

TSE: 8957

Investment in
Highly Competitive
Properties

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Areas with
Strong Growth
Potential

Financial Results Presentation

11th Fiscal Period

August 1st, 2008 – January 31st, 2009

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

証券コード 8957

TOKYU REIT

- **Investment Policy & Investment Management Fee**
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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

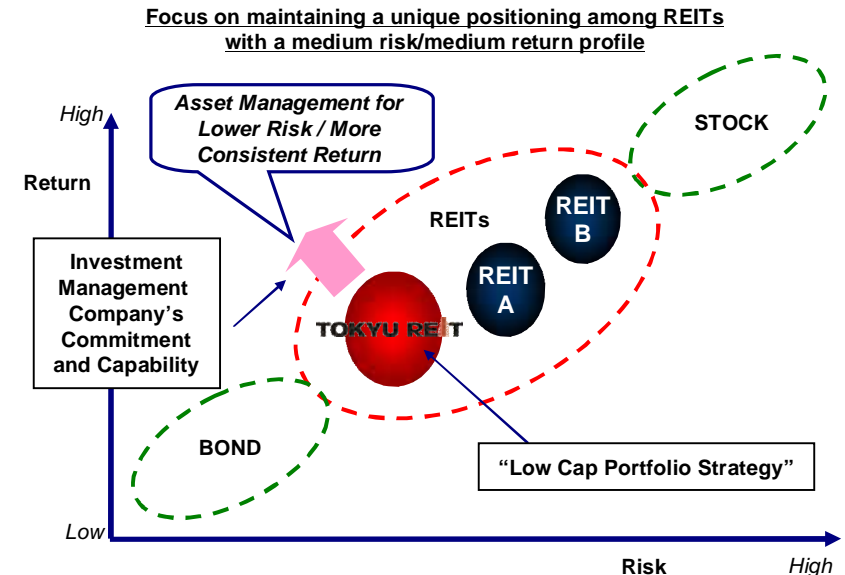
- Aim for EPS growth (higher earnings quality) and enhancement of asset value

(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% to be in central Tokyo 5 wards 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**

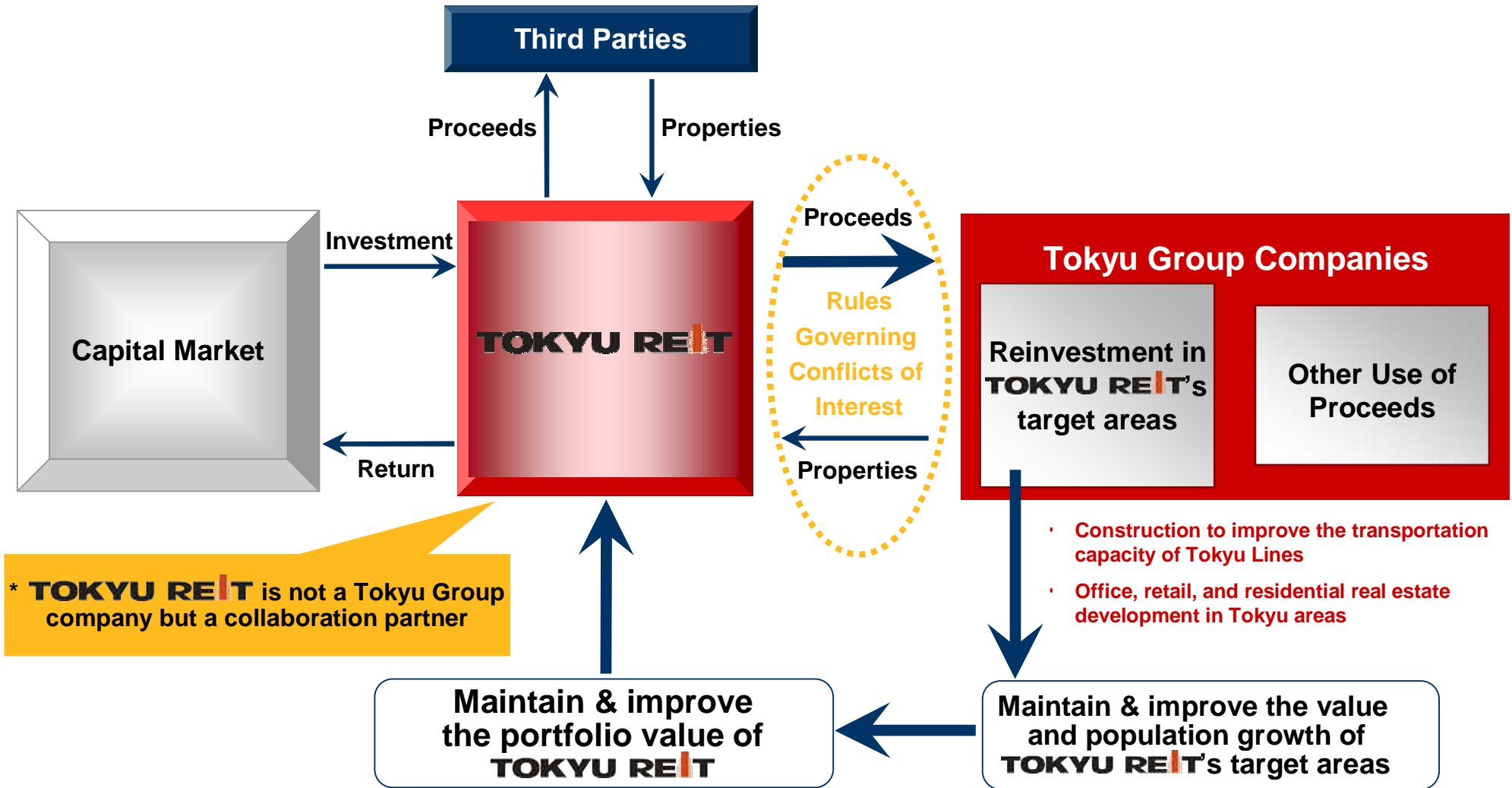
*Comments by Tokyu REIM

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 to provide significant added value
Fund Structure with High Transparency and Accountability	Improvement of disclosure, including IR activities and the achievement of accountable management through the involvement 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/7 managers), IR cost paid by Investment Management Company (Tokyu REIM) Utilize 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



*Comments by Tokyu REIM

Overview of Investment Management Fee

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

	Objective (Aim)	Formula	Note
Base 1 (Linked to asset valuation)	Enhance 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.

*** 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**

Temporary deduction of Total Investment Management Fee (To be authorized on General Meeting of Unitholders. (Apr. 15th, 2009))

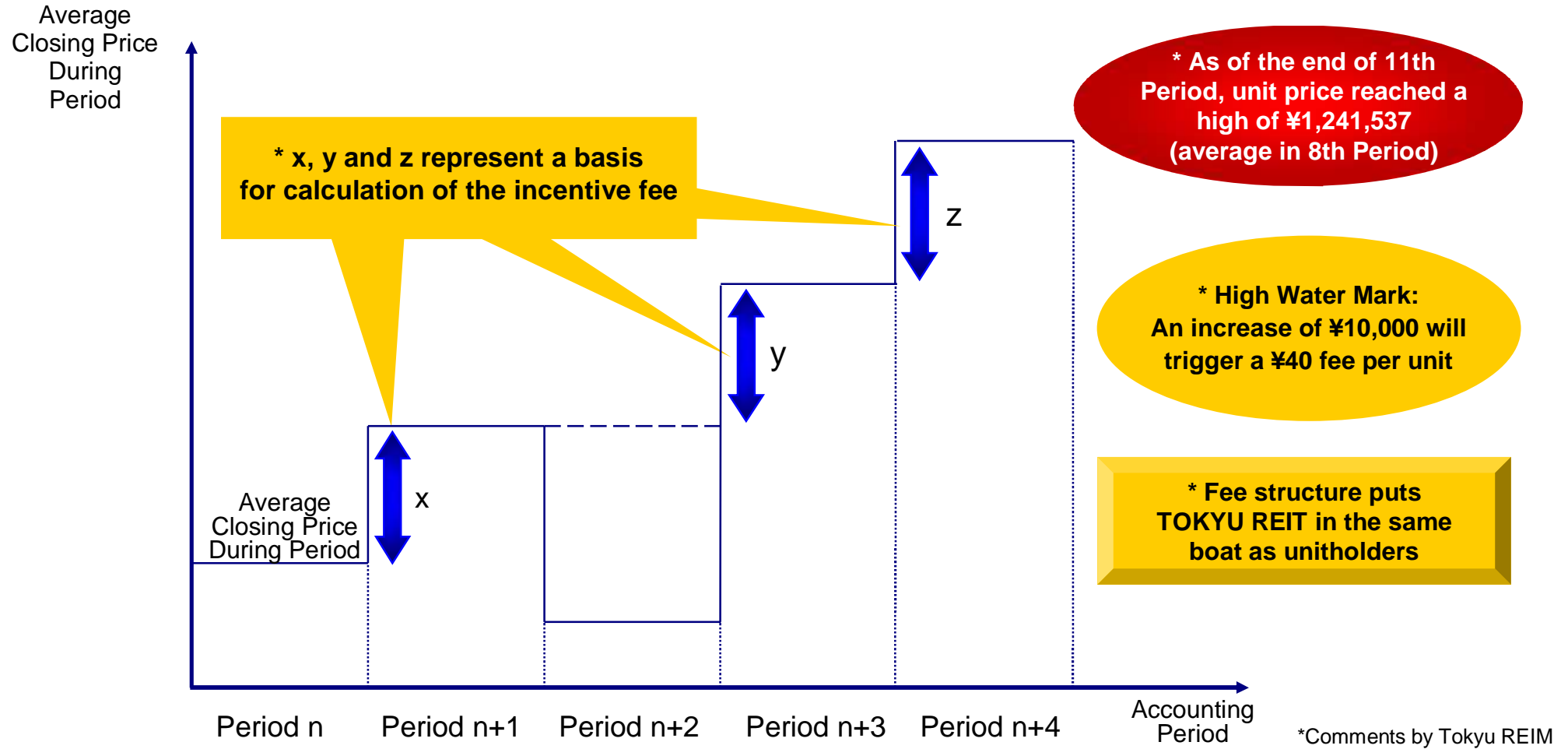
< Deduction period > From Feb. 1st 2009 to Jan. 31st 2011 (12th period to 15th period)

< Deduction rate > 12th period: 2%, 13th period: 4%, 14th period: 6%, 15th period: 8%

*Comments by Tokyu REIM

Incentive Fee Structure

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



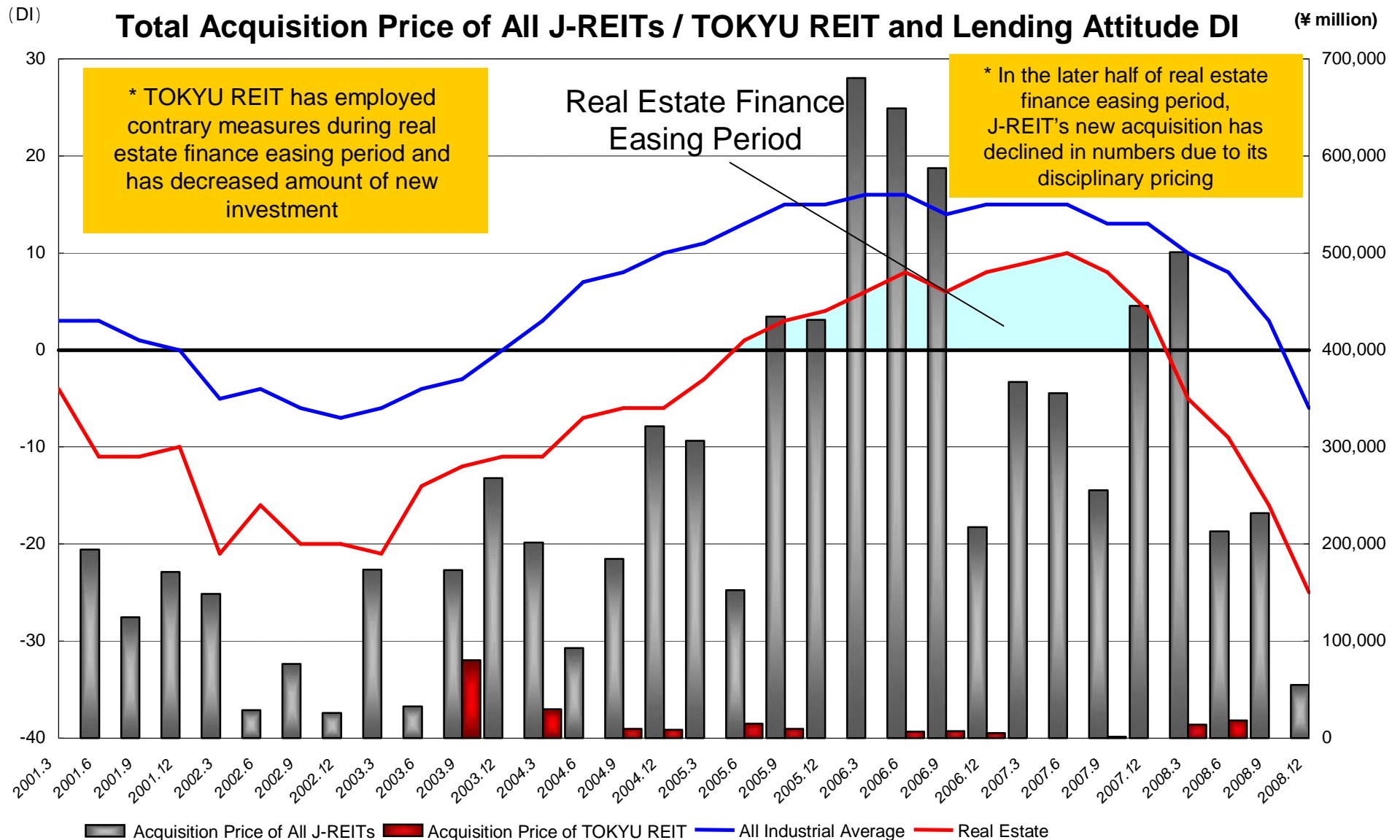
Incentive Fee = Number of Units Outstanding at End of Previous Period x (x, y or z) x 0.4%

TOKYU REIT

Topics

(1) Outlook of TOKYU REIT

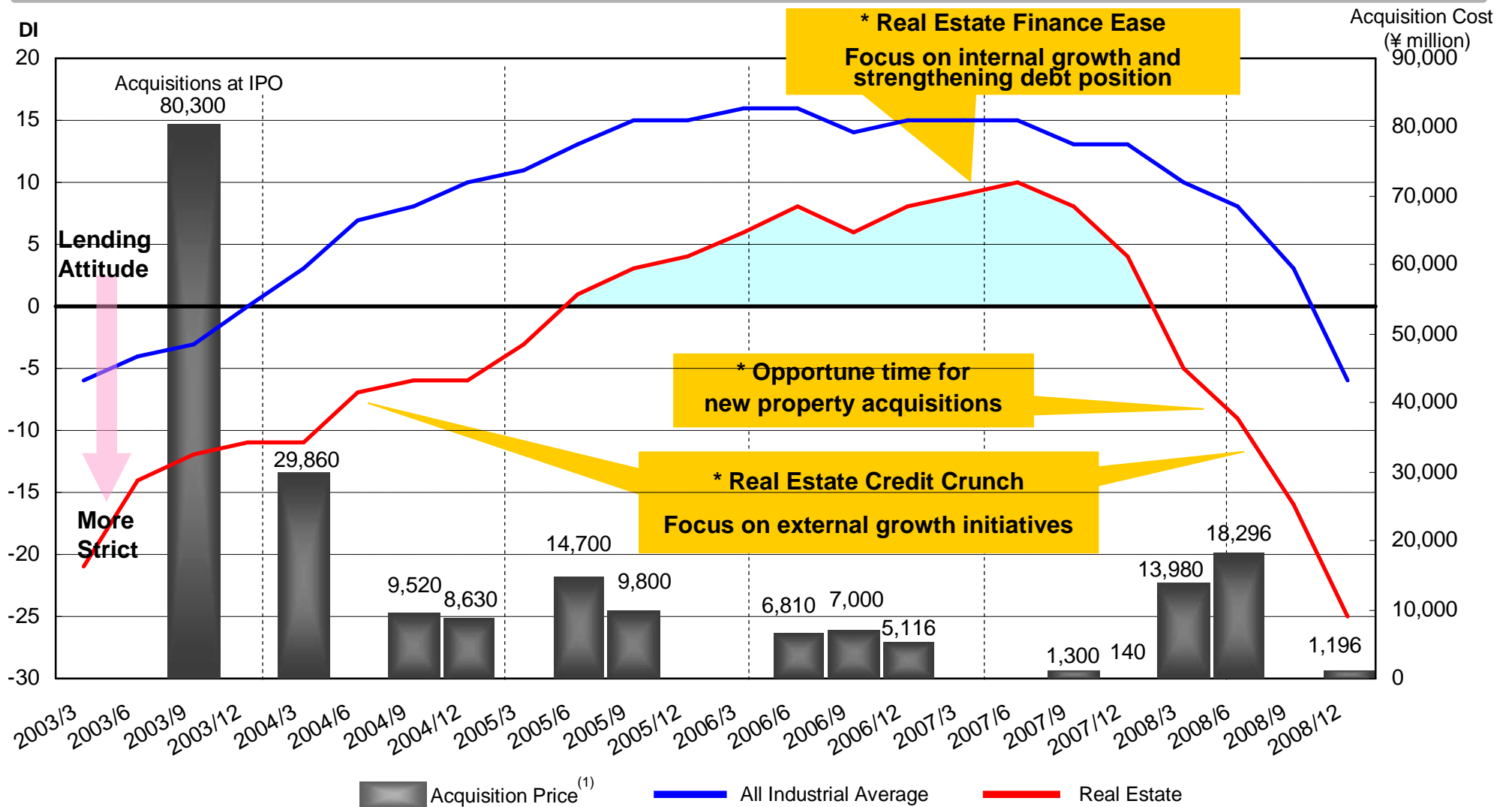
External Growth Timing and Pace (J-REIT Total vs TOKYU REIT)



Source: BOJ (Tankan Survey)

*Comments by Tokyu REIM

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



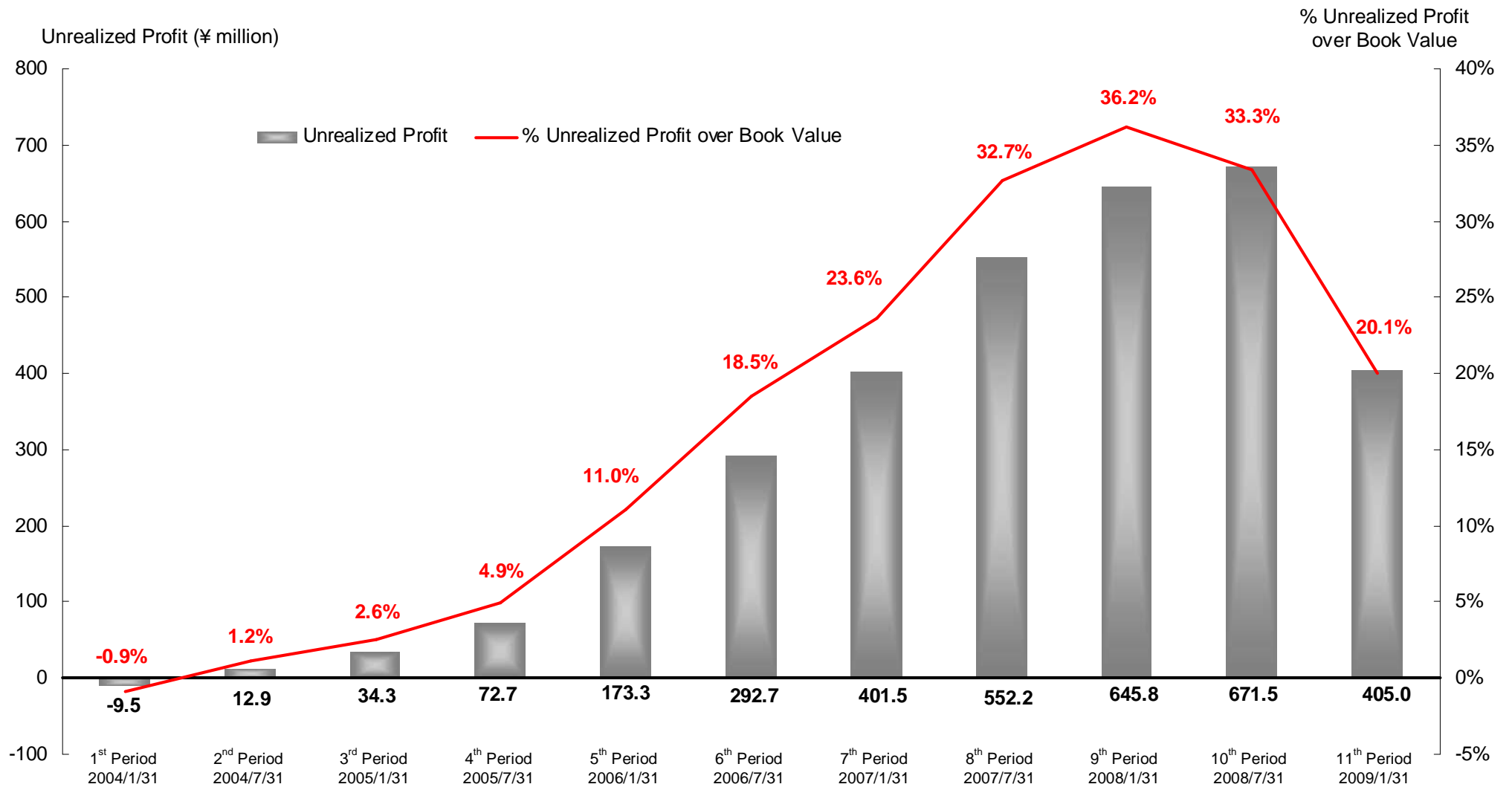
(1) Acquisition price on secondary y-axis, each bar represents the total acquisitions price in respective month and 3 months prior to it (i.e., June 2008 includes April – June 2008)

* 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

Source: BOJ (Tankan Survey)

*Comments by Tokyu REIM

Historical Unrealized Profit of the Portfolio

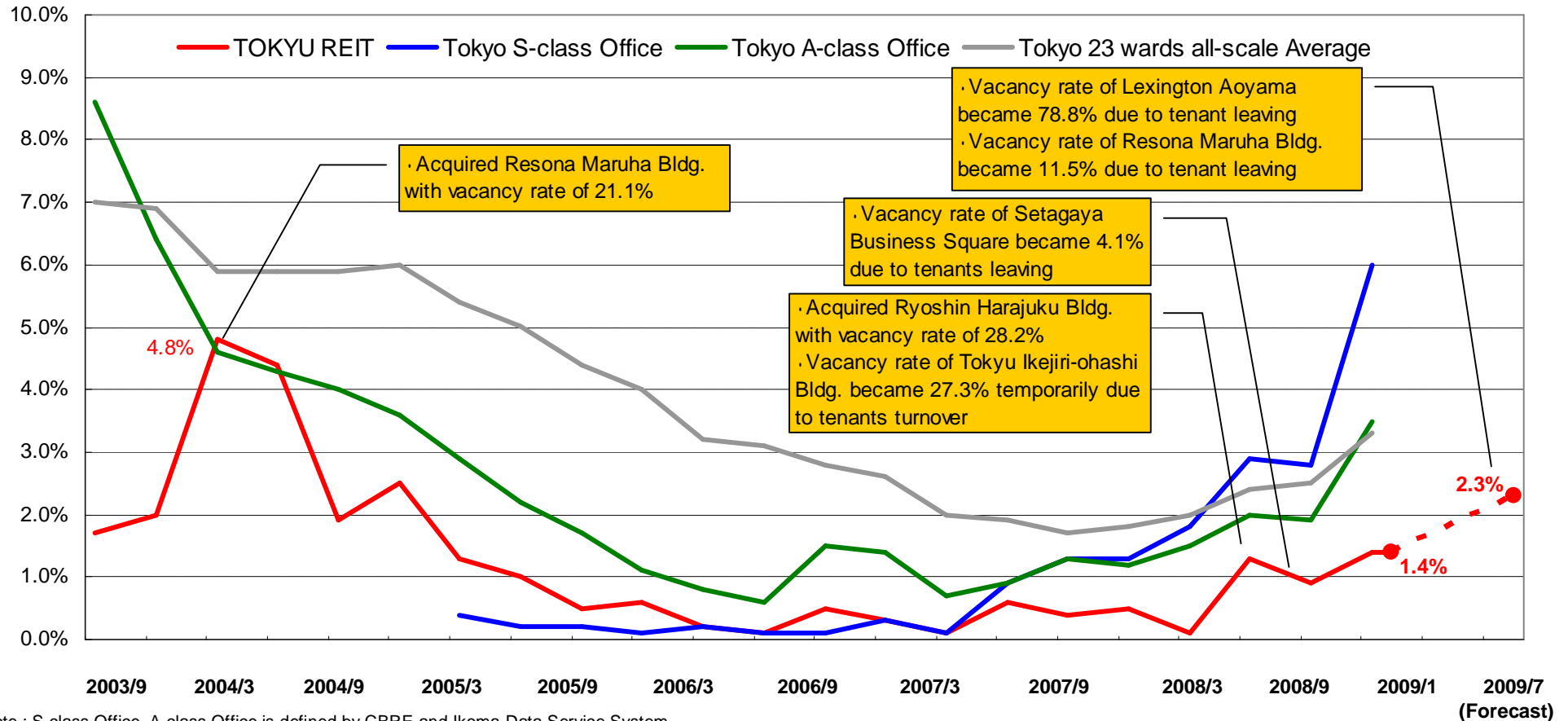


*% Unrealized Profit over Book Value=Unrealized Profit ÷ Book Value of Asset

Decline in unrealized profit due to current asset value descending trend

Historical Vacancy Trend

Historical Vacancy Trend (TOKYU REIT, Tokyo S-class Office, Tokyo A-class Office, Tokyo 23 wards all-scale Average)



Note : S-class Office, A-class Office is defined by CBRE and Ikoma Data Service System

S-class Office ... Office buildings located in Tokyo major 5 wards with especially significant features as a office property (features include total floor space over 20,000 tsubo, typical floor area over 500 tsubo)

A-class Office ... Located in Tokyo major 5 wards (Chiyoda, Chuo, Minato, Shinjuku, Shibuya) with features including total floor space of over 10,000 tsubo and typical floor area over 200 tsubo)

Source: CB Richard Ellis Research Institute K.K. "Office Market Report"

*Comments by Tokyu REIM

*** TOKYU REIT's portfolio marks lower vacancy than class S and class A office properties in Tokyo and has recorded stable performance**

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 (23 Properties)	12th Period Beginning (23 Properties)
Retail	9.3%	9.4%	11.1%	10.6%	9.0%	9.2%	1.7%
Urban	13.3%	14.5%	16.7%	15.9%	13.5%	13.4%	2.5%
Suburban	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Office	4.2%	12.5%	14.1%	16.0%	15.6%	11.5%	-5.9%
Total	6.3%	11.1%	12.8%	13.7%	12.9%	10.6%	-2.9%

* 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

*** Market rents underperformed contracted rents due to rapid market deterioration**

< Reference > Percentage of Tenants Facing Rent Renegotiation

Asset Class	12th Period	13th Period	14th Period	15th Period	16th Period	17th Period
Retail	10.7%	29.8%	5.3%	1.6%	17.0%	17.8%
Urban	5.8%	23.7%	7.8%	2.3%	7.9%	26.2%
Suburban	21.0%	42.8%	0.0%	0.0%	36.2%	0.0%
Office	21.8%	19.8%	26.1%	19.8%	25.4%	12.9%
Total	17.5%	23.6%	18.1%	12.8%	22.2%	14.8%

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

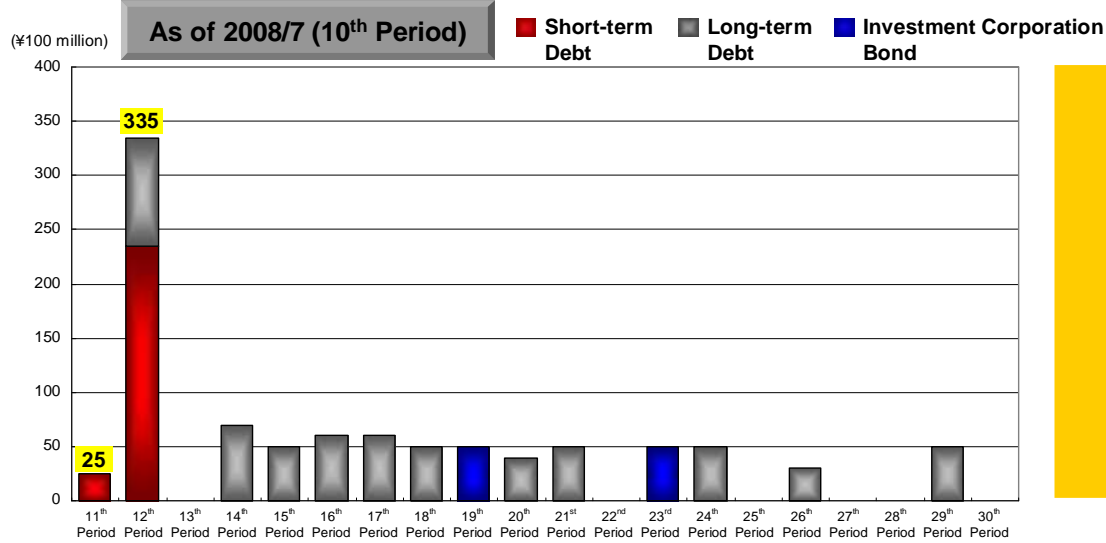
* Rent including common service charge (except revenue from parking/sign charge)

* As of Beginning of 12th Period

- * Retail (Urban):
QFRONT, TOKYU REIT Omotesando Square, Lexington Aoyama, TOKYU REIT Shibuya Udagawa-cho Square, cocoti, CONZE Ebisu, Daikanyama Forum
- * Retail (Suburban):
Tokyu Saginuma Building, Tokyu Saginuma 2 Building, Beacon Hill Plaza (Ito-Yokado Noukendai Store), Shonan Mall Fill (*sokochi*)

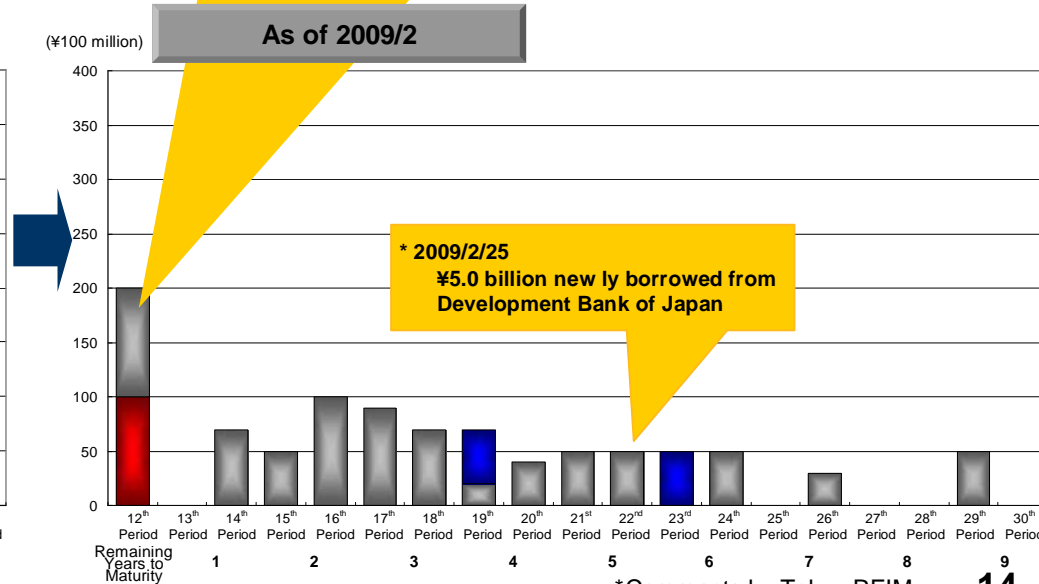
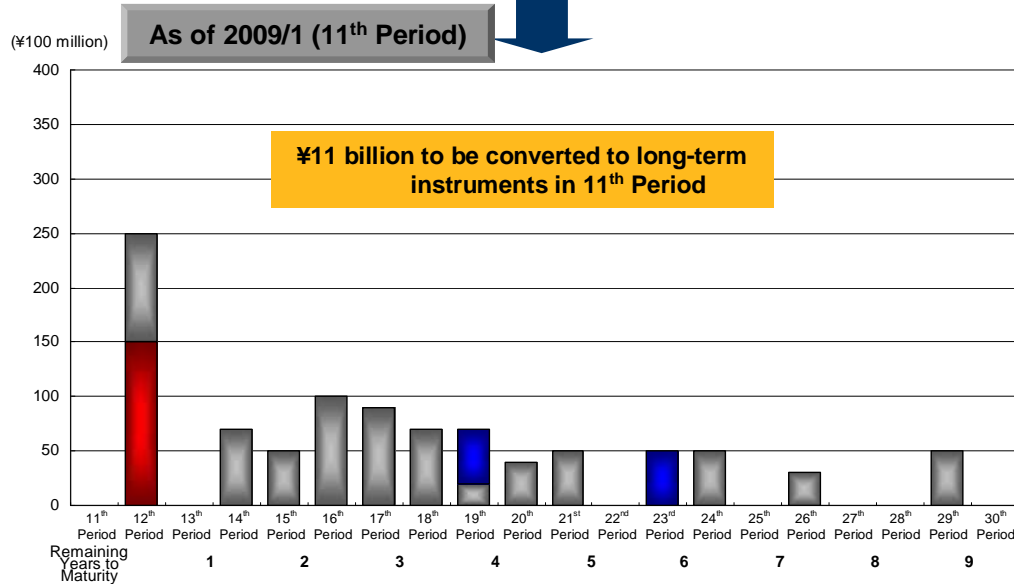
Transition of Debt Balance by Repayment Date

Maturity Ladder



***¥20.0 billion due this year was funded from the major five banks at IPO (as of 2009/2)**

■ Long-term debt	¥10.0 bn	...	Due 2009/6/25
(Mitsubishi UFJ Trust)	¥5.0 bn		
(Chuo Mitsui Trust)	¥5.0 bn		
■ Short-term debt	¥10.0 bn	...	Due 2009/6/27 & Due 2009/7/25
(Mitsubishi UFJ Trust)	¥7.4 bn		
(Tokyo-Mitsubishi UFJ)	¥1.4 bn		
(Sumitomo Trust)	¥0.4 bn		
(Chuo Mitsui Trust)	¥0.4 bn		
(Mizuho Corporate Bank)	¥0.4 bn		



Transition of Borrowing Spread

	Duration	Borrowing Date									
		2006	2007			2008				2009	
		Oct.	Jan.	Jun.	Sep.	Jan.	Mar.	Apr.	Jun./Jul.	Nov.	Feb.
Short term	1.0 yr	35bps				30bps	30bps	30bps	32.5bps		
Long term	1.5 yr										
	2.0 yr								36bps		
	2.5 yr									52bps	
	3.0 yr								38bps	54bps	
	3.5 yr			32bps						60bps	
	4.0 yr				36bps				41bps	64bps	
	4.5 yr										
	5.0 yr										80bps
	5.5 yr								45bps		
	6.0 yr										
	6.5 yr										
	7.0 yr		39bps							45bps	
7.5 yr											
8.0 yr							38bps				

* No up-front fee is paid for above borrowings

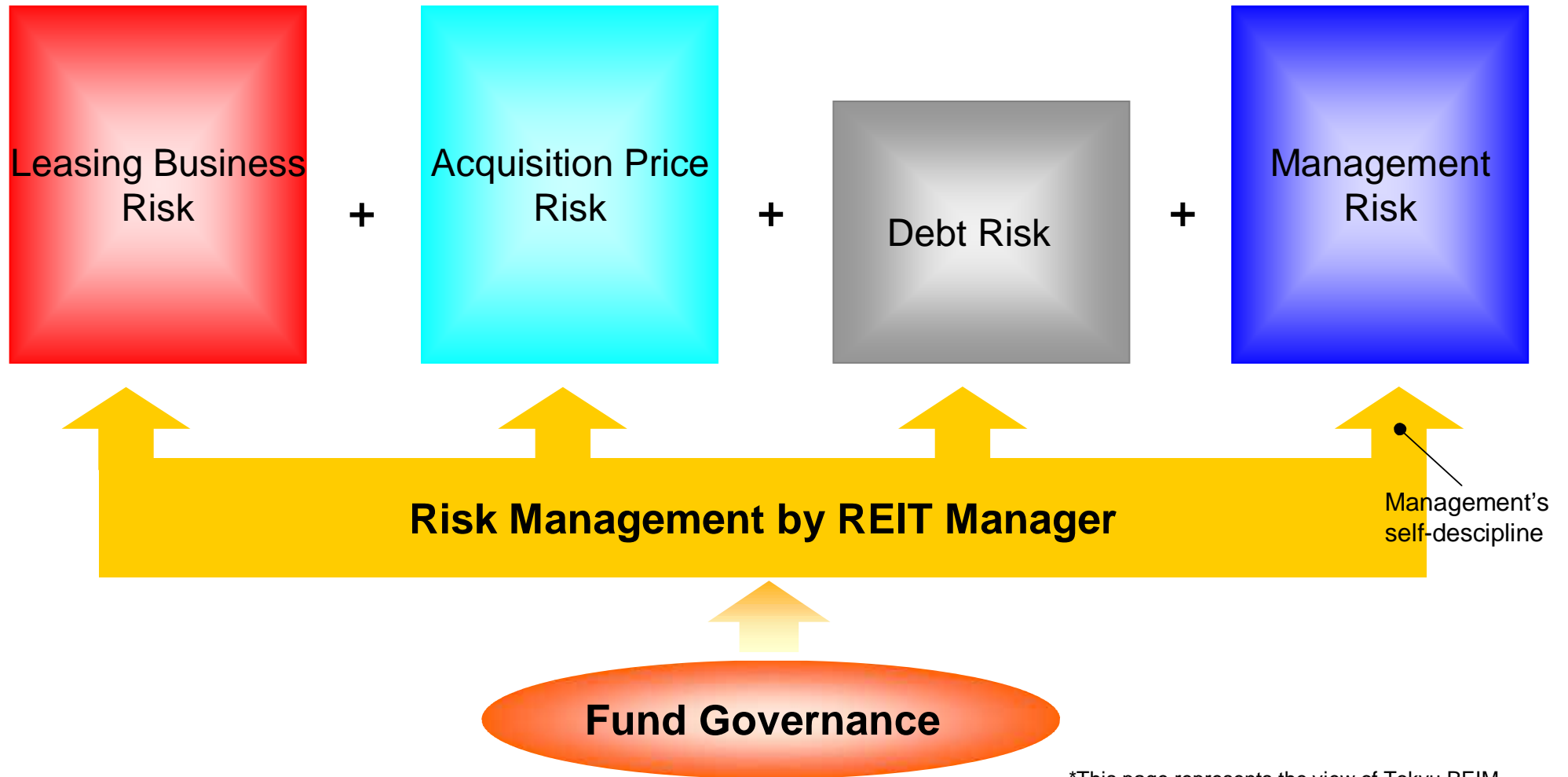
*** Although spread tends to be widening, TOKYU REIT's financial condition remains to be stable**

