

TOKYU REIT

TOKYU REIT, Inc. Semiannual Report **Eleventh Fiscal Period** From August 1, 2008 to January 31, 2009



cocoti

cocoti is a retail property surrounded by casual brand stores and lies on the outskirts of an area known as "Ura Harajyuku." This property's tenants are comprised of brand shops, cafes, sports gyms, and other outlets and meet the various needs of a customer.



TOKYU REIT Shibuya Udagawa-cho Square

TOKYU REIT Shibuya Udagawa-cho Square is a retail property located in the central area of Shibuya, one of Tokyo's main retail and commercial districts, and faces the major retail thoroughfares Inokashira-dori and Shibuya Center-gai.



TOKYU REIT Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)

Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is an office building located in the Akasaka area. This property has excellent office specifications including ceiling height and individually controlled air conditioners.



CONZE Ebisu

CONZE Ebisu is restaurant complex, situated approximately a two-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line and contains eight restaurants from the basement level to the eighth floor. Ebisu is one of the areas in Tokyo that has recently drawn a great deal of attention from various media. The area is particularly known as an ideal site for restaurants, and shows potential for further growth.

Stable Earnings and Cash Distributions through Investment in Highly Competitive Properties in Areas with Strong Growth Potential

Setagaya Business Square

Setagaya Business Square is an office building situated above Yoga Station on the Tokyu Den-en-toshi Line, approximately twelve minutes from Shibuya Station. Conveniently located, it can also be accessed by National Road No. 246, Kampachi-dori, and the Yoga interchange on Metropolitan Expressway Route No.3.



QFRONT

QFRONT is a retail property located directly across from Shibuya Station, an area identified as one of Japan's busiest retail districts. QFRONT contains a rental and retail store of videos and CDs, coffee shop, movie theater and a variety of restaurants. Distinguished by the large LED advertising screen adorning the exterior, QFRONT has received considerable exposure from a variety of media.



Tokyu Ikejiri-ohashi Building

Tokyu Ikejiri-ohashi Building is an office building located close to Ikejiri-ohashi station on the Tokyu Den-en-toshi Line. With road access from all four sides and a floor layout that is essentially square throughout, making it a rare find that is considered to possess a competitive edge in the area.



Resona Maruha Building

Resona Maruha Building is a unique office building facing Uchibori-dori in Otemachi, one of the most highly regarded office building districts in Japan. TOKYU REIT owns eight floors of the building's upper floors.





TOKYU REIT, Inc.

Semiannual Report Eleventh Fiscal Period

From August 1, 2008 to January 31, 2009

11th

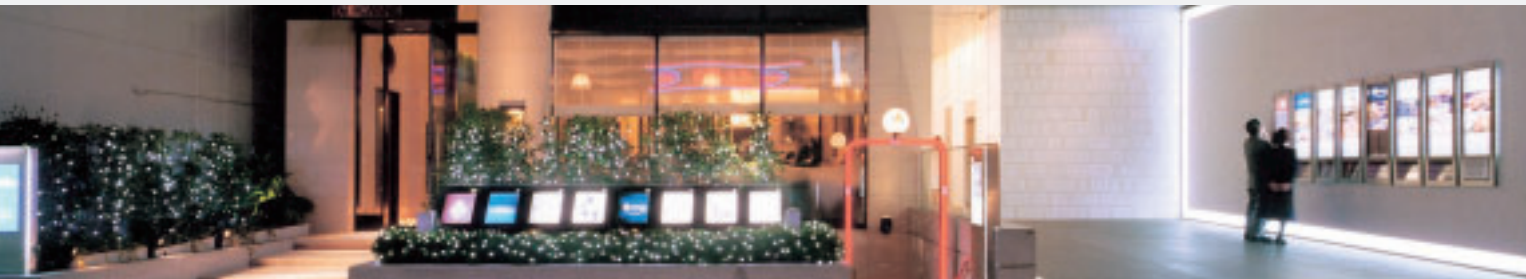
TOKYU REIT listed its units on the Tokyo Stock Exchange on September 10, 2003.

With the ultimate goal of maximizing unitholder value, TOKYU REIT is engaged in asset investment and management based on principles of growth, stability, and transparency. TOKYU REIT is committed to securing stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential.

TOKYU REIT invests primarily in retail and office properties located in the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) and the Tokyu Areas, which refers to the areas serviced by the Tokyu rail network. As of January 31, 2009, the end of TOKYU REIT's eleventh fiscal period, TOKYU REIT held eleven retail facilities and twelve office buildings, for a total of 23 properties.

CONTENTS

4	To Our Unitholders
10	Management
14	Financial Strategies
16	Portfolio
32	Asset Management Report
56	Report of Independent Auditors
57	Balance Sheets
59	Statements of Income
60	Statements of Changes in Unitholders' Equity
61	Statements of Cash Flows (Unaudited)
62	Notes to Financial Statements
74	Unitholder Information



BASIC POLICY OF TOKYU REIT

1 Investment strategies that accelerate 'growth'

- Investment in properties in central Tokyo and the Tokyu Areas – areas with strong growth potential
- Committed to continued collaboration with Tokyu Group companies
- Growth through heightened added value of the Tokyu Areas

2 A portfolio that secures 'stability'

- Diversified property uses and limited investment regions
- Winning long-term contracts with well-balanced tenants
- Investment criteria aimed at low risk and steady returns

3 Fund structure that backs 'transparency'

- Original establishment of rules for preventing conflicts of interest
- Independent third-party checks
- Proactive disclosure of transaction details

HIGHLIGHTS

■ External Growth

- Additional acquisition of Ryoshin Harajuku Building (October 3, 2008)



Ryoshin Harajuku Building

■ Internal Growth

- Outstanding occupancy rate (98.6%) as of January 31, 2009, at the end of the eleventh fiscal period
- Fall by 0.1% of monthly rental income in the entire portfolio at the end of the eleventh fiscal period (Compared with tenth fiscal period)

■ Implementation of Strict Corporate Governance

■ Proactive IR Activities

FINANCIAL SUMMARY

		11th Fiscal Period	10th Fiscal Period
Balance Sheets	Number of Properties	23 properties	23 properties
	Total Assets	¥217,727 million	¥218,205 million
	Interest-Bearing Liabilities	¥97,000 million	¥97,000 million
	Total Assets Loan-to-Value (LTV) Ratio	44.6%	44.5%
Statements of Income	Operating Revenues	¥7,643 million	¥7,336 million
	Net Income	¥2,758 million	¥2,804 million
Distributions	Cash Distribution per Unit	¥16,284	¥16,560
	Average Market Price per Unit	¥603,570	¥835,903
	Distribution Yield	5.35%	3.97%



On behalf of TOKYU REIT, Inc. (**TOKYU REIT**), I would like to express my sincere appreciation to all of our REIT unitholders for their unwavering support and patient understanding. We also appreciate our unitholders for their active participation in our unitholder meetings. We hope to see as many unitholders as possible at the Fourth General Meeting of Unitholders to facilitate the exercise of their voting rights. The following pages provide an overview of our operating environment and results for the eleventh fiscal period, August 1, 2008 to January 31, 2009.

Masahiro Horie

Executive Director
TOKYU REIT, Inc.
Representative Director & President, Chief Executive Officer
Tokyu Real Estate Investment Management Inc.

Cash Distribution of ¥16,284 per Unit

For the eleventh fiscal period, **TOKYU REIT** posted ¥7,643 million and ¥2,758 million in operating revenues and net income, respectively. Compared with the tenth fiscal period, **TOKYU REIT** achieved an improvement in operating revenues, owing to such positive factors as the full-period operation of the properties acquired during the previous fiscal period. Earnings declined compared with the previous fiscal period, however, due to an increase in average debt principal in line with these property acquisitions as well as to the absence of proceeds from penalty charges for premature contract cancellation—a special earnings-boosting factor recorded during the previous fiscal period. Nevertheless, **TOKYU REIT** realized a ¥82 million increase in net income compared with the forecast announced on September 12, 2008.

Consistent with its existing distribution policy, **TOKYU REIT** allocated 100% of its net income for a cash distribution of ¥16,284 per unit. This was ¥276, or 1.7%, below the tenth fiscal period distribution of ¥16,560, while being ¥484, or 3.1%, above the distribution forecast. Based on the weighted-average issue price of all of TOKYU REIT's public offerings, which amounts to ¥599,113 per unit, the cash distribution of ¥16,284 per unit in the eleventh fiscal period represents an "annualized return on the public offering price" of 5.4%.

Net assets per unit after deducting the per-unit cash distribution of ¥16,284 stood at ¥578,697. Accounting for unrealized gains (the difference between the total appraisal

value of the portfolio at the end of the fiscal period and their book value), adjusted net assets per unit declined ¥157,332 from the previous fiscal period to ¥817,826 due to a drop in the period-end portfolio appraisal value.

Upward Rent Revision Implemented

Underpinned by stable investment management, 19 of TOKYU REIT's 23 properties were fully occupied as of the eleventh period-end, and the occupancy rate for the entire portfolio was 98.6%. During the fiscal period under review, Oracle Corporation Japan—a principal tenant in the Setagaya Business Square—vacated in October 2008. However, **TOKYU REIT** has been able to acquire new tenants for approximately 70% of the space previously leased by Oracle Corporation Japan, and, as of January 31, 2009, the aggregate rent paid by these tenants amounts to approximately 80% of the rent paid formerly. In total, we attracted nine tenants that were either new or seeking additional space to replace nine tenants who vacated or decreased their leasing space. Also, we were successful in raising rental rates (including service charges for common areas) for all six tenants whose contracts were scheduled for renewal during the fiscal period under review. Due to these efforts, rental revenues from 20 properties, excluding the three properties acquired during the tenth fiscal period, increased 0.3% compared with the tenth fiscal period.

Outlook

Since 2008, the real estate leasing market in Tokyo has grown increasingly stagnant. Reflecting on this situation, **TOKYU REIT** sees the situation that no optimism is warranted on its future performance, will continue for some time.

On March 16, 2009, **TOKYU REIT** announced distribution forecasts of ¥14,700 and ¥14,300 per unit for the 12th and 13th fiscal periods, respectively. These figures are based on currently effective contracts and advance notices of contract cancellations and also factor in certain risks that may result in rental rate reductions. However, these figures do not take into account plans for upward revisions in rent and potential property acquisitions. Moreover, these forecasts are subject to change due to a variety of factors, including trends in conditions of investment management and interest rate movements.

Focusing on Tenant Leasing

The vacancy rate for TOKYU REIT's entire portfolio was 1.4% as of January 31, 2009. According to data compiled by CB Richard Ellis Research Institute K.K., the vacancy rates in Tokyo's 23 wards and the five central wards of Tokyo were 3.3% and 3.2%, respectively, as of December 31, 2008. The figure for **TOKYU REIT** is staying steady at a comparatively lower rate. Although this may indicate that we have been more successful in our investment by choosing properties that are more likely to be selected by tenants, the vacancy rate we did record is itself higher than any we have recorded over the past eight fiscal periods. There is no doubt that **TOKYU REIT** has been negatively affected by the corporate sector's worsening performance and weakening drive toward capital investment due to the current global economic downturn.

For example, consider the Ryoshin Harajuku Building, when **TOKYU REIT** acquired this property in June 2008, it had two completely vacant floors. Although we concluded a lease agreement for one of the floors in January 2009, the other floor remains vacant to this day. In the case of the Lexington Aoyama, in July 2008, we received an advance notice from World Co., Ltd.—one of the property's principal tenants—expressing its intention to vacate the premises on March 31, 2009. Although we have since negotiated with several potential tenants, the next tenant for the space remains undecided. Concerning the Resona Maruha Building, an independent administrative

agency currently leasing the 18th floor will definitely vacate the property in June 2009. Should these spaces remain vacant, the vacancy rate of TOKYU REIT's entire portfolio for both the 12th and 13th fiscal periods will stand at 2.3%.

I have repeatedly said that all of TOKYU REIT's portfolio properties boast excellent locations and therefore superior tenant substitutability, making for a stable, profitable and high-quality portfolio. This is a fact even today. Building on this particular strength, **TOKYU REIT** aims to improve the vacancy rate for its portfolio, thereby sustaining an upward trend in its performance even under stagnant conditions in the real estate leasing market.

The Resona Maruha Building Project



In April 2008, Mitsubishi Estate Co., Ltd. announced that it had acquired the interest held in the Resona Maruha Building that previously had been held by Resona Bank, Limited. Accordingly, **TOKYU REIT** and a special purpose entity established by Mitsubishi Estate hold compartmentalized ownerships of the property. Through reconstruction, the Resona Maruha Building's floor-area ratio can be increased from the current 1,000% to 1,300%, and Mitsubishi Estate has expressed its intention to undertake the necessary development. **TOKYU REIT** will not be directly involved in the reconstruction. However, we have positioned this project as marking the beginning of our second founding and are considering potential strategies aimed at maximizing value for our unitholders.

Property Acquisitions



During the fiscal period under review, **TOKYU REIT** acquired additional ownership of the Ryoshin Harajuku Building for a total acquisition price of ¥1,196 million while conducting no other new property acquisitions. The real estate investment market in Japan is currently in a stagnation phase; a quarterly report for October through December 2008 showed that the total value of real estate transactions declined approximately 80% compared with the corresponding period of the previous year. Amid a situation where the total value of assets held by all J-REITs remains flat at around the ¥7 trillion level, **TOKYU REIT** aims to achieve external growth over the long term by expanding its portfolio scale, which currently stands at the ¥200 billion level. Over the short term, however, with due consideration given to the potential risk of lowering property values, we plan to keep our cautious and conservative stance with regard to property acquisitions.

Cap Rate Not Likely to Rise up to Former Level

TOKYU REIT has accumulated a total unrealized gain of ¥40.5 billion for the 23 properties that it held as of January 31, 2009. However, period-end appraisal values for all these properties, which have been calculated by qualified real estate appraisers, have gone down compared with the previous fiscal period. In general, the value of a property held by a J-REIT is calculated by dividing potential income (cash flow) from the property by a discount rate (cap rate). Cap

rates are lower for properties with higher potential for generating stable income and higher for properties that carry greater risks. In addition, cap rates fluctuate, affected by economic cycles and other factors. In other words, a property does not always present the same cap rate. One theory explaining the aforementioned decline in the appraisal values of TOKYU REIT's portfolio properties attributes it to this factor—cap rates have risen in the wake of the recent global economic slowdown and the stagnant Japanese real estate investment market.

Will cap rates go back up, effectively canceling out the effects of the favorable downward trend that we enjoyed over the past several years? My answer is “No.” Certainly, should economic conditions worsen further, cap rates will start and continue to rise to some extent. But I am saying “No” because I believe that the downward trend in cap rates is not necessarily and solely attributable to the latest period of economic recovery being the longest since World War II. In fact, the favorable cap rate trend of the recent past reflected the contracting risk premium attendant to real estate investment. This contraction was a direct result of the establishment of the J-REIT market, which was followed by the accelerated disclosure of real estate-related information in Japan, improved transparency in the real estate market and, finally, the enhanced safety of investment in real estate. In particular, improved transparency has been key in making Japanese real estate a choice investment for global investors. Taking this view of the situation into account, in my opinion the portion of the cap rate decrease attributable to improved transparency will not be canceled out as long as the J-REIT industry continues in its efforts to maintain the market's transparency.

Accelerating the Shift to Long-Term Fixed-Interest Debt Financing

The major financing issue that **TOKYU REIT** faced during the 11th fiscal period was the conversion of short-term debt, which stood at ¥26.0 billion as of July 31, 2008, into long-term debt. Proceeds from short-term debt were partially used to acquire the Ryoshin Harajuku Building, the Daikanyama Forum and the Tokyu Ikejiri-ohashi Building during the tenth fiscal period, as well as the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) at the end of the ninth fiscal period.

In procuring funds to acquire properties, **TOKYU REIT** places particular importance on flexibility. Accordingly, we first undertake short-term debt financing

with five principal lenders-namely, The Sumitomo Trust and Banking Co., Ltd., The Chuo Mitsui Trust and Banking Co., Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd. and Mitsubishi UFJ Trust and Banking Corporation-that we have used since the time of our listing. Then, we convert the short-term debt into long-term debt, taking into account the diversification of lenders and repayment dates, the ratio of long-term fixed-interest debt and the average duration of long-term debt financing.

Debt financing conditions grew extremely severe during the fiscal period under review, with financial institutions suddenly hardening their lending stance. Despite such conditions, however, **TOKYU REIT** was able to refinance ¥11.0 billion of its short-term debt in November 2008, achieving a ratio of long-term fixed-interest debt of 84.5% and an average duration of long-term debt financing of 3.07 years. In addition, as a subsequent event in the 12th fiscal period, we undertook long-term debt financing totaling ¥5.0 billion on February 25, 2009 with The Development Bank of Japan, one of the lenders that we have used frequently in the past. Looking ahead, **TOKYU REIT** will work to strengthen its financial soundness through such means as further increasing the ratio of long-term fixed-interest debt.

Regulatory Movements Affecting J-REITs

In Japan, the Ministry of Land, Infrastructure, Transport and Tourism and the Financial Services Agency have actively implemented policies that affect the entire J-REIT industry. In addition to this, in January 2009, the Bank of Japan (BOJ) decided to accept bonds and commercial paper issued by J-REITs and loans on deeds to J-REITs as collateral eligible for credit provided by the BOJ. Here, I would like to point out that the regulatory development applying to the J-REIT industry has been inferior to that for general operating companies, in view of the BOJ having already decided to

purchase commercial paper issued by these companies with the aim of ensuring stability in financial markets as well as facilitating corporate financing. Nevertheless, BOJ Governor Masaaki Shirakawa clearly explained in a press conference that J-REITs are the principal participants in Japan's real estate securitization market-and an indispensable component of the country's overall securitization market-and that the BOJ has decided to amend the guidelines for eligible collateral with due consideration given to the significantly growing balance of liabilities incurred by J-REITs, including J-REIT bonds. This and other relevant developments initiated by the Japanese government and the central bank reflect these institutions' accurate recognition of the J-REIT industry as an important component of the financial infrastructure while demonstrating their outright support for the industry. We believe that these regulatory developments will effectively contribute in helping to prevent excessive asset deflation due to real estate value depreciation in the country.

J-REIT reflects Japanese real estate prices. Therefore, if J-REITs stop functioning properly, Japanese real estate prices may suffer unreasonable depreciation. Excessive asset deflation would place pressure on the nation's economy and may increase the risk of ballooning economic recovery costs. Therefore, I believe that the implementation of certain preventive policies by the government is essential. In fact, I truly feel that the government and the central bank's announcements regarding such policies have a noticeably positive impact. Still, the J-REIT industry must

continue its own efforts aimed at securing further industrywide growth. Specifically, to prevail amid the current critical situation, J-REIT's investment management companies must adhere to their ethics and exercise responsibility in every facet of their operations while enhancing management transparency and capabilities as well as corporate governance. In this way, they have to strive to meet the government and investors' expectations.

Proposing the Time-Limited Reduction of Investment Management Fees

On February 27, 2009, the Board of Directors of Tokyu Real Estate Investment Management Inc. ("Tokyu REIM")—TOKYU REIT's investment management company—held a Board of Directors Meeting and passed a resolution to submit a proposal to **TOKYU REIT** concerning the voluntary reduction of Tokyu REIM's investment management fees. In this proposal, Tokyu REIM is offering to reduce its fees 2%, 4%, 6% and 8% in the 12th, 13th, 14th and 15th fiscal periods, respectively, over a two-year period commencing February 1, 2009. TOKYU REIT's Board of Directors approved the proposal, subject to the approval of the Fourth General Meeting of Unitholders to be held on April 15, 2009.

The investment management fees paid to Tokyu REIM fluctuate along with the fair value of TOKYU REIT's property portfolio (basis of liquidation value), TOKYU REIT's cash flows (basis of cash distributions) and the price of TOKYU REIT's

investment units (basis of disposal value). These value bases collectively constitute the unitholder value that **TOKYU REIT** realizes. This fee structure is the representation of Tokyu REIM's stance that it should be in the same boat as its unitholders. For example, when the fair value of TOKYU REIT's portfolio depreciates or TOKYU REIT's cash flows worsen to consequently diminish unitholder value, the fees paid to Tokyu REIM will be reduced accordingly. This means that this fee system has a "built-in stabilizer" effect that automatically buffers the impact of economic fluctuations on TOKYU REIT's performance.

However, as the Japanese government contends that the current global financial disorder is growing into a worse-than-expected crisis, the situation has developed into one where the aforementioned built-in stabilizer effect alone cannot absorb the negative impact on TOKYU REIT's performance. It is true that **TOKYU REIT** boasts higher stability in securing profitability than other companies in general. However, it is also true that we are surrounded by a greater-than-expected level of uncertainty due to the financial crisis.

The aforementioned items thus constitute the background behind the proposal for reducing investment management fees. I hope that our unitholders will recognize this initiative as one implemented as part of Tokyu REIM's self-supporting efforts to contribute to the maximization of unitholder value and the reinforcement of TOKYU REIT's sustainability.

Overview of Investment Management Fee

	Calculation Formula and Payment Period
Base 1 (Asset-based)	Amount of total from the following calculation about asset value at the end of previous period ■ For the portion under ¥200 billion : Asset value at the end of previous period × 0.150% ■ For the portion exceeding ¥200 billion: Asset value at the end of previous period × 0.125% The payment should be implemented until the end of the fiscal period.
Base 2 (Cash-based)	Amount of total from the following calculation about operating cash flow*1 in current period ■ For the portion under ¥5 billion : Operating cash flow in current period × 6.0% ■ For the portion exceeding ¥5 billion: Operating cash flow in current period × 5.0% The payment should be implemented within two months of the end of the fiscal period.
Incentive (Unit price-based)	Amount from the following calculation about closing price in current period ■ (Average price in current period-Record average price) × Number of investment unit × 0.4%*2 The payment should be implemented within two months of the end of the fiscal period.

Notes: 1. Operating cash flow = ordinary income + depreciation and amortization of deferred assets - profit or loss from valuation

2. Change from 1.0% to 0.4%, approved at the General Meeting of Unitholders held on April 17, 2007.

TOKYU REIT has agreed on the reduction of investment management fees by a certain rate as described below with the Investment Management Company, Tokyu REIM on the condition that the reduction is approved at the Fourth General Meeting of Unitholders, to be held on April 15, 2009.

(Rate of Reduction) 12th Fiscal Period (From February 1, 2009 to July 31, 2009): 2% 13th Fiscal Period (From August 1, 2009 to January 31, 2010): 4% 14th Fiscal Period (From February 1, 2010 to July 31, 2010): 6% 15th Fiscal Period (From August 1, 2010 to January 31, 2011): 8%

Changes in Investment Management Fee

Thousands of yen

	Base 1	Base 2	Incentive	Total
1st fiscal period	94,417	95,247	—	189,664
2nd fiscal period	154,575	144,851	110,023	409,450
3rd fiscal period	167,610	183,158	46,655	397,424
4th fiscal period	205,275	198,590	50,235	454,100
5th fiscal period	232,635	234,558	57,421	524,615
6th fiscal period	261,645	226,633	230,212	718,490
7th fiscal period	281,700	237,836	94,634	614,170
8th fiscal period	312,650	248,992	191,893	753,536
9th fiscal period	330,412	248,466	—	578,879
10th fiscal period	353,650	266,620	—	620,270
11th fiscal period	385,850	268,921	—	654,771

Note: Figures are rounded down to the figures under described. Therefore totals may not exactly match the sum of relevant items.

Invitation to the Fourth General Meeting of Unitholders

I believe that our unitholders have already received the Notice of Convocation of the Fourth General Meeting of Unitholders. As described in the notice, **TOKYU REIT** has included the following agenda items for the meeting: (1) partial amendments to its Articles of Incorporation, including a time-limited reduction of investment management fees; (2) the election of one executive director; and (3) the election of two supervisory directors.

Reflecting our wish to make the highest possible cash distribution to our unitholders and ensure fairness for all unitholders, including those unable to attend the meeting, we will not offer mementoes to those who attend. However,

we invite all our unitholders to the meeting, as well as to Tokyu REIM's business results briefing, scheduled after the meeting. Also, we ask those who will not be able to attend to exercise their voting rights as much as possible, as we are committed to incorporating our unitholders' opinions and advice into our investment management.

March 2009



Masahiro Horie

In his role as CEO of REIT's investment manager, Mr. Horie draws on the wealth of experience he has accumulated since entering Tokyu Corporation.

1984

Entered Tokyu Corporation.

1985

Participated in development planning of the Tama Den-en-toshi area.

1986

Logistical support in Japan for overseas real estate development projects located on the west coast of the United States and Hawaii.

1989

Transferred to hotel management company domiciled in Honolulu, Hawaii.

1994

Posted to the Finance & Accounting Division of Tokyu Corporation.

1996

Posted to the Group Controllers Division.

1999

Appointed to the Group Restructuring Strategy & Investor Relations Division. Promoted REIT business proposal as part of the Tokyu Group's Management Policy announced in 2000, commenced REIT business feasibility study.

2001

Posted to Tokyu Real Estate Investment Management Inc. (Tokyu REIM) at the time of company incorporation. Appointed Tokyu REIM Executive Vice President and Representative Director.

