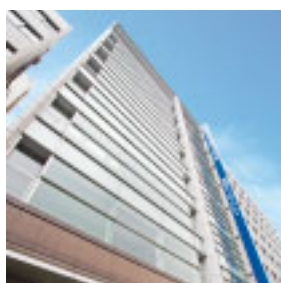


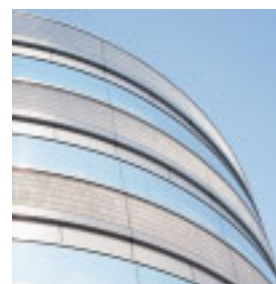
TOKYU REIT



TOKYU REIT, Inc.
Semiannual Report
Thirteenth Fiscal Period
From August 1, 2009 to January 31, 2010



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



Value & Contrary

TOKYU REIT, Inc.

Semiannual Report Thirteenth Fiscal Period

From August 1, 2009 to January 31, 2010

13th



CONTENTS

04	Topics	54	Balance Sheets
06	To Our Unitholders	56	Statements of Income
12	Management	57	Statements of Changes in Unitholders' Equity
16	Financial Strategies	58	Statements of Cash Flows (Unaudited)
18	Portfolio	59	Notes to Financial Statements
32	Asset Management Report	72	Unitholder Information
53	Report of Independent Auditors		

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

- Announced a long-term investment management strategy (Surf plan)
- Carried out acquisition activities by utilizing funds collected from the sale of two properties

Internal Growth

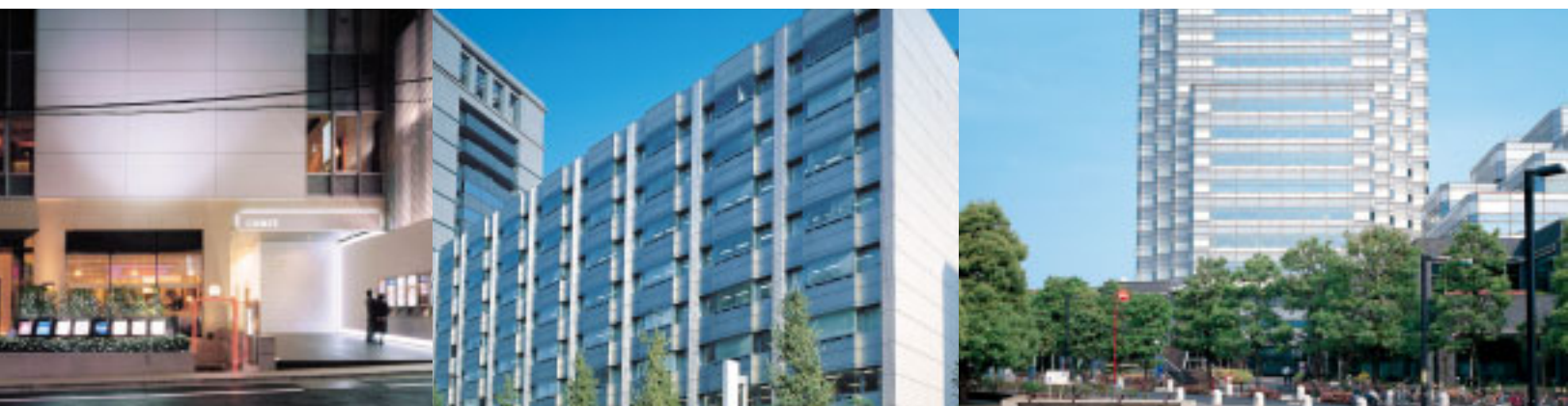
- Outstanding occupancy rate (96.9%) as of January 31, 2010, at the end of the thirteenth fiscal period

Investment Management Fee

- Reduced by a certain rate from the twelfth fiscal period to the fifteenth fiscal period (2%, 4%, 6%, 8%: each fiscal period)

Implementation of Strict Corporate Governance

Proactive IR Activities



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, 2010, the end of TOKYU REIT's thirteenth fiscal period, TOKYU REIT held ten office buildings and eleven retail facilities, for a total of 21 properties.

FINANCIAL SUMMARY

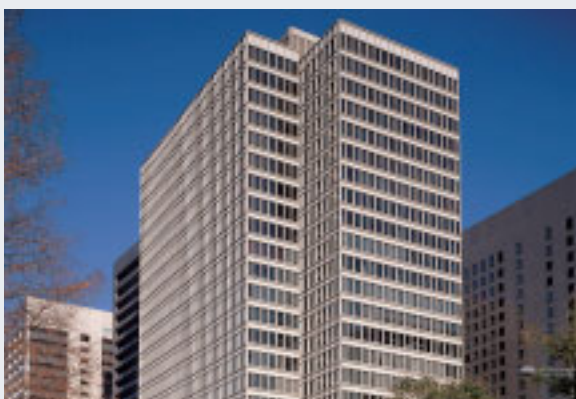
		12th Fiscal Period	13th Fiscal Period
Balance Sheets	Number of Properties	23 properties	21 properties
	Total Assets	¥217,200 million	¥225,299 million
	Interest-Bearing Liabilities	¥97,000 million	¥97,000 million
	Total Assets Loan-to-Value (LTV) Ratio	44.7%	43.1%
Statements of Income	Operating Revenues	¥7,479 million	¥25,359 million
	Net Income	¥2,626 million	¥13,456 million
Distributions	Cash Distribution per Unit	¥15,505	¥79,446
	Average Market Price per Unit	¥496,772	¥478,579
	Distribution Yield	6.29%	32.93%

*Please visit the TOKYU REIT, Inc. website at "www.tokyu-reit.co.jp/eng/" for forecasts of investment management performance, such as cash distribution forecasts for the fourteenth fiscal period and the fifteenth fiscal period. Moreover, we will conduct reviews as appropriate if significant changes are foreseen to these forecasts.

Topics of the Thirteenth Fiscal Period (Sale of Two Properties)

TOKYU REIT sold two office buildings during the thirteenth fiscal period. Accordingly, we posted total earnings of ¥11 billion from revenue from the sales of properties and losses from the sales of properties. This is equivalent to ¥65,409 of the cash distribution per unit for the thirteenth fiscal period.

Resona Maruha Building



■ Summary

Address: 1-1-2, Otemachi, Chiyoda-ku, Tokyo
 Type of Ownership: Land—Proprietary ownership
 (co-ownership raito: 27%)
 Building—Compartmentalized ownership comprising
 exclusive area of 19,542.77m²

Sale Price: ¥42,000 million
 Acquisition Price: ¥23,260 million (acquired on January 15, 2004)
 Capital Gain: ¥18,258 million
 Purchaser: Otemachi Development Tokutei Mokuteki Kaisha
 (special purpose company established by Mitsubishi Estate Co., Ltd.
 and others)

Schedule: Sale contracted on December 24, 2009 and closed on
 January 15, 2010

■ Background

June 2004: Floor area ratio increased as a result of urban planning change
 (1,000% → 1,300%)
 April 2008: Acquisition of lower portion by Otemachi Development Tokutei
 Mokuteki Kaisha, and confirmation of Resona Bank, Ltd.'s
 intention to leave
 March 2011: Maruha Nichiro Seafoods, Inc.'s fixed-term lease agreement expires

■ Consideration of Options

Keep under Management: Risk of value decreasing due to obsolescence in
 correlation with redevelopment of adjacent
 building and other factors; No benefits of value
 increasing from redevelopment

Exchange of Assets : As the norm is basically exchange based on
 appraised value, cannot reap benefits of added
 value from the Property that can not be
 incorporated in the appraisal.

Hold as *Sokochi* : Rent (ground rent) income may possibly fall
 compared to when held as a building.

Sale : Regarded as a measure to maximize unitholder
 value by realizing added value from the Property
 and thus was the option selected.

■ Procedures of Sale

- Consider maximization of sale price and certainty of transaction.
- Decide on sale price through negotiations with Otemachi Development Tokutei Mokuteki Kaisha (holder of right of first refusal based on agreement between compartmentalized owners).

Ryoshin Harajuku Building



■ Summary

Address: 6-17-11, Jingumae, Shibuya-ku, Tokyo
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership
 (all of compartmentalized ownerships with
 whole building are entrusted.)

Sale Price: ¥8,400 million
 Acquisition Price: ¥15,356 million (acquired on June 27, 2008;
 acquired additional ownership on October 3, 2008)
 Capital Loss: ¥7,179 million
 Purchaser: Japan Prime Realty Investment Corporation
 Schedule: Sale contracted on December 24, 2009 and closed on December 25,
 2009

■ Background

- Falling appraisal value
- Risk of application of impairment accounting loss and corresponding decrease in investment unit price

■ Undertakings after Acquisition

- Changed to complete ownership
 (acquired 95.74% ownership and then acquired the other
 compartmentalized owners' portions on October 3, 2008)
- Dissolved compartmentalized owners' association (reduced management work)
- Leasing
 (improved occupancy from 71.8% (at the time of acquisition) to full occupancy)
- Reduced building maintenance costs

■ Sale

- From a conservative standpoint, deemed that reducing risk of application of impairment accounting loss would be best in terms of protection of unitholder value and recovery of investment unit price.
- In pursuit of maximization of sale price and certainty of sale, request intention for acquisition and tender price to only potential buyers that boast high creditworthiness.

Topics of the Fourteenth Fiscal Period (Acquisition of Kojimachi Square)

TOKYU REIT acquired the Kojimachi Square on May 19, 2010. Moving forward, TOKYU REIT will continue to acquire new properties while adhering to its investment criteria and taking into consideration trends in capital and real estate investment markets. This approach will help TOKYU REIT improve the overall long-term yield on the entire portfolio and minimize portfolio risks.

Kojimachi Square



Summary

Location: 3, Nibancho, Chiyoda-ku Tokyo

Nearest Station—Tokyo Metro Yurakucho Line

Approximately a seven-minute walk from Hanzomon

Station—Tokyo Metro Hanzomon Line

Approximately an eight-minute walk from Yotsuya

Station—JR Chuo and Sobu Lines

Approximately an eight-minute walk from Ichigaya

Station—JR Sobu Line, Tokyo Metro Yurakucho and

Namboku Lines and Toei Shinjuku Line

Approximately a ten-minute walk from Yotsuya

Station—Tokyo Metro Marunouchi and Namboku Lines

Total Land Area: 1,269.24m²

Total Floor Area: 6,803.47m²

Structure /Floors: S/RC B1/7F

Completed: January 2003

Type of Ownership: Land—Proprietary ownership

Building—Proprietary ownership

Representative Tenants: Japan Science and Technology Agency;
Construction Industry Engineers Center;
Bussan Logistics Solutions Co., LTD.



Profit Performance

Assumption Value

- Acquisition Price: ¥9,030 million
- Total Rental Income: ¥616 million
- NOI: ¥510 million
(NOI rate 5.6%)

Appraisal Value (Medium- to long-term calculations)

- Appraisal Value: ¥9,100 million (As of February 1, 2010)
- Effective Gross Income: ¥539 million
- Net Income: ¥431 million
(Direct cap rate 4.7%)

Characteristics and Issues

- Strengths : A one-minute walk from the nearest station, several train lines and stations nearby, competitive building specifications, relatively new, floors with highly versatile design and high occupancy
- Weakness : Not a very busy commercial area
- Risk : Fluctuation of rental revenues with changes in the real estate leasing market
- Special Items: There is some discrepancy between the borderline that divides the public and private property and the current use at the adjacent road (confirmed with the Ward Office that this presents no problem).
The property has a certain section in its land area that is a scheduled site for a city planning road (approx. 15m²; setback has been completed).

To Our Unitholders

On behalf of TOKYU REIT, Inc. (**TOKYU REIT**), I would like to express my sincere appreciation to all of our REIT unitholders for their continued support and patient understanding. The following pages provide an overview of our operating environment and results for the thirteenth fiscal period, August 1, 2009 to January 31, 2010.

Masahiro Horie

Executive Director
TOKYU REIT, Inc.

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



Cash Distribution of ¥79,446 per Unit

For the thirteenth fiscal period, **TOKYU REIT** posted ¥25,359 million and ¥13,456 million in operating revenues and net income, respectively. Severe conditions continue for the domestic real estate leasing market and revenues from property leasing declined ¥237 million from the twelfth fiscal period. However, as a result of posting revenues of ¥18,258 million from the sale of the Resona Maruha Building and losses of ¥7,179 million from the sale of the Ryoshin Harajuku Building, earnings increased by ¥10,830 million from the twelfth fiscal period. The net income figure is ¥160 million higher than the revised forecast announced on December 24, 2009 together with the announcement of the sale of the 2 properties.

Consistent with its distribution policy, **TOKYU REIT** allocated 100% of its retained earnings for a cash distribution of ¥79,446 per unit. This was ¥63,941, or 412.4% above the twelfth fiscal period distribution of ¥15,505, while being ¥946, or 1.2%, above the distribution forecast.

Net asset value per unit after deducting the per-unit cash distribution of ¥79,446 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 the book value), adjusted net asset value per unit declined ¥49,199 from the previous fiscal period to ¥638,789 due to a drop in the period-end portfolio appraisal value.

Leasing Performance for the Thirteenth Fiscal Period

Fourteen of TOKYU REIT's 21 properties were fully occupied as of January 31, 2010, and the occupancy rate for the entire portfolio was 96.9%, down 1.7 percentage points from the previous fiscal period. In the reporting period, **TOKYU REIT** had twelve tenants who vacated or decreased their leasing space, including Takihyo Co., Ltd., which had leased space in the TOKYU REIT Toranomom Building. Meanwhile, **TOKYU REIT** has accelerated its leasing activities for these newly vacated spaces as well as for the other spaces that were

vacant as of July 31, 2009. Through these endeavors, we have been able to raise the occupancy rate in the Lexington Aoyama from 21.2% as of July 31, 2009 back to 73.1%. More specifically, in terms of its entire portfolio, **TOKYU REIT** had seven tenants who were either new or seeking additional space.

TOKYU REIT has also proactively worked to maintain rent levels. Consequently, as of the end of the thirteenth fiscal period, the drop in average rental rate for the existing property portfolio was contained at 1.93% compared with the end of the twelfth fiscal period. As a result of these efforts, our overall rental revenues edged down ¥359 million, or 5.6%, compared with the twelfth fiscal period.

Leasing Policy for the Fourteenth Fiscal Period

The vacancy rate for TOKYU REIT's entire portfolio was 3.1% as of January 31, 2010. According to data compiled by CB Richard Ellis Research Institute K.K., the vacancy rates in Tokyo 23 wards and the five central Tokyo wards were 6.5% and 6.6%, respectively, as of December 31, 2009. The figure for **TOKYU REIT** is staying steady at a comparatively lower rate.

Nevertheless, **TOKYU REIT** has received advance notices from eleven tenants expressing their intention to leave the Setagaya Business Square, cocoti, the TOKYU REIT Kamata Building and other portfolio properties during the fourteenth fiscal period due to business relocation and operational integration. When these tenants vacate their leased space as notified, and **TOKYU REIT** fails to find replacement tenants, the vacancy rate of TOKYU REIT's entire portfolio for the end of the fourteenth and fifteenth fiscal periods will stand at 4.2% and 4.3%, respectively. With the foremost aim of improving the occupancy rate of its portfolio properties, **TOKYU REIT** is bolstering its leasing activities.

Return of Capital Gain from Sale of the Resona Maruha Building to Unitholders

Maruha Nichiro Seafoods, Inc. is a tenant of the Resona Maruha Building which occupies 6 floors out of 8 floors owned by **TOKYU REIT**. Since they are planning to vacate their leasing space, there is the possibility that in or after the sixteenth period, TOKYU REIT's revenues will significantly decrease. Furthermore, under the Investment Trusts Law, REITs are not permitted to undertake redevelopments of this size. Based on this restriction, as we stated in the Semiannual Report Eleventh Fiscal Period, we considered various strategies in positioning this project as marking the beginning of our second founding. As a result, we decided that distributing the capital gain from sale of this property to our unitholders was the best strategy to maximize value for our unitholders.

Therefore, TOKYU REIT's accumulative distributions from the first to thirteenth fiscal periods amount to ¥258,670. For unitholders who purchased **TOKYU REIT** units at the time they were listed in September 2003 at an offer price of ¥530,000 and have held them until now, this would equate to a return of 48.8% on their initial investment. Going forward, **TOKYU REIT** will aim for stable cash distributions as well as capital gain when replacing properties and returning the gain to unitholders based on the long-term investment management strategy mentioned below.

Moreover, please refer to page 4 for overviews and reasons for the sale of Resona Maruha Building and sale of the Ryoshin Harajuku Building.

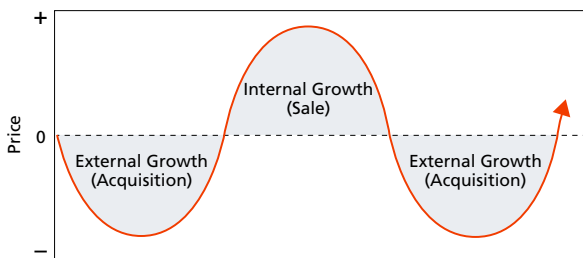
Reflection on the Acquisition of the Ryoshin Harajuku Building

TOKYU REIT acquired the Ryoshin Harajuku Building in June 2008 and received positive evaluations from many investors at the time. After acquiring said property, we have poured effort in improving its value through measures such as owning the entire property by additionally acquiring minority interests. However, possibility that impairment accounting may be applied

to the property rose with the decrease in appraisal value.

