

Investment in
Highly Competitive Properties

in Areas with
Strong Growth Potential



Capitalize on Time in Asset Management

TOKYU REIT



Value & Contrary

TOKYU REIT, Inc. Semiannual Report
20th Fiscal Period From February 1, 2013 to July 31, 2013

TOKYU REIT

BASIC POLICY

1 Investment strategy to secure **'growth potential'**

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

2 A portfolio that secures **'stability'**

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

3 Fund structure that backs **'transparency'**

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



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20th Fiscal Period Cash Distribution per Unit

¥12,019 (Fixed)

(Date of payment: Oct. 15, 2013)

21st Fiscal Period Cash Distribution per Unit

¥12,400 (Forecast)

(Date of payment: Mid Apr. 2014)

22nd Fiscal Period Cash Distribution per Unit

¥12,500 (Forecast)

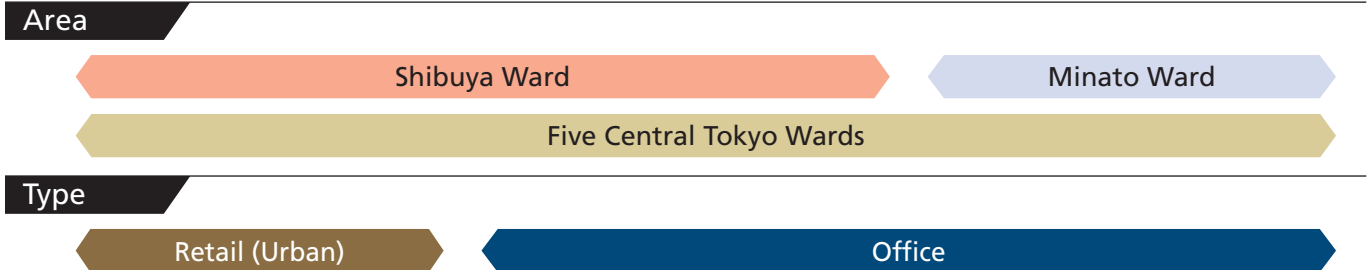
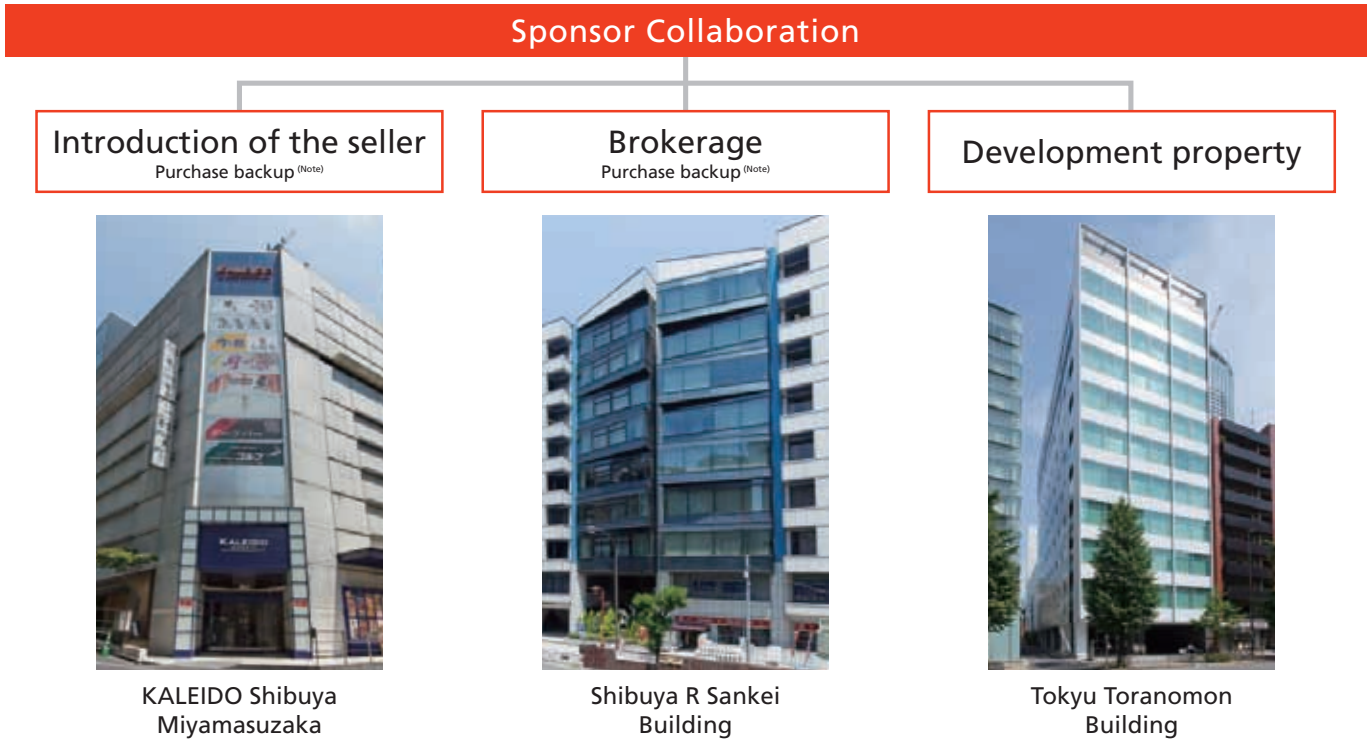
(Date of payment: Mid Oct. 2014)

FINANCIAL SUMMARY

		19th Fiscal Period	20th Fiscal Period
Balance Sheets	■ Number of Properties	26 properties	27 properties
	■ Total Assets	¥202,061 million	¥206,988 million
	■ Interest-Bearing Debt	¥87,000 million	¥91,500 million
	■ Total Assets Loan-to-Value (LTV) Ratio	43.1%	44.2%
Statements of Income	■ Operating Revenues	¥6,334 million	¥6,495 million
	■ Net Income	¥1,887 million	¥2,035 million
Distributions	■ Cash Distribution per Unit	¥11,146	¥12,019
	■ Average Market Price per Unit	¥422,792	¥575,341
	■ Distribution Yield	5.23%	4.21%

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

New Property Acquisitions through Sponsor Collaboration



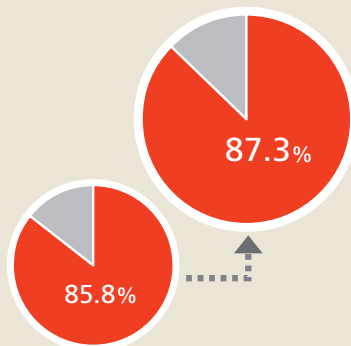
(Note) For KALEIDO Shibuya Miyamasuzaka and Shibuya R Sankei Building, an agreement was executed to the effect that, in the event that TOKYU REIT decided not to acquire these properties because of inability to procure the funds required for the acquisition costs due to suspension of the public offering,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

Selective Investment Focused on Tokyo and Shibuya (based on acquisition price)

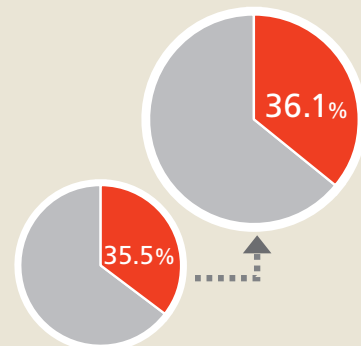
■ Investment Ratio of Tokyo Metropolitan Area



■ Investment Ratio of Tokyo 23 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.

Positive Impact of Property Acquisition and Public Offering

		End of 20th Period (Jul. 31, 2013)	Property Acquisitions and Public Offering	After Property Acquisitions and Public Offering
Portfolio (Note 1)	No. of Properties	27	3	30
	Acquisition Price	¥204 billion	¥25 billion	¥229 billion
	Occupancy Rate	98.0%	100.0% (As of end of Jul. 2013)	98.1%
	Forecast NOI Yield for 21st Period (Ending Jan. 2014) (Based on acquisition price)	4.28%	4.93%	4.35%
	Portfolio Cap Rate (Based on appraisal value at end of period)	4.65%	4.37%	4.61%
	Ratio of Top 3 Properties (Based on appraisal value at end of period)	QFRONT: 11.2% Setagaya Business Square: 9.8% cocoti: 8.9%	—	QFRONT: 9.9% Setagaya Business Square: 8.6% cocoti: 7.8%
	No. of Tenants	183	24 (As of end of Jul. 2013)	207
	Unrealized Gains and Losses	¥1,840 million	¥58 million	¥1,899 million
	Ratio of Properties Located Approx. 3-Minute Walk from Nearest Station (Based on acquisition price)	71.3%	100.0%	74.5%
	Ratio of Major Target Areas (Based on appraisal value at end of period)	88.6%	100.0%	90.0%
Debt	LTV (Note 2)	48.7% (LTV at end of period) 44.2% (LTV / Total assets at end of period) (As of end of Jul. 2013)	—	48.5% (LTV at end of period) 44.3% (LTV / Total assets at end of period) (As of end of Jan. 2014)
	Total Interest-bearing Debt	¥91 billion (As of end of Jul. 2013)	¥11 billion	¥103 billion (As of Sep. 17, 2013)
Equity	No. of Investment Units	169,380	26,140	195,520 (As of Sep. 10, 2013)
	Unitholders' Capital	¥98 billion	¥12 billion	¥110 billion (As of Sep. 10, 2013)
	Distribution per Unit	¥12,019 (As of end of Jul. 2013)	—	¥12,400 (As of end of Jan. 2014) (Forecast)

(Notes) 1. Each figure regarding the portfolio after new property acquisitions has been calculated by simply adding each figure of the respective properties as of the end of July 2013 under certain assumptions, and may not necessarily correspond to the actual figure after the new property acquisitions.

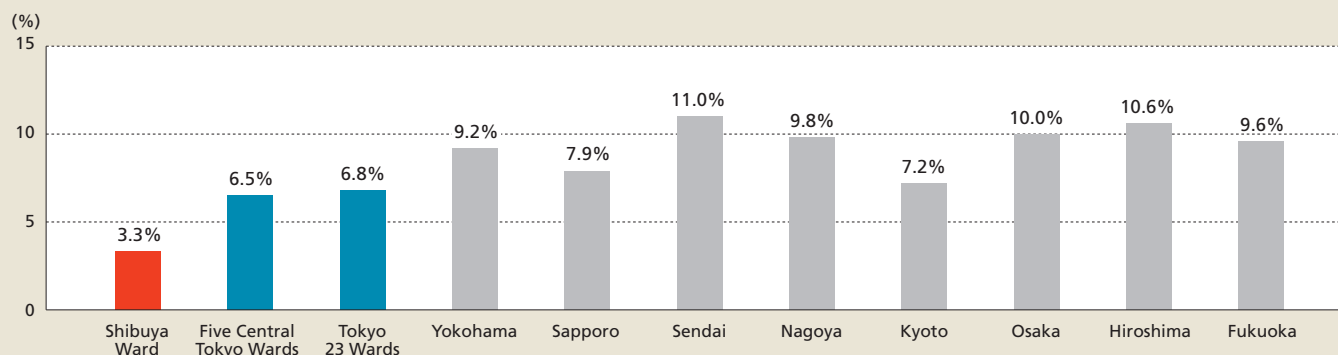
2. LTV at end of period = (Balance of interest-bearing debt at end of period + balance of securities deposit without reserved cash at end of period) / (Appraisal value at end of period + balance of cash and deposits with banks at end of period)

LTV / Total assets at end of period = Balance of period end interest-bearing debt / period end total assets

With regard to the appraisal value at end of period for calculating the LTV at end of period (forecast at the end of January 2014), the appraisal value at the end of the 20th fiscal period is used for the properties owned as of the end of the 20th fiscal period and the appraisal value upon acquisition is used for the properties acquired in the 21st fiscal period.

■ The vacancy rate in June 2013 was 6.5% for Five Central Tokyo Wards and 6.8% for Tokyo 23 Wards, both at a relatively low level compared with other major cities in Japan. Moreover, the vacancy rate of office properties in Shibuya Ward, Tokyo, where the properties to be acquired are located, stood at 3.3% and was even lower than in the Five Central Tokyo Wards and Tokyo 23 Wards.

Vacancy Rate by Market



Source: Prepared by Tokyu Real Estate Investment Management Inc. ("Tokyu REIM") based on "Japan Office Market View Q2 2013" of CBRE K.K.



On behalf of **TOKYU REIT**, I would like to express my sincere appreciation to all of you, our unitholders, for your continued support and patronage to us.

The following pages provide an overview of our operating environment and results for the 20th fiscal period (February 1, 2013 to July 31, 2013).

Masahiro Horie

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

Sixth General Meeting of Unitholders

The Sixth General Meeting of Unitholders of **TOKYU REIT** as well as a management status meeting was held on April 12, 2013. I appreciate that many unitholders attended the events. We had matters regarding partial amendments to the Articles of Incorporation and election of directors of **TOKYU REIT** resolved at the General Meeting of Unitholders, and received valuable comments from unitholders at the subsequent management status meeting held by the investment management company. Please accept our heartfelt gratitude. Going forward, we are determined to make further efforts to meet your expectations.

Another management status meeting was also held in Osaka on May 23, 2013 (Thursday) for unitholders residing in the Kansai region. We were very thankful that more unitholders than we had anticipated took part in the meeting. Based on this success in Osaka, we have decided to hold such meetings in major cities in the future, and your participation will be highly appreciated. Please be assured that expenses related to holding the management status meetings are held

by the investment management company, not by **TOKYU REIT**, and thus the expenses would not affect the distributions.

Increase in Capital through Public Offering for the First Time in Eight Years

TOKYU REIT made a resolution at its Board of Directors meeting held on July 26, 2013 concerning issuance of new investment units and secondary offering of investment units as part of its action plans for growth, and increased capital by ¥12.4 billion through the issuance of 26,140 units. This marked the first capital increase in eight years since 2005. The reasons for having conducted the capital increase after a long interval included that, although **TOKYU REIT** had acquired 16 properties totaling ¥113.9 billion since the last capital increase, it secured acquisition capacity through cash on hand and additional borrowings after the sale of two properties (totaling ¥50.4 billion) in the 13th period ended January 2010 and sufficiently ensured financial soundness, and that its investment unit price continued to be on a weak note in the past two years or so. On the other hand, one of the issues **TOKYU REIT** had to face was the fact that

its market capitalization failed to increase during the said period and the liquidity of its investment units was rather limited. The latest capital increase was conducted in order to solve this issue, with an intention to have the market capitalization and the investment unit liquidity increase, reduce the risk premiums in forming the investment unit price, and raise the investment unit price.

■ Significance of the Latest Capital Increase

We see the latest capital increase has three significant aspects. The first is “new property acquisitions through sponsor collaboration.” In the recent real estate trading market, acquiring properties is rather difficult as excellent properties are in limited supply in central Tokyo. The three properties **TOKYU REIT** newly acquired (KALEIDO Shibuya Miyamasuzaka, Shibuya R Sankei Building and Tokyu Toranomon Building) were successfully acquired at fair value without having to go through competitive bidding just because of the support provided by Tokyu Corporation, the sponsor, though the format of the sponsor collaboration was different for each property (introduction of the seller, brokerage and provision of development property).

The second is “selective and disciplined investment focused on Tokyo and Shibuya.” The latest acquisition of the three properties has raised the investment ratios in Tokyo 23 Wards and Shibuya Ward to 87% and 36%, respectively, of the entire portfolio. In contrast to the vacancy rate in Osaka and Nagoya staying at around 10%, the figure stands at 6.8% for Tokyo 23 Wards and as low as 3.3% for Shibuya Ward in particular (as of the end of June 2013 by CBRE K.K.; refer to page 5), indicating that the supply and demand balance is becoming tighter. As such, we believe that our endeavors to acquire properties in central Tokyo have helped improve the portfolio quality.

The third is “improvement through expansion in asset size.” As a result of the acquisition of the three properties and the capital increase, the operating results of **TOKYU REIT** have improved in terms of cash distribution, equity capital and diversification of investment, among other factors. We made an

upward revision to the forecast cash distribution for the 21st fiscal period (ending January 2014) from ¥12,200 to ¥12,400 per unit, while announcing ¥12,500 for the 22nd fiscal period (ending July 2014). Moreover, we have further strengthened our equity capital. We believe that, given the unitholders’ capital on the books surpassing ¥110 billion and the market capitalization increasing, the liquidity of our investment units will also increase and we will have a wider investor base. In addition, an increase in the asset size and the number of properties, etc. will produce more enhanced effects of investment diversification. The increase has allowed **TOKYU REIT** to reduce the negative impact of tenant move-outs and other factors on the cash distribution per unit by around 10%. Aside from these, we have successfully improved various indicators, as shown on page 5.

■ Capital Increase Resulting in Decreased Net Assets per Unit and NAV per Unit

As a result of the capital increase through public offering, net assets per unit decreased from ¥578,697 to ¥565,054, and NAV per unit (adjusted net asset value per unit with unrealized gains or losses taken into account) dropped from ¥589,563 to ¥574,766. This was a poor result, especially because our investment unit price reached the highest level for the year (¥745,000) on March 27 and primarily remained at the ¥600,000 level even after entering the adjustment phase in April through May. As the capital increase would cause the investment unit price to be undervalued against net assets per unit or NAV per unit, we had repeatedly discussed whether to implement the capital increase or not, even after the resolution on July 26 concerning the issuance of new investment units, closely watching the daily reactions in the market. In consideration of the significance of the planned capital increase, we eventually reached the conclusion that the unitholder value should be more enhanced if we do implement the capital increase rather than suspending it. It turned out that, with many of the existing unitholders also subscribing in the book-building period (a period for grasping the demand status, etc.), demand summed up to over nine times as large as the number of investment units to be issued, making it one of the capital increases with

strongest support from investors recently conducted by REITs. Going forward, we are determined to make an utmost effort to conduct asset management, including IR activities, in order to have the entire market fully recognize the significance of our latest capital increase and reflect them to the investment unit price so that our unitholders would appreciate our judgment on the implementation of the capital increase.

■ Evaluation of Tokyu Toranomon Building

Of the three properties acquired upon the latest capital increase, we received comments from some institutional investors that Tokyu Toranomon Building might be overvalued in terms of the acquisition price (¥15 billion) and the appraisal value (¥15.1 billion). We suspect that such a view by some parties might have been related with the unfortunate drops in a large measure of our investment unit price on July 29 and 30 following the resolution on the issuance of new investment units. Specifically, the comments claimed that the appraisal cap rate (net cash flow cap rate in appraisal = estimated cash flow (per annum) / appraisal value) of 4.1% is too low. To respond to this assertion, I have explained the validity of the property's values on the basis of the following two grounds.

(1) Appraisal of the cap rate based on conservatively estimated cash flow

According to the appraisal conducted by Japan Real Estate Institute, the largest real estate appraisal agency in Japan, the net cash flow of the property is estimated to be ¥622 million annually. This value appears to be more conservative than what our investment management company has estimated. An appraisal uses the cash flow generated by the appraised property at a presumably stable level over the upcoming 10 years. The estimated amount of ¥622 million assumes the rent to be ¥24,000 per tsubo per month, but the investment management company has estimated it to be ¥25,000 per tsubo per month, with the cap rate standing at 4.4%. Furthermore, CBRE, a major real estate survey firm, has estimated the unit price per tsubo of the property's monthly rent over a medium to long term to be in the latter half of the ¥20,000 level per tsubo per month.

	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	—

Moreover, the present contracts with the tenants call for the ¥22,000 level per tsubo per month, which is fairly low when taking into account the quality of the property and the current market rent. According to CBRE, the new market rent of the property (different from the above-mentioned rent over a medium to long term) as of May 2013 is around ¥24,000 per tsubo per month, making it a rare case in which the estimate is already above the current contracted rent. The rent is low because the tenants were invited in 2010 when the real estate market was in the worst condition after the Lehman Shock. The current contract terms probably have caused the appraised cash flow to be more conservative than the estimate by the investment management company. As such, the validity of a property price may not always be gauged by its cap rate alone.

(2) Comparison by unit price per leasable area

Unit price per leasable area is an index that is more usable than cap rate when comparing the validity of property prices. The formula is simple, as it divides the property prices (acquisition prices and appraisal values) by the leasable area. The figure for Tokyu Toranomon Building is ¥5.5 million per tsubo. In contrast, it has been confirmed that some neighboring buildings owned by other REITs stand at over ¥6 million or ¥7 million for the figure, though their cap rates are similar to Tokyu Toranomon Building at 4.0%. We cannot make a simple comparison as there are some differences in the distance from the nearest station, the building size and other factors among the properties, but at least we should be able to claim that the property is not particularly expensive.

As stated above, the acquisition price of Tokyu Toranomon Building is appropriate, and we made it understood by many institutional investors by providing this explanation. However, what we described in the

prospectus and timely disclosures was not sufficient for all investors to understand. While we will make improvements in this regard in the future occasions, we will give elaborate explanations to foreign investors, with whom we were not able to fully communicate concerning the latest public offering, through the IR activities we are starting in October.

Furthermore, as the property was contributed by Tokyu Corporation, the sponsor, **TOKYU REIT** made the decision on the acquisition in an appropriate manner based on the strict internal rules for preventing conflicts of interest. Specifically, we took the procedures including 1) acquisition at a price lower than the appraisal value, 2) access to the second opinion of third parties for the appraisal, and 3) double checks for due process (confirmation of compatibility of the transaction to rules by a third-party auditor and prior approval of the Board of Directors only by the two independent supervisory directors), and disclosed on this adherence. Through these procedures, we work to secure the validity of the transaction prices and avoid provision of unfair opportunities for profits to the sponsor.

Operating Results for the 20th Fiscal Period

For the 20th fiscal period, **TOKYU REIT** posted ¥6,495 million in operating revenues and ¥2,035 million in net income. Concerning cash distributions, we decided to distribute 100% of unappropriated retained earnings to declare a cash distribution per unit of ¥12,019. This was ¥873, or 7.8%, more than the ¥11,146 distribution in the 19th fiscal period, while being ¥519, or 4.5%, more than the performance forecast announced on March 15, 2013.

The increase in the cash distribution per unit was primarily due to the external growth achieved by the OKI System Center (*sokochi*) acquired in the previous fiscal period and the internal growth as a result of the free-rent periods granted to new tenants terminating at TOKYU REIT Toranomon Building, Kojimachi Square and other properties. As no building is included in the *sokochi* property (land with leasehold interest) and no depreciation is generated, it can directly contribute

to an increase in cash distributions. In addition, not only the occupancy rates but cash flows are currently on a recovery trend at TOKYU REIT Toranomon Building and Kojimachi Square, although incorporated administrative agencies moved out one after another from these properties in the 17th fiscal period ended January 2012 partly due to the impact of the budget screening exercised under the Democratic Party of Japan government.

Net assets (after deducting cash distribution) stood at ¥578,697 per unit. With unrealized gains (the difference between book value and period-end appraisal value) taken into account, adjusted net asset value (NAV) per unit was ¥589,563, an increase of ¥8,113 from the 19th fiscal period.

■ Report on Tenant Leasing Activities

During the 20th fiscal period, six tenants vacated or decreased their leased floor space, while 10 tenants moved in or increased their leased floor space. With the conditions of the real estate leasing market for retail properties and office buildings in Tokyo recovering, **TOKYU REIT** has seen the occupancy of its properties recover after hitting the bottom at the end of January 2012. The occupancy rate of the entire portfolio was 98.0% as of the end of the 20th fiscal period (July 31, 2013), with 98.8% for urban retail properties, 100.0% for suburban retail properties and 95.9% for office properties. The figure was up 1.0 percentage point from the end of the previous fiscal period and up 0.6 percentage point from the March 25, 2012 projection.

Let me report the situation of TOKYU REIT Toranomon Building and Setagaya Business Square, which we mentioned in our Semiannual Report for the 19th fiscal period as the properties requiring particular focus. We have made progress in inviting tenants to TOKYU REIT Toranomon Building, in which the floor area for leasing (spaces currently vacant or set to become vacant) that totaled approximately 717 tsubos (approximately 2,370m²) has been almost halved to approximately 358 tsubos (approximately 1,183m²). Similarly for Setagaya Business Square, we concluded contracts with new

tenants for approximately 384 tsubos (approximately 1,269m²) out of the floor space for leasing totaling approximately 1,129 tsubos (approximately 3,732m²) (the 55% co-ownership interest equivalent). However, we have received notices of cancellation for eight sections and the property has floor area of approximately 1,195 tsubos (approximately 3,950m²) to be leased as of the end of August 2013. Furthermore, Oracle Corporation Japan (including Sun Microsystems K.K.), which had been the largest tenant of Setagaya Business Square with leased area of 3,062 tsubos (approximately 10,122m²) at the end of the 1st fiscal period, fully evacuated by the end of August 2013 after gradually moving out from the property over the past years and having a negative impact on the property. We worked to invite multiple tenants to the property during the period of Oracle's stated evacuation, resulting in more diversification of tenants and presumably reducing the cancellation risk in the future.

* 1m² = 0.3025 tsubo

■ Report on Property Acquisitions and Sales Activities

During the 20th fiscal period, **TOKYU REIT** acquired OKI System Center (*sokochi*) on March 27 (please see page 32 for details of the property.) Moreover, it decided to acquire three properties (KALEIDO Shibuya Miyamasuzaka, Shibuya R Sankei Building and Tokyu Toranomom Building) in association with the capital increase through public offering (acquired after entering the 21st fiscal period). There was no property sold. The portfolio at the end of the 20th fiscal period comprised 27 properties, totaling ¥204.2 billion based on acquisition price and totaling ¥194.8 billion based on appraisal value. Furthermore, after the acquisition of the above three properties, the portfolio has 30 properties totaling ¥229.6 billion by acquisition price, ¥218.7 billion by book value (a rough estimate) and ¥220.6 billion by appraisal value.

Performance Forecasts for the 21st and 22nd Fiscal Periods

Cash distribution per unit is forecast to be ¥12,400 for the 21st fiscal period (ending January 31, 2014) and ¥12,500 for the 22nd fiscal period (ending July 31, 2014), respectively.

The forecasts are calculated based on lease contracts effective as at August 30, 2013. For rent levels, anticipated downward revisions upon contract renewal are factored into the forecast in a conservative manner. In addition, concerning tenants that are contracted to move in but have been granted a free-rent period, no rent income for the concerned period will be recorded as revenue. We assume that no additional property will be acquired other than the above-mentioned three properties.

■ Policy for Tenant Leasing and Rent Negotiation Activities

We will conduct business activities by attracting tenants to vacant spaces positioned as a top priority issue. Specifically, we will continue our focus on leasing activities for Setagaya Business Square (which had the occupancy rate of 93.1% at the end of the 20th fiscal period). While **TOKYU REIT** owns the 55% co-ownership interest in the property, the remaining 45% co-ownership interest was acquired by three subsidiaries of Tokyu Corporation in September 2013. The move allows expectations for the asset management of this property to be conducted even more smoothly in the future. Owning the 55% co-ownership interest, **TOKYU REIT** will continue to take the initiative but will cooperate with Tokyu Corporation in inviting tenants and implementing necessary capital investment in an effort to enhance the asset value of the property.

Focus is also placed on rent negotiations with existing tenants. Upward revisions of rents have already been realized with some tenants for urban retail properties, but it continues to be difficult to raise the rent levels for office properties, although the rate of decrease has been reduced in negotiating rent reductions. Nevertheless, for Shibuya R Sankei Building and Tokyu Toranomom Building that we acquired in the 21st fiscal period, we intend to conduct negotiations for upward revisions of rents with tenants whose contracts are about to expire in the months ahead, given the improving market conditions in the areas.

The situation is also on an improving trend for existing properties of our portfolio. New market rents of office properties we own, which are evaluated every half a year, have increased in seven properties out of 15 (with eight properties remaining unchanged). Consequently, the gap between the new market rents and existing contracted rents (the rent gap) has gradually been narrowed to reach -13.7% for the entire portfolio. We consider that the downward pressure on rents in the future will be reduced significantly if the rent gap becomes smaller than -10%.

Through these activities, we will work to maximize the cash flows produced by the portfolio properties, aiming to achieve internal growth.

■ Policy for Property Acquisitions and Sales Activities

The acquisition of the three properties in association with the capital increase has increased the value of the portfolio to be ¥229.6 billion based on acquisition price. However, we believe that the asset size should eventually reach ¥300 billion or more, and we will continue to proactively consider property acquisitions. At the same time, we will take into account possible property replacement aimed at further enhancing the

portfolio quality. However, we will not fail to secure financial soundness by keeping our loan-to-value (LTV) based on appraisal value under control within a range no higher than 50%.

LTV after the capital increase stands at 48.9%. If the ceiling of LTV is set at 50%, our remaining property acquisition capacity through borrowings is ¥4.9 billion.

Management Status Meetings (Planned in Nagoya and Fukuoka)

In the 21st fiscal period, we plan to hold management status meetings in Nagoya on October 22, 2013 (Tuesday) and in Fukuoka on October 28, 2013 (Monday). We have enclosed an invitation letter with this asset management report for the unitholders residing in Aichi, Shizuoka, Gifu, Mie, Fukuoka, Yamaguchi, Oita, Saga and Kumamoto Prefectures. Unitholders residing in other prefectures and hoping to attend the management status meetings to be held in the said two cities are advised to contact the investment management company. We would greatly appreciate if you take time out of your busy schedules to attend.

September 2013



Masahiro Horie

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

1984
Entered Tokyu Corporation.

1985
Participated in development planning of the Tama Den-en-toshi area.

1986
Logistical support in Japan for overseas real estate development projects located on the west coast of the United States and Hawaii.

1989
Transferred to hotel management company domiciled in Honolulu, Hawaii.

1994
Posted to the Finance & Accounting Division of Tokyu Corporation.

1996
Posted to the Group Controllers Division.

1999
Appointed to the Group Restructuring Strategy & Investor Relations Division. Promoted REIT business proposal as part of the Tokyu Group's Management Policy announced in 2000, commenced REIT business feasibility study.

2001
Posted to Tokyu Real Estate Investment Management Inc. (Tokyu REIM) at the time of company incorporation. Appointed Tokyu REIM Executive Vice President and Representative Director.

2002
Appointed Representative Director, President and Chief Executive Officer of Tokyu REIM (current position).

2003
Obtained approval from the Financial Services Agency in order to act as an Executive Director of TOKYU REIT, Inc. and as a Representative Director, President and Chief Executive Officer of Tokyu REIM (current position).

