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**Investment
in Highly
Competitive
Properties** × **Areas with
Strong
Growth
Potential**

Financial Results Presentation
10th Fiscal Period
February 1st, 2008 – July 31st, 2008

TOKYU REIT

TSE: 8957

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

- **Investment Policy & Investment Management Fee**
- **Topics**
- **Financial Results and Forecast**
- **Debt Management**
- **Investment Unit Value and Ownership Structure**
- **Portfolio Overview and Risk Management**
- **Market Review**
- **Appendix**



Investment Policy and Investment Management Fee

Investment in Highly Competitive Properties in Areas with Strong Growth Potential

1. Targeted Product Characteristics

(1) Yield product with the attractiveness of equity

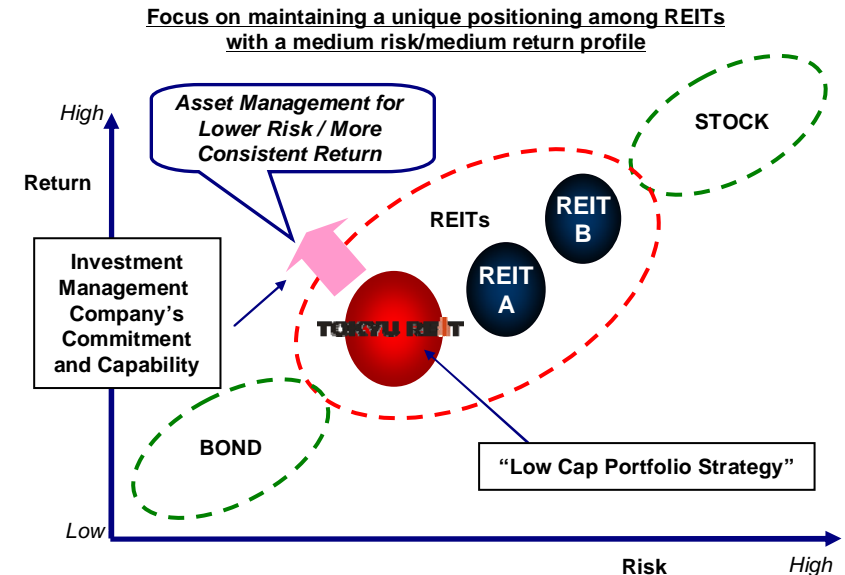
- EPS growth (higher earnings quality) and enhancement of asset value

(2) Risk-Return Profile

- Establish a low risk, steady return portfolio with promising future growth potential
→ “Low Cap Portfolio Strategy”
- Improve investment return while controlling risk through active management
(Focus on risk management emphasizing risk vs return)

(3) Global Product

- High quality product that meets the investment criteria of a wide variety of investors worldwide, including those investing globally for diversification purposes



2. Investment Policy

- | | |
|------------------------|--|
| (1) Target Areas | Limited to Tokyo Metropolitan Areas (over 85% represented by central Tokyo and Tokyo areas) |
| (2) Sector Allocation | Office : Retail = 60:40 (± 10 points) |
| (3) Size of Properties | In principal, invest in properties over 4 billion yen (for all properties), and over 5,000 m ² of floor space (for office properties) |

*** Strive to further improve portfolio quality**

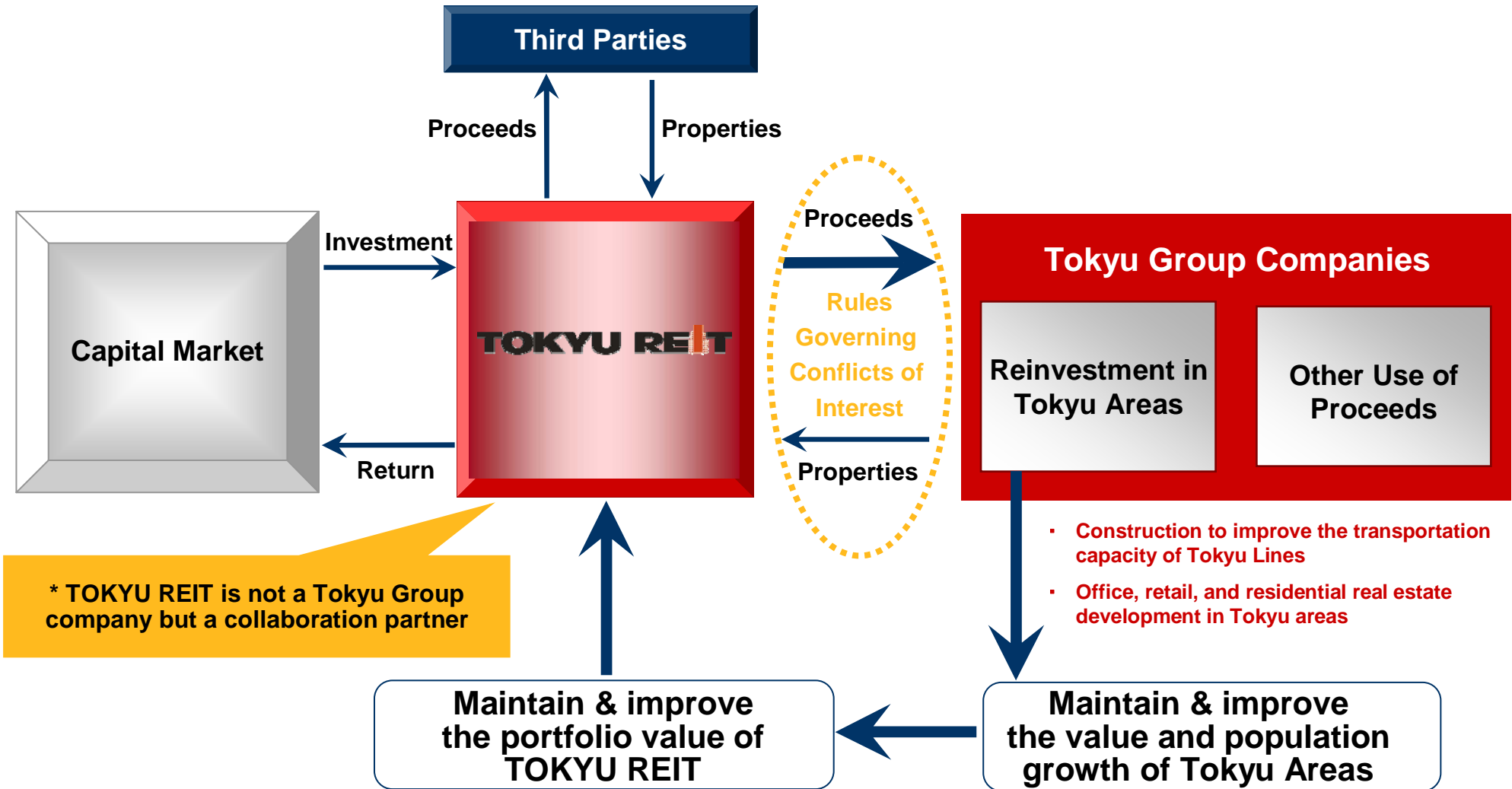
*Comments by Tokyu REIM

Investment Stance of Tokyu REIM

Fiduciary Duties of TREIM as REIT Management Company	Employ an investment stance that enables the fulfillment of the “Fiduciary Duties” that are fundamental to the fiduciary Investment Manager and one that provides significant added value
Fund Structure with High Transparency and Accountability	Improvement of disclosure, including IR and the achievement of accountable management through the addition of an independent third-party in the decision making process
Collaboration	Growth and value enhancement of the Tokyu Areas through the synergies from the collaboration with the Tokyu Group companies (Capital Reinvestment Model)
Brand Strategy	Leverage the “Tokyu Brand” name in leasing operations based on brand license agreement
Enhanced Measures Against Conflicts of Interest	Development of self-imposed rules to secure collaboration and governance to maximize the advantages of such cooperation
Diversified Portfolio	Diversification strategy employed to control downside risk associated with major properties and tenants
Conservative Financial Strategy	Strategy focused on managing the required debt and equity risk premium while also securing additional funding availability
Investment Management Fee	Management fee structure linked to three performance indices to balance the conflict of “being in the same boat as unitholders” Adoption of a structure to expense and not capitalize the management fee
Resource Allocation Seeking Stability and Growth	Restrain the number of properties covered per investment manager (23 properties/5 managers), IR cost paid by Investment Management Company (Tokyu REIM) Use of experiences and expertise of employees assigned from Tokyu Group companies

Capitalize on Synergies with Tokyu Group Companies in Tokyu Areas

Reinvestment of Capital Generated through TOKYU REIT



*** TOKYU REIT is not a Tokyu Group company but a collaboration partner**

- Construction to improve the transportation capacity of Tokyu Lines
- Office, retail, and residential real estate development in Tokyu areas

*Comments by Tokyu REIM

Overview of Investment Management Fee

	Objective (Aim)	Formula	Note
Base 1 (Linked to asset valuation)	Increase Growth	Asset value at end of previous period × 0.150% (0.125% for the portion exceeding 200 billion yen)	Encourage Investment Management Company to strive for asset appreciation by linking fee to valuation, not to the amount invested
Base 2 (Linked to cash flow)		Operating cash flow in current period × 6.0% (5.0% for the portion exceeding 5 billion yen)	Operating cash flow is the amount equal to ordinary income plus depreciation and amortization of deferred assets minus profit or loss from valuation
Incentive Fee (Linked to investment unit price)		Reduce risk premium related to investment unit	(Average price in current period — Highest average price over all previous periods) × number of units × 0.4%

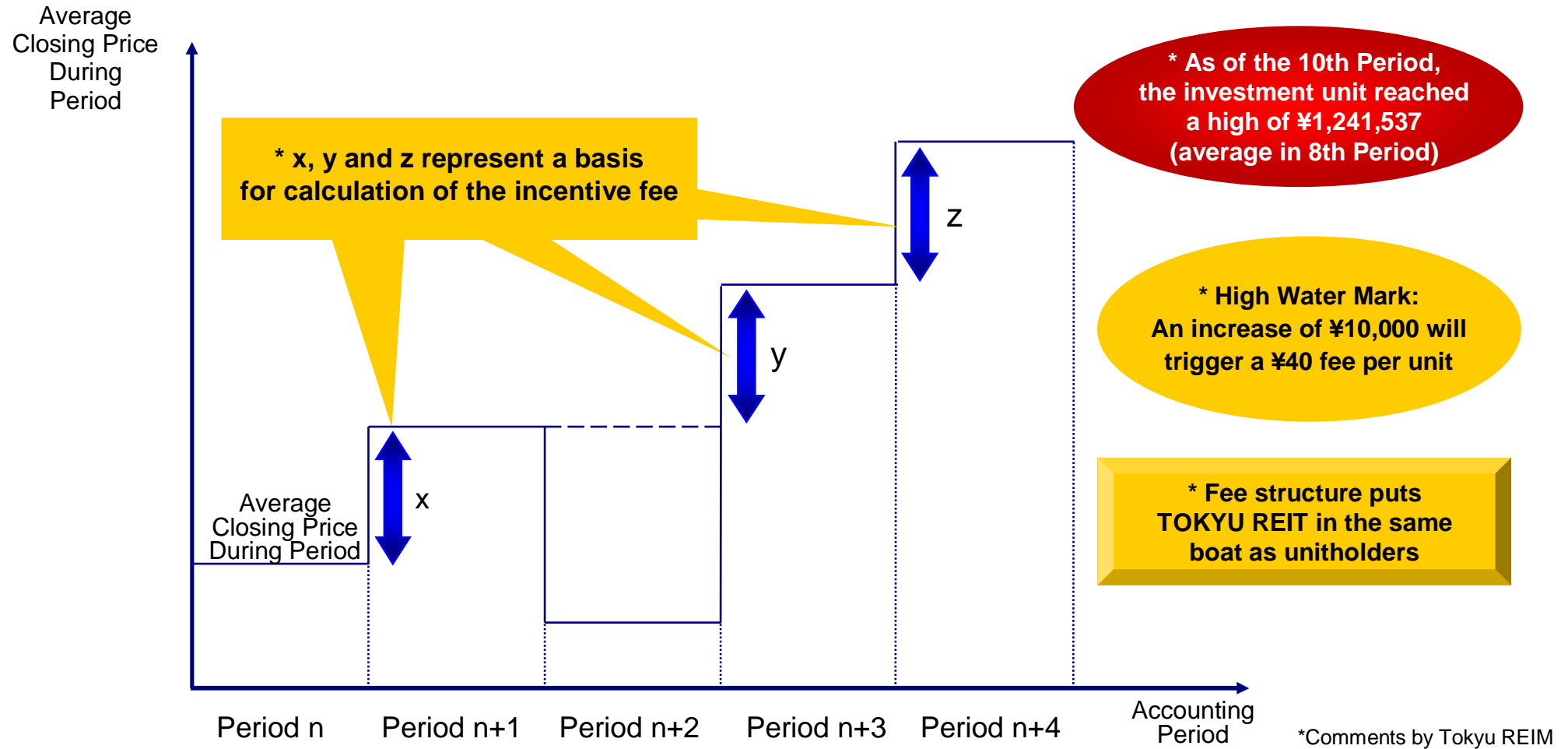
* Apart from the above fees, Tokyu REIT pays service charges to an asset custodian firm, general administration firm, property management firm and accounting auditor among others.

*** Investment management fee structure linked to three performance indices to balance the conflict of “being in the same boat as unitholders”**

*** The above fees are all booked as expenses. TOKYU REIT does not have a fee structure that leaves the income statement unaffected, such as the acquisition incentive fee, which is capitalized as acquisition cost**

Incentive Fee Structure

*** Incentive Fee arises only when the average investment unit price during the period exceeds the past high (high water mark)**



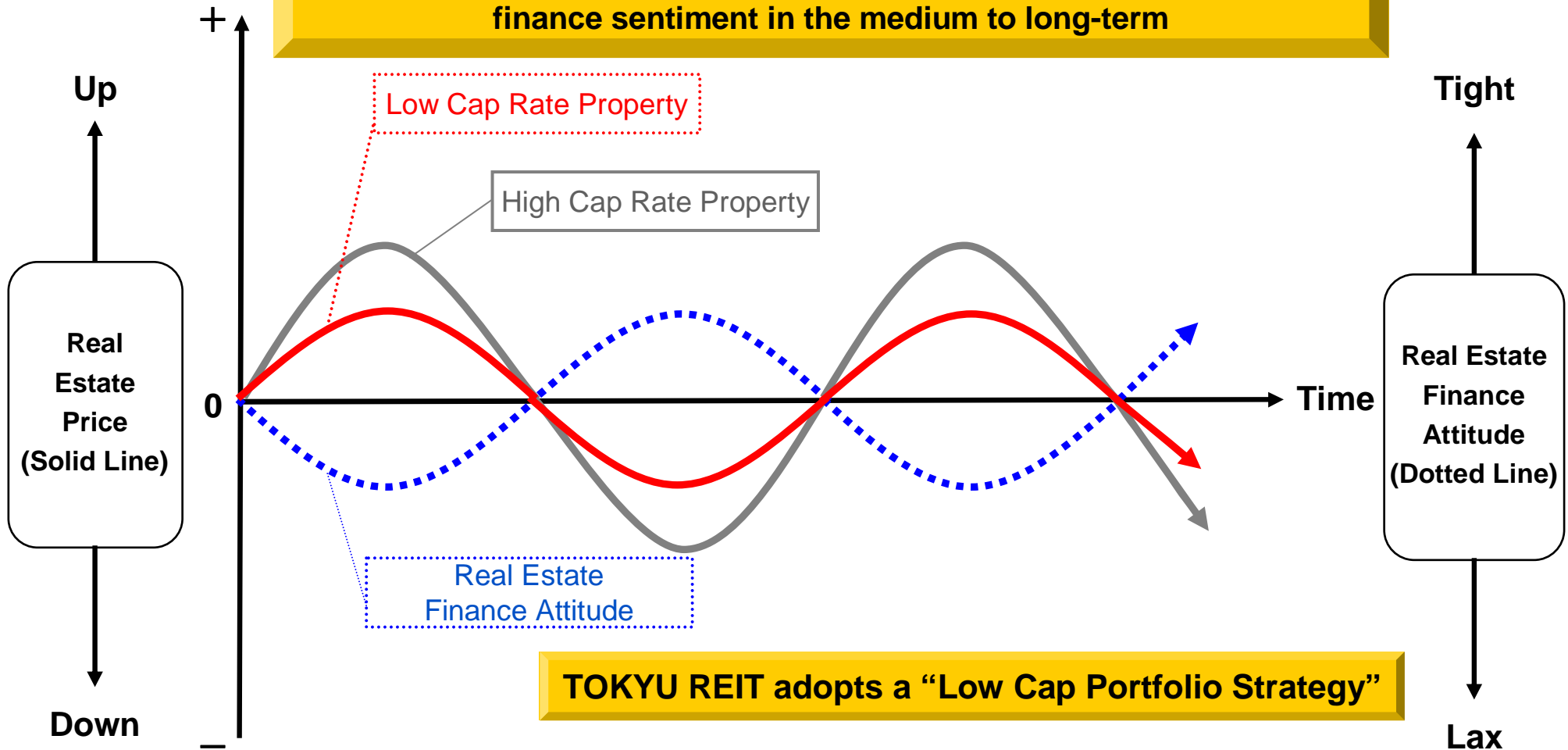
Incentive Fee = Number of Units Outstanding at End of Previous Period x (x, y or z) x 0.4%

TOKYU REIT

Topics

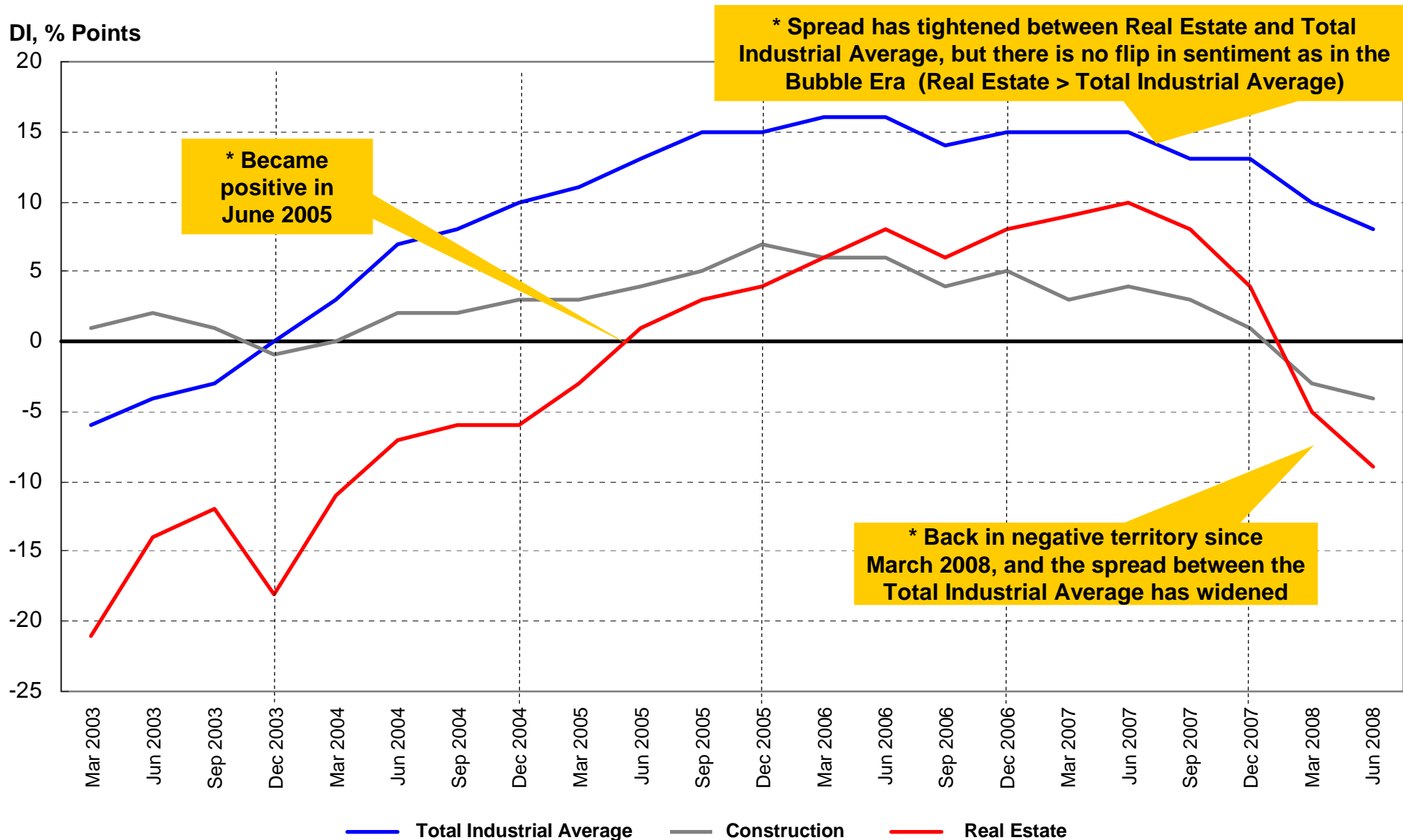
Tightness in Real Estate Finance and Changes in Property Prices

The real estate price is derived from income capitalization method, but TOKYU REIT believes that the price reacts to changes in real estate finance sentiment in the medium to long-term



*This page represents the view of Tokyu REIM

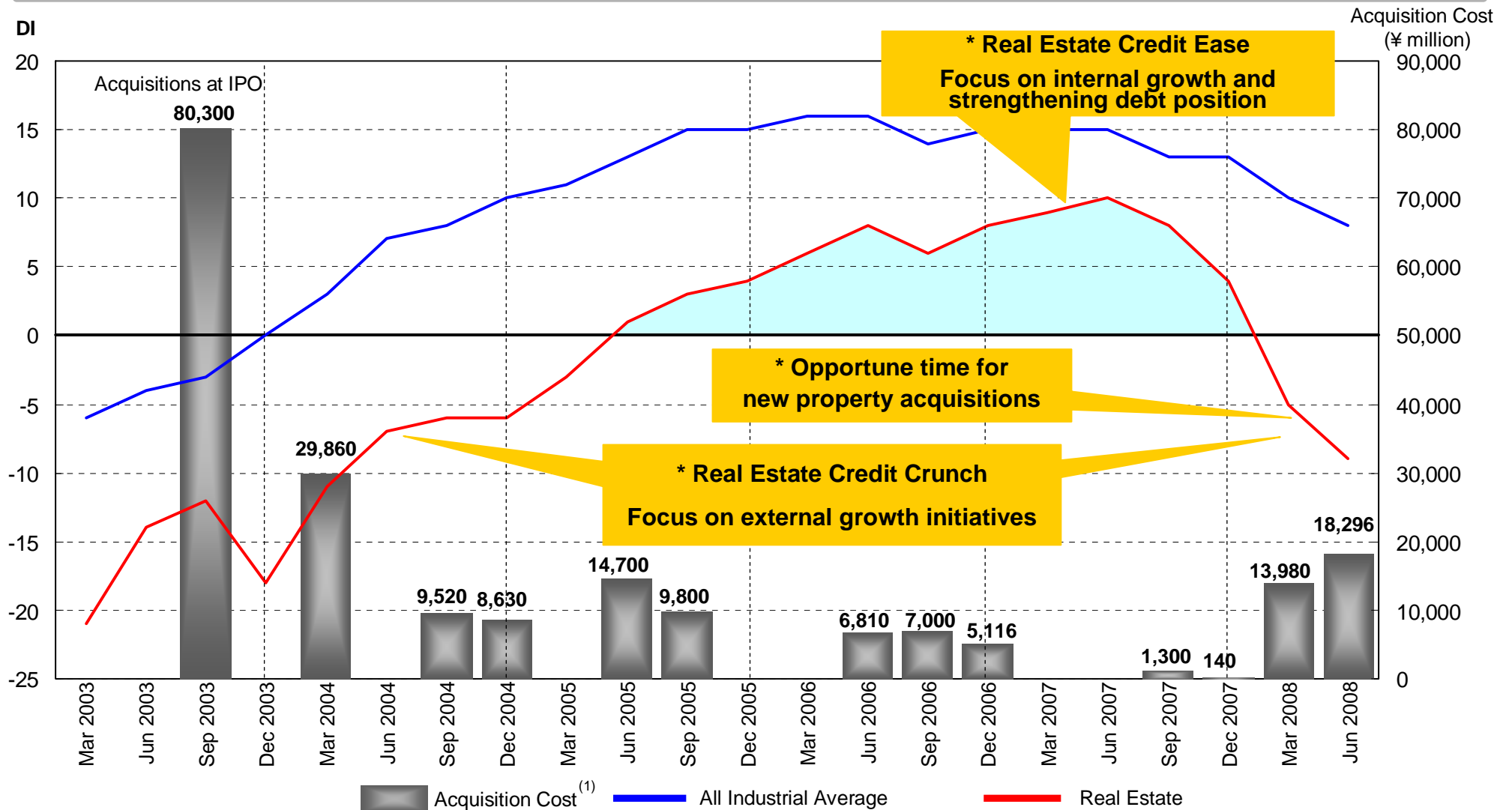
Lending Attitude of Financial Institutions (Diffusion index of “Accommodative” minus “Severe”) (Figures by Industry)



Source: Prepared by TREIM based on Bank of Japan website

*Comments by Tokyu REIM

Lending Attitude of Financial Institutions & TOKYU REIT's Acquisition Timing of Properties (excluding sold property)



(1) Acquisition cost on secondary y-axis, each bar represents the total acquisitions cost in respective month and 3 months prior to it (i.e., June 2008 includes April – June 2008)

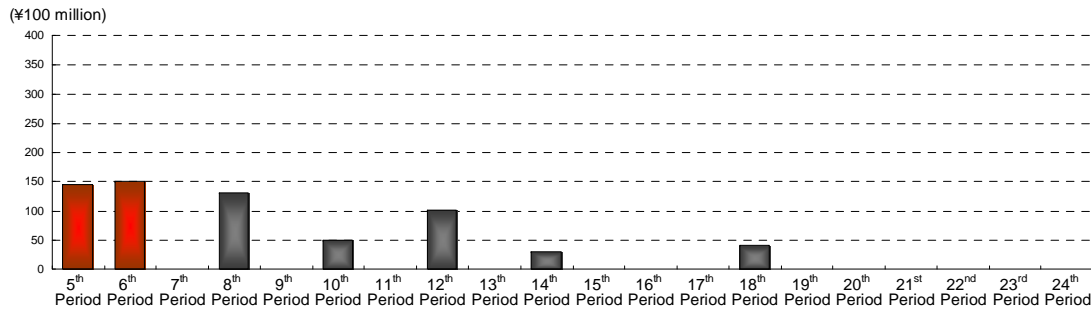
* Not included above is the August 3rd, 2004 acquisition of Yokohama Yamashita Building (Barneys New York Yokohama Store) for ¥5.05 billion. The property was sold in April 26th, 2006

Debt Position Improvement in Preparation for Acquisition Opportunities

Maturity Ladder

As of 4th Period (July 2005)

■ Short-Term Debt ■ Long-Term Debt ■ Investment Corporation Bond

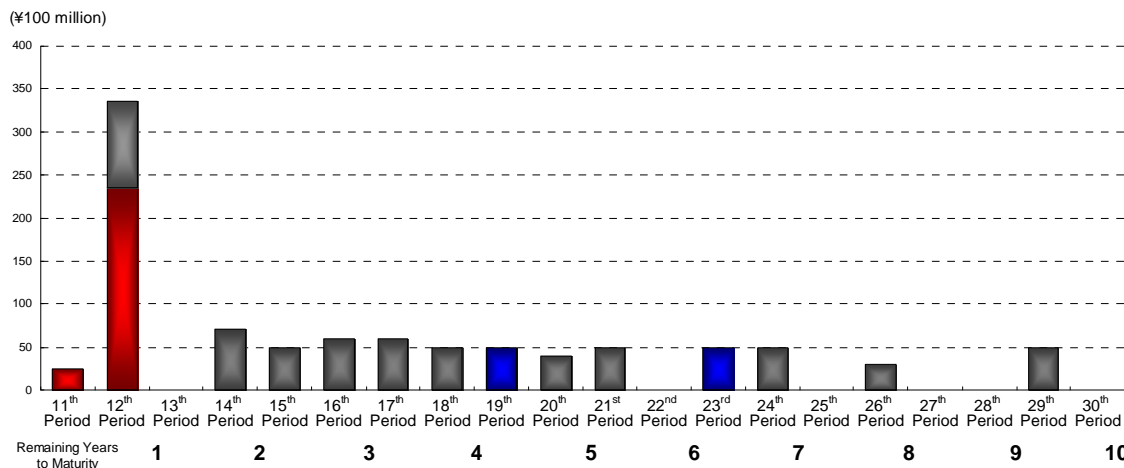


Total : ¥64.5bn
Average Maturity : 2.09 yrs
Long-Term Fixed Rate Ratio : 54.3%
Number of Ladders : 7
Average Ladder Value : ¥9.21bn

Remaining Years to Maturity: 1 2 3 4 5 6 7 8 9 10

*** Debt maturity dispersion has occurred**

As of 10th Period (July 2008)



Total : ¥97.0bn (¥ +32.5bn)
Average Maturity : 3.26 yrs (+1.17 yrs)
Long-Term Fixed Rate Ratio : 73.2% (+18.9 pts)
Number of Ladders : 14 (+7 Ladders)
Average Ladder Value : ¥6.92bn (¥ -2.29bn)

(Change from 4th Period)

*Comments by Tokyu REIM



Financial Results and Forecast

Fiscal Results of the July 2008 Period

		10th Period Actual July 2008 (182 days)	9th Period Actual January 2008 (184 days)	Change	(%)	10th Period Forecast as of March 14, 2008	Change	(%)
Distribution per Unit	(¥)	16,560	15,364	1,196	7.8	16,000	560	3.5
Average LTV	(%)	35.3	31.7	3.6	—	32.7	2.6	—
LTV at End of Period	(%)	38.5	32.7	5.8	—	32.7	5.8	—
Acquisition Capacity through Debt	(¥ million)	61,722	84,011	-22,289	-26.5	84,011	-22,289	-26.5
Average Acquisition Price	(¥ million)	190,488	172,797	17,691	10.2	181,676	8,812	4.9
NOI Yield	(%)	5.52	5.54	-0.02	—	5.59	-0.07	—
Unrealized Profit/Loss	(¥ million)	67,152	64,584	2,568	4.0			
Adjusted Net Asset Value (NAV)	(¥)	975,158	959,997	15,161	1.6			
Average Unit Price during the Period	(¥)	835,903	1,000,664	-164,761	-16.5			

- Average LTV = (Average Balance of Interest Bearing Debt + Average Balance of Securities Deposit without Reserved Cash) / Appraisal Value at End of Previous Period or Weighted Average Appraisal Value at Acquisition
- LTV at End of Period = (Balance of Interest Bearing Debt at End of Period+ Balance of Securities Deposit without Reserved Cash at End of Period) / Appraisal Value at End of Period or Average Appraisal Value at Acquisition
- Acquisition Capacity through Debt indicates the potential acquisition by debt assuming a maximum LTV at end of period of 50%
- NOI Yield = Leasing NOI / Average Appraisal Value of Properties during the Period
- Unrealized Profit/Loss is the balance after deducting book value from appraisal value of properties at the end of period
- Adjusted Net Asset Value per Share reflecting Unrealized Profit/Loss does not include Retained Earnings

Forecast for the 11th & 12th Periods

11th Period (Ending January 2009) Estimates

- **Projected EPS: ¥15,800 (change from 10th period ¥ -760)**
 - Net Income: ¥2,676 million change from 10th period ¥ -128 million (profit decrease)
 - Leasing Operations Profit change from 10th period ¥ 126 million (profit increase)
 - ✓ Contribution of Acquisitions in the 10th Period ¥248 million
 - ✓ Rent from Existing Properties 9 million (of which -26 is due to notice of cancellations)
 - ✓ Increase in Existing Property Expenses - 60 million (of which -25 is due to electricity expenses)
 - ✓ Decrease in Misc. Income (Cancellation penalties, etc.) - 50 million
 - Investment Management Fee ¥ -27 million (cost increase)
 - Non-Operating Expense ¥ -203 million (cost increase, etc.)
- (Increase in the Long-Term Fixed Loan Ratio,
Increase in the Duration Period)
- **Average LTV: 38.5% LTV/Total Assets: 44.4% LT Fixed Loan Ratio: 88.7% Period End Occupancy Estimate: 98.4%**

12th Period (Ending July 2009) Estimates

- **Projected EPS: ¥15,000**
 - Operating Income ¥7,495 million Recurring Profit: ¥2,541 million Net Income ¥2,540 million
- Average LTV: 38.5% LTV/Total Assets: 44.7% Long-Term Fixed Loan Ratio: 88.7%**
Period End Occupancy Estimate: 97.6%

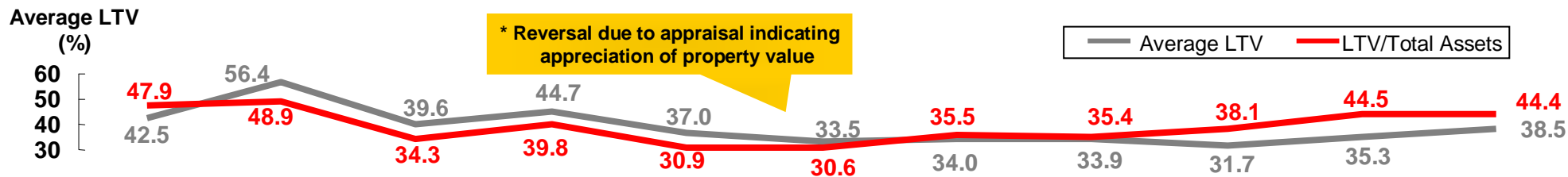
* Tenants submitting their notice of cancellation are expected to leave vacancies up until and past the 12th period

* Average LTV = (Expected Average Balance of Interest Bearing Debt + Expected Average Balance of Securities Deposit without Reserved Cash) / Expected Appraisal Value at End of Previous Period or Weighted Average Appraisal Value at Acquisition

