

15th Fiscal Period
August 1, 2010 to January 31, 2011

FINANCIAL RESULTS PRESENTATION

TOKYU REIT

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

TSE 8957

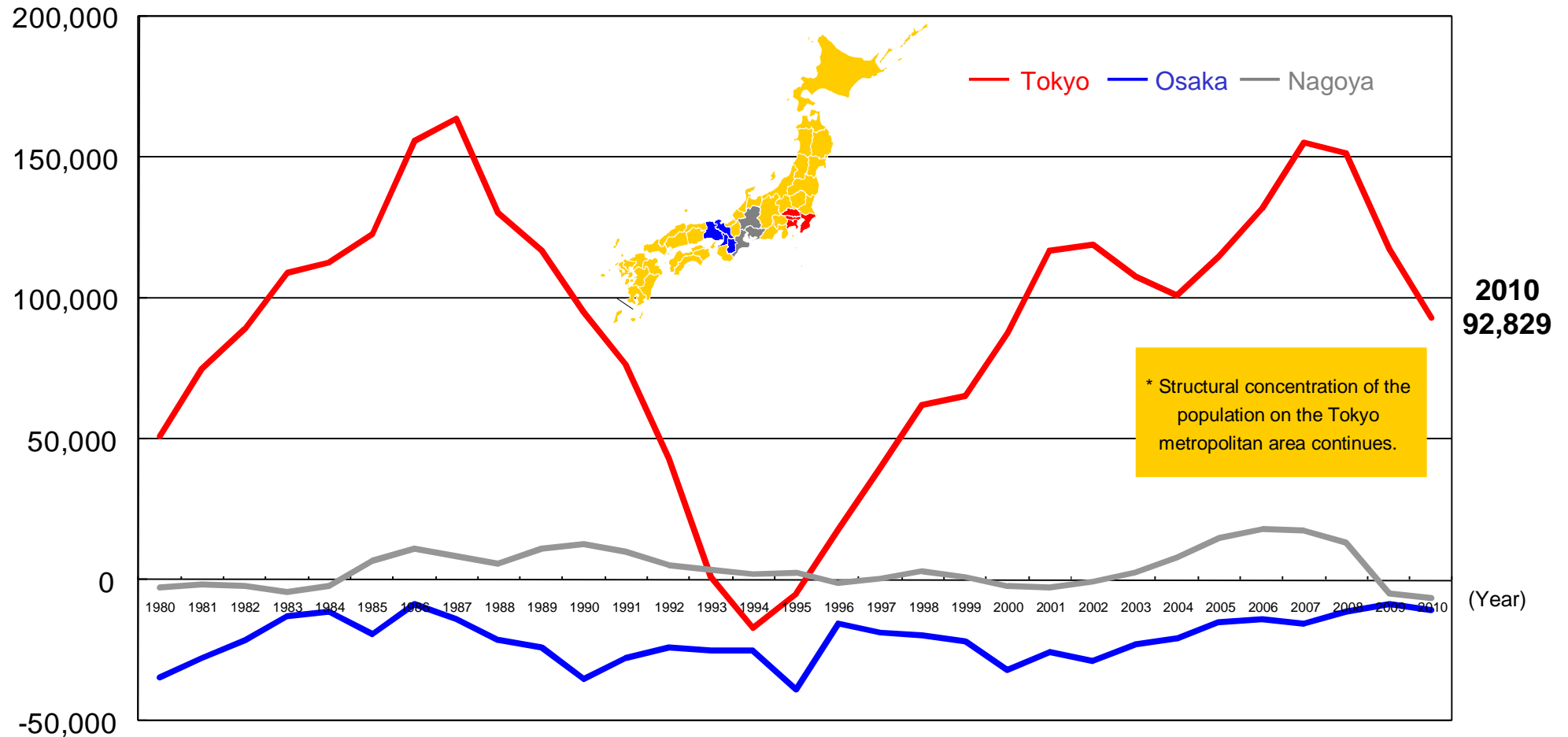
| | |
|---|----|
| 1. Investment Policy and Strategy | 2 |
| 2. Topics | |
| (1) Restructuring of the Sponsorship | 11 |
| (2) Financial Results and Forecast | 21 |
| (3) Investment Management Overview | 24 |
| (4) Continuation of Time-Limited Reduction of Investment Management Fees and Partial Amendments of Systems | 45 |
| 3. Fund Management | |
| (1) Performance | 48 |
| (2) Debt Management and Composition of Unitholders | 55 |
| (3) Portfolio Management and Risk Management | 60 |
| 4. Market Review | 70 |
| 5. Appendix | 90 |

TOKYU REIT

1. Investment Policy and Strategy

Excess Population Inflow into Three Major Metropolitan Areas (1980-2010)

(Number of people)



* Excess inflow continues to occur in the Tokyo Metropolitan Area, while there is excess outflow occurring in the Osaka Metropolitan Area and Nagoya Metropolitan Area.

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

*Comments by Tokyu REIM

Investment in Highly Competitive Properties in Areas with Strong Growth Potential

1. Targeted Product Characteristics

(1) Yield product with the attractiveness of equity

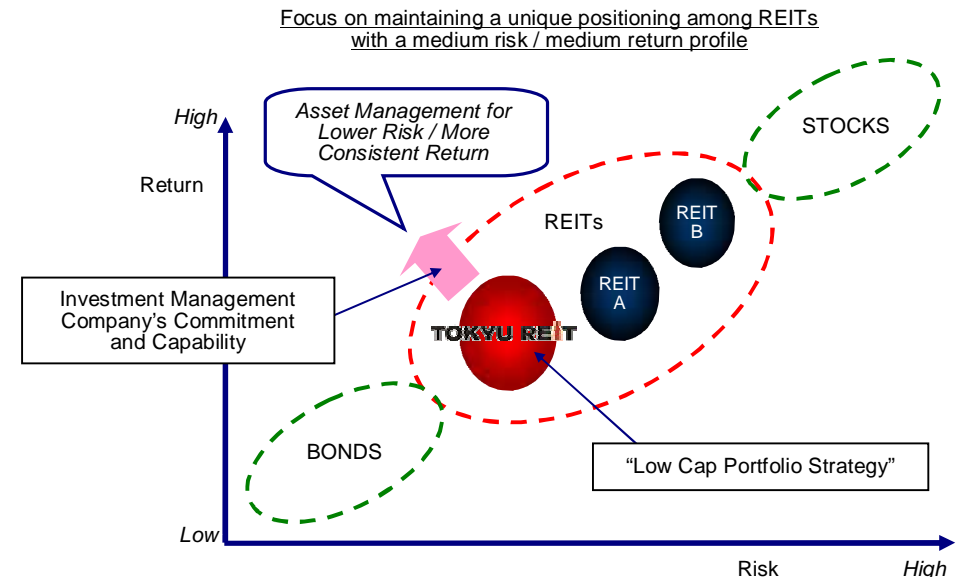
- Aim for EPS growth (higher quality of earnings) and enhancement of asset value

(2) Risk-Return Profile

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

(3) Global Product

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



2. Investment Policy

- | | |
|------------------------|---|
| (1) Target Areas | Limited to Tokyo Metropolitan Area (over 85% in Tokyo’s central 5 wards and in areas along Tokyo rail lines (“Tokyu Areas”)) |
| (2) Sector Allocation | Office : Retail = 60 : 40 (± 10 points) |
| (3) Size of Properties | In principle, invest in properties over 4 billion yen (for all properties), and with over 5,000 m ² of floor space (for office properties) |

*** Strive to further improve portfolio quality**

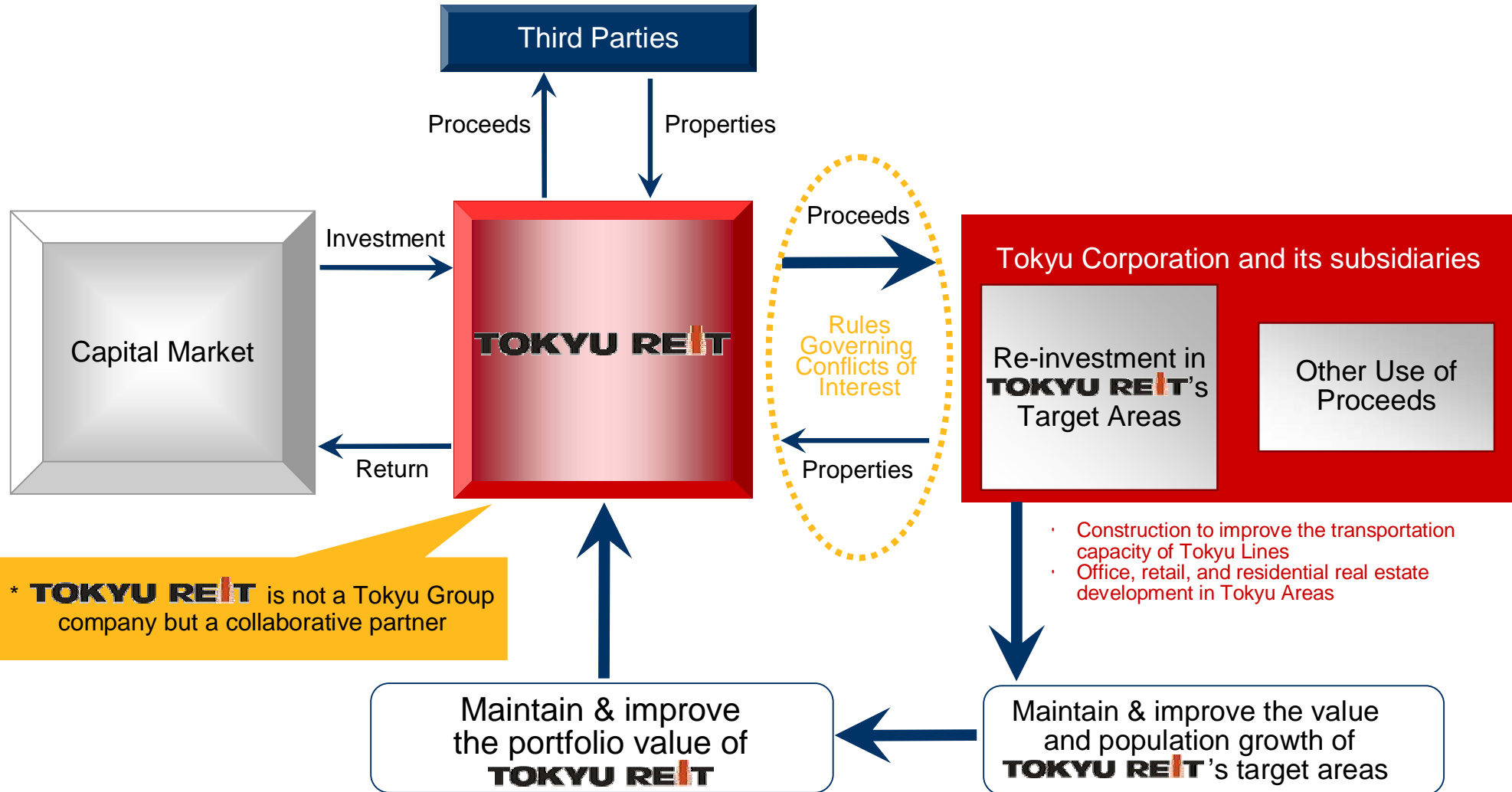
*Comments by Tokyu REIM

Investment Stance of Tokyu REIM

| | |
|---|--|
| Fiduciary Duties of Tokyu REIM as REIT Management Company | Employ an investment stance that enables the fulfillment of the “Fiduciary Duties” that are fundamental to the fiduciary Investment Manager and to provide significant added value |
| Fund Structure with High Transparency and Accountability | Improvement of disclosure, including IR activities, and the achievement of accountable management through the involvement of an independent third-party in the decision-making process |
| Collaboration | Growth and value enhancement of the Tokyu Areas through synergies from collaboration with Tokyu Corporation (Capital Reinvestment Model) |
| Brand Strategy | Leverage the “Tokyu Brand” name in leasing operations based on brand license agreement |
| Enhanced Measures Against Conflicts of Interest | Development of self-imposed rules to secure collaboration and governance to maximize the advantages of such cooperation |
| Diversified Portfolio | Diversification strategy employed to control downside risk associated with major properties and tenants |
| Strategic Financial Principle | Strategy focused on managing the required debt and equity risk premium while also securing additional funding availability |
| Investment Management Fee | Management fee structure linked to three performance indices to balance conflict by “being in the same boat as unitholders” Adoption of a structure to expense rather than capitalize the management fee |
| Resource Allocation Seeking Stability and Growth | Restrain the number of properties covered by one asset manager; Have the Investment Management Company bear some of the IR costs; Utilize experience and expertise of employees assigned from Tokyu Corporation and its subsidiaries |
| Long-Term Investment Management Strategy | Value & Contrary (Surf Plan) presented separately |

Capital Re-investment Model

Growth and value enhancement of the Tokyu areas (areas along Tokyu rail lines) through synergies from collaboration with Tokyu Corporation and its subsidiaries



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

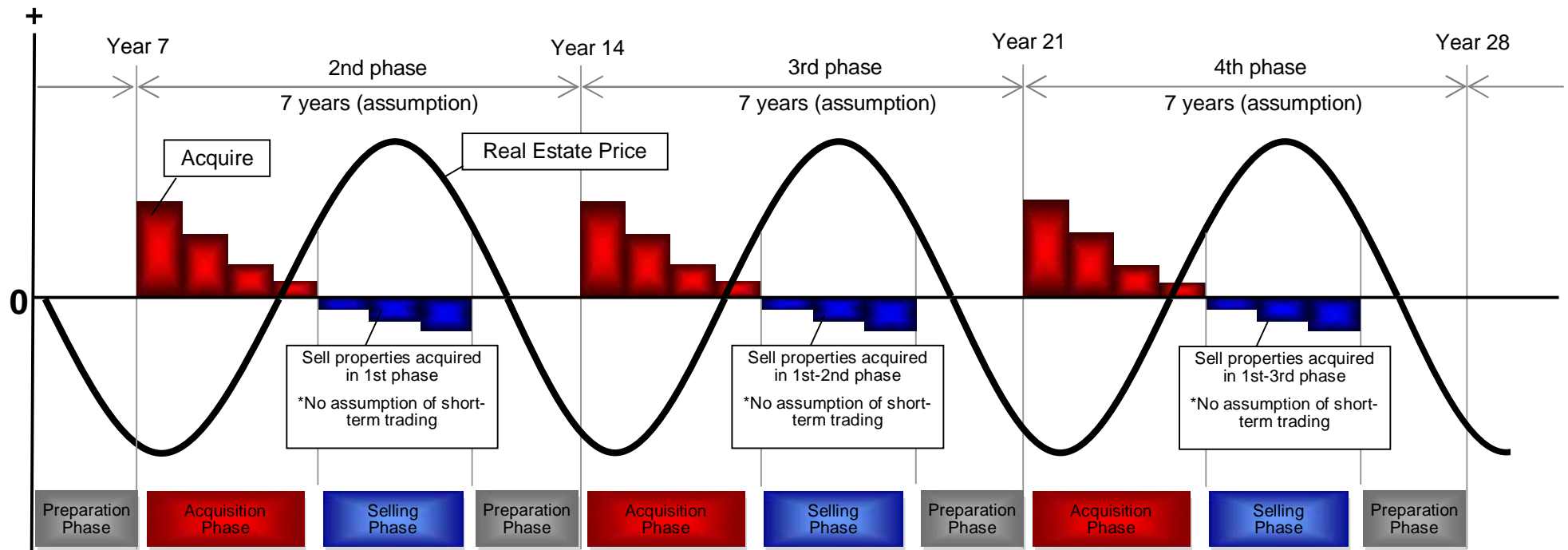
- Construction to improve the transportation capacity of Tokyu Lines
- Office, retail, and residential real estate development in Tokyu Areas

*Comments by Tokyu REIM

Long-Term Investment Management (Surf Plan)

Value & Contrary

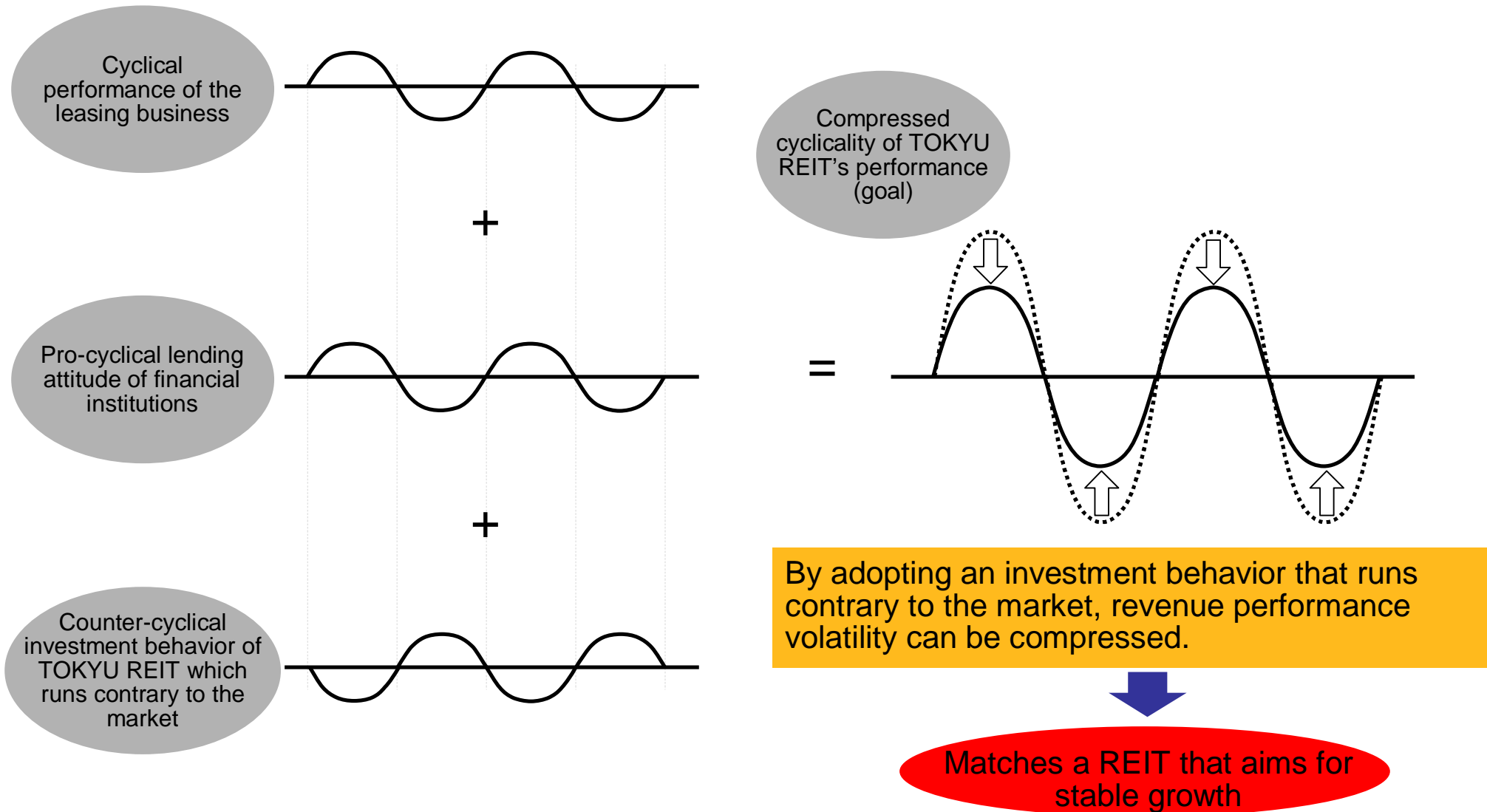
Focusing on the cyclicity of real estate prices, TOKYU REIT secures capital gains while interchanging properties, and achieves improvement of both portfolio quality (rejuvenating average age of property) and adjusted ROE



$$\text{Adjusted Capital Yield (Adjusted ROE)} = \frac{\text{Distribution Amount after Deduction of Capital Gains}}{\text{Total Capital} - \text{Accumulated Distribution of Capital Gains}}$$

*This page represents the views of Tokyu REIM

Compression Effect of Cyclicity: Objective of the Surf Plan TOKYU REIT



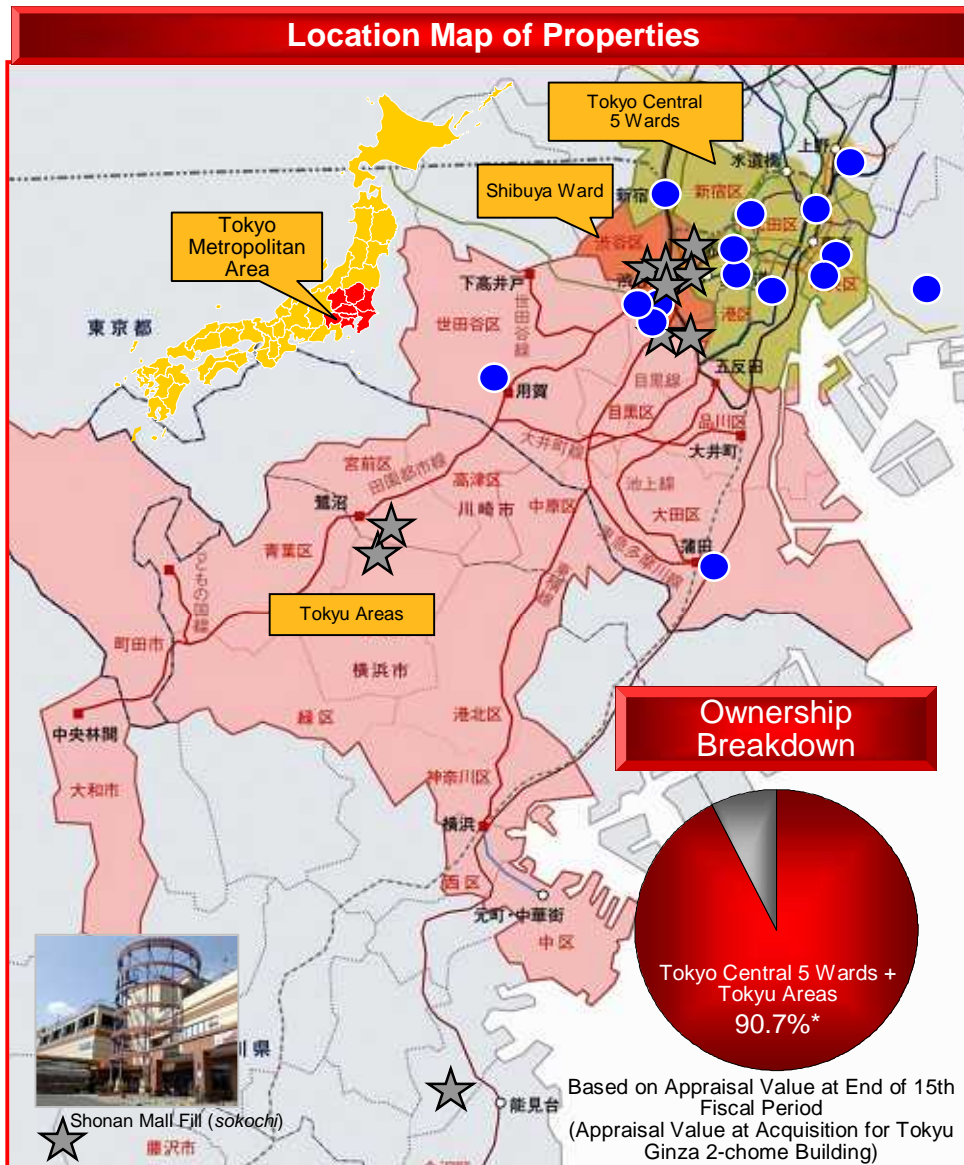
Adjusted ROE Matrix

| Cumulative Capital Gains Going Forward | | Distribution per Unit after Deduction of Capital Gain | | | | | | | | | Item | Amount | |
|--|------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---|--------|---------|
| | | ¥10,000 | ¥11,000 | ¥12,000 | ¥13,000 | ¥14,000 | ¥15,000 | ¥16,000 | ¥17,000 | ¥18,000 | | | |
| Capital Gain | ¥0 mn | 3.97% | 4.37% | 4.77% | 5.16% | 5.56% | 5.96% | 6.35% | 6.75% | 7.15% | Capital (¥ mn) | a | 98,020 |
| | ¥500 mn | 3.99% | 4.39% | 4.79% | 5.19% | 5.59% | 5.99% | 6.39% | 6.79% | 7.19% | Capital Gains (¥ mn) | b | 12,716 |
| | ¥1,000 mn | 4.02% | 4.42% | 4.82% | 5.22% | 5.63% | 6.03% | 6.43% | 6.83% | 7.23% | Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) | | 1,637 |
| | ¥2,000 mn | 4.07% | 4.47% | 4.88% | 5.29% | 5.69% | 6.10% | 6.51% | 6.91% | 7.32% | Resona Maruha Building | | 18,259 |
| | ¥5,000 mn | 4.22% | 4.64% | 5.06% | 5.48% | 5.91% | 6.33% | 6.75% | 7.17% | 7.59% | Ryoshin Harajuku Building | | -7,180 |
| | ¥10,000 mn | 4.50% | 4.95% | 5.40% | 5.85% | 6.30% | 6.75% | 7.20% | 7.65% | 8.10% | Adjusted Capital after Deduction (¥ mn) | c=a-b | 85,304 |
| | | | | | | | | | | | Outstanding Units (Units) | d | 169,380 |
| | | | | | | | | | | | Adjusted Capital per Unit (¥) | e=c/d | 503,624 |

$$\text{Adjusted Capital Yield (Adjusted ROE)} = \frac{\text{Distribution Amount after Deduction of Capital Gains}}{\text{Total Capital} - \text{Accumulated Distribution of Capital Gains}}$$

*This page represents the views of Tokyu REIM
















Portfolio Overview (26 Properties; 199.6 billion yen)



Retail Properties ★

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

Office Properties ○

| | | | | |
|--|---|--|---|--|
|  Setagaya Business Square |  Tokyu Nampoicho Bldg. |  Tokyu Sakuragaoka-cho Bldg. |  Tokyu Nissan Taito Bldg. |  TOKYU REIT Akasaka Hinoki-cho Bldg. |
|  TOKYU REIT Kamata Bldg. |  TOKYU REIT Toranomon Bldg. |  TOKYU REIT Hatchobori Bldg. |  Akasaka 4-chome Bldg. (Tokyu Agency Inc. Head Office Building) |  Tokyu Ikejiri-ohashi Building |
|  Kojimachi Square |  ORIX Shinjuku Building |  Akihabara Sanwa Toyo Building |  Kiba Eitai Building |  Tokyu Ginza 2-chome Building |

TOKYU REIT

2. Topics

(1) Restructuring of the Sponsorship

Background and Rationale: Request from Tokyu Land Corporation **TOKYU REIT**

Launch of a new REIT by Tokyu Land Corporation which invests in retail facilities and offices in major cities throughout Japan

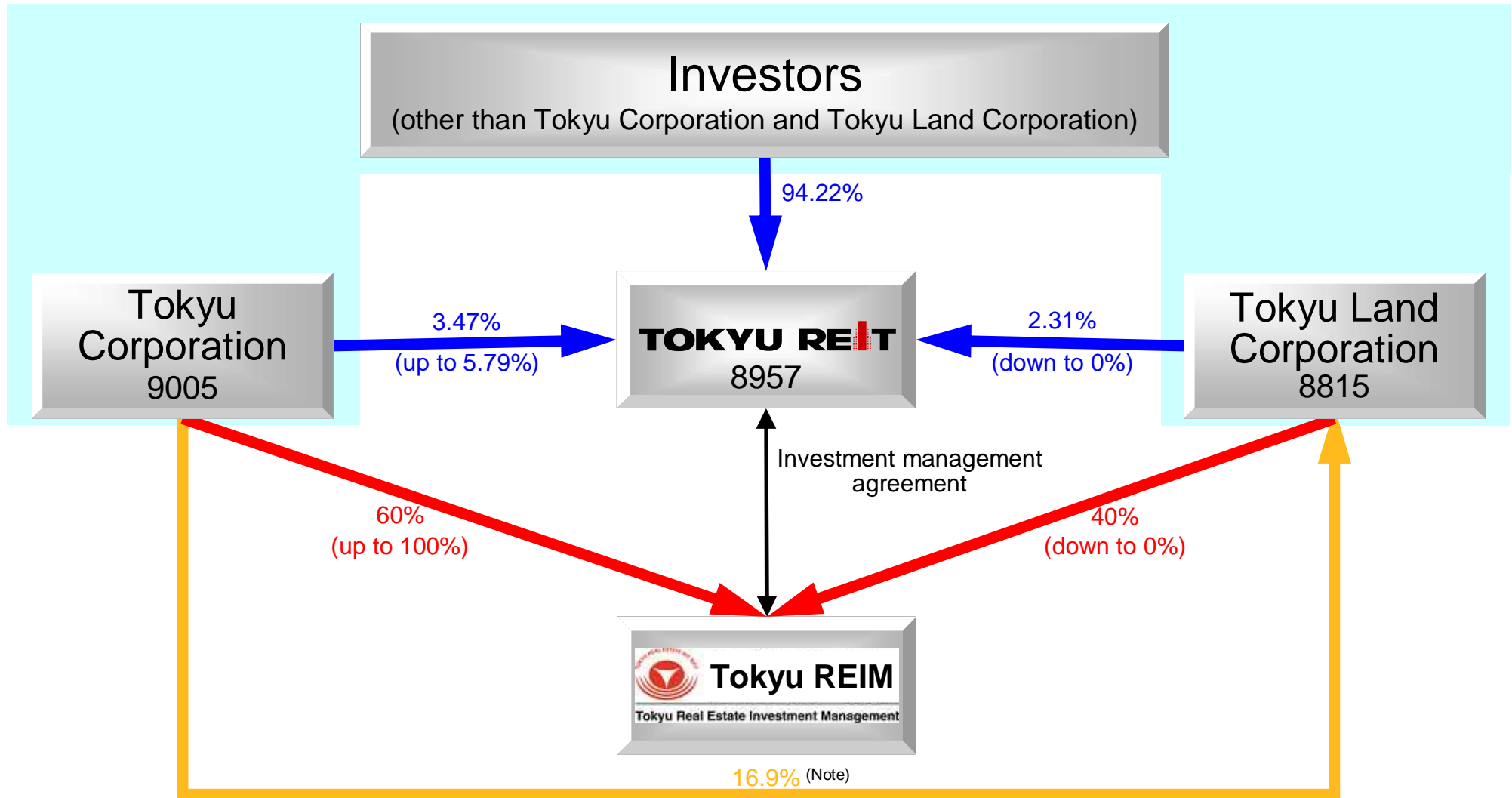
Concerns of competition and conflicts of interest with
TOKYU REIT



Tokyu Land Corporation makes a request to **TOKYU REIT** to cancel its sponsorship

Capital Relationship Structure

As of March 31, 2010



(Note) Source: Financial Report of Tokyu Corporation (141st term)

Properties Contributed by the Sponsor

- **TOKYU REIT** properties: 26 (total acquisition price: 199.6 billion yen)
 - Of which, contributed by Tokyu Corporation and its subsidiaries and Tokyu Land Corporation and its subsidiaries: 13 (total acquisition price: 100.8 billion yen)

- Cases of real estate assets being preferentially approached (first option) by Tokyu Corporation and its subsidiaries and Tokyu Land Corporation and its subsidiaries based on the “Memorandum Relating to the Purchase and Sale of Real Estate” after listing: 22
 - Of which, first option cases from Tokyu Land Corporation and its subsidiaries: 18
 - Of which, properties acquired by **TOKYU REIT** (Note 1): 1
 - * Properties contributed by Tokyu Land Corporation and its subsidiaries at listing (Note 2): 2

| |
|--|
| 3 properties (total acquisition price: 18.2 billion yen) |
|--|

(Note1) Kojimachi Square: Acquired in March 2010 (when the information was initially provided and studied in February 2009, the deal did not materialize)

(Note2) Lexington Aoyama/ Tokyo Nissan Taito Building: Acquired in September 2003

Request from Tokyu Land Corporation

Launch of a new REIT

Evaluation and Management Stance

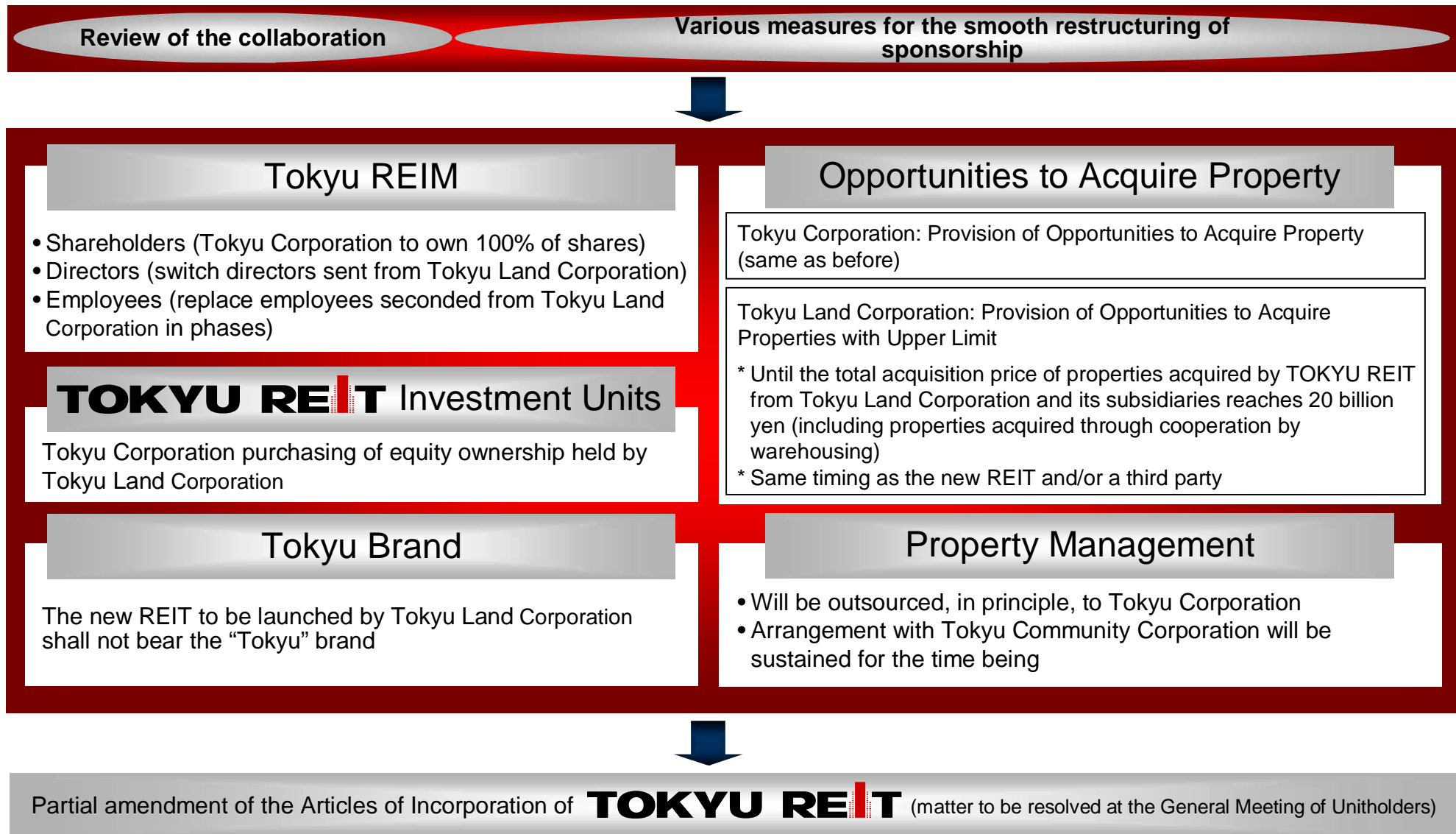
- The two-sponsorship system until now had succeeded
- On the other hand, from a medium to long-term perspective, there are concerns that the same sponsor collaboration with Tokyu Land Corporation may no longer be effective

Elimination of the option of expanding targeted areas of **TOKYU REIT** and expand business nationwide

Restructuring of Sponsorship

- Conclusion of Letter of Intent between the four parties of TOKYU REIT, Tokyu REIM, Tokyu Corporation and Tokyu Land Corporation
- A stronger commitment by Tokyu Corporation can be expected as a sole sponsor
- Implementation of various measures for the smooth cancellation of sponsorship with Tokyu Land Corporation

Overview of Letter of Intent



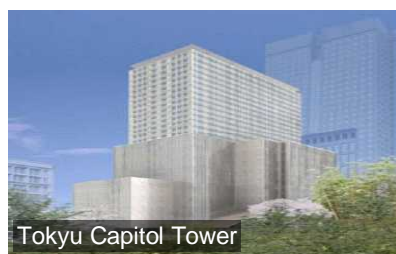
Impact on TOKYU REIT and Future Policies (Opportunities to Acquire Property)

(1) Strengthening the strategic collaboration relationship between **TOKYU REIT** and Tokyu Corporation accompanying Tokyu Corporation becoming the sole sponsor

- Improve value of **TOKYU REIT** and areas along the Tokyu rail lines (“Tokyu Areas”) based on the Capital Reinvestment Model
- Tokyu Corporation is engaged in working to create towns such as Denenchofu, Senzoku and Tokyu Tama Den-en Toshi, and the development know-how is being utilized in redevelopment projects in central Tokyo such as Cerulean Tower and Shibuya Mark City
- Since listing of TOKYU REIT, Tokyu Corporation has been progressing development projects in Shibuya, Nagatacho, Futako Tamagawa, Tama Plaza, Ginza, Toranomom, Yonbancho, etc. There is an increasing expectation by Tokyu Corporation for the functions of owning and leasing real estate from the long-term perspective of **TOKYU REIT**, which operates business in the same area



Acquisition of Tokyu Ginza 2-chome Building as of February 15, 2011



*TOKYU REIT does not have plans to acquire the above properties as of the date of this document.

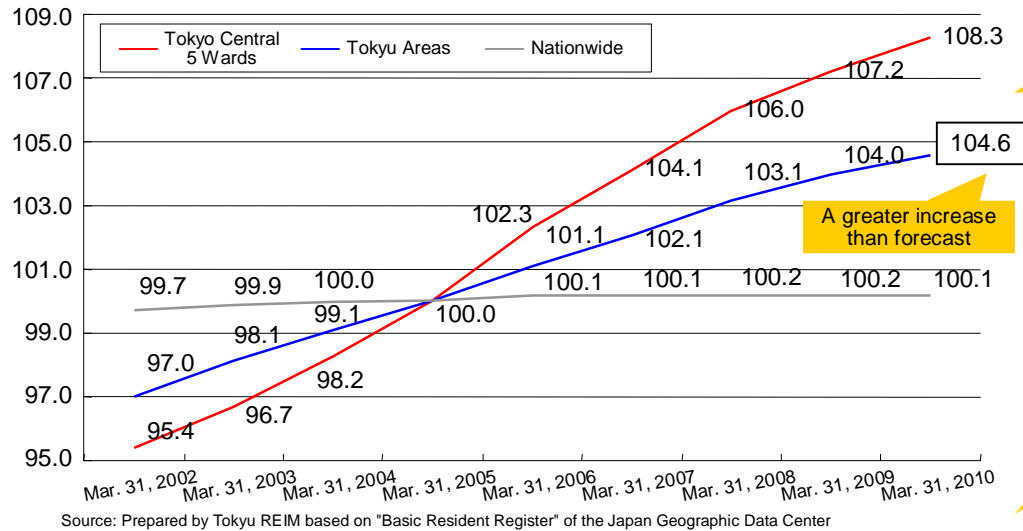
- However, the quality of **TOKYU REIT**'s governance and measures to prevent conflict of interest will be maintained.

(2) Provision of information concerning properties by Tokyu Land Corporation and its subsidiaries until the acquisition price of properties acquired from Tokyu Land Corporation and its subsidiaries reaches 20 billion yen (including properties acquired through cooperation by warehousing).

*This page represents the views of Tokyu REIM

Strengths of Major Target Areas (1)

Changes in the Population of Major Target Areas (year 2005 = 100)

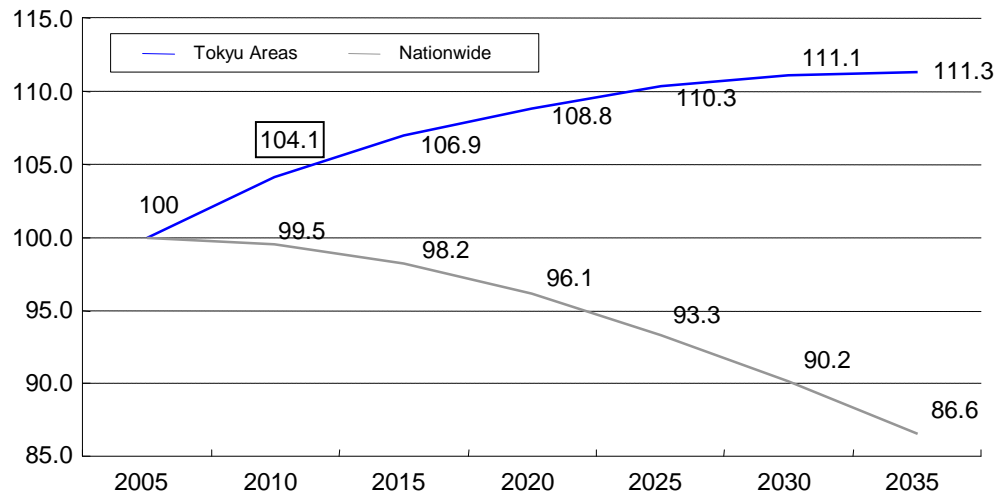


* The population of the nation is on a downward trend, but in major target areas, economic growth stemming from population growth can be expected.

* In Tokyu Areas, population is said to continue increasing until 2035.

* Due to the network enhancement and large-scale renovations conducted in the past, the convenience of Tokyu rail lines have improved and the number of passengers have increased.

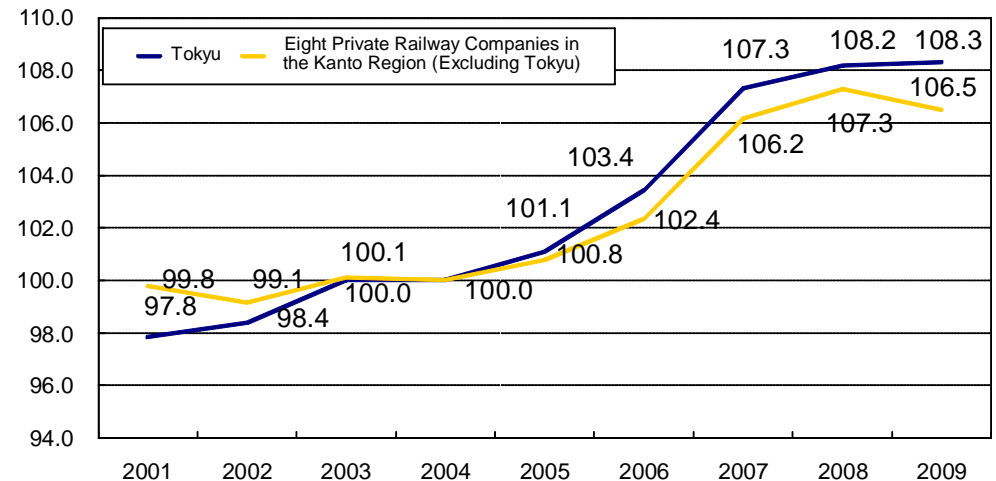
Population Forecasts for Tokyu Areas



* Prepared by Tokyu REIM on March 2008 based on "Basic Resident Register" of the Japan Geographic Data Center

* Tokyu Areas: Defined as the "17 cities and wards (i.e. -ku) which Tokyu rail lines pass through" (Shinagawa-ku, Meguro-ku, Ota-ku, Setagaya-ku, Shibuya-ku, and Machida-city in Tokyo prefecture, Kanagawa-ku, Nishi-ku, Naka-ku, Kohoku-ku, Midori-ku, Aoba-ku, Tsuzuki-ku in Yokohama City, Nakahara-ku, Takatsu-ku and Miyamae-ku in Kawasaki City, and Yamato City in Kanagawa prefecture.