Should impairment accounting be applied, TOKYU REIT would be obliged to pay corporate taxes, which would in turn negatively affect unitholder value. To avoid such a situation, TOKYU REIT decided to sell the property after a year and a half of ownership. A point of reflection concerning this transaction is that the timing of the acquisition was too early because we could not foresee the sudden deterioration of the market along with what is known as the Lehman shock that occurred after acquisition. We would like to apologize to our unitholders for this incident. At the same time, to utilize what we have learned going forward, we have announced a long-term investment management strategy in the Financial Results Presentation released on September 2009, ahead of the sale of this property.

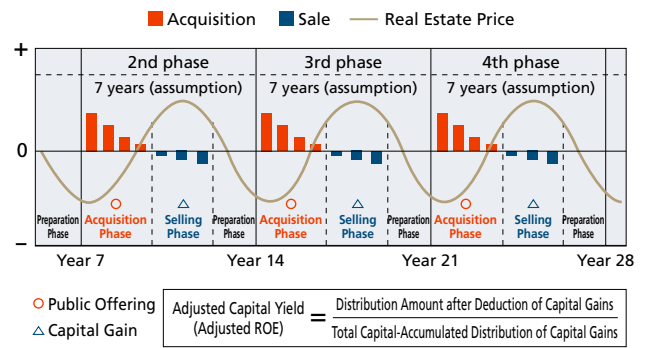
Our Initiatives in Line with the Real Estate Market Cycle



The above chart was posted in the Semiannual Report Tenth Fiscal Period and the Ryoshin Harajuku Building was acquired during the “phase of external growth” indicated here. However, in 2009 the appraisal value of the Ryoshin Harajuku Building fell significantly.

Long-Term Investment Management Strategy

In view of the abovementioned experiences and reflections, TOKYU REIT formulated a long-term investment management strategy (Surf Plan) in the desire to construct a strong balance sheet even in times of a recession and to develop a portfolio with permanent competitiveness.



A Strong Balance Sheet Even in Times of a Recession

Under the long-term investment management strategy, TOKYU REIT clearly hammered out a strategy to re-examine the timing of acquiring or selling property so that the risk of impairment accounting being applied will not arise and implement contrarian investment when real estate prices are low. In other words, this strategy calls for achieving a return on investment by selling rather than acquiring properties during a boom period (high prices).

This strategy was formulated by focusing on the observation that the real estate market and credit market do not grow constantly, but that they are cyclical. By dividing a single cycle of the real estate market into the acquisition phase, selling phase and preparation phase, TOKYU REIT will acquire properties during a market recession (low prices) and during a boom period (high prices), sell mainly properties that have been held for a long time and which are aging. By doing so, we will aim to achieve capital gain. However, TOKYU REIT does not plan to engage in short-term trading when selling properties.

Furthermore, TOKYU REIT will separately consider the timing of selling properties scheduled for redevelopment. On the other hand, we will utilize a reduction method by making an exchange with low book value investment properties during a boom period since the liquidity of attractive investment properties is likely to rise then. This would enable us to prepare for the next market deterioration and help reduce various downside risks arising from price decreases.

During the preparation phase, we will take effective steps to deal with market deterioration and make

preparations for the next cycle. Through such activities, the portfolio size will not be continuously expanded, but it will shrink or expand depending on what market phase we are experiencing at the time. While loan-to-value ratio (LTV) and earnings per share (EPS) may fluctuate, the result of these activities would be the further strengthening of our balance sheet (BS) and we will be enabled to make early preparations for the next credit market deterioration as well as the real estate market slowdown that accompanies it.

If we deem a single cycle of the real estate market as the investment appraisal period and conduct investment from more of a long-term perspective, then we believe that adoption of a value-type contrary investment strategy like the above, would not only maximize unitholder value, but transform **TOKYU REIT** into a REIT that is resistant to credit market deterioration.

Portfolio with Permanent Competitiveness

We believe that we are currently in the acquisition phase of the above chart and so decided to acquire Kojimachi Square on March 15, 2010 (Property overview and reasons for the acquisition are found under page 5).

As we stated in the Semiannual Report Twelfth Fiscal Period, if setting the premise of a going concern of an investment corporation, we must constantly replace properties and maintain competitiveness of the portfolio. Properties targeted for sale will mainly be properties which are aging, as mentioned above. Moreover, the two properties which we decided to sell in December 2009 are thirty-one years and twenty years of age, respectively. On the other hand, Kojimachi Square which was acquired on March 2010 is seven years of age.

TOKYU REIT plans to carry out acquisition in line with the formerly-established investment policy, "Investment in Highly Competitive Properties in Areas with Strong Growth Potential." Particularly, **TOKYU REIT** set as its main investment target areas the five central Tokyo wards and the Tokyu Areas, which refers to the areas serviced by the Tokyu rail network. Although the overall Japanese population in a declining trend, the population in the Tokyo Metropolitan Area is

projected to increase until 2020, indicating that centralization of the Japanese economy in the area will continue for some time. Measures to enhance the function of the capital, such as expansion of the Haneda Airport, etc. will most likely encourage this trend.

Furthermore, **TOKYU REIT** does not plan to invest in relatively high-risk properties, such as small-sized properties that are valued at less than ¥4 billion. The return of such properties is certainly high in proportion to the greatness of risk, but we will not run after short-term gains. The liquidity of real estate is lower than other types of assets, but like the three properties that we sold in the past, our policy is only to invest in high quality properties that can be sold in the market at any time. For the time being, we plan to proactively conduct investment activities, but would like to make careful considerations during the decision making process and as we have done until now, place a priority on ensuring the quality of the portfolio rather than size.



Unitholder Return Index (Adjusted ROE)

To show how much of the investment made by our unitholders (Unitholders' capital) in the past has been returned back to them, we have reported the return on the weighted-average issue price. However, we would like to now introduce the "Adjusted ROE" as an index for measuring the results achieved by the long-term investment management strategy in a way that is easier to understand. The chart below shows changes in return on unitholders' equity (ROE) and ROE after deduction of capital gains/losses (Adjusted ROE) since TOKYU REIT's public listing.

With the implementation of TOKYU REIT's long-term investment management strategy, which involves the replacement of properties focusing on the cyclical nature of real estate prices, cash distributions will vary to a certain extent by fiscal period depending on how much capital gain was obtained. By calculating adjusted ROE by reducing principal previously paid by unitholders based on the assumption that the capital gain portion was theoretically used to repay the unitholders' equity, performance can fairly be measured against previous or future fiscal periods or other REITs.

Going forward, TOKYU REIT would like to

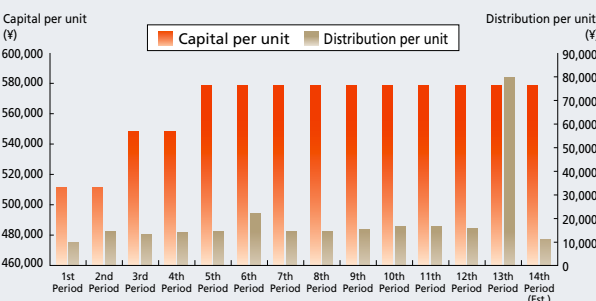
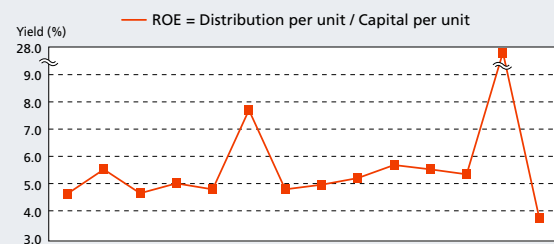
capture capital gain by implementing contrarian investment in real estate when prices are low and replace properties, and realize a high quality portfolio (reduce the average age of buildings) and a higher adjusted ROE performance.

Outlook

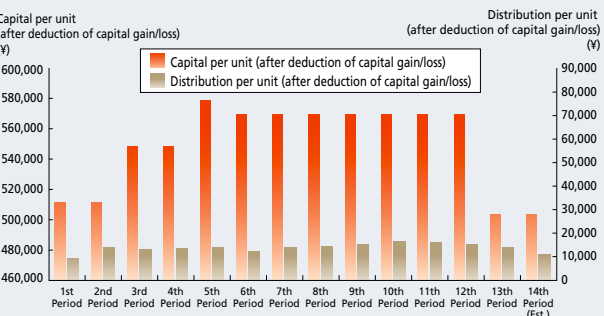
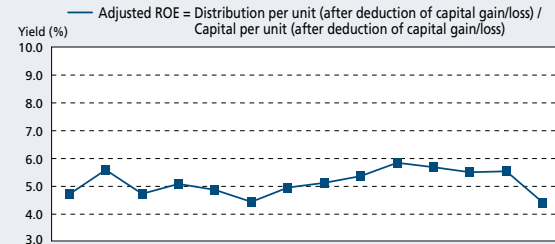
As we announced in our Financial Report disclosed on March 15, 2010, we revised our per-unit distribution forecast for the fourteenth fiscal period to ¥11,000 and announced our per-unit distribution forecast for the fifteenth fiscal period as ¥10,000.

These figures are based on currently effective contracts as of March 15, 2010 while factoring in the abovementioned advance notices of contract cancellations and certain risks that may result in rent reductions. These figures do not take into account possible upward rent revisions, attracting new tenants to fill vacancies and new property acquisitions. Furthermore, these forecasts are subject to change due to a variety of factors, including our investment management performance and interest rate movements.

ROE (Capital Yield)



Adjusted ROE (Capital Yield after Deduction of Capital Gain)



Reduction of Investment Management Fees

Held on April 15, 2009, the Fourth General Meeting of Unitholders approved the time-limited reduction of investment management fees by 2%, 4%, 6% and 8% in the 12th, 13th, 14th and 15th fiscal periods, respectively, over a two-year period commencing February 1, 2009.

During the thirteenth fiscal period, investment management fees were reduced by 4% and the reduced portion totaled ¥22 million. We forecast the reduction of 6% of projected investment management fees during the fourteenth fiscal period to equal a reduction of ¥27 million and the reduction of 8% during the fifteenth fiscal period to equal a reduction of ¥36 million.

As Executive Director of TOKYU REIT and President of the asset manager, Tokyu REIM, I had the privilege of reading all comments. We immediately discussed the suggestions sent to us and have already implemented some of them in this Semiannual Report Thirteenth Fiscal Period, such as making the text larger and implementing black-and-white printing in some parts, which is more affordable. We also received many words of encouragement and would like to take this opportunity to thank you. TOKYU REIT sincerely plans to make steady efforts to meet the expectations and desires of unitholders and so ask for your continued support.

March 2010

About the Questionnaire

Along with the cash distribution calculation sheet of the twelfth fiscal period and the Semiannual Report Twelfth Fiscal Period that we sent, we enclosed a questionnaire whose purpose was solely to reflect your opinions in investment management of Tokyu Real Estate Investment Management Inc. (Tokyu REIM). We are sincerely thankful that 933 unitholders have sent them back to us.

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.

June 2009

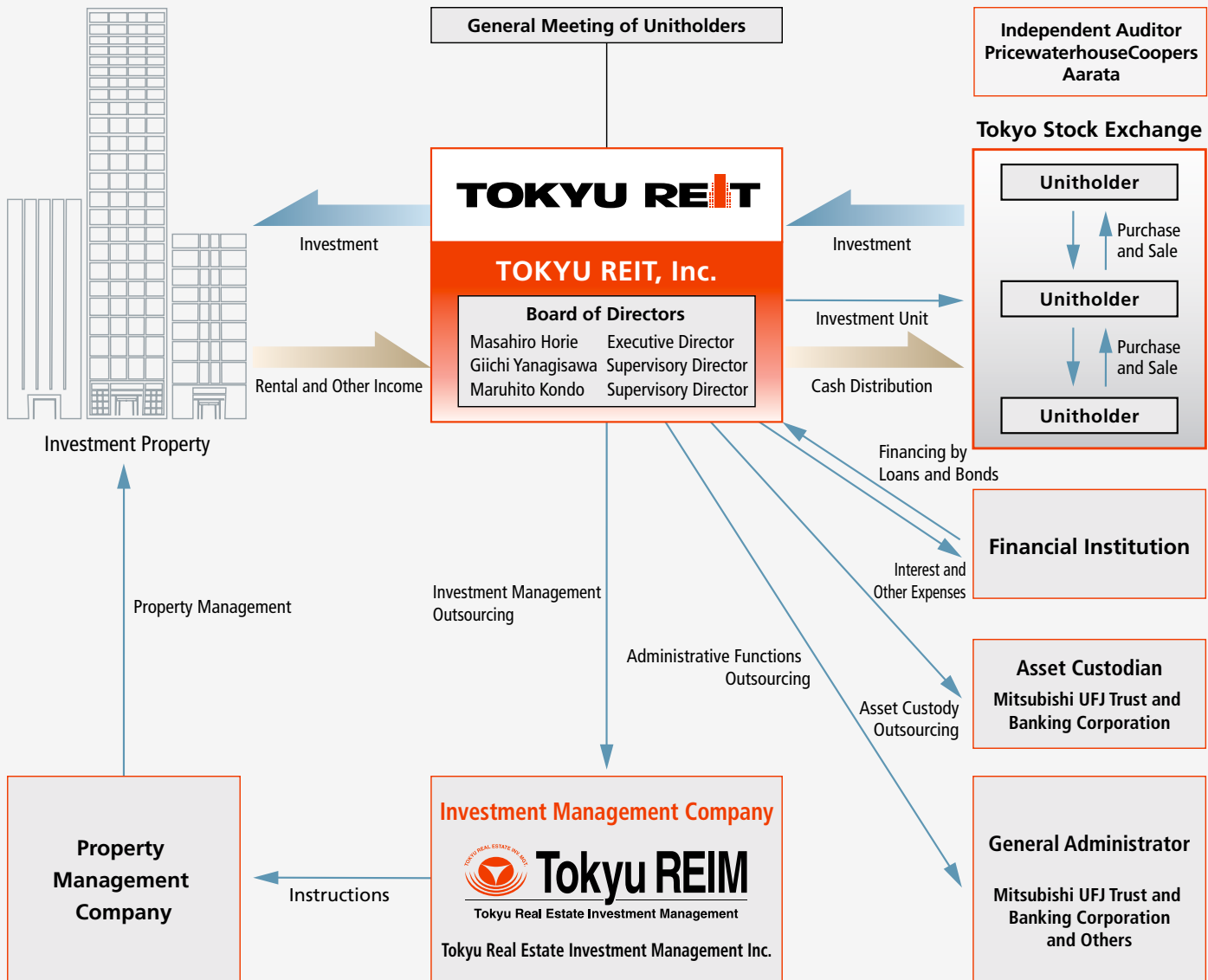
Posted to a member of the board of the Investment Trusts Association, Japan.



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.

TOKYU REIT Structure and External Service Providers



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*2) × Number of investment unit at the end of previous period × 0.4% The payment should be implemented within two months of the end of the fiscal period.

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

* Investment management fee reduced by a certain rate and over a limited period, as described below, which was approved by the Fourth General Meeting of Unitholders 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%

Notes: 1. Operating cash flow = ordinary income + depreciation and amortization of deferred assets – profit or loss from sale of property and valuation + investment management fee
 2. As of the end of the thirteenth fiscal period ¥1,241,537 (average in the eighth period)

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 thirteenth 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 11 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 7th Periods	8th Period	9th Period	10th Period	11th Period	12th Period	13th Period		
Masahiro Horie	Executive Director	99	13	12	15	13	15	15	182	100%
Giichi Yanagisawa	Supervisory Director	98	13	12	15	13	15	15	181	99%
Maruhito Kondo	Supervisory Director	99	13	12	15	13	15	15	182	100%
Mitsubishi UFJ T&B	General Administrator	99	13	12	15	13	15	15	182	100%
Mori Hamada & Matsumoto	Legal Counsel	95	13	12	15	13	15	15	178	98%
Meetings Held		99	13	12	15	13	15	15	182	

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, 2009)

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%

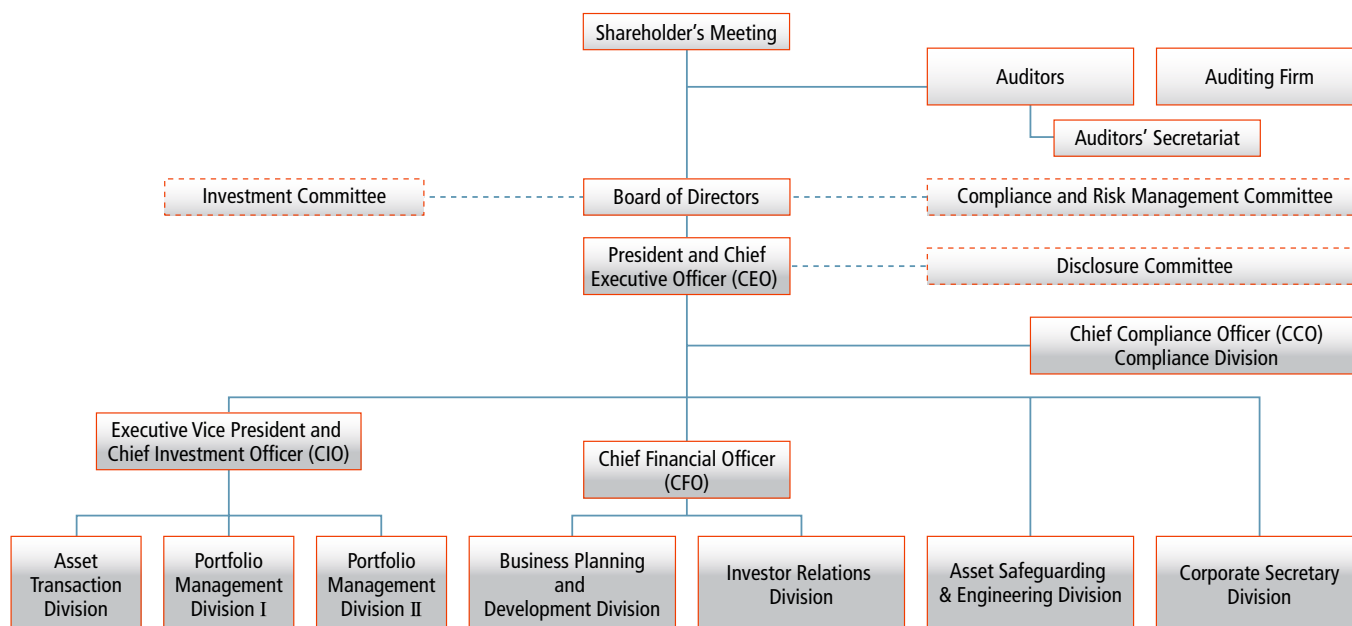
Board of Directors

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 thirteenth fiscal period, the Board of Directors met on twelve 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 thirteenth fiscal period, the Investment Committee met on ten occasions.