TOKYU REIT

Topics

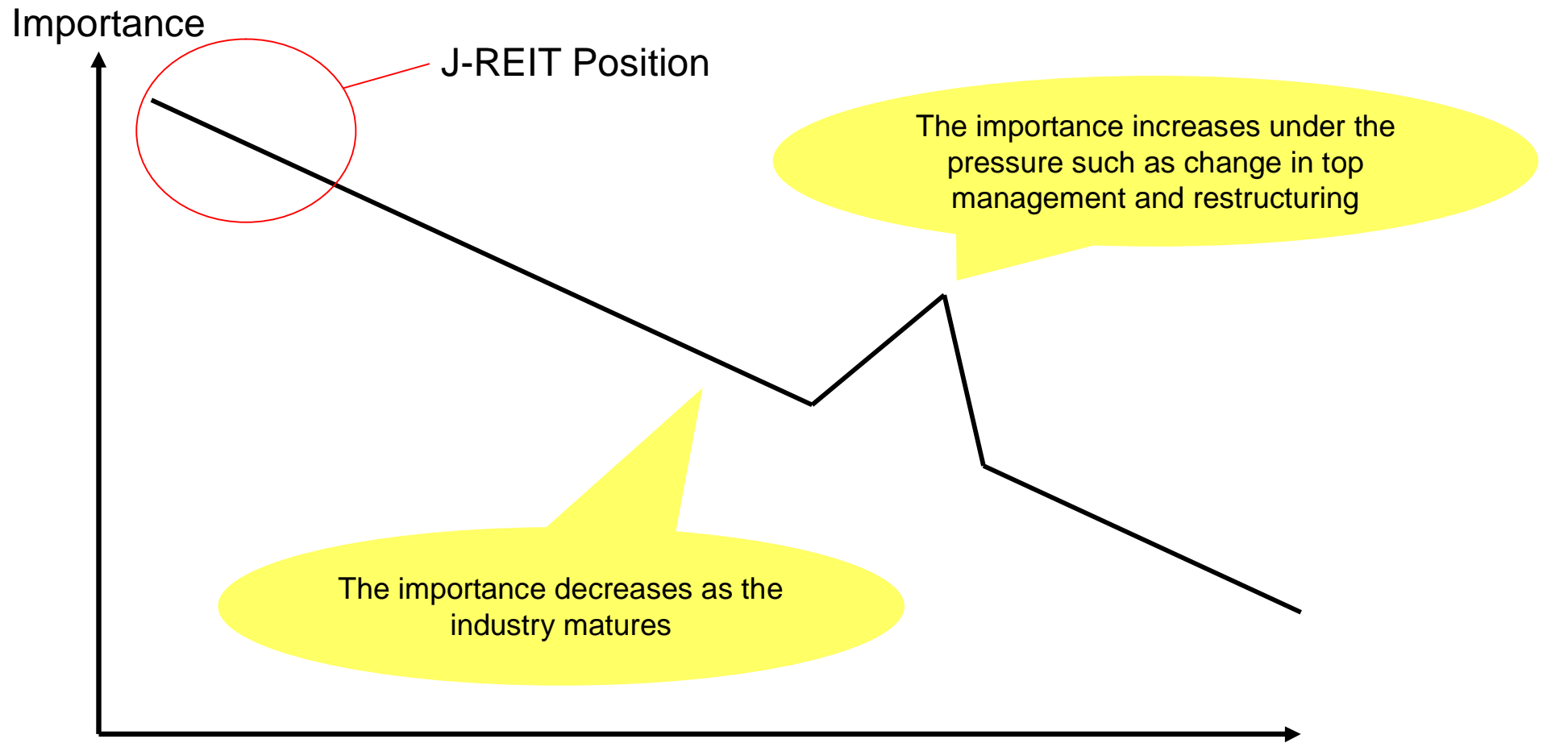
(2) 4 Risks of REIT

REIT takes 4 risks and Management must control these risks



*This page represents the view of Tokyu REIM. 17

Importance of Management Risk Analysis



Given its short history, assessment of management risk is extremely critical for the industry that hasn't been through a round of economic cycles

*This page represents the view of Tokyu REIM.



Topics

(3) Toward Restoring Trust in the REIT Market: Governance and Commitment

Enhancement of REIT's Governance: How to Ensure Quality Decision-Making

Adjustment of related laws and internal rules is not enough to improve quality decision-making

Structural reform of governance has recently been called for



Appointment of responsible bearers of Quality Governance and disciplined “mind” as a trustee of REIT to protect and maximize interest of investors in REIT are essential

*This page represents the view of Tokyu REIM.

TOKYU REIT's Aim, Goals

- Unitholder first
- Willing to learn from investors. But reject request from a short term interest
- Aim to become a "Global investment product"
- Willing to become invest-worthy for all investors around the globe
- Quality decision making process
- One of the most excellent governance structure
- Aim to become the most reputable J-REIT
- Outperform other J-REITs

Characteristics of TOKYU REIT's Governance Structure

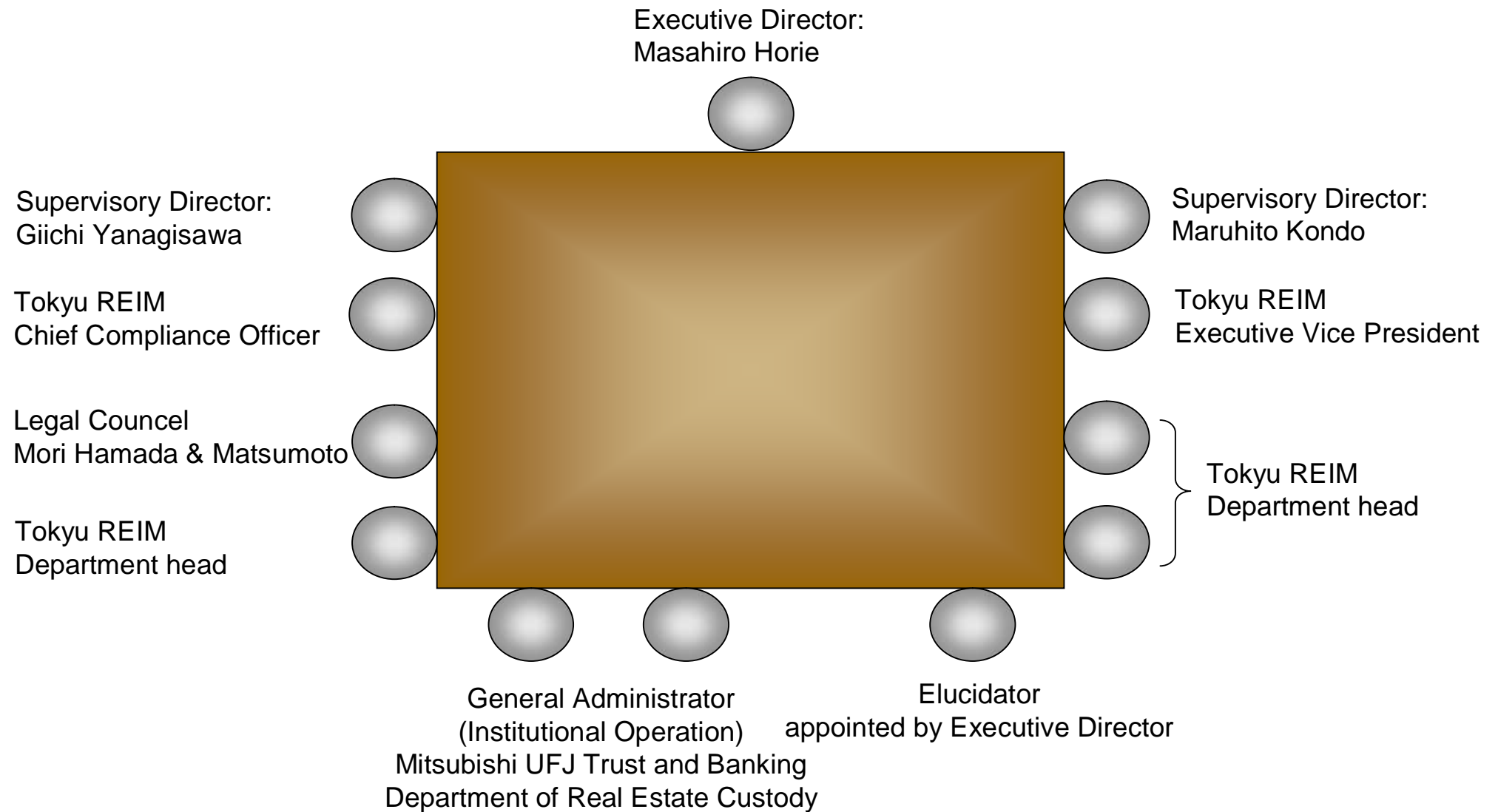
- Involvement of independent outside board member
- Willing to welcome third party monitoring to eliminate self-righteousness
- Optimal balance between sponsor collaboration and independency
- Strict focus on fiduciary duty
- Management fee set to "being in the same board as unitholders"

TOKYU REIT's Management Characteristics

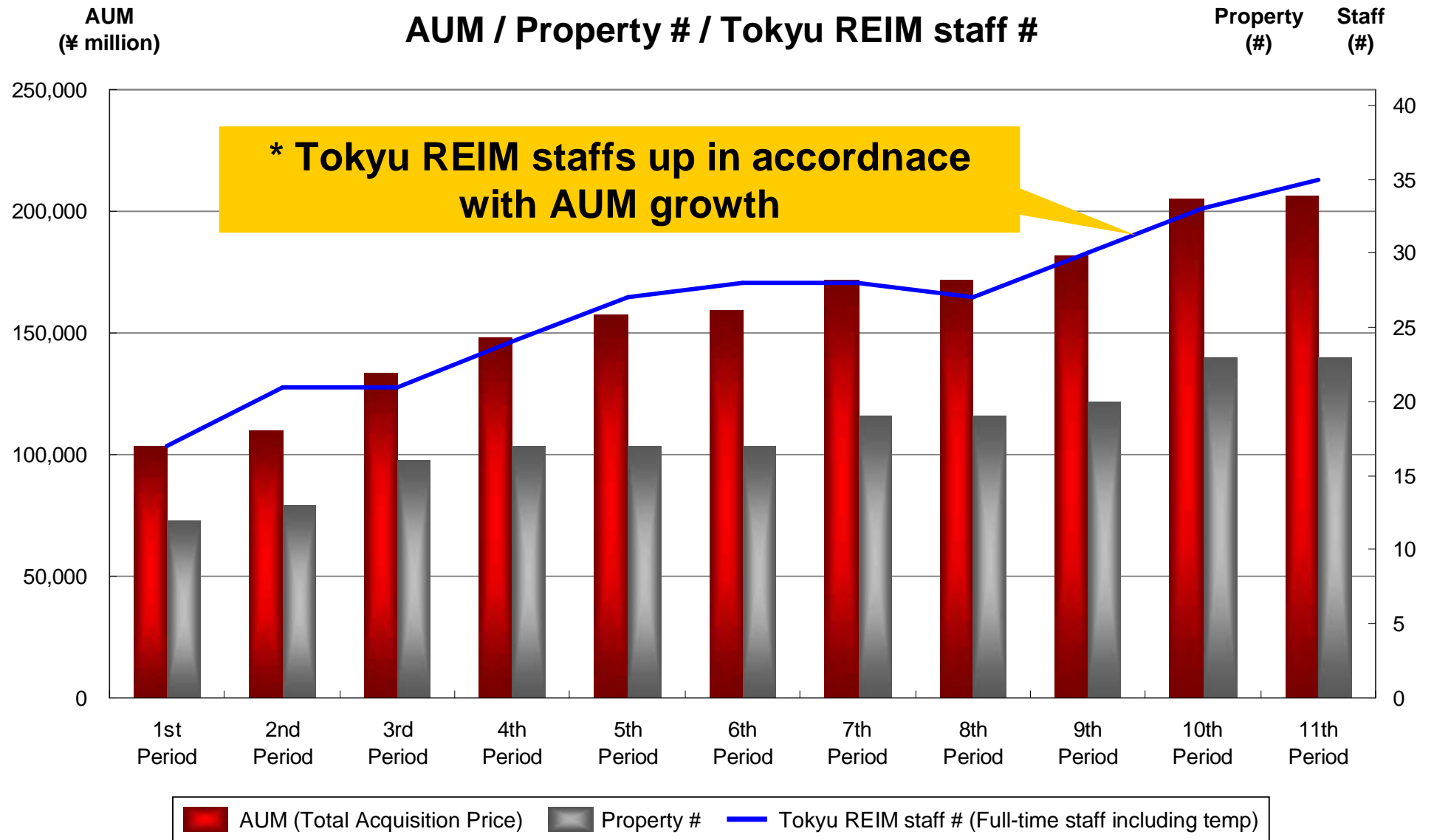
Excellent Governance as a Source of Competitiveness	Structural	<ul style="list-style-type: none"> · Multi-layers of monitoring and out-side board member's involvement · Management fee set to "being in the same board as unitholders" · Stringent conflict of interest rules · Board meetings held twice a month on a regular basis and enhanced reporting system
	Human Resource	<ul style="list-style-type: none"> · Carefully select board members to enhance debate * · Provide appropriate compensation to board members for the responsibility and the workload · Legal advisor to be present at board meetings
	Culture	<ul style="list-style-type: none"> · Board members not hesitating to reject, waive resolution or agree with condition · Tokyu REIM's efforts <ul style="list-style-type: none"> · Strict focus on fiduciary duty · Management fee programmed to enhance involvement of all business segments · Intend to let all Tokyu REIM staff to face and communicate with investors · Willing to debate with independent outside board member
	Track Record	<ul style="list-style-type: none"> · Average board mtgs per month : 2.2 times per month (since establishment) · Average time per mtg : 1h35min (since establishment) · Board members involvement besides the board mtg : 2.3 times per member per month (11th period)

* Professional and a company manager with experience as a outside board member

Order of Precedence of TOKYU REIT's Board of Directors Meeting



Tokyu REIM's Commitment



*Comments by Tokyu REIM

Concrete Actions for restoring of credibility of REIT market reflected by Real Estate price

Policy Request

- Government/BOJ's announcement
- Countermeasures to inconvenient REIT related rules compared to general corporation
- Support for funding (Including supervision-guidelines)
- Flexible operation of debt sealing for real estate holding business
- Reinforce of GPIF/Japan Post etc.'s emergence into REIT bond market

Self-supporting efforts

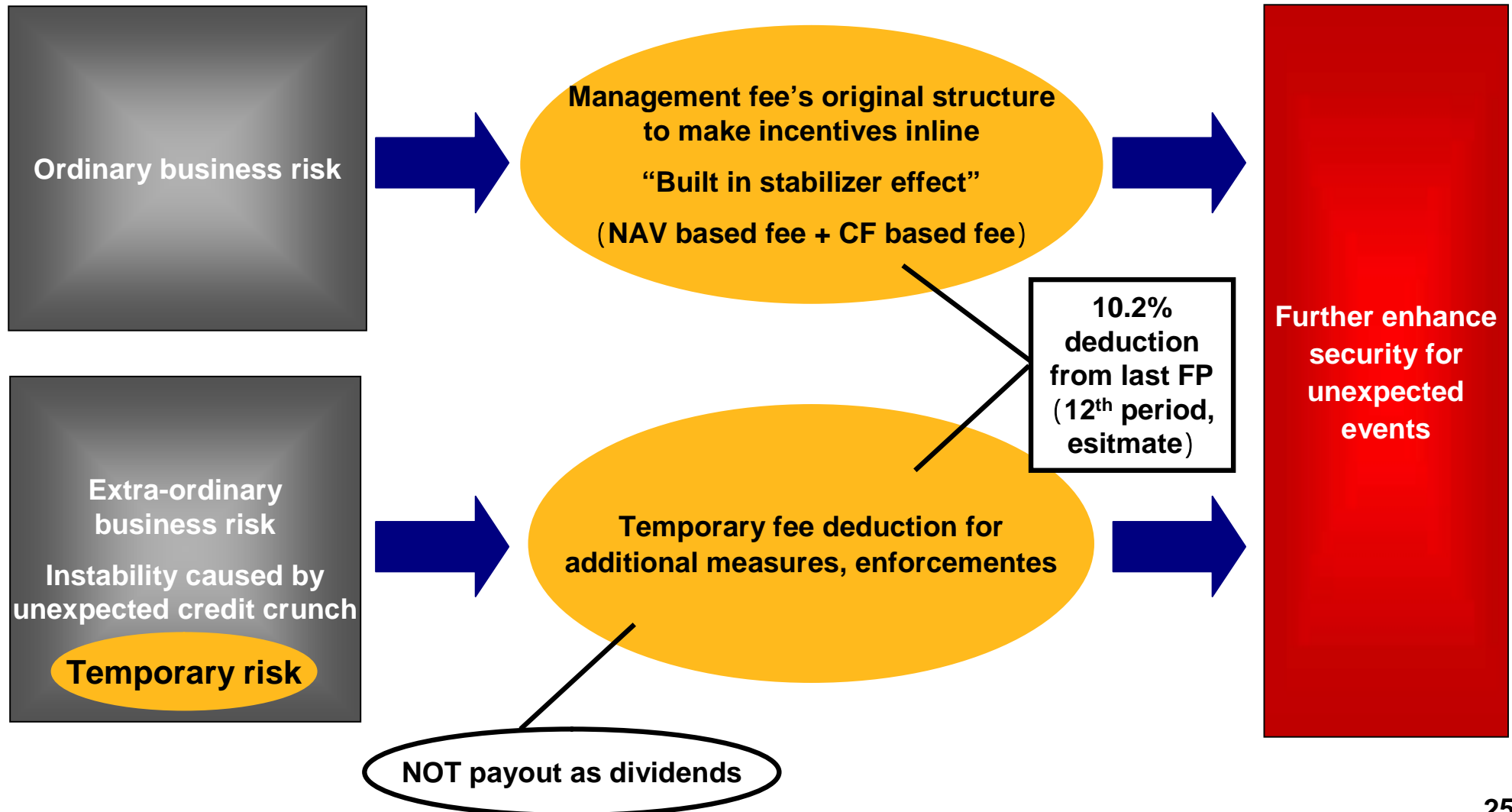
- Fund governance recovery
- Management capability enhancement
- Reinforce of re-organization
- More efforts for real estate market transparency
- More communication with investors both in debt and equity

Countermeasures to factors causing declining of REIT unitprice / credit

* This page represents the view of Tokyu REIM

Purpose for Temporary Investment Management Fee Deduction

**“Being in the same boat as unitholders”
Management fee structure designed to mitigate conflict with investors**





Financial Results and Forecast

Fiscal Results of the 11th Period

		11th Period	10th Period	Change	Change	11th Period	Change	Change
		Actual	Actual			Forecast as of		
		2009/7	2008/7			2008/9/12		
		(184 days)	(182 days)					
Distribution per Unit	(¥)	16,284	16,560	-276	-1.7	15,800	484	3.1
Average LTV	(%)	38.6	35.3	3.3	-	38.5	0.1	-
LTV at End of Period	(%)	42.5	38.5	4.0	-	38.5	4.0	-
Acquisition Capacity through Debt	(¥ million)	36,142	61,772	-25,630	-41.5	61,772	-25,630	-41.5
Average Acquisition Price	(¥ million)	206,239	190,488	15,751	8.3	205,452	787	0.4
Occupancy Rate (End of Period)	(%)	98.6	99.4	-0.8	-0.8	98.4	0.2	0.2
NOI Yield	(%)	5.26	5.52	-0.26	-	5.23	0.03	-
Unrealized Profit	(¥ million)	40,503	67,152	-26,649	-39.7			
Adjusted Net Asset Value (NAV) per Unit Reflecting Unrealized Profit	(¥)	817,826	975,158	-157,332	-16.1			
Average Unit Price during the Period	(¥)	603,570	835,903	-232,333	-27.8			

- 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 is the balance after deducting book value from appraisal value of properties at the end of period
- Adjusted Net Asset Value per Unit Reflecting Unrealized Profit does not include Retained Earnings

Forecast for the 12th & 13th Periods

12th Period (Ending 2009/7) Estimates

- **Projected EPS: ¥14,700 (change from 11th period ¥ -1,584)**
 - **Net Income: ¥2,489 million** change from 11th period ¥ -268 million (profit decrease)
 - **Leasing Operations Profit** change from 11th period ¥ -275 million (profit decrease)
 - ✓ Rental Revenue decrease ¥ -133 million (of which -84 is due to Lexington Aoyama)
 - ✓ Tax and Public Dues increase ¥ - 97 million
(of which -59 is due to property tax of properties acquired in 2008)
 - ✓ Repairs Expense increase ¥ - 87 million
 - ✓ Depreciation etc. decrease ¥ 48 million
 - **Investment Management Fee** ¥ 66 million (cost decrease)
 - **Non-Operating Expense** ¥ - 26 million (cost increase) etc. (Due to LT Fixed Loan Ratio increase etc.)
- **Average LTV: 42.6% LTV/Total Assets: 44.7% LT Fixed Loan Ratio: 92.8% Period End Occupancy Estimate: 97.7%**

13th Period (Ending 2010/1) Estimates

- **Projected EPS: ¥14,300**
 - **Operating Income ¥7,379 million** **Recurring Profit: ¥2,423 million** **Net Income ¥2,422 million**
- Average LTV: 42.5% LTV/Total Assets: 44.8% Long-Term Fixed Loan Ratio: 92.8%**
- Period End Occupancy Estimate: 97.7%**

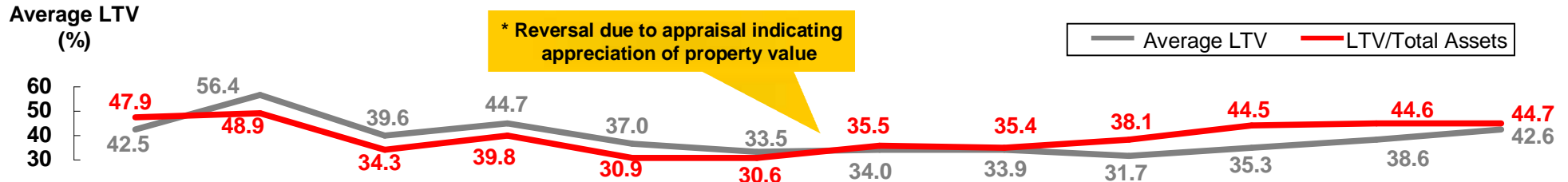
* Tenants submitting their notice of cancellation are expected to leave vacancies up until and past the 13th period

* 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

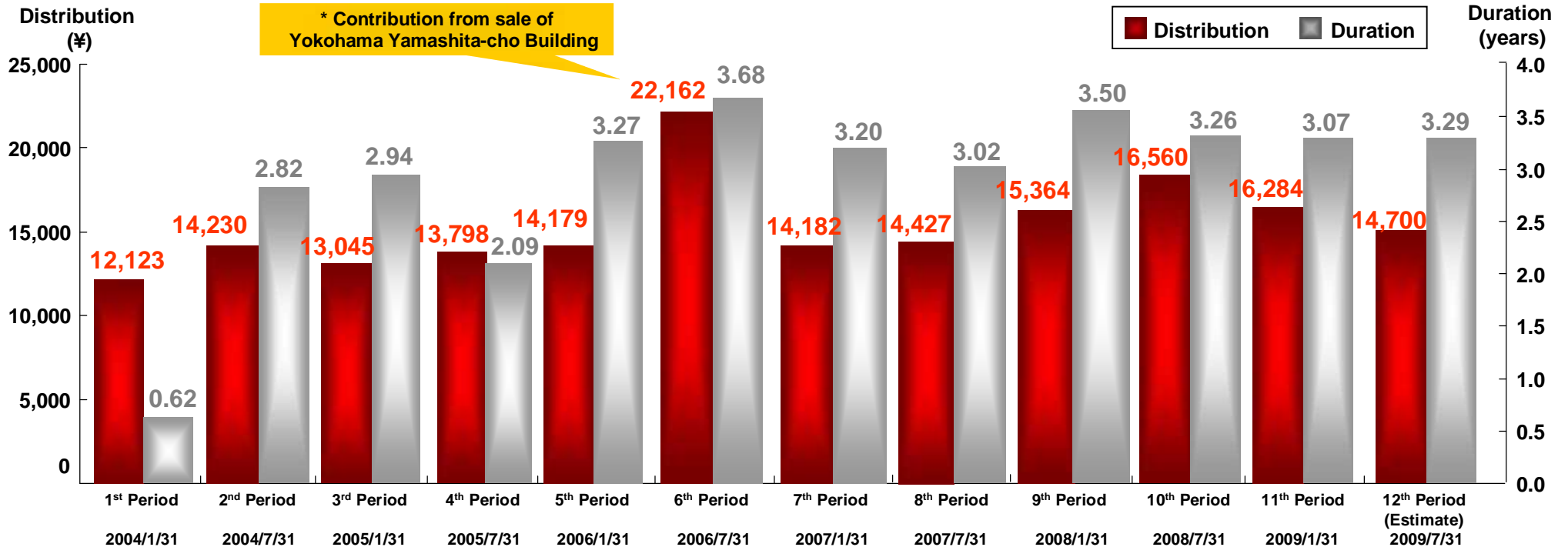
* LTV/Total Assets (Period End) = Expected Period End Interest Bearing Debt / Expected Period End Total Assets

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

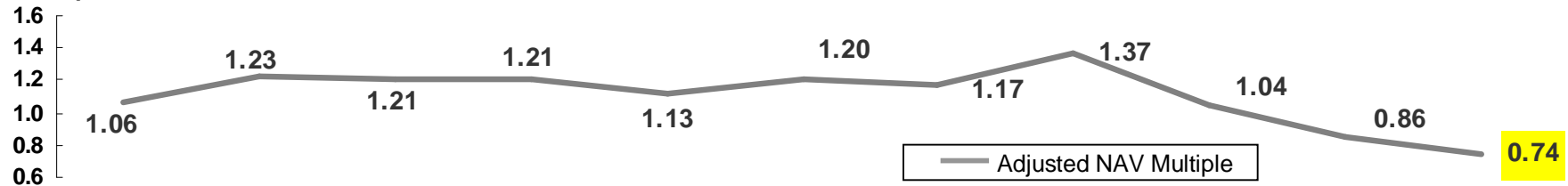


* Official distribution in 1st Period was ¥9,488 based on the actual operating days of 144 days, but the recalculated distribution of ¥12,123 based on 184 operating days is used in the above graph for the sake of comparison with figures from 2nd Period onwards

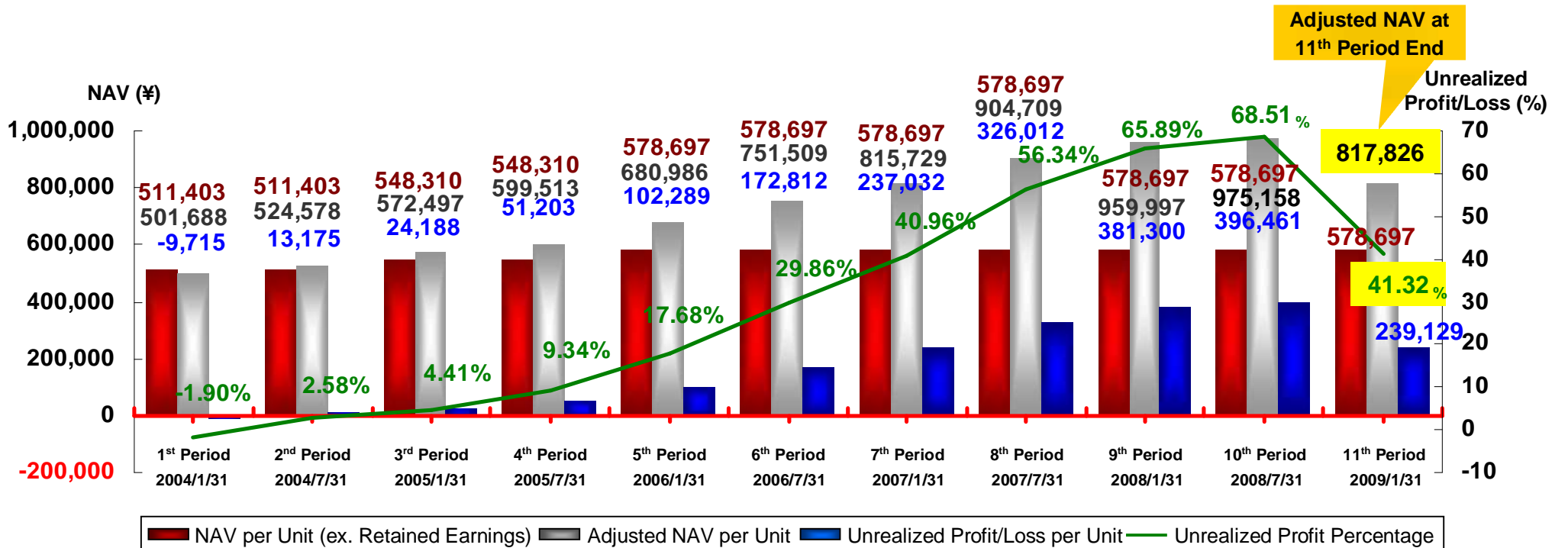
*Comments by Tokyu REIM

Improvement of Asset Value (Adjusted NAV)

Adjusted NAV Multiple



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

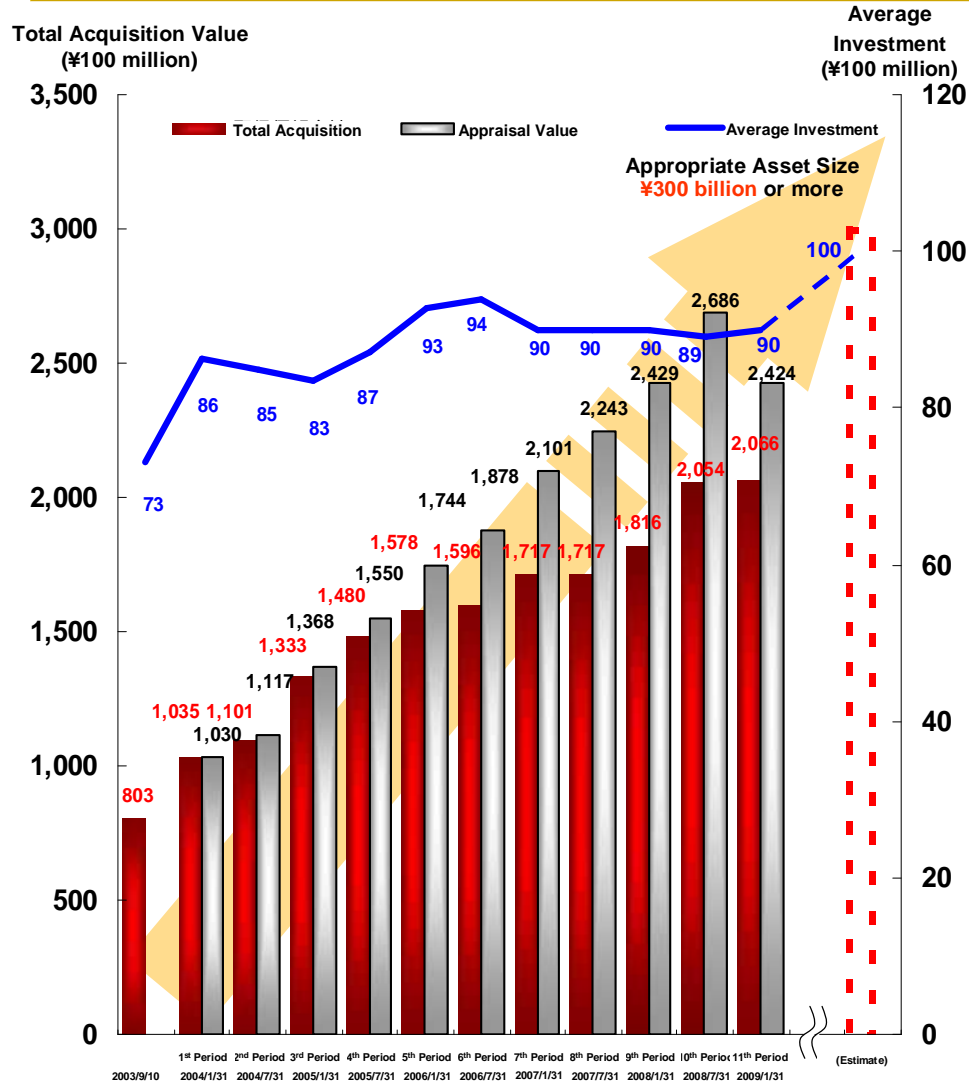


Average Investment Unit Price	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period	11th Period
¥	530,828	643,097	690,705	726,082	766,520	902,435	958,306	1,241,537	1,000,664	835,903	603,570

External Growth

External Growth (Steady Acquisition of Quality Properties)

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



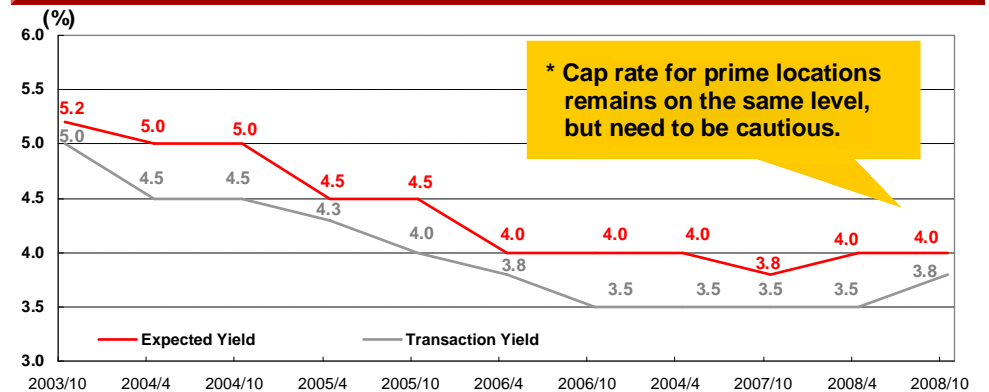
Expected Rent Level by Region (Rent Level at Survey Date = 100)

* Worsen market rents outlook

Region	18th Survey (2008/4)				19th Survey (2008/10)			
	Next Year	2 Years	5 Years	10 Years	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi region	102	103	105	105	100	100	100	102
Shibuya, Shibuya station region	101	102	102	103	100	100	100	100
Nagoya, Station region	100	100	100	100	99	98	98	100
Osaka, along the Midosuji Line	100	101	101	101	100	99	99	100

Source: Japan Real Estate Institute "Japan Real Estate Investors Survey"

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

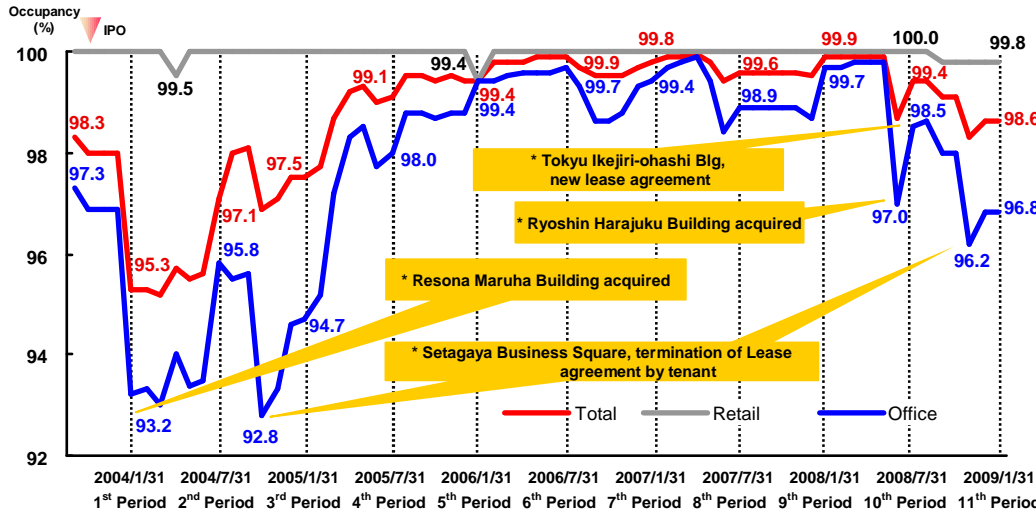


Source: Japan Real Estate Institute "Japan Real Estate Investors Survey"