Changes in the Number of Passengers (Fiscal 2004 (Fiscal Period Ended Mar. 2005) = 100)



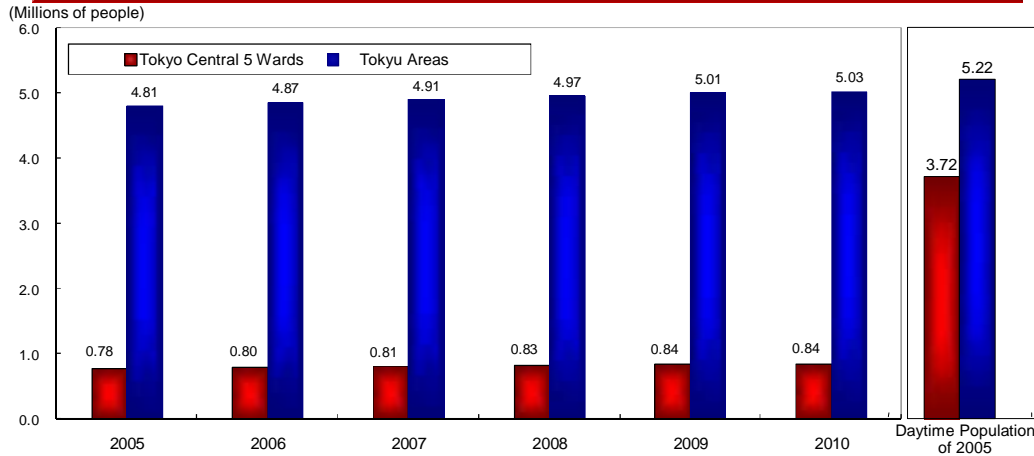
* Prepared by Tokyu REIM based on materials posted on the website of the Association of Japanese Private Railways

* Eight Private Railway Companies in the Kanto Region (Excluding Tokyu) includes Tokyo Metro, Tobu, Odakyu, Keio, Seibu, Keikyu, Keisei and Sagami Railway.

*Comments by Tokyu REIM

Strengths of Major Target Areas (2)

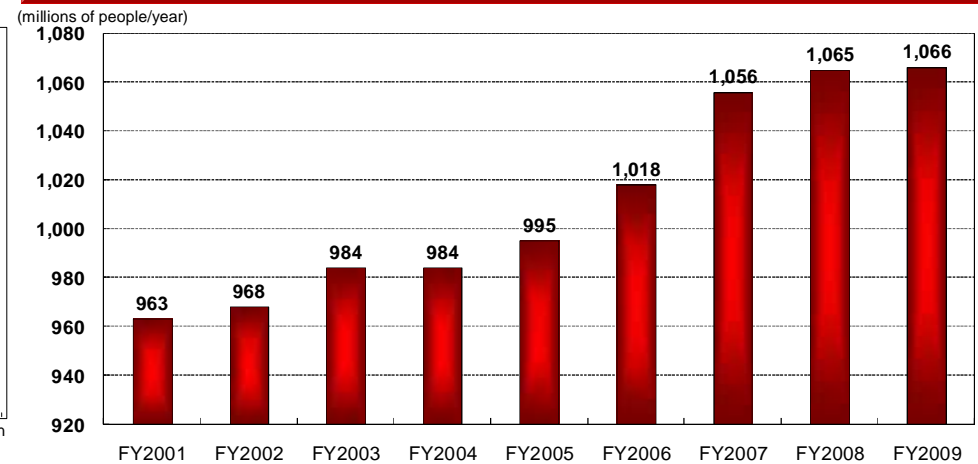
Population of Major Target Areas



*The population of major target areas total 5,680,000 people.

Source: "Basic Resident Register" of the Japan Geographic Data Center and "Population Census" of the Ministry of Internal Affairs and Communications (daytime populations after 2006 are unannounced)
 *Shibuya Ward is included in both the Tokyo Central 5 Wards and the Tokyu Areas (the population of Shibuya Ward is 190,000 people as of March 31, 2010).

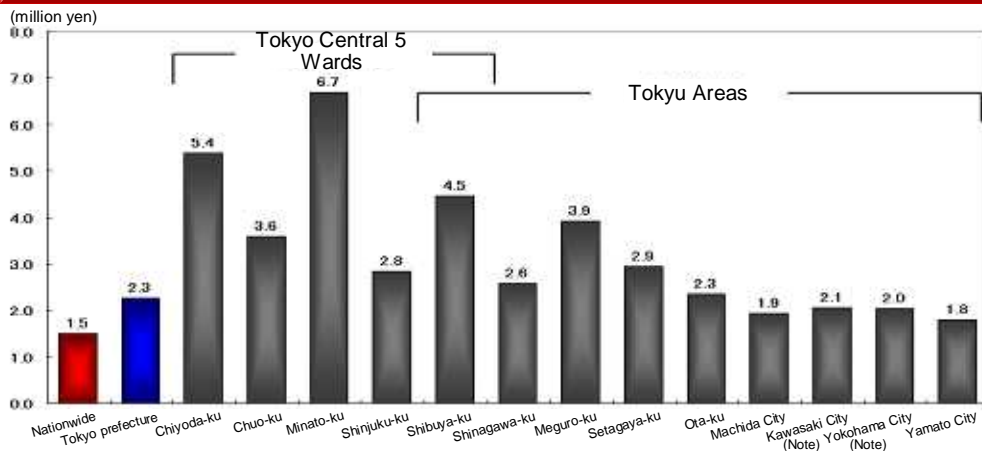
Number of Passengers Using Tokyu Rail Lines



*The number of passengers using Tokyu rail lines exceed 1 billion people per year

Source: The Association of Japanese Private Railways

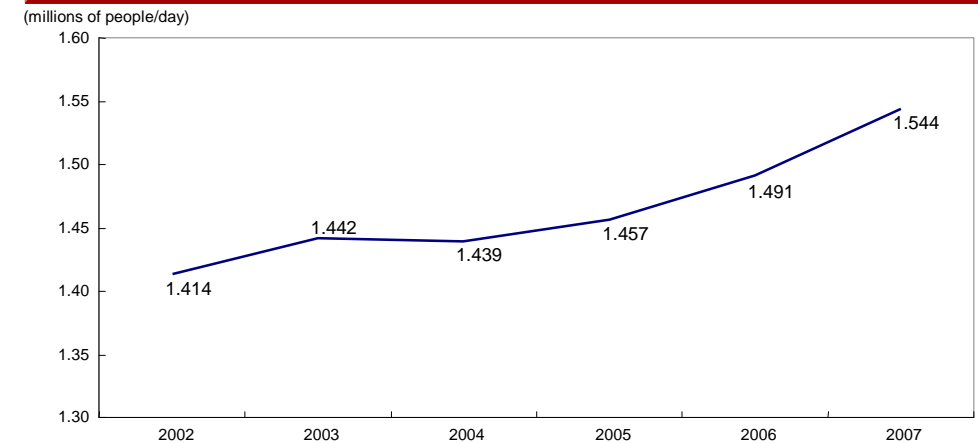
Personal Income Taxation Level by Area (2008)



*Relatively high income level

Source: "Personal Income Index, 2010" by Japan Planning Systems Co., Ltd.
 (Note) The cities of Yokohama and Kawasaki include areas outside of the administrative districts of Tokyu Areas.

Changes in the Number of Passengers Using Shibuya Station



*Approximately 1.5 million people use Shibuya Station per day

Source: "Urban Transportation Yearbook" (2002-2007) by Institution of Transport Policy Studies
 *The Number of Passengers Using Shibuya Station is the total number of passengers who use Shibuya Station via the Tokyu Line, JR Line, Keio Line and Tokyu Metro lines.

*Comments by TOKYU REIM

Acquisition of Tokyu Ginza 2-chome Building

1. Summary

- Type of Acquisition: Real estate in Japan
- Use: Office
- Tenants: The Dai-ichi Building Co., Ltd.
Seven-Eleven Japan Co., Ltd.
- Location: Ginza, Chuo-ku, Tokyo
Approximately a two-minute walk from Shintomicho Station,
Tokyo Metro Yurakucho Line
Approximately a five-minute walk from Ginza-Itchome Station,
Tokyo Metro Yurakucho Line
Approximately a four-minute walk from Higashi-Ginza Station,
Tokyo Metro Hibiya Line and
Toei Asakusa Line
Approximately an eight-minute walk from Ginza Station,
Tokyo Metro Ginza Line, Marunouchi Line, and Hibiya Line
- Total Land Area: 805.42m²
- Total Floor Area: 5,098.61m²
- Type of Ownership: Land: Proprietary ownership
Building: Proprietary ownership
- Acquisition Price: 5,010 million yen
- NOI Yield : 7.52% (expected yield of acquisition fiscal year)
(based on acquisition price) 4,58% (expected yield in the medium to long term)
- Appraisal Value at Acquisition: 5,020 million yen (as of January 14, 2011)
- NCF Cap Rate: 4.60% (direct capitalization method)
(based on appraisal value at acquisition)
- Completion Date: August 2008
- Acquisition Date: February 15, 2011
- Seller: Tokyu Corporation

2. Characteristics and Issues

- Strengths: Extremely close to the nearest station, several train lines and stations nearby, a Ginza address, relatively new, and highly competitive building specifications
- Weaknesses: Not very busy commercial area since it is east of Chuo-dori
- Risk: Single tenant (office), and fluctuation of rental revenues after the end of fixed-term lease contracts (21st fiscal period and 25th fiscal period)
- Special Items: None



TOKYU REIT

2. Topics

(2) Financial Results and Forecast

Operating Results

| | | 15th Period Actual | 14th Period Actual | Change | Change (%) | 15th Period | Change | Change (%) |
|---|-----------------|-------------------------------|-------------------------------|--------|------------|------------------------------|--------|------------|
| | | Ended Jan. 2011 (184 days) | Ended Jul. 2010 (181 days) | | | Forecast as of 10/28/2010 | | |
| Distribution per Unit | (¥) | 12,045 | 12,598 | -553 | -4.4 | 11,600 | 445 | 3.8 |
| Adjusted ROE | (%) | 4.74 | 5.04 | -0.30 | -6.0 | | | |
| Average LTV | (%) | 51.3 | 53.2 | -1.9 | - | 51.3 | 0.0 | - |
| LTV at End of Period | (%) | 48.6 | 48.4 | 0.2 | - | 47.9 | 0.7 | - |
| Balance of Cash and Bank Deposits at End of Period | (¥ million) | 8,393 | 16,454 | -8,061 | -49.0 | 8,784 | -391 | -4.5 |
| Acquisition Capacity through Cash and Bank Deposits | (¥ million) b | 6,353 | 14,320 | -7,967 | -55.6 | 6,744 | -391 | -5.8 |
| Acquisition Capacity through Debt | (¥ million) a | 5,300 | 6,367 | -1,067 | -16.8 | 8,411 | -3,111 | -37.0 |
| Total Acquisition Capacity | (¥ million) a+b | 11,653 | 20,687 | -9,034 | -43.7 | 15,155 | -3,502 | -23.1 |
| *Acquisition Capacity after acquisition of Tokyu Ginza 2-chome Building (5,010 million yen) | | 6,653 | | | | | | |
| Average Balance of Assets during the Period (Based on Acquisition Price) | (¥ million) | 190,502 | 181,132 | 9,370 | 5.2 | 190,502 | 0 | 0.0 |
| Occupancy Rate (End of Period) | (%) | 96.3 | 96.8 | -0.5 | - | 96.1 | 0.2 | - |
| NOI Yield | (%) | 4.68 | 5.11 | -0.43 | - | 4.63 | 0.05 | - |
| Unrealized Gain | (¥ million) | 1,487 | 3,006 | -1,519 | -50.5 | | | |
| Adjusted Net Asset Value (NAV) per Unit | (¥) | 587,478 | 596,447 | -8,969 | -1.5 | | | |
| Average Unit Price during the Period | (¥) | 490,426 | 470,862 | 19,564 | 4.2 | | | |

- * Average LTV = (Average Balance of Interest-Bearing Debt + Average Balance of Security Deposits without Reserved Cash) / Appraisal Value at End of Previous Period or Weighted Average Appraisal Value at Acquisition
- * LTV at End of Period = (Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period or Average Appraisal Value at Acquisition + Balance of Cash and Deposits with Banks at End of Period)
- * Acquisition Capacity through Cash and Bank Deposits = the Balance of Cash and Bank Deposits at End of Period – Balance of Retained Earnings at End of Period
- * Acquisition Capacity through Debt indicates the potential acquisition by debt assuming a maximum LTV at the end of the period of 50%.
- * NOI Yield = Leasing NOI / Average Acquisition Price of Properties during the Period
- * Unrealized Gain is the balance after deducting the book value from the appraisal value of properties at the end of the period.
- * Adjusted Net Asset Value per Unit is (Total Capital + Unrealized Gain) / Outstanding Units. Total Capital does not include Retained Earnings.
- * Detailed B/S and P/L data are in the separate DATA BOOK.
- * Adjusted ROE = Distribution Amount after Deduction of Capital Gains / (Total Capital – Accumulated Distribution of Capital Gains)

16th Period (Ending Jul. 2011) Estimates

■ EPS: ¥12,400 (change from 15th period ¥ 355)

| | | | |
|---|-------------------------|----------------|--|
| ➤ Net Income: ¥2,100 million | change from 15th period | ¥ 60 million | (profit increase) |
| □ Profit from Leasing Operations | change from 15th period | ¥ 84 million | (profit increase) |
| ✓ Contribution from Akihabara Sanwa Toyo Building and Kiba Eitai Building (full period) | | ¥ 73 million | |
| ✓ Acquisition of Tokyu Ginza 2-chome Building | | ¥ 142 million | |
| ✓ Profit decrease of existing 23 properties | | ¥ -130 million | |
| Depreciation decrease | | ¥ 95 million | ... Setagaya Business Square, etc. |
| Repair and maintenance increase | | ¥ -70 million | |
| Property and other taxes increase | | ¥ -57 million | ... Kojimachi Square, ORIX Shinjuku Building, etc. |
| Real estate rental revenues increase | | ¥ -53 million | ... including future estimates |
| Loss from the removal of fixed assets increase | | ¥ -48 million | ... Tokyu Saginuma Building -50 |
| □ Construction fees | | ¥50 million | ... Tokyu Saginuma Building |
| □ Investment Management Fee | change from 15th period | ¥ -26 million | (cost increase) |
| □ Interest expenses | change from 15th period | ¥ 14 million | (cost decrease) etc. |

With regards to expenses required in relation with the 2011 off the Pacific Coast of Tohoku Earthquake, a total of 60 million yen will be posted during the 16th fiscal period comprised of operating expenses and non-operating expenses.

■ **Adjusted ROE: 5.0%** **NOI: ¥4,590 million** **LTV / Total Assets: 43.4%**
LT Debt Ratio: 100.0% **Period End Occupancy Estimate: 97.3%**

17th Period (Ending Jan. 2012) Estimates

■ EPS: ¥12,000

➤ Operating Income: ¥6,695 million Recurring Profit: ¥2,033 million Net Income: ¥2,032 million

■ **Adjusted ROE: 4.7%** **NOI: ¥4,535 million** **LTV / Total Assets: 43.5%**
LT Debt Ratio: 100.0% **Period End Occupancy Estimate: 96.8%**

* Rental spaces left by tenants who have submitted notices of cancellation are expected to remain vacant up until the end of the 17th period. In addition, we have factored the effect of the recent deterioration in the real estate market into the rent levels.

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

* Interest-Bearing Debt does not include Security Deposits provided by tenants.

TOKYU REIT

2. Topics

(3) Investment Management Overview

1. Amendments to the Articles of Incorporation of TOKYU REIT

(1) Changes accompanying the restructuring of the sponsorship

⇒ From a collaboration with “Tokyu Group companies” to a collaboration with “Tokyu Corporation”

(2) Changes accompanying the continuation of time-limited reduction of investment management fees

⇒ Continuation of the time-limited reduction for a period of 2 more years (5% across the board) in response to uncertainties that continue to exist in REIT operating conditions

(3) Changes in response to replacement of assets under management that may occur in the future due to the long-term investment strategy (“Surf Plan”)

⇒ Based on the premise that replacement of properties will be conducted for the purpose of maintaining or enhancing the quality of the portfolio

⇒ Not for the purpose of executing short-term trading

(4) Other

2. Appointment of Executive Director

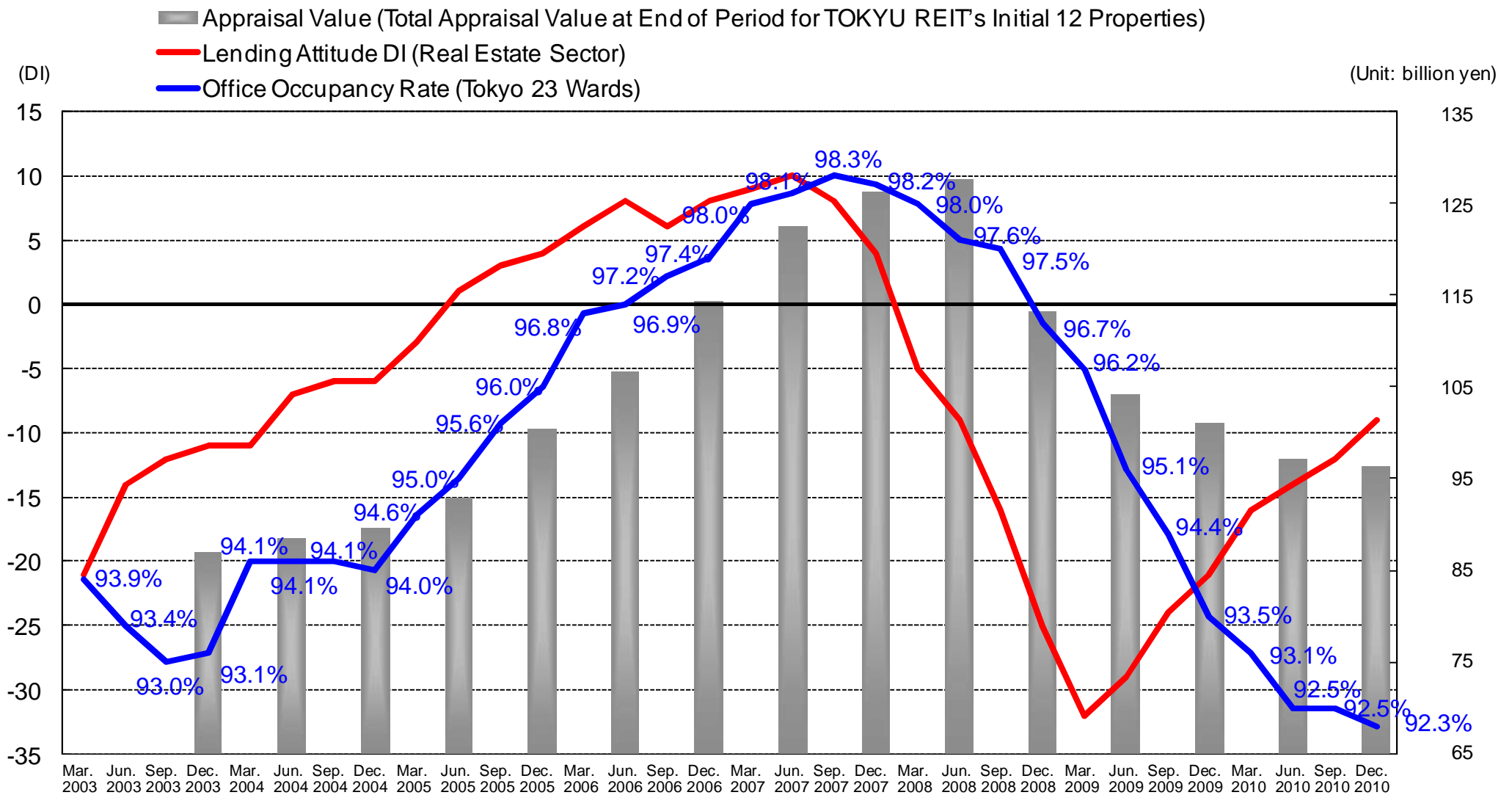
Candidate: Masahiro Horie (Came into office in June 2003)

3. Appointment of Supervisory Directors

Candidate: Giichi Yanagisawa (Came into office in June 2003)

Candidate: Maruhito Kondo (Came into office in June 2003)

Changes in Lending Attitude DI/Occupancy Rate/Appraisal Value



* "TOKYU REIT's Initial 12 Properties" refers to the 11 properties TOKYU REIT incorporated into its portfolio at the time of listing and the TOKYU REIT Shibuya Udagawa-cho Square it acquired during the 2nd fiscal period, making a total of 12 properties.

* The December 2003 figure for TOKYU REIT Shibuya Udagawa-cho Square is the appraisal value as of October 1, 2003.

Source: BOJ "Tankan Survey" and "Office Market Report" issued by CB Richard Ellis – Japan.

Investment Environment Decisions, and Investment and Management Activities under the Surf Plan

1. Investment Environment Decisions (16th Fiscal Period (Ending Jul. 2011))

Decisions: Acquisition Phase

- While uncertainties remain for the macro economy as a whole, the economy is slowly recovering. On the other hand, within the real estate leasing market, occupancy rates and asking rents are both on the decline, but certain areas are showing signs of bottoming out. Only, continuous rents still continue to decline, and real estate cash flows are showing no signs of improving.
- The lending attitude of financial institutions towards real estate companies bottomed out in March 2009 and has continued to recover. However, the DI still remains in minus territory. In the real estate market, although the number of purchasing contracts concluded is on the rise, the number of sellers is still limited in contrast to the acquisition appetite of buyers. Furthermore, a shortage of supply can be seen and cap rates are on a downward trend.
- Based on these, although cap rates have peaked out, time will be required for a full-fledged recovery of real estate prices of office and retail properties in the Tokyo Metropolitan Area. Since we think that they are still in the bottom range, we judged that the fiscal period under review (16th fiscal period) is still in the acquisition phase as it was in the previous fiscal period (15th fiscal period).

2. Investment and Management Activities

| | | 15th Fiscal Period | | 16th Fiscal Period | |
|---------------------|--------------------|---|---|--|--|
| | | Policy | Results | Policy | |
| Investment Activity | Acquisition | Office | <ul style="list-style-type: none"> • Since the 2 properties sold during the 13th fiscal period were offices, we placed priority on offices (quality properties ranging from A-B+ Class properties in the 5 central wards of Tokyo) during deliberations • While focusing primarily on properties in the 10 billion yen range, deliberation also on properties worth more than 4 billion yen <Investment Target> A class offices and B+ class offices | <ul style="list-style-type: none"> • Acquired Akihabara Sanwa Toyo Building (4.6 billion yen; October 29, 2010) • Acquired Kiba Eitai Building (4.0 billion yen; October 29, 2010) | <ul style="list-style-type: none"> • While focusing primarily on properties in the 10 billion yen range, we also added value properties worth more than 4 billion yen to our deliberations <Investment Target> A class offices and B+ class offices <Results> Acquired Tokyu Ginza 2-chome Building (5.01 billion yen; February 15, 2011) |
| | | Retail (Urban) | <ul style="list-style-type: none"> • In addition to quality properties, under-priced properties to be made the target of deliberations <Investment Target> Properties with high growth potential, in a busy commercial area, and with high tenant demand | <ul style="list-style-type: none"> • There were several projects that were considered, but no contracts were concluded. | <ul style="list-style-type: none"> • In addition to quality properties, we also made under-priced properties the target of deliberations <Investment Target> Properties with high growth potential, in a busy commercial area, and with high tenant demand |
| | | Retail (Suburban) | <ul style="list-style-type: none"> • Under-priced properties were targets of deliberations (value investment) <Investment Target> Properties in a trade area with high commercial activity and in an area where there is little opportunity for similar rival stores to open business (sokochi also remains a target.) | <ul style="list-style-type: none"> • There were projects that were considered, but no contracts were concluded. | <ul style="list-style-type: none"> • We continued to make under-priced properties the target of deliberations <Investment Target> Properties in a trade area with high commercial activity and in an area where there is little opportunity for similar rival stores to open business (sokochi also remains a target.) |
| | Selling | <ul style="list-style-type: none"> • Selection of candidate properties in preparation for the coming selling phase | <ul style="list-style-type: none"> • Selection of candidate properties in preparation for the coming selling phase | <ul style="list-style-type: none"> • Selection of candidate properties in preparation for the coming selling phase | |
| Management Activity | Leasing | <ul style="list-style-type: none"> • Emphasis on occupancy in view of a projected rise in vacancy rates | <ul style="list-style-type: none"> • New contracts were concluded with 11 tenants and the occupancy rate as of the end of the 15th fiscal period was 96.3% (0.2 pts above the occupancy rate forecast as of October 28) | <ul style="list-style-type: none"> • Continued to emphasize occupancy | |
| | Asset safeguarding | <ul style="list-style-type: none"> • Continue to implement renovation work, cost reduction, asset studies and global warming measures • Deliberate also on accumulating capital expenditure in view of falling construction prices. | <ul style="list-style-type: none"> • Accumulated capital expenditure for several properties • By reviewing the building maintenance agreement, we were able to reduce costs • Implemented asset studies of 2 properties | <ul style="list-style-type: none"> • Continued to implement renovation work, cost reduction, asset studies and global warming measures • Planning to continue deliberating on accumulating capital expenditure in view of falling construction prices. | |

*This page represents the views of Tokyu REIM

Ideas Behind Disposition of the Two Properties and Reinvestment **TOKYU REIT**

Disposition of the Two Properties

Realization of maximum value

Risk aversion

Distribution of capital gains

* Two Properties: Resona Maruha Building and Ryoshin Harajuku Building sold during the 13th fiscal period

Acquisition Activities

Property acquisition based on the long-term investment management strategy (Value & Contrary)

Securing of Cash Position

Maintain a reserve of collected funds on hand to increase our negotiating power

Replace Properties to Increase Portfolio Quality

CF increases
(growth through replacement)

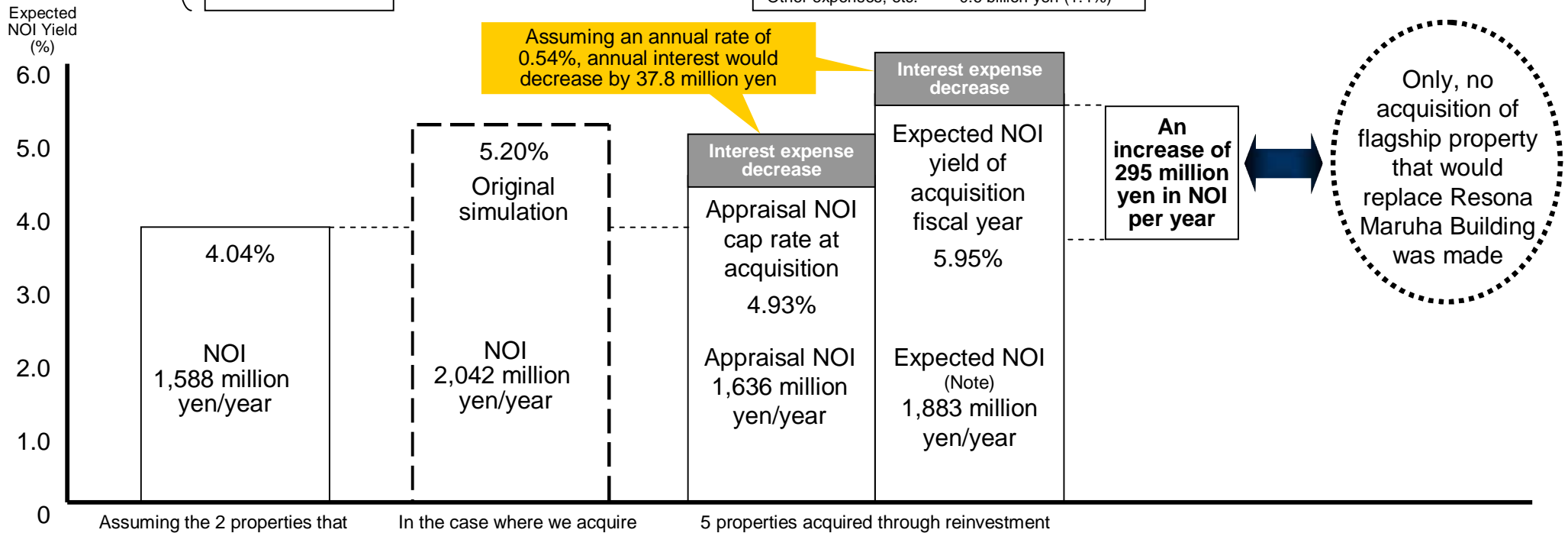
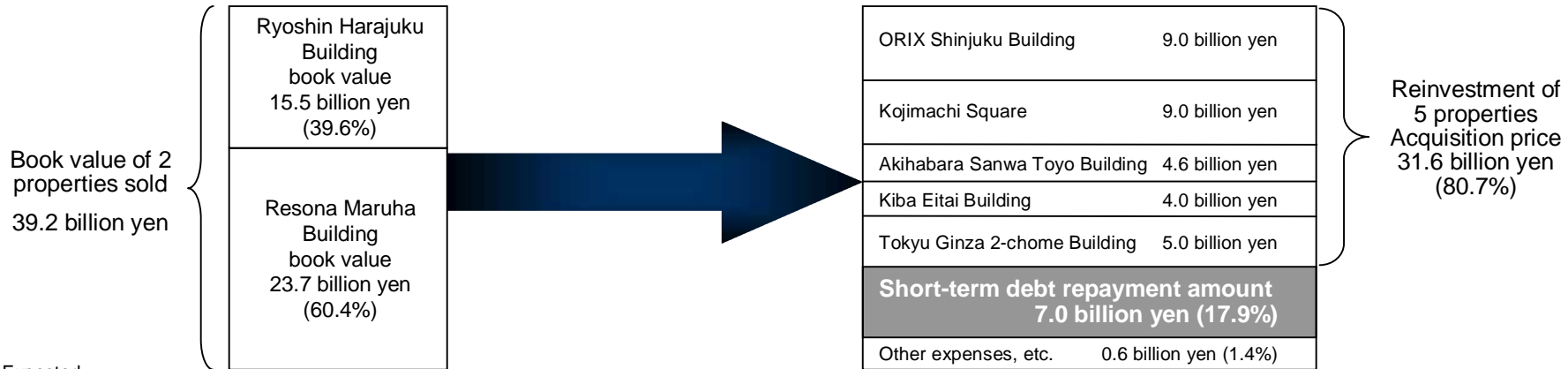
Rejuvenate average
property age

Diversification

Reduce risk

*This page represents the views of Tokyu REIM

Reinvestment Summary (1)



(Note) Expected NOI is an annual estimate excluding special factors during the acquisition fiscal year

*This page represents the views of Tokyu REIM

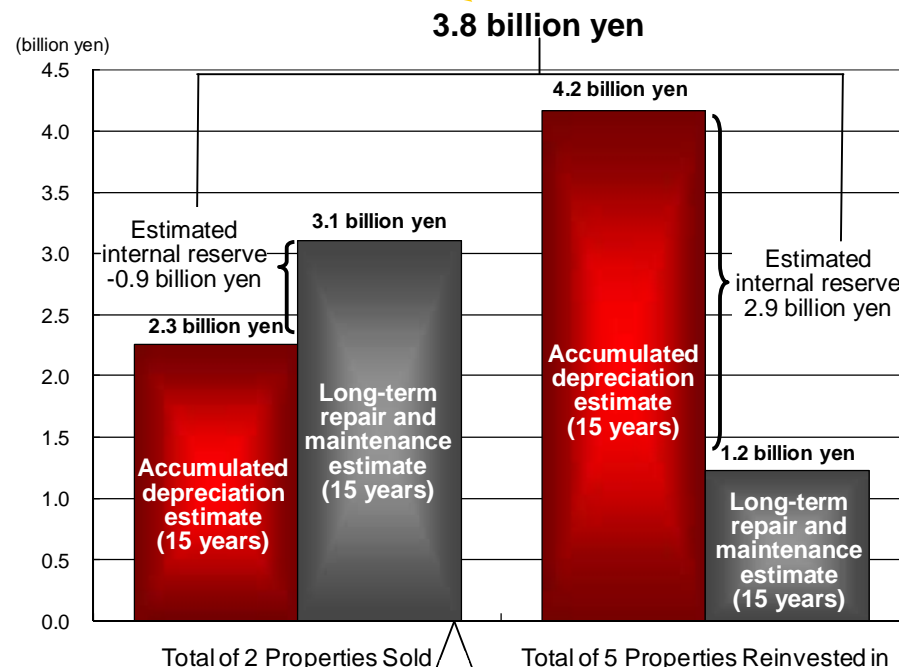
Reinvestment Summary (2)

Impact of the Reinvestment on the Portfolio

- CF increases (growth through replacement)
 - Expected NOI at acquisition +295 million yen / year
 - Estimated internal reserve +3.8 billion yen/15 years
- Rejuvenate average property age
 - 28.4 years /2 properties (assuming ownership at end of 15th fiscal period)
 - 10.2 years /5 properties (based on end of 15th fiscal period data)
- Diversification
 - Acquisition price of 206.6 billion yen /23 properties
 - 199.6 billion yen /26 properties
- Increase of properties located extremely close to the station (required time from the nearest station)
 - 2.1 minutes /2 properties → 1.2 minutes /5 properties

- Non-recovery of the portfolio size
 - 206.6 billion yen → 199.6 billion yen (acquisition price)
 - However, LTV improved due to the repayment of 7 billion yen in short-term debt
- No acquisition of flagship property that would replace Resona Maruha Building was made out of placing value on diversification, property age and NOI

Led to an improvement of the potential FFO per unit to exceed 700 yen per fiscal period



The property age of Resona Maruha Building that was sold was 32.3 years (as of the end of the 15th fiscal period). In addition, there was the possibility of posting expenses on asset retirements and renewal costs.

Balance between accumulated depreciation and long-term repair and maintenance costs improves

* Repair and maintenance cost estimates are based on engineering reports currently available at hand and may be revised in the future as needed.
 * Accumulated depreciation estimate (15 years) is an estimate made by Tokyu REIM as of the date this document was prepared.

No acquisition of flagship property was made, but from a long-term standpoint, the quality of the portfolio improved

List of Properties (5 Properties) Acquired After the 13th Fiscal Period When 2 Properties Were Sold



Kojimachi Square

Acquisition Price: 9,030 million yen
 Expected NOI Yield of Acquisition Fiscal Year: 5.66% (based on acquisition price)
 NCF Cap Rate: 4.70% (based on appraisal value at acquisition)
 Occupancy Rate: 100.0% (as of January 31, 2011)
 Total Floor Area: 6,803.47m²
 Completion Date: January 2003
 Acquisition Date: March 19, 2010 (14th fiscal period)
 Seller: Verde Investment Ltd. (a special-purpose company (SPC) established under the instruction of Tokyu Land Corporation)



ORIX Shinjuku Building

Acquisition Price: 9,000 million yen
 Expected NOI Yield of Acquisition Fiscal Year: 5.44% (based on acquisition price)
 NCF Cap Rate: 4.50% (based on appraisal value at acquisition)
 Occupancy Rate: 100.0% (as of January 31, 2011)
 Total Floor Area: 8,720.09m²
 Completion Date: May 2003
 Acquisition Date: March 26, 2010 (14th fiscal period)
 Seller: ORIX JREIT Inc.



Akihabara Sanwa Toyo Building

Acquisition Price: 4,600 million yen
 Expected NOI Yield of Acquisition Fiscal Year: 5.39% (based on acquisition price)
 NCF Cap Rate: 4.80% (based on appraisal value at acquisition)
 Occupancy Rate: 100.0% (as of January 31, 2011)
 Total Floor Area: 5,704.69m²
 Completion Date: September 1985
 Acquisition Date: October 29, 2010 (15th fiscal period)
 Seller: G.K. Asok



Kiba Eitai Building

Acquisition Price: 4,000 million yen
 Expected NOI Yield of Acquisition Fiscal Year: 6.47% (based on acquisition price)
 NCF Cap Rate: 5.20% (based on appraisal value at acquisition)
 Occupancy Rate: 100.0% (as of January 31, 2011)
 Total Floor Area: 7,513.09m²
 Completion Date: February 1992
 Acquisition Date: October 29, 2010 (15th fiscal period)
 Seller: G.K. Asok



Tokyu Ginza 2-chome Building

Acquisition Price: 5,010 million yen
 Expected NOI Yield of Acquisition Fiscal Year: 7.52% (based on acquisition price)
 NCF Cap Rate: 4.60% (based on appraisal value at acquisition)
 Occupancy Rate: 100.0% (as of February 15, 2011)
 Total Floor Area: 5,098.61m²
 Completion Date: August 2008
 Acquisition Date: February 15, 2011 (16th fiscal period)
 Seller: Tokyu Corporation

After selling 2 properties during the 13th fiscal period, we acquired 5 properties

- **Total Acquisition Price: 31,640 million yen (Total Appraisal Value: 33,190 million yen)**
- **Expected NOI Yield: 5.95% (based on acquisition price)**
- **NCF Cap Rate: 4.85% (based on appraisal value at acquisition)**

Acquisition of Akihabara Sanwa Toyo Building (Announced on October 28, 2010)

1. Summary

- Type of Acquisition: Trust beneficiary interest in real estate
- Use: Office
- Tenants: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
OS Electronics Co., Ltd. and others
- Location: Sotokanda, Chiyoda-ku, Tokyo
Approximately a one-minute walk from Suehirocho Station,
Tokyo Metro Ginza Line
- Total Land Area: 795.33m²
- Total Floor Area: 5,704.69m²
- Type of Ownership: Land: Proprietary ownership
Building: Compartmentalized ownership
(All of compartmentalized ownerships
with whole building are entrusted.)
- Acquisition Price: 4,600 million yen
- NOI Yield : 5.39% (expected yield of acquisition fiscal year)
(based on acquisition price) 5.50% (expected yield in the medium to long term)
- Appraisal Value at Acquisition: 4,820 million yen (as of October 1, 2010)
- NCF Cap Rate: 4.80% (Direct capitalization method)
(based on appraisal value at acquisition)
- Completion Date: September 1985
(underwent a major renovation construction in 2009 costing 437 million yen)
- Acquisition Date: October 29, 2010
- Seller: G.K. Asok



2. Characteristics and Issues

- Strengths: Directly linked to the nearest station, several train lines and stations nearby, a corner lot, high visibility, and high occupancy rate
- Weaknesses: 25 years have elapsed since its construction as of the time of acquisition (has underwent a major renovation construction)
- Risk: Fluctuation of rental revenues with changes in the real estate leasing market (since tenants have moved into 4 floors after 2009, this may rise)
- Special Items: Urban planning changes to build a road apply to certain sections (approx. 12m²; setback has been completed)

Acquisition of Kiba Eitai Building (Announced on October 28, 2010)

1. Summary

- Type of Acquisition: Trust beneficiary interest in real estate
- Use: Office
- Tenants: Hill's-Colgate (JAPAN) Ltd.
STS Co., Ltd. and others
- Location: Toyo, Koto-ku, Tokyo
Approximately a two-minute walk from Kiba Station, Tokyo Metro Tozai Line
- Total Land Area: 1,259.52m²
- Total Floor Area: 7,513.09m²
- Type of Ownership: Land: Proprietary ownership
Building: Compartmentalized ownership
(All of compartmentalized ownerships with whole building are entrusted.)
- Acquisition Price: 4,000 million yen
- NOI Yield : 6.47% (expected yield of acquisition fiscal year)
(based on acquisition price) 6.74% (expected yield in the medium to long term)
- Appraisal Value at Acquisition: 4,460 million yen (as of October 1, 2010)
- NCF Cap Rate: 5.20% (Direct capitalization method)
(based on appraisal value at acquisition)
- Completion Date: February 1992
- Acquisition Date: October 29, 2010
- Seller: G.K. Asok

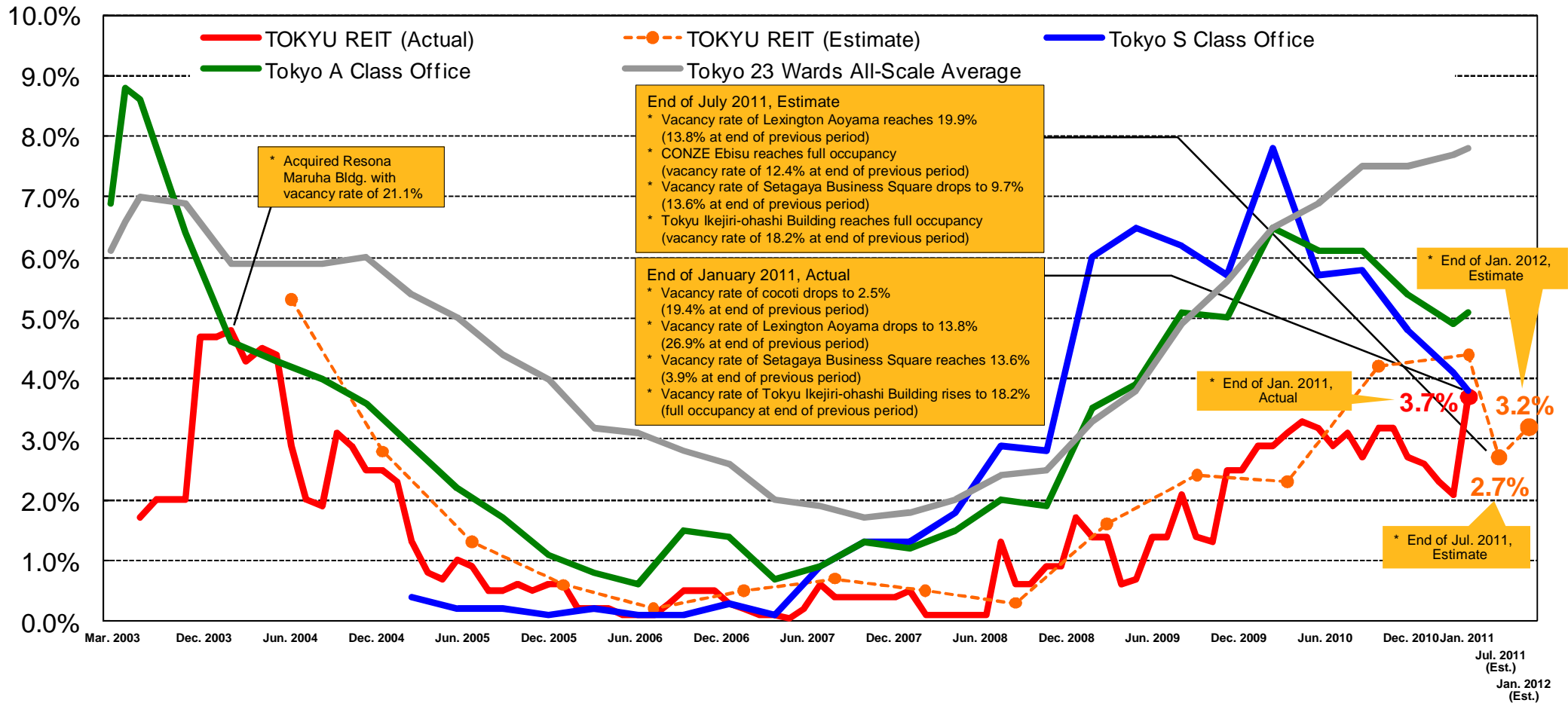


2. Characteristics and Issues

- Strengths: Highly accessible to central Tokyo, extremely close to the station, high visibility, lower rents compared to other central Tokyo properties, and high occupancy rate
- Weaknesses: An area low in concentration of offices
- Risk: Fluctuation of rental revenues with changes in the real estate leasing market
- Special Items: TOKYU REIT is planning to submit applications for a joint registration and change ownership of the trust building to the entire building.
It may be necessary to carry out a setback during future replacements.