■ Organization Chart (as of January 31, 2010)



■ 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 thirteenth fiscal period, the Compliance and Risk Management Committee met on eleven occasions.

■ Disclosure Committee

The head of the Disclosure Committee is the General Manager of Investor Relations. The other members of the Committee include the Chief Compliance Officer, Corporate Secretary the General Manager of Business Planning & Development 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 presented to the Representative Director, President and Chief Executive Officer as suggestions. During the thirteenth fiscal period, the Disclosure Committee met on one occasion.

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

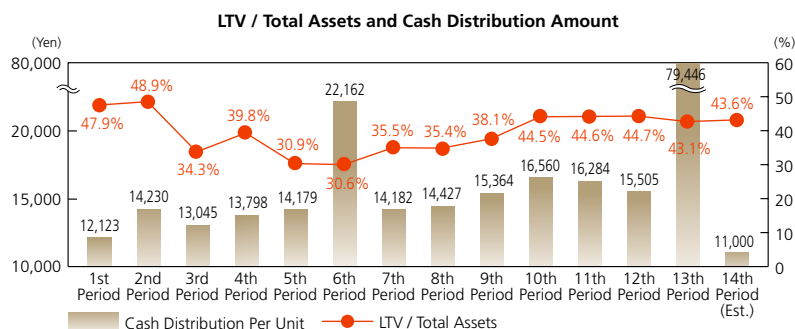
- Assurance of Prompt Fund Procurement Schemes

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.

LTV / Total Assets and Cash Distribution Amount

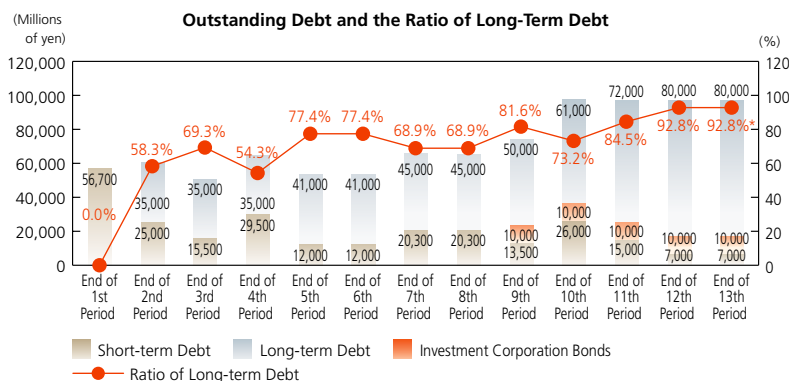


TOKYU REIT implements conservative management that considers the balance between the level of cash distribution amount and financial soundness, as shown left.

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

Notes: 1. LTV / Total Assets = Period end interest-bearing debt / Period end total assets
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 Debt



Note: 80.4% (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 debt as of the end of the thirteenth fiscal period is 92.8% (91.3%: excluding the long-term floating-interest debt).

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

Execution of Commitment Line Agreement

Lenders		Commitment Line Agreement
Development Bank of Japan Inc.	:	¥10 billion
The Sumitomo Trust and Banking Co., Ltd.	:	¥1 billion
The Chuo Mitsui Trust and Banking Company, Limited:	:	¥1 billion

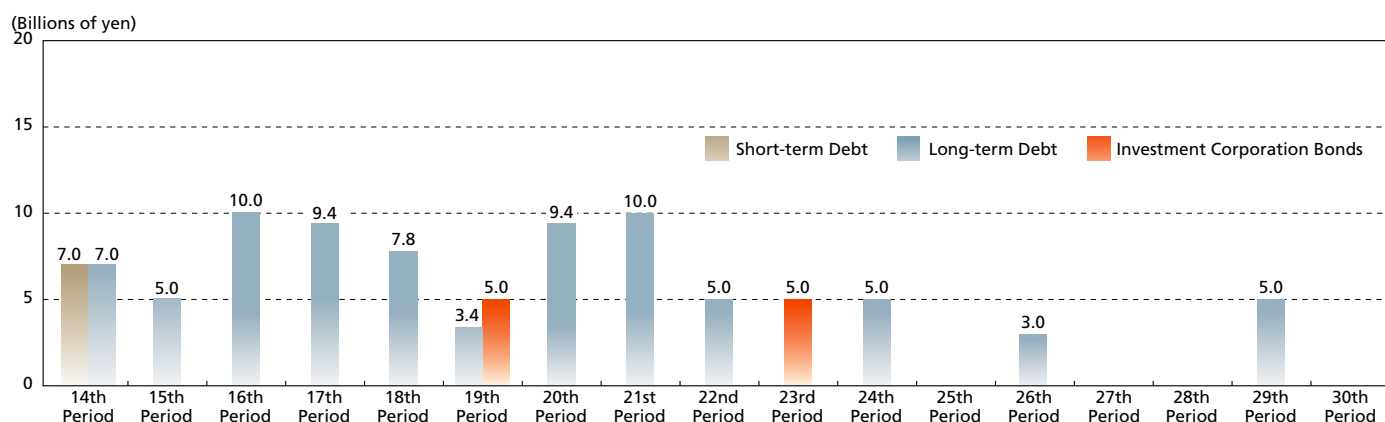
The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured.

Moreover, there is no outstanding debt under the commitment line as of January 31, 2010.

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: Negative)

Debt Balance by Repayment Date (Maturity Ladder) (as of the end of thirteenth 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.

*For further details, please refer to "Expenses and Debt, (2) Short-term Debt and Long-term Debt, and "Expenses and Debt, (3) Investment Corporation Bonds" below in this Semiannual Report Thirteenth Fiscal Period.



PORTFOLIO

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

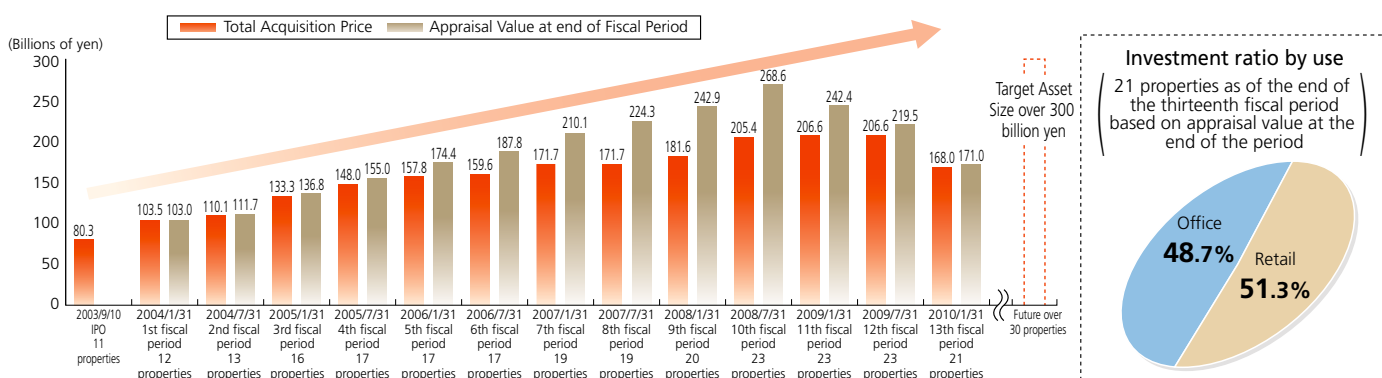
Investment Targeted Areas	<ul style="list-style-type: none"> Focusing on Five central Tokyo wards and Tokyu Areas expecting economic and population growth Limited to Tokyo Metropolitan Area
Investment Criteria	<ul style="list-style-type: none"> Limited to office and retail portfolios with lower risk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

Total Acquisition Price and Appraisal Value, Investment Ratio (at the End of the Fiscal Period)

Total acquisition price as of the end of the thirteenth fiscal period ended January 31, 2010, stood at ¥168 billion, and appraisal value at the end of fiscal period stood at ¥171 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 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.

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 thirteenth fiscal period (21 properties), investment ratio by use based on appraisal value at end of fiscal period is as follows:





Portfolio Overview (at the End of the Fiscal Period)

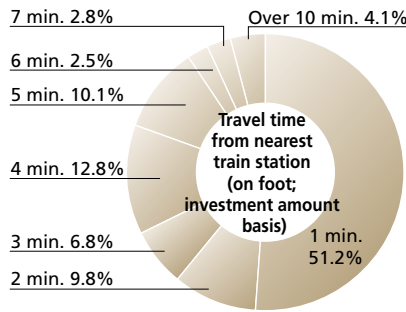
Use	Name of Property	Acquisition Date	Acquisition Price (Billions of yen)	PM	Occupancy Ratio	Earthquake PML*2
R	QFRONT	Sep. 10, 2003	15.1	Tokyu Corporation	100.0%	4.1%
R	Lexington Aoyama	Sep. 11, 2003	4.8	Tokyu Community Corp.	73.1%	2.3%
R	TOKYU REIT Omotesando Square	Sep. 10, 2003	5.7	Tokyu Community Corp.	100.0%	9.5%
R	Tokyu Saginuma Building	Sep. 10, 2003	6.9	Tokyu Corporation	100.0%	9.9%
R	Tokyu Saginuma 2 Building	Sep. 11, 2003	1.2	Tokyu Corporation	100.0%	9.3%
R	TOKYU REIT Shibuya Udagawa-cho Square	Mar. 1, 2004	6.6	Tokyu Corporation	100.0%	7.3%
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Aug. 3, 2004	9.5	Tokyu Community Corp.	100.0%	9.5%
R	cocoti	Apr. 6, 2005 Aug. 2, 2005	14.7 9.8	Tokyu Corporation	97.5%	6.2%
R	Shonan Mall Fill (<i>sokochi</i>)*1	Apr. 28, 2006	6.8	—	100.0%	—
R	CONZE Ebisu	Oct. 31, 2006	5.1	Tokyu Corporation	100.0%	4.1%
R	Daikanyama Forum	Apr. 22, 2008	4.1	Tokyu Corporation	91.5%	8.0%
O	Setagaya Business Square	Sep. 11, 2003	22.4	Tokyu Community Corp.	89.4%	2.8%
O	Tokyu Nampo-dai-cho Building	Sep. 11, 2003	4.6	Tokyu Corporation	100.0%	7.9%
O	Tokyu Sakuragaoka-cho Building	Sep. 11, 2003	6.6	Tokyu Corporation	100.0%	11.1%
O	Tokyo Nissan Taito Building	Sep. 11, 2003	4.4	Tokyu Community Corp.	100.0%	7.4%
O	TOKYU REIT Akasaka Hinokicho Building	Sep. 10, 2003	3.5	Tokyu Community Corp.	100.0%	11.2%
O	TOKYU REIT Kamata Building	Sep. 10, 2003	4.7	Tokyu Corporation	100.0%	7.7%
O	TOKYU REIT Toranomom Building	Dec. 15, 2004 Sep. 21, 2007 Sep. 21, 2007 Oct. 26, 2007	8.6 1.1 0.2 0.1	Tokyu Corporation	72.4%	7.2%
O	TOKYU REIT Hatchobori Building	Sep. 29, 2006	7.0	Tokyu Community Corp.	99.3%	4.0%
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Jan. 31, 2008	8.5	Tokyu Community Corp.	100.0%	3.9%
O	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5.4	Tokyu Corporation	92.8%	5.8%
Total			168.0		96.9%	4.0%

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. 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.

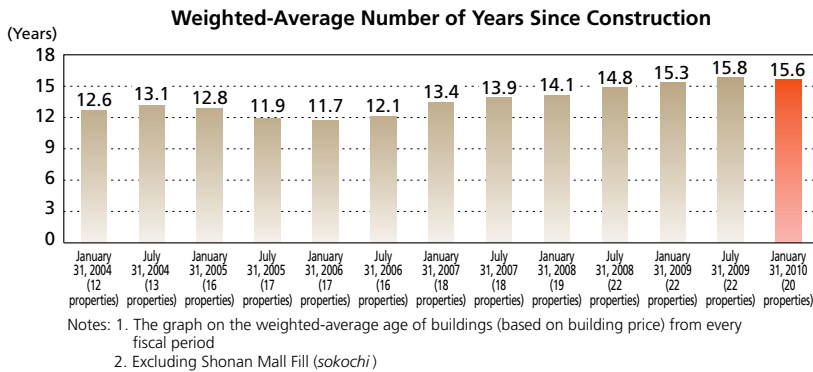
In the acquisition of investment properties, **TOKYU REIT** considers a variety of factors, including a comprehensive analysis of forecasted revenue stream, growth potential of the area, property size, construction and facility specifications, earthquake resistance, leasing rights, occupancy and appeal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

Location



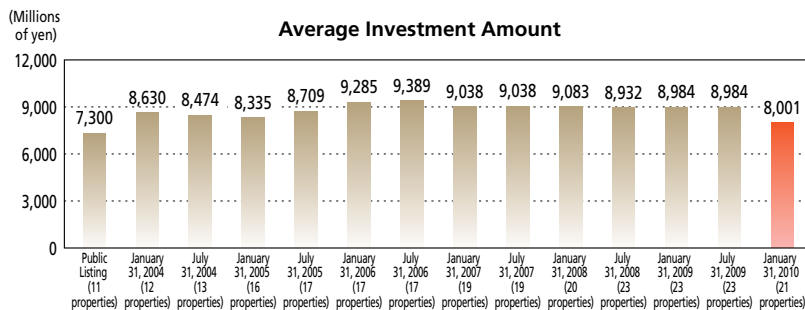
Properties conveniently located near train stations increase the stability of TOKYU REIT's portfolio.

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 20 properties as of the end of the thirteenth fiscal period, 15.6 years have passed since construction and the number of years increases only 3 years from the point of January 31, 2004 in elapsed 6 years from then.

Investment Property Size



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 thirteenth fiscal period, **TOKYU REIT** had invested an average of ¥8,001 million per property. **TOKYU REIT** intends to continue investing in mainly large-scale properties.

