

21st Fiscal Period
(August 1, 2013 to January 31, 2014)

FINANCIAL RESULTS PRESENTATION

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

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TOKYU REIT



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TOKYU REIT

1. Investment Policy and Strategy



Shibuya was selected to appear on cover of inaugural issue of Time Out Tokyo magazine. Time Out is a city guide magazine founded in London in 1968.

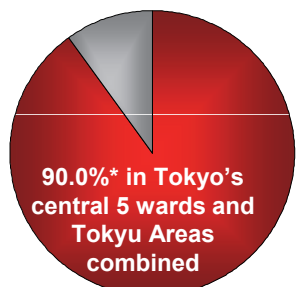
Investment in Highly Competitive Properties in Areas with Strong Growth Potential = Low Cap Portfolio Strategy (Note).

Areas with Strong Growth Potential

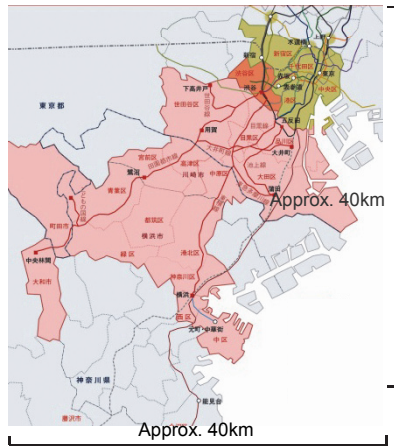
- **Investment limited to the Tokyo Metropolitan Area**
 - No investment other than in the Tokyo Metropolitan Area
 - Eliminate downside risk of regional economies.
 - Control earthquake risk through PML. (Set portfolio PML at 10% or lower)
 - Total return orientation

- **Concentrated investment in Tokyo's central 5 wards and in areas along Tokyu rail lines ("Tokyu Areas")**
 - Areas showing population growth and more growth potential in the Tokyo Metropolitan Area.
 - Over 85% of investment conducted in these "major target areas".

Investment is limited to Tokyo, Kanagawa and Saitama Prefectures currently

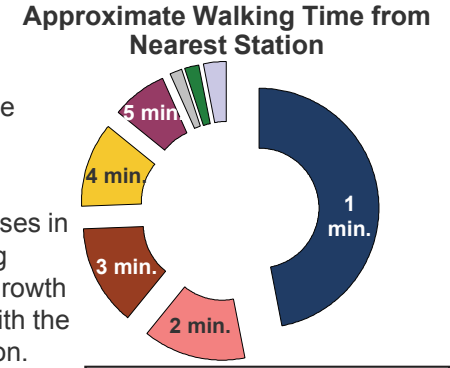


* Based on estimated value at end of 21st period (January 2014)



Highly Competitive Properties

- **Focus on location**
 - Office properties
 - Within a seven-minute walk from the nearest station as a rule.
 - Retail properties
 - Conduct various surveys and analyses in many aspects, including purchasing power potential of the trade zone, growth potential, compatibility of tenants with the trade zone, and status of competition.
 - Secure favorable location, with focus on exit price and liquidity



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

* Based on acquisition price at end of 21st period (January 2014)

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

Average amount invested per property is 7.5 billion yen* at present

* Based on appraisal value at end of 21st period (January 2014)

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

Office : Retail = 56.5%* : 43.5%* currently

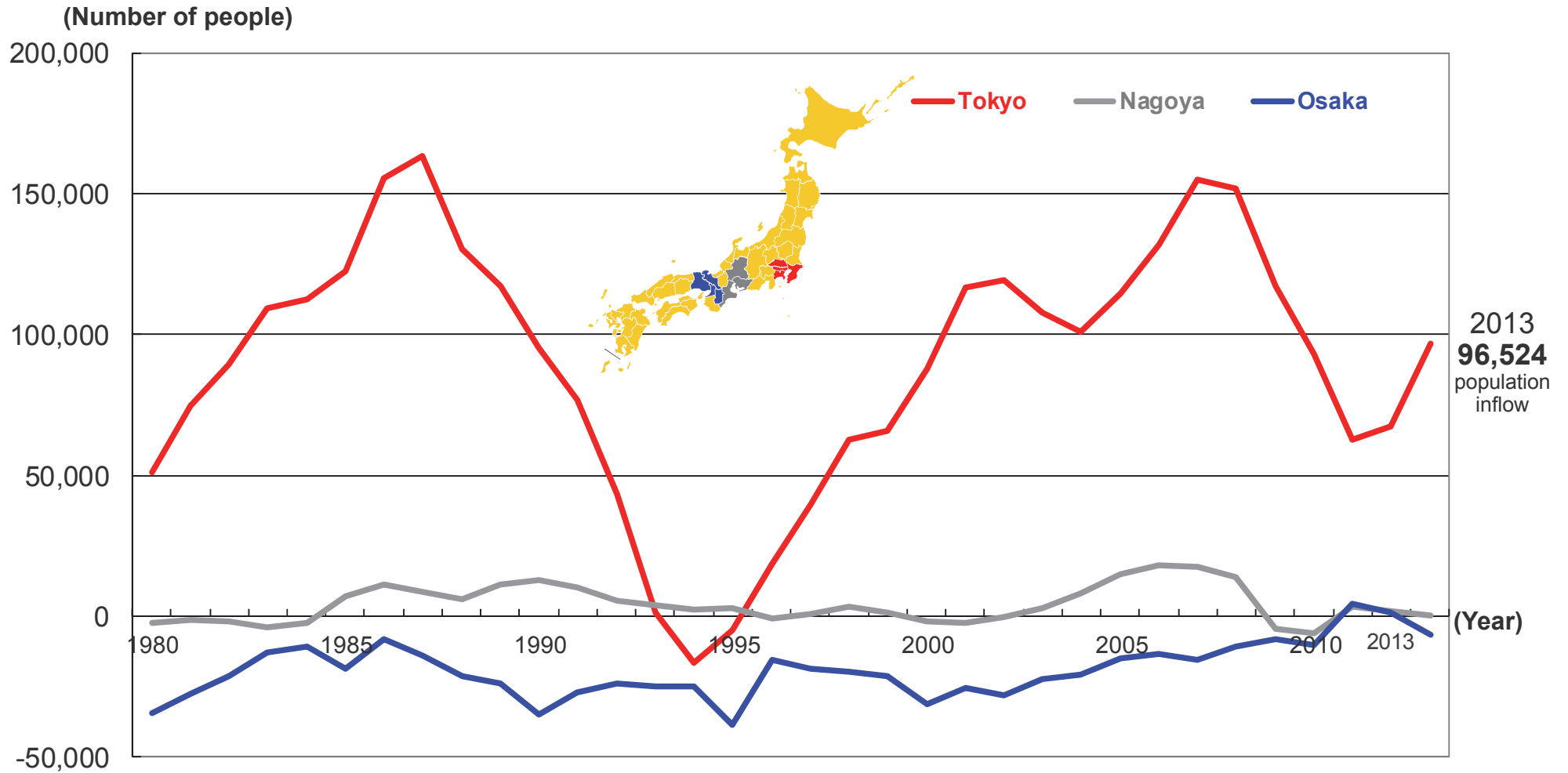
* Based on appraisal value at end of 21st period (January 2014)

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

*This page represents the views of Tokyu REIM

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

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



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

*Comments by Tokyu REIM

Investment Stance of Tokyu REIM

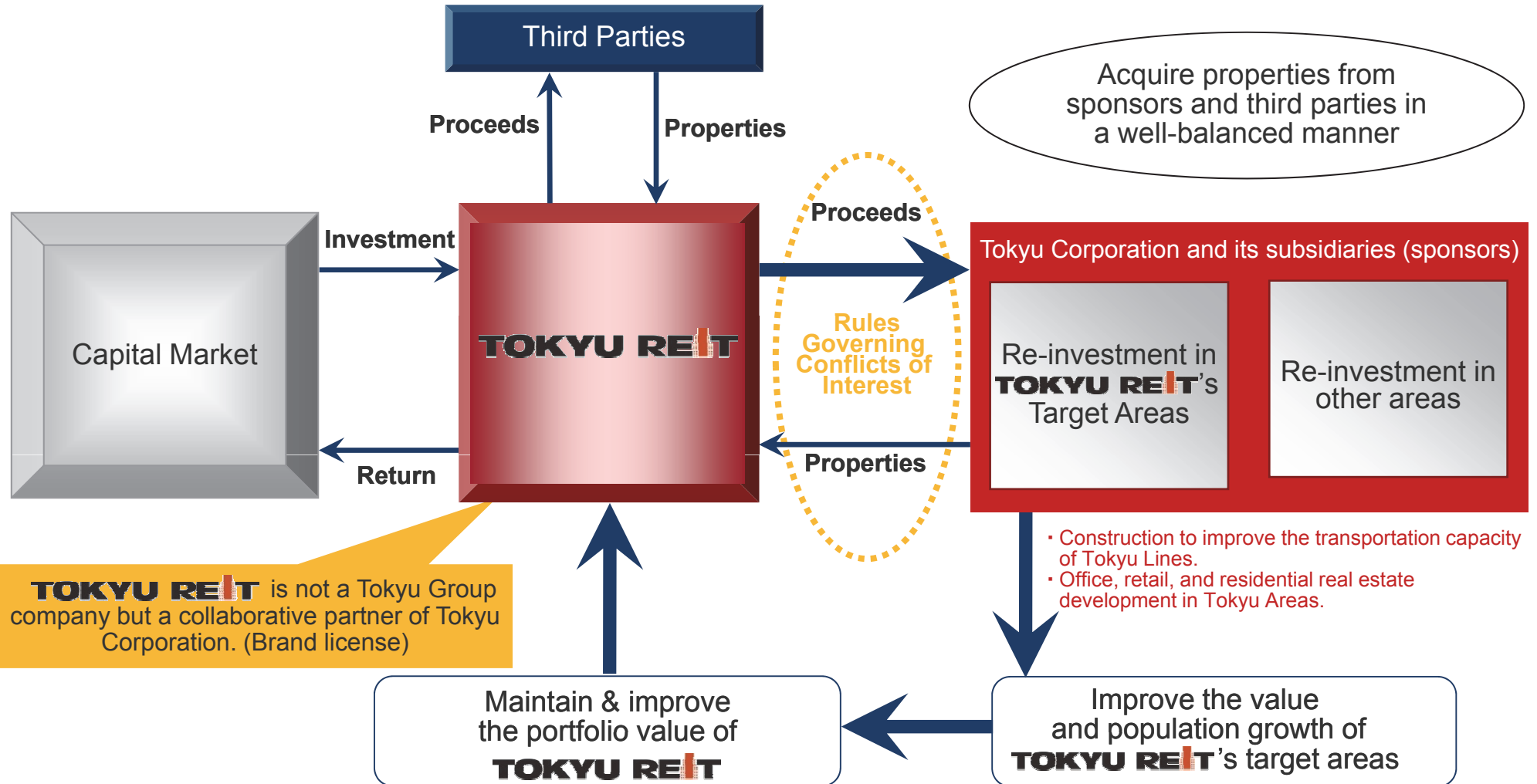
Fiduciary Duties of Tokyu REIM as REIT Management Company	<ul style="list-style-type: none"> Employ an investment stance that enables the fulfillment of the “Fiduciary Duties” that are fundamental to the fiduciary Investment Manager and to provide significant added value.
Fund Structure with High Transparency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

(Note) “Tokyu Corporation and its subsidiaries” refers to any of those that fall under the following (i) to (iii): (i) Tokyu Corporation (ii) A consolidated subsidiary of Tokyu Corporation (*not including equity method affiliates)
 (iii) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%. The same hereafter.

*This page represents the views of Tokyu REIM

TOKYU REIT Capital Re-investment Model

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



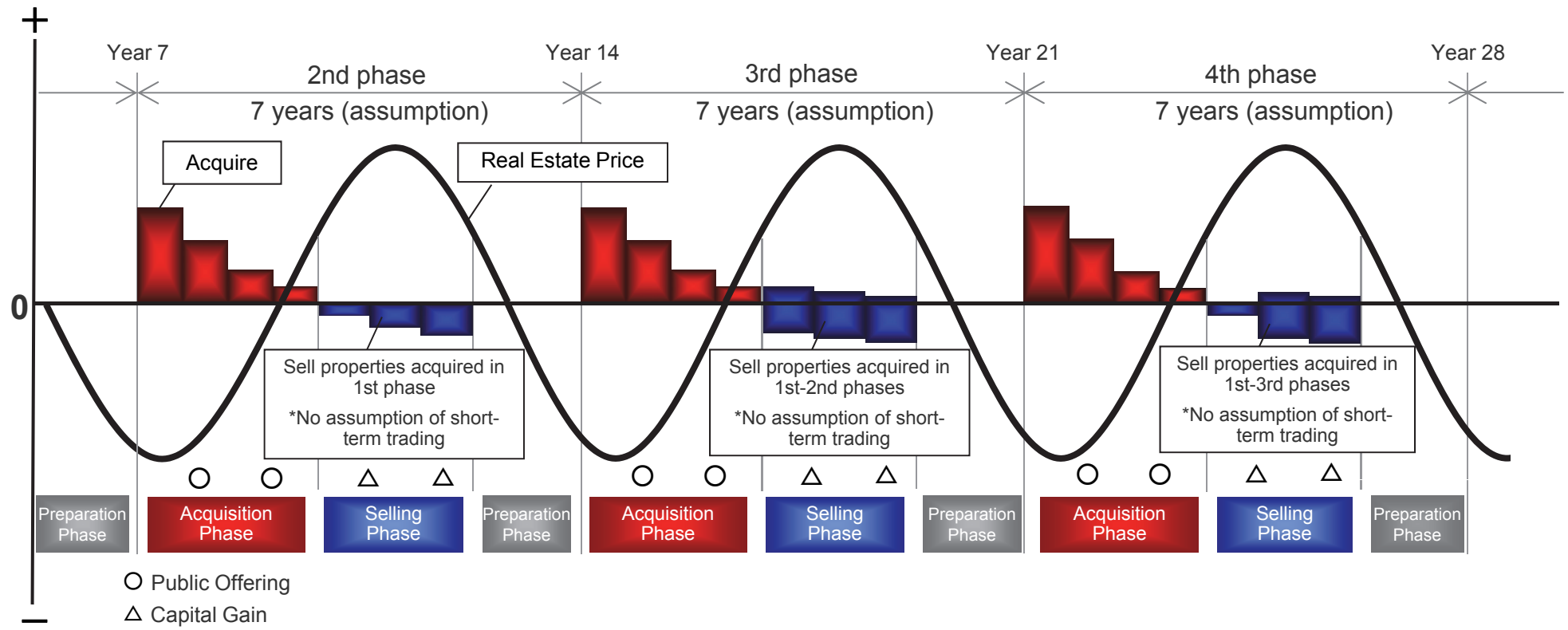
TOKYU REIT is not a Tokyu Group company but a collaborative partner of Tokyu Corporation. (Brand license)

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

*This page represents the views of Tokyu REIM

Value & Contrary

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



*This page represents the views of Tokyu REIM

Adjusted ROE Matrix

Aim to secure adjusted ROE of 5% or more.

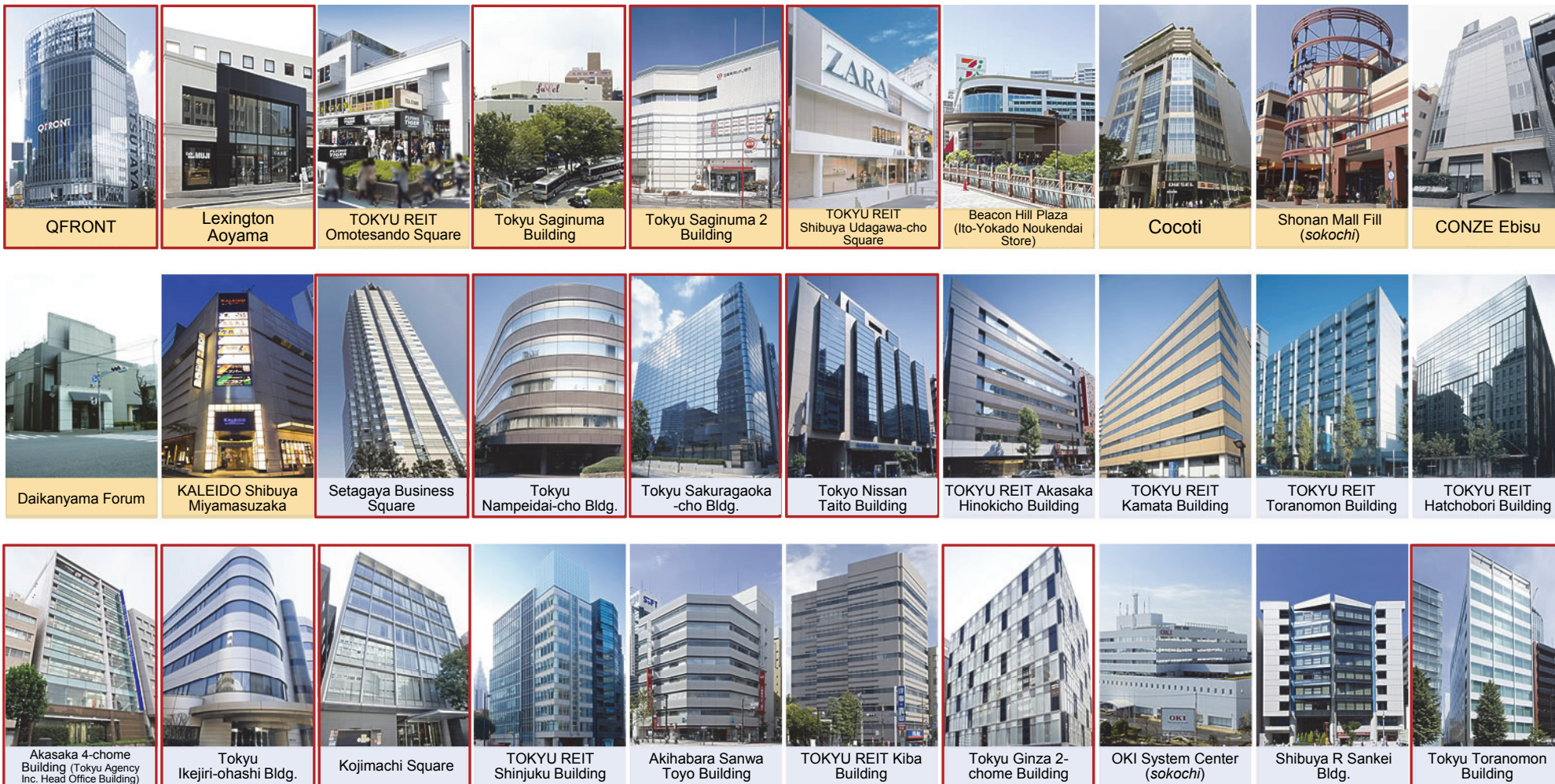
Cumulative Capital Gains Going Forward		Distribution per Unit after Deduction of Capital Gain/Loss (Note)								Item	Amount		
		¥2,000	¥2,200	¥2,400	¥2,600	¥2,800	¥3,000	¥3,200	¥3,400			¥3,600	
Capital Gain	¥0 mn	4.00%	4.40%	4.80%	5.20%	5.60%	6.00%	6.40%	6.80%	7.20%	Total Capital (¥ mn)	a	110,479
	¥500 mn	4.02%	4.42%	4.82%	5.23%	5.63%	6.03%	6.43%	6.83%	7.24%	Gain/loss on sales of properties (¥ mn)	b	12,716
	¥1,000 mn	4.04%	4.45%	4.85%	5.25%	5.66%	6.06%	6.47%	6.87%	7.27%	Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)		1,637
	¥2,000 mn	4.08%	4.49%	4.90%	5.31%	5.72%	6.13%	6.53%	6.94%	7.35%	Resona Maruha Building		18,259
	¥5,000 mn	4.22%	4.64%	5.06%	5.48%	5.90%	6.32%	6.74%	7.17%	7.59%	Ryoshin Harajuku Building		-7,180
	¥10,000mn	4.46%	4.90%	5.35%	5.79%	6.24%	6.68%	7.13%	7.57%	8.02%	Adjusted Capital after Deduction (¥ mn)	c=a-b	97,763
											Outstanding Units (Units) (Note)	d	977,600
										Adjusted Capital per Unit (¥)	e=c/d	100,003	

(Note) A five-for-one split of investment units was conducted on February 1, 2014.

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

*This page represents the views of Tokyu REIM

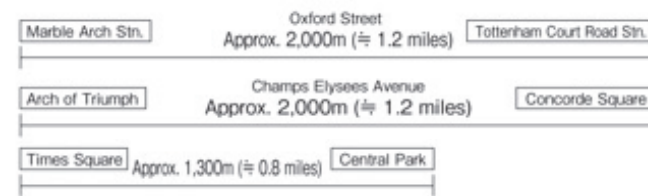
Portfolio Introduction (14 properties contributed by sponsors) TOKYU REIT



 Retail properties
 Office properties
 Properties contributed by sponsors

*The portfolio properties listed on this slide include properties contributed by Tokyu Land, which was a shareholder of the Investment Management Company (Tokyu REIM) along with Tokyu Corporation until June 2011.

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

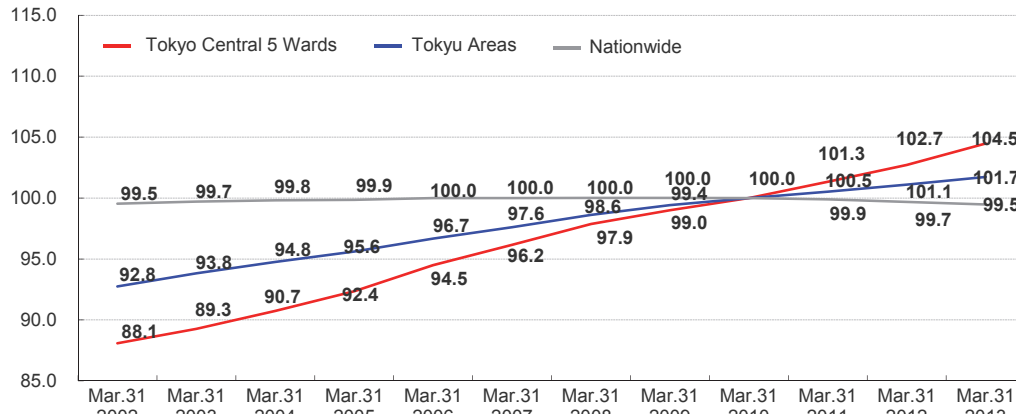


* This map represents an extract selection and does not indicate all major facilities.
 * Some properties are only partially owned by TOKYU REIT or Tokyu Corporation and its subsidiaries.
 * As of the date this presentation was prepared, TOKYU REIT has no plan to acquire properties owned by Tokyu Corporation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

Strengths of Major Target Areas (1)

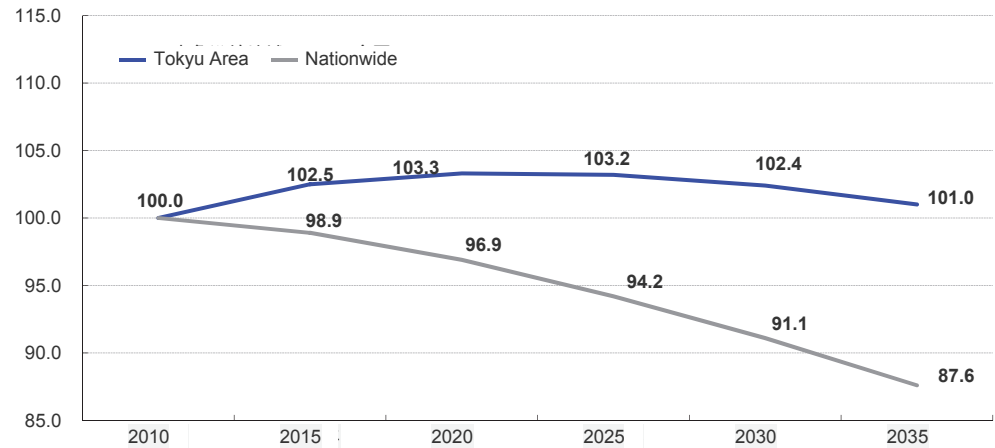
* The population of the nation is on a downward trend, but in major target areas of TOKYU REIT, economic growth stemming from population growth can be expected.

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



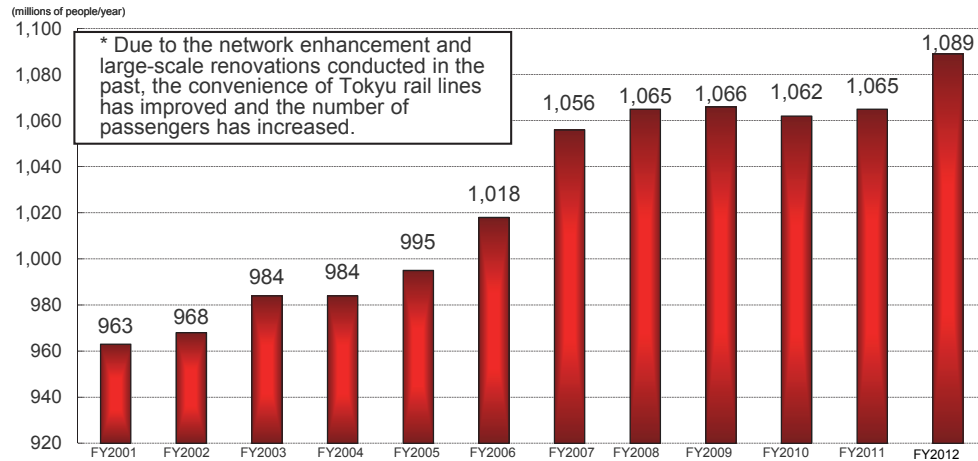
Source: Prepared by Tokyu REIM based on "Population, Population Movement, and Number of Households from the Basic Resident Register" by Minister of Internal Affairs and communications.

Population Forecasts for Tokyu Areas (year 2010 = 100)



* Tokyu Areas: Defined as the "17 cities and wards (i.e. -ku) which Tokyu rail lines pass through" (Shinagawa-ku, Meguro-ku, Ota-ku, Setagaya-ku, Shibuya-ku, and Machida-City in Tokyo prefecture, Kanagawa-ku, Nishi-ku, Naka-ku, Kohoku-ku, Midori-ku, Aoba-ku, Tsuzuki-ku in Yokohama City, Nakahara-ku, Takatsu-ku and Miyamae-ku in Kawasaki City, and Yamato City in Kanagawa prefecture).
* Prepared by Tokyu Corporation based on the 2013 National Institute of Population and Social Security Research's data by municipalities.

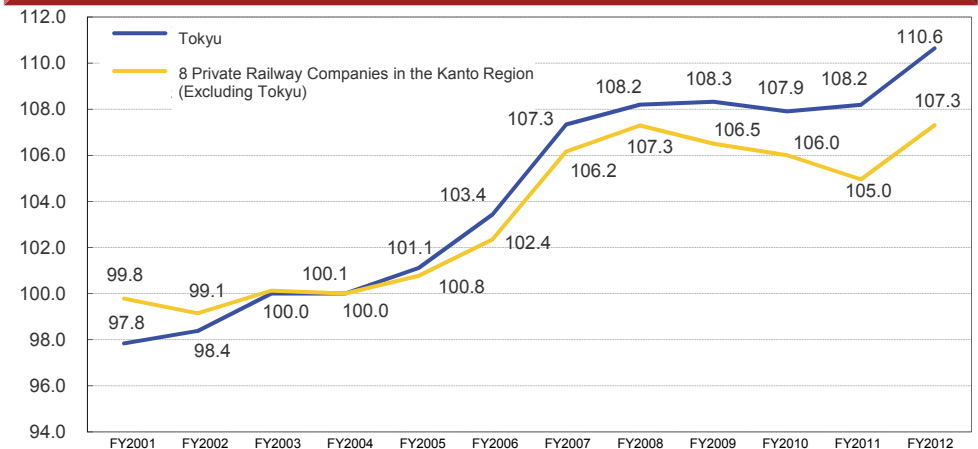
Number of Passengers Using Tokyu Rail Lines



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

Source: The Association of Japanese Private Railways

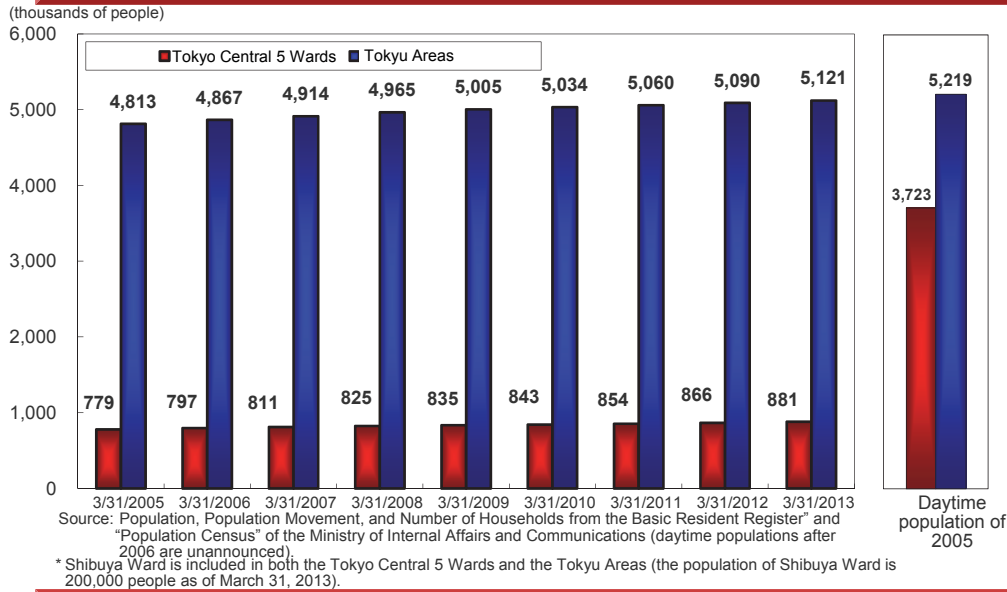
Changes in the Number of Passengers (Fiscal 2004 (Fiscal Period Ended Mar. 2005) = 100)



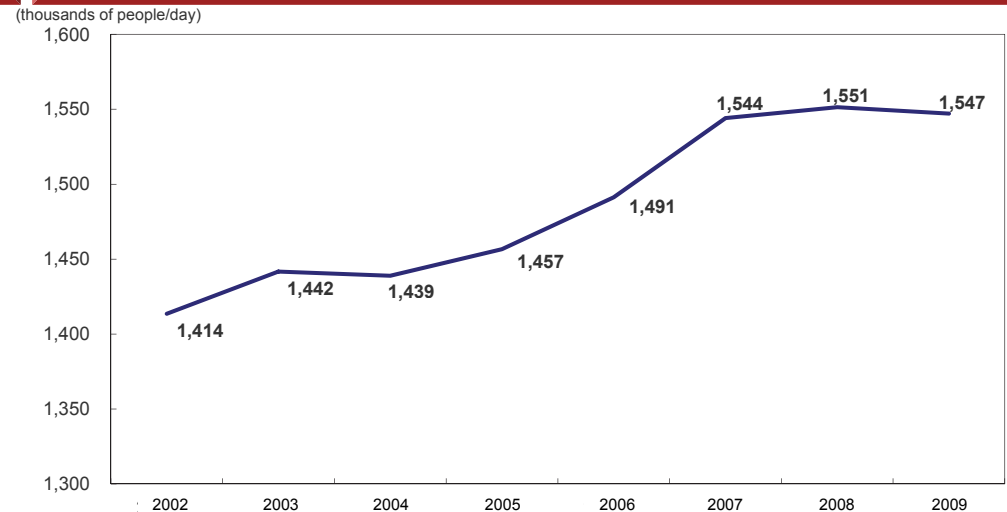
Source: Prepared by Tokyu REIM based on materials posted on the website of the Association of Japanese Private Railways.
* Eight Private Railway Companies in the Kanto Region (Excluding Tokyu) includes Tokyo Metro, Tobu, Odakyu, Keio, Seibu, Keikyu, Keisei and Sagami Railway.

Strengths of Major Target Areas (2)

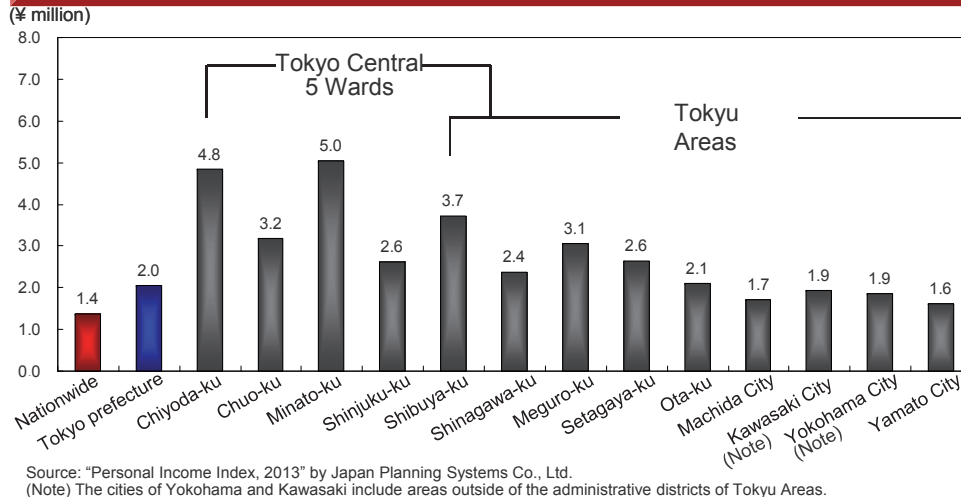
Population of Major Target Areas



Changes in the Number of Passengers Using Shibuya Station

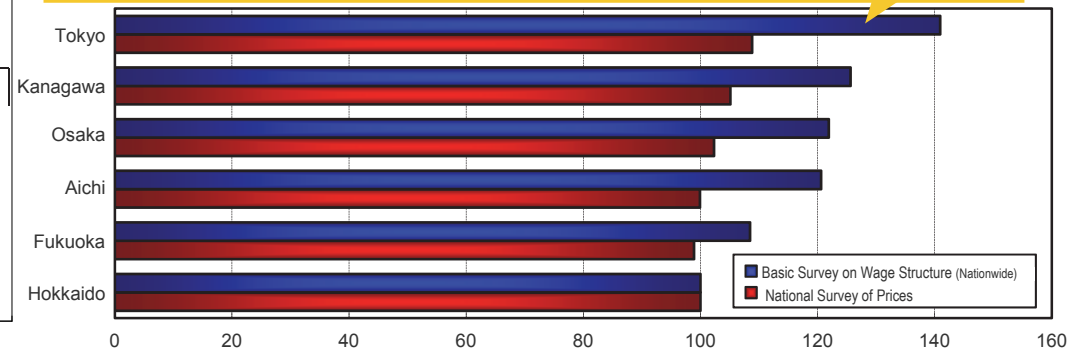


Personal Income Taxation Level by Area (2011)



Wage and Consumer Price Levels (Hokkaido = 100)

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



Overview of Investment Management Fee

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

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

* Apart from the above, TOKYU REIT pays predetermined fees, etc. to an asset custodian, general administrators, property management companies and an independent auditor, among others.

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

*Comments by Tokyu REIM



TOKYU REIT

2. Topics



Sub-station name “Setagaya Business Square Mae”
(front of Setagaya Business Square) installed
at Yoga Station on the Tokyu Denen-toshi Line

(1) Financial Results and Forecast (Note)

- Actual DPU for 21st period: ¥2,564 (increased ¥160 from previous period; increased ¥84 from forecast)
- Forecast DPU for 22nd period: ¥2,500 (decreased ¥64 from previous period; no change from previous forecast)
- Forecast DPU for 23rd period: ¥2,500

(2) External Growth

- 22nd period also judged to be “acquisition phase”
- Acquired properties (increased ¥5.3 bn from previous period) by leveraging acquisition capacity (¥11.6 bn)
- Considered offers of sale at above market level as needed

(3) Internal Growth

- Occupancy rate better than expected, but decreased 0.1% compared to previous period (20th period: 98.0%; 21st period: 97.9%)
- New market rent increased. Existing contract rent also bottomed out and turned around.
- Estimated value at end of period increased for 23 properties, decreased for 3 properties and remained unchanged for 4 properties (in contrast to 17 properties increasing, 6 properties decreasing and 4 properties remaining unchanged in the previous period)
- Rent gap narrowed

(4) Debt Finance

- Achieved lowering of borrowing interest rates
- 22nd period’s 4th and 5th investment corporation bond issuance (5 years ¥3.5 bn; 7 years ¥3.0 bn) and refinancing led to extension of duration

(Note) DPU for 21st period has been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014.



2. Topics

(1) Financial Results and Forecast

Overview of Financial Results

		21st Period Actual	20th Period Actual	Change		21st Period	Change	
		Ended Jan. 2014 (184 days)	Ended Jul. 2013 (181 days)		(%)	Forecast Ended Jan. 2014 as of 9/13/2013		(%)
Distribution per Unit	(¥)	12,823	12,019	804	6.7	12,400	423	3.4
Distribution per Unit (Split Adjusted)		(2,564)	(2,403)	(161)				
CapEx	(¥ million)	228	479	-251	-52.4	474	-246	-51.9
Adjusted ROE	(%)	5.09	4.81	0.28				
Occupancy Rate (End of Period)	(%)	97.9	98.0	-0.1		97.3	0.6	
NOI Yield	(%)	4.39	4.35	0.04		4.35	0.04	
Unrealized Gain	(¥ million)	6,726	1,840	4,886	265.5			
Adjusted Net Asset Value (NAV) per Unit	(¥)	599,454	589,563	9,891	1.7			
Average Unit Price during the Period (Closing)	(¥)	582,516	575,341	7,175	1.2			
(Average Unit Price during the Period (Closing) (Split Adjusted))		(116,503)	(115,068)	1,435				
Average Balance of Assets during the Period (Based on Acquisition Price)	(¥ million)	227,550	202,851	24,699	12.2	227,550	—	

<Acquisition Capacity>

LTV at End of Period	(%)	47.6	48.7	-1.1
Balance of Cash and Deposits with Banks at End of Period	(¥ million)	3,362	3,093	269
Acquisition Capacity through Cash and Deposits with Banks	(¥ million) a	855	1,057	-202
Acquisition Capacity through Debt	(¥ million) b	10,777	5,242	5,535
Total Acquisition Capacity	(¥ million) a+b	11,632	6,300	5,332

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

* Distribution per Unit stated in parentheses is the figure that has been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014.

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

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

* Acquisition Capacity through Debt indicates the potential acquisition by debt assuming a maximum LTV at the end of the period of 50%.

* Acquisition Capacity through Cash and Deposits with Banks = Balance of Cash and Deposits with Banks at End of Period – Balance of Retained Earnings at End of Period

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

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

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

Forecast (Comparison with Initial Forecast)

	22nd Period Forecast Ending Jul. 2014 as of 9/13/2013 (181 days)	22nd Period Forecast Ending Jul. 2014 as of 3/14/2014 (181 days)	Change	(Major change)	23rd Period Forecast Ending Jan. 2015 as of 3/14/2014 (184 days)	Change
Distribution per Unit (¥)	2,500	2,500	0		2,500	0
Operating Revenues (¥ million)	7,247	7,289	41	(Operating Revenues) Increase in rental revenues ¥ +58 million Decrease in other revenues ¥ -25 million	7,303	14
Operating Expenses (¥ million)	4,025	4,075	49	(Operating Expenses) Increase in other rental expenses ¥ +23 million Increase in utility expenses ¥ +9 million	4,076	1
Operating Income (¥ million)	3,221	3,214	-7		3,226	12
Net Income (¥ million)	2,444	2,444	0		2,444	0
CapEx (¥ million)	658	674	15		1,070	396
Adjusted ROE (%)	5.04	5.04	0.00		4.96	-0.08
NOI (¥ million)	4,965	4,972	7		4,999	19
NOI Yield (%)	4.36	4.37	0.01		4.32	-0.05
LTV / Total Assets at End of Period (%)	44.3	44.6	0.3		44.7	0.1
LTV at End of Period (%)	48.9	47.4	-1.5		47.3	-0.1
Long-Term Debt Ratio at End of Period (%)	88.8	95.1	6.3		100.0	4.9
Period End Occupancy Rate (%)	97.3	97.6	0.3		97.4	-0.2
Retail (Urban) (%)	98.9	96.9	-2.0		96.5	-0.4
Retail (Suburban) (%)	100.0	100.0	0.0		100.0	0.0
Office (%)	94.8	95.7	0.9		95.5	-0.2

* In calculating the forecasted period end occupancy rate as of March 14, 2014, it is assumed that spaces for which notices of cancellation were received as of March 4, 2014 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of March 4, 2014 are assumed to remain vacant.

* 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)

Forecast (Comparison with Previous Fiscal Period)

		21st Period Actual Ended Jan. 2014 (184 days)	22nd Period Forecast Ending Jul. 2014 (181 days)	Change
Distribution per Unit	(¥)	2,564	2,500	-64
Operating Revenues	(¥ million)	7,308	7,289	-18
Operating Expenses	(¥ million)	3,985	4,075	89
Operating Income	(¥ million)	3,322	3,214	-108
Net Income	(¥ million)	2,507	2,444	-62
CapEx	(¥ million)	228	674	446
Adjusted ROE	(%)	5.09	5.04	-0.05
NOI	(¥ million)	5,032	4,972	-59
NOI Yield	(%)	4.39	4.37	-0.02
LTV / Total Assets at End of Period	(%)	44.6	44.6	0.0
Long-Term Debt Ratio at End of Period	(%)	88.8	95.1	6.3
Period End Occupancy Rate	(%)	97.9	97.6	-0.3
Retail (Urban)	(%)	97.1	96.9	-0.2
Retail (Suburban)	(%)	100.0	100.0	0.0
Office	(%)	96.3	95.7	-0.6

(Major change)

(Operating Revenues)

Increase in rental revenues	¥ +47 million
Decrease in other rental revenues	¥ -62 million

(Operating Expenses)

Increase in property-related taxes	¥ +86 million
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* In calculating the forecast period-end occupancy rate, it is assumed that spaces for which notices of cancellation were received as of March 4, 2014 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of March 4, 2014 are assumed to remain vacant.