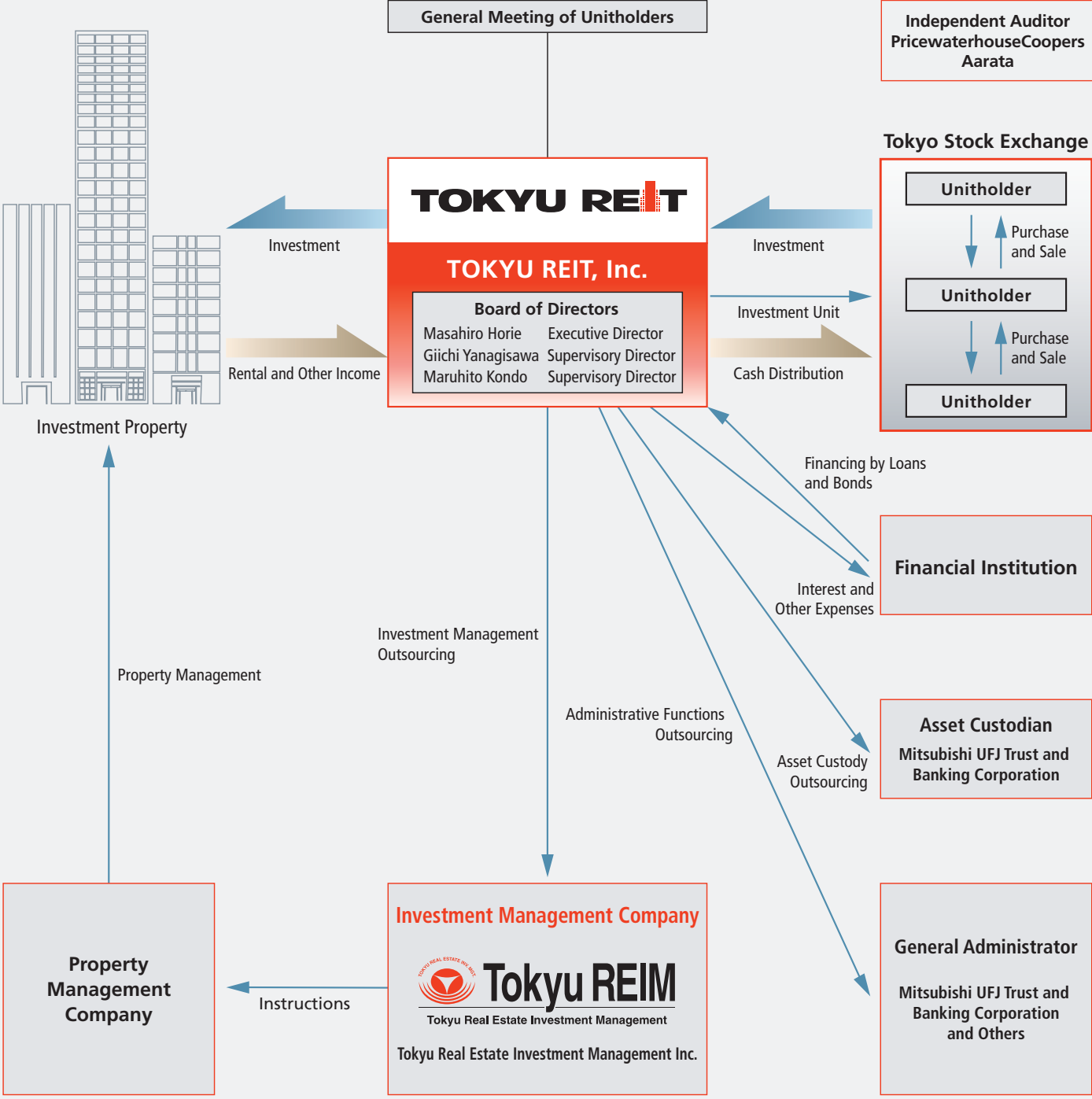
2002

Appointed Representative Director, President and Chief Executive Officer of Tokyu REIM.

2003

Obtained approval from the Financial Services Agency in order to act as an Executive Director of TOKYU REIT, Inc. and as a Representative Director, President and Chief Executive Officer of Tokyu REIM.

TOKYU REIT Structure and External Service Providers



TOKYU REIT, Inc. Board of Directors

The Board of Directors Meeting

TOKYU REIT's Board of Directors comprises Executive Directors that execute the operations of the investment corporation and Supervisory Directors that oversee the Executive Directors' execution of operations. The Articles of Incorporation stipulate that the Board of Directors must contain one or two Executive Directors and two or three Supervisory Directors, with at least one more Supervisory Director than the number of Executive Directors. It also limits the term of office of these directors at two years. As of the end of the eleventh fiscal period, there were one Executive Director and two Supervisory Directors at TOKYU REIT.



Giichi Yanagisawa
Supervisory Director



Masahiro Horie
Executive Director



Maruhito Kondo
Supervisory Director

Giichi Yanagisawa Supervisory Director

March 1985	Certified as a public accountant in Japan (current position) Established Yanagisawa Certified Public Accountant Office
May 1985	Certified as a tax accountant in Japan (current position)
June 2000	Appointed representative, Shinsoh Corporation (current position)
July 2001	Appointed member of the Board of The Japanese Institute of Certified Public Accountants
June 2003	Appointed supervisory director, TOKYU REIT, Inc. (current position)
July 2004	Appointed Executive Board of The Japanese Institute of Certified Public Accountants (current position)

Maruhito Kondo Supervisory Director

April 1988	Admitted to the Bar of Japan (Tokyo Bar Association) Entered Ohara Law Office
May 1988	Studied abroad at the Chinese University of Hong Kong
September 1988	Studied abroad at Renmin University of China
July 1989	Worked at Robert Lee & Fong Solicitors in Hong Kong
February 1996	Opened Maruhito Kondo Law Office (current position)
May 1998	Admitted to Daini Tokyo Bar Association (current position)
June 2003	Appointed supervisory director, TOKYU REIT, Inc. (current position)

Note: See page 9 about Masahiro Horie's career.

Board of Directors Meeting Operation Schedule

TOKYU REIT's Board of Directors Meeting is run by the General Administrator (Mitsubishi UFJ Trust & Banking Corporation) and Legal Counsel (Mori Hamada & Matsumoto) to attend the meeting in principle. Meetings held and attendance of the period are as follows:

Name	Role	Attendance (including by phone)							Total	Rate of Attendance
		1st to 5th Periods	6th Period	7th Period	8th Period	9th Period	10th Period	11th Period		
Masahiro Horie	Executive Director	75	12	12	13	12	15	13	152	100%
Giichi Yanagisawa	Supervisory Director	74	12	12	13	12	15	13	151	99%
Maruhito Kondo	Supervisory Director	75	12	12	13	12	15	13	152	100%
Mitsubishi UFJ T&B	General Administrator	75	12	12	13	12	15	13	152	100%
Mori Hamada & Matsumoto	Legal Counsel	71	12	12	13	12	15	13	148	97%
Meetings Held		75	12	12	13	12	15	13	152	

Supervision of Operation by Supervisory Directors

TOKYU REIT's Supervisory Directors operate as follows (apart from attendance to the Board of Directors Meetings):

- (1) Supervision of execution of duties by Executive Director 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 of Directors Meeting, exercise the right to inspect key service providers provided in the agreement as needed.
- (3) Investment Manager or General Administrator assists Supervisory Directors since TOKYU REIT is not allowed to hire employees following the Investment Trust Law. Supervisory Directors are always able to consult Legal Counsel whenever legal assistance is needed.

Tokyu Real Estate Investment Management Inc. Investment Management Company

URL: www.tokyu-reim.co.jp

Tokyu Real Estate Investment Management Inc. ("Tokyu REIM") contracted with TOKYU REIT on June 20, 2003, to act as its investment manager. Underpinned by investment policies held in common with TOKYU REIT, Tokyu REIM strives to maximize unitholder value through business growth, stability and transparent operations.

In addition, Tokyu REIM follows strict internal rules governing conflicts of interest and takes all necessary care in transactions with Tokyu Group companies.

Tokyu REIM is a financial instruments dealer under the Financial Instruments and Exchange Law (Kanto Financial Bureau (*Kin-sho*) No. 360).

History

Date	Remark
June 27, 2001	Tokyu REIM established (capital ¥100 million)
August 31, 2001	Acquired real estate brokerage license (No. 79964 Governor of Tokyo (updated on September 1, 2006))
September 26, 2001	Capital increase (increase in capital from ¥100 million to ¥125 million)
September 28, 2002	Capital increase (increase in capital from ¥125 million to ¥300 million)
April 3, 2003	Acquired discretionary transaction agent approval in accordance with the Building Lots and Building Transactions Business Law (Minister of Land, Infrastructure and Transport No. 17)
June 16, 2003	Acquired investment trust management business transaction authorization from the Office of the Prime Minister (No. 27)
June 16, 2003	Acquired approval to provide consulting services and agency services (Financial Service Agency No. 1961)*
June 20, 2003	Concluded an investment management agreement with TOKYU REIT
July 25, 2003	Registered as a general real estate investment management company (No. 000016)
September 30, 2007	Registered as a financial instruments dealer (Kanto Financial Bureau (<i>Kin-sho</i>) No. 360)

Note: Tokyu REIM is not acting these services now.

Major Shareholders (as of September 30, 2008)

Name	Address	Shares Held	Ratio
Tokyu Corporation	5-6, Nampo-dai-cho, Shibuya-ku, Tokyo	3,600 shares	60%
Tokyu Land Corporation	1-21-2, Dogenzaka, Shibuya-ku, Tokyo	2,400 shares	40%
Total		6,000 shares	100%

Board of Directors

A management structure has been implemented whereby the Board of Directors is responsible for business management, as a supreme decision-maker of the investment management such as decision making on business policy and other important matters relating to the execution of business operations. In addition, the Board of Directors supervises business operations undertaken by the representative director and executive officers. During the eleventh fiscal period, the Board of Directors met on nine occasions.

Investment Committee

The Investment Committee is comprised of the president (who serves as chairperson), three non-executive directors and a real estate appraiser. The Investment Committee discusses the initial drafts of, and any amendments to TOKYU REIT's management guidelines and fund management plan, portfolio asset allocation, and possible investment and disposal of a property. This information is presented to the Board of Directors with the Committee's opinion and recommendation. During the eleventh fiscal period, the Investment Committee met on seven occasions.

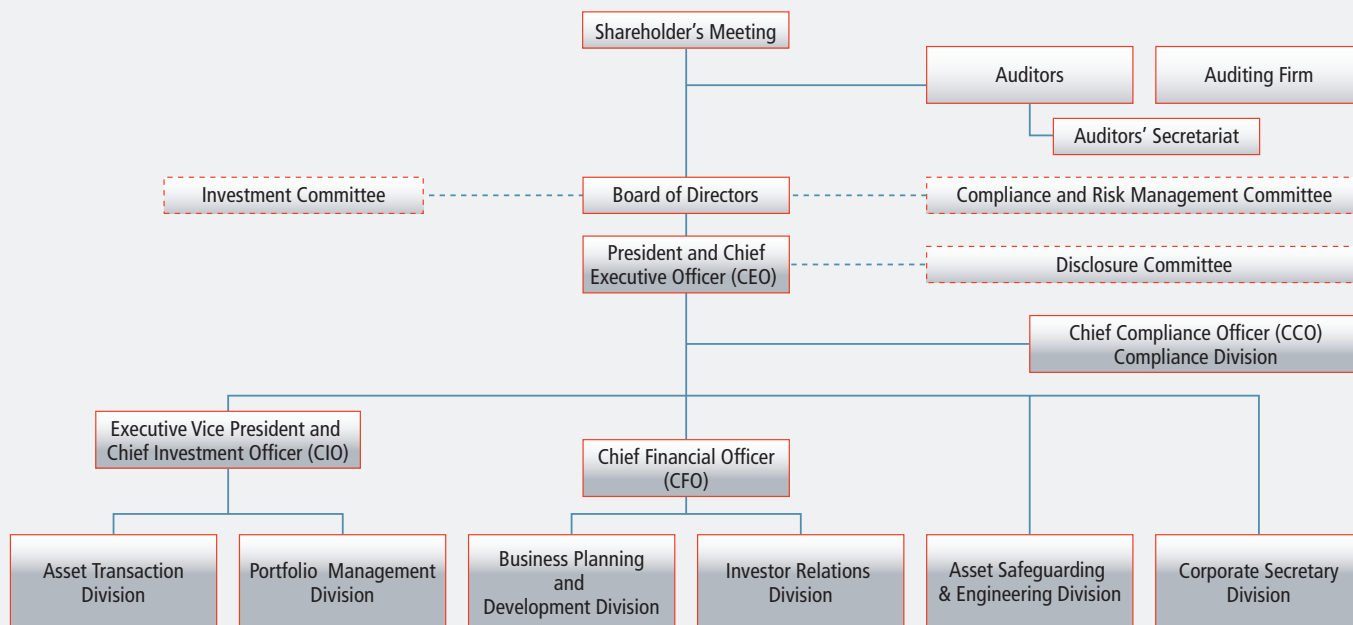
Compliance and Risk Management Committee

The Compliance and Risk Management Committee is comprised of two non-executive directors (one of whom serves as chairperson) and two external committee members. Under the guidance of the Board of Directors, the Compliance and Risk Management Committee discusses material matters relating to compliance and risk management as well as the adequacy of internal rules regarding related-party transactions. It also provides opinions and recommendations to Tokyu REIM's Board of Directors. While third-party confirmation is obtained regarding the adequacy of rules applicable to individual transactions, matters are referred to the compliance officer and forwarded to the Compliance and Risk Management Committee for discussion as required, when the third party determines the matter warrants special mention. During the eleventh fiscal period, the Compliance and Risk Management Committee met on nine occasions.

Disclosure Committee

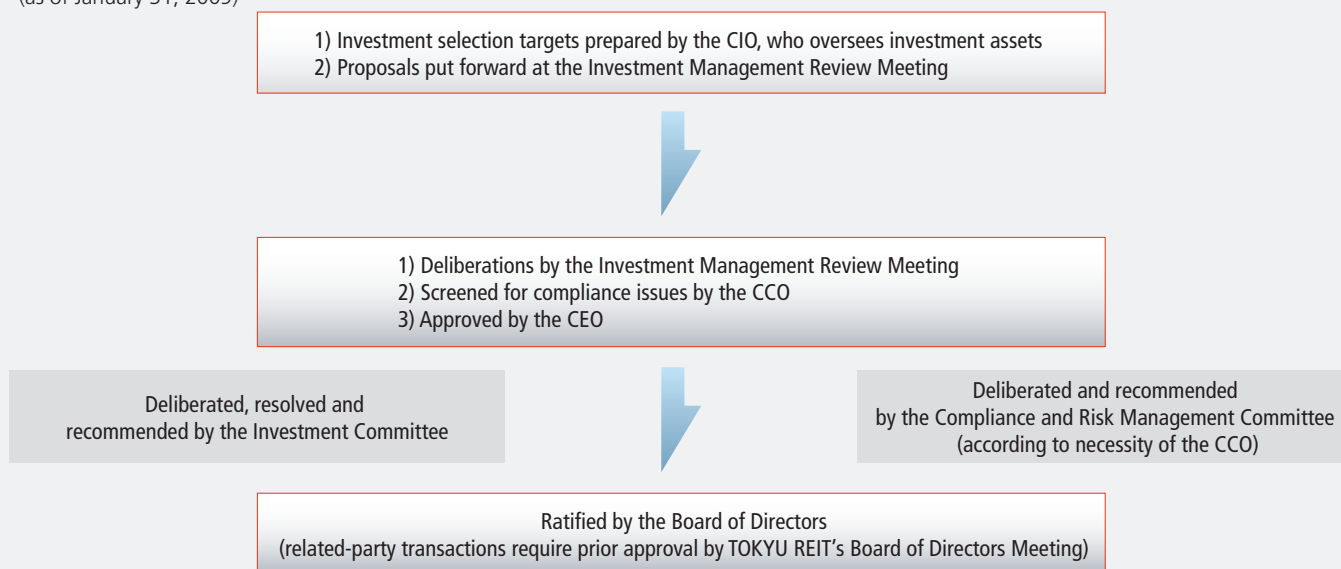
The head of the Disclosure Committee is the Investor Relations Officer. The other members of the Committee include the Compliance Officer, Corporate Secretary Officer, Business Planning Officer and other members the Committee head judged to be necessary. Of information that is disclosed on a timely basis, the Committee reviews the handling of disclosure concerning matters that occur regarding TOKYU REIT, Tokyu REIM and TOKYU REIT's assets under management. The results of the Committee's discussions are reported to the Representative Director, President and Chief Executive Officer. During the eleventh fiscal period, the Disclosure Committee met on one occasion.

■ Organization Chart (as of January 31, 2009)



■ Decision-Making Process Concerning Acquisition and Sale of Investment Properties

(as of January 31, 2009)



As for the acquisition and sale of investment properties, the CIO puts forward proposals concerning that at the Investment Management Review Meeting.

Proposals are deliberated by the Investment Management Review Meeting and screened for compliance issues by the CCO. Proposals are subject to approval by the CEO, and then submitted to the Board of Directors for ratification.

The Board of Directors, if necessary, requests that proposals be screened, resolved and recommended by the Investment Committee, and screened and recommended by the Compliance and Risk Management Committee. Then, the proposals for the acquisition and sale of investment properties are ratified.

Participants of the Investment Management Review Meeting are the CEO, CIO, CFO, CCO, and all division heads, comprised of the heads of the Asset Transaction Division, Portfolio Management Division, Business Planning and Development Division, Investor Relations Division, Asset Safeguarding & Engineering Division, and the Corporate Secretary Division.

TOKYU REIT's Financial Strategies

With its financial strategies based on stability, flexibility and efficiency, **TOKYU REIT** strives to maximize unitholder value by reducing capital costs as well as fostering external growth with minimal expenditures.

Basic Policies

Stability in Funding

- Management of Low LTV to Ensure Financial Soundness
- Long-term Fixed-interest Debt Financing
- Assurance of Multiple Lenders
- Diversification of Repayment Dates

Flexibility in Financing

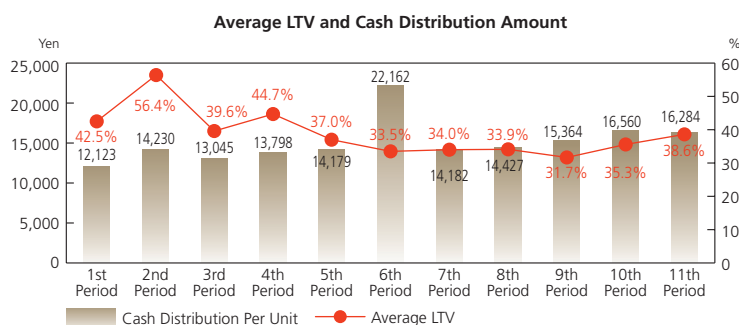
- Assurance of Prompt Fund Procurement Schemes

Efficiency

- Efficient Cash Management
- Assurance of Low-rate Financing Based on Stable Management

Note: LTV (Loan to Value) = (interest-bearing debt + security and guarantee deposits without reserved cash) / Total appraisal value as of acquisition or of the end of fiscal period.
This formula derives the liability level to the acquired property's value. Low LTV (namely, less liabilities or high-valued properties) is considered as high level of financial soundness.

Average LTV and Cash Distribution Amount



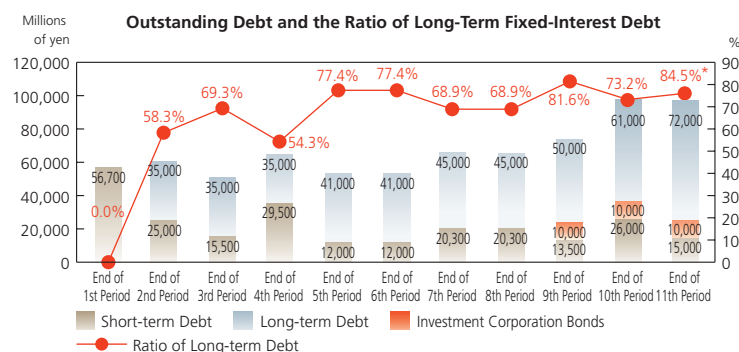
Generally, the level of cash distribution amount will increase as LTV rises by the leverage effect. An excessive increase of LTV, however, decreases financial soundness.

In light of this principle, **TOKYU REIT** implements conservative management that considers the balance between the level of cash distribution amount and financial soundness, as shown left.

Cash distribution amount increased on the sixth fiscal period by selling property.

Notes: 1. Average LTV = (average interest-bearing debt during the period + average security and guarantee deposits without reserved cash) / Total appraisal value at the end of previous fiscal period and weighted average of appraisal value as of acquisition.
2. Cash distribution amount in first fiscal period was ¥9,488 based on the actual operating days of 144 days, but cash distribution amount of ¥12,123 recalculated based on 184 days is used in the above graph for the sake of comparison with second fiscal period onwards.

Outstanding Debt and the Ratio of Long-Term Fixed-Interest Debt



Note: 74.2% (excluding the long-term debt maturing within a year)

TOKYU REIT has been implementing a conversion to long-term fixed-interest debt financing, as shown left. The ratio of long-term fixed-interest debt as of the end of the eleventh fiscal period is 84.5% (74.2%: excluding the long-term debt maturing within a year).

Long-term debt financing enables **TOKYU REIT** to curb any excessive burden resulting from increases in interest rates.

Lenders and Outstanding Debt by Repayment Dates and Issuance of Investment Corporation Bonds

Lenders and Outstanding Debt by Repayment Dates (as of the end of the eleventh fiscal period)

Category	Lender	Amount (billions of yen)	Type
Short-term Debt	Mitsubishi UFJ Trust and Banking Corporation	9.4	Unsecured Unguaranteed
	The Sumitomo Trust and Banking Co., Ltd.	1.4	
	The Chuo Mitsui Trust and Banking Company, Limited	1.4	
	The Bank of Tokyo/Mitsubishi UFJ, Ltd.	1.4	
	Mizuho Corporate Bank, Ltd.	1.4	
	Sub Total	15.0	Average Interest Rate 1.07%
Long-term Debt	Development Bank of Japan	14.0	Unsecured Unguaranteed
	The Sumitomo Trust and Banking Co., Ltd.	8.0	
	The Chuo Mitsui Trust and Banking Company, Limited	8.0	
	Mitsubishi UFJ Trust and Banking Corporation	8.0	
	The Bank of Tokyo/Mitsubishi UFJ, Ltd.	7.0	
	Mizuho Corporate Bank, Ltd.	5.0	
	The Dai-ichi Mutual Life Insurance Company	5.0	
	Nippon Life Insurance Company	4.0	
	The National Mutual Insurance Federation of Agricultural Cooperatives	4.0	
	Daido Life Insurance Company	4.0	
	Shinkin Central Bank	2.0	
	The Norinchukin Bank	1.0	
	Aioi Insurance Co., Ltd.	1.0	
Mitsui Sumitomo Insurance Company, Limited	1.0		
Sub Total	72.0	Average Interest Rate 1.84%	
Total	87.0		

Note: Average Interest Rate is calculated by weighted- average interest rate during the eleventh fiscal period.

Issuance of Investment Corporation Bonds (as of the end of the eleventh fiscal period)

Category	Name of Investment Corporation Bonds	Amount (billions of yen)	Type
Long-term Bonds	1st Series Unsecured Investment Corporation Bond (Ranks pari passu in right of payment with certain investment corporation bonds)	5.0	Interest Rate 1.65% Unsecured/Unguaranteed
	2nd Series Unsecured Investment Corporation Bond (Ranks pari passu in right of payment with certain investment corporation bonds)	5.0	Interest Rate 1.89% Unsecured/Unguaranteed
Total		10.0	

TOKYU REIT conducts stable fund procurement through transactions with 14 Japanese financial institutions and strategic issuances of investment corporation bonds. By continuing to secure multiple funding sources, **TOKYU REIT** aims to minimize refinancing-related risks and thereby achieve financial stability.

Execution of Commitment Line Agreement

- Lender : The Sumitomo Trust and Banking Co., Ltd.
: The Chuo Mitsui Trust and Banking Company, Limited
- Commitment Line Limit : ¥1billion, respectively
- Securities/Guarantee : Unsecured/Unguaranteed

The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured.

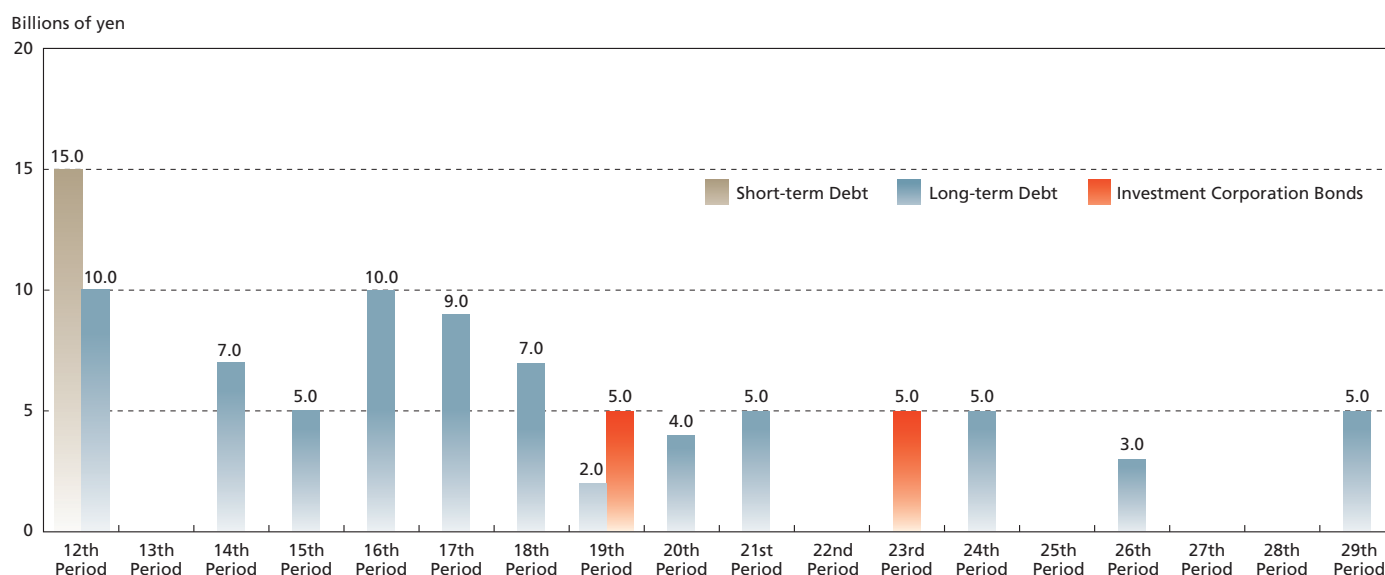
During the eleventh fiscal period, **TOKYU REIT** undertook debt financing ¥1.3 billion on October 8, 2008 and the full amount was repaid by November 25, 2008.

Ratings

- Rating and Investment Information, Inc. (R&I)
:R&I Issuer Rating AA- (Rating Outlook: Stable)
- Standard & Poor's (S&P)
:Long-term Issuer Rating A (Outlook: Stable)
:Short-term Issuer Rating A-1
- Moody's Investors Service (Moody's)
:Moody's Issuer Rating A2 (Rating Outlook: →)

Note: Moody's Investors Service (Moody's) reviews rating for possible downgrade on January 15, 2009.

