

Capitalize on Time in Asset Management

TOKYU REIT

TOKYU REIT, Inc. Semiannual Report **Fourteenth Fiscal Period**
From February 1, 2010 to July 31, 2010

Value & Contrary



Stable Earnings and Cash Distributions
through Investment in

Highly Competitive Properties in
Areas with Strong Growth Potential

TOKYU REIT, Inc.

Semiannual Report
 Fourteenth Fiscal Period
 From February 1, 2010 to July 31, 2010

14th



14th Fiscal Period
 Cash Distribution per Unit **12,598** yen (Fixed)

(Date of payment: Oct. 12, 2010)

15th Fiscal Period
 Cash Distribution per Unit **11,000** yen (Forecast)

(Date of payment: Mid Apr. 2011)

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BASIC POLICY OF TOKYU REIT

- 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
- 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
- Fund structure that backs 'transparency'**
 - Original establishment of rules for preventing conflicts of interest
 - Independent third-party checks
 - Proactive disclosure of transaction details

HIGHLIGHTS

TOKYU REIT, Inc. (**TOKYU REIT**) acquired the two office buildings during the fourteenth fiscal period. 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.

■ New Acquisitions During the 14th Fiscal Period

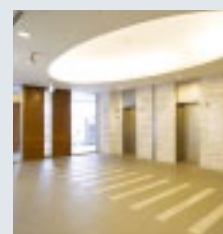


Kojimachi Square



ORIX Shinjuku Building

The name is scheduled to be changed to TOKYU REIT Shinjuku Building on March 1, 2011.



FINANCIAL SUMMARY

		13th Fiscal Period	14th Fiscal Period
Balance Sheets	Number of Properties	21 properties	23 properties
	Total Assets	¥225,299 million	¥206,884 million
	Interest-Bearing Liabilities	¥97,000 million	¥90,000 million
	Total Assets Loan-to-Value (LTV) Ratio	43.1%	43.5%
Statements of Income	Operating Revenues	¥25,359 million	¥6,550 million
	Net Income	¥13,456 million	¥2,133 million
Distributions	Cash Distribution per Unit	¥79,446	¥12,598
	Average Market Price per Unit	¥478,579	¥470,862
	Distribution Yield	32.93%	5.40%

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 July 31, 2010, the end of TOKYU REIT's fourteenth fiscal period, **TOKYU REIT** held twelve office buildings and eleven retail facilities, for a total of 23 properties.

Investment Policy

Stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential

- Investment Targeted Areas: Limited to Tokyo Metropolitan Area (Central Tokyo + Tokyu Areas more than 85%)
- Use: Limited to office and retail
- Size of Properties: Over 4 billion yen per property
Over 5,000 m² floor space (for office properties)
- Sponsor Collaboration
Of the 23 portfolio properties, twelve properties sourced from Tokyu Group companies

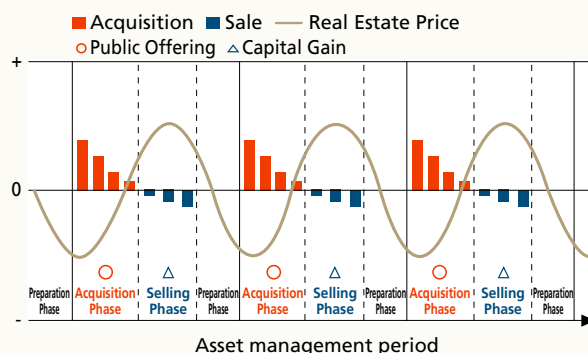
Investment Management Fee

“Being in the same boat as unitholders” investment management fee structure

- Base 1: Linked to asset valuation
- Base 2: Linked to cash flow
- Incentive Fee: Linked to investment unit price
- Time-limited reduction of fees
12th period to 15th period (reduction of between 2 and 8%)
16th period to 19th period (5% reduction planned)

Long-Term Investment Management Strategy [Surf Plan]

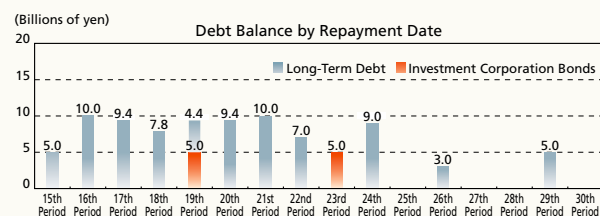
“Value and contrarian investment strategy” focusing on cyclicity of real estate prices



Debt Management

Debt management strong against credit crises

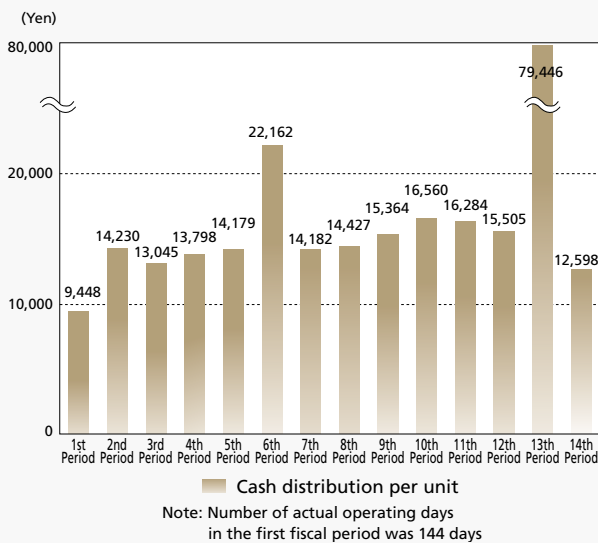
- Management of low LTV to ensure financial soundness
- Long-term fixed-interest debt financing
- Diversification of repayment dates and leveling-off of repayment amounts



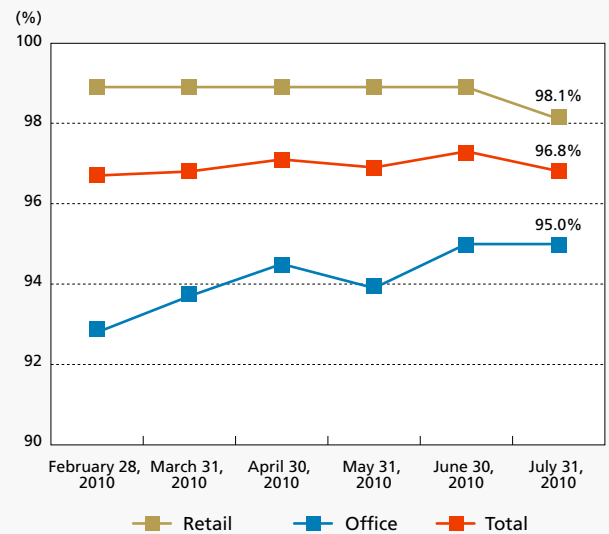
In addition, **TOKYU REIT** works to diversify repayment dates for its debt financing in order to avoid the risk of large-scale refinancing within a short period of time.

TOKYU REIT has paid out a cumulative total of ¥271,268 in cash distribution per unit over the approximately seven years since listing (simple average cash distribution per unit of ¥19,376 per fiscal period) as a result of stable occupancy and sale of three properties. Weighted-average capital yield (ROE) stands at 7.1%, achieving high returns for unitholders. **TOKYU REIT** has set the immediate goal for adjusted ROE, which is an index found by averaging out fluctuations in ROE performance, at no less than 5% on a consistent basis.

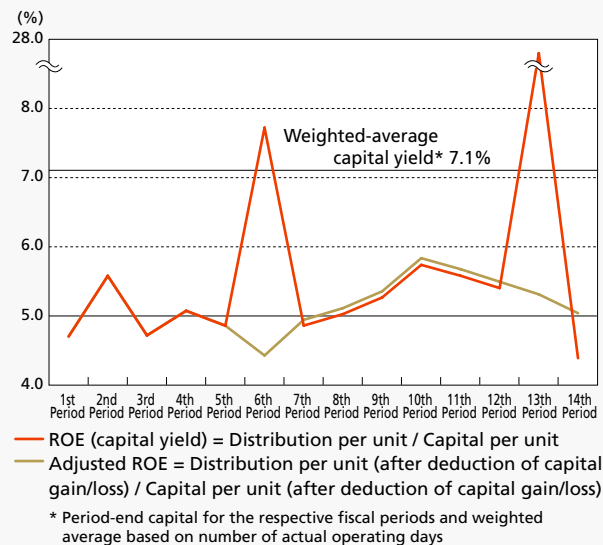
Cash Distribution per Unit



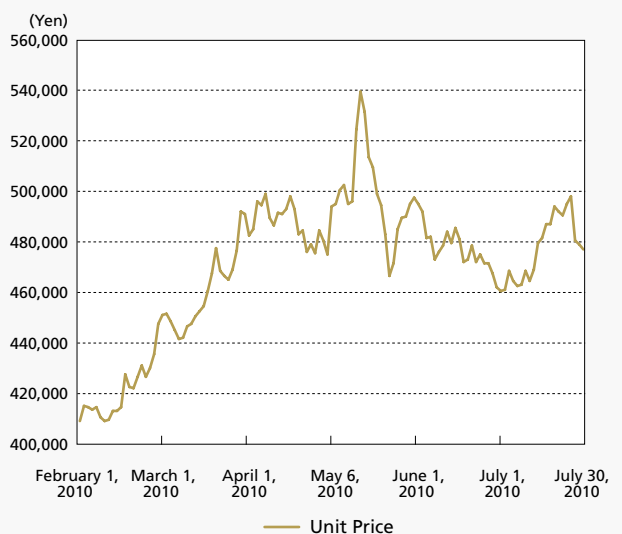
Occupancy Rate



ROE (Capital Yield)



Unit Price



To Our Unitholders

On behalf of **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 fourteenth fiscal period, February 1, 2010 to July 31, 2010.

Masahiro Horie

Executive Director
TOKYU REIT, Inc.

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



Cash Distribution of ¥12,598 per Unit

For the current fiscal period (fourteenth fiscal period), **TOKYU REIT** posted ¥6,550 million in operating revenues and ¥2,133 million in net income. Revenues from property leasing declined ¥388 million from the previous fiscal period (thirteenth fiscal period), reflecting prolonged severe leasing market conditions. Net income decreased ¥11,323 million from the thirteenth fiscal period, attributable to the gain and loss on sales of real estate properties that were posted in the thirteenth fiscal period not arising in the fourteenth fiscal period. The net income figure is ¥118 million higher than the forecast announced on March 25, 2010.

Consistent with our distribution policy, 100% of unappropriated retained earnings were allocated for a cash distribution of ¥12,598 per unit. This was ¥66,848, or 84.1%, less than the ¥79,446 distribution in the thirteenth fiscal period when the gain on sales of real estate properties were distributed, while being ¥698, or 5.5%, above the distribution forecast.

Net assets (after deducting cash distribution) stood

at ¥578,697 per unit. Due to unrealized gains (the difference between book value and period-end appraisal value), adjusted net asset value (NAV) per unit declined ¥42,342 from the thirteenth fiscal period to ¥596,447 due to a drop in the period-end appraisal value of several properties. The period-end appraisal value referred to here is that appraised by an independent real estate appraiser.

Leasing Performance for the Fourteenth Fiscal Period (Ended July 31, 2010)

As at July 31, 2010, sixteen of the 23 portfolio properties had an occupancy rate of 100% and the occupancy rate for the entire portfolio was 96.8%, or down 0.1 percentage point from the thirteenth fiscal period. During the fourteenth fiscal period, thirteen tenants vacated or decreased their leased floor space, one of which was West Corporation at cocoti. Leasing activities were launched for these vacated spaces as well as for the other spaces that were vacant as at the end of

the thirteenth fiscal period (January 31, 2010). These endeavors proved effective, such as in raising Tokyu Ikejiri-ohashi Building's occupancy rate from the 92.8% at January 31, 2010 back to 100.0%. Eleven tenants were either new or seeking additional space.

Rent revisions for these tenant changes, combined with continuing tenants, for a total of 149 tenants were an increase in rent from the previous rent for three tenants, while rent was lowered for 25 tenants.

Leasing Policy for the Fifteenth Fiscal Period (Ending January 31, 2011)

The vacancy rate for **TOKYU REIT** was 3.2% at July 31, 2010, remaining steady at a comparatively lower rate than the 7.5% for the Tokyo 23 wards and 7.5% for office properties in the five central Tokyo wards at that time (both according to CB Richard Ellis Research Institute K.K.).

In addition, lease agreements were signed with six tenants for cocoti, Tokyo Nissan Taito Building and other properties. These tenants are set to move into the properties during the next fiscal period (fifteenth fiscal period).

However, advance notices have been received from thirteen tenants expressing their intention to leave Setagaya Business Square, TOKYU REIT Akasaka Hinokicho Building and other properties during the fifteenth fiscal period due to business relocation, operational integration or other reasons. Assuming that these tenants vacate their leased space as notified and replacement tenants are yet to be found, the vacancy rate for the fifteenth and sixteenth fiscal periods will stand at 4.4%.

Some analyze that the vacancy rate for office properties in Tokyo will peak out within the year. Nevertheless, our view is that economic trends will remain uncertain and so we will keep bolstering leasing activities with the foremost aim of maintaining and improving the occupancy rate.

Property Acquisition in the Fourteenth Fiscal Period (Ended July 31, 2010)

In the fourteenth fiscal period, acquisition of Kojimachi Square for ¥9,030 million and ORIX Shinjuku Building for ¥9,000 million resulted in the portfolio as of July 31, 2010 being comprised of 23 properties amounting to ¥186.0 billion (based on acquisition price) with period-end appraisal value of ¥181.4 billion.

The ratio of investment is currently 53.0% in office properties and 47.0% in retail properties. The two properties that were acquired generated ¥0.3 billion in operating income from property leasing activities during the fourteenth fiscal period.

Real Estate Trading Market Conditions and Investment Activities

Considering that real estate prices are currently hovering at low levels when analyzed from a long-term perspective, we believe that the market is in the acquisition phase (external growth) under our long-term investment management strategy (Surf Plan). Based on this thinking, Kojimachi Square and ORIX Shinjuku Building were acquired in the fourteenth fiscal period.

However, as two properties were sold in the thirteenth fiscal period, asset size and revenues from property leasing have decreased compared to the past. The book value of the two properties that were sold was ¥39.2 billion, while the acquisition price of the two properties that were acquired totaled ¥18.0 billion. Therefore, additional acquisitions of ¥20.0 billion or more is required to return the asset size to that before the properties were sold.

We are currently proactively sourcing property information. With ample funds at hand from the sale of properties, the number of properties introduced to us by real estate brokers and other parties in the fourteenth fiscal period has increased compared to the thirteenth and previous fiscal periods. We believe that we could possibly be the player sourcing the most information compared to other real estate investors.

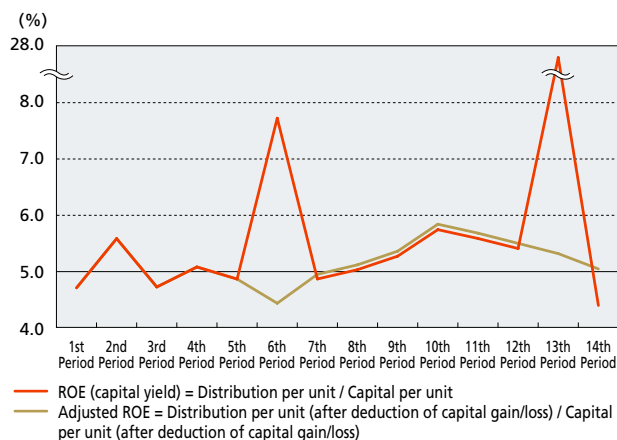
In spite of this, there is not all that much information on blue-chip properties that meet our investment

perspective. This is analyzed to be attributable to financial institutions tending to adopt a more relaxed stance on lending to the real estate industry, there being signs of recovery seen in real estate prices in Tokyo and other factors leaving less reason for property owners to need to rush into selling.

Being an environment that is viewed to be one in which internal growth from increasing rent income would be difficult for some time, external growth from acquiring properties must be pursued in order to maintain/raise income levels. Nonetheless, as stated in the thirteenth fiscal period's Semiannual Report, we plan to avoid running after short-term gains. We will proceed to proactively launch investment activities, but will make careful considerations in the decision-making process and keep placing priority on ensuring the quality of the portfolio over size.

