

Capitalize on Time in Asset Management

TOKYU REIT

TOKYU REIT, Inc. Semiannual Report Sixteenth Fiscal Period
From February 1, 2011 to July 31, 2011

Investment in
Highly Competitive Properties
in Areas with
Strong Growth Potential



Value & Contrary



TOKYU REIT, Inc.

Semiannual Report
Sixteenth Fiscal Period
From February 1, 2011 to July 31, 2011

16th

16th Fiscal Period
Cash Distribution per Unit

¥13,239 (Fixed)

(Date of payment: Oct. 13, 2011)

17th Fiscal Period
Cash Distribution per Unit

¥12,200 (Forecast)

(Date of payment: Mid Apr. 2012)

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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'

- Adherence to strict internal rules for preventing conflicts of interest
- Independent third-party checks
- Proactive disclosure of transaction details

HIGHLIGHTS

TOKYU REIT, Inc. (**TOKYU REIT**) acquired the one office building during the sixteenth 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 enable adequate risk management.

■ New Acquisition During the 16th Fiscal Period

Tokyu Ginza 2-chome Building



■ Renovation During the 16th Fiscal Period

Tokyu Saginuma Building



FINANCIAL SUMMARY

		15th Fiscal Period	16th Fiscal Period
Balance Sheets	Number of Properties	25 properties	26 properties
	Total Assets	¥207,106 million	¥207,661 million
	Interest-Bearing Liabilities	¥90,000 million	¥90,000 million
	Total Assets Loan-to-Value (LTV) Ratio	43.5%	43.3%
Statements of Income	Operating Revenues	¥6,524 million	¥6,918 million
	Net Income	¥2,040 million	¥2,242 million
Distributions	Cash Distribution per Unit	¥12,045	¥13,239
	Average Market Price per Unit	¥490,426	¥534,655
	Distribution Yield	4.87%	4.99%

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 July 31, 2011, the end of TOKYU REIT's sixteenth fiscal period, **TOKYU REIT** held 15 office buildings and 11 retail facilities, for a total of 26 properties.

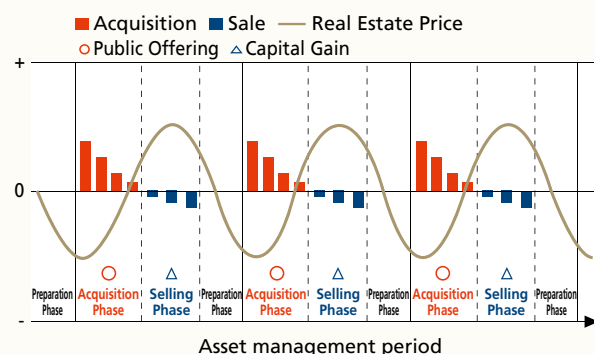
Investment Policy

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 per property
Over 5,000 m² floor space (for office properties)
- Sponsor Collaboration
Of the 26 portfolio properties, 13 properties sourced from Tokyu Group companies^(Note)
- 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

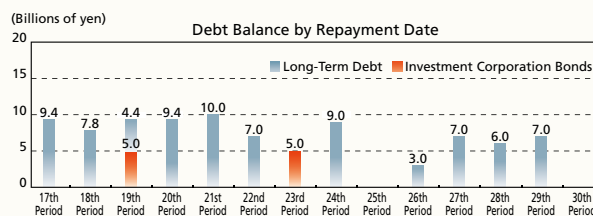
"Being in the same boat as unitholders" investment management fee structure

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

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.

(Note) The Tokyu Group companies referred to in this semiannual report collectively represent "Tokyu Corporation and its subsidiaries," "A consolidated affiliate of Tokyu Corporation" and "Tokyu Land Corporation and its subsidiaries."

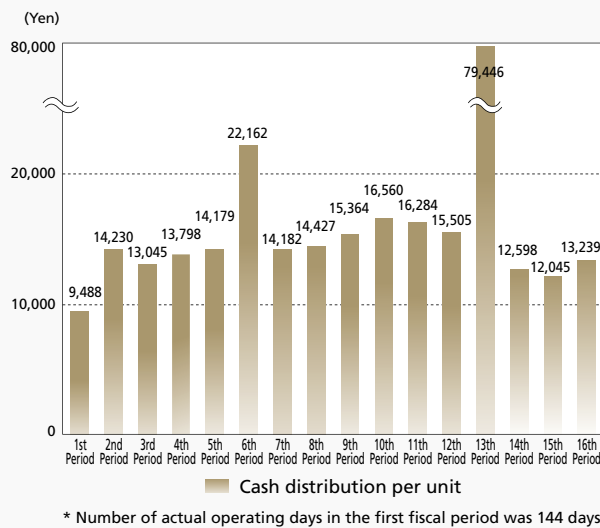
Tokyu Corporation and its subsidiaries referred to in this semiannual report collectively represent "Tokyu Corporation," "A consolidated subsidiary of Tokyu Corporation (*not including equity method affiliates)," "A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%."

Tokyu Land Corporation and its subsidiaries referred to in this semiannual report collectively represent "Tokyu Land," "A consolidated subsidiary of Tokyu Land," "A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Land or a consolidated subsidiary of Tokyu Land and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%."

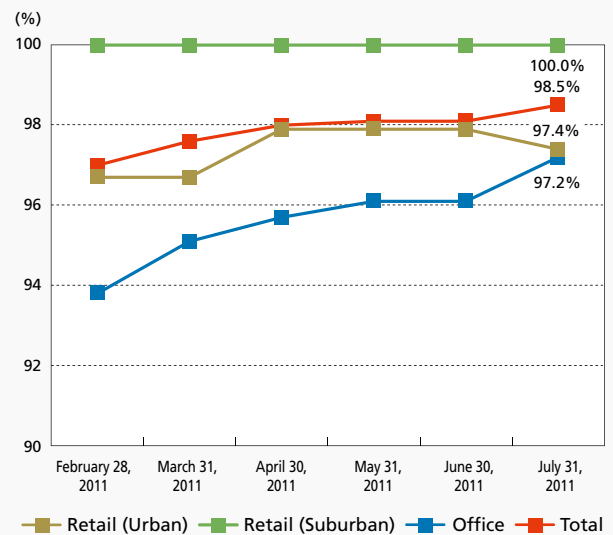
Performance

TOKYU REIT has paid out a cumulative total of ¥296,552 in cash distribution per unit over the approximately eight years since listing (simple average cash distribution per unit of ¥18,534 per fiscal period) as a result of stable occupancy and sale of three properties. Weighted-average capital yield (ROE) stands at 6.7%, 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.

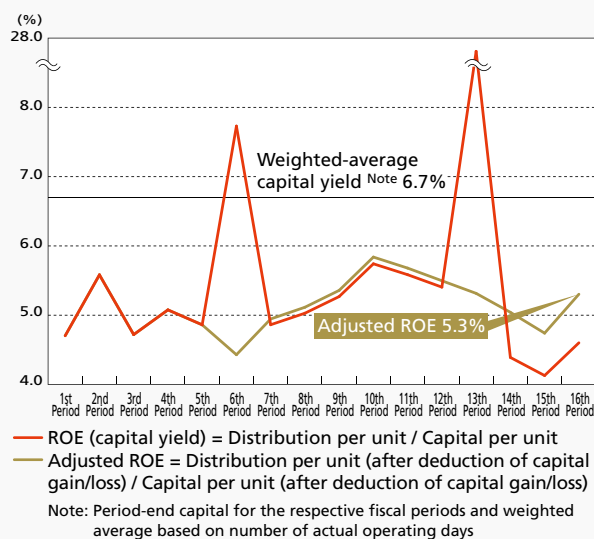
Cash Distribution per Unit



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.

On April 14, 2011, **TOKYU REIT** held the Fifth General Meeting of Unitholders and the management status meeting. Many unitholders attended the events despite continued aftershock of the Great East Japan Earthquake and, thanks to their cooperation, the partial amendments to the Articles of Incorporation associated with the sponsor change and other agenda were approved. Moreover, many questions were asked by individual investors at the management status meeting. We at **TOKYU REIT** are sincerely grateful to you for your interest in us, and are resolved to reflect the comments as we implement asset management.

The following pages provide an overview of our operating environment and results for the sixteenth fiscal period, February 1, 2011 to July 31, 2011.

Masahiro Horie

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



Cash Distribution of ¥13,239 per Unit

For the current fiscal period (sixteenth fiscal period), **TOKYU REIT** posted ¥6,918 million in operating revenues and ¥2,242 million in net income. Operating income from property leasing activities increased by ¥218 million from the previous fiscal period due to the contribution of Tokyu Ginza 2-chome Building, which was acquired on February 15, 2011, included for almost the entire fiscal period. The net income figure was higher by ¥133 million than the forecast announced on March 15, 2011.

Consistent with our distribution policy, 100% of unappropriated retained earnings were allocated for a cash distribution of ¥13,239 per unit. This was ¥1,194, or 9.9%, more than the ¥12,045 distribution in the fifteenth fiscal period, while being ¥839, or 6.8%, above the distribution forecast. In December 2009, we announced an EPS of ¥13,100 in a simulation in which gains from the disposal of Resona Maruha Building and Ryoshin Harajuku Building were re-invested, and we successfully

surpassed the figure for the sixteenth fiscal period.

Net assets (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 was ¥583,012, a decrease of ¥4,466 from the fifteenth fiscal period.

Property Acquisition in the Sixteenth Fiscal Period (Ended July 31, 2011)

As previously mentioned, Tokyu Ginza 2-chome Building was acquired for ¥5.01 billion in the sixteenth fiscal period. The acquisition resulted in the portfolio as of the end of July 2011 being comprised of 26 properties amounting to ¥199.6 billion (based on acquisition price) and ¥190.7 billion (recorded on the balance sheet), with period-end appraisal value of ¥191.4 billion.

The portfolio currently has a ratio of investment of 56% in office properties and 44% in retail properties (based on appraisal value as of the end of the sixteenth fiscal period).

Leasing Performance for the Sixteenth Fiscal Period (Ended July 31, 2011)

As of July 31, 2011, 20 of the 26 portfolio properties had an occupancy rate of 100% and the occupancy rate for the entire portfolio was 98.5%, or up 2.2 percentage points from the fifteenth fiscal period.

During the sixteenth fiscal period, five tenants vacated or decreased their leased floor space at such properties as Setagaya Business Square and Lexington Aoyama, but 16 tenants were either new or leased additional space. The total number of tenants as of the end of the sixteenth fiscal period was 172.

Leasing activities were conducted for spaces that became vacant during the sixteenth fiscal period or that had been vacant as of the end of the previous fiscal period. As a result, Tokyu Ikejiri-ohashi Building and TOKYU REIT Kamata Building were fully occupied, and the occupancy rates improved at such properties as Setagaya Business Square and Lexington Aoyama.

In the rent results (contracted rents for new tenants after tenant changes and revised rents for continuing tenants) for a total of 172 tenants, there was an increase in rent from the previous rent for three tenants and a decrease for 31 tenants.

Leasing Policy for the Seventeenth Fiscal Period (Ending January 31, 2012)

The vacancy rate for **TOKYU REIT** was 1.5% at the end of July 2011, staying at a comparatively lower rate than the 7.7% vacancy rate for office properties in the Tokyo 23 wards and the 7.5% for office properties in the five central Tokyo wards at nearly the same time (as of July 2011) (both according to CB Richard Ellis - Japan). The result was primarily because of the suburban retail properties operating at full occupancy.

In addition, lease agreements were newly signed with three tenants during the sixteenth fiscal period. These tenants are set to move into the properties during the seventeenth fiscal period.

However, nine tenants are scheduled to leave during the seventeenth fiscal period.

Advance notices of cancellation were received from

large tenants at Kojimachi Square and TOKYU REIT Toranomon Building during the sixteenth fiscal period because of the impact of office integrations associated with budget screening by the government and other causes. The spaces occupied by the relevant large tenants will become vacant during the seventeenth fiscal period at Kojimachi Square and from the beginning of the eighteenth fiscal period for TOKYU REIT Toranomon Building.

Assuming that the tenants leave as indicated in the received notices of cancellation, and if the circumstances remain the same without any replacement tenants being found, the occupancy rate will stand at 96.8% at the end of the seventeenth fiscal period and the occupancy rate will stand at 94.2% at the end of the eighteenth fiscal period.

Earlier, there was a view that the vacancy rate of office properties in Tokyo would peak out by the end of 2011, but the impact of the Great East Japan Earthquake has raised the possibility of the peak being postponed to 2012 and after. On the other hand, the market environment is becoming more favorable for **TOKYU REIT** to conduct leasing activities compared to last year, as tenants housed in buildings that conform to the previous earthquake resistance standards or that are located in the bay areas have started to move.

Taking this opportunity, we will keep bolstering leasing activities with the foremost aim of inviting tenants to the vacant spaces.

Value Enhancement through Capital Investment in Retail Properties

Tokyu Saginuma Building underwent the first major renovation since its opening and, with the floor composition completely renewed.

More than 30 years have passed since the property was built. With its fundamental facilities aging, a shift of the business format to meet the needs of the times became a major issue for the property.

In accordance with a request by Tokyu Store, the tenant, to shift the property into an NSC (neighborhood shopping center), **TOKYU REIT** conducted construction totaling ¥265 million with an aim to maintain functions,

preserve the assets and enhance energy efficiency so that the long-term contract can be fulfilled.

By implementing the construction simultaneously with the interior construction and other work conducted by the tenant, **TOKYU REIT** successfully reduced the construction costs. By shortening the construction timeline, it also minimized the period in which the store was closed to reduce inconvenience to the customers.

The impact of the Great East Japan Earthquake delayed delivery of some materials for the construction, but thanks to the efforts of the people involved in the work, the reopening of the property took place less than one month behind schedule.

Furthermore, as a result, store sales increased after the renovation, up by over 6% year on year through July 2011.

Thanks to the enhanced property competitiveness and the reduced risk of aging of the facilities, the property's appraisal value at the end of the sixteenth fiscal period increased by ¥280 million to ¥8,160 million up from ¥7,880 million at the end of the previous fiscal period, realizing value enhancement that surpassed the relevant capital investment amount.

For cocoti, too, **TOKYU REIT** is investigating in renewal, to be conducted in the spring of 2012, for the purpose of reinforcing the ability as a retail property to attract customers as well as invite future tenants.

Impact of the Great East Japan Earthquake

The Great East Japan Earthquake that occurred in March 2011 caused no human casualties or property damage that might have a material impact on the operating results of the 26 properties owned by **TOKYU REIT**. Although there was slight damage that required repair work, such as cracks on the interior walls and other walls, at multiple properties, no negative impact was found with the building structures.

The earnings forecast for the sixteenth fiscal period had included ¥60 million for repair and maintenance costs to cover these damages, but detailed estimates called for ¥49 million. **TOKYU REIT** recorded all the amount, plus allowances that were not actually spent, as extraordinary loss for the sixteenth fiscal period.

Furthermore, no additional repair and maintenance costs related to the Earthquake are included in the earnings forecast for the seventeenth fiscal period.

As an indirect impact of the Great East Japan Earthquake, restrictions on power consumption were imposed on large users with contract demand for electricity of 500kw or more from July 1, 2011 through September 9, 2011 pursuant to Article 27 of the Electricity Business Act. Ten properties of **TOKYU REIT** were subject to the restrictions, and were requested to reduce consumption by at least 15% from the maximum power consumption in the same period of last year.

TOKYU REIT endeavored to save power in common areas of those properties through measures, such as reducing lighting fixture usage, adjusting air conditioning systems, and requesting the tenants, through the investment management company, to cooperate in the power saving measures in their exclusive areas. In addition, **TOKYU REIT** endeavored to reduce the burden on tenants by implementing such measures as installing ecological mirrors* and delivering circulators**.

* Ecological mirrors are "high-performance lighting reflection boards" that make lighting brighter and sharper by improving reflection rate without replacing existing fluorescent lamps. Installation of the equipment allows the illumination to be increased by about 1.6 times. This makes it possible to reduce the number of fluorescent lamps in use, leading to reductions in power consumption.

** Circulators are blower equipment that efficiently circulates the air in the room. It increases cooling efficiency in summer and heating efficiency in winter, leading to reductions in power consumption.

Furthermore, in the seventeenth fiscal period, **TOKYU REIT** plans to conduct additional work, such as replacement of LED lamps in the common areas of multiple properties, in an effort to reduce power consumption. This is intended to cope with power shortages and increased power rates in the future.

Sponsorship Restructuring and New Management Structure

The amendments to the Articles of Incorporation associated with the cancellation of sponsorship involving Tokyu Land and establishment of sole sponsorship by Tokyu Corporation, which we announced in January

2011, were approved by the above-mentioned General Meeting of Unitholders.

In accordance with this, the investment units owned by Tokyu Land (2.31%) were transferred to Tokyu Corporation in April 2011, and the transfer of the shareholdings of the investment management company was also completed in June of the same year.

Upon the transfer of the investment management company's shareholdings, two officers (a representative director and vice president and an auditor) dispatched from Tokyu Land resigned and new officers (two directors and two auditors) from Tokyu Corporation took office. Moreover, two employees were seconded from Tokyu Corporation to facilitate smooth operations, reinforcing the business structure of the investment management company.

Under the new management structure, we will work to further reinforce strategic relationship with Tokyu Corporation.

Request for Answering Questionnaires

As I mentioned at the beginning of my remarks, we received many comments and questions at the

management status meeting held after the Fifth General Meeting of Unitholders. We are resolved to remain committed to conducting management practices that comply with our fiduciary duties, in an effort to meet the expectations of unitholders concerning the operation of **TOKYU REIT**.

We have included a questionnaire in this semiannual report, with the purpose of receiving opinions from those unitholders who were not able to attend the management status meeting. We would like to ask you the favor of replying to the questionnaire.

The purpose of the questionnaires is to use the responses as references for future asset management. As such, let me add that all the expenses related to the questionnaires are borne by the investment management company, without posing any financial burden on **TOKYU REIT**.

In addition, the website of **TOKYU REIT** (www.tokyu-reit.co.jp/eng/) also features an inquiry function, and we would like unitholders to take advantage of it along with the questionnaire. We would appreciate your understanding as we may need time to answer inquiries or we may not necessarily be able to accept the opinions as is depending on the content.