Debt Balance by Repayment Date (Maturity Ladder) (as of the end of eleventh fiscal period)



In addition, **TOKYU REIT** works to diversify repayment dates for its debt financing in order to avoid the risk of large-scale refinancing within a short period of time.



Investment Policy: Investment in Highly Competitive Properties in Areas with Strong Growth Potential

<ul style="list-style-type: none"> Investment Targeted Areas 	<ul style="list-style-type: none"> Focusing on Five central Tokyo wards and Tokyu Areas expecting economic and population growth. Limited to Tokyo Metropolitan Area.
<ul style="list-style-type: none"> Investment Criteria 	<ul style="list-style-type: none"> Limited to office and retail portfolios with lower risk and more stable returns. Limited to the properties with prime locations and large scales for assuring market competitiveness.

Portfolio Overview

Use	Name of Property	Location	Area	Total Land Area (m ²)	Total Floor Area (m ²)
R	QFRONT	Udagawa-cho, Shibuya-ku, Tokyo	Five central Tokyo wards Tokyu Areas (Shibuya)	784.26 (728.30)	6,692.14 (4,821.09)
R	Lexington Aoyama	Minami-Aoyama, Minato-ku, Tokyo	Five central Tokyo wards	776.59	2,342.21
R	TOKYU REIT Omotesando Square	Jingumae, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas	1,259.21	3,321.20
R	Tokyu Saginuma Building	Saginuma, Miyamae-ku, Kawasaki City, Kanagawa	Tokyu Areas	5,658.00	18,326.99
R	Tokyu Saginuma 2 Building	Kodai, Miyamae-ku, Kawasaki City, Kanagawa	Tokyu Areas	1,807.21	4,409.50
R	TOKYU REIT Shibuya Udagawa-cho Square	Udagawa-cho, Shibuya-ku, Tokyo	Five central Tokyo wards Tokyu Areas (Shibuya)	679.27	(Bldg. 1) 1,473.10 (Bldg. 2) 56.39
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Noukendai-Higashi, Kanazawa-ku, Yokohama City, Kanagawa	Others	17,318.78	46,587.87
R	cocoti	Shibuya, Shibuya-ku, Tokyo	Five central Tokyo wards Tokyu Areas (Shibuya)	1,705.35	11,847.87
R	Shonan Mall Fill (sokochi)*1	Tsujido Shinmachi, Fujisawa City, Kanagawa	Others	44,078.12	—
R	CONZE Ebisu	Ebisu Minami, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas	562.07	2,789.35
R	Daikanyama Forum	Sarugaku-cho, Shibuya-ku, Tokyo	Five central Tokyo wards Tokyu Areas	(East) 942.30 (West) 1,108.01	(East) 1,441.57 (West) 2,338.70 (1,182.62)
⊙	Setagaya Business Square	Yoga, Setagaya-ku, Tokyo	Tokyu Areas	21,315.68	94,373.72
⊙	Tokyu Nampocho Building	Nampocho, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	2,013.28	7,003.88
⊙	Tokyu Sakuragaoka-cho Building	Sakuragaoka-cho, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	1,013.03	6,505.39
⊙	Tokyo Nissan Taito Building	Moto-Asakusa, Taito-ku, Tokyo	Five central Tokyo wards	1,718.45	11,373.20
⊙	TOKYU REIT Akasaka Hinokicho Building	Akasaka, Minato-ku, Tokyo	Five central Tokyo wards	866.61	4,058.92
⊙	TOKYU REIT Kamata Building	Kamata, Ota-ku, Tokyo	Tokyu Areas	1,642.86	10,244.51
⊙	Resona Maruha Building	Otemachi, Chiyoda-ku, Tokyo	Five central Tokyo wards	6,893.71	74,379.30 (19,542.77)
⊙	TOKYU REIT Toranomom Building	Toranomon, Minato-ku, Tokyo	Five central Tokyo wards	1,728.38	15,343.73 (10,787.59)
⊙	TOKYU REIT Hatchobori Building	Hatchobori, Chuo-ku, Tokyo	Five central Tokyo wards	974.32	8,810.21
⊙	TOKYU REIT Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Akasaka, Minato-ku, Tokyo	Five central Tokyo wards	712.49	5,002.36
⊙	Tokyu Ikejiri-ohashi Building	Higashiyama, Meguro-ku, Tokyo	Tokyu Areas	2,382.67	7,619.56
⊙	Ryoshin Harajuku Building	Jingumae, Shibuya-ku, Tokyo	Five central Tokyo wards Tokyu Areas	1,205.07	6466.94
Total					

Notes: *1. "Sokochi" means ownership of land with a fixed-term leasehold for commercial use.

*2. PML (Probable Maximum Loss) refers to the expected maximum loss ratio caused by earthquakes. As used in these documents PML is the percentage of expected loss due to small- to large-level earthquakes (those statistically calculated as possible over a 475 year period) that occur during an assumed period for the economic life of a building, to procurement cost for restoring expected damage. Calculations incorporate data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation.

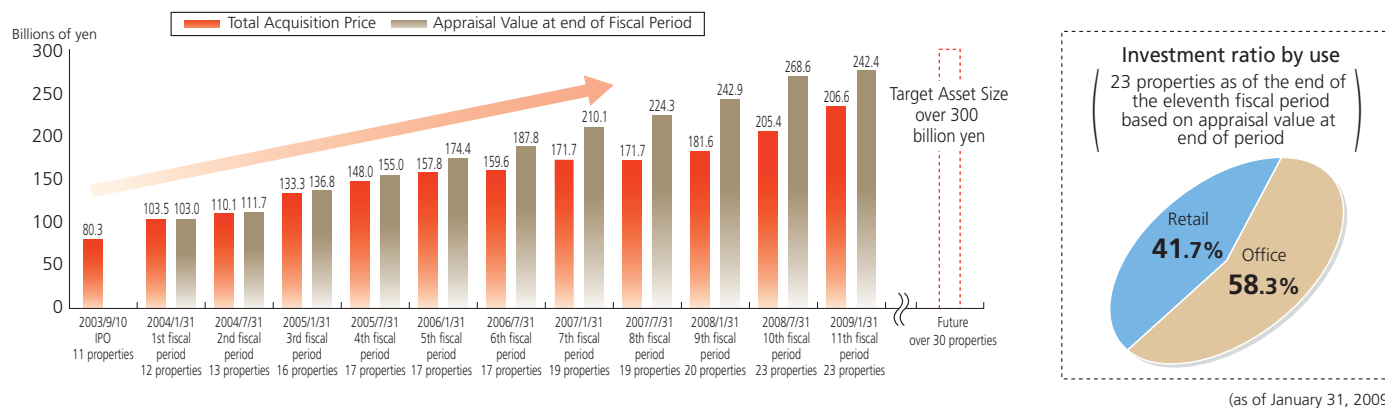
Total Acquisition Price and Appraisal Value, Investment Ratio

Total acquisition price as of the end of the eleventh fiscal period ended January 31, 2009, stood at ¥206.6 billion, and appraisal value at the end of fiscal period stood at ¥242.4 billion. Given TOKYU REIT's portfolio diversification, mobility of property acquisition, and liquidity of investment units, we believe that the asset portfolio should eventually reach ¥300.0 billion or more. TOKYU REIT will steadily expand asset size with high quality properties on proper price, not pursuing expansion of asset size only, but considering real estate market as intensification of property acquisition competition and rise of property price.

TOKYU REIT focuses on highly competitive office and retail properties and strives to maintain a ratio of 60% in office buildings and 40% in retail properties (based on appraisal value at the end of fiscal period) over the long term.

As of the end of the eleventh fiscal period (23 properties), investment ratio by use based on appraisal value at end of fiscal period is as follows:

TOKYU REIT has no "Forward Commitment" property, which has already been concluded contract and hasn't been closed as of preparation of this report.



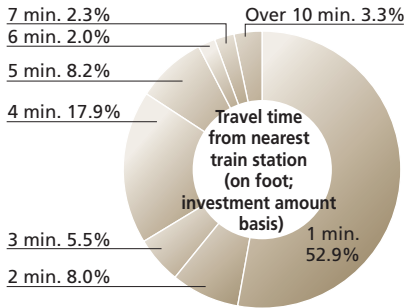
Structure	Floors	Completion	Acquisition Date	Acquisition Price (Billions of yen)	Appraisal Value (Billions of yen)	Type of Ownership		PM	Number of Tenants	Occupancy Ratio	Earthquake PML*2
						Land	Building				
SRC/S	B3/8F	Oct. 1999	Sep. 10, 2003	15.1	20.2	Proprietary Ownership	Compartmentalized ownership	Tokyu Corporation	4	100.0%	4.1%
S/RC	B1/4F	Jan. 1998	Sep. 11, 2003	4.8	6.9	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	2	100.0%	2.3%
S/SRC	B1/4F	Oct. 1985	Sep. 10, 2003	5.7	7.4	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	4	100.0%	9.5%
RC	B1/4F	Sep. 1978	Sep. 10, 2003	6.9	8.2	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	1	100.0%	9.9%
SRC	B2/4F	Oct. 1979	Sep. 11, 2003	1.2	1.4	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	1	100.0%	9.3%
S	3F	Jul. 1998	Mar. 1, 2004	6.6	8.2	Proprietary Ownership	Property Ownership	Tokyu Corporation	2	100.0%	7.3%
S	2F	Jun. 1995				Proprietary Ownership	Property Ownership				
SRC	B2/4F	Jun. 1998	Aug. 3, 2004	9.5	9.0	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	1	100.0%	9.5%
S/SRC	B2/12F	Sep. 2004	Apr. 6, 2005 Aug. 2, 2005	14.7 9.8	24.5	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	15	100.0%	6.2%
—	—	—	Apr. 28, 2006	6.8	6.2	Proprietary Ownership	—	—	1	100.0%	—
S/SRC	B1/9F	Mar. 2004	Oct. 31, 2006	5.1	4.9	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	8	100.0%	4.1%
(East) RC (West) RC	(East) B1/2F (West) B1/5F	Feb. 1993	Apr. 22, 2008	4.1	3.9	(East) Proprietary Ownership (West) Proprietary Ownership (Co-ownership ratio 64.13%)	(East) Compartmentalized ownership (West) Compartmentalized ownership	Tokyu Corporation	4	91.5%	8.0%
SRC/RC/S	B2/28F	Sep. 1993	Sep. 11, 2003	22.4	26.9	Proprietary Ownership (Co-ownership ratio 55%)	Proprietary Ownership (Co-ownership ratio 55%)	Tokyu Community Corp.	54	94.6%	2.8%
SRC	B2/5F	Jul. 1992	Sep. 11, 2003	4.6	6.3	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	1	100.0%	7.9%
SRC	B3/9F	Jun. 1987	Sep. 11, 2003	6.6	9.4	Proprietary Ownership	Compartmentalized ownership*3	Tokyu Corporation	2	100.0%	11.1%
SRC	B2/10F	Sep. 1992	Sep. 11, 2003	4.4	5.6	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	12	100.0%	7.4%
RC	7F	Aug. 1984	Sep. 10, 2003	3.5	4.7	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	5	100.0%	11.2%
S/SRC	B1/9F	Feb. 1992	Sep. 10, 2003	4.7	7.4	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	4	100.0%	7.7%
S/SRC	B4/25F	Nov. 1978	Jan. 15, 2004	23.2	34.6	Proprietary Ownership (Co-ownership ratio 27%)	Compartmentalized ownership	Tokyu Community Corp.	3	100.0%	4.1%
SRC/RC	B2/9F	Apr. 1988	Dec. 15, 2004 Sep. 21, 2007 Sep. 21, 2007 Oct. 26, 2007	8.6 1.1 0.2 0.1	15.9	Proprietary Ownership (Co-ownership ratio 84.652%)	Compartmentalized ownership and co-ownership of compartmentalized ownership	Tokyu Corporation	7	100.0%	7.2%
SRC	B2/9F	Sep. 1965	Sep. 29, 2006	7.0	6.4	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	8	88.0%	4.0%
S/SRC	B1/9F	Feb. 2003	Jan. 31, 2008	8.5	7.8	Proprietary Ownership	Proprietary Ownership	Tokyu Community Corp.	1	100.0%	3.9%
SRC	7F	Oct. 1989	Mar. 28, 2008	5.4	5.2	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	5	100.0%	5.8%
SRC	B1/9F	Mar. 1989	Jun. 27, 2008 Oct. 3, 2008	14.1 1.1	10.6	Proprietary Ownership	Compartmentalized ownership*3	Tokyu Corporation	7	75.6%	5.1%
				206.6	242.4				152	98.6%	4.0%

Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to fixtures. In addition, damages are limited to structural damage and damages to facilities and building interior and exterior, and do not cover damages caused by earthquake fire and fire damage from surrounding facilities.

*3. All of compartmentalized ownerships with whole building of Tokyu Sakuragaoka-cho Building and Ryoshin Harajuku Building are entrusted.

In the acquisition of investment properties, **TOKYU REIT** considers a variety of factors, including a comprehensive analysis of forecasted revenue stream, growth potential of the area, property size, construction and facility specifications, earthquake resistance, leasing rights, occupancy and appeal to tenants, property management, the environment and foundation quality, and the property's competitiveness.

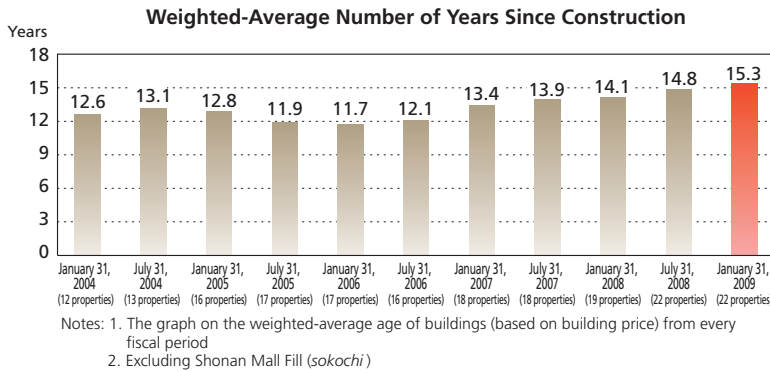
Location



Properties conveniently located near train stations increase the stability of TOKYU REIT's portfolio. In principal, **TOKYU REIT** only considers office properties located within seven minutes walking distance from the nearest train station. **TOKYU REIT** decides to invest in retail properties based on a comprehensive analysis of the surrounding business area.

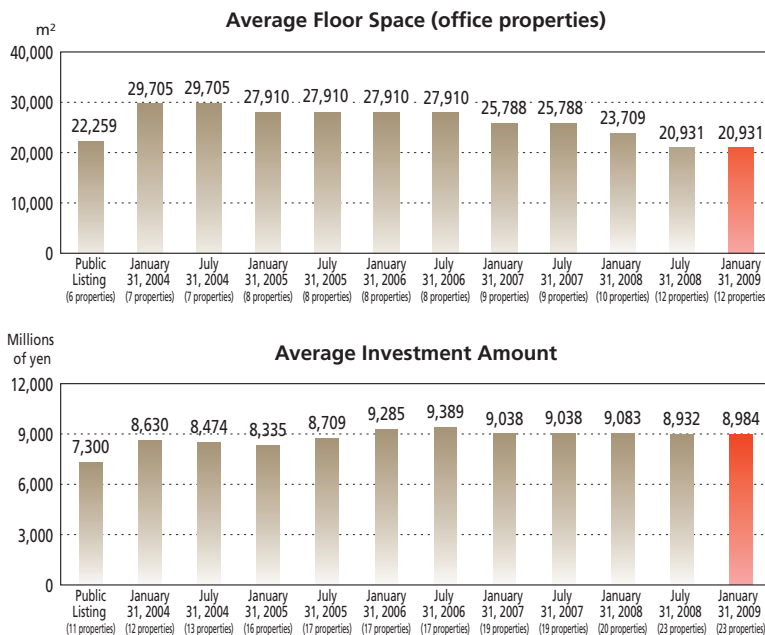
As of the end of the eleventh fiscal period, approximately 66% (investment amount basis) of TOKYU REIT's properties were located within about three minutes from the nearest train station.

Investment Property Age



The graph on the left shows the weighted-average age of buildings (based on building price) at the end of each fiscal period. Based on 22 properties as of the end of the eleventh fiscal period, 15.3 years have passed since construction and the number of years increases only 2.7 years from the point of January 31, 2004 in elapsed five years from then.

Investment Property Size



In principle, **TOKYU REIT** invests in office properties with a total floor space exceeding 5,000m² and office properties with compartmentalized ownership of 330m² or more of proprietary floor space per standard floor.

As of the end of the eleventh fiscal period, office properties owned by **TOKYU REIT** have an average floor space of approximately 20,931m².

In principle, **TOKYU REIT** invests a minimum of ¥4,000 million in each property, excluding taxes and acquisition expenses.

As of the end of the eleventh fiscal period, **TOKYU REIT** had invested an average of ¥8,984 million per property. **TOKYU REIT** intends to continue investing in mainly large-scale properties.

Top 10 Tenants by Leased Area

Top 10 Tenants by Leased Area

As of January 31, 2009

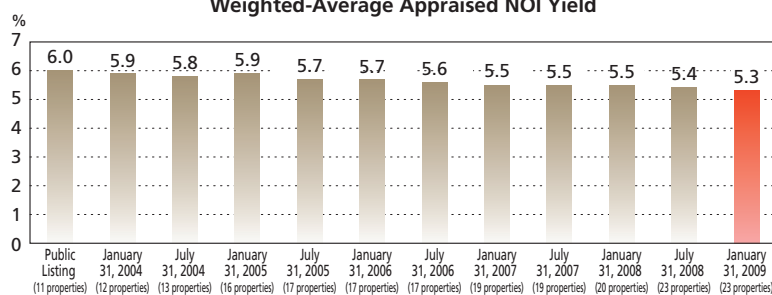
No.	Tenant Name	Business Category	Property Name	Leased Area (m ²)	Ratio*1
1	Ito-Yokado Co., Ltd.	Retail	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	50,285.89	21.3%
2	Daiwa House Industry Co., Ltd.	Construction	R Shonan Mall Fill (sokochi)	44,078.12	18.7%
3	Tokyu Store Chain Co., Ltd.	Retail	R Tokyu Saginuma Building	19,610.06	8.3%
4	Maruha Nichiro Seafoods, Inc.	Fishery and Agriculture	☐ Resona Maruha Building	11,097.27	4.7%
5	Tokyu Corporation	Land Transportation	☐ Tokyu Nampeidai-cho Building	7,148.18	3.0%
			☐ Tokyu Sakuragaoka-cho Building	3,878.36	1.6%
6	Japan Nuclear Energy Safety Organization	Other	☐ TOKYU REIT Toranomon Building	6,579.05	2.8%
7	Sun Microsystems K.K.	Information and Telecommunication	☐ Setagaya Business Square *2	5,800.76	2.5%
8	Fujitsu Advanced Solutions Limited	Information and Telecommunication	☐ TOKYU REIT Kamata Building	4,253.55	1.8%
9	Tsutaya Stores Co., Ltd.	Service	R QFRONT	3,556.31	1.5%
			☐ Setagaya Business Square *2	338.13	0.1%
10	Tokyu Agency Inc.	Service	☐ Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	3,533.03	1.5%
Total leased area of top 10 tenants				160,158.71	67.9%
Total leased area of 23 properties at the end of eleventh fiscal period				235,842.95	100.0%

Notes: *1. "Ratio" indicates ratio of each tenant's leased areas to total leased area at the end of eleventh fiscal period (23 properties).

*2. "Leased Area" of tenants in Setagaya Business Square are calculated by 55%.

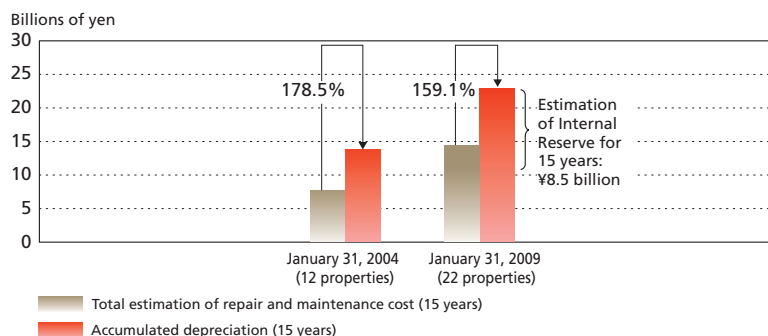
Portfolio Cap Rate

Weighted-Average Appraised NOI Yield



TOKYU REIT has acquired some properties after listing, and as of the end of the eleventh fiscal period, the weighted-average appraised NOI yield fell to 5.3%. A low appraised NOI yield is considered an indicator of reduced risk of a decrease in future earnings. TOKYU REIT will continue efforts to build a portfolio with low risks and stable returns in the future.

Coverage Ratio by Depreciation of Repair and Maintenance Cost Estimation

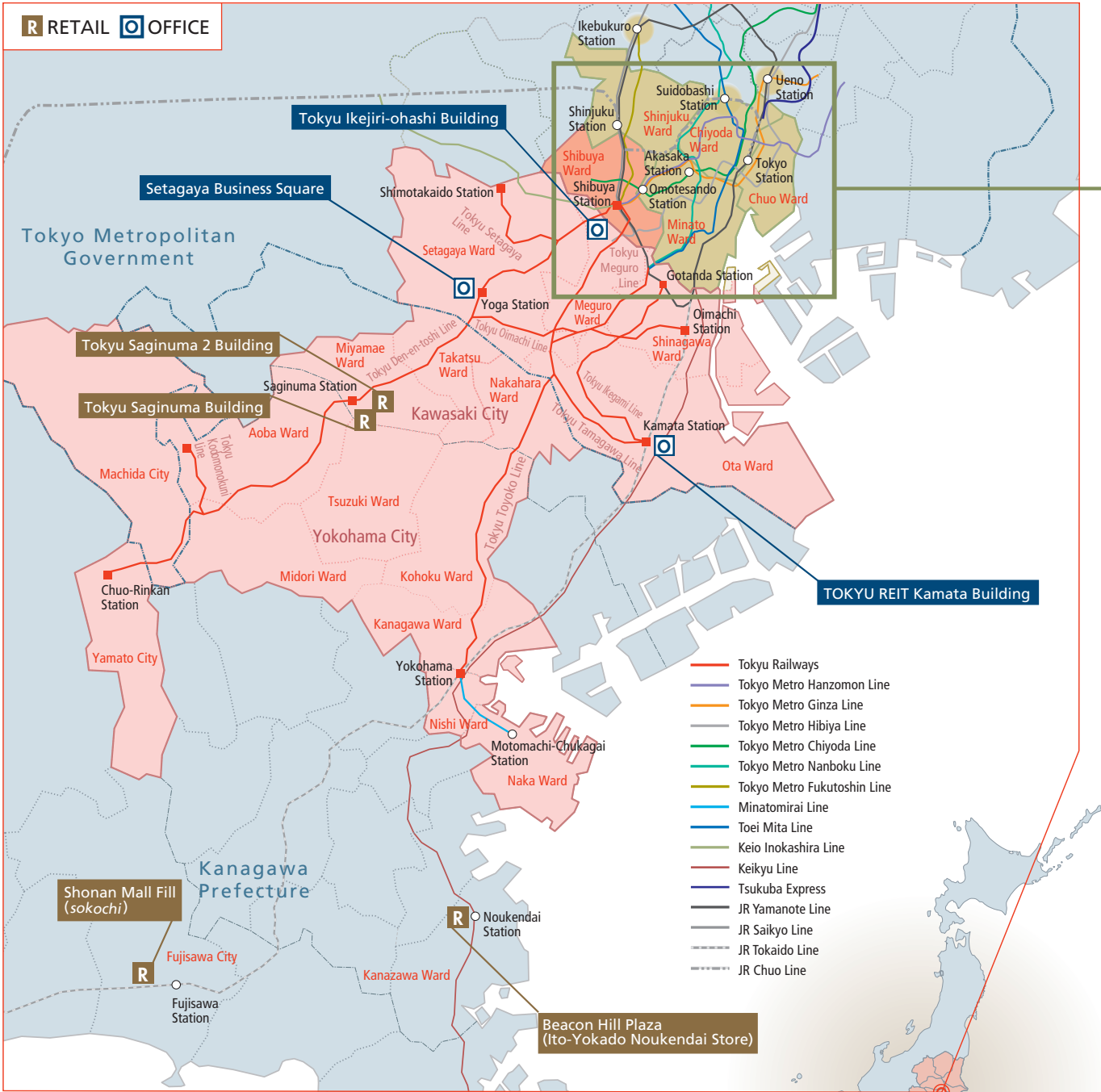
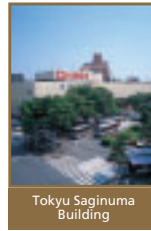
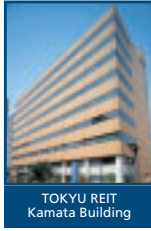


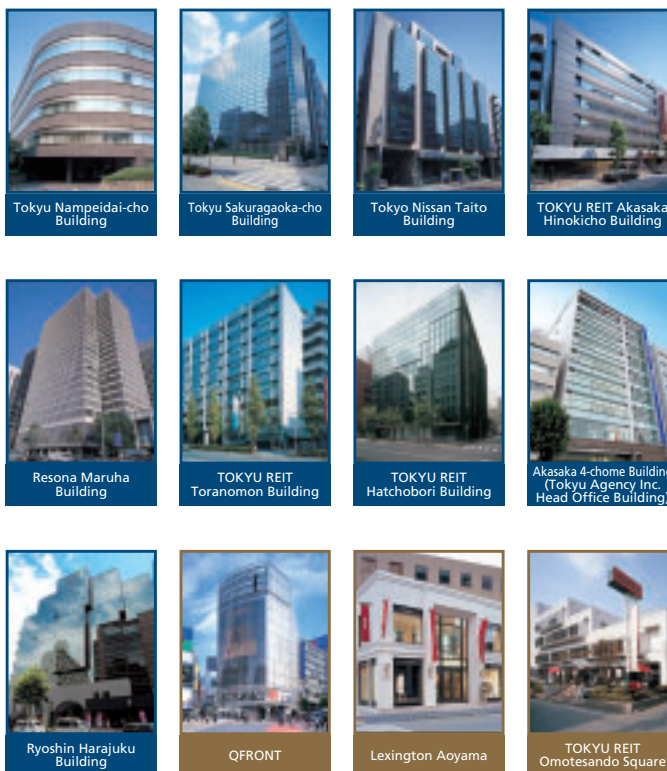
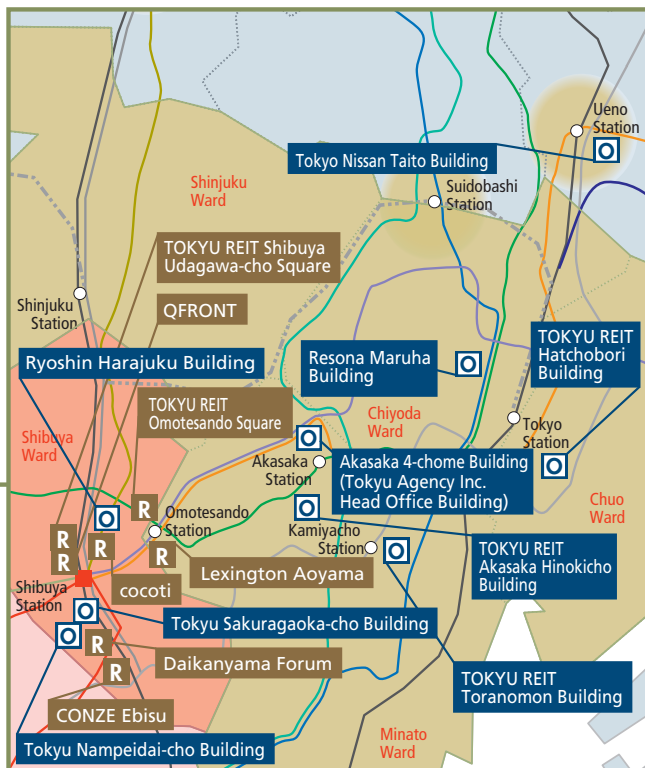
- Notes: 1. Total estimation of repair and maintenance cost (15 years) is extracted from Property Report (including expenses items) and estimated accordingly.
 2. Accumulated depreciation (15 years) is estimated by Tokyu REIM (does not include depreciation application to additional capital expenditure).
 3. Excluding Shonan Mall Fill (sokochi)

Buildings require repairs as they age. Even after recording items such as depreciation on financial statements, funds used for other intangible expenses must be replenished with additional borrowings on occasion.

