

Capitalize on Time in Asset Management

TOKYU REIT

TOKYU REIT, Inc. Semiannual Report **Fifteenth Fiscal Period** From August 1, 2010 to January 31, 2011



cocoti

cocoti is a retail property surrounded by casual brand stores and lies on the outskirts of an area known as "Ura Harajyuku."

This property's tenants are comprised of brand shops, cafes, sports gyms, and other outlets and meet the various needs of a customer.



Tokyu Ikejiri-ohashi Building

Tokyu Ikejiri-ohashi Building is an office building located close to Ikejiri-ohashi station on the Tokyu Den-en-toshi Line.

With road access from all four sides and a floor layout that is essentially square throughout, making it a rare find that is considered to possess a competitive edge in the area.



Tokyu Ginza 2-chome Building

Construction of the building was completed in August 2008, and it will become the newest property with the least years since construction in TOKYU REIT's portfolio. Furthermore, due to the fact that this property is also able to be utilized as a multi-tenant building, we believe that it has tenant replacement capabilities that will enable us to maintain stable occupancy in the future.

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

CONZE Ebisu

CONZE Ebisu is situated approximately a two-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line, and houses a wide range of restaurants. Neighboring area of Ebisu Station is one of the areas in Tokyo that has recently drawn a great deal of attention from various media. The area is particularly known as an ideal site for restaurants, and shows potential for further growth.



Setagaya Business Square

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



QFRONT

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



Akihabara Sanwa Toyo Building

The property is directly linked to Suehirocho Station on the Tokyo Metro Ginza Line, a line which connects Shibuya to Ginza/ Nihonbashi as well as Ueno/Asakusa. It located at a corner lot on the intersection of Chuo-dori and Kuramaebashi-dori. Thus **TOKYU REIT** thinks that traffic convenience and visibility are extremely high and that it is a rare property.



Kiba Eitai Building

The property is a two-minute walk from Kiba Station, which is approximately eight minutes from Otemachi Station on the Tokyo Metro Tozai Line, and is located at a corner lot along Eitai-dori. Thus its traffic convenience and visibility are high.



TOKYU REIT, Inc.

Semiannual Report
Fifteenth Fiscal Period

From August 1, 2010 to January 31, 2011

15th

15th Fiscal Period
Cash Distribution per Unit **12,045** yen (Fixed)

(Date of payment: Apr. 11, 2011)

16th Fiscal Period
Cash Distribution per Unit **12,400** yen (Forecast)

(Date of payment: Mid Oct. 2011)

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BASIC POLICY OF TOKYU REIT

1 Investment strategies that accelerate 'growth'

- Investment in properties in central Tokyo and the Tokyu Areas— areas with strong growth potential
- Committed to continued collaboration with Tokyu Corporation and its subsidiaries
- Growth through heightened added value of the Tokyu Areas

2 A portfolio that secures 'stability'

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

3 Fund structure that backs 'transparency'

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

HIGHLIGHTS

TOKYU REIT, Inc. (**TOKYU REIT**) acquired the two office buildings during the fifteenth fiscal period. Moving forward, **TOKYU REIT** will continue to acquire new properties while adhering to its investment criteria and taking into consideration trends in capital and real estate investment markets. This approach will help **TOKYU REIT** improve the overall long-term yield on the entire portfolio and minimize portfolio risks.

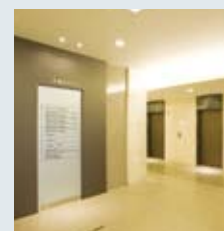
■ New Acquisitions During the 15th Fiscal Period



Akihabara Sanwa Toyo Building



Kiba Eitai Building



FINANCIAL SUMMARY

		14th Fiscal Period	15th Fiscal Period
Balance Sheets	Number of Properties	23 properties	25 properties
	Total Assets	¥206,884 million	¥207,106 million
	Interest-Bearing Liabilities	¥90,000 million	¥90,000 million
	Total Assets Loan-to-Value (LTV) Ratio	43.5%	43.5%
Statements of Income	Operating Revenues	¥6,550 million	¥6,524 million
	Net Income	¥2,133 million	¥2,040 million
Distributions	Cash Distribution per Unit	¥12,598	¥12,045
	Average Market Price per Unit	¥470,862	¥490,426
	Distribution Yield	5.40%	4.87%

Policy and Strategy

TOKYU REIT listed its units on the Tokyo Stock Exchange on September 10, 2003. With the ultimate goal of maximizing unitholder value, **TOKYU REIT** is engaged in asset investment and management based on principles of growth, stability, and transparency. **TOKYU REIT** is committed to securing stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential.

TOKYU REIT invests primarily in retail and office properties located in the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) and the Tokyu Areas, which refers to the areas serviced by the Tokyu rail network. As of January 31, 2011, the end of TOKYU REIT's fifteenth fiscal period, **TOKYU REIT** held fourteen office buildings and eleven retail facilities, for a total of 25 properties.

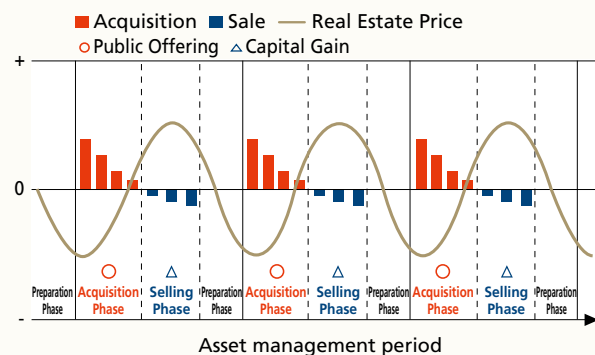
Investment Policy

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

- Investment Targeted Areas:
Limited to Tokyo Metropolitan Area (Central Tokyo + Tokyu Areas more than 85%)
- Use: Limited to office and retail
- Size of Properties: Over 4 billion yen per property
Over 5,000 m² floor space (for office properties)
- Sponsor Collaboration
Of the 25 portfolio properties, twelve properties sourced from Tokyu Group companies
- Capital Re-investment Model
A business model aimed at enhancing the value of investment targeted areas by Tokyu Corporation and its subsidiaries through re-investing the capital invested by **TOKYU REIT**

Long-Term Investment Management Strategy (Surf Plan)

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



Investment Management Fee

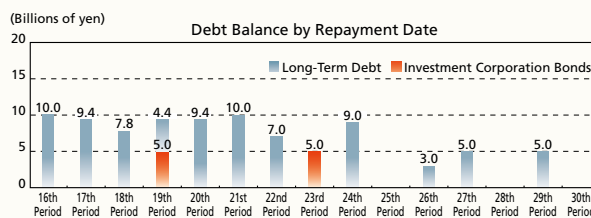
"Being in the same boat as unitholders" investment management fee structure

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

Debt Management

Debt management strong against credit crises

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

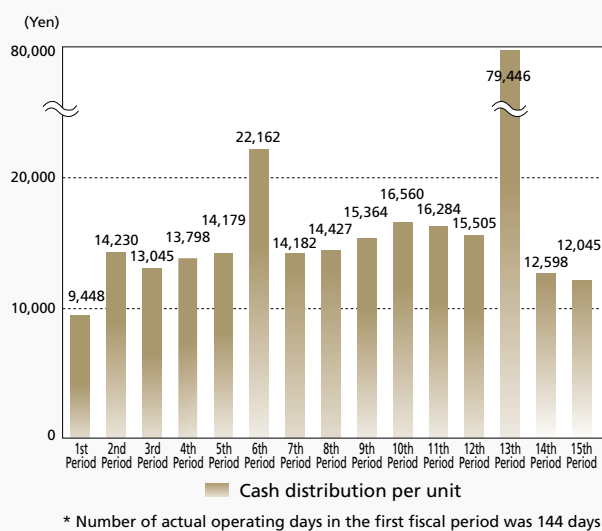


In addition, **TOKYU REIT** works to diversify repayment dates for its debt financing in order to avoid the risk of large-scale refinancing within a short period of time.

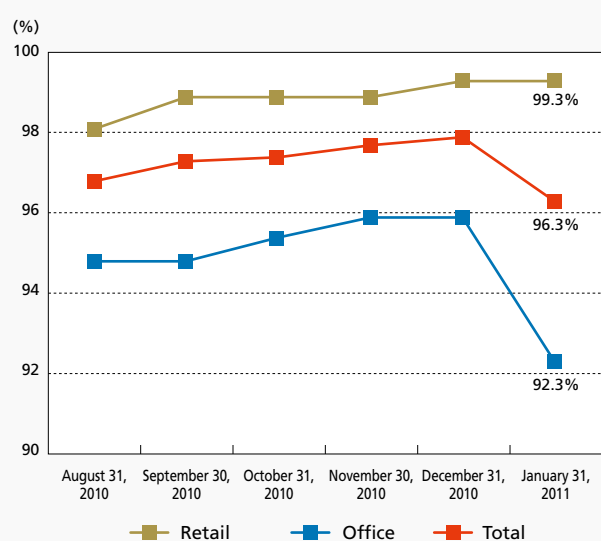
Performance

TOKYU REIT has paid out a cumulative total of ¥283,313 in cash distribution per unit over the approximately seven and a half years since listing (simple average cash distribution per unit of ¥18,887 per fiscal period) as a result of stable occupancy and sale of three properties. Weighted-average capital yield (ROE) stands at 6.9%, achieving high returns for unitholders. TOKYU REIT has set the immediate goal for adjusted ROE, which is an index found by averaging out fluctuations in ROE performance, at no less than 5% on a consistent basis.

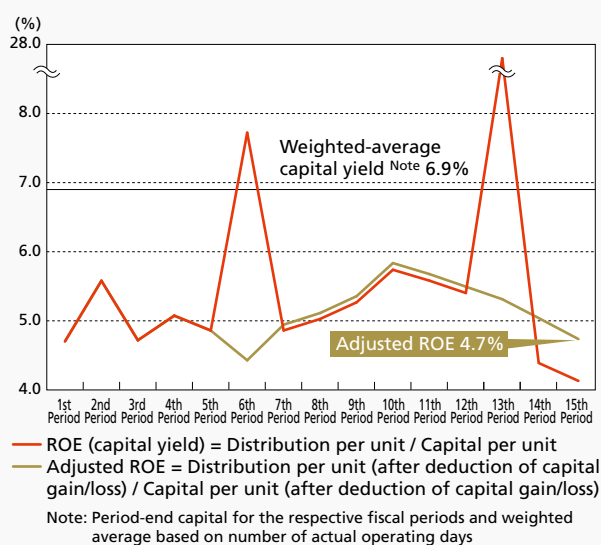
Cash Distribution per Unit



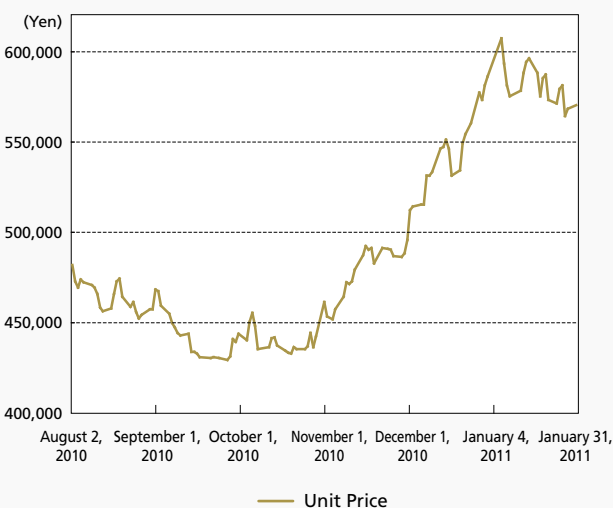
Occupancy Rate



ROE (Capital Yield)



Unit Price



To Our Unitholders

On behalf of **TOKYU REIT**, I would like to express my sincere appreciation to all of our REIT unitholders for their continued support and patient understanding. I would also like to request the attendance of unitholders at the Fifth General Meeting of Unitholders, which is to be held on April 14, 2011. Those who are unfortunately unable to attend are asked to submit a voting rights exercise form. The following pages provide an overview of our operating environment and results for the fifteenth fiscal period, August 1, 2010 to January 31, 2011.

Masahiro Horie

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



Cancellation of Sponsorship from Tokyu Land

On January 13, 2011, **TOKYU REIT** announced the following conclusion of a letter of intent regarding sponsor change.

Since listing in 2003, **TOKYU REIT** has been collaborating with two sponsors—Tokyu Corporation and Tokyu Land Corporation (“Tokyu Land”). Recently, **TOKYU REIT** received the following request from Tokyu Land. The request was that Tokyu Land would like to establish a new REIT that invests in retail facilities, offices, etc. in major cities throughout Japan with itself as the sole sponsor and would therefore like to cancel its sponsorship of **TOKYU REIT** because of concerns of competition, etc. between **TOKYU REIT** and that REIT, in view of realizing the respective growth strategy of both investment corporations and so as to clarify the direction of sponsorship from Tokyu Land.

After careful examination and discussion, **TOKYU REIT** and Tokyu REIM decided to accept the request on the condition that a proposal to amend

the Articles of Incorporation accompanying the cancellation of sponsorship from Tokyu Land and make Tokyu Corporation the sole sponsor of **TOKYU REIT** is approved by the General Meeting of Unitholders of **TOKYU REIT**, etc., and based on the assumption that various measures will be implemented for smooth sponsorship cancellation.

Specifically, the details of the sponsorship cancellation are that Tokyu Land will transfer its current shareholding in Tokyu REIM (investment ratio of 40%) and investment unitholding in **TOKYU REIT** (3,920 investment units; investment ratio of 2.31%) to Tokyu Corporation, and Tokyu Land will terminate various agreements that were concluded for the purpose of collaborating with **TOKYU REIT**, such as the memorandum relating to the purchase and sale of real estate dated July 28, 2003. As a result, Tokyu Corporation will become the sole party to the various agreements relating to the sponsor of **TOKYU REIT**.

Impact of Tokyu Corporation Becoming the Sole Sponsor

TOKYU REIT has confirmed that Tokyu Corporation has the intent of further strengthening its strategic collaborative relationship with **TOKYU REIT** in line with it becoming the sole sponsor of **TOKYU REIT**. In particular, Tokyu Corporation shall proactively consider future contribution of properties based on the “Capital Re-investment Model,” which aims to further improve the added value of the Tokyu Areas through Tokyu Corporation contributing real estate assets it developed to **TOKYU REIT** and allocating the collected capital to real estate development in the Tokyu Areas and Central Tokyo, construction to enhance the transportation power of railroads, etc.

For Tokyu Corporation, its expectation on the functions of owning and leasing real estate from the long-term perspective of **TOKYU REIT**, which operates business in the same area, is thought to be increasingly growing.

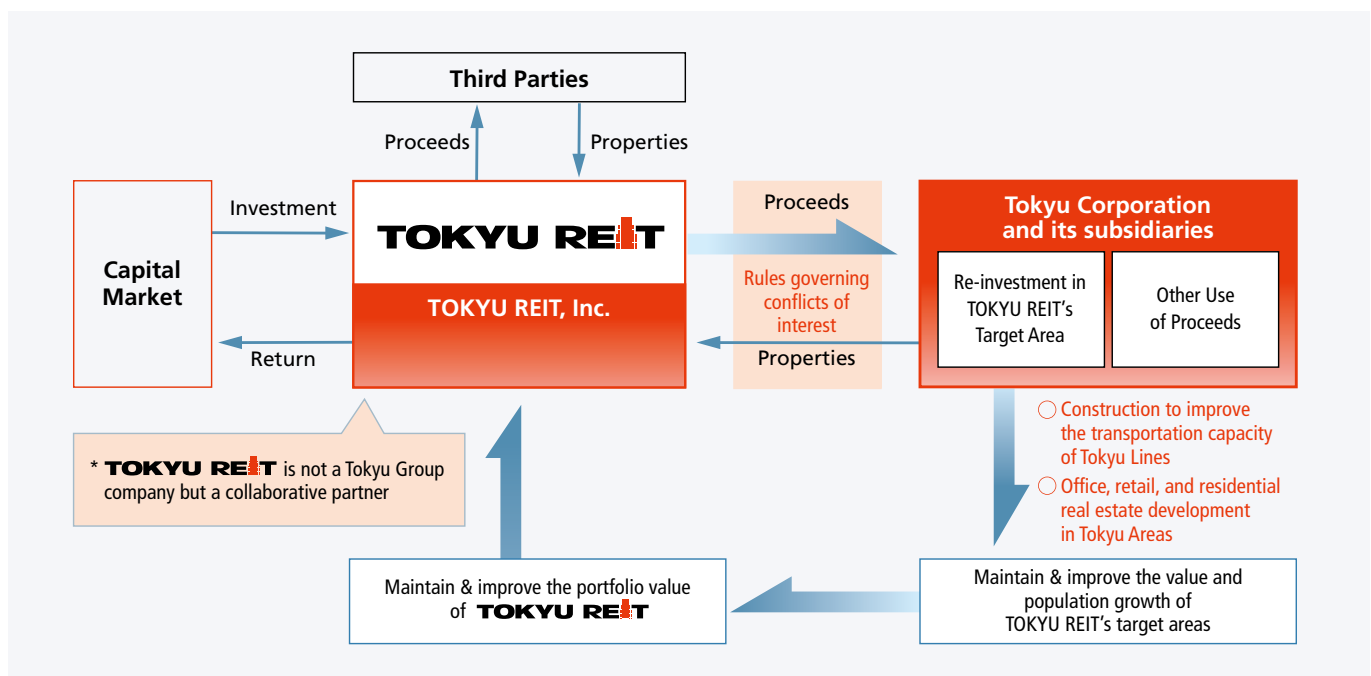
The acquisition of Tokyu Ginza 2-chome Building described later in this report is a part of strengthening collaboration accompanying Tokyu Corporation becoming the sole sponsor.

Please note that, although Tokyu Land will be canceling its sponsorship of **TOKYU REIT**, it has agreed to provide future property acquisition opportunities to **TOKYU REIT** until the total acquisition price of properties acquired from Tokyu Land Group companies reaches ¥20.0 billion.

In addition, in order to avoid circumstances that affect management, such as TOKYU REIT’s asset management and management of owned assets, an agreement has been reached between the four parties **TOKYU REIT**, Tokyu REIM, Tokyu Corporation and Tokyu Land for the securing of personnel at Tokyu REIM, selection of property management companies, etc. Thus, **TOKYU REIT** believes that impact on its management will be minor.

While some may be concerned that the function of checking between sponsors will be lost if changed to a single sponsor, **TOKYU REIT** will retain its excellent governance structure with the active involvement of four independent third parties (two Supervisory Directors and two Compliance and Risk Management Committee members) and two audit firms (the respective accounting auditor of **TOKYU REIT** and Tokyu REIM) as to date in the management of **TOKYU REIT**.

TOKYU REIT Capital Re-investment Model



Cash Distribution of ¥12,045 per Unit

For the current fiscal period (fifteenth fiscal period), **TOKYU REIT** posted ¥6,524 million in operating revenues and ¥2,040 million in net income. Two properties were acquired during the fiscal period, but prolonged severe leasing market conditions resulted in net income decreasing ¥93 million from the previous fiscal period (fourteenth fiscal period). Nevertheless, the net income figure is still higher than the forecast announced on October 28, 2010 by ¥75 million.

Consistent with our distribution policy, 100% of unappropriated retained earnings were allocated for a cash distribution of ¥12,045 per unit. This was ¥553, or 4.4%, less than the ¥12,598 distribution in the fourteenth fiscal period, while being ¥445, or 3.8%, above the distribution forecast.

Net asset (after deducting cash distribution) stood at ¥578,697 per unit. Accounting for unrealized gains (the difference between book value and period-end appraisal value), adjusted net asset value (NAV) per unit declined ¥8,969 from the fourteenth fiscal period to ¥587,478 due to a drop in the period-end appraisal value of several properties. The period-end appraisal value referred to here is that appraised by an independent real estate appraiser.

Leasing Performance for the Fifteenth Fiscal Period (Ended January 31, 2011)

As at January 31, 2011, sixteen of the 25 portfolio properties had an occupancy rate of 100% and the occupancy rate for the entire portfolio was 96.3%, or down 0.5 percentage points from the fourteenth fiscal period. During the fifteenth fiscal period, eleven tenants were either new or seeking additional space, one of which was Diesel Japan Co., Ltd. moving into the 1F of cocoti. On the other hand, twelve tenants vacated or decreased their leased floor space, one of which was Setagaya Business Square's representative tenant Oracle Corporation Japan.

Rent revisions for these tenant changes, combined with continuing tenants, for a total of 161 tenants were an increase in rent from the previous rent for seven tenants, while rent was lowered for 21 tenants.

Leasing Policy for the Sixteenth Fiscal Period (Ending July 31, 2011)

The vacancy rate for **TOKYU REIT** was 3.7% at the end of January 2011, remaining steady at a comparatively lower rate than the 7.7% vacancy rate for office properties in the Tokyo 23 wards and the five central Tokyo wards at that time (end of December 2010) (both according to CB Richard Ellis K. K.).

However, advance notices have been received from five tenants expressing their intention to leave Setagaya Business Square, ORIX Shinjuku Building and other properties during the sixteenth fiscal period due to organizational restructuring or other reasons.

Meanwhile, lease agreements were signed with six tenants for cocoti, Setagaya Business Square and other properties. These tenants are set to move into the properties during the sixteenth fiscal period.

Assuming that such circumstances remain unchanged, the vacancy rate will stand at 2.7% at the end of the sixteenth fiscal period and the vacancy rate will stand at 3.2% at the end of the seventeenth fiscal period.

There are signs of recovery in Tokyo's real estate leasing market. Nevertheless, our view is that market rent will remain on a weak note and so we will keep bolstering leasing activities with the foremost aim of maintaining and improving the occupancy rate.

Property Acquisition in the Fifteenth Fiscal Period (Ended January 31, 2011)

In the fifteenth fiscal period, Akihabara Sanwa Toyo Building was acquired for ¥4.6 billion and Kiba Eitai Building for ¥4.0 billion (Please refer to page 34 for details.). These acquisitions resulted in the portfolio as of the end of January 2011 being comprised of 25 properties amounting to ¥194.6 billion (based on acquisition price) with period-end appraisal value of ¥187.9 billion.

The two properties that were acquired generated operating income from property leasing activities during the fifteenth fiscal period in the amount of ¥123 million over a period of three months.

Acquisition of Tokyu Ginza 2-chome Building

Considering that real estate prices are currently hovering at low levels when analyzed from a long-term perspective, we believe that the acquisition phase (external growth phase) under our long-term investment management strategy (Surf Plan) that the market was in during the fifteenth fiscal period will continue into the sixteenth fiscal period. Based on this thinking, Tokyu Ginza 2-chome Building was acquired from Tokyu Corporation for ¥5.0 billion on February 15, 2011 (Please refer to page 35 for details.). The portfolio is currently comprised of 26 properties amounting to ¥199.6 billion (based on acquisition price) with the ratio of investment being 56.3% in office properties and 43.7% in retail properties (based on appraisal value).

As a result, the acquisition price of the properties that were acquired in and after the fourteenth fiscal period totaled ¥31.6 billion (five properties). This, combined with the ¥7.0 billion short-term debt repayment in the fourteenth fiscal period, suggest that **TOKYU REIT** has managed to make use of most of the funds that were collected from selling two properties in the thirteenth fiscal period worth ¥39.2 billion in book value.

If the two sold properties were to have been kept in the portfolio, the NOI (Net Operating Income) from leasing the two properties is projected to have been ¥1,588 million a year. In comparison, the NOI from leasing the five acquired properties that is anticipated to be posted is ¥1,883 million. This, combined with the anticipated interest expense reduction of ¥37 million, suggests that **TOKYU REIT** has managed to limit the downturn in profitability at hand. In addition, compared to before the two properties were sold, the change in the portfolio from 23 properties to 26 properties has generated diversification effects for the entire portfolio and there are more properties that are situated near a train station, while investment amount declined from ¥8.9 billion to ¥7.6 billion per property. Furthermore, if the two sold properties were to have been kept in the portfolio, the weighted-average age of buildings would have been 17.3 years at the end of January 2011. In comparison, the current portfolio is younger at 15.6 years and repair and maintenance costs are

minimized over the medium term as a consequence.

We will continue to proactively launch investment activities, but will proceed to consider such by taking note of the size of liabilities against asset value and other factors when it comes to debt financing means for funding property acquisitions.

Outlook

At the time of announcement of our operating results on March 15, 2011, the cash distribution per unit forecast for the next fiscal period (sixteenth fiscal period) was announced to be ¥12,400 and that for the seventeenth fiscal period was announced to be ¥12,000.

The sixteenth fiscal period forecast is an amount higher than the results of the current fiscal period (fifteenth fiscal period). This is attributable to the start of expensing property tax and city planning tax for the four properties that were acquired in the fourteenth and fifteenth fiscal periods on the one hand, and operating the two properties that were acquired during the fifteenth fiscal period for the entire fiscal period and Tokyu Ginza 2-chome Building that was acquired during the sixteenth fiscal period on the other hand.

The seventeenth fiscal period forecast is an amount less than the sixteenth fiscal period forecast. This is based on currently effective contracts, while factoring in the abovementioned advance notices of contract cancellations and certain risks that may result in rent reductions. Moreover, this is a calculation of the cash distribution forecast based on conservative assumptions without taking into account possible upward rent revisions, attracting new tenants to fill vacancies and new property acquisitions. Therefore, please note that the cash distribution forecast is subject to change due to a variety of factors, including future management performance and interest rate movements.

The Fifth General Meeting of Unitholders

As outlined in the “Notice of Convocation of the Fifth General Meeting of Unitholders” already sent out to unitholders, partial amendments to the Articles of Incorporation in line with the time-limited reduction of investment management fees for the four fiscal periods

(two years) from the sixteenth to nineteenth fiscal periods (5% each fiscal period) that was explained in the previous fiscal period's Semiannual Report, the earlier-mentioned sponsorship restructuring and other events, as well as election (reappointment) of an executive director and election (reappointment) of supervisory directors, have been set as the matters to be resolved at the Fifth General Meeting of Unitholders.

Unfortunately, in view of paying out more distributions and fairness with the unitholders who are unable to attend, no commemorative gift, etc. can be handed to unitholders for making the effort to attend. There is, however, a management status meeting by Tokyu REIM also scheduled after the conclusion of the General Meeting of Unitholders. As stated at the beginning, the attendance of unitholders is appreciated.

TOKYU REIT would also like to widely reflect the opinions of unitholders in its future investment management and thus asks that unitholders exercise their voting rights wherever possible even if they are unable to attend the General Meeting of Unitholders.

Impact of Earthquake Off the Pacific Coast of Tohoku

With respect to the earthquake off the Pacific coast of Tohoku that occurred on March 11, 2011, all 26 properties that **TOKYU REIT** owns did not suffer from damage, etc. that would cause material impact on the status of management. Please refer to the "Notice Concerning Impact of the Earthquake (Additional Information)" dated March 15, 2011 for details.

In response to calls by the Japanese government and The Tokyo Electric Power Company, Inc., **TOKYU REIT** is implementing energy conservation measures, such as with lights (turning off and reducing lights), air-conditioning systems (stopping use and changing the temperature setting) and elevators (limiting the number of units in operation).

TOKYU REIT also expresses its heartfelt condolences to the great many affected by the earthquake and prays for restoration of the affected areas at the earliest possible date.

March 15, 2011

1984

Entered Tokyu Corporation.

1985

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

1986

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

1989

Transferred to hotel management company domiciled in Honolulu, Hawaii.

1994

Posted to the Finance & Accounting Division of Tokyu Corporation.

1996

Posted to the Group Controllers Division.

1999

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

2001

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

2002

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

2003

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

June 2009

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



Masahiro Horie

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

TOKYU REIT, Inc. Board of Directors

The Board of Directors Meeting

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



Giichi Yanagisawa
Supervisory Director



Masahiro Horie
Executive Director



Maruhito Kondo
Supervisory Director

Giichi Yanagisawa Supervisory Director

March 1985	Certified as a public accountant in Japan (current position) Established Yanagisawa Certified Public Accountant Office
May 1985	Certified as a tax accountant in Japan (current position)
June 2000	Appointed representative, Shinsoh Corporation (current position)
July 2001	Appointed member of the Board of The Japanese Institute of Certified Public Accountants
June 2003	Appointed Supervisory Director, TOKYU REIT, Inc. (current position)
July 2004	Appointed Executive Board of The Japanese Institute of Certified Public Accountants (current position)
July 2010	Appointed Deputy President of the Tokyo Chapter of The Japanese Institute of Certified Public Accountants (current position)

Maruhito Kondo Supervisory Director

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

Note: See page 10 about Masahiro Horie's career.