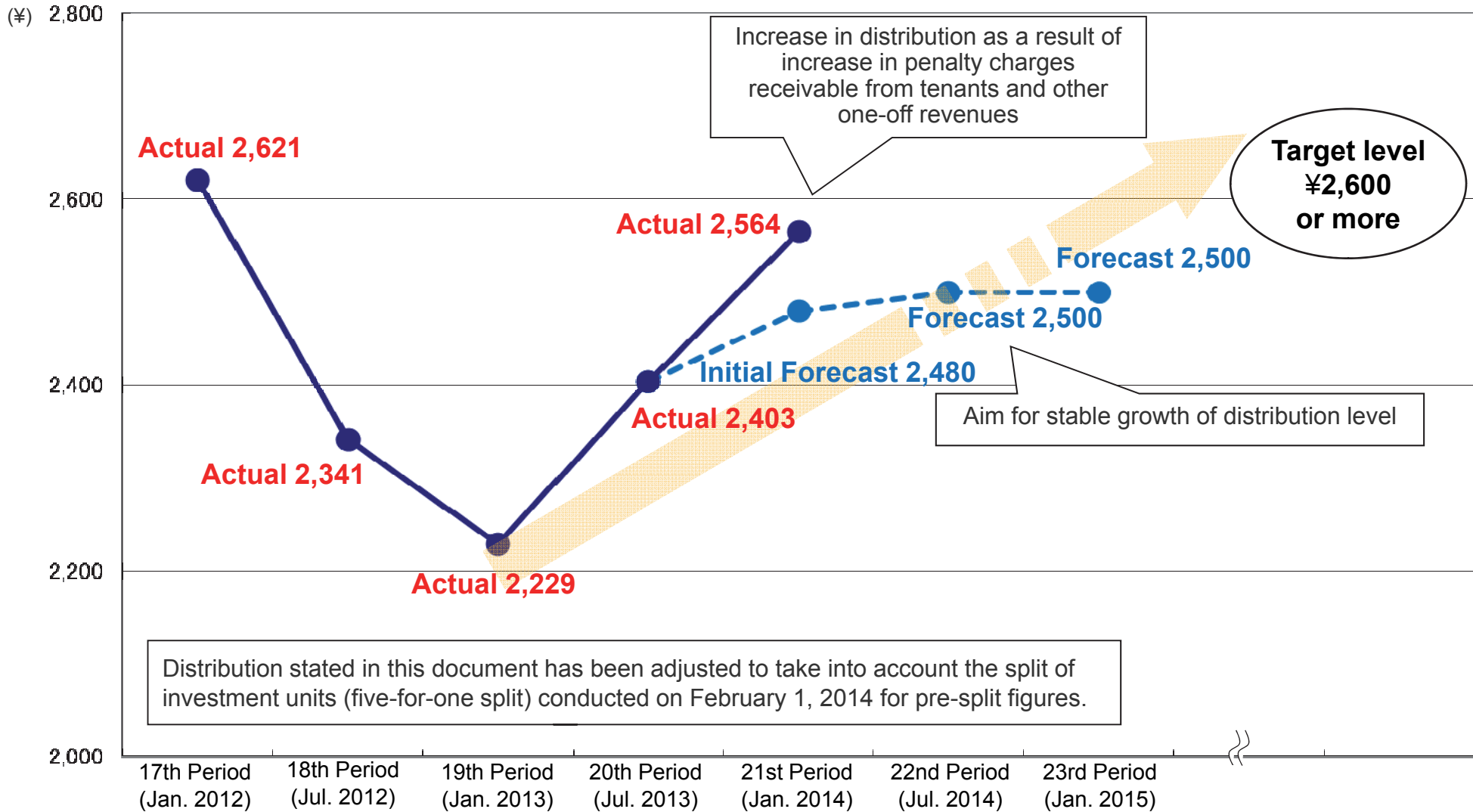
* LTV / Total Assets at End of Period = Balance of Period End Interest-Bearing Debt / Period End Total Assets

* Distribution per unit has been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

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

Future Distribution

Aim for stable growth that places the 19th fiscal period (ended January 2013) as the bottom. The target is to have distribution recover to 2,600 yen or more.



*This page represents the views of Tokyu REIM



2. Topics

(2) Investment Management Overview

NEW

Performance of 3 Properties Acquired upon 4th Public Offering TOKYU REIT

* 3 properties acquired upon 4th public offering are each showing favorable performance.

Tokyu Toranomom Building



Leasing Activities

■ Tenant replacement: Increased amount of contract rent

- 1F retail section: Café moved out (by Dec. 2013)
→ Contracted at higher rent than previous rent with convenience store (moved in in Dec. 2013)
* In light of notice of cancellation received from café, master lease agreement (until Aug. 2014) with seller Tokyu Corporation concluded upon acquisition (sponsor support). Thus, increased amount of rent for TOKYU REIT will start from Sept. 2014.

Topics

■ Upgrading of surrounding environment

- Loop Road No. 2 Shimbashi-Toranomon slated for opening on March 29, 2014
- Toranomom Hills slated for completion in May 2014
- Loop Road No. 2 (surface road) street image announced

Appraisal Value

■ ¥600 mn (4.0%) increase

May 2013
¥15,100 mn
▼
Jan. 2014
¥15,700 mn

Shibuya R Sankei Building



■ Tenant replacement: Increased amount of contract rent

1. Notice of cancellation for 1 section (approx. 107 tsubos: moved out in Sept. 2013)
→ Contracted at higher rent than previous rent (moved in in Jan. 2014)
2. Notice of cancellation for 1 section (approx. 107 tsubos: planned to move out in May 2014)
→ Application received at higher rent than previous rent. Aiming to contract at favorable terms and conditions.

■ Renewal of common area

- Renewal of common area implemented in phases for purpose of enhancement of competitiveness



■ ¥120 mn (2.2%) increase

May 2013
¥5,430 mn
▼
Jan. 2014
¥5,550 mn

KALEIDO Shibuya Miyamasuzaka



■ Existing rent maintained

1. Maintained full occupancy backed by Shibuya area's retail market recovery trend
2. Contract renewed for 5 sections: Existing rent maintained

■ Enhancement of market competitiveness

- Implementation of renewal of entrance area under consideration

■ ¥150 mn (2.8%) increase

May 2013
¥5,280 mn
▼
Jan. 2014
¥5,430 mn

3 properties totaling ¥870 mn (3.4%) increase

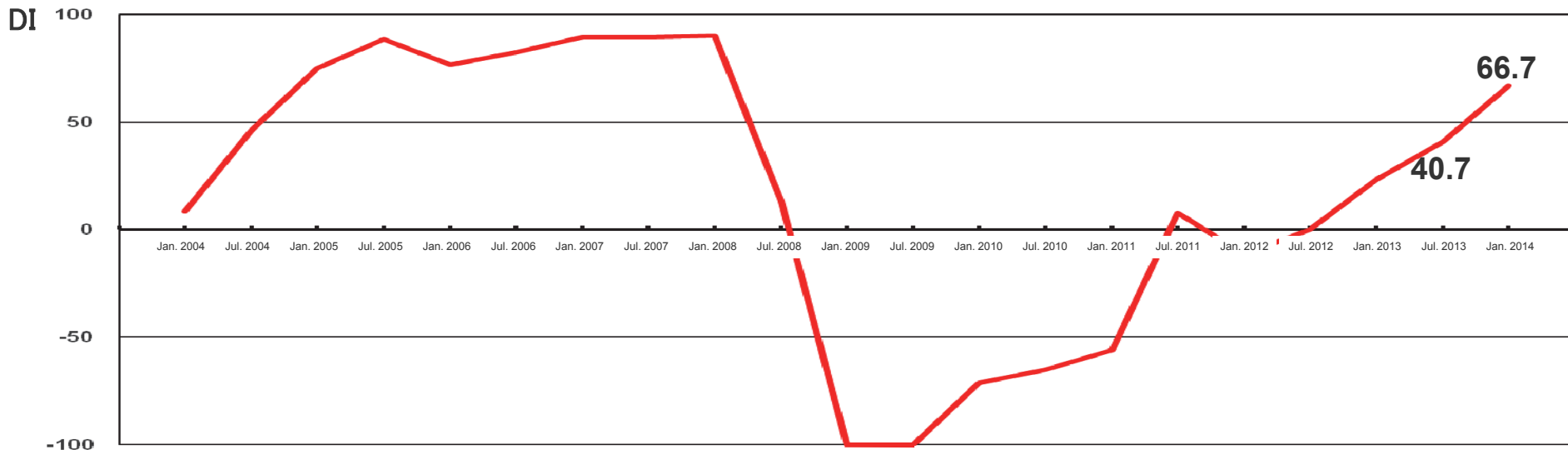
*Comments by Tokyu REIM



Period-End Estimated Value DI (Entire Portfolio: 30 Properties) TOKYU REIT

*** Estimated value at end of period (appraisal value) is on an upward trend for TOKYU REIT's portfolio.**

- Period-end estimated value DI for TOKYU REIT's portfolio (percentage of number of properties with increase minus number of properties with decrease compared with 6 months ago)



	Jan. 2004	Jul. 2004	Jan. 2005	Jul. 2005	Jan. 2006	Jul. 2006	Jan. 2007	Jul. 2007	Jan. 2008	Jul. 2008	Jan. 2009	Jul. 2009	Jan. 2010	Jul. 2010	Jan. 2011	Jul. 2011	Jan. 2012	Jul. 2012	Jan. 2013	Jul. 2013	Jan. 2014
Number of properties																					
Properties with increase in estimated value at end of period compared with 6 months ago	2	7	12	15	14	15	17	18	18	8	0	0	2	2	3	12	10	11	12	17	23
Properties with no change	9	5	4	2	2	1	2	0	2	10	0	0	2	4	5	4	3	4	8	4	4
Properties with decrease in estimated value at end of period compared with 6 months ago	1	1	0	0	1	1	0	1	0	5	23	23	17	17	17	10	13	11	6	6	3
Total	12	13	16	17	17	17	19	19	20	23	23	23	21	23	25	26	26	26	26	27	30
Percentage																					
Properties with increase in estimated value at end of period compared with 6 months ago	16.7	53.8	75.0	88.2	82.4	88.2	89.5	94.7	90.0	34.8	0.0	0.0	9.5	8.7	12.0	46.2	38.5	42.3	46.2	63.0	76.7
Properties with no change	75.0	38.5	25.0	11.8	11.8	5.9	10.5	0.0	10.0	43.5	0.0	0.0	9.5	17.4	20.0	15.4	11.5	15.4	30.8	14.8	13.3
Properties with decrease in estimated value at end of period compared with 6 months ago	8.3	7.7	0.0	0.0	5.9	5.9	0.0	5.3	0.0	21.7	100.0	100.0	81.0	73.9	68.0	38.5	50.0	42.3	23.1	22.2	10.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Period-end estimated value DI for portfolio	8.3	46.2	75.0	88.2	76.5	82.4	89.5	89.5	90.0	13.0	-100.0	-100.0	-71.4	-65.2	-56.0	7.7	-11.5	0.0	23.1	40.7	66.7

*At time of property acquisition, comparison is between appraisal value upon acquisition and estimated value at end of period

*Comments by Tokyu REIM

Change in Appraisal Value (End of 21st Period – End of 20th Period) TOKYU REIT

* 23 properties out of 30 properties were valued higher (lower for 3 properties), resulting in appraisal value at end of period increasing ¥3.9 bn. Office properties turned to increase for first time in 11 periods. Retail properties (urban) registered increase for 5th consecutive period.

(¥ million)

Name of Property	Appraisal Value at End of Period (JPY mm)		Increase / Decrease (JPY mm)	Increase / Decrease %	Impact from change in NCF	Impact from change in NCF Cap Rate	NCF (Direct capitalization method)			NCF Cap Rate (Direct cap rate)			Appraiser (Note1)
	21st Period (Jan. 2014)	20th Period (Jul. 2013)					21st Period (Jan. 2014)	20th Period (Jul. 2013)	Change	21st Period (Jan. 2014)	20th Period (Jul. 2013)	Change	
QFRONT	22,700	21,800	900	4.13%	-1.65%	5.56%	777	790	-13	3.40%	3.60%	-0.20%	a
Lexington Aoyama	4,440	4,100	340	8.29%	6.29%	2.38%	186	175	11	4.10%	4.20%	-0.10%	a
TOKYU REIT Omotesando Square	6,670	6,500	170	2.62%	-2.11%	4.65%	278	284	-6	4.10%	4.30%	-0.20%	a
TOKYU REIT Shibuya Udagawa-cho Square (Note 4)	9,950	9,450	500	5.29%	-7.03%	2.38%	410	441	-31	4.10%	4.20%	-0.10%	b
cocoti	17,500	17,300	200	1.16%	-1.25%	2.44%	713	722	-9	4.00%	4.10%	-0.10%	c
CONZE Ebisu	3,950	4,030	-80	-1.99%	-3.95%	2.33%	170	177	-7	4.20%	4.30%	-0.10%	c
Daikanyama Forum (Note 4)	3,120	3,090	30	0.97%	3.65%	-	142	137	5	4.30%	4.30%	-	b
KALEIDO Shibuya Miyamasuzaka (Note 3) (Note 4)	5,430	5,280	150	2.84%	1.22%	-	249	246	3	4.40%	4.40%	-	b
Retail Properties (Urban) Total (8 properties)	73,760	71,550	2,210	3.09%	-1.62%	4.56%	2,924	2,972	-48	3.96%	4.15%	-0.19%	
Tokyu Saginuma Building	8,530	8,530	-	-	-	-	464	464	-	5.40%	5.40%	-	a
Tokyu Saginuma 2 Building	1,490	1,470	20	1.36%	-	1.52%	98	98	-	6.50%	6.60%	-0.10%	a
Beacon Hill Plaza (Ito-Yokado Noukendai Store) (Note 4)	8,060	7,810	250	3.20%	-	-	440	440	-	5.40%	5.40%	-	b
Shonan Mall Fill (sokochi) (Note 4)	5,910	5,860	50	0.85%	-2.25%	1.82%	304	311	-7	5.40%	5.50%	-0.10%	b
Retail Properties (Suburban) Total (4 properties)	23,990	23,670	320	1.35%	-0.61%	1.94%	1,305	1,313	-7	5.44%	5.55%	-0.11%	
Retail Properties Total (12 properties)	97,750	95,220	2,530	2.66%	-1.31%	3.86%	4,229	4,285	-56	4.33%	4.50%	-0.17%	
Setagaya Business Square	19,000	19,000	-	-	-2.51%	2.00%	932	956	-24	4.90%	5.00%	-0.10%	a
Tokyu Nampocho Building	4,620	4,620	-	-	-	-	210	210	-	4.50%	4.50%	-	a
Tokyu Sakuragaoka-cho Building	7,370	7,180	190	2.65%	0.32%	2.33%	313	312	1	4.20%	4.30%	-0.10%	a
Tokyo Nissan Taito Building	5,260	5,220	40	0.77%	-1.14%	2.00%	261	264	-3	4.90%	5.00%	-0.10%	a
TOKYU REIT Akasaka Hinokicho Building	3,890	3,960	-70	-1.77%	-3.87%	2.22%	174	181	-7	4.40%	4.50%	-0.10%	a
TOKYU REIT Kamata Building	4,810	4,800	10	0.21%	-1.95%	1.89%	251	256	-5	5.20%	5.30%	-0.10%	a
TOKYU REIT Toranomon Building	9,060	8,950	110	1.23%	-1.23%	2.22%	402	407	-5	4.40%	4.50%	-0.10%	a
TOKYU REIT Hatchobori Building	5,220	5,260	-40	-0.76%	-0.41%	-	244	245	-1	4.60%	4.60%	-	c
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (Note 4)	6,220	6,070	150	2.47%	0.74%	-	272	270	2	4.20%	4.20%	-	b
Tokyu Ikejiri-ohashi Building	4,530	4,480	50	1.12%	-1.28%	1.92%	231	234	-3	5.10%	5.20%	-0.10%	c
Kojimachi Square	7,960	7,920	40	0.51%	-1.70%	2.27%	346	352	-6	4.30%	4.40%	-0.10%	a
TOKYU REIT Shinjuku Building	9,170	9,160	10	0.11%	-	-	403	403	-	4.30%	4.30%	-	c
Akihabara Sanwa Toyo Building (Note 4)	5,260	5,060	200	3.95%	0.80%	-	252	250	2	4.70%	4.70%	-	b
TOKYU REIT Kiba Building (Note 4)	3,650	3,650	-	-	0.51%	-3.85%	199	198	1	5.40%	5.20%	0.20%	b
Tokyu Ginza 2-chome Building	4,770	4,760	10	0.21%	-1.42%	2.27%	209	212	-3	4.30%	4.40%	-0.10%	a
OKI System Center (sokochi) (Note 2) (Note 4)	4,860	4,830	30	0.62%	1.15%	-	265	262	3	5.50%	5.50%	-	b
Shibuya R Sankei Building (Note 3) (Note 4)	5,550	5,430	120	2.21%	0.39%	-	258	257	1	4.60%	4.60%	-	b
Tokyu Toranomon Building (Note 3)	15,700	15,100	600	3.97%	1.77%	2.44%	633	622	11	4.00%	4.10%	-0.10%	a
Office Properties Total (18 properties)	126,900	125,450	1,450	1.16%	-0.59%	1.73%	5,856	5,891	-35	4.61%	4.70%	-0.08%	
21st Period Total (30 properties)	224,650	220,670	3,980	1.80%	-0.89%	2.65%	10,085	10,176	-91	4.49%	4.61%	-0.12%	

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

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

(Note 3) The figures stated in the real estate appraisal report upon acquisition are used as the figures for the 20th period for the sake of convenience.

(Note 4) Japan Valuers Co., Ltd. has made some changes to its appraisal method.

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

* In the previous period, period end appraisal value increased for 17 properties (a decrease for 6 properties) out of 27 properties.

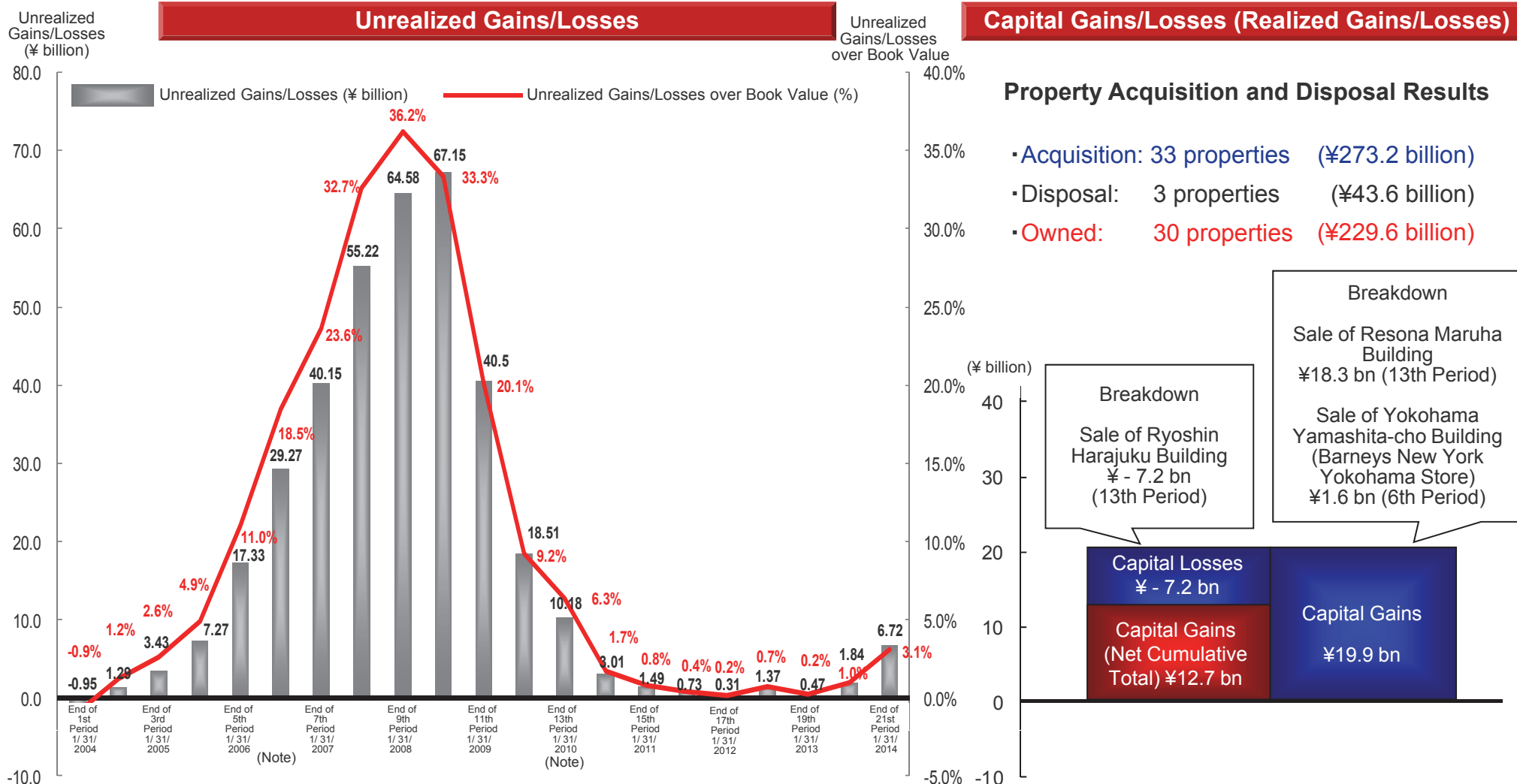
* Comments by Tokyu REIM

Prepared on March 14, 2014

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Unrealized Gains/Losses and Capital Gains/Losses

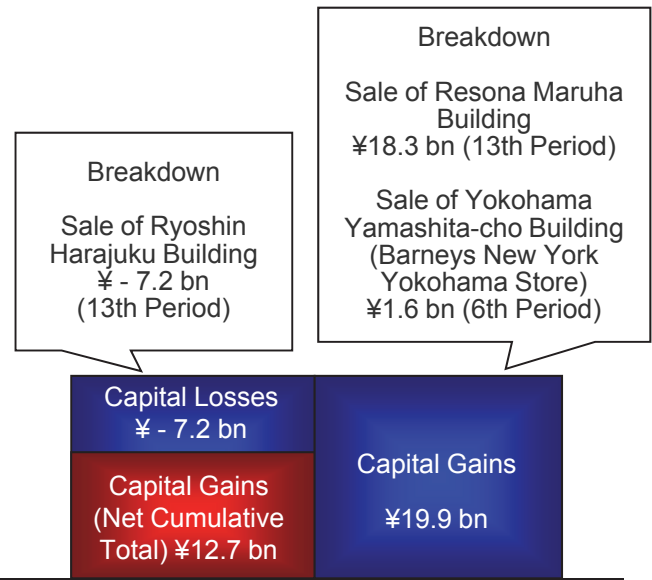
*** Secured unrealized gains of ¥6.7 bn. In addition, a cumulative total of ¥12.7 bn has been distributed as capital gains to date.**



Capital Gains/Losses (Realized Gains/Losses)

Property Acquisition and Disposal Results

- Acquisition: 33 properties (¥273.2 billion)
- Disposal: 3 properties (¥43.6 billion)
- Owned: 30 properties (¥229.6 billion)



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

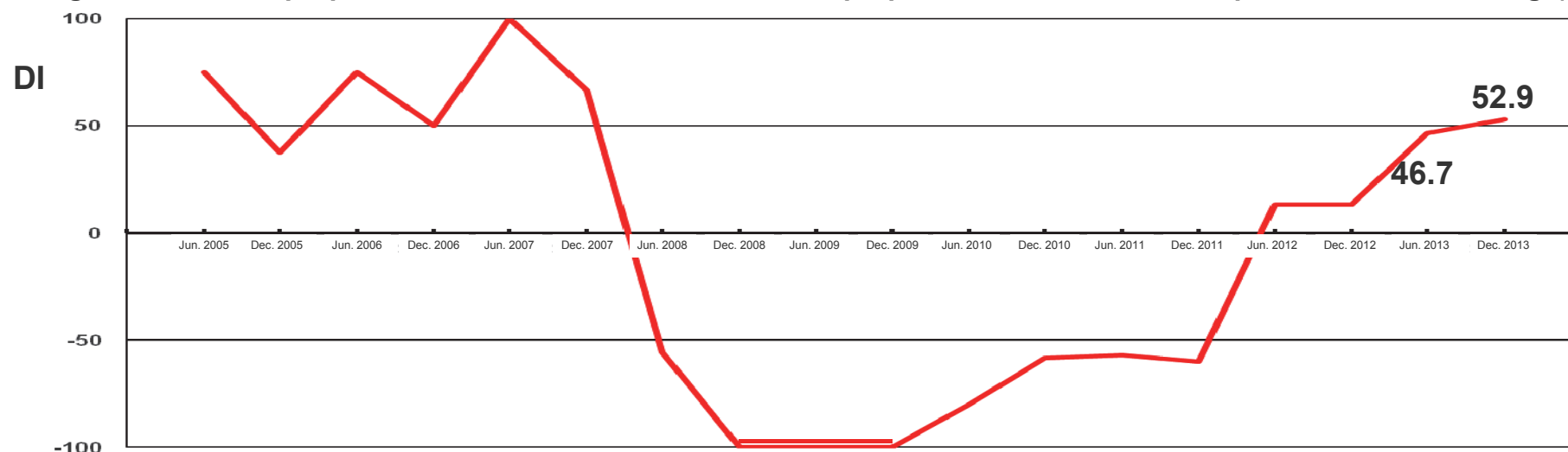
Net cumulative total as of the end of the 21st period (Jan. 2014).

*Comments by Tokyu REIM

New Market Rent D.I. (Office Portfolio: 17 properties)

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

- New market rent D.I. for TOKYU REIT's office portfolio
(percentage of number of properties with increase minus number of properties with decrease compared with 6 months ago)



	Jun. 2005	Dec. 2005	Jun. 2006	Dec. 2006	Jun. 2007	Dec. 2007	Jun. 2008	Dec. 2008	Jun. 2009	Dec. 2009	Jun. 2010	Dec. 2010	Jun. 2011	Dec. 2011	Jun. 2012	Dec. 2012	Jun. 2013	Dec. 2013
Number of properties																		
Properties with an increase in new market rent compared with 6 months ago	6	4	6	4	9	6	0	0	0	0	0	0	0	0	2	3	7	9
Properties with no change	2	3	2	4	0	3	4	0	0	0	2	5	6	6	13	11	8	8
Properties with a decrease in new market rent compared with 6 months ago	0	1	0	0	0	0	5	12	12	10	8	7	8	9	0	1	0	0
Total	8	8	8	8	9	9	9	12	12	10	10	12	14	15	15	15	15	17
Percentage																		
Properties with an increase in new market rent compared with 6 months ago	75.0	50.0	75.0	50.0	100.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.3	20.0	46.7	52.9
Properties with no change	25.0	37.5	25.0	50.0	0.0	33.3	44.4	0.0	0.0	0.0	20.0	41.7	42.9	40.0	86.7	73.3	53.3	47.1
Properties with a decrease in new market rent compared with 6 months ago	0.0	12.5	0.0	0.0	0.0	0.0	55.6	100.0	100.0	100.0	80.0	58.3	57.1	60.0	0.0	6.7	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New market rent D.I. for office portfolio	75.0	37.5	75.0	50.0	100.0	66.7	-55.6	-100.0	-100.0	-100.0	-80.0	-58.3	-57.1	-60.0	13.3	13.3	46.7	52.9

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

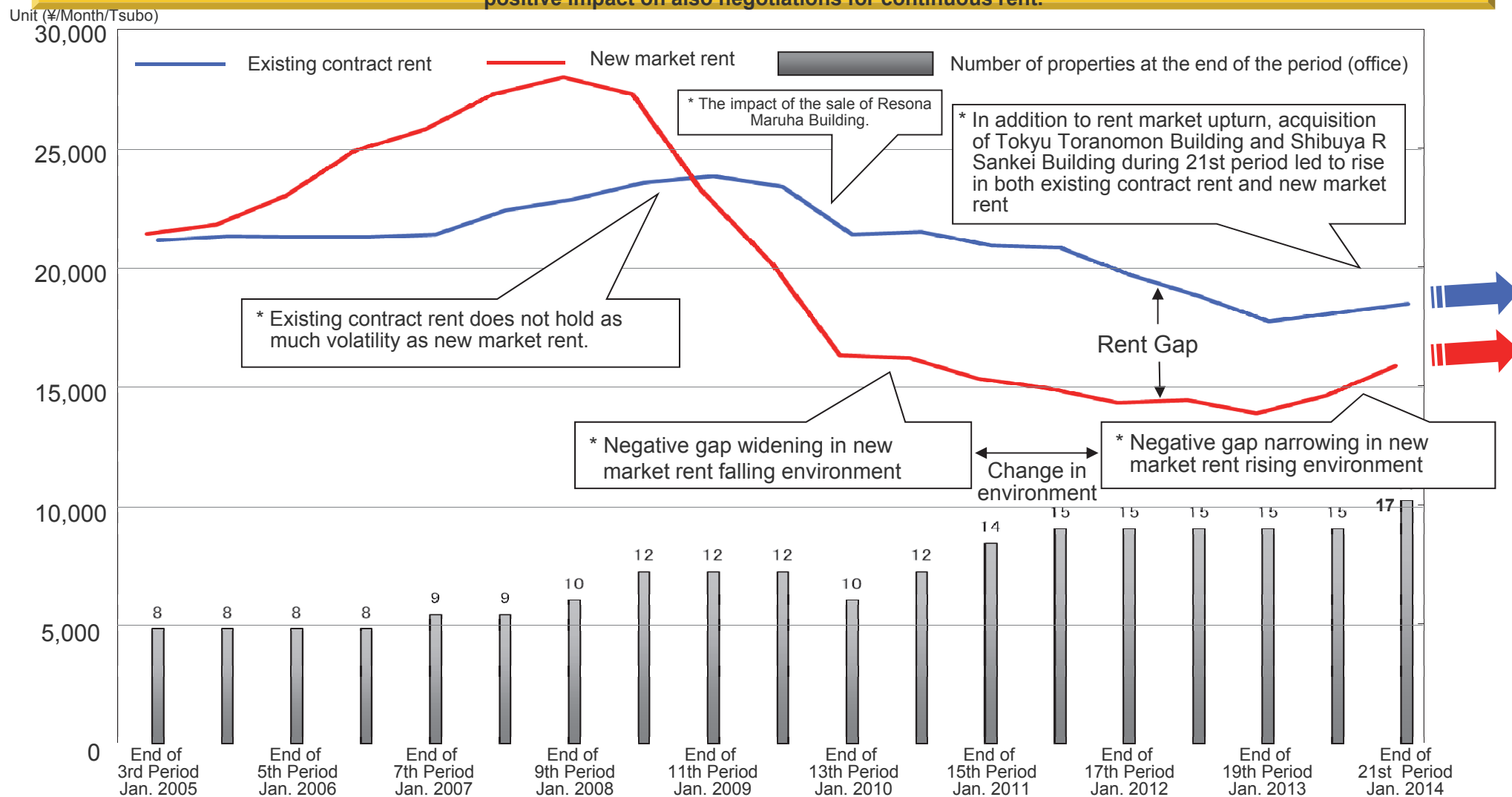
* OKI System Center (*sokochi*) is excluded from the office portfolio.

* For Tokyu Toranomon Building and Shibuya R Sankei Building, comparisons are with May 2013 figures.

*Comments by Tokyu REIM

Changes in Rent Gap (Office)

*** Upturn in both new market rent and existing contract rent due in part to acquisition of high-quality properties. Rent gap narrowed, having positive impact on also negotiations for continuous rent.**

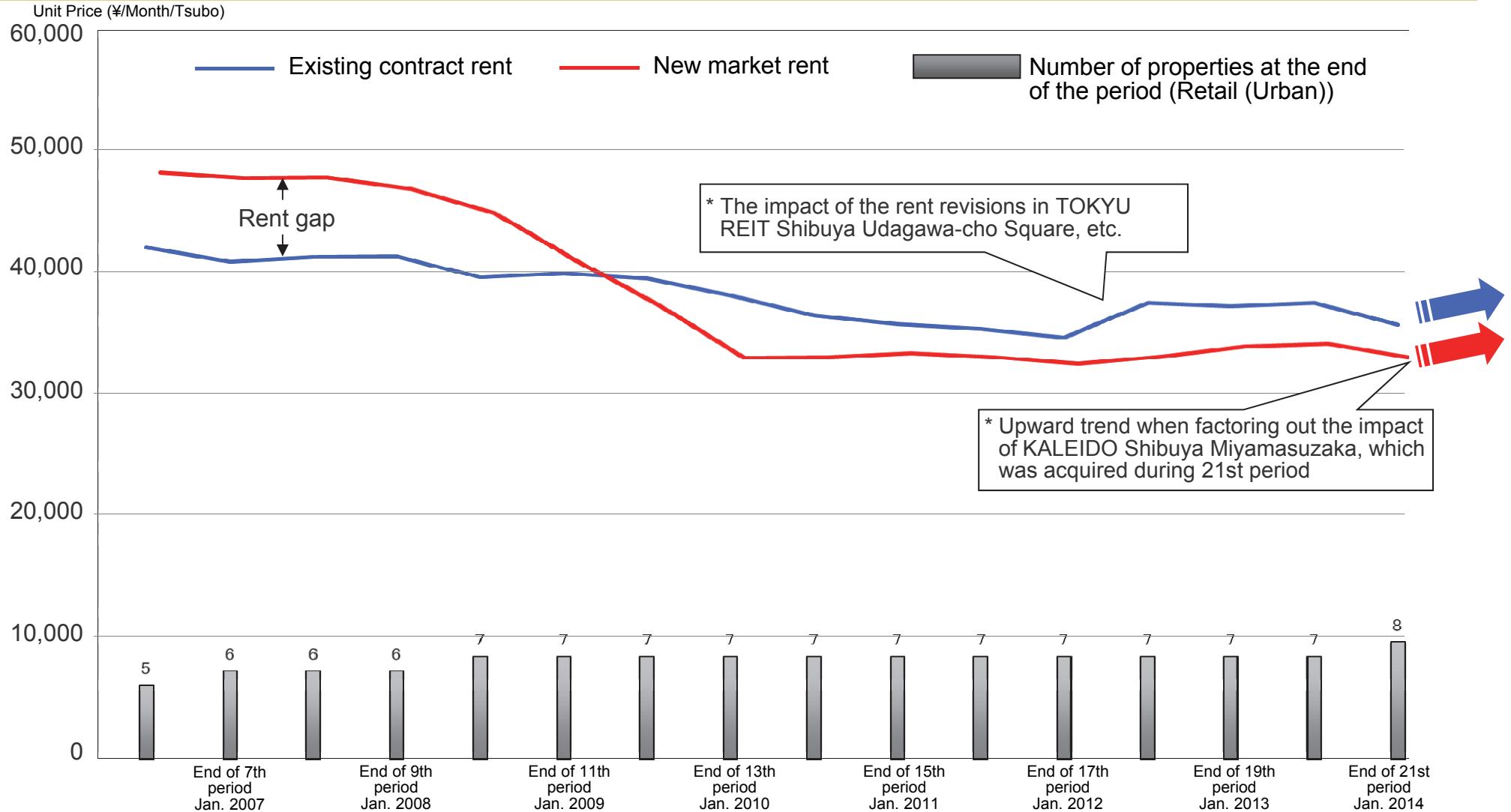


* In calculating the existing contract rent, vacant spaces have not been factored in.
 * Existing contract rent and new market rent include common area charges (excludes income from parking, warehousing and billboards).
 * OKI System Center (sokochi) is excluded both from the existing contracted rent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

*Comments by Tokyū REIM

Changes in Rent Gap (Retail (Urban))

*** With rent gap narrowing, negotiations for continuous rent remain strong**

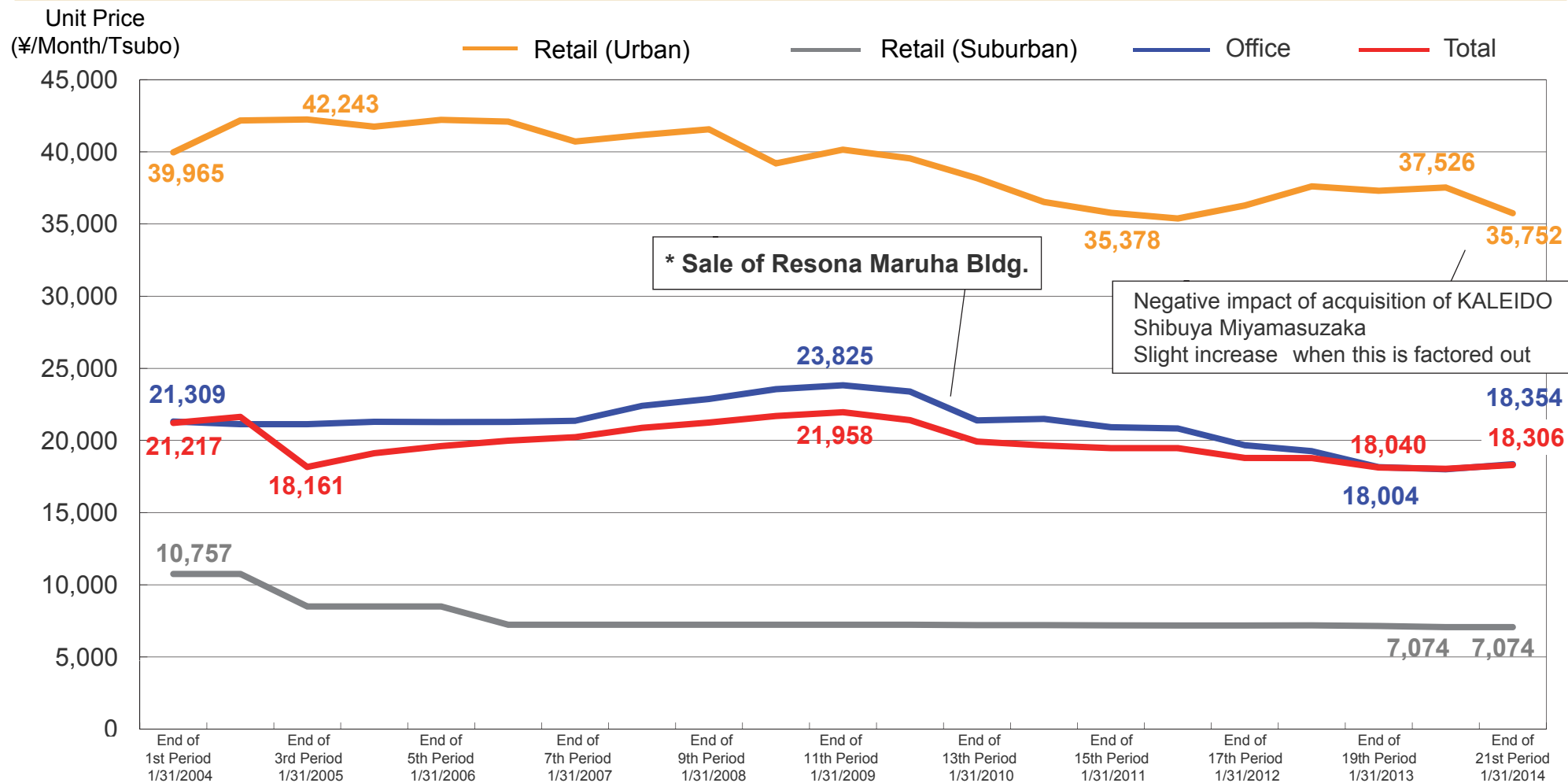


* In calculating the existing contract rent, vacant spaces have not been factored in.
 * Existing contract rent and new market rent include common area charges (excludes income from parking, warehousing and billboards).
 * New market rent is prepared by Tokyu REIM based on various reports and other materials.

*Comments by Tokyu REIM

Changes in Average Rent

*** Average rent for entire portfolio turned around due to acquisition of high-quality properties and market upturn**



* In calculating the above unit price, we haven't factored in vacant spaces.

* Shonan Mall Fill (*sokochi*) is not included in Retail (Suburban).

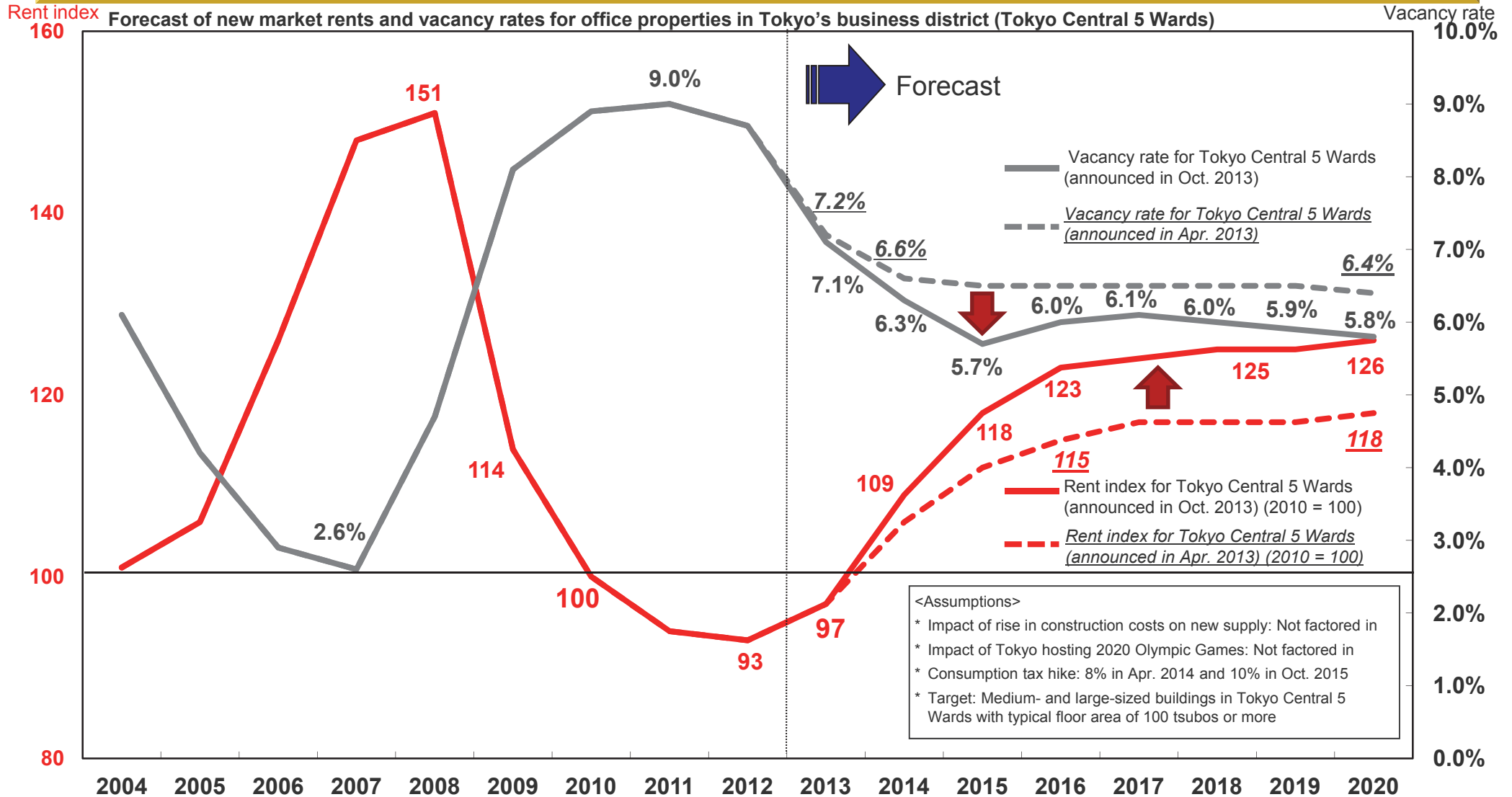
* OKI System Center (*sokochi*) is not included in Office.

* Includes common area charges and excludes income from parking, warehouses, etc.

