

Aiming to be a 100-year REIT

23rd Fiscal Period (August 1, 2014 to January 31, 2015)

FINANCIAL RESULTS PRESENTATION

TOKYU REIT

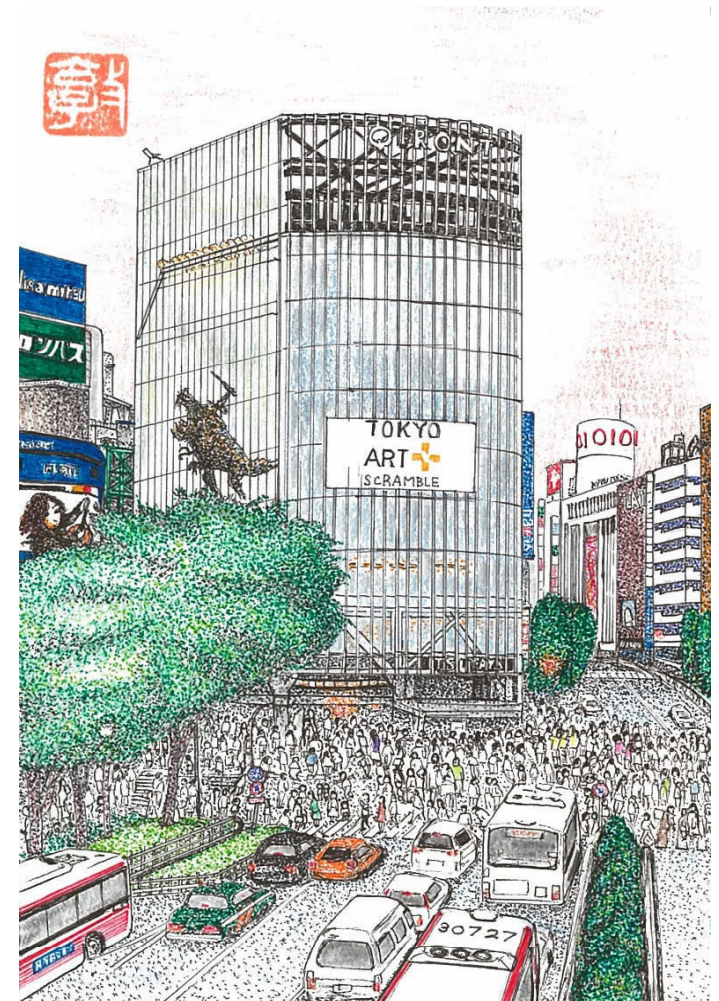
TSE 8957 <http://www.tokyu-reit.co.jp/>



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TOKYU REIT

1. Investment Policy and Strategy



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

Areas with Strong Growth Potential

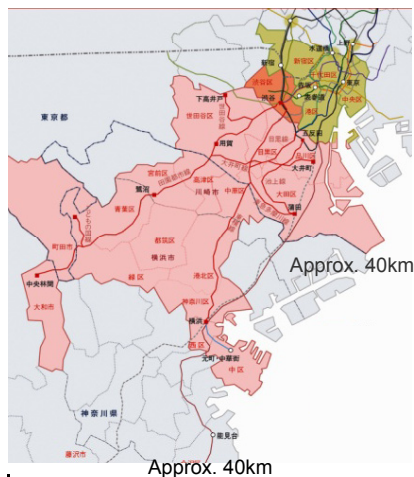
■ Investment limited to the Tokyo Metropolitan Area

- No investment other than in the Tokyo Metropolitan Area.
- Eliminate downside risk of regional economies.
- Control earthquake risk through PML. (Set portfolio PML at 10% or lower)
- Total return orientation
In addition to income gains, also focus on future property value (terminal value) stability and liquidity

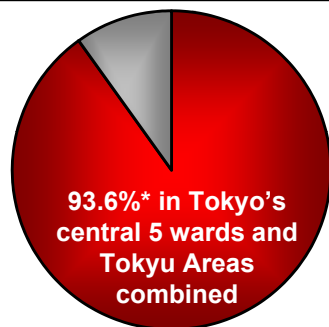


■ Concentrated investment in Tokyo's central 5 wards and in areas along Tokyu rail lines ("Tokyu Areas")

- 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



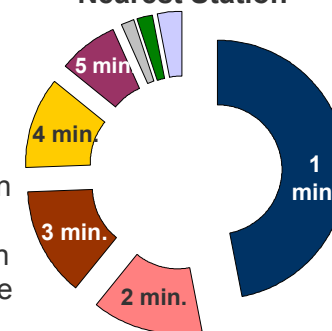
* Based on estimated value at end of 23rd period (Jan. 2015)

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

Approximate Walking Time from Nearest Station



77.9%* of properties lie within 3-min. range today

* Based on acquisition price at end of 23rd period (Jan. 2015)

■ 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 7.8 billion yen* at present

* Based on appraisal value at end of 23rd period (Jan. 2015)

■ 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 = 59.0%* : 41.0%* currently

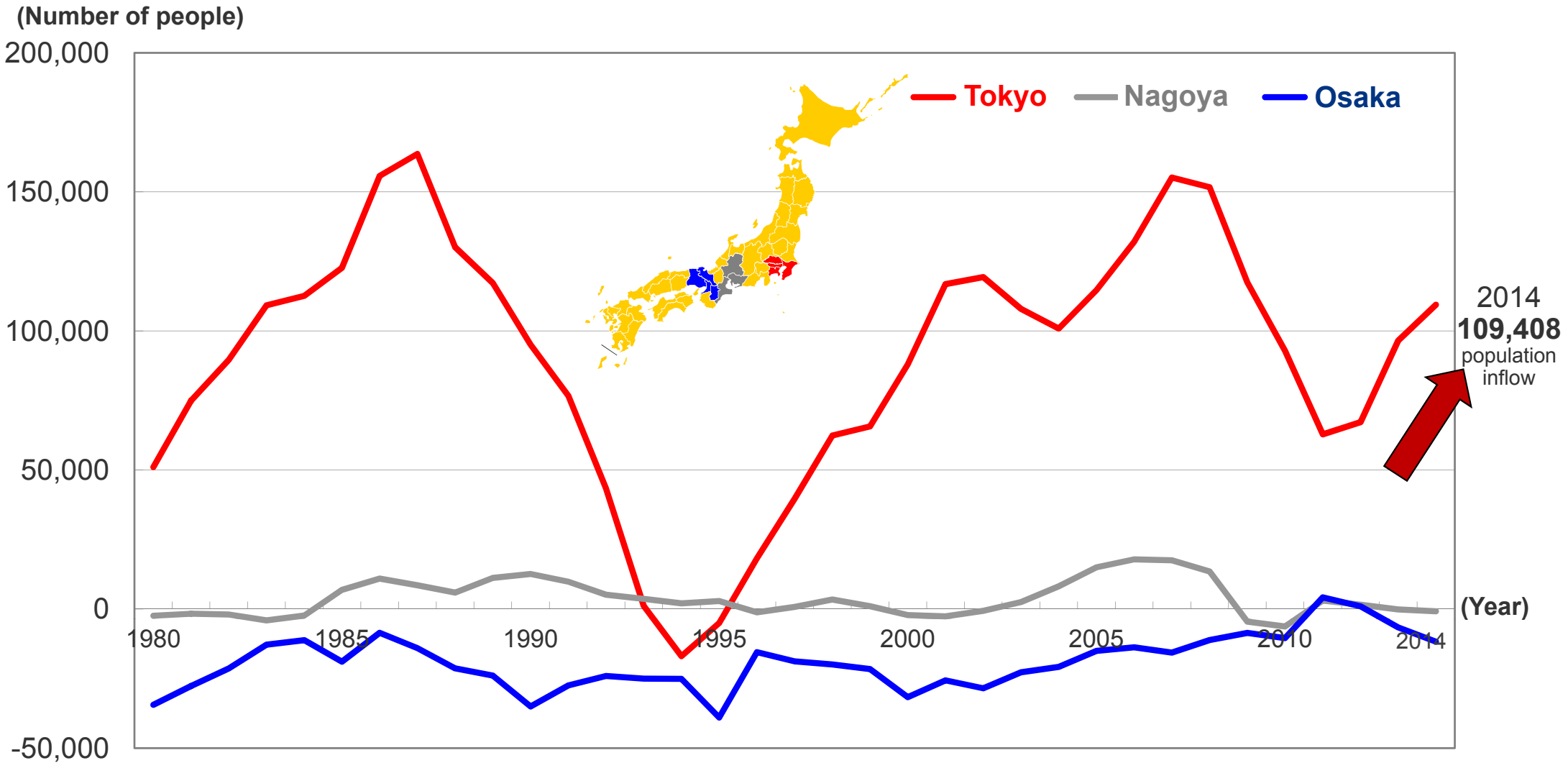
* Based on appraisal value at end of 23rd period (Jan. 2015)

(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. Further improvement in Tokyo's productivity and efficiency are anticipated.



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

Expected Cap Rate Varying Depending on Portfolio Composition

* The higher the percentage of investments in areas outside of the Tokyo metropolitan area, the higher the weighted average expected cap rate, but portfolio risks also increase in general. TOKYU REIT will continue to promote a “Low Cap Portfolio Strategy” through concentrated investment in the Tokyo metropolitan area, and thereby enhance cash flow stability and growth as well as terminal value stability and liquidity.

Weighted Average Expected Cap Rate by Portfolio Composition

Portfolio Composition (Investment Target Areas)	Weighted Average Expected Cap Rate	Difference with 1. Limited to Tokyo Central 5 Wards
1. Limited to Tokyo Central 5 Wards *1	4.38 (%)	— (pts)
2. Limited to Tokyo 23 Wards *2	4.55	0.17
3. TOKYU REIT *3	4.66	0.28
4. Tokyo 80% : Outside Tokyo 20% *4	4.82	0.44
5. Tokyo 60% : Outside Tokyo 40% *5	5.09	0.71
6. Limited to Outside Tokyo *6	5.91	1.53

If properties located in areas outside of the Tokyo metropolitan area are incorporated into a portfolio, the expected cap rate increases but risks, too, increase at the same time compared with a portfolio limited to Tokyo Central 5 Wards.

Assumptions and Calculation Method

- In calculating the weighted average expected cap rate of each portfolio above, the portfolio weights are assumed as follows and the expected cap rate of each city/region is based on the survey results of Japan Real Estate Institute's Japanese Real Estate Investor Survey (“Real Estate Investor Survey”).
 - Marunouchi/Otemachi: 20.0%; Nihonbashi: 20.0%; Toranomon: 20.0%; Shibuya: 20.0%; Shinjuku: 20.0%
 - Marunouchi/Otemachi: 15.0%; Nihonbashi: 15.0%; Toranomon: 15.0%; Shibuya: 15.0%; Shinjuku: 15.0%; Tokyo peripheral 18 wards: 25%; The expected cap rate of the Tokyo peripheral 18 wards is calculated as the average of the expected cap rate of Ikebukuro, Ueno and Osaki according to the Real Estate Investor Survey.
 - TOKYU REIT's portfolio composition is calculated as follows using the period-end estimated value at the end of the 23rd period.
Shibuya: 8.8%; Tokyo central 4 wards: 31.8%; Tokyo peripheral 18 wards: 16.3%; QFRONT: 10.4%; Urban retail properties (Shibuya/Omotesando): 20.2%; Urban retail properties (others): 3.2%; Suburban shopping centers and *sokochi* for office: 9.4%
The expected cap rate of the Tokyo central 4 wards is calculated as the average of the expected cap rate of Marunouchi/Otemachi, Nihonbashi, Toranomon and Shinjuku. In addition, the expected cap rates of QFRONT and urban retail properties (others) are calculated based on retail properties (Shibuya/Omotesando) but factoring in certain risk premium.
 - Marunouchi/Otemachi: 15.0%; Nihonbashi: 15.0%; Toranomon: 10.0%; Shibuya: 10.0%; Shinjuku: 10.0%; Tokyo peripheral 18 wards: 20.0%; Yokohama: 2.0%; Midosuji: 2.5%; Umeda: 2.5%; Nagoya: 5.0%; Sapporo: 2.0%; Sendai: 2.0%; Hiroshima: 2.0%; Fukuoka: 2.0%
 - Marunouchi/Otemachi: 10.0%; Nihonbashi: 10.0%; Toranomon: 10.0%; Shibuya: 10.0%; Shinjuku: 10.0%; Tokyo peripheral 18 wards: 10.0%; Yokohama: 5.0%; Midosuji: 5.0%; Umeda: 5.0%; Nagoya: 10.0%; Sapporo: 5.0%; Sendai: 2.5%; Hiroshima: 2.5%; Fukuoka: 5.0%
 - Midosuji: 20.0%; Umeda: 20.0%; Nagoya: 30.0%; Sapporo: 10.0%; Sendai: 5.0%; Hiroshima: 5.0%; Fukuoka: 10.0%
- In calculating the weighted average expected cap rate of TOKYU REIT, the survey results of the Real Estate Investor Survey are applied to the expected cap rate of the region where the respective property held by TOKYU REIT is located.
 - Office properties are assumed to be class A buildings.

Source: Results of Japan Real Estate Institute's Japanese Real Estate Investor Survey

*Comments by Tokyu REIM

Investment Stance of Tokyu REIM

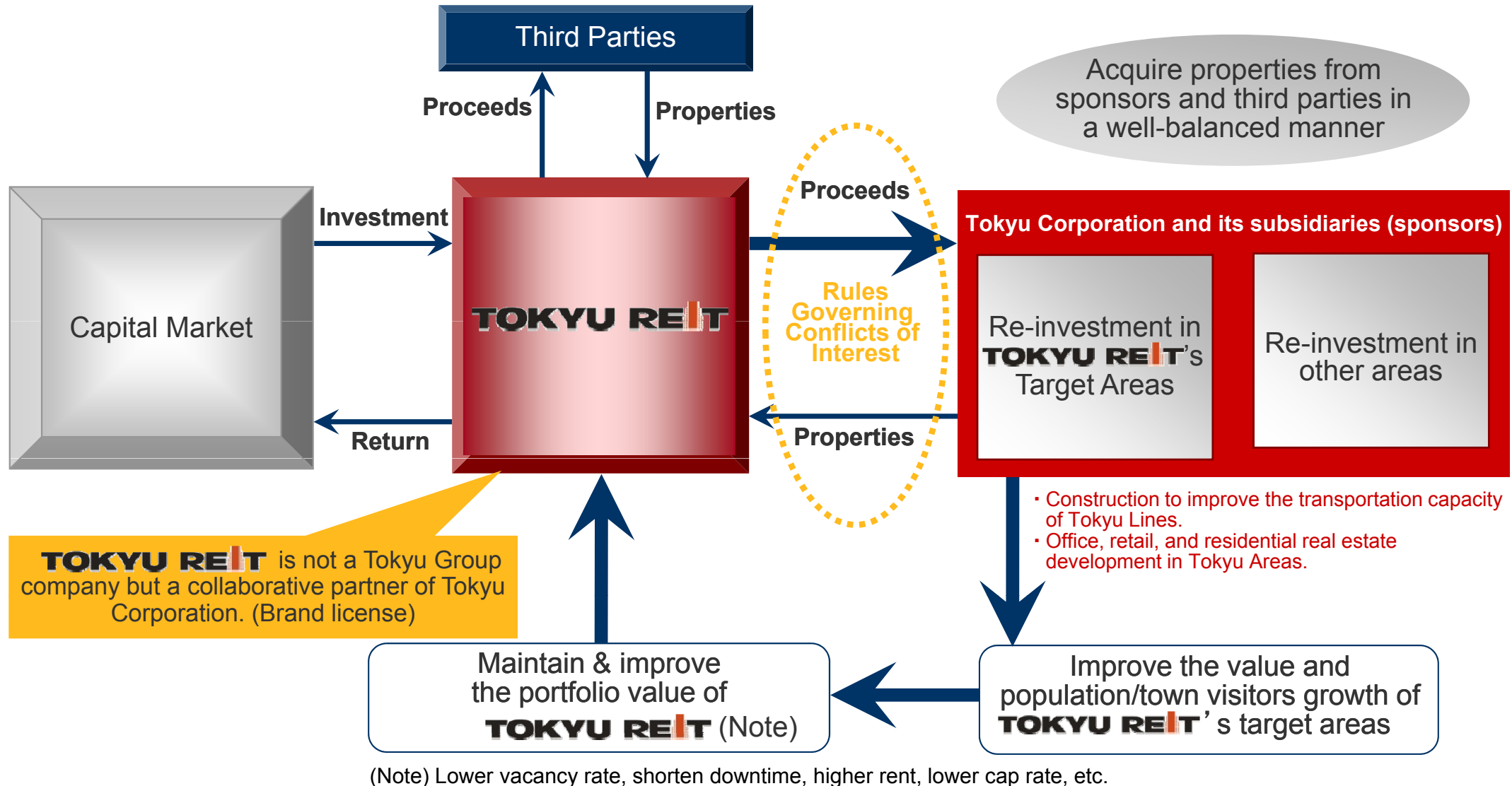
Fiduciary Duties of Tokyu REIM as REIT Management Company	<ul style="list-style-type: none"> • Employ an investment stance that enables the fulfillment of the “Fiduciary Duties” that are fundamental to the fiduciary Investment Manager and to provide significant added value.
Fund Structure with High Transparency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

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

*This page represents the views of Tokyu REIM

TOKYU REIT Capital Re-investment Model

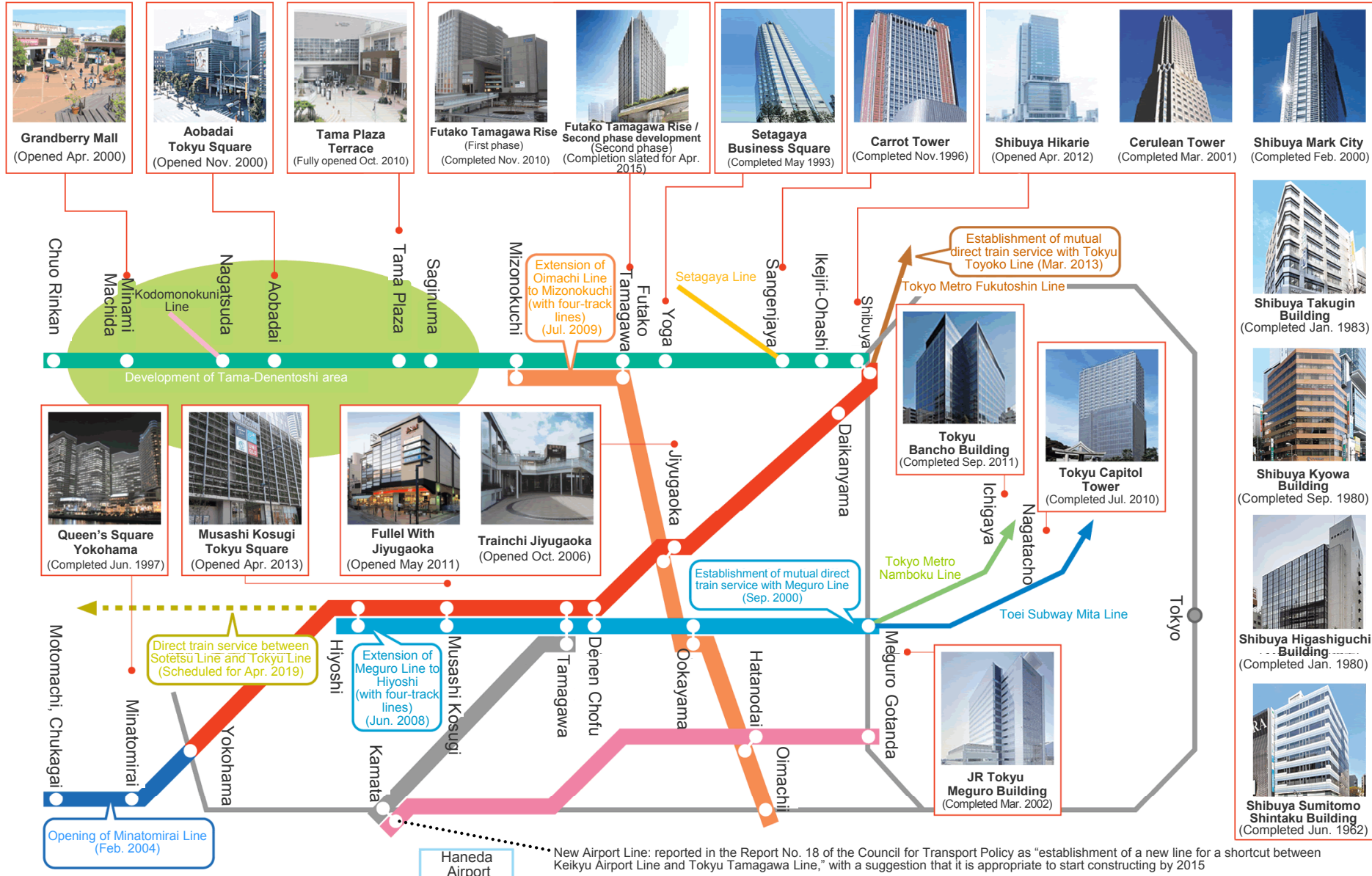
Growth through value enhancement of the Tokyu Areas (areas along Tokyu rail lines) and synergies from collaboration with Tokyu Corporation and its subsidiaries (sponsors).



*This page represents the views of Tokyu REIM

Major Properties Owned by Tokyu Corporation

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



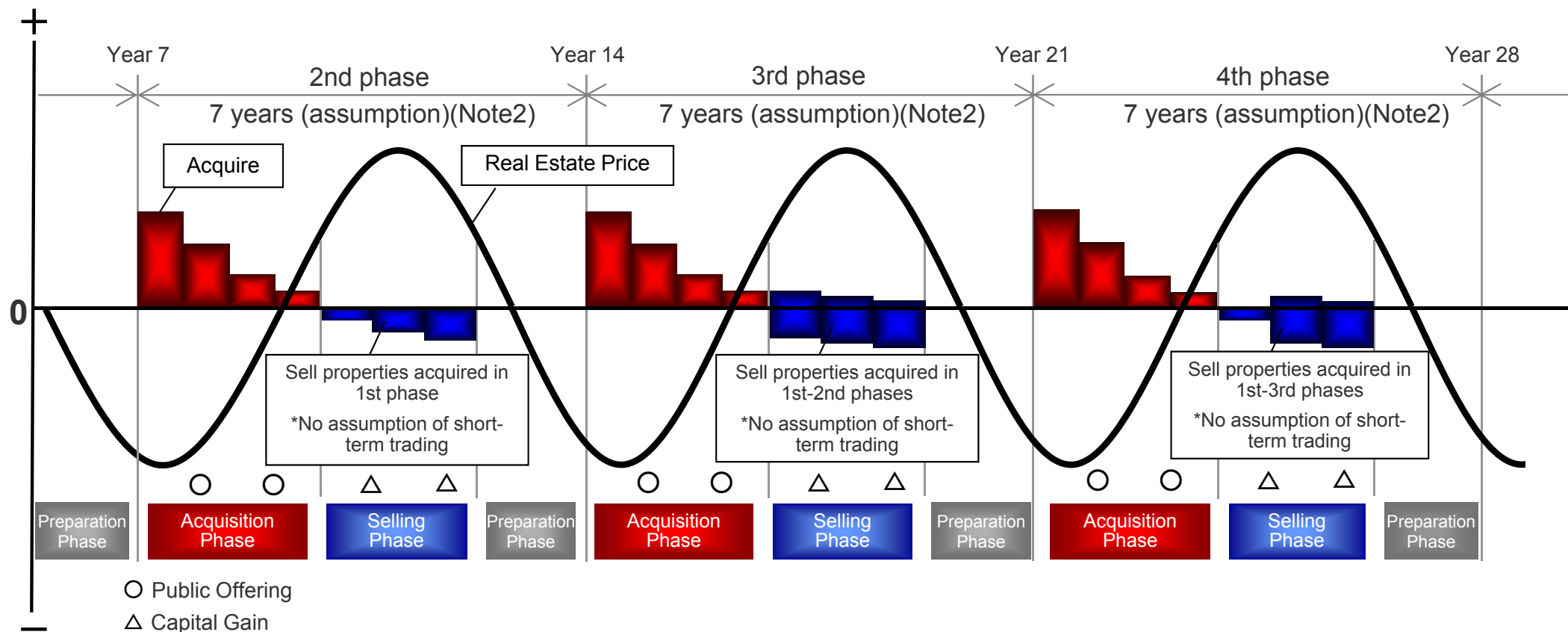
(Note) As of the date of this document, TOKYU REIT has no plan to acquire any of the properties shown above.

*Comments by Tokyu REIM

Value & Contrary

Through a value and contrarian investment approach (Note1) that focuses on the cyclical nature 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).

(Note 1) It is not intended for TOKYU REIT to engage in short-term trading in property investments.



(Note 2) Indicated as 7 years as of matter of convenience, and actual assumptions differ.

*This page represents the views of Tokyu REIM

Adjusted ROE Matrix

Aim to secure adjusted ROE of 5% (Note 1) or more.

(Note 1) REITs are considered to have less business risks as they differ from business companies. Thus, ROE target is also lower.

Cumulative Capital Gains Going Forward		Distribution per Unit after Deduction of Capital Gain/Loss (Note3)									Item		Amount
		¥2,000	¥2,200	¥2,400	¥2,600	¥2,800	¥3,000	¥3,200	¥3,400	¥3,600			
Capital Gain	¥0 mn	4.01%	4.41%	4.82%	5.22%	5.62%	6.02%	6.42%	6.82%	7.22%	Total Capital (¥ mn)	a	110,479
	¥500 mn	4.03%	4.44%	4.84%	5.24%	5.65%	6.05%	6.45%	6.86%	7.26%	Gain/loss on sales of properties (¥ mn)	b	13,182
	¥1,000 mn	4.06%	4.46%	4.87%	5.27%	5.68%	6.08%	6.49%	6.89%	7.30%	Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)		1,636
	¥2,000 mn	4.10%	4.51%	4.92%	5.33%	5.74%	6.15%	6.56%	6.97%	7.38%	Resona Maruha Building		18,258
	¥5,000 mn	4.23%	4.65%	5.08%	5.50%	5.92%	6.35%	6.77%	7.19%	7.62%	Ryoshin Harajuku Building		-7,179
	¥10,000 mn	4.47%	4.92%	5.37%	5.81%	6.26%	6.71%	7.16%	7.60%	8.05%	Beacon Hill Plaza (Ito-Yokado Noukendai Store)		466
											Reserve for Reduction Entry (¥ mn)	c	132
											Adjusted Capital after Deduction (¥ mn) (Note 2)	d=a-b+c	97,429
											Outstanding Units (Units) (Note 3)	e	977,600
											Adjusted Capital per Unit (¥)	f=d/e	99,661

(Note2) As for capital gains on transfer of Beacon Hill Plaza (Ito-Yokado Noukendai Store), distributions of amount equivalent to reserve for reduction entry aren't made. Thus, the amount is not deducted from the capital.

(Note3) 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

Overview of Amendments of Investment Management Fee

*** Correct balance between Base 1 and Base 2, which was disrupted due to structural changes in cap rate, in line with the principle to equally emphasize the growth of the appraisal value and the growth of cash flow. Total investment management fee after the amendments is expected to be on par with the current level after implementing the time-limited reduction of investment management fees.**

	Objective (Aim)	Formula		Note
		Before Amendments	After Amendments (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)	Asset value at end of previous period × 0.125% (0.120% 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 in current period × 6.0% (5.7% for the portion exceeding 5 billion yen and 7.5 billion yen or less) (5.4% 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%	(Average price in current period — Highest average price over all previous periods) × number of units × 0.4%
(Reference)				
Time-limited reduction (end)	Efforts to get back on the path to growth	Reduce 15% from Base 1		20th fiscal period to the 23rd fiscal period

(Note) Scheduled to be resolved at the Seventh General Meeting of Unitholders on April 17, 2015

* 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.

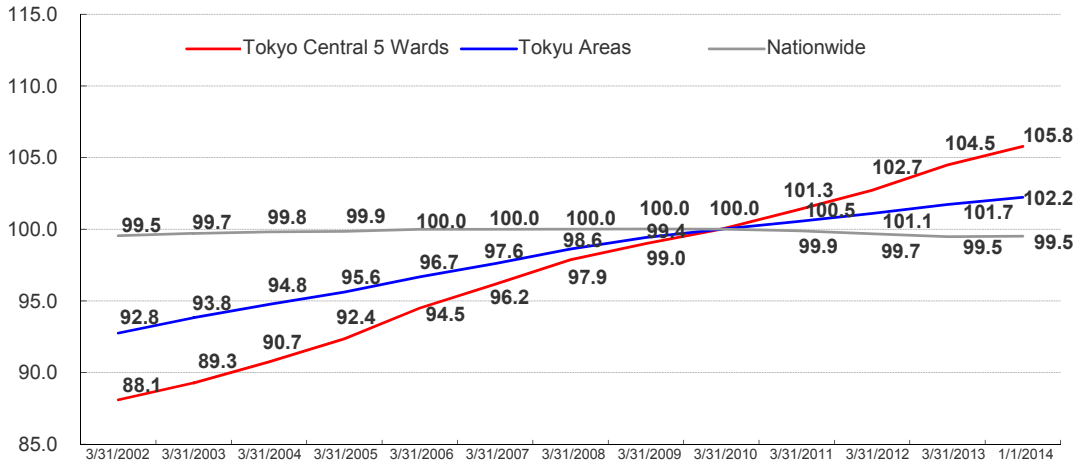
*** Investment management fee structure linked to three performance indices aimed to balance conflicts of interest by “being in the same boat as unitholders”**

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

Strengths of Major Target Areas (1)

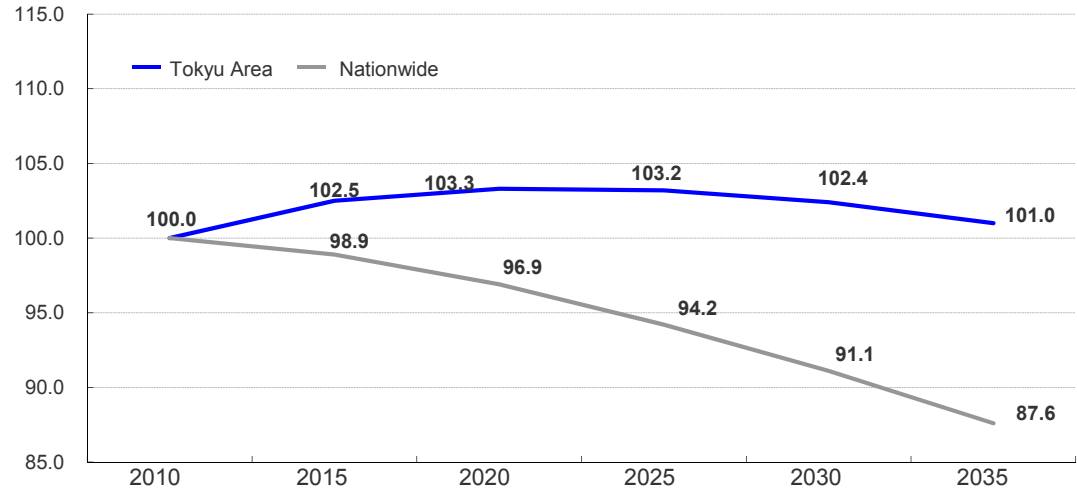
* The population of the nation is on a downward trend, but in major target areas of TOKYU REIT, economic growth stemming from population growth and enhancement of productivity can be expected.

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



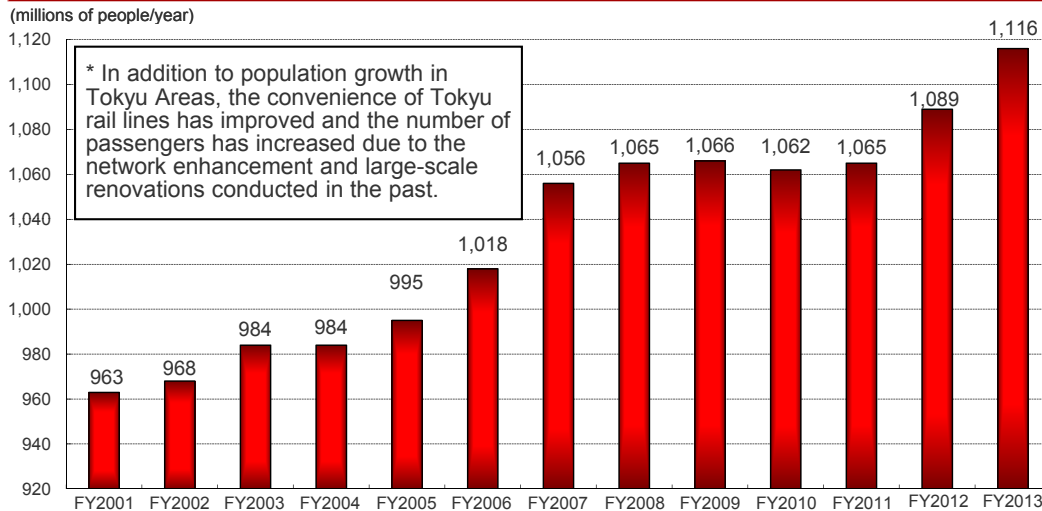
Source: Prepared by Tokyu REIM based on the "Population, Population Movement, and Number of Households from the Basic Resident Register" of the Ministry of Internal Affairs and Communications.

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.

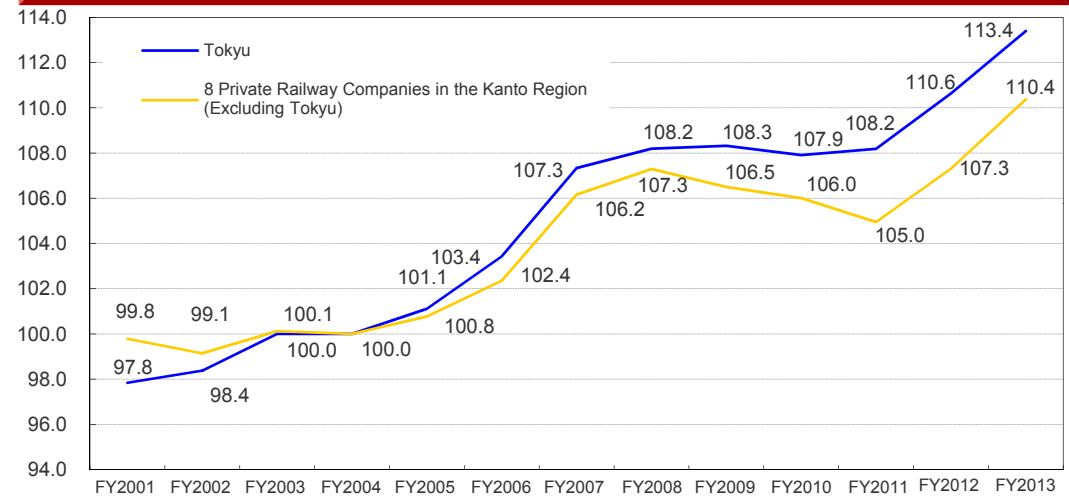
Number of Passengers Using Tokyu Rail Lines



* In addition to population growth in Tokyu Areas, the convenience of Tokyu rail lines has improved and the number of passengers has increased due to the network enhancement and large-scale renovations conducted in the past.