Top 10 Tenants by Leased Area

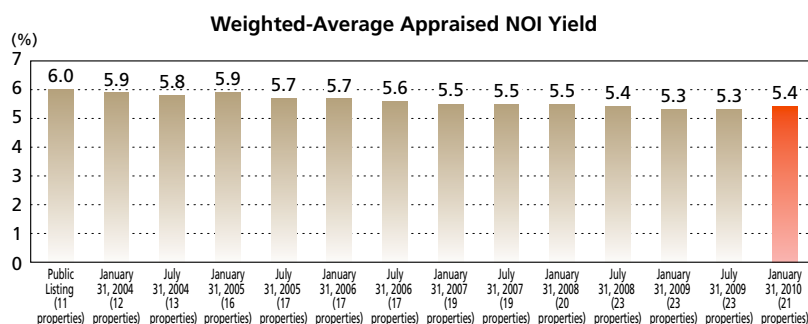
Top 10 Tenants by Leased Area

As of January 31, 2010

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	23.6%
2	Daiwa House Industry Co., Ltd.	Construction	R Shonan Mall Fill (sokochi)	44,078.12	20.7%
3	Tokyu Store Chain Co., Ltd.	Retail	R Tokyu Saginuma Building	19,610.06	9.2%
4	Tokyu Corporation	Land Transportation	☐ Tokyu Nampo-dai-cho Building	7,148.18	3.4%
			☐ Tokyu Sakuragaoka-cho Building	3,878.36	1.8%
5	Japan Nuclear Energy Safety Organization	Other	☐ TOKYU REIT Toranomon Building	6,579.05	3.1%
6	Sun Microsystems K.K.	Information and Telecommunication	☐ Setagaya Business Square*2	5,800.76	2.7%
7	Fujitsu Advanced Solutions Limited	Information and Telecommunication	☐ TOKYU REIT Kamata Building	4,253.55	2.0%
8	Culture Convenience Club Co., Ltd. (The former name: CCC Co., Ltd.)	Service	R QFRONT	3,556.31	1.7%
			☐ Setagaya Business Square*2	338.13	0.2%
9	Tokyu Agency Inc.	Service	☐ Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	3,533.09	1.7%
10	Tokyu Community Corp.	Service	☐ Setagaya Business Square*2	3,213.91	1.5%
Total leased area of top 10 tenants				152,275.36	71.4%
Total leased area of 21 properties at the end of thirteenth fiscal period				213,123.48	100.0%

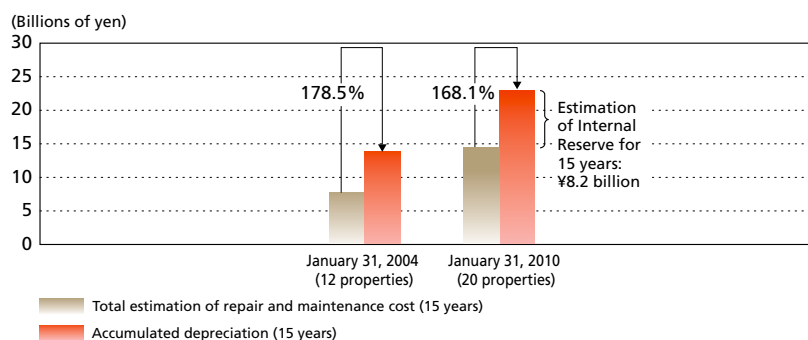
Notes: *1. "Ratio" indicates ratio of each tenant's leased areas to total leased area at the end of thirteenth fiscal period (21 properties).
*2. "Leased Area" of tenants in Setagaya Business Square are calculated by 55%.

Portfolio Cap Rate



TOKYU REIT has acquired some properties after listing, and as of the end of the thirteenth fiscal period, the weighted-average appraised NOI yield fell to 5.4%. 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 thirteenth fiscal period and over the next fifteen years, cumulative depreciation for the portfolio (20 properties) will significantly exceed total repair and maintenance cost, for a coverage ratio of 168.1%. This figure shows that **TOKYU REIT** has secured the funds necessary for projected repair and maintenance costs.

Investment Targeted Areas



Tokyu Saginuma Building



Tokyu Saginuma 2 Building



Beacon Hill Plaza (Ito-Yokado Noukandai Store)



Shonan Mall Fill (sokochi)



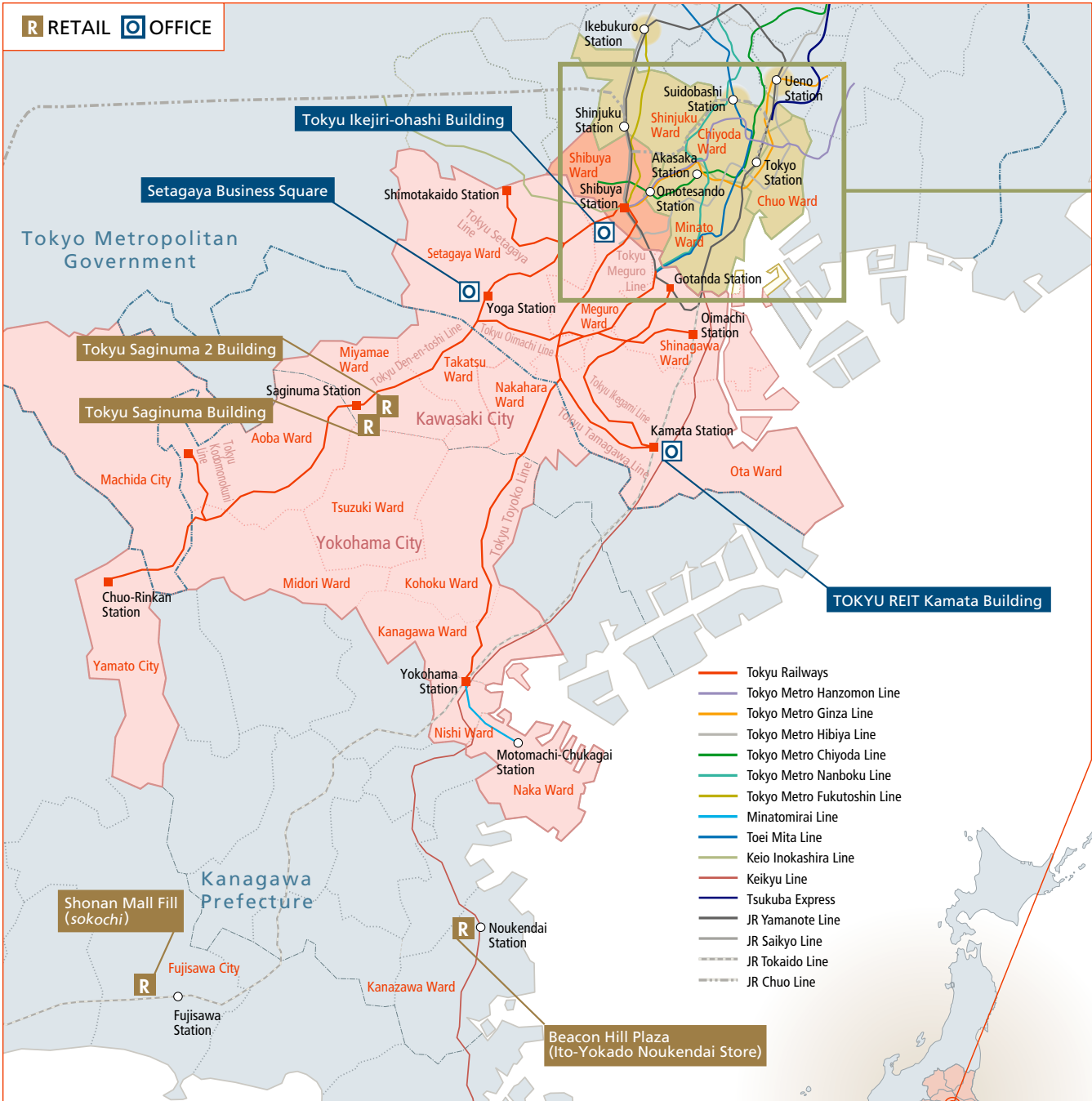
Setagaya Business Square

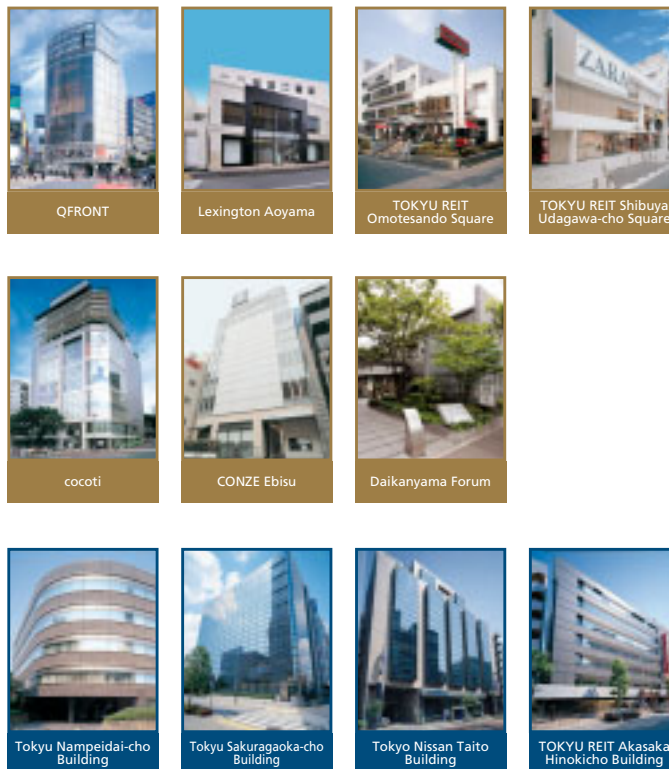
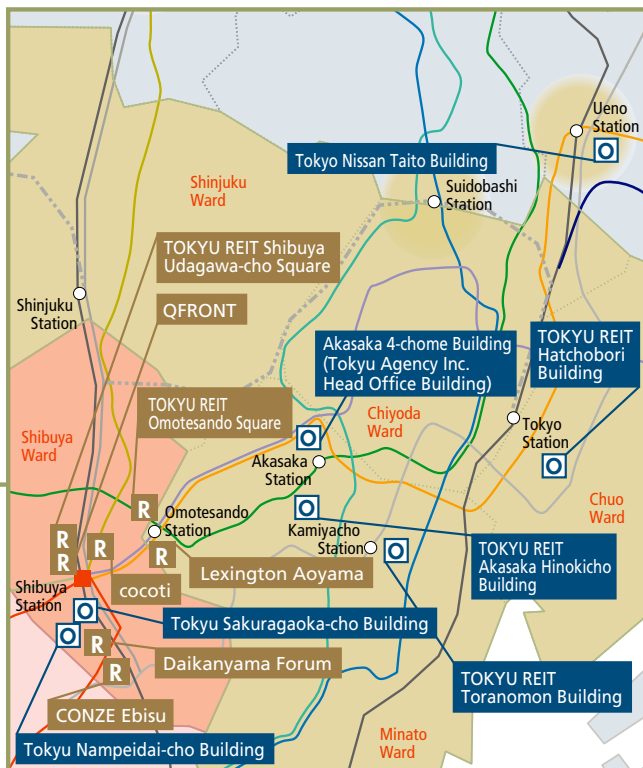


TOKYU REIT Kamata Building

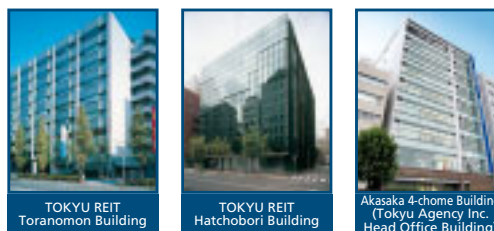
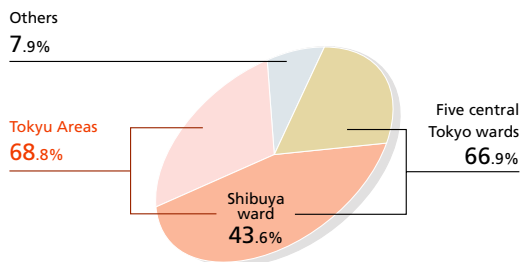


Tokyu Ikejiri-ohashi Building





Percentage share in total portfolio by region
(21 properties based on the appraisal value at the end of thirteenth 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*1		Percentage Share in Total Portfolio*2
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. Shibuya ward is included in both the central Tokyo wards and the Tokyu Areas.

2. 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.

RETAIL PORTFOLIO

R QFRONT

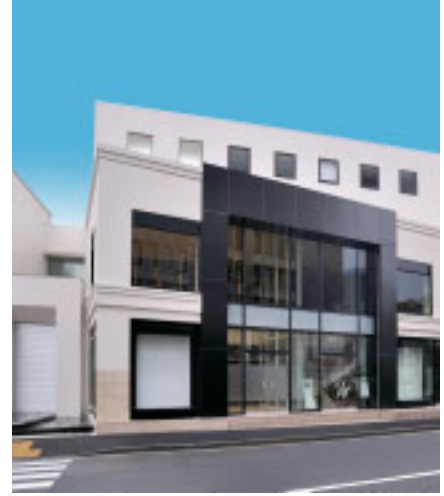


QFRONT is a retail property located directly across from Shibuya Station, an area identified as one of Japan's busiest retail districts. The main tenant is Culture Convenience Club Co., Ltd. (the former name: CCC Co., Ltd.), a large rental and retail store of videos and CDs. QFRONT contains a coffee shop located on the first and second floors, 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/ Tokyu 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
 Tenants: Culture Convenience Club Co., Ltd.;
 Tokyu Corporation;
 Punraku Co., Ltd.
 *As of March 15, 2010

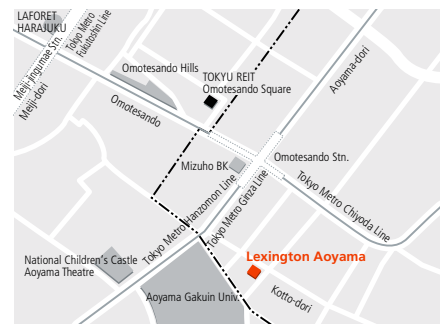


R Lexington Aoyama



Lexington Aoyama is a retail property along Kotto-dori in the Aoyama district. After the principal tenant, who occupied the first four floors of this property, vacated the premises in April 2009, the entrance, etc. were renovated to divide the space to lease to multiple tenants. Three new tenants signed leasing contracts for space within this property. TOKYU REIT is continuing leasing activities for the remaining vacant space within the property.

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: avex Planning & Development Inc.;
 Aeffe Japan Inc.;
 Care bis

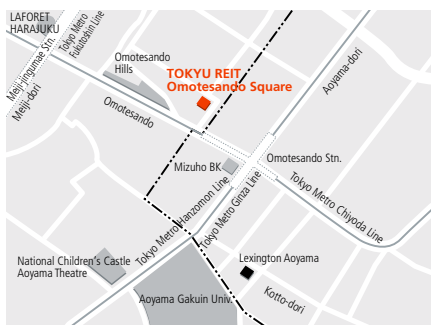


R TOKYU REIT Omotesando Square



TOKYU REIT Omotesando Square is a multi-faceted retail property located in Shibuya-ku within one minute's walk from Omotesando Station. The complex contains Barbaoco 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 Chiyoda and Fukutoshin 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.

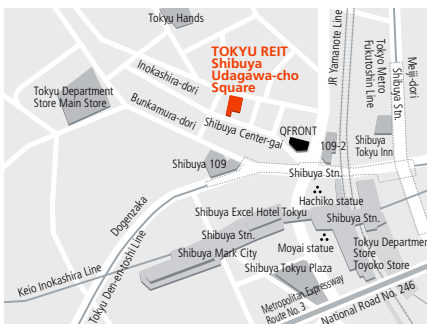


R TOKYU REIT Shibuya Udagawa-cho Square



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 1,372 stores (as of October 31, 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.

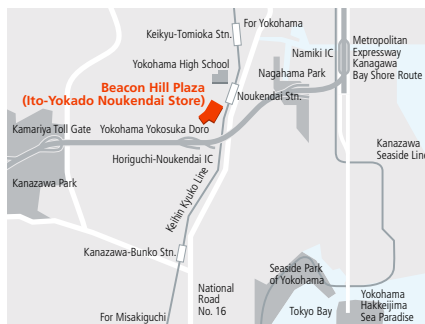


R Beacon Hill Plaza (Ito-Yokado Noukendai Store)



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.

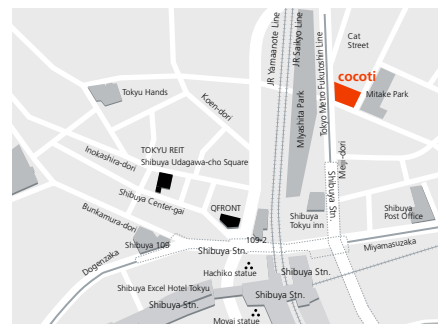


R cocoti



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/Tokyu 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.;
 CASSINA IXC Ltd.;
 West Corporation



R Shonan Mall Fill (*sokochi*)

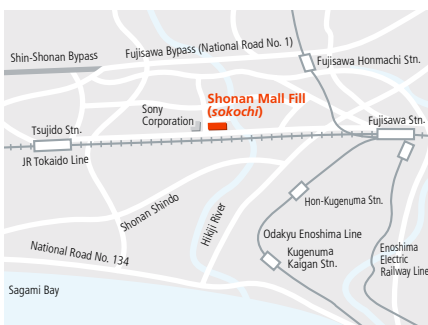


Shonan Mall Fill (*sokochi*) is the retail property which situates between Fujisawa and Tsujido Stations on the JR Tokaido Line.

