihabara Sanwa Toyo Building and Kiba Eitai Building that will be acquired on October 29, 2010 along with the 23 properties owned by the Investment Corporation as of July 31, 2010.
Operating revenues	<ul style="list-style-type: none"> Rental revenues are calculated based on lease agreements effective as of October 12, 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 sixteenth 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. Occupancy Rates as of the end of the fifteenth fiscal period and the end of the sixteenth fiscal period are projected to be 96.1% and 96.4%, respectively.
Operating expenses	<ul style="list-style-type: none"> Outsourcing expenses for the fifteenth and sixteenth fiscal periods are projected to be ¥451 million and ¥451 million, respectively. Repair, maintenance and renovation expenses for buildings for the fifteenth and sixteenth fiscal periods are projected to be ¥219 million and ¥322 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. 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 (fifteenth fiscal period: ¥524 million / sixteenth fiscal period: ¥614 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 taxes for the fifteenth period is projected 11 million. Depreciation and amortization expenses, including associated costs and additional capital expenditure in the future, are calculated based on the straight-line method (fifteenth fiscal period:

Item	Preconditions and Assumptions
	<p>approximately 1,038 million / sixteenth fiscal period approximately 965 million).</p> <ul style="list-style-type: none"> Rental expenses other than those listed above were calculated in consideration of fluctuation factors based on results in past fiscal periods. Operating expenses other than expenses from real estate operation (investment management fees and asset custodian fees, etc.) for the fifteenth and sixteenth fiscal periods are expected to be ¥580 million and ¥600 million, respectively.
Debt financing	<ul style="list-style-type: none"> With debt financing (long-term debt financing of ¥15,000 million) repayment dates approaching in the fifteenth and sixteenth fiscal periods, it is assumed that the entire long-term debt financing of ¥15,000 million will be refinanced. There is no investment corporation bond maturing during the fifteenth fiscal period and the sixteenth fiscal period. LTVs as of the end of the fifteenth fiscal period and the end of the sixteenth fiscal period are projected to be 43.4% and 43.5%, respectively. LTV: Interest-bearing debt (forecast) / total assets (forecast) Interest expenses for the fifteenth and sixteenth fiscal periods are expected to be ¥848 million and ¥821 million, respectively. Interest expenses include interest expense, interest expense on investment corporation bonds, interest expense on security deposits and other financial expenses.
Investment units	<ul style="list-style-type: none"> It is assumed that there will be no additional issuances of investment units until the end of the sixteenth fiscal period in addition to the 169,380 investment units outstanding as of October 28, 2010.
Distribution per unit	<ul style="list-style-type: none"> 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.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> TOKYU REIT does not currently anticipate distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> Concerning the “Accounting Standards for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18 issued on March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21 issued on March 31, 2008), which shall apply to fiscal years beginning on or after April 1, 2010, TOKYU REIT is reviewing whether or not a reasonable estimate can be made by taking into account evidence currently available to TOKYU REIT and other factors. Consequently, TOKYU REIT does not currently include such in the assumptions for forecasts. Forecasts are based on the assumption that any major revisions to regulatory requirements, accounting standards and taxation will not impact forecast figures. Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.

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.