

TOKYU REIT

First Fiscal Period

Presentation

TOKYU REIT, Inc.

8957

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

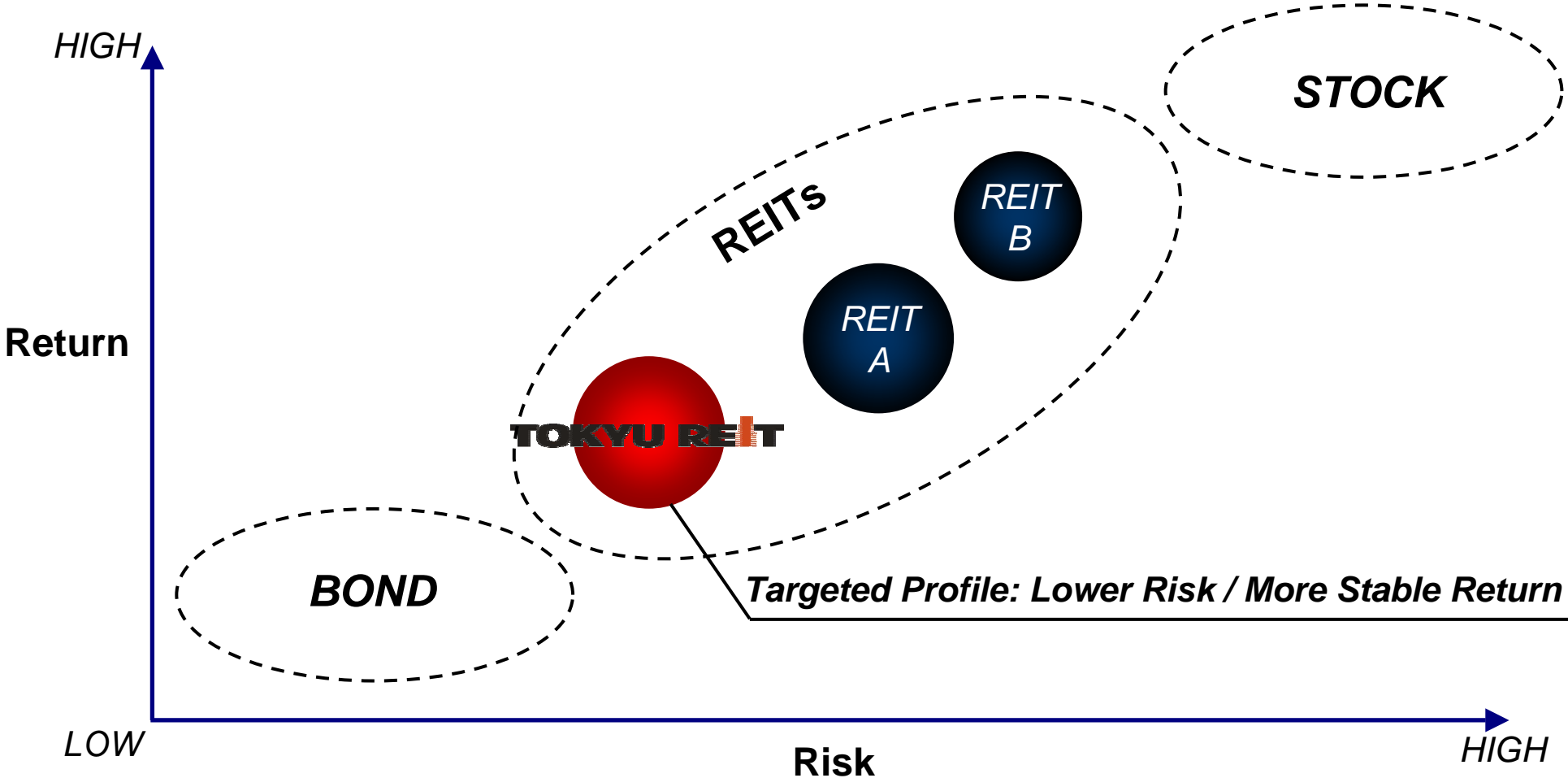
- **Differentiate Ourselves**
- **Achievements and Objectives**
- **Financial Results and Forecasts**
- **Our Challenges**

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TOKYU REIT

Differentiate Ourselves

REITs provide mid-risk / return investment opportunity



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Growth Strategy

Investments in Growth Potential Areas
Collaboration with Tokyu Group Companies
Value Enhancing Synergies of the Tokyu Areas

Stable Portfolio

Sector Diversification and Area Focus
Stable Cash Flow backed by Long-term Leases
Lower Risks and Stable Returns Investment Criteria

Transparent Structure

Related-party Transaction Rules
Double checks for due process by third-parties
Disclosure of Related-party Transactions

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■ Areas with Growth Potential

- Tokyo Metropolitan Areas,
(Mainly Central Tokyo and Tokyu Areas)

■ Properties with Lower Risk and Competitiveness

- Min. Investment Size : JPY4bn/property
- Large Size Office Bldg. : Total floor area: >5,000m²

■ Reasonable Price and Quality Portfolio

- Sector Allocation: Office 60% vs. Retail 40%

■ Collaboration with Tokyu Group Companies



**Growth of Return
/ Stable Return**

■ Fiduciary Duties of TREIM as REIT Mgmt Co

■ Monitoring by the Third-Parties with Double Check

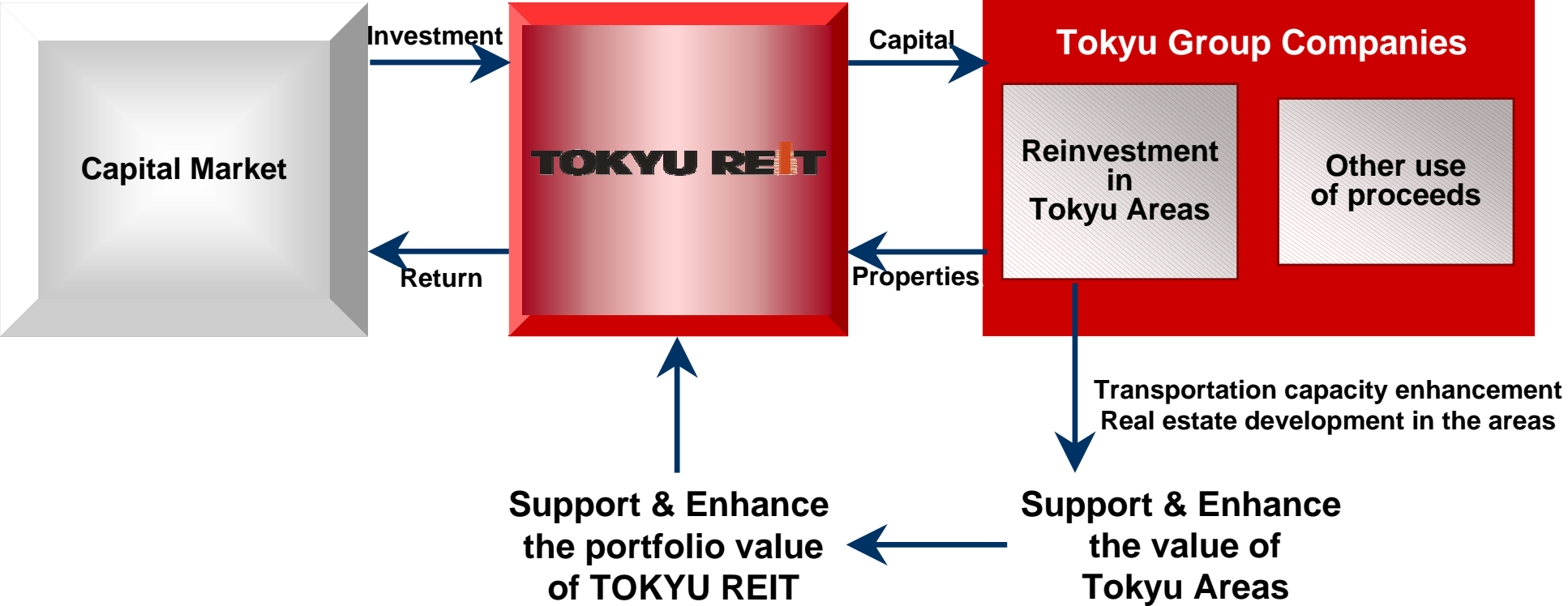
■ Fair & Timely Disclosure



**Transparent
Structure**

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Reinvestment of Capital Generated through TOKYU REIT