Changes in Vacancy Rate

Changes in Vacancy Rate (TOKYU REIT, Tokyo S Class Office, Tokyo A Class Office, Tokyo 23 Wards All-Scale Average)



* S Class Office and A Class Office are defined by CB Richard Ellis – Japan.

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

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

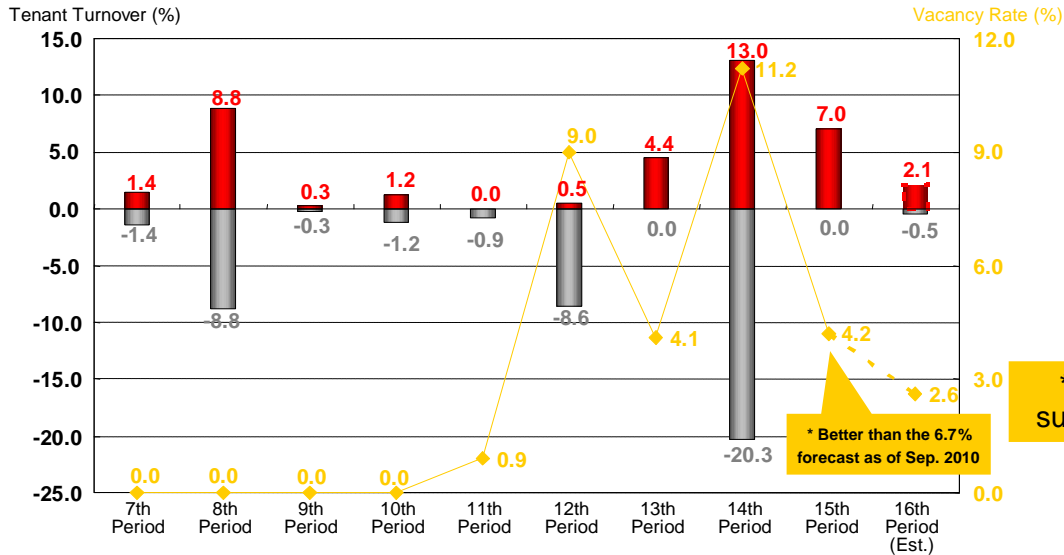
Source: "Office Market Report" issued by CB Richard Ellis – Japan.

*** TOKYU REIT's portfolio has lower vacancy than the average market rate in Tokyo and has recorded stable performance**

*Comments by Tokyu REIM

Changes in Tenant Turnover and Vacancy Rate

Retail (Urban)



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

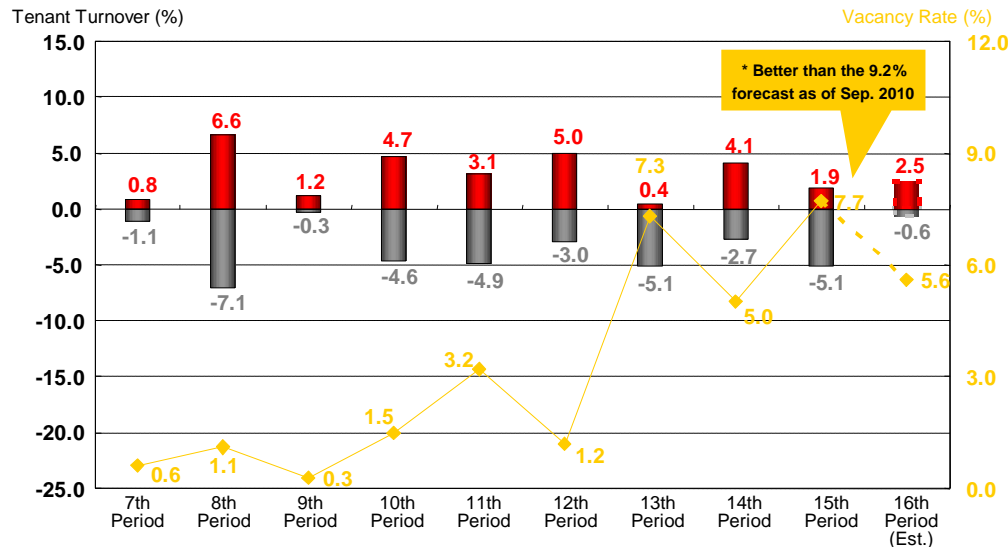
- * Retail (Suburban)
 - Tokyu Saginuma Building
 - Tokyu Saginuma 2 Building
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store)
 - Shonan Mall Fill (*sokochi*)

* 100% occupancy for suburban retail properties

* The moving in and out of tenants is calming down.

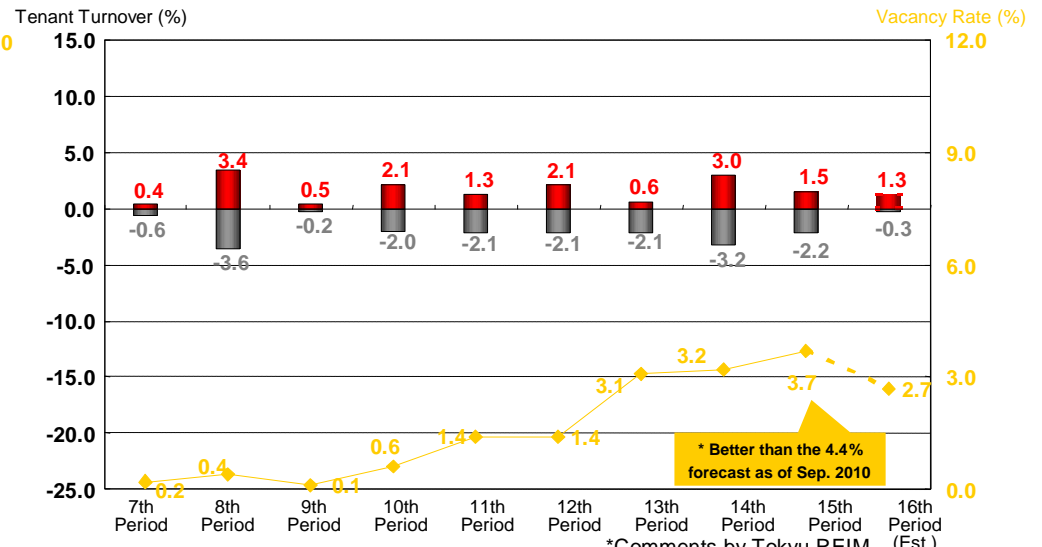
* Better than the 6.7% forecast as of Sep. 2010

Office



* Better than the 9.2% forecast as of Sep. 2010

Overall Portfolio



* Better than the 4.4% forecast as of Sep. 2010

*Comments by Tokyu REIM

Status of Leasing Activities (Retail)

| Type | Name of Property | Status |
|--------|--|--|
| Retail | Lexington Aoyama | <ul style="list-style-type: none"> Tenants moved into two spaces during the 15th period and the occupancy rate as of the end of the period improved to 86.2% (73.1% at end of 14th period). Expected occupancy rate as of the end of the 16th period is 80.1% Currently conducting marketing for 1 vacant space (approx. 88 tsubo) and 1 space scheduled for cancellation (approx. 38 tsubo), targeting merchandising stores and restaurants. |
| | cocoti | <ul style="list-style-type: none"> Tenants moved into two spaces during the 15th period and the occupancy rate as of the end of the period improved to 97.5% (80.6% at end of 14th period). A new contract was concluded for the 1 remaining space and so the expected occupancy rate as of the end of the 16th period rate is 100%. |
| | CONZE Ebisu | <ul style="list-style-type: none"> The occupancy rate at the end of the 15th period remains at 87.6% or the same as the end of the 14th period. A new contract was concluded with a restaurant for 1 vacant space (approx. 87 tsubo) in February 2011 and so the expected occupancy rate as of the end of the 16th period is 100%. |
| | Daikanyama Forum | <ul style="list-style-type: none"> Progress was not made on new contracts during the 15th period and so the occupancy rate at the end of the period remains at 91.5% or the same as the end of the 14th period. Currently conducting marketing for 1 vacant space (approx. 64 tsubo), targeting merchandising stores, showrooms, etc. |
| | <p>The occupancy rate for retail properties (urban) was 95.8% as of the end of the 15th period. The expected occupancy rates as of the end of the 16th period and 17th period are 97.4% and 97.4%, respectively (3 out of 7 properties were 100% occupied as of the end of the 15th period. As of the end of the 16th period and 17th period, 5 properties are expected to be 100% occupied).</p> <p>The occupancy rate for retail properties (suburban) was 100% as of the end of the 15th period. The expected occupancy rates as of the end of the 16th period and 17th period are 100% and 100%, respectively (4 out of 4 properties were 100% occupied as of the end of the 15th period. As of the end of the 16th period and 17th period, 4 properties are expected to be 100% occupied).</p> <p>The occupancy rate for retail properties (total) was 99.3% as of the end of the 15th period. The expected occupancy rates as of the end of the 16th period and 17th period are 99.5% and 99.5%, respectively (7 out of 11 properties were 100% occupied as of the end of the 15th period. As of the end of the 16th period and 17th period, 9 properties are expected to be 100% occupied).</p> | |

* 15th Period: August 1, 2010 – January 31, 2011; 16th Period: February 1, 2011 – July 31, 2011; 17th Period: August 1, 2011 – January 31, 2012

* Expected occupancy rates at the end of the 16th and 17th periods only reflect tenants with whom contracts have been contracted and tenants from whom we have received cancellation notices as of February 28, 2011.

Activities in Relation to cocoti

Leasing activities that suit the property's characteristics

- October 2010 1st Floor/1st Basement Diesel Shibuya opens a store
An Italian fashion brand opens the first large-scale concept store in the world



~Marketing for stores which are newsworthy or have the power to draw in customers by establishing an art gallery or café space alongside the store~

- Spring 2011 2 spaces in the 4th floor are scheduled to open business Beauty-related store, etc. which operates nationwide



~Activities to draw in new types of customers by marketing for service-related stores which have higher purposes to the middle floors~

Promotional activities for the purpose of enhancing the property's competitiveness

- Continuation of promotional activities that take advantage of newsworthiness, such as the opening of a new store

~Maintain or increase the property's degree of recognition and further enhance the property's competitiveness~

Status of Leasing Activities (Office)

| Type | Name of Property | Status |
|------------------|---------------------------------------|--|
| Office | Setagaya Business Square (Note) | <ul style="list-style-type: none"> • 3 tenants moved in during the 15th period, but a large tenant made a cancellation. As a result, the occupancy rate as of the end of the period fell to 86.4% (96.1% at end of 14th period). • New contracts were concluded for the 3 vacant spaces (approx. 399 tsubo) in February 2011 and so the expected occupancy rate as of the end of the 16th period rate is 90.3%. • Currently conducting marketing for 14 vacant spaces (approx. 927 tsubo), including the space scheduled for cancellation as of February 28, 2011. |
| | TOKYU REIT Toranomon Building | <ul style="list-style-type: none"> • 1 tenant moved in during the 15th period and the occupancy rate as of the end of the period improved to 76.6% (72.4% at end of 14th period). • Expected occupancy rate as of the end of the 16th period rate is 76.6%. • Currently conducting marketing for the 3 vacant spaces (approx. 718 tsubo), targeting offices conducting restructurings and relocations, or needing to integrate their offices, etc. • Moreover, on March 4, 2011, the Japan Nuclear Energy Safety Organization expressed its intent to accept applications for (6 floors, approx. 2,147 tsubo) from the public. |
| | Tokyu Ikejiri-ohashi Building | <ul style="list-style-type: none"> • During the 15th period, a cancellation for 1 space arose and the occupancy rate fell to 81.8% as of the end of the period (100% at end of 14th period). • A new contract was concluded for the above 1 space with an apparel company and so the expected occupancy rate as of the end of the 16th period is 100%. |
| | TOKYU REIT Kamata Building | <ul style="list-style-type: none"> • Progress was not made on new contracts during the 15th period and so the occupancy rate at the end of the period remains at 88.4% or the same as the end of the 14th period. • Currently conducting marketing for 1 vacant space (approx. 257 tsubo), targeting companies related to manufacturers on the same train line, while responding to needs for dividing office space. • Expected occupancy rate as of the end of the 16th period is 88.4% |
| | TOKYU REIT Akasaka Hinokicho Building | <ul style="list-style-type: none"> • During the 15th period, a cancellation from 1 tenant arose and the occupancy rate fell to 92.5% as of the end of the period (100% at end of 14th period). • Expected occupancy rate as of the end of the 16th period is 95.0% due to an indoor relocation. • Currently conducting marketing for 1 vacant space (approx. 48 tsubo), targeting restaurants, clinics, etc. |
| | Kojimachi Square | <ul style="list-style-type: none"> • The expected occupancy rate as of the end of the 16th period is 100%, or the same as the end of the 15th period. • However, we received a cancellation notice for 1 space (approx. 203 tsubo) during the 15th period and so the expected occupancy rate as of the end of the 17th period is 87.6%. • Moreover, there still remains the risk that the Japan Science and Technology Agency, to whom 3 floors are being leased out (approx. 752 tsubo), will move out depending on the results of the government's screening process. |
| | ORIX Shinjuku Building | <ul style="list-style-type: none"> • We received a cancellation notice for 1 space (approx. 39 tsubo) during the 15th period but the occupancy rate at the end of the period remains at 100% or the same as the end of the 14th period. • The expected occupancy rate as of the end of the 16th period is 97.9%. • Currently conducting marketing for the above 1 space (approx. 39 tsubo), targeting offices, conference rooms, etc. • Moreover, the building's name was changed from TOKYU REIT Shinjuku Building as of March 1, 2011. |
| | | <ul style="list-style-type: none"> • 9 out of 14 office properties had full occupancy at the end of the 15th period. We expect full occupancy at 10 out of 15 properties at the end of the 16th period and 9 out of 15 properties at the end of the 17th period. • The occupancy rate of office properties was 92.3% at the end of the 15th period. The expected occupancy rate is 94.4% at the end of the 16th period and 93.1% at the end of the 17th period. |
| Entire portfolio | | <ul style="list-style-type: none"> • 16 out of 25 properties had full occupancy at the end of the 15th period. Full occupancy is expected at 19 out of 26 properties at the end of the 16th period and 18 out of 26 properties at the end of the 17th period. • The occupancy rate of properties was 96.3% at the end of the 15th period. The expected occupancy rate is 97.3% at the end of the 16th period and 96.8% at the end of the 17th period. |

* 15th Period: August 1, 2010 – January 31, 2011; 16th Period: February 1, 2011 – July 31, 2011; 17th Period: August 1, 2011 – January 31, 2012

* Expected occupancy rates at the end of the 16th and 17th periods only reflect tenants with whom contracts have been contracted and tenants from whom we have received cancellation notices as of February 28, 2011.

(Note) Areas indicated for Setagaya Business Square are the figures for the 55% co-ownership interest.

Status of Existing Tenants

Percentage of Tenants Facing Rent Renegotiation

| Asset Class | 16th Period | | 17th Period | 18th Period | 19th Period | 20th Period | 21st Period |
|-------------|-------------|--|-------------|-------------|-------------|-------------|-------------|
| | | Main Content | | | | | |
| Retail | 19.9% | | 23.1% | 10.6% | 21.9% | 6.9% | 14.2% |
| Urban | 10.8% | Think Fitness Corporation (TOKYU REIT Omotesando Square) | 33.0% | 4.8% | 10.4% | 10.7% | 19.2% |
| Suburban | 36.4% | Ito-Yokado Co., Ltd. (Beacon Hill Plaza (Ito-Yokado Noukendai Store)) | 5.2% | 21.1% | 42.5% | 0.0% | 5.2% |
| Office | 28.7% | Fujitsu Advanced Solutions Limited (TOKYU REIT Kamata Building) Tokyu Community Corporation (Setagaya Business Square) | 18.0% | 17.1% | 24.8% | 31.4% | 19.1% |
| Total | 31.4% | Of this, 5.2%: Ito-Yokado Co., Ltd. Of this, 2.0%: Tokyu Community Corporation Of this, 1.7%: Fujitsu Advanced Solutions Limited | 25.0% | 18.1% | 29.5% | 26.9% | 21.4% |

* Percentage calculated by dividing rent for tenants facing rent renegotiation by total rent by asset class
 * Rent includes common service charge (except revenue from parking, warehousing, or billboards).
 * As of the end of the 15th Period

* Since occupancy rates are high, it does not mean that continuous rents will immediately decrease to market levels.

* Market rents have dropped due to the deterioration of the market environment.

Divergence from Market Rent

| Asset Class | 12th Period End (23 Properties) | 13th Period End (21 Properties) | 14th Period End (23 Properties) | 15th Period End (25 Properties) |
|-------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Retail | -3.9% | -8.9% | -6.1% | -4.3% |
| Urban | -5.8% | -13.4% | -9.4% | -6.5% |
| Suburban | -0.4% | -0.2% | -0.4% | -0.2% |
| Office | -17.5% | -28.3% | -28.5% | -30.3% |
| Total | -12.4% | -19.2% | -19.4% | -19.8% |

* Divergence = (New market monthly rent at beginning of next period – Monthly rent at end of period) / Monthly rent at end of period
 * New market rent is calculated by Tokyu REIM based on market reports of third parties.
 * Monthly rent at the beginning of period includes common service charges (except revenue from parking, warehousing, or billboards).
 * Vacant spaces are not included in the divergence calculation

* Market rents underperformed against monthly rents (contracted rents)

Changes in Market Rents (New Rents Appraised by CBRE)

| | Market Rents | | | | | | |
|-----------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Jun. 2009 | Sep. 2009 | Dec. 2009 | Mar. 2010 | Jun. 2010 | Sep. 2010 | Dec. 2010 |
| Marunouchi / Otemachi / Yurakucho | 107 | 119 | 102 | 102 | 98 | 96 | 100 |
| Kojimachi / Hirakawacho / Kioicho | 118 | 115 | 112 | 109 | 108 | 102 | 100 |
| Kayabacho / Hatchobori / Shinkawa | 110 | 109 | 109 | 106 | 105 | 103 | 100 |
| Ginza | 112 | 108 | 105 | 105 | 104 | 103 | 100 |
| Toranomon | 116 | 110 | 110 | 108 | 104 | 101 | 100 |
| Akasaka | 109 | 110 | 110 | 106 | 104 | 101 | 100 |
| Shinjuku | 111 | 107 | 104 | 102 | 100 | 101 | 100 |
| Shibuya | 115 | 113 | 109 | 106 | 105 | 104 | 100 |
| Jinnan / Udagawacho / Dogenzaka | 104 | 103 | 103 | 103 | 100 | 100 | 100 |
| Ueno / Okachimachi | 109 | 110 | 109 | 106 | 104 | 102 | 100 |
| Kamata | 99 | 99 | 98 | 95 | 96 | 97 | 100 |

* With regards to the new rents appraised by CBRE, figures as of the end of December 2010 are given an index value of 100 and changes prior to that are indicated in comparison.

Market rents have increased from the previous appraisal
 Market rents have not changed from the previous appraisal
 Market rents have decreased from the previous appraisal

*Comments by Tokyu REIM

Asset Safeguarding

Changes in Repair and Maintenance Costs and CapEx

(¥ million)

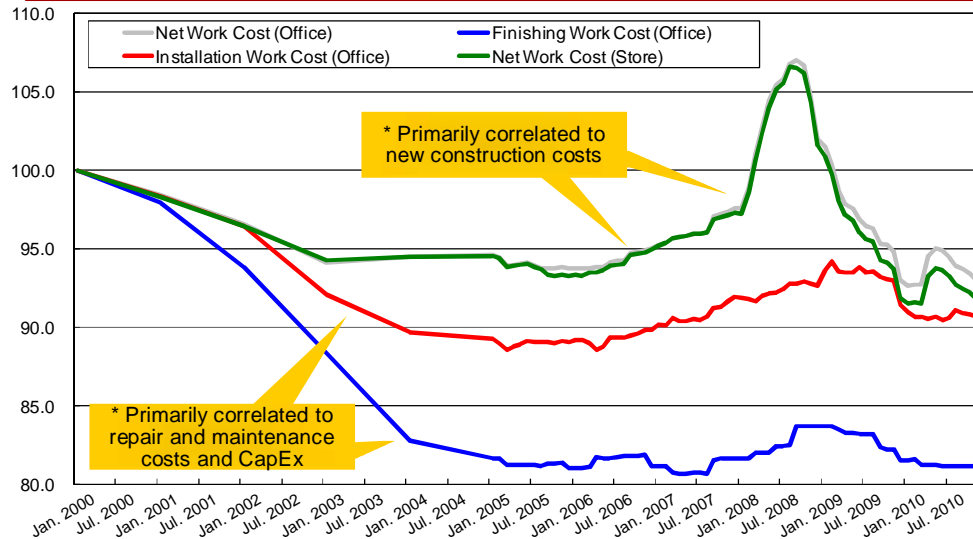
| | 12th Period (Actual) | 13th Period (Actual) | 14th Period (Actual) | 15th Period (Actual) | 16th Period (Estimate) | 17th Period (Estimate) |
|------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|
| Repair and Maintenance | 182 | 129 | 142 | 163 | 288 | 222 |
| CapEx | 205 | 125 | 121 | 235 | 341 | 253 |
| Total | 388 | 255 | 263 | 399 | 629 | 474 |

* Increase investment in repair and maintenance costs and CapEx

<Major Constructions to be Implemented During the 16th Period>

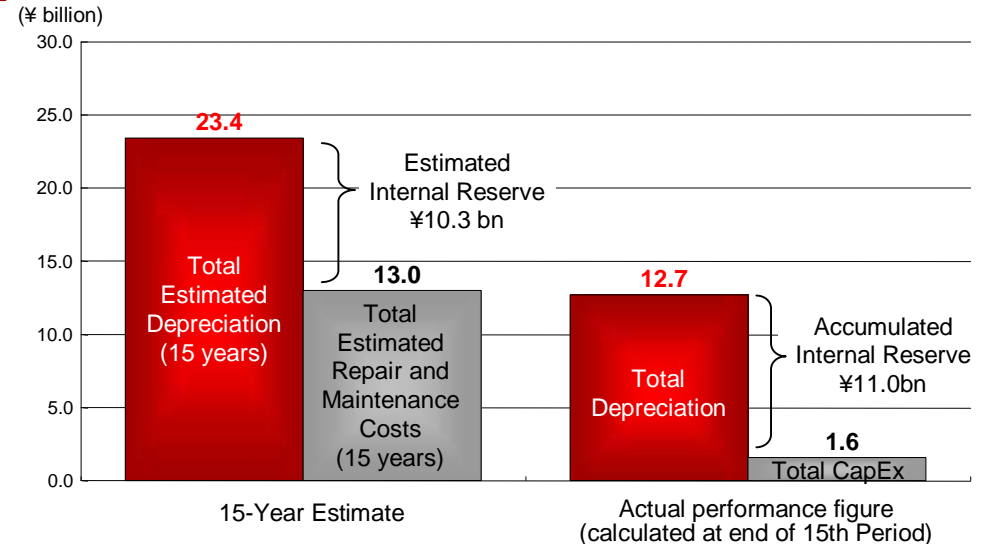
- Tokyu Saginuma Building (Saginuma Tokyu)
 - Major renovation construction (260 million yen)
 - Implement various constructions in preparation for the renewal of a store accompanying the change in type of industry that the tenant belongs to
 - During the renovation of the external wall, we will reduce future maintenance costs by using photocatalytic paint
 - Upgrading to a turbo refrigerator that has a higher performance than the existing equipment
 - Renovation of the powder room for guests
 - Upgrading of the power receiving facility/electrical substation equipment
- TOKYU REIT Toranomon Building
 - Renewal of air-source air-conditioning equipment in the 4th, 5th, and 9th floors (27 million yen)
 - Promotion of energy conservation through conversion to inverters

Changes in the Building Construction Cost Index (January 2000 = 100)



Source: "Building Construction Cost Index" by the Construction Research Institute
 (Office: Modeled after the following building type: SRC, 7,000m², 9 floors above ground and 1-2 floors below ground)
 (Store: Modeled after the following building type: SRC, 4,000m², 8 floors above ground and 1 floor below ground)

Balance of Depreciation and Repair and Maintenance Costs



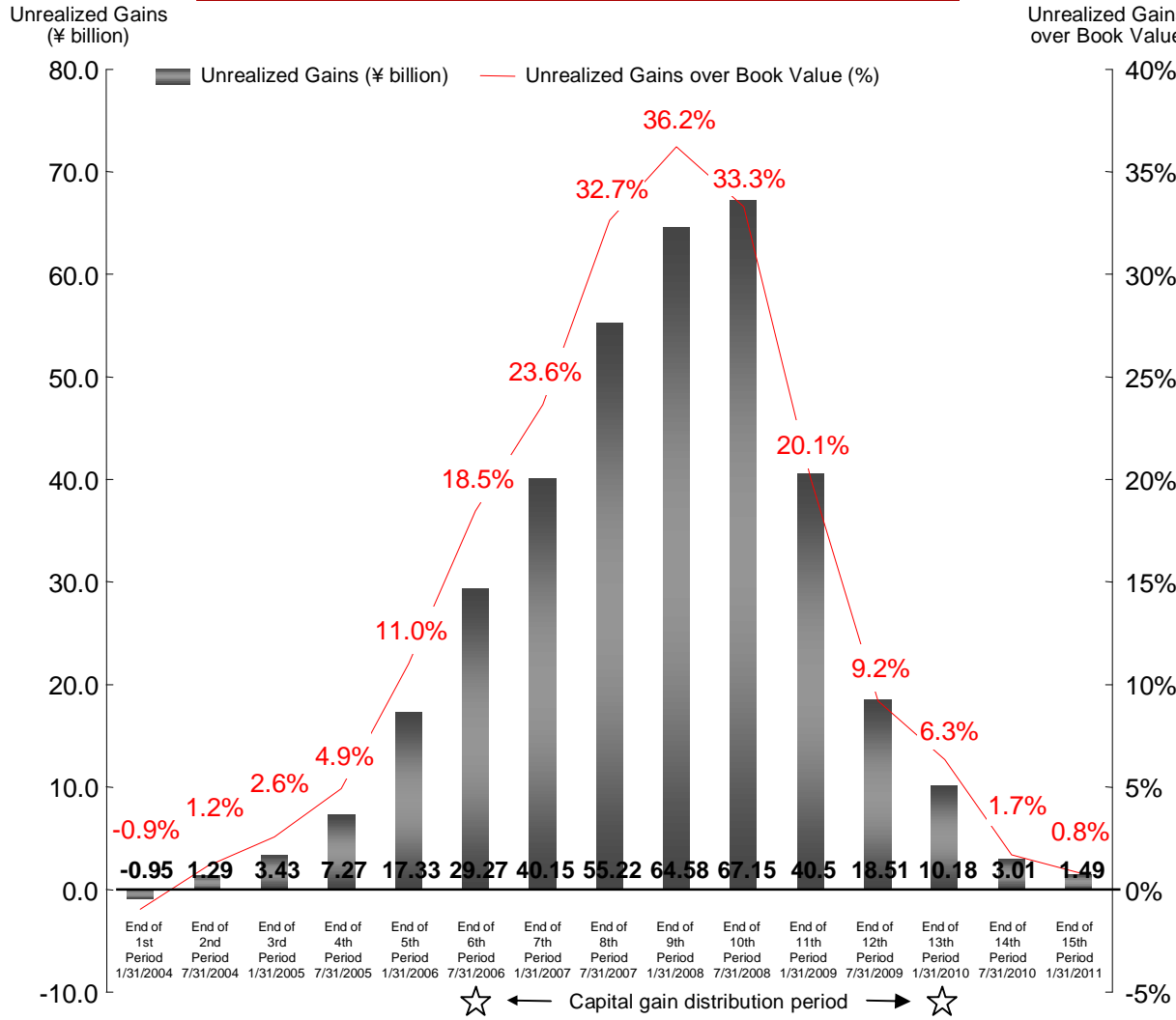
* Repair and maintenance cost estimates are updated when appropriate.
 * Not including Shonan Mall Fill (sokochi)

*** Grasp the period when construction costs are low and proactively invest in CapEx so as to safeguard and add value to assets.**

*Comments by Tokyu REIM

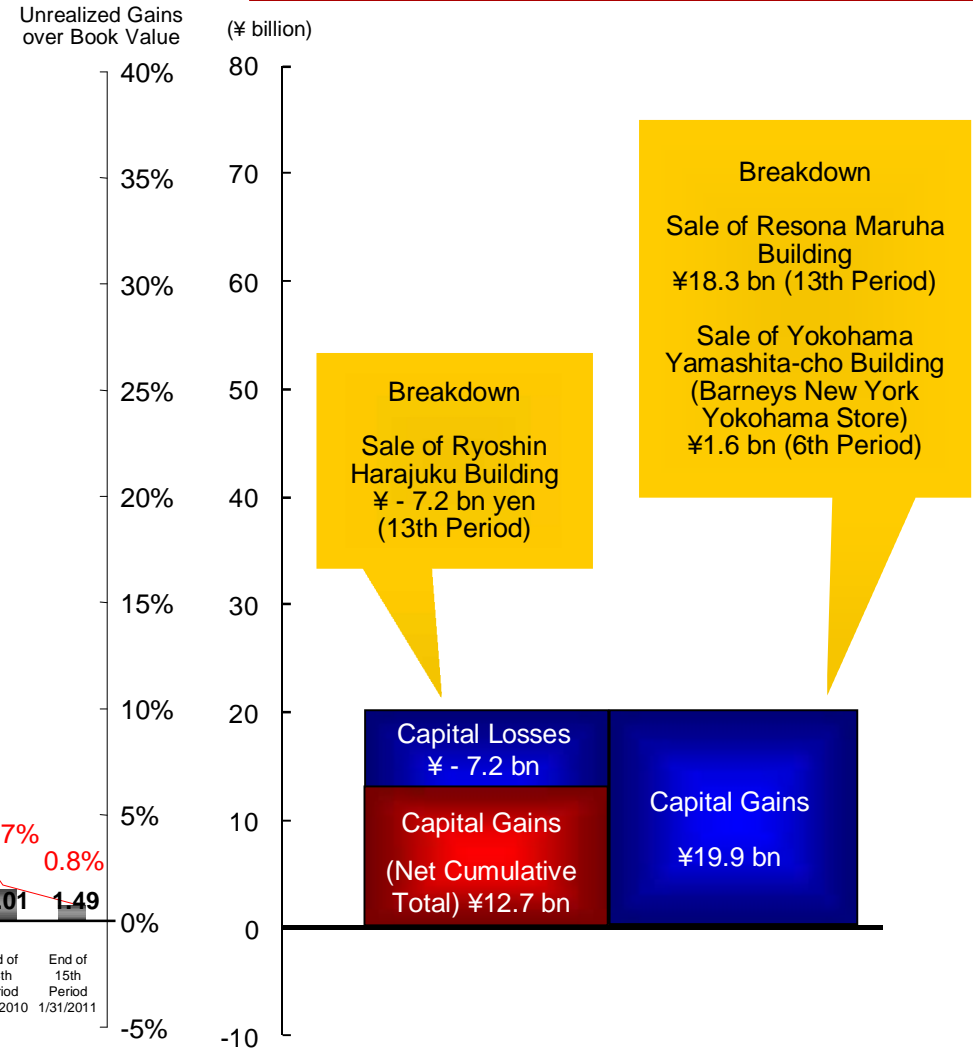
Unrealized Gains and Capital Gains

Unrealized Gains



* Unrealized Gains over Book Value = Unrealized Gains / Book Value of Assets

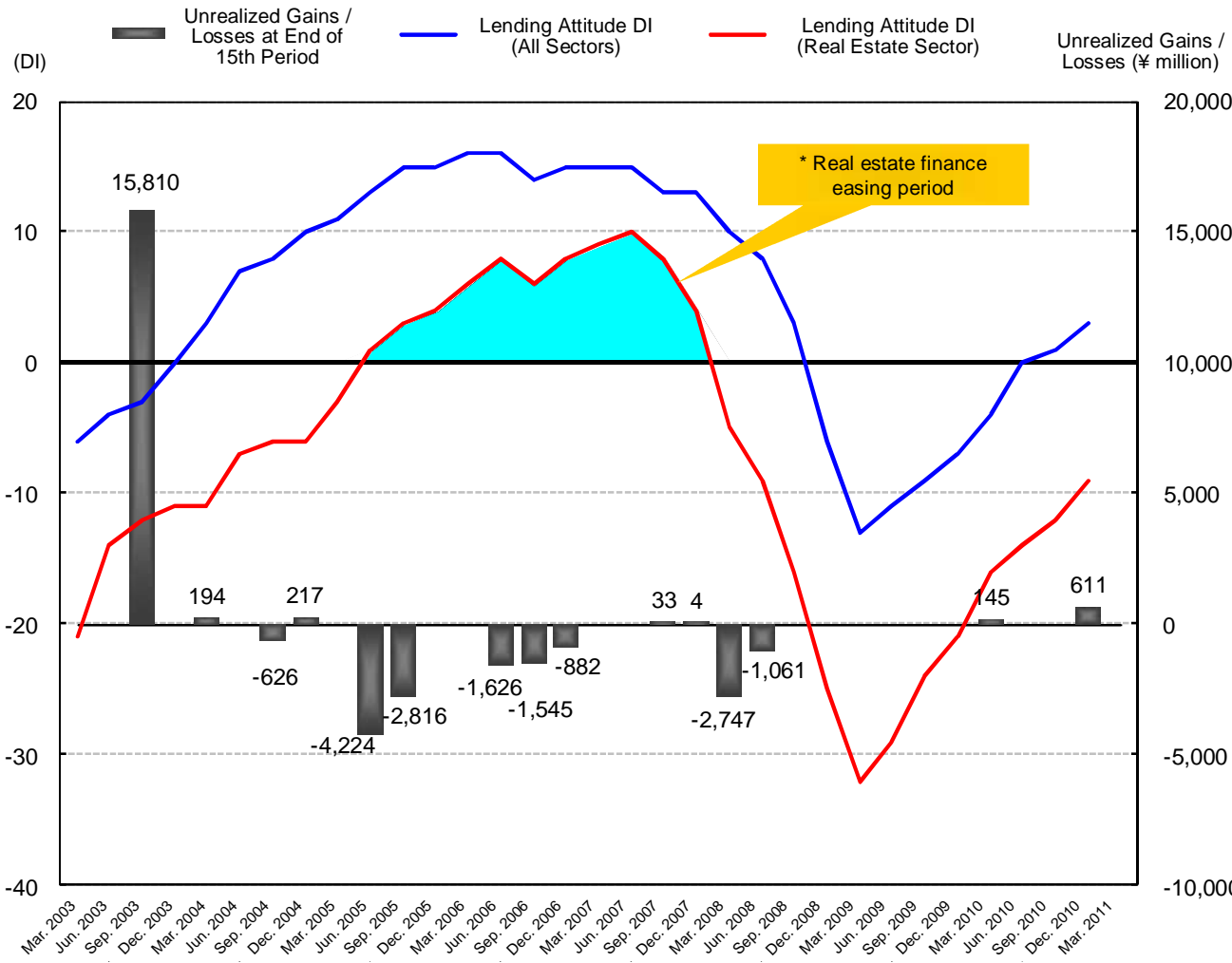
Capital Gains (Realized Gains)



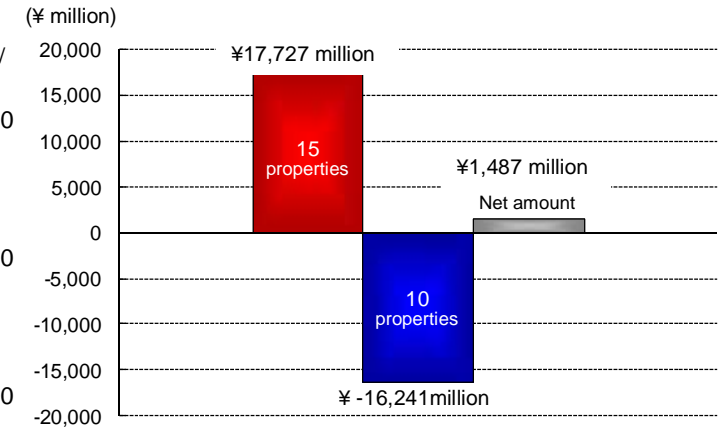
* Net cumulative total as of the end of the 15th period

Analysis of Unrealized Gains / Losses

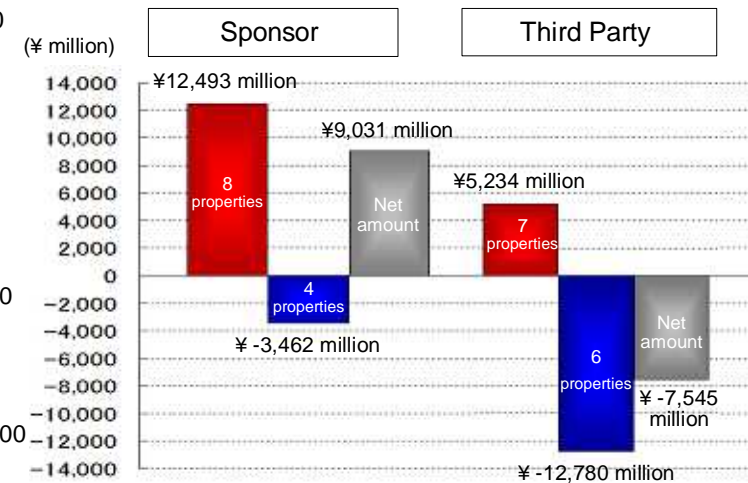
Unrealized Gains / Losses Due to Timing of Property Acquisition



Breakdown of Unrealized Gains / Losses



Unrealized Gains / Losses by Seller



* Figures for properties for which additional acquisition was conducted (cocoti and TOKYU REIT Toranomon Building) are calculated in accordance with the respective percentage of acquisition price.

* Excluding Tokyu Ginza 2-chome Building acquired during the 16th period.

*Comments by Tokyu REIM

Change in Appraisal Value (End of 15th Period – End of 14th Period)

(¥ million)

| Name of Property | Appraisal Value at End of Period (JPY mm) | | Increase / Decrease % | Increase / Decrease (JPY mm) | Impact from change in NCF | Impact from change in NCF Cap Rate | NCF (Direct capitalization method) | | | NCF Cap Rate (Direct cap rate) | | | Appraiser (Note) |
|---|---|----------------|-----------------------|------------------------------|---------------------------|------------------------------------|------------------------------------|--------------|------------|--------------------------------|--------------|--------------|------------------|
| | 15th Period | 14th Period | | | | | 15th Period | 14th Period | Change | 15th Period | 14th Period | Change | |
| | QFRONT | 19,900 | | | | | 19,900 | 0.00% | 0 | 0% | 0% | 782 | |
| Lexington Aoyama | 4,390 | 4,580 | -4.15% | -190 | 102% | 0% | 196 | 205 | -9 | 4.40% | 4.40% | 0.00% | a |
| TOKYU REIT Omotesando Square | 6,670 | 6,690 | -0.30% | -20 | -3% | 0% | 306 | 306 | 0 | 4.50% | 4.50% | 0.00% | a |
| Tokyu Saginuma Building | 7,880 | 7,890 | -0.13% | -10 | -1239% | 1344% | 467 | 460 | 7 | 5.90% | 5.80% | 0.10% | a |
| Tokyu Saginuma 2 Building | 1,350 | 1,390 | -2.88% | -40 | 121% | 0% | 92 | 95 | -3 | 6.80% | 6.80% | 0.00% | a |
| TOKYU REIT Shibuya Udagawa-cho Square | 6,830 | 6,910 | -1.16% | -80 | 51% | 0% | 265 | 267 | -2 | 4.50% | 4.50% | 0.00% | b |
| Beacon Hill Plaza (Ito-Yokado Noukendai Store) | 8,100 | 8,090 | 0.12% | 10 | 176% | 0% | 472 | 471 | 1 | 5.50% | 5.50% | 0.00% | b |
| cocoti | 16,500 | 17,000 | -2.94% | -500 | 42% | 0% | 725 | 734 | -9 | 4.30% | 4.30% | 0.00% | c |
| Shonan Mall Fill (<i>sokochi</i>) | 5,400 | 5,400 | 0.00% | 0 | 0% | 0% | 302 | 302 | 0 | 5.50% | 5.50% | 0.00% | d |
| CONZE Ebisu | 4,110 | 4,240 | -3.07% | -130 | 90% | 0% | 179 | 184 | -5 | 4.30% | 4.30% | 0.00% | c |
| Daikanyama Forum | 3,090 | 3,100 | -0.32% | -10 | 178% | 0% | 137 | 138 | -1 | 4.40% | 4.40% | 0.00% | b |
| Retail Properties Total | 84,220 | 85,190 | -1.14% | -970 | 46% | 14% | 3,922 | 3,941 | -19 | 4.66% | 4.63% | 0.03% | |
| Setagaya Business Square | 19,900 | 20,000 | -0.50% | -100 | 136% | 0% | 1,019 | 1,026 | -7 | 5.10% | 5.10% | 0.00% | a |
| Tokyu Nampeidai-cho Building | 5,540 | 5,650 | -1.95% | -110 | 1% | 106% | 273 | 273 | 0 | 4.90% | 4.80% | 0.10% | a |
| Tokyu Sakuragaoka-cho Building | 8,260 | 8,450 | -2.25% | -190 | 6% | 98% | 384 | 384 | -1 | 4.60% | 4.50% | 0.10% | a |
| Tokyo Nissan Taito Building | 5,010 | 4,970 | 0.80% | 40 | 93% | 0% | 257 | 256 | 2 | 5.10% | 5.10% | 0.00% | a |
| TOKYU REIT Akasaka Hinokicho Building | 3,960 | 3,990 | -0.75% | -30 | 111% | 0% | 188 | 190 | -2 | 4.70% | 4.70% | 0.00% | a |
| TOKYU REIT Kamata Building | 6,600 | 6,640 | -0.60% | -40 | 135% | 0% | 352 | 355 | -3 | 5.30% | 5.30% | 0.00% | a |
| TOKYU REIT Toranomon Building | 10,200 | 11,100 | -8.11% | -900 | 101% | 0% | 480 | 522 | -43 | 4.70% | 4.70% | 0.00% | a |
| TOKYU REIT Hatchobori Building | 5,370 | 5,460 | -1.65% | -90 | 119% | 0% | 252 | 257 | -5 | 4.70% | 4.70% | 0.00% | c |
| Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) | 6,760 | 6,760 | 0.00% | 0 | 0% | 0% | 314 | 315 | 0 | 4.40% | 4.40% | 0.00% | b |
| Tokyu Ikejiri-ohashi Building | 4,330 | 4,630 | -6.48% | -300 | 89% | 0% | 228 | 242 | -14 | 5.20% | 5.20% | 0.00% | c |
| Kojimachi Square | 8,610 | 8,820 | -2.38% | -210 | 89% | 0% | 409 | 418 | -9 | 4.70% | 4.70% | 0.00% | a |
| ORIX Shinjuku Building | 9,780 | 9,780 | 0.00% | 0 | 0% | 0% | 448 | 448 | 1 | 4.50% | 4.50% | 0.00% | c |
| Office Properties Total | 94,320 | 96,250 | -2.01% | -1,930 | 86% | 16% | 4,607 | 4,687 | -80 | 4.88% | 4.87% | 0.01% | |
| Total | 178,540 | 181,440 | -1.60% | -2,900 | 73% | 15% | 8,529 | 8,628 | -99 | 4.78% | 4.76% | 0.02% | |

(Note) a. Japan Real Estate Institute b. Japan Valuers Co., Ltd. c. Daiwa Real Estate Appraisal Corporation d. Jones Lang LaSalle IP, Inc.

* Appraisal Value is determined by using several methodologies including the direct capitalization approach and DCF approach. Therefore, the Appraisal Value may differ from the above NCF figures divided by the NCF Cap Rate. Therefore, the total change in NCF and change in NCF Cap Rate may not add up to 100%.

