



TOKYU REIT



TOKYO
2003
祝日 7-13

20th Fiscal Period
(February 1, 2013 to July 31, 2013)

FINANCIAL RESULTS PRESENTATION

TSE 8957
<http://www.tokyu-reit.co.jp/eng>

1. Investment Policy and Strategy	2
2. Topics of 20th Period	14
(1) Financial Results and Forecast	16
(2) The Fourth Public Offering	21
(3) Investment Management Overview (External Growth)	26
(4) Investment Management Overview (Internal Growth)	34
(5) Debt Finance	47
3. Fund Management	
(1) Results and Performance	50
(2) Debt Management and Composition of Unitholders	59
(3) Portfolio Management and Risk Management	65
4. Market Review	74
5. Appendix	94



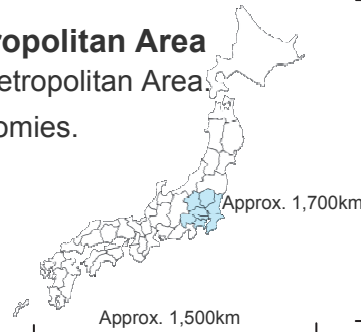
1. Investment Policy and Strategy

Investment in Highly Competitive Properties in Areas with Strong Growth Potential = Low Cap Portfolio Strategy (Note).

Areas with Strong Growth Potential

■ Investment limited to the Tokyo Metropolitan Area

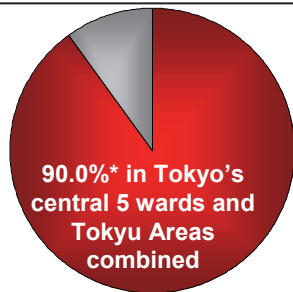
- No investment other than in the Tokyo Metropolitan Area
- Eliminate downside risk of regional economies.
- Control earthquake risk through PML.
(Set portfolio PML at 10% or lower)



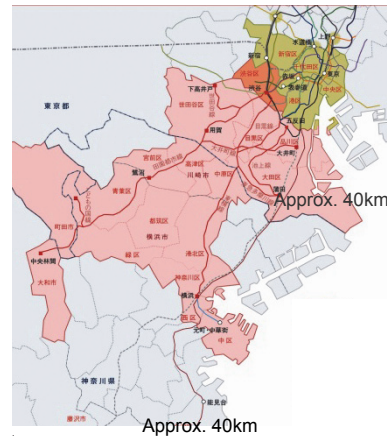
■ Concentrated investment in Tokyo's central 5 wards and in areas along Tokyo rail lines ("Tokyu Areas")

- Areas showing population growth and more growth potential in the Tokyo Metropolitan Area.
- Over 85% of investment conducted in these "major target areas".

Investment is limited to Tokyo, Kanagawa and Saitama Prefectures currently



* Based on estimated value at end of 20th period (July 31, 2013) and appraisal value upon acquisition.

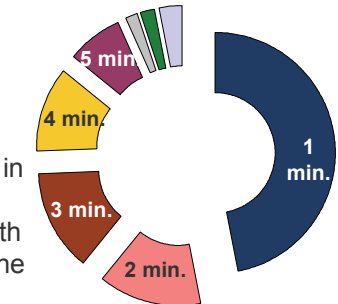


Highly Competitive Properties

■ Location

- Office properties
 - Within a seven-minute walk from the nearest station as a rule.
- Retail properties
 - Conduct various surveys and analyses in many aspects, including purchasing power potential of the trade zone, growth potential, compatibility of tenants with the trade zone, and status of competition.

Approximate Walking Time from Nearest Station



74.5%* of properties lie within 3-min. range today

* Based on acquisition price at end of 20th period (July 2013).

■ Size of properties

- Properties worth over 4 billion yen respectively as a rule.
- Over 5,000 m² of total floor space and over 330m² of exclusive area in typical floor space (for office properties) as a rule.

Average amount invested per property is 7.3 billion yen* at present

*Based on estimated value at end of 20th period (July 31, 2013) and appraisal value upon acquisition

■ Asset class

- Office : Retail = 60 : 40*
* Long-term target
- No investment in residential properties or hotels.*
* TOKYU REIT may acquire properties that have residences and parking facilities, etc. added due to legal requirements and other reasons.

Office : Retail = 56.8%* : 43.2%* currently

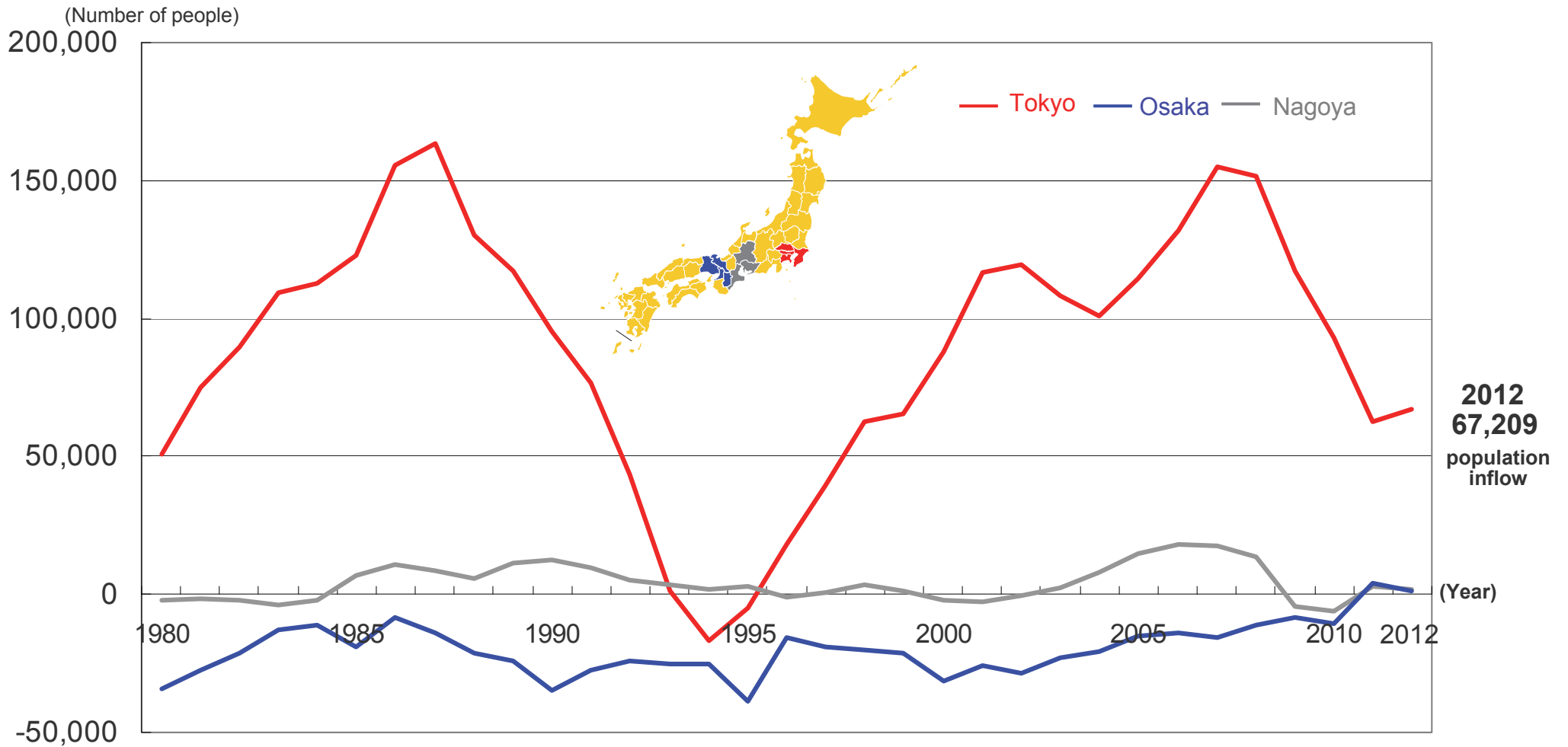
* Based on estimated value at end of 20th period (July 31, 2013) and appraisal value upon acquisition.

(Note) Strategy to establish a low risk, steady return portfolio with promising future growth potential.

*This page represents the views of Tokyu REIM

Excess Population Inflow into Three Major Metropolitan Areas (Population Inflow)

*** Structural concentration of the population in the Tokyo metropolitan area continues.**



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

*Comments by Tokyu REIM

Investment Stance of Tokyu REIM

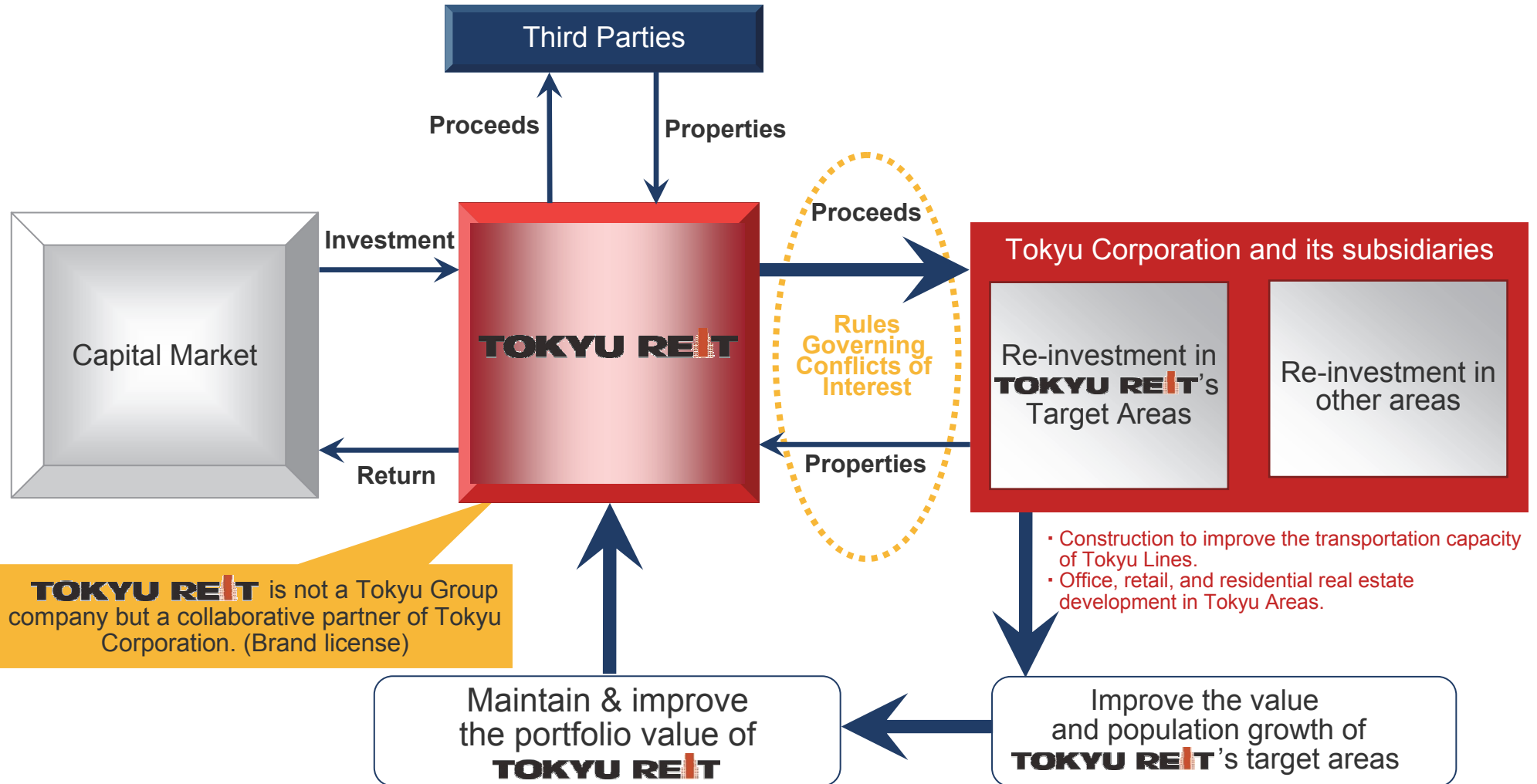
Fiduciary Duties of Tokyu REIM as REIT Management Company	<ul style="list-style-type: none"> Employ an investment stance that enables the fulfillment of the “Fiduciary Duties” that are fundamental to the fiduciary Investment Manager and to provide significant added value.
Fund Structure with High Transparency and Accountability	<ul style="list-style-type: none"> Fund management with high transparency and accountability through improvement of disclosure, including IR activities, and the involvement of an independent third-party in the decision-making process.
Collaboration	<ul style="list-style-type: none"> Growth through collaboration with Tokyu Corporation (Note) and value enhancement of the Tokyu Areas (including Shibuya) (Capital Reinvestment Model).
Brand Strategy	<ul style="list-style-type: none"> Leverage the “Tokyu Brand” name (in the names of REITs and buildings) based on the trademark license agreement.
Enhanced Measures Against Conflicts of Interest	<ul style="list-style-type: none"> Implementation of self-imposed rules to secure collaboration (rules governing conflicts of interest) and governance to maximize the advantages of such cooperation.
Diversified Portfolio	<ul style="list-style-type: none"> Portfolio management employed to reduce dependence on specific properties or specific tenants.
Strategic Financial Principle	<ul style="list-style-type: none"> Principle and strategy focused on managing the required debt and equity risk premium while also securing additional funding availability.
Investment Management Fee	<ul style="list-style-type: none"> Management fee structure linked to three performance indices to balance conflicts of interest by “being in the same boat as unitholders.” Adoption of a structure to expense rather than capitalize the management fee (TOKYU REIT does not adopt an acquisition incentive fee).
Resource Allocation Seeking Stability and Growth	<ul style="list-style-type: none"> Allocate personnel so that the number of properties one asset manager is in charge of is controlled. Enriched IR structure by having the Investment Management Company bear some of the IR costs. Utilize experience and expertise of employees assigned from Tokyu Corporation and its subsidiaries.
Long-Term Investment Management Strategy (Surf Plan)	<ul style="list-style-type: none"> Value & Contrary (presented separately).

“Tokyu Corporation” refers to any of those that fall under the following (i) to (iii): (i) Tokyu Corporation (ii) A consolidated subsidiary of Tokyu Corporation (*not including equity method affiliates) (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%.

*This page represents the views of Tokyu REIM

TOKYU REIT Capital Re-investment Model

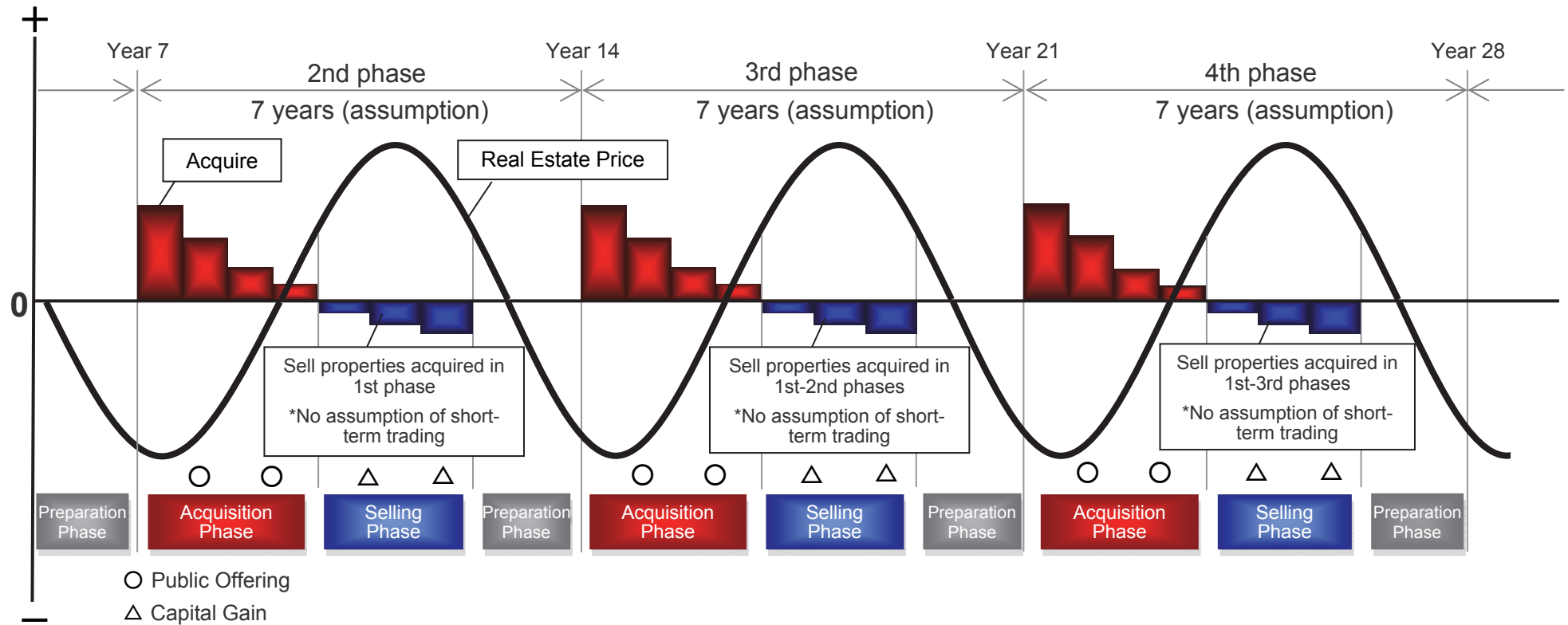
Growth and value enhancement of the Tokyu Areas (areas along Tokyu rail lines) through synergies from collaboration with Tokyu Corporation and its subsidiaries.



*This page represents the views of Tokyu REIM

Value & Contrary

Through a value and contrarian investment approach that focuses on the cyclicity of real estate prices, TOKYU REIT secures capital gains while replacing properties, and achieves improvement of both portfolio quality (rejuvenating average age of properties, etc.) and adjusted ROE (capital yield after deduction of capital gains/losses).



*This page represents the views of Tokyu REIM

Adjusted ROE Matrix

Aim to secure adjusted ROE of 5% or more.

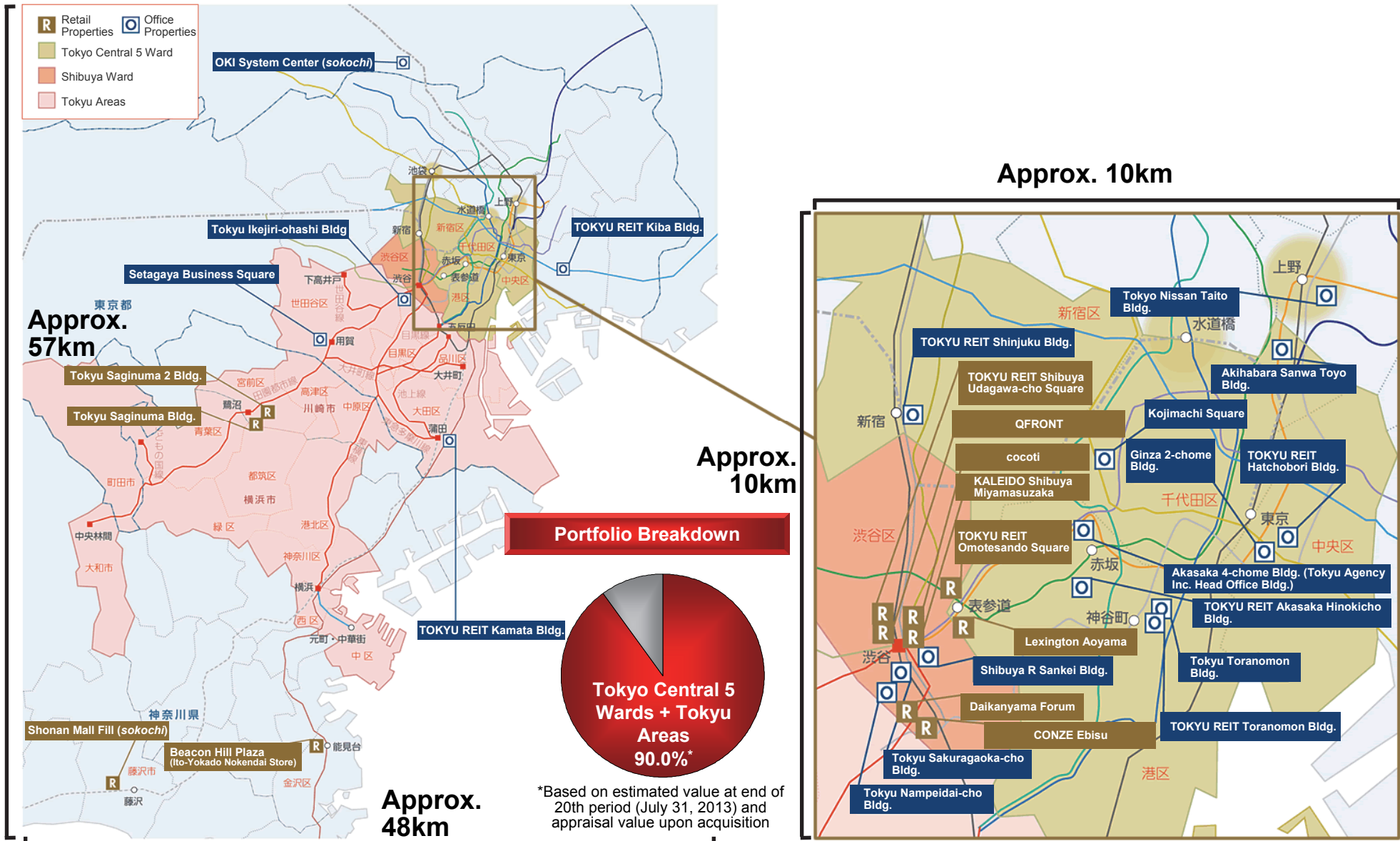
Cumulative Capital Gains Going Forward		Distribution per Unit after Deduction of Capital Gain/Loss								
		¥10,000	¥11,000	¥12,000	¥13,000	¥14,000	¥15,000	¥16,000	¥17,000	¥18,000
Capital Gain	¥0 mn	4.00%	4.40%	4.80%	5.20%	5.60%	6.00%	6.40%	6.80%	7.20%
	¥500 mn	4.02%	4.42%	4.82%	5.23%	5.63%	6.03%	6.43%	6.83%	7.24%
	¥1,000 mn	4.04%	4.45%	4.85%	5.25%	5.66%	6.06%	6.47%	6.87%	7.27%
	¥2,000 mn	4.08%	4.49%	4.90%	5.31%	5.72%	6.13%	6.53%	6.94%	7.35%
	¥5,000 mn	4.22%	4.64%	5.06%	5.48%	5.90%	6.32%	6.74%	7.17%	7.59%
	¥10,000 mn	4.46%	4.90%	5.35%	5.79%	6.24%	6.68%	7.13%	7.57%	8.02%

Item	Amount
Total Capital (¥ mn)	a 110,479
Gain/loss on sales of properties (¥ mn)	b 12,716
Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)	1,637
Resona Maruha Building	18,259
Ryoshin Harajuku Building	-7,180
Adjusted Capital after Deduction (¥ mn)	c=a-b 97,763
Outstanding Units (Units)	d 195,520
Adjusted Capital per Unit (¥)	e=c/d 500,017

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

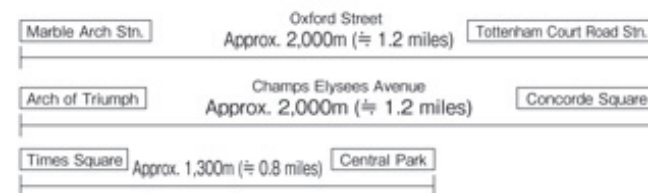
*This page represents the views of Tokyu REIM

Portfolio Overview (as of September 13, 2013, 30 properties; Total acquisition price: 229.6 billion yen)



Total Acquisition Price does not include broker's fees, acquisition-related costs, property tax, city planning tax and consumption tax.

Greater Shibuya Area Property (12 Properties Owned by TOKYU REIT with Acquisition Price Totaling ¥93.2 Billion)

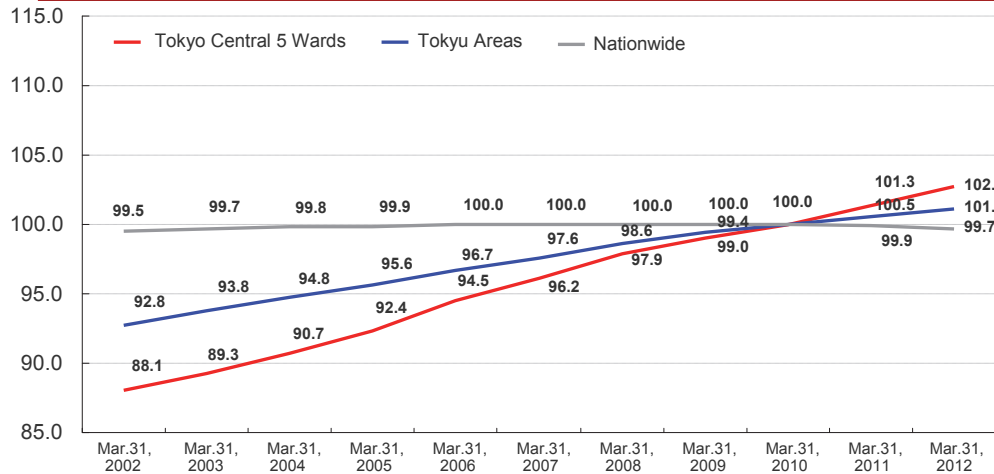


* As of the date this presentation was prepared, TOKYU REIT has no plan to acquire properties owned by Tokyu Corporation and its subsidiaries.
 * This map represents an extract selection and does not indicate all major facilities.
 * Some properties are only partially owned by TOKYU REIT or Tokyu Corporation and its subsidiaries.

Strengths of Major Target Areas (1)

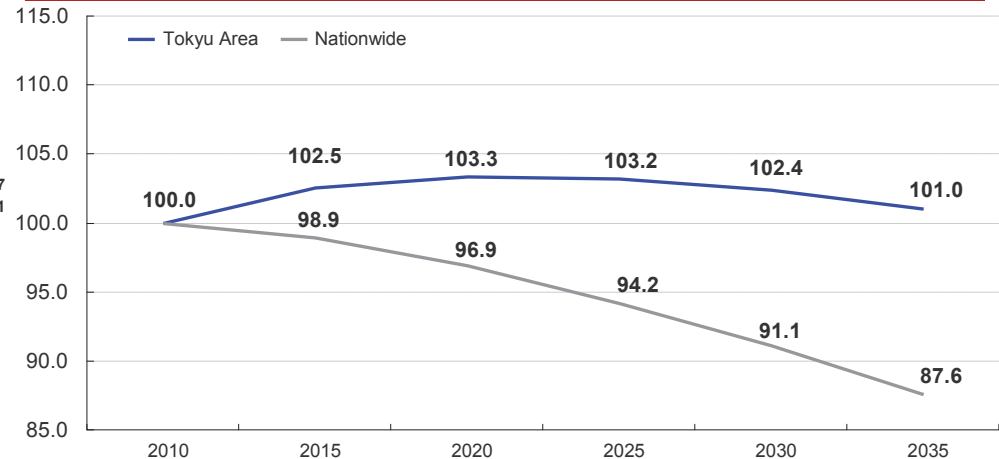
* The population of the nation is on a downward trend, but in major target areas of TOKYU REIT, economic growth stemming from population growth can be expected.

Changes in the Population of Major Target Areas (year 2010 = 100)



Source: Prepared by Tokyu REIM based on "Basic Resident Register" of the Japan Geographic Data Center.

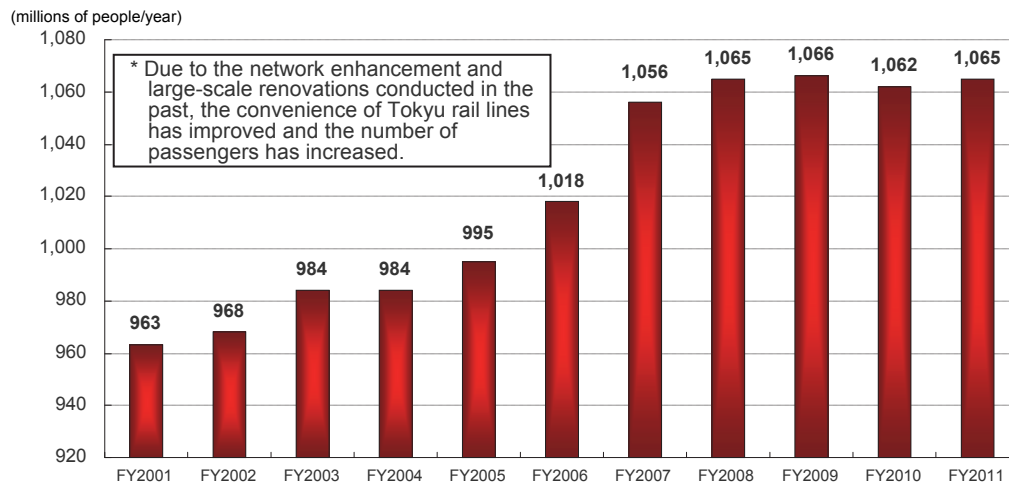
Population Forecasts for Tokyu Areas (year 2010 = 100)



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

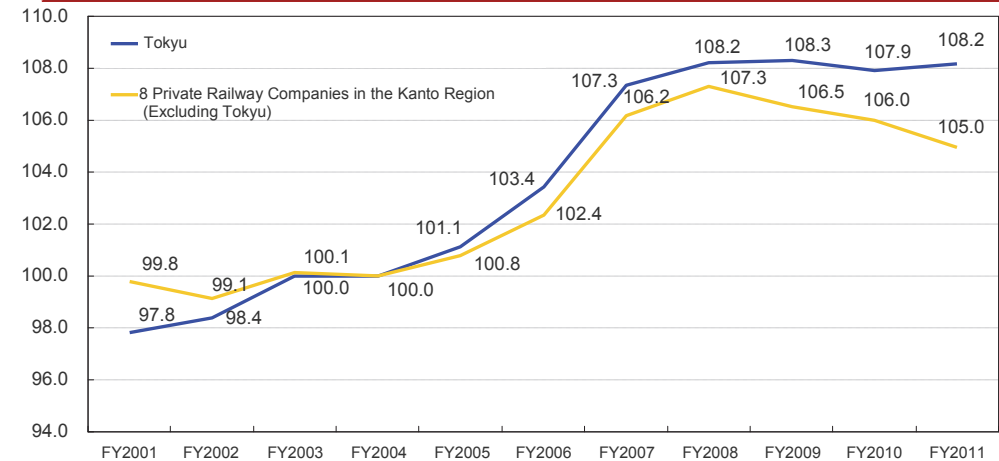
* Prepared by Tokyu Corporation based on the 2013 National Institute of Population and Social Security Research's data by municipalities.

Number of Passengers Using Tokyu Rail Lines



Source: The Association of Japanese Private Railways

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

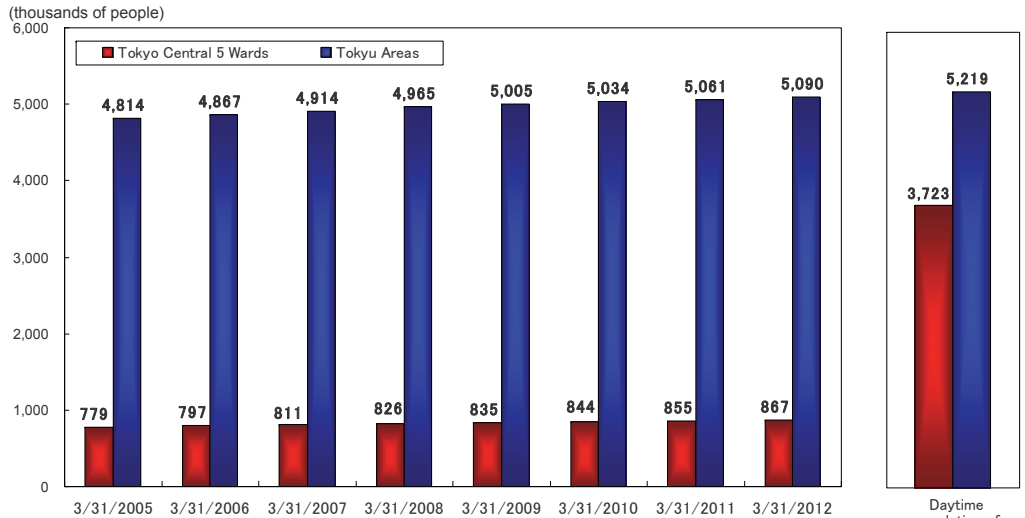


Source: Prepared by Tokyu REIM based on materials posted on the website of the Association of Japanese Private Railways.

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

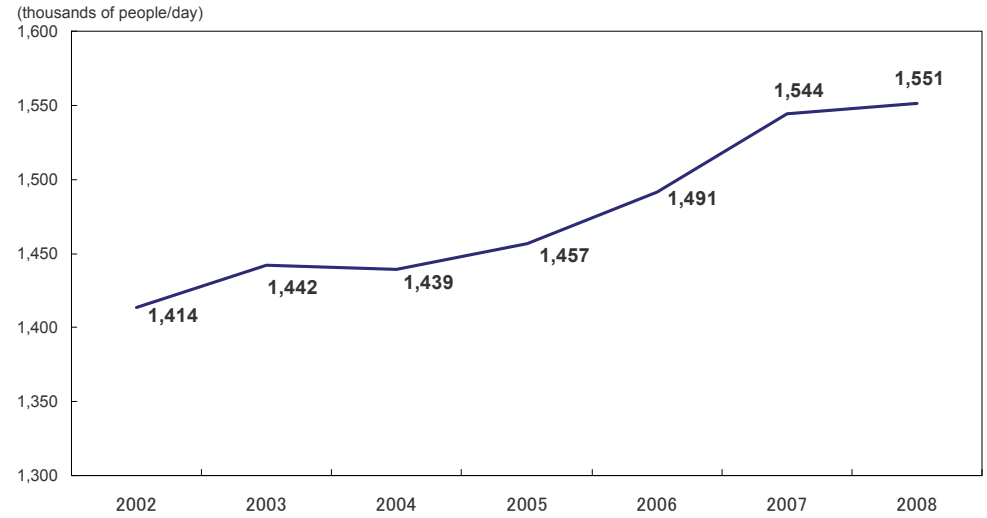
Strengths of Major Target Areas (2)

Population of Major Target Areas



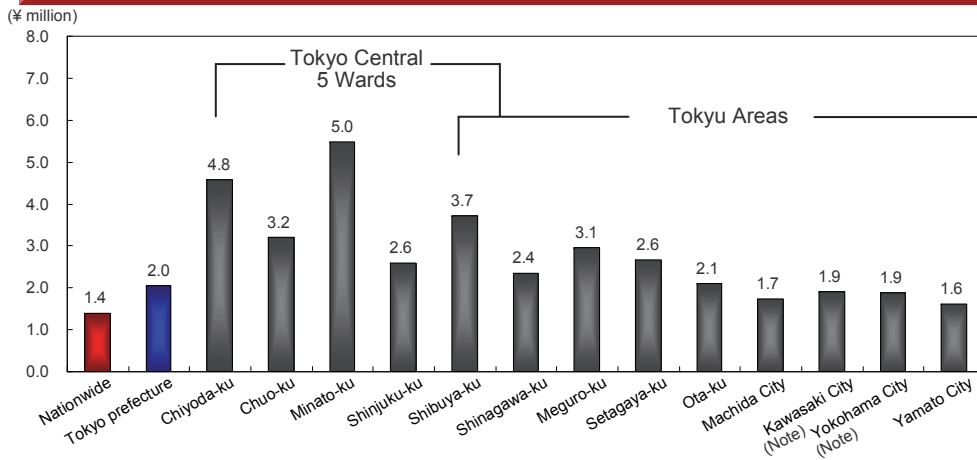
Source: "Basic Resident Register" of the Japan Geographic Data Center and "Population Census" of the Ministry of Internal Affairs and Communications (daytime populations after 2006 are unannounced).
 *Shibuya Ward is included in both the Tokyo Central 5 Wards and the Tokyu Areas (the population of Shibuya Ward is 200,000 people as of March 31, 2012).

Changes in the Number of Passengers Using Shibuya Station



Source: "Urban Transportation Yearbook (2002-2008)" by the Institution of Transport Policy Studies.
 * The Number of Passengers Using Shibuya Station is the total number of passengers who use Shibuya Station via the Tokyu Line, JR Line, Keio Line and Tokyo Metro lines.

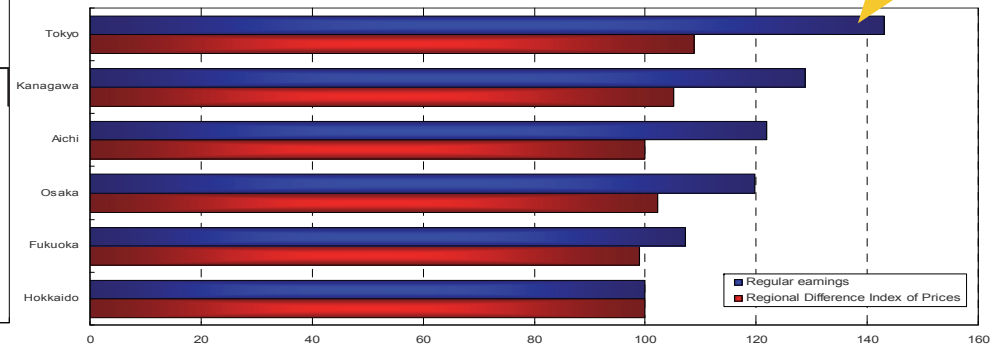
Personal Income Taxation Level by Area (2011)



Source: "Personal Income Index, 2013" by Japan Planning Systems Co., Ltd.
 (Note) The cities of Yokohama and Kawasaki include areas outside of the administrative districts of Tokyo Areas.

Wage and Consumer Price Levels (Hokkaido = 100)

* Tokyo's consumer price is higher relative to other areas, but its wage level is even higher.



Source: "Regular earnings" in the Basic Survey on Wage Structure for fiscal 2012 by the Ministry of Health, Labour and Welfare
 "Regional Difference Index of Prices" in the 2007 National Survey of Prices by the Ministry of Internal Affairs and Communications.

* Each index is based on the figure of Hokkaido (set at 100) in calculating the respective figures of major prefectures.

*Comments by Tokyu REIM

Overview of Investment Management Fee

*** Investment management fee structure linked to three performance indices aimed to balance conflicts of interest by “being in the same boat as unitholders.”**

	Objective (Aim)	Formula	Note
Base 1 (Linked to asset valuation)	Enhance Growth	Asset value at end of previous period × 0.150% (0.125% for the portion exceeding 200 billion yen and 300 billion yen or less) (0.115% for the portion exceeding 300 billion yen)	Encourage Investment Management Company to strive for asset appreciation by linking fee to valuation, not to the amount invested
Base 2 (Linked to cash flow)		Standard cash flow in current period × 6.0% (5.0% for the portion exceeding 5 billion yen and 7.5 billion yen or less) (4.6% for the portion exceeding 7.5 billion yen)	Standard cash flow here shall be the amount derived by subtracting an amount equivalent to 50% each of profit or loss from the sale of specified assets and profit or loss from the valuation of specified assets from the net income before income taxes, plus depreciation and amortization of deferred assets.
Incentive Fee (Linked to investment unit price)		Reduce risk premium related to investment unit price formation	(Average price in current period — Highest average price over all previous periods) × number of units × 0.4%
Time-limited reduction	Efforts to get back on the path to growth	Reduce 15% from Base 1	20th fiscal period to the 23rd fiscal period

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

* The above fees are all booked as expenses. TOKYU REIT does not adopt an acquisition incentive fee, which is capitalized on the balance sheet.

*Comments by Tokyu REIM



2. Topics of 20th Period

(1) Financial Results and Forecast

- Forecast EPS for 20th period: ¥12,018 (increased ¥872 from previous period, increased ¥18 from the forecast)
- Forecast EPS for 21st period: ¥12,400 (increased ¥292 from previous period, no change from previous forecast)
- Forecast EPS for 22nd period: ¥12,500 (increased ¥100 from 21st period forecast)

(2) The Fourth Public Offering

- Property acquisition through sponsor collaboration
- Selective investment focused on Tokyo and Shibuya
- Unitholders' capital surpassed ¥110 billion, enhancing liquidity of units

(3) External Growth

- Resolved to acquire KALEIDO Shibuya Miyamasuzaka, Shibuya R Sankei Building and Tokyu Toranomom Building

(4) Internal Growth

- Occupancy rate increased for two consecutive periods
 - Tenants successfully invited to such properties as TOKYU REIT Omotesando Square, Daikanyama Forum and TOKYU REIT Kamata Bldg.
- New market rent increased
- Estimated value at end of period increased for 17 properties, decreased for 4 properties and remained unchanged for 6 properties (in contrast to 12 properties increasing, 6 properties decreasing and 8 properties remaining unchanged in the previous period)

(5) Debt Finance

- Achieved diversification of repayment dates, prolonged loan periods and lowering of borrowing interest rates



2. Topics of 20th Period

(1) Financial Results and Forecast

Overview of Financial Results

		20th Period Actual	19th Period Actual	Change		20th Period	Change	
		Ended Jul. 2013 (181 days)	Ended Jan. 2013 (184 days)		(%)	Forecast Ended Jul. 2013 as of 3/15/2013		(%)
Distribution per Unit	(¥)	12,019	11,146	873	7.8	11,500	519	4.5
Adjusted ROE	(%)	4.81	4.39	0.42				
Occupancy Rate (End of Period)	(%)	98.0	97.0	1.0		97.2	0.8	
NOI Yield	(%)	4.35	4.22	0.13		4.32	0.03	
Unrealized Gain	(¥ million)	1,840	466	1,374	294.8			
Adjusted Net Asset Value (NAV) per Unit	(¥)	589,563	581,450	8,113	1.4			
Average Balance of Assets during the Period (Based on Acquisition Price)	(¥ million)	202,851	199,672	3,179	1.6	199,672	3,179	1.6
Average Unit Price during the Period	(¥)	575,341	422,792	152,549	36.1			

<Acquisition Capacity>

		After public offering	19th Period Actual Ended Jan. 2013 (184 days)	Change
LTV at End of Period	(%)	48.9	47.9	1.0
Acquisition Capacity	(¥ million)	4,972	8,361	-3,389

Detailed B/S and P/L data
are presented in the
separate DATA BOOK.

* Adjusted ROE = Distribution Amount after Deduction of Capital Gains / (Total Capital – Accumulated Distribution of Capital Gains)

* LTV at End of Period = (Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period + Balance of Cash and Deposits with Banks at End of Period)

* NOI Yield = Leasing NOI / Average Acquisition Price of Properties during the Period

* Unrealized Gain is the balance after deducting the book value from the appraisal value of properties at the end of the period.

* Adjusted Net Asset Value per Unit is (Total Capital + Unrealized Gain) / Outstanding Units. Total Capital does not include Retained Earnings.

Forecast (Comparison with Initial Forecast)

	21st Period Forecast Ending Jan. 2014 as of 3/15/2013 (184 days) a	21st Period Forecast Ending Jan. 2014 as of 3/25/2013 (184 days)	21st Period Forecast Ending Jan. 2014 as of 9/13/2013 (184 days) b	Change b - a	(Major change)	22nd Period Forecast Ending Jul. 2014 as of 9/13/2013 (181 days) c	Change c - b
Distribution per Unit (¥)	11,600	12,200	12,400	800		12,500	100
Operating Revenues (¥ million)	6,259	6,404	7,259	1,000	(Operating Revenues) Increase in rental revenues ¥ +865 million Increase in utility charge revenues ¥ +65 million Increase in other revenues ¥ +47 million	7,247	-12
Operating Expenses (¥ million)	3,557	3,580	4,006	448	Property tax and city planning tax for newly acquired 4 properties starting to be recorded as expenses ¥ 78 million	4,025	18
Operating Income (¥ million)	2,701	2,824	3,253	551		3,221	-31
Net Income (¥ million)	1,964	2,066	2,424	459	(Operating Expenses) Increase in depreciation ¥ +107 million Increase in repair and maintenance costs ¥ +80 million · Restoration work at CONZE Ebisu · Commercialization work of TOKYU REIT Omotesando Square, etc. Increase in outsourcing expenses ¥ +71 million Increase in utility expenses ¥ +60 million	2,444	19
Adjusted ROE (%)	4.57	4.81	4.92	0.35		5.04	0.12
NOI (¥ million)	4,267	4,406	4,985	718		4,965	-19
NOI Yield (%)	4.24	4.28	4.35	0.11		4.36	0.01
LTV / Total Assets at End of Period (%)	43.1	44.3	44.3	1.2		44.3	0.0
LTV at End of Period (%)	47.9	49.6	48.9	1.0		48.9	0.0
Long-Term Debt Ratio at End of Period (%)	100.0	95.1	88.8	-11.2		88.8	0.0
Period End Occupancy Rate (%)	96.4	96.6	97.3	0.9		97.3	0.0
Retail (Urban) (%)	94.7	94.7	98.9	4.2		98.9	0.0
Retail (Suburban) (%)	100.0	100.0	100.0	0.0		100.0	0.0
Office (%)	92.8	93.8	94.8	2.0	Net income to increase by ¥459 million in accordance with the new acquisition of 4 properties	94.8	0.0

* In calculating the forecasted period end occupancy rate as of September 13, 2013, it is assumed that spaces for which notices of cancellation were received as of August 30, 2013 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of August 30, 2013 are assumed to remain vacant.