Source: The Association of Japanese Private Railways

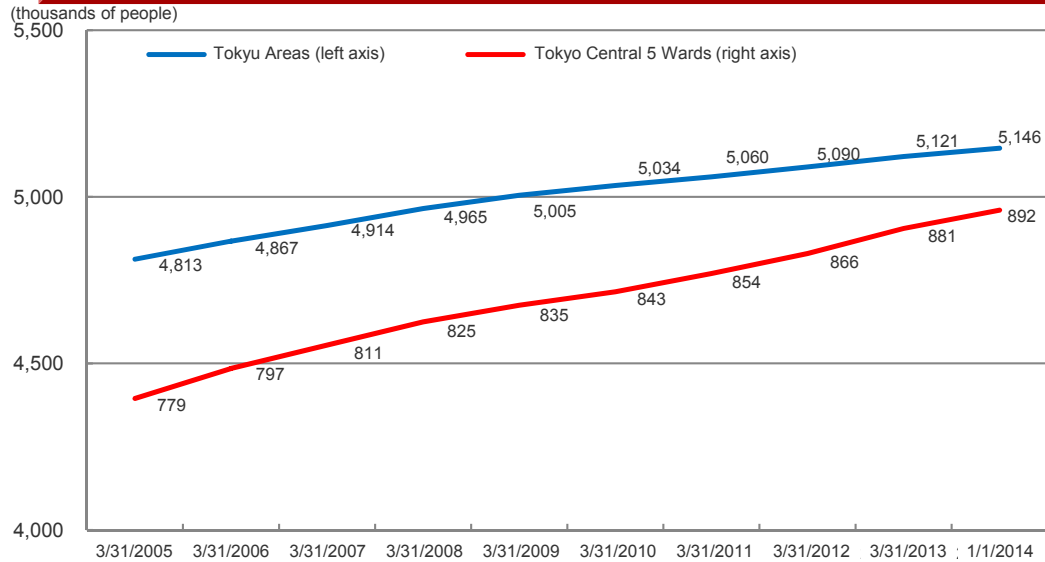
Changes in the Number of Passengers (Fiscal 2004 (Fiscal Period Ended Mar. 2005) = 100)



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, Keiiky, Keisei and Sagami Railway.

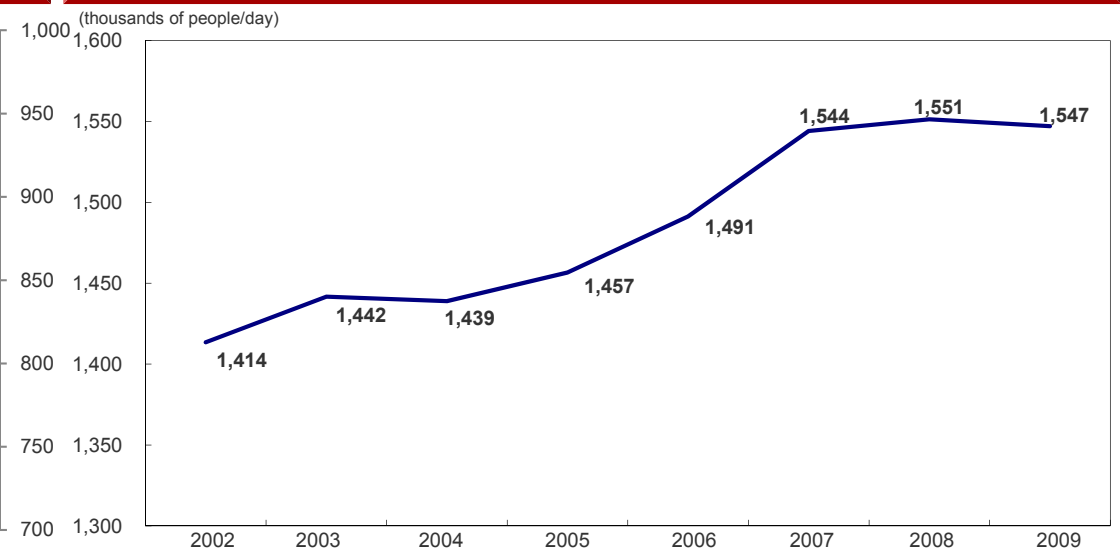
Strengths of Major Target Areas (2)

Population of Major Target Areas



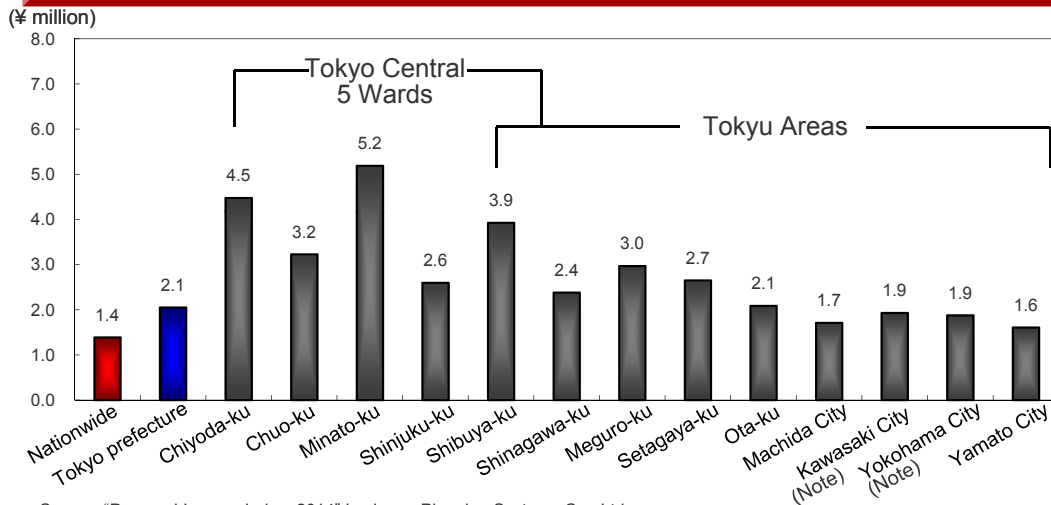
Source: "Population, Population Movement, and Number of Households" from the Basic Resident Register and "Population Census" of the Ministry of Internal Affairs and Communications (daytime populations after 2006 are unannounced).
 * Shibuya Ward is included in both the Tokyo Central 5 Wards and the Tokyu Areas (the population of Shibuya Ward is 200,000 people as of January 1, 2014).

Changes in the Number of Passengers Using Shibuya Station



Source: "Urban Transportation Yearbook (2002-2009) by the Institution of Transport Policy Studies."
 * The Number of Passengers Using Shibuya Station is the total number of passengers who use Shibuya Station via the Tokyu Line, JR Line, Keio Line and Tokyo Metro lines.

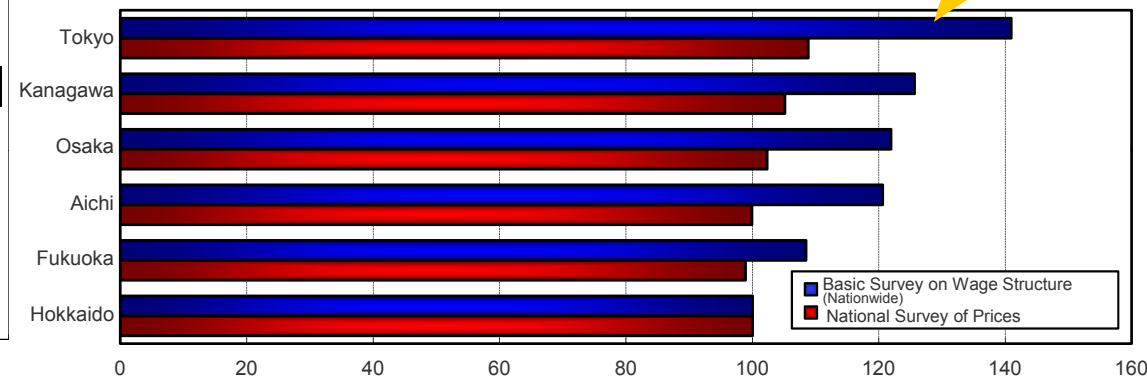
Personal Income Taxation Level by Area (2012)



Source: "Personal Income Index, 2014" by Japan Planning Systems Co., Ltd.
 (Note) The cities of Yokohama and Kawasaki include areas outside of the administrative districts of Tokyu Areas.

Wage and Consumer Price Levels (Hokkaido = 100)

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



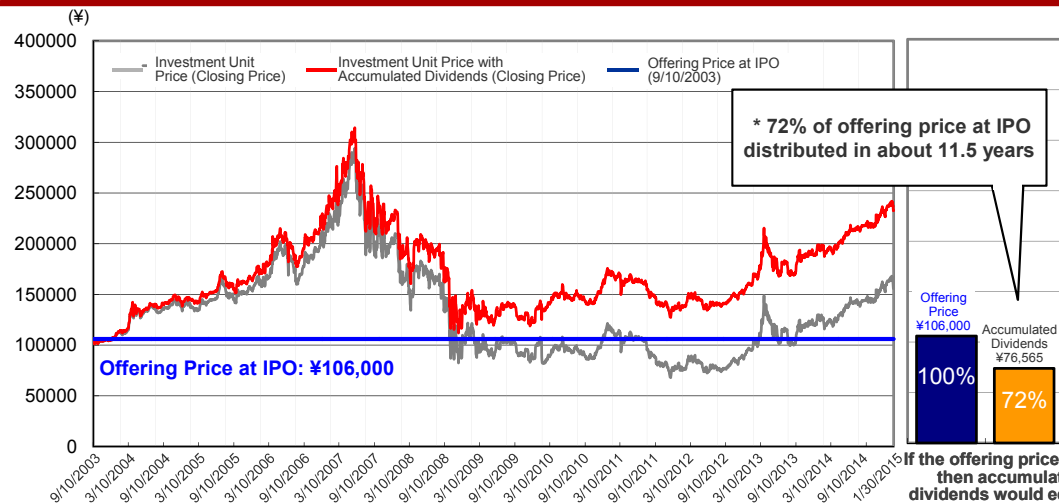
Source: "Scheduled cash earnings" in the Basic Survey on Wage Structure for fiscal 2013 by the Ministry of Health, Labour and Welfare "Regional Difference Index of Prices" in the 2007 National Survey of Prices by the Ministry of Internal Affairs and Communications.

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

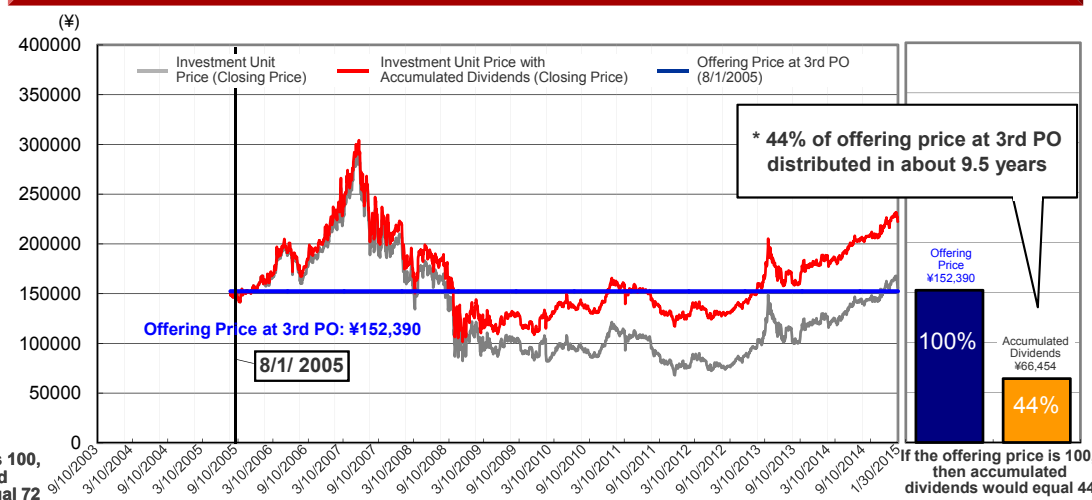
Performance Against Public Offering Price (Adjusted for Split of Investment Units)

* Yield greater than offering prices in the past four POs is provided.

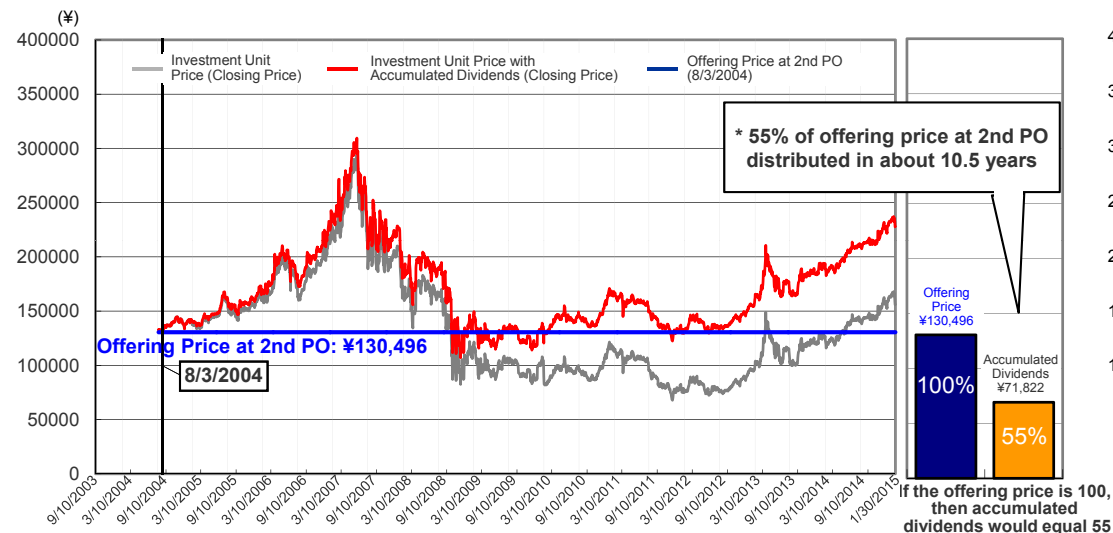
IPO (Initial Public Offering) (Issued Sep. 10, 2003)



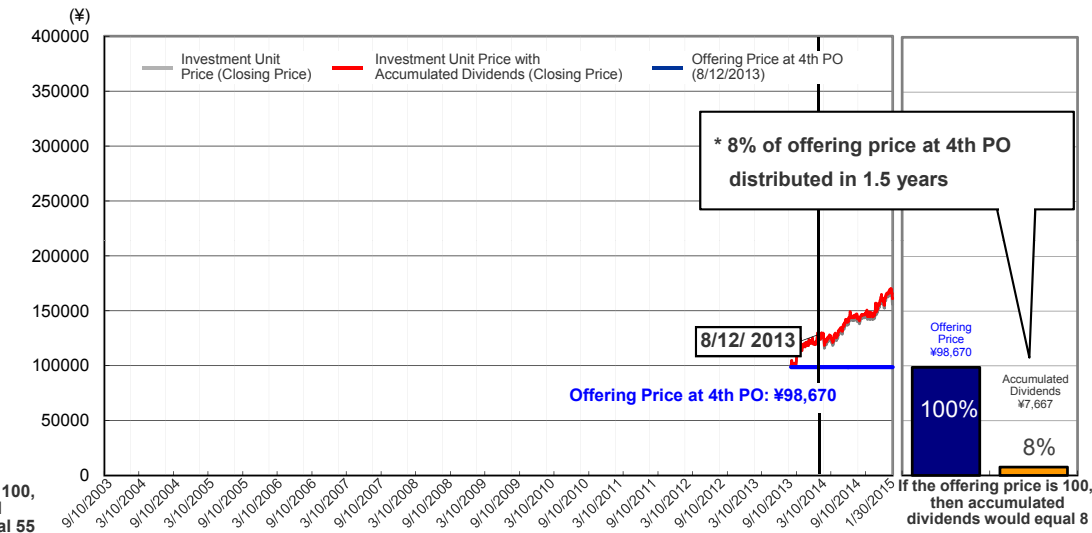
Third Public Offering (Issued Aug. 1, 2005)



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.

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.

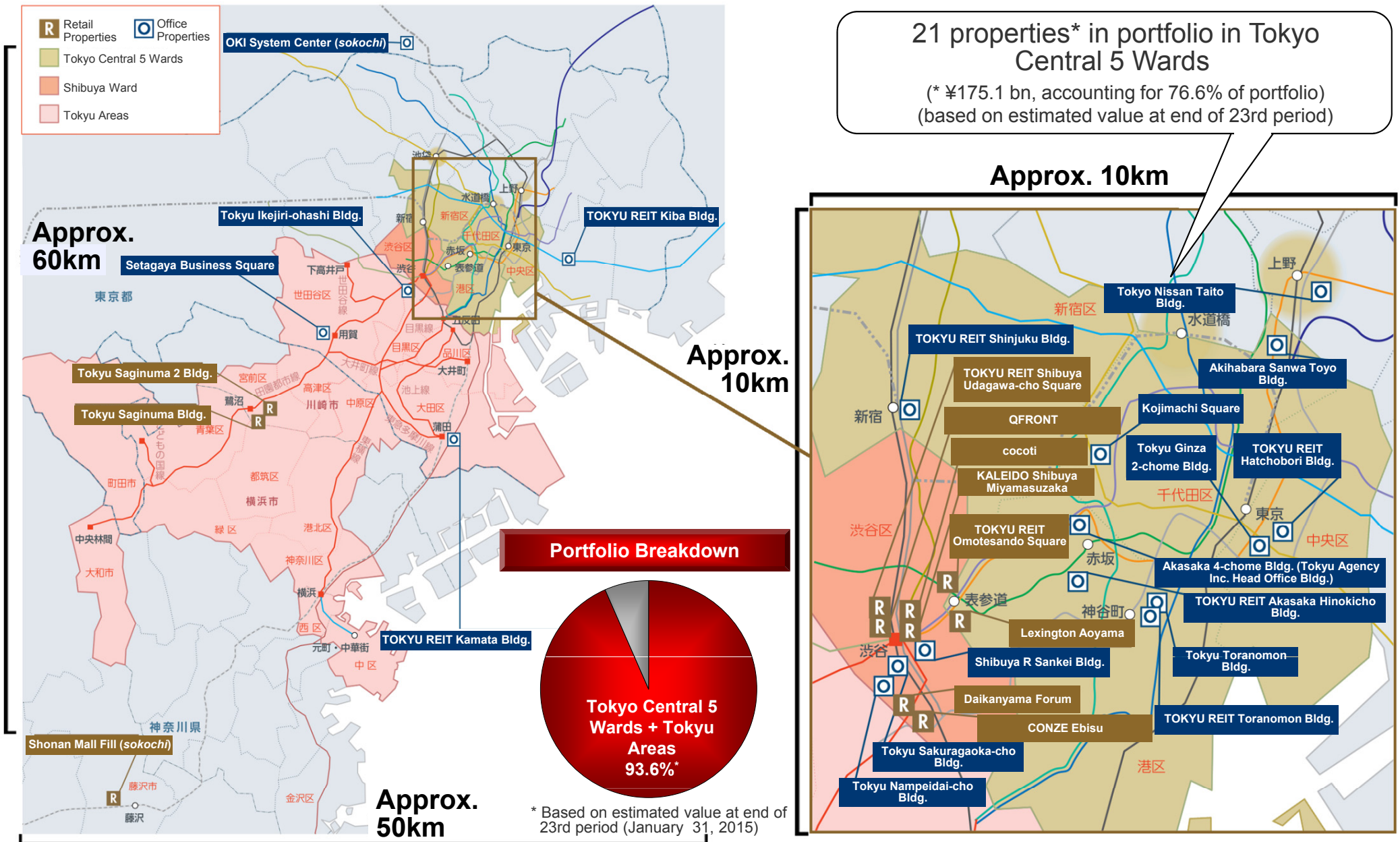
*Comments by Tokyu REIM



2. Portfolio Overview

Portfolio Overview

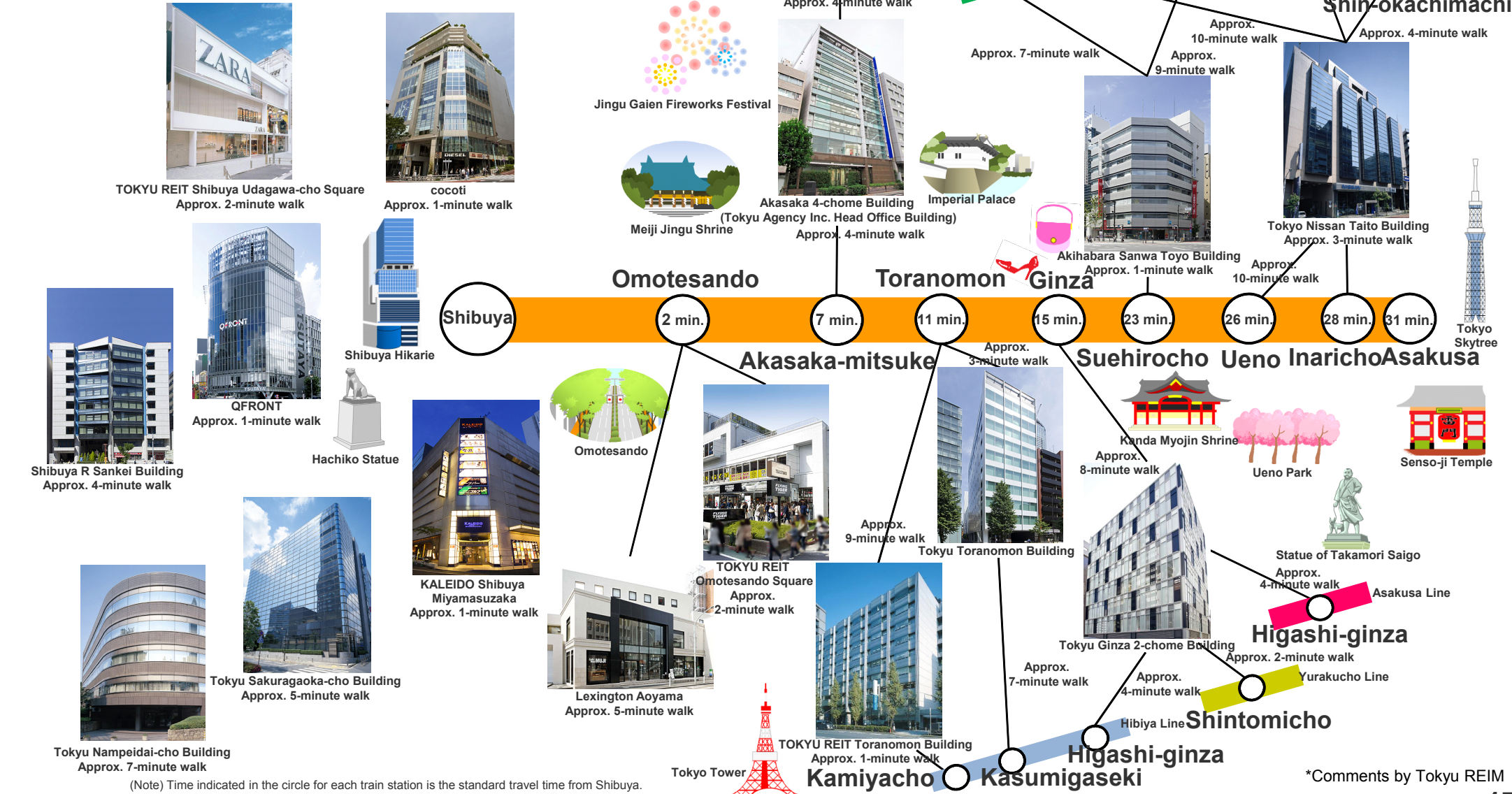
(As of March 16, 2015; 29 properties; Total acquisition price: 222.0 billion yen)



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

List of Properties Located in Areas Along Tokyo Metro Ginza Line (As of March 16, 2015)

TOKYU REIT portfolio 29 properties
(period-end estimated value: ¥228,660 mn)
Ginza Line properties 15 properties
(period-end estimated value: ¥140,820 mn)
* Accounting for 61.6% of portfolio (based on period-end estimated value)

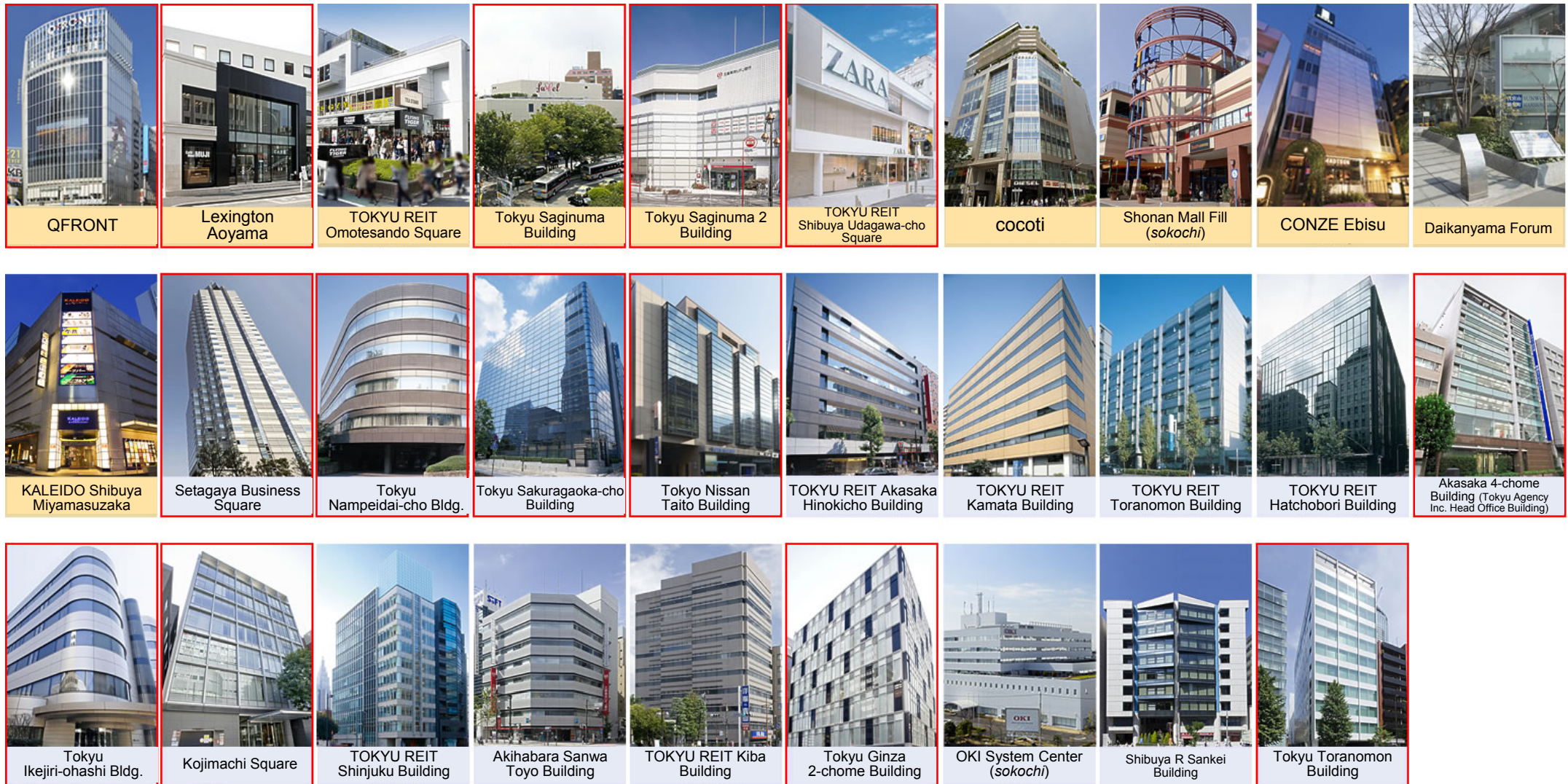


(Note) Time indicated in the circle for each train station is the standard travel time from Shibuya.

*Comments by Tokyu REIM

Portfolio Introduction

(As of March 16, 2015; 14 properties contributed by sponsors)



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

(TOKYU REIT Owns 12 Properties; Acquisition Price: ¥93.2 bn; Appraisal Value: ¥102.0 bn)



QFRONT



TOKYU REIT Shibuya Udagawa-cho Square



KALEIDO Shibuya Miyamasuzaka



cocoti



Tokyu Sakuragaoka-cho Bldg.



Tokyu Nampeidai-cho Bldg.



Shibuya R Sankei Bldg.



Lexington Aoyama



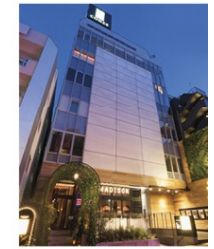
TOKYU REIT Omotesando Square



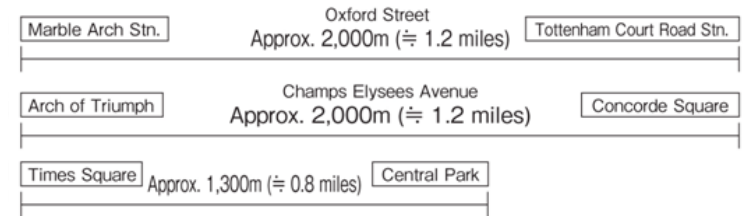
Daikanyama Forum



Tokyu Ikejiri-ohashi Bldg.



CONZE Ebisu



* 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.

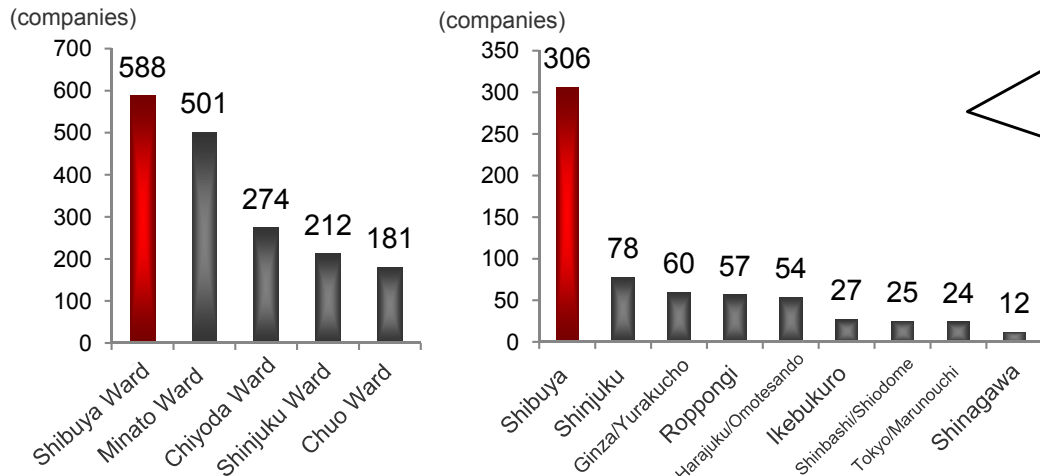
Attractiveness of Shibuya

* Shibuya has a concentration of IT, creative, apparel and design companies, and has one of the lowest vacancy rate in Tokyo

■ IT companies concentrate in Shibuya

Number of IT Companies Established Since 2000

<Number of IT Companies in Tokyo> <Number of IT Companies in 9 Urban Districts>



Source: Tokyu Research Institute, Inc.'s "Report on Survey of IT Companies in Shibuya (December 2013)"

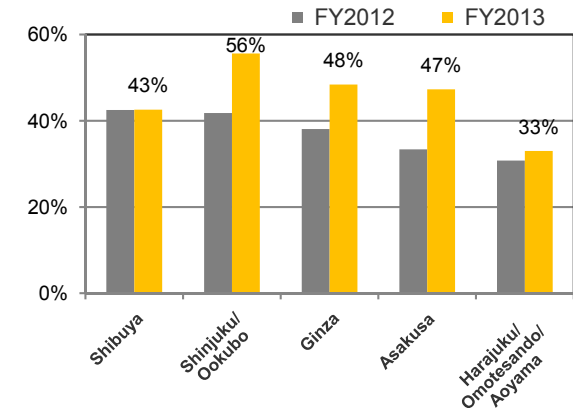
* Representative IT, creative, apparel and design companies that have set up offices in Shibuya.

- KDDI
- DeNA
- LINE
- GMO Internet
- CyberAgent
- NHK Enterprises
- Culture Convenience Club
- PIA
- United Arrows
- BAYCREW'S
- designam
- T3Design

■ Shibuya is among the most visited towns by foreign travelers to Tokyo

Towns Visited by Foreign Travelers (multiple responses)

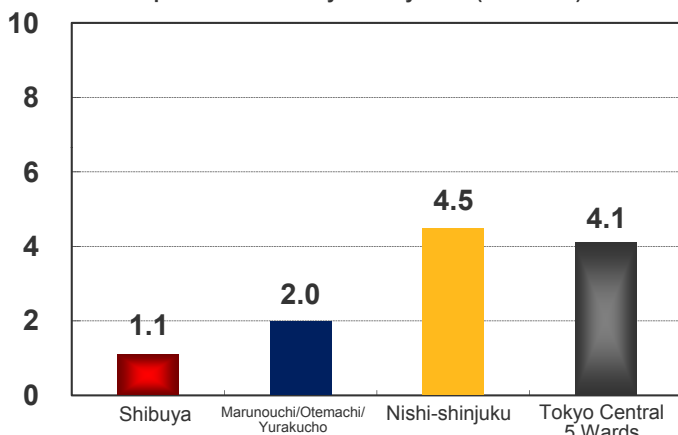
[Ranking of Shibuya] FY2012: 1st; FY2013: 4th



Source: Tokyo Metropolitan Government's "Fiscal 2013 Survey on Behavioral Characteristics of Foreign Travelers by Country" and "Fiscal 2012 Survey on Behavioral Characteristics of Foreign Travelers by Country" (*"Okubo" and "Omotesando" were added to the destination subject from fiscal 2013 survey.)