Unitholder Return Index: Adjusted ROE

Starting from the thirteenth fiscal period, we have introduced the "adjusted ROE" as an index to show how much of the equity invested by our unitholders (capital) in the past has been returned back to them.



ROE (capital yield) was 27.2% in the thirteenth fiscal period and 4.4% in the fourteenth fiscal period. Adjusted ROE (capital yield after deduction of capital gains/losses) was 5.5% in the thirteenth fiscal period and 5.0% in the fourteenth fiscal period.

Properties under management age steadily with management and the passage of time. In order to

maintain the competitiveness of the portfolio, the replacement of properties is required. The replacement of properties by focusing on the cyclicity of real estate prices based on such requirement is our long-term investment management strategy. And with the implementation of the strategy, cash distributions and ROE will vary to a certain extent by fiscal period depending on how much capital gain was obtained.

By calculating adjusted ROE given that the principal invested by unitholders is reduced by the capital gain portion based on the assumption that the capital gain portion was used to repay unitholders for the capital they have invested, performance can be measured fairly against previous and subsequent fiscal periods or other REITs.

Cash distribution and ROE figures will be high for fiscal periods in which property capital gains are posted. In an aim to deliver higher cash distributions to unitholders even in terms of income return after deduction of capital gains, TOKYU REIT has set the immediate target for adjusted ROE at 5% or higher.

Reduction of Investment Management Fees

Held on April 15, 2009, the Fourth General Meeting of Unitholders approved a time-limited reduction of investment management fees over four fiscal periods (two years); specifically, 2%, 4%, 6% and 8% in the twelfth, thirteenth, fourteenth and fifteenth fiscal periods, respectively.

In the fourteenth fiscal period, investment management fees were reduced by 6% in the amount of ¥28 million. The reduction in the fifteenth fiscal period is projected to be ¥37 million, which is 8% of the forecast amount of investment management fees.

Furthermore, we announced on September 13, 2010 that a memorandum concerning partial amendments to the investment management agreement was signed for another reduction of an amount equivalent to 5% of investment management fees over the two years from the sixteenth to nineteenth fiscal periods.

The reduction, as well as other amendments to the method of calculation of investment management fees, will take effect when so approved at our General Meeting of Unitholders (to be held in April 2011).

Outlook

At the time of announcement of our operating results on September 13, 2010, the cash distribution per unit forecast for the fifteenth fiscal period was revised to ¥11,000 and that for the sixteenth fiscal period was announced to be ¥10,800.

These figures, which are amounts less than the results of the fourteenth fiscal period, are based on currently effective contracts while factoring in the abovementioned advance notices of contract cancellations and certain risks that may result in rent reductions. Considering that the real estate leasing market has been sagging after the Lehman Shock and the average contracted rent for TOKYU REIT's entire portfolio is currently 20.0% higher than the market rent according to our assessment, there is also the possibility that the amounts will need to be revised downward in the future. Moreover, these figures are calculations of cash distribution forecasts based on conservative assumptions without taking into account possible upward rent revisions, attracting new tenants to fill vacancies and new property acquisitions. Therefore, please note that these cash distribution forecasts

are subject to change due to a variety of factors, including future management performance and interest rate movements.

September 2010



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.

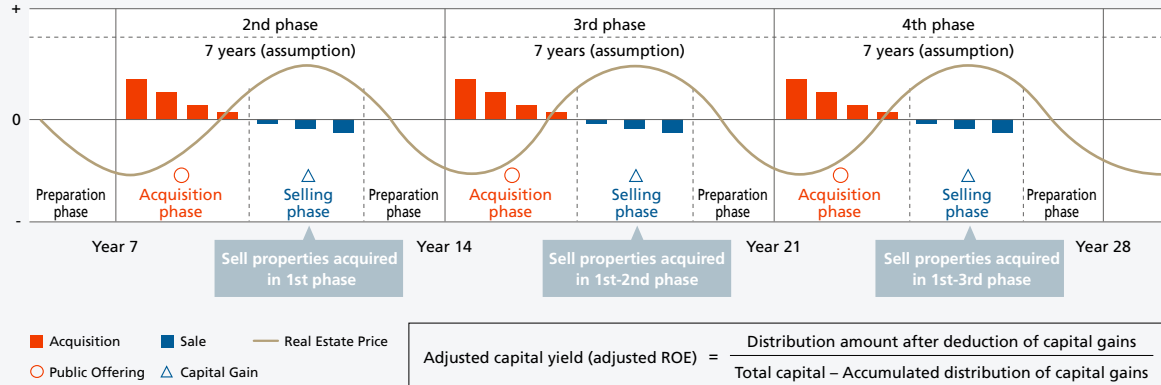


Masahiro Horie

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's Long-Term Investment Management Strategy

TOKYU REIT unveiled a long-term investment and management strategy (Surf Plan) on September 2009. This strategy, focusing on the cyclicity of real estate prices, is the replacement of properties while securing capital gains by adopting a "value" and "contrarian" investment style so as to achieve better portfolio quality (younger average age of buildings) and adjusted ROE.



The aim is to accurately discern the 'waves' of prosperity and depression in real estate market conditions by applying the experience that has been gained from having gone through one cycle of the market since listing. As the market is presently assumed to be in the second phase acquisition period, investment activities will be proactively launched.

Investment Style

Value & Contrary

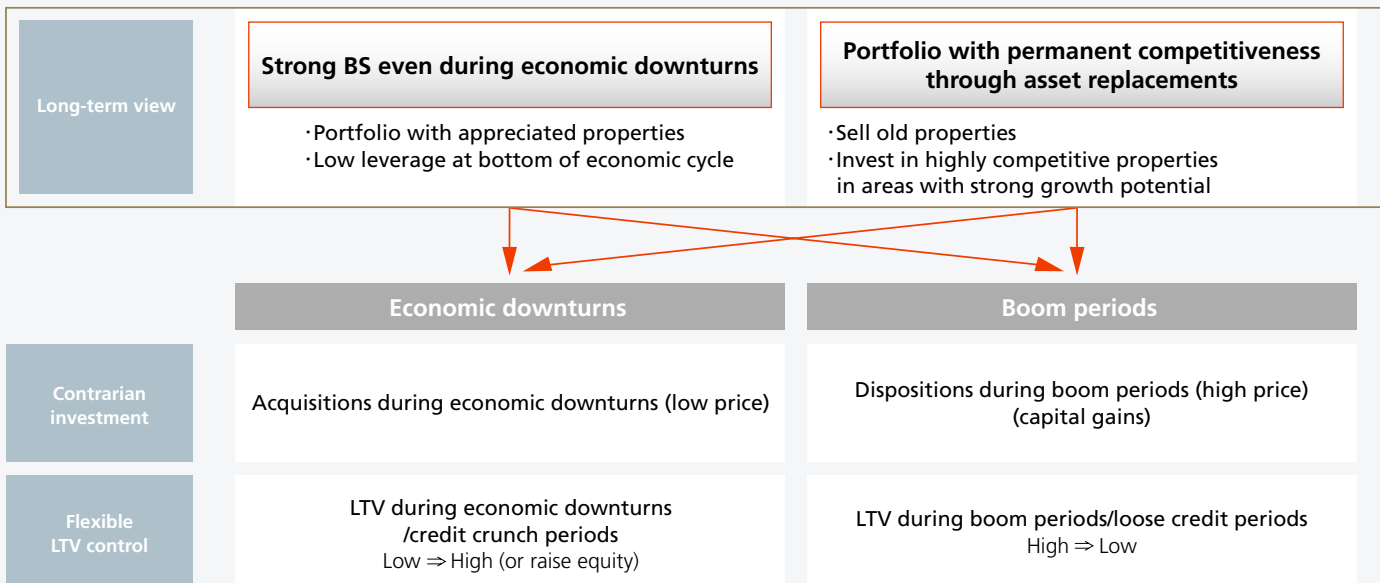
Value

An approach of investing into properties that are undervalued against the respective benchmarks. Properties are acquired when they appear to be undervalued upon an analysis of the appraisal value, NOI, etc., thereby securing of high yield (total return).

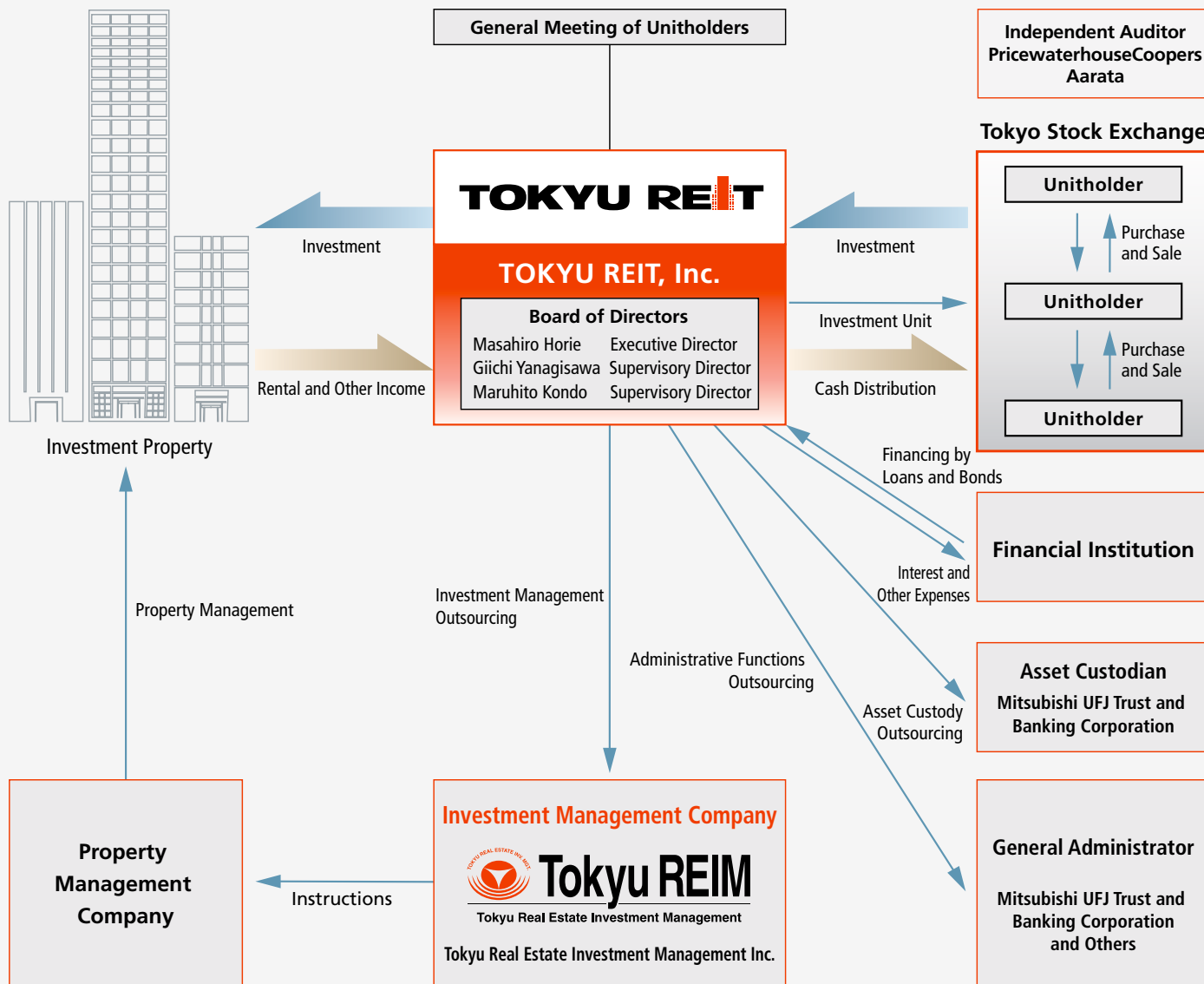
Contrary

An approach of investing in the phase when prices are falling. Properties are acquired when they are priced low and sold when they are priced high, thereby recouping the investment.

Concept



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 fourteenth fiscal period ¥1,241,537 (average in the eighth period)
 * Partial amendments to investment management fees were announced on September 13, 2010.
 Please visit TOKYU REIT, Inc. website at “www.tokyu-reit.co.jp/feng/”.

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 March 31, 2010)

Name	Address	Shares Held	Ratio
Tokyu Corporation	5-6, Nampeidai-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%

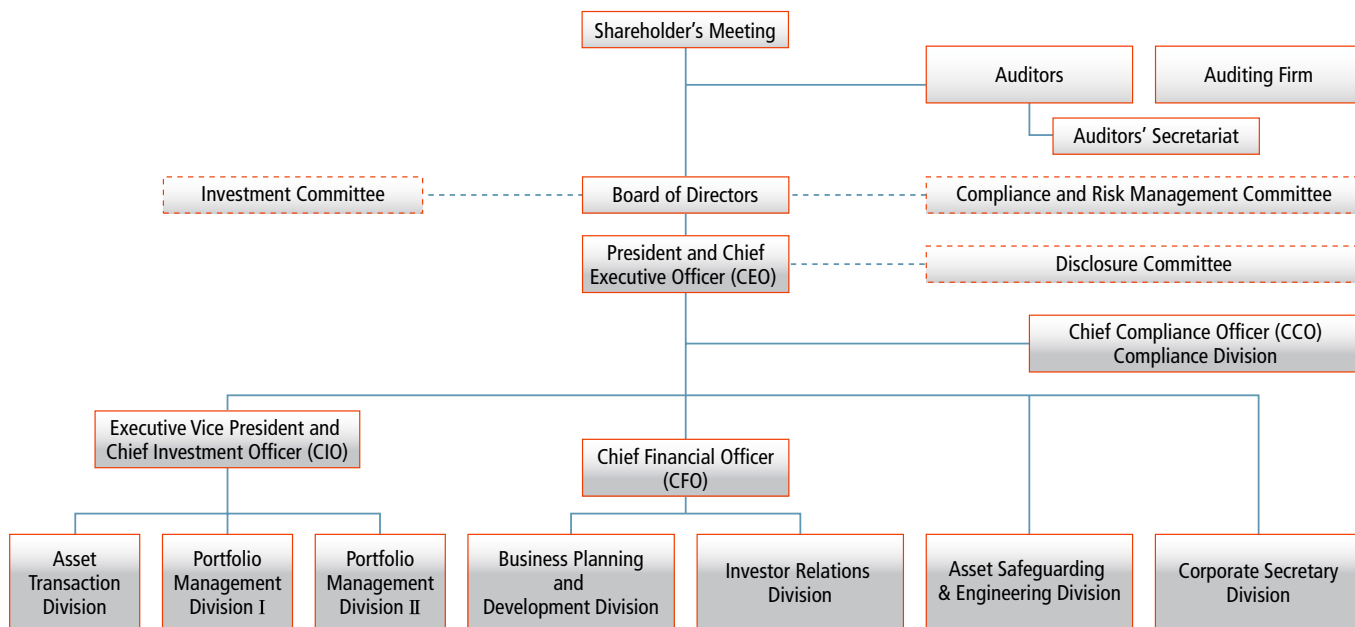
Board of Directors

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 fourteenth fiscal period, the Board of Directors met on fifteen 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 fourteenth fiscal period, the Investment Committee met on nine occasions.