Masahiro Horie

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

1984

Entered Tokyu Corporation.

1985

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

1986

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

1989

Transferred to hotel management company domiciled in Honolulu, Hawaii.

1994

Posted to the Finance & Accounting Division of Tokyu Corporation.

1999

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 (current position).

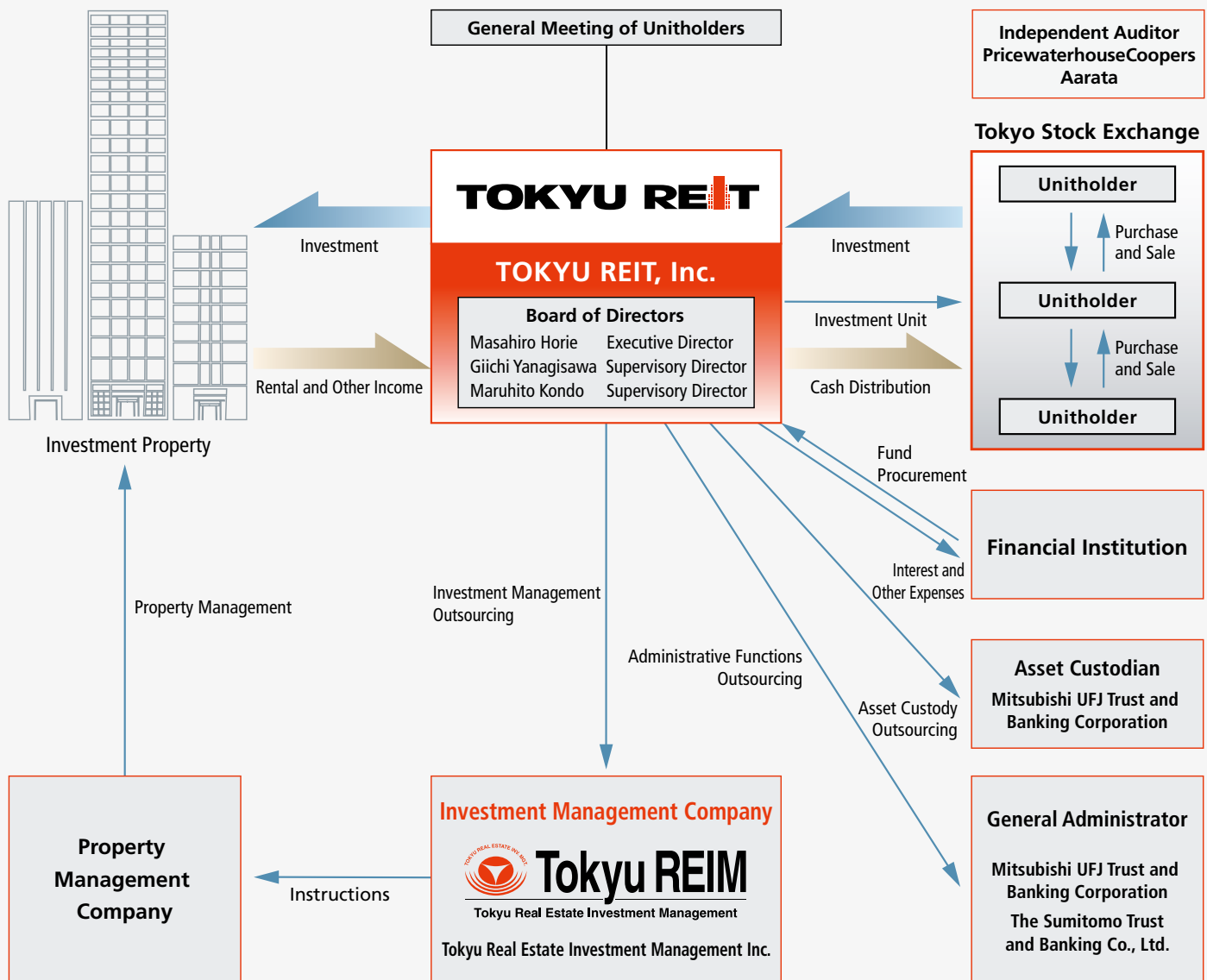
2003

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 (current position).

June 2009

Posted to a member of the board of the Investment Trusts Association, Japan (to June 2011).

TOKYU REIT Structure and External Service Providers



Investment Management Fee

	Calculation Formula and Payment Period
Base 1 (Asset-based)	<p>Amount of total from the following calculation about asset value at the end of the previous period</p> <ul style="list-style-type: none"> ■ For the portion under ¥200 billion : Asset value at the end of the previous period × 0.150% ■ For the portion exceeding ¥200 billion but less than ¥300 billion : Asset value at the end of the previous period × 0.125% ■ For the portion exceeding ¥300 billion : Asset value at the end of the previous period × 0.115% <p>The payment should be implemented until the end of the fiscal period.</p>
Base 2 (Cash-based)	<p>Amount of total from the following calculation about standard cash flow^{Note 1} in current period</p> <ul style="list-style-type: none"> ■ For the portion under ¥5 billion : Standard cash flow in current period × 6.0% ■ For the portion exceeding ¥5 billion but less than ¥7.5 billion : Standard cash flow in current period × 5.0% ■ For the portion exceeding ¥7.5 billion : Standard cash flow in current period × 4.6% <p>The payment should be implemented within two months of the end of the fiscal period.</p>
Incentive (Unit price-based)	<p>Amount from the following calculation about closing price in current period</p> <ul style="list-style-type: none"> ■ (Average price in current period – Record average price^{Note 2}) × Number of investment unit at the end of the previous period × 0.4% <p>The payment should be implemented within two months of the end of the fiscal period.</p>

* 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 Fifth General Meeting of Unitholders held on April 14, 2011.
(Rate of reduction)

16th fiscal period (from February 1, 2011 to July 31, 2011) : 5%

17th fiscal period (from August 1, 2011 to January 31, 2012) : 5%

18th fiscal period (from February 1, 2012 to July 31, 2012) : 5%

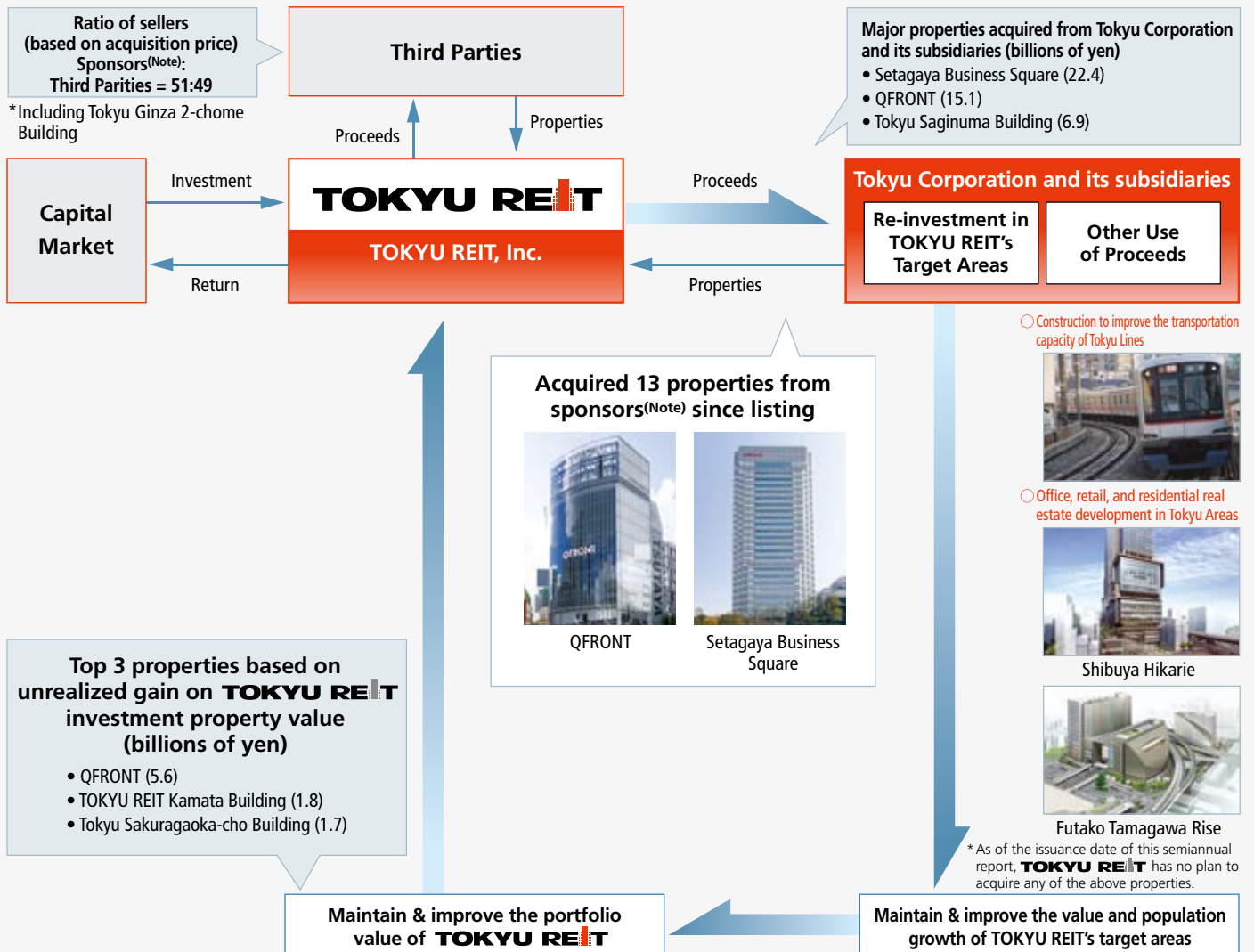
19th fiscal period (from August 1, 2012 to January 31, 2013) : 5%

Notes: 1. Standard cash flow = Net income before income taxes + depreciation and amortization of deferred assets – amount equivalent to 50% each of profit or loss from the sale of specified assets and profit or loss from the valuation of specified assets

2. As of the end of the sixteenth fiscal period ¥1,241,537 (average in the eighth period)

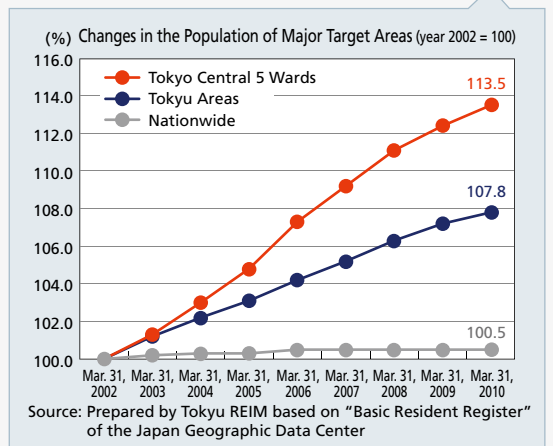
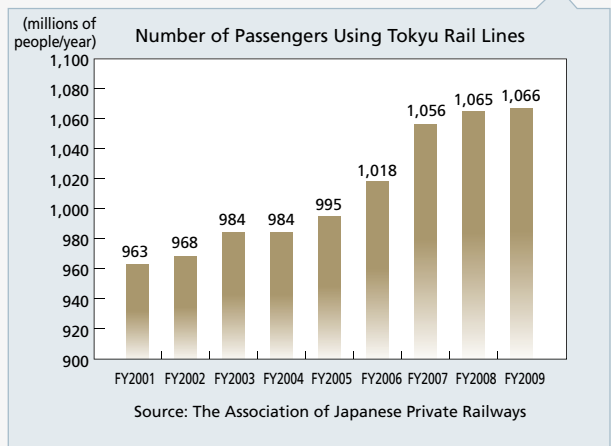
Capital Re-investment Model

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.



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

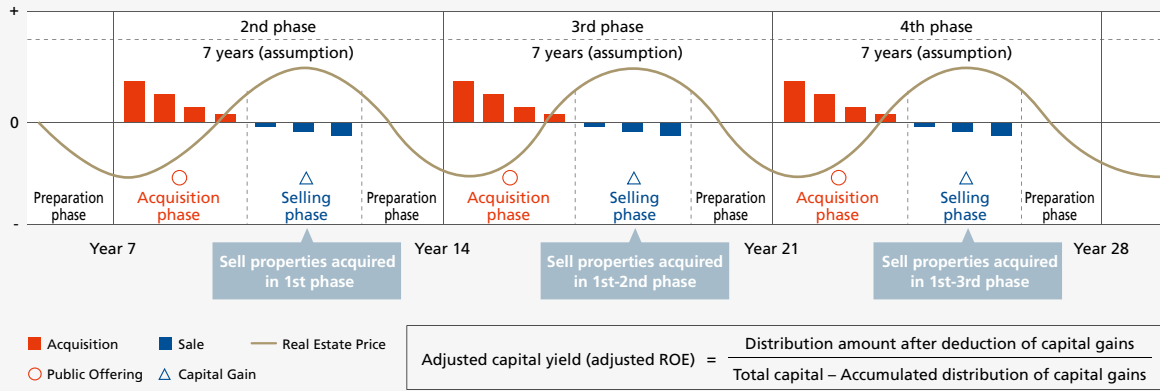
- QFRONT (5.6)
- TOKYU REIT Kamata Building (1.8)
- Tokyu Sakuragaoka-cho Building (1.7)



(Note) Tokyu Corporation and its subsidiaries, Tokyu Land Corporation and its subsidiaries

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

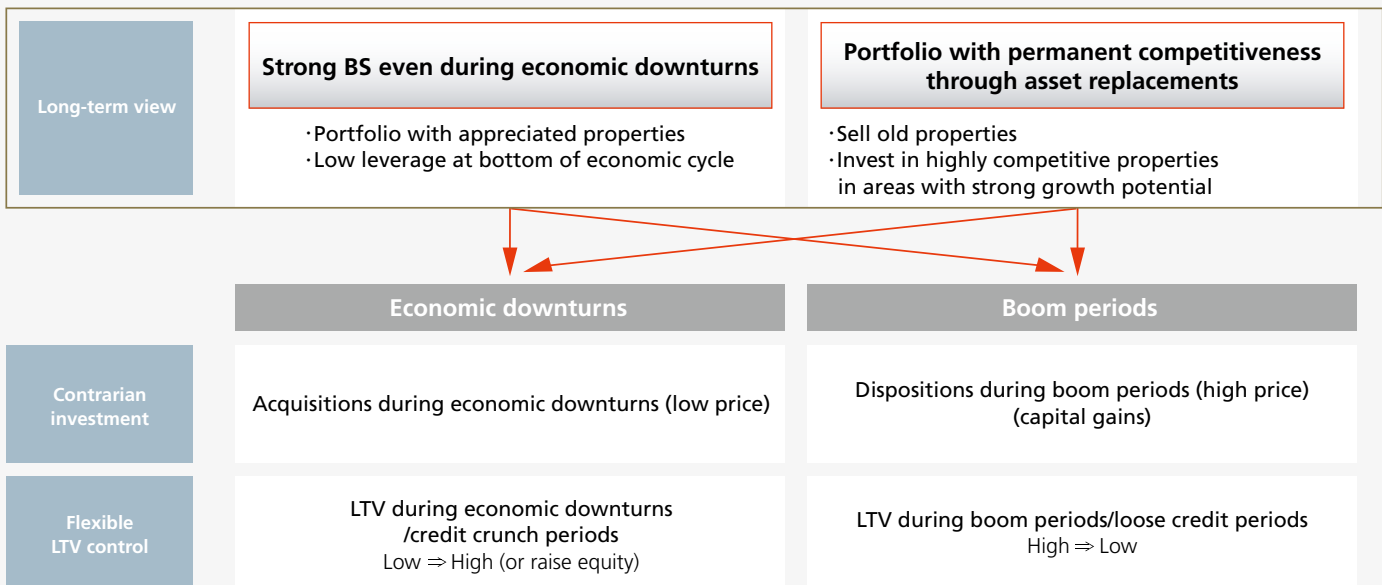
Value

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.

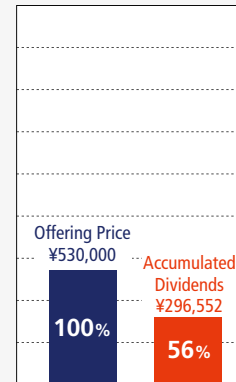
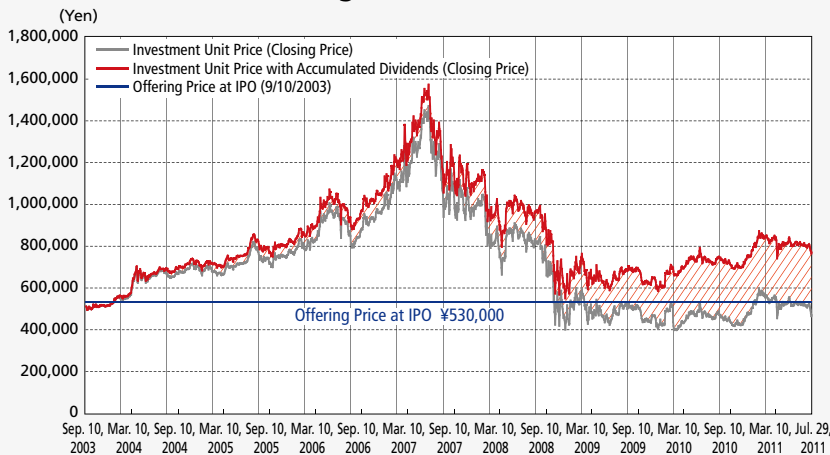
Concept



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 July 2011, investment unit price inclusive of cash distributions exceeded offering price for the past two 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.