*Comments by Tokyu REIM

Forecast of New Market Rents and Vacancy Rates for Office Properties

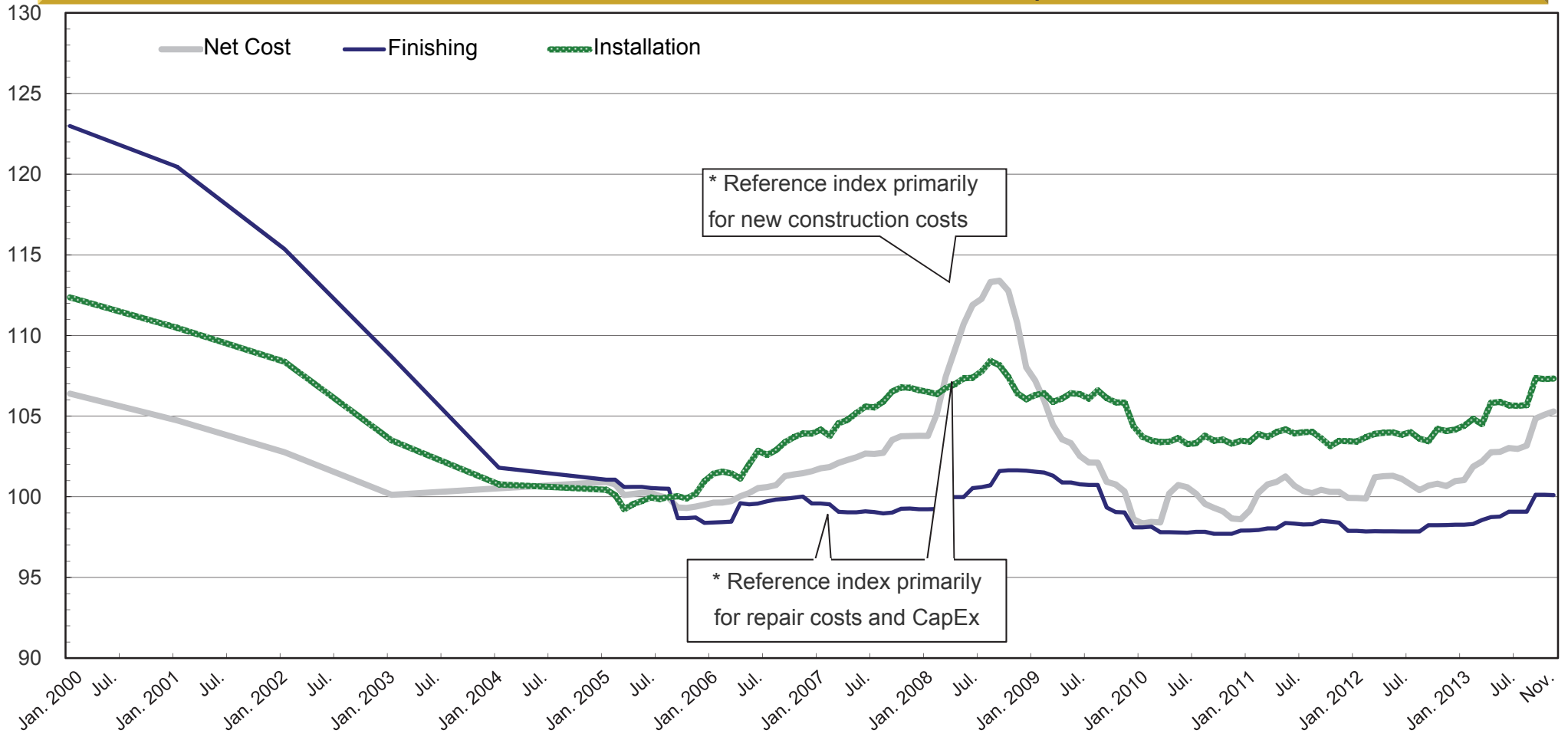
* With economic recovery, the outlook for Tokyo office properties largely improved over 6 months. In addition to macroeconomic trends, whether rise in construction prices will become a bottleneck for 2016-2017 new supply will be focus of attention.



Source: Materials announced by Office Market Trends Research Committee (Japan Real Estate Institute and Miki Shoji Co., Ltd.) on April 30, 2013 and October 8, 2013. Prepared on March 14, 2014. This document is provided for informational purposes only and is not intended as an inducement or invitation to invest or trade in securities issued by TOKYU REIT. *Comments by Tokyu REIM

Changes in Building Construction Cost Index (Office Buildings)

Rent market supply-demand balance forecast to tighten if new development projects are delayed or cancelled due to rise in building construction costs. On the other hand, increase in construction costs for investment corporations also a cause for concern.



Source: Building Construction Cost Index – Table of Time-Series Index (Table of Long-Term Linked Index) published by the Economic Studies Division, Research Center, Construction Research Institute

* Figures are calculated with the average value of 2005 set at 100
 (2005 and after: monthly data modeled on office buildings having an SRC structure)
 (Up to 2004: annual data modeled on office buildings having an SRC structure, 9 floors above ground and 1-2 basement floors with floor area of 7,000m²)

*Comments by Tokyu REIM

NEW Result of Strategic Debt Management (i): Balancing Costs and Availability

Extend Average Duration, Convert to Long-Term Fixed-Rate Debt and Lower Interest Rate through Refinancing

After public offering (as of end of Aug. 2013)	
Average duration	3.48 years
Long-term fixed-rate debt ratio	88.0%
Average interest rate	1.47%

* Average interest rate is calculated by taking the weighted average of interest rates applicable at that time.

During 22nd period (as of end of Apr. 2014)	
Average duration	4.27 years
Long-term fixed-rate debt ratio	95.1%
Average interest rate	1.39%

* Average interest rate is calculated by taking the weighted average of interest rates applicable at that time.

21st period: Refinancing of long-term debt

Repayment to 4 financial institutions	Repayment amount (¥ million)	Interest rate	Duration	Borrowings from 4 financial institutions	Borrowed amount (¥ million)	Interest rate	Duration
Total weighted average	10,000	1.87225%	5.6 years	Total weighted average	10,000	1.04756%	6.1 years

22nd period: Refinancing of long-term debt (by end of Apr. 2014)

Repayment to 1 financial institutions	Repayment amount (¥ million)	Interest rate	Duration	Borrowings from 1 financial institution	Borrowed amount (¥ million)	Interest rate	Duration
Total weighted average	5,000	1.79000%	5.0 years	Total weighted average	5,000	1.57750%	10.0 years

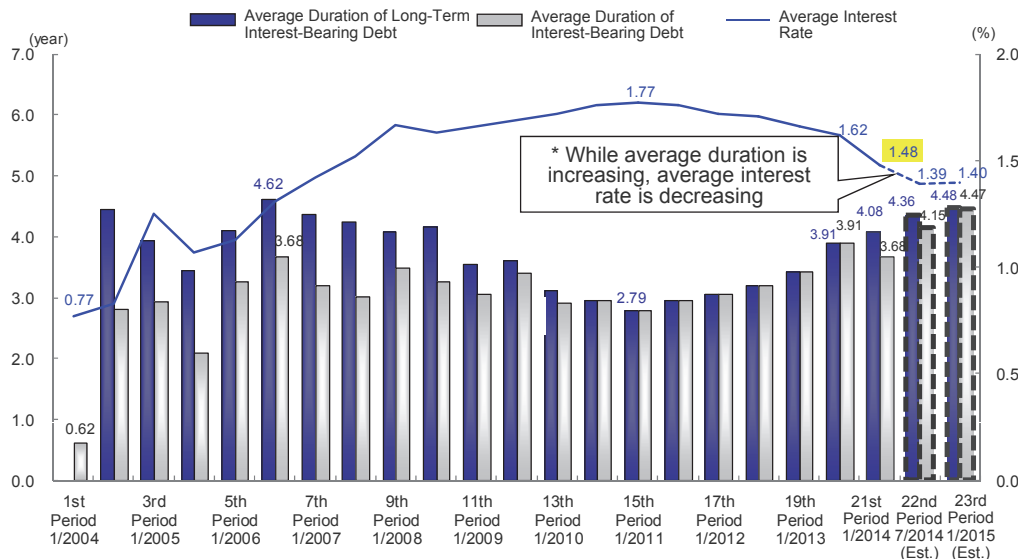
22nd period: Repayment of short-term debt through bond issuance (including that planned)

(Planned) Repayment short-term debt	(Planned) Repayment amount (¥ million)	Interest rate	Duration	Name of investment corporation bond	Issue amount (¥ million)	Interest rate	Duration
Short-term debt repaid on Feb. 17, 2014	3,500	0.52318%	1.0 years	4th Series Unsecured Investment Corporation Bond	3,500	0.39900%	5.0 years
Short-term debt to be repaid during 22nd period	3,000	0.52318%	1.0 years	5th Series Unsecured Investment Corporation Bond	3,000	0.68200%	7.0 years
Total weighted average	6,500	0.52318%	1.0 years	Total weighted average	6,500	0.52962%	5.9 years

* Interest rate of the short-term debt repaid on February 17, 2014 is the interest rate applicable at time of repayment.
* Interest rate of the short-term debt to be repaid during 22nd period is the interest rate applicable between February 17, 2014 and March 17, 2014.
* Calculations of average duration, long-term fixed-rate debt ratio and average interest rate on this slide are premised on the repayment being made during April 2014.

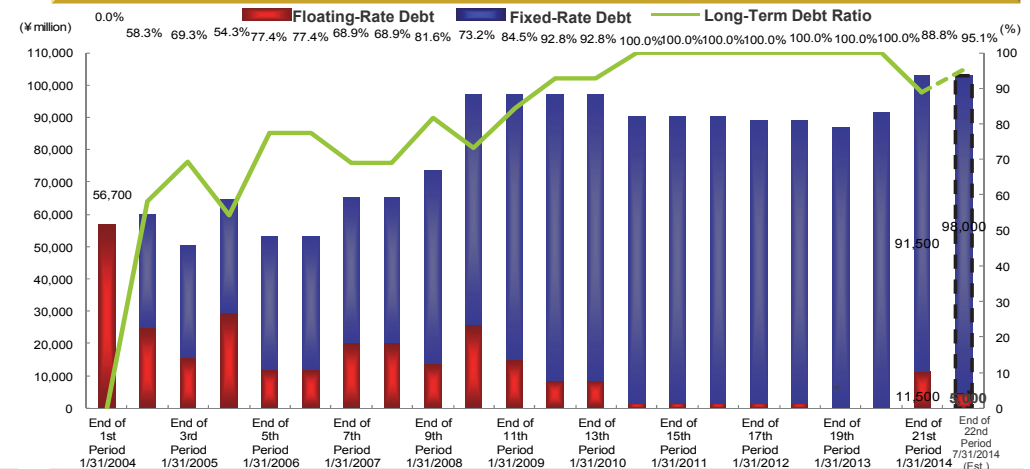
* Interest rate of the 4th Series Unsecured Investment Corporation Bond and 5th Series Unsecured Investment Corporation Bond in the table above is the issue interest rate.
* Adding issuance expenses, all-in costs will be an additional 0.1% or so each in terms of interest rate.

Interest-Bearing Debt Average Duration and Average Interest Rate



Long-Term Fixed-Rate Debt Ratio

* Promoted conversion to long-term fixed-rate debt to maintain stable debt position.



Characteristics of TOKYU REIT's Debt Management

* Debt strategy focused on stability in preparation for possible future credit crunch.

- High long-term fixed-rate debt ratio → Not dependent on short-term debt
- Long average duration of interest-bearing debt → Control each period's interest-bearing debt repayment amount
- Control investment corporation bonds (direct procurement) → Focus on highly-stable indirect procurement

* No borrowing expenses → Coupon rate becomes relatively high

*Comments by Tokyu REIM

Result of Strategic Debt Management (ii)

Interest-Bearing Debt Balance by Repayment Date

*** Average interest rate decreasing while making progress in diversifying repayment dates, extending duration of interest-bearing debt and shifting to fixed interest rates by grasping the low interest rate environment.**

As of Jan. 31, 2014 (End of 21st Period) (compared with 20th period end)	
Total	: 103.0bn (+ 11.5 bn)
Average Interest Rate	: 1.48% (- 0.14 pts.)
Avg. Duration	: 3.68yrs (- 0.23 yrs.)
Long-Term Fixed-Rate Ratio	: 88.8% (- 11.2 pts.)
Number of Ladders	: 17 (- 1 ladders)
Avg. Ladder Amount	: 6.05bn (+ 0.97 bn)
LTV at End of Period^(Note)	: 47.6% (- 1.1 pts.)

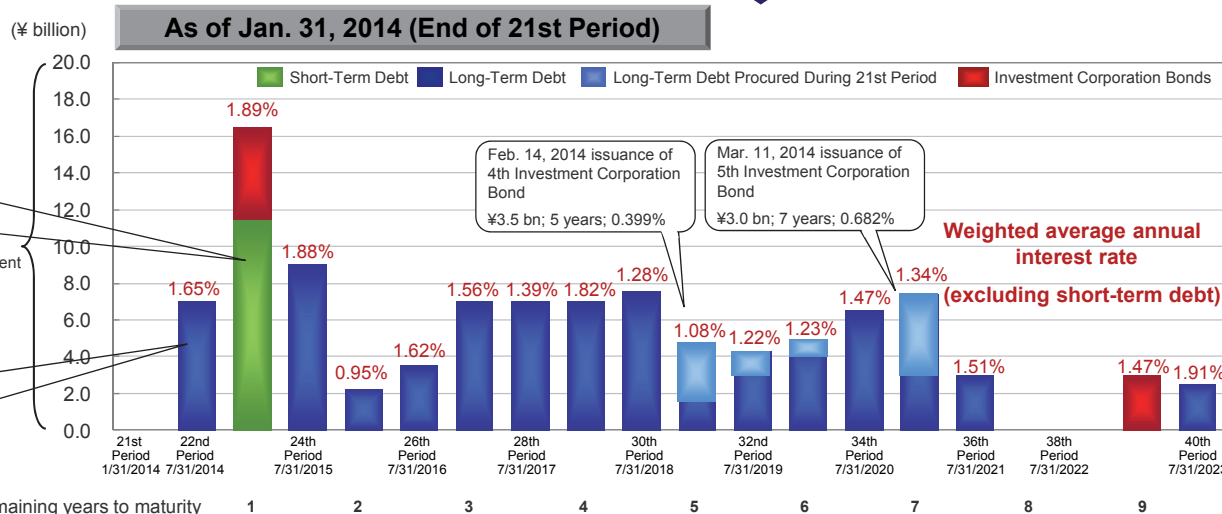
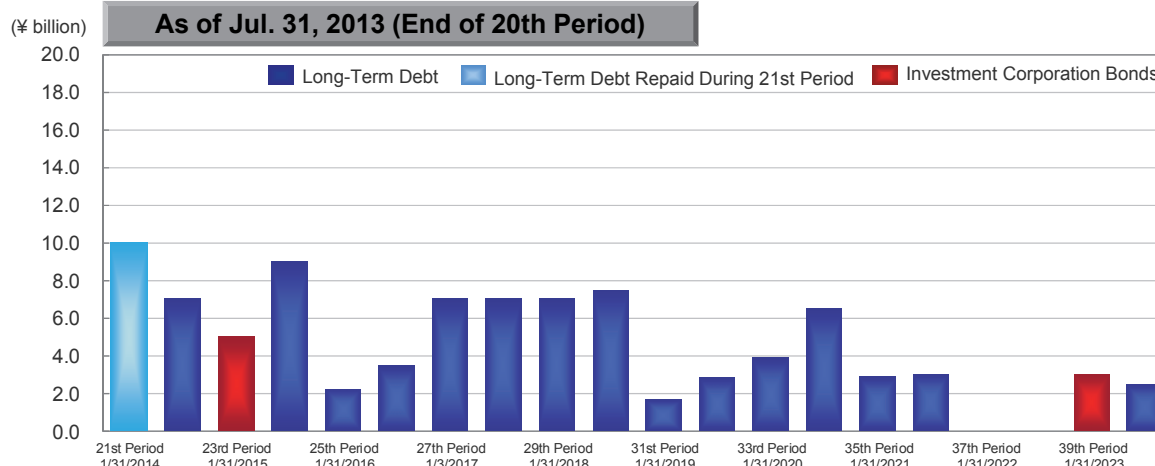
(Note) LTV at End of Period = (Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period + Balance of Cash and Deposits with Banks at End of Period)

Feb. 14, 2014 issuance of 4th Investment Corporation Bond ¥3.5 bn (annual interest rate: 0.399%)
 Mar. 11, 2014 issuance of 5th Investment Corporation Bond ¥3.0 bn (annual interest rate: 0.682%)

For repayment of short-term debt ¥11.5 bn (assumed to decrease to ¥5.0 bn yen during Apr. 2014)

*** Long-term debt ¥7.0 bn (6.8% of total) due for repayment in 22nd period (by July 31, 2014)**

Development Bank of Japan	¥5.0 bn	Due Feb. 25, 2014
Mizuho Bank	¥1.0 bn	Due June 25, 2014
Mitsui Sumitomo Insurance	¥1.0 bn	Due June 25, 2014



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

*Comments by Tokyu REIM

Result of Strategic Debt Management (iii) Base Interest Rates

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

(Unit: %)

Category	Duration	Year																																		
		2007				2008				2009				2010				2011					2012				2013			2014						
		Jan.	Jun.	Sep.	Oct.	Mar.	Jun.	Jul.	Nov.	Feb.	Apr.	Jun.	Jun.	Jul.	Dec.	May	Jun.	Jul.	Sep.	Nov.	May	Jun.	Jul.	Aug.	Oct.	Nov.	Dec.	Jun.	Jul.	Dec.	Jan.	Feb.	Mar.			
Long-term	1.5 yr																																			
	2.0 yr						1.55500																													
	2.5 yr							1.48125	1.47500		1.32750			1.17125																						
	3.0 yr						1.81875	1.54250	1.52875				1.46875													0.68125	0.77500									
	3.2 yr												1.39000																							
	3.5 yr	1.81062							1.63062																											
	4.0 yr		1.62625					1.80375	1.72500				1.67500	1.66375	1.31250					1.03500																
	4.5 yr												1.78812																							
	5.0 yr				1.65						1.79000				1.46250									0.93500				1.07500	0.99125			0.85000	0.399			
	5.5 yr						2.10187											1.36875											0.95625							
	6.0 yr														1.63250	1.47625	1.45375																1.04625			
	6.5 yr																	1.49563	1.41375																	
	7.0 yr	1.92000			1.89		2.21100													1.48875	1.37250	1.32375	1.32250	1.24625	1.23375	1.45125	1.47250		1.21000					0.682		
	7.5 yr																										1.53375									
	8.0 yr						1.76625																1.48000					1.51375	1.51375							
	8.5 yr																																			
9.0 yr																																				
9.5 yr																																				
10.0 yr																									1.47		1.91375								1.5775	

* The colored portions represent refinancing conducted in the 21st period.

* The shaded portions represent repayments/redemptions made.

* The text in red represents the issue interest rate of investment corporation bonds. Adding issuance expenses, all-in costs will be an additional 0.1% or so each in terms of interest rate.

*Comments by Tokyu REIM



2. Topics

(3) Investment Activities Policy

With 22nd period (ending July 2014) also positioned as “acquisition phase,” property acquisitions will be considered

1. Environmental Analysis under the Surf Plan

(1) Cap rates

- Lending attitude of financial institutions easing and debt financing environment also improving. Cap rates on downward trend.

(2) Assumed rents over the medium to long term

- Occupancy of office properties in Tokyo steadily improving, but vacancy rate for the Tokyo Central 5 Wards as of December 2013 was 6.1% (yet to fall below 5%)
- Negative gap between new market rent and existing contract rent is on narrowing trend, but aside from some, is yet to close
- Assumed rents over the medium to long term used for appraising properties increasing by a small margin, but still hovering at a low level

(3) Property prices

- Consequently, property prices are at a medium level and so the 22nd period is also positioned as an acquisition phase
- However, with property prices in an upward phase, need to monitor change in the market environment, including also changes in construction costs and status of new development property starts

2. Focused Properties

Property acquisitions leveraging acquisition capacity (¥11.6 bn) (focus on terminal value stability and liquidity)

(1) Office

- Consider mainly properties in favorable locations in the Tokyo Central 5 Wards
- Value total return (particularly competitive properties having low existing rent and potential for improvement in yield and medium- to long-term value)

(2) Retail (Urban)

- Consider properties in prime locations, while watching out for sense of overheating

(3) Retail (Suburban)

- Properties with potential replacement tenants and for which stable cash flows can be expected
- Consider highly-stable properties on a wide scale, taking note of the *sarachi* (land without buildings or liens) price, in addition to change in trade area demographics, room for new competition and rent level

3. Consider Selling

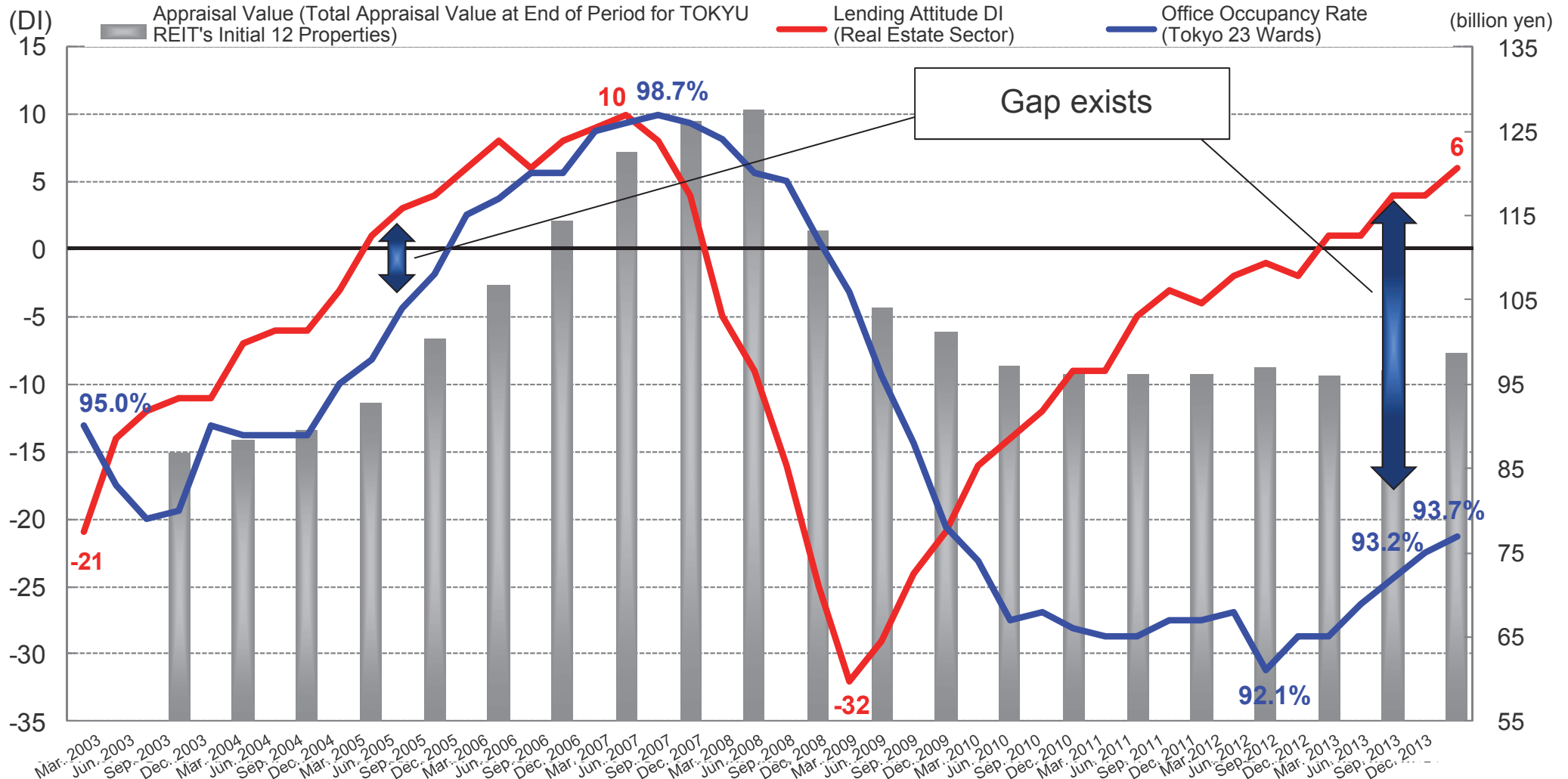
- Consider offers of sale at above market level as needed
- Target properties are those in the portfolio that are relatively less competitive in terms of location and does not incur loss on sale
- Aim to improve portfolio quality through property replacement from the perspective of total return

Source: CBRE K.K.

*This page represents the views of Tokyu REIM

Changes in Occupancy Rate / Lending Attitude DI / Appraisal Value

*** If occupancy rate on a recovery trend and lending attitude on easing trend continues and the macro economy is strong, then real estate prices will be in upward mode for the time being.**

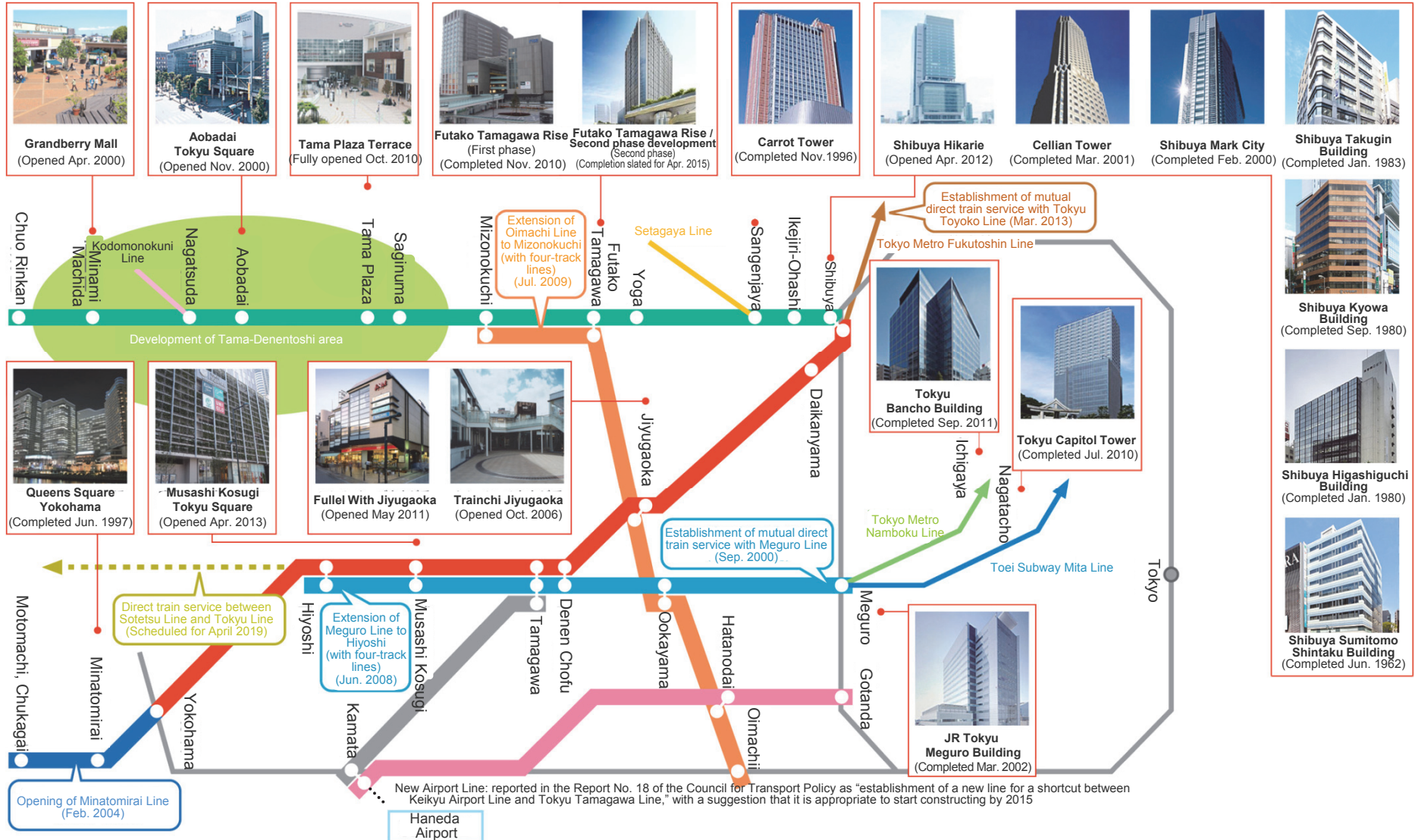


* "TOKYU REIT's Initial 12 Properties" refers to the 11 properties TOKYU REIT incorporated into its portfolio at the time of listing and the TOKYU REIT Shibuya Udagawa-cho Square it acquired during the 2nd fiscal period, making a total of 12 properties.
 * The December 2003 figure for TOKYU REIT Shibuya Udagawa-cho Square is the appraisal value as of October 1, 2003.
 Source: BOJ "Tankan Survey" and CBRE K.K.

*Comments by Tokyu REIM

Major Properties Owned by Tokyu Corporation

*** Tokyu Corporation owns and develops many rental properties along its railway lines**



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

*Comments by Tokyu REIT

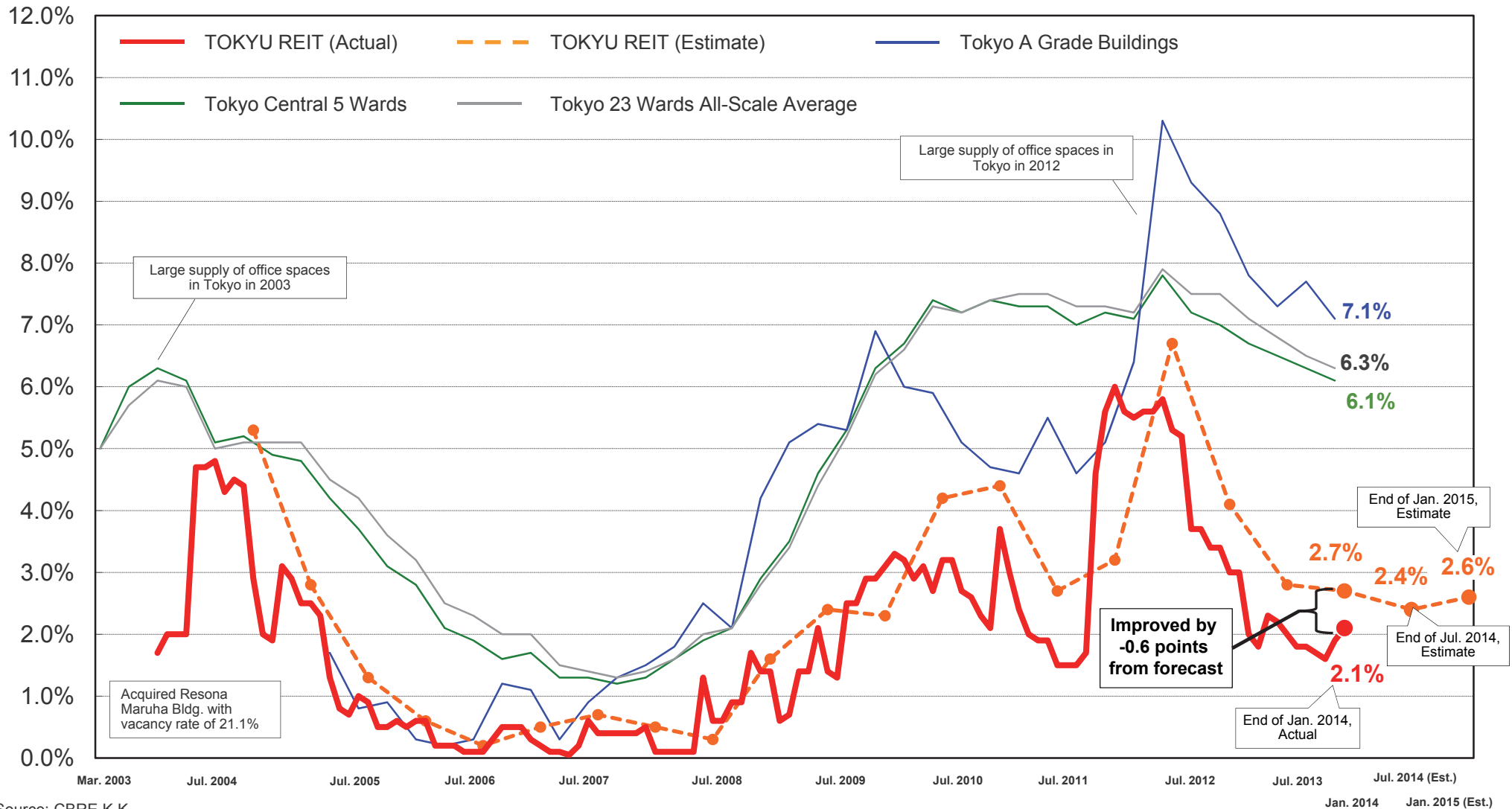


2. Topics

(4) Leasing Activities

Changes in Vacancy Rate

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



Source: CBRE K.K.

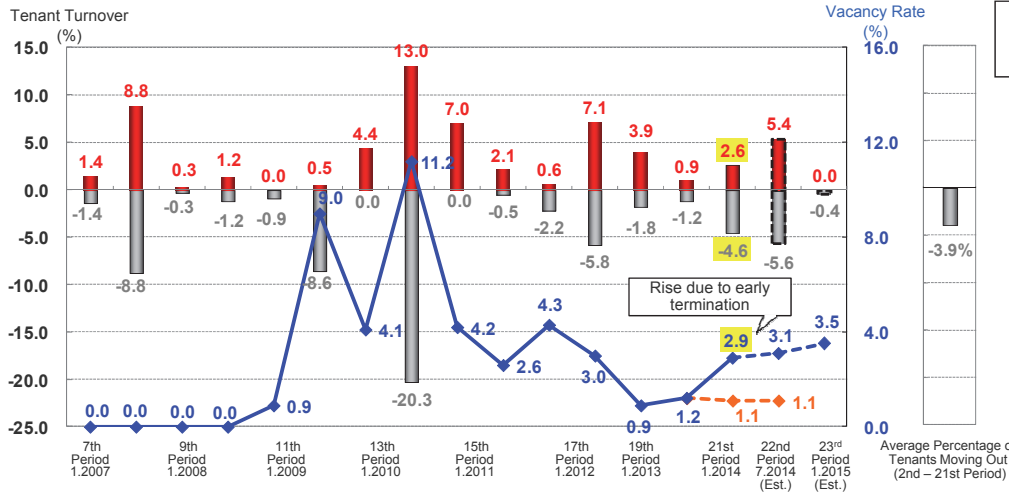
* Vacancies are spaces available to immediately move in at the time of tallying.

*Comments by Tokyu REIM

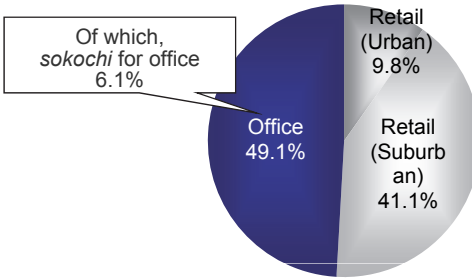
Changes in Tenant Turnover and Vacancy Rate

* Retail properties (urban) have tenant moving out, but office properties continue to have better-than-expected vacancy rate.

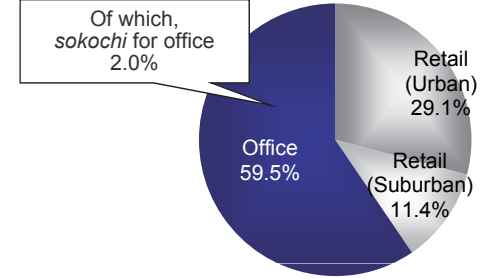
Retail (Urban)



<Total Leasable Area by Segment>



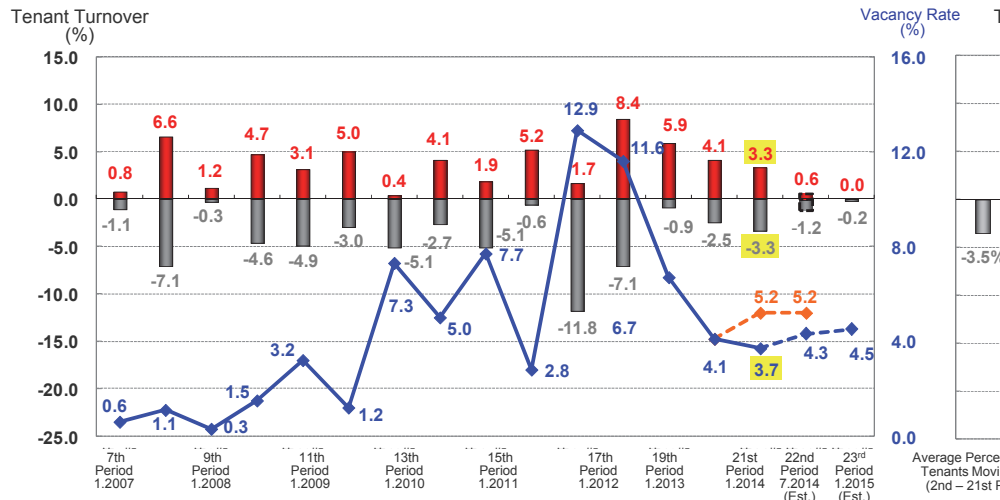
<Rental Revenues by Segment>



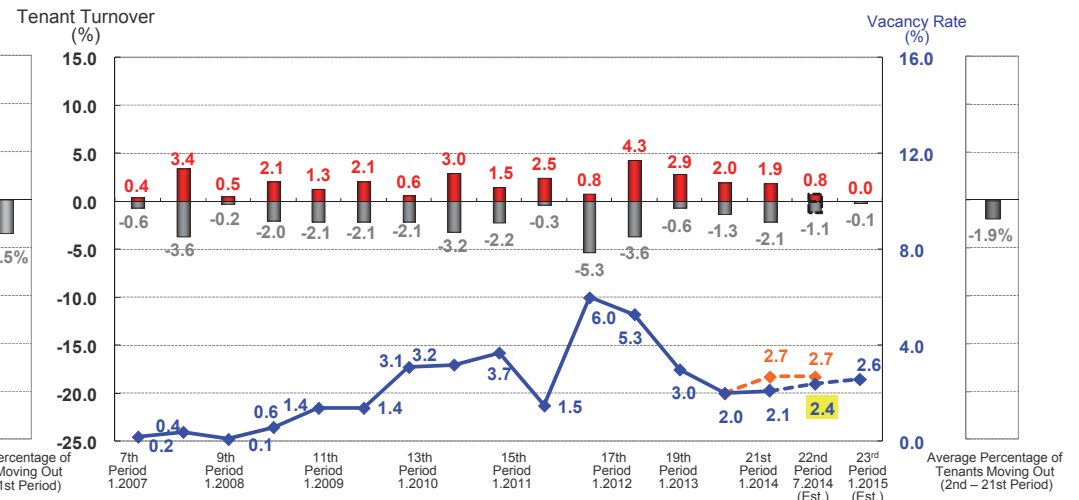
■ Percentage of Tenants Moving In
 ■ Percentage of Tenants Moving Out
 ◆ Vacancy Rate
 ◆ Estimated Vacancy Rate as of Sep. 2013
◆ Estimated Occupancy Rate as of Mar. 2014

* Vacancy rate at end of 21st period remains basically unchanged (There will be move ins but also move outs. Therefore, there will be a time lag for full-fledged recovery in revenues due to downtime and free rent period.)
 * No vacancy for suburban retail properties since being listed.

Office



Overall Portfolio



In calculating the estimate vacancy rate, it is assumed that spaces for which notices of cancellation were received as of March 4, 2014 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of March 4, 2014 are assumed to remain vacant.