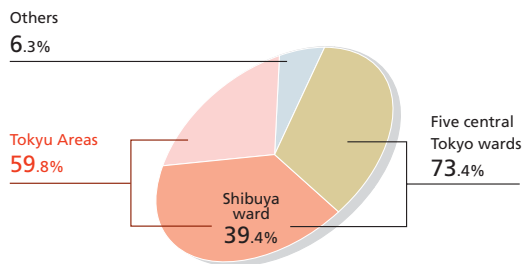
As of the end of the eleventh fiscal period and over the next fifteen years, cumulative depreciation for the portfolio (22 properties) will significantly exceed total repair and maintenance cost, for a coverage ratio of 159.1%. This figure shows that TOKYU REIT has secured the funds necessary for projected repair and maintenance costs.

Investment Targeted Areas





Percentage share in total portfolio by region
(23 properties based on the appraisal value at the end of eleventh fiscal period)



TOKYU REIT invests primarily in properties in central Tokyo and the areas along the Tokyu railways. It does not invest outside of the Tokyo Metropolitan Area.

Area	Targeted Areas of Investment		Percentage Share in Total Portfolio*1
Central Tokyo	Five central Tokyo wards	Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards	More than 85%
	Other major commercial and retail districts of Tokyo	The areas surrounding Ikebukuro, Koraku, Ueno and other areas	
Tokyu Areas	Tokyu rail network hub	Shibuya ward	
	Other Tokyu rail network areas	Tokyo: Shinagawa, Meguro, Setagaya and Ota wards, Machida City Yokohama, Kanagawa Prefecture: Kouhoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards Kawasaki, Kanagawa Prefecture: Nakahara, Takatsu and Miyamae wards Yamato, Kanagawa Prefecture	
Others	Other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above)		Less than 15%

Notes: 1. Percentage share in total portfolio is calculated based on the appraisal value of properties as of the end of the previous fiscal period and the appraisal value (obtained at the time of intended property purchase) of properties purchased during the current fiscal period.

2. Shibuya ward is included in both the five central Tokyo wards and the Tokyu Areas.

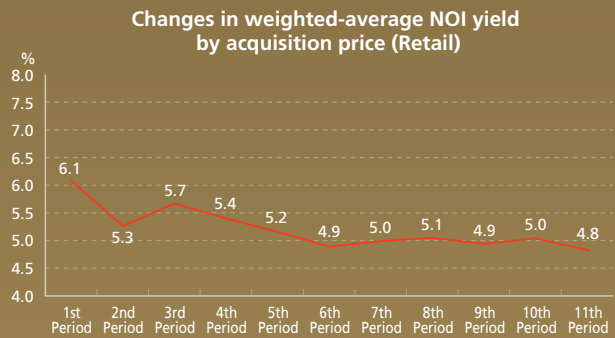
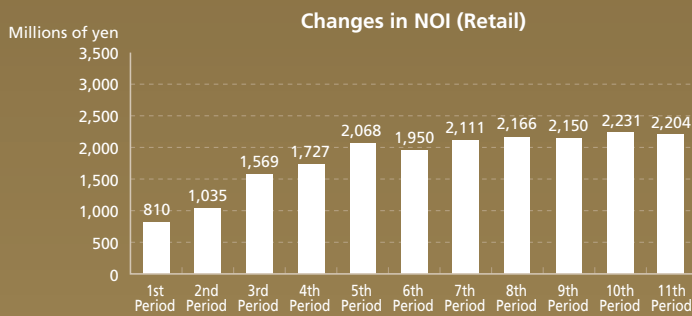


RETAIL PORTFOLIO

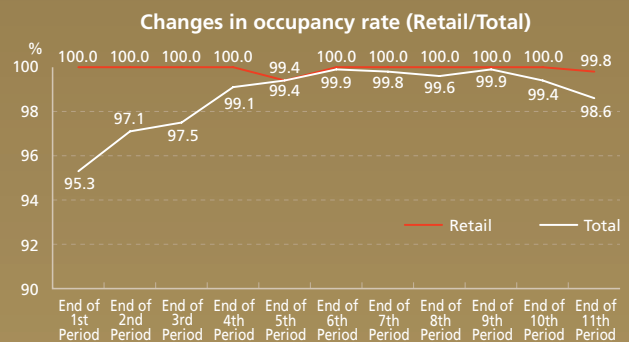
- QFRONT
- Lexington Aoyama
- TOKYU REIT Omotesando Square
- Tokyu Saginuma Building
- Tokyu Saginuma 2 Building
- TOKYU REIT Shibuya Udagawa-cho Square
- Beacon Hill Plaza (Ito-Yokado Noukendai Store)
- cocoti
- Shonan Mall Fill (*sokochi*)
- CONZE Ebisu
- Daikanyama Forum

The most attractive feature of TOKYU REIT's retail portfolio is the prime location of each of its properties. Adhering to strict criteria in the selection of investment properties, **TOKYU REIT** has maintained a retail portfolio with an extremely high occupancy ratio since it listed on the stock market.

At the end of the eleventh fiscal period, TOKYU REIT's retail portfolio comprised a total of eleven properties and TOKYU REIT's retail properties have a total acquisition price of ¥90.56 billion and total floor space of 101,676.89m². In the eleventh fiscal period, revenues from property leasing totaled ¥2.97 billion, NOI was ¥2.20 billion, operating income from property leasing was ¥1.80 billion, and the weighted-average NOI yield was 4.8%.



The most attractive feature of TOKYU REIT's retail portfolio is the prime locations. TOKYU REIT's retail properties situate in Central Tokyo and Tokyo Area, including Shibuya, Omotesando, Aoyama and Saginuma, and situate in suburbs including Noukendai and Fujisawa. Even in the event that a tenant vacates, TOKYU REIT's portfolio consists of retail properties that quickly entice new tenants to enter leasing contracts. As of January 31, 2009, an occupancy ratio of 99.8% indicates the strength of our portfolio.



TOKYU REIT will continue to aggressively, yet prudently acquire competitive properties that meet its strict investment criteria. From this approach, **TOKYU REIT** aims to build a retail portfolio that contributes to maximizing unitholder value over the medium to long term.

R QFRONT



QFRONT is a retail property located directly across from Shibuya Station, an area identified as one of Japan's busiest retail districts. The main tenant is Tsutaya Stores Co., Ltd., a large rental and retail store of videos and CDs. QFRONT contains a coffee shop located on the first and second floors, a movie theater on the seventh floor and a variety of restaurants located on the eighth floor. The building is one of Tokyo's premier retail facilities distinguished by the large LED advertising screen which adorns the outside wall, and has received considerable exposure from a variety of media.

Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line/ Tokyo Toyoko Line/ Tokyu Den-en-toshi Line/ Keio Inokashira Line/ Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines
 Total Land Space: 784.26m²
 (Land included in the property trust totals 728.30m²)
 Total Floor Space: 6,692.14m²
 (Exclusive area 4,821.09m²)
 Structure/Floors: SRC/S, B3/8F
 Completed: October 1999
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership
 Representative Tenants: Tsutaya Stores Co., Ltd.;
 Tokyu Corporation;
 Punraku Co., Ltd.



R Lexington Aoyama



Lexington Aoyama is a retail property along Kotto-dori in the Aoyama district. A principal tenant who had occupied the first four floors of this property vacated in March 2009. Factoring in this vacancy, it is estimated that the property's occupancy rate will be 21.2% as of the end of the twelfth fiscal period (July 31, 2009). Replacement tenants are as yet undetermined.

Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines
 Total Land Space: 776.59m²
 Total Floor Space: 2,342.21m²
 Structure/Floors: S/R/C, B1/4F
 Completed: January 1998
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenants: World Co., Ltd.
 avex Planning & Development Inc.



R TOKYU REIT Omotesando Square



TOKYU REIT Omotesando Square is a multi-faceted retail property located in Shibuya-ku within one minute's walk of Omotesando Station. The complex contains Barbacoa Grill, offering Churrasco Brazilian barbecue food operated by Wondertable, Ltd. on the first underground floor, and Royal Host, a restaurant managed by Royal Holdings Co., Ltd. on the first floor. On floors one through three, there is the GOLD'S GYM sports gymnasium, operated by Think Fitness Corporation and on the fourth floor, there is an esthetics salon Ci:z. Labo, operated by DR. CI:LABO CO., LTD.

Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines
 Approximately a nine-minute walk from Meiji-jingumae Station—Tokyo Metro Fukutoshin and Chiyoda Lines
 Total Land Space: 1,259.21m²
 Total Floor Space: 3,321.20m²
 Structure/Floors: S/SRC, B1/4F
 Completed: October 1985
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Think Fitness Corporation;
 Royal Holdings Co., Ltd.;
 Wondertable, Ltd.



R Tokyu Saginuma Building



Tokyu Saginuma Building's entire building is leased to Tokyu Store Corporation, which uses the property as an outlet of its general merchandise store Saginuma Tokyu. The building is located in Miyamae-ku, Kawasaki City, approximately 15 kilometers southwest of Shibuya. The area is a residential suburb of Tokyo with a growing population, increasing number of households and high growth potential.

Address: 1-1-1, Saginuma, Miyamae-ku, Kawasaki City, Kanagawa
 Nearest Station: Approximately a one-minute walk from Saginuma Station—Tokyu Den-en-toshi Line
 Total Land Space: 5,658.00m²
 Total Floor Space: 18,326.99m²
 Structure/Floors: RC, B1/4F
 Completed: September 1978
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Tokyu Store Chain Co., Ltd.



R Tokyu Saginuma 2 Building



Tokyu Saginuma 2 Building was acquired to serve partly as a parking facility for the Tokyu Saginuma Building. Under the Large Retail Store Location Law, Tokyu Store Corporation is required to provide 84 car parking spaces for customers of Saginuma Tokyu Chain. The building comprises three floors (the first to third floors) leased to a bank and three underground floors used as a parking facility.

Address: 1-18-5, Kodai, Miyamae-ku, Kawasaki City, Kanagawa
 Nearest Station: Approximately a one-minute walk from Saginuma Station—Tokyu Den-en-toshi Line
 Total Land Space: 1,807.21m²
 Total Floor Space: 4,409.50m²
 Structure/Floors: SRC, B2/4F
 Completed: October 1979
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: The Bank of Tokyo-Mitsubishi UFJ, Ltd.



R TOKYU REIT Shibuya Udagawa-cho Square



TOKYU REIT Shibuya Udagawa-cho Square is located in the central area of Shibuya, one of Tokyo's main retail and commercial districts, and faces the major retail thoroughfares Inokashira-dori and Shibuya Center-gai. Comprising two buildings, ZARA, a Spain-based retailer of casual clothing, is the principal tenant of Building 1. ZARA boasts a global network of 1,529 stores (as of January 20, 2009). The restaurant UOGASHI NIHON ICHI operated by NIPPAN Co., Ltd. is located in Building 2.

Address: [Bldg. 1] 25-10, Udagawa-cho, Shibuya-ku, Tokyo
 [Bldg. 2] 25-5, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Shibuya Station—JR Yamanote Line/Tokyo Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line/Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines
 Total Land Space: 679.27m²
 Total Floor Space: [Bldg. 1] 1,473.10m²
 [Bldg. 2] 56.39m²
 Structure/Floors: [Bldg. 1] S, 3F
 [Bldg. 2] S, 2F
 Completed: [Bldg. 1] July 1998
 [Bldg. 2] June 1995
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenants: ZARA Japan Corporation;
 NIPPAN Co., Ltd.



R Beacon Hill Plaza
(Ito-Yokado Noukendai Store)



The sole tenant of Beacon Hill Plaza, Ito-Yokado Noukendai Store is a large-scale General Merchandise Store (GMS) with 7,000 *tsubo* (a *tsubo* is Japan's former unit of area and is equivalent to 3.3 m²) of shopping space and provides space for approximately 900 vehicles in its parking garage on the premises. The property is not situated in a major investment area, but was judged to be excellent for its location in a retail and commercial district that is expected to bring stable growth.

Address: 3-1, Noukendai-Higashi, Kanazawa-ku, Yokohama City, Kanagawa
 Nearest Station: Approximately a four-minute walk from Noukendai Station—Keihin Kyuko Line
 Total Land Space: 17,318.78m²
 Total Floor Space: 46,587.87m²
 Structure/Floors: SRC, B2/4F
 Completed: June 1998
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Ito-Yokado Co., Ltd.

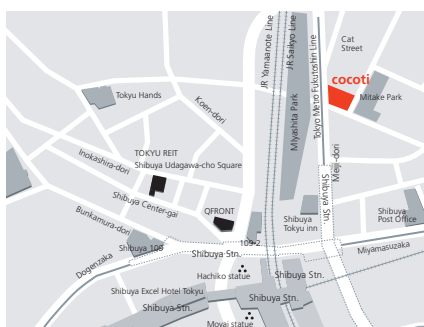


R cocoti



cocoti is approximately a one-minute walk from Shibuya Station and faces Meiji-dori. The property is surrounded by casual brand stores and lies on the outskirts of an area known as “Ura Harajuku.” This property’s tenants are comprised of brand shops, cafes, sports gym, and other outlets and meet the various needs of a customer.

Address: 1-23-16, Shibuya, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line/Tokyo Toyoko Line/Tokyo Den-en-toshi Line/Keio Inokashira Line/Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines
 Total Land Space: 1,705.35m²
 Total Floor Space: 11,847.87m²
 Structure/Floors: S/SRC, B2/12F
 Completed: September 2004
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: TOMORROWLAND Co., Ltd.; West Corporation; CASSINA IXC Ltd.



R Shonan Mall Fill (*sokochi*)



Shonan Mall Fill (*sokochi*) is the retail property which sits between Fujisawa and Tsujido Stations on the JR Tokaido Line.

TOKYU REIT acquired a trust beneficiary interest in real estate (ownership of land only with a fixed-term leasehold for commercial use, namely *sokochi*).

While the property is inconsistent with TOKYU REIT’s usual investment criteria, it is located an area offering stable growth potential.

Address: 4-1-1, Tsujido Shinmachi, Fujisawa City, Kanagawa
 Nearest Station: Approximately three minutes by bus or a twenty-minute walk from Tsujido Station—JR Tokaido Line
 Approximately five minutes by bus from Fujisawa Station—JR Tokaido Line, Odakyu Enoshima Line and Enoshima Electric Railway Line
 Total Land Space: 44,078.12m²
 Type of Ownership: Land—Proprietary ownership
 Tenant: Daiwa House Industry Co., Ltd.



R CONZE Ebisu



CONZE Ebisu is situated approximately a two-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line and a three-minute walk from Ebisu Station on the JR Yamanote and Saikyo Lines, and contains eight restaurants from the basement level to the eighth floor.

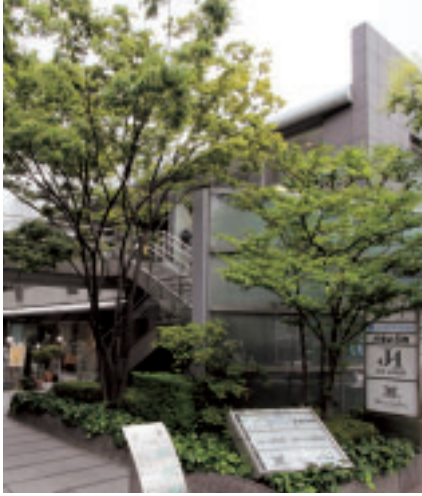
Neighboring area of Ebisu Station, which is surrounded by Hiroo, Daikanyama and Nakameguro, which attract foreign companies and companies related to fashion, this is one of the areas in Tokyo that has recently drawn a great deal of attention from various media.

The area is particularly known as an ideal site for restaurants, and shows potential for further growth.

Address: 2-3-14, Ebisu-Minami, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Ebisu Station—Tokyo Metro Hibiya Line
 Approximately a three-minute walk from Ebisu Station—JR Yamanote and Saikyo Lines
 Total Land Space: 562.07m²
 Total Floor Space: 2,789.35m²
 Structure/Floors: S/SRC B1/9F
 Completed: March 2004
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Secret Table;
 Task;
 MYU PLANNING & OPERATORS Inc.



R Daikanyama Forum



Daikanyama Forum has two buildings—namely, East Wing and West Wing—that have been designed to harmonize with the sensibility of Kyu Yamate Dori avenue and accommodate luxury apparel shops, a French restaurant and other tenants.

TOKYU REIT acquired a 100% interest in the East Wing and an approximately 64% interest in the West Wing.

Address: 17-16, Sarugaku-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a six-minute walk from Daikanyama Station—Tokyo Toyoko Line
 Total Land Space: Building 1 (East): Sight rights area 942.30m²
 Interest 10,000/10,000
 Building 2 (West): Sight rights area 1,108.01m²
 Interest 6,413/10,000
 Total Floor Space: Building 1 (East): 1,441.57m²
 Exclusive Area 1,242.06m²
 Building 2 (West): Sight rights area 2,388.70m²
 Exclusive Area 1,182.62m²
 Structure /Floors: Building 1 (East): RC, B1/2F
 Building 2 (West): RC, B1/5F
 Completed: February 1993
 Type of Ownership: Land-Building 1 (East): Proprietary Ownership
 Building 2 (West): Proprietary Ownership
 (Co-ownership ratio 64.13%)
 Building-Building 1 (East): Compartmentalized Ownership
 Building 2 (West): Compartmentalized Ownership
 Representative Tenants: Jun Ashida Co., Ltd.
 Hiramatsu Inc.,
 ART IN Shakan



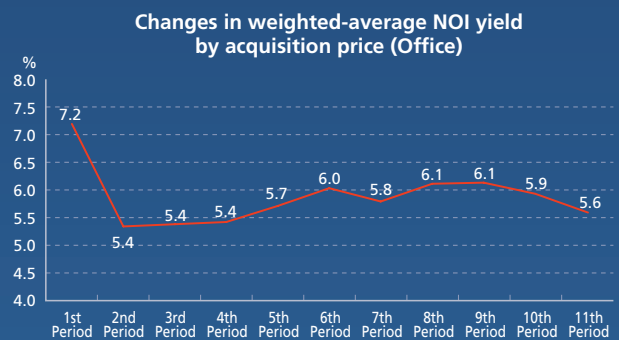
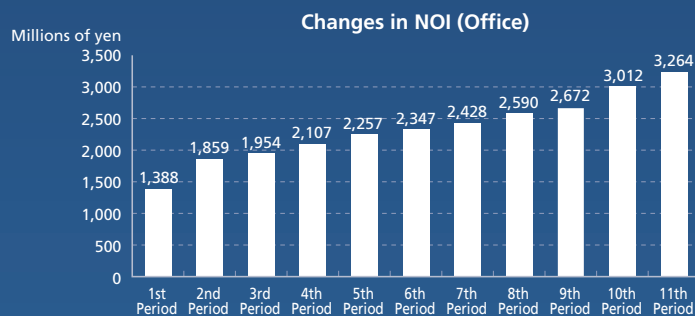


OFFICE PORTFOLIO

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

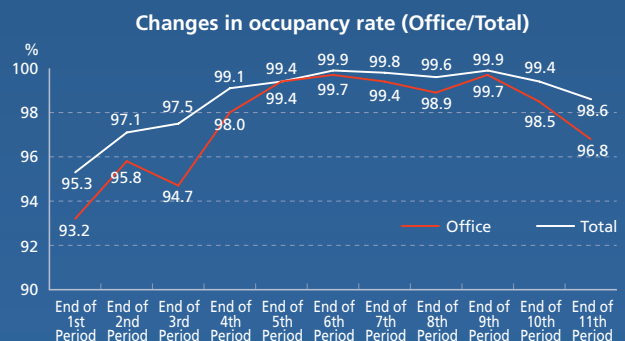
“Stability” is the defining feature of TOKYU REIT’s office portfolio. TOKYU REIT’s goal is to secure a stable earnings platform by adhering to strict property acquisition criteria, securing long-term leasing agreements, and attracting tenants through active marketing.

TOKYU REIT’s office portfolio comprised a total of twelve properties at the end of eleventh fiscal period. TOKYU REIT’s office properties have a total acquisition price of ¥116.08 billion and total floor space of 251,181.72m². Revenues from property leasing reached ¥4.67 billion, NOI was ¥3.26 billion, operating income from property leasing activities totaled ¥2.58 billion and the weighted-average NOI yield was 5.6% for the fiscal period under review.



A number of factors make up TOKYU REIT’s real estate investment criteria, including the concentration of office buildings, local leasing market conditions, the centrality of the nearest train station and the proximity of the property to the nearest train station in those areas earmarked for investment. In principle, **TOKYU REIT** will invest in large-scale properties that feature a high degree of convenience. **TOKYU REIT** will look toward office buildings with an acquisition price of a minimum ¥4.0 billion, total floor space exceeding 5,000m², and individual floor space in excess of 330m². At the end of the eleventh fiscal period, approximately 4.2% of the office portfolio’s total leasable floor space was subject to lease agreements with an expiry date exceeding five years. **TOKYU REIT** recognizes the critical requirement for long-term (anchor) leasing contracts.

TOKYU REIT is also active in the promotion of leasing activities, well after property acquisition. As of January 31, 2009, the occupancy ratio of the office portfolio reached 96.8%.



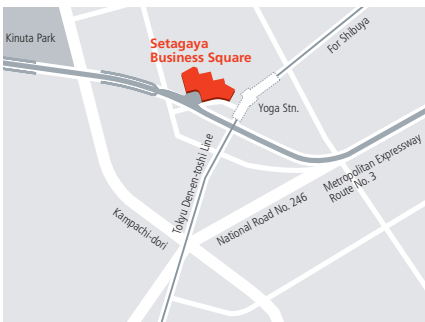
TOKYU REIT strives to further enhance earnings stability by investing in prime large-scale properties, securing long-term lease agreements, and actively promoting leasing activities.

Setagaya Business Square

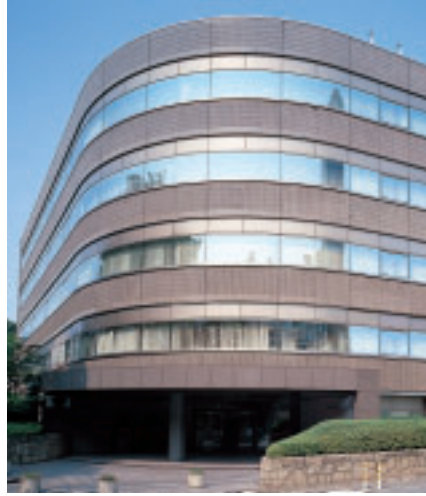


Setagaya Business Square is a large complex situated above Yoga Station on the Tokyu Den-en-toshi Line, consisting of a 28-story high-rise connected to the station, four mid-size office towers, two terraces with commercial facilities and a community center. The sight is a high-traffic area, with good road access (National road No.246, Kampachi-dori and the Yoga interchange on Metropolitan Expressway Route No. 3) as well as rail (Yoga Station, approximately twelve minutes to Shibuya Station and 27 minutes to Otemachi Station).

Address: 4-10-1,2,3,4,5,6, Yoga, Setagaya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Yoga Station—Tokyu Den-en-toshi Line
 Total Land Space: 21,315.68m²
 Total Floor Space: 94,373.72m²
 Structure/Floors: SRC/RC/S, B2/28F
 Completed: September 1993
 Type of Ownership: Land—Proprietary ownership (co-ownership ratio 55%)
 Building—Proprietary ownership (co-ownership ratio 55%)
 Representative Tenants: Sun Microsystems K.K.; Tokyu Community Co., Ltd.; Catapillar Japan Ltd.