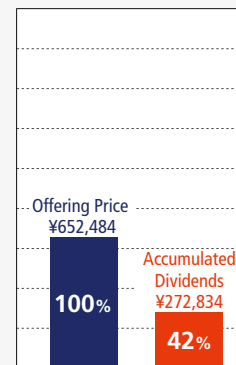
IPO (Initial Public Offering) (Issued Sep. 10, 2003)



56% of the IPO offering price was distributed in around 8 years

If the offering price is 100, then accumulated dividends would equal 56

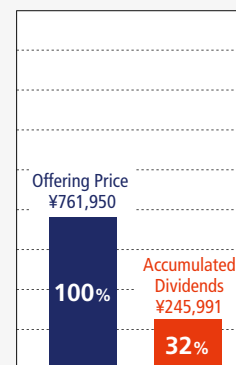
Second Public Offering (Issued Aug. 3, 2004)



42% of the 2nd PO offering price was distributed in around 7 years

If the offering price is 100, then accumulated dividends would equal 42

Third Public Offering (Issued Aug. 1, 2005)



32% of the 3rd PO offering price was distributed in around 6 years

If the offering price is 100, then accumulated dividends would equal 32

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 Corporation and other related parties.

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, 2011))
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.

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 sixteenth fiscal period, the Board of Directors met on seventeen occasions.

Investment Committee

The Investment Committee is comprised of the Representative Director & President, Chief Executive Officer (who serves as chairperson), four 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 sixteenth fiscal period, the Investment Committee met on thirteen 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 (including those stipulated in advance in the provisions of the Board of Directors), the Compliance and Risk Management Committee discusses material matters relating to compliance and risk management (including matters related to individual transactions with interested parties and matters approved by the Chief Compliance Officer to be necessary), as well as the adequacy of internal rules regarding related-party transactions. It also provides opinions and recommendations (or reports that there is no opinion or recommendation) to Tokyu REIM's Board of Directors. Furthermore, when there is any matter that warrants special mention in the implementation report for agreed procedures by a third party regarding the adequacy of rules applicable to individual transactions, and if the Chief Compliance Officer judges it to be necessary, the Compliance and Risk Management Committee hears from the Chief Compliance Officer, discusses the adequacy, and provides opinions and recommendations (or reports that there is no opinion or recommendation) to the Board of Directors. During the sixteenth fiscal period, the Compliance and Risk Management Committee met on thirteen occasions.

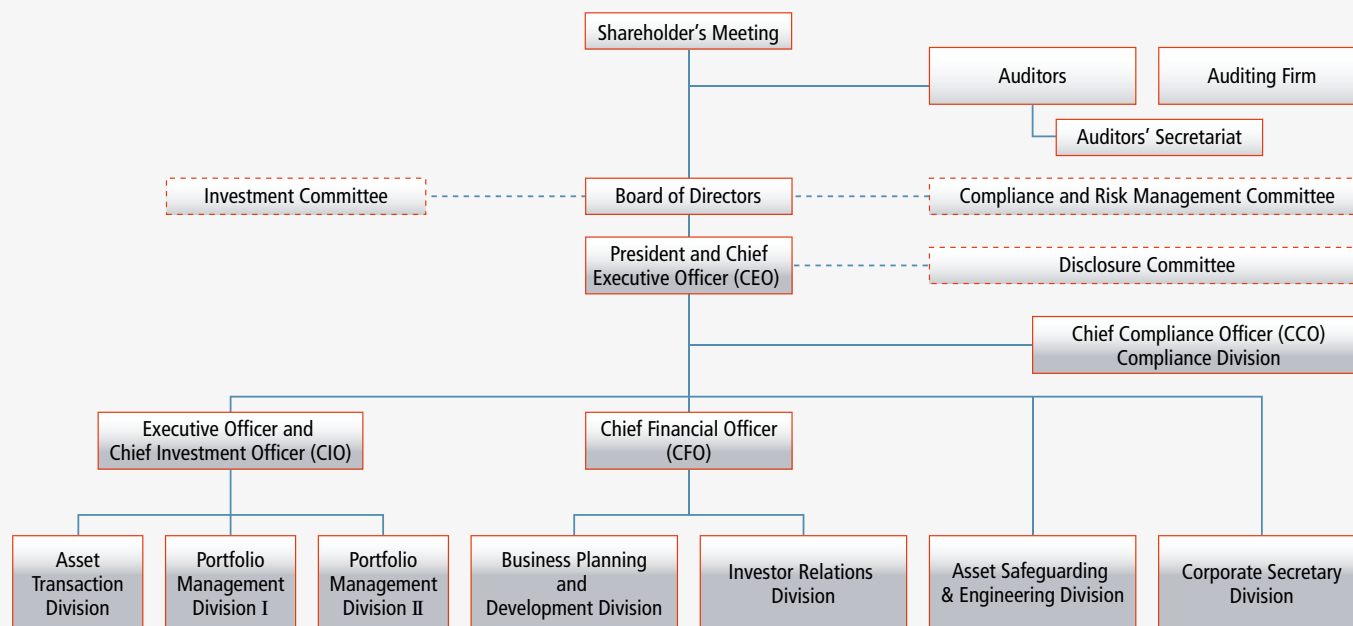
Disclosure Committee

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 sixteenth fiscal period, the Disclosure Committee met on seven occasions.

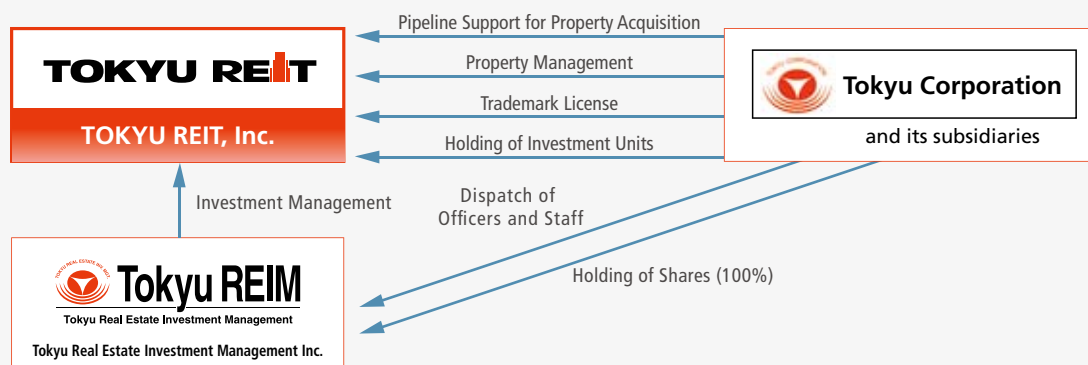
Major Shareholders (as of June 24, 2011)

Name	Address	Shares Held	Ratio
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	6,000 shares	100%

Organization Chart (as of July 31, 2011)



Collaboration with Tokyu Corporation and Its Subsidiaries



Pipeline Support for Property Acquisition	<ul style="list-style-type: none"> Most recent acquisition is Tokyu Ginza 2-chome Building from Tokyu Corporation at February 2011.
Property Management	<ul style="list-style-type: none"> Will be outsourced, in principle, to Tokyu Corporation and its subsidiaries. Arrangement with Tokyu Community Corporation will be sustained for the time being.
Trademark License	<ul style="list-style-type: none"> TOKYU REIT has received permission from Tokyu Corporation to use the trademarks of “東急” and “TOKYU.”
Holding of Investment Units	<ul style="list-style-type: none"> Tokyu Corporation owns 9,800 investment units (5.79% of total) of TOKYU REIT.

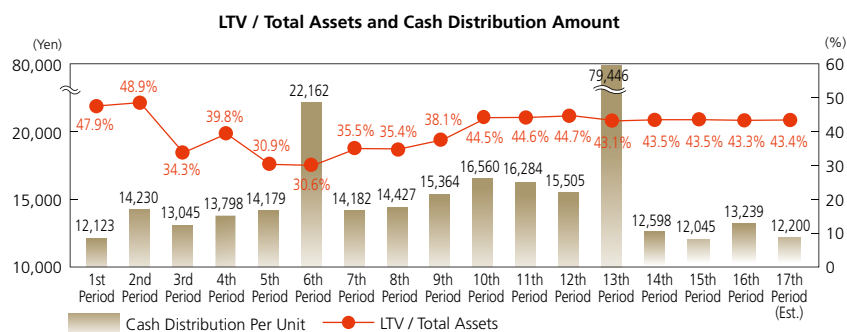
TOKYU REIT's Financial Strategies

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.



(Note) LTV (Loan to Value) = (interest-bearing debt + security and guarantee deposits without reserved cash) / Total appraisal value as of acquisition or of the end of the 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

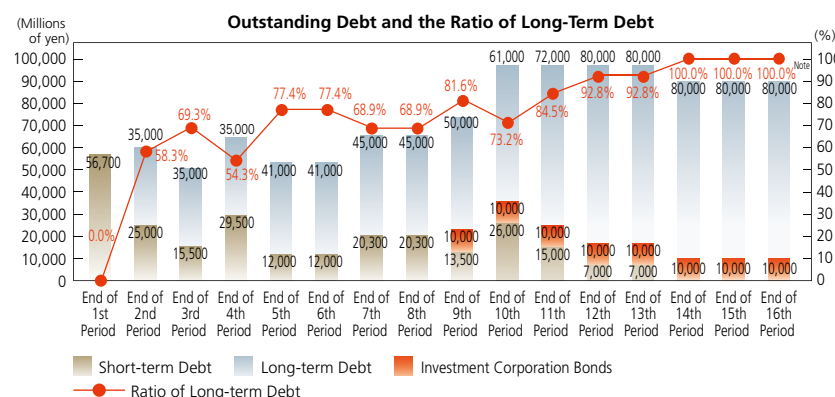


TOKYU REIT implements conservative management that considers the balance between the level of cash distribution amount and financial soundness, as shown left.

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: 80.9% (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 sixteenth 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
	: ¥1.6 billion
The Chuo Mitsui Trust and Banking Company, Limited:	: ¥1 billion
	: ¥1.6 billion
Mizuho Corporate Bank, Ltd.	: ¥1.6 billion
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	: ¥1.6 billion
Mitsubishi UFJ Trust and Banking Corporation	: ¥1.6 billion
Total	¥20 billion

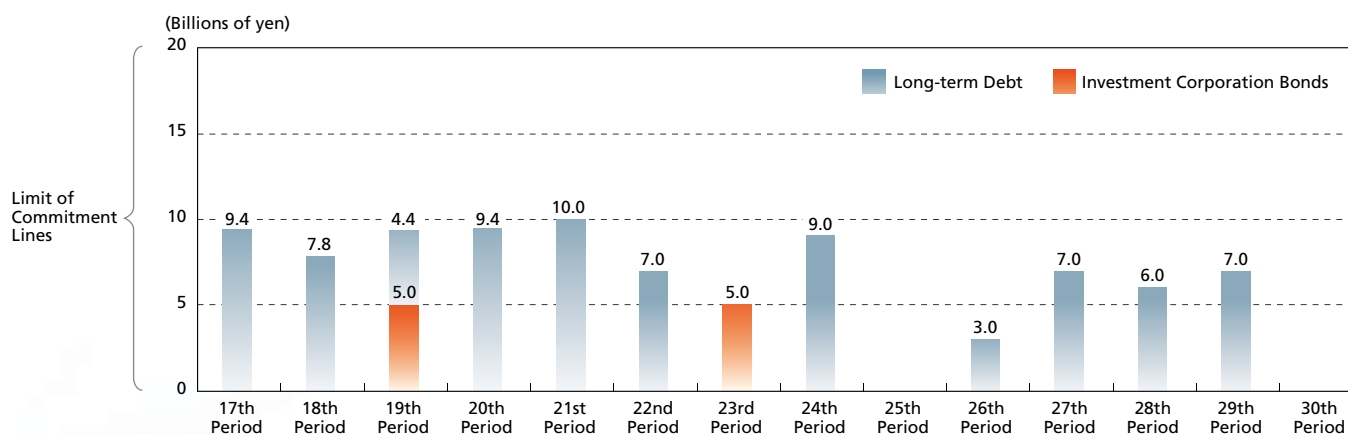
The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured.

Moreover, there is no outstanding debt under the commitment line as of July 31, 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 Sixteenth Fiscal Period.

The Impact of the Great East Japan Earthquake

The Damage Status of the Great East Japan Earthquake

- Casualties : none
- Physical Damages: slight (no structural failure)

Recorded ¥49 million as repair and maintenance costs in the 16th fiscal period (Within the range of the initial forecast of (¥60 million) made as of March 2011)



Creation of Portfolio Resilient to Earthquakes

In implementing due diligence, **TOKYU REIT** conducted risk analyses against disasters, including flood hazard investigations and liquefaction risk investigations as well as earthquake risk analyses (PML^(Note 1)). Moreover, it examined damage reduction measures through management by conducting various investigations.

Structural status (earthquake resistance)	<Investment Criteria>	<Portfolio>
	<p>Properties that are compliant with the new earthquake resistance standards^(Note 2), that completed anti-seismic reinforcement work, or that has PML of less than 15%</p> <p>Manage properties with a portfolio PML of 10% or less; examine purchasing earthquake insurance if PML of any property surpasses the figure</p>	<ul style="list-style-type: none"> 24 out of 26 properties either comply with the new earthquake resistance standards or have completed anti-seismic reinforcement work. (One of the two remaining properties is <i>sokochi</i> only, and the other one is based on the previous standards.) Tokyu Saginuma 2 Building conforms to the previous earthquake resistance standards, but has sufficient anti-seismic performance with PML at 9.3%. <p>Portfolio PML: 4.1%</p> <ul style="list-style-type: none"> Although the merit of geographical diversification in terms of earthquake risks is small, the value of the portfolio PML for properties which have high earthquake resistance ratings is kept at a fairly low level as individual properties have high earthquake resistant ratings.
Measures taken with facilities and equipment (electrical facilities, water supply/drainage and sanitary facilities, air conditioning facilities, roof-top facilities, etc.)	Implementation of investigations on business continuity upon earthquakes	<ul style="list-style-type: none"> Analyzed reinforcement plans to reduce damages, based on the assumed damages to facilities and equipment due to earthquakes (July 2011). Examined implementation of facility reinforcement work as needed based on the analysis results (17th period)
	Implementation of investigations to check facility fixation status	<ul style="list-style-type: none"> Investigations aiming to prevent function stoppage, etc. caused by horizontal slippage or collapse of roof-top facilities and equipment due to earthquakes Implemented investigations upon re-obtaining engineering reports for existing properties, starting in January 2011

Responses to Power Saving

Common areas

- Implemented reduction of lamps in use, lights out and adjustments of temperature settings for air conditioners
- Partial replacement to LED lamps



Exclusive areas

- Delivered circulators to tenants in order to increase air conditioning efficiency (expenses borne by the Investment Management Company)

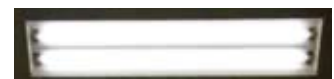


- Implemented such work as shifting to high frequency fluorescent lamps that feature high lighting efficiency and installation of ecological mirrors that offer brighter illumination than ordinary fluorescent lamps

Before installing ecological mirrors



After installing ecological mirrors



Notes: 1. For PML, please refer to Portfolio Overview (at the End of the Fiscal Period) on page 24.

2. The new earthquake resistance standards are the earthquake resistant design standards based on the Building Standards Act, which was revised in 1981 with the aim to prevent buildings from collapsing even from earthquakes with seismic intensity of 6 and secure safety for human lives. Buildings that obtained building confirmation in June 1981 and after are understood to satisfy the new earthquake resistance standards. In fact, there were almost no reports of collapsing of buildings that were designed in accordance with the new earthquake resistance standards from the Great Hanshin Earthquake in 1995 and the Great East Japan Earthquake, in which a seismic intensity of 7 was actually observed.



PORTFOLIO

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

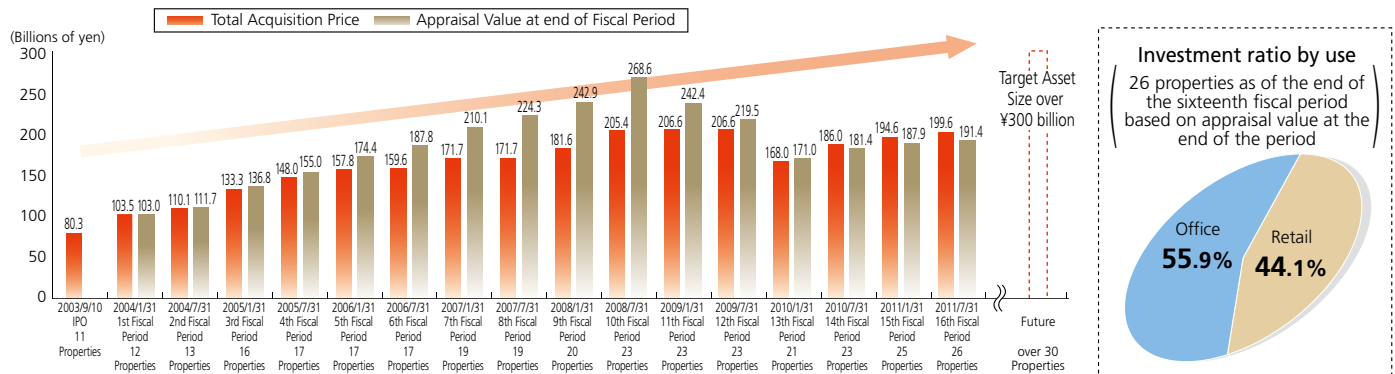
- **Investment Targeted Areas**
 - Focusing on Five central Tokyo wards and Tokyu Areas expecting economic and population growth
 - Limited to Tokyo Metropolitan Area
- **Investment Criteria**
 - Limited to office and retail portfolios with lower risk and more stable returns
 - Limited to the properties 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)