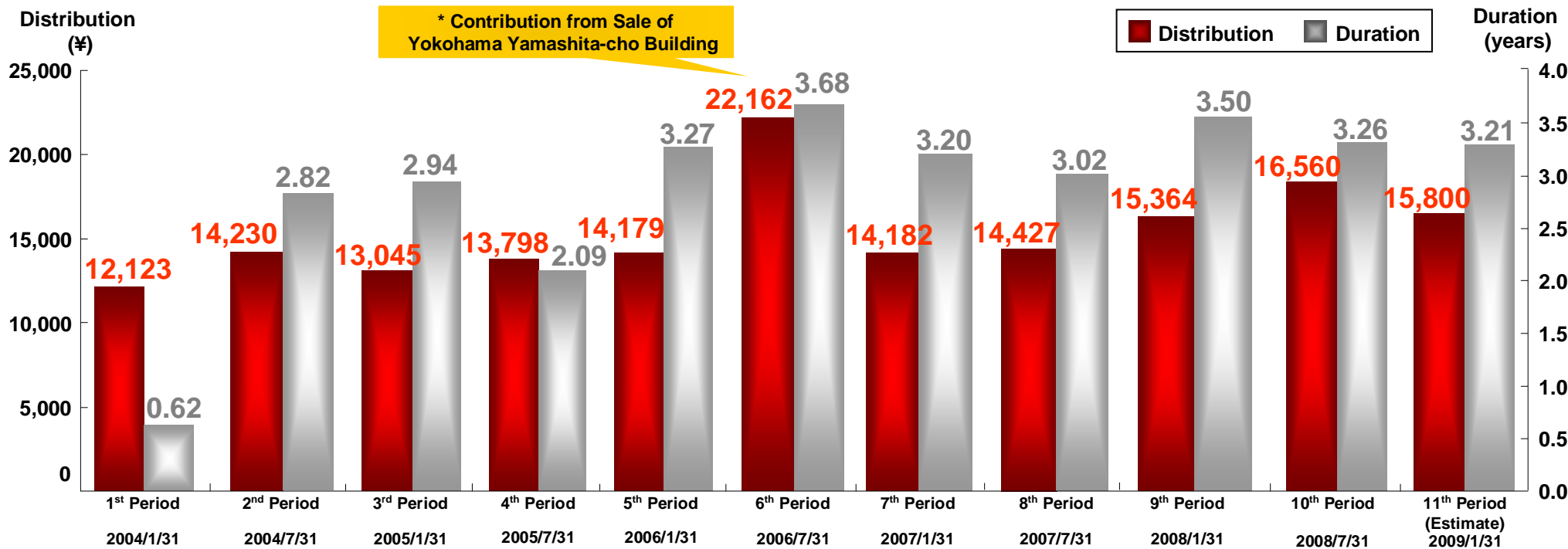
* LTV/Total Assets (Period End) = Expected Period End Interest Bearing Debt / Expected Period End Total Assets

Improvement of Profit Quality

Lower LTV and Extended Duration (Higher Long-term Fixed Interest Ratio) Will Steadily Improve Profit Quality

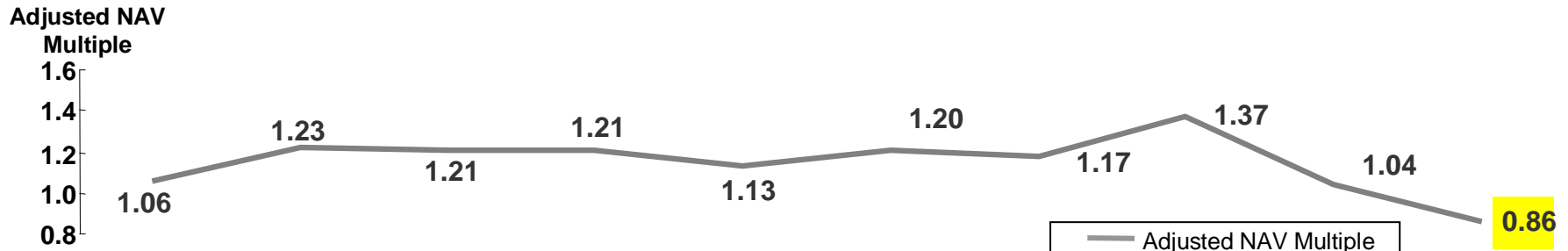


* Average LTV = (Average Balance of Interest Bearing Debt + Average Balance of Securities Deposit without Reserved Cash) / Appraisal Value at End of Previous Period or Weighted Average Appraisal Value at Acquisition
 * LTV/Total Assets = Period End Interest-Bearing Debt / Period End Total Assets

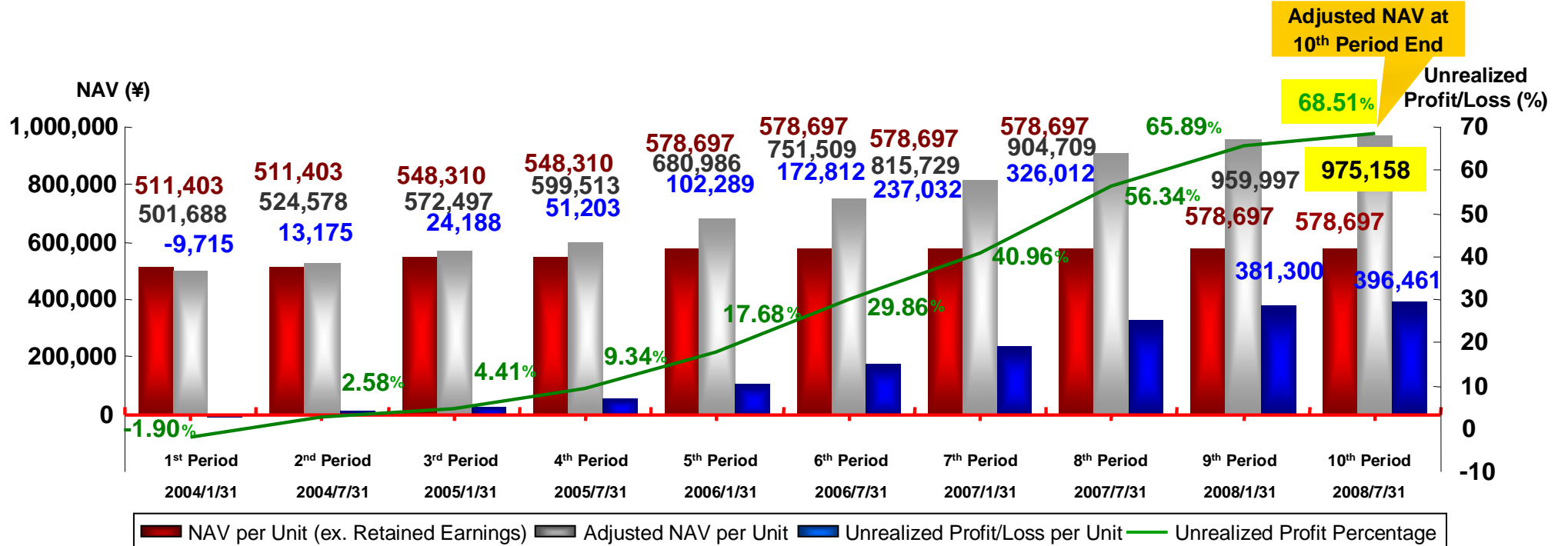


* Official distribution in 1st Period was ¥9,488 based on the actual operating days of 144 days, but the recalculated distribution of ¥12,123 based on 184 operating days is used in the above graph for the sake of comparison with figures from 2nd Period onwards

Improvement of Asset Value (Adjusted NAV)



Adjusted NAV Multiple = Average Price of Investment Unit (Closing) / Adjusted NAV per Unit Reflecting Unrealized Profit/Loss (End of Period)



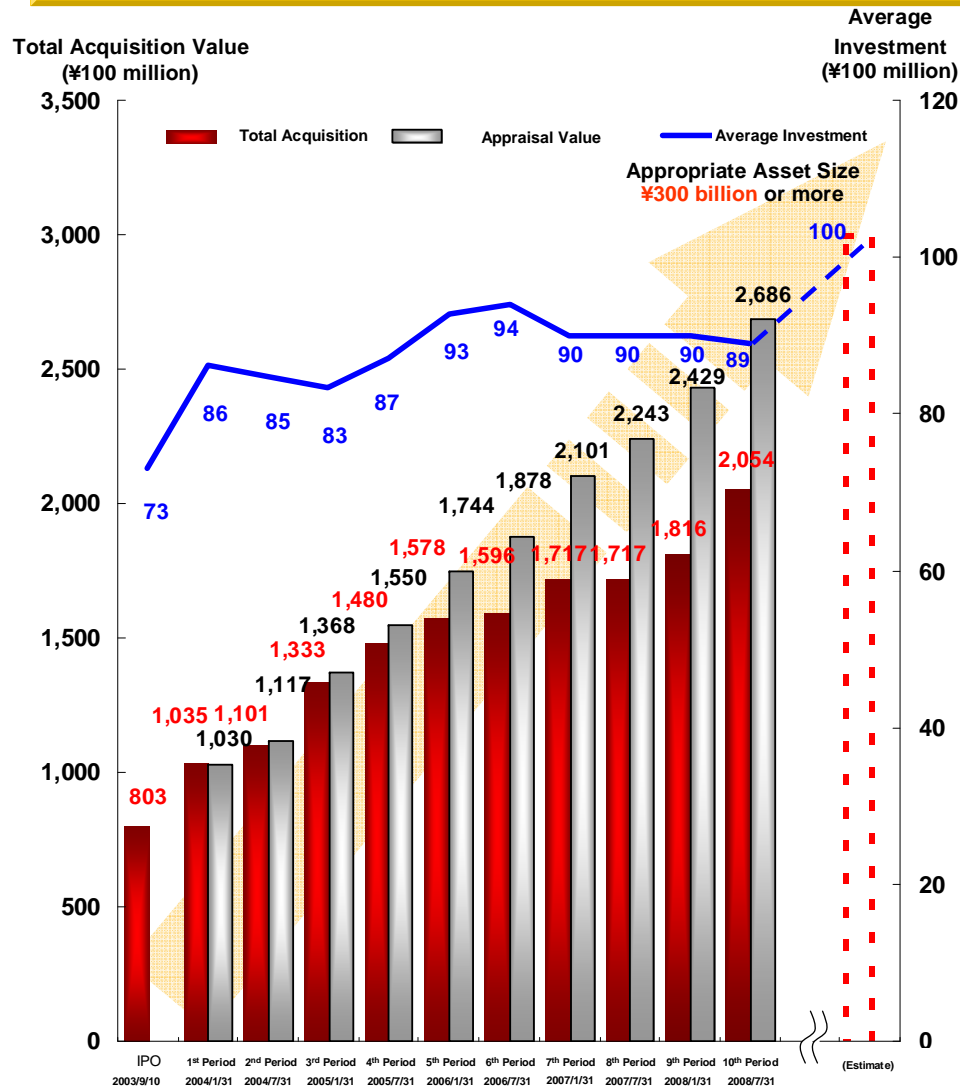
Adjusted NAV at 10th Period End

Average Investment Unit Price	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period
	¥530,828	¥643,097	¥690,705	¥726,082	¥766,520	¥902,435	¥958,306	¥1,241,537	¥1,000,664	¥835,903

External Growth – Identifying Timing of Additional Acquisitions

External Growth (Steady Acquisition of Quality Properties)

* Investment in highly competitive properties in areas with strong growth potential



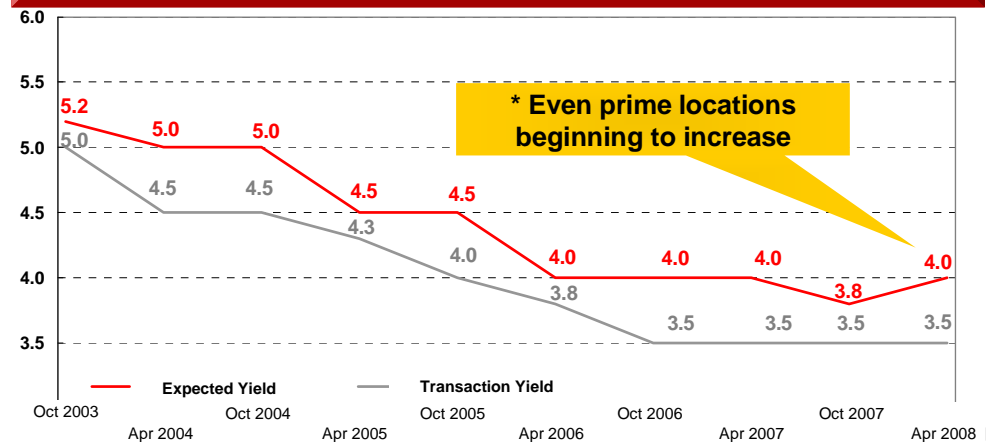
Expected Rent Level by Region (Rent Level at Survey Date = 100)

* Rent still expected to increase, though not as much

17th Survey (Oct. 2007)					18th Survey (April 2008)				
Region	Next Year	2 Years	5 Years	10 Years	Region	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi region	105	107	110	110	Marunouchi, Otemachi region	102	103	105	105
Shibuya and near Shibuya station	102	104	105	105	Shibuya, and near Shibuya Station	101	102	102	103
Nagoya, near stations	102	102	103	103	Nagoya, near stations	100	100	100	100
Osaka, along Midosuji Line	102	103	103	103	Osaka, along the Midosuji Line	100	101	101	101

Source: Prepared by TREIM based on Japan Real Estate Institute's "Japanese Real Estate Investors Survey" (17th – 18th Period)

Expected Yield and Transaction Yield of Benchmark Buildings (Marunouchi / Otemachi)



Source: Prepared by TREIM based on Japan Real Estate Institute's "Japanese Real Estate Investors Survey" (9th – 18th Period)

*Comments by Tokyu REIM **18**

Acquisition of Tokyu Ikejiri-ohashi Building

■ Overview

- **Type of Acquisition** : Trust beneficiary interest in real estate
- **Use** : Office
- **Tenants** : Tokyu Bus Corporation,
Top Tour Corporation, etc.
- **Location** : Higashiyama, Meguro-ku, Tokyo
- **Ground-floor Area** : 2,382.67 m²
- **Total Floor Area** : 7,619.56 m²
- **Type of Ownership** : Land & Building both
proprietary ownership
- **Acquisition Cost** : ¥5,480 million
- **Appraisal Value** : ¥5,500 million (as of Feb. 15, 2008)
- **Appraisal NCF Cap Rate** : 5.0% (Direct Capitalization Method)
- **Acquisition Date** : March 28, 2008
- **Acquired from** : KI Realty
(Established as a special purpose company for Tokyu Corporation)



■ Characteristics

- **Strengths** : Standard Floor Area greater than 300 *tsubo*
Stable demand due to the neighboring Shibuya station area
- **Weaknesses** : Not facing an main road
- **Opportunities** : Neighborhood improvements being made by the Ohashi District
Redevelopment Project
- **Special Considerations**: Finishing construction on outside area to reduce total lot area in order to
comply with the maximum allowed floor-area ratio
(expected completion: Sept. 2008)

Acquisition of Daikanyama Forum

Overview

- Type of Acquisition : Real Estate (Compartmentalized ownership)
- Use : Retail
- Tenant : Hiramatsu Inc., Jun Ashida Co., Ltd., etc.
- Location : Sarugakucho, Shibuya-ku, Tokyo
- Ground-floor Area : Building 1(East) 942.30m²
Ownership: 100%
Building 2 (West) 1,108.01m²
Ownership: 64.13%
- Total Floor Area : Bldg 1 (East) 1,441.57m²
Exclusive Area: 1,242,06m²
Bldg 2 (West) 2,388.70m²
Exclusive Area: 1,182,62m²
- Type of Ownership : (Land)
Bldg 1 (East) Proprietary Ownership
Bldg 2 (West) Proprietary Ownership
- (Bldg)
Bldg 1 (East) Compartmentalized ownership
Bldg 2 (West) Compartmentalized ownership
- Acquisition Cost : ¥4,136 million
- Appraisal Value : ¥4,160 million (as of Feb. 1, 2008)
- Appraisal NCF Cap Rate : 4.0% (Direct Capitalization Method)
- Acquisition Date : April 22, 2008
- Acquired from : 5 individuals

Characteristics

- Strengths : Facing a street lined with trees, near the embassy, in a luxurious residential area with a high class area with tenant's strong branding power, and is on the classy former Yamate-dori
- Weaknesses : Management of a partially owned building
- Opportunities : Construction nearby adding many new retail properties
- Special Considerations : Tent-type roof of parking (car and bicycle) with no specific plans of improvement (Currently being attended to)



Acquisition of Ryoshin Harajuku Building

■ Overview

- **Type of Acquisition** : Trust beneficiary interest in real estate (Compartmentalized ownership)
- **Use** : Office
- **Tenants** : Peach John Co., Ltd., Toyota Motor Corporation, etc.
- **Location** : Jingu-mae, Shibuya-ku, Tokyo
- **Ground-floor Area** : 1,205.07m²
Co-ownership ratio 200,000 : 191,540
- **Total Floor Area** : 6,466.94m² Ownership ~95.74%
- **Type of Ownership** : (Land) Proprietary ownership (Co-ownership)
(Bldg) Compartmentalized ownership
- **Acquisition Cost** : ¥14,160 million
- **Appraisal Value** : ¥13,400 million (as of May 31, 2008)
- **Appraisal NCF Cap Rate** : 4.10% (Direct Capitalization Method)
- **Acquisition Date** : June 27, 2008
- **Acquired From** : Plaza Jingu-mae Corporation

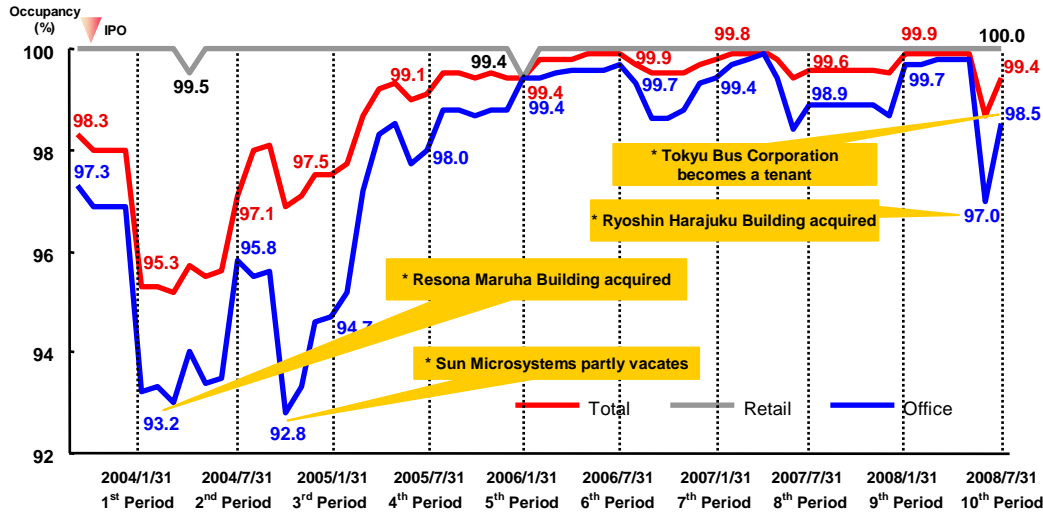


■ Characteristics

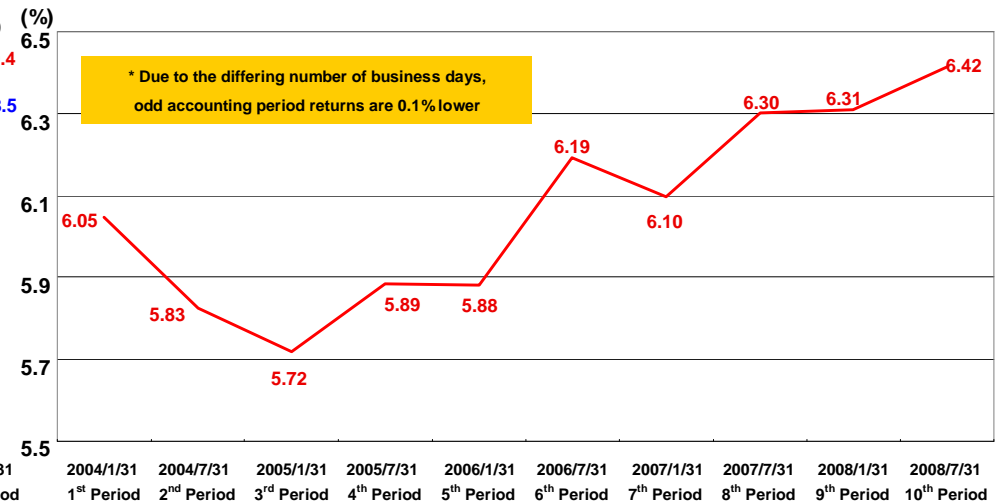
- **Strengths** : Tall and eye-catching building on Meiji-dori
- **Weaknesses** : Management of a partially owned building
- **Opportunities** : Increase stake and make it wholly owned
- **Special Considerations** : Appropriation of road may disqualify land from maximum admissible floor-area ratio. 1st floor tenant has completed construction addressing the issue

Internal Growth

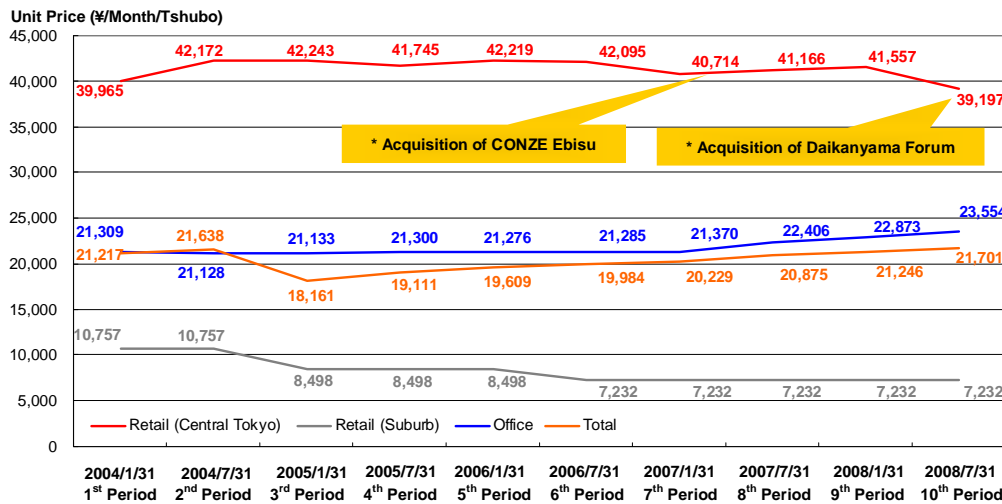
Historical Occupancy of Overall Portfolio



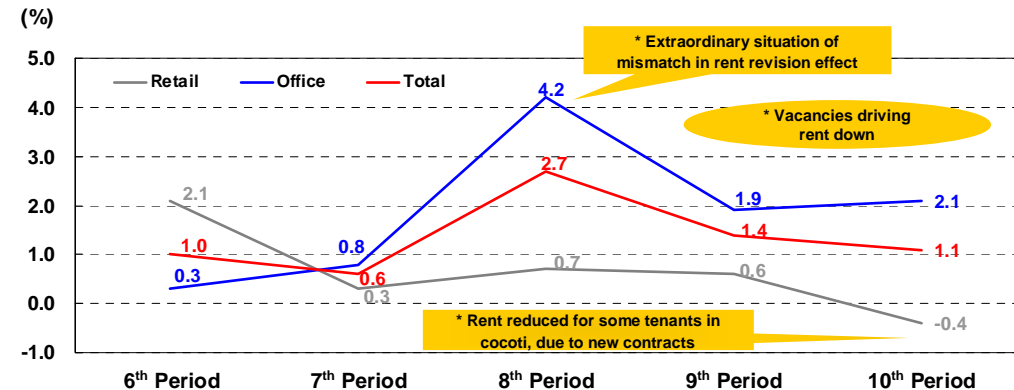
NOI Yield of 11 Properties at IPO (after capitalization of property and city planning taxes)



Average Rent (including Common Area Charge)



Year-over-Year Monthly Rent Growth Rate



* Rent fluctuates due to the number of tenants facing rent renegotiation, rent revisions and new tenants (occupancy), but rent has been rising steadily

※ In calculating the above unit price, the Shonan Mall Fill is not included

※ Retail (Central Tokyo): QFRONT, TOKYU REIT Omotesando Sq., Lexington Aoyama, TOKYU REIT Shibuya Udagawa-cho Sq., cocoti, CONZE Ebisu, Daikanyama Forum
 Retail (Suburb): Tokyu Saginuma, Tokyu Saginuma 2, Beacon Hill Plaza (Ito Yokado Nokendai Store), Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)

* Excludes income from parking and signs

* Comparison of monthly rent at the end of each period (based on actual rent charged)

* Comments by Tokyu REIM

Divergence from Market Rent

Divergence from Market Rent

Asset Class	6th Period (16 Properties)	7th Period (17 Properties)	8th Period (19 Properties)	9th Period (19 Properties)	10th Period (20 Properties)	11th Period Beginning (23 Properties)
Retail	9.3%	9.4%	11.1%	10.6%	9.0%	9.2%
Urban ⁽¹⁾	13.3%	14.5%	16.7%	15.9%	13.5%	13.4%
Suburban ⁽²⁾	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Office	4.2%	12.5%	14.1%	16.0%	15.6%	11.5%
Total	6.3%	11.1%	12.8%	13.7%	12.9%	10.6%

*** TOKYU REIT's Central Tokyo retail properties have higher capacity for rent increase than office properties**

* Divergence = (New market rent - Rent at Beginning of Period) / Rent at Beginning of Period

* Market rent is calculated by Tokyu REIM based on market reports of third party

* Monthly rent at the beginning of each period includes common service charge (except revenue from parking/sign charge)

* Yokohama Yamashita-cho Bldg. (Barneys New York Yokohama Store) excluded from the 6th period

< Reference > Percentage of Tenants Facing Rent Renegotiation

Asset Class	10th Period	11th Period	12th Period	13th Period	14th Period	15th Period
Retail	18.5%	18.3%	15.7%	29.3%	5.3%	2.0%
Urban ⁽¹⁾	9.4%	24.4%	13.1%	25.5%	7.9%	2.9%
Suburban ⁽²⁾	36.2%	5.4%	21.0%	37.4%	0.0%	0.0%
Office	28.0%	17.1%	22.1%	19.9%	27.4%	18.3%
Total	24.1%	17.5%	19.6%	23.5%	18.9%	12.0%

(1) Retail (Central Tokyo):
QFRONT, TOKYU REIT Omotesando Square, Lexington Aoyama, TOKYU REIT Shibuya Udagawa-cho Square, cocoti, CONZE Ebisu, Daikanyama Forum

(2) Retail (Suburban):
Tokyu Saginuma Building, Tokyu Saginuma 2 Building, Beacon Building Plaza (Ito Yokado Nokendai Store), Shonan Mall Fill (*sokochi*)

* Percentage calculated by dividing rent for tenants facing rent renegotiation by total rent by asset class

* Rent including common service charge (except revenue from parking/sign charge)

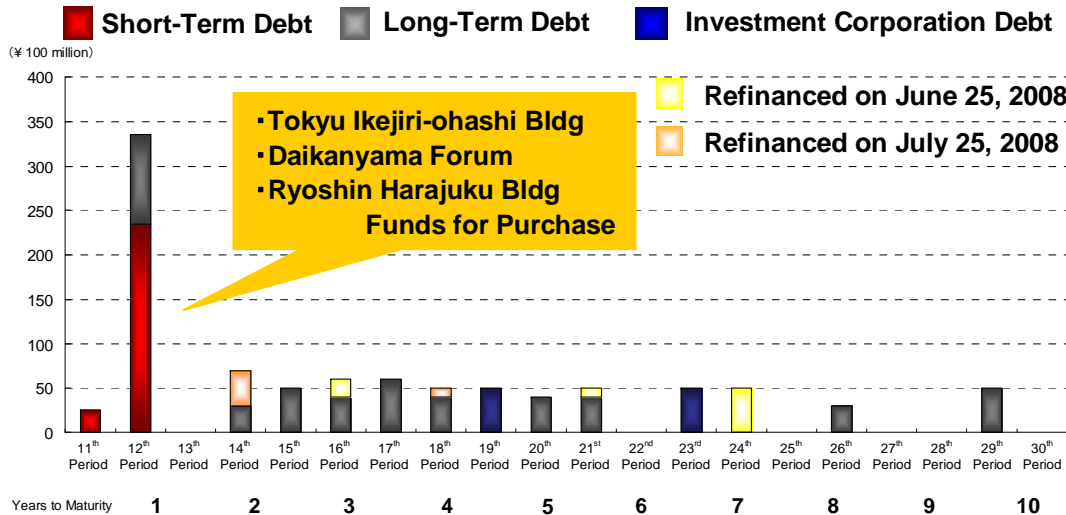
* As of Beginning of 11th Period (10th Period figures are as of Beginning of 10th Period)



Debt Management

Debt Structure (1)

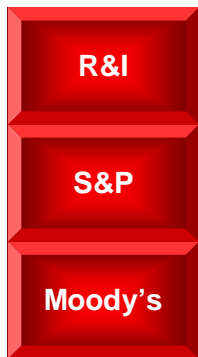
10th Period Debt Balance by Repayment Date (Maturity Ladder)



Total	:	¥97.0 bn (¥ +23.5 bn)
Avg. remaining yrs	:	3.26 yrs (-0.24 yrs)
LT Fixed Ratio	:	73.2% (-8.4 pts.)
Number of Ladders	:	14 (+1 Ladder)
Avg. Ladder Amount	:	¥6.92 bn (¥ +1.27 bn)

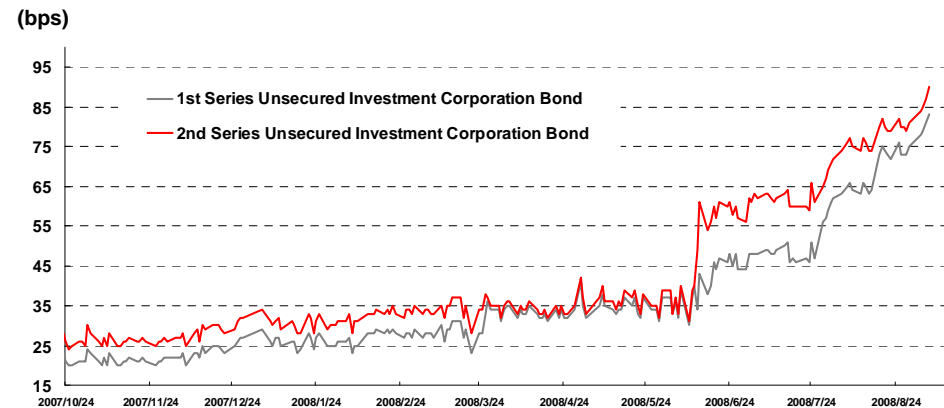
*** Debt maturity dispersion through long-term debt refinancing**

Rating (as of end of 10th period)



- **Issuer Rating: AA-** (Rating Outlook: Stable)
- **Long-term Corporate Credit Rating: A** (Outlook: Stable)
- **Short-term Corporate Credit Rating: A-1**
- **Issuer Rating: A2** (Rating Outlook: Stable)

Historical Secondary Market Spread



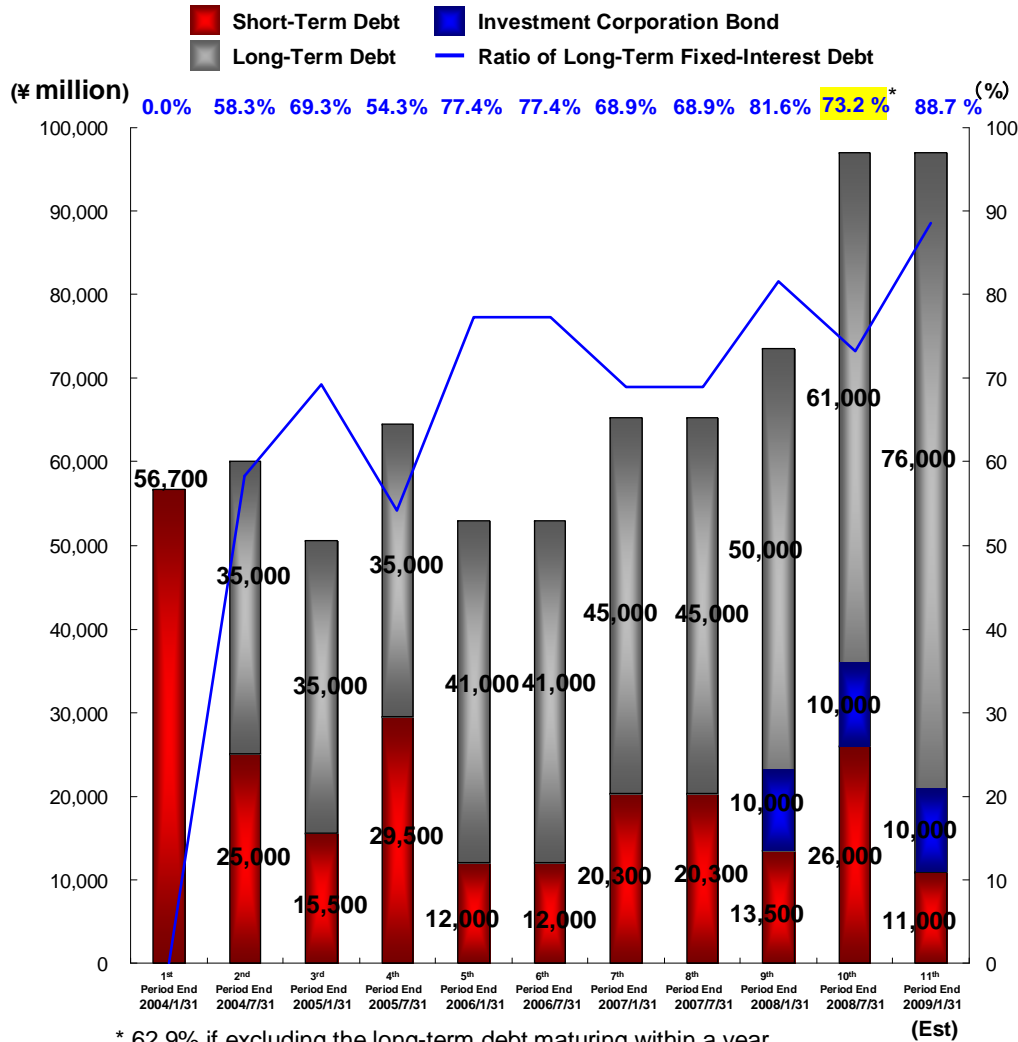
*** High credit ratings help to respond to changing monetary situations**