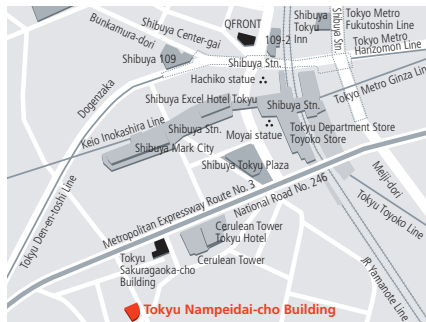


Tokyu Nampoedai-cho Building

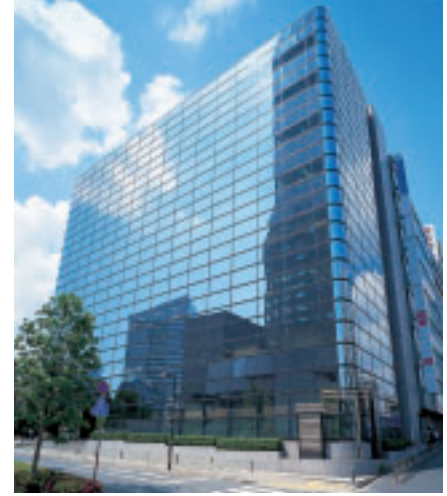


Tokyu Nampoedai-cho Building is a five-story office building located in Shibuya Ward, which Tokyu Corporation uses as its head office. A fixed-term lease contract is in effect until December 2012, contributing to earnings stability.

Address: 5-6, Nampoedai-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a seven-minute walk from Shibuya Station—JR Yamanote Line/ Tokyu Toyoko Line/ Tokyu Den-en-toshi Line/ Keio Inokashira Line/ Tokyo Metro Hanzomon, Ginza and Fukutoshin Lines
 Total Land Space: 2,013.28m²
 Total Floor Space: 7,003.88m²
 Structure/Floors: SRC, B2/5F
 Completed: July 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Tokyu Corporation



Tokyu Sakuragaoka-cho Building



Tokyu Sakuragaoka-cho Building is a nine-story office building located in Shibuya Ward, mostly occupied by Tokyu Corporation, which the operating division uses as its head office. A fixed-term lease contract is in effect until December 2011, contributing to earnings stability.

Address: 31-2, Sakuragaoka-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Shibuya Station—JR Yamanote Line/ Tokyu Toyoko Line/ Tokyu Den-en-toshi Line/ Keio Inokashira Line/ Tokyo Metro Hanzomon, Ginza and Fukutoshin Lines
 Total Land Space: 1,013.03m²
 Total Floor Space: 6,505.39m²
 Structure/Floors: SRC, B3/9F
 Completed: June 1987
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership
 Tenants: Tokyu Corporation; The Tokyo Electric Power Company, Incorporated



 Tokyo Nissan Taito Building

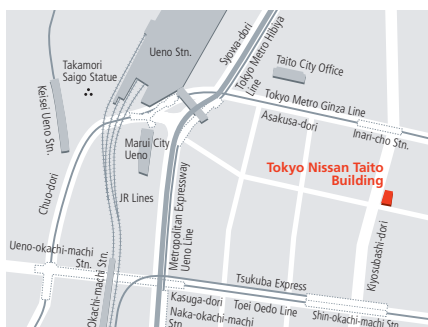


Tokyo Nissan Taito Building is a ten-story office building situated along Kiyosubashi-dori.

The convenience of the location grew even further with the Shin-Okachimachi Station on the Tsukuba Express Line of the Metropolitan Intercity Railway Company opening in August 2005 only about a four-minute walk away.

A fixed-term lease contract for the first two floors and the underground parking area is in place with the principal tenant, Tonichi Carlife Group Inc., contributing to earnings stability.

Address: 2-6-6, Moto-Asakusa, Taito-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Inari-cho Station—Tokyo Metro Ginza Line, a four-minute walk from Shin-Okachi-machi Station—Toei Oedo Line/Tsukuba Express Line, and a ten-minute walk from Ueno Station—JR Yamanote Line
 Total Land Space: 1,718.45m²
 Total Floor Space: 11,373.20m²
 Structure/Floors: SRC, B2/10F
 Completed: September 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Miyachi Corporation;
 Tonichi Carlife Group Inc.;
 Ataka Construction & Engineering Co., Ltd.



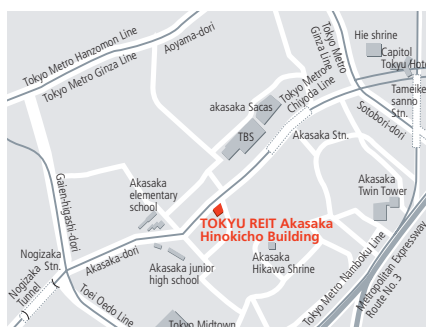
 TOKYU REIT Akasaka Hinokicho Building



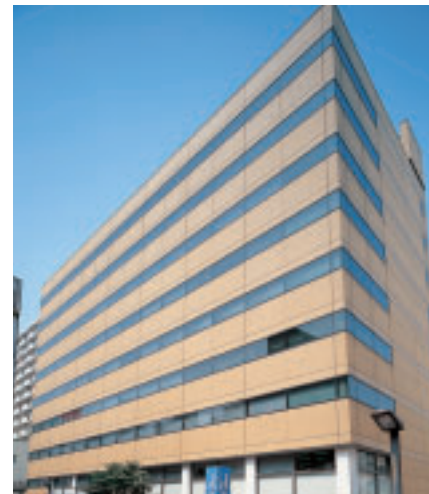
TOKYU REIT Akasaka Hinokicho Building is a seven-story office building situated along Akasaka-dori.

The multiple large office buildings and multi-faceted retail properties in the area and the large redevelopments of Tokyo Midtown which started operation in 2007 and Akasaka Sacas which started operation in 2008 enliven the area.

Address: 6-14-15, Akasaka, Minato-ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Akasaka Station—Tokyo Metro Chiyoda Line
 Total Land Space: 866.61m²
 Total Floor Space: 4,058.92m²
 Structure/Floors: RC, 7F
 Completed: August 1984
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Q-TEC, Inc.;
 Roadway Development and Reconstruction Association;
 Rome Tile Japan Co., Ltd.



 TOKYU REIT Kamata Building



TOKYU REIT Kamata Building is a nine-story office building adjacent to the Ota City Office. Kamata is an area in the center of Ota-ku, the third most populous district in Tokyo, while Kamata Station is a convenient terminal served by two Tokyu railway lines and one JR line. A proposed railway link between the Tokyu Tamagawa Line and the Keiikyū Airport Line enhances the possibility that the area will become even more convenient in the future. (Council for Transport Policy Report No. 18)

Address: 5-13-23, Kamata, Ota-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Kamata Station—Tokyu Ikegami Line/ Tokyu Tamagawa Line/ JR Keihin Tohoku Line
 Total Land Space: 1,642.86m²
 Total Floor Space: 10,244.51m²
 Structure/Floors: S/SRC, B1/9F
 Completed: February 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Fujitsu Advanced Solutions Limited;
 Dai Nippon Toryo Co., Ltd.;
 Canon Software Inc.

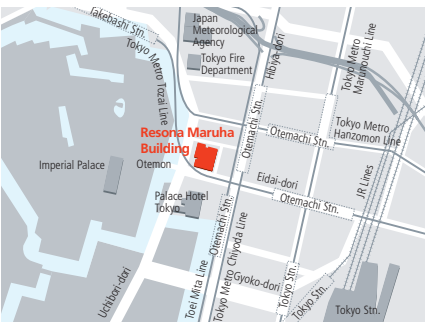


Resona Maruha Building



Resona Maruha Building is a unique office building facing Uchibori-dori in Otemachi, one of the most highly regarded office-building districts in Japan. Six of the eight upper floors that **TOKYU REIT** acquired are leased to Maruha Nichiro Seafoods, Inc. Another two floors were significantly renovated after acquisition.

Address: 1-1-2, Otemachi, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Otemachi Station—Tokyo Metro Chiyoda, Hanzomon, Tozai and Marunouchi Lines/ Toei Mita Line
 Total Land Space: 6,893.71m²
 Total Floor Space: 74,379.30m²
 (Exclusive area 19,542.77m²)
 Structure/Floors: S/SRC, B4/25F
 Completed: November 1978
 Type of Ownership: Land—Proprietary ownership (co-ownership ratio 27%)
 Building—Compartmentalized ownership
 Tenants: Maruha Nichiro Seafoods, Inc. and two companies



TOKYU REIT Toranomon Building



TOKYU REIT Toranomon Building is a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line and faces National Route 1 (Sakurada-dori). Since its completion, occupancy has remained stable, and the property is expected to deliver competitive advantage.

Address: 3-17-1, Toranomon, Minato-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Kamiyacho Station—Tokyo Metro Hibiya Line
 Approximately a nine-minute walk from Toranomon Station—Tokyo Metro Ginza Line
 Approximately a nine-minute walk from Onarimon Station—Toei Mita Line
 Total Land Space: 1,728.38m²
 Total Floor Space: 15,343.73m²
 Structure/Floors: SRC/RC, B2/9F
 Completed: April 1988
 Type of Ownership: Land—Proprietary ownership (co-ownership ratio 84.652%)
 Building—Compartmentalized ownership and co-ownership of compartmentalized ownership
 Representative Tenants: Japan Nuclear Energy Safety Organization;
 Takihyo Co., Ltd.;
 Anzco Foods Japan Ltd.



TOKYU REIT Hatchobori Building



TOKYU REIT Hatchobori Building is located in Hatchobori that has long had a high concentration of office buildings. This building is a large office building with standard floor layout of 200 tsubo. It is accessible to several stations, for example, a three-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line. The property has maintained competitiveness by certain refurbishments in terms of design including full renovations of the building's exterior, entrance and elevator hall since 1999. In addition, it has excellent earthquake resistance that far exceeds that of new structures as stipulated in the current Building Standards Law owing to its seismic-reinforced construction (intermediate seismicisolation) in 2005.

Address: 2-7-1, Hatchobori, Chuo-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Hatchobori Station—Tokyo Metro Tozai and Hibiya Lines
 Approximately a six-minute walk from Kayabacho Station—Tokyo Metro Tozai and Hibiya Lines
 Approximately a six-minute walk from Takaracho Station—Toei Asakusa Line
 Approximately an eight-minute walk from Kyobashi Station—Tokyo Metro Ginza Line
 Approximately a ten-minute walk from Tokyo Station—JR Lines
 Total Land Space: 974.32 m²
 Total Floor Space: 8,810.21 m²
 Structure/Floors: SRC, B2/9F
 Completed: September 1965
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Tokai Kogyo Co., Ltd.;
 Polaire Intellectual Property Corporation;
 ITOCHU CERATECH CORP.



AKASAKA 4-CHOME BUILDING
(Tokyu Agency Inc. Head Office Building)



Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is a relatively new office building located in the Akasaka area nearby the Kasumigaseki and Nagatacho districts where Central government and other public offices are located.

This property is located approximately a four-minute walk from Akasaka-Mitsuke and Nagatacho Stations and have excellent office specifications including 2,700mm of ceiling height and individually controlled air conditioners.

Tokyu Agency, Inc. is currently using the property as its head office and entered into a fixed-term lease contract (with no cancellation and no claim rights for reducing leasing rates) for five years from January 31, 2008 (acquisition day).

Address: 4-8-18, Akasaka, Minato-Ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Akasaka-Mitsuke Station—Tokyo Metro Ginza and Marunouchi Lines
 Approximately a four-minute walk from Nagatacho Station—Tokyo Metro Yurakucho, Hanzomon and Namboku Lines
 Total Land Space: 712.49 m²
 Total Floor Space: 5,002.36 m²
 Structure /Floors: S/SRC, B1/9F
 Completed: February 2003
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Tokyu Agency Inc.



TOKYU IKEJIRI-OSHASHI BUILDING



Tokyu Ikejiri-ohashi Building is located close to Ikejiri-ohashi station on the Tokyu Den-en-toshi Line and located to accommodate demand not met by Shibuya and is thus seen to provide occupancy stability.

With road access from all four sides and a floor layout that is essentially square throughout, the property boasts approximately 1,000 m² of floor space per floor, for an approximate total of 7,700 m², making it a rare find that is considered to possess a competitive edge in the area.

Address: 3-8-1, Higashiyama, Meguro-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Ikejiri-ohashi Station—Tokyu Den-en-toshi Line
 Total Land Space: 2,382.67 m²
 Total Floor Space: 7,619.56 m²
 Structure /Floors: SRC, 7F
 Completed: October 1989
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Tokyu Bus Corporation
 Top Tour Corporation
 Agfa Gevaert Group



RYOSHIN HARAJUKU BUILDING



Ryoshin Harajuku Building is located approximately a four-minute walk from Meiji-jingumae Station, serviced by the Tokyo Metro Fukutoshin and Chiyoda Lines, and situating along Meiji-dori.

A multi-function facility, the property offers retail space on the first floor.

With a glass-fitted external façade and excellent management, the property is distinguished by its high visibility and a quality that belies its age.

As a result of additional ownership acquisition during the eleventh fiscal period, TOKYU REIT holds the complete proprietary ownership of this property.

Address: 6-17-11, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Meiji-jingumae Station—Tokyo Metro Fukutoshin and Chiyoda Lines
 Approximately a six-minute walk from Shibuya Station—Tokyo Metro Fukutoshin and Hanzomon Lines
 Approximately a nine-minute walk from Harajuku Station—JR Yamanote Line
 Approximately an eleven-minute walk from Shibuya Station—JR Yamanote Line
 Total Land Space: 1,205.07m²
 Total Floor Space: 6,466.94m²
 Structure /Floors: SRC, B1/9F
 Completed: March 1989
 Type of Ownership: Land—Proprietary ownership
 (Co-ownership ratio 100%)
 Building—Compartmentalized ownership
 Representative Tenants: Peach John Co., Ltd.;
 ZYX International;
 World Co., Ltd.



I . Asset management report

1. Financial Highlights

(1) Result of operation and financial position

		11th fiscal period From August 1, 2008 to January 31, 2009 (184 days)	10th fiscal period From February 1, 2008 to July 31, 2008 (182 days)	9th fiscal period From August 1, 2007 to January 31, 2008 (184 days)	8th fiscal period From February 1, 2007 to July 31, 2007 (181 days)	7th fiscal period From August 1, 2006 to January 31, 2007 (184 days)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 7,644	¥ 7,336	¥ 6,832	¥ 6,730	¥ 6,460	
		Operating income	¥ 3,595	¥ 3,489	¥ 3,153	¥ 2,933	¥ 2,848	
		Net income	¥ 2,758	¥ 2,805	¥ 2,603	¥ 2,444	¥ 2,402	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 7,644	¥ 7,333	¥ 6,832	¥ 6,725	¥ 6,460	
		Rental service expenses (b)	¥ 3,258	¥ 3,102	¥ 2,965	¥ 2,920	¥ 2,867	
		Depreciation and amortization (included in (b)) (c) (Note 3)	¥ (1,082)	¥ (1,013)	¥ (957)	¥ (952)	¥ (947)	
		Net Operating Income (a) – (b) + (c)	¥ 5,468	¥ 5,244	¥ 4,824	¥ 4,756	¥ 4,540	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,841	¥ 3,814	¥ 3,559	¥ 3,390	¥ 3,349	
		Capital expenditures (e)	¥ 242	¥ 252	¥ 126	¥ 80	¥ 38	
		AFFO (Adjusted Funds from Operation) (d) – (e)	¥ 3,599	¥ 3,562	¥ 3,433	¥ 3,311	¥ 3,311	
Financial position	Balance sheet	Total assets (f)	¥ 217,728	¥ 218,206	¥ 193,080	¥ 184,390	¥ 183,995	
		(Change from the preceding period)	(△ 0.2%)	(13.0%)	(4.7%)	(0.2%)	(6.4%)	
		Interest-bearing liabilities (g) (Note 10)	¥ 97,000	¥ 97,000	¥ 73,500	¥ 65,300	¥ 65,300	
		Total unitholders' equity (Net assets) (h)	¥ 100,778	¥ 100,825	¥ 100,622	¥ 100,463	¥ 100,421	
		(Change from the preceding period)	(△ 0.0%)	(0.2%)	(0.2%)	(0.0%)	(△ 1.3%)	
		Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
	Portfolio	Acquisition costs of properties (Note 5)	¥ 206,649	¥ 205,453	¥ 181,677	¥ 171,737	¥ 171,737	
		Book value of properties (Note 5)	¥ 201,896	¥ 201,528	¥ 178,336	¥ 169,110	¥ 169,971	
		Appraisal value of properties (i) (Note 5)	¥ 242,400	¥ 268,680	¥ 242,920	¥ 224,330	¥ 210,120	
		Number of properties	23	23	20	19	19	
		Total rentable area (Note 6)	239,294.65 m ²	239,287.19 m ²	226,330.13 m ²	222,637.60 m ²	222,653.08 m ²	
		Occupancy ratio at the end of period (Note 6)	98.6%	99.4%	99.9%	99.6%	99.8%	
	Other	Distribution	Cash distribution	¥ 2,758	¥ 2,805	¥ 2,603	¥ 2,444	¥ 2,402
			Dividend per ratio (Note 7)	100.0%	100.0%	100.0%	99.9%	100.0%
		Amount per unit	Number of units	169,380 units	169,380 units	169,380 units	169,380 units	169,380 units
			Unitholders' equity per unit	¥ 594,982	¥ 595,257	¥ 594,061	¥ 593,124	¥ 592,879
Cash distribution per unit			¥ 16,284	¥ 16,560	¥ 15,364	¥ 14,427	¥ 14,182	
Management index		Return on total unitholders' equity (annualized) (Note 8)	5.4%	5.6%	5.1%	4.9%	4.7%	
		Equity ratio (h)/(f)	46.3%	46.2%	52.1%	54.5%	54.6%	
		(Change from the preceding period)	(0.1%)	(△ 5.9%)	(△ 2.4%)	(△ 0.1%)	(△ 4.3%)	
		Proportion of interest-bearing liabilities to total assets (g)/(f)	44.6%	44.5%	38.1%	35.4%	35.5%	
		Proportion of interest-bearing liabilities to appraisal value at the end of period (g)/(i)	40.0%	36.1%	30.3%	29.1%	31.1%	
Average market price per unit (Note 9)	¥ 603,570	¥ 835,903	¥ 1,000,664	¥ 1,241,537	¥ 958,306			

- Note 1. Consumption tax is not included in operating revenues.
- Note 2. 'Revenue from property leasing' does not include construction fees and revenues from facility acceptance (5 millions of yen on 8th fiscal period and 4 millions of yen on 10th fiscal period)
- Note 3. 'Depreciation and amortization' includes Loss on disposal of property and equipment (0 millions of yen on 8th fiscal period , 0 millions of yen on 9th fiscal period and 19 millions of yen on 11th fiscal period))
- Note 4. Net income + depreciation and amortization + other property related depreciation and amortization - revenue from the sales of properties - revenues from facility acceptance. Other property related depreciation and amortization was not recognized.
- Note 5. 'Properties' means investment properties held in the trust in substance, which is total assets in the trust less the money held in the trust.
- Note 6. Regarding the 'Total rentable area' and 'Occupancy ratio at the end of period', please refer to 3. Portfolio profile. (2) Major portfolio Notes 2 and 4.
- Note 7. Figures are rounded down to the second decimal place.
- Note 8. $\text{Net income} / (\text{net assets at the beginning of the period} + \text{net assets at the end of the period}) / 2 \times 365 / \text{number of days of investment}$
- Note 9. Average price during the period (closing price) at the Real Estate Investment Trust Market of the Tokyo Stock Exchange ("Tokyo Stock Exchange") on which TOKYU REIT Inc. ("TOKYU REIT") is listed.
- Note 10. $\text{Short-term debt} + \text{Long-term debt due within one year} + \text{Long-term debt} + \text{Investment corporation bonds}$

(2) Development of Asset Investment Management during the Current Period

① Investment Environment

During the six-month period ended January 31, 2009, Japan's economy suffered deterioration, negatively affected by the international financial disorder that the Japanese government defines as a worse-than-expected crisis. Accordingly, both corporate-sector performance and consumer spending grew weaker compared with the previous year. The Tokyo Metropolitan area's economy, which had shown relative stability until the tenth fiscal period, similarly experienced a rapid deterioration. With regard to population movement, more than 150,000 people migrated to the Tokyo Metropolitan area from other areas of the country during 2008. This has further exacerbated the disparity between the area and other regions.

Under these circumstances, the office leasing market has seen average advertised rents increase only slightly in Tokyo's 23 wards. Vacancy rates rose to 3.3% by December 31, 2008, reflecting tenants' shift from a cautious stance toward office relocation and expansion to an active stance toward leasing space reductions and contract cancellations. In the retail space leasing market, tenants are increasingly facing severe operating conditions. In particular, large-scale retailers are experiencing year-on-year declines in sales due to diminishing consumer confidence, which has resulted in consumers' hesitation to buy highly priced goods and IT-related products.

In the real estate investment market, the volume of real estate transactions has significantly decreased, with financial institutions increasingly hardening their lending stance in real estate financing. Expected returns on investment, or cap rates, which had been sliding steadily until the ninth fiscal period, finally rose. This rise in cap rates, coupled with deterioration in leasing market conditions, has caused real estate prices, even in the Tokyo Metropolitan area, to decline.

② Investment Performance Results

a. Acquisition of Properties

In such an operating environment, TOKYU REIT has adhered to selective investment criteria and endeavored to invest in highly competitive properties in areas with high growth potential. More specifically, on October 3, 2008, TOKYU REIT acquired additional ownership

of the Ryoshin Harajuku Building for a total acquisition price of ¥ 1,196 million. As a result, as of January 31, 2009, TOKYU REIT held an investment portfolio totaling 23 properties with a total acquisition price of ¥206,649 million and total leasable floor space of 239,294.65 m².

The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥242,400 million. As in the previous fiscal period, appraisal value exceeded book value, resulting in an unrealized gain of ¥40,504 million. Based on generally accepted accounting principles, unrealized gains are not reflected in TOKYU REIT's financial statements.

b. Investment Management Control

Reflecting stable investment management, the occupancy rate for the entire portfolio of 23 properties stood at 98.6% as of January 31, 2009. TOKYU REIT is also actively working to upwardly revise rent levels. Consequently, as of the end of the eleventh fiscal period, the average rental rate for the existing property portfolio (excluding the three properties acquired during the period under review) increased 0.76% compared with the end of the tenth fiscal period.

c. Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency. TOKYU REIT conducted refinancing in the fiscal period under review to convert short-term debt into long-term debt, with the aims of securing borrowings with fixed long-term interest rates and diversifying repayment dates. The balance of interest-bearing liabilities as of January 31, 2009 was ¥97,000 million, consisting of ¥10,000 million in investment corporation bonds, ¥72,000 million in long-term debt (including ¥10,000 million of the current portion of long-term debt) and ¥15,000 million in short-term debt. The weighted-average interest rate was 1.66% (calculated based on the annualized amount of interest payable for the eleventh fiscal period divided by the total average balance of each loan).

TOKYU REIT's credit ratings as of January 31, 2009 were as follows.

Rating Agency	Credit Rating
Rating and Investment Information, Inc.	Rating: AA-; Outlook: Stable
Standard & Poor's Ratings Services	Long-term: A; Short-term: A-1 Outlook: Stable
Moody's Investors Service, Inc.	Rating: A2; Outlook: Negative*

d. Countering conflicts of interest

To ensure the fairness and transparency of its transactions, TOKYU REIT strictly adheres to self-imposed measures to prevent conflicts of interest, and, accordingly, continued to follow prescribed procedures during the fiscal period under review. For example, TOKYU REIT previously used Tokyu Land Corporation as the property management company for the nine properties of Lexington Aoyama, TOKYU REIT Omotesando Square, Beacon Hill Plaza (Ito-Yokado Noukendai Store), Setagaya Business Square, Tokyo Nissan Taito Building, TOKYU REIT Akasaka Hinokicho Building, Resona Maruha Building, TOKYU REIT Hatchobori Building and Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building). However, TOKYU REIT has changed the property management company for these properties to Tokyu Community Co., Ltd. ("Tokyu Community"). Tokyu Community falls under the category of a related party as stipulated under the Law Concerning Investment

Trusts and Investment Corporations (Law No. 198 of 1951, as amended, hereafter the “Investment Trusts Law”) and the Enforcement Guidance for the Investment Trusts Law (hereafter the “Investment Trusts Law Guidance”). Accordingly, TOKYU REIT has made decisions relating to terms and conditions pertaining to outsourcing property management operations based on its own voluntary measures to prevent conflicts of interest and with due consideration given to market standards, service details and the scale of operation. In accordance with the aforementioned voluntary measures, relevant transactions have been monitored by an audit firm other than TOKYU REIT’s accounting auditor, and the audit firm has confirmed the consistency of these transactions with the measures. Based on this confirmation, TOKYU REIT’s Board of Directors has approved the conclusion of applicable property management agreements.

Moreover, TOKYU REIT has received an opinion report from Urban Research Institute Corporation stating that fees paid to Tokyu Group companies (see Note below) for property management services pertaining to all of its portfolio properties as of the end of the fiscal period under review were within the range set by other J-REITs listed on the Tokyo Stock Exchange.

Note. In addition to the related parties designated by the Investment Trusts Law and the Investment Trusts Law Guidance (“legally related parties”), TOKYU REIT’s independent definition of “Tokyu Group companies” encompasses the following: companies whose majority of voting rights is held by a company that has a stake in Tokyu REIM and their subsidiaries (collectively “related companies”); and special purpose entities whose majority of capital has been contributed by legally related parties and related companies.