■ Vacancy rate relatively low in Shibuya

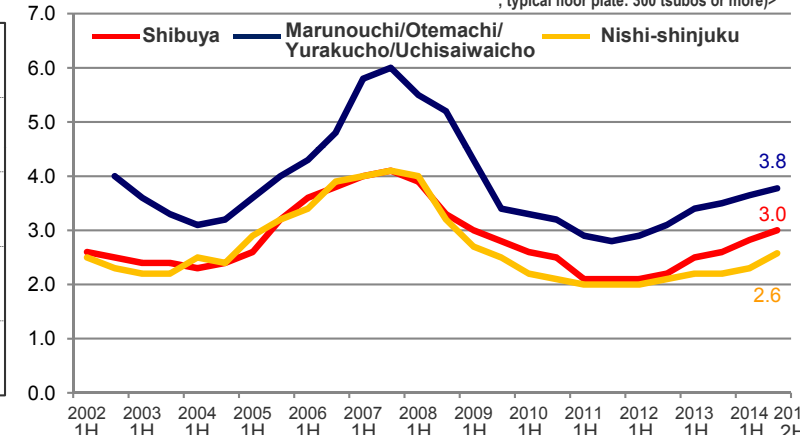
(%) <Comparison of Vacancy Rate by Zone (Dec. 2014)>



Source: CBRE K.K.

■ Shibuya outperforming Nishi-shinjuku in rent

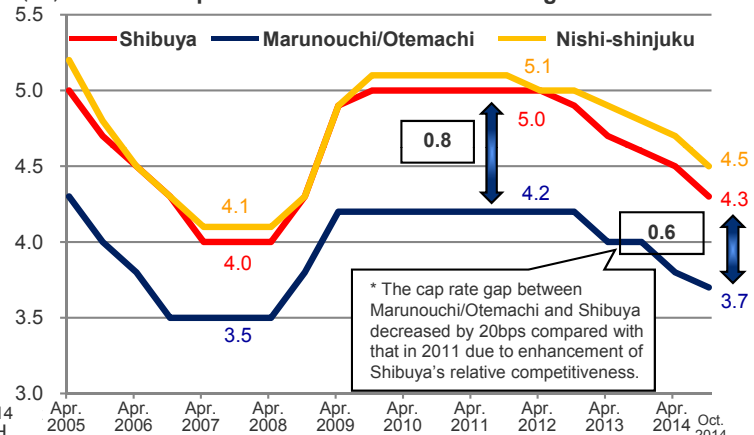
(¥10,000/tsubo) <Closing Office Rent (building age: 10 years; walk from station: approx. 5-min.; typical floor plate: 300 tsubos or more)>



Source: Prepared based on Nikkei Business Publications, Inc.'s Nikkei Real Estate Market Report "Closing Rent Survey of Rental Office Buildings by Area" data

■ Market cap rate relatively decreasing in Shibuya

(%) <Market Cap Rate of Class A Office Buildings>



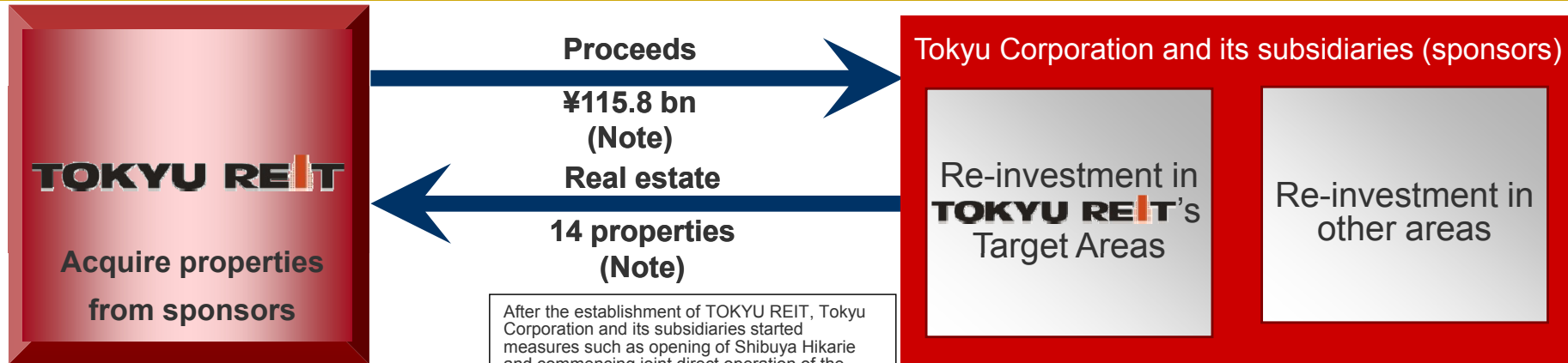
* The cap rate gap between Marunouchi/Otemachi and Shibuya decreased by 20bps compared with that in 2011 due to enhancement of Shibuya's relative competitiveness.

Source: Japan Real Estate Institute's "Japanese Real Estate Investor Survey"

*Comments by Tokyu REIM

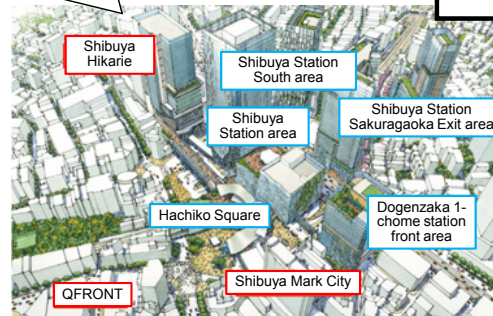
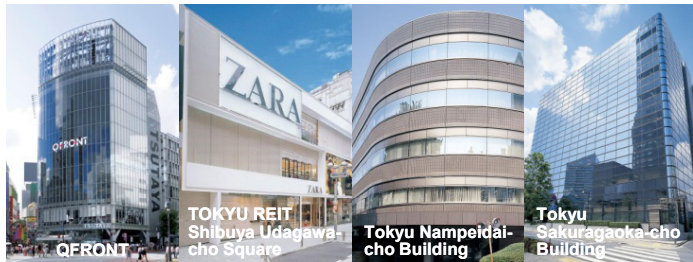
Example of Capital Re-Investment Model (Development Around Shibuya Station)

Aiming for sustainable growth through collaboration with Tokyu Corporation and its subsidiaries (sponsors) and value enhancement of the Shibuya area



After the establishment of TOKYU REIT, Tokyu Corporation and its subsidiaries started measures such as opening of Shibuya Hikarie and commencing joint direct operation of the Tokyu Toyoko Line with the Tokyo Metro Fukutoshin Line. As such, value enhancement of the Shibuya area is continuously promoted.

<Major properties acquired>



Development around Shibuya Station

Various promotional activities



Convey Shibuya's cultural attractiveness and direction as a town



Promote Shibuya area management in collaboration with local communities

Value enhancement of the Shibuya area

- Shibuya area investment properties of **TOKYU REIT**
- Lower vacancy rate
 - Higher rent
 - Higher appraisal value
 - Lower cap rate

Aim for stable growth of distribution and asset value

(Note) 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.

*This page represents the views of Tokyu REIM



3. Financial Results and Forecast

Partial amendments to investment management fees and appointment of a new executive director

Following proposals are scheduled to be submitted to the General Meeting of Unitholders to be held on April 17, 2015.

1. Amendments to the Articles of Incorporation of TOKYU REIT

(1) Amendments to investment management fees

- Correct balance between Base 1 (Linked to asset valuation) and Base 2 (Linked to cash flow)
- The investment management fee after the amendments is currently expected to be on par with the level of investment management fee under the time-limited reduction, which was applied from the 20th fiscal period to the 23rd fiscal period.

(2) Responses to system reforms

- Newly add provisions, etc. necessary concerning revisions to the Law for Investment Trusts and Investment Corporations

2. Appointment of Executive Director(Note)

Candidate: Kazuyoshi Kashiwazaki (Newly appointed)

(Note) Masahiro Horie, current executive director, will resign on April 30, 2015 due to the ending of term of office

3. Appointment of Supervisory Directors

Candidate: Giichi Yanagisawa (Came into office in June 2003)

Candidate: Maruhito Kondo (Came into office in June 2003)

Overview of Financial Results

		23rd Period Actual Ended Jan. 2015 (184 days)	22nd Period Actual Ended July 2014 (181 days)	Change	(%)	23rd Period Forecast Ended Jan. 2015 as of 9/12/2014	Change	(%)
Distribution per Unit	(¥)	2,586	2,517	69	2.7	2,500	86	3.4
Net Income per Unit (EPS)	(¥)	2,721	2,517	204	8.1	2,627	94	3.6
Balance of Reserve for Reduction Entry per Unit (After distribution)	(¥)	135	0	135	/	127	8	6.3
CapEx	(¥ million)	682	343	339	98.8	1,226	-543	-44.3
Adjusted ROE	(%)	4.47	5.08	-0.61	/	/	/	/
Occupancy Rate (End of Period)	(%)	97.1	97.6	-0.5	/	96.4	0.7	/
NOI Yield	(%)	4.15	4.35	-0.20	/	4.10	0.05	/
Unrealized Gain	(¥ million)	18,006	10,549	7,457	70.7	/	/	/
Unrealized Gains/Losses Ratio	(%)	8.55	4.86	3.69	/	/	/	/
Adjusted Net Asset Value (NAV) per Unit	(¥)	131,429	123,801	7,628	6.2	/	/	/
Average Unit Price during the Period (Closing)	(¥)	150,756	131,777	18,979	14.4	/	/	/
Average Balance of Assets during the Period (Based on Acquisition Price)	(¥ million)	220,702	229,622	-8,920	-3.9	/	/	/

<Acquisition Capacity>

LTV at End of Period	(%)	43.3	46.7	-3.4
Balance of Cash and Deposits with Banks at End of Period	(¥ million)	3,227	4,148	-921
Acquisition Capacity through Cash and Deposits with Banks	(¥ million) a	566	1,687	-1,121
Acquisition Capacity through Debt	(¥ million) b	31,090	15,193	15,897
Total Acquisition Capacity	(¥ million) a+b	31,657	16,881	14,776

* Decreased from initial assumption due to bidding and some constructions changing schedule of works to the 24th period and after.

- * 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 Balance of Assets during the Period (Based on Acquisition Price)
- * 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.

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

*Comments by Tokyu REIM

Forecast (Comparison with Initial Forecast)

		24th Period Forecast Ending July 2015 as of 9/12/2014 (181 days)	24th Period Forecast Ending July 2015 as of 3/16/2015 (181 days)	Change
Distribution per Unit	(¥)	2,400	2,420	20
Net Income per Unit (EPS)	(¥)	2,272	2,369	97
Balance of Reserve for Reduction Entry per Unit (After distribution)	(¥)	0	84	84

Operating Revenues	(¥ million)	6,969	7,112	143
Operating Expenses	(¥ million)	4,043	4,098	55
Operating Income	(¥ million)	2,925	3,013	87
Net Income	(¥ million)	2,221	2,316	94

CapEx	(¥ million)	919	1,035	116
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Adjusted ROE	(%)	4.60	4.80	0.19
NOI	(¥ million)	4,606	4,693	87
NOI Yield	(%)	4.22	4.26	0.04
LTV / Total Assets at End of Period	(%)	43.8	43.5	-0.30
LTV at End of Period	(%)	45.1	43.3	-1.80
Long-Term Debt Ratio at End of Period	(%)	100.00	100.0	—
Period End Occupancy Rate	(%)	95.9	98.0	2.1
Retail (Urban)	(%)	96.5	96.0	-0.5
Retail (Suburban)	(%)	100.0	100.0	0.0
Office	(%)	93.9	97.4	3.5

<Reserve for reduction entry>
24th period (Reversal: ¥50 mn)
(Initial forecast for 24th period: (Reversal:
¥125 mn))
25th period (Reversal: ¥82 mn)

(Major change)

(Operating Revenues)
Increase in rental revenues ¥ +59 mn
Increase in other rental revenues ¥ +83 mn

(Operating Expenses)
Increase in repair and maintenance costs
¥ +30 mn
Increase in other rental expenses ¥ +33 mn

<Repair and maintenance costs>
24th period: ¥256 mn
25th period: ¥268 mn

25th Period Forecast Ending Jan. 2016 as of 3/16/2015 (184 days)	Change
2,460	40
2,375	6
0	-84

7,139	26
4,132	34
3,006	-7
2,322	6

1,117	81
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4.74	-0.06
4,705	11
4.20	-0.06
43.5	0.0
43.2	-0.1
100.0	—
97.7	-0.3
96.0	0.0
100.0	0.0
97.0	-0.4

* In calculating the forecasted period end occupancy rate as of March 16, 2015, it is assumed that spaces for which notices of cancellation were received as of February 28, 2015 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of February 28, 2015 are assumed to remain vacant.

* In preparing the forecast cash flow, calculations are based on lease contracts effective as of February 28, 2015 and spaces for which notices of cancellation were received from tenants by February 28, 2015 are expected to be vacant during the period from the cancellation date to the end of the 25th period. Assumptions of decrease in revenues due to rent amount decreases and move-outs and assumptions of increase in revenues due to rent amount increases and new move-ins are additionally factored into the above in preparing the forecast. In addition, if the assumed amount of increase in revenues exceeds the assumed amount of decrease in revenues, the excess amount is not counted in the forecast.

* 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)

		23rd Period Actual Ended Jan. 2015 (184 days)	24th Period Forecast Ending July 2015 (181 days)	Change
Distribution per Unit	(¥)	2,586	2,420	-166
Net Income per Unit (EPS)	(¥)	2,721	2,369	-352
Balance of Reserve for Reduction Entry per Unit (After distribution)	(¥)	135	84	-51
Operating Revenues	(¥ million)	7,541	7,112	-428
Operating Expenses	(¥ million)	4,157	4,098	-58
Operating Income	(¥ million)	3,383	3,013	-369
Net Income	(¥ million)	2,660	2,316	-344
CapEx	(¥ million)	682	1,035	353
Adjusted ROE	(%)	4.47	4.80	0.33
NOI	(¥ million)	4,614	4,693	79
NOI Yield	(%)	4.15	4.26	0.11
LTV / Total Assets at End of Period	(%)	43.4	43.5	0.1
Long-Term Debt Ratio at End of Period	(%)	100.0	100.0	0.0
Period End Occupancy Rate	(%)	97.1	98.0	0.9
Retail (Urban)	(%)	97.9	96.0	-1.9
Retail (Suburban)	(%)	100.0	100.0	0.0
Office	(%)	95.5	97.4	1.9

(Major change)

(Operating Revenues)

Increase in other rental revenues ¥ +53mn

Gain on sale of Beacon Hill Plaza (Ito-Yokado Noukendai Store) ¥ -466mn

(Operating Expenses)

Decrease in repair and maintenance costs ¥ -42mn

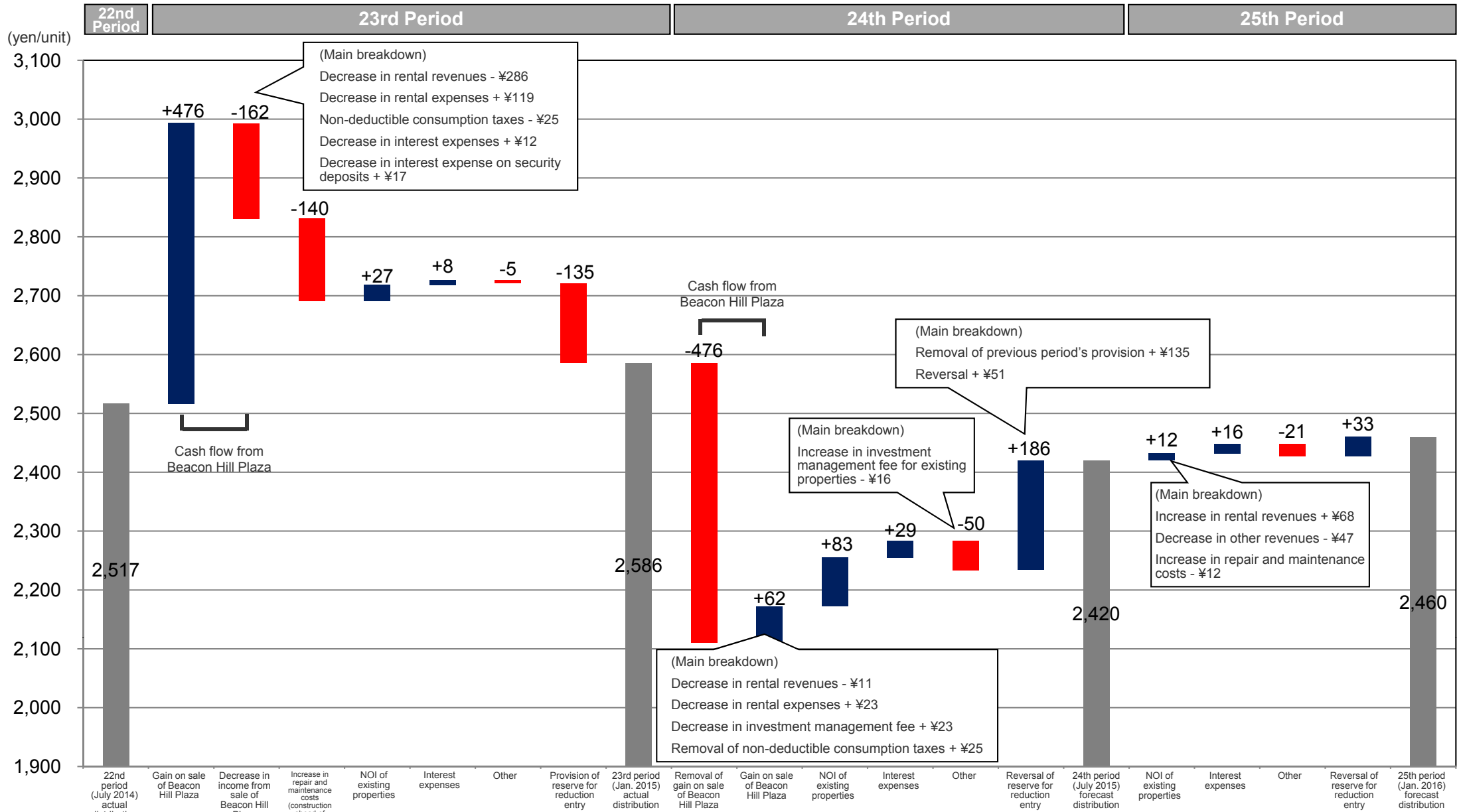
* In calculating the forecast period-end occupancy rate, it is assumed that spaces for which notices of cancellation were received as of February 28, 2015 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of February 28, 2015 are assumed to remain vacant.

* The forecast cash flow is prepared based on lease contracts effective as of February 28, 2015 and by additionally factoring in assumptions of decrease in revenues due to rent amount decreases and move-outs and assumptions of increase in revenues due to rent amount increases and new move-ins. In addition, if the assumed amount of increase in revenues exceeds the assumed amount of decrease in revenues, the excess amount is not counted in the forecast.

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

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

Breakdown of Increase/Decrease in Distribution



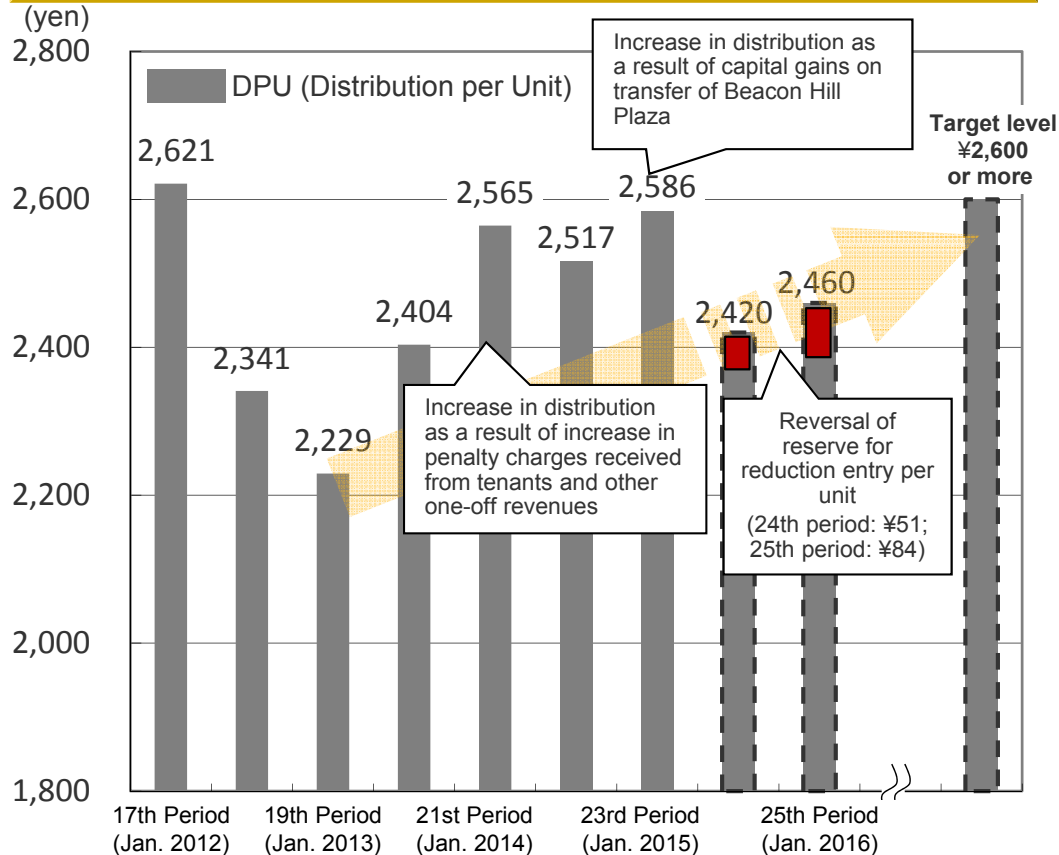
* Existing properties refer to the 29 properties remaining when Beacon Hill Plaza (Ito-Yokado Noukendai Store) is excluded.

* Each variable factor is stated in the amount arrived at when the amount of change from the previous period is divided by the total number of investment units (977,600 units), rounded down to the nearest yen.

Future Distribution / Maintained EPS

Target DPU Level

Aim for recovery of distribution to 2,600 yen or more by placing the 19th fiscal period (ended January 2013) as the bottom.



<Reference: Capacity resulting from internal growth>
 Based on EPS for the 24th period, assumed cases when free-rent periods under current contracts and such ends, and tenants occupy all vacant spaces which presently exist at the market rents. In addition, TOKYU REIT has acquisition capacity of ¥31.6 bn.

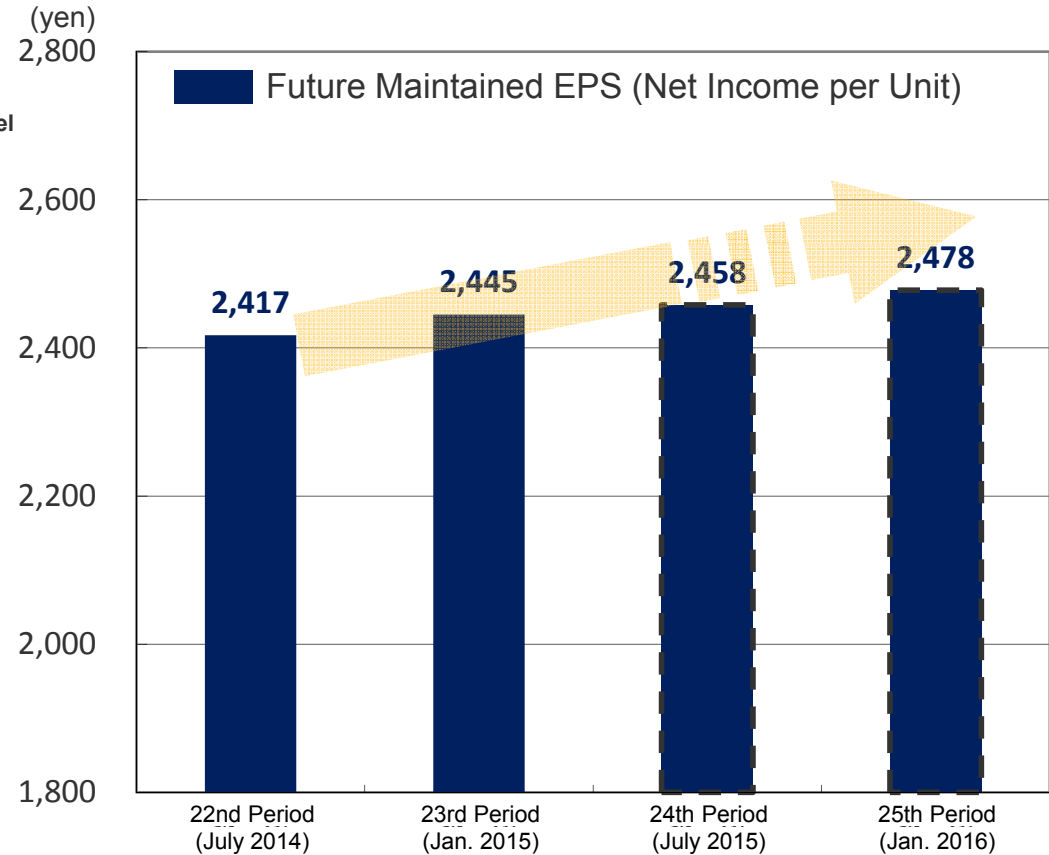
Assumed EPS for (100% occupancy rate (Note 1)) is ¥2,620 (Note 2).

(Note 1) Record-high occupancy rate: 99.9% (Breakdown: Office 99.7%, Retail 100%)

(Note 2) Interest expenses and other factors are figures of the 24th period. It is assumed that there will be no property acquisitions.

Future Maintained EPS (Note 3)

Expect steady growth in future maintained EPS as a result of internal growth.



(Note 3) Assumptions of future maintained EPS
 Calculated by excluding following special factors from actual and forecast figures for 29 properties, the number after excluding Beacon Hill Plaza sold in the 23rd period (figures in parentheses represent those after EPS conversion).

1. Capital gains of Beacon Hill Plaza (23rd period: ¥476) and Cash flow of Beacon Hill Plaza (excluding capital gain) (22nd period: ¥100, 23rd period: -¥60)
2. Increase in repair and maintenance costs due to construction ahead of schedule (23rd period: ¥140, 24th period: ¥89, 25th period: ¥102)

*This page represents the views of Tokyu REIM

Acquisition of Contiguous Land and Extension of Tokyu Toranomon Building (1)

1. Significance of Acquisition

- Tokyu Toranomon Building is a multi-tenant office building which was completed about five years ago and is located a three-minute walk from Toranomon Station on the Tokyo Metro Ginza Line.
- In addition to the opening of Loop Road No. 2 (Shintora-dori), the improvement of underground access and exits from Toranomon Station on the Tokyo Metro Ginza Line, establishment of a new station on the Tokyo Metro Hibiya Line in Toranomon and establishment of a new bus terminal are scheduled, where Tokyu Toranomon Building is situated. Thus, improvement in access from the Property to subways and further growth of the area are anticipated.
- The acquisition of contiguous land and extension of Tokyu Toranomon Building are expected to lead to doubling the frontal road portion facing Sakurada-dori, the improvement of floor shape, and an increase in the floor area per standard floor, contributing to an increase in the value of the property.

2. Details of Contiguous Land of Tokyu Toranomon Building

- Type of Acquisition: Domestic real estate
- Use: Office (planned)
- Location: 1-chome Toranomon, Minato-ku, Tokyo
Approximately a three-minute walk from Toranomon Station on the Tokyo Metro Ginza Line
Approximately a seven-minute walk from Kasumigaseki Station on the Tokyo Metro Chiyoda and Hibiya Lines
Approximately an eight-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line
Approximately a nine-minute walk from Kasumigaseki Station on the Tokyo Metro Marunouchi Line
- Total Land Area: 251.91m²
- Type of Ownership: Proprietary ownership
- Acquisition Price: ¥1,850 million
- Appraisal Value at time of Acquisition: ¥1,340 million (as of December 1, 2014)
- Investigative Value (Note): ¥1,900 million (as of December 1, 2014)
- Acquisition Date: January 9, 2015
- Seller: Nisso Building Co., Ltd.

(Note) The investigative value indicated in the investigation report by Japan Real Estate Institute (maximum amount of purchase as of December 1, 2014, in the case of acquisition of the Land for the purpose of building an extension to Tokyu Toranomon Building).

3. Details of Extension Work

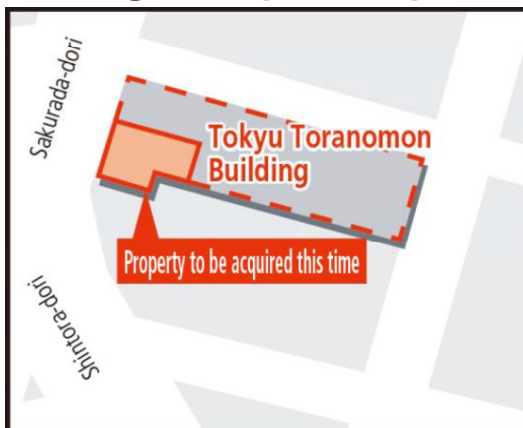
- Total Project Cost: ¥3,400 million (estimated)
(sum total amount of the acquisition price and the design supervision costs, construction costs, investigation costs and other costs of the land)
- Schedule: October 2015: Commencement of construction of building extension (planned)
November 2016: Completion of construction and delivery of building extension (planned)
- Supervision: Tokyu Corporation, the developer of Tokyu Toranomon Building, is scheduled to provide construction management services.



Acquisition of Contiguous Land and Extension of Tokyu Toranomon Building (2)

Focus on increasing not only income gains but also future sales price (terminal value) by acquisition of contiguous land and extension of the building.

■ Enlarged Map of Acquired



■ Image of Exterior of Tokyu Toranomon Building after Extension



*This is an image prepared based on design materials and may differ from the actual.

■ Effects of Extension (aim increase in cash distribution per unit of approximately 30 yen/period)

The increase in the frontal road portion facing Sakurada-dori, the improvement of the floor shape, and the expansion of the floor area per standard floor will contribute to the improvement of value of the property. Through appropriation of cash on hand to the extension costs (¥3,400 million), the cash distribution per unit is expected to increase (approximately 30 yen/period). In case the construction plan has been changed from currently assumed proposal (expansion proposal) to integral structure proposal, further increase in exclusive area can be expected.

Item	Before Extension (A)	After Extension (B)	Increase Due to Extension (B – A)
Frontal Road Portion	14.0m	27.8m	13.8m
Floor Area per Standard Floor	984.55m ²	1,161.35m ²	176.80m ²
Total Floor Area	12,557.47m ²	14,459.37m ²	1,901.90m ²
NOI (Note 1)	¥606 million (annual)	¥747 million (annual)	¥140 million (annual)
NOI Yield (Note 2)	4.04%	4.06%	0.02%
Acquisition Price	¥15,000 million	¥18,400 million	¥3,400 million
Appraisal Value	¥17,100 million	¥21,400 million	¥4,300 million

(Note 1) NOI before the extension is the annualized figure of actual NOI for the twenty-second fiscal period (ended July 31, 2014). NOI after the extension is the figure obtained when the amount estimated at this point in time as the estimated annual increase in NOI due to the extension is added to the NOI before the extension.

(Note 2) NOI yield before the extension is calculated by dividing the NOI before the extension by the acquisition price of Tokyu Toranomon Building. NOI yield after the extension is calculated by dividing the NOI after the extension by the figure obtained when the total project costs for extension (¥3,400 million) is added to the acquisition price of Tokyu Toranomon Building.

*The figure is based on the proposal for consideration of extension (volume plan) and placing expansion proposal as premise. Therefore, it is subject to change.

■ Risks related to Extension and Responses

Risk	Response
Permission and Authorization Risk	Confirmation will continue to be made with the parties concerned regarding various laws and regulations.
Construction Completion Risk	A construction company with high construction capabilities will be carefully selected.
Risk of Soaring Construction Costs	The costs will be thoroughly managed by anticipating and including the soaring construction costs in the project income and expenses.
Leasing Risk	The floor area expansion within the building and active leasing activities will be carried out by utilizing the location advantages in the Toranomon area.

Tokyu Corporation, the developer of Tokyu Toranomon Building, is scheduled to provide construction management services to reduce the risks associated with extension.

*This page represents the views of Tokyu REIM

* Continue to acquire properties with a focus on total return that includes not only income gains during the investment period but also the terminal value.

■ Significance of Acquisition

- The acquisition will raise TOKYU REIT's compartmentalized ownership and co-ownership interest in the property, contributing to the greater operational efficiency.
- The acquisition will contribute to the greater total return by increase in terminal value due to enhancement of liquidity, etc. in future sales.
- The acquired asset is a compartment assumed for retail use and the introduction of the convenient facility is anticipated to produce synergies with office compartments.
- The property is located within walking distance from Tokyu Toranomom Building and able to meet demand for temporal alternate floors upon extension work at the building.
- Incorporation of the area potential improvement effects (Note).

(Note) In the Toranomom area, establishment of a new station on the Tokyo Metro Hibiya Line in Toranomom and establishment of a new bus terminal are scheduled as a project for development of the Tokyo central and bay areas with a focus on the district surrounding Loop Road No. 2 from Shimbashi to Toranomom. It is able to access the new station on the Tokyo Metro Hibiya Line in Toranomom and the new bus terminal, those scheduled to be newly established, on foot from the property.

■ Details of Additional Acquisition

- Property Name: TOKYU REIT Toranomom Building
Land: Site rights (Interest of site rights: approx. 1.46%)
Building: Compartmentalized ownership (Compartment on 1F)
Floor area: 95.06m² (0.8% interest of the registered exclusive ownership area)
- Address: 3-chome Toranomom, Minato-ku, Tokyo
Approximately a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line
Approximately a nine-minute walk from Toranomom Station on the Tokyo Metro Ginza Line
Approximately a nine-minute walk from Onarimon Station on the Toei Subway Mita Line
- Acquisition Price: ¥107 million
- Acquisition Date: January 21, 2015
- Seller: 1 individual



TOKYU REIT Toranomom Building

Compartmentalized ownership and co-ownership of the compartmentalized ownership after additional ownership
(Land) Interest of the site rights: 84.7% → 86.1%
(Building) Interest of the registered exclusive ownership area: 88.6% → 89.3%

Sale of Beacon Hill Plaza (Ito-Yokado Noukendai Store) (Re-posting of the material disclosed on June 6, 2014)

* Generated capital gains of ¥466 mn and IRR of investment in the Property (investment period: 10 years) is approx. 6.6%.