■ Organization Chart (as of July 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 fourteenth 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 fourteenth 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

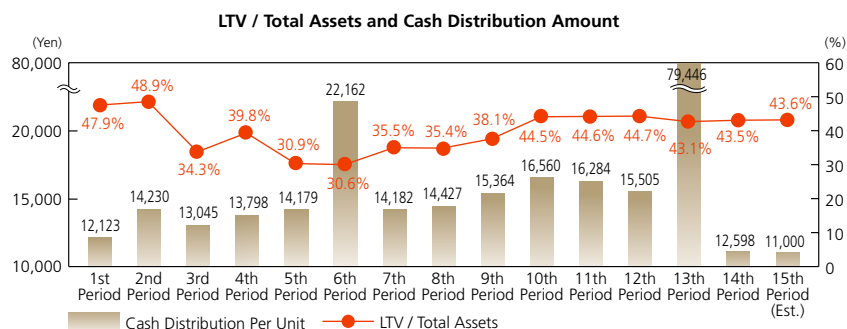
- Assurance of Prompt Fund Procurement Schemes

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

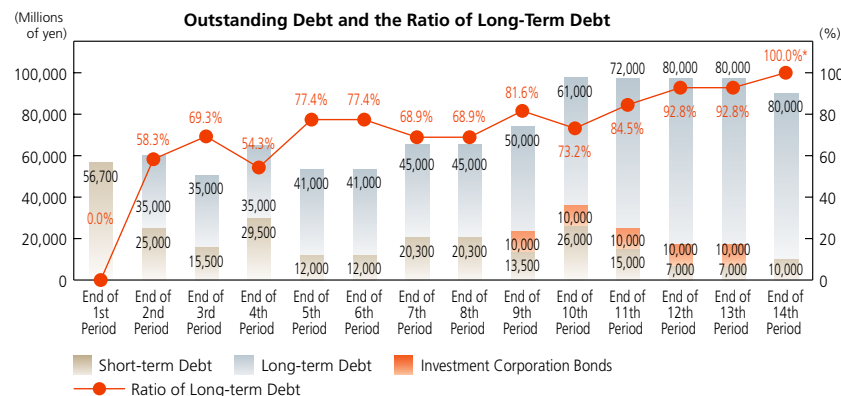


TOKYU REIT implements conservative management that considers the balance between the level of cash distribution amount and financial soundness, as shown left.

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.
3. Interest-Bearing Debt in this presentation does not include security deposits provided by tenants.

Outstanding Debt and the Ratio of Long-Term Debt



* 83.3% (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 fourteenth fiscal period is 100.0% (98.4%: 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

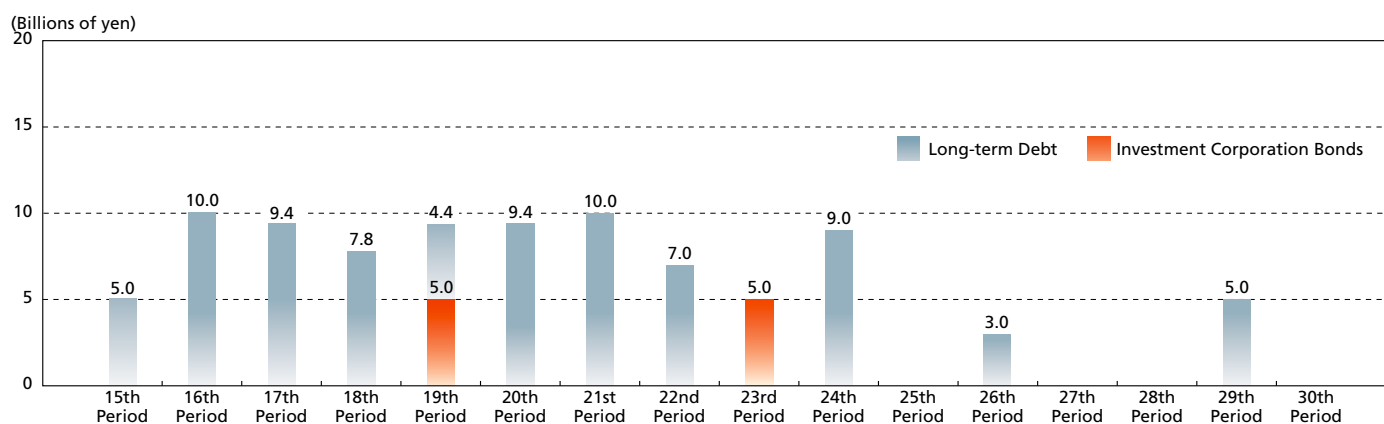
<ul style="list-style-type: none"> ■ Lenders 		<ul style="list-style-type: none"> ■ Commitment Line Agreement
Development Bank of Japan Inc.	:	¥10 billion
The Sumitomo Trust and Banking Co., Ltd.	:	¥1 billion
The Chuo Mitsui Trust and Banking Company, Limited:	:	¥1 billion

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 July 31, 2010.

Ratings

<ul style="list-style-type: none"> ■ Rating and Investment Information, Inc. (R&I): R&I Issuer Rating AA- (Rating Outlook: Stable) 	
<ul style="list-style-type: none"> ■ Standard & Poor's (S&P) 	: Long-term Issuer Rating A (Outlook: Stable) : Short-term Issuer Rating A-1
<ul style="list-style-type: none"> ■ Moody's Investors Service (Moody's) 	: Moody's Issuer Rating A2 (Rating Outlook: Negative)

Debt Balance by Repayment Date (at the end of the 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.



PORTFOLIO

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

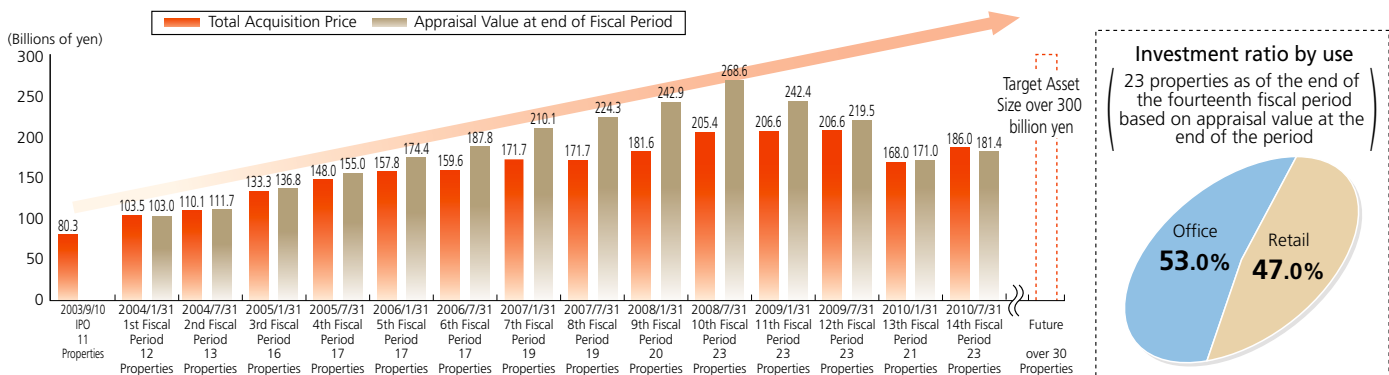
Investment Targeted Areas	<ul style="list-style-type: none"> Focusing on Five central Tokyo wards and Tokyu Areas expecting economic and population growth Limited to Tokyo Metropolitan Area
Investment Criteria	<ul style="list-style-type: none"> Limited to office and retail portfolios with lower risk 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 fourteenth fiscal period ended July 31, 2010, stood at ¥186 billion, and appraisal value at the end of fiscal period stood at ¥181 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 fourteenth fiscal period (23 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)

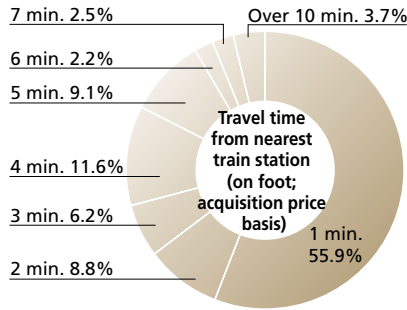
Use	Name of Property	Acquisition Date	Acquisition Price (Billions of yen)	PM	Occupancy Ratio	Earthquake PML*2
R	QFRONT	Sep. 10, 2003	15.1	Tokyu Corporation	100.0%	4.1%
R	Lexington Aoyama	Sep. 11, 2003	4.8	Tokyu Community Corp.	73.1%	2.3%
R	TOKYU REIT Omotesando Square	Sep. 10, 2003	5.7	Tokyu Community 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	80.6%	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	87.6%	4.1%
R	Daikanyama Forum	Apr. 22, 2008	4.1	Tokyu Corporation	91.5%	8.0%
⊙	Setagaya Business Square	Sep. 11, 2003	22.4	Tokyu Community Corp.	96.1%	2.8%
⊙	Tokyu Nampeidai-cho Building	Sep. 11, 2003	4.6	Tokyu Corporation	100.0%	7.9%
⊙	Tokyu Sakuragaoka-cho Building	Sep. 11, 2003	6.6	Tokyu Corporation	100.0%	11.1%
⊙	Tokyo Nissan Taito Building	Sep. 11, 2003	4.4	Tokyu Community Corp.	100.0%	7.4%
⊙	TOKYU REIT Akasaka Hinokicho Building	Sep. 10, 2003	3.5	Tokyu Community Corp.	100.0%	11.2%
⊙	TOKYU REIT Kamata Building	Sep. 10, 2003	4.7	Tokyu Corporation	88.4%	7.7%
⊙	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%
⊙	TOKYU REIT Hatchobori Building	Sep. 29, 2006	7.0	Tokyu Community Corp.	100.0%	4.0%
⊙	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Jan. 31, 2008	8.5	Tokyu Community Corp.	100.0%	3.9%
⊙	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5.4	Tokyu Corporation	100.0%	5.8%
⊙	Kojimachi Square	Mar. 19, 2010	9.0	Tokyu Community Corp.	100.0%	4.8%
⊙	ORIX Shinjuku Building	Mar. 26, 2010	9.0	Tokyu Corporation	100.0%	4.2%
Total			186.0		96.8%	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.

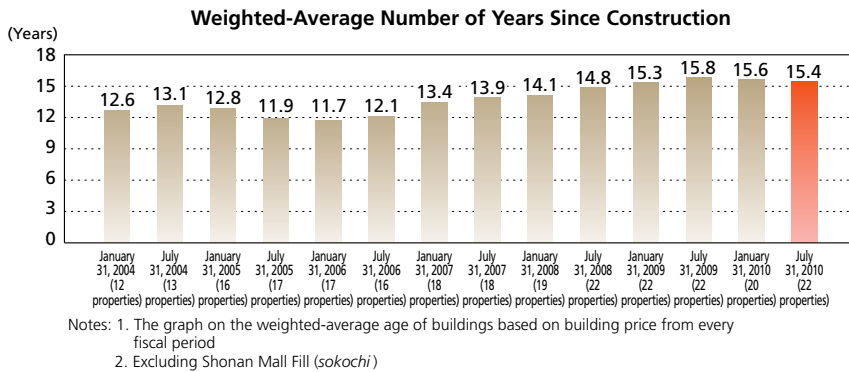
In the acquisition of investment properties, **TOKYU REIT** considers a variety of factors, including a comprehensive analysis of forecasted revenue stream, growth potential of the area, property size, construction and facility specifications, earthquake resistance, leasing rights, occupancy and appeal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

Location



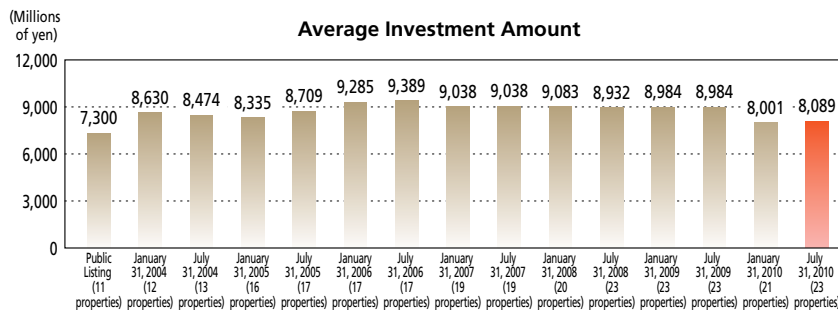
Properties conveniently located near train stations increase the stability of TOKYU REIT's portfolio.

Property Age



The graph on the left shows the weighted-average age of buildings based on building price at the end of each fiscal period. Based on 22 properties as of the end of the fourteenth fiscal period, 15.4 years have passed since construction and the number of years increases only 2.8 years from the point of January 31, 2004 in elapsed 6.5 years from then.

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 fourteenth fiscal period, **TOKYU REIT** had invested an average of ¥8,089 million per property. **TOKYU REIT** intends to continue investing in mainly large-scale properties.

Top 10 Tenants by Leased Area

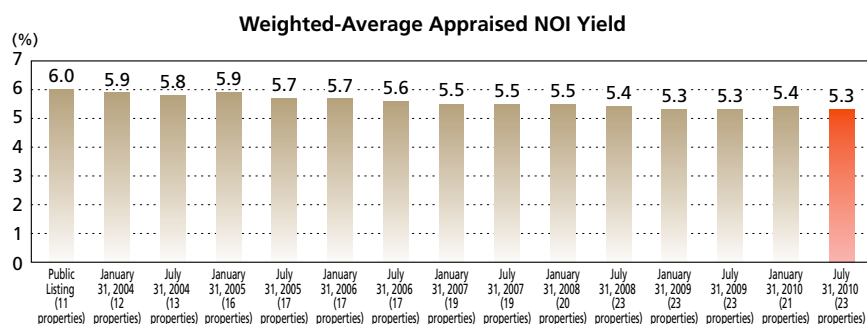
Top 10 Tenants by Leased Area

As of July 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	22.4%
2	Daiwa House Industry Co., Ltd.	Construction	R Shonan Mall Fill (sokochi)	44,078.12	19.7%
3	Tokyu Store Chain Co., Ltd.	Retail	R Tokyu Saginuma Building	19,610.06	8.7%
4	Tokyu Corporation	Land Transportation	Q Tokyu Nampo-dai-cho Building	7,148.18	3.2%
			Q Tokyu Sakuragaoka-cho Building	3,878.36	1.7%
5	Japan Nuclear Energy Safety Organization	Other	Q TOKYU REIT Toranomon Building	6,579.05	2.9%
6	Oracle Corporation Japan (The former name: Sun Microsystems K.K.)	Information and Telecommunication	Q Setagaya Business Square*2	5,800.76	2.6%
7	Culture Convenience Club Co., Ltd.	Service	R QFRONT	4,044.10	1.8%
			Q Setagaya Business Square*2	338.13	0.2%
8	Tokyu Agency Inc.	Service	Q Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	3,533.03	1.6%
9	Fujitsu Advanced Solutions Limited	Information and Telecommunication	Q TOKYU REIT Kamata Building	3,402.84	1.5%
10	Covidien Japan Inc.	Wholesale	Q Setagaya Business Square*2	3,185.90	1.4%
Total leased area of top 10 tenants				151,884.42	67.8%
Total leased area of 23 properties at the end of fourteenth fiscal period				224,165.93	100.0%

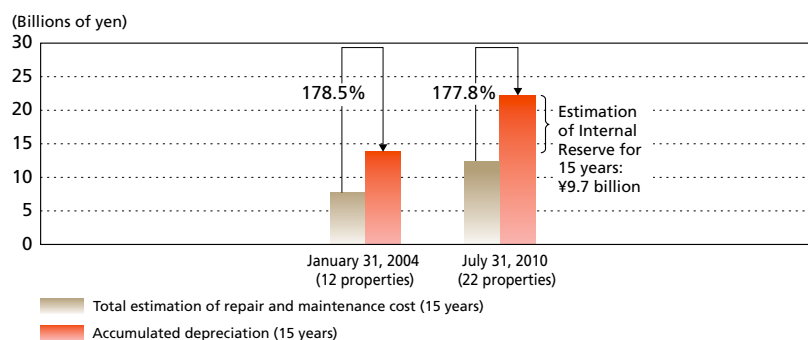
Notes: *1. "Ratio" indicates ratio of each tenant's leased areas to total leased area at the end of fourteenth fiscal period (23 properties).
*2. "Leased Area" of tenants in Setagaya Business Square are calculated by 55%.