(3) Issuance of New Investment Units

There were no new investment units issued during the fiscal period under review, and there were no increase or decrease in the number of units issued and total unitholder's capital. Issuance of new investment units until the end of the previous fiscal period is as follows:

Date	Remark	Number of units issued		Total unitholders' capital		Note
		Unit		Millions of yen		
		Change	Total	Change	Total	
June 20, 2003	Issuance of units under private offering	400	400	¥ 200	¥ 200	(Note 1)
September 10, 2003	Issuance of units under public offering	97,600	98,000	¥ 49,918	¥ 50,118	(Note 2)
August 3, 2004	Issuance of units under public offering	42,000	140,000	¥ 26,481	¥ 76,599	(Note 3)
August 25, 2004	Issuance of units under third-party allotment	2,000	142,000	¥ 1,261	¥ 77,860	(Note 4)
August 1, 2005	Issuance of units under public offering	26,700	168,700	¥ 19,658	¥ 97,519	(Note 5)
August 26, 2005	Issuance of units under third-party allotment	680	169,380	¥ 500	¥ 98,019	(Note 6)

Note 1. Incorporated with ¥ 500,000 per unit

Note 2. Issued new investment units at offer price of ¥ 530,000 (issue price: ¥ 511,450) for the purpose of acquiring new properties

Note 3. Issued new investment units at offer price of ¥ 652,484 (issue price: ¥ 630,512) for the purpose of acquiring new properties and repayments of the short-term loans

Note 4. Issued new investment units at issue price of ¥ 630,512 for the purpose of acquiring new properties and repayments of the short-term loans

Note 5. Issued new investment units at offer price of ¥ 761,950 (issue price: ¥ 736,292) for the purpose of acquiring new properties and repayments of the short-term loans

Note 6. Issued new investment units at issue price of ¥ 736,292 for the purpose of acquiring new properties and repayments of the short-term loans

【Movements of Market Price】

The highest and lowest (closing price) in the Tokyo Stock Exchange, on which TOKYU REIT is listed, are as follows:

	11th fiscal period From August 1, 2008 to January 31, 2009	10th fiscal period From February 1, 2008 to July 31, 2008	9th fiscal period From August 1, 2007 to January 31, 2008	8th fiscal period From February 1, 2007 to July 31, 2007	7th fiscal period From August 1, 2006 to January 31, 2007
	Yen				
Highest	¥ 850,000	¥ 915,000	¥ 1,170,000	¥ 1,470,000	¥ 1,150,000
Lowest	¥ 412,000	¥ 672,000	¥ 809,000	¥ 945,000	¥ 800,000

(4) Distribution Information

With respect to distribution for the eleventh fiscal period, TOKYU REIT determined to distribute the whole unappropriated earnings (except for the rounding amount, which is the distribution per unit of less than ¥ 1) for the eleventh fiscal period to be eligible for special tax treatment (Article 67-15 of Special Taxation Measures Law (Law number 26 in 1957, including subsequent revision) that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, distribution per unit was ¥16,284.

	11th fiscal period From August 1, 2008 to January 31, 2009	10th fiscal period From February 1, 2008 to July 31, 2008	9th fiscal period From August 1, 2007 To January 31, 2008	8th fiscal period From February 1, 2007 to July 31, 2007	7th fiscal period From August 1, 2006 to January 31, 2007
Millions of yen, except per unit data					
Unappropriated retained earnings	¥ 2,758	¥ 2,805	¥ 2,603	¥ 2,444	¥ 2,402
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 2,758	¥ 2,805	¥ 2,603	¥ 2,444	¥ 2,402
(Cash distribution per unit)	(¥ 16,284)	(¥ 16,560)	(¥ 15,364)	(¥ 14,427)	(¥ 14,182)
Distribution of accumulated Earnings	¥ 2,758	¥ 2,805	¥ 2,603	¥ 2,444	¥ 2,402
(Distribution of accumulated earnings per unit)	(¥ 16,284)	(¥ 16,560)	(¥ 15,364)	(¥ 14,427)	(¥ 14,182)
Cash distribution in excess of accumulated earnings	—	—	—	—	—
(Cash distribution in excess of accumulated earnings per unit)	(—)	(—)	(—)	(—)	(—)

(5) Future Policies of Investment Management

① Forecast of Future Movement

The Japanese economy is forecast to remain on course for further deterioration for some time to come, and there are some concerns that the economy will slow further depending on trends in the stock and foreign exchange markets. Similarly, it is becoming increasingly necessary to take a cautious approach when making forecasts of economic conditions in the Tokyo Metropolitan area. In light of such factors, it is highly possible for the real estate leasing market to suffer further increases in vacancy rates and additional reductions in rental rates.

In the real estate investment market, the polarization between Tokyo and other regions of the country and even within Tokyo itself is increasing as a result of further progression in the trend toward rising prices for low-risk, high-return properties and decreasing prices for other properties. Underpinning this phenomenon is the strengthening link between capital and real estate markets due to the expansion of the property securitization market, which, in turn, has led to the revaluation and setting of real estate prices based on the capitalization method and risk assessment. Such polarization is expected to spread and deepen further as the J-REIT market reaches the first turning point in its history. In such an environment, the establishment and management of a stably profitable investment portfolio, the adherence to effective investment policies and financial and other management capabilities to execute these policies as well as good corporate governance will become all the more important for TOKYU REIT and other J-REITs.

② Future Policies of Investment Management and Issues to be Countered

Prior to the formal establishment of TOKYU REIT, Tokyu REIM undertook an assessment of future investment trends based on business growth potential. Based on this assessment, it was decided that TOKYU REIT would adopt a stance of investing in highly competitive properties in areas with strong growth potential. Specifically, TOKYU REIT will continue to focus on an investment area mainly limited to the five central wards of Tokyo, where ongoing growth is expected, and to Tokyu Areas, the areas serviced by the Tokyu rail network. As it builds a competitive, high-quality portfolio, TOKYU REIT will continue to adhere firmly to stringent investment criteria for selecting individual properties. Aiming to achieve external growth, TOKYU REIT will obtain a balanced mix of properties from Tokyu Group companies and the real estate investment market. Working in this manner, TOKYU REIT will improve the quality of its portfolio and expand the scale of its business.

TOKYU REIT will endeavor to achieve internal growth by enhancing earnings stability and growth potential through collaboration with Tokyu Group companies in the areas of property maintenance and management. Maintaining a careful watch on corporate earnings and consumption trends, TOKYU REIT will make every effort to manage facilities in a way that makes each property the choice of corporate tenants and visitors over the medium to long term. With the objective of raising rent levels, TOKYU REIT will make strategic and appropriate renovations commensurate with the grade of the properties being improved and implement leasing activities from a medium- to long-term perspective. TOKYU REIT will also implement appropriate cost control measures with regard to maintenance fees and additional capital expenditures.

To assure transparency, Tokyu REIM will improve external audit functions and disclosure activities so as to fulfill its responsibilities as a REIT fund manager operating according to global standards.

(6) Subsequent events

TOKYU REIT approved amendments to the Articles of Incorporation at the fourth General Meeting of Unitholders to be held on April 15, 2009.

(Reference)

On March 4, 2009, TOKYU REIT exchanged a memorandum concerning partial amendment to the Investment Management Agreement dated June 20, 2003 with Tokyu REIM. TOKYU REIT will reduce investment management fees paid to Tokyu REIM by a certain rate, as described below. The amendment shall take effect on the condition that the proposed amendment is approved at the General Meeting of Unitholders, to be held on April 15, 2009.

Current Article		Proposed Amendment	
Compensation Type	Calculation Method and Payment Period	Compensation Type	Calculation Method and Payment Period
(Omitted)	(Omitted)	(No change)	(No change)
(New addition)		<u>Special provision regarding investment management fees from the 12th fiscal period through to the 15th period</u>	<u>From the 12th fiscal period through to the 15th fiscal period, investment management fees shall be calculated based on the sum of asset-based fees, cash flow-based fees and unit price-based fees as well as on the rates of reduction from the sum for each period, as described below:</u> <u>12th period (Feb. 1 2009 to July 31, 2009): 2%</u> <u>13th period (Aug. 1, 2009 to Jan. 31, 2010): 4%</u> <u>14th period (Feb. 1, 2010 to July 31, 2010): 6%</u> <u>15th period (Aug. 1, 2010 to Jan. 31, 2011): 8%</u>

2. Company Profiles

(1) Summary of unitholders' contributions

	11th fiscal period as of January 31, 2009	10th fiscal period as of July 31, 2008	9th fiscal period as of January 31, 2008	8th fiscal period as of July 31, 2007	7th fiscal period as of January 31, 2007
Authorized units (unit)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Units issued (unit)	169,380	169,380	169,380	169,380	169,380
Unitholders' capital (millions of yen)	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019
Number of unitholders (persons)	7,948	8,005	8,406	8,821	9,997

(2)Details Regarding TOKYU REIT's Unitholders

The following table sets forth our major unitholders' information as of January 31, 2009.

Name	Address	Number of unitholders owned	Owner-Ship
		Unit	%
NikkoCiti Trust and Banking Corporation (Trust)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	14,367	8.48
Japan Trustee Services Bank, Ltd. (Trust)	1-8-11, Harumi, Chuo-ku, Tokyo	11,535	6.81
Trust & Custody Services Bank, Ltd.	Harumi Island Triton Square Office Tower-Z, 1-8-12, Harumi, Chuo-ku, Tokyo	11,369	6.71
The Master Trust Bank of Japan, Ltd. (Trust)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	8,340	4.92
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	5,880	3.47
AIG STAR LIFE INSURANCE CO., LTD.	4-1-3, Taihei, Sumida-ku, Tokyo (Standing Proxy : Citibank Japan Ltd.)	4,871	2.88
North Pacific Bank, Ltd.	3-11, Odori Nishi, Chuo-ku, Sapporo, Hokkaido	4,604	2.72
The Bank of New York US Pension Fund Global Business 132561	One Wall Street New York NY 10 286 U.S.A	4,076	2.41
The Nomura Trust and Banking Co., Ltd	2-2-2, Otemachi, Chiyoda-ku, Tokyo	3,939	2.33
Tokyu Land Corporation	1-21-2, Dogenzaka, Shibuya-ku, Tokyo	3,920	2.31
Total		72,901	43.04

(3)Details of TOKYU REIT's Directors and Auditors

①Member of the Directors and Auditor (as of January 31, 2009)

Titles	Name	Title of other companies	Total fee for each titles (Note 2) (Thousands of Yen)
Executive Director	Masahiro Horie	Tokyu Real Estate Investment Management, Inc. Representative Director & President, Chief Executive Director	— (Note 3)
Supervisory Director	Giichi Yanagisawa	Certified public accountant, Shinsoh Audit Corporation	3,000
Supervisory Director	Maruhito Kondo	Lawyer, Kondo Maruhito Law Office	3,000
Independent Auditor	PricewaterhouseCoopers Aarata		9,000

Note 1. The executive director, the supervising directors and the independent auditor do not possess investment units of TOKYU REIT under their own name nor under another person's name. Besides, although there are cases that supervisory directors could be directors of other companies stated above, they have no particular interests in TOKYU REIT.

Note 2. Amounts paid to the executive director and supervisory directors and the amount due to independent auditors are shown above.

Note 3. The executive director serves without compensation

② Policies Regarding the Decision of Dismissing and Not Reappointing Independent Auditors

TOKYU REIT shall observe the stipulations in the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951, including amendments thereafter; hereafter, the "Investment Trust Law") in making decisions for the dismissal of an independent auditor. With regard to the abrogation of an independent auditor's reappointment, appropriate decisions shall be made at TOKYU REIT's Board of Directors meetings with due consideration given to audit quality, compensation and various other factors.

(4) Investment Management Company, Asset Custodian and General Administrator at the end of the tenth fiscal period.

The following table sets forth information of our Investment Management Company, asset custodian and general administrator as of January 31, 2009.

Business to be entrusted	Name
Investment Management Company	Tokyu Real Estate Investment Management Inc.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (accounting operations, administration of meetings, management of the register of unitholders, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (work related to investment corporation bonds)	The Sumitomo Trust and Banking Company, Limited

3. Portfolio Profile

(1) Component of assets

Asset type	Type	Area	11th fiscal period As of January 31, 2009		10th fiscal period As of July 31, 2008		
			Total amount held	Percentage of total assets	Total amount held	Percentage of total assets	
			Millions of yen	%	Millions of yen	%	
Real estate	Retail	Central Tokyo and Tokyu Areas	15,898	7.3	15,910	7.3	
		Other	—	—	—	—	
		Sub total	15,898	7.3	15,910	7.3	
	Office	Central Tokyo and Tokyu Areas	9,995	4.6	10,025	4.6	
		Other	—	—	—	—	
		Sub total	9,995	4.6	10,025	4.6	
	Total		25,893	11.9	25,935	11.9	
	Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	57,135	26.2	57,399	26.3
			Other	16,074	7.4	16,151	7.4
Sub total			73,209	33.6	73,550	33.7	
Office		Central Tokyo and Tokyu Areas	102,794	47.2	102,042	46.8	
		Other	—	—	—	—	
		Sub total	102,794	47.2	102,042	46.8	
Total		176,003	80.8	175,592	80.5		
Other assets		15,832	7.3	16,679	7.6		
Total assets		¥ 217,728 (¥201,896)	100.0 (92.7)	¥ 218,206 (¥201,528)	100.0 (92.4)		

Note 1. 'Total amount held' is the amount allocated in the balance sheet at the end of the period (as to properties, figures are net book value after deducting depreciation).

Note 2. Figures in brackets of 'Total assets' represent the portion of actually held properties in the target assets above.

(2) Major portfolio

Major portfolio held by TOKYU REIT as of January 31, 2009, is as follows:

Name of property		Book Value	Rentable area	Leased area	Occupancy ratio	Percentage of revenue from property leasing	Type
		Millions of Yen	m ²	m ²	%	%	
R	QFRONT	¥ 14,496	4,544.07	4,544.07	100.0	8.0	Retail
R	Lexington Aoyama	4,739	2,241.76	2,241.76	100.0	2.2	Retail
R	TOKYU REIT Omotesando Square	5,736	2,702.42	2,702.42	100.0	2.5	Retail
R	Tokyu Saginuma Building	6,721	19,610.06	19,610.06	100.0	4.1	Retail
R	Tokyu Saginuma 2 Building	1,243	1,284.60	1,284.60	100.0	0.9	Retail
R	TOKYU REIT Shibuya Udagawa-cho Square	6,655	1,543.05	1,543.05	100.0	2.2	Retail
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	9,048	50,285.89	50,285.89	100.0	3.9	Retail
R	cocoti	24,200	8,319.95	8,319.95	100.0	9.6	Retail
R	Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.3	Retail
R	CONZE Ebisu	5,057	2,319.24	2,319.24	100.0	1.8	Retail
R	Daikanyama Forum	4,185	2,477.64	2,267.22	91.5	1.5	Retail
O	Setagaya Business Square	19,891	24,930.32	23,576.47	94.6	16.9	Office
O	Tokyu Nampeidai-cho Building	4,373	7,148.18	7,148.18	100.0	2.4	Office
O	Tokyu Sakuragaoka-cho Building	6,439	4,737.19	4,737.19	100.0	3.3	Office
O	Tokyo Nissan Taito Building	3,963	7,947.24	7,947.24	100.0	3.1	Office
O	TOKYU REIT Akasaka Hinokicho Building	3,495	3,206.25	3,206.25	100.0	2.0	Office
O	TOKYU REIT Kamata Building	4,254	7,337.82	7,337.82	100.0	4.0	Office
O	Resona Maruha Building	23,842	14,414.99	14,414.99	100.0	11.5	Office
O	TOKYU REIT Toranomom Building	9,995	10,136.72	10,136.72	100.0	6.5	Office
O	TOKYU REIT Hatchobori Building	7,019	6,024.06	5,300.65	88.0	2.7	Office
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,459	3,533.03	3,533.03	100.0	2.7	Office
O	Tokyu Ikejiri-ohashi Building	5,476	5,710.41	5,710.41	100.0	2.6	Office
O	Ryoshin Harajuku Building	15,584	4,761.64	3,597.62	75.6	3.6	Office
Total		¥ 201,896	239,294.65	235,842.95	98.6	100.0	

Note 1. The properties' trust beneficiary interests possessed the said whole of the 19 properties, except TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, Daikanyama Forum and TOKYU REIT Toranomom Building.

Note 2. 'Rentable area' is the total area of rentable offices, stores, warehouses and land indicated in the agreements and drawing (common use space is included when leased.). With respect to Tokyu Saginuma Building, Beacon Hill Plaza (Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, parking lots are included. Regarding QFRONT, the fiduciary rents the partial space possessed appropriately by other owners and leases them as a block together with the entrusted property, the said space is included in it. For Setagaya Business Square, jointly owned with another owner, the stated figure is given by multiplying rentable area in the whole building by the ratio of common-use space (55%, ratio of co-ownership). For TOKYU REIT Toranomom Building, the leased area includes exclusive-use areas jointly owned with another compartmentalized owner and leased by TOKYU REIT, as well as exclusive-use areas under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates leased area of land.

Note 3. 'Leased area' is the amount of square meters actually leased, under lease contracts, out of the total square meters stated in contracts (parking lots, side signboards leased under commitments, are not included). For Tokyu Saginuma Building, Beacon Hill Plaza (Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, parking lots are included. Regarding QFRONT, the fiduciary rents partial space possessed appropriately by other owners and leases them as a block together with the entrusted property, and the said space is included in it. As to Setagaya Business Square, jointly owned with another owner, the stated figure is given by multiplying rentable area in the whole building by the ratio of common-use space (55%, ratio of co-ownership). For TOKYU REIT Toranomom Building, the leased area includes exclusive-use areas jointly owned with another compartmentalized owner and leased by TOKYU REIT, as well as exclusive-use areas under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates leased area of land.

Note 4. 'Occupancy ratio' is the percentage of leased areas to rentable area at the end of the period.

Note 5. 'Percentage of revenue from property leasing' is rounded off the second decimal place. Therefore, sum of each item might be not corresponding to figure of 'Total'.

(3) Details of properties in portfolio

Properties held by TOKYU REIT as of January 31, 2009 are as follows:

Name of property		Location	Investment Type	Rentable area	Appraisal value at the end of period	Book value	
				m ²	Millions of yen	Millions of yen	
Retail	Central Tokyo and Tokyo Areas	R QFRONT	75-8, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,544.07	¥ 20,200	14,496
		R Lexington Aoyama	5-235-7, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,241.76	6,950	4,739
		R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,702.42	7,400	5,736
		R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	19,610.06	8,250	6,721
		R Tokyu Saginuma 2 Building	1-18-5, Kodai, Miyamae-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	1,284.60	1,450	1,243
		R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	8,250	6,655
		R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,319.95	24,500	24,200
		R CONZE Ebisu	2-3-5, Ebisu Minami Shibuya-ku, Tokyo	Real estate	2,319.24	4,930	5,057
		R Daikanyama Forum	Building 1 (East) 33-18, Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) 33-1, Sarugaku-cho, Shibuya-ku, Tokyo	Real estate	2,477.64	3,920	4,185
		Sub total				45,042.79	85,850
Other		R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	88-1, Noukendai-higashi, Kanazawa-ku, Yokohama City, Kanagawa	Trust beneficiary interest in real estate	50,285.89	9,050	9,048
		R Shonan mall Fill (Sokochi)	4-4300-1, Tsujido Shinmachi, Fujisawa City, Kanagawa	Trust beneficiary interest in real estate	44,078.12	6,260	7,026
		Sub total				94,364.01	15,310
Total				139,406.80	101,160	89,106	
Office and Tokyo		O Setagaya Business Square	4-260-2, Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,930.32	26,900	19,891
		O Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	6,320	4,373

○	Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	9,470	6,439
○	Tokyo Nissan Taito Building	2-120-2, Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,947.24	5,690	3,963
○	TOKYU REIT Akasaka Hinokicho Building	6-1401, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,206.25	4,770	3,495
○	TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	7,450	4,253
○	Resona Maruha Building	1-2-1, Otemachi, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	14,414.99	34,600	23,842
○	TOKYU REIT Toranomon Building	3-45-6, Toranomon, Minato-ku, Tokyo	Real estate	10,136.72	15,900	9,995
○	TOKYU REIT Hatchobori Building	2-104-1, Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	6,024.06	6,450	7,019
○	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	4-806,4-819, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,533.03	7,860	8,459
○	Tokyu Ikejiri-ohashi Building	3-1050, Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,710.41	5,230	5,476
○	Ryoshin Harajuku Building	6-16-46, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,761.64	10,600	15,584
Sub total				99,887.85	141,240	112,790
Total				99,887.85	141,240	112,790
Total				239,294.65	¥ 242,400	¥ 201,896

Note 1. 'Location' is stated as based on the description shown in the registry book. The present status of the said property might not correspond to the descriptions in the registry book.

Note 2. 'Rentable area' is the total area of rentable offices, stores and warehouses indicated in the agreements and drawings (common use space is included when it is leased.). With respect to Tokyu Saginuma Building, Beacon Hill Plaza(Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, parking lots are included. Regarding QFRONT, the fiduciary rents the partial space possessed appropriately by other owners and leases them as a block together with the entrusted property and the said space is included in it. For Setagaya Business Square, jointly owned with another owner, the stated figure is given by multiplying rentable area in the whole building by the ratio of common-use space (55%, ratio of joint co-ownership). For TOKYU REIT Toranomon Building, the leased area includes exclusive-use areas jointly owned with another compartmentalized owner and leased by TOKYU REIT, as well as exclusive-use areas under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill(*sokochi*) indicates leased area of land.

Note 3. 'Appraisal value at the end of period' is the assessed value based on the appraisal by real estate appraisers following the asset evaluation method, standards, reporting date and rules laid down in the laws and rules of the Investment Trust Association, Japan, (based on the report prepared by Japan Real Estate Institute, HIRO & REAS network, Inc., Jones Lang LaSalle IP, Inc., and Daiwa Real Estate Appraisal Co., Ltd., which adopt the period end date as the date of value estimate).

Development of Leasing Business of Properties Held by TOKYU REIT

Name of property		11th Fiscal Period From August 1, 2008 to January 31, 2009				10th Fiscal Period From February 1, 2008 to July 31, 2008				
		Number of tenants	Occupancy ratio	Revenue from property leasing	Percentage of revenue from property leasing	Number of tenants	Occupancy ratio	Revenue from property leasing	Percentage of revenue from property leasing	
			%	Millions of yen	%		%	Millions of yen	%	
Retail	Central Tokyo and Tokyo Areas	R QFRONT	4	100.0	¥ 612	8.0	4	100.0	¥ 609	8.3
		R Lexington Aoyama	2	100.0	166	2.2	2	100.0	166	2.3
		R TOKYU REIT Omotesando Square	4	100.0	192	2.5	4	100.0	193	2.6
		R Tokyu Saginuma Building	1	100.0	310	4.1	1	100.0	310	4.2
		R Tokyu Saginuma 2 Building	1	100.0	65	0.9	1	100.0	65	0.9
		R TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	170	2.2	2	100.0	170	2.3
		R cocoti	15	100.0	731	9.6	15	100.0	763	10.4
		R CONZE Ebisu	8	100.0	140	1.8	8	100.0	139	1.9
		R Daikanyama Forum	4	91.5	111	1.5	5	100.0	60	0.8
		Sub total	41	99.5	2,496	32.7	42	100.0	2,475	33.7
	Other	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	300	3.9	1	100.0	300	4.1
		R Shonan mall Fill (Sokochi)	1	100.0	174	2.3	1	100.0	174	2.4
		Sub total	2	100.0	474	6.2	2	100.0	474	6.5
	Total		43	99.8	2,971	38.9	44	100.0	2,949	40.2
Office	Central Tokyo and Tokyo Areas	O Setagaya Business Square	54	94.6	1,291	16.9	58	99.8	1,313	17.9
		O Tokyu Nampeidai -cho Building	1	100.0	182	2.4	1	100.0	182	2.5
		O Tokyu Sakuragaoka -cho Building	2	100.0	255	3.3	2	100.0	254	3.5
		O Tokyo Nissan Taito Building	12	100.0	234	3.1	13	100.0	242	3.3
		O TOKYU REIT Akasaka Hinokicho Building	5	100.0	151	2.0	5	100.0	148	2.0
		O TOKYU REIT Kamata Building	4	100.0	307	4.0	4	100.0	304	4.1
		O Resona Maruha Building	3	100.0	877	11.5	3	100.0	869	11.8
		O TOKYU REIT Toranomon Building	7	100.0	495	6.5	7	100.0	484	6.6
		O TOKYU REIT Hatchobori Building	8	88.0	204	2.7	9	99.0	222	3.0
		O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	205	2.7	1	100.0	205	2.8
		O Tokyu Ikejiri-ohashi Building	5	100.0	200	2.6	5	100.0	111	1.5
		O Ryoshin Harajuku Building	7	75.6	273	3.6	6	71.8	50	0.7
		Sub total	109	96.8	4,673	61.1	114	98.5	4,384	59.8
Total		109	96.8	4,673	61.1	114	98.5	4,384	59.8	
Total		152	98.6	¥7,644	100.0	158	99.4	¥7,333	100.0	

Note 1. With respect to 'Number of tenants', this is counted cumulatively, i.e., when one tenant leases plural rooms for rent in the same property, it is regarded as one tenant, and when in plural properties, it is regarded as plural tenants.

Note 2. 'Occupancy ratio' is the percentage of leased areas to rentable area at the end of the period.

Note 3. 'Percentage of revenue from property leasing' is rounded off the second decimal place. Therefore, sum of each item might be not corresponding to figure of 'Total'.

(4) Other Assets

As of January 31, 2009, there are no assets targeted for investments other than those described in said above.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

Major capital expenditure for repair and maintenance works of properties held, as scheduled as of January 31, 2009, is as follows: The estimated construction costs shown below includes repair and maintenance costs to be charged to income.

Efficient repair and maintenance plans continue to be prepared for each property to maintain their competitiveness and from the view point of medium- to long-term improvements, as well as for repair and maintenance, and capital expenditure.

Name of property	Location	Objective	Estimated period	Estimated construction cost			
				Millions of yen			
				Total	Amount paid during this period	Amount paid by the end of period	
R	Tokyu Saginuma Building	Kawasaki City, Kanagawa	Renovation of guest restrooms	From June 2009 to July 2009	¥ 18	—	—
R	cocoti	Shibuya-ku, Tokyo	Construction of a ramp in the entrance and smoking rooms	From February 2009 to March 2009	¥ 19	—	—
O	TOKYU REIT Kamata Building	Ota-ku, Tokyo	Renovations aimed at improving indoor conditions	From May 2009 to July 2009	¥ 26	—	—
O	TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Renovation of external walls	From October 2008 to March 2009	¥ 47	—	—
O	Ryoshin Harajuku Building	Shibuya-ku, Tokyo	Renovation of restrooms in common areas on 4F to 9F	From June 2009 to July 2009	¥ 48	—	—

(2) Capital Expenditures made during the Period

The overview of construction works that fall under the category of capital expenditures for properties held, is as follows:

Capital expenditures during the current period amounted to ¥ 242 million, and together with ¥ 141 million expenses for repair and maintenance costs, ¥ 383 million was spent for these works.