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Achievements and Objectives

Achievements and Objectives

| | | Achievements | Negative Events | Objectives |
|---------------------|--------------------------|---|---|---|
| Growth | External Growth | <ul style="list-style-type: none"> ■ 2 properties acquired | | <ul style="list-style-type: none"> ■ Additional Acquisition incl. Properties with Sponsors Commitment |
| | Internal Growth | <ul style="list-style-type: none"> ■ Leasing <ul style="list-style-type: none"> ● Leased-up: Setagaya Business Sq. Omotesando Sq. ■ Cost Reduction <ul style="list-style-type: none"> ● Building maintenance costs ● CapEx control | <ul style="list-style-type: none"> ■ Major Tenant Evacuation in Omotesando Sq. | <ul style="list-style-type: none"> ■ Lease-up of Akasaka Hinokicho Bldg. and Resona Maruha Bldg. ■ Promotion of percentage rent ■ Further Outsourcing Fees Reduction and CapEx Control |
| Stability | Properties | <ul style="list-style-type: none"> ■ Portfolio Quality Improved <ul style="list-style-type: none"> ● Long-term Lease Increased ● Portfolio PML Improved ● Investment Share of Central Tokyo Increased, etc. | | |
| | Finance | <ul style="list-style-type: none"> ■ Additional short-term loan | | <ul style="list-style-type: none"> ■ Long-term / Fixed-rate interest ■ Staggering Maturity ■ Diversified Finance Method (incl. obtaining ratings) |
| Transparency | Governance | <ul style="list-style-type: none"> ■ Fully Utilized Governance System ■ Implementation of the Internal Rule for Related-Party Transactions | | |
| | Disclosure And IR | <ul style="list-style-type: none"> ■ Web site open ■ Investors' meeting | | <ul style="list-style-type: none"> ■ Full and Timely Disclosure <ul style="list-style-type: none"> ● Web site Improvement ● More Investors' Meeting |

Performance Dividend  **Unit Price vs. Index *** 

* The TSE REIT Index

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External Growth (1)



Two properties acquired (as of March 1, 2004)

Resona Maruha Building



TOKYU REIT Shibuya-Udagawacho Square

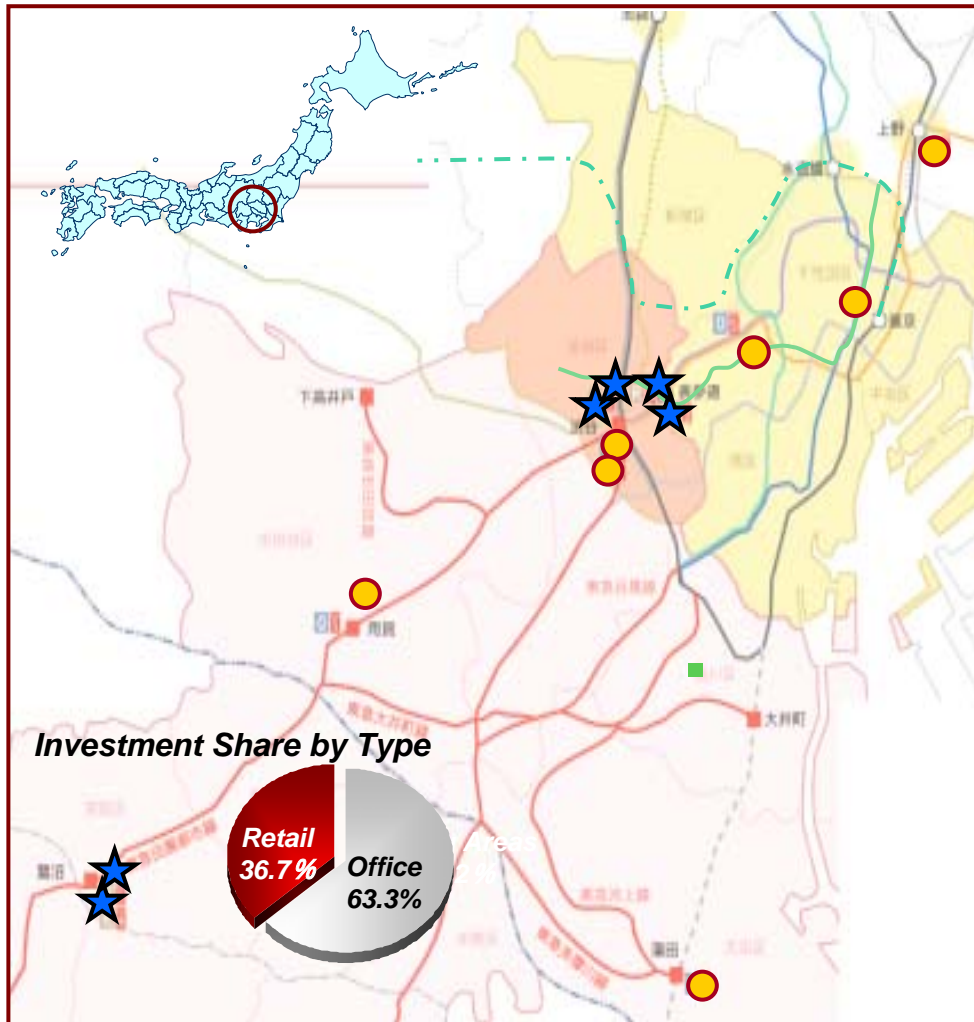


| | | |
|--------------------|--|---|
| Location | Otemachi: Most prestigious CBD in Tokyo | Central shopping district in Shibuya |
| Main Tenant |  |  |
| Description | Occupancy Rate: 78% / Bldg Age: 25 yr Vacant 2 floors to be renovated (CapEx: more than JPY310 million) Long-term Lease | Long-term Lease |
| Seller | A third party | Tokyu Group Company |

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External Growth (2)