Portfolio Cap Rate



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

Coverage Ratio by Depreciation of Repair and Maintenance Cost Estimation



- Notes: 1. Total estimation of repair and maintenance cost (15 years) is extracted from Property Report (including expenses items) and estimated accordingly.
2. Accumulated depreciation (15 years) is estimated by Tokyu REIM (Depreciation of additional CapEx is not included, however it is included on re-estimation).
And term of depreciation is coincided with term of repair and maintenance cost estimation.
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 fourteenth fiscal period and over the next fifteen years, cumulative depreciation for the portfolio (22 properties) will significantly exceed total repair and maintenance cost, for a coverage ratio of 177.8%. 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)



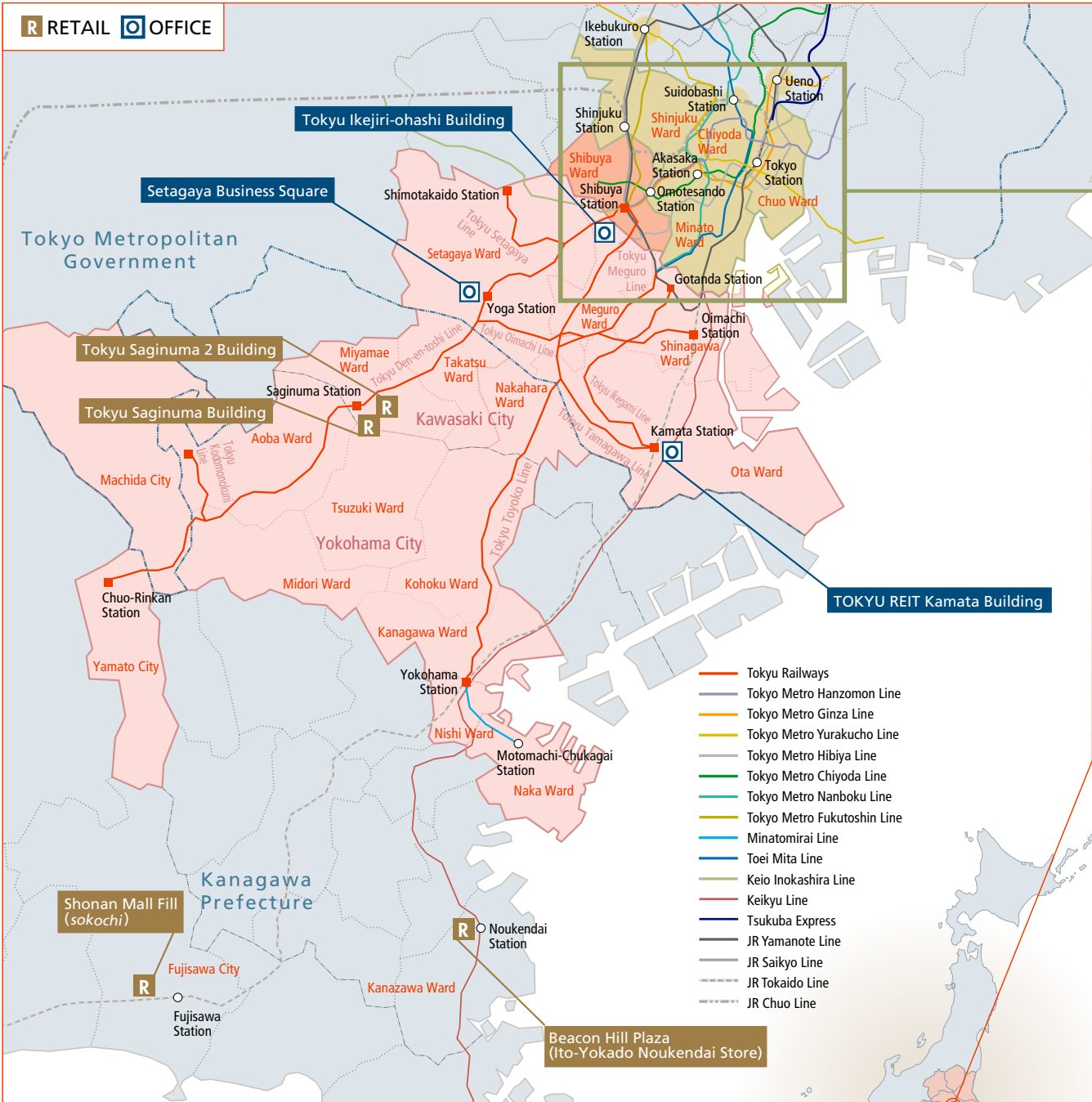
Setagaya Business Square

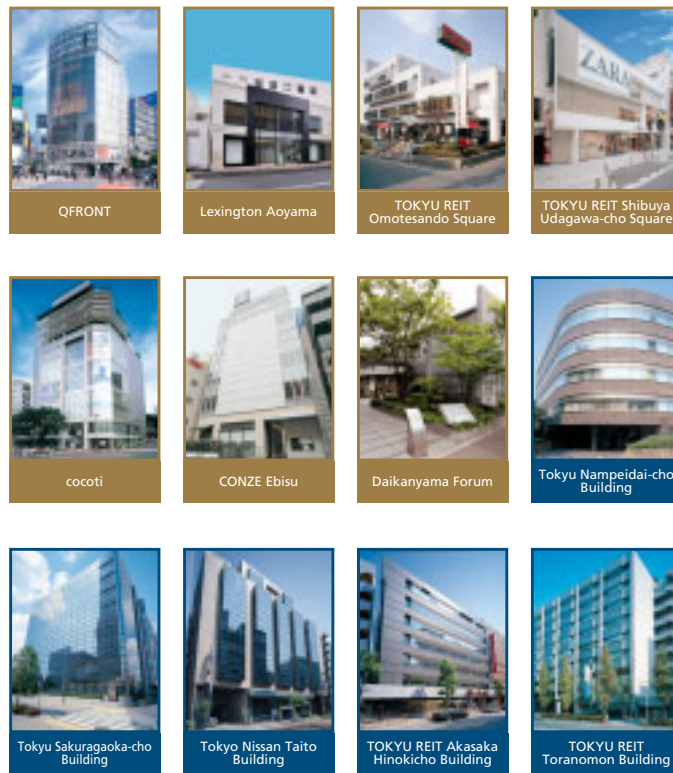
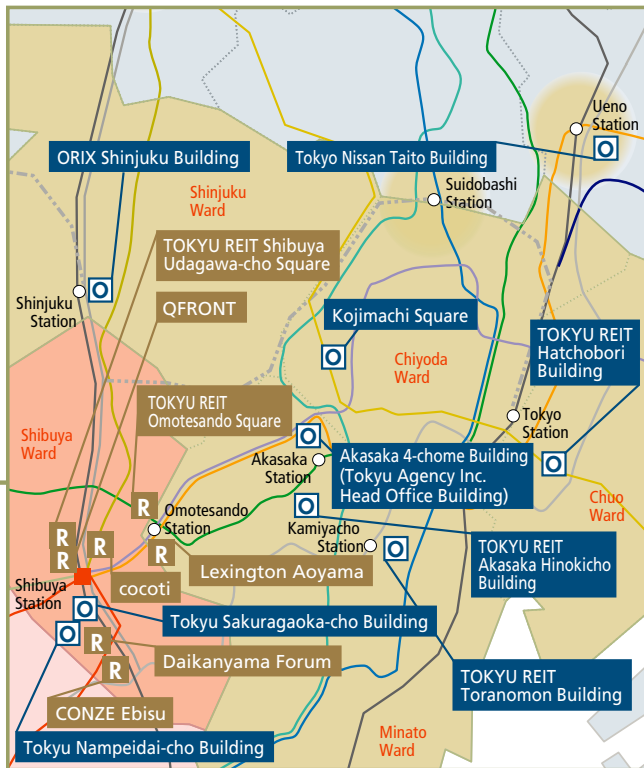


TOKYU REIT Kamata Building

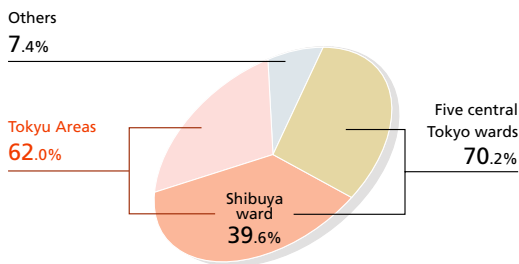


Tokyu Ikejiri-ohashi Building





Percentage share in total portfolio by region
(23 properties based on the appraisal value at the end of fourteenth 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., a large rental and retail store of videos and CDs. QFRONT contains a coffee shop located on the first and second floors, and a restaurant located on the eighth floor. The building is one of Tokyo's premier retail facilities distinguished by the large LED advertising screen which adorns the outside wall, and has received considerable exposure from a variety of media.

Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line/ Tokyo Toyoko Line/ Tokyo 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

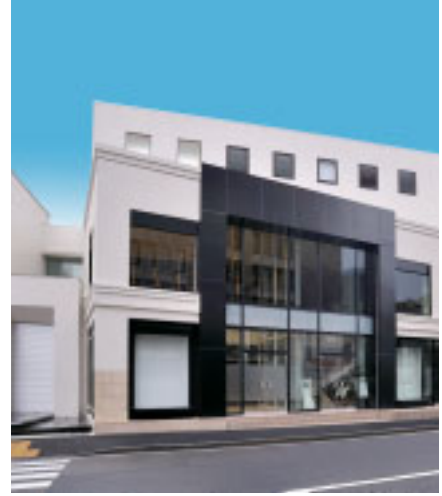
Completed: October 1999

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

Tenants: Culture Convenience Club Co., Ltd.;
 Tokyu Corporation;
 Punraku Co., Ltd.



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. **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

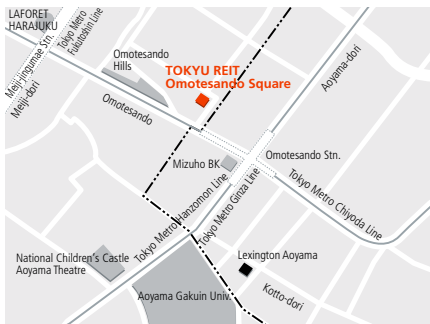


R TOKYU REIT Omotesando Square



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 Barbacoa Grill, offering Churrasco Brazilian barbecue food operated by Wondertable, Ltd. on the first underground floor, and Royal Host, a restaurant managed by Royal Holdings Co., Ltd. on the first floor. On floors one through three, there is the GOLD'S GYM sports gymnasium, operated by Think Fitness Corporation and on the fourth floor, there is an esthetics salon Ci:z. Labo, operated by DR. CI:LABO CO., LTD.

Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines
 Approximately a nine-minute walk from Meiji-jingumae Station—Tokyo Metro 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 1,631 stores (as of April 30, 2010). 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.

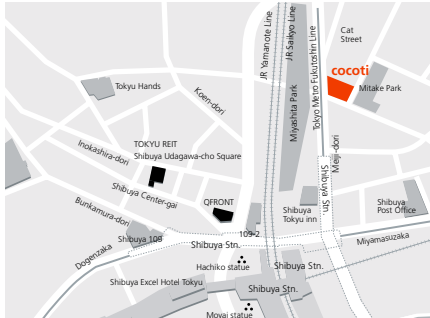


R cocoti



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.;
 Think Fitness Corporation;
 TOKYO THEATRES COMPANY, INCORPORATED



R Shonan Mall Fill (sokochi)



Shonan Mall Fill (*sokochi*) is the retail property which sitsuate 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 Saiky Lines, and houses a wide range of restaurants.

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



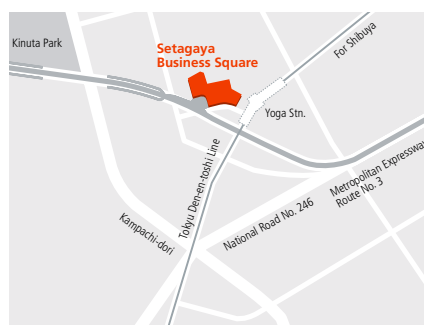
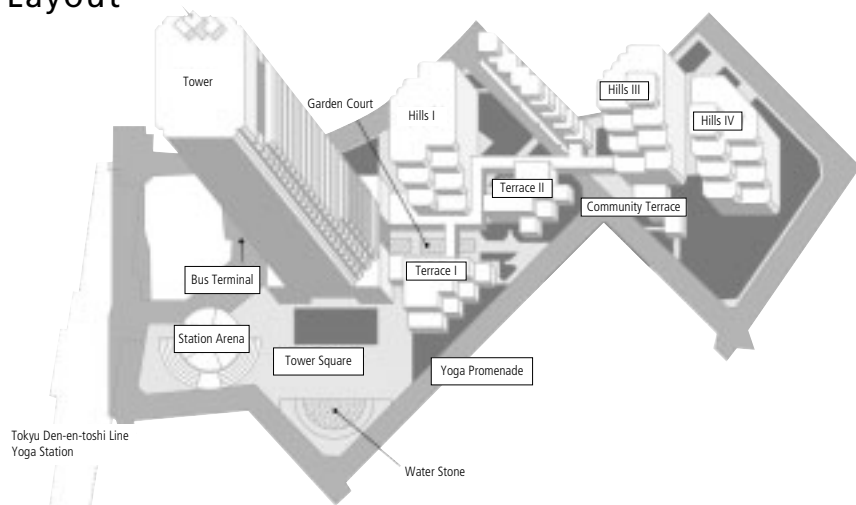
OFFICE PORTFOLIO

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 site 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).

Layout



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: Oracle Corporation Japan;
(The former name: Sun Microsystems K. K.)
Covidien Japan Inc.;
Catapillar Japan Ltd.

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/ Tokyu 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/ Tokyu 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
 Approximately a four-minute walk from Shin-Okachi-machi Station—Toei Oedo Line/ Tsukuba Express Line
 Approximately 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 Keiyou 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—JR Keihin Tohoku Line/ Tokyu Tamagawa Line/ Tokyu Ikegami Line
 Total Land Space: 1,642.86m²
 Total Floor Space: 10,244.51m²
 Structure/Floors: S/SRC, B1/9F
 Completed: February 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Fujitsu Advanced Solutions Limited; Dai Nippon Toryo Co., Ltd.; Canon Software Inc.



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 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.



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

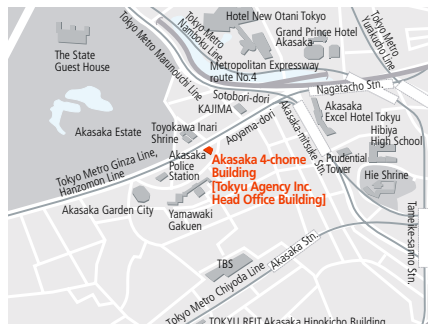


Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is a relatively new office building located in the Akasaka area nearby the Kasumigaseki and Nagatacho districts where Central government and other public offices are located.

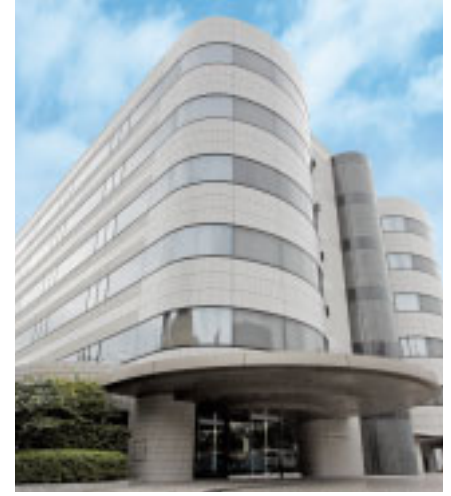
This property is located approximately a four-minute walk from Akasaka-Mitsuke and Nagatacho Stations and have excellent office specifications including 2,700mm of ceiling height and individually controlled air conditioners.

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.



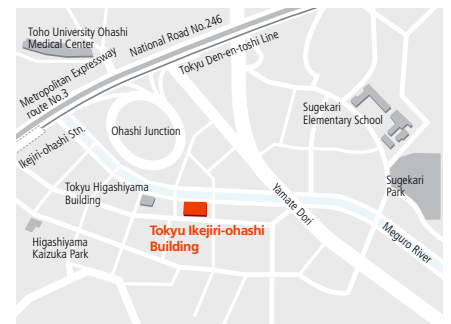
Tokyu Ikejiri-ohashi Building



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;
 Agfa Geraert Group



Kojimachi Square



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).

Summary

Location: 3, Nibancho, Chiyoda-ku Tokyo

Nearest Station: Approximately a one-minute walk from Kojimachi 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/ 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.

ORIX Shinjuku Building



Profit Performance

Assumption Value

- Acquisition Price: 9,000 million yen
- Total Rental Income: 612 million yen
- NOI: 489 million yen (NOI rate 5.4%)

Appraisal Value (Medium- to long-term calculations)

- Appraisal Value: 9,790 million yen (as of February 1, 2010)
- Effective Gross Income: 579 million yen
- Net Income: 448 million yen (Direct cap rate 4.5%)

Characteristics and Issues

- Strengths : A one-minute walk from the nearest station, several train lines and stations nearby, competitive building specifications are competitive, relatively new, and high occupancy
- Weakness : Not gathering office buildings than Nishi-Shinjuku Area
- Risk : Fluctuation of rental revenues with changes in the real estate leasing market
- Special Items: A compartmentalized land surface right has been set up for a portion of the property in conjunction with the construction of entrances and exits for a subway station on the Tokyo Metro Fukutoshin Line.