Board of Directors Meeting Operation Schedule

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

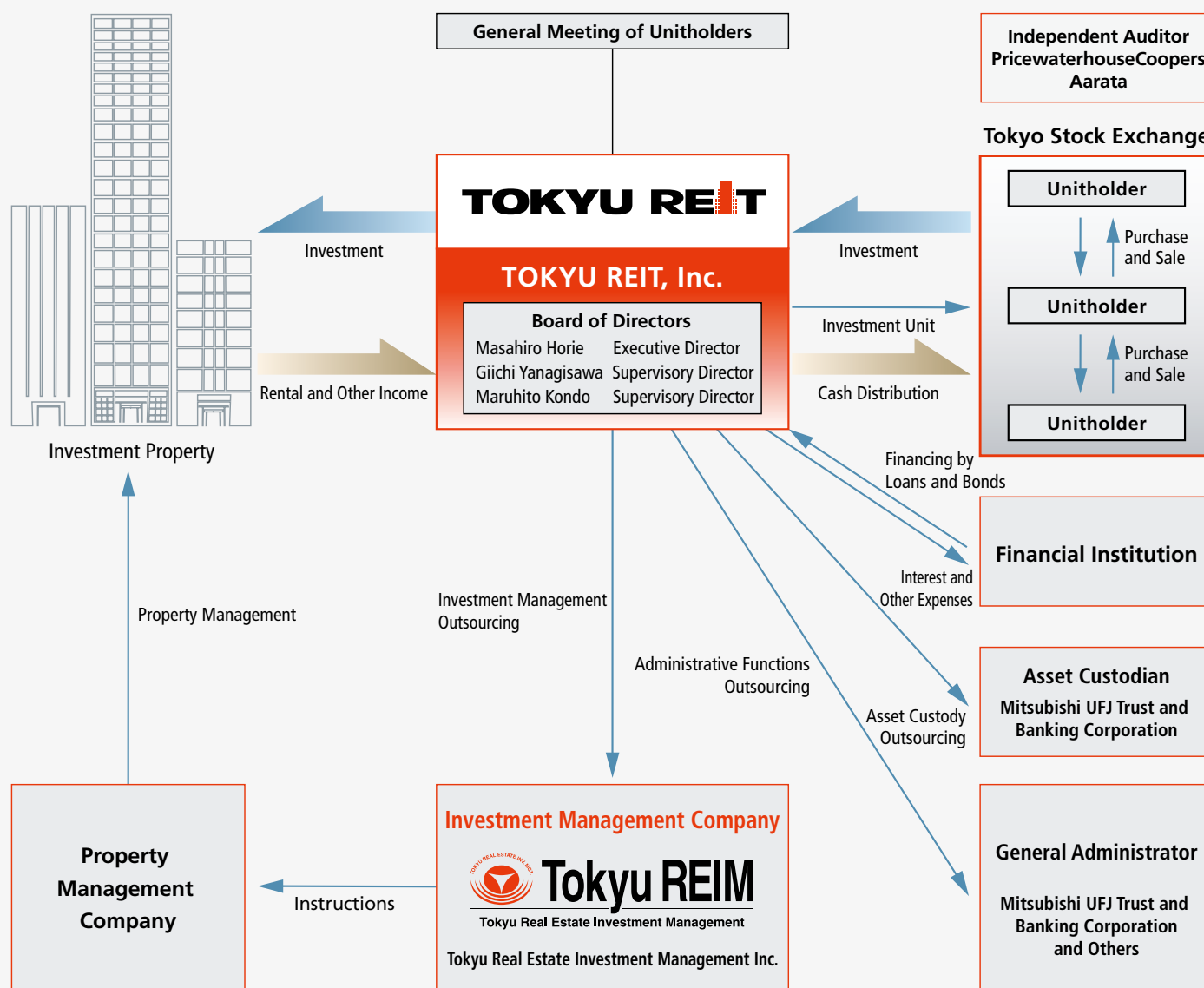
Name	Role	Attendance (including by phone)							Total	Rate of Attendance
		1st to 9th Periods	10th Period	11th Period	12th Period	13th Period	14th Period	15th Period		
Masahiro Horie	Executive Director	124	15	13	15	15	13	14	209	100%
Giichi Yanagisawa	Supervisory Director	123	15	13	15	15	13	14	208	99%
Maruhito Kondo	Supervisory Director	124	15	13	15	15	13	14	209	100%
Mitsubishi UFJ T&B	General Administrator	124	15	13	15	15	13	14	209	100%
Mori Hamada & Matsumoto	Legal Counsel	120	15	13	15	15	13	14	205	98%
Meetings Held		124	15	13	15	15	13	14	209	

Supervision of Operation by Supervisory Directors

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

- (1) Supervision of execution of duties by Executive Director under Article 111 of the Investment Trust Law, including inspection of books and site reconnaissance as needed.
- (2) In addition to a report by service providers at the Board of Directors Meeting, exercise the right to inspect key service providers provided in the agreement as needed.
- (3) Investment Manager or General Administrator assists Supervisory Directors since **TOKYU REIT** is not allowed to hire employees following the Investment Trust Law. Supervisory Directors are always able to consult Legal Counsel whenever legal assistance is needed.

TOKYU REIT Structure and External Service Providers



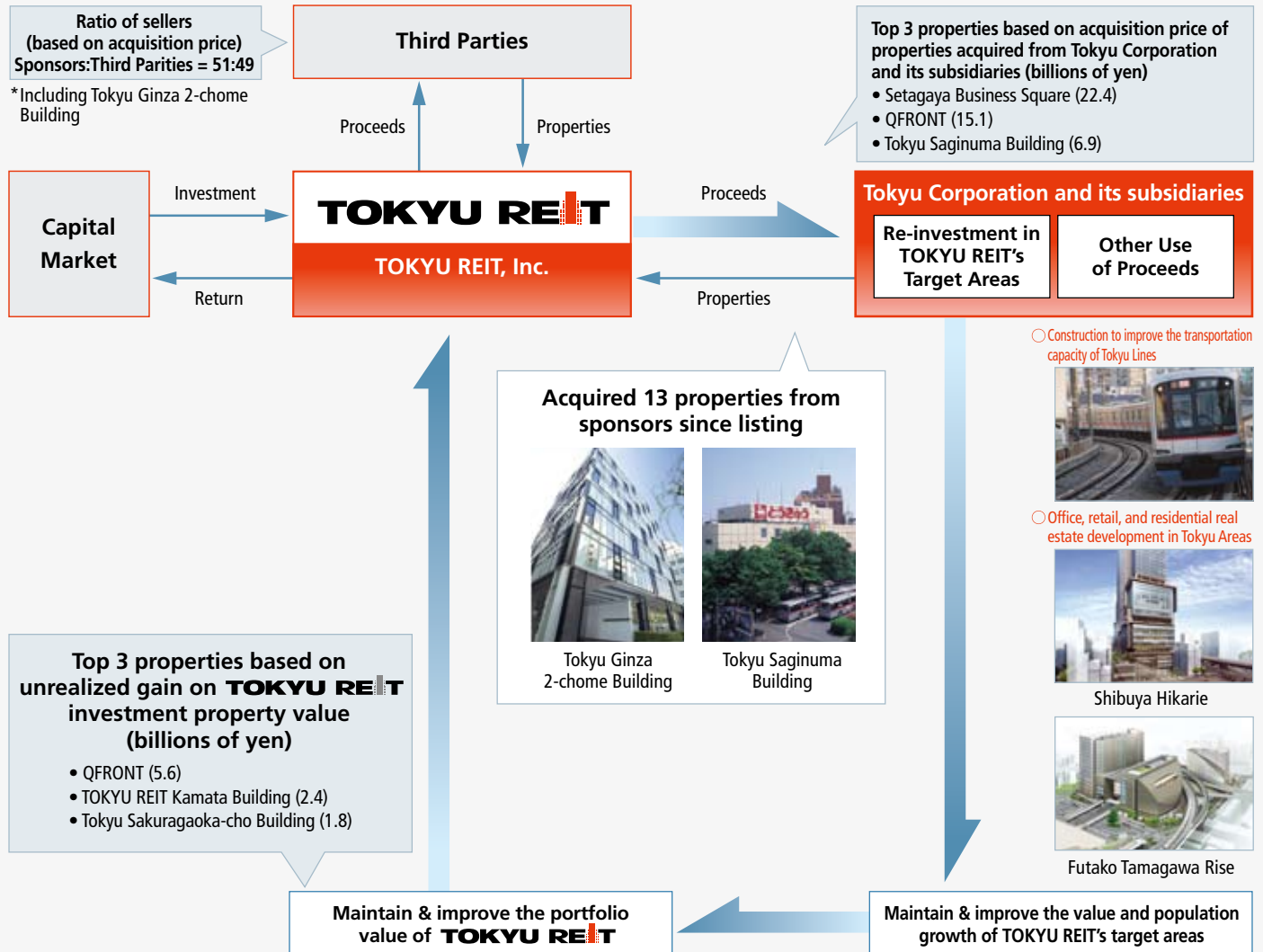
Investment Management Fee (15th fiscal period^{Note 3})

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

* Apart from the above fees, TOKYU REIT pays service charges to an asset custodian, general administrator, property management companies, and accounting auditor, among others.
 * Investment management fee reduced by a certain rate and over a limited period, as described below, which was approved by the Fourth General Meeting of Unitholders held on April 15, 2009.
 (Rate of reduction)
 12th fiscal period (from February 1, 2009 to July 31, 2009) : 2%
 13th fiscal period (from August 1, 2009 to January 31, 2010) : 4%
 14th fiscal period (from February 1, 2010 to July 31, 2010) : 6%
 15th fiscal period (from August 1, 2010 to January 31, 2011) : 8%
 Notes: 1. Operating cash flow = ordinary income + depreciation and amortization of deferred assets – profit or loss from sale of property and valuation + investment management fee
 2. As of the end of the fifteenth fiscal period ¥1,241,537 (average in the eighth period)
 3. Partial amendments to investment management fees were announced on September 13, 2010.
 Please visit TOKYU REIT, Inc. website at “www.tokyu-reit.co.jp/eng/”.

Capital Re-investment Model

Our unique investment strategy involves a re-investment model. When we purchase properties from Tokyu Corporation and its subsidiaries, the proceeds are eventually used for re-investment in the Tokyu area by Tokyu Corporation and its subsidiaries, and therefore, contribute to maintaining and improving the value of our target area. While TOKYU REIT is not part of and is independent from the Tokyu Group, we try to explore opportunities for collaboration with Tokyu Corporation and its subsidiaries, while, at the same time, making sure we maintain and observe rules on conflicts of interest that investors also believe in.



Ratio of sellers (based on acquisition price)
Sponsors:Third Parties = 51:49
*Including Tokyu Ginza 2-chome Building

Top 3 properties based on acquisition price of properties acquired from Tokyu Corporation and its subsidiaries (billions of yen)

- Setagaya Business Square (22.4)
- QFRONT (15.1)
- Tokyu Saginuma Building (6.9)

Top 3 properties based on unrealized gain on TOKYU REIT investment property value (billions of yen)

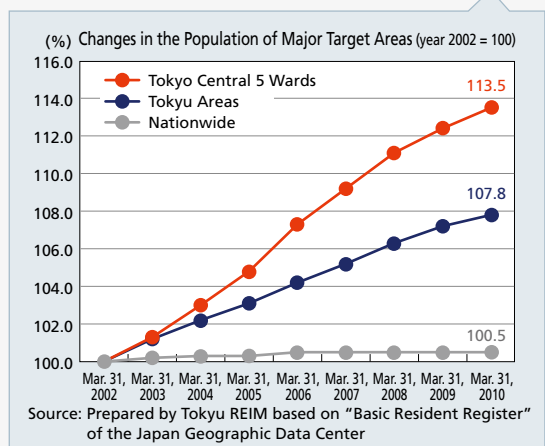
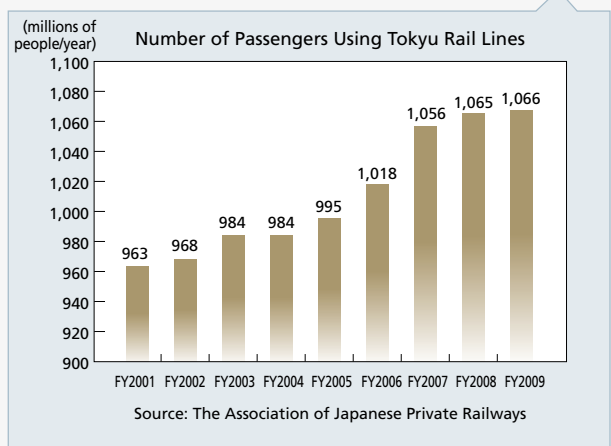
- QFRONT (5.6)
- TOKYU REIT Kamata Building (2.4)
- Tokyu Sakuragaoka-cho Building (1.8)

Acquired 13 properties from sponsors since listing

Tokyu Ginza 2-chome Building

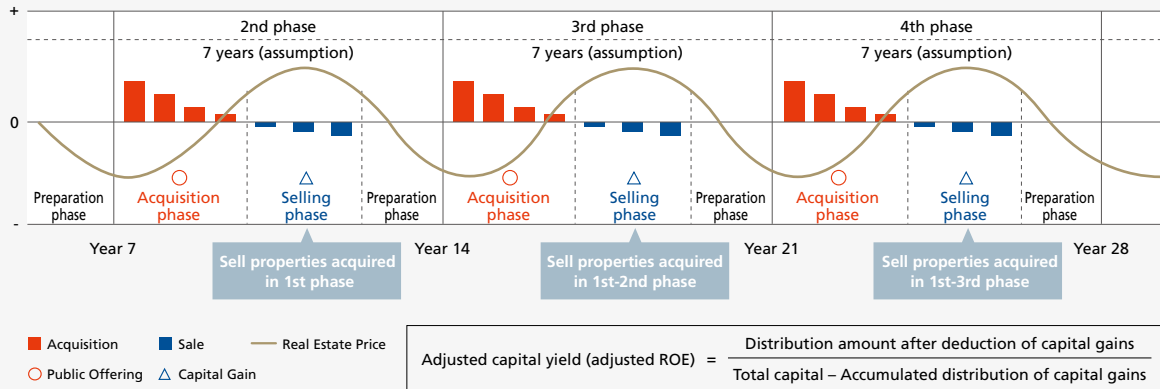
Tokyu Saginuma Building

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



TOKYU REIT's Long-Term Investment Management Strategy (Surf Plan)

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



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

Investment Style

Value & Contrary

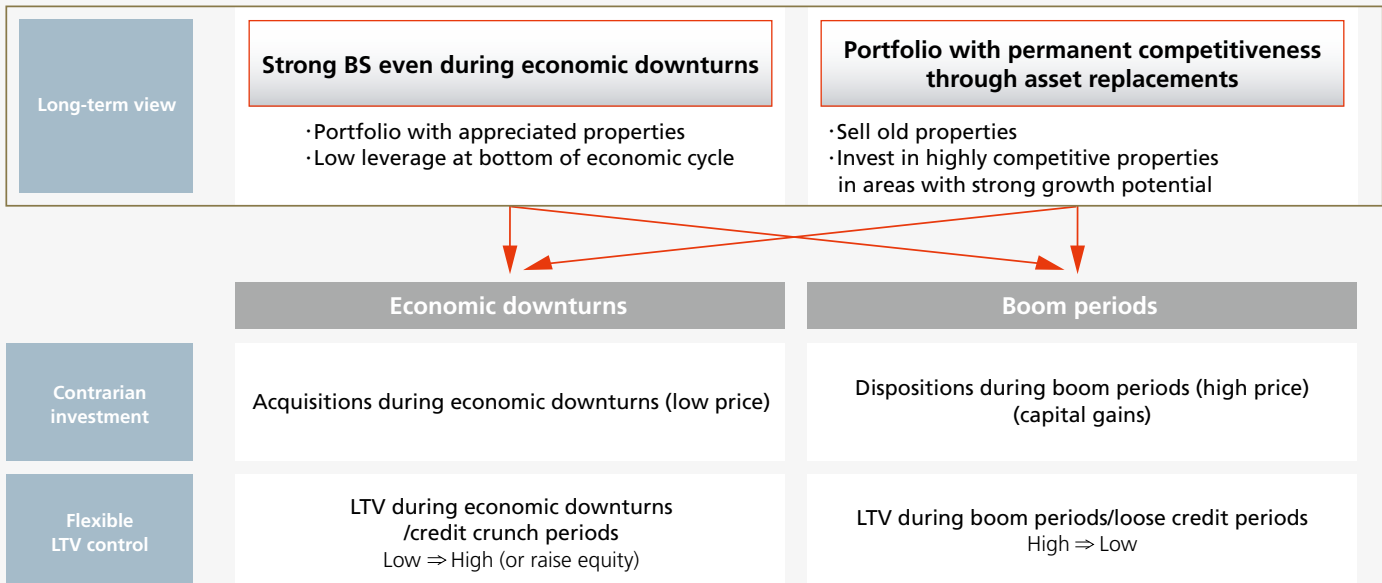
Value

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

Contrary

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

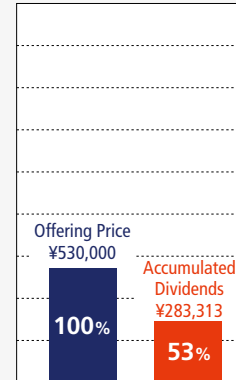
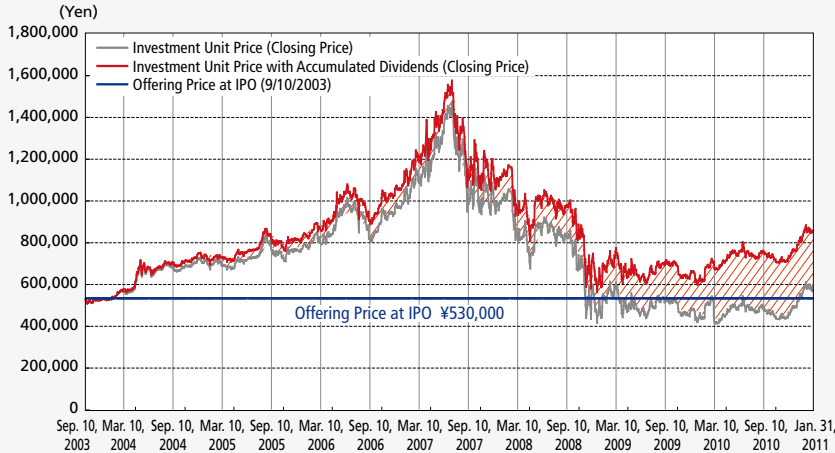
Concept



Performance Against Public Offering Price

We show the performance of our unit prices and our unit prices with accumulated cash distribution compared to our public offering prices. The graphs also present accumulated cash distributions against the offering price. The red line graphs plot investment unit price inclusive of cash distributions. As at the end of January 2011, investment unit price inclusive of cash distributions exceeded offering price for the past three public offerings. Moreover, unitholders who took part in the IPO have already recouped at least half of their investment amount with cash distributions alone. We will make our best effort to provide an even greater return to our unitholders.

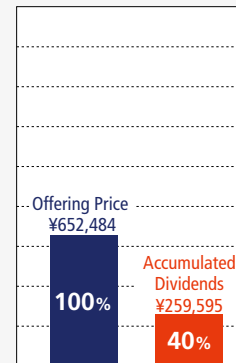
IPO (Initial Public Offering) (Issued Sep. 10, 2003)



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

If the offering price is 100, then accumulated dividends would equal 53

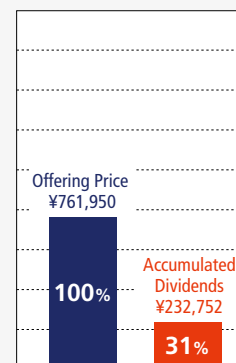
Second Public Offering (Issued Aug. 3, 2004)



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

If the offering price is 100, then accumulated dividends would equal 40

Third Public Offering (Issued Aug. 1, 2005)



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

If the offering price is 100, then accumulated dividends would equal 31

Tokyu Real Estate Investment Management Inc. Investment Management Company

URL: www.tokyu-reim.co.jp

Tokyu Real Estate Investment Management Inc. ("Tokyu REIM") contracted with TOKYU REIT on June 20, 2003, to act as its investment manager.

Underpinned by investment policies held in common with TOKYU REIT, Tokyu REIM strives to maximize unitholder value through business growth, stability and transparent operations.

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

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

History

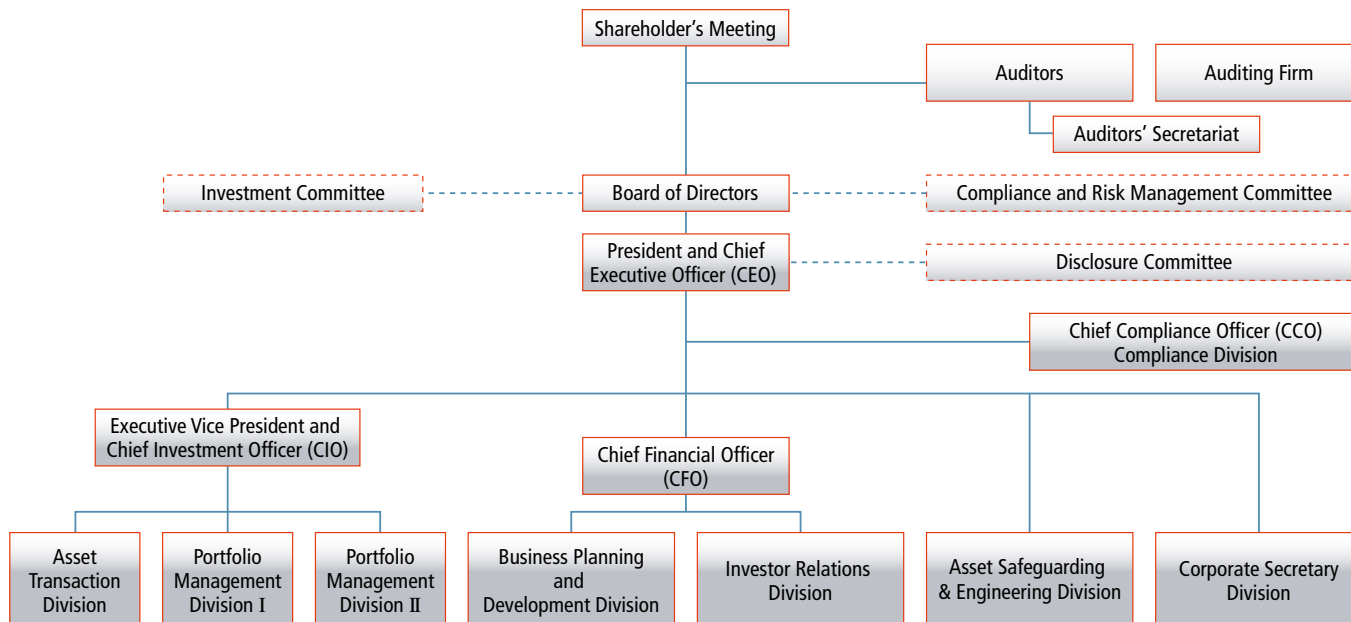
Date	Remark
June 27, 2001	Tokyu REIM established (capital ¥100 million)
August 31, 2001	Acquired real estate brokerage license (No. 79964 Governor of Tokyo (updated on September 1, 2006))
September 26, 2001	Capital increase (increase in capital from ¥100 million to ¥125 million)
September 28, 2002	Capital increase (increase in capital from ¥125 million to ¥300 million)
April 3, 2003	Acquired discretionary transaction agent approval in accordance with the Building Lots and Building Transactions Business Law (Minister of Land, Infrastructure and Transport No. 17)
June 16, 2003	Acquired investment trust management business transaction authorization from the Office of the Prime Minister (No. 27)
June 16, 2003	Acquired approval to provide consulting services and agency services (Financial Service Agency No. 1961) ^{note}
June 20, 2003	Concluded an investment management agreement with TOKYU REIT
July 25, 2003	Registered as a general real estate investment management company (No. 016)
September 30, 2007	Registered as a financial instruments dealer (Kanto Financial Bureau (<i>Kin-sho</i>) No. 360)

Note: Tokyu REIM is not acting these services now.

Major Shareholders (as of October 27, 2010)

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

Organization Chart (as of January 31, 2011)



■ Board of Directors

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

■ Investment Committee

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

■ Compliance and Risk Management Committee

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

■ Disclosure Committee

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



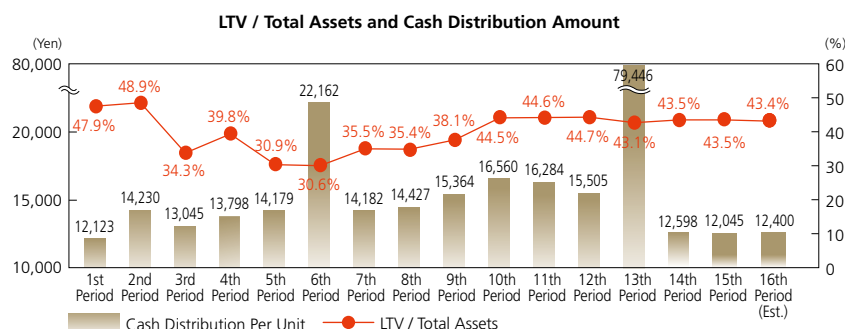
TOKYU REIT's Financial Strategies

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



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

LTV / Total Assets and Cash Distribution Amount

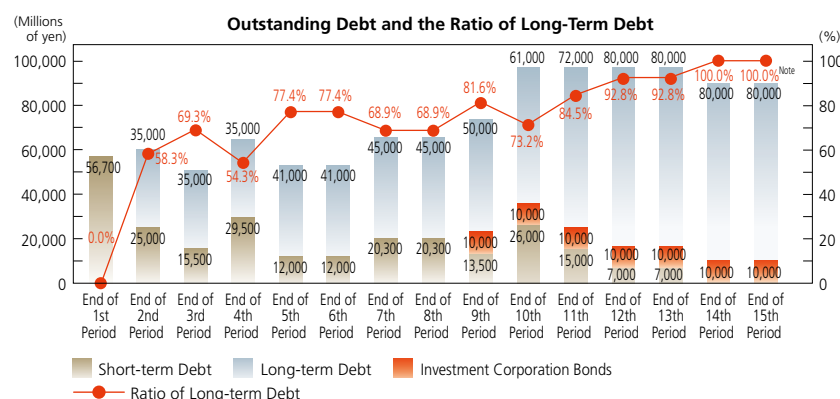


TOKYU REIT implements conservative management that considers the balance between the level of cash distribution amount and financial soundness, as shown left.

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

* LTV / Total Assets = Period end interest-bearing debt / Period end total assets
* Cash distribution amount in first fiscal period was ¥9,488 based on the actual operating days of 144 days, but cash distribution amount of ¥12,123 recalculated based on 184 days is used in the above graph for the sake of comparison with second fiscal period onwards.
* Interest-Bearing Debt in this presentation does not include security deposits provided by tenants.

Outstanding Debt and the Ratio of Long-Term Debt



Note: 78.4% (excluding the long-term debt maturing within a year)

TOKYU REIT has been implementing a conversion to long-term fixed-interest debt financing, as shown left. The ratio of long-term debt as of the end of the fifteenth fiscal period is 100.0% (98.4%: excluding the long-term floating-interest debt).