*** Spread has been rapidly widening since June 2008**

*Comments by Tokyu REIM

Debt Structure (2)

Ratio of Long-Term Fixed-Interest Debt



* 62.9% if excluding the long-term debt maturing within a year

*** Increasing long-term debt position in order to strengthen the financial situation**

Interest Bearing Debt

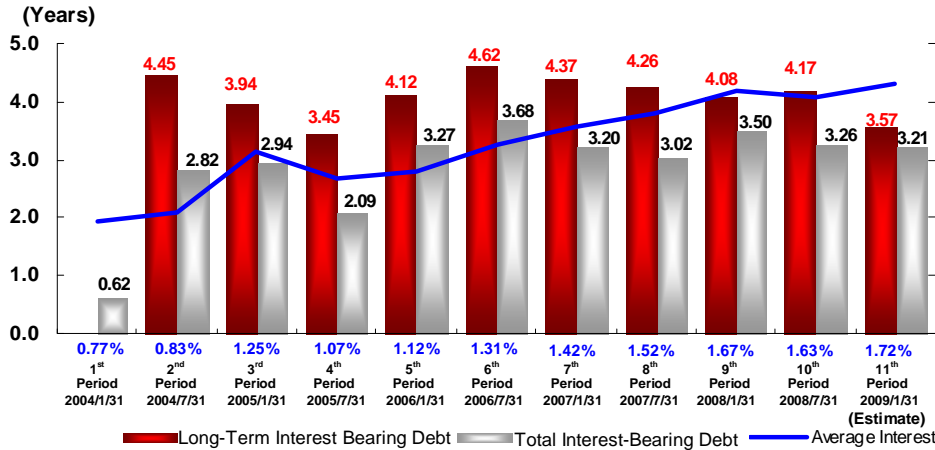
As of the 10th period

Category	Lender	Amount (¥ million)	Coupon (%)	Debt Origination Date	Maturity		Note
					Due Date	Period	
Short-term (Floating Rate)	Sumitomo Trust Bank	500					
	Chuo Mitsui Trust Bank	500					
	Bank of Tokyo- Mitsubishi UFJ	500	0.95417	1/31/2008	1/31/2009	11th	
	Mizuho Bank	500					
	Mitsubishi UFJ Trust Bank	500					
	Sumitomo Trust Bank	1,100					
	Chuo Mitsui Trust Bank	1,100					
	Bank of Tokyo- Mitsubishi UFJ	1,100	0.95417	3/28/2008	3/28/2009	12th	
	Mizuho Bank	1,100					
	Mitsubishi UFJ Trust Bank	1,100					
	Sumitomo Trust Bank	400					
	Chuo Mitsui Trust Bank	400					
	Bank of Tokyo- Mitsubishi UFJ	400	1.15500	4/22/2008	4/22/2009	12th	
	Mizuho Bank	400					
	Mitsubishi UFJ Trust Bank	2,400					
Sumitomo Trust Bank	1,400						
Chuo Mitsui Trust Bank	1,400						
Mizuho Bank	1,400	1.18000	6/27/2008	6/27/2009	12th		
Mitsubishi UFJ Trust Bank	8,400						
Bank of Tokyo- Mitsubishi UFJ	1,400	1.18000	7/25/2008	7/25/2009	12th		
Total Short-Term Borrowings	26,000	-	-	-	-	-	-
Long-term (Fixed Rate)	Chuo Mitsui Trust Bank (1)	5,000	1.68875		6/25/2009	12th	
	Mitsubishi UFJ Trust Bank (1)	5,000					
	Aioi Insurance Company	1,000		6/25/2004	6/25/2010	14th	
	Daido Life Insurance Company	1,000	1.92750				
	Mitsui Sumitomo Insurance	1,000					
	Development Bank of Japan	4,000	2.03000		6/25/2012	18th	
	JA-Kyosai	1,000	1.26250	10/25/2005	10/25/2011	17th	
	Development Bank of Japan	5,000	1.95000	1/25/2006	1/25/2018	29th	
	Nippon Life Insurance	4,000	1.93000		7/31/2011	16th	
	Dai-ichi Life Mutual Life Insurance	4,000	2.21125	7/31/2006	7/31/2013	20th	
	Dai-ichi Life Mutual Life Insurance	1,000	1.92000	1/25/2007	1/25/2014	21st	Unsecured Unguaranteed
	JA-Kyosai	3,000					
	Sumitomo Trust Bank	5,000	1.81062	6/25/2007	12/25/2010	15th	
	Bank of Tokyo- Mitsubishi UFJ	5,000	1.62625	9/25/2007	9/25/2011	17th	
	Daido Life Insurance Company	3,000	1.76625	3/10/2008	3/10/2016	26th	
	Mizuho Bank	2,000	1.81875		6/25/2011	16th	
	Mitsubishi UFJ Trust Bank	1,000	2.10187	6/25/2008	12/25/2013	21st	
	Development Bank of Japan	5,000	2.21100		6/25/2015	24th	
Sumitomo Trust Bank	1,000	1.55500		7/25/2010	14th		
Chuo Mitsui Trust Bank	1,000	1.55500	7/25/2008	7/25/2012	18th		
Nonnchukin Bank	1,000	1.80375		7/25/2010	14th		
Shinkin Central Bank	2,000	1.55500		7/25/2010	14th		
Total Long-Term Borrowings	61,000	-	-	-	-	-	-
Total Borrowings	87,000	-	-	-	-	-	-
Bonds (Fixed Rate)							
#1 Investment Corporation Bond	5,000	1.65000	10/24/2007	10/24/2012	19th Period	Unsecured	
#2 Investment Corporation Bond	5,000	1.89000	10/24/2007	10/24/2014	23rd Period	Unguaranteed	
Total Corporate Bonds	10,000	-	-	-	-	-	-
Total Interest-Bearing Debt	97,000	-	-	-	-	-	-

(1) Long-term debt maturing within a year
(2) Average Interest Rate: 1.63%

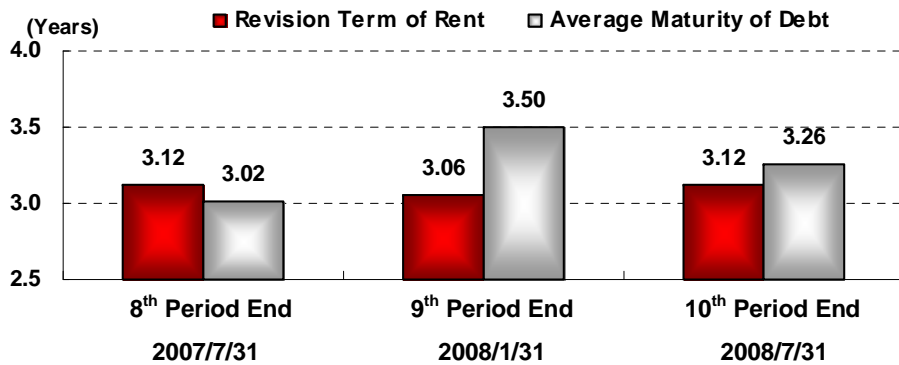
Debt Structure (3)

Average Maturity of Interest-Bearing Debt and Average Interest



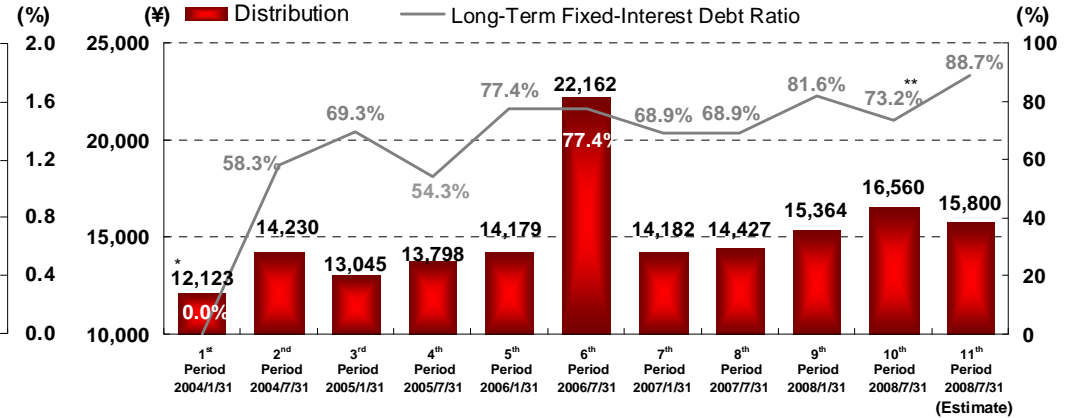
*** Control debt cost while managing duration**

Revision Term of Rent to Average Maturity of Interest-Bearing Debt



*** Striving to achieve a duration longer than the rent revision interval through active debt management**

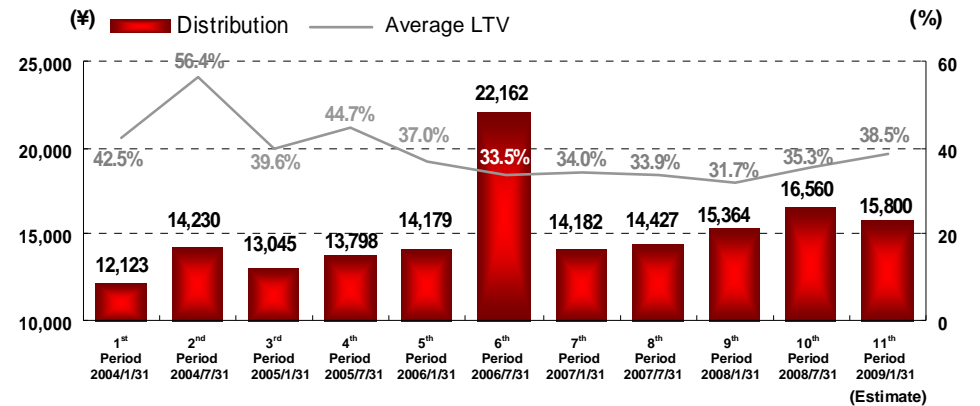
Distribution and Ratio of Long-Term and Fixed-Rate Debt



* Official distribution in 1st Period was ¥9,488 based on the actual operating days of 144 days, but the recalculated distribution of ¥12,123 based on 184 operating days is used in the above graph for the sake of comparison with figures from 2nd Period onwards
** 62.9% excluding the long-term debt maturing within a year

*** Focus on balance between EPS growth and earnings quality**

Distribution and Average LTV



* Average LTV = (Average Balance of Interest Bearing Debt + Average Balance of Securities Deposit without Reserved Cash) / Appraisal Value at End of Previous Period or Weighted Average Appraisal Value on Acquisition Date

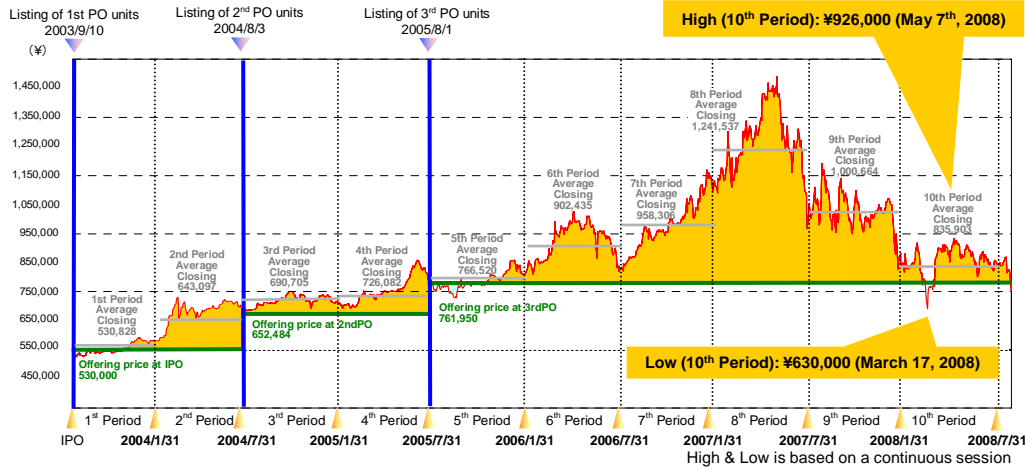
*Comments by Tokyu REIM



Investment Unit Price and Ownership Structure

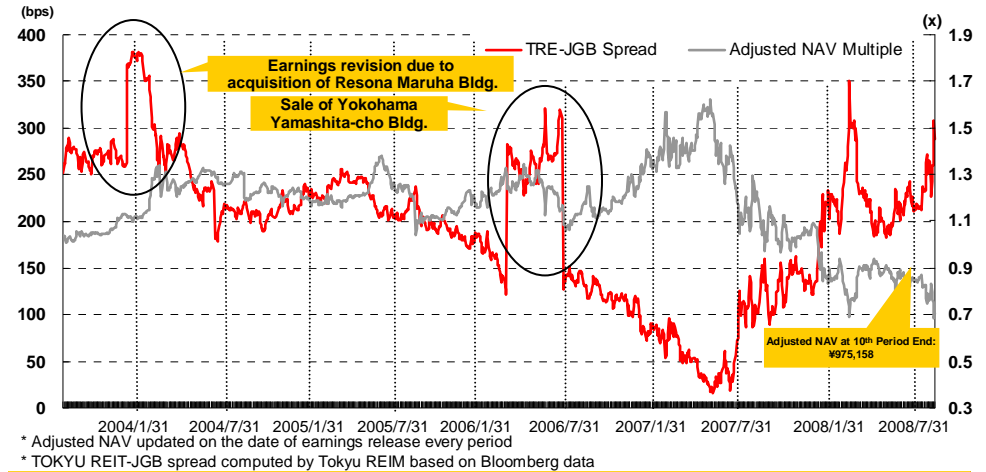
Information on TOKYU REIT Investment Units

TOKYU REIT Public Offering Price and Investment Unit Price



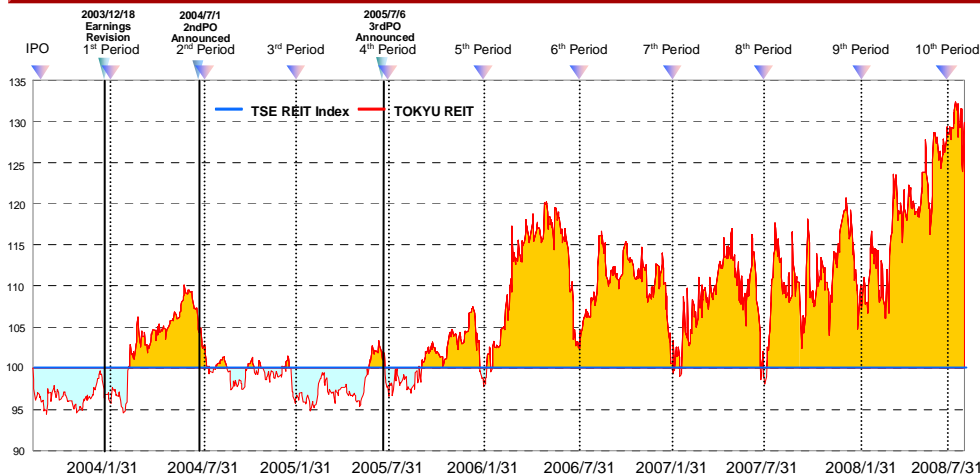
* Unit price is higher than public offering price of all 3 add-on offerings

TOKYU REIT – JGB Spread and Adjusted NAV Multiple



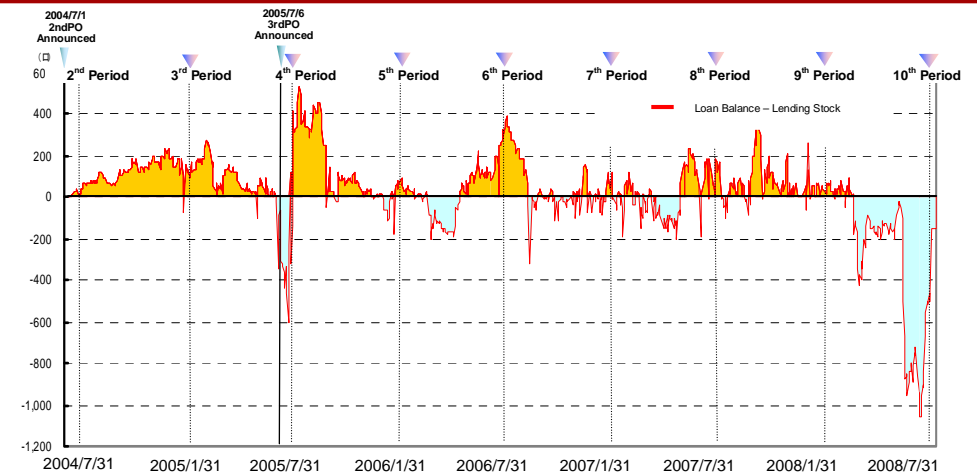
* Increase in unrealized gains and declining investment unit price has led to a lower adjusted NAV multiple

TOKYU REIT Investment Unit Price Performance (vs. TSE REIT Index)



* Striving to further outperform the TSE REIT index

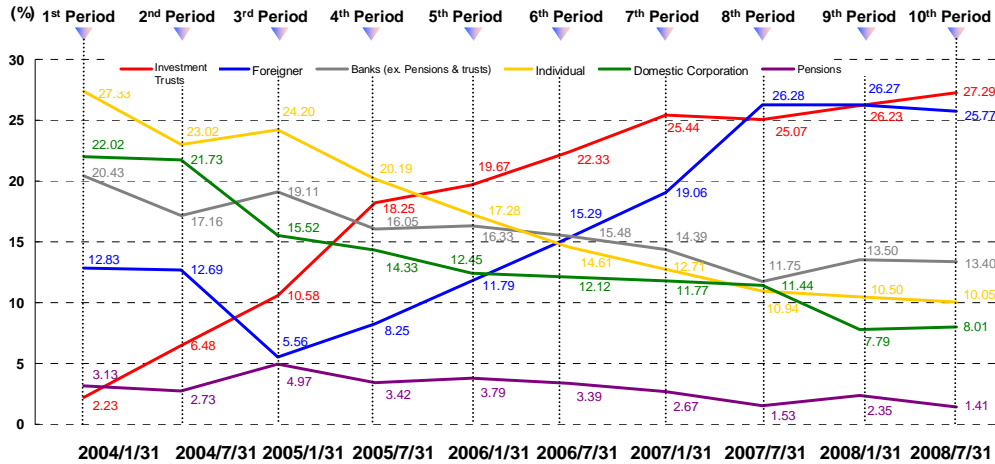
Loan Balance of Japan Securities Finance Co.



* Lending stock has increased toward the end of the 10th Period

Unitholder Structure (1)

Main Segments

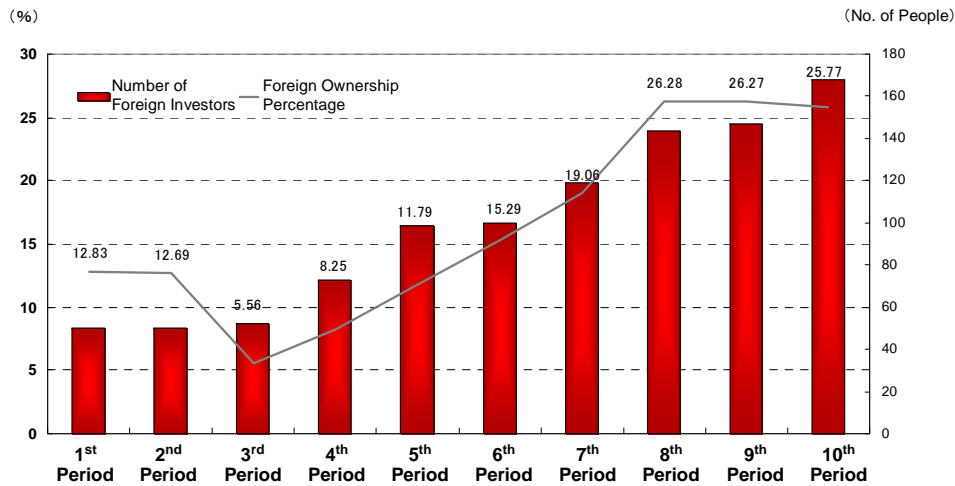


*** Major increase in foreign and trust ownership percentage**

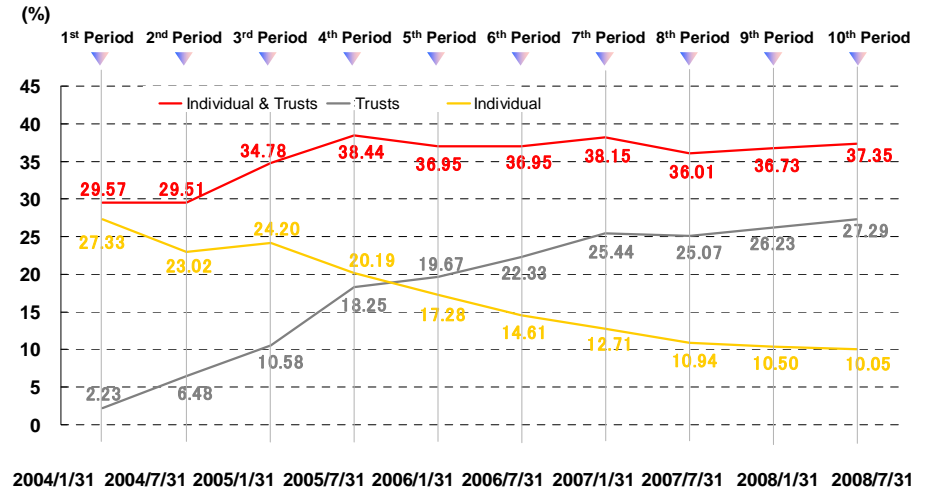
*** While there is little change in the percentage, the number of investors is gradually increasing**

*** Individual ownership percentage (individuals & investment trusts) accounts for a little over 1/3 of the holdings and has remained relatively steady**

Foreign Ownership Percentage/Number of Foreign Investors

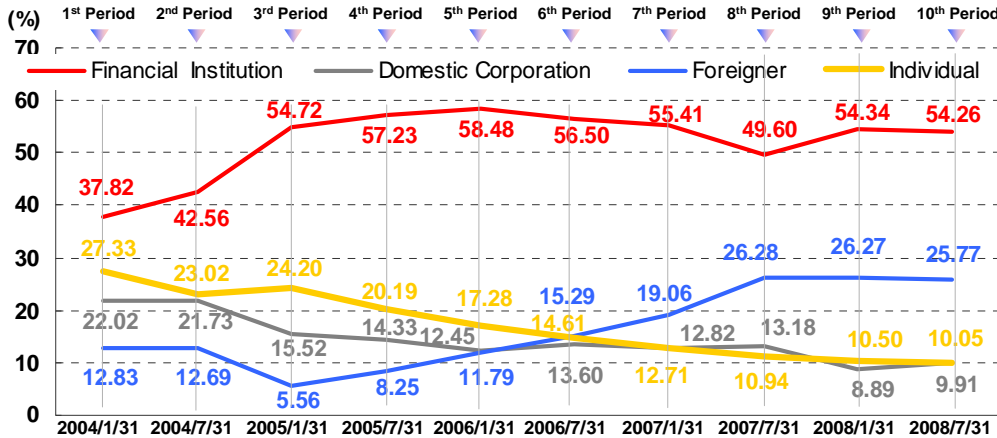


Individual Ownership Percentage



Unitholder Structure (2)

Ownership by Investor Type

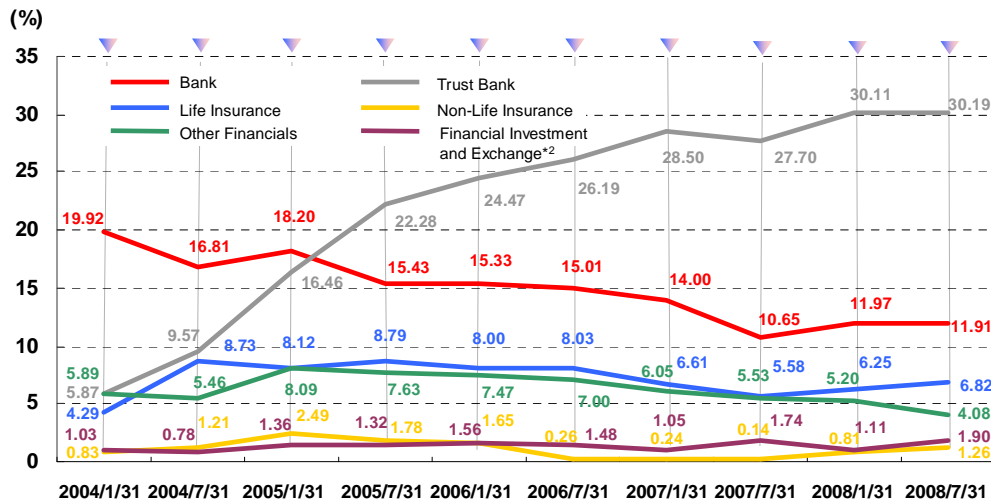


* Decrease in domestic corporate holdings compensated by increase in financial institutions

* Within financial institutions, investment trusts have increased their holdings (capital inflow via investment trusts)

(Note) Fiscal period end totals may not sum up to 100% due to rounding

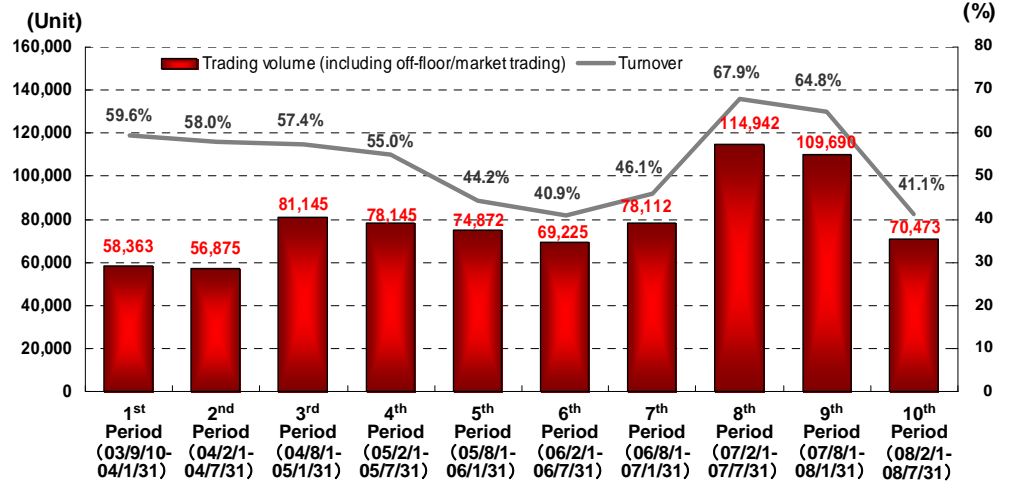
Ownership by Investor (Financial Institutions Breakdown*1)



*1 Financial investment and exchange companies included in financial institutions

*2 "Securities Company" distinction changed due to the implementation of the Financial Instruments and Exchange Law

Trading Volume and Turnover of TOKYU REIT Units



* Turnover = Trading volume during the period (units) / Units outstanding

List of Unitholders

1st Period (ended Jan 31, 2004)

Unit-Holders	No. of Units Held	Share (%)
1 Tokyu Corporation	5,880	6.00
2 Kawasaki Gakuen School Corporation	5,000	5.10
3 Tokyu Land Corporation	3,920	4.00
4 Japan Trustee Services Bank	3,084	3.14
5 Shinwa Bank	2,794	2.85
6 Aozora Bank	2,766	2.82
7 Hiroshima Bank	2,064	2.10
8 Resona Bank	2,043	2.08
9 Morgan Stanley	2,016	2.05
10 Bank of Ikeda	1,917	1.95
11 The Gibraltar Life Insurance Company	1,534	1.56
12 The Chase Manhattan Bank London	1,460	1.48
13 AIG Star Life Insurance Company	1,394	1.42
14 Trust & Custody Services Bank, Ltd	1,201	1.22
15 The Chase Manhattan Bank London (SL Omnibus Acct)	1,090	1.11
16 North Pacific Bank	1,000	1.02
16 Bank of Bermuda	1,000	1.02
18 Hachijuni Bank	960	0.97
19 American Life Insurance Company	959	0.97
20 Pictet and Chez	947	0.96
Total Units Held by Top 20 Unit-holders	43,029	43.90
Outstanding Units	98,000	100.00

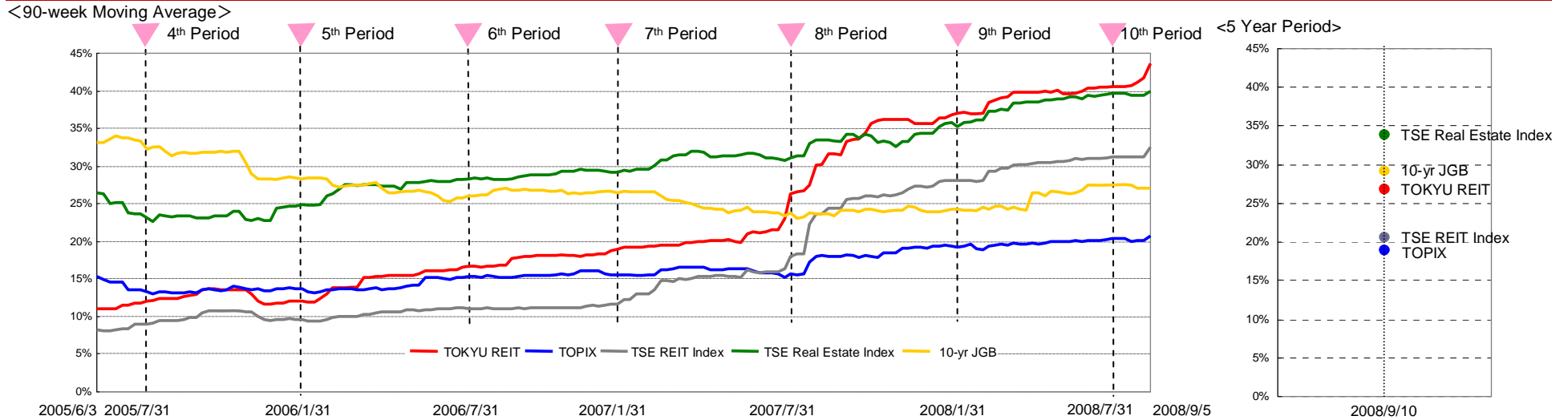
9th Period (ended Jan. 31, 2008)

Unit-Holders	No. of Units Held	Share (%)
1 Japan Trustee Services Bank Ltd.	14,009	8.27
2 NikkoCiti Trust and Banking Corporation	12,783	7.54
3 CB London Standard Assurance, Ltd.	10,329	6.09
4 Trust & Custody Services Bank, Ltd	9,924	5.85
5 The Master Trust Bank of Japan, Ltd.	8,449	4.98
6 Tokyu Corporation	5,880	3.47
7 AIG Star Life Insurance Co., Ltd.	4,871	2.87
8 North Pacific Bank, Ltd.	4,604	2.71
9 The Nomura Trust and Banking Co., Ltd	4,123	2.43
10 Tokyu Land Corporation	3,920	2.31
11 American Life Insurance Company	2,949	1.74
12 Goldman Sachs International	2,756	1.62
13 Bank of New York, Treaty JASDEC Account	2,508	1.48
14 The National Mutual Insurance Federation of Agricultural Cooperatives	2,505	1.47
15 Barclays Bank Plc Barclays Capital Securities	2,011	1.18
16 Bank of New York Europe Limited 131705	1,907	1.12
17 UBS AG London Asia Equities	1,872	1.10
18 Orix Life Insurance Corporation	1,788	1.05
19 Kansai Urban Banking Corporation	1,400	0.82
20 The Gunma Bank Limited	1,352	0.79
Total Units Held by Top 20 Unit-Holders	99,940	59.00
Outstanding Units	169,380	100.00

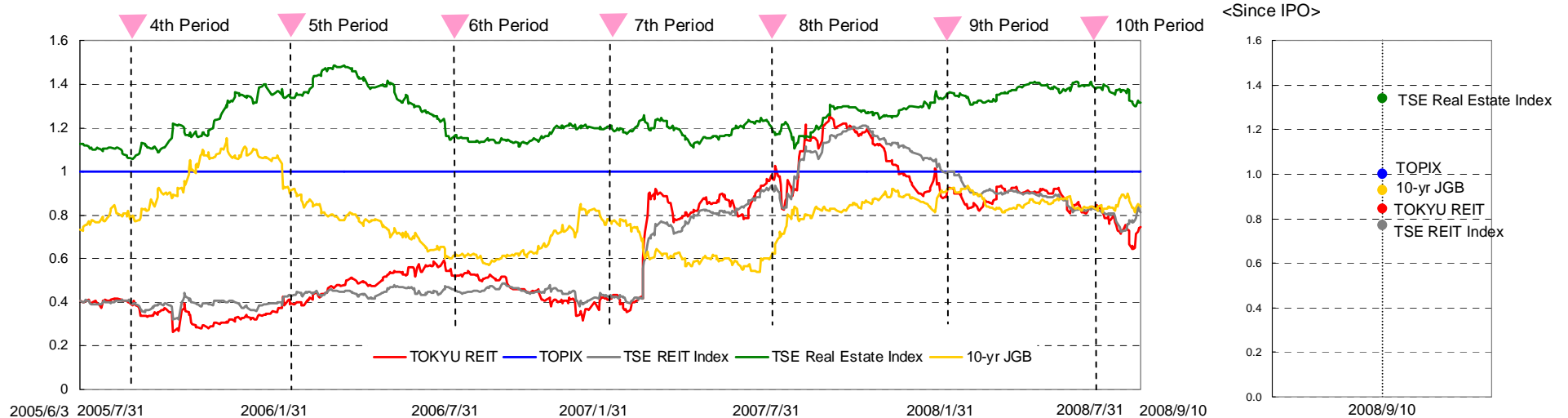
10th Period (ended July 31, 2008)