1. Details of Property for Sale

(1) Location	: 3-1, Noukendai-Higashi, Kanazawa-ku, Yokohama City
(2) Area	: Area not in “primary targeted areas” (area accounting for no more than 15% of investment)
(3) Sale Price	: ¥8,720 mn (Note 1)
(4) Appraisal Value as of Sale (as of May 1, 2014)	: ¥8,650 mn (CBRE K.K.)
(5) Appraisal Value as of Period End (as of end of Jan. 2014)	: ¥8,060 mn (Japan Valuers Co., Ltd.)
(6) Book Value (expected value as of sale date)	: ¥8,189 mn
(7) Amount of Difference from Sale Price and book value (expected value as of sale date)	: ¥530 mn
(8) Capital Gains (gain on sale) (expected value as of sale date)	: ¥466 mn (Note 2)
(9) Acquisition Price (acquired in August 2004)	: ¥9,520 mn
(10) Buyer	: Ito-Yokado Co., Ltd. (exercise of preferential negotiation right)
(11) Tenant	: Ito-Yokado Co., Ltd.
(12) Schedule	: Sale contracted on June 6, 2014 and closed on August 8, 2014
(13) Internal Rate of Return (IRR)	: Approx. 6.6%



(Note 1) Sale price of ¥8,720 mn, less tenant leasehold and security deposits and sale-related costs, arriving at proceeds from sale of ¥6,507 mn

(Note 2) Calculated as amount of difference (of book value) from sale price (¥530 mn), less sale-related costs

2. Background of the Sale

- (1) The investment environmental analysis based on the current Long-Term Investment Management Strategy (Surf Plan) is in the “Acquisition Phase.” Although property prices are on an upward trend, TOKYU REIT decided that the price level is sufficient to consider possible sales of some properties for replacement.
- (2) Continuous value-enhancing measures have been taken for the Property, such as the renovation of external walls during the 20th period (ended July 2013), contributing to the 100% occupancy rate.
- (3) Being approached for possible sale with conditions that exceed the market value level (surpassing the appraisal value at the end of the 21st period (ended January 2014) by around 8.2%), TOKYU REIT discussed actions including approaching the tenant as to its interest in exercising the preferential negotiation right.
- (4) TOKYU REIT’s investment policy is to concentrate investments in the Tokyo Central 5 Wards and Tokyu Areas. Although the Property is expected to contribute to stable earnings for the time being, it is not situated in TOKYU REIT’s primary investment targeted areas (rather in an area with investment ratio of 15% or less). Furthermore, taking into consideration the sale price, the agreement terms with the tenant (the planned rent revision in June 2017, the current agreement expiring in June 2018), etc. comprehensively, TOKYU REIT has judged that conducting the sale of the Property will best contribute to maximizing the unitholder value from the point of total return, and thus made the decision.
- (5) While the NCF cap rate of the entire portfolio based on the appraisal value at the end of the 21st period (ended January 2014), which indicates the quality of the portfolio, is 4.49%, the NCF cap rate of the Property based on the appraisal value at the end of the same period is 5.40%. Therefore, the enhancement of portfolio quality can be expected from the sale of the Property.

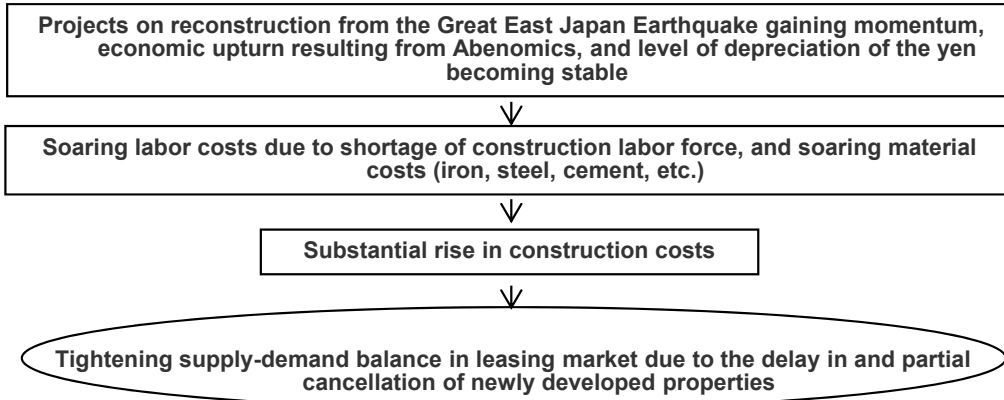
*Comments by Tokyu REIM

Measures against Soaring Construction Costs

– Realize Reduction in Construction Costs –

* Under the circumstances of soaring construction costs, TOKYU REIT realized over 16% reduction in construction costs in major construction works from the budget by placing construction orders separately, diversifying construction period, placing orders on early date, implementing bidding, etc. TOKYU REIT will aim to enhance property competitiveness, tenant satisfaction and asset value by continuing preparation for future soaring construction costs.

■ Impact of Soaring Construction Costs



Implementation of construction ahead of schedule

<Purpose of Implementation of Construction Ahead of Schedule>

- 1. Preparation for future soaring construction costs**
 - Facilities and equipment construction prices became relatively flat, but the prices are likely to increase going forward.
- 2. Enhancement of property competitiveness and tenant satisfaction**
 - Seek to enhance property competitiveness and tenant satisfaction by conducting renovation of restrooms and renewal of air-conditioning equipment (shorten vacancy period, and boost level or prevent decrease in amount of new contract rent / continued rent)
 - Promote energy saving and environmental consideration and control utility expenses, such as switching to LED
- 3. Enhancement of asset value**
 - Enhance future NCF and asset value through implementation of construction ahead of schedule
- 4. Value enhancement for future selling phase**

■ Construction Size and Progress Status

<Construction Size(Initially Established in 23rd Period)>

• Total amount of construction scheduled for 23rd period (ended Jan. 2015) and 24th period (ending July 2015): Approx. ¥2.6 bn (Note 1)

• Of the above, amount of construction ahead of schedule: Approx. ¥1.7 bn (Note 2)

<Progress Status of Constructions>

(¥ million)

	23rd Period	24th Period	25th Period
(1) Initial plan for 23rd period	1,531	1,147	—
(2) Initial plan for 24th period; actual and forecast <small>(Figures for 24th period and after are forecasts)</small>	981 (Actual)	1,292 (Forecast)	1,386 (Forecast)
Difference from initial plan ((1) – (2))	-550	145	—
Factors, etc. of differences	<ul style="list-style-type: none"> Reduction due to bidding, etc.: approx. ¥80 mn. Some constructions changing schedule of works to 24th period and after. 	<ul style="list-style-type: none"> Increased from initial plan due to constructions, etc. which schedule of work had been postponed from 23rd period. 	<ul style="list-style-type: none"> Implementation of construction, etc. which schedule of work had been postponed from 23rd and 24th periods are planned. Implementation of extension work at Tokyu Toranomon Building is planned. Implementation of construction works for value enhancement in an aim to enhance property competitiveness are planned to be continuously made.
	<ul style="list-style-type: none"> Total reduction in 23rd and 24th periods due to bidding, reviewing contents of construction, etc.: approx. ¥404 mn. 		

<Progress Status of Major Construction Scheduled to be Implemented>(¥ million)

Name of Property	Construction Content	Construction Amount (approx.)	Progress Status
Setagaya Business Square	Renewal of disaster prevention monitoring panel	102	Commencement (scheduled for completion in 24th period)
	Renewal of central monitoring controller	95	Commencement (scheduled for completion in 24th period)
	Renovation of external walls	59	Commencement (scheduled for completion in 24th period)
Tokyo Nissan Taito Building	Renovation of external walls	178	Completed in 23rd period
	Renovation of restrooms	80	Commencement (scheduled for completion in 24th period)
Tokyu Ikejiri-ohashi Building	Renewal of air-conditioning equipment	130	Commencement (scheduled for completion in 24th period)
Tokyu Sakuragaoka-cho Building	Renovation of restrooms	96	Completed in 23rd period
TOKYU REIT Kamata Building	Renewal of disaster prevention monitoring panel	79	Commencement (scheduled for completion in 24th period)
Tokyu Saginuma 2 Building	Renewal of supply/exhaust water/gas pipe, etc.	65	Commencement (scheduled for completion in 24th period)

Total construction amount at the end of 24th period (actual) ¥738 mn

Difference from budget: -16.7%

* TOKYU REIT already realized over 16% reduction in construction costs from the budget by placing construction orders separately, diversifying construction period and placing orders on early date in expectation of soaring construction costs, and implementing bidding.

(Note 1) Construction size of approx. 4 times the average construction amount in the past 10 years and approx. 3 times the simple average of the 15-year total estimated amount of long-term repair and maintenance costs stated in engineering reports.

(Note 2) Construction ahead of schedule is calculated by taking the total amount of construction scheduled to be implemented in the 23rd period and 24th period, which is approx. ¥2.6 bn, and subtracting 2 periods' simple average amount of the estimated amount of long-term repair and maintenance costs (excluding Beacon Hill Plaza (Ito-Yokado Noukendai Store)).



4. Points for Internal Growth

1. New Market Rent D.I.

- New market rent D.I. for the office portfolio reached second highest ever.

2. Rent Gap

- Office [-6.4%]: Existing contract rent increased involving narrowing of negative gap in rent.
- Retail (Urban) [-4.8%]: Increase in existing contract rent involving narrowing of negative gap in rent continued.

3. Analysis of Monthly Contract Rent

- Rental revenues (on monthly basis) have slightly increased. (Excluded decreasing factors as a result of sale of Beacon Hill Plaza)

4. Advertised Areas on PM Companies' Websites

- Advertised area remain on a declining trend. Aim to shorten downtime and pull up ceiling of the occupancy rate.

5. Changes in Average Rent Revision Interval and Average Fixed Interest Rate Period of Debt

- Address risk of rise in interest rate as well by making average fixed interest rate period of debt longer than the average rent revision interval.

6. Other Internal Growth Factors

- Revised power rate unit cost for tenants for the first time since the Great East Japan Earthquake in an aim to improve balance of cash flow on utilities expenses.
- Enhanced competitiveness by continuously implementing construction works to enhance value. (Enhance tenant satisfaction and shorten downtime)
- High tenant credit is the source of stability and growth of rental revenues.
- Room for reduction in interest expenses may arise if low interest rate continues. This might lead to increasing resistance to the time when the bold monetary easing on a different level becomes terminated.

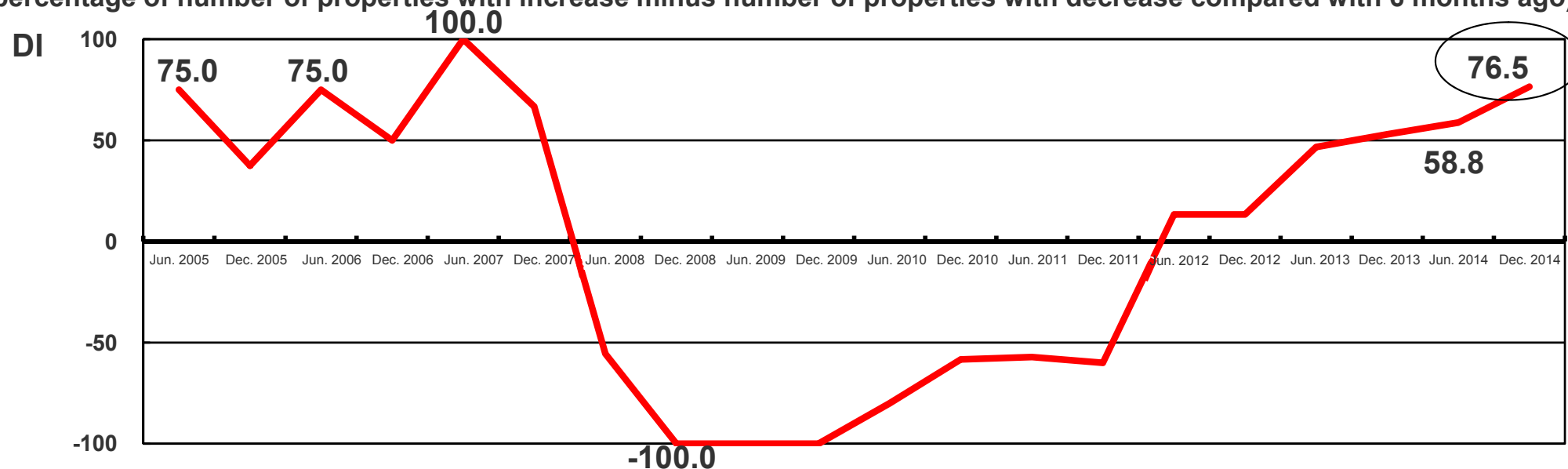
7. Changes in Vacancy Rate

- Vacancy rate is estimated to be 2.0% at the period ending July 2015 due to shortening of downtime until tenant moves in, and will lead to pulling up the ceiling of the occupancy rate.

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

* Number of properties in TOKYU REIT's office portfolio with higher new market rent further increased, marking second highest D.I. ever.

- 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	Jun. 2014	Dec. 2014
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	10	13
Properties with no change	2	3	2	4	0	3	4	0	0	0	2	5	6	6	13	11	8	8	7	4
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	0	0
Total	8	8	8	8	9	9	9	12	12	10	10	12	14	15	15	15	15	17	17	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	58.8	76.5
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	41.2	23.5
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	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	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	58.8	76.5

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

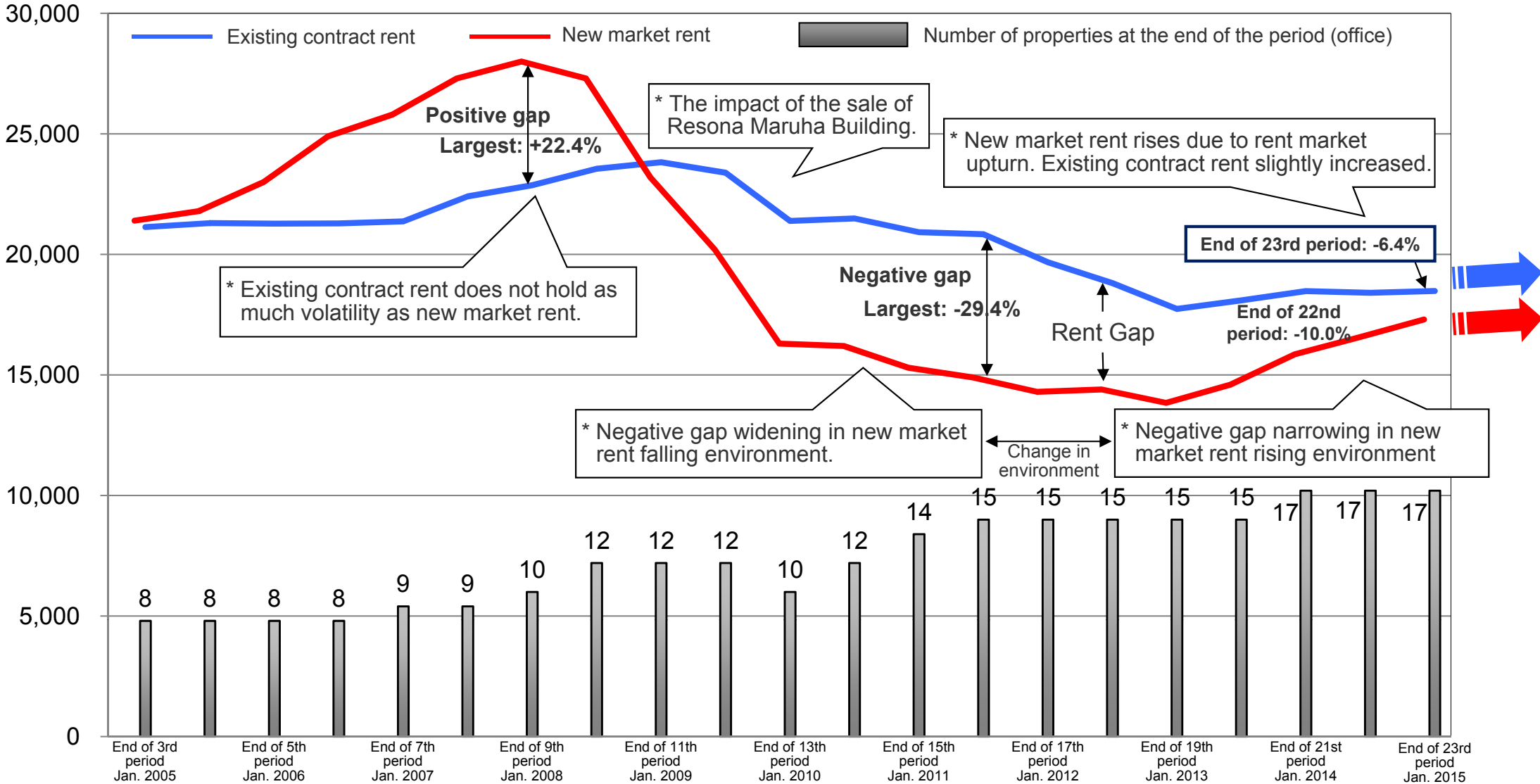
* OKI System Center (sokochi) is excluded from the office portfolio.

*Comments by Tokyu REIM

Changes in Rent Gap (Office)

*** Existing contract rent is on an upward trend, which involves narrowing of negative gap in rent. Aimed no change or higher in negotiations for continued rent.**

Unit (¥/Month/Tsubo)



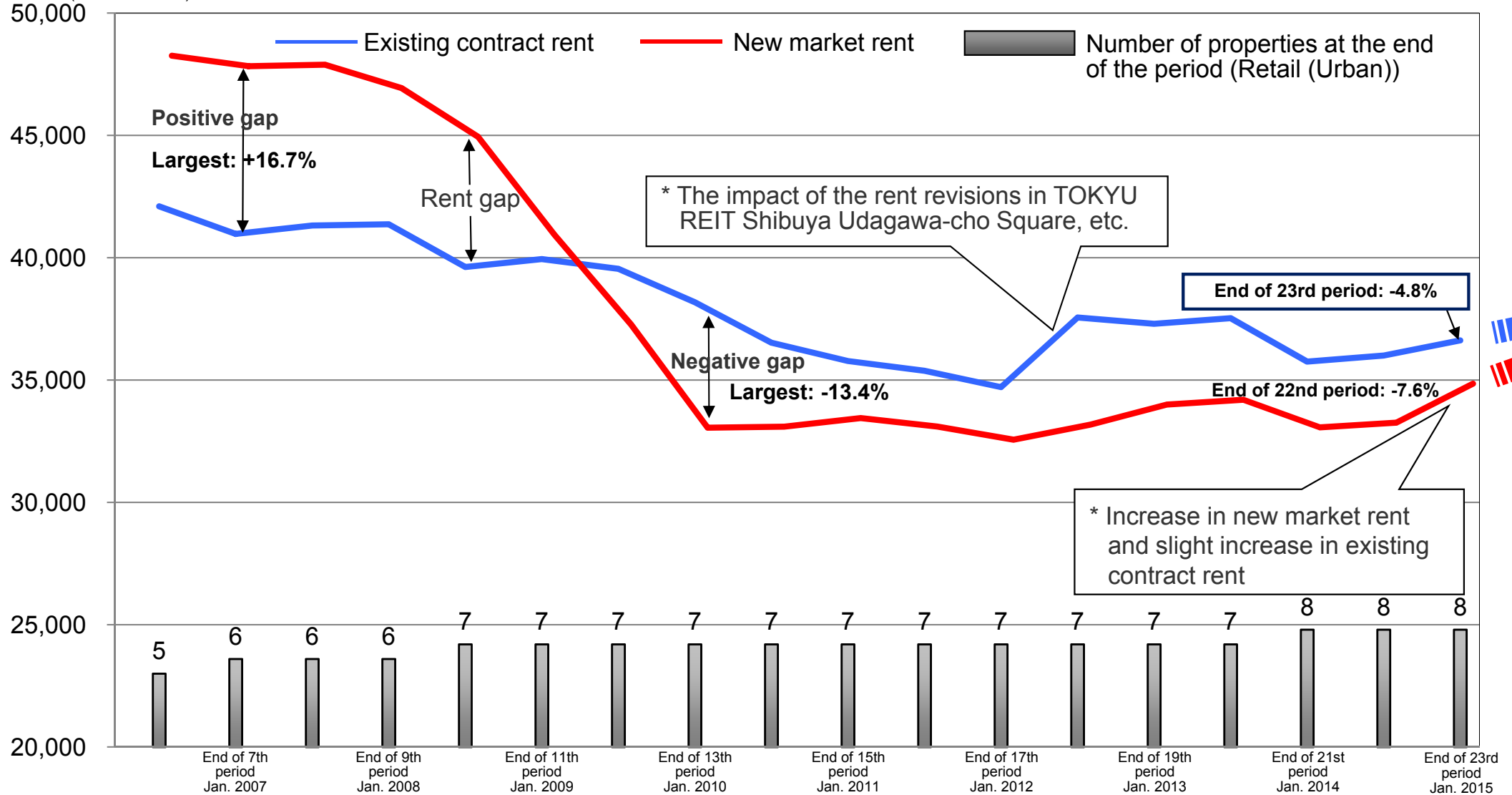
* In calculating the existing contract rent, vacant spaces have not been factored in.
 * Existing contract rent and new market rent include common area charges (excludes income from parking, warehousing and billboards).
 * Oki System Center (sokochi) is excluded.
 * New market rent is the mean value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

*Comments by Tokyu REIM

Changes in Rent Gap (Retail (Urban))

*** Increase in existing contract rent, which involves narrowing of negative gap in rent, continued. Negotiations for continued rent remained strong.**

Unit Price (¥/Month/Tsubo)



* 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

Analysis of Rental Revenues

* Rental revenues (on monthly basis) have slightly increased when excluding decreasing factors as a result of sale of Beacon Hill Plaza.

■ Status of Rent Revision with Existing Tenants

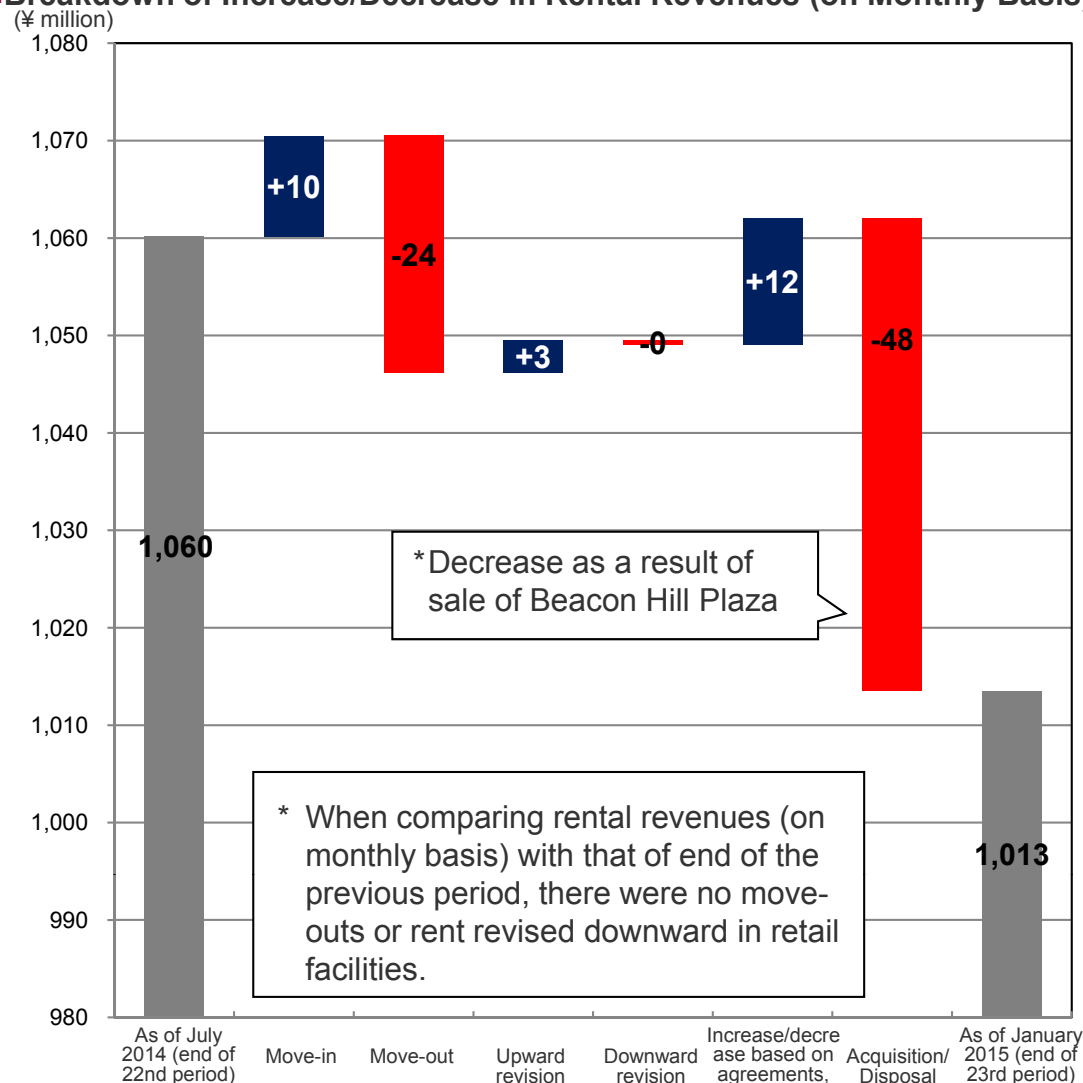
	Increase	Decrease	Status quo	Total
22nd Period (Ended July 2014)	Increased 8 16.0%	5 10.0%	37 74.0%	50 100.0%
23rd Period (Ended January 2015)	9 22.0%	4 9.8%	28 68.3%	41 100.0%

* Approx. 20.1% of all tenants revised rents and rental revenues from the revised tenants increased approx. 2.3%.

- * If 1 tenant who occupies several spaces has revised rent, then that tenant is classified under respective leasing condition.
- * Terminations of temporal rent reductions are also included in "Increase" and "Decrease." However, terminations of rent reductions and reductions which application period didn't reach a certain period of time aren't included in the calculation.
- * Figures under "Status quo" are those for which rent revision periods arrived and the rents remained unchanged.
- * Include tenants who have renewed their respective contracts due to expiry of their fixed-term lease contracts.



■ Breakdown of Increase/Decrease in Rental Revenues (on Monthly Basis)



* Decrease as a result of sale of Beacon Hill Plaza

* When comparing rental revenues (on monthly basis) with that of end of the previous period, there were no move-outs or rent revised downward in retail facilities.

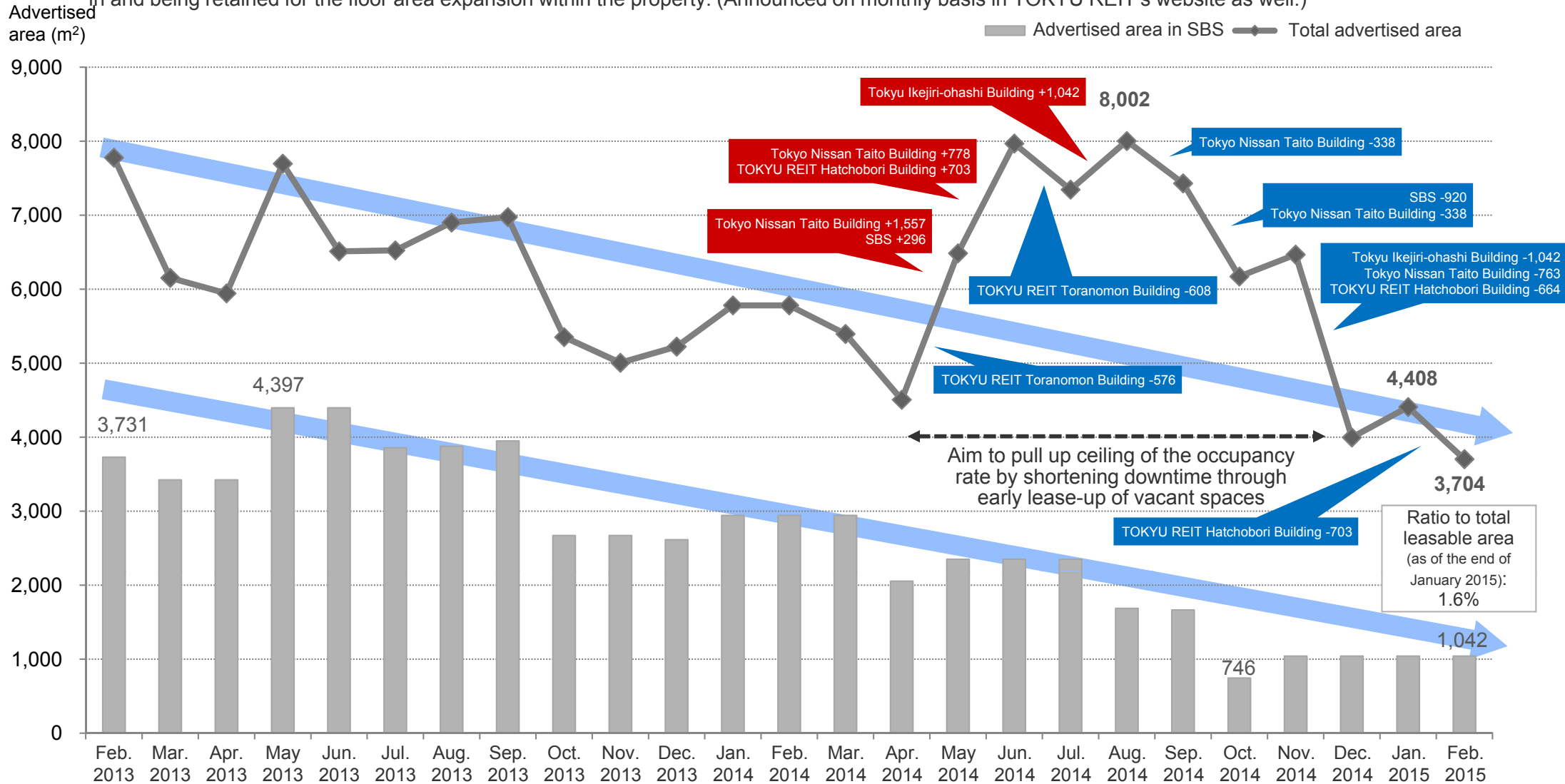
- * Comparison of rental revenues as of the end of each period (on monthly basis; including common area charges) with percentage rents excluded.
- * Rent for Setagaya Business Square is the figure arrived by multiplying 55%, the co-ownership ratio.
- * In case temporal rent reductions (free rent, rent holiday, etc.) commenced or terminated, such will be included in "Increase/decrease based on agreements, etc."

*Comments by Tokyu REIM

Changes in Advertised Area on PM Companies' Websites (Note)

*** Advertised area, including Setagaya Business Square (SBS), remains on a decreasing trend. TOKYU REIT aims to shorten downtime and pull up ceiling of the occupancy rate.**

(Note) Advertised area on PM companies' websites indicates the total area advertised for tenants publicized in the websites of property management companies which TOKYU REIT entrusts business to. The figure excludes cases which advertisement toward outside parties had been ceased due to receiving application to move in and being retained for the floor area expansion within the property. (Announced on monthly basis in TOKYU REIT's website as well.)

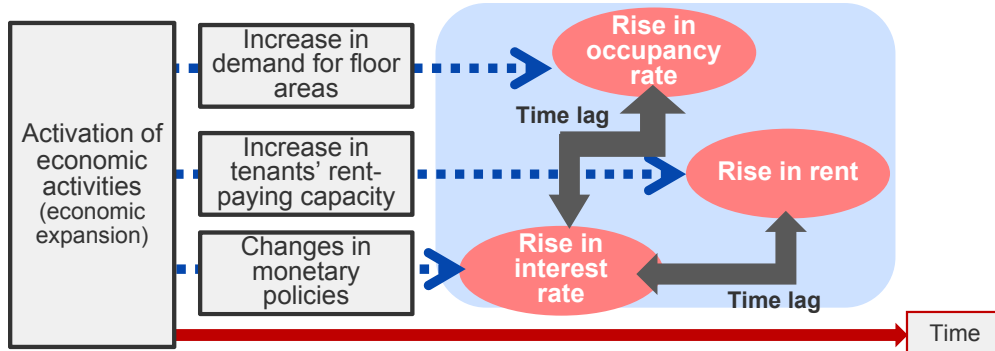


*Comments by Tokyu REIM

Changes in Average Rent Revision Interval and Average Fixed Interest Rate Period of Debt

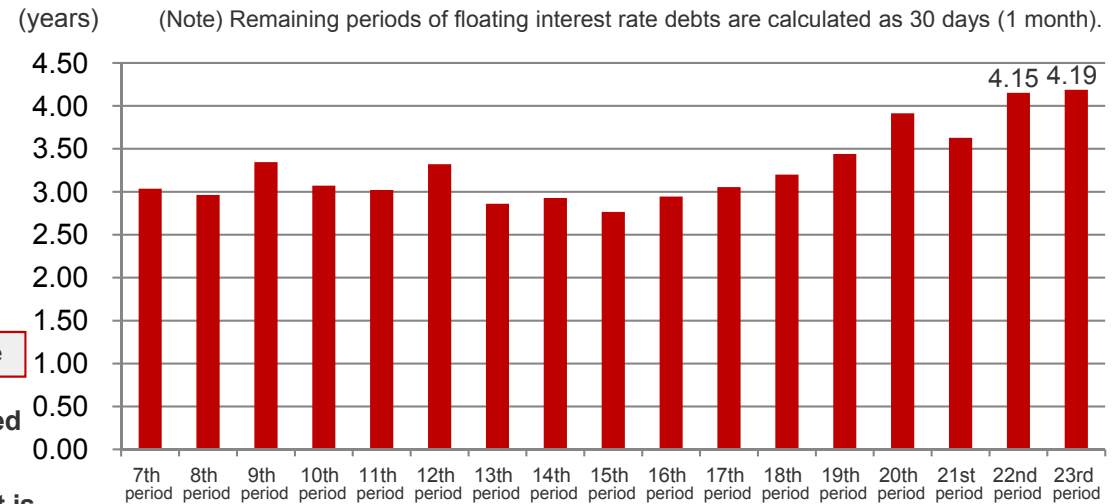
* Controlling spread between the average rent revision interval and average fixed interest rate period of debt will lead to earnings structure that is tolerant of changes in economic environment and even capable of addressing risk of rise in interest rate resulting from economic expansion.