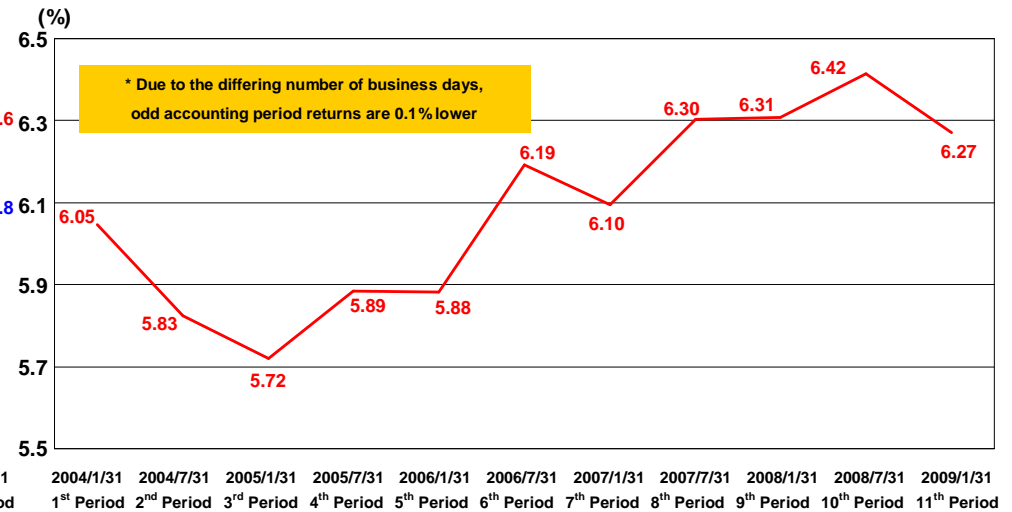
*Comments by Tokyu REIM **31**

Internal Growth

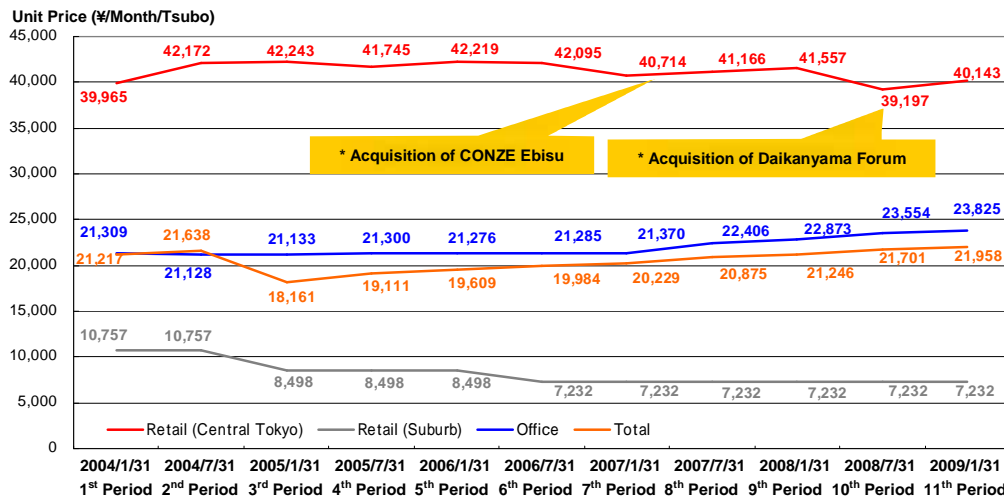
Historical Occupancy of Overall Portfolio



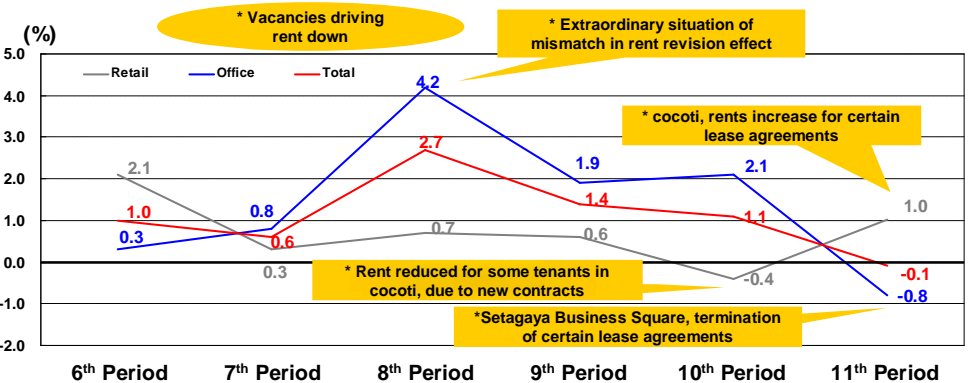
NOI Yield of 11 Properties at IPO (after deducting capitalized property and city planning taxes)



Average Rent (including Common Area Charge)



Year-over-Year Monthly Rent Growth Rate



* Monthly rents down compared with previous period

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

Retail (Urban): 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 Nookendai 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 (23 Properties)	12th Period Beginning (23 Properties)
Retail	9.3%	9.4%	11.1%	10.6%	9.0%	9.2%	1.7%
Urban	13.3%	14.5%	16.7%	15.9%	13.5%	13.4%	2.5%
Suburban	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Office	4.2%	12.5%	14.1%	16.0%	15.6%	11.5%	-5.9%
Total	6.3%	11.1%	12.8%	13.7%	12.9%	10.6%	-2.9%

* 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

*** Market rents underperformed contracted rents due to rapid market deterioration**

< Reference > Percentage of Tenants Facing Rent Renegotiation

Asset Class	12th Period	13th Period	14th Period	15th Period	16th Period	17th Period
Retail	10.7%	29.8%	5.3%	1.6%	17.0%	17.8%
Urban	5.8%	23.7%	7.8%	2.3%	7.9%	26.2%
Suburban	21.0%	42.8%	0.0%	0.0%	36.2%	0.0%
Office	21.8%	19.8%	26.1%	19.8%	25.4%	12.9%
Total	17.5%	23.6%	18.1%	12.8%	22.2%	14.8%

* 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 12th Period

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

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



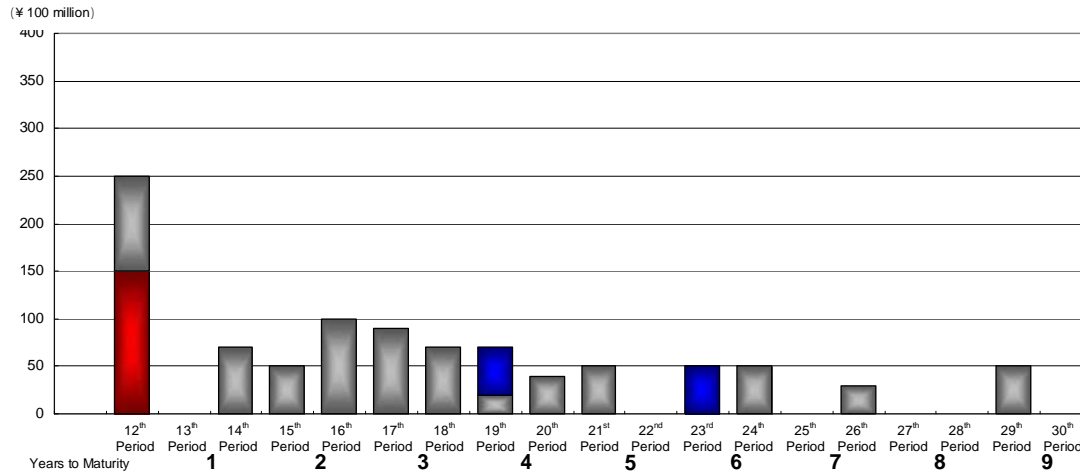
Debt Management

Debt Structure (1)

11th Period Debt Balance by Repayment Date (Maturity Ladder)

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

(Difference from 10th Period in brackets)



Total	:	¥97.0 bn	(¥ ± 0 bn)
Avg. remaining yrs	:	3.07 yrs	(-0.19 yrs)
LT Fixed Ratio	:	84.5%	(+11.3 pts.)
Number of Ladders	:	13	(-1 Ladder)
Avg. Ladder Amount	:	¥7.46 bn	(¥ +0.54 bn)

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

Rating (as of end of 11th period)

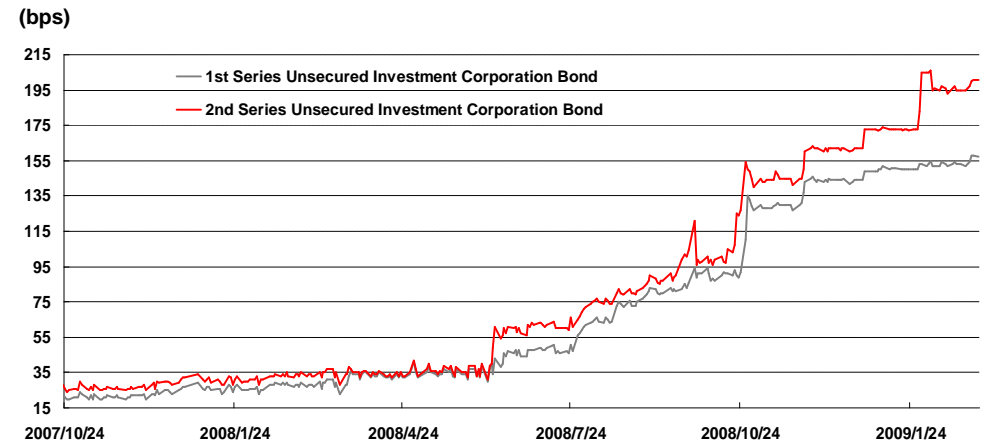


- Issuer Rating: AA- (Rating Outlook: Stable)
- Long-term Corporate Credit Rating: A (Outlook: Stable)
- Short-term Corporate Credit Rating: A-1
- Issuer Rating: A2 (Rating Outlook: -)

*Jan 2009, Moody's announced for possible downgrade of 12 J-REITs including TOKYU REIT

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

Historical Secondary Market Spread

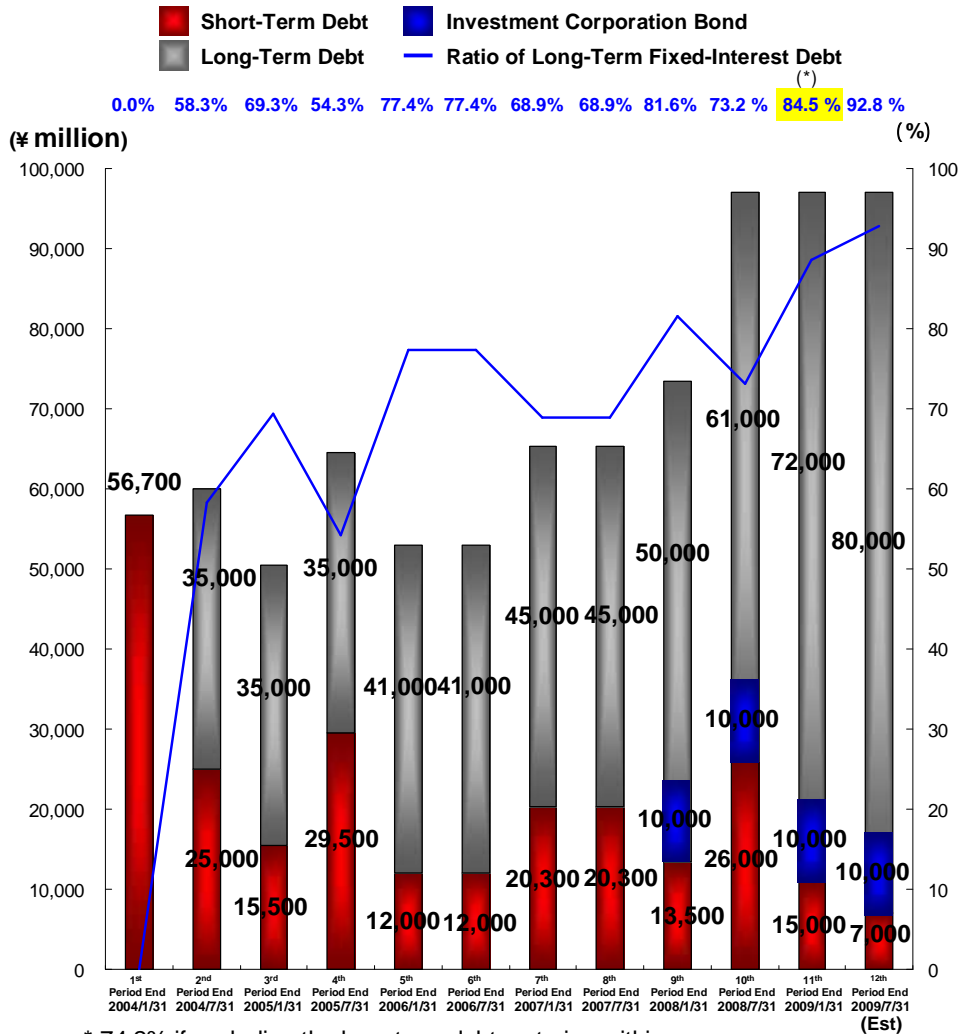


***Spread has been widened after June 2008 under "No Real Trade Market"**

*Comments by Tokyu REIM

Debt Structure (2)

Ratio of Long-Term Fixed-Interest Debt



* 74.2% if excluding the long-term debt maturing within a year

Interest Bearing Debt

As of the 11th period

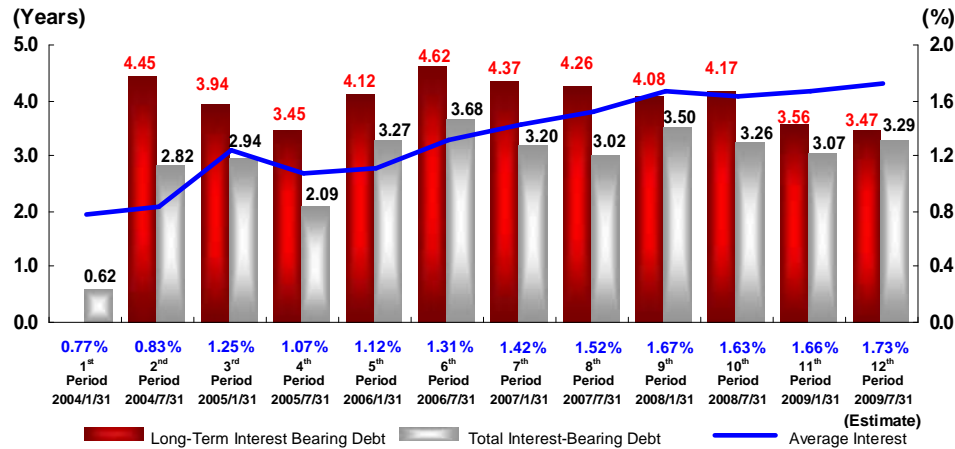
Category	Lender	Amount (\$ million)	Coupon (%)	Debt Origination Date	Maturity		Note	
					Due Date	Period		
Short-term (Floating Rate)	Mitsubishi UFJ Trust Bank	1,000	0.74333	2008/4/22	2009/4/22	12th	Unsecured Unguaranteed	
	Sumitomo Trust Bank	1,400						
	Chuo Mitsui Trust Bank	1,400	0.76833	2008/6/27	2009/6/27	12th		
	Mizuho Corporate Bank	1,400						
	Mitsubishi UFJ Trust Bank	8,400						
	Bank of Tokyo- Mitsubishi UFJ	1,400	0.76833	2008/7/25	2009/7/25	12th		
Total Short-Term Borrowings		15,000	-	-	-	-	-	
Long-term (Fixed Rate)	Chuo Mitsui Trust Bank (1)	5,000	1.68875	2004/6/25	2009/6/25	12th	Unsecured Unguaranteed	
	Mitsubishi UFJ Trust Bank (1)	5,000			2010/6/25	14th		
	Aioi Insurance Company	1,000						
	Daido Life Insurance Company	1,000	1.92750					
	Mitsui Sumitomo Insurance	1,000						
	Development Bank of Japan	4,000	2.03000		2012/6/25	18th		
	JA-Kyosai	1,000	1.26250	2005/10/25	2011/10/25	17th		
	Development Bank of Japan	5,000	1.95000	2006/1/25	2018/1/25	29th		
	Nippon Life Insurance	4,000	1.93000		2011/7/31	16th		
	Dai-ichi Life Mutual Life Insurance	4,000	2.21125	2006/7/31	2013/7/31	20th		
	Dai-ichi Life Mutual Life Insurance	1,000						
	JA-Kyosai	3,000	1.92000	2007/1/25	2014/1/25	21th		
	Sumitomo Trust Bank	5,000	1.81062	2007/6/25	2010/12/25	15th		
	Bank of Tokyo- Mitsubishi UFJ	5,000	1.62625	2007/9/25	2011/9/25	17th		
	Daido Life Insurance Company	3,000	1.76625	2008/3/10	2016/3/10	26th		
	Mizuho Corporate Bank	2,000	1.81875		2011/6/25	16th		
	Mitsubishi UFJ Trust Bank	1,000	2.10187	2008/6/25	2013/12/25	21th		
	Development Bank of Japan	5,000	2.21100		2015/6/25	24th		
	Sumitomo Trust Bank	1,000						
	Chuo Mitsui Trust Bank	1,000	1.55500	2008/7/25	2010/7/25	14th		
	Shinkin Central Bank	2,000						
	Norinchukin Bank	1,000	1.80375		2012/7/25	18th		
Mizuho Corporate Bank	2,000	1.54250	2008/11/11	2011/11/11	17th			
Chuo Mitsui Trust Bank	2,000	1.48125	2008/11/18	2011/5/18	16th			
Mitsubishi UFJ Trust Bank	2,000	1.72500		2012/11/18	19th			
Sumitomo Trust Bank	2,000	1.47500		2011/5/25	16th			
Bank of Tokyo- Mitsubishi UFJ	2,000	1.63062	2008/11/25	2012/5/25	18th			
Mizuho Corporate Bank	1,000	1.52875		2011/11/11	17th			
Total Long-Term Borrowings		72,000	-	-	-	-	-	
Total Borrowings		87,000	-	-	-	-	-	
Bonds (Fixed Rate)	#1 Investment Corporation Bond	5,000	1.65000	2007/10/24	2012/10/24	19th	Unsecured Unguaranteed	
	#2 Investment Corporation Bond	5,000	1.89000	2007/10/24	2014/10/24	23th		
Total Corporate Bonds		10,000	-	-	-	-	-	
Total Interest-Bearing Debt		97,000	-	-	-	-	-	

(1) Long-term debt maturing within a year
 (2) Average Interest Rate: 1.656%

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

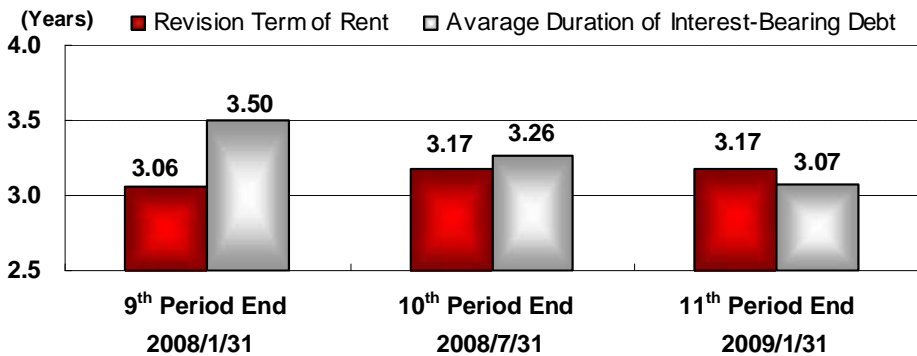
Debt Structure (3)

Average Duration of Interest-Bearing Debt and Average Interest



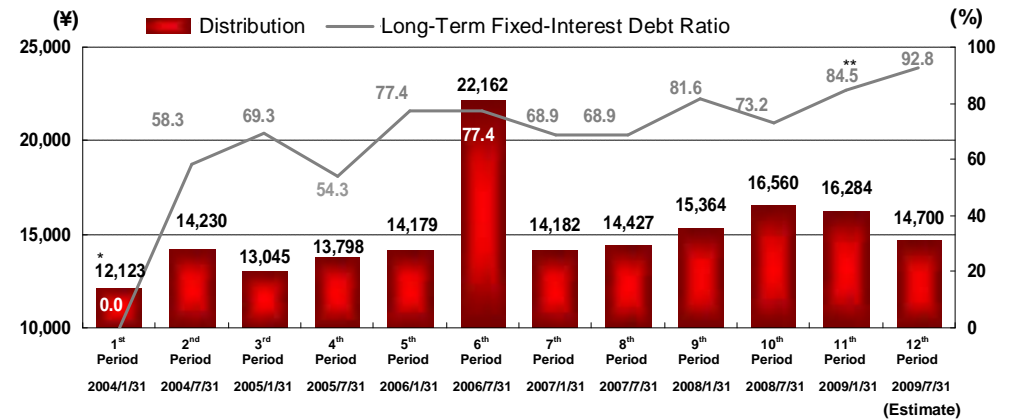
*** Seek for Longer of Duration in higher Cost of Debt Situation**

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



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

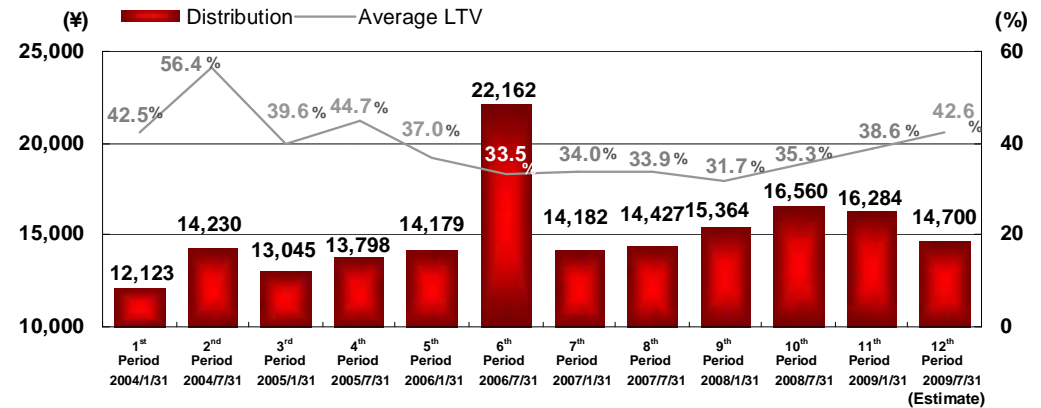
Distribution and Long-Term Fixed-Interest Debt Ratio



* 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
 ** 74.2% 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

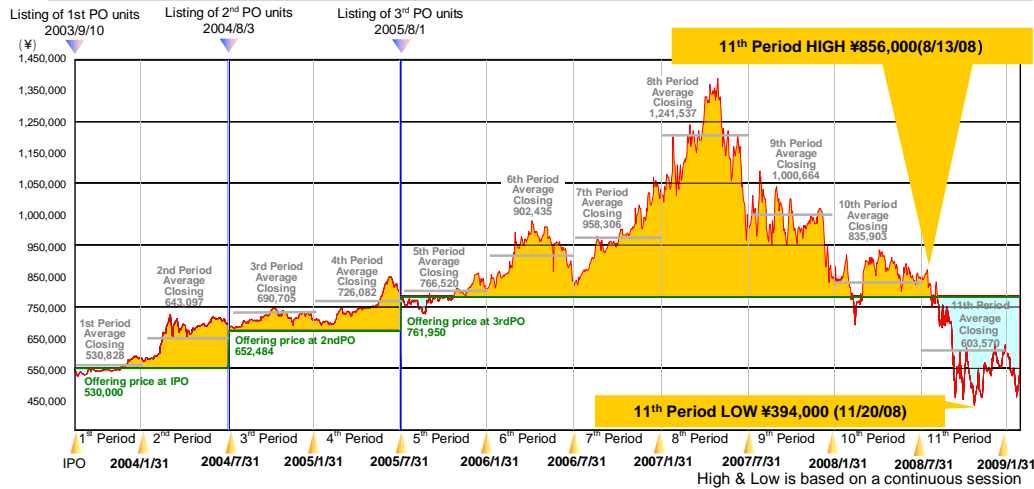
*Comments by Tokyu REIM



Investment Unit Price and Unitholder Structure

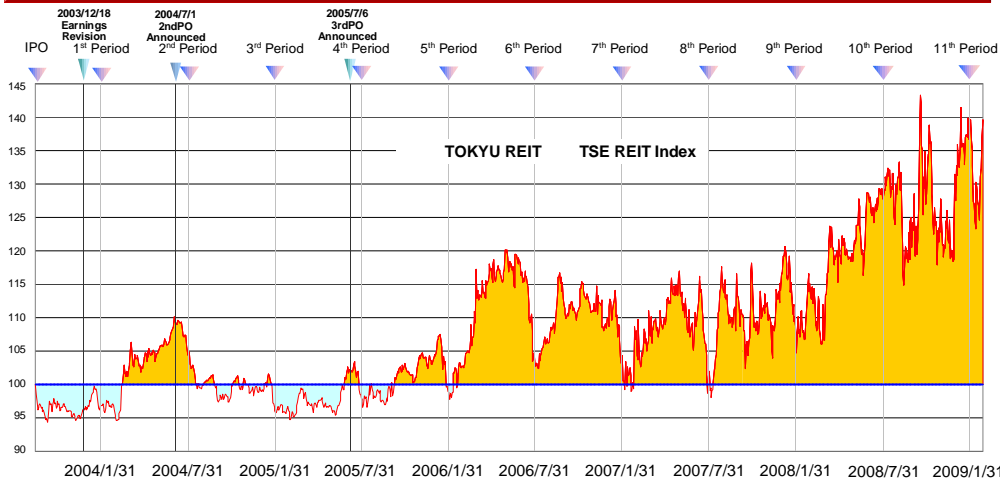
Information on TOKYU REIT Investment Units

TOKYU REIT Public Offering Price and Investment Unit Price



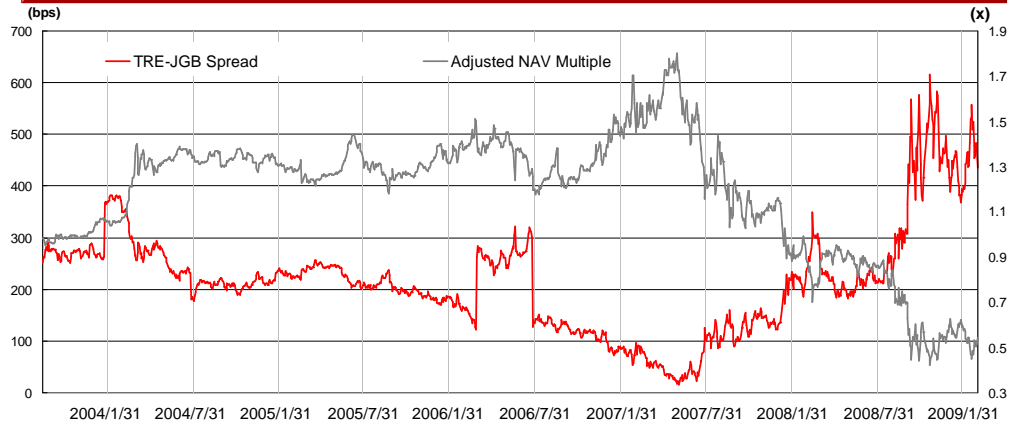
* Closing Average Price of Jan 09 recorded lower than Offer Price of 2nd and 3rd Public Offering

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



* Aim for further outperform against TSE REIT index

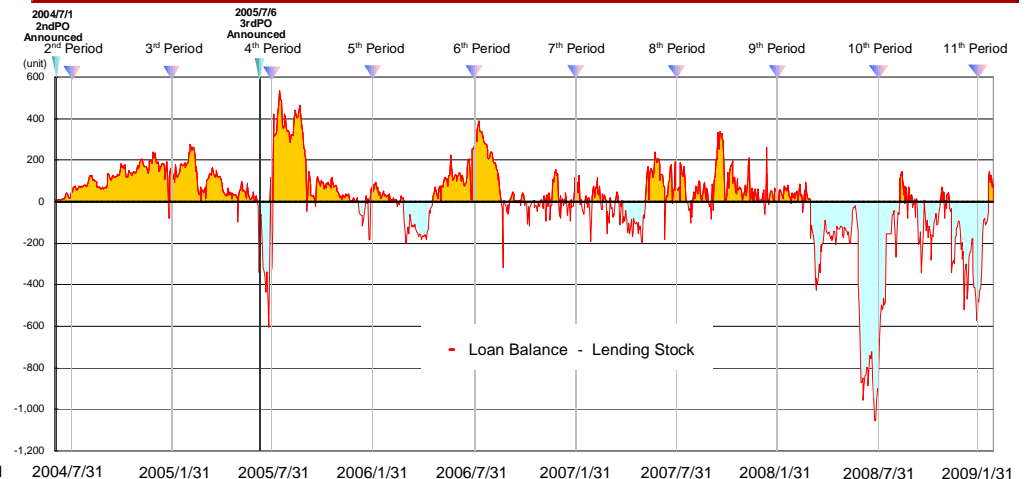
TOKYU REIT – JGB Spread and Adjusted NAV Multiple



* Adjusted NAV updated on the date of earnings release every period
* TOKYU REIT-JGB spread computed by Tokyu REIM based on Bloomberg data

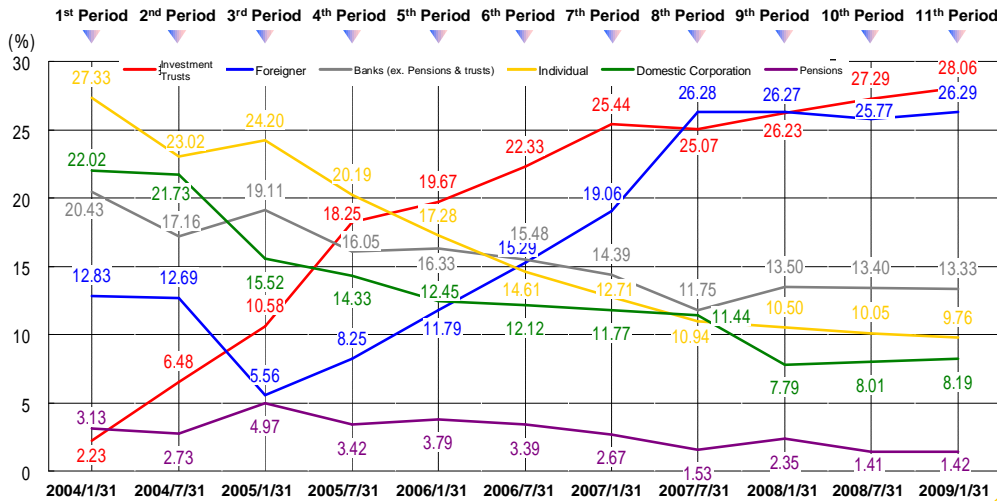
* Spread widen around 500bps level vs JGB

Loan Balance of Japan Securities Finance Co.



* Continued Over Stock Lending after 2008

Historical Unitholder Composition (Main Segments)

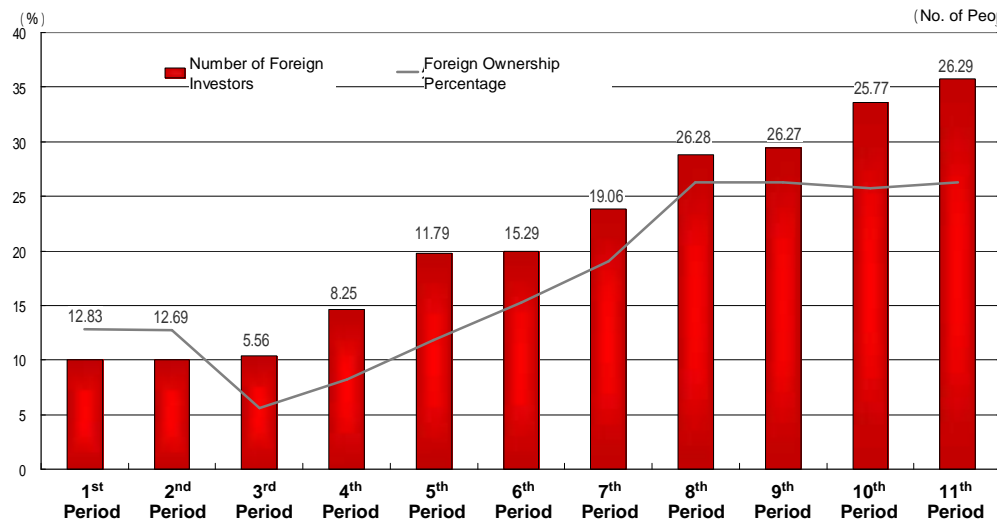


* Mutual Funds holds the largest share among investors universe

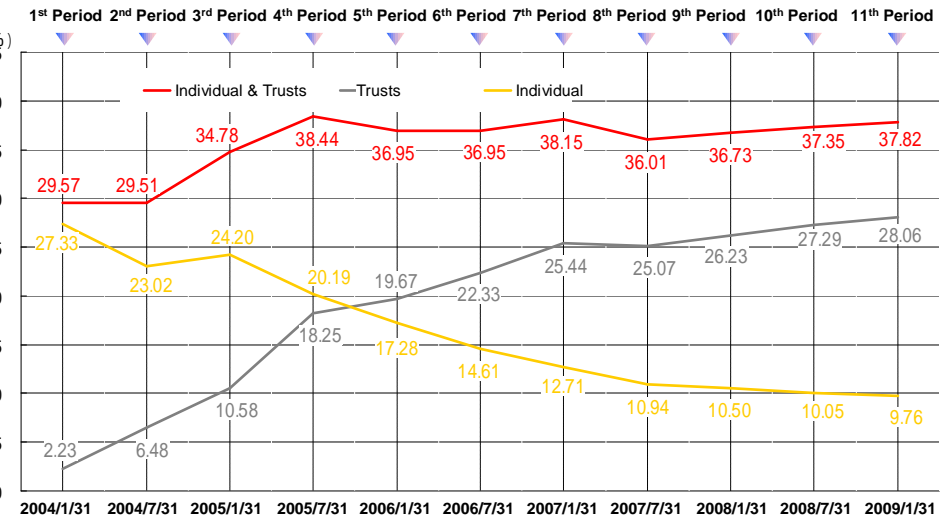
* While there is little change in the percentage, the number of investors is gradually increasing

* 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



List of Major Unitholders

1st Period (ended Jan 31, 2004)

Unitholders	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

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

11th Period (ended Jan 31, 2009)

Unitholders	No. of Units Held	Share (%)
1 NikkoCiti Trust and Banking Corporation	14,367	8.48
2 Japan Trustee Services Bank Ltd.	11,535	6.81
3 Trust & Custody Services Bank, Ltd	11,369	6.71
4 The Master Trust Bank of Japan, Ltd.	8,340	4.92
5 Tokyu Corporation	5,880	3.47
6 AIG Star Life Insurance Co., Ltd.	4,871	2.87
7 North Pacific Bank, Ltd.	4,604	2.71
8 Bank of New York, US Pension Fund Global Business 132561	4,076	2.40
9 The Nomura Trust and Banking Co., Ltd	3,939	2.32
10 Tokyu Land Corporation	3,920	2.31
11 CB London Standard Assurance, Ltd.	3,369	1.98
12 American Life Insurance Company	2,949	1.74
13 Bank of New York, Treaty JASDEC Account	2,818	1.66
14 AIG Edison Life Insurance Co., Ltd.	2,600	1.53
15 The National Mutual Insurance Federation of Agricultural Cooperatives	2,505	1.47
16 The Momiji Bank	2,432	1.43
17 The Gibraltar Life Insurance Co., Ltd	2,297	1.35
18 Bank of New York Europe Limited 131705	1,907	1.12
19 Pictet and Cie	1,842	1.08
20 Kansai Urban Banking Corporation	1,790	1.05
Total Units Held by Top 20 Unit-Holders	97,410	57.50
Outstanding Units	169,380	100.00

Analyst Coverage <Reference>

As of Mar 3, 2009

Rating	Date	TRE Closing Price	Analyst	Target Price	Period
Neutral	2009/1/16	578,000	Tomohiro Araki (Nomura Securities Financial & Economic Research Center)	583,000	N/A
Outperform	2008/12/3	460,000	CHANG HAN JOO (Macquarie Capital Securities Limited)	600,000	12 Months
Buy	2008/11/6	553,000	Toshiyuki Anegawa (Merrill Lynch Japan Securities)	760,000	NA
Buy	2008/10/23	540,000	Yoshizumi Kimura (Nikko Citigroup Limited)	1,100,000	NA
Outperform	2008/10/22	498,000	Masahiro Mochizuki (Credit Suisse Securities Limited)	780,000	NA
Neutral	2008/9/18	669,000	Masato Nakagawa (Daiwa Institute of Research)	N/A	N/A

Source: Bloomberg, compiled by Tokyu REIM

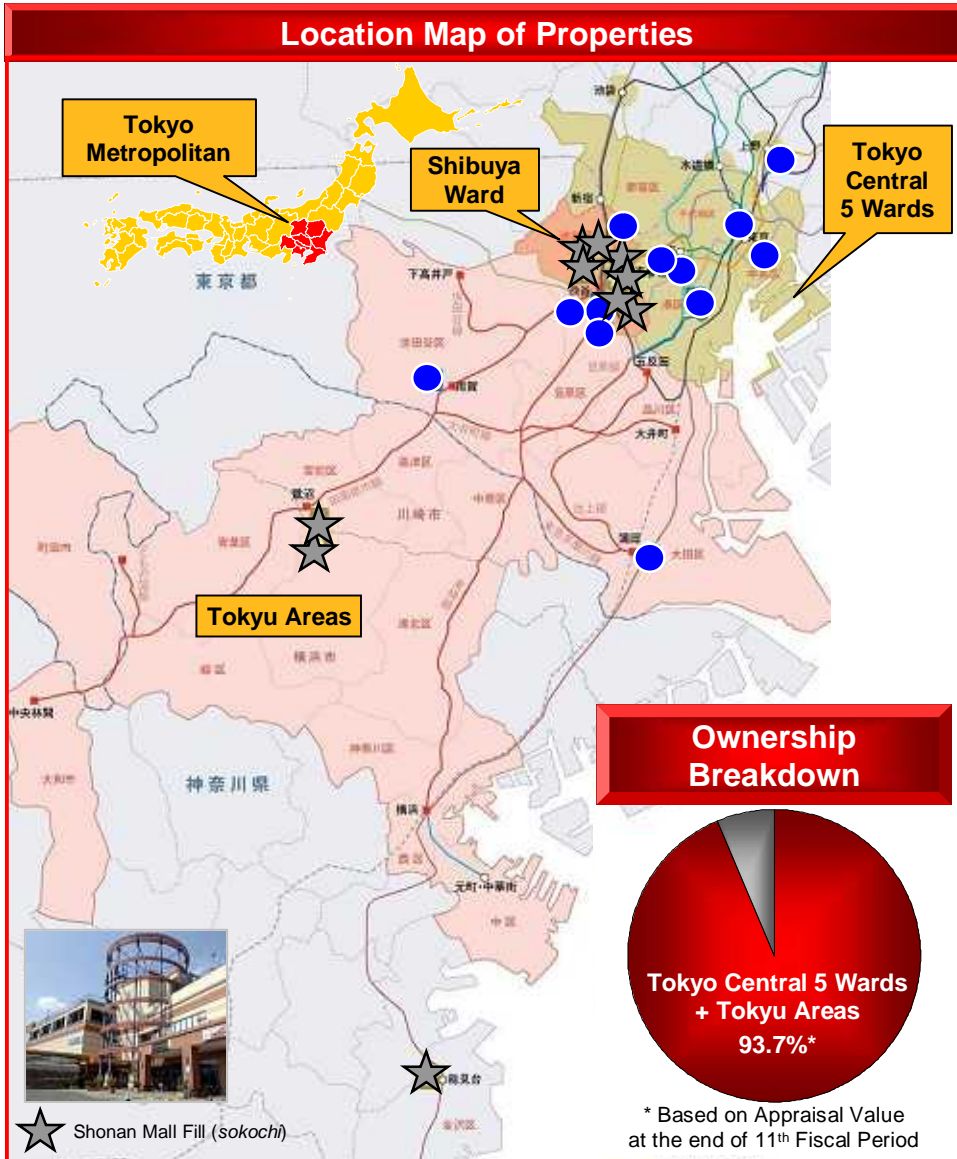
* Besides the above analysts, we are currently confirming the analyst report released by Mizuho Securities Corporation's chief real estate analyst Mr. T. Ishizawa.