Unit-Holders	No. of Units Held	Share (%)
1 NikkoCiti Trust and Banking Corporation	13,243	7.81
2 Japan Trustee Services Bank Ltd.	12,563	7.41
3 Trust & Custody Services Bank, Ltd	10,467	6.17
4 The Master Trust Bank of Japan, Ltd.	9,065	5.35
5 CB London Standard Assurance, Ltd.	6,829	4.03
6 Tokyu Corporation	5,880	3.47
7 AIG Star Life Insurance Co., Ltd.	4,871	2.87
8 North Pacific Bank, Ltd.	4,604	2.71
9 The Nomura Trust and Banking Co., Ltd	4,017	2.37
10 Tokyu Land Corporation	3,920	2.31
11 American Life Insurance Company	2,949	1.74
12 Nomura Securities Company	2,763	1.63
13 AIG Edison Life Insurance Company	2,600	1.53
14 The National Mutual Insurance Federation of Agricultural Cooperatives	2,505	1.47
15 Bank of New York, Treaty JASDEC Account	2,049	1.20
16 Bank of New York US Pension Fund Global Business	2,000	1.18
17 Bank of New York Europe Limited 131705	1,907	1.12
18 Orix Life Insurance Corporation	1,894	1.11
19 The Fuji Fire and Marine Insurance	1,687	0.99
20 UBS AG London Asia Equities	1,681	0.99
Total Units Held by Top 20 Unit-Holders	97,494	57.55
Outstanding Units	169,380	100.00

Volatility of TOKYU REIT and Other Indexes



Beta of TOKYU REIT and Other Indexes



Source: Prepared by Tokyu REIM based on Bloomberg data

Prepared on 10/1/2008

The document is provided for information purpose only and is not intended as an inducement or invitation to invest and trade in securities issued by TOKYU REIT

Analyst Coverage <Reference>

As of September 26, 2008

Rating	Date	TRE Closing Price	Analyst	Fair Price	Period
Neutral	2008/9/26	715,000	Masahiro Mochizuki (Credit Suisse Securities Limited)	780,000	12 Months
Neutral	2008/9/18	669,000	Masato Nakagawa (Daiwa Institute of Research)	N/A	N/A
Buy	2008/9/16	673,000	Yoshizumi Kimura (Nikko Citigroup Limited)	1,200,000	12 Months
Neutral	2008/9/16	673,000	Tomohiro Araki (Nomura Securities Financial & Economic Research Center)	N/A	N/A
Buy	2008/9/12	735,000	Toshiyuki Anegawa (Merrill Lynch Japan Securities)	940,000	12 Months
Market Perform	2008/4/2	841,000	Toru Esaki (Mitsubishi UFJ Securities)	N/A	N/A
Outperform	2008/3/28	773,000	CHANG HAN JOO (Macquarie Capital Securities Limited)	1,100,000	12 Months

Source: Bloomberg, compiled by Tokyu REIM

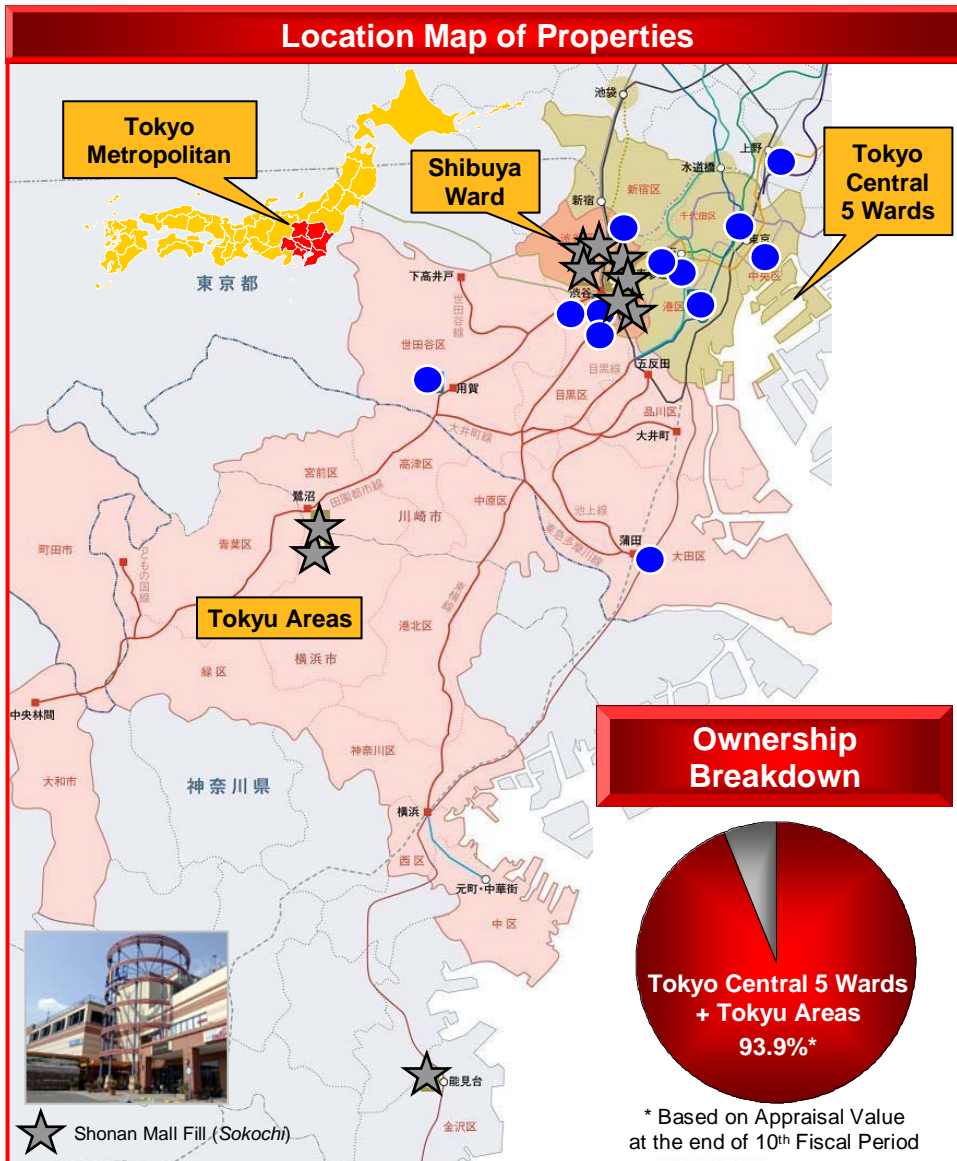
* Besides the above analysts, we are currently confirming the analyst report released on April 2, 2008 by Mizuho Securities Corporation's chief real estate analyst Mr. T. Ishizawa

* Ratings may have changed. Please confirm directly.



Portfolio Overview and Risk Management

Portfolio Overview



Retail Properties ★

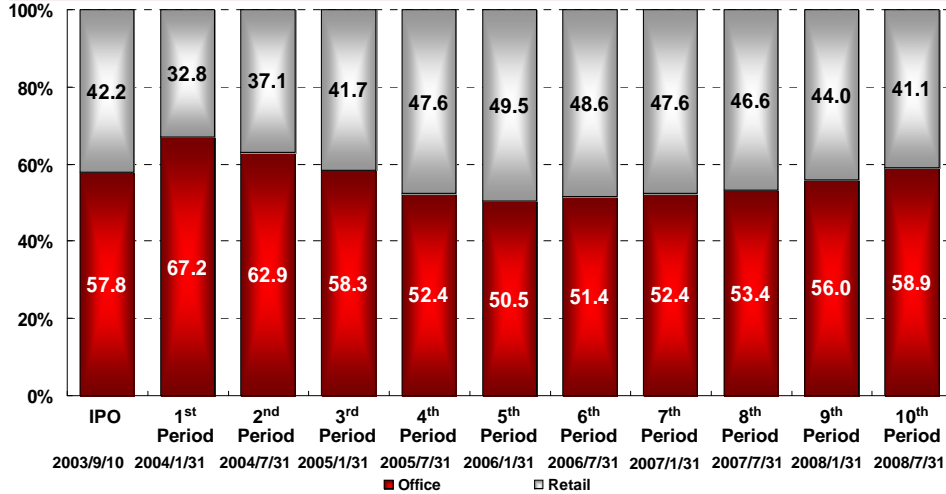
QFRONT	Lexington Aoyama	TOKYU REIT Omotesando Sq.	Tokyu Saginuma Bldg.	Conze Ebisu
Tokyu Saginuma 2 Bldg.	TOKYU REIT Shibuya Udagawa-cho Sq.	Beacon Hill Plaza (Ito Yokado Nokendai Store)	cocoti	Daikanyama Forum

Office Properties ○

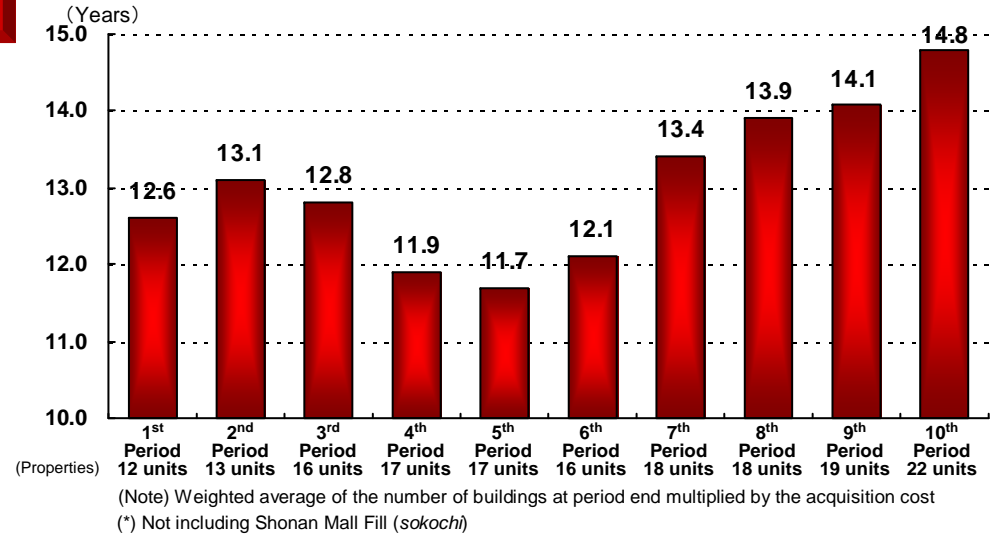
Setagaya Business Square	Tokyu Nampoedai-cho Bldg.	Tokyu Sakuragaoka-cho Bldg.	Tokyo Nissan Taito Bldg.	TOKYU REIT Akasaka Hinoki-cho Bldg.	TOKYU REIT Kamata Bldg.
Resona Maruha Bldg.	TOKYU REIT Toranomon Bldg.	TOKYU REIT Hatchobori Bldg.	Akasaka 4-chome Bldg. (Tokyu Agency Inc. Headquarters)	Tokyu Ikejiri-ohashi Building	Ryoshin Harajuku Building

Portfolio Overview (1)

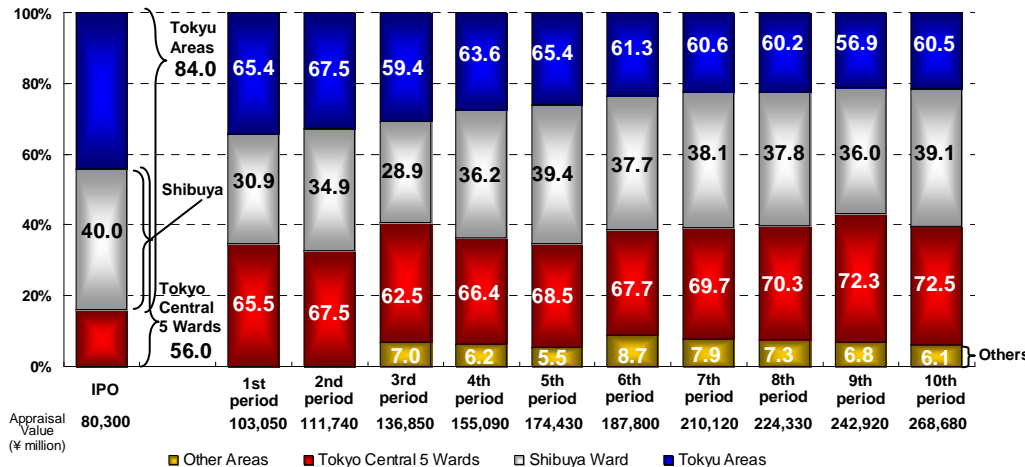
Office / Retail Ratio (Based on Property Value Calculated at End of Period)



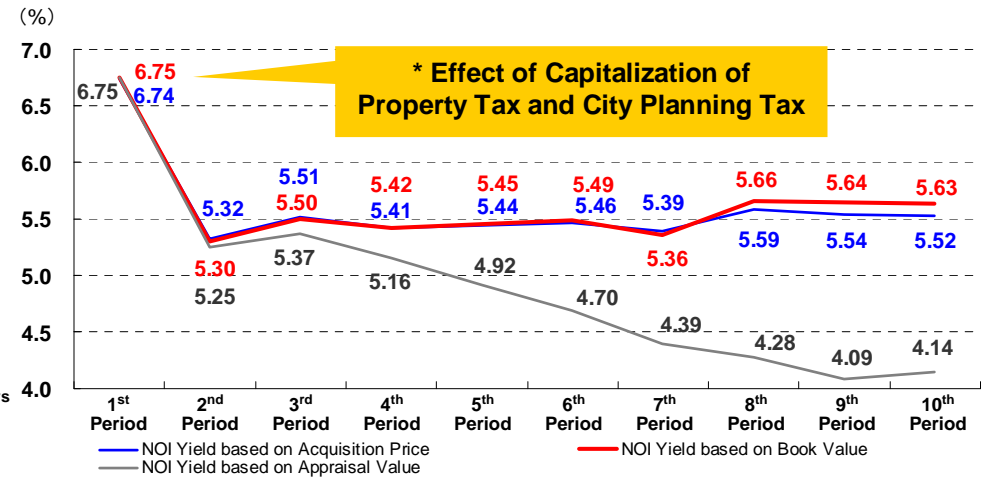
Weighted Average Years Built (as of 7/31/2008)



Area (Based on Appraisal Value at End of Period)

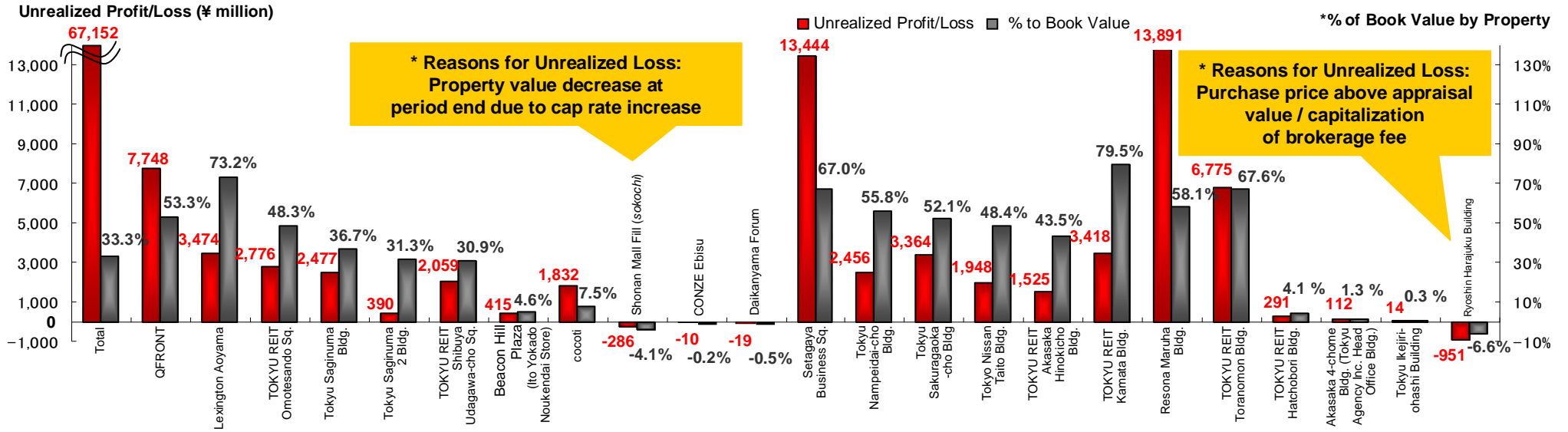


NOI Yield



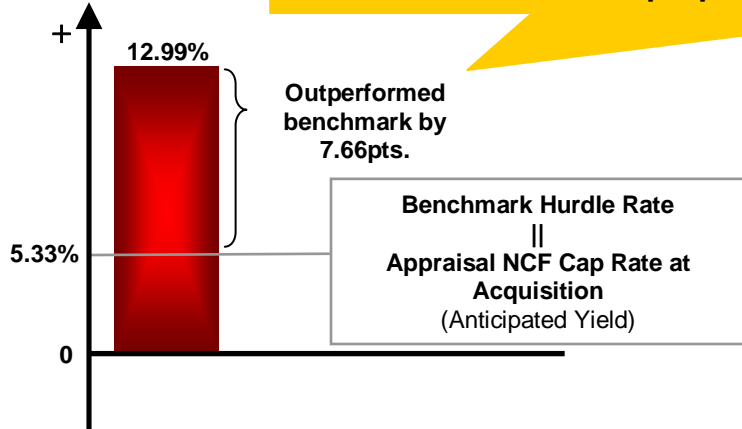
Portfolio Overview (2)

Unrealized Profit/Loss and Percentage of Book Value by Property



Portfolio Return Performance

*** Total return of the 17 properties since acquisition has outperformed the benchmark by 7.66 points**

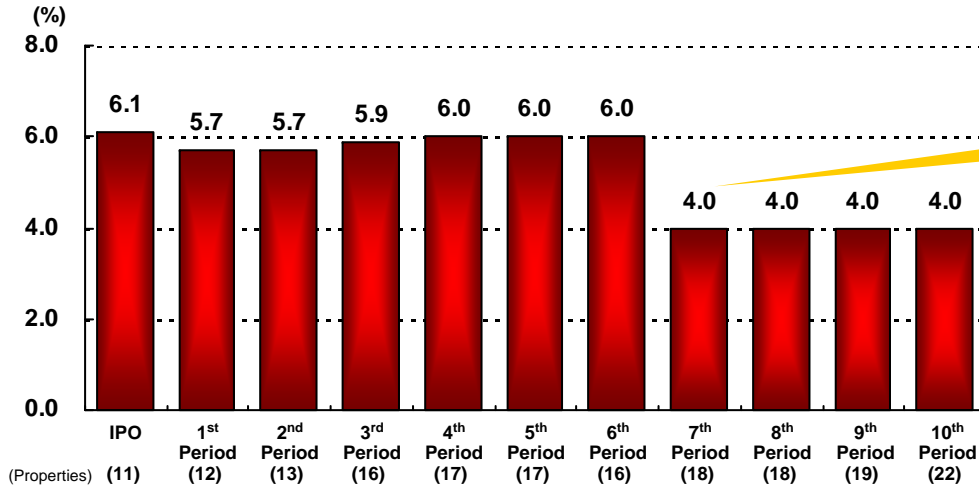


- Based on the 17 properties (acquisition price base: ¥161,060 million) that have been held for more than 4 periods (2 years)
(Total value of the TOKYU REIT Toranomon Building, acquired in multiple parts, is utilized for calculation; excluding sale of the Yokohama Yamashita-cho Building in the 6th Period)
- Fiscal period end property values are utilized as the disposal price (sale price) for the calculation of IRR
- Acquisition price does not include capitalized expenses (such as broker's fees, first year's property/city planning tax, compensation for specialist agents)
- Cash flow from leasehold and security deposits are not included
- IRR for the 18 properties (above 17 properties and the Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) – Acquisition Price: ¥166,110 million) is 13.11% (outperforming the benchmark return of 5.39% by 7.72 points)
*Transfer price is utilized for sale of Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)

Risk Management (1)

Portfolio PML Trends

* PML decreased due to a change in the property value appraisal method utilized by E.R.S. Corporation and Oyo RMS Corporation resulting from the introduction of a new seismic analysis method



* The source of funds for CapEx is limited to depreciation for REITs, as 100% of profits are distributed

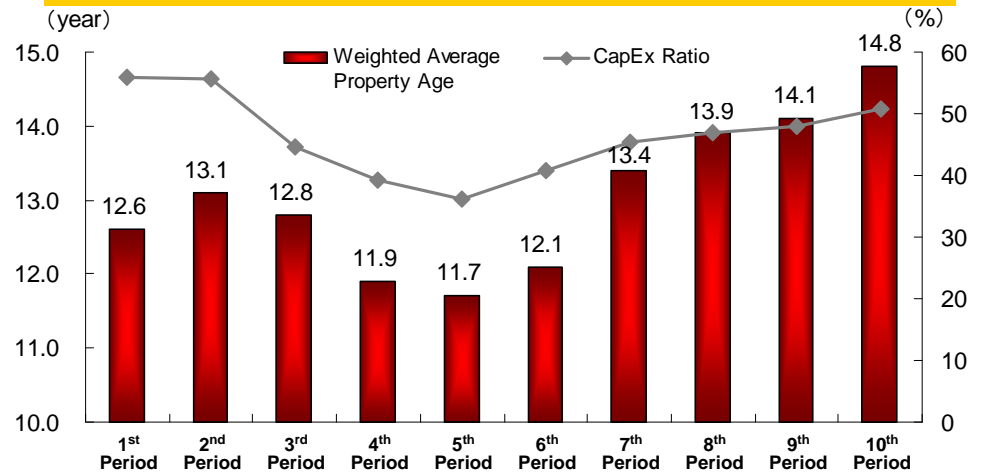
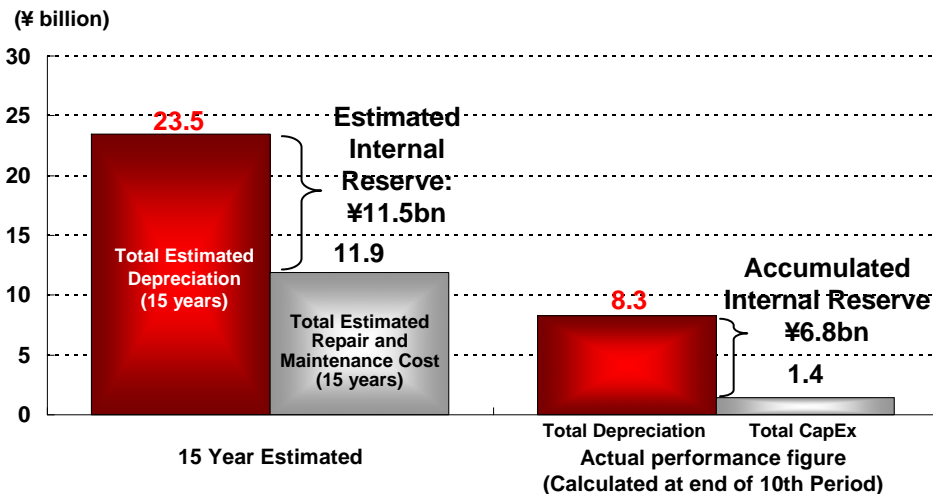
Therefore, we focus on maintaining the proper balance between long-term repair and maintenance estimates and accumulated depreciation

* Not including Shonan Mall Fill (sokochi)

Balance of Depreciation and Repair and Maintenance Costs

Weighted Average Property Age and CapEx Ratio

* Although the weighted average property age is increasing, costs are amply covered



* Repair and maintenance cost estimates are updated when appropriate

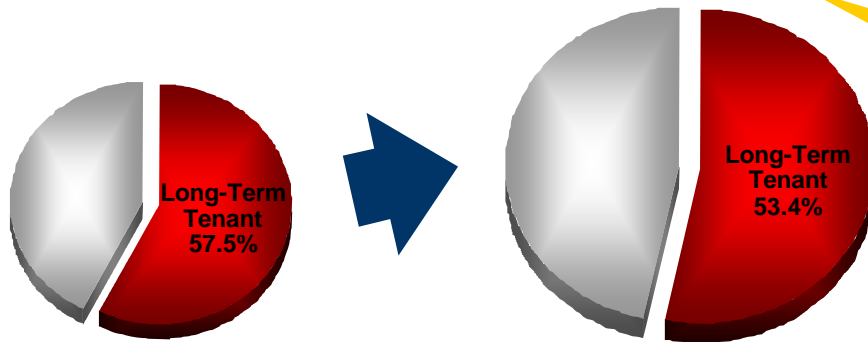
* Not including Shonan Mall Fill (sokochi)

* CapEx Ratio = (Total Estimated Depreciation per Period) / (Total Estimated Repair and Maintenance Cost per Period)

Risk Management (2)

Ratio of Tenants with LT Contracts (based on Leasable Area)

*Continue to attract long-term commitment



11 Properties at IPO
(as of end of April 2003)

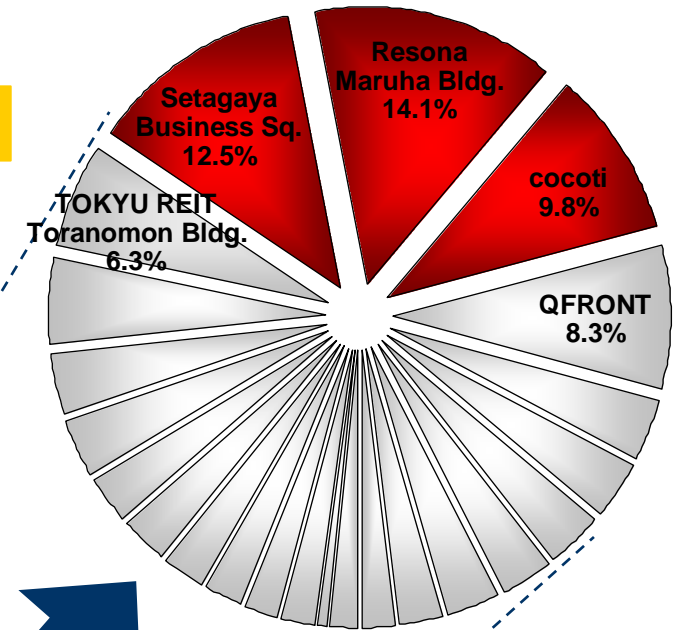
23 Properties at end of 10th Period
(as of end of July 2008)

(Note) Percentage of leasable area for long-term contracts without rent revision: 1.6%

* However, the average rent revision interval for all properties is 3.12 years

Property Concentration

* Ratio of each property decreased as number of buildings increased

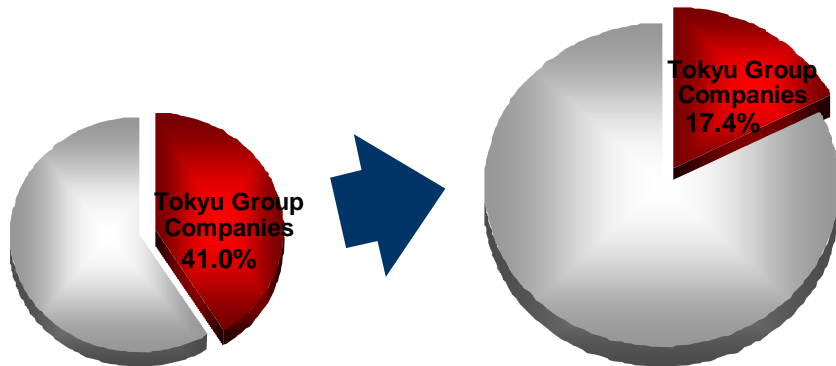


23 Properties at end of 10th Period
(based on appraisal value)

Top 3 : 36.3%
Top 5 : 50.8%

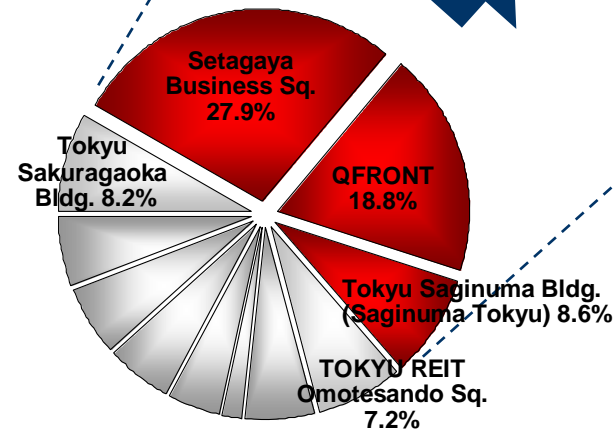
Tokyu Group Tenant Concentration (based on Leasable Area)

* Lower dependence on Tokyu Group Companies



11 Properties at IPO
(as of end of April 2003)

23 Properties at end of 10th Period
(as of end of July 2008)



11 Properties at IPO
(based on appraisal value as of end of April 2003)

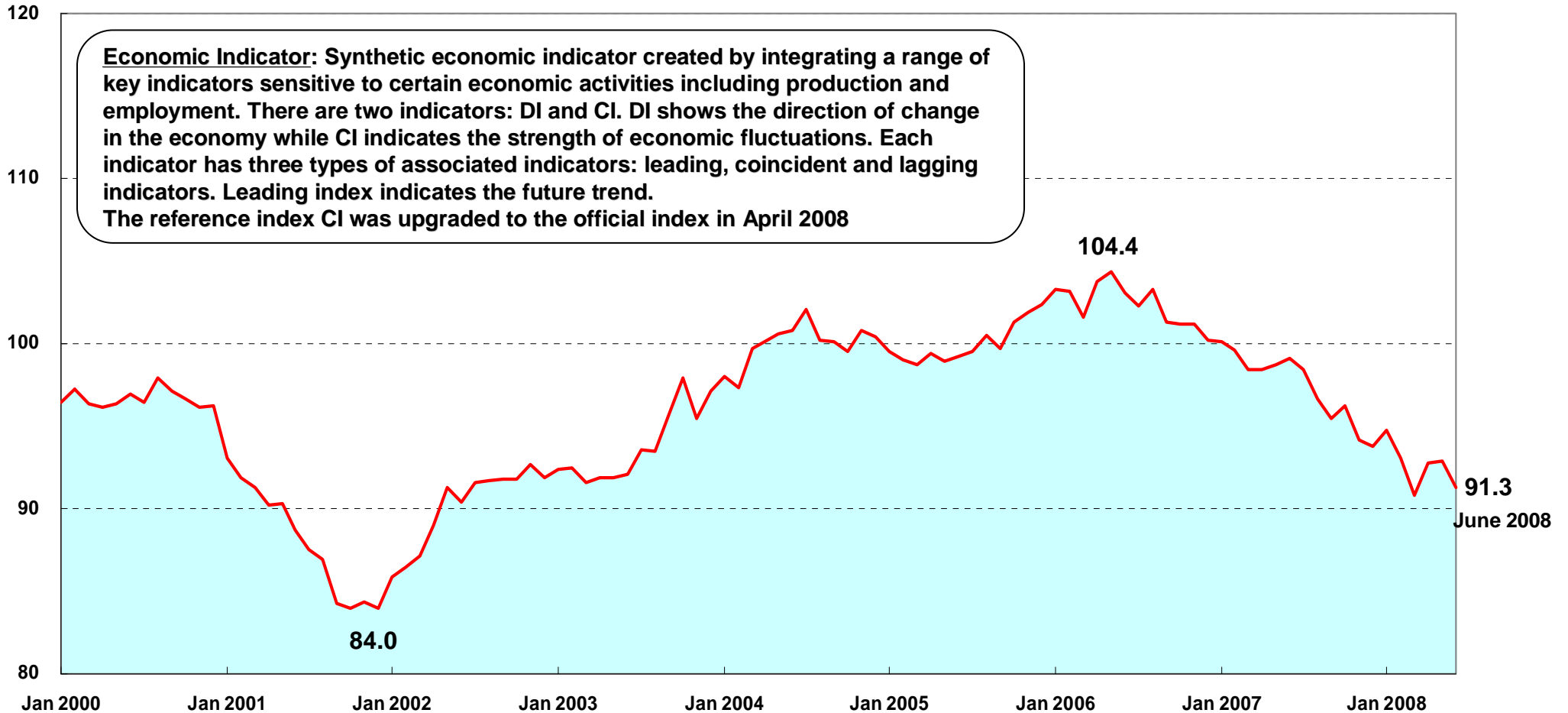
Top 3 : 55.3%
Top 5 : 70.7%



Market Review

Economic Trend in Japan

Economic Indicator: Composite Index (2005 = 100)