* We acquired Akihabara Sanwa Toyo Building and Kiba Eitai Building on October 29, 2010. The Appraisal Value at End of 15th Period, NCF and NCF Cap Rate of the 2 properties are as follows: Akihabara Sanwa Toyo Building (Appraisal Value at End of 15th Period: 4,900 million yen, NCF: 250 million yen and NCF Cap Rate: 4.8%) and Kiba Eitai Building (Appraisal Value at End of 15th Period: 4,460 million yen, NCF: 251 million yen and NCF Cap Rate: 5.2%)

Diversification of Repayment (Redemption) Dates

Maturity Ladder (Interest-Bearing Debt Balance by Repayment Date)

* ¥19.4 billion in long-term debt due within a year (due by end of Jan. 2012)

16th Period: ¥10.0 billion

| | | |
|-----------------------|---------|---------------|
| Chuo Mitsui Trust | ¥2.0 bn | Due 5/18/2011 |
| Sumitomo Trust | ¥2.0 bn | Due 5/25/2011 |
| Mizuho Corporate Bank | ¥2.0 bn | Due 6/25/2011 |
| Nippon Life Insurance | ¥4.0 bn | Due 7/31/2011 |

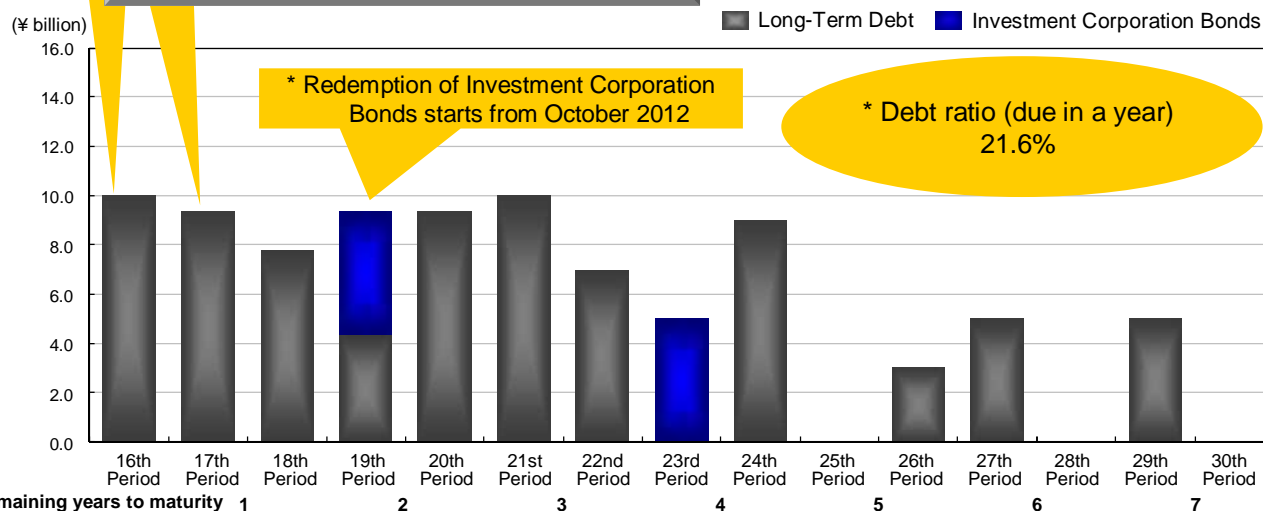
17th Period: ¥9.4 billion

| | | |
|---|---------|----------------|
| Bank of Tokyo- Mitsubishi UFJ | ¥5.0 bn | Due 9/25/2011 |
| National Mutual Insurance Federation of Agricultural Cooperatives | ¥1.0 bn | Due 10/25/2011 |
| Mizuho Corporate Bank | ¥0.4 bn | Due 10/27/2011 |
| Mizuho Corporate Bank | ¥3.0 bn | Due 11/11/2011 |

* Commitment Line

| | | |
|---------------------------|----------|---------------|
| Development Bank of Japan | ¥10.0 bn | Due 7/1/2011 |
| Sumitomo Trust | ¥1.0 bn | Due 4/20/2011 |
| Chuo Mitsui Trust | ¥1.0 bn | Due 4/20/2011 |

As of End of Jan. 2011 (End of 15th Period)



* Figures in the parentheses indicate changes from the end of the 14th Period.

| | | |
|---------------------|------------|---------------|
| Total | : ¥90.0 bn | (¥ ± 0 bn) |
| Avg. Remaining Yrs. | : 2.79 yrs | (-0.17 yrs) |
| LT Ratio | : 100% | (± 0 pts.) |
| Number of Ladders | : 12 | (± 0 ladders) |
| Avg. Ladder Amount | : ¥7.5 bn | (¥ ± 0 bn) |

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

*** Strive to prolong interest-bearing debt and diversify repayment dates**

*Comments by Tokyu REIM

Changes in Base Interest Rates: Result of Strategic Debt Management

(Unit: %)

| | Duration | Borrowing Date | | | | | | | | | | | | |
|-----------|----------|----------------|---------|---------|------|---------|---------|---------|---------|---------|---------|----------------|---------|---------|
| | | 2007 | | | 2008 | | | | 2009 | | | 2010 | | |
| | | Jan. | Jun. | Sep. | Mar. | Jun. | Jul. | Nov. | Feb. | Apr. | Jun. | Jun. | Jul. | Dec. |
| Long term | 1.5 yr | | | | | | | | | | | | | |
| | 2.0 yr | | | | | | 1.55500 | | | | | | | |
| | 2.5 yr | | | | | | | 1.48125 | 1.47500 | | 1.32750 | | 1.17125 | |
| | 3.0 yr | | | | | 1.81875 | | 1.54250 | 1.52875 | | | 1.46875 | | |
| | 3.2 yr | | | | | | | | | | | 1.39000 (Note) | | |
| | 3.5 yr | | 1.81062 | | | | | | 1.63062 | | | | | |
| | 4.0 yr | | | 1.62625 | | | 1.80375 | 1.72500 | | | 1.67500 | 1.66375 | 1.31250 | |
| | 4.5 yr | | | | | | | | | | | 1.78812 | | |
| | 5.0 yr | | | | | | | | | 1.79000 | | | | 1.46250 |
| | 5.5 yr | | | | | | 2.10187 | | | | | | | |
| | 6.0 yr | | | | | | | | | | | | | 1.63250 |
| | 6.5 yr | | | | | | | | | | | | | |
| | 7.0 yr | 1.92000 | | | | | 2.21100 | | | | | | | |
| | 7.5 yr | | | | | | | | | | | | | |
| 8.0 yr | | | | 1.76625 | | | | | | | | | | |

(Note) Floating rates are based on JBA TIBOR and not the base interest rate as of the date this presentation was prepared (interest rates in the table are the interest rates as of the borrowing date).

*** Spreads have risen since the credit crunch in 2008, although base interest rates have fallen due to the decline in the market interest rate.**

*Comments by Tokyu REIM

TOKYU REIT

2. Topics

(4) Continuation of Time-Limited Reduction of Investment Management Fees and Partial Amendments of Systems

Overview of Investment Management Fee (~Fiscal Period Ending July 2011 (16th Period))

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

| | Objective (Aim) | Formula | Note |
|--|--|--|---|
| Base 1 (Linked to asset valuation) | Enhance Growth | Asset value at end of previous period × 0.150% (0.125% for the portion exceeding 200 billion yen) (0.115% for the portion exceeding 300 billion yen) | Encourage Investment Management Company to strive for asset appreciation by linking fee to valuation, not to the amount invested |
| Base 2 (Linked to cash flow) | | Standard cash flow in current period × 6.0% (5% for the portion exceeding 5 billion yen and 7.5 billion yen or less) (4.6% for the portion exceeding 7.5 billion yen) | Standard cash flow here shall be the amount derived by subtracting an amount equivalent to 50% each of profit or loss from the sale of specified assets and profit or loss from the valuation of specified assets from the net income before income taxes, plus depreciation and amortization of deferred assets. |
| Incentive Fee (Linked to investment unit price) | | Reduce risk premium related to investment unit (Average price in current period - Highest average price over all previous periods) × number of units × 0.4% | Change from 1.0% to 0.4%, approved by General Meeting of Unitholders on April 17, 2007 |
| Time-limited reduction | Response to uncertainties that continue to exist | The following percentage shall be reduced from the above calculated Investment Management Fees: 16th fiscal period to the 19th fiscal period: 5% | |

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

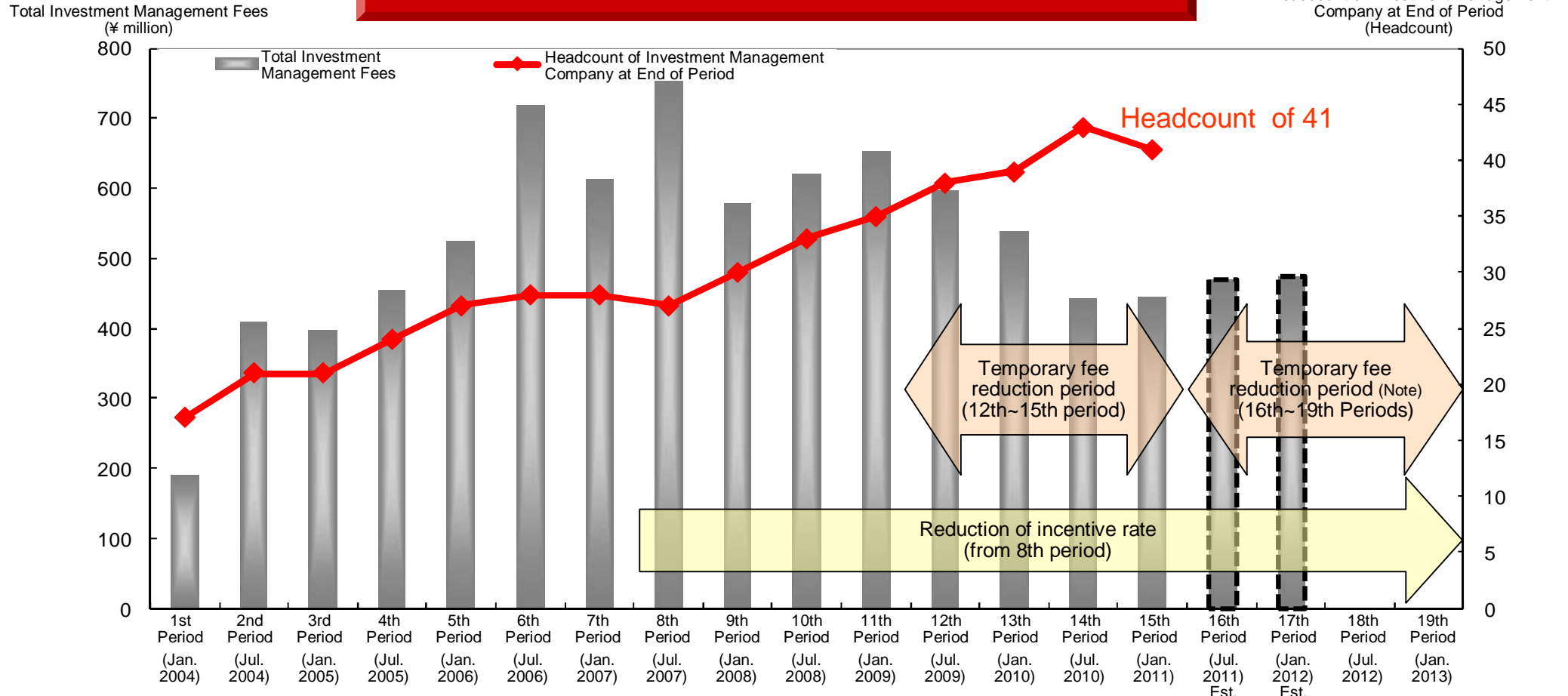
* The above fees are all booked as expenses. TOKYU REIT does not have a fee structure that leaves the income statement unaffected, such as the acquisition incentive fee, which is capitalized as an acquisition cost.

Planning to continue the time-limited reduction and amend the fee structure based on authorization by the 5th General Meeting of Unitholders on April 14, 2011 (text in red indicates amended parts)

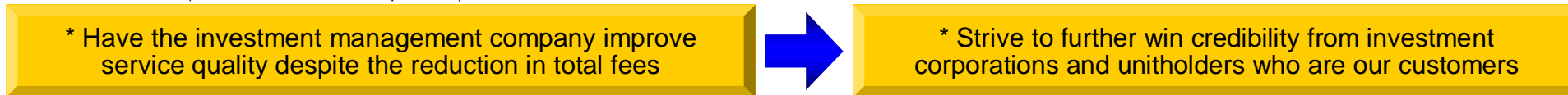
*Comments by Tokyu REIM

Transition of Total Investment Management Fees

Total Investment Management Fees and Headcount of Investment Management Company



(Note) The amendments are planned to take effect from the fiscal period ending July 2011 (16th Fiscal Period) on the condition that the proposed amendments are approved at the General Meeting of Unitholders (scheduled to be held in April 2011).



*Comments by Tokyu REIM

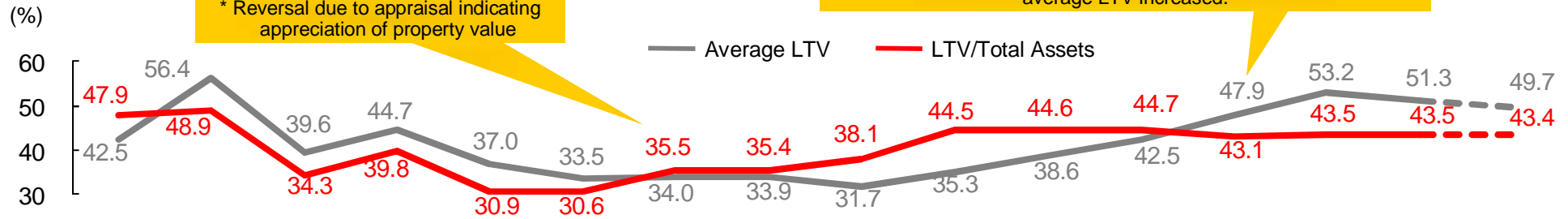
TOKYU REIT

3. Fund Management

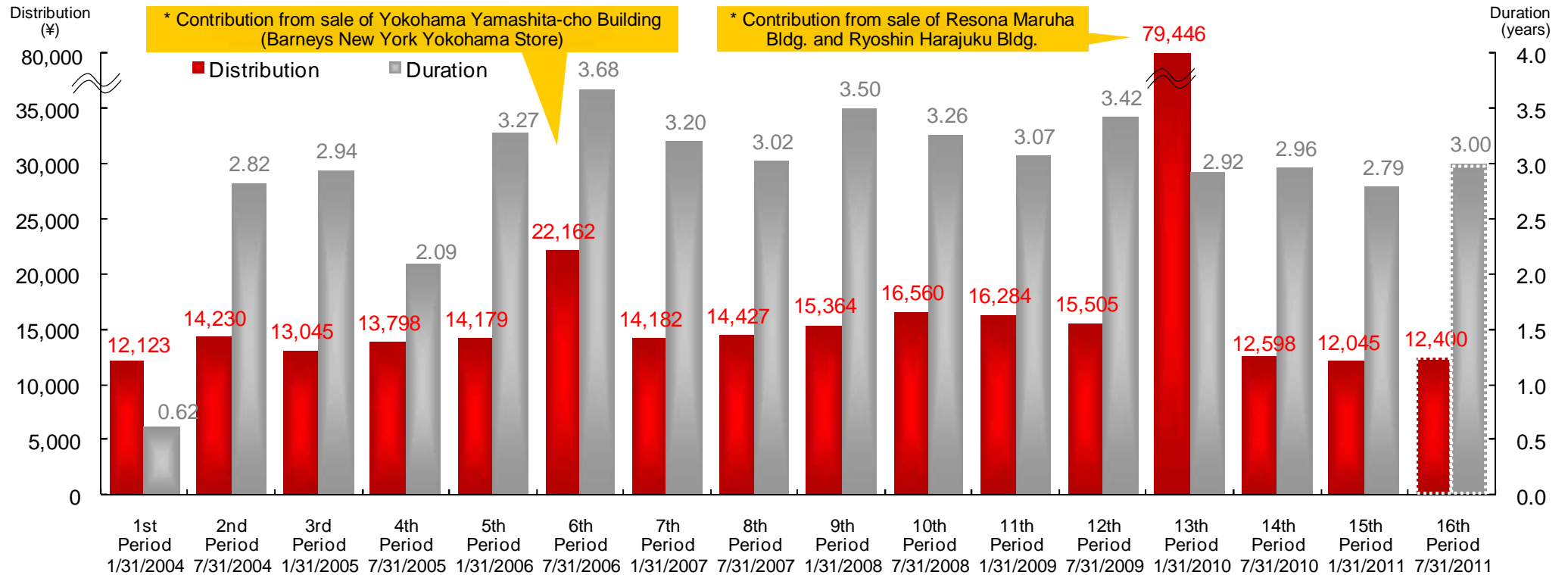
(1) Performance

Changes in Profit (EPS)

LTV transition



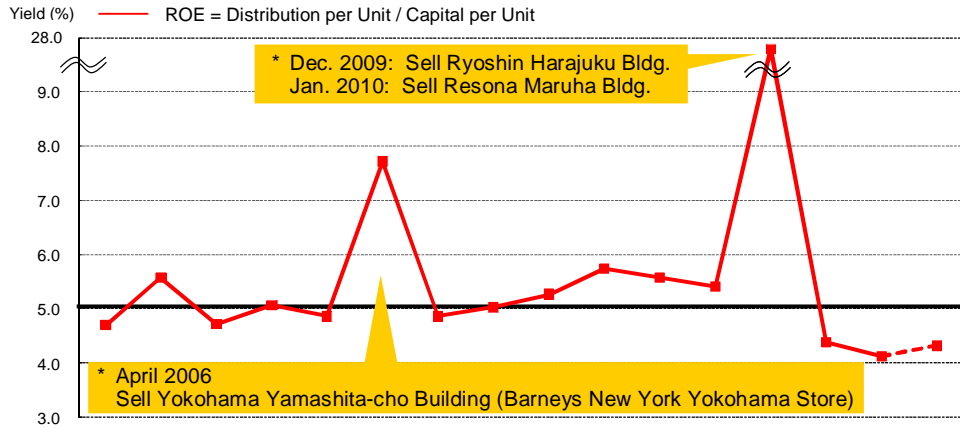
* Average LTV = (Average Balance of Interest-Bearing Debt + Average Balance of Securities Deposit without Reserved Cash) / Weighted Average of Appraisal Value at End of Previous Period and Appraisal Value at Acquisition
 * LTV / Total Assets = Period End Interest-Bearing Debt / Period End Total Assets



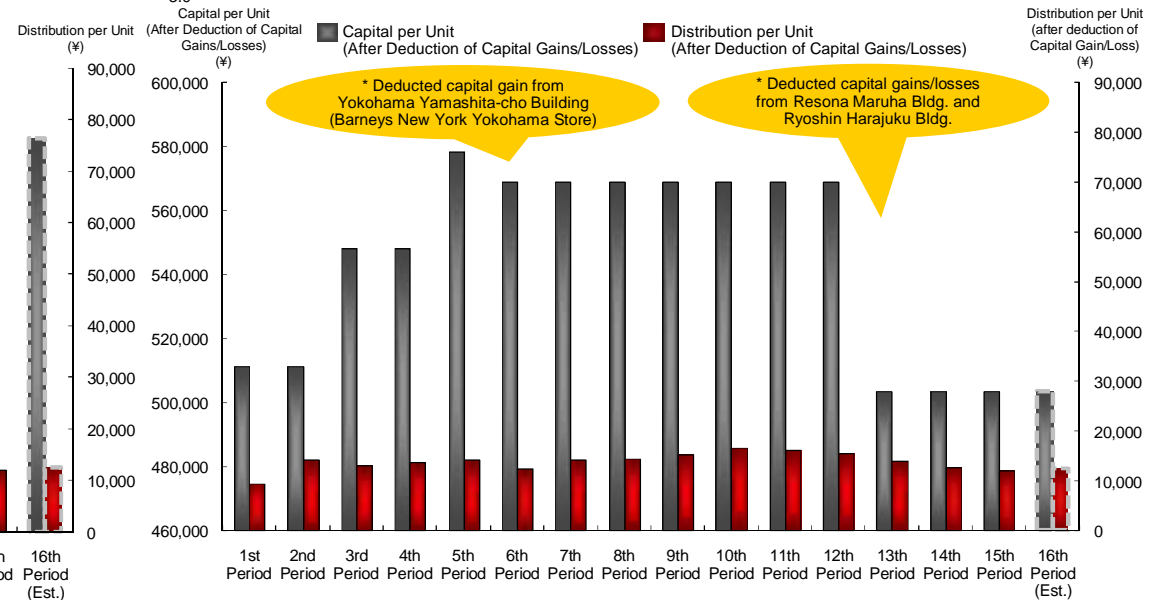
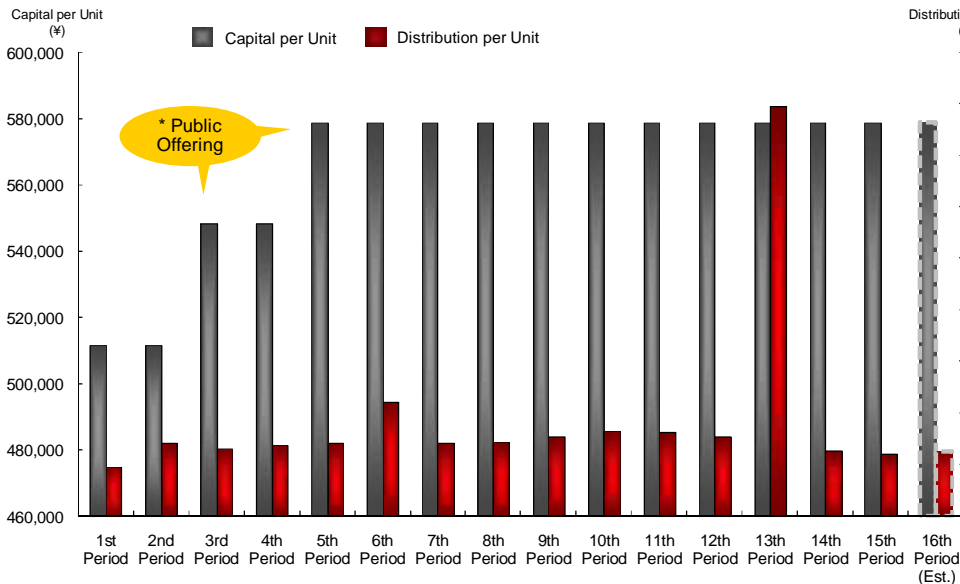
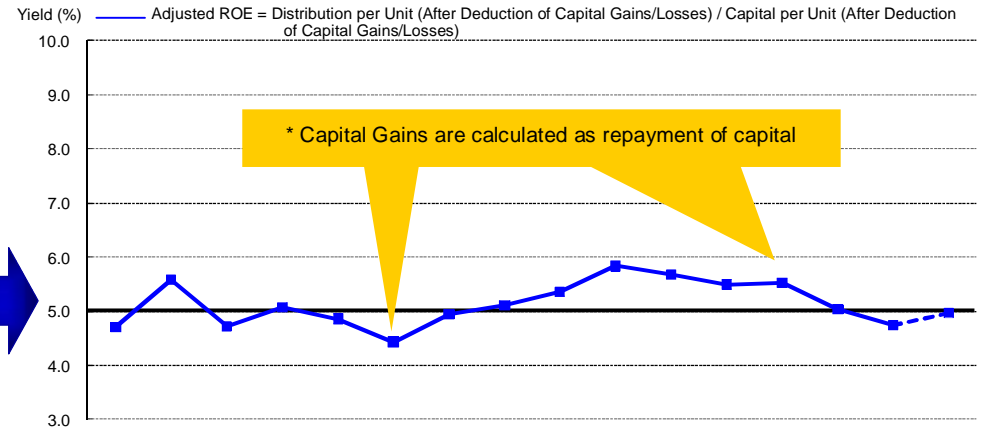
* Official distribution in the 1st Period was ¥9,488 based on the actual operating period of 144 days, but the recalculated distribution of ¥12,123 based on 184 operating days is used in the above graph for the sake of comparison with figures from the 2nd Period and thereafter. *Comments by Tokyu REIM

ROE (Capital Yield) and Adjusted ROE (Capital Yield after Deduction of Capital Gains)

ROE (Capital Yield)



Adjusted ROE (Capital Yield After Deduction of Capital Gains)



$$\text{Adjusted Capital Yield (Adjusted ROE)} = \frac{\text{Distribution Amount After Deduction of Capital Gains}}{\text{Total Capital} - \text{Accumulated Distribution of Capital Gains}}$$

*Comments by Tokyu REIM

Performance Against Public Offering Price

IPO (Initial Public Offering) (Issued Sep. 10, 2003)



* 53% of the IPO offering price was distributed in around 7 and a half years

* 40% of the 2nd PO offering price was distributed in around 6 and a half years

* 31% of the 3rd PO offering price was distributed in around 5 and a half years

Second Public Offering (Issued Aug. 3, 2004)



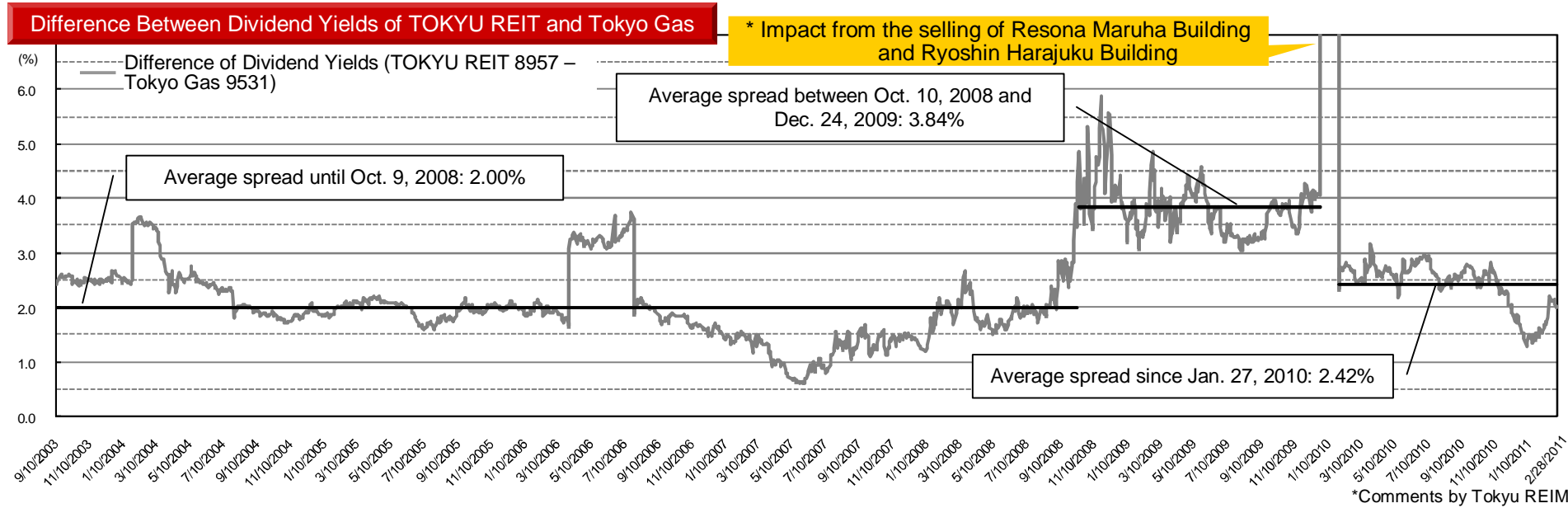
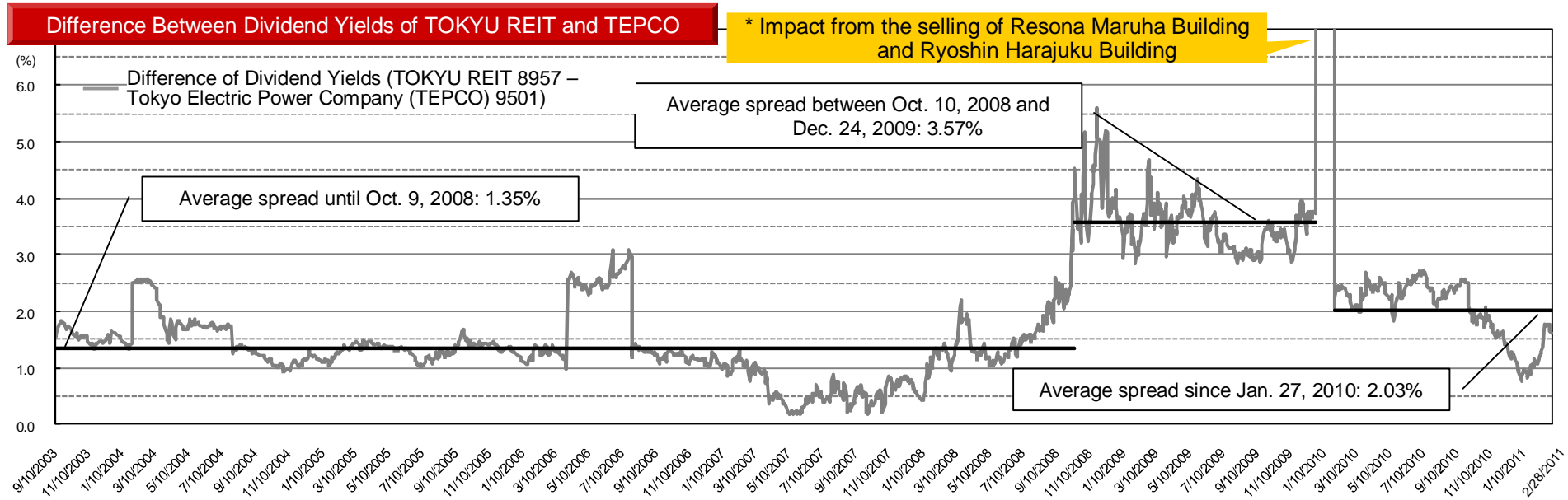
Third Public Offering (Issued Aug. 1, 2005)



*** Yields greater than offering prices in all three public offerings, including dividends**

*Comments by Tokyu REIM

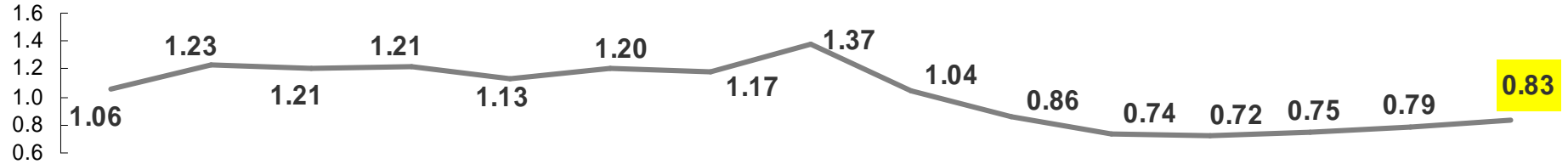
Difference Between Dividend Yields of TOKYU REIT and TEPCO/Tokyo Gas



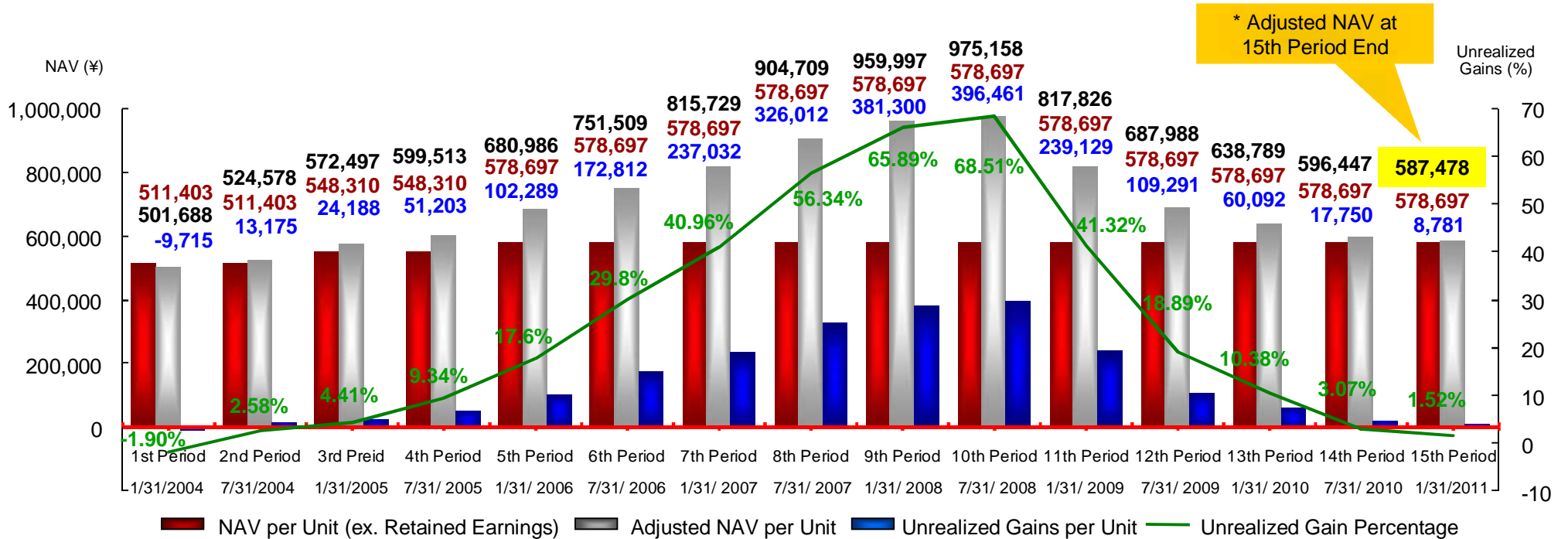
*Comments by Tokyu REIM

Changes in Asset Value (Adjusted NAV)

Adjusted NAV Multiple



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



| Average Investment Unit Price | 1st Period | 2nd Period | 3rd Period | 4th Period | 5th Period | 6th Period | 7th Period | 8th Period | 9th Period | 10th Period | 11th Period | 12th Period | 13th Period | 14th Period | 15th Period |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | ¥530,828 | ¥643,097 | ¥690,705 | ¥726,082 | ¥766,520 | ¥902,435 | ¥958,306 | ¥1,241,537 | ¥1,000,664 | ¥835,903 | ¥603,570 | ¥496,772 | ¥478,579 | ¥470,862 | ¥490,426 |

*Comments by Tokyu REIM

Purchase of Investment Units of Real Estate Investment Trusts (J-REITs) by the Bank of Japan (BOJ)

1. Summary

- (1) Eligible for Purchase
 - J-REITs with an AA rating or above and which do not have any credit problems, etc.
 - J-REITs for whom dates when a trade is closed exceed 200 days per year and whose annual cumulative trading value is 20 billion yen or more
- (2) Method of Purchase:
 - A trust bank will act as the trustee and J-REITs will be purchased as a trust asset
 - Depending on market conditions, the trustee will proceed with the purchase in accordance with standards set forth by the BOJ
- (3) Purchasing Price:
 - Volume weighted average price (VWAP) at a stock exchange
- (4) Purchasing Period:
 - December 2010 ~ End of December 2011 **➡ ~ End of June 2012 (amended as of March 14, 2011)**
- (5) Purchasing Limit, etc.:
 - Around 50 billion yen **➡ Around 100 billion yen (amended as of March 14, 2011)**
 - Limited to less than 5% of outstanding units of a single REIT
- (6) Exercising of Voting Rights:
 - The BOJ will set forth a policy and the trustee shall exercise the rights accordingly
- (7) Selling:
 - The BOJ will set forth a policy and the trustee shall dispose them accordingly

2. Purchasing Results Up until Now (as of March 14, 2011)

| | |
|---------------|----------------------|
| Dec. 16, 2010 | ¥2.2 billion |
| Jan. 28, 2011 | ¥2.4 billion |
| Mar. 2, 2011 | ¥1.8 billion |
| Mar. 3, 2011 | ¥1.8 billion |
| Mar. 11, 2011 | ¥1.8 billion |
| Mar. 14, 2010 | ¥1.8 billion |
| <hr/> | |
| Total | ¥11.8 billion (Note) |

*** The purchasing conducted by the BOJ is contributing to the recovery of trust in the J-REIT market**

Source: Prepared by Tokyu REIM based on information from the BOJ website

(Note) Estimate

*Comments by Tokyu REIM

TOKYU REIT

3. Fund Management

(2) Debt Management and Composition of Unitholders

Debt Structure (1)

Rating (As of End of 15th Period)

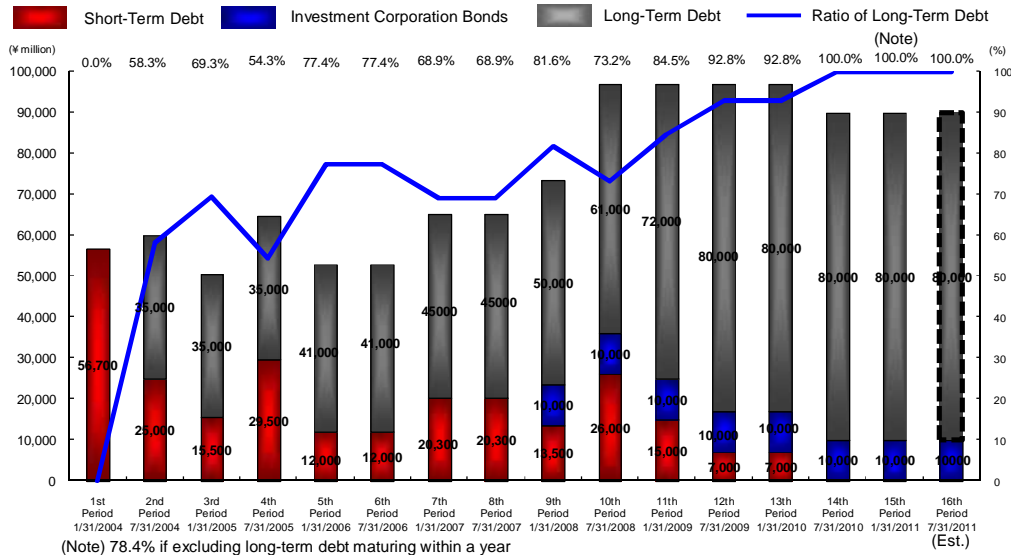
- R&I** ■ Issuer Rating: AA- (Rating Outlook: Stable)
- S&P** ■ Long-Term Corporate Credit Rating: A (Outlook: Stable)
- Moody's** ■ Short-Term Corporate Credit Rating: A-1
- Issuer Rating: A2 (Rating Outlook: Negative)

* High credit ratings help to respond to changing monetary situations

Commitment Line (As of End of 15th Period)

Development Bank of Japan ¥10.0 bn ... Due 7/1/2011
 Sumitomo Trust ¥1.0 bn ... Due 4/20/2011
 Chuo Mitsui Trust ¥1.0 bn ... Due 4/20/2011

Ratio of Long-Term Debt



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

Interest Bearing Debt

(As of end of 15th Period)

| Category | Lender | Amount (¥ million) | Interest Rate (%) | Debt Origination Date | Maturity | | Note |
|------------------------------|---|--------------------|-------------------------|-----------------------|------------|--------|------------------------|
| | | | | | Due Date | Period | |
| Long-term | Development Bank of Japan | 4,000 | 2.03000 | 6/25/2004 | 6/25/2012 | 18th | Unsecured Unguaranteed |
| | National Mutual Insurance Federation of Agricultural Cooperatives | 1,000 | 1.26250 | 10/25/2005 | 10/25/2011 | 17th | |
| | Development Bank of Japan | 5,000 | 1.95000 | 1/25/2006 | 1/25/2018 | 29th | |
| | Nippon Life Insurance | 4,000 | 1.93000 | 7/31/2006 | 7/31/2011 | 16th | |
| | Dai-ichi Life Mutual Life Insurance | 4,000 | 2.21125 | 7/31/2006 | 7/31/2013 | 20th | |
| | Dai-ichi Life Mutual Life Insurance | 1,000 | | | | | |
| | National Mutual Insurance Federation of Agricultural Cooperatives | 3,000 | 1.92000 | 1/25/2007 | 1/25/2014 | 21st | |
| | Bank of Tokyo- Mitsubishi UFJ | 5,000 | 1.62625 | 9/25/2007 | 9/25/2011 | 17th | |
| | Daido Life Insurance Company | 3,000 | 1.76625 | 3/10/2008 | 3/10/2016 | 26th | |
| | Mizuho Corporate Bank | 2,000 | 1.81875 | | 6/25/2011 | 16th | |
| | Mitsubishi UFJ Trust Bank | 1,000 | 2.10187 | 6/25/2008 | 12/25/2013 | 21st | |
| | Development Bank of Japan | 5,000 | 2.21100 | | 6/25/2015 | 24th | |
| | The Norinchukin Bank | 1,000 | 1.80375 | 7/25/2008 | 7/25/2012 | 18th | |
| | Mizuho Corporate Bank | 2,000 | 1.54250 | 11/11/2008 | 11/11/2011 | 17th | |
| | Chuo Mitsui Trust Bank | 2,000 | 1.48125 | | 5/18/2011 | 16th | |
| | Mitsubishi UFJ Trust Bank | 2,000 | 1.72500 | 11/18/2008 | 11/18/2012 | 19th | |
| | Sumitomo Trust Bank | 2,000 | 1.47500 | | 5/25/2011 | 16th | |
| | Bank of Tokyo-Mitsubishi UFJ | 2,000 | 1.63062 | 11/25/2008 | 5/25/2012 | 18th | |
| | Mizuho Corporate Bank | 1,000 | 1.52875 | | 11/11/2011 | 17th | |
| | Development Bank of Japan | 5,000 | 1.79000 | 2/25/2009 | 2/25/2014 | 22nd | |
| | Mizuho Corporate Bank | 400 | 1.32750 | 4/27/2009 | 10/27/2011 | 17th | |
| | Chuo Mitsui Trust Bank | 2,500 | | | 6/25/2013 | 20th | |
| | Mitsubishi UFJ Trust Bank | 2,500 | 1.67500 | | 6/25/2013 | 20th | |
| | Chuo Mitsui Trust Bank | 2,500 | 1.78812 | | 12/25/2013 | 21st | |
| | Mitsubishi UFJ Trust Bank | 2,500 | 1.78812 | | 12/25/2013 | 21st | |
| | Bank of Tokyo-Mitsubishi UFJ | 1,400 | 1.17077 (Floating Rate) | | 8/29/2012 | 19th | |
| | Sumitomo Trust Bank | 400 | 1.66375 | 6/29/2009 | 6/29/2013 | 20th | |
| Chuo Mitsui Trust Bank | 400 | 1.46875 | | 6/29/2012 | 18th | | |
| Mitsubishi UFJ Trust Bank | 400 | 1.46875 | | 6/29/2012 | 18th | | |
| Daido Life Insurance Company | 1,000 | 1.17125 | | 12/25/2012 | 19th | | |
| Mizuho Corporate Bank | 1,000 | 1.31250 | 6/25/2010 | 6/25/2014 | 22nd | | |
| Mitsui Sumitomo Insurance | 1,000 | | | | | | |
| Sumitomo Trust Bank | 1,000 | | | | | | |
| Chuo Mitsui Trust Bank | 1,000 | 1.46250 | 7/26/2010 | 7/26/2015 | 24th | | |
| Shinkin Central Bank | 2,000 | | | | | | |
| Sumitomo Trust Bank | 5,000 | 1.63250 | 12/27/2010 | 12/27/2016 | 27th | | |
| Total Long-Term Borrowings | | 80,000 | - | - | - | - | - |
| Total Borrowings | | 80,000 | - | - | - | - | - |
| Bonds | #1 Investment Corporation Bond | 5,000 | 1.65000 | 10/24/2007 | 10/24/2012 | 19th | Unsecured Unguaranteed |
| | #2 Investment Corporation Bond | 5,000 | 1.89000 | | 10/24/2014 | 23rd | Unsecured Unguaranteed |
| | Total Corporate Bonds | 10,000 | - | - | - | - | - |
| Total Interest-Bearing Debt | | 90,000 | - | - | - | - | - |

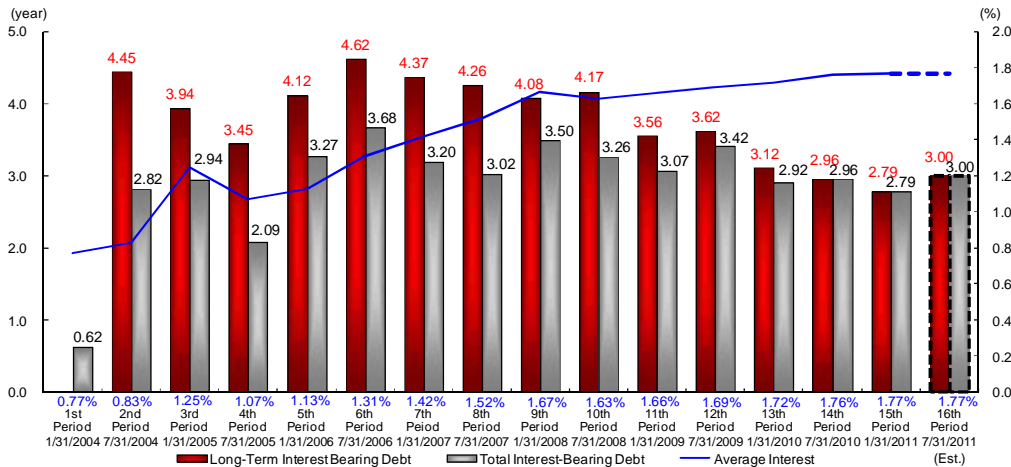
* Average Interest Rate: 1.77%

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

*Comments by Tokyu REIM

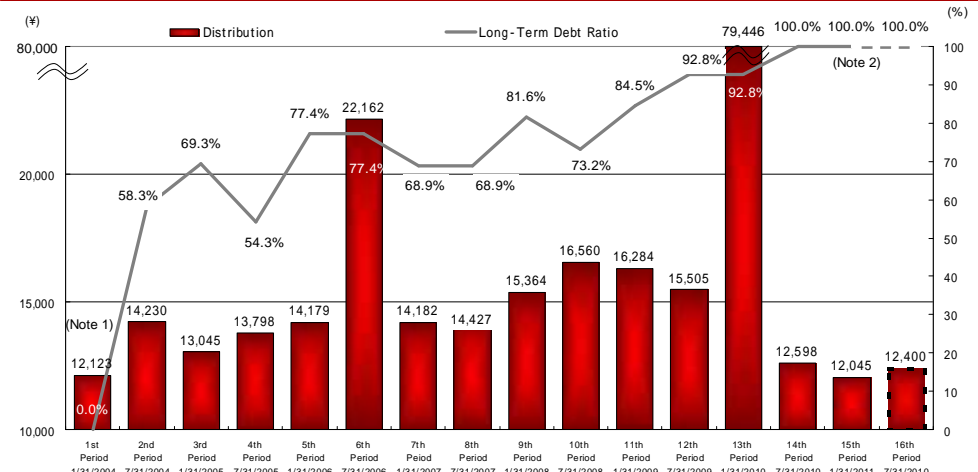
Debt Structure (2)

Average Duration of Interest-Bearing Debt and Average Interest



*** Increase in average interest is limited due to duration management**

Distribution and Long-Term Debt Ratio

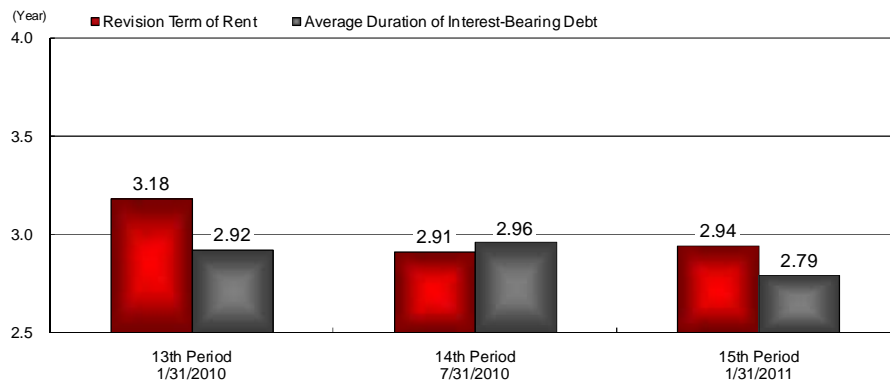


(Note 1) Official distribution in the 1st Period was ¥9,488 based on the actual operating period of 144 days, but the recalculated distribution of ¥12,123 based on 184 operating days is used in the above graph for the sake of comparison with figures from the 2nd Period and thereafter.