* Ratings may have changed. Please confirm directly.



Portfolio Overview and Risk Management

Portfolio Overview



Retail Properties ★

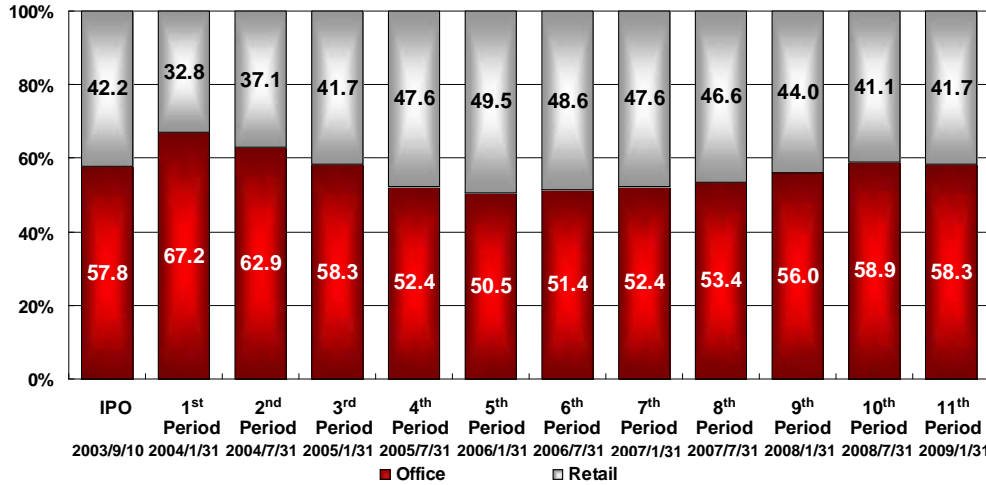
 QFRONT	 Lexington Aoyama	 TOKYU REIT Omotesando Sq.	 Tokyu Saginuma Bldg.	 Conze Ebisu
 Tokyu Saginuma 2 Bldg.	 TOKYU REIT Shibuya Udagawa-cho Sq.	 Beacon Hill Plaza (Ito-Yokado Nokendai Store)	 cocoti	 Daikanyama Forum

Office Properties ○

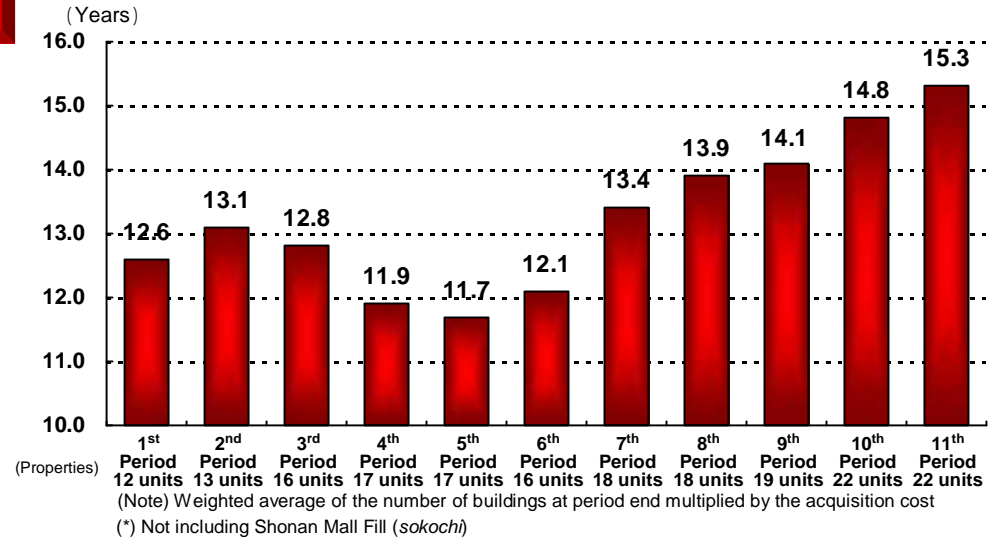
 Setagaya Business Square	 Tokyu Nampeidai-cho Bldg.	 Tokyu Sakuragaoka-cho Bldg.	 Tokyo Nissan Taito Bldg.	 TOKYU REIT Akasaka Hinokicho Bldg.	 TOKYU REIT Kamata Bldg.
 Resona Maruha Bldg.	 TOKYU REIT Toranomom Bldg.	 TOKYU REIT Hatchobori Bldg.	 Akasaka 4-chome Bldg. (Tokyu Agency Inc. Headquarters)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

Portfolio Overview (1)

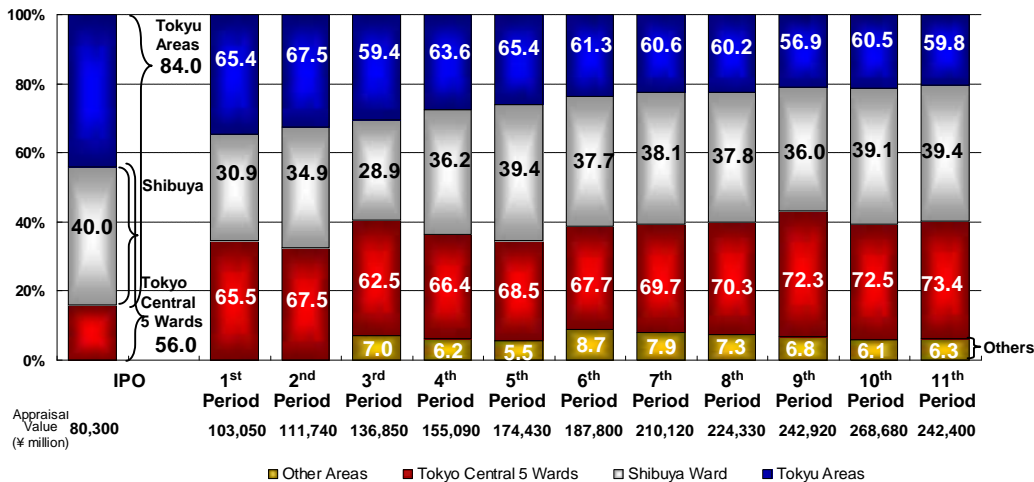
Office / Retail Ratio (Based on Property Value Calculated at End of Period)



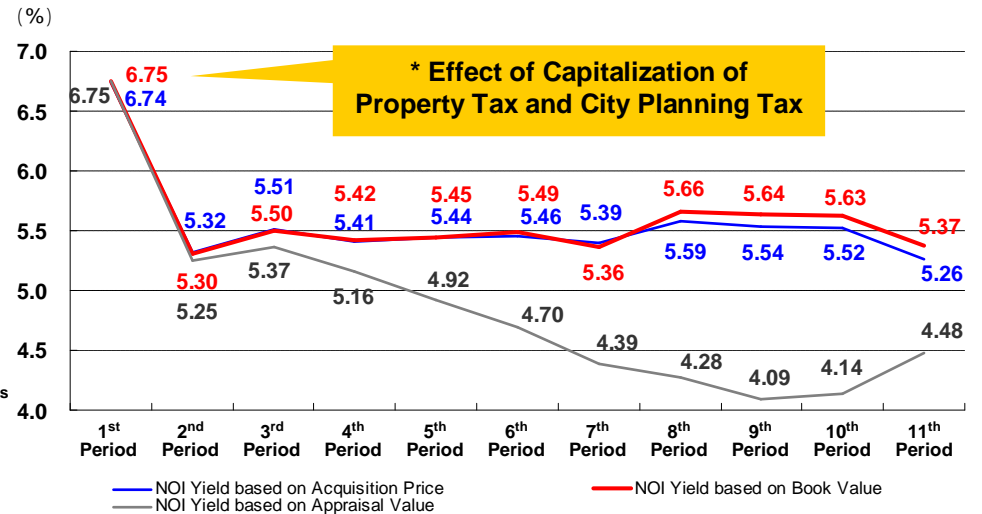
Weighted Average Years Built (as of 1/31/2009)



Area (Based on Appraisal Value at End of Period)

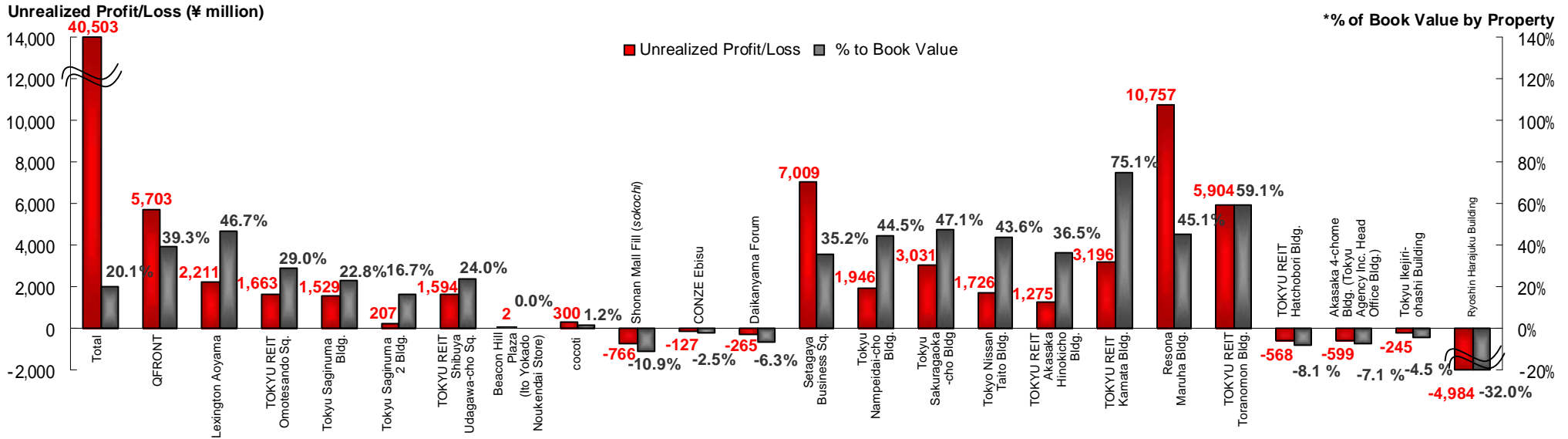


NOI Yield



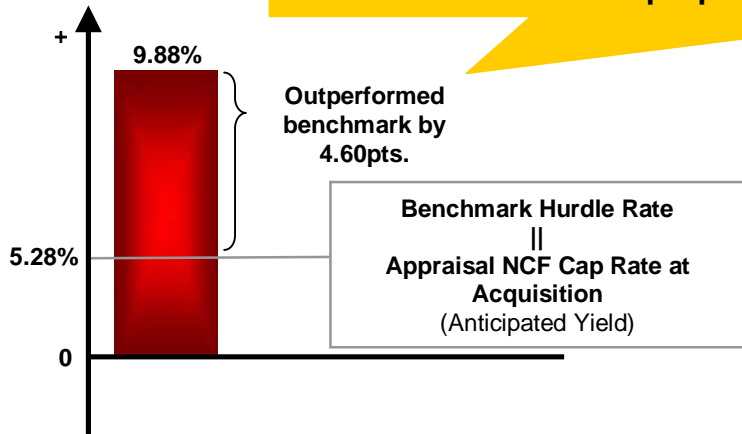
Portfolio Overview (2)

Unrealized Profit/Loss and Percentage against Book Value by Property



Portfolio Return Performance

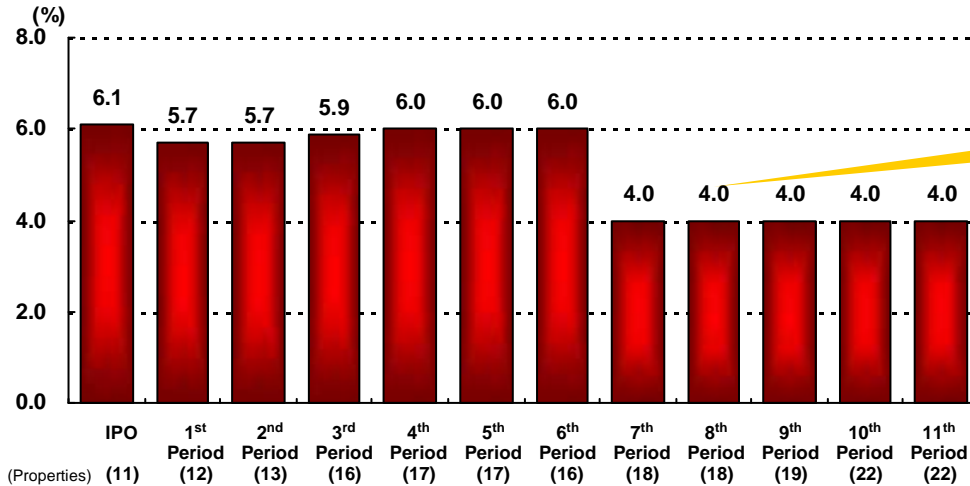
*** Total return of the 19 properties since acquisition has outperformed the benchmark by 4.60 points**



Based on the 19 properties (acquisition price base: ¥173,176 million) that have been held for more than 4 periods (2 years)
 (Total value of the TOKYU REIT Toranomom Building, acquired in multiple parts, is utilized for calculation)
 *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 20 properties (above 19 properties and the Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) – Acquisition Price: ¥178,676 million) is 11.74% (outperforming the benchmark return of 5.33% by 6.41 points)
 *Sale price of the Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) is ¥6,480 million (Sold in 6th Period)

Risk Management (1)

Portfolio PML Trends

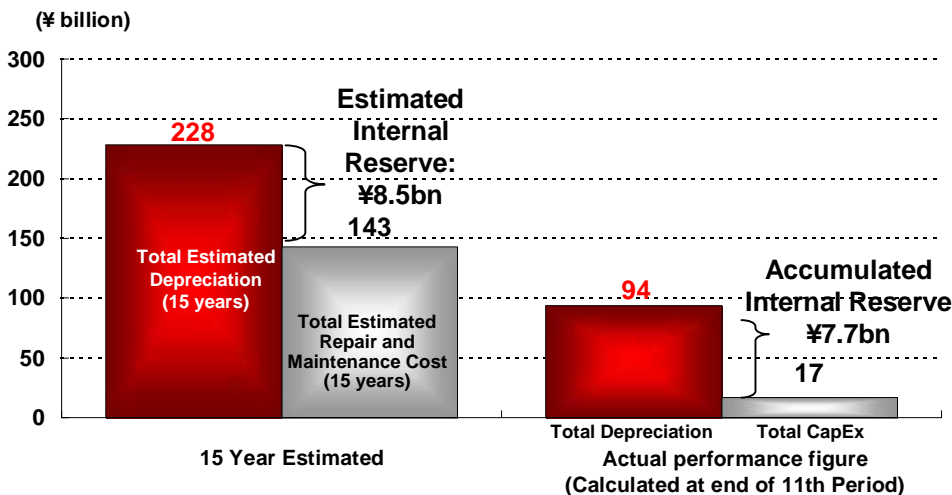


* PML decreased due to a change in the property value appraisal method utilized by E.R.S. Corporation and Oyo RMS Corporation resulting from the introduction of a new seismic analysis method

* 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

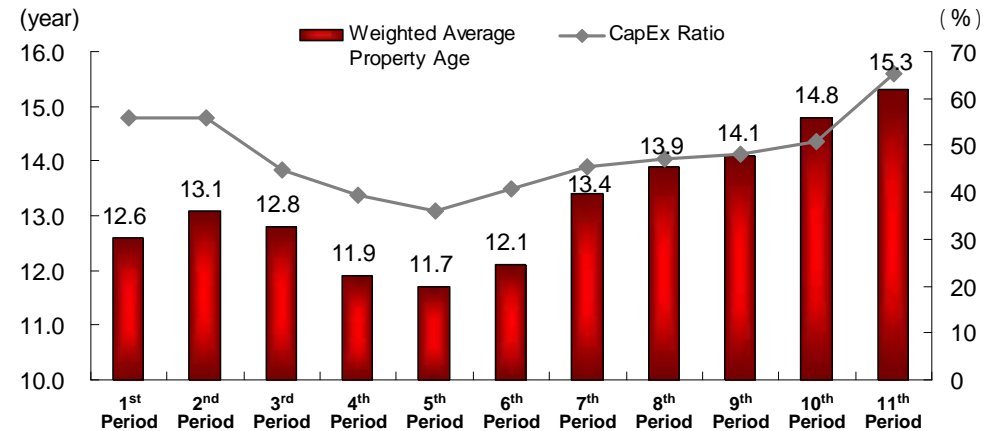
* Not including Shonan Mall Fill (sokochi)

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



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

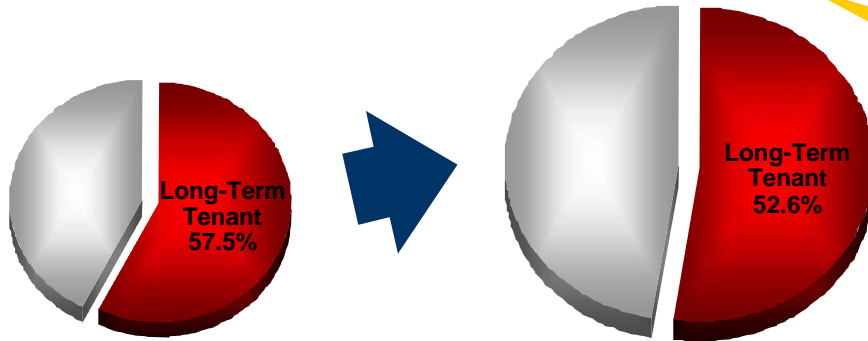
* Repair and maintenance cost estimates are updated when appropriate

* Not including Shonan Mall Fill (sokochi)

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)

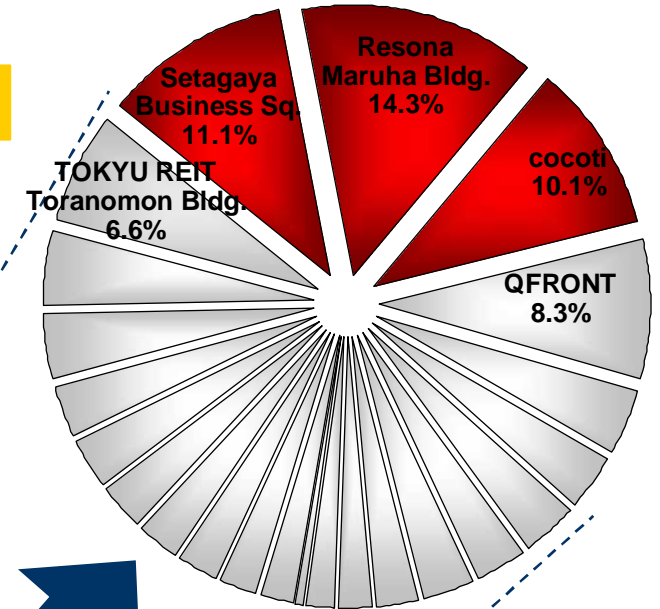
23 Properties at end of 11th Period
(as of end of January 2009)

(Note) Percentage of leasable area for long-term contracts without rent revision: 1.0%

* However, the average rent revision interval for all properties is 3.17 years

Property Concentration

* Ratio of each property decreased as number of buildings increased

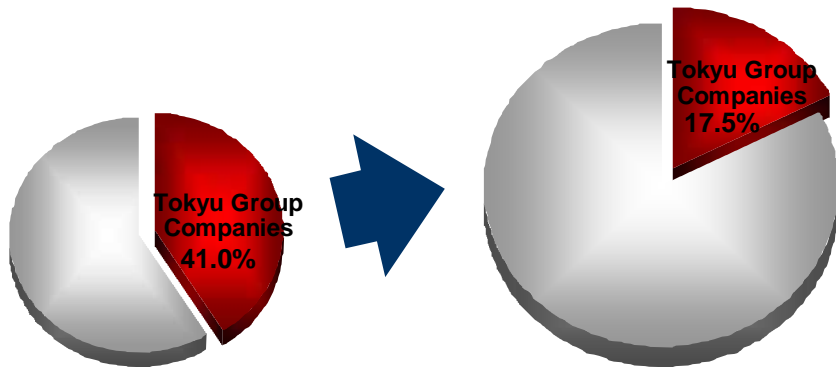


23 Properties at end of 11th Period
(based on appraisal value)

Top 3 : 35.5%
Top 5 : 50.4%

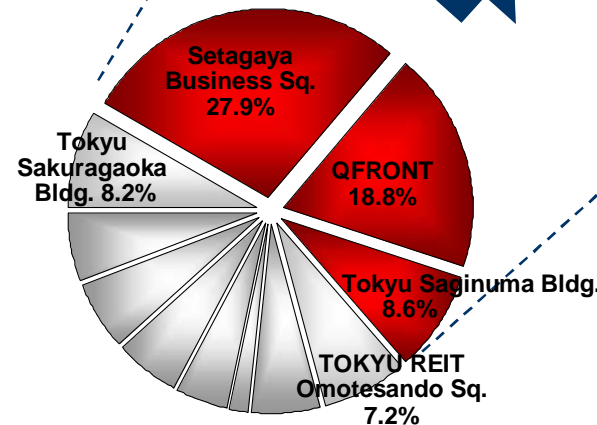
Tokyu Group Tenant Concentration (based on Leasable Area)

* Lower dependence on Tokyu Group Companies



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

23 Properties at end of 11th Period
(as of end of January 2009)



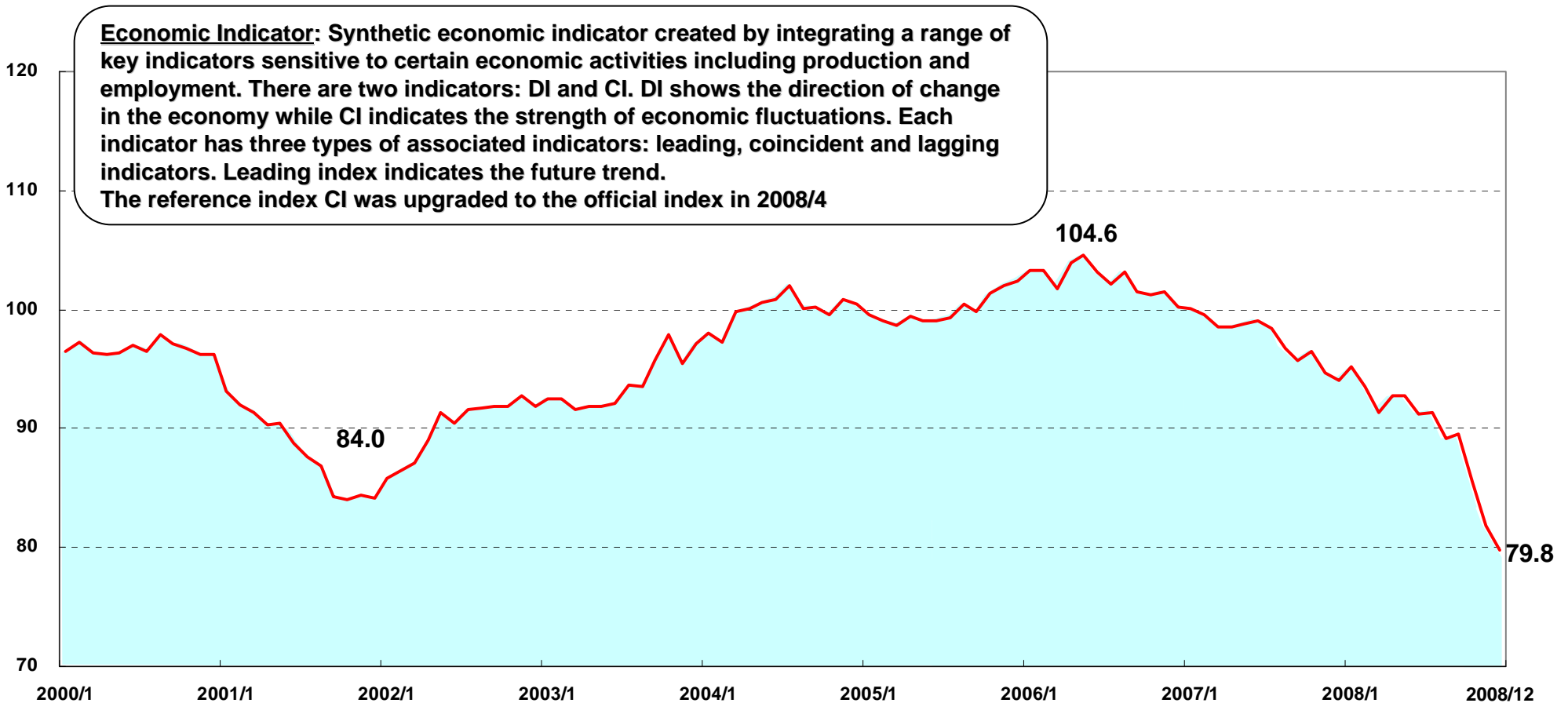
11 Properties at IPO
(based on appraisal value as of end of April 2003)

Top 3 : 55.3%
Top 5 : 70.7%



Market Review

Economic Indicator: Composite Index (2005 = 100)



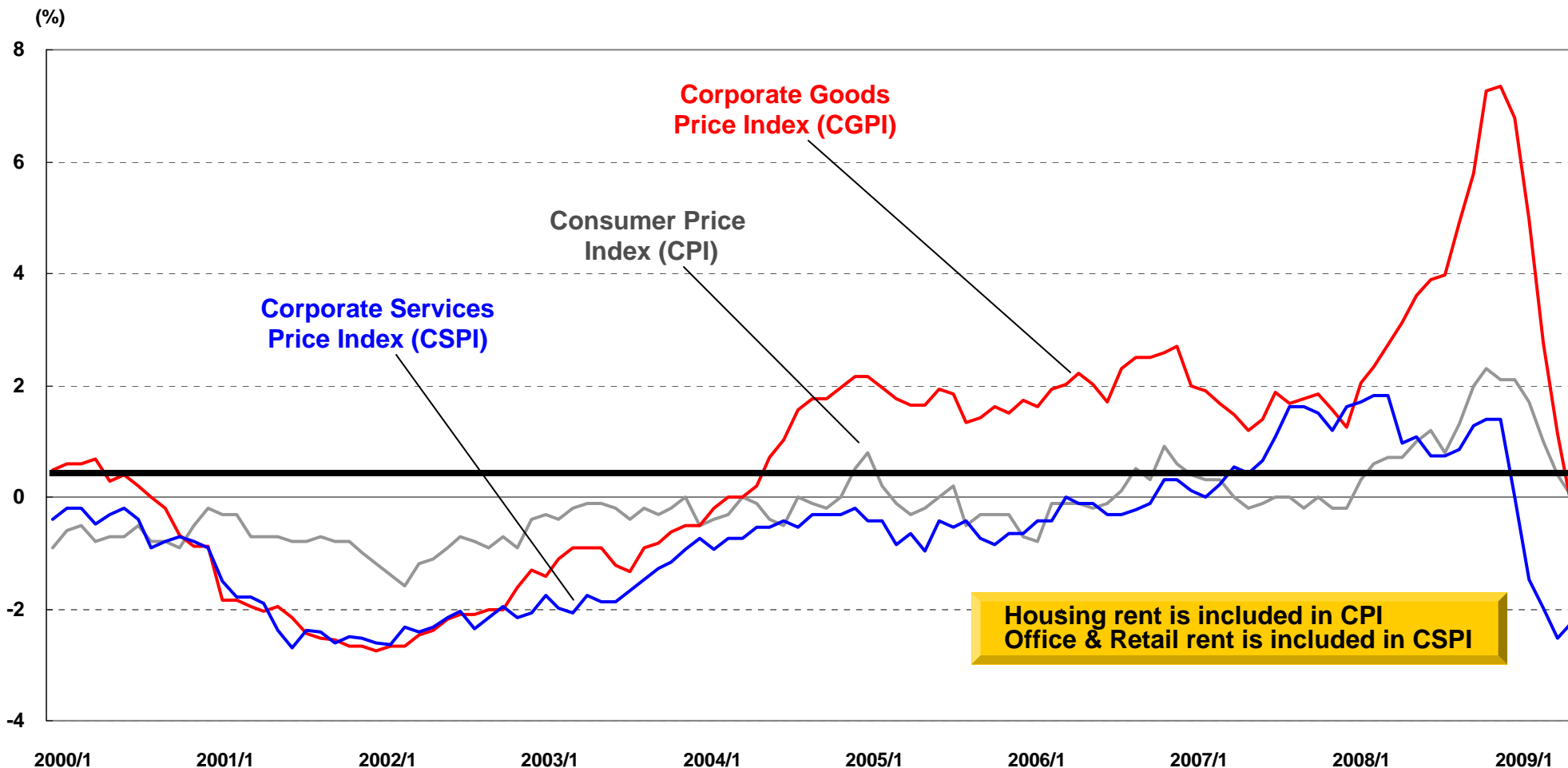
***Economic momentum is weakening, with leading indicators showing a significant drop**

Source: Cabinet Office (released on 2009/2/18)

*Comments by Tokyu REIM **50**

Price Trend in Japan

Price Index (YoY Change)



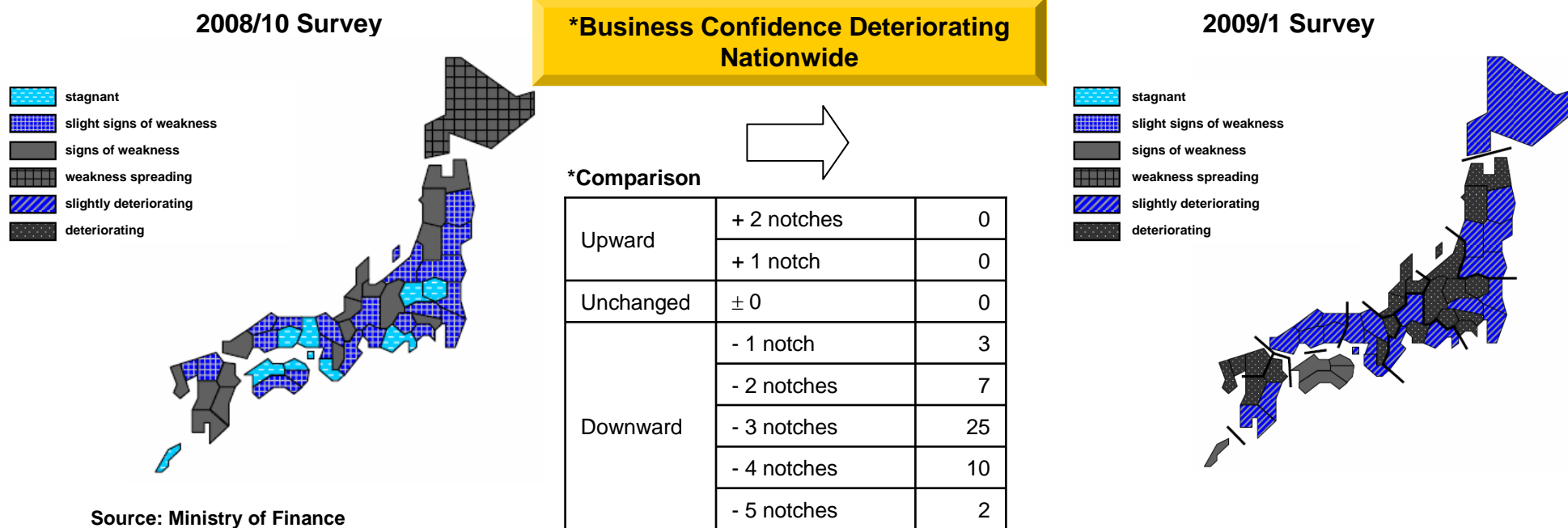
***CGPI is sharply dropping due to price fluctuation of petroleum product and higher yen situation**

Source: Ministry of Internal Affairs and Communications, BOJ

*Comments by Tokyu REIM

Regional Gap in Business Confidence

Economic Conditions by Prefecture



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

- “Regional economic overview can be summarized as “deteriorating across the country.”

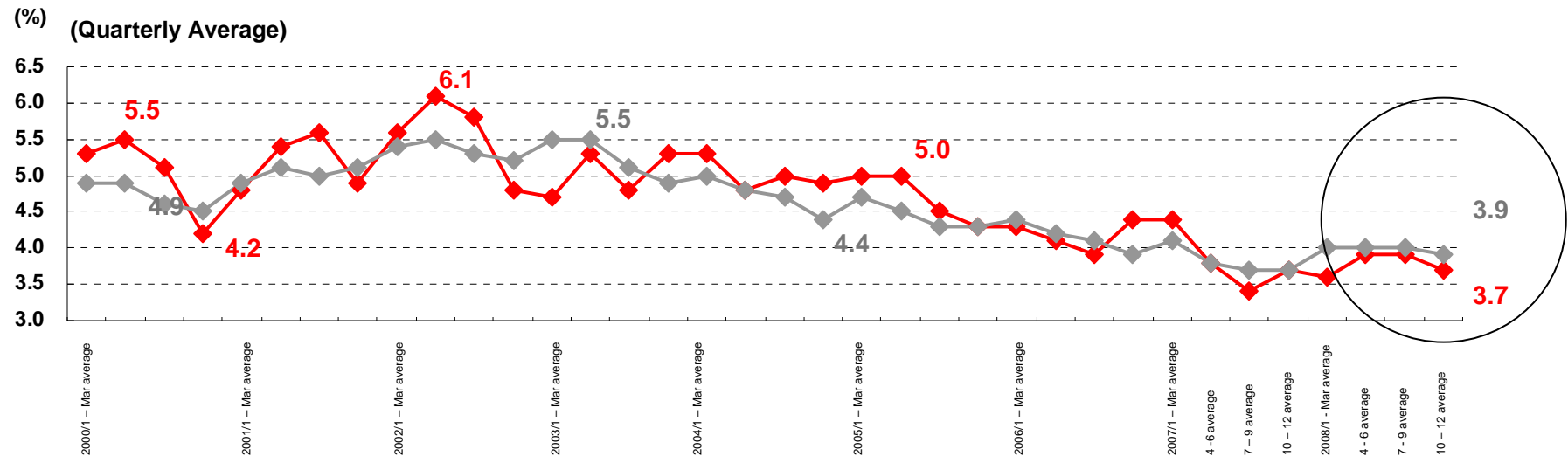
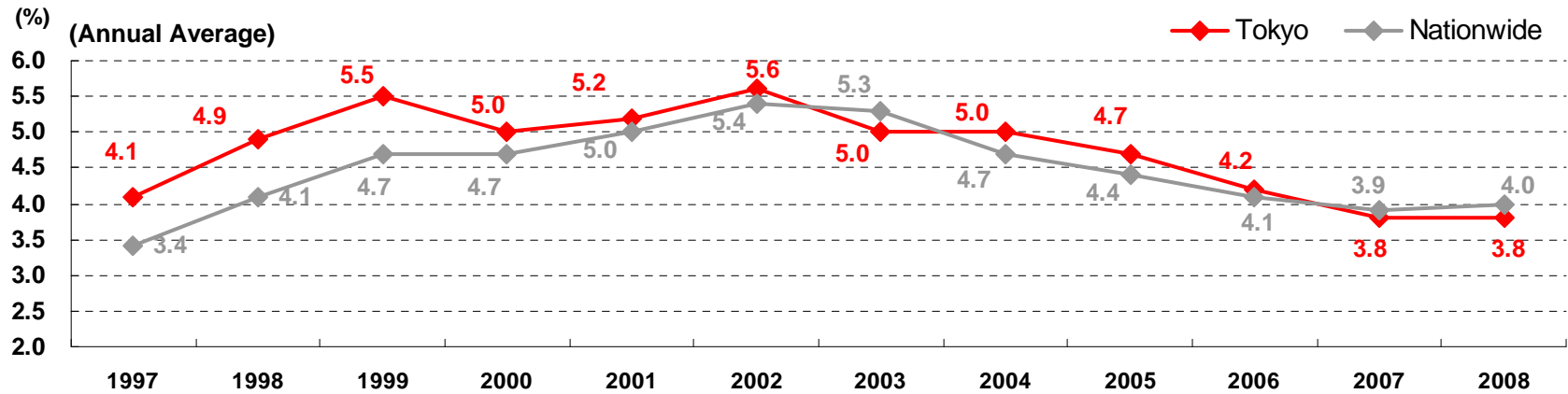
(MoF “Economic Report of Ministry of Finance Local Finance Bureaus,” 2009/1/28)
- “...economic conditions had been deteriorating. (snip) Assessments showed that there were regional differences in the pace of change in economic conditions: Tokai reported that the level of economic activity had been declining rapidly, while other regions reported that economic conditions had been deteriorating or had become increasingly severe, or that weakness in economic activity had become widespread.”