Leasing Activities (i)

*** Increased amount of contract rent as a result of tenant replacement at cocoti and Lexington Aoyama.**

■ cocoti

- In 22nd period (ending July 2014), attracted new tenant for 1 section (approx. 95 tsubos) (leasing started in February 2014; higher level than previous rent)
- For 3 sections (approx. 114 tsubos), leasing activities are currently underway, centering on product-selling tenants, taking into account tenant mix

Sections to be leased	As of End of Aug. 2013	Sep. 2013 to Mar. 4, 2014		As of Mar. 4, 2014
		Moved out	Moving in	
None	None	1 section Approx. 95 tsubos	1 section Approx. 95 tsubos	3 sections Approx. 114 tsubos
		Contract cancelled		
		2 sections Approx. 79 tsubos		
		Notice of cancellation received		
		1 section Approx. 35 tsubos (moving out in Aug. 2014)		

<Promotion>

- Participating in “Shibuya Fashion Week,” a joint campaign for the purpose of creating bustle in the town of Shibuya through fashion

Name: Shibuya Fashion Week

Period: March 10 (Mon.) to 23 (Sun.) of 2014

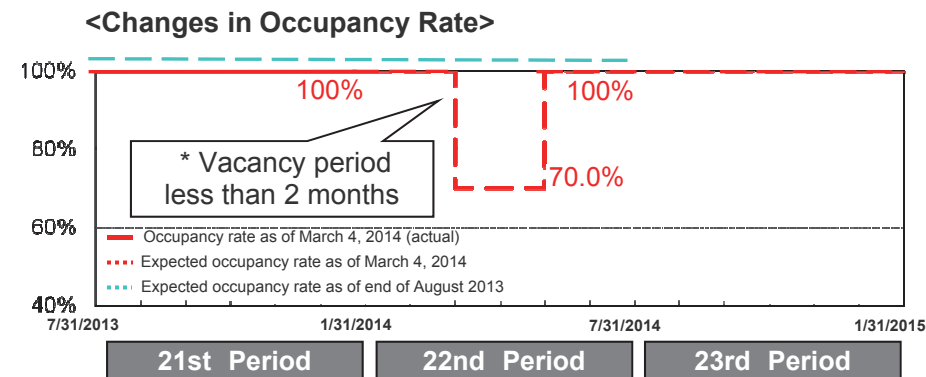
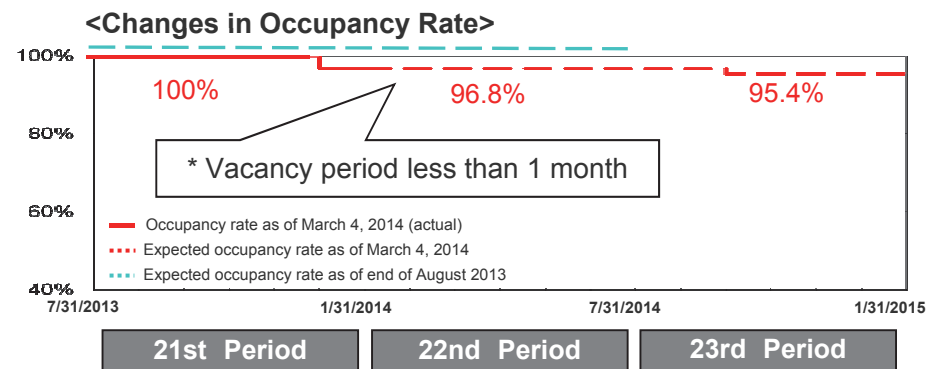
Venue: Retail facilities around Shibuya Station

Participating stores: 109 MEN’S, cocoti, Shibuya 109, Shibuya PARCO, Shibuya Hikarie, Shibuya Mark City, Seibu Shibuya, Tokyu Department Store Toyoko Store, Tokyu Department Store Main Store, Tokyu Plaza Shibuya, and Marui Shibuya (Marui City Shibuya and Marui Jam Shibuya)



■ Lexington Aoyama

- In 21st period (ended January 2014), notice of cancellation was received for 1 section (approx. 191 tsubos) (moving out in March 2014)
- New contract was concluded for that section during 22nd period (leasing starting in May 2014), resulting in occupancy rate at end of 22nd period being expected to be 100% (higher level than previous rent)



*Comments by Tokyu REIM

Leasing Activities (ii)

*** Setagaya Business Square floor area to be leased decreased approx. 294 tsubos compared with 6 months ago to approx. 891 tsubos (of which, application already received for approx. 291 tsubos).**

■ Setagaya Business Square (floor area equivalent to 55%)

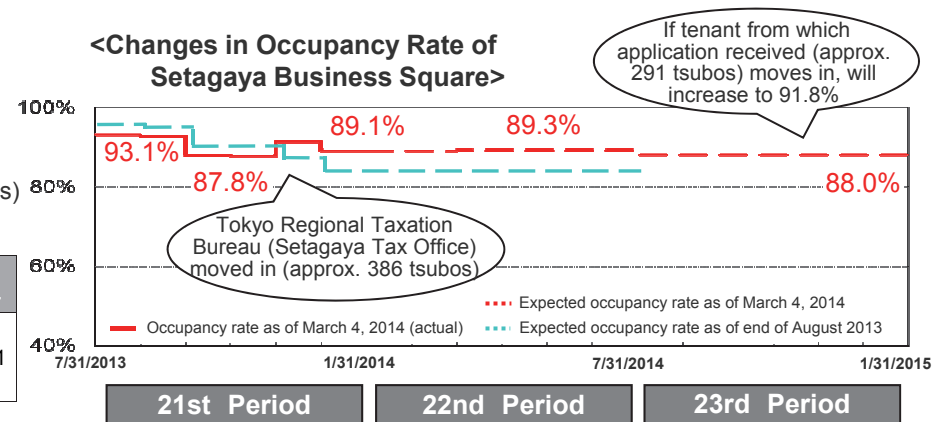
- Conducted leasing activities by targeting companies based on territorial bonding and located in the surrounding areas of Setagaya Ward, IT-related companies and other firms, as well as the needs of existing tenants to expand spaces within the building
- Combined with existing vacant spaces, 9 sections (approx. 891 tsubos) are to be leased
- Of which, application to move in has already been received for 4 sections (approx. 291 tsubos)

Sections to be leased	As of End of Aug. 2013	Sep. 2013 to Mar. 4, 2014		As of Mar. 4, 2014
	12 sections Approx. 1,195 tsubos	Notice of cancellation received 1 section Approx. 99 tsubos	Contracted 4 sections Approx. 404 tsubos	9 sections Approx. 891 tsubos

<Sponsor Collaboration>

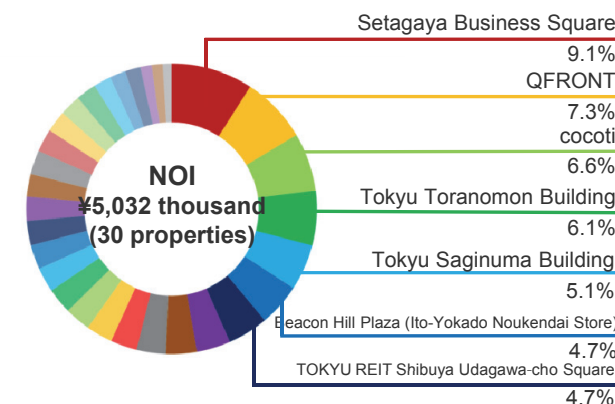
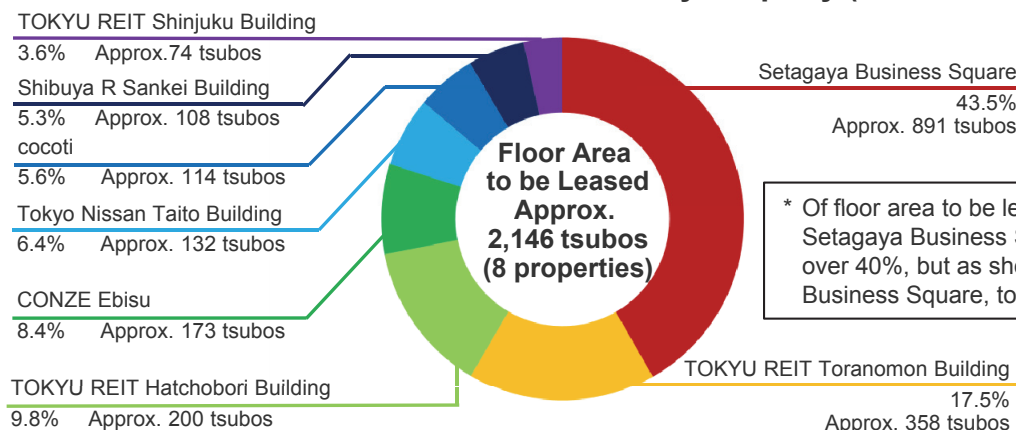
- Installed sub-station name at Yoga Station on the Tokyu Denen-toshi Line (see P.16)
- Also promoting value enhancement plan with owners of co-ownership interests (3 consolidated subsidiaries of Tokyu Corporation)

<Changes in Occupancy Rate of Setagaya Business Square>



■ Breakdown of Floor Area to be Leased by Property (as of March 4, 2014)

(Reference) Breakdown of NOI by Property (21st Period)



* Of floor area to be leased, Setagaya Business Square accounts for over 40%, but as shown above, Setagaya Business Square, too, is on a recovery trend.

* Floor area to be leased referred herein are the vacant sections for which occupancy by new tenants are yet to be finalized and the sections for which vacating by existing tenants have been finalized as of March 4, 2014.
* Floor area stated for Setagaya Business Square shows that equivalent to 55% co-ownership interest.

*Comments by Tokyu REIM

Leasing Activities (ii) Breakdown by property

Type	Name of Property	Contribution to NOI in 21st Period	Status
Retail	Lexington Aoyama	1.7%	• Notice of cancellation was received for 1 section (approx. 191 tsubos) in 21st period and is due to be vacated in mid March 2014, but new contract was concluded for that section in 22nd period (leasing starting in May 2014), resulting in occupancy rate at end of 22nd period being expected to be 100%
	cocoti	6.6%	• Contract was cancelled by 2 tenants for 3 sections (approx. 174 tsubos) in 21st period (vacated at end of November 2013 and end of January 2014), but new contract was concluded for 1 section (approx. 95 tsubos) during 21st period (leasing started in February 2014). Occupancy rate at end of period was 96.8%. • Contract due to be cancelled for 1 section (approx. 35 tsubos) in 23rd period, but leasing activities are currently underway, centering on product-selling tenants • Occupancy rate at end of 22nd period expected to be 96.8% and occupancy rate at end of 23rd period expected to be 95.4%
	CONZE Ebisu	1.3%	• Occupancy rate at end of 21st period was 77.8%. Contract was cancelled for 1 section (approx. 69 tsubos) in 21st period (vacated in January 2014), but new contract was concluded for that section during 21st period (leasing started in March 2014). • In addition, for the section (approx. 86 tsubos) that became vacant in 20th period, new contract was concluded during 21st period (leasing started in March 2014) • Renewal of common area is currently underway for purpose of facility competitiveness enhancement. With 2 sections (approx. 173 tsubos) due to be vacated upon expiration of fixed-term lease contract in 22nd period, leasing activities are currently underway, centering on eating and drinking establishments and service stores.
Retail Portfolio			The occupancy rate for retail properties (urban): 97.1% at the end of 21st period, 96.9% expected at the end of the 22nd period, 96.5% expected at the end of the 23rd period. The occupancy rate for retail properties (suburban): 100.0% at the end of 21st period, 100.0% expected at the end of the 22nd period, 100.0% expected at the end of the 23rd period.
Office	Setagaya Business Square (Note)	9.1%	• New contract was concluded for 5 sections (approx. 493 tsubos) in 21st period, but notice of cancellation was received for 1 section (approx. 99 tsubos) • Occupancy rate at end of 21st period was 89.1% (93.1% at end of 20th period) • For 2 sections (approx. 269 tsubos) out of the 9 sections to be leased, application was received and contract negotiations are currently underway • For remaining 7 sections (approx. 622 tsubos), leasing activities are currently underway, targeting IT-related firms, etc. • Occupancy rate at end of 22nd period expected to be 88.0% (not factoring in occupancy of sections for which contract negotiations are underway)
	Tokyo Nissan Taito Building	2.8%	• Contract was cancelled for 1 section (approx. 236 tsubos) in 21st period, but new contract was concluded for part of that section (approx. 104 tsubos) (leasing started in November 2013) • Occupancy rate at end of 21st period was 94.5% (100% at end of 20th period) • For 1 section (approx. 132 tsubos) to be leased, leasing activities are underway, targeting firms in the surrounding area, including the property's tenants • Occupancy rate at end of 22nd period expected to be 94.5%
	TOKYU REIT Akasaka Hinokicho Building	1.8%	• New contract was concluded for 1 section (approx. 46 tsubos) in 21st period (leasing started in October 2013) • Occupancy rate at end of 21st period was 100% (95.0% at end of 20th period) • Occupancy rate at end of 22nd period expected to be 100%
	TOKYU REIT Kamata Building	2.3%	• Contract was cancelled for 1 section (approx. 249 tsubos) in 20th period (vacated in July 2013), but leasing started in 21st period (September 2013) • Occupancy rate at end of 21st period was 100% (88.8% at end of 20th period) • Occupancy rate at end of 22nd period expected to be 100%
	TOKYU REIT Toranomom Building	2.9%	• Occupancy rate at end of 21st period was 88.3% (76.7% at end of 20th period) • For 1 section (approx. 358 tsubos) to be leased, leasing activities are underway, targeting incorporated foundations, etc. • Occupancy rate at end of 22nd period expected to be 88.3%
	TOKYU REIT Hatchobori Building	2.5%	• Occupancy rate at end of 21st period was 88.4% (100% at end of 20th period) • Contract was cancelled for 1 section (approx. 210 tsubos) in 21st period (vacated in December 2013), but new contract was concluded in 21st period (leasing started in March 2014) • Contract due to be cancelled for 1 section (approx. 200 tsubos) (June 2014) and storage (approx. 95 tsubos) (April 2014) in 22nd period • For sections to be leased, leasing activities are underway, targeting firms in the surrounding area • Occupancy rate at end of 22nd period expected to be 83.7%
	TOKYU REIT Shinjuku Building	3.8%	• Occupancy rate at end of 21st period was 100% • Contract due to be cancelled for 1 section (approx. 74 tsubos) in 23rd period (September 2014) • Occupancy rate at end of 22nd period expected to be 100% and occupancy rate at end of 23rd period expected to be 96.1%
	Shibuya R Sankei Building	2.6%	• Contract was cancelled for 1 section (approx. 108 tsubos) in 21st period (September 2013), but new contract was concluded in 21st period (leasing started in January 2014) • Occupancy rate at end of 21st period was 100% • With contract due to be cancelled for 1 section (approx. 108 tsubos) in 22nd period (May 2014), leasing activities are underway, targeting IT-related firms, etc. • Occupancy rate at end of 22nd period expected to be 93.2%
Office Portfolio			The occupancy rate of office properties: 96.3% at the end of 21st period, 95.7% expected at the end of the 22nd period, 95.5% expected at the end of the 23rd period.
Entire portfolio			• 24 properties out of entire portfolio of 30 properties had 100% occupancy at end of 21st period, and 100% occupancy expected for 23 properties out of entire portfolio of 30 properties at end of 22nd period and 22 properties out of entire portfolio of 30 properties at end of 23rd period • Occupancy rate was 97.9% at end of 21st period, and expected to be 97.6% at end of 22nd period and expected to be 97.4% at end of 23rd period

* 21st period: August 1, 2013 – January 31, 2014; 22nd period: February 1, 2014 – July 31, 2014; 23rd period: August 1, 2014 – January 31, 2015

* Expected occupancy rates at the end of the 22nd and 23rd periods only reflect tenants with whom contracts have been contracted and tenants from whom we have received cancellation notices as of March 4, 2014.

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

Established policy to promote environmental consideration.

Environmental Policy

Established Date: March 14, 2014
TOKYU REIT, Inc.

1. Background and Objectives

TOKYU REIT, Inc. (“TOKYU REIT”) recognizes the growing importance of environmental consideration in the global property investment and management sector. Based on the fact that the real estate sector accounts for a major part of carbon emissions, industry initiatives such as Principles for Responsible Investment (“PRI”) and Responsible Property Investment (“RPI”) of the United Nations have widely spread, and the idea of environmentally-friendly property management throughout the lifecycle has been becoming common.

TOKYU REIT aims to maximize unitholders’ value through pursuing growth, stability and transparency. To achieve our objectives, we realize that environmental consideration and proper disclosure will become even more important, and hereby establish the “Environmental Policy” as a base to implement environmentally-friendly daily operations and to continue communications with our stakeholders on our activities.

2. Environmental Policy

TOKYU REIT recognizes the importance of environmental considerations in the property investment and management sector. As our corporate social responsibility, we continue to act to reduce the environmental impact and help transition to a sustainable society.

1. Implementation of Environmentally-friendly Operation

- (i) Reduce Energy Consumption and Green House Gas (“GHG”) Emissions
- (ii) Reduce Water Consumption and Waste
- (iii) Pursue Health, Safety and Well-Being

2. Management Structure to Ensure Environmental Consideration

- (i) Management Structure as a Responsible Corporation
- (ii) Collaboration with our Stakeholders

*Comments by Tokyu REIM

TOKYU REIT

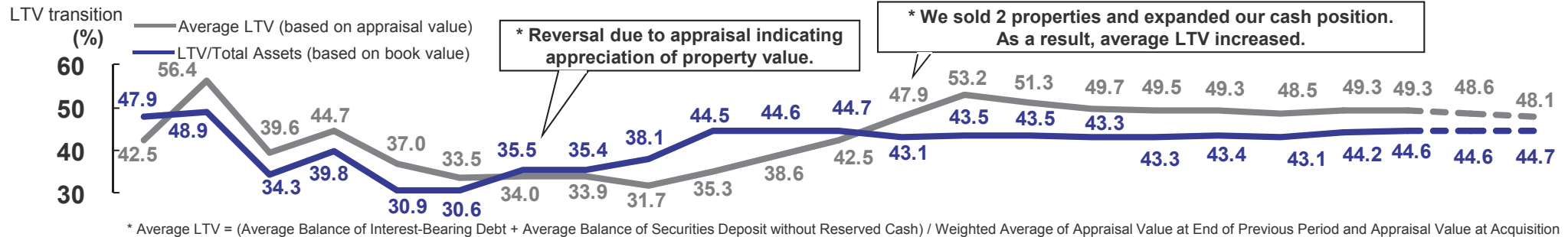
3. Fund Management (1) Results and Performance



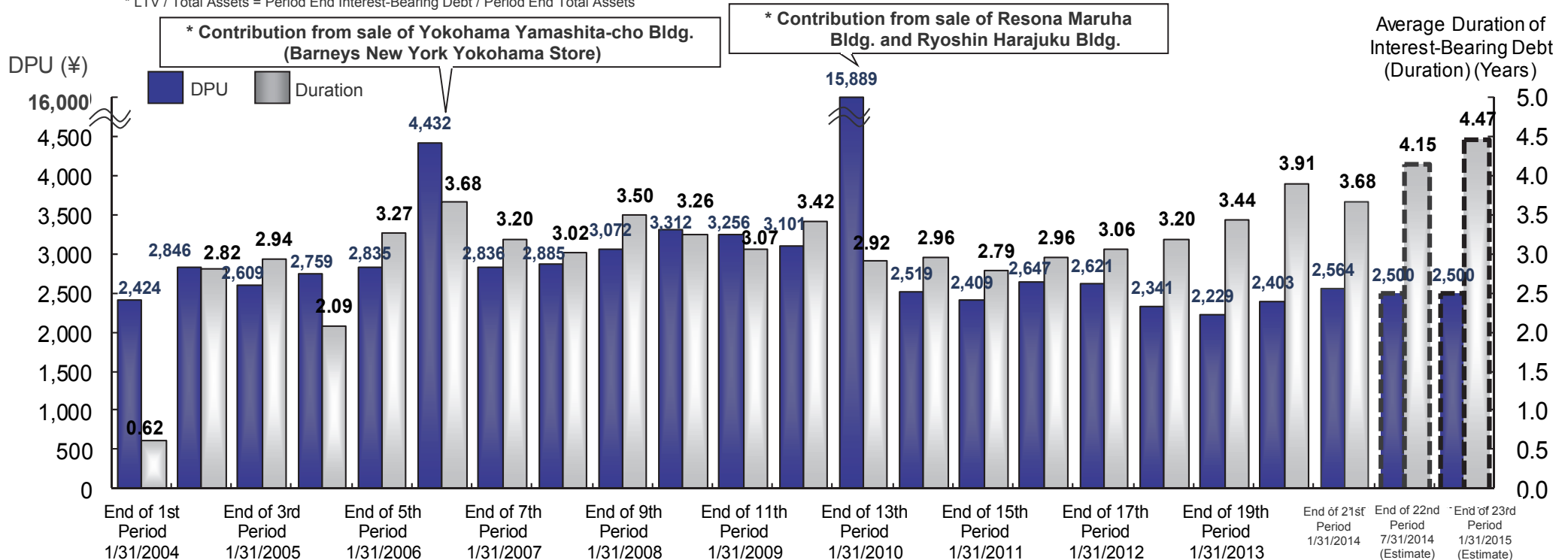
Shibuya-version spin-off magazine prepared through tie-up between Tokyu Corporation and Time Out Tokyo.

Changes in Distribution per Unit (DPU)

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



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



* Official distribution per unit in the 1st period was ¥1,897 (adjusted for five-for-one split) based on the actual operating period of 144 days, but the recalculated distribution per unit of ¥2,424 based on 184 operating days is used in the above graph for the sake of comparison with figures from the 2nd period and thereafter.

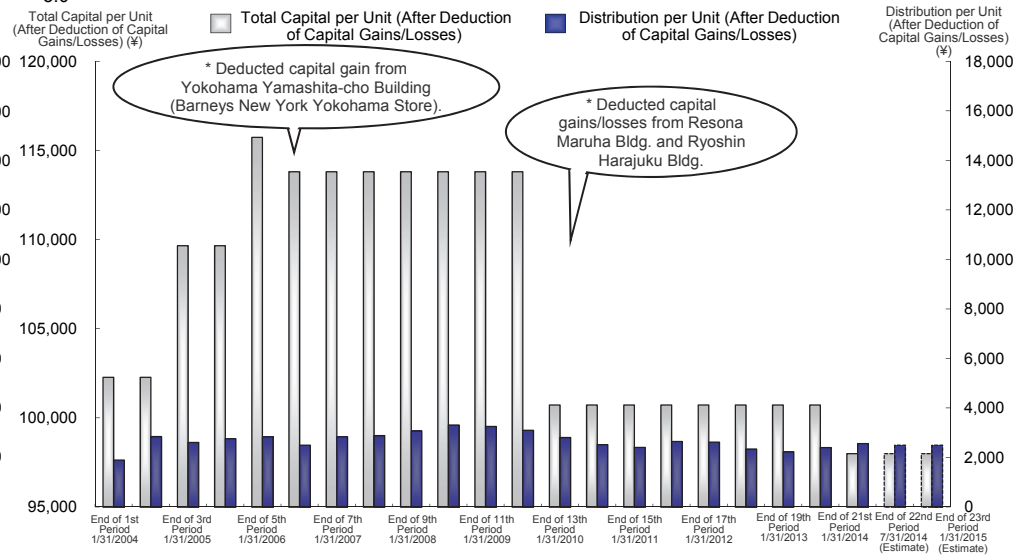
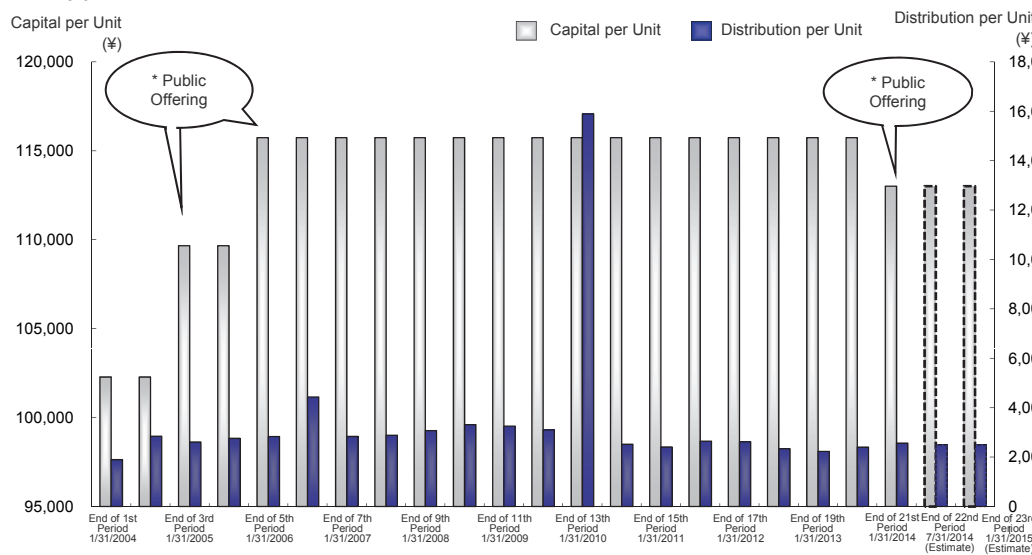
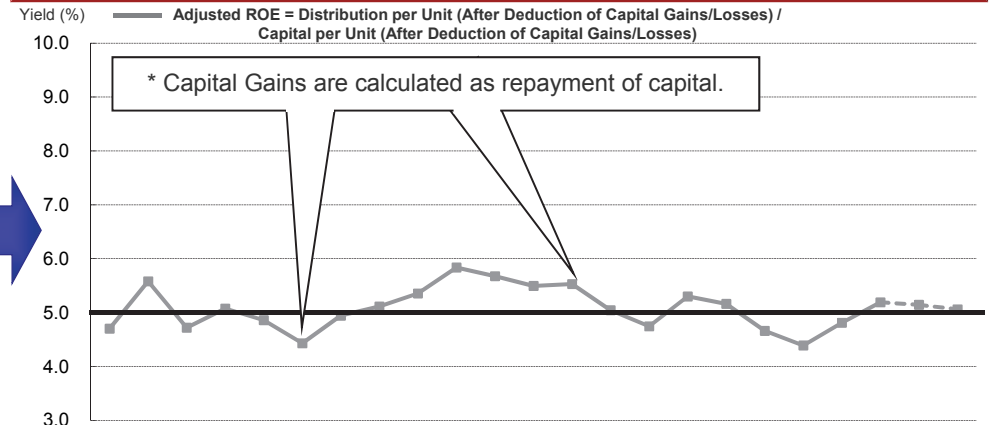
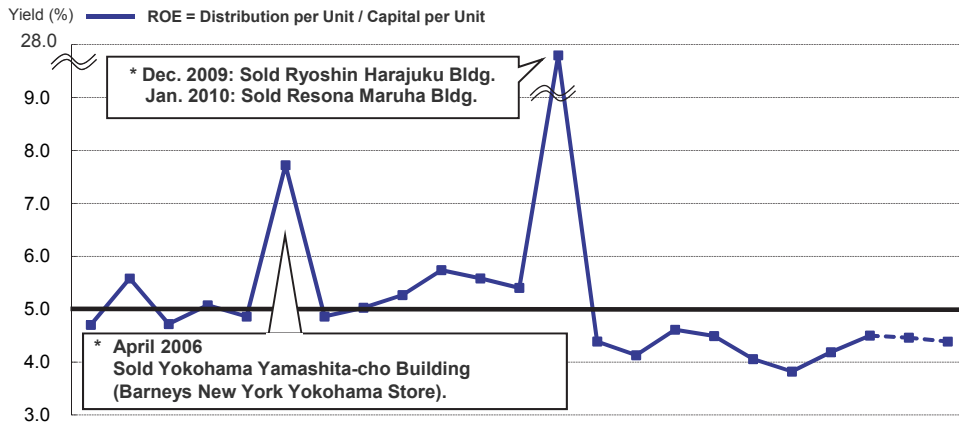
* Distribution per unit stated in this document has been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

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

*** Adjusted ROE of the 21st period was 5.02%.**

ROE (Capital Yield)

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



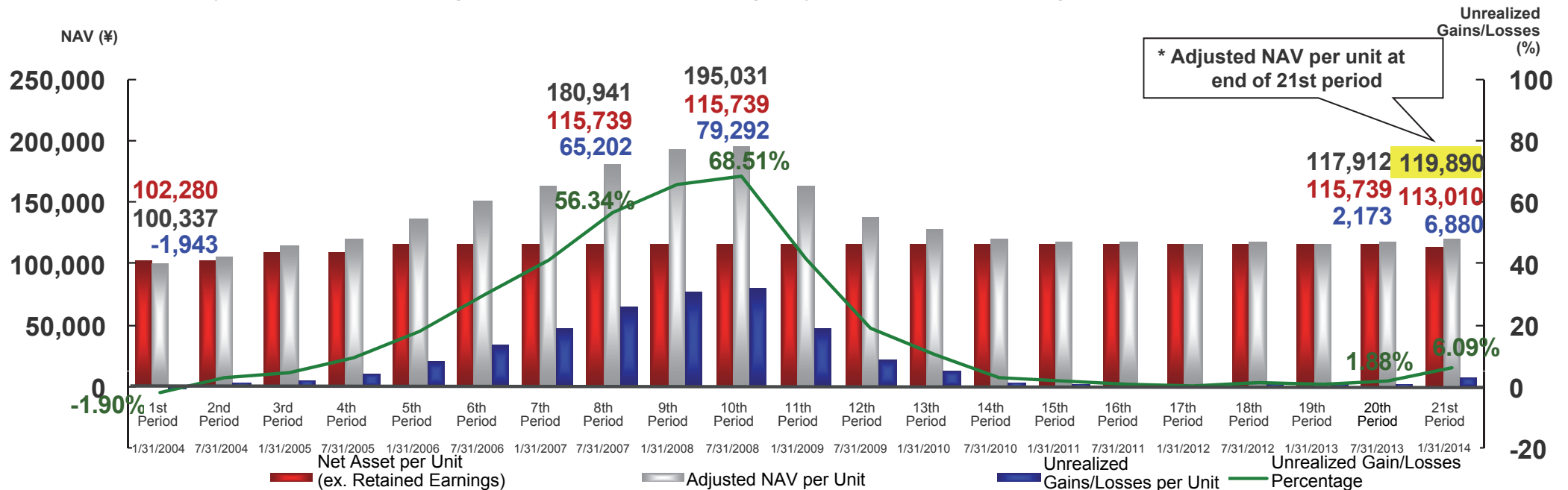
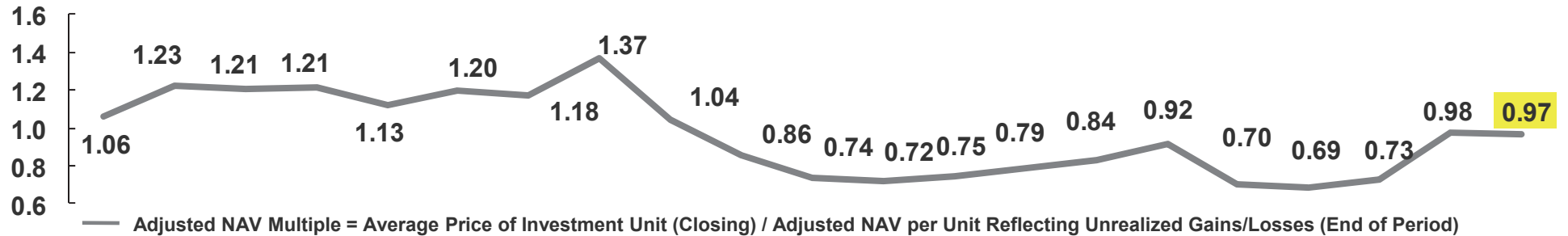
*Capital per unit, capital per unit (after deduction of capital gains/losses), distribution per unit and distribution per unit (after deduction of capital gains/losses) stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

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

Changes in Asset Value (Adjusted NAV per Unit)

*** Adjusted NAV per unit reflecting unrealized gains/losses increased ¥1,978 to ¥119,890. Adjusted NAV multiple was 0.97x.**

Adjusted NAV Multiple



Period	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st
Average Investment Unit Price	¥106,165	¥128,619	¥138,141	¥153,304	¥145,216	¥180,487	¥191,661	¥248,307	¥200,132	¥167,180	¥120,714	¥99,354	¥95,715	¥94,172	¥98,085	¥106,931	¥81,328	¥80,332	¥84,558	¥115,068	¥116,503

*Investment unit price, NAV per unit and adjusted NAV per unit reflecting unrealized gains/losses stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

Performance Against Public Offering Price (Adjusted for Split of Investment Units)

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

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



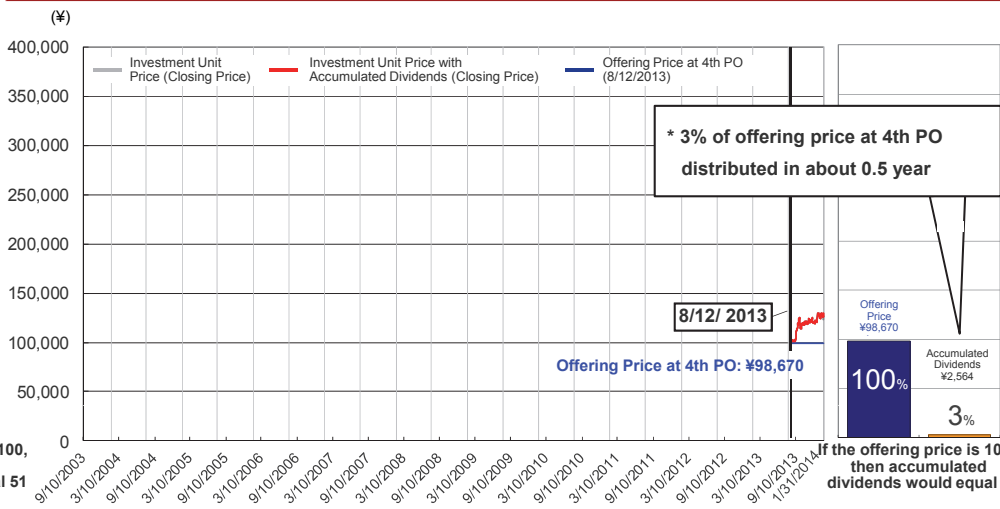
Third Public Offering (Issued Aug. 1, 2005)



Second Public Offering (Issued Aug. 3, 2004)



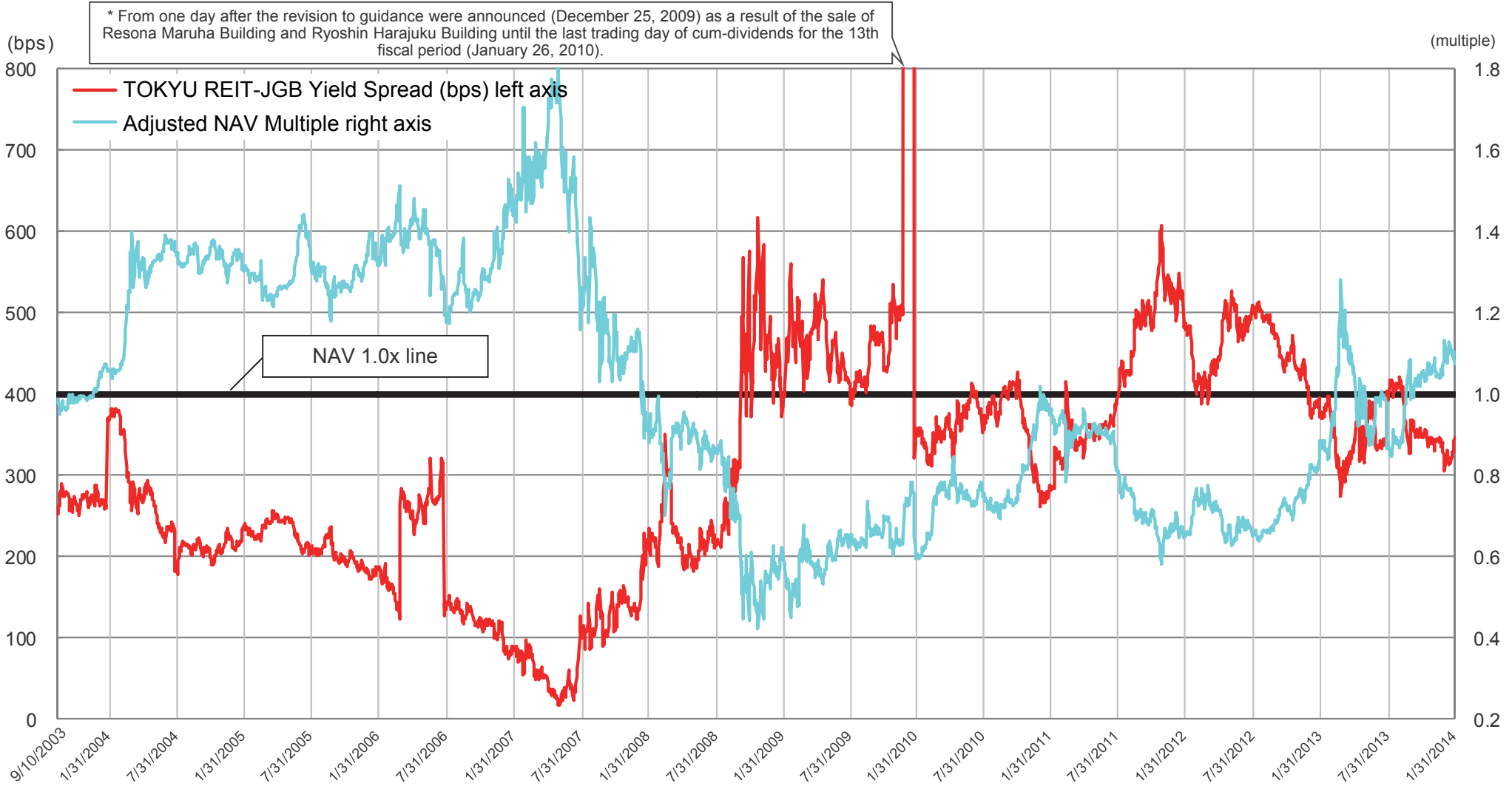
Fourth Public Offering (Issued Aug. 12, 2013)



*Investment unit price and offering price stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014 for pre-split figures.

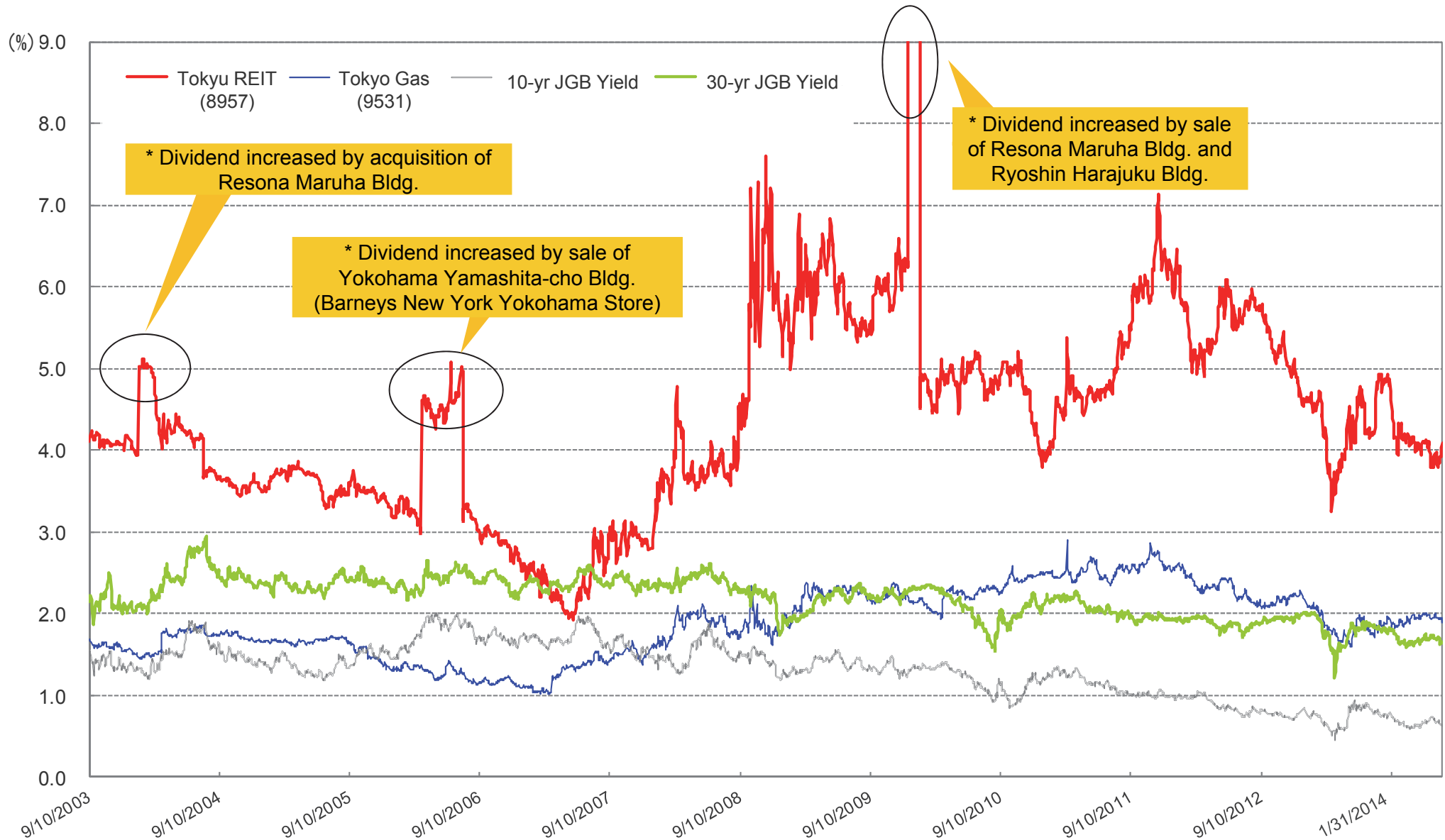
TOKYU REIT-JGB Yield Spread and Adjusted NAV Multiple

*** Adjusted NAV multiple recovered to 1.0x and JGB spread exceeded 300bps.**



* Adjusted NAV updated on the date of announcement of results for every period.
 * TOKYU REIT-JGB yield spread computed by Tokyu REIM based on Bloomberg data.