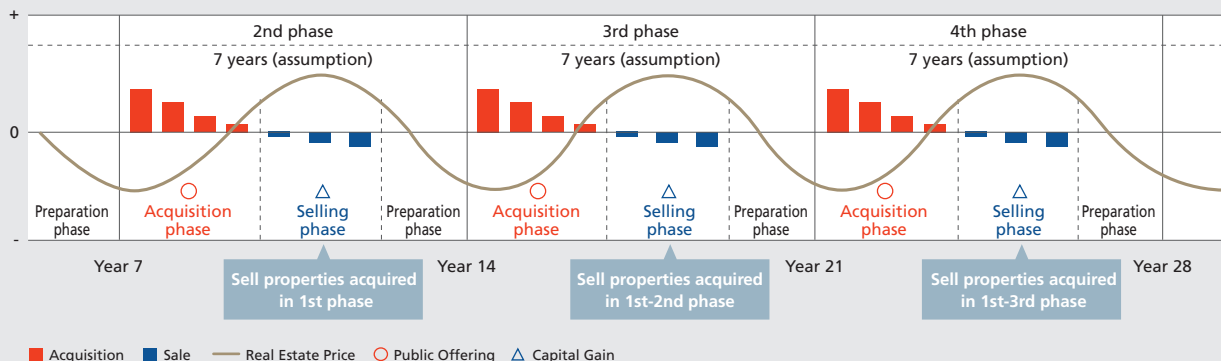
June 2009
Posted to a member of the board of the Investment Trusts Association, Japan (to June 2011).

10-Year Track of TOKYU REIT: External Growth

Basic Investment Strategy and Track Record of TOKYU REIT

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

Since unveiling the Surf Plan in September 2009, TOKYU REIT has conducted investment with a focus on the cyclicity of real estate prices, in order to achieve enhanced portfolio quality. Specifically, TOKYU REIT has adopted the proprietary strategy established by the investment management company, Tokyu REIM, in which it conducts value investment and contrarian investment by focusing on the cyclicity of real estate prices, replacing properties on one hand and aiming to build a portfolio that boasts lasting competitiveness and balance sheets that are strong against even difficult economic times on the other hand. The objective of this approach is to accurately discern the 'waves' of prosperity and depression in real estate market conditions.



Having considered a variety of factors, Tokyu REIM believes that, recently, it has been in a period suitable for acquisitions under the Surf Plan. Therefore, TOKYU REIT intends to remain proactive for some time now in implementing property acquisition activities.

(Note) The above chart has been prepared for illustrative purpose to show the overview of the strategy adopted by TOKYU REIT, and does not guarantee or promise any consistency with actual business trends or management status of TOKYU REIT.

Historical Changes in Investment Results of TOKYU REIT

TOKYU REIT has decelerated its pace to acquire properties in the periods when financing for the real estate sector is on an easing trend and, following the financial crisis that was triggered by the bankruptcy of Lehman Brothers in 2008, it has steadily acquired properties by strictly selecting them in view of their competitiveness and profitability. Based on the thinking of the Surf Plan, TOKYU REIT has acquired six properties totaling ¥36,170 million (based on acquisition price) since 2010, which is positioned as a stage to buy, by utilizing the proceeds from the sale of Resona Maruha Building and Ryoshin Harajuku Building disposed in the 13th fiscal period (ending January 2010), in an effort to expand asset size and enhance portfolio quality. When adding the three properties newly acquired after entering the 21st fiscal period (ending January 2014), TOKYU REIT has acquired nine properties totaling ¥61,590 million (based on acquisition price). Going forward, TOKYU REIT will continue its endeavors to expand asset size and enhance portfolio quality based on the philosophy of the Surf Plan.

Acquisition results after selling Resona

Kojimachi Square



Acquisition Date: Mar. 19, 2010
Acquisition Price: ¥9,030 million
Appraisal Value at Acquisition: ¥9,100 million
Seller: Verde Investment Ltd.

Kiba Eitai Building



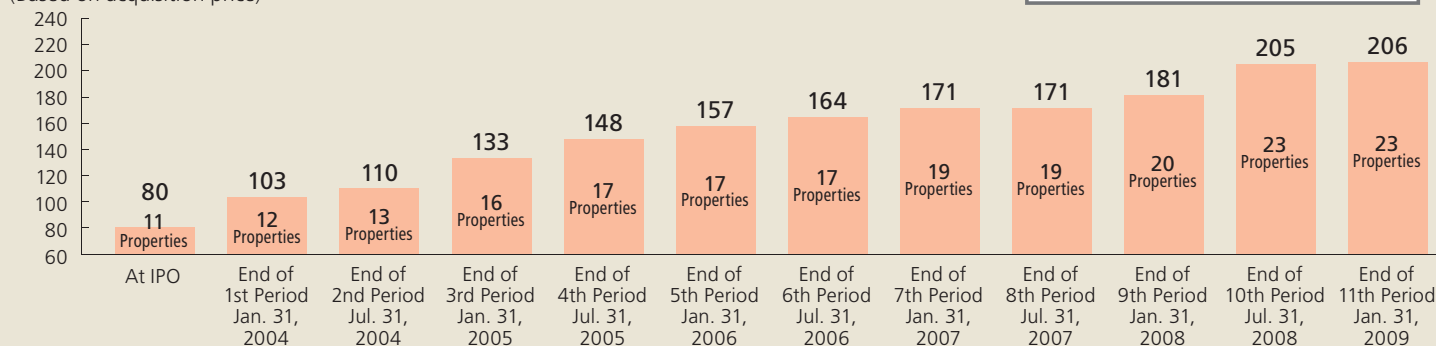
Acquisition Date: Oct. 29, 2010
Acquisition Price: ¥4,000 million
Appraisal Value at Acquisition: ¥4,460 million
Seller: G.K.ASOK

Sale of Resona Maruha Building and Ryoshin Harajuku Building

- Properties contributed by sponsors, etc. (Note) (upon acquisition)
- Properties acquired through brokerage or reference by the sponsors (upon acquisition)

Asset Size (¥ billion)

(Based on acquisition price)



(Note) "Sponsors, etc." may include Tokyu Land Corporation, which had been a sponsor of Tokyu REIM along with Tokyu Corporation through June 2011. The same applies throughout this document.

Investment Style

Value & Contrary

Value

An approach of investing into properties that are undervalued against the respective benchmarks. **TOKYU REIT** aims to secure high yield (total return) by acquiring properties that appear to be undervalued in terms of their appraisal values, NOI (net operating income) and other indicators.

Contrary

An approach of investing in the phase when prices are falling. **TOKYU REIT** aims to acquire properties when they are priced low and sell them when they are priced high, thereby recouping the investment.

Maruha Building and Ryoshin Harajuku Building (since 2010)
(Acquisition price: ¥36,170 million)

TOKYU REIT Shinjuku Building



Acquisition Date: Mar. 26, 2010
Acquisition Price: ¥9,000 million
Appraisal Value at Acquisition: ¥9,790 million
Seller: ORIX JREIT Inc.

Tokyu Ginza 2-chome Building



Acquisition Date: Feb. 15, 2011
Acquisition Price: ¥5,010 million
Appraisal Value at Acquisition: ¥5,020 million
Seller: Tokyu Corporation

Akihabara Sanwa Toyo Building



Acquisition Date: Oct. 29, 2010
Acquisition Price: ¥4,600 million
Appraisal Value at Acquisition: ¥4,820 million
Seller: G.K.ASOK

OKI System Center (*sokochi*)



Acquisition Date: Mar. 27, 2013
Acquisition Price: ¥4,530 million
Appraisal Value at Acquisition: ¥4,830 million
Seller: Oki Electric Industry Co., Ltd.

Newly Acquired Properties (Acquisition price: ¥25,420 million)

Tokyu Toranomon Building



Acquisition Date: Aug. 16, 2013
Acquisition Price: ¥15,000 million
Appraisal Value at Acquisition: ¥15,100 million
Seller: Tokyu Corporation

KALEIDO Shibuya Miyamasuzaka

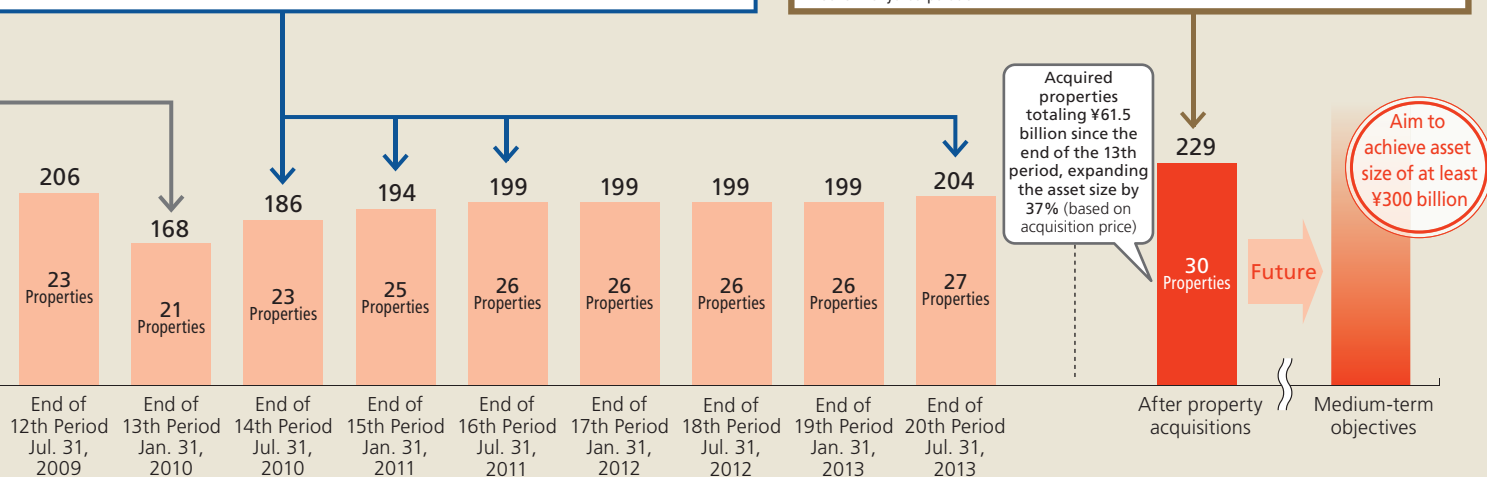


Acquisition Date: Aug. 16, 2013
Acquisition Price: ¥5,150 million
Appraisal Value at Acquisition: ¥5,280 million
Seller: G.K. OMCE Kaihatsu

Shibuya R Sankei Building



Acquisition Date: Aug. 16, 2013
Acquisition Price: ¥5,270 million
Appraisal Value at Acquisition: ¥5,430 million
Seller: The Sankei Building Co., Ltd.



Property acquisitions through collaboration with TOKYU REIT sponsors

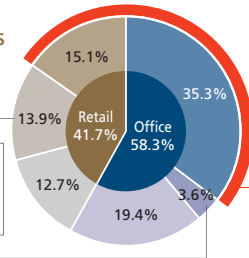


QFRONT

Acquisition through contributions by the sponsors, etc.
14 properties ¥115,860 million (50.5%)

Retail: 5 properties
¥34,710 million
(15.1%)

Acquisition by utilizing
warehousing functions
provided by the sponsors
6 properties ¥40,190 million

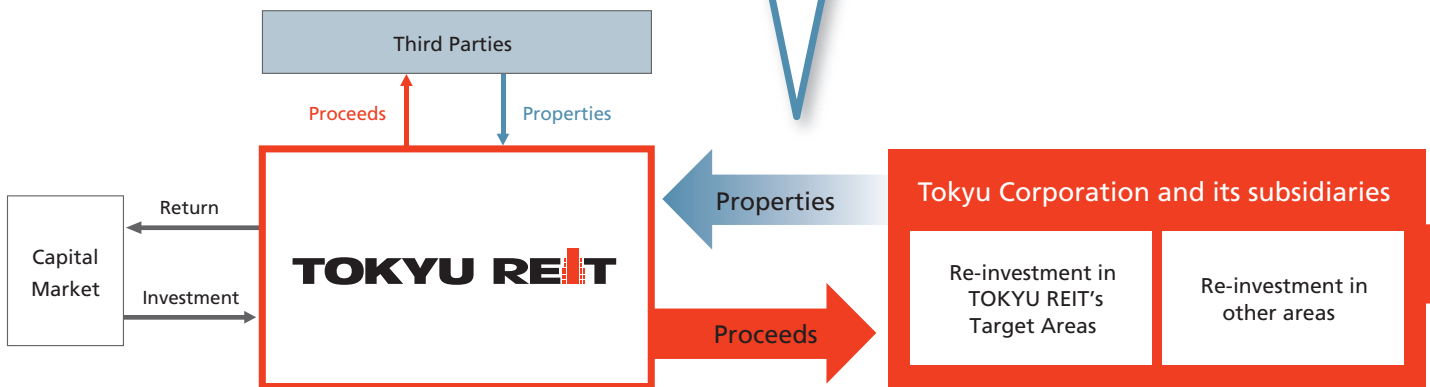


Office: 9 properties
¥81,150 million
(35.3%)

Properties contributed
by sponsors, etc.



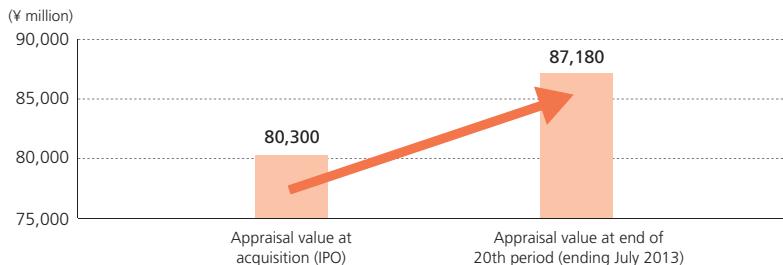
Setagaya Business Square



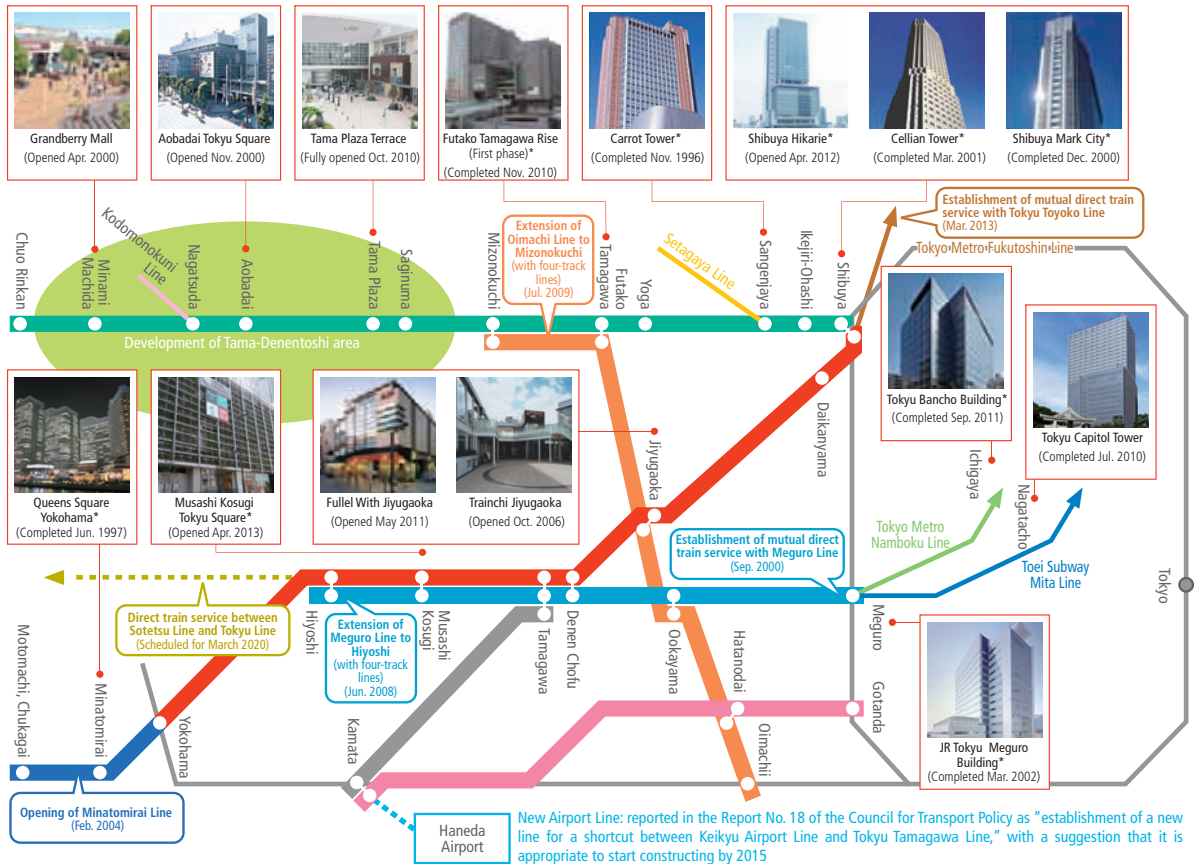
When the properties owned or newly developed by Tokyu Corporation, etc. are sold to third parties including TOKYU REIT, the investment capital is collected and can be re-invested by Tokyu Corporation, etc. in real estate development centering on the areas along the Tokyu railways or in other businesses. TOKYU REIT believes that such a strategic investment will not only help improve the quality of the living environment, increase the population and enhance the ability to attract visitors in the areas along the Tokyu railways, but also activate the economic activities of the areas, and expects that these achievements will contribute to the growth of TOKYU REIT that strategically promotes investment in the said areas.

Maintain and improve the portfolio value of TOKYU REIT

Changes in the total appraisal value of 11 properties acquired upon listing

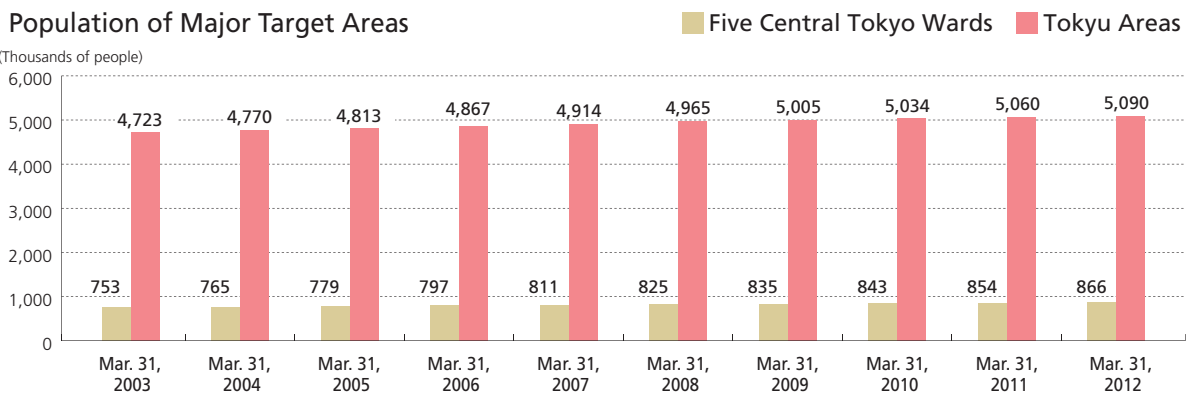


Development by Tokyu Corporation in the areas along its railroad lines (real estate and railway)



(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.

Improve the value and population growth of TOKYU REIT's target areas



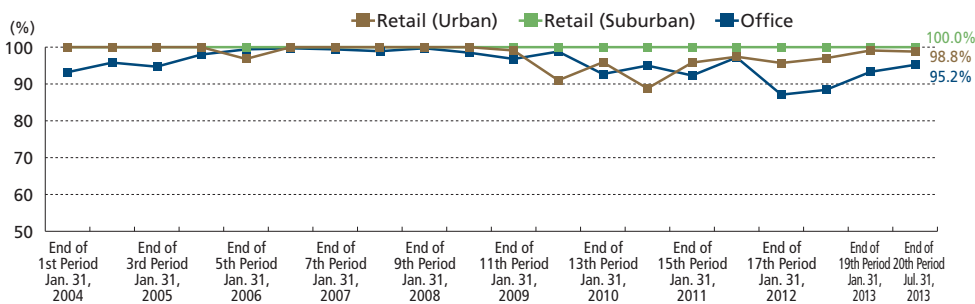
Source: "Basic Resident Register" of the Ministry of Internal Affairs and Communications

10-Year Track of TOKYU REIT: Internal Growth

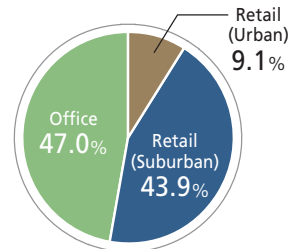
Internal Growth from Realizing "Investment in Highly Competitive Properties in Areas with Strong Growth Potential"

Portfolio Performance

Changes in Occupancy Rate

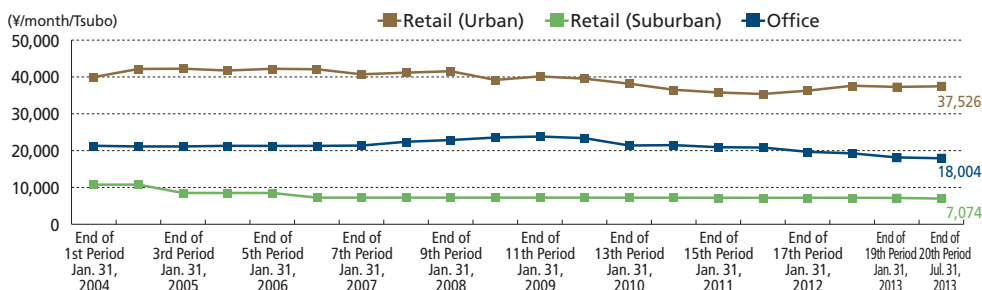


Total Leasable Area by Segment (As of end of Jul. 2013)

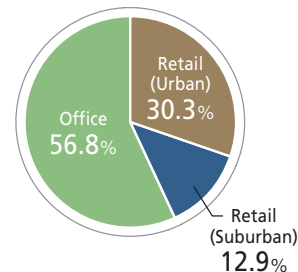


(Note) OKI System Center (*sokochi*) is not included in office properties when calculating the occupancy rate. Furthermore, the occupancy rate of OKI System Center (*sokochi*) was 100% as of the end of the 20th period.

Changes in Average Rent



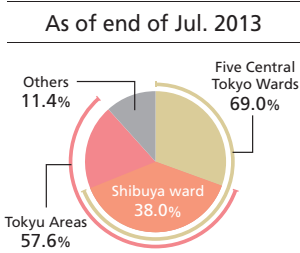
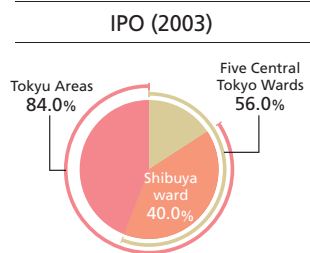
Rent Revenues by Segment (As of end of Jul. 2013)



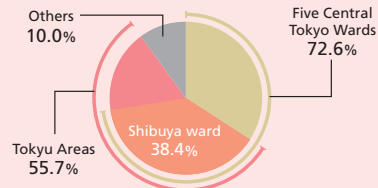
(Note) Shonan Mall Fill (*sokochi*) and OKI System Center (*sokochi*) are not included in the calculation of the changes in rents.

Portfolio with Stability

Diversified Property Regions (Based on Appraisal Values at End of Period)

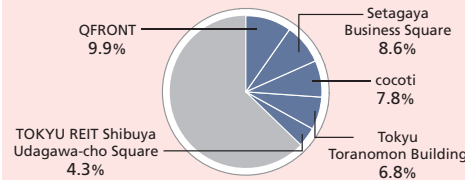
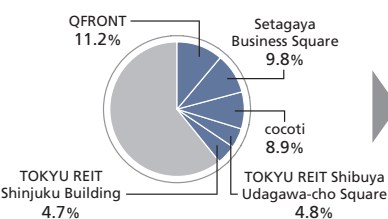
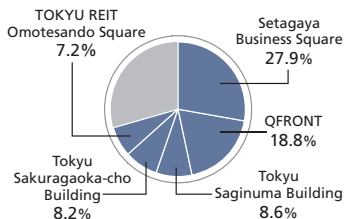


After acquisition of newly acquired properties



Investment ratio in Five Central Tokyo Wards increased

Diversified Portfolio (Based on Appraisal Values at End of Period)



Ratio of each property to the entire portfolio decreased due to an increase in properties

Portfolio Cap Rate (Based on Appraisal Values at End of Period)

5.62%

4.65%

4.61%

Cap rate decreased as a result of acquiring superior properties (an advance in the strategy of keeping the portfolio cap rate low)

Leasing Activities

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 fiscal 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.

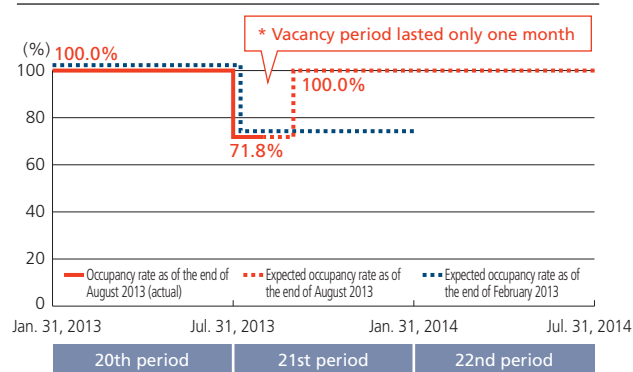


Exterior view



Inside the shop

Changes in the occupancy rate

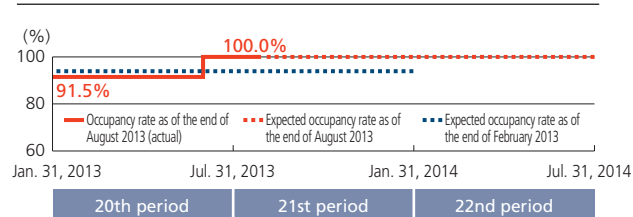


Daikanyama Forum

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



Changes in the occupancy rate



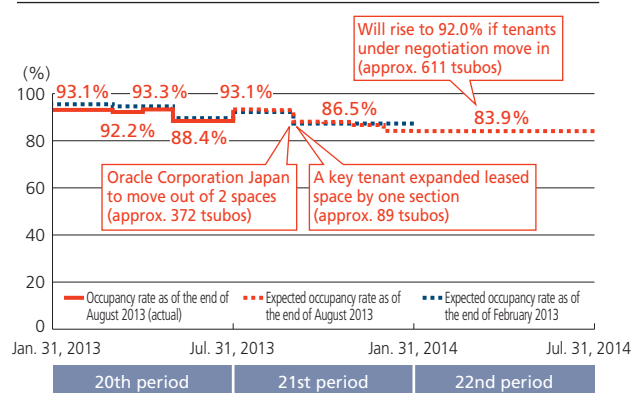
Aim to realize internal growth by attracting tenants to Setagaya Business Square, a prioritized leasing property, at an early stage.

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 (approx. 1,269m²)) concluded in the 20th fiscal 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 fiscal period ending January 2014 is expected to be 83.9%.
 - ▶ Combined with existing vacant spaces, approx. 1,195 tsubos (approx. 3,950m²) 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 (approx. 1,276m²)).
 - ▶ For other 2 sections (approx. 225 tsubos (approx. 743m²)), "requests for reviewing" have been received from candidate tenants (occupancy rate as of the end of the 21st fiscal 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.

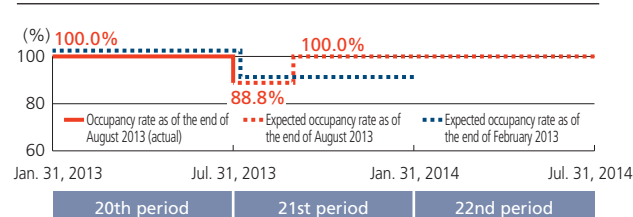
Changes in occupancy rate



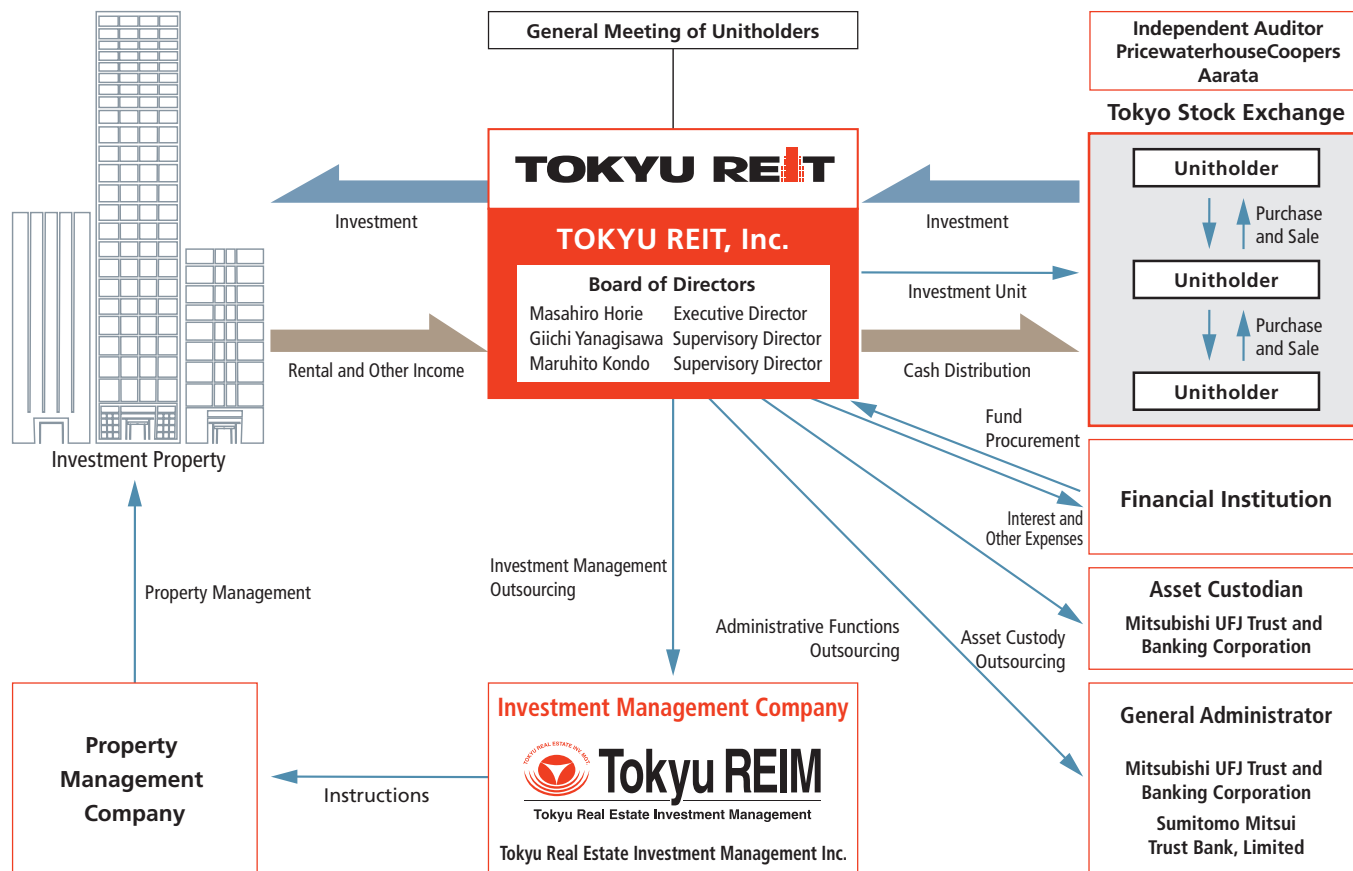
TOKYU REIT Kamata Building

- Occupancy rate as of the end of the 20th fiscal 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 fiscal period: 100%.
- Notices of cancellation were received for 1 section (approx. 249 tsubos (approx. 823m²)) 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 fiscal period: 100%).
- For the relevant section, a new contract was concluded with Ajinomoto Engineering Corporation in the 20th fiscal period (lease starting in September 2013), bringing the expected occupancy rate as of the end of the 21st fiscal period to 100%.
- Vacancy period was reduced (previous vacancy period: 4 months; latest vacancy period: 2 months).