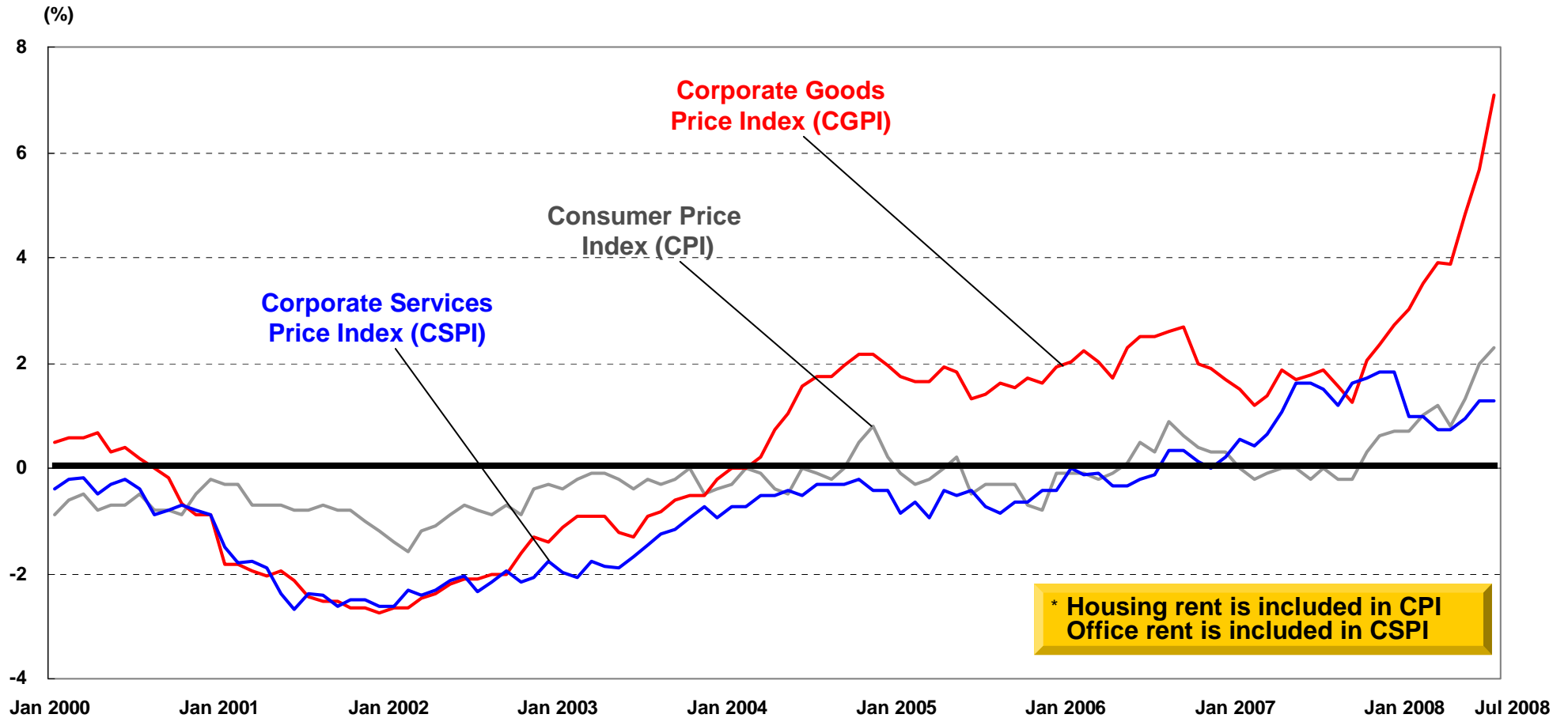
*** Economic momentum weakening to 2002-2003 levels**

Source: Cabinet Office (released on August 18, 2008)

*Comments by Tokyu REIM **42**

Price Trend in Japan

Price Index (YoY Change)



*** Recent run-ups in oil prices have caused a drastic increase in the Corporate Goods Price Index (CGPI)**

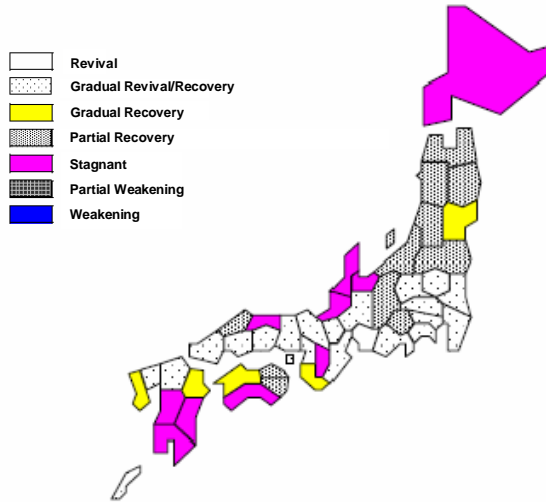
Source: Ministry of Internal Affairs and Communications, BOJ

*Comments by Tokyu REIM

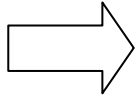
Regional Gap in Business Confidence

Economic Conditions by Prefecture

2008.4 Survey



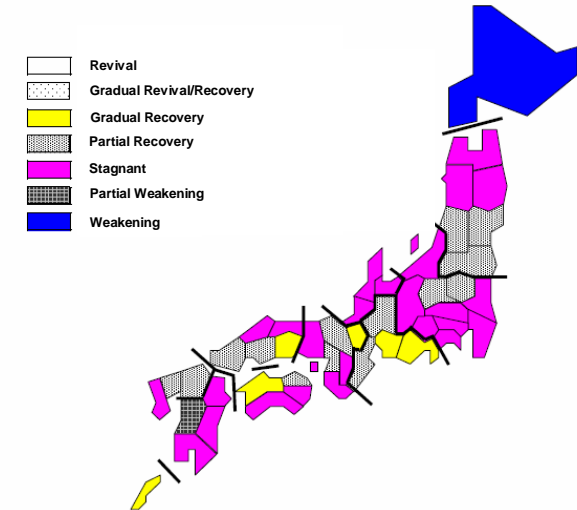
*** Economic sluggishness spreading to the Metropolitan area**



*Comparison

Upward	+ 2 notches	0
	+ 1 notch	0
Unchanged	± 0	12
Downward	- 1 notch	14
	- 2 notches	15
	- 3 notches	6

2008.7 Survey



Source: Ministry of Finance

(Note) Color coding on the map shows the direction of the economy, not the prefecture's current economy status

- **“We can conclude that the Japanese economy has been sluggish in many regions and weakness is being observed in certain areas.”**

(MoF “Economic Report of Ministry of Finance Local Finance Bureaus,” July 30, 2008)

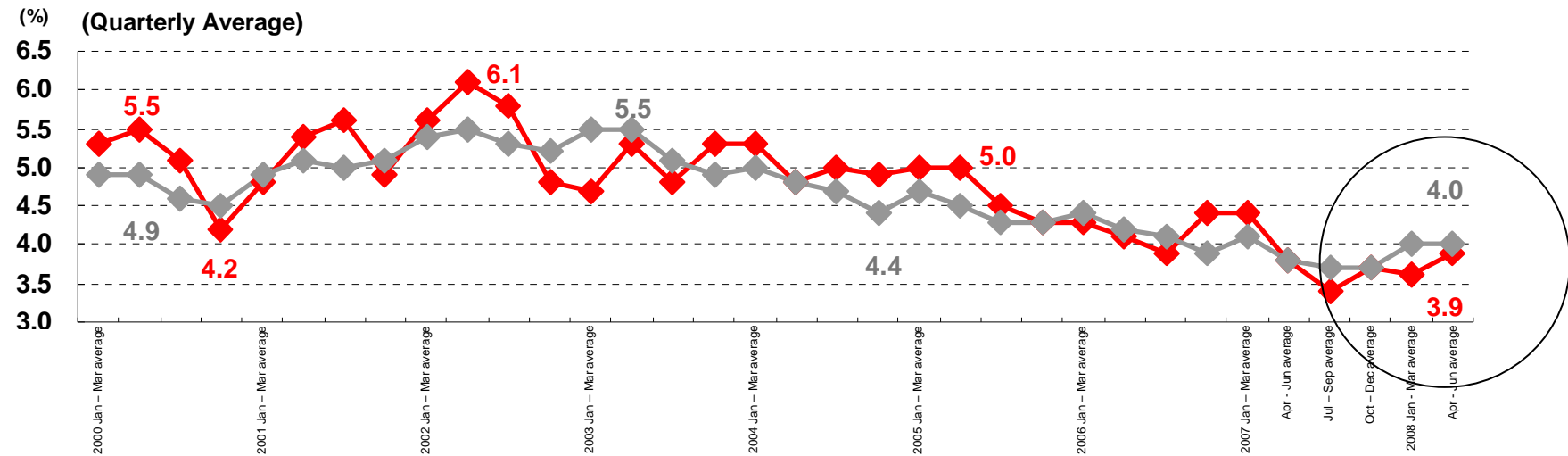
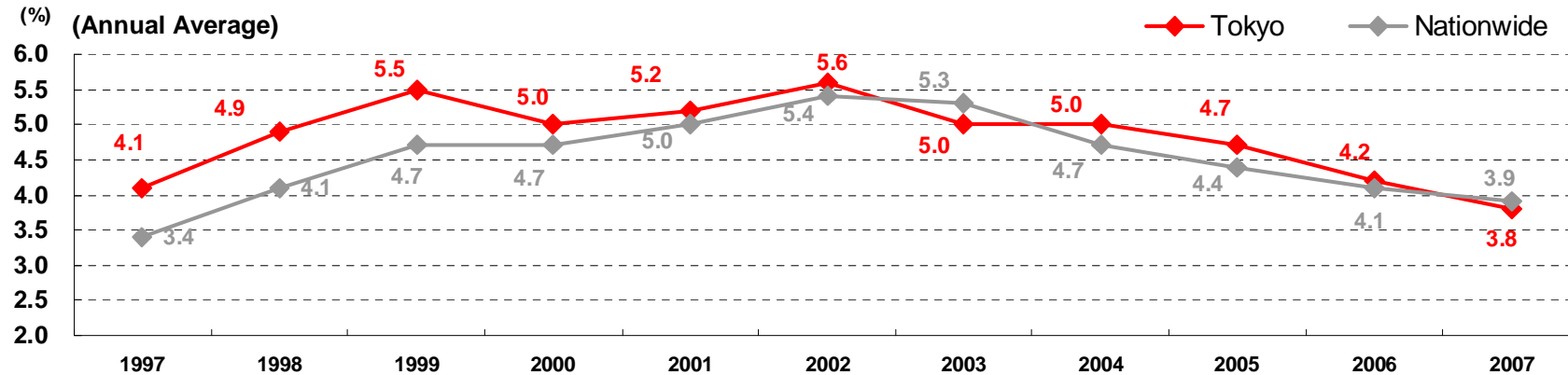
- **“The growth of the economy as a whole continued to slow recently, mainly due to the effects of high energy and materials prices, although there were some regional differences... Assessments showed that regional differences remained: Tokai’s economic activity is continuing to maintain a high growth level, albeit at a slower pace than previous, while Hokkaido described it as weakening.”**

(BOJ “Regional Economic Report” July 7, 2008)

*Comments and Comparison by Tokyu REIM **44**

Job Trend in Japan (Unemployment)

Unemployment in Tokyo and Nationwide (Raw Data)



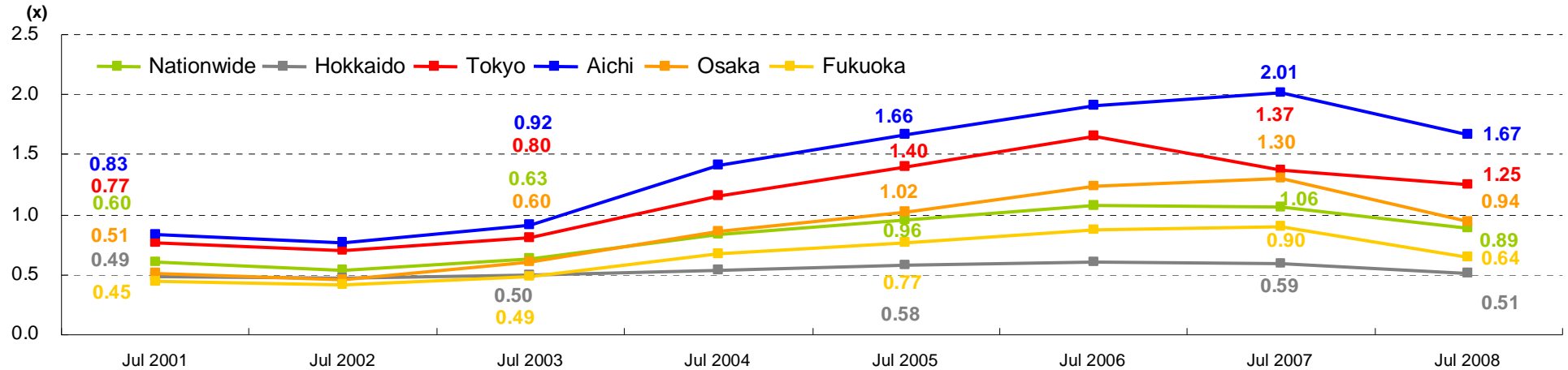
*** Previous improvements in the employment situation have stalled**

Source: "Labor Force Survey" by the Ministry of Internal Affairs and Communications

*Comments by Tokyu REIM

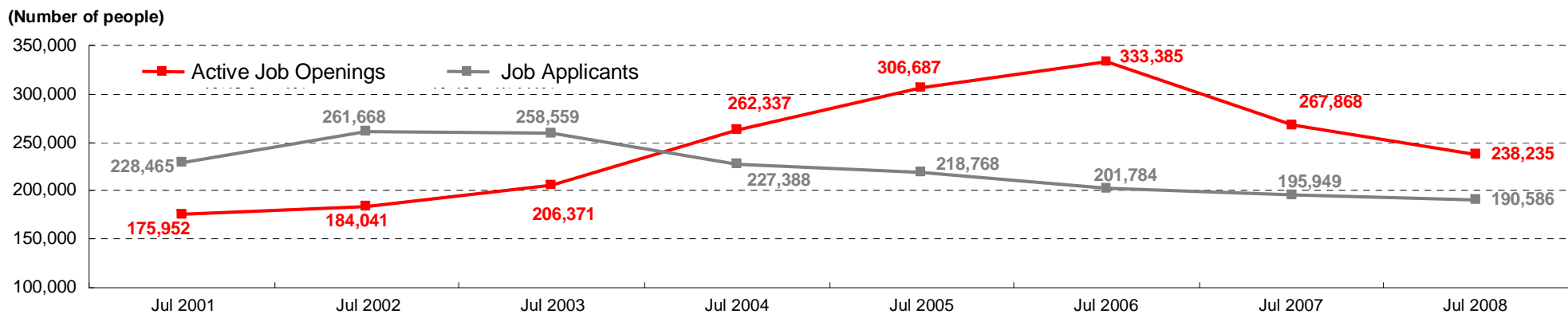
Job Trend in Japan (Job Opening)

Job to Applicant Ratio (Seasonally Adjusted)



*** Large differences can be observed across regions. Nationwide average has dipped below 1.0x in 2008**

Active Job Openings/Job Applicants in Tokyo



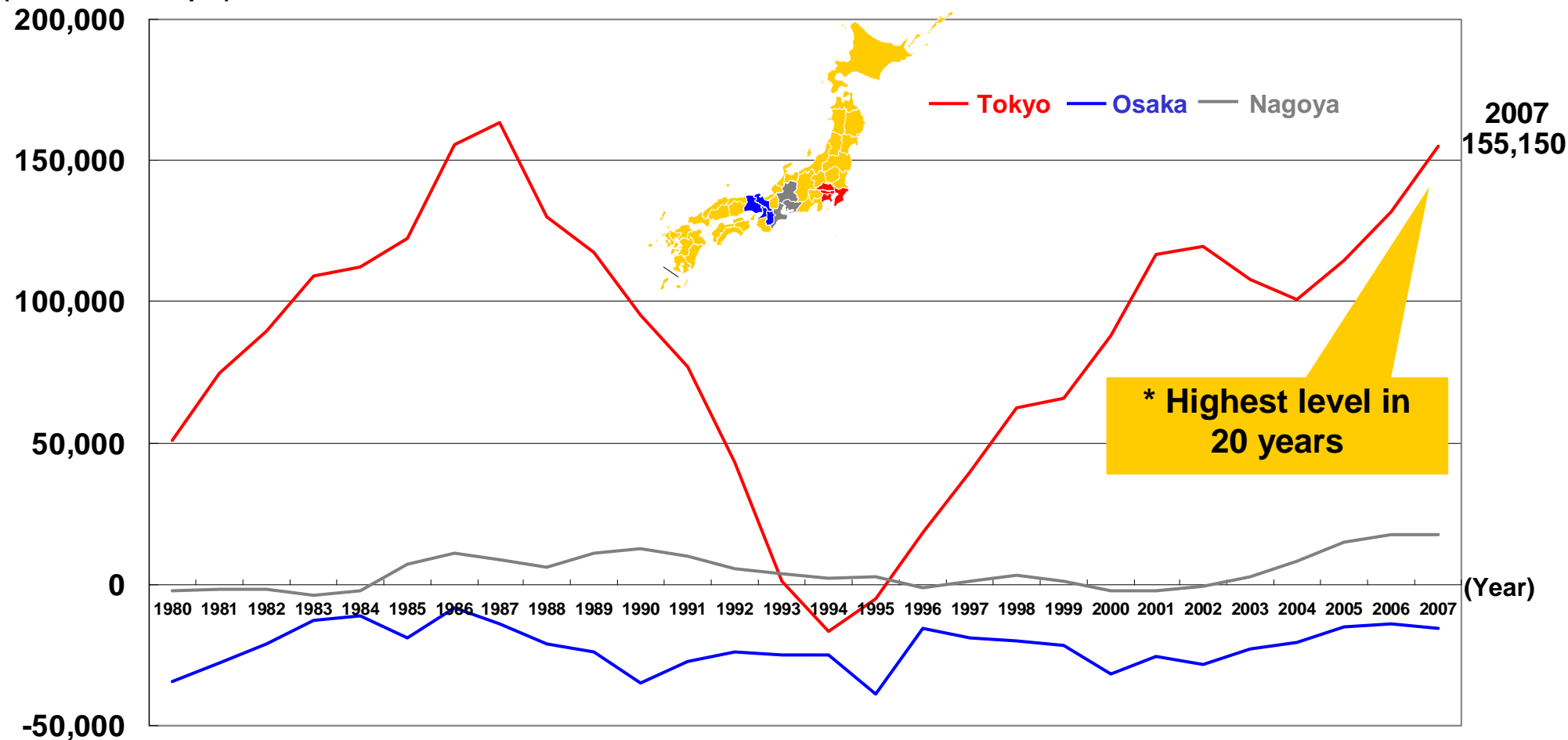
*** Active job openings have dropped to levels seen in the first half of 2004**

Source: Prepared by TREIM based on information from "Employment Service" by Health, Labor and Welfare Ministry

*Comments by Tokyu REIM **46**

Excess Population Inflow into 3 Major Metropolitan Areas (1980-2007)

(Number of People)

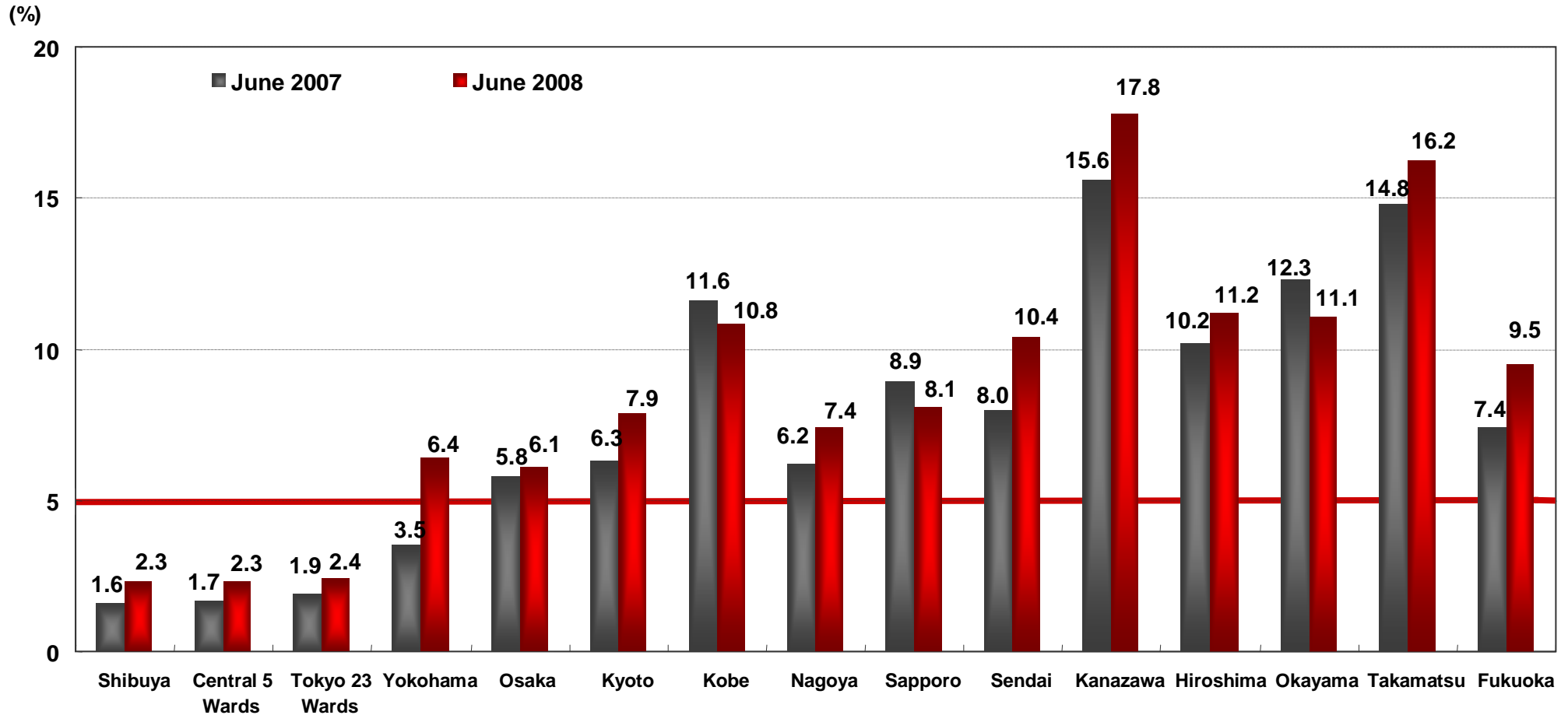


*** Significant population inflow into the Tokyo Metropolitan Area represents structural economic concentration in the area**

Source: Population Movement from Basic Resident Register, Ministry of Internal Affairs and Communications

Office Leasing Market Overview (1)

Vacancy by Market



*** While vacancy rates show an upward trend across Japan, the market environment remains stable in Tokyo where the vacancy rate is still below 5%**

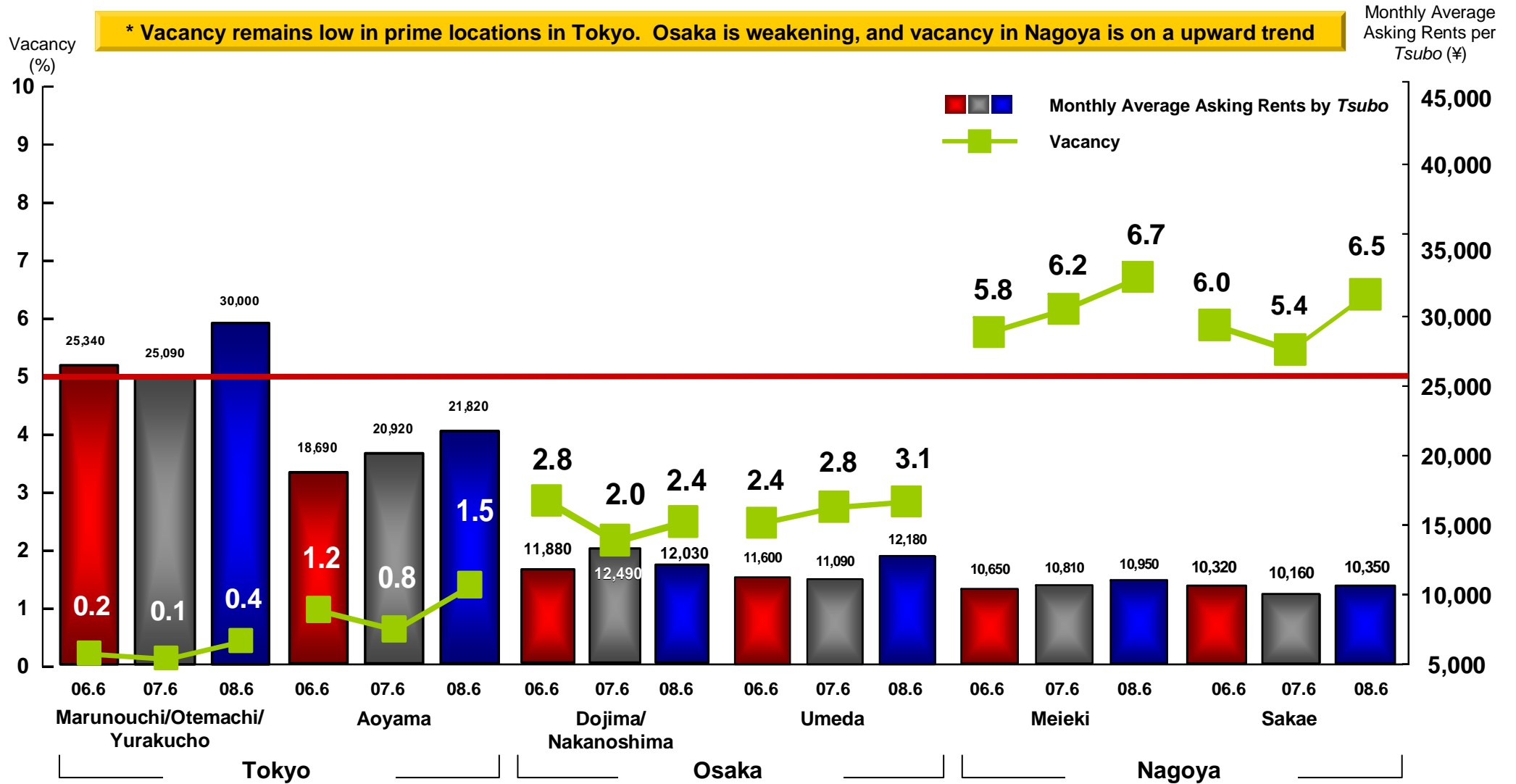
Source: Prepared by TREIM based on information from "Office Market Report" issued by CBRE Research Institutions

*Comments by Tokyu REIM

Office Leasing Market Overview (2)

Vacancy and Asking Rents for New Tenant by Market

* Vacancy remains low in prime locations in Tokyo. Osaka is weakening, and vacancy in Nagoya is on an upward trend

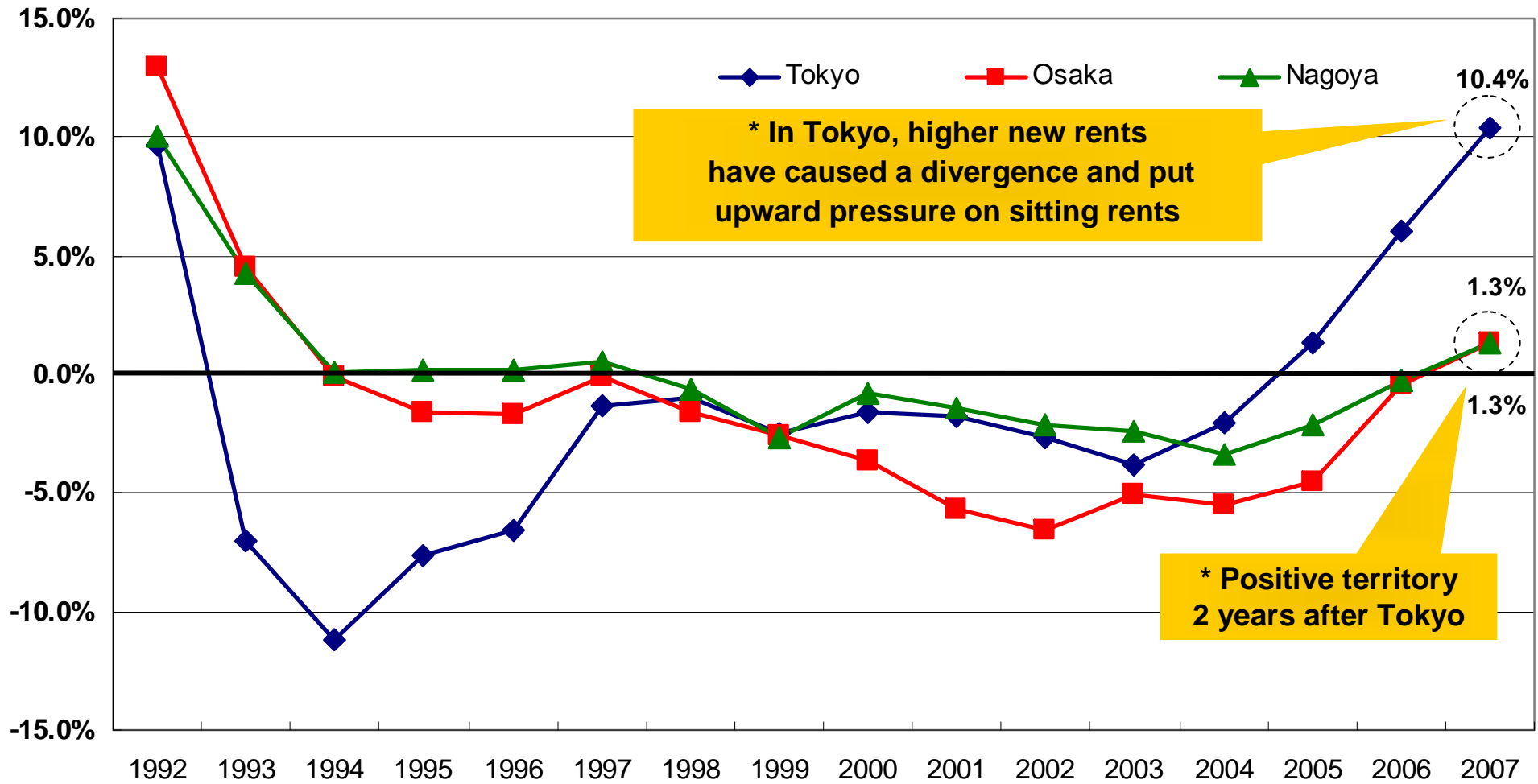


Source: Prepared by TREIM based on information from "Office Market Report" issued by CBRE Research Institutions

*Comments by Tokyu REIM

Office Leasing Market Overview (3)

Office Rent Revision in the Three Major Cities (Tokyo, Nagoya and Osaka)



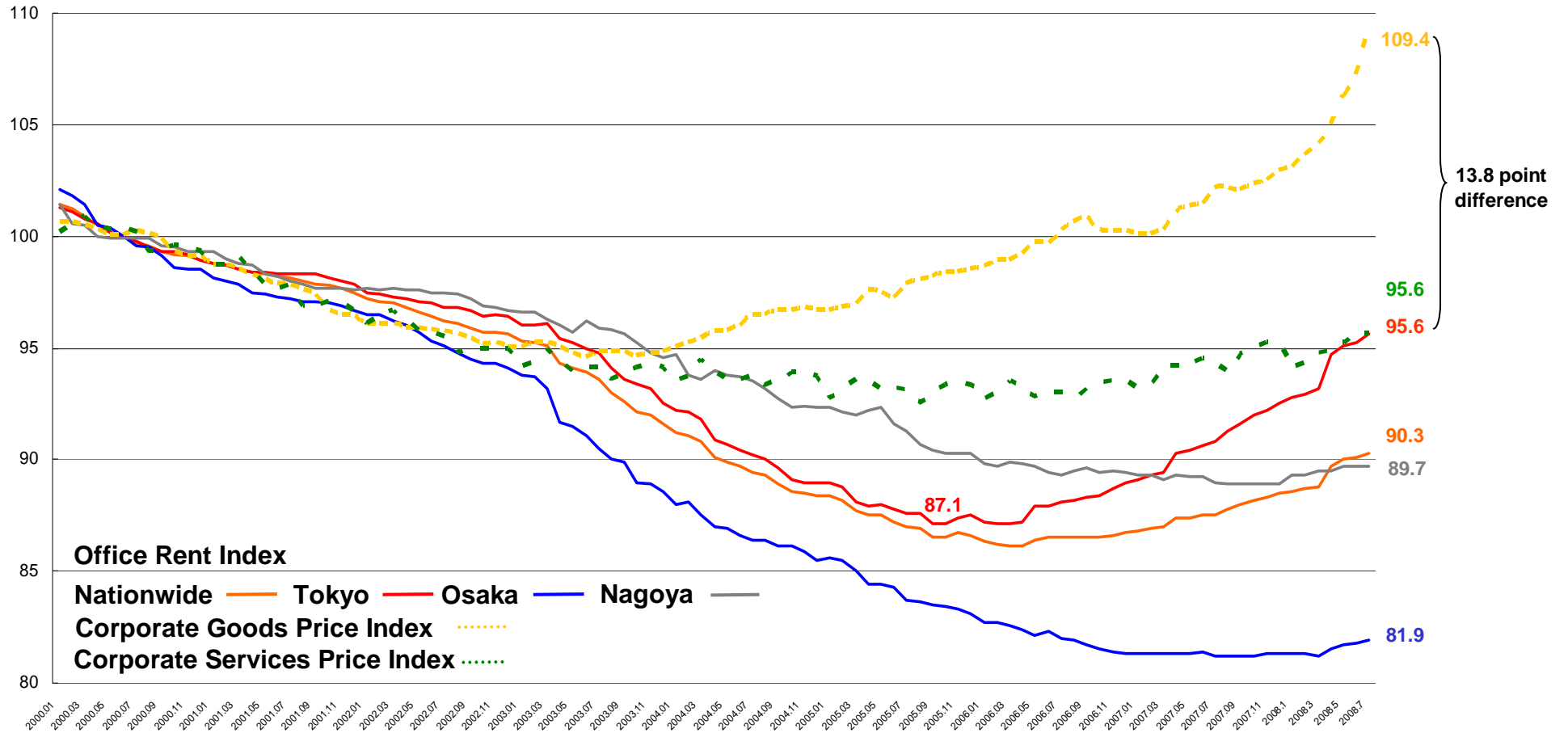
Source: Survey by CBRE Research Institutions (released on June 26, 2008)

*Comments by Tokyu REIM

Office Leasing Market Overview (4)

Office Rent Index (Corporate Services Price Index) 2000 = 100

*** Contracted rent in Tokyo has been on an upward trend since bottoming out in 2006, but still remains below the level in 2000**