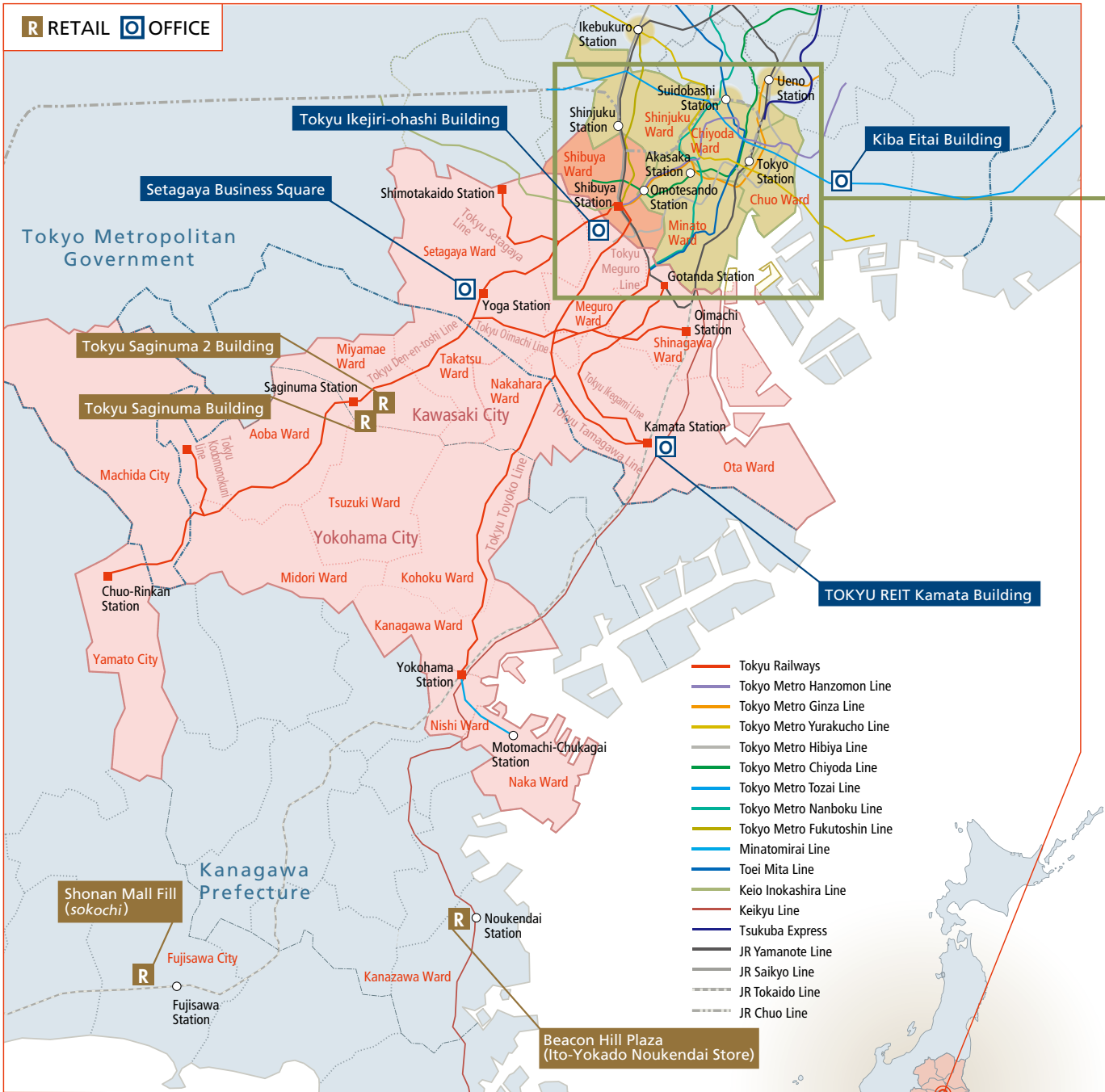
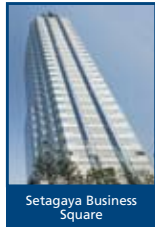
Total acquisition price as of the end of the sixteenth fiscal period ended July 31, 2011, stood at ¥199.6 billion, and appraisal value at the end of the fiscal period stood at ¥191.4 billion. Given TOKYU REIT's portfolio diversification, mobility of property acquisition, and liquidity of investment units, we believe that the asset portfolio should eventually reach ¥300 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.

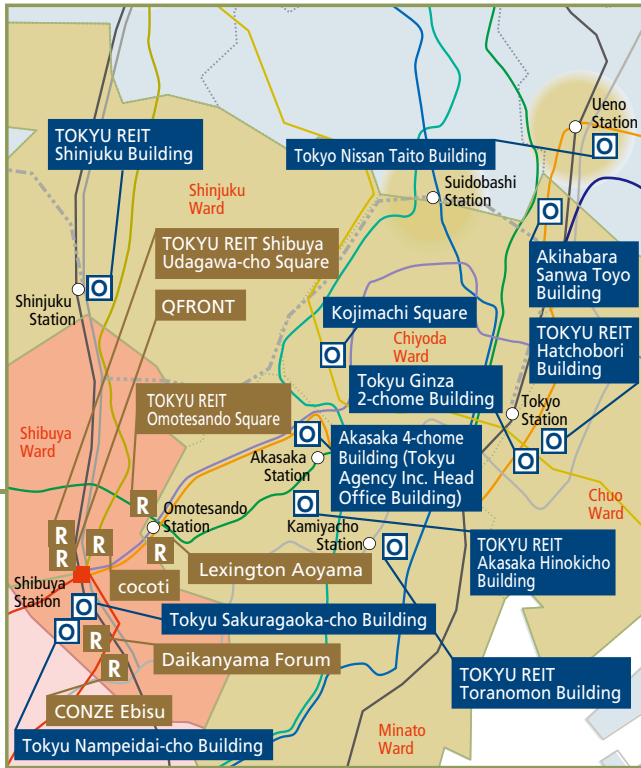
TOKYU REIT focuses on highly competitive office and retail properties and strives to maintain a ratio of 60% in office buildings and 40% in retail properties (based on appraisal value at the end of the fiscal period) over the long term.

As of the end of the sixteenth fiscal period (26 properties), investment ratio by use based on appraisal value at the end of the fiscal period is as follows:

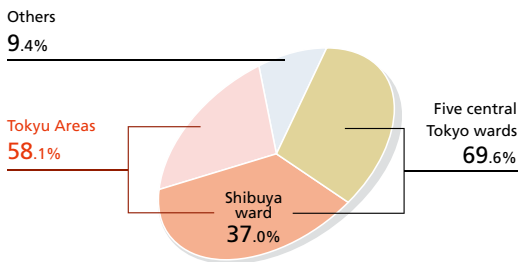


Investment Targeted Areas





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



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

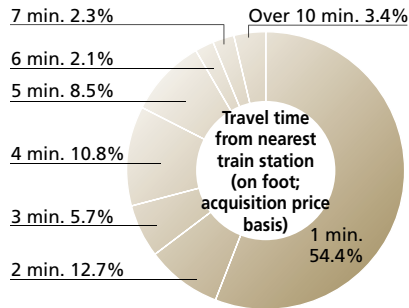
Area	Targeted Areas of Investment ^{Note 1}		Percentage Share in Total Portfolio ^{Note 2}
Central Tokyo	Five central Tokyo wards	Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards	More than 85%
	Other major commercial and retail districts of Tokyo	The areas surrounding Ikebukuro, Koraku, Ueno and other areas	
Tokyu Areas	Tokyu rail network hub	Shibuya ward	
	Other Tokyu rail network areas	Tokyo: Shinagawa, Meguro, Setagaya and Ota wards, Machida City Yokohama, Kanagawa Prefecture: Kouhoku, Kanagawa, Naka, Nishi, Midori, Aoba and Tsuzuki wards Kawasaki, Kanagawa Prefecture: Nakahara, Takatsu and Miyamae wards Yamato, Kanagawa Prefecture	
Others	Other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above)		Less than 15%

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

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

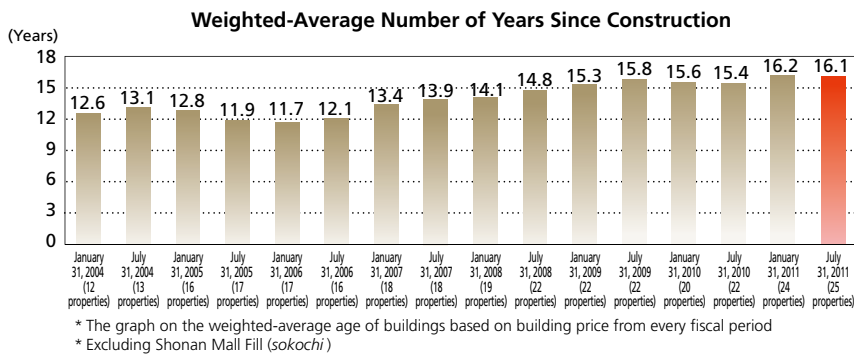
In the acquisition of investment properties, **TOKYU REIT** considers a variety of factors, including a comprehensive analysis of forecasted revenue stream, growth potential of the area, property size, construction and facility specifications, earthquake resistance, leasing rights, occupancy and appeal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

Location



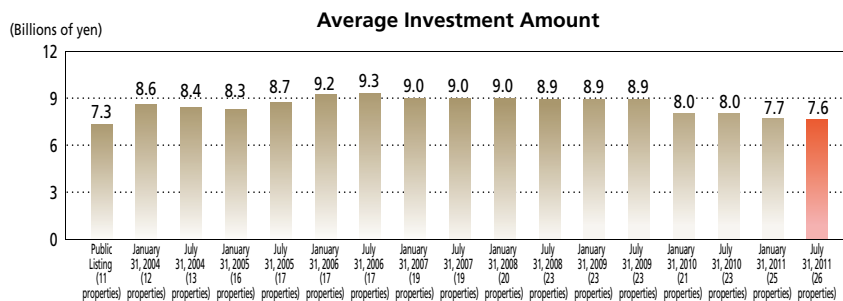
Properties conveniently located near train stations increase the stability of TOKYU REIT's portfolio.

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 25 properties as of the end of the sixteenth fiscal period, 16.1 years have passed since construction and the number of years increases only 3.5 years from the point of January 31, 2004 in elapsed 7.5 years from then.

Property Size



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

As of the end of the sixteenth fiscal period, **TOKYU REIT** had invested an average of ¥7.6 billion per property. **TOKYU REIT** intends to continue investing in mainly large-scale properties.

Top 10 Tenants by Leased Area

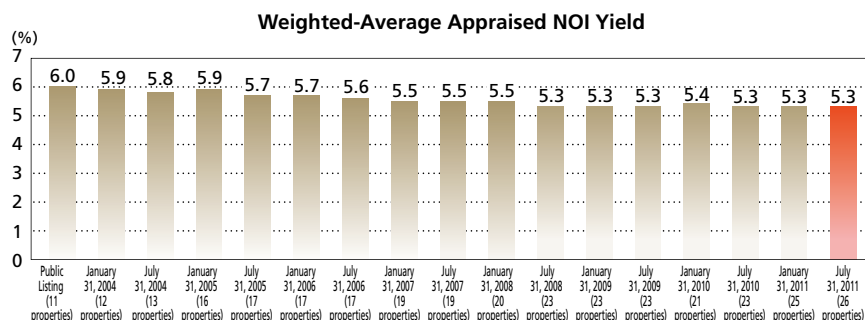
Top 10 Tenants by Leased Area

As of July 31, 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	20.8%
2	Daiwa House Industry Co., Ltd.	Construction	R Shonan Mall Fill (sokochi)	3/19/2023	44,078.12	18.2%
3	Tokyu Store Chain Co., Ltd.	Retail	R Tokyu Saginuma Building	6/30/2018	19,610.06	8.1%
4	Tokyu Corporation	Land Transportation	□ Tokyu Nampeidai-cho Building	12/31/2012	7,148.18	3.0%
			□ Tokyu Sakuragaoka-cho Building	12/31/2011	3,878.36	1.6%
5	Japan Nuclear Energy Safety Organization	Other	□ TOKYU REIT Toranomon Building	9/30/2012 ^{Note 2}	7,096.80	2.9%
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	3/31/2013	3,402.84	1.4%
9	The Dai-ichi Building Co., Ltd.	Real Estate	□ Tokyu Ginza 2-chome Building	8/31/2013	3,278.04	1.4%
10	Covidien Japan Inc.	Wholesale	□ Setagaya Business Square ^{Note 3}	1/31/2012 ^{Note 2}	3,203.86	1.3%
Total leased area of top 10 tenants					149,779.93	62.0%
Total leased area of 26 properties at the end of the sixteenth fiscal period					241,751.70	100.0%

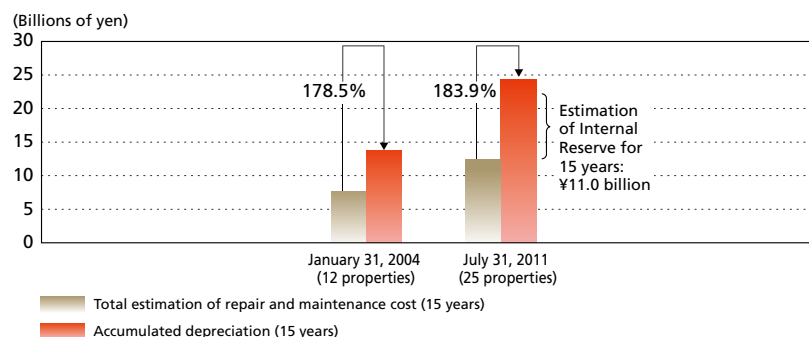
Notes: 1. "Ratio" indicates ratio of each tenant's leased areas to total leased area at the end of the sixteenth fiscal period (26 properties).
 2. Of several leased compartments, the date of the end of the agreement for the largest leased area is shown.
 3. "Leased Area" of tenants in Setagaya Business Square are calculated by 55%.

Portfolio Cap Rate



TOKYU REIT has acquired some properties after listing, and as of the end of the sixteenth fiscal period (26 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 sixteenth fiscal period and over the next fifteen years, cumulative depreciation for the portfolio (25 properties) will significantly exceed total repair and maintenance cost, for a coverage ratio of 183.9%. This figure shows that **TOKYU REIT** has secured the funds necessary for projected repair and maintenance costs.

Portfolio Overview (at the End of the Fiscal Period)

Use	Name of Property	Acquisition Date	Acquisition Price (Billions of yen)	PM	Occupancy Ratio	Probable Maximum Loss (PML) in Earthquake Risk Analysis ^{Note}
R	QFRONT	Sep. 10, 2003	15.1	Tokyu Corporation	100.0%	4.1%
R	Lexington Aoyama	Sep. 11, 2003	4.8	Tokyu Community Corp.	94.0%	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	100.0%	6.2%
R	Shonan Mall Fill (<i>sokochi</i>)	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.	93.4%	2.8%
○	Tokyu Nampeidai-cho Building	Sep. 11, 2003	4.6	Tokyu Corporation	100.0%	7.9%
○	Tokyu Sakuragaoka-cho Building	Sep. 11, 2003	6.6	Tokyu Corporation	100.0%	11.1%
○	Tokyo Nissan Taito Building	Sep. 11, 2003	4.4	Tokyu Community Corp.	100.0%	7.4%
○	TOKYU REIT Akasaka Hinokicho Building	Sep. 10, 2003	3.5	Tokyu Community Corp.	95.0%	11.2%
○	TOKYU REIT Kamata Building	Sep. 10, 2003	4.7	Tokyu Corporation	100.0%	7.7%
○	TOKYU REIT Toranomom Building	Dec. 15, 2004 Sep. 21, 2007 Sep. 21, 2007 Oct. 26, 2007	8.6 1.1 0.2 0.1	Tokyu Corporation	88.3%	7.2%
○	TOKYU REIT Hatchobori Building	Sep. 29, 2006	7.0	Tokyu Community Corp.	100.0%	4.0%
○	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Jan. 31, 2008	8.5	Tokyu Community Corp.	100.0%	3.9%
○	Tokyu Ikejiri-ohashi Building	Mar. 28, 2008	5.4	Tokyu Corporation	100.0%	5.8%
○	Kojimachi Square	Mar. 19, 2010	9.0	Tokyu Community Corp.	100.0%	4.8%
○	TOKYU REIT 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%
○	Tokyu Ginza 2-chome Building	Feb. 15, 2011	5.0	Tokyu Corporation	100.0%	4.4%
Total			199.6		98.5%	4.1%

Note: The "Total" column of the "Probable Maximum Loss (PML) in Earthquake Risk Analysis" indicates the PML for the entire portfolio. There is no unified, strict definition of PML; as used in this semiannual report, PML represents 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. The PML and the probable lost days are based on the earthquake risk analysis reports prepared by Engineering & Risk Services Corporation and OYO RMS Corporation. 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.

R QFRONT



QFRONT is a retail property located directly across from Shibuya Station, an area identified as one of Japan's busiest retail districts. The main tenant is TSUTAYA operated by 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, etc./Tokyo Metro Ginza Line, etc./Tokyo Toyoko Line/Tokyo Den-en-toshi Line/Keio Inokashira Line
 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, leased to multiple tenants, including cafés, apparel shops, and a hair salon. The property is located in the central area of Kotto-dori, which has a concentration of stores serving customers with high sensibility.

Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Omotesando Station—Tokyo Metro Ginza Line, etc.
 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: Ryohin Keikaku Co., Ltd.;
 Aeffe Japan Inc.;
 avex Planning & Development Inc.;
 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 Line, etc.
 Approximately a nine-minute walk from Meiji-jingumae Station—Tokyo Metro Fukutoshin Line
 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 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. With the entire building leased to Tokyu Store Corporation, the property had been used as a GMS (general merchandise store) by the name of Saginuma Tokyu. To meet the needs of the times, it was renewed to an NSC (neighborhood shopping center) in May 2011, with Tokyu Store as the anchor store, and was renamed to Fullel Saginuma. In line with this, **TOKYU REIT** conducted large-scale renovation work in the 16th fiscal period, partly replacing some fundamental facilities that were aging.

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 two 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.

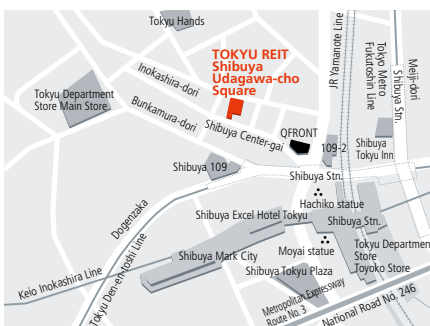


R TOKYU REIT Shibuya Udagawa-cho Square



TOKYU REIT Shibuya Udagawa-cho Square is located in the central area of Shibuya, the area identified as one of Japan's busiest retail 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 1,745 stores (as of April 30, 2011). 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, etc./Tokyo Metro Ginza Line, etc./Tokyo Toyo Line/Tokyo Den-en-toshi Line/Keio Inokashira Line
 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.