(Note 2) 78.4% if excluding long-term debt maturing within a year

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

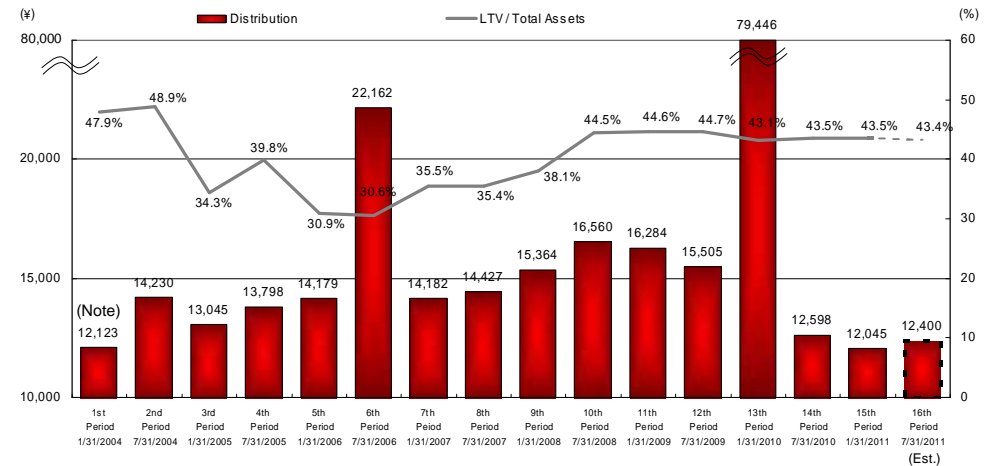
Revision Term of Rent to Average Duration of Interest-Bearing Debt



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

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

Distribution and LTV / Total Assets



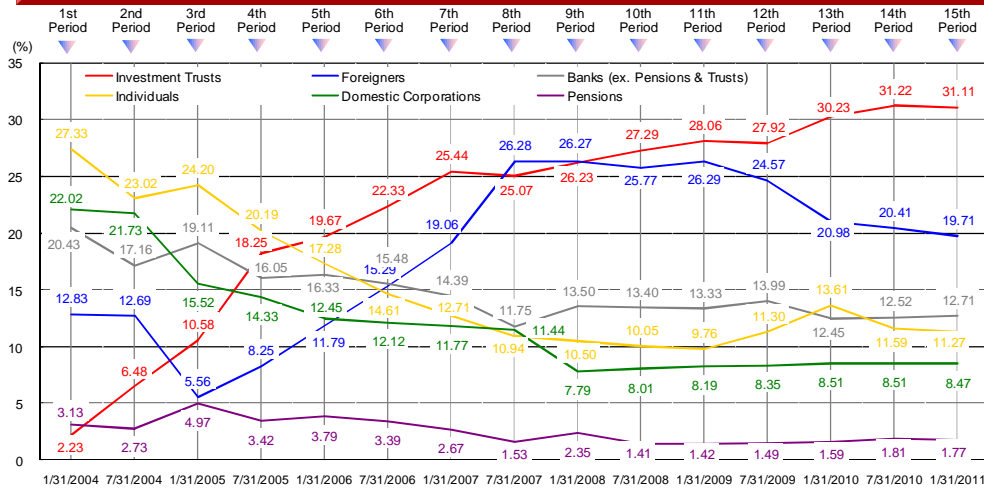
* LTV / Total Assets = Period End Interest-Bearing Debt / Period End Total Assets

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

*Comments by Tokyu REIM

Composition of Unitholders

Changes in Unitholder Composition (Main Segments)

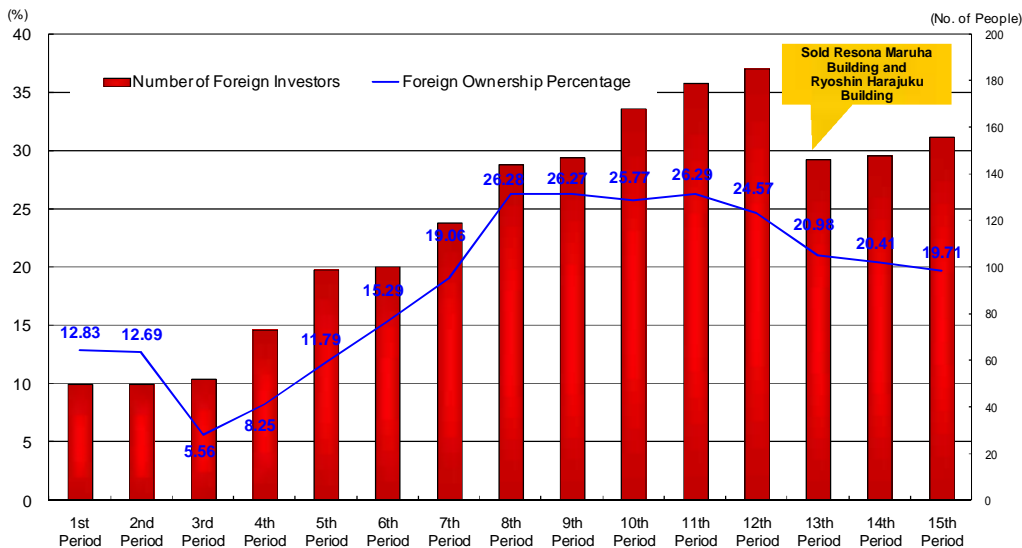


* Mutual Funds hold the largest share among investors

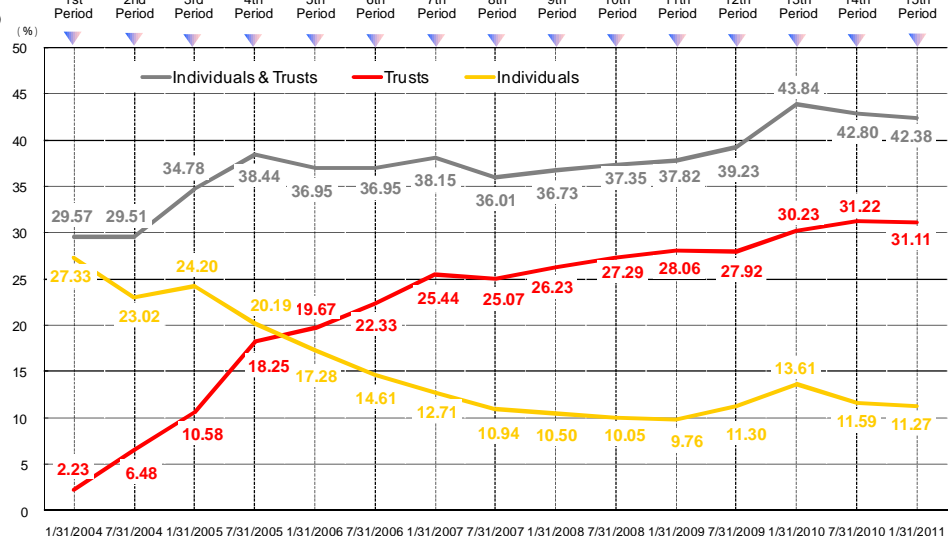
* Number of foreign investors is growing once again

* Individual ownership percentage (Individuals and Trusts) exceeds 40% of the total

Foreign Ownership Percentage / Number of Foreign Investors



Individual Ownership Percentage



*Comments by Tokyu REIM

List of Major Unitholders

1st Period (Ended Jan. 31, 2004)

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

14th Period (Ended July 31, 2010)

| Unitholders | No. of Units Held | Share (%) |
|--|-------------------|---------------|
| 1 Japan Trustee Services Bank Ltd. | 20,743 | 12.24 |
| 2 The Nomura Trust and Banking Co., Ltd. | 18,320 | 10.81 |
| 3 Trust & Custody Services Bank, Ltd. | 11,743 | 6.93 |
| 4 Tokyu Corporation | 5,880 | 3.47 |
| 5 The Master Trust Bank of Japan, Ltd. | 5,565 | 3.28 |
| 6 AIG Star Life Insurance Co., Ltd. | 4,871 | 2.87 |
| 7 AIG Edison Life Insurance Co., Ltd. | 4,056 | 2.39 |
| 8 Tokyu Land Corporation | 3,920 | 2.31 |
| 9 American Life Insurance Company | 3,902 | 2.30 |
| 10 The Momiji Bank | 3,819 | 2.25 |
| 11 Bank of New York, US Pension Fund Global Business 132561 | 3,437 | 2.02 |
| 12 Asahi Fire and Marine Insurance | 2,882 | 1.70 |
| 13 The National Mutual Insurance Federation of Agricultural Cooperatives | 2,505 | 1.47 |
| 14 The Hachijuni Bank, Ltd. | 2,357 | 1.39 |
| 15 Mellon Bank ABN Amro Global Custody N.V. | 2,185 | 1.28 |
| 16 Kansai Urban Banking Corporation | 1,964 | 1.15 |
| 17 The Fuji Fire and Marine Insurance | 1,696 | 1.00 |
| 18 The Chukyo Bank, Ltd. | 1,344 | 0.79 |
| 19 SIX SIS Ltd. | 1,239 | 0.73 |
| 20 The Bank of New York, Treaty JASDEC Account | 1,233 | 0.72 |
| Total Units Held by Top 20 Unitholders | 103,661 | 61.20 |
| Outstanding Units | 169,380 | 100.00 |

15th Period (Ended Jan. 31, 2011)

| Unitholders | No. of Units Held | Share (%) |
|--|-------------------|---------------|
| 1 Japan Trustee Services Bank Ltd. | 24,353 | 14.37 |
| 2 The Nomura Trust and Banking Co., Ltd. | 14,809 | 8.74 |
| 3 Trust & Custody Services Bank, Ltd. | 13,433 | 7.93 |
| 4 Tokyu Corporation | 5,880 | 3.47 |
| 5 AIG Star Life Insurance Co., Ltd. | 4,871 | 2.87 |
| 6 The Master Trust Bank of Japan, Ltd. | 4,172 | 2.46 |
| 7 AIG Edison Life Insurance Co., Ltd. | 4,056 | 2.39 |
| 8 State Street Bank and Trust Company 505103 | 4,039 | 2.38 |
| 9 Asahi Fire and Marine Insurance | 4,000 | 2.36 |
| 10 Tokyu Land Corporation | 3,920 | 2.31 |
| 11 American Life Insurance Company | 3,902 | 2.30 |
| 12 The Momiji Bank | 3,479 | 2.05 |
| 13 Nomura Bank (Luxembourg) S.A. | 3,371 | 1.99 |
| 14 The National Mutual Insurance Federation of Agricultural Cooperatives | 2,505 | 1.47 |
| 15 The Hachijuni Bank, Ltd. | 2,357 | 1.39 |
| 16 Kansai Urban Banking Corporation | 1,964 | 1.15 |
| 17 Mizuho Trust & Banking Co. Ltd. | 1,479 | 0.87 |
| 18 Mellon Bank ABN Amro Global Custody N.V. | 1,357 | 0.80 |
| 19 SIX SIS Ltd. | 1,349 | 0.79 |
| 20 The Chukyo Bank, Ltd. | 1,344 | 0.79 |
| Total Units Held by Top 20 Unitholders | 106,640 | 62.95 |
| Outstanding Units | 169,380 | 100.00 |

TOKYU REIT

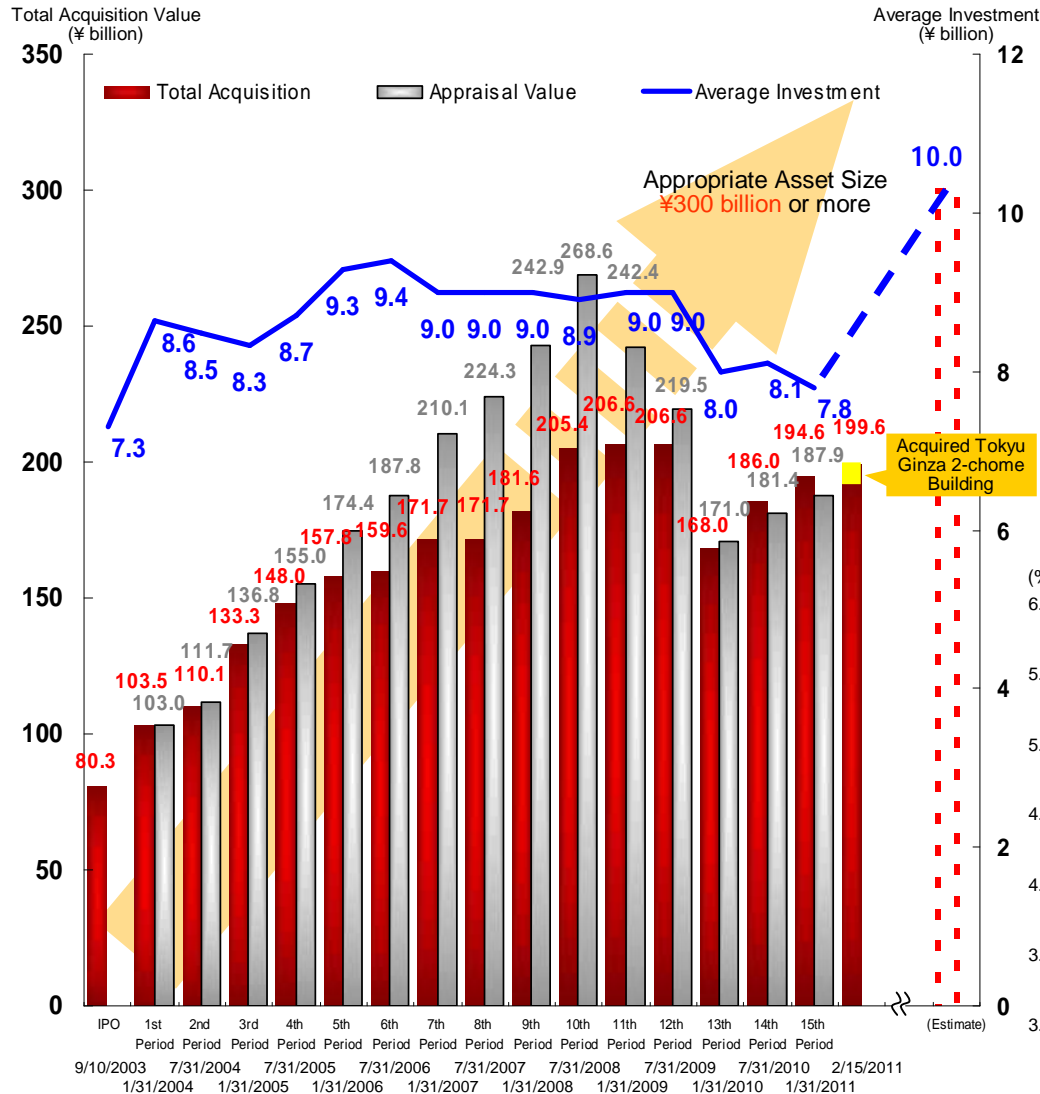
3. Fund Management

(3) Portfolio Management and Risk Management

External Growth

External Growth (Steady Acquisition of Quality Properties)

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



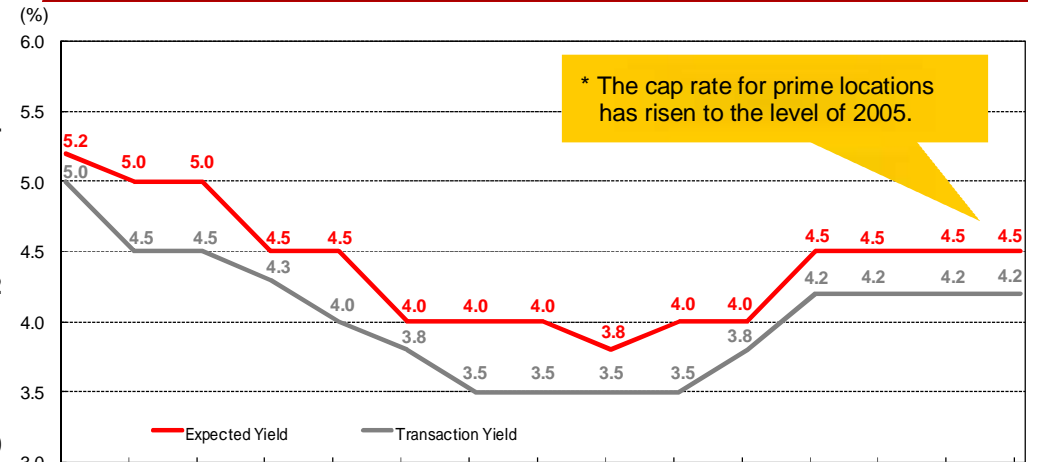
Rent Estimates by Region (Rent Level at Survey Date = 100)

* Investor outlook has improved in Tokyo

| Area | 22nd Survey (Apr. 2010) | | | | 23rd Survey (Oct. 2010) | | | |
|--------------------------------|-------------------------|---------|---------|----------|-------------------------|---------|---------|----------|
| | Next Year | 2 Years | 5 Years | 10 Years | Next Year | 2 Years | 5 Years | 10 Years |
| Marunouchi, Otemachi area | 100 | 100 | 103 | 105 | 100 | 100 | 103 | 105 |
| Shibuya, Shibuya Station area | 98 | 99 | 100 | 101 | 99 | 100 | 100 | 102 |
| Nagoya, Nagoya Station area | 96 | 97 | 99 | 100 | 97 | 97 | 99 | 100 |
| Osaka, along the Midosuji Line | 97 | 97 | 98 | 100 | 97 | 97 | 99 | 100 |

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

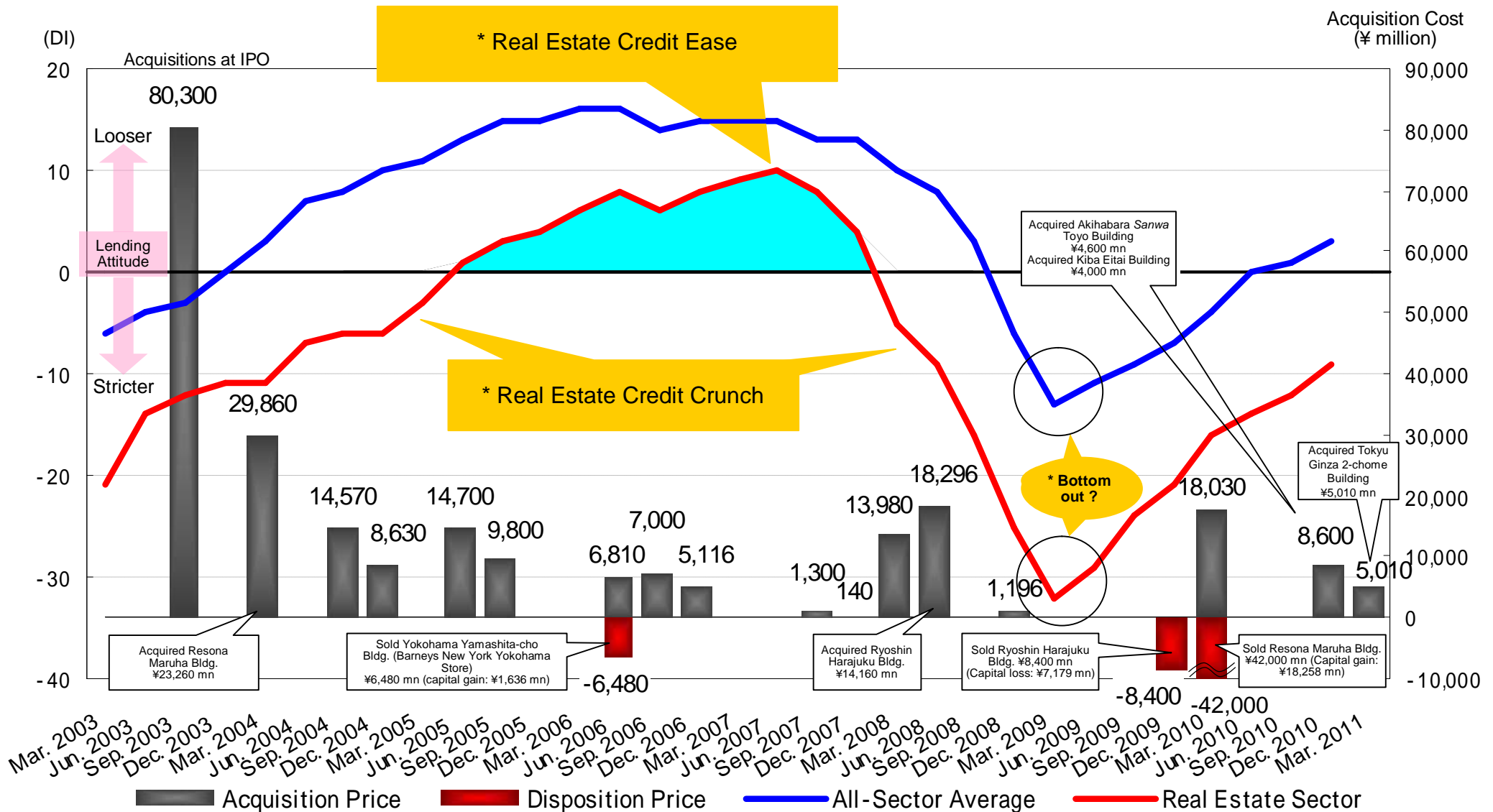
Expected Yield and Transaction Yield of Benchmark Buildings (Marunouchi / Otemachi)



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

*Comments by Tokyu REIM

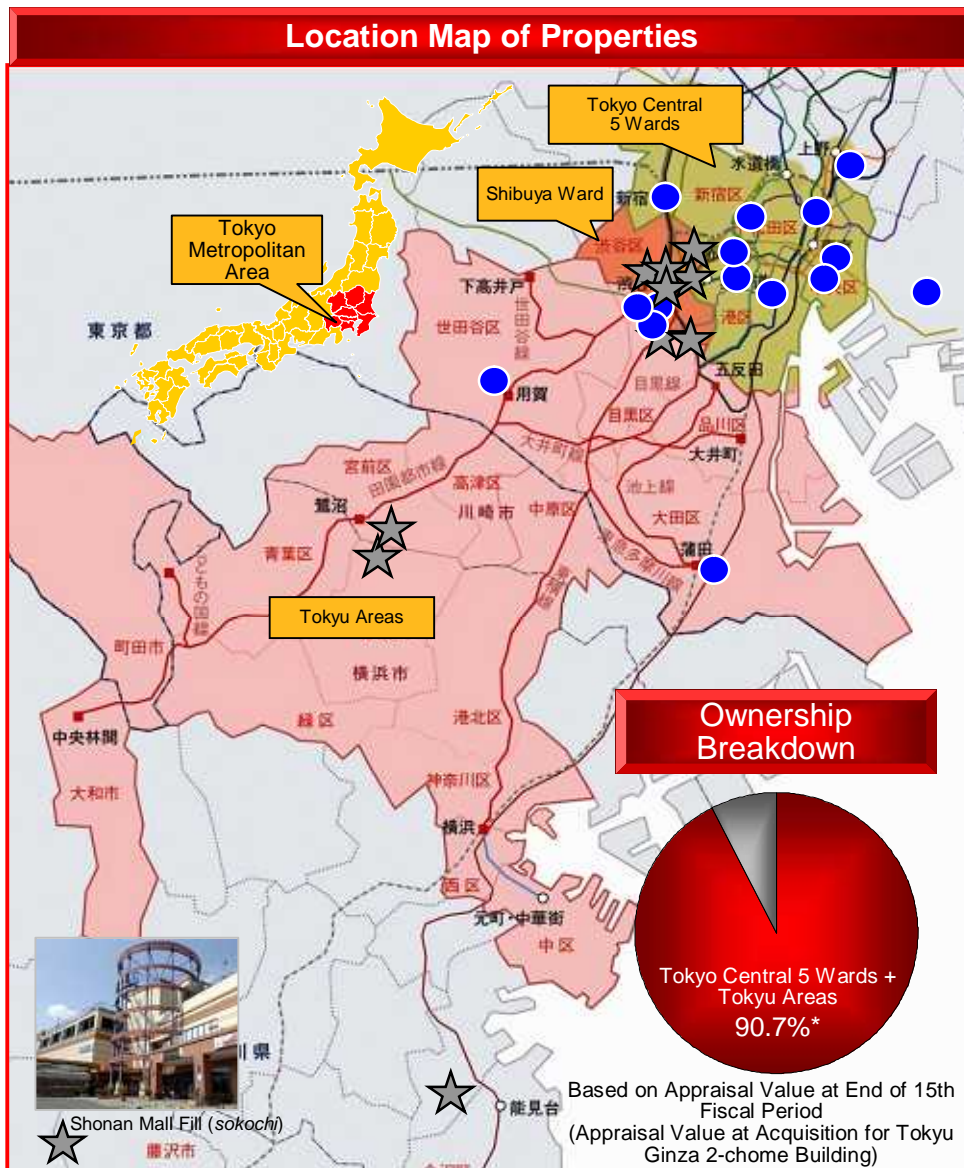
Lending Attitude of Financial Institutions & TOKYU REIT's Acquisition Timing of Properties



* Acquisition price on secondary y-axis, each bar represents the total acquisition price in the respective month and 3 months prior (i.e., June 2008 includes April – June 2008)
 Source: BOJ (Tankan Survey)

*Comments by Tokyu REIM

Portfolio Overview (26 Properties; 199.6 billion yen)



Retail Properties ★

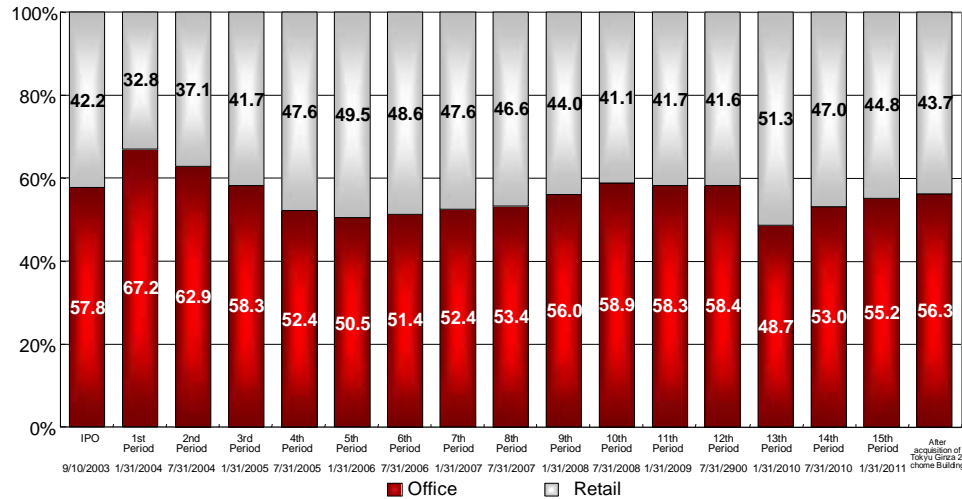
| | | | | |
|---|---|--|---|---|
|  QFRONT |  Lexington Aoyama |  TOKYU REIT Omotesando Sq. |  Tokyu Saginuma Bldg. |  CONZE Ebisu |
|  Tokyu Saginuma 2 Bldg. |  TOKYU REIT Shibuya Udagawa-cho Sq. |  Beacon Hill Plaza (Ito-Yokado Nokendai Store) |  cocoti |  Daikanyama Forum |

Office Properties ○

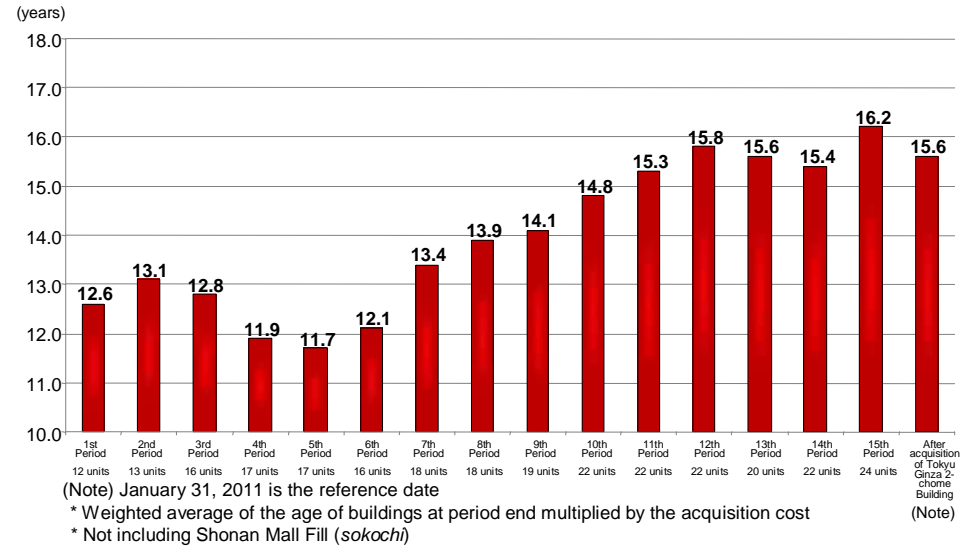
| | | | | |
|--|---|--|---|--|
|  Setagaya Business Square |  Tokyu Nampoicho Bldg. |  Tokyu Sakuragaoka-cho Bldg. |  Tokyu Nissan Taito Bldg. |  TOKYU REIT Akasaka Hinoki-cho Bldg. |
|  TOKYU REIT Kamata Bldg. |  TOKYU REIT Toranomon Bldg. |  TOKYU REIT Hatchobori Bldg. |  Akasaka 4-chome Bldg. (Tokyu Agency Inc. Head Office Building) |  Tokyu Ikejiri-ohashi Building |
|  Kojimachi Square |  ORIX Shinjuku Building |  Akihabara Sanwa Toyo Building |  Kiba Eitai Building |  Tokyu Ginza 2-chome Building |

Portfolio Overview (1)

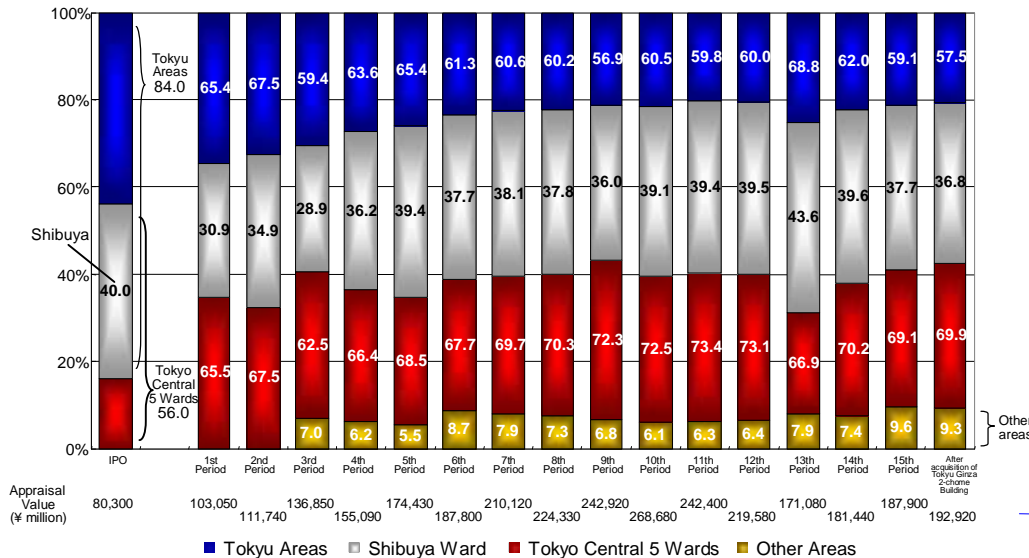
Office / Retail Ratio (Based on Appraisal Values at End of Period)



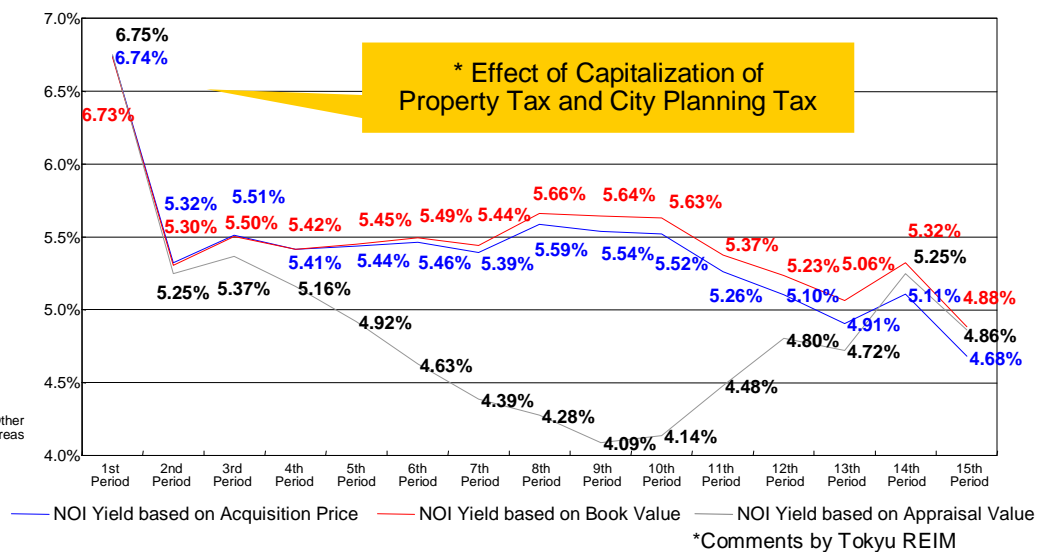
Weighted Average Property Age



Area (Based on Appraisal Values at End of Period)



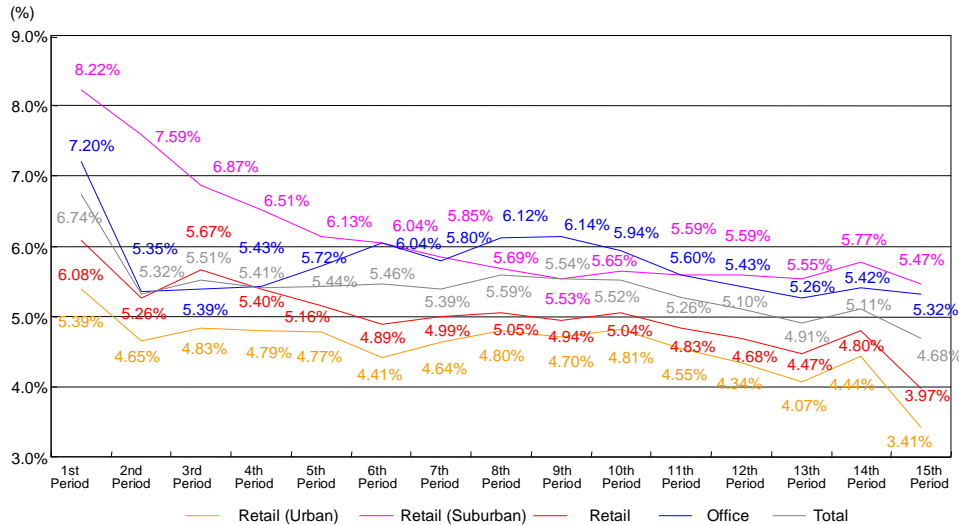
NOI Yield



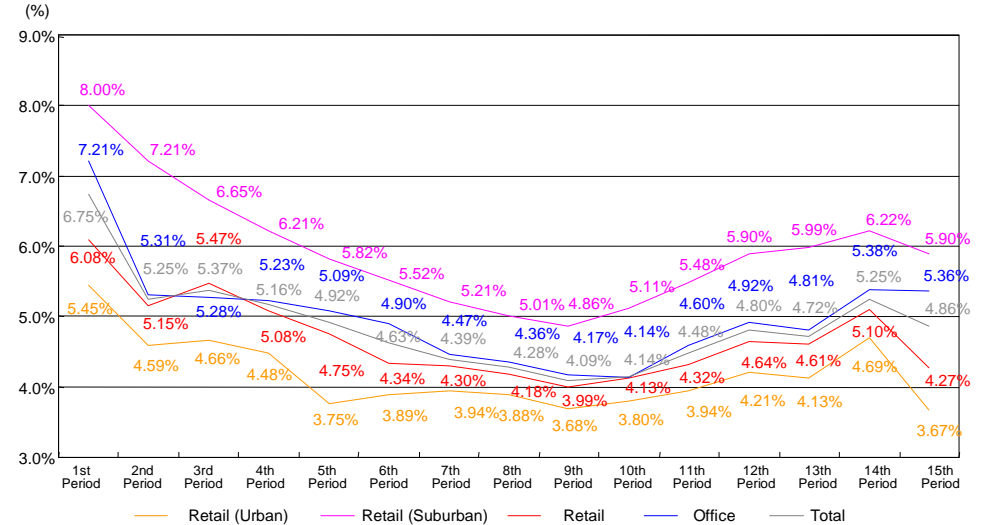
Portfolio Overview (2)



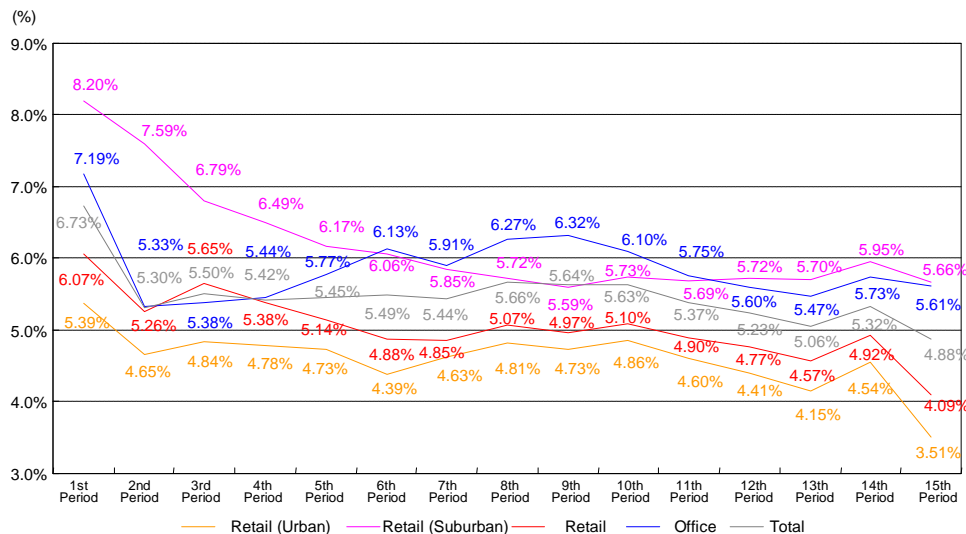
Changes in NOI Yield (Based on Acquisition Price)