As of March 1, 2004



Retail Properties



QFRONT



Lexington Aoyama



TOKYU REIT Omotesando Square



TOKYU REIT Shibuya Udagawa-cho Square



Tokyu Saginuma Building



Tokyu Saginuma 2 Building

Office Properties



Setagaya Business Square



Tokyu Nampeidai-cho Building



Tokyu Sakuragaoka-cho Building



Resona Maruha Building



Tokyo Nissan Taito Building



TOKYU REIT Akasaka Hinoki-cho Building

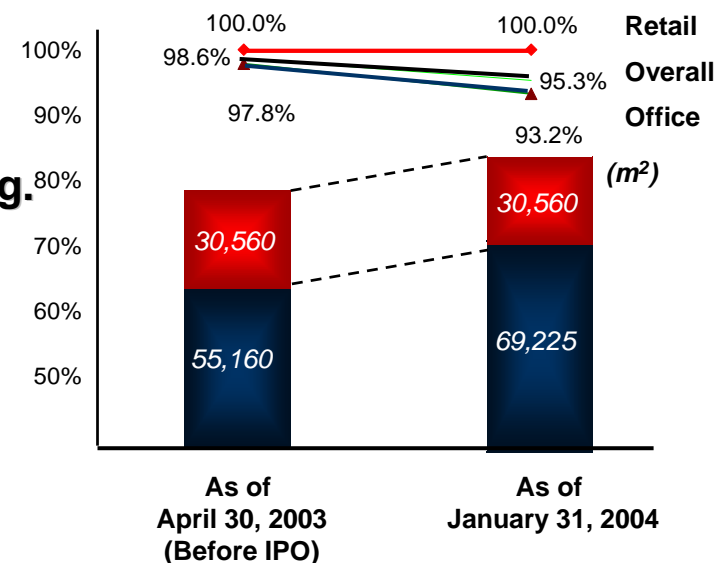


TOKYU REIT Kamata Building

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Leasing

- **Portfolio occupancy rate declined to 95.3% (as of January 31, 2004)**
 - **Mainly due to the acquisition of Resona Maruha Bldg.**
 - **11 properties acquired at the IPO maintains 98.0% occupancy rate**
- **Occupancy rate improvement for each property**
 - **SBS: 93.9% (At IPO)**
 - ➡ **94.8% (as of January 31, 2004)**
 - **Omotesando Sq.: Timely tenant replacement**
- **Further effort to leasing-up for Resona Maruha Bldg. and Akasaka Hinokicho Bldg.**
- **Promotion of percentage rent in retail properties**



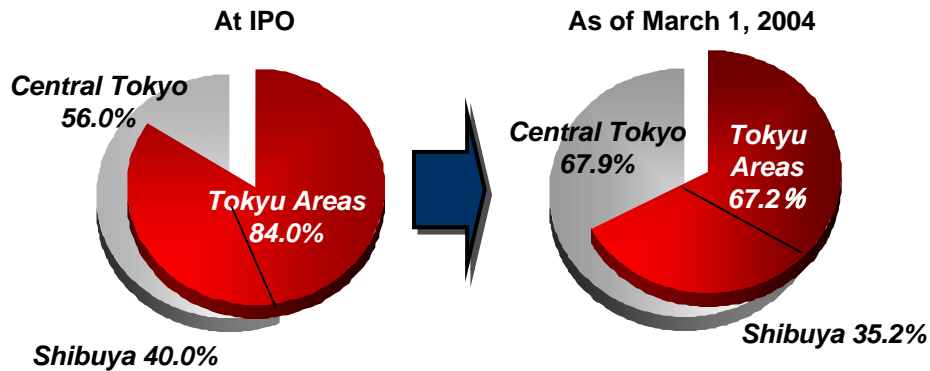
Cost Reduction

- **Cost reduction on building maintenance costs by 3.2% for the whole portfolio**
- **Cost reduction on CapEx**
 - **Leverage on the construction management capability**

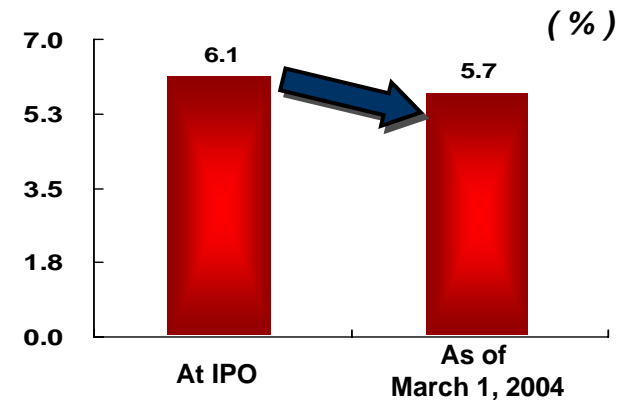
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Portfolio Quality Improved (1)

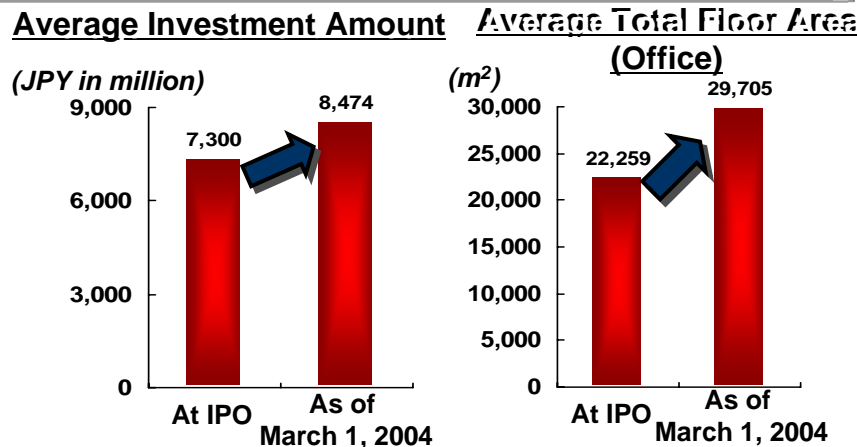
Geographical Investment Allocation



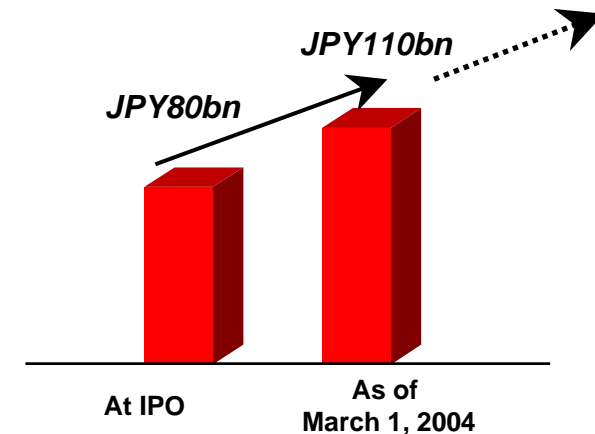
Portfolio PML



Average Investment Size



Portfolio Size



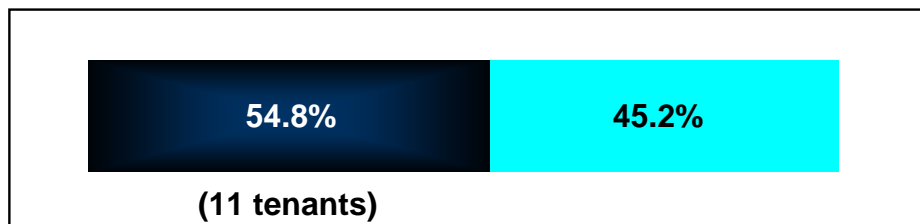
* At IPO: Based on 11 properties (6 offices) / As of March 1, 2004: Based on 13 properties (7 offices)

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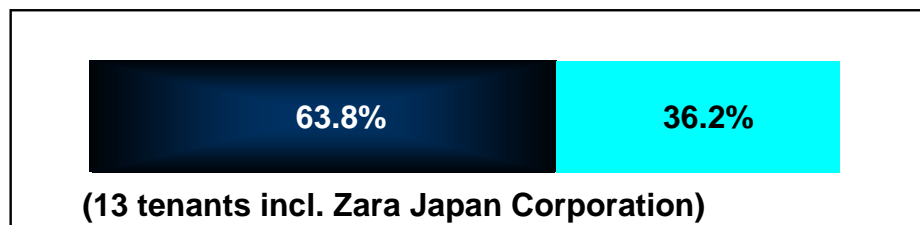
Portfolio Quality Improved (2)