(BOJ “Regional Economic Report” 2009/1/16)

*Comments and Comparison by Tokyu REIM

Job Trend in Japan (Unemployment)

Unemployment in Tokyo and Nationwide (Raw Data)



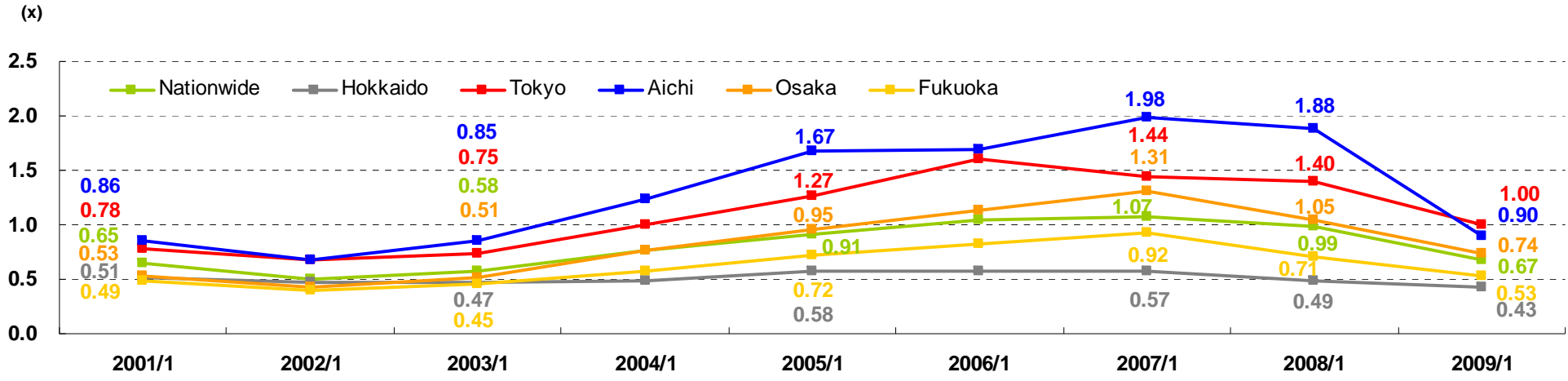
***Unemployment rate still remains at a low level, but it should be vigilant**

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

*Comments by Tokyu REIM

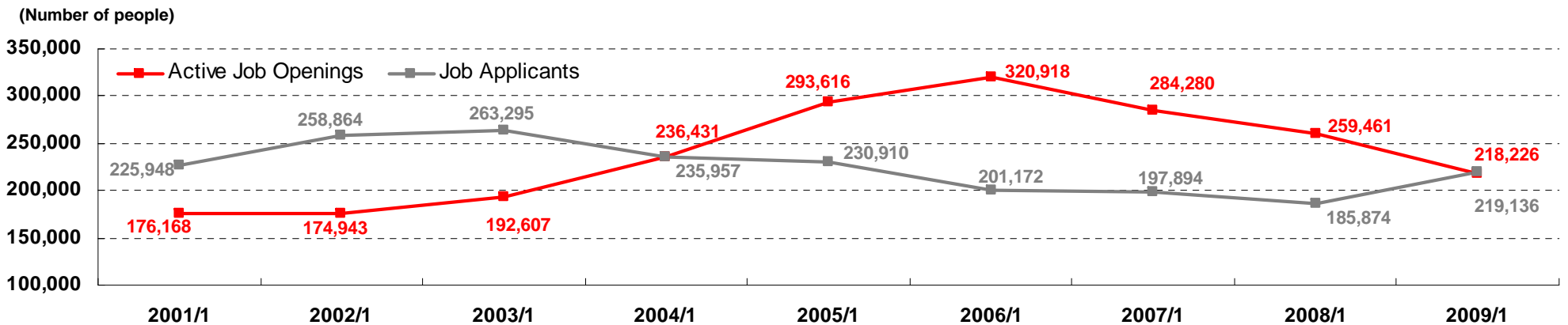
Job Trend in Japan (Job Opening)

Job to Applicant Ratio (Seasonally Adjusted)



*Job offers remain weak nationwide

Active Job Openings/Job Applicants in Tokyo



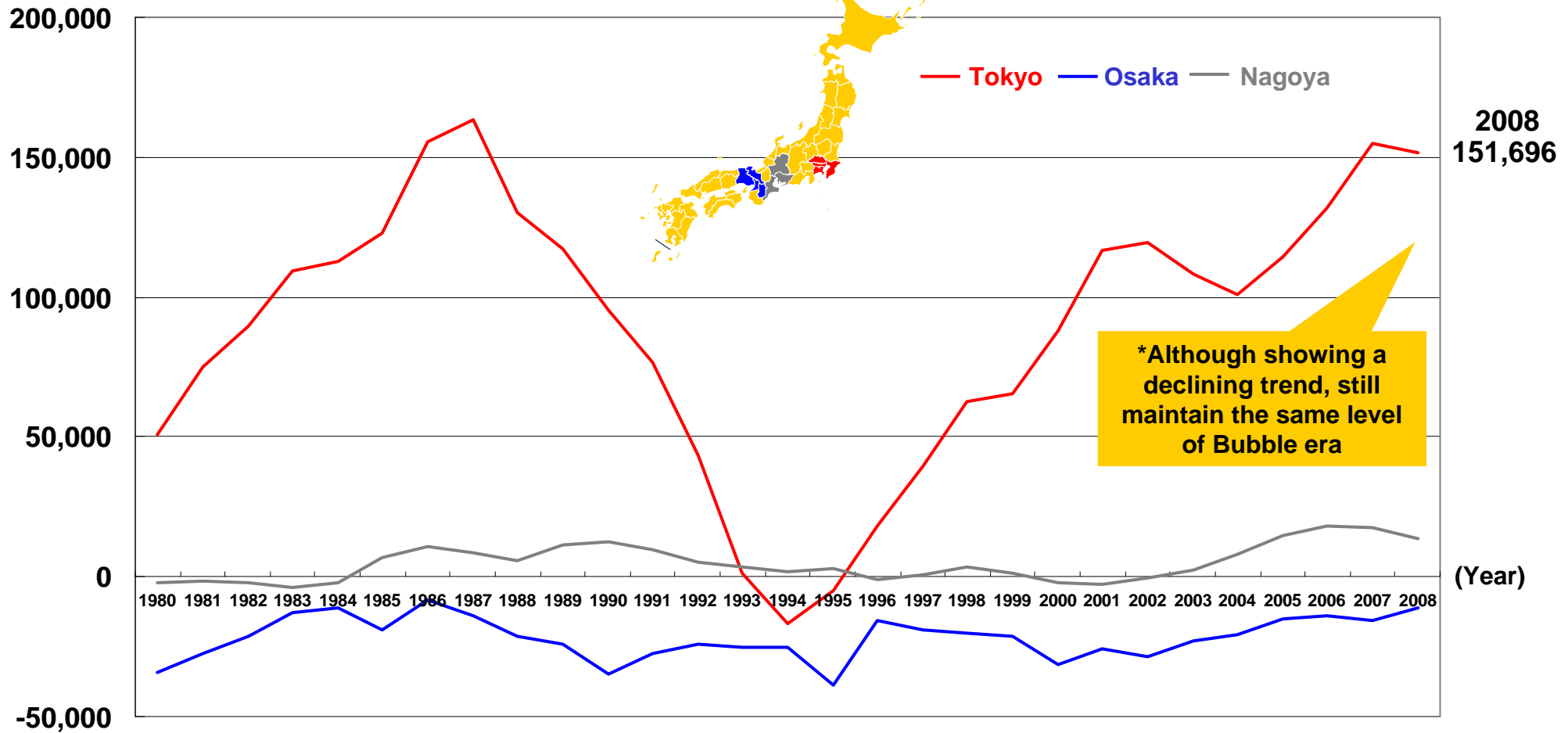
* Active job openings have dropped to levels seen in the first half of 2004

Source: "Employment Service" by Health, Labor and Welfare Ministry

*Comments by Tokyu REIM 54

Excess Population Inflow into 3 Major Metropolitan Areas (1980-2008)

(Number of People)



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

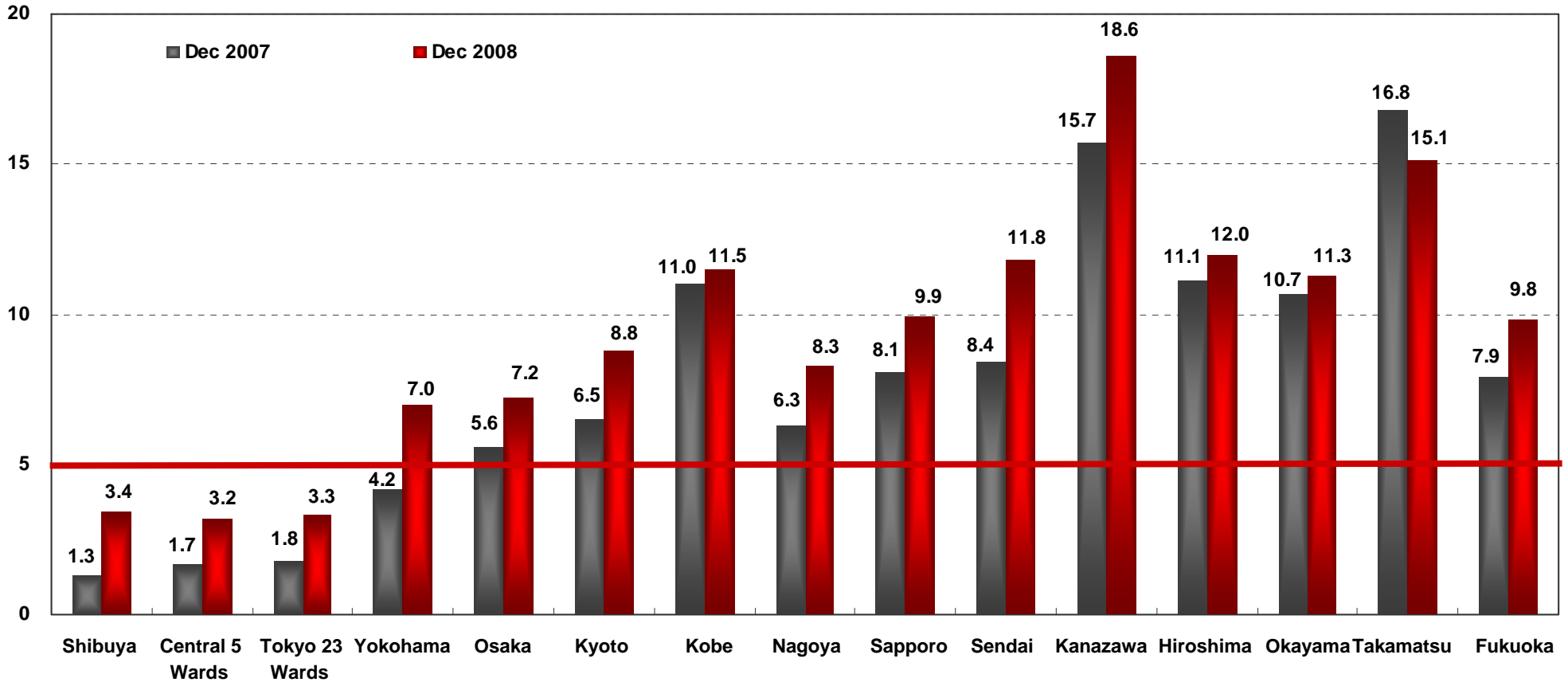
Source: Population Movement from Basic Resident Register, Ministry of Internal Affairs and Communications

*Comments by Tokyuu REIM

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: "Office Market Report" issued by CBRE Research Institutions

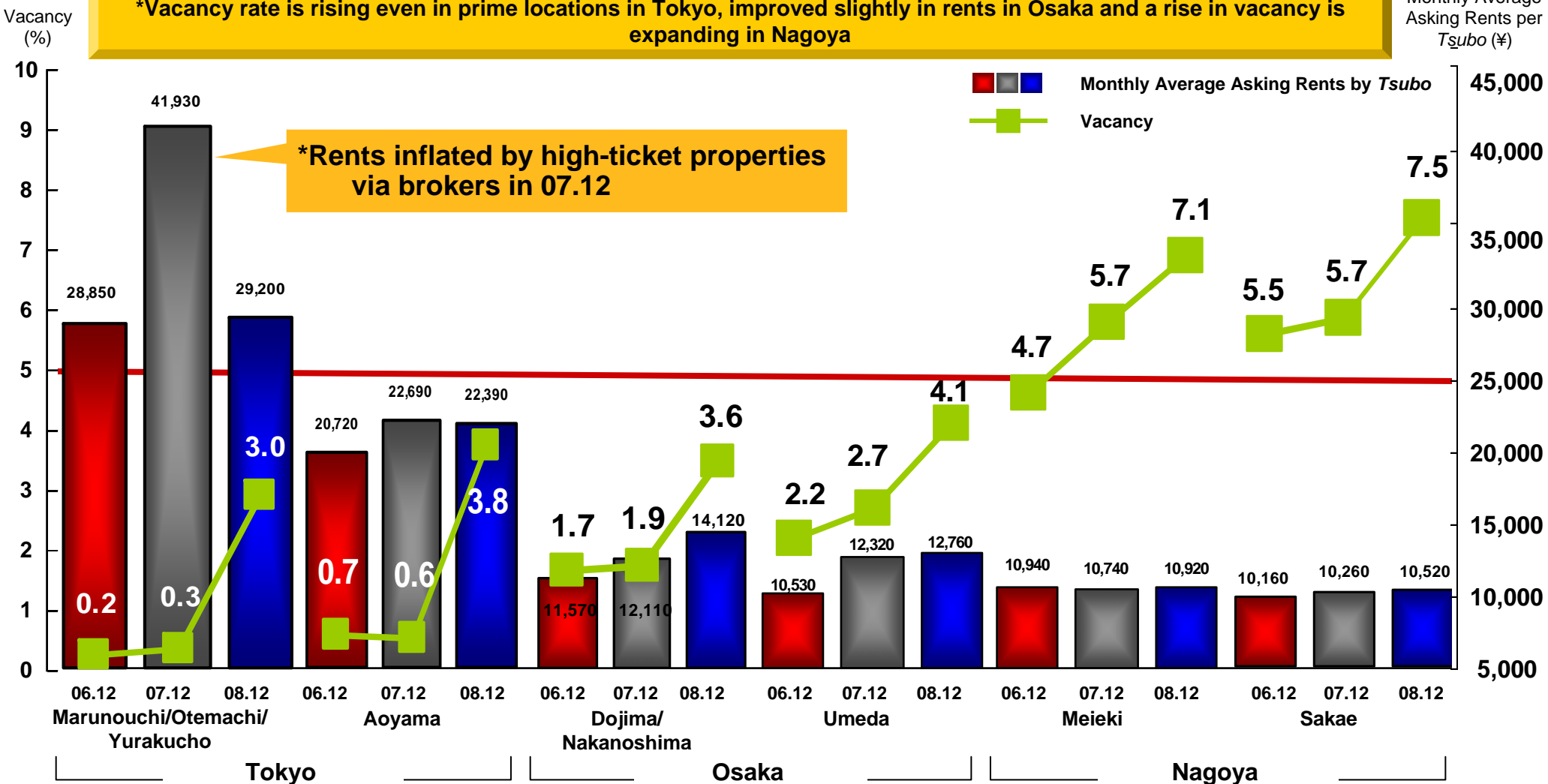
*Comments by Tokyu REIM

Office Leasing Market Overview (2)

Vacancy and Asking Rents for New Tenant by Market

*Vacancy rate is rising even in prime locations in Tokyo, improved slightly in rents in Osaka and a rise in vacancy is expanding in Nagoya

Monthly Average Asking Rents per Tsubo (¥)

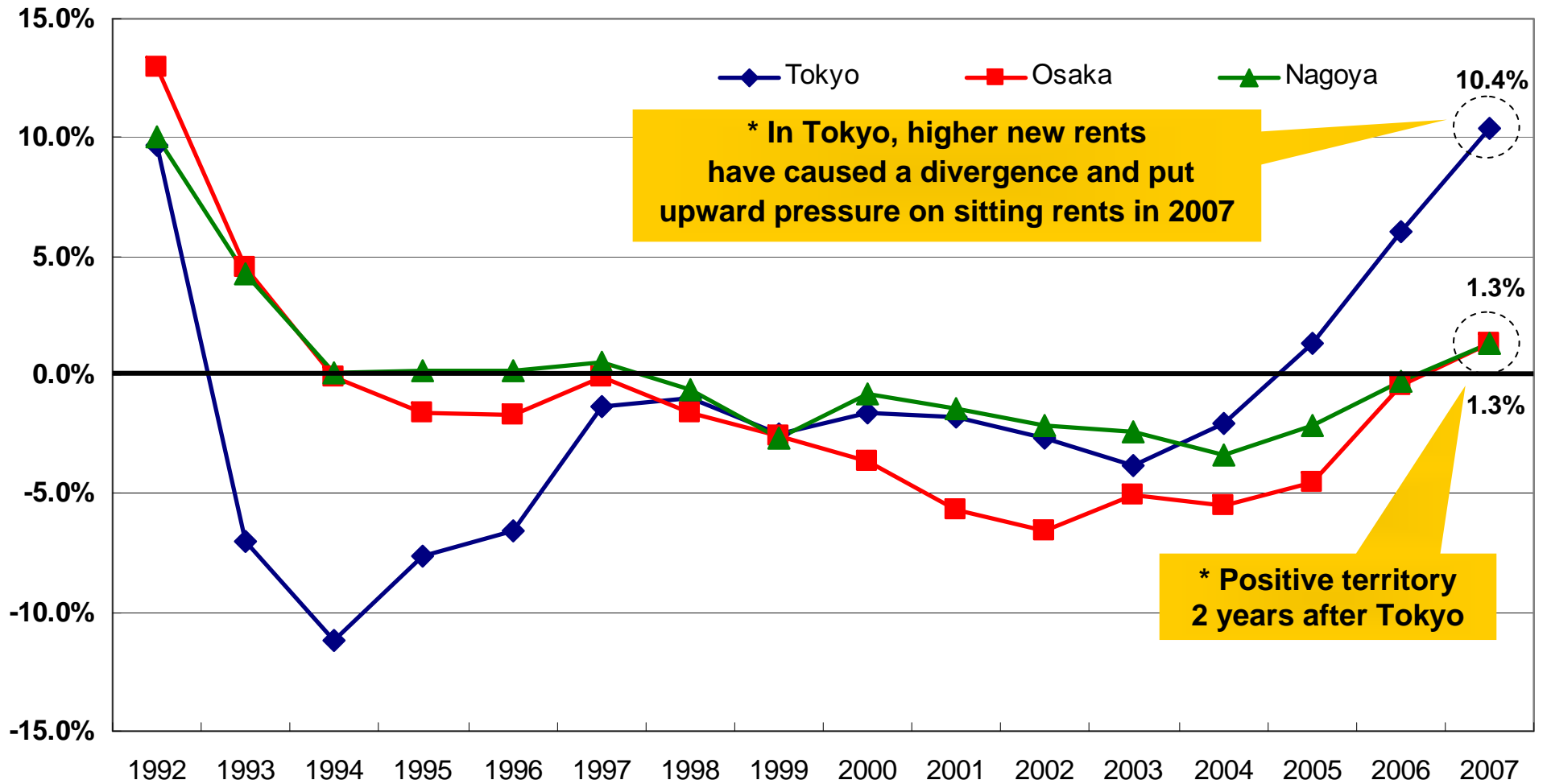


Source: "Office Market Report" issued by CBRE Research Institutions

*Comments by Tokyu REIM

Office Leasing Market Overview (3)

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



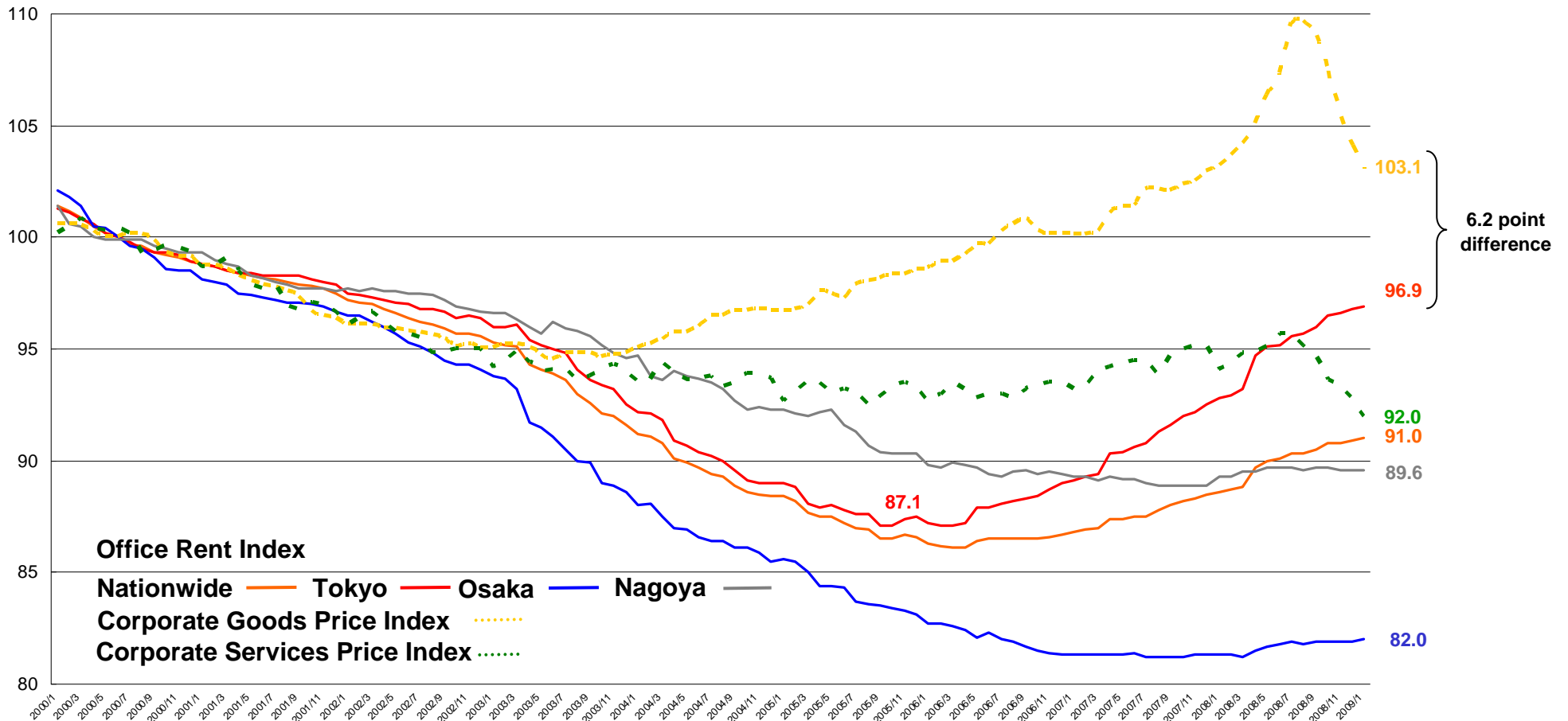
Source: K.K. Ikoma Data Service System (current CB Richard Ellis Research Institute K.K.)
 "2007 Office Rent Revision Survey"

*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

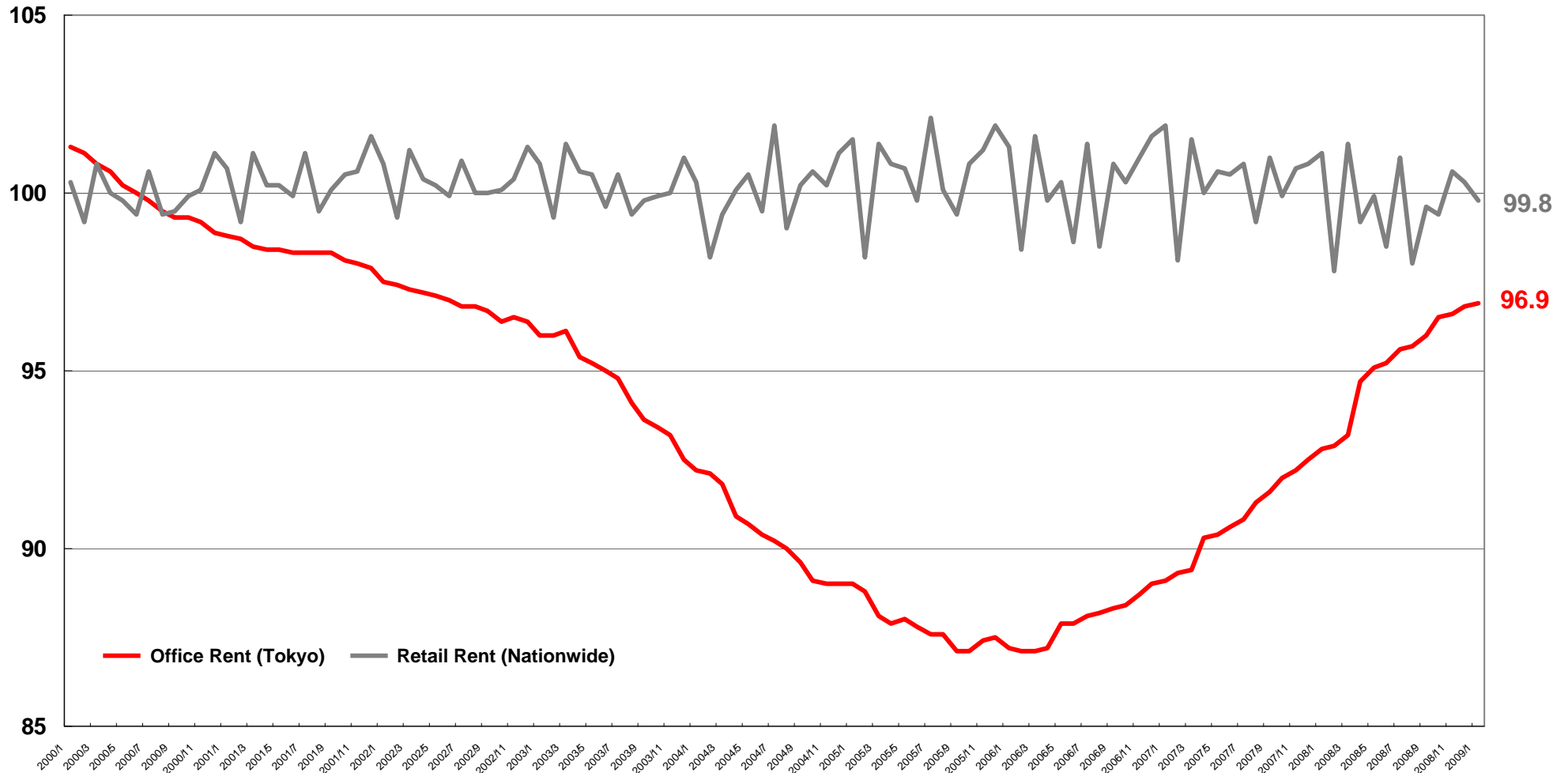
See page 100 for information on office rent

*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

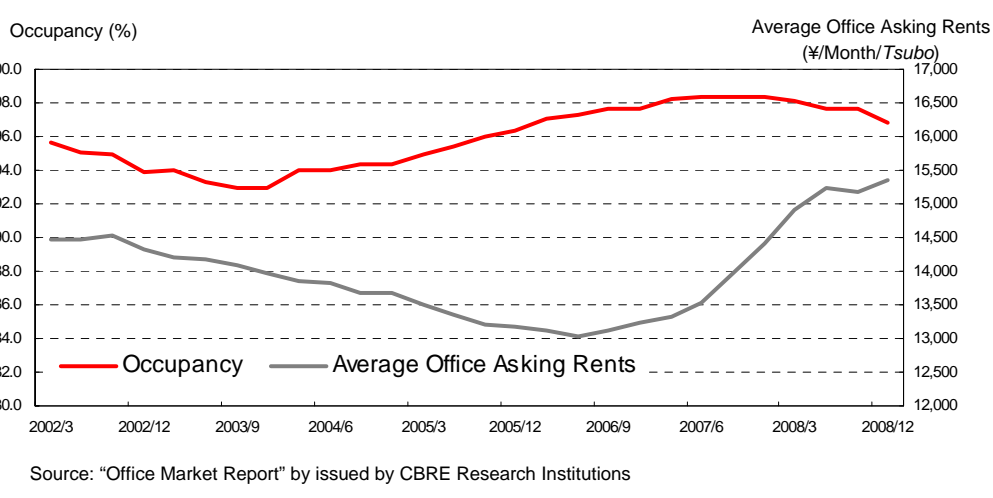
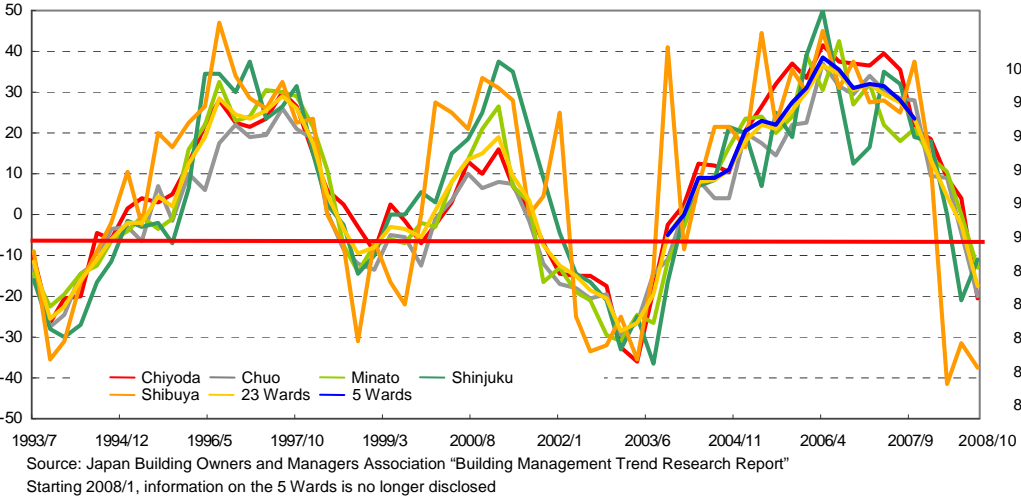
Office Leasing Market Overview (6)

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

*** Asking rents has been at a stalemate due to occupancy rate decline**

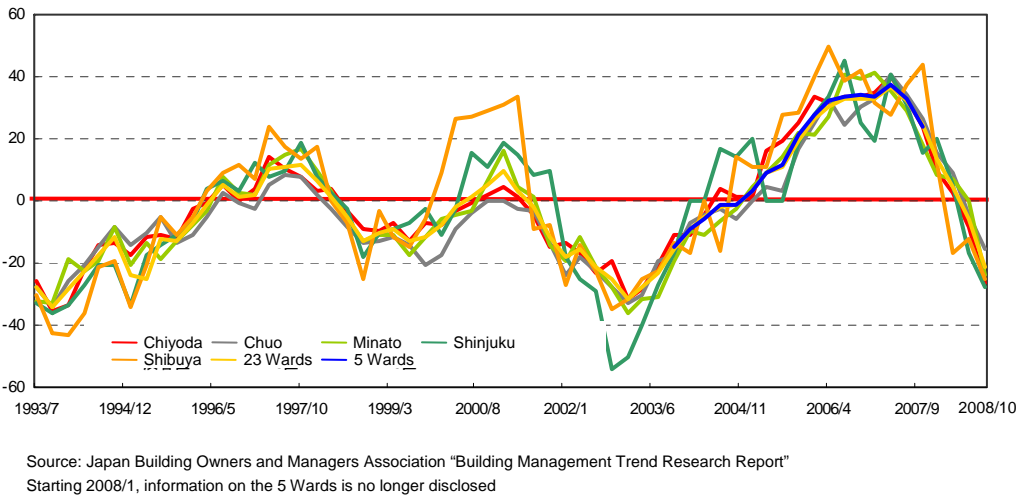
Business Sentiment on Vacancy Level in Tokyo (Now vs. 3 Months Later)

Occupancy and Asking Rents in 5 Central Wards of Tokyo



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

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



***Rent perspective toned-down**

18th Period Survey (as of April 2008)

19th Period Survey (as of October 2008)

Region	1 Yr	2 Yrs	5 Yrs	10 Yrs
Marunouchi, Otemachi region	102	103	105	105
Shibuya, Shibuya Station region	101	102	102	103
Nagoya, Station region	100	100	100	100
Osaka, along the Midosuji line	100	101	101	101

Region	1 Yr	2 Yr	5 Yr	10 Yr
Marunouchi, Otemachi region	100	100	100	102
Shibuya, Shibuya Station region	100	100	100	100
Nagoya, Station region	99	98	98	100
Osaka, along the Midosuji line	100	99	99	100

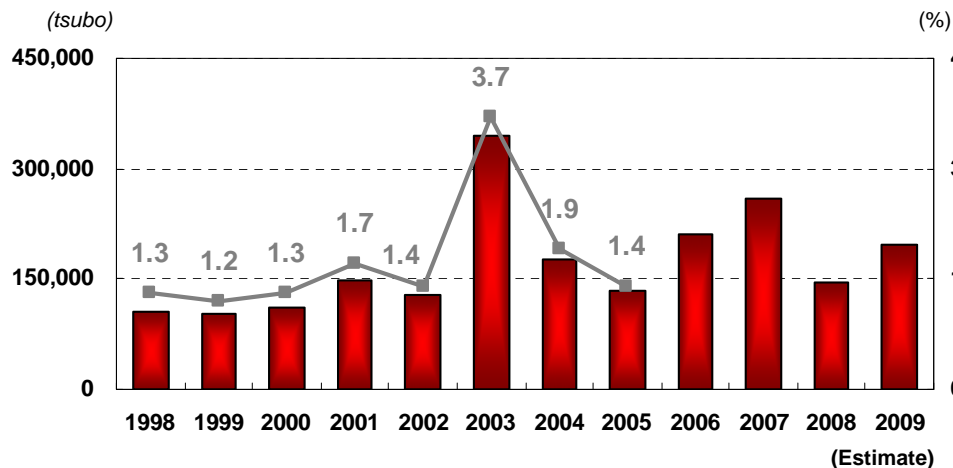
Source: Japan Real Estate Institute "Japanese Real Estate Investors Survey"

*Comments by Tokyu REIM **61**

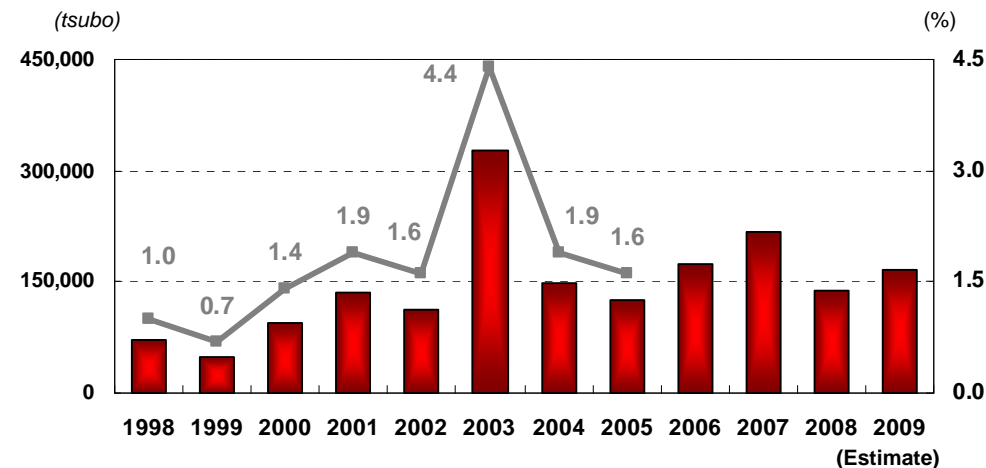
New Office Supply and Percentage to Total Rental Area