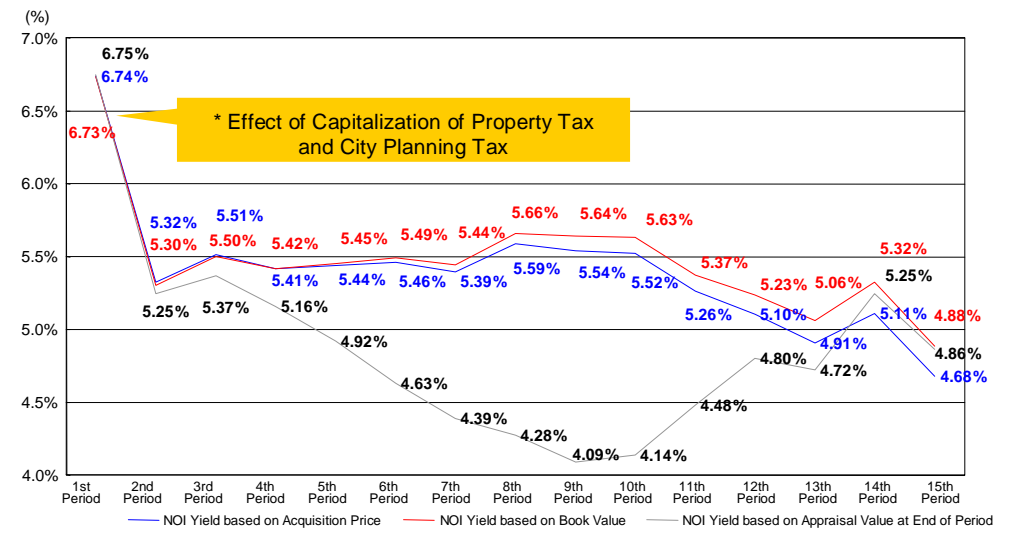
Changes in NOI Yield (Based on Appraisal Value at End of Period)



Changes in NOI Yield (Based on Book Value)



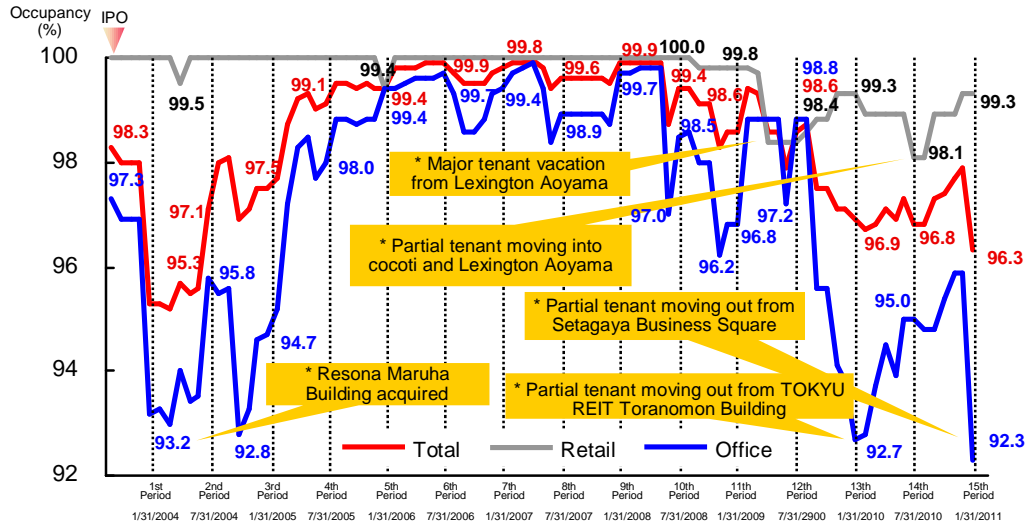
Changes in NOI Yield



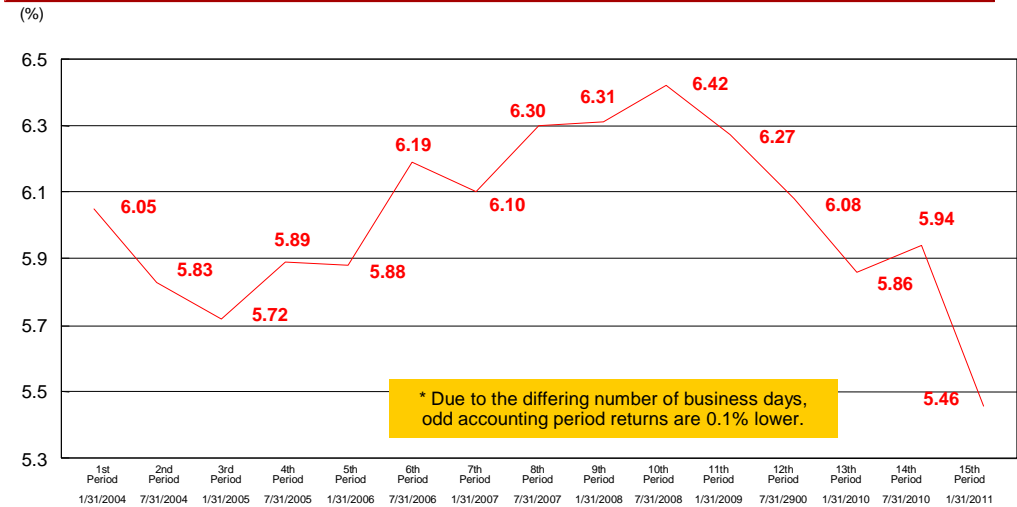
*Comments by Tokyu REIM

Internal Growth

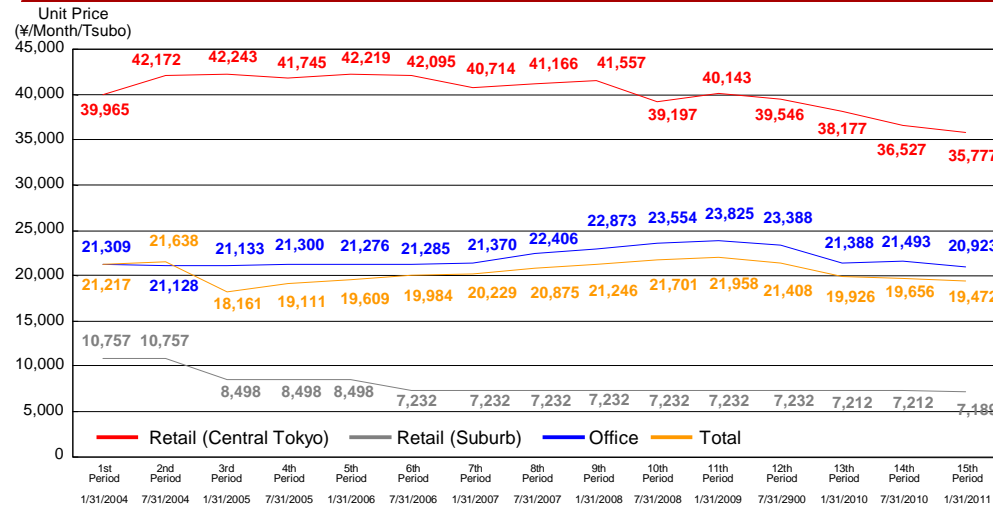
Changes in Occupancy of Overall Portfolio



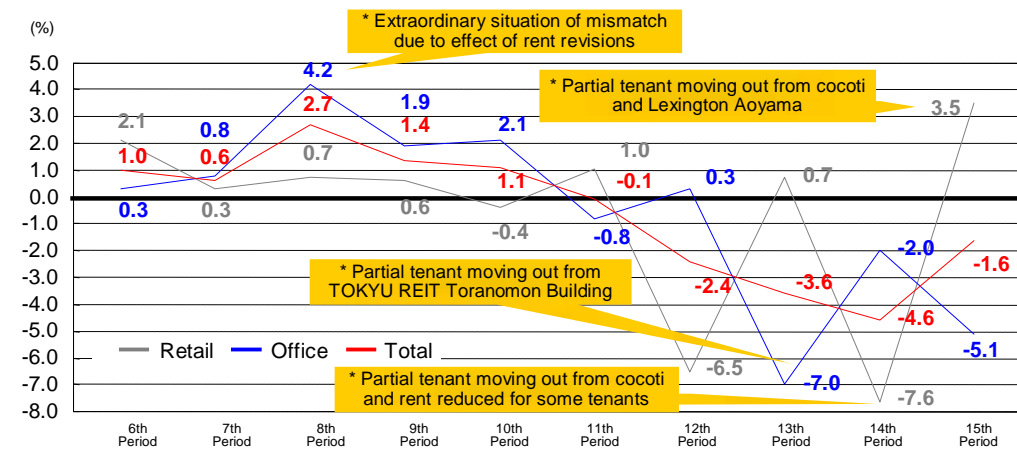
NOI Yield of 11 Properties at IPO (After Deducting Capitalized Property and City Planning Taxes)



Average Rent (Including Common Area Charge)



Period-on-Period Monthly Leasing Revenue Growth Rate



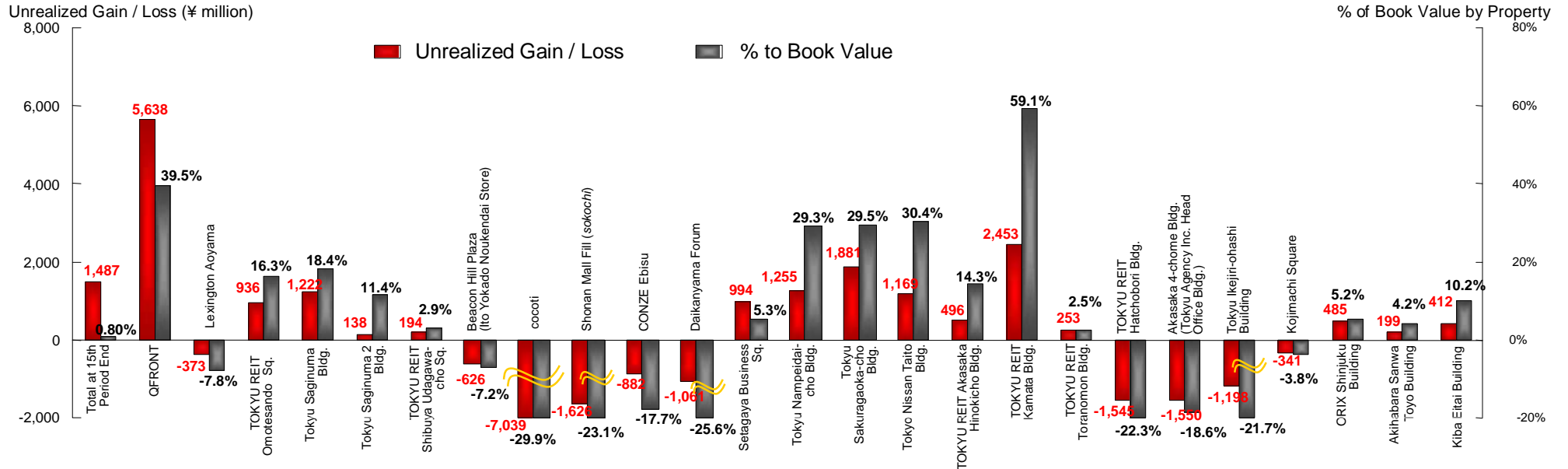
* In calculating the above unit price, Shonan Mall Fill is not included.
 * Excludes income from parking, warehouses, etc.
 * Retail (Urban): QFRONT, TOKYU REIT Omotesando Sq., Lexington Aoyama, TOKYU REIT Shibuya Udagawa-cho Sq., cocoti, CONZE Ebisu, Daikanyama Forum
 * Retail (Suburb): Tokyu Saginuma, Tokyu Saginuma 2, Beacon Hill Plaza (Ito-Yokado Noukendai Store), Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) (sold in 6th period).

* Excludes income from parking and signs.
 * Comparison of monthly leasing revenue at the end of each period (based on actual rent charged).
 * Effects from property sales and purchases have been eliminated.

*Comments by Tokyu REIM

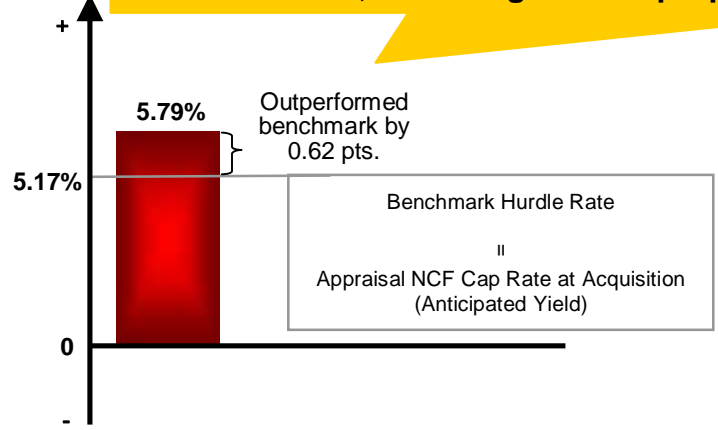
Unrealized Gains and Total Return

Unrealized Gains / Losses and Percentage Against Book Value by Property



Portfolio Return Performance

*** Total return, excluding the two properties recently acquired, has outperformed the benchmark by 0.62 points.**

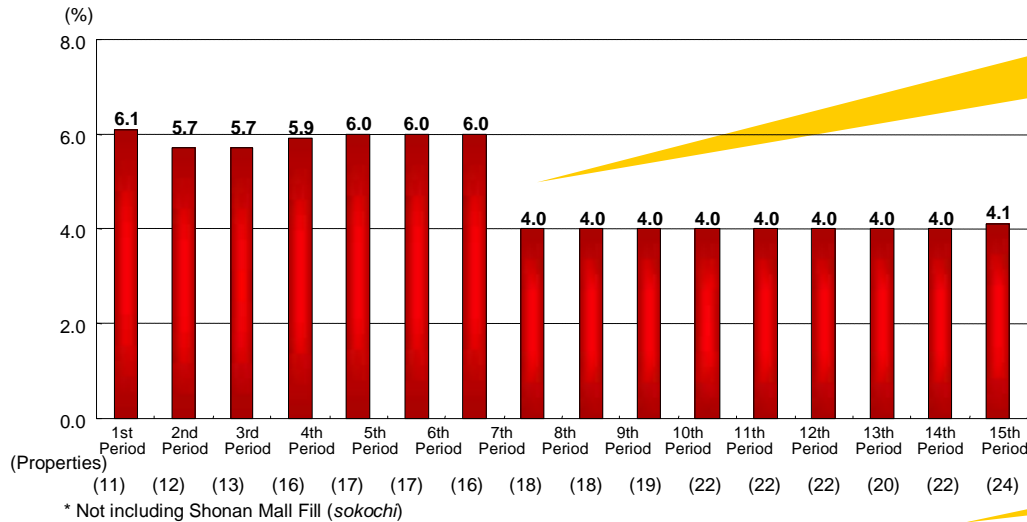


- Based on 24 properties (acquisition price base: ¥211,699 million), which is the sum of 21 properties that have been held for more than 4 periods, Yokohama Yamashita-cho Building (Barneys New York Yokohama Store), Resona Maruha Building and Ryoshin Harajuku Building
- * Fiscal period end property values are utilized as the disposal price (sale price) of properties for the calculation of IRR.
- * Acquisition price does not include capitalized expenses (such as broker's fees, first year's property / city planning tax, compensation for specialist agents).
- * Cash flow from leasehold and security deposits are not included.
- * Sale price of the Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) is ¥6,480 million (sold in 6th period).
- * Sale price of the Resona Maruha Building is ¥42,000 million (sold in 13th period).
- * Sale price of the Ryoshin Harajuku Building is ¥8,400 million (sold in 13th period).
- IRR for the above 21 properties (acquisition price base: ¥168,033 million) is 4.80% (underperforming the benchmark return of 5.17% by 0.37 points)

*Comments by Tokyu REIM

Risk Management (1)

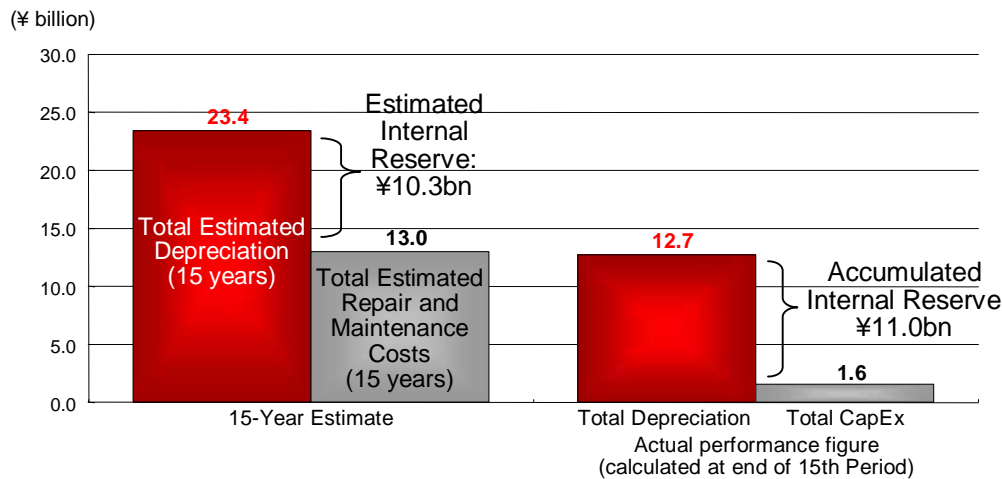
Portfolio PML Trends



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

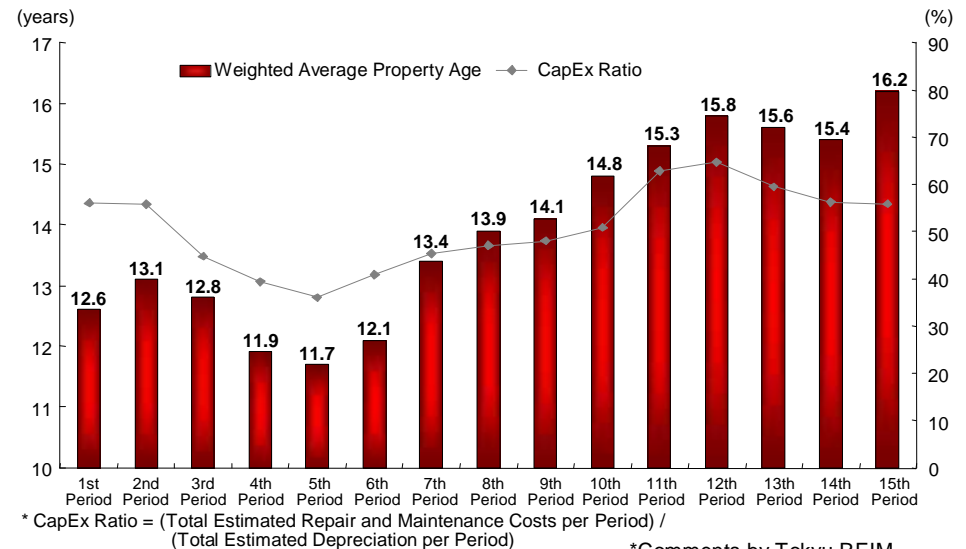
* The source of funds for CapEx is limited to depreciation for REITs, as 100% of profits are distributed. Therefore, we focus on maintaining the proper balance between long-term repair and maintenance estimates and accumulated depreciation.

Balance of Depreciation and Repair and Maintenance Costs



* Repair and maintenance cost estimates are updated when appropriate.
 * Not including Shonan Mall Fill (sokochi)

Weighted Average Property Age and CapEx Ratio

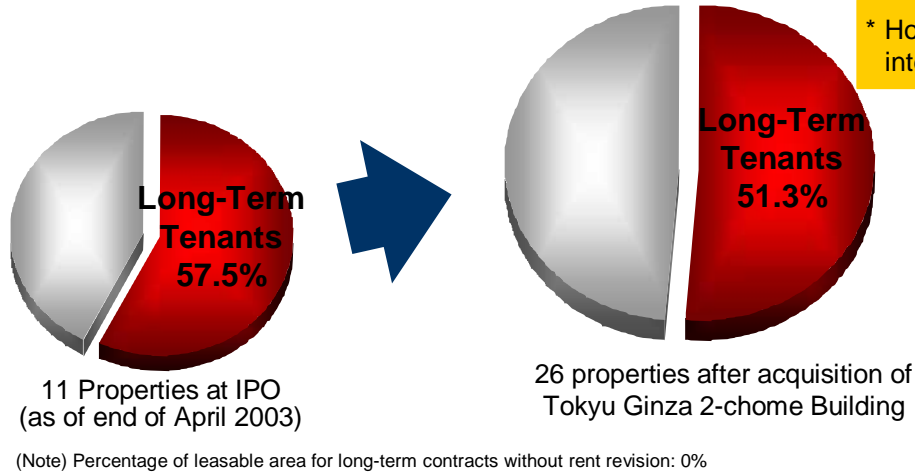


*Comments by Tokyu REIM

Risk Management (2)

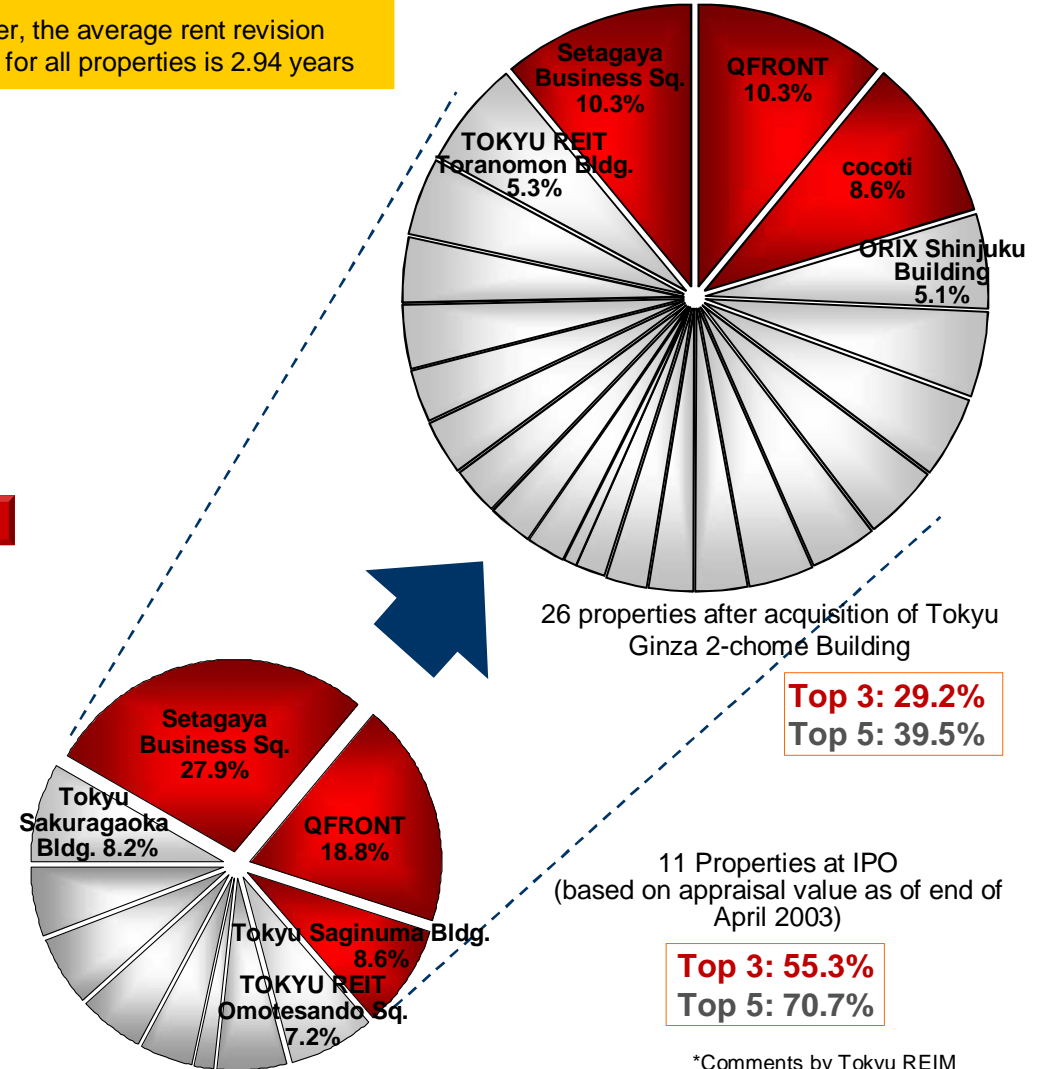
Ratio of Tenants with LT Contracts (Based on Leasable Area)

* Continue to attract long-term commitments



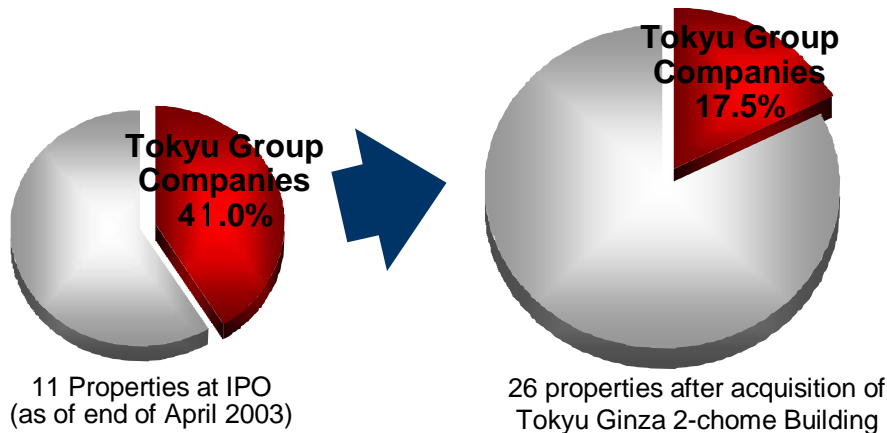
Property Concentration

* Ratio of each property decreased as number of buildings increased



Tokyu Group Tenant Concentration (Based on Leasable Area)

* Lower dependence on Tokyu Group Companies

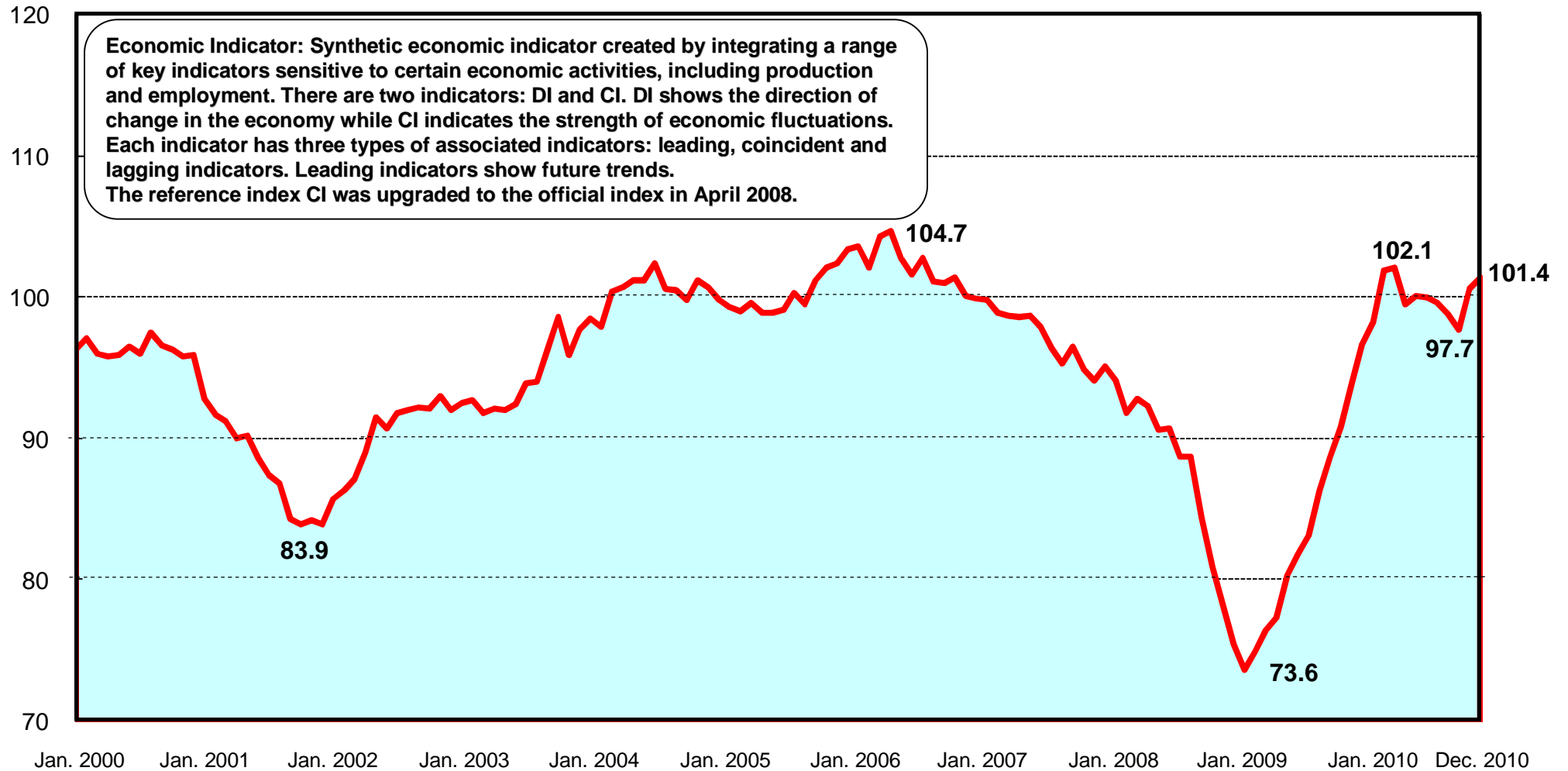


TOKYU REIT

4. Market Review

Economic Trends in Japan

Economic Indicator: Composite Index / Leading Index (2005 = 100)



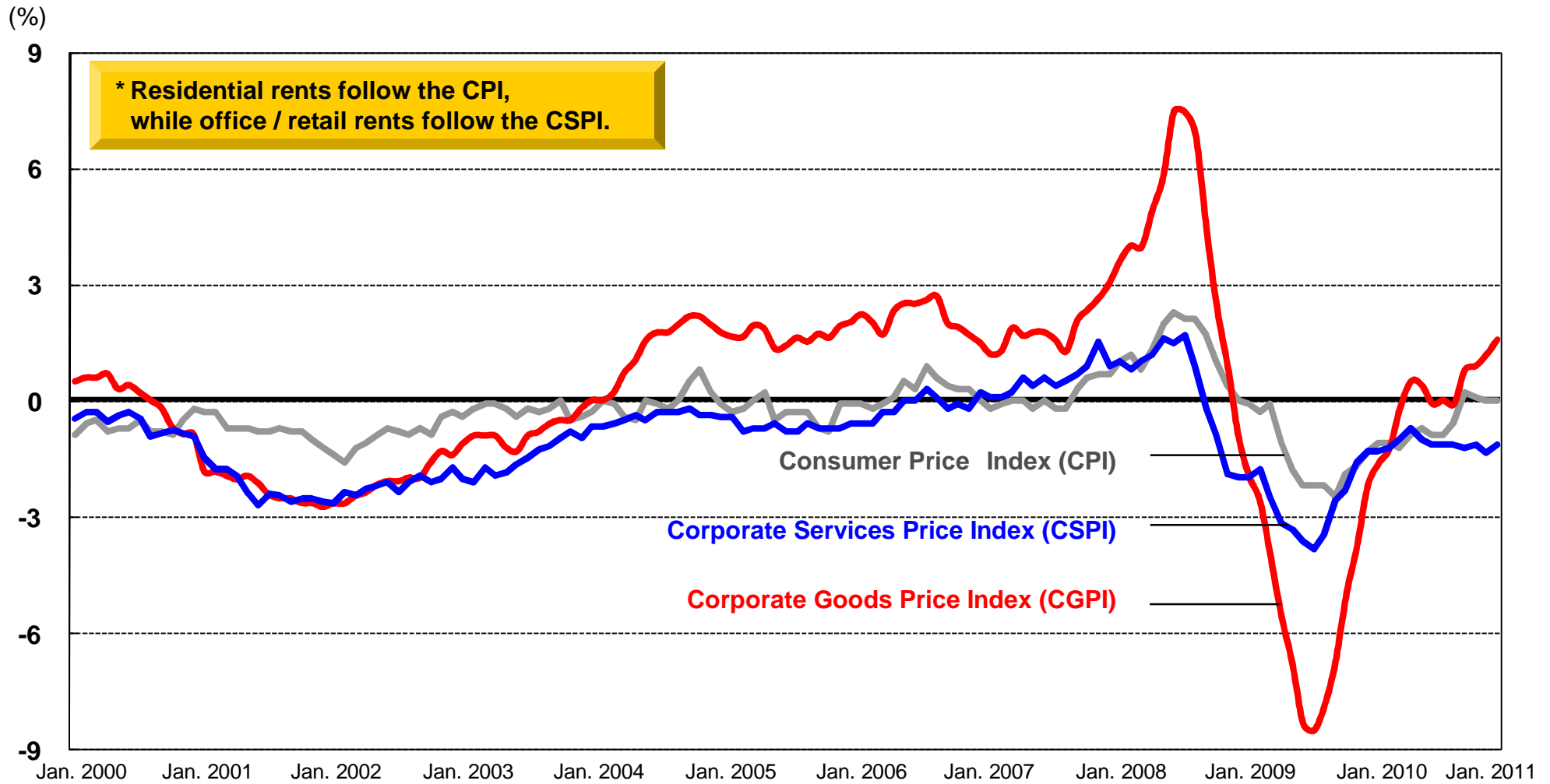
*** The Leading Index, which had previously been rising, has come to a standstill**

Source: Cabinet Office

*Comments by Tokyu REIM

Price Trends in Japan

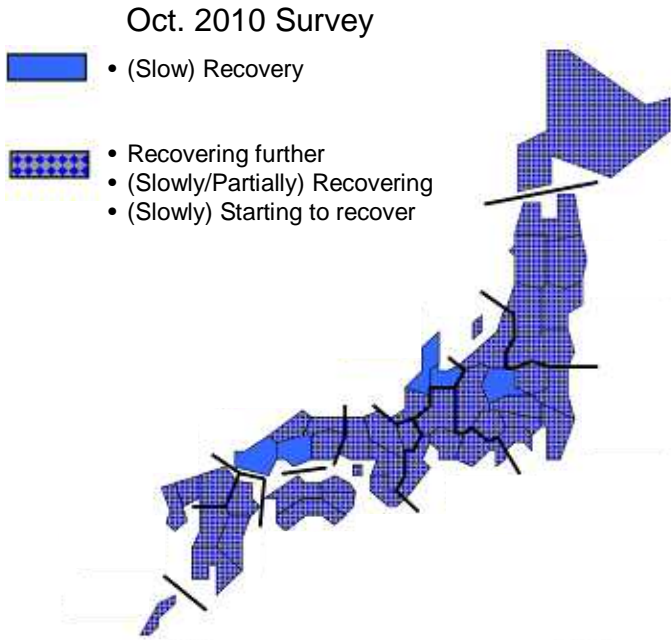
Price Index (YoY Change)



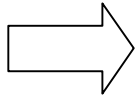
*** The Corporate Services Price Index (CSPI) has continued on a downward trend since the credit crunch.**

*Comments by Tokyu REIM

Economic Conditions by Prefecture

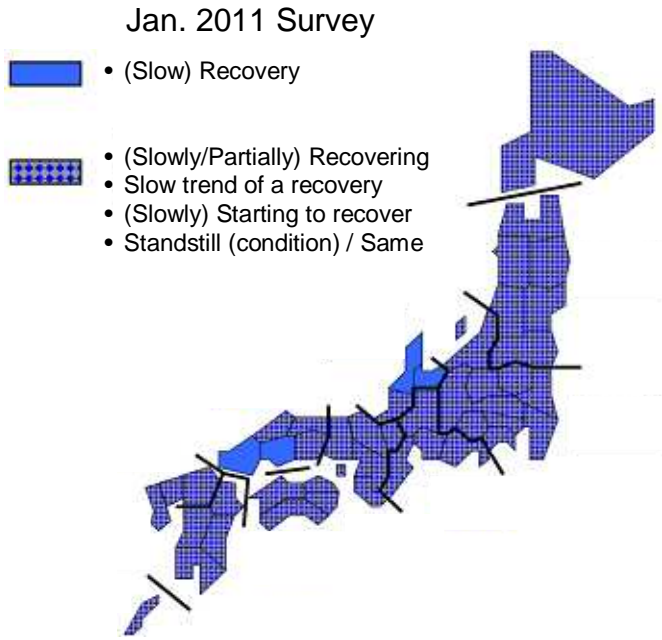


*** The improvement trend in business confidence seems to have come to a brief standstill.**



***Comparison**

| | |
|-------------------|----|
| Upward revision | 0 |
| Unchanged | 20 |
| Downward revision | 27 |



Source: Ministry of Finance

* Color coding on the map shows the direction of the economy, not the prefecture's current economy status.

**Although the regional economy is at a standstill, it is expected to start recovering going forward.
(Ministry of Finance, 1/26/2011)**

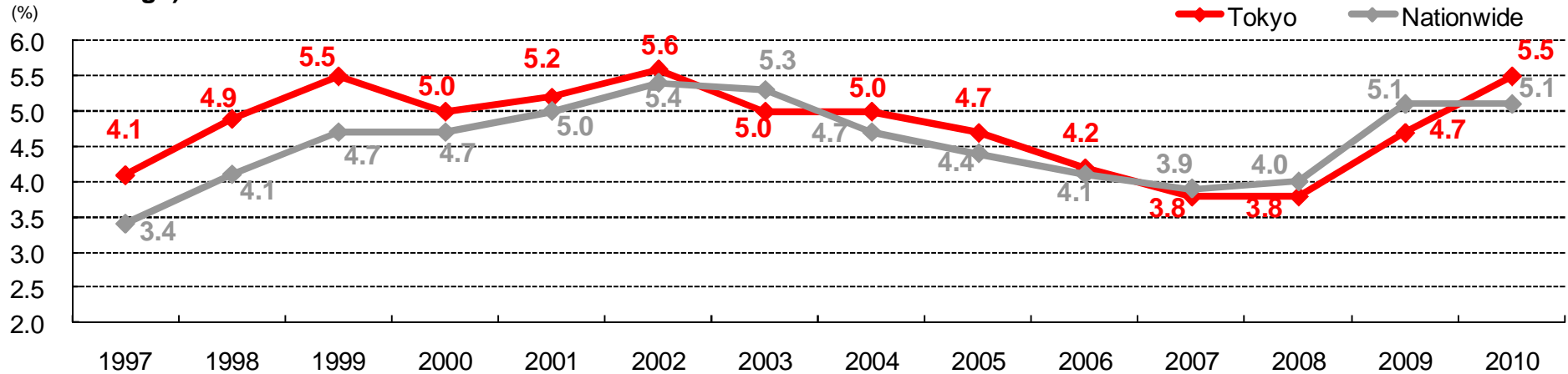
**Although there are many regions judged as following a trend of a slow recovery or recovery, there was an increase in regions who pointed out that their improvement trend seems to be coming to a brief standstill.
(Bank of Japan, 1/17/2011)**

* Comments and comparison by Tokyu REIM

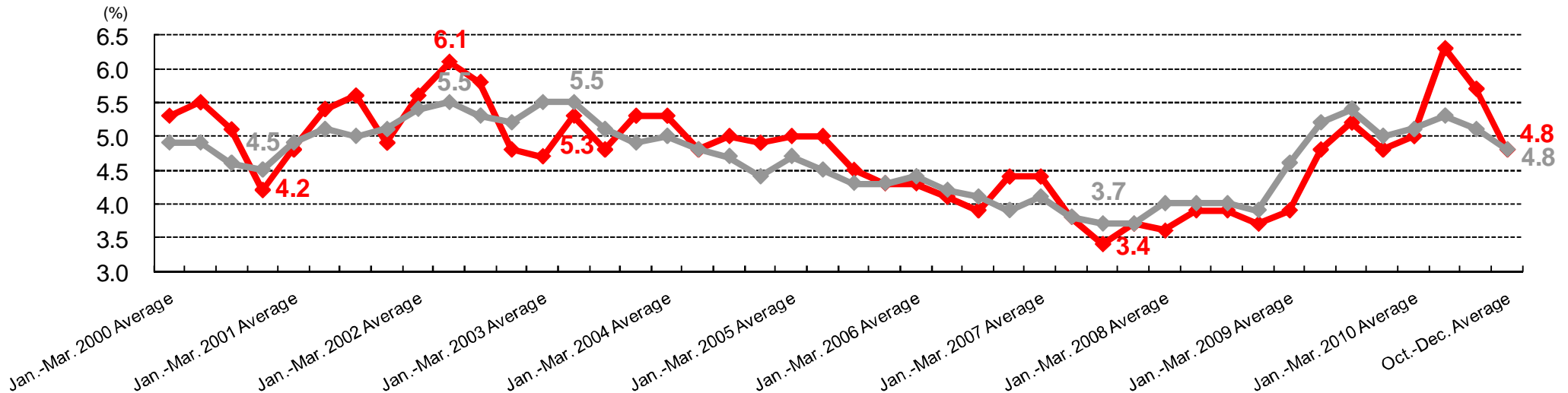
Employment Trends in Japan (Unemployment)

Unemployment in Tokyo and Nationwide

(Annual average)



(Quarterly average)



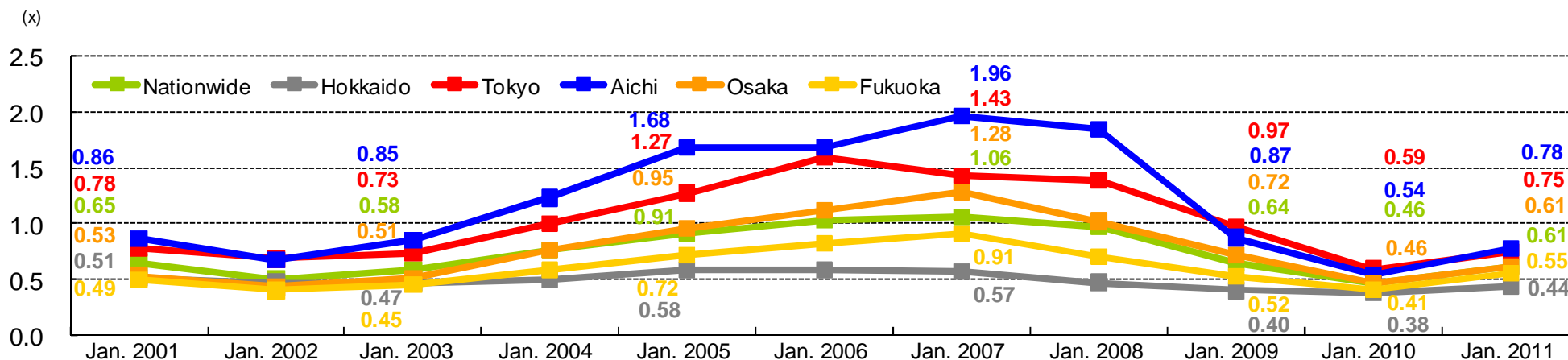
*** Recently, the unemployment rate has started to slightly improve.**

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

*Comments by Tokyu REIM

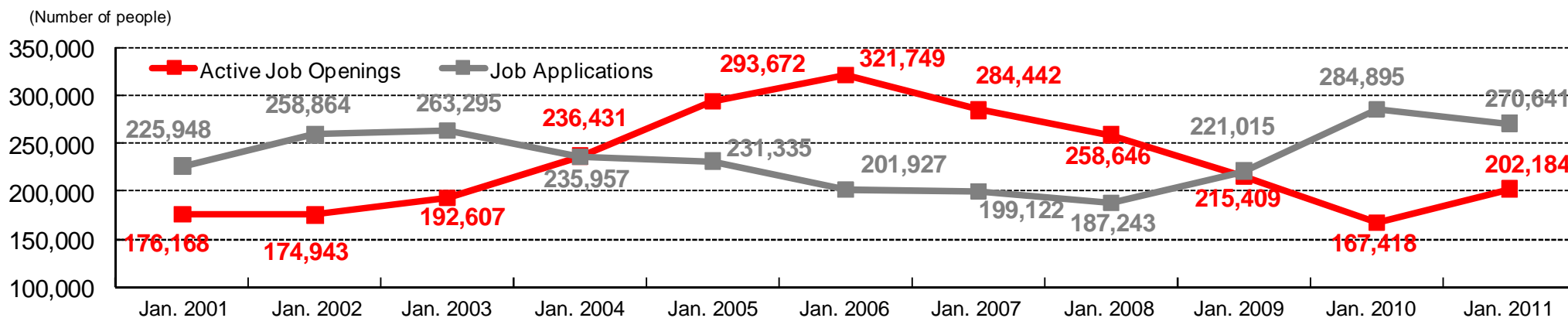
Employment Trends in Japan (Job Openings)