Summary

Location: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo

Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi and Fukutoshin Lines/ Toei Shinjuku Line

Approximately a four-minute walk from Shinjuku Station—JR Lines

Approximately a six-minute walk from Shinjuku Station—Tokyo Metro Marunouchi Line/ Toei Shinjuku and Oedo Lines/ Keio Line

Approximately a seven-minute walk from Shinjuku Station—Odakyu Line

Total Land Area: 1,113.87m²

Total Floor Area: 8,720.09m²

Structure/ Floors: SRC 10F

Completed: May 2003

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

Representative Tenants: ORIX Corporation;
DAIDO LIFE INSURANCE COMPANY;
JTB Tokyo Metropolitan Corp.

I . Asset Management Report

1. Financial Highlights

(1) Result of Operation and Financial Position

		14th fiscal period From February 1, 2010 to July 31, 2010 (181 days)	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)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 6,550	¥ 25,359	¥ 7,479	¥ 7,643	¥ 7,336	
		Operating income	¥ 3,001	¥ 14,374	¥ 3,475	¥ 3,594	¥ 3,489	
		Net income	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758	¥ 2,804	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 6,550	¥ 7,100	¥ 7,478	¥ 7,643	¥ 7,332	
		Rental service expenses (b)	¥ 2,980	¥ 3,140	¥ 3,282	¥ 3,258	¥ 3,102	
		[Depreciation and amortization] (included in (b)) (c) (Note 3)	[¥ 1,016]	[¥ 1,019]	[¥ 1,032]	[¥ 1,082]	[¥ 1,012]	
		NOI (Net Operating Income) (a) – (b) + (c)	¥ 4,587	¥ 4,978	¥ 5,229	¥ 5,467	¥ 5,243	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,150	¥ 3,396	¥ 3,658	¥ 3,840	¥ 3,814	
		Capital expenditures (e)	¥ 121	¥ 125	¥ 205	¥ 242	¥ 252	
AFFO (Adjusted Funds from Operation) (d) – (e)		¥ 3,029	¥ 3,271	¥ 3,452	¥ 3,598	¥ 3,562		
Financial position	Balance sheet	Total assets (f)	¥ 206,884	¥ 225,299	¥ 217,200	¥ 217,727	¥ 218,205	
		[Change from the preceding period]	[–8.2%]	[3.7%]	[–0.2%]	[–0.2%]	[13.0%]	
		Interest-bearing liabilities (g) (Note 5)	¥ 90,000	¥ 97,000	¥ 97,000	¥ 97,000	¥ 97,000	
		Total unitholders' equity (Net assets) (h)	¥ 100,153	¥ 111,476	¥ 100,646	¥ 100,777	¥ 100,824	
		[Change from the preceding period]	[–10.2%]	[10.8%]	[–0.1%]	[–0.0%]	[0.2%]	
		Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
	Portfolio	Acquisition costs of properties (Note 6)	¥ 186,062	¥ 168,032	¥ 206,648	¥ 206,648	¥ 205,452	
		Book value of properties (Note 6)	¥ 178,433	¥ 160,901	¥ 201,068	¥ 201,896	¥ 201,527	
		Appraisal value of properties at end of period (i) (Note 6)	¥ 181,440	¥ 171,080	¥ 219,580	¥ 242,400	¥ 268,680	
		Number of properties at end of period	23 properties	21 properties	23 properties	23 properties	23 properties	
		Total leasable area (Note 7)	231,468.57 m ²	220,003.69 m ²	239,293.11 m ²	239,294.65 m ²	239,287.19 m ²	
		Occupancy rate at end of period (Note 7)	96.8%	96.9%	98.6%	98.6%	99.4%	
	Other	Distri- bution	Cash distribution	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758	¥ 2,804
			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)	¥ 591,295	¥ 658,143	¥ 594,202	¥ 594,981	¥ 595,257
			Cash distribution per unit	¥ 12,598	¥ 79,446	¥ 15,505	¥ 16,284	¥ 16,560
		Management index	Return on total unitholders' equity (annualized) (Note 8)	4.1%	25.2%	5.3%	5.4%	5.6%
Equity ratio (h)÷(f)			48.4%	49.5%	46.3%	46.3%	46.2%	
[Change from the preceding period]			[–1.1%]	[3.1%]	[0.1%]	[0.1%]	[–5.9%]	
Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)			43.5%	43.1%	44.7%	44.6%	44.5%	
Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)			49.6%	56.7%	44.2%	40.0%	36.1%	
Average market price per unit during period (Note 9)			¥ 470,862	¥ 478,579	¥ 496,772	¥ 603,570	¥ 835,903	

- 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: ¥3 million; 12th fiscal period: ¥1 million).
- Note 3. 'Depreciation and amortization' includes loss on disposal of property and equipment (11th fiscal period: ¥19 million; 13th fiscal period: ¥0 million; 14th fiscal period: ¥33 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

① Investment Environment

During the fiscal period under review (fourteenth fiscal period: six-month period ended July 31, 2010), the Japanese economy continued to show signs of recovery in consumer spending, corporate business sentiment and other aspects, and the foundation for self-sustained recovery was being laid. On the other hand, severe circumstances remain, such as high unemployment rates. The Tokyo metropolitan area's economy, which until recently had weak economic recovery trends, showed signs of recovery in consumer spending and other aspects reflecting gradual regaining of position relative to other regions of the country. With regard to population movement, more than 80,000 people migrated to the Tokyo metropolitan area from other areas of the country between January and June 2010. This has further exacerbated the disparity between the area and other regions of the country.

Under these circumstances, the average advertised rent for June 2010 in the Tokyo 23 ward's office leasing market decreased 3.5% over the six-month period and 6.7% over the one-year period. Vacancy rates also increased 1.0 percentage points over the six-month period and 2.6 percentage points over the one-year period to 7.5%. There were many vacancies being filled centering on large blue-chip properties in downtown locations and other signs of liquidity of demand increasing in areas exhibiting high location advantage. Meanwhile, with ongoing moves to relocate for the purpose of consolidation/integration and thereby causing vacancies to arise, among other factors, the liquidity of demand in surrounding areas is still in a low state and the fall in real estate related indices are showing no signs of ceasing. In the retail property leasing market, although the government economic stimulus package proved effective for some instruments, the environment surrounding tenants continues 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, backed by the amount of new lending by banks in Japan to the real estate industry increasing year-on-year for the first time in two years and other improvements in the financing environment, there are more acquisitions being made by J-REITs and private funds. The increase in the volume of transactions is bringing also the rise in cap rates to a halt. Moreover, some cases of transactions of blue-chip properties show signs of a recovery in real estate prices.

② Investment Performance Results

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

In such an operating environment, TOKYU REIT engaged in investment activities by adopting an investment policy based on the stance of investing in highly competitive properties in areas with strong growth potential as it has to date and additionally pursuant to a long-term investment management strategy it has formed by applying the investment management experience that has been gained from having gone through one cycle of the market since its listing. Consequently, during the fourteenth fiscal period, TOKYU REIT acquired the trust beneficiary interest in Kojimachi Square (acquisition price: ¥9,030 million) on March 19, 2010 and acquired ORIX Shinjuku Building (the name is scheduled to be changed to TOKYU REIT Shinjuku Building on March 1, 2011; the same hereafter) (acquisition price: ¥9,000 million) on March 26, 2010. As a result, as of July 31, 2010, TOKYU REIT held an investment portfolio totaling 23 properties with a total acquisition price of ¥186,062 million and total leasable area of 231,468.57 m². The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥181,440 million. As in the previous fiscal period, the appraisal value total exceeded the book value total, resulting in an unrealized gain of ¥3,006 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 96.8% for its entire portfolio of 23 properties as of July 31, 2010 through stable investment management. TOKYU REIT is also proactively working to maintain rent levels. Consequently, as of the end of the fourteenth fiscal period, the per-tsubo rental rate for the existing property portfolio was contained at a drop of 4.4% compared with the end of the thirteenth 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 July 31, 2010 was ¥90,000 million, consisting of ¥10,000 million in investment corporation bonds and ¥80,000 million in long-term debt (of which, ¥15,000 million is the current portion of long-term debt). The weighted-average interest rate for the fourteenth fiscal period was 1.76% (calculated based on the annualized amount of interest payable for the fourteenth fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of July 31, 2010 were as follows:

Rating Agency	Credit Rating	
Rating and Investment Information, Inc.	Rating: AA-	Outlook: Stable
Standard & Poor's Ratings Japan K.K.	Long-term: A Short-term: A-1	Outlook: Stable
Moody's Investors Japan K.K.	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, follows prescribed procedures. For example, being an acquisition from a special purpose company established by Tokyu Land Corporation, TOKYU REIT decided on the acquisition of Kojimachi Square in accordance with the self-imposed measures to prevent conflicts of interest for acquisition at no more than the property appraisal value. Furthermore, TOKYU REIT has received a second opinion report from Daiwa Real Estate Appraisal Co., Ltd. stating that the value and valuation process for the subject property was basically valid. This second opinion summary is disclosed at the time of acquisition, along with the property valuation summary. In addition, the status of implementation of acquisition procedures was also verified by an audit firm other than TOKYU REIT's independent auditor for compliance with the measures to prevent conflicts of interest that apply to the transaction. Combined with the results of such, these served as the basis for the acquisition being approved at a meeting of TOKYU REIT's Board of Directors.

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	¥ 49,917	¥ 50,117	(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:

	14th fiscal period From February 1, 2010 to July 31, 2010	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
	Yen				
Highest	¥ 540,000	¥ 539,000	¥ 580,000	¥ 850,000	¥ 915,000
Lowest	¥ 409,500	¥ 413,000	¥ 434,000	¥ 412,000	¥ 672,000

(4) Distribution Information

With respect to the distribution for the fourteenth 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 fourteenth fiscal period was ¥12,598.

	14th fiscal period From February 1, 2010 to July 31, 2010	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
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758	¥ 2,804
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758	¥ 2,804
[Cash distribution per unit]	[¥ 12,598]	[¥ 79,446]	[¥ 15,505]	[¥ 16,284]	[¥ 16,560]
Distribution of accumulated earnings	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758	¥ 2,804
[Distribution of accumulated earnings per unit]	[¥ 12,598]	[¥ 79,446]	[¥ 15,505]	[¥ 16,284]	[¥ 16,560]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]

(5) Future Policies of Investment Management

① Forecast of Future Movement

The outlook for the economy is that the employment situation will remain severe for some time to come. Nevertheless, self-sustained recovery is anticipated, backed by the improving overseas economy and effects of the emergency economic stimulus package, among other factors. However, there are still concerns of downside risks in the overseas economy centering on the U.S. and Europe, impacts from financial and capital market fluctuations and deflation, and other risks of downward pressures on the economy. As such, the unpredictable situation is expected to persist.

In light of such outlook, in the real estate investment market, there is a lingering sense of uncertainty about the future, but the sharp downward trend in real estate transaction prices is headed towards settling down and J-REITs, private funds, etc. are starting to resume external growth. In the office leasing market, intensifying competition over attracting of tenants and downward adjustments of rent levels are forecast to continue, but there is also likely to be peaking out of the rise in vacancy rates in Tokyo. In the retail property leasing market, with still little sign of recovery, it will be more important than ever to identify and attract competitive business categories and businesses as consumers grow increasingly selective.

② Future Policies of Investment Management and Issues to be Countered

Prior to the formal establishment of TOKYU REIT, Tokyu REIM undertook an assessment of future investment trends based on business growth potential. Based on this assessment, it was decided that TOKYU REIT would adopt 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 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 reexamine the timing of acquiring or selling property so that the risk of application of impairment accounting will not arise and will replace assets through contrarian investment when real estate prices are low and selling mainly properties that are relatively old during a boom period. In this manner, TOKYU REIT will 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 (September 10, 2010).

2. Company Profiles

(1) Summary of Unitholders' Contributions

	14th fiscal period As of July 31, 2010	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
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)	8,838	9,776	8,684	7,948	8,005

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of July 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	20,743	12.25
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	18,320	10.82
Trust & Custody Services Bank, Ltd. (securities investment trust account)	Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku, Tokyo	11,743	6.93
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	5,880	3.47
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	5,565	3.29
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
AIG Edison Life Insurance Company GA NON DIMA (Standing Proxy: Citibank Japan Ltd.)	Olinas Tower, 4-1-3, Taihei, Sumida-ku, Tokyo (2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo)	4,056	2.39
Tokyu Land Corporation	1-21-2, Dogenzaka, Shibuya-ku, Tokyo	3,920	2.31
American Life Insurance Company (Standing Proxy: Citibank Japan Ltd.)	1-1-3, Marunouchi, Chiyoda-ku, Tokyo (2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo)	3,902	2.30
Momiji Bank, Ltd.	1-24, Ebisu-cho, Naka-ku, Hiroshima-shi, Hiroshima	3,819	2.25
Total		82,819	48.90

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

① Name of Directors and Auditor (as of July 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.

② 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 July 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	14th fiscal period As of July 31, 2010		13th fiscal period As of January 31, 2010	
			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	¥ 15,805	7.6	¥ 15,841	7.0
		Other	—	—	—	—
		Sub total	15,805	7.6	15,841	7.0
	Office	Central Tokyo and Tokyu Areas	19,267	9.3	9,962	4.4
		Other	—	—	—	—
		Sub total	19,267	9.3	9,962	4.4
	Total		35,073	17.0	25,803	11.5
Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	56,432	27.3	56,682	25.2
		Other	15,832	7.7	15,909	7.1
		Sub total	72,265	34.9	72,591	32.2
	Office	Central Tokyo and Tokyu Areas	71,094	34.4	62,506	27.7
		Other	—	—	—	—
		Sub total	71,094	34.4	62,506	27.7
	Total		143,360	69.3	135,098	60.0
Other assets		28,450	13.8	64,397	28.6	
Total assets		¥ 206,884 [¥ 178,433]	100.0 [86.2]	¥ 225,299 [¥ 160,901]	100.0 [71.4]	

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

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

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 July 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	¥ 14,313	4,502.93	4,502.93	100.0	11.4	Retail
R Lexington Aoyama	4,770	2,107.08	1,541.29	73.1	1.3	Retail
R TOKYU REIT Omotesando Square	5,743	2,702.42	2,702.42	100.0	2.9	Retail
R Tokyu Saginuma Building	6,680	19,610.06	19,610.06	100.0	4.7	Retail
R Tokyu Saginuma 2 Building	1,220	1,284.60	1,284.60	100.0	1.0	Retail
R TOKYU REIT Shibuya Udagawa-cho Square	6,640	1,543.05	1,543.05	100.0	2.6	Retail
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	8,806	50,285.89	50,285.89	100.0	4.6	Retail
R cocoti	23,704	8,319.96	6,703.95	80.6	10.0	Retail
R Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.7	Retail
R CONZE Ebisu	5,009	2,319.24	2,032.09	87.6	2.1	Retail
R Daikanyama Forum	4,156	2,477.64	2,267.22	91.5	1.5	Retail
O Setagaya Business Square	19,152	24,956.99	23,978.83	96.1	17.1	Office
O Tokyu Nampeidai-cho Building	4,298	7,148.18	7,148.18	100.0	2.8	Office
O Tokyu Sakuragaoka-cho Building	6,399	4,737.19	4,737.19	100.0	3.9	Office
O Tokyo Nissan Taito Building	3,858	7,947.24	7,947.24	100.0	3.6	Office
O TOKYU REIT Akasaka Hinokicho Building	3,471	3,206.25	3,206.25	100.0	2.3	Office
O TOKYU REIT Kamata Building	4,176	7,337.82	6,487.11	88.4	4.3	Office
O TOKYU REIT Toranomon Building	9,932	10,136.72	7,342.32	72.4	5.2	Office
O TOKYU REIT Hatchobori Building	6,948	5,984.19	5,984.19	100.0	3.3	Office
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,346	3,533.03	3,533.03	100.0	3.1	Office
O Tokyu Ikejiri-ohashi Building	5,432	5,710.41	5,710.41	100.0	2.9	Office
O Kojimachi Square	9,010	5,409.11	5,409.11	100.0	3.4	Office
O ORIX Shinjuku Building	9,334	6,130.45	6,130.45	100.0	3.3	Office
Total	¥ 178,433	231,468.57	224,165.93	96.8	100.0	

Note 1. The properties listed above except for TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, Daikanyama Forum, TOKYU REIT Toranomon Building and ORIX Shinjuku Building (total of 18 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 Toranomon 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 Toranomon 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.
 Note 6. 'R' and 'O' in the table are a classification of TOKYU REIT's portfolio properties into R(retail properties) and O(office properties)(the same hereafter).