* The effect of the recent stagnant real estate market, etc. has been factored into the rent levels.

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

* For the sake of convenience, the LTV at end of period on this slide represents the figures at end of the 19th period (based on 26 properties) for the 21st period results forecast as of March 15, 2013, at end of the 20th period (based on 27 properties) for the 21st period results as of March 25, 2013, and after the public offering (based on 30 properties) for the 21st and 22nd period forecast both as of September 13, 2013, respectively.

Forecast (Comparison with Previous Fiscal Period)

		20th Period Actual Ended Jul. 2013 (181 days)	21st Period Forecast Ending Jan. 2014 (184 days)	Change
Distribution per Unit	(¥)	12,019	12,400	381
Operating Revenues	(¥ million)	6,495	7,259	763
Operating Expenses	(¥ million)	3,694	4,006	312
Operating Income	(¥ million)	2,801	3,253	451
Net Income	(¥ million)	2,035	2,424	388
Adjusted ROE	(%)	4.81	4.92	0.11
NOI	(¥ million)	4,378	4,985	607
NOI Yield	(%)	4.35	4.35	-0.01
LTV / Total Assets at End of Period	(%)	44.2	44.3	0.1
Long-Term Debt Ratio at End of Period	(%)	100.0	88.8	-11.2
Period End Occupancy Rate	(%)	98.0	97.3	-0.7
Retail (Urban)	(%)	98.8	98.9	0.1
Retail (Suburban)	(%)	100.0	100.0	0.0
Office	(%)	95.9	94.8	-1.1

(Major change)

(Operating Revenues)

Increase in rental revenues ¥ +703 million

Increase in utility charge revenues ¥ +75 million

(Operating Expenses)

Increase in depreciation ¥ +112 million

Increase in utility expenses ¥ +75 million

Increase in outsourcing expenses ¥ +72 million

* In calculating the forecasted period end occupancy rate, it is assumed that spaces for which notices of cancellation were received as of August 30, 2013 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of August 30, 2013 are assumed to remain vacant.

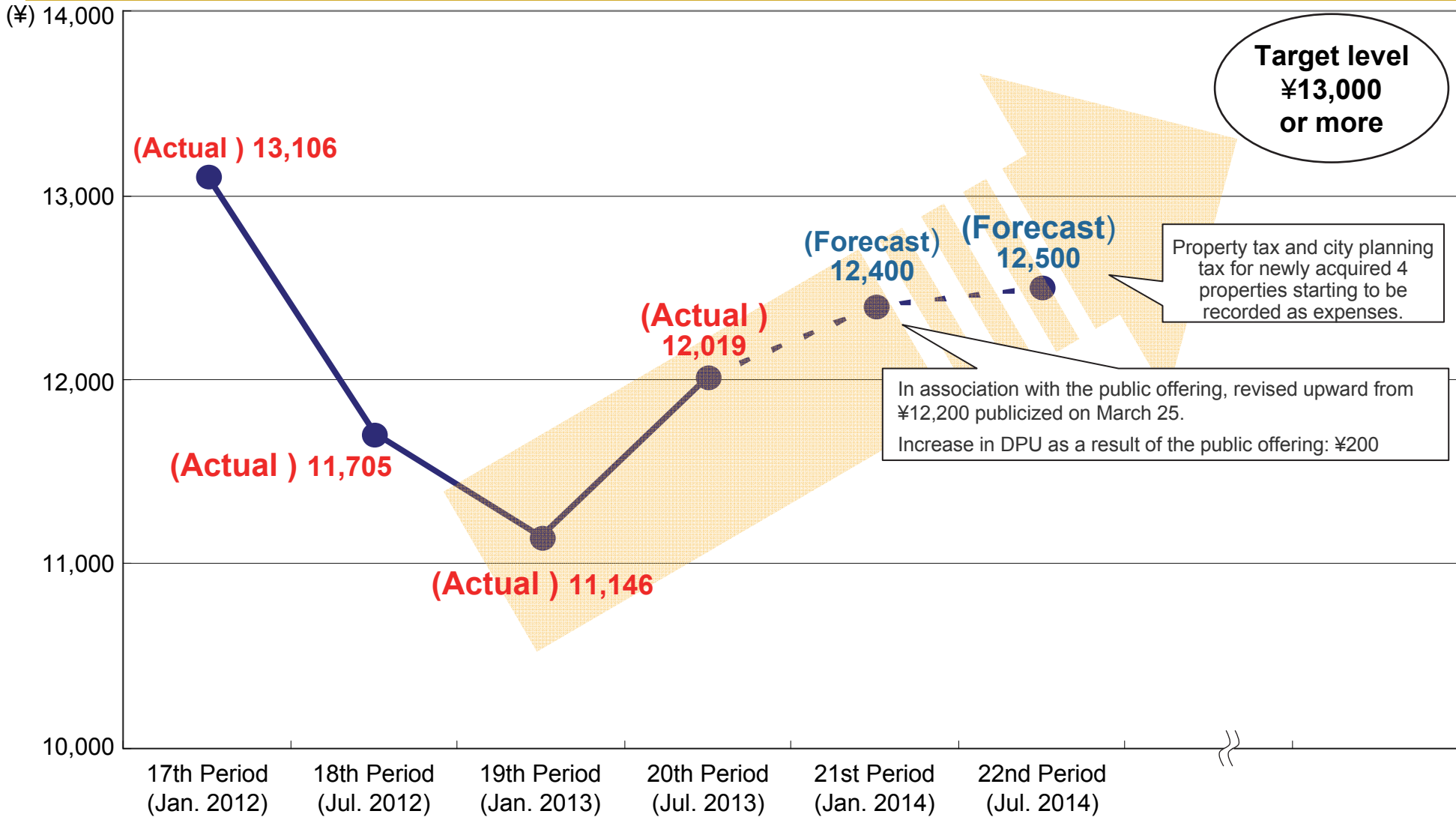
* The effect of the recent stagnant real estate market, etc. has been factored into the rent levels.

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

Details of Balance Sheet and Income Statement are provided in the separate DATA BOOK.

Future Distribution

Aim for stable growth that places the 19th fiscal period (ended January 2013) as the bottom.
The target is to have distribution recover to 13,000 yen or more.



*This page represents the views of Tokyu REIM



2. Topics of 20th Period

(2) The Fourth Public Offering

Offering Summary

*** Public offering implemented for the first time in 8 years.**

■ Summary

Number of investment units newly issued	26,140 units (including 2,376 units issued by way of third-party allotment)
Total number of investment units outstanding	195,520 units
Total paid-in amount	¥12,459 million
Unitholders' capital	¥110,479 million
Forecast distribution amount after public offering	21st period: ¥12,400 (previous forecast: ¥12,200) 22nd period: ¥12,500
Offering type	Domestic offering
Closing price on the resolution date of issuance	¥567,000
Base investment unit price (closing price on the pricing date)	¥506,000
Offer price	¥493,350 per unit
Paid-in amount (purchase price)	¥476,652 per unit
Investor ratio	General investors: 60%, institutional investors: 40%
Discount rate (provisional)	2.5% (2.5%~5.0%)
Lock-up period	TOKYU REIT: 3 months Tokyu Corporation: 6 months
Lead managers	Nomura Securities and Meryl Lynch Japan Securities

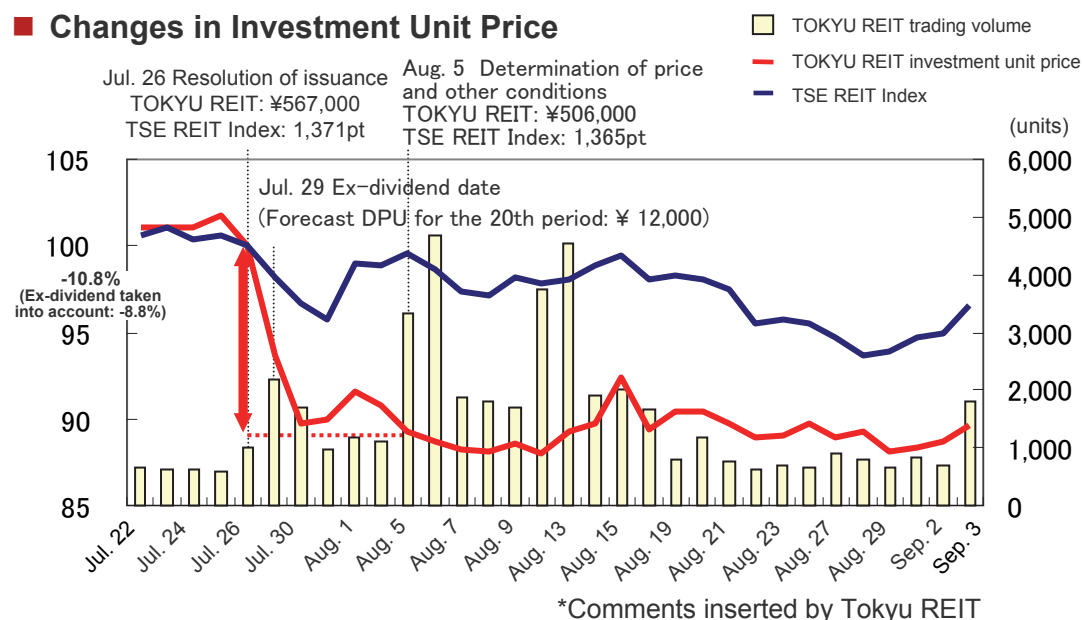
■ Schedule

Jul. 26 (Fri.)	Resolution date of issuance
Jul. 30 (Tue.) – Aug. 2 (Fri.)	Roadshow period
Aug. 1 (Thu.) – Aug. 5 (Mon.)	Book building period
Aug. 5 (Mon.)	Pricing date
Aug. 6 (Tue.) – August 7 (Wed.)	Subscription period
Aug. 8 (Thu.) – Sep. 3 (Tue.)	Syndicate cover transaction period
Aug. 12 (Mon.)	Payment date
Aug. 13 (Tue.)	Delivery date
Sep. 9 (Mon.)	Subscription period (third-party allotment)
Sep. 10 (Tue)	Payment date (third-party allotment)

■ Book Building

Demand multiple: 9.1x (general investors: 9.3x, institutional investors: 8.7x)

■ Changes in Investment Unit Price



New Property Acquisition through Sponsor Collaboration (3 Properties Totaling ¥25.4 Billion)

* Acquired properties in the Tokyo Central 5 Wards, TOKYU REIT's major target areas, through sponsor collaboration.

KALEIDO Shibuya Miyamasuzaka



Shibuya R Sankei Building



Tokyu Toranomon Building



Sponsor collaboration	Introduction of the seller	(Note)	Brokerage	(Note)	Development property
	Purchase backup		Purchase backup		
Area	Shibuya Ward		Shibuya Ward		Minato Ward
Type	Retail (Urban)		Office		Office

(Note) For KALEIDO Shibuya Miyamasuzaka and Shibuya R Sankei Building, an agreement was executed to the effect that, in the event that TOKYU REIT decided not to acquire these properties because of inability to procure the funds required for the acquisition costs due to suspension of the public offering, etc., Tokyu Corporation should acquire these properties succeeding TOKYU REIT's position as buyer.

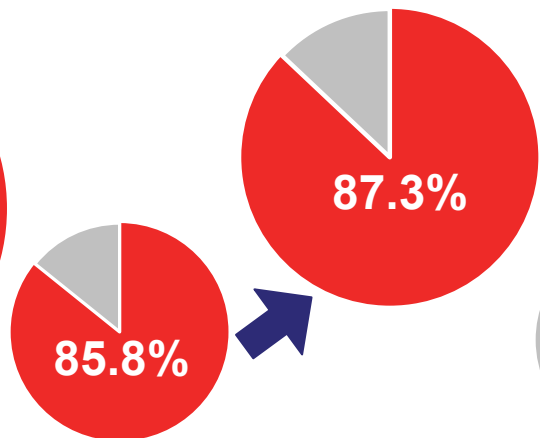
Selective Investment Focused on Tokyo and Shibuya

*** Expanded investment in Tokyo and Shibuya.**

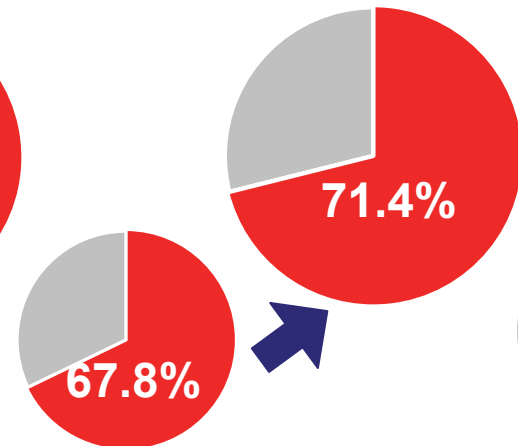
Investment Ratio of Tokyo Metropolitan Area



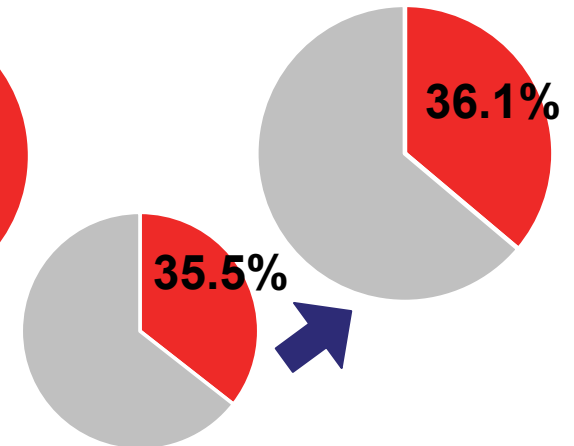
Investment Ratio of Tokyo 23 Wards



Investment Ratio of Tokyo Central 5 Wards



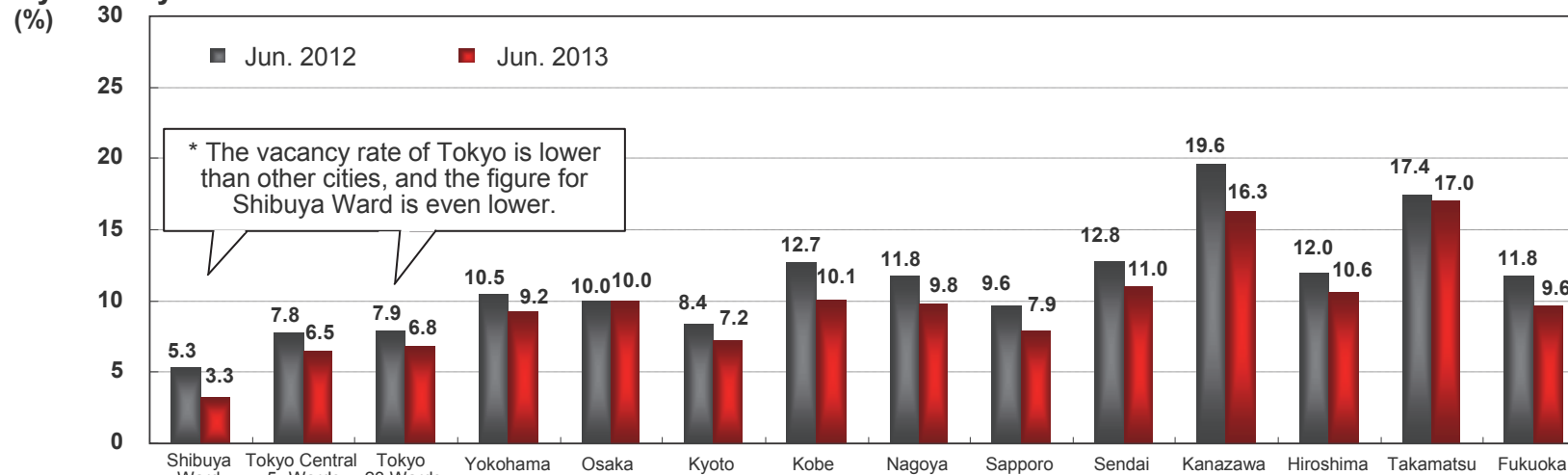
Investment Ratio of Shibuya Ward



*The Tokyo Metropolitan Area represents Tokyo, Kanagawa, Saitama and Chiba Prefectures.

*Each ratio represents the ratio of the total acquisition price of properties in respective categories to the total acquisition price of the entire portfolio.

Vacancy Rate by Market



Source: CBRE K.K.

Prepared on September 13, 2013

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*Comments inserted by Tokyu REIT

Positive Impact of Property Acquisition and Public Offering

	End of 20th Period (Jul. 31, 2013)	Property Acquisition and Public Offering	After Property Acquisition and Public Offering
No. of Properties	27	3	30
No. of Investment Units (units)	169,380	26,140	195,520
Unitholders' Capital (¥ million)	98,019	12,459	110,479
Total Interest-bearing Debt (¥ million)	91,500	11,500	103,000
LTV at End of Period (%)	48.7	-	48.9
Acquisition Price (¥ million)	204,202	25,420	229,622
Appraisal Value upon Acquisition (¥ million)	206,488	25,810	232,298
Appraisal Value (¥ million)	194,860	25,810	220,670
Capitalized Value on the Balance Sheet (¥ million)	193,019	-	-
Unrealized Gains and Losses (¥ million)	1,841	-	-
Ratio of Owned Properties by Type (based on appraisal value) (Retail : Office) (%)	46.2 : 53.8	20.5 : 79.5	43.2 : 56.8
Total Leased Area (as of July 31, 2013) (m ²)	257,169.82	17,662.57	274,832.39
Total Leasable Area (as of July 31, 2013) (m ²)	262,516.83	17,662.57	280,179.40
Appraisal Value / Total Leasable Area (¥ thousand / m ²)	742	1,461	788
Ratio of Properties Located Approx. 3-Minute Walk from Nearest Station (based on acquisition price) (%)	71.3	100.0	74.5
Portfolio Cap Rate (Based on appraisal value upon acquisition) (%)	5.12	4.37	5.04
Portfolio Cap Rate (Based on appraisal value at end of period) (%)	4.65	4.37	4.61
Rent Gap			
Retail (%)	-6.1	-6.0	-6.1
Office (%)	-18.5	1.8	-15.5
Rent Revision Interval			
Retail (years)	4.4	5.3	4.5
Office (years)	2.5	2.6	2.5
Total (years)	3.3	3.1	3.3
Average Contract Period			
Retail (years)	12.6	5.3	12.2
Office (years)	4.8	3.1	4.6
Total (years)	8.2	3.6	7.7
Ratio of Major Target Areas			
Ratio of Tokyo Central 5 Wards (%)	69.0	100.0	72.6
Ratio of Tokyu Areas (%)	57.6	41.0	55.7
Ratio of Shibuya Ward (%)	38.0	41.0	38.3

	End of 20th Period (Jul. 31, 2013)	Property Acquisition and Public Offering	After Property Acquisition and Public Offering
Ratio of Top 3 Properties (based on acquisition price) (%)	30.4	-	27.0
Ratio of Top 10 Tenants (based on leased area) (%)	62.0	-	58.8
No. of Tenants	183	24	207
Ratio of Properties Developed by Tokyu Group Companies (%)	44.9	59.0	46.4
Ratio of Building to Land (Building Ratio) (based on acquisition price) (%)	26.0	19.4	25.3
Weighted Average of Building Age (based on acquisition price) (years)	18.1	9.5	17.4
Retail (years)	14.4	21.5	14.7
Office (years)	20.2	7.0	18.8
Total (years)	18.1	9.5	17.4
CapEx Coverage Ratio (%)	167.2	367.2	180.1
Estimate of Accumulated Depreciation (15 Years) (¥ million)	22,568	3,431	25,999
Estimate of Long-term Repair and Maintenance Costs (Total of 15 Years) (¥ million)	13,499	934	14,433
Estimate of Real Internal Fund Procurement (¥ million)	9,069	2,497	11,566

	Before Property Acquisition and Public Offering	Property Acquisition and Public Offering	After Property Acquisition and Public Offering
Forecast DPU for 21st Period (Ending Jan. 2014) (¥)	12,200	-	12,400
Forecast NOI Yield for 21st Period (Ending Jan. 2014) (%)	4.28	4.93	4.35
Actual Occupancy Rate (as of July 31, 2013) (Entire Portfolio) (%)	98.0	-	-
Retail (Urban) (%)	98.8	-	-
Retail (Suburban) (%)	100.0	-	-
Office (%)	95.2	-	-
Office (sokochi) (%)	100.0	-	-
Forecast Occupancy Rate (as of Jan. 31, 2014) (Entire Portfolio) (%)	97.3	98.0	97.3
Retail (Urban) (%)	98.8	100.0	98.9
Retail (Suburban) (%)	100.0	-	100.0
Office (%)	93.6	97.5	94.0
Office (sokochi) (%)	100.0	-	100.0
Forecast Occupancy Rate (as of Jul. 31, 2014) (Entire Portfolio) (%)	97.3	98.0	97.3
Retail (Urban) (%)	98.8	100.0	98.9
Retail (Suburban) (%)	100.0	-	100.0
Office (%)	93.6	97.5	94.0
Office (sokochi) (%)	100.0	-	100.0

*LTV at end of period is calculated by using the formula: (Balance of interest-bearing debt at end of period + balance of securities deposit without reserved cash at end of period) / (appraisal value at end of period + balance of cash and deposits with banks at end of period). However, the LTV at end of period after the property acquisition and the public offering represents the figure as of the date when the borrowings associated with the third-party allotment are repaid.



2. Topics of 20th Period

(3) Investment Management Overview (External Growth)

Acquisition of KALEIDO Shibuya Miyamasuzaka

1. Acquisition Highlights

- The property is a multi-tenant building for food and beverage establishments, approximately a one-minute walk from Shibuya Station, a giant terminal station.
- The number of visitors and office workers increased as a result of the opening of Shibuya Hikarie.
- Establishment of mutual direct train service between the Tokyu Toyoko Line and Tokyo Metro Fukutoshin Line in March 2013 led to the start of a mutual direct train service operation by five companies.
- Going forward, a positive impact is expected from large-scale development projects around Shibuya Station.
- Introduction of the seller and purchase backup by Tokyu Corporation, the sponsor (without any fee).

2. Property Overview

- Acquired Asset: Trust beneficiary interest in domestic real estate as major trust asset
- Use: Retail (Urban)
- Major Tenants: K.K. Bagus, Apex, Inc.
- Location: Shibuya 1-chome, Shibuya Ward, Tokyo
Approximately a one-minute walk from Shibuya Station on the Tokyu Toyoko and Den-en-toshi Lines, and Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines
Approximately a three-minute walk from Shibuya Station on the JR Lines
- Total Land Area: 821.65m² (248.54 tsubos)
- Total Floor Area: 4,475.10m² (1,353.71 tsubos)
- Total Leasable Area: 3,399.30m² (1,028.28 tsubos)
- Type of Ownership: Proprietary ownership
- Acquisition Price: ¥5,150 million
- Estimated NOI Yield for the Initial Year: 5.20% (based on acquisition price)
- Estimated NOI Yield over the Medium to Long Term: 4.78% (based on acquisition price)
- Appraisal Value upon Acquisition: ¥5,280 million (as of May 31, 2013)
- NCF Cap Rate (based on appraisal value upon acquisition): 4.40% (Japan Valuers Co., Ltd.)
- Completion Date: January 1992
- Acquisition Date: August 16, 2013
- Seller: G.K. OMCE Kaihatsu
- Occupancy Rate: 100.0% (as of August 16, 2013)
- Estimated Long-term Repairs and Maintenance Expenses: ¥155 million (total of 15 years)



*The above-mentioned redevelopment projects are plans available as of the date of this document, and may be subject to change in the future. The project names may be tentative.

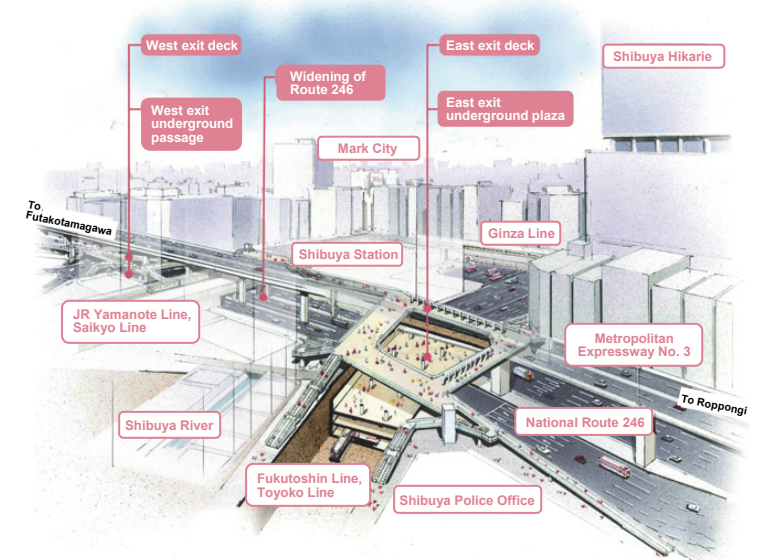
Acquisition of Shibuya R Sankei Building

1. Acquisition Highlights

- The property is a multi-tenant office building in Shibuya Ward, where the vacancy rate is lowest among the Tokyo Central 5 Wards, and located approximately a two-minute walk from Shibuya Station.
- Access from Shibuya Station is expected to improve with the installation of an east exit underground plaza, pedestrian decks, elevators and other facilities in accordance with upgrading of the area surrounding National Route 246 and Shibuya Station.
- Positive impact can be anticipated from the Shibuya Station South Area Development Project (district 21 in Shibuya 3-chome) slated for opening in fiscal 2017.
- Brokerage (for fees of ¥94 million) and purchase backup (without any fee) by Tokyu Corporation, the sponsor.

2. Property Overview

- Acquired Asset: Domestic real estate
- Use: Office
- Major Tenants: K.K. Japan Distribution System, The Gibraltar Life Insurance Co., Ltd.
- Location: Shibuya 3-chome, Shibuya Ward, Tokyo
Approximately a two-minute walk from Shibuya Station on the JR Lines
Approximately a four-minute walk from Shibuya Station on the Tokyu Toyoko and Den-en-toshi Lines, and Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines
- Total Land Area: 1,077.45m² (325.92 tsubos) (Area acquired by TOKYU REIT: 819.41m² (247.87 tsubos))
- Total Floor Area: 7,289.38m² (2,205.03 tsubos)
Sole exclusive area: 3,882.86m² (1,174.56 tsubos)
Co-ownership area: 625.60m² (189.24 tsubos)
(Co-ownership interest ratio: 6,119/ 7,820)
- Total Leasable Area: 5,246.68m² (1,587.12 tsubos) (including master-leased space of 786.35m²)
- Type of Ownership: (Land) Proprietary ownership (partial ownership)
(Building) Compartmentalized ownership, and co-ownership of compartmentalized ownership (parking: co-ownership)
- Acquisition Price: ¥5,270 million
- Estimated NOI Yield for the Initial Year: 5.09% (based on acquisition price)
- Estimated NOI Yield over the Medium to Long Term: 5.21% (based on acquisition price)
- Appraisal Value upon Acquisition: ¥5,430 million (as of May 31, 2013)
- NCF Cap Rate (based on appraisal value upon acquisition): 4.60% (Japan Valuers Co., Ltd.)
- Completion Date: March 1990
- Acquisition Date: August 16, 2013
- Seller: The Sankei Building Co., Ltd.
- Occupancy Rate: 100.0% (as of August 16, 2013)
- Estimated Long-term Repairs and Maintenance Expenses: ¥364 million (total of 15 years)



* The drawing is an illustrative future plan, and details of development may be subject to change going forward.

Source: Tokyo National Highway Office, Ministry of Land, Infrastructure, Transport and Tourism For Shibuya R Sankei Building

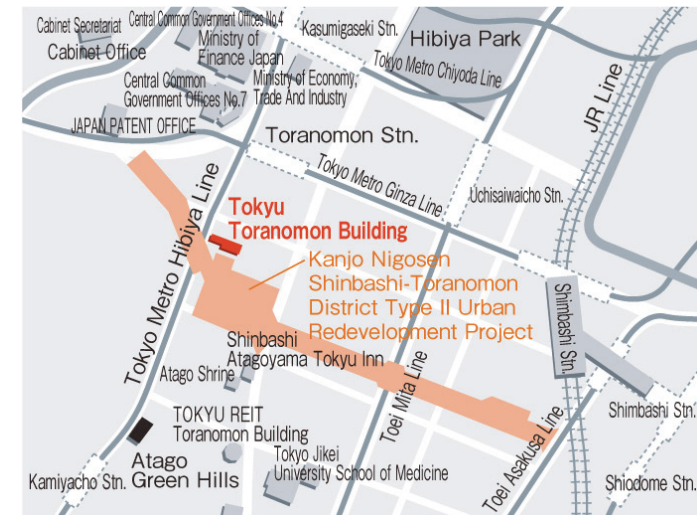
Acquisition of Tokyu Toranomon Building

1. Acquisition Highlights

- The property is an approximately 3-year old multi-tenant office building in the Toranomon zone, where the vacancy rate remains lower than the average of the Tokyo Central 5 Wards and Tokyo 23 Wards, and located approximately a 3-minute walk from the station.
- The property was developed by Tokyu Corporation, the sponsor, which has implemented many real estate development projects centering on the Tokyu Area and Tokyo Central 5 Wards.
- The new market rent as of the date of this document is higher than the existing contracted rent for the property (a positive rent gap).
- Near the property, the Loop Road No. 2 Shimbashi-Toranomon District Type II Urban Redevelopment Project is underway (Toranomon Hills, Shintora-dori (The MacArthur Road)).

2. Property Overview

- Acquired Asset: Domestic real estate
- Use: Office
- Major Tenants: Vendor Service Co., Ltd., NTT DATA Corporation
- Location: Toranomon 1-chome, Minato Ward, Tokyo
 Approximately a three-minute walk from Toranomon Station on the Tokyo Metro Ginza Line
 Approximately a seven-minute walk from Kasumigaseki Station on the Tokyo Metro Chiyoda and Hibiya Lines
 Approximately an eight-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line
 Approximately a nine-minute walk from Kasumigaseki Station on the Tokyo Metro Marunouchi Line
- Total Land Area: 1,764.92m² (533.88 tsubos)
- Total Floor Area: 11,983.09m² (3,624.88 tsubos)
- Total Leasable Area: 9,016.59m² (2,727.51 tsubos)
- Type of Ownership: Proprietary ownership
- Acquisition Price: ¥15,000 million
- Estimated NOI Yield for the Initial Year: 4.00% (based on acquisition price)
- Estimated NOI Yield over the medium to Long Term: 4.41% (based on acquisition price)
- Appraisal Value upon Acquisition: ¥15,100 million (as of May 31, 2013)
- NCF Cap Rate (based on appraisal value upon acquisition): 4.10% (Japan Real Estate Institute)
- Completion Date: April 2010
- Acquisition Date: August 16, 2013
- Seller: Tokyu Corporation
- Occupancy Rate: 100.0% (as of August 16, 2013)
- Estimated Long-term Repairs and Maintenance Expenses: ¥186 million (total of 15 years)



*The above-mentioned redevelopment project is a plan available as of the date of this document, and may be subject to change in the future.

Assessment of the Acquisition Price of Tokyu Toranomon Building (Answer to Question)

* Transaction price should be assessed not only by using the cap rate but also considering estimated rent over the medium to long term and unit price per tsubo per leasable area.

<Unit Price per Tsubo per Leasable Area>

	Leasable Area (tsubos)	Acquisition Price (¥ million)	Unit Price per Tsubo per Leasable Area (based on acquisition price) (¥ thousand)	Estimated Value at End of Period (Appraisal Value) (¥ million)	Unit Price per Tsubo per Leasable Area (based on appraisal value at end of period) (¥ thousand)	NCF Cap Rate
	a	b	c = b ÷ a	d	e = d ÷ a	
TOKYU REIT Shibuya Udagawa-cho Square (Note 2)	467	6,600	14,140	9,450	20,245	4.20%
QFRONT	1,362	15,100	11,086	21,800	16,004	3.60%
cocoti	2,520	24,500	9,722	17,300	6,865	4.10%
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1,069	8,500	7,953	6,070	5,680	4.20%
Lexington Aoyama	637	4,800	7,531	4,100	6,432	4.20%
CONZE Ebisu	702	5,117	7,293	4,030	5,744	4.30%
TOKYU REIT Omotesando Square	819	5,770	7,043	6,500	7,934	4.30%
Kojimachi Square	1,636	9,030	5,519	7,920	4,840	4.40%
Daikanyama Forum	749	4,136	5,518	3,090	4,123	4.30%
Tokyu Toranomon Building	2,728	15,000	5,500	15,100	5,536	4.10%
KALEIDO Shibuya Miyamasuzaka	1,028	5,150	5,008	5,280	5,135	4.40%
TOKYU REIT Shinjuku Building	1,880	9,000	4,787	9,160	4,872	4.30%
Tokyu Ginza 2-chome Building	1,049	5,010	4,774	4,760	4,536	4.40%
Tokyu Sakuragaoka-cho Building	1,433	6,620	4,620	7,180	5,010	4.30%
TOKYU REIT Hatchobori Building	1,811	7,000	3,865	5,260	2,904	4.60%
TOKYU REIT Akasaka Hinokicho Building	969	3,570	3,684	3,960	4,086	4.50%
Shibuya R Sankei Building (Note 1)	1,349	5,270	3,906	5,430	4,024	4.60%
TOKYU REIT Toranomon Building (Note 1)	2,679	10,070	3,759	8,950	3,341	4.50%
Akihabara Sanwa Toyo Building (Note 2)	1,405	4,600	3,275	5,060	3,603	4.70%
Tokyu Ikejiri-ohashi Building	1,734	5,480	3,160	4,480	2,583	5.20%
Setagaya Business Square	7,551	22,400	2,967	19,000	2,516	5.00%
TOKYU REIT Kiba Building	1,754	4,000	2,281	3,650	2,081	5.20%
Tokyu Nampeidai-cho Building (Note 2)	2,162	4,660	2,155	4,620	2,137	4.50%
TOKYU REIT Kamata Building	2,220	4,720	2,126	4,800	2,162	5.30%
Tokyo Nissan Taito Building	2,404	4,450	1,851	5,220	2,171	5.00%

<Estimated Rent over Medium to Long Term and NCF Cap Rate>

	Estimated Rent over Medium to Long Term (yen/tsubo/month)	NCF Cap Rate
Japan Real Estate Institute	24,000	4.1%
Estimate by Tokyu REIM	25,000	4.4%
Estimate by CBRE	Upper half of the ¥20,000 level	-

* The estimated rent over the medium to long term in the estimate by CBRE represents the rent appraised by CBRE K.K.

* According to the estimate by Tokyu REIM, the NCF cap rate of Tokyu Toranomon Building is 4.4%

* By unit price per tsubo, Tokyu Toranomon Building is positioned near the middle in the portfolio of TOKYU REIT

(Note 1) Master-leased sections are not included

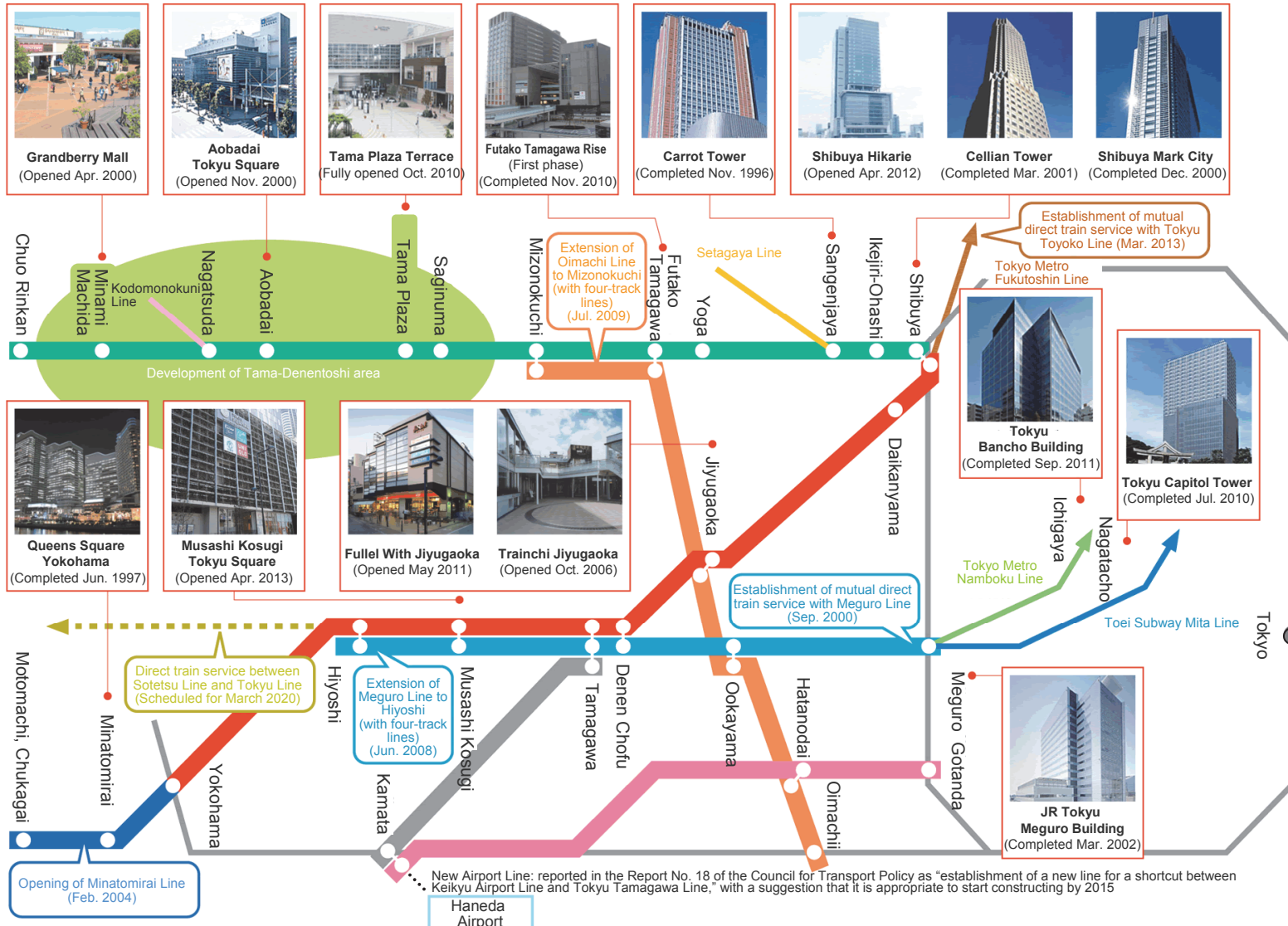
(Note 2) Leasable area includes common area.

*Retail (Suburban) and OKI System Center (*sokochi*) are not included.

*Comments by Tokyu REIT

Major Properties Owned by Tokyu Corporation

*** Tokyu Corporation owns many rental properties along its railway lines.**



(Note) As of the date of this document, TOKYU REIT has no plan to acquire any of the properties shown above. The * mark indicates properties with compartmentalized ownership or co-ownership.

*Comments by Tokyu REIT

*** By also placing the 21st period ending January 2014 as an acquisition period, TOKYU REIT will proactively investigate property acquisitions in the period.**

1. Environmental Analysis under the Surf Plan

- (1) Cap rates
 - As the lending attitude of financial institutions is on an easing tone, cap rates show a decreasing trend.
- (2) Assumed rents over the medium to long term
 - Occupancy rates in Tokyo have hit the bottom but not yet reached the medium level.
 - Assumed rents over the medium to long term used for appraising properties still remain at a conservative level.
- (3) Property prices
 - With property prices on the medium level, the 21st period should again be a period suitable for acquisitions.
 - Caution is needed, though, for some expensive deals.

2. Focused Properties

- (1) Office
 - Investigate properties centering on A and B Grade buildings in the Tokyo Central 5 Wards.
 - Evaluate total returns (in particular, properties that are competitive, have low existing rents and allow upside for improved yields).
- (2) Retail (Urban)
 - Focusing on locations, investigate properties that face roads, are situated in highly commercial areas and have high ability for tenant relocation.
- (3) Retail (Suburban)
 - Investigate highly stable properties in broad areas while taking into account the population trends in their trade zones.

Furthermore, as large-scale blue-chip properties could be traded at expensive prices through bidding, TOKYU REIT intends not to pursue high prices for properties subject to bidding.

(For KALEIDO Shibuya Miyamasuzaka and Shibuya R Sankei Building acquired upon the public offering, TOKYU REIT acquired them in negotiation deals through introduction and brokerage of Tokyu Corporation.)

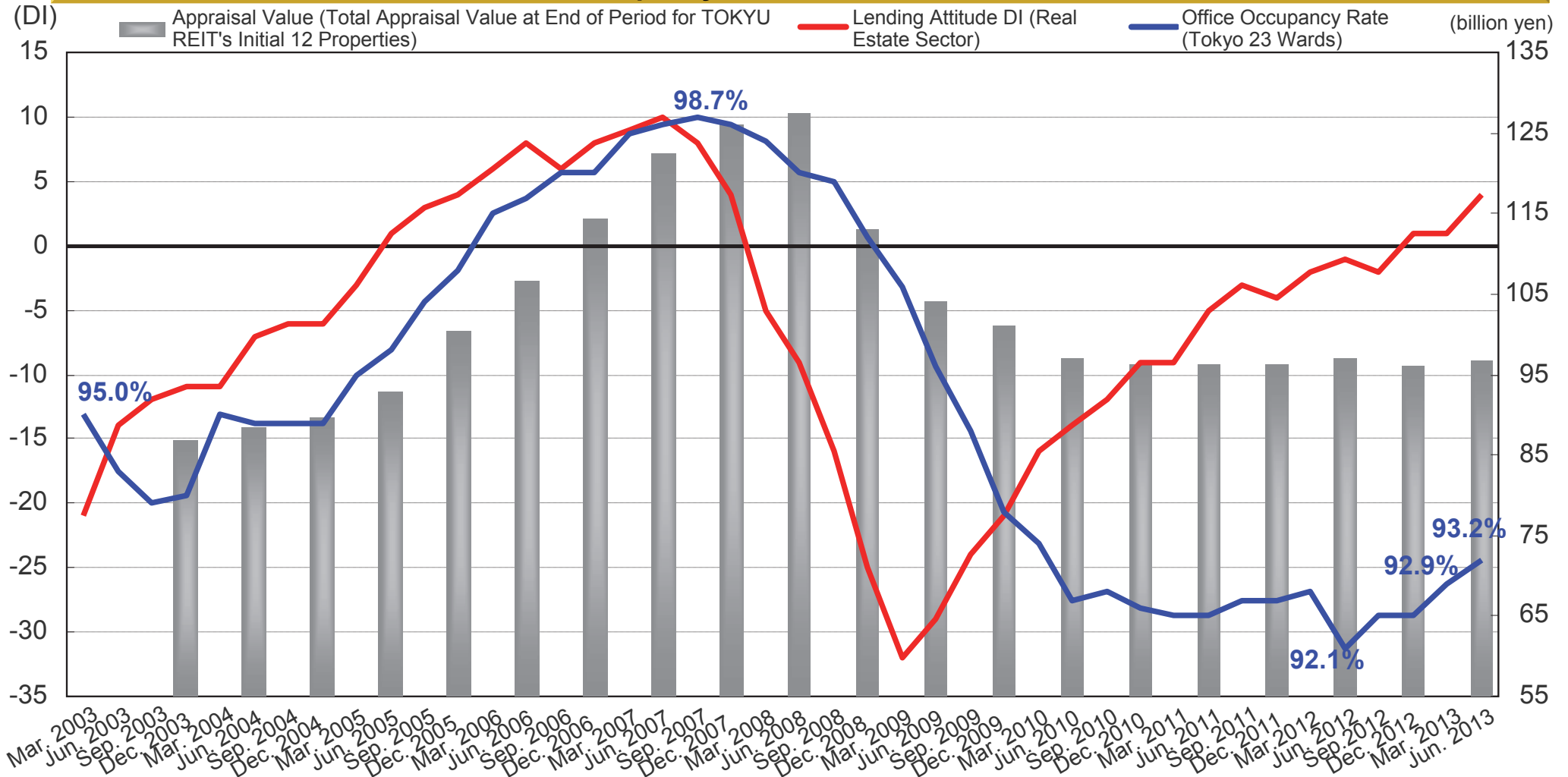
3. Activities Policy

- (1) Acquire properties through borrowings, taking advantage of the acquisition capacity (¥4.9 billion) after the public offering.
- (2) Utilize warehousing functions of the sponsor group in consideration of the next public offering.
- (3) Improve the portfolio through property replacement.

*This page represents the views of Tokyu REIM

Changes in Lending Attitude DI/Occupancy Rate/Appraisal Value **TOKYU REIT**

*** Real estate prices have bottomed out and the lending attitude DI for real estate sector has turned positive. The occupancy rates have reached the bottom.**



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

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

Source: BOJ "Tankan Survey" and CBRE K.K.