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

Execution of Commitment Line Agreement

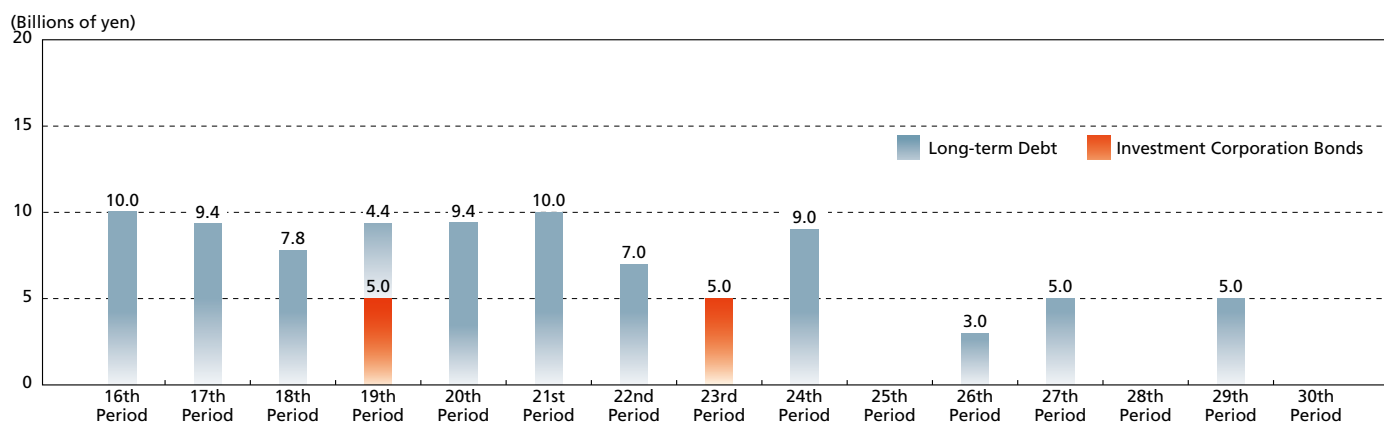
■ Lenders	■ Commitment Line Agreement
Development Bank of Japan Inc.	: ¥10 billion
The Sumitomo Trust and Banking Co., Ltd.	: ¥1 billion
The Chuo Mitsui Trust and Banking Company, Limited:	¥1 billion

The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured. Moreover, there is no outstanding debt under the commitment line as of January 31, 2011.

Ratings

■ Rating and Investment Information, Inc. (R&I):	R&I Issuer Rating AA- (Rating Outlook: Stable)
■ Standard & Poor's Ratings Japan K.K. (S&P)	: Long-term Issuer Rating A (Outlook: Stable) : Short-term Issuer Rating A-1
■ Moody's Japan K.K. (Moody's)	: Moody's Issuer Rating A2 (Rating Outlook: Negative)

Debt Balance by Repayment Date (at the end of the fiscal period)



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

* For further details, please refer to "5. Expenses and Debt, (2) Short-term Debt and Long-term Debt and (3) Investment Corporation Bonds" below in the Asset Management Report section of this Semiannual Report Fifteenth Fiscal Period.



PORTFOLIO

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

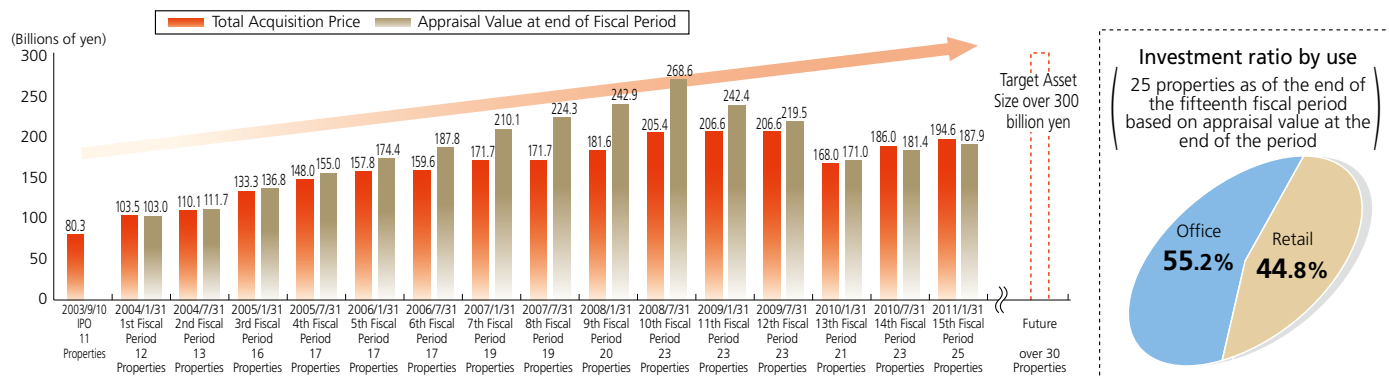
Investment Targeted Areas	<ul style="list-style-type: none"> Focusing on Five central Tokyo wards and Tokyu Areas expecting economic and population growth Limited to Tokyo Metropolitan Area
Investment Criteria	<ul style="list-style-type: none"> Limited to office and retail portfolios with lower risk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

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

Total acquisition price as of the end of the fifteenth fiscal period ended January 31, 2011, stood at ¥194 billion, and appraisal value at the end of fiscal period stood at ¥187 billion. Given TOKYU REIT's portfolio diversification, mobility of property acquisition, and liquidity of investment units, we believe that the asset portfolio should eventually reach ¥300 billion or more. **TOKYU REIT** will steadily expand asset size with high quality properties on proper price, not pursuing expansion of asset size only, but considering real estate market.

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

As of the end of the fifteenth fiscal period (25 properties), investment ratio by use based on appraisal value at end of fiscal period is as follows:





Portfolio Overview (at the End of the Fiscal Period)

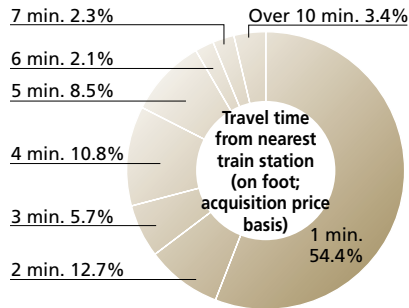
Use	Name of Property	Acquisition Date	Acquisition Price (Billions of yen)	PM	Occupancy Ratio	EarthquakePML ^{Note 2}
R	QFRONT	Sep. 10, 2003	15.1	Tokyu Corporation	100.0%	4.1%
R	Lexington Aoyama	Sep. 11, 2003	4.8	Tokyu Community Corp.	86.2%	2.3%
R	TOKYU REIT Omotesando Square	Sep. 10, 2003	5.7	Tokyu Community Corp.	100.0%	9.5%
R	Tokyu Saginuma Building	Sep. 10, 2003	6.9	Tokyu Corporation	100.0%	9.9%
R	Tokyu Saginuma 2 Building	Sep. 11, 2003	1.2	Tokyu Corporation	100.0%	9.3%
R	TOKYU REIT Shibuya Udagawa-cho Square	Mar. 1, 2004	6.6	Tokyu Corporation	100.0%	7.3%
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Aug. 3, 2004	9.5	Tokyu Community Corp.	100.0%	9.5%
R	cocoti	Apr. 6, 2005 Aug. 2, 2005	14.7 9.8	Tokyu Corporation	97.5%	6.2%
R	Shonan Mall Fill (<i>sokochi</i>) ^{Note 1}	Apr. 28, 2006	6.8	—	100.0%	—
R	CONZE Ebisu	Oct. 31, 2006	5.1	Tokyu Corporation	87.6%	4.1%
R	Daikanyama Forum	Apr. 22, 2008	4.1	Tokyu Corporation	91.5%	8.0%
⊙	Setagaya Business Square	Sep. 11, 2003	22.4	Tokyu Community Corp.	86.4%	2.8%
⊙	Tokyu Nampocho Building	Sep. 11, 2003	4.6	Tokyu Corporation	100.0%	7.9%
⊙	Tokyu Sakuragaoka-cho Building	Sep. 11, 2003	6.6	Tokyu Corporation	100.0%	11.1%
⊙	Tokyo Nissan Taito Building	Sep. 11, 2003	4.4	Tokyu Community Corp.	100.0%	7.4%
⊙	TOKYU REIT Akasaka Hinokicho Building	Sep. 10, 2003	3.5	Tokyu Community Corp.	92.5%	11.2%
⊙	TOKYU REIT Kamata Building	Sep. 10, 2003	4.7	Tokyu Corporation	88.4%	7.7%
⊙	TOKYU REIT Toranomon Building	Dec. 15, 2004 Sep. 21, 2007 Sep. 21, 2007 Oct. 26, 2007	8.6 1.1 0.2 0.1	Tokyu Corporation	76.6%	7.2%
⊙	TOKYU REIT Hatchobori Building	Sep. 29, 2006	7.0	Tokyu Community Corp.	100.0%	4.0%
⊙	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Jan. 31, 2008	8.5	Tokyu Community Corp.	100.0%	3.9%
⊙	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5.4	Tokyu Corporation	81.8%	5.8%
⊙	Kojimachi Square	Mar. 19, 2010	9.0	Tokyu Community Corp.	100.0%	4.8%
⊙	ORIX Shinjuku Building	Mar. 26, 2010	9.0	Tokyu Corporation	100.0%	4.2%
⊙	Akihabara Sanwa Toyo Building	Oct. 29, 2010	4.6	Tokyu Community Corp.	100.0%	11.8%
⊙	Kiba Eitai Building	Oct. 29, 2010	4.0	Tokyu Community Corp.	100.0%	7.3%
Total			194.6		96.3%	4.1%

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

2. PML (Probable Maximum Loss) refers to the expected maximum loss ratio caused by earthquakes. As used in these documents PML is the percentage of expected loss due to small- to large-level earthquakes (those statistically calculated as possible over a 475 year period) that occur during an assumed period for the economic life of a building, to procurement cost for restoring expected damage. Calculations incorporate data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation. Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to fixtures. In addition, damages are limited to structural damage and damages to facilities and building interior and exterior, and do not cover damages caused by earthquake fire and fire damage from surrounding facilities.

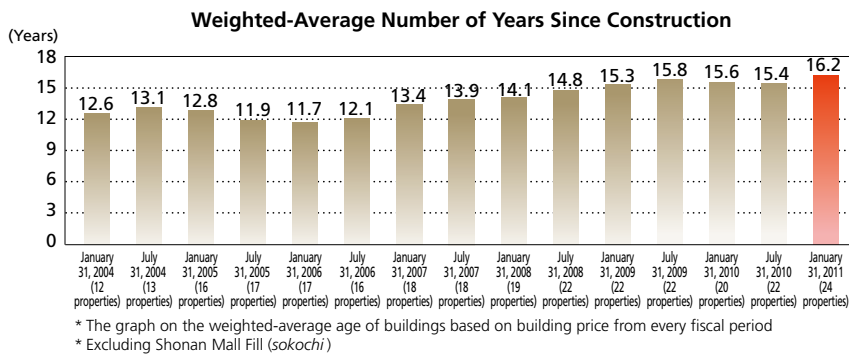
In the acquisition of investment properties, **TOKYU REIT** considers a variety of factors, including a comprehensive analysis of forecasted revenue stream, growth potential of the area, property size, construction and facility specifications, earthquake resistance, leasing rights, occupancy and appeal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

Location



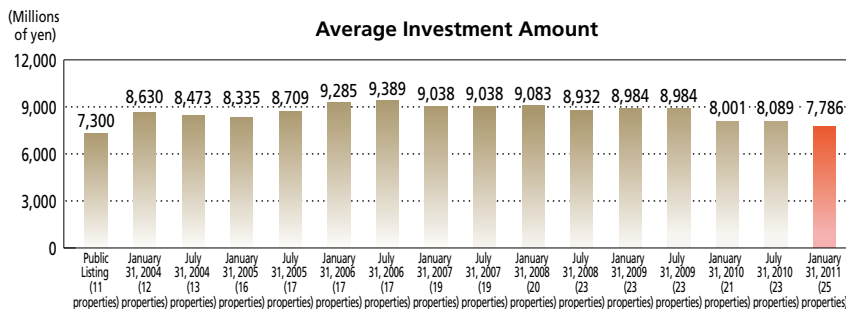
Properties conveniently located near train stations increase the stability of TOKYU REIT's portfolio.

Property Age



The graph on the left shows the weighted-average age of buildings based on building price at the end of each fiscal period. Based on 24 properties as of the end of the fifteenth fiscal period, 16.2 years have passed since construction and the number of years increases only 3.6 years from the point of January 31, 2004 in elapsed 7.0 years from then.

Property Size



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

As of the end of the fifteenth fiscal period, **TOKYU REIT** had invested an average of ¥7,786 million per property. **TOKYU REIT** intends to continue investing in mainly large-scale properties.

Top 10 Tenants by Leased Area

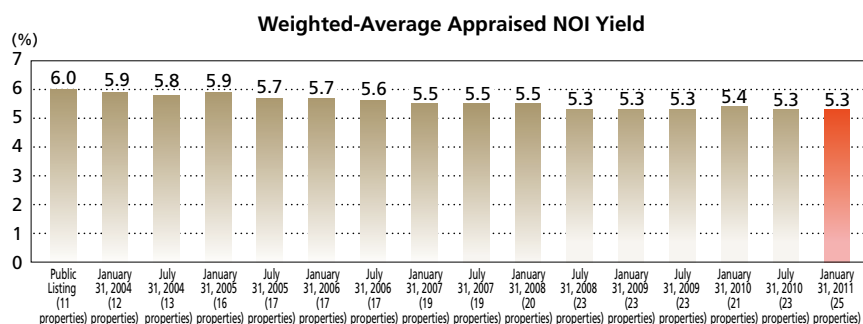
Top 10 Tenants by Leased Area

As of January 31, 2011

No.	Tenant Name	Business Category	Property Name	Expiration Date	Leased Area (m ²)	Ratio ^{Note 1}
1	Ito-Yokado Co., Ltd.	Retail	R Beacon Hill Plaza (Ito-Yokado Naukendai Store)	6/17/2018	50,285.89	21.6%
2	Daiwa House Industry Co., Ltd.	Construction	R Shonan Mall Fill (sokochi)	3/19/2023	44,078.12	18.9%
3	Tokyu Store Chain Co., Ltd.	Retail	R Tokyu Saginuma Building	6/30/2018	19,610.06	8.4%
4	Tokyu Corporation	Land Transportation	⊞ Tokyu Nampeidai-cho Building	12/31/2012	7,148.18	3.1%
			⊞ Tokyu Sakuragaoka-cho Building	12/31/2011	3,878.36	1.7%
5	Japan Nuclear Energy Safety Organization	Other	⊞ TOKYU REIT Toranomon Building	9/30/2012 ^{Note 2}	7,096.80	3.0%
6	Culture Convenience Club Co., Ltd.	Service	R QFRONT	12/14/2019 ^{Note 2}	4,044.10	1.7%
			⊞ Setagaya Business Square ^{Note 3}	8/14/2014 ^{Note 2}	220.65	0.1%
7	Tokyu Agency Inc.	Service	⊞ Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1/31/2013	3,533.03	1.5%
8	Fujitsu Advanced Solutions Limited	Information and Telecommunication	⊞ TOKYU REIT Kamata Building	3/31/2011	3,402.84	1.5%
9	Covidien Japan Inc.	Wholesale	⊞ Setagaya Business Square ^{Note 3}	1/31/2012 ^{Note 2}	3,185.90	1.4%
10	Oracle Corporation Japan (The former name: Sun Microsystems K.K.)	Information and Telecommunication	⊞ Setagaya Business Square ^{Note 3}	4/30/2012	3,102.47	1.3%
Total leased area of top 10 tenants					149,586.40	64.2%
Total leased area of 25 properties at the end of fifteenth fiscal period					232,992.49	100.0%

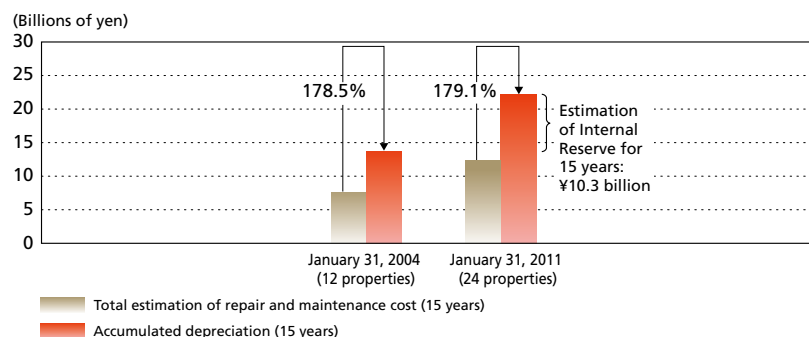
Notes: 1. "Ratio" indicates ratio of each tenant's leased areas to total leased area at the end of fifteenth fiscal period (25 properties).
 2. Of several leased compartments, the date of the end of the agreement for the largest leased area is shown.
 3. "Leased Area" of tenants in Setagaya Business Square are calculated by 55%.

Portfolio Cap Rate



TOKYU REIT has acquired some properties after listing, and as of the end of the fifteenth fiscal period (25 properties), the weighted-average appraised NOI yield fell to 5.3%. A low appraised NOI yield is considered an indicator of reduced risk of a decrease in future earnings. **TOKYU REIT** will continue efforts to build a portfolio with low risks and stable returns in the future.

Coverage Ratio by Depreciation of Repair and Maintenance Cost Estimation

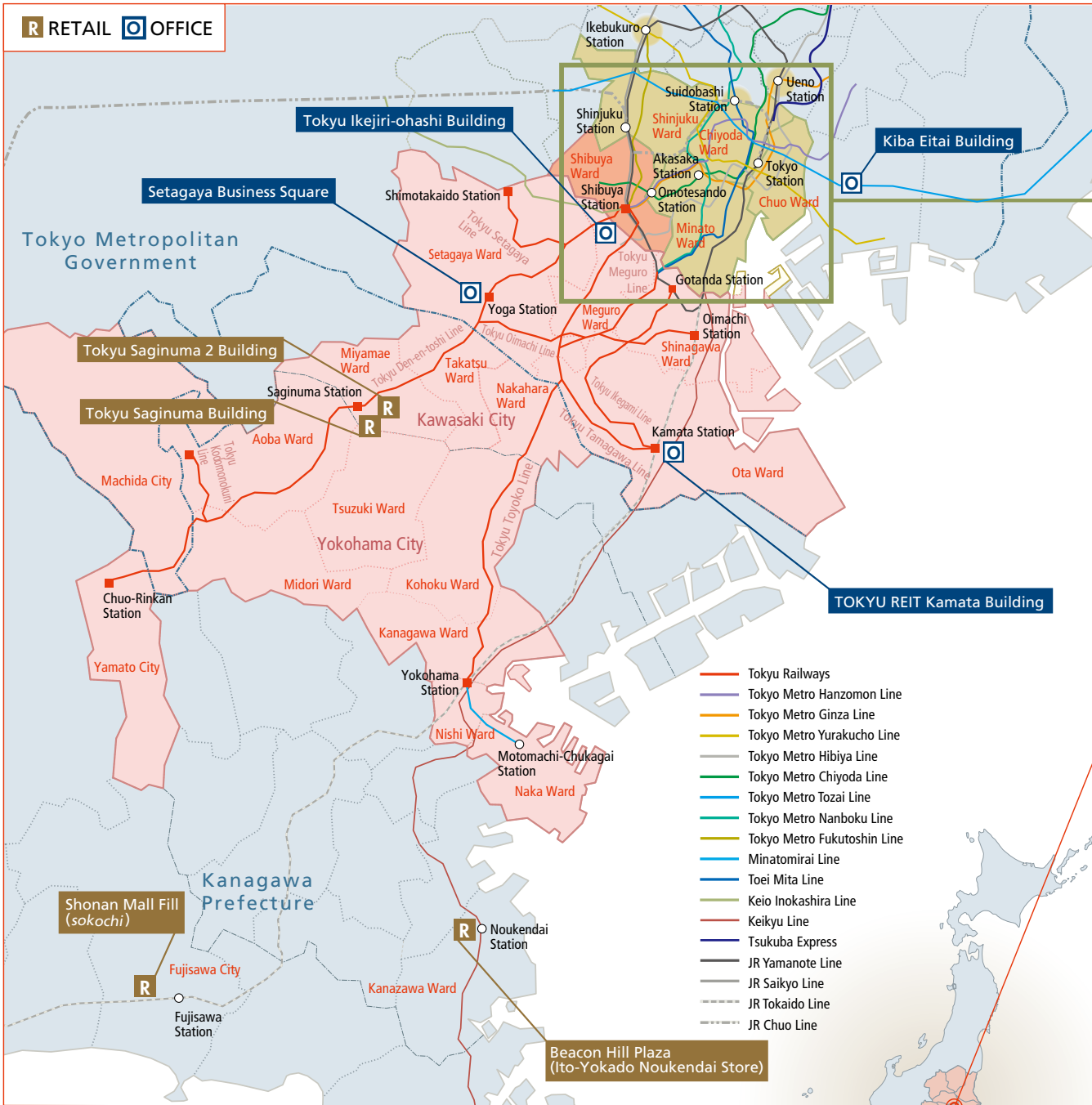
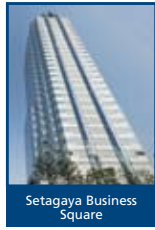
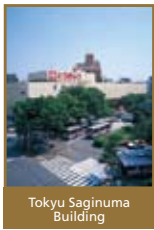


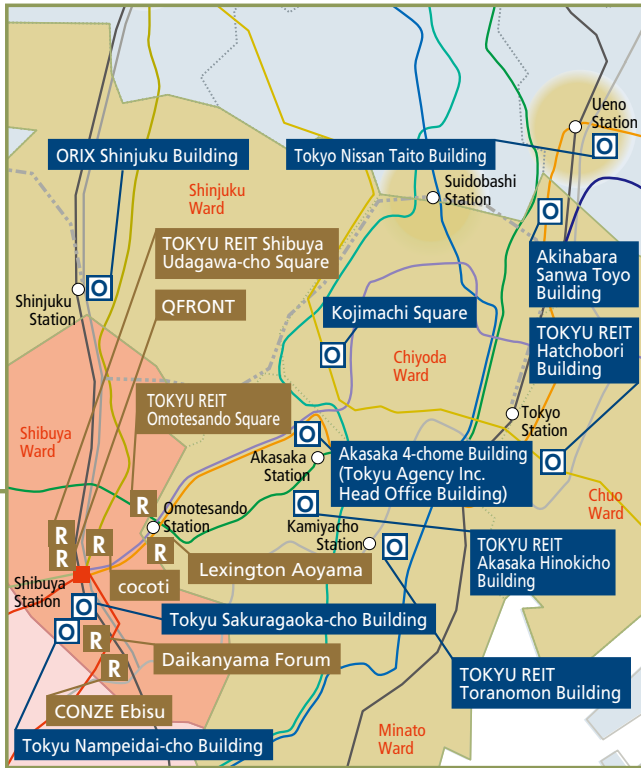
* Total estimation of repair and maintenance cost (15 years) is extracted from Property Report (including expenses items) and estimated accordingly.
 * Accumulated depreciation (15 years) is estimated by Tokyu REIM (Depreciation of additional CapEx is not included, however it is included on re-estimation).
 * And term of depreciation is coincided with term of repair and maintenance cost estimation.
 * Excluding Shonan Mall Fill (sokochi)

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

As of the end of the fifteenth fiscal period and over the next fifteen years, cumulative depreciation for the portfolio (24 properties) will significantly exceed total repair and maintenance cost, for a coverage ratio of 179.1%. This figure shows that **TOKYU REIT** has secured the funds necessary for projected repair and maintenance costs.

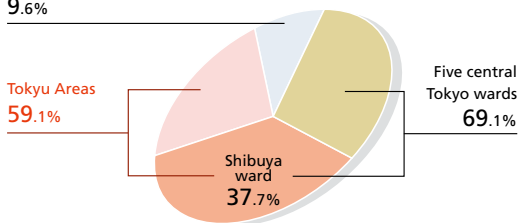
Investment Targeted Areas





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

Others
9.6%



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

Area	Targeted Areas of Investment ^{Note 1}	Percentage Share in Total Portfolio ^{Note 2}
Central Tokyo	Five central Tokyo wards	More than 85%
	Other major commercial and retail districts of Tokyo	
Tokyu Areas	Tokyu rail network hub	More than 85%
	Other Tokyu rail network areas	
Others	Other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above)	Less than 15%

Notes: 1. Shibuya ward is included in both the central Tokyo wards and the Tokyu Areas.

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

R QFRONT



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

Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo

Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line/Tokyo Toyoko Line/Tokyo Den-en-toshi Line/Keio Inokashira Line/Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines

Total Land Space: 784.26m²

(Land included in the property trust totals 728.30m²)

Total Floor Space: 6,692.14m²

(Exclusive area 4,821.09m²)

Structure/Floors: SRC/S, B3/8F

Completed: October 1999

Type of Ownership: Land—Proprietary ownership

Building—Compartmentalized ownership

Tenant: Culture Convenience Club Co., Ltd.;

Tokyu Corporation;

Punraku Co., Ltd.



R Lexington Aoyama



Lexington Aoyama is a retail property along Kotto-dori in the Aoyama district. After the principal tenant, who occupied the first four floors of this property, vacated the premises in April 2009, the entrance, etc. were renovated to divide the space to lease to multiple tenants, including apparel shops, restaurants and hair salon.

Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo

Nearest Station: Approximately a five-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines

Total Land Space: 776.59m²

Total Floor Space: 2,342.21m²

Structure/Floors: S/RC, B1/4F

Completed: January 1998

Type of Ownership: Land—Proprietary ownership

Building—Proprietary ownership

Tenant: avex Planning & Development Inc.;

Aeffe Japan Inc.;

FamilyMart Co., Ltd.;

etc.



R TOKYU REIT Omotesando Square



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

Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo

Nearest Station: Approximately a one-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines

Approximately a nine-minute walk from

Meiji-jingumae Station—Tokyo Metro

Chiyoda and Fukutoshin Lines

Total Land Space: 1,259.21m²

Total Floor Space: 3,321.20m²

Structure/Floors: S/SRC, B1/4F

Completed: October 1985

Type of Ownership: Land—Proprietary ownership

Building—Proprietary ownership

Tenant: THINK FITNESS Corporation;

Royal Holdings Co., Ltd.;

Wondertable, Ltd.;

etc.



R Tokyu Saginuma Building



Tokyu Saginuma Building's entire building is leased to Tokyu Store Corporation, which uses the property as Saginuma Tokyu. The building is currently under major renovation with the renewal of the store in line with a change in the tenant's business category. The building is located in Miyamae Ward, Kawasaki City, approximately 15 kilometers southwest of Shibuya. The area is a residential suburb of Tokyo still with a growing population, increasing number of households and high growth potential.

Address: 1-1-1, Saginuma, Miyamae-ku, Kawasaki City, Kanagawa

Nearest Station: Approximately a one-minute walk from Saginuma Station—Tokyu Den-en-toshi Line

Total Land Space: 5,658.00m²

Total Floor Space: 18,326.99m²

Structure/Floors: RC, B1/4F

Completed: September 1978

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

Tenant: Tokyu Store Chain Co., Ltd.



R Tokyu Saginuma 2 Building



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

Address: 1-18-5, Kodai, Miyamae-ku, Kawasaki City, Kanagawa

Nearest Station: Approximately a one-minute walk from Saginuma Station—Tokyu Den-en-toshi Line

Total Land Space: 1,807.21m²

Total Floor Space: 4,409.50m²

Structure/Floors: SRC, B2/4F

Completed: October 1979

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

Tenant: The Bank of Tokyo-Mitsubishi UFJ, Ltd.



R TOKYU REIT Shibuya Udagawa-cho Square



TOKYU REIT Shibuya Udagawa-cho Square is located in the central area of Shibuya, one of Tokyo's main retail and commercial districts, and faces the major retail thoroughfares Inokashira-dori and Shibuya Center-gai. Comprising two buildings, ZARA, a Spain-based retailer of casual clothing, is the principal tenant of Building 1. ZARA boasts a global network of 1,688 stores (as of October 31, 2010). The restaurant UOGASHI NIHON ICHI operated by NIPPAN Co., Ltd. is located in Building 2.

Address: [Bldg. 1] 25-10, Udagawa-cho, Shibuya-ku, Tokyo
[Bldg. 2] 25-5, Udagawa-cho, Shibuya-ku, Tokyo

Nearest Station: Approximately a two-minute walk from Shibuya Station—JR Yamanote Line/Tokyu Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line/Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines

Total Land Space: 679.27m²

Total Floor Space: [Bldg. 1] 1,473.10m²
[Bldg. 2] 56.39m²

Structure/Floors: [Bldg. 1] S, 3F
[Bldg. 2] S, 2F

Completed: [Bldg. 1] July 1998
[Bldg. 2] June 1995

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

Tenant: ZARA Japan Corporation;
NIPPAN Co., Ltd.



R Beacon Hill Plaza
(Ito-Yokado Noukendai Store)



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

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

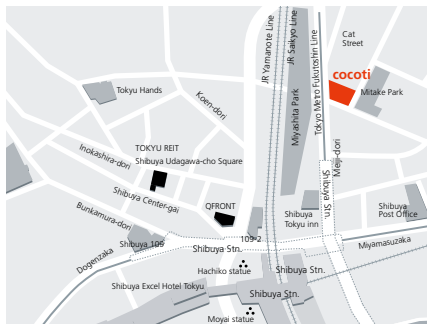


R cocoti



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

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



R Shonan Mall Fill (*sokochi*)



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

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

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

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



R CONZE Ebisu



CONZE Ebisu is situated approximately a two-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line and a three-minute walk from Ebisu Station on the JR Yamanote and Saikyo Lines, and houses a wide range of restaurants.