(3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of July 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	4,502.93	¥ 19,900	¥ 14,313
		R Lexington Aoyama	5-235-7, etc., Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,107.08	4,580	4,770
		R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,702.42	6,690	5,743
		R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	19,610.06	7,890	6,680
		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	1,220
		R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	6,910	6,640
		R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,319.96	17,000	23,704
		R CONZE Ebisu	2-3-5, etc., Ebisu Minami Shibuya-ku, Tokyo	Real estate	2,319.24	4,240	5,009
		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	3,100	4,156
		Sub total				44,866.98	71,700
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	8,090	8,806	
	R Shonan Mall Fill (sokochi)	4-4300-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa	Trust beneficiary interest in real estate	44,078.12	5,400	7,026	
	Sub total				94,364.01	13,490	15,832
Total				139,230.99	¥ 85,190	¥ 88,071	

	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	
Office	Central Tokyo and Tokyu Areas	○ Setagaya Business Square	4-260-2, etc., Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,956.99	¥ 20,000	¥ 19,152
		○ Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	5,650	4,298
		○ Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	8,450	6,399
		○ Tokyo Nissan Taito Building	2-120-2, etc., Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,947.24	4,970	3,858
		○ TOKYU REIT Akasaka Hinokicho Building	6-1401, etc., Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,206.25	3,990	3,471
		○ TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	6,640	4,176
		○ TOKYU REIT Toranomom Building	3-45-6, Toranomom, Minato-ku, Tokyo	Real estate	10,136.72	11,100	9,932
		○ TOKYU REIT Hatchobori Building	2-104-1, etc., Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	5,984.19	5,460	6,948
		○ 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	8,346
		○ Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,710.41	4,630	5,432
		○ Koijimachi Square	2-3-9 and 2-3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.11	8,820	9,010
		○ ORIX Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,130.45	9,780	9,334
		Sub total				92,237.58	96,250
Total				92,237.58	96,250	90,361	
Grand total				231,468.57	¥ 181,440	¥ 178,433	

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. (the company name as of July 31, 2010), 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		14th fiscal period From February 1, 2010 to July 31, 2010				13th fiscal period From August 1, 2009 to January 31, 2010				
		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	3	100.0	¥ 746	11.4	4	100.0	¥ 623	8.8
		R Lexington Aoyama	4	73.1	85	1.3	4	73.1	54	0.8
		R TOKYU REIT Omotesando Square	4	100.0	188	2.9	4	100.0	189	2.7
		R Tokyu Saginuma Building	1	100.0	308	4.7	1	100.0	308	4.3
		R Tokyu Saginuma 2 Building	1	100.0	64	1.0	1	100.0	64	0.9
		R TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	169	2.6	2	100.0	169	2.4
		R cocoti	12	80.6	657	10.0	14	97.5	667	9.4
		R CONZE Ebisu	7	87.6	136	2.1	8	100.0	134	1.9
		R Daikanyama Forum	4	91.5	98	1.5	4	91.5	101	1.4
	Sub total	38	94.0	2,455	37.5	42	97.8	2,315	32.6	
	Other	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	300	4.6	1	100.0	300	4.2
		R Shonan Mall Fill (sokochi)	1	100.0	174	2.7	1	100.0	174	2.5
	Sub total	2	100.0	474	7.2	2	100.0	474	6.7	
	Total	40	98.1	2,929	44.7	44	99.3	2,789	39.3	
	Office	Central Tokyo and Tokyo Areas	O Setagaya Business Square	52	96.1	1,122	17.1	51	89.4	1,201
O Tokyu Nampeidai -cho Building			1	100.0	182	2.8	1	100.0	182	2.6
O Tokyu Sakuragaoka -cho Building			2	100.0	254	3.9	2	100.0	253	3.6
O Tokyo Nissan Taito Building			11	100.0	232	3.6	11	100.0	232	3.3
O TOKYU REIT Akasaka Hinokicho Building			4	100.0	147	2.3	4	100.0	147	2.1
O TOKYU REIT Kamata Building			4	88.4	284	4.3	4	100.0	299	4.2
O Resona Maruha Building (Note 4)			—	—	—	—	—	—	728	10.3
O TOKYU REIT Toranomom Building			5	72.4	342	5.2	5	72.4	411	5.8
O TOKYU REIT Hatchobori Building			10	100.0	218	3.3	10	99.3	214	3.0
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)			1	100.0	203	3.1	1	100.0	203	2.9
O Tokyu Ikejiri-ohashi Building			5	100.0	191	2.9	4	92.8	204	2.9
O Ryoshin Harajuku Building (Note 5)			—	—	—	—	—	—	230	3.2
O Kojimachi Square (Note 6)			5	100.0	225	3.4	—	—	—	—
O ORIX Shinjuku Building (Note 7)			9	100.0	214	3.3	—	—	—	—
Sub total	109	95.0	3,620	55.3	93	92.7	4,310	60.7		
Total	109	95.0	3,620	55.3	93	92.7	4,310	60.7		
Grand total	149	96.8	¥ 6,550	100.0	137	96.9	¥ 7,100	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 thirteenth 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 thirteenth fiscal period show the figures for up to the day prior to the disposition.
- Note 6. Kojimachi Square was acquired on March 19, 2010. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the fourteenth fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.
- Note 7. ORIX Shinjuku Building was acquired on March 26, 2010. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the fourteenth fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.

(4) Other Assets

As of July 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 July 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
○ Tokyo Nissan Taito Building	Taito-ku, Tokyo	Installation of building multi air-conditioning systems for air-conditioning of 4F west compartment	From October 2010 to October 2010	¥ 23	—	—
○ TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Construction for raised flooring on 3F	From January 2011 to January 2011	¥ 10	—	—
○ TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Partitioning of 2F compartment	From January 2011 to January 2011	¥ 11	—	—
○ TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Renewal of air-conditioning equipment on 2F, 3F, 6F, 7F and 8F	From October 2010 to October 2010	¥ 50	—	—
○ Tokyu Ikejiri-ohashi Building	Meguro-ku, Tokyo	Renovation of external walls	From October 2010 to December 2010	¥ 112	—	¥ 2

(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 fourteenth fiscal period amounted to ¥121 million and ¥142 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥263 million spent for such work.

Name of property		Location	Objective	Period	Construction cost
					Millions of yen
R	QFRONT	Shibuya-ku, Tokyo	Renovation of 7F upon tenants moving in/out	From February 2010 to April 2010	¥ 11
R	TOKYU REIT Omotesando Square	Shibuya-ku, Tokyo	Renovation of mechanical parking lot equipment	From July 2010 to July 2010	30
O	Tokyo Nissan Taito Building	Taito-ku, Tokyo	Renewal of central monitoring equipment	From June 2010 to July 2010	10
Other					68
Total					¥ 121

(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:

	14th fiscal period From February 1, 2010 to July 31, 2010	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
	Millions of yen				
Reserve at beginning of period	¥ 245	¥ 364	¥ 458	¥ 453	¥ 224
Amount transferred to reserve during period	346	151	144	357	430
Reversal from reserve during period	222	269	239	352	201
Reserve at end of period	¥ 370	¥ 245	¥ 364	¥ 458	¥ 453

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

	14th fiscal period From February 1, 2010 to July 31, 2010		13th fiscal period From August 1, 2009 to January 31, 2010	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 241		¥ 311	
Cash-based fees	201		226	
Unit price-based fees	-	¥ 442	-	¥ 538
Asset custodian fees		22		21
General administration fees		43		41
Directors' fees		6		6
Other expenses		54		56
Total		¥ 568		¥ 664

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

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

	Category	Draw-down date	Balance as of July 31, 2010	Balance as of January 31, 2010	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	0.53629	June 27, 2010 (repaid on April 7, 2010)	Bullet payment	(Note 2)	Unsecured and Unguaranteed (Note 3)
	Sub total		-	7,000					
Long-term debt	Aioi Insurance Co., Ltd.	June 25, 2004	-	1,000	1.92750	June 25, 2010	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Notes 3 and 4)
	Daido Life Insurance Company		-	1,000					
	Mitsui Sumitomo Insurance Co., Ltd.		-	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			Unsecured and Unguaranteed (Note 3)
	Development Bank of Japan Inc.	January 25, 2006	5,000	5,000	1.95000	January 25, 2018			Unsecured and Unguaranteed (Notes 3 and 5)
	Nippon Life Insurance Company	July 31, 2006	4,000	4,000	1.93000	July 31, 2011			Unsecured and Unguaranteed (Note 3)
	The Dai-ichi Mutual Life Insurance Company		4,000	4,000	2.21125	July 31, 2013			Unsecured and Unguaranteed (Note 3)
	The Dai-ichi Mutual Life Insurance Company	January 25, 2007	1,000	1,000	1.92000	January 25, 2014			Unsecured and Unguaranteed (Notes 3 and 5)
	The National Mutual Insurance Federation of Agricultural Cooperatives		3,000	3,000					Unsecured and Unguaranteed (Notes 3 and 5)
	The Sumitomo Trust and Banking Company, Limited	June 25, 2007	5,000	5,000	1.81062	December 25, 2010			Unsecured and Unguaranteed (Note 3)
	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			Unsecured and Unguaranteed (Notes 3 and 5)
	Development Bank of Japan Inc.	June 25, 2008	5,000	5,000	2.21100	June 25, 2015			Unsecured and Unguaranteed (Notes 3 and 5)
	Mizuho Corporate Bank, Ltd.		2,000	2,000	1.81875	June 25, 2011			Unsecured and Unguaranteed (Note 3)
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000	2.10187	December 25, 2013			Unsecured and Unguaranteed (Note 3)
	The Sumitomo Trust and Banking Company, Limited	July 25, 2008	-	1,000	1.55500	July 25, 2010			Unsecured and Unguaranteed (Note 3)
The Chuo Mitsui Trust and Banking Company, Limited	-		1,000						
Shinkin Central Bank	-		2,000						

Category	Lender	Draw-down date	Balance as of July 31, 2010	Balance as of January 31, 2010	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark				
			Millions of yen	Millions of yen	%								
Long-term debt	The Norinchukin Bank	July 25, 2008	1,000	1,000	1.80375	July 25, 2012	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 3)				
	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				Unsecured and Unguaranteed (Notes 3 and 5)			
	Mitsubishi UFJ Trust and Banking Corporation		2,000	2,000	1.72500	November 18, 2012				Unsecured and Unguaranteed (Note 3)			
	The Sumitomo Trust and Banking Company, Limited	November 25, 2008	2,000	2,000	1.47500	May 25, 2011				Unsecured and Unguaranteed (Notes 3 and 5)			
	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				Unsecured and Unguaranteed (Note 3)			
	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	1.28117	August 29, 2012							
	Mitsubishi UFJ Trust and Banking Corporation		400	400	1.46875	June 29, 2012							
	Daido Life Insurance Company	June 25, 2010	1,000	-	1.17125	December 25, 2012							
	Mitsui Sumitomo Insurance Co., Ltd.		1,000	-	1.31250	June 25, 2014							
	Mizuho Corporate Bank, Ltd.		1,000	-									
	The Sumitomo Trust and Banking Company, Limited	July 26, 2010	1,000	-	1.46250	July 26, 2015							
	The Chuo Mitsui Trust and Banking Company, Limited		1,000	-									
	Shinkin Central Bank		2,000	-									
		Sub total		80,000	80,000								
		Total		¥ 80,000	¥ 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 July 31, 2010 is as follows:

Name	Issue date	Balance as of July 31, 2010	Balance as of January 31, 2010	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 Fourteenth Fiscal Period

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

Asset type	Name of property		Acquisition		Disposition			
			Acquisition date	Acquisition price (Note)	Disposition date	Disposition price	Book value	Gain (Loss) on sale
				Millions of yen				
Trust beneficiary interest in real estate	○	Kojimachi Square	March 19, 2010	¥ 9,030	—	—	—	—
Real estate	○	ORIX Shinjuku Building	March 26, 2010	9,000	—	—	—	—
Total				¥ 18,030		—	—	—

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

(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
Acquisition

Asset type	Name of property		Acquisition date	Acquisition price (Note 2)	Assessed value of specified assets	(Reference) Appraisal value at end of period (Note 3)
Trust beneficiary interest in real estate	O	Kojimachi Square	March 19, 2010	¥ 9,030	¥ 9,100	¥ 8,820
Real estate	O	ORIX Shinjuku Building	March 26, 2010	9,000	9,790	9,780
Total				¥ 18,030	¥ 18,890	¥ 18,600

Note 1. Research on prices of specified assets presented in the table above was conducted by PricewaterhouseCoopers Aarata at the time of acquisition of the stated properties, in accordance with the procedures set forth in the "Research on Prices of Specified Assets Held by Investment Trust Funds and Investment Corporations" (Industry Audit Practice Committee Report No. 23 of The 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. Acquisition prices presented in the table above are exclusive of acquisition expenses (brokerage fees, property-related taxes, etc.) and identical to those stated in relevant transaction agreements.

Note 3. Appraisal value at end of period is not based on research on prices of specified assets, but is presented for reference purposes. The calculation method, etc. for the appraisal value at end of period is as presented in "3. Portfolio Profile; (3) Details of Properties in Portfolio; Note 3." above.

(4) Trading with Related Parties and Major Shareholders

① Status of Trading

The status of transactions, including the trading of specified assets, with related parties and major shareholders is as follows:

Item	Amount of trading	
	Purchase amount	Sale amount
	Millions of yen	
Total trading amount	¥ 18,030	¥ —
	Amount relating to purchases from related parties and major shareholders ¥ 9,030 [50.1%]	Amount relating to sales to related parties and major shareholders ¥ — [—%]
Breakdown of the total amount relating to trading with related parties and major shareholders		
Verde Investment Ltd.	¥ 9,030 [50.1%]	¥ — [—%]
Total	¥ 9,030 [50.1%]	¥ — [—%]

Note. The figures in brackets indicate the ratio of the amount relating to purchases from or sales to related parties and major shareholders to the total trading amount.

② Amounts of Commissions Paid

Item	Total amounts of commissions paid (A)	Paid to related parties and major shareholders		B/A (%)
		Payee	Amount of payment (B)	
	Thousands of yen		Thousands of yen	
Utilities expenses	¥ 480,911	Yoga District Heating and Cooling Co., Ltd.	¥ 109,726	22.8
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Subcontract expenses	¥ 427,059	Tokyu Community Corporation	¥ 262,828	61.5
		Tokyu Facility Service Co., Ltd.	¥ 34,700	8.1
		its communications Inc.	¥ 20,065	4.7
		Kyodo Gijutsu Center Co., Ltd.	¥ 11,097	2.6
		Tokyu Store Corporation	¥ 3,877	0.9
Property management fees	¥ 156,227	Tokyu Corporation	¥ 83,136	53.2
		Tokyu Community Corporation	¥ 73,090	46.8
Insurance premium	¥ 13,468	Tokyu Insurance Consulting Co., Ltd.	¥ 13,159	97.7
Other rental service expenses	¥ 209,832	Tokyu Corporation	¥ 10,030	4.8
		TMD Corporation	¥ 6,038	2.9
		Tokyu Community Corporation	¥ 5,585	2.7
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.4
		Tokyu Facility Service Co., Ltd.	¥ 385	0.2
		Tokyu Hotels Co., Ltd.	¥ 86	0.0
		its communications Inc.	¥ 62	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 ¥55,357 thousand and ¥16,008 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 fourteenth fiscal period are as follows:

Tokyu Construction Co., Ltd.	¥ 51,016 thousand
Tokyu Community Corporation	¥ 3,107 thousand
Tokyu Corporation	¥ 2,698 thousand
Kyodo Gijutsu Center Co., Ltd.	¥ 1,991 thousand
Tokyu Facility Service Co., Ltd.	¥ 1,018 thousand
Ishikatsu Exterior, Inc.	¥ 814 thousand
Tokyu Renewal Co., Ltd.	¥ 178 thousand
Tokyu Green System Co., Ltd.	¥ 165 thousand
Shibuya Underground Shopping Center, Inc.	¥ 45 thousand
Tokyu Bldg Maintenance Co., Ltd.	¥ 13 thousand

(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

There is no item that falls under this category.