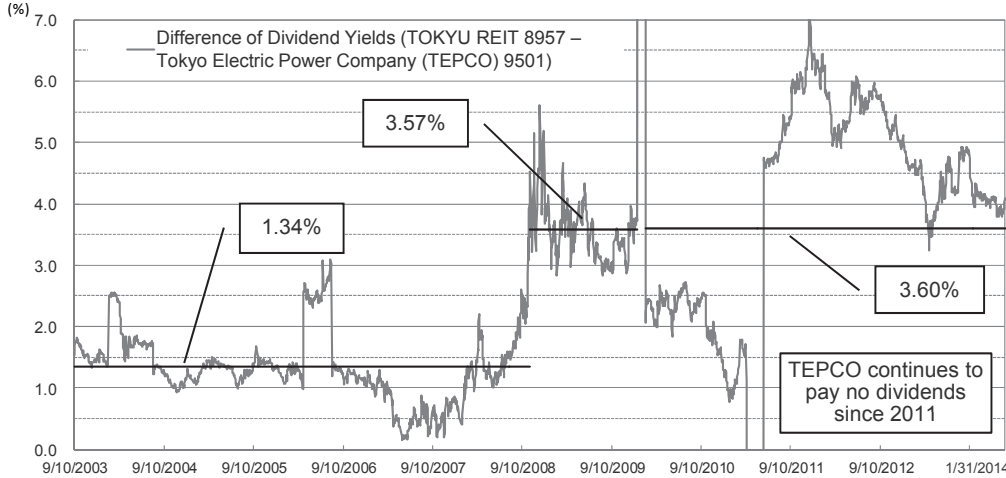
Dividend Yield (TOKYU REIT, Tokyo Gas, JGBs (10-yr, 30-yr)) TOKYU REIT



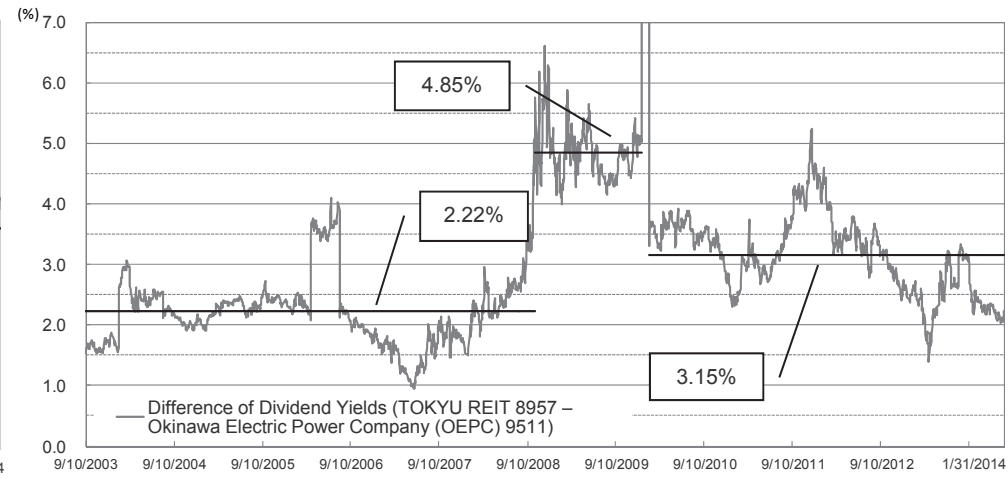
Difference Between Dividend Yields of TOKYU REIT and Equity Stocks (Spread)

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

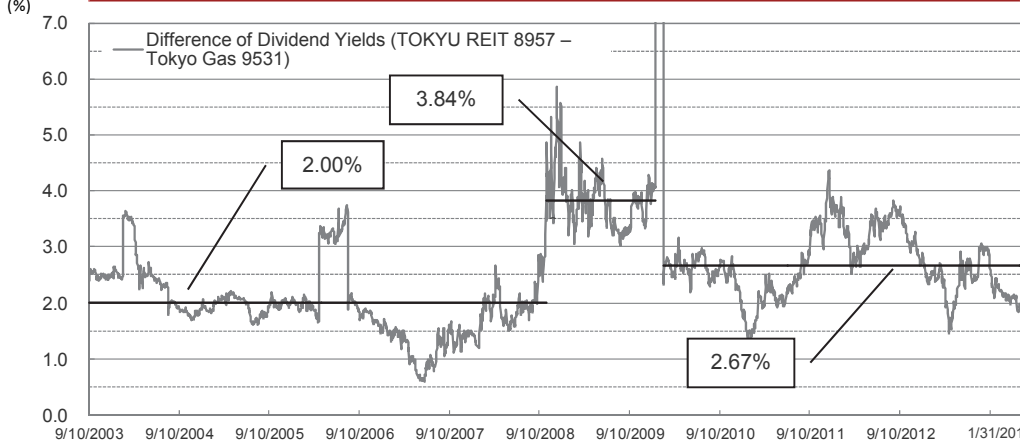
Difference Between Dividend Yields with TEPCO



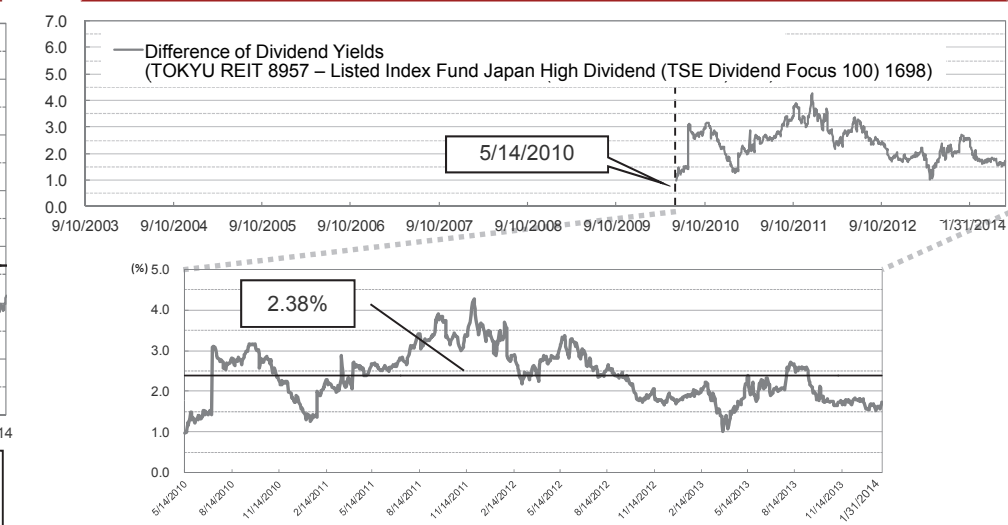
Difference Between Dividend Yields with OEPC



Difference Between Dividend Yields with Tokyo Gas



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

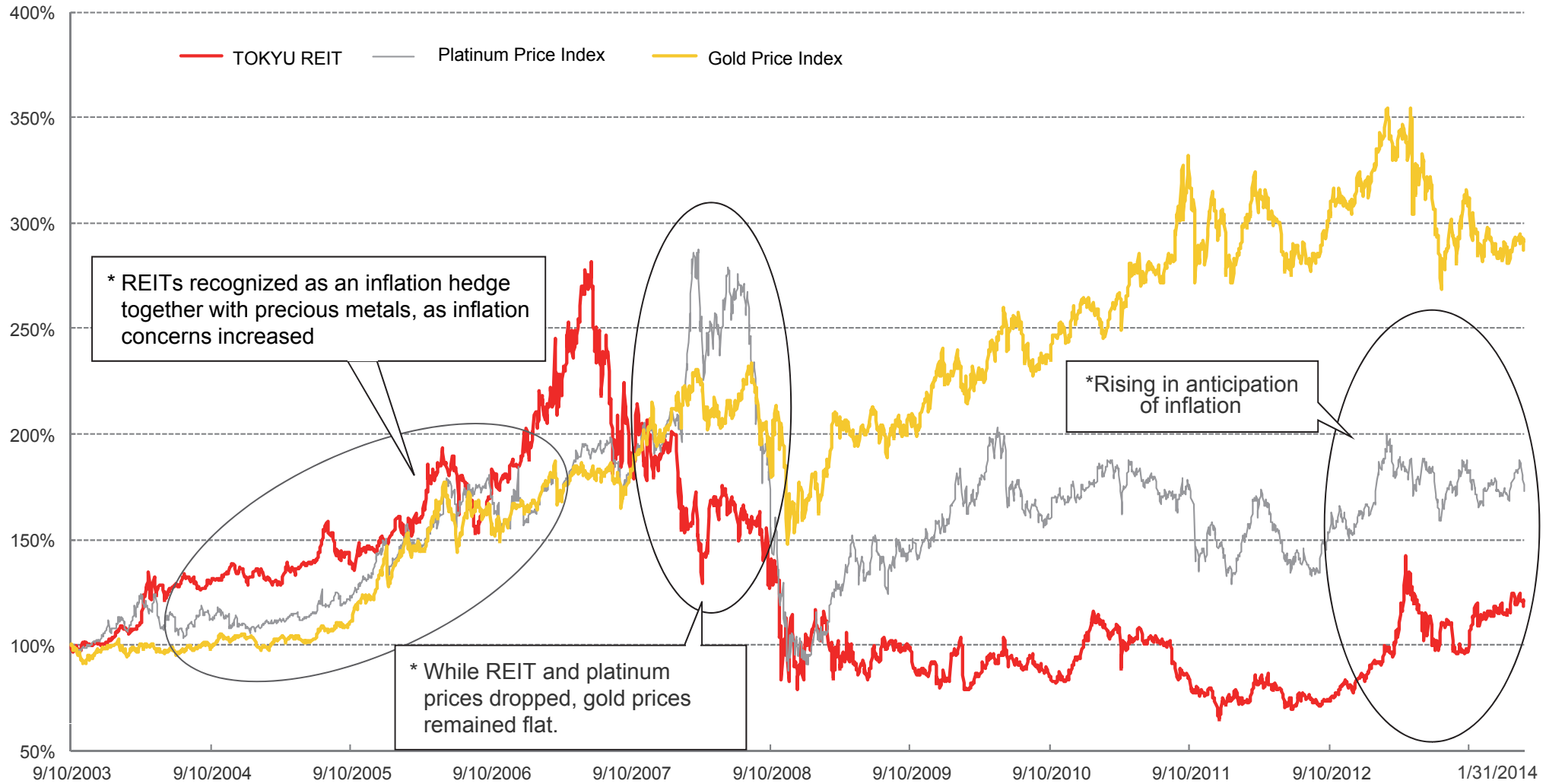


* The yields in the difference between dividend yields with TEPCO, OEPC and Tokyo Gas have been calculated by using dividend forecasts. The yields in the difference between dividend yields with the Listed Index Fund Japan High Dividend (TSE Dividend Focus 100) have been calculated from actual dividends.

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

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

9/10/2003 = 100%





3. Fund Management

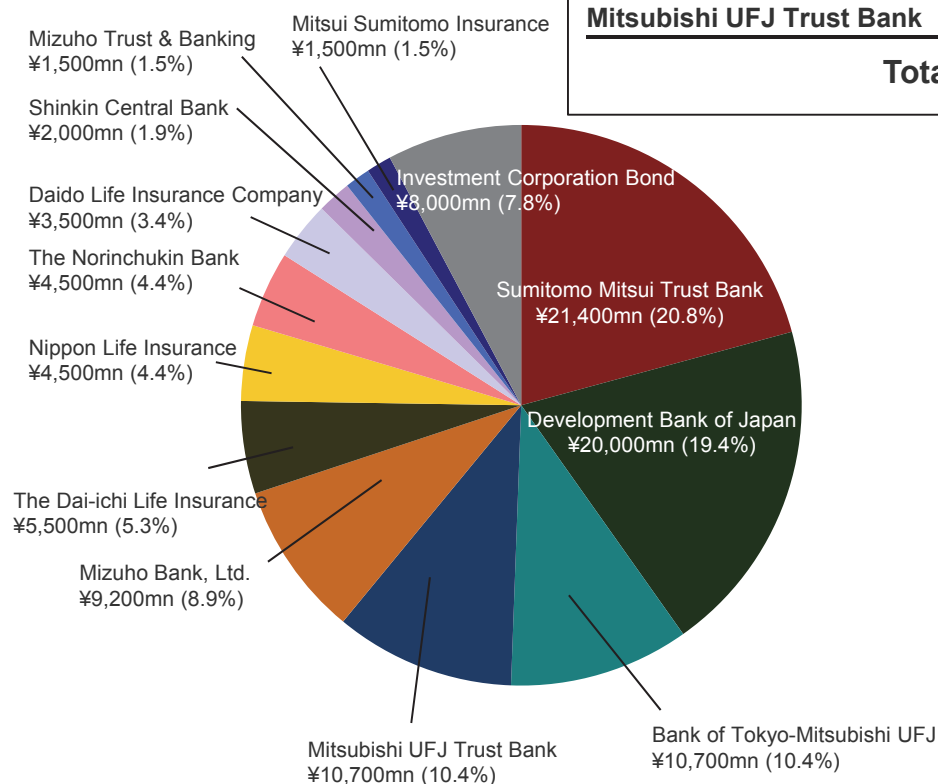
(2) Debt Management and Composition of Unitholders

Debt Structure (i) Interest Bearing Debt

*** Aim to diversify sources of funds, but curb dependence on investment corporation bonds.**

As of end of 21st Period

Commitment Line	
Development Bank of Japan	¥9.0 bn
Sumitomo Mitsui Trust Bank	¥2.0 bn
Sumitomo Mitsui Trust Bank	¥3.2 bn
Mizuho Bank, Ltd	¥1.6 bn
Bank of Tokyo-Mitsubishi UFJ	¥1.6 bn
Mitsubishi UFJ Trust Bank	¥1.6 bn
Total:	¥19.0 bn



Category	Lender	Amount	Interest Rate	Debt Origination Date	Maturity		Note
		(¥ million)	(%)		Due Date	Period	
Short term	Sumitomo Mitsui Trust Bank	4,600	0.52318	8/15/2013	8/15/2014	23rd	Unsecured Unguaranteed
	Bank of Tokyo-Mitsubishi UFJ	2,300	0.52318				
	Mizuho Bank	2,300	0.52318				
	Mitsubishi UFJ Trust Bank	2,300	0.52318				
	Total Short-Term Borrowings	11,500	-				
Long term	Development Bank of Japan	5,000	1.95000	1/25/2006	1/25/2018	29th	Unsecured Unguaranteed
	Daido Life Insurance Company	3,000	1.76625	3/10/2008	3/10/2016	26th	
	Development Bank of Japan	5,000	2.21100	6/25/2008	6/25/2015	24th	
	Development Bank of Japan	5,000	1.79000	2/25/2009	2/25/2014	22nd	
	Mizuho Bank	1,000	1.31250	6/25/2010	6/25/2014	22nd	
	Mitsui Sumitomo Insurance	1,000	-	-	-	-	
	Sumitomo Mitsui Trust Bank	1,000	-	-	-	-	
	Sumitomo Mitsui Trust Bank	1,000	1.46250	7/26/2010	7/26/2015	24th	
	Shinkin Central Bank	2,000	-	-	-	-	
	Sumitomo Mitsui Trust Bank	5,000	1.63250	12/27/2010	12/27/2016	27th	
	Sumitomo Mitsui Trust Bank	2,000	1.47625	5/18/2011	5/18/2017	28th	
	Sumitomo Mitsui Trust Bank	2,000	1.47625	5/25/2011	5/25/2017	28th	
	Mizuho Bank	2,000	1.45375	6/27/2011	6/27/2017	28th	
	Nippon Life Insurance	2,000	1.36875	7/29/2011	1/31/2017	27th	
	Nippon Life Insurance	2,000	1.49563	7/29/2011	1/31/2018	29th	
	Bank of Tokyo-Mitsubishi UFJ	5,000	1.41375	9/26/2011	3/26/2018	30th	
	Mizuho Bank	1,700	1.03500	11/11/2011	11/11/2015	25th	
	Mizuho Bank	1,700	1.48875	11/11/2011	11/11/2018	31st	
	Bank of Tokyo-Mitsubishi UFJ	2,000	1.37250	5/25/2012	5/25/2019	32nd	
	Development Bank of Japan	4,000	1.48000	6/25/2012	6/25/2020	34th	
	Sumitomo Mitsui Trust Bank	400	1.32375	6/29/2012	6/29/2019	32nd	
	Mitsubishi UFJ Trust Bank	400	1.32375	6/29/2012	6/29/2019	32nd	
	The Norinchukin Bank	1,000	0.93500	7/25/2012	7/25/2017	28th	
	Bank of Tokyo-Mitsubishi UFJ	1,400	1.32250	8/29/2012	8/29/2019	33rd	
	Mitsubishi UFJ Trust Bank	2,000	1.24625	11/19/2012	11/19/2019	33rd	
	Daido Life Insurance Company	500	0.68125	12/25/2012	12/25/2015	25th	
	Mizuho Bank	500	1.23375	12/25/2012	12/25/2019	33rd	
	Mitsubishi UFJ Trust Bank	500	0.77500	6/25/2012	6/25/2016	26th	
	Mitsubishi UFJ Trust Bank	500	1.07500	6/25/2012	6/25/2018	30th	
	Mitsubishi UFJ Trust Bank	1,500	1.45125	6/25/2012	6/25/2020	34th	
	Sumitomo Mitsui Trust Bank	2,900	1.53375	12/25/2020	12/25/2020	35th	
	The Norinchukin Bank	500	1.47250	6/27/2013	6/27/2020	34th	
	Mitsui Sumitomo Insurance	500	1.47250	6/27/2013	6/27/2020	34th	
	Development Bank of Japan	1,000	1.91375	6/27/2013	6/27/2023	40th	
	Mizuho Trust & Banking	1,500	1.91375	6/27/2013	6/27/2023	40th	
	Dai-ichi Life Mutual Life	2,500	1.51375	7/31/2013	7/31/2021	36th	
	Dai-ichi Life Mutual Life	2,000	0.99125	7/31/2013	7/31/2018	30th	
	Nippon Life Insurance	500	1.51375	7/31/2013	7/31/2021	36th	
	Sumitomo Mitsui Trust Bank	2,500	1.21000	12/25/2013	12/25/2020	35th	
	Mitsubishi UFJ Trust Bank	2,000	1.21000	12/25/2013	12/25/2020	35th	
Mitsubishi UFJ Trust Bank	1,500	0.95625	12/25/2013	6/25/2019	32nd		
Dai-ichi Life Mutual Life	1,000	1.04625	1/27/2014	1/27/2020	33rd		
The Norinchukin Bank	3,000	0.85000	1/27/2014	1/27/2019	31st		
Total Long-Term Borrowings	83,500	-	-	-	-		
Total Borrowings	83,500	-	-	-	-		
Bonds	#2 Investment Corporation Bond	5,000	1.89000	10/24/2007	10/24/2014	23rd	Unsecured Unguaranteed
	#3 Investment Corporation Bond	3,000	1.47000	10/22/2012	10/21/2022	39th	
Total Corporate Bonds		8,000	-	-	-	-	-
Total Interest-Bearing Debt		103,000	-	-	-	-	-

* Average Interest Rate: 1.48%

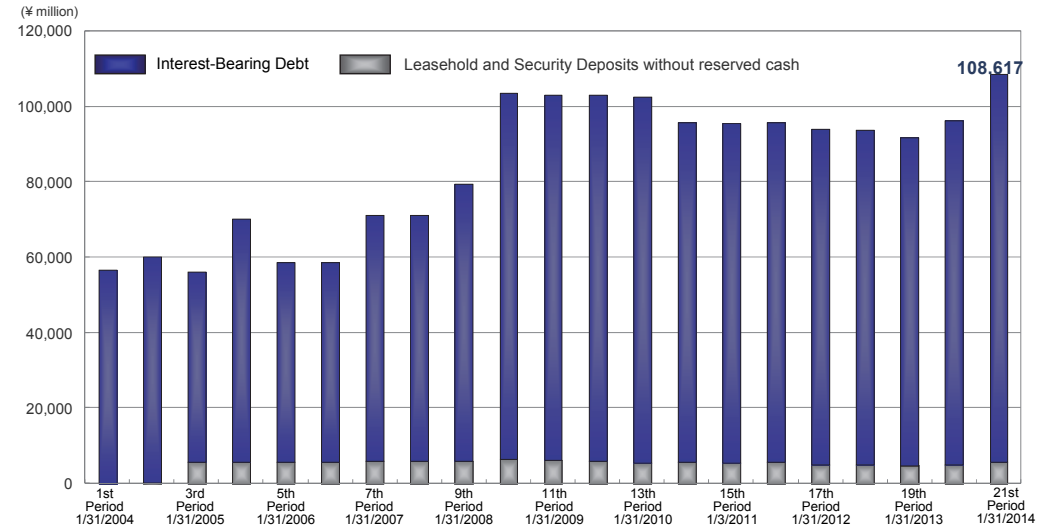
* Interest-Bearing Debt does not include Securities Deposits provided by tenants.

Debt Structure (ii)

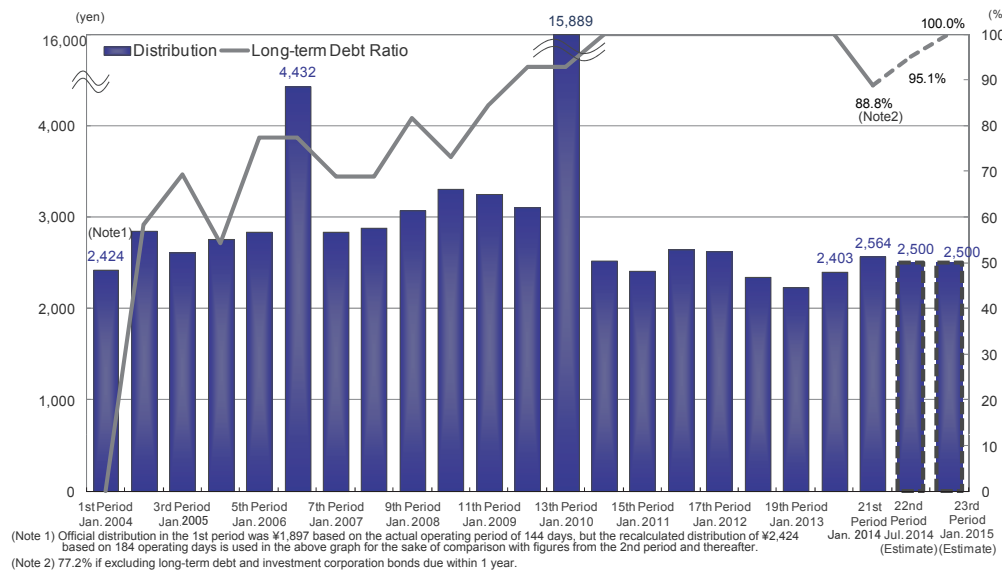
Rating (As of End of 21st Period)

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

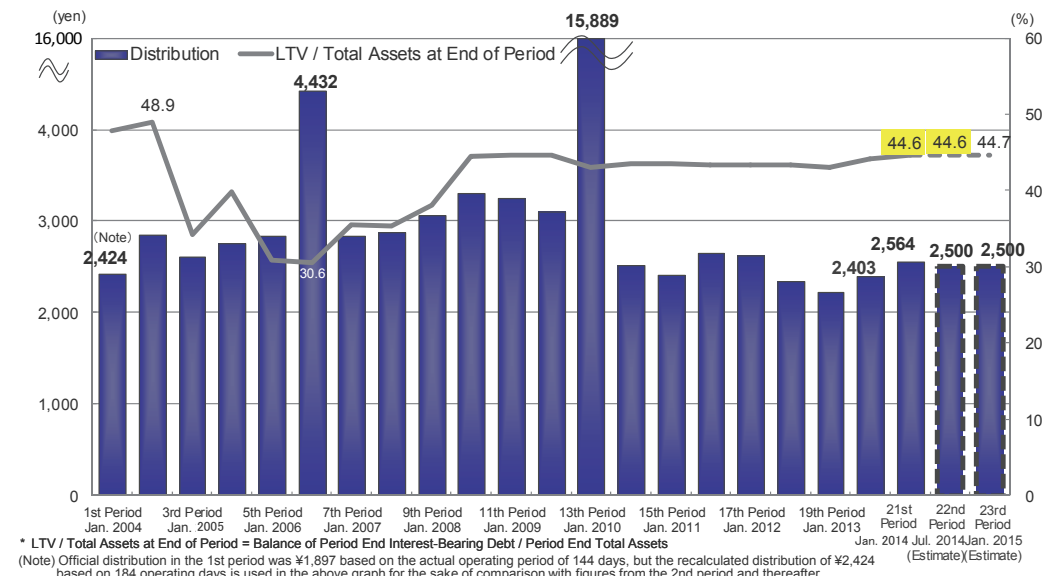
Deemed Interest-Bearing Debt



Distribution and Long-Term Debt Ratio



Distribution and LTV / Total Assets at End of Period

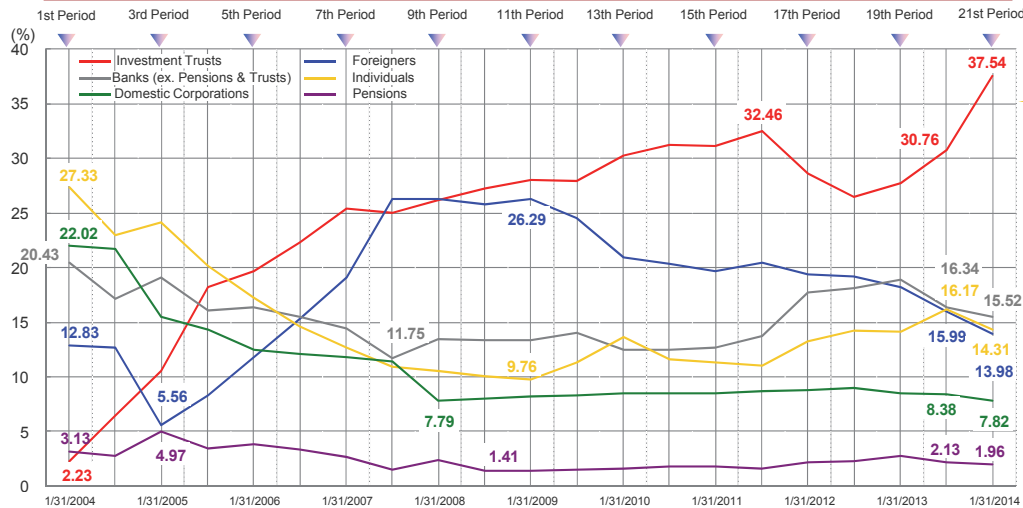


(Note 1) Official distribution in the 1st period was ¥1,897 based on the actual operating period of 144 days, but the recalculated distribution of ¥2,424 based on 184 operating days is used in the above graph for the sake of comparison with figures from the 2nd period and thereafter.
 (Note 2) 77.2% if excluding long-term debt and investment corporation bonds due within 1 year.

* $LTV / Total Assets at End of Period = Balance of Period End Interest-Bearing Debt / Period End Total Assets$
 (Note) Official distribution in the 1st period was ¥1,897 based on the actual operating period of 144 days, but the recalculated distribution of ¥2,424 based on 184 operating days is used in the above graph for the sake of comparison with figures from the 2nd period and thereafter.

Composition of Unitholders

Changes in Unitholder Composition (Main Segments)

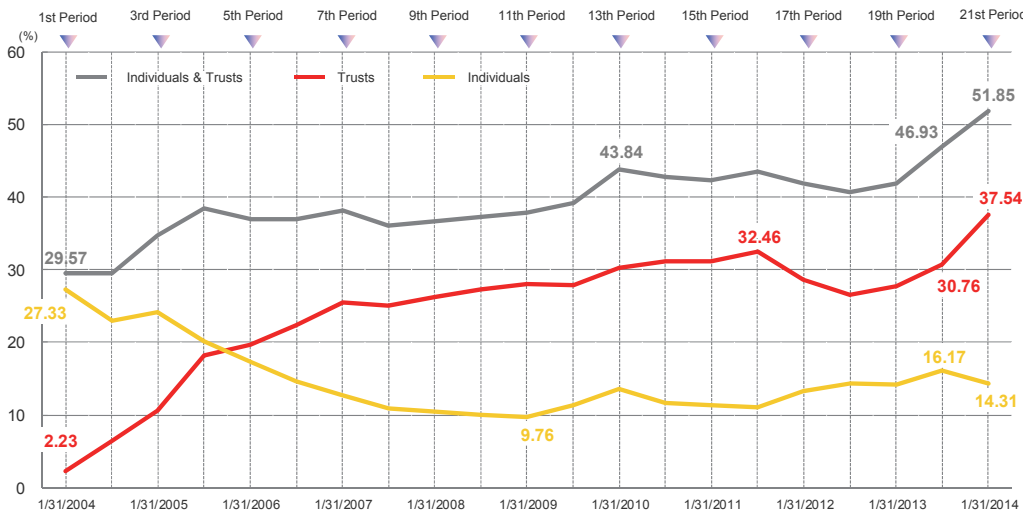


* Investment trusts hold the largest share among unitholders.

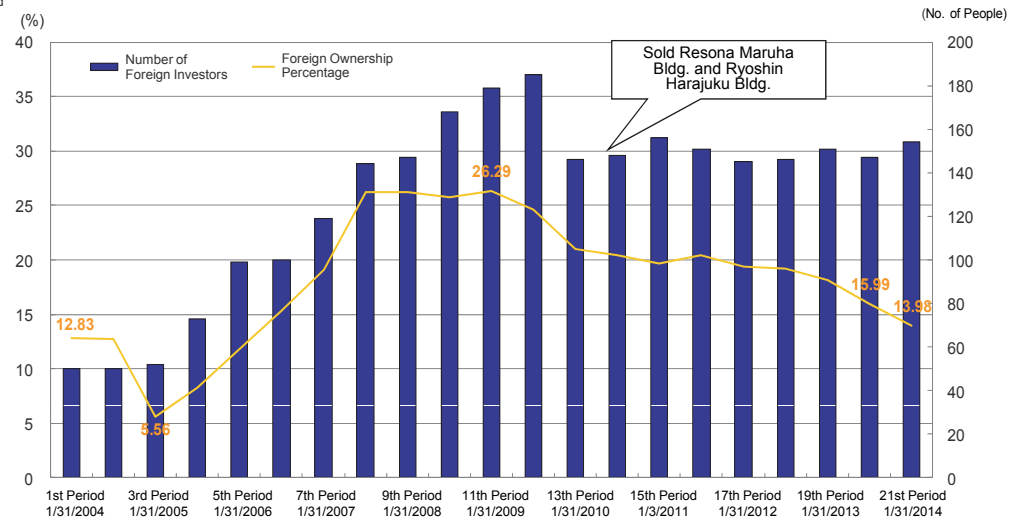
* Individual ownership percentage (Individuals and Trusts) exceeds 50% of the total.

* Foreigners accounting for decreasing percentage of investments in past several periods.

Individual Ownership Percentage



Foreign Ownership Percentage / Number of Foreign Investors



List of Major Unitholders

1st Period (Ended Jan. 31, 2004)

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

20th Period (Ended Jul. 31, 2013)

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

21st Period (Ended Jan. 31, 2014)

Unitholders		No. of Units Held	Share (%)
1	Japan Trustee Services Bank Ltd.	54,340	27.79
2	The Master Trust Bank of Japan, Ltd.	16,404	8.38
3	The Nomura Trust and Banking Co., Ltd.	10,448	5.34
4	Trust & Custody Services Bank, Ltd.	10,114	5.17
5	Tokyu Corporation	9,800	5.01
6	MetLife Alico GA Company JPY	3,902	1.99
7	Asahi Fire and Marine Insurance	3,000	1.53
8	Union Bank Private Europe SA 497200	2,690	1.37
9	Nomura Bank (Luxembourg) S.A.	2,343	1.19
10	State Street Bank and Trust Company 505223	2,251	1.15
11	Trust & Custody Services Bank, Ltd.	2,159	1.10
12	The Hachijuni Bank, Ltd.	2,088	1.06
13	OM 40 S SB Client Omnibus	1,697	0.86
14	The Gibraltar Life Insurance Company	1,524	0.77
15	State Street Bank West Pension Fund Clients Exempt	1,347	0.68
16	Mitsubishi UFJ Trust and Banking Corporation	1,344	0.68
17	CBNYDFA International Real Estate Securities Portfolio	1,257	0.64
18	State Street Bank West Client Treaty	1,223	0.62
19	The Chiba Bank, Ltd.	1,070	0.54
20	The Bank of Kyoto, Ltd.	1,006	0.51
Total Units Held by Top 20 Unitholders		130,007	66.49
Outstanding Units		195,520	100.00

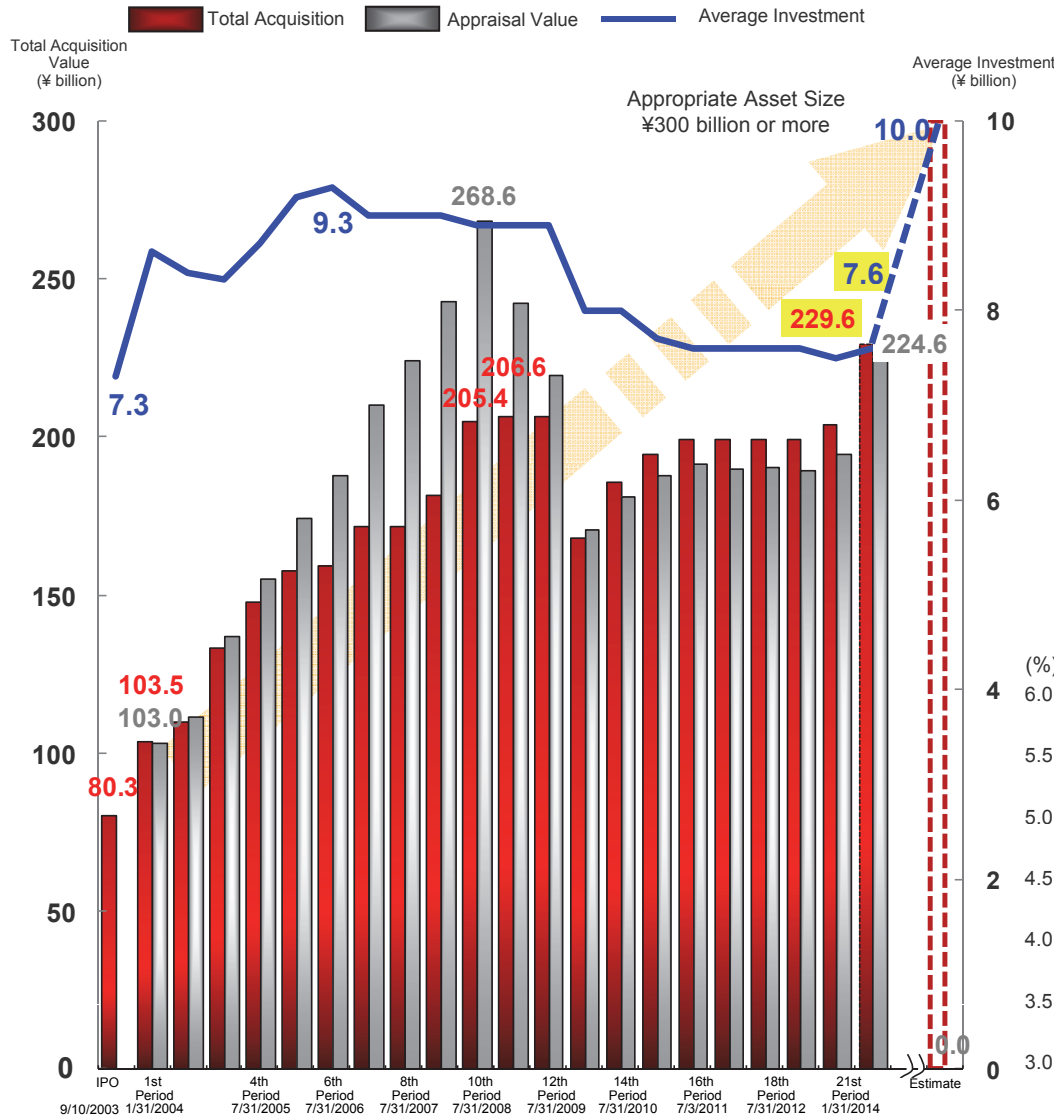


3. Fund Management

(3) Portfolio Management and Risk Management

External Growth

Portfolio Size and Average Investment



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

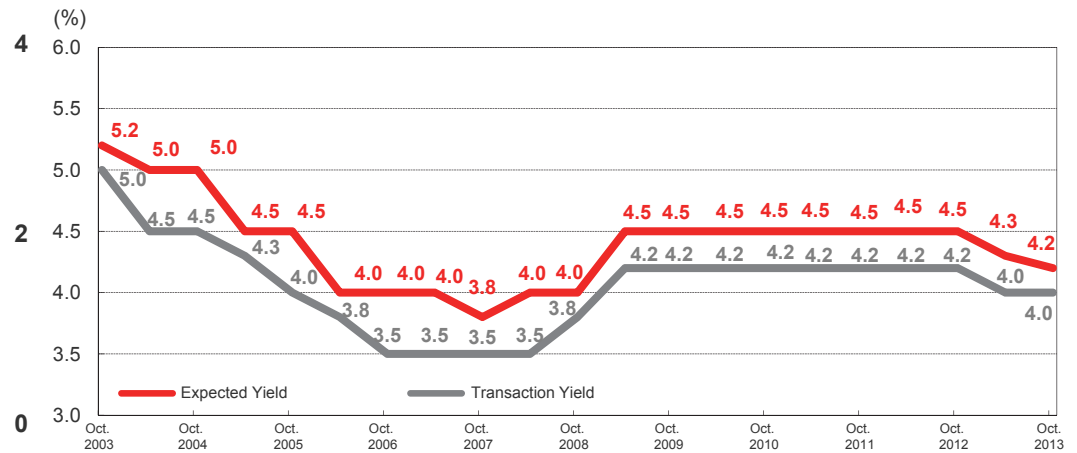
*** Outlook for rent level in Shibuya becomes more bullish.**

28th survey (Apr. 2013)					29th survey (Oct. 2013)				
Area	Next Year	2 Years	5 Years	10 Years	Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	101	103	105	105	Marunouchi, Otemachi area	101	103	105	105
Shibuya, Shibuya Station area	100	101	103	105	Shibuya, Shibuya Station area	101	102	104	105
Nagoya, Nagoya Station area	99	100	100	100	Nagoya, Nagoya Station area	100	100	100	100
Osaka, along the Midosuji Line	99	99	100	100	Osaka, along the Midosuji Line	99	100	100	100

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

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

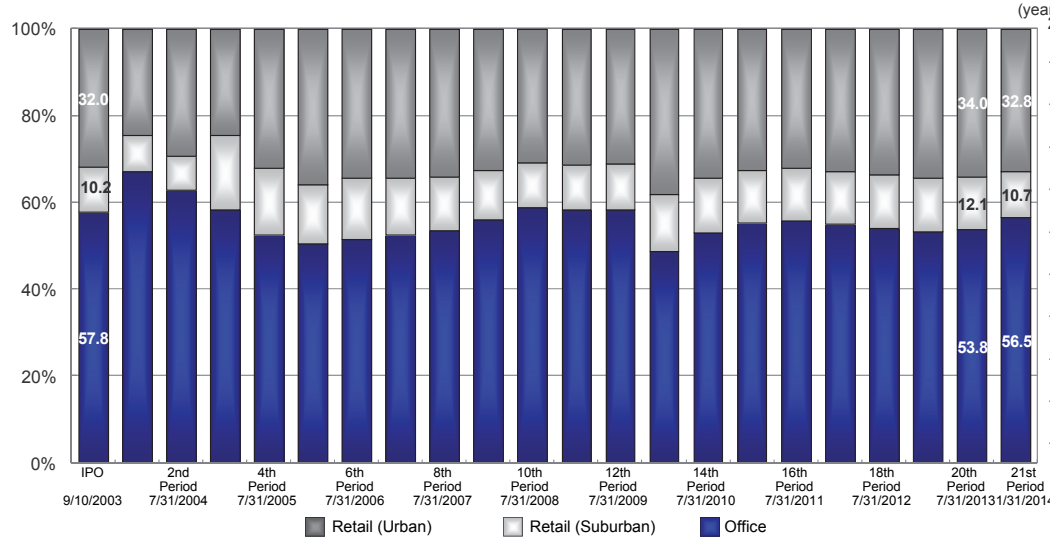
*** Expected yield for prime locations decreased.**



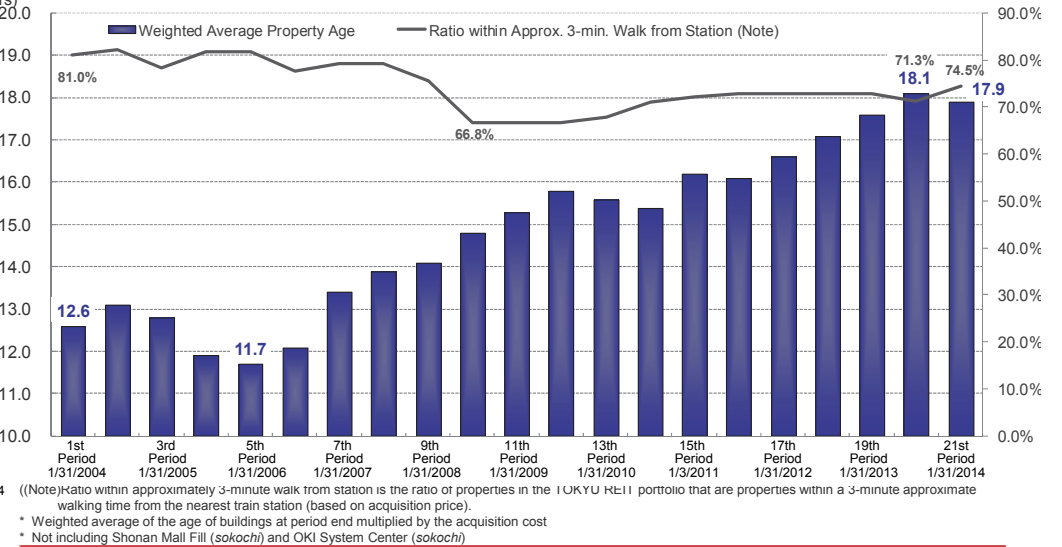
Source: Japan Real Estate Institute "Japan Real Estate Investors Survey."