Time Lags Among Rise in Interest Rate Resulting from Economic Expansion, Rise in Occupancy Rate and Rise in Rent

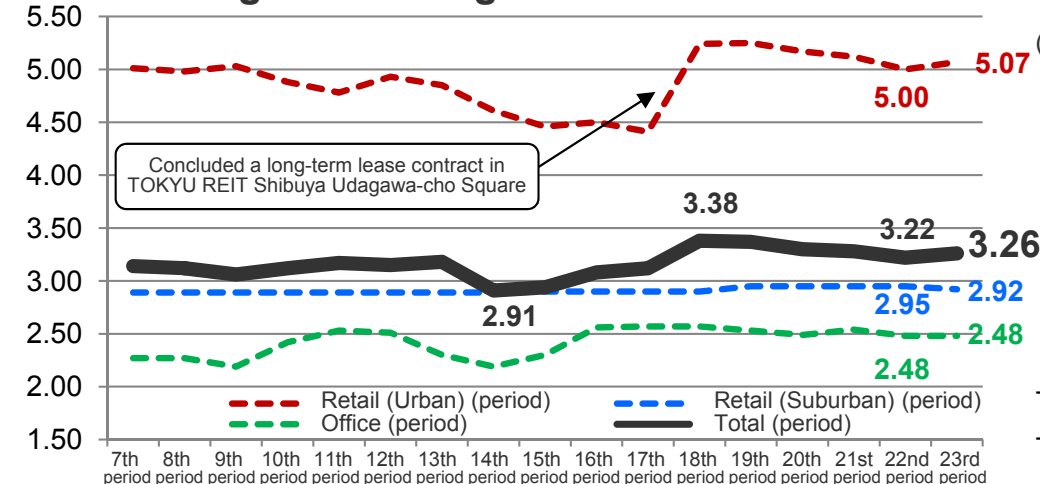


- Controlling spread between the fixed interest rate period and the rent revision interval is the measure to address risks accompanying the time lags mentioned above.
- There is a gap between TOKYU REIT's average interest rate and the market interest rate. As there is a room for average interest rate to decrease further, it is believed to be resistant to rise in market interest rate. (Please refer to page 42)

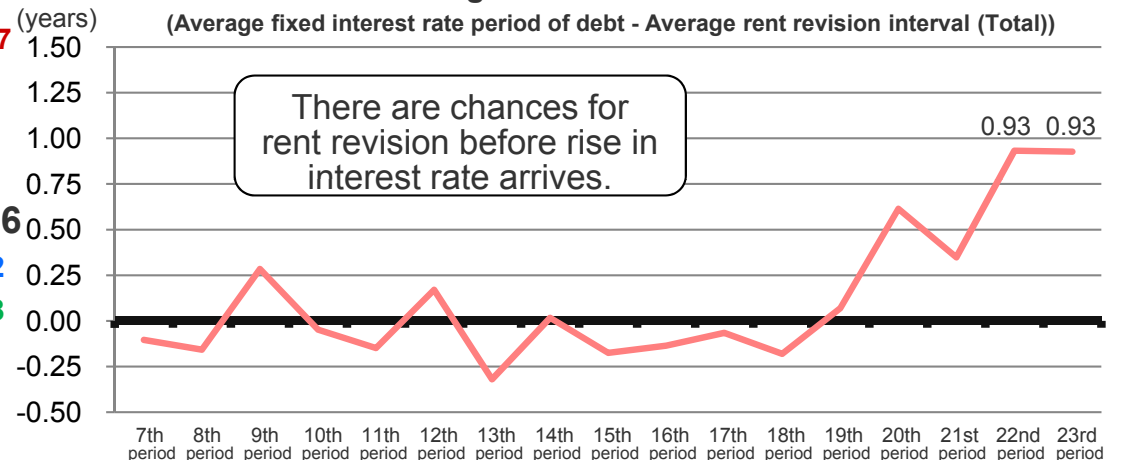
Changes in Average Fixed Interest Rate Period of Debt (Note)



Changes in Average Rent Revision Interval



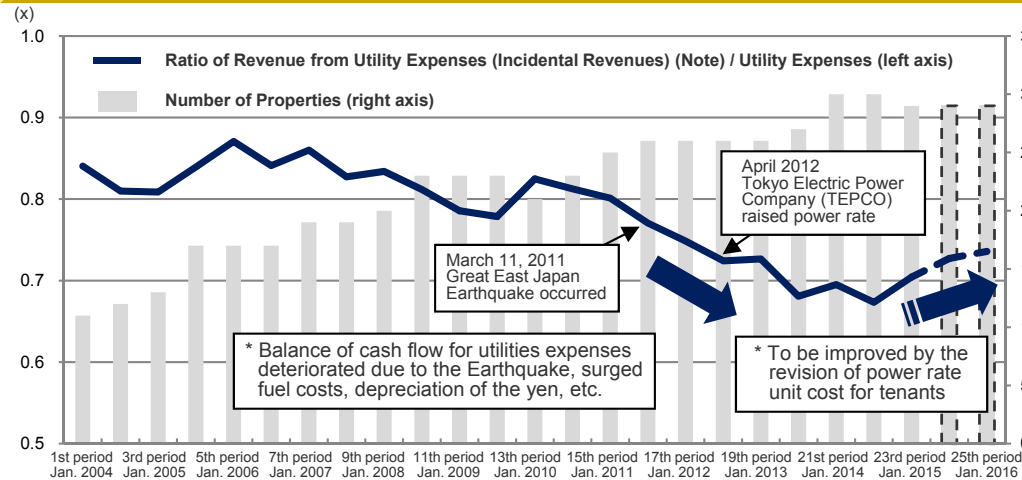
Spread between Average Fixed Interest Rate Period of Debt and Average Rent Revision Interval



Other Internal Growth Factors

Balance of Cash Flow for Utilities Expenses

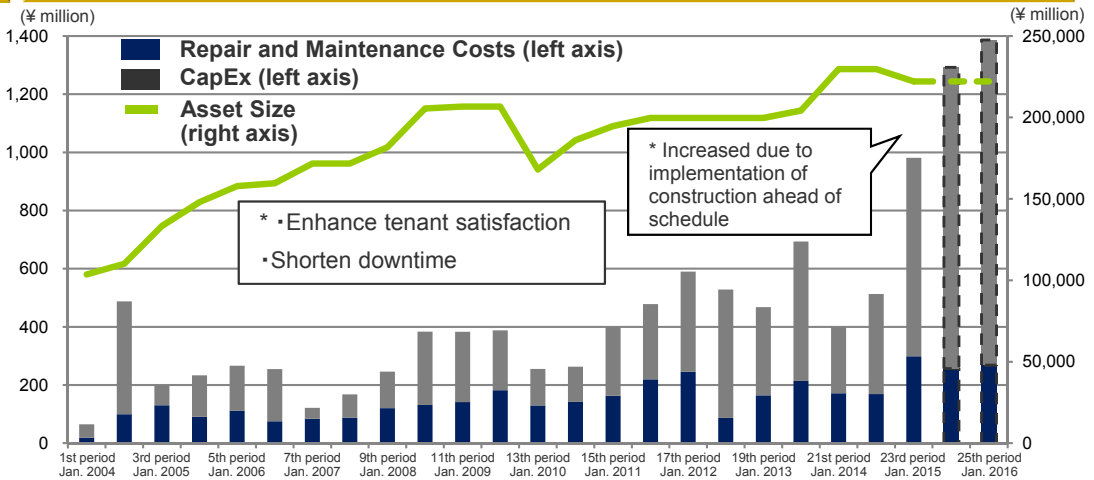
* Implemented revision of power rate unit cost for tenants for the first time since the Great East Japan Earthquake in an aim to improve balance of cash flow for utilities expenses.



(Note) Revenue from utility expenses (incidental revenues) doesn't include common area charges.

Changes in Repair and Maintenance Costs and Capital Expenditures

* Aim to enhance competitiveness by continuously implementing construction works to enhance value



Income by Tenant Credit

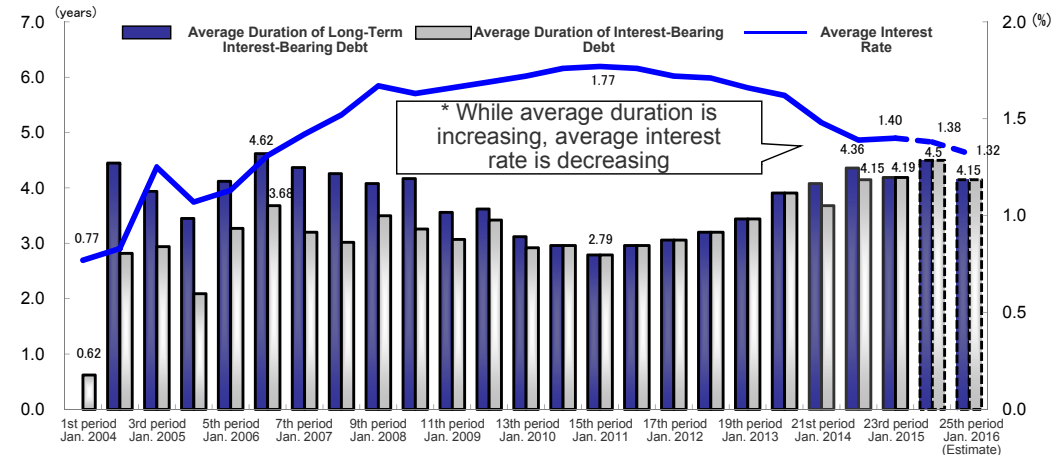
* Almost all tenants have credits above the average. High tenant credit is the source of stability and growth of rental revenues.

Teikoku Databank Ranking							
	A	B	C	D	E	Not Available	Total
Retail (Urban)	0.0%	24.0%	67.9%	7.8%	0.0%	0.3%	100.0%
Retail (Suburban)	0.0%	33.2%	58.5%	0.0%	0.0%	8.2%	100.0%
Retail	0.0%	26.0%	65.9%	6.1%	0.0%	2.0%	100.0%
Office	0.0%	22.3%	59.7%	4.9%	0.0%	13.2%	100.0%
Total	0.0%	23.7%	62.1%	5.4%	0.0%	8.9%	100.0%

* Governmental institutions, financial institutions and the others are classified into "Not Available".

Changes in Interest-Bearing Debt Average Duration and Average Interest Rate

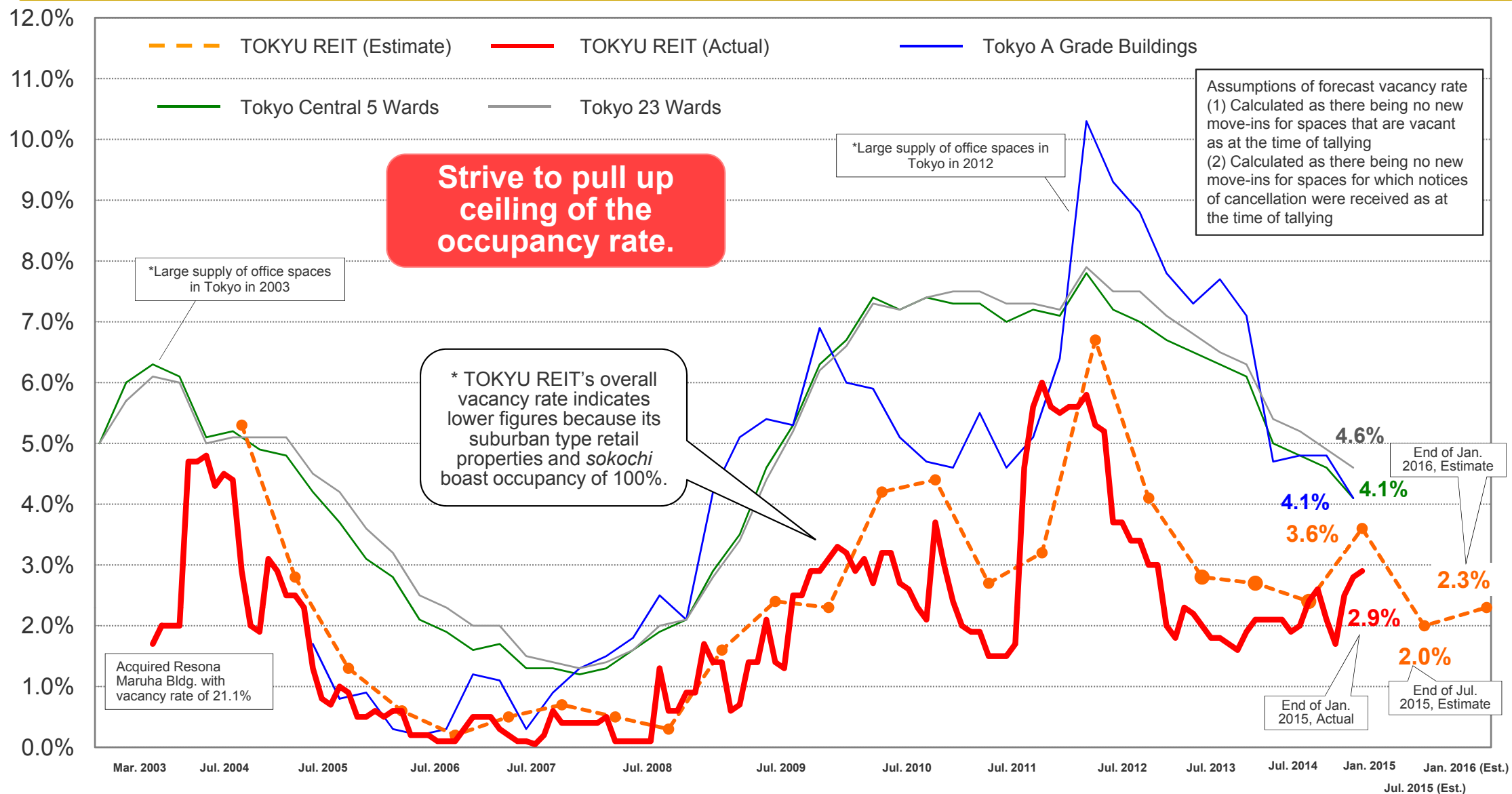
* Room for reduction in interest expenses may arise if low interest rate continues. This might lead to increasing resistance to the time when the bold monetary easing on a different level becomes terminated.



*Comments by Tokyu REIM

Changes in Vacancy Rate

* TOKYU REIT's vacancy rate increased in the period ended January 2015, but the forecast for the period ending July 2015 is expected to decrease to 2.0% due to tenant move-ins.



Source: CBRE K.K.

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

*Comments by Tokyu REIM

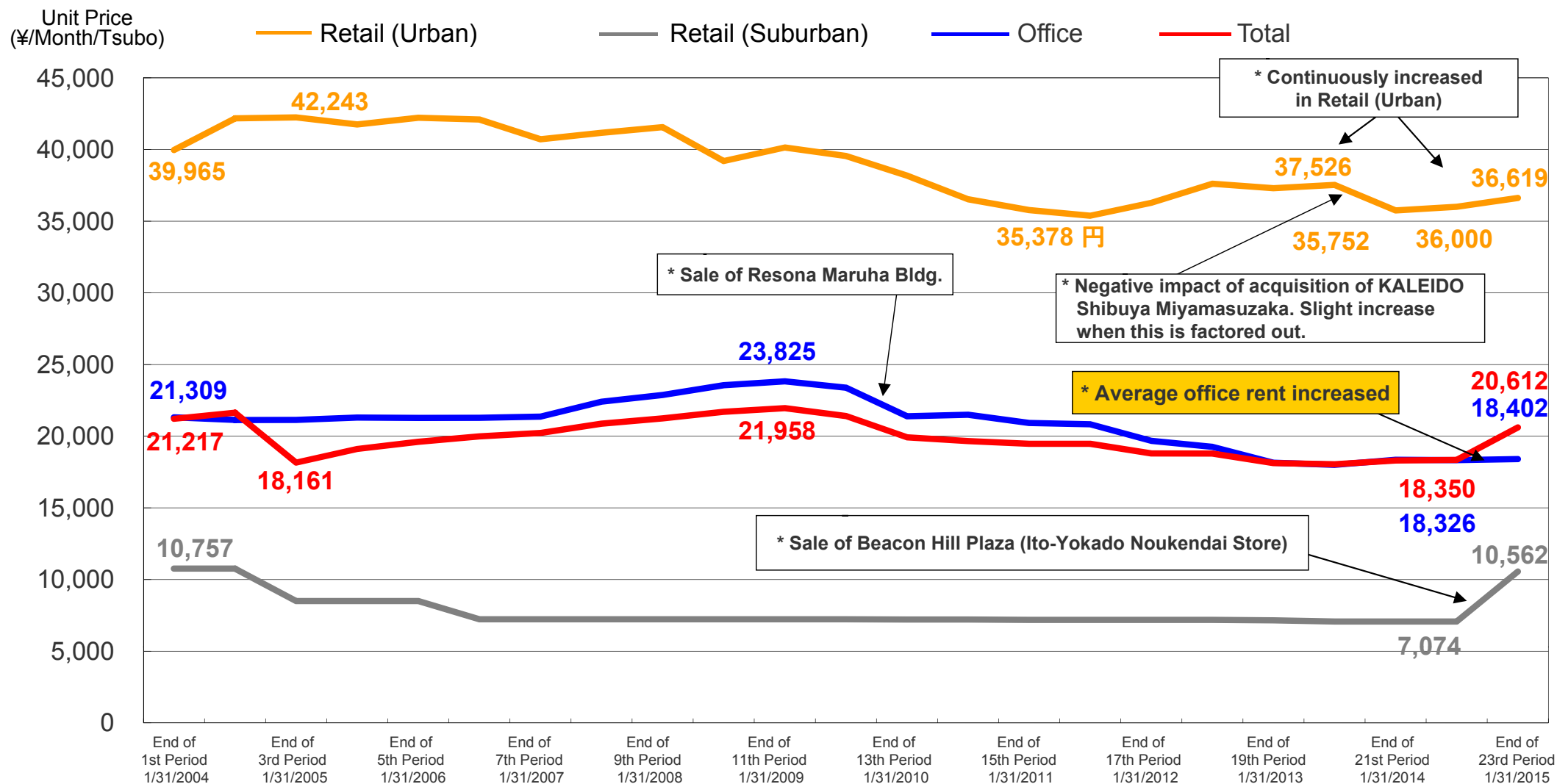


5. Leasing Status

Vacancy Rate and Rent Status and Outlook

Changes in Average Rent

*** Average rent increased in all sectors of Retail (Urban and Suburban) and Office.**

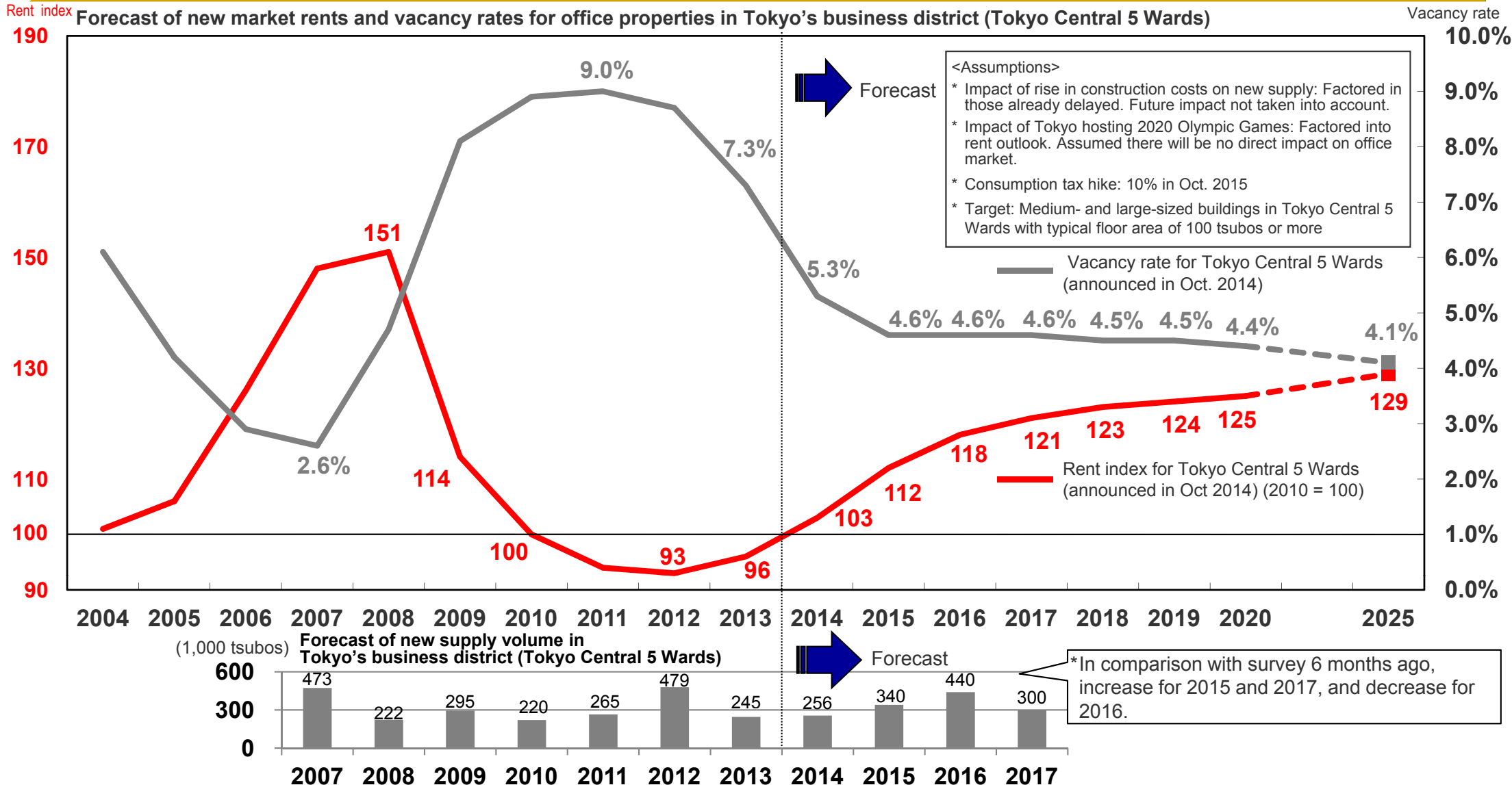


* In calculating the above unit price, we haven't factored in vacant spaces.
 * Shonan Mall Fill (*sokochi*) is not included in Retail (Suburban).
 * OKI System Center (*sokochi*) is not included in Office.
 * Includes common area charges and excludes income from parking, warehouses, etc.

*Comments by Tokyu REIM

Forecast of New Market Rents and Vacancy Rates for Office Properties (as announced on October 21, 2014)

* In comparison with the forecast announced on April 23, 2014, forecasts for office rent and vacancy rate are improved. There is a need to continuously monitor how soaring construction costs, which are not factored into the forecast, will impact the volume of new supply of office buildings from 2016 to 2017. (In some cases, the supply has been delayed)



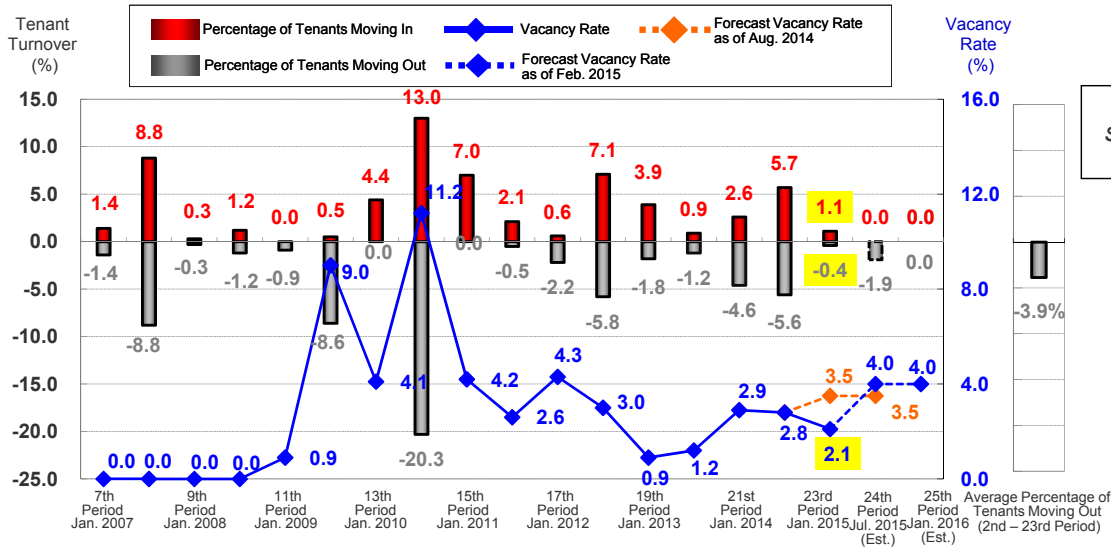
Source: Materials announced by Office Market Trends Research Committee (Japan Real Estate Institute and Miki Shoji Co., Ltd.) on October 21, 2014

*Comments by TokyU REIM

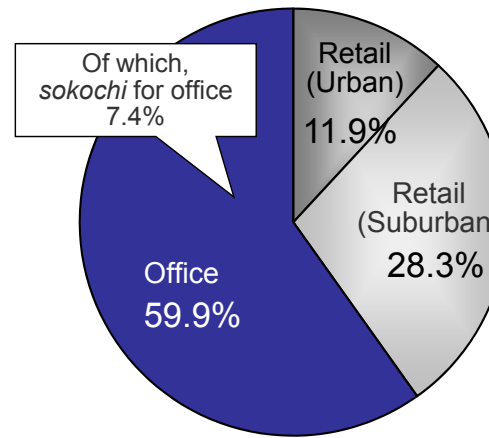
Changes in Tenant Turnover and Vacancy Rate

*** Actual vacancy rate as of the end of the 23rd period fell far below the forecast.**

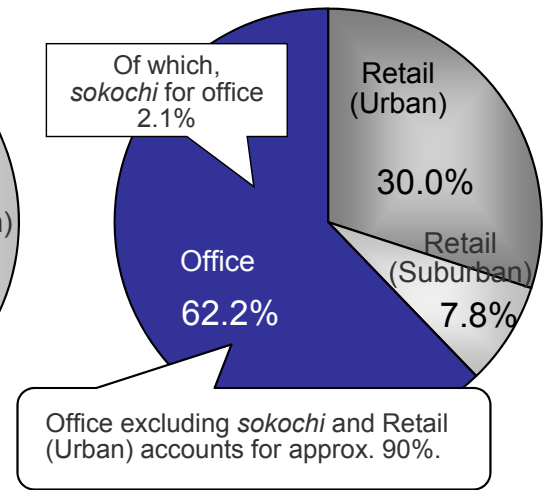
Retail (Urban)



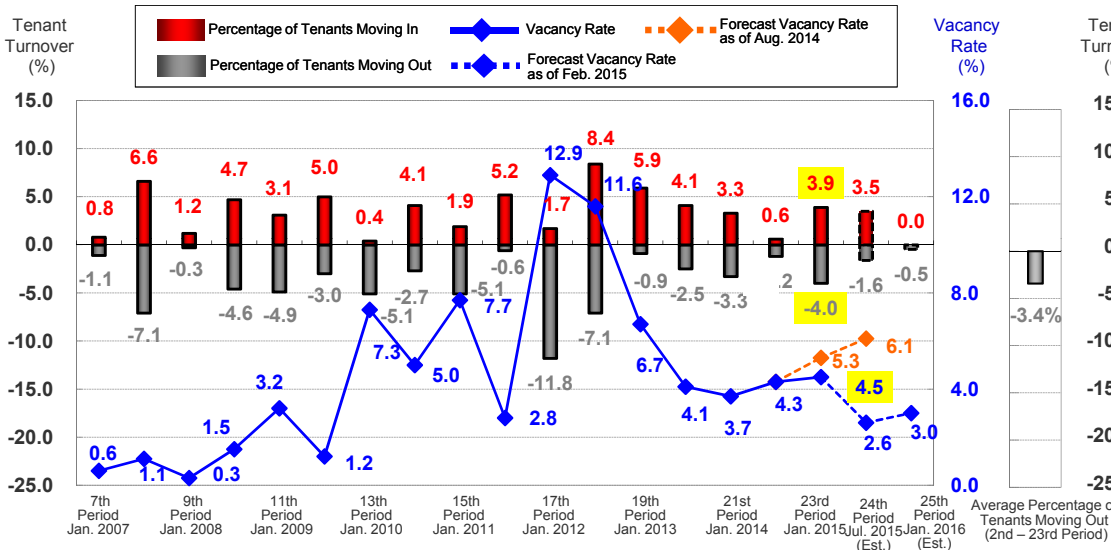
<Total Leasable Area by Segment>



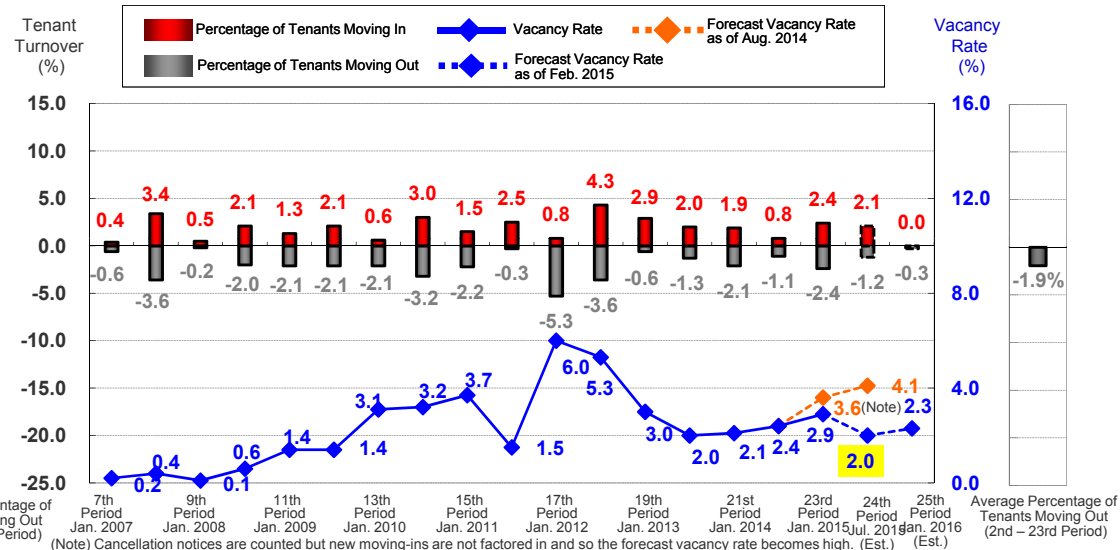
<Rental Revenues by Segment>



Office



Overall Portfolio



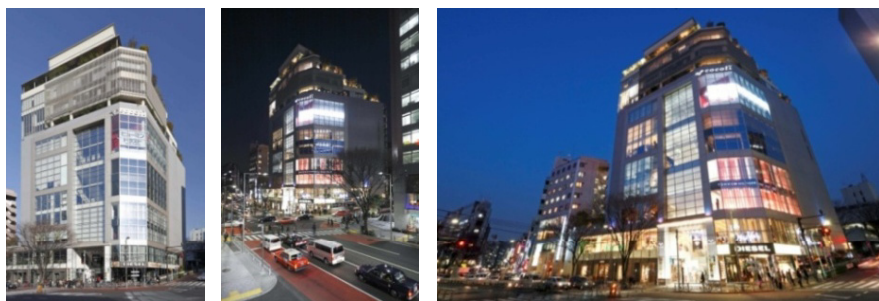
In calculating the estimate vacancy rate, it is assumed that spaces for which notices of cancellation were received as of February 28, 2015 will remain vacant after the move-outs of relevant tenants. Similarly, spaces that were vacant as of February 28, 2015 are assumed to remain vacant.

Leasing Activities (Retail (Urban))

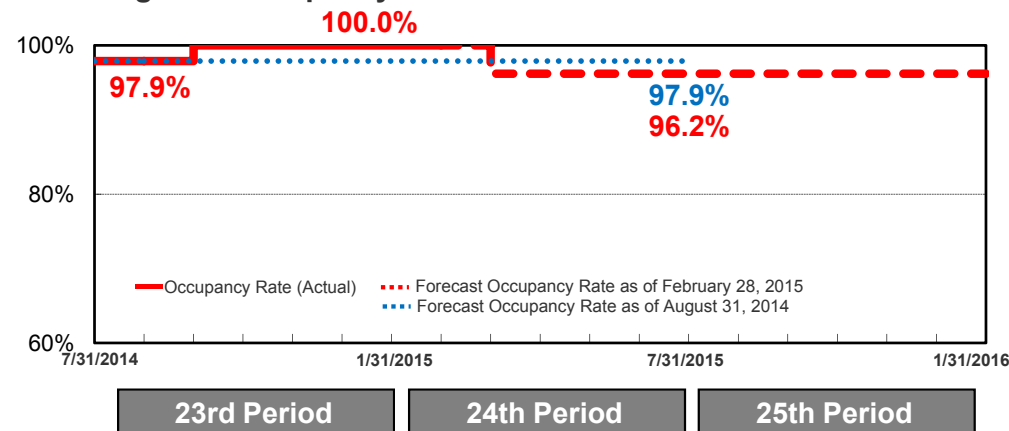
* cocoti achieved 100% occupancy rate as of the end of the 23rd period. Early lease-up is the issue for CONZE Ebisu.

cocoti 100% occupancy rate as of the end of the 23rd period

- 23rd period (ended Jan. 2015): Move-in 2 sections (approx. 90 tsubos); Move-out 1 section (approx. 35 tsubos)
- 100% occupancy rate as of the end of the period
- 24th period (ending July 2015): Move-out 1 section (approx. 95 tsubos)
- Sections to be leased: 1 section (approx. 95 tsubos), targeting merchandise tenants. Negotiations to open new stores are underway with several companies.