Job to Application Ratio (Seasonally Adjusted)



*** The severe employment trend is continuing.**

Active Job Openings / Job Applications in Tokyo



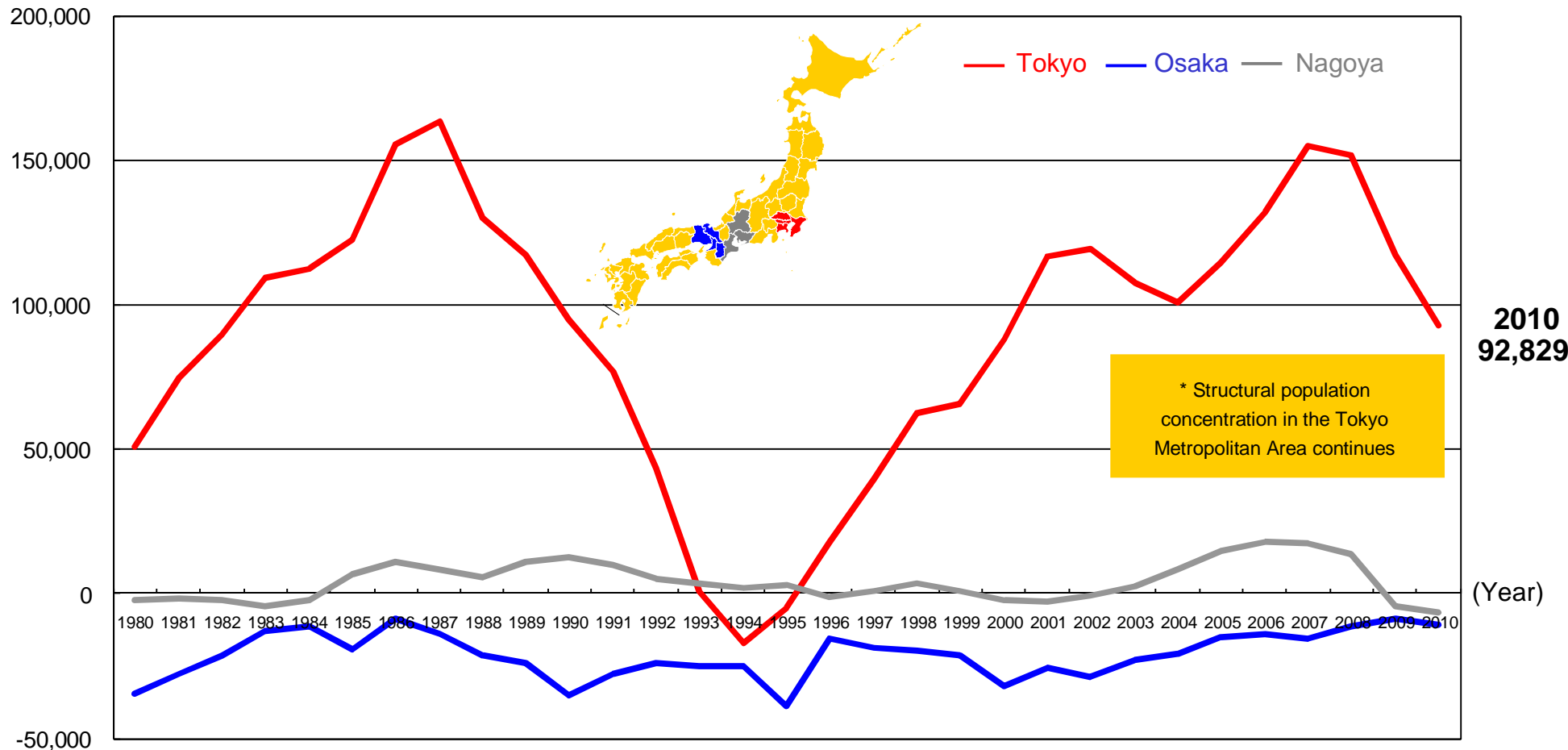
*** The number of active job openings has been below the number of job applications since January 2009.**

Source: "Employment Service" by the Ministry of Health, Labour and Welfare

*Comments by Tokyu REIM

Excess Population Inflow into Three Major Metropolitan Areas (1980-2010)

(Number of people)



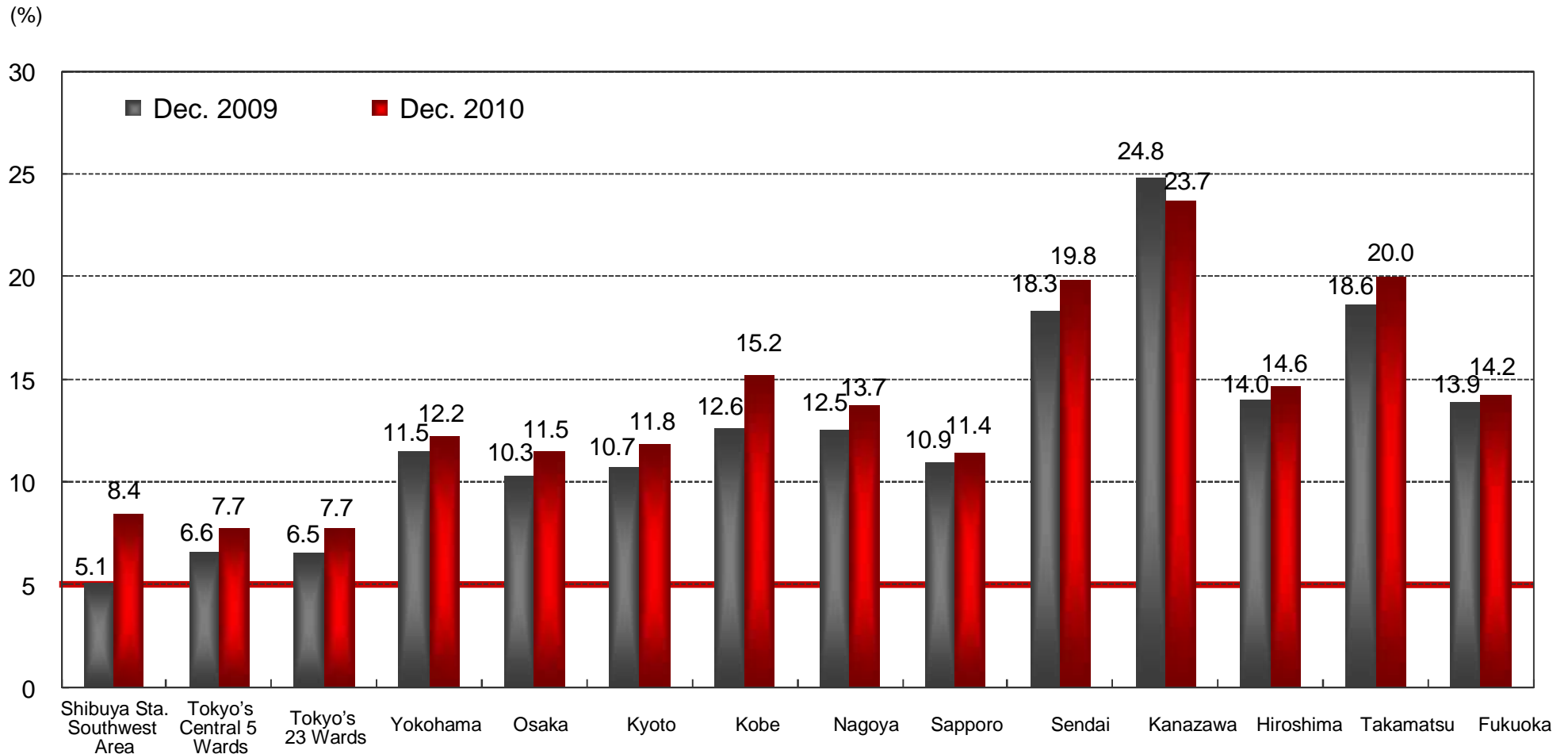
*** Excess inflow continues to occur in the Tokyo Metropolitan Area, while there is excess outflow occurring in the Osaka Metropolitan Area and Nagoya Metropolitan Area.**

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

*Comments by Tokyu REIM

Office Leasing Market Overview (1)

Vacancy by Market



*** The vacancy rate is showing an upward trend nationwide and Tokyo's rate hit a record high ever since the survey began (1996).**

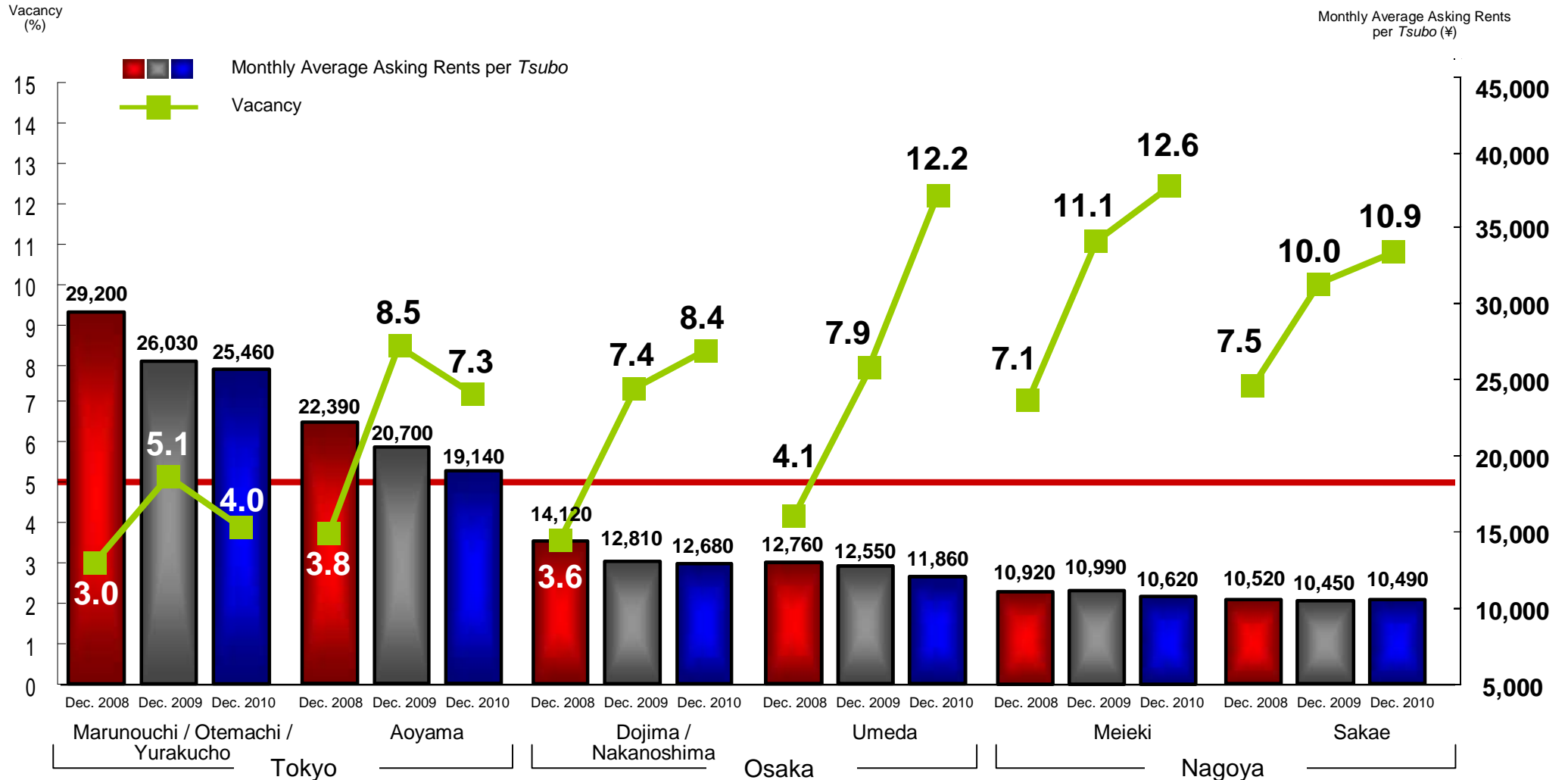
Source: "Office Market Report" issued by CB Richard Ellis – Japan.

* Shibuya Station Southwest Area does not represent the entire Shibuya Ward, but specifically indicates the "Jinnan, Udagawa-cho, Dogenzaka area," including Nampo-dai-cho and Sakuragaoka-cho.

*Comments by Tokyu REIM

Office Leasing Market Overview (2)

Vacancy and Asking Rents for New Tenants by Zone



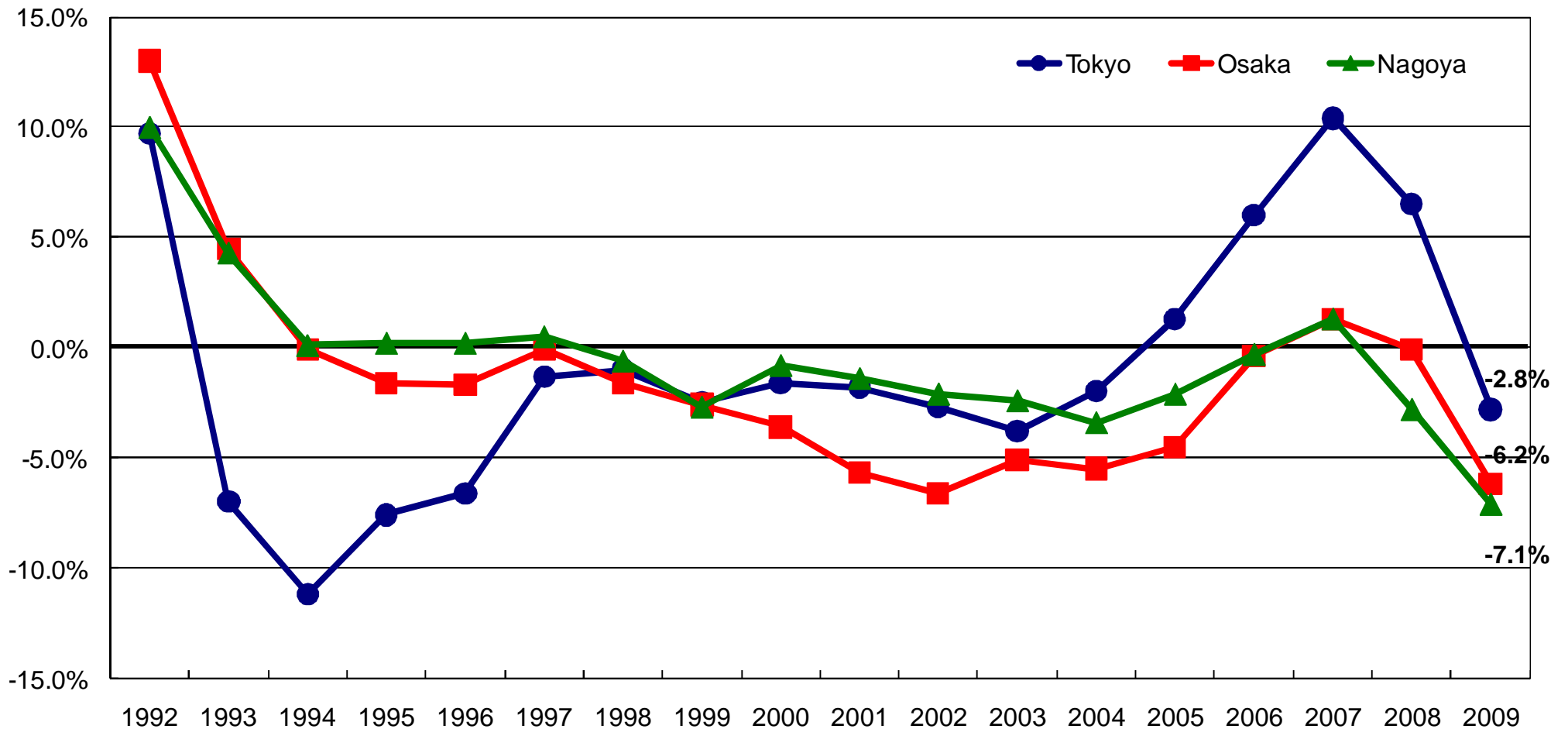
*** Even though vacancy rates of prime locations in Tokyo are showing signs of peaking out, it has not led to the reversal of the trend for asking rents.**

Source: "Office Market Report" issued by CB Richard Ellis – Japan.

*Comments by Tokyu REIM

Office Leasing Market Overview (3)

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



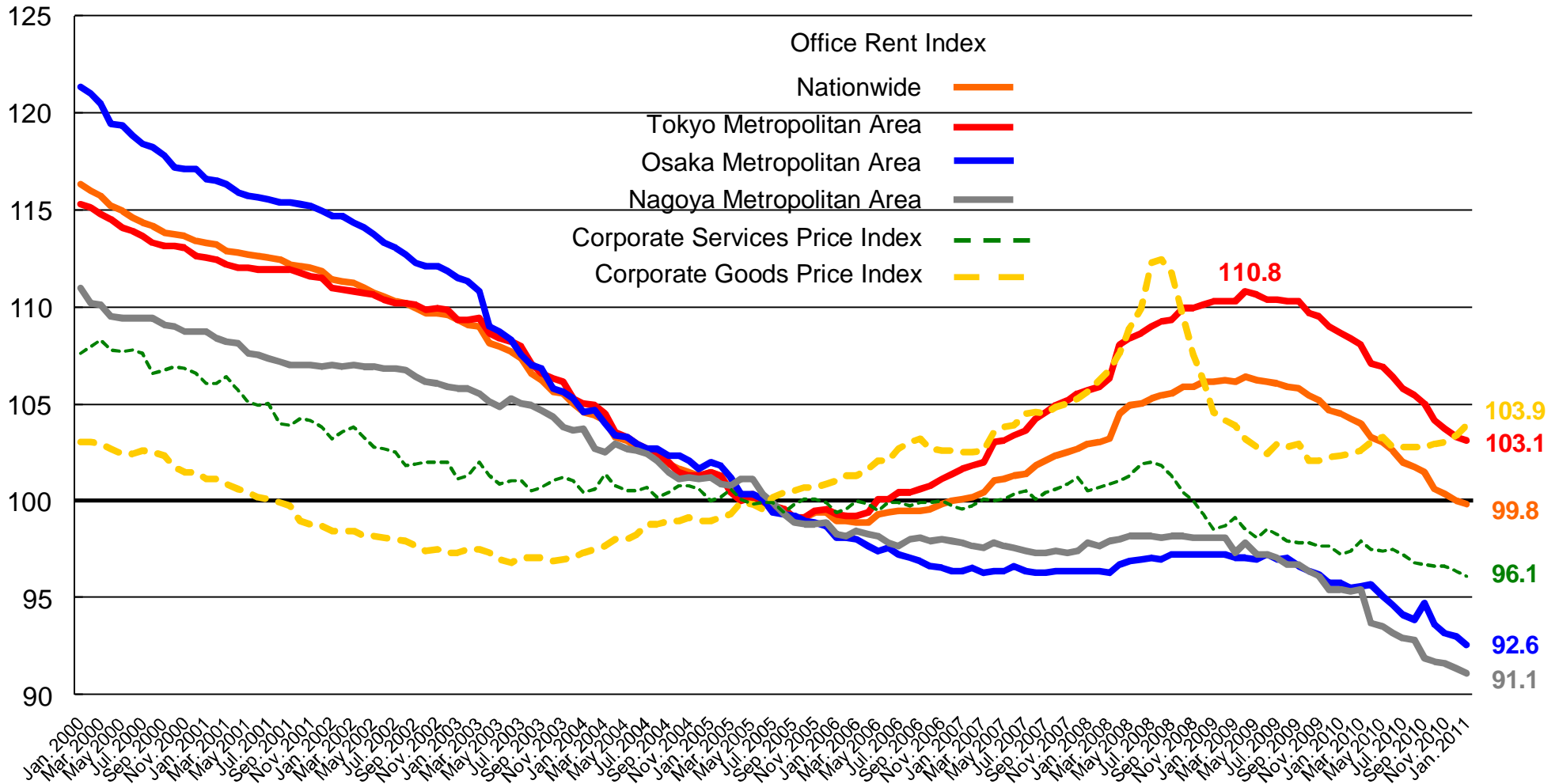
*** Rent revisions decreased in Tokyo for the first time in 5 years in 2009.**

Source: "National Office Building Rent Revision Trends" issued by CB Richard Ellis – Japan.

*Comments by Tokyu REIM

Office Leasing Market Overview (4)

Office Rent Index (Corporate Services Price Index) 2005 = 100



*** Contracted rents in the Tokyo Metropolitan Area have been declining since April 2009.**

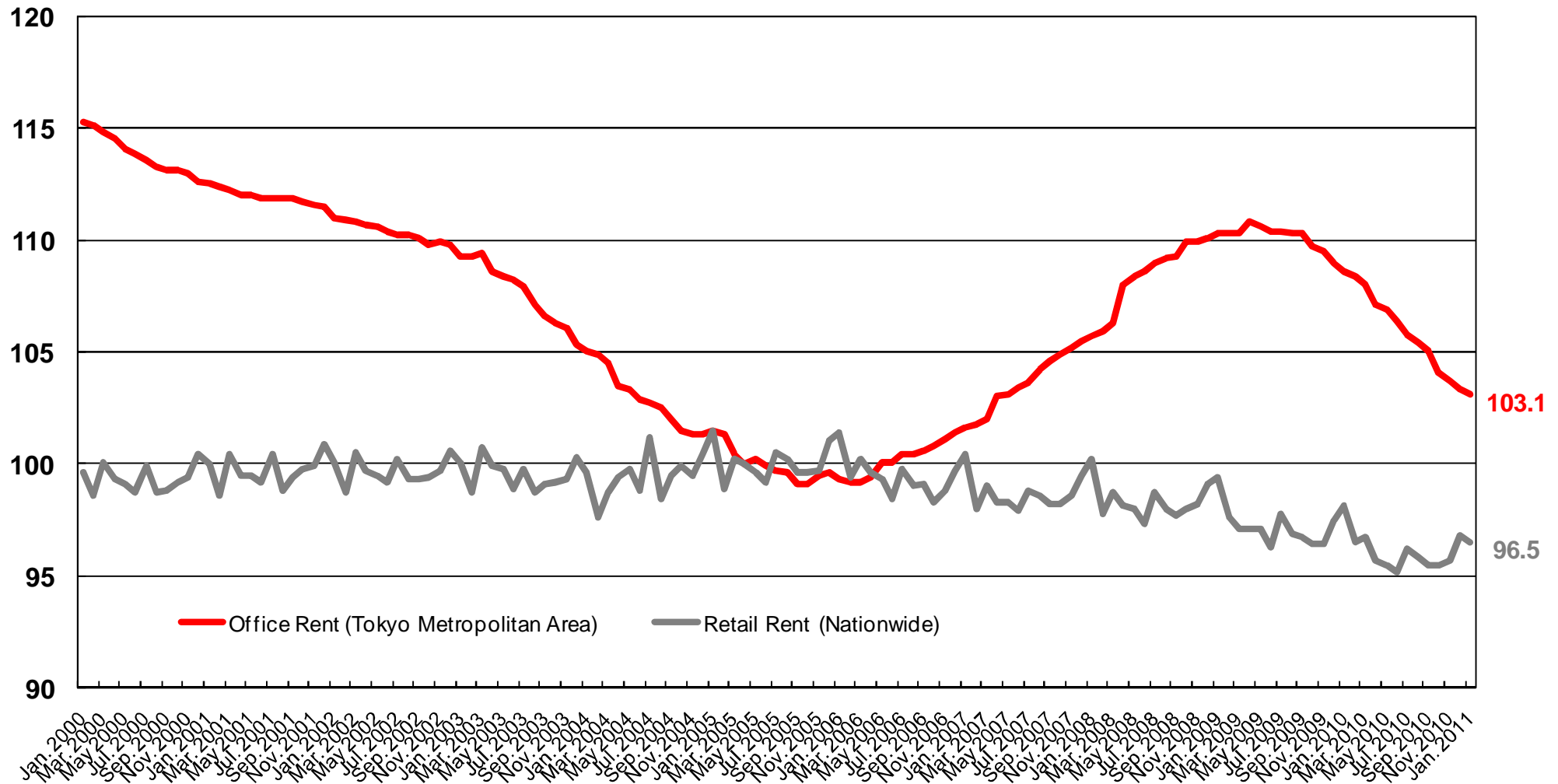
Source: Prepared by Tokyu REIM based on information from the BOJ website

* The Office Rent Index is calculated based on contracted rents, rather than newly asking rents.

*Comments by Tokyu REIM

Office Leasing Market Overview (5): Comparison with Retail Properties

Indexed Office Rent and Retail Rent Comparison (2005 = 100)



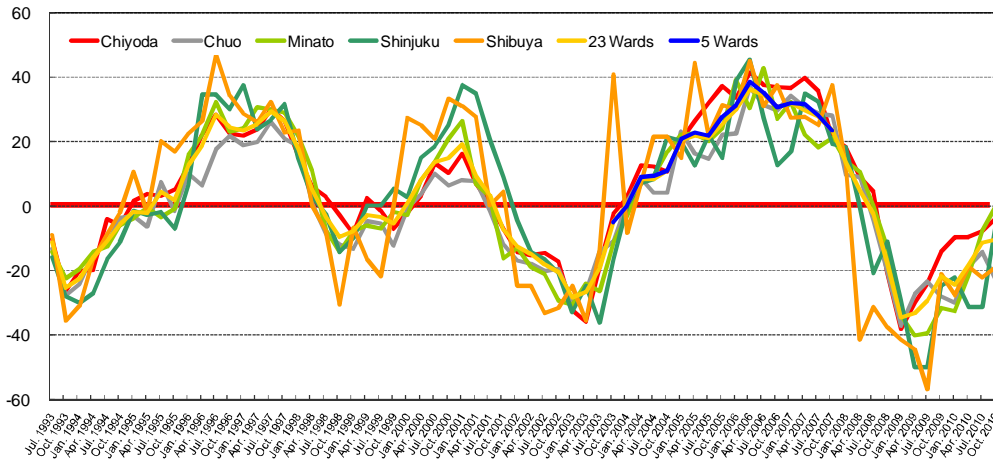
*** Unlike office rents, the retail market is less affected by economic fluctuations.**

Source: Prepared by Tokyuu REIM based on information from the BOJ website

*Comments by Tokyuu REIM

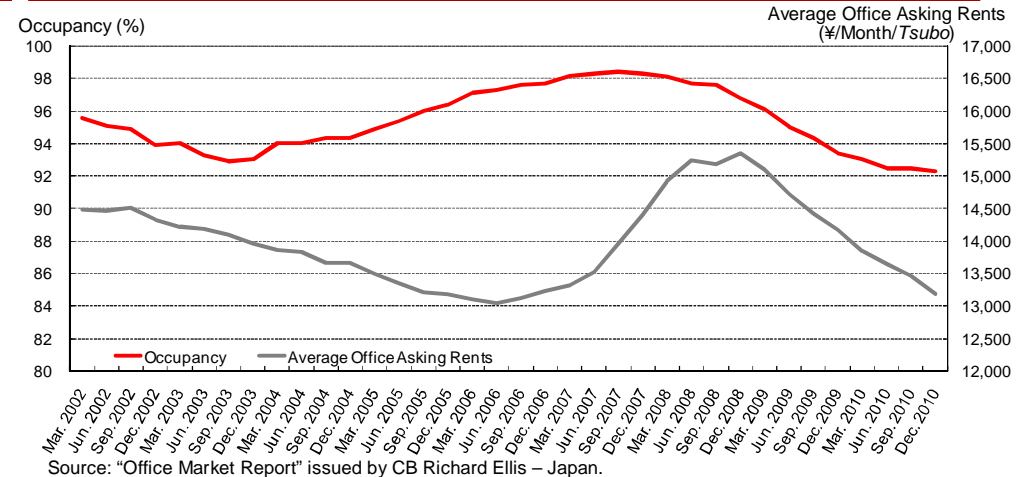
Office Leasing Market Overview (6)

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



Source: Tokyo Building Owners and Managers Association "Building Management Trend Research Report"
 * From January 2008, information on the 5 Wards is no longer disclosed.

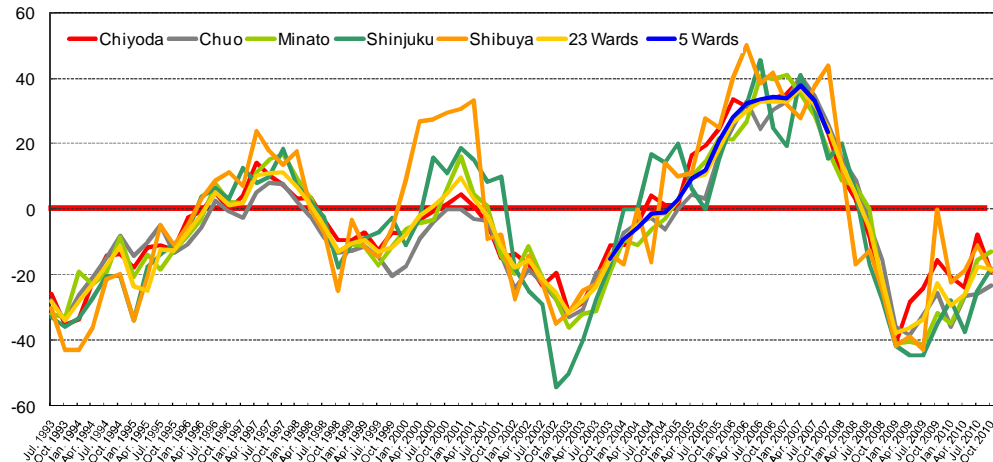
Occupancy and Asking Rents in 5 Central Wards of Tokyo



Source: "Office Market Report" issued by CB Richard Ellis - Japan.

*** Even though the occupancy rate is showing signs of bottoming out, the downward trend in asking rents continues.**

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



Source: Tokyo Building Owners and Managers Association "Building Management Trend Research Report"
 * From January 2008, information on the 5 Wards is no longer disclosed.

*** The outlook of building owners is recovering.**

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

22nd Period Survey (as of April 2010)

| Area | Next Years | 2 Years | 5 Years | 10 Years |
|-------------------------------|------------|---------|---------|----------|
| Marunouchi, Otemachi area | 100 | 100 | 103 | 105 |
| Shibuya, Shibuya Station area | 98 | 99 | 100 | 101 |
| Nagoya, Nagoya Station area | 96 | 97 | 99 | 100 |
| Osaka, along Midousuji line | 97 | 97 | 98 | 100 |

23rd Period Survey (as of October 2010)

| Area | Next Years | 2 Years | 5 Years | 10 Years |
|-------------------------------|------------|---------|---------|----------|
| Marunouchi, Otemachi area | 100 | 100 | 103 | 105 |
| Shibuya, Shibuya Station area | 99 | 100 | 100 | 102 |
| Nagoya, Nagoya Station area | 97 | 97 | 99 | 100 |
| Osaka, along Midousuji line | 97 | 97 | 99 | 100 |

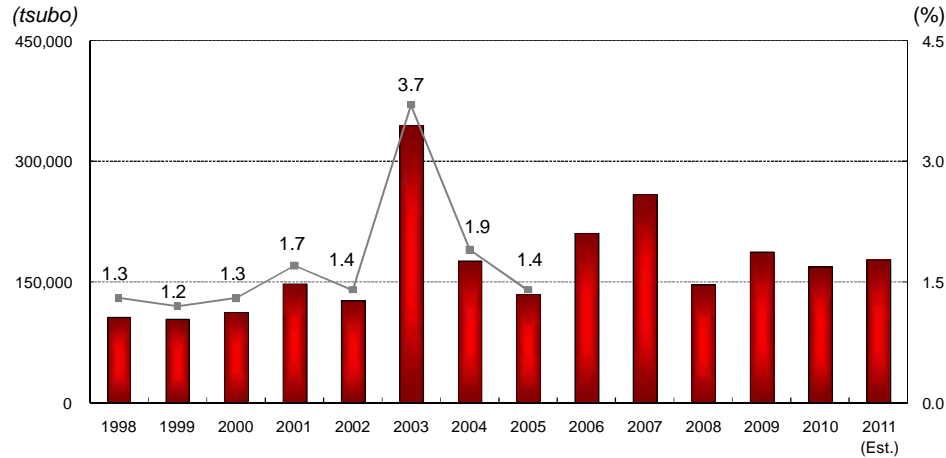
Source: Japan Real Estate Institute "Japanese Real Estate Investors Survey"

*** Investor outlook has improved in Tokyo**

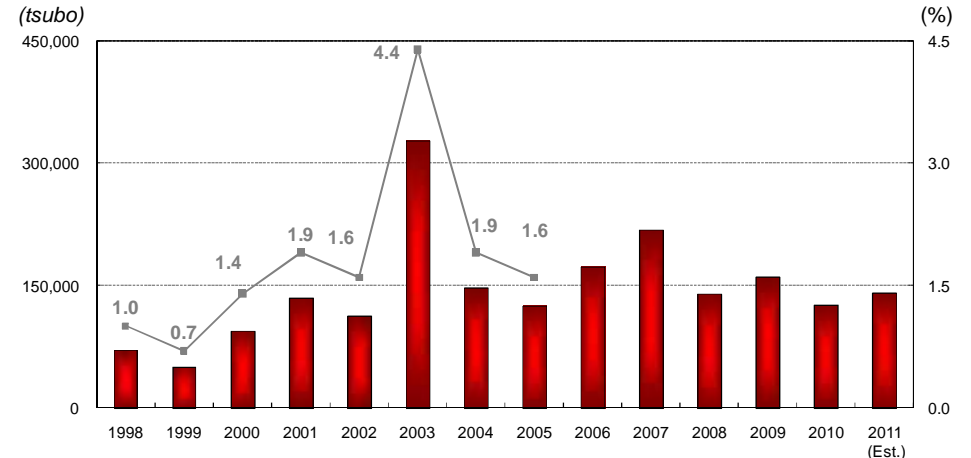
*Comments by Tokyu REIM

New Office Supply and Percentage to Total Rental Area

Tokyo's 23 Wards

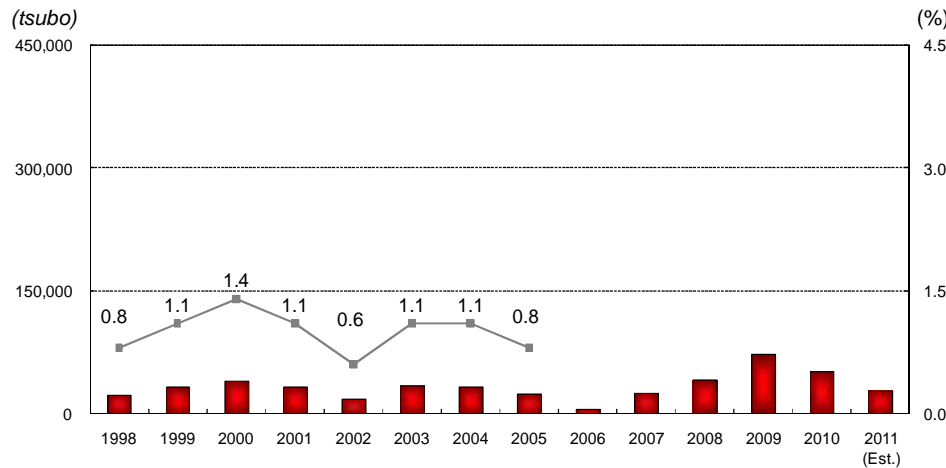


Tokyo's 5 Central Wards

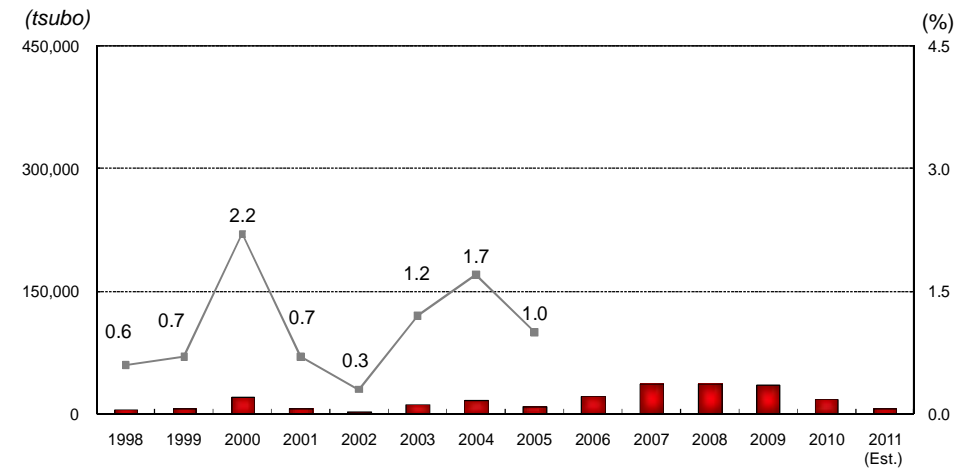


*** New office supply in Tokyo in 2011 is expected to be almost half that of 2003.**

Osaka



Nagoya



Source: CB Richard Ellis – Japan.

* New office supply as a percentage of total rental area no longer available since 2006

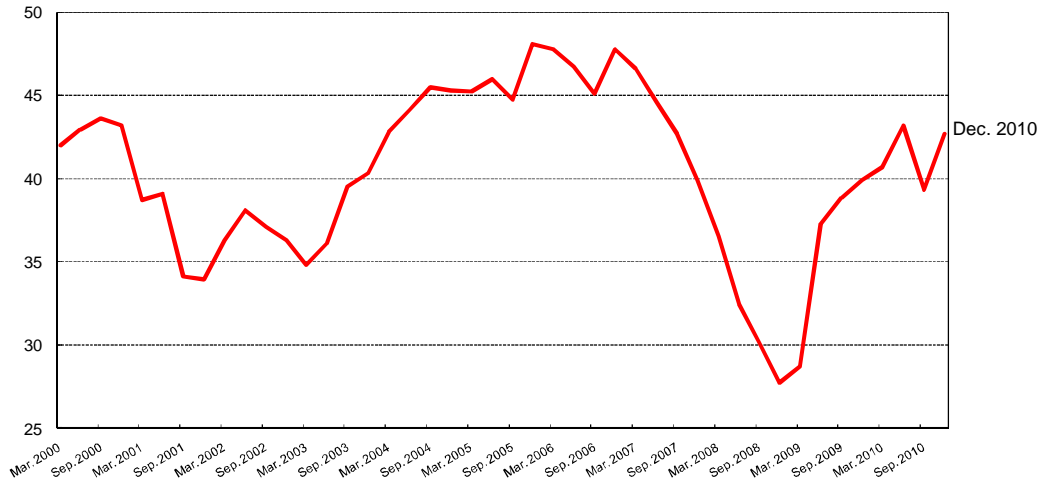
* Decrease in rental space caused by rebuilding/demolition not calculated

■ New Office Supply ■ % of Total Rental Area

*Comments by Tokyu REIM

Retail Leasing Market Overview

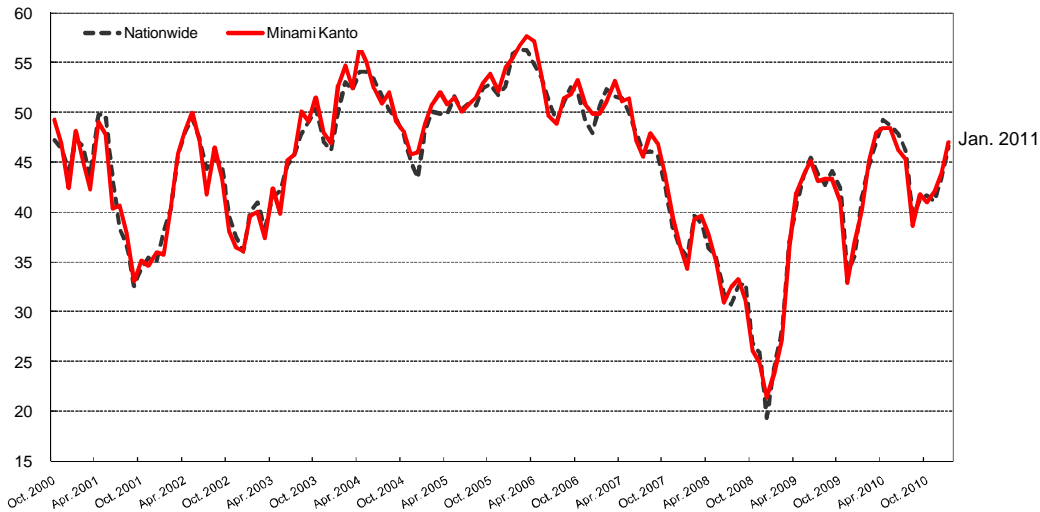
**Consumer Confidence Index
(Nationwide General Households / Seasonally Adjusted)**



Source: Cabinet Office "Consumer Confidence Survey"

*** Consumption attitude bottomed out in December 2008 and since then has gradually recovered. However, under current circumstances, this recovery trend has come to a halt.**

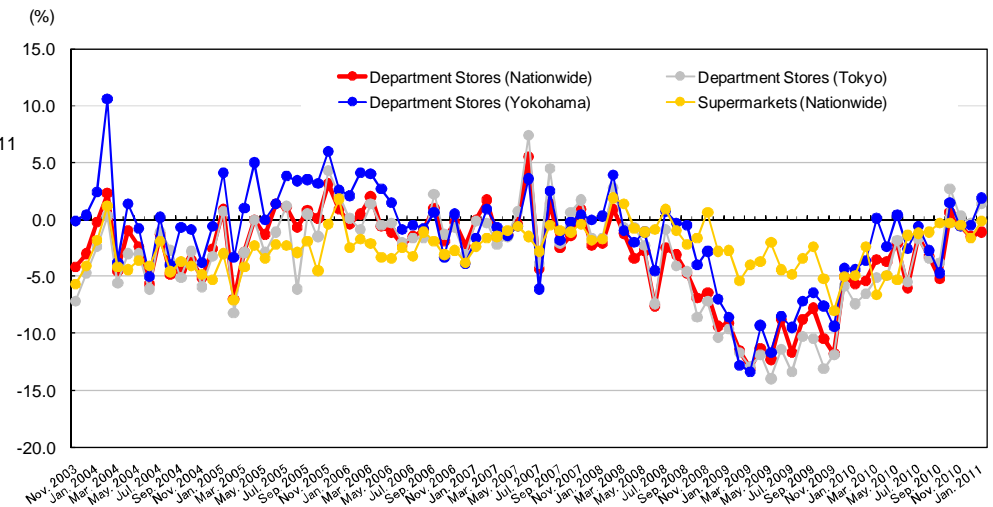
Economy Watchers Survey (Leading Indicator: Household Related)



Source: Cabinet Office "Economy Watchers Survey"

The Average Rent of SC Tenants which we have posted on this document until now is no longer permitted for public use.