Long-term Leases Increased *

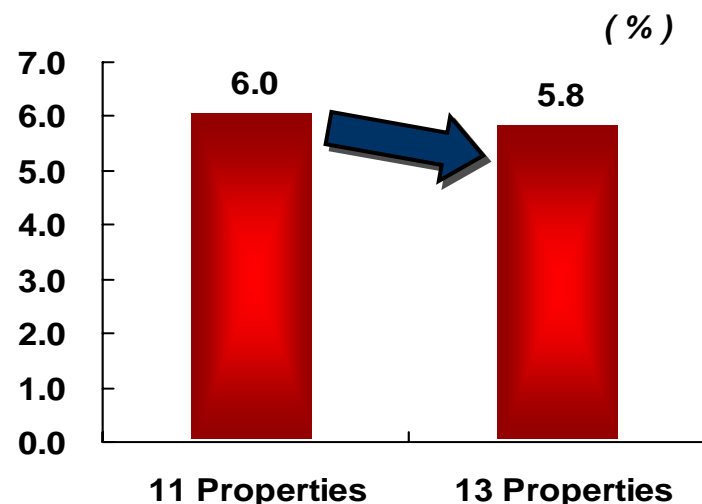
At IPO



As of January 31, 2004



Weighted Average Direct Cap Rate (NOI base)



* Long-term Lease: Those with remaining life of contracts of five years or longer from February 1st, 2003

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■ Borrowings

As of March 11, 2004

| | Lender | Amount (million yen) | Draw down | Expected Maturity | Interest | Collateral |
|--------|--|-------------------------|-----------|----------------------|---|------------|
| Loan 1 | Sumitomo Trust and Banking The Chuo Mitsui Trust and Banking Bank of Tokyo Mitsubishi Mizuho Corporate Bank The Mitsubishi Trust and Banking | 15,700 | 2003/9/11 | 1 year | 0.68% | Secured |
| Loan 2 | | 17,000 | 2003/9/11 | 1 year | 0.68% | |
| Loan 3 | | 24,000 | 2004/1/15 | Due on 2004/9/11 | 0.88% | |
| Loan 4 | | 5,500 | 2004/3/1 | Due on 2004/9/11 | 0.889% | |
| Total | | 62,200 | | | 0.78% (Weighted average interest rate) | |

■ Finance Policy

➤ Debt Finance

- ◆ Lower cost and flexible financing
- ◆ Risk hedge (interest rate increase / refinance)
- ◆ Flexibility

➤ Equity Finance

- ◆ Flexible issuance with careful attention to dilution



- ◆ Long-term / fixed-rate interest
- ◆ Staggering Maturity
- ◆ Diversified financing methodology (incl. obtaining ratings)

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Financial Results and Forecasts

First Fiscal Period Profit and Loss Statement

Yen in millions

| ITEM | 1st Fiscal Period | | Estimates | | Change |
|------------------------------|-------------------|--------|-------------------|--------|--------|
| | As of | | As of | | |
| | January 31, 2004 | | December 18, 2004 | | |
| | JPY | % | JPY | % | JPY |
| Total Operating Revenues | 2,896 | 100.0% | 2,858 | 100.0% | 38 |
| Rental revenues | 2,630 | 90.8% | 2,614 | 90.3% | 16 |
| Rent | 2,295 | 79.2% | 2,287 | 79.0% | 8 |
| Parking rent | 65 | 2.2% | 62 | 2.2% | 3 |
| Others | 269 | 9.3% | 265 | 9.1% | 4 |
| Other revenues | 265 | 9.2% | 244 | 8.4% | 21 |
| Incidental revenues | 237 | 8.2% | 226 | 7.8% | 11 |
| Other revenues | 28 | 1.0% | 19 | 0.6% | 9 |
| Total Operating Expenses | 1,163 | 40.2% | 1,193 | 41.2% | -30 |
| Expenses | 696 | 24.0% | 725 | 25.0% | -29 |
| Utility charges | 282 | 9.7% | 291 | 10.1% | -9 |
| Building maintenance costs | 244 | 8.4% | 243 | 8.4% | 1 |
| Property management expenses | 69 | 2.4% | 69 | 2.4% | 0 |
| Repairs and maintenance | 18 | 0.6% | 33 | 1.2% | -15 |
| Property and other taxes | 0 | 0.0% | 0 | 0.0% | 0 |
| Insurance expenses | 9 | 0.3% | 9 | 0.3% | 0 |
| Other operating expenses | 72 | 2.5% | 80 | 2.7% | -8 |
| Depreciation | 466 | 16.1% | 468 | 16.2% | -2 |
| Net Operating Income | 1,733 | 59.8% | 1,666 | 57.5% | 67 |
| Administrative expenses | 246 | 8.5% | 248 | 8.6% | -2 |
| Asset management fees | 189 | 6.5% | 185 | 6.4% | 4 |
| Operating Profits | 1,486 | 51.3% | 1,417 | 48.9% | 69 |
| Non-Operating Revenues | 0 | 0.0% | 0 | 0.0% | -0 |
| Non-Operating Expenses | 555 | 19.2% | 555 | 19.2% | -0 |
| Interest expenses | 99 | 3.4% | 125 | 4.3% | -26 |
| New unit-issuance expenses | 254 | 8.8% | 260 | 9.0% | -6 |
| Unit-listing expenses | 47 | 1.6% | 45 | 1.6% | 2 |
| Organization expenses | 52 | 1.8% | 55 | 1.9% | -3 |
| Other non-operating expenses | 101 | 3.5% | 70 | 2.4% | 31 |
| Recurring Profits | 930 | 32.1% | 863 | 29.8% | 67 |
| Income Before Income Taxes | 930 | 32.1% | 863 | 29.8% | 67 |
| Income Taxes | 1 | 0.0% | 1 | 0.0% | 0 |
| Corporate Tax Adjustments | -0 | -0.0% | 0 | 0.0% | -0 |
| Net Income | 929 | 32.1% | 862 | 29.8% | 67 |
| Dividend per Unit | 9,488 | | 8,800 | | 688 |

✓ Actual operating days is 144 days (Normally 180 days)

✓ Air conditioning revenues 140
✓ Rent of QFRONT LED screen 102

✓ Revenues from pay-by-the-hour parking lots 14

✓ Increase by new leasing agreement both with new tenants and existing tenants
✓ Difference between the actual revenues and conservative estimates

✓ Increase in revenues of air conditioning 21
✓ Decrease in utility charge revenues due to cold summer (7)

✓ Pay back from sellers for construction expenses

✓ Decrease due to cold summer

✓ Decrease in construction expenses (14)

✓ Up-front fees on borrowings 41

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First Fiscal Period Balance Sheet

yen in millions

| | |
|------------------------------|--------|
| ✓Cash and bank deposits | 1,893 |
| ✓Entrusted cash and deposits | 10,208 |
| ✓Deferred tax assets | 1,336 |

| | |
|--|--------|
| ✓Entrusted buildings | 26,657 |
| ✓Entrusted structures | 432 |
| ✓Entrusted machinery and equipment | 134 |
| ✓Entrusted tools, furniture and fixtures | 88 |
| ✓Entrusted land | 76,676 |
| ✓Entrusted leasehold and security deposit received | 875 |

| ITEM | 1st Fiscal Period As of January 31, 2004 | | | |
|--|---|--|---------|---|
| | Actual | Estimate as of December 18, 2003 | changes | Estimate as of September 10, 2003 |
| Total Assets | 118,461 | 117,432 | 1,029 | 91,727 |
| Current Assets | 13,572 | 12,627 | 945 | 10,673 |
| Fixed Assets | 104,889 | 104,805 | 84 | 81,054 |
| Total Liabilities | 67,414 | 66,452 | 962 | 40,784 |
| Short-term Borrowings | 56,700 | 56,700 | 0 | 32,700 |
| Leasehold and security deposits received | 9,257 | 9,208 | 49 | 8,084 |
| Other liabilities | 1,457 | 544 | 913 | 0 |
| Total Unitholders' Equity | 51,047 | 50,980 | 67 | 50,943 |
| Total Unitholders' capital | 50,118 | 50,118 | 0 | 50,118 |
| Retained earnings | 929 | 862 | 67 | 825 |