Portfolio Overview (i)

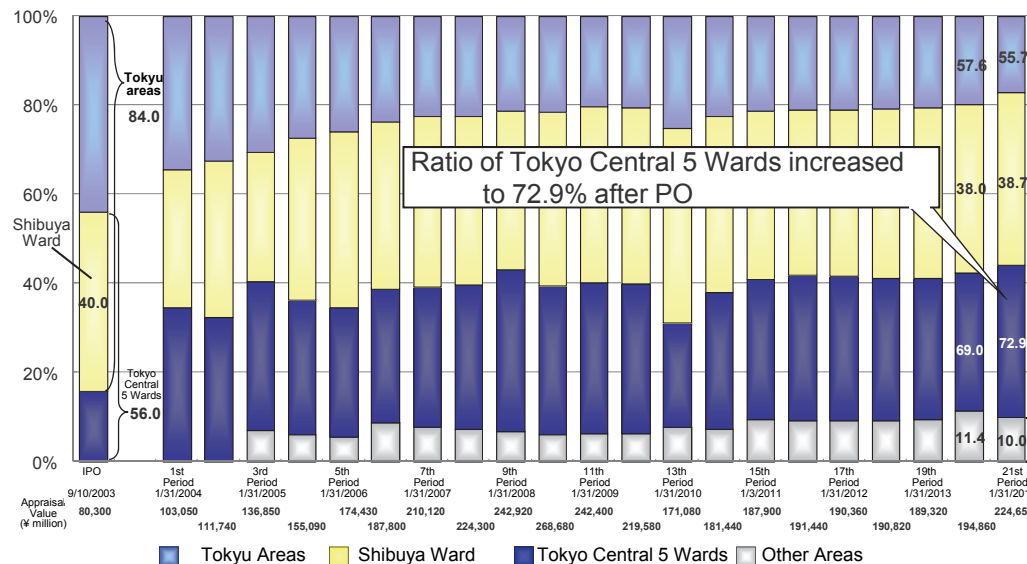
Office / Retail Ratio (Based on Appraisal Values at End of Period)



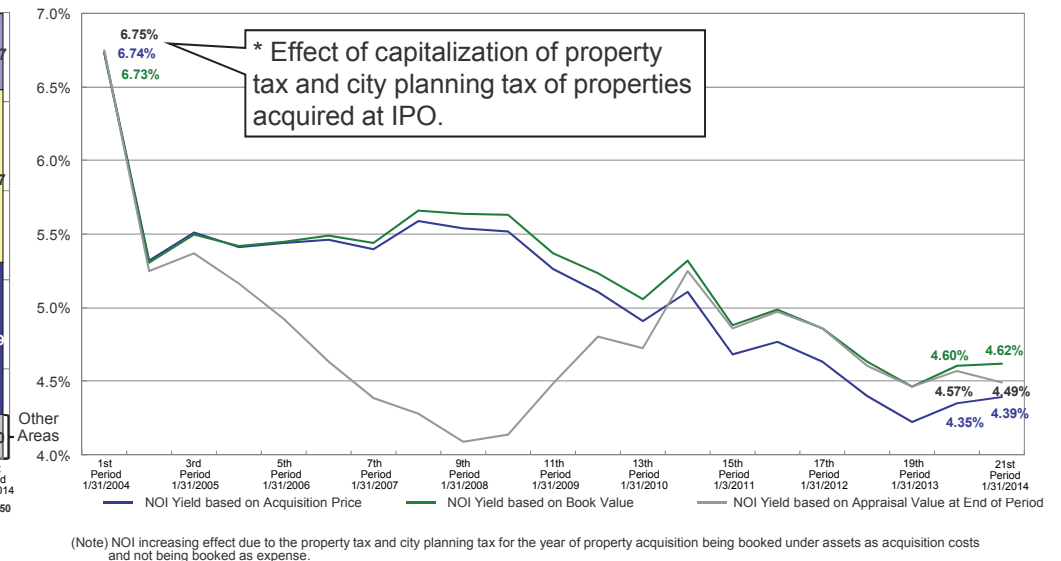
Weighted Average Property Age



Area (Based on Appraisal Values at End of Period)

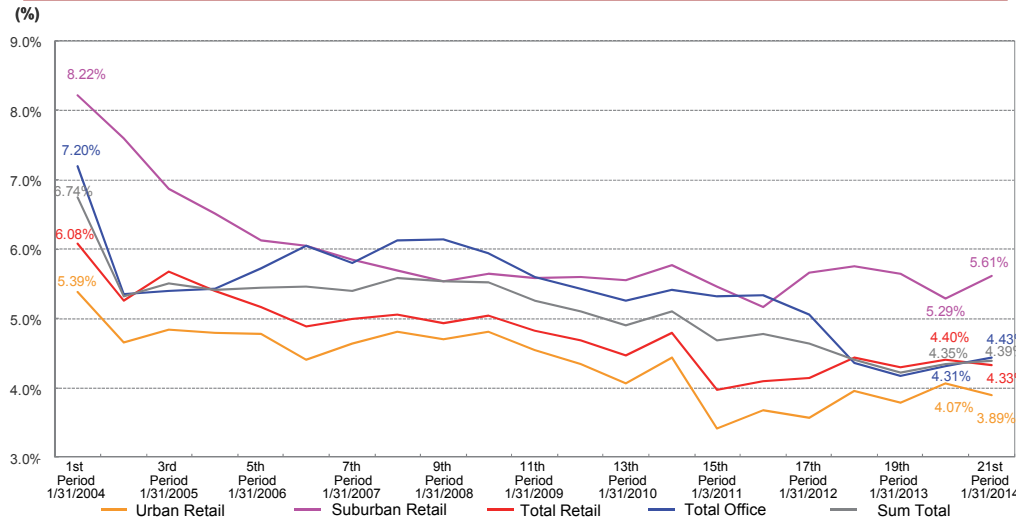


NOI Yield

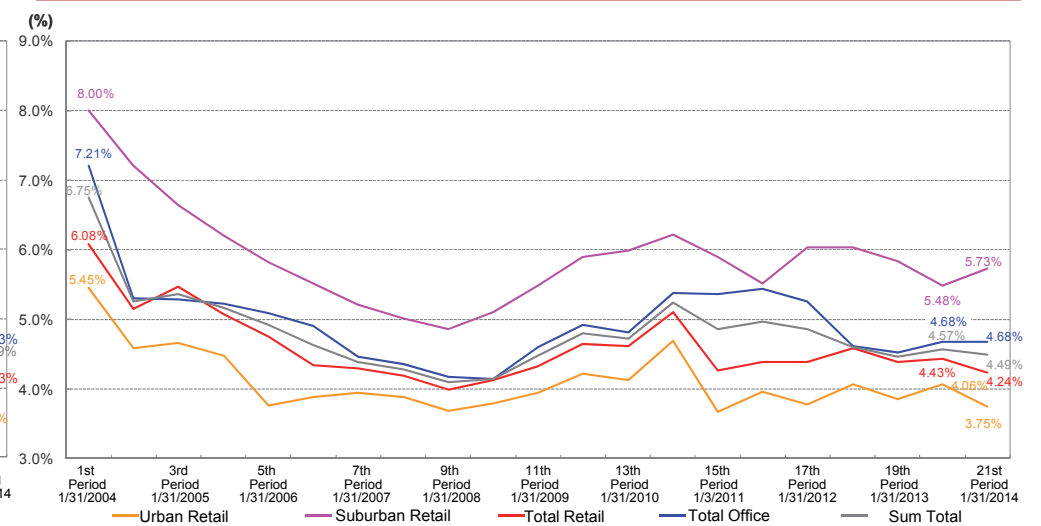


Portfolio Overview (ii)

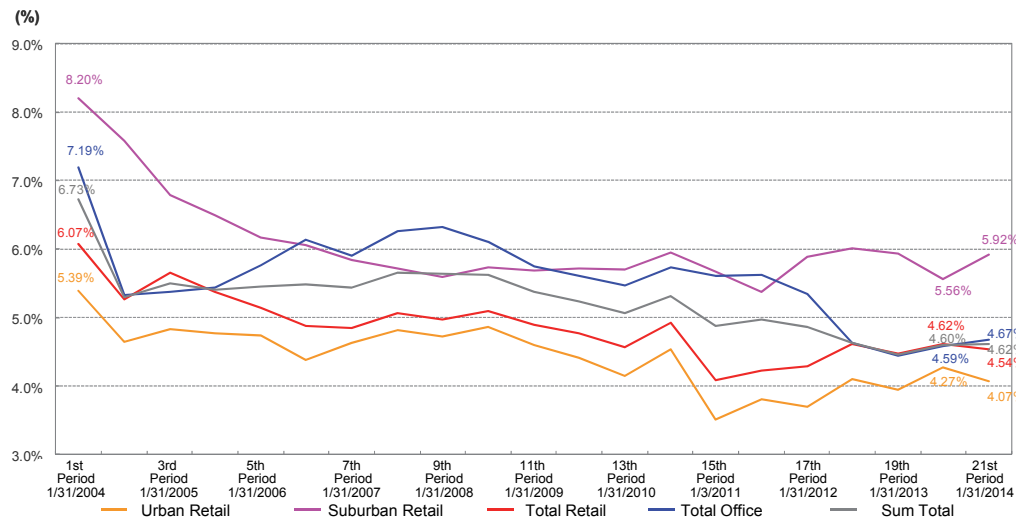
Changes in NOI Yield (Based on Acquisition Price)



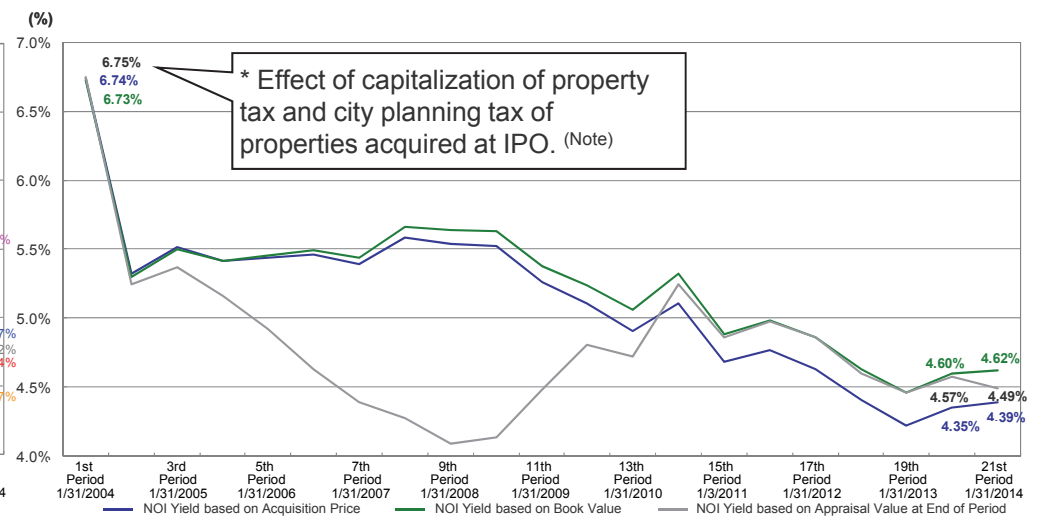
Changes in NOI Yield (Based on Appraisal Value at End of Period)



Changes in NOI Yield (Based on Book Value)



Changes in NOI Yield

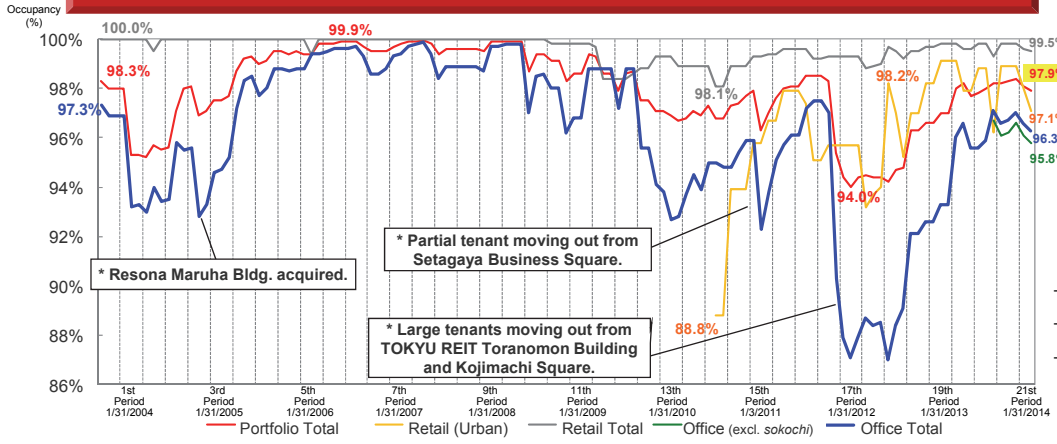


(Note) NOI increasing effect due to the property tax and city planning tax for the year of property acquisition being booked under assets as acquisition costs and not being booked as expense.

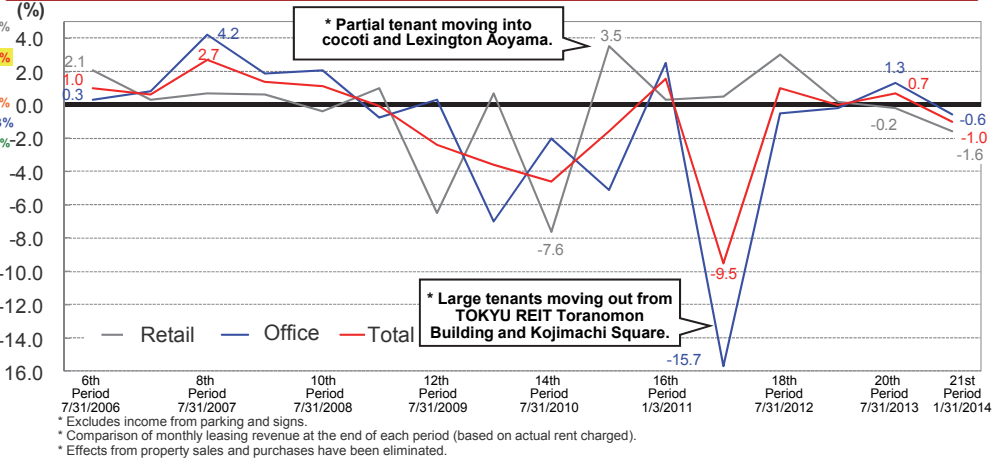
Internal Growth

*** Occupancy rate 97.9% and average rent hit bottom.**

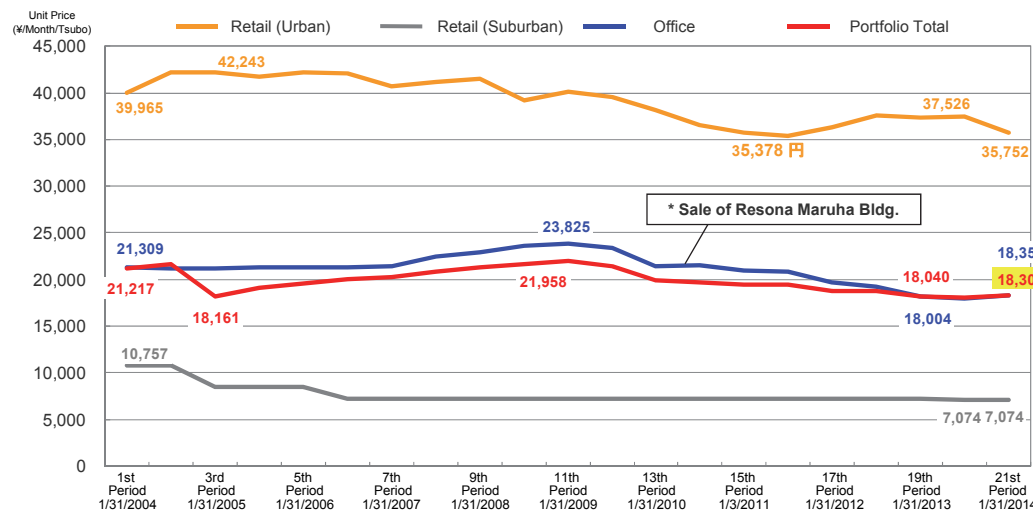
Changes in Occupancy of Overall Portfolio



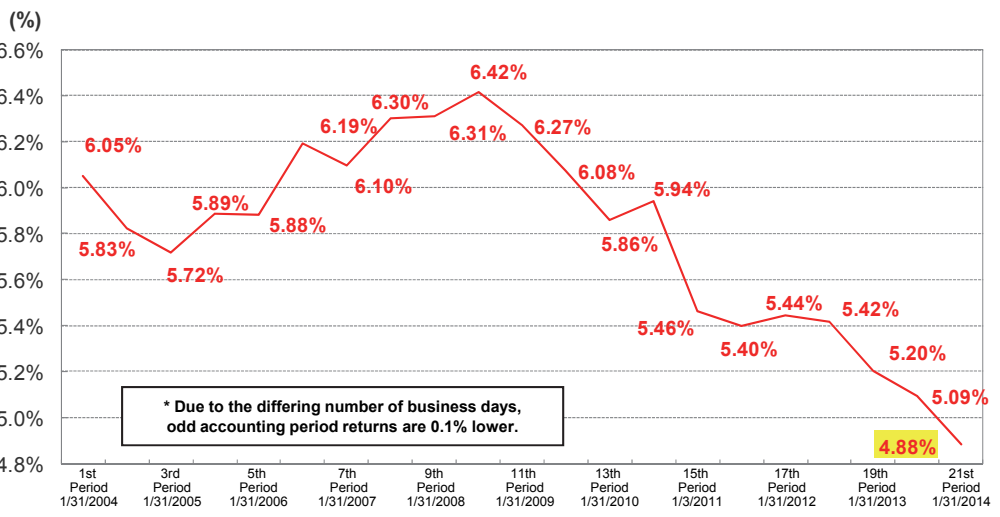
Period-on-Period Monthly Leasing Revenue Increase Rate



Average Rent (Including Common Area Charges)



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

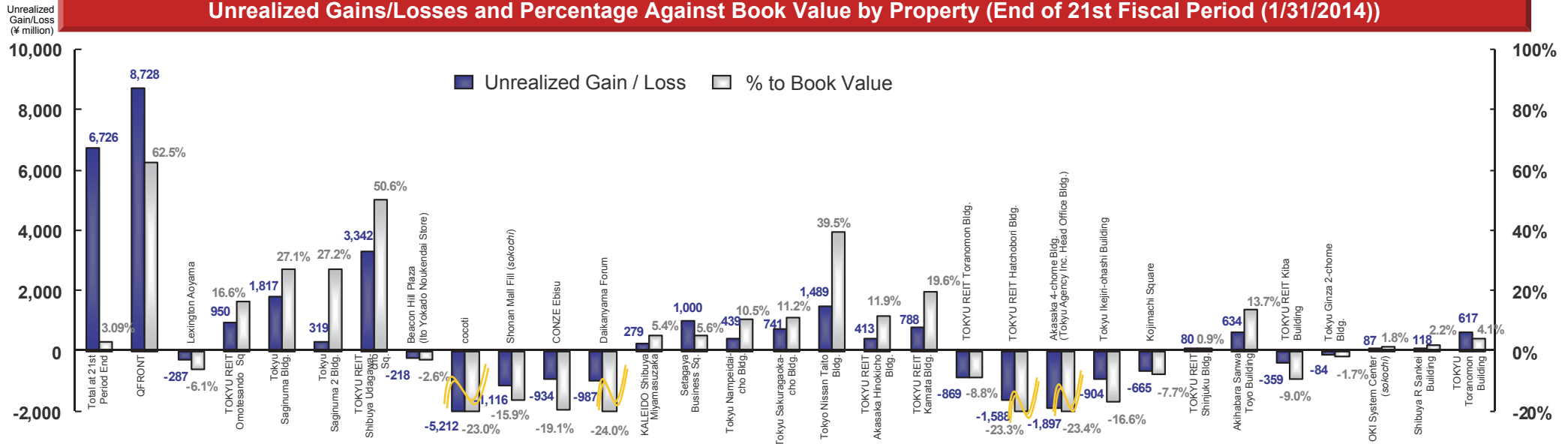


* In calculating the above unit price, we haven't factored vacant spaces in. In addition, Shonan Mall Fill (sokochi) and OKI System Center (sokochi) are not included.
 * Excludes income from parking, warehouses, etc.
 * Retail (Urban): QFRONT, TOKYU REIT Omotesando Square, Lexington Aoyama, TOKYU REIT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

Unrealized Gains/Losses and Total Return

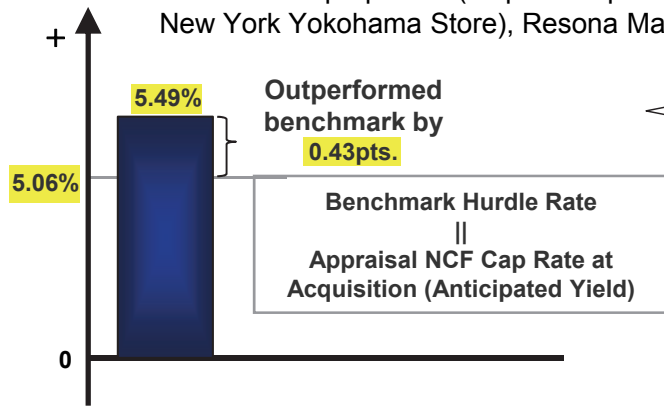
*** Total return has outperformed the benchmark hurdle rate by 0.43 points.**

Unrealized Gains/Losses and Percentage Against Book Value by Property (End of 21st Fiscal Period (1/31/2014))



Portfolio Total Return Performance Since IPO

Based on 33 properties (acquisition price: ¥273,288 million), which is the sum of current portfolio, Yokohama Yamashita-cho Building (Barneys New York Yokohama Store), Resona Maruha Building and Ryoshin Harajuku Building.

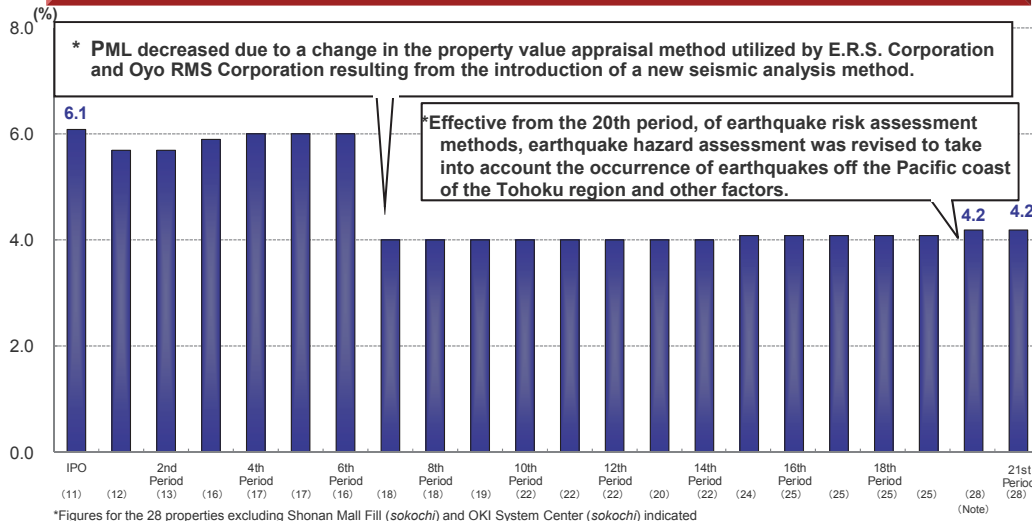


- Fiscal period end appraisal values are utilized as the deemed disposal price (sale price) of properties for the calculation of IRR.
- Acquisition price does not include capitalized expenses (such as broker's fees, first year's property / city planning tax, compensation for specialist agents).
- Cash flow from leasehold and security deposits are not included.
- Sale price of Yokohama Yamashita-cho Building (Barneys New York Yokohama Store) is ¥6,480 million (sold in 6th period).
- Sale price of Resona Maruha Building is ¥42,000 million (sold in 13th period).
- Sale price of Ryoshin Harajuku Building is ¥8,400 million (sold in 13th period).

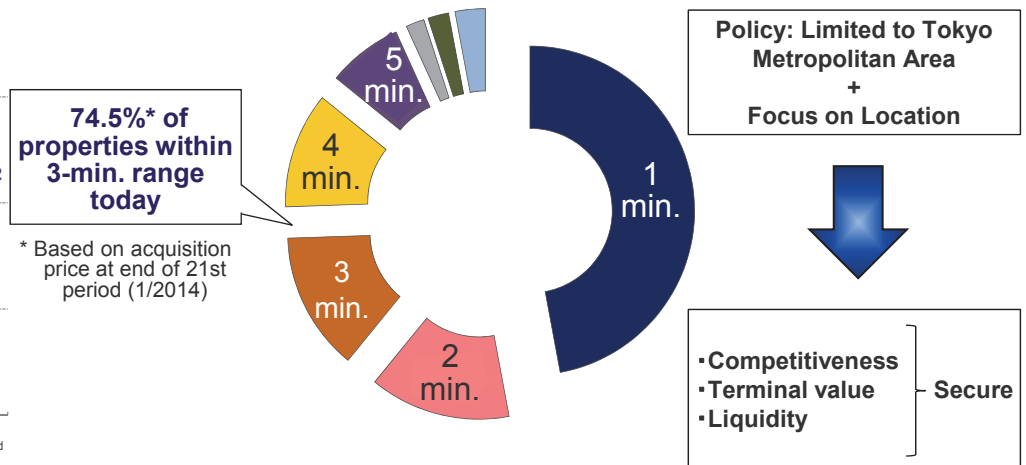
* IRR for the current portfolio (acquisition price: ¥229,623 million) is 4.79% (underperforming the benchmark return of 5.04% by 0.25 points).

Risk Management (i)

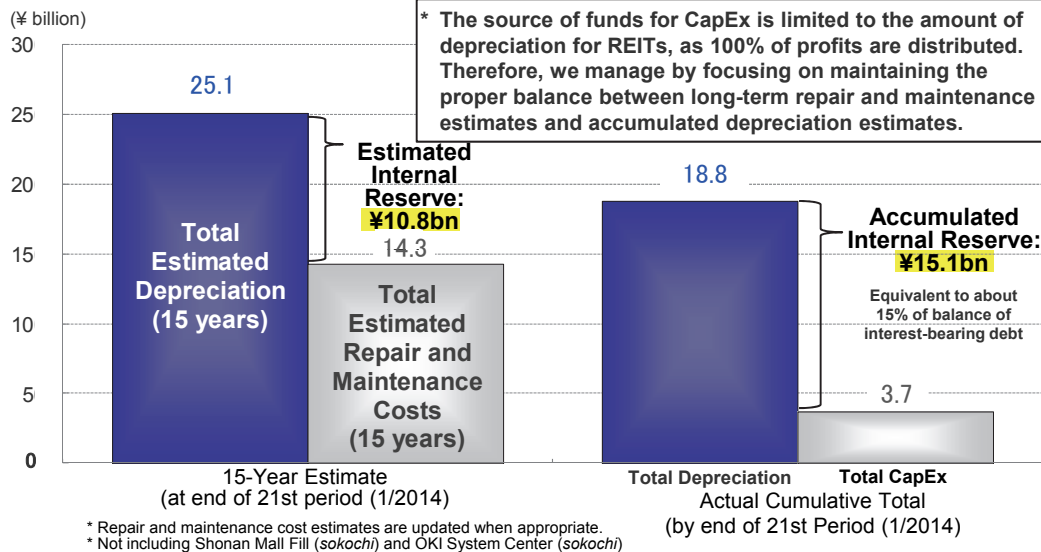
Portfolio PML Trends



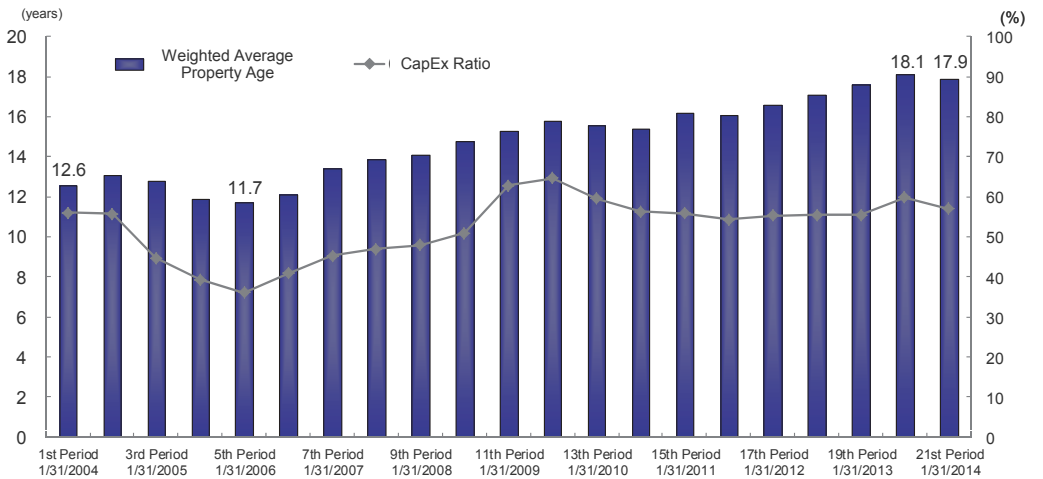
Approximate Walking Time from Nearest Station



Balance of Depreciation and Repair and Maintenance Cost Estimates

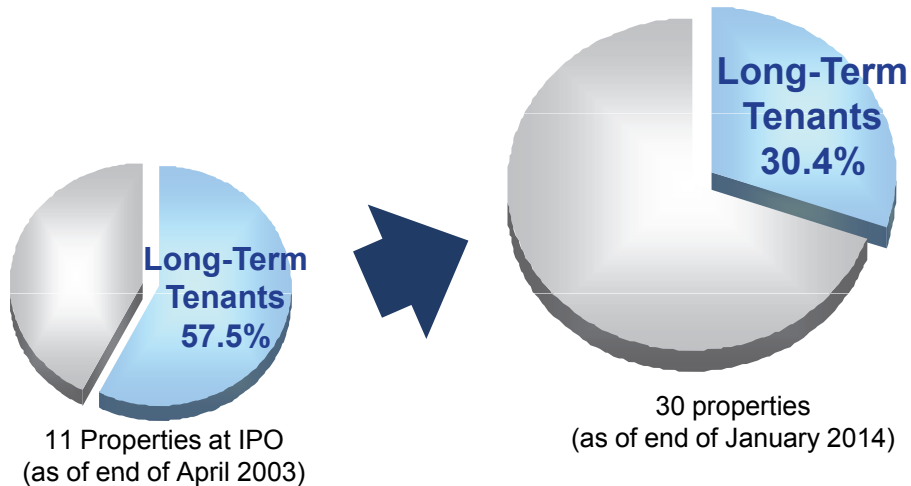


Weighted Average Property Age and CapEx Ratio



Risk Management (ii)

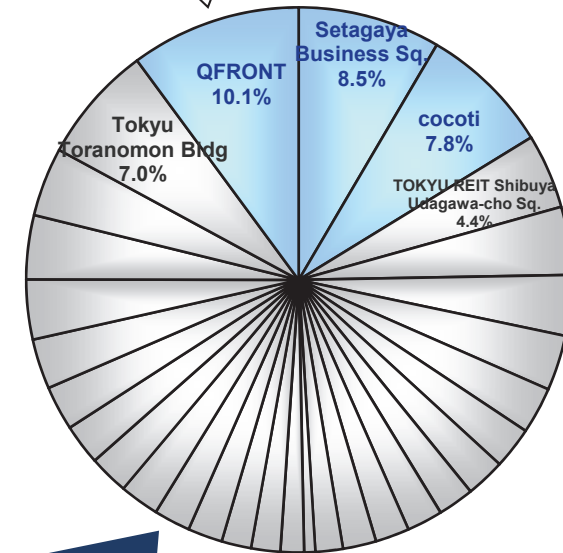
Ratio of Tenants with LT Contracts (Based on Leasable Area)



* Definition of long-term contract: Contracts with remaining contract period of 5 years or longer counting from February 1, 2014, regardless of fix-term lease contract or not (excludes contracts with rents of 500,000 yen or less per month, such as for antennas, and contracts that have not yet started the contract periods as of January 31, 2014).

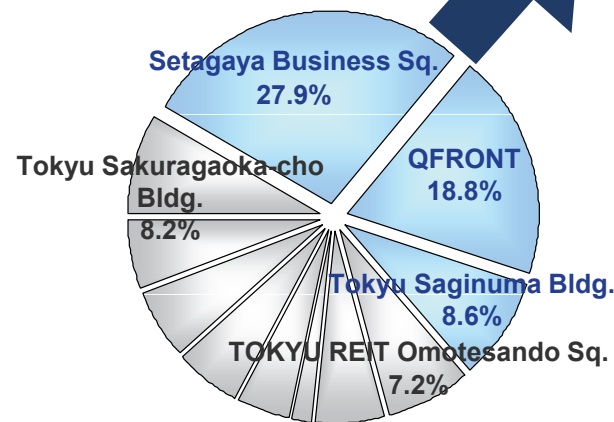
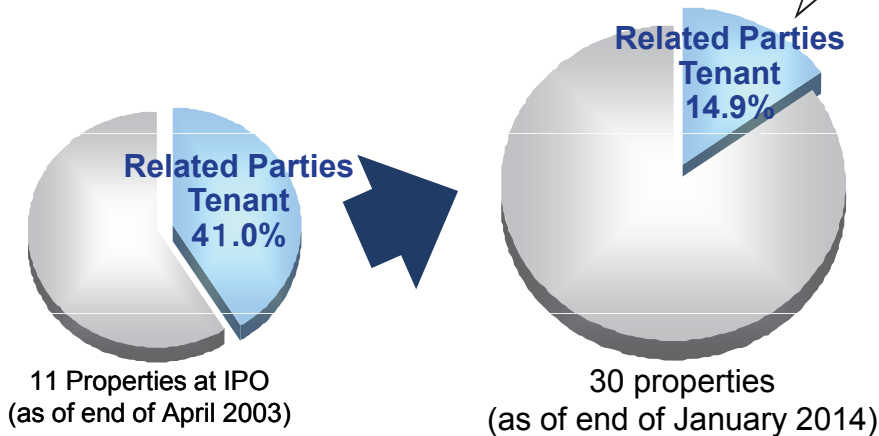
Property Concentration

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



Related Parties Tenant Concentration (Based on Leased Area)

* Lower dependence on Related Parties.

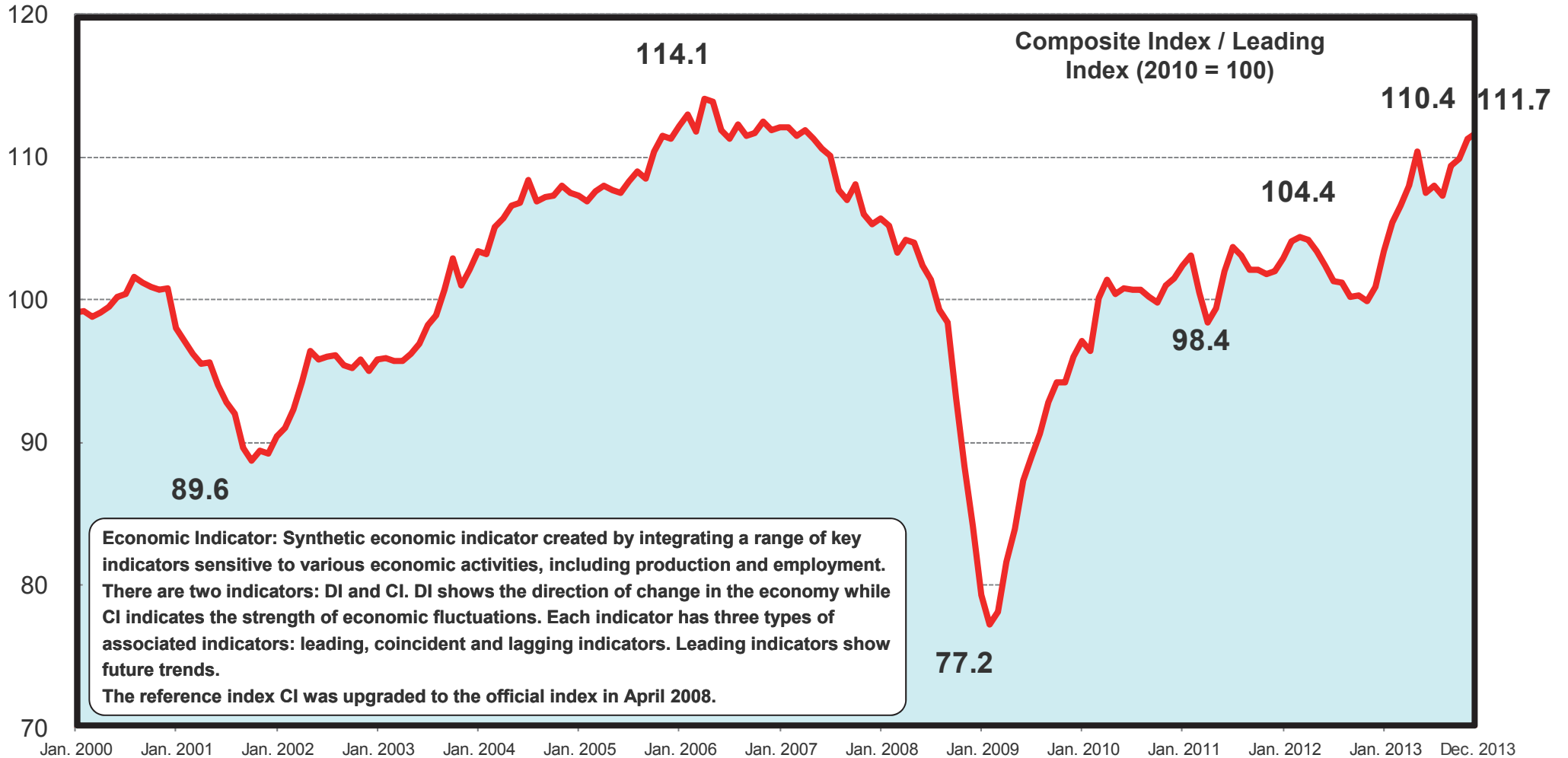


Top 3 : 26.4%
Top 5 : 37.8%

Top 3 : 55.3%
Top 5 : 70.7%

Economic Trends in Japan

*** Abenomics leading to the economy rapidly recovering, with strength approaching 2006 level.**

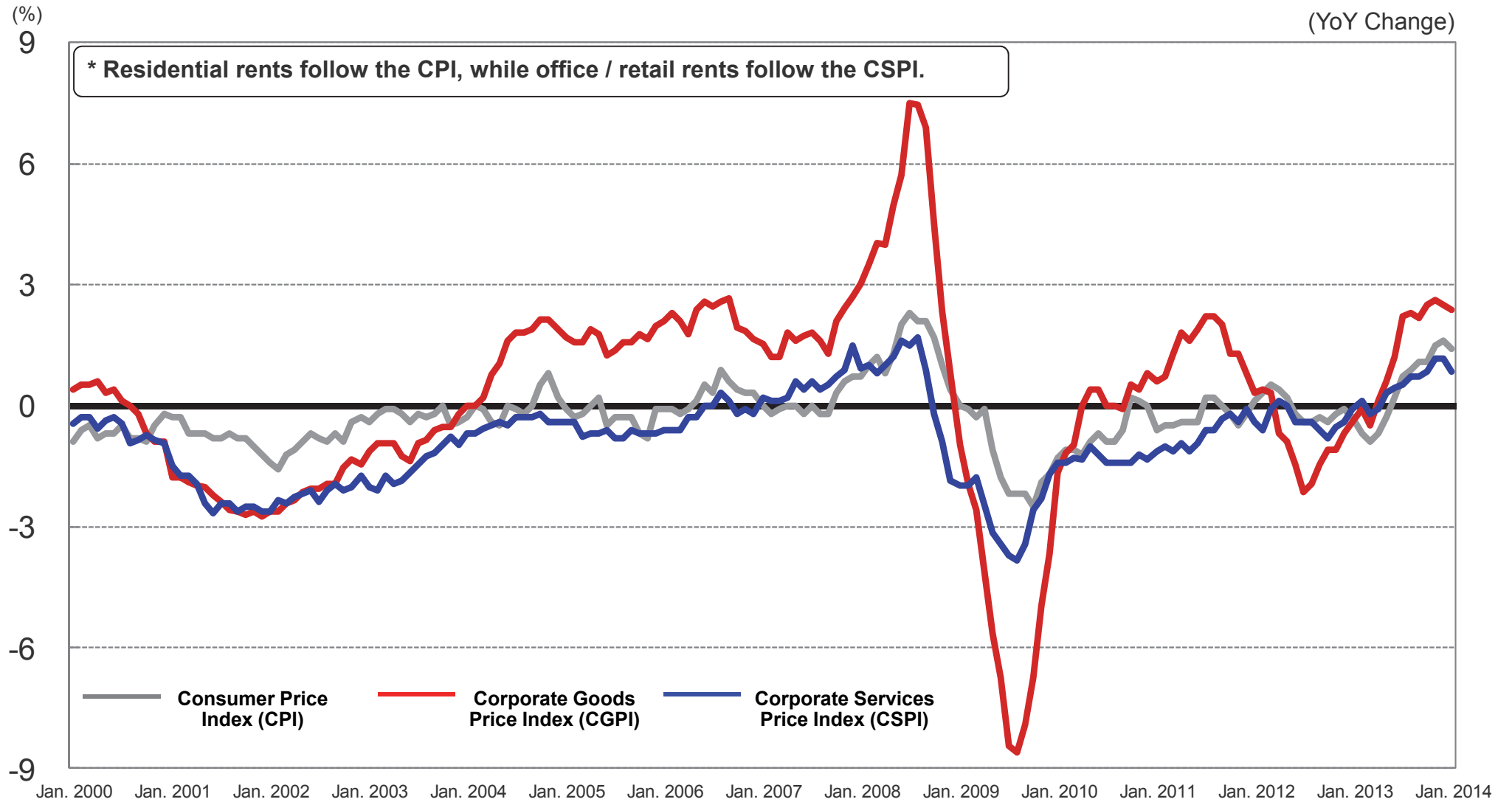


Source: Cabinet Office.

*Comments by Tokyu REIM

Price Index

*** All price indices maintained year-on-year increases.**

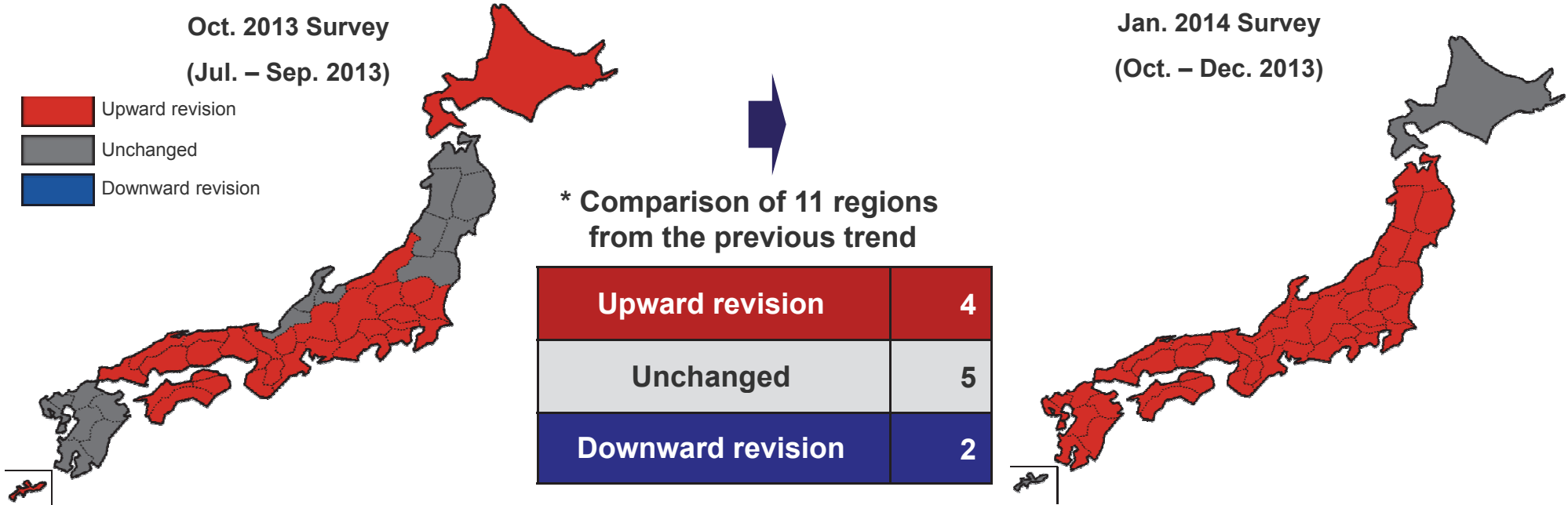


Source: Ministry of Internal Affairs and Communications, BOJ.

*Comments by Tokyu REIM

Regional Economic Trends

*** Economy saw upward revisions in four regions.**



Source: Ministry of Finance.

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

The overview of the regional economy is that it was recovering in the October to December 2013 period. Recently, signs of recovery continue, as evident by such factors as improvement in the consumer sentiment and moderate increase in production centering on automobile-related production.

(Ministry of Finance, Summary Report of Economic Conditions in Jurisdictions of Finance Bureaus in Japan, January 29, 2014)

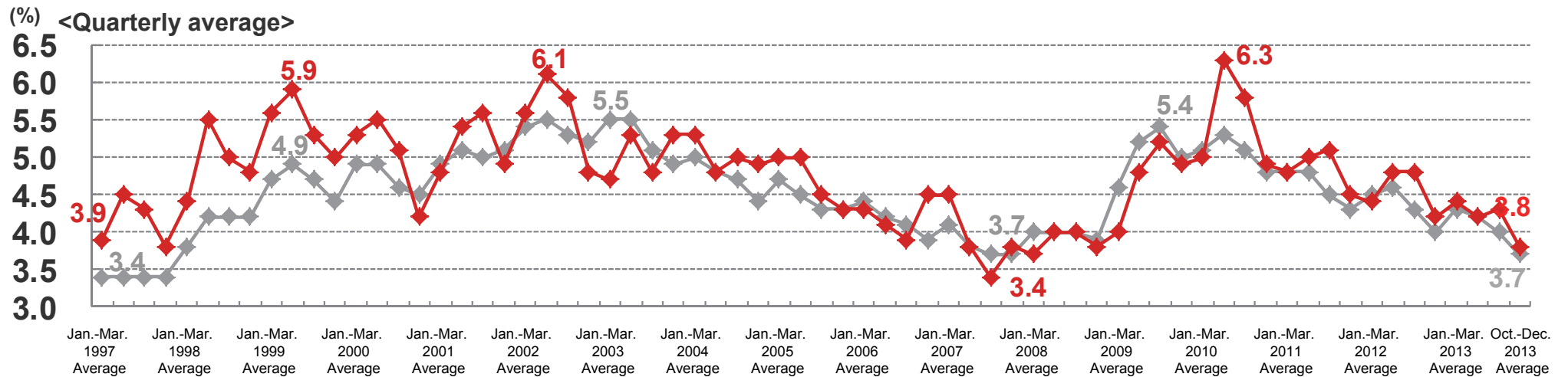
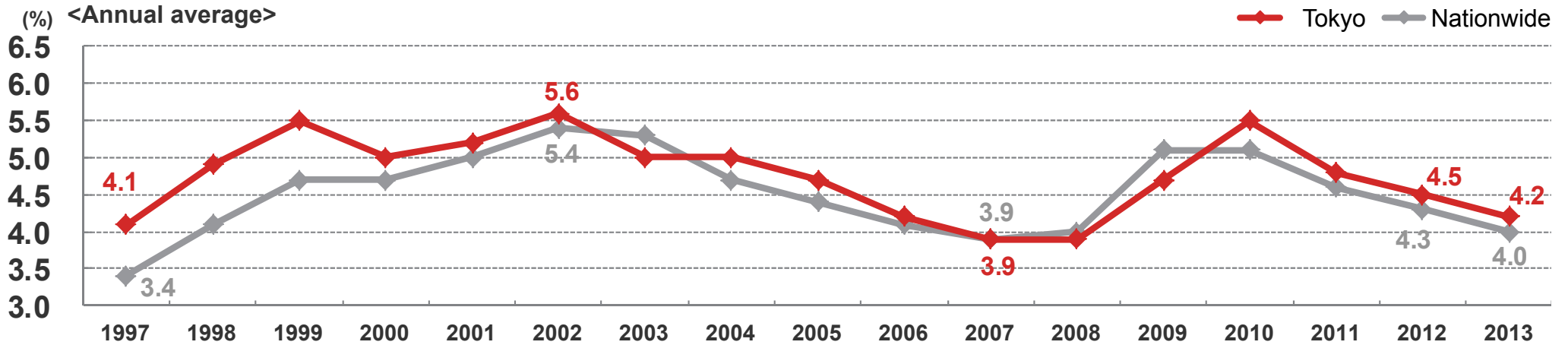
“All regions reported that the economy had been recovering or recovering moderately, reflecting firm domestic demand, a moderate increase in production, and improvement in the employment and income situation.”