Department Store & Supermarket Sales (YoY Change) (Store number-adjusted)



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

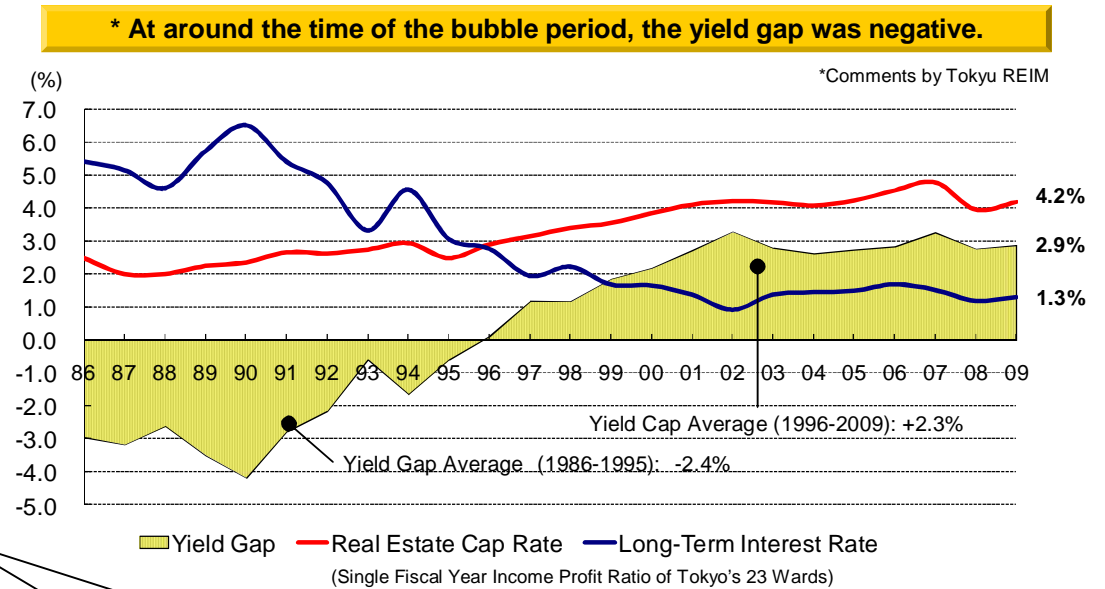
*Comments by Tokyu REIM

Real Estate Trading Market Overview (1)

Real Estate Transparency Index (CY2010)

| Transparency Level | CY 2010 | Country Name | CY 2010 Score | CY 2008 Score |
|--------------------|---------|------------------------------|---------------|---------------|
| High Transparency | 1 | Australia | 1.22 | 1.20 |
| | 2 | Canada | 1.23 | 1.17 |
| | 3 | United Kingdom | 1.24 | 1.31 |
| | 4 | New Zealand | 1.25 | 1.21 |
| | 4 | Sweden | 1.25 | 1.43 |
| | 6 | United States | 1.25 | 1.20 |
| | 7 | Ireland | 1.27 | 1.52 |
| | 8 | France | 1.28 | 1.34 |
| | 9 | Holland | 1.38 | 1.33 |
| | 10 | Germany | 1.38 | 1.58 |
| Transparent | 16 | Singapore | 1.73 | 1.55 |
| | 18 | Hong Kong | 1.76 | 1.55 |
| | 25 | Malaysia | 2.30 | 2.25 |
| | 26 | Japan | 2.30 | 2.39 |
| Semi-Transparent | 33 | Taiwan | 2.71 | 3.07 |
| | 39 | Thailand | 3.02 | 3.16 |
| | 41 | India Tier 1 Cities (Note 1) | 3.11 | 3.34 |
| | 42 | Korea | 3.11 | 3.15 |
| | 44 | Macau | 3.13 | 3.54 |
| | 45 | China Tier 1 Cities (Note 2) | 3.14 | 3.33 |
| | 48 | Philippines | 3.15 | 3.23 |
| | 49 | India Tier 2 Cities (Note 1) | 3.17 | 3.38 |
| | 54 | China Tier 2 Cities (Note 2) | 3.38 | 3.68 |
| | 55 | India Tier 3 Cities (Note 1) | 3.39 | 3.65 |
| Low Transparency | 65 | China Tier 3 Cities (Note 2) | 3.73 | 3.97 |
| | 76 | Vietnam | 4.25 | 4.29 |

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



Source: Prepared by Tokyu REIM based on MU-CBex 1998 Mitsubishi UFJ Trust and Banking Corp and CB Richard Ellis - Japan.

For the past few years, the solid growth of the real estate investment trust (REIT) sector in Asia has contributed to the early improvement of transparency. However, the markets have stagnated since 2008.

Improvement of the transparency in Japan is dependent on the development of the real estate investment market and the diversification of owners that comes about as a result.

(Comments were prepared by Tokyu REIM based on the "Global Real Estate Transparency Index 2010" Report)

The survey addressed the following five attributes of real estate transparency: 1) "Performance Measurement," 2) "Market Fundamentals," 3) "Listed Vehicles," 4) "Regulatory and Legal" and 5) "Transaction Process."

Source: Prepared by Tokyu REIM based on Jones Lang LaSalle's "Global Real Estate Transparency Index 2008" Report and "Global Real Estate Transparency Index 2010" Report.

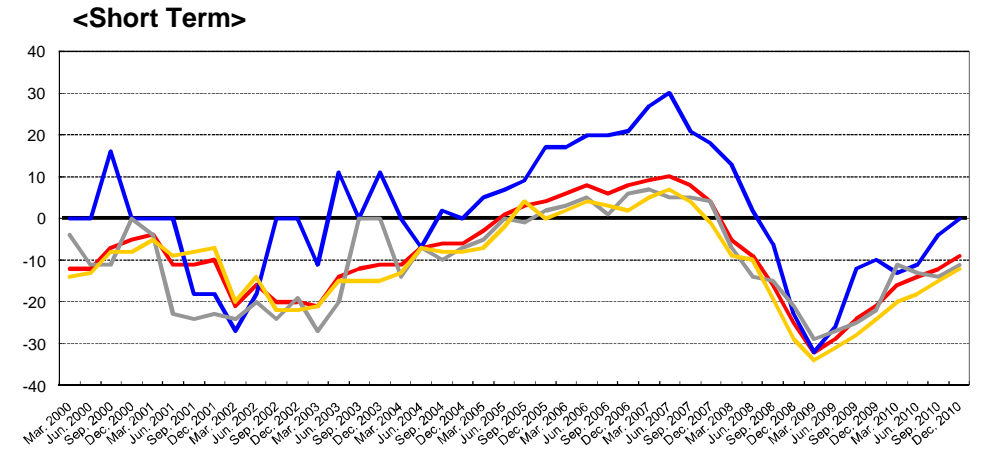
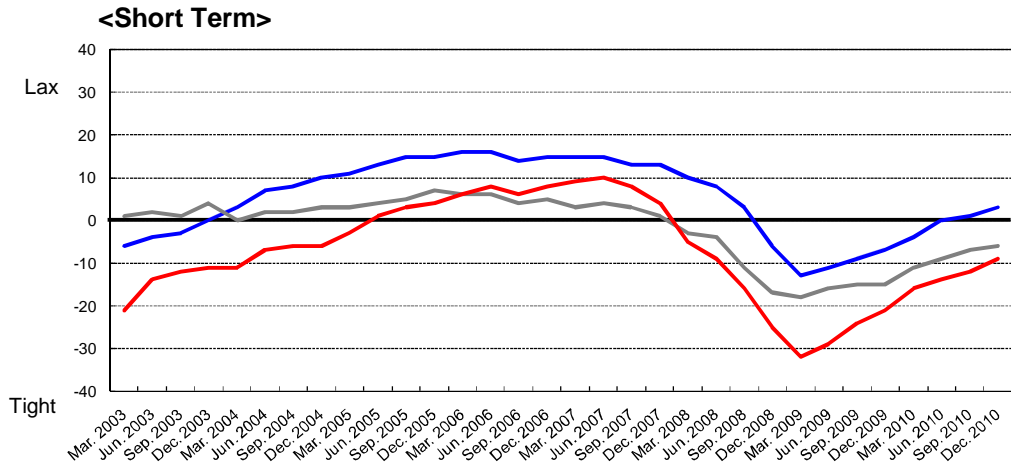
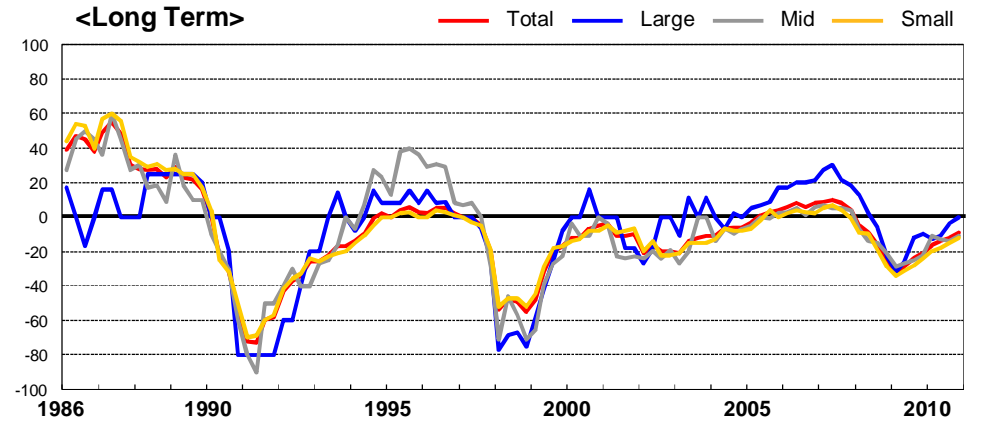
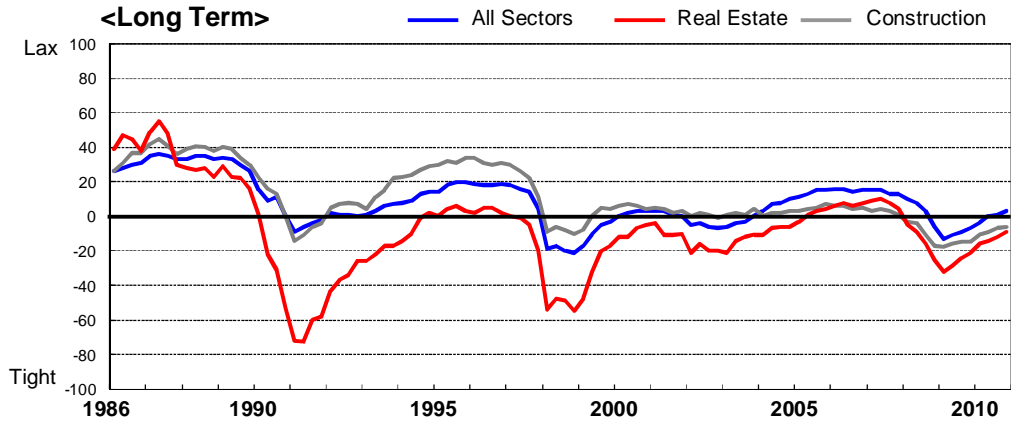
(Note 1) India Tier 1 Cities: Delhi, Mumbai, India Tier 2 Cities: Kolkata, Hyderabad, India Tier 3 Cities: Ahmedabad, Kochi

(Note 2) China Tier 1 Cities: Shanghai, Beijing, China Tier 2 Cities: Chongqing, Tianjin, China Tier 3 Cities: Wuxi, Zhengzhou

Real Estate Trading Market Overview (2)

Lending Attitude DI by Sector

Lending Attitude DI by Size (Real Estate Sector)



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

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

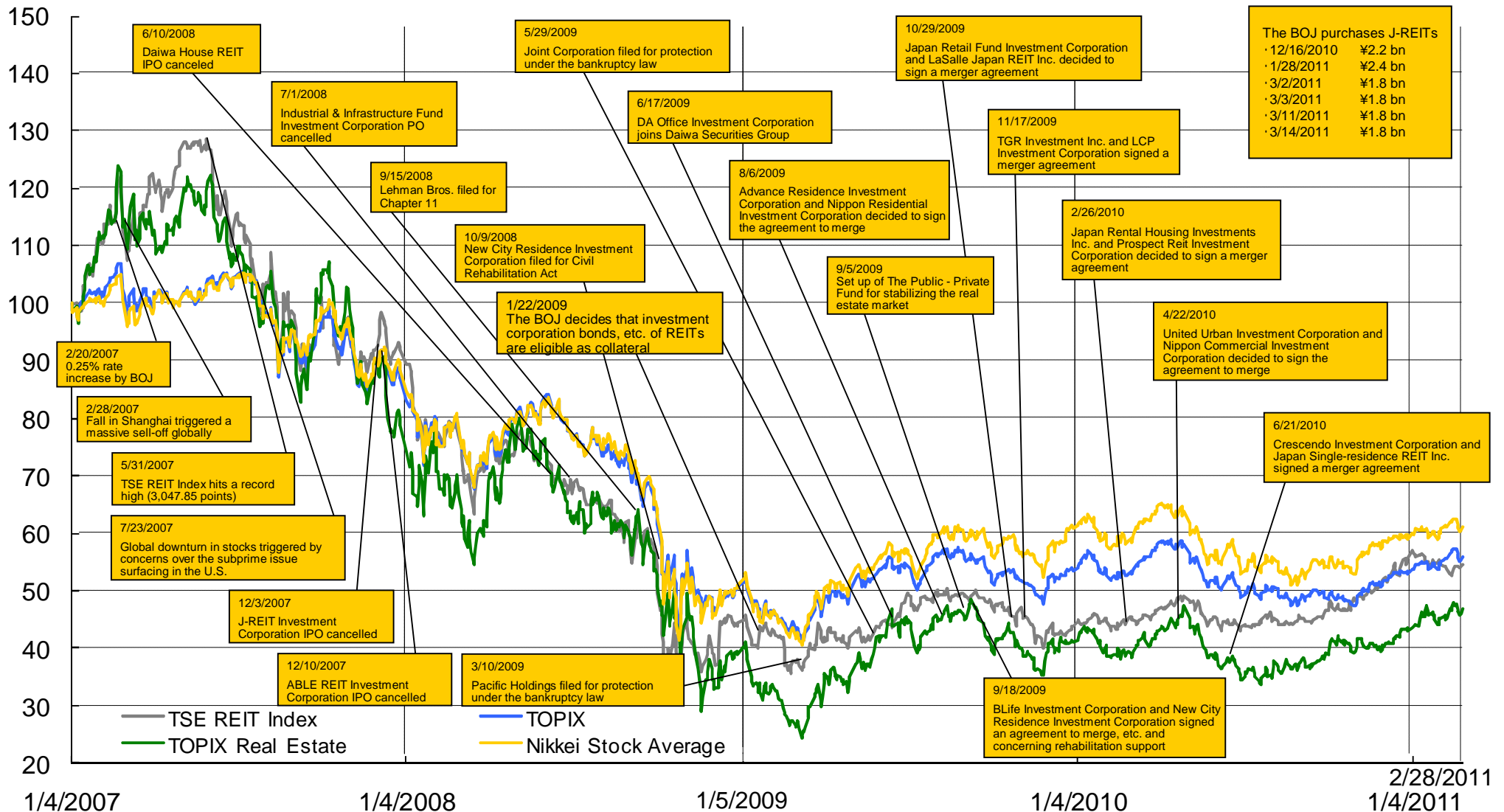
*** The lending attitude for the real estate sector is volatile.**

*** The lending attitude for the real estate sector bottomed out in March 2009 and began to recover.**

*Comments by Tokyu REIM

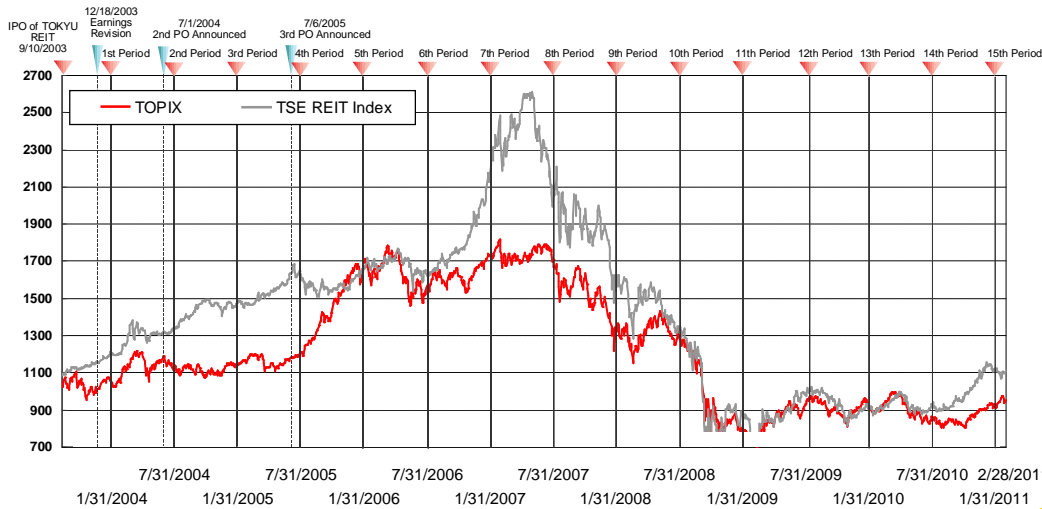
REIT Market Overview (1)

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



REIT Market Overview (2)

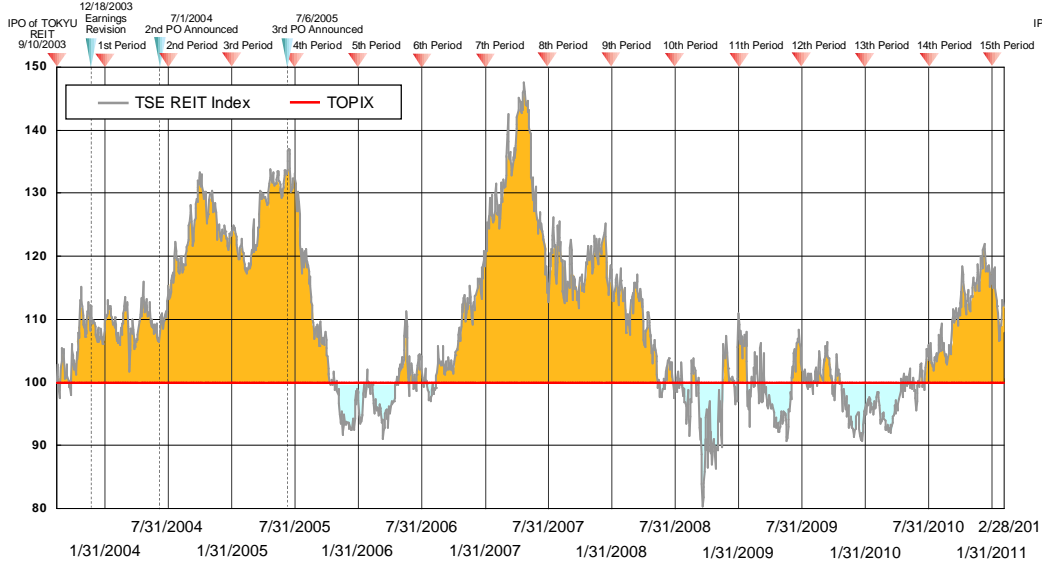
TOPIX and TSE REIT Index Performance



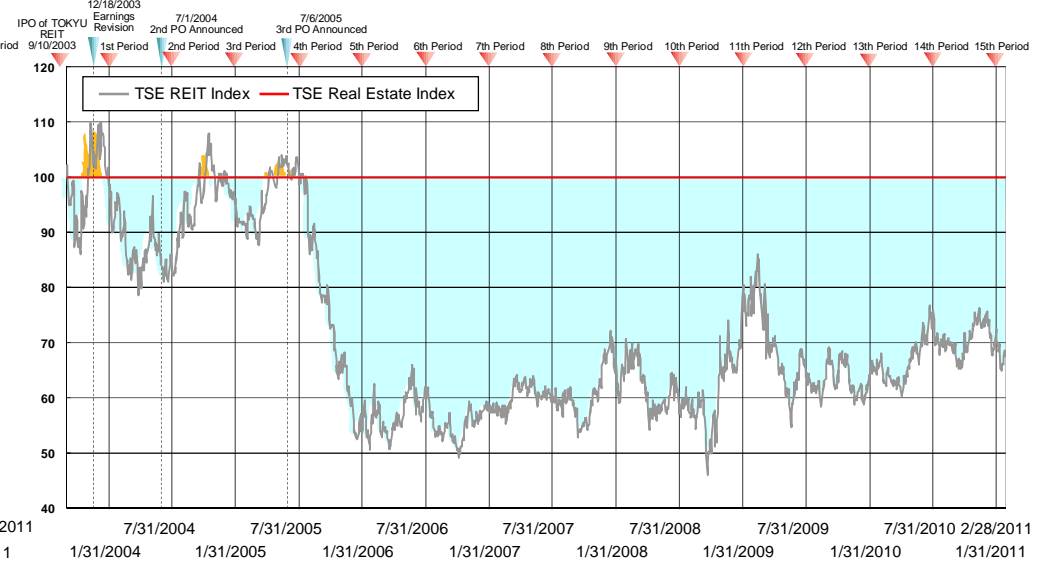
* It becomes clear that the TSE REIT Index is uncorrelated with TOPIX.

* The TSE REIT Index outperforms TOPIX, buoyed by the impact from the purchasing by the BOJ.

TSE REIT Index Performance (TOPIX=100)



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



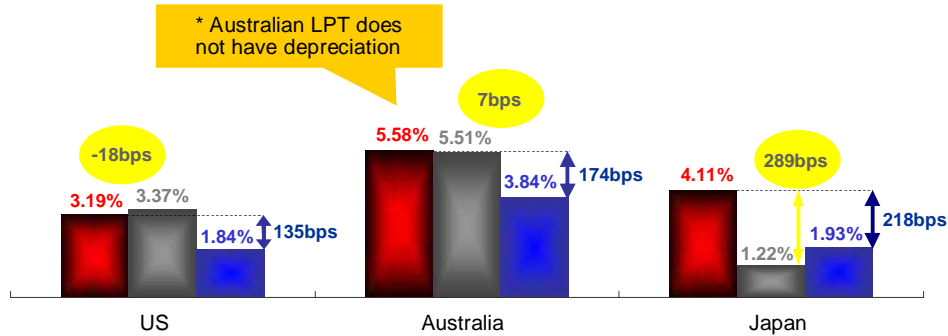
*Comments by Tokyu REIM

REIT Market Overview (3)

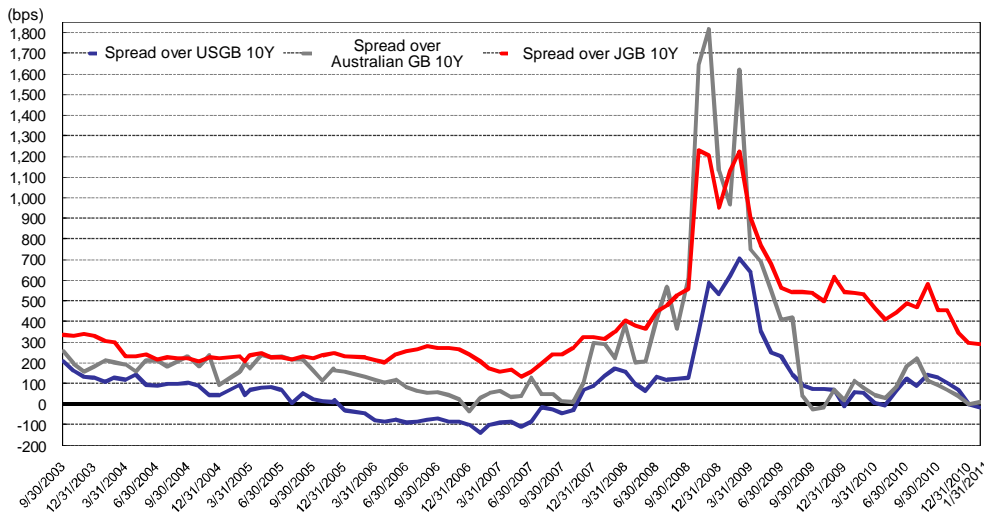
Spread Over Risk Free Rate

- Dividend Yield of REITs (Note 1)
- Coupon on 10 Year Bond
- Dividend Yield of Indices (Note 2)

As of 1/31/2011

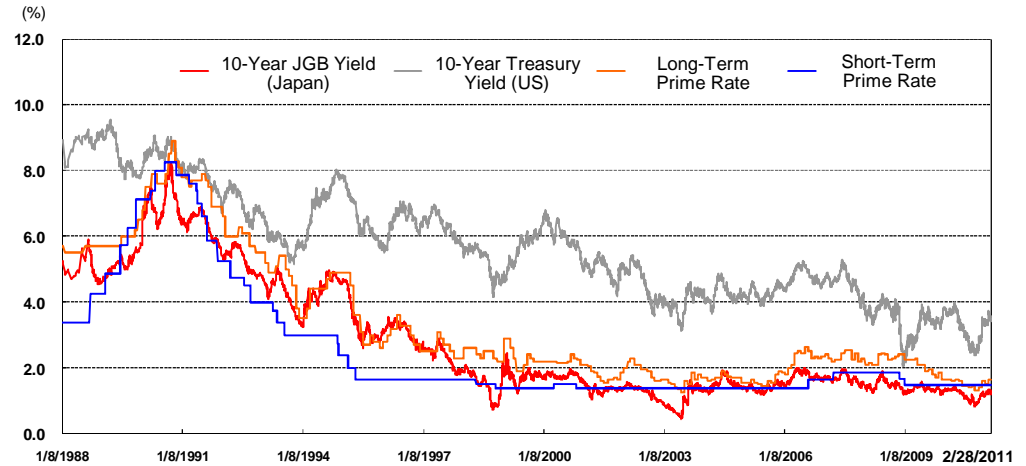


* Wider spread than the US and Australia

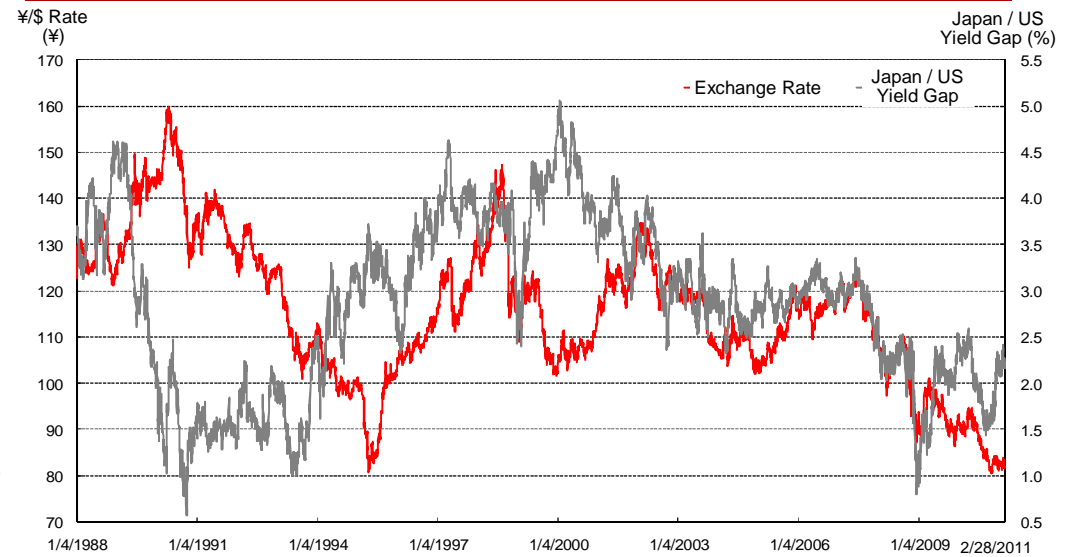


Source: Bloomberg
 (Note 1) US data based on the Equity REITs of NAREIT, Australia based on the Property Trust GREEN Book issued by Bank of America Merrill Lynch, and Japan based on average yield of J-REITs since IPO.
 (Note 2) US based on S&P500, Australia based on ASX All Ordinaries, Japan based on TOPIX

Major Interest Rates



Japan / US Yield Gap vs. Exchange Rate



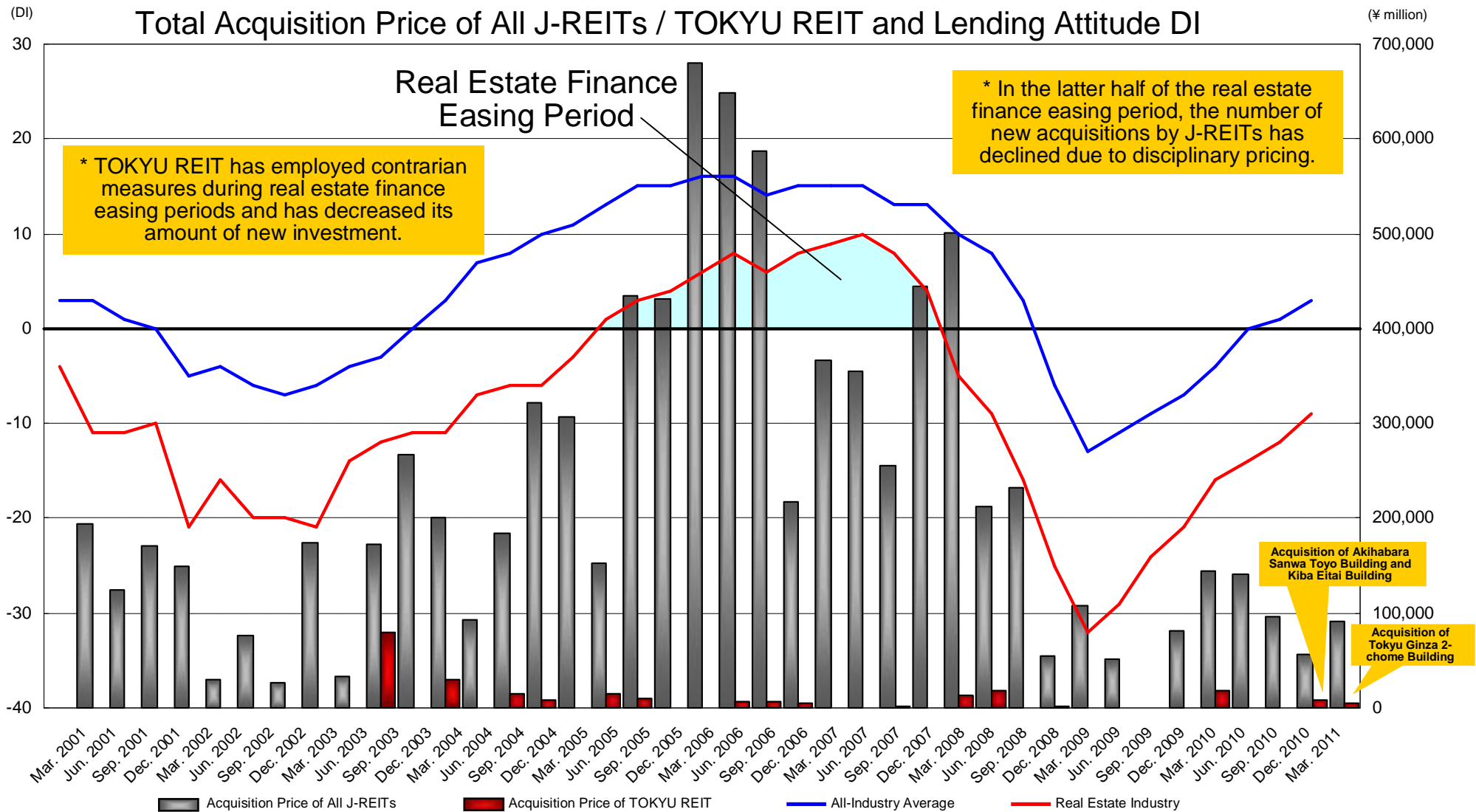
* Japan / US Yield Gap = 10-Year US Treasury Yield - 10-Year JGB Yield

*Comments by Tokyu REIM

TOKYU REIT

5. Appendix

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



• Acquisition Price = Total acquisition price for properties acquired during the 3 months prior to the month indicated beside each bar in the x-axis (e.g. "Jun. 2008" → from April to June 2008). (However, "Mar. 2011" indicates results for the period from January 1, 2011 to February 28, 2011)

Source: BOJ (Tankan Survey)

*Comments by Tokyu REIM

3-Minute Investment Highlights ~ TOKYU REIT's Characteristics ~

- Only invest in the Tokyo metropolitan area ~ Tokyo is a growing international city ~
- Invest in offices and retail facilities ~ Stable earnings and growth potential ~
- Adoption of “Value & Contrary” (Long-Term Investment Strategy (“Surf Plan”))
 - ~ Also focusing on ROE as an equity product ~
- An investment management fee structure which puts us on the same boat with our shareholders
 - ~ No acquisition fees charged; an answer to the question about external investment management structure ~
- Strategic debt management
 - ~ Long-term fixed-interest debt financing; diversified repayment dates and averaging out individual amounts of repayment ~
 - ~ No corporate bonds mature prior to Oct. 2012 ~
- Strong commitment to governance ~ Excellent governance as a source of competitiveness ~
- Appropriate measures to avoid conflicts of interest and independent decision-making
 - ~ Optimal balance between sponsor collaboration and independence ~
- Management capability and commitment ~ Allocation of additional human resources ~
- Best disclosure and best investor relations
- No forward commitments for purchases of development properties
- Track record of highest dividends paid in the industry

*This page represents the views of Tokyu REIM

3-Minute Investment Highlights ~ TOKYU REIT's Challenges and Solutions ~

<Challenges>

- Relatively small portfolio size
~ Insufficient economies of scale and diversification ~
- Relatively small market capitalization
~ Insufficient liquidity of investment units ~

(Although being small is a weak point, there remains great potential for growth)

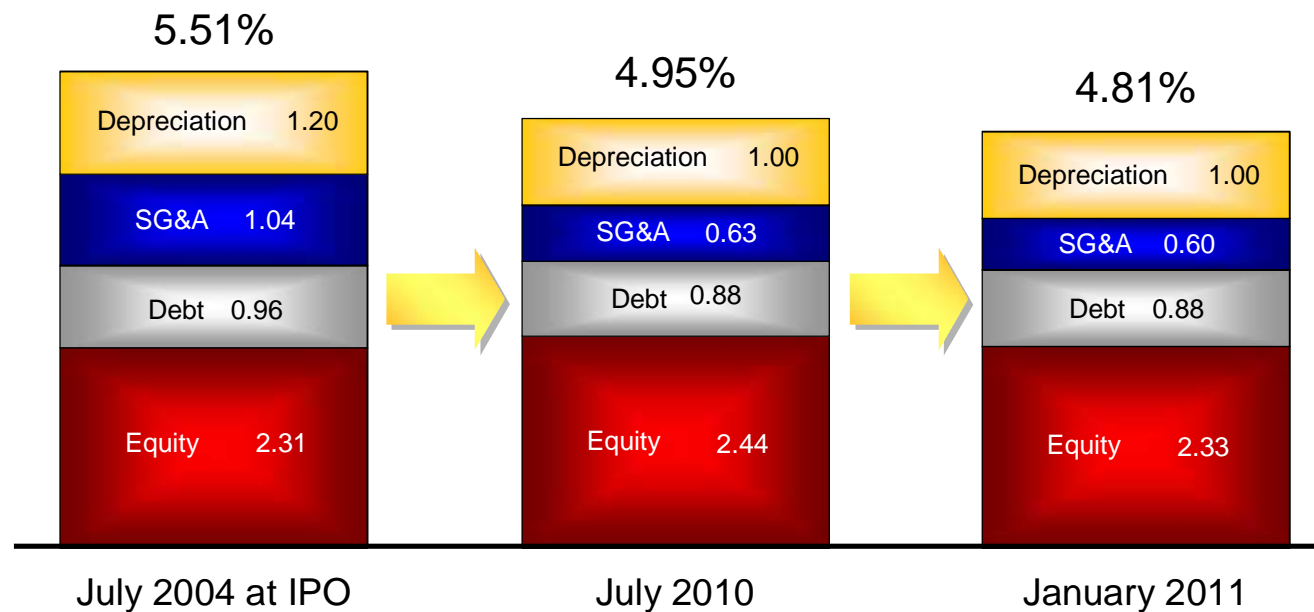
<Solutions>

- Additional property acquisitions at the right timing
~ Providing higher total returns to our shareholders ~
- Capital increases at the right timing
~ To add to our growth and liquidity ~

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

- Costs shown as % of implied total acquisition cost
- Cost calculated based on a maximum LTV of 50%
- Depreciation expense currently estimated to be around 1.00% of acquisition price (varies by property)

| | |
|-------------------|-----------|
| Acquisition Price | Debt 50 |
| 100 | Equity 50 |



January 2011 vs. IPO

| | |
|--------------|------------|
| Hurdle Rate | -0.70 pts. |
| Depreciation | -0.20 pts. |
| SG&A | -0.44 pts. |
| Debt | -0.08 pts. |
| Equity | 0.02 pts. |

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

- The SG&A ratio is operating expense excluding leasing costs and capital losses on real estate, etc. divided by the average acquisition cost for the respective period.
- The cost of debt is equal to 50% of the average interest during the respective period, except for July 2004 at the IPO, which is an estimate of the cost of debt based on hearings from banks.
- We have determined the cost of equity to be 50% of the yield (Estimated Distribution X 2 / Investment Unit Price) at the beginning of the respective period.

*This page represents the views of Tokyu REIM

Collaboration with Tokyu Group Companies

Acquisition

- Pipeline Support: 13 of 29 properties accumulated thus far (¥100.86bn out of total acquisition price of ¥243.33bn)
 - 6 of 11 properties at time of IPO
 - TOKYU REIT Shibuya Udagawa-cho Square (2nd Period / ¥6.6bn)
 - Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (9th Period / ¥8.5bn)
 - Tokyu Ikejiri-ohashi Building (10th Period / ¥5.48bn)
 - Kojimachi Square (note) (14th Period; ¥9.03bn)
 - Tokyu Ginza 2-chome Building (16th Period; ¥5.01bn)
 - 2 of 11 Properties at time of IPO (Lexington Aoyama (note), Tokyo Nissan Taito Building (note))
- } Developed and contributed by Tokyu Corporation and its subsidiaries
- Contributed by Tokyu Group companies
- (Note) Contributed by Tokyu Land Corporation and its subsidiaries
- Warehousing
 - 3 of 11 properties acquired at time of IPO: ¥14.06bn
 - Yokohama Yamashita-cho Building (Barneys New York Yokohama Store): 3rd Period / ¥5.05bn
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store): 3rd Period / ¥9.52bn
 - cocoti (Net Collective Ownership 40%): 5th Period / ¥9.80bn
 - Shonan Mall Fill (*sokochi*): 6th Period / ¥6.81bn
 - Reference by Tokyu Group companies
 - Resona Maruha Building
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store)
 - PM business outsourcing
 - Community-based tenant promotion capability
 - “TOKYU” brand licensing
 - “TOKYU REIT” name
 - Building name change to “TOKYU REIT” brand

PM (Property Management)

Brand Strategy

Response to New Accounting Rules, etc.

■ Response Status for New Accounting Rules

| Accounting Rule | Response Status | Content of Major Disclosures (Unit: ¥ million) | | | | |
|--|--|--|--------------------------|-----------------------|-----------------------------|---------|
| Disclosure of fair value of financial products | Disclosure of information such as fair value of financial products (cash and bank deposits, borrowings, investment corporation bonds and a portion of security deposits) whose fair value can be calculated, starting from the 14th fiscal period (ended Jul. 2010). | <u>Amount posted on balance sheet</u> | <u>Fair value</u> | <u>Difference</u> | | |
| | | <u>Assets</u> | 19,307 | 19,307 | - | |
| | | <u>Liabilities</u> | 94,709 | 95,878 | 1,168 | |
| Disclosure of fair value of investment and rental properties | Disclosure of appraisal value at end of period, which we have been announcing from before, as the normal value (fair value), starting from the 14th fiscal period (ended Jul. 2010). | <u>Amount posted on balance sheet</u> | <u>Fair value</u> | <u>Difference</u> | | |
| | | <u>Assets</u> | 186,412 | 187,900 | 1,487 | |
| Asset retirement obligations | Application to start from the 15th fiscal period (ended Jan. 2011). | No impact on profits and losses | | | | |
| Disclosure of segment-related information | Application of dividing into 2 reporting segments (“office building leasing business” and “retail facility leasing business”) to start from the 15th fiscal period (ended Jan. 2011). | <u>Offices</u> | <u>Retail Facilities</u> | <u>Adjusted Value</u> | <u>Financial Statements</u> | |
| | | <u>Operating Income</u> | 3,873 | 2,649 | 2 | 6,524 |
| | | <u>Segment Profit</u> | 2,042 | 1,409 | -572 | 2,878 |
| | | <u>Segment Assets</u> | 98,714 | 87,698 | 20,693 | 207,106 |

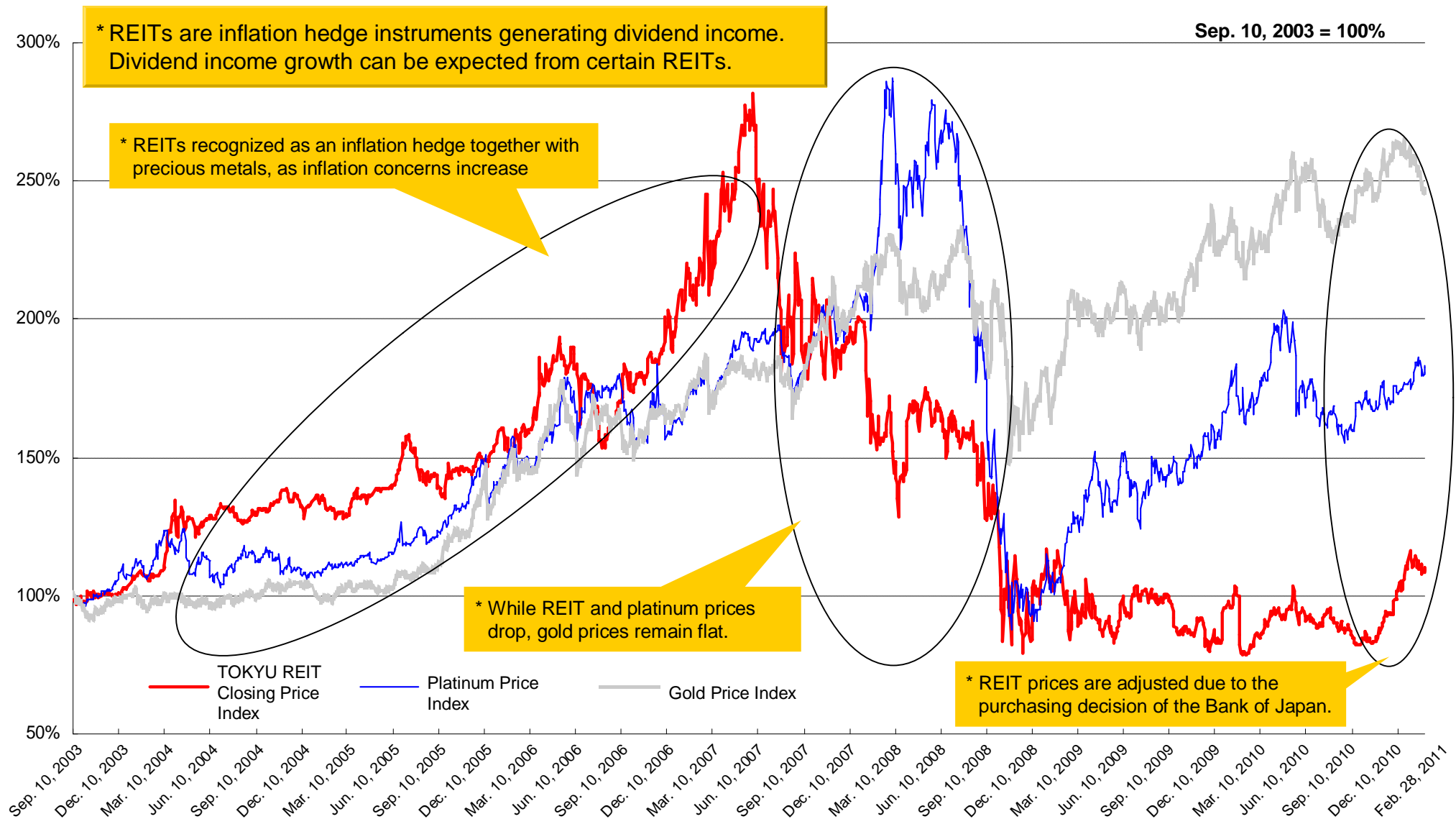
■ Accounting Processing of Free-Rent Agreements

TOKYU REIT posts income based on cash (1st~15th fiscal period results and 16th~17th fiscal period forecasts)

* For the so-called free-rent agreement, there are two accounting processing methods for a leasing agreement for which a certain period during which cancellations cannot be made (b) after the free-rent period (a) is established. They are the following:

- Method of posting as income (based on cash) the rent actually received after the free-rent period.
- Method of posting the pro-rated total rents of the agreement for the full period ((a)+(b)).

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



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