Source: Prepared by TREIM based on information from the BOJ website

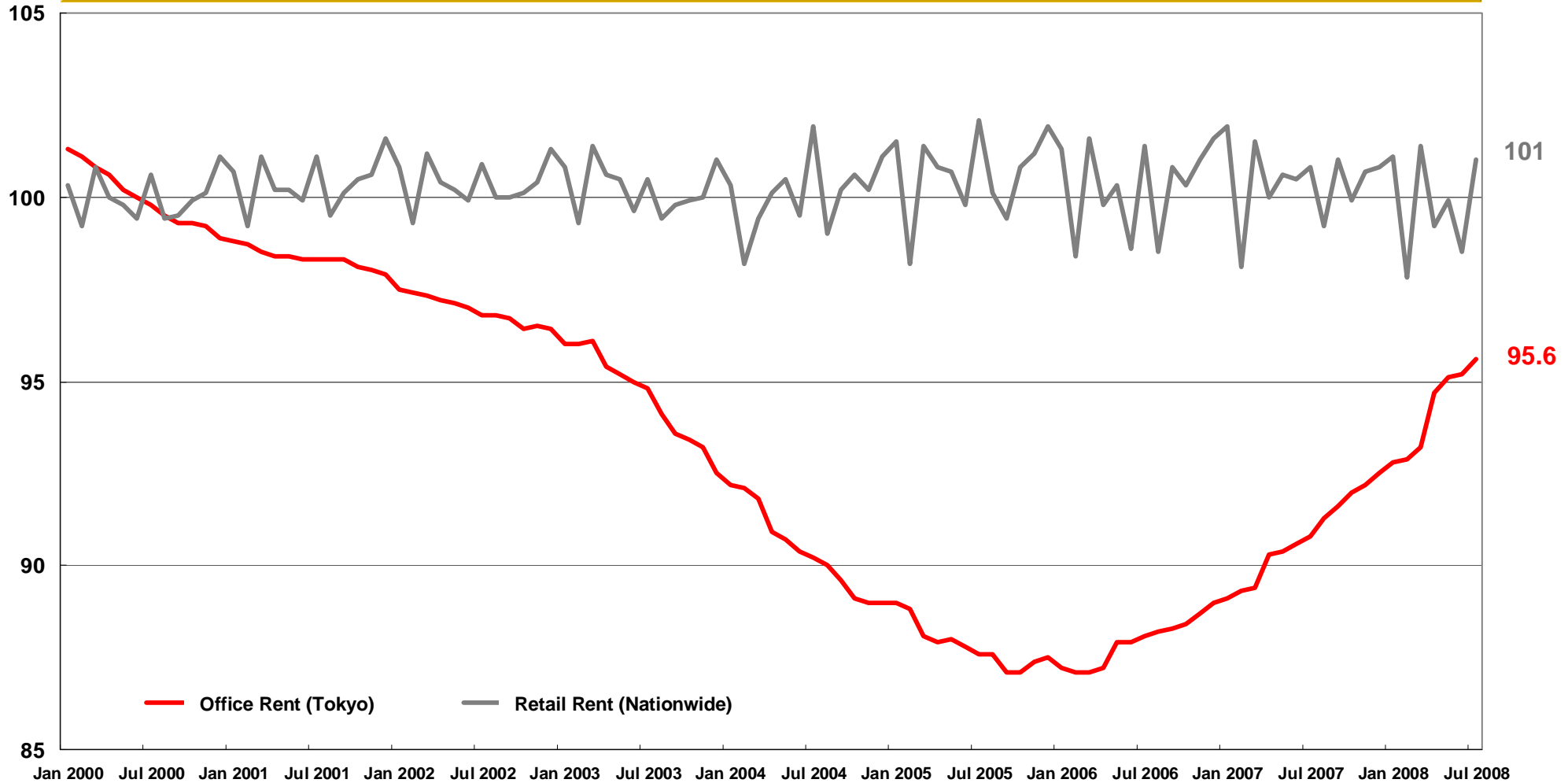
See page 84 for information on office rent

*Comments by Tokyu REIM

Office Leasing Market Overview (5)

Indexed Office Rent and Retail Rent Comparison (Yr 2000 = 100)

* Unlike office rent, the retail market is less affected by economic fluctuations



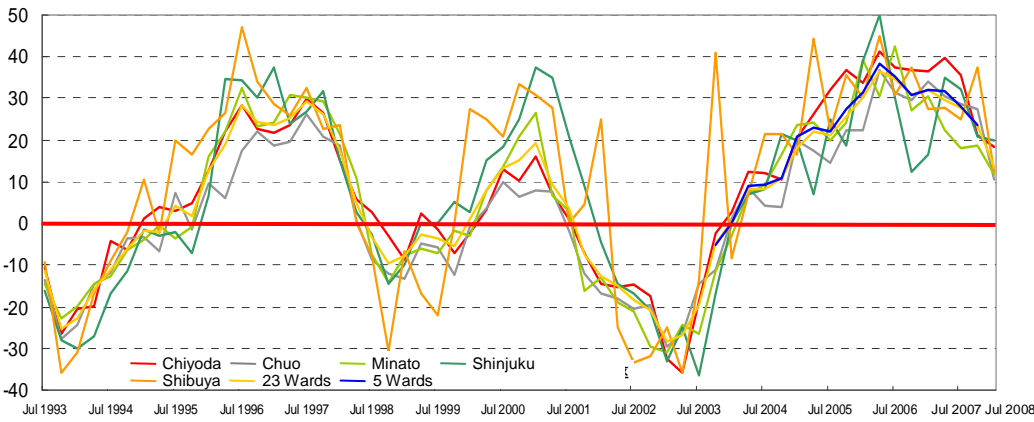
Source: Prepared by TREIM based on information from the BOJ website

*Comments by Tokyu REIM

Office Leasing Market Overview (6)

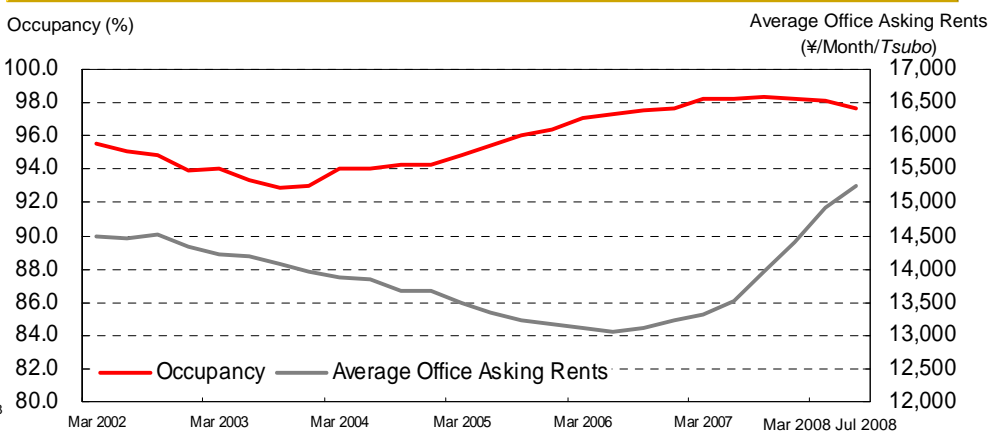
Business Sentiment on Vacancy (Now vs. 3 Months Ago)

*** Bullishness of building owners is getting slightly weaker**



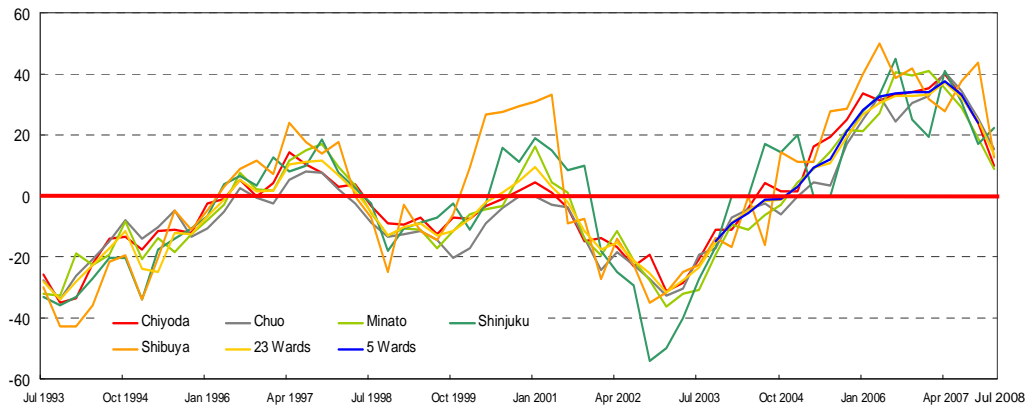
Occupancy and Asking Rents in 5 Central Wards of Tokyo

*** Though occupancy is slightly decreasing, average asking rents in Tokyo have been rising**



Source: "Office Market Report" by issued by CBRE Research Institutions

Business Sentiment on Rent Level (Now vs. 3 Months Later)



Source: Japan Building Owners and Managers Association "Building Management Trend Research Report" (Oct 2003 – Jan 2008)
Starting Jan 2008, information on the 5 Wards is no longer disclosed

Rent Estimates by Region (Rent Level at Survey Date = 100)

*** Rent still expected to increase, though not as much**

17th Period Survey (as of October 2007)					18th Period Survey (as of April 2008)				
Region	1 Yr	2 Yrs	5 Yrs	10 Yrs	Region	1 Yr	2 Yr	5 Yr	10 Yr
Marunouchi, Otemachi region	105	107	110	110	Marunouchi, Otemachi region	102	103	105	105
Shibuya, Shibuya Station region	102	104	105	105	Shibuya, Shibuya Station region	101	102	102	103
Nagoya and station region	102	102	103	103	Nagoya and station region	100	100	100	100
Osaka, along Midousuji line	102	103	103	103	Osaka, along Midousuji line	100	101	101	101

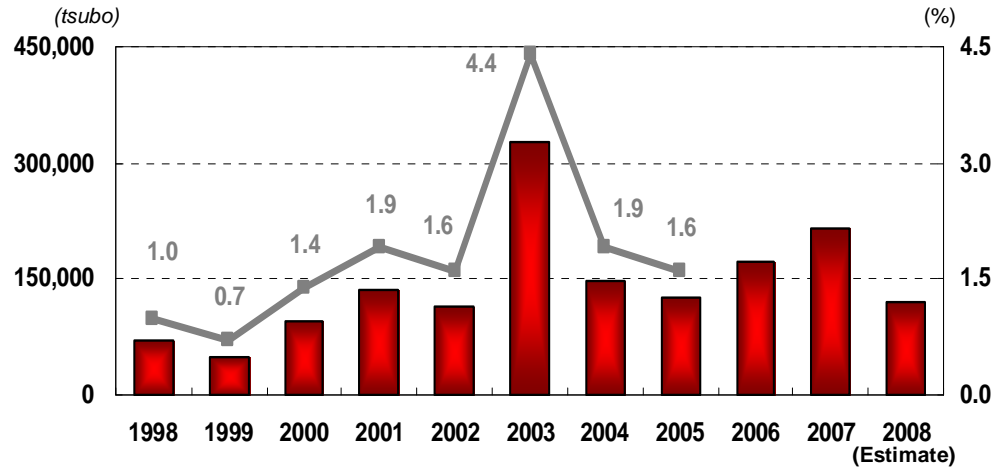
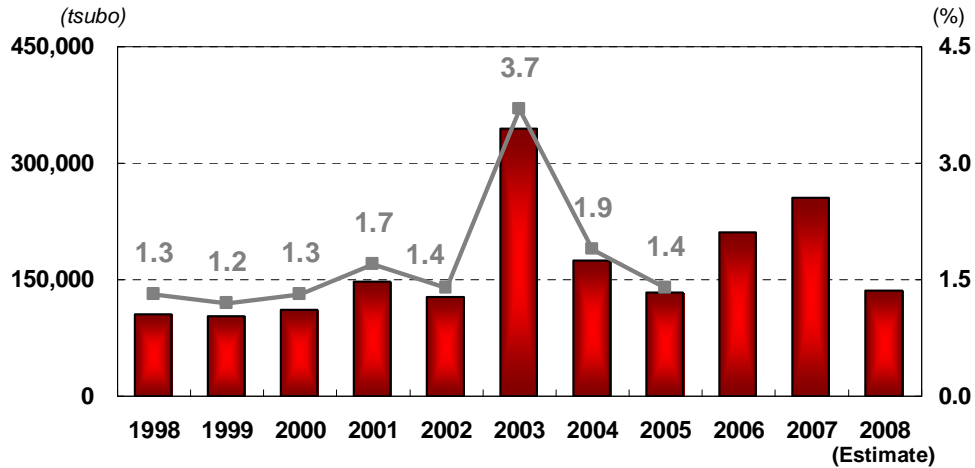
Source: Prepared by TREIM based on Japan Real Estate Institute's "Japan Real Estate Investors Survey" (17th-18th Period)

New Office Supply and Percentage to Total Rental Area

* New office supply in Tokyo will be limited for a few years

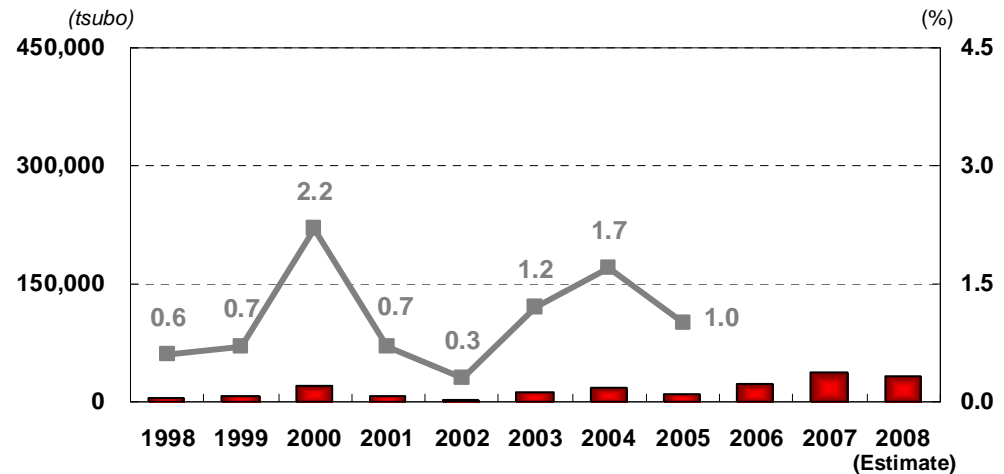
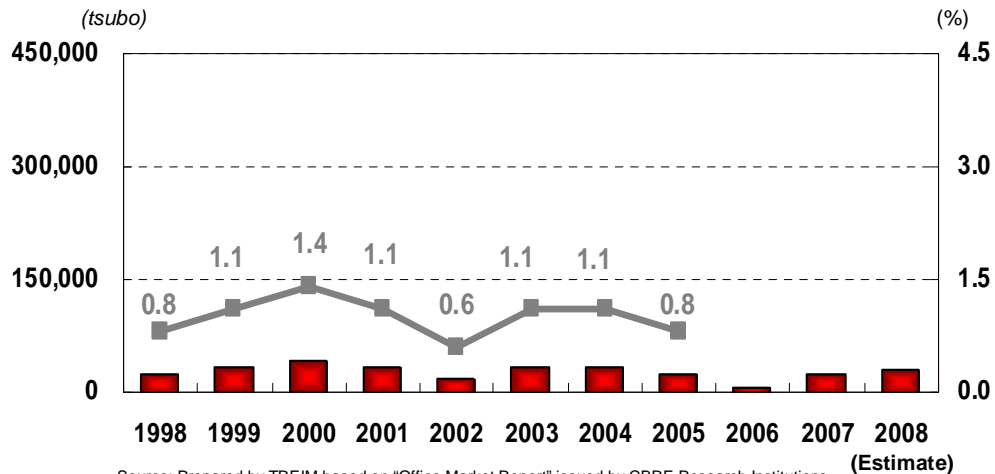
Tokyo 23 Wards

Tokyo 5 Central Wards



Osaka

Nagoya



Source: Prepared by TREIM based on "Office Market Report" issued by CBRE Research Institutions

(1) New office supply as a percentage of total rental area no longer available since 2006

(2) Decrease in rental space caused by rebuilding/demolition not calculated

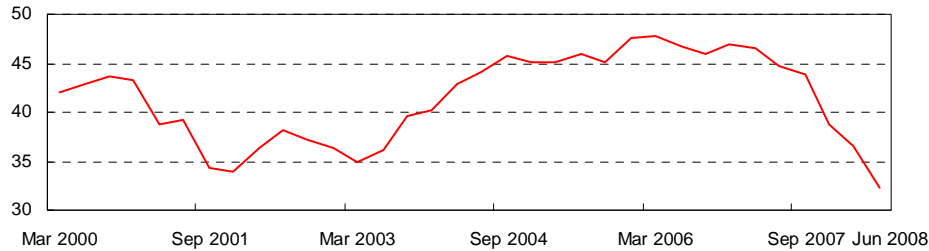
■ New Office Supply —■ % of Total Rental Area

*Comments by Tokyu REIM

Retail Leasing Market Overview

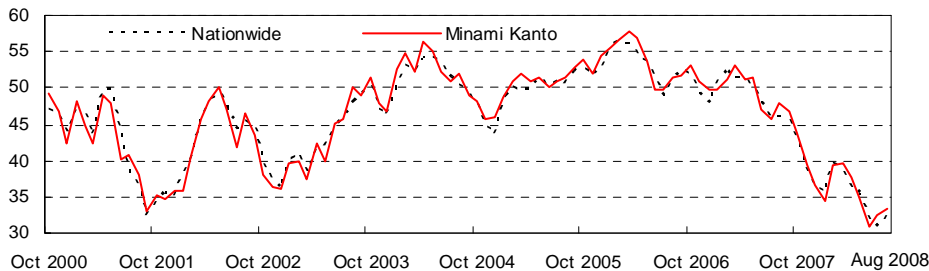
*** Consumer sentiment has largely weakened**

Consumer Confidence Index (Nationwide General Household/Seasonally Adjusted)



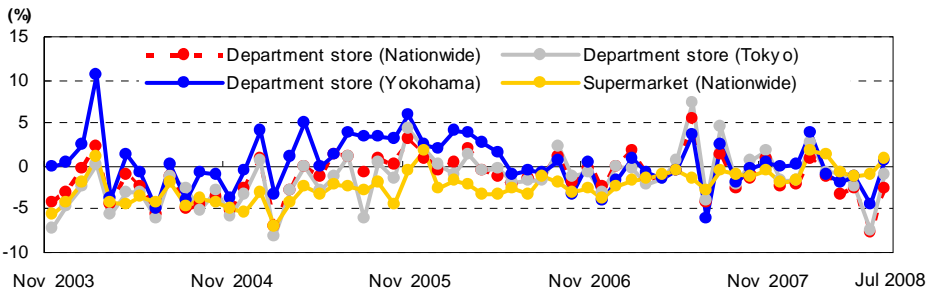
Source: Cabinet Office "Consumer Confidence Survey"

Economy Watchers Survey (Leading Indicator: Household Related)



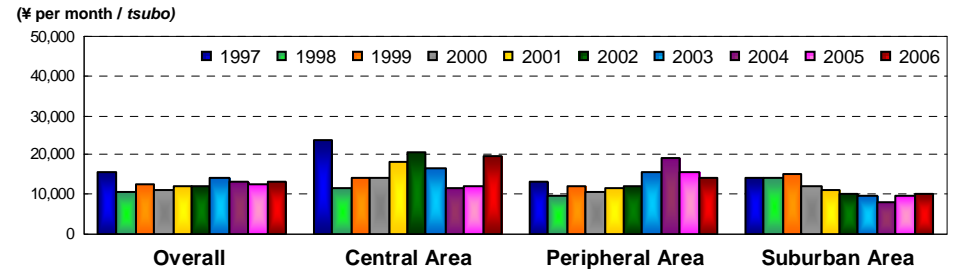
Source: Cabinet Office "Economy Watchers Survey"

Department Store & Super Market Sales (YoY Change)

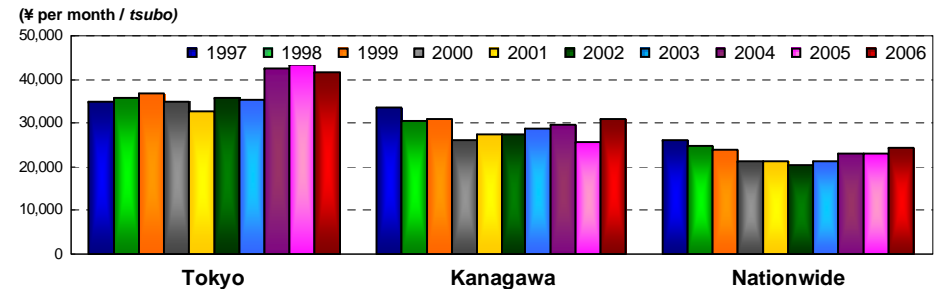


Source: Website of Japan Department Stores Association, Japan Chain Stores Association "Statistics on Sales of Chain Stores"

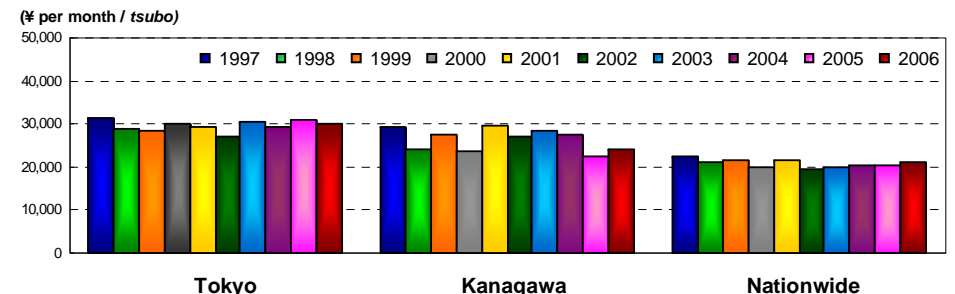
Average Rent of SC Tenants (Key Tenant)



Average Rent of SC Tenants (Restaurants)



Average Rent of SC Tenants (Retail Stores)



Source: Survey on shopping center rent and common service charge by Japan Council of Shopping Centers

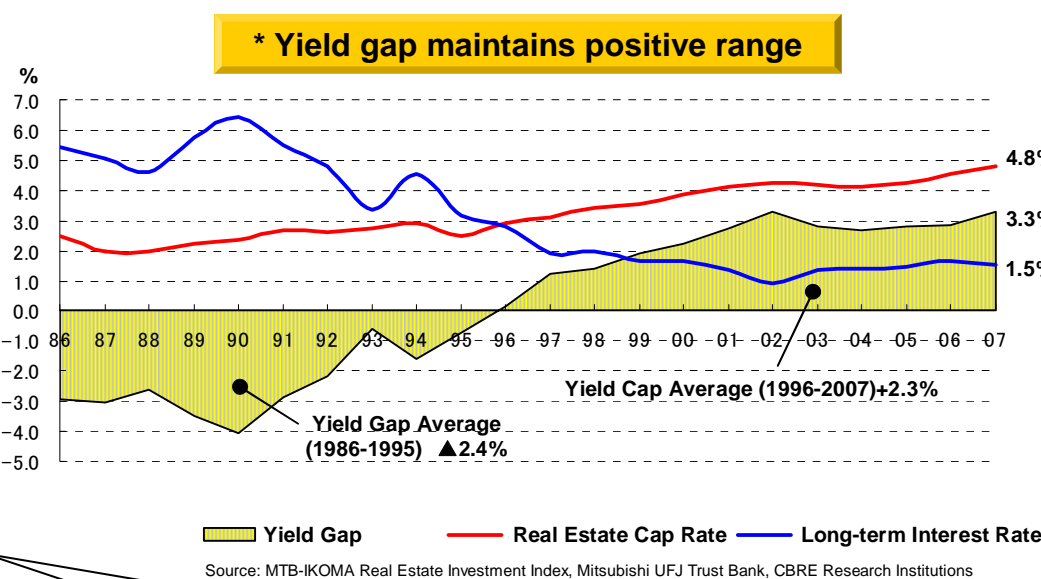
*Comments by Tokyu REIM **55**

Real Estate Market Overview (1) (Trading Market)

Real Estate Transparency Index (CY2008)

Transparency level	CY 2008 Rank	Country Name	CY 2008 Score	CY2006 Score	CY 2004 Score	Transparency change
High Transparency	1	Australia	1.15	1.15	1.19	
	1	United States	1.15	1.15	1.24	
	3	Canada	1.16	1.21	1.37	
	4	New Zealand	1.25	1.20	1.19	
	5	United Kingdom	1.30	1.25	1.24	
	6	Holland	1.37	1.37	1.37	
	7	Sweden	1.38	1.38	1.51	
	8	France	1.40	1.40	1.62	
	9	Hong Kong	1.46	1.30	1.50	
Transparent	9	Singapore	1.46	1.44	1.55	
	23	Malaysia	2.21	2.21	2.30	
Semi-Transparent	25	Japan	2.40	2.40	3.08	
	40	Taiwan	3.12	2.86	3.10	
	43	Korea	3.16	2.88	3.36	
	46	Thailand	3.21	3.40	3.44	★
	48	Philippines	3.32	3.30	3.43	★
	49	China	3.34	3.50	3.71	★★★★
Low Transparency	50	India	3.39	3.46	3.90	★★
	55	Indonesia	3.59	3.90	4.11	
	60	Macau	3.71	3.65	na	★
	77	Vietnam	4.36	4.69	4.60	★★

Real Estate Cap Rate, Long-term Interest, Yield Gap



The market in Japan did not grow as much due to the small number of J-REIT IPO's and decreasing amount of asset acquisitions. This did not help improve disclosure standards or upgrade the investor index which serves as the industry standard. As a result, the transparency in Japan during 2008 only improved fractionally.

The survey addressed the following five attributes of real estate transparency. 1. Availability of investment performance indices, 2. Availability of market fundamentals data, 3. Listed vehicle financial disclosure and governance, 4. Regulatory and legal factors, 5. Professional and ethical standards

Source: Prepared by TREIM based on Jones Lang LaSalle "2008 World Real Estate Transparency Index" Report For comparison purposes the index based on older standards, not including new attributes, is used

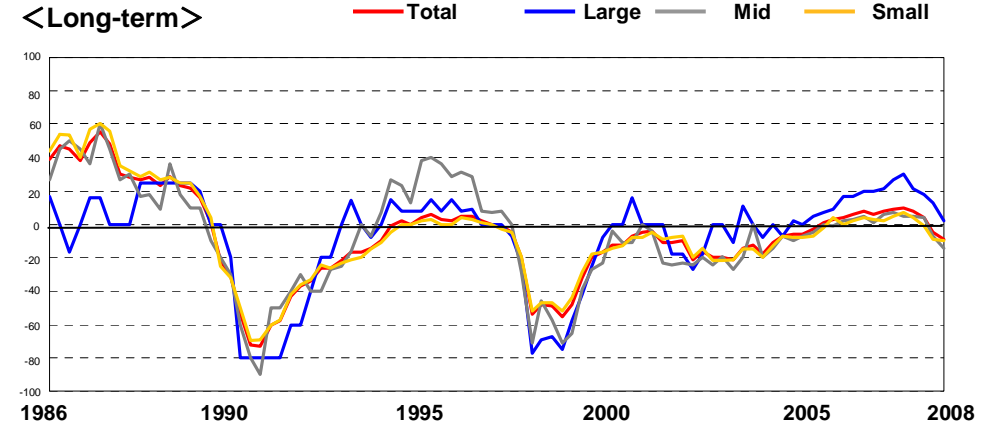
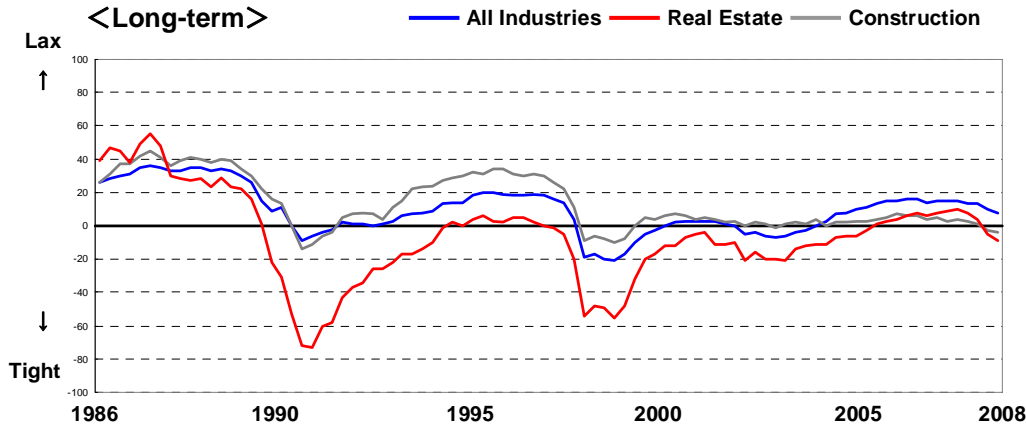
- ★.....Slight improvement in transparency (2006~2008)
- ★★...Moderate improvement in transparency (2006~2008)
- ★★★•Significant improvement in transparency (2006~2008)

Source : Prepared by TREIM based on information from Jones Lang LaSalle's website

Real Estate Market Overview (2)

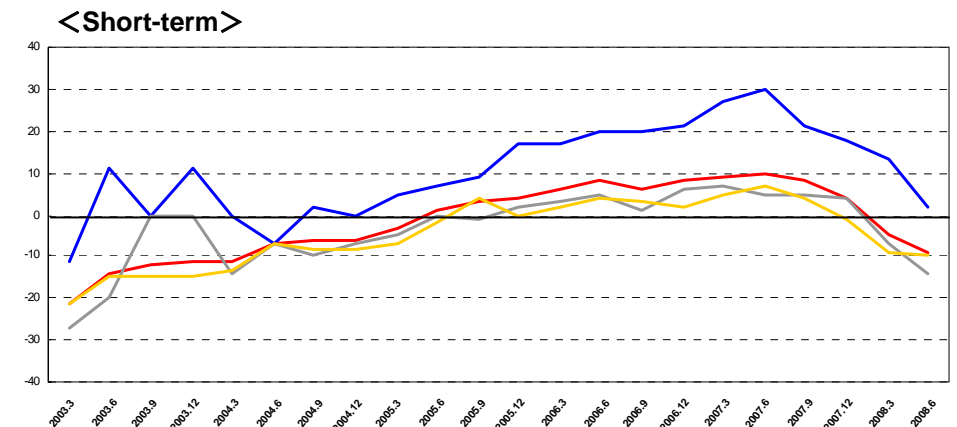
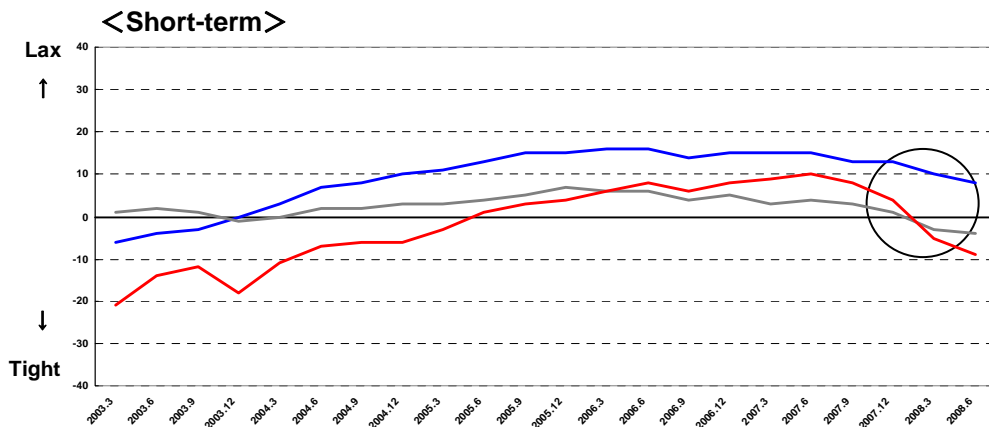
Lending Attitude DI by Industry

Lending Attitude DI by Size (Real Estate Industry)



* Lending attitude for the real estate industry is volatile

* Only large-size companies are in positive territory since 2008



* Lending attitude for real estate industry has been deteriorating since late 2007

* Even for large and mid-size companies, lending attitude is volatile

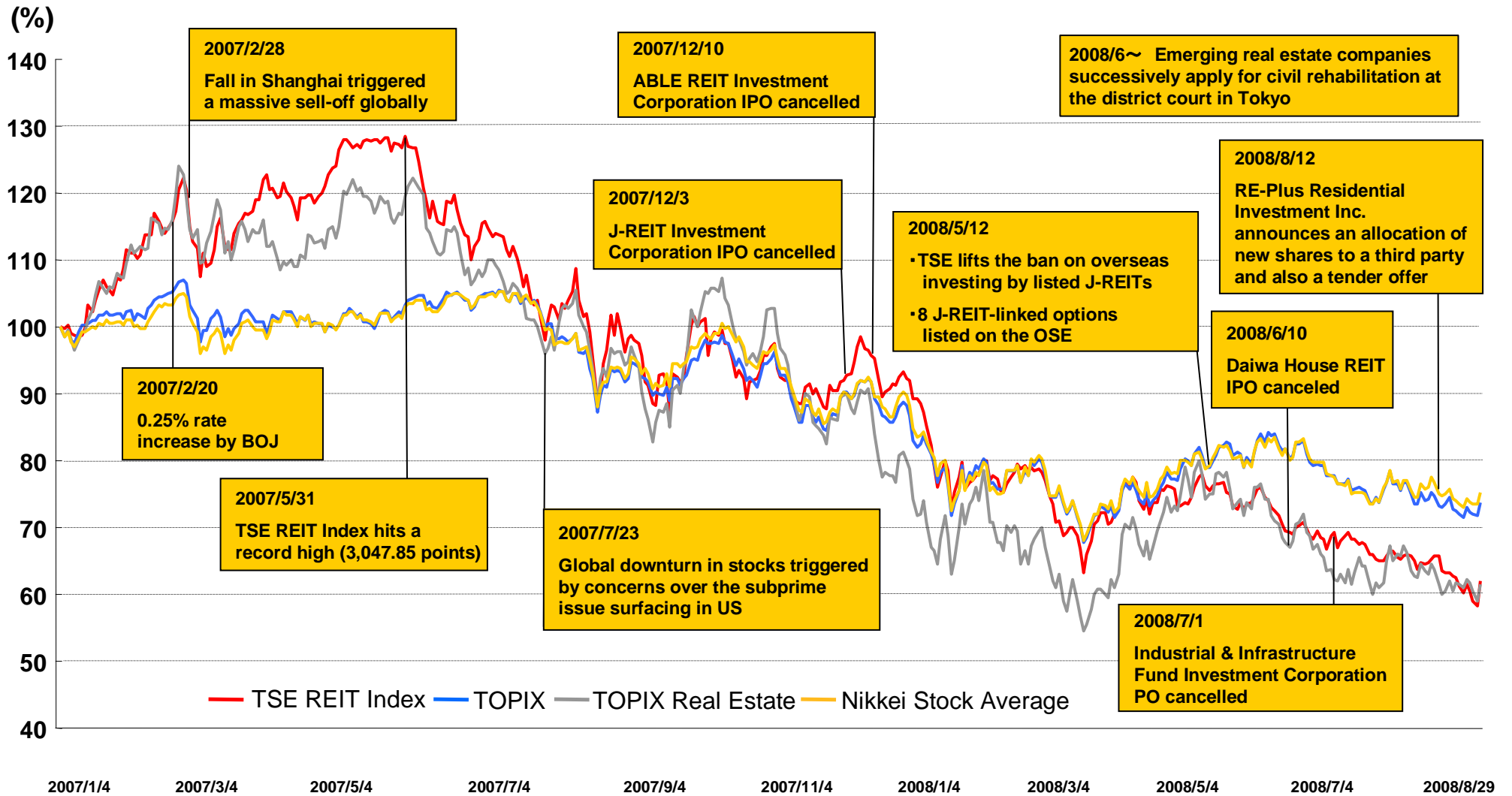
Source: BOJ "Tankan"
 Note: REITs not covered in the survey