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;
 MYU PLANNING & OPERATORS Inc.;
 Task



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
 Building 2 (West): Sight rights area 1,108.01m²
 Interest 6,413/10,000
 Total Floor Space: Building 1 (East): 1,441.57m²
 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



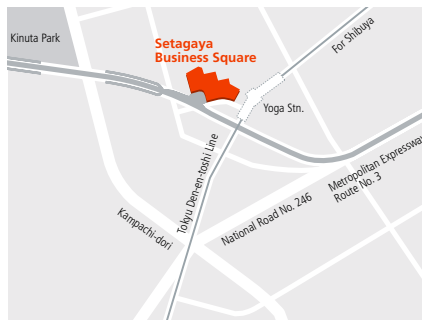
OFFICE PORTFOLIO

Setagaya Business Square

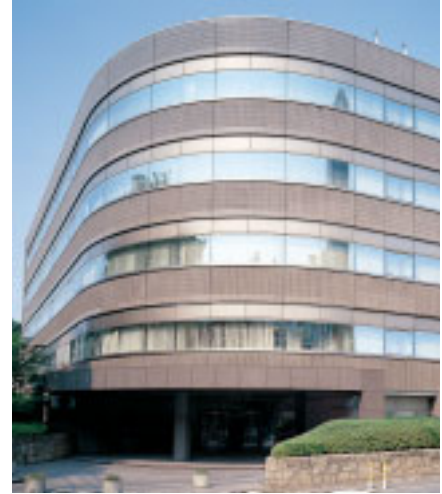


Setagaya Business Square is a large complex situated above Yoga Station on the Tokyu Den-en-toshi Line, consisting of a 28-story high-rise connected to the station, four mid-size office towers, two terraces with commercial facilities and a community center. The sight is a high-traffic area, with good 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.;
 Covidien Japan Inc.
 (The former name: Tyco Healthcare)



Tokyu Nampeidai-cho Building



Tokyu Nampeidai-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, Nampeidai-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

* All of compartmentalized ownerships with whole building are entrusted.



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 opened 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

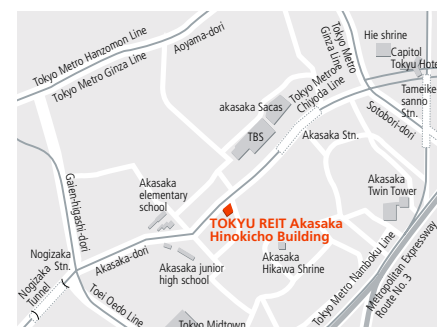
Total Floor Space: 4,058.92m²

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;
 Seven-Eleven Japan Co., Ltd.



TOKYU REIT
Kamata Building



TOKYU REIT Kamata Building is a nine-story office building adjacent to the Ota Ward 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 Keiyo 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 Tokoku 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 Togyo Co., Ltd.;
 Canon Software Inc.



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). To maintain the building's competitiveness in the area, we renovated some parts of elevator halls in 2009.

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;
 DAITOHKIGYO CO., LTD.;
 Kamiyacho clinic



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 Hibiya Line
 Approximately a five-minute walk from Hatchobori Station—JR Keiyo Line
 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: 974.32m²
 Total Floor Space: 8,810.21m²
 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.



AK 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: 712.49m²

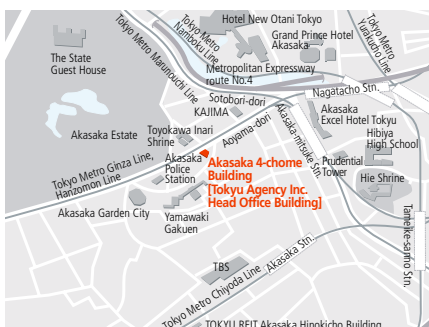
Total Floor Space: 5,002.36m²

Structure /Floors: S/SRC, B1/9F

Completed: February 2003

Type of Ownership: Land—Proprietary ownership
Building—Proprietary ownership

Representative Tenants: Tokyu Agency Inc.



IK Tokyu Ikejiri-ohashi 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 1,000m² of floor space per floor, for an approximate total of 7,700m², 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: 2,382.67m²

Total Floor Space: 7,619.56m²

Structure /Floors: SRC, 7F

Completed: October 1989

Type of Ownership: Land—Proprietary ownership
Building—Proprietary ownership

Representative Tenants: Tokyu Bus Corporation;
Top Tour Corporation;
Tokyu Facility Service Co., Ltd.



. Asset Management Report

1. Financial Highlights

(1) Result of Operation and Financial Position

		13th fiscal period From August 1, 2009 to January 31, 2010 (184 days)	12th fiscal period From February 1, 2009 to July 31, 2009 (181 days)	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)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 25,359	¥ 7,480	¥ 7,644	¥ 7,336	¥ 6,832	
		Operating income	¥ 14,374	¥ 3,476	¥ 3,595	¥ 3,489	¥ 3,153	
		Net income	¥ 13,457	¥ 2,626	¥ 2,758	¥ 2,805	¥ 2,603	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 7,100	¥ 7,479	¥ 7,644	¥ 7,333	¥ 6,832	
		Rental service expenses (b)	¥ 3,141	¥ 3,282	¥ 3,258	¥ 3,102	¥ 2,965	
		[Depreciation and amortization] (included in (b)) (c) (Note 3)	[¥ 1,020]	[¥ 1,033]	[¥ 1,082]	[¥ 1,013]	[¥ 957]	
		NOI (Net Operating Income) (a) - (b) + (c)	¥ 4,979	¥ 5,229	¥ 5,468	¥ 5,244	¥ 4,824	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,397	¥ 3,658	¥ 3,841	¥ 3,814	¥ 3,559	
		Capital expenditures (e)	¥ 125	¥ 206	¥ 242	¥ 252	¥ 126	
		AFFO (Adjusted Funds from Operation) (d) - (e)	¥ 3,271	¥ 3,452	¥ 3,599	¥ 3,562	¥ 3,433	
Financial position	Balance sheet	Total assets (f)	¥ 225,299	¥ 217,200	¥ 217,728	¥ 218,206	¥ 193,080	
		[Change from the preceding period]	[3.7%]	[-0.2%]	[-0.2%]	[13.0%]	[4.7%]	
		Interest-bearing liabilities (g) (Note 5)	¥ 97,000	¥ 97,000	¥ 97,000	¥ 97,000	¥ 73,500	
		Total unitholders' equity (Net assets) (h)	¥ 111,476	¥ 100,646	¥ 100,778	¥ 100,825	¥ 100,622	
		[Change from the preceding period]	[10.8%]	[-0.1%]	[-0.0%]	[0.2%]	[0.2%]	
		Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
	Portfolio	Acquisition costs of properties (Note 6)	¥ 168,033	¥ 206,649	¥ 206,649	¥ 205,453	¥ 181,677	
		Book value of properties (Note 6)	¥ 160,902	¥ 201,068	¥ 201,896	¥ 201,528	¥ 178,336	
		Appraisal value of properties at end of period (i) (Note 6)	¥ 171,080	¥ 219,580	¥ 242,400	¥ 268,680	¥ 242,920	
		Number of properties at end of period	21 properties	23 properties	23 properties	23 properties	20 properties	
		Total leasable area (Note 7)	220,003.69 m ²	239,293.11 m ²	239,294.65 m ²	239,287.19 m ²	226,330.13 m ²	
		Occupancy rate at end of period (Note 7)	96.9%	98.6%	98.6%	99.4%	99.9%	
	Other	Distri- bution	Cash distribution	¥ 13,457	¥ 2,626	¥ 2,758	¥ 2,805	¥ 2,603
			Dividend payout ratio	100.0%	100.0%	100.0%	100.0%	100.0%
		Per unit data	Number of units issued and outstanding	169,380 units	169,380 units	169,380 units	169,380 units	169,380 units
			Total unitholders' equity per unit (base value)	¥ 658,143	¥ 594,203	¥ 594,982	¥ 595,257	¥ 594,061
Cash distribution per unit			¥ 79,446	¥ 15,505	¥ 16,284	¥ 16,560	¥ 15,364	
Management index		Return on total unitholders' equity (annualized) (Note 8)	25.2%	5.3%	5.4%	5.6%	5.1%	
		Equity ratio (h)÷(f)	49.5%	46.3%	46.3%	46.2%	52.1%	
		[Change from the preceding period]	[3.1%]	[0.1%]	[0.1%]	[-5.9%]	[-2.4%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	43.1%	44.7%	44.6%	44.5%	38.1%	
		Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	56.7%	44.2%	40.0%	36.1%	30.3%	
Average market price per unit during period (Note 9)	¥ 478,579	¥ 496,772	¥ 603,570	¥ 835,903	¥ 1,000,664			

- Note 1. Consumption tax is not included in operating revenues.
- Note 2. 'Revenue from property leasing' does not include revenues from facility acceptance (10th fiscal period: ¥4 million; 12th fiscal period: ¥1 million).
- Note 3. 'Depreciation and amortization' includes loss on disposal of property and equipment (9th fiscal period: ¥0 million; 11th fiscal period: ¥19 million; 13th fiscal period: ¥0 million).
- Note 4. Net income + Depreciation and amortization + Other property related depreciation and amortization + Loss on sale of property - Gain on sale of property - Revenues from facility acceptance
Other property related depreciation and amortization was not incurred.
- Note 5. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds
- Note 6. For 'Trust beneficiary interest in real estate,' the portion equivalent to the properties held in substance, which is total assets less the money that are part of the assets of the concerned trust beneficiary interest in real estate, is shown.
- Note 7. Regarding 'Total leasable area' and 'Occupancy rate at end of period,' please refer to notes 2 and 4 of '3. Portfolio Profile (2) Major Portfolio.'
- Note 8. $\text{Net income} \div (\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2 \times 365 \div \text{Number of days of investment management}$
- Note 9. Average price during period (closing price) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on which the investment certificates of TOKYU REIT, Inc. ("TOKYU REIT") are listed.

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

Investment Environment

During the fiscal period under review (thirteenth fiscal period: six-month period ended January 31, 2010), the Japanese economy continued to show signs of recovery in consumer spending, corporate business sentiment and other aspects. On the other hand, severe circumstances remain, such as lack of autonomy and high unemployment rates. The Tokyo metropolitan area's economy, too, showed signs of recovery in certain aspects, but the state is one that requires close monitoring of the developments and other changes in the overseas economy, employment situation and capital investment. With regard to population movement, more than 110,000 people migrated to the Tokyo metropolitan area from other areas of the country during 2009. This has further exacerbated the disparity between the area and other regions of the country.

Under these circumstances, the average advertised rent for December 2009 in the Tokyo 23 ward's office leasing market decreased 3.3% over the six-month period and 6.9% over the one-year period. Vacancy rates also increased 1.6 percentage points over the six-month period and 3.2 percentage points over the one-year period to 6.5%. Around the summer of 2009, the economy was recognized to have bottomed out and there were less tenant movements that cause demand to decline. However, the fall in real estate related indices are showing no signs of ceasing. This is attributable to the appreciation of the yen developing in the latter half of 2009, concerns of a double dip in the economy and other factors. In the retail property leasing market, although there were signs of improvement in consumer confidence, the environment surrounding tenants continue to remain harsh. This is evident, for example, by the increasingly higher defensive lifestyle stance and consciousness to save due to the deteriorating employment situation and fall in income, and the drop in market prices becoming conspicuous for not only expensive goods and other items that have been stagnant to date but even food products and other lifestyle necessities that have been robust.

In the real estate investment market, with the gradual recovery of the capital markets, there have been several cases of property acquisitions in correlation with capital increases by J-REITs and large property acquisitions by private funds. In spite of there beginning to be signs of real estate transactions gradually recovering as described, the volume of real estate transactions is still low.

Financial institutions have been relaxing their lending stance in real estate financing since March 2009 and the rise in cap rates is becoming gradual in general. Moreover, some cases of transactions of blue-chip properties show signs of a recovery in real estate prices.

Investment Performance Results

a. Acquisition and Sale of Properties, and Investment Management Control

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. Consequently, TOKYU REIT did not acquire properties during the thirteenth fiscal period as there were no properties that would serve to maintain or enhance portfolio quality.

On the other hand, in view of eliminating the risks of application of accounting for the impairment of assets, Ryoshin Harajuku Building was sold on December 25, 2009 for ¥8,400 million (loss on sale: ¥7,180 million). On January 15, 2010, Resona Maruha Building was sold for ¥42,000 million (gain on sale: ¥18,259 million). These led to maximization of property value and the sum of the loss on sale and gain on sale of ¥11,079 million was returned to unitholders.

As a result, as of January 31, 2010, TOKYU REIT held an investment portfolio totaling 21 properties with a total acquisition price of ¥168,033 million and total leasable area of 220,003.69 m². The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥171,080 million. As in the previous fiscal period, the appraisal value total exceeded the book value total, resulting in an unrealized gain of ¥10,178 million. Based on generally accepted accounting principles, unrealized gains are not reflected in TOKYU REIT's financial statements.

Despite the prolonged severe leasing market conditions, TOKYU REIT managed to secure an occupancy rate of 96.9% for its entire portfolio of 21 properties as of January 31, 2010 through stable investment management. TOKYU REIT is also proactively working to maintain rent levels. Consequently, as of the end of the thirteenth fiscal period, the drop in average rental rate for the existing property portfolio was contained at 1.93% compared with the end of the twelfth fiscal period.

b. Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency. Along with striving to secure interest-bearing liabilities with fixed long-term interest rates and diversify repayment dates, TOKYU REIT has established commitment lines which provide credit facilities totaling ¥12,000 million with three banks to secure financial credibility through the enhancement of liquidity on hand. The balance of interest-bearing liabilities as of January 31, 2010 was ¥97,000 million, consisting of ¥10,000 million in investment corporation bonds, ¥80,000 million in long-term debt (of which, ¥12,000 million is the current portion of long-term debt) and ¥7,000 million in short-term debt. The weighted-average interest rate for the thirteenth fiscal period was 1.72% (calculated based on the annualized amount of interest payable for the thirteenth fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of January 31, 2010 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

c. 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.

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 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 Law Concerning Investment Trust and Investment Corporation (Law No. 198 of 1951, including amendments thereto) (“Investment Trusts Law”) and the Enforcement Order of the Investment Trusts Law (“Investment Trusts Law Enforcement Order”), 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, including companies whose majority of voting rights is held by that company (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 was no increase or decrease in the number of units issued and outstanding or 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 and outstanding		Unitholders’ capital		Note
		Units		Millions of yen		
		Change	Total	Change	Total	
June 20, 2003	Incorporation through private offering	400	400	¥ 200	¥ 200	(Note 1)
September 10, 2003	Issuance of units through public offering	97,600	98,000	¥ 49,918	¥ 50,118	(Note 2)
August 3, 2004	Issuance of units through public offering	42,000	140,000	¥ 26,481	¥ 76,599	(Note 3)
August 25, 2004	Issuance of units through third-party allotment	2,000	142,000	¥ 1,261	¥ 77,860	(Note 4)
August 1, 2005	Issuance of units through public offering	26,700	168,700	¥ 19,658	¥ 97,519	(Note 5)
August 26, 2005	Issuance of units through third-party allotment	680	169,380	¥ 500	¥ 98,019	(Note 6)

Note 1. TOKYU REIT was incorporated at an offer price of ¥500,000 per unit.

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

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

Note 4. Issued new investment units through third-party allotment at an issue price of ¥630,512 per unit for the purpose of acquiring new properties and repayments of short-term loans.

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

Note 6. Issued new investment units through third-party allotment at an issue price of ¥736,292 per unit for the purpose of acquiring new properties and repayments of short-term loans.

【Movements of Market Price】

The highest and lowest (closing price) market prices on the Tokyo Stock Exchange, on which the investment certificates of TOKYU REIT are listed, are as follows:

	13th fiscal period From August 1, 2009 to January 31, 2010	12th fiscal period From February 1, 2009 to July 31, 2009	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
	Yen				
Highest	¥ 539,000	¥ 580,000	¥ 850,000	¥ 915,000	¥ 1,170,000
Lowest	¥ 413,000	¥ 434,000	¥ 412,000	¥ 672,000	¥ 809,000

(4) Distribution Information

With respect to the distribution for the thirteenth fiscal period, TOKYU REIT determined to distribute the whole unappropriated retained earnings (except for the rounding amount, which is the distribution per unit of less than ¥1) to be eligible for special tax treatment (Article 67-15 of Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto) that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, distribution per unit for the thirteenth fiscal period was ¥79,446.

	13th fiscal period From August 1, 2009 to January 31, 2010	12th fiscal period From February 1, 2009 to July 31, 2009	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
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 13,457	¥ 2,626	¥ 2,758	¥ 2,805	¥ 2,603
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 13,457	¥ 2,626	¥ 2,758	¥ 2,805	¥ 2,603
[Cash distribution per unit]	[¥ 79,446]	[¥ 15,505]	[¥ 16,284]	[¥ 16,560]	[¥ 15,364]
Distribution of accumulated earnings	¥ 13,457	¥ 2,626	¥ 2,758	¥ 2,805	¥ 2,603
[Distribution of accumulated earnings per unit]	[¥ 79,446]	[¥ 15,505]	[¥ 16,284]	[¥ 16,560]	[¥ 15,364]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]

(5) Future Policies of Investment Management

Forecast of Future Movement

The outlook for the economy is that the severe employment situation will persist for some time to come. Nevertheless, the recovery trend is anticipated to continue, backed by the improving overseas economy and effects of the emergency economic stimulus package, among other factors. However, there are also concerns of further deterioration in the employment situation and downside risks in the overseas economy, impacts from deflation and other risks of downward pressures on the economy. Given the large share that exports account for the area, economic conditions in the Tokyo metropolitan area are expected to be particularly largely affected by overseas economic developments.

In light of such factors, despite the lingering sense of uncertainty about the future, the sharp downward trend in real estate transaction prices is headed towards settling down and transactions will likely grow going forward in the real estate investment market. In the office leasing market, the downward adjustments of rent levels will likely also lead to peaking out of the rise in vacancy rates in Tokyo. In the retail property leasing market, while there are signs of improvement in consumer confidence, it will be more important than ever to identify and attract competitive business categories and businesses as consumers grow increasingly selective.