LTV at the end of the fiscal period

| | | | | |
|--|-------|-------|------|-------|
| Interest bearing debt / Total assets | 47.9% | 48.3% | 0.4% | 35.6% |
| Interest bearing debt / Appraisal value of properties | 55.0% | 55.0% | 0.0% | 40.7% |

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First Fiscal Period Cash Flow Statement

yen in millions

| Cash Flow Statement | | 1st Fiscal Period As of January 31, 2004 |
|--|--|---|
| Cash Flows from Operating Activities | | 1,379 |
| | Net income before income taxes | 931 |
| | Depreciation | 467 |
| | Others | -19 |
| Cash Flows from Investing Activities | | -104,479 |
| | Purchase of fixed assets | -104,469 |
| | Proceeds from leasehold and security deposits received | 9,257 |
| | Proceeds from entrusted leasehold and security deposits received | -884 |
| | Payments for restricted trust deposits | -8,383 |
| Cash Flows from Financing Activities | | 106,818 |
| | Proceeds from/Repayment of short-term borrowings | 56,700 |
| | Proceeds from issuance of units | 50,118 |
| Net Increase in Cash and Cash Equivalents | | 3,718 |
| Cash and Cash Equivalents at beginning of Period | | - |
| Cash and Cash Equivalents at end of Period | | 3,718 |

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Selected Financial Data by Property

Yen in thousands

| | RETAIL | | | | | | OFFICE | | | | | | | | TOTAL |
|---|------------|------------------|------------------------------|----------------|------------------|------------|--------------------------|------------------------------|--------------------------------|-----------------------------|---------------------------------------|----------------------------|------------------------|------------|-------------|
| | Q FRONT | Lexington Aoyama | TOKYU REIT Omotesando Square | Tokyu Saginuma | Tokyu Saginuma 2 | Sub-total | Setagaya Business Square | Tokyu Nampo-dai-cho Building | Tokyu Sakuragaoka-cho Building | Tokyo Nissan Taito Building | TOKYU REIT Akasaka Hinokicho Building | TOKYU REIT Kamata Building | Resona Maruha Building | Sub-total | |
| Operating Revenues | 454,837 | 124,248 | 149,315 | 242,960 | 50,461 | 1,021,821 | 990,771 | 132,884 | 181,634 | 185,103 | 108,576 | 224,206 | 51,372 | 1,874,550 | 2,896,372 |
| Rental revenues | 417,736 | 118,310 | 138,025 | 242,960 | 48,251 | 965,283 | 872,943 | 132,884 | 173,810 | 163,797 | 93,465 | 177,350 | 51,245 | 1,665,497 | 2,630,780 |
| Other revenues | 37,100 | 5,938 | 11,290 | - | 2,210 | 56,538 | 117,827 | - | 7,824 | 21,306 | 15,111 | 46,856 | 126 | 209,053 | 265,591 |
| Operating Expenses | 148,736 | 18,376 | 16,323 | 21,511 | 5,886 | 210,834 | 323,679 | 10,171 | 19,585 | 39,821 | 25,190 | 58,617 | 8,605 | 485,670 | 696,504 |
| Utility charges | 29,869 | 7,332 | 8,212 | - | 2,217 | 47,631 | 163,121 | - | 7,858 | 14,708 | 9,969 | 37,505 | 1,726 | 234,889 | 282,521 |
| Building maintenance costs | 54,047 | 3,211 | 3,581 | 11,957 | 1,249 | 74,047 | 111,643 | 6,959 | 7,850 | 18,532 | 6,674 | 14,782 | 4,405 | 170,847 | 244,895 |
| Property management expenses | 14,737 | 2,641 | 3,088 | 2,658 | 1,123 | 24,249 | 30,400 | 1,328 | 2,556 | 3,395 | 2,362 | 3,661 | 1,076 | 44,783 | 69,033 |
| Repair and maintenance | 152 | 81 | 354 | 4,586 | 800 | 5,974 | 6,290 | 745 | 372 | 381 | 4,900 | 90 | - | 12,780 | 18,754 |
| Property and other taxes | 0 | - | - | - | 0 | 0 | - | 0 | 0 | 5 | - | - | 40 | 45 | 46 |
| Insurance expenses | 1,042 | 113 | 168 | 521 | 106 | 1,953 | 3,978 | 592 | 489 | 887 | 196 | 897 | 85 | 7,128 | 9,081 |
| Other operating expenses | 48,887 | 4,995 | 918 | 1,786 | 388 | 56,976 | 8,244 | 544 | 457 | 1,911 | 1,086 | 1,679 | 1,271 | 15,195 | 72,172 |
| Property Net Operating Income (NOI) | 306,100 | 105,871 | 132,991 | 221,449 | 44,575 | 810,987 | 667,092 | 122,713 | 162,049 | 145,282 | 83,386 | 165,589 | 42,767 | 1,388,879 | 2,199,866 |
| Depreciation | 50,932 | 5,684 | 8,479 | 21,815 | 6,801 | 93,713 | 224,288 | 24,697 | 20,311 | 40,915 | 11,578 | 42,740 | 8,545 | 373,078 | 466,791 |
| Net Operating Income (NOI) | 255,167 | 100,187 | 124,511 | 199,633 | 37,773 | 717,273 | 442,803 | 98,015 | 141,737 | 104,366 | 71,808 | 122,848 | 34,221 | 1,015,801 | 1,733,074 |
| Capital Expenditures | 1,018 | - | - | 7,727 | - | 8,745 | 1,674 | 2,440 | 567 | 2,268 | 26,103 | 4,579 | - | 37,631 | 46,376 |
| Acquisition price | 15,100,000 | 4,800,000 | 5,770,000 | 6,920,000 | 1,290,000 | 33,880,000 | 22,400,000 | 4,660,000 | 6,620,000 | 4,450,000 | 3,570,000 | 4,720,000 | 23,260,000 | 69,680,000 | 103,560,000 |
| Land | 12,125,300 | 4,478,400 | 5,291,090 | 5,432,200 | 984,270 | 28,311,260 | 11,065,600 | 2,968,420 | 5,223,180 | 1,917,950 | 2,945,250 | 2,161,760 | 21,469,000 | 47,751,160 | 76,062,420 |
| Building | 2,974,700 | 321,600 | 478,910 | 1,487,800 | 305,730 | 5,568,740 | 11,334,400 | 1,691,580 | 1,396,820 | 2,532,050 | 624,750 | 2,558,240 | 1,791,000 | 21,928,840 | 27,497,580 |
| Appraisal value at the end of the period | 15,100,000 | 4,840,000 | 5,450,000 | 7,150,000 | 1,290,000 | 33,830,000 | 22,400,000 | 4,660,000 | 6,620,000 | 4,450,000 | 3,570,000 | 4,720,000 | 22,800,000 | 69,220,000 | 103,050,000 |
| Book value at the end of the period | 15,079,309 | 4,802,755 | 5,769,461 | 6,930,711 | 1,289,484 | 33,871,721 | 22,269,183 | 4,651,496 | 6,615,160 | 4,428,796 | 3,592,514 | 4,697,075 | 23,876,105 | 70,130,332 | 104,002,054 |
| Entrusted land | 12,147,079 | 4,485,503 | 5,296,945 | 5,446,615 | 988,169 | 28,364,313 | 11,081,787 | 2,974,520 | 5,233,294 | 1,922,944 | 2,950,298 | 2,165,631 | 21,983,090 | 48,311,568 | 76,675,881 |
| Entrusted property (excl. entrusted land) | 2,932,229 | 317,252 | 472,515 | 1,484,095 | 301,314 | 5,507,408 | 11,187,395 | 1,676,976 | 1,381,865 | 2,505,851 | 642,215 | 2,531,444 | 1,893,015 | 21,818,764 | 27,326,172 |

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Estimated Profit and Loss Statement