Large: Cap size over ¥1 billion, Mid: Cap size between ¥1 billion and ¥100 million,
 Small: Cap size between ¥100 million and ¥20 million
 For data before March 2004, size was based on number of employees

*Comments by Tokyu REIM **57**

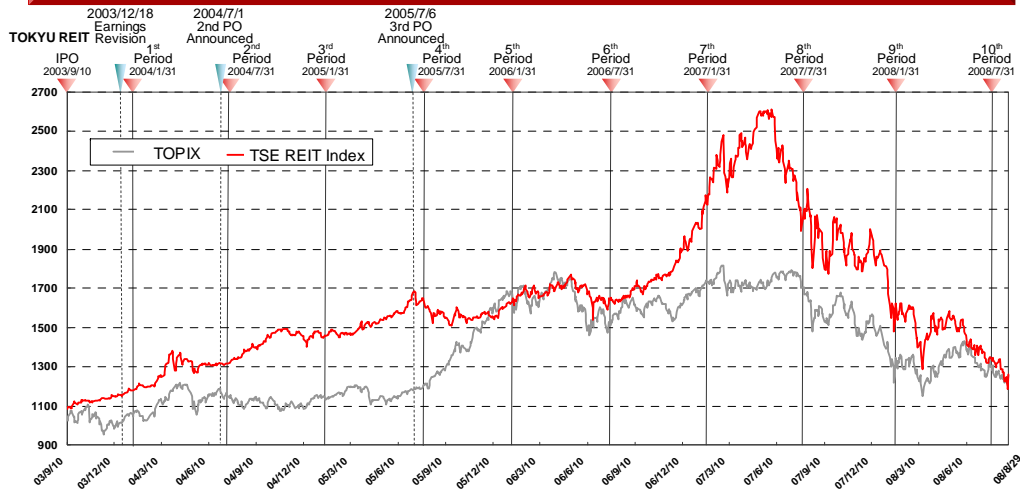
REIT Market Overview (1)

Capital Market Trends Since 2007 (2007/1/4 = 100)

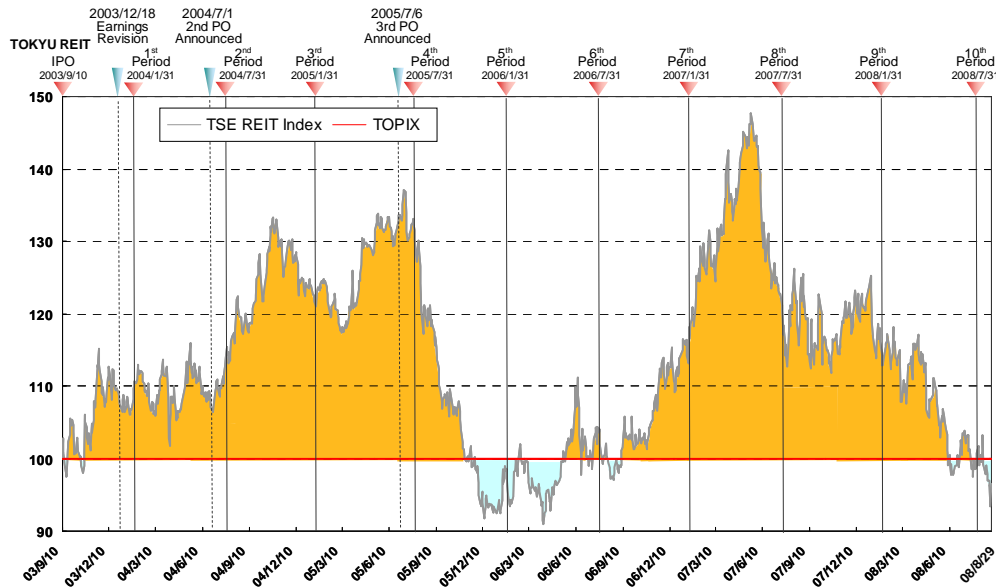


REIT Market Overview (2)

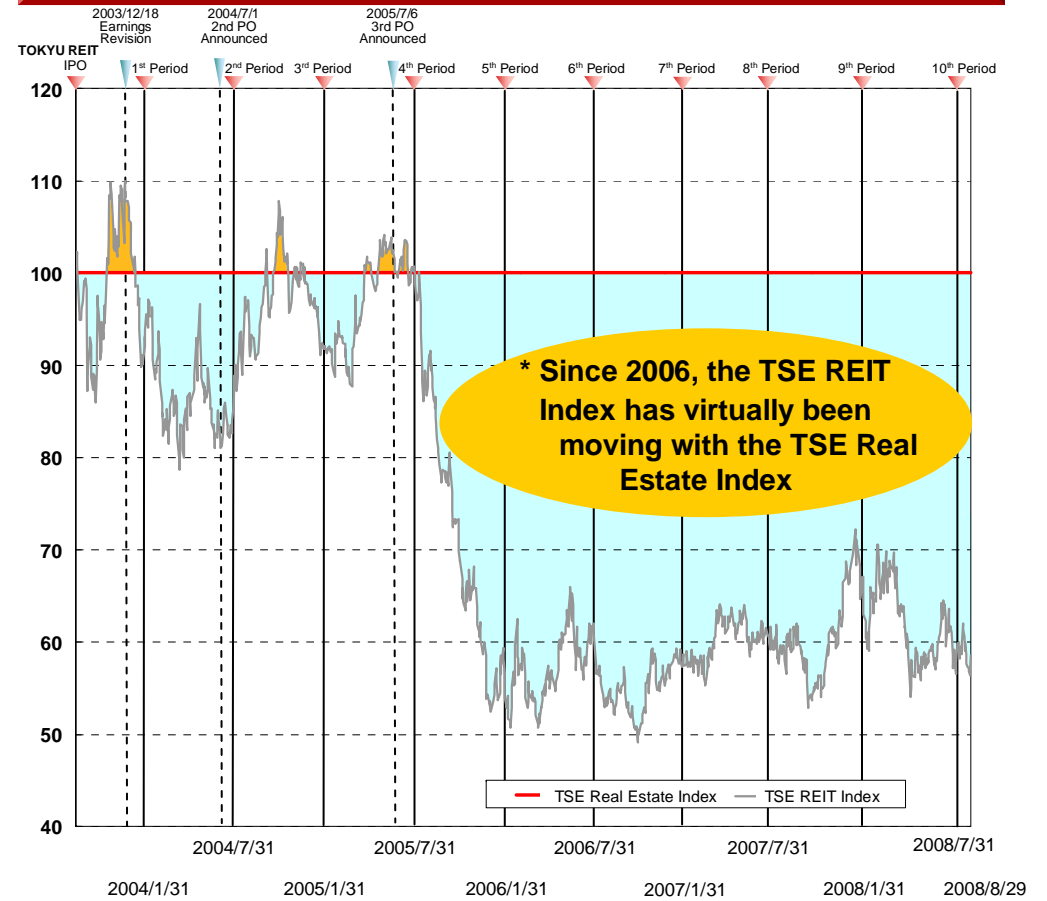
TOPIX and TSE REIT Index Performance



TSE REIT Index Performance (TOPIX=100)



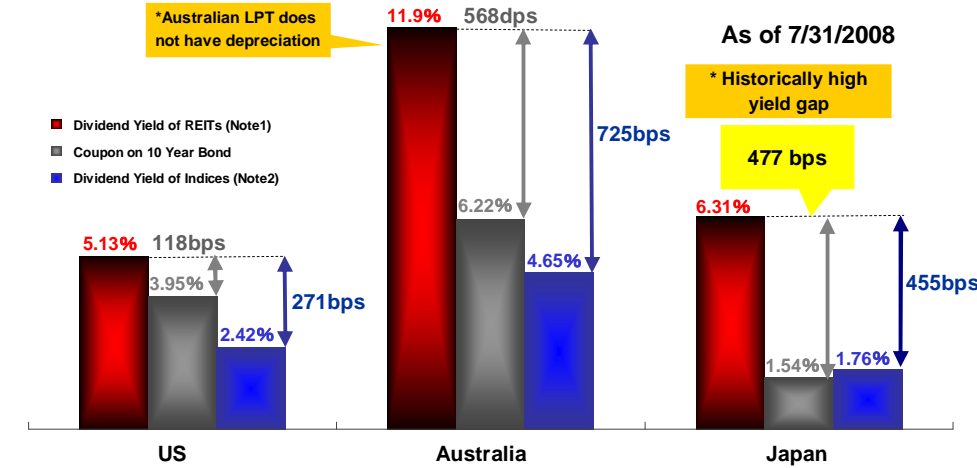
TSE REIT Index Performance (TSE Real Estate Index=100)



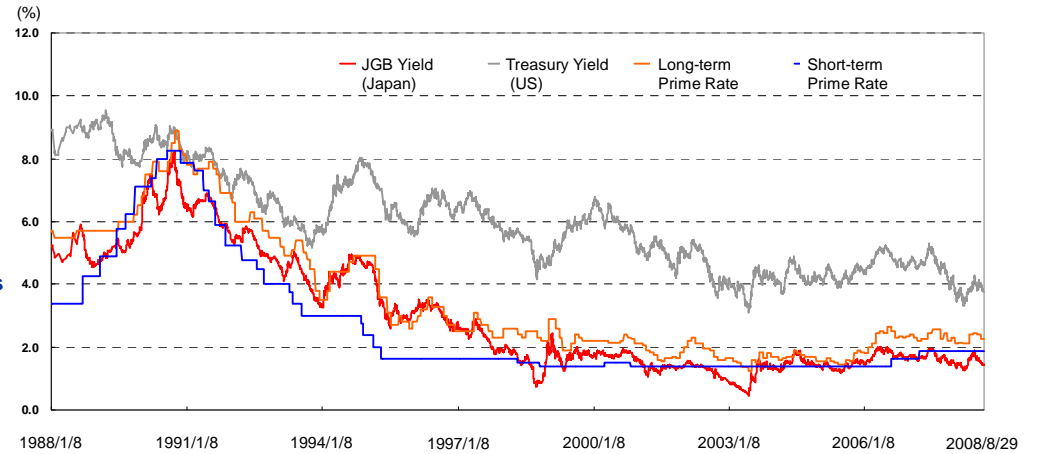
* Relative Change in TSE REIT Index when TSE Real Estate is indexed at 100 (Sept. 10, 2003 = 100)

REIT Market Overview (3)

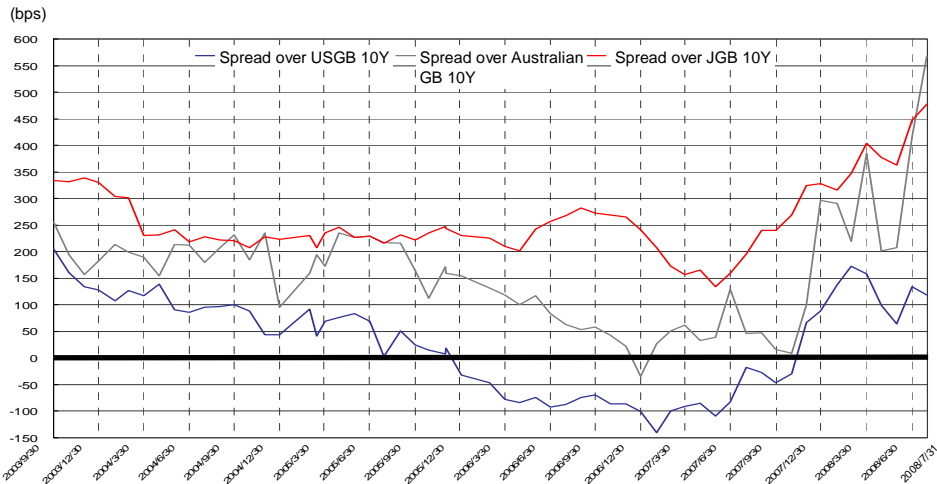
Spread Over Risk Free Rate



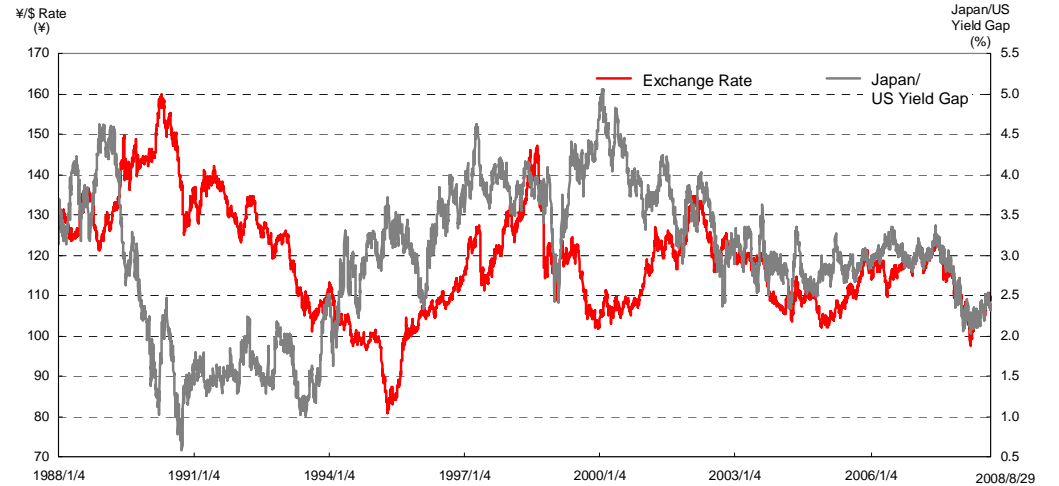
Major Interest Rates



Spread Comparison



Japan/US Yield Gap vs. Exchange Rate



Source: Bloomberg

(Note 1) US data based on the Equity REIT of NAREIT, Australia based on the Property Trust GREEN Book issued by Merrill Lynch, Japan based on average expected yield of J-REIT since IPO
(Note 2) US based on S&P500, Australia based on ASX All Ordinaries, Japan based on TOPIX

(Note) Japan/US Yield Gap = US Treasury Yield - JGB Yield

*Comments by Tokyu REIM

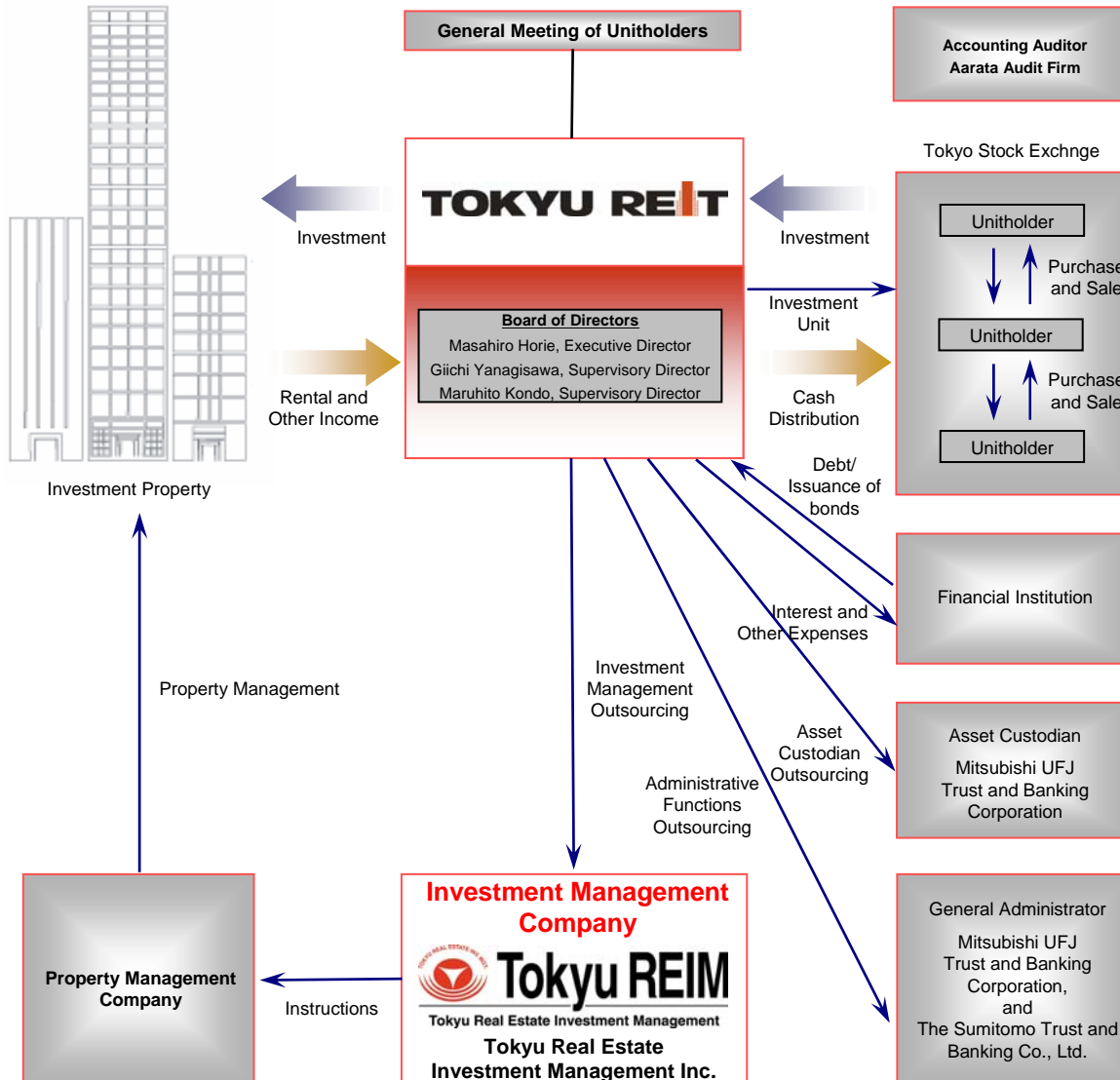


Appendix



Governance

Structure of TOKYU REIT, Inc.



TOKYU REIT, Inc.

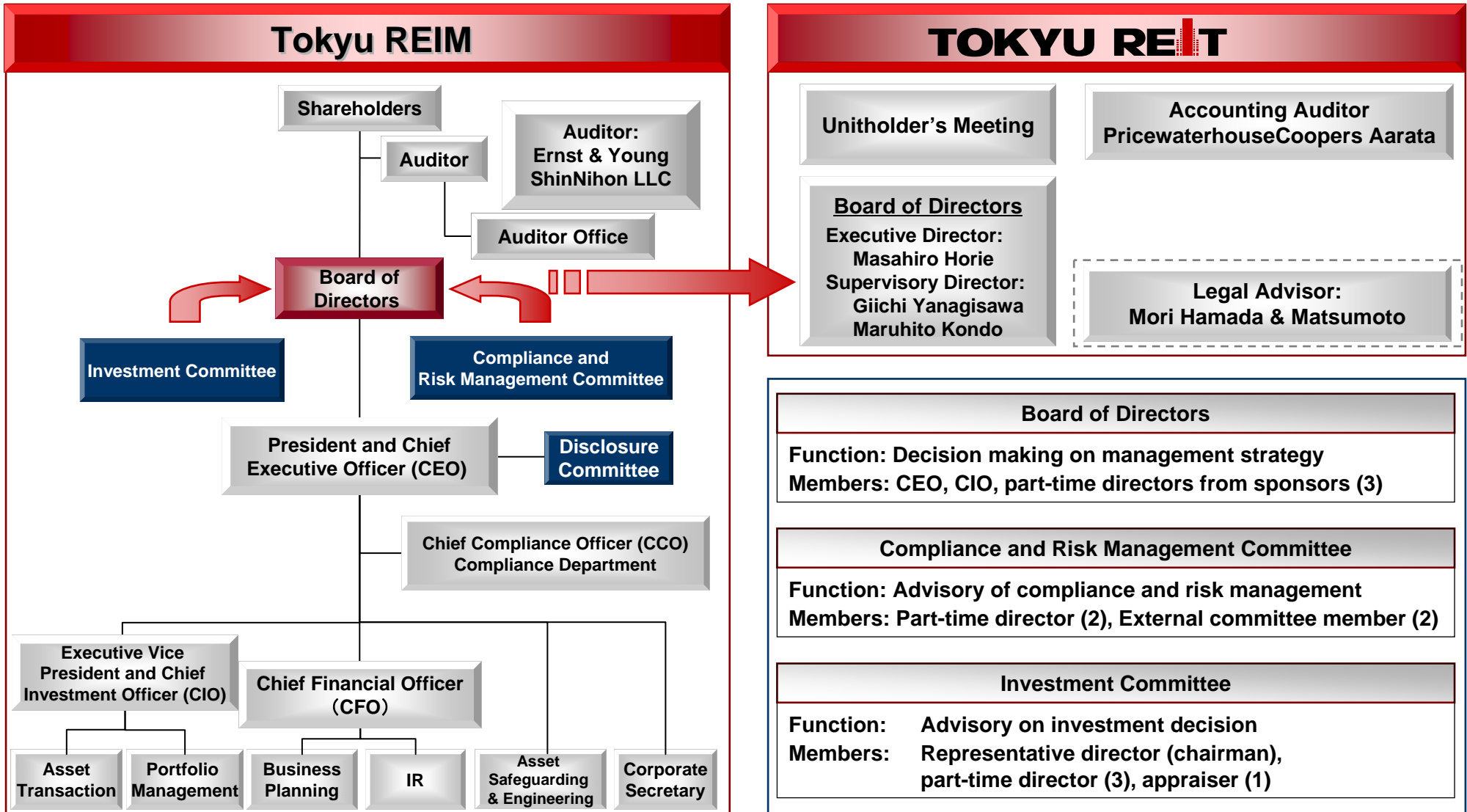
- Listed: September 10, 2003
- Units Outstanding: 169,380 units
- Accounting Period: January and July
- Executive Director: Masahiro Horie
- Supervisory Director: Giichi Yanagisawa
- Supervisory Director: Maruhito Kondo
- Auditor: PricewaterhouseCoopers Aarata

Tokyu Real Estate Investment Management Inc.

Financial Instruments Dealer (Kanto Financial Bureau (Kin-sho) No. 360)
Member of the Investment Trusts Association, Japan

- Established: June 27, 2001
- Business: Investment management
- Paid-in Capital: ¥300 million
- Shareholders: Tokyu Corporation (60%)
Tokyu Land Corporation (40%)
- Auditor: Ernst & Young ShinNihon LLC

Governance Structure



- Development of self-imposed rules on transactions with group companies and measures to avoid conflicts of interest through multiple checks

Rules to Avoid Conflicts of Interest

Rules for Transactions with Tokyu Group Companies

Acquisition / Disposition

- Acquisition Price \leq Appraisal by the Third Party \leq Disposition Price
- Second Opinion for the Appraisal by Third Party

Property Management

- Fee Opinion from Third Party
- Performance Check

Leasing

- Appropriate Rent Level
- Disclosure of Leasing Conditions



Double Checks for Due Process

Investment Management Company Level

- Check by a third party (auditor) submitted to the Board of Directors and to the compliance department

REIT Level

- Prior approval of the Board of Directors only by independent supervisory directors



Timely and Proactive Disclosure of Transactions and Rules

Governance:

“Excellent Governance as a Source of Competitiveness” (1) TOKYU REIT

1. World-class “stricter” governance structure while paying attention to the pass-through feature

Concept: Maximize supervisory function of the Board of Directors and the Board of Auditors under the governance structure while maintaining a system that takes advantage of the Executive Director who also serves as the CEO of the investment management company

- (1) Related-Party Transactions (Rules to ensure higher transparency & market-based pricing of related-party transactions that are linked to close collaboration)
 - Pre-approval only by Supervisory Directors and active use of third-party opinions to avoid conflicts of interest
 - Improve external monitoring of the Investment Management Company (Appointment of external members & accounting auditor)
 - Disclosure of agenda for Board resolutions
- (2) Board Management
 - Appointment of Supervisory Directors who actively exercise governance
 - Active discussions
- (3) Investor Relations
 - Avoid deterioration of governance structure through proactive disclosures and IR efforts
- (4) Management Fee
 - Adoption of incentive system that expenses the entire management fee so that the Investment Management Company is in the same boat as investors

“Appraisal value of portfolio assets”, “Cash flow of TOKYU REIT”, “Fee structure linked to price of investment unit”

2. Meeting Schedule

- (1) Overview of Meeting
 - Hold a meeting
 - Run by the General Administrator (Mitsubishi UFJ Trust & Banking Corporation)
 - Legal counsel (Mori Hamada & Matsumoto) to attend the meeting in principle
 - Minutes prepared by the General Administrator
- (2) Meetings Held
 - 139 meetings held (1st – 10th Period)
 - Average 2.3 meetings per month
 - Average meeting time: 1 hour and 34 minutes
 - 268 resolutions and 702 reports in total (1.9 resolutions and 5.1 reports per meeting)
 - Attendance

Name	Role	Attendance	Attendance		Rate of Attendance
			by phone	Absence	
Masahiro Horie	Executive Director	139	-	-	100%
Giichi Yanagisawa	Supervisory Director	138	3	1	99%
Maruhito Kondo	Supervisory Director	139	2	-	100%
Mitsubishi UFJ T&B	General Administrator	139	-	-	100%
Mori Hamada & Matsumoto	Legal Counsel	135	11	4	97%

Governance:

“Excellent Governance as a Source of Competitiveness” (2) TOKYU REIT

3. Remuneration of Directors

- (1) Structure
- Flat remuneration only, bonus linked to performance is not paid to maintain the principle of paying out 100% of distributable profits
 - In terms of incentives, it would be difficult to introduce stock option program since stock options are not discussed in the Investment Trust Law, such as in article 82, section 6.

(2) Remuneration

Name	Monthly Remuneration	Main Occupation
Masahiro Horie	--	Serves as CEO of Investment Management Company (approved by FSA)
Giichi Yanagisawa	500,000 yen	Representative of Shinsoh Audit Corporation, CPA, Tax Accountant
Maruhito Kondo	500,000 yen	Head of Maruhito Kondo Law Office, Attorney

* Remuneration of supervisory directors was revised to reflect increased hours of duty and the level of remuneration for a similar position (in May 2007)

* Executive Director receives no remuneration, but submits a letter to the Board stating that best efforts were used to maximize unitholders' value and potential conflicts of interest were dealt with

(3) Rules on exemption from liability of Investment Corporation for directors

- It is stipulated in the Articles of Incorporation that the liability of directors can be exempt by the resolution of the Board to the extent allowed by the law

4. Cooperation between Supervisory Directors and Accounting Auditor

- (1) Accounting Auditor and directors of TOKYU REIT meet at least once each period to exchange information
- (2) Chuo Aoyama served as Accounting Auditor from establishment until July 14, 2006
- (3) PricewaterhouseCoopers Aarata was temporarily appointed as Accounting Auditor on July 14, 2006 upon resignation of Chuo Aoyama
- (4) PricewaterhouseCoopers Aarata was appointed as Accounting Auditor at the 3rd General Meeting of Unitholders held on April 17, 2007
- (5) Financials in 10th Period were audited by:

Company	Name	Audit Experience to Date
Aarata Audit	Takashi Sasaki	4 periods
	Katsushi Matsuki	* 7 periods

* Includes experience at Chuo Aoyama

5. Other Supervision of Operation by Supervisory Directors (apart from the Board)

- (1) Supervision of execution of duties by executive directors under Article 111 of the Investment Trust Law including inspection of books and site reconnaissance as needed
- (2) In addition to a report by service providers at the Board meeting, exercise the right to inspect key service providers stipulated in the agreement as deemed necessary
- (3) Investment Management Company or General Administrator assists Supervisory Directors since TOKYU REIT is not allowed to hire employees. Board of auditors are always able to consult Legal Counsel whenever legal assistance is needed

Meeting Operation Situation

(# of meetings held)

Organizations		1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period						Total	
											Feb	Mar	Apr	May	Jun	Jul		Total
TOKYU REIT	Unitholders' Meeting	1			1				1									3
	Board of Directors Meeting	22	16	11	16	10	12	12	13	12	5	3	2	1	2	2	15	139
Tokyu REIM	Board of Directors Meeting	22	15	7	14	9	13	11	10	9	2	4	1	1	5	3	16	126
	Investment Committee	24	9	7	14	12	12	7	7	5	5	4	2	1	2	3	17	114
	Compliance & Risk management Committees	17	12	11	10	12	12	10	10	9	3	3	2	1	2	2	13	116
	Third party evaluation regarding compliance of each related-party transaction to the rules (AUP)	5	5	2	2	0	1	4	4	0	0	4	0	0	1	3	8	31

* 1-10 indicates Period of TOKYU REIT

* 1st Period is from June 20, 2003 to January 31, 2004

Related Party Transactions Approved by the Board of Directors (10th Period)

	Meeting	Issue (Approved)	AUP
1	February-08	Signing of Setagaya Business Square lease contract (new section of building): Confirmed	
2	March-08	Payment of investment management fee (Base 2) to the investment management company for the 9th period (Investment Trust 109th Article)	
3	March-08	Signing of Setagaya Business Square lease contract (indoor floor increase)	
4	March-08	Signing of contract relating to the transfer of trust beneficiary interest of Tokyu Ikejiri-ohashi Building	○
5	March-08	Signing of PM contract relating to the acquisition of trust beneficiary interest relating to Tokyu Ikejiri-ohashi Building	○
6	March-08	Signing of PM contract relating to the acquisition of Daikanyama Forum	○
7	March-08	Re-signing of periodic lease contract and PM contract for Setagaya Business Square	○
8	June-08	Discussion related to the venue of the 4th General Meeting of Unitholders	
9	June-08	Payment of investment management fee (Base 1) to the investment management company for the 10th period (Investment Trust 109th Article)	
10	June-08	Signing of PM contract relating to the acquisition of trust beneficiary interest relating to the Ryoshin Harajuku Building	○
11	July-08	Signing of expense memo for mispayment to investment management company (Translation fee for amendment of 8th Annual Report)	
12	July-08	Re-signing of periodic lease contract and PM contract for Setagaya Business Square	○
13	July-08	Renewal of PM contracts (21 properties)	○
14	July-08	Signing of Setagaya Business Square lease contract (New contract: office, parking, storage)	○

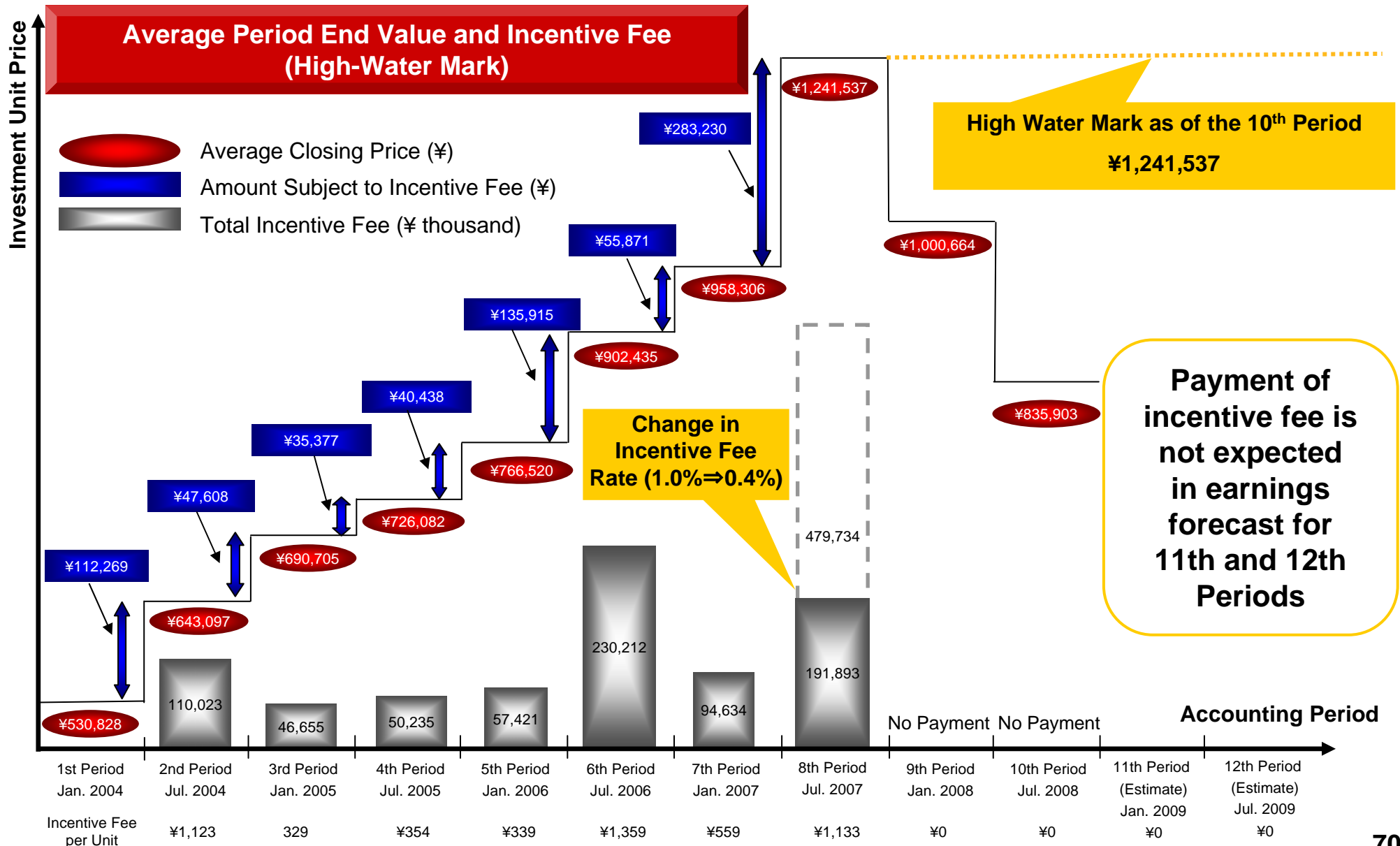
* Supervisory directors vote prior to the Board of Directors Meeting with rules relating to avoid conflicts of interest