(Bank of Japan, Regional Economic Report, January 16, 2014)

*Comments and comparison by Tokyu REIM

Unemployment Rate

*** Unemployment rate is steadily decreasing.**



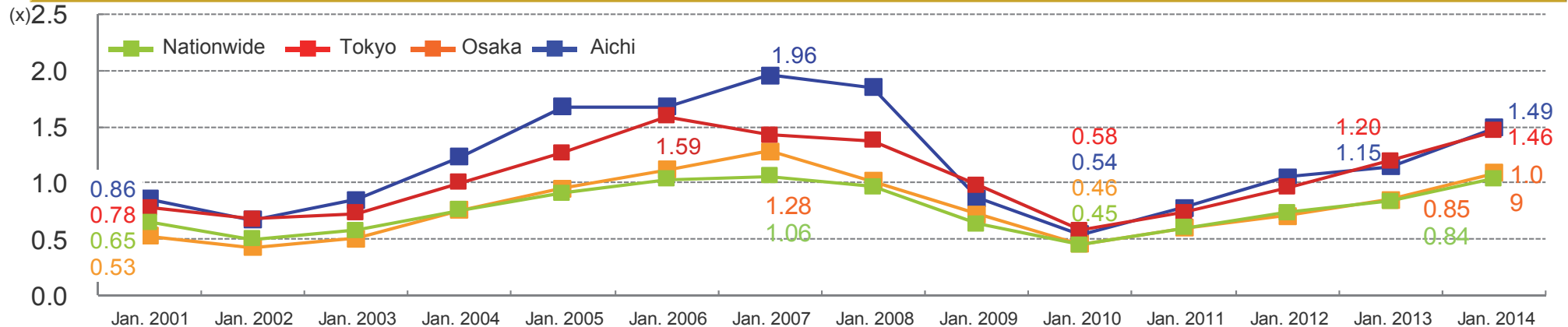
Source: "Labor Force Survey" by the Ministry of Internal Affairs and Communications.

*Comments by Tokyu REIM

Employment Trends in Japan (Job Openings)

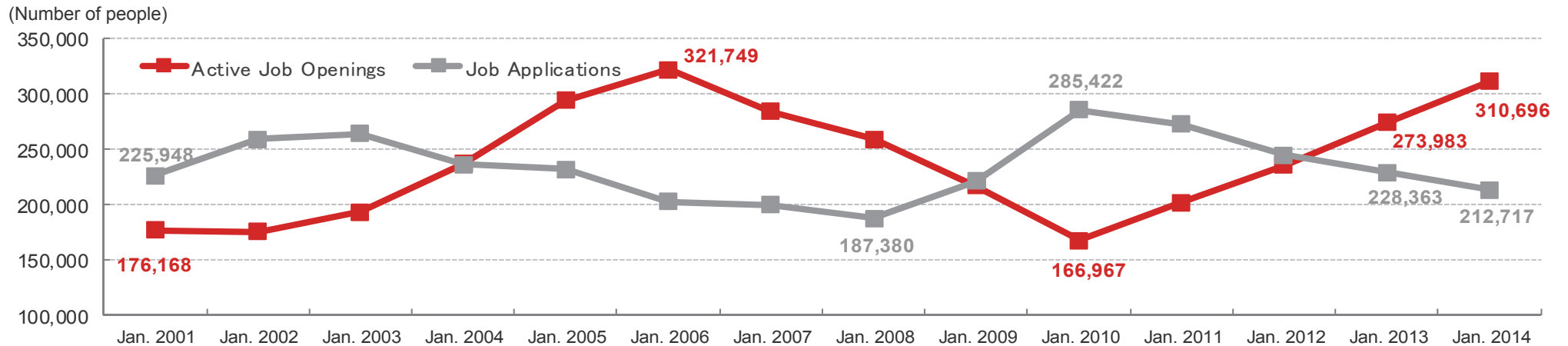
Job to Application Ratio (Seasonally Adjusted)

* Job to application ratio continued to be on increasing trend, with Tokyo's approaching 2006 level.



Active Job Openings / Job Applications in Tokyo

* Number of job openings has been continuously increasing since 2010, reaching almost double.

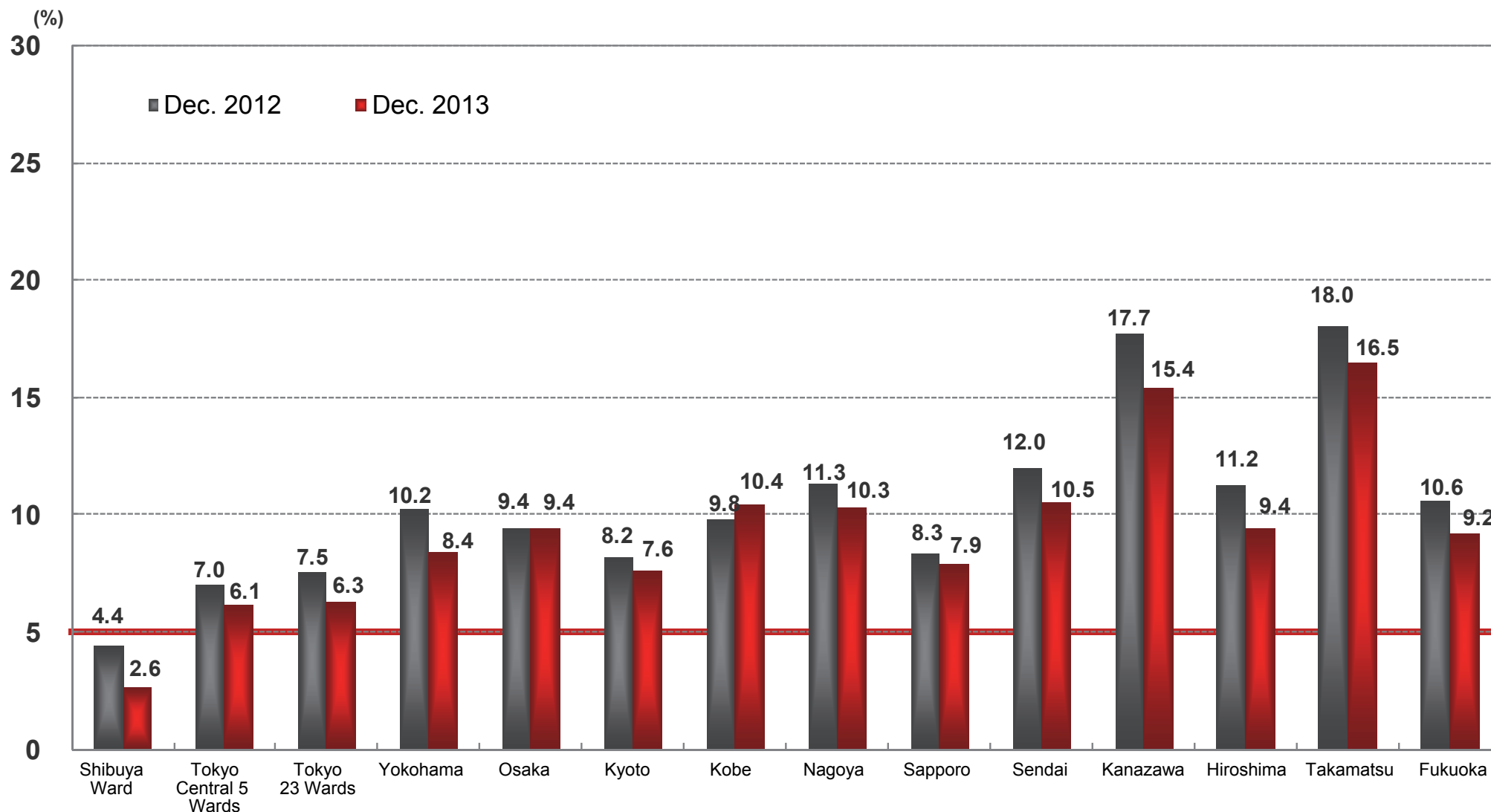


Source: "Employment Service" by the Ministry of Health, Labour and Welfare.

*Comments by Tokyu REIM

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

* While the nationwide vacancy rate is on an improving trend, Tokyo's rate is at a lower level. Shibuya Ward enters 2% range.



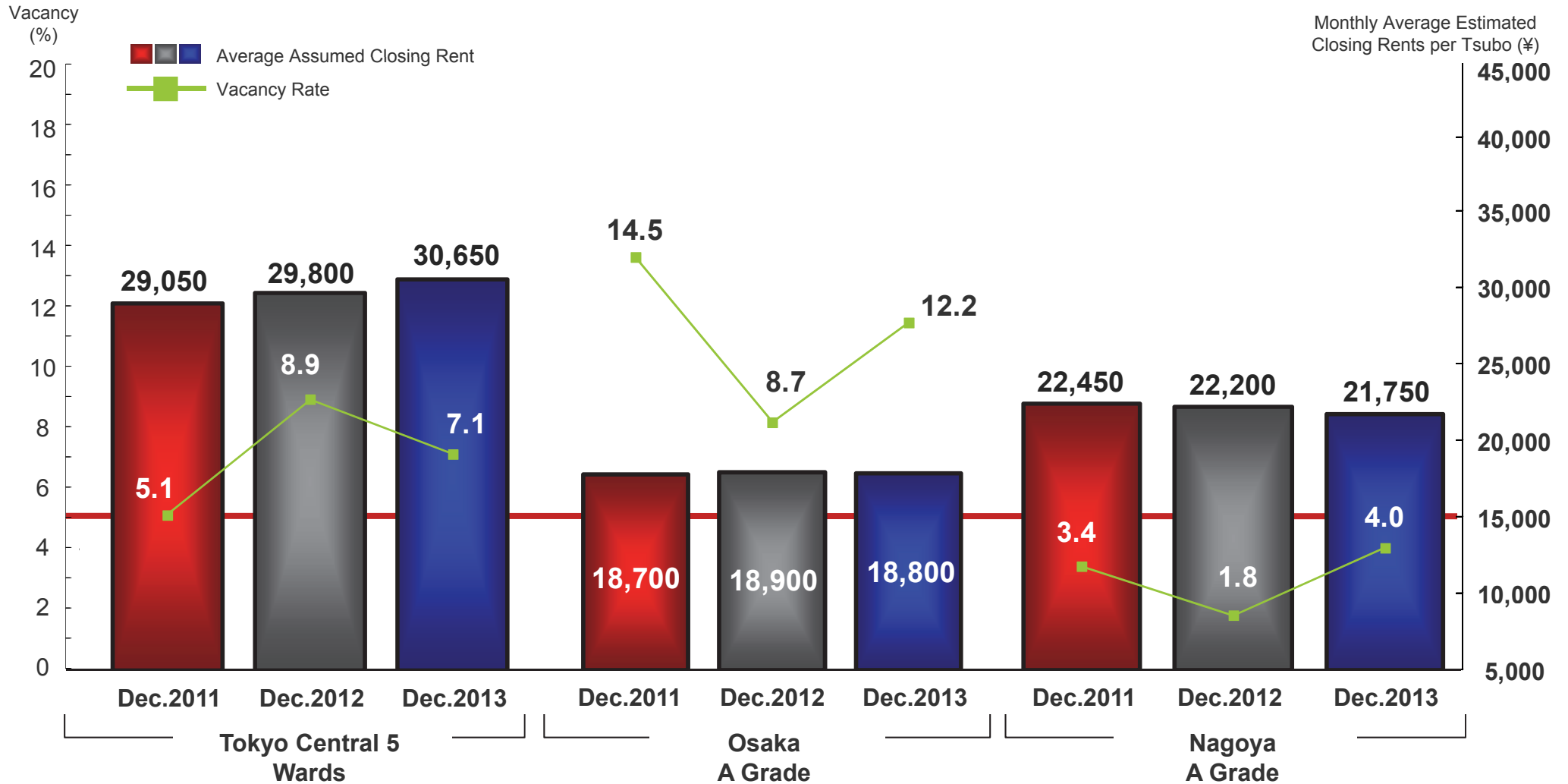
Source: CBRE K.K.

* Vacancy is a count of properties that are available for immediate occupancy at the time of the count.

*Comments by Tokyu REIM

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

*** In Tokyo, closing rent of A grade buildings on increasing trend as vacancy rate decreased.**

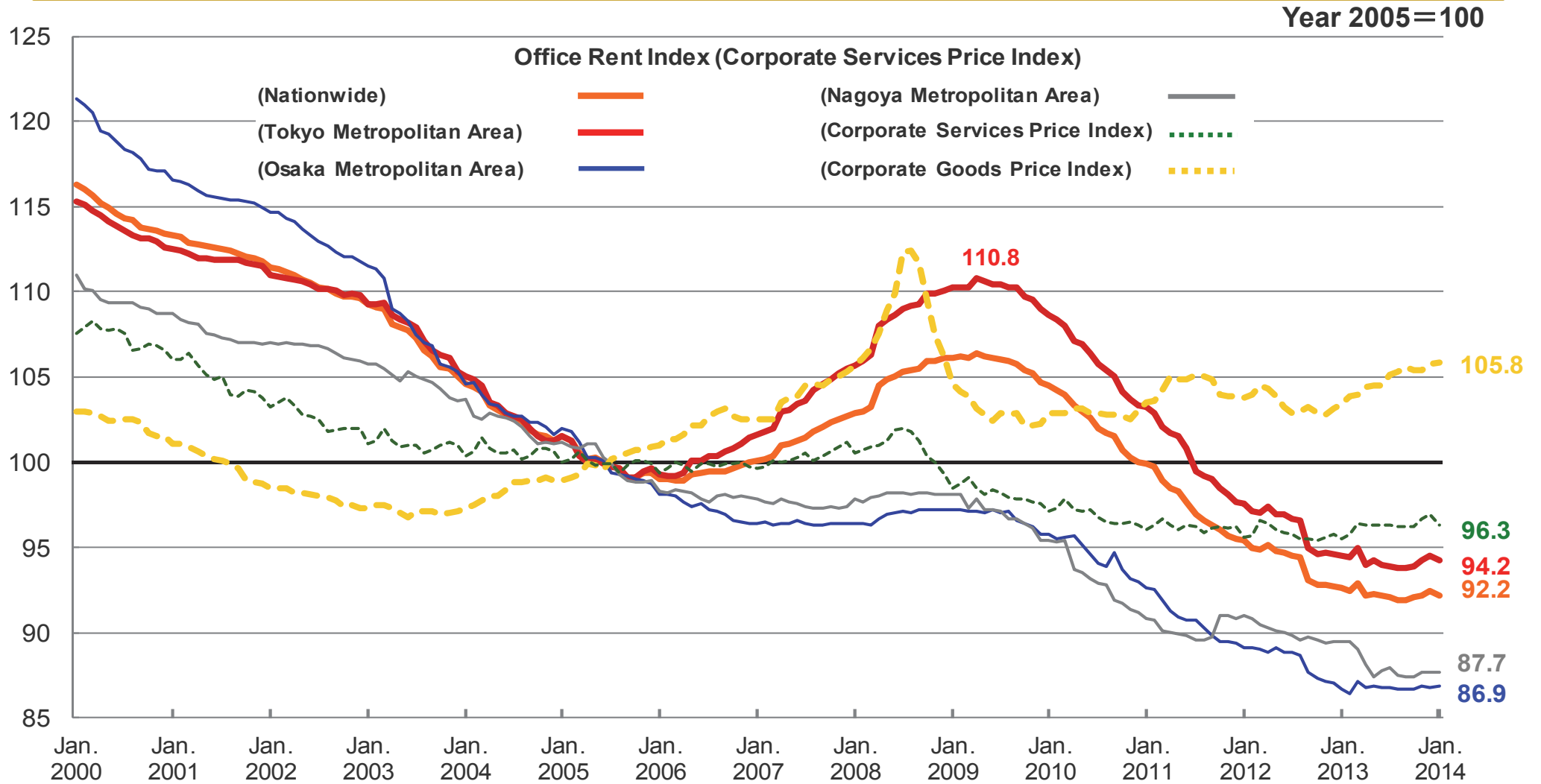


Source: CBRE K.K. **A Grade**

*Comments by Tokyu REIM

Office Leasing Market Overview (3): Office Rent Index

*** Existing contract office rent showed signs of hitting bottom.**



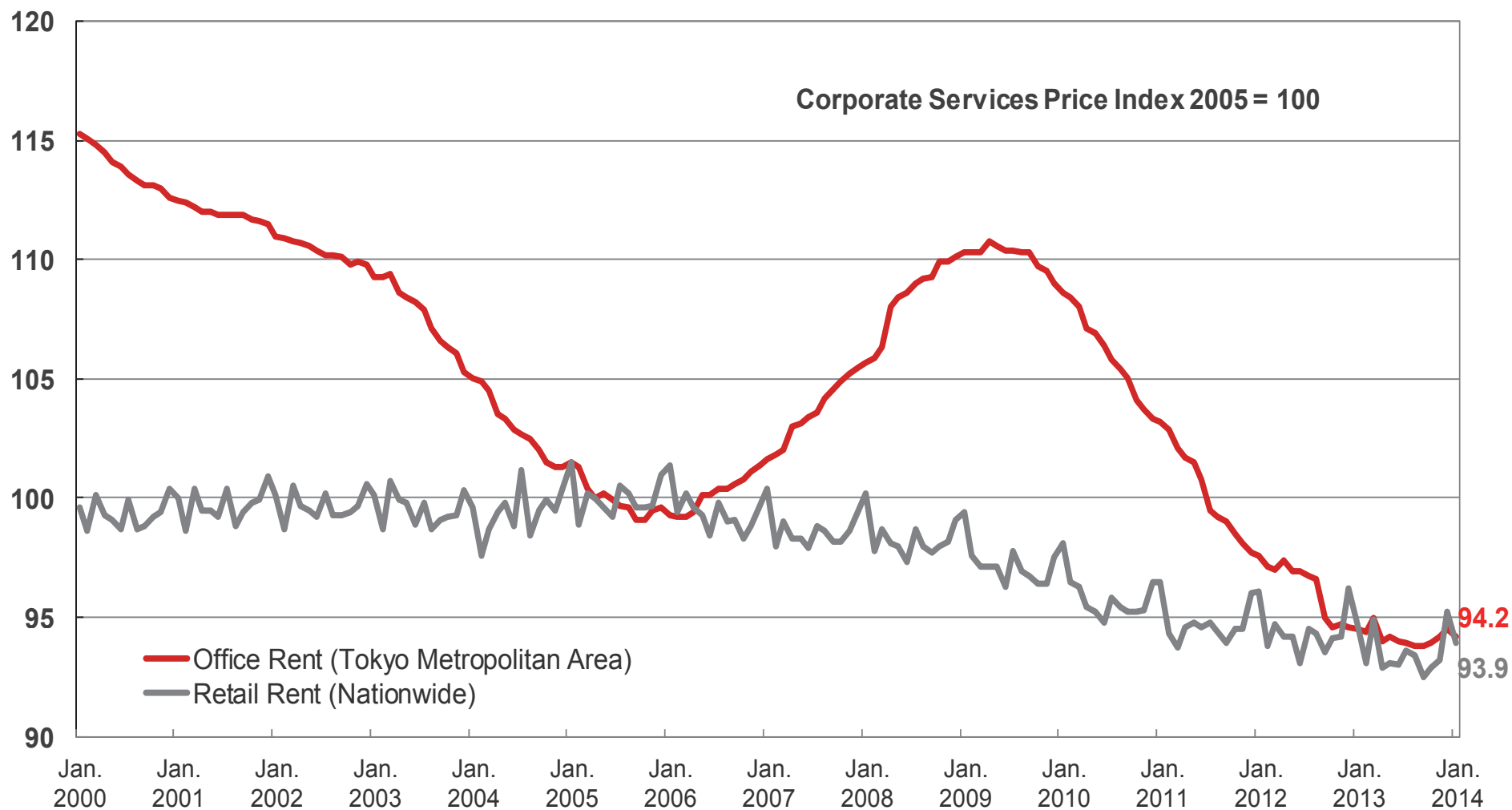
Source: Prepared by Tokyu REIM based on information from the BOJ website.

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

*Comments by Tokyu REIM

Office Leasing Market Overview (4): Office Rent (Tokyo Metropolitan Area) and Retail Rent (Nationwide) Index Comparison

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



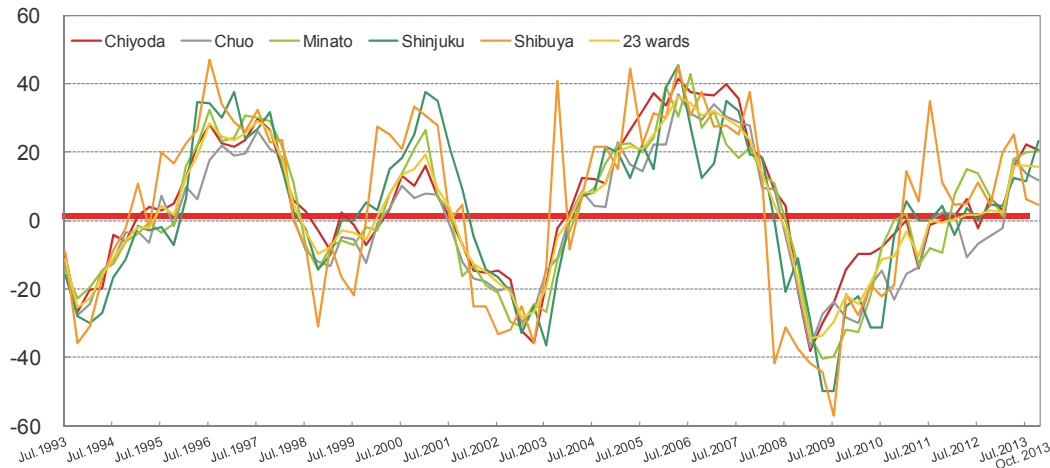
Source: Prepared by Tokyu REIM based on information from the BOJ website.

*Comments by Tokyu REIM

Office Leasing Market Overview (5): Business Sentiment

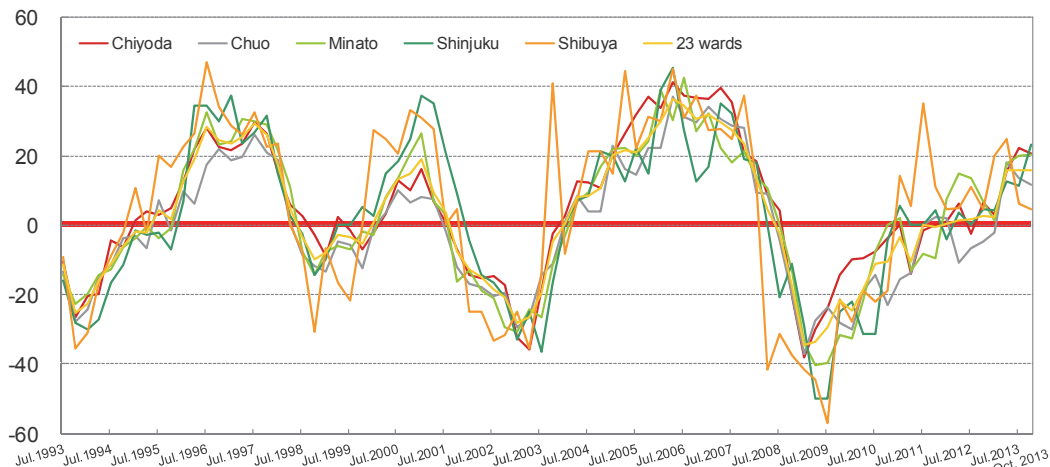
*** Business sentiment favorable for both vacancy rate and rent, and recent asking rent lagging behind occupancy rate.**

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



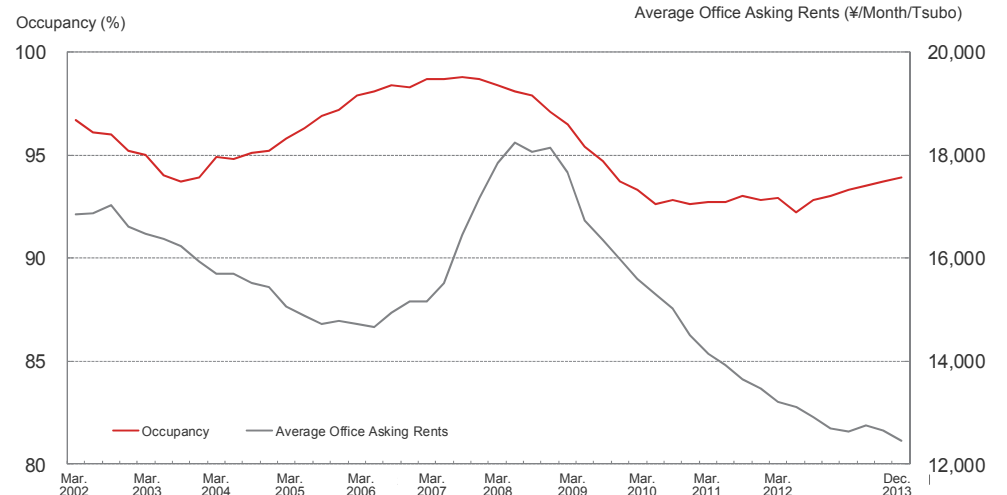
Source: Tokyo Building Owners and Managers Association

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



Source: Tokyo Building Owners and Managers Association

Occupancy and Asking Rents in 5 Central Wards of Tokyo



Source: CBRE K.K.

Rent Outlook (Rent Level at Survey Date = 100)

28th Survey (as of April 2013)

Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	101	103	105	105
Shibuya, Shibuya Station area	100	101	103	105
Nagoya, Nagoya Station area	99	100	100	100
Osaka, along Midousuji line	99	99	100	100

29th Survey (as of October 2013)

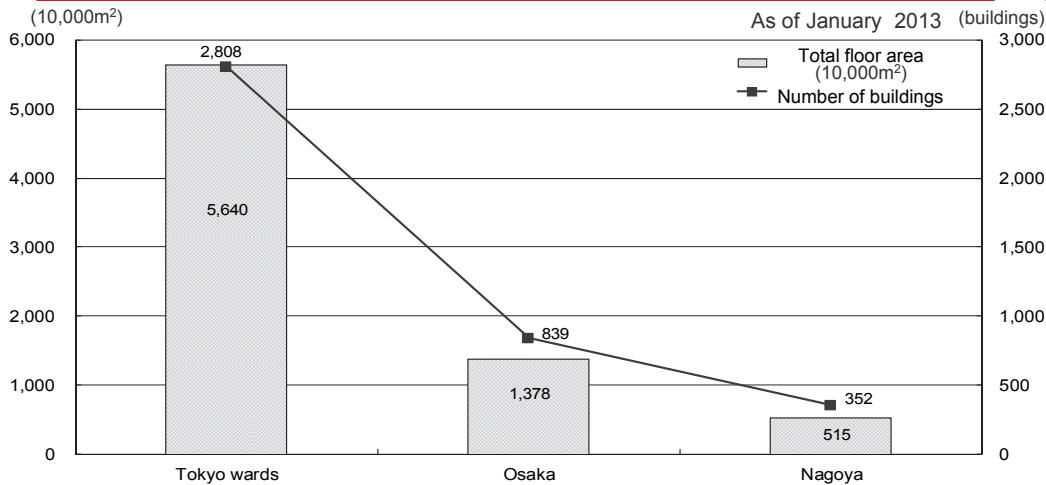
Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	101	103	105	105
Shibuya, Shibuya Station area	101	102	104	105
Nagoya, Nagoya Station area	100	100	100	100
Osaka, along Midousuji line	99	100	100	100

Source: Japan Real Estate Institute.

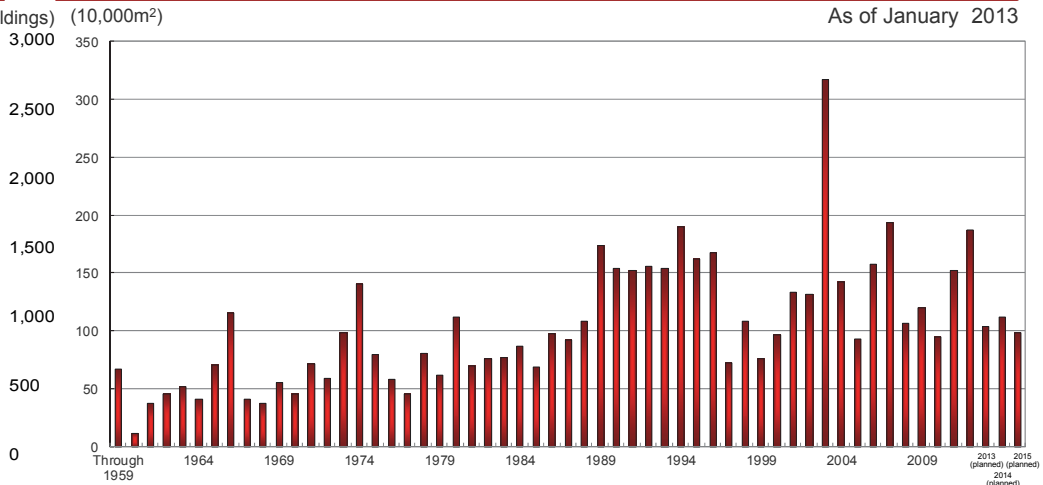
Office Building Inventory Overview (1): Three Major Cities

*** New supply in Tokyo Wards in 2013 to 2015 each about half the 2012 volume.**

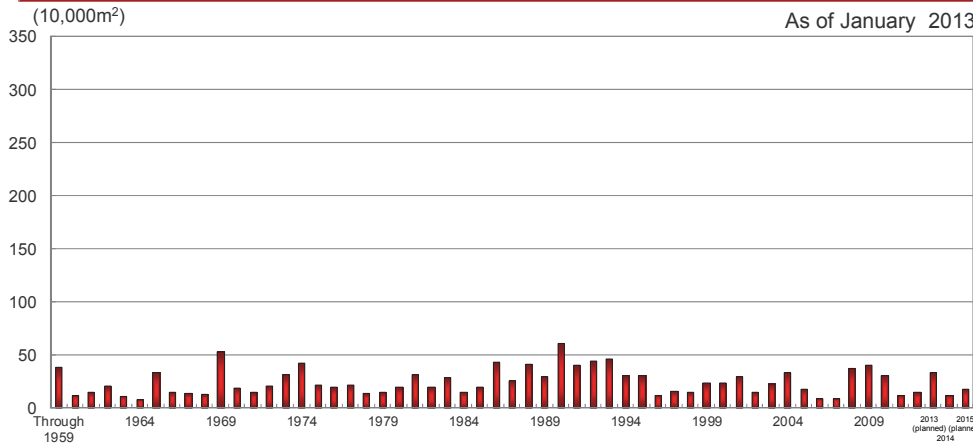
Office Building Inventory in Three Major Cities



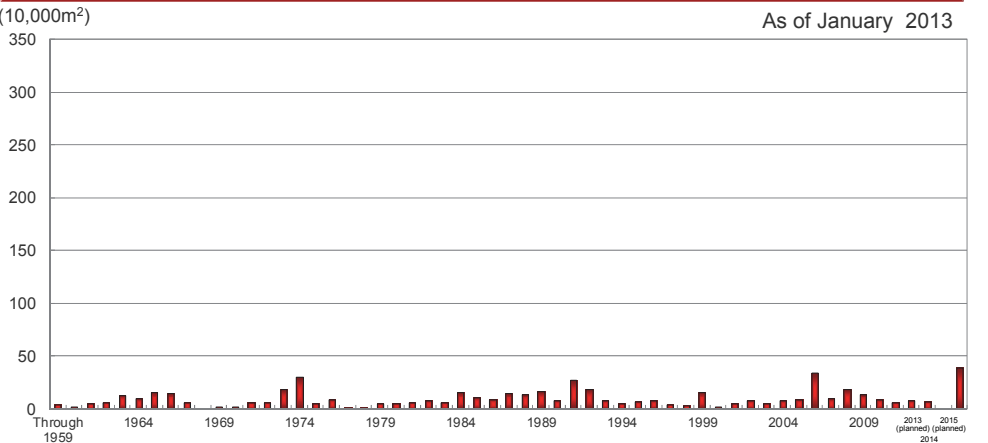
Office Building Inventory by Year Built (Tokyo Wards)



Office Building Inventory by Year Built (Osaka)



Office Building Inventory by Year Built (Nagoya)



* Tokyo Wards represents the Tokyo Central 5 Wards plus other wards (Bunkyo, Taito, Sumida, Koto, Shinagawa, Meguro, Ota, Toshima and Nakano wards).

* The survey covers office buildings with 5,000 square meters or more of total floor area.

* The graph indicates office buildings built in each year and still existing on the survey date. The total floor area does not necessarily correspond with the total office space actually found at that time in that particular year.

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

*Comments by Tokyu REIM

Office Building Inventory Overview (2): Tokyo Wards

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

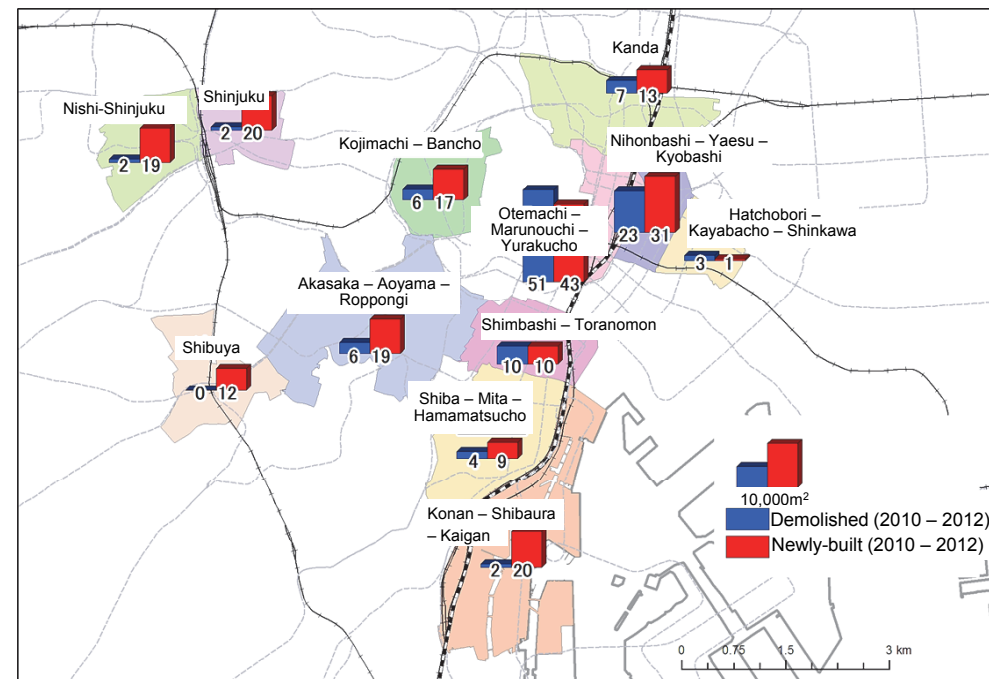
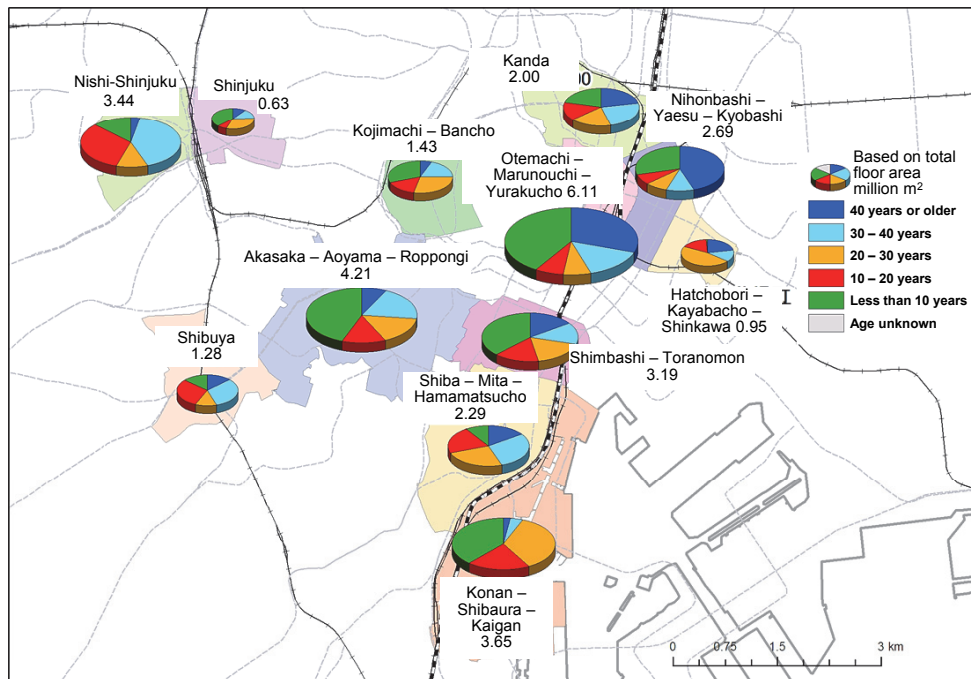
Newly-Built and Demolished Office Buildings in Tokyo Wards (2010 – 2012)

* Approximately 30% of office buildings completed before the present earthquake resistance standards were established (1981).

* Fairly large volume of demolished office buildings.

As of January 2013

As of January 2013



* The so-called new earthquake resistance standards were enforced as a result of revisions to the Building Standards Act in 1981.

* Tokyo Wards represents the Tokyo Central 5 Wards plus other wards (Bunkyo, Taito, Sumida, Koto, Shinagawa, Meguro, Ota, Toshima and Nakano wards).

* The survey covers office buildings with 5,000m² or more of total floor area.

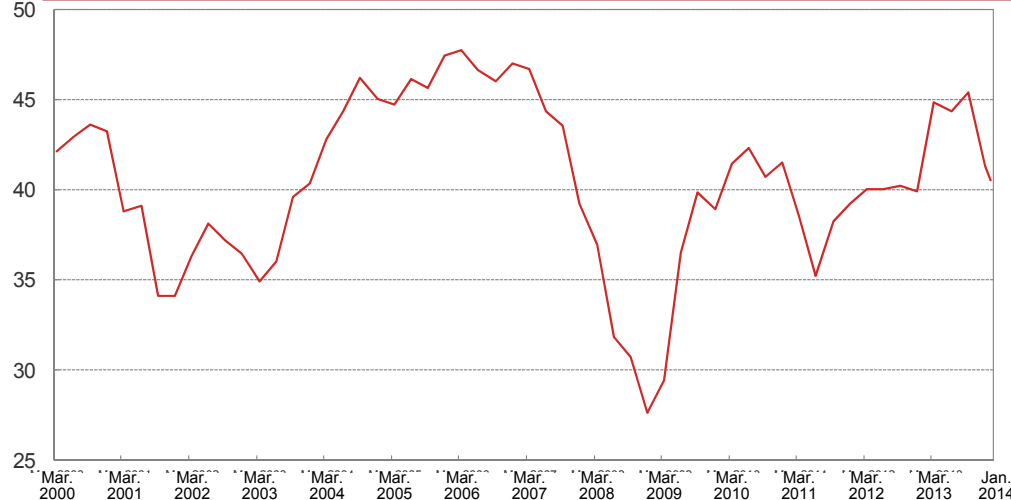
Source: Japan Real Estate Institute, The Annual Japanese Buildings Survey.

*Comments by Tokyu REIM

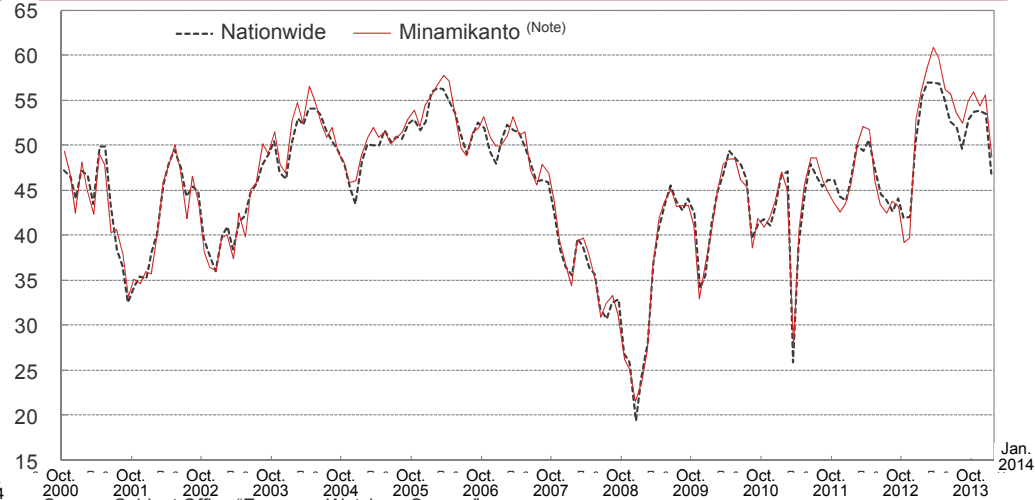
Retail Leasing Market Overview

*** Consumer sentiment continued to be on recovery trend after the Great East Japan Earthquake, but recently on slightly weak note due to upcoming consumption tax hike.**

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

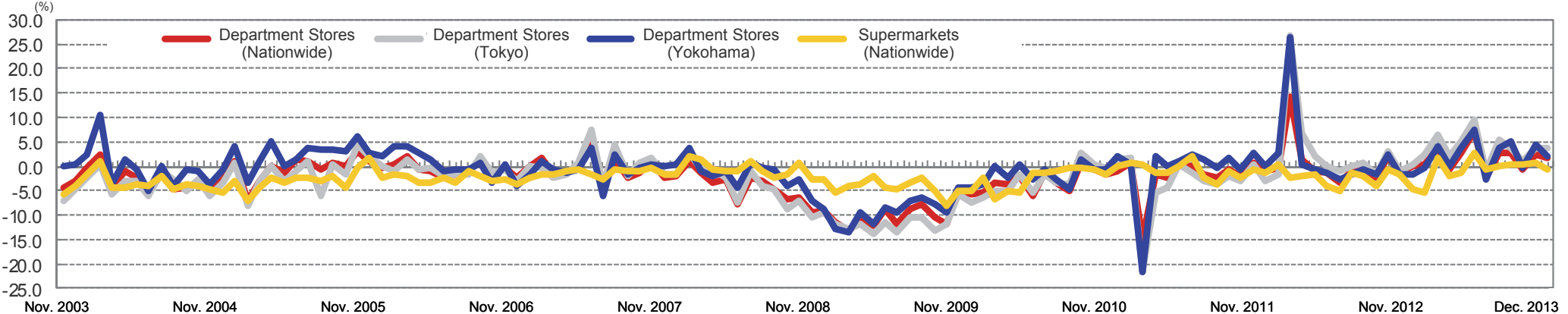


Economy Watchers Survey (Leading Indicator: Household Related)



(Note) Minamikanto represents Tokyo, Kanagawa, Chiba and Saitama Prefectures.