<Changes in Occupancy Rate>

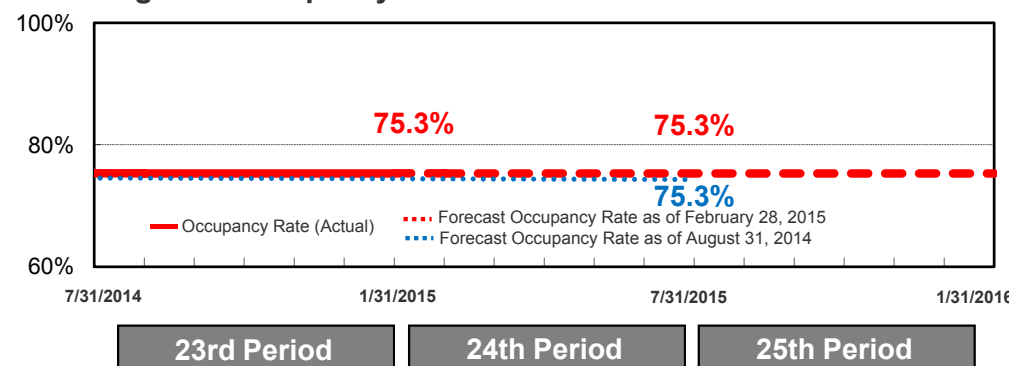


CONZE Ebisu Continue leasing activities

- 23rd period (ended Jan. 2015): No move-ins or move-outs.
- Completed renewal construction in July 2014. Tenant replacement is underway.
- 24th period (ending Jul. 2015)
Sections to be leased: 2 sections (approx. 173 tsubos),
•Targeting food and beverage establishments and service stores. Negotiations to open new stores are underway with several companies.



<Changes in Occupancy Rate>



KALEIDO Shibuya Miyamasuzaka Aim for further enhancement of property value

- Conducted renewal work of the entrance in the 23rd period.
- Aim for further enhancement of the property value based on a long-term perspective while expecting inbound demand toward Shibuya.
- 100% occupancy rate as of the end of the 23rd period (ended Jan. 2015).



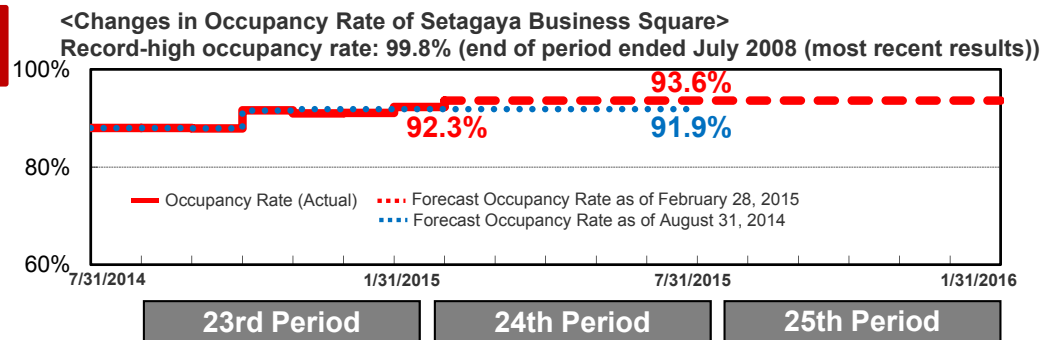
Leasing Activities (Office Building (1))

*** TOKYU REIT will continue to promote aggressive leasing activities toward further improved occupancy rate.**

■ Setagaya Business Square*

Prepare for existing tenants' floor area expansion within the property

- 23rd period (ended Jan. 2015): Move-in 9 sections (approx. 517 tsubos); Move-out 4 sections (approx. 192 tsubos)
- Among the move-ins in 23rd period, 2 sections (approx. 95 tsubos) were existing tenants' floor area expansion within the property. Among the new move-ins, 2 sections (approx. 274 tsubos) were move-in by Tokyu Card, Inc. (effect of 3 consolidated subsidiaries of Tokyu Corporation acquiring 45% interest in SBS).
- 24th Period (Ending July 2015) Forecast: Move-in 1 section (approx. 99 tsubos)
- Sections to be leased: 5 sections (approx. 466 tsubos), but advertisement for around 40% of the sections is under temporal suspension in preparation for existing tenants' floor area expansion.
- In talks with owners of co-ownership interests (3 consolidated subsidiaries of Tokyu Corporation) for a value enhancement plan



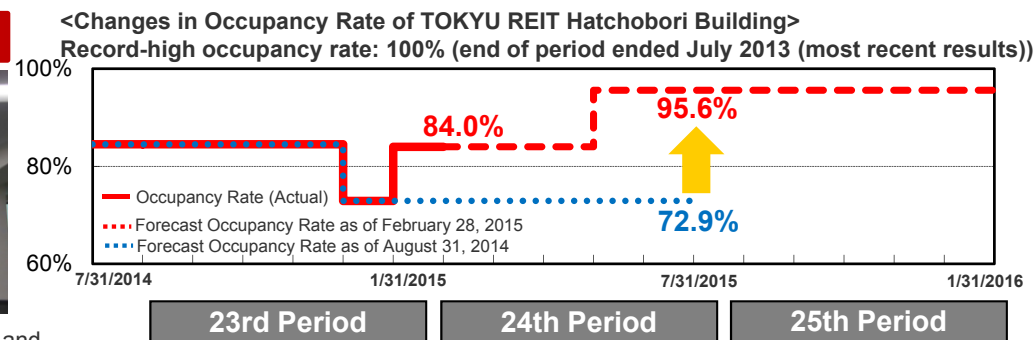
■ TOKYU REIT Hatchobori Building

Occupancy improved significantly

- 23rd period (ended Jan. 2015): Move-in 1 section (approx. 201 tsubos); Move-out 1 section (approx. 212 tsubos)
- Implemented renewal of air-conditioning equipment and work to switch to LED (in exclusive-use areas)
- 24th Period (Ending July 2015): Move-in 1 section (approx. 212 tsubos)
- Expect 95.6% (*) occupancy rate at end of 24th period, a great improvement from the forecast in the previous period (72.9% → 95.6%)
- (*) 100% when excluding vacant storage portion.



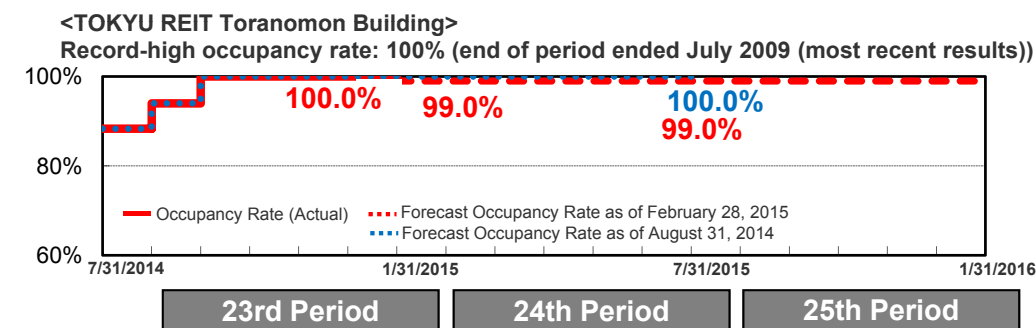
Interior after work to switch to LED and renewal of air-conditioning equipment (TOKYU REIT Hatchobori Building)



■ TOKYU REIT Toranomom Building

Promote leasing activities for additionally acquired section

- 23rd period (ended Jan. 2015): Move-in 2 sections (approx. 358 tsubos)
- Acquired compartmentalized ownership for 1 vacant section
- Completed lease-up for all sections except the additionally acquired section



* Floor area stated for Setagaya Business Square shows that equivalent to 55% co-ownership interest

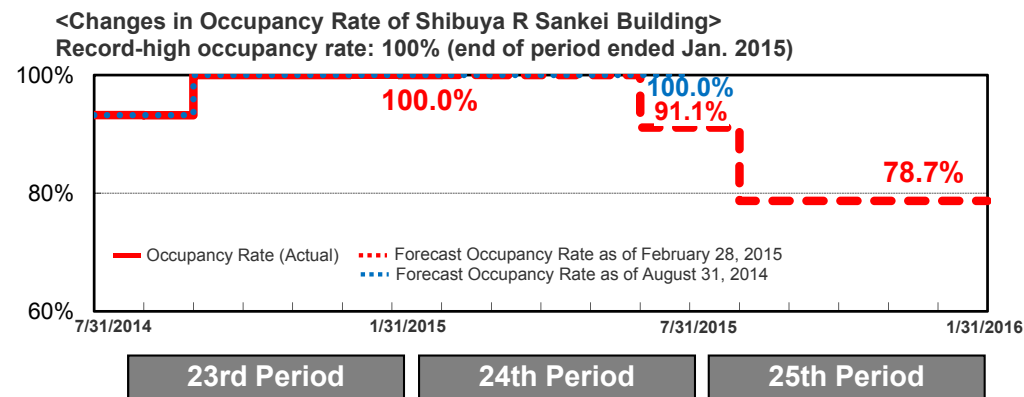
Leasing Activities (Office Building (2) and Retail (Suburban)) TOKYU REIT

* Tokyu Sakuragaoka-cho Building, Tokyu Nampeidai-cho Building and Shonan Mall Fill (*sokochi*) achieved internal growth by rent revisions above previous rents. Enhance property competitiveness through renovations and aim to shorten downtime for vacancies expected in the future.

■ Shibuya R Sankei Building

Realized tenant replacement with zero downtime

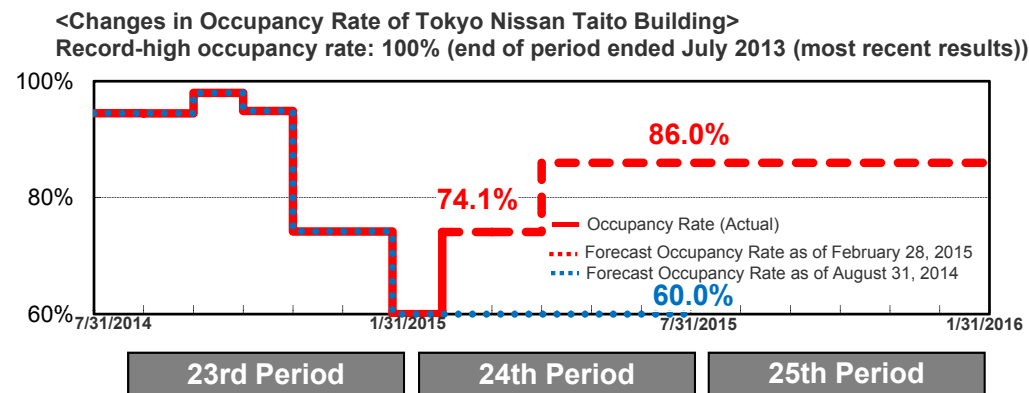
- 23rd period (ended Jan. 2015): Move-in 2 sections (approx. 303 tsubos); Move-out 1 section (approx. 195 tsubos)
- Implemented renovation of restrooms as a part of measures to enhance property competitiveness
- Realized lease-up without downtime for the occurrence of move-out during the period. 100% occupancy rate at the end of the period
- 24th Period (Ending July 2015): Move-in 1 section (approx. 84 tsubos); Move-out 3 sections (approx. 422 tsubos)
- Sections to be leased: 2 sections (approx. 337 tsubos), leasing activities are underway, targeting firms in the surrounding area



■ Tokyo Nissan Taito Building

Significant improvement in occupancy rate through renewal

- 23rd period (ended Jan. 2015): Move-in 1 section (approx. 74 tsubos); Move-out 8 sections (approx. 908 tsubos)
- Implemented renovation of external walls and restrooms as a part of measures to enhance property competitiveness
- 24th Period (Ending July 2015): Move-in 5 sections (approx. 738 tsubos); Move-out 1 section (approx. 131 tsubos)
- Sections to be leased: 1 section (approx. 230 tsubos), targeting firms in the surrounding area, including the property's tenants



■ Tokyu Sakuragaoka-cho Building and Tokyu Nampeidai-cho Building

Increase in continued rents

- 23rd period (ended Jan. 2015): In Jan. 2015, realized rent revision at a rent above the previous rent
- Implemented renovation of restrooms at Tokyu Sakuragaoka-cho Building as a part of measures to enhance property competitiveness

■ Shonan Mall Fill (*sokochi*)

Increase in rent through contract renewal ahead of schedule

- 24th Period (Ending July 2015): In Feb. 2015, renewed contract for fixed-term leasehold for commercial use (with a clause on linking to CPI) at a rent above previous rent

*Comments by Tokyu REIM

Leasing Activities (Breakdown by Property)

Type	Name of Property	Contribution to NOI in 23rd Period	Occupancy Rate			Status
			22nd Period End (July 2014)	23rd Period End (Jan. 2015)	24th Period End (July 2015)	
Retail	cocoti	7.3%	97.9%	100.0%	96.2%	<ul style="list-style-type: none"> Although cancellation for 1 section (approx. 35 tsubos) arose during 23rd period, 2 sections (approx. 90 tsubos) including the section were occupied by apparel stores resulting in occupancy rate at end of 23rd period at 100.0% Cancellation for 1 section (approx. 95 tsubos) will arise during 24th period, resulting in occupancy rate at end of 24th period expected to be at 96.2%. Leasing activities are currently underway, centering on product-selling stores
	CONZE Ebisu	1.2%	75.3%	75.3%	75.3%	<ul style="list-style-type: none"> For 2 sections (approx. 173 tsubos) which fixed-term lease contract expired in 22nd period, leasing activities are underway, centering on eating and drinking establishments and service stores Although there were no new contracts concluded during 23rd period, negotiations for opening stores are underway with several firms including eating and drinking establishments and service stores
	Daikanyama Forum	1.3%	100.0%	100.0%	91.5%	<ul style="list-style-type: none"> 1 section (approx. 63 tsubos) will be vacated due for expiration of the fixed-term lease contract during 24th period, resulting in occupancy rate at end of 24th period expected to be at 91.5% For the concerned 1 section (approx. 63 tsubos), leasing activities are currently underway, centering on product-selling stores, show rooms, etc. while taking trends in surrounding retail facilities into consideration
Retail Portfolio						<p>The occupancy rate for retail properties (urban): 97.9% at the end of 23rd period, 96.0% expected at the end of the 24th period, 96.0% expected at the end of the 25th period.</p> <p>The occupancy rate for retail properties (suburban): 100.0% at the end of 23rd period, 100.0% expected at the end of the 24th period, 100.0% expected at the end of the 25th period.</p>
Office	Setagaya Business Square (Note)	9.0%	88.0%	92.3%	93.6%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 92.3% (88.0% at end of 22nd period) Cancellation for 4 sections (approx. 192 tsubos) arose during 23rd period, but new contract was concluded for 9 sections (approx. 517 tsubos) For 5 sections (approx. 466 tsubos) to be leased, leasing activities are underway, targeting IT-related firms, etc. including the property's tenants Occupancy rate at end of 24th period expected to be 93.6%
	Tokyo Nissan Taito Building	0.9%	94.5%	60.0%	86.0%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 60.0% (94.5% at end of 22nd period) Cancellation for 8 sections (approx. 908 tsubos) arose during 23rd period, but 1 section (approx. 74 tsubos) became occupied Cancellation for 1 section (approx. 131 tsubos) is scheduled to arise have 24th period, but 5 sections (approx. 738 tsubos) has been occupied or to be occupied For 1 section (approx. 230 tsubos) to be leased, leasing activities are underway, targeting firms in the surrounding area including the property's tenants Occupancy rate at end of 24th period expected to be 86.0%
	TOKYU REIT Toranomon Building	3.9%	88.3%	99.0%	99.0%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 99.0% (88.3% at end of 22nd period) 2 sections (approx. 358 tsubos), which new contracts were concluded during 22nd period, had been occupied during 23rd period (leasing starting in August and September 2014) Acquired compartmentalized ownership for 1 vacant section during 23rd period Occupancy rate at end of 24th period expected to be 99.0%
	TOKYU REIT Hatchobori Building	2.0%	84.5%	84.0%	95.6%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 84.0% (84.5% at end of 22nd period) Cancellation for 1 section (approx. 212 tsubos) arose during 23rd period (December 2014), but new contract for 1 section (approx. 201 tsubos) was concluded (occupied in January 2015) New contract for 1 section (approx. 212 tsubos) is already concluded for 24th period (scheduled to be occupied in May 2015) Occupancy rate at end of 24th period expected to be 95.6% (100.0% when excluding vacant storage portion)
	Tokyu Ikejiri-ohashi Building	2.9%	100.0%	100.0%	100.0%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 100.0% (100.0% at end of 22nd period) Cancellation for 1 section (approx. 315 tsubos) arose during 24th period (February 2015), but new contract already concluded for that section (scheduled to be occupied in April 2015) Occupancy rate at end of 24th period expected to be 100.0%
	TOKYU REIT Shinjuku Building	4.1%	100.0%	100.0%	100.0%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 100.0% (100.0% at end of 22nd period) Cancellation for 1 section (approx. 74 tsubos) arose during 23rd period (September 2014), but new contract was concluded for that section (occupied in October 2014) Occupancy rate at end of 24th period expected to be 100.0%
	Shibuya R Sankei Building	2.7%	93.2%	100.0%	91.1%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 100.0% (93.2% at end of 22nd period) Cancellation for 1 section (approx. 195 tsubos) arose during 23rd period (December 2014), but new contracts for 2 sections (approx. 303 tsubos) were concluded (occupied in September 2014 and January 2015) Cancellation for 3 sections (approx. 422 tsubos) will arise during 24th period (February, June and July 2015), but new contract already concluded for 1 section (approx. 84 tsubos) (occupied in March 2015) For sections to be leased, leasing activities are underway, targeting firms in the surrounding area Occupancy rate at end of 24th period expected to be 91.1%
	Tokyu Toranomon Building	6.6%	100.0%	100.0%	100.0%	<ul style="list-style-type: none"> Occupancy rate at end of 23rd period was 100.0% (100.0% at end of 22nd period) Cancellation for 1 section (approx. 149 tsubos) arose during 23rd period (September 2014), but new contract concluded for that section (leasing starting in October 2014) Occupancy rate at end of 24th period expected to be 100.0%
Office Portfolio						The occupancy rate of office properties: 95.5% at the end of 23rd period, 97.4% expected at the end of the 24th period, 97.0% expected at the end of the 25th period.
Entire portfolio						<ul style="list-style-type: none"> Occupancy rate was 100.0% at 24 out of 29 properties at end of 23rd period, and occupancy rate is expected to be 100.0% at 21 out of 29 properties at end of 24th period and at end of 25th period Occupancy rate was 97.1% at end of 23rd period, and occupancy rate is expected to be 98.0% at end of 24th period and 97.7% at end of 25th period

* 23rd period: August 1, 2014 – January 31, 2015; 24th period: February 1, 2015 – July 31, 2015; 25th period: August 1, 2015 – January 31, 2016

* Expected occupancy rates at the end of the 24th and 25th periods only reflect tenants with whom contracts have been contracted and tenants from whom we have received cancellation notices as of February 28, 2015.

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

*** TOKYU REIT will continue to implement environmentally-friendly operations.**

■ Acquisition of DBJ Green Building Certification

The DBJ Green Building Certification program is a certification program established by Development Bank of Japan Inc. in order to support real estate demonstrating environmental and social awareness (“Green Buildings”).

The following two properties acquired the certification in February 2015.



Setagaya Business Square



Properties with high environmental & social awareness

[Major points recognized]

Not only saving water resources by installing facilities for reuse of rainwater and greywater, but also contributing to heat island countermeasures by creating lush on-site greenery.



Tokyu Toranomon Building



Properties with satisfactory environmental & social awareness

[Major points recognized]

Proactively promotes heat island countermeasures by increasing rooftop and wall greening and provides comfort to the building’s office workers.

■ Participated in 2014 GRESB survey

GRESB (Global Real Estate Sustainability Benchmark) is a benchmark developed by a group of leading western pension funds. It evaluates the sustainability considerations of real estate companies and the managing entities, and is being utilized by major institutional investors, for example when selecting investment targets.

TOKYU REIT participated in 2014 GRESB survey.



■ Established “Environmental Policy” (March 2014)

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



6. Asset Value and Unrealized Gains

Period-End Estimated Value DI (Entire Portfolio: 29 Properties) TOKYU REIT

* Estimated value at end of period (appraisal value) went up in 28 out of 29 properties in TOKYU REIT's portfolio. DI figure was 96.6, the highest ever.

- 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)



	2004.1	2004.7	2005.1	2005.7	2006.1	2006.7	2007.1	2007.7	2008.1	2008.7	2009.1	2009.7	2010.1	2010.7	2011.1	2011.7	2012.1	2012.7	2013.1	2013.7	2014.1	2014.7	2015.1
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	26	28
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	1	1
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	3	0
Total	12	13	16	17	17	17	19	19	20	23	23	23	21	23	25	26	26	26	26	27	30	30	29
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	86.7	96.6
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	3.3	3.4
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	10.0	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	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	76.7	96.6

*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 23rd Period – End of 22nd Period) TOKYU REIT

* 28 properties out of 29 properties were valued higher (lower for 0 properties), resulting in appraisal value at end of period increasing ¥9.0 bn. Office properties registered increase for 3rd consecutive period. Retail properties (urban) registered increase for 7th 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)
	23rd Period (Jan. 2015)	22nd Period (Jul. 2014)					23rd Period (Jan. 2015)	22nd Period (Jul. 2014)	Change	23rd Period (Jan. 2015)	22nd Period (Jul. 2014)	Change	
QFRONT	23,800	23,000	800	3.48%	1.15%	2.94%	790	781	9	3.30%	3.40%	-0.10%	a
Lexington Aoyama	4,660	4,570	90	1.97%	-0.54%	2.50%	185	186	-1	3.90%	4.00%	-0.10%	a
TOKYU REIT Omotesando Square	6,880	6,790	90	1.33%	-1.09%	2.50%	273	276	-3	3.90%	4.00%	-0.10%	a
TOKYU REIT Shibuya Udagawa-cho Square	10,800	10,300	500	4.85%	2.44%	2.50%	420	410	10	3.90%	4.00%	-0.10%	b
cocoti	18,000	17,500	500	2.86%	1.26%	2.50%	723	714	9	3.90%	4.00%	-0.10%	c
CONZE Ebisu	4,000	3,960	40	1.01%	-1.18%	2.38%	168	170	-2	4.10%	4.20%	-0.10%	c
Daikanyama Forum	3,240	3,220	20	0.62%	2.82%	-	146	142	4	4.30%	4.30%	-	b
KALEIDO Shibuya Miyamasuzaka	5,770	5,610	160	2.85%	0.80%	2.27%	252	250	2	4.30%	4.40%	-0.10%	b
Retail Properties (Urban) Total (8 properties)	77,150	74,950	2,200	2.94%	0.96%	2.05%	2,957	2,929	28	3.83%	3.91%	-0.08%	
Tokyu Saginuma Building	9,020	8,540	480	5.62%	-	5.56%	464	464	-	5.10%	5.40%	-0.30%	a
Tokyu Saginuma 2 Building	1,570	1,520	50	3.29%	-	3.13%	98	98	-	6.20%	6.40%	-0.20%	a
Shonan Mall Fill (sokochi)	5,970	5,920	50	0.84%	0.66%	1.85%	307	305	2	5.30%	5.40%	-0.10%	b
Retail Properties (Suburban) Total (3 properties)	16,560	15,980	580	3.63%	0.23%	3.28%	868	866	2	5.24%	5.42%	-0.18%	
Retail Properties Total (11 properties)	93,710	90,930	2,780	3.06%	0.79%	2.16%	3,825	3,795	30	4.08%	4.17%	-0.09%	
Setagaya Business Square	18,700	18,600	100	0.54%	-1.45%	2.08%	882	895	-13	4.70%	4.80%	-0.10%	a
Tokyu Nampocho Building	4,890	4,720	170	3.60%	1.43%	2.27%	213	210	3	4.30%	4.40%	-0.10%	a
Tokyu Sakuragaoka-cho Building	8,510	7,590	920	12.12%	9.52%	2.44%	345	315	30	4.00%	4.10%	-0.10%	a
Tokyo Nissan Taito Building	5,200	5,200	-	-	-2.34%	2.08%	250	256	-6	4.70%	4.80%	-0.10%	a
TOKYU REIT Akasaka Hinokicho Building	4,050	3,980	70	1.76%	-0.57%	2.33%	173	174	-1	4.20%	4.30%	-0.10%	a
TOKYU REIT Kamata Building	4,920	4,830	90	1.86%	-	1.96%	248	248	-	5.00%	5.10%	-0.10%	a
TOKYU REIT Toranomon Building	9,740	9,220	520	5.64%	1.00%	4.65%	403	399	4	4.10%	4.30%	-0.20%	a
TOKYU REIT Hatchobori Building	5,250	5,240	10	0.19%	-3.31%	2.22%	234	242	-8	4.40%	4.50%	-0.10%	c
Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	6,500	6,380	120	1.88%	-0.37%	2.38%	271	272	-1	4.10%	4.20%	-0.10%	b
Tokyu Ikejiri-ohashi Building	4,720	4,630	90	1.94%	-	2.00%	231	231	-	4.90%	5.00%	-0.10%	c
Kojimachi Square	8,260	8,080	180	2.23%	-0.29%	2.38%	342	343	-1	4.10%	4.20%	-0.10%	a
TOKYU REIT Shinjuku Building	9,550	9,390	160	1.70%	-0.50%	2.38%	401	403	-2	4.10%	4.20%	-0.10%	c
Akihabara Sanwa Toyo Building	5,440	5,310	130	2.45%	0.40%	2.13%	253	252	1	4.60%	4.70%	-0.10%	b
TOKYU REIT Kiba Building	3,670	3,630	40	1.10%	-1.01%	1.85%	196	198	-2	5.30%	5.40%	-0.10%	b
Tokyu Ginza 2-chome Building	4,860	4,790	70	1.46%	-0.48%	2.33%	207	208	-1	4.20%	4.30%	-0.10%	a
OKI System Center (sokochi) (Note 2)	4,920	4,870	50	1.03%	-	1.82%	266	266	-	5.40%	5.50%	-0.10%	b
Shibuya R Sankei Building	6,770	6,000	770	12.83%	7.64%	4.44%	296	275	21	4.30%	4.50%	-0.20%	b
Tokyu Toranomon Building (Note 3)	19,000	16,200	2,800	17.28%	-4.72%	12.82%	606	636	-30	3.40%	3.90%	-0.50%	a
Office Properties Total (18 properties)	134,950	128,660	6,290	4.89%	-0.09%	4.65%	5,816	5,821	-5	4.31%	4.52%	-0.21%	
23rd Period Total (29 properties)	228,660	219,590	9,070	4.13%	0.25%	3.65%	9,641	9,617	24	4.22%	4.38%	-0.16%	

(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) As for assumptions of "Appraisal Value at End of Period," "NCF (Direct capitalization method)" and "NCF Cap Rate (Direct cap rate)" for Tokyu Toranomon Building, which contiguous land was acquired on January 9, 2015, please refer to "Portfolio Cap Rate (by appraisal value on acquisition)" in 23rd period DATA BOOK.

* 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 (%).

* Beacon Hill Plaza (Ito-Yokado Noukenda Store) sold during 23rd period isn't indicated in the table.

Period	Properties with increase in appraisal value at end of period compared with 6 months ago	Properties with no change	Properties with decrease in appraisal value at end of period compared with 6 months ago	Total (Number of properties)	DI
23rd period (Jan. 2015)	28	1	0	29	96.6
22nd Period (July 2014)	26	1	3	30	76.7

*Comments by Tokyu REIM

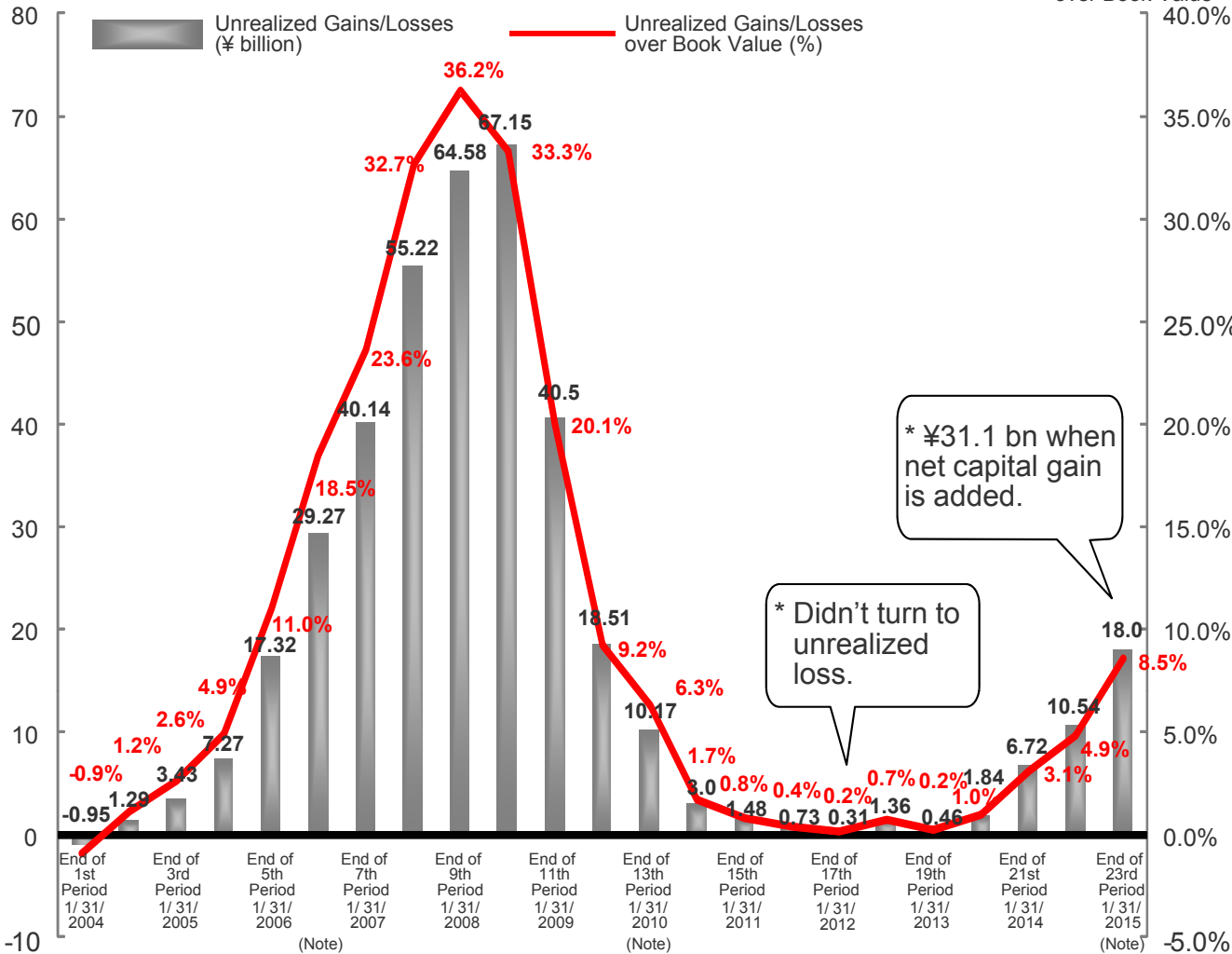
Unrealized Gains/Losses and Capital Gains/Losses

* Unrealized gains continued to increase and reached ¥18.0 bn at the end of 23rd period. In addition, realized a cumulative total of ¥13.1 bn of capital gains to date.

Unrealized Gains/Losses

Capital Gains/Losses (Realized Gains/Losses)

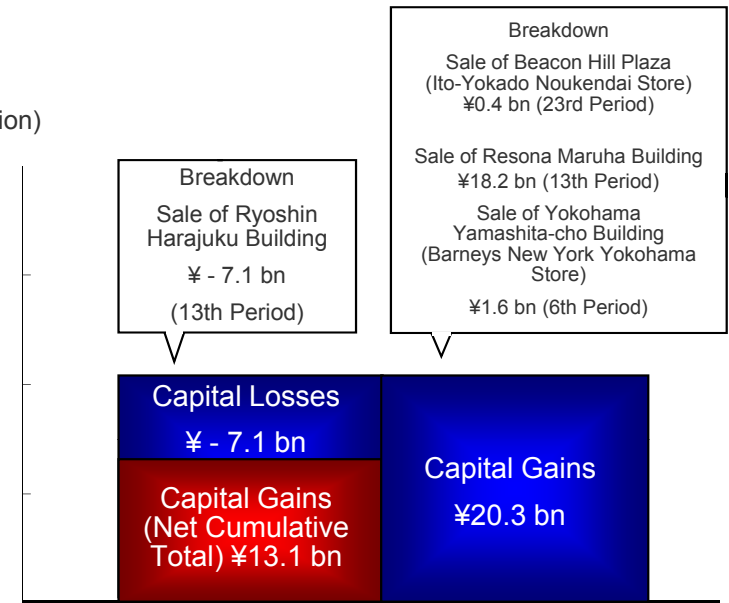
Unrealized Gains/Losses (¥ billion)



Property Acquisition and Disposal Results

- Acquisition: 33 properties (¥275.2 billion)
- Disposal: 4 properties (¥53.1 billion)
- Owned: 29 properties (¥222.0 billion)

(¥ billion)



* Net cumulative total as of the end of the 23rd period (Jan. 2015).