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

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

Address: 2-3-14, Ebisu-Minami, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Ebisu Station—Tokyo Metro Hibiya Line
 Approximately a three-minute walk from Ebisu Station—JR Yamanote and Saikyo Lines

Total Land Space: 562.07m²
 Total Floor Space: 2,789.35m²
 Structure/Floors: S/SRC B1/9F
 Completed: March 2004

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

Tenant: Secret Table;
 MYU PLANNING & OPERATORS Inc.;
 Task;
 etc.



R Daikanyama Forum



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

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

Address: 17-16, Sarugaku-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a six-minute walk from Daikanyama Station—Tokyo Toyoko Line
 Total Land Space: Building 1 (East): Sight rights area 942.30m²
 Interest 10,000/10,000
 Building 2 (West): Sight rights area 1,108.01m²
 Interest 6,413/10,000

Total Floor Space: Building 1 (East): 1,441.57m²
 Building 2 (West): Sight rights area 2,388.70m²
 Exclusive Area 1,182.62m²

Structure/Floors: Building 1 (East): RC, B1/2F
 Building 2 (West): RC, B1/5F

Completed: February 1993
 Type of Ownership: Land-Building 1 (East): Proprietary Ownership
 Building 2 (West): Proprietary Ownership
 (Co-ownership ratio 64.13%)

Building-Building 1 (East): Compartmentalized Ownership
 Building 2 (West): Compartmentalized Ownership

Tenant: Jun Ashida Co., Ltd.;
 Hiramatsu Inc.;
 ART IN Shakan;
 etc.



Setagaya Business Square



Setagaya Business Square is a large complex situated above Yoga Station on the Tokyu Den-en-toshi Line, consisting of a 28-story high-rise connected to the station, four mid-size office towers, two terraces with commercial facilities and a community center.

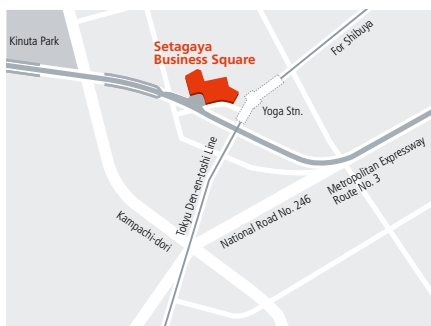
The sight is a high-traffic area, with good road access (National road No.246, Kampachi-dori and the Yoga interchange on Metropolitan Expressway Route No. 3) as well as rail (Yoga Station, approximately twelve minutes to Shibuya Station and 27 minutes to Otemachi Station).

Address: 4-10-1,2,3,4,5,6, Yoga, Setagaya-ku, Tokyo
Nearest Station: Approximately a one-minute walk from Yoga Station—Tokyu Den-en-toshi Line

Total Land Space: 21,315.68m²
Total Floor Space: 94,373.72m²
Structure/Floors: SRC/RCS, B2/28F
Completed: September 1993

Type of Ownership: Land—Proprietary ownership
(co-ownership ratio 55%)
Building—Proprietary ownership
(co-ownership ratio 55%)

Tenant: Covidien Japan Inc.;
Catapillar Japan Ltd.;
Tokyu Community Corp.;
etc.



Tokyu Nampeidai-cho Building



Tokyu Nampeidai-cho Building is a five-story office building located in Shibuya Ward, which Tokyu Corporation uses as its head office. A fixed-term lease contract is in effect from December 2000 until December 2012, contributing to earnings stability.

Address: 5-6, Nampeidai-cho, Shibuya-ku, Tokyo
Nearest Station: Approximately a seven-minute walk from Shibuya Station—JR Yamanote Line/Tokyo Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line/Tokyo Metro Hanzomon, Ginza and Fukutoshin Lines

Total Land Space: 2,013.28m²
Total Floor Space: 7,003.88m²
Structure/Floors: S/SRC, B2/5F
Completed: July 1992

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

Tenant: Tokyu Corporation



Tokyu Sakuragaoka-cho Building



Tokyu Sakuragaoka-cho Building is a nine-story office building located in Shibuya Ward, mostly occupied by Tokyu Corporation, which the operating division uses as its head office. A fixed-term lease contract is in effect from December 2000 until December 2011, contributing to earnings stability.

Address: 31-2, Sakuragaoka-cho, Shibuya-ku, Tokyo
Nearest Station: Approximately a five-minute walk from Shibuya Station—JR Yamanote Line/Tokyo Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line/Tokyo Metro Hanzomon, Ginza and Fukutoshin Lines

Total Land Space: 1,013.03m²
Total Floor Space: 6,505.39m²
Structure/Floors: SRC, B3/9F
Completed: June 1987

Type of Ownership: Land—Proprietary ownership
Building—Compartmentalized ownership^{note}

Tenant: Tokyu Corporation;
The Tokyo Electric Power Company, Incorporated

Note: All of compartmentalized ownerships with whole building are entrusted.



Tokyo Nissan Taito Building



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

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

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

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



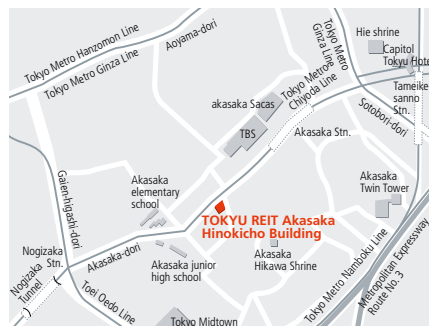
TOKYU REIT Akasaka Hinokicho Building



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

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

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



TOKYU REIT Kamata Building



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

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



TOKYU REIT
Toranomon Building



TOKYU REIT Toranomon Building is a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line and faces National Route 1 (Sakurada-dori). Some parts of elevator halls were renovated in 2009 and some air-conditioning equipment were renewed in 2010 to maintain the building's competitiveness in the area.

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



TOKYU REIT
Hatchobori Building



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

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

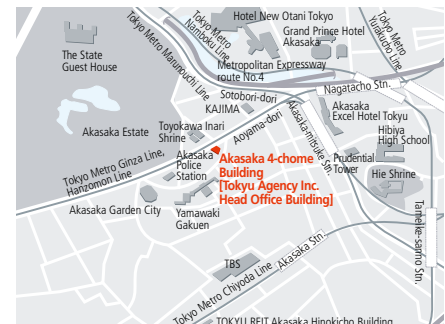


TOKYU REIT
Akasaka 4-chome Building
(Tokyu Agency Inc. Head Office Building)



Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is a relatively new office building located in the Akasaka area nearby the Kasumigaseki and Nagatacho districts where Central government and other public offices are located. This property is located approximately a four-minute walk from Akasaka-Mitsuke and Nagatacho Stations and have excellent office specifications including 2,700mm of ceiling height and individually controlled air conditioners. Tokyu Agency, Inc. is currently using the property as its head office and entered into a fixed-term lease contract (with no cancellation and no claim rights for reducing leasing rates) for five years from January 31, 2008 (acquisition day).

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



Tokyu Ikejiri-ohashi Building



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

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

In addition, the external walls were renovated in 2010.

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



Kojimachi Square



The Bancho-Kojimachi area where this property is located has numerous commuter train lines running through it with stations including Kojimachi, Ichigaya, Yotsuya and Hanzomon. Demand for this property is expected to come from tenants who are looking for an area imbued with tradition and history that also offers easy access to Nagatacho and Kasumigaseki as well as a pleasant quiet environment.

Address: 3, Nibancho, Chiyoda-ku Tokyo
 Nearest Station: Approximately a one-minute walk from Kojimachi Station—Tokyo Metro Yurakucho Line
 Approximately a seven-minute walk from Hanzomon Station—Tokyo Metro Hanzomon Line
 Approximately an eight-minute walk from Yotsuya Station—JR Chuo and Sobu Lines
 Approximately an eight-minute walk from Ichigaya Station—JR Sobu Line/Tokyo Metro Yurakucho and Namboku Lines and Toei Shinjuku Line
 Approximately a ten-minute walk from Yotsuya Station—Tokyo Metro Marunouchi/Namboku Lines
 Total Land Area: 1,269.24m²
 Total Floor Area: 6,803.47m²
 Structure/Floors: S/RC B1/7F
 Completed: January 2003
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Japan Science and Technology Agency;
 Construction Industry Engineers Center;
 Bussan Logistics Solutions Co., LTD.;
 etc.

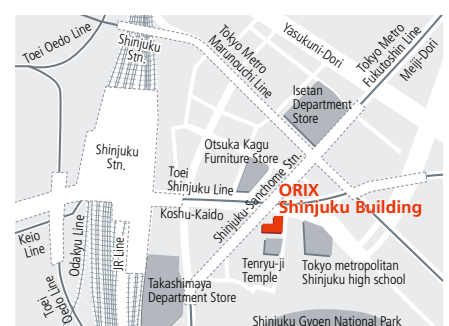


ORIX Shinjuku Building
 The name of ORIX Shinjuku Building was changed to TOKYU REIT Shinjuku Building on March 1, 2011.



The Shinjuku area where this property is located is home to Shinjuku Station, one of Japan's largest train station terminals, and Tokyo's best known downtown commercial area. Numerous commercial buildings, including large retail stores, are concentrated in the area surrounding the station. With these area features, Shinjuku has strong location appeal for companies, especially sales and service-related companies that place a premium on busy downtown locations with the ability to attract large numbers of customers.

Address: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shinjuku-Sanchome Station—Tokyo Metro Marunouchi and Fukutoshin Lines/Toei Shinjuku Line
 Approximately a four-minute walk from Shinjuku Station—JR Lines
 Approximately a six-minute walk from Shinjuku Station—Tokyo Metro Marunouchi Line/Toei Shinjuku and Oedo Lines/Keio Line
 Approximately a seven-minute walk from Shinjuku Station—Odakyu Line
 Total Land Area: 1,113.87m²
 Total Floor Area: 8,720.09m²
 Structure/Floors: SRC 10F
 Completed: May 2003
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: ORIX Corporation;
 DAIDO LIFE INSURANCE COMPANY;
 JTB Tokyo Metropolitan Corp.;
 etc.



○ Akihabara Sanwa Toyo Building



Akihabara Sanwa Toyo Building is located on a corner lot at the intersection of Chuo-dori and Kuramaebashi-dori and is directly linked to Suehirocho Station on the Tokyo Metro Ginza Line, a line which connects Shibuya to Ginza/Nihonbashi as well as Ueno/Asakusa. These, among other features of traffic convenience and extremely high visibility, make this a rare property. The surrounding area of Akihabara Station where the property is located has long been nationally famous as "Akihabara Denki Gai" (Akihabara Electric Town), an area that draws as much attention as Ginza or Shibuya/Aoyama.

■ Summary

Address: 3-16-8, Sotokanda, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Suehirocho Station, Tokyo Metro Ginza Line.
 Approximately a seven-minute walk from Akihabara Station, JR Lines.
 Approximately an eight-minute walk from Okachimachi Station, JR Lines.
 Total Land Area: 795.33m²
 Total Floor Area: 5,704.69m²
 Structure/Floors: SRC, B1/8F
 Completed: September 1985
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership^{note}
 Tenant: The Bank of Tokyo-Mitsubishi UFJ, Ltd.;
 OS Electronics Co., Ltd.;
 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.;
 etc.

Note: All of compartmentalized ownership with whole building are entrusted.



○ Kiba Eitai Building



The Toyocho area where the property is located is extremely close to central Tokyo, approximately 4km east of Tokyo Station, and the headquarters of many large companies are located there. As a result, it is an area for which demand can be expected from affiliates and counterparties of large companies. Furthermore, despite the fact that it is highly accessible to central Tokyo, rent levels are relatively cheap, and so demand arising from corporate restructurings can be expected regardless of industry type during recessions. Due to these characteristics, vacancy rates for the past 14 years have remained stable at a low rate, even compared to the average for the five central Tokyo wards as well as the average for the 23 wards. Furthermore, tenant satisfaction is high because there are multiple tenants who have occupied the property since the completion date. It is therefore conceivable that stable performance may be maintained on into the future.

■ Summary

Address: 3-7-13, Toyo, Koto-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Kiba Station, Tokyo Metro Tozai Line.
 Total Land Area: 1,259.52m²
 Total Floor Area: 7,513.09m² *Including parking spaces (41.74m²)
 Structure/Floors: SRC, 10F
 Completed: February 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership^{note}
 Tenant: Hill's-Colgate (JAPAN) Ltd.;
 STS Co., Ltd.;
 AOYAMA TRADING Co., Ltd.;
 etc.

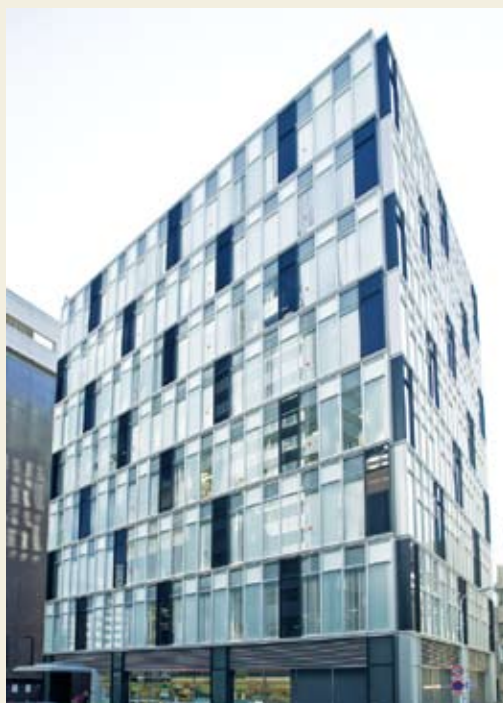
Note: All of compartmentalized ownership with whole building are entrusted.



New Acquisitions of the Sixteenth Fiscal Period

TOKYU REIT acquired the Tokyu Ginza 2-chome Building on February 15, 2011. The property is an acquisition from Tokyu Corporation, and is one of the results of the new collaboration accompanying the sole sponsorship announced in January 2011. Moving forward, **TOKYU REIT** will continue to acquire new properties while adhering to its investment criteria and taking into consideration trends in capital and real estate investment markets. Furthermore, **TOKYU REIT** will carry out appropriate risk management and strive to form a portfolio that leads to an improvement in asset value and growth of net income per investment unit.

Tokyu Ginza 2-chome Building



■ Summary

Address: 2-15-2, Ginza, Chuo-ku, Tokyo

Nearest Station: Approximately a two-minute walk from Shintomicho Station, Tokyo Metro Yurakucho Line.

Approximately a four-minute walk from Higashi-ginza Station, Tokyo Metro Hibiya Line and Toei Asakusa Line.

Approximately a five-minute walk from Ginza-itcho Station, Tokyo Metro Yurakucho Line.

Approximately an eight-minute walk from Ginza Station, Tokyo Metro Ginza and Marunouchi and Hibiya Lines.

Total Land Space: 805.42m²

Total Floor Space: 5,098.61m²

Structure/Floors: S/RC, B1/8F

Completed: August 2008

Type of Ownership: Land—Proprietary ownership

Building—Proprietary ownership

Tenant: The Dai-ichi Building Co.,Ltd.;

Seven-Eleven Japan Co.,Ltd.



■ Profit Performance

Assumption Value

- Acquisition Price: ¥5,010 million
- Total Rental Income: ¥445 million
- NOI: ¥376 million (NOI yield 7.5%)

Appraisal Value (Medium- to long-term calculation)

- Appraisal Value: ¥5,020 million (As of January 14, 2011)
- Effective Gross Income: ¥297 million
- Net Income: ¥231 million (Direct cap rate 4.6%)

■ Characteristics and Issues

- Strengths: Extremely close to a 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

I . Asset Management Report

1. Financial Highlights

(1) Result of Operation and Financial Position

		15th fiscal period From August 1, 2010 to January 31, 2011 (184 days)	14th fiscal period From February 1, 2010 to July 31, 2010 (181 days)	13th fiscal period From August 1, 2009 to January 31, 2010 (184 days)	12th fiscal period From February 1, 2009 to July 31, 2009 (181 days)	11th fiscal period From August 1, 2008 to January 31, 2009 (184 days)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 6,524	¥ 6,550	¥ 25,359	¥ 7,479	¥ 7,643	
		Operating income	¥ 2,878	¥ 3,001	¥ 14,374	¥ 3,475	¥ 3,594	
		Net income	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 6,522	¥ 6,550	¥ 7,100	¥ 7,478	¥ 7,643	
		Rental service expenses (b)	¥ 3,070	¥ 2,980	¥ 3,140	¥ 3,282	¥ 3,258	
		[Depreciation and amortization] (included in (b)) (c) (Note 3)	¥ 1,040	¥ 1,016	¥ 1,019	¥ 1,032	¥ 1,082	
		NOI (Net Operating Income) (a) - (b) + (c)	¥ 4,492	¥ 4,587	¥ 4,978	¥ 5,229	¥ 5,467	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,078	¥ 3,150	¥ 3,396	¥ 3,658	¥ 3,840	
		Capital expenditures (e)	¥ 235	¥ 121	¥ 125	¥ 205	¥ 242	
		AFFO (Adjusted Funds from Operation) (d) - (e)	¥ 2,843	¥ 3,029	¥ 3,271	¥ 3,452	¥ 3,598	
Financial position	Balance sheet	Total assets (f)	¥ 207,106	¥ 206,884	¥ 225,299	¥ 217,200	¥ 217,727	
		[Change from the preceding period]	[0.1%]	[-8.2%]	[3.7%]	[-0.2%]	[-0.2%]	
		Interest-bearing liabilities (g) (Note 5)	¥ 90,000	¥ 90,000	¥ 97,000	¥ 97,000	¥ 97,000	
		Total unitholders' equity (Net assets) (h)	¥ 100,059	¥ 100,153	¥ 111,476	¥ 100,646	¥ 100,777	
		[Change from the preceding period]	[-0.1%]	[-10.2%]	[10.8%]	[-0.1%]	[-0.0%]	
	Portfolio	Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
		Acquisition costs of properties (Note 6)	¥ 194,662	¥ 186,062	¥ 168,032	¥ 206,648	¥ 206,648	
		Book value of properties (Note 6)	¥ 186,412	¥ 178,433	¥ 160,901	¥ 201,068	¥ 201,896	
		Appraisal value of properties at end of period (i) (Note 6)	¥ 187,900	¥ 181,440	¥ 171,080	¥ 219,580	¥ 242,400	
		Number of properties at end of period	25 properties	23 properties	21 properties	23 properties	23 properties	
		Total leasable area (Note 7)	241,903.86 m ²	231,468.57 m ²	220,003.69 m ²	239,293.11 m ²	239,294.65 m ²	
	Other	Distri- bution	Cash distribution	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758
			Dividend payout ratio	100.0%	100.0%	100.0%	100.0%	100.0%
Per unit data		Number of units issued and outstanding	169,380 units	169,380 units	169,380 units	169,380 units	169,380 units	
		Total unitholders' equity per unit (base value)	¥ 590,742	¥ 591,295	¥ 658,143	¥ 594,202	¥ 594,981	
		Cash distribution per unit	¥ 12,045	¥ 12,598	¥ 79,446	¥ 15,505	¥ 16,284	
Management index		Return on total unitholders' equity (annualized) (Note 8)	4.0%	4.1%	25.2%	5.3%	5.4%	
		Equity ratio (h)÷(f)	48.3%	48.4%	49.5%	46.3%	46.3%	
		[Change from the preceding period]	[-0.1%]	[-1.1%]	[3.1%]	[0.1%]	[0.1%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	43.5%	43.5%	43.1%	44.7%	44.6%	
		Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	47.9%	49.6%	56.7%	44.2%	40.0%	
Average market price per unit during period (Note 9)	¥ 490,426	¥ 470,862	¥ 478,579	¥ 496,772	¥ 603,570			

- Note 1. Consumption tax is not included in operating revenues.
- Note 2. 'Revenue from property leasing' does not include revenues from facility acceptance (12th fiscal period: ¥1 million; 15th fiscal period: ¥2 million).
- Note 3. 'Depreciation and amortization' includes loss on disposal of property and equipment (11th fiscal period: ¥19 million; 13th fiscal period: ¥0 million; 14th fiscal period: ¥33 million; 15th fiscal period: ¥1 million).
- Note 4. Net income + Depreciation and amortization + Other property related depreciation and amortization + Loss on sale of property – Gain on sale of property – Revenues from facility acceptance
Other property related depreciation and amortization was not incurred.
- Note 5. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds
- Note 6. For 'Trust beneficiary interest in real estate,' the portion equivalent to the properties held in substance, which is total assets less the money that are part of the assets of the concerned trust beneficiary interest in real estate, is shown.
- Note 7. Regarding 'Total leasable area' and 'Occupancy rate at end of period,' please refer to notes 2 and 4 of '3. Portfolio Profile (2) Major Portfolio.'
- Note 8. Net income ÷ (Net assets at beginning of period + Net assets at end of period) ÷ 2 × 365 ÷ Number of days of investment management
- Note 9. Average price during period (closing price) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on which the investment certificates of TOKYU REIT, Inc. ("TOKYU REIT") are listed.

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

① Overview of the Current Period

TOKYU REIT and its investment management company Tokyu Real Estate Investment Management Inc. ("Tokyu REIM") have agreed to and concluded a letter of intent on January 13, 2011 ("Letter of Intent") for the restructuring of the sponsorship of TOKYU REIT, among other matters, between TOKYU REIT and Tokyu REIM, as well as Tokyu REIM's shareholders and TOKYU REIT's Pipeline Support Companies Tokyu Corporation and Tokyu Land Corporation ("Tokyu Land"). In the event that the proposal to partially amend TOKYU REIT's Articles of Incorporation pursuant to the provisions of the Letter of Intent is approved at a General Meeting of Unitholders, TOKYU REIT's Pipeline Support Companies will change as a result.

TOKYU REIT and Tokyu REIM have also respectively concluded a memorandum on the purchase and sale of owned real estate assets ("Purchase and Sale Memorandum") and memorandum on the holding of TOKYU REIT investment units ("Unitholdings Memorandum") with Tokyu Corporation, as well as a memorandum on the provision of opportunities to acquire owned real estate assets ("Acquisition Opportunity Memorandum") with Tokyu Land, on March 4, 2011 based on the Letter of Intent.

An overview of the Letter of Intent is as follows:

a. Review of the Collaboration

Concerning the real estate investment trust business that Tokyu Corporation, Tokyu Land and other Tokyu Group companies (Note 1) have been implementing by forming a collaborative structure with TOKYU REIT, discussions held at the request of Tokyu Land reached the decision to terminate such collaboration and consolidate and reconstruct the collaborative structure between Tokyu Corporation and its subsidiaries (Note 2) and TOKYU REIT.

- Note 1. In addition to the interested persons, etc. designated by the Law Concerning Investment Trust and Investment Corporation (Law No. 198 of 1951, including amendments thereto) (“Investment Trust Law”) and the Investment Trust Law Enforcement Order, TOKYU REIT’s independent definition of “Tokyu Group companies” encompasses the following: companies whose majority of voting rights is held by a company that has a stake in Tokyu REIM, including companies whose majority of voting rights is held by that company (collectively “related parties”); and special purpose entities whose majority of capital has been contributed by legally interested persons, etc. and related parties.
- Note 2. In this section ①, Tokyu Corporation and its subsidiaries refer to any of (i) to (iii) below:
- (i) Tokyu Corporation;
 - (ii) A consolidated subsidiary of Tokyu Corporation (*not including affiliates accounted for by the equity method); or
 - (iii) A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose company (SPC) established under the instruction of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and whose majority of silent partnership and other capital are invested by such.
- *Tokyu Land Corporation and its subsidiaries (Note 3) do not fall within the scope of Tokyu Corporation and its subsidiaries.
- Note 3. Tokyu Land Corporation and its subsidiaries refer to any of (i) to (iii) below:
- (i) Tokyu Land;
 - (ii) A consolidated subsidiary of Tokyu Land (*not including affiliates accounted for by the equity method); or
 - (iii) A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose company (SPC) established under the instruction of Tokyu Land or a consolidated subsidiary of Tokyu Land and whose majority of silent partnership and other capital are invested by such.

b. Transfer of Tokyu REIM Shares

Tokyu REIM shares issued and outstanding held by Tokyu Land will be transferred to Tokyu Corporation (targeted schedule: June 30, 2011). Implementation of the transfer shall be subject to approval by the Board of Directors of Tokyu Land.

c. Resignation of Directors and Auditors of Tokyu REIM

Non-executive directors of Tokyu REIM who were elected from among the employees of Tokyu Land will resign promptly after conclusion of the Letter of Intent (Note 4). Furthermore, external auditors of Tokyu REIM who were elected from among the employees of Tokyu Land will resign when the transfer of Tokyu REIM shares is executed.

Note 4. Resigned on January 13, 2011.

d. Securing Personnel for Tokyu REIM

Tokyu Land will sequentially call back employees it has seconded to Tokyu REIM (targeted schedule: within 1 year after execution of the share transfer mentioned in b. above) and will exert utmost efforts to succeed operations, etc. in good faith. Furthermore, Tokyu Corporation shall second employees to Tokyu REIM to replace the employees who are called back by Tokyu Land. Moreover, Tokyu Corporation shall exert utmost efforts to second around the same number of employees as the number of Tokyu Land employees who are called back to enable Tokyu REIM to maintain its investment management ability.

e. Transfer of TOKYU REIT Investment Units

TOKYU REIT investment units issued and outstanding held by Tokyu Land will be transferred to Tokyu Corporation. Implementation of the transfer shall be subject to approval by the Board of Directors of Tokyu Corporation and Tokyu Land.

f. Provision of Opportunities to Acquire Property

(i) Provision of Opportunities by Tokyu Corporation to Acquire Property

Tokyu Corporation, TOKYU REIT and Tokyu REIM will conclude a new memorandum in place of a memorandum on the purchase and sale of owned real estate assets dated July 28, 2003 (“Former Acquisition Opportunity Memorandum”) based on which Tokyu Corporation will provide property acquisition opportunities to TOKYU REIT (Note 5).

(ii) Provision of Opportunities by Tokyu Land to Acquire Properties with Upper Limit

A memorandum on providing opportunities to acquire properties will be concluded, with an upper limit of until the time the total acquisition price of the properties acquired by TOKYU REIT from Tokyu Land Corporation and its subsidiaries reaches ¥20,000 million (Note 6).

Note 5. Please refer to ‘(6) Subsequent Events’ below for an overview of the concluded memoranda.

Note 6. This is almost the same amount as the total acquisition price of properties that TOKYU REIT has acquired from Tokyu Land, etc. based on the Purchase and Sale Memorandum during the 7 years since listing to January 13, 2011.

g. Selection of Property Management Companies, Etc.

Confirmation has been made that after the cancellation of the sponsorship by Tokyu Land, TOKYU REIT and Tokyu REIM will adopt the policy of outsourcing property management services for assets owned by TOKYU REIT primarily to Tokyu Corporation and its subsidiaries in principle. However, confirmation has been made that TOKYU REIT and Tokyu REIM will adopt the policy of continuing to outsource property management services for assets owned by TOKYU REIT that it is currently outsourcing to Tokyu Community Corporation, which falls within the scope of Tokyu Land Corporation and its subsidiaries, to Tokyu Community Corporation for the time being. This is to avoid any hindrances to the management of assets owned by TOKYU REIT in consideration of continuity of management, etc. of assets owned by TOKYU REIT.

h. Brand of the New REIT (Note 7)

The new REIT shall not use the “Tokyu” trademark (including such trademark as it appears in the Japanese language) to avoid causing confusion of markets or among investors in relation to the new REIT and TOKYU REIT.

Note 7. A new J-REIT that invests in retail facilities, offices, etc. in major cities throughout Japan, which Tokyu Land is aiming to list with itself as the sole sponsor.

i. Partial Amendments of the Articles of Incorporation of TOKYU REIT

With this incident, TOKYU REIT shall submit to the General Meeting of Unitholders a proposal to partially amend the “Scope and Policy of Investment Management” attachment and other sections of the Articles of Incorporation of TOKYU REIT (“Proposal to Partially Amend the Articles of Incorporation of TOKYU REIT”) (Note 8). Moreover, TOKYU REIT and Tokyu REIM accept approval of the Proposal to Partially Amend the Articles of Incorporation of TOKYU REIT at the General Meeting of Unitholders as a condition precedent to a., e. and f. above.