*Comments by Tokyu REIM

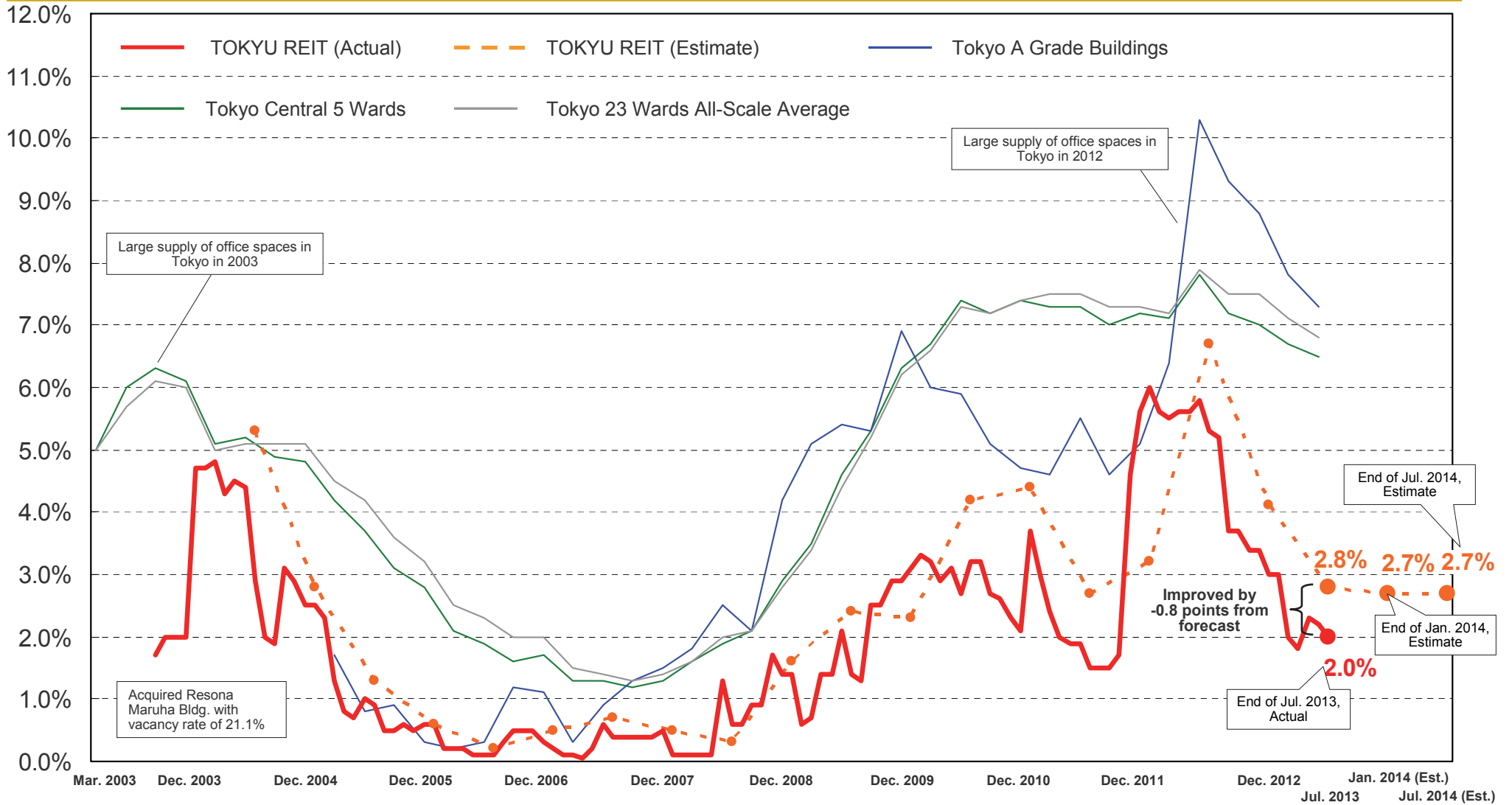


2. Topics of 20th Period

(4) Investment Management Overview (Internal Growth)

Changes in Vacancy Rate

*** TOKYU REIT's vacancy rate decreased due to progress in leasing activities.**



Source: CBRE K.K.
Prepared on September 13, 2013

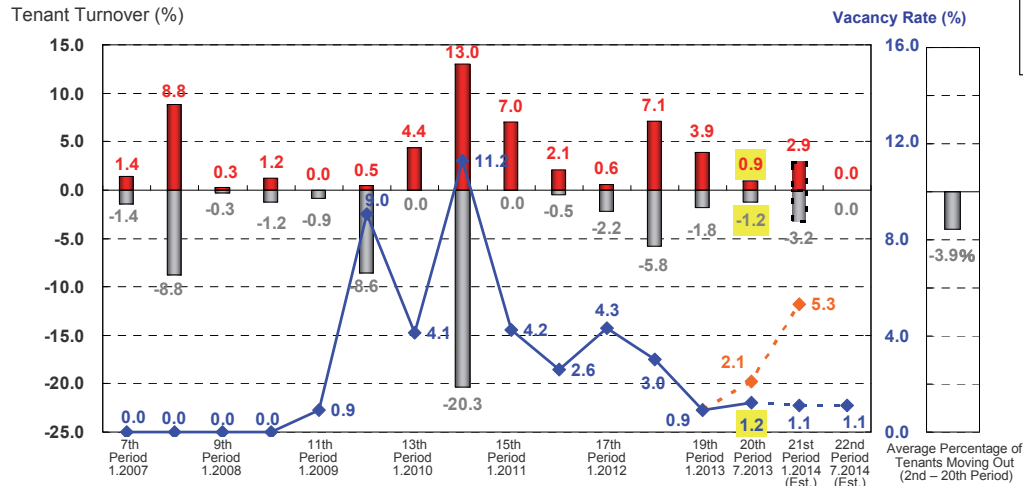
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*Comments by Tokyu REIM

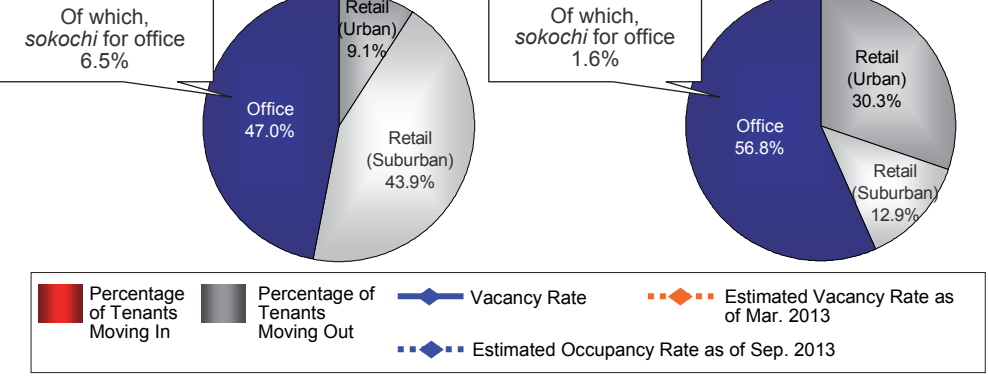
Changes in Tenant Turnover and Vacancy Rate

*** Retail properties were in good shape but the vacancy rate for office properties continued to decline.**

Retail (Urban)

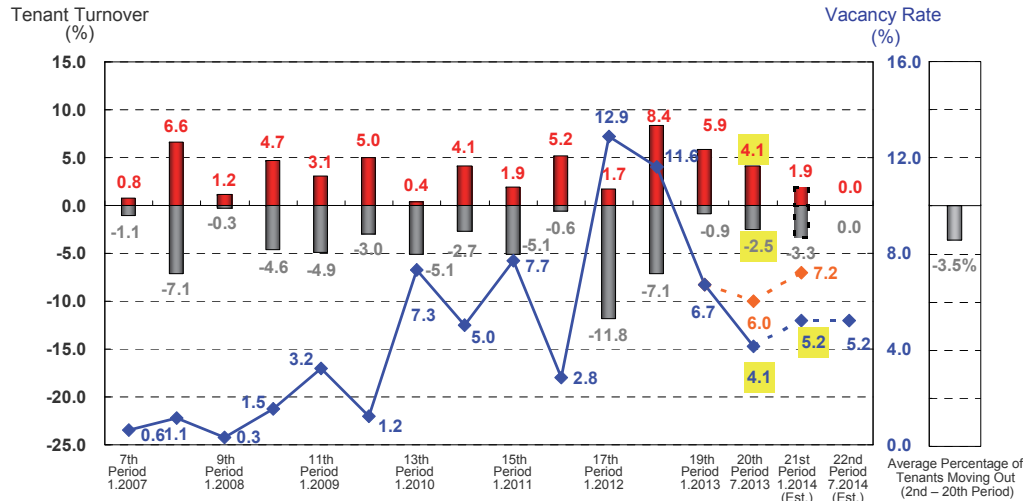


<Total Leasable Area by Segment> <Rental Revenues by Segment>

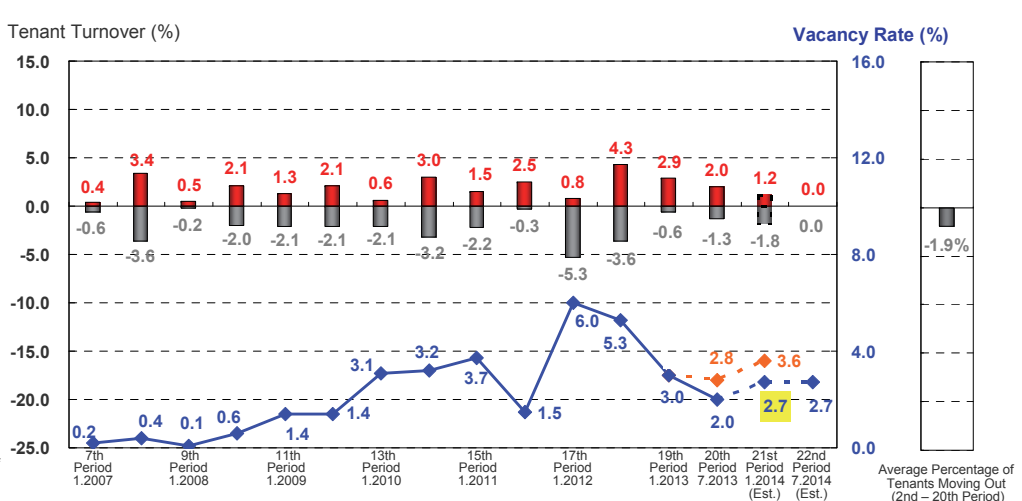


* The vacancy rate as of the end of the 20th period decreased. (There will be move ins but also move outs. Therefore, there will be a time lag for full-fledged recovery in revenues due to downtime and free rent.)
 * No vacancy for suburban retail properties since being listed.

Office



Overall Portfolio



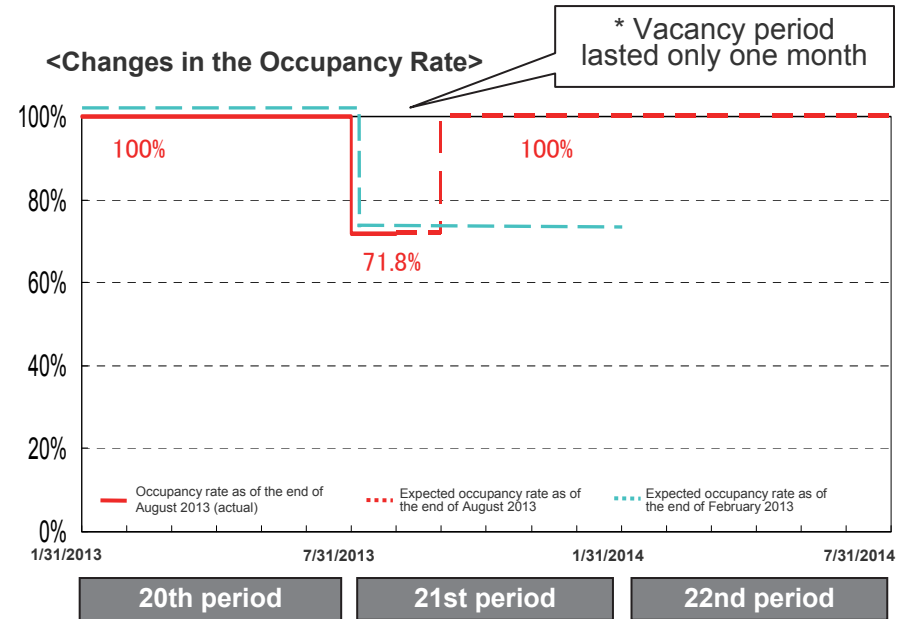
In calculating the estimate vacancy rate, it is assumed that spaces for which notices of cancellation were received as of August 30, 2013 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of August 30, 2013 are assumed to remain vacant.

Leasing Activities (i)

*** Secured full occupancy at TOKYU REIT Omotesando Square and Daikanyama Forum.**

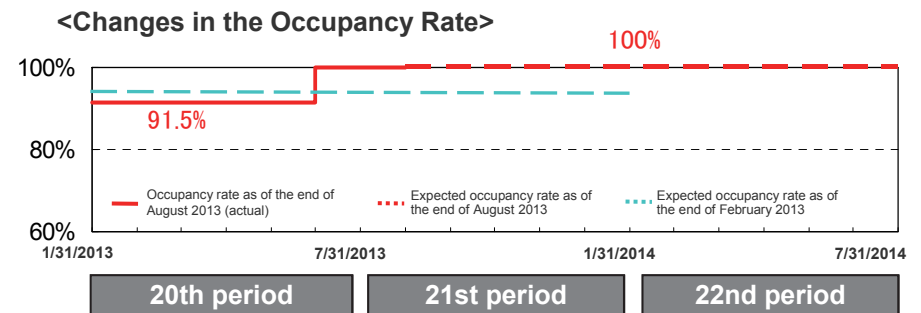
■ TOKYU REIT Omotesando Square

- Notice of cancellation was received from a tenant on the 1st floor in the 19th period ended January 2013, with contract cancelled at the end of July.
- Concluded new contracts with well-known leading tenants in July 2013 (starting to generate rents in September 2013).
- Two shops scheduled for opening in October 2013.



■ Daikanyama Forum

- A section was occupied in the 19th period ended January 2013, with the occupancy rate at end of the 19th period improving to 91.5% .
- Moreover, contracts with new tenants were concluded in May 2013 (starting to generate rents in June 2013).



*Comments by Tokyu REIM

Leasing Activities (ii)

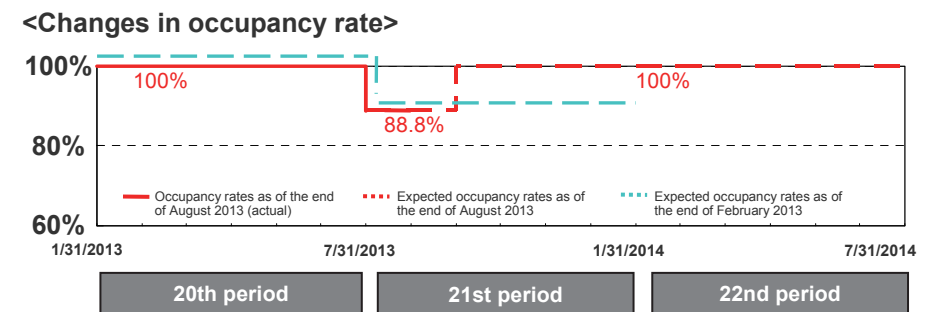
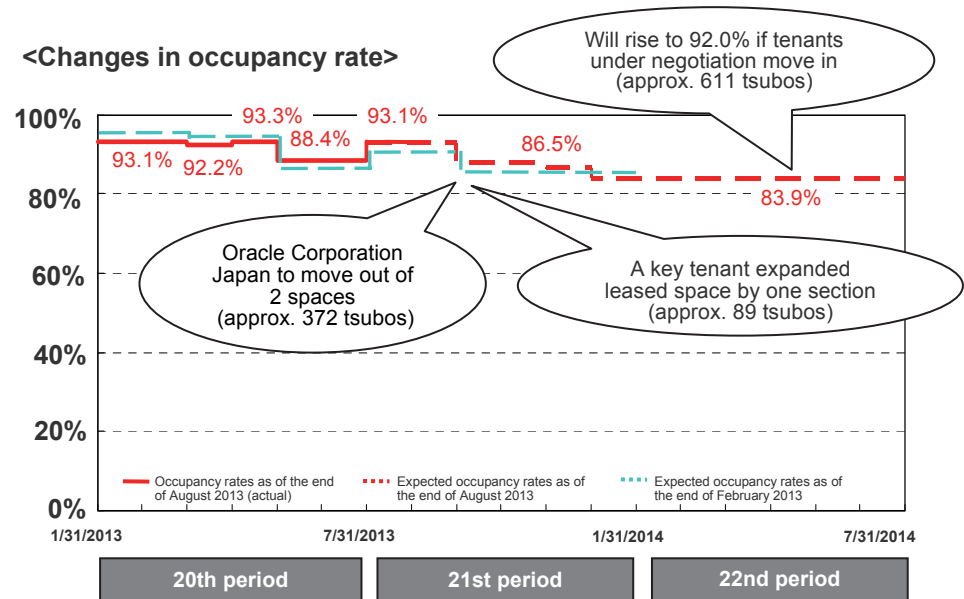
*** Aim to realize internal growth by attracting tenants to Setagaya Business Square, a prioritized leasing property, at an early stage.**

■ Setagaya Business Square

- Conducted leasing activities by targeting companies based on territorial bonding and located in the surrounding areas of Setagaya Ward, IT-related companies and other firms, as well as the needs of existing tenants to expand spaces within the building.
- New contracts for 4 sections (approx. 384 tsubos) concluded in the 20th period ended July 2013.
 - April, System Engineering Consultants Co., Ltd. expanded leased space (contracted in March).
 - July, Daito Trust Construction Co., Ltd. (Setagaya Nishi Branch) move in (contracted in July), etc.
- A key tenant expanded leased space in the building in September 2013 (contract concluded in August 2013).
- On the other hand, given notices of cancellation for 8 sections from Oracle Corporation Japan and other tenants, the occupancy rate as of the end of the 21st period ending January 2014 is expected to be 83.9%.
 - Combined with existing vacant spaces, approx. 1,195 tsubos for 12 sections are to be leased.
 - Of the 12 sections, a notice on informal decision was already received from a public institution for 2 sections (approx. 386 tsubos).
 - For other 2 sections (approx. 225 tsubos), “requests for reviewing” have been received from candidate tenants (occupancy rate as of the end of the 21st period ending January 2014 will increase to 92.0% if the above-mentioned 4 sections are occupied).
- Will investigate strategic value enhancement measures.
 - * Areas indicated for Setagaya Business Square are the figures for the 55% co-ownership interest.

■ TOKYU REIT Kamata Building

- Occupancy rate as of the end of the 20th period: 88.8%; Expected occupancy rate as of the end of the 21st period: 100%; Expected occupancy rate as of the end of the 22nd period: 100%.
- Contract was cancelled for 1 section (approx. 249 tsubos) in the 20th period (vacated in July 2013), with the occupancy rate at end of period dropped to 88.8% (occupancy rate as of the end of the 19th period: 100%).
- For the relevant section, a new contract was concluded with Ajinomoto Engineering Corporation in the 20th period (lease starting in September 2013), bringing the expected occupancy rate as of the end of the 21st period to 100%.
- Vacancy period was reduced (previous vacancy period: 4 months; latest vacancy period: 2 months).



*Comments by Tokyu REIM

Leasing Activities (iii) Breakdown by property

Type	Name of Property	Contribution to NOI in 20th Period	Status
Retail	TOKYU REIT Omotesando Square	3.4%	• Contract was cancelled for 1 section (approx. 231 tsubos) in the 20th period (vacated at the end of July) but new contract was concluded for the same section (lease starting in September 2013), bringing the expected occupancy rate as of the end of the 21st period to be 100%.
	CONZE Ebisu	3.0%	• Contract was cancelled for 1 section (approx. 87 tsubos) in the 20th period (vacated in March 2013), bringing the occupancy rate at end of period down to 87.6%. • Conducting leasing activities for vacant sections, targeting restaurant use.
	Daikanyama Forum	1.3%	• New contract was concluded for 1 section (approx. 63 tsubos) in the 20th period (lease starting in June 2013), bringing the occupancy rate at end of period to 100% (in contrast to 91.5% as of the end of the 19th period).
Retail Portfolio			The occupancy rate for retail properties (urban): 98.8% at the end of 20th period, 98.9% expected at the end of the 21st period, 98.9% expected at the end of the 22nd period. The occupancy rate for retail properties (suburban): 100.0% at the end of 20th period, 100.0% expected at the end of the 21st period, 100.0% expected at the end of the 22nd period.
Office	Setagaya Business Square (Note)	11.6%	• The occupancy rate as of the end of the 20th period is 93.1% (93.1% at the end of the 19th period). • Although new contracts were concluded for 4 sections (approx. 384 tsubos in total) in the 20th period, the notices of cancellations for 8 sections and such occurred and the occupancy rate as of the end of the 21st period is expected to be 83.9%. • Currently conducting marketing for 12 vacant sections (approx. 1,195 tsubos in total) targeting IT companies, etc.
	Tokyo Nissan Taito Building	3.3%	• The occupancy rate as of the end of the 20th period was 100% (unchanged from the end of the 19th period). • Notice of cancellation was received for 1 section in the 20th period, and the occupancy rate as of the end of the 21st period is expected to be 90.2%. • Conducting leasing activities for the sections to be leased (approx. 236 tsubos), targeting operating companies in the surrounding area. Of which, application was received from a company and negotiation is under way for approx. 103 tsubos.
	TOKYU REIT Akasaka Hinokicho Building	2.1%	• With no tenant moves in the 20th period, the period end occupancy rate remained unchanged from the end of the 19th period at 95.0%. • The occupancy rate as of the end of the 21st period is expected to be 95.0%, but negotiation is under way with an applicant for a section to be leased (approx. 46).
	TOKYU REIT Kamata Building	3.2%	• Contract was cancelled for a section (approx. 249 tsubos) in the 20th period (vacated in July 2013), and the occupancy rate at end of period was 88.8% (in contrast to 100% as of the end of the 19th period). • New contract was concluded for the relevant section in the 20th period (lease starting in September 2013), eliminating any vacant space for leasing, and the occupancy rate as of the end of the 21st period is expected to be 100%.
	TOKYU REIT Toranomon Building	1.9%	• New contract was concluded for a section (approx. 358 tsubos) in the 20th period (lease starting in August 2013). The occupancy rate at end of period improved to 76.7% (in contrast to 53.3% as of the end of the 19th period) thanks to the contracts concluded in the 19th period. • Currently conducting leasing activities for a section to be leased (approx. 358 tsubos), targeting incorporated foundations and other organizations. • The occupancy rate as of the end of the 21st period is expected to be 88.3%.
	TOKYU REIT Hatchobori Building	3.2%	• The occupancy rate as of the end of the 20th period was 100% (in contrast to 99.4% as of the end of the 19th period) • Although new contract was concluded for a section (approx. 12 tsubos) in the 20th period, notice of cancellation for a section was also received, and the occupancy rate as of the end of the 21st period is expected to be 88.4%. • Negotiation is under way with an applicant for a section (approx. 210 tsubos) to be leased.
	TOKYU REIT Shinjuku Building	4.4%	• New contract was concluded for a section (approx. 138 tsubos) in the 20th period (lease starting in April 2013), bringing the occupancy rate at period end to 100% (in contrast to 92.5% as of the end of the 19th period). • With no vacant space left for leasing, the occupancy rate as of the end of the 21st period is expected to be 100%.
Office Portfolio			The occupancy rate of office properties: 95.9% at the end of 20th period, 94.8% expected at the end of the 21st period, 94.8% expected at the end of the 22nd period.
Entire portfolio			• 22 out of 27 properties had full occupancy at the end of the 20th period. Full occupancy is expected at 23 out of 30 properties at the end of the 21st period and at the end of 22nd period. • The occupancy rate of properties was 98.0% as of the end of the 20th period. The expected occupancy rate is 97.3% for the end of the 21st period and 22nd period.

* 20th period: February 1, 2013 – July 31, 2013; 21st period: August 1, 2013 – January 31, 2014; 22nd period: February 1, 2014 – July 31, 2014

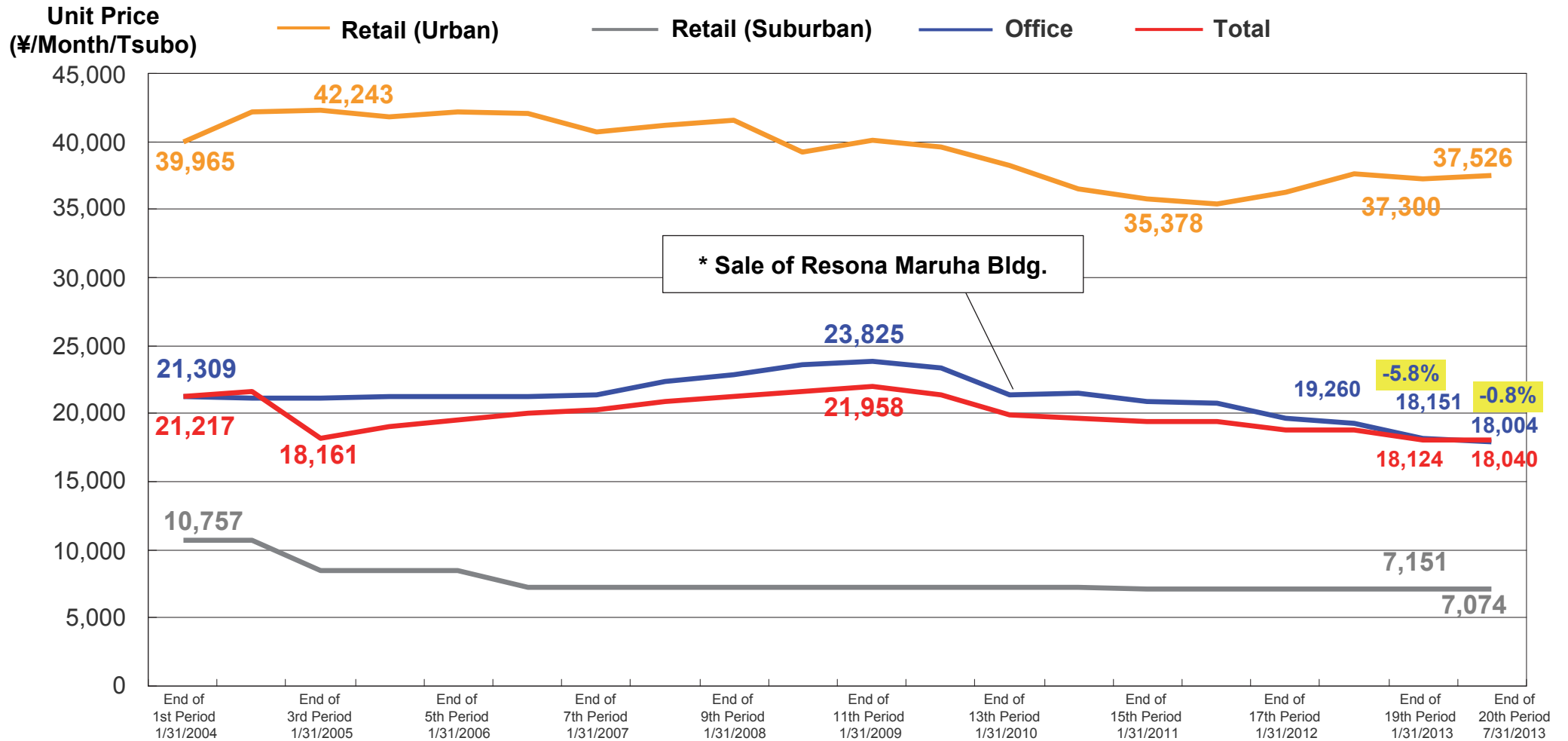
* Expected occupancy rates at the end of the 21st and 22nd periods only reflect tenants with whom contracts have been contracted and tenants from whom we have received cancellation notices as of August 30, 2013.

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

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Changes in Average Rent

* TOKYU REIT's average rent is on an upward trend for retail (urban) and shows signs of stopping decreasing for office.

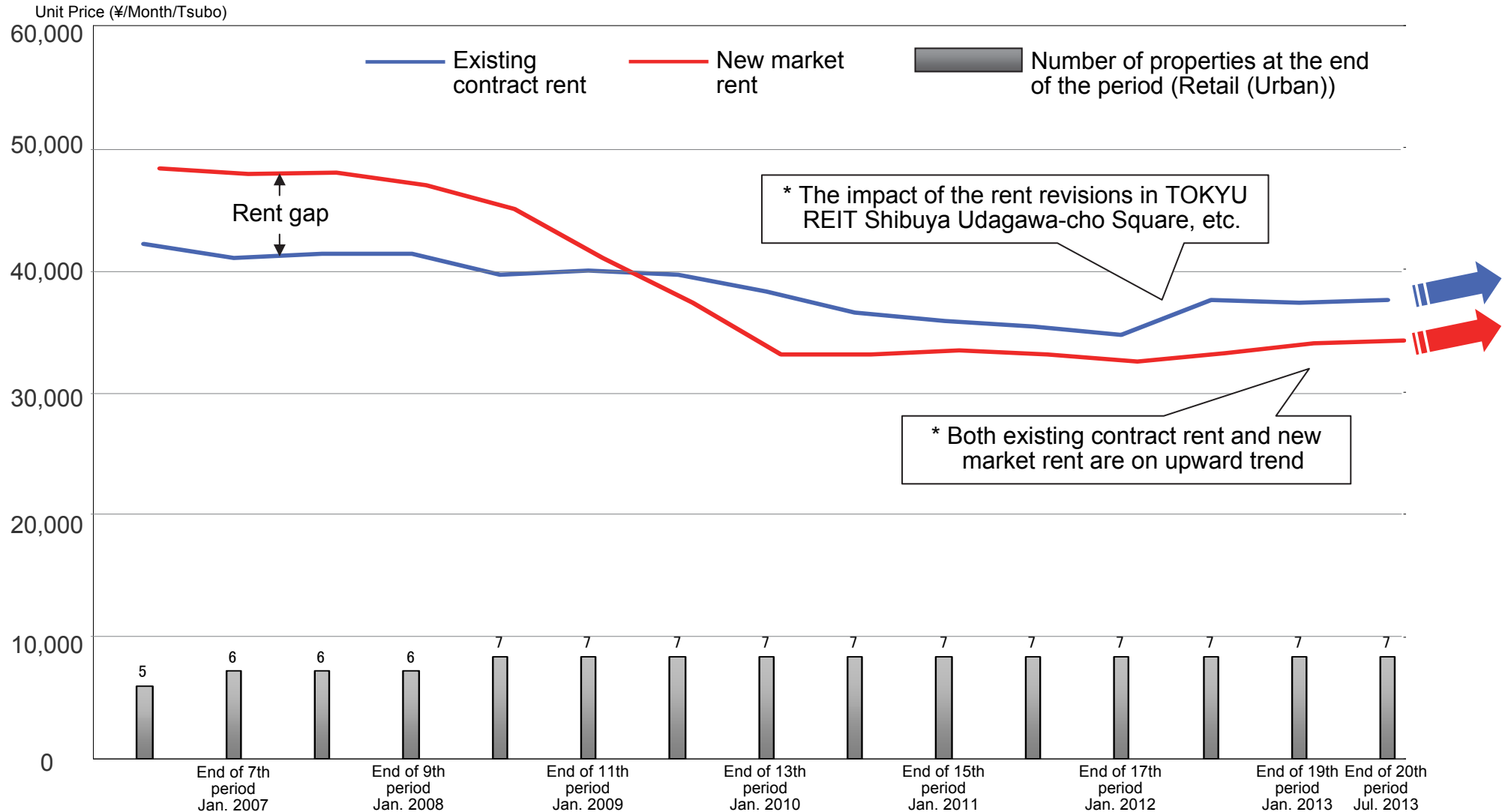


- * In calculating the above unit price, we haven't factored vacant spaces in.
- * Shonan Mall Fill (*sokochi*) is not included in Retail (Suburban).
- * OKI System Center (*sokochi*) is not included in Office.
- * Includes common area charges and excludes income from parking, warehouses, etc.

*Comments by Tokyu REIM

Changes in Rent Gap (Retail (Urban))

*** Existing contracted rent is on an upward trend.**



* In calculating the existing contract rent, vacant spaces have not been factored in.
 * Existing contract rent and new market rent include common area charges (excludes income from parking, warehousing and billboards).
 * New market rent is prepared by Tokyu REIM based on various reports and other materials.

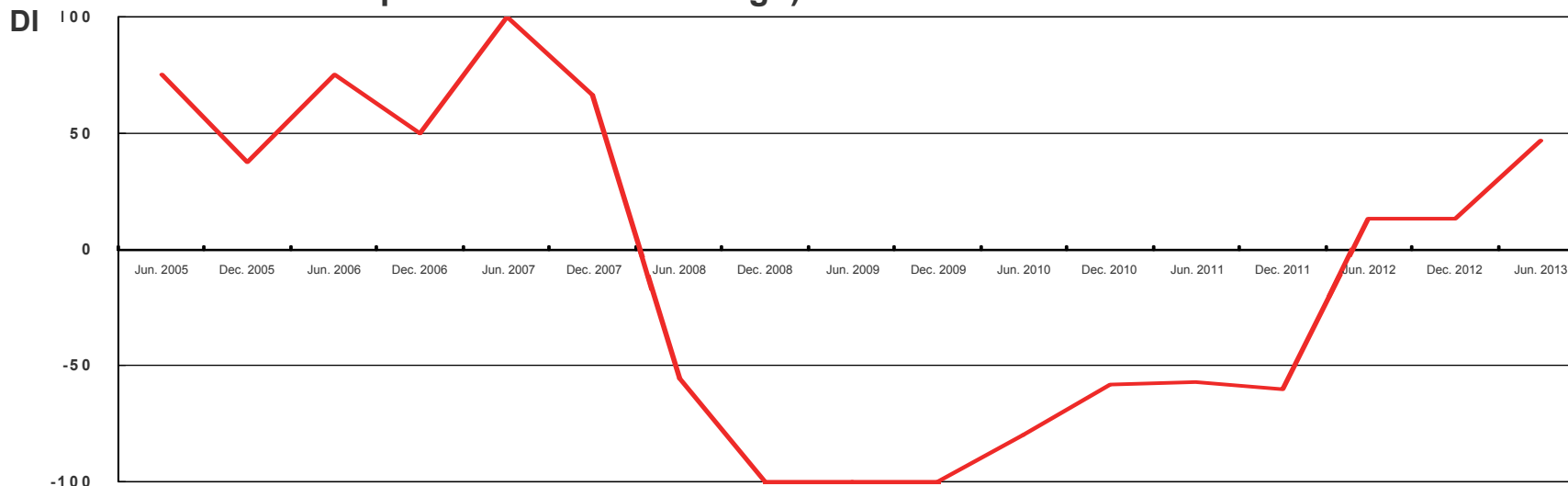
*Comments by Tokyu REIM

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New Market Rent D.I. for Office Portfolio

*** New market rent is on an upward trend for TOKYU REIT's office portfolio.**

- New market rent D.I. for TOKYU REIT's office portfolio (increase minus decrease compared from 6 months ago)**



	Jun. 2005	Dec. 2005	Jun. 2006	Dec. 2006	Jun. 2007	Dec. 2007	Jun. 2008	Dec. 2008	Jun. 2009	Dec. 2009	Jun. 2010	Dec. 2010	Jun. 2011	Dec. 2011	Jun. 2012	Dec. 2012	Jun. 2013
Number of properties																	
Properties with an increase in new market rent compared with 6 months ago	6	4	6	4	9	6	0	0	0	0	0	0	0	0	2	3	7
Properties with no change in new market rent	2	3	2	4	0	3	4	0	0	0	2	5	6	6	13	11	8
Properties with a decrease in new market rent compared with 6 months ago	0	1	0	0	0	0	5	12	12	10	8	7	8	9	0	1	0
Total	8	8	8	8	9	9	9	12	12	10	10	12	14	15	15	15	15
Percentage																	
Properties with an increase in new market rent compared with 6 months ago	75.0	50.0	75.0	50.0	100.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.3	20.0	46.7
Properties with no change in new market rent	25.0	37.5	25.0	50.0	0.0	33.3	44.4	0.0	0.0	0.0	20.0	41.7	42.9	40.0	86.7	73.3	53.3
Properties with a decrease in new market rent compared with 6 months ago	0.0	12.5	0.0	0.0	0.0	0.0	55.6	100.0	100.0	100.0	80.0	58.3	57.1	60.0	0.0	6.7	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New market rent D.I. for office portfolio	75.0	37.5	75.0	50.0	100.0	66.7	-55.6	-100.0	-100.0	-100.0	-80.0	-58.3	-57.1	-60.0	13.3	13.3	46.7

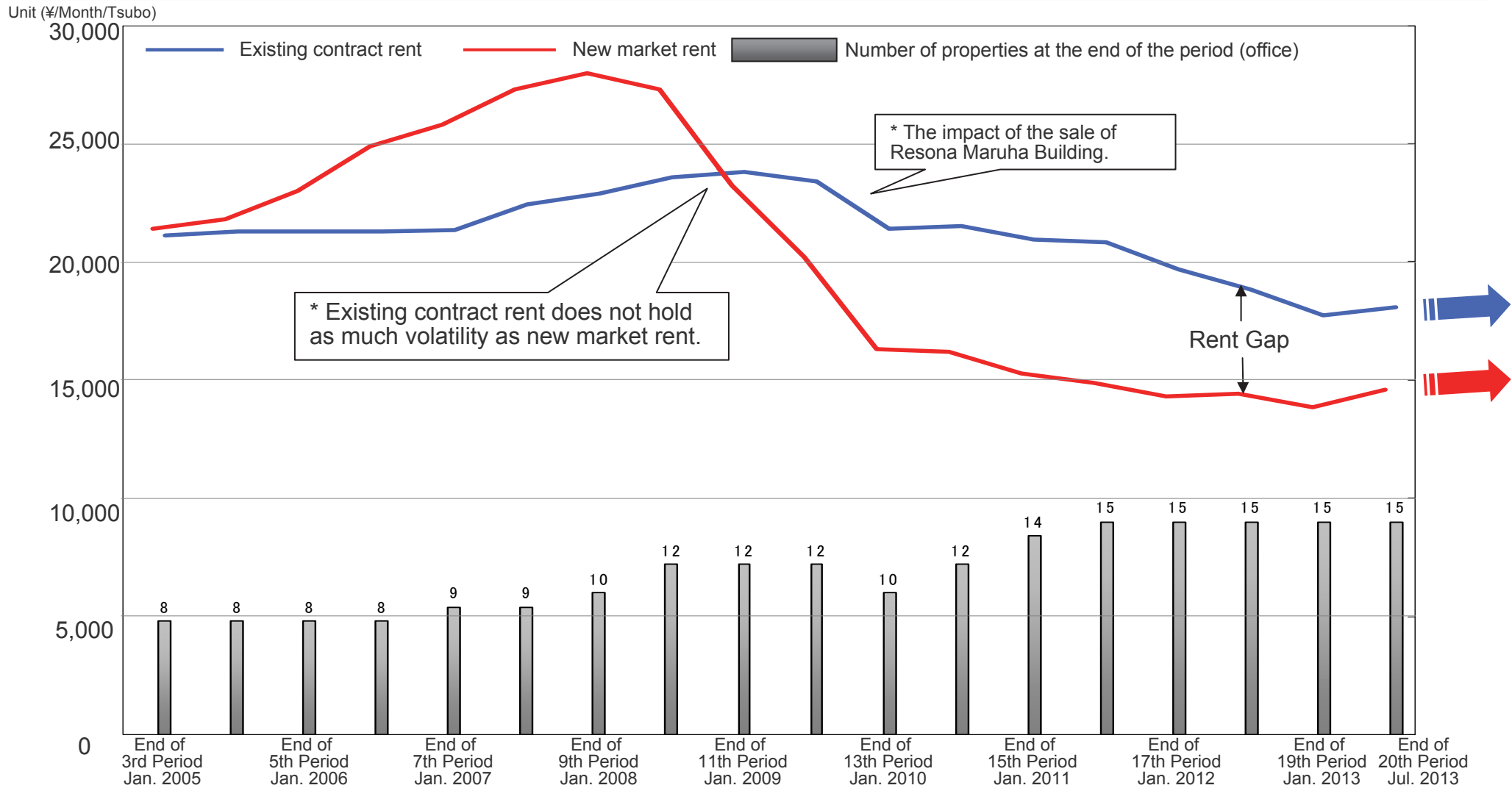
* New market rent is the mean value of rents appraised by CBRE for individual properties.

* OKI System Center (sokochi) is excluded from the office portfolio.

*Comments by Tokyu REIM

Changes in Rent Gap (Office)

*** The rent gap has been reduced by the reversal in new market rent while existing contracted rent is heading for recovery**

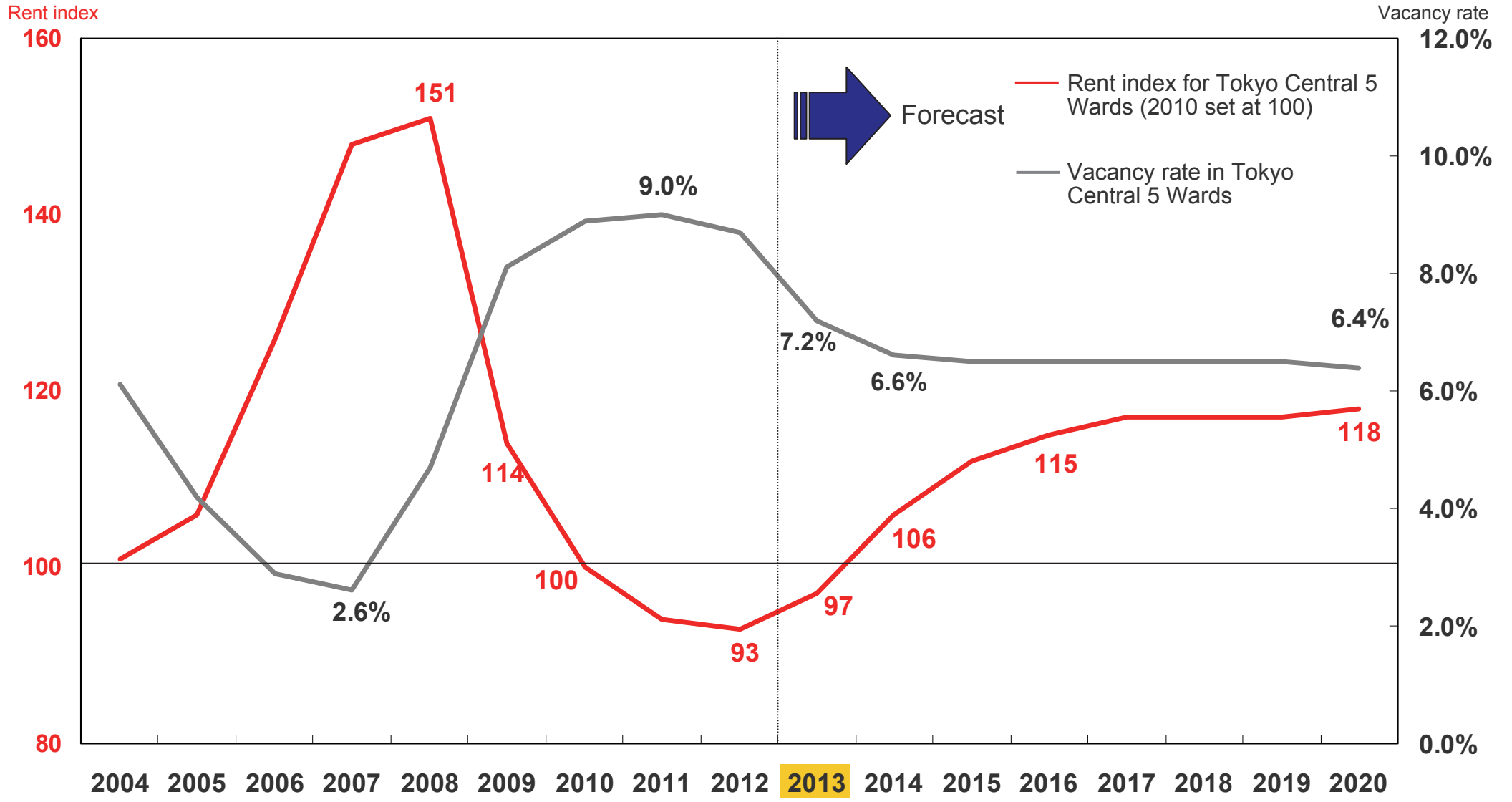


* In calculating the existing contract rent, vacant spaces have not been factored in.
 * Existing contract rent and new market rent include common area charges (excludes income from parking, warehousing and billboards).
 * OKI System Center (sokochi) is excluded both from the existing contracted rent and new market rent.
 * New market rent is the mean value of rents appraised by CBRE for individual properties.