Changes in occupancy rate



Governance Structure



The Board of Directors Meeting

TOKYU REIT's Board of Directors comprises Executive Directors that execute the operations of the investment corporation and Supervisory Directors that oversee the Executive Directors' execution of operations. The Articles of Incorporation stipulate that the Board of Directors must contain one or two Executive Directors and two or three Supervisory Directors, with at least one more Supervisory Director than the number of Executive Directors. It also limits the term of office of these directors at two years. As of the end of the 20th fiscal period, there were one Executive Director and two Supervisory Directors at TOKYU REIT.



Giichi Yanagisawa
Supervisory Director



Masahiro Horie
Executive Director



Maruhito Kondo
Supervisory Director

Giichi Yanagisawa Supervisory Director

- March 1985** Certified as a public accountant in Japan (current position). Established Yanagisawa Certified Public Accountant Office.
- May 1985** Certified as a tax accountant in Japan (current position).
- June 2000** Appointed representative, Shinsoh Audit Corporation.
- July 2001** Appointed member of the Board of The Japanese Institute of Certified Public Accountants.
- June 2003** Appointed Supervisory Director, TOKYU REIT, Inc. (current position).
- July 2004** Appointed Executive Board of The Japanese Institute of Certified Public Accountants.
- July 2010** Appointed Deputy President of the Tokyo Chapter of The Japanese Institute of Certified Public Accountants.
- April 2011** Appointed Chief Representative, Shinsoh Audit Corporation (current position).
- June 2013** Appointed president of the Tokyo Chapter of the Japanese Institute of Certified Accountants (current position)
- July 2013** Appointed Deputy President of the Japanese Institute of Certified Public Accountants (current position)

Maruhito Kondo Supervisory Director

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

Note: See page 11 about Masahiro Horie's career.

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.”

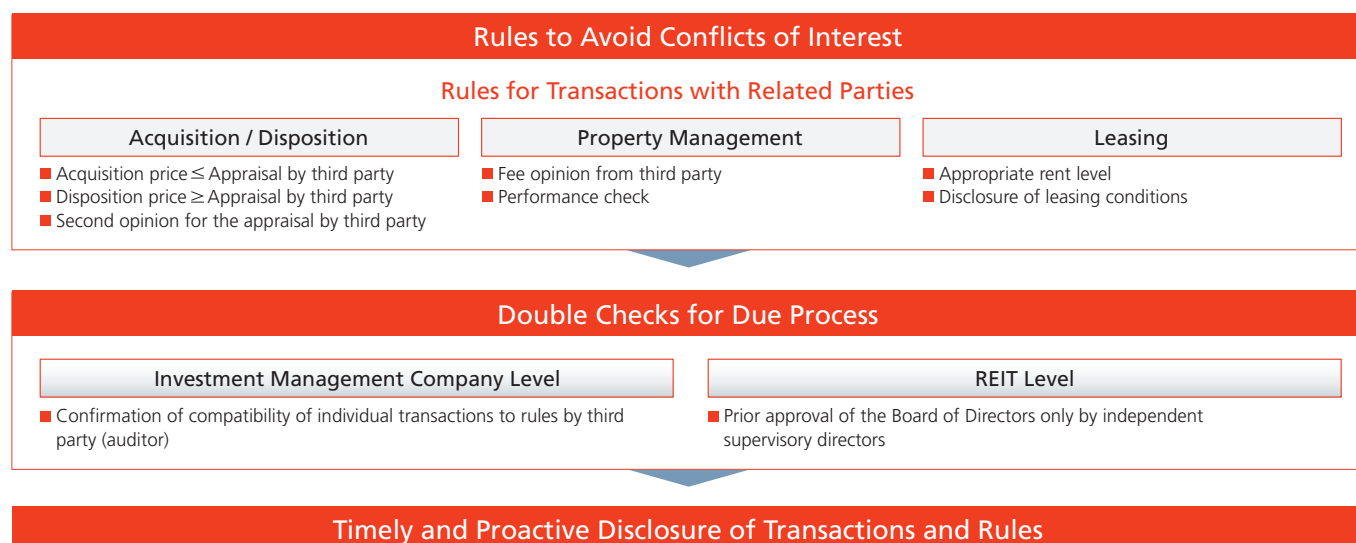
	Objective (Aim)	Formula	Note
Base 1 (Linked to asset valuation)	Enhance growth.	Asset value at end of previous period × 0.150% (0.125% for the portion exceeding ¥200 billion and ¥300 billion or less) (0.115% for the portion exceeding ¥300 billion)	Encourage Investment Management Company to strive for 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 and ¥7.5 billion or less) (4.6% for the portion exceeding ¥7.5 billion)	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)		(Average price in current period – Highest average price over all previous periods) × number of units × 0.4%	Change from 1.0% to 0.4%, approved by General Meeting of Unitholders on April 17, 2007.
Time-Limited Reduction	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.

Related Party Transactions

Development of self-imposed rules on transactions with Related Parties^(Note) and measures to avoid conflicts of interest through multiple checks



(Note) “Related Parties” is a collective term for “Tokyu Corporation and its subsidiaries,” “Affiliates of Tokyu Corporation except Tokyu Corporation’s subsidiaries,” and “Tokyu Fudosan Holdings Corporation and its subsidiaries.”

1. “Affiliates of Tokyu Corporation except Tokyu Corporation’s subsidiaries” refers to affiliates within the scope of consolidation of Tokyu Corporation.
2. “Tokyu Fudosan Holdings Corporation and its subsidiaries” refers to any entity that falls under the following (i) to (iii):
 - (i) Tokyu Fudosan Holdings Corporation (“Tokyu Fudosan Holdings”)
 - (ii) A consolidated subsidiary of Tokyu Fudosan Holdings
 - (iii) A tokutei mokuteki kaisha (TMK) or special purpose company (SPC) that was established based on the intention of Tokyu Fudosan Holdings or a consolidated subsidiary of Tokyu Fudosan Holdings and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.

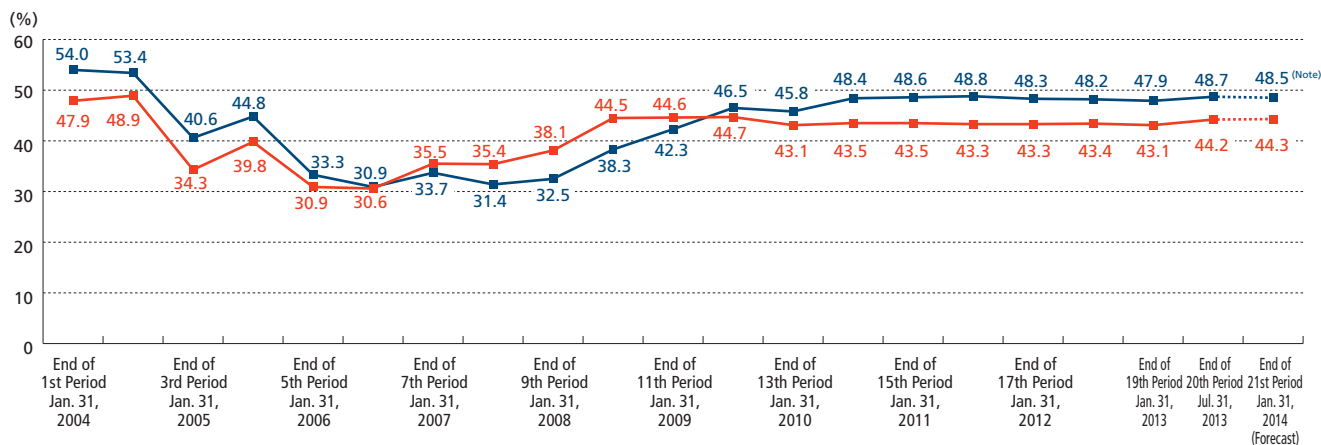
10-Year Track of TOKYU REIT: Financial Strategies

Disciplined Financial Strategies Also Prepared for the Risk of Interest Rate Hike

Financial Highlight

Changes in LTV

TOKYU REIT controls its LTV in a conservative manner in order to secure financial soundness.



— LTV / Total assets at end of period = Balance of period end interest-bearing debt / period end total assets

— 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)

LTV at end of period is calculated by using appraisal value, and thus increases or decreases if appraisal value at end of period decreases or increases.

(Note) In calculating the LTV at end of period, appraisal values at the end of the 20th fiscal period are used for properties owned as of the end of the 20th fiscal period, and the appraisal values upon acquisition are used for the properties acquired in the 21st fiscal period.

Loans

Total Interest-Bearing Debt	¥91 billion
Long-Term Fixed-Rate Ratio	100.0%
Average Duration	3.91 years

Commitment Line

Lender	Limit for the Commitment Line	Period
Development Bank of Japan, Inc.	¥9.0 billion	Jul. 1, 2014
Sumitomo Mitsui Trust Bank, Limited	¥3.2 billion	Jul. 11, 2014
Sumitomo Mitsui Trust Bank, Limited	¥2.0 billion	Apr. 20, 2014
Mizuho Bank, Ltd.	¥1.6 billion	Jul. 11, 2014
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1.6 billion	Jul. 11, 2014
Mitsubishi UFJ Trust and Banking Corporation	¥1.6 billion	Jul. 11, 2014
Total ¥19.0 billion		

Results of Procurement, Repayment and Redemption of Interest-Bearing Debts in the Last Two Periods (19th and 20th Fiscal Periods)

Successfully achieved lower borrowing interest rates while working to extend the duration of borrowings and maturity schedule for redemption.

Results of Repayment and Redemption (19th and 20th Fiscal Periods)

Lender (Name of investment corporation bonds)	Amount (Millions of yen)	Interest Rate	Term
Results of Repayment and Redemption in the 19th Fiscal Period			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,400	0.99000%	3.2 years
1st Series Unsecured Investment Corporation Bond	5,000	1.65000%	5.0 years
Mitsubishi UFJ Trust and Banking Corporation	2,000	1.72500%	4.0 years
Daido Life Insurance Company	1,000	1.17125%	2.5 years
Weighted Average (19th Fiscal Period)		1.51566%	4.2 years
Results of Repayment in the 20th Fiscal Period			
Sumitomo Mitsui Trust Bank, Limited	2,500	1.67500%	4.0 years
Sumitomo Mitsui Trust Bank, Limited	400	1.66375%	4.0 years
Mitsubishi UFJ Trust and Banking Corporation	2,500	1.67500%	4.0 years
Mitsubishi UFJ Trust and Banking Corporation	3,500	0.52500%	1.0 years
Mitsubishi UFJ Trust and Banking Corporation	1,000	0.52500%	1.0 years
The Dai-ichi Life Insurance Company, Limited	4,000	2.21125%	7.0 years
Weighted Average (20th Fiscal Period)		1.45669%	3.8 years

Results of Procurement (19th and 20th Fiscal Periods)

Lender (Name of investment corporation bonds)	Amount (Millions of yen)	Interest Rate	Term
Results of Procurement in the 19th Fiscal Period			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,400	1.32250%	7.0 years
3rd Series Unsecured Investment Corporation Bond	3,000	1.47000%	10.0 years
Mitsubishi UFJ Trust and Banking Corporation	2,000	1.24625%	7.0 years
Daido Life Insurance Company	500	0.68125%	3.0 years
Mizuho Bank, Ltd. (Note 1)	500	1.23375%	7.0 years
Weighted Average (19th Fiscal Period)		1.31236%	7.9 years
Results of Procurement in the 20th Fiscal Period			
Mitsubishi UFJ Trust and Banking Corporation	4,500	0.53500%	1.0 years
Sumitomo Mitsui Trust Bank, Limited	2,900	1.53375%	7.5 years
Mitsubishi UFJ Trust and Banking Corporation	1,500	1.45125%	7.0 years
Mitsubishi UFJ Trust and Banking Corporation	500	1.07500%	5.0 years
Mitsubishi UFJ Trust and Banking Corporation	500	0.77500%	3.0 years
Mizuho Trust & Banking Co., Ltd.	1,500	1.91375%	10.0 years

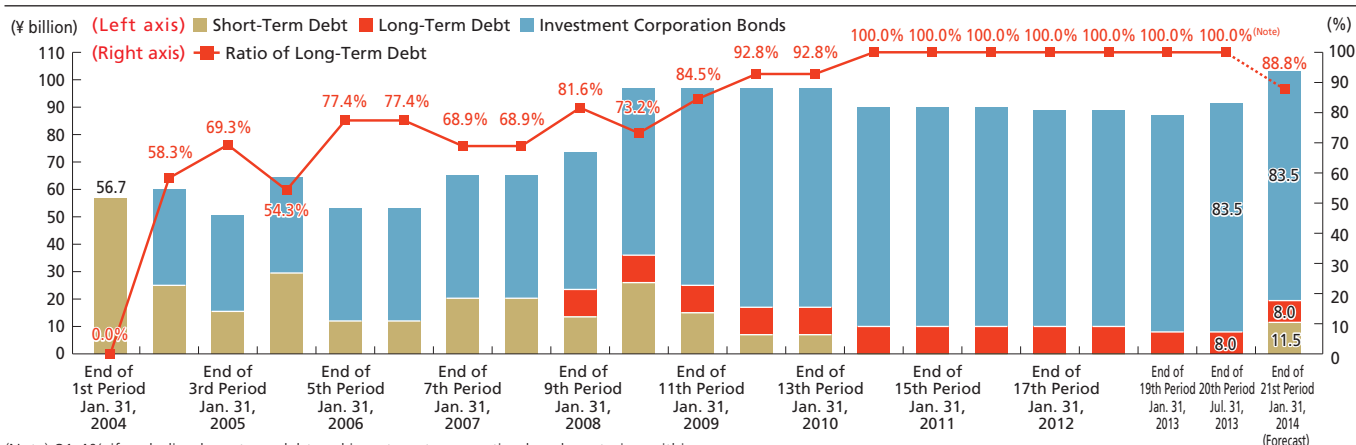
Lender (Name of investment corporation bonds)	Amount (Millions of yen)	Interest Rate	Term
Results of Procurement in the 20th Fiscal Period			
Development Bank of Japan Inc.	1,000	1.91375%	10.0 years
The Norinchukin Bank	500	1.47250%	7.0 years
Mitsui Sumitomo Insurance Company, Limited	500	1.47250%	7.0 years
The Dai-ichi Life Insurance Company, Limited	2,500	1.51375%	8.0 years
The Dai-ichi Life Insurance Company, Limited	2,000	0.99125%	5.0 years
Nippon Life Insurance Company	500	1.51375%	8.0 years
Weighted Average (20th Fiscal Period)		1.23575%	5.8 years

(Notes) 1. Mizuho Corporate Bank, Ltd. at the time of drawdown.
2. No upfront fees are payable by TOKYU REIT for the debt financing above.

Changes in Financial Indices

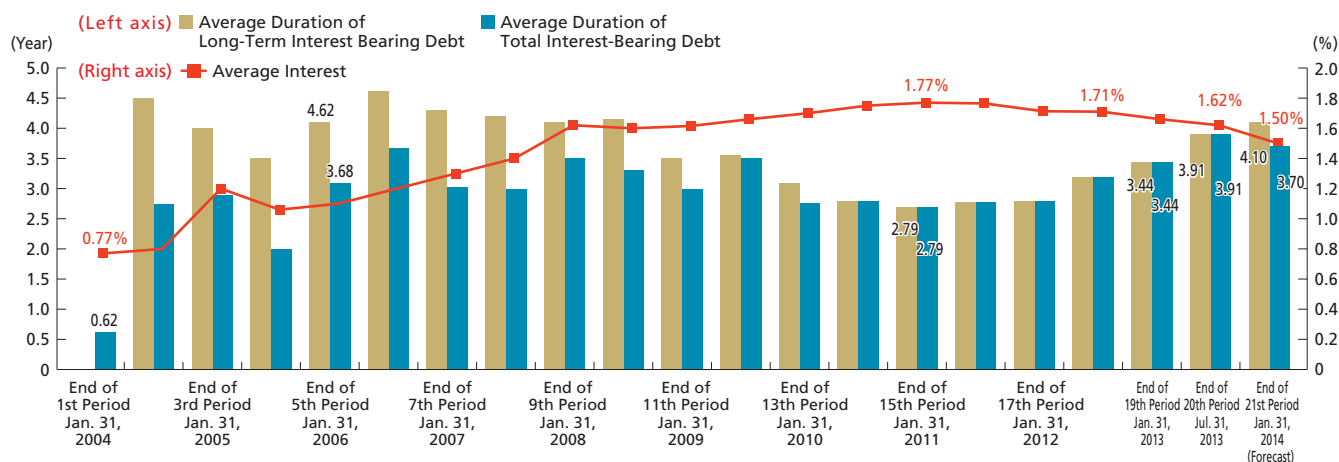
- Promoted a shift to long-term fixed-interest debt financing and lowered funding costs, taking advantage of the improved interest-bearing debt financing environment.
- Realized diversification of fund procurement methods including the issuing of 10-year investment corporation bonds.

Ratio of Long-Term Debt



(Note) 81.4% if excluding long-term debt and investment corporation bonds maturing within a year

Average Duration of Interest-Bearing Debt and Average Interest

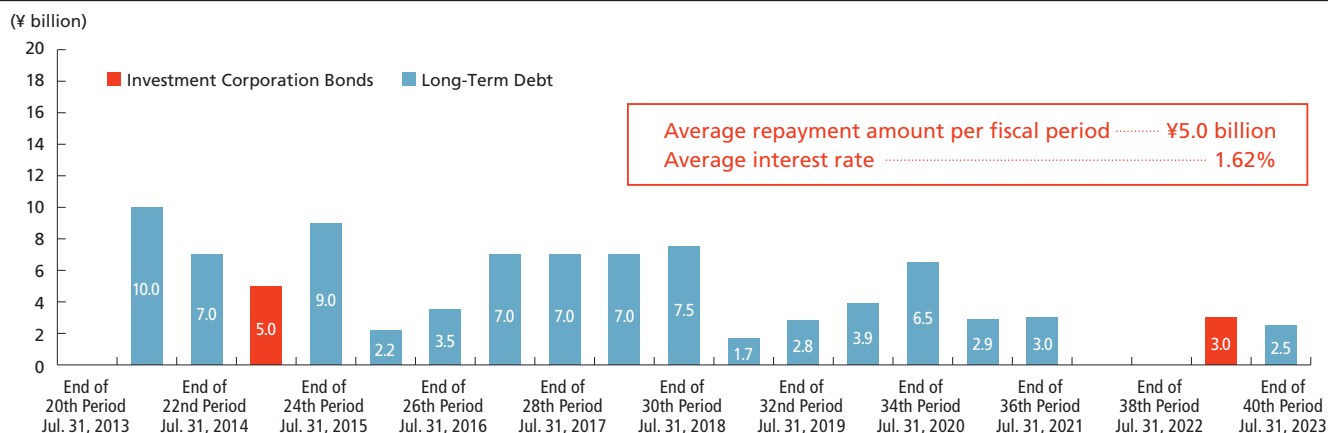


Diversification of Repayment and Redemption Dates of Interest-Bearing Debts

TOKYU REIT works to diversify repayment and redemption dates for its debt financing in order to avoid the necessity of large-scale refinancing within a short period of time.

Diversification of Repayment and Redemption Dates of Interest-Bearing Debts

As of end of Jul. 2013

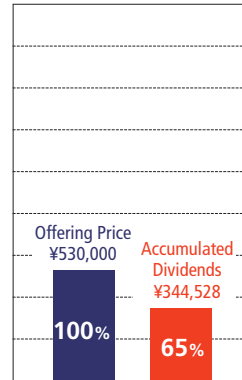


10-Year Track of TOKYU REIT: Financial Strategies

Performance Against Public Offering Price

We show the performance of our unit prices and our unit prices with accumulated cash distribution compared to our public offering prices. The graphs also present accumulated cash distributions against the offering price. The red line graphs plot investment unit price inclusive of cash distributions. As at the end of July 2013, investment unit price inclusive of cash distributions exceeded offering price for the past three public offerings. Moreover, unitholders who took part in the IPO have already recouped about 65% of their investment amount with cash distributions alone. We will make our best effort to provide an even greater return to our unitholders.

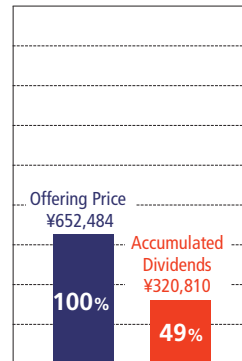
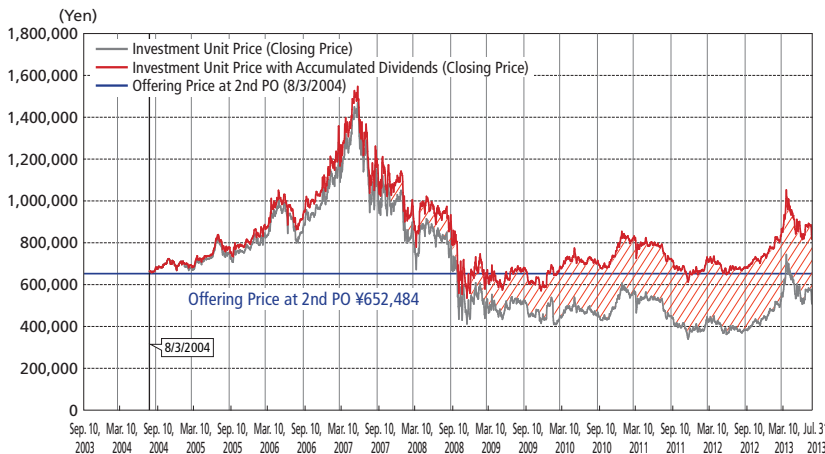
Initial Public Offering (IPO) (Issued Sep. 10, 2003)



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

If the offering price is 100, then accumulated dividends would equal 65.

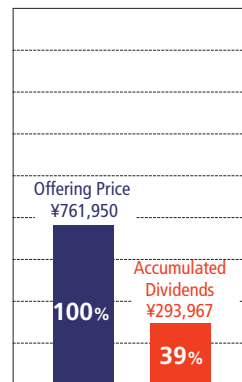
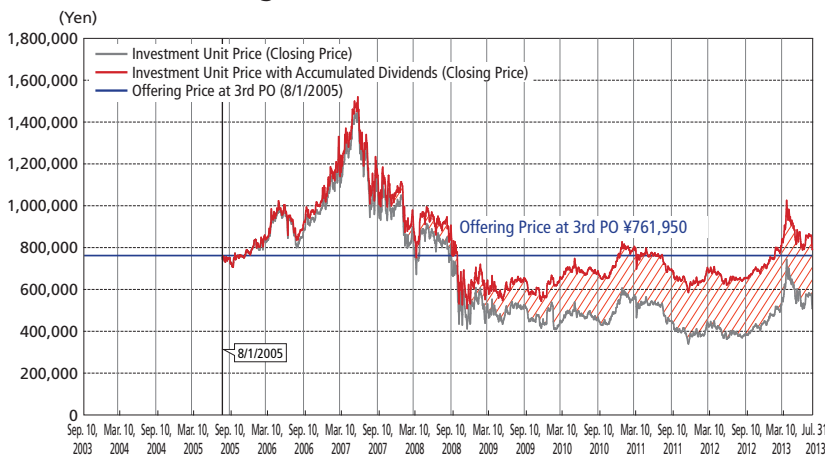
Second Public Offering (2nd PO) (Issued Aug. 3, 2004)



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

If the offering price is 100, then accumulated dividends would equal 49.

Third Public Offering (3rd PO) (Issued Aug. 1, 2005)



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

If the offering price is 100, then accumulated dividends would equal 39.



PORTFOLIO

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

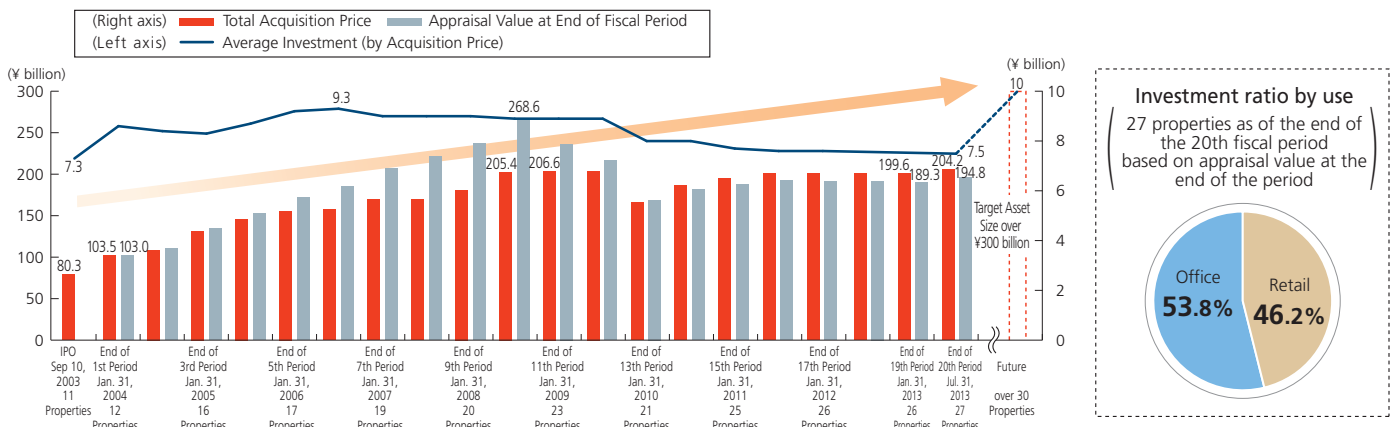
Investment Targeted Areas	<ul style="list-style-type: none"> ■ Focusing on Five Central Tokyo Wards and Tokyu Areas expecting economic and population growth ■ Limited to Tokyo Metropolitan Area
Investment Criteria	<ul style="list-style-type: none"> ■ Limited to office and retail portfolios with lower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

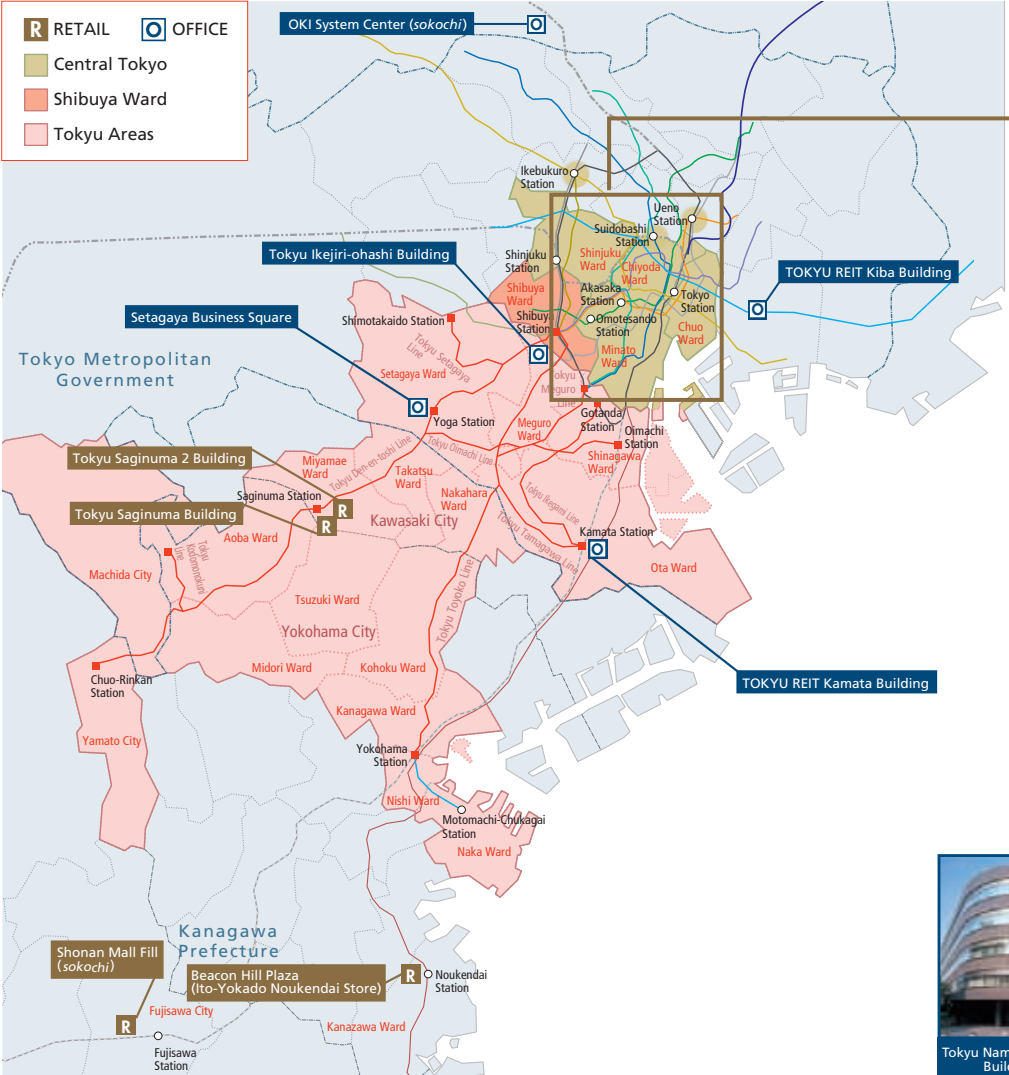
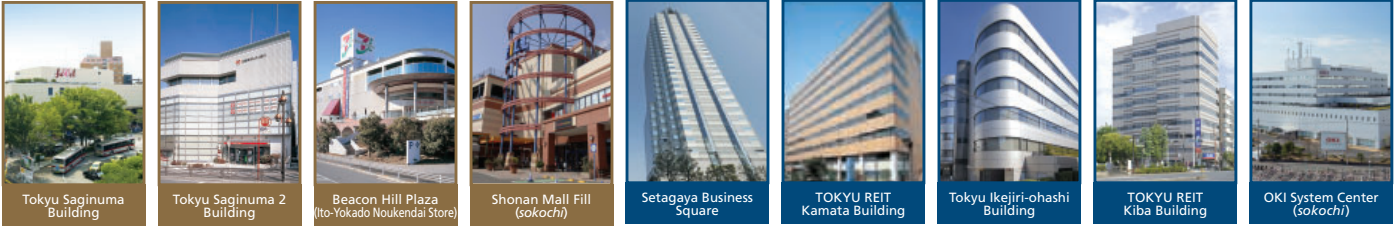
Total Acquisition Price and Appraisal Value, Investment Ratio (at the End of the Fiscal Period)

Total acquisition price as of the end of the 20th fiscal period ended July 31, 2013, stood at ¥204.2 billion, and appraisal value at the end of the fiscal period stood at ¥194.8 billion. Moreover, as a result of acquiring three properties by using the proceeds from the public offering in the 21st fiscal period, the total acquisition price rose to ¥229.6 billion. Given TOKYU REIT's portfolio diversification, mobility of property acquisition, and liquidity of investment units, we believe that the asset portfolio should eventually reach ¥300 billion or more. **TOKYU REIT** will steadily expand asset size with high quality properties on proper price, not pursuing expansion of asset size only, but considering real estate market.