Note 8. Please refer to ‘(6) Subsequent Events (Reference Information)’ below for details of the proposal submitted to the General Meeting of Unitholders.

② Investment Environment

During the fiscal period under review (fifteenth fiscal period: six-month period ended January 31, 2011), the Japanese economy showed signs of movement out of a standstill and toward recovery. On the other hand, severe circumstances remain, such as high unemployment rates.

The Tokyo metropolitan area's economy is at a standstill as unemployment rates rose and mining and manufacturing production leveled off, among other factors. Growth in exports backed by recovery in the overseas economy will likely drive the Tokyo metropolitan area's economy ahead.

With regard to population movement, more than 90,000 people migrated to the Tokyo metropolitan area from other areas of the country between January and December 2010. This has further exacerbated the disparity between the area and other regions of the country.

Under these circumstances, the average advertised rent for December 2010 in the Tokyo 23 ward's office leasing market decreased by 3.4% over the six-month period and by 6.7% over the one-year period.

Vacancy rates also increased by 0.2 percentage points over the six-month period and by 1.2 percentage points over the one-year period to by 7.7%. There are arguably increasing tenant movements with there being fewer cases of tenants at the stage of considering relocating who end up forgoing the relocation. However, there are not many new openings, relocations for the purpose of moving to a property with larger area or other movements that would have otherwise led to growth in demand. Consequently, demand falls short of supply and there has been no definite reversal in the demand and supply balance.

In the retail property leasing market, while sales continue to stagnate, there are signs of it ceasing to fall and, in October 2010, sales turnover for large retail properties increased year-on-year for the first time since the Lehman Shock. With sluggish sales, tenants were also holding back from opening new stores. This in turn headed sales efficiency of store space in the direction of improvement. Still, with there also being uncertainty over the future, the environment continues to remain harsh. This is evident, for example, by the ongoing cost reduction efforts of tenants.

In the real estate investment market, backed by the amount of new lending by banks in Japan to the real estate industry increasing year-on-year and other improvements in the financing environment, the volume of transactions is also on the rise and office cap rates remained flat.

③ Investment Performance Results

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

In such an operating environment, TOKYU REIT engaged in investment activities by adopting an investment policy based on the stance of investing in highly competitive properties in areas with strong growth potential as it has to date and additionally pursuant to its "Long-Term Investment Management Strategy (Surf Plan)" (see Note below) that was formed by applying the investment management experience that it has gained from having gone through one cycle of the market since its listing. Consequently, during the fifteenth fiscal period, TOKYU REIT acquired the trust beneficiary interest in Akihabara Sanwa Toyo Building (acquisition price: ¥4,600 million) and the trust beneficiary interest in Kiba Eitai Building (acquisition price: ¥4,000 million) on October 29, 2010. As a result, as of January 31, 2011, TOKYU REIT held an investment portfolio totaling 25 properties with a total acquisition price of ¥194,662 million and total leasable area of 241,903.86 m². The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥187,900 million.

Note. The "Long-Term Investment Management Strategy (Surf Plan)" is a strategy of TOKYU REIT formed by Tokyu REIM. Under this strategy, while replacing properties through contrarian investment by focusing on the cyclicalities of real estate prices, TOKYU REIT aims to build a portfolio that boasts lasting competitiveness and balance sheets that are strong against even difficult economic times.

As in the previous fiscal period, the period-end appraisal value total exceeded the book value total, resulting in an unrealized gain (the difference between book value and period-end appraisal value) of ¥1,487 million. Based on generally accepted accounting principles, unrealized gains are not reflected in TOKYU REIT's financial statements.

Despite the prolonged severe leasing market conditions, TOKYU REIT managed to secure an occupancy rate of 96.3% for its entire portfolio of 25 properties as of January 31, 2011 through stable investment management.

TOKYU REIT is also proactively working to maintain rent levels. Consequently, as of the end of the fifteenth fiscal period, the per-tsubo rental rate for the existing property portfolio was contained at a drop of 0.9% compared with the end of the fourteenth fiscal period.

b. Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency. This stance continued into the fifteenth fiscal period with the refinancing of ¥5,000 million in long-term debt for the purpose of striving to secure interest-bearing liabilities with fixed long-term interest rates and diversify repayment dates. In addition, TOKYU REIT has established commitment lines which provide credit facilities totaling ¥12,000 million with three banks to secure financial credibility through the enhancement of liquidity on hand. The balance of interest-bearing liabilities as of January 31, 2011 was ¥90,000 million, consisting of ¥10,000 million in investment corporation bonds and ¥80,000 million in long-term debt (of which, ¥19,400 million is the current portion of long-term debt). The weighted-average interest rate for the fifteenth fiscal period was 1.77% (calculated based on the annualized amount of interest payable for the fifteenth fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of January 31, 2011 were as follows:

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

c. Countering Conflicts of Interest

To ensure the fairness and transparency of its transactions, TOKYU REIT strictly adheres to self-imposed measures to prevent conflicts of interest, and, accordingly, follows prescribed procedures.

For example, Tokyu Community Corporation, the company to which TOKYU REIT is to outsource property management services in the acquisition of Akihabara Sanwa Toyo Building and Kiba Eitai Building, falls under the category of interested persons, etc. pursuant to the Investment Trust Law. Accordingly, in the conclusion of the property management agreement, TOKYU REIT entered into the agreement on the date of acquisition of the properties in accordance with its self-imposed measures to prevent conflicts of interest. Concerning the fees paid for the property management services, TOKYU REIT has received an opinion report from Urban Research Institute Corporation stating that, upon a comparison with the range set by other J-REITs listed on the Tokyo Stock Exchange, the fees are within the standard range. In addition, these transactions were also verified by an audit firm other than TOKYU REIT's independent auditor for compliance with the procedures prescribed in the measures to prevent conflicts of interest that apply to the transactions. Combined with the results of such, these served as the basis for the transactions being approved at a meeting of TOKYU REIT's Board of Directors.

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

(3) Issuance of New Investment Units

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

Date	Remark	Number of units issued and outstanding		Unitholders' capital		Note
		Units		Millions of yen		
		Change	Total	Change	Total	
June 20, 2003	Incorporation through private offering	400	400	¥ 200	¥ 200	(Note 1)
September 10, 2003	Issuance of units through public offering	97,600	98,000	¥ 49,917	¥ 50,117	(Note 2)
August 3, 2004	Issuance of units through public offering	42,000	140,000	¥ 26,481	¥ 76,599	(Note 3)
August 25, 2004	Issuance of units through third-party allotment	2,000	142,000	¥ 1,261	¥ 77,860	(Note 4)
August 1, 2005	Issuance of units through public offering	26,700	168,700	¥ 19,658	¥ 97,519	(Note 5)
August 26, 2005	Issuance of units through third-party allotment	680	169,380	¥ 500	¥ 98,019	(Note 6)

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

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

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

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

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

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

【Movements of Market Price】

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

	15th fiscal period From August 1, 2010 to January 31, 2011	14th fiscal period From February 1, 2010 to July 31, 2010	13th fiscal period From August 1, 2009 to January 31, 2010	12th fiscal period From February 1, 2009 to July 31, 2009	11th fiscal period From August 1, 2008 to January 31, 2009
	Yen				
Highest	¥ 607,000	¥ 540,000	¥ 539,000	¥ 580,000	¥ 850,000
Lowest	¥ 429,000	¥ 409,500	¥ 413,000	¥ 434,000	¥ 412,000

(4) Distribution Information

With respect to the distribution for the fifteenth fiscal period, TOKYU REIT determined to distribute the whole unappropriated retained earnings (except for the rounding amount, which is the distribution per unit of less than ¥1) to be eligible for special tax treatment (Article 67-15 of Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto)) that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, distribution per unit for the fifteenth fiscal period was ¥12,045.

	15th fiscal period From August 1, 2010 to January 31, 2011	14th fiscal period From February 1, 2010 to July 31, 2010	13th fiscal period From August 1, 2009 to January 31, 2010	12th fiscal period From February 1, 2009 to July 31, 2009	11th fiscal period From August 1, 2008 to January 31, 2009
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758
[Cash distribution per unit]	[¥ 12,045]	[¥ 12,598]	[¥ 79,446]	[¥ 15,505]	[¥ 16,284]
Distribution of accumulated earnings	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626	¥ 2,758
[Distribution of accumulated earnings per unit]	[¥ 12,045]	[¥ 12,598]	[¥ 79,446]	[¥ 15,505]	[¥ 16,284]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]

(5) Future Policies of Investment Management

① Forecast of Future Movement

The outlook for the economy is that an economic turnaround is anticipated, backed by the improving overseas economy and effects of various government policies, among other factors. However, there is thought to be risks of downward pressures on the economy present depending on such factors as the overseas economy and trends of exchange rates and crude oil prices.

In light of such outlook, in the real estate investment market, the ceasing of the downward trend in real estate transaction prices is becoming clear and the volume of transactions is growing in the form of it being driven by J-REITs and private funds. In the office leasing market, intensifying competition over attracting of tenants and downward adjustments of rent levels are forecast to continue, but the rise in vacancy rates in Tokyo is headed toward peaking out. In the retail property leasing market, there are signs of retail sales ceasing to fall. However, with still little prospects of considerable improvement, it is thought to be important to identify and attract competitive business categories and businesses.

② Future Policies of Investment Management and Issues to be Counteracted

Prior to the formal establishment of TOKYU REIT, Tokyu REIM undertook an assessment of future investment trends based on business growth potential. Based on this assessment, it was decided that TOKYU REIT would adopt an investment policy based on the stance of investing in highly competitive properties in areas with strong growth potential. Specifically, TOKYU

REIT will continue to focus on an investment area mainly limited to Central Tokyo, where ongoing growth is expected, and to the Tokyo metropolitan area centering on the Tokyu Areas (Note 1). TOKYU REIT will continue to adhere firmly to stringent investment criteria for selecting individual properties, and obtain a balanced mix of competitive, high-quality properties from the real estate investment market and Tokyu Corporation and its subsidiaries (Note 2).

Note 1. Area classification:

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

“Tokyu Areas” is the Tokyu rail network hub (Shibuya ward) and other Tokyu rail network areas (Tokyo (Shinagawa, Meguro, Setagaya and Ota wards, and Machida city); Yokohama city, Kanagawa prefecture (Kohoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards); Kawasaki city, Kanagawa prefecture (Nakahara, Takatsu and Miyamae wards); and Yamato city, Kanagawa prefecture). Shibuya ward is included in both Central Tokyo and Tokyu Areas.

“Other” is other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above).

Note 2. In this section ②, Tokyu Corporation and its subsidiaries refer to any of (i) to (iii) below:

(i) Tokyu Corporation;

(ii) A consolidated subsidiary of Tokyu Corporation (*not including affiliates accounted for by the equity method); or

(iii) A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) established under the instruction of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and whose majority of silent partnership and other capital are invested by such.

*Tokyu Land Corporation and its subsidiaries do not fall within the scope of Tokyu Corporation and its subsidiaries.

Moreover, based on the Letter of Intent, TOKYU REIT and Tokyu REIM are aiming to restructure the sponsorship of TOKYU REIT to a sole sponsorship by implementing various measures for smooth sponsorship cancellation, such as conclusion of a new memorandum for securing property acquisition opportunities and securing Tokyu REIM personnel. By making Tokyu Corporation, which conducts business activities in the same area as the investment targeted areas of TOKYU REIT, its sole sponsor and having obtained a stronger commitment from Tokyu Corporation, TOKYU REIT intends to further promote the “Capital Reinvestment Model” (Note 3) in line with the “Long-Term Investment Management Strategy (Surf Plan).”

Note 3. An investment model advocated by TOKYU REIT in which Tokyu Corporation reinvests the capital collected from contributing properties to TOKYU REIT into real estate development, etc. mainly in Tokyu Areas. This reinvestment serves to invigorate economic activities in Tokyu Areas and thereby enhances the added value of the investment targeted areas of TOKYU REIT and maintains and enhances the value of its portfolio properties.

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

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

(6) Subsequent Events

① Overview of the Purchase and Sale Memorandum

Based on the Letter of Intent, TOKYU REIT and Tokyu REIM concluded the Purchase and Sale Memorandum with Tokyu Corporation on March 4, 2011 as a new memorandum to replace the Former Acquisition Opportunity Memorandum. An overview of the Purchase and Sale Memorandum is as follows:

a. Grant of the Rights of First Refusal

In the event that Tokyu Corporation and its subsidiaries (Note 1) intend to sell real estate assets that meet TOKYU REIT's investment criteria ("Investment Properties"), it shall first make an offer to sell it to TOKYU REIT, except under certain conditions. On the other hand, in the event that TOKYU REIT intends to sell properties that it has acquired from Tokyu Corporation and its subsidiaries or a warehousing SPC (Note 2), it shall first make an offer to sell it to Tokyu Corporation, except under certain conditions. In either case, in the event that a purchase agreement is not concluded within a certain period of time, the seller may make an offer to sell it to a third party. However, in the event that the purchase price presented by the third party is lower than the purchase price presented by Tokyu REIM or Tokyu Corporation, the seller must once again make an offer to sell it to Tokyu REIM or Tokyu Corporation before selling it to a third party.

In the event that Tokyu REIM makes an offer to sell real estate assets, Tokyu Corporation may request to make an entity that falls within the scope of Tokyu Corporation and its subsidiaries other than itself the purchasing entity. In this case, the party to which Tokyu REIM shall once again make an offer to sell after a purchase price is presented by a third party shall be the concerned purchasing entity.

Note 1. In this section ①, Tokyu Corporation and its subsidiaries refer to any of (i) to (iii) below:

- (i) Tokyu Corporation;
- (ii) A consolidated subsidiary of Tokyu Corporation (*not including affiliates accounted for by the equity method); or
- (iii) A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) established under the instruction of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and whose majority of silent partnership and other capital are invested by such.
*Tokyu Land Corporation and its subsidiaries do not fall within the scope of Tokyu Corporation and its subsidiaries.

Note 2. In this section ①, a warehousing SPC refers to an entity established under the instruction of Tokyu Corporation and whose purpose is solely to own Investment Properties.

b. Utilization of the Warehousing (Note 3) Function of Tokyu Corporation

Under certain conditions, TOKYU REIT and Tokyu REIM may make requests for warehousing to Tokyu Corporation. In the event that Tokyu Corporation intends to conduct warehousing, Tokyu Corporation shall make utmost efforts to acquire Investment Properties by itself or through an entity that falls within the scope of Tokyu Corporation and its subsidiaries other than itself or a warehousing SPC, and in the event that an acquisition has been made, it shall own the Investment Properties for a certain period of time. Following that, it shall first conduct negotiations with Tokyu REIM concerning transfer of the Investment Properties to TOKYU REIT. In addition, the acquisition price to be paid by TOKYU REIT to the entity that conducted the warehousing shall be the fair price agreed upon between TOKYU REIT and the entity that conducted the warehousing at the time of concluding the purchase agreement.

Note 3. In this section ①, warehousing refers to the act of Tokyu Corporation and its subsidiaries or a warehousing SPC acquiring Investment Properties temporarily.

- c. No term shall be established for the Purchase and Sale Memorandum. However, in the event that Tokyu REIM ceases to be the investment management company of TOKYU REIT, the Purchase and Sale Memorandum shall be terminated immediately, aside from certain exceptions.
- d. The Purchase and Sale Memorandum will become effective once the Proposal to Partially Amend the Articles of Incorporation of TOKYU REIT is approved at the General Meeting of Unitholders.
- e. All other matters shall virtually be the same as the Former Acquisition Opportunity Memorandum.

② Overview of the Acquisition Opportunity Memorandum

Based on the Letter of Intent, TOKYU REIT and Tokyu REIM concluded the Acquisition Opportunity Memorandum with Tokyu Land on March 4, 2011 as a new memorandum to replace the Former Acquisition Opportunity Memorandum. An overview of the Acquisition Opportunity Memorandum is as follows:

- a. In the event that Tokyu Land intends to sell Investment Properties owned by itself or an entity that falls within the scope of Tokyu Land Corporation and its subsidiaries to a third party, it shall provide virtually the same information it intends to provide to the third party or information Tokyu Land deems as necessary to TOKYU REIT and Tokyu REIM, by the time of providing property information to the third party, except under certain conditions. Furthermore, in the event that TOKYU REIT and Tokyu REIM make a request of purchase to Tokyu Land, it shall respond in good faith, or shall make utmost efforts to have Tokyu Land Corporation and its subsidiaries respond in good faith.
- b. Under certain conditions, TOKYU REIT and Tokyu REIM may make requests for warehousing (Note 1) to Tokyu Land until March 31, 2012. In view of the aforementioned request, Tokyu Land shall immediately make reasonable efforts to conduct warehousing or have a warehousing SPC (Note 2) do the same. At the same time, it shall carry out negotiations with TOKYU REIT and Tokyu REIM in good faith concerning whether or not warehousing will be conducted, its duration period, etc. Even in the event that an agreement is reached that warehousing will be conducted, TOKYU REIT and Tokyu Land or the warehousing SPC shall not be responsible for acquiring or disposing the Investment Properties until a purchase agreement is concluded between TOKYU REIT and Tokyu Land or the warehousing SPC. In addition, the acquisition price to be paid by TOKYU REIT to the entity that conducted the warehousing shall be the fair value agreed upon between TOKYU REIT and the entity that conducted the warehousing at the time of concluding the purchase agreement.

Note 1. In this section ②, warehousing refers to the act of Tokyu Land or a warehousing SPC (Note 2) acquiring Investment Properties temporarily.

Note 2. In this section ②, a warehousing SPC refers to an entity established under the instruction of Tokyu Land and whose purpose is solely to own Investment Properties.

- c. The Acquisition Opportunity Memorandum shall be effective until the time the total acquisition price of properties TOKYU REIT acquires from Tokyu Land Corporation and its subsidiaries based on the Acquisition Opportunity Memorandum reaches ¥20,000 million (Note 3).

Note 3. The acquisition price of the properties acquired by TOKYU REIT through the warehousing arrangement shall be included in the calculations of the abovementioned ¥20,000 million.

- d. The Acquisition Opportunity Memorandum will become effective once the Proposal to Partially Amend the Articles of Incorporation of TOKYU REIT is approved at the General Meeting of Unitholders.

③ Overview of the Unitholdings Memorandum

Based on the Letter of Intent, TOKYU REIT and Tokyu REIM concluded the Unitholdings Memorandum with Tokyu Corporation on March 4, 2011 as a new memorandum to replace the memorandum on the holding of TOKYU REIT investment units dated July 28, 2003 concluded between Tokyu Corporation, Tokyu Land, TOKYU REIT and Tokyu REIM. An overview of the Unitholdings Memorandum is as follows:

- a. Tokyu Corporation shall at all times own 3% or more of total number of investment units issued and outstanding of TOKYU REIT.
- b. No term shall be established for the Unitholdings Memorandum. However, in the event that Tokyu REIM ceases to be the investment management company of TOKYU REIT, the Unitholdings Memorandum shall be terminated immediately.
- c. The Unitholdings Memorandums will become effective once the Proposal to Partially Amend the Articles of Incorporation of TOKYU REIT is approved at the General Meeting of Unitholders.

(Reference Information)

TOKYU REIT will submit a proposal of the following amendments of its Articles of Incorporation at its General Meeting of Unitholders to be held on April 14, 2011.

(Shaded portions indicate changes)

Current Articles	Proposed Amendments
<p>Article 8. (Investment Unit Handling Regulations) The entry and record in the register of unitholders, procedures for exercising unitholders' rights and any other matters relating to the handling of investment units and investment securities including commissions shall be governed by handling regulations to be established by the Board of Directors.</p> <p>Article 9. (Minimum Net Assets) TOKYU REIT shall have a minimum net asset balance of fifty million yen.</p> <p>Article 10. (Convocation) 1. (Omitted) 2. (Omitted) 3. (Omitted [insignificant lexical changes in Japanese]) 4. (Omitted) 5. (Omitted)</p> <p>Article 11. (Chairperson) (Omitted [insignificant lexical changes in Japanese])</p> <p>Article 12. (Resolutions of General Meeting of Unitholders) 1. (Omitted) 2. (Omitted) 3. (Omitted [insignificant lexical changes in Japanese])</p> <p>Article 13. (Exercise of Voting Rights in Writing) 1. (Omitted) 2. The number of voting rights exercised in writing shall be included in the number of voting rights of unitholders in attendance.</p> <p>Article 20. (Election of Directors) The General Meeting of Unitholders shall elect executive directors and supervisory directors.</p> <p>Article 22. (Board of Directors) 1. The Board of Directors shall be comprised of executive directors and supervisory directors. 2. (Omitted [insignificant lexical changes in Japanese]) 3. A notice of convocation of a meeting of the Board of Directors shall be sent to each executive director and supervisory director at least three days prior to the date of the meeting; provided, however, that this may be shortened in the event of an emergency. Moreover, convocation notices may be omitted when the consent of all executive directors and supervisory directors is obtained.</p> <p>Article 23. (Resolutions of Board of Directors) (Omitted [insignificant lexical changes in Japanese])</p> <p>Article 26. (Director Remuneration and Limitation of Liability) 1. (Omitted) 2. (Omitted) 3. (Omitted)</p> <p>Article 29. (Asset Valuation Methods, Standards and Reference Dates) 1. (Omitted) (1) (Omitted) (2) (Omitted)</p>	<p>Article 8. (Investment Unit Handling Regulations) The entry and record in the register of unitholders, procedures for exercising unitholders' rights and any other matters relating to the handling of investment units and investment securities including commissions shall be governed by law or these Articles of Incorporation, as well as the investment unit handling regulations to be established by the Board of Directors.</p> <p>Article 9. (Minimum Net Asset Balance Consistently Held by TOKYU REIT) TOKYU REIT shall consistently maintain a minimum net asset balance of fifty million yen.</p> <p>Article 10. (Convocation) 1. (No change) 2. (No change) 3. (No change) 4. (No change) 5. (No change)</p> <p>Article 11. (Chairperson) (No change)</p> <p>Article 12. (Resolutions of General Meeting of Unitholders) 1. (No change) 2. (No change) 3. (No change)</p> <p>Article 13. (Exercise of Voting Rights in Writing) 1. (No change) 2. The number of voting rights exercised in writing pursuant to the provisions of the preceding Paragraph shall be included in the number of voting rights of unitholders in attendance.</p> <p>Article 20. (Election of Directors) Executive directors and supervisory directors shall be elected by resolution of the General Meeting of Unitholders.</p> <p>Article 22. (Board of Directors) 1. The Board of Directors shall be comprised of all executive directors and supervisory directors. 2. (No change) 3. A notice of convocation of a meeting of the Board of Directors shall be sent to each executive director and supervisory director at least three days prior to the date of the meeting of the Board of Directors; provided, however, that this may be shortened in the event of an emergency. Moreover, convocation procedures may be omitted when the consent of all executive directors and supervisory directors is obtained.</p> <p>Article 23. (Resolutions of Board of Directors) (No change)</p> <p>Article 26. (Director Remuneration and Limitation of Liability for Damages) 1. (No change) 2. (No change) 3. (No change)</p> <p>Article 29. (Asset Valuation Methods, Standards and Reference Dates) 1. (No change) (1) (No change) (2) (No change)</p>

Current Articles	Proposed Amendments
<p>(3) Attachment 1, 2. (2): Asset-backed securities for investment, mainly real estate</p> <p>a. Asset-backed securities listed on financial instrument exchanges (Omitted [insignificant lexical changes in Japanese])</p> <p>b. (Omitted)</p> <p>c. (Omitted)</p> <p>d. (Omitted)</p> <p>e. (Omitted)</p> <p>(4) (Omitted)</p> <p>(5) (Omitted)</p> <p>(6) (Omitted)</p> <p>(7) (Omitted)</p> <p>2. (Omitted)</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>3. The reference date for asset valuations shall be, in principle, the settlement of accounts (last day of January and last day of July each year); provided, however, that the reference date shall be the end of each month for assets listed in Item 3 and Item 4 of Paragraph 1 that are assets that can be valued as an amount based on market prices.</p> <p>Article 30. (Cash Distributions) (Omitted)</p> <p>(1) (Omitted)</p> <p>(2) TOKYU REIT shall make cash distributions to its unitholders in excess of 90% of its distributable income as defined in Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, as amended) (hereinafter referred to as “special tax treatment”). Any applicable regulatory amendments shall prevail in the calculation of distributable income and cash distributions. TOKYU REIT is allowed to provide for a long-term maintenance reserves as deemed necessary to maintain and improve asset value, reserve for outstanding claims, reserve for cash distributions and other similar reserves.</p> <p>(3) (Omitted)</p> <p>(4) Cash distributions in excess of earnings When the amount of earnings is no more than an amount equivalent to 90% of its distributable income or when TOKYU REIT deems appropriate in light of economic environment, real estate market, leasing market and other trends, TOKYU REIT shall be able to distribute as cash in excess of earnings an amount that adds to the distribution amount prescribed in Item 2 an amount as it determines, which shall be no more than an amount equivalent to 60% of the depreciation amount recorded on the last day of the fiscal period. When the cash distribution amount in the case above does not satisfy the requirements for special tax treatment, TOKYU REIT shall be able to distribute cash in an amount as it determines under the objective of satisfying the requirements.</p> <p>(5) (Omitted)</p> <p>Article 33. (Election of Independent Auditor) The General Meeting of Unitholders shall elect the independent auditor.</p> <p>Article 35. (Fees Payable to Independent Auditor) Fees payable to the independent auditor shall be paid in an amount determined by the Board of Directors,</p>	<p>(3) Attachment 1, 2. (2): Asset-backed securities for investment, mainly real estate</p> <p>a. Asset-backed securities listed on financial instrument exchanges (No change)</p> <p>b. (No change)</p> <p>c. (No change)</p> <p>d. (No change)</p> <p>e. (No change)</p> <p>(4) (No change)</p> <p>(5) (No change)</p> <p>(6) (No change)</p> <p>(7) (No change)</p> <p>2. (No change)</p> <p>(1) (No change)</p> <p>(2) (No change)</p> <p>3. The reference date for asset valuations shall be, in principle, the settlement of accounts (last day of January and last day of July each year); provided, however, that the reference date shall be the end of each month for assets listed in Item 3, Item 4 and Item 6 of Paragraph 1 that are assets that can be valued as an amount based on market prices.</p> <p>Article 30. (Cash Distributions) (No change)</p> <p>(1) (No change)</p> <p>(2) TOKYU REIT shall make cash distributions to its unitholders in excess of 90% of its distributable earnings amount as defined in Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, as amended) (hereinafter referred to as “special tax treatment”). Any applicable regulatory amendments shall prevail in the calculation of distributable earnings amount and cash distributions. TOKYU REIT is allowed to provide for a long-term maintenance reserves as deemed necessary to maintain and improve asset value, reserve for outstanding claims, reserve for cash distributions and other similar reserves.</p> <p>(3) (No change)</p> <p>(4) Cash distributions in excess of earnings When the amount of earnings is an amount equivalent to 90% of its distributable earnings amount or less or when TOKYU REIT deems appropriate in light of economic environment, real estate market, leasing market and other trends, TOKYU REIT shall be able to distribute as cash in excess of earnings an amount that adds to the distribution amount prescribed in Item 2 an amount as it determines, which shall be no more than an amount equivalent to 60% of the depreciation amount recorded on the last day of the fiscal period. When the cash distribution amount in the case above does not satisfy the requirements for special tax treatment, TOKYU REIT shall be able to distribute cash in an amount as it determines under the objective of satisfying the requirements.</p> <p>(5) (No change)</p> <p>Article 33. (Election of Independent Auditor) An independent auditor shall be elected by resolution of the General Meeting of Unitholders.</p> <p>Article 35. (Fees Payable to Independent Auditor) Fees payable to the independent auditor shall be paid in an amount determined by the Board of Directors,</p>