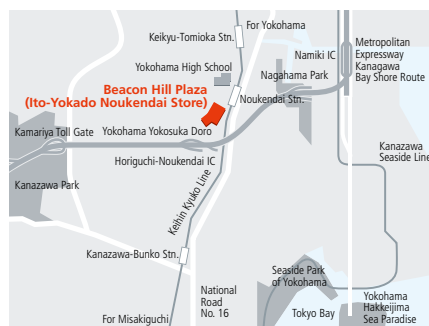


R Beacon Hill Plaza (Ito-Yokado Noukendai Store)



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.

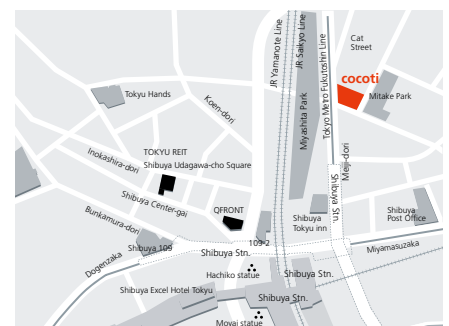


R cocoti



cocoti is approximately a three-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 three-minute walk from Shibuya Station—JR Yamanote Line, etc.
 Approximately a one-minute walk from Shibuya Station—Tokyo Metro Ginza Line, etc./Tokyo Toyo Line/Tokyo Den-en-toshi Line/Keio Inokashira Line
 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)

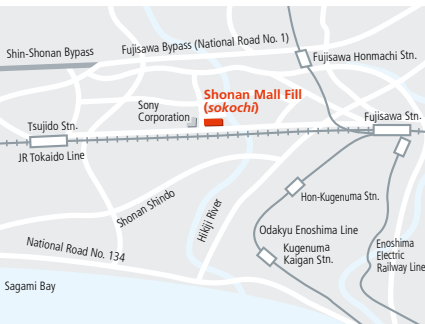


Shonan Mall Fill (sokochi) is the retail property which sits between Fujisawa and Tsujido Stations on the JR Tokaido Line.

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

While the property is inconsistent with TOKYU REIT's usual investment criteria, it is located in 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/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 three-minute walk from Ebisu Station—JR Yamanote Line, etc.
 Approximately a two-minute walk from Ebisu Station—Tokyo Metro Hibiya Line
 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): Site rights area 942.30m²
 Interest 10,000/10,000
 Building 2 (West): Site rights area 1,108.01m²
 Interest 6,413/10,000
 Total Floor Space: Building 1 (East): 1,441.57m²
 Building 2 (West): Site 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 site is a high-traffic area, with good road access (National road No.246, Kampachi-dori and the Yoga interchange on Metropolitan Expressway Route No. 3) as well as rail (Yoga Station, approximately twelve minutes to Shibuya Station and 27 minutes to Otemachi Station).

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

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

Address: 31-2, Sakuragaoka-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Shibuya Station—JR Yamanote Line, etc./Tokyo Metro Ginza Line, etc./Tokyu Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line
 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, Nissan Network Holdings Co., Ltd. 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 three-minute walk from Shin-Okachi-machi Station—Toei Oedo Line
 Approximately a four-minute walk from Shin-Okachi-machi Station—Tsukuba Express Line
 Approximately a ten-minute walk from Ueno Station—JR Yamanote Line, etc.

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;
 Nissan Network Holdings Co., Ltd.;
 Ataka Construction & Engineering Co., Ltd.;
 etc.



TOKYU REIT Akasaka Hinokicho Building



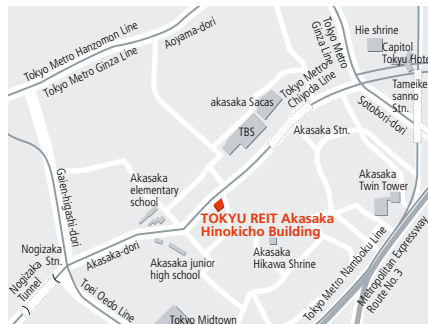
TOKYU REIT Akasaka Hinokicho Building is a seven-story office building situated along Akasaka-dori.

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 Keiiky 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). The property underwent renovation of elevator halls in 2009, renewal of air-conditioning equipment in 2010 and installation of OA-compatible floors in 2011 to maintain the building's competitiveness in the area where office buildings are concentrated.

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;
REMOTE SENSING TECHNOLOGY CENTER OF JAPAN;
DAITOHKIGYO CO., LTD.;
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 Line
Approximately a ten-minute walk from Tokyo Station—JR Yamanote Line, etc.
Approximately a six-minute walk from Takaracho Station—Toei Asakusa Line

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 Hanzomon Line, etc.

Total Land Space: 712.49m²

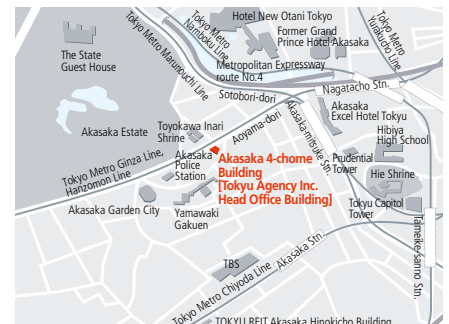
Total Floor Space: 5,002.36m²

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 Kojimachi Square 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 Ichigaya Station—Tokyo Metro Namboku Line/Toei Shinjuku Line
Approximately a ten-minute walk from Yotsuya Station—Tokyo Metro Marunouchi Line
Approximately a seven-minute walk from Ichigaya Station—JR Sobu Line
Approximately an eight-minute walk from Yotsuya Station—JR Chuo and Sobu Lines
Approximately an eight-minute walk from Ichigaya Station—Toei Shinjuku Line

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;
Japan Safe Driving Center;
Construction Industry Engineers Center; etc.



TOKYU REIT Shinjuku Building



The Shinjuku area where TOKYU REIT Shinjuku Building 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
Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.
Approximately a six-minute walk from Shinjuku Station—Toei Shinjuku and Oedo Lines/Keio Line
Approximately a seven-minute walk from Shinjuku Station—Odakyu Odawara Line

Total Land Area: 1,113.87m²

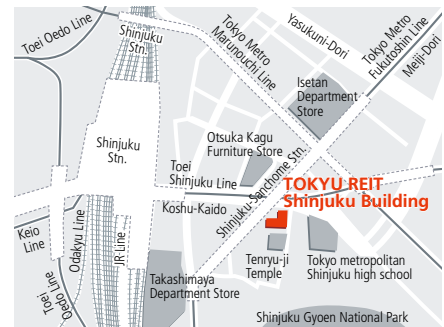
Total Floor Area: 8,720.09m²

Structure/Floors: SRC 10F

Completed: May 2003

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

Tenant: ORIX Corporation;
JTB Business World Tokyo Corp.;
DAIDO LIFE INSURANCE COMPANY;
etc.



Akihabara Sanwa Toyo Building



The surrounding area of Akihabara Station where Akihabara Sanwa Toyo Building 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. Directly linked to Suehirocho Station on the Tokyo Metro Ginza Line, a line which connects Shibuya to Ueno/Asakusa, the property is located on a corner lot at the intersection of Chuo-dori and Kuramaebashi-dori. The traffic convenience and extremely high visibility make it a rare property.

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 Yamanote Line, etc.
 Approximately a nine-minute walk from Akihabara Station—Tsukuba Express Line
 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^{100%}
 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 Toyoko area where Kiba Eitai Building is located is close to central Tokyo, approximately 4km east of Tokyo Station, allowing expectations for demand 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 from corporate restructurings can also be expected regardless of industry type. 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. It is therefore expected that stable performance may be achieved going forward.

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^{100%}
 Tenant: Hill's-Colgate (JAPAN) Ltd.;
 STS Co., Ltd.;
 AOYAMA TRADING Co., Ltd.;
 etc.

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



Tokyu Ginza 2-chome Building



The Ginza area where Tokyu Ginza 2-chome Building is located is of Japan's busiest commercial areas with high-end brand strength. As such, the property should have great appeal to companies that prefer an address in Ginza. In addition, the property is relatively new and boasts high competitiveness in its building specifications, as well as in traffic convenience.

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/Toei Asakusa Line
 Approximately an eight-minute walk from Ginza Station—Tokyo Metro Ginza Line, etc.
 Approximately a four-minute walk from Higashi-ginza Station—Toei Asakusa Line
 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.



I . Asset Management Report

1. Financial Highlights

(1) Result of Operation and Financial Position

		16th fiscal period From February 1, 2011 to July 31, 2011 (181 days)	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)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 6,918	¥ 6,524	¥ 6,550	¥ 25,359	¥ 7,479	
		Operating income	¥ 3,121	¥ 2,878	¥ 3,001	¥ 14,374	¥ 3,475	
		Net income	¥ 2,242	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 6,850	¥ 6,522	¥ 6,550	¥ 7,100	¥ 7,478	
		Rental service expenses (b)	¥ 3,180	¥ 3,070	¥ 2,980	¥ 3,140	¥ 3,282	
		[Depreciation and amortization] (c) (Note 3) (included in (b))	¥ 1,042	¥ 1,040	¥ 1,016	¥ 1,019	¥ 1,032	
		NOI (Net Operating Income) (a) – (b) + (c)	¥ 4,712	¥ 4,492	¥ 4,587	¥ 4,978	¥ 5,229	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,284	¥ 3,078	¥ 3,150	¥ 3,396	¥ 3,658	
		Capital expenditures (e)	¥ 259	¥ 235	¥ 121	¥ 125	¥ 205	
		AFFO (Adjusted Funds from Operation) (d) – (e)	¥ 3,025	¥ 2,843	¥ 3,029	¥ 3,271	¥ 3,452	
Financial position	Balance sheet	Total assets (f)	¥ 207,661	¥ 207,106	¥ 206,884	¥ 225,299	¥ 217,200	
		[Change from the preceding period]	[0.3%]	[0.1%]	[–8.2%]	[3.7%]	[–0.2%]	
		Interest-bearing liabilities (g) (Note 5)	¥ 90,000	¥ 90,000	¥ 90,000	¥ 97,000	¥ 97,000	
		Total unitholders' equity (Net assets) (h)	¥ 100,262	¥ 100,059	¥ 100,153	¥ 111,476	¥ 100,646	
		[Change from the preceding period]	[0.2%]	[–0.1%]	[–10.2%]	[10.8%]	[–0.1%]	
	Portfolio	Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
		Acquisition costs of properties (Note 6)	¥ 199,672	¥ 194,662	¥ 186,062	¥ 168,032	¥ 206,648	
		Book value of properties (Note 6)	¥ 190,709	¥ 186,412	¥ 178,433	¥ 160,901	¥ 201,068	
		Appraisal value of properties at end of period (i) (Note 6)	¥ 191,440	¥ 187,900	¥ 181,440	¥ 171,080	¥ 219,580	
		Number of properties at end of period	26 properties	25 properties	23 properties	21 properties	23 properties	
		Total leasable area (Note 7)	245,373.01 m ²	241,903.86 m ²	231,468.57 m ²	220,003.69 m ²	239,293.11 m ²	
	Other	Distri- bution	Cash distribution	¥ 2,242	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626
			Dividend payout ratio	100.0%	100.0%	100.0%	100.0%	100.0%
		Per unit data	Number of units issued and outstanding	169,380 units	169,380 units	169,380 units	169,380 units	169,380 units
Total unitholders' equity per unit (base value)			¥ 591,936	¥ 590,742	¥ 591,295	¥ 658,143	¥ 594,202	
Cash distribution per unit			¥ 13,239	¥ 12,045	¥ 12,598	¥ 79,446	¥ 15,505	
Management index		Return on total unitholders' equity (annualized) (Note 8)	4.5%	4.0%	4.1%	25.2%	5.3%	
		Equity ratio (h)÷(f)	48.3%	48.3%	48.4%	49.5%	46.3%	
		[Change from the preceding period]	[–0.0%]	[–0.1%]	[–1.1%]	[3.1%]	[0.1%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	43.3%	43.5%	43.5%	43.1%	44.7%	
		Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	47.0%	47.9%	49.6%	56.7%	44.2%	
Average market price per unit during period (Note 9)	¥ 534,655	¥ 490,426	¥ 470,862	¥ 478,579	¥ 496,772			

- 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; 16th fiscal period: ¥0 million) and contribution for construction (16th fiscal period: ¥67 million).
- Note 3. 'Depreciation and amortization' includes loss on disposal of property and equipment (13th fiscal period: ¥0 million; 14th fiscal period: ¥33 million; 15th fiscal period: ¥1 million; 16th fiscal period: ¥47 million).
- Note 4. Net income + Depreciation and amortization + Other property related depreciation and amortization + Loss on sale of property – Gain on sale of property – Revenues from facility acceptance
Other property related depreciation and amortization was not incurred.
- Note 5. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds
- Note 6. For 'Trust beneficiary interest in real estate,' the portion equivalent to the properties held in substance, which is total assets less the money that are part of the assets of the concerned trust beneficiary interest in real estate, is shown.
- Note 7. Regarding 'Total leasable area' and 'Occupancy rate at end of period,' please refer to notes 2 and 4 of '3. Portfolio Profile (2) Major Portfolio.'
- Note 8. $\text{Net income} \div (\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2 \times 365 \div \text{Number of days of investment management}$
- Note 9. Average price during period (closing price) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on which the investment certificates of TOKYU REIT, Inc. ("TOKYU REIT") are listed.

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

① Investment Environment

During the fiscal period under review (sixteenth fiscal period: six-month period ended July 31, 2011), although severe circumstances remain owing to the Great East Japan Earthquake, the Japanese economy showed signs of movements toward recovery. In the Tokyo metropolitan area's economy, while the impact of power shortages owing to the Earthquake lingers, the impact of disruptions in supply chains is weakening. Compared to the Kinki and Tokai regions, where there is a heavy concentration of automotive and electrical machinery manufacturing that involves many parts and supplies, the Tokyo metropolitan area is expected to see early recovery in mining and manufacturing production. Also, due in part to susceptibility to impact of the overseas economy, which is anticipated to see growth, the Tokyo metropolitan area is anticipated to maintain somewhat high growth compared to other regions.

With regard to population movements, more than 60,000 people migrated to the Tokyo metropolitan area from other areas of the country between January and June 2011. This has further exacerbated the disparity between the area and other regions of the country.

Under these circumstances, the average advertised rent for June 2011 in the Tokyo 23 ward's office leasing market decreased by 2.1% over the six-month period and by 5.3% over the one-year period. Vacancy rates continued to remain roughly flat over the one-year period at 7.6%. Movements were observed among tenants to suspend or postpone relocation plans after the Earthquake, but gradually increasing movements to resume relocation plans have been found and tenant mobility is inferred to have returned to almost the same level as before the Earthquake. Moreover, an analysis of the tenants that have resumed relocation plans during the sixteenth fiscal period found that the preferences and criteria for building selection are changing. Comparing before and after the Earthquake, there is arguably growing demand for buildings that boast high seismic performance and buildings that are equipped with an in-house power generator or for areas with a stable foundation. In the retail property leasing market, despite a downturn in consumer confidence and a sharp decline in mainly luxury goods, dining-out and leisure spending immediately after the Earthquake, consumer confidence is improving gradually and there are signs of the sales turnover for large retail

properties recovering to almost the level it was before the Earthquake. In addition, although sales turnover for large retail properties in the Tokyo metropolitan area decreased by a level that was far above the national average at one point in time due to aftershocks and planned blackouts, signs of recovery are already showing.

In the real estate investment market, the amount of new lending by banks in Japan to the real estate industry is maintaining roughly at the year-on-year level and the financing environment continues to be relatively favorable, but the volume of transactions has decreased owing to the Earthquake and liquidity has declined slightly.

② Investment Performance Results

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

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 sixteenth fiscal period, TOKYU REIT acquired Tokyu Ginza 2-chome Building (acquisition price: ¥5,010 million) on February 15, 2011. As of July 31, 2011, TOKYU REIT held an investment portfolio totaling 26 properties with a total acquisition price of ¥199,672 million and total leasable area of 245,373.01 m². The period-end appraisal value for TOKYU REIT’s entire portfolio amounted to ¥191,440 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 cyclicity 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 total period-end appraisal value exceeded the total book value, resulting in an unrealized gain (the difference between book value and period-end appraisal value) of ¥730 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 98.5% for its entire portfolio of 26 properties as of July 31, 2011 through stable investment management.

TOKYU REIT is also proactively working to maintain rent levels. Consequently, as of the end of the sixteenth fiscal period, the per-tsubo rental rate for the existing property portfolio dropped only 0.6% compared with the end of the fifteenth fiscal period.

In the Great East Japan Earthquake, portfolio properties did not suffer from damage, etc. that would cause material impact on the status of management. TOKYU REIT promptly conducted on-site investigations, and is implementing necessary repairs, etc. TOKYU REIT posted ¥49 million as extraordinary loss for the cost of such repairs, etc.

b. Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency. This stance continued into the sixteenth fiscal period with the refinancing of ¥10,000 million in long-term debt for the purpose of securing interest-bearing liabilities with fixed long-term interest rates and diversifying repayment dates. In addition, TOKYU REIT has established commitment lines to secure financial capacity through the enhancement of liquidity. During the sixteenth fiscal period, TOKYU REIT newly established a commitment line which provides credit facilities totaling ¥8,000 million on July 12, 2011. Combined, commitment lines total ¥20,000 million with six banks. The balance of interest-bearing liabilities as of July 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, ¥17,200 million is the current portion of long-term debt). The weighted-average interest rate for the sixteenth fiscal period was 1.76% (calculated based on the annualized amount of interest payable for the sixteenth fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of July 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 Corporation, the seller in the acquisition of Tokyu Ginza 2-chome Building, falls under the category of interested persons, etc. pursuant to the Law Concerning Investment Trust and Investment Corporation (Law No. 198 of 1951, including amendments thereto) ("Investment Trust Law"). Accordingly, TOKYU REIT acquired Tokyu Ginza 2-chome Building in accordance with its self-imposed measures to prevent conflicts of interest for acquisition at no more than the property appraisal value. Furthermore, TOKYU REIT has received a second opinion report from Japan Valuers Co., Ltd. stating that the value and valuation process for the subject property was reasonable. In addition, Tokyu Corporation is also the company to which TOKYU REIT is to outsource property management services for said Building. Accordingly, in the conclusion of the property management agreement, in accordance with its self-imposed measures to prevent conflicts of interest, 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 paid for the property management services are within the standard range. 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. These procedures served as the basis for acquisition of the property and outsourcing of property management services for the property 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 related parties (see Note below) for property management services pertaining to all of its portfolio properties were within the range set by other J-REITs listed on the Tokyo Stock Exchange.