*Comments by Tokyu REIM

Forecast of New Market Rents and Vacancy Rates for Office Properties

*** Office rents in Tokyo Central 5 Wards are forecasted to increase by 14% by 2014 after bottoming in 2012.**



Source: Materials announced by Office Market Trends Research Committee (Japan Real Estate Institute and Miki Shoji, Co., Ltd.) on April 30, 2013 *Comments by Tokyu REIM

Change in Appraisal Value (End of 20th Period – End of 19th Period)

* Period end appraisal value increased by ¥710 million, with an increase in appraisal for 17 properties (a decrease for 6 properties) out of 27 properties.

(¥ million)

Name of Property	Appraisal Value at End of Period (JPY mm)		Increase / Decrease (JPY mm)	Increase / Decrease %	Impact from change in NCF	Impact from change in NCF Cap Rate	NCF (Direct capitalization method)			NCF Cap Rate (Direct cap rate)			Appraiser (Note1)
	20th Period (Jul. 2013)	19th Period (Jan. 2013)					20th Period (Jul. 2013)	19th Period (Jan. 2013)	Change	20th Period (Jul. 2013)	19th Period (Jan. 2013)	Change	
QFRONT	21,800	21,300	500	2.35%	-0.25%	2.70%	790	792	-2	3.60%	3.70%	-0.10%	a
Lexington Aoyama	4,100	4,020	80	1.99%	-	2.33%	175	175	-	4.20%	4.30%	-0.10%	a
TOKYU REIT Omotesando Square	6,500	6,440	60	0.93%	-1.05%	2.27%	284	287	-3	4.30%	4.40%	-0.10%	a
TOKYU REIT Shibuya Udagawa-cho Square	9,450	9,100	350	3.85%	0.23%	2.33%	441	440	1	4.20%	4.30%	-0.10%	b
cocoti	17,300	16,900	400	2.37%	-0.14%	2.38%	722	723	-1	4.10%	4.20%	-0.10%	c
CONZE Ebisu	4,030	4,040	-10	-0.25%	0.57%	-	177	176	1	4.30%	4.30%	-	c
Daikanyama Forum	3,090	3,050	40	1.31%	1.48%	2.27%	137	135	2	4.30%	4.40%	-0.10%	b
Retail Properties (Urban) Total	66,270	64,850	1,420	2.19%	-0.07%	2.21%	2,726	2,728	-2	4.11%	4.21%	-0.09%	
Tokyu Saginuma Building	8,530	8,230	300	3.65%	0.22%	3.57%	464	463	1	5.40%	5.60%	-0.20%	a
Tokyu Saginuma 2 Building	1,470	1,450	20	1.38%	-	1.49%	98	98	-	6.60%	6.70%	-0.10%	a
Beacon Hill Plaza (Ito-Yokado Noukendai Store)	7,810	8,210	-400	-4.87%	-8.52%	1.82%	440	481	-41	5.40%	5.50%	-0.10%	b
Shonan Mall Fill (sokochi)	5,860	5,850	10	0.17%	0.32%	-	311	310	1	5.50%	5.50%	-	b
Retail Properties (Suburban) Total	23,670	23,740	-70	-0.29%	-2.88%	2.60%	1,313	1,352	-39	5.55%	5.70%	-0.15%	
Retail Properties Total	89,940	88,590	1,350	1.52%	-1.00%	2.49%	4,039	4,080	-41	4.49%	4.61%	-0.11%	
Setagaya Business Square	19,000	19,800	-800	-4.04%	-3.92%	-	956	995	-39	5.00%	5.00%	-	a
Tokyu Nampocho Building	4,620	4,530	90	1.99%	-	2.17%	210	210	-	4.50%	4.60%	-0.10%	a
Tokyu Sakuragaoka-cho Building	7,180	7,000	180	2.57%	0.32%	2.27%	312	311	1	4.30%	4.40%	-0.10%	a
Tokyo Nissan Taito Building	5,220	5,160	60	1.16%	-1.12%	1.96%	264	267	-3	5.00%	5.10%	-0.10%	a
TOKYU REIT Akasaka Hinokicho Building	3,960	3,960	-	-	-	-	181	181	-	4.50%	4.50%	-	a
TOKYU REIT Kamata Building	4,800	5,000	-200	-4.00%	-4.83%	-	256	269	-13	5.30%	5.30%	-	a
TOKYU REIT Toranomon Building	8,950	8,890	60	0.67%	-1.45%	2.17%	407	413	-6	4.50%	4.60%	-0.10%	a
TOKYU REIT Hatchobori Building	5,260	5,250	10	0.19%	-2.00%	2.13%	245	250	-5	4.60%	4.70%	-0.10%	c
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	6,070	5,930	140	2.36%	-	2.33%	270	270	-	4.20%	4.30%	-0.10%	b
Tokyu Ikejiri-ohashi Building	4,480	4,480	-	-	-	-	234	234	-	5.20%	5.20%	-	c
Kojimachi Square	7,920	7,910	10	0.13%	-	-	352	352	-	4.40%	4.40%	-	a
TOKYU REIT Shinjuku Building	9,160	9,400	-240	-2.55%	-2.42%	-	403	413	-10	4.30%	4.30%	-	c
Akihabara Sanwa Toyo Building	5,060	4,930	130	2.64%	-0.40%	2.08%	250	251	-1	4.70%	4.80%	-0.10%	b
TOKYU REIT Kiba Building	3,650	3,730	-80	-2.14%	-2.94%	-	198	204	-6	5.20%	5.20%	-	b
Tokyu Ginza 2-chome Building	4,760	4,760	-	-	-2.30%	2.22%	212	217	-5	4.40%	4.50%	-0.10%	a
OKI System Center (sokochi) (Note 2)	4,830	4,830	-	-	-	-	262	262	-	5.50%	5.50%	-	b
Office Properties Total	104,920	105,560	-640	-0.61%	-1.71%	1.11%	5,012	5,099	-87	4.78%	4.83%	-0.05%	
Total	194,860	194,150	710	0.37%	-1.39%	1.75%	9,051	9,179	-128	4.64%	4.73%	-0.08%	

(Note 1) a. Japan Real Estate Institute, b. Japan Valuers Co., Ltd., c. Daiwa Real Estate Appraisal Corporation.

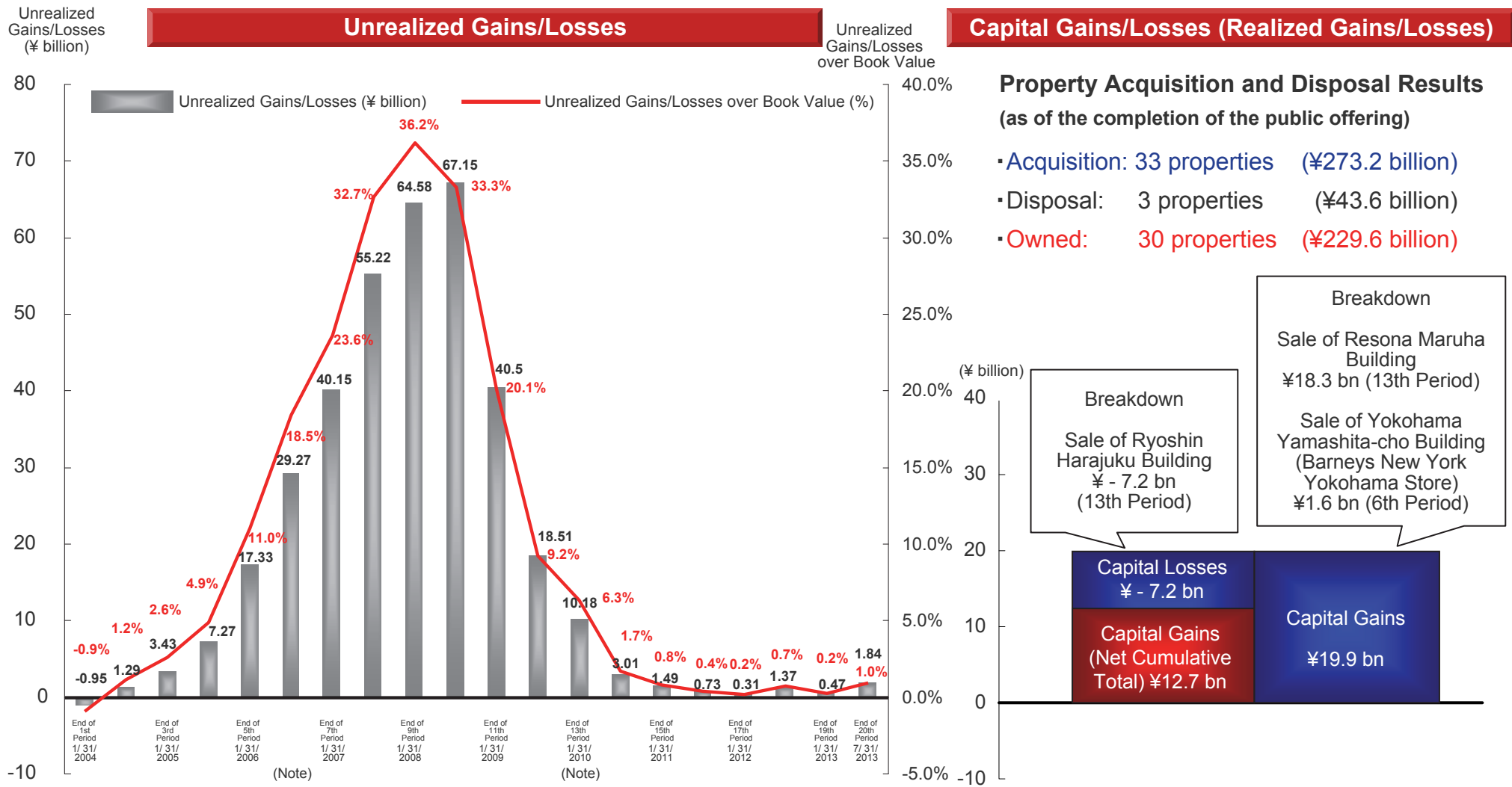
(Note 2) For OKI System Center (sokochi), direct capitalization method is not employed for its appraisal value at end of period. Accordingly, annual cash flow and discount rate under the DCF approach are indicated for NCF (Direct Capitalization Method) and NCF Cap Rate (Direct Cap Rate). Furthermore, for the appraisal value as of the end of the 19th period, appraisal value upon acquisition is indicated for the purpose of convenience.

* Appraisal Value at End of Period is determined by using several methodologies including the direct capitalization approach and DCF approach. Therefore, the Appraisal Value may differ from the above NCF figures divided by the NCF Cap Rate. Therefore, the total change in NCF and change in NCF Cap Rate may not add up to Increase/Decrease (%).

*Comments by Tokyu REIM

Unrealized Gains/Losses and Capital Gains/Losses

*** Although unrealized profit was reduced, a cumulative total of 12.7 billion yen has been distributed as capital gains to date.**



* Unrealized Gains/Losses over Book Value = Unrealized Gains/Losses / Book Value of Assets
 (Note) Capital gains/losses distribution period

Net cumulative total as of the end of the 20th period (Jul. 2013).
 *Comments by Tokyu REIM



2. Topics of 20th Period

(5) Debt Finance

Result of Strategic Debt Management (i): Interest-Bearing Debt Balance by Repayment Date

*** Average interest rate decreased while making progress in diversifying repayment dates, extending duration of interest bearing debt and shifting to fix interest rates.**

As of End of Jul. 2013 (End of 20th Period)
(compared with 19th period end)

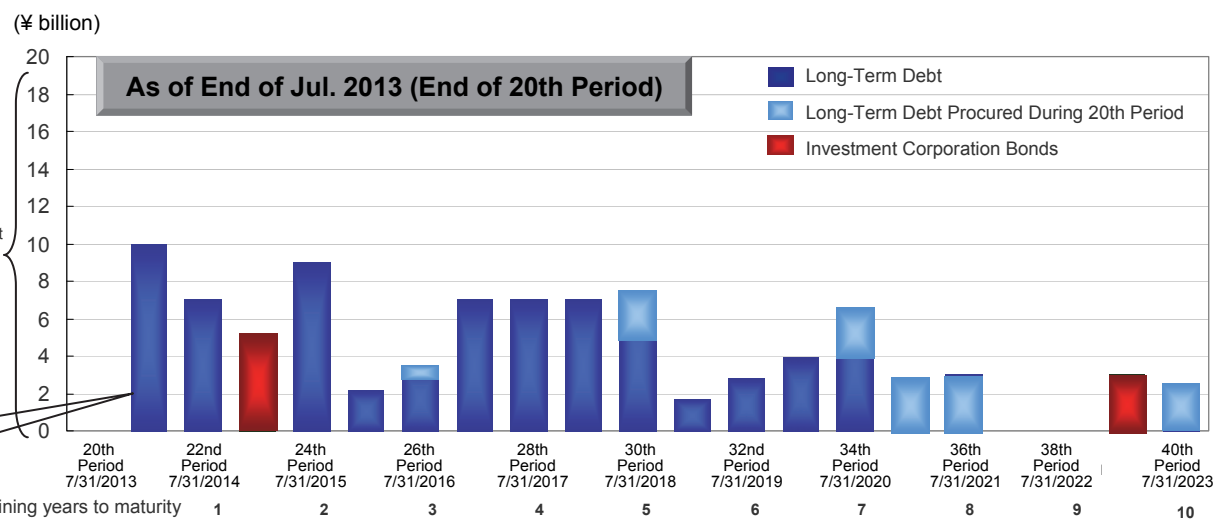
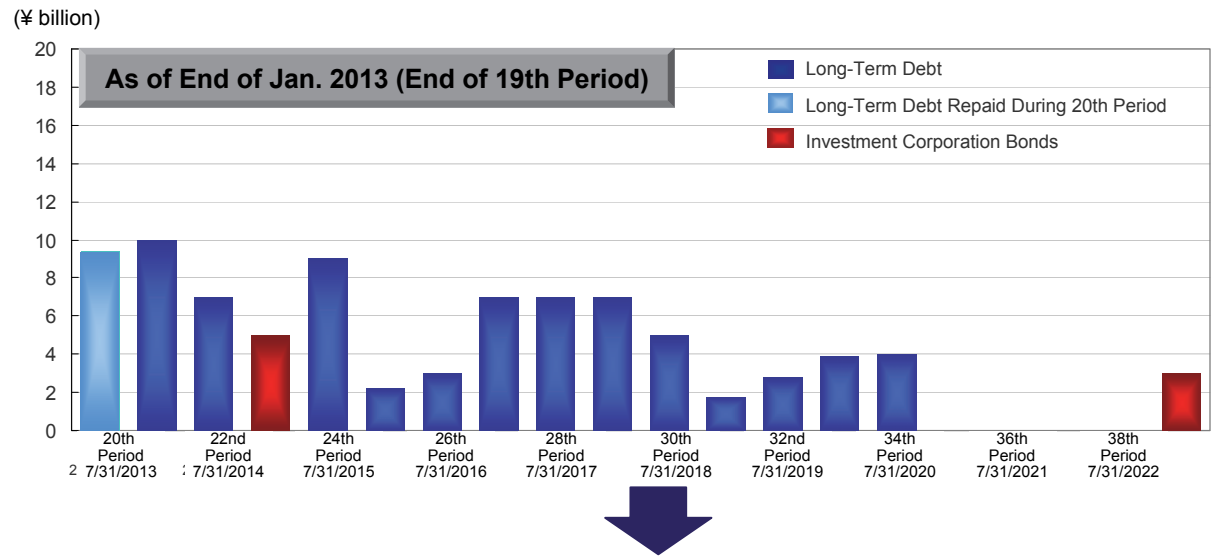
Total	: ¥91.5 bn	(¥ +4.5 bn)
Avg. Duration	: 3.91yrs	(+ 0.47 yrs)
Long-Term Fixed-Rate Ratio	: 100%	(± 0 pts.)
Number of Ladders	: 18	(+ 2 ladders)
Avg. Ladder Amount	: ¥5.08 bn	(¥ -0.35 bn)
LTV at End of Period (Note)	: 48.7%	(+0.8pts.)
Average Interest Rate	: 1.62%	(-0.04pts.)

* The balance of interest-bearing debt as of September 17, 2013 is ¥103.0 billion, including ¥11.5 billion in short-term debt.

(Note) LTV at End of Period = (Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period + Balance of Cash and Deposits with Banks at End of Period)

¥10 billion in long-term debt (10.9%) due by end of Jan. 2014 (21st Period).

Mitsubishi UFJ Trust and Banking	¥2.5 bn	Due 12/25/2013
Mitsubishi UFJ Trust and Banking	¥1.0 bn	Due 12/25/2013
Sumitomo Mitsui Trust Bank	¥2.5 bn	Due 12/25/2013
National Mutual Insurance Federation of Agricultural Cooperatives	¥3.0 bn	Due 1/25/2014
Dai-ichi Life Insurance	¥1.0 bn	Due 1/25/2014



Limit of commitment lines
¥19.0 bn (annual)

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

Result of Strategic Debt Management (ii): Base Interest Rates

*** Spreads have risen since the credit crunch in 2008, although base interest rates have subsequently dropped due to the shrinkage in spread and decline in market interest rates.**

(Unit: %)

Category	Duration	Borrowing Date																												
		2006		2007			2008				2009			2010			2011				2012				2013					
		Jan.	Jul.	Jan.	Jun.	Sep.	Mar.	Jun.	Jul.	Nov.	Feb.	Apr.	Jun.	Jun.	Jul.	Dec.	May	Jun.	Jul.	Sep.	Nov.	May	Jun.	Jul.	Aug.	Nov.	Dec.	Jun.	Jul.	
Long-term	1.5yr																													
	2.0yr							1.55500																						
	2.5yr								1.48125	1.47500		1.32750		1.17125																
	3.0yr							1.81875		1.54250	1.52875			1.46875													0.68125	0.77500		
	3.2yr													1.39000																
	3.5yr				1.81062							1.63062																		
	4.0yr					1.62625			1.80375		1.72500			1.67500	1.66375	1.31250					1.03500									
	4.5yr													1.78812																
	5.0yr	1.95000	1.93000								1.79000				1.46250											0.93500			1.07500	0.99125
	5.5yr							2.10187											1.36875											
	6.0yr														1.63250	1.47625	1.45375													
	6.5yr																		1.49563	1.41375										
	7.0yr		2.21125	1.92000				2.21100													1.48875	1.37250	1.32375		1.32250	1.24625	1.23375	1.45125	1.47250	
	7.5yr																											1.53375		
	8.0yr						1.76625																		1.48000				1.51375	1.51375
	8.5yr																													
	9.0yr																													
	9.5yr																													
10.0yr																												1.91375		

* The colored portions represent refinancing conducted in the 20th period.

*Comments by Tokyu REIM

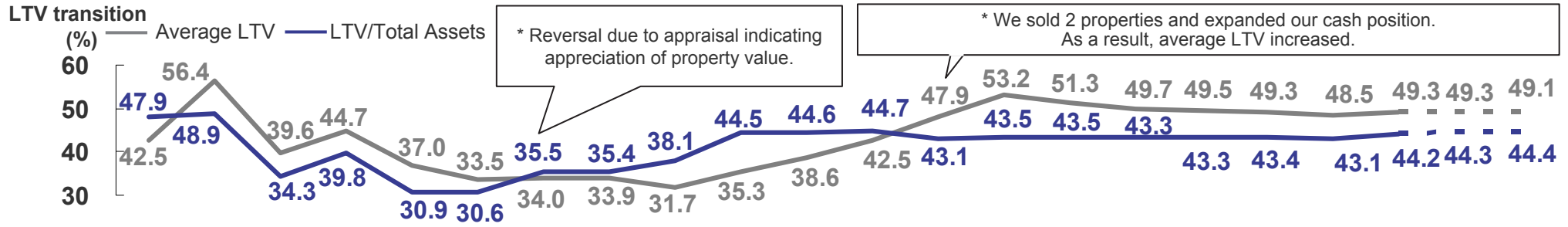


3. Fund Management

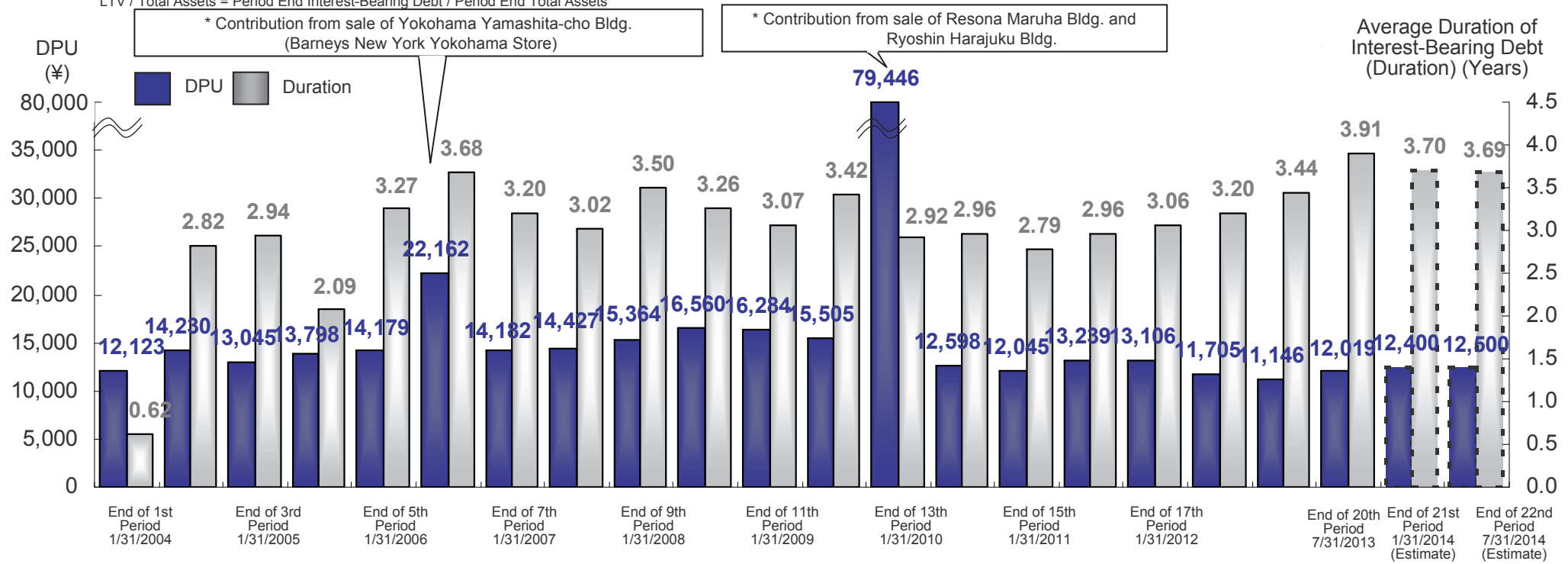
(1) Results and Performance

Changes in Distribution per Unit (DPU)

*** Have been securing DPU while considering financial soundness.**



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



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

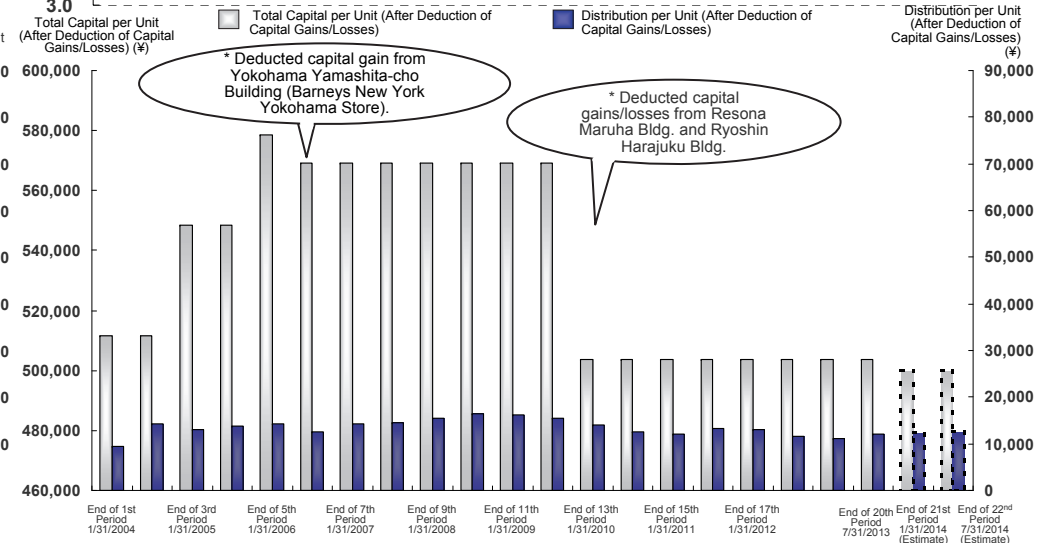
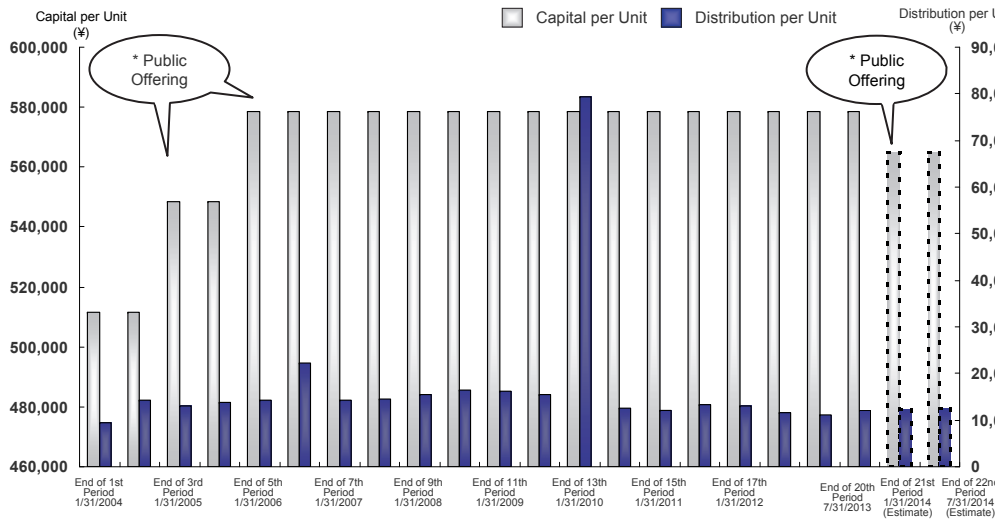
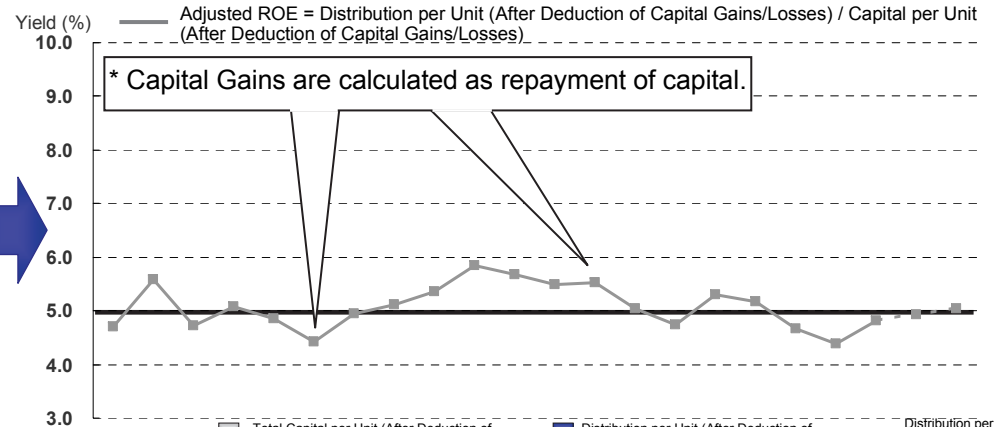
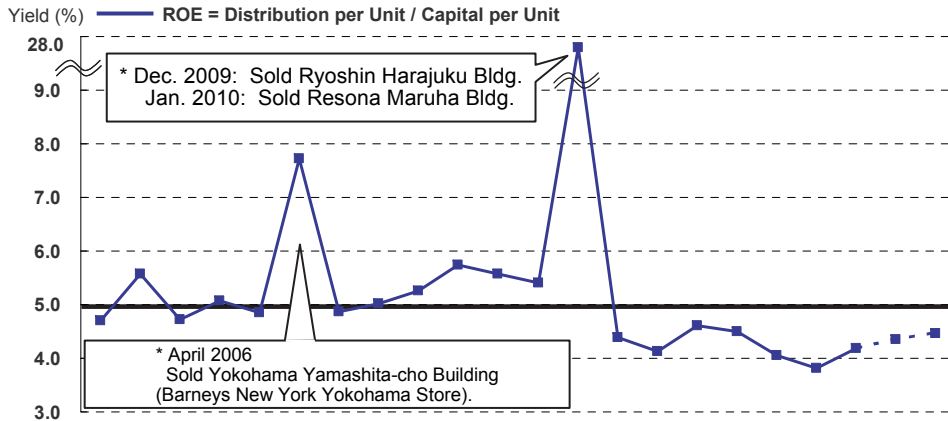
*Comments by Tokyu REIM

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

*** Adjusted ROE of the 20th period was 4.81%.**

ROE (Capital Yield)

Adjusted ROE (Capital Yield After Deduction of Capital Gains/Losses)



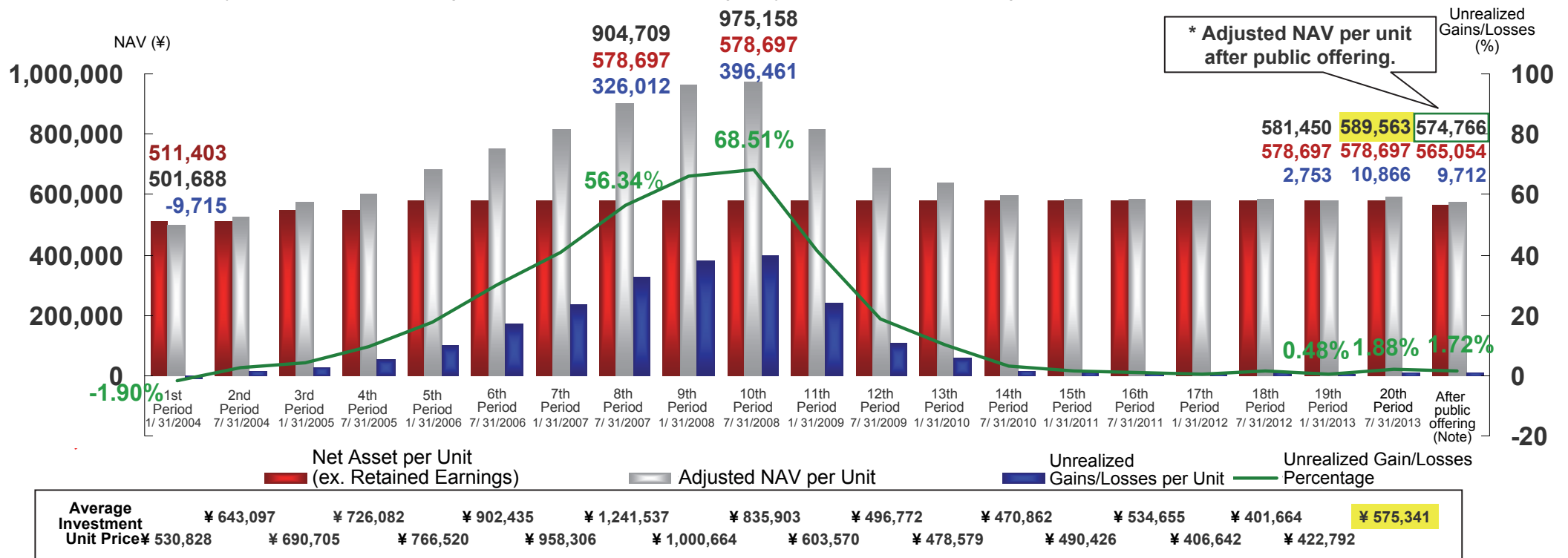
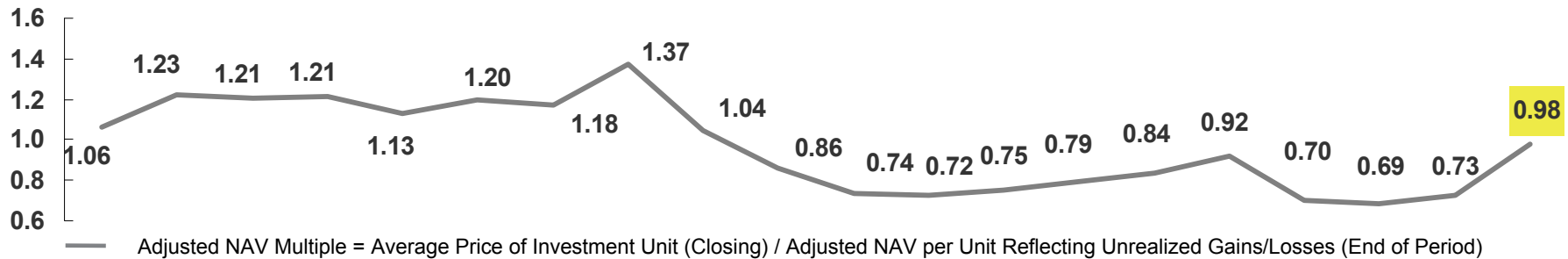
$$\text{Adjusted Capital Yield (Adjusted ROE)} = \frac{\text{Distribution Amount After Deduction of Capital Gains/Losses}}{\text{Total Capital} - \text{Accumulated Distribution of Capital Gains/Losses}}$$

*Comments by Tokyu REIM

Changes in Asset Value (Adjusted NAV per Unit)

*** Adjusted NAV per Unit Reflecting Unrealized Gains/Losses was 589,563 yen and Adjusted NAV Multiple was 0.98x.**

Adjusted NAV Multiple



Average Investment Unit Price	¥ 643,097	¥ 726,082	¥ 902,435	¥ 1,241,537	¥ 835,903	¥ 496,772	¥ 470,862	¥ 534,655	¥ 401,664	¥ 575,341
Unit Price	¥ 530,828	¥ 690,705	¥ 766,520	¥ 958,306	¥ 1,000,664	¥ 603,570	¥ 478,579	¥ 490,426	¥ 406,642	¥ 422,792

(Note) The capitalized value on the balance sheet of the three properties acquired by using proceeds from the public offering are estimated values upon acquisition. *Comments by Tokyu REIM

Performance Against Public Offering Price

*** When including dividends, yield greater than offering prices in the past three POs is provided.**

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



Investment unit price at Jul. 31, 2013: ¥510,000

*** 65% of the IPO offering price was distributed in around 10 years.**

*** 49% of the 2nd PO offering price was distributed in around 9 years.**

*** 39% of the 3rd PO offering price was distributed in around 8 years.**

Second Public Offering (Issued Aug. 3, 2004)

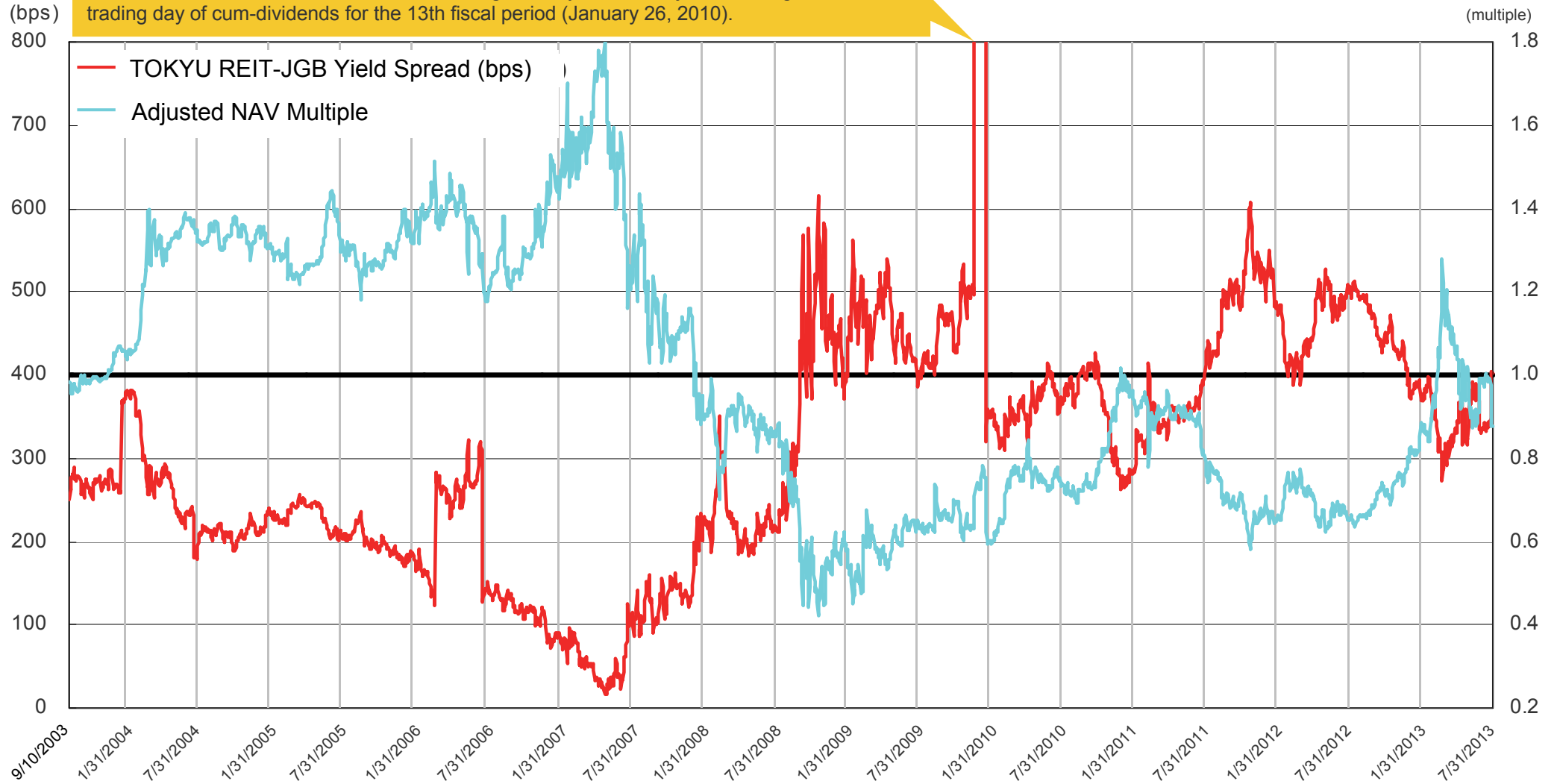


Third Public Offering (Issued Aug. 1, 2005)



TOKYU REIT-JGB Yield Spread and Adjusted NAV Multiple **TOKYU REIT**

* From one day after the revision to guidance were announced (December 25, 2009) as a result of the sale of Resona Maruha Building and Ryoshin Harajuku Building until the last trading day of cum-dividends for the 13th fiscal period (January 26, 2010).



* Adjusted NAV updated on the date of announcement of results for every period.

* TOKYU REIT-JGB yield spread computed by Tokyu REIM based on Bloomberg data.

*Comments by Tokyu REIM

Dividend Yield (TOKYU REIT, Tokyo Gas, JGBs (10-yr, 30-yr))

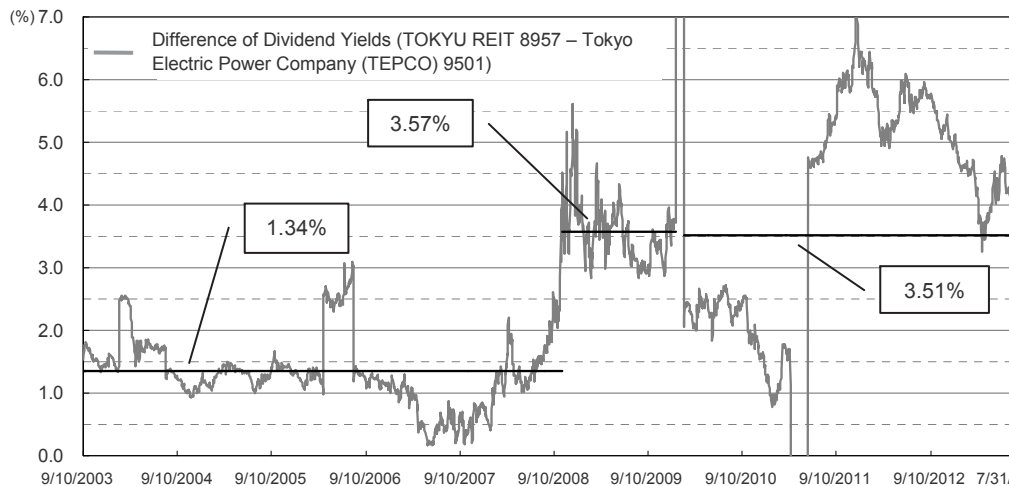


*Comments by TOKYU REIM

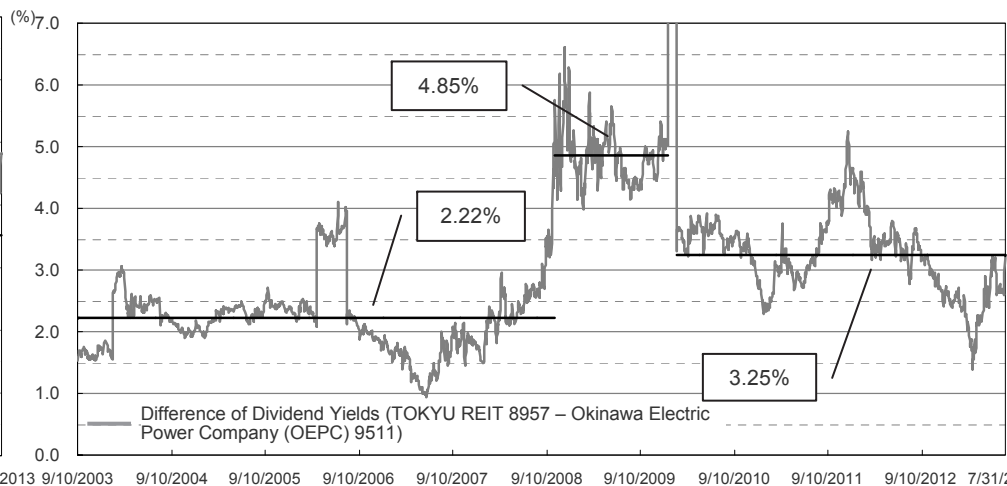
Difference Between Dividend Yields of TOKYU REIT and Equity Stocks (Spread)

*** Spread still remains wide, though it is on a reducing trend compared to various equity stocks.**

Difference Between Dividend Yields with TEPCO



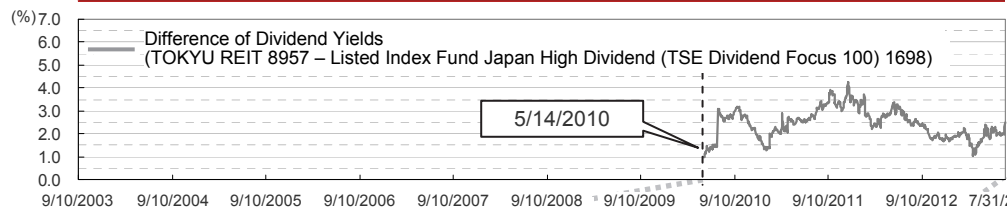
Difference Between Dividend Yields with OEPC



Difference Between Dividend Yields with Tokyo Gas



Difference Between Dividend Yields with Listed Index Fund Japan High Dividend (TSE Dividend Focus 100)

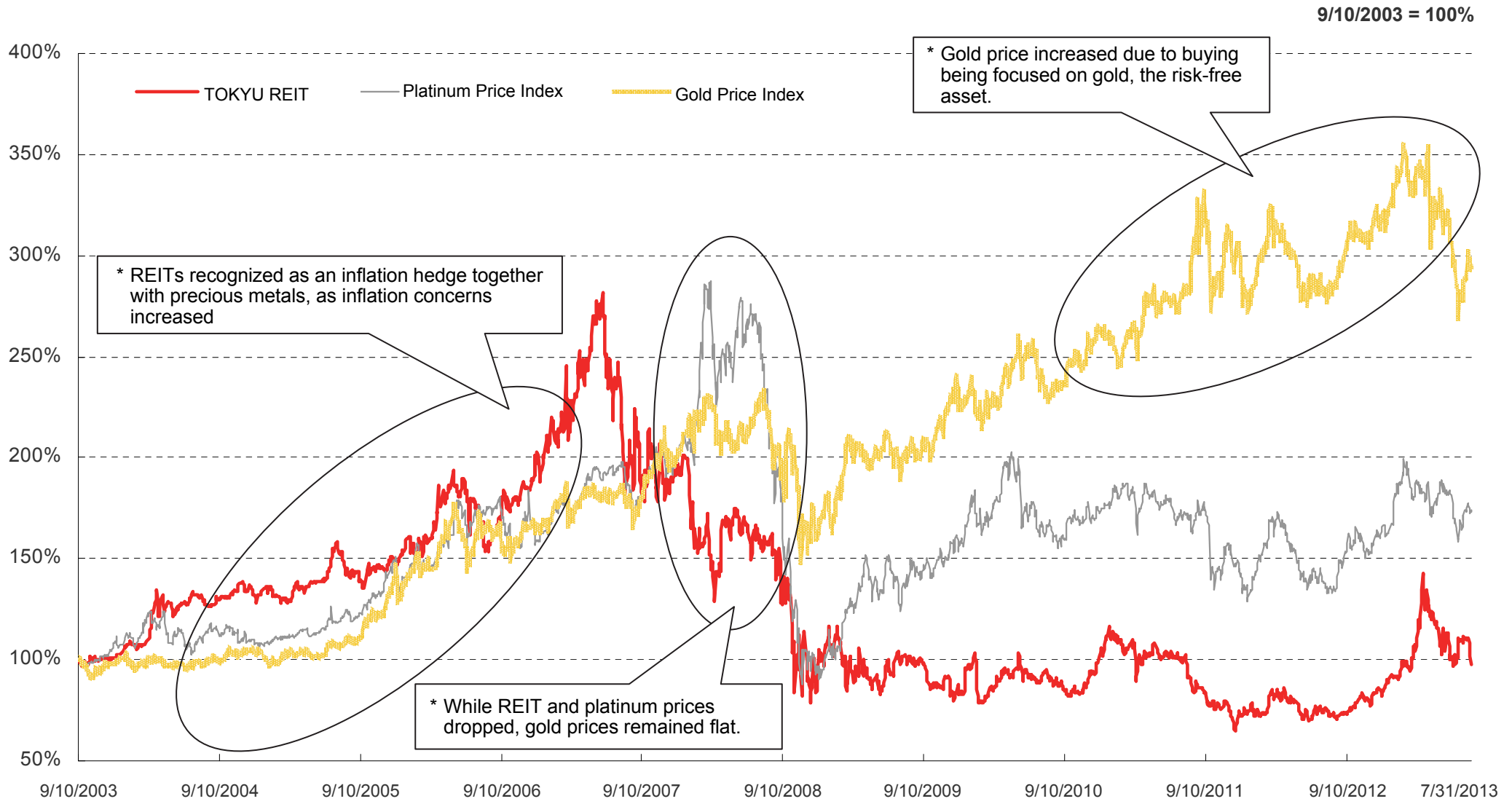


* The yields in the difference between dividend yields with TEPCO, OEPC and Tokyo Gas have been calculated by using dividend forecasts. The yields in the difference between dividend yields with the Listed Index Fund Japan High Dividend (TSE Dividend Focus 100) have been calculated from actual dividends.