Current Articles	Proposed Amendments
<p>which shall be no more than fifteen million yen per fiscal period, no later than one month after receipt of all necessary audit reports via the method of transfer to a bank account designated by the independent auditor.</p> <p>Article 39. (Grounds for and End of Use of Representation) Use of “TOKYU” and other related registered trademarks, as well as similar representation, including part of TOKYU REIT’s trade name and those that appear in the Japanese language, by TOKYU REIT shall be subject to a license being granted based on an agreement with the holder of the trademark rights Tokyu Corporation and the use shall be suspended when the license is no longer granted.</p> <p>Article 40. (Consumption Tax and Local Consumption Tax) Within asset management and other payable expenses and amounts, TOKYU REIT pays the total amount of the cost and consumption taxes and local consumption taxes (hereinafter, collectively referred to as “consumption taxes”) on items subject to taxation (hereinafter “taxable items”) under the Consumption Tax Law (Law No. 108 of 1988, as amended) and the Local Tax Law (Law No. 226 of 1950, as amended). All figures in these Articles of Incorporation, unless otherwise stated, are shown without consumption tax. (New addition)</p>	<p>which shall be no more than fifteen million yen per fiscal period, no later than one month after receipt of all necessary audit reports <u>for that fiscal period</u> via the method of transfer to a bank account designated by the independent auditor.</p> <p>Article 39. (Grounds for and End of Use of Representation) Use of “TOKYU” and other related registered trademarks, as well as similar representation, including part of TOKYU REIT’s trade name and those that appear in the Japanese language, by TOKYU REIT shall be subject to a license being granted based on an agreement with the holder of the trademark rights Tokyu Corporation and the use shall be suspended when the license is no longer granted.</p> <p>Article 40. (Consumption Tax and Local Consumption Tax) Within asset management and other payable expenses and amounts, TOKYU REIT pays the total amount of the cost and consumption taxes and local consumption taxes (hereinafter, collectively referred to as “consumption taxes”) on items subject to taxation under the Consumption Tax Law (Law No. 108 of 1988, as amended) and the Local Tax Law (Law No. 226 of 1950, as amended). All figures in these Articles of Incorporation, unless otherwise stated, are shown without consumption tax.</p> <p>Article 41. The special provision regarding investment management fees from the 16th fiscal period through to the 19th period under Attachment 2 shall remain effective until January 31, 2013, and the special provision, together with this Article, shall be deleted on the following day.</p>
<p>Attachment 1: Scope and Policy of Investment Management</p> <p>1. Policy of Investment Management (Omitted) (1) Growth (Omitted) ① (Omitted) ② External growth factors <u>Proactive property acquisition</u></p> <p>TOKYU REIT actively seeks to acquire office properties and retail properties located in its primary investment targeted areas of Central Tokyo and the Tokyu Areas at reasonable prices by taking advantage of Tokyu REIM’s proprietary skill and know-how in collecting information and detailed investigation and research of properties. Premising acquisitions on holding properties for the long term, each real estate is selected based on a careful property consideration in view of <u>maintaining and increasing the quality of the portfolio</u>. At the same time, TOKYU REIT aims to develop a portfolio that leads to increase in asset value and growth of earnings per investment unit.</p> <p><u>Property acquisition from Tokyu Group companies</u></p>	<p>Attachment 1: Scope and Policy of Investment Management</p> <p>1. Policy of Investment Management (No change) (1) Growth (No change) ① (No change) ② External growth factors <u>Proactive property acquisition, and maintaining and increasing portfolio quality</u></p> <p>TOKYU REIT actively seeks to acquire office properties and retail properties located in its primary investment targeted areas of Central Tokyo and the Tokyu Areas at reasonable prices by taking advantage of Tokyu REIM’s proprietary skill and know-how in collecting information and detailed investigation and research of properties. Premising acquisitions on holding properties for the long term, each real estate is selected based on a careful property consideration. <u>On the other hand, TOKYU REIT will maintain and increase the quality of the portfolio by replacing properties in its portfolio, etc. as needed as it aims to develop a portfolio that leads to increase in asset value and growth of earnings per investment unit.</u></p> <p><u>Property acquisition from Tokyu Corporation and its subsidiaries</u></p>

Current Articles	Proposed Amendments
<p>TOKYU REIT shall secure stable and continuous opportunities for acquisition of property owned by Tokyu Group companies.</p> <p>③ Synergy effect with Tokyu Group companies</p> <p>TOKYU REIT shall aim to achieve growth by improving added value of the areas along the Tokyu rail lines through the synergy effect with Tokyu Group companies.</p> <p>(2) Stability (Omitted [insignificant lexical changes in Japanese])</p> <p>(3) Transparency In order to secure transparency, TOKYU REIT shall conduct proactive and timely disclosure of material information that is judged to be useful and appropriate for unitholders in addition to legal disclosures. Furthermore, it shall give due consideration to averting conflicts of interest with Tokyu Group companies for individual business and transactions while keeping in mind that businesses and transaction opportunities may be granted to Tokyu Group companies throughout its investment activities.</p>	<p>TOKYU REIT shall secure stable and continuous opportunities for acquisition of property owned by Tokyu Corporation and its subsidiaries.</p> <p>In these Articles of Incorporation, Tokyu Corporation and its subsidiaries refers to any of a. to c. below:</p> <p>a. Tokyu Corporation;</p> <p>b. A consolidated subsidiary of Tokyu Corporation; or</p> <p>c. A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) established under the instruction of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and whose majority of silent partnership and other capital are invested by such.</p> <p>③ Synergy effect with Tokyu Corporation and its subsidiaries</p> <p>TOKYU REIT shall aim to achieve growth by improving added value of the areas along the Tokyu rail lines through the synergy effect with Tokyu Corporation and its subsidiaries.</p> <p>(2) Stability (No change)</p> <p>(3) Transparency In order to secure transparency, TOKYU REIT shall conduct proactive and timely disclosure of material information that is judged to be useful and appropriate for unitholders in addition to legal disclosures. Furthermore, it shall give due consideration to averting conflicts of interest with Tokyu Corporation and its subsidiaries and other interested persons, etc. of Tokyu REIM for individual business and transactions while keeping in mind that businesses and transaction opportunities may be granted to Tokyu Corporation and its subsidiaries throughout its investment activities.</p>
<p>2. Type, Purpose and Scope of Specified Assets for Investments (Omitted)</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>(4) (Omitted)</p> <p>a. (Omitted)</p> <p>b. (Omitted)</p> <p>c. (Omitted)</p> <p>d. (Omitted)</p> <p>e. (Omitted)</p> <p>f. (Omitted)</p> <p>g. (Omitted)</p> <p>h. (Omitted)</p> <p>i. (Omitted)</p> <p>j. (Omitted)</p> <p>k. (Omitted [insignificant lexical changes in Japanese])</p> <p>l. (Omitted)</p> <p>m. (Omitted)</p> <p>n. (Omitted)</p> <p>(5) (Omitted)</p>	<p>2. Type, Purpose and Scope of Specified Assets for Investments (No change)</p> <p>(1) (No change)</p> <p>(2) (No change)</p> <p>(3) (No change)</p> <p>(4) (No change)</p> <p>a. (No change)</p> <p>b. (No change)</p> <p>c. (No change)</p> <p>d. (No change)</p> <p>e. (No change)</p> <p>f. (No change)</p> <p>g. (No change)</p> <p>h. (No change)</p> <p>i. (No change)</p> <p>j. (No change)</p> <p>k. (No change)</p> <p>l. (No change)</p> <p>m. (No change)</p> <p>n. (No change)</p> <p>(5) (No change)</p>

Current Articles	Proposed Amendments
<p>3. Investment Posture</p> <p>(1) (Omitted)</p> <p>a. Holding Period TOKYU REIT, in principle, acquires properties for the purpose of holding properties for the long term and does not acquire properties for the purpose of holding properties for the short to medium term.</p> <p>b. (Omitted)</p> <p>c. (Omitted)</p> <p>d. Selling Policy TOKYU REIT, in principle, intends to hold properties for the long term, but may consider selling as appropriate in light of the market environment, etc.</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>a. (Omitted)</p> <p>b. Property management business</p> <p>(i) (Omitted)</p> <p>(ii) Selection standards of property management companies In principle, TOKYU REIT shall select property management companies from among Tokyu Corporation, Tokyu Land Corporation or other Tokyu Group companies from the perspective of their strength in tenant marketing, which is based on their familiarity with local areas, and their information network with respect to retail tenants, as well as cost reductions due to economies of scale. The Board of Directors of TOKYU REIT shall separately stipulate items necessary for measures to prevent conflict of interest.</p> <p>(iii) (Omitted)</p> <p>c. (Omitted)</p> <p>d. (Omitted)</p> <p>(4) (Omitted)</p> <p>(5) Other</p> <p>a. TOKYU REIT shall adhere to a policy of maintaining a ratio of 75% or higher for the total value of specified real estate (real estate, real estate leasing rights, land surface rights or trust beneficiary interests in real estate, land leasing rights and land surface rights) relative to the total value of specified assets. (New addition)</p> <p>b. The rate above may be changed from that at the commencement of investment management to</p>	<p>3. Investment Posture</p> <p>(1) (No change)</p> <p>a. Holding Period TOKYU REIT, in principle, acquires properties for the purpose of holding properties for the long term and does not acquire properties for the purpose of holding properties for the short term.</p> <p>b. (No change)</p> <p>c. (No change)</p> <p>d. Selling Policy TOKYU REIT, in principle, premises on holding properties for the long term, but may consider selling as appropriate in light of the market environment, etc. to replace properties in its portfolio in view of maintaining and increasing the quality of the portfolio.</p> <p>(2) (No change)</p> <p>(3) (No change)</p> <p>a. (No change)</p> <p>b. Property management business</p> <p>(i) (No change)</p> <p>(ii) Selection standards of property management companies In principle, TOKYU REIT shall select property management companies from Tokyu Corporation and its subsidiaries from the perspective of their strength in tenant marketing, which is based on their familiarity with local areas, and their information network with respect to retail tenants, as well as cost reductions due to economies of scale. However, TOKYU REIT shall not be hindered from selecting companies other than Tokyu Corporation and its subsidiaries as the property management company, depending on the respective property's characteristics, continuity of management, or other factors. Moreover, the Board of Directors of TOKYU REIT shall separately stipulate items necessary for measures to prevent conflict of interest.</p> <p>(iii) (No change)</p> <p>c. (No change)</p> <p>d. (No change)</p> <p>(4) (No change)</p> <p>(5) Other</p> <p>a. TOKYU REIT shall adhere to a policy of maintaining a ratio of 75% or higher for the total value of specified real estate (real estate, real estate leasing rights, land surface rights or trust beneficiary interests in real estate ownership, land leasing rights and land surface rights) relative to the total value of specified assets.</p> <p>b. TOKYU REIT shall adhere to a policy of maintaining a ratio of 70% or higher for the value of real estate, etc. stipulated in Article 22-19 of the Ordinance for Enforcement of the Special Taxation Measures Law (Ministry of Finance Ordinance No. 15 of 1957, including amendments thereafter) relative to the total value of assets.</p> <p>c. The rate above may be changed from that at the commencement of investment management to</p>

Current Articles		Proposed Amendments	
reflect capital trends, market trends, general economic situation, real estate market trends, etc.		reflect capital trends, market trends, general economic situation, real estate market trends, etc.	
4. (Omitted)		4. (No change)	
5. Asset Portfolio Leasing (1) (Omitted) (2) (Omitted) (3) TOKYU REIT shall not lease out assets other than real estate, real estate leasing rights, land surface rights (including underlying real estate, real estate leasing rights and land surface rights for trust beneficiary rights and other assets to be acquired by TOKYU REIT) and movables attached to such real estate.		5. Asset Portfolio Leasing (1) (No change) (2) (No change) (3) TOKYU REIT shall not lease out assets other than real estate, real estate leasing rights, land surface rights (including underlying real estate, real estate leasing rights and land surface rights for trust beneficiary rights and other assets to be acquired by TOKYU REIT), movables attached to such real estate, etc.	
Attachment 2: Fees Paid to Investment Management Company		Attachment 2: Fees Paid to Investment Management Company	
(Omitted)		(No change)	
Compensation Type	Calculation Method and Payment Period	Compensation Type	Calculation Method and Payment Period
Base 1 (Asset-based)	<p>Amount of total from the following calculation about asset value at the end of previous period. Moreover, the total value of assets under management here refers to the total appraisal value of all real estate properties (in the case of trust beneficiary interests in real estate, real estate in trust).</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> • The amount derived by multiplying 0.150% by the portion of the total value of assets under management 200 billion yen or less • The amount derived by multiplying 0.125% by the portion of the total value of assets under management exceeding 200 billion yen <p>The payment period is until the end of the fiscal period.</p>	Base 1 (Asset-based)	<p>Amount of total from the following calculation about asset value at the end of previous period. Moreover, the total value of assets under management here refers to the total appraisal value of all real estate properties (in the case of trust beneficiary interests in real estate, real estate in trust).</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> • The amount derived by multiplying 0.150% by the portion of the total value of assets under management 200 billion yen or less • The amount derived by multiplying 0.125% by the portion of the total value of assets under management exceeding 200 billion yen and 300 billion yen or less • The amount derived by multiplying 0.115% by the portion of the total value of assets under management exceeding 300 billion yen <p>The payment period is until the end of the fiscal period.</p>
Base 2 (Cash-based)	<p>Amount of total from the following calculation about operating cash flow in current period. Moreover, operating cash flow here refers to the ordinary income posted on the income statement of TOKYU REIT, plus depreciation and amortization of deferred assets, minus profit or loss from the sale of specified assets and profit or loss from the valuation of specified assets (excluding those posted under the account extraordinary profit and loss.) (“CF”). Furthermore, when calculating base 2, CF before deducting base 1, base 2 and the incentive set forth below shall</p>	Base 2 (Cash-based)	<p>Amount of total from the following calculation about standard cash flow in current period. Moreover, 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 (figures rounded off to the nearest yen) and profit or loss from the valuation of specified assets (figures rounded off to the nearest yen) from the net income or loss before income taxes posted on the income statement of TOKYU REIT, plus depreciation and amortization of deferred assets (“CF”). Furthermore, when calculating</p>

Current Articles		Proposed Amendments	
	<p>serve as the base.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> • The amount derived by multiplying 6.0% by the portion of CF 5 billion yen or less • The amount derived by multiplying 5.0% by the portion of CF exceeding 5 billion yen <p>The payment period is within two months of the end of the fiscal period.</p>		<p>base 2, CF before deducting base 1, base 2 and the incentive set forth below shall serve as the base. However, the lower limit of base 2 shall be 0 yen.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> • The amount derived by multiplying 6.0% by the portion of CF 5 billion yen or less • The amount derived by multiplying 5.0% by the portion of CF exceeding 5 billion yen and 7.5 billion yen or less • The amount derived by multiplying 4.6% by the portion of CF exceeding 7.5 billion yen <p>The payment period is within two months of the end of the fiscal period.</p>
Incentive (Unit price-based)	<p>The incentive is the amount calculated as follows based on the average closing price of TOKYU REIT units as reported on the Tokyo Stock Exchange. However, in the event that TOKYU REIT aggregates or splits its units, the following calculation methods may be revised.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> • (Average price in current period – Record average price) × Number of investment unit × 0.4% <p>The average closing price is equivalent to the aggregate sum of the closing price of units for each trading day during the fiscal period, divided by the total number of trading days during the fiscal period. Trading days with no closing price are omitted from the calculation.</p>	Incentive (Unit price-based)	<p>The incentive is the amount calculated as follows based on the average closing price of TOKYU REIT units as reported on the Tokyo Stock Exchange (“closing price of units”).</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> • (Average closing price in current period * – Record average closing price) ** × Number of investment unit *** × 0.4% <p>* The average closing price is equivalent to the aggregate sum of the closing price of units for each trading day during the fiscal period, divided by the total number of trading days during the fiscal period. Trading days with no closing price are omitted from the calculation. However, in the event of a split of investment units, for each trading day up to the day preceding the effective date of the split of investment units, (i) the closing price of units for each trading day is (ii) multiplied by the number of units before the split and (iii) divided by the number of units after the split to derive the amount (figures rounded off to the nearest yen) that is deemed the closing price of units for each trading day. Furthermore, in the event of a consolidation of investment units, for each trading day up to the effective date of the consolidation of investment units, (i) the closing price of units for each trading day is (ii) multiplied by the number of units before the consolidation and (iii) divided by the number of units after the</p>

Current Articles		Proposed Amendments	
	<p>The incentive shall be 0 yen in the event that the average closing price during the fiscal period does not exceed the highest average closing price of units over all previous fiscal periods.</p>		<p>consolidation to derive the amount (figures rounded off to the nearest yen) that is deemed the closing price of units for each trading day.</p> <p>** The incentive shall be 0 yen in the event that the average closing price during the fiscal period does not exceed the highest average closing price of units over all previous fiscal periods.</p> <p>*** In the event of a split of investment units during the fiscal period, (i) the number of units at the end of the previous fiscal period is (ii) multiplied by the number of units after the split and (iii) divided by the number of units before the split to derive the number of units (figures rounded off to the nearest unit) that is deemed the number of units at the end of the previous fiscal period for the fiscal period. Furthermore, in the event of a consolidation of investment units during the fiscal period, (i) the number of units at the end of the previous fiscal period is (ii) multiplied by the number of units after the consolidation and (iii) divided by the number of units before the consolidation to derive the number of units (figures rounded off to the nearest unit) that is deemed the number of units at the end of the previous fiscal period for the fiscal period.</p>
	<p>The payment period is within two months of the end of the fiscal period.</p> <p>(New addition)</p>		<p>The payment period is within two months of the end of the fiscal period.</p>
		<p>Special provision concerning Investment Management Fees from the 16th fiscal period to the 19th fiscal period</p>	<p>Notwithstanding the above provisions, the following reductions will be made from the respective total of base 1, base 2 and incentive derived through the abovementioned calculation formulas for Investment Management Fees from the 16th fiscal period to the 19th fiscal period:</p> <p>16th Fiscal Period (February 1, 2011 to July 31, 2011): 5% of the total</p> <p>17th Fiscal Period (August 1, 2011 to January 31, 2012): 5% of the total</p> <p>18th Fiscal Period (February 1, 2012 to July 31, 2012): 5% of the total</p> <p>19th Fiscal Period (August 1, 2012 to January 31, 2013): 5% of the total</p>

2. Company Profiles

(1) Summary of Unitholders' Contributions

	15th fiscal period As of January 31, 2011	14th fiscal period As of July 31, 2010	13th fiscal period As of January 31, 2010	12th fiscal period As of July 31, 2009	11th fiscal period As of January 31, 2009
Units authorized (units)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Units issued and outstanding (units)	169,380	169,380	169,380	169,380	169,380
Unitholders' capital (millions of yen)	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019
Number of unitholders (persons)	8,683	8,838	9,776	8,684	7,948

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of January 31, 2011.

Name	Address	Number of units owned	As a percentage of number of units issued and outstanding
		Units	%
Japan Trustee Services Bank, Ltd. (trust account)	1-8-11, Harumi, Chuo-ku, Tokyo	24,353	14.38
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	14,809	8.74
Trust & Custody Services Bank, Ltd. (securities investment trust account)	Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku, Tokyo	13,433	7.93
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	5,880	3.47
AIG Star Life Insurance Co., Ltd. (general account) (Standing Proxy: Citibank Japan Ltd.)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	4,871	2.88
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	4,172	2.46
AIG Edison Life Insurance Company GA NON DIMA (Standing Proxy: Citibank Japan Ltd.)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	4,056	2.39
State Street Bank and Trust Company 505103 (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	3-11-1, Nihonbashi, Chuo-ku, Tokyo	4,039	2.38
The Asahi Fire & Marine Insurance Co., Ltd.	7, Kandamitoshiro-cho, Chiyoda-ku, Tokyo	4,000	2.36
Tokyu Land Corporation	1-21-2, Dogenzaka, Shibuya-ku, Tokyo	3,920	2.31
Total		83,533	49.32

Note. '(Number of units owned) As a percentage of number of units issued and outstanding' is rounded to two decimal places. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

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

① Name of Directors and Auditor (as of January 31, 2011)

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

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

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

Note 3. The executive director serves without compensation.

② Policies Regarding Decision of Dismissing and Not Reappointing Independent Auditors

TOKYU REIT shall observe the stipulations in the Investment Trust Law in making decisions for the dismissal of an independent auditor. With regard to the abrogation of an independent auditor's reappointment, appropriate decisions shall be made at TOKYU REIT's Board of Directors meetings with due consideration given to audit quality, compensation and various other factors.

(4) Investment Management Company, Asset Custodian and General Administrators

The following table sets forth information of TOKYU REIT's investment management company, asset custodian and general administrators as of January 31, 2011.

Business to be entrusted	Name
Investment Management Company	Tokyu Real Estate Investment Management Inc.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (accounting matters, running of the organization, transfer agent for investment units, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (administration of investment corporation bonds)	The Sumitomo Trust and Banking Company, Limited

3. Portfolio Profile

(1) Asset Composition

Asset type	Use	Area	15th fiscal period As of January 31, 2011		14th fiscal period As of July 31, 2010		
			Total amount held	As a percentage of total assets	Total amount held	As a percentage of total assets	
			Millions of yen	%	Millions of yen	%	
Real estate	Retail	Central Tokyo and Tokyu Areas	¥ 15,778	7.6	¥ 15,805	7.6	
		Other	—	—	—	—	
		Sub total	15,778	7.6	15,805	7.6	
	Office	Central Tokyo and Tokyu Areas	19,241	9.3	19,267	9.3	
		Other	—	—	—	—	
		Sub total	19,241	9.3	19,267	9.3	
	Total		35,019	16.9	35,073	17.0	
	Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	56,168	27.1	56,432	27.3
			Other	15,751	7.6	15,832	7.7
Sub total			71,920	34.7	72,265	34.9	
Office		Central Tokyo and Tokyu Areas	75,425	36.4	71,094	34.4	
		Other	4,047	2.0	—	—	
		Sub total	79,472	38.4	71,094	34.4	
Total		151,393	73.1	143,360	69.3		
Other assets			20,693	10.0	28,450	13.8	
Total assets			¥ 207,106 [¥ 186,412]	100.0 [90.0]	¥ 206,884 [¥ 178,433]	100.0 [86.2]	

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

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

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

(2) Major Portfolio

Major portfolio held by TOKYU REIT as of January 31, 2011, is as follows:

Name of property	Book value	Leasable area	Leased area	Occupancy rate	As a percentage of revenue from property leasing	Use
	Millions of yen	m ²	m ²	%	%	
R QFRONT	¥ 14,261	4,502.93	4,502.93	100.0	9.6	Retail
R Lexington Aoyama	4,763	2,107.08	1,815.31	86.2	1.3	Retail
R TOKYU REIT Omotesando Square	5,734	2,702.42	2,702.42	100.0	2.9	Retail
R Tokyu Saginuma Building	6,657	19,610.06	19,610.06	100.0	4.7	Retail
R Tokyu Saginuma 2 Building	1,211	1,284.60	1,284.60	100.0	1.0	Retail
R TOKYU REIT Shibuya Udagawa-cho Square	6,635	1,543.05	1,543.05	100.0	2.6	Retail
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	8,725	50,285.89	50,285.89	100.0	4.6	Retail
R cocoti	23,539	8,319.96	8,112.89	97.5	7.9	Retail
R Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.7	Retail
R CONZE Ebisu	4,991	2,319.24	2,032.09	87.6	1.8	Retail
R Daikanyama Forum	4,150	2,477.64	2,267.22	91.5	1.5	Retail
O Setagaya Business Square	18,905	24,956.99	21,551.68	86.4	16.7	Office
O Tokyu Nampeidai-cho Building	4,284	7,148.18	7,148.18	100.0	2.8	Office
O Tokyu Sakuragaoka-cho Building	6,378	4,737.19	4,737.19	100.0	3.9	Office
O Tokyo Nissan Taito Building	3,840	7,947.24	7,947.24	100.0	3.5	Office
O TOKYU REIT Akasaka Hinokicho Building	3,463	3,199.50	2,958.49	92.5	2.0	Office
O TOKYU REIT Kamata Building	4,147	7,337.82	6,487.11	88.4	3.9	Office
O TOKYU REIT Toranomom Building	9,947	10,136.44	7,761.36	76.6	5.0	Office
O TOKYU REIT Hatchobori Building	6,914	5,984.19	5,984.19	100.0	3.4	Office
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,309	3,533.03	3,533.03	100.0	3.1	Office
O Tokyu Ikejiri-ohashi Building	5,527	5,733.23	4,690.38	81.8	2.9	Office
O Kojimachi Square	8,951	5,409.11	5,409.11	100.0	4.7	Office
O ORIX Shinjuku Building	9,294	6,130.45	6,130.45	100.0	4.6	Office
O Akihabara Sanwa Toyo Building	4,700	4,643.04	4,643.04	100.0	1.3	Office
O Kiba Eitai Building	4,047	5,776.46	5,776.46	100.0	1.6	Office
Total	¥ 186,412	241,903.86	232,992.49	96.3	100.0	

Note 1. The properties listed above except for TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, Daikanyama Forum, TOKYU REIT Toranomom Building and ORIX Shinjuku Building (total of 20 properties) are all owned in the form of trust beneficiary interest in real estate.

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

- Note 3. 'Leased area' is the area out of the total leasable area that is actually under lease agreements and leased (the area as indicated in the agreements; does not include lease agreements for parking lots, side signboards, etc.). With respect to Tokyu Saginuma Building, Beacon Hill Plaza (Ito-Yokado Nookendai Store) and Tokyu Nampeidai-cho Building, the area of parking lots is included. Regarding QFRONT, the area of other compartmentalized owners' exclusive-use portion is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is jointly owned with another owner, the stated figure is given by multiplying the leased area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive-use portions jointly owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive-use portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates the leased area of land.
- Note 4. 'Occupancy rate' is the leased area expressed as a percentage of leasable area at the end of the period.
- Note 5. 'Occupancy rate' and '(Book value) As a percentage of revenue from property leasing' are rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.
- Note 6. The name of ORIX Shinjuku Building was changed to TOKYU REIT Shinjuku Building on March 1, 2011 (the same hereafter).
- Note 7. 'R' and 'O' in the table are a classification of TOKYU REIT's portfolio properties into R (retail properties) and O (office properties) (the same hereafter).

(3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of January 31, 2011 are as follows:

Name of property	Location (lot number)	Investment type	Leasable area	Appraisal value at end of period	Book value
			m ²	Millions of yen	Millions of yen
R QFRONT	75-8, etc., Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,502.93	¥ 19,900	¥ 14,261
R Lexington Aoyama	5-235-7, etc., Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,107.08	4,390	4,763
R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,702.42	6,670	5,734
R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	19,610.06	7,880	6,657
R Tokyu Saginuma 2 Building	1-18-5, Kodai, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	1,284.60	1,350	1,211
R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	6,830	6,635
R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,319.96	16,500	23,539
R CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,319.24	4,110	4,991
R Daikanyama Forum	Building 1 (East) 33-18, etc., Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) 33-1, Sarugaku-cho, Shibuya-ku, Tokyo	Real estate	2,477.64	3,090	4,150
Sub total			44,866.98	70,720	71,946

Name of property		Location (lot number)	Investment type	Leasable area	Appraisal value at end of period	Book value	
				m ²	Millions of yen	Millions of yen	
Retail	Other	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	88-1, etc., Noukendai-higashi, Kanazawa-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest in real estate	50,285.89	8,100	8,725
		R Shonan Mall Fill (sokochi)	4-4300-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa	Trust beneficiary interest in real estate	44,078.12	5,400	7,026
	Sub total				94,364.01	13,500	15,751
Total				139,230.99	84,220	87,698	
Office	Central Tokyo and Tokyo Areas	O Setagaya Business Square	4-260-2, etc., Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,956.99	19,900	18,905
		O Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	5,540	4,284
		O Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	8,260	6,378
		O Tokyo Nissan Taito Building	2-120-2, etc., Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,947.24	5,010	3,840
		O TOKYU REIT Akasaka Hinokicho Building	6-1401, etc., Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,199.50	3,960	3,463
		O TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	6,600	4,147
		O TOKYU REIT Toranomom Building	3-45-6, Toranomom, Minato-ku, Tokyo	Real estate	10,136.44	10,200	9,947
		O TOKYU REIT Hatchobori Building	2-104-1, etc., Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	5,984.19	5,370	6,914
		O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	4-806 and 4-819, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,533.03	6,760	8,309
		O Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,733.23	4,330	5,527
		O Kojimachi Square	2-3-9 and 2-3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.11	8,610	8,951
		O ORIX Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,130.45	9,780	9,294
		O Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,643.04	4,900	4,700
	Sub total				96,896.41	99,220	94,666
Other	O Kiba Eitai Building	3-21-5, etc., Toyo, Koto-ku, Tokyo	Trust beneficiary interest in real estate	5,776.46	4,460	4,047	
Sub total				5,776.46	4,460	4,047	
Total				102,672.87	103,680	98,714	
Grand total				241,903.86	¥ 187,900	¥ 186,412	

- Note 1. 'Location (lot number)' is stated as based on the description shown in the registry book. The present status of the property might not correspond to the descriptions in the registry book.
- Note 2. 'Leasable area' is the total area of the building's, facility's and land's leasable offices, stores, warehouses and land as indicated in the agreements and drawing (common use space is included when leased). With respect to Tokyu Saginuma Building, Beacon Hill Plaza (Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, the area of parking lots is included. Regarding QFRONT, the area of other compartmentalized owners' exclusive-use portion is included since the fiduciary rents that area and leases it out as a block together with the entrusted property. For Setagaya Business Square, which is jointly owned with another owner, the stated figure is given by multiplying the leasable area of the whole building by the ratio of co-ownership (55%). For TOKYU REIT Toranomom Building, the area of the exclusive-use portions jointly owned with other compartmentalized owners is included since TOKYU REIT rents that area and leases it out together with the exclusive-use portion under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates the leased area of land.
- Note 3. For 'Appraisal value at end of period,' TOKYU REIT indicates the assessed value based on the appraisal by real estate appraisers following the asset evaluation method, standards and reporting date laid down in TOKYU REIT's Articles of Incorporation and rules of The Investment Trusts Association, Japan (based on real estate appraisal reports prepared by Japan Real Estate Institute, Japan Valuers Co., Ltd., Jones Lang LaSalle K.K., and Daiwa Real Estate Appraisal Co., Ltd., which adopt the period end date as the date of value estimate).