Name of property		Location	Objective	Period	Construction Cost
					Millions of yen
R	Daikanyama Forum	Shibuya-ku, Tokyo	Reconstruction of roofs to maintain the building's compliance with relevant laws and regulations	From October 2008 to October 2008	¥ 16
O	Setagaya Business Square	Setagaya-ku, Tokyo	Renewal of building management systems	From March 2008 to November 2008	¥ 103
O	Ryoshin Harajuku Building	Shibuya-ku, Tokyo	Renovation of exclusive-use areas for a new tenant on 1F	From July 2008 to August 2008	¥17
O	Ryoshin Harajuku Building	Shibuya-ku, Tokyo	Renovation of common areas for a new tenant on 1F	From July 2008 to August 2008	¥ 14
Others					¥ 89
Total					¥ 242

(3) Reserve for Long-Term Repair and Maintenance Plan
(Reserve for Repair and Maintenance)

Subject to the medium- to long-term future schedule for repair and maintenance decided for each property, TOKYU REIT accounted for reserves for repair and maintenance from cash flow made during the period in order to pay for significant repair and maintenance plans as follows :

	11th fiscal period From August 1, 2008 to January 31, 2009	10th fiscal period From February 1, 2008 to July 31, 2008	9th fiscal period From August 1, 2007 to January 31, 2008	8th fiscal period From February 1, 2007 to July 31, 2007	7th fiscal period From August 1, 2006 to January 31, 2007
	Millions of yen				
Reserve at the beginning of the period	¥ 453	¥ 224	¥ 274	¥ 270	¥ 208
Amount transferred to reserve in current period	357	430	172	128	212
Reversal from reserves in current period	352	201	222	125	149
Reserve at the end of the period	¥ 458	¥ 453	¥ 224	¥ 274	¥ 270

Note TOKYU REIT took over reserves made in the trust assets that the prior proprietor accounted for at the time of trade of beneficial interests in trust accounts and for the current period, such reserves are included in the "amount transferred to reserve in current period".

5. Expenses and debt

(1) Investment management expenses

	11th fiscal period From August 1, 2008 to January 31, 2009		10th fiscal period From February 1, 2008 to July 31, 2008	
	Millions of yen			
(a) Investment management fees				
Asset-based fees	¥386		¥354	
Cash-based fees	269		266	
Unit price-based fees	-	¥ 655	-	¥ 620
(b) Asset custodian and general administration fees		-		60
(c) Asset custodian fees		22		-
(d) General administration fees		42		-
(e) Director's fees		6		6
(f) Other expenses		66		59
Total		¥ 791		¥ 745

(2) Short-term debt and Long-term debt

Short-term debt and Long-term debt from each financial institution, as of January 31, 2009, are as follows:

Category	Lender	Draw-down date	Balance as of January 31, 2009	Balance as of July 31, 2008	Average interest Rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Short-term debt	The Sumitomo Trust and Banking Company, Limited	January 31, 2008	-	500	0.98660	January 31, 2009 (1,000 repaid on June 25, 2008) (5,000 repaid on July 25, 2008) (2,500 repaid on November 18, 2008)	Bullet Payment	(Note 2)	Unsecured and Unguaranteed (Note 3)
	The Chuo Mitsui Trust and Banking Company, Limited		-	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	500					
	Mizuho Corporate Bank, Ltd.		-	500					
	Mitsubishi UFJ Trust and Banking Corporation		-	500					
	The Sumitomo Trust and Banking Company, Limited	March 28, 2008	-	1,100	0.98337	March 28, 2009 (3,500 repaid on November 18, 2008) (3,500 repaid on November 25, 2008)			
	The Chuo Mitsui Trust and Banking Company, Limited		-	1,100					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,100					
	Mizuho Corporate Bank, Ltd.		-	1,100					
	Mitsubishi UFJ Trust and Banking Corporation		-	1,100					
	The Sumitomo Trust and Banking Company, Limited	April 22, 2008	-	400	1.07679	April 22, 2009 (3,000 repaid on November 25, 2008)			
	The Chuo Mitsui Trust and Banking Company, Limited		-	400					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	400					
	Mizuho Corporate Bank, Ltd.		-	400					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	2,400					
The Sumitomo Trust and Banking Company, Limited	June 27, 2008	1,400	1,400	1.09454	June 27, 2008				

	The Chuo Mitsui Trust and Banking Company, Limited		1,400	1,400						
	Mizuho Corporate Bank, Ltd.		1,400	1,400						
	Mitsubishi UFJ Trust and Banking Corporation		8,400	8,400						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd	July 25, 2008	1,400	1,400		July 25, 2009				
	Sub total		15,000	26,000						
Long-term debt	The Chuo Mitsui Trust and Banking Company, Limited	June 25, 2004	5,000	5,000	1.68875	June 25, 2009	Bullet Payment	Refinance fund	Unsecured and Unguaranteed Notes 3 and 5)	
	Mitsubishi UFJ Trust and Banking Corporation		5,000	5,000						
	Aioi Insurance Company, Limited		1,000	1,000	1.92750	June 25, 2010				Unsecured and Unguaranteed (Notes 3 and 4)
	DAIDO LIFE INSURANCE COMPANY		1,000	1,000						
	Mitsui Sumitomo Insurance Company, Limited		1,000	1,000						Unsecured and Unguaranteed (Note 3)
	Development Bank of Japan Inc.		4,000	4,000	2.03000	June 25, 2012				
	The National Mutual Insurance Federation of Agricultural Cooperatives	October 25, 2005	1,000	1,000	1.26250	October 25, 2011				
	Development Bank of Japan Inc.	January 25, 2006	5,000	5,000	1.95000	January 25, 2018				
	Nippon Life Insurance Company	July 31, 2006	4,000	4,000	1.93000	July 31, 2011				
	The Dai-ichi Mutual Life Insurance Company		4,000	4,000	2.21125	July 31, 2013				
	The Dai-ichi Mutual Life Insurance Company	January 25, 2007	1,000	1,000	1.92000	January 25, 2014				
	The National Mutual Insurance Federation of Agricultural Cooperatives		3,000	3,000						
	The Sumitomo Trust and Banking Company, Limited	June 25, 2007	5,000	5,000	1.81062	December 25, 2010				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 25, 2007	5,000	5,000	1.62625	September 25, 2011				
	Daido Life Insurance Company	March 10, 2008	3,000	3,000	1.76625	March 10, 2016				
	Development Bank of Japan Inc.	June 25, 2008	5,000	5,000	2.21100	June 25, 2015				
	Mizuho Corporate Bank, Ltd.		2,000	2,000	1.81875	June 25, 2011				
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000	2.10187	December 25, 2013				
	The Sumitomo Trust and Banking Company, Limited		July 25, 2008	1,000	1,000	1.55500	July 25, 2010			
	The Chuo Mitsui Trust and Banking Company, Limited	1,000		1,000						
	Shinkin Central Bank	2,000		2,000						
	The Norinchukin Bank		1,000	1,000	1.80375	July 25, 2012				
	Mizuho Corporate Bank, Ltd.	November 11, 2008	2,000	-	1.54250	November 11, 2011				
	The Chuo Mitsui Trust and Banking Company, Limited	November 18, 2008	2,000	-	1.48125	May 18, 2011				
	Mitsubishi UFJ Trust and Banking Corporation		2,000	-	1.72500	November 18, 2012				

The Sumitomo Trust and Banking Company, Limited	November 25, 2008	2,000	-	1.47500	May 25, 2011			
The Bank of Tokyo-Mitsubishi UFJ, Ltd		2,000	-	1.63062	May 25, 2012			
Mizuho Corporate Bank, Ltd.		1,000	-	1.52875	November 11, 2011			
Sub total		72,000	61,000					
Total		¥ 87,000	¥ 87,000					

Note 1. 'Average interest rate' is the weighted average interest rate during the period.

Note 2. Fund was used to purchase property and for expenditure pertaining to the purchase.

Note 3. Depending on the financial position of TOKYU REIT, it is possible that financial restraint may occur, such as addition to interest rate and cash reserve, restraint on acquisition and disposal of assets, debt load and payment, dividends, offerings of additional pledge.

Note 4. Initially, although TOKYU REIT implemented refinance of ¥ 6,000 million from Mizuho Corporate Bank on June 25, 2004, it transferred ¥ 4,000 million to The Hyakugo Bank, Ltd. (repaid on June 25, 2008), Aioi Insurance Company, Limited, DAIDO LIFE INSURANCE COMPANY and Mitsui Sumitomo Insurance Company, Limited (¥ 1,000 million each) on the same day.

Note 5. As of the fiscal period-end, the amounts are recorded in the balance sheets as "long-term debt financing due within one year" under "current liabilities."

(3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2009 is as follows.

Name	Issue date	Balance as of January 31, 2009	Balance as of July 31, 2008	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
		Millions of yen		(%)				
1 st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.65000	October 24, 2012	Full amount on maturity	Repayment of debt financing	Unsecured/Unguaranteed (Note)
2 nd Series Unsecured Investment Corporation Bond	October 24, 2007	5,000	5,000	1.89000	October 24, 2014			
Total		¥10,000	¥10,000					

Note These bonds rank pari passu in right of payment with certain investment corporation bonds.

6. Acquisitions and Dispositions during the eleventh fiscal period

(1) Sales and purchases of properties and asset backing securities

Asset type	Name of property		Acquisition		Disposition			
			Date	Acquisition price	Date	Dispo sition price	Book value	Gain (Loss)
				Millions of yen		Millions of yen		
Trust beneficiary interest in real estate	○	Ryoshin Harajuku Building	October 3, 2008	¥1,196	—	—	—	
Total				¥1,196		—	—	

Note 1. Acquisition prices presented in the table above are exclusive of acquisition expenses (brokerage fees, property-related taxes, etc.) and identical to those stated in relevant transaction agreements.

Note 2. The information provided in the table above is for the compartmentalized ownership of exclusive areas within the building totaling 204.82 m² and 1,205.07 m² of land (co-ownership ratio: 8,460/200,000) additionally acquired during the 11th fiscal period.

Note 3. The additionally acquired property was entrusted to Mitsubishi UFJ Trust and Banking Corporation on the acquisition date.

(2) Sales and purchases of other assets

Major assets other than the aforementioned properties and asset backing securities are either bank deposits or bank deposits held as trust assets.

(3) Research on Prices of Specified Assets

Asset type	Name of property		Acquisition date	Acquisition price	Assessed value of specified assets	(Reference) Appraisal value at the period-end
				Millions of yen		
Trust beneficiary interest in real estate	○	Ryoshin Harajuku Building	October 3, 2008	¥1,196	¥1,140	—
Total				¥1,196	¥1,140	—

Note 1. Research on prices of specified assets presented in the table above was conducted by PricewaterhouseCoopers Aarata at the time of acquisition of the stated properties, in accordance with the procedures set forth in the “Research on Prices of Specified Assets Held by Investment Trust Funds and Investment Corporations” (Industry Audit Practice Committee Report No. 23 of the Japan Institute of Certified Public Accountants). In addition to the assessed value of the stated properties, TOKYU REIT has also received a research report concerning the locations, lot numbers and other relevant matters necessary for the identification of the stated properties and assets held in trust, as well as the content of the relevant trust beneficiary interest.

Note 2. Acquisition prices presented in the table above are exclusive of acquisition expenses (brokerage fees, property-related taxes, etc.) and identical to those stated in relevant transaction agreements.

Note 3. The table above does not present the appraisal value of the additionally acquired property at the period-end because TOKYU REIT calculates the period-end appraisal value for its entire portfolio.

Note 4. The information provided in the table above is for the compartmentalized ownership of exclusive areas within the building totaling 204.82 m² and 1,205.07 m² of land (co-ownership ratio: 8,460/200,000) that was additionally acquired during the fiscal period under review.

(4) Trading with related party and major shareholders

① Status of trading

TOKYU REIT carried out no transactions, including the trading of specified assets, with related parties and major shareholders during the fiscal period under review.

② Amounts of commissions paid to related parties and major shareholders

Item	Total amounts of commissions paid (A)	Paid to related parties and major shareholders		B/A (%)
		Payee	Amount of payment (B)	
	Thousands of yen		Thousands of yen	
Utilities expenses	¥ 611,293	Yoga District Heating and Cooling Co., Ltd.	¥ 109,376	17.9
		Shibuya Underground Shopping Center, Inc.	57	0.0
Subcontract expenses	459,085	Tokyu Community Co., Ltd.	255,831	55.7
		Tokyu Facility Service, Co., Ltd.	35,597	7.8
		its communications Inc.	20,065	4.4
		Kyodo Gijutsu Center Co., Ltd.	11,097	2.4
		Tokyu Store Corporation	3,877	0.8
		Tokyu Security, Co., Ltd.	20	0.0
Property management fees	168,155	Tokyu Corporation	85,231	50.7
		Tokyu Community Co., Ltd.	62,745	37.3
		Tokyu Land Corporation	20,178	12.0
Insurance premium	18,673	Tokyu Insurance Consulting Co., Ltd.	18,656	99.9
Other rental service expenses	234,056	Tokyu Community Co., Ltd.	17,335	7.4
		Tokyu Land Corporation	3,467	1.5
		Shibuya Underground Shopping Center, Inc.	872	0.4
		Tokyu Corporation	827	0.4
		Tokyu Facility Service, Co., Ltd.	264	0.1
		its communications Inc.	62	0.0
		Tokyu Green System Co., Ltd.	55	0.0
TMD Corporation	10	0.0		

Note 1. Pursuant to Article 123 of the Enforcement Regulations of the Investment Trust Law, related parties are defined as having interests in Tokyu Real Estate Investment Management Inc. ("Tokyu REIM"), the Investment Management Company of TOKYU REIT based on the investment management agreement. Pursuant to Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Law, major shareholders are defined as major shareholders of Tokyu REIM. However, information provided in this section, "(4) Trading with related parties and major shareholders," includes trading with Tokyu Group companies, which are subject to TOKYU REIT's voluntary measures to prevent conflicts of interest.

Note 2. In addition to the commissions paid described above, TOKYU REIT paid for commissions to third parties through Tokyu Corporation, Tokyu Land Corporation and Tokyu Community Co., Ltd. ¥ 71,893 thousand, ¥ 49,361 thousand and ¥ 17 thousand, respectively.

In addition to commissions paid as described above, the amount paid for repair and maintenance works placed to related parties and major shareholders are as follows :

Tokyu Construction Co., Ltd.	¥ 13,308 thousand
Tokyu Homes Co., Ltd.	¥ 11,931 thousand
Kyodo Gijutsu Center Co., Ltd.	¥ 10,257 thousand
Tokyu Corporation	¥ 7,133 thousand
Tokyu Community Co., Ltd.	¥ 5,893 thousand
Tokyu Facility Service Co., Ltd.	¥ 3,214 thousand
Tokyu Techno System Co., Ltd.	¥ 399 thousand
Tokyu Green System Co., Ltd.	¥ 185 thousand

- (5) Trading between the Investment Management Company and TOKYU REIT where the Investment Management Company follows other business.

There is no item that falls under this category.

7. Accounting

- (1) Assets, Liabilities, Unitholders' capital and Profit/Loss

See accompanying Balance Sheets, Statements of Income, Statements of changes in Unitholders' Equity and Notes.

- (2) Change in depreciation method

In line with new depreciation methods introduced along with the 2008 revision of the Japanese taxation system, TOKYU REIT has reviewed the useful lives of its assets that fall under the categories of "machinery and equipment" and "machinery and equipment held in trust." Accordingly, TOKYU REIT has started using newly defined useful lives in calculating the amount of depreciation.

Based on the useful lives under the previous definition, the amount of depreciation for "machinery and equipment" and "machinery and equipment held in trust" totaled ¥33,719 thousand for the fiscal period under review. Based on the newly defined useful lives, the amount of depreciation totaled ¥58,545 thousand.

- (3) Change in valuation methods

There is no item that falls under this category.

8. Others

- (1) News

During the fiscal period under review, TOKYU REIT's Board of Directors approved the following matters stipulated under Article 109, Paragraph 2, Items 2, 3, 5, 6 and 8.

Date of meeting	Agenda item	Summary
September 26, 2008	Selection of a provider of administrative services concerning special accounts for certain TOKYU REIT units that have not been deposited to Japan Securities Depository Center, Inc. (JASDEC) before January 5, 2009	The meeting approved the selection of Mitsubishi UFJ Trust and Banking Corporation as the provider of administrative services concerning special accounts opened for TOKYU REIT's units that have not been deposited to Japan Securities Depository Center, Inc. before the implementation of an electronic share certificate system on January 5, 2009.
November 28, 2008	Engagement of underwriters for investment corporation bond offerings, and outsourcing of general administrative operations relating to investment corporation bonds	In connection with a comprehensive resolution passed on the same date regarding the issuance of investment corporation bonds, the meeting approved that TOKYU REIT's executive director shall have full authority on the selection, etc. of providers of general administrative services relating to investment corporation bonds to be issued in the future.
December 19, 2008	Signing of an Investment Unit Administration Agreement	As a preparatory step before the implementation of an electronic share certificate system on January 5, 2009, the meeting approved revisions to the General Administration Agreement signed with Mitsubishi UFJ Trust and Banking

		Corporation on June 20, 2003 to re-sign the agreement under a new title "Investment Unit Administration Agreement."
December 19, 2008	Signing of a Special Account Administration Agreement	As a preparatory step before the implementation of an electronic share certificate system on January 5, 2009, the meeting approved the signing of a Special Account Administration Agreement with Mitsubishi UFJ Trust and Banking Corporation.

(2) Others

① During the fiscal period under review, TOKYU REIT's Board of Directors meetings have granted approvals for exchanging the following memorandums with Tokyu REIM (the Investment Management Company).

Date of meeting	Agenda item	Summary
December 19, 2008	Signing of an agreement with Tokyu REIM (see Note)	The meeting approved the signing of an agreement confirming Tokyu REIM's intentions, based on the investment management agreement, to take full responsibility for expenses (¥741 thousand) resulting from operational delinquency.
December 19, 2008	Signing of an agreement with Tokyu REIM and Tokyu Corporation (see Note)	The meeting approved the signing of a triangular agreement confirming Tokyu Corporation's intention, based on the property management agreement, to take full responsibility for expenses (¥338 thousand) resulting from operational delinquency.
January 16, 2009	Signing of an agreement with Tokyu REIM (see Note)	The meeting approved the signing of an agreement confirming Tokyu REIM's intention, based on the investment management agreement, to take full responsibility for expenses (¥13,753 thousand) and estimated liabilities (¥7,005 thousand) resulting from operational delinquency.

Note. These activities do not fall under the category of loss compensation, which is prohibited under Article 42-2, Item 6 of the Financial Instruments and Exchange Law.

② In this report, unless otherwise specifically mentioned, amounts and ratios are rounded .

Report of Independent Auditors

To the Board of Directors of
TOKYU REIT, Inc.

We have audited the accompanying balance sheet of TOKYU REIT, Inc. (the "Company") as of January 31, 2009, and the related statements of income, changes in unitholders' equity and cash flows for the six months ended January 31, 2009, all expressed in Japanese Yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2009, and the results of its operations and its cash flows for the six months ended January 31, 2009 in conformity with accounting principles generally accepted in Japan.



April 23, 2009

TOKYU REIT, Inc.

Balance Sheets

As of January 31, 2009 and July 31, 2008

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 1,224	¥ 1,533
Cash and deposits with banks held in trust	13,138	13,205
Tenant receivables	134	200
Consumption tax refund receivables	-	9
Other current assets	51	44
Total current assets	14,547	14,991
Fixed assets:		
Property and equipment		
Buildings and structures	3,918	3,893
Land	22,436	22,435
Other tangible assets	18	15
Buildings and structures held in trust	45,323	45,066
Land held in trust	138,414	137,293
Other tangible assets held in trust	1,095	1,091
Construction in progress held in trust	4	0
Less accumulated depreciation	(9,328)	(8,283)
Total property and equipment	201,880	201,510
Intangible assets		
Intangible assets	1	1
Intangible assets held in trust	16	17
Total intangible assets	17	18
Investments and other assets		
Lease deposits	125	307
Lease deposits held in trust	874	874
Other assets	243	460
Total investments and other assets	1,242	1,641
Total fixed assets	203,139	203,169
Deferred assets		
Investment corporation bond issuance expenses	42	46
Total deferred assets	42	46
Total assets	¥ 217,728	¥ 218,206

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Balance Sheets, continued
As of January 31, 2009 and July 31, 2008

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Short-term debt	¥ 15,000	¥ 26,000
Long-term debt due within one year	10,000	10,000
Accounts payable	919	981
Consumption tax payable	183	-
Rent received in advance	1,179	1,227
Tenant leasehold and security deposits held in trust due within one year	625	434
Accrued expenses and other current liabilities	202	191
Total current liabilities	28,108	38,833
Long-term liabilities:		
Long-term debt	62,000	51,000
Investment corporation bonds	10,000	10,000
Tenant leasehold and security deposits	1,598	1,706
Tenant leasehold and security deposits held in trust	15,239	15,837
Other long-term liabilities	5	5
Total long-term liabilities	88,842	78,548
Total liabilities	116,950	117,381
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized - 2,000,000 units		
Units issued and outstanding - 169,380 units as of January 31, 2009 and July 31, 2008	98,019	98,019
Retained earnings	2,758	2,805
Total net assets	100,778	100,825
Total liabilities and net assets	¥ 217,728	¥ 218,206

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Statements of Income

For the six months ended January 31, 2009 and July 31, 2008

	For the six months ended	
	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 7,111	¥ 6,776
Other	532	560
Operating expenses:		
Rental service expenses	(3,258)	(3,102)
Asset management fees	(655)	(620)
Other	(135)	(124)
Operating income	3,595	3,489
Non-operating income:		
Interest income	15	13
Other	23	2
Non-operating expenses:		
Interest expense	(724)	(579)
Interest expense on investment corporation bonds	(89)	(88)
Amortization of investment corporation bond issuance expenses	(5)	(5)
Other	(54)	(27)
Income before income taxes	2,760	2,806
Income taxes:		
Current	(1)	(1)
Deferred	(0)	(0)
Net income	2,758	2,805
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 2,758	¥ 2,805

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Statements of Changes in Unitholders' Equity
For the six months ended January 31, 2009 and July 31, 2008

For the six months ended January 31, 2009

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at July 31, 2008	¥ 98,019	¥ 2,805	¥100,825
Changes during the period			
Cash distributions declared	-	(2,805)	(2,805)
Net income	-	2,758	2,758
Total changes during the period	-	(47)	(47)
Balance at January 31, 2009	¥ 98,019	¥ 2,758	¥100,778

For the six months ended July 31, 2008 (information only)

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at January 31, 2008	¥ 98,019	¥ 2,603	¥100,622
Changes during the period			
Cash distributions declared	-	(2,603)	(2,603)
Net income	-	2,805	2,805
Total changes during the period	-	202	202
Balance at July 31, 2008	¥ 98,019	¥ 2,805	¥100,825

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Statements of Cash Flows

For the six months ended January 31, 2009 and July 31, 2008

	For the six months ended	
	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 2,760	¥ 2,806
Depreciation and amortization	1,063	1,013
Amortization of investment corporation bond issuance expenses	5	5
Loss on disposal of property and equipment	19	-
Interest income	(15)	(13)
Interest expense	856	678
(Increase) Decrease in tenant receivables	24	(25)
(Increase) Decrease in consumption tax refund receivables	9	(2)
Increase in consumption tax payable	183	-
Increase(Decrease) in accounts payable	(16)	54
Increase(Decrease) in rent received in advance	(48)	98
Other, net	194	(355)
Total	5,034	4,258
Interest received	14	13
Interest paid	(831)	(659)
Income taxes paid	(1)	(1)
Net cash provided by operating activities	4,216	3,611
Cash flows from investing activities:		
Payments for purchases of property and equipment	(12)	(4,197)
Payments for purchases of property and equipment held in trust	(1,486)	(20,016)
Payments for purchases of intangible assets held in trust	-	(1)
Payments for lease deposits	(100)	(282)
Proceeds from lease deposits	282	52
Payments for lease deposits held in trust	-	(0)
Proceeds from tenant leasehold and security deposits	49	529
Payments for tenant leasehold and security deposits	(114)	(0)
Proceeds from tenant leasehold and security deposits held in trust	355	950
Payments for tenant leasehold and security deposits held in trust	(762)	(273)
Payments for restricted deposits with banks held in trust	(355)	(950)
Proceeds from restricted deposits with banks held in trust	545	201
Net cash used in investing activities	(1,598)	(23,987)
Cash flows from financing activities:		
Proceeds from short-term debt	3,600	25,100
Repayment of short-term debt	(14,600)	(12,600)
Proceeds from long-term debt	11,000	16,000
Repayment of long-term debt	-	(5,000)
Payment of dividends	(2,803)	(2,600)
Net cash provided by financing activities	(2,803)	20,900
Net change in cash and cash equivalents	(185)	524
Cash and cash equivalents at beginning of period	4,088	3,564
Cash and cash equivalents at end of period	¥ 3,903	¥ 4,088

The accompanying notes are an integral part of these financial statements.

TOKYU REIT, Inc.
Notes to Financial Statements

For the six months ended January 31, 2009 and July 31, 2008

1. Organization and basis of presentation

(a) Organization

TOKYU REIT, Inc. ("TOKYU REIT"), a real estate investment corporation with initial capital of ¥200 million, was formed on June 20, 2003 under the Investment Trust and Investment Corporation Law of Japan ("Investment Trust Law"). Registration with the Kanto Local Finance Bureau of the Ministry of Finance was completed on July 18, 2003 in accordance with the Investment Trust Law.

On September 10, 2003, TOKYU REIT was listed on the Tokyo Stock Exchange and issued 97,600 investment units for proceeds totaling ¥49,918 million through initial public offering. TOKYU REIT had acquired 11 properties with those proceeds and started its substantial operation.

In August 2004, TOKYU REIT completed its second public offering of 42,000 units and third party allotment of 2,000 units. Net proceeds totaling ¥27,743 million were utilized in the partial repayments of short-term loan and acquisition of additional 2 properties.

In August 2005, TOKYU REIT completed its third public offering of 26,700 units and third party allotment of 680 units. With net proceeds totaling ¥20,160 million, TOKYU REIT had repaid short-term debt and acquired 40% of trust beneficiary interest of cocoti .

As at January 31, 2009, TOKYU REIT's total capital has been ¥98,019 million with 169,380 units outstanding. And TOKYU REIT has been operating 23 properties at approximately 98.6% of occupancy rate. Total acquisition cost of those 23 properties is ¥206,649 million and total rentable area is 239,294.65 m².

(b) Basis of presentation

The financial statements of TOKYU REIT, which is incorporated in Japan, have been prepared in accordance with the provisions set forth in the Corporate Law, the Investment Trust Law, the Financial Instruments and Exchange Law and related regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the financial statements for domestic purposes, which were submitted to the Director of the Kanto Local Financial Bureau of the Ministry of Finance, have been reclassified in the accompanying financial statements for the convenience of readers outside Japan.