Future Policies of Investment Management and Issues to be Counteracted

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 an investment policy based on the 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 the Tokyo metropolitan area centering on the Tokyu Areas, the areas serviced by the Tokyu rail network. TOKYU REIT will continue to adhere firmly to stringent investment criteria for selecting individual properties, and obtain a balanced mix of competitive, high-quality properties from Tokyu Group companies and the real estate investment market. Moreover, by reflecting on Ryoshin Harajuku Building and applying other investment management experience that has been gained through one cycle of the market since its listing, TOKYU REIT has formed a long-term investment management strategy in view of accurately discerning the waves of prosperity and depression in real estate market conditions. Pursuant to this strategy, TOKYU REIT will replace assets through selling mainly properties that are of contrarian investment or are relatively old in areas where real estate prices are low, and thereby aim to build balance sheets that are strong against even difficult economic times and a portfolio that boasts lasting competitiveness.

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. To that end, by 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. Specifically, with the objective of maintaining and 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

There were no matters requiring explanation as of the date of the Report of Independent Auditors (April 27, 2010).

2. Company Profiles

(1) Summary of Unitholders' Contributions

	13th fiscal period As of January 31, 2010	12th fiscal period As of July 31, 2009	11th fiscal period As of January 31, 2009	10th fiscal period As of July 31, 2008	9th fiscal period As of January 31, 2008
Units authorized (units)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Units issued and outstanding (units)	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)	9,776	8,684	7,948	8,005	8,406

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of January 31, 2010.

Name	Address	Number of units owned	As a percentage of number of units issued and outstanding
		Units	%
Japan Trustee Services Bank, Ltd. (trust account)	1-8-11, Harumi, Chuo-ku, Tokyo	17,979	10.61
NikkoCiti Trust and Banking Corporation (investment trust account)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	13,662	8.07
Trust & Custody Services Bank, Ltd. (securities investment trust account)	Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku, Tokyo	9,587	5.66
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	6,384	3.77
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	5,880	3.47
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	5,652	3.34
AIG Star Life Insurance Co., Ltd. (general account) (Standing Proxy: Citibank Japan Ltd.)	Olinas Tower, 4-1-3, Taihei, Sumida-ku, Tokyo (2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo)	4,871	2.88
American Life Insurance Company (Standing Proxy: Citibank Japan Ltd.)	1-1-3, Marunouchi, Chiyoda-ku, Tokyo (2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo)	4,000	2.36
Tokyu Land Corporation	1-21-2, Dogenzaka, Shibuya-ku, Tokyo	3,920	2.31
Momiji Bank, Ltd.	1-24, Ebisu-cho, Naka-ku, Hiroshima-shi, Hiroshima	3,819	2.25
Total		75,754	44.72

(3) Details of TOKYU REIT's Directors and Auditors
 Name of Directors and Auditor (as of January 31, 2010)

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

Note 1. The executive director, supervisory directors and independent auditor do not possess investment units of TOKYU REIT under their own name nor under another person's name. Although there are cases that supervisory directors could be directors of companies other than those stated above, none of the companies or those stated above have vested interest in TOKYU REIT.

Note 2. The amount paid to the executive director and supervisory directors in the fiscal period under review and the amount payable to the independent auditor for audits pertaining to the fiscal period under review are shown.

Note 3. The executive director serves without compensation.

Policies Regarding Decision of Dismissing and Not Reappointing Independent Auditors

TOKYU REIT shall observe the stipulations in the Investment Trusts 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 Administrators

The following table sets forth information of TOKYU REIT's investment management company, asset custodian and general administrators as of January 31, 2010.

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 matters, running of the organization, transfer agent for investment units, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (administration of investment corporation bonds)	The Sumitomo Trust and Banking Company, Limited

3. Portfolio Profile
(1) Asset Composition

Asset type	Use	Area	13th fiscal period As of January 31, 2010		12th fiscal period As of July 31, 2009	
			Total amount held	As a percentage of total assets	Total amount held	As a percentage of total assets
			Millions of yen	%	Millions of yen	%
Real estate	Retail	Central Tokyo and Tokyu Areas	¥ 15,841	7.0	¥ 15,871	7.3
		Other	—	—	—	—
		Sub total	15,841	7.0	15,871	7.3
	Office	Central Tokyo and Tokyu Areas	9,962	4.4	9,984	4.6
		Other	—	—	—	—
		Sub total	9,962	4.4	9,984	4.6
	Total		25,803	11.5	25,855	11.9
Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	56,682	25.2	56,911	26.2
		Other	15,909	7.1	15,991	7.4
		Sub total	72,591	32.2	72,902	33.6
	Office	Central Tokyo and Tokyu Areas	62,507	27.7	102,311	47.1
		Other	—	—	—	—
		Sub total	62,507	27.7	102,311	47.1
	Total		135,098	60.0	175,213	80.7
Other assets		64,398	28.6	16,132	7.4	
Total assets		¥ 225,299 [¥ 160,902]	100.0 [71.4]	¥ 217,200 [¥ 201,068]	100.0 [92.6]	

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.

Note 3. '(Total amount held) As a percentage of total assets' is rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(2) Major Portfolio

Major portfolio held by TOKYU REIT as of January 31, 2010, is as follows:

	Name of property	Book value	Leasable area	Leased area	Occupancy rate	As a percentage of revenue from property leasing	Use
		Millions of yen	m ²	m ²	%	%	
R	QFRONT	¥ 14,388	4,544.07	4,544.07	100.0	8.8	Retail
R	Lexington Aoyama	4,779	2,107.08	1,541.29	73.1	0.8	Retail
R	TOKYU REIT Omotesando Square	5,721	2,702.42	2,702.42	100.0	2.7	Retail
R	Tokyu Saginuma Building	6,699	19,610.06	19,610.06	100.0	4.3	Retail
R	Tokyu Saginuma 2 Building	1,226	1,284.60	1,284.60	100.0	0.9	Retail
R	TOKYU REIT Shibuya Udagawa-cho Square	6,645	1,543.05	1,543.05	100.0	2.4	Retail
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	8,883	50,285.89	50,285.89	100.0	4.2	Retail
R	cocoti	23,869	8,319.96	8,112.89	97.5	9.4	Retail
R	Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.5	Retail
R	CONZE Ebisu	5,027	2,319.24	2,319.24	100.0	1.9	Retail
R	Daikanyama Forum	4,169	2,477.64	2,267.22	91.5	1.4	Retail
O	Setagaya Business Square	19,402	24,956.99	22,303.66	89.4	16.9	Office
O	Tokyu Nampeidai-cho Building	4,317	7,148.18	7,148.18	100.0	2.6	Office
O	Tokyu Sakuragaoka-cho Building	6,419	4,737.19	4,737.19	100.0	3.6	Office
O	Tokyo Nissan Taito Building	3,876	7,947.24	7,947.24	100.0	3.3	Office
O	TOKYU REIT Akasaka Hinokicho Building	3,482	3,206.25	3,206.25	100.0	2.1	Office
O	TOKYU REIT Kamata Building	4,201	7,337.82	7,337.82	100.0	4.2	Office
O	TOKYU REIT Toranomom Building	9,962	10,136.72	7,342.32	72.4	5.8	Office
O	TOKYU REIT Hatchobori Building	6,974	6,017.73	5,978.06	99.3	3.0	Office
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,384	3,533.03	3,533.03	100.0	2.9	Office
O	Tokyu Ikejiri-ohashi Building	5,453	5,710.41	5,300.88	92.8	2.9	Office
Total		¥ 160,902	220,003.69	213,123.48	96.9	86.5	

Note 1. The properties listed above except for TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, Daikanyama Forum and TOKYU REIT Toranomom Building (total of 17 properties) are all owned in the form of trust beneficiary interest in real estate.

Note 2. 'Leasable area' is the total area of the building's, facility's and land's leasable offices, stores, warehouses and land as indicated in the agreements and drawings (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, the area of parking lots is included. Regarding QFRONT, the area of other compartmentalized owners' exclusive-use portion is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is jointly owned with another owner, the stated figure is given by multiplying the leasable area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive-use portions jointly owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive-use portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates the leased area of land.

Note 3. 'Leased area' is the area out of the total leasable area that is actually under lease agreements and leased (the area as indicated in the agreements; does not include lease agreements for parking lots, side signboards, etc.). With respect to Tokyu Saginuma Building, Beacon Hill Plaza (Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, the area of parking lots is included. Regarding QFRONT, the area of other compartmentalized owners' exclusive-use portion is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is jointly owned with another owner, the stated figure is given by multiplying the leased area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive-use portions jointly owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out

together with the exclusive-use portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates the leased area of land.

Note 4. 'Occupancy rate' is the leased area expressed as a percentage of leasable area at the end of the period.

Note 5. '(Book value) As a percentage of revenue from property leasing' is rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of January 31, 2010 are as follows:

	Name of property	Location (lot number)	Investment Type	Leasable area	Appraisal value at end of period	Book value	
				m ²	Millions of yen	Millions of yen	
Retail	Central Tokyo and Tokyo Areas	R QFRONT	75-8, etc., Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,544.07	¥ 19,700	¥ 14,388
		R Lexington Aoyama	5-235-7, etc., Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,107.08	4,880	4,779
		R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,702.42	6,820	5,721
		R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	19,610.06	7,890	6,699
		R Tokyu Saginuma 2 Building	1-18-5, Kodai, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	1,284.60	1,390	1,226
		R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	7,300	6,645
		R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,319.96	18,800	23,869
		R CONZE Ebisu	2-3-5, etc., Ebisu Minami Shibuya-ku, Tokyo	Real estate	2,319.24	4,400	5,027
		R Daikanyama Forum	Building 1 (East) 33-18, etc., Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) 33-1, Sarugaku-cho, Shibuya-ku, Tokyo	Real estate	2,477.64	3,190	4,169
		Sub total				44,908.12	74,370
Other	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	88-1, etc., Noukendai-higashi, Kanazawa-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest in real estate	50,285.89	8,030	8,883	
	R Shonan Mall Fill (<i>sokochi</i>)	4-4300-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa	Trust beneficiary interest in real estate	44,078.12	5,420	7,026	
	Sub total				94,364.01	13,450	15,909
Total				139,272.13	87,820	88,432	

Name of property	Location (lot number)	Investment Type	Leasable area	Appraisal value at end of period	Book value
			m ²	Millions of yen	Millions of yen
○ Setagaya Business Square	4-260-2, etc., Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,956.99	22,400	19,402
○ Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	5,650	4,317
○ Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	8,730	6,419
○ Tokyo Nissan Taito Building	2-120-2, etc., Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,947.24	5,240	3,876
○ TOKYU REIT Akasaka Hinokicho Building	6-1401, etc., Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,206.25	4,410	3,482
○ TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	6,680	4,201
○ TOKYU REIT Toranomom Building	3-45-6, Toranomom, Minato-ku, Tokyo	Real estate	10,136.72	13,000	9,962
○ TOKYU REIT Hatchobori Building	2-104-1, etc., Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	6,017.73	5,610	6,974
○ Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	4-806 and 4-819, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,533.03	6,760	8,384
○ Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,710.41	4,780	5,453
Sub total			80,731.56	83,260	72,470
Total			80,731.56	83,260	72,470
Grand total			220,003.69	¥ 171,080	¥ 160,902

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

Note 2. 'Leasable area' is the total area of the building's, facility's and land's leasable offices, stores, warehouses and land as 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, the area of parking lots is included. Regarding QFRONT, the area of other compartmentalized owners' exclusive-use portion is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is jointly owned with another owner, the stated figure is given by multiplying the leasable area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive-use portions jointly owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive-use portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates the leased area of land.

Note 3. For 'Appraisal value at end of period,' TOKYU REIT indicates the assessed value based on the appraisal by real estate appraisers following the asset evaluation method, standards and reporting date laid down in TOKYU REIT's Articles of Incorporation and rules of The Investment Trusts Association, Japan (based on reports prepared by Japan Real Estate Institute, HIRO & REAS network, Inc., Jones Lang LaSalle K.K., and Daiwa Real Estate Appraisal Co., Ltd., which adopt the period end date as the date of value estimate).

The developments of the leasing business of the properties held by TOKYU REIT are as follows:

Name of property			13th fiscal period From August 1, 2009 to January 31, 2010				12th fiscal period From February 1, 2009 to July 31, 2009				
			Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	
				%	Millions of yen	%		%	Millions of yen	%	
Retail	Central Tokyo and Tokyo Areas	R QFRONT	4	100.0	¥ 624	8.8	4	100.0	¥ 623	8.3	
		R Lexington Aoyama	4	73.1	55	0.8	1	21.2	82	1.1	
		R TOKYU REIT Omotesando Square	4	100.0	190	2.7	4	100.0	189	2.5	
		R Tokyu Saginuma Building	1	100.0	309	4.3	1	100.0	310	4.1	
		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	2.4	2	100.0	170	2.3	
		R cocoti	14	97.5	668	9.4	14	97.5	714	9.5	
		R CONZE Ebisu	8	100.0	135	1.9	8	100.0	140	1.9	
		R Daikanyama Forum	4	91.5	101	1.4	4	91.5	98	1.3	
		Sub total	42	97.8	2,317	32.6	39	95.1	2,391	32.0	
	Other	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	300	4.2	1	100.0	300	4.0	
		R Shonan Mall Fill (<i>sokochi</i>)	1	100.0	174	2.5	1	100.0	174	2.3	
		Sub total	2	100.0	474	6.7	2	100.0	474	6.3	
	Total			44	99.3	2,791	39.3	41	98.4	2,865	38.3
	Office	Central Tokyo and Tokyo Areas	O Setagaya Business Square	51	89.4	1,201	16.9	55	95.1	1,256	16.8
			O Tokyu Nampeidai-cho Building	1	100.0	182	2.6	1	100.0	182	2.4
			O Tokyu Sakuragaoka-cho Building	2	100.0	254	3.6	2	100.0	256	3.4
			O Tokyo Nissan Taito Building	11	100.0	232	3.3	11	100.0	232	3.1
			O TOKYU REIT Akasaka Hinokicho Building	4	100.0	147	2.1	4	100.0	150	2.0
O TOKYU REIT Kamata Building			4	100.0	300	4.2	4	100.0	302	4.0	
O Resona Maruha Building (Note 4)			—	—	729	10.3	3	100.0	846	11.3	
O TOKYU REIT Toranomom Building			5	72.4	412	5.8	7	100.0	501	6.7	
O TOKYU REIT Hatchobori Building			10	99.3	215	3.0	9	100.0	208	2.8	
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)			1	100.0	203	2.9	1	100.0	204	2.7	
O Tokyu Ikejiri-ohashi Building			4	92.8	204	2.9	5	100.0	208	2.8	
O Ryoshin Harajuku Building (Note 5)			—	—	230	3.2	8	100.0	269	3.6	
Sub total			93	92.7	4,309	60.7	110	98.8	4,614	61.7	
Total			93	92.7	4,309	60.7	110	98.8	4,614	61.7	
Grand total			137	96.9	¥ 7,100	100.0	151	98.6	¥ 7,479	100.0	

- Note 1. 'Number of tenants' 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 rate' is the leased area expressed as a percentage of leasable area at the end of the period.
- Note 3. '(Revenue from property leasing) As a percentage of revenue from property leasing' is rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.
- Note 4. Resona Maruha Building was sold on January 15, 2010. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the 13th fiscal period show the figures for up to the day prior to the disposition.
- Note 5. Ryoshin Harajuku Building was sold on December 25, 2009. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the 13th fiscal period show the figures for up to the day prior to the disposition.

(4) Other Assets

As of January 31, 2010, there are no assets targeted for investments other than those described above.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

The following lists the estimated amounts of major capital expenditures for repair and maintenance work of properties held, as scheduled as of January 31, 2010. The estimated construction costs shown below include those charged to expenses in accounting.

Repairs and maintenance and capital expenditures will continue to be based on efficient repair and maintenance plans prepared for each property to maintain and improve their competitiveness from a medium- to long-term perspective.

Name of property	Location	Objective	Estimated period	Estimated construction cost		
				Millions of yen		
				Total	Amount paid during period	Amount paid by end of period
R TOKYU REIT Omotosando Square	Shibuya-ku, Tokyo	Renovation of mechanical parking lot equipment	From July 2010 to July 2010	¥ 31	-	-
R Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renovation of guest restrooms on 3F	From July 2010 to July 2010	¥ 15	-	-
O Tokyu Sakuragaoka-cho Building	Shibuya-ku, Tokyo	Renovation of external walls	From June 2010 to July 2010	¥ 40	-	-
O TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Renewal of air-source air-conditioning equipment	From July 2010 to July 2010	¥ 20	-	-
O TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Construction for raised flooring on each floor	From July 2010 to July 2010	¥ 23	-	-

(2) Capital Expenditures Made during Period

The following is an overview of construction work conducted during the fiscal period under review that fall under the category of capital expenditures for properties held.

Capital expenditures during the thirteenth fiscal period amounted to ¥125 million and ¥130 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥255 million spent for such work.