***New office supply in Tokyo 5 central wards in 2009 is expected to be almost half of that of 2003**

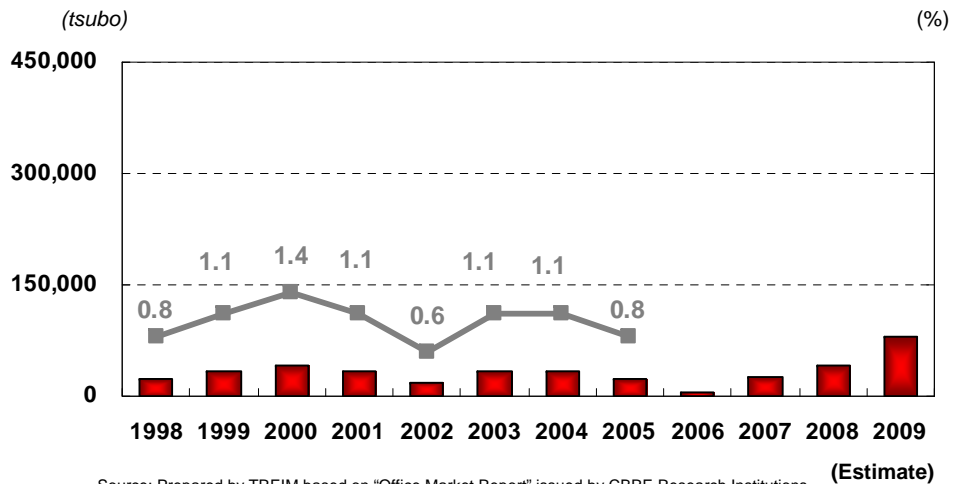
Tokyo 23 Wards



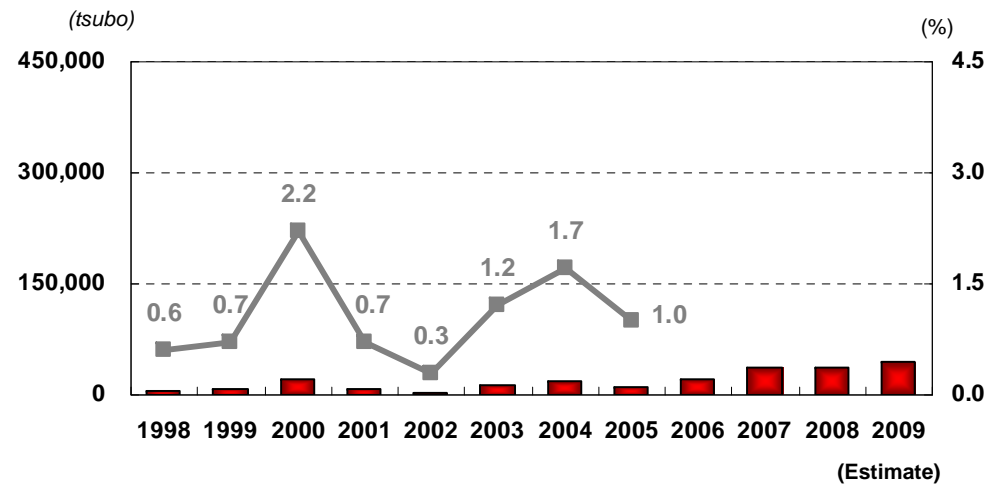
Tokyo 5 Central Wards



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

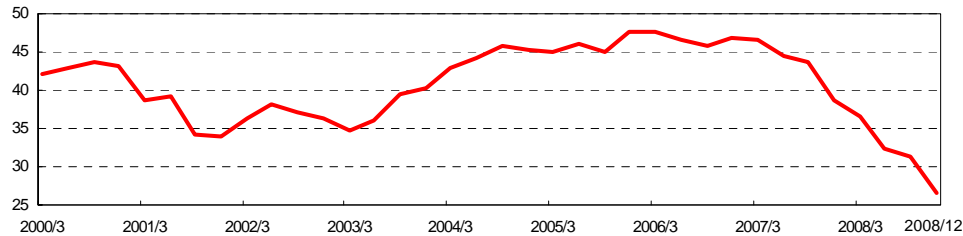
■ New Office Supply ■ % of Total Rental Area

*Comments by Tokyu REIM

Retail Leasing Market Overview

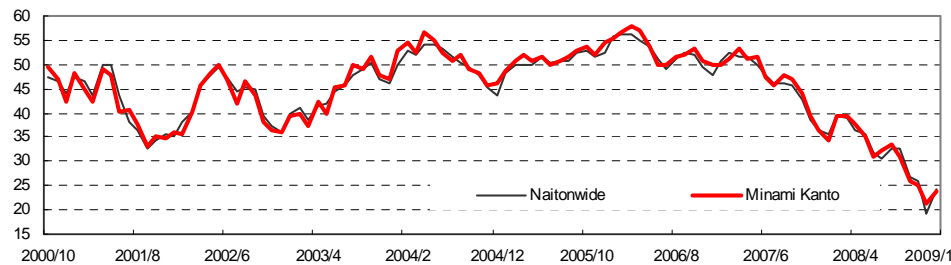
*** Consumer sentiment has dramatically weakened**

Consumer Confidence Index (Nationwide General Household/Seasonally Adjusted)



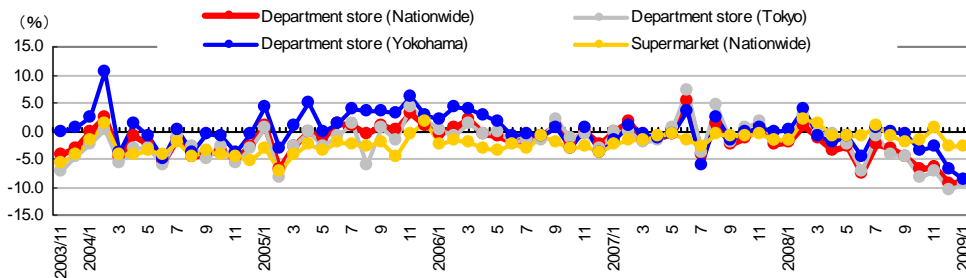
Source: Cabinet Office "Consumer Confidence Survey"

Economy Watchers Survey (Leading Indicator: Household Related)



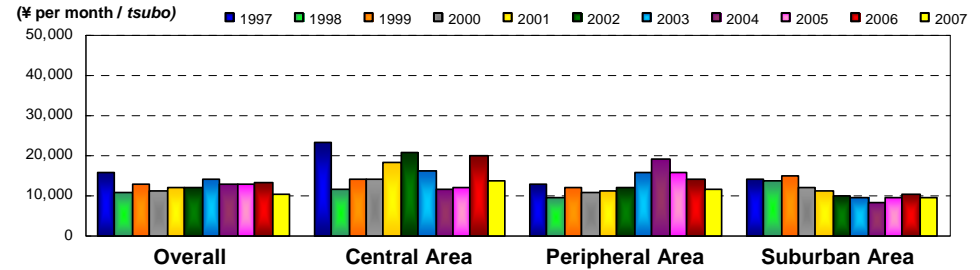
Source: Cabinet Office "Economy Watchers Survey"

Department Store & Super Market Sales (YoY Change)

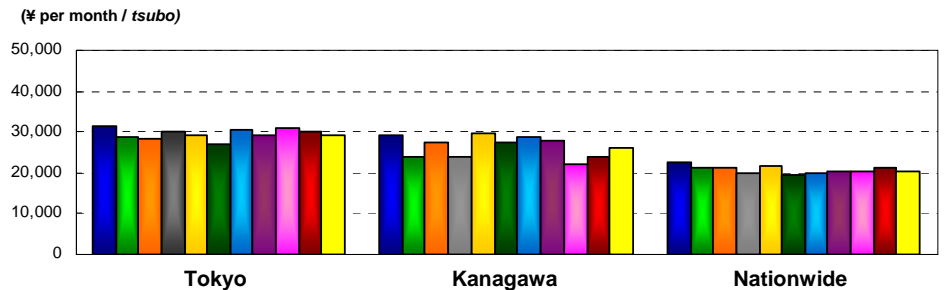


Source: Website of Japan Department Stores Association, Japan Chain Stores Association "Statistics on Sales of Chain Stores"

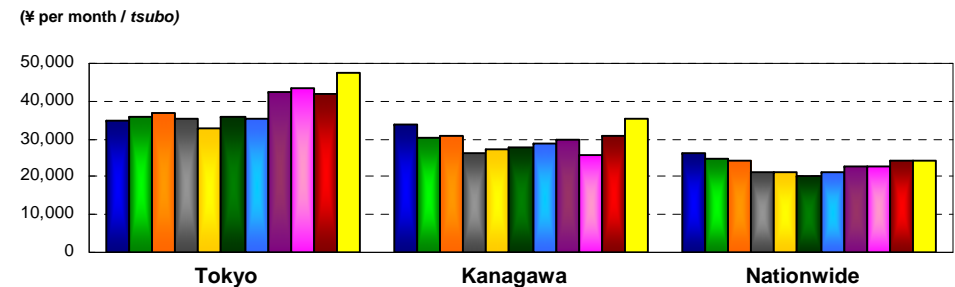
Average Rent of SC Tenants (Key Tenant)



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 **63**

Real Estate Market Overview (1) (Trading Market)

Real Estate Transparency Index (CY2008)

Transparency level	CY 2008 Rank	Country Name	CY 2008 Score	CY2006 Score	CY2004 Score	Transparency changing
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	
	9	Singapore	1.46	1.44	1.55	
Transparent	23	Malaysia	2.21	2.21	2.30	
	25	Japan	2.40	2.40	3.08	
Semi-Transparent	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	★★★
	50	India	3.39	3.46	3.90	★★
Low Transparency	55	Indonesia	3.59	3.90	4.11	
	60	Macau	3.71	3.65	na	★
	77	Vietnam	4.36	4.69	4.60	★★

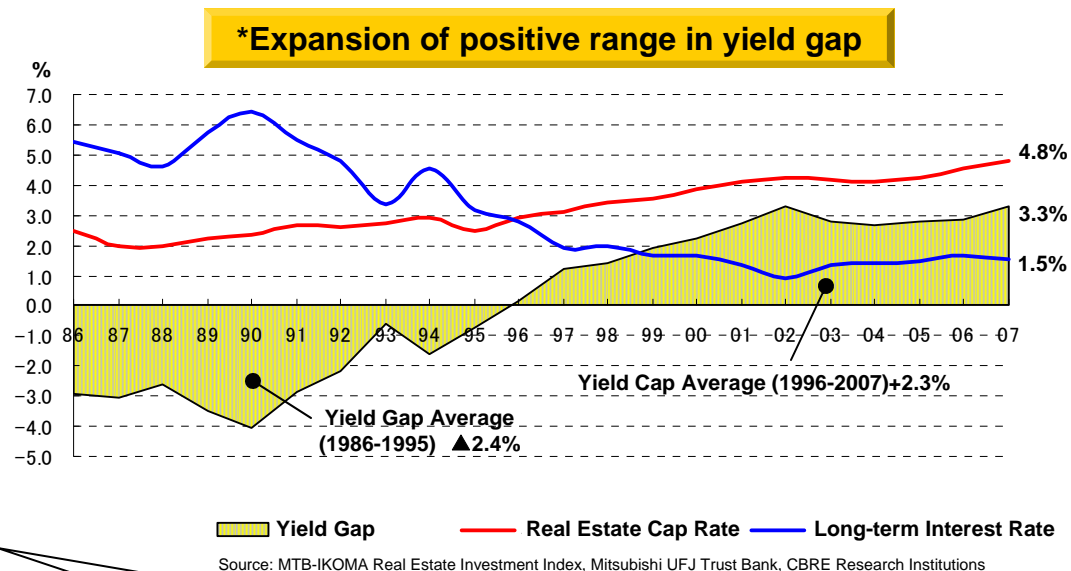
The survey addressed the following five attributes of real estate transparency. 1. Availability of investment performance indices, 2. Availability of market fundamentals data, 3. Listed vehicle financial disclosure and governance, 4. Regulatory and legal factors, 5. Professional and ethical standards

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)

Prepared on 2009/3/16

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



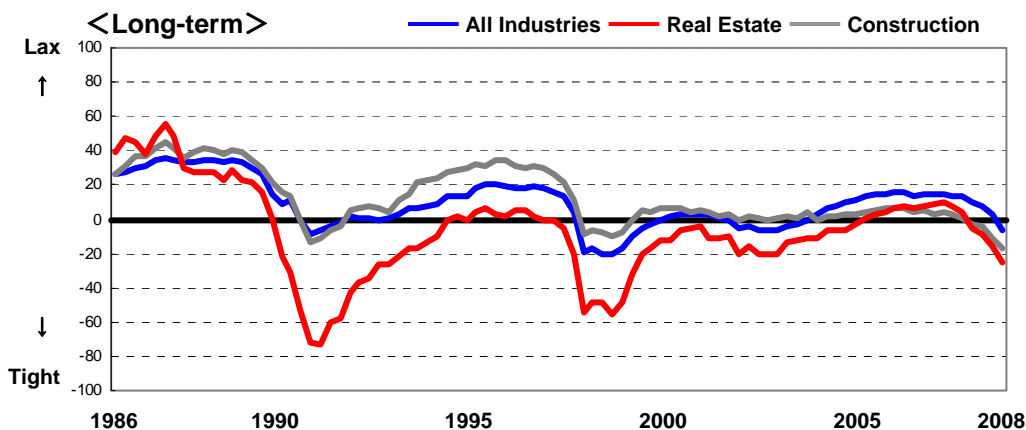
The market in Japan did not grow as much due to the small number of J-REIT IPO's and decreasing amount of asset acquisitions. This did not help improve disclosure standards or upgrade the investor index which serves as the industry standard. As a result, the transparency in Japan during 2008 only improved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

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

*Comments by Tokyu REIM

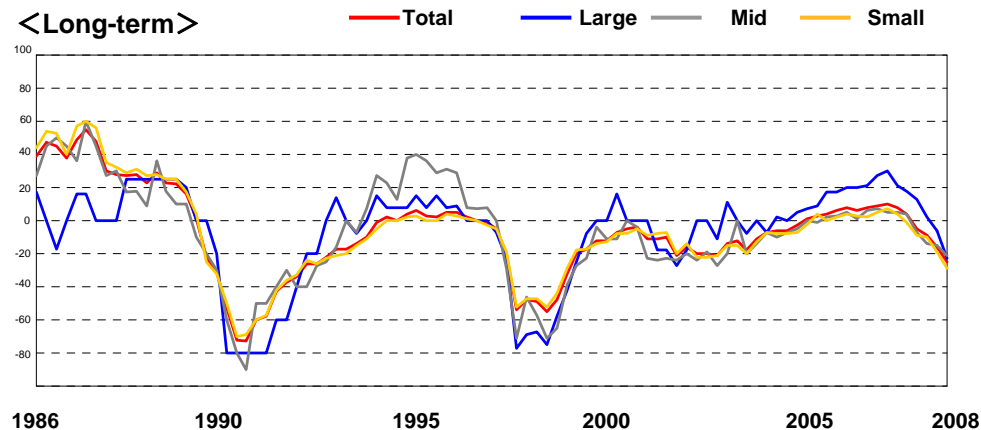
Real Estate Market Overview (2)

Lending Attitude DI by Industry

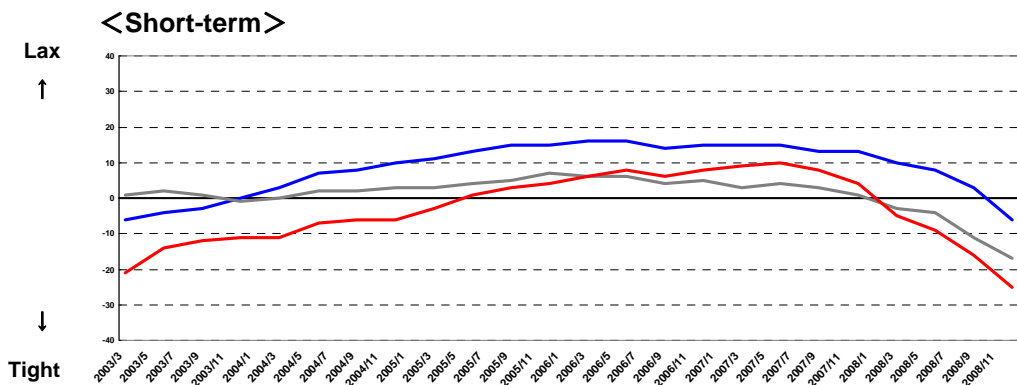


* Lending attitude for the real estate industry is volatile

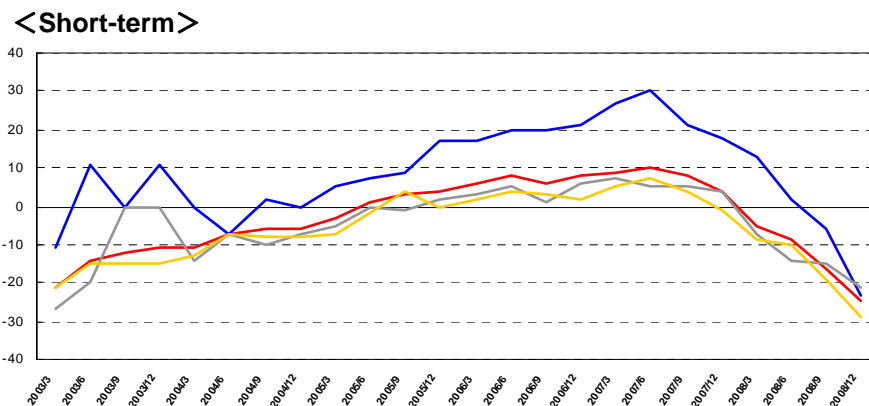
Lending Attitude DI by Size (Real Estate Industry)



*Regardless of size, lending attitude to the real estate industry remains tight



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



*Rapid deterioration of lending attitude to large companies (real estate)

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,

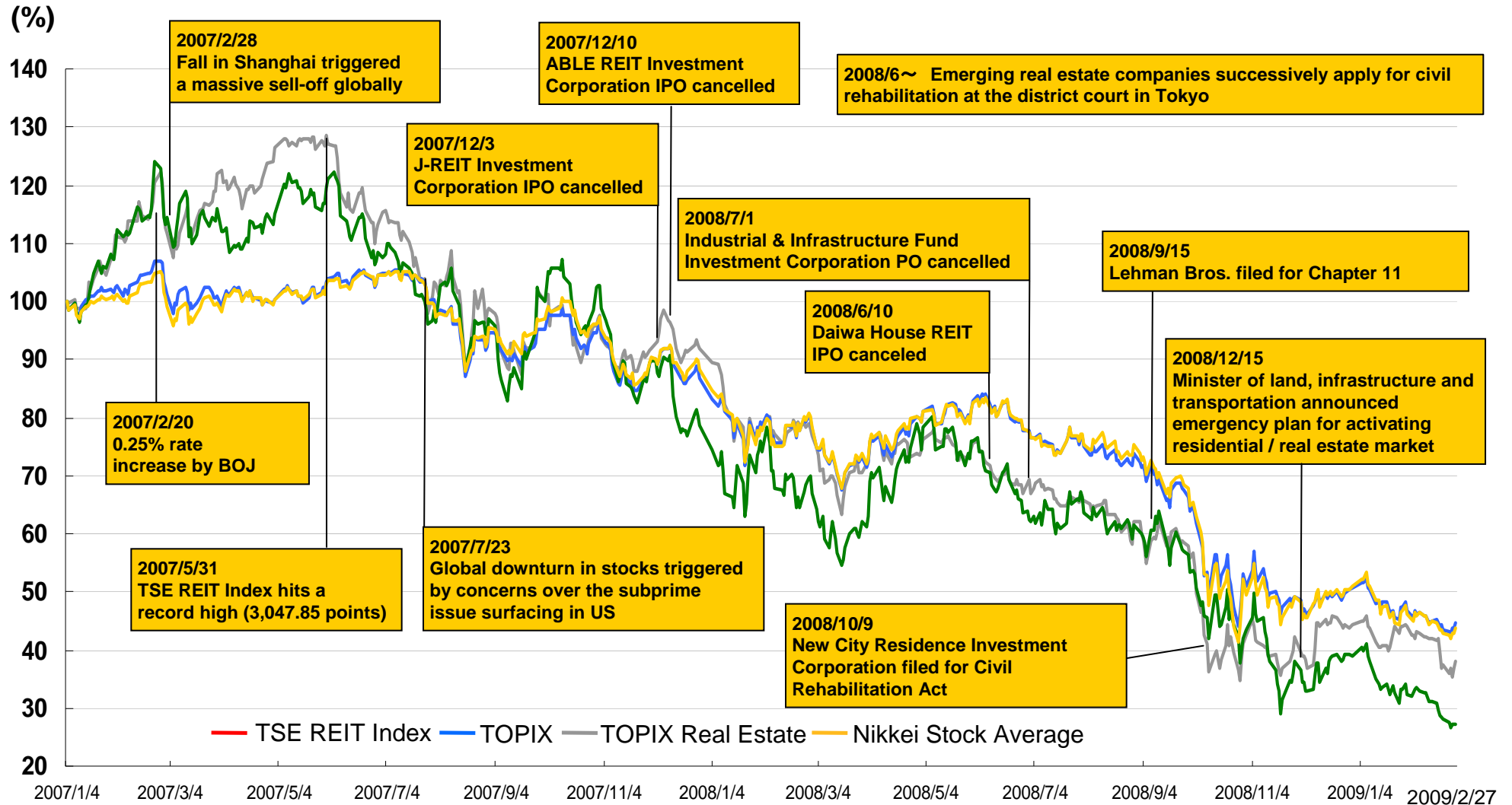
Small: Cap size between ¥100 million and ¥20 million

For data before 2004/4, size was based on number of employees

*Comments by Tokyu REIM

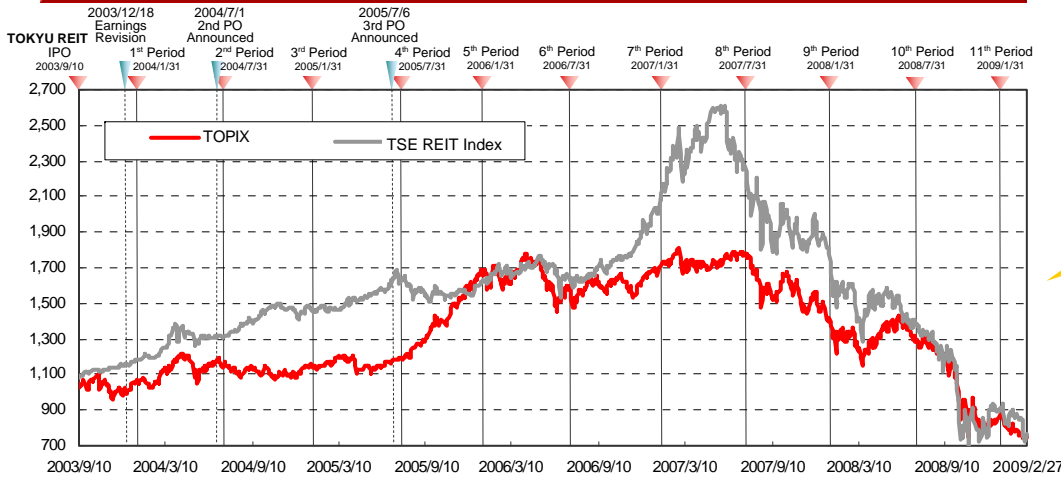
REIT Market Overview (1)

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



REIT Market Overview (2)

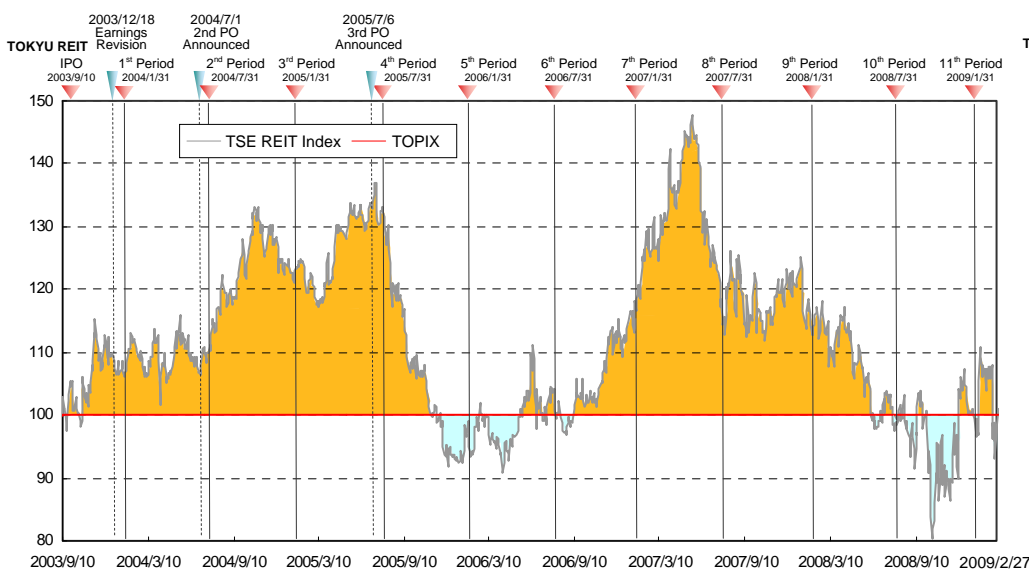
TOPIX and TSE REIT Index Performance



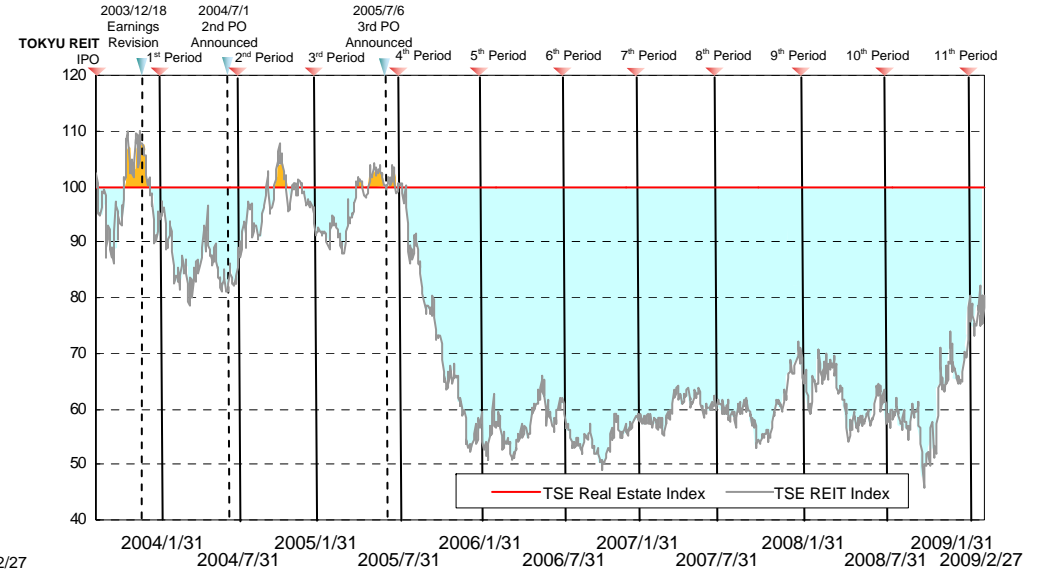
***2008/10 TSE REIT Index hits a record low since the start of the index**

*** Firmed up compared to TSE Real Estate Index**

TSE REIT Index Performance (TOPIX=100)



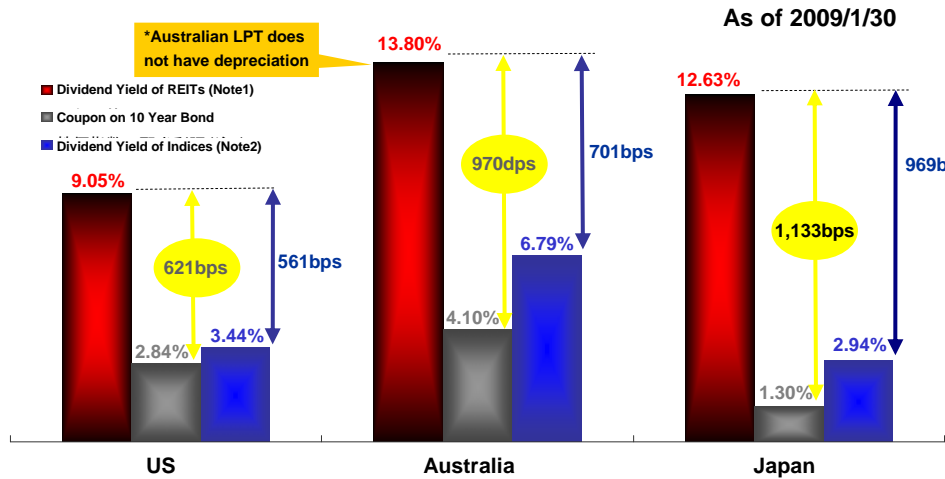
TSE REIT Index Performance (TSE Real Estate Index=100)



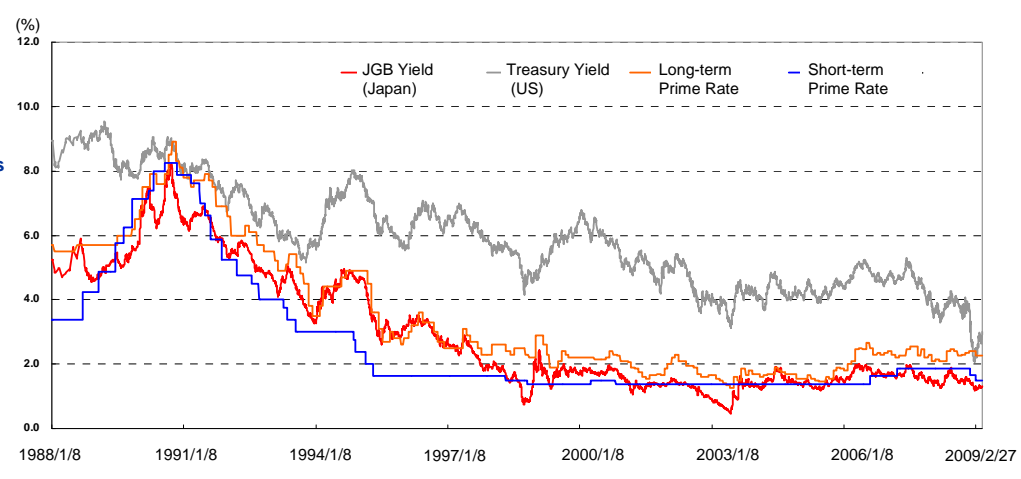
* Relative Change in TSE REIT Index when TSE Real Estate is indexed at 100 (Sept. 10, 2003 = 100)

REIT Market Overview (3)

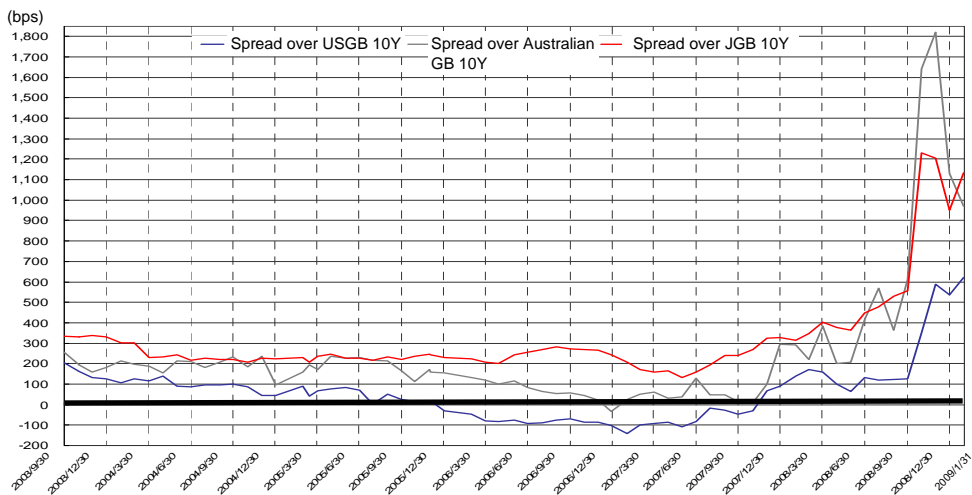
Spread Over Risk Free Rate



Major Interest Rates

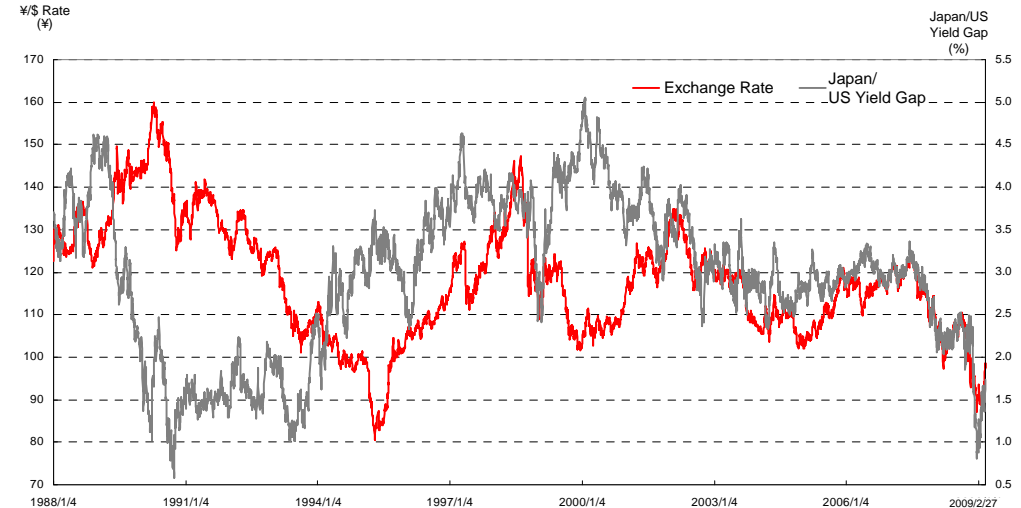


Spread Comparison



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

Japan/US Yield Gap vs. Exchange Rate



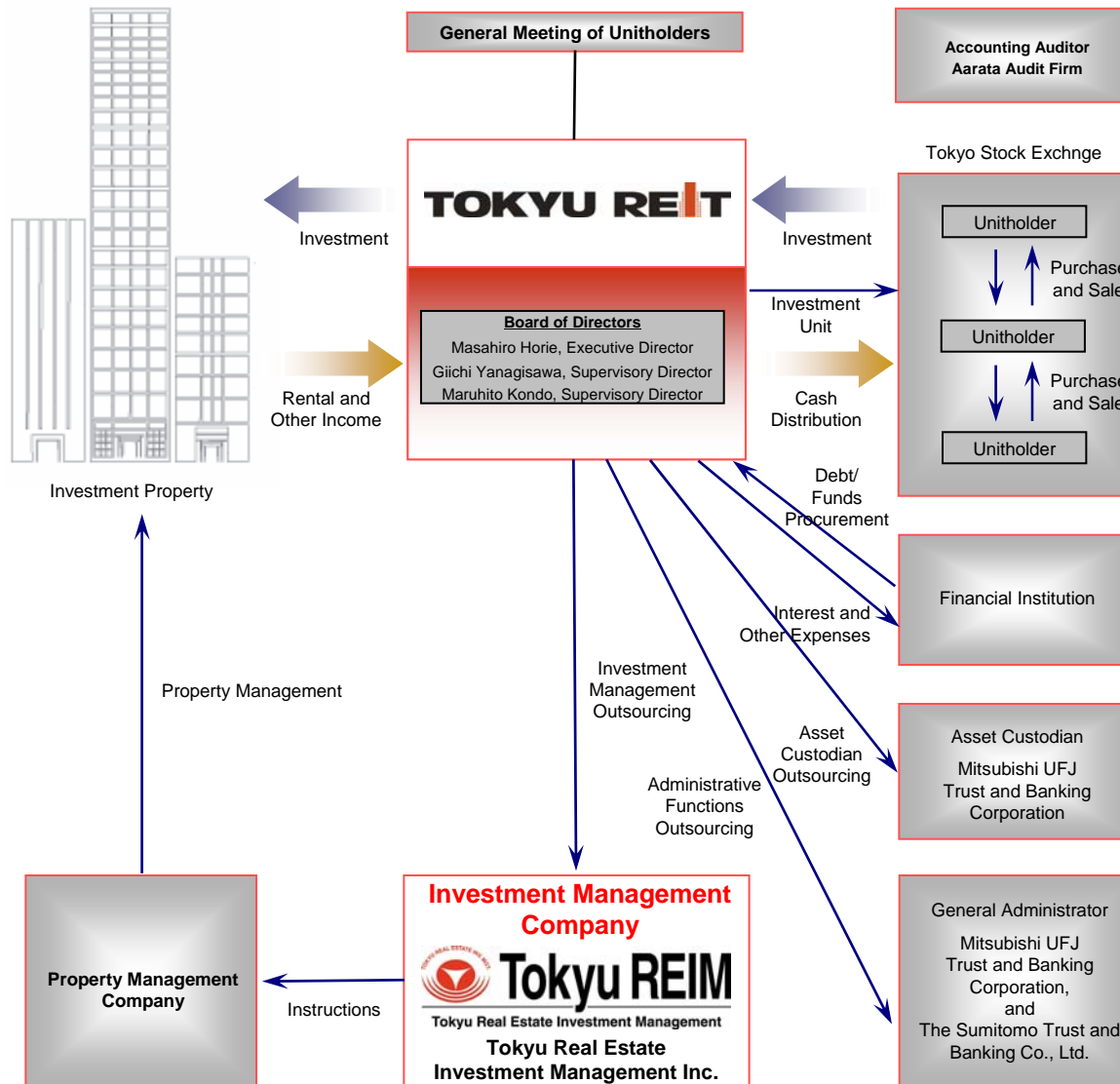
(Note) Japan/US Yield Gap = US Treasury Yield - JGB Yield

*Comments by Tokyu REIM



Appendix
(1) Governance of TOKYU REIT

Structure of TOKYU REIT, Inc.