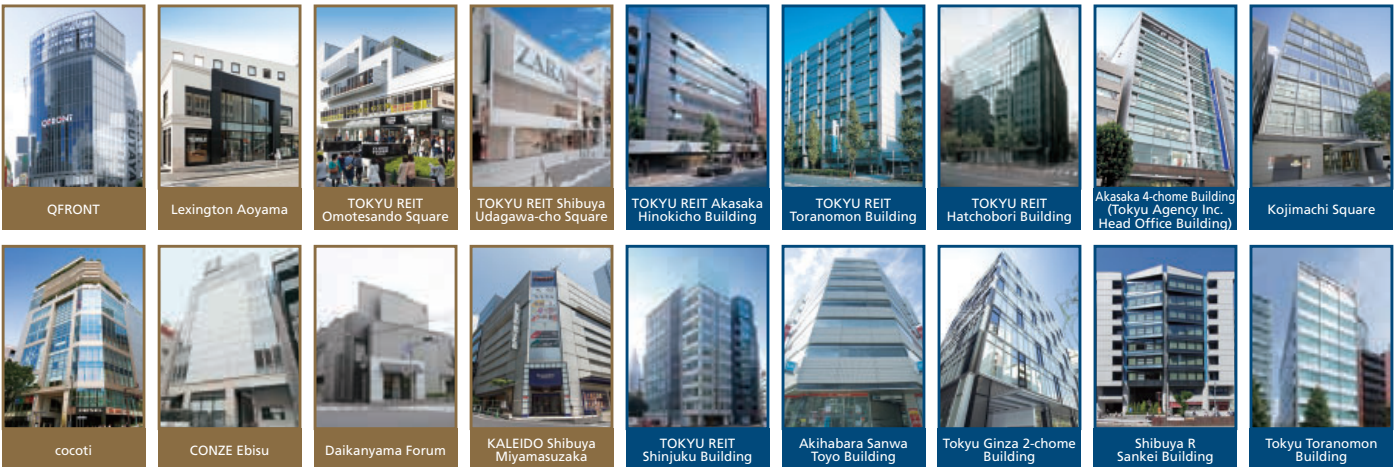
TOKYU REIT focuses on highly competitive office and retail properties and strives to maintain a ratio of 60% in office buildings and 40% in retail properties (based on appraisal value at the end of the fiscal period) over the long term.

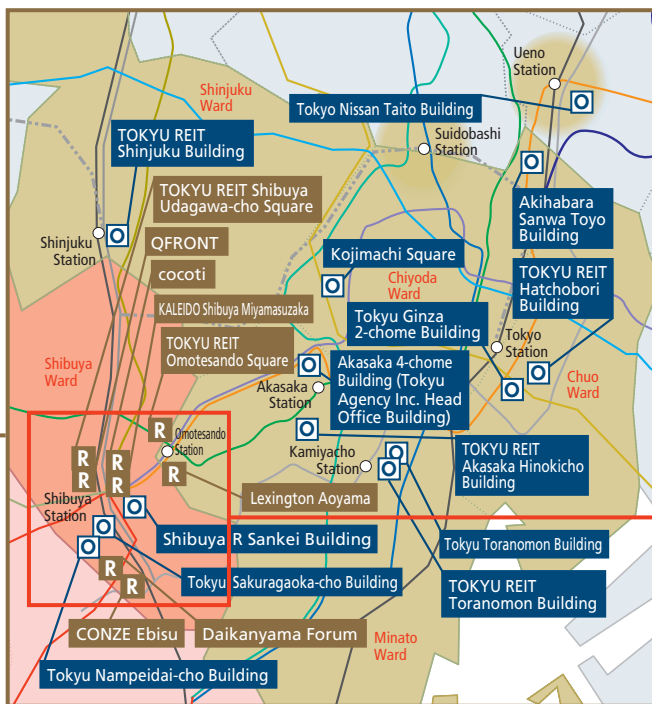
As of the end of the 20th fiscal period (27 properties), investment ratio by use based on appraisal value at the end of the fiscal period is as follows:





- Tokyu Railways
- Tokyo Metro Hanzomon Line
- Tokyo Metro Ginza Line
- Tokyo Metro Yurakucho Line
- Tokyo Metro Hibiya Line
- Tokyo Metro Chiyoda Line
- Tokyo Metro Tozai Line
- Tokyo Metro Nanboku Line
- Tokyo Metro Fukutoshin Line
- Minatomirai Line
- Toei Mita Line
- Keio Inokashira Line
- Keikyu Line
- Tsukuba Express
- JR Yamanote Line
- JR Saikyo Line
- - - JR Tokaido Line
- - - JR Chuo Line
- - - JR Keihin Tohoku Line

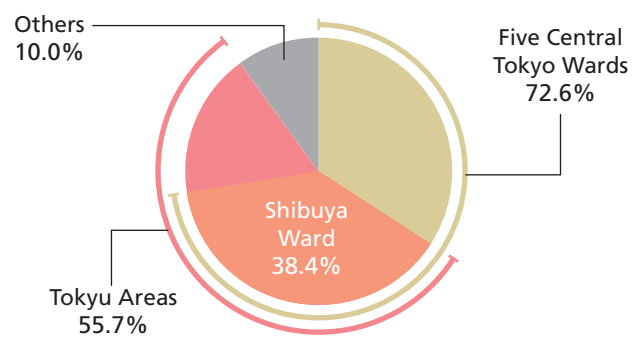




* As of the date this presentation was prepared, TOKYU REIT has no plan to acquire properties owned by Tokyu Corporation and its subsidiaries.
 * This map represents an extract selection and does not indicate all major facilities.
 * Some properties are only partially owned by TOKYU REIT or Tokyu Corporation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

Percentage share in total portfolio by region

(27 properties based on the appraisal value at the end of the 20th fiscal period/newly acquired properties based on the appraisal value at acquisition)



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

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

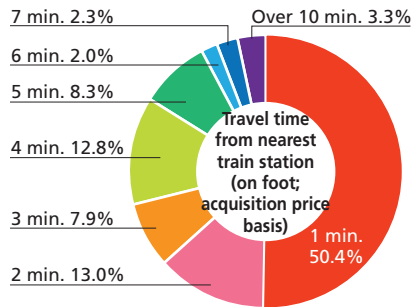
(Notes) 1. Shibuya ward is included in both the central Tokyo wards and the Tokyu Areas.
 2. Percentage share in total portfolio is calculated based on the appraisal value of properties as of the end of the previous fiscal period and the appraisal value (obtained at the time of intended property purchase) of properties purchased during the current fiscal period.

Portfolio

Data of 20th Fiscal Period

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

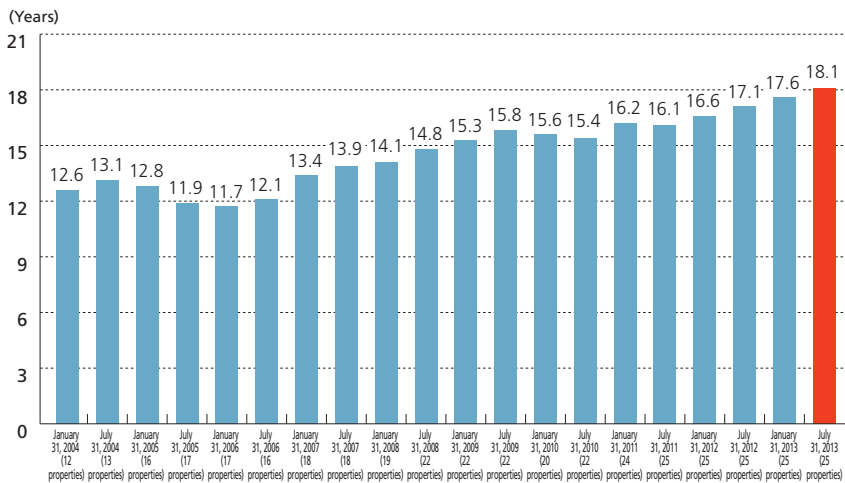
Location



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

Property Age

Weighted-Average Number of Years Since Construction

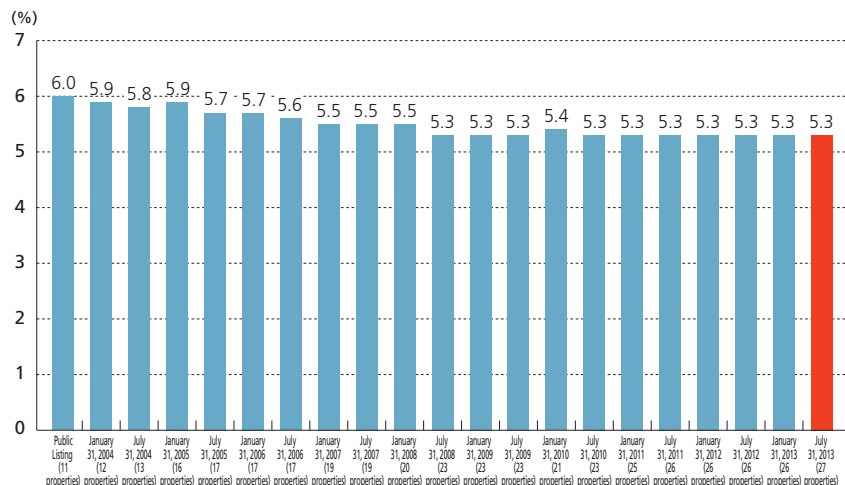


The graph on the left shows the weighted-average age of buildings based on building price at the end of each fiscal period. Based on 25 properties as of the end of the 20th fiscal period, 18.1 years have passed since construction and the number of years increases only 5.5 years from the point of January 31, 2004 in elapsed 9 and a half years from then.

* The graph on the weighted-average age of buildings based on building price from every fiscal period
 * Excluding Shonan Mall Fill (sokochi)

Portfolio Cap Rate

Weighted-Average Appraised NOI Yield



TOKYU REIT has acquired some properties after listing, and as of the end of the 20th fiscal period (27 properties), the weighted-average appraised NOI yield fell to 5.3%. A low appraised NOI yield is considered an indicator of reduced risk of a decrease in future earnings. **TOKYU REIT** will continue efforts to build a portfolio with low risks and stable returns in the future.

Top 10 Tenants by Leased Area

Top 10 Tenants by Leased Area

As of July 31, 2013

No.	Tenant Name	Business Category	Property Name	Expiration Date	Leased Area (m ²)	Ratio (Note 1)
1	Ito-Yokado Co., Ltd.	Retail	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	6/17/2018	50,285.89	19.6%
2	DAIWA House Co., Ltd.	Construction	R Shonan Mall Fill (<i>sokochi</i>)	3/19/2023	44,078.12	17.1%
3	Tokyu Store Corporation	Retail	R Tokyu Saginuma Building	6/30/2018	19,610.06	7.6%
4	OKI Electric Industry Co., Ltd.	Electric equipment	Ⓞ OKI System Center (<i>sokochi</i>)	3/26/2033	17,019.19	6.6%
5	Tokyu Corporation	Land Transportation	Ⓞ Tokyu Nampeidai-cho Building	12/31/2021	7,148.18	2.8%
			Ⓞ Tokyu Sakuragaoka-cho Building	12/31/2021	3,878.36	1.5%
6	Culture Convenience Club Co., Ltd.	Service	R QFRONT	12/14/2019 (Note 2)	4,044.10	1.6%
			Ⓞ Setagaya Business Square (Note 3)	8/14/2014 (Note 2)	220.65	0.1%
7	Tokyu Agency Inc.	Service	Ⓞ Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1/31/2023	3,533.03	1.4%
8	The Dai-ichi Building Co., Ltd.	Real estate	Ⓞ Tokyu Ginza 2-chome Building	9/30/2016	3,278.04	1.3%
9	Covidien Japan Inc.	Wholesale	Ⓞ Setagaya Business Square (Note 3)	5/31/2014 (Note 2)	3,232.67	1.3%
10	Tokyu Community Inc.	Service	Ⓞ Setagaya Business Square (Note 3)	7/31/2013 (Note 4)	3,043.32	1.2%
Principal 10 Tenants Total					159,371.62	62.0%
Total leased area of 27 properties at the end of 20th fiscal period					257,169.82	100.0%

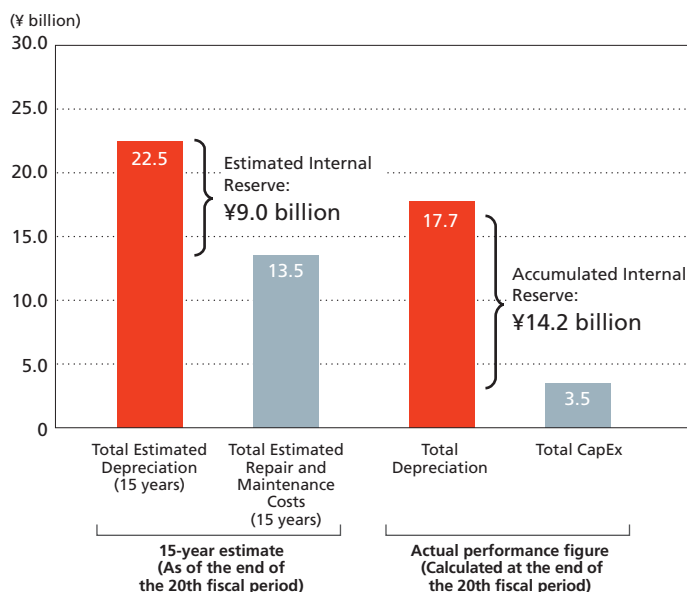
(Notes) 1. "Ratio" indicates ratio of tenant's leased areas to total leased area of 27 properties held as of the end of the 20th fiscal period.

2. Expiration date of contract for largest leased area in plural leased area.

3. Leased area of tenants in Setagaya Business Square are calculated as 55% (the co-ownership ratio).

4. Expiration date of contract for largest leased area in plural leased area. In addition, renewing of the contract has been completed as of the preparation date, and expiration date of contract for all leased areas excluding west 17th floor of Tower and warehouse are determined to be July 31, 2015.

Coverage Ratio by Depreciation of Repair and Maintenance Cost Estimation



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

As of the end of the 20th fiscal period and over the next fifteen years, cumulative depreciation for the portfolio will significantly exceed total repair and maintenance cost (¥9 billion). This figure shows that **TOKYU REIT** has secured the funds necessary for projected repair and maintenance costs.

* Total estimation of repair and maintenance cost (15 years) is extracted from Property Report (including expenses items) and estimated accordingly.

* Accumulated depreciation (15 years) is estimated by Tokyu REIM (Depreciation of future additional capital expenditures is not included. However, calculation is including depreciation of additional capital expenditures made to date.).

And term of depreciation is coincided with term of repair and maintenance cost estimation.

* Excluding Shonan Mall Fill (*sokochi*) and OKI System Center (*sokochi*)

R KALEIDO Shibuya Miyamasuzaka

Shibuya

Retail (Urban)



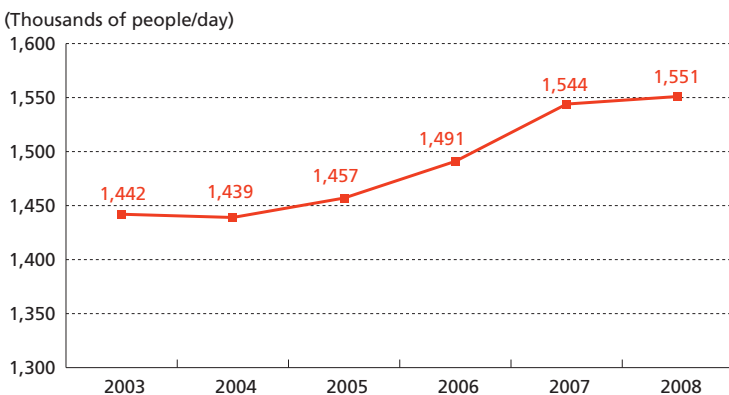
- The property is a multi-tenant building for food and beverage establishments, approximately a one-minute walk from Shibuya Station, a giant terminal station.
- The number of visitors and office workers increased as a result of the opening of Shibuya Hikarie.
- Establishment of mutual direct train service 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).

Location	1-12-1, Shibuya, Shibuya-ku, Tokyo
Nearest Station	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	821.65m ² (248.54 tsubos)
Total Floor Area	4,475.10m ² (1,353.71 tsubos)
Total Leasable Area	3,399.30m ² (1,028.28 tsubos)
Structure	S/RC
Floors	B4/6F
Completion Date	January 1992
Type of Ownership	Proprietary ownership
Major Tenants	K.K. Bagus, Apex, Inc., MONTEROZA CO., LTD.
Acquisition Price	¥5,150 million
Appraisal Value upon Acquisition	¥5,280 million
Acquisition Date	August 16, 2013
Appraisal NOI Cap Rate on Acquisition Price	4.92%
Occupancy Rate	100.0% (as of July 31, 2013)



*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.

Changes in the Number of Passengers Using Shibuya Station ^(Note)



Source: "Urban Transportation Yearbook (2003–2008) by the Institution of Transport Policy Studies.

(Note) 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.



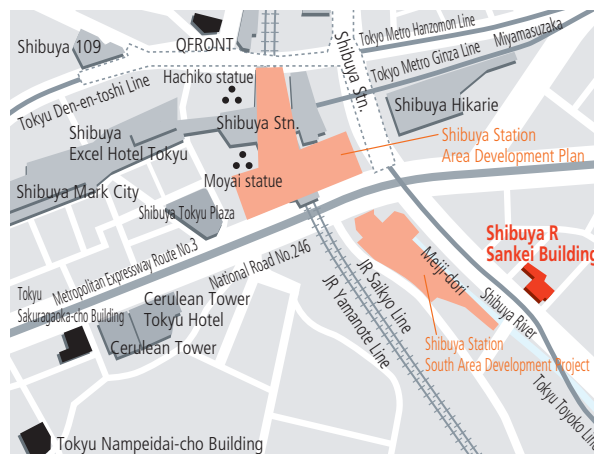
Shibuya R Sankei Building

Shibuya Office



- The property is a multi-tenant office building in Shibuya Ward, where the vacancy rate is lowest among the Five Central Tokyo 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.

Location	3-10-13, Shibuya, Shibuya-ku, Tokyo
Nearest Station	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	1,077.45m ² (325.92 tsubos) Area acquired by TOKYU REIT: 819.41m ² (247.87 tsubos)
Total Floor Area	7,289.38m ² (2,205.03 tsubos) Includes parking totaling 41.18m ² (12.45 tsubos). Sole exclusive area: 3,882.86m ² (1,174.56 tsubos) Co-ownership area: 625.60m ² (189.24 tsubos) (Co-ownership interest ratio: 6,119/7,820) In addition, there is a parking space totaling 41.18m ² (12.45 tsubos) as a common area (co-ownership ratio: 1,521/2,000).
Total Leasable Area	5,246.68m ² (1,587.12 tsubos)
Structure	SRC (Parking: S)
Floors	B1/9F
Completion Date	March 1990
Type of Ownership	Compartmentalized ownership, and co-ownership of compartmentalized ownership
Major Tenants	K.K. Japan Distribution System, The Gibraltar Life Insurance Co., Ltd., J-COM Holdings Co., Ltd.
Acquisition Price	¥5,270 million
Appraisal Value upon Acquisition	¥5,430 million
Acquisition Date	August 16, 2013
Appraisal NOI Cap Rate on Acquisition Price	5.17%
Occupancy Rate	100.0% (as of July 31, 2013)

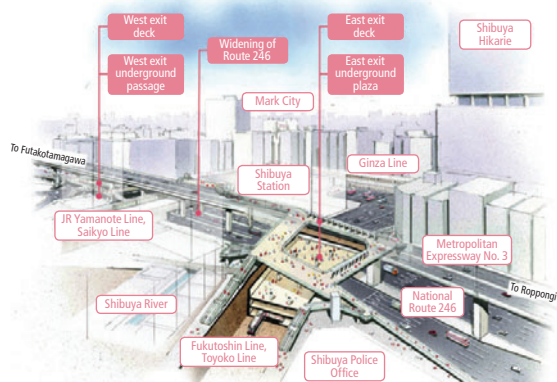


Conceptual Drawing of Shibuya-gawa Nigiwai-no-Hiroba (for Illustrative Purpose)



Source: News release of Tokyu Corporation

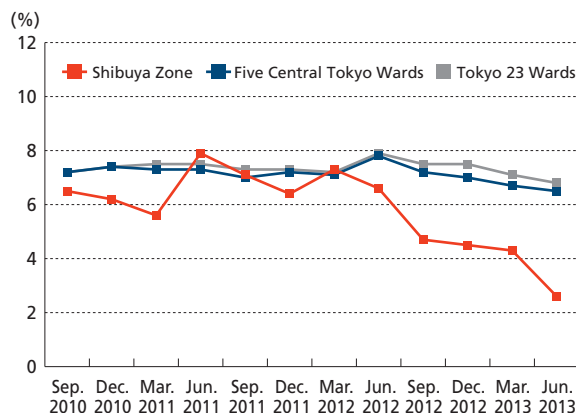
Map of Surrounding Areas After Development




* 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

Occupancy Rate



Source: CBRE K.K.

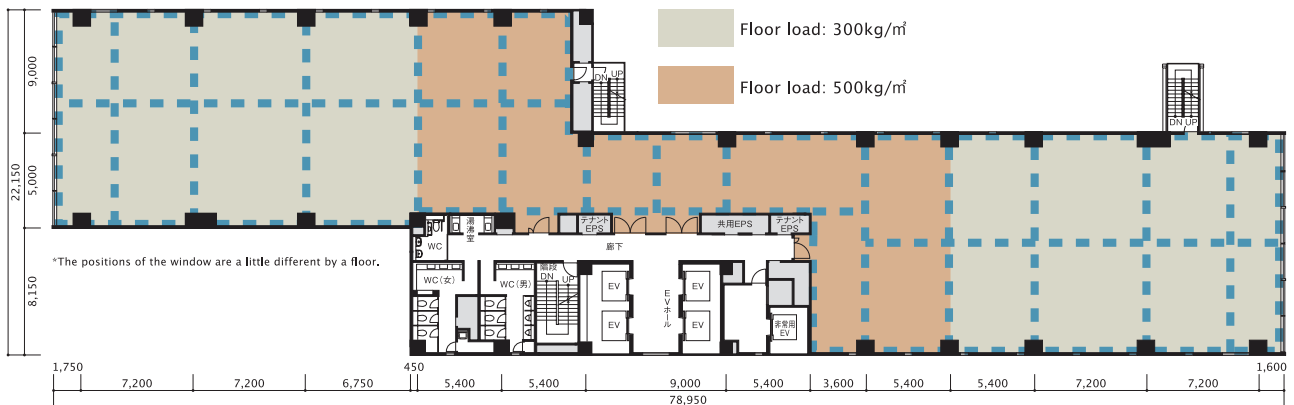
 Tokyu Toranomom Building

Development by Sponsor

Office

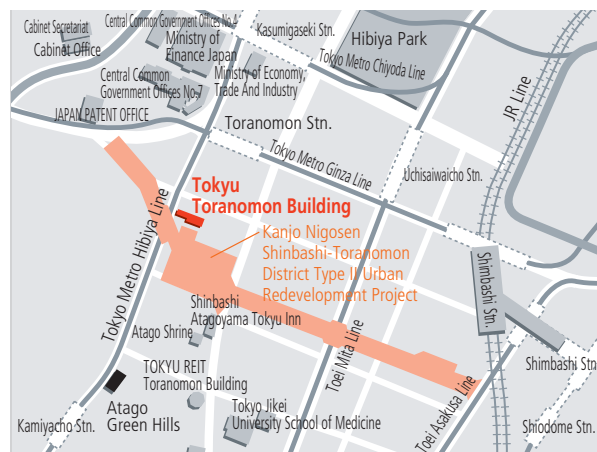


Ground Plan of Standard Floor (Standard Floor Space: 297.82 tsubo (984.52m²))



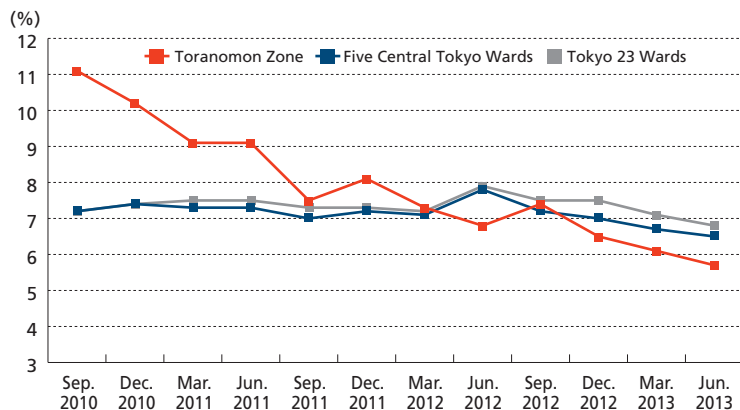
- The property is an approximately three-year old multi-tenant office building in the Toranomon zone, where the vacancy rate remains lower than the average of the Five Central Tokyo Wards and Tokyo 23 Wards, and located approximately a three-minute walk from the station.
- The property was developed by Tokyu Corporation, the sponsor, which has implemented many real estate development projects centering on the Tokyu Area and Five Central Tokyo 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)).

Location	1-21-19, Toranomon, Minato-ku, Tokyo
Nearest Station	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	1,764.92m ² (533.88 tsubos)
Total Floor Area	11,983.09m ² (3,624.88 tsubos)
Total Leasable Area	9,016.59m ² (2,727.51 tsubos)
Structure	S
Floors	10F
Completion Date	April 2010
Type of Ownership	Proprietary ownership
Major Tenants	Vendor Service Co., Ltd., NTT DATA Corporation, exsa corp.
Acquisition Price	¥15,000 million
Appraisal Value upon Acquisition	¥15,100 million
Acquisition Date	August 16, 2013
Appraisal NOI Cap Rate on Acquisition Price	4.09%
Occupancy Rate	100.0% (as of July 31, 2013)



*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.

Occupancy Rate



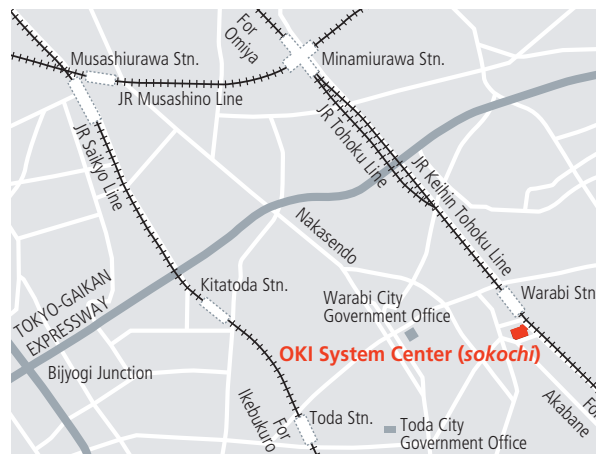
Source: CBRE K.K.



 OKI System Center (sokochi)



As the property is the *sokochi* (ownership of land with a fixed-term leasehold for commercial use) of OKI System Center, the tenants of which include Oki Electric Industry Co., Ltd., **TOKYU REIT** executed an agreement on establishment of a 20-year fixed-term leasehold for commercial use with Oki Electric Industry Co., Ltd. Long-term stable cash flow is expected from the property based on the concerned agreement. Warabi City, Saitama Prefecture, where the property is located has highly accessible to central Tokyo and high potential as residential land. Notably, the property being a sizeable land of slightly over 5,000 tsubos in approximately a four-minute walk from Warabi Station make it a highly rare property. In light of the *sarachi* (land without buildings or liens) price that reflects these factors, the asset value stability is thought to be high even after the end of the agreement on establishment of a fixed-term leasehold for commercial use.