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

There is no item that falls under this category.

(3) Other

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

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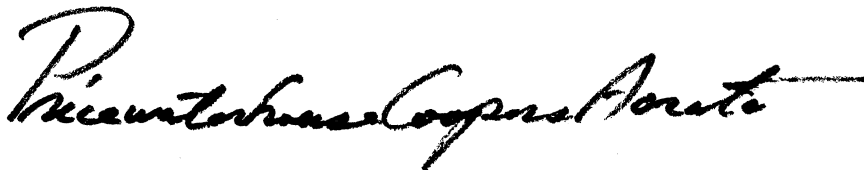
Report of Independent Auditors

To the Board of Directors of
TOKYU REIT, Inc.

We have audited the accompanying balance sheet of TOKYU REIT, Inc. (“the Company”) as of July 31, 2010, and the related statements of income, changes in unitholders’ equity and cash flows for the six months then ended, 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 July 31, 2010, and the results of its operations and its cash flows for the six months then ended in conformity with accounting principles generally accepted in Japan.



October 26, 2010

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

	July 31, 2010	January 31, 2010 (information only)
(Millions of yen)		
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 16,454	¥ 52,685
Cash and deposits with banks held in trust	10,158	10,094
Tenant receivables	142	276
Consumption tax refund receivables	375	-
Lease deposits held in trust due within one year	18	18
Other current assets	48	75
Total current assets	27,198	63,149
 Fixed assets:		
Property and equipment		
Buildings and structures	5,624	3,968
Land	30,144	22,435
Other tangible assets	28	18
Buildings and structures held in trust	44,026	41,908
Land held in trust	108,869	101,981
Other tangible assets held in trust	1,219	1,099
Construction in progress held in trust	3	4
Less accumulated depreciation	(11,498)	(10,530)
Total property and equipment	178,417	160,885
Intangible assets		
Intangible assets	2	2
Intangible assets held in trust	13	14
Total intangible assets	15	16
Investments and other assets		
Lease deposits	125	125
Lease deposits held in trust	855	855
Other assets	243	235
Total investments and other assets	1,224	1,215
Total fixed assets	179,657	162,117
 Deferred assets:		
Investment corporation bond issuance expenses	28	32
Total deferred assets	28	32
Total assets	¥ 206,884	¥ 225,299

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

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

	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Short-term debt	¥ -	¥ 7,000
Long-term debt due within one year	15,000	12,000
Accounts payable	782	768
Consumption tax payable	-	403
Rent received in advance	1,002	923
Tenant leasehold and security deposits held in trust due within one year	624	756
Accrued expenses and other current liabilities	267	219
Total current liabilities	17,677	22,072
Long-term liabilities:		
Long-term debt	65,000	68,000
Investment corporation bonds	10,000	10,000
Tenant leasehold and security deposits	1,882	1,408
Tenant leasehold and security deposits held in trust	12,165	12,337
Other long-term liabilities	4	5
Total long-term liabilities	89,053	91,750
Total liabilities	¥ 106,730	¥ 113,823
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized - 2,000,000 units		
Units issued and outstanding - 169,380 units		
as of July 31, 2010 and January 31, 2010	¥ 98,019	¥ 98,019
Retained earnings	2,133	13,456
Total net assets	100,153	111,476
Total liabilities and net assets	¥ 206,884	¥ 225,299

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

TOKYU REIT, Inc.
Statements of Income

For the six months ended July 31, 2010 and January 31, 2010

	For the six months ended	
	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 5,850	¥ 6,601
Gain on sales of real estate properties	-	18,258
Other	700	498
Operating expenses:		
Rental service expenses	(2,980)	(3,140)
Loss on sales of real estate properties	-	(7,179)
Asset management fees	(442)	(538)
Other	(126)	(126)
Operating income	3,001	14,374
Non-operating income:		
Interest income	9	2
Other	1	4
Non-operating expenses:		
Interest expense	(719)	(751)
Interest expense on investment corporation bonds	(87)	(89)
Amortization of investment corporation bond issuance expenses	(4)	(4)
Other	(66)	(78)
Income before income taxes	2,134	13,457
Income taxes:		
Current	(0)	(0)
Deferred	0	(0)
Net income	2,133	13,456
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 2,133	¥ 13,456

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 July 31, 2010 and January 31, 2010

For the six months ended July 31, 2010

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at January 31, 2010	¥ 98,019	¥ 13,456	¥ 111,476
Changes during the period			
Cash distributions declared	-	(13,456)	(13,456)
Net income	-	2,133	2,133
Total changes during the period	-	(11,322)	(11,322)
Balance at July 31, 2010	¥ 98,019	¥ 2,133	¥ 100,153

For the six months ended January 31, 2010 (information only)

	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	-	13,456	13,456
Total changes during the period	-	10,830	10,830
Balance at January 31, 2010	¥ 98,019	¥ 13,456	¥ 111,476

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

TOKYU REIT, Inc.
Statements of Cash Flows

For the six months ended July 31, 2010 and January 31, 2010

	For the six months ended	
	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 2,134	¥ 13,457
Depreciation and amortization	983	1,019
Amortization of investment corporation bond issuance expenses	4	4
Loss on disposal of property and equipment	33	0
Decrease in property and equipment held in trust due to sale	-	39,274
Interest income	(9)	(2)
Interest expense	842	878
(Increase) Decrease in tenant receivables	134	(139)
(Increase) Decrease in consumption tax refund receivables	(375)	-
Increase (Decrease) in consumption tax payable	(403)	322
Increase (Decrease) in accounts payable	(26)	(65)
Increase (Decrease) in rent received in advance	78	(237)
Other, net	67	(122)
Total	3,463	54,389
Interest received	9	2
Interest paid	(854)	(873)
Income taxes paid	(2)	0
Net cash provided by operating activities	2,616	53,519
Cash flows from investing activities:		
Payments for purchases of property and equipment	(9,369)	(17)
Payments for purchases of intangible assets	-	(1)
Payments for purchases of property and equipment held in trust	(9,142)	(179)
Proceeds from tenant leasehold and security deposits	503	0
Payments for tenant leasehold and security deposits	(28)	(205)
Proceeds from tenant leasehold and security deposits held in trust	598	131
Payments for tenant leasehold and security deposits held in trust	(901)	(2,597)
Payments for restricted deposits with banks held in trust	(598)	(131)
Proceeds from restricted deposits with banks held in trust	684	2,380
Net cash used in investing activities	(18,254)	(620)
Cash flows from financing activities:		
Repayment of short-term debt	(7,000)	-
Proceeds from long-term debt	7,000	-
Repayment of long-term debt	(7,000)	-
Payment of dividends	(13,440)	(2,624)
Net cash used in financing activities	(20,440)	(2,624)
Net change in cash and cash equivalents	(36,079)	50,274
Cash and cash equivalents at beginning of period	54,656	4,381
Cash and cash equivalents at end of period	¥ 18,576	¥ 54,656

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

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

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 ¥49,917 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 ¥27,742 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 ¥20,159 million, TOKYU REIT had repaid short-term debt and acquired 40% of trust beneficiary interest of cocoti.

As at July 31, 2010, TOKYU REIT's total capital is ¥98,019 million with 169,380 units issued and outstanding. TOKYU REIT has been operating 23 properties at an occupancy rate of approximately 96.8%. Total acquisition cost of the 23 properties is ¥186,062 million and total rentable area is 231,468.57m².

(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 have been reclassified and translated into English from 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.

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

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

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):

	July 31, 2010	January 31, 2010 (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) **Accounting treatment of beneficiary interest in trust accounts, including real estate** - For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan and through which TOKYU REIT holds most of its property, all accounts of assets and liabilities within the trust, as well as all income generated and expenses incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.
- (e) **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.
- (f) **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.
- (g) **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.

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

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

- (h) **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 allocating 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 ¥52 million for the six months ended July 31, 2010, and nil for the six months ended January 31, 2010.
- (i) **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. Deferred tax assets of ¥18 thousand and ¥17 thousand are included in other current assets as of July 31, 2010 and January 31, 2010, respectively.
- (j) **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.

3. Cash and cash equivalents

Cash and cash equivalents at July 31, 2010 and January 31, 2010 consisted of the following:

	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Cash and deposits with banks	¥ 16,454	¥ 52,685
Cash and deposits with banks held in trust	10,158	10,094
Restricted deposits with banks held in trust	(8,036)	(8,123)
Cash and cash equivalents	¥ 18,576	¥ 54,656

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

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

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

4. Schedule of property and equipment and intangible assets

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

	July 31, 2010			January 31, 2010 (information only)		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 5,579	¥ (707)	¥ 4,871	¥ 3,932	¥ (605)	¥ 3,326
Structures	45	(6)	38	35	(5)	29
Land	30,144	-	30,144	22,435	-	22,435
Other tangible assets						
Machinery and equipment	10	(3)	6	3	(3)	0
Tools, furniture and fixtures	18	(7)	10	14	(6)	8
Property and equipment held in trust						
Buildings and structures						
Buildings	43,245	(9,906)	33,339	41,148	(9,123)	32,025
Structures	781	(275)	505	759	(253)	505
Land	108,869	-	108,869	101,981	-	101,981
Other tangible assets						
Machinery and equipment	933	(411)	521	822	(366)	456
Tools, furniture and fixtures	286	(178)	107	276	(165)	110
Construction in progress	3	-	3	4	-	4
Sub total	<u>189,916</u>	<u>(11,498)</u>	<u>178,417</u>	<u>171,415</u>	<u>(10,530)</u>	<u>160,885</u>
Intangible assets						
Intangible assets	2	(0)	2	2	(0)	2
Intangible assets held in trust	23	(10)	13	23	(9)	14
Sub total	<u>25</u>	<u>(10)</u>	<u>15</u>	<u>25</u>	<u>(9)</u>	<u>16</u>
Total	<u>¥ 189,942</u>	<u>¥ (11,509)</u>	<u>¥ 178,433</u>	<u>¥ 171,441</u>	<u>¥ (10,539)</u>	<u>¥ 160,901</u>

5. Collateral pledged and secured liabilities

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

Assets pledged as collateral	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 3,072	¥ 3,150
Structures	139	137
Land	5,585	5,585
Other tangible assets		
Machinery and equipment	8	9
Tools, furniture and fixtures	0	0
Total	<u>¥ 8,806</u>	<u>¥ 8,882</u>
Secured liabilities		
Tenant leasehold and security deposits held in trust due within one year	¥ 433	¥ 433
Tenant leasehold and security deposits held in trust	3,446	3,663
Total	<u>¥ 3,880</u>	<u>¥ 4,097</u>

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

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

6. Short-term debt and long-term debt

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

	Balance as of July 31, 2010	Balance as of January 31, 2010 (information only)	Average interest rate (Note 1)
	(Millions of yen)		(%)
Short-term debt			
Unsecured loans due on June 27, 2010 with floating rate	¥ -	¥ 7,000	0.53629
Sub total	-	7,000	
Long-term debt			
Unsecured loans due on June 25, 2010 with fixed rate	-	3,000	1.92750
Unsecured loans due on July 25, 2010 with fixed rate	-	4,000	1.55500
Unsecured loans due on December 25, 2010 with fixed rate (Note 2)	5,000	5,000	1.81062
Unsecured loans due on May 18, 2011 with fixed rate (Note 2)	2,000	2,000	1.48125
Unsecured loans due on May 25, 2011 with fixed rate (Note 2)	2,000	2,000	1.47500
Unsecured loans due on June 25, 2011 with fixed rate (Note 2)	2,000	2,000	1.81875
Unsecured loans due on July 31, 2011 with fixed rate (Note 2)	4,000	4,000	1.93000
Unsecured loans due on September 25, 2011 with fixed rate	5,000	5,000	1.62625
Unsecured loans due on October 25, 2011 with fixed rate	1,000	1,000	1.26250
Unsecured loans due on October 27, 2011 with fixed rate	400	400	1.32750
Unsecured loans due on November 11, 2011 with fixed rate	2,000	2,000	1.54250
Unsecured loans due on November 11, 2011 with fixed rate	1,000	1,000	1.52875
Unsecured loans due on May 25, 2012 with fixed rate	2,000	2,000	1.63062
Unsecured loans due on June 25, 2012 with fixed rate	4,000	4,000	2.03000
Unsecured loans due on June 29, 2012 with fixed rate	800	800	1.46875
Unsecured loans due on July 25, 2012 with fixed rate	1,000	1,000	1.80375
Unsecured loans due on August 29, 2012 with floating rate	1,400	1,400	1.28117
Unsecured loans due on November 18, 2012 with fixed rate	2,000	2,000	1.72500
Unsecured loans due on December 25, 2012 with fixed rate	1,000	-	1.17125
Unsecured loans due on June 25, 2013 with fixed rate	5,000	5,000	1.67500
Unsecured loans due on June 29, 2013 with fixed rate	400	400	1.66375
Unsecured loans due on July 31, 2013 with fixed rate	4,000	4,000	2.21125
Unsecured loans due on December 25, 2013 with fixed rate	1,000	1,000	2.10187
Unsecured loans due on December 25, 2013 with fixed rate	5,000	5,000	1.78812
Unsecured loans due on January 25, 2014 with fixed rate	4,000	4,000	1.92000
Unsecured loans due on February 25, 2014 with fixed rate	5,000	5,000	1.79000
Unsecured loans due on June 25, 2014 with fixed rate	2,000	-	1.31250
Unsecured loans due on June 25, 2015 with fixed rate	5,000	5,000	2.21100
Unsecured loans due on July 26, 2015 with fixed rate	4,000	-	1.46250
Unsecured loans due on March 10, 2016 with fixed rate	3,000	3,000	1.76625
Unsecured loans due on January 25, 2018 with fixed rate	5,000	5,000	1.95000
Sub total	80,000	80,000	
Total	¥ 80,000	¥ 87,000	

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

Note 2. 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.'

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 July 31, 2010 and January 31, 2010.

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

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

7. Investment corporation bonds

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

Name	Issue date	Balance as of	Balance as of	Annual	Maturity date
		July 31, 2010	January 31, 2010 (information only)	interest rate	
		(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		¥ 10,000	¥ 10,000		

8. 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 share capital. TOKYU REIT maintains minimum net assets of at least ¥50 million as required by the Investment Trust Law.