Yen in millions

| ITEMS | 2nd period (estimate) July 2004 | | 2nd period (estimate) as of December 18, 2004 | | changes JPY | 1st period (actual) January 2004 | |
|--------------------------------|------------------------------------|--------|--|--------|----------------|-------------------------------------|--------|
| | JPY | % | JPY | % | | JPY | JPY |
| Total Operating Revenues | 4,304 | 100.0% | 4,182 | 100.0% | 123 | 2,896 | 100.0% |
| Rental revenues | 3,898 | 90.6% | 3,889 | 93.0% | 9 | 2,630 | 90.8% |
| Rent | 3,473 | 80.7% | 3,466 | 82.9% | 7 | 2,295 | 79.2% |
| Parking rent | 81 | 1.9% | 81 | 1.9% | 0 | 65 | 2.2% |
| Others | 344 | 8.0% | 343 | 8.2% | 1 | 269 | 9.3% |
| Other revenues | 406 | 9.4% | 293 | 7.0% | 113 | 265 | 9.2% |
| Incidental revenues | 352 | 8.2% | 271 | 6.5% | 82 | 237 | 8.2% |
| Other revenues | 54 | 1.2% | 23 | 0.5% | 31 | 28 | 1.0% |
| Total Operating Expenses | 2,092 | 48.6% | 1,965 | 47.0% | 127 | 1,163 | 40.2% |
| Expenses | 1,472 | 34.2% | 1,353 | 32.4% | 119 | 696 | 24.0% |
| Utility charges | 442 | 10.3% | 364 | 8.7% | 78 | 282 | 9.7% |
| Building maintenance costs | 356 | 8.3% | 358 | 8.6% | -2 | 244 | 8.4% |
| Property management expenses | 113 | 2.6% | 108 | 2.6% | 5 | 69 | 2.4% |
| Repairs and maintenance | 115 | 2.7% | 106 | 2.5% | 9 | 18 | 0.6% |
| Property and other taxes | 325 | 7.6% | 320 | 7.7% | 5 | 0 | 0.0% |
| Insurance expenses | 14 | 0.3% | 13 | 0.3% | 1 | 9 | 0.3% |
| Other operating expenses | 106 | 2.5% | 85 | 2.0% | 21 | 72 | 2.5% |
| Depreciation | 620 | 14.4% | 612 | 14.6% | 8 | 466 | 16.1% |
| Net Operating Income | 2,212 | 51.4% | 2,217 | 53.0% | -5 | 1,733 | 59.8% |
| Administrative expenses | 518 | 12.0% | 488 | 11.7% | 30 | 246 | 8.5% |
| Asset management fees | 344 | 8.0% | 301 | 7.2% | 43 | 189 | 6.5% |
| Operating Profits | 1,694 | 39.4% | 1,729 | 41.3% | -35 | 1,486 | 51.3% |
| Non-Operating Revenues | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0.0% |
| Non-Operating Expenses | 320 | 7.4% | 355 | 8.5% | -35 | 555 | 19.2% |
| Recurring Profits | 1,374 | 31.9% | 1,374 | 32.9% | 1 | 930 | 32.1% |
| Net Income Before Income Taxes | 1,374 | 31.9% | 1,374 | 32.9% | 1 | 930 | 32.1% |
| Income Taxes | 2 | 0.1% | 2 | 0.0% | 1 | 1 | 0.0% |
| Corporate Tax Adjustments | 0 | 0.0% | 0 | 0.0% | 0 | -0 | -0.0% |
| Net Income | 1,372 | 31.9% | 1,372 | 32.8% | 0 | 929 | 32.1% |
| Dividend per unit | 14,000 | | 14,000 | | | 9,488 | |

Properties Owned

No changes except for the newly acquired properties, Resona Maruha Building in the 1st fiscal period and Shibuya Udagawa-cho Sq. in the 2nd fiscal period

Operating Revenues

Based on leasing agreements effective as of March 26, 2004

Operating Expenses

With regard to property taxes on Resona Maruha Building and Udagawa-cho Sq., the pro rata portion as part of the acquisition cost of the properties is capitalized and is not recognized as an expense through the 2nd fiscal period.

Non-Operating Expenses

Refinance to long-term borrowings is planned in the 2nd fiscal period

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Estimated Balance Sheet

yen in millions

| ITEMS | 2nd period (estimate) | 2nd period estimate as of December 18, 2003 | 2nd period estimate as of September 10, 2003 | 1st period (actual) |
|--|-----------------------|--|---|---------------------|
| Total Assets | 124,746 | 123,817 | 92,098 | 118,462 |
| Current assets | 13,393 | 12,540 | 11,560 | 13,572 |
| Fixed assets | 111,352 | 111,277 | 80,538 | 104,889 |
| Total Liabilities | 73,256 | 72,327 | 40,784 | 67,414 |
| Short-term Borrowings | 62,200 | 62,200 | 32,700 | 56,700 |
| Leasehold and security deposits received | 9,258 | 9,383 | 8,084 | 9,257 |
| Other liabilities | 1,797 | 744 | 0 | 1,457 |
| Total Unitholders' Equity | 51,490 | 51,490 | 51,314 | 51,047 |
| Total unitholder's capital | 50,118 | 50,118 | 50,118 | 50,118 |
| Retained earnings | 1,372 | 1,372 | 1,196 | 929 |

LTV at the end of period

| | | | | |
|---|-------|-------|-------|-------|
| Interest bearing debt/Total assets | 49.9% | 50.2% | 35.5% | 47.9% |
| Interest bearing debt/ Total appraisal value at the end of thhe period | 56.7% | 56.7% | 40.7% | 55.0% |

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As of January 31, 2004

Number of units Number of investors

TOTAL
98,000 units



TOTAL
11,363 persons

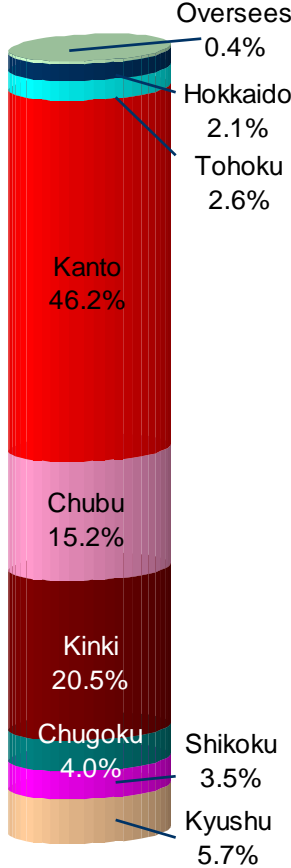
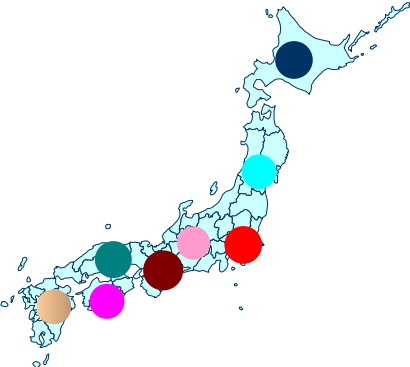
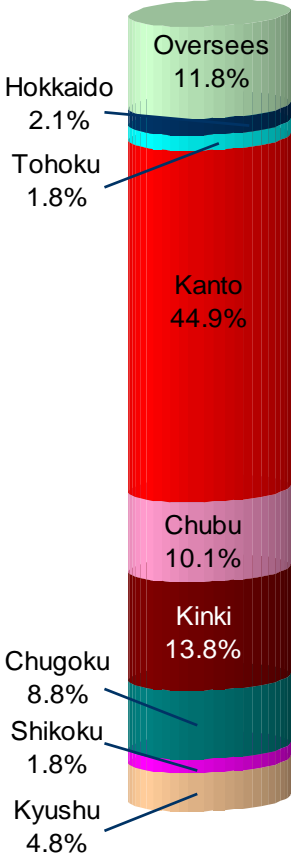