Name of property		Location	Objective	Period	Construction cost
					Millions of yen
R	Lexington Aoyoma	Minato-ku, Tokyo	Renewal of 1F and 2F	From September 2009 to December 2009	¥ 40
O	Tokyu Sakuragaoka-cho Building	Shibuya-ku, Tokyo	Replacement of mechanical parking lot's main drive	From January 2010 to January 2010	14
O	Tokyu Ikejiri-ohashi Building	Meguro-ku, Tokyo	Installation of building multi air-conditioning systems for air-conditioning on 1F	From September 2009 to October 2009	14
Other					57
Total					¥ 125

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

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

	13th fiscal period From August 1, 2009 to January 31, 2010	12th fiscal period From February 1, 2009 to July 31, 2009	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
	Millions of yen				
Reserve at beginning of period	¥ 364	¥ 458	¥ 453	¥ 224	¥ 274
Amount transferred to reserve during period	151	144	357	430	172
Reversal from reserve during period	269	239	352	201	222
Reserve at end of period	¥ 245	¥ 364	¥ 458	¥ 453	¥ 224

Note. TOKYU REIT took over reserves made in the trust assets that the prior owner accounted for at the time of trade of beneficiary interests in trust accounts and such reserves are included in the 'Amount transferred to reserve during period.'

5. Expenses and Debt

(1) Investment Management Expenses

	13th fiscal period From August 1, 2009 to January 31, 2010		12th fiscal period From February 1, 2009 to July 31, 2009	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 311		¥ 346	
Cash-based fees	227		250	
Unit price-based fees	-	¥ 538	-	¥ 596
Asset custodian fees		22		22
General administration fees		42		42
Directors' fees		6		6
Other expenses		57		56
Total		¥ 665		¥ 722

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

Short-term debt and long-term debt from each financial institution, as of January 31, 2010, are as follows:

	Category	Draw-down date	Balance as of January 31, 2010	Balance as of July 31, 2009	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark	
	Lender		Millions of yen	Millions of yen	%					
Short-term debt	Mitsubishi UFJ Trust and Banking Corporation	June 27, 2008	¥ 7,000	¥ 7,000	0.68330	June 27, 2010 (maturity date extended on June 22, 2009)	Bullet payment	(Note 2)	Unsecured and Unguaranteed (Note 3)	
	Sub total		7,000	7,000						
Long-term debt	Aioi Insurance Co., Ltd.	June 25, 2004	1,000	1,000	1.92750	June 25, 2010	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Notes 3, 4 and 5)	
	Daido Life Insurance Company		1,000	1,000						
	Mitsui Sumitomo Insurance Co., Ltd.		1,000	1,000						
	Development Bank of Japan Inc.		4,000	4,000	2.03000	June 25, 2012			Unsecured and Unguaranteed (Note 3)	
	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				Unsecured and Unguaranteed (Notes 3 and 5)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 25, 2007	5,000	5,000	1.62625	September 25, 2011				Unsecured and Unguaranteed (Note 3)
	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	July 25, 2008	1,000	1,000	1.80375	July 25, 2012			
Mizuho Corporate Bank, Ltd.	November 11, 2008	2,000	2,000	1.54250	November 11, 2011			
The Chuo Mitsui Trust and Banking Company, Limited	November 18, 2008	2,000	2,000	1.48125	May 18, 2011			
Mitsubishi UFJ Trust and Banking Corporation		2,000	2,000	1.72500	November 18, 2012			
The Sumitomo Trust and Banking Company, Limited	November 25, 2008	2,000	2,000	1.47500	May 25, 2011			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000	1.63062	May 25, 2012			
Mizuho Corporate Bank, Ltd.		1,000	1,000	1.52875	November 11, 2011			
Development Bank of Japan Inc.	February 25, 2009	5,000	5,000	1.79000	February 25, 2014			
Mizuho Corporate Bank, Ltd.	April 27, 2009	400	400	1.32750	October 27, 2011			
The Chuo Mitsui Trust and Banking Company, Limited	June 25, 2009	2,500	2,500	1.67500	June 25, 2013			Unsecured and Unguaranteed (Note 3)
Mitsubishi UFJ Trust and Banking Corporation		2,500	2,500					
The Chuo Mitsui Trust and Banking Company, Limited		2,500	2,500	1.78812	December 25, 2013			
Mitsubishi UFJ Trust and Banking Corporation		2,500	2,500					
The Sumitomo Trust and Banking Company, Limited	June 29, 2009	400	400	1.66375	June 29, 2013			
The Chuo Mitsui Trust and Banking Company, Limited		400	400	1.46875	June 29, 2012			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,400	1,400	1.37117	August 29, 2012			
Mitsubishi UFJ Trust and Banking Corporation		400	400	1.46875	June 29, 2012			
Sub total		80,000	80,000					
Total		¥ 87,000	¥ 87,000					

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

Note 2. The funds are for purchase of property and for expenditures pertaining to the purchase.

Note 3. Depending on the financial position of TOKYU REIT, additional interest rates, additional cash reserves, asset acquisition and disposition restrictions, debt burden and payment restrictions, dividend restrictions, offering of additional pledge and other financial covenants may apply.

Note 4. Initially, although TOKYU REIT implemented refinancing of ¥6,000 million from Mizuho Corporate Bank, Ltd. on June 25, 2004, Mizuho Corporate Bank, Ltd. transferred ¥4,000 million of that amount borrowed to The Hyakugo Bank, Ltd. (repaid on June 25, 2008), Aioi Insurance Co., Ltd., Daido Life Insurance Company and Mitsui Sumitomo Insurance Co., Ltd. (¥1,000 million each) on the same day.

Note 5. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

(3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2010 is as follows:

Name	Issue date	Balance as of January 31, 2010	Balance as of July 31, 2009	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
		Millions of yen		(%)				
1st 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)
2nd 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 Thirteenth Fiscal Period

(1) Sales and Purchases of Properties and Asset Backed Securities

Asset type	Name of property		Acquisition		Disposition			
			Acquisition date	Acquisition price	Disposition date	Disposition price (Note 1)	Book value	Gain (Loss) on sale (Note 2)
				Millions of yen				
Trust beneficiary interest in real estate	○	Ryoshin Harajuku Building	—	—	December 25, 2009	¥ 8,400	¥ 15,564	¥ (7,180)
Trust beneficiary interest in real estate	○	Resona Maruha Building	—	—	January 15, 2010	42,000	23,711	18,259
Total				—		¥ 50,400	¥ 39,275	¥ 11,079

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

Note 2. 'Gain (Loss) on sale' is the disposition price minus the book value and other sales expenses.

(2) Sales and Purchases of Other Assets

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

(3) Research on Prices of Specified Assets

Disposition

Asset type	Name of property		Disposition date	Disposition price (Note 2)	Assessed value of specified assets
				Millions of yen	
Trust beneficiary interest in real estate	○	Ryoshin Harajuku Building	December 25, 2009	¥ 8,400	¥ 8,360
Trust beneficiary interest in real estate	○	Resona Maruha Building	January 15, 2010	42,000	34,600
Total				¥ 50,400	¥ 42,960

Note 1. Research on prices of specified assets presented in the table above was conducted by PricewaterhouseCoopers Aarata at the time of disposition 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 Japanese 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. Disposition prices presented in the table above are exclusive of disposition expenses (brokerage fees, property-related taxes, etc.) and identical to those stated in relevant beneficiary interest disposition agreements.

(4) Trading with Related Parties and Major Shareholders

Status of Trading

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

Amounts of Commissions Paid

Item	Total amounts of commissions paid (A) Thousands of yen	Paid to related parties and major shareholders		B/A (%)
		Payee	Amount of payment (B) Thousands of yen	
Utilities expenses	¥ 519,538	Yoga District Heating and Cooling Co., Ltd.	¥ 107,611	20.7
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Subcontract expenses	¥ 454,867	Tokyu Community Corporation	¥ 257,231	56.6
		Tokyu Facility Service Co., Ltd.	¥ 35,573	7.8
		its communications Inc.	¥ 21,330	4.7
		Kyodo Gijutsu Center Co., Ltd.	¥ 11,097	2.4
		Tokyu Store Corporation	¥ 3,877	0.9
		Tokyu Corporation	¥ 138	0.0
Property management fees	¥ 155,369	Tokyu Hands Inc.	¥ 104	0.0
		Tokyu Corporation	¥ 80,411	51.8
Insurance premium	¥ 17,045	Tokyu Community Corporation	¥ 74,957	48.2
		Tokyu Insurance Consulting Co., Ltd.	¥ 16,731	98.2
Other rental service expenses	¥ 225,339	Tokyu Community Corporation	¥ 9,501	4.2
		TMD Corporation	¥ 4,390	1.9
		Tokyu Corporation	¥ 2,507	1.1
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.4
		Tokyu Facility Service Co., Ltd.	¥ 265	0.1
		its communications Inc.	¥ 62	0.0
		Tokyu Green System Co., Ltd.	¥ 50	0.0

Note 1. Pursuant to Article 123 of the Investment Trusts Law Enforcement Order, related parties are defined as having interests in Tokyu REIM based on the investment management agreement concluded with TOKYU REIT. 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 related parties and major shareholders Tokyu Corporation and Tokyu Community Corporation in the amount of ¥55,132 thousand and ¥31,456 thousand, respectively. In addition to commissions paid as described above, the amount paid for repair and maintenance work placed to related parties and major shareholders during the thirteenth fiscal period are as follows:

Tokyu Community Corporation	¥ 6,192 thousand
Tokyu Construction Co., Ltd.	¥ 3,744 thousand
Tokyu Corporation	¥ 2,822 thousand
Tokyu Techno System Co., Ltd.	¥ 2,600 thousand
Tokyu Facility Service Co., Ltd.	¥ 2,211 thousand
Tokyu Homes Corporation	¥ 600 thousand
Tokyu Cerulean Tower Co., Ltd.	¥ 528 thousand
Kyodo Gijutsu Center Co., Ltd.	¥ 420 thousand
Ishikatsu Exterior, Inc.	¥ 58 thousand
Tokyu Bldg Maintenance Co., Ltd.	¥ 13 thousand
Tokyu Insurance Consulting Co., Ltd.	¥ 6 thousand

Note 3. In addition to the commissions paid described above, TOKYU REIT paid for property transfer fees associated with the sale of trust beneficiary interest in real estate to related parties and major shareholders Tokyu Corporation and Tokyu Community Corporation in the amount of ¥1,500 thousand each.

(5) Trading between the Investment Management Company and TOKYU REIT Pertaining to Business Concurrently Operated by the Investment Management Company
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 to Financial Statements.

(2) Change in Depreciation Method

There is no item that falls under this category.

(3) Change in Valuation Methods

There is no item that falls under this category.

8. Other

(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 of the Investment Trusts Law.

Date of meeting	Agenda item	Summary
December 4, 2009	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.

(2) Status, etc. of Beneficiary Certificates of Investment Trust Issuing Beneficiary Certificates

There is no item that falls under this category.

(3) Other

During the fiscal period under review, TOKYU REIT's Board of Directors meetings approved the signing of the following agreements with the investment management company, etc.

Date of meeting	Agenda item	Summary
September 25, 2009	Signing of agreement on settlement with Tokyu REIM (see Note)	The meeting approved the signing of an agreement on settlement with the investment management company Tokyu REIM, confirming Tokyu REIM's intentions, based on the investment management agreement, to take full responsibility for expenses (¥2 thousand) resulting from operational delinquency.
October 28, 2009	Signing of agreement with Mitsubishi UFJ Trust and Banking Corporation	The meeting approved the signing of an agreement with the fiduciary Mitsubishi UFJ Trust and Banking Corporation, confirming Mitsubishi UFJ Trust and Banking Corporation's intentions to take full responsibility for expenses (¥21 thousand) resulting from operational delinquency.
November 4, 2009	Signing of memorandum on responsibility for expenses with Tokyu REIM (see Note)	The meeting approved the signing of a memorandum with the investment management company Tokyu REIM, confirming Tokyu REIM's intentions, based on the investment management agreement, to take full responsibility for expenses (¥351 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.

Unless otherwise specifically mentioned, the amounts and ratios in this report have been rounded to the nearest specified unit.

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, 2010, and the related statements of income, changes in unitholders' equity and cash flows for the six months ended January 31, 2010, 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, 2010, and the results of its operations and its cash flows for the six months ended January 31, 2010 in conformity with accounting principles generally accepted in Japan.

PricewaterhouseCoopers Aarata

April 27, 2010

TOKYU REIT, Inc.
Balance Sheets
As of January 31, 2010 and July 31, 2009

	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 52,685	¥ 1,846
Cash and deposits with banks held in trust	10,094	12,908
Tenant receivables	277	137
Lease deposits held in trust due within one year	19	-
Other current assets	75	30
Total current assets	63,150	14,921
Fixed assets:		
Property and equipment		
Buildings and structures	3,968	3,950
Land	22,436	22,436
Other tangible assets	18	18
Buildings and structures held in trust	41,909	45,473
Land held in trust	101,981	138,414
Other tangible assets held in trust	1,099	1,119
Construction in progress held in trust	4	2
Less accumulated depreciation	(10,530)	(10,360)
Total property and equipment	160,885	201,052
Intangible assets		
Intangible assets	3	1
Intangible assets held in trust	14	15
Total intangible assets	17	16
Investments and other assets		
Lease deposits	125	125
Lease deposits held in trust	855	874
Other assets	235	175
Total investments and other assets	1,215	1,174
Total fixed assets	162,117	202,242
Deferred assets:		
Investment corporation bond issuance Expenses	32	37
Total deferred assets	32	37
Total assets	¥ 225,299	¥ 217,200

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

TOKYU REIT, Inc.
Balance Sheets, continued
As of January 31, 2010 and July 31, 2009

	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Short-term debt	¥ 7,000	¥ 7,000
Long-term debt due within one year	12,000	7,000
Accounts payable	769	910
Consumption tax payable	404	81
Rent received in advance	924	1,161
Tenant leasehold and security deposits held in trust due within one year	755	625
Accrued expenses and other current liabilities	220	210
Total current liabilities	22,072	16,987
Long-term liabilities:		
Long-term debt	68,000	73,000
Investment corporation bonds	10,000	10,000
Tenant leasehold and security deposits	1,408	1,613
Tenant leasehold and security deposits held in trust	12,338	14,935
Other long-term liabilities	5	19
Total long-term liabilities	91,751	99,567
Total liabilities	¥ 113,823	¥ 116,554
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized – 2,000,000 units		
Units issued and outstanding – 169,380 units as of January 31, 2010 and July 31, 2009	¥ 98,019	¥ 98,019
Retained earnings	13,457	2,626
Total net assets	111,476	100,646
Total liabilities and net assets	¥ 225,299	¥ 217,200

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

TOKYU REIT, Inc.
Statements of Income
For the six months ended January 31, 2010 and July 31, 2009

	For the six months ended	
	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 6,602	¥ 6,976
Gain on sales of real estate properties	18,259	-
Other	498	503
Operating expenses:		
Rental service expenses	(3,141)	(3,282)
Loss on sales of real estate properties	(7,180)	-
Asset management fees	(538)	(596)
Other	(126)	(125)
Operating income	14,374	3,476
Non-operating income:		
Interest income	3	10
Other	5	14
Non-operating expenses:		
Interest expense	(751)	(727)
Interest expense on investment corporation bonds	(89)	(88)
Amortization of investment corporation bond issuance expenses	(5)	(4)
Other	(79)	(54)
Income before income taxes	13,458	2,627
Income taxes:		
Current	(1)	(1)
Deferred	(0)	(0)
Net income	13,457	2,626
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 13,457	¥ 2,626

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, 2010 and July 31, 2009

For the six months ended January 31, 2010

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at July 31, 2009	¥ 98,019	¥ 2,626	¥ 100,646
Changes during the period			
Cash distributions declared	-	(2,626)	(2,626)
Net income	-	13,457	13,457
Total changes during the period	-	10,831	10,831
Balance at January 31, 2010	¥ 98,019	¥ 13,457	¥ 111,476

For the six months ended July 31, 2009 (information only)

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at January 31, 2009	¥ 98,019	¥ 2,758	¥ 100,778
Changes during the period			
Cash distributions declared	-	(2,758)	(2,758)
Net income	-	2,626	2,626
Total changes during the period	-	(132)	(132)
Balance at July 31, 2009	¥ 98,019	¥ 2,626	¥ 100,646

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, 2010 and July 31, 2009

	For the six months ended	
	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 13,457	¥ 2,627
Depreciation and amortization	1,019	1,033
Amortization of investment corporation bond issuance expenses	5	5
Loss on disposal of property and equipment	0	-
Decrease in property and equipment held in trust due to sale	39,275	-
Interest income	(3)	(10)
Interest expense	878	854
(Increase) Decrease in tenant receivables	(140)	(4)
Increase (Decrease) in consumption tax payable	323	(102)
Increase (Decrease) in accounts payable	(66)	(23)
Increase (Decrease) in rent received in advance	(237)	(17)
Other, net	(122)	101
Total	54,389	4,464
Interest received	3	10
Interest paid	(873)	(847)
Income taxes paid	0	(0)
Net cash provided by operating activities	53,519	3,627
Cash flows from investing activities:		
Payments for purchases of property and equipment	(18)	(50)
Payments for purchases of intangible assets	(2)	-
Payments for purchases of property and equipment held in trust	(179)	(142)
Proceeds from tenant leasehold and security deposits	1	17
Payments for tenant leasehold and security deposits	(206)	(2)
Proceeds from tenant leasehold and security deposits held in trust	132	245
Payments for tenant leasehold and security deposits held in trust	(2,598)	(548)
Payments for restricted deposits with banks held in trust	(132)	(245)
Proceeds from restricted deposits with banks held in trust	2,381	331
Net cash used in investing activities	(621)	(394)
Cash flows from financing activities:		
Proceeds from short-term debt	-	500
Repayment of short-term debt	-	(8,500)
Proceeds from long-term debt	-	18,000
Repayment of long-term debt	-	(10,000)
Payment of dividends	(2,624)	(2,754)
Net cash used in financing activities	(2,624)	(2,754)
Net change in cash and cash equivalents	50,274	479
Cash and cash equivalents at beginning of period	4,382	3,903
Cash and cash equivalents at end of period	¥ 54,656	¥ 4,382

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, 2010 and July 31, 2009

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 loans and the acquisition of an additional two 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, 2010, TOKYU REIT's total capital is ¥98,019 million with 169,380 units issued and outstanding. TOKYU REIT has been operating 21 properties at an occupancy rate of approximately 96.9%. Total acquisition cost of the 21 properties is ¥168,033 million and total rentable area is 220,003.69m².