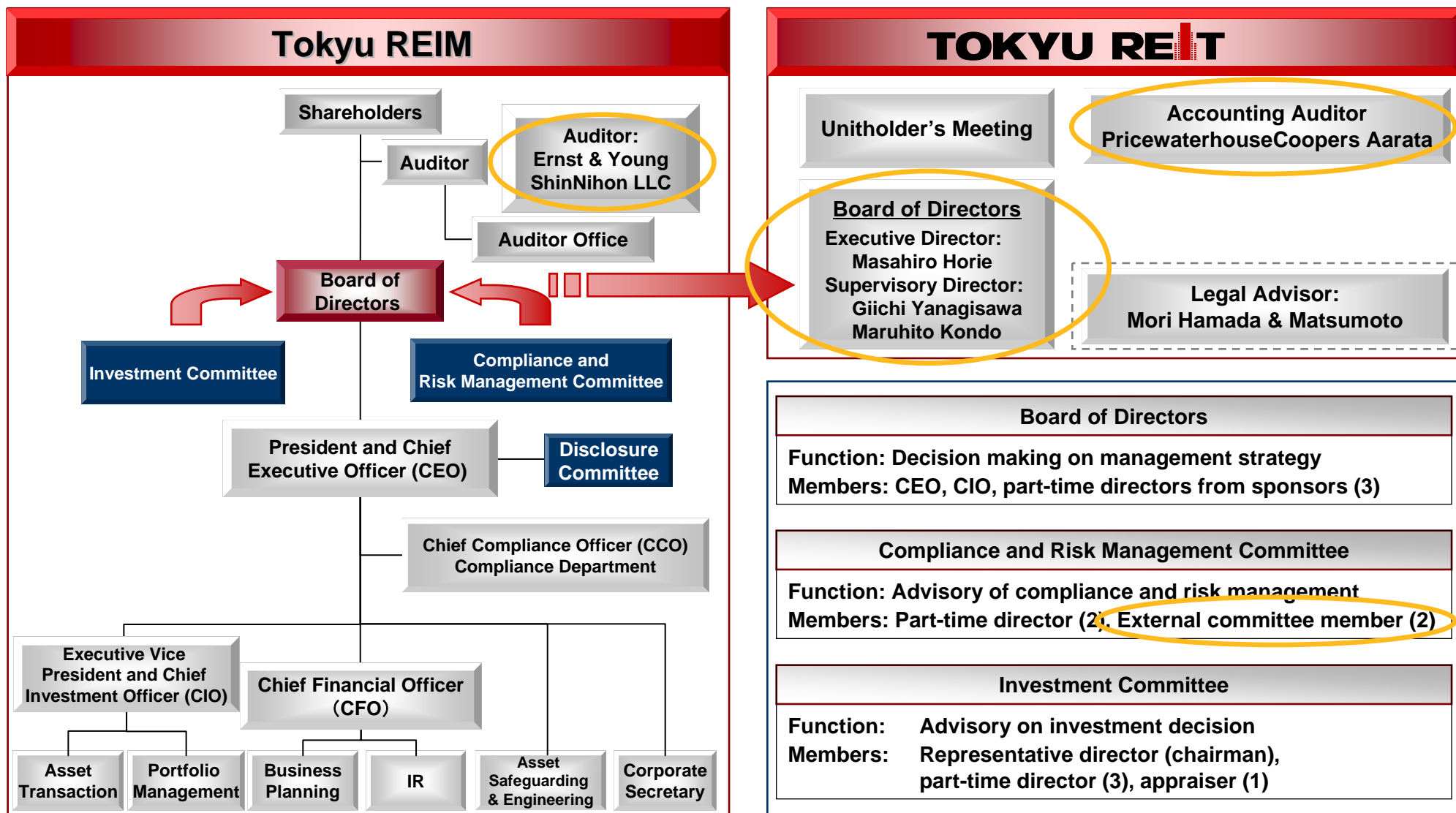
TOKYU REIT, Inc.

- Listed: 2003/9/10
- 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: 2001/6/27
- Business: Investment management
- Paid-in Capital: ¥300 million
- Shareholders: Tokyu Corporation (60%)
Tokyu Land Corporation (40%)
- Auditor: Ernst & Young ShinNihon LLC



- 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
 - 152 meetings held (1st – 11th Period)
 - Average 2.2 meetings per month
 - Average meeting time: 1 hour and 35 minutes
 - 299 resolutions and 799 reports in total (2.0 resolutions and 5.3 reports per meeting)
 - Attendance (1st – 11th Period)

Name	Role	Attendance	Attendance		Absence	Rate of Attendance
			by phone			
Masahiro Horie	Executive Director	152	-	-	-	100%
Giichi Yanagisawa	Supervisory Director	151	3	1	-	99%
Maruhito Kondo	Supervisory Director	152	2	-	-	100%
Mitsubishi UFJ T&B	General Administrator	152	-	-	-	100%
Mori Hamada & Matsumoto	Legal Counsel	148	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 2007/5)

* 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 2006/7/14
- (3) PricewaterhouseCoopers Aarata was temporarily appointed as Accounting Auditor on 2006/7/14 upon resignation of Chuo Aoyama
- (4) PricewaterhouseCoopers Aarata was appointed as Accounting Auditor at the 3rd General Meeting of Unitholders held on 2007/4/17
- (5) Financials in 11th Period were audited by:

Company	Name	Audit Experience to Date
Aarata Audit	Shigeru Ohata	1 period

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	11th Period						Total	
												Aug	Sep	Oct	Nov	Dec	Jan		Total
TOKYU REIT	Unitholders' Meeting	1			1				1										
	Board of Directors Meeting	22	16	11	16	10	12	12	13	12	15	1	3	2	2	2	3	13	152
Tokyu REIM	Board of Directors Meeting	22	15	7	14	9	13	11	10	9	16	1	2	2	1	1	2	9	135
	Investment Committee	24	9	7	14	12	12	7	7	5	17	1	2	1	0	1	2	7	121
	Compliance & Risk management Committees	17	12	11	10	12	12	10	10	9	13	1	1	2	1	2	2	9	125
	Third party evaluation regarding compliance of each related-party transaction to the rules (AUP)	5	5	2	2	0	1	4	4	0	8	0	1	0	0	1	0	2	33

* 1-11 indicates Period of TOKYU REIT

* 1st Period is from 2003/6/20, 2003 to 2004/1/31

Related Party Transactions Approved by the Board of Directors (11th Period)

	Meeting	Issue (Approved)	AUP
1	2008/9	Payment of investment management fee (Base 2) to Tokyu Real Estate Investment Management	
2	2008/9	Signing of PM contract with Tokyu Community	○
3	2008/10	Additional CM fee payment related to remedy of excess floor-area ratio of Tokyu Ikejiri Ohashi Building	
4	2008/12	Signing of agreement regarding delayed mailing of invoice for deposit of TOKYU REIT Toranomom Building	
5	2008/12	Signing of confirmation regarding temporary receipt (construction cost to ensure compliance) from Tokyu Real Estate Investment Management (Daikanyama Forum)	
6	2008/12	Signing of agreement regarding a delayed enterprise tax payment for TOKYU REIT Toranomom Building	
7	2008/12	Rent revision with Tokyu Corporation, a tenant of Tokyu Nampedai-cho Building/Tokyu Sakuragaoka-cho Building	○
8	2008/12	Payment of investment management fee (Base 1) to Tokyu Real Estate Investment Management <sent back for more discussions>	
9	2009/1	Payment of special fee related to the action to ensure compliance for Daikanyama Forum	
10	2009/1	Signing of agreement regarding the action to ensure compliance for Daikanyama Forum	
11	2009/1	Payment of investment management fee (Base 1) to Tokyu Real Estate Investment Management	
12	2009/1	Signing of memorandum related to amendment of part of PM contract <sent back for more discussions>	
13	2009/1	Signing of memorandum related to amendment of part of property management (PM) contract and fixed-term building lease/PM contract	

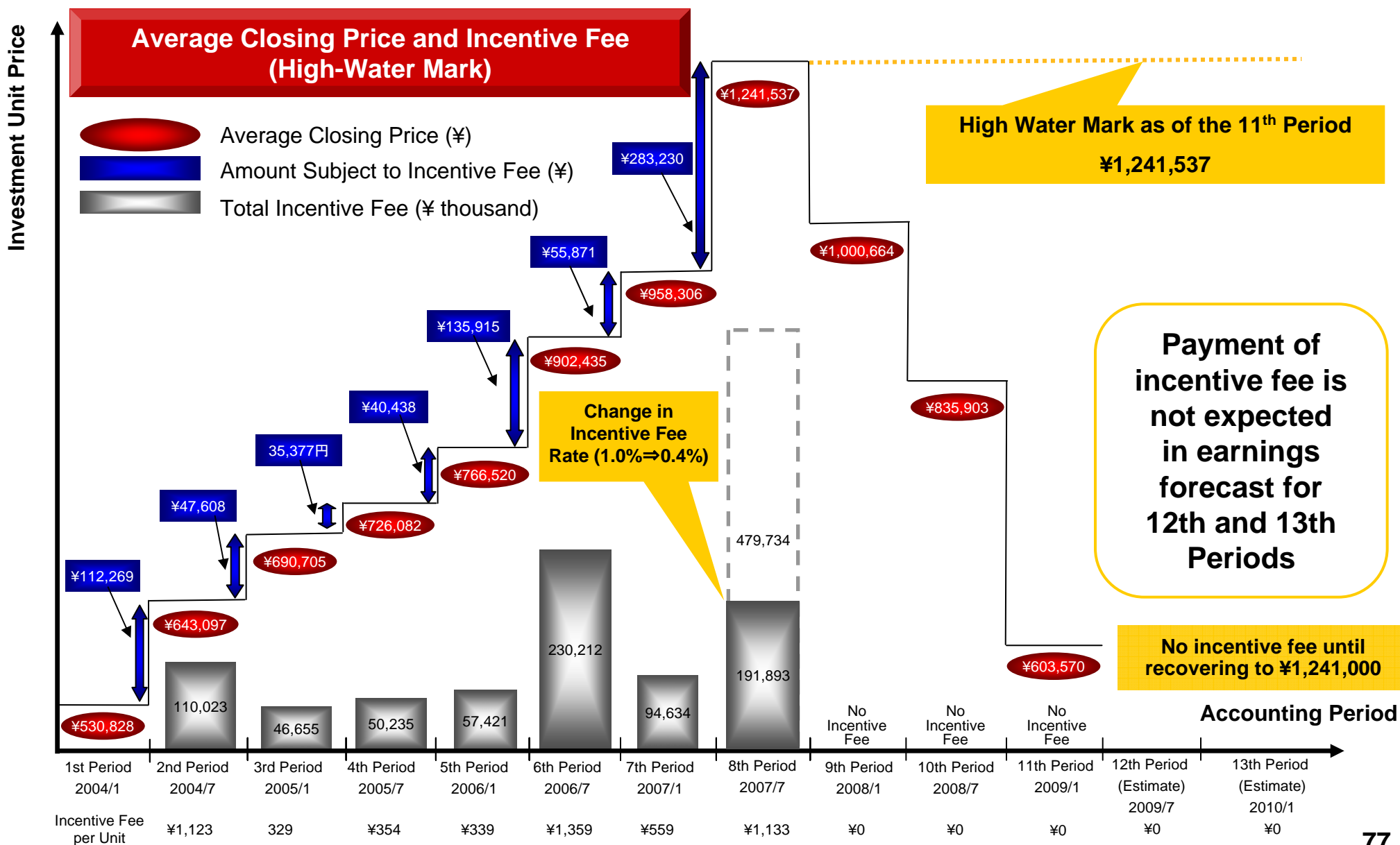
* Supervisory directors vote prior to the Board of Directors Meeting with rules relating to avoid conflicts of interest

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



Appendix
(2) Investment Management Fee

Changes in Incentive Fee



Changes in Investment Management Fee

Changes in Investment Management Fee

Item	Operating Days	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	Total
		Period A 144	Period A 182	Period A 184	Period A 181	Period A 184	Period A 181	Period A 184	Period A 181	Period A 184	Period A 182	Period A 184	Period E 181	Period E 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	345,940	338,880	3,465,240
Base Fee 2	(¥ Thousand)	95,247	144,852	183,158	198,590	234,559	226,633	237,836	248,993	248,467	266,621	268,921	242,137	231,764	2,827,779
Incentive Fee	(¥ Thousand)	0	110,023	46,656	50,235	57,422	230,213	94,634	191,894	0	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	654,771	588,077	570,644	7,074,097
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	654,771	588,077	570,644	6,293,019
Fee per Unit	(¥)	1,935	4,178	2,799	3,198	3,097	4,242	3,626	4,449	3,418	3,662	3,866	3,472	3,369	45,310
Fee per Unit (excluding incentive fee)	(¥)	1,935	3,055	2,470	2,844	2,758	2,883	3,067	3,316	3,418	3,662	3,866	3,472	3,369	40,116
EPS	(¥)	9,488	14,230	13,045	13,798	14,179	22,162	14,182	14,427	15,364	16,560	16,284	14,700	14,300	192,719
Fee per Unit	(%)	20.4	29.4	21.5	23.2	21.8	19.1	25.6	30.8	22.2	22.1	23.6	23.6	23.5	23.5
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	23.7	23.6	23.6	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	269,430	242,400	242,400	162,832
Fee per Assets (Expected Custodian Fee)	(%)	0.58	0.76	0.61	0.63	0.63	0.82	0.62	0.72	0.51	0.49	0.48	0.49	0.47	0.68
Fee per Assets (Expected Custodian Fee) (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	0.49	0.47	0.60

EPS Before Incentive Fee

Item	Operating Days	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	2nd - 13th
		Period A 144	Period A 182	Period A 184	Period A 181	Period A 184	Period A 181	Period A 184	Period A 181	Period A 184	Period A 182	Period A 184	Period E 181	Period E 184	Period
Incentive Fee	(¥ million)	0	110	47	50	57	230	95	192	0	0	0	0	0	781
Incentive Fee per Unit	(¥)	0	1,123	329	354	339	1,359	559	1,133	0	0	0	0	0	410
Units Outstanding		-	98,000	142,000	142,000	169,380	169,380	169,380	169,380	169,380	169,380	169,380	169,380	169,380	1,906,420
EPS	(¥) *	12,123	14,230	13,045	13,798	14,179	22,162	14,182	14,427	15,364	16,560	16,284	14,700	14,300	15,269
Annual EPS Growth	(% / Simple Interest)	-	34.76	7.61	9.21	8.48	33.12	5.66	5.43	6.68	8.13	6.86	3.86	2.99	4.33
EPS before Incentive Fee	(¥) *	12,123	15,353	13,374	14,152	14,518	23,521	14,741	15,560	15,364	16,560	16,284	14,700	14,300	15,702
Annual EPS Growth	(% / Simple Interest)	-	53.28	10.32	11.16	9.88	37.61	7.20	8.10	6.68	8.13	6.86	3.86	2.99	4.92

* 1st Period adjusted to 184 days



**Appendix
(3) Others**

Leasing Situation

Name of Property	Type	Situation
Setagaya Business Square	Office	<ul style="list-style-type: none"> Among canceled space of 3,443.65m² in 11th period, approximately 70% by space and 80% by rents are occupied. (Expected occupancy rate of 95.5% at the end of 12th period) Currently under marketing for unoccupied space.
Lexington Aoyama	Retail	<ul style="list-style-type: none"> Major tenant (1F-4F, 1,767.27m²) vacated on March 2009. (Expected occupancy rate of 21.2% at the end of 12th period) Currently under marketing aimed for apparel and retail shop.
Resona Maruha Building	Office	<ul style="list-style-type: none"> Tenant in 18F (1,658.86m²) will vacate in June 2009. (Expected occupancy rate of 88.5% at the end of 12th period) Action plan will be draw with future plan for this building
cocoti	Retail	<ul style="list-style-type: none"> Among canceled space of 584.48m² in 12th period, 377.41m² are already contracted. (Expected occupancy rate of 97.5% at the end of 12th period) Currently under marketing for 207.07m² canceled on March 2009.
Ryoshin Harajuku Building	Office	<ul style="list-style-type: none"> Occupancy rate rose to 75.6% as of the end of 11th period from 71.8% at the time of acquisition June, 2008 mainly by new lease contract to coffee shop. 1 of 2 unoccupied partitions were contracted and remaining partition of 549.52m² is under marketing. Expected occupancy rate of 88.5% at the end of 12th period
Others		<ul style="list-style-type: none"> 16 out of 18 properties excluding above 5 properties are expected 100% occupancy at the end of 12th period. (Expected portfolio occupancy rate of 97.7% at the end of 12th period)

* 11th Period: August 1st, 2008 – January 31st, 2009

* 12th Period: February 1st, 2009 – July 31st, 2009

Change in Appraisal Value

(¥ million)

Name of Property	Appraisal Value at the end of Period (in JPY mm)		Increase/Decrease %	Increase/Decrease (in JPY mm)	Impact by change in NCF	Impact by change in NCF caprate	NCF (Direct capitalization method)			NCF Cap Rate (Direct Caprate)			Appraiser
	11th Period	10th Period					11th Period	10th Period	Change	11th Period	10th Period	Change	
QFRONT	20,200	22,300	-9.42%	-2,100	-36%	113%	796	767	29	3.80%	3.40%	0.40%	a
Lexington Aoyama	6,950	8,220	-15.45%	-1,270	11%	92%	303	309	-6	4.30%	3.70%	0.60%	a
TOKYU REIT Omotesando Square	7,400	8,520	-13.15%	-1,120	14%	89%	319	326	-7	4.30%	3.80%	0.50%	a
Tokyu Saginuma Building	8,250	9,220	-10.52%	-970	-1%	103%	465	464	1	5.60%	5.00%	0.60%	a
Tokyu Saginuma 2 Building	1,450	1,640	-11.59%	-190	-1%	106%	96	96	0	6.60%	5.80%	0.80%	a
TOKYU REIT Shibuya Udagawa-cho Square	8,250	8,720	-5.39%	-470	11%	35%	279	281	-2	4.20%	4.10%	0.10%	b
Beacon Hill Plaza (Ito-Yokado Noukendai Store)	9,050	9,540	-5.14%	-490	-16%	127%	470	467	4	4.90%	4.60%	0.30%	b
cocoti	24,500	26,200	-6.49%	-1,700	63%	38%	1,029	1,072	-44	4.10%	4.00%	0.10%	c
Shonan Mall Fill (<i>sokochi</i>)	6,260	6,740	-7.12%	-480	0%	88%	304	304	0	4.80%	4.50%	0.30%	d
CONZE Ebisu	4,930	5,060	-2.57%	-130	3%	97%	206	207	0	4.10%	4.00%	0.10%	c
Daikanyama Forum	3,920	4,160	-5.77%	-240	34%	42%	162	166	-3	4.10%	4.00%	0.10%	b
Retail Properties Total	101,160	110,320	-8.30%	-9,160	7%	85%	4,429	4,459	-30	4.38%	4.04%	0.34%	
Setagaya Business Square	26,900	33,500	-19.70%	-6,600	69%	32%	1,299	1,518	-219	4.80%	4.50%	0.30%	a
Tokyu Nampocho Building	6,320	6,860	-7.87%	-540	-8%	112%	293	291	2	4.60%	4.20%	0.40%	a
Tokyu Sakuragaoka-cho Building	9,470	9,820	-3.56%	-350	-32%	135%	402	398	5	4.20%	4.00%	0.20%	a
Tokyo Nissan Taito Building	5,690	5,970	-4.69%	-280	-24%	127%	293	290	3	5.10%	4.80%	0.30%	a
TOKYU REIT Akasaka Hinokicho Building	4,770	5,030	-5.17%	-260	17%	85%	223	225	-2	4.60%	4.40%	0.20%	a
TOKYU REIT Kamata Building	7,450	7,720	-3.50%	-270	-14%	113%	383	381	2	5.10%	4.90%	0.20%	a
Resona Maruha Building	34,600	37,800	-8.47%	-3,200	43%	58%	1,434	1,490	-56	4.10%	3.90%	0.20%	a
TOKYU REIT Toranomon Building	15,900	16,800	-5.36%	-900	20%	82%	737	746	-8	4.60%	4.40%	0.20%	a
TOKYU REIT Hatchobori Building	6,450	7,350	-12.24%	-900	99%	18%	304	345	-41	4.60%	4.50%	0.10%	c
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	7,860	8,610	-8.71%	-750	48%	28%	343	358	-15	4.20%	4.10%	0.10%	b
Tokyu Ikejiri-ohashi Building	5,230	5,500	-4.91%	-270	81%	41%	270	281	-11	5.10%	5.00%	0.10%	c
Ryoshin Harajuku Building	10,600	13,400	-20.90%	-2,800	83%	23%	458	558	-100	4.30%	4.10%	0.20%	a
Office Properties Total	141,240	158,360	-10.81%	-17,120	57%	45%	6,440	6,881	-441	4.56%	4.34%	0.21%	
End of 11th Period (23properties)	242,400	268,680	-9.78%	-26,280	39%	59%	10,869	11,340	-471	4.48%	4.22%	0.26%	

a Japan Real Estate Institute b HIRO & REAS Network, Inc c DAIWA REAL ESTATE APPRAISAL Corporation d Jones Lang LaSalle IP, Inc.

* Appraisal Value is determined by using several methodologies including Direct capitalization approach and DCF approach. Therefore, Appraisal Value may differ from the figures "NCF" divided by "NCF Cap Rate".

* Additional acquisition of Ryoshin Harajuku building is not including to 10th period appraisal value

1. Funding difficulties of REIT and down grade trend in credit ratings

- Severe market condition to issue REIT bond after Spring 2008
- Change in members of syndicated loan and cost up trend for re-finance debt
- Momentum gathers for “down grade” of credit rating after Oct, 2008
- FSA Inquiry into REIT Cash-flow situation started

2. Bankruptcy of New City Residence Investment Corp.

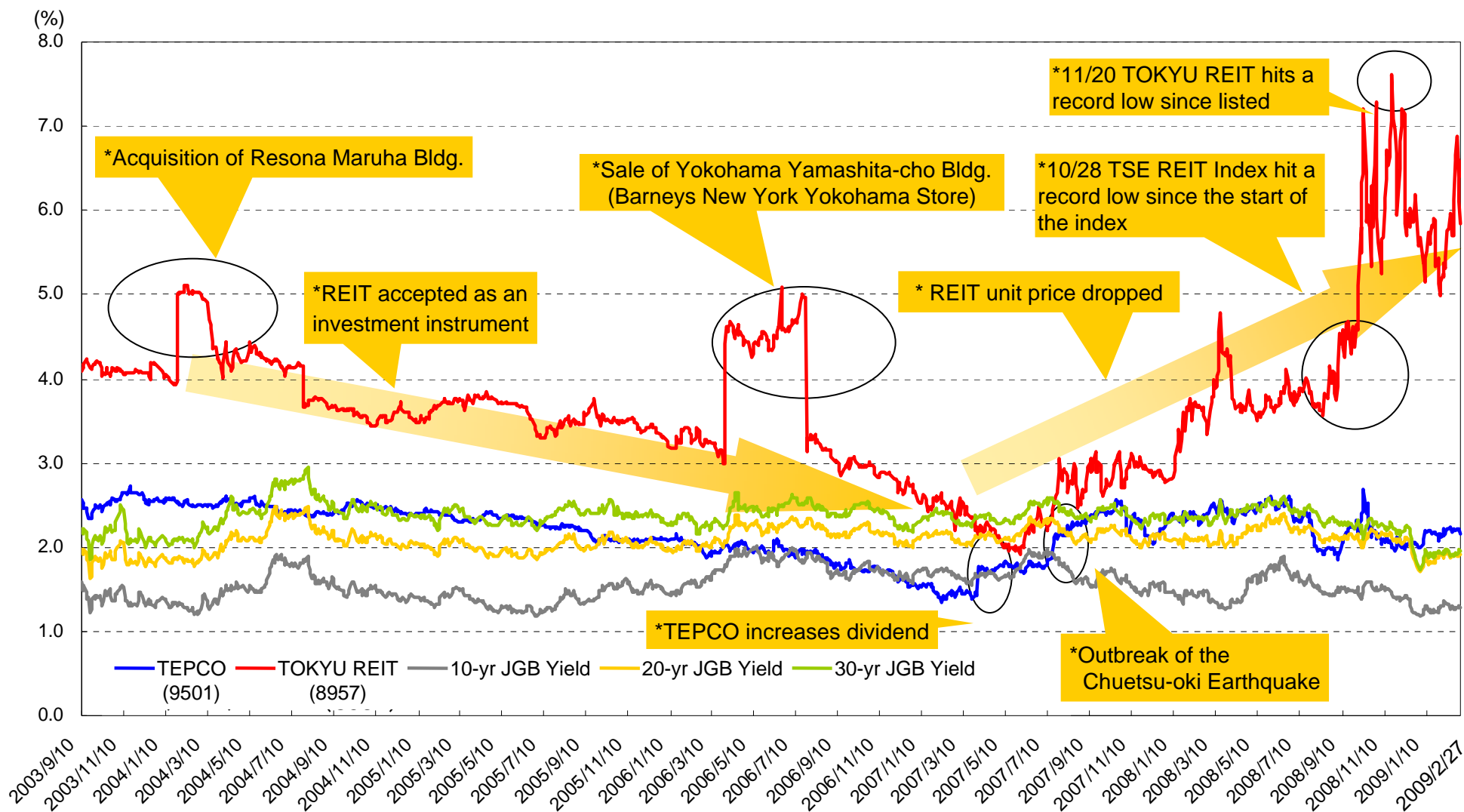
- Filed the corporate rehabilitation procedure to the court on Oct 9, 2008
- “Big surprise” to the market because of its asset size and credit ratings
- Steep declines on TSE REIT index and deteriorating terms & conditions for re-finance

**REIT Market severely affected by
global financial turmoil and a bankruptcy of J-REIT**

1. **Emergency Response Operation (Lending Operation) by DBJ (Dec, 2008)**
 - Operates as a Government Authorized Financial Institution until March, 2010
2. **BOJ to add REIT bond, CP, and bank borrowings as Eligible Collateral (Jan, 2009)**
 - Eligible REITs are qualified by BOJ such as REIT with ratings of AA or above
 - “J-REIT is a major player for Real Estate Securitization Market that has an important roll to comprise our country’s securitization market” (Mr. Shirakawa, Governor of BOJ)
3. **J-REIT related regulation reforms**
 - **Revision of Comprehensive Guidelines for Supervision of Financial Instruments Business Operators (Jan, 2009)**
 - ⇒ Newly created item regarding Forward Commitment Purchase by REIT
 - ⇒ The treatment of cash delivered due to merger (Gappei Kofu-kin) between J-REITs has been clarified
 - **Revision of Dividend Distribution Deduction Test in Tax reform proposal for fiscal year 2009**
 - ⇒ 90% threshold test will be revised to distributable profit under accounting rule basis from taxable income basis

Relevant Operation by Japanese Government & BOJ has issues on its scope and lack of immediate effect, however it has a major impact on the announcement effect

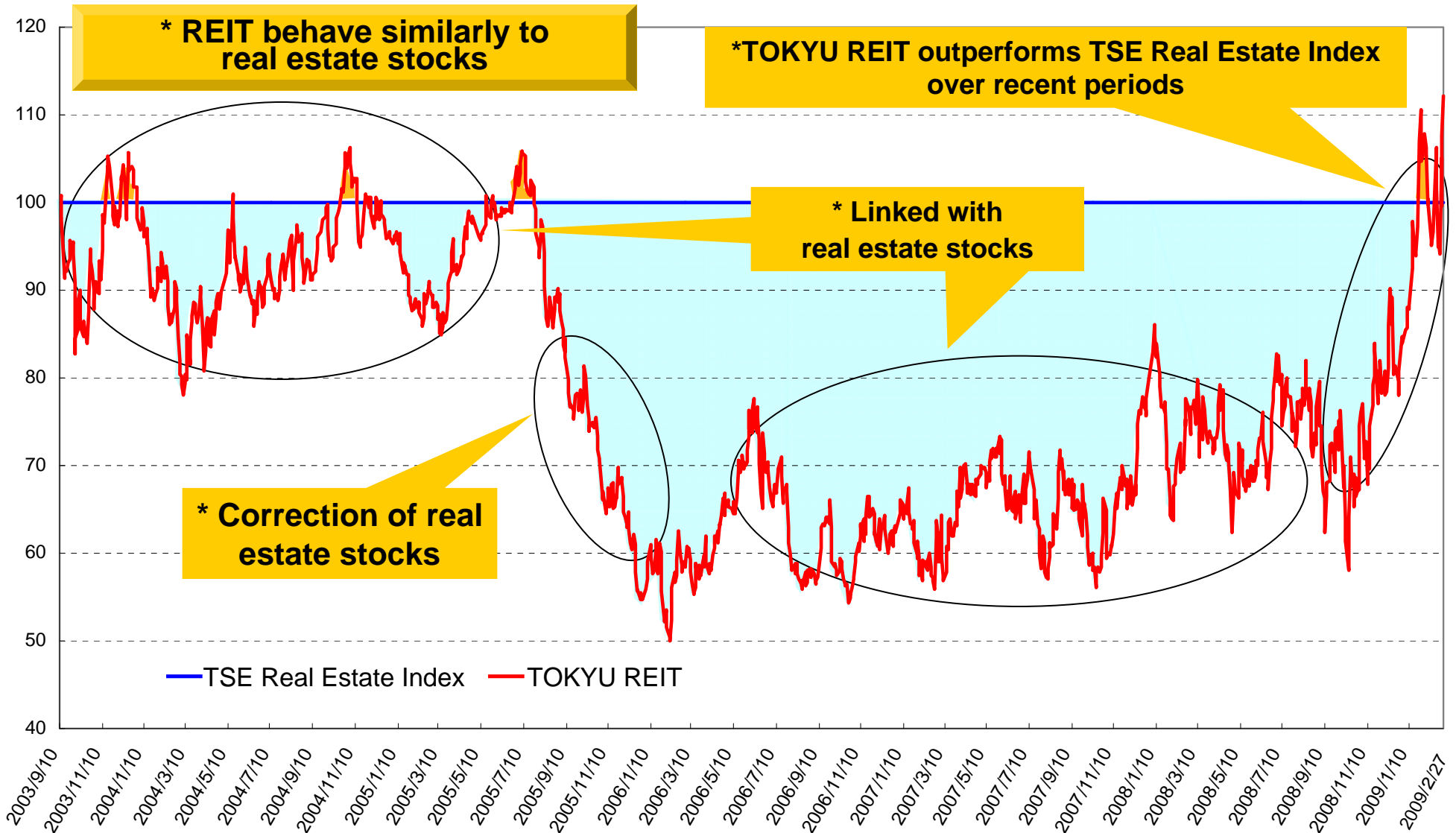
Dividend Yield (TEPCO, TOKYU REIT, JGBs (10-yr, 20-yr, 30-yr))



(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

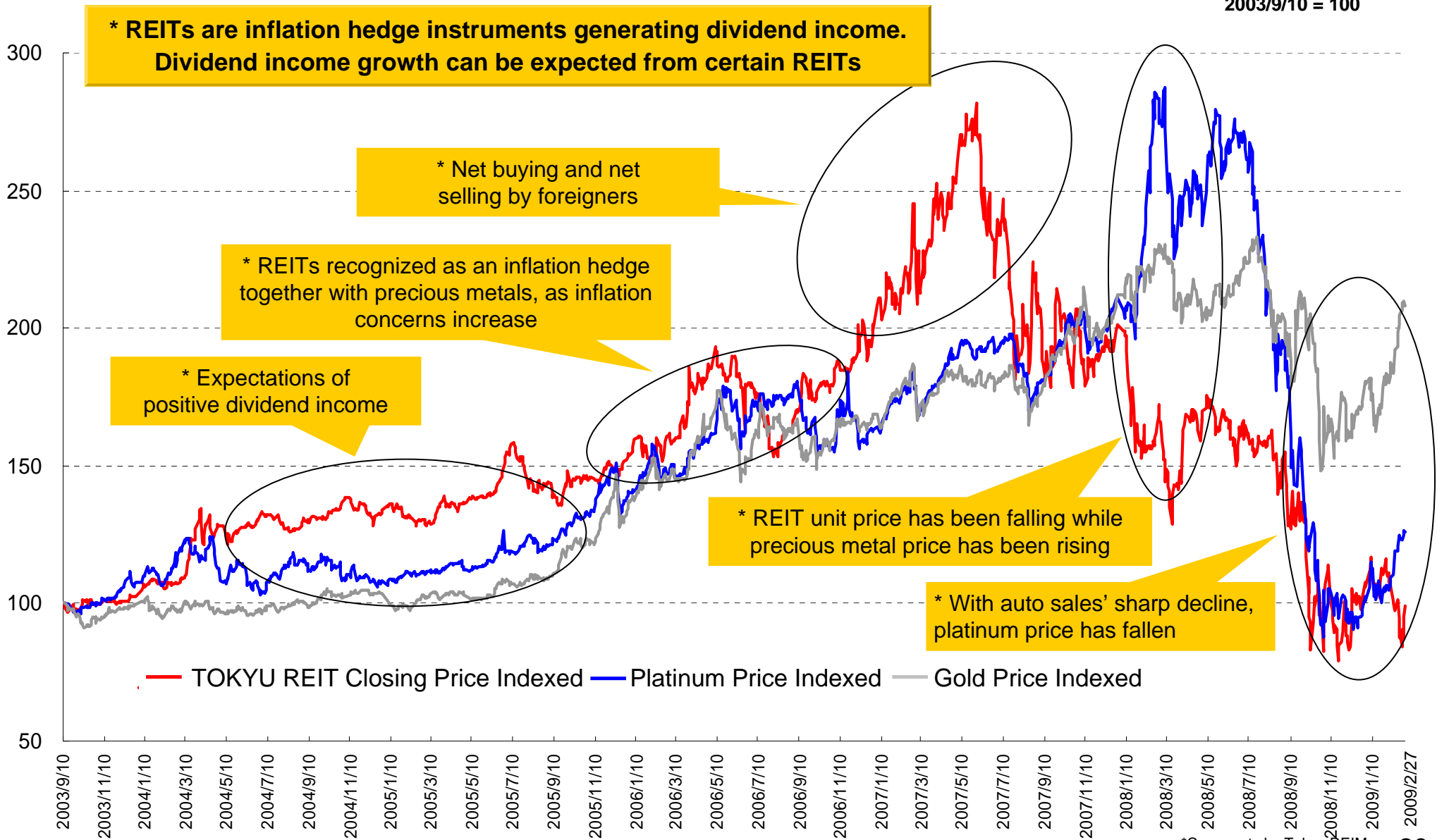


*TSE Real Estate Index = 100

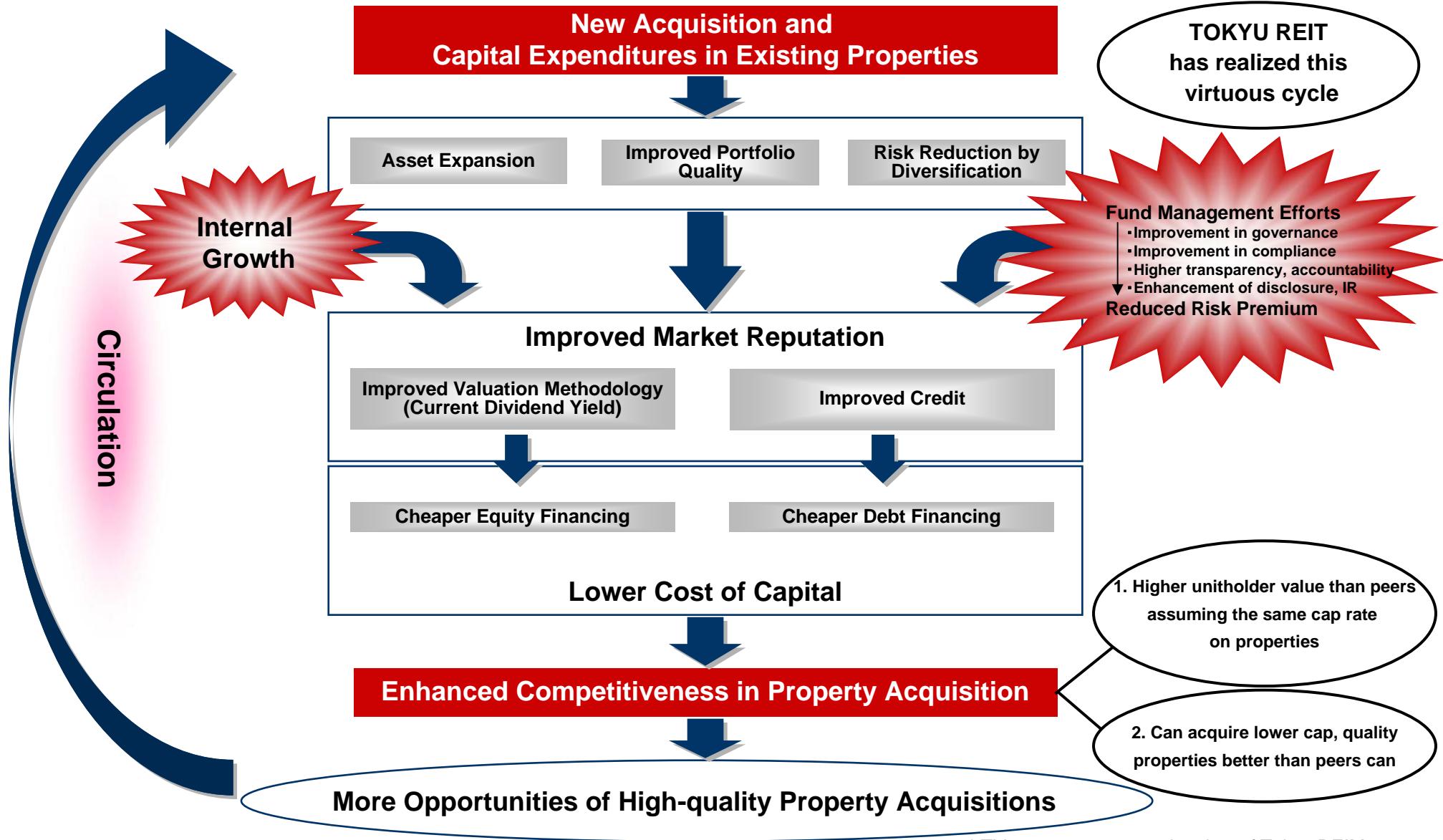
*Comments by Tokyu REIM

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

2003/9/10 = 100



How to Achieve Our External Growth?