Average
8.6 unit /person

Investors Diversification by Region

Number of Units

Number of investors



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Top 20 major investors

As of January 31, 2004

| Investors | # of Unit Held | Share (%) |
|--|----------------|--------------|
| Tokyu Corporation | 5,880 | 6.00 |
| Kawasaki Gakuen | 5,000 | 5.10 |
| Tokyu Land Corporation | 3,920 | 4.00 |
| Japan Trustee Services Bank Ltd. | 3,084 | 3.15 |
| The Shinwa Bank Ltd. | 2,794 | 2.85 |
| Aozora Bank, Ltd | 2,766 | 2.82 |
| The Hiroshima Bank Ltd. | 2,064 | 2.11 |
| The Resona Bank Ltd. | 2,043 | 2.08 |
| Morgan Stanley Co., Inc. | 2,016 | 2.06 |
| The Bank of Ikeda Ltd. | 1,917 | 1.96 |
| The Gibraltar Life Insurance Co., Ltd. | 1,534 | 1.57 |
| The Chase Manhattan | 1,460 | 1.49 |
| AIG Star Life Insurance Co., Ltd. | 1,394 | 1.42 |
| The Master Trust Bank of Japan, Ltd. | 1,201 | 1.23 |
| The Chase Manhattan Bank NA London SL | 1,090 | 1.11 |
| North Pacific Bank Ltd. | 1,000 | 1.02 |
| Bank of Bermuda (Guernsey) Limited | 1,000 | 1.02 |
| The Hachijuni Bank | 960 | 0.98 |
| American Life Insurance Co. | 959 | 0.98 |
| Pictet & Cie | 947 | 0.97 |
| TOTAL | 43,029 | 43.92 |

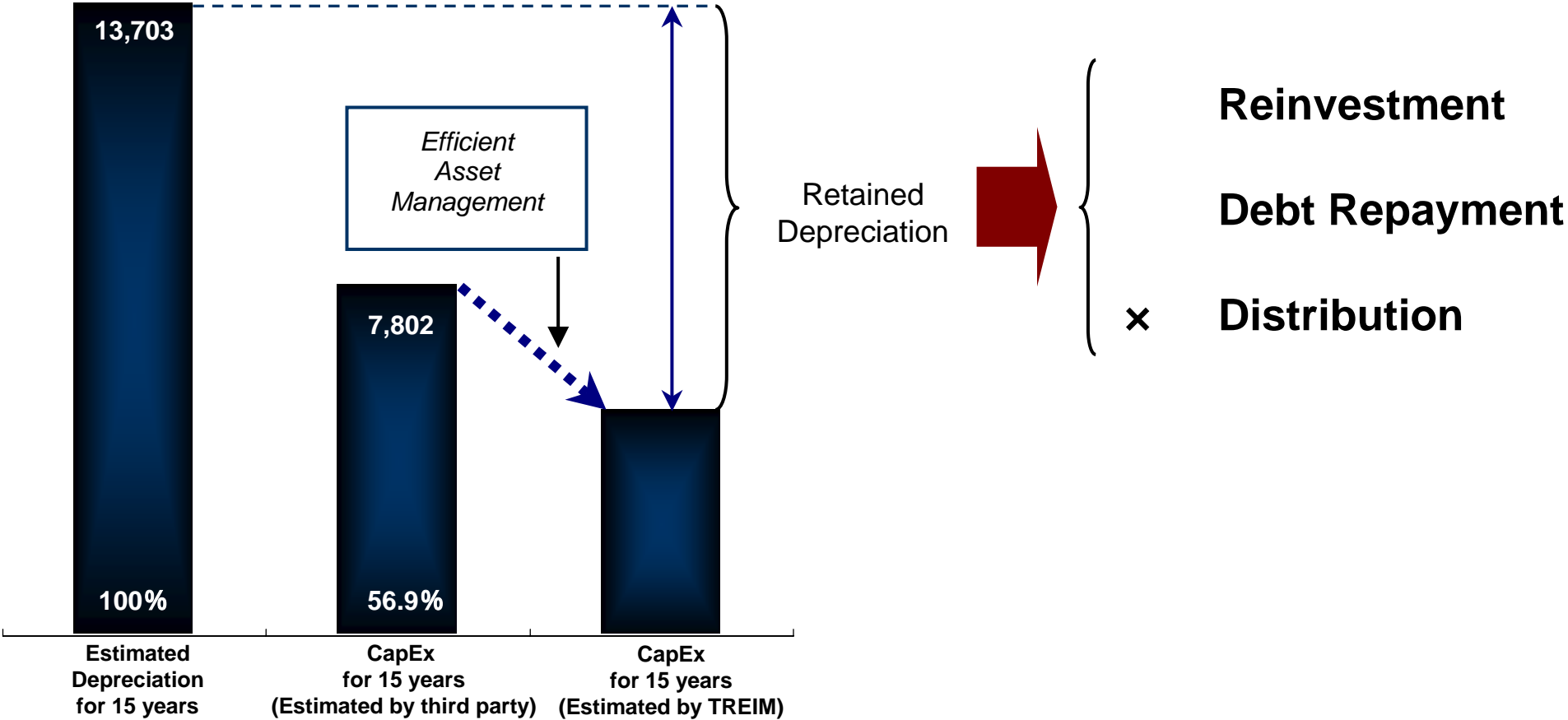
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Our Challenges