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

Name of property		15th fiscal period From August 1, 2010 to January 31, 2011				14th fiscal period From February 1, 2010 to July 31, 2010					
		Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing		
			%	Millions of yen	%		%	Millions of yen	%		
Retail	Central Tokyo and Tokyo Areas	R	QFRONT	3	100.0	¥ 626	9.6	3	100.0	¥ 746	11.4
		R	Lexington Aoyama	6	86.2	86	1.3	4	73.1	85	1.3
		R	TOKYU REIT Omotesando Square	4	100.0	187	2.9	4	100.0	188	2.9
		R	Tokyu Saginuma Building	1	100.0	308	4.7	1	100.0	308	4.7
		R	Tokyu Saginuma 2 Building	1	100.0	64	1.0	1	100.0	64	1.0
		R	TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	169	2.6	2	100.0	169	2.6
		R	cocoti	14	97.5	516	7.9	12	80.6	657	10.0
		R	CONZE Ebisu	7	87.6	118	1.8	7	87.6	136	2.1
		R	Daikanyama Forum	4	91.5	97	1.5	4	91.5	98	1.5
		Sub total	42	97.8	2,175	33.3	38	94.0	2,455	37.5	
	Other	R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	300	4.6	1	100.0	300	4.6
		R	Shonan Mall Fill (sokochi)	1	100.0	174	2.7	1	100.0	174	2.7
		Sub total	2	100.0	474	7.3	2	100.0	474	7.2	
		Total	44	99.3	2,649	40.6	40	98.1	2,929	44.7	
Office	Central Tokyo and Tokyo Areas	O	Setagaya Business Square	52	86.4	1,088	16.7	52	96.1	1,122	17.1
		O	Tokyu Nampeidai -cho Building	1	100.0	182	2.8	1	100.0	182	2.8
		O	Tokyu Sakuragaoka -cho Building	2	100.0	252	3.9	2	100.0	254	3.9
		O	Tokyo Nissan Taito Building	12	100.0	227	3.5	11	100.0	232	3.6
		O	TOKYU REIT Akasaka Hinokicho Building	3	92.5	128	2.0	4	100.0	147	2.3
		O	TOKYU REIT Kamata Building	4	88.4	255	3.9	4	88.4	284	4.3
		O	TOKYU REIT Toranomom Building	4	76.6	327	5.0	5	72.4	342	5.2
		O	TOKYU REIT Hatchobori Building	10	100.0	218	3.4	10	100.0	218	3.3
		O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	204	3.1	1	100.0	203	3.1
		O	Tokyu Ikejiri-ohashi Building	4	81.8	189	2.9	5	100.0	191	2.9
		O	Kojimachi Square (Note 4)	5	100.0	305	4.7	5	100.0	225	3.4
		O	ORIX Shinjuku Building (Note 5)	9	100.0	303	4.6	9	100.0	214	3.3
	O	Akihabara Sanwa Toyo Building (Note 6)	6	100.0	85	1.3	—	—	—	—	
		Sub total	113	91.8	3,768	57.8	109	95.0	3,620	55.3	
Other	O	Kiba Eitai Building (Note 6)	4	100.0	104	1.6	—	—	—	—	
		Sub total	4	100.0	104	1.6	—	—	—	—	
	Total	117	92.3	3,873	59.4	109	95.0	3,620	55.3		
	Grand total	161	96.3	¥ 6,522	100.0	149	96.8	¥ 6,550	100.0		

- Note 1. 'Number of tenants' is counted cumulatively, i.e., when one tenant leases plural rooms for rent in the same property, it is regarded as one tenant, and when in plural properties, it is regarded as plural tenants.
- Note 2. 'Occupancy rate' is the leased area expressed as a percentage of leasable area at the end of the period.
- Note 3. 'Occupancy rate' and '(Revenue from property leasing) As a percentage of revenue from property leasing' are rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.
- Note 4. Kojimachi Square was acquired on March 19, 2010. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the fourteenth fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.
- Note 5. ORIX Shinjuku Building was acquired on March 26, 2010. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the fourteenth fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.
- Note 6. Akihabara Sanwa Toyo Building and Kiba Eitai Building were acquired on October 29, 2010. In the table, the properties' 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the fifteenth fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.

(4) Other Assets

As of January 31, 2011, there are no assets targeted for investment other than those described above.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

The following lists the estimated amounts of major capital expenditures for repair and maintenance work of properties held, as scheduled as of January 31, 2011. The estimated construction costs shown below include those charged to expenses in accounting.

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

	Name of property	Location	Objective	Estimated period	Estimated construction cost		
					Millions of yen		
					Total	Amount paid during period	Amount paid by end of period
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renovation of external walls, etc.	From January 2011 to April 2011	¥ 101	—	—
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renewal of power receiving and transformation facilities	From February 2011 to April 2011	¥ 79	—	—
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renewal of centrifugal chiller	From February 2011 to April 2011	¥ 34	—	—
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renovation of guest restrooms on 3F and 4F	From March 2011 to April 2011	¥ 31	—	—
O	TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Renewal of air-source air-conditioning equipment on 4F, 5F and 9F	From June 2011 to July 2011	¥ 27	—	—

(2) Capital Expenditures Made during Period

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

Capital expenditures during the fifteenth fiscal period amounted to ¥235 million and ¥163 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥398 million spent for such work.

Name of property		Location	Objective	Period	Construction cost
					Millions of yen
○	Tokyo Nissan Taito Building	Taito-ku, Tokyo	Installation of building multi air-conditioning systems for air-conditioning of 4F west compartment	From October 2010 to November 2010	¥ 12
○	TOKYU REIT Toranomom Building	Minato-ku, Tokyo	Renewal of air-conditioning equipment on 2F, 3F, 6F, 7F and 8F	From October 2010 to November 2010	42
○	Tokyu Ikejiri-ohashi Building	Meguro-ku, Tokyo	Renovation of external walls	From October 2010 to December 2010	91
○	Tokyu Ikejiri-ohashi Building	Meguro-ku, Tokyo	Renewal of air-conditioning equipment on 2F	From January 2011 to January 2011	22
Other					65
Total					¥ 235

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

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

	15th fiscal period From August 1, 2010 to January 31, 2011	14th fiscal period From February 1, 2010 to July 31, 2010	13th fiscal period From August 1, 2009 to January 31, 2010	12th fiscal period From February 1, 2009 to July 31, 2009	11th fiscal period From August 1, 2008 to January 31, 2009
	Millions of yen				
Reserve at beginning of period	¥ 370	¥ 245	¥ 364	¥ 458	¥ 453
Amount transferred to reserve during period	394	346	151	144	357
Reversal from reserve during period	336	222	269	239	352
Reserve at end of period	¥ 428	¥ 370	¥ 245	¥ 364	¥ 458

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

5. Expenses and Debt

(1) Investment Management Expenses

	15th fiscal period From August 1, 2010 to January 31, 2011		14th fiscal period From February 1, 2010 to July 31, 2010	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 250		¥ 241	
Cash-based fees	194		201	
Unit price-based fees	-	¥ 445	-	¥ 442
Asset custodian fees		19		22
General administration fees		40		43
Directors' fees		6		6
Other expenses		63		54
Total		¥ 575		¥ 568

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

Short-term debt and long-term debt from each financial institution, as of January 31, 2011, are as follows:

Category	Lender	Draw-down date	Balance as of January 31, 2011	Balance as of July 31, 2010	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Long-term debt	Development Bank of Japan Inc.	June 25, 2004	¥ 4,000	¥ 4,000	2.03000	June 25, 2012	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
	The National Mutual Insurance Federation of Agricultural Cooperatives	October 25, 2005	1,000	1,000	1.26250	October 25, 2011			Unsecured and Unguaranteed (Notes 2 and 3)
	Development Bank of Japan Inc.	January 25, 2006	5,000	5,000	1.95000	January 25, 2018			Unsecured and Unguaranteed (Note 2)
	Nippon Life Insurance Company	July 31, 2006	4,000	4,000	1.93000	July 31, 2011			Unsecured and Unguaranteed (Notes 2 and 3)
	The Dai-ichi Mutual Life Insurance Company		4,000	4,000	2.21125	July 31, 2013			
	The Dai-ichi Mutual Life Insurance Company	January 25, 2007	1,000	1,000	1.92000	January 25, 2014			Unsecured and Unguaranteed (Note 2)
	The National Mutual Insurance Federation of Agricultural Cooperatives		3,000	3,000					
	The Sumitomo Trust and Banking Company, Limited	June 25, 2007	-	5,000	1.81062	December 25, 2010			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 25, 2007	5,000	5,000	1.62625	September 25, 2011			Unsecured and Unguaranteed (Notes 2 and 3)
	Daido Life Insurance Company	March 10, 2008	3,000	3,000	1.76625	March 10, 2016			Unsecured and Unguaranteed (Note 2)
	Development Bank of Japan Inc.	June 25, 2008	5,000	5,000	2.21100	June 25, 2015			Unsecured and Unguaranteed (Notes 2 and 3)
	Mizuho Corporate Bank, Ltd.		2,000	2,000	1.81875	June 25, 2011			Unsecured and Unguaranteed (Note 2)
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000	2.10187	December 25, 2013			Unsecured and Unguaranteed (Note 2)
	The Norinchukin Bank		July 25, 2008	1,000	1,000	1.80375			July 25, 2012
	Mizuho Corporate Bank, Ltd.	November 11, 2008	2,000	2,000	1.54250	November 11, 2011			Unsecured and Unguaranteed (Notes 2 and 3)
	The Chuo Mitsui Trust and Banking Company, Limited	November 18, 2008	2,000	2,000	1.48125	May 18, 2011			Unsecured and Unguaranteed (Note 2)
Mitsubishi UFJ Trust and Banking Corporation	2,000		2,000	1.72500	November 18, 2012	Unsecured and Unguaranteed (Note 2)			

Category	Lender	Draw-down date	Balance as of January 31, 2011	Balance as of July 31, 2010	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Long-term debt	The Sumitomo Trust and Banking Company, Limited	November 25, 2008	2,000	2,000	1.47500	May 25, 2011	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Notes 2 and 3)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000	1.63062	May 25, 2012			Unsecured and Unguaranteed (Note 2)
	Mizuho Corporate Bank, Ltd.		1,000	1,000	1.52875	November 11, 2011			Unsecured and Unguaranteed (Notes 2 and 3)
	Development Bank of Japan Inc.	February 25, 2009	5,000	5,000	1.79000	February 25, 2014			Unsecured and Unguaranteed (Note 2)
	Mizuho Corporate Bank, Ltd.	April 27, 2009	400	400	1.32750	October 27, 2011			Unsecured and Unguaranteed (Notes 2 and 3)
	The Chuo Mitsui Trust and Banking Company, Limited	June 25, 2009	2,500	2,500	1.67500	June 25, 2013			Unsecured and Unguaranteed (Note 2)
	Mitsubishi UFJ Trust and Banking Corporation		2,500	2,500					
	The Chuo Mitsui Trust and Banking Company, Limited		2,500	2,500	1.78812	December 25, 2013			
	Mitsubishi UFJ Trust and Banking Corporation		2,500	2,500					
	The Sumitomo Trust and Banking Company, Limited	June 29, 2009	400	400	1.66375	June 29, 2013			
	The Chuo Mitsui Trust and Banking Company, Limited		400	400	1.46875	June 29, 2012			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,400	1,400	1.21064	August 29, 2012			
	Mitsubishi UFJ Trust and Banking Corporation		400	400	1.46875	June 29, 2012			
	Daido Life Insurance Company	June 25, 2010	1,000	1,000	1.17125	December 25, 2012			
	Mitsui Sumitomo Insurance Co., Ltd.		1,000	1,000	1.31250	June 25, 2014			
	Mizuho Corporate Bank, Ltd.		1,000	1,000					
	The Sumitomo Trust and Banking Company, Limited	July 26, 2010	1,000	1,000	1.46250	July 26, 2015			
	The Chuo Mitsui Trust and Banking Company, Limited		1,000	1,000					
	Shinkin Central Bank		2,000	2,000					
	The Sumitomo Trust and Banking Company, Limited	December 27, 2010	5,000	-	1.63250	December 27, 2016			
Total		¥ 80,000	¥ 80,000						

- Note 1. 'Average interest rate' is the weighted average interest rate during the period.
- Note 2. Depending on the financial position of TOKYU REIT, additional interest rates, additional cash reserves, asset acquisition and disposition restrictions, debt burden and payment restrictions, dividend restrictions, offering of additional pledge and other financial covenants may apply.
- Note 3. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

(3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2011 is as follows:

Name	Issue date	Balance as of January 31, 2011	Balance as of July 31, 2010	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
		Millions of yen		(%)				
1st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.65000	October 24, 2012	Full amount on maturity	Repayment of debt financing	Unsecured/Unguaranteed (Note)
2nd Series Unsecured Investment Corporation Bond	October 24, 2007	5,000	5,000	1.89000	October 24, 2014			
Total		¥10,000	¥10,000					

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

6. Acquisitions and Dispositions during the Fifteenth Fiscal Period

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

Asset type	Name of property		Acquisition		Disposition			
			Acquisition date	Acquisition price (Note)	Disposition date	Disposition price	Book value	Gain (Loss) on sale
				Millions of yen				
Trust beneficiary interest in real estate	○	Akihabara Sanwa Toyo Building	October 29, 2010	¥ 4,600	—	—	—	—
Trust beneficiary interest in real estate	○	Kiba Eitai Building	October 29, 2010	4,000	—	—	—	—
Total				¥ 8,600		—	—	—

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

(2) Sales and Purchases of Other Assets

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

(3) Research on Prices of Specified Assets

Acquisition

Asset type	Name of property		Acquisition date	Acquisition price (Note 2)	Assessed value of specified assets	(Reference) Appraisal value at end of period (Note 3)
				Millions of yen		
Trust beneficiary interest in real estate	○	Akihabara Sanwa Toyo Building	October 29, 2010	¥ 4,600	¥ 4,820	¥ 4,900
Trust beneficiary interest in real estate	○	Kiba Eitai Building	October 29, 2010	4,000	4,460	4,460
Total				¥ 8,600	¥ 9,280	¥ 9,360

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

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

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

(4) Trading with Interested Persons, Etc. and Major Shareholders

① Status of Trading

TOKYU REIT carried out no transactions, including the trading of specified assets, with interested persons, etc. and major shareholders.

② Amounts of Commissions Paid

Item	Total amounts of commissions paid (A) Thousands of yen	Paid to interested persons, etc. and major shareholders		B/A (%)
		Payee	Amount of payment (B) Thousands of yen	
Utilities expenses	¥ 513,444	Yoga District Heating and Cooling Co., Ltd.	¥ 109,482	21.3
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Subcontract expenses	¥ 442,376	Tokyu Community Corporation	¥ 265,967	60.1
		Tokyu Facility Service Co., Ltd.	¥ 33,087	7.5
		its communications Inc.	¥ 20,065	4.5
		Kyodo Gijutsu Center Co., Ltd.	¥ 11,097	2.5
		Tokyu Store Corporation	¥ 3,877	0.9
Property management fees	¥ 144,448	Tokyu Corporation	¥ 74,016	51.2
		Tokyu Community Corporation	¥ 68,938	47.7
Insurance premium	¥ 13,941	Tokyu Insurance Consulting Co., Ltd.	¥ 13,627	97.7
Other rental service expenses	¥ 226,972	Tokyu Community Corporation	¥ 13,064	5.8
		TMD Corporation	¥ 11,254	5.0
		Tokyu Corporation	¥ 2,931	1.3
		Shibuya Underground Shopping Center, Inc.	¥ 845	0.4
		Tokyu Facility Service Co., Ltd.	¥ 401	0.2
		Tokyu Green System Co., Ltd.	¥ 145	0.1
		its communications Inc.	¥ 62	0.0
		Tokyu Security Co., Ltd.	¥ 11	0.0

Note 1. Pursuant to Article 123 of the Investment Trust Law Enforcement Order, interested persons, etc. are defined as having interests in Tokyu REIM based on the investment management agreement concluded with TOKYU REIT. Pursuant to Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Law, major shareholders are defined as major shareholders of Tokyu REIM. However, information provided in this section, "(4) Trading with Interested Persons, Etc. and Major Shareholders," includes trading with Tokyu Group companies, which are subject to TOKYU REIT's voluntary measures to prevent conflicts of interest.

Note 2. In addition to the commissions paid described above, TOKYU REIT paid for commissions to third parties through interested persons, etc. and major shareholders Tokyu Corporation, Tokyu Community Corporation and TMD Corporation in the amount of ¥59,271 thousand, ¥23,045 thousand and ¥600 thousand, respectively.

In addition to commissions paid as described above, the amount paid for repair and maintenance work placed to interested persons, etc. and major shareholders during the fifteenth fiscal period are as follows:

Tokyu Construction Co., Ltd.	¥ 94,205 thousand
Tokyu Corporation	¥ 7,148 thousand
Tokyu Security Co., Ltd.	¥ 3,280 thousand
Tokyu Community Corporation	¥ 2,262 thousand
Kyodo Gijutsu Center Co., Ltd.	¥ 992 thousand
Tokyu Facility Service Co., Ltd.	¥ 788 thousand
Tokyu Green System Co., Ltd.	¥ 198 thousand
Tokyu Renewal Co., Ltd.	¥ 197 thousand
its communications Inc.	¥ 190 thousand
Tokyu Hands Inc.	¥ 5 thousand

(5) Trading between the Investment Management Company and TOKYU REIT Pertaining to Business Concurrently Operated by the Investment Management Company
There is no item that falls under this category.

7. Accounting

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

See accompanying Balance Sheets, Statements of Income, Statements of Changes in Unitholders' Equity and Notes to Financial Statements.

(2) Change in Depreciation Method

There is no item that falls under this category.

(3) Change in Valuation Methods

There is no item that falls under this category.

8. Other

(1) News

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

Date of meeting	Agenda item	Summary
September 13, 2010	Amendment of investment management agreement	The meeting approved to amend the management fees set forth in the investment management agreement executed with the investment management company Tokyu REIM. The amendment is subject to the condition precedent that amendment of TOKYU REIT's Articles of Incorporation for the abovementioned amendment of the management fees is approved at a General Meeting of Unitholders.
November 26, 2010	Revision of general administration and asset custody agreements, as well as regulations pertaining to these agreements	The meeting approved to revise the general administration agreement (excluding transfer agent for investment units) and asset custody agreement executed with general administrator and asset custodian Mitsubishi UFJ Trust and Banking Corporation, as well as the regulations pertaining to these agreements.
December 3, 2010	Engagement of underwriters for investment corporation bond offerings, and outsourcing of general administrative operations relating to investment corporation bonds	In connection with a comprehensive resolution passed on the same date regarding the issuance of investment corporation bonds, the meeting approved that TOKYU REIT's executive director shall have full authority on the selection, etc. of providers of general administrative services relating to investment corporation bonds to be issued in the future.
January 28, 2011	Renewal of general administration and asset custody agreements	The meeting approved to renew the agreements for the general administration agreement (excluding transfer agent for investment units) and asset custody agreement executed with general administrator and asset custodian Mitsubishi UFJ Trust and Banking Corporation.

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

There is no item that falls under this category.

(3) Other

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

Report of Independent Auditors

To the Board of Directors of
TOKYU REIT, Inc.

We have audited the accompanying balance sheet of TOKYU REIT, Inc. (“the Company”) as of January 31, 2011, and the related statements of income, changes in unitholders’ equity and cash flows for the six months then ended, all expressed in Japanese yen. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2011, and the results of its operations and its cash flows for the six months then ended in conformity with accounting principles generally accepted in Japan.



April 26, 2011

TOKYU REIT, Inc.
Balance Sheets
As of January 31, 2011 and July 31, 2010

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 8,393	¥ 16,454
Cash and deposits with banks held in trust	10,914	10,158
Tenant receivables	108	142
Consumption tax refund receivables	-	375
Lease deposits held in trust due within one year	18	18
Other current assets	55	48
Total current assets	19,490	27,198
Fixed assets:		
Property and equipment		
Buildings and structures	5,682	5,624
Land	30,144	30,144
Other tangible assets	30	28
Buildings and structures held in trust	46,513	44,026
Land held in trust	115,335	108,869
Other tangible assets held in trust	1,226	1,219
Construction in progress held in trust	1	3
Less accumulated depreciation	(12,536)	(11,498)
Total property and equipment	186,397	178,417
Intangible assets		
Intangible assets	1	2
Intangible assets held in trust	12	13
Total intangible assets	14	15
Investments and other assets		
Lease deposits	125	125
Lease deposits held in trust	836	855
Other assets	217	243
Total investments and other assets	1,179	1,224
Total fixed assets	187,591	179,657
Deferred assets:		
Investment corporation bond issuance expenses	23	28
Total deferred assets	23	28
Total assets	¥ 207,106	¥ 206,884

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

TOKYU REIT, Inc.
Balance Sheets, continued
As of January 31, 2011 and July 31, 2010

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Long-term debt due within one year	¥ 19,400	¥ 15,000
Accounts payable	782	782
Consumption tax payable	79	-
Rent received in advance	1,041	1,002
Tenant leasehold and security deposits held in trust due within one year	624	624
Accrued expenses and other current liabilities	235	267
Total current liabilities	22,162	17,677
Long-term liabilities:		
Long-term debt	60,600	65,000
Investment corporation bonds	10,000	10,000
Tenant leasehold and security deposits	1,833	1,882
Tenant leasehold and security deposits held in trust	12,445	12,165
Other long-term liabilities	4	4
Total long-term liabilities	84,883	89,053
Total liabilities	¥ 107,046	¥ 106,730
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized - 2,000,000 units		
Units issued and outstanding - 169,380 units as of January 31, 2011 and July 31, 2010	¥ 98,019	¥ 98,019
Retained earnings	2,040	2,133
Total net assets	100,059	100,153
Total liabilities and net assets	¥ 207,106	¥ 206,884

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

TOKYU REIT, Inc.
Statements of Income
For the six months ended January 31, 2011 and July 31, 2010

	For the six months ended	
	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 6,040	¥ 5,850
Other rental revenue	481	700
Revenues from facility acceptance	2	-
Operating expenses:		
Rental service expenses	(3,070)	(2,980)
Asset management fees	(445)	(442)
Other	(129)	(126)
Operating income	2,878	3,001
Non-operating income:		
Interest income	5	9
Other	7	1
Non-operating expenses:		
Interest expense	(713)	(719)
Interest expense on investment corporation bonds	(89)	(87)
Amortization of investment corporation bond issuance expenses	(4)	(4)
Other	(43)	(66)
Income before income taxes	2,041	2,134
Income taxes:		
Current	(0)	(0)
Deferred	0	0
Net income	2,040	2,133
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 2,040	¥ 2,133

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

TOKYU REIT, Inc.
Statements of Changes in Unitholders' Equity
For the six months ended January 31, 2011 and July 31, 2010

For the six months ended January 31, 2011

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at July 31, 2010	¥ 98,019	¥ 2,133	¥ 100,153
Changes during the period			
Cash distributions declared	-	(2,133)	(2,133)
Net income	-	2,040	2,040
Total changes during the period	-	(93)	(93)
Balance at January 31, 2011	¥ 98,019	¥ 2,040	¥ 100,059

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

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

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

TOKYU REIT, Inc.
Statements of Cash Flows
For the six months ended January 31, 2011 and July 31, 2010

	For the six months ended	
	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 2,041	¥ 2,134
Depreciation and amortization	1,039	983
Amortization of investment corporation bond issuance expenses	4	4
Loss on disposal of property and equipment	1	33
Interest income	(5)	(9)
Interest expense	835	842
(Increase) Decrease in tenant receivables	34	134
(Increase) Decrease in consumption tax refund receivables	375	(375)
Increase (Decrease) in consumption tax payable	79	(403)
Increase (Decrease) in accounts payable	26	(26)
Increase (Decrease) in rent received in advance	38	78
Other, net	(16)	67
Total	4,454	3,463
Interest received	5	9
Interest paid	(835)	(854)
Income taxes paid	(0)	(2)
Net cash provided by operating activities	3,624	2,616
Cash flows from investing activities:		
Payments for purchases of property and equipment	(64)	(9,369)
Payments for purchases of property and equipment held in trust	(8,974)	(9,142)
Payments for purchases of intangible assets held in trust	(0)	-
Proceeds from lease deposits held in trust	18	-
Proceeds from tenant leasehold and security deposits	25	503
Payments for tenant leasehold and security deposits	(75)	(28)
Proceeds from tenant leasehold and security deposits held in trust	1,027	598
Payments for tenant leasehold and security deposits held in trust	(747)	(901)
Payments for restricted deposits with banks held in trust	(1,046)	(598)
Proceeds from restricted deposits with banks held in trust	530	684
Net cash used in investing activities	(9,305)	(18,254)
Cash flows from financing activities:		
Repayment of short-term debt	-	(7,000)
Proceeds from long-term debt	5,000	7,000
Repayment of long-term debt	(5,000)	(7,000)
Payment of dividends	(2,139)	(13,440)
Net cash used in financing activities	(2,139)	(20,440)
Net change in cash and cash equivalents	(7,820)	(36,079)
Cash and cash equivalents at beginning of period	18,576	54,656
Cash and cash equivalents at end of period	¥ 10,756	¥ 18,576

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

TOKYU REIT, Inc.
Notes to Financial Statements

For the six months ended January 31, 2011 and July 31, 2010

1. Organization and basis of presentation

(a) Organization

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

On September 10, 2003, TOKYU REIT was listed on the Tokyo Stock Exchange and issued 97,600 investment units for proceeds totaling ¥49,917 million through initial public offering. TOKYU REIT had acquired 11 properties with those proceeds and started its substantial operation.

In August 2004, TOKYU REIT completed its second public offering of 42,000 units and third party allotment of 2,000 units. Net proceeds totaling ¥27,742 million were utilized in the partial repayments of short-term loans and the acquisition of an additional two properties.

In August 2005, TOKYU REIT completed its third public offering of 26,700 units and third party allotment of 680 units. With net proceeds totaling ¥20,159 million, TOKYU REIT had repaid short-term debt and acquired 40% of trust beneficiary interest of cocoti.

As at January 31, 2011, TOKYU REIT's total capital is ¥98,019 million with 169,380 units issued and outstanding. TOKYU REIT has been operating 25 properties at an occupancy rate of approximately 96.3%. Total acquisition cost of the 25 properties is ¥194,662 million and total rentable area is 241,903.86 m².