9. Rental revenue and expense

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

	For the six months ended	
	July 31, 2010	January 31, 2010 (information only)
(Millions of yen)		
Revenue from property leasing:		
Rental revenue:		
Rental revenue	¥ 4,736	¥ 5,466
Common area charges	629	648
Parking lot revenue under monthly contract	130	128
Other	353	358
Sub total	5,850	6,601
Other:		
Incidental income	390	428
Other	310	69
Sub total	700	498
Total revenue from property leasing	(a) 6,550	7,100
Rental service expenses:		
Utilities expenses	480	519
Subcontract expenses	427	454
Property management fees	156	155
Repairs and maintenance expenses	142	129
Property-related taxes	533	619
Insurance premium	13	17
Depreciation and amortization	983	1,019
Loss on disposal of property and equipment	33	0
Other	209	225
Total rental service expenses	(b) 2,980	3,140
Operating income from property leasing activities	(a)-(b) ¥ 3,570	¥ 3,959

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

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

10. The financial results of each property (Unaudited)

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

For the six months ended July 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	¥ 746	¥ 292	¥ 453	¥ 86	¥ 367
R Lexington Aoyama	85	28	56	8	48
R TOKYU REIT Omotesando Square	188	32	156	8	147
R Tokyu Saginuma Building	308	51	257	26	230
R Tokyu Saginuma 2 Building	64	12	52	8	43
R TOKYU REIT Shibuya Udagawa-cho Square	169	21	148	4	143
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	55	245	82	162
R cocoti	657	186	470	175	295
R Shonan Mall Fill (<i>sokochi</i>)	174	26	147	-	147
R CONZE Ebisu	136	33	102	18	83
R Daikanyama Forum	98	35	63	12	51
O Setagaya Business Square	1,122	519	602	254	348
O Tokyu Nampeidai-cho Building	182	32	150	20	129
O Tokyu Sakuragaoka-cho Building	254	53	200	20	180
O Tokyo Nissan Taito Building	232	75	157	30	126
O TOKYU REIT Akasaka Hinokicho Building	147	37	110	9	100
O TOKYU REIT Kamata Building	284	115	168	33	134
O TOKYU REIT Toranomom Building	342	154	188	35	152
O TOKYU REIT Hatchobori Building	218	52	166	32	133
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	203	41	162	37	124
O Tokyu Ikejiri-ohashi Building	191	50	141	24	116
O Kojimachi Square	225	28	196	49	147
O ORIX Shinjuku Building	214	26	188	33	154
Total	<u>¥ 6,550</u>	<u>¥ 1,963</u>	<u>¥ 4,587</u>	<u>¥ 1,016</u>	<u>¥ 3,570</u>

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

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

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	¥ 623	¥ 239	¥ 384	¥ 54	¥ 329
R Lexington Aoyama	54	45	9	7	1
R TOKYU REIT Omotesando Square	189	30	159	8	150
R Tokyu Saginuma Building	308	58	250	26	223
R Tokyu Saginuma 2 Building	64	23	41	8	32
R TOKYU REIT Shibuya Udagawa-cho Square	169	18	151	4	146
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	53	246	82	164
R cocoti	667	181	486	175	311
R Shonan Mall Fill (<i>sokochi</i>)	174	26	147	-	147
R CONZE Ebisu	134	35	99	18	81
R Daikanyama Forum	101	37	64	12	51
O Setagaya Business Square	1,201	506	694	254	440
O Tokyu Nampeidai-cho Building	182	31	151	28	122
O Tokyu Sakuragaoka-cho Building	253	49	204	19	185
O Tokyo Nissan Taito Building	232	72	159	44	115
O TOKYU REIT Akasaka Hinokicho Building	147	35	111	9	102
O TOKYU REIT Kamata Building	299	94	205	32	172
O Resona Maruha Building	728	215	513	67	445
O TOKYU REIT Toranomom Building	411	167	244	35	208
O TOKYU REIT Hatchobori Building	214	51	163	39	123
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	203	38	164	37	126
O Tokyu Ikejiri-ohashi Building	204	54	149	24	125
O Ryoshin Harajuku Building	230	54	176	24	151
Total	¥ 7,100	¥ 2,121	¥ 4,978	¥ 1,019	¥ 3,959

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.

11. Breakdown of gain and loss on sales of real estate properties (information only)

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	29
Gain on sales of real estate properties	¥ 18,258

Ryoshin Harajuku Building was sold on December 25, 2009.

(Millions of yen)	
Revenue from sale of property	¥ 8,400
Cost of property	15,563
Other sales expenses	16
Loss on sales of real estate properties	¥ 7,179

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

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

12. 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 July 31, 2010 and January 31, 2010.

	July 31, 2010	January 31, 2010 (information only)
Statutory income tax rate	39.33%	39.33%
Deductible cash distributions	(39.31)	(39.33)
Other	0.03	0.01
Effective tax rate	0.05%	0.01%

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.

13. Per unit information

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

	For the six months ended	
	July 31, 2010	January 31, 2010 (information only)
Net income per unit	¥ 12,597	¥ 79,445
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 July 31, 2010	As of January 31, 2010 (information only)
Unitholders’ equity per unit	¥ 591,295	¥ 658,143

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

14. Distribution information

The Board of Directors of TOKYU REIT resolved on September 13, 2010 and March 15, 2010 to effect payment of cash distributions of ¥12,598 and ¥79,446 per unit to unitholders of record on July 31, 2010 and January 31, 2010, respectively. Retained earnings carried forward after the distributions are as follows:

	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Retained earnings at end of period	¥ 2,133	¥ 13,456
Cash distributions declared	2,133	13,456
Retained earnings carried forward	¥ 0	¥ 0

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

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

15. Leases

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

	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Due within one year	¥ 5,407	¥ 5,397
Due after one year	20,821	23,082
Total	¥ 26,228	¥ 28,479

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

	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Due within one year	¥ 235	¥ 235
Due after one year	3,758	3,876
Total	¥ 3,993	¥ 4,111

16. Fair value of financial instruments

The “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan Statement No. 10 issued on March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (Accounting Standards Board of Japan Guidance No. 19 issued on March 10, 2008) are applied as of the six months ended July 31, 2010.

(a) Matters concerning status of financial instruments

(1) Policy for handling financial instruments

TOKYU REIT procures funds for asset acquisition or debt repayment, etc. through additional issuance of investment units, debt financing or issuance of investment corporation bonds. In the procurement of funds, TOKYU REIT adopts the financial policy of seeking maximization of unitholder value based on ensuring stability, flexibility and efficiency and also through reduction of funding costs, external growth and keeping expenditures at a minimum.

Concerning the investment management of surplus funds, while the scope of investment includes securities and monetary claims, TOKYU REIT manages surplus funds in the form of deposits in principle in view of security.

While derivative transactions may possibly be utilized for the purpose of hedging interest rate fluctuation risks, etc., TOKYU REIT adopts the policy of not engaging in speculative transactions. At present, TOKYU REIT does not engage in any derivative transactions.

(2) Description of financial instruments and associated risks, and risk management structure

At TOKYU REIT, the appropriateness and effectiveness of the risk management structure are regularly evaluated and enhanced by the asset manager. The following outlines the description of individual financial instruments and the associated risks, and the risk management structure.

Deposits are exposed to risks of failure of the financial institution holding the deposit and other credit risks, but the concerned risks are controlled by striving to diversify the financial institutions holding the deposit.

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

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

Funds from loans and investment corporation bonds are mainly used as funds for asset acquisition or debt repayment, etc. These are exposed to liquidity risks at the time of repayment, etc., but the liquidity risks are controlled at TOKYU REIT through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital increases, along with securing several fund procurement sources and diversifying repayment deadlines, executing commitment line agreements which provide credit facilities totaling ¥12 billion with our main banks (no amount has been drawn down as of July 31, 2010), and also preparing monthly fund management plans.

Loans with floating interest rates are exposed to interest rate fluctuation risks, but the impact that interest rate rises has on TOKYU REIT operations is limited by keeping the appraisal LTV (Note) at low levels, maintaining the ratio of debt that are long-term fixed-rate debt at high levels, and setting a procurement limit depending on the economic environment and financial environment, terms of lease agreements with tenants, asset holding period and other factors. Furthermore, derivative transactions (interest rate swap transactions) are available as a hedging instrument to avoid risks of rises in floating interest rates and promote fixed interest payable.

Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risks arising from tenants moving out of properties, but the liquidity risks are controlled through such measures as preparing monthly fund management plans.

Note. [Interest-bearing liabilities + Security and guarantee deposits without reserved cash] ÷

[Total appraisal value at the end of the fiscal period or at the time of acquisition of specified assets] × 100

(3) Supplementary explanation on matters concerning fair value, etc. of financial instruments

The fair value of financial instruments, aside from values based on market price, include values based on reasonable calculations when there is no market price. Certain assumptions, etc. are adopted in the calculations of said values and there may be cases where said values will vary when different assumptions, etc. are adopted.

(b) Matters concerning fair value, etc. of financial instruments

The following are the carrying amount and fair value as of July 31, 2010, and the difference between these amounts. Please note that the table below does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to Note 2).

	<u>Carrying amount</u>	<u>Fair value</u>	<u>Difference</u>
	(Millions of yen)		
(1) Cash and deposits with banks	¥ 16,454	¥ 16,454	¥ -
(2) Cash and deposits with banks held in trust	10,158	10,158	-
Assets total	<u>26,613</u>	<u>26,613</u>	<u>-</u>
(1) Short-term debt	-	-	-
(2) Long-term debt due within one year	15,000	15,086	86
(3) Tenant leasehold and security deposits held in trust due within one year	624	683	59
(4) Investment corporation bonds	10,000	10,276	276
(5) Long-term debt	65,000	65,934	934
(6) Tenant leasehold and security deposits held in trust	4,492	4,343	(149)
Liabilities total	<u>¥ 95,117</u>	<u>¥ 96,324</u>	<u>¥ 1,207</u>

Note 1. Method of calculation of fair value of financial instruments

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

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

Assets

(1) Cash and deposits with banks; (2) Cash and deposits with banks held in trust

As all of these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

Liabilities

(1) Short-term debt

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(2) Long-term debt due within one year; (5) Long-term debt

The fair value of long-term debt is calculated based on the method of calculating by discounting the sum total amount of principal and interest discounted by the rate assumed as being applicable in the event of a new drawdown of a similar debt.

(3) Tenant leasehold and security deposits held in trust due within one year;

(6) Tenant leasehold and security deposits held in trust

The fair value of tenant leasehold and security deposits held in trust is calculated based on the present value found by discounting the future cash flows of such discounted by the rate that takes into account the term remaining until the repayment deadline and credit risks.

(4) Investment corporation bonds

The fair value of investment corporation bonds is calculated based on the present value found by discounting the sum total amount of principal and interest discounted by the rate that takes into account the investment corporation bonds' remaining term and credit risks.

Note 2. Financial instruments for which measurement of fair value is recognized to be extremely difficult

	Carrying amount (Millions of yen)
(i) Tenant leasehold and security deposits	¥ 1,882
(ii) Tenant leasehold and security deposits held in trust	7,673

These are not subject to calculation of fair value because measurement of the fair value is recognized to be extremely difficult since future cash flows cannot be reasonably estimated due to the lack of market price measurement and difficulty of calculation of the actual deposit period from when lessees move in to when they move out.

Note 3. Amount of redemption of monetary claims scheduled to be due after balance sheet date

	Within one year	Within two years, but over one year	Within three years, but over two years
	(Millions of yen)		
Cash and deposits with banks	¥ 16,454	¥ -	¥ -
Cash and deposits with banks held in trust	10,158	-	-
Total	¥ 26,613	¥ -	¥ -
	Within four years, but over three years	Within five years, but over four years	Over five years
	(Millions of yen)		
Cash and deposits with banks	¥ -	¥ -	¥ -
Cash and deposits with banks held in trust	-	-	-
Total	¥ -	¥ -	¥ -

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

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

Note 4. Amount of repayment of short-term debt, investment corporation bonds and long-term debt scheduled to be due after balance sheet date

	Within one year	Within two years, but over one year	Within three years, but over two years
	(Millions of yen)		
Short-term debt	¥ -	¥ -	¥ -
Investment corporation bonds	-	-	5,000
Long-term debt	15,000	17,200	13,800
Total	<u>¥ 15,000</u>	<u>¥ 17,200</u>	<u>¥ 18,800</u>

	Within four years, but over three years	Within five years, but over four years	Over five years
	(Millions of yen)		
Short-term debt	¥ -	¥ -	¥ -
Investment corporation bonds	-	5,000	-
Long-term debt	17,000	9,000	8,000
Total	<u>¥ 17,000</u>	<u>¥ 14,000</u>	<u>¥ 8,000</u>

17. 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 July 31, 2010 and January 31, 2010 and payable due to asset manager as of then were as follows:

	July 31, 2010	January 31, 2010 (information only)
	(Millions of yen)	
Asset management fees for the period	¥ 442	¥ 538
Management fees payable due to asset manager	211	238

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

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

18. Fair value of investment and rental properties

The “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (Accounting Standards Board of Japan Statement No. 20 issued on November 28, 2008) and “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (Accounting Standards Board of Japan Guidance No. 23 issued on November 28, 2008) are applied as of the six months ended July 31, 2010.

TOKYU REIT owns rental office properties and rental retail properties (including land) primarily in Central Tokyo and Tokyu Areas (Note 1). The following is the carrying amount as of July 31, 2010, the variation during the six months ended July 31, 2010 and fair value as of July 31, 2010 for these investment and rental properties.

Balance as of January 31, 2010	Carrying amount (Note 2) The variation during the six months ended July 31, 2010 (Note 3)	Balance as of July 31, 2010	Fair value as of July 31, 2010 (Note 4)
(Millions of yen)			
¥ 160,901	¥ 17,531	¥ 178,433	¥ 181,440

Note 1. Area classification:

“Central Tokyo” is the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) and other major commercial and retail districts of Tokyo (the areas surrounding Ikebukuro, Koraku, Ueno and other areas).

“Tokyu Areas” is the Tokyu rail network hub (Shibuya ward) and other Tokyu rail network areas (Tokyo (Shinagawa, Meguro, Setagaya and Ota wards, and Machida city); Yokohama city, Kanagawa prefecture (Kohoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards); Kawasaki city, Kanagawa prefecture (Nakahara, Takatsu and Miyamae wards); and Yamato city, Kanagawa prefecture). Shibuya ward is included in both Central Tokyo and Tokyu Areas. “Other” is other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above).

Note 2. The carrying amount is the acquisition price (including expenditures pertaining to the purchase) less accumulated depreciation.

Note 3. Of the variation during the six months ended July 31, 2010, the amount of increase is mainly attributable to acquisition of Kojimachi Square (¥9,059 million) and ORIX Shinjuku Building (¥9,368 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥983 million).

Note 4. The fair value as of July 31, 2010 shows the appraisal value as appraised by an independent estate appraiser.

The income (loss) in the six months ended July 31, 2010 for investment and rental properties are as presented in “Rental revenue and expense” of the “Notes to Financial Statements.”

19. Subsequent events

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

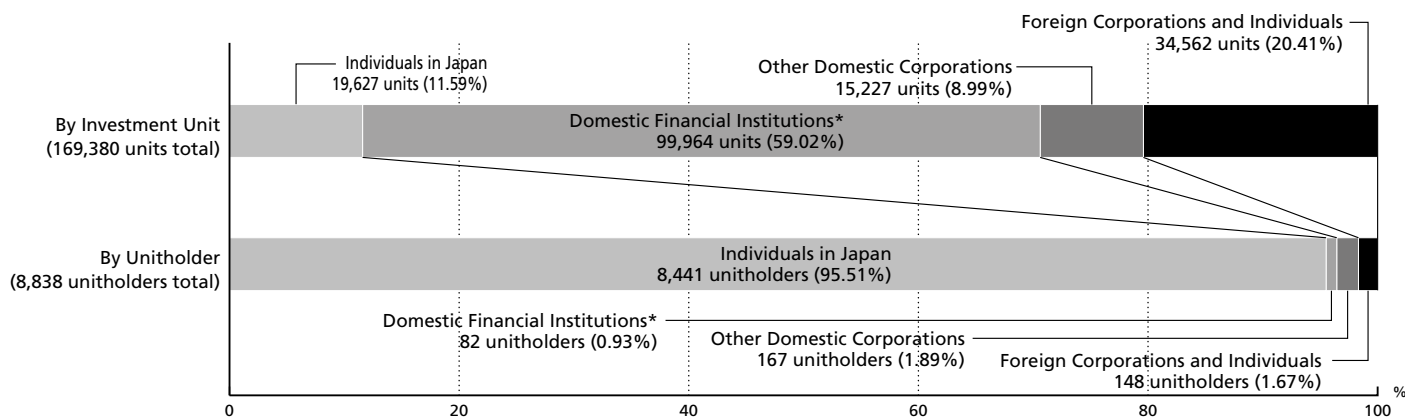
The accompanying notes are an integral part of these financial statements.

Unitholder Information

Unit Price Chart



Unitholder Composition



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

Results Reporting Schedule

	14th Period	15th Period
Date of settlement	Jul. 31, 2010	Jan. 31, 2011
Announcement of financial results	Sep. 13, 2010	Mid Mar. 2011
Delivery of investment management report (Japanese only)	Oct. 8, 2010	Mid Apr. 2011
Payment of cash distributions	Oct. 12, 2010	Mid Apr. 2011

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 Cash Distribution Payments

Annually on January 31 and July 31

(Cash distributions 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: 0120-232-711 (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 eighth fiscal period (ended July 31, 2007) is on October 10, 2007 and for the ninth fiscal period (ended January 31, 2008) is on April 11, 2008.

■ 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 July 31, 2010.

TOKYU REIT

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