Location	1-16-8 Chuo, Warabi-shi, Saitama
Nearest Station	Approximately a four-minute walk from Warabi Station, JR Keihin Tohoku Line
Total Land Area	17,021.14m ²
Total Floor Area	—
Structure	—
Floors	—
Completion Date	—
Type of Ownership	Proprietary ownership
Major Tenants	Oki Electric Industry Co., Ltd.
Acquisition Price	¥4,530 million
Appraisal Value upon Acquisition	¥4,830 million
Acquisition Date	March 27, 2013
Appraisal NOI Cap Rate on Acquisition Price	5.73% ^(Note)
Occupancy Rate	100.0%

(Note) Calculated by using the NOI under the DCF approach based on the price survey with March 15, 2013 as the survey date, indicated in the appraisal report obtained upon acquisition.

R QFRONT



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

Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line, etc./Tokyo Metro Ginza Line, etc./Tokyu Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line
 Total Land Space: 784.26m²
 (Land included in the property trust totals 728.30m²)
 Total Floor Space: 6,692.14m²
 (Exclusive area 4,821.09m²)
 Structure/Floors: SRC/S, B3/8F
 Completed: October 1999
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership
 Tenant: Culture Convenience Club Co., Ltd.;
 Tokyu Corporation;
 Punraku Co., Ltd.



R Lexington Aoyama



Lexington Aoyama is a retail property along Kotto-dori in the Aoyama district, leased to multiple tenants, including cafés, a convenience store, and a hair salon. The property is located in the central area of Kotto-dori, which has a concentration of stores serving customers with high sensibility.

Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Omotesando Station—Tokyo Metro Ginza Line, etc.
 Total Land Space: 776.59m²
 Total Floor Space: 2,342.21m²
 Structure/Floors: S/RC, B1/4F
 Completed: January 1998
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Aeffe Japan Inc.;
 Ryohin Keikaku Co., Ltd.;
 Family Mart Co., Ltd.;
 etc.



R TOKYU REIT Omotesando Square



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

Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Omotesando Station—Tokyo Metro Ginza Line, etc.
 Approximately a nine-minute walk from Meiji-jingumae Station—Tokyo Metro Fukutoshin Line
 Total Land Space: 1,259.21m²
 Total Floor Space: 3,321.20m²
 Structure/Floors: S/SRC, B1/4F
 Completed: October 1985
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: THINK FITNESS Corporation;
 Royal Holdings Co., Ltd. (Note);
 Wondertable, Ltd.;
 etc.

(Note) The tenants already moved out as of the date of this report. In addition, for the vacated space, a lease agreement has been concluded with Sazaby League Ltd., becoming effective in September 2013.



R Tokyu Saginuma Building



Tokyu Saginuma Building is located in Miyamae Ward, Kawasaki City, approximately 15 kilometers southwest of Shibuya. The area is a residential suburb of Tokyo. With the entire building leased to Tokyu Store Corporation, it was renewed to an NSC (neighborhood shopping center) in May 2011, with Tokyu Store as the anchor store, and was renamed to Fullel Saginuma.

Address: 1-1-1, Saginuma, Miyamae-ku, Kawasaki City, Kanagawa
 Nearest Station: Approximately a one-minute walk from Saginuma Station—Tokyu Den-en-toshi Line
 Total Land Space: 5,658.00m²
 Total Floor Space: 18,326.99m²
 Structure/Floors: RC, B1/4F
 Completed: September 1978
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Tokyu Store Corporation



R Tokyu Saginuma 2 Building



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

Address: 1-18-5, Kodai, Miyamae-ku, Kawasaki City, Kanagawa
 Nearest Station: Approximately a one-minute walk from Saginuma Station—Tokyu Den-en-toshi Line
 Total Land Space: 1,807.21m²
 Total Floor Space: 4,409.50m²
 Structure/Floors: SRC, B2/4F
 Completed: October 1979
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

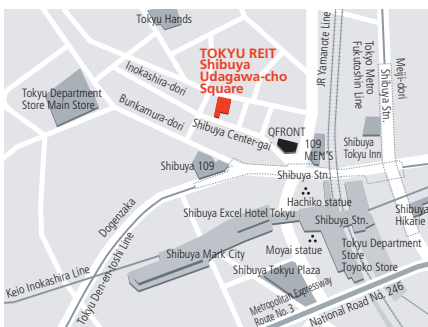


R TOKYU REIT Shibuya Udagawa-cho Square



TOKYU REIT Shibuya Udagawa-cho Square is located in the central area of Shibuya, the area identified as one of Japan's busiest retail districts, and faces the major retail thoroughfares Inokashira-dori and Shibuya Center-gai. Comprising two buildings, ZARA, a Spain-based retailer of casual clothing, is the principal tenant of Building 1. ZARA boasts a global network of 1,934 stores (as of April 30, 2013). The restaurant UOGASHI NIHON ICHI operated by NIPPAN Co., Ltd. is located in Building 2.

Address: [Bldg. 1] 25-10, Udagawa-cho, Shibuya-ku, Tokyo
 [Bldg. 2] 25-5, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Shibuya Station—JR Yamanote Line, etc./Tokyo Metro Ginza Line, etc./Tokyu Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line
 Total Land Space: 679.27m²
 Total Floor Space: [Bldg. 1] 1,473.10m²
 [Bldg. 2] 56.39m²
 Structure/Floors: [Bldg. 1] S, 3F
 [Bldg. 2] S, 2F
 Completed: [Bldg. 1] July 1998
 [Bldg. 2] June 1995
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: ZARA Japan Corporation;
 NIPPAN Co., Ltd.

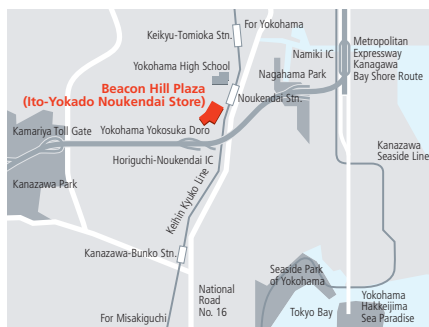


R Beacon Hill Plaza (Ito-Yokado Noukendai Store)



The sole tenant of Beacon Hill Plaza, Ito-Yokado Noukendai Store is a large-scale General Merchandise Store (GMS) with 7,000 *tsubo* (23,371.73m²) of shopping space and provides space for approximately 900 vehicles in its parking garage on the premises. The property is not situated in a major investment area, but was judged to be excellent for its location in a retail and commercial district that is expected to bring stable growth.
 Moreover, renovation of external walls was conducted in July 2013.

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

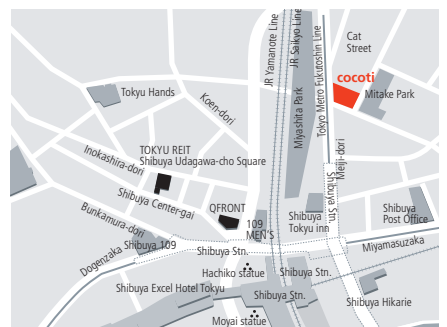


R cocoti



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

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



R Shonan Mall Fill (*sokochi*)



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

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

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

In addition, the population in the trade zone of the property is anticipated to increase due to large-scale residential developments in neighboring areas.

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



R CONZE Ebisu



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

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

Address: 2-3-14, Ebisu-Minami, Shibuya-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Ebisu Station—JR Yamanote Line, etc.
 Approximately a two-minute walk from Ebisu Station—Tokyo Metro Hibiya Line
 Total Land Space: 562.07m²
 Total Floor Space: 2,789.35m²
 Structure/Floors: S/SRC B1/9F
 Completed: March 2004
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Diamond Dining International Corporation; MYU PLANNING & OPERATORS Inc.; Granada Inc.; etc.



R Daikanyama Forum



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

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

Address: 17-16, Sarugaku-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a six-minute walk from Daikanyama Station—Tokyo Toyoko Line
 Total Land Space: Building 1 (East): Site rights area 942.30m²
 Interest 10,000/10,000
 Building 2 (West): Site rights area 1,108.01m²
 Interest 6,413/10,000
 Total Floor Space: Building 1 (East): 1,441.57m²
 Building 2 (West): Site rights area 2,388.70m²
 (Exclusive area 1,182.62m²)
 Structure/Floors: Building 1 (East): RC, B1/2F
 Building 2 (West): RC, B1/5F
 Completed: February 1993
 Type of Ownership:
 Land—Building 1 (East): Proprietary ownership
 Building 2 (West): Proprietary ownership
 (Co-ownership ratio 64.13%)
 Building—Building 1 (East): Compartmentalized ownership
 Building 2 (West): Compartmentalized ownership
 Tenant: Jun Ashida Co., Ltd.; Hiramatsu Inc.; IL PLEUT SUR LA SEINE Kikaku Co., Ltd.



Setagaya Business Square



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

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

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



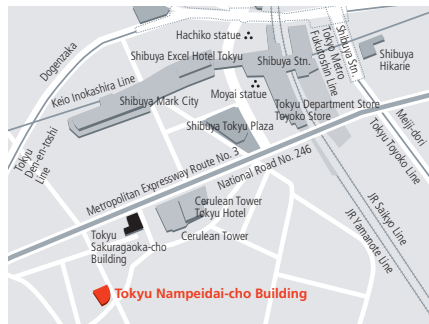
Tokyu Nampeidai-cho Building



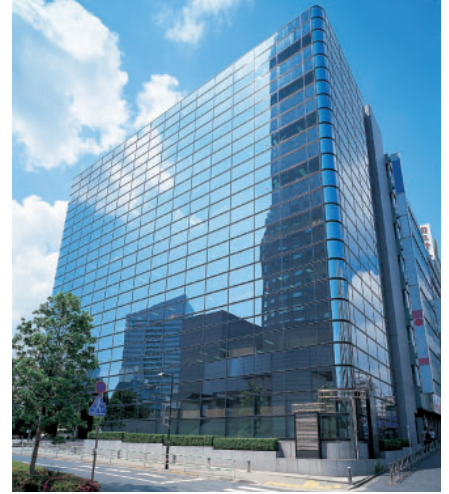
Tokyu Nampeidai-cho Building is a five-story office building located in Shibuya Ward, which Tokyu Corporation uses as its head office.

A long-term lease contract from January 2013 to December 2021 has been concluded, contributing to earnings stability.

Address: 5-6, Nampeidai-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a seven-minute walk from Shibuya Station—JR Yamanote Line, etc./Tokyo Metro Ginza Line, etc./Tokyu Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line
 Total Land Space: 2,013.28m²
 Total Floor Space: 7,003.88m²
 Structure/Floors: S/SRC, B2/5F
 Completed: July 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Tokyu Corporation



Tokyu Sakuragaoka-cho Building



Tokyu Sakuragaoka-cho Building is a nine-story office building located in Shibuya Ward, mostly occupied by Tokyu Corporation, which the operating division uses as its head office.


A long-term lease contract from January 2012 to December 2021 has been concluded, contributing to earnings stability.

Individually-controlled air-conditioning equipment using gas as the heat source was installed in all floors in 2013 in order to maintain the property's competitiveness in the area.

Address: 31-2, Sakuragaoka-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Shibuya Station—JR Yamanote Line, etc./Tokyo Metro Ginza Line, etc./Tokyu Toyoko Line/Tokyu Den-en-toshi Line/Keio Inokashira Line
 Total Land Space: 1,013.03m²
 Total Floor Space: 6,505.39m²
 Structure/Floors: SRC, B3/9F
 Completed: June 1987
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership^(Note)
 Tenant: Tokyu Corporation; The Tokyo Electric Power Company, Incorporated

(Note) All of compartmentalized ownerships with whole building are entrusted.



 Tokyo Nissan Taito Building



Tokyo Nissan Taito Building is a 10-story office building situated along Kiyosubashi-dori.

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

A fixed-term lease contract for the first two floors and the underground parking area is in place with the principal tenant, Nissan Network Holdings Co., Ltd. contributing to earnings stability.

Address: 2-6-6, Moto-Asakusa, Taito-ku, Tokyo

Nearest Station: Approximately a three-minute walk from Inari-cho Station—Tokyo Metro Ginza Line
 Approximately a four-minute walk from Shin-Okachi-machi Station—Toei Oedo Line
 Approximately a four-minute walk from Shin-Okachi-machi Station—Tsukuba Express Line
 Approximately a 10-minute walk from Ueno Station—JR Yamanote Line, etc.

Total Land Space: 1,718.45m²

Total Floor Space: 11,373.20m²

Structure/Floors: SRC, B2/10F

Completed: September 1992

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

Tenant: Ataka Construction & Engineering Co., Ltd.;
 Nissan Network Holdings Co., Ltd.;
 Miyachi Corporation;
 etc.



 TOKYU REIT Akasaka Hinokicho Building



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

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

Address: 6-14-15, Akasaka, Minato-ku, Tokyo

Nearest Station: Approximately a four-minute walk from Akasaka Station—Tokyo Metro Chiyoda Line

Total Land Space: 866.61m²

Total Floor Space: 4,058.92m²

Structure/Floors: RC, 7F

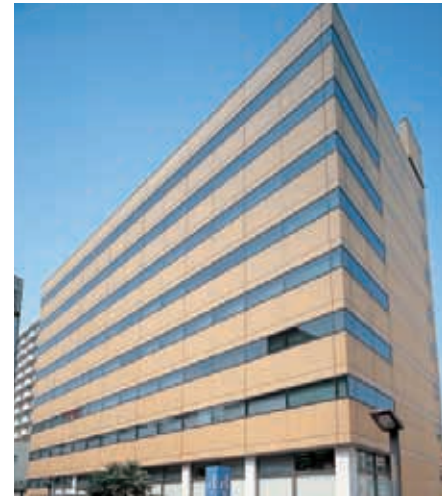
Completed: August 1984

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

Tenant: Q-TEC, Inc.;
 Seven-Eleven Japan Co., Ltd.;
 Lainage Co., Ltd.



 TOKYU REIT Kamata Building



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

Renewal work of restrooms throughout the property was implemented in 2012.

Address: 5-13-23, Kamata, Ota-ku, Tokyo

Nearest Station: Approximately a three-minute walk from Kamata Station—JR Keihin Tohoku Line/Tokyu Tamagawa Line/ Tokyu Ikegami Line

Total Land Space: 1,642.86m²

Total Floor Space: 10,244.51m²

Structure/Floors: S/SRC, B1/9F

Completed: February 1992

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

Tenant: Fujitsu Limited;
 Fujitsu Advanced Solutions Limited;
 Dai Nippon Toriy Co., Ltd.



TOKYU REIT
Toranomon Building



TOKYU REIT Toranomon Building is a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line and faces National Route 1 (Sakurada-dori). We are maintaining the property's competitiveness within the area where office buildings have concentrated since 2009 with renovation work of the elevator hall, restroom and entrance, renewal of air-conditioning and lighting equipment, and installation of OA-compatible floors. Also, large-scale redevelopments are underway nearby, and the area can be expected to become more vibrant.

Address: 3-17-1, Toranomon, Minato-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Kamiyacho Station—Tokyo Metro Hibiya Line
 Approximately a nine-minute walk from Toranomon Station—Tokyo Metro Ginza Line
 Approximately a nine-minute walk from Onarimon Station—Toei Mita Line
 Total Land Space: 1,728.38m²
 (Co-ownership ratio 84.652%)
 Total Floor Space: 15,343.73m²
 (10,787.59m²(Hotel))
 Structure/Floors: SRC/RC, B2/9F
 Completed: April 1988
 Type of Ownership: Land—Proprietary ownership
 (Co-ownership ratio 84.652%)
 Building—Compartmentalized ownership and co-ownership of compartmentalized ownership
 Tenant: Konoike Transport Co., Ltd.;
 JAPAN POST INSURANCE Co., Ltd.;
 REMOTE SENSING TECHNOLOGY CENTER OF JAPAN; etc.

(Note) Portion owned by **TOKYU REIT**



TOKYU REIT
Hatchobori Building



TOKYU REIT Hatchobori Building is located in a traditional office area that has long had a high concentration of office buildings which is connected to the Yaesu area.

The property is one that maintains competitiveness through adequate renewal, such as conducting seismic isolation work in 2005 to make it one that has performance far exceeding the new earthquake resistance structures stipulated in the Building Standards Law.

Furthermore, on April 20, 2012, The Japan Building Disaster Prevention Association issued a plaque to the property, certifying it is a "building that has undertaken earthquake resistance diagnosis and anti-seismic renovation work."

Address: 2-7-1, Hatchobori, Chuo-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Hatchobori Station—JR Keiyo Line
 Approximately a 10-minute walk from Tokyo Station—JR Yamanote Line, etc.
 Approximately a three-minute walk from Hatchobori Station—Tokyo Metro Hibiya Line
 Approximately a six-minute walk from Kayabacho Station—Tokyo Metro Tozai Line
 Approximately a six-minute walk from Takaracho Station—Toei Asakusa Line
 Total Land Space: 974.32m²
 Total Floor Space: 8,810.21m²
 Structure/Floors: SRC, B2/9F
 Completed: September 1965
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: Tokai Kogyo Co., Ltd.;
 Polaire Intellectual Property Corporation;
 Universal Home, Inc.; etc.



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



Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is a nine-story office building facing Aoyama-dori.

This property is located approximately a four-minute walk from Akasaka-Mitsuke and Nagatacho Stations and have excellent office specifications.

Tokyu Agency, Inc. is currently using the property as its head office and entered into a fixed-term lease contract (with no cancellation and no claim rights for reducing leasing rates) for 10 years from February 1, 2013.

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



Tokyu Ikejiri-ohashi Building



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

With road access from all four sides and a floor layout that is essentially square throughout, the property boasts approximately 320 *tsubo* (1,064.53m²) of floor space per floor, making it a rare find that is considered to possess a competitive edge.

In addition, the external walls were renovated in 2010.

Address: 3-8-1, Higashiyama, Meguro-ku, Tokyo

Nearest Station: Approximately a five-minute walk from Ikejiri-ohashi Station—Tokyu Den-en-toshi Line

Total Land Space: 2,382.67m²

Total Floor Space: 7,619.56m²

Structure/Floors: SRC, 7F

Completed: October 1989

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

Tenant: Top Tour Corporation;
Tokyu Bus Corporation;
Tokyu Facility Service Co., Ltd.;
etc.



Kojimachi Square



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

Address: 3, Nibancho, Chiyoda-ku Tokyo

Nearest Station: Approximately a one-minute walk from Kojimachi Station—Tokyo Metro Yurakucho Line

Approximately a seven-minute walk from Hanzomon Station—Tokyo Metro Hanzomon Line

Approximately an eight-minute walk from Ichigaya Station—Tokyo Metro Namboku Line/Toei Shinjuku Line

Approximately a 10-minute walk from Yotsuya Station—Tokyo Metro Marunouchi Line

Approximately a seven-minute walk from Ichigaya Station—JR Sobu Line

Approximately an eight-minute walk from Yotsuya Station—JR Chuo and Sobu Lines

Approximately an eight-minute walk from Ichigaya Station—Toei Shinjuku Line

Total Land Area: 1,269.24m²

Total Floor Area: 6,803.47m²

Structure/Floors: S/R C B1/7F

Completed: January 2003

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

Tenant: Business Breakthrough, Inc.;
Japan Safe Driving Center;
Construction Industry Engineers Center; etc.



TOKYU REIT Shinjuku Building



The Shinjuku 3-chome area where TOKYU REIT Shinjuku Building is situated is one of Tokyo's most vibrant commercial areas, and there are many large commercial buildings near Shinjuku Station. With such regional characteristics, demand can be expected from sales and services related companies.

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

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

Approximately a four-minute walk from Shinjuku Station—JR Yamanote Line, etc.

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

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

Total Land Area: 1,113.87m²

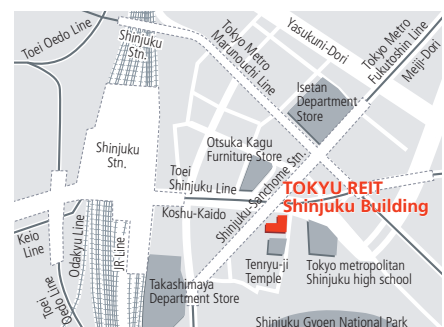
Total Floor Area: 8,720.09m²

Structure/Floors: SRC 10F

Completed: May 2003

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

Tenant: DAIDO LIFE INSURANCE COMPANY;
WATABE WEDDING CORPORATION;
Relocation International, Inc.;
etc.



Akihabara Sanwa Toyo Building



The area where Akihabara Sanwa Toyo Building is located has long been internationally famous as “Akihabara Denki Gai” (Akihabara Electric Town). Directly linked to Suehirocho Station on the Tokyo Metro Ginza Line, a line which connects Shibuya to Ueno/Asakusa, the property is located on a corner lot at the intersection of Chuo-dori and Kuramaebashi-dori. The traffic convenience and extremely high visibility make it a rare property.

Address: 3-16-8, Sotokanda, Chiyoda-ku, Tokyo

Nearest Station: Approximately a one-minute walk from Suehirocho Station—Tokyo Metro Ginza Line
Approximately a seven-minute walk from Akihabara Station—JR Yamanote Line, etc.
Approximately a nine-minute walk from Akihabara Station—Tsukuba Express Line

Total Land Area: 795.33m²

Total Floor Area: 5,704.69m²

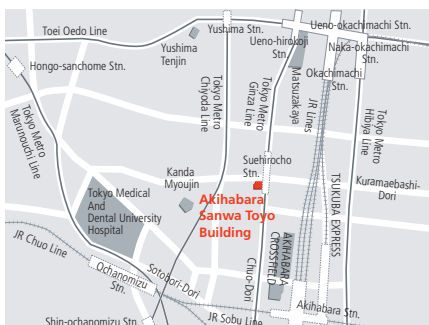
Structure/Floors: SRC, B1/8F

Completed: September 1985

Type of Ownership: Land—Proprietary ownership
Building—Compartmentalized ownership^(Note)

Tenant: The Bank of Tokyo-Mitsubishi UFJ, Ltd.;
OS Electronics Co., Ltd.;
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.;
etc.

(Note) All of compartmentalized ownership with whole building are entrusted.



TOKYU REIT Kiba Building



The Kiba and Toyocho area where TOKYU REIT Kiba Building is located is close to central Tokyo, approximately 4 km east of Tokyo Station, and has many affiliates and counterparties of large companies. Furthermore, despite the fact that it is highly accessible to central Tokyo, rent levels are relatively low and so demand from corporate restructurings can also be expected regardless of industry type. The property is approximately a two-minute walk from Kiba Station on the Tokyo Metro Tozai Line and faces Eitai-dori street. Renewal work for the elevator halls and toilets on some floors and replacement of air conditioners was implemented in 2012, with an aim to maintain and reinforce the property’s competitiveness in the relevant area.

Address: 3-7-13, Toyo, Koto-ku, Tokyo

Nearest Station: Approximately a two-minute walk from Kiba Station—Tokyo Metro Tozai Line

Total Land Area: 1,259.52m²

Total Floor Area: 7,513.09m²

(Including parking spaces (41.74m²))

Structure/Floors: SRC, 10F

Completed: February 1992

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

Tenant: STS Co., Ltd.;
Mitsubishi Materials Techno Corporation;
Todenfuel Co., Ltd.;
etc.



Tokyu Ginza 2-chome Building



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

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

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

Approximately a four-minute walk from Higashi-ginza Station—Tokyo Metro Hibiya Line/Toei Asakusa Line

Approximately an eight-minute walk from Ginza Station—Tokyo Metro Ginza Line, etc.

Approximately a four-minute walk from Higashi-ginza Station—Toei Asakusa Line

Total Land Space: 805.42m²

Total Floor Space: 5,098.61m²

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

Completed: August 2008

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

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



I . Asset Management Report

1. Financial Highlights

(1) Result of Operation and Financial Position

		20th fiscal period From February 1, 2013 to July 31, 2013 (181 days)	19th fiscal period From August 1, 2012 to January 31, 2013 (184 days)	18th fiscal period From February 1, 2012 to July 31, 2012 (182 days)	17th fiscal period From August 1, 2011 to January 31, 2012 (184 days)	16th fiscal period From February 1, 2011 to July 31, 2011 (181 days)		
		Millions of yen, except per unit data or where otherwise indicated						
Result of operation	Statement of income	Operating revenues	¥ 6,495	¥ 6,334	¥ 6,360	¥ 6,819	¥ 6,918	
		Operating income	¥ 2,801	¥ 2,665	¥ 2,771	¥ 3,049	¥ 3,121	
		Net income	¥ 2,035	¥ 1,887	¥ 1,982	¥ 2,219	¥ 2,242	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 6,495	¥ 6,334	¥ 6,360	¥ 6,819	¥ 6,850	
		Rental service expenses (b)	¥ 3,105	¥ 3,083	¥ 3,009	¥ 3,164	¥ 3,180	
		[Depreciation and amortization] (included in (b)) (c) (Note 3)	¥ 987	¥ 1,001	¥ 1,026	¥ 1,009	¥ 1,042	
		NOI (Net Operating Income) (a) – (b) + (c)	¥ 4,378	¥ 4,252	¥ 4,377	¥ 4,664	¥ 4,712	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,023	¥ 2,888	¥ 3,008	¥ 3,228	¥ 3,284	
		Capital expenditures (e)	¥ 479	¥ 303	¥ 441	¥ 343	¥ 259	
		AFFO (Adjusted Funds from Operation) (d) – (e)	¥ 2,543	¥ 2,585	¥ 2,567	¥ 2,885	¥ 3,025	
Financial position	Balance sheet	Total assets (f)	¥ 206,988	¥ 202,061	¥ 204,879	¥ 205,497	¥ 207,661	
		[Change from the preceding period]	[2.4%]	[-1.4%]	[-0.3%]	[-1.0%]	[0.3%]	
		Interest-bearing liabilities (g) (Note 5)	¥ 91,500	¥ 87,000	¥ 89,000	¥ 89,000	¥ 90,000	
		Total unitholders' equity (Net assets) (h)	¥ 100,055	¥ 99,907	¥ 100,002	¥ 100,239	¥ 100,262	
		[Change from the preceding period]	[0.1%]	[-0.1%]	[-0.2%]	[-0.0%]	[0.2%]	
	Portfolio	Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
		Acquisition costs of properties (Note 6)	¥ 204,202	¥ 199,672	¥ 199,672	¥ 199,672	¥ 199,672	
		Book value of properties (Note 6)	¥ 193,019	¥ 188,853	¥ 189,452	¥ 190,049	¥ 190,709	
		Appraisal value of properties at end of period (i) (Note 6)	¥ 194,860	¥ 189,320	¥ 190,820	¥ 190,360	¥ 191,440	
		Number of properties at end of period	27 properties	26 properties	26 properties	26 properties	26 properties	
		Total leasable area (Note 7)	262,516.83 m ²	245,500.63 m ²	245,417.58 m ²	245,378.77 m ²	245,373.01 m ²	
	Other	Distri- bution	Occupancy rate at end of period (Note 7)	98.0%	97.0%	94.7%	94.0%	98.5%
			Cash distribution	¥ 2,035	¥ 1,887	¥ 1,982	¥ 2,219	¥ 2,242
Per unit data		Dividend payout ratio	100.0%	100.0%	100.0%	100.0%	100.0%	
		Number of units issued and outstanding	169,380 units	169,380 units	169,380 units	169,380 units	169,380 units	
		Total unitholders' equity per unit (base value)	¥ 590,716	¥ 589,843	¥ 590,402	¥ 591,803	¥ 591,936	
Management index		Cash distribution per unit	¥ 12,019	¥ 11,146	¥ 11,705	¥ 13,106	¥ 13,239	
		Return on total unitholders' equity (annualized) (Note 8)	4.1%	3.7%	4.0%	4.4%	4.5%	
		Equity ratio (h)÷(f)	48.3%	49.4%	48.8%	48.8%	48.3%	
		[Change from the preceding period]	[-1.1%]	[0.6%]	[0.0%]	[0.5%]	[-0.0%]	
		Proportion of interest-bearing liabilities to total assets at end of period (g)÷(f)	44.2%	43.1%	43.4%	43.3%	43.3%	
	Proportion of interest-bearing liabilities to appraisal value at end of period (g)÷(i)	47.0%	46.0%	46.6%	46.8%	47.0%		
Average market price per unit during period (Note 9)	¥ 575,341	¥ 422,792	¥ 401,664	¥ 406,642	¥ 534,655			

- Note 1. Consumption tax is not included in operating revenues.
- Note 2. 'Revenue from property leasing' does not include revenues from facility acceptance (16th fiscal period: ¥0 million; 19th fiscal period: ¥0 million) and contribution for construction (16th fiscal period: ¥67 million).
- Note 3. 'Depreciation and amortization' includes loss on disposal of property and equipment (16th fiscal period: ¥47 million; 17th fiscal period: ¥6 million; 18th fiscal period: ¥29 million; 19th fiscal period: ¥8 million; 20th fiscal period: ¥4 million).
- Note 4. Net income + Depreciation and amortization + Other property related depreciation and amortization + Loss on sale of property - Gain on sale of property - Revenues from facility acceptance
Other property related depreciation and amortization was not incurred.
- Note 5. Short-term debt + Long-term debt due within one year + Long-term debt + Investment corporation bonds due within one year + Investment corporation bonds
- Note 6. For 'Trust beneficiary interest in real estate,' the portion equivalent to the properties held in substance, which is total assets less the money that are part of the assets of the concerned trust beneficiary interest in real estate, is shown.
- Note 7. Regarding 'Total leasable area' and 'Occupancy rate at end of period,' please refer to notes 2 and 4 of '3. Portfolio Profile (2) Major Portfolio.'
- Note 8. $\text{Net income} \div \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2\} \times 365 \div \text{Number of days of investment management}$
- Note 9. Average price during period (closing price) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on which the investment certificates of TOKYU REIT, Inc. ("TOKYU REIT") are listed.