(b) Basis of presentation

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

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

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

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

2. Significant accounting policies

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

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

	January 31, 2011	July 31, 2010 (information only)
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-52	2-52
Other tangible assets		
Machinery and equipment	2-17	2-17
Tools, furniture and fixtures	2-15	2-15

- (c) **Intangible assets** - Amortization is computed by using the straight-line method.
- (d) **Accounting treatment of beneficiary interest in trust accounts, including real estate** - For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan and through which TOKYU REIT holds most of its property, all accounts of assets and liabilities within the trust, as well as all income generated and expenses incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.
- (e) **Accounting standard for impairment of fixed assets** - Effective August 1, 2005, TOKYU REIT adopted the "Accounting Standard for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council in Japan on August 9, 2002) and "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets" ("Financial Accounting Standard Implementation Guidance No. 6" issued by the Accounting Standards Board of Japan on October 31, 2003). The standard requires the recognition of an impairment loss on fixed assets whenever events or changes in circumstances indicate that the carrying amounts of fixed assets may not be recoverable.
- (f) **Accounting method for deferred assets** - Depreciation of investment corporation bond issuance expenses is calculated using the straight-line method at rates based on the redemption period of the respective bonds.
- (g) **Revenue recognition** - TOKYU REIT operates retail and office properties that are rented to tenants. Revenue from leasing the retail and office space is recognized on an accrual basis over the term of each lease. Rental revenue includes fixed rental revenues, recoveries of utility charges and other income.
- (h) **Property-related taxes** - Property-related taxes (property tax, city planning tax and depreciable property tax) are imposed on property on a calendar year basis. The amount of such taxes assessed in the period is charged to income as rental service expenses. In accordance with Japanese business practice, at the time of disposal, the seller of the property is generally liable for property-related taxes on the property from the date of disposal to the end of the calendar

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2011 and July 31, 2010

year in which the property is disposed. The seller, however, is reimbursed by the purchaser of the property for the accrued property-related tax liabilities up to the time of disposal, and the amount of the settlement reflects this adjustment when acquiring a property. TOKYU REIT is allocating the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amount of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes are ¥11 million for the six months ended January 31, 2011, and ¥52 million for the six months ended July 31, 2010.

- (i) **Income taxes** – Income taxes are accounted for financial reporting purposes. The tax effect of temporary differences between the amount of assets and liabilities for financial statements and for income tax reporting is recognized as deferred taxes. Deferred tax assets of ¥19 thousand and ¥18 thousand are included in other current assets as of January 31, 2011 and July 31, 2010, respectively.
- (j) **Net income per unit** – Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.

3. Changes in accounting policies

Effective April 1, 2010, TOKYU REIT adopted the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18 issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Guidance No. 21 issued on March 31, 2008). The application of this new standard had no impact on the income(loss) as of January 31, 2011.

4. Cash and cash equivalents

Cash and cash equivalents at January 31, 2011 and July 31, 2010 consisted of the following:

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Cash and deposits with banks	¥ 8,393	¥ 16,454
Cash and deposits with banks held in trust	10,914	10,158
Restricted deposits with banks held in trust	(8,551)	(8,036)
Cash and cash equivalents	<u>¥ 10,756</u>	<u>¥ 18,576</u>

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

5. Schedule of property and equipment and intangible assets

Property and equipment and intangible assets as of January 31, 2011 and July 31, 2010 consisted of the following:

	January 31, 2011			July 31, 2010 (information only)		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 5,637	¥ (816)	¥ 4,820	¥ 5,579	¥ (707)	¥ 4,871
Structures	45	(8)	37	45	(6)	38
Land	30,144	-	30,144	30,144	-	30,144
Other tangible assets						
Machinery and equipment	10	(4)	6	10	(3)	6
Tools, furniture and fixtures	19	(9)	10	18	(7)	10
Property and equipment held in trust						
Buildings and structures						
Buildings	45,727	(10,748)	34,978	43,245	(9,906)	33,339
Structures	786	(297)	488	781	(275)	505
Land	115,335	-	115,335	108,869	-	108,869
Other tangible assets						
Machinery and equipment	935	(460)	475	933	(411)	521
Tools, furniture and fixtures	290	(189)	100	286	(178)	107
Construction in progress	1	-	1	3	-	3
Sub total	198,933	(12,536)	186,397	189,916	(11,498)	178,417
Intangible assets						
Intangible assets	2	(0)	1	2	(0)	2
Intangible assets held in trust	23	(10)	12	23	(10)	13
Sub total	26	(11)	14	25	(10)	15
Total	¥ 198,960	¥ (12,547)	¥ 186,412	¥ 189,942	¥ (11,509)	¥ 178,433

6. Collateral pledged and secured liabilities

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

Assets pledged as collateral	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 2,994	¥ 3,072
Structures	136	139
Land	5,585	5,585
Other tangible assets		
Machinery and equipment	8	8
Tools, furniture and fixtures	0	0
Total	¥ 8,725	¥ 8,806
Secured liabilities		
(Millions of yen)		
Tenant leasehold and security deposits held in trust due within one year	¥ 433	¥ 433
Tenant leasehold and security deposits held in trust	3,229	3,446
Total	¥ 3,663	¥ 3,880

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

7. Short-term debt and long-term debt

Short-term debt and long-term debt as of January 31, 2011 and July 31, 2010 consisted of the following:

	Balance as of January 31, 2011	Balance as of July 31, 2010 (information only)	Average interest rate (Note 1)
	(Millions of yen)		(%)
Short-term debt			
Sub total	¥ -	¥ -	
Long-term debt			
Unsecured loans due on December 25, 2010 with fixed rate	-	5,000	1.81062
Unsecured loans due on May 18, 2011 with fixed rate (Note 2)	2,000	2,000	1.48125
Unsecured loans due on May 25, 2011 with fixed rate (Note 2)	2,000	2,000	1.47500
Unsecured loans due on June 25, 2011 with fixed rate (Note 2)	2,000	2,000	1.81875
Unsecured loans due on July 31, 2011 with fixed rate (Note 2)	4,000	4,000	1.93000
Unsecured loans due on September 25, 2011 with fixed rate (Note 2)	5,000	5,000	1.62625
Unsecured loans due on October 25, 2011 with fixed rate (Note 2)	1,000	1,000	1.26250
Unsecured loans due on October 27, 2011 with fixed rate (Note 2)	400	400	1.32750
Unsecured loans due on November 11, 2011 with fixed rate (Note 2)	2,000	2,000	1.54250
Unsecured loans due on November 11, 2011 with fixed rate (Note 2)	1,000	1,000	1.52875
Unsecured loans due on May 25, 2012 with fixed rate	2,000	2,000	1.63062
Unsecured loans due on June 25, 2012 with fixed rate	4,000	4,000	2.03000
Unsecured loans due on June 29, 2012 with fixed rate	800	800	1.46875
Unsecured loans due on July 25, 2012 with fixed rate	1,000	1,000	1.80375
Unsecured loans due on August 29, 2012 with floating rate	1,400	1,400	1.21064
Unsecured loans due on November 18, 2012 with fixed rate	2,000	2,000	1.72500
Unsecured loans due on December 25, 2012 with fixed rate	1,000	1,000	1.17125
Unsecured loans due on June 25, 2013 with fixed rate	5,000	5,000	1.67500
Unsecured loans due on June 29, 2013 with fixed rate	400	400	1.66375
Unsecured loans due on July 31, 2013 with fixed rate	4,000	4,000	2.21125
Unsecured loans due on December 25, 2013 with fixed rate	1,000	1,000	2.10187
Unsecured loans due on December 25, 2013 with fixed rate	5,000	5,000	1.78812
Unsecured loans due on January 25, 2014 with fixed rate	4,000	4,000	1.92000
Unsecured loans due on February 25, 2014 with fixed rate	5,000	5,000	1.79000
Unsecured loans due on June 25, 2014 with fixed rate	2,000	2,000	1.31250
Unsecured loans due on June 25, 2015 with fixed rate	5,000	5,000	2.21100
Unsecured loans due on July 26, 2015 with fixed rate	4,000	4,000	1.46250
Unsecured loans due on March 10, 2016 with fixed rate	3,000	3,000	1.76625
Unsecured loans due on December 27, 2016 with fixed rate	5,000	-	1.63250
Unsecured loans due on January 25, 2018 with fixed rate	5,000	5,000	1.95000
Sub total	80,000	80,000	
Total	¥ 80,000	¥ 80,000	

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

Note 2. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

TOKYU REIT executed commitment line agreements which provide credit facilities totaling ¥2 billion with two banks on April 21, 2005 and ¥10 billion with one bank on July 2, 2009. No amount has been drawn down as of January 31, 2011 and July 31, 2010.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

8. Investment corporation bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2011 and July 31, 2010 were as follows:

Name	Issue date	Balance as of	Balance as of	Annual	Maturity date
		January 31, 2011	July 31, 2010 (information only)	interest rate	
		(Millions of yen)		(%)	
1 st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.65000	October 24, 2012
2 nd Series Unsecured Investment Corporation Bond	October 24, 2007	5,000	5,000	1.89000	October 24, 2014
Total		<u>¥ 10,000</u>	<u>¥ 10,000</u>		

9. Unitholders' equity

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

10. Rental revenue and expense

Rental revenues and expenses for the six months ended January 31, 2011 and July 31, 2010 were as follows:

	For the six months ended	
	January 31, 2011	July 31, 2010 (information only)
(Millions of yen)		
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 4,896	¥ 4,736
Common area charges	661	629
Parking lot revenue under monthly contract	135	130
Other rent income	347	353
Sub total	<u>6,040</u>	<u>5,850</u>
Other rental revenue:		
Incidental income	411	390
Other miscellaneous income	70	310
Sub total	<u>481</u>	<u>700</u>
Total revenue from property leasing	(a) <u>6,522</u>	<u>6,550</u>
Rental service expenses:		
Utilities expenses	513	480
Subcontract expenses	442	427
Property management fees	144	156
Repairs and maintenance expenses	163	142
Property-related taxes	525	533
Insurance premium	13	13
Depreciation and amortization	1,039	983
Loss on disposal of property and equipment	1	33
Other	226	209
Total rental service expenses	(b) <u>3,070</u>	<u>2,980</u>
Operating income from property leasing activities	(a)-(b) <u>¥ 3,451</u>	<u>¥ 3,570</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

11. The financial results of each property (Unaudited)

Details on the financial results of each property for the six months ended January 31, 2011 and July 31, 2010 were as follows: (Unaudited)

For the six months ended January 31, 2011

Name of building	Revenue from property leasing	Property leasing expenses (Note 1)	NOI (Note 2)	Depreciation and amortization (Note 3)	Operating income from property leasing activities
	(Millions of yen)				
R QFRONT	¥ 626	¥ 244	¥ 382	¥ 54	¥ 327
R Lexington Aoyama	86	29	56	8	48
R TOKYU REIT Omotesando Square	187	33	153	10	143
R Tokyu Saginuma Building	308	52	255	26	229
R Tokyu Saginuma 2 Building	64	39	24	8	16
R TOKYU REIT Shibuya Udagawa-cho Square	169	20	149	4	144
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	52	247	82	165
R cocoti	516	235	281	176	104
R Shonan Mall Fill (<i>sokochi</i>)	174	26	147	-	147
R CONZE Ebisu	118	35	83	18	64
R Daikanyama Forum	97	66	30	12	17
O Setagaya Business Square	1,088	517	570	254	315
O Tokyu Nampeidai-cho Building	182	33	149	20	128
O Tokyu Sakuragaoka-cho Building	252	48	203	20	183
O Tokyo Nissan Taito Building	227	72	155	31	123
O TOKYU REIT Akasaka Hinokicho Building	128	37	90	9	80
O TOKYU REIT Kamata Building	255	85	169	32	136
O TOKYU REIT Toranomom Building	327	156	170	35	135
O TOKYU REIT Hatchobori Building	218	51	167	33	134
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	204	39	164	37	127
O Tokyu Ikejiri-ohashi Building	189	50	139	25	114
O Kojimachi Square	305	32	273	59	214
O ORIX Shinjuku Building	303	38	265	40	224
O Akihabara Sanwa Toyo Building	85	12	73	9	63
O Kiba Eitai Building	104	17	86	26	59
Total	¥ 6,522	¥ 2,030	¥ 4,492	¥ 1,040	¥ 3,451

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

For the six months ended July 31, 2010

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

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

Note 2. NOI represents net operating income, calculated as revenue from property leasing minus property leasing expenses.

Note 3. Depreciation and amortization include loss on disposal of property and equipment.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

12. Income taxes

Income taxes in Japan applicable to TOKYU REIT consist of corporate income tax, enterprise tax and inhabitant tax. The following is reconciliation between the statutory income tax rate in Japan and the effective tax rate reflected in the accompanying financial statements for the six months ended January 31, 2011 and July 31, 2010.

	January 31, 2011	July 31, 2010 (information only)
Statutory income tax rate	39.33%	39.33%
Deductible cash distributions	(39.31)	(39.31)
Other	0.03	0.03
Effective tax rate	0.05%	0.05%

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

13. Per unit information

The following table summarizes the net income per unit for the six months ended January 31, 2011 and July 31, 2010 and the unitholders’ equity per unit as of January 31, 2011 and July 31, 2010.

	For the six months ended	
	January 31, 2011	July 31, 2010 (information only)
Net income per unit	¥ 12,045	¥ 12,597
Weighted-average number of units ※1	169,380 units	169,380 units

※1 Average number of units weighed by days in each fiscal period.

	As of January 31, 2011	As of July 31, 2010 (information only)
Unitholders’ equity per unit	¥ 590,742	¥ 591,295

Diluted net income per unit is not presented since neither warrants nor convertible bonds were issued during the six months ended January 31, 2011 and July 31, 2010.

14. Distribution information

The Board of Directors of TOKYU REIT resolved on March 15, 2011 and September 13, 2010 to effect payment of cash distributions of ¥12,045 and ¥12,598 per unit to unitholders of record on January 31, 2011 and July 31, 2010, respectively. Retained earnings carried forward after the distributions are as follows:

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Retained earnings at end of period	¥ 2,040	¥ 2,133
Cash distributions declared	2,040	2,133
Retained earnings carried forward	¥ 0	¥ 0

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

15. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of January 31, 2011 and July 31, 2010, the future lease revenues under the non-cancelable operating leases were as follows:

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Due within one year	¥ 5,382	¥ 5,407
Due after one year	19,532	20,821
Total	¥ 24,915	¥ 26,228

As of January 31, 2011 and July 31, 2010, the future lease payments under the non-cancelable operating leases were as follows:

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Due within one year	¥ 234	¥ 235
Due after one year	3,609	3,758
Total	¥ 3,843	¥ 3,993

16. Fair value of financial instruments

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

(a) Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

Funds from debts and investment corporation bonds are mainly used as funds for asset acquisition or debt repayment, etc. These are exposed to liquidity risk at the time of repayment, but the liquidity risk is controlled at TOKYU REIT through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital increases, along with securing several fund procurement sources and diversifying repayment deadlines, executing commitment line agreements which provide credit facilities totaling ¥12 billion with TOKYU REIT's main banks (no amount has been drawn down as of January 31, 2011 and July 31, 2010), and also preparing monthly fund management plans.

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

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

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

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

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

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

(b) Matters concerning fair value of financial instruments

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

	January 31, 2011			July 31, 2010 (information only)		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
(Millions of yen)						
(1) Cash and deposits with banks	¥ 8,393	¥ 8,393	¥ -	¥ 16,454	¥ 16,454	¥ -
(2) Cash and deposits with banks held in trust	10,914	10,914	-	10,158	10,158	-
Assets total	<u>19,307</u>	<u>19,307</u>	<u>-</u>	<u>26,613</u>	<u>26,613</u>	<u>-</u>
(1) Short-term debt	-	-	-	-	-	-
(2) Long-term debt due within one year	19,400	19,486	86	15,000	15,086	86
(3) Tenant leasehold and security deposits held in trust due within one year	624	679	55	624	683	59
(4) Investment corporation bonds	10,000	10,259	259	10,000	10,276	276
(5) Long-term debt	60,600	61,476	876	65,000	65,934	934
(6) Tenant leasehold and security deposits held in trust	4,084	3,975	(108)	4,492	4,343	(149)
Liabilities total	<u>¥ 94,709</u>	<u>¥ 95,878</u>	<u>¥ 1,168</u>	<u>¥ 95,117</u>	<u>¥ 96,324</u>	<u>¥ 1,207</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2011 and July 31, 2010

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

Assets

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

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

Liabilities

(1) Short-term debt

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

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

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

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

(6) Tenant leasehold and security deposits held in trust

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

(4) Investment corporation bonds

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

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

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Carrying amount		
(i) Tenant leasehold and security deposits	¥ 1,833	¥ 1,882
(ii) Tenant leasehold and security deposits held in trust	8,361	7,673

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

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

	January 31, 2011			July 31, 2010 (information only)		
	Cash and deposits with banks	Cash and deposits with banks held in trust	Total	Cash and deposits with banks	Cash and deposits with banks held in trust	Total
	(Millions of yen)					
Within one year	¥ 8,393	¥ 10,914	¥ 19,307	¥ 16,454	¥ 10,158	¥ 26,613
Within two years, but over one year	-	-	-	-	-	-
Within three years, but over two years	-	-	-	-	-	-
Within four years, but over three years	-	-	-	-	-	-
Within five years, but over four years	-	-	-	-	-	-
Over five years	-	-	-	-	-	-

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

	January 31, 2011				July 31, 2010 (information only)			
	Short-term debt	Investment corporation bonds	Long-term debt	Total	Short-term debt	Investment corporation bonds	Long-term debt	Total
	(Millions of yen)							
Within one year	¥ -	¥ -	¥ 19,400	¥ 19,400	¥ -	¥ -	¥ 15,000	¥ 15,000
Within two years, but over one year	-	5,000	12,200	17,200	-	-	17,200	17,200
Within three years, but over two years	-	-	19,400	19,400	-	5,000	13,800	18,800
Within four years, but over three years	-	5,000	7,000	12,000	-	-	17,000	17,000
Within five years, but over four years	-	-	9,000	9,000	-	5,000	9,000	14,000
Over five years	-	-	13,000	13,000	-	-	8,000	8,000

17. Related party transactions

Masahiro Horie, who holds no voting units of TOKYU REIT, is executive director of TOKYU REIT and Representative Director & President and Chief Executive Officer of Tokyu REIM, has entered into an asset management agreement subject to the conditions set forth in the TOKYU REIT's articles of incorporation with TOKYU REIT. The amount of management fees incurred for the six months ended January 31, 2011 and July 31, 2010 and payable due to asset manager as of then were as follows:

	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Asset management fees for the period	¥ 445	¥ 442
Management fees payable due to asset manager	204	211

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

18. Fair value of investment and rental properties

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

TOKYU REIT owns rental office properties and rental retail properties (including land) primarily in Central Tokyo and Tokyu Areas (Note 1). The following are the carrying amount at the end of the fiscal period, change during the fiscal period and fair value at the end of the fiscal period for these investment and rental properties.

	For the six months ended	
	January 31, 2011	July 31, 2010 (information only)
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 178,433	¥ 160,901
Change during the period (Note 3)	7,979	17,531
Balance at end of period	¥ 186,412	¥ 178,433
	As of January 31, 2011	As of July 31, 2010 (information only)
	(Millions of yen)	
Fair value at end of period (Note 4)	¥ 187,900	¥ 181,440

Note 1. Area classification:

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

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

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

Note 3. Of the change during the six months ended January 31, 2011, the amount of increase is mainly attributable to acquisition of Akihabara Sanwa Toyo Building (¥4,709 million) and Kiba Eitai Building (¥4,074 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥1,039 million). Of the change during the six months ended July 31, 2010, the amount of increase is mainly attributable to acquisition of Kojimachi Square (¥9,059 million) and ORIX Shinjuku Building (¥9,368 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥983 million).

Note 4. The fair value as of the end of the fiscal period shows the appraisal value as appraised by an independent real estate surveyor.

The income (loss) in the six months ended January 31, 2011 and July 31, 2010 for investment and rental properties are as presented in “Rental revenue and expense” of the “Notes to Financial Statements.”

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

19. Segment and related information

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Statement No. 17 issued on March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Guidance No. 20 issued on March 21, 2008) are applied as of the six months ended January 31, 2011. In accordance with the Accounting Standard and Guidance, the segment and related information for the six months ended January 31, 2011 is accompanied by segment and related information for the six months ended July 31, 2010.

[Segment information]

(a) Overview of reportable segments

Reportable segments of TOKYU REIT are components of TOKYU REIT and Tokyu REIM for which discrete financial information is available and which are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated and assess performance.

TOKYU REIT invests in rental office properties and rental retail properties (including land) primarily in Central Tokyo and Tokyu Areas.

Accordingly, TOKYU REIT and Tokyu REIM businesses are divided by type of properties, therefore two segments have been determined – the Office Property Leasing Business and the Retail Property Leasing Business – as its reportable segments.

(b) Basis of measurement of reportable segment income, assets and liabilities, etc.

The accounting method for reported operating segments is generally the same as that described in “Significant accounting policies.” Reportable segment income is reconciled with the operating income .

(c) Information about reportable segment income, assets and liabilities, etc.

	January 31, 2011				July 31, 2010 (information only)			
	Office Property Leasing Business	Retail Property Leasing Business	Amount of reconciliation (Note 2)	Amount recorded in financial statements	Office Property Leasing Business	Retail Property Leasing Business	Amount of reconciliation (Note 3)	Amount recorded in financial statements
	(Millions of yen)							
Operating revenues (Note 1)	¥ 3,873	¥ 2,649	¥ 2	¥ 6,524	¥ 3,620	¥ 2,929	¥ -	¥ 6,550
Segment income	2,042	1,409	(572)	2,878	1,849	1,721	(568)	3,001
Segment assets	98,714	87,698	20,693	207,106	90,361	88,071	28,450	206,884
Other items								
Depreciation and amortization	637	401	-	1,039	582	400	-	983
Increase in property and equipment and intangible assets	8,992	29	-	9,021	18,476	72	-	18,549

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended January 31, 2011 and July 31, 2010

Note 1. TOKYU REIT's operating revenues are all from external customers.

Note 2. The ¥2 million amount of reconciliation of operating revenues is revenues from facility acceptance.

The breakdown of the -¥572 million amount of reconciliation of segment income is ¥2 million in revenues from facility acceptance and ¥575 million in enterprise-wide expenses that are not allocated to the reportable segments. Enterprise-wide expenses are mainly asset management fees, asset custodian fees, general administration fees, directors' fees, etc. that are not attributable to the reportable segments.

The breakdown of the ¥20,693 million amount of reconciliation of segment assets is ¥19,490 million in current assets, ¥1,179 million in investments and other assets and ¥23 million in deferred assets.

Note 3. The -¥568 million amount of reconciliation of segment income is enterprise-wide expenses that are not allocated to reportable segments. Enterprise-wide expenses are mainly asset management fees, asset custodian fees, general administration fees, directors' fees, etc. that are not attributable to the reportable segments.

The breakdown of the ¥28,450 million amount of reconciliation of segment assets is ¥27,198 million in current assets, ¥1,224 million in investments and other assets and ¥28 million in deferred assets.

[Related information]

(a) Information about each product and service

Disclosure is omitted because each reportable segment of TOKYU REIT is comprised of a single product or service. (Please refer to "Information about reportable segment income, assets and liabilities, etc.")

(b) Information about each geographical area

(1) Operating revenues

Disclosure is omitted because operating revenues from external customers in Japan account for over 90% of the operating revenues recorded in the statements of income.

(2) Property and equipment

Disclosure is omitted because the amount of property and equipment located in Japan account for over 90% of the amount of property and equipment recorded in the balance sheets.

(c) Information about each major customer

Party	January 31, 2011	July 31, 2010	Name of related segment
	(information only)		
	Operating revenues		
	(Millions of yen)		
Tokyu Group companies (Note)	¥ 1,341	¥ 1,359	Office Property Leasing Business Retail Property Leasing Business

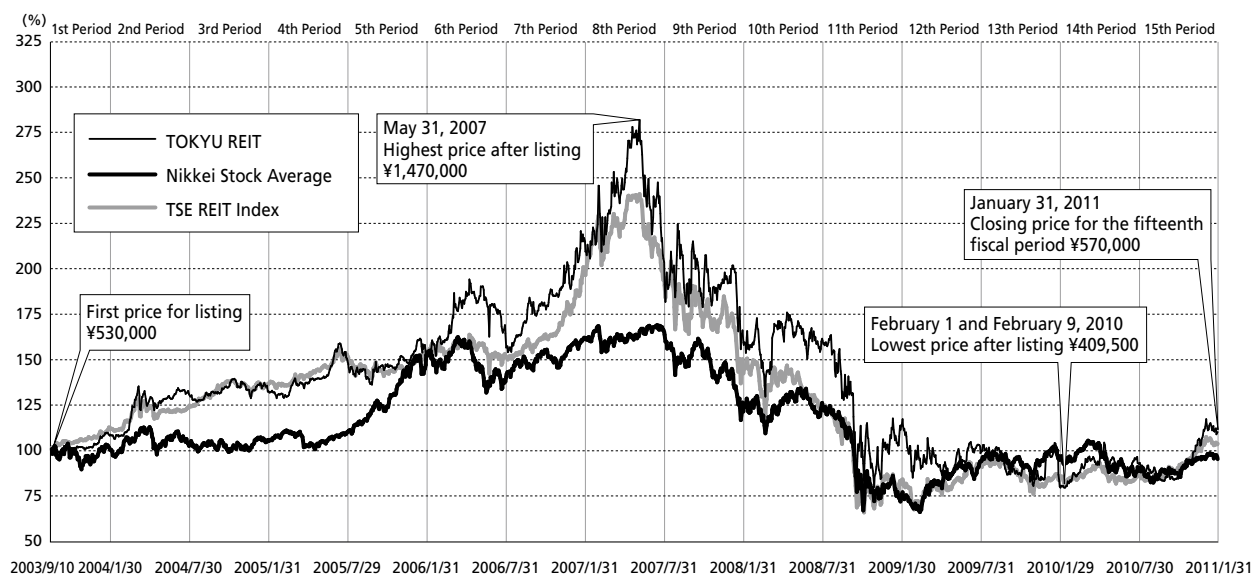
Note. In addition to the interested persons, etc. designated by the Investment Trust Law and the Investment Trust Law Enforcement Order, TOKYU REIT's independent definition of "Tokyu Group companies" encompasses the following: companies whose majority of voting rights is held by a company that has a stake in Tokyu REIM, including companies whose majority of voting rights is held by that company (collectively "related parties"); and special purpose entities whose majority of capital has been contributed by legally interested persons, etc. and related parties.

20. Subsequent events

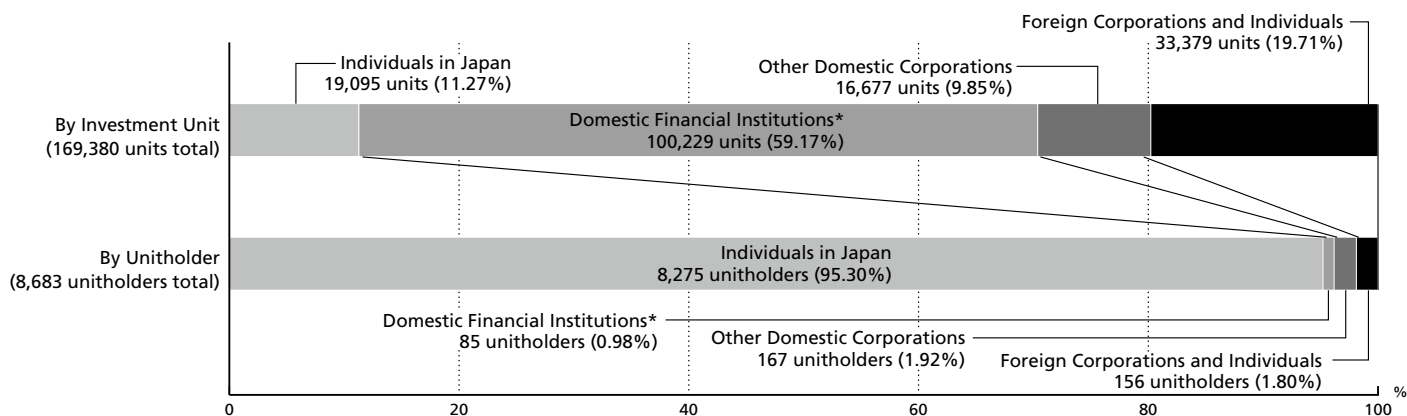
TOKYU REIT is not aware of any circumstances that may have a material impact on TOKYU REIT's financial position after the fifteenth fiscal period ended January 31, 2011.

Unitholder Information

Unit Price Chart



Unitholder Composition



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

Results Reporting Schedule

	15th Period	16th Period
Date of settlement	Jan. 31, 2011	Jul. 31, 2011
Announcement of financial results	Mar. 15, 2011	Mid Sep. 2011
Delivery of investment management report (Japanese only)	Apr. 8, 2011	Mid Oct. 2011
Payment of cash distributions	Apr. 11, 2011	Mid Oct. 2011

TOKYU REIT

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