Note. "Related parties" refers to any entity that falls under the following (i) to (vii):

- (i) Tokyu Corporation
- (ii) A consolidated subsidiary of Tokyu Corporation
- (iii) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the share of investment by silent partnerships or other investment shares in that entity by the respective company exceeds 50%.
- (iv) Affiliates within the scope of consolidation of Tokyu Corporation
- (v) Tokyu Land Corporation ("Tokyu Land")
- (vi) A consolidated subsidiary of Tokyu Land
- (vii) A tokutei mokuteki kaisha (TMK) or special purpose company (SPC) that was established based on the intention of Tokyu Land or a consolidated subsidiary of Tokyu Land and where the share of investment by silent partnerships or other investment shares in that entity by the respective company exceeds 50%.

(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:

	16th fiscal period From February 1, 2011 to July 31, 2011	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
	Yen				
Highest	¥ 574,000	¥ 607,000	¥ 540,000	¥ 539,000	¥ 580,000
Lowest	¥ 465,500	¥ 429,000	¥ 409,500	¥ 413,000	¥ 434,000

(4) Distribution Information

With respect to the distribution for the sixteenth 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 on investment corporations (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 sixteenth fiscal period was ¥13,239.

	16th fiscal period From February 1, 2011 to July 31, 2011	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
	Millions of yen, except per unit data				
Unappropriated retained earnings	¥ 2,242	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 2,242	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626
[Cash distribution per unit]	[¥ 13,239]	[¥ 12,045]	[¥ 12,598]	[¥ 79,446]	[¥ 15,505]
Distribution of accumulated earnings	¥ 2,242	¥ 2,040	¥ 2,133	¥ 13,456	¥ 2,626
[Distribution of accumulated earnings per unit]	[¥ 13,239]	[¥ 12,045]	[¥ 12,598]	[¥ 79,446]	[¥ 15,505]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]

(5) Future Policies of Investment Management

① Forecast of Future Movement

The outlook for the economy is that the economic turnaround is anticipated to continue, backed by restoration of supply chains, gradual recovery in the 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 impact of power supply constraints and nuclear disaster, concerns of overseas economic downturn, as well as fluctuations in exchange rates and stock prices.

In light of such outlook, in the real estate investment market, the volume of transactions is expected to increase if movements toward economic recovery become certain in the future. For the time being, however, the volume of transactions is believed to remain at a low level due to an ongoing wait-and-see attitude. In the office leasing market, although new demand is increasing moderately, it is not enough to surpass new supply and vacancy rates thus hover at a high level. In addition, as it will take time for the rent-paying capacity of firms to recover, bottoming out of the average contracted rent is assumed to carry over into the next year or later. The retail property leasing market suffered temporarily from the Earthquake, but pressures to reduce rental rates are thought to be easing as retailers continue to increase net income through other cost reduction measures.

② Future Policies of Investment Management and Issues to be Countered

Prior to the formal establishment of TOKYU REIT, Tokyu REIM undertook an assessment of future investment trends based on business growth potential. Based on this assessment, it was decided that TOKYU REIT would adopt an investment policy based on the stance of investing in highly competitive properties in areas with strong growth potential. Specifically, TOKYU REIT will continue to focus on an investment area mainly limited to 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 as well as 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. Tokyu Corporation and its subsidiaries refer to any of (i) to (iii) below:

(i) Tokyu Corporation

(ii) A consolidated subsidiary of Tokyu Corporation

(iii) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the share of investment by silent partnerships or other investment shares in that entity by the respective company exceeds 50%.

Moreover, based on the letter of intent concluded on January 13, 2011 (Note 3), 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 the conclusion of a “Memorandum relating to the purchase and sale of owned real estate assets” with Tokyu Corporation and “Memorandum relating to the provision of opportunities to acquire owned real estate assets” with Tokyu Land on March 4, 2011 (Note 4), as well as transfer of TOKYU REIT investment units issued and outstanding and Tokyu REIM shares issued and outstanding held by Tokyu Land to Tokyu Corporation on April 25, 2011 and June 24, 2011, respectively. 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 5) in line with the “Long-Term Investment Management Strategy (Surf Plan).”

Note 3. Please refer to the “Notice Concerning Conclusion of Letter of Intent regarding Sponsor’s Structure” dated January 13, 2011 for details of the letter of intent.

Note 4. Please refer to the “Notice Concerning Conclusion of Memorandums Regarding Sponsor’s Structure” dated March 4, 2011 for details of the memorandums. Please note that the memorandums took effect upon approval of a proposal to partially amend the “Scope and Policy of Investment Management” attachment and other sections of the Articles of Incorporation of TOKYU REIT at the General Meeting of Unitholders held on April 14, 2011.

Note 5. An investment model advocated by TOKYU REIT in which Tokyu Corporation and its subsidiaries reinvest 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

There were no matters requiring explanation as of the date of the Report of Independent Auditors (October 26, 2011).

2. Company Profiles

(1) Summary of Unitholders' Contributions

	16th fiscal period As of July 31, 2011	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
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)	8,454	8,683	8,838	9,776	8,684

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of July 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	30,739	18.15
Trust & Custody Services Bank, Ltd. (securities investment trust account)	Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku, Tokyo	13,791	8.14
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	13,188	7.79
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	9,800	5.79
Nomura Bank (Luxembourg) S.A. (Standing Proxy: Sumitomo Mitsui Banking Corporation)	1-2-3, Otemachi, Chiyoda-ku, Tokyo	4,720	2.79
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	4,023	2.38
The Asahi Fire & Marine Insurance Co., Ltd.	7, Kandamitoshiro-cho, Chiyoda-ku, Tokyo	4,000	2.36
AIG Star Life Insurance Co., Ltd. (general account) (Standing Proxy: Citibank Japan Ltd.)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	3,961	2.34
American Life Insurance Company GAL (Standing Proxy: Citibank Japan Ltd.)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	3,902	2.30
The Hachijuni Bank, Ltd. (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	3,250	1.92
Total		91,374	53.95

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 July 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 July 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	16th fiscal period As of July 31, 2011		15th fiscal period As of January 31, 2011		
			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	¥ 15,745	7.6	¥ 15,778	7.6	
		Other	—	—	—	—	
		Sub total	15,745	7.6	15,778	7.6	
	Office	Central Tokyo and Tokyu Areas	24,213	11.7	19,241	9.3	
		Other	—	—	—	—	
		Sub total	24,213	11.7	19,241	9.3	
	Total		39,958	19.2	35,019	16.9	
	Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	56,061	27.0	56,168	27.1
			Other	15,670	7.5	15,751	7.6
Sub total			71,731	34.5	71,920	34.7	
Office		Central Tokyo and Tokyu Areas	75,011	36.1	75,425	36.4	
		Other	4,008	1.9	4,047	2.0	
		Sub total	79,019	38.1	79,472	38.4	
Total		150,751	72.6	151,393	73.1		
Other assets		16,952	8.2	20,693	10.0		
Total assets		¥ 207,661 [¥ 190,709]	100.0 [91.8]	¥ 207,106 [¥ 186,412]	100.0 [90.0]		

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

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

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

(2) Major Portfolio

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

Name of property		Book value	Total leasable area	Leased area	Occupancy rate	As a percentage of revenue from property leasing	Use
		Millions of yen	m ²	m ²	%	%	
R	QFRONT	¥ 14,209	4,502.93	4,502.93	100.0	9.0	Retail
R	Lexington Aoyama	4,765	2,107.08	1,980.24	94.0	1.6	Retail
R	TOKYU REIT Omotesando Square	5,724	2,702.42	2,702.42	100.0	2.5	Retail
R	Tokyu Saginuma Building	6,781	19,610.06	19,610.06	100.0	4.5	Retail
R	Tokyu Saginuma 2 Building	1,203	1,284.60	1,284.60	100.0	0.9	Retail
R	TOKYU REIT Shibuya Udagawa-cho Square	6,630	1,543.05	1,543.05	100.0	2.5	Retail
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	8,644	50,285.89	50,285.89	100.0	4.4	Retail
R	cocoti	23,376	8,319.97	8,319.97	100.0	7.6	Retail
R	Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.5	Retail
R	CONZE Ebisu	4,974	2,319.24	2,032.09	87.6	1.6	Retail
R	Daikanyama Forum	4,140	2,477.64	2,267.22	91.5	1.4	Retail
O	Setagaya Business Square	18,749	24,956.99	23,309.14	93.4	15.6	Office
O	Tokyu Nampeidai-cho Building	4,271	7,148.18	7,148.18	100.0	2.7	Office
O	Tokyu Sakuragaoka-cho Building	6,359	4,737.19	4,737.19	100.0	3.6	Office
O	Tokyo Nissan Taito Building	3,809	7,947.24	7,947.24	100.0	3.2	Office
O	TOKYU REIT Akasaka Hinokicho Building	3,454	3,199.50	3,040.90	95.0	2.0	Office
O	TOKYU REIT Kamata Building	4,116	7,337.82	7,337.82	100.0	3.8	Office
O	TOKYU REIT Toranomom Building	9,922	10,136.44	8,945.99	88.3	4.9	Office
O	TOKYU REIT Hatchobori Building	6,882	5,984.19	5,984.19	100.0	3.0	Office
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,272	3,533.03	3,533.03	100.0	3.0	Office
O	Tokyu Ikejiri-ohashi Building	5,515	5,733.23	5,733.23	100.0	2.5	Office
O	Kojimachi Square	8,892	5,409.11	5,409.11	100.0	4.2	Office
O	TOKYU REIT Shinjuku Building	9,254	6,130.45	6,130.45	100.0	4.3	Office
O	Akihabara Sanwa Toyo Building	4,686	4,643.04	4,643.04	100.0	2.5	Office
O	Kiba Eitai Building	4,008	5,776.46	5,776.46	100.0	3.0	Office
O	Tokyu Ginza 2-chome Building	5,036	3,469.14	3,469.14	100.0	3.0	Office
Total		¥ 190,709	245,373.01	241,751.70	98.5	100.0	

Note 1. The properties listed above except for TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu, Daikanyama Forum, TOKYU REIT Toranomom Building, TOKYU REIT Shinjuku Building and Tokyu Ginza 2-chome Building (total of 20 properties) are all owned in the form of trust beneficiary interest in real estate.

Note 2. 'Total 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 total 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 total 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 total 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. 'R' and 'O' in the table are a classification of TOKYU REIT's portfolio properties into R (retail properties) and O (office properties) (the same hereafter).

(3) Details of Properties in Portfolio

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

Name of property	Location (lot number)	Investment type	Total 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	¥ 14,209
R Lexington Aoyama	5-235-7, etc., Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,107.08	4,190	4,765
R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,702.42	6,540	5,724
R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	19,610.06	8,160	6,781
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	1,203
R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	7,020	6,630
R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,319.97	16,600	23,376
R CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,319.24	4,070	4,974
R Daikanyama Forum	Building 1 (East) 33-18, etc., Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) 33-1, Sarugaku-cho, Shibuya-ku, Tokyo	Real estate	2,477.64	3,100	4,140
Sub total			44,866.99	70,930	71,806

Name of property		Location (lot number)	Investment type	Total 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	8,120	8,644
		R	Shonan Mall Fill (<i>sokochi</i>)	4-4300-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa	Trust beneficiary interest in real estate	44,078.12	5,400	7,026
	Sub total				94,364.01	13,520	15,670	
Total				139,231.00	84,450	87,476		
Office	Central Tokyo and Tokyu Areas	O	Setagaya Business Square	4-260-2, etc., Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,956.99	20,300	18,749
		O	Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	5,550	4,271
		O	Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	8,110	6,359
		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	3,809
		O	TOKYU REIT Akasaka Hinokicho Building	6-1401, etc., Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,199.50	4,030	3,454
		O	TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	5,990	4,116
		O	TOKYU REIT Toranomon Building	3-45-6, Toranomon, Minato-ku, Tokyo	Real estate	10,136.44	9,350	9,922
		O	TOKYU REIT Hatchobori Building	2-104-1, etc., Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	5,984.19	5,320	6,882
		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	6,790	8,272
		O	Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,733.23	4,470	5,515
		O	Kojimachi Square	2-3-9 and 2-3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.11	7,940	8,892
		O	TOKYU REIT Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,130.45	9,690	9,254
		O	Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,643.04	4,940	4,686
		O	Tokyu Ginza 2-chome Building	2-215-1, Ginza, Chuo-ku, Tokyo	Real estate	3,469.14	5,060	5,036
		Sub total				100,365.55	102,550	99,224
	Other	O	Kiba Eitai Building	3-21-5, etc., Toyo, Koto-ku, Tokyo	Trust beneficiary interest in real estate	5,776.46	4,440	4,008
Sub total				5,776.46	4,440	4,008		
Total				106,142.01	106,990	103,232		
Grand total				245,373.01	¥ 191,440	¥ 190,709		

- 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. 'Total 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 total 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		16th fiscal period From February 1, 2011 to July 31, 2011				15th fiscal period From August 1, 2010 to January 31, 2011					
		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 Tokyu Areas	R	QFRONT	3	100.0	¥ 618	9.0	3	100.0	¥ 626	9.6
		R	Lexington Aoyama	6	94.0	111	1.6	6	86.2	86	1.3
		R	TOKYU REIT Omotesando Square	4	100.0	169	2.5	4	100.0	187	2.9
		R	Tokyu Saginuma Building	1	100.0	308	4.5	1	100.0	308	4.7
		R	Tokyu Saginuma 2 Building	1	100.0	62	0.9	1	100.0	64	1.0
		R	TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	169	2.5	2	100.0	169	2.6
		R	cocoti	15	100.0	520	7.6	14	97.5	516	7.9
		R	CONZE Ebisu	7	87.6	112	1.6	7	87.6	118	1.8
		R	Daikanyama Forum	4	91.5	94	1.4	4	91.5	97	1.5
		Sub total	43	98.6	2,168	31.6	42	97.8	2,175	33.3	
	Other	R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	300	4.4	1	100.0	300	4.6
		R	Shonan Mall Fill (sokochi)	1	100.0	174	2.5	1	100.0	174	2.7
			Sub total	2	100.0	474	6.9	2	100.0	474	7.3
		Total	45	99.6	2,642	38.6	44	99.3	2,649	40.6	
Office	Central Tokyo and Tokyu Areas	O	Setagaya Business Square	55	93.4	1,071	15.6	52	86.4	1,088	16.7
		O	Tokyu Nampeidai -cho Building	1	100.0	182	2.7	1	100.0	182	2.8
		O	Tokyu Sakuragaoka -cho Building	2	100.0	249	3.6	2	100.0	252	3.9
		O	Tokyo Nissan Taito Building	12	100.0	221	3.2	12	100.0	227	3.5
		O	TOKYU REIT Akasaka Hinokicho Building	3	95.0	139	2.0	3	92.5	128	2.0
		O	TOKYU REIT Kamata Building	6	100.0	259	3.8	4	88.4	255	3.9
		O	TOKYU REIT Toranomom Building	5	83.3	333	4.9	4	76.6	327	5.0
		O	TOKYU REIT Hatchobori Building	10	100.0	207	3.0	10	100.0	218	3.4
		O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	202	3.0	1	100.0	204	3.1
		O	Tokyu Ikejiri-ohashi Building	5	100.0	170	2.5	4	81.8	189	2.9
		O	Kojimachi Square	5	100.0	290	4.2	5	100.0	305	4.7
		O	TOKYU REIT Shinjuku Building	10	100.0	294	4.3	9	100.0	303	4.6
		O	Akihabara Sanwa Toyo Building (Note 4)	6	100.0	174	2.5	6	100.0	85	1.3
	O	Tokyu Ginza 2-chome Building (Note 5)	2	100.0	204	3.0	—	—	—	—	
	Sub total	123	97.0	4,000	58.4	113	91.8	3,768	57.8		
Other	O	Kiba Eitai Building (Note 4)	4	100.0	207	3.0	4	100.0	104	1.6	
		Sub total	4	100.0	207	3.0	4	100.0	104	1.6	
	Total	127	97.2	4,208	61.4	117	92.3	3,873	59.4		
	Grand total	172	98.5	¥ 6,850	100.0	161	96.3	¥ 6,522	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 total 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. 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.
- Note 5. Tokyu Ginza 2-chome Building was acquired on February 15, 2011. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the sixteenth fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.

(4) Other Assets

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

(5) Assets Held in Each Country and Region

TOKYU REIT does not invest in overseas properties.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

The following lists the estimated amounts of major capital expenditures for repair and maintenance work of properties held, as scheduled as of July 31, 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
○ Tokyu Sakuragaoka-cho Building	Shibuya-ku, Tokyo	Renovation of external walls	From August 2011 to November 2011	¥ 75	—	—
○ TOKYU REIT Toranomon Building	Minato-ku, Tokyo	Construction for raised flooring on 4F to 9F	From January 2012 to January 2012	¥ 55	—	—
○ TOKYU REIT Toranomon Building	Minato-ku, Tokyo	Renewal of air-source air-conditioning equipment on 4F, 5F and 9F	From January 2012 to January 2012	¥ 27	—	—
○ TOKYU REIT Toranomon Building	Minato-ku, Tokyo	Renovation of elevator hall on 4F to 9F	From November 2011 to January 2012	¥ 25	—	—
○ TOKYU REIT Toranomon Building	Minato-ku, Tokyo	Renovation of restroom and kitchen on 4F, 5F and 9F	From November 2011 to December 2011	¥ 25	—	—

(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 sixteenth fiscal period amounted to ¥259 million and ¥219 million in repairs and maintenance expenses and ¥22 million in loss on disaster were charged to expenses for a combined total of ¥501 million spent for such work.