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

① Investment Environment

During the fiscal period under review (20th fiscal period: six-month period ended July 31, 2013), the Japanese economy steadily picked up and also showed movements toward self-sustained recovery. In the Tokyo metropolitan area's economy, there are expectations for higher medium- to long-term growth than other regions, due in part to concentration of financial businesses and export-driven large companies, which are susceptible to benefit from Abenomics, projection of population increase in central Tokyo and being susceptible to benefit from the overseas economy. With regard to population movements, over 80,000 people migrated to the Tokyo metropolitan area from other regions of the country between January and July 2013. This has further exacerbated the disparity between the area and other regions of the country.

Under these circumstances, the average advertised rent for June 2013 in the Tokyo 23 ward's office leasing market decreased by 0.4% over the six-month period and by 2.7% over the one-year period. On the other hand, the vacancy rate improved by 0.7 percentage points over the six-month period and by 1.1 percentage points over the one-year period to 6.8%. Excellent properties in prime locations and having specifications of a high level are highly attractive for tenants from the perspective of BCP and in satisfying office integration needs and business expansion needs, and are thus improving in occupancy. Meanwhile, properties that may not be relatively-newly-built or large yet feature specifications of a commensurate level and have reasonable rent settings are also drawing tenant demand. As such, not only large companies, but also tenants that are medium-sized companies and SMEs that have to date been hesitant to relocate, are accelerating relocations in the wake of economic recovery. In the retail property leasing market, with high stock prices since the change of government, recovery is seen in the wealth effect and consumer sentiment and consumption of non-essential and non-urgent items is on an increasing trend. However, while the average customer spend at GMS is on the rise, there is little growth in the customer count, causing slowdown in sales turnover for retail properties overall. In addition, new openings of large retail stores, which had been showing trends of being held back, is gradually increasing and there are particularly increasing cases of these being the lease-up of former sites of factories owing to local governments' financial difficulties and decrease in regional employment.

In the real estate investment market, the volume of transactions in the five central Tokyo wards is on an increasing trend, of which the increase in transactions of office properties stand out and transactions of retail properties, too, are on the increase. In addition, the cap rate of office properties started to show signs of decrease.

② Investment Performance Results

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

TOKYU REIT engaged in investment activities by adopting an investment policy based on the stance of investing in highly competitive properties in areas with strong growth potential as it has to date and additionally pursuant to its "Long-Term Investment Management Strategy (Surf Plan)" (see Note below) that was formed by applying the investment management experience that it has gained from having gone through one cycle of the market since its listing. During the 20th fiscal period, TOKYU REIT acquired OKI System Center (*sokochi*) (acquisition price: ¥4,530 million) on March 27, 2013. As of July 31, 2013, TOKYU REIT held an investment portfolio totaling 27 properties with a total acquisition price of ¥204,202 million and total leasable area of 262,516.83 m². The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥194,860 million.

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

As in the previous fiscal period, the total period-end appraisal value exceeded the total book value, resulting in an unrealized gain (the difference between book value and period-end appraisal value) of ¥1,840 million. Based on generally accepted accounting principles, unrealized gains are not reflected in TOKYU REIT's financial statements.

The average per-tsubo rental rate for the existing property portfolio at the end of the 20th fiscal period decreased by only 0.2% compared with the end of the 19th fiscal period. In addition, the vacancy rate improved from the 3.0% at the end of the 19th fiscal period by 1.0 percentage points to 2.0%.

b. Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency. This stance continued into the 20th fiscal period with the refinancing of the short-term debt in the amount of ¥4,500 million that was procured in the 20th fiscal period into long-term debt and the refinancing of long-term debt in the amount of ¥9,400 million for the purpose of securing interest-bearing liabilities with fixed long-term interest rates and diversifying repayment dates. In addition, TOKYU REIT has established commitment lines which provide credit facilities totaling ¥19,000 million with five banks to secure financial credibility through the enhancement of liquidity on hand. The balance of interest-bearing liabilities as of July 31, 2013 was ¥91,500 million, consisting of ¥8,000 million in investment corporation bonds and ¥83,500 million in long-term debt (of which, ¥17,000 million is the current portion of long-term debt). The weighted-average interest rate for the 20th fiscal period was 1.62% (calculated based on the annualized amount of interest payable for the 20th fiscal period divided by the total average balance of each interest-bearing liability).

TOKYU REIT's credit ratings as of July 31, 2013 were as follows:

Rating Agency	Credit Rating	
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA-	Outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer rating: A+	Outlook: Stable
Standard & Poor's Ratings Japan K.K. (S&P)	Long-term corporate credit rating: A	Outlook: Negative
	Short-term corporate credit rating: A-1	

c. Countering Conflicts of Interest

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

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

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

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

(3) Issuance of New Investment Units

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

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

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

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

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

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

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

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

Note 7. Issued new investment units through public offering on August 12, 2013 and issued new investment units through third-party allotment on September 10, 2013. Please refer to '(6) Subsequent Events' for details.

【Movements of Market Price】

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

	20th fiscal period From February 1, 2013 to July 31, 2013	19th fiscal period From August 1, 2012 to January 31, 2013	18th fiscal period From February 1, 2012 to July 31, 2012	17th fiscal period From August 1, 2011 to January 31, 2012	16th fiscal period From February 1, 2011 to July 31, 2011
	Yen				
Highest	¥ 744,000	¥ 518,000	¥ 450,000	¥ 475,500	¥ 574,000
Lowest	¥ 492,000	¥ 369,000	¥ 362,500	¥ 339,500	¥ 465,500

(4) Distribution Information

With respect to the distribution for the 20th fiscal period, TOKYU REIT determined to distribute the whole unappropriated retained earnings (except for the rounding amount, which is the distribution per unit of less than ¥1) to be eligible for special tax treatment on investment corporations (Article 67-15 of Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto)) that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, distribution per unit for the 20th fiscal period was ¥12,019.

	20th fiscal period From February 1, 2013 to July 31, 2013	19th fiscal period From August 1, 2012 to January 31, 2013	18th fiscal period From February 1, 2012 to July 31, 2012	17th fiscal period From August 1, 2011 to January 31, 2012	16th fiscal period From February 1, 2011 to July 31, 2011
Millions of yen, except per unit data					
Unappropriated retained earnings	¥ 2,035	¥ 1,887	¥ 1,982	¥ 2,219	¥ 2,242
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 2,035	¥ 1,887	¥ 1,982	¥ 2,219	¥ 2,242
[Cash distribution per unit]	[¥ 12,019]	[¥ 11,146]	[¥ 11,705]	[¥ 13,106]	[¥ 13,239]
Distribution of accumulated earnings	¥ 2,035	¥ 1,887	¥ 1,982	¥ 2,219	¥ 2,242
[Distribution of accumulated earnings per unit]	[¥ 12,019]	[¥ 11,146]	[¥ 11,705]	[¥ 13,106]	[¥ 13,239]
Cash distribution in excess of accumulated earnings	—	—	—	—	—
[Cash distribution in excess of accumulated earnings per unit]	[—]	[—]	[—]	[—]	[—]

(5) Future Policies of Investment Management

① Forecast of Future Movement

The outlook for the economy is that, amid pickup in exports and onset of the effects of various policies, there are expectations for it to head towards economic recovery as improvement in corporate earnings leads to increase in household income and investment. However, the overseas economic downturn continues to pose the risk of downward pressure on the Japanese economy.

In light of such an outlook, in the real estate investment market, expectations for market recovery suggest increasing investment appetite of equity investors, centering on overseas institutional investors and domestic and foreign pension funds. Similarly, the cap rate, which remains flat at present, is expected to clearly decrease. In the office leasing market, the vacancy rate is expected to continue to decrease, because there are expectations for demand to increase as economic recovery gains momentum. The average contracted rent is thought to show signs of bottoming out from the second half of 2013 as improvement in corporate performance leads to positive tenant relocations. In the retail property leasing market, with shopping center sales turnover on a recovery trend, an increase in the rent-paying capacity of tenants is thought to lead to less pressure from existing tenants to lower rents for retail properties.

② Future Policies of Investment Management and Issues to be Countered

Prior to the formal establishment of TOKYU REIT, Tokyu REIM undertook an assessment of future investment trends based on business growth potential. Based on this assessment, it was decided that TOKYU REIT would adopt an investment policy based on the stance of investing in highly competitive properties in areas with strong growth potential. Specifically, TOKYU REIT will continue to focus on an investment area mainly limited to Central Tokyo, where ongoing growth is expected, and to the Tokyo metropolitan area centering on the Tokyu Areas (see Note 1 below). TOKYU REIT will continue to adhere firmly to stringent investment criteria for selecting individual properties, and obtain a balanced mix of competitive, high-quality properties from the real estate investment market as well as Tokyu Corporation and its subsidiaries (see Note 2 below).

Note 1. “Central Tokyo” is the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) and other major commercial and retail districts of Tokyo (the areas surrounding Ikebukuro, Koraku, Ueno and other areas).

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

Shibuya ward is included in both Central Tokyo and Tokyu Areas.

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

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

(i) Tokyu Corporation

(ii) A consolidated subsidiary of Tokyu Corporation

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

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

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

(6) Subsequent Events

The following events occurred after the end of the 20th fiscal period at TOKYU REIT.

① Issuance of New Investment Units

At a meeting of the Board of Directors held on July 26, 2013, TOKYU REIT resolved to issue new investment units as follows for the purpose of procuring funds to acquire the specified assets presented in '(Reference) ② Acquisition of Assets,' etc. Payments for the new investment units through public offering were completed on August 12, 2013 and payments for the new investment units through third-party allotment were completed on September 10, 2013.

As a result, unitholders' capital became ¥110,479 million and the number of investment units issued and outstanding became 195,520 units.

a. Issuance of new investment units through public offering

- i. Number of new investment units issued: 23,764 units
- ii. Offering price (Offer price): ¥493,350
- iii. Total amount of offering price: ¥11,723 million
- iv. Issue price (Underwriting price): ¥476,652
- v. Total amount of issue price: ¥11,327 million
- vi. Payment date: August 12, 2013

b. Issuance of new investment units through third-party allotment

- i. Number of new investment units issued: 2,376 units
- ii. Issue price: ¥476,652
- iii. Total amount of issue price: ¥1,132 million
- iv. Payment date: September 10, 2013
- v. Allottee: Nomura Securities Co., Ltd.

(Reference Information)

① Debt Financing

TOKYU REIT undertook the following debt financing.

Classification	Short-term debt			
	Sumitomo Mitsui Trust Bank, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mizuho Bank, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥5,000 million	¥2,500 million	¥2,500 million	¥2,500 million
Interest Rate	0.52500% Floating interest rate (Note)	0.52500% Floating interest rate (Note)	0.52500% Floating interest rate (Note)	0.52500% Floating interest rate (Note)
Borrowing Method	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown Date	August 15, 2013	August 15, 2013	August 15, 2013	August 15, 2013
Repayment Date	August 15, 2014	August 15, 2014	August 15, 2014	August 15, 2014
Period	1 year	1 year	1 year	1 year

Note. The interest rates are applicable from August 15, 2013 to September 17, 2013.

② Acquisition of Assets

TOKYU REIT executed a purchase agreement for acquisition of the following specified assets on July 26, 2013 and received delivery of the assets on August 16, 2013.

a. KALEIDO Shibuya Miyamasuzaka

Property name	KALEIDO Shibuya Miyamasuzaka
Type of specified asset	Trust beneficiary interest in real estate
Location (Note 1)	(Lot number) 1-12-4, Shibuya, Shibuya-ku, Tokyo (Residential) 1-12-1, Shibuya, Shibuya-ku, Tokyo
Travel time from nearest train station (Note 2)	Approximately a one-minute walk from Shibuya Station, Tokyu Toyoko and Den-en-toshi Lines, and Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines Approximately a three-minute walk from Shibuya Station, JR Lines
Use	Retail and parking
Total land area (Note 1)	821.65 m ²
Total floor area (Note 1)	4,475.10 m ²
Structure/Floors (Note 1)	S/RC B4/6F
Completion date (Note 1)	January 1992
Seller	G.K. OMCE Kaihatsu
Type of ownership	(Land) Proprietary ownership (Building) Proprietary ownership
Major tenants	K.K. Bagus, Apex, Inc., and Monteroza Co., Ltd.
Acquisition price (Note 3)	¥5,150 million
Appraisal value at time of acquisition	¥5,280 million Appraiser: Japan Valuers Co., Ltd.
Special items	None

Note 1. 'Location (Lot number),' 'Total land area,' 'Total floor area,' 'Structure/Floors' and 'Completion date' are stated as based on the description shown in the registry book. The present status of the property might not correspond to the descriptions in the registry book.

Note 2. The figure calculated based on it taking one minute to walk a road distance of 80 meters pursuant to the Fair Competition Codes Regarding the Description of Real Estate.

Note 3. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the asset (property-related taxes, etc.) and is identical to the acquisition costs stated in the beneficiary interest purchase agreement.

b. Shibuya R Sankei Building

Property name	Shibuya R Sankei Building
Type of specified asset	Real estate
Location (Note 1)	(Lot number) 3-10-2, etc., Shibuya, Shibuya-ku, Tokyo (Residential) 3-10-13, Shibuya, Shibuya-ku, Tokyo
Travel time from nearest train station (Note 2)	Approximately a two-minute walk from Shibuya Station, JR Lines Approximately a four-minute walk from Shibuya Station, Tokyu Toyoko and Den-en-toshi Lines, and Tokyo Metro Ginza, Hanzomon and Fukutoshin Lines
Use	Office, retail and parking
Total land area (Note 1) (Note 3)	1,077.45 m ²
Total floor area (Note 1) (Note 4)	7,289.38 m ²
Structure/Floors (Note 1) (Note 5)	SRC B1/9F
Completion date (Note 1)	March 1990
Seller	The Sankei Building Co., Ltd.
Type of ownership	(Land) Proprietary ownership (Building) Compartmentalized ownership, and co-ownership of compartmentalized ownership
Major tenants	K.K. Japan Distribution System, The Gibraltar Life Insurance Co., Ltd., and J-COM Holdings Co., Ltd.
Acquisition price (Note 6)	¥5,270 million
Appraisal value at time of acquisition	¥5,430 million Appraiser: Japan Valuers Co., Ltd.

Special items	<ul style="list-style-type: none"> • The Building is a building under compartmentalized ownership. Concerning the site, which has been divided into several parcels, the current owner and other compartmentalized owners each solely own rights to use the site (so-called partial ownership). However, the compartmentalized ownership bylaws prohibit disposition separate from one's exclusive ownership portion and one's rights to use the site. • Concerning the site of the Building, the compartmentalized ownership bylaws provide to the effect that the current owner and other compartmentalized owners can use, free of charge, each other's land within the scope of their respective exclusive ownership portion and interest in common-use portion. • The current owner leases from other compartmentalized owners of the Building a part of their exclusive ownership portion and the exclusive ownership portion co-owned with the concerned compartmentalized owners (the current owner pays lease deposits for such) and leases that out to tenants combined with the Building (subleasing for other compartmentalized owners' exclusive ownership portion, etc.). In the acquisition of the Property, TOKYU REIT has agreed with the current owner to succeed such position of the current owner. • The compartmentalized ownership bylaws provide to the effect that, when the compartmentalized owners of the Property are to transfer each compartmentalized ownership, they shall mutually preferentially make a transfer offer.
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Note 1. 'Location (Lot number),' 'Total land area,' 'Total floor area,' 'Structure/Floors' and 'Completion date' are stated as based on the description shown in the registry book. The present status of the property might not correspond to the descriptions in the registry book.

Note 2. The figure calculated based on it taking one minute to walk a road distance of 80 meters pursuant to the Fair Competition Codes Regarding the Description of Real Estate.

Note 3. The area of the entire site of the Building (including other compartmentalized owners' ownership portion of the building; the area of the land acquired by TOKYU REIT is 819.41 m²).

Note 4. The total floor area of the Building in its entirety, including other compartmentalized owners' exclusive ownership portion, etc. of the building. The area of TOKYU REIT's sole exclusive ownership portion is 3,882.86 m², and TOKYU REIT also has co-ownership with another compartmentalized owner for a 625.60 m² compartmentalized portion (6,119/7,820 interest) and a 41.18 m² parking portion (1,521/2,000 interest).

Note 5. Parking: S 1F

Note 6. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the asset (brokerage charges, property-related taxes, etc.) and is identical to the acquisition costs stated in the real estate purchase agreement.

c. Tokyu Toranomon Building

Property name	Tokyu Toranomon Building
Type of specified asset	Real estate
Location (Note 1)	(Lot number) 1-216-2, etc., Toranomon, Minato-ku, Tokyo
	(Residential) 1-21-19, Toranomon, Minato-ku, Tokyo
Travel time from nearest train station (Note 2)	Approximately a three-minute walk from Toranomon Station, Tokyo Metro Ginza Line Approximately a seven-minute walk from Kasumigaseki Station, Tokyo Metro Chiyoda and Hibiya Lines Approximately an eight-minute walk from Kamiyacho Station, Tokyo Metro Hibiya Line Approximately a nine-minute walk from Kasumigaseki Station, Tokyo Metro Marunouchi Line
Use	Office, retail and parking
Total land area (Note 1)	1,764.92 m ²
Total floor area (Note 1)	11,983.09 m ²
Structure/Floors (Note 1)	S 10F
Completion date (Note 1)	April 2010
Seller	Tokyu Corporation
Type of ownership	(Land) Proprietary ownership (Building) Proprietary ownership
Major tenants	Vendor Service Co., Ltd., NTT DATA Corporation, and exsa Corporation
Acquisition price (Note 3)	¥15,000 million
Appraisal value at time of acquisition	¥15,100 million Appraiser: Japan Real Estate Institute
Special items	<ul style="list-style-type: none"> In 1946, a city planning decision was made to the effect that the road facing the west side of the Land will be widened from the boundary as of the date of this document toward the Land side. Therefore, building restrictions pursuant to the City Planning Act (Act No. 100 of 1968, including amendments thereto) apply to the concerned portion (about 26.76 m²). The Building has been constructed in a form that can respond in the event that a project does become decided (specific timing, etc. of project decision have not been made as of the date of this document).

Note 1. 'Location (Lot number),' 'Total land area,' 'Total floor area,' 'Structure/Floors' and 'Completion date' are stated as based on the description shown in the registry book. The present status of the property might not correspond to the descriptions in the registry book.

Note 2. The figure calculated based on it taking one minute to walk a road distance of 80 meters pursuant to the Fair Competition Codes Regarding the Description of Real Estate.

Note 3. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the asset (property-related taxes, etc.) and is identical to the acquisition costs stated in the real estate purchase agreement.

2. Company Profiles

(1) Summary of Unitholders' Contributions

	20th fiscal period As of July 31, 2013	19th fiscal period As of January 31, 2013	18th fiscal period As of July 31, 2012	17th fiscal period As of January 31, 2012	16th fiscal period As of July 31, 2011
Units authorized (units)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Units issued and outstanding (units)	169,380	169,380	169,380	169,380	169,380
Unitholders' capital (millions of yen)	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019
Number of unitholders (persons)	10,464	9,674	9,491	8,993	8,454

(2) Details Regarding TOKYU REIT's Investment Units

The following table sets forth the major unitholders of TOKYU REIT as of July 31, 2013.

Name	Address	Number of units owned	As a percentage of number of units issued and outstanding
		Units	%
Japan Trustee Services Bank, Ltd. (trust account)	1-8-11, Harumi, Chuo-ku, Tokyo	41,601	24.56
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	9,800	5.79
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	9,223	5.45
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	8,910	5.26
Trust & Custody Services Bank, Ltd. (securities investment trust account)	Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku, Tokyo	8,049	4.75
Nomura Bank (Luxembourg) S.A. (Standing Proxy: Sumitomo Mitsui Banking Corporation)	1-2-3, Otemachi, Chiyoda-ku, Tokyo	5,169	3.05
MetLife Alico Life Insurance K.K. GA Company JPY (Standing Proxy: Citibank Japan Ltd.)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	3,902	2.30
OM40SSB Client Omnibus (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	3-11-1, Nihonbashi, Chuo-ku, Tokyo	3,095	1.83
The Asahi Fire & Marine Insurance Co., Ltd.	7, Kandamitoshiro-cho, Chiyoda-ku, Tokyo	3,000	1.77
State Street Bank and Trust Company 505103 (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	3-11-1, Nihonbashi, Chuo-ku, Tokyo	2,603	1.54
Total		95,352	56.29

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

(3) Details of TOKYU REIT's Directors and Auditors
 ① Name of Directors and Auditor (as of July 31, 2013)

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

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

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

Note 3. The executive director serves without compensation.

② Policies Regarding Decision of Dismissing and Not Reappointing Independent Auditors

TOKYU REIT shall observe the stipulations in the Law Concerning Investment Trust and Investment Corporation (Law No. 198 of 1951, including amendments thereto) ("Investment Trust Law") in making decisions for the dismissal of an independent auditor. With regard to the abrogation of an independent auditor's reappointment, appropriate decisions shall be made at TOKYU REIT's Board of Directors meetings with due consideration given to audit quality, compensation and various other factors.

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

The following table sets forth information of TOKYU REIT's investment management company, asset custodian and general administrators as of July 31, 2013.

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

3. Portfolio Profile

(1) Asset Composition

Asset type	Use	Area	20th fiscal period As of July 31, 2013		19th fiscal period As of January 31, 2013		
			Total amount held	As a percentage of total assets	Total amount held	As a percentage of total assets	
			Millions of yen	%	Millions of yen	%	
Real estate	Retail	Central Tokyo and Tokyu Areas	¥ 15,627	7.6	¥ 15,659	7.8	
		Other	—	—	—	—	
		Sub total	15,627	7.6	15,659	7.8	
	Office	Central Tokyo and Tokyu Areas	23,978	11.6	24,069	11.9	
		Other	4,772	2.3	—	—	
		Sub total	28,751	13.9	24,069	11.9	
	Total		44,379	21.4	39,728	19.7	
	Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	55,240	26.7	55,445	27.4
			Other	15,384	7.4	15,432	7.6
Sub total			70,624	34.1	70,878	35.1	
Office		Central Tokyo and Tokyu Areas	74,052	35.8	74,252	36.7	
		Other	3,962	1.9	3,993	2.0	
		Sub total	78,015	37.7	78,246	38.7	
Total		148,639	71.8	149,124	73.8		
Other assets		13,968	6.7	13,207	6.5		
Total assets		¥ 206,988 [¥ 193,019]	100.0 [93.3]	¥ 202,061 [¥ 188,853]	100.0 [93.5]		

Note 1. Regarding 'Area,' please refer to note 1 of '1. Financial Highlights (5) Future Policies of Investment Management ② Future Policies of Investment Management and Issues to be Counterred.'

Note 2. 'Total amount held' is the amount allocated in the balance sheet at the end of the period (as to properties, figures are net book value after deducting depreciation).

Note 3. Figures in brackets of 'Total assets' represent the portion of actually held properties in the target assets above.

Note 4. '(Total amount held) As a percentage of total assets' is rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.

(2) Major Portfolio

Major portfolio held by TOKYU REIT as of July 31, 2013 is as follows:

Name of property		Book value	Total leasable area	Leased area	Occupancy rate	As a percentage of revenue from property leasing	Use
		Millions of yen	m ²	m ²	%	%	
R	QFRONT	¥ 14,009	4,502.93	4,502.93	100.0	9.8	Retail
R	Lexington Aoyama	4,735	2,107.08	2,107.08	100.0	1.8	Retail
R	TOKYU REIT Omotesando Square	5,702	2,708.18	2,708.18	100.0	2.8	Retail
R	Tokyu Saginuma Building	6,743	19,610.06	19,610.06	100.0	4.7	Retail
R	Tokyu Saginuma 2 Building	1,177	1,267.95	1,267.95	100.0	1.0	Retail
R	TOKYU REIT Shibuya Udagawa-cho Square	6,611	1,543.05	1,543.05	100.0	3.9	Retail
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	8,357	50,285.89	50,285.89	100.0	4.5	Retail
R	cocoti	22,872	8,330.41	8,330.41	100.0	7.9	Retail
R	Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.7	Retail
R	CONZE Ebisu	4,900	2,319.24	2,032.09	87.6	2.7	Retail
R	Daikanyama Forum	4,116	2,477.64	2,477.64	100.0	1.5	Retail
O	Setagaya Business Square	18,151	24,960.62	23,246.62	93.1	15.6	Office
O	Tokyu Nampeidai-cho Building	4,198	7,148.18	7,148.18	100.0	2.3	Office
O	Tokyu Sakuragaoka-cho Building	6,654	4,737.19	4,737.19	100.0	3.3	Office
O	Tokyo Nissan Taito Building	3,789	7,947.24	7,947.24	100.0	3.1	Office
O	TOKYU REIT Akasaka Hinokicho Building	3,472	3,203.92	3,045.32	95.0	2.0	Office
O	TOKYU REIT Kamata Building	4,053	7,337.82	6,516.16	88.8	3.4	Office
O	TOKYU REIT Toranomom Building	9,963	10,143.76	7,778.16	76.7	3.2	Office
O	TOKYU REIT Hatchobori Building	6,816	5,987.85	5,987.85	100.0	3.0	Office
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,150	3,533.03	3,533.03	100.0	2.7	Office
O	Tokyu Ikejiri-ohashi Building	5,447	5,733.23	5,733.23	100.0	2.7	Office
O	Kojimachi Square	8,679	5,409.11	5,409.11	100.0	2.9	Office
O	TOKYU REIT Shinjuku Building	9,125	6,215.17	6,215.17	100.0	3.9	Office
O	Akihabara Sanwa Toyo Building	4,638	4,643.04	4,643.04	100.0	2.6	Office
O	TOKYU REIT Kiba Building	3,962	5,797.79	5,797.79	100.0	1.9	Office
O	Tokyu Ginza 2-chome Building	4,889	3,469.14	3,469.14	100.0	2.5	Office
O	OKI System Center (<i>sokochi</i>)	4,772	17,019.19	17,019.19	100.0	1.6	Office
Total		¥ 193,019	262,516.83	257,169.82	98.0	100.0	

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

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

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

(3) Details of Properties in Portfolio

The properties held by TOKYU REIT as of July 31, 2013 are as follows:

Name of property	Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value
			m ²	Millions of yen	Millions of yen
R QFRONT	75-8, etc., Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,502.93	¥ 21,800	¥ 14,009
R Lexington Aoyama	5-235-7, etc., Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,107.08	4,100	4,735
R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,708.18	6,500	5,702
R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	19,610.06	8,530	6,743
R Tokyu Saginuma 2 Building	1-18-5, Kodai, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest in real estate	1,267.95	1,470	1,177
R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	9,450	6,611
R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,330.41	17,300	22,872
R CONZE Ebisu	2-3-5, etc., Ebisu Minami, Shibuya-ku, Tokyo	Real estate	2,319.24	4,030	4,900
R Daikanyama Forum	Building 1 (East) 33-18, etc., Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) 33-1, Sarugaku-cho, Shibuya-ku, Tokyo	Real estate	2,477.64	3,090	4,116
Sub total			44,866.54	76,270	70,868

Name of property		Location (lot number)	Investment type	Total leasable area	Appraisal value at end of period	Book value		
				m ²	Millions of yen	Millions of yen		
Retail	Other	R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	88-1, etc., Noukendai-higashi, Kanazawa-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest in real estate	50,285.89	7,810	8,357
		R	Shonan Mall Fill (<i>sokochi</i>)	4-4300-1, Tsujido Shinmachi, Fujisawa-shi, Kanagawa	Trust beneficiary interest in real estate	44,078.12	5,860	7,026
	Sub total				94,364.01	13,670	15,384	
Total				139,230.55	89,940	86,252		
Office	Central Tokyo and Tokyo Areas	O	Setagaya Business Square	4-260-2, etc., Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,960.62	19,000	18,151
		O	Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	4,620	4,198
		O	Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	7,180	6,654
		O	Tokyo Nissan Taito Building	2-120-2, etc., Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,947.24	5,220	3,789
		O	TOKYU REIT Akasaka Hinokicho Building	6-1401, etc., Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,203.92	3,960	3,472
		O	TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	4,800	4,053
		O	TOKYU REIT Toranomon Building	3-45-6, Toranomon, Minato-ku, Tokyo	Real estate	10,143.76	8,950	9,963
		O	TOKYU REIT Hatchobori Building	2-104-1, etc., Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	5,987.85	5,260	6,816
		O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	4-806 and 4-819, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,533.03	6,070	8,150
		O	Tokyu Ikejiri-ohashi Building	3-1050, etc., Higashiyama, Meguro-ku, Tokyo	Trust beneficiary interest in real estate	5,733.23	4,480	5,447
		O	Kojimachi Square	2-3-9 and 2-3-3, Niban-cho, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	5,409.11	7,920	8,679
		O	TOKYU REIT Shinjuku Building	4-2-3, etc., Shinjuku, Shinjuku-ku, Tokyo	Real estate	6,215.17	9,160	9,125
		O	Akihabara Sanwa Toyo Building	3-50-5, etc., Sotokanda, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	4,643.04	5,060	4,638
		O	Tokyu Ginza 2-chome Building	2-215-1, Ginza, Chuo-ku, Tokyo	Real estate	3,469.14	4,760	4,889
	Sub total				100,469.30	96,440	98,031	
	Other	O	TOKYU REIT Kiba Building	3-21-5, etc., Toyo, Koto-ku, Tokyo	Trust beneficiary interest in real estate	5,797.79	3,650	3,962
O		OKI System Center (<i>sokochi</i>)	1-16-20, etc., Chuo, Warabi-shi, Saitama	Real estate	17,019.19	4,830	4,772	
Sub total				22,816.98	8,480	8,735		
Total				123,286.28	104,920	106,766		
Grand total				262,516.83	¥ 194,860	¥ 193,019		

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

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

Name of property		20th fiscal period From February 1, 2013 to July 31, 2013				19th fiscal period From August 1, 2012 to January 31, 2013						
		Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing	Number of tenants	Occupancy rate	Revenue from property leasing	As a percentage of revenue from property leasing			
			%	Millions of yen	%		%	Millions of yen	%			
Retail	Central Tokyo and Tokyu Areas	R	QFRONT	3	100.0	¥ 638	9.8	3	100.0	¥ 641	10.1	
		R	Lexington Aoyama	7	100.0	116	1.8	7	100.0	106	1.7	
		R	TOKYU REIT Omotesando Square	4	100.0	184	2.8	4	100.0	175	2.8	
		R	Tokyu Saginuma Building	1	100.0	305	4.7	1	100.0	306	4.8	
		R	Tokyu Saginuma 2 Building	1	100.0	61	1.0	1	100.0	62	1.0	
		R	TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	250	3.9	2	100.0	250	4.0	
		R	cocoti	15	100.0	513	7.9	15	100.0	535	8.5	
		R	CONZE Ebisu	7	87.6	172	2.7	8	100.0	125	2.0	
		R	Daikanyama Forum	5	100.0	95	1.5	4	91.5	87	1.4	
		Sub total			45	99.4	2,337	36.0	45	99.5	2,291	36.2
	Other	R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	294	4.5	1	100.0	300	4.7	
		R	Shonan Mall Fill (sokochi)	1	100.0	174	2.7	1	100.0	174	2.7	
			Sub total			2	100.0	468	7.2	2	100.0	474
		Total			47	99.8	2,806	43.2	47	99.8	2,765	43.7
	Office	Central Tokyo and Tokyu Areas	O	Setagaya Business Square	58	93.1	1,011	15.6	57	93.1	1,050	16.6
			O	Tokyu Nampeidai -cho Building	1	100.0	149	2.3	1	100.0	176	2.8
			O	Tokyu Sakuragaoka -cho Building	2	100.0	215	3.3	2	100.0	233	3.7
			O	Tokyo Nissan Taito Building	11	100.0	202	3.1	11	100.0	202	3.2
			O	TOKYU REIT Akasaka Hinokicho Building	3	95.0	133	2.0	3	95.0	134	2.1
O			TOKYU REIT Kamata Building	5	88.8	218	3.4	5	100.0	191	3.0	
O			TOKYU REIT Toranomon Building	7	76.7	206	3.2	6	53.3	153	2.4	
O			TOKYU REIT Hatchobori Building	10	100.0	195	3.0	9	99.4	178	2.8	
O			Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	176	2.7	1	100.0	203	3.2	
O			Tokyu Ikejiri-ohashi Building	4	100.0	178	2.7	4	100.0	182	2.9	
O			Kojimachi Square	8	100.0	190	2.9	8	100.0	155	2.5	
O			TOKYU REIT Shinjuku Building	11	100.0	252	3.9	10	92.5	256	4.0	
O			Akihabara Sanwa Toyo Building	6	100.0	169	2.6	6	100.0	173	2.7	
O		Tokyu Ginza 2-chome Building	2	100.0	164	2.5	2	100.0	165	2.6		
		Sub total			129	95.0	3,462	53.3	125	92.9	3,456	54.6
Other		O	TOKYU REIT Kiba Building	6	100.0	126	1.9	6	100.0	112	1.8	
		O	OKI System Center (sokochi) (Note 4)	1	100.0	100	1.6	—	—	—	—	
		Sub total			7	100.0	227	3.5	6	100.0	112	1.8
		Total			136	95.9	3,689	56.8	131	93.3	3,568	56.3
	Grand total			183	98.0	¥ 6,495	100.0	178	97.0	¥ 6,334	100.0	

- Note 1. 'Number of tenants' is counted cumulatively, i.e., when one tenant leases plural rooms for rent in the same property, it is regarded as one tenant, and when in plural properties, it is regarded as plural tenants.
- Note 2. 'Occupancy rate' is the leased area expressed as a percentage of total leasable area at the end of the period.
- Note 3. 'Occupancy rate' and '(Revenue from property leasing) As a percentage of revenue from property leasing' are rounded to one decimal place. Therefore, the sum total of the items may not necessarily correspond to the 'Total' figure.
- Note 4. OKI System Center (*sokochi*) was acquired on March 27, 2013. In the table, the property's 'Revenue from property leasing' and 'As a percentage of revenue from property leasing' for the 20th fiscal period show the figures for the period from the acquisition date to the end of the fiscal period.