*Comments by Tokyu REIM

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

*** REITs are inflation hedge instruments generating dividend income.**



*Comments by Tokyu REIM

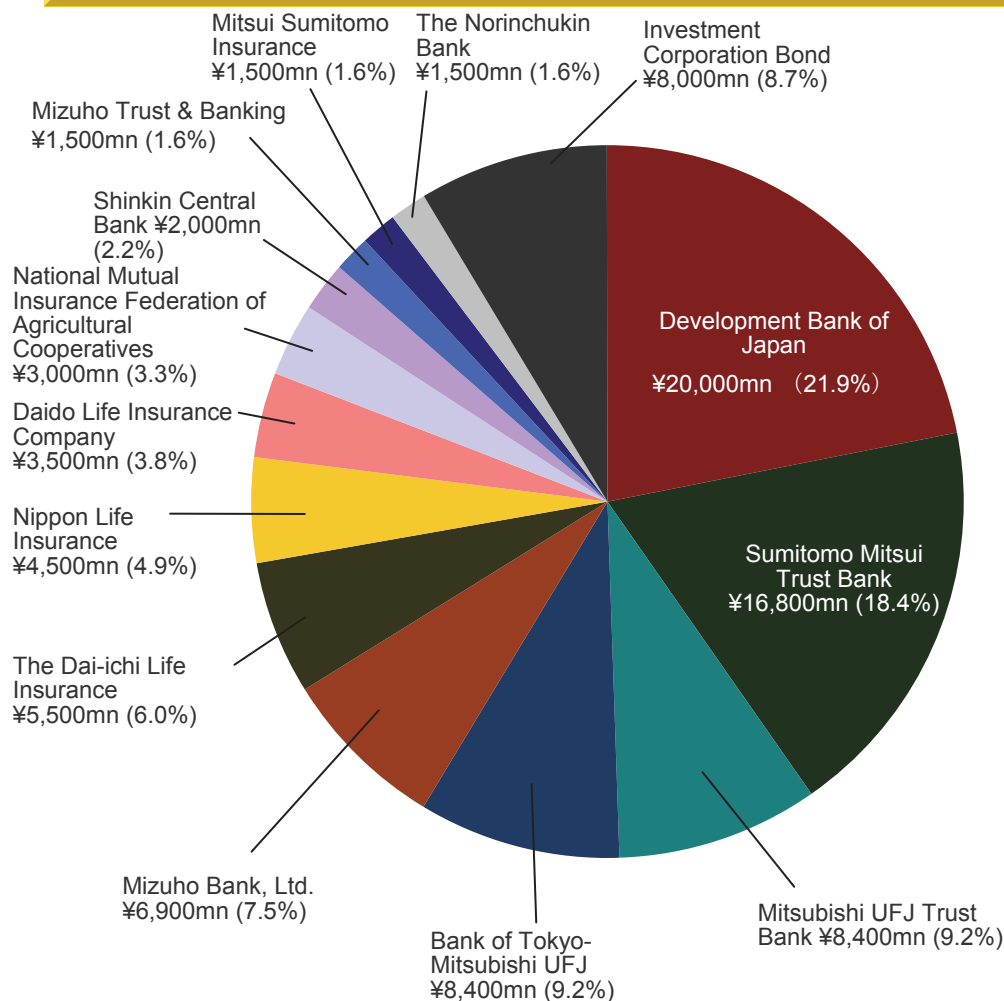


3. Fund Management

(2) Debt Management and Composition of Unitholders

Debt Structure (i) Interest Bearing Debt

*** Aim to diversify sources of funds.**



As of end of 20th Period

Category	Lender	Amount (¥ million)	Interest Rate (%)	Debt Origination Date	Maturity		Note
					Due Date	Period	
Long term	Development Bank of Japan	5,000	1.95000	1/25/2006	1/25/2018	29th	Unsecured Unguaranteed
	Dai-ichi Life Mutual Life	1,000					
	National Mutual Insurance Federation of Agricultural Cooperatives	3,000	1.92000	1/25/2007	1/25/2014	21th	
	Daido Life Insurance Company	3,000	1.76625	3/10/2008	3/10/2016	26th	
	Mitsubishi UFJ Trust Bank	1,000	2.10187	6/25/2008	12/25/2013	21th	
	Development Bank of Japan	5,000	2.21100		6/25/2015	24th	
	Development Bank of Japan	5,000	1.79000	2/25/2009	2/25/2014	22th	
	Sumitomo Mitsui Trust Bank	2,500	1.78812		12/25/2013	21th	
	Mitsubishi UFJ Trust Bank	2,500	1.78812	6/25/2009	12/25/2013	21th	
	Mizuho Bank	1,000	1.31250	6/25/2010	6/25/2014	22th	
	Mitsui Sumitomo Insurance	1,000					
	Sumitomo Mitsui Trust Bank	1,000					
	Sumitomo Mitsui Trust Bank	1,000	1.46250	7/26/2010	7/26/2015	24th	
	The Norinchukin Bank	2,000					
	Sumitomo Mitsui Trust Bank	5,000	1.63250	12/27/2010	12/27/2016	27th	
	Sumitomo Mitsui Trust Bank	2,000	1.47625	5/18/2011	5/18/2017	28th	
	Sumitomo Mitsui Trust Bank	2,000	1.47625	5/25/2011	5/25/2017	28th	
	Mizuho Bank	2,000	1.45375	6/27/2011	6/27/2017	28th	
	Nippon Life Insurance	2,000	1.36875		1/31/2017	27th	
	Nippon Life Insurance	2,000	1.49563	7/29/2011	1/31/2018	29th	
	Bank of Tokyo-Mitsubishi UFJ	5,000	1.41375	9/26/2011	3/26/2018	30th	
	Mizuho Bank	1,700	1.03500		11/11/2015	25th	
	Mizuho Bank	1,700	1.48875	11/11/2011	11/11/2018	31th	
	Bank of Tokyo-Mitsubishi UFJ	2,000	1.37250	5/25/2012	5/25/2019	32th	
	Development Bank of Japan	4,000	1.48000	6/25/2012	6/25/2020	34th	
	Sumitomo Mitsui Trust Bank	400	1.32375				
	Mitsubishi UFJ Trust Bank	400	1.32375	6/29/2012	6/29/2019	32th	
	The Norinchukin Bank	1,000	0.93500	7/25/2012	7/25/2017	28th	
	Bank of Tokyo-Mitsubishi UFJ	1,400	1.32250	8/29/2012	8/29/2019	33th	
	Mitsubishi UFJ Trust Bank	2,000	1.24625	11/19/2012	11/19/2019	33th	
	Daido Life Insurance Company	500	0.68125	12/25/2012	12/25/2015	25th	
	Mizuho Bank	500	1.23375		12/25/2019	33th	
	Mitsubishi UFJ Trust Bank	500	0.77500		6/25/2016	26th	
Mitsubishi UFJ Trust Bank	500	1.07500	6/25/2013	6/25/2018	30th		
Mitsubishi UFJ Trust Bank	1,500	1.45125		6/25/2020	34th		
Sumitomo Mitsui Trust Bank	2,900	1.53375		12/25/2020	35th		
The Norinchukin Bank	500	1.47250					
Mitsui Sumitomo Insurance	500	1.47250					
Development Bank of Japan	1,000	1.91375	6/27/2013				
Mizuho Trust & Banking	1,500	1.91375		6/27/2023	40th		
Dai-ichi Life Mutual Life	2,500	1.51375		7/31/2021	36th		
Dai-ichi Life Mutual Life	2,000	0.99125	7/31/2013	7/31/2018	30th		
Nippon Life Insurance	500	1.51375		7/31/2021	36th		
Total Long-Term Borrowings	83,500	-	-	-	-	-	
Total Borrowings	83,500	-	-	-	-	-	
Bonds	#2 Investment Corporation Bond	5,000	1.89000	10/24/2007	10/24/2014	23th	Unsecured Unguaranteed
	#3 Investment Corporation Bond	3,000	1.47000	10/22/2012	10/21/2022	39th	
Total Corporate Bonds		8,000	-	-	-	-	-
Total Interest-Bearing Debt		91,500	-	-	-	-	-

* Average Interest Rate: 1.62%

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

* The balance of total interest-bearing debt as of September 17, 2013 is ¥103.0 billion, including ¥11.5 billion in short-term debt.

*Comments by Tokyuu REIM

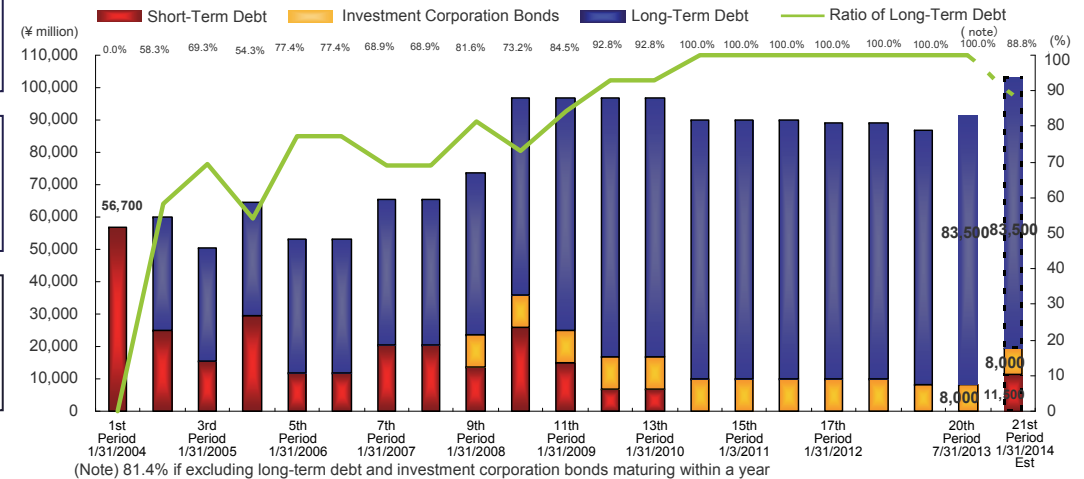
Debt Structure (ii)

Rating (As of End of 20th Period)

JCR	Long-term Issuer Rating: AA- (Outlook: Stable)
R&I	Issuer Rating: A+ (Rating Outlook: Stable)
S&P	Long-Term Corporate Credit Rating: A (Rating Outlook: negative) Short-Term Corporate Credit Rating: A-1

Ratio of Long-Term Debt

* Increasing long-term fixed-rate debt in order to maintain stable debt position.



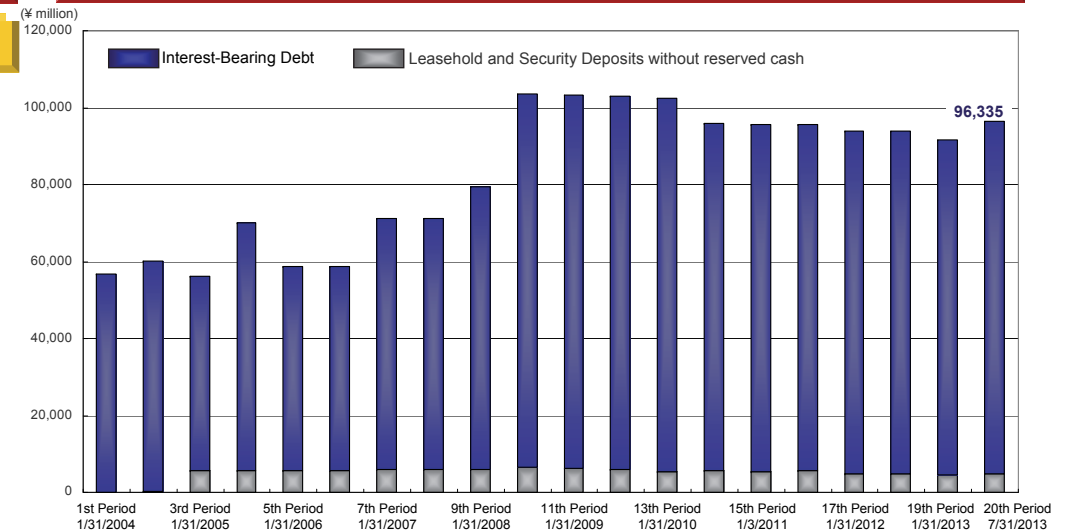
Commitment Line (As of End of 20th Period)

* Commitment lines help to respond to changing monetary environment.

Development Bank of Japan	¥9.0 bn	Due	7/1/2014
Sumitomo Mitsui Trust Bank	¥2.0 bn	Due	4/20/2014
Sumitomo Mitsui Trust Bank	¥3.2 bn	Due	7/11/2014
Mizuho Bank, Ltd	¥1.6bn	Due	7/11/2014
Bank of Tokyo-Mitsubishi UFJ	¥1.6bn	Due	7/11/2014
Mitsubishi UFJ Trust Bank	¥1.6bn	Due	7/11/2014

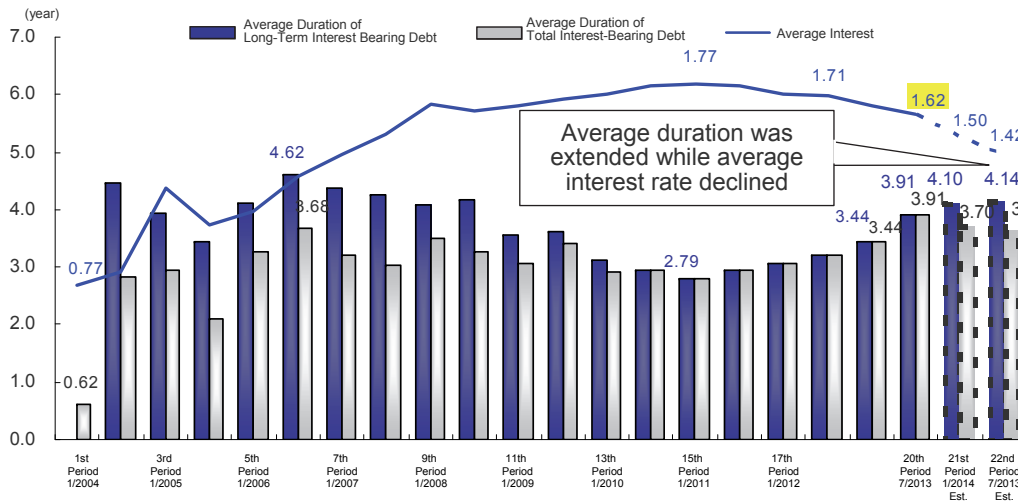
Total ¥19.0 bn

Deemed Interest-Bearing Debt

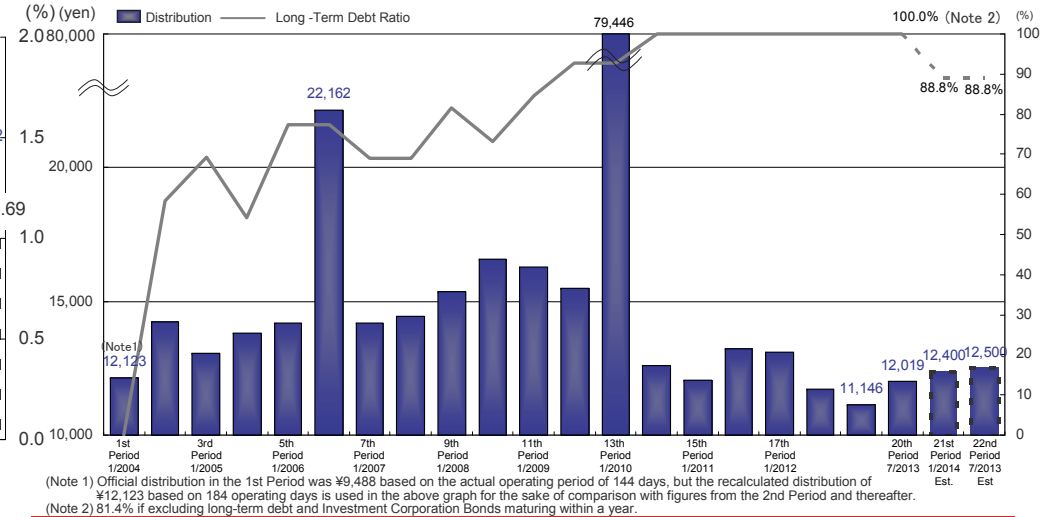


Debt Structure (iii)

Average Duration of Interest-Bearing Debt and Average Interest

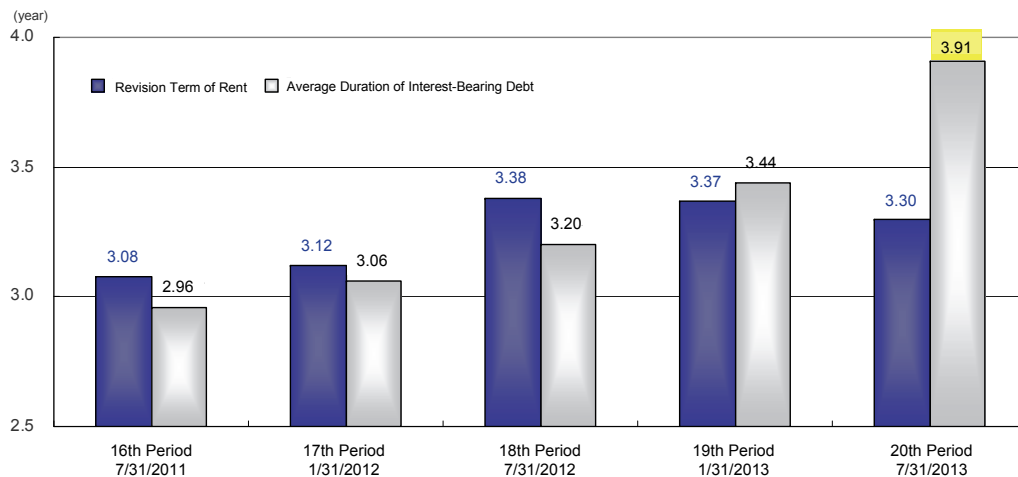


Distribution and Long-Term Debt Ratio



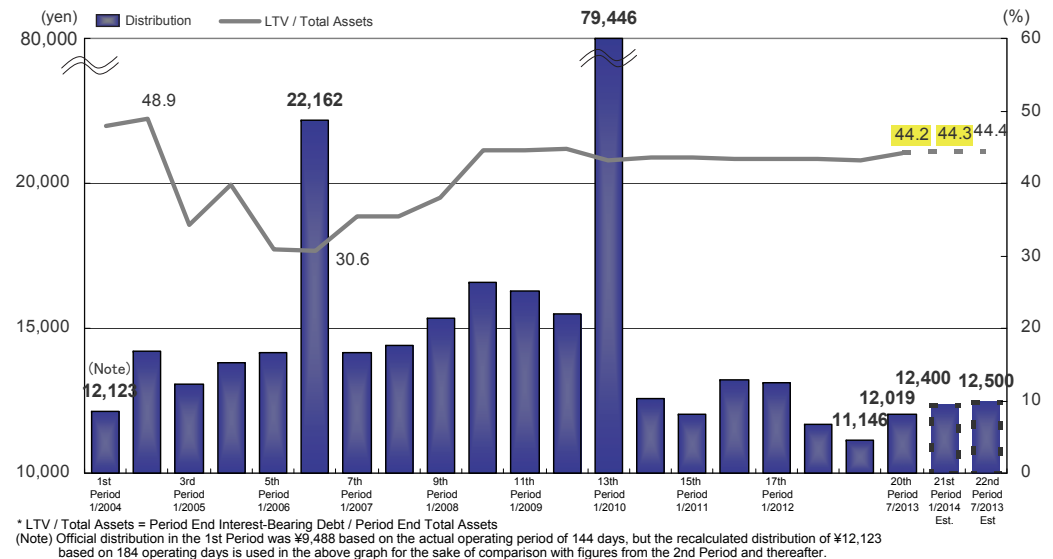
Revision Term of Rent and Average Duration of Interest-Bearing Debt

*** Achieved a debt duration longer than the rent revision interval.**



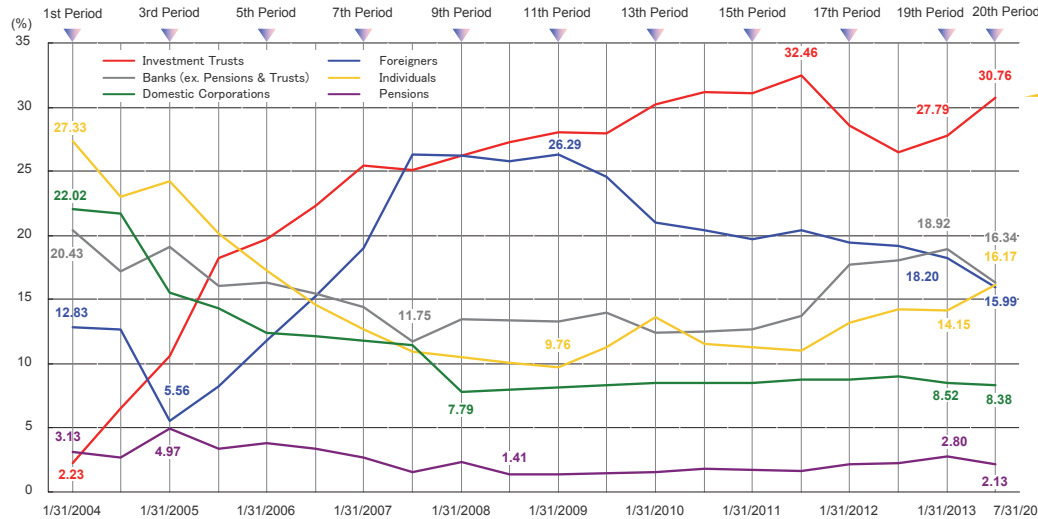
* Interest-Bearing Debt in this presentation does not include security deposits provided by tenants.

Distribution and LTV / Total Assets



Composition of Unitholders

Changes in Unitholder Composition (Main Segments)

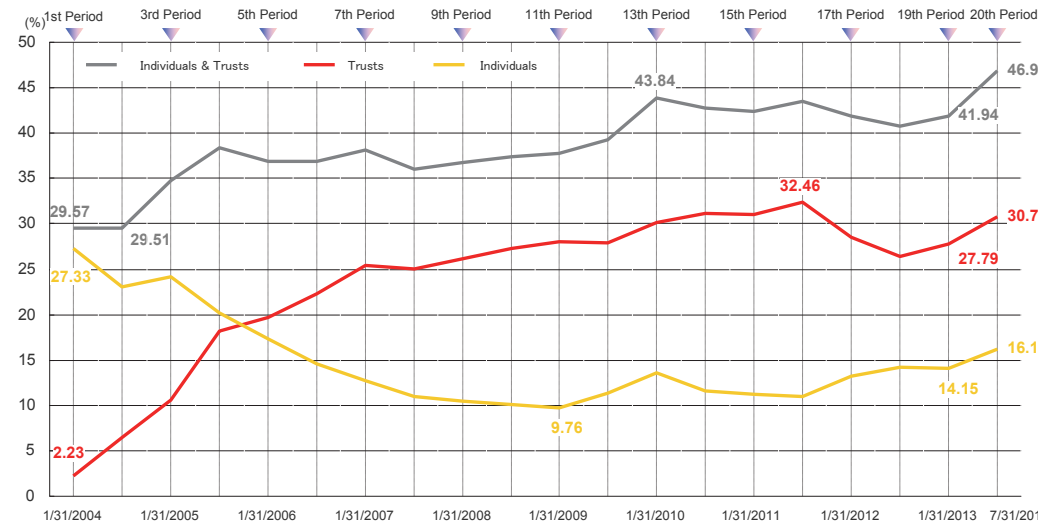


* Investment trusts hold the largest share among unitholders.

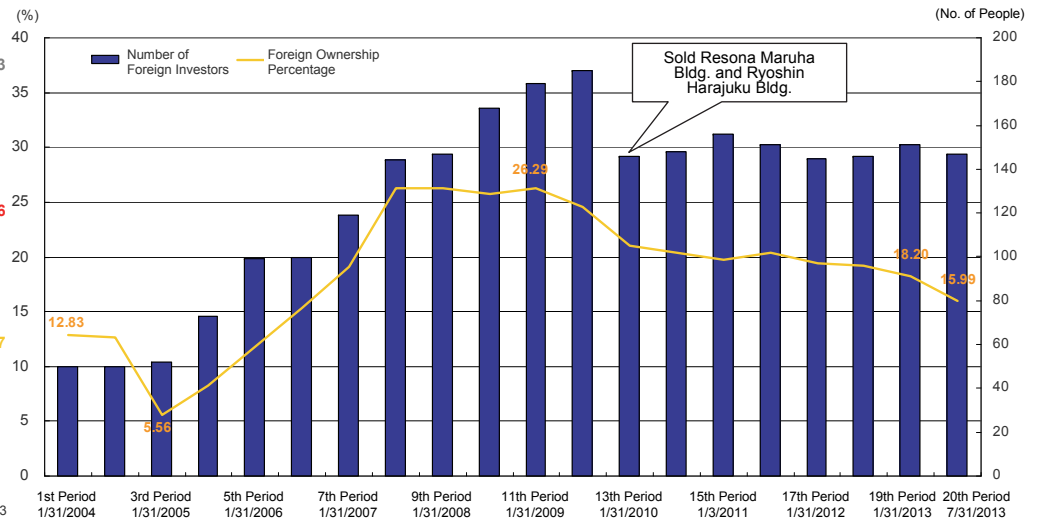
* Individual ownership percentage (Individuals and Trusts) exceeds 40% of the total.

* Investment from foreigners is on a decreasing trend.

Individual Ownership Percentage



Foreign Ownership Percentage / Number of Foreign Investors



*Comments by Tokyu REIM

List of Major Unitholders

1st Period (Ended Jan. 31, 2004)

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

19th Period (Ended Jan. 31, 2013)

	Unitholders	No. of Units Held	Share (%)
1	Japan Trustee Services Bank Ltd.	38,189	22.54
2	Trust & Custody Services Bank, Ltd.	10,506	6.20
3	Tokyu Corporation	9,800	5.78
4	The Nomura Trust and Banking Co., Ltd.	7,834	4.62
5	The Master Trust Bank of Japan, Ltd.	7,616	4.49
6	Nomura Bank (Luxembourg) S.A.	4,692	2.77
7	MetLife Alico GA Company JPY	3,902	2.30
8	State Street Bank and Trust Company 505103	3,532	2.08
9	The Hachijuni Bank, Ltd.	3,025	1.78
10	Asahi Fire and Marine Insurance	3,000	1.77
11	Kansai Urban Banking Corporation	1,964	1.15
12	The Momiji Bank	1,719	1.01
13	The Gibraltar Life Insurance Company	1,706	1.00
14	Trust & Custody Services Bank, Ltd.	1,372	0.81
15	RBC Dexia Investor Services Trust, London Lending Account	1,353	0.79
16	Mellon Bank N.A. Treaty Client Omnibus	1,154	0.68
17	State Street Bank West Client - Treaty	1,048	0.61
18	The Iyo Bank, Ltd.	1,000	0.59
19	The Taiko Bank, Ltd.	945	0.55
20	The Nomura Trust and Banking Co., Ltd., Sekai Shindokyo Account	926	0.54
Total Units Held by Top 20 Unitholders		105,283	62.15
Outstanding Units		169,380	100.00

20th Period (Ended Jul. 31, 2013)

	Unitholders	No. of Units Held	Share (%)
1	Japan Trustee Services Bank Ltd.	41,601	24.56
2	Tokyu Corporation	9,800	5.78
3	The Nomura Trust and Banking Co., Ltd.	9,223	5.44
4	The Master Trust Bank of Japan, Ltd.	8,910	5.26
5	Trust & Custody Services Bank, Ltd.	8,049	4.75
6	Nomura Bank (Luxembourg) S.A.	5,169	3.05
7	MetLife Alico GA Company JPY	3,902	2.30
8	OM 40 S SB Client Omnibus	3,095	1.82
9	Asahi Fire and Marine Insurance	3,000	1.77
10	State Street Bank and Trust Company 505103	2,603	1.53
11	The Hachijuni Bank, Ltd.	2,088	1.23
12	Union Bank Private Europe SA 497200	2,071	1.22
13	The Momiji Bank	1,728	1.02
14	The Gibraltar Life Insurance Company	1,606	0.94
15	Trust & Custody Services Bank, Ltd.	1,392	0.82
16	Kansai Urban Banking Corporation	1,288	0.76
17	State Street Bank and Trust Company 505223	994	0.58
18	The Taiko Bank, Ltd.	945	0.55
19	State Street Bank West Client Treaty	898	0.53
20	Meisho Gakuen	777	0.45
Total Units Held by Top 20 Unitholders		109,139	64.43
Outstanding Units		169,380	100.00

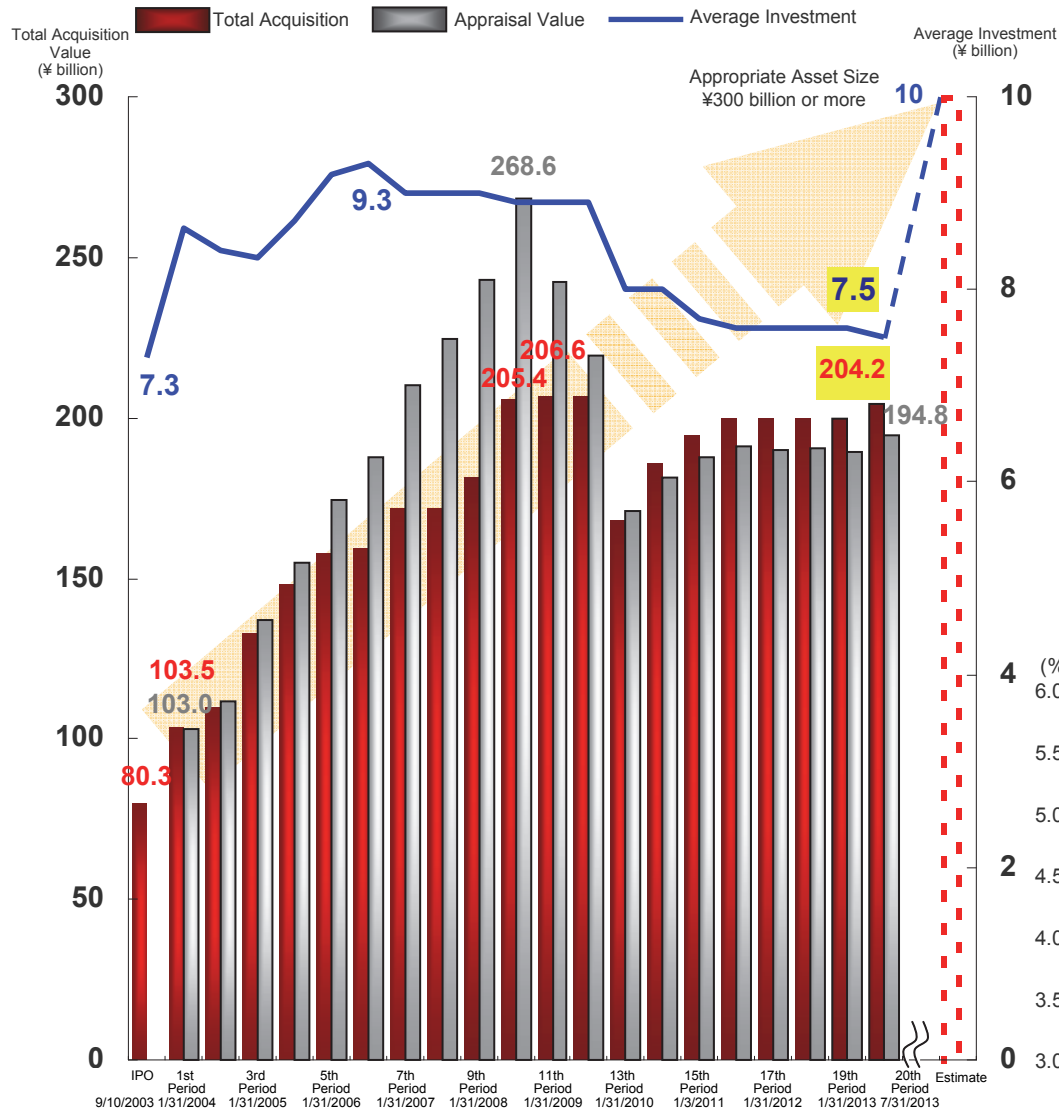


3. Fund Management

(3) Portfolio Management and Risk Management

External Growth

Portfolio Size and Average Investment



Rent Outlook by Area (Rent Level at Survey Date = 100)

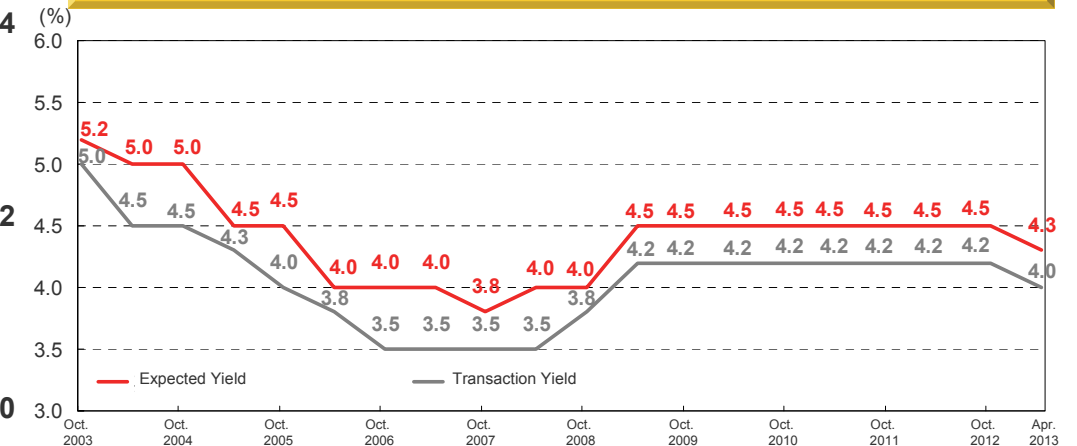
* Rent outlook in Shibuya becomes more bullish.

27th Survey (Oct. 2012)					28th survey (Apr. 2013)				
Area	Next Year	2 Years	5 Years	10 Years	Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	100	102	105	105	Marunouchi, Otemachi area	101	103	105	105
Shibuya, Shibuya Station area	100	100	102	103	Shibuya, Shibuya Station area	100	101	103	105
Nagoya, Nagoya Station area	99	99	100	100	Nagoya, Nagoya Station area	99	100	100	100
Osaka, along the Midosuji Line	98	98	100	100	Osaka, along the Midosuji Line	99	99	100	100

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

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

* The cap rate for prime locations has decreased after a rise in the previous survey.

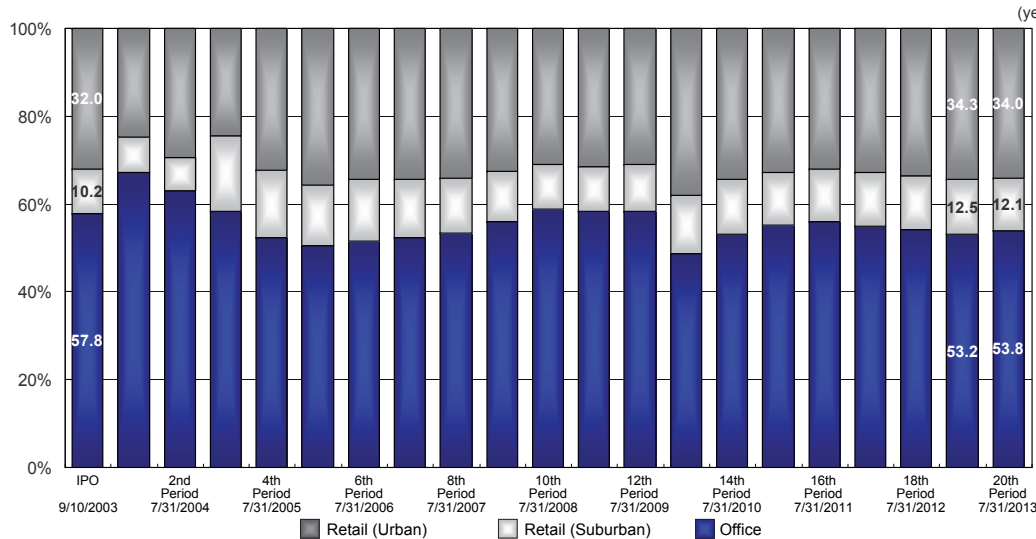


Source: Japan Real Estate Institute "Japan Real Estate Investors Survey."