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



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

*Comments by Tokyu REIM

Real Estate Trading Market Overview (1)

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

Real Estate Transparency Index (CY2012)

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

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

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

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

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

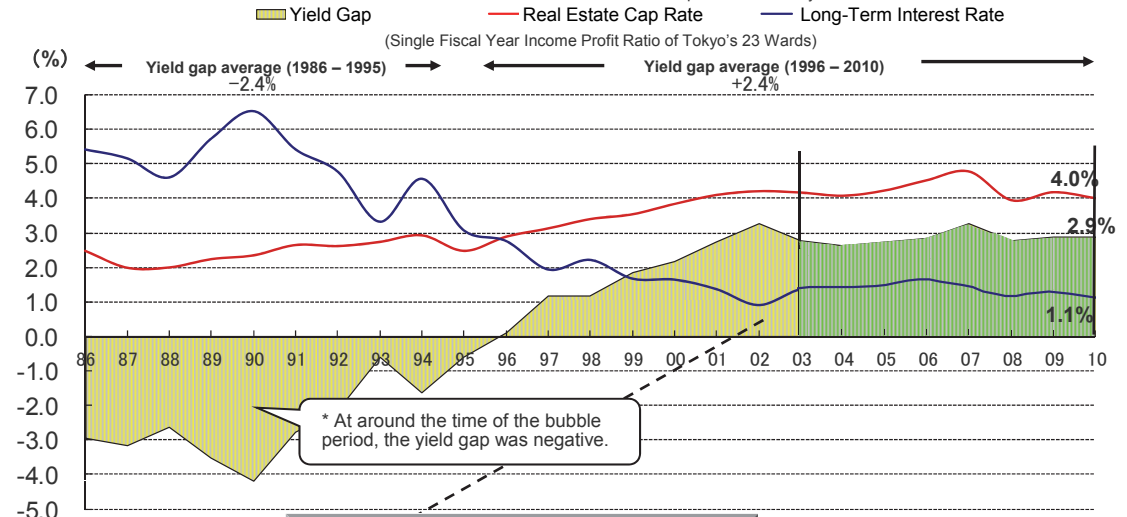
(Note 1) China Tier 1 Cities: Shanghai, Beijing, China Tier 2 Cities: Chongqing, Tianjin, China Tier 3 Cities: Wuxi, Zhengzhou.
 (Note 2) India Tier 1 Cities: Delhi, Mumbai, India Tier 2 Cities: Kolkata, Hyderabad, India Tier 3 Cities: Ahmedabad, Kochi.

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

Changes in yield gap (1986 – 2010)

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

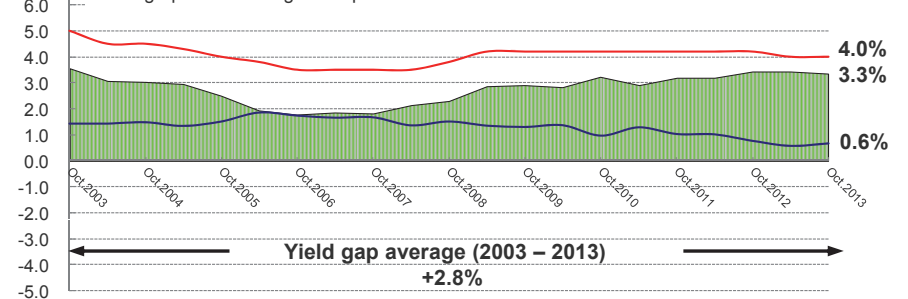
* The MUTB-CBRE real estate investment index was discontinued and eliminated with the publication in May 2011 of data for 2010.



Changes in Yield Gap (2003 – 2013)

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

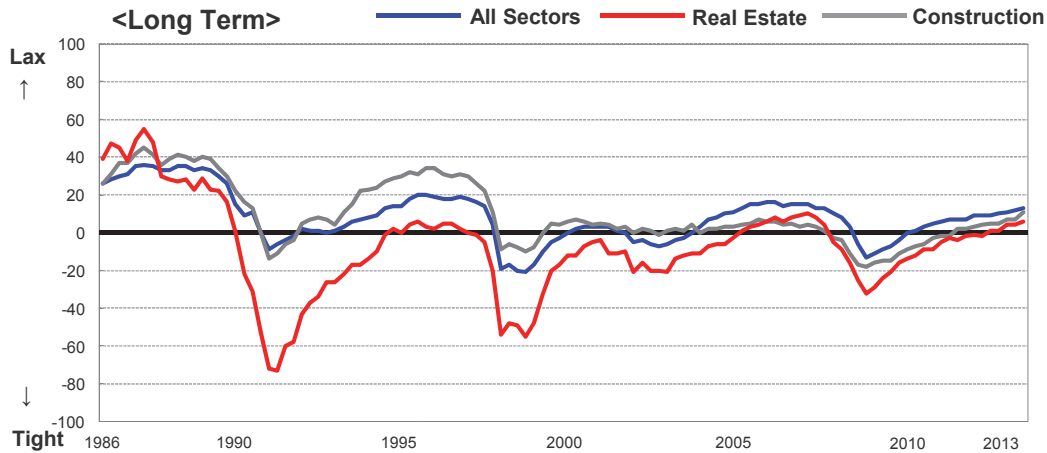
* The graph was prepared based on the Japanese Real Estate Investor Survey, as the above graph can no longer be updated.



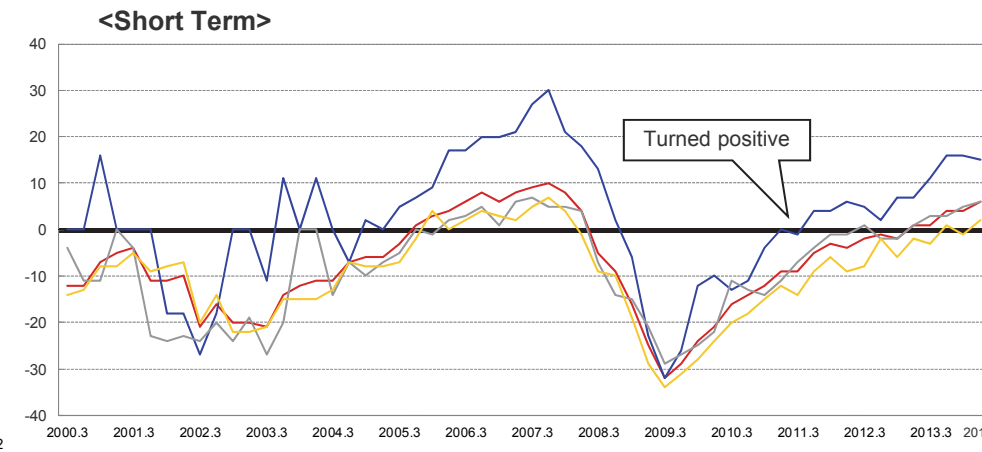
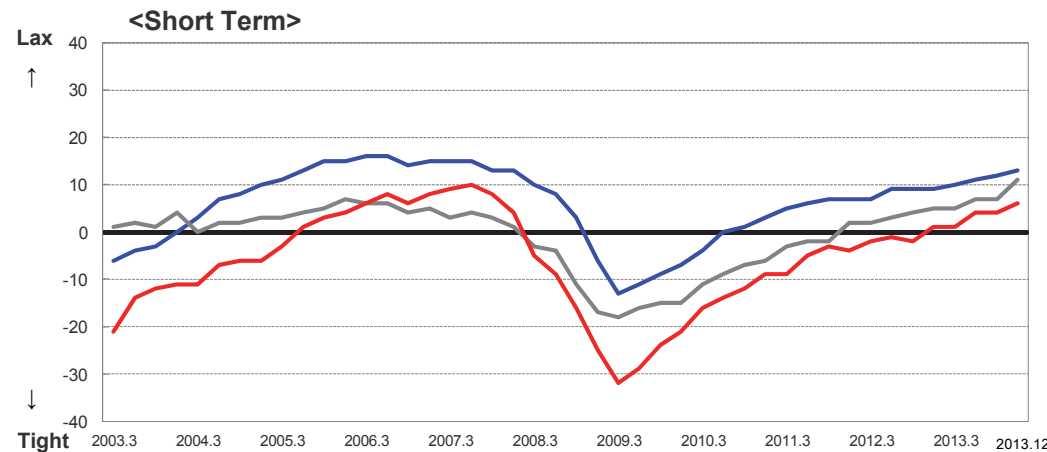
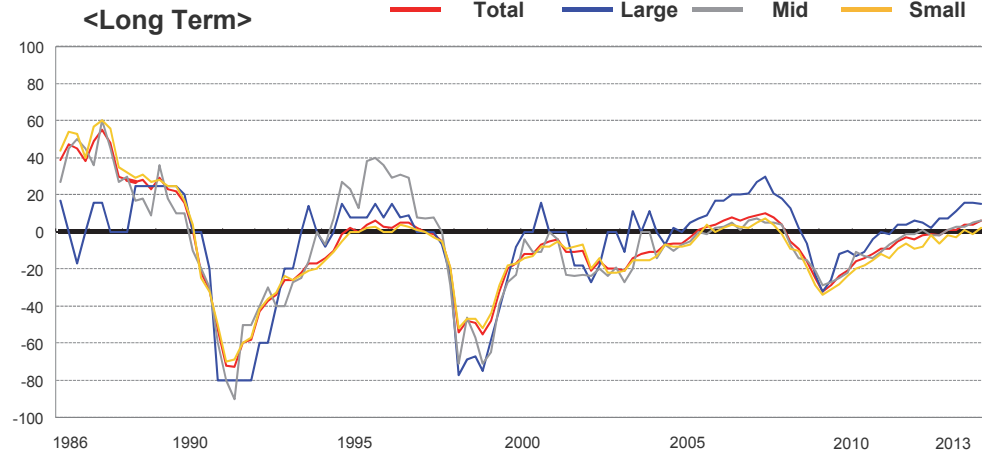
Real Estate Trading Market Overview (2): Lending Attitude DI

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

Lending Attitude DI by Sector



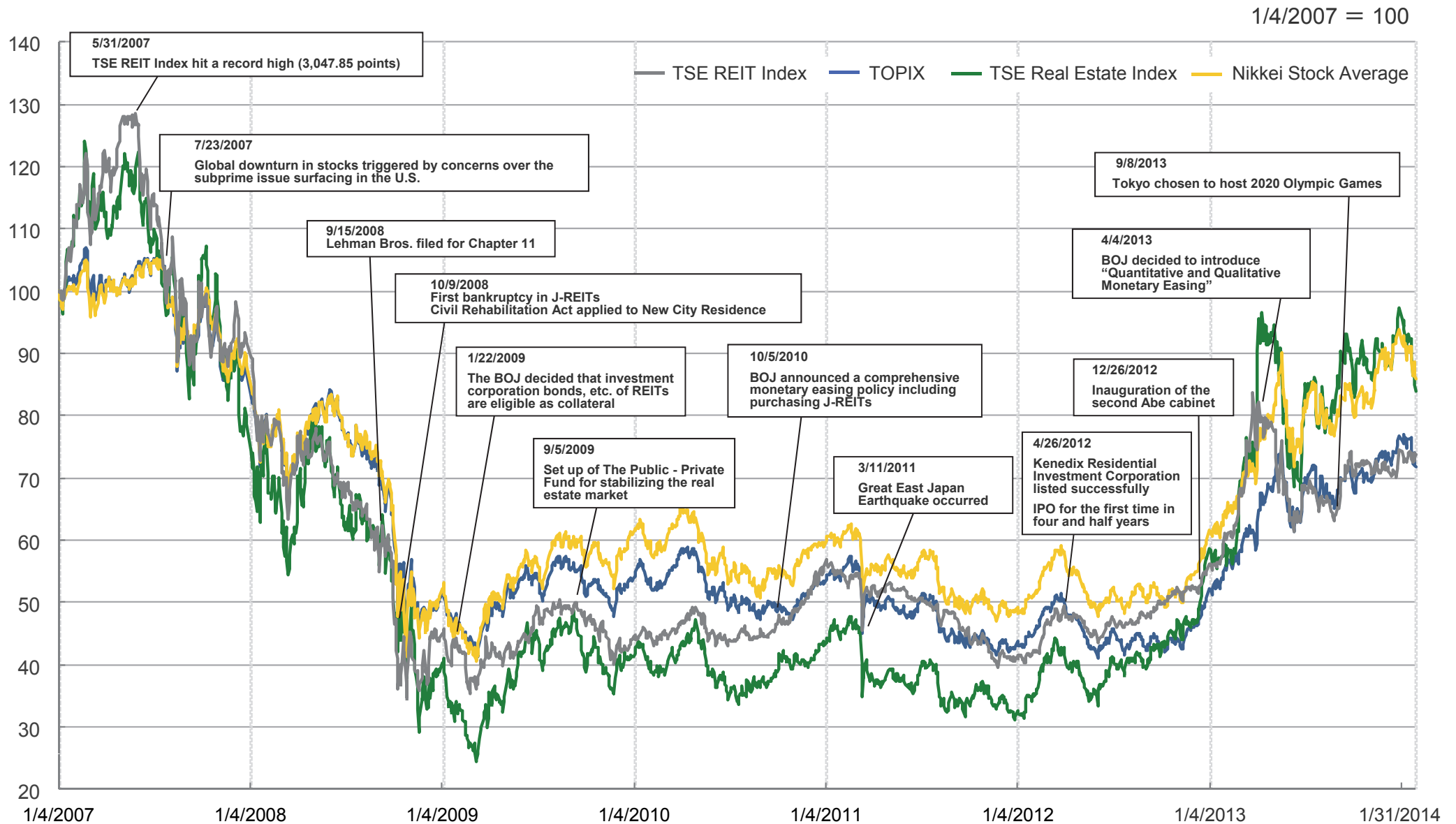
Lending Attitude DI by Size (Real Estate Sector)



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

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

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



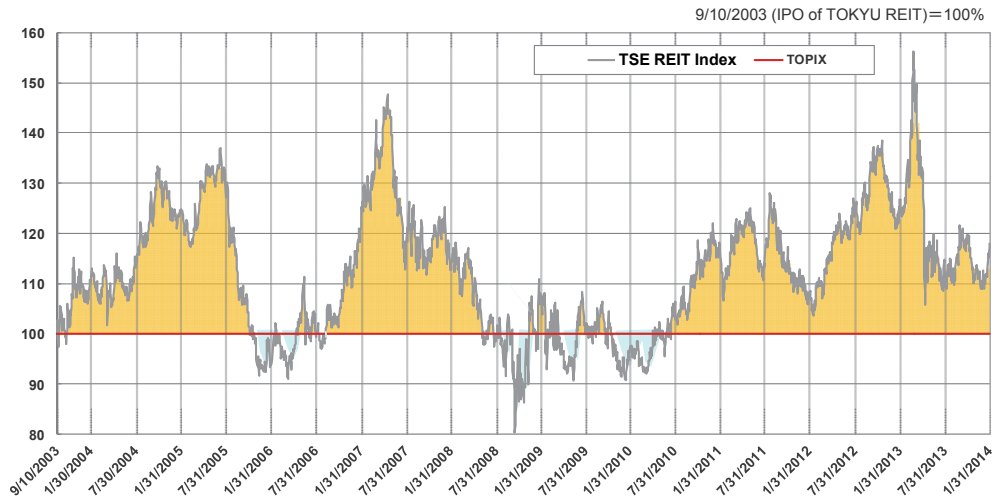
REIT Market Overview (2): TSE REIT Index Performance

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

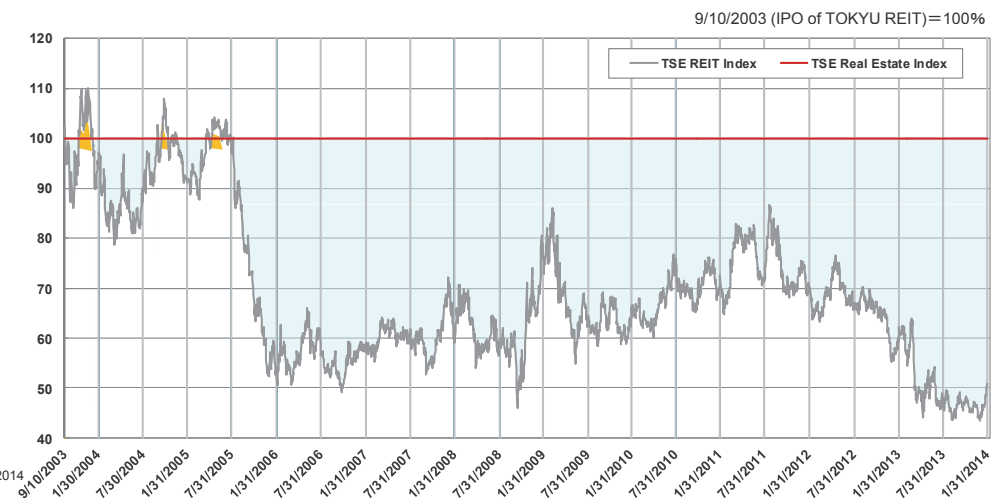
TOPIX and TSE REIT Index Performance



TSE REIT Index Performance Relative to TOPIX



TSE REIT Index Performance Relative to TSE Real Estate Index



REIT Market Overview (3): Comparison with Other Countries

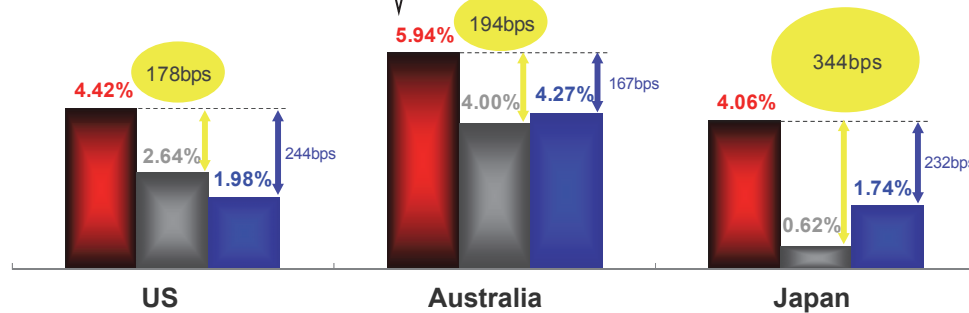
Spread Over Risk Free Rate

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

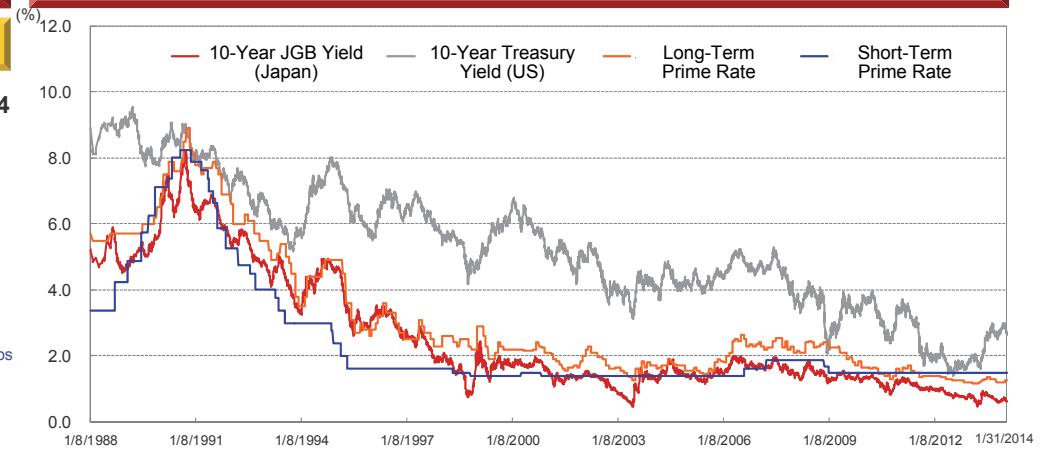
- Dividend Yield of REITs (Note 1)
- Coupon on 10 Year Bond
- Dividend Yield of Indices (Note 2)

*** Yield of Australian LPT becomes higher as it doesn't conduct depreciation**

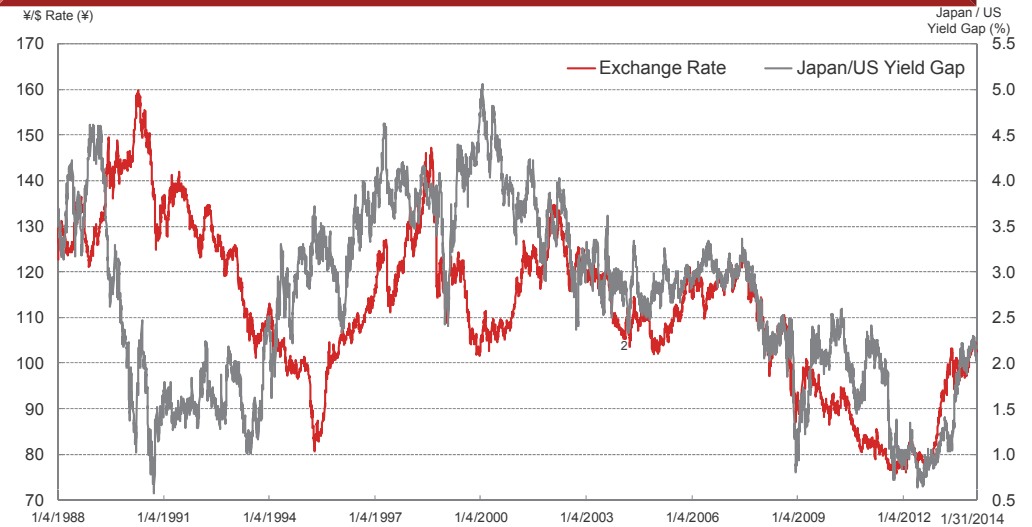
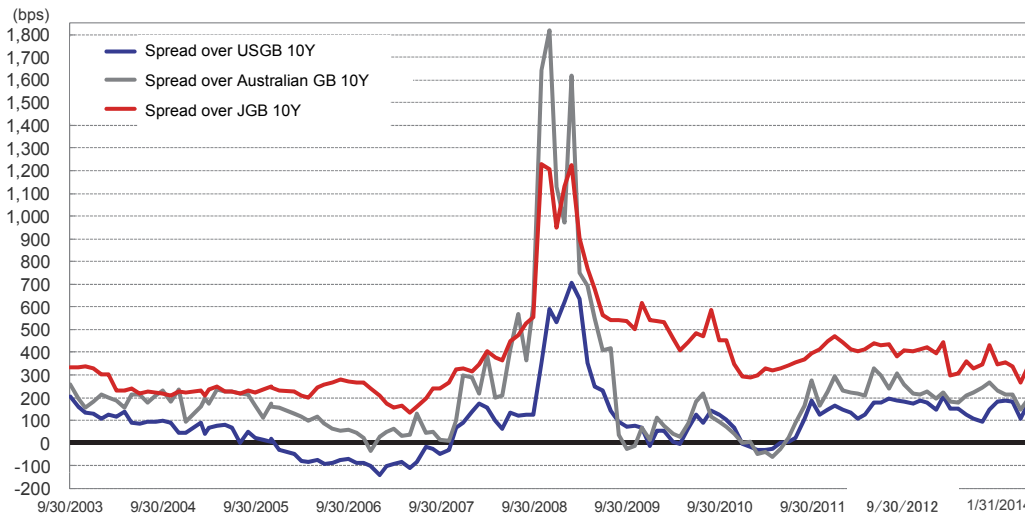
As of 1/31/2014



Major Interest Rates



Japan / US Yield Gap vs. Exchange Rate



Source: Bloomberg and S&P.

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

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

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

*Comments by Tokyu REIM

Glossary

PML

Probable Maximum Loss (PML) refers to the expected maximum loss ratio caused by earthquakes. PML as used by TOKYU REIT is the percentage of expected damages caused by a small- to large-scale earthquake that may happen within the next 475 years to the replacement value.

Calculations also include data relating to individual property surveys, assessment of building conditions, conformity to architectural design, ground conditions, surveys of local areas and structural evaluation.

Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to fixtures. In addition, damages are limited to structural damage and damages to facilities and building interior and exterior, and do not cover damages caused by earthquake fire and fire damage from surrounding facilities.

Related Parties

“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. “Tokyu Corporation and its subsidiaries” refers to any entity that falls under the following (i) to (iii):
 - (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%.
2. “Affiliates of Tokyu Corporation except Tokyu Corporation’s subsidiaries” refers to affiliates within the scope of consolidation of Tokyu Corporation.
3. “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%.

5. Appendix



“Shibuya Fashion Week” joint campaign by 12 large fashion stores for the purpose of creating bustle in the town of Shibuya through fashion (cocoti also participating)

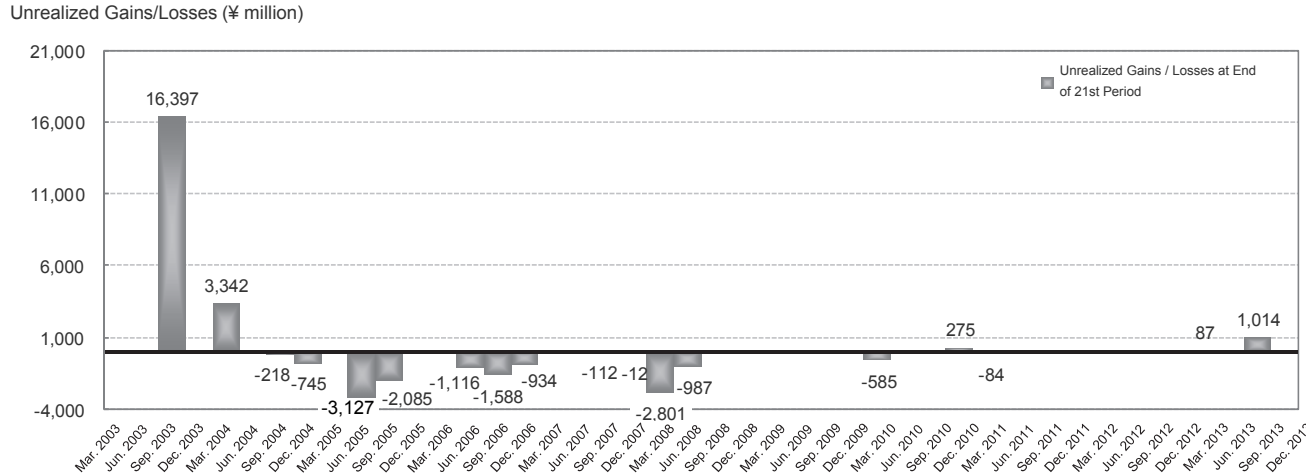
Participating stores (total of 12 stores, in Japanese alphabetical order)

109 MEN'S, cocoti, Shibuya 109, Shibuya PARCO, Shibuya Hikarie, Shibuya Mark City, Seibu Shibuya, Tokyu Department Store Toyoko Store, Tokyu Department Store Main Store, Tokyu Plaza Shibuya, and Marui Shibuya (Marui City Shibuya and Marui Jam Shibuya)

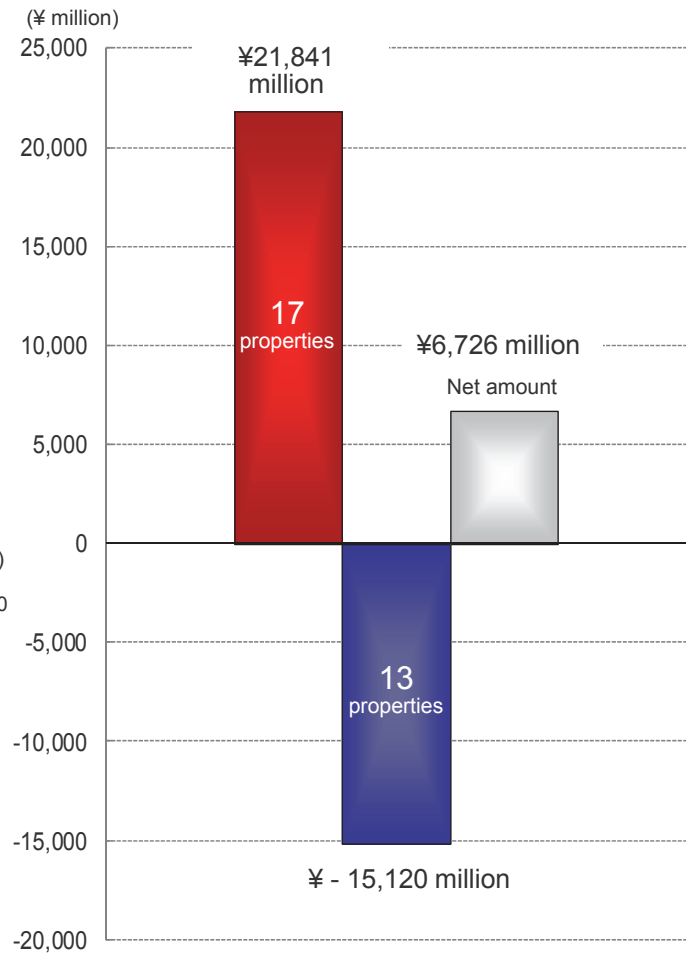
Analysis of Unrealized Gains/Losses

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

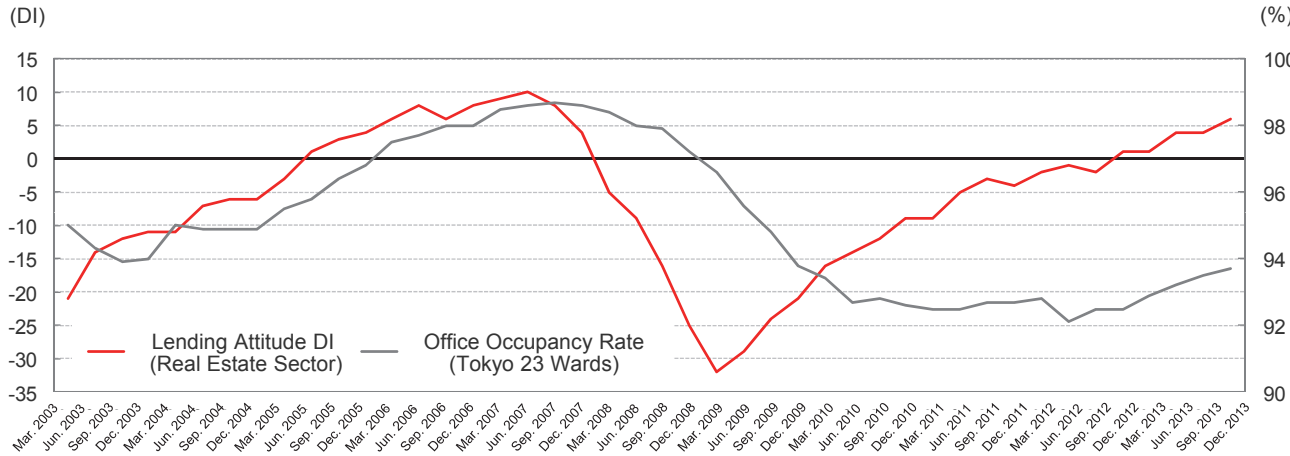
Unrealized Gains/Losses Due to Timing of Property Acquisition



Breakdown of Unrealized Gains/Losses



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

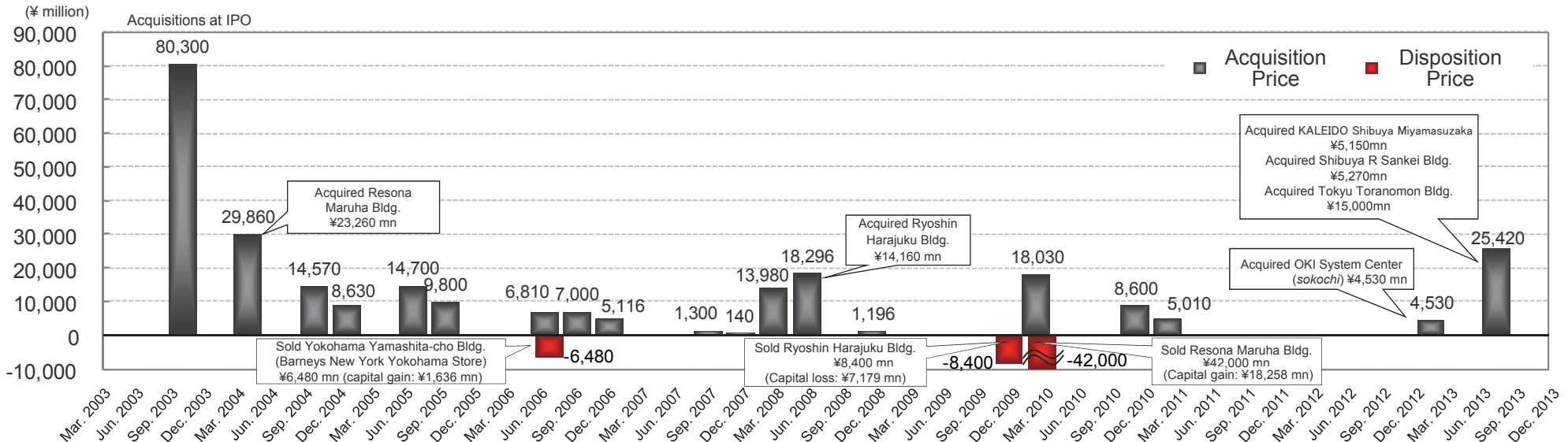
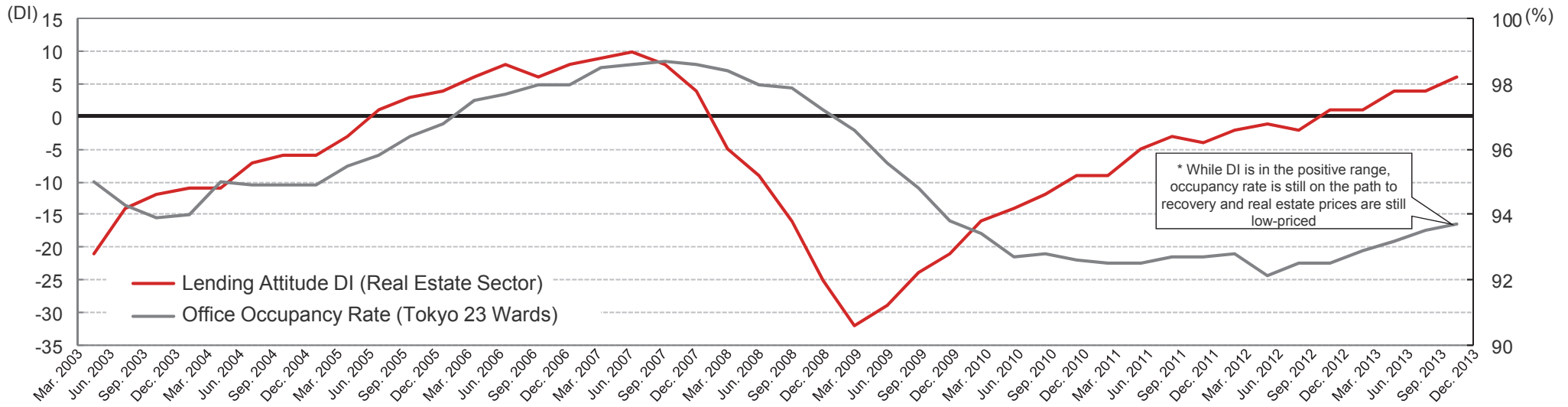


Source: BOJ (Tankan Survey).

*Comments by Tokyu REIM

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

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



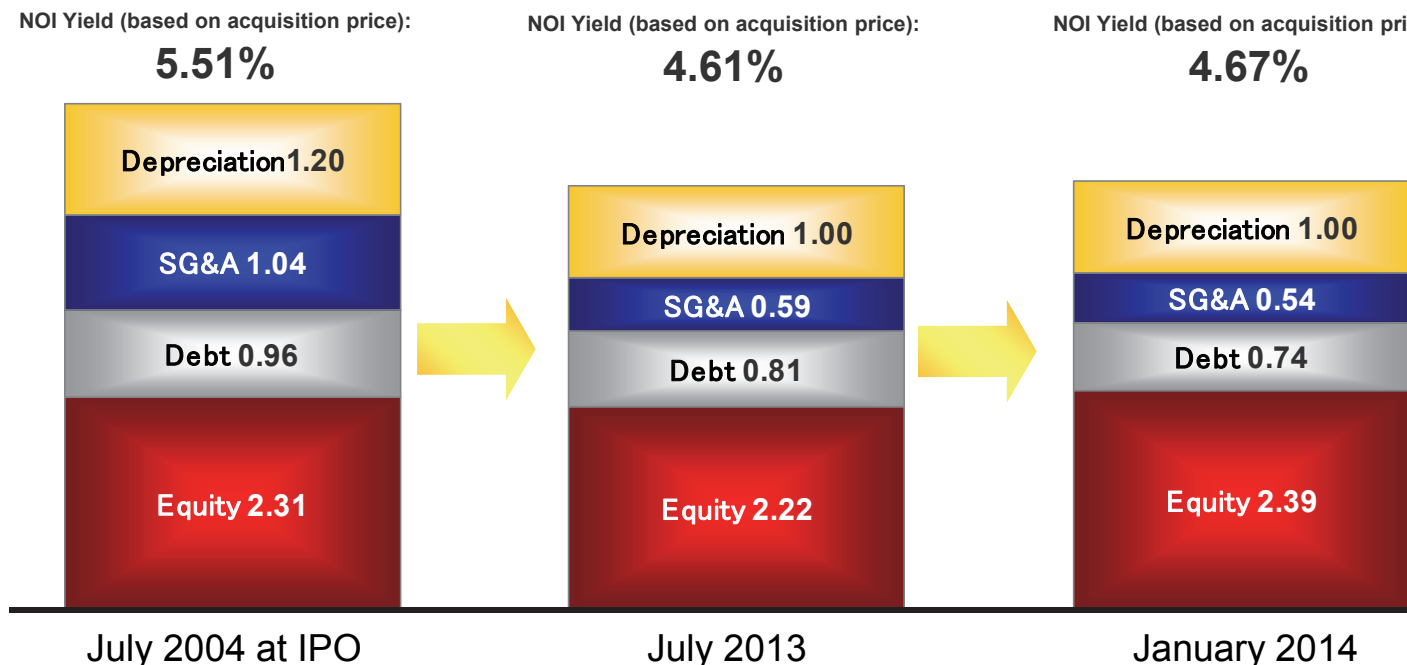
* Acquisition price on secondary y-axis, each bar represents the total acquisition price in the respective month and 2 months prior (i.e., June 2008 includes April – June 2008).

Source: BOJ (Tankan Survey), CBRE K.K.

*Comments by Tokyu REIM

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

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



Acquisition Price	Debt 50
100	Equity 50

January 2014 vs. IPO

Hurdle Rate	-0.84pts.
Depreciation	-0.20pts.
SG&A	-0.50pts.
Debt	-0.22pts.
Equity	+0.08pts.

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

*This page represents the views of Tokyu REIM

Acquisition

- Pipeline Support: 14 of 33 properties accumulated thus far (¥115.86bn out of total acquisition price of ¥273.28bn)
 - 6 of 11 properties at time of IPO
 - TOKYU REIT Shibuya Udagawa-cho Square (2nd Period / ¥6.6bn)
 - Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (9th Period / ¥8.5bn)
 - Tokyu Ikejiri-ohashi Building (10th Period / ¥5.48bn)
 - Kojimachi Square (Note) (14th Period; ¥9.03bn)
 - Tokyu Ginza 2-chome Building (16th Period; ¥5.01bn)
 - Tokyu Toranomon Building (21st Period; ¥15.00bn)
 - 2 of 11 Properties at time of IPO (Lexington Aoyama (Note), Tokyo Nissan Taito Building (Note))

Developed and contributed by Tokyu Group Companies

... Contributed by Tokyu Group companies

(Note) Contributed by Tokyu Land Corporation and its subsidiaries

- Warehousing
 - 3 of 11 properties acquired at time of IPO: ¥14.06bn
 - Yokohama Yamashita-cho Building (Barneys New York Yokohama Store): 3rd Period / ¥5.05bn
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store): 3rd Period / ¥9.52bn
 - cocoti (Net Collective Ownership 40%): 5th Period / ¥9.80bn
 - Shonan Mall Fill (*sokochi*): 6th Period / ¥6.81bn

- Reference or brokerage by Tokyu Group companies
 - Resona Maruha Building
 - Beacon Hill Plaza (Ito-Yokado Noukendai Store)
 - KALEIDO Shibuya Miyamasuzaka
 - Shibuya R Sankei Building (brokerage)

“Tokyu Group Companies” on this page refers to any entity that falls under the following 1 to 3.

1. Tokyu Corporation and its subsidiaries
2. Affiliates within the scope of consolidation of Tokyu Corporation
3. Any entity that falls under the following (1) to (3):

- (1) Tokyu Land
- (2) A consolidated subsidiary of Tokyu Land
- (3) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) that was established based on the intention of Tokyu Land or a consolidated subsidiary of Tokyu Land and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.

PM (Property Management)

- PM business outsourcing
- Community-based tenant promotion capability

Brand Strategy

- “TOKYU” brand licensing
 - “TOKYU REIT” name (Free of charge. However, license from Tokyu Corporation is required.)
 - Building name change (Free of charge. However, license from Tokyu Corporation is required.)

3-Minute Investment Highlights

~ TOKYU REIT's Characteristics ~

- Only invest in office and retail properties in the Tokyo metropolitan area
 - Tokyo is a growing international city
- Total return oriented
 - Focusing on exit price and liquidity
- Adoption of “Value & Contrary” (Long-Term Investment Strategy (“Surf Plan”))
 - Also focusing on ROE as an equity product
- An investment management fee structure which puts us in the same boat with our shareholders
 - No acquisition fees charged (an answer to the question about external investment management structure)
- Strategic debt management
 - Long-term fixed-rate debt financing, diversified repayment dates and averaging out individual amounts of repayment
 - Annual repayment amount maintained within the established commitment line ceiling
- Strong commitment to governance
 - Excellent governance as a source of competitiveness
- Strict measures to avoid conflicts of interest and decision-making independent of the sponsor
 - Optimal balance between sponsor collaboration and independence
- Management capability and commitment
 - Allocation and education of additional human resources
- Profess best disclosure and best investor relations
- Track record of highest distributions paid in the industry
 - 13th period: Distribution per unit of ¥79,446
(Closing price on last trading day of cum-dividends for 13th period: ¥520,000 (prior to split))

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