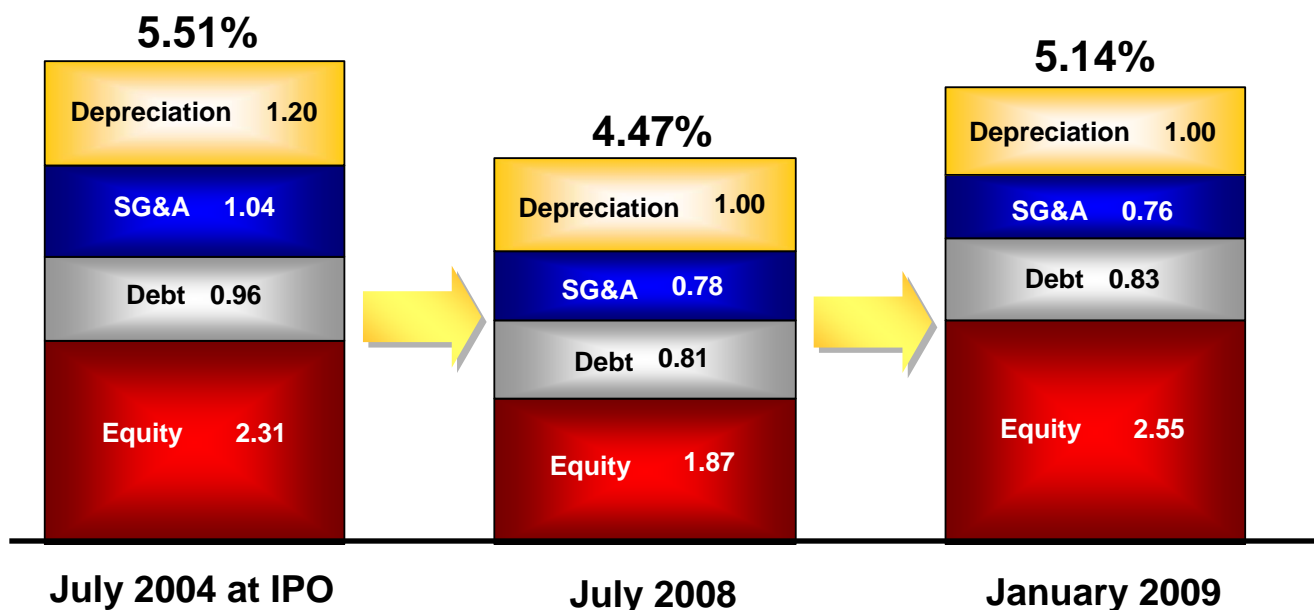


* This page represents the view of Tokyu REIM

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



2009/1 vs IPO

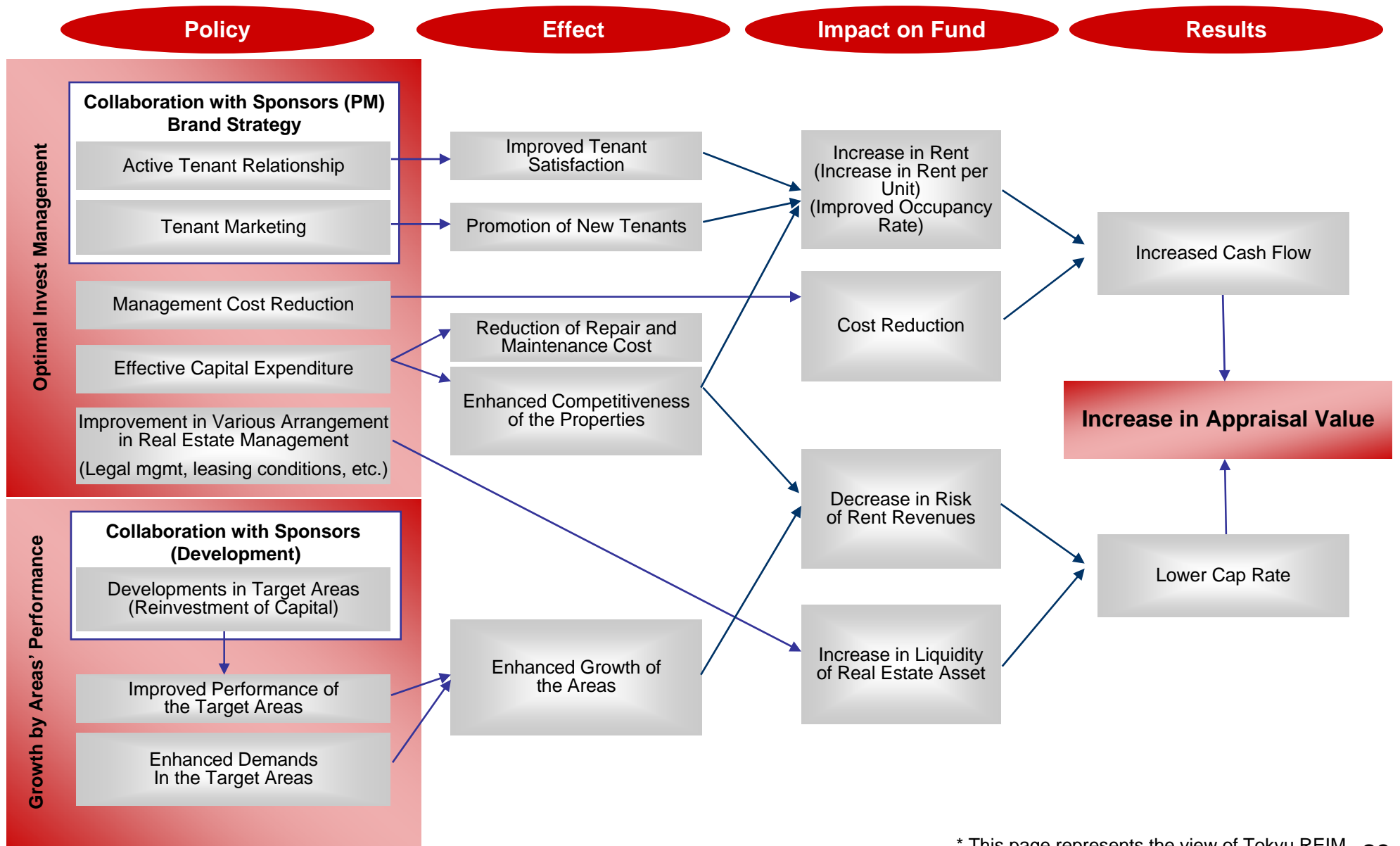
Hurdle Rate	-0.37pts.
Depreciation	-0.20pts.
SG&A	-0.28pts.
Debt	-0.13pts.
Equity	0.24pts.

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

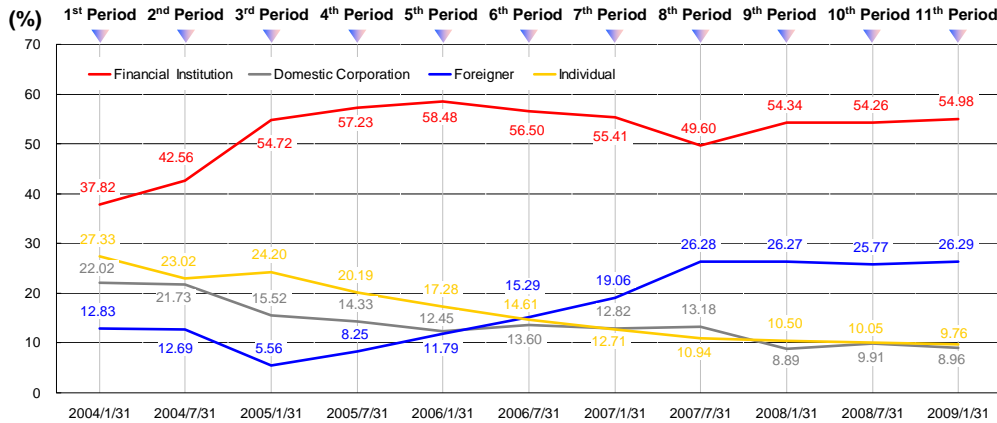
How to Achieve Our Internal Growth?



* This page represents the view of Tokyu REIM

Unitholder Structure (Additional Information)

Ownership by Investor Type



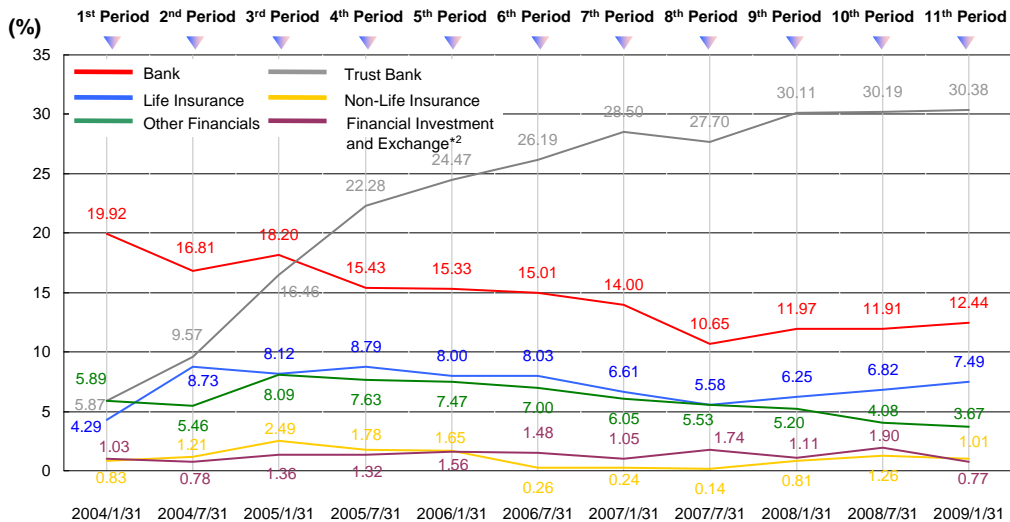
*Unitholder's composition stably shifted in the past year

*Trading volume firmed up

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

*Comments by Tokyu REIM

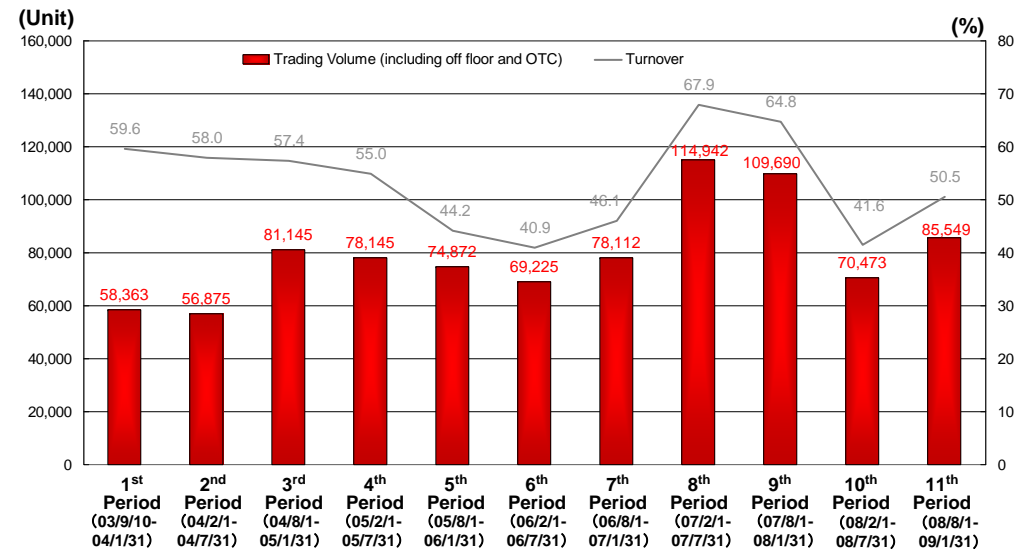
Ownership by Investor (Financial Institutions Breakdown*1)



*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

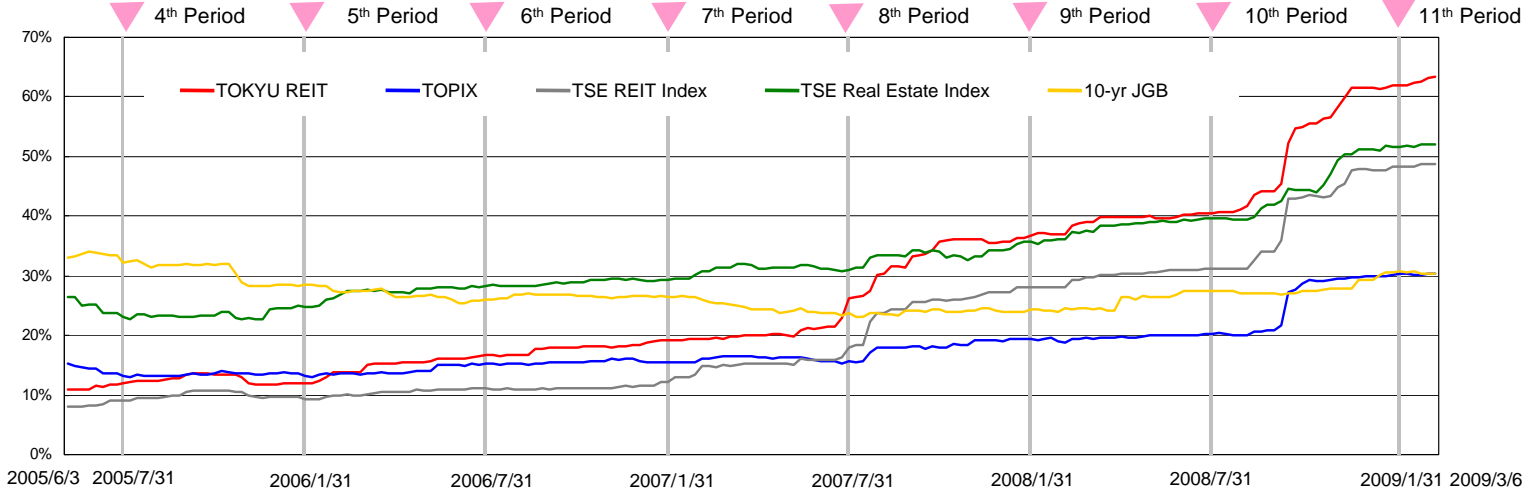
Trading Volume and Turnover of TOKYU REIT Units



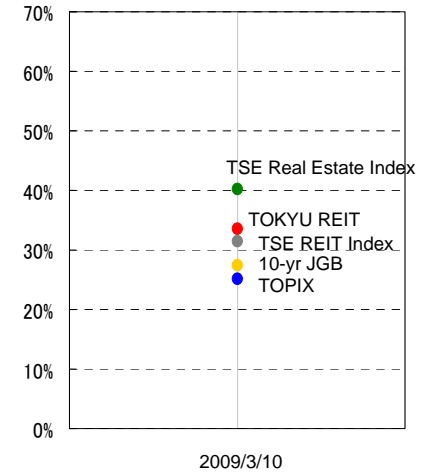
* Turnover = Trading volume during the period (units) / Units outstanding

Volatility of TOKYU REIT and Other Indexes

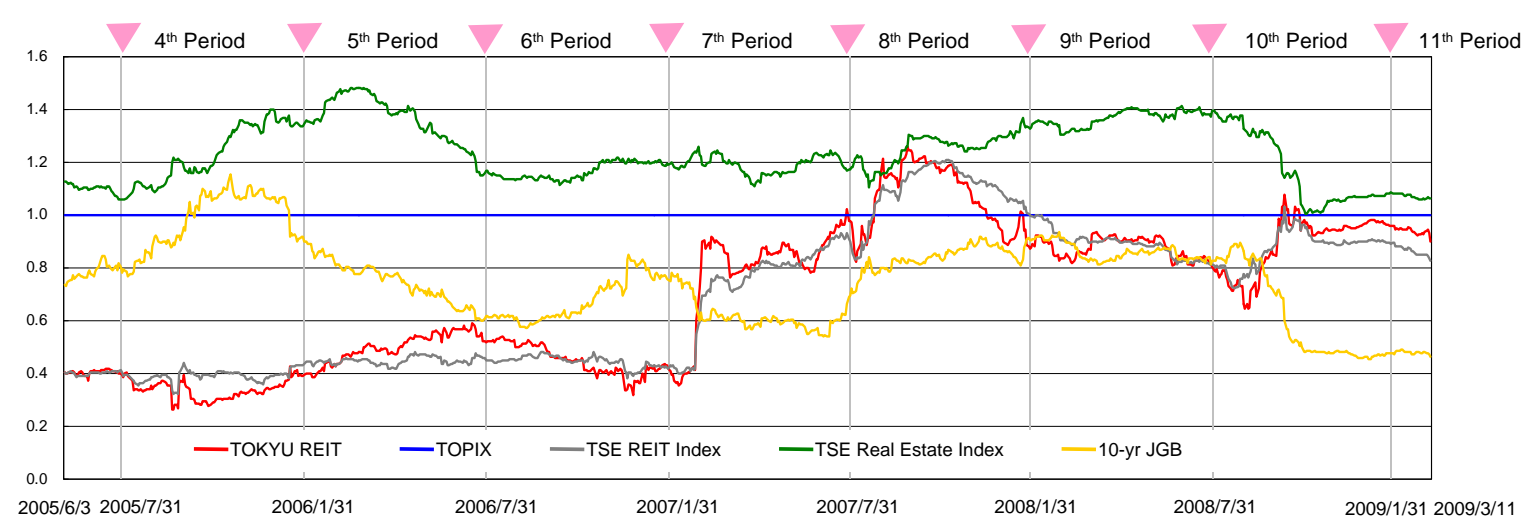
<90-week Moving Average>



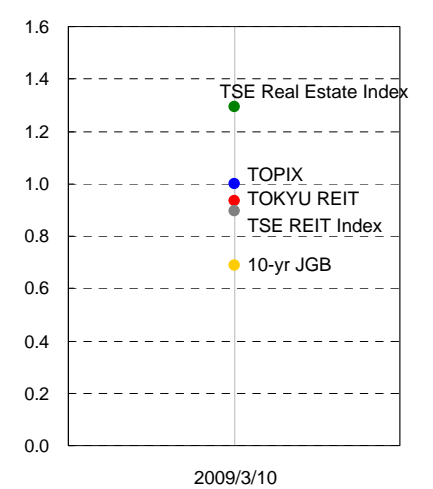
<5 Year Period>



Beta of TOKYU REIT and Other Indexes



<Since IPO>

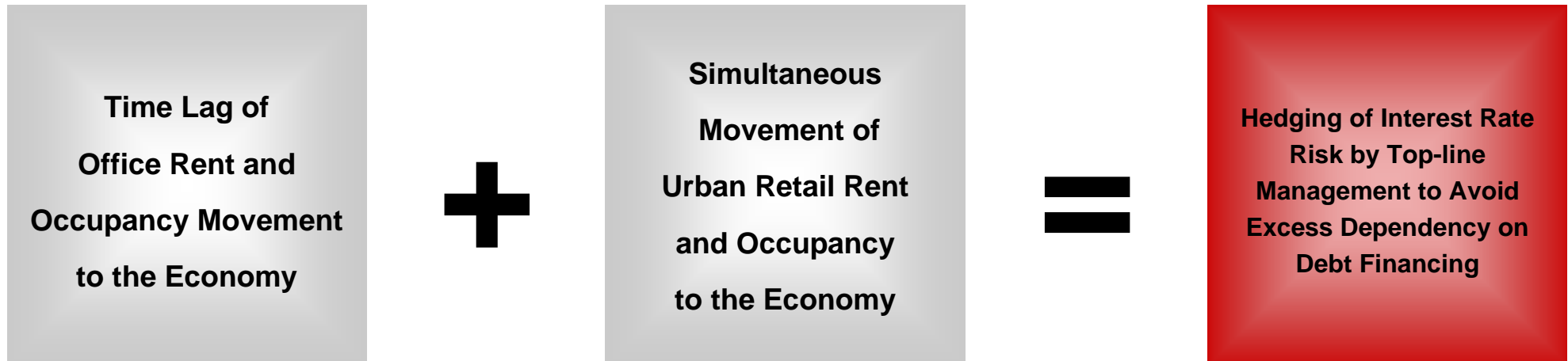


Source: Prepared by Tokyu REIM based on Bloomberg data

Prepared on 2009/3/16

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

- **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)



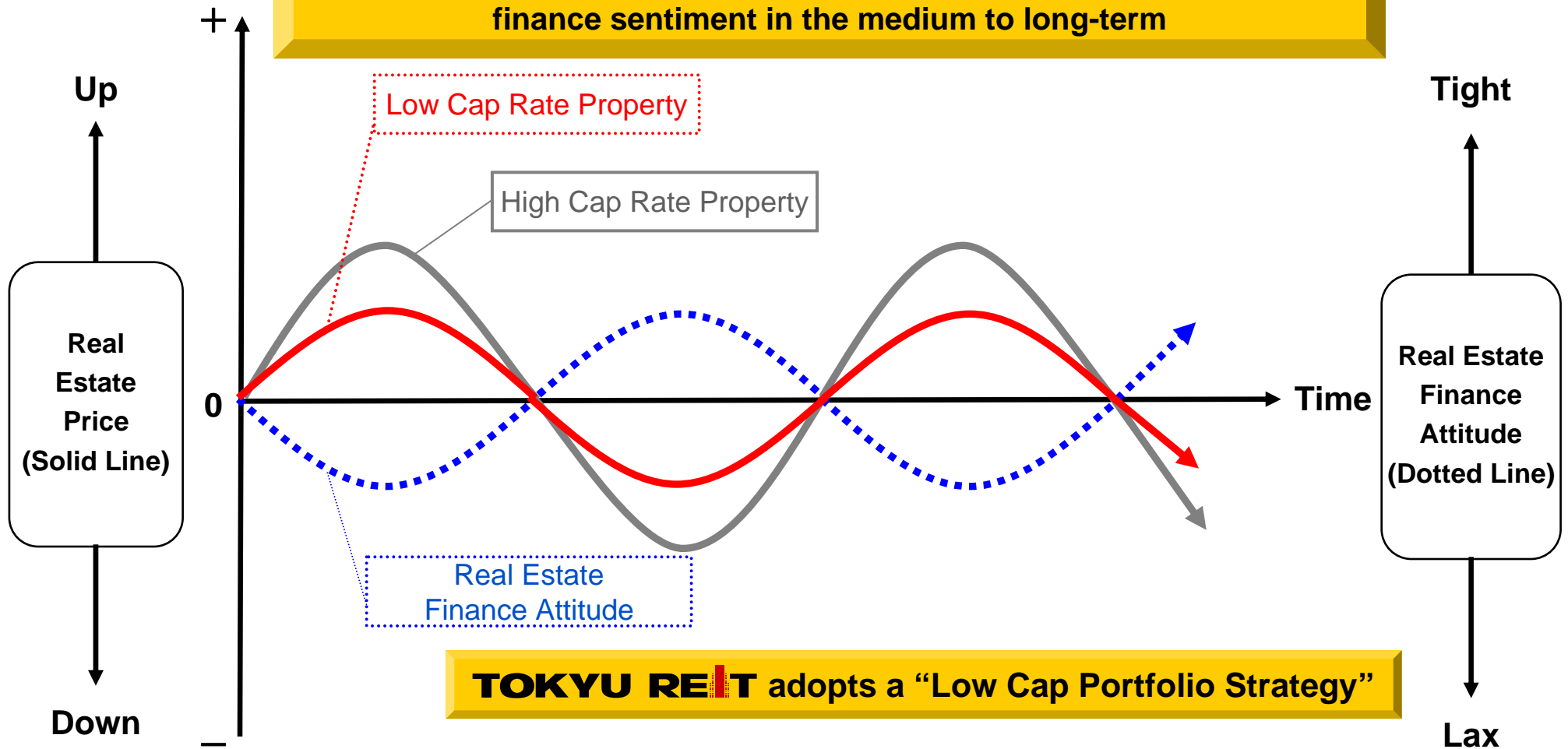
Strategic Resource Allocation with Experienced Staff who have various Skills, Know-how, and Experiences in AM/PM Companies



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

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



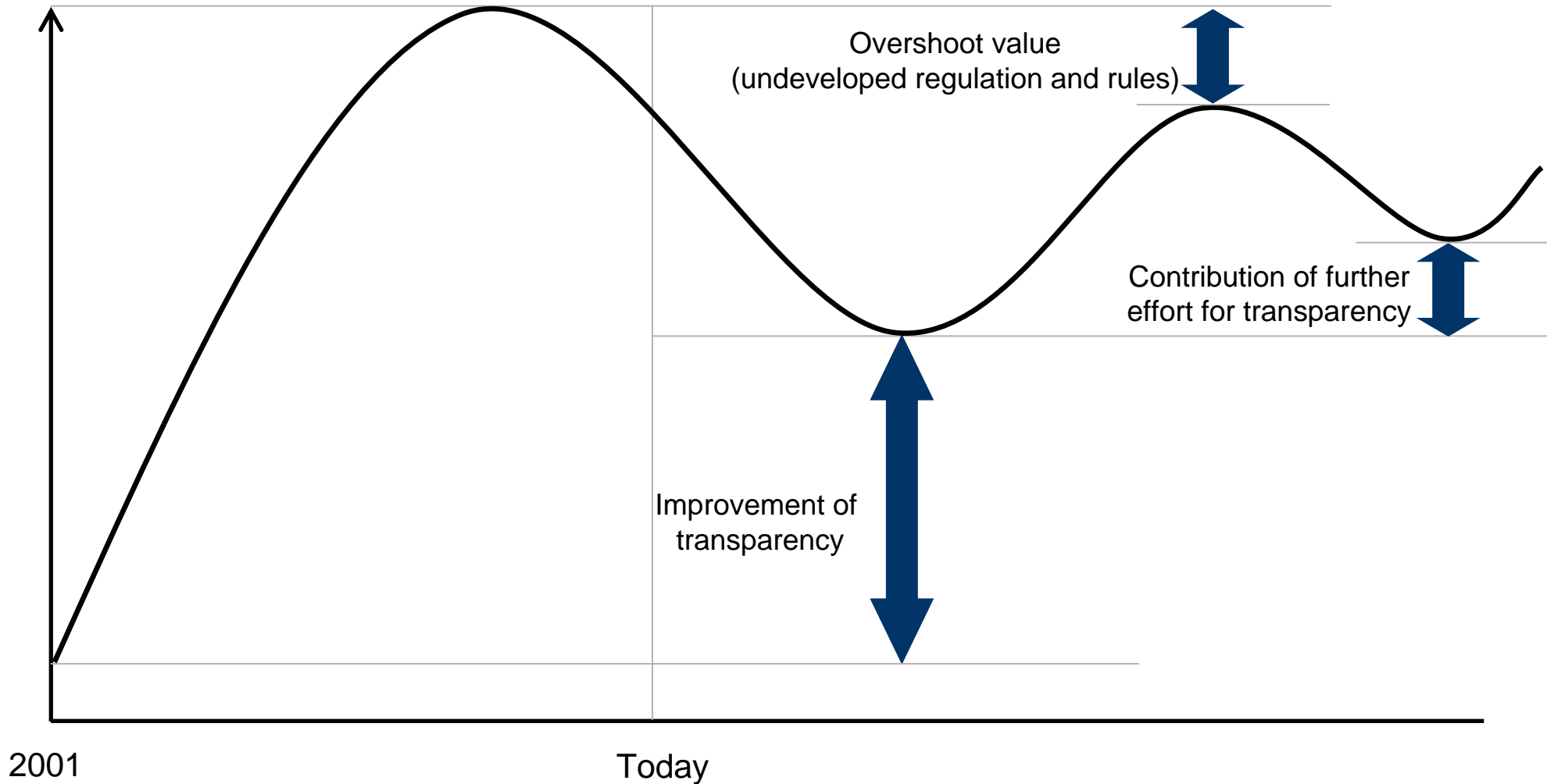
TOKYU REIT adopts a “Low Cap Portfolio Strategy”

*This page represents the view of Tokyu REIM

Image of trend of Real Estate value and Prospect

Returning to the level of “before REIT market” era is not expected unless players stop making an effort for “the better market transparency”

Real Estate Value



Acquisition

- Pipeline Support: 11 of 23 Properties (¥86.82bn out of acquisition price of ¥206.64bn)
 - 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

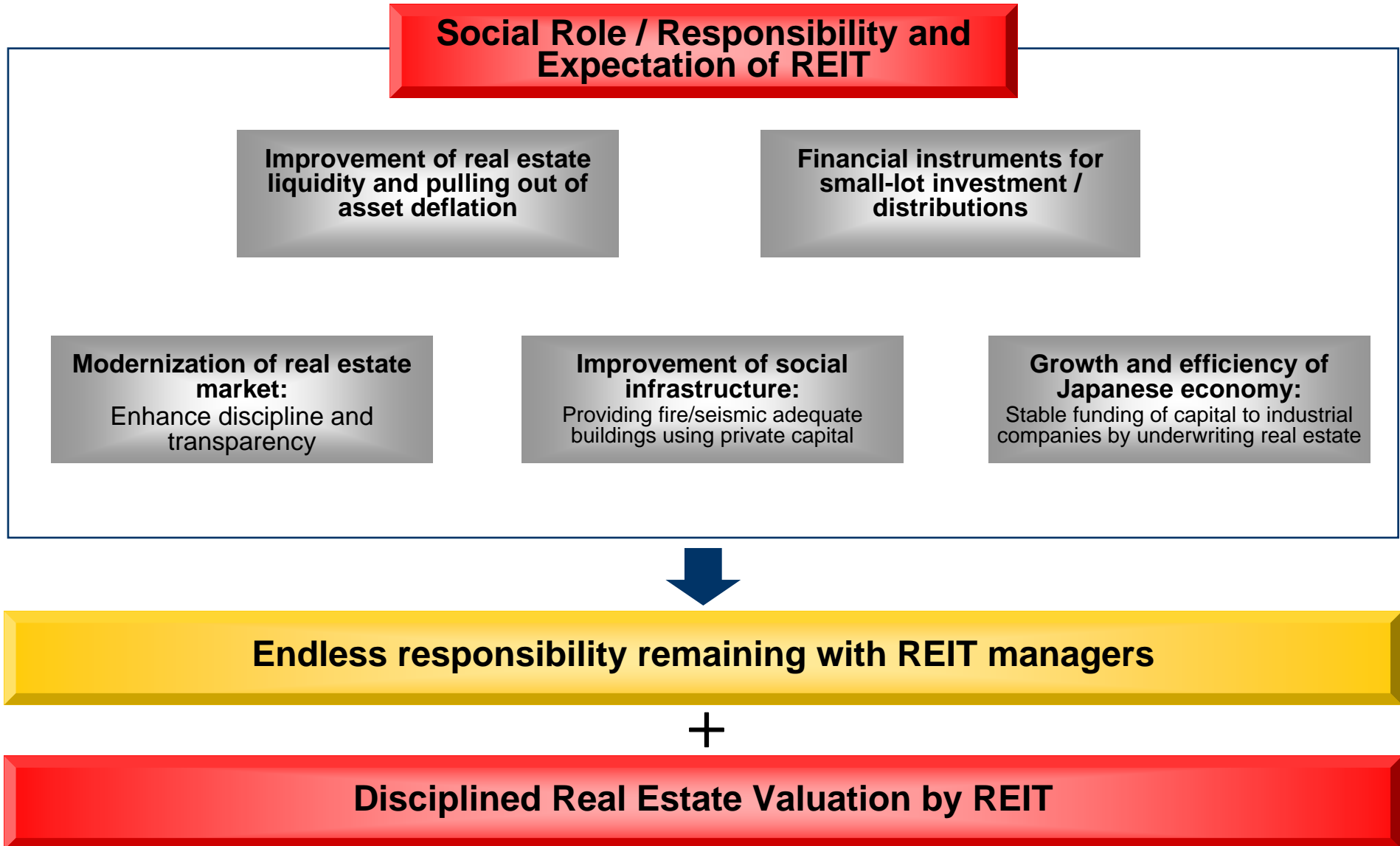
- Warehousing
 - 3 properties acquired at time of IPO: ¥14.06bn
 - Yokohama Yamashita-cho Building : 3rd period / ¥5.05bn
 - Beacon Hill Plaza (Ito Yokado Noukendai Store) : 3rd period / ¥9.52bn
 - cocoti (Net Collective Ownership 40%) : 5th period / ¥9.80bn
 - Shonan Mall Fill (*sokochi*) : 6th Period / ¥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

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)

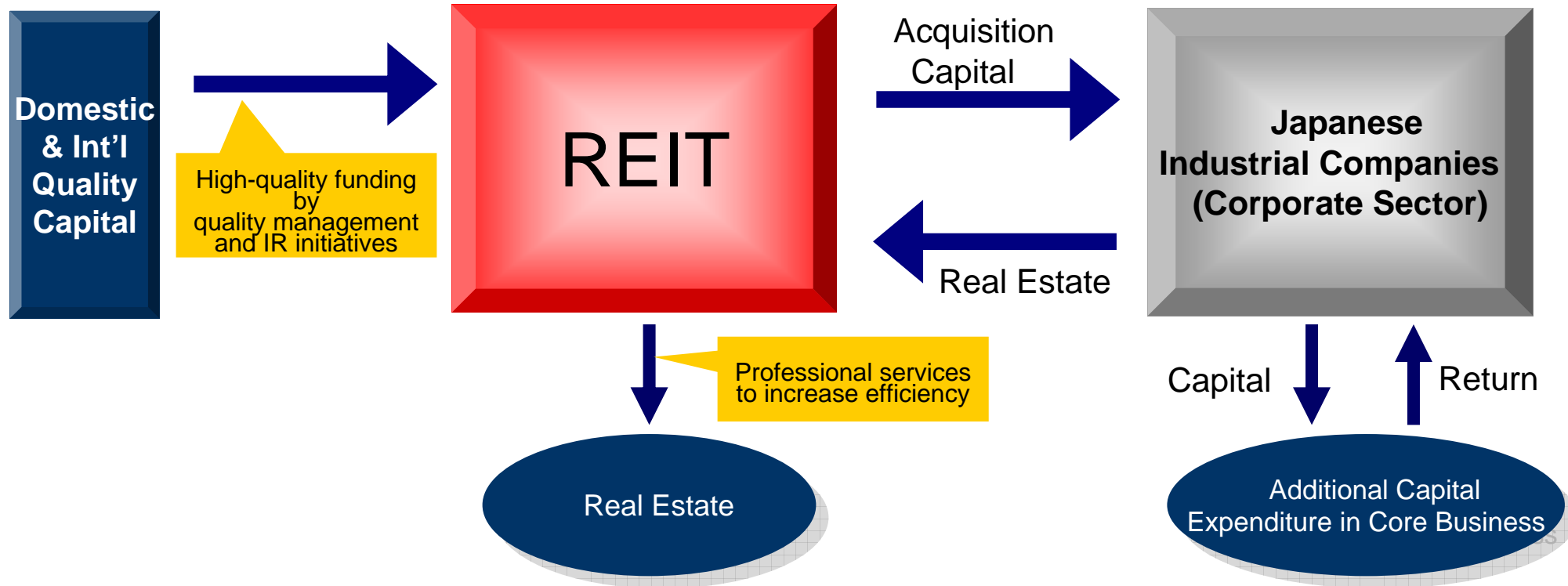
* Real GDP calculation changed in December 2004 from a fixed base method to a rolling method (base year changes every year)

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. REIT contributes to this effort and hence offers a societal benefit

* This page represents the view of Tokyu REIM

Growth and More Efficiency of Japanese Economy

Enhance potential growth of Japan through REIT's investment activities



REIT continuously supplies funds for Capital Expenditure for Core Business of industrial Corporation (Corporate sector), by underwriting Commercial Real Estate. This will increase productivity of the corporate sector and enhance potential growth of Japan

*This page represents the view of Tokyu REIM.

Additional Information on p. 59 “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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