(4) Other Assets

As of July 31, 2013, there are no assets targeted for investment other than those described above.

(5) Assets Held in Each Country and Region

TOKYU REIT does not invest in overseas properties.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

The following lists the estimated amounts of major capital expenditures for repair and maintenance work of properties held, as scheduled as of July 31, 2013. The estimated construction costs shown below include those charged to expenses in accounting.

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

	Name of property	Location	Objective	Estimated period	Estimated construction cost		
					Millions of yen		
					Total	Amount paid during period	Amount paid by end of period
R	QFRONT	Shibuya-ku, Tokyo	Renewal of chiller overhaul on 7F and 8F	From October 2013 to November 2013	¥ 21	—	—
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renovation of guest entrance	From December 2013 to January 2014	¥ 17	—	—
O	Tokyo Nissan Taito Building	Taito-ku, Tokyo	Renewal of mechanical parking lot	From October 2013 to October 2013	¥ 14	—	—
O	TOKYU REIT Hatchobori Building	Chuo-ku, Tokyo	Installation of individually controlled air-conditioning equipment on 4F, 6F and 7F	From November 2013 to January 2014	¥ 45	—	—
O	TOKYU REIT Kiba Building	Koto-ku, Tokyo	Renewal of air-conditioning equipment on 3F to 5F	From October 2013 to January 2014	¥ 94	—	—

(2) Capital Expenditures Made during Period

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

Capital expenditures during the 20th fiscal period amounted to ¥479 million and ¥214 million in repairs and maintenance expenses were charged to expenses for a combined total of ¥693 million spent for such work.

Name of property		Location	Objective	Period	Construction cost Millions of yen
R	Tokyu Saginuma Building	Kawasaki-shi, Kanagawa	Renewal of automatic fire alarm system receiver	From June 2013 to July 2013	¥ 21
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Yokohama-shi, Kanagawa	Renovation of external walls	From January 2013 to July 2013	28
O	Tokyu Sakuragaoka-cho Building	Shibuya-ku, Tokyo	Renewal of air-conditioning equipment on 1F to 8F (phase I and II construction)	From August 2012 to March 2013	266
O	TOKYU REIT Hatchobori Building	Chuo-ku, Tokyo	Renewal of electric lighting transformer	From April 2013 to May 2013	10
Other					152
Total					¥ 479

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

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

	20th fiscal period From February 1, 2013 to July 31, 2013	19th fiscal period From August 1, 2012 to January 31, 2013	18th fiscal period From February 1, 2012 to July 31, 2012	17th fiscal period From August 1, 2011 to January 31, 2012	16th fiscal period From February 1, 2011 to July 31, 2011
	Millions of yen				
Reserve at beginning of period	¥ 372	¥ 454	¥ 340	¥ 531	¥ 428
Amount transferred to reserve during period	446	607	520	226	450
Reversal from reserve during period	516	690	406	417	348
Reserve at end of period	¥ 301	¥ 372	¥ 454	¥ 340	¥ 531

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

5. Expenses and Debt

(1) Investment Management Expenses

	20th fiscal period		19th fiscal period	
	From February 1, 2013 to July 31, 2013		From August 1, 2012 to January 31, 2013	
Millions of yen				
Asset management fees				
Asset-based fees	¥ 241		¥ 271	
Cash-based fees	208		190	
Unit price-based fees	-	¥ 449	-	¥ 462
Asset custodian fees		16		16
General administration fees		41		41
Directors' fees		6		6
Other operating expenses		75		58
Total		¥ 589		¥ 585

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

Short-term debt and long-term debt from each financial institution as of July 31, 2013 are as follows:

Category	Lender	Draw-down date	Balance as of July 31, 2013	Balance as of January 31, 2013	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Long-term debt	Development Bank of Japan Inc.	January 25, 2006	5,000	5,000	1.95000	January 25, 2018	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
	The Dai-ichi Mutual Life Insurance Company	July 31, 2006	-	4,000	2.22353	July 31, 2013			Unsecured and Unguaranteed (Note 2)
	The Dai-ichi Mutual Life Insurance Company	January 25, 2007	1,000	1,000	1.92000	January 25, 2014			Unsecured and Unguaranteed (Notes 2 and 3)
	The National Mutual Insurance Federation of Agricultural Cooperatives		3,000	3,000					Unsecured and Unguaranteed (Notes 2 and 3)
	Daido Life Insurance Company	March 10, 2008	3,000	3,000	1.76625	March 10, 2016			Unsecured and Unguaranteed (Note 2)
	Development Bank of Japan Inc.	June 25, 2008	5,000	5,000	2.21100	June 25, 2015			Unsecured and Unguaranteed (Note 2)
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000	2.10187	December 25, 2013			Unsecured and Unguaranteed (Notes 2 and 3)
	Development Bank of Japan Inc.	February 25, 2009	5,000	5,000	1.79000	February 25, 2014			Unsecured and Unguaranteed (Notes 2 and 3)
	Sumitomo Mitsui Trust Bank, Limited	June 25, 2009	-	2,500	1.67500	June 25, 2013			Unsecured and Unguaranteed (Note 2)
	Mitsubishi UFJ Trust and Banking Corporation		-	2,500					Unsecured and Unguaranteed (Notes 2 and 3)
	Sumitomo Mitsui Trust Bank, Limited		2,500	2,500	1.78812	December 25, 2013			Unsecured and Unguaranteed (Notes 2 and 3)
	Mitsubishi UFJ Trust and Banking Corporation		2,500	2,500					Unsecured and Unguaranteed (Note 2)
	Sumitomo Mitsui Trust Bank, Limited	June 29, 2009	-	400	1.66375	June 28, 2013			Unsecured and Unguaranteed (Note 2)

Category	Lender	Draw-down date	Balance as of July 31, 2013	Balance as of January 31, 2013	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Long-term debt	Mitsui Sumitomo Insurance Co., Ltd.	June 25, 2010	1,000	1,000	1.31250	June 25, 2014	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Notes 2 and 3)
	Mizuho Bank, Ltd. (Note 4)		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited	July 26, 2010	1,000	1,000	1.46250	July 26, 2015			
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	Shinkin Central Bank		2,000	2,000					
	Sumitomo Mitsui Trust Bank, Limited	December 27, 2010	5,000	5,000	1.63250	December 27, 2016			
	Sumitomo Mitsui Trust Bank, Limited	May 18, 2011	2,000	2,000	1.47625	May 18, 2017			
	Sumitomo Mitsui Trust Bank, Limited	May 25, 2011	2,000	2,000		May 25, 2017			
	Mizuho Bank, Ltd. (Note 4)	June 27, 2011	2,000	2,000	1.45375	June 27, 2017			
	Nippon Life Insurance Company	July 29, 2011	2,000	2,000	1.36875	January 31, 2017			
	Nippon Life Insurance Company		2,000	2,000	1.49563	January 31, 2018			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 26, 2011	5,000	5,000	1.41375	March 26, 2018			
	Mizuho Bank, Ltd. (Note 4)	November 11, 2011	1,700	1,700	1.03500	November 11, 2015			
	Mizuho Bank, Ltd. (Note 4)		1,700	1,700	1.48875	November 11, 2018			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 25, 2012	2,000	2,000	1.37250	May 25, 2019			
	Development Bank of Japan Inc.	June 25, 2012	4,000	4,000	1.48000	June 25, 2020			
	Sumitomo Mitsui Trust Bank, Limited	June 29, 2012	400	400	1.32375	June 29, 2019			
	Mitsubishi UFJ Trust and Banking Corporation		400	400					
	The Norinchukin Bank	July 25, 2012	1,000	1,000	0.93500	July 25, 2017			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	August 29, 2012	1,400	1,400	1.32250	August 29, 2019			
Mitsubishi UFJ Trust and Banking Corporation	November 19, 2012	2,000	2,000	1.24625	November 19, 2019				
Daido Life Insurance Company	December 25, 2012	500	500	0.68125	December 25, 2015				
Mizuho Bank, Ltd. (Note 4)		500	500	1.23375	December 25, 2019				

Category	Lender	Draw-down date	Balance as of July 31, 2013	Balance as of January 31, 2013	Average interest rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	June 25, 2010	2,900	-	1.53375	December 25, 2020	Bullet payment	Refinance fund	Unsecured and Unguaranteed (Note 2)
	Mitsubishi UFJ Trust and Banking Corporation		1,500	-	1.45125	June 25, 2020			
	Mitsubishi UFJ Trust and Banking Corporation		500	-	1.07500	June 25, 2018			
	Mitsubishi UFJ Trust and Banking Corporation		500	-	0.77500	June 25, 2016			
	Mizuho Trust & Banking Co., Ltd.	June 27, 2013	1,500	-	1.91375	June 27, 2023			
	Development Bank of Japan Inc.		1,000	-					
	Mitsui Sumitomo Insurance Co., Ltd.		500	-	1.47250	June 27, 2020			
	The Norinchukin Bank		500	-					
	The Dai-ichi Mutual Life Insurance Company	July 31, 2013	2,500	-	1.51374	July 31, 2021			
	The Dai-ichi Mutual Life Insurance Company		2,000	-	0.99125	July 31, 2018			
	Nippon Life Insurance Company		500	-	1.51373	July 31, 2021			
Total			¥ 83,500	¥ 79,000					

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

Note 2. Depending on the financial position of TOKYU REIT, additional interest rates, additional cash reserves, asset acquisition and disposition restrictions, debt burden and payment restrictions, dividend restrictions, offering of additional pledge and other financial covenants may apply.

Note 3. As of the end of the fiscal period, the amounts are recorded in the balance sheets as 'Long-term debt due within one year' under 'Current liabilities.'

Note 4. Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. and changed the trade name to Mizuho Bank, Ltd. on July 1, 2013.

(3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of July 31, 2013 is as follows:

Name	Issue date	Balance as of July 31, 2013	Balance as of January 31, 2013	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
		Millions of yen	Millions of yen	(%)				
2nd Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.89000	October 24, 2014	Full amount on maturity	Repayment of debt financing	Unsecured/ Unguaranteed (Note)
3rd Series Unsecured Investment Corporation Bond	October 22, 2012	3,000	3,000	1.47000	October 21, 2022			
Total		¥ 8,000	¥ 8,000					

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

6. Acquisitions and Dispositions during the 20th Fiscal Period

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

Asset type	Name of property		Acquisition		Disposition			
			Acquisition date	Acquisition price (Note)	Disposition date	Disposition price	Book value	Gain (Loss) on sale
				Millions of yen				
Real estate	○	OKI System Center (sokochi)	March 27, 2013	¥ 4,530	—	—	—	—
Total				¥ 4,530		—	—	—

Note. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the property (brokerage charges, property-related taxes, etc.) and is identical to the acquisition costs, etc. stated in the purchase agreement, etc.

(2) Sales and Purchases of Other Assets

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

(3) Research on Prices of Specified Assets

① Property

Acquisition or disposition	Asset type	Name of property		Acquisition date	Acquisition price (Note 1)	Appraisal value	Appraiser	Date of value
					Millions of yen			
Acquisition	Real estate	○	OKI System Center (sokochi)	March 27, 2013	¥ 4,530	¥ 4,830	Japan Valuers Co., Ltd.	March 15, 2013

Note 1. 'Acquisition price' is the amount exclusive of the expenses required for acquisition of the property (brokerage charges, property-related taxes, etc.) and is identical to the acquisition costs, etc. stated in the purchase agreement, etc.

Note 2. The appraisal value above is based on "Real Estate Appraisal Standards; Practical Theory; Chapter 3: Appraisal in respect with Securitizable Subject Property."

② Other

Of those transactions carried out by TOKYU REIT that are required to have the value, etc. investigated pursuant to the provisions of Article 201 of the Investment Trust Law, there are no transactions other than the transactions presented in '① Property' above.

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

① Status of Trading

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

② Amounts of Commissions Paid

Item	Total amounts of commissions paid (A) Thousands of yen	Paid to interested persons, etc. and major shareholders		B/A (%)
		Payee	Amount of payment (B) Thousands of yen	
Utilities expenses	¥ 542,903	Yoga District Heating and Cooling Co., Ltd.	¥ 107,052	19.7
		Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
Subcontract expenses	¥ 413,473	Tokyu Community Corporation	¥ 259,031	62.6
		Tokyu Facility Service Co., Ltd.	¥ 31,185	7.5
		Kyodo Gijutsu Center Co., Ltd.	¥ 11,097	2.7
		Tokyu Store Corporation	¥ 3,877	0.9
		Tokyu Bldg Maintenance Co., Ltd.	¥ 1,755	0.4
		Tokyu Construction Co., Ltd.	¥ 650	0.2
		its communications Inc.	¥ 333	0.1
Property management fees	¥ 147,295	Tokyu Corporation	¥ 74,051	50.3
		Tokyu Community Corporation	¥ 73,243	49.7
Insurance premium	¥ 11,765	Tokyu Insurance Consulting Co., Ltd.	¥ 11,456	97.4
Other rental service expenses	¥ 188,144	Tokyu Community Corporation	¥ 4,205	2.2
		TMD Corporation	¥ 4,054	2.2
		Tokyu Corporation	¥ 2,351	1.2
		Shibuya Underground Shopping Center, Inc.	¥ 840	0.4
		Tokyu Renewal Co., Ltd.	¥ 100	0.1
		its communications Inc.	¥ 62	0.0
Other operating expenses	¥ 75,086	Tokyu Hotels Co., Ltd.	¥ 941	1.3

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

Note 2. In addition to the commissions paid described above, TOKYU REIT paid for commissions to third parties through interested persons, etc. and major shareholders Tokyu Corporation and Tokyu Community Corporation in the amount of ¥56,555 thousand and ¥26,536 thousand, respectively. In addition to commissions paid as described above, the amount paid for repair and maintenance work placed to interested persons, etc. and major shareholders during the 20th fiscal period are as follows:

Tokyu Corporation	¥ 10,204 thousand
Tokyu Community Corporation	¥ 8,919 thousand
Tokyu Construction Co., Ltd.	¥ 4,824 thousand
Kyodo Gijutsu Center Co., Ltd.	¥ 4,788 thousand
Tokyu Facility Service Co., Ltd.	¥ 3,740 thousand
Seikitokyu Kogyo Co., Ltd.	¥ 1,700 thousand
Tokyu Renewal Co., Ltd.	¥ 820 thousand
Ishikatsu Exterior, Inc.	¥ 697 thousand
Tokyu Security Co., Ltd.	¥ 100 thousand

(5) Trading between the Investment Management Company and TOKYU REIT Pertaining to Business Concurrently Operated by the Investment Management Company

There is no item that falls under this category.

7. Accounting

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

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

(2) Change in Depreciation Method

There is no item that falls under this category.

(3) Change in Valuation Methods

There is no item that falls under this category.

8. Other

(1) News

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

Date of meeting	Agenda item	Summary
April 12, 2013	Revision of investment management agreement	The meeting approved to amend the investment management fees, etc. set forth in the investment management agreement executed with the investment management company Tokyu REIM. The revision is based on amendment of TOKYU REIT's Articles of Incorporation for the abovementioned amendment having been approved at a General Meeting of Unitholders.
April 12, 2013	Signing of memorandum on investment management agreement	Concerning the investment management agreement executed with the investment management company Tokyu REIM, the meeting approved the signing of a memorandum for the purpose of confirming the responsibility for expenses, etc. between TOKYU REIT and Tokyu REIM.
July 26, 2013	Issuance of new investment units and secondary offering of investment units	The meeting approved to conduct an issuance of new investment units through public offering (primary offering) and third-party allotment, and secondary offering through over-allotment.
July 26, 2013	Signing of new investment units underwriting agreement, etc.	In connection with the issuance of new investment units above, the meeting approved the outsourcing of general administrative operations for the offering of investment units to Nomura Securities Co., Ltd., Meryl Lynch Japan Securities Co., Ltd., Daiwa Securities Co. Ltd., Mizuho Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Inc., Tokai Tokyo Securities Co., Ltd. and UBS Securities Japan Co., Ltd.

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

There is no item that falls under this category.

(3) Other

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

Date of meeting	Agenda item	Summary
June 28, 2013	Signing of memorandum with Tokyu Corporation and Tokyu Facility Service Co., Ltd.	The meeting approved the signing of a memorandum with the property management company Tokyu Corporation and the building management company Tokyu Facility Service Co., Ltd., confirming both companies' intentions to be jointly and severally liable for loss (¥2,468 thousand) resulting from operational delinquency.

- ② Unless otherwise specifically mentioned, the figures in this report have been rounded down for amounts and rounded for ratios to the nearest specified unit.



Independent Auditor's Report

To the Board of Directors of TOKYU REIT, Inc.

We have audited the accompanying financial statements of TOKYU REIT, Inc. ("the Company"), which comprise the balance sheet as at July 31, 2013, and the statements of income, statements of changes in unitholders' equity and statements of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2013, and its financial performance and cash flows for the six months then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

As described in Note 19, the Company issued new investments units for which payments were completed on August 12, 2013 and September 10, 2013. Our opinion is not qualified in respect of this matter.

PricewaterhouseCoopers Aarata

October 24, 2013

PricewaterhouseCoopers Aarata

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TOKYU REIT, Inc.
Balance Sheets
As of July 31, 2013 and January 31, 2013

	July 31, 2013	January 31, 2013
	(Millions of yen)	
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 3,093	¥ 2,128
Cash and deposits with banks held in trust	9,545	9,778
Tenant receivables	128	110
Lease deposits held in trust due within one year	18	18
Other current assets	68	44
Total current assets	12,855	12,080
Fixed assets:		
Property and equipment		
Buildings and structures	7,859	7,837
Land	38,001	33,228
Other tangible assets	87	85
Buildings and structures held in trust	47,881	47,461
Land held in trust	115,335	115,335
Other tangible assets held in trust	1,272	1,247
Construction in progress held in trust	2	101
Less accumulated depreciation	(17,435)	(16,460)
Total property and equipment	193,005	188,837
Intangible assets		
Intangible assets	0	0
Intangible assets held in trust	13	15
Total intangible assets	14	16
Investments and other assets		
Lease deposits	125	125
Lease deposits held in trust	799	804
Other assets	166	172
Total investments and other assets	1,091	1,102
Total fixed assets	194,110	189,955
Deferred assets:		
Investment corporation bond issuance expenses	22	25
Total deferred assets	22	25
Total assets	¥ 206,988	¥ 202,061

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

TOKYU REIT, Inc.
Balance Sheets, continued
As of July 31, 2013 and January 31, 2013

	July 31, 2013	January 31, 2013
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Long-term debt due within one year	¥ 17,000	¥ 19,400
Accounts payable	961	823
Consumption tax payable	64	57
Rent received in advance	1,007	979
Tenant leasehold and security deposits held in trust due within one year	624	624
Accrued expenses and other current liabilities	179	202
Total current liabilities	19,837	22,087
Long-term liabilities:		
Investment corporation bonds	8,000	8,000
Long-term debt	66,500	59,600
Tenant leasehold and security deposits	2,276	1,867
Tenant leasehold and security deposits held in trust	10,315	10,595
Other long-term liabilities	2	3
Total long-term liabilities	87,094	80,066
Total liabilities	¥ 106,932	¥ 102,153
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized – 2,000,000 units		
Units issued and outstanding – 169,380 units as of July 31, 2013 and January 31, 2013	¥ 98,019	¥ 98,019
Retained earnings	2,035	1,887
Total net assets	100,055	99,907
Total liabilities and net assets	¥ 206,988	¥ 202,061

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

TOKYU REIT, Inc.
Statements of Income

For the six months ended July 31, 2013 and January 31, 2013

	For the six months ended	
	July 31, 2013	January 31, 2013
(Millions of yen)		
Operating revenues:		
Rental revenue	¥ 6,028	¥ 5,837
Other rental revenue	467	496
Revenues from facility acceptance	-	0
Operating expenses:		
Rental service expenses	(3,105)	(3,083)
Asset management fees	(449)	(462)
Other	(139)	(122)
Operating income	2,801	2,665
Non-operating income:		
Interest income	1	1
Other	7	9
Non-operating expenses:		
Interest expense	(656)	(659)
Interest expense on investment corporation bonds	(68)	(78)
Amortization of investment corporation bond issuance expenses	(2)	(3)
Other	(45)	(46)
Income before income taxes	2,036	1,888
Income taxes:		
Current	(0)	(0)
Deferred	(0)	0
Net income	2,035	1,887
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 2,035	¥ 1,887

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

TOKYU REIT, Inc.
Statements of Changes in Unitholders' Equity
For the six months ended July 31, 2013 and January 31, 2013

For the six months ended July 31, 2013

	Unitholders' capital	Retained earnings	Total
	(Millions of yen)		
Balance at beginning of period	¥ 98,019	¥ 1,887	¥ 99,907
Changes during the period			
Cash distributions declared	-	(1,887)	(1,887)
Net income	-	2,035	2,035
Total changes during the period	-	147	147
Balance at end of period	¥ 98,019	¥ 2,035	¥ 100,055

For the six months ended January 31, 2013

	Unitholders' capital	Retained earnings	Total
	(Millions of yen)		
Balance at beginning of period	¥ 98,019	¥ 1,982	¥ 100,002
Changes during the period			
Cash distributions declared	-	(1,982)	(1,982)
Net income	-	1,887	1,887
Total changes during the period	-	(94)	(94)
Balance at end of period	¥ 98,019	¥ 1,887	¥ 99,907

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

TOKYU REIT, Inc.
Statements of Cash Flows

For the six months ended July 31, 2013 and January 31, 2013

	For the six months ended	
	July 31, 2013	January 31, 2013
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 2,036	¥ 1,888
Depreciation and amortization	983	992
Amortization of investment corporation bond issuance expenses	2	3
Loss on disposal of property and equipment	4	8
Interest income	(1)	(1)
Interest expense	747	762
(Increase) Decrease in tenant receivables	(18)	5
Increase (Decrease) in consumption tax payable	6	2
Increase (Decrease) in accounts payable	82	26
Increase (Decrease) in rent received in advance	27	9
Other, net	(26)	(4)
Total	3,845	3,694
Interest received	1	1
Interest paid	(755)	(769)
Income taxes paid	(0)	(0)
Net cash provided by operating activities	3,090	2,925
Cash flows from investing activities:		
Payments for purchases of property and equipment	(4,795)	(15)
Payments for purchases of property and equipment held in trust	(310)	(521)
Payments for purchases of intangible assets held in trust	-	(0)
Payments for lease deposits held in trust	-	(5)
Proceeds from lease deposits held in trust	5	18
Proceeds from tenant leasehold and security deposits	479	17
Payments for tenant leasehold and security deposits	(70)	(4)
Proceeds from tenant leasehold and security deposits held in trust	235	150
Payments for tenant leasehold and security deposits held in trust	(514)	(780)
Payments for restricted deposits with banks held in trust	(235)	(169)
Proceeds from restricted deposits with banks held in trust	297	563
Net cash used in investing activities	(4,908)	(747)
Cash flows from financing activities:		
Proceeds from short-term debt	4,500	-
Repayment of short-term debt	(4,500)	-
Proceeds from long-term debt	13,900	4,400
Repayment of long-term debt	(9,400)	(4,400)
Proceeds from investment corporation bonds	-	2,980
Repayment of investment corporation bonds	-	(5,000)
Payment of dividends	(1,886)	(1,981)
Net cash used in financing activities	2,613	(4,000)
Net change in cash and cash equivalents	795	(1,822)
Cash and cash equivalents at beginning of period	4,300	6,123
Cash and cash equivalents at end of period	¥ 5,095	¥ 4,300

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

TOKYU REIT, Inc.
Notes to Financial Statements
For the six months ended July 31, 2013 and January 31, 2013

1. Organization and basis of presentation

(a) Organization

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

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

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

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

As at July 31, 2013, TOKYU REIT's total capital is ¥98,019 million with 169,380 units issued and outstanding. TOKYU REIT has been operating 27 properties at an occupancy rate of approximately 98.0%. Total acquisition cost of the 27 properties is ¥204,202 million and total rentable area is 262,516.83 m².

(b) Basis of presentation

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

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

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

TOKYU REIT's first fiscal period began on June 20, 2003, the date of incorporation, and ended on January 31, 2004. TOKYU REIT's fiscal period is a six-month period, which ends respectively at the end of January and July of each year.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

2. Significant accounting policies

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

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

	July 31, 2013	January 31, 2013
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-52	2-52
Other tangible assets		
Machinery and equipment	2-17	2-17
Tools, furniture and fixtures	2-15	2-15

- (c) **Intangible assets** - Amortization is computed by using the straight-line method.
- (d) **Accounting treatment of beneficiary interest in trust accounts, including real estate** - For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan and through which TOKYU REIT holds most of its property, all accounts of assets and liabilities within the trust, as well as all income generated and expenses incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.
- (e) **Accounting standard for impairment of fixed assets** - Effective August 1, 2005, TOKYU REIT adopted the "Accounting Standard for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council in Japan on August 9, 2002) and "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets" ("Financial Accounting Standard Implementation Guidance No. 6" issued by the Accounting Standards Board of Japan on October 31, 2003). The standard requires the recognition of an impairment loss on fixed assets whenever events or changes in circumstances indicate that the carrying amounts of fixed assets may not be recoverable.
- (f) **Accounting method for deferred assets** - Depreciation of investment corporation bond issuance expenses is calculated using the straight-line method at rates based on the redemption period of the respective bonds.
- (g) **Accounting standard for asset retirement obligations** - Effective April 1, 2010, TOKYU REIT adopted the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21 issued on March 31, 2008).

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

- (h) **Revenue recognition** - TOKYU REIT operates retail and office properties that are rented to tenants. Revenue from leasing the retail and office space is recognized on an accrual basis over the term of each lease. Rental revenue includes fixed rental revenues, recoveries of utility charges and other income.
- (i) **Property-related taxes** - Property-related taxes (property tax, city planning tax and depreciable property tax) are imposed on property on a calendar year basis. The amount of such taxes assessed in the period is charged to income as rental service expenses. In accordance with Japanese business practice, at the time of disposal, the seller of the property is generally liable for property-related taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser of the property for the accrued property-related tax liabilities up to the time of disposal, and the amount of the settlement reflects this adjustment when acquiring a property. TOKYU REIT is allocating the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amount of those allocated portions of the property-related taxes is capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes are ¥23 million for the six months ended July 31, 2013.
- (j) **Income taxes** - Income taxes are accounted for financial reporting purposes. The tax effect of temporary differences between the amount of assets and liabilities for financial statements and for income tax reporting is recognized as deferred taxes. Deferred tax assets of ¥14 thousand are included in other current assets as of July 31, 2013.
- (k) **Net income per unit** - Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.