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

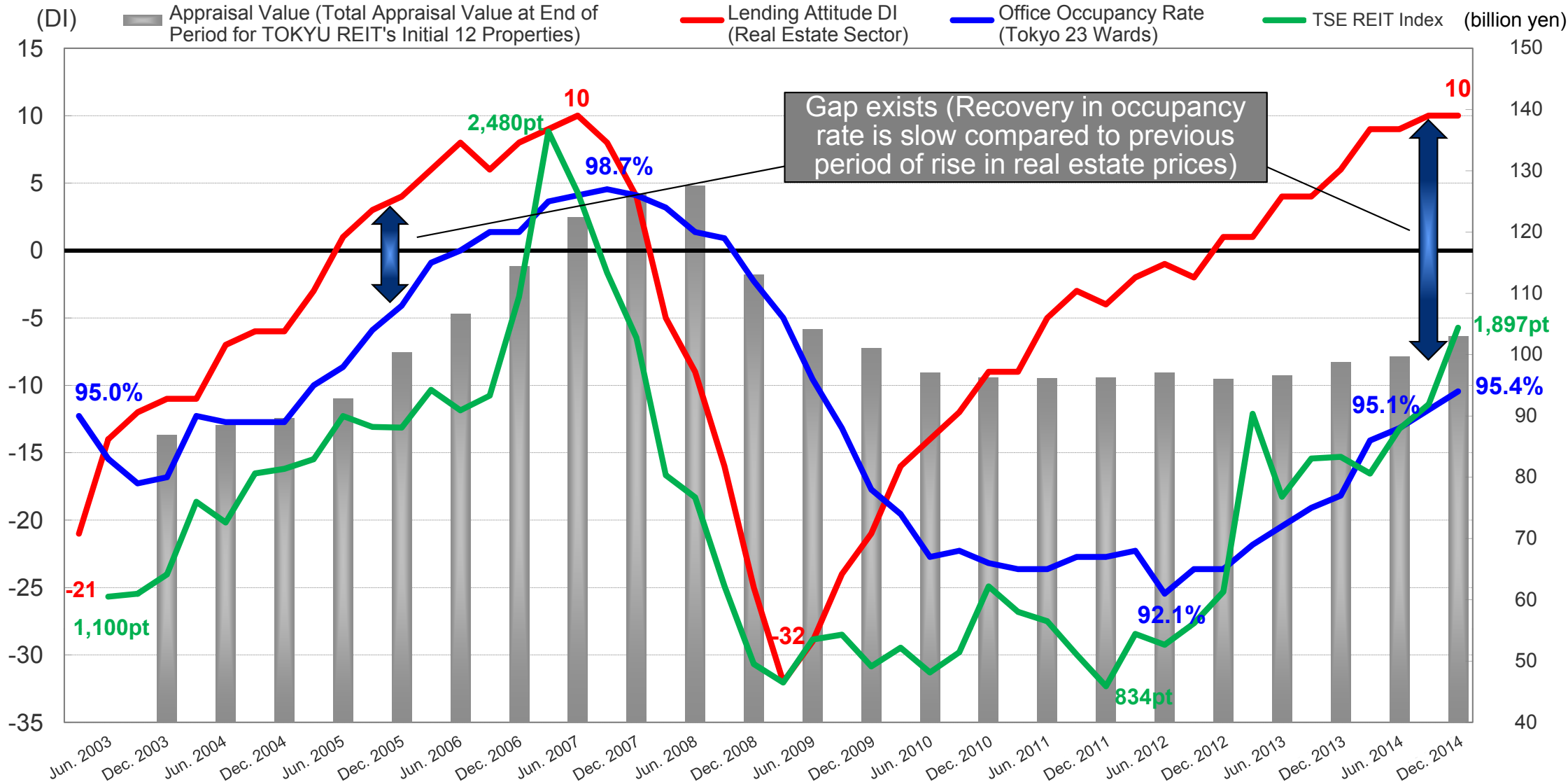
*Comments by Tokyu REIM



7. Investment Activities Policy

Changes in Occupancy Rate, Lending Attitude DI, Appraisal Value and TSE REIT Index

***Occupancy rate recovered and lending attitude remained accommodative. With the recovery in occupancy rate, real estate prices continue to be on an upward trend going forward.**



* "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

24th period (ending Jul. 2015) is positioned as the last fiscal period of the “acquisition phase.”

1. Environmental Analysis under the Surf Plan

(1) Cap rates

- Cap rates continue to be lower due to lengthened low-interest rate and financial institutions maintaining eased lending attitude. Even cap rates in 3% range, which is at a level below the global financial crisis, are seen here and there in prime locations.

(2) Assumed rents over the medium to long term

- Recovery in new market rent becomes clear as occupancy of office properties in Tokyo is steadily improving and vacancy rate for the Tokyo Central 5 Wards falling to 4.1% (Note) as of December 2014.

- However, negative gap between new market rent and existing contract rent is on narrowing trend, but aside from some, is yet to close.

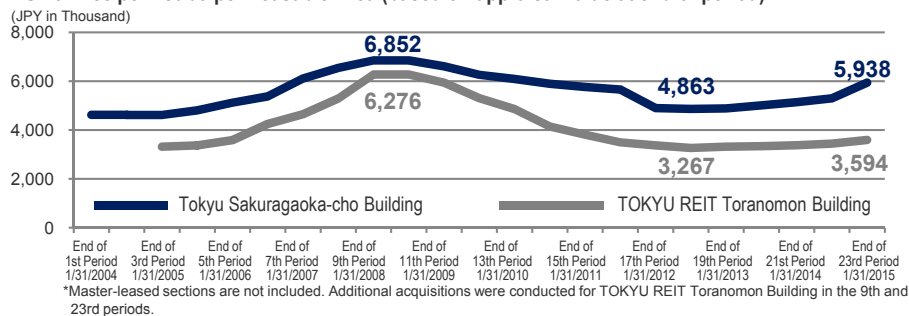
- Degree of rent increase differs by location. Rent levels are not high as a whole, and there is still room for increase.

(3) Property prices

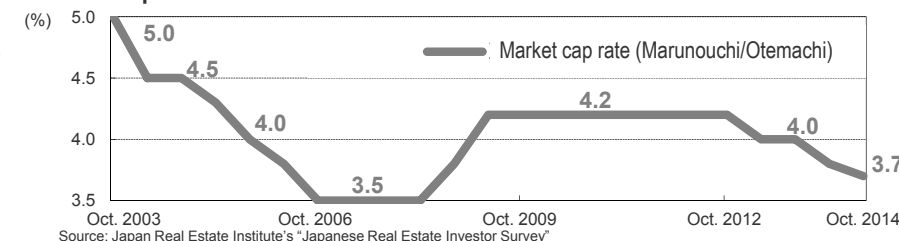
- Property prices are on an increasing trend as some started to incorporate rent increases in addition to lower cap rates.

- On the other hand, there is room to consider acquisitions in the case of properties in areas where large rent increases are not incorporated in prices and properties outside of the excessive acquisition competition environment.

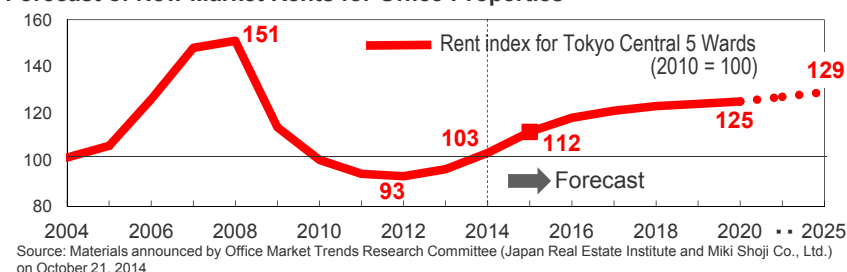
<Unit Price per Tsubo per Leasable Area (based on appraisal value at end of period)>



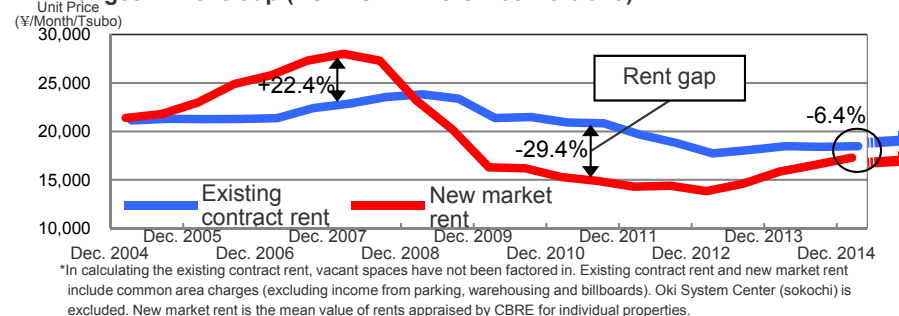
<Market Cap Rate in Marunouchi/Otemachi>



<Forecast of New Market Rents for Office Properties>



<Changes in Rent Gap (TOKYU REIT's Office Portfolio)>



2. Focused Properties

Aim for acquisition of properties with high competitiveness and liquidity even in difficult economic times by leveraging acquisition capacity (¥31.6 bn) and taking note of distance from stations, contractual relationships and cash flow stability. Sticking to the investment policy to date, investment will be limited to the Tokyo metropolitan area.

- Acquisition of properties outside of excessively competitive environment through negotiated transactions, bids with limited participants, etc.
- Acquisition of properties at which future rent increases can be expected with contract rent remaining at a low level.
- Acquisition of properties in adjacent land that contribute to terminal value improvement and additional acquisition of co- ownership interest, etc.

3. Property disposition

Policy is not to implement aggressive disposition activities in 24th period (ending Jul. 2015). However, prepare for flexible property dispositions including setting priority of properties for sale toward selling phase.

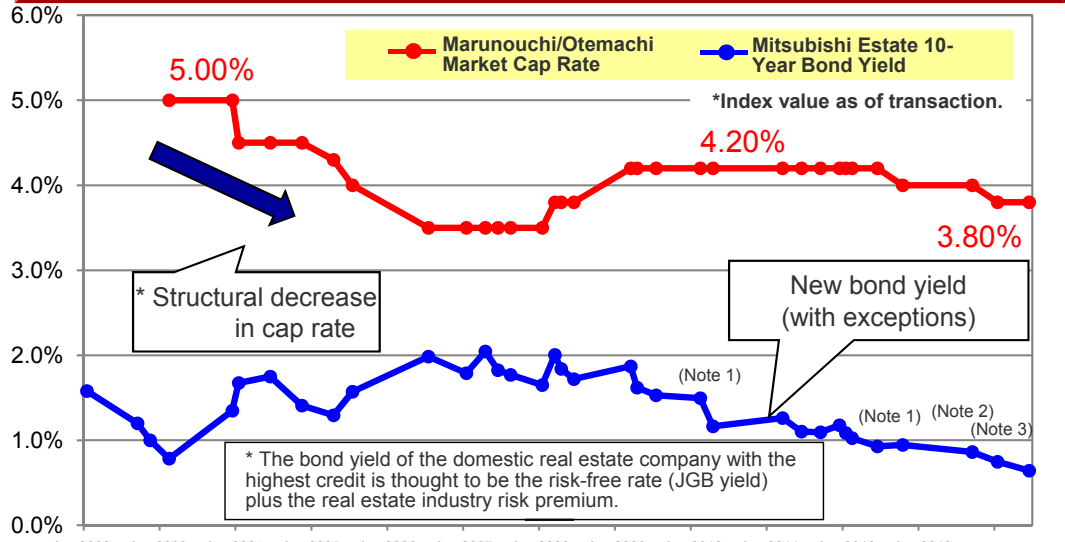
(Note) Source: CBRE K.K.

*This page represents the views of Tokyu REIM

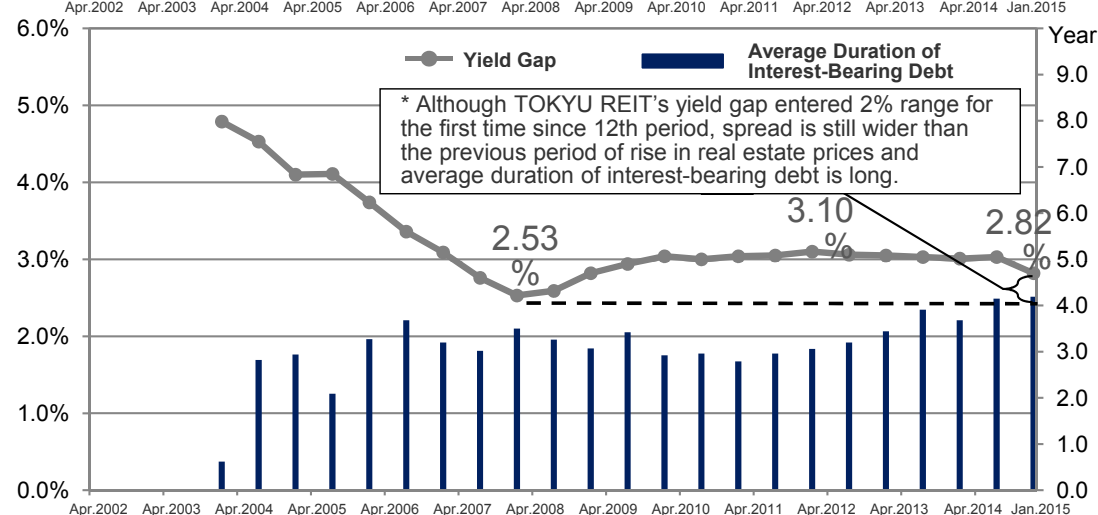
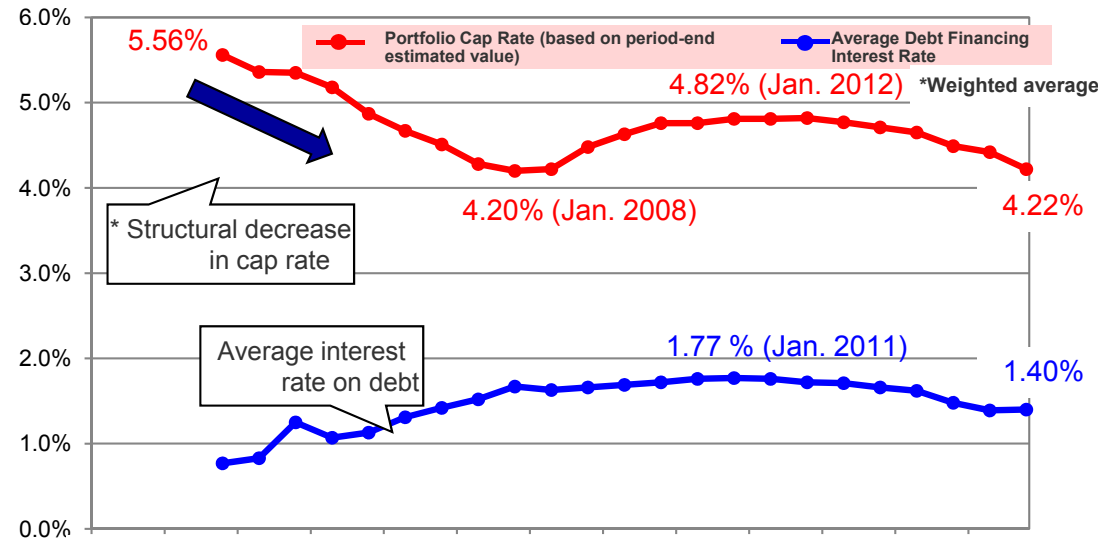
Changes in Yield Gap (Real Estate Market Cap Rate – Debt Costs)

***More than twice the spread from the previous period of rise in real estate prices still exists in the yield gap of Mitsubishi Estate, a representative real estate company.**

Changes in Marunouchi/Otemachi Market Cap Rate, Mitsubishi Estate 10-Year Bond Yield and Yield Gap



Changes in TOKYU REIT Cap Rate, Average Interest Rate on Debt and Yield Gap



(Note 1) For May 14, 2010 and January 31, 2013, the yield is the distribution yield of Mitsubishi Estate's corporate bonds issued and outstanding with 10 years to maturity at the time of those dates (48th bond and 89th bond).
 (Note 2) For December 31, 2013, the yield presuming 10 years to maturity at the time of said date is calculated from the difference in the distribution yield of Mitsubishi Estate's corporate bonds issued and outstanding with approx. 8.5 years and approx. 11 years to maturity at the time of said date (109th bond and 113th bond).
 (Note 3) For April 1, 2014, the yield presuming 10 years to maturity at the time of said date is calculated from the difference in the distribution yield of Mitsubishi Estate's corporate bonds issued and outstanding with approx. 8 years and approx. 13 years to maturity at the time of said date (107th bond and 80th bond).
 Source: Japan Real Estate Institute's "Japanese Real Estate Investor Survey" and Bloomberg

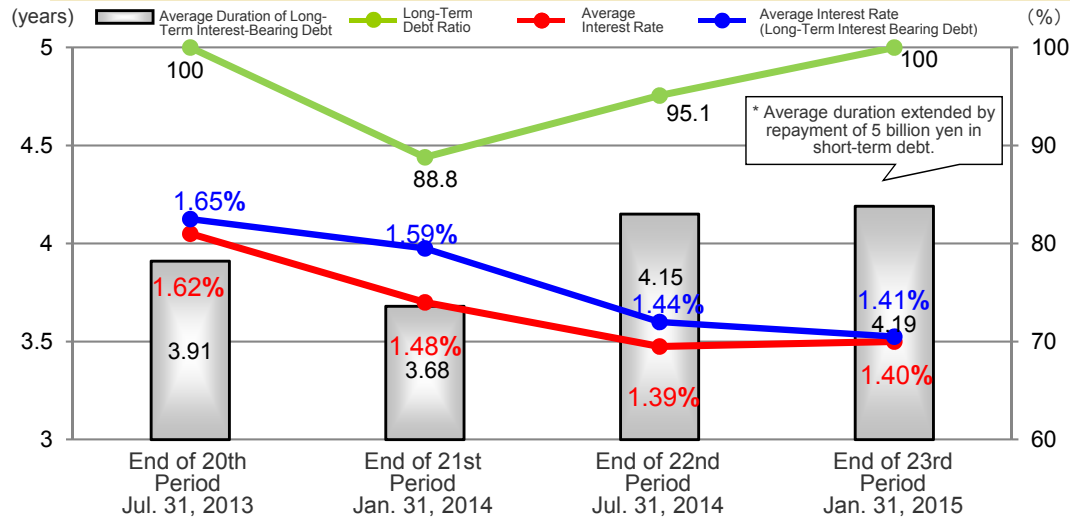


8. Debt Management and Composition of Unitholders

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

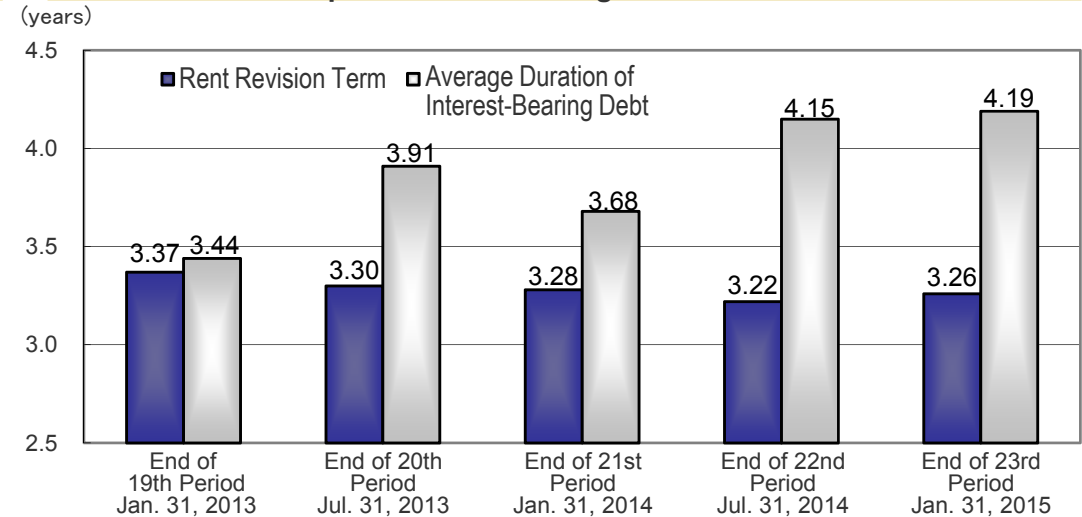
Extend Average Duration, Convert to Long-Term Fixed-Rate Debt and Lower Interest Rate through Refinancing

* Reduced average interest rate and increased duration of interest-bearing debt and fixed interest rate.



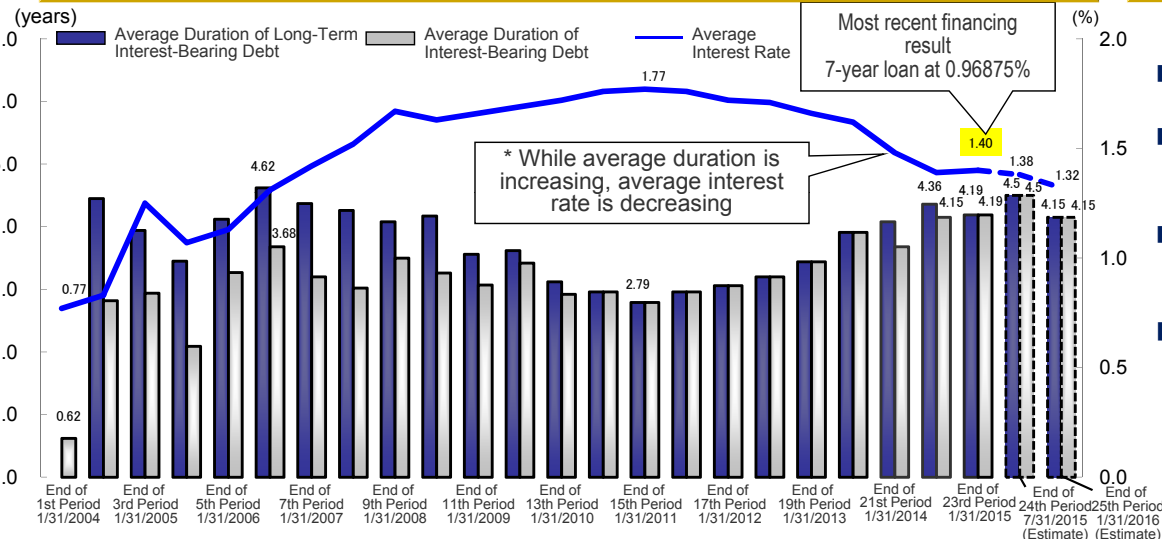
Average Rent Revision Term and Average Duration of Interest-Bearing Debt

* Secure duration longer than the rent revision term and prepare for phases of increasing interest rates



Interest-Bearing Debt Average Duration and Average Interest Rate

Average interest rate will fall toward 1% if the present interest rate level continues. On the other hand, it has stability in phases of increasing interest rates.



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

Result of Strategic Debt Management (ii)

Interest-Bearing Debt Balance by Repayment Date

*** Decreased average interest rate 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, 2015 (End of 23rd Period)
(compared with 22nd period end)

Total	: 97.0 bn (-6.0 bn)
Average Interest Rate	: 1.40% (+ 0.01 pts.)
Avg. Duration	: 4.19 yrs (+ 0.04 yrs)
Long-Term Fixed-Rate Ratio	: 100% (+ 4.9 pts.)
Number of Ladders	: 17 (± 0 ladders)
Avg. Ladder Amount	: 5.7 bn (- 0.35 bn)
LTV at End of Period^(Note)	: 43.3% (- 3.4 pts.)
Acquisition Capacity	: 31.6 bn (+14.7 bn)

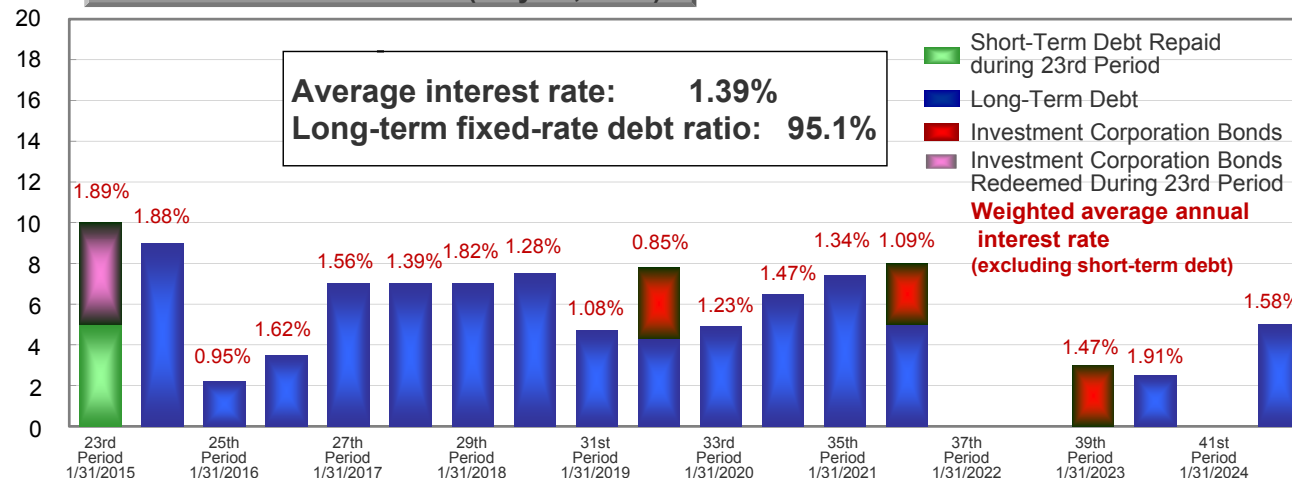
(Note) LTV at End of Period = (Balance of Interest-Bearing Debt at End of Period + Balance of Securities Deposit without Reserved Cash at End of Period) / (Appraisal Value at End of Period + Balance of Cash and Deposits with Banks at End of Period)

Limit of commitment lines
¥18.0 bn (annual)

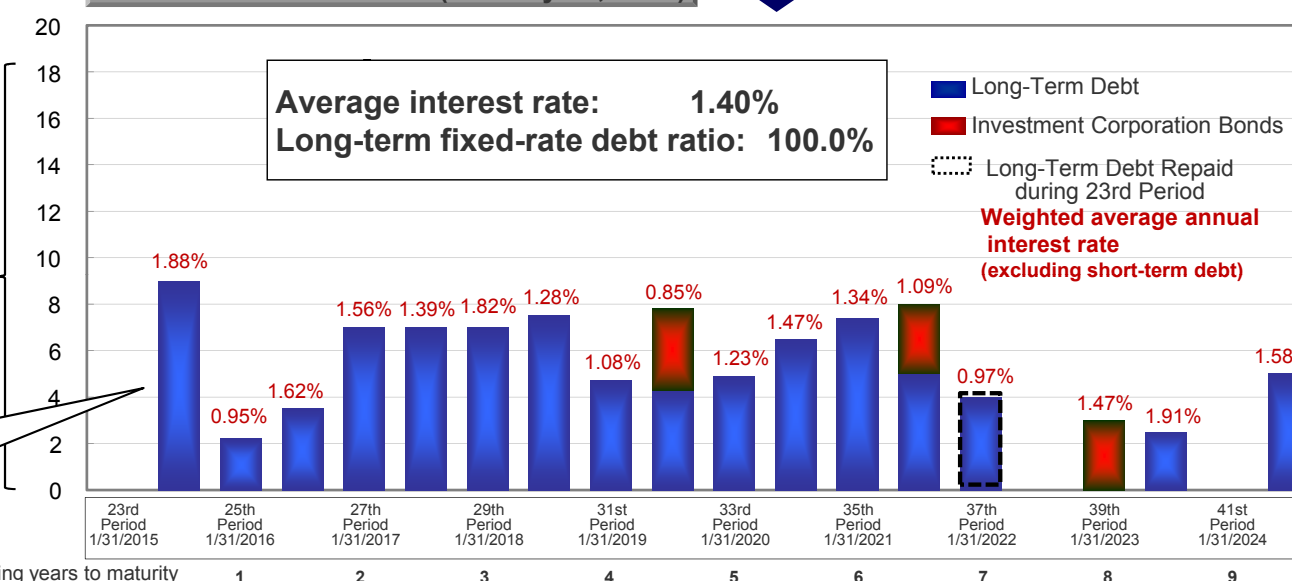
*¥9.0 bn in long-term debt (9.3% of the total) due by end of 24th period (July 31, 2015)

Development Bank of Japan	¥5.0 bn	Due 6/25/2015
Sumitomo Mitsui Trust Bank	¥2.0 bn	Due 7/26/2015
Shinkin Central Bank	¥2.0 bn	Due 7/26/2015

(¥ billion) **As of End of 22nd Period (July 31, 2014)**



(¥ billion) **As of End of 23rd Period (January 31, 2015)**



Remaining years to maturity

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

*Comments by Tokyu REIM

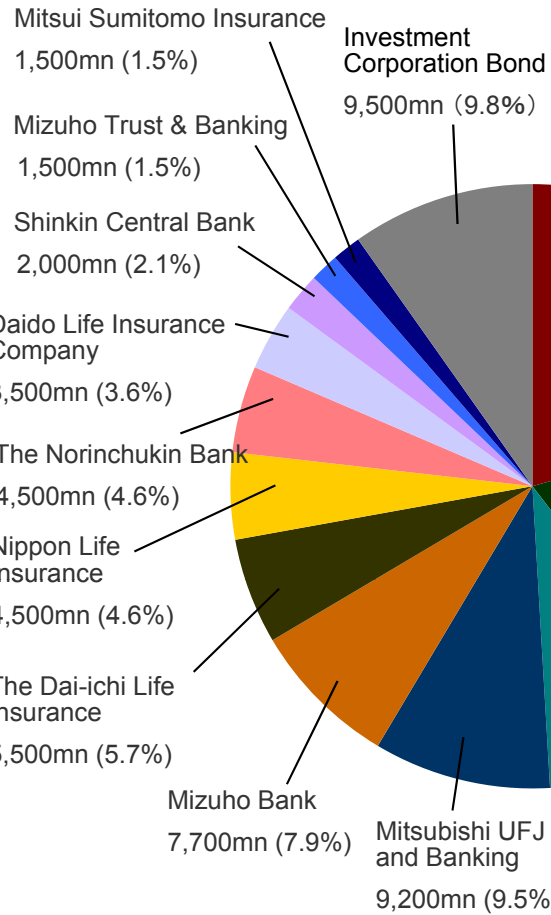
Debt Structure (i) Interest Bearing Debt

* Aim to diversify sources of funds, but curb dependence on investment corporation bonds by taking refinance risk into consideration.

As of end of 23rd Period

Commitment Line	
Development Bank of Japan	¥8.0 bn
Sumitomo Mitsui Trust Bank	¥2.0 bn
Sumitomo Mitsui Trust Bank	¥3.2 bn
Mizuho Bank	¥1.6 bn
Bank of Tokyo-Mitsubishi UFJ	¥1.6 bn
Mitsubishi UFJ Trust and Banking	¥1.6 bn
Total: ¥18.0 bn	

Category	Lender	Amount	Interest Rate	Debt Origination Date	Maturity		Note
		(¥ million)	(%)		Due Date	Period	
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	
	Sumitomo Mitsui Trust Bank	1,000	1.46250	7/26/2010	7/26/2015		
	Sumitomo Mitsui Trust Bank	1,000					
	Shinkin Central Bank	2,000	1.63250	12/27/2010	12/27/2016	27th	
	Sumitomo Mitsui Trust Bank	5,000					
	Sumitomo Mitsui Trust Bank	2,000	1.47625	5/18/2011	5/18/2017	28th	
	Sumitomo Mitsui Trust Bank	2,000					
	Mizuho Bank	2,000	1.45375	6/27/2011	6/27/2017	27th	
	Nippon Life Insurance	2,000	1.36875	1/31/2017	1/31/2018		
	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		11/11/2018	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 and Banking	400	1.32375			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 and Banking	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		12/25/2019	33rd	
	Mitsubishi UFJ Trust and Banking	500	0.77500		6/25/2016	26th	
	Mitsubishi UFJ Trust and Banking	500	1.07500		6/25/2018	30th	
	Mitsubishi UFJ Trust and Banking	1,500	1.45125	6/25/2013	6/25/2020	34th	
	Sumitomo Mitsui Trust Bank	2,900	1.53375		12/25/2020	35th	
	The Norinchukin Bank	500	1.47250	6/27/2013	6/27/2020	34th	
	Mitsui Sumitomo Insurance	500					
	Development Bank of Japan	1,000	1.91375		6/27/2023	40th	
	Mizuho Trust & Banking	1,500					
Dai-ichi Life Insurance	2,500	1.51375	7/31/2013	7/31/2021	36th		
Dai-ichi Life Insurance	2,000	0.99125		7/31/2018	30th		
Nippon Life Insurance	500	1.51375		7/31/2021	36th		
Sumitomo Mitsui Trust Bank	2,500	1.21000	12/25/2013	12/25/2020	35th		
Mitsubishi UFJ Trust and Banking	2,000						
Mitsubishi UFJ Trust and Banking	1,500	0.95625		6/25/2019	32nd		
Dai-ichi Life Insurance	1,000	1.04625	1/27/2014	1/27/2020	33rd		
The Norinchukin Bank	3,000	0.85000		1/27/2019	31st		
Development Bank of Japan	5,000	1.57750	2/25/2014	2/25/2024	42nd		
Mizuho Bank	1,000	1.05250	6/25/2014	6/25/2021	36th		
Mitsui Sumitomo Insurance	1,000						
Sumitomo Mitsui Trust Bank	1,600	0.96875	10/22/2014	10/22/2021	37th		
Bank of Tokyo-Mitsubishi UFJ	800						
Mizuho Bank	800						
Mitsubishi UFJ Trust and Banking	800						
Total Long-Term Borrowings		87,500	-	-	-	-	-
Total Borrowings		87,500	-	-	-	-	-
Bonds	#3 Investment Corporation Bond	3,000	1.47000	10/21/2012	10/21/2022	39th	Unsecured Unguaranteed
	#4 Investment Corporation Bond	3,500	0.39900	2/14/2014	2/14/2019	32nd	
	#5 Investment Corporation Bond	3,000	0.68200	3/11/2014	3/11/2021	36th	
Total Corporate Bonds		9,500	-	-	-	-	-
Total Interest-Bearing Debt		97,000	-	-	-	-	-



Secure level to cover planned annual repayment amount

* Average Interest Rate: 1.4%

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

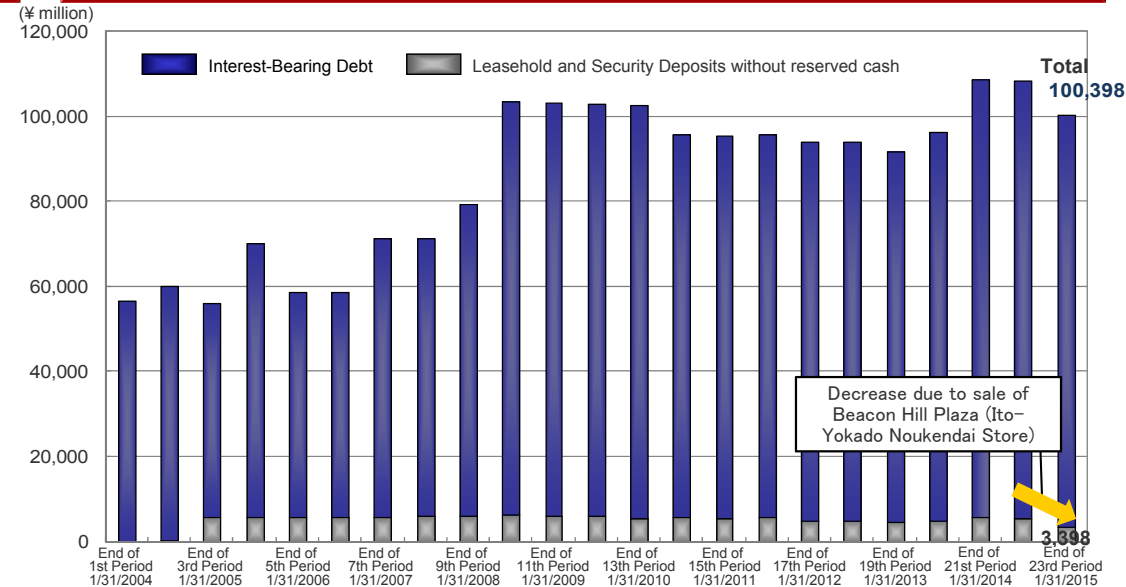
* Comments by Tokyu REIM

Debt Structure (ii)

Rating (As of End of 23rd Period)

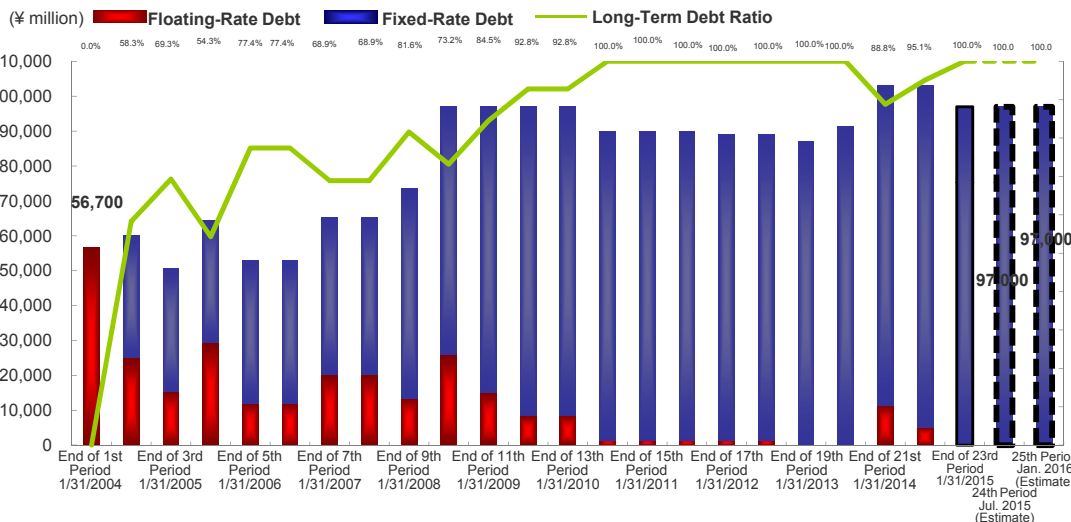
JCR	Long-term Issuer Rating: AA- (Outlook: Stable)
R&I	Issuer Rating: A+ (Rating Outlook: Stable)
S&P	Long-Term Corporate Credit Rating: A (Rating Outlook: Stable) Short-Term Corporate Credit Rating: A-1

Deemed Interest-Bearing Debt

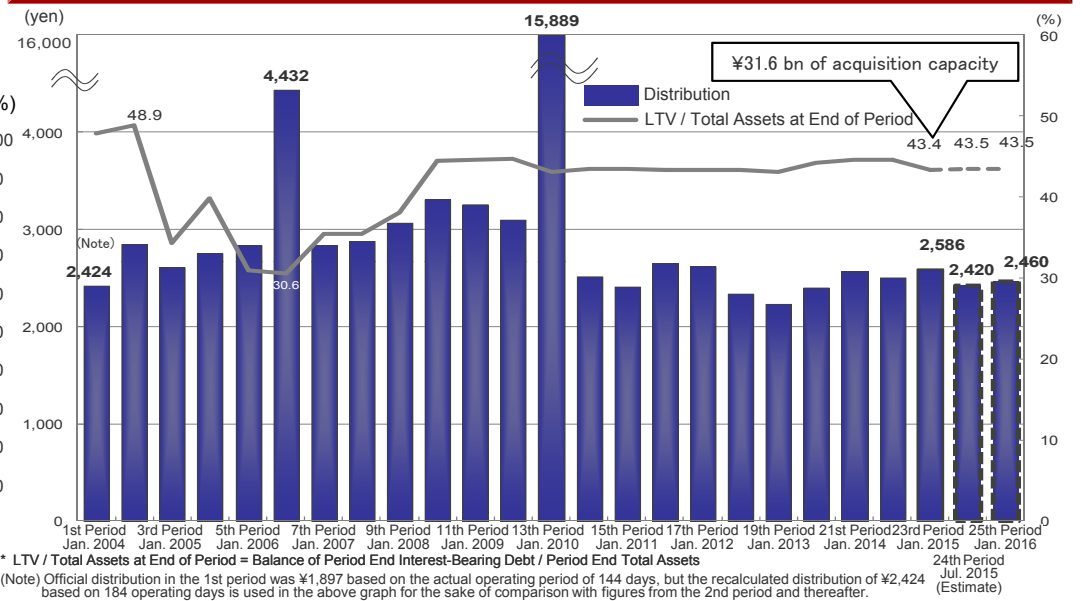


Long-Term Fixed-Rate Debt Ratio

* Promoted conversion to long-term fixed-rate debt to maintain stability. Currently long-term fixed-rate debt ratio is 100%.