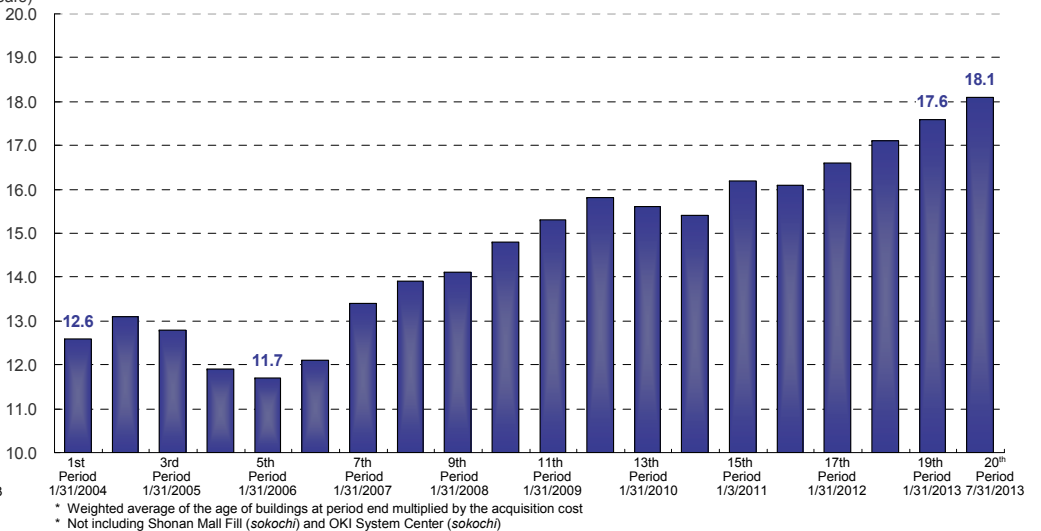
*Comments by Tokyu REIM

Portfolio Overview (i)

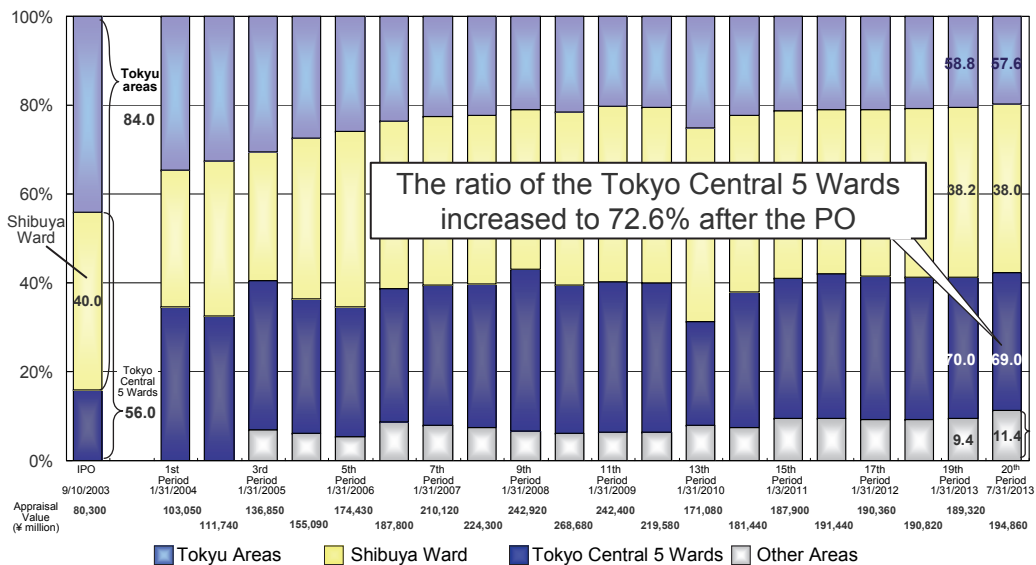
Office / Retail Ratio (Based on Appraisal Values at End of Period)



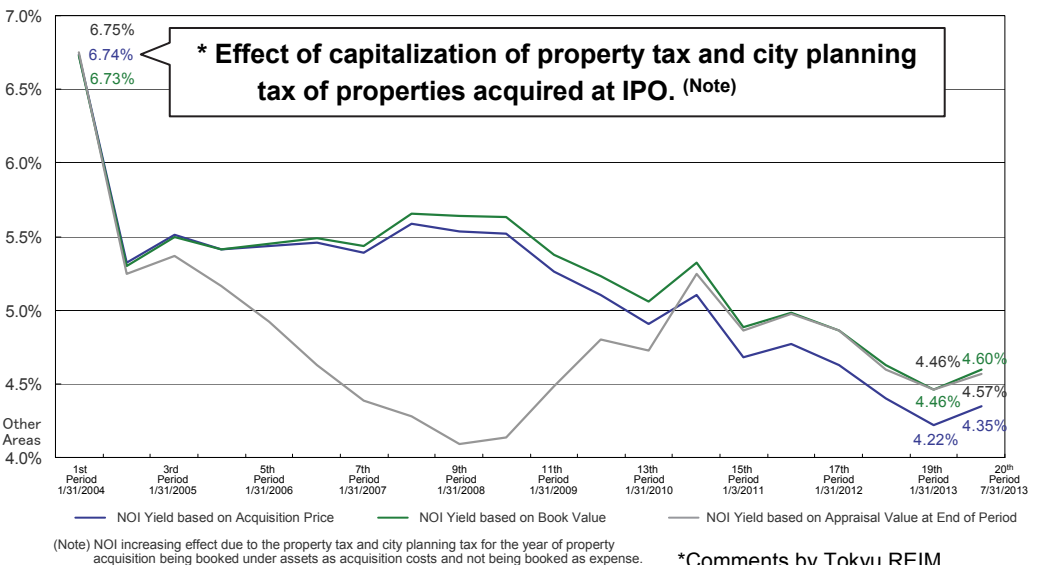
Weighted Average Property Age



Area (Based on Appraisal Values at End of Period)

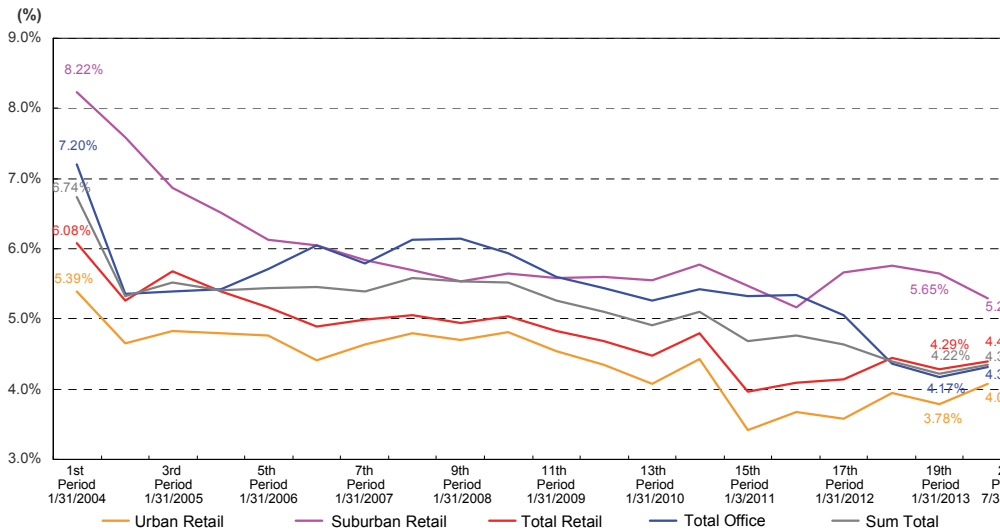


NOI Yield

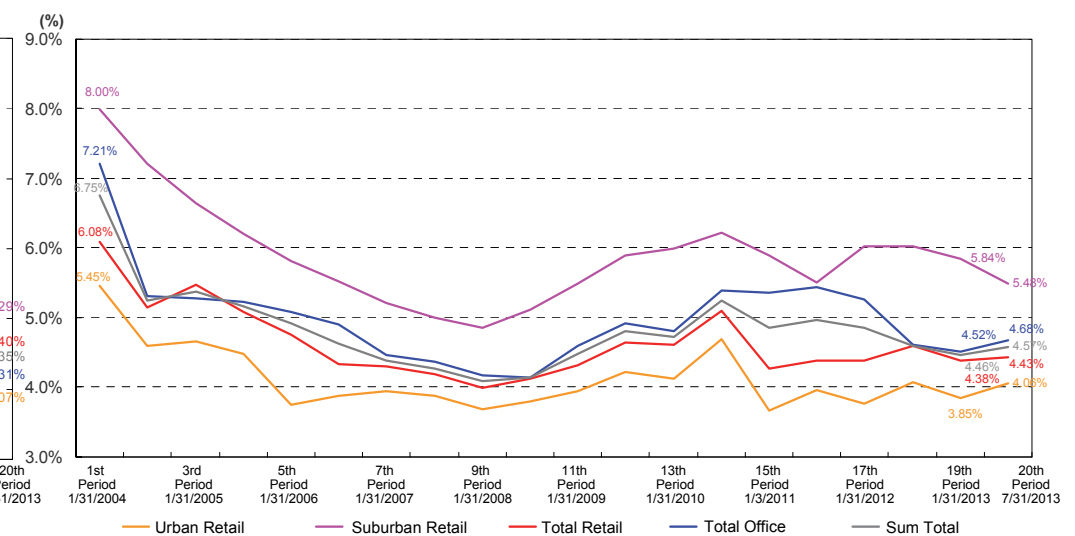


Portfolio Overview (ii)

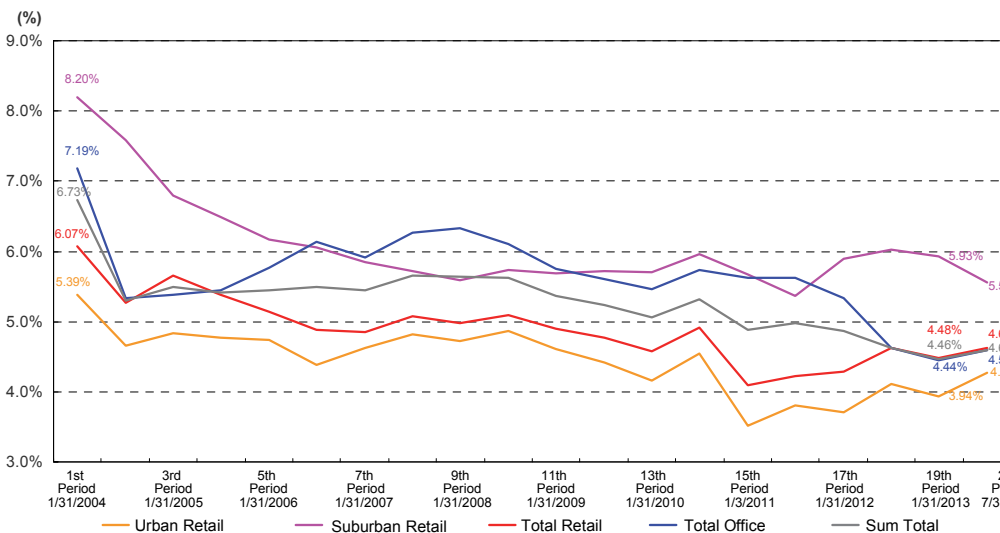
Changes in NOI Yield (Based on Acquisition Price)



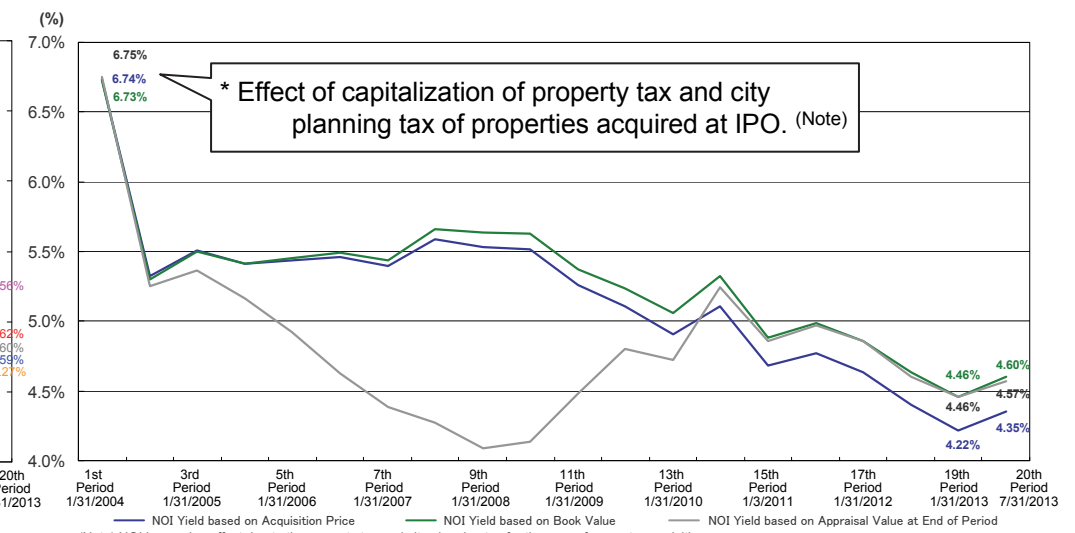
Changes in NOI Yield (Based on Appraisal Value at End of Period)



Changes in NOI Yield (Based on Book Value)



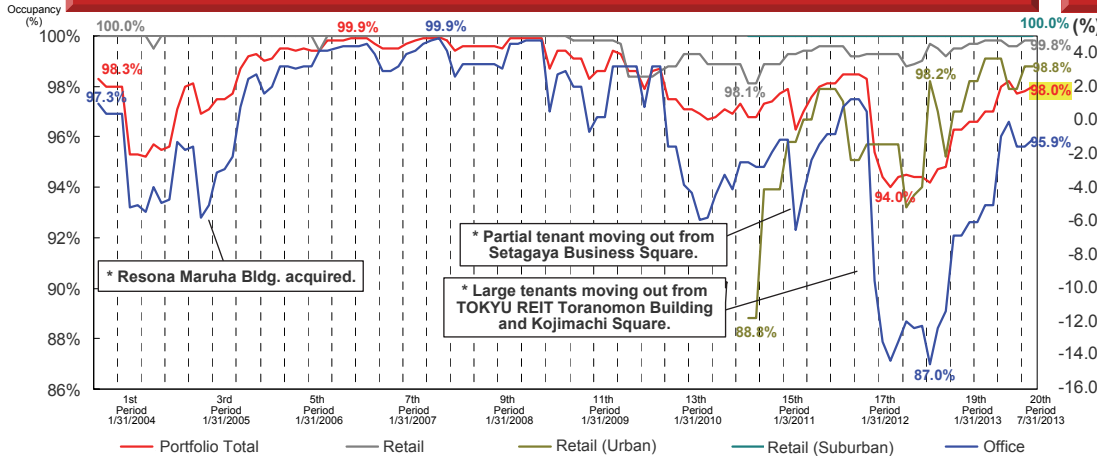
Changes in NOI Yield



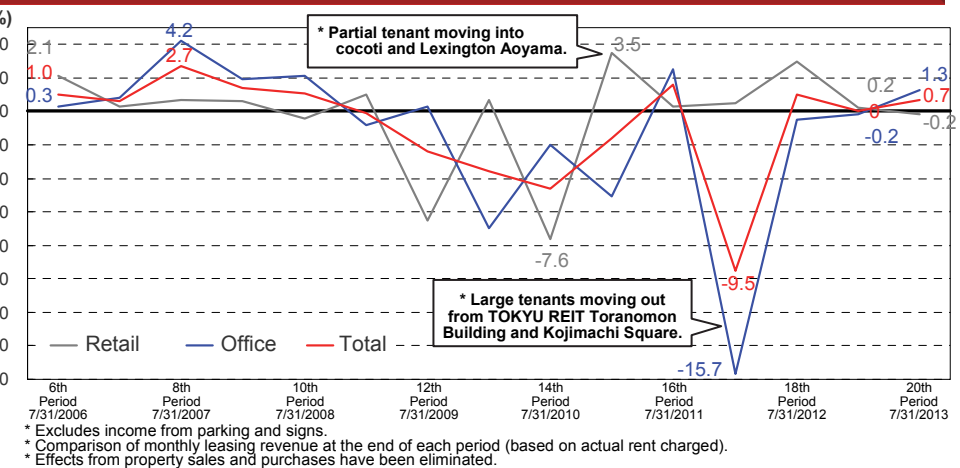
Internal Growth

*** Occupancy rate increased.**

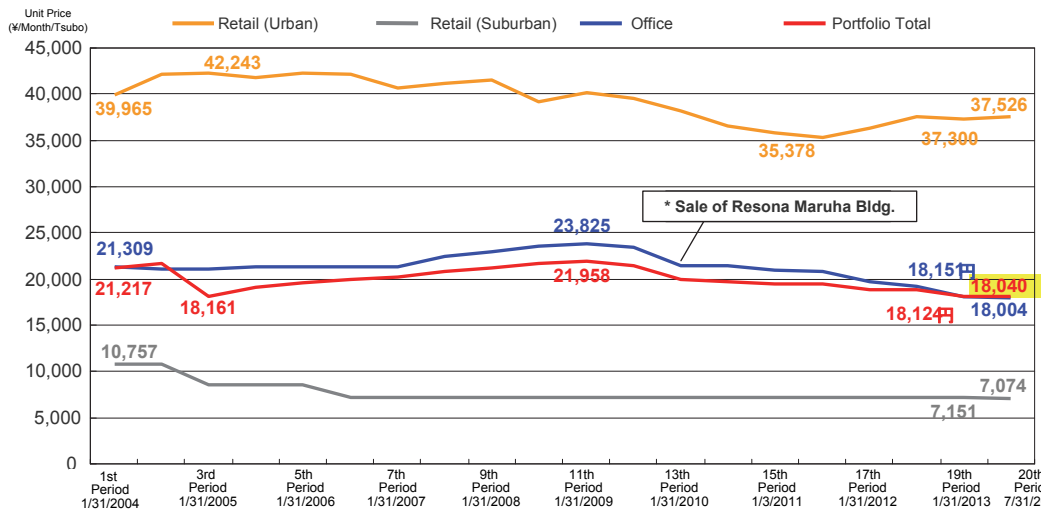
Changes in Occupancy of Overall Portfolio



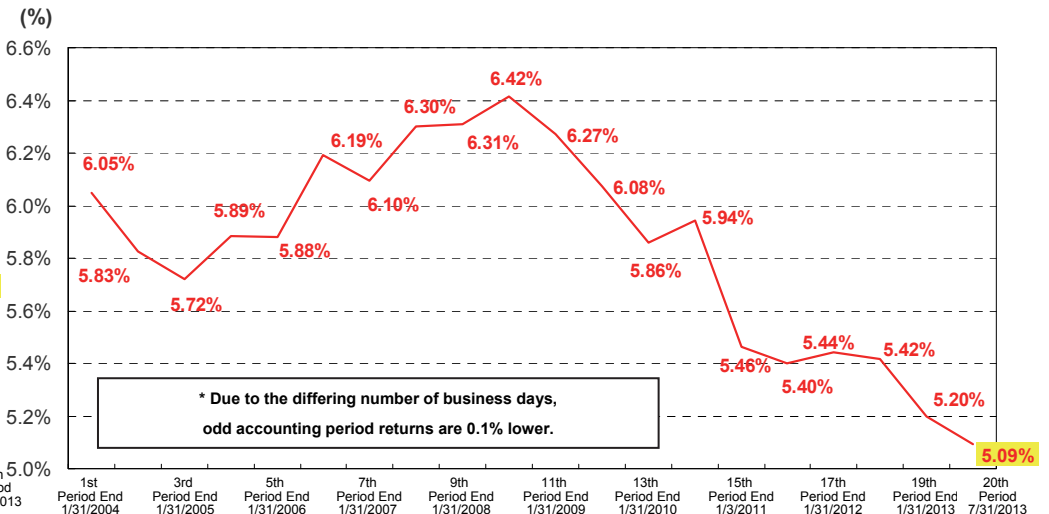
Period-on-Period Monthly Leasing Revenue Increase Rate



Average Rent (Including Common Area Charges)



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



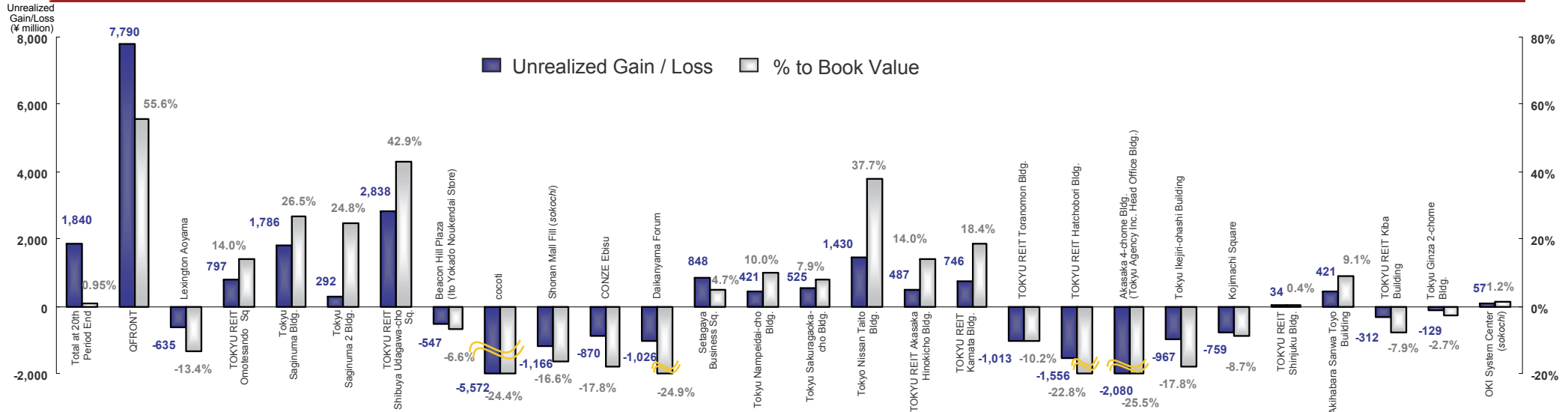
* In calculating the above unit price, we haven't factored vacant spaces in. In addition, Shonan Mall Fill (sokochi) and OKI System Center (sokochi) are not included.
 * Excludes income from parking, warehouses, etc.
 * Retail (Central Tokyo): QFront, TOKYU REIT Omotesando Square, Lexington Aoyama, TOKYU REIT Shibuya Udagawa-cho Square, cocoti, CONZE Ebisu and Daikanyama Forum. Retail (Suburb): Tokyu Saginuma Building, Tokyu Saginuma 2 Building, Beacon Hill Plaza (Ito-Yokado Nougendal Store), Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) (sold in 6th Period)

*Comments by Tokyu REIM

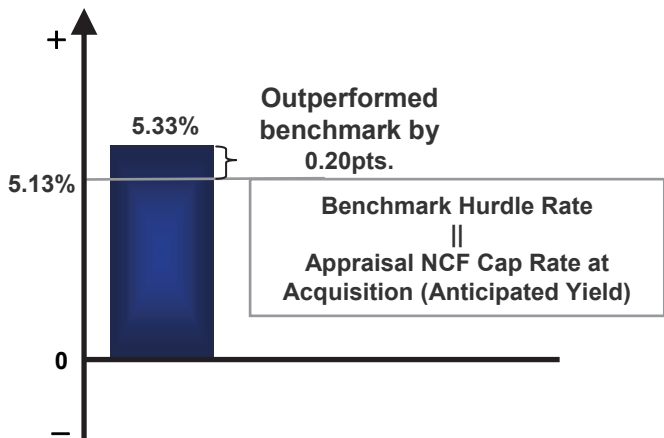
Unrealized Gains/Losses and Total Return

*** Total return has outperformed the benchmark hurdle rate by 0.20 points.**

Unrealized Gains/Losses and Percentage Against Book Value by Property (End of 20th Fiscal Period (7/31/2013))



Portfolio Total Return Performance Since IPO

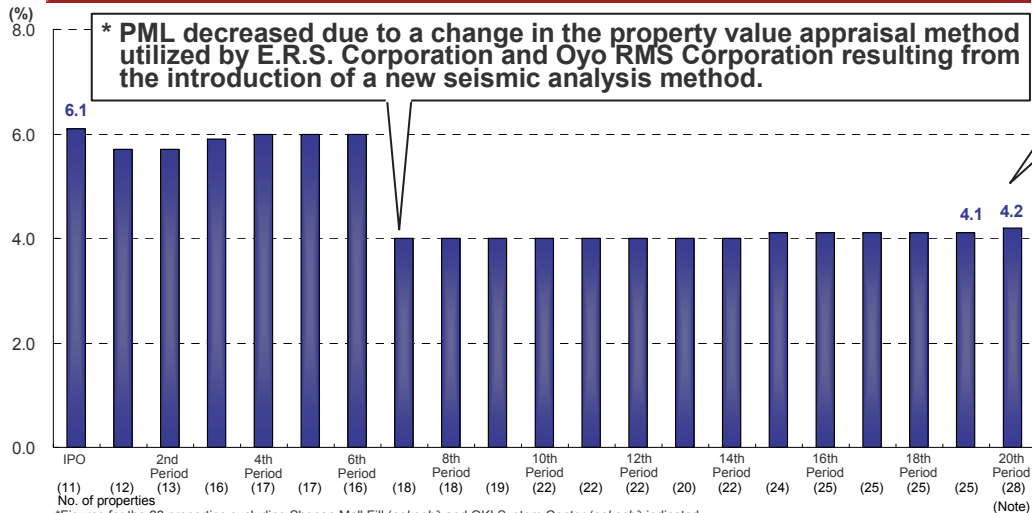


- Based on 30 properties (acquisition price: ¥247,869 million), which is the sum of current portfolio, Yokohama Yamashita-cho Building (Barneys New York Yokohama Store), Resona Maruha Building and Ryoshin Harajuku Building.
- * Fiscal period end appraisal values are utilized as the deemed disposal price (sale price) of properties for the calculation of IRR.
- * Acquisition price does not include capitalized expenses (such as broker's fees, first year's property / city planning tax, compensation for specialist agents).
- * Cash flow from leasehold and security deposits are not included.
- * Sale price of Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) is ¥6,480 million (sold in 6th period).
- * Sale price of Resona Maruha Building is ¥42,000 million (sold in 13th period).
- * Sale price of Ryoshin Harajuku Building is ¥8,400 million (sold in 13th period).
- IRR for the current portfolio (acquisition price: ¥204,203 million) is 4.56% (underperforming the benchmark return of 5.12% by 0.56 points).

*Comments by Tokyu REIM

Risk Management (i)

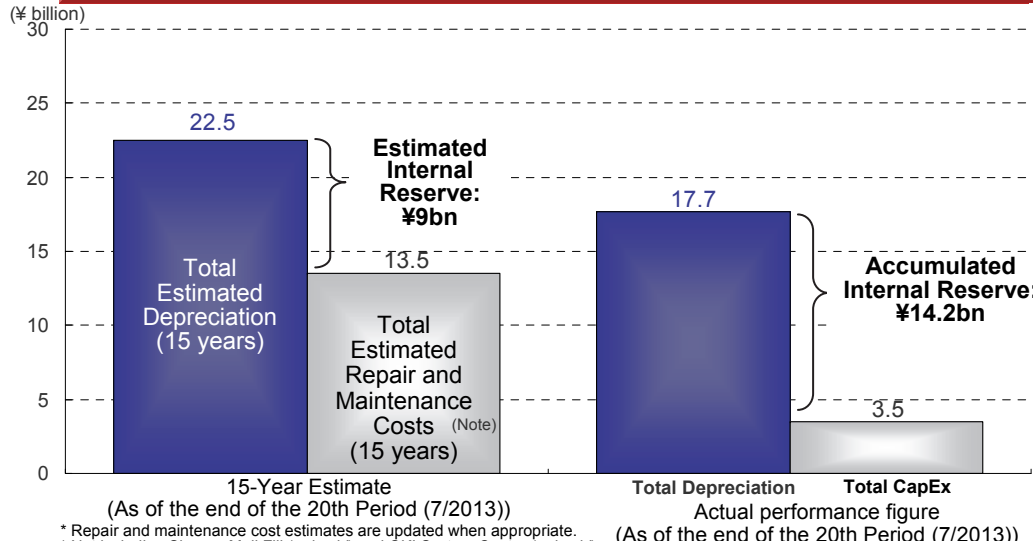
Portfolio PML Trends



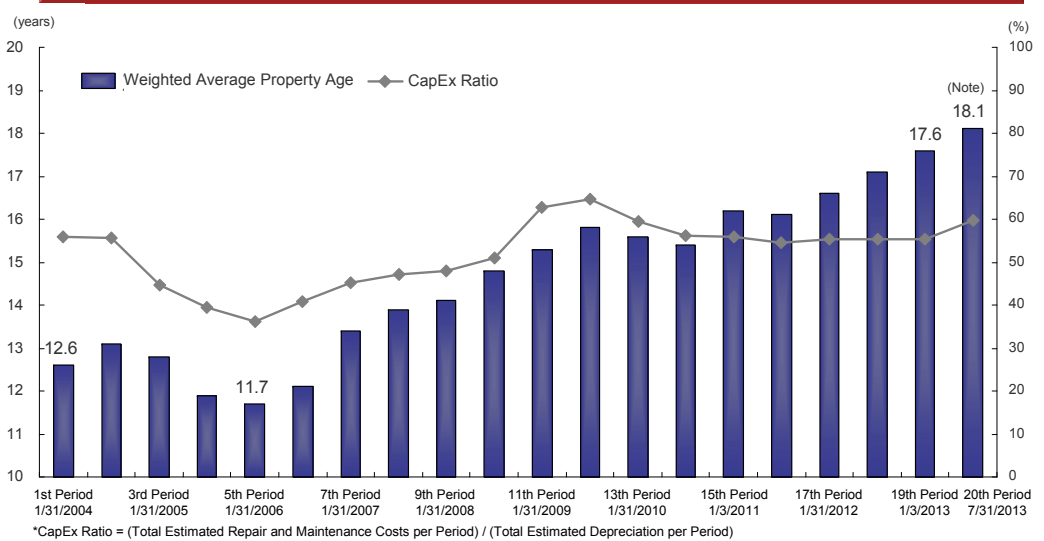
* Effective in the 20th period, earthquake risk evaluation method was revised in terms of earthquake seismic hazard assessment, primarily taking into account the outbreak of earthquakes in the Pacific Ocean off coast of the Tohoku region and other factors.

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

Balance of Depreciation and Repair and Maintenance Costs



Weighted Average Property Age and CapEx Ratio



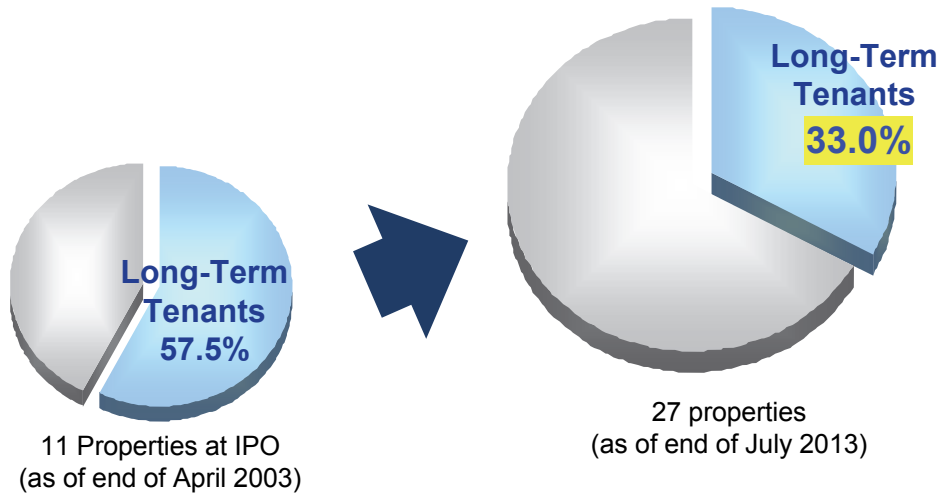
* Repair and maintenance cost estimates are updated when appropriate.
 * Not including Shonan Mall Fill (sokochi) and OKI System Center (sokochi)
 (Note) Excludes KALEIDO Shibuya Miyamasuzaka, Shibuya R Sankei Building and Tokyu Toranomon Building acquired as of August 16, 2013

*CapEx Ratio = (Total Estimated Repair and Maintenance Costs per Period) / (Total Estimated Depreciation per Period)
 (Note) Excludes KALEIDO Shibuya Miyamasuzaka, Shibuya R Sankei Building and Tokyu Toranomon Building acquired as of August 16, 2013

*Comments by Tokyu RFIM

Risk Management (ii)

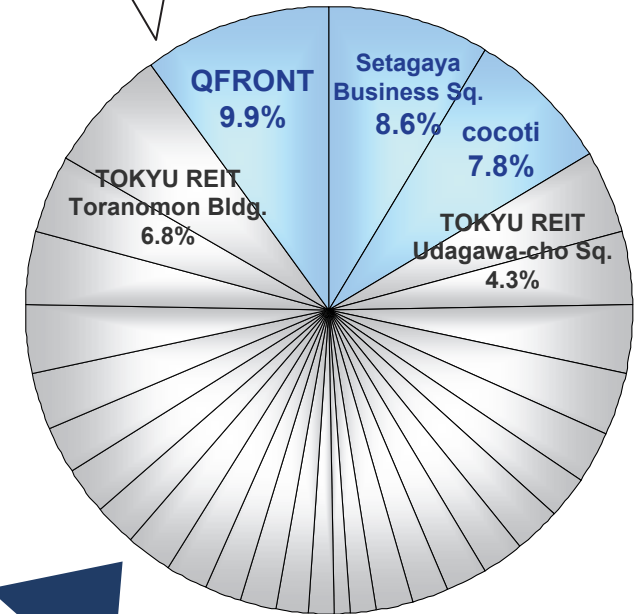
Ratio of Tenants with LT Contracts (Based on Leasable Area)



* Definition of long-term contract: Contracts with remaining contract period of 5 years or longer counting from August 1, 2013, regardless of fix-term lease contract or not (excludes contracts with rents of 500,000 yen or less per month, such as for antennas, and contracts that have not yet started the contract periods as of July 31, 2013).

Property Concentration

* Ratio of each property decreased as number of properties increased.

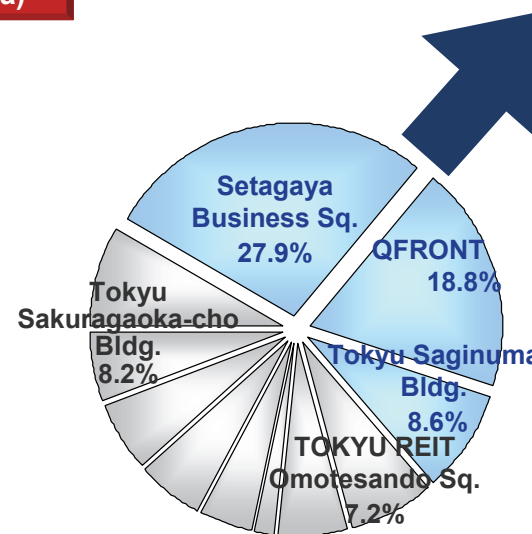
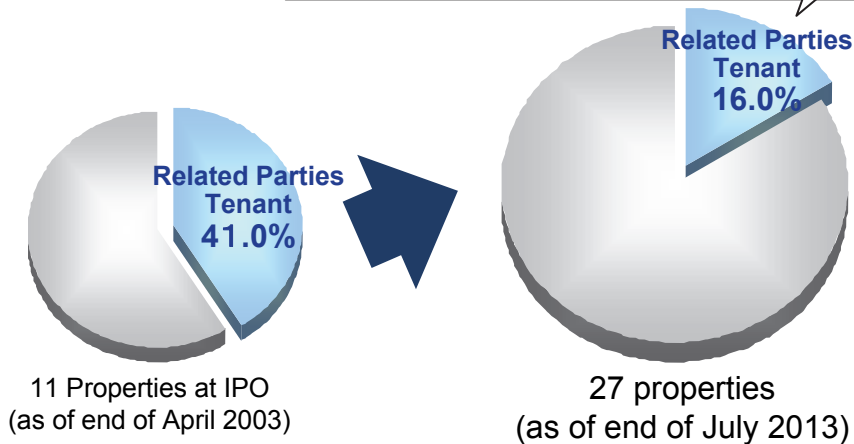


30 properties owned after PO
(estimated value at end of 20th period and appraisal value upon acquisition)

Top 3 : 26.3%
Top 5 : 37.5%

Related Parties Tenant Concentration (Based on Leasable Area)

* Lower dependence on Related Parties.



11 Properties at IPO
(based on appraisal value as of end of April 2003)

Top 3 : 55.3%
Top 5 : 70.7%

*Comments by Tokyu REIM

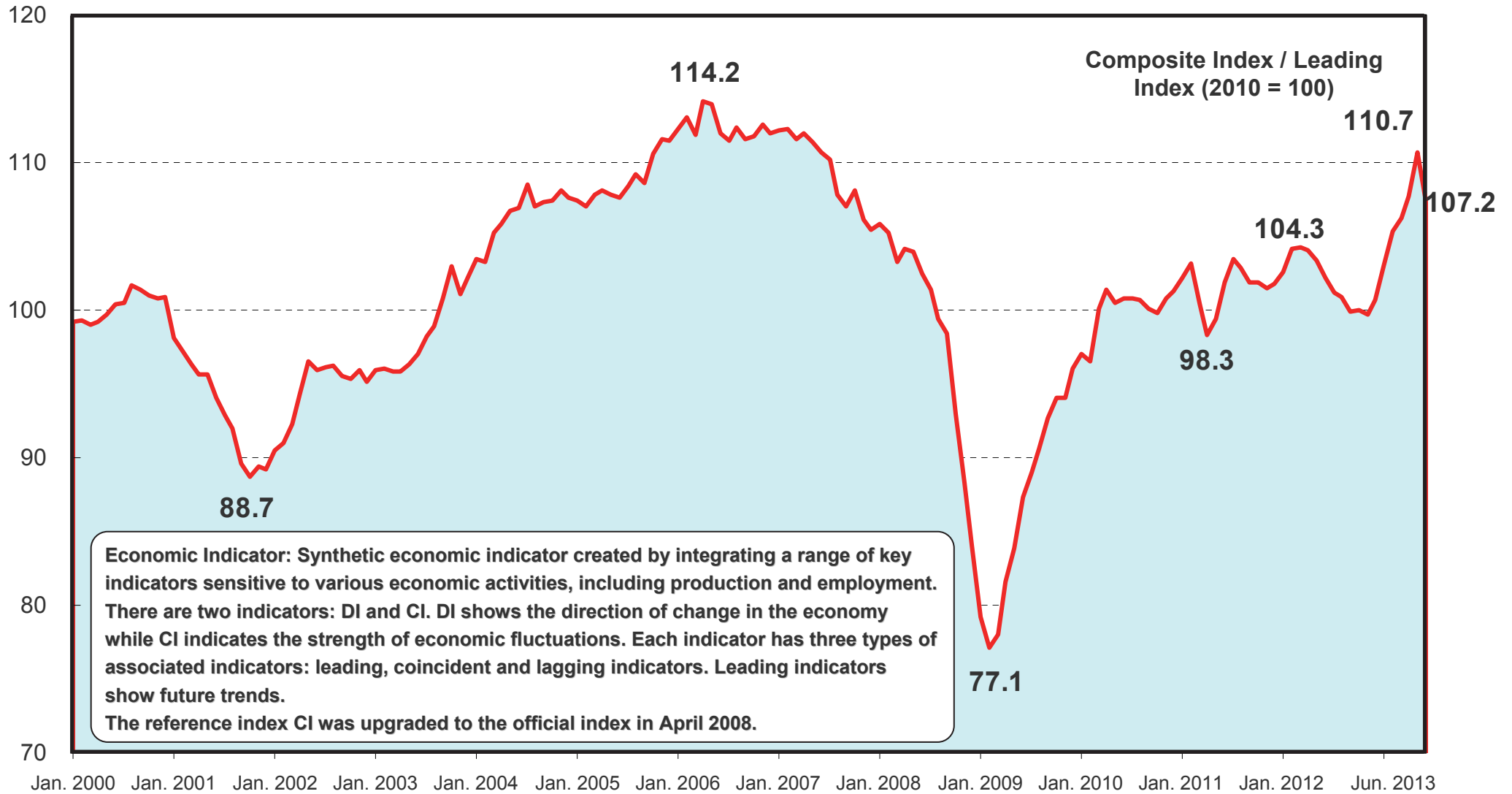




4. Market Review

Economic Trends in Japan

*** The economy rapidly recovered after administration change.**



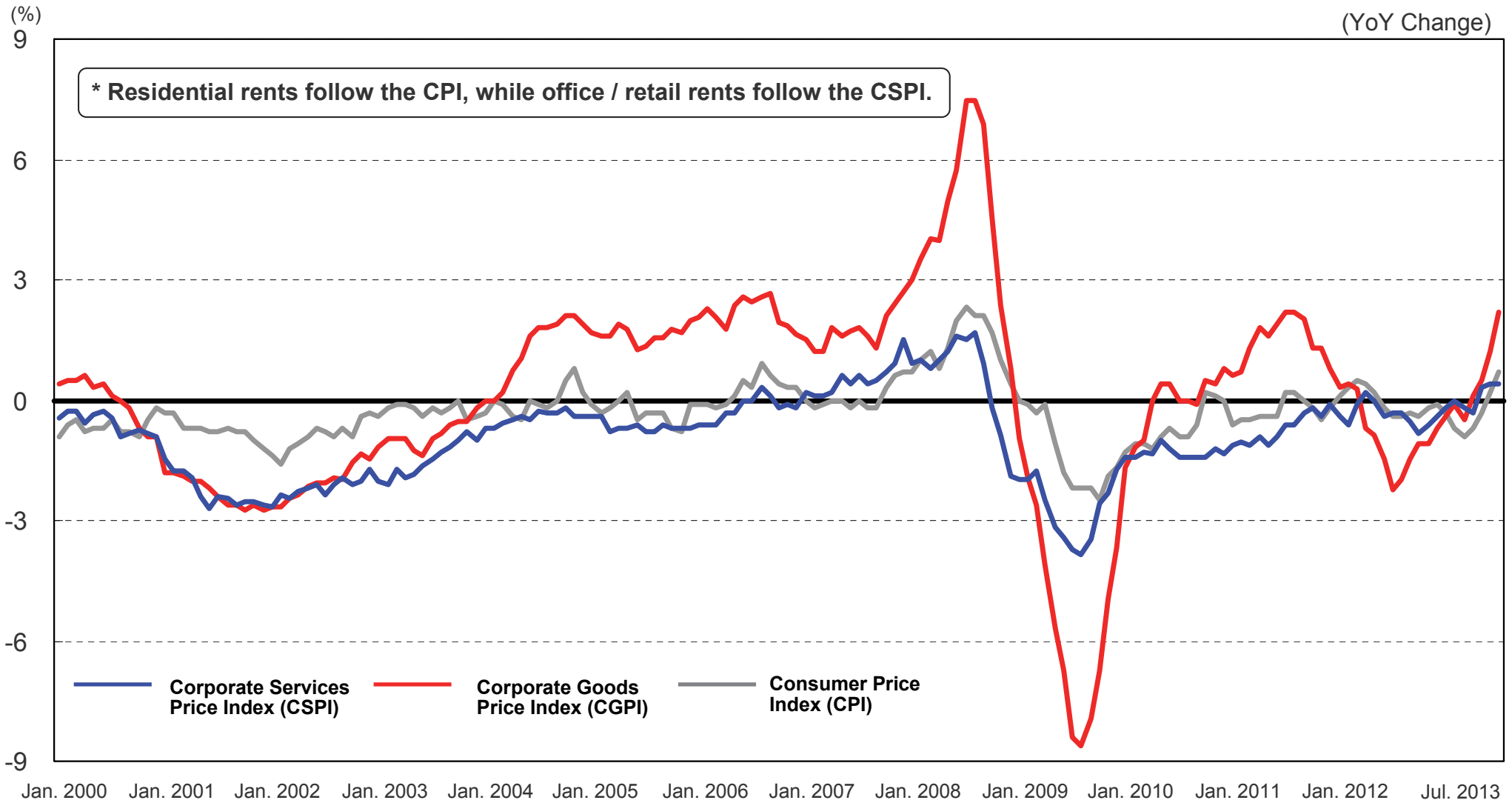
Economic Indicator: Synthetic economic indicator created by integrating a range of key indicators sensitive to various economic activities, including production and employment. There are two indicators: DI and CI. DI shows the direction of change in the economy while CI indicates the strength of economic fluctuations. Each indicator has three types of associated indicators: leading, coincident and lagging indicators. Leading indicators show future trends. The reference index CI was upgraded to the official index in April 2008.

Source: Cabinet Office.

*Comments by Tokyu REIM

Price Index

*** All price indices turned to year-on-year increases.**

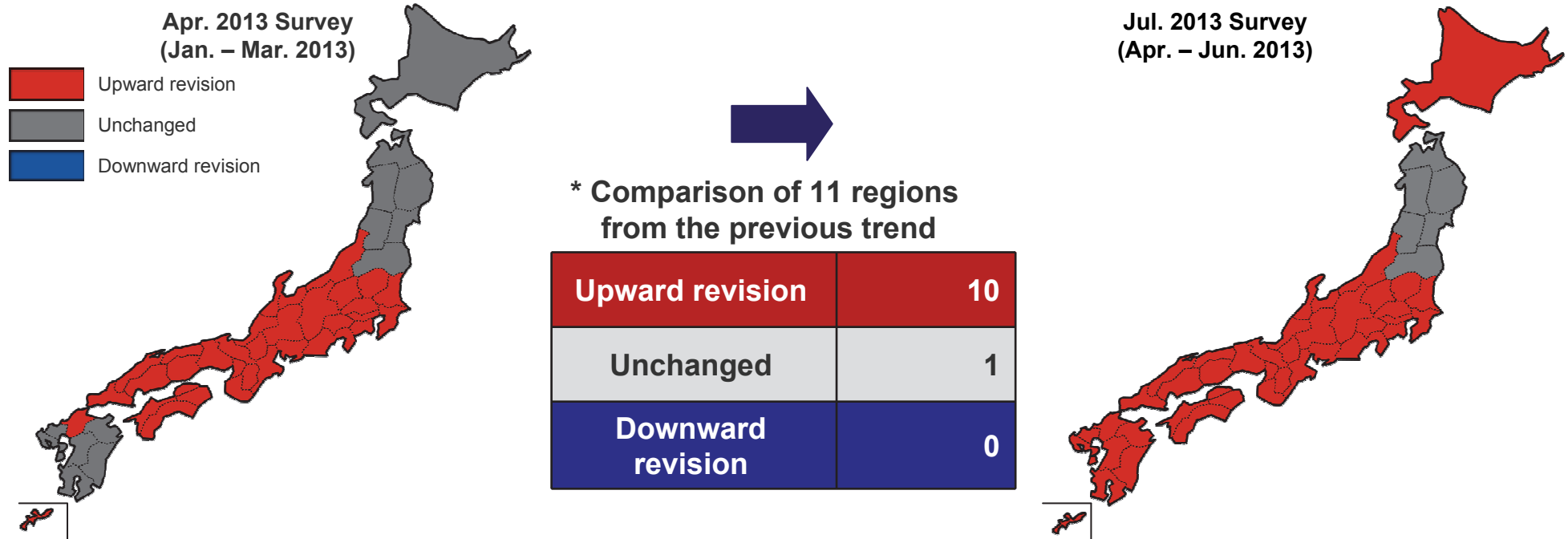


Source: Ministry of Internal Affairs and Communications, BOJ.

*Comments by Tokyu REIM

Regional Economic Trends

* Economy saw upward revisions in almost all regions.



Source: Ministry of Finance.

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

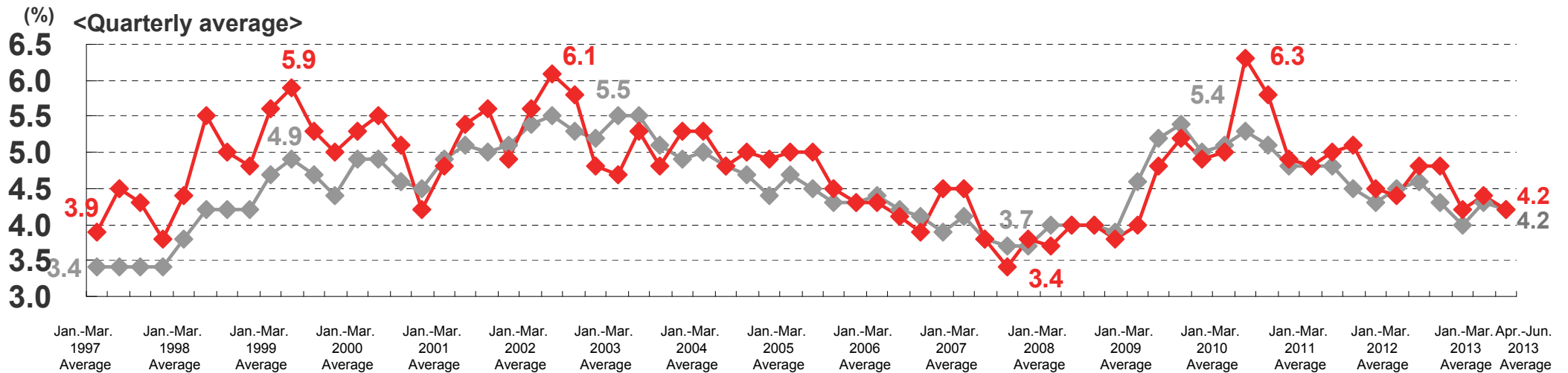
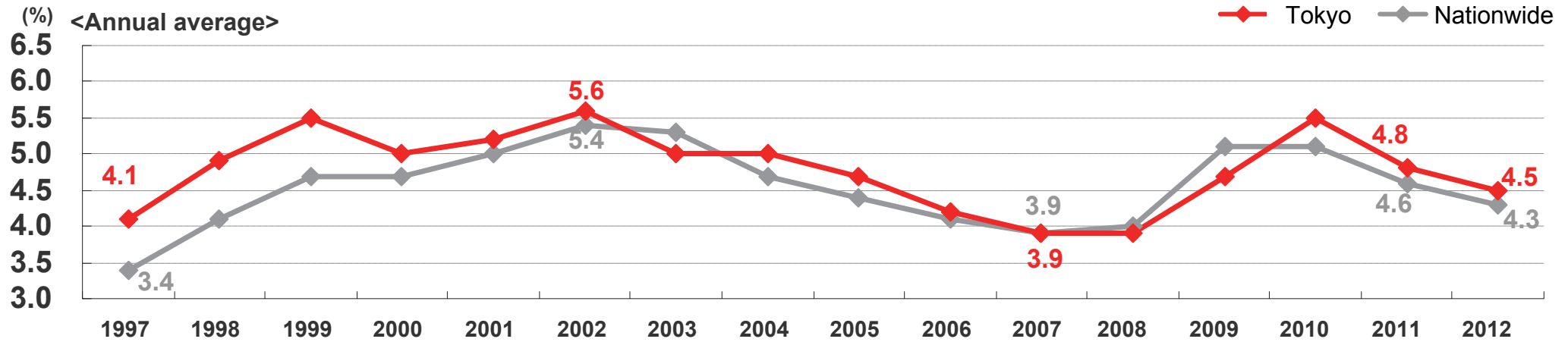
In general, the regional economy is “moderately picking up in the April – June period in 2013. There are signs of recovery as there are reports of export environment and consumer sentiment improving.”
 (Ministry of Finance, Summary Report of Economic Conditions in Jurisdictions of Finance Bureaus in Japan, July 30, 2013)

Many regions noted that the economy had been picking up against the background that domestic demand had increased its resilience with the improvement in household and business sentiment and that overseas demand was heading toward a pick-up. (Bank of Japan, Regional Economic Report, July 4, 2013)

*Comments and comparison by Tokyu REIM

Unemployment Rate

* Unemployment rate is steadily decreasing.