Consideration for Depreciation & CapEx

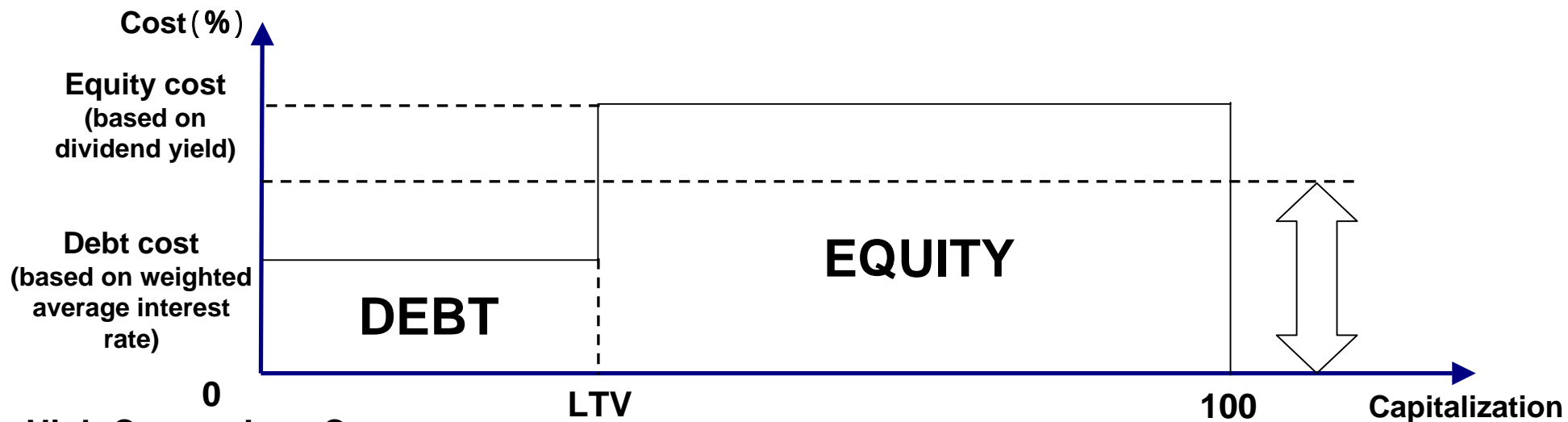
Million Yen



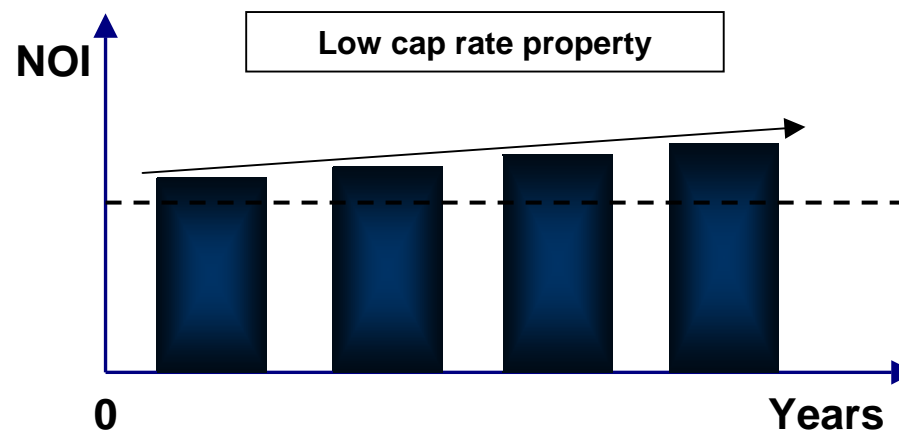
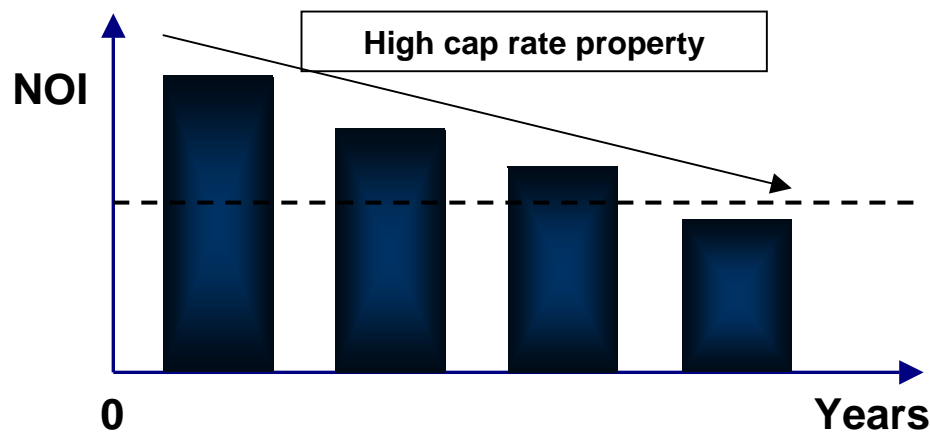
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Consideration for Capital Cost vs. Investment Return

Capital Cost Calculation Sample



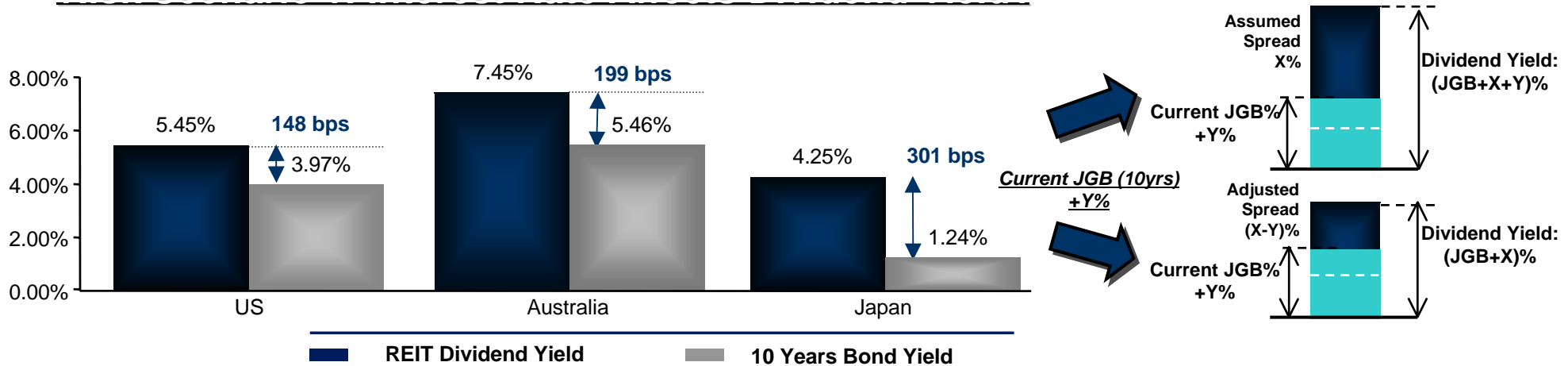
High Cap vs. Low Cap



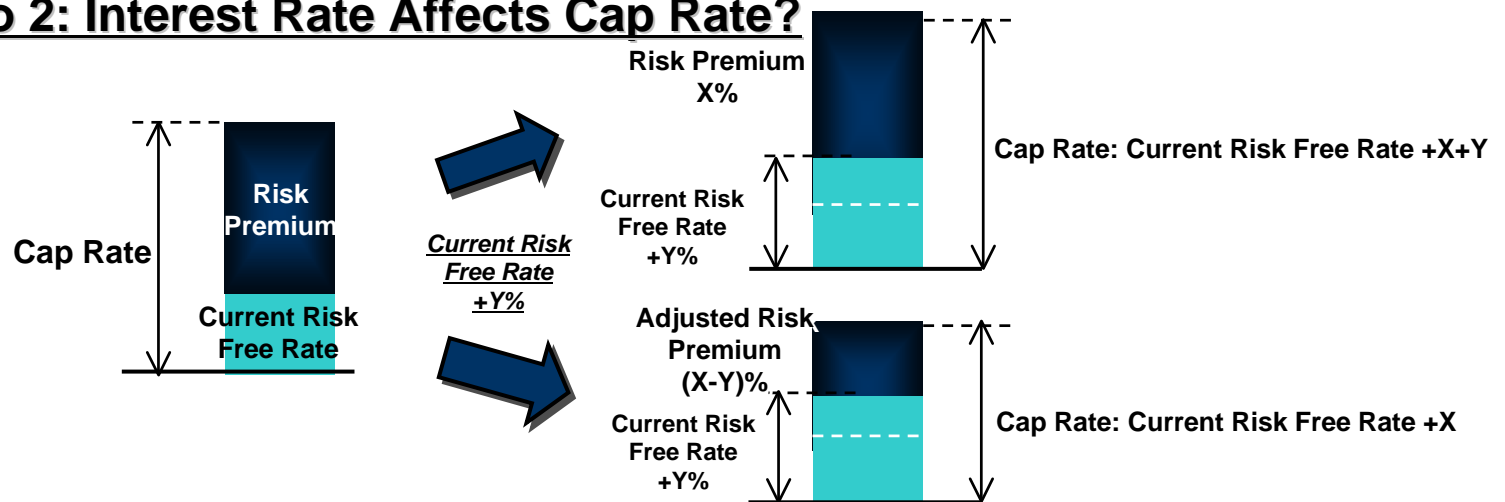
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Consideration for Risk of Interest Rate Hike

Risk Scenario 1: Interest Rate Affects Dividend Yield?



Risk Scenario 2: Interest Rate Affects Cap Rate?



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■ Risk Scenario 3: Individual REIT Factor

● Solutions of TOKYU REIT

- ◆ Investment in Competitive Properties located in Tokyo Metropolitan Areas
- ◆ Focus on Retail Properties with Upside Potential
- ◆ Stability of Debt Finance
 - ▶ Long-term and Fixed-rate Interest
 - ▶ Ratings for Lower Cost and Broader Sources

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