* For transactions that do not apply to specific rules or are deemed minor by the Chief Compliance Officer, AUP is not conducted



Investment Management Fee (Incentive Fee Structure)

Changes in Incentive Fee



Changes in Investment Management Fee

Changes in Investment Management Fee

Item		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total
		Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period E	Period E	
		144	182	184	181	184	181	184	181	184	184	182	184	
Base Fee 1	(¥ Thousand)	94,418	154,575	167,610	205,275	232,635	261,645	281,700	312,650	330,413	353,650	385,850	385,850	3,166,270
Base Fee 2	(¥ Thousand)	95,247	144,852	183,158	198,590	234,559	226,633	237,836	248,993	248,467	266,621	262,165	252,725	2,599,846
Incentive Fee	(¥ Thousand)	0	110,023	46,656	50,235	57,422	230,213	94,634	191,894	0	0	0	0	781,078
Total Fee	(¥ Thousand)	189,665	409,450	397,424	454,101	524,616	718,491	614,171	753,537	578,879	620,271	648,015	638,575	6,547,194
Total Fee (excluding incentive fee)	(¥ Thousand)	189,665	299,427	350,768	403,865	467,194	488,278	519,536	561,643	578,879	620,271	648,015	638,575	5,766,117
Fee per Unit	(¥)	1,935	4,178	2,799	3,198	3,097	4,242	3,626	4,449	3,418	3,662	3,826	3,770	42,200
Fee per Unit (excluding incentive fee)	(円)	1,935	3,055	2,470	2,844	2,758	2,883	3,067	3,316	3,418	3,662	3,826	3,770	37,005
EPS	(円)	9,488	14,230	13,045	13,798	14,179	22,162	14,182	14,427	15,364	16,560	15,800	15,000	178,235
Fee per Unit	(%)	20.4	29.4	21.5	23.2	21.8	19.1	25.6	30.8	22.2	22.1	24.2	25.1	23.7
Fee per Unit (excluding incentive fee)	(%)	20.4	21.5	18.9	20.6	19.5	13.0	21.6	23.0	22.2	22.1	24.2	25.1	20.8
Average Appraisal Value of Assets during Period	(¥ Million)	82,992	108,666	128,475	146,352	164,837	175,672	195,303	210,120	225,382	251,613	268,680	268,680	187,399
Fee per Assets	(%)	0.58	0.76	0.61	0.63	0.63	0.82	0.62	0.72	0.51	0.49	0.48	0.48	0.59
Fee per Assets (excluding incentive fee)	(%)	0.58	0.55	0.54	0.56	0.56	0.56	0.53	0.54	0.51	0.49	0.48	0.48	0.52

EPS Before Incentive Fee

Item		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	2nd - 12th Period Total
		Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period A	Period E	Period E	
		144	182	184	181	184	181	184	181	184	182	184	181	
Incentive Fee	(¥ million)	0	110	47	50	57	230	95	192	0	0	0	0	781
Incentive Fee per Unit	(¥)	0	1,123	329	354	339	1,359	559	1,133	0	0	0	0	450
Units Outstanding		-	98,000	142,000	142,000	169,380	169,380	169,380	169,380	169,380	169,380	169,380	169,380	1,737,040
		9,488												
EPS	(¥) *	12,123	14,230	13,045	13,798	14,179	22,162	14,182	14,427	15,364	16,560	15,800	15,000	15,341
Annual EPS Growth	(% / Simple Interest)	-	34.76	7.61	9.21	8.48	33.12	5.66	5.43	6.68	8.13	6.07	0.98	4.83
EPS before Incentive Fee	(¥) *	12,123	15,353	13,374	14,152	14,518	23,521	14,741	15,560	15,364	16,560	15,800	15,000	15,813
Annual EPS Growth	(% / Simple Interest)	-	53.28	10.32	11.16	9.88	37.61	7.20	8.10	6.68	8.13	6.07	-0.42	5.53

* 1st Period adjusted to 184 days



Others

1. Ban lifted on J-REIT's Investing Internationally (May 2008 by the TSE)

→ MLIT issues “Guidelines for Appraisal of Foreign Real Estate Investments” (January 2008)

We conclude that this builds into the framework, a mechanism for making appropriate investment decisions

With the addition of global competitiveness from financial markets, potential growth in the Real Estate Securities Market is anticipated

2. Increased Options for Investing in J-REITs

(1) The OSE and TSE list J-REIT linked options (OSE: May 2008; TSE: June 2008)

(2) TSE begins trading TSE REIT Index Futures (June 2008)

With the option to hedge against price volatility risk, a broader investor base and increased convenience is anticipated

3. Clarification of “Criteria for Action of Unjust Real Estate Appraisal” (MLIT: Feb. 2008)

(1) Degree of injustice assessed by checking against the given criteria

→ Amount of inaccuracy of appraisal considered

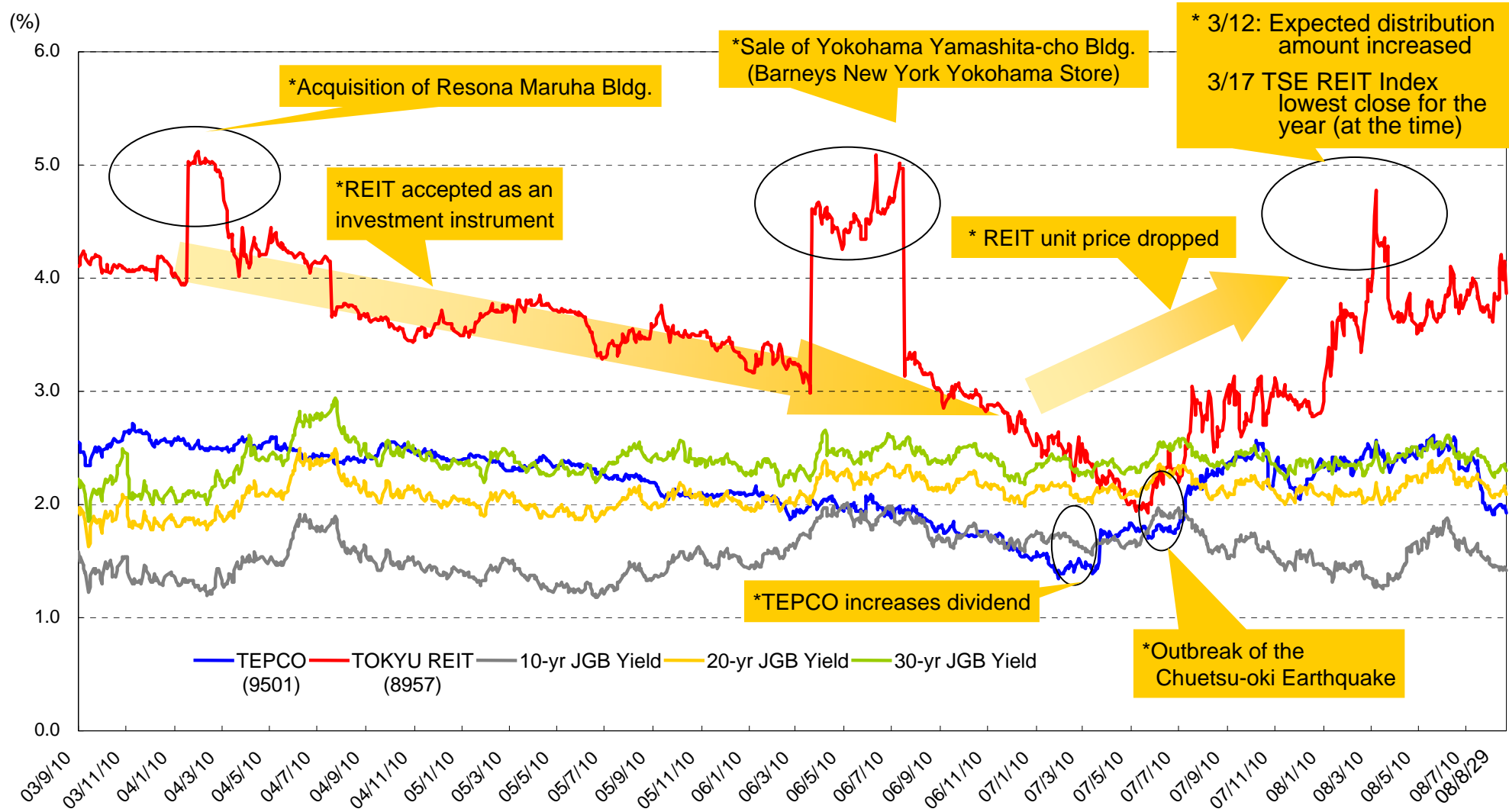
→ Distinction made between criminal intent and negligence

(2) Establishment of criteria for action to real estate appraisal companies (enforced in April 2008)

Increased societal trust is hoped for with improvements in real estate appraisal guidelines

* This page represents the view of Tokyu REIM

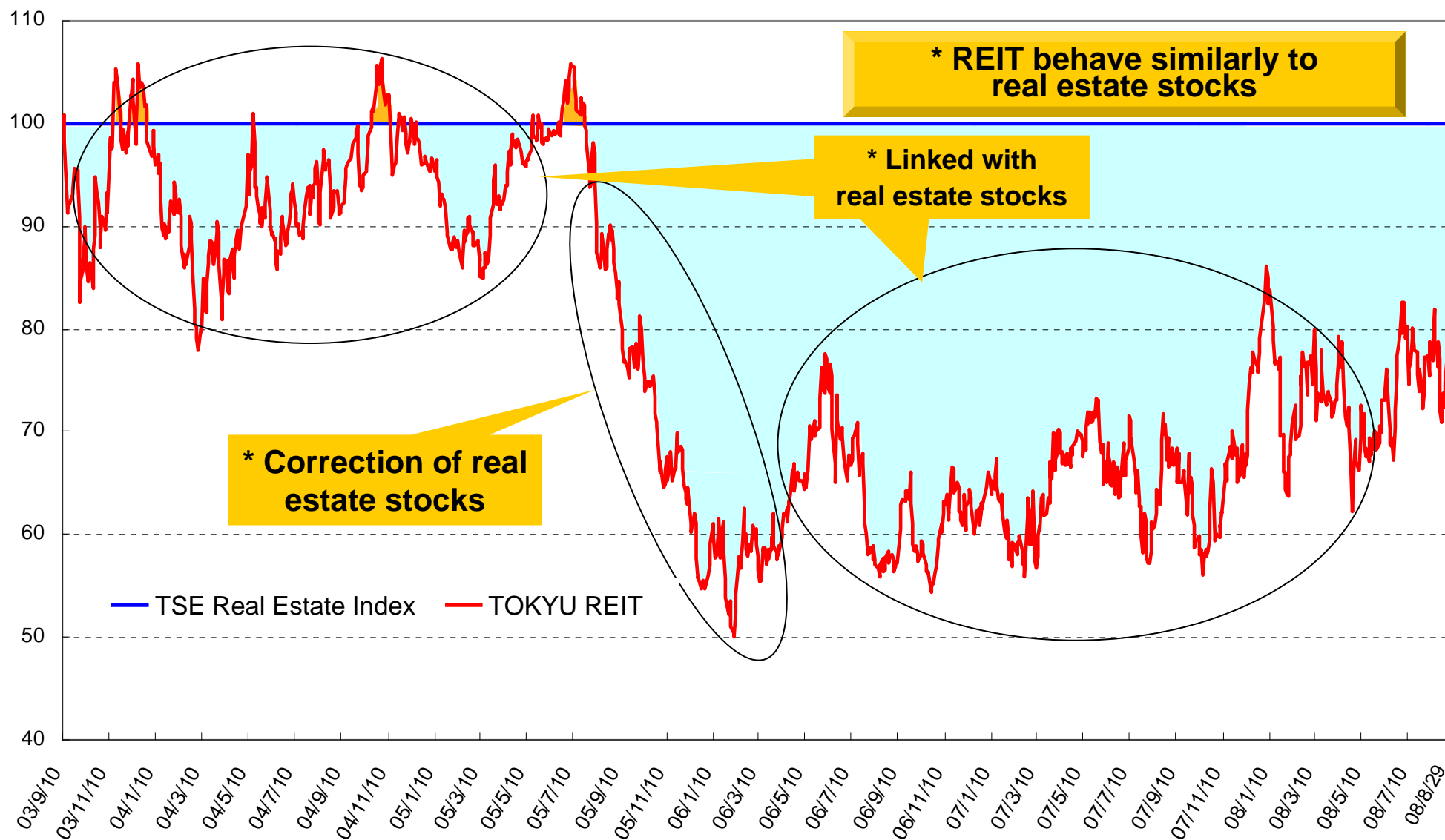
Dividend Yield (TEPCO, TOKYU REIT, JGBs (10-yr, 20-yr, 30-yr))



(Note) Dividend yield based on expected dividends (distribution). Dividends in the previous period used when expected dividends (distribution) are not available.

*Comments by Tokyu REIM

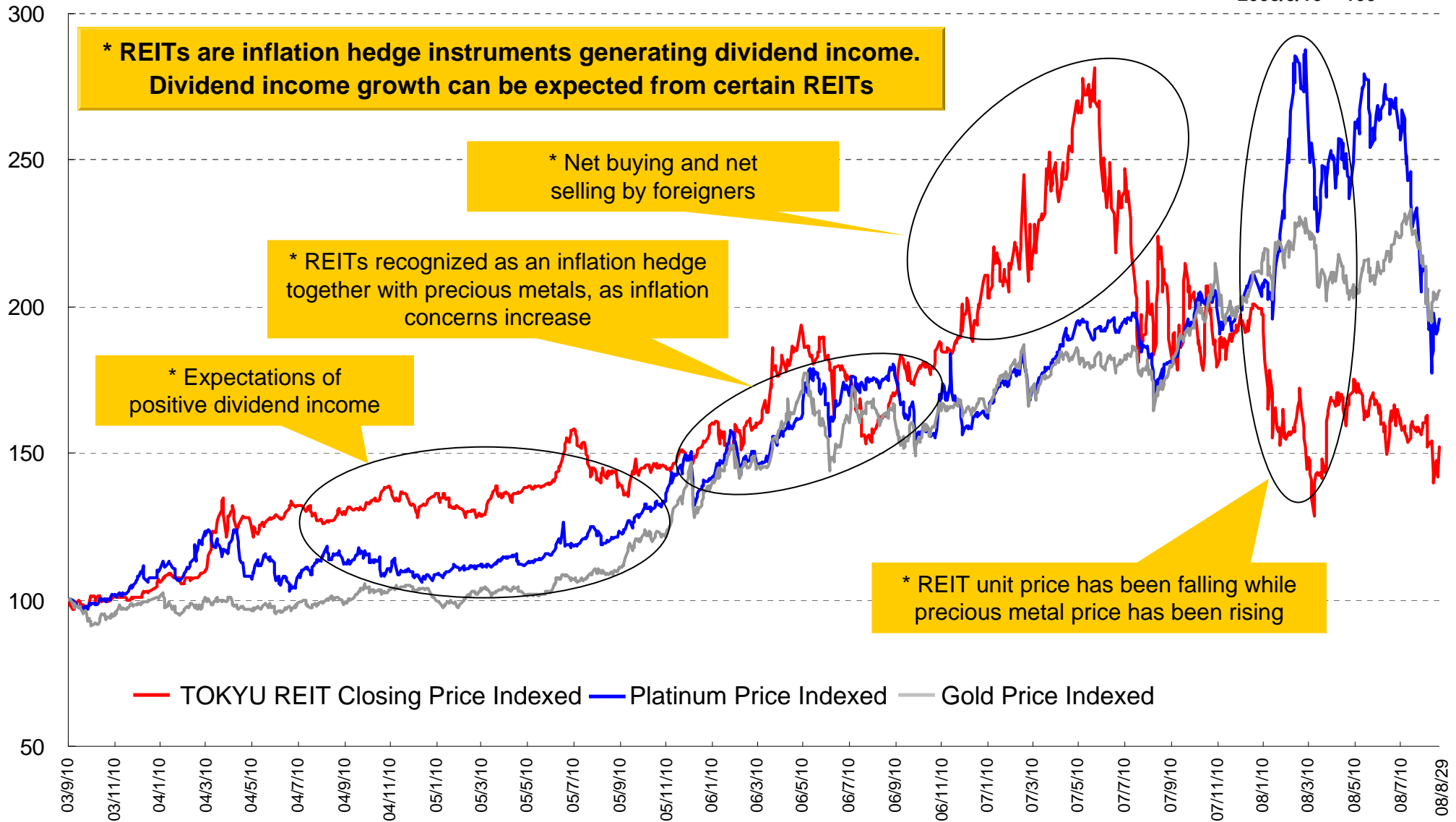
TSE Real Estate Index and TOKYU REIT Performance (TSE Real Estate Index = 100)



*Comments by Tokyu REIM

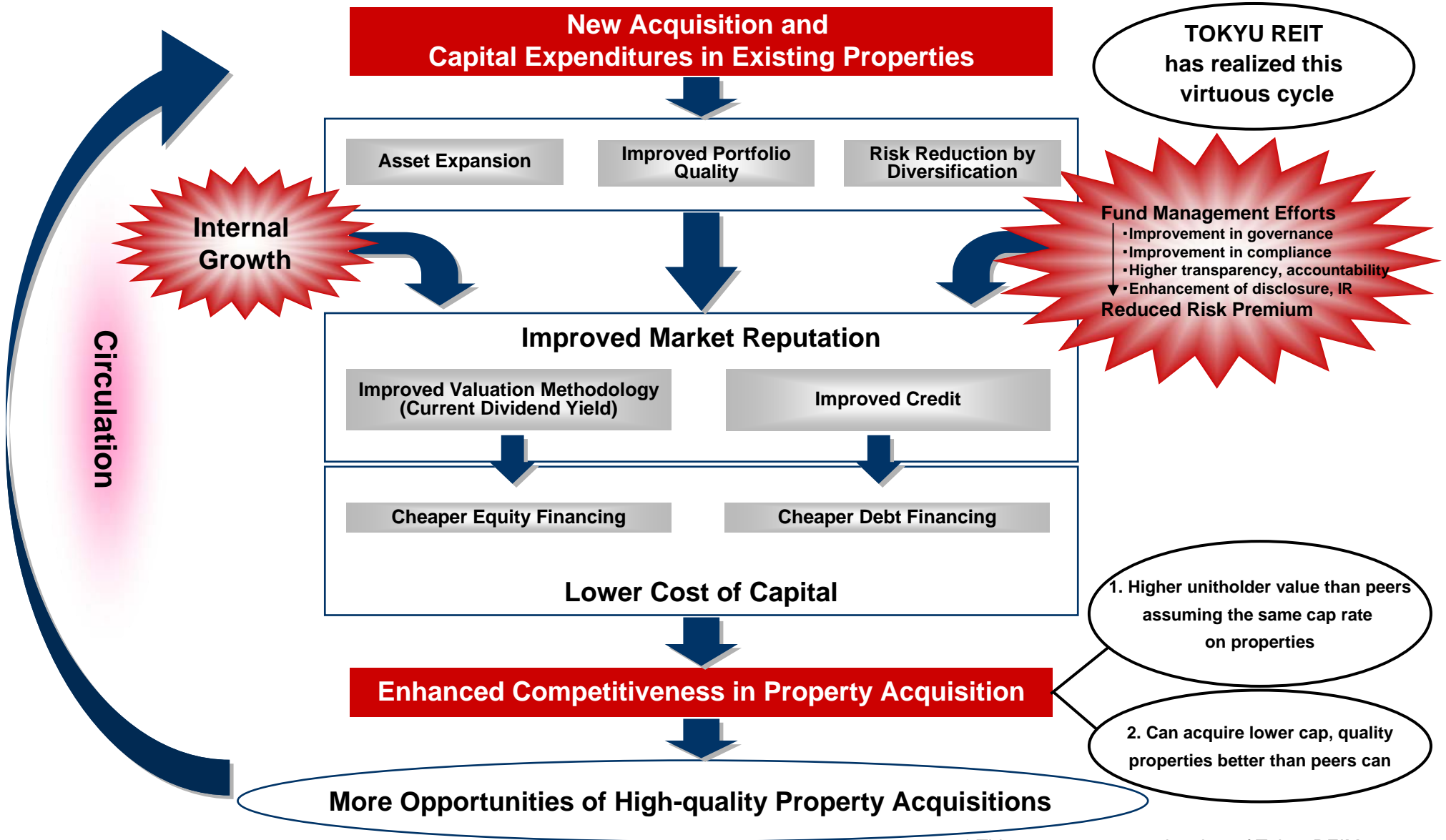
Comparison of Inflation Hedge Instruments and Unit Price (Comparison of TOKYU REIT (8957) and Precious Metals)

2003/9/10 = 100



*Comments by Tokyu REIM

How to Achieve Our External Growth?

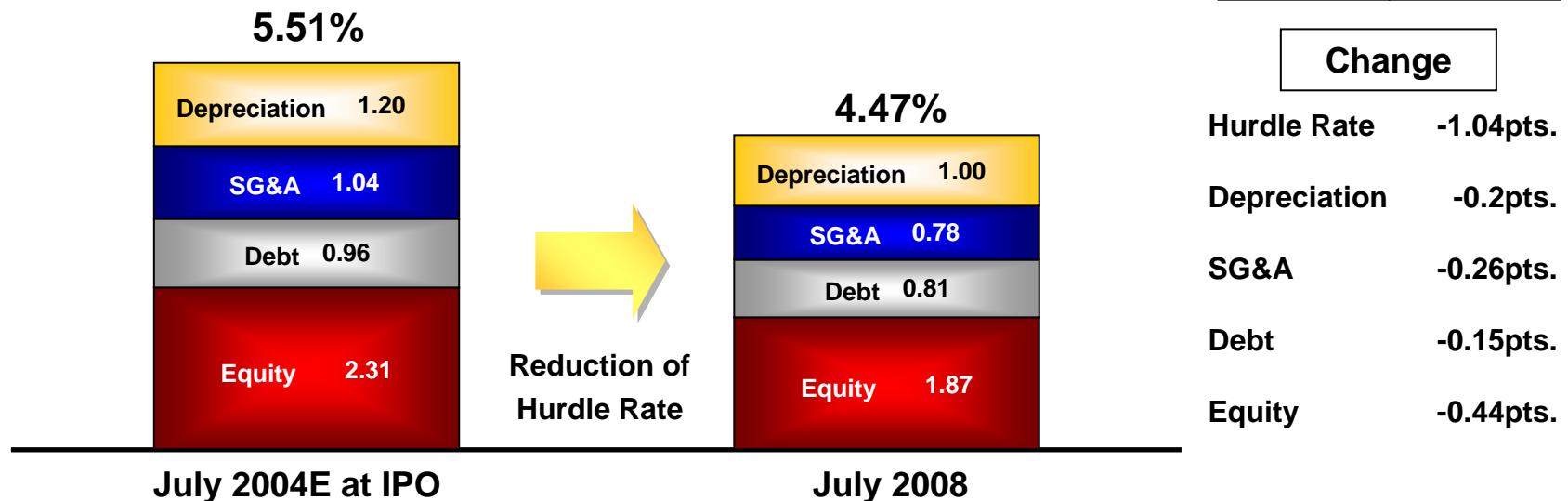


* This page represents the view of Tokyu REIM

Changes in Acquisition Hurdle Rate (based on NOI) - External Growth

- Costs shown as % of implied total acquisition cost
- Cost calculated based on a maximum LTV of 50%
- The depreciation expense is currently estimated to be around 1.00% of acquisition (differs from property to property)

Acquisition Price	Debt 50
100	Equity 50

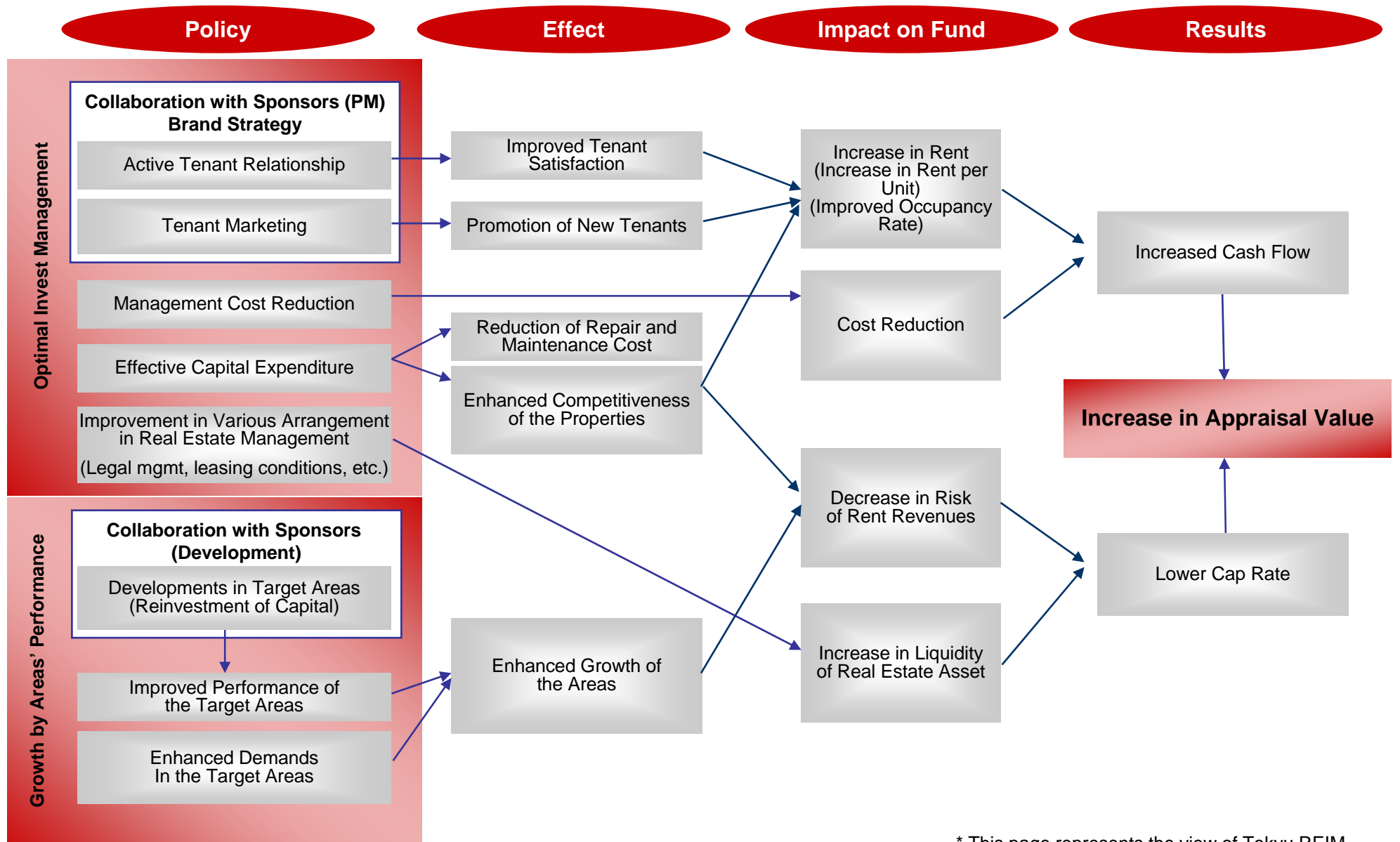


This is the base rate, coupled with CF growth of properties, utilized for assessment

- SG&A ratio is operating expense excluding leasing cost divided by the average acquisition cost for the respective period
- Debt cost is equal to 50% of the average interest during respective period except for July 2004E at IPO which is an estimate of the debt cost then based on hearing from banks
- We have determined equity cost to be 50% of the yield (Estimated Distribution / Investment Unit Price) during each respective period

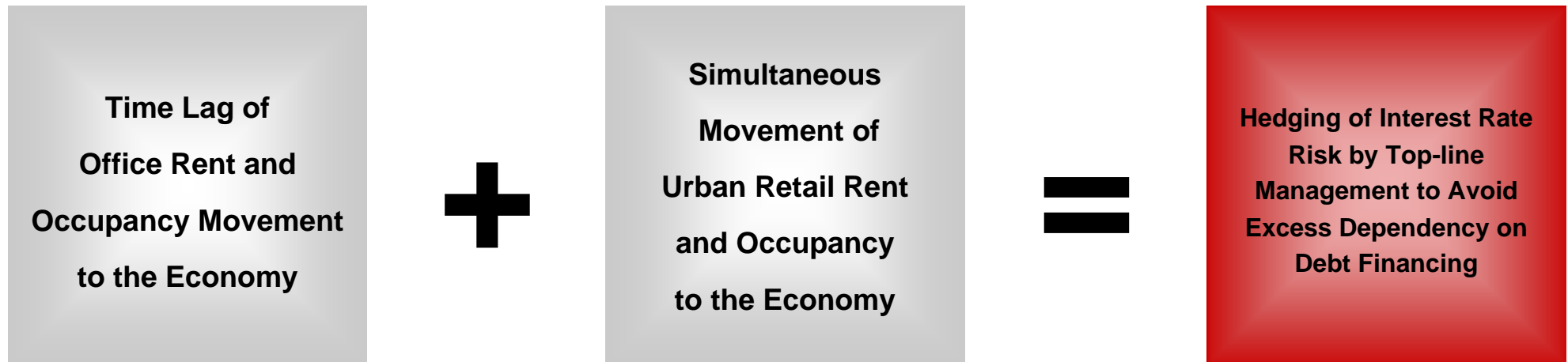
* This page represents the view of Tokyu REIM

How to Achieve Our Internal Growth?



* This page represents the view of Tokyu REIM **79**

- TOKYU REIT is structured to make selective investments in highly competitive properties including both office and retail, in order to balance strong growth potential and stability. This helps develop resistance against interest rate movements.



Built-in Stabilizer Function by Combining Office and Retail

Why Office and Retail? (2)



Strategic Resource Allocation with Experienced Staff who have various Skills, Know-how, and Experiences in AM/PM Companies



On the other hand, do not invest in hotels and residential properties which show different risk-return profile to office/retail

Acquisition

- Pipeline Support: 11 of 23 Properties (¥86.82bn out of acquisition price of ¥205.45bn)
 - 6 out of 11 Properties at time of IPO
 - TOKYU REIT Shibuya Udagawa-cho Square (2nd Period / ¥6.6bn)
 - Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (9th Period / ¥8.5bn)
 - Tokyu Ikejiri-ohashi Building (10th Period / ¥5.48bn)
 - 2 of the 11 Properties at time of IPO (Lexington Aoyama, Tokyo Nissan Taito Building)
- } Developed and contributed by Tokyu Group companies
- ... Contributed by Tokyu Group companies
- Warehousing
 - 3 properties acquired at time of IPO: ¥14.06bn
 - Yokohama Yamashita-cho Building : 3rd period / ¥5.05bn
 - Beacon Hill Plaza (Ito Yokado Noukendai Store) : 3rd period / ¥9.52bn
 - cocoti (Net Collective Ownership 40%) : 5th period / ¥9.80bn
 - Shonan Mall Fill (*sokochi*) : 6th Period / ¥6.81bn
 - Reference by Tokyu Land Corporation
 - Resona Maruha Building
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store)

PM (Property Management)

- PM business outsourcing
- Community-based tenant promotion capability and cost reduction potential by scale of economy

Brand Strategy

- “TOKYU” brand licensing
 - “TOKYU REIT” name
 - Building name change to “TOKYU REIT” brand

Japanese Potential Growth and Social Responsibility of REIT Managers

1. Real Estate Viewpoint (most effective use of capital goods)

- (1) Improving efficiency of real estate management
- (2) Maintenance of quality real estate as stock of social capital
- (3) Playing an infrastructure-related role which allows the actual property market to function

2. Investment Market Viewpoint (vs. Investors)

- (1) Providing mid-risk/return financial vehicle
- (2) Driver of disclosure in Japan

3. National Economic Viewpoint

- (1) Producing results that are essentially a remedy to real estate deflation
- (2) Contributes to the potential growth of the Japanese economy

Potential Growth of the Japanese Economy (as of 2008/8/6) (Unit: %)

	Contribution			Potential Growth
	Capital Input	Labor Input	TFP	
1988~1992	2.2	0.1	1.9	4.1
1993~1997	1.4	-0.2	0.5	1.7
1998~2002	0.6	-0.4	0.6	0.8
2003~2007	0.4	0.0	0.9	1.3

Source: Cabinet Office

*TFP: Total Factor Productivity

* All figures are 5 year averages (annual figures not disclosed)

* Real GDP calculation changed in December 2004 from a fixed base method to a rolling method (base year changes every year)

With the aging population and falling birth rate, the potential growth of the Japanese economy will not be supported by growth in the work force. Capital efficiency must drive increased Productivity. Real estate investing contributes to this effort and hence offers a societal benefit

* This page represents the view of Tokyu REIM

Additional Information on p. 51 “Office Leasing Market Overview (4) Office Rent (Included in the CSPI) Defined

■ Areas covered

- Tokyo ··· Tokyo, Kanagawa, Saitama, Chiba and Ibaraki
- Nagoya ··· Aichi and Mie
- Osaka ··· Osaka, Hyogo, Kyoto and Nara
- Others ··· Hokkaido and 14 other prefectures

■ Contracted Rent for Lease Properties (Tokyo)

Leasehold/Security deposits and common area charge are excluded in principle

1. Average Rent:

Rent per area unit calculated by dividing rent income generated from rental space of certain office buildings covered in the survey (or total rent per area unit of each tenant) by the relevant floor space (or the number of tenants)

$$(1) \text{ Average Rent} = \frac{\text{Total monthly rent income from specific rental space}}{\text{Occupied floor space of specific rental space}}$$

$$(2) \text{ Average Rent} = \frac{\text{Total rent per area unit of each tenant occupying specific rental space}}{\text{Number of tenants occupying specific rental space}}$$

2. Sitting Rent

Contracted rent of rental space (office) of specific tenants

Source: Prepared by Tokyu REIM based on information from BOJ webpage

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