(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-General of the Kanto Local Finance 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 (in place of 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 January and July of each year. Prior period information in the accompanying financial statements has been disclosed for comparative purposes only.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

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 that are highly liquid, readily convertible to cash, have insignificant risk of price fluctuation and 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, 2010	July 31, 2009 (information only)
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-52	2-52
Other tangible assets		
Machinery and equipment	2-17	2-17
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 purposes. 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 ¥18 thousand and ¥19 thousand are included in other current assets as of January 31, 2010 and July 31, 2009, 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 amount 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 are nil for the six months ended January 31, 2010, and July 31, 2009.
- (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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.

- (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 the “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” (“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, 2010 and July 31, 2009 consisted of the following:

	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Cash and deposits with banks	¥ 52,685	¥ 1,846
Cash and deposits with banks held in trust	10,094	12,908
Restricted deposits with banks held in trust	(8,123)	(10,372)
Cash and cash equivalents	¥ 54,656	¥ 4,382

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, 2010 and July 31, 2009

4. Schedule of property and equipment and intangible assets

Property and equipment and intangible assets as of January 31, 2010 and July 31, 2009 consisted of the following:

	January 31, 2010			July 31, 2009 (information only)		
	Acquisition costs	Accumulated depreciation	Book value	Acquisition costs	Accumulated depreciation	Book value
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 3,932	¥ (605)	¥ 3,327	¥ 3,914	¥ (536)	¥ 3,378
Structures	36	(6)	30	36	(5)	31
Land	22,436	-	22,436	22,436	-	22,436
Other tangible assets						
Machinery and equipment	3	(3)	0	3	(3)	0
Tools, furniture and fixtures	15	(7)	8	15	(6)	9
Intangible assets	3	(0)	3	1	(0)	1
Property and equipment held in trust						
Buildings and structures						
Buildings	41,149	(9,123)	32,026	44,679	(9,068)	35,611
Structures	760	(254)	506	794	(235)	559
Land	101,981	-	101,981	138,414	-	138,414
Other tangible assets						
Machinery and equipment	823	(366)	457	813	(334)	479
Tools, furniture and fixtures	276	(166)	110	306	(173)	133
Intangible assets held in trust	23	(9)	14	23	(8)	15
Construction in progress held in trust	4	-	4	2	-	2
Total	¥ 171,441	¥ (10,539)	¥ 160,902	¥ 211,436	¥ (10,368)	¥ 201,068

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, 2010 and July 31, 2009

6. Short-term debt and long-term debt

Short-term debt and long-term debt as of January 31, 2010 and July 31, 2009 consisted of the following:

	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Short-term debt		
Unsecured loans due on June 27, 2010 with floating rate	7,000	7,000
Sub total	<u>7,000</u>	<u>7,000</u>
Long-term debt		
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	2,000
Unsecured loans due on May 25, 2011 with fixed rate	2,000	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 October 27, 2011 with fixed rate	400	400
Unsecured loans due on November 11, 2011 with fixed rate	3,000	3,000
Unsecured loans due on May 25, 2012 with fixed rate	2,000	2,000
Unsecured loans due on June 25, 2012 with fixed rate	4,000	4,000
Unsecured loans due on June 29, 2012 with fixed rate	800	800
Unsecured loans due on July 25, 2012 with fixed rate	1,000	1,000
Unsecured loans due on August 29, 2012 with floating rate	1,400	1,400
Unsecured loans due on November 18, 2012 with fixed rate	2,000	2,000
Unsecured loans due on June 25, 2013 with fixed rate	5,000	5,000
Unsecured loans due on June 29, 2013 with fixed rate	400	400
Unsecured loans due on July 31, 2013 with fixed rate	4,000	4,000
Unsecured loans due on December 25, 2013 with fixed rate	6,000	6,000
Unsecured loans due on January 25, 2014 with fixed rate	4,000	4,000
Unsecured loans due on February 25, 2014 with fixed rate	5,000	5,000
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>80,000</u>	<u>80,000</u>
Total	<u>¥ 87,000</u>	<u>¥ 87,000</u>
Weighted average interest cost	<u>1.71%</u>	<u>1.68%</u>

TOKYU REIT executed commitment line agreements which provide credit facilities totaling ¥2 billion with two banks on April 21, 2005 and ¥10 billion with one bank on July 2, 2009. No amount has been drawn down as of January 31, 2010 and July 31, 2009.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

7. Investment corporation bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2010 and July 31, 2009 were as follows:

Name	Issue date	Balance as of January 31, 2010	Balance as of July 31, 2009 (information only)	Annual interest rate	Maturity date
		(Millions of yen)		(%)	
1 st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.65000	October 24, 2012
2 nd 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>		

8. Collateral pledged and secured liabilities

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

Assets pledged as collateral	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 3,150	¥ 3,230
Structures	138	140
Land	5,586	5,586
Other tangible assets		
Machinery and equipment	9	9
Tools, furniture and fixtures	0	0
Total	<u>¥ 8,883</u>	<u>¥ 8,965</u>
 Secured liabilities	 January 31, 2010	 July 31, 2009 (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	3,663	3,880
Total	<u>¥ 4,097</u>	<u>¥ 4,314</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

9. Rental revenue and expense

Rental revenues and expenses for the six months ended January 31, 2010 and July 31, 2009 were as follows:

	For the six months ended	
	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Revenue from property leasing:		
Rental revenue:		
Rental revenue	¥ 5,467	¥ 5,801
Common area charges	648	674
Parking lot revenue under monthly contract	129	134
Other	358	367
Sub total	<u>6,602</u>	<u>6,976</u>
Other:		
Incidental income	429	450
Other	69	53
Sub total	<u>498</u>	<u>503</u>
Total revenue from property leasing	(a) <u>7,100</u>	<u>7,479</u>
Rental service expenses:		
Utilities expenses	520	578
Subcontract expenses	455	466
Property management fees	156	162
Repairs and maintenance expenses	130	183
Property-related taxes	619	630
Insurance premium	17	18
Depreciation and amortization	1,019	1,033
Loss on disposal of property and equipment	0	-
Other	225	212
Total rental service expenses	(b) <u>3,141</u>	<u>3,282</u>
Operating income from property leasing activities	(a)-(b) <u>¥ 3,959</u>	<u>¥ 4,197</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

10. Breakdown of gain and loss on sales of real estate properties

Resona Maruha Building was sold on January 15, 2010.

	(Millions of yen)
Revenue from sale of property	¥ 42,000
Cost of property	23,711
Other sales expenses	30
Gain on sales of real estate properties	<u>¥ 18,259</u>

Ryoshin Harajuku Building was sold on December 25, 2009.

	(Millions of yen)
Revenue from sale of property	¥ 8,400
Cost of property	15,564
Other sales expenses	16
Loss on sales of real estate properties	<u>¥ 7,180</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

11. 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, 2010 and July 31, 2009.

	January 31, 2010	July 31, 2009 (information only)
Statutory income tax rate	39.33%	39.33%
Deductible cash distributions	(39.33)	(39.31)
Other	0.01	0.02
Effective tax rate	0.01%	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 the Special Taxation Measures Law to achieve a deduction of cash distributions for income tax purposes. Based on this policy, TOKYU REIT treated the cash distributions as a tax allowable distribution as defined in the Special Taxation Measures Law.

12. Per unit information

The following table summarizes the net income per unit for the six months ended January 31, 2010 and July 31, 2009 and the unitholders’ equity per unit as of January 31, 2010 and July 31, 2009.

	For the six months ended	
	January 31, 2010	July 31, 2009 (information only)
Net income per unit	¥ 79,445	¥ 15,505
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, 2010	As of July 31, 2009 (information only)
Unitholders’ equity per unit	¥ 658,143	¥ 594,202

Diluted net income per unit is not presented since neither warrants nor convertible bonds were issued during the six months ended January 31, 2010 and July 31, 2009.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

13. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of January 31, 2010 and July 31, 2009, the future lease revenues under the non-cancelable operating leases were as follows:

	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Due within one year	¥ 5,397	¥ 5,989
Due after one year	23,083	24,698
Total	¥ 28,480	¥ 30,687

As of January 31, 2010 and July 31, 2009, the future lease payments under the non-cancelable operating leases were as follows:

	January 31, 2010	July 31, 2009 (information only)
	(Millions of yen)	
Due within one year	¥ 236	¥ 236
Due after one year	3,876	3,994
Total	¥ 4,112	¥ 4,230

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

14. The financial results of each property (Unaudited)

Details on the financial results of each property for the six months ended January 31, 2010 and July 31, 2009 were as follows: (Unaudited)

For the six months ended January 31, 2010

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	¥ 624	¥ 239	¥ 385	¥ 55	¥ 330
R Lexington Aoyama	55	45	10	8	2
R TOKYU REIT Omotesando Square	190	31	159	9	150
R Tokyu Saginuma Building	309	59	250	26	224
R Tokyu Saginuma 2 Building	65	24	41	8	33
R TOKYU REIT Shibuya Udagawa-cho Square	170	19	151	5	146
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	53	247	83	164
R cocoti	668	181	487	176	311
R Shonan Mall Fill (<i>sokochi</i>)	174	26	148	-	148
R CONZE Ebisu	135	35	100	19	81
R Daikanyama Forum	101	37	64	12	52
O Setagaya Business Square	1,201	506	695	255	440
O Tokyu Nampeidai-cho Building	182	31	151	28	123
O Tokyu Sakuragaoka-cho Building	254	49	205	20	185
O Tokyo Nissan Taito Building	232	73	159	44	115
O TOKYU REIT Akasaka Hinokicho Building	147	35	112	10	102
O TOKYU REIT Kamata Building	300	95	205	32	173
O Resona Maruha Building	729	216	513	68	445
O TOKYU REIT Toranomom Building	412	168	244	35	209
O TOKYU REIT Hatchobori Building	215	52	163	40	123
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	203	39	164	37	127
O Tokyu Ikejiri-ohashi Building	204	54	150	25	125
O Ryoshin Harajuku Building	230	54	176	25	151
Total	<u>¥ 7,100</u>	<u>¥ 2,121</u>	<u>¥ 4,979</u>	<u>¥ 1,020</u>	<u>¥ 3,959</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2010 and July 31, 2009

For the six months ended July 31, 2009 (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	¥ 623	¥ 249	¥ 374	¥ 55	¥ 320
R Lexington Aoyama	82	39	43	7	36
R TOKYU REIT Omotesando Square	189	35	154	8	146
R Tokyu Saginuma Building	310	61	249	26	223
R Tokyu Saginuma 2 Building	65	21	44	8	36
R TOKYU REIT Shibuya Udagawa-cho Square	170	19	151	5	146
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	61	239	83	156
R cocoti	714	178	536	176	360
R Shonan Mall Fill (<i>sokochi</i>)	174	26	148	-	148
R CONZE Ebisu	139	36	103	18	85
R Daikanyama Forum	98	39	59	13	46
O Setagaya Business Square	1,256	537	719	254	465
O Tokyu Nampeidai-cho Building	182	33	149	29	120
O Tokyu Sakuragaoka-cho Building	256	50	206	20	186
O Tokyo Nissan Taito Building	232	73	159	46	113
O TOKYU REIT Akasaka Hinokicho Building	150	38	112	10	102
O TOKYU REIT Kamata Building	302	93	209	32	177
O Resona Maruha Building	846	247	599	68	531
O TOKYU REIT Toranomom Building	502	195	307	35	272
O TOKYU REIT Hatchobori Building	208	54	154	49	105
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	204	41	163	38	125
O Tokyu Ikejiri-ohashi Building	208	53	155	24	131
O Ryoshin Harajuku Building	269	72	197	29	168
Total	<u>¥ 7,479</u>	<u>¥ 2,250</u>	<u>¥ 5,229</u>	<u>¥ 1,033</u>	<u>¥ 4,197</u>

Note 1. Property leasing expenses are defined as rental service expenses adjusted for depreciation and amortization.

Note 2. 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, 2010 and July 31, 2009

15. Related party transactions

Masahiro Horie, who holds no voting units of TOKYU REIT, is executive director of TOKYU REIT and Representative Director & President and Chief Executive Officer of Tokyu Real Estate Investment Management Inc. Tokyu Real Estate Investment Management, Inc. has entered into an 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, 2010 and July 31, 2009 and payable due to asset manager as of then were as follows:

	January 31, 2010	July 31, 2009 (information only)
(Millions of yen)		
Asset management fees for the period	¥ 538	¥ 596
Management fees payable due to asset manager	238	263

16. Distribution information

The Board of Directors of TOKYU REIT resolved on March 15, 2010 and September 11, 2009 to effect payment of cash distributions of ¥79,446 and ¥15,505 per unit to unitholders of record on January 31, 2010 and July 31, 2009, respectively. Retained earnings carried forward after the distributions are as follows:

	January 31, 2010	July 31, 2009 (information only)
(Millions of yen)		
Retained earnings at end of period	¥ 13,457	¥ 2,626
Cash distributions declared	13,457	2,626
Retained earnings carried forward	¥ 0	¥ 0

17. Subsequent events

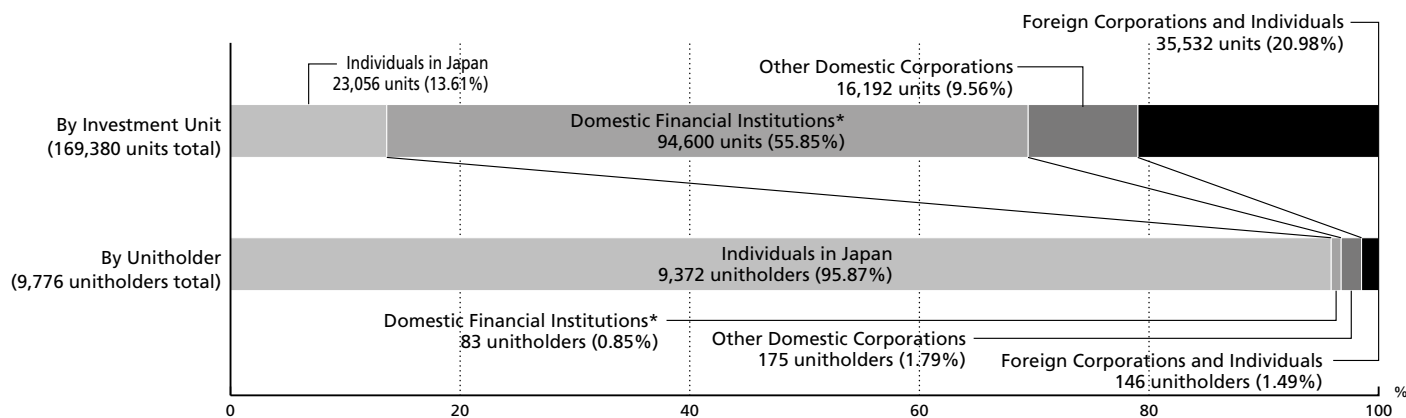
TOKYU REIT is not aware of any circumstances that may have a material impact on TOKYU REIT's financial position after the thirteenth fiscal period ended January 31, 2010.

Unitholder Information

Unit Price Chart



Unitholder Composition



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

Results Reporting Schedule

	13th Period	14th Period
Date of settlement	Jan. 31, 2010	Jul. 31, 2010
Announcement of financial results	Mar. 15, 2010	Mid Sep. 2010
Delivery of investment management report (Japanese only)	Apr. 9, 2010	Mid Oct. 2010
Payment of dividends	Apr. 12, 2010	Mid Oct. 2010

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

8-21-1, Ginza, Chuo-ku, Tokyo

Date of Settlement

Annually on January 31 and July 31

Unitholders' General Meeting

More than once every two years

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

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

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 seventh fiscal period (ended January 31, 2007) is on April 13, 2007 and for the eighth fiscal period (ended July 31, 2007) is on October 10, 2007.

■ 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, 2010.

TOKYU REIT

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