The accompanying financial statements are a translation of the audited financial statements that were prepared for Japanese domestic purposes from the accounts and records maintained by TOKYU REIT and were filed with the Kanto Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law(replaced the Securities and Exchange Law effective from September 30, 2007). TOKYU REIT does not prepare consolidated financial statements, as TOKYU REIT has no subsidiaries.

TOKYU REIT's first fiscal period began on June 20, 2003, the date of incorporation, and ended on January 31, 2004. TOKYU REIT's fiscal period is a six-month period, which ends respectively at the end of each January and July of each year. Prior period information in accompanying financial statements are disclosed for comparative purpose only.

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2009 and 31 July, 2008

2. Significant accounting policies

- (a) **Cash and cash equivalents** - Cash and cash equivalents consist of cash, demand deposits, cash and deposits held in trust and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, and which expire within three months from the date of acquisition.
- (b) **Property and equipment** - Property and equipment are carried at cost, less accumulated depreciation. Depreciation of property and equipment, except for land and construction in progress, is computed by using the straight-line method at rates based on the estimated useful lives of the respective assets.

The ranges of useful lives used in the computation of depreciation are generally as follows (including those held in trust):

	January 31, 2009	July 31, 2008 (information only)
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-52	2-52
Other tangible assets		
Machinery and equipment	2-17	3-17
Tools, furniture and fixtures	2-15	2-15

- (c) **Intangible assets** - Amortization is computed by using the straight-line method.
- (d) **Income taxes** - Income taxes are accounted for financial reporting purpose. The tax effect of temporary differences between the amount of assets and liabilities for financial statements and for income tax reporting is recognized as deferred taxes. A deferred tax asset of ¥ 38 thousand and ¥ 19 thousand are included in other current assets as of January 31, 2009 and July 31, 2008, respectively.
- (e) **Property-related taxes** - Property-related taxes (property tax, city planning tax and depreciable property tax) are imposed on property on a calendar year basis. The amount of such taxes assessed in the period is charged to income as rental service expenses. In accordance with Japanese business practice, at the time of disposal, the seller of the property is generally liable for property-related taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser of the property for the accrued property-related tax liabilities up to the time of disposal, and the amount of the settlement reflects this adjustment when acquiring a property. TOKYU REIT is allocated the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes totals ¥0 million for the six months ended January 31, 2009, and ¥54 million for the six months ended July 31, 2008.
- (f) **Revenue recognition** - TOKYU REIT operates retail and office properties that are rented to tenants. Revenue from leasing the retail and office space is recognized on an accrual basis over the life of each lease. Rental revenue includes fixed rental revenues, recoveries of utility charges and other income.
- (g) **Accounting treatment of beneficiary interest in trust accounts, including real estate** - For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan and through which TOKYU REIT holds most of its property, all accounts of assets and liabilities within the trust, as well as all income generated and expenses incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2009 and 31 July, 2008

- (h) Net income per unit** – Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.
- (i) Accounting standard for impairment of fixed assets** – Effective August 1, 2005, TOKYU REIT adopted “Accounting Standard for Impairment of Fixed Assets”(“Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets” issued by the Business Accounting Deliberation Council in Japan on August 9, 2002) and “Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets”(the Financial Accounting Standard Implementation Guidance No.6 issued by the Accounting Standards Board of Japan on October 31, 2003) . The standard requires the recognition of an impairment loss on fixed assets whenever events or changes in circumstances indicate that the carrying amounts of fixed assets may not be recoverable.
- (j) Accounting method for deferred assets** – Depreciation of investment corporation bond issuance expenses is calculated using the straight-line method at rates based on the redemption period of the respective bonds.

3. Cash and cash equivalents

Cash and cash equivalents, at January 31, 2009 and July 31, 2008 consisted of the follows:

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Cash and deposits with banks	¥ 1,224	¥ 1,533
Cash and deposits with banks held in trust	13,138	13,205
Restricted deposits with banks held in trust	(10,459)	(10,650)
Cash and cash equivalents	¥ 3,903	¥ 4,088

Restricted deposits with banks held in trust are retained for repayment of tenant leasehold and security deposits.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2009 and 31 July, 2008

4. Schedule of property and equipment and intangible assets held in trust

Property and equipment and intangible assets held in trust as of January 31, 2009 and July 31, 2008 consisted of the following:

	January 31, 2009			July 31, 2008 (information only)		
	Acquisition costs	Accumulated depreciation	Book value	Acquisition costs	Accumulated depreciation	Book value
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 3,882	¥ (467)	¥ 3,415	¥ 3,866	¥ (399)	¥ 3,467
Structures	35	(3)	32	27	(3)	24
Land	22,436	-	22,436	22,435	-	22,435
Other tangible assets						
Machinery and equipment	3	(3)	0	3	(3)	0
Tools, furniture and fixtures	14	(4)	10	12	(4)	8
Intangible assets	1	(0)	1	1	(0)	1
Property and equipment held in trust						
Buildings and structures						
Buildings	44,530	(8,184)	36,346	44,281	(7,304)	36,977
Structures	793	(213)	580	785	(190)	595
Land	138,414	-	138,414	137,293	-	137,293
Other tangible assets						
Machinery and equipment	813	(294)	519	812	(235)	577
Tools, furniture and fixtures	283	(159)	124	279	(145)	134
Intangible assets held in trust	23	(7)	16	23	(6)	17
Construction in progress held in trust	4	-	4	0	-	0
Total	¥211,231	¥ (9,334)	¥201,897	¥209,816	¥ (8,288)	¥201,528

5. Unitholders' equity

TOKYU REIT issues investment units in accordance with the Investment Trust Law. All the proceeds from the issuance of new units are designated as stated capital. TOKYU REIT maintains minimum net assets of at least ¥50 million as required by the Investment Trust Law.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2009 and 31 July, 2008

6. Short-term debt and long-term debt

Short-term debt and long-term debt as of January 31, 2009 and July 31, 2008 consisted of the following:

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Short-term debt		
Unsecured loans due on January 31, 2009 with floating rate	-	2,500
Unsecured loans due on March 28, 2009 with floating rate	-	5,500
Unsecured loans due on April 22, 2009 with floating rate	1,000	4,000
Unsecured loans due on June 27, 2009 with floating rate	12,600	12,600
Unsecured loans due on July 25, 2009 with floating rate	1,400	1,400
Sub total	<u>15,000</u>	<u>26,000</u>
Long-term debt		
Unsecured loans due on June 25, 2009 with fixed rate	10,000	10,000
Unsecured loans due on June 25, 2010 with fixed rate	3,000	3,000
Unsecured loans due on July 25, 2010 with fixed rate	4,000	4,000
Unsecured loans due on December 25, 2010 with fixed rate	5,000	5,000
Unsecured loans due on May 18, 2011 with fixed rate	2,000	-
Unsecured loans due on May 25, 2011 with fixed rate	2,000	-
Unsecured loans due on June 25, 2011 with fixed rate	2,000	2,000
Unsecured loans due on July 31, 2011 with fixed rate	4,000	4,000
Unsecured loans due on September 25, 2011 with fixed rate	5,000	5,000
Unsecured loans due on October 25, 2011 with fixed rate	1,000	1,000
Unsecured loans due on November 11, 2011 with fixed rate	3,000	-
Unsecured loans due on May 25, 2012 with fixed rate	2,000	-
Unsecured loans due on June 25, 2012 with fixed rate	4,000	4,000
Unsecured loans due on July 25, 2012 with fixed rate	1,000	1,000
Unsecured loans due on November 18, 2012 with fixed rate	2,000	-
Unsecured loans due on July 31, 2013 with fixed rate	4,000	4,000
Unsecured loans due on December 25, 2013 with fixed rate	1,000	1,000
Unsecured loans due on January 25, 2014 with fixed rate	4,000	4,000
Unsecured loans due on June 25, 2015 with fixed rate	5,000	5,000
Unsecured loans due on March 10, 2016 with fixed rate	3,000	3,000
Unsecured loans due on January 25, 2018 with fixed rate	5,000	5,000
Sub total	<u>72,000</u>	<u>61,000</u>
Total	<u>¥87,000</u>	<u>¥87,000</u>
Weighted average interest cost	<u>1.64%</u>	<u>1.61%</u>

On April 21, 2005, TOKYU REIT executed commitment line agreements which provide credit facilities totaling ¥2 billion with two banks. No amount has been drawn down as of January 31, 2009 and July 31, 2008.

7. Investment corporation bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2009 and July 31, 2008 were as follows:

Name	Issue date	Balance as of January 31, 2009	Balance as of July 31, 2008 (information only)	Annual interest rate	Maturity date
		Millions of yen		(%)	
1st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.65000	October 24, 2012
2nd Series Unsecured Investment Corporation Bond	October 24, 2007	5,000	5,000	1.89000	October 24, 2014
Total		<u>¥10,000</u>	<u>¥10,000</u>		

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2009 and 31 July, 2008

8. Collateral pledged and secured liabilities

Assets pledged as collateral and relevant secured liabilities were as follows:

Assets Pledged as collateral	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 3,310	¥ 3,384
Structures	142	145
Land	5,586	5,586
Other tangible assets		
Machinery and equipment	10	10
Tools, furniture and fixtures	0	0
Total	<u>¥ 9,048</u>	<u>¥ 9,125</u>
 Secured liabilities	 January 31, 2009	 July 31, 2008 (information only)
	(Millions of yen)	
Tenant leasehold and security deposits held in trust due within one year	¥ 434	¥ 434
Tenant leasehold and security deposits held in trust	4,097	4,314
Total	<u>¥ 4,531</u>	<u>¥ 4,748</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2009 and 31 July, 2008

9. Rental revenue and expense

Rental revenues and expenses for the six months ended January 31, 2009 and July 31, 2008 were as follows:

		For the six months ended	
		January 31, 2009	July 31, 2008 (information only)
		(Millions of yen)	
Revenue from property leasing:			
Rental revenue:			
Rental revenue		¥ 5,901	¥ 5,565
Common area charges		686	679
Parking lot revenue under monthly contract		141	142
Other		383	390
Sub total		<u>7,111</u>	<u>6,776</u>
Other:			
Incidental income		480	471
Other		52	86
Sub total		<u>532</u>	<u>557</u>
Total revenue from property leasing	(a)	<u>7,643</u>	<u>7,333</u>
Rental service expenses:			
Utilities expenses		611	579
Subcontract expenses		459	440
Property management fees		168	160
Repairs and maintenance expenses		141	132
Property-related taxes		543	555
Insurance premium		19	18
Depreciation and amortization		1,063	1,013
Loss on disposal of property and equipment		20	-
Other		234	205
Total rental service expenses	(b)	<u>3,258</u>	<u>3,102</u>
Operating income from property leasing activities	(a)-(b)	<u>¥ 4,385</u>	<u>¥ 4,231</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2009 and 31 July, 2008

10. Income taxes

Income taxes in Japan applicable to TOKYU REIT consist of corporate income tax, enterprise tax and inhabitant tax. The following is reconciliation between the statutory income tax rate in Japan and the effective tax rate reflected in the accompanying financial statements for the six months ended January 31, 2009 and July 31, 2008.

	January 31, 2009	July 31, 2008 (information only)
Statutory income tax rate	39.33%	39.39%
Deductible cash distributions	(39.31)	(39.37)
Other	0.02	0.02
Effective tax rate	0.04%	0.04%

TOKYU REIT has a policy of making cash distributions in excess of 90% of distributable income as defined in the Special Taxation Measures Law of Japan (“Special Taxation Measures Law”) for the fiscal period to qualify for conditions as set forth in Special Taxation Measures Law to achieve a deduction of cash distributions for income tax purposes. Based on such policy, TOKYU REIT treated the cash distributions as a tax allowable distribution as defined in Special Taxation Measures Law.

Adjustments of deferred tax assets and liabilities in line with a change in statutory income tax rate : In accordance with the Law on Temporary Measures for Special Local Corporate Tax (Law No. 25 of 2008) promulgated on April 30, 2008, the statutory income tax rate used in the calculation of deferred tax assets and liabilities has been changed from the previous 39.39% to 39.33%. There was no significant impact from this new tax rate on TOKYU REIT’s performance.

11. Per unit information

The following table summarizes the net income per unit for the six months ended January 31, 2009 and July 31, 2008 and the unitholders’ equity per unit as of January 31, 2009 and July 31, 2008 .

	For the six months ended	
	January 31, 2009	July 31, 2008 (information only)
Net income per unit	¥ 16,284	¥ 16,559
Weighted-average number of units ※1	169,380 units	169,380 units
※1 Average number of units weighed by days in each fiscal period.		
	As of January 31, 2009	As of July 31, 2008 (information only)
Unitholders’ equity per unit	¥ 594,982	¥ 595,257

Diluted net income per unit is not presented since no warrants and convertible bonds were issued during the six months ended January 31, 2009 and July 31, 2008.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2009 and 31 July, 2008

12. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of January 31, 2009 and July 31, 2008, the future lease revenues under the non-cancelable operating leases were as follows:

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Due within one year	¥ 6,315	¥ 6,162
Due after one year	26,192	28,290
Total	¥32,507	¥34,452

As of January 31, 2009 and July 31, 2008, the future lease payments under the non-cancelable operating leases were as follows:

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Due within one year	¥ 230	¥ 261
Due after one year	4,005	4,149
Total	¥4,235	¥4,410

Changes in accounting policies: From the fiscal period under review, TOKYU REIT has applied the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; originally issued by the First Committee of the Business Accounting Council on June 17, 1993 and last revised on March 30, 2007) and the "Implementation Guidance on the Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; originally issued by the Accounting System Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994 and last revised on March 30, 2007). There was no significant impact of these new accounting standards on TOKYU REIT's performance.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2009 and 31 July, 2008

13. The financial results of each property (Unaudited)

Details on the financial results of each property for the six months ended January 31, 2009 and July 31, 2008 were as follows: (Unaudited)

For the six months ended January 31, 2009

Name of building	Revenue from property leasing	Property leasing expenses (*1)	NOI (*2)	Depreciation and amortization (*3)	Operating income from property leasing activities
	Millions of yen				
R QFRONT	¥ 612	¥ 241	¥ 371	¥ 58	¥ 313
R Lexington Aoyama	166	29	137	7	130
R TOKYU REIT Omotesando Square	192	36	156	8	148
R Tokyu Saginuma Building	310	63	247	26	221
R Tokyu Saginuma 2 Building	65	15	50	9	41
R TOKYU REIT Shibuya Udagawa-cho Square	170	18	152	5	147
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	56	244	82	162
R Cocoti	731	195	536	175	361
R Shonan Mall Fill (Sokochi)	174	25	149	-	149
R CONZE Ebisu	140	38	102	18	84
R Daikanyama Forum	111	52	59	12	47
O Setagaya Business Square	1,291	543	748	272	476
O Tokyu Nampeidai-cho Building	182	35	147	30	117
O Tokyu Sakuragaoka-cho Building	255	49	206	20	186
O Tokyo Nissan Taito Building	234	75	159	61	98
O TOKYU REIT Akasaka Hinokicho Building	151	44	107	10	97
O TOKYU REIT Kamata Building	307	96	211	48	163
O Resona Maruha Building	877	236	641	68	573
O TOKYU REIT Toranomom Building	495	157	338	35	303
O TOKYU REIT Hatchobori Building	204	60	144	49	95
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	205	27	178	38	140
O Tokyu Ikejiri-ohashi Building	199	43	156	24	132
O Ryoshin Harajuku Building	273	43	230	28	202
Total	¥ 7,644	¥ 2,176	¥ 5,468	¥ 1,083	¥ 4,385

For the six months ended July 31, 2008 (information only)

Name of building	Revenue from property leasing	Property leasing expenses (*1)	NOI (*2)	Depreciation and amortization (*3)	Operating income from property leasing activities
	Millions of yen				
R QFRONT	¥ 609	¥ 240	¥ 369	¥ 59	¥ 310
R Lexington Aoyama	166	29	137	7	130
R TOKYU REIT Omotesando Square	193	32	161	8	153
R Tokyu Saginuma Building	310	64	246	26	220
R Tokyu Saginuma 2 Building	65	14	51	9	42
R TOKYU REIT Shibuya Udagawa-cho Square	170	17	153	5	148
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	55	245	82	163
R Cocoti	763	190	573	166	407
R Shonan Mall Fill (Sokochi)	174	25	149	-	149
R CONZE Ebisu	139	36	103	18	85
R Daikanyama Forum	60	16	44	8	36

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2009 and 31 July, 2008

○ Setagaya Business Square	1,313	554	759	252	507
○ Tokyu Nampeidai-cho Building	182	31	151	30	121
○ Tokyu Sakuragaoka-cho Building	254	57	197	19	178
○ Tokyo Nissan Taito Building	242	70	172	51	121
○ TOKYU REIT Akasaka Hinokicho Building	148	35	113	10	103
○ TOKYU REIT Kamata Building	304	91	213	54	159
○ Resona Maruha Building	869	246	623	64	559
○ TOKYU REIT Toranomom Building	484	159	325	35	290
○ TOKYU REIT Hatchobori Building	222	56	166	48	118
○ Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	205	23	182	35	147
○ Tokyu Ikejiri-ohashi Building	111	33	78	19	59
○ Ryoshin Harajuku Building	50	16	34	8	26
Total	¥ 7,333	¥ 2,089	¥ 5,244	¥ 1,013	¥ 4,231

- Note1. Property leasing expenses are defined as rental service expenses adjusted for depreciation and amortization.
- Note2. NOI represents net operating income, calculated as revenue from property leasing minus property leasing expenses.
- Note 3. Depreciation and amortization include Loss on disposal of property and equipment.

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2009 and 31 July, 2008

14. Related party transactions

Masahiro Horie, who holds no voting units of TOKYU REIT, is executive director of TOKYU REIT and Representative Director & President, Chief Executive Officer of Tokyu Real Estate Investment Management Inc. Tokyu Real Estate Investment Management, Inc. has entered into asset management agreement subject to the conditions set forth in the TOKYU REIT's articles of incorporation with TOKYU REIT. The amount of management fees incurred for the six months ended January 31, 2009 and July 31, 2008 and payable due to asset manager as of then were as follows:

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Asset management fees for the period	¥ 655	¥ 620
Management fees payable due to asset manager	282	280

15. Distribution information

The Board of Directors of TOKYU REIT resolved on March 16, 2009 and September 12, 2008 to effect payment of cash distributions of ¥16,284 and ¥16,560 per unit to unitholders of record on January 31, 2009 and July 31, 2008, respectively. Retained earnings carried forward after the distributions are as follows:

	January 31, 2009	July 31, 2008 (information only)
	(Millions of yen)	
Retained earnings at end of period	¥ 2,758	¥ 2,805
Cash distributions declared	2,758	2,805
Retained earnings carried forward	¥ 0	¥ 0

16. Additional information

Following the 2008 Tax Reform in Japan, TOKYU REIT revised the estimated useful lives of its assets that fall under the categories of "Machinery and equipment" and "Machinery and equipment held in trust". TOKYU REIT used the revised useful lives of these assets in the depreciation calculations for the fiscal period under review.

The following table shows the difference between the total depreciation expense for these assets based on the useful lives before and after the revision.

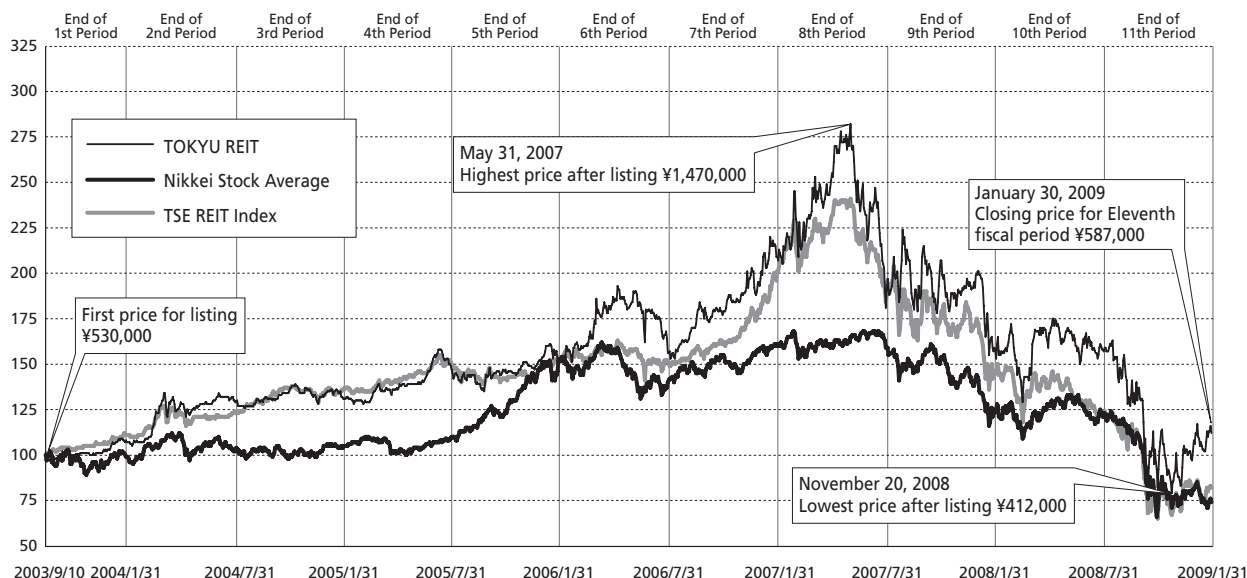
	Before revision	After revision
	(Thousands of yen)	
Depreciation expense of "Machinery and equipment" and "Machinery and equipment held in trust"	¥33,719	¥58,545

17. Subsequent event

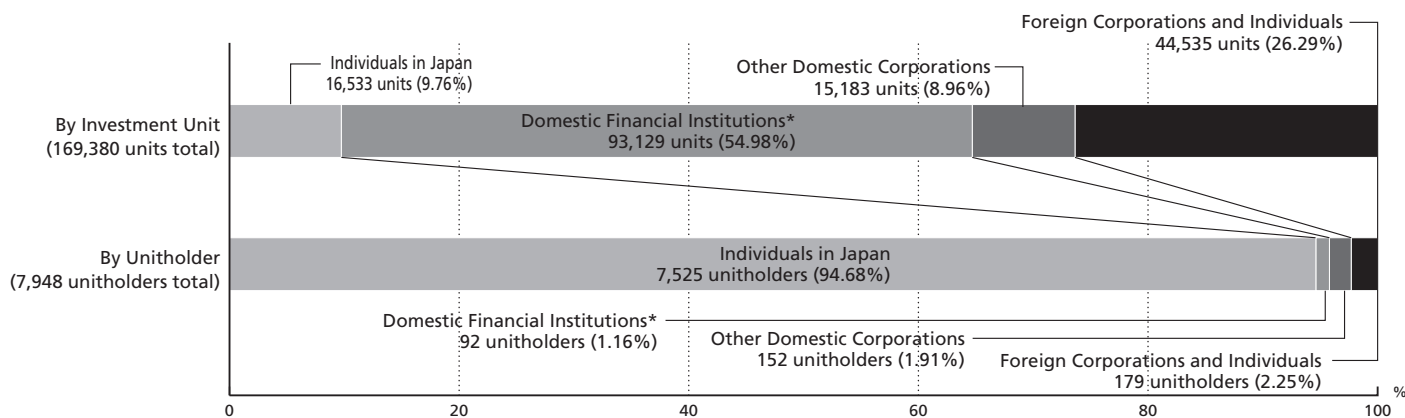
TOKYU REIT is not aware of any circumstances that may have a material impact on TOKYU REIT's financial position after the eleventh fiscal period ended January 31, 2009.

Unitholder Information

Unit Price Chart



Unitholder Composition



* Financial instruments dealers are classified into "Other Domestic Corporations."

Results Reporting Schedule

	11th Period	12th Period
Date of settlement	Jan. 31, 2009	Jul. 31, 2009
Announcement of financial results	Mar. 16, 2009	Mid Sep. 2009
Delivery of investment management report (Japanese only)	Apr. 9, 2009	Mid Oct. 2009
Payment of dividends	Apr. 10, 2009	Mid Oct. 2009

Address

1-12-1, Dogenzaka, Shibuya-ku, Tokyo

Established

June 20, 2003

Executive Director

Masahiro Horie

Supervisory Directors

Giichi Yanagisawa

Maruhito Kondo

Independent Auditor

PricewaterhouseCoopers Aarata

1-5-1, Marunouchi, Chiyoda-Ku, Tokyo

Date of Settlement

Annually on January 31 and July 31

Unitholders' General Meeting

More than once every two years

The Fourth General Meeting of Unitholders will be held on April 15, 2009.

Date for Finalizing General Meeting Voting Rights

As designated under Article 13 of the by-laws

Date for Determining Dividend Payments

Annually on January 31 and July 31

(Dividends paid within three months of each date)

The Administrator of the Register of Unitholders

The Mitsubishi UFJ Trust and Banking Corporation

1-4-5, Marunouchi, Chiyoda-ku, Tokyo

Transfer Agent Head Business Office

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

1-4-5, Marunouchi, Chiyoda-ku, Tokyo

Contact · Address

7-10-11, Higashi-Suna, Koto-ku, Tokyo

Tel: 0120-232-7111 (toll free number: Japan only)

Listing

Tokyo Stock Exchange (8957)

■ Distributions

The Time Limit for Claiming Cash Distributions

The Articles of Incorporation of TOKYU REIT stipulates that the time limit for claiming cash distributions shall be three years from the date on which payment commenced, at which point the right of unitholders to receive cash distributions that remain unclaimed shall be annulled.

The date on which payment commenced for the fifth fiscal period (ended January 31, 2006) is on April 13, 2006 and for the sixth fiscal period (ended July 31, 2006) is on October 13, 2006.

■ Investment Management Company

Tokyu Real Estate Investment Management Inc. TEL: 81-3-5428-5828

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

■ Disclaimer

Semiannual Report is an English translation of Japanese report about TOKYU REIT's investment management published every six months.

This translation is prepared and provided for the readers' convenience.

All readers are recommended to refer to the original version in Japanese of the report for complete and accurate information.

■ For further information please visit the TOKYU REIT website at (www.tokyu-reit.co.jp/eng/)

■ The information in this report without description of dates is as of January 31, 2009.

TOKYU REIT

TOKYU REIT, Inc.
www.tokyu-reit.co.jp/eng/