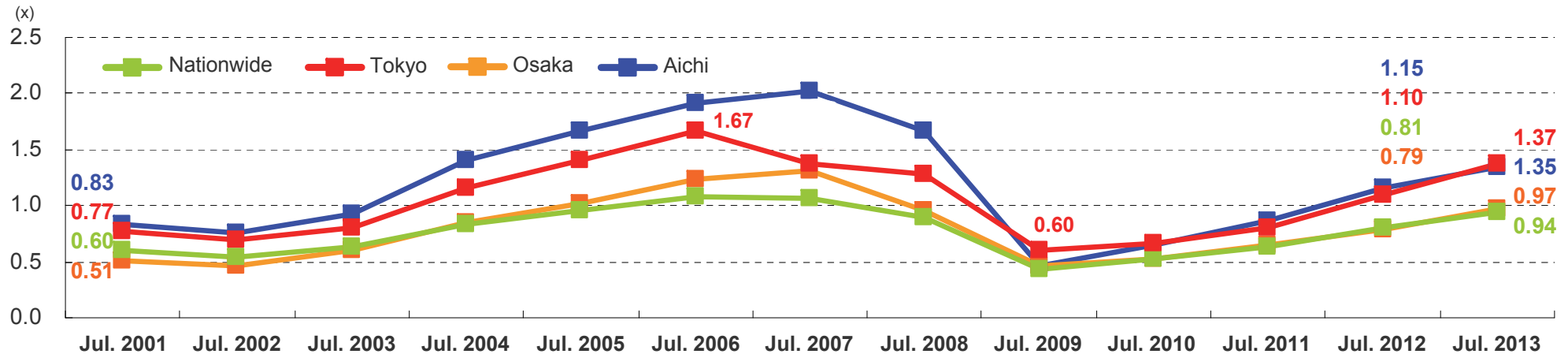
Source: "Labor Force Survey" by the Ministry of Internal Affairs and Communications.

*Comments by Tokyu REIM

Employment Trends in Japan (Job Openings)

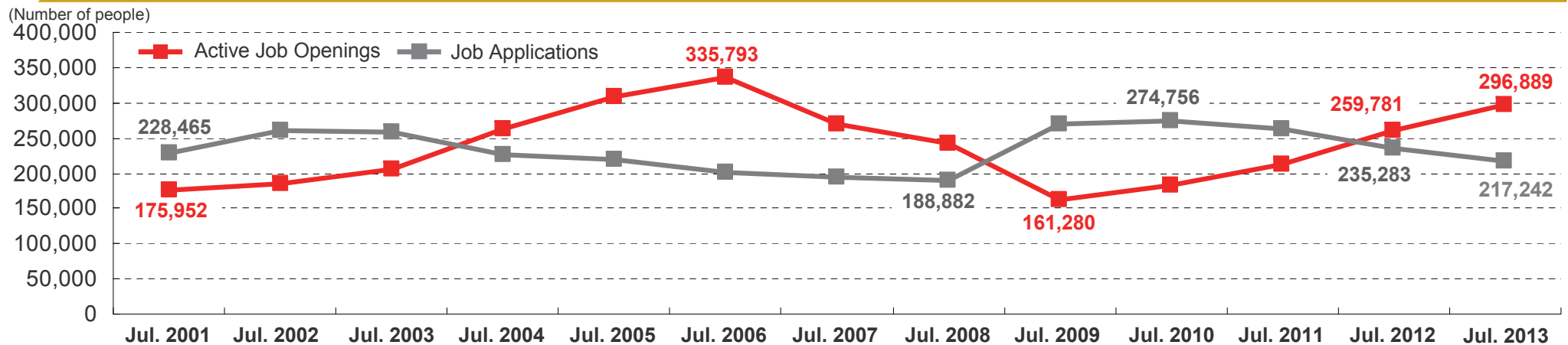
Job to Application Ratio (Seasonally Adjusted)

* Tokyo improved to as high as 1.37x, close to the level in 2005.



Active Job Openings / Job Applications in Tokyo

* The number of job openings has been continuously increasing since 2010.

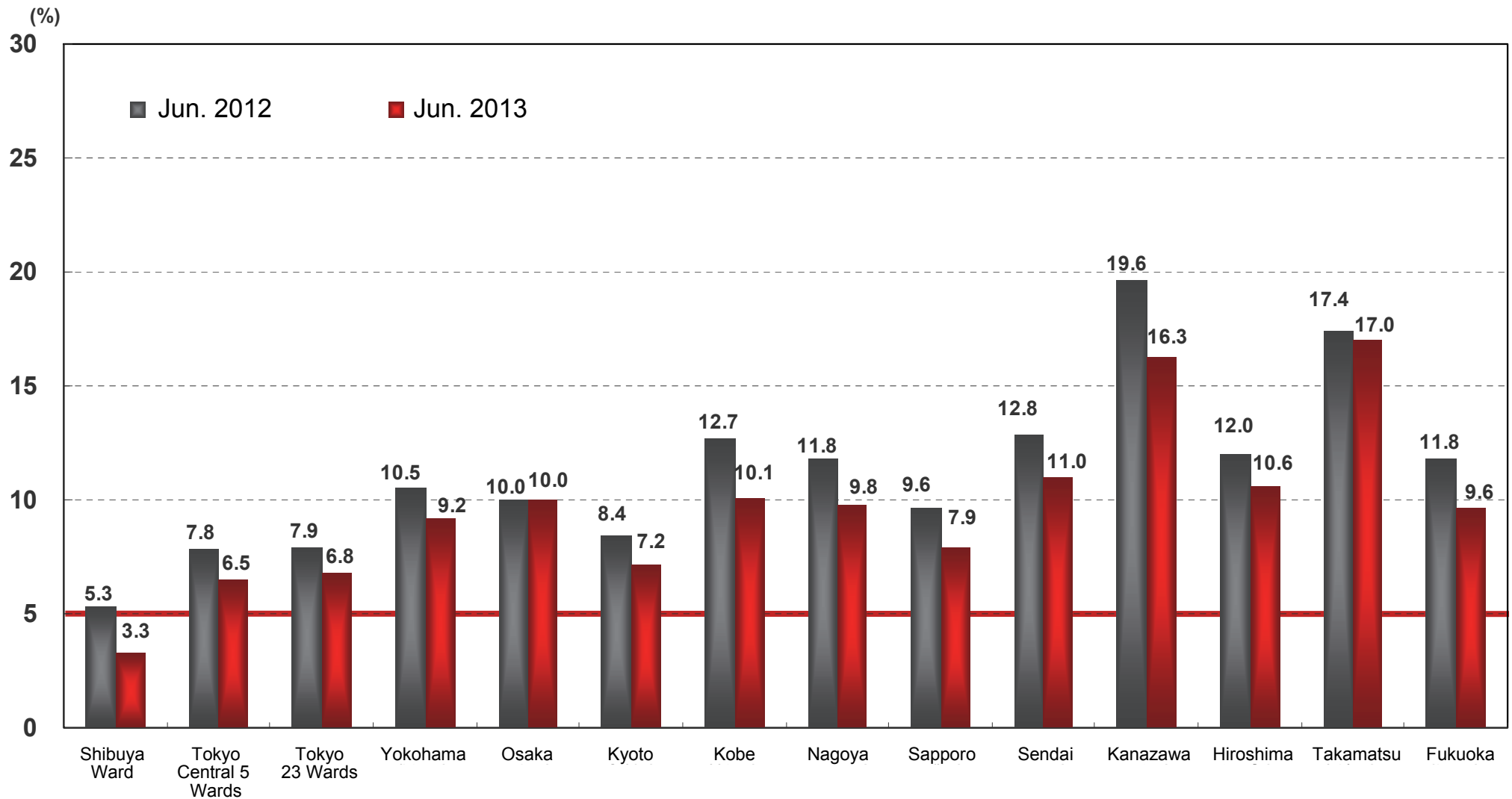


Source: "Employment Service" by the Ministry of Health, Labour and Welfare.

*Comments by Tokyu REIM

Office Leasing Market Overview (1): Vacancy Rate by Market

* While the nationwide vacancy rate is on an improving trend, Tokyo's rate is at a lower level. Shibuya Ward enters 3% range.

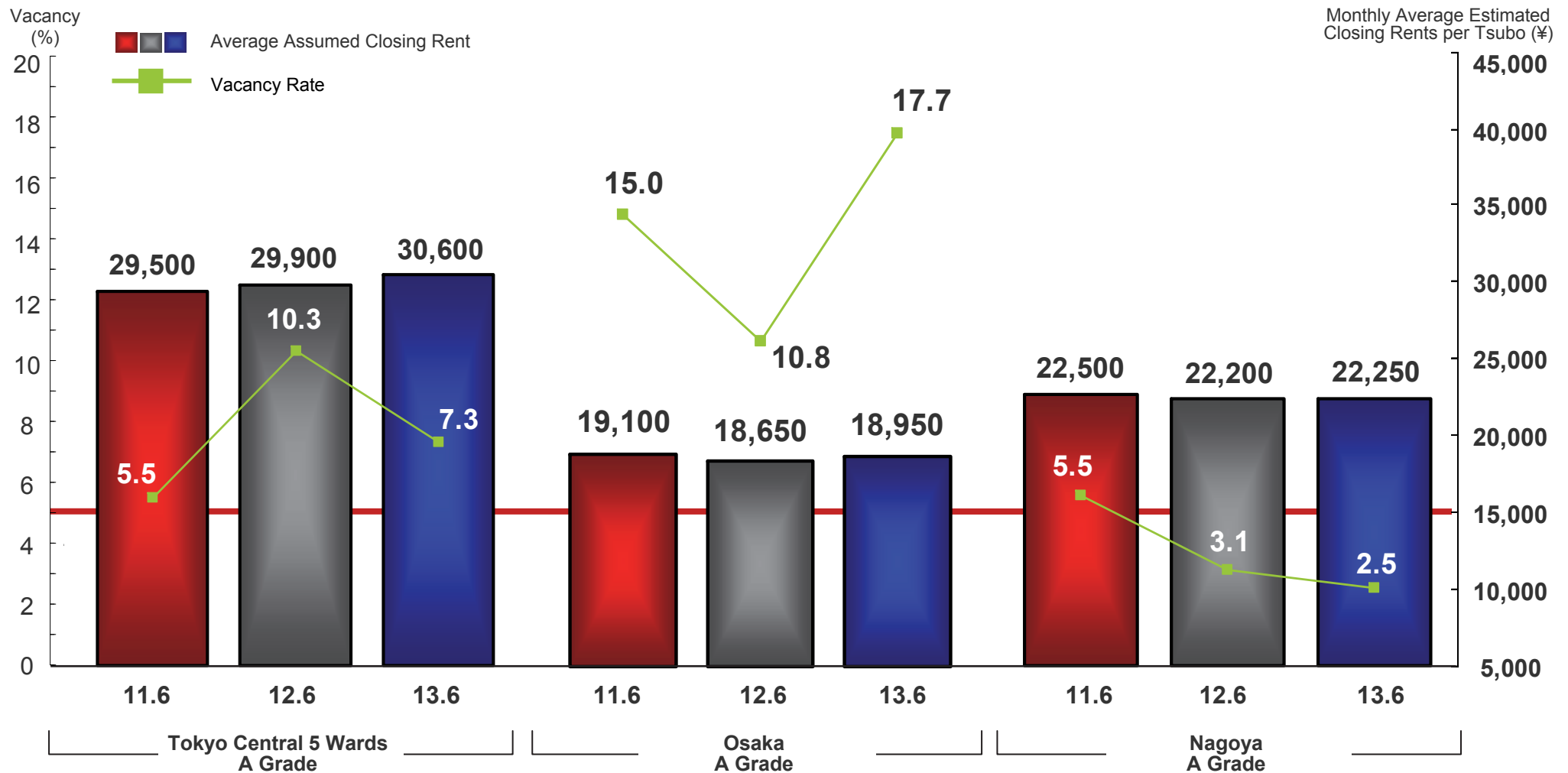


Source: CBRE K.K.

*Comments by Tokyu REIM

Office Leasing Market Overview (2): Vacancy Rate and Average Assumed Closing Rent of Three Major Cities (A Grade Buildings)

*** Closing rents are on an increasing trend in Tokyo as its vacancy rate decreased.**



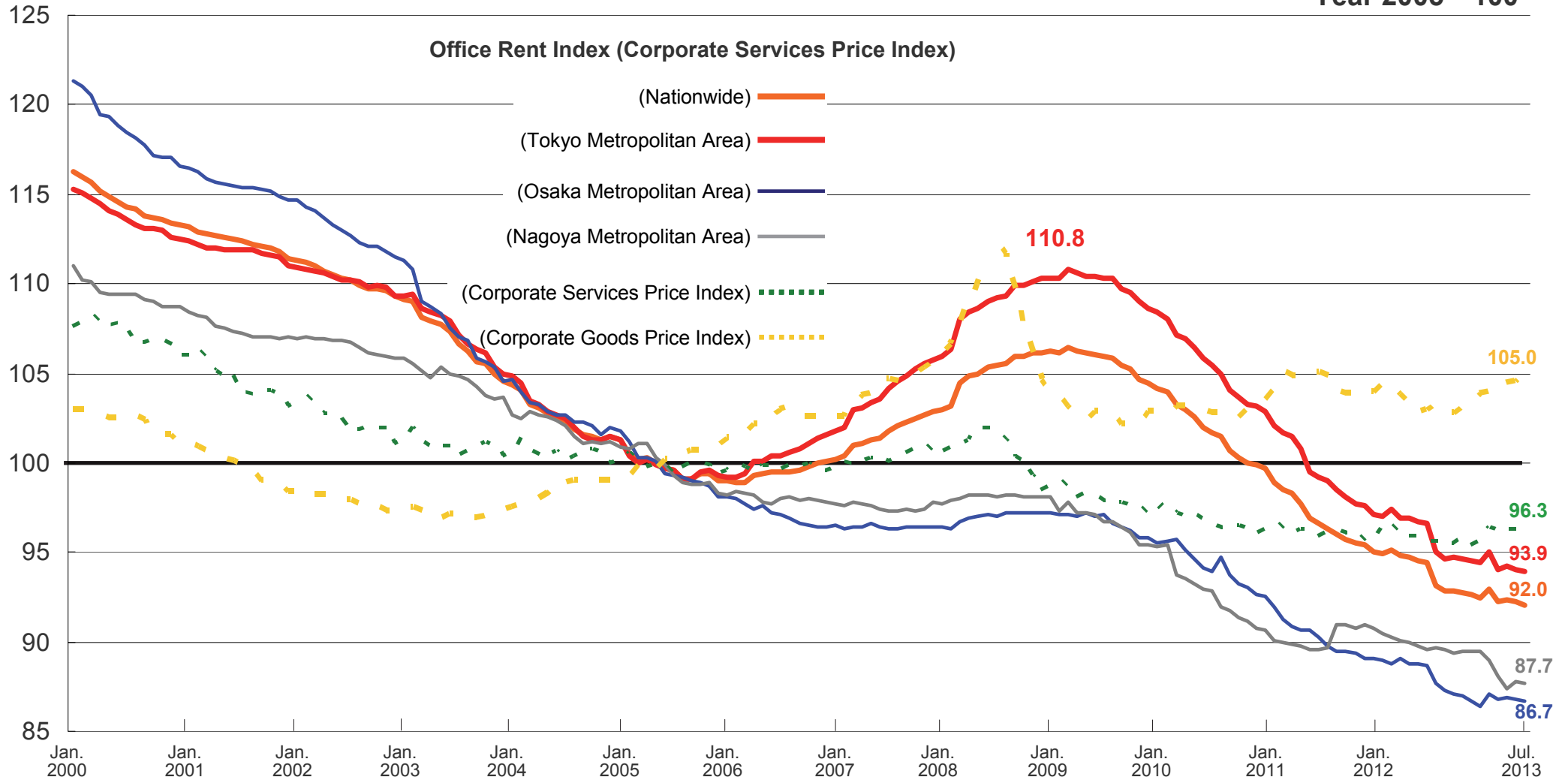
Source: CBRE K.K.

*Comments by Tokyu REIM

Office Leasing Market Overview (3): Office Rent Index

*** Existing contracted rent in the Tokyo Metropolitan Area continues to slightly decrease.**

Year 2005=100



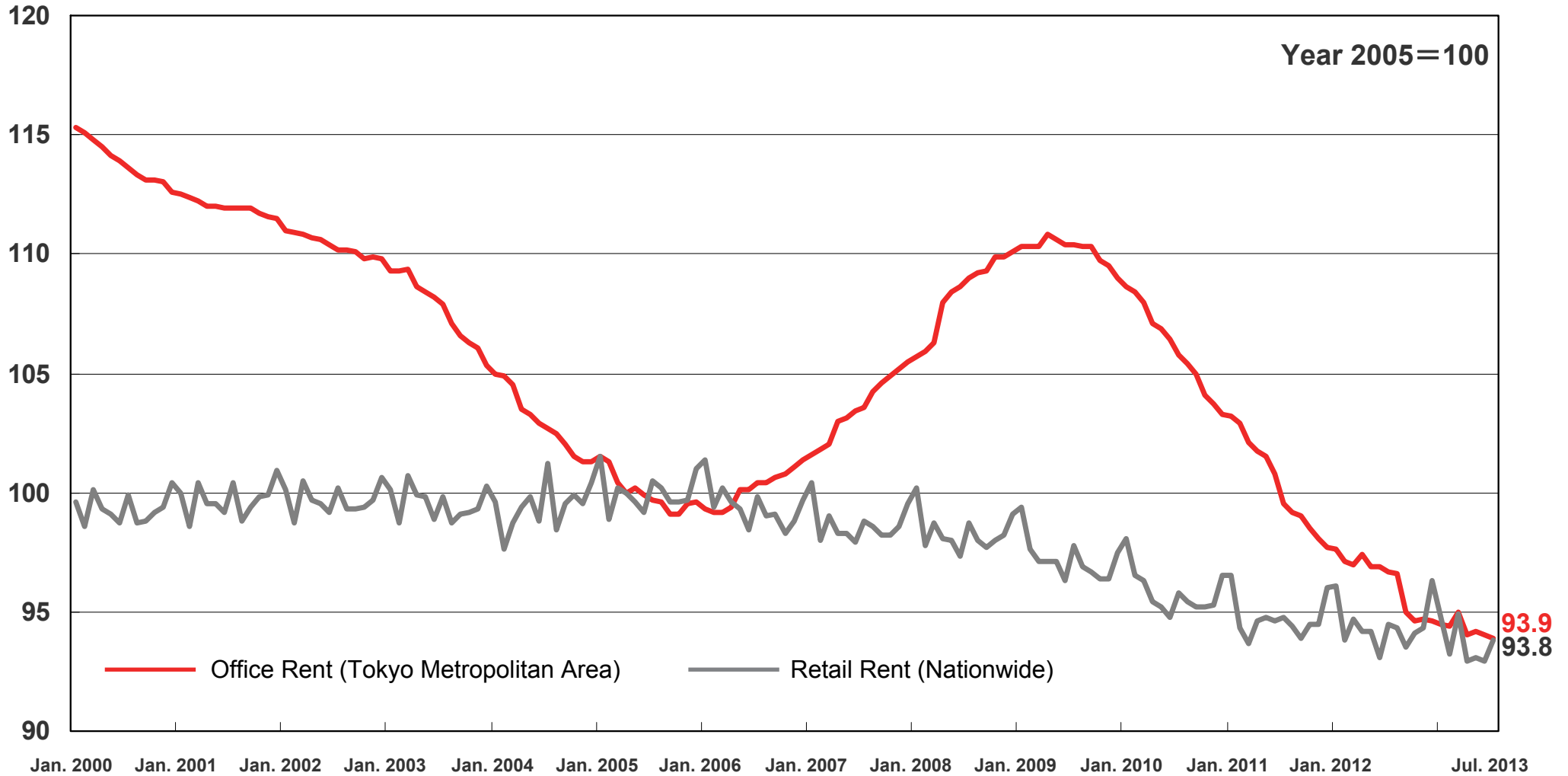
Source: Prepared by Tokyu REIM based on information from the BOJ website.

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

*Comments by Tokyu REIM

Office Leasing Market Overview (4): Indexed Office Rent and Retail Rent Comparison

*** Unlike office rents, the rents of retail properties are less affected by economic fluctuations.**



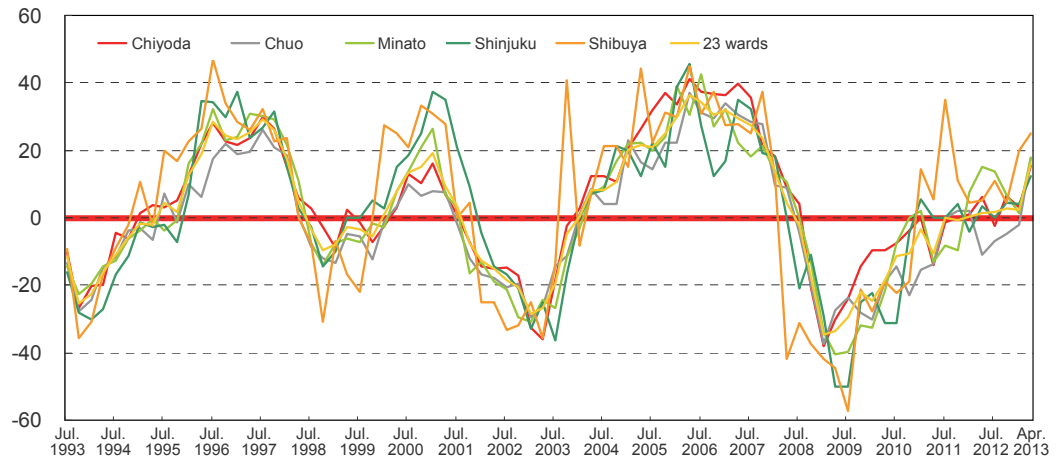
Source: Prepared by Tokyu REIM based on information from the BOJ website.

*Comments by Tokyu REIM

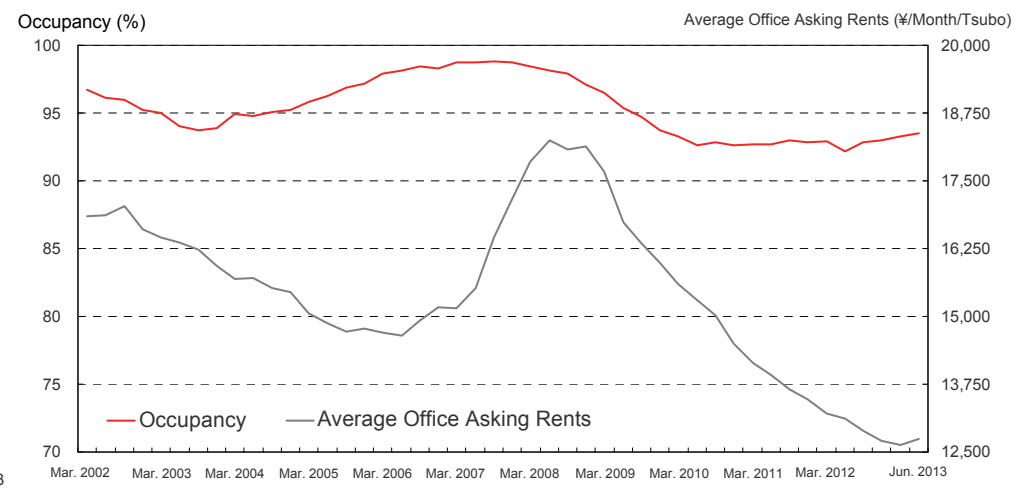
Office Leasing Market Overview (5): Business Sentiment

*** Business sentiments on both vacancy and rent levels clearly show an improving trend.**

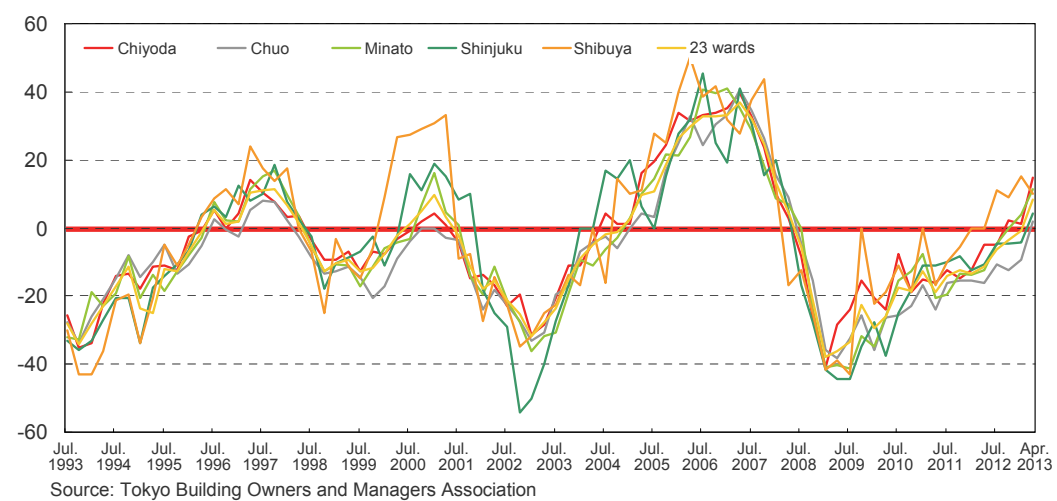
Business Sentiment on Vacancy Levels in Tokyo (Now vs. 3 Months Later)



Occupancy and Asking Rents in 5 Central Wards of Tokyo



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



Rent Estimates (Rent Level at Survey Date = 100)

27th Survey (as of October 2012)					28th Survey (as of April 2013)				
Area	Next Year	2 Years	5 Years	10 Years	Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	100	102	105	105	Marunouchi, Otemachi area	101	103	105	105
Shibuya, Shibuya Station area	100	100	102	103	Shibuya, Shibuya Station area	100	101	103	105
Nagoya, Nagoya Station area	99	99	100	100	Nagoya, Nagoya Station area	99	100	100	100
Osaka, along Midousuji line	98	98	100	100	Osaka, along Midousuji line	99	99	100	100

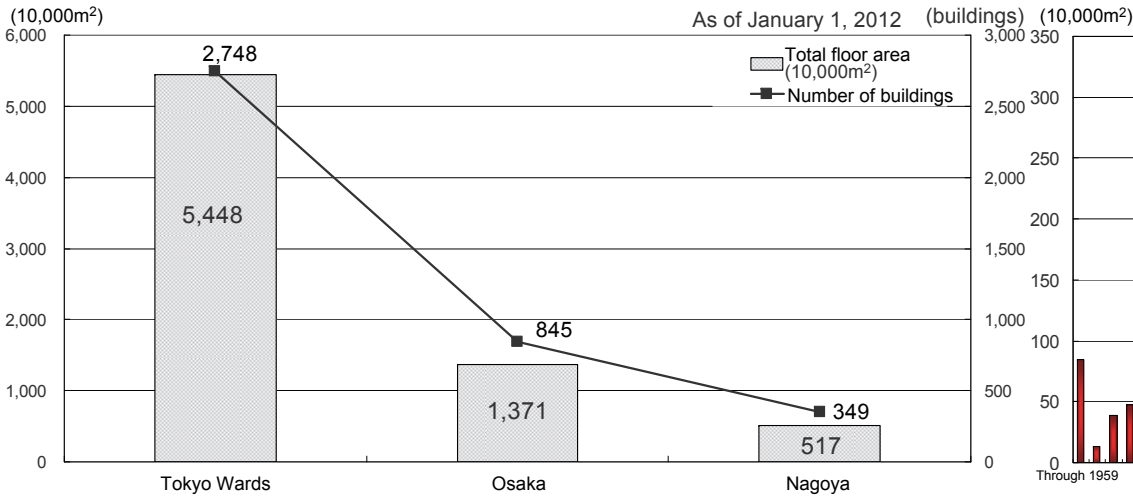
Source: Japan Real Estate Institute.

*Comments by Tokyu REIM

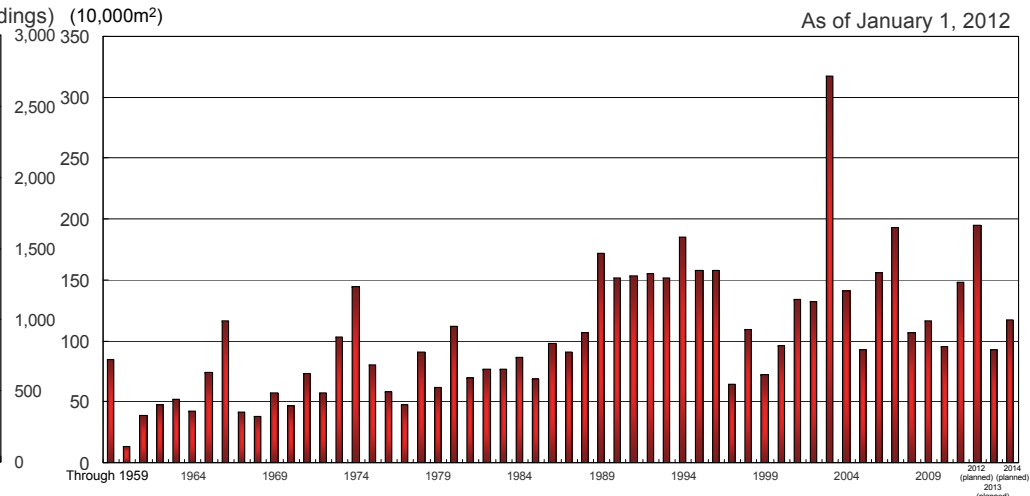
Office Building Inventory Overview (1): Three Major Cities

*** New supply in the Tokyo Wards in 2013 will be around half of 2012 in volume.**

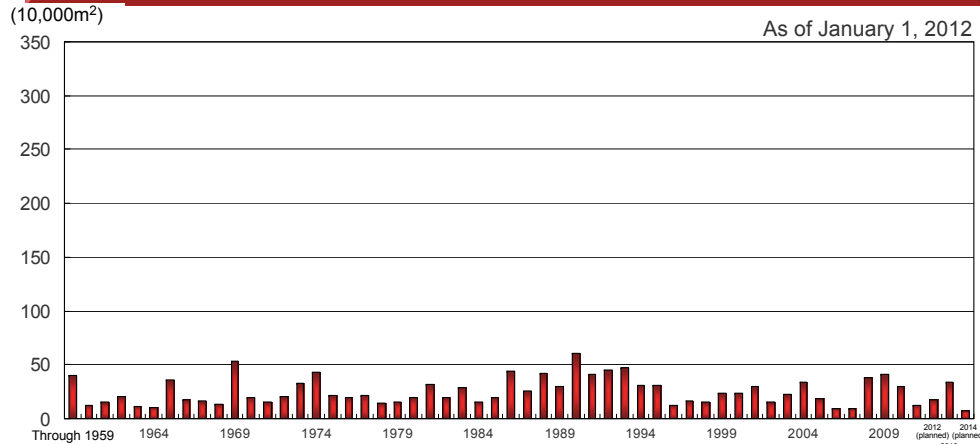
Office Building Inventory in Three Major Cities



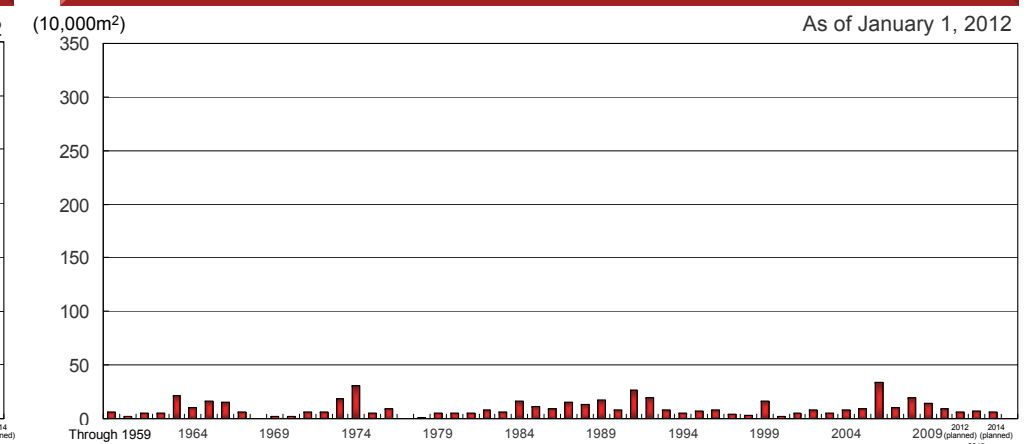
Office Building Inventory by Year Built (Tokyo Wards)



Office Building Inventory by Year Built (Osaka)



Office Building Inventory by Year Built (Nagoya)



* Tokyo Wards represents the Tokyo Central 5 Wards plus other wards (Bunkyo, Taito, Sumida, Koto, Shinagawa, Meguro, Ota and Toshima wards).
 * The survey covers office buildings with 5,000 square meters or more of total floor area.
 * The graph indicates office buildings built in each year and still existing on the survey date. The total floor area does not necessarily correspond with the total office space actually found at that time in that particular year.

Source: Japan Real Estate Institute, The Annual Japanese Buildings Survey

*Comments by Tokyu REIM

Office Building Inventory Overview (2): Tokyo Wards

Office Building Inventory in Tokyo Wards (Statistics of Central Tokyo by Submarket)

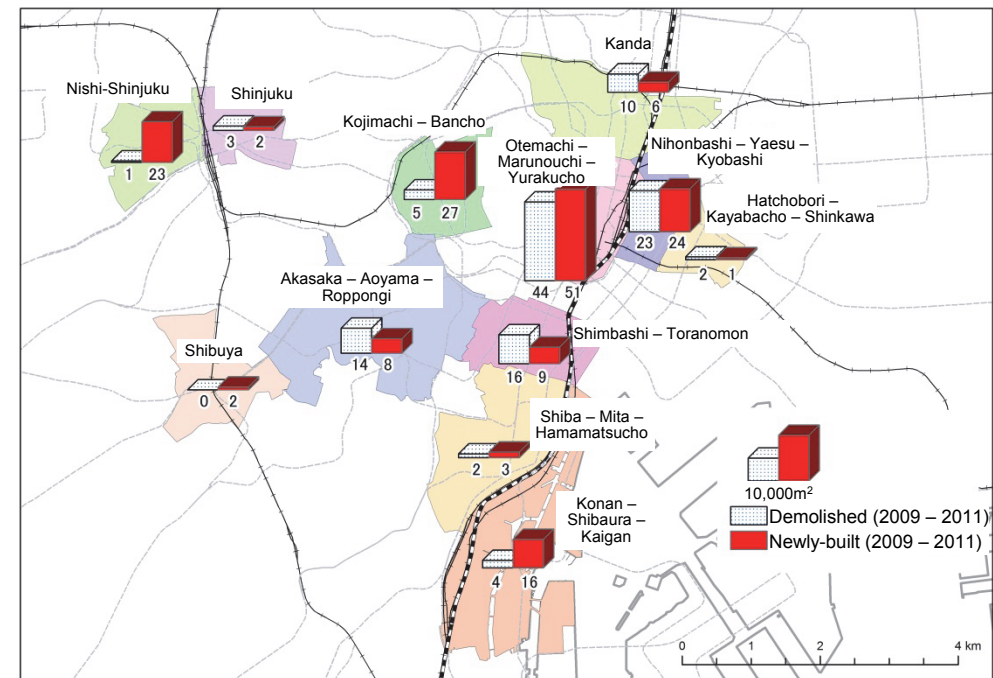
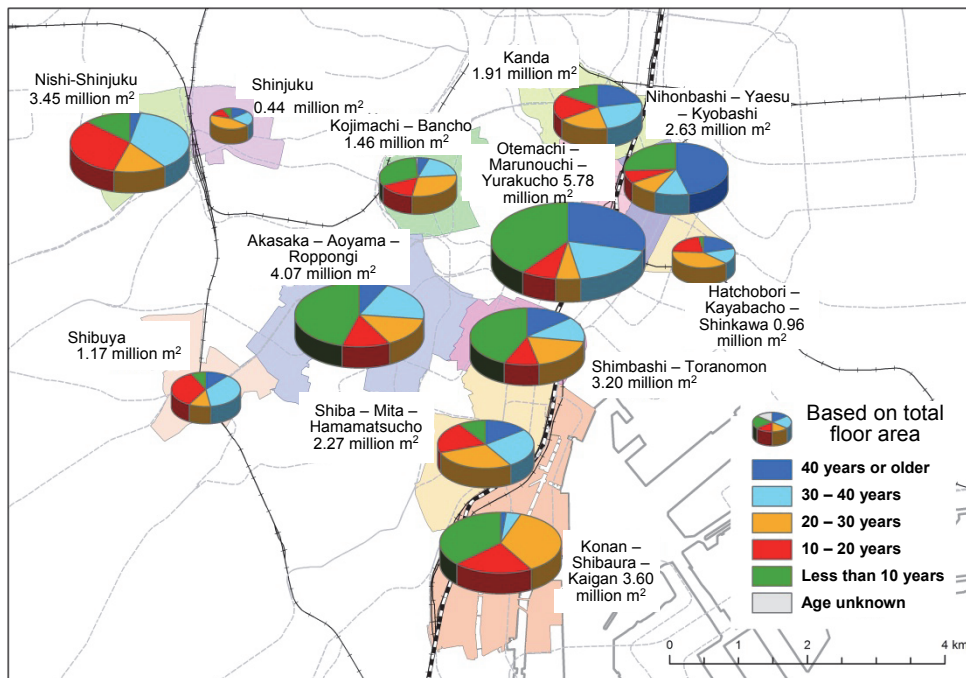
Newly-Built and Demolished Office Buildings in Tokyo Wards (2009 – 2011)

* Approximately 30% of office building inventory was completed before the present earthquake resistance standards were established.

* Tokyo has a considerable amount of new supply, but also has a fairly large volume of demolished buildings.

As of January 1, 2012

As of January 1, 2012



- * The so-called new earthquake resistance standards were enforced as a result of revisions to the Building Standards Act in 1981.
- * Tokyo Wards represents the Tokyo Central 5 Wards plus other wards (Bunkyo, Taito, Sumida, Koto, Shinagawa, Meguro, Ota and Toshima wards).
- * The survey covers office buildings with 5,000m² or more of total floor area.

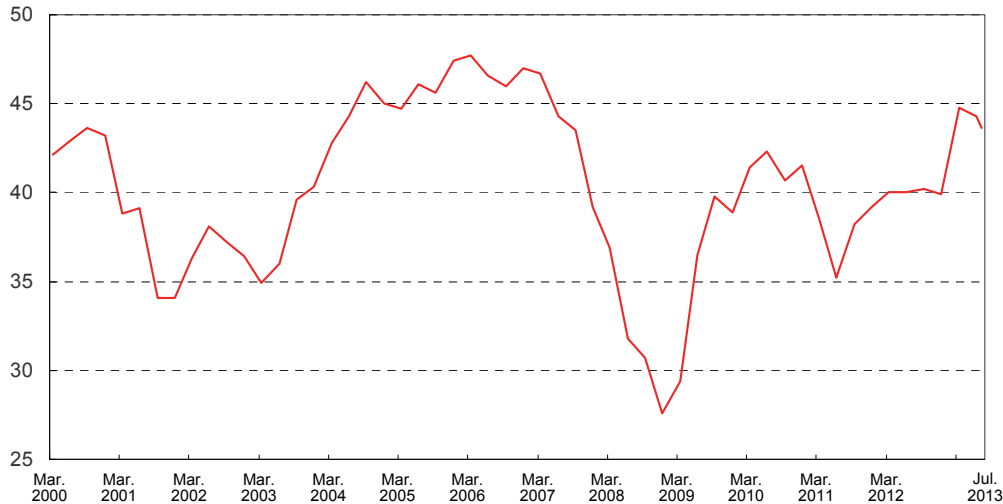
Source: Japan Real Estate Institute, The Annual Japanese Buildings Survey.

*Comments by Tokyu REIM

Retail Leasing Market Overview

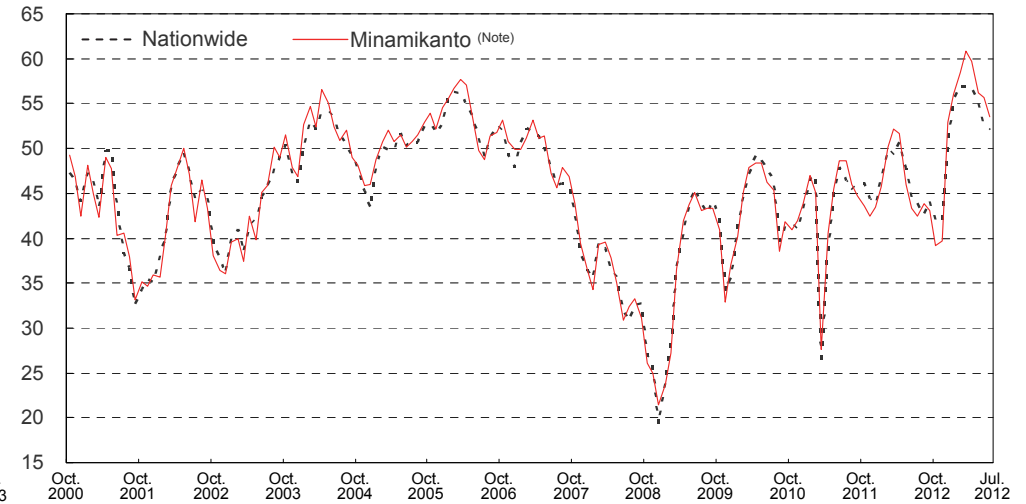
*** Consumer sentiment improved significantly due to change of regime.**

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



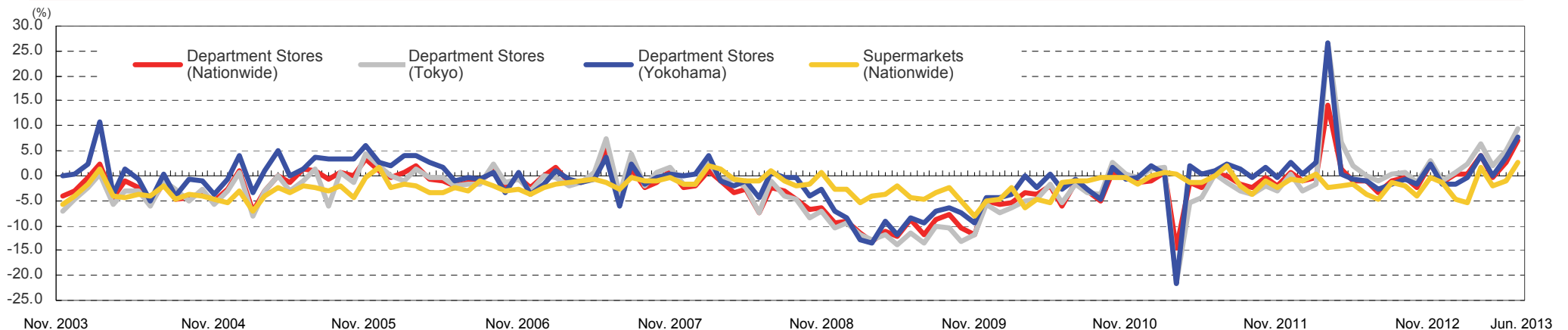
Source: Cabinet Office "Consumer Confidence Survey."

Economy Watchers Survey (Leading Indicator: Household Related)



Source: Cabinet Office "Economy Watchers Survey."
(Note) Minamikanto represents Tokyo, Kanagawa, Chiba and Saitama Prefectures.

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



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

*Comments by Tokyu REIM

Real Estate Trading Market Overview (1)

* Efforts of related parties to further improve transparency of Japanese real estate market are required.

Real Estate Transparency Index (CY2012)

Although Japan showed improvement in the two years since the last survey, the transparency is still low compared to the maturity level of its economy.

(Comments were prepared by Tokyu REIM based on the "Global Real Estate Transparency Index 2012" Report)

Transparency Level	CY 2012 Rank	CY 2010 Rank	Country Name	CY 2012 Score
High Transparency	1	6	United States	1.26
	2	3	United Kingdom	1.33
	3	1	Australia	1.36
	4	9	Holland	1.38
	5	4	New Zealand	1.48
	6	2	Canada	1.56
	7	8	France	1.57
	8	13	Finland	1.57
	9	4	Sweden	1.66
	10	20	Switzerland	1.67
Transparent	11	18	Hong Kong	1.76
	13	16	Singapore	1.85
	23	25	Malaysia	2.32
	25	26	Japan	2.39
Semi-Transparent	29	33	Taiwan	2.60
	32	45	China Tier 1 Cities (Note 1)	2.83
	35	48	Philippines	2.86
	38	57	Indonesia	2.92
	39	39	Thailand	2.94
	41	42	Korea	2.96
	46	54	China Tier 2 Cities (Note 1)	3.04
	48	41	India Tier 1 Cities (Note 2)	3.07
	49	49	India Tier 2 Cities (Note 2)	3.08
	50	55	India Tier 3 Cities (Note 2)	3.15
Low	53	44	Macau	3.27
	55	65	China Tier 3 Cities (Note 1)	3.31
	68	76	Vietnam	3.76

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

Source: Prepared by Tokyu REIM based on Jones Lang LaSalle's "Global Real Estate Transparency Index 2010" Report and "Global Real Estate Transparency Index 2012" Report.