Name of property		Location	Objective	Period	Construction cost Millions of yen
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renewal of power receiving and transformation facilities	From February 2011 to July 2011	¥ 79
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renovation of external walls, etc.	From January 2011 to April 2011	46
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renewal of centrifugal chiller	From February 2011 to April 2011	30
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renovation of guest restroom on 3F and 4F	From March 2011 to May 2011	20
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renewal of main drain	From March 2011 to April 2011	10
Other					72
Total					¥ 259

(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:

	16th fiscal period From February 1, 2011 to July 31, 2011	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
	Millions of yen				
Reserve at beginning of period	¥ 428	¥ 370	¥ 245	¥ 364	¥ 458
Amount transferred to reserve during period	450	394	346	151	144
Reversal from reserve during period	348	336	222	269	239
Reserve at end of period	¥ 531	¥ 428	¥ 370	¥ 245	¥ 364

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

	16th fiscal period From February 1, 2011 to July 31, 2011		15th fiscal period From August 1, 2010 to January 31, 2011	
	Millions of yen			
Asset management fees				
Asset-based fees	¥ 267		¥ 250	
Cash-based fees	212		194	
Unit price-based fees	-	¥ 479	-	¥ 445
Asset custodian fees		16		19
General administration fees		41		40
Directors' fees		6		6
Other operating expenses		71		63
Total		¥ 616		¥ 575

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

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

Category	Lender	Draw-down date	Balance as of July 31, 2011	Balance as of January 31, 2011	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 (Notes 2 and 3)
	The National Mutual Insurance Federation of Agricultural Cooperatives	October 25, 2005	1,000	1,000	1.26250	October 25, 2011			
	Development Bank of Japan Inc.	January 25, 2006	5,000	5,000	1.95000	January 25, 2018			Unsecured and Unguaranteed (Note 2)
	Nippon Life Insurance Company	July 31, 2006	-	4,000	1.94084	July 29, 2011			
	The Dai-ichi Mutual Life Insurance Company		4,000	4,000	2.21125	July 31, 2013			
	The Dai-ichi Mutual Life Insurance Company	January 25, 2007	1,000	1,000	1.92000	January 25, 2014			
	The National Mutual Insurance Federation of Agricultural Cooperatives		3,000	3,000					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 25, 2007	5,000	5,000	1.62625	September 25, 2011			
	Daido Life Insurance Company	March 10, 2008	3,000	3,000	1.76625	March 10, 2016			Unsecured and Unguaranteed (Note 2)
	Development Bank of Japan Inc.	June 25, 2008	5,000	5,000	2.21100	June 25, 2015			
	Mizuho Corporate Bank, Ltd.		-	2,000	1.81875	June 27, 2011			
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000	2.10187	December 25, 2013			
	The Norinchukin Bank	July 25, 2008	1,000	1,000	1.80375	July 25, 2012			Unsecured and Unguaranteed (Notes 2 and 3)
	Mizuho Corporate Bank, Ltd.	November 11, 2008	2,000	2,000	1.54250	November 11, 2011			Unsecured and Unguaranteed (Note 2)
	The Chuo Mitsui Trust and Banking Company, Limited	November 18, 2008	-	2,000	1.48125	May 18, 2011			
	Mitsubishi UFJ Trust and Banking Corporation		2,000	2,000	1.72500	November 18, 2012			
	The Sumitomo Trust and Banking Company, Limited	November 25, 2008	-	2,000	1.47500	May 25, 2011			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000	1.63062	May 25, 2012			
	Mizuho Corporate Bank, Ltd.		1,000	1,000	1.52875	November 11, 2011			
	Development Bank of Japan Inc.	February 25, 2009	5,000	5,000	1.79000	February 25, 2014			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)			

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 Chuo Mitsui Trust and Banking Company, Limited	June 25, 2009	2,500	2,500	1.67500	June 25, 2013	Bullet payment	Refinance fund	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			Unsecured and Unguaranteed (Notes 2 and 3)	
	The Chuo Mitsui Trust and Banking Company, Limited		400	400	1.46875	June 29, 2012				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,400	1,400	1.17063	August 29, 2012				Unsecured and Unguaranteed (Note 2)
	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			Unsecured and Unguaranteed (Notes 2 and 3)	
	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			Unsecured and Unguaranteed (Note 2)	
	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	5,000	1.63250	December 27, 2016			Unsecured and Unguaranteed (Note 2)	
	The Chuo Mitsui Trust and Banking Company, Limited	May 18, 2011	2,000	-	1.47625	May 18, 2017				
	The Sumitomo Trust and Banking Company, Limited	May 25, 2011	2,000	-		May 25, 2017				
	Mizuho Corporate Bank, Ltd.	June 27, 2011	2,000	-	1.45375	June 27, 2017				
	Nippon Life Insurance Company	July 29, 2011	2,000	-	1.36875	January 31, 2017				
	Nippon Life Insurance Company		2,000	-	1.49563	January 31, 2018				
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 July 31, 2011 is as follows:

Name	Issue date	Balance as of July 31, 2011	Balance as of January 31, 2011	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 Sixteenth 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				
Real estate	○	Tokyu Ginza 2-chome Building	February 15, 2011	¥ 5,010	—	—	—	—
Total				¥ 5,010		—	—	—

Note. Acquisition prices presented in the table above are exclusive of acquisition expenses (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		
Real estate	○	Tokyu Ginza 2-chome Building	February 15, 2011	¥ 5,010	¥ 5,020	¥ 5,060
Total				¥ 5,010	¥ 5,020	¥ 5,060

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.

Note 2. Acquisition prices presented in the table above are exclusive of acquisition expenses (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

The status of transactions, including the trading of specified assets, with interested persons, etc. and major shareholders is as follows:

Item	Amount of trading			
	Purchase amount		Sale amount	
	Millions of yen			
Total trading amount	¥ 5,010		¥ -	
	Amount relating to purchases from interested persons, etc. and major shareholders ¥ 5,010 [100.0%]		Amount relating to sales to interested persons, etc. and major shareholders ¥ - [-%]	
Breakdown of the total amount relating to trading with interested persons, etc. and major shareholders				
Tokyu Corporation	¥ 5,010	[100.0%]	¥ -	[-%]
Total	¥ 5,010	[100.0%]	¥ -	[-%]

Note. The figures in brackets indicate the ratio of the amount relating to purchases from or sales to interested persons, etc. and major shareholders to the total trading amount.

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	¥ 488,103	Yoga District Heating and Cooling Co., Ltd.	¥ 104,426	21.4
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Subcontract expenses	¥ 434,442	Tokyu Community Corporation	¥ 258,555	59.5
		Tokyu Facility Service Co., Ltd.	¥ 30,910	7.1
		its communications Inc.	¥ 19,315	4.4
		Kyodo Gijutsu Center Co., Ltd.	¥ 10,761	2.5
		Tokyu Store Corporation	¥ 3,278	0.8
Property management fees	¥ 158,847	Tokyu Community Corporation	¥ 79,741	50.2
		Tokyu Corporation	¥ 79,105	49.8
Property-related taxes	¥ 611,202	Tokyu Community Corporation	¥ 2	0.0
Insurance premium	¥ 11,863	Tokyu Insurance Consulting Co., Ltd.	¥ 11,554	97.4
Other rental service expenses	¥ 214,337	Tokyu Community Corporation	¥ 9,747	4.5
		Tokyu Corporation	¥ 4,564	2.1
		TMD Corporation	¥ 2,657	1.2
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.4
		Tokyu Facility Service Co., Ltd.	¥ 440	0.2
		Tokyu Hotels Co., Ltd.	¥ 88	0.0
		its communications Inc.	¥ 62	0.0
Tokyu Hands Inc.	¥ 16	0.0		
Other operating expenses	¥ 71,950	Tokyu Hotels Co., Ltd.	¥ 2,075	2.9

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 related parties, 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 and Tokyu Community Corporation in the amount of ¥57,799 thousand and ¥27,882 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 sixteenth fiscal period are as follows:

Tokyu Construction Co., Ltd.	¥ 116,954 thousand
Tokyu Corporation	¥ 8,963 thousand
Tokyu Community Corporation	¥ 3,200 thousand
Tokyu Facility Service Co., Ltd.	¥ 1,132 thousand
Tokyu Renewal Co., Ltd.	¥ 852 thousand
Kyodo Gijutsu Center Co., Ltd.	¥ 814 thousand
Seikitokyu Kogyo Co., Ltd.	¥ 375 thousand
Tokyu Green System Co., Ltd.	¥ 190 thousand
Tokyu Techno System Co., Ltd.	¥ 88 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
April 14, 2011	Revision of investment management agreement	The meeting approved to amend the "Scope and Policy of Investment Management" and "Investment Management Fees" set forth in the investment management agreement executed with the investment management company Tokyu REIM. The revision is based on amendment of TOKYU REIT's Articles of Incorporation for the abovementioned amendment having been approved at a General Meeting of Unitholders.

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

There is no item that falls under this category.

(3) Other

① During the fiscal period under review, TOKYU REIT's Board of Directors approved the following signing of memorandums with the investment management company and property management company.

Date of meeting	Agenda item	Summary
May 27, 2011	Signing of memorandum with Tokyu REIM (see Note below)	The meeting approved the signing of a memorandum with the investment management company Tokyu REIM, confirming Tokyu REIM's intentions to take full responsibility for expenses (¥132 thousand) resulting from operational delinquency.
	Signing of memorandum with Tokyu Corporation	The meeting approved the signing of a memorandum with the property management company Tokyu Corporation, confirming Tokyu Corporation's intentions, based on the property management agreement, to take full responsibility for expenses (¥331 thousand) resulting from operational delinquency.

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

② 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 July 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 July 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.

PricewaterhouseCoopers Aarata

October 26, 2011

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

	July 31, 2011	January 31, 2011 (information only)
(Millions of yen)		
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 4,599	¥ 8,393
Cash and deposits with banks held in trust	10,961	10,914
Tenant receivables	123	108
Lease deposits held in trust due within one year	18	18
Other current assets	40	55
Total current assets	15,744	19,490
Fixed assets:		
Property and equipment		
Buildings and structures	7,637	5,682
Land	33,228	30,144
Other tangible assets	77	30
Buildings and structures held in trust	46,681	46,513
Land held in trust	115,335	115,335
Other tangible assets held in trust	1,232	1,226
Construction in progress held in trust	8	1
Less accumulated depreciation	(13,506)	(12,536)
Total property and equipment	190,695	186,397
Intangible assets		
Intangible assets	1	1
Intangible assets held in trust	11	12
Total intangible assets	13	14
Investments and other assets		
Lease deposits	125	125
Lease deposits held in trust	836	836
Other assets	227	217
Total investments and other assets	1,189	1,179
Total fixed assets	191,898	187,591
Deferred assets:		
Investment corporation bond issuance expenses	18	23
Total deferred assets	18	23
Total assets	¥ 207,661	¥ 207,106

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

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

	July 31, 2011	January 31, 2011 (information only)
(Millions of yen)		
<u>LIABILITIES</u>		
Current liabilities:		
Long-term debt due within one year	¥ 17,200	¥ 19,400
Accounts payable	992	782
Consumption tax payable	63	79
Rent received in advance	1,044	1,041
Tenant leasehold and security deposits held in trust due within one year	624	624
Provision for loss on disaster	26	-
Accrued expenses and other current liabilities	200	235
Total current liabilities	20,152	22,162
Long-term liabilities:		
Long-term debt	62,800	60,600
Investment corporation bonds	10,000	10,000
Tenant leasehold and security deposits	2,268	1,833
Tenant leasehold and security deposits held in trust	12,173	12,445
Other long-term liabilities	4	4
Total long-term liabilities	87,246	84,883
Total liabilities	¥ 107,398	¥ 107,046
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized – 2,000,000 units		
Units issued and outstanding – 169,380 units		
as of July 31, 2011 and January 31, 2011	¥ 98,019	¥ 98,019
Retained earnings	2,242	2,040
Total net assets	100,262	100,059
Total liabilities and net assets	¥ 207,661	¥ 207,106

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

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

	For the six months ended	
	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 6,408	¥ 6,040
Other rental revenue	442	481
Contribution for construction	67	-
Revenues from facility acceptance	0	2
Operating expenses:		
Rental service expenses	(3,180)	(3,070)
Asset management fees	(479)	(445)
Other	(136)	(129)
Operating income	3,121	2,878
Non-operating income:		
Interest income	2	5
Other	1	7
Non-operating expenses:		
Interest expense	(697)	(713)
Interest expense on investment corporation bonds	(87)	(89)
Amortization of investment corporation bond issuance expenses	(4)	(4)
Other	(43)	(43)
Extraordinary loss:		
Loss on disaster	(22)	-
Provision for loss on disaster	(26)	-
Income before income taxes	2,243	2,041
Income taxes:		
Current	(1)	(0)
Deferred	0	0
Net income	2,242	2,040
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 2,242	¥ 2,040

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

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

For the six months ended July 31, 2011

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at January 31, 2011	¥ 98,019	¥ 2,040	¥ 100,059
Changes during the period			
Cash distributions declared	-	(2,040)	(2,040)
Net income	-	2,242	2,242
Total changes during the period	-	202	202
Balance at July 31, 2011	¥ 98,019	¥ 2,242	¥ 100,262

For the six months ended January 31, 2011 (information only)

	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

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

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

	For the six months ended	
	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 2,243	¥ 2,041
Depreciation and amortization	994	1,039
Amortization of investment corporation bond issuance expenses	4	4
Loss on disposal of property and equipment	47	1
Increase (Decrease) in provision for loss on disaster	26	-
Interest income	(2)	(5)
Interest expense	815	835
(Increase) Decrease in tenant receivables	(15)	34
(Increase) Decrease in consumption tax refund receivables	-	375
Increase (Decrease) in consumption tax payable	(15)	79
Increase (Decrease) in accounts payable	145	26
Increase (Decrease) in rent received in advance	3	38
Other, net	(13)	(16)
Total	4,234	4,454
Interest received	2	5
Interest paid	(827)	(835)
Income taxes paid	(0)	(0)
Net cash provided by operating activities	3,409	3,624
Cash flows from investing activities:		
Payments for purchases of property and equipment	(5,075)	(64)
Payments for purchases of property and equipment held in trust	(202)	(8,974)
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	477	25
Payments for tenant leasehold and security deposits	(41)	(75)
Proceeds from tenant leasehold and security deposits held in trust	256	1,027
Payments for tenant leasehold and security deposits held in trust	(529)	(747)
Payments for restricted deposits with banks held in trust	(256)	(1,046)
Proceeds from restricted deposits with banks held in trust	312	530
Net cash used in investing activities	(5,059)	(9,305)
Cash flows from financing activities:		
Proceeds from long-term debt	10,000	5,000
Repayment of long-term debt	(10,000)	(5,000)
Payment of dividends	(2,040)	(2,139)
Net cash used in financing activities	(2,040)	(2,139)
Net change in cash and cash equivalents	(3,691)	(7,820)
Cash and cash equivalents at beginning of period	10,756	18,576
Cash and cash equivalents at end of period	¥ 7,064	¥ 10,756

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

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

1. Organization and basis of presentation

(a) Organization

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

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

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

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

As at July 31, 2011, TOKYU REIT's total capital is ¥98,019 million with 169,380 units issued and outstanding. TOKYU REIT has been operating 26 properties at an occupancy rate of approximately 98.5%. Total acquisition cost of the 26 properties is ¥199,672 million and total rentable area is 245,373.01 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 July 31, 2011 and January 31, 2011

2. Significant accounting policies

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

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

	July 31, 2011	January 31, 2011 (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) **Accounting standard for asset retirement obligations** - 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).
- (h) **Provision recognition** - Of the future cost of repairing fixed assets that were damaged in the Great East Japan Earthquake and other associated expenses, the amount that can be reasonably estimated at the end of the fiscal period is recognized as provision for loss on disaster.

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

- (i) **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.
- (j) **Property-related taxes** – Property-related taxes (property tax, city planning tax and depreciable property tax) are imposed on property on a calendar year basis. The amount of such taxes assessed in the period is charged to income as rental service expenses. In accordance with Japanese business practice, at the time of disposal, the seller of the property is generally liable for property-related taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser of the property for the accrued property-related tax liabilities up to the time of disposal, and the amount of the settlement reflects this adjustment when acquiring a property. TOKYU REIT is allocating the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amount of those allocated portions of the property-related taxes is capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes are ¥23 million for the six months ended July 31, 2011, and ¥11 million for the six months ended January 31, 2011.
- (k) **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 ¥19 thousand are included in other current assets as of July 31, 2011 and January 31, 2011, respectively.
- (l) **Net income per unit** – Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.