3. Cash and cash equivalents

Cash and cash equivalents as of July 31, 2013 and January 31, 2013 consisted of the following:

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Cash and deposits with banks	¥ 3,093	¥ 2,128
Cash and deposits with banks held in trust	9,545	9,778
Restricted deposits with banks held in trust	(7,543)	(7,606)
Cash and cash equivalents	¥ 5,095	¥ 4,300

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

4. Schedule of property and equipment and intangible assets

Property and equipment and intangible assets as of July 31, 2013 and January 31, 2013 consisted of the following:

	July 31, 2013			January 31, 2013		
	Balance	Accumulated depreciation	Net balance	Balance	Accumulated depreciation	Net balance
	(Millions of yen)					
Property and equipment						
Buildings and structures						
Buildings	¥ 7,805	¥ (1,511)	¥ 6,294	¥ 7,783	¥ (1,373)	¥ 6,410
Structures	54	(16)	37	54	(14)	39
Land	38,001	-	38,001	33,228	-	33,228
Other tangible assets						
Machinery and equipment	52	(22)	30	52	(18)	34
Tools, furniture and fixtures	34	(19)	15	32	(17)	15
Construction in progress	-	-	-	-	-	-
Property and equipment held in trust						
Buildings and structures						
Buildings	47,059	(14,543)	32,515	46,641	(13,787)	32,854
Structures	822	(382)	440	820	(365)	455
Land	115,335	-	115,335	115,335	-	115,335
Other tangible assets						
Machinery and equipment	961	(705)	256	943	(657)	286
Tools, furniture and fixtures	311	(234)	76	304	(227)	77
Construction in progress	2	-	2	101	-	101
Sub total	<u>210,440</u>	<u>(17,435)</u>	<u>193,005</u>	<u>205,298</u>	<u>(16,460)</u>	<u>188,837</u>
Intangible assets						
Intangible assets	2	(1)	0	2	(1)	0
Intangible assets held in trust	30	(16)	13	30	(15)	15
Sub total	<u>33</u>	<u>(18)</u>	<u>14</u>	<u>33</u>	<u>(17)</u>	<u>16</u>
Total	<u>¥ 210,473</u>	<u>¥ (17,454)</u>	<u>¥ 193,019</u>	<u>¥ 205,331</u>	<u>¥ (16,477)</u>	<u>¥ 188,853</u>

5. Collateral pledged and secured liabilities

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

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Assets pledged as collateral		
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 2,634	¥ 2,680
Structures	129	131
Land	5,585	5,585
Other tangible assets		
Machinery and equipment	7	7
Tools, furniture and fixtures	1	1
Total	<u>¥ 8,357</u>	<u>¥ 8,406</u>
Secured liabilities		
Tenant leasehold and security deposits held in trust due within one year	¥ 433	¥ 433
Tenant leasehold and security deposits held in trust	2,145	2,362
Total	<u>¥ 2,578</u>	<u>¥ 2,795</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

6. Short-term debt and long-term debt

Short-term debt and long-term debt as of July 31, 2013 and January 31, 2013 consisted of the following:

	Balance as of July 31, 2013	Balance as of January 31, 2013	Average interest rate (Note 1)
	(Millions of yen)		(%)
	¥	¥	
Short-term debt			
Sub total	-	-	
Long-term debt			
Unsecured loans due on June 25, 2013 with fixed rate	-	5,000	1.67500
Unsecured loans due on June 28, 2013 with fixed rate	-	400	1.66375
Unsecured loans due on July 31, 2013 with fixed rate	-	4,000	2.22353
Unsecured loans due on December 25, 2013 with fixed rate (Note 2)	1,000	1,000	2.10187
Unsecured loans due on December 25, 2013 with fixed rate (Note 2)	5,000	5,000	1.78812
Unsecured loans due on January 25, 2014 with fixed rate (Note 2)	4,000	4,000	1.92000
Unsecured loans due on February 25, 2014 with fixed rate (Note 2)	5,000	5,000	1.79000
Unsecured loans due on June 25, 2014 with fixed rate (Note 2)	2,000	2,000	1.31250
Unsecured loans due on June 25, 2015 with fixed rate	5,000	5,000	2.21100
Unsecured loans due on July 26, 2015 with fixed rate	4,000	4,000	1.46250
Unsecured loans due on November 11, 2015 with fixed rate	1,700	1,700	1.03500
Unsecured loans due on December 25, 2015 with fixed rate	500	500	0.68125
Unsecured loans due on March 10, 2016 with fixed rate	3,000	3,000	1.76625
Unsecured loans due on June 25, 2016 with fixed rate	500	-	0.77500
Unsecured loans due on December 27, 2016 with fixed rate	5,000	5,000	1.63250
Unsecured loans due on January 31, 2017 with fixed rate	2,000	2,000	1.36875
Unsecured loans due on May 18, 2017 with fixed rate	2,000	2,000	1.47625
Unsecured loans due on May 25, 2017 with fixed rate	2,000	2,000	1.47625
Unsecured loans due on June 27, 2017 with fixed rate	2,000	2,000	1.45375
Unsecured loans due on July 25, 2017 with fixed rate	1,000	1,000	0.93500
Unsecured loans due on January 25, 2018 with fixed rate	5,000	5,000	1.95000
Unsecured loans due on January 31, 2018 with fixed rate	2,000	2,000	1.49563
Unsecured loans due on March 26, 2018 with fixed rate	5,000	5,000	1.41375
Unsecured loans due on June 25, 2018 with fixed rate	500	-	1.07500
Unsecured loans due on July 31, 2018 with fixed rate	2,000	-	0.99125
Unsecured loans due on November 11, 2018 with fixed rate	1,700	1,700	1.48875
Unsecured loans due on May 25, 2019 with fixed rate	2,000	2,000	1.37250
Unsecured loans due on June 29, 2019 with fixed rate	800	800	1.32375
Unsecured loans due on August 29, 2019 with fixed rate	1,400	1,400	1.32250
Unsecured loans due on November 19, 2019 with fixed rate	2,000	2,000	1.24625
Unsecured loans due on December 25, 2019 with fixed rate	500	500	1.23375
Unsecured loans due on June 25, 2020 with fixed rate	4,000	4,000	1.48000
Unsecured loans due on June 25, 2020 with fixed rate	1,500	-	1.45125
Unsecured loans due on June 27, 2020 with fixed rate	1,000	-	1.47250
Unsecured loans due on December 25, 2020 with fixed rate	2,900	-	1.53375
Unsecured loans due on July 31, 2021 with fixed rate	2,500	-	1.51374
Unsecured loans due on July 31, 2021 with fixed rate	500	-	1.51373
Unsecured loans due on June 27, 2023 with fixed rate	2,500	-	1.91375
Sub total	83,500	79,000	
Total	¥ 83,500	¥ 79,000	

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

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

TOKYU REIT has commitment line agreements which provide credit facilities totaling ¥2 billion with one bank, ¥9 billion with one bank and ¥8 billion with four banks. Combined, commitment lines total ¥19 billion with five banks. No amount has been drawn down as of July 31, 2013.

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

7. Investment corporation bonds

The status of investment corporation bonds issued and outstanding as of July 31, 2013 and January 31, 2013 were as follows:

Name	Issue date	Balance as of July 31, 2013	Balance as of January 31, 2013	Annual interest rate	Maturity date
		(Millions of yen)		(%)	
2 nd Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	¥ 5,000	1.89000	October 24, 2014
3 rd Series Unsecured Investment Corporation Bond	October 22, 2012	3,000	3,000	1.47000	October 21, 2022
Total		¥ 8,000	¥ 8,000		

8. Unitholders' equity

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

9. Rental revenue and expense

Rental revenues and expenses for the six months ended July 31, 2013 and January 31, 2013 were as follows:

	For the six months ended	
	July 31, 2013	January 31, 2013
	(Millions of yen)	
Revenue from property leasing:		
Rental revenue:		
Rent income	¥ 4,897	¥ 4,700
Common area charges	667	669
Parking lot revenue under monthly contract	140	140
Other rent income	323	326
Sub total	6,028	5,837
Other rental revenue:		
Incidental income	369	396
Other miscellaneous income	97	100
Sub total	467	496
Total revenue from property leasing	(a) 6,495	6,334
Rental service expenses:		
Utilities expenses	542	545
Subcontract expenses	413	410
Property management fees	147	135
Repairs and maintenance expenses	214	164
Property-related taxes	599	592
Insurance premium	11	12
Depreciation and amortization	983	992
Loss on disposal of property and equipment	4	8
Other	188	220
Total rental service expenses	(b) 3,105	3,083
Operating income from property leasing activities	(a)-(b) ¥ 3,390	¥ 3,251

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

10. The financial results of each property (Unaudited)

Details on the financial results of each property for the six months ended July 31, 2013 and January 31, 2013 were as follows: (Unaudited)

For the six months ended July 31, 2013

Name of building	Revenue from property leasing	Property leasing expenses (Note 1)	NOI (Note 2)	Depreciation and amortization (Note 3)	Operating income from property leasing activities
(Millions of yen)					
R QFRONT	¥ 638	¥ 272	¥ 366	¥ 53	¥ 312
R Lexington Aoyama	116	31	84	8	75
R TOKYU REIT Omotesando Square	184	36	147	10	136
R Tokyu Saginuma Building	305	53	252	32	219
R Tokyu Saginuma 2 Building	61	19	42	8	33
R TOKYU REIT Shibuya Udagawa-cho Square	250	23	226	4	221
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	294	93	201	82	118
R cocoti	513	194	318	164	153
R Shonan Mall Fill (<i>sokochi</i>)	174	26	147	-	147
R CONZE Ebisu	172	38	133	18	114
R Daikanyama Forum	95	38	56	8	47
O Setagaya Business Square	1,011	504	506	149	357
O Tokyu Nampeidai-cho Building	149	31	117	20	96
O Tokyu Sakuragaoka-cho Building	215	77	137	31	106
O Tokyo Nissan Taito Building	202	58	143	33	109
O TOKYU REIT Akasaka Hinokicho Building	133	42	90	11	78
O TOKYU REIT Kamata Building	218	79	139	33	105
O TOKYU REIT Toranomom Building	206	121	84	40	44
O TOKYU REIT Hatchobori Building	195	53	141	35	105
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	176	40	136	32	103
O Tokyu Ikejiri-ohashi Building	178	46	131	19	111
O Kojimachi Square	190	46	144	54	90
O TOKYU REIT Shinjuku Building	252	61	191	36	154
O Akihabara Sanwa Toyo Building	169	40	128	14	113
O TOKYU REIT Kiba Building	126	55	70	42	28
O Tokyu Ginza 2-chome Building	164	27	136	36	99
O OKI System Center (<i>sokochi</i>)	100	0	100	-	100
Total	<u>¥ 6,495</u>	<u>¥ 2,117</u>	<u>¥ 4,378</u>	<u>¥ 987</u>	<u>¥ 3,390</u>

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

For the six months ended January 31, 2013

Name of building	Revenue from property leasing	Property leasing expenses (Note 1)	NOI (Note 2)	Depreciation and amortization (Note 3)	Operating income from property leasing activities
	(Millions of yen)				
R QFRONT	¥ 641	¥ 262	¥ 379	¥ 54	¥ 325
R Lexington Aoyama	106	36	70	8	61
R TOKYU REIT Omotesando Square	175	36	138	9	128
R Tokyu Saginuma Building	306	52	254	30	223
R Tokyu Saginuma 2 Building	62	13	48	8	39
R TOKYU REIT Shibuya Udagawa-cho Square	250	24	226	4	221
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	51	248	82	166
R cocoti	535	212	323	170	152
R Shonan Mall Fill (<i>sokochi</i>)	174	26	147	-	147
R CONZE Ebisu	125	46	79	19	59
R Daikanyama Forum	87	46	41	8	32
O Setagaya Business Square	1,050	483	566	164	401
O Tokyu Nampeidai-cho Building	176	31	145	20	125
O Tokyu Sakuragaoka-cho Building	233	56	177	24	152
O Tokyo Nissan Taito Building	202	66	136	32	103
O TOKYU REIT Akasaka Hinokicho Building	134	46	87	10	76
O TOKYU REIT Kamata Building	191	90	100	36	64
O TOKYU REIT Toranomom Building	153	123	29	40	(10)
O TOKYU REIT Hatchobori Building	178	59	118	34	83
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	203	38	164	32	132
O Tokyu Ikejiri-ohashi Building	182	48	133	20	113
O Kojimachi Square	155	46	108	54	54
O TOKYU REIT Shinjuku Building	256	71	185	36	148
O Akihabara Sanwa Toyo Building	173	38	134	14	120
O TOKYU REIT Kiba Building	112	44	68	42	26
O Tokyu Ginza 2-chome Building	165	29	136	36	99
Total	<u>¥ 6,334</u>	<u>¥ 2,082</u>	<u>¥ 4,252</u>	<u>¥ 1,001</u>	<u>¥ 3,251</u>

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

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

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

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

11. Income taxes

Income taxes in Japan applicable to TOKYU REIT consist of corporate income tax, enterprise tax and inhabitant tax. The following is reconciliation between the statutory income tax rate in Japan and the effective tax rate reflected in the accompanying financial statements for the six months ended July 31, 2013 and January 31, 2013.

	July 31, 2013	January 31, 2013
Statutory income tax rate	36.59%	36.59%
Deductible cash distributions	(36.58)	(36.57)
Other	0.03	0.03
Effective tax rate	0.04%	0.05%

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

12. Per unit information

The following table summarizes the net income per unit for the six months ended July 31, 2013 and January 31, 2013 and the unitholders’ equity per unit as of July 31, 2013 and January 31, 2013.

	For the six months ended	
	July 31, 2013	January 31, 2013
Net income per unit	¥ 12,018	¥ 11,146
Weighted-average number of units ※1	169,380 units	169,380 units
※1 Average number of units weighed by days in each fiscal period.		
	As of July 31, 2013	As of January 31, 2013
Unitholders’ equity per unit	¥ 590,716	¥ 589,843

Diluted net income per unit is not presented since neither warrants nor convertible bonds were issued during the six months ended July 31, 2013 and January 31, 2013.

13. Distribution information

The Board of Directors of TOKYU REIT resolved on September 13, 2013 and March 15, 2013 to effect payment of cash distributions of ¥12,109 and ¥11,146 per unit to unitholders of record on July 31, 2013 and January 31, 2013, respectively. Retained earnings carried forward after the distributions are as follows:

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Retained earnings at end of period	¥ 2,035	¥ 1,887
Cash distributions declared	2,035	1,887
Retained earnings carried forward	¥ 0	¥ 0

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

14. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of July 31, 2013 and January 31, 2013, the future lease revenues under the non-cancelable operating leases were as follows:

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Due within one year	¥ 5,694	¥ 5,220
Due after one year	22,766	18,241
Total	¥ 28,461	¥ 23,462

As of July 31, 2013 and January 31, 2013, the future lease payments under the non-cancelable operating leases were as follows:

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Due within one year	¥ 208	¥ 211
Due after one year	2,577	2,682
Total	¥ 2,786	¥ 2,893

15. Fair value of financial instruments

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

(a) Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013
institutions holding the deposit.

Funds from debts and investment corporation bonds are mainly used as funds for asset acquisition or debt repayment, etc. These are exposed to liquidity risk at the time of repayment, but the liquidity risk is controlled at TOKYU REIT through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital increases, along with securing several fund procurement sources and diversifying repayment deadlines, executing commitment line agreements which provide credit facilities totaling ¥19 billion with TOKYU REIT's main banks (no amount has been drawn down as of July 31, 2013 and January 31, 2013), and also preparing monthly fund management plans.

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

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

Note. $[\text{Interest-bearing liabilities} + \text{Security and guarantee deposits without reserved cash}] \div$

$[\text{Total appraisal value at the end of the fiscal period or at the time of acquisition of specified assets}] \times 100$

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

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

(b) Matters concerning fair value of financial instruments

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

	July 31, 2013			January 31, 2013		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
	(Millions of yen)					
(1) Cash and deposits with banks	¥ 3,093	¥ 3,093	¥ -	¥ 2,128	¥ 2,128	¥ -
(2) Cash and deposits with banks held in trust	9,545	9,545	-	9,778	9,778	-
Assets total	12,639	12,639	-	11,906	11,906	-
(1) Short-term debt	-	-	-	-	-	-
(2) Investment corporation bonds due within one year	-	-	-	-	-	-
(3) Long-term debt due within one year	17,000	17,119	119	19,400	19,604	204
(4) Tenant leasehold and security deposits held in trust due within one year	624	660	35	624	663	39
(5) Investment corporation bonds	8,000	8,070	70	8,000	8,145	145
(6) Long-term debt	66,500	67,909	1,409	59,600	61,252	1,652
(7) Tenant leasehold and security deposits held in trust	2,617	2,606	(11)	2,834	2,839	4
Liabilities total	¥ 94,742	¥ 96,365	¥ 1,623	¥ 90,459	¥ 92,505	¥ 2,046

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

Assets

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

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

Liabilities

(1) Short-term debt

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

(2) Investment corporation bonds due within one year; (5) Investment corporation bonds

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

(3) Long-term debt due within one year; (6) Long-term debt

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

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

(7) Tenant leasehold and security deposits held in trust

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

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

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Carrying amount		
(i) Tenant leasehold and security deposits	¥ 2,276	¥ 1,867
(ii) Tenant leasehold and security deposits held in trust	7,697	7,760

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

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

	July 31, 2013			January 31, 2013		
	Cash and deposits with banks	Cash and deposits with banks held in trust	Total	Cash and deposits with banks	Cash and deposits with banks held in trust	Total
	(Millions of yen)					
Within one year	¥ 3,093	¥ 9,545	¥ 12,639	¥ 2,128	¥ 9,778	¥ 11,906
Within two years, but over one year	-	-	-	-	-	-
Within three years, but over two years	-	-	-	-	-	-
Within four years, but over three years	-	-	-	-	-	-
Within five years, but over four years	-	-	-	-	-	-
Over five years	-	-	-	-	-	-

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

	July 31, 2013				January 31, 2013			
	Short-term debt	Investment corporation bonds	Long-term debt	Total	Short-term debt	Investment corporation bonds	Long-term debt	Total
	(Millions of yen)							
Within one year	¥ -	¥ -	¥ 17,000	¥ 17,000	¥ -	¥ -	¥ 19,400	¥ 19,400
Within two years, but over one year	-	5,000	9,000	14,000	-	5,000	7,000	12,000
Within three years, but over two years	-	-	5,700	5,700	-	-	11,200	11,200
Within four years, but over three years	-	-	14,000	14,000	-	-	10,000	10,000
Within five years, but over four years	-	-	14,500	14,500	-	-	14,000	14,000
Over five years	-	3,000	23,300	26,300	-	3,000	17,400	20,400

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

16. Related party transactions

Masahiro Horie, who holds no voting units of TOKYU REIT, is executive director of TOKYU REIT and Representative Director & President and Chief Executive Officer of Tokyu REIM, has entered into an asset management agreement subject to the conditions set forth in the TOKYU REIT's articles of incorporation with TOKYU REIT. The amount of management fees incurred for the six months ended July 31, 2013 and January 31, 2013 and payable due to asset manager as of then were as follows:

	July 31, 2013	January 31, 2013
	(Millions of yen)	
Asset management fees for the period	¥ 449	¥ 462
Management fees payable due to asset manager	218	200

17. Fair value of investment and rental properties

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

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

	For the six months ended	
	July 31, 2013	January 31, 2013
	(Millions of yen)	
Carrying amount (Note 2)		
Balance at beginning of period	¥ 188,853	¥ 189,452
Change during the period (Note 3)	4,165	(598)
Balance at end of period	¥ 193,019	¥ 188,853
	As of July 31, 2013	As of January 31, 2013
	(Millions of yen)	
Fair value at end of period (Note 4)	¥ 194,860	¥ 189,320

Note 1. Area classification:

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

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

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

Note 3. Of the change during the six months ended July 31, 2013, the amount of increase is mainly attributable to acquisition of OKI System Center (*sokochi*) (¥4,772 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥983 million).

Of the change during the six months ended January 31, 2013, the amount of increase is mainly attributable to installation of individually controlled air-conditioning equipment on 3F and 5F of Tokyo Nissan Taito

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

Building and other capital expenditures (¥303 million), and the amount of decrease is mainly attributable to depreciation and amortization (¥992 million).

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

The income (loss) in the six months ended July 31, 2013 and January 31, 2013 for investment and rental properties are as presented in “Rental revenue and expense” of the “Notes to Financial Statements.”

18. Segment and related information

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Statement No. 17 issued on March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Guidance No. 20 issued on March 21, 2008) are applied as of the six months ended January 31, 2011. In accordance with the Accounting Standard and Guidance, the segment and related information for the six months ended July 31, 2013 is accompanied by segment and related information for the six months ended January 31, 2013.

[Segment information]

(a) Overview of reportable segments

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

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

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

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

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

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

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

	July 31, 2013				January 31, 2013			
	Retail Property Leasing Business	Office Property Leasing Business	Amount of reconciliation (Note 2)	Amount recorded in financial statements	Retail Property Leasing Business	Office Property Leasing Business	Amount of reconciliation (Note 3)	Amount recorded in financial statements
	(Millions of yen)							
Operating revenues (Note 1)	¥ 2,806	¥ 3,689	¥ -	¥ 6,495	¥ 2,765	¥ 3,568	¥ 0	¥ 6,334
Segment income	1,582	1,807	(589)	2,801	1,558	1,692	(585)	2,665
Segment assets	86,252	106,766	13,968	206,988	86,537	102,315	13,207	202,061
Other items								
Depreciation and amortization	393	590	-	983	397	595	-	992
Increase in property and equipment and intangible assets	110	5,143	-	5,253	86	315	-	402

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

Note 2. The breakdown of the -¥589 million amount of reconciliation of segment income is enterprise-wide expenses that are not allocated to the reportable segments. Enterprise-wide expenses are mainly asset management fees, asset custodian fees, general administration fees, directors' fees, etc. that are not attributable to the reportable segments.

The breakdown of the ¥13,968 million amount of reconciliation of segment assets is ¥12,855 million in current assets, ¥1,091 million in investments and other assets and ¥22 million in deferred assets.

Note 3. The breakdown of the ¥0 million amount of reconciliation of operating revenues is revenues from facility acceptance.

The breakdown of the -¥585 million amount of reconciliation of segment income is ¥0 million in revenues from facility acceptance and ¥585 million in enterprise-wide expenses that are not allocated to the reportable segments. Enterprise-wide expenses are mainly asset management fees, asset custodian fees, general administration fees, directors' fees, etc. that are not attributable to the reportable segments.

The breakdown of the ¥13,207 million amount of reconciliation of segment assets is ¥12,080 million in current assets, ¥1,102 million in investments and other assets and ¥25 million in deferred assets.

[Related information]

(a) Information about each product and service

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

(b) Information about each geographical area

(1) Operating revenues

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

(2) Property and equipment

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

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended July 31, 2013 and January 31, 2013

(c) Information about each major customer

For the six months ended July 31, 2013

Party	Operating revenues (Millions of yen)	Name of related segment
Related parties (Note)	¥ 1,216	Retail Property Leasing Business Office Property Leasing Business

For the six months ended January 31, 2013

Party	Operating revenues (Millions of yen)	Name of related segment
Related parties (Note)	¥ 1,272	Retail Property Leasing Business Office Property Leasing Business

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

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

TOKYU REIT, Inc.
Notes to Financial Statements, continued
For the six months ended July 31, 2013 and January 31, 2013

19. Subsequent events

At a meeting of the Board of Directors held on July 26, 2013, TOKYU REIT resolved to issue new investment units as follows for the purpose of procuring funds to acquire specified assets, etc. Payments for the new investment units through public offering were completed on August 12, 2013 and payments for the new investment units through third-party allotment were completed on September 10, 2013.

As a result, unitholders' capital became ¥110,479 million and the number of investment units issued and outstanding became 195,520 units.

(a) Issuance of new investment units through public offering

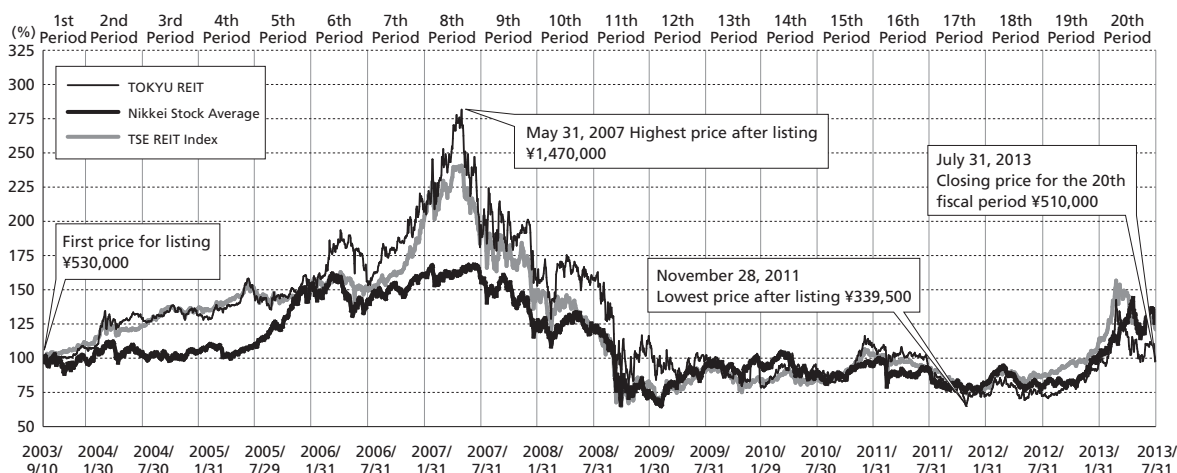
- | | |
|--------------------------------------------|-----------------|
| (1) Number of new investment units issued: | 23,764 units |
| (2) Offering price (Offer price): | ¥493,350 |
| (3) Total amount of offering price: | ¥11,723 million |
| (4) Issue price (Underwriting price): | ¥476,652 |
| (5) Total amount of issue price: | ¥11,327 million |
| (6) Payment date: | August 12, 2013 |

(b) Issuance of new investment units through third-party allotment

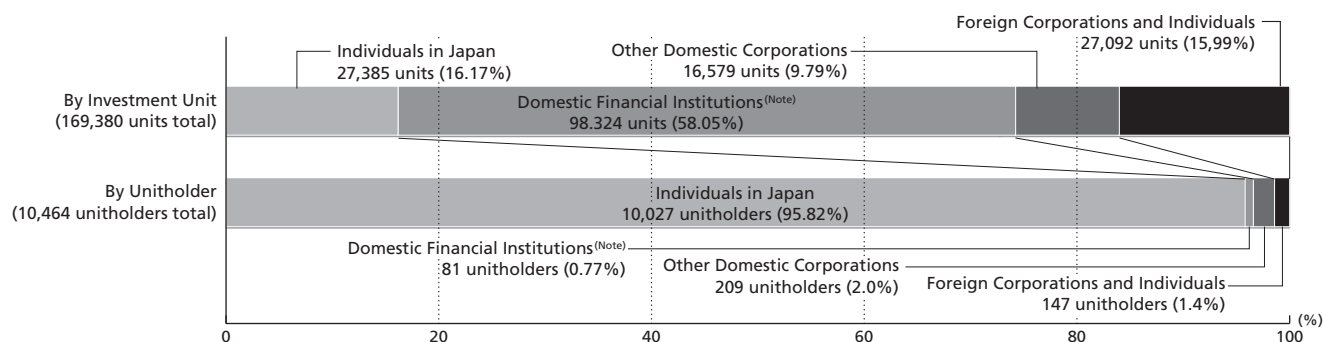
- | | |
|--------------------------------------------|-----------------------------|
| (1) Number of new investment units issued: | 2,376 units |
| (2) Issue price: | ¥476,652 |
| (3) Total amount of issue price: | ¥1,132 million |
| (4) Payment date: | September 10, 2013 |
| (5) Allottee: | Nomura Securities Co., Ltd. |

Unitholder Information

Unit Price Chart



Unitholder Composition



(Note) Financial instruments dealers are classified into "Other Domestic Corporations."

Results Reporting Schedule

	20th Period	21st Period
Date of settlement	Jul. 31, 2013	Jan. 31, 2014
Announcement of financial results	Sep. 13, 2013	Mid Mar. 2014
Delivery of investment management report (Japanese only)	Oct. 11, 2013	Mid Apr. 2014
Payment of cash distributions	Oct. 15, 2013	Mid Apr. 2014

Concerning the distribution of analyst-oriented presentation materials, etc.

Every fiscal period, **TOKYU REIT** conducts an analyst-oriented explanatory meeting which is held by the investment management company on the next business day after the announcement of results. The presentation materials, etc. used at the explanatory meetings are posted on TOKYU REIT's website (www.tokyu-reit.co.jp), but for unitholders that are not able to view the website we will consider sending the presentation materials, etc. used at the 20th fiscal period explanatory meeting. Unitholders that wish to receive these materials should contact the investment management company listed below by mail or fax. When contacting the company please include your unitholder number which can be found in the enclosed "distributions statement."

Tokyu Real Estate Investment Management Inc.

Shibuya Mark City West Bldg. 11F 12-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043 Fax: +81-3-5489-1633

*The investment management company will cover postal fees.
*If there are any questions please contact us at 81-3-5428-5828.

Address

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

Established

June 20, 2003

Executive Director

Masahiro Horie

Supervisory Directors

Giichi Yanagisawa

Maruhito Kondo

Independent Auditor

PricewaterhouseCoopers Aarata

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

Date of Settlement

Annually on January 31 and July 31

Unitholders' General Meeting

More than once every two years

Date for Finalizing General Meeting Voting Rights

As designated under Article 12 of the by-laws

Date for Determining Cash Distribution Payments

Annually on January 31 and July 31

(Cash distributions paid within three months of each date)

The Administrator of the Register of Unitholders

The Mitsubishi UFJ Trust and Banking Corporation

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

Transfer Agent Head Business Office

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

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

Contact · Address

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

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

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

Listing

Tokyo Stock Exchange (8957)

■ Distributions

The Time Limit for Claiming Cash Distributions

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

The date on which payment commenced for the 14th fiscal period (ended July 31, 2010) is on October 12, 2010 and for the 15th fiscal period (ended January 31, 2011) is on April 11, 2011.

■ Investment Management Company

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

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

■ Disclaimer

This Semiannual Report is, in principle, an English translation of the Japanese report on TOKYU REIT's investment management published every six months.

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

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

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

■ The information in this report without description of dates is as of July 31, 2013.

TOKYU REIT

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www.tokyu-reit.co.jp/eng/