(Note 1) China Tier 1 Cities: Shanghai, Beijing, China Tier 2 Cities: Chongqing, Tianjin, China Tier 3 Cities: Wuxi, Zhengzhou.
 (Note 2) India Tier 1 Cities: Delhi, Mumbai, India Tier 2 Cities: Kolkata, Hyderabad, India Tier 3 Cities: Ahmedabad, Kochi.

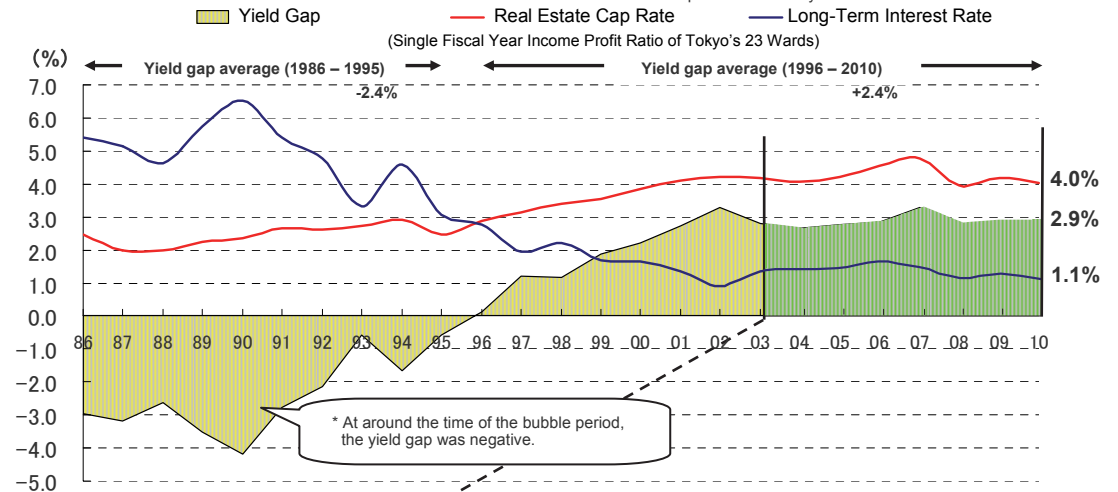
Real Estate Cap Rate, Long-Term Interest, Yield Gap

Changes in yield gap (1986 – 2010)

Source: Prepared by Tokyu REIM based on MU-CBex.

©1998 Mitsubishi UFJ Trust and Banking Corp and CB Richard Ellis.

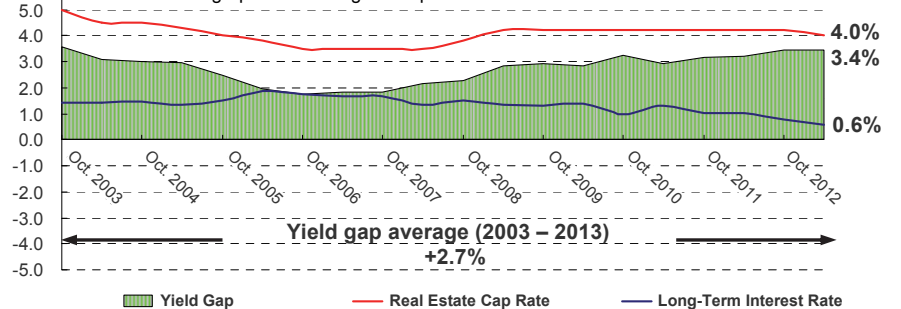
* The MUTB-CBRE real estate investment index was discontinued and eliminated with the publication in May 2011 of data for 2010.



Changes in Yield Gap (2003 – 2013)

Source: Japan Real Estate Institute, "Japanese Real Estate Investor Survey."

* The graph was prepared based on the Japanese Real Estate Investor Survey, as the above graph can no longer be updated.

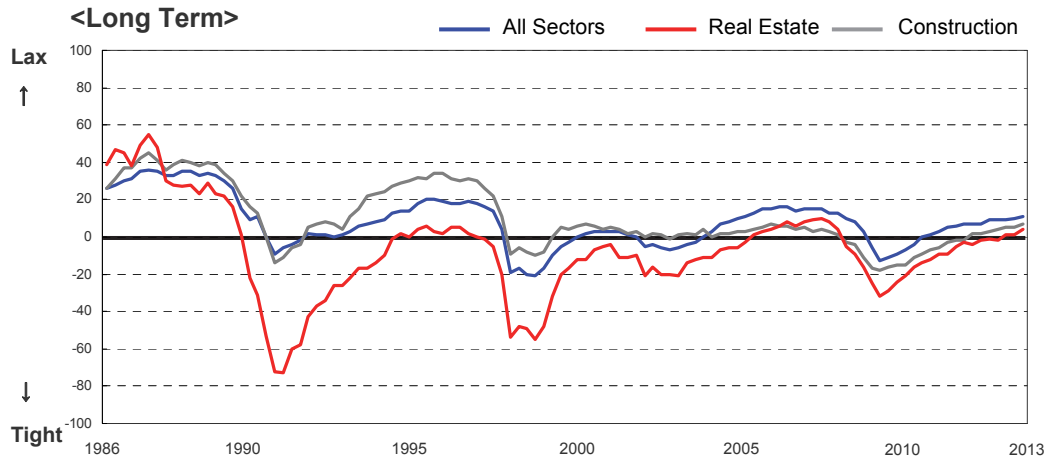


(Market cap rate of class A buildings in Marunouchi/Otemachi district) *Comments by Tokyu REIM

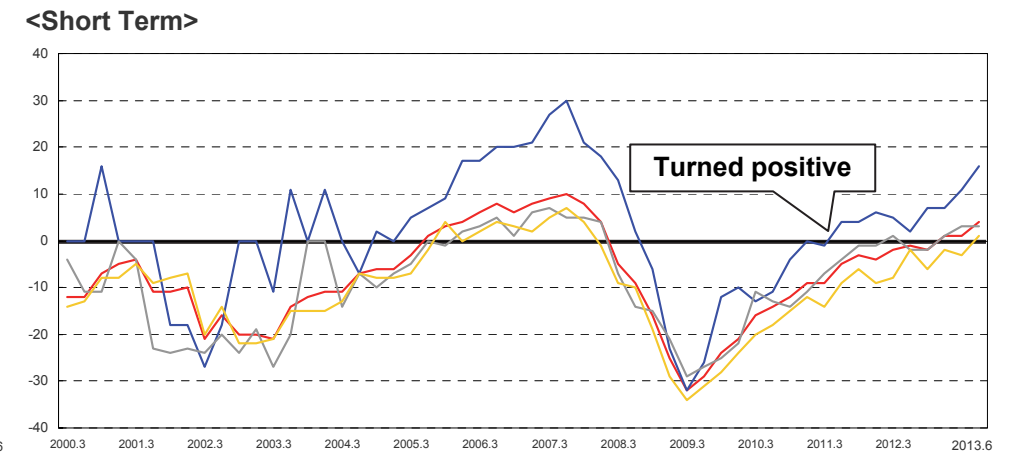
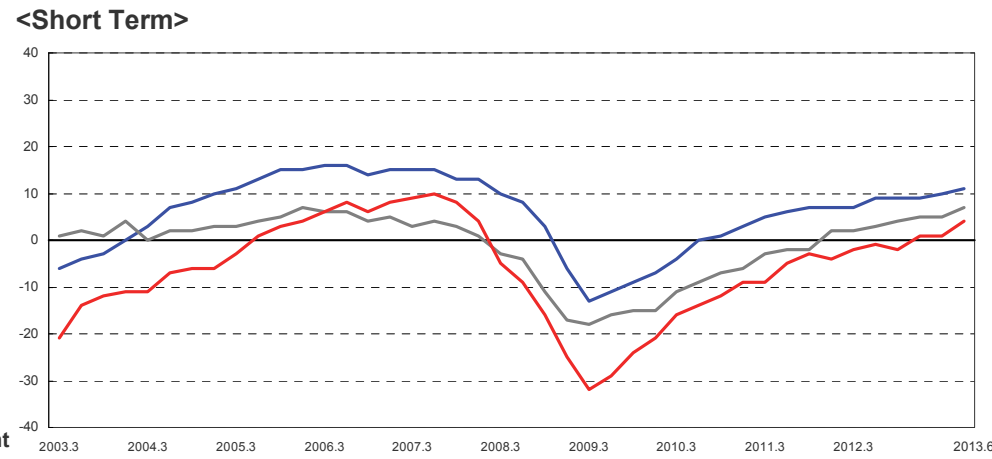
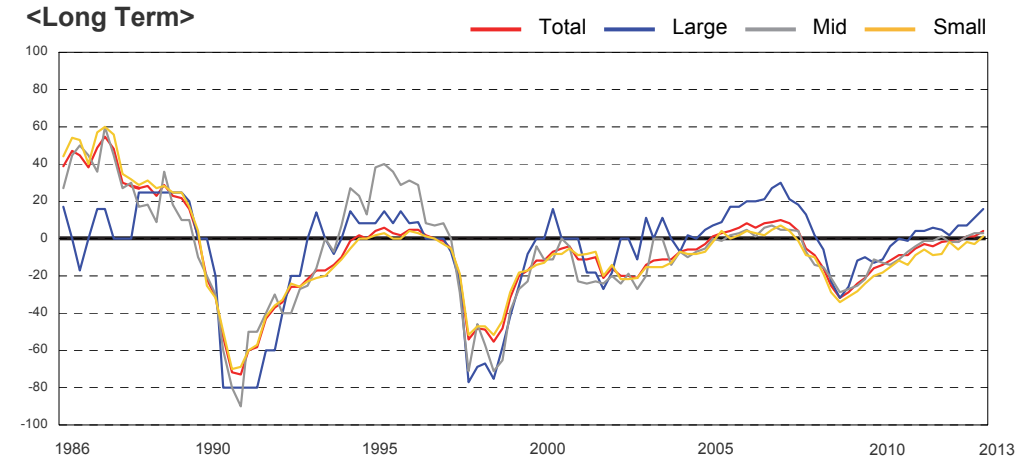
Real Estate Trading Market Overview (2): Lending Attitude DI

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

Lending Attitude DI by Sector



Lending Attitude DI by Size (Real Estate Sector)

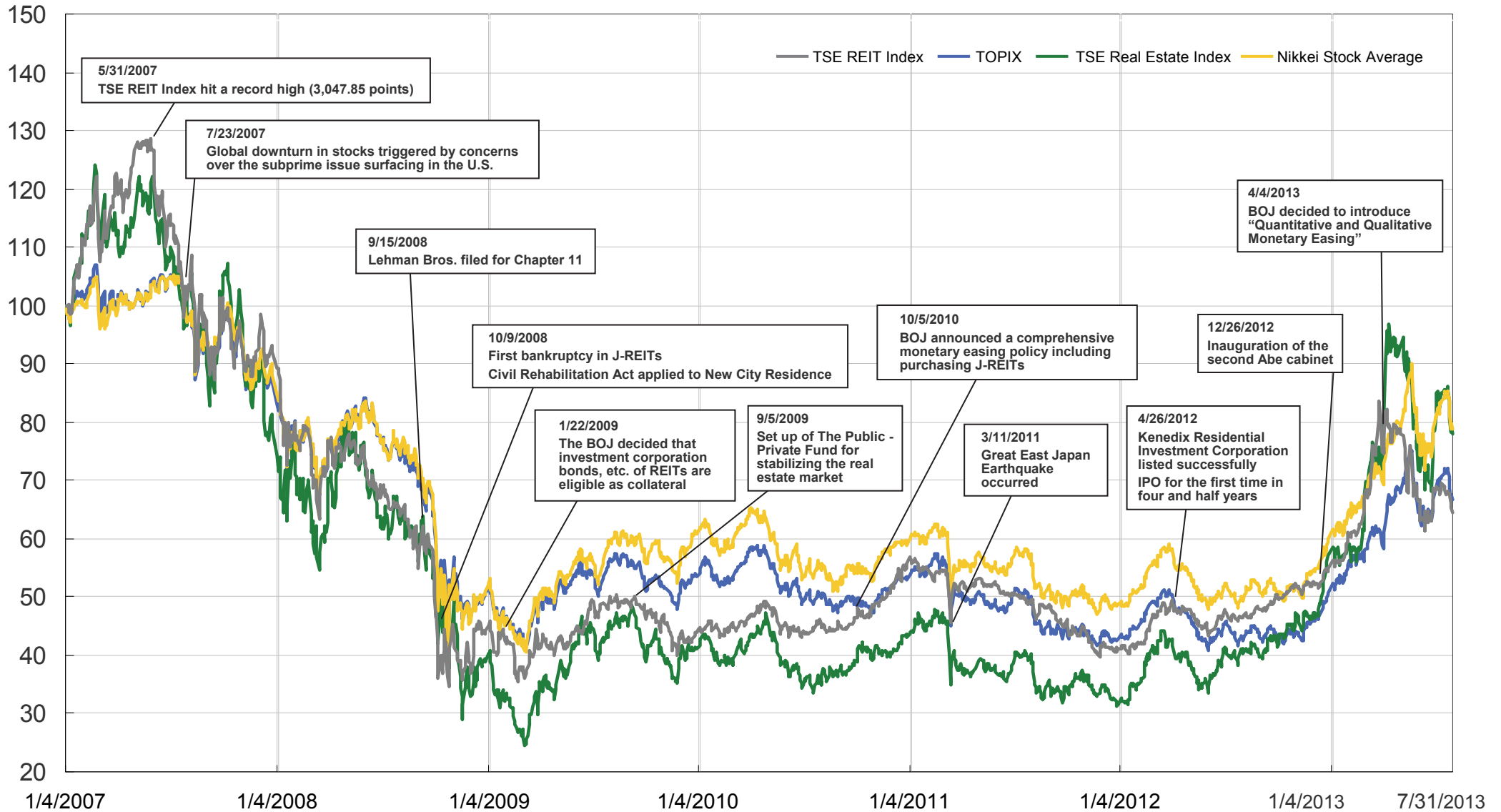


* REITs not covered in the survey.
Source : BOJ "Tankan."

* Large ... Cap size over ¥1 billion
Mid ... Cap size between ¥1 billion and ¥100 million
Small ... Cap size between ¥100 million and ¥20 million
For data until 2003, size was based on the number of employees. *Comments by Tokyuu REIM

REIT Market Overview (1): Capital Market Trends Since 2007

2007/1/4 = 100



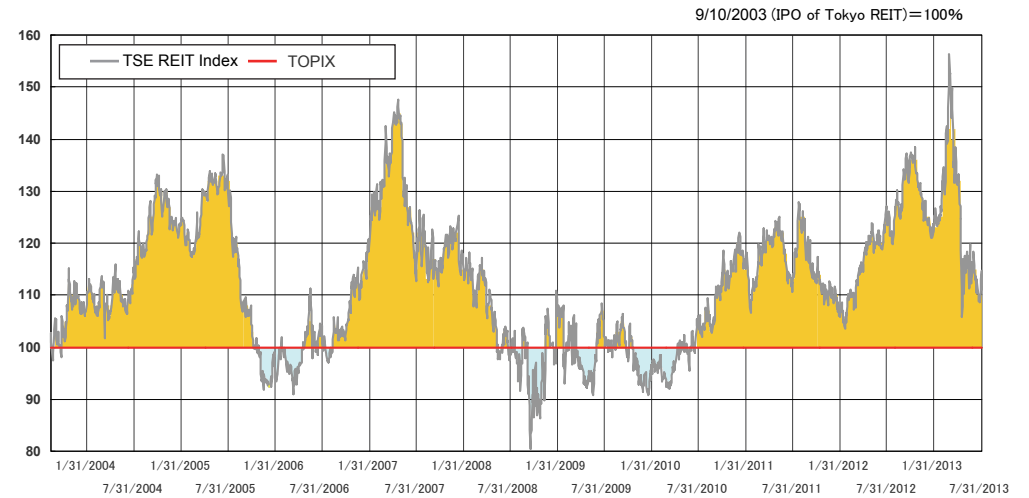
REIT Market Overview (2): TSE REIT Index Performance

* TSE REIT Index increased significantly since November 2011, but underperformed against TSE Real Estate Index.

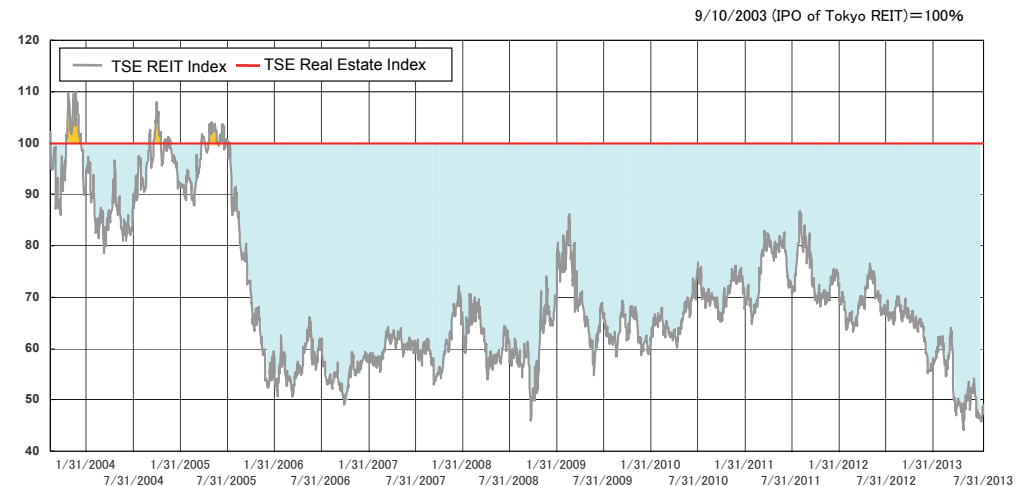
TOPIX and TSE REIT Index Performance



TSE REIT Index Performance Relative to TOPIX



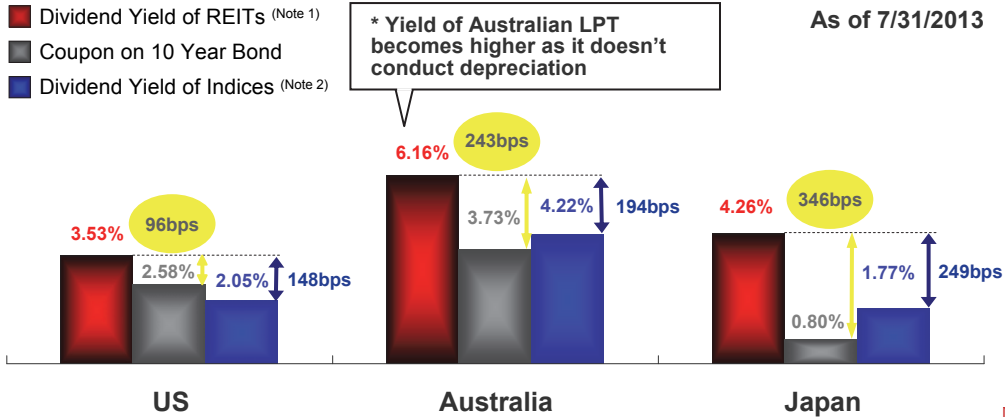
TSE REIT Index Performance Relative to TSE Real Estate Index



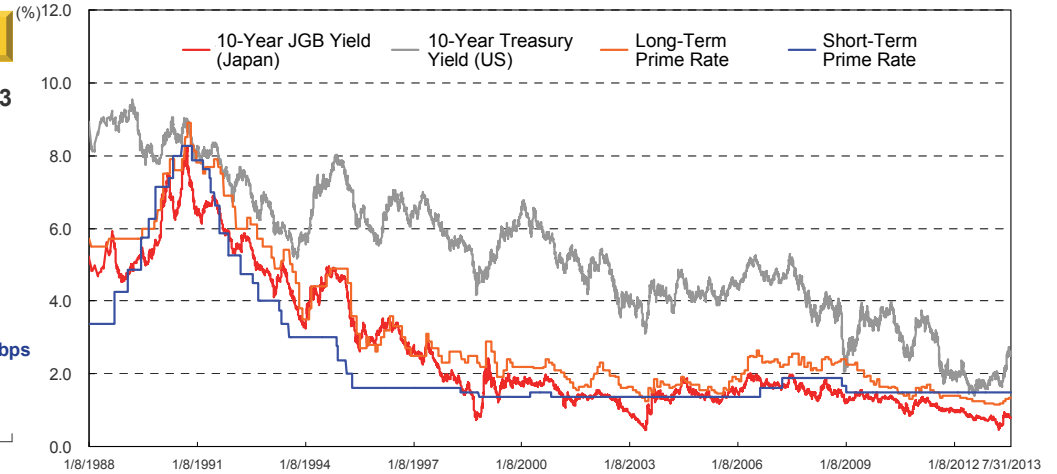
REIT Market Overview (3): Comparison with Other Countries

Spread Over Risk Free Rate

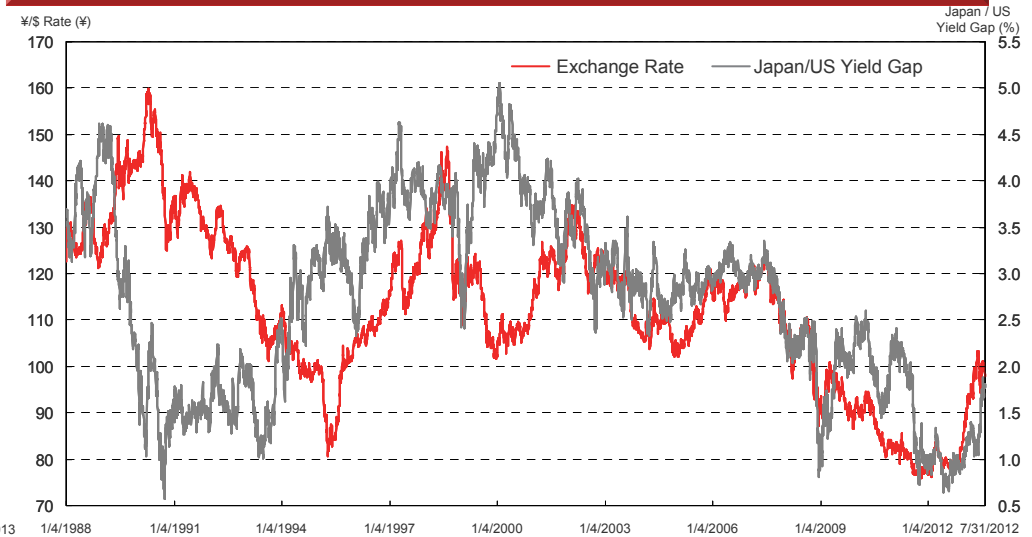
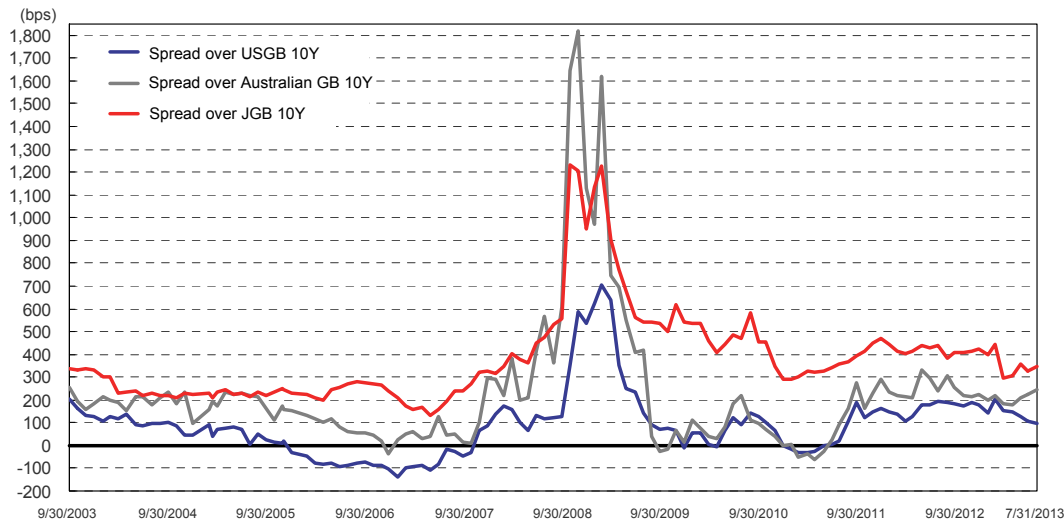
* Wider yield gap (spread) than the US and Australia.



Major Interest Rates



Japan / US Yield Gap vs. Exchange Rate



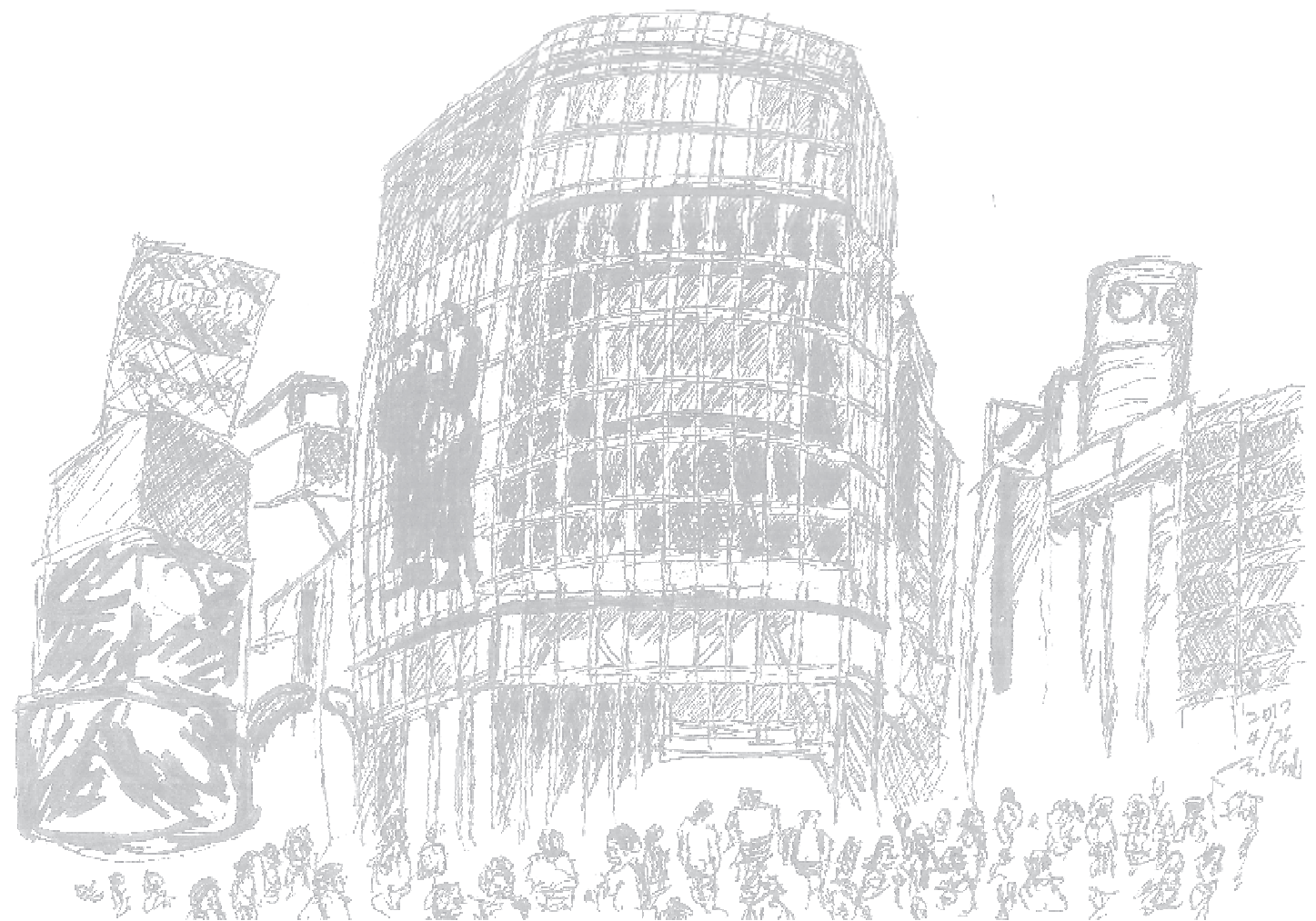
Source: Bloomberg and S&P.

(Note 1) Based on S&P's REIT index by country/region; weighted average basis.

(Note 2) US based on S&P500, Australia based on ASX All Ordinaries, Japan based on TOPIX.

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

*Comments by Tokyu REIM



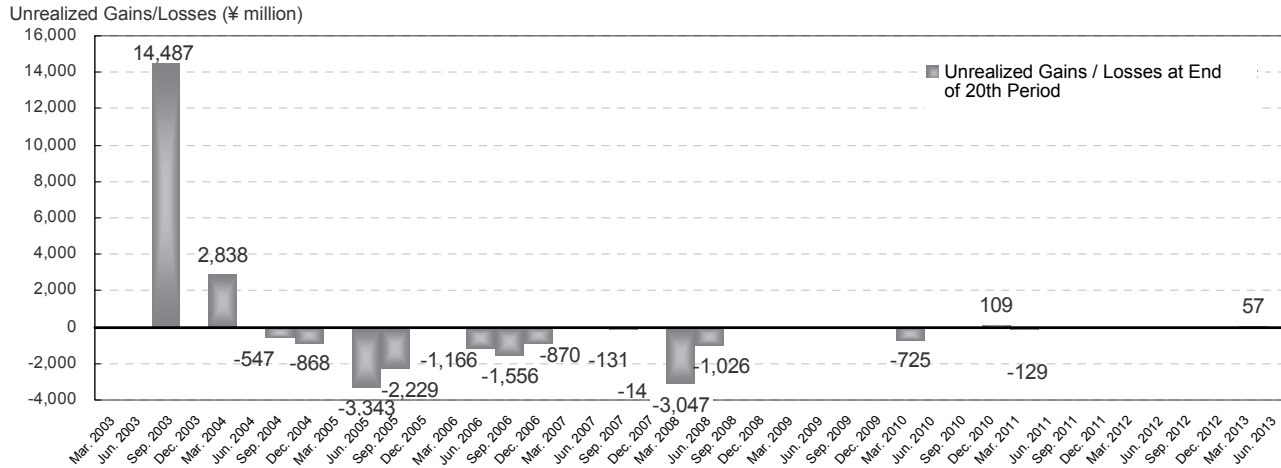


5. Appendix

Analysis of Unrealized Gains/Losses

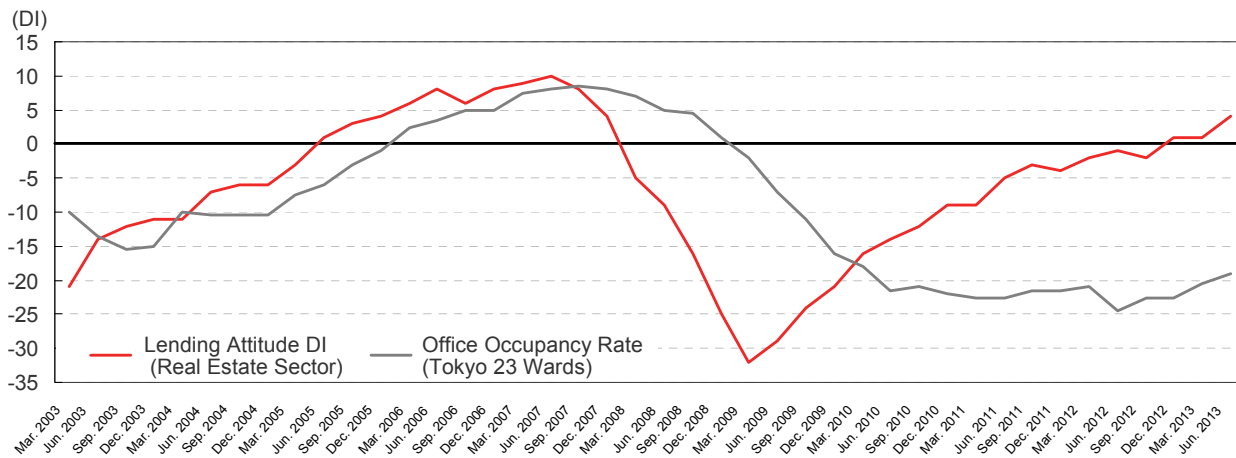
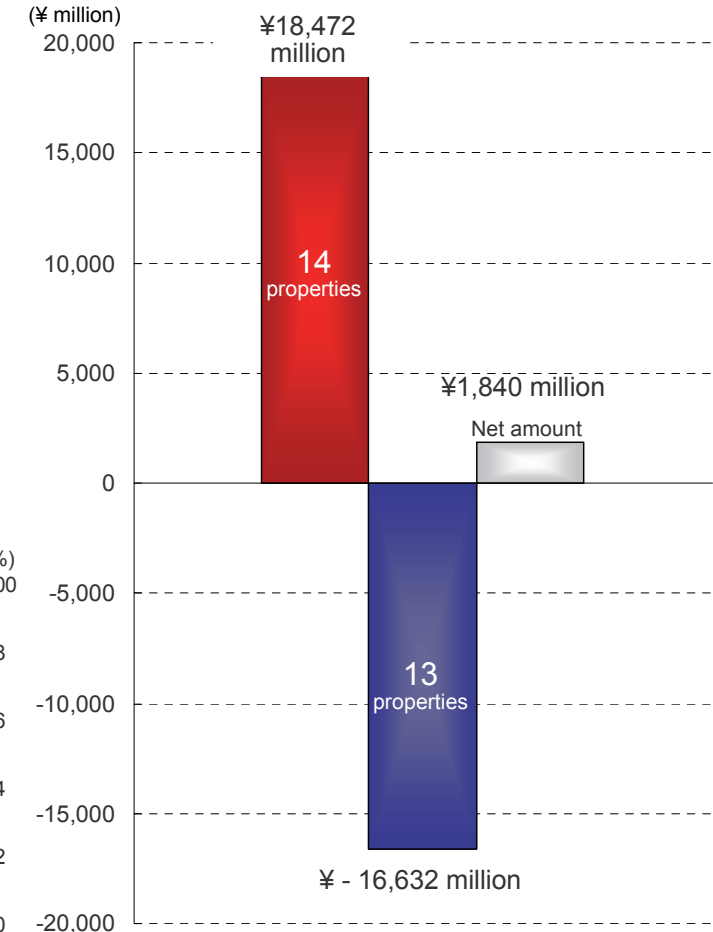
*** Timing is important in property acquisitions as real estate prices are cyclical.**

Unrealized Gains/Losses Due to Timing of Property Acquisition



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

Breakdown of Unrealized Gains/Losses

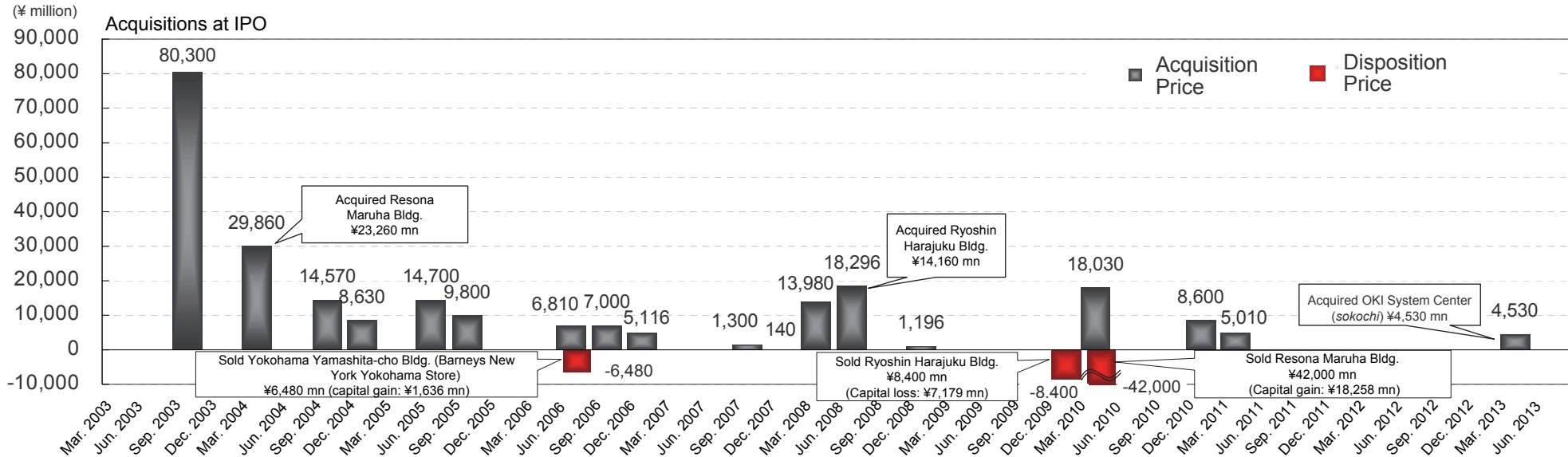
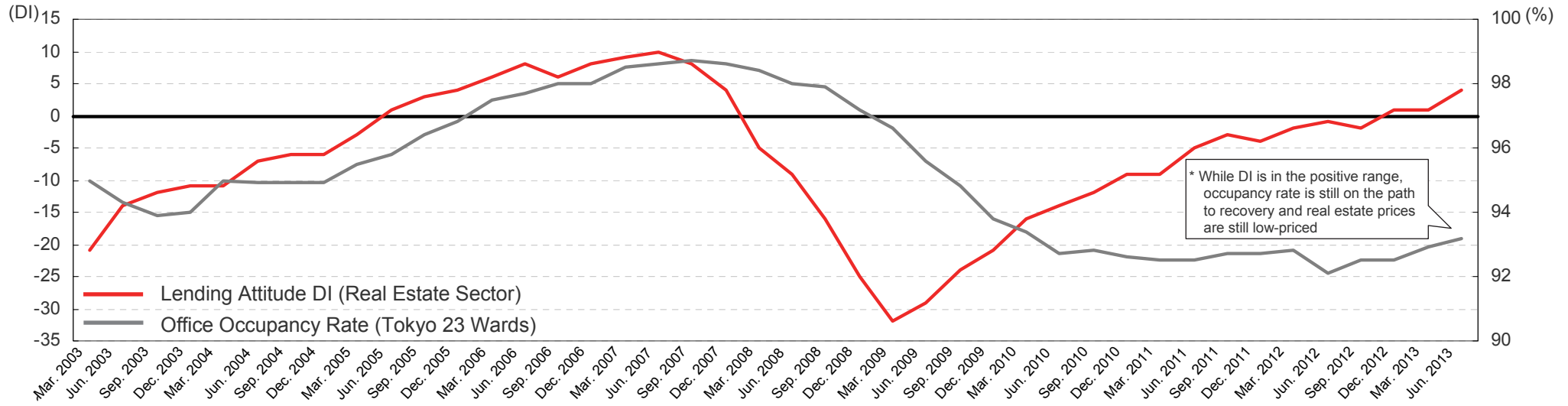


Source: BOJ (Tankan Survey).

*Comments by Tokyu REIM

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

*** Lending attitude of financial institutions are on an easing trend, but occupancy rates finally head toward recovery.**

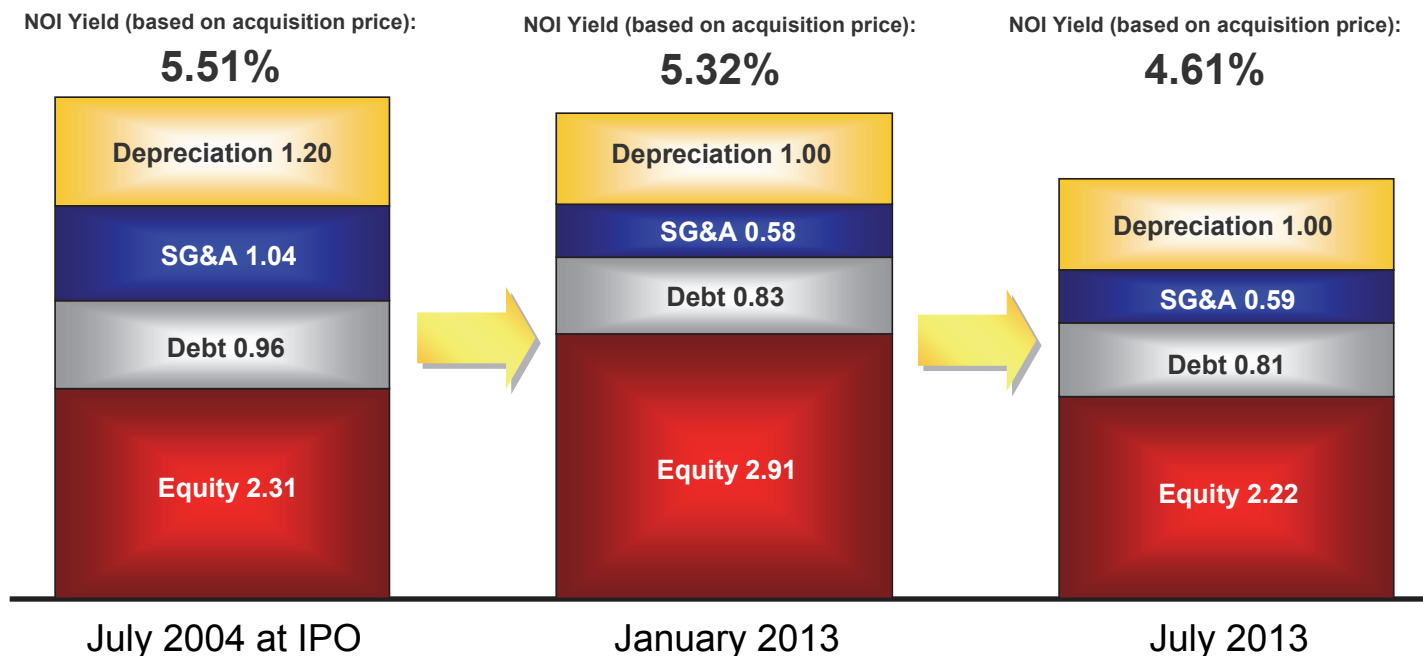


* Acquisition price on secondary y-axis, each bar represents the total acquisition price in the respective month and 2 months prior (i.e., June 2008 includes April – June 2008).
 Source: BOJ (Tankan Survey), CBRE K.K.

*Comments by Tokyu REIM

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

Placing hurdle rate as the base, coupled with CF growth of properties, utilized for assessment.



Acquisition Price 100	Debt 50
	Equity 50

July 2013 vs. IPO

Hurdle Rate	-0.90pts.
Depreciation	-0.20pts.
SG&A	-0.45pts.
Debt	-0.15pts.
Equity	-0.09pts.

- Costs shown as % of implied total acquisition cost.
- Cost calculated based on a maximum LTV of 50%.
- Depreciation expense currently estimated to be around 1.00% of acquisition price (varies by property).
- The SG&A ratio is operating expense excluding leasing costs and capital losses on real estate, etc. divided by the average acquisition cost for the respective period.
- The cost of debt is equal to 50% of the average interest during the respective period, except for July 2004 at the IPO, which is an estimate of the cost of debt based on hearings from banks.
- We have determined the cost of equity to be 50% of the yield (Estimated Distribution X 2 / Investment Unit Price) at the beginning of the respective period.
- Acquisition hurdle rate changes daily due to changes in investment unit price and interest rates for fund procurements.

*This page represents the views of Tokyu REIM

Acquisition

PM (Property Management)

Brand Strategy

- **Pipeline Support:** 14 of 33 properties accumulated thus far (¥115.86bn out of total acquisition price of ¥273.28bn)
 - 6 of 11 properties at time of IPO
 - TOKYU REIT Shibuya Udagawa-cho Square (2nd Period / ¥6.6bn)
 - Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (9th Period / ¥8.5bn)
 - Tokyu Ikejiri-ohashi Building (10th Period / ¥5.48bn)
 - Kojimachi Square (Note) (14th Period; ¥9.03bn)
 - Tokyu Ginza 2-chome Building (16th Period; ¥5.01bn)
 - Tokyu Tranomon Building (21st Period; ¥15.00bn)
 - 2 of 11 Properties at time of IPO (Lexington Aoyama (Note), Tokyo Nissan Taito Building (Note))
- Warehousing
 - 3 of 11 properties acquired at time of IPO: ¥14.06bn
 - Yokohama Yamashita-cho Building (Barneys New York Yokohama Store): 3rd Period / ¥5.05bn
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store): 3rd Period / ¥9.52bn
 - cocoti (Net Collective Ownership 40%): 5th Period / ¥9.80bn
 - Shonan Mall Fill (*sokochi*): 6th Period / ¥6.81bn
- Reference or brokerage by Tokyu Group companies
 - Resona Maruha Building
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store)
 - KALEIDO Shibuya Miyamasuzaka
 - Shibuya R Sankei Building (brokerage)
- PM business outsourcing
- Community-based tenant promotion capability
- “TOKYU” brand licensing
 - “TOKYU REIT” name (Free of charge. However, license from Tokyu Corporation is required.)
 - Building name change (Free of charge. However, license from Tokyu Corporation is required.)

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... Contributed by Tokyu Group companies

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