3. Cash and cash equivalents

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

	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Cash and deposits with banks	¥ 4,599	¥ 8,393
Cash and deposits with banks held in trust	10,961	10,914
Restricted deposits with banks held in trust	(8,496)	(8,551)
Cash and cash equivalents	¥ 7,064	¥ 10,756

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 July 31, 2011 and January 31, 2011

4. Schedule of property and equipment and intangible assets

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

	July 31, 2011			January 31, 2011 (information only)		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 7,583	¥ (957)	¥ 6,626	¥ 5,637	¥ (816)	¥ 4,820
Structures	54	(9)	44	45	(8)	37
Land	33,228	-	33,228	30,144	-	30,144
Other tangible assets						
Machinery and equipment	52	(8)	44	10	(4)	6
Tools, furniture and fixtures	24	(11)	13	19	(9)	10
Property and equipment held in trust						
Buildings and structures						
Buildings	45,894	(11,493)	34,401	45,727	(10,748)	34,978
Structures	786	(314)	471	786	(297)	488
Land	115,335	-	115,335	115,335	-	115,335
Other tangible assets						
Machinery and equipment	935	(509)	426	935	(460)	475
Tools, furniture and fixtures	296	(201)	95	290	(189)	100
Construction in progress	8	-	8	1	-	1
Sub total	204,201	(13,506)	190,695	198,933	(12,536)	186,397
Intangible assets						
Intangible assets	2	(1)	1	2	(0)	1
Intangible assets held in trust	23	(11)	11	23	(10)	12
Sub total	26	(12)	13	26	(11)	14
Total	¥ 204,227	¥ (13,518)	¥ 190,709	¥ 198,960	¥ (12,547)	¥ 186,412

5. Collateral pledged and secured liabilities

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

Assets pledged as collateral	July 31, 2011	January 31, 2011
	(Millions of yen)	
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 2,915	¥ 2,994
Structures	134	136
Land	5,585	5,585
Other tangible assets		
Machinery and equipment	8	8
Tools, furniture and fixtures	0	0
Total	¥ 8,644	¥ 8,725
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	3,012	3,229
Total	¥ 3,446	¥ 3,663

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

6. Short-term debt and long-term debt

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

	Balance as of July 31, 2011	Balance as of January 31, 2011 (information only)	Average interest rate (Note 1)
	(Millions of yen)		(%)
	¥	¥	
Short-term debt			
Sub total	-	-	
Long-term debt			
Unsecured loans due on May 18, 2011 with fixed rate	-	2,000	1.48125
Unsecured loans due on May 25, 2011 with fixed rate	-	2,000	1.47500
Unsecured loans due on June 27, 2011 with fixed rate	-	2,000	1.81875
Unsecured loans due on July 29, 2011 with fixed rate	-	4,000	1.94084
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 (Note 2)	2,000	2,000	1.63062
Unsecured loans due on June 25, 2012 with fixed rate (Note 2)	4,000	4,000	2.03000
Unsecured loans due on June 29, 2012 with fixed rate (Note 2)	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	1.17063
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	5,000	1.63250
Unsecured loans due on January 31, 2017 with fixed rate	2,000	-	1.36875
Unsecured loans due on May 18, 2017 with fixed rate	2,000	-	1.47625
Unsecured loans due on May 25, 2017 with fixed rate	2,000	-	1.47625
Unsecured loans due on June 27, 2017 with fixed rate	2,000	-	1.45375
Unsecured loans due on January 25, 2018 with fixed rate	5,000	5,000	1.95000
Unsecured loans due on January 31, 2018 with fixed rate	2,000	-	1.49563
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, ¥10 billion with one bank on July 2, 2009 and ¥8 billion with five banks on July 12, 2011. Combined, commitment lines total ¥20 billion with six banks. No amount has been drawn down as of July 31, 2011 and January 31, 2011.

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

7. Investment corporation bonds

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

Name	Issue date	Balance as of	Balance as of	Annual	Maturity date
		July 31, 2011	January 31, 2011 (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>		

8. Unitholders' equity

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

9. Rental revenue and expense

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

	For the six months ended	
	July 31, 2011	January 31, 2011 (information only)
(Millions of yen)		
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 5,197	¥ 4,896
Common area charges	723	661
Parking lot revenue under monthly contract	140	135
Other rent income	347	347
Sub total	<u>6,408</u>	<u>6,040</u>
Other rental revenue:		
Incidental income	376	411
Other miscellaneous income	65	70
Sub total	<u>442</u>	<u>481</u>
Total revenue from property leasing	(a) <u>6,850</u>	<u>6,522</u>
Rental service expenses:		
Utilities expenses	488	513
Subcontract expenses	434	442
Property management fees	158	144
Repairs and maintenance expenses	219	163
Property-related taxes	611	525
Insurance premium	11	13
Depreciation and amortization	994	1,039
Loss on disposal of property and equipment	47	1
Other	214	226
Total rental service expenses	(b) <u>3,180</u>	<u>3,070</u>
Operating income from property leasing activities	(a)-(b) <u>¥ 3,669</u>	<u>¥ 3,451</u>

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

10. The financial results of each property (Unaudited)

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

For the six months ended July 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	¥ 618	¥ 245	¥ 372	¥ 53	¥ 318
R Lexington Aoyama	111	31	80	8	71
R TOKYU REIT Omotesando Square	169	42	127	10	117
R Tokyu Saginuma Building	308	116	191	76	115
R Tokyu Saginuma 2 Building	62	12	50	8	41
R TOKYU REIT Shibuya Udagawa-cho Square	169	23	146	4	141
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	60	239	82	157
R cocoti	520	176	344	175	169
R Shonan Mall Fill (<i>sokochi</i>)	174	26	147	-	147
R CONZE Ebisu	112	35	76	18	58
R Daikanyama Forum	94	36	57	10	47
O Setagaya Business Square	1,071	495	575	159	416
O Tokyu Nampeidai-cho Building	182	32	149	21	128
O Tokyu Sakuragaoka-cho Building	249	48	200	20	180
O Tokyo Nissan Taito Building	221	74	146	31	115
O TOKYU REIT Akasaka Hinokicho Building	139	39	99	9	89
O TOKYU REIT Kamata Building	259	103	155	32	123
O TOKYU REIT Toranomom Building	333	158	174	36	138
O TOKYU REIT Hatchobori Building	207	55	151	33	118
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	202	40	161	37	124
O Tokyu Ikejiri-ohashi Building	170	57	113	21	92
O Kojimachi Square	290	46	243	59	184
O ORIX Shinjuku Building	294	59	235	40	194
O Akihabara Sanwa Toyo Building	174	38	136	14	121
O Kiba Eitai Building	207	62	144	40	104
O Tokyu Ginza 2-chome Building	204	17	186	36	150
Total	¥ 6,850	¥ 2,138	¥ 4,712	¥ 1,042	¥ 3,669

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

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	<u>¥ 6,522</u>	<u>¥ 2,030</u>	<u>¥ 4,492</u>	<u>¥ 1,040</u>	<u>¥ 3,451</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.

11. Breakdown of extraordinary loss

Of the cost of repairing fixed assets that were damaged in the Great East Japan Earthquake and other associated expenses, the amount of construction and related expenses, that were implemented in the fiscal period is recognized as "Loss on disaster" and the estimated amount of construction and other related expenses, that are due to be implemented in subsequent fiscal periods is recognized as "Provision for loss on disaster."

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

12. Income taxes

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

	July 31, 2011	January 31, 2011 (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 July 31, 2011 and January 31, 2011 and the unitholders’ equity per unit as of July 31, 2011 and January 31, 2011.

	For the six months ended	
	July 31, 2011	January 31, 2011 (information only)
Net income per unit	¥ 13,239	¥ 12,045
Weighted-average number of units ※1	169,380 units	169,380 units

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

	As of July 31, 2011	As of January 31, 2011 (information only)
Unitholders’ equity per unit	¥ 591,936	¥ 590,742

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

14. Distribution information

The Board of Directors of TOKYU REIT resolved on September 13, 2011 and March 15, 2011 to effect payment of cash distributions of ¥13,239 and ¥12,045 per unit to unitholders of record on July 31, 2011 and January 31, 2011, respectively. Retained earnings carried forward after the distributions are as follows:

	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Retained earnings at end of period	¥ 2,242	¥ 2,040
Cash distributions declared	2,242	2,040
Retained earnings carried forward	¥ 0	¥ 0

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

15. Leases

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

	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Due within one year	¥ 5,579	¥ 5,382
Due after one year	18,263	19,532
Total	¥ 23,843	¥ 24,915

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

	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Due within one year	¥ 212	¥ 234
Due after one year	3,028	3,609
Total	¥ 3,241	¥ 3,843

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
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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 ¥20 billion with TOKYU REIT's main banks (no amount has been drawn down as of July 31, 2011 and January 31, 2011), 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).

	July 31, 2011			January 31, 2011 (information only)		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
	(Millions of yen)					
(1) Cash and deposits with banks	¥ 4,599	¥ 4,599	¥ -	¥ 8,393	¥ 8,393	¥ -
(2) Cash and deposits with banks held in trust	10,961	10,961	-	10,914	10,914	-
Assets total	15,561	15,561	-	19,307	19,307	-
(1) Short-term debt	-	-	-	-	-	-
(2) Long-term debt due within one year	17,200	17,285	85	19,400	19,486	86
(3) Tenant leasehold and security deposits held in trust due within one year	624	676	51	624	679	55
(4) Investment corporation bonds	10,000	10,232	232	10,000	10,259	259
(5) Long-term debt	62,800	63,942	1,142	60,600	61,476	876
(6) Tenant leasehold and security deposits held in trust	3,867	3,798	(69)	4,084	3,975	(108)
Liabilities total	¥ 94,492	¥ 95,935	¥ 1,443	¥ 94,709	¥ 95,878	¥ 1,168

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

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

	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Carrying amount		
(i) Tenant leasehold and security deposits	¥ 2,268	¥ 1,833
(ii) Tenant leasehold and security deposits held in trust	8,305	8,361

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 July 31, 2011 and January 31, 2011

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

	July 31, 2011			January 31, 2011 (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	¥ 4,599	¥ 10,961	¥ 15,561	¥ 8,393	¥ 10,914	¥ 19,307
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

	July 31, 2011				January 31, 2011 (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	¥ -	¥ -	¥ 17,200	¥ 17,200	¥ -	¥ -	¥ 19,400	¥ 19,400
Within two years, but over one year	-	5,000	13,800	18,800	-	5,000	12,200	17,200
Within three years, but over two years	-	-	17,000	17,000	-	-	19,400	19,400
Within four years, but over three years	-	5,000	9,000	14,000	-	5,000	7,000	12,000
Within five years, but over four years	-	-	3,000	3,000	-	-	9,000	9,000
Over five years	-	-	20,000	20,000	-	-	13,000	13,000

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 July 31, 2011 and January 31, 2011 and payable due to asset manager as of then were as follows:

	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Asset management fees for the period	¥ 479	¥ 445
Management fees payable due to asset manager	222	204

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

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	
	July 31, 2011	January 31, 2011 (information only)
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 186,412	¥ 178,433
Change during the period (Note 3)	4,296	7,979
Balance at end of period	¥ 190,709	¥ 186,412
	As of July 31, 2011	As of January 31, 2011 (information only)
	(Millions of yen)	
Fair value at end of period (Note 4)	¥ 191,440	¥ 187,900

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 July 31, 2011, the amount of increase is mainly attributable to acquisition of Tokyu Ginza 2-chome Building (¥5,073 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥994 million).

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).

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 July 31, 2011 and January 31, 2011 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 July 31, 2011 and January 31, 2011

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 July 31, 2011 is accompanied by segment and related information for the six months ended January 31, 2011.

[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.

	July 31, 2011				January 31, 2011 (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)	¥ 4,208	¥ 2,642	¥ 67	¥ 6,918	¥ 3,873	¥ 2,649	¥ 2	¥ 6,524
Segment income	2,283	1,386	(548)	3,121	2,042	1,409	(572)	2,878
Segment assets	103,232	87,476	16,952	207,661	98,714	87,698	20,693	207,106
Other items								
Depreciation and amortization	593	401	-	994	637	401	-	1,039
Increase in property and equipment and intangible assets	5,112	226	-	5,339	8,992	29	-	9,021

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

- Note 1. TOKYU REIT's operating revenues are all from external customers.
- Note 2. The breakdown of the ¥67 million amount of reconciliation of operating revenues is ¥67 million in contribution for construction and ¥0 million (¥157 thousand) in revenues from facility acceptance. The breakdown of the -¥548 million amount of reconciliation of segment income is ¥67 million in contribution for construction, ¥0 million (¥157 thousand) in revenues from facility acceptance and ¥616 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 ¥16,952 million amount of reconciliation of segment assets is ¥15,744 million in current assets, ¥1,189 million in investments and other assets and ¥18 million in deferred assets.
- Note 3. 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.

[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

For the six months ended July 31, 2011

Party	Operating revenues (Millions of yen)	Name of related segment
Related parties (Note)	¥ 1,409	Office Property Leasing Business Retail Property Leasing Business

Note. "Related parties" refers to any entity that falls under the following (i) to (vii):

- (i) Tokyu Corporation
- (ii) A consolidated subsidiary of Tokyu Corporation
- (iii) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.
- (iv) Affiliates within the scope of consolidation of Tokyu Corporation
- (v) Tokyu Land
- (vi) A consolidated subsidiary of Tokyu Land
- (vii) A tokutei mokuteki kaisha (TMK) or special purpose company (SPC) that was established based on the intention of Tokyu Land or a consolidated subsidiary of Tokyu Land and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.

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

For the six months ended January 31, 2011 (information only)

<u>Party</u>	<u>Operating revenues</u> (Millions of yen)	<u>Name of related segment</u>
Tokyu Group companies (Note)	¥ 1,341	Office Property Leasing Business Retail Property Leasing Business

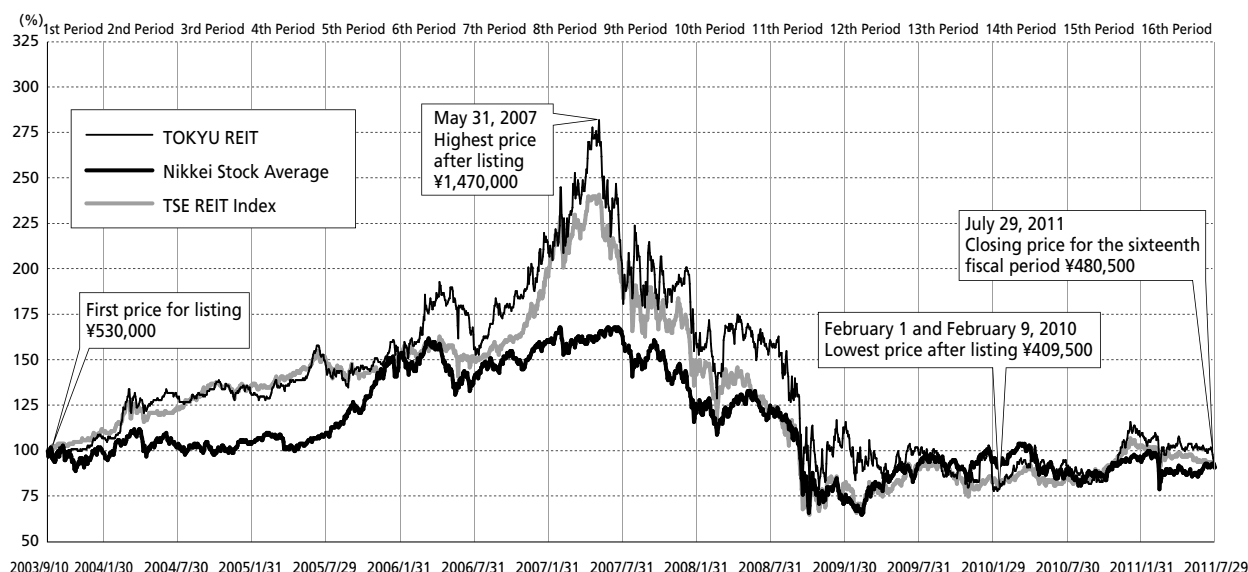
Note. In addition to the interested persons, etc. designated by the Investment Trust Law and the Investment Trust Law Enforcement Order, TOKYU REIT's independent definition of "Tokyu Group companies" encompasses the following: companies whose majority of voting rights is held by a company that has a 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

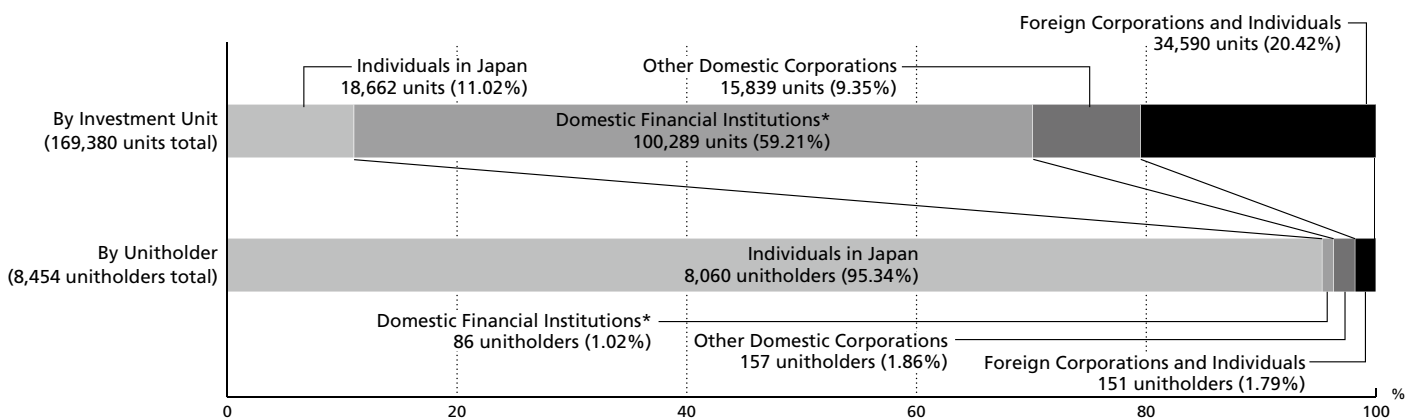
TOKYU REIT is not aware of any circumstances that may have a material impact on TOKYU REIT's financial position after the sixteenth fiscal period ended July 31, 2011.

Unitholder Information

Unit Price Chart



Unitholder Composition



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

Results Reporting Schedule

	16th Period	17th Period
Date of settlement	Jul. 31, 2011	Jan. 31, 2012
Announcement of financial results	Sep. 13, 2011	Mid Mar. 2012
Delivery of investment management report (Japanese only)	Oct. 12, 2011	Mid Apr. 2012
Payment of cash distributions	Oct. 13, 2011	Mid Apr. 2012

Address

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

Established

June 20, 2003

Executive Director

Masahiro Horie

Supervisory Directors

Giichi Yanagisawa

Maruhito Kondo

Independent Auditor

PricewaterhouseCoopers Aarata

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

Date of Settlement

Annually on January 31 and July 31

Unitholders' General Meeting

More than once every two years

Date for Finalizing General Meeting Voting Rights

As designated under Article 12 of the by-laws

Date for Determining Cash Distribution Payments

Annually on January 31 and July 31

(Cash distributions paid within three months of each date)

The Administrator of the Register of Unitholders

The Mitsubishi UFJ Trust and Banking Corporation

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

Transfer Agent Head Business Office

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

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

Contact · Address

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

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

Tel: 0120-232-711 (toll free number: Japan only)

Listing

Tokyo Stock Exchange (8957)

■ Distributions**The Time Limit for Claiming Cash Distributions**

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

The date on which payment commenced for the tenth fiscal period (ended July 31, 2008) is on October 10, 2008 and for the eleventh fiscal period (ended January 31, 2009) is on April 10, 2009.

■ Investment Management Company

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

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

■ Disclaimer

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

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

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

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

■ The information in this report without description of dates is as of July 31, 2011.

TOKYU REIT

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