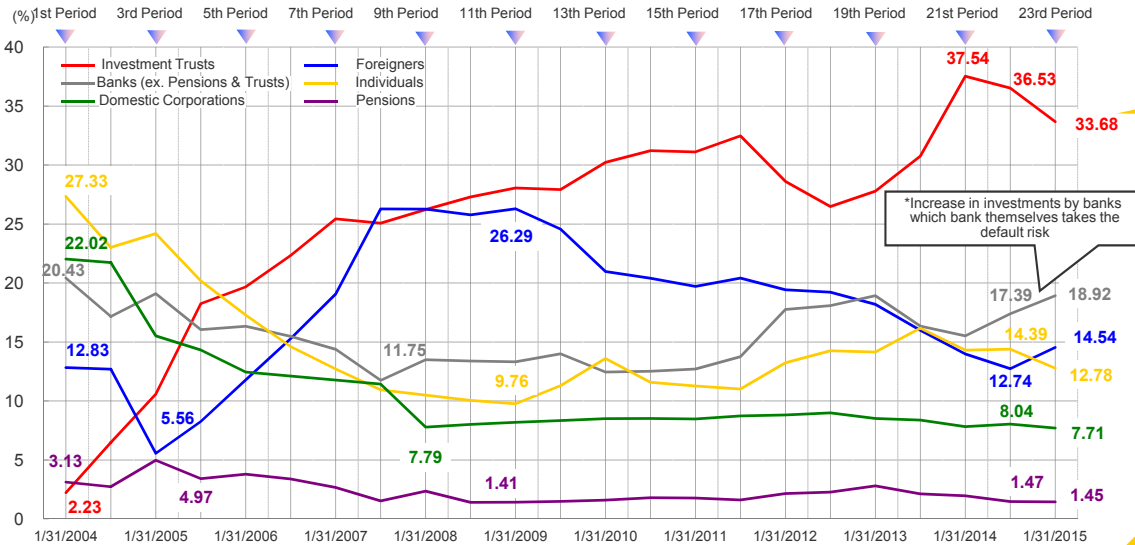


Distribution and LTV / Total Assets at End of Period



Composition of Unitholders

Changes in Unitholder Composition (Main Segments)

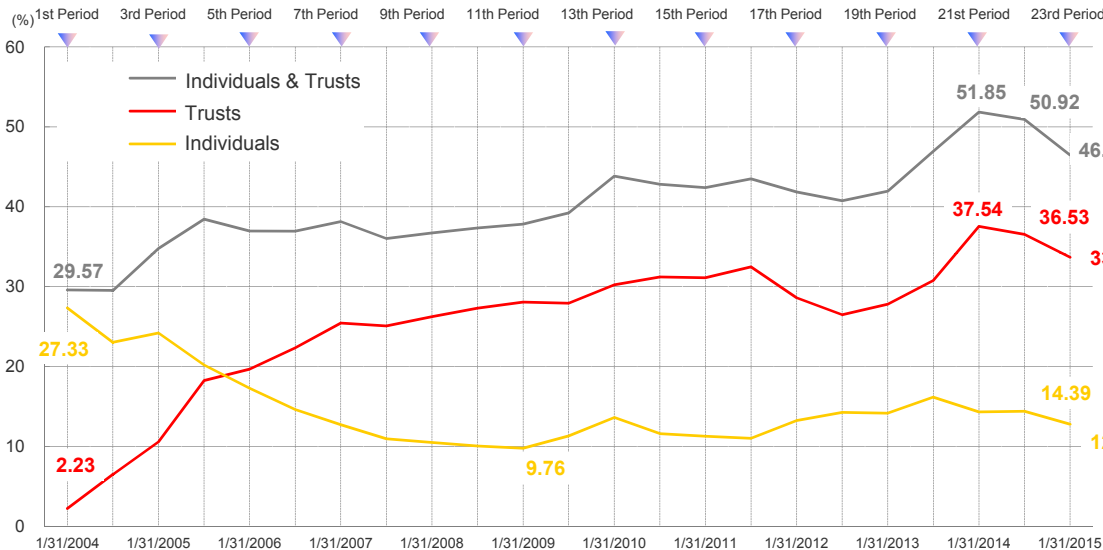


* Investment trusts hold the largest share among unitholders.

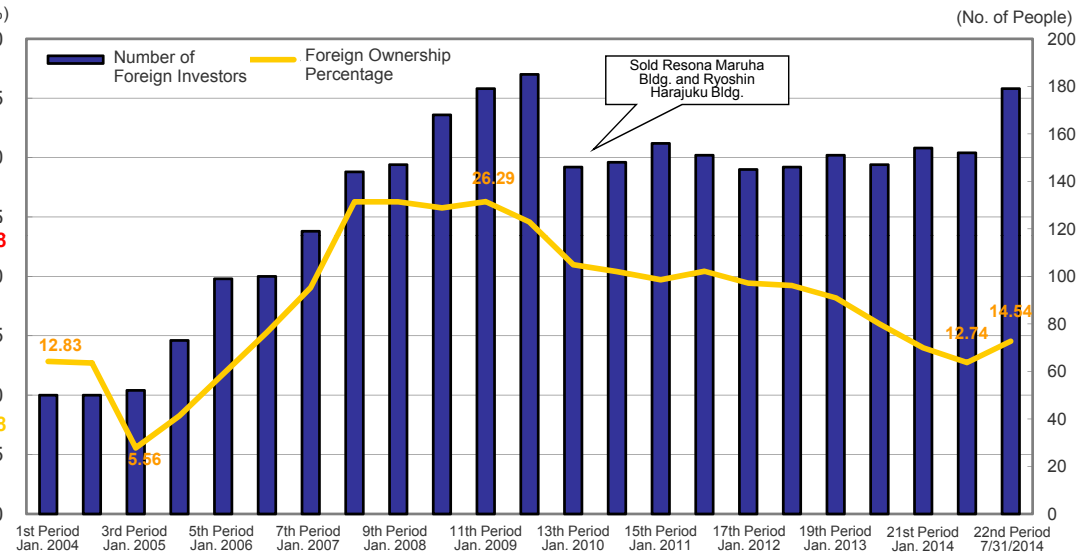
* Although individual ownership percentage (Individuals and Trusts) decreased, it exceeds 40% of the total.

* Foreigners accounting for increased percentage of investments for the first time in seven 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	29,400	6.00
2	Kawasaki Gakuen School Corporation	25,000	5.10
3	Tokyu Land Corporation	19,600	4.00
4	Japan Trustee Services Bank	15,420	3.14
5	Shinwa Bank	13,970	2.85
6	Aozora Bank	13,830	2.82
7	Hiroshima Bank	10,320	2.10
8	Resona Bank	10,215	2.08
9	Morgan Stanley	10,080	2.05
10	Bank of Ikeda	9,585	1.95
11	The Gibraltar Life Insurance Company	7,670	1.56
12	The Chase Manhattan Bank London	7,300	1.48
13	AIG Star Life Insurance Co., Ltd.	6,970	1.42
14	Trust & Custody Services Bank, Ltd.	6,005	1.22
15	The Chase Manhattan Bank London (SL Omnibus Acct.)	5,450	1.11
16	North Pacific Bank	5,000	1.02
16	Bank of Bermuda	5,000	1.02
18	The Hachijuni Bank, Ltd.	4,800	0.97
19	American Life Insurance Company	4,795	0.97
20	Pictet & Cie	4,735	0.96
Total Units Held by Top 20 Unitholders		215,145	43.90
Outstanding Units		490,000	100.00

22nd Period (Ended Jul. 31, 2014)

	Unitholders	No. of Units Held	Share (%)
1	Japan Trustee Services Bank	281,307	28.77
2	The Master Trust Bank of Japan, Ltd.	69,479	7.10
3	Trust & Custody Services Bank, Ltd.	52,005	5.31
4	Tokyu Corporation	49,000	5.01
5	The Nomura Trust and Banking Co., Ltd.	43,864	4.48
6	Union Bancaire Privée (Europe) S.A. AIFMD Clients 497201	20,065	2.05
7	MetLife Insurance K.K.	19,510	1.99
8	Asahi Fire and Marine Insurance	15,000	1.53
9	State Street Bank and Trust Company 505223	12,225	1.25
10	Trust & Custody Services Bank, Ltd.	10,795	1.10
11	The Hachijuni Bank, Ltd.	10,440	1.06
12	Mitsubishi UFJ Trust and Banking Corporation	9,196	0.94
13	The Bank of Kyoto, Ltd.	9,092	0.93
14	The Gibraltar Life Insurance Company	7,458	0.76
15	State Street Bank West Client Treaty	6,572	0.67
16	CBHK-CTBC BANK-YUANTA GLOBAL REITS FUND	6,474	0.66
17	CBNYDFA International Real Estate Securities Portfolio	6,031	0.61
18	State Street Bank West Pension Fund Clients Exempt	5,980	0.61
19	Nomura Bank (Luxembourg) S.A.	5,777	0.59
20	The Chiba Bank, Ltd.	5,350	0.54
Total Units Held by Top 20 Unitholders		645,620	66.04
Outstanding Units		977,600	100.00

23rd Period (Ended Jan. 31, 2015)

	Unitholders	No. of Units Held	Share (%)
1	Japan Trustee Services Bank	273,320	27.95
2	The Master Trust Bank of Japan, Ltd.	58,612	5.99
3	Trust & Custody Services Bank, Ltd.	55,935	5.72
4	Tokyu Corporation	49,000	5.01
5	The Nomura Trust and Banking Co., Ltd.	34,799	3.55
6	MetLife Insurance K.K.	19,510	1.99
7	Asahi Fire and Marine Insurance	15,000	1.53
8	UNION BANCAIRE PRIVÉE (EUROPE) SA, AIFMD CLIENTS	14,129	1.44
9	BNP PARIBAS SECURITIES SERVICES SYDNEY/JASDEC/AUSTRALIAN RESIDENTS	12,688	1.29
10	The Bank of Kyoto, Ltd.	10,975	1.12
11	Trust & Custody Services Bank, Ltd.	10,750	1.09
12	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT	9,431	0.96
13	Mitsubishi UFJ Trust and Banking Corporation	9,196	0.94
14	The Hachijuni Bank, Ltd.	7,520	0.76
15	Nomura Securities Co., Ltd. (Proprietary Account)	7,275	0.74
16	The Gibraltar Life Insurance Company	7,228	0.73
17	STATE STREET BANK WEST CLIENT-TREATY	7,107	0.72
18	The Hokkoku Bank, Ltd.	6,878	0.70
19	The Chiba Bank, Ltd.	5,760	0.58
20	JP MORGAN CHASE BANK 380634	5,262	0.53
Total Units Held by Top 20 Unitholders		620,375	63.45
Outstanding Units		977,600	100.00

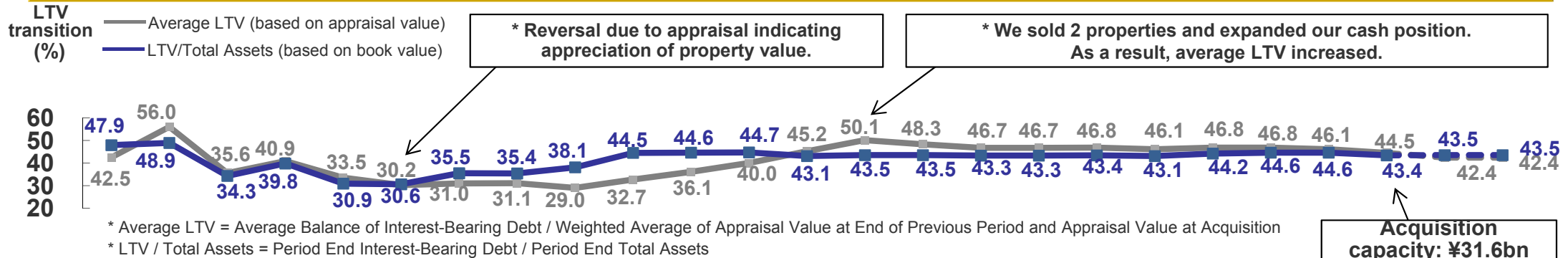
(Note) Number of units held by respective unitholder at the end of the 1st period has been adjusted to take into account the split of investment units (five-for-one split) conducted on February 1, 2014.



9. Results and Performance

Changes in Distribution per Unit (DPU)

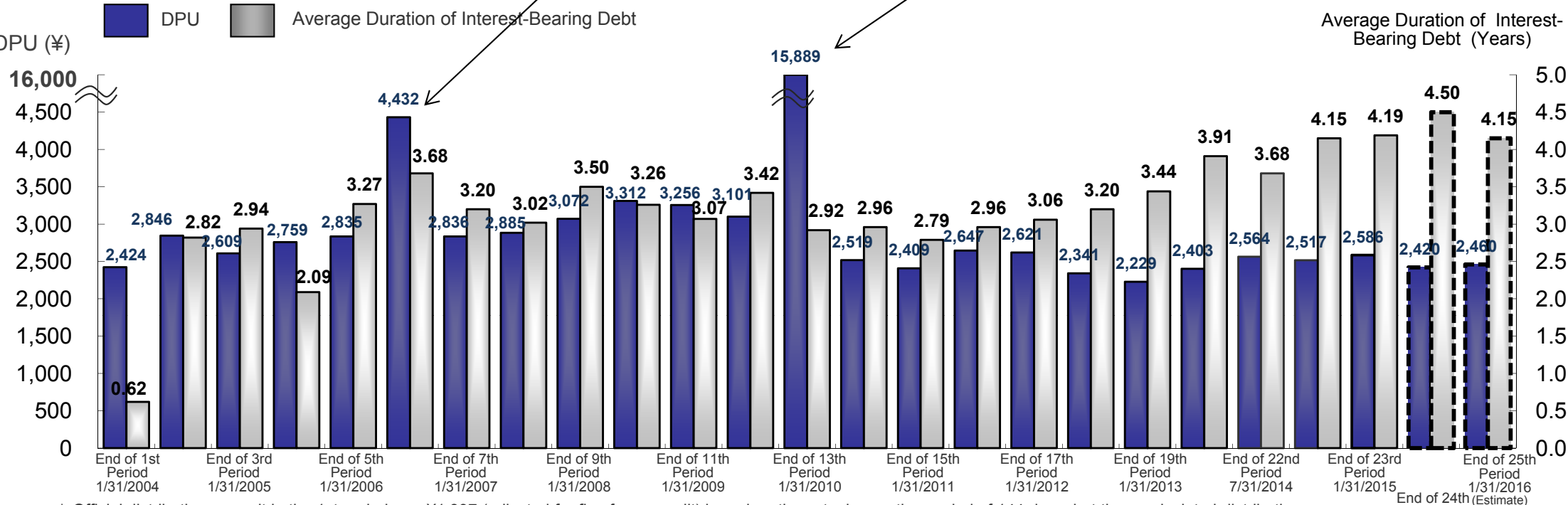
*** Have been securing DPU while considering financial soundness.**



* Average LTV = Average Balance of Interest-Bearing Debt / 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

*** Contribution from sale of Yokohama Yamashita-cho Bldg. (Barneys New York Yokohama Store)**

*** Contribution from sale of Resona Maruha Bldg. and Ryoshin Harajuku Bldg.**



* 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.

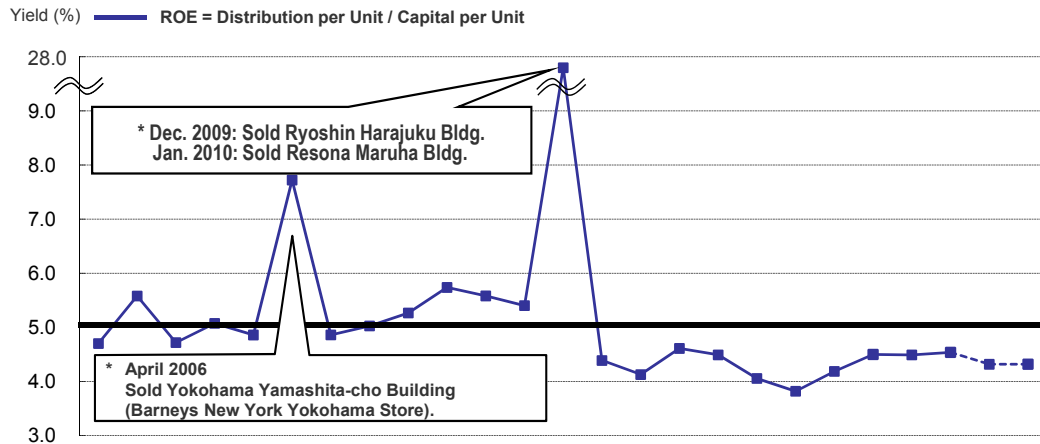
*Comments by Tokyu REIM

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

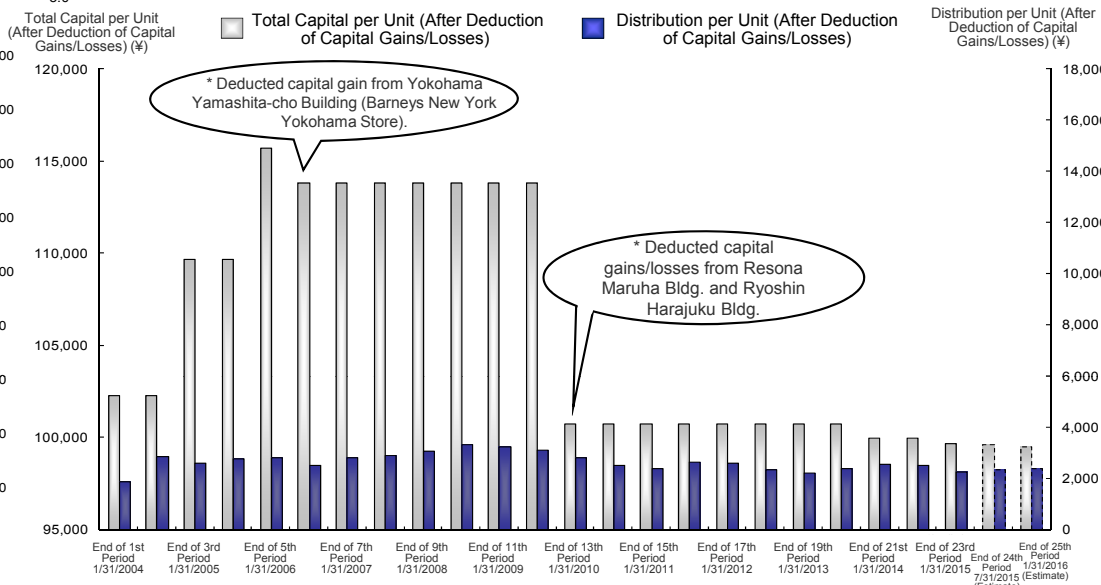
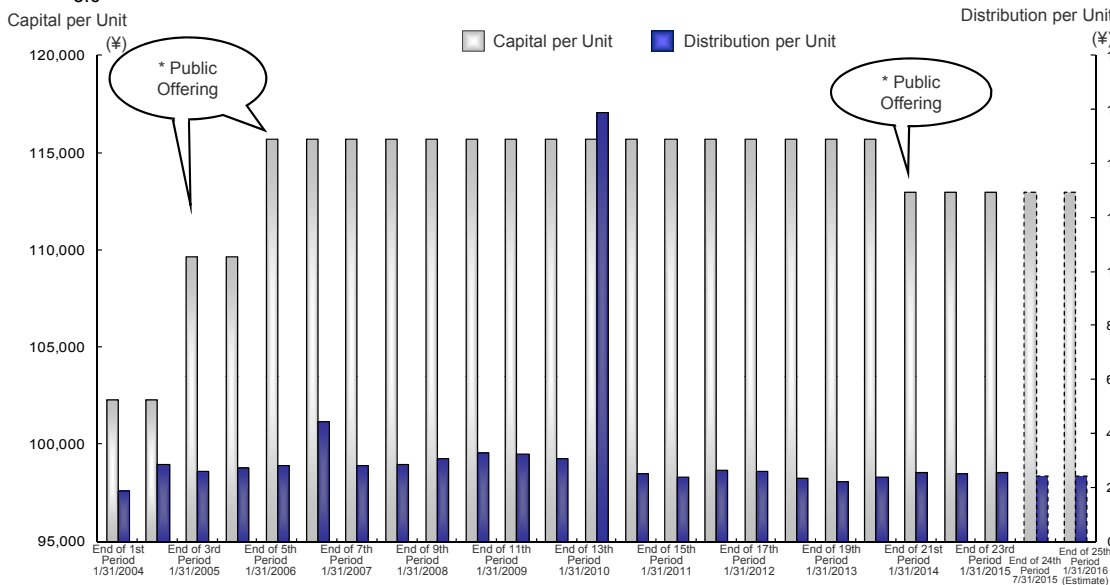
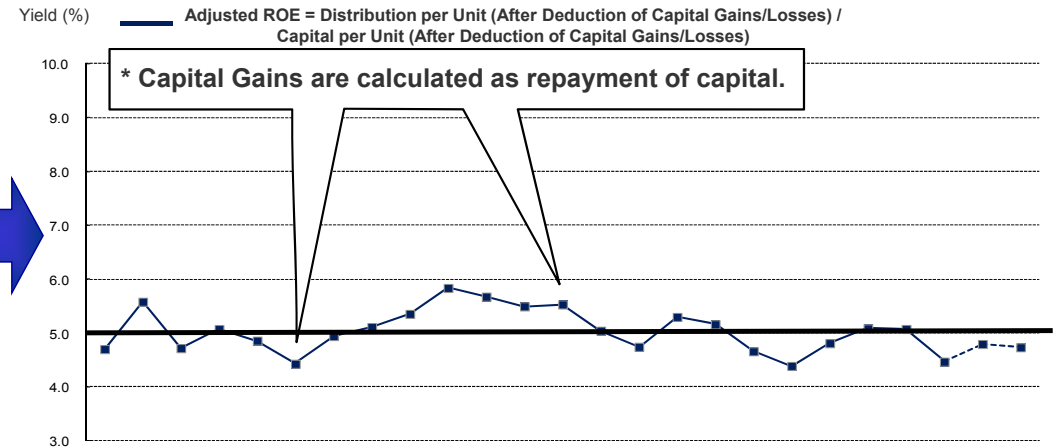
*** Adjusted ROE of the 23rd period was 4.47%. Aim to secure adjusted ROE of 5% or more (Note).**

(Note) REITs are considered to have less business risks as they differ from regular corporations. Thus, ROE target is also lower.

ROE (Capital Yield)



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



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

*Comments by Tokyu REIM

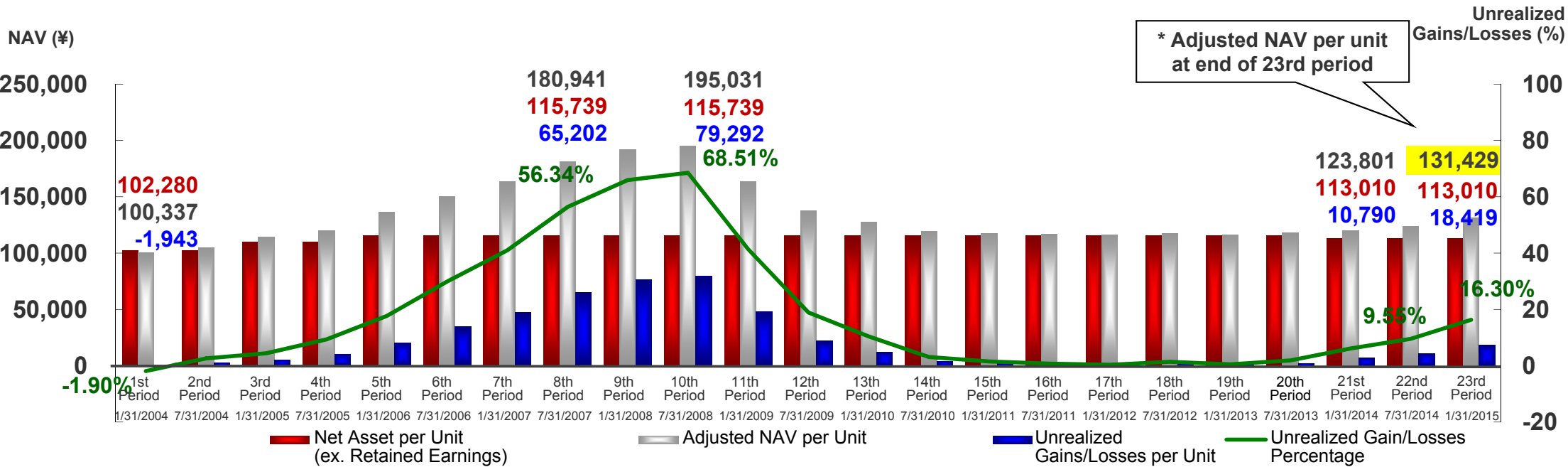
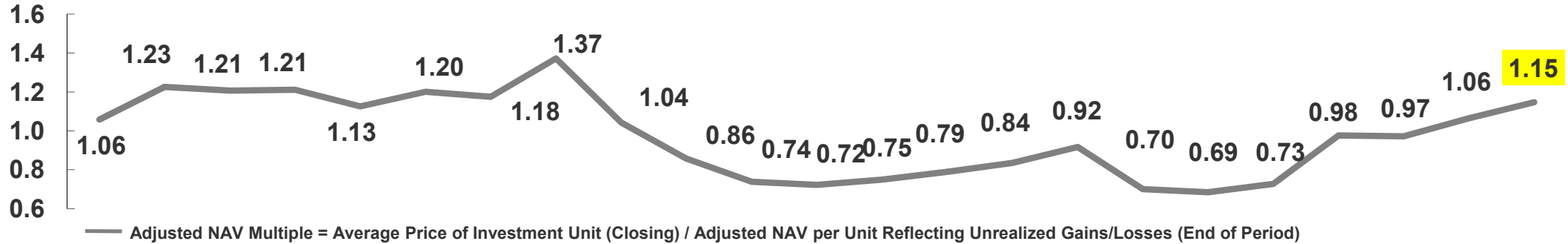
* Capital per unit, capital per unit (after deduction of capital gains/losses), distribution per unit and distribution per unit (after deduction of capital gains/losses) stated in this document have been adjusted to take into account the split of investment units (five-for-one split) conducted on February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

* As for capital gains on transfer of Beacon Hill Plaza (Ito-Yokado Nougkenda Store), distributions of amount equivalent to reserve for reduction entry aren't made. Thus, the amount is not deducted from the capital.

Changes in Asset Value (Adjusted NAV per Unit)

* Adjusted NAV per unit reflecting unrealized gains/losses increased ¥7,628 to ¥131,429. Adjusted NAV multiple was 1.15x.

Adjusted NAV Multiple



Average Investment Unit Price	¥106,165	¥128,619	¥138,141	¥145,216	¥153,304	¥180,487	¥191,661	¥200,132	¥248,307	¥167,180	¥120,714	¥99,354	¥95,715	¥94,172	¥98,085	¥106,931	¥81,328	¥80,332	¥84,558	¥115,068	¥116,503	¥131,777	¥150,756
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* 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.

*Comments by Tokyu REIM

External Growth

- Selective investments focused on total return without being obsessed with income alone -



Portfolio Size and Average Investment

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

*Rent estimate for Marunouchi, Otemachi and Shibuya improved from the previous survey.

30th survey (Apr. 2014)

31st survey (Oct. 2014)

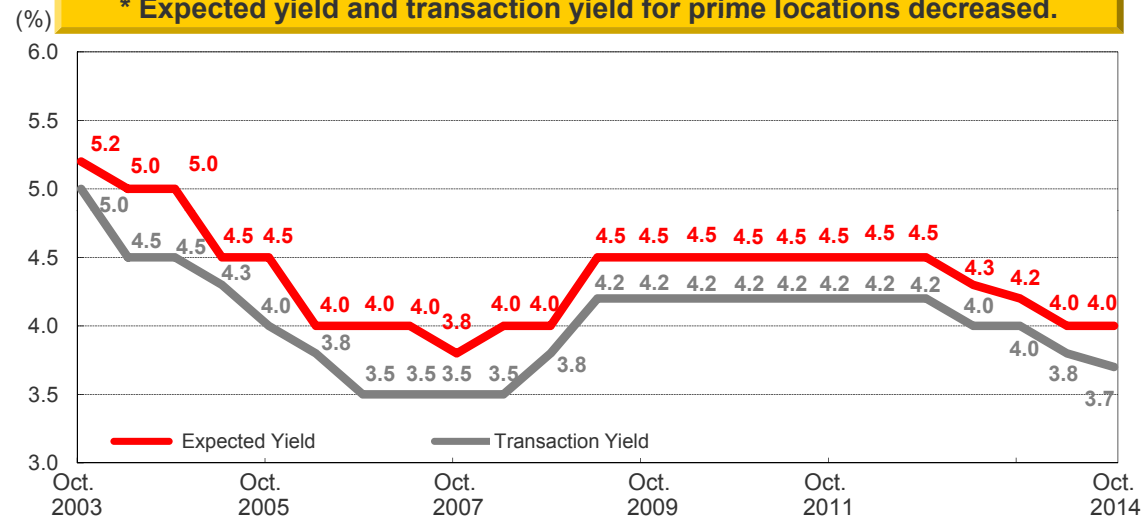
Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	102	103	105	105
Shibuya, Shibuya Station area	101	102	104	105
Nagoya, Nagoya Station area	100	100	100	100
Osaka, along the Midosuji Line	100	100	100	100

Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	102	104	105	105
Shibuya, Shibuya Station area	102	103	105	105
Nagoya, Nagoya Station area	100	100	100	100
Osaka, along the Midosuji Line	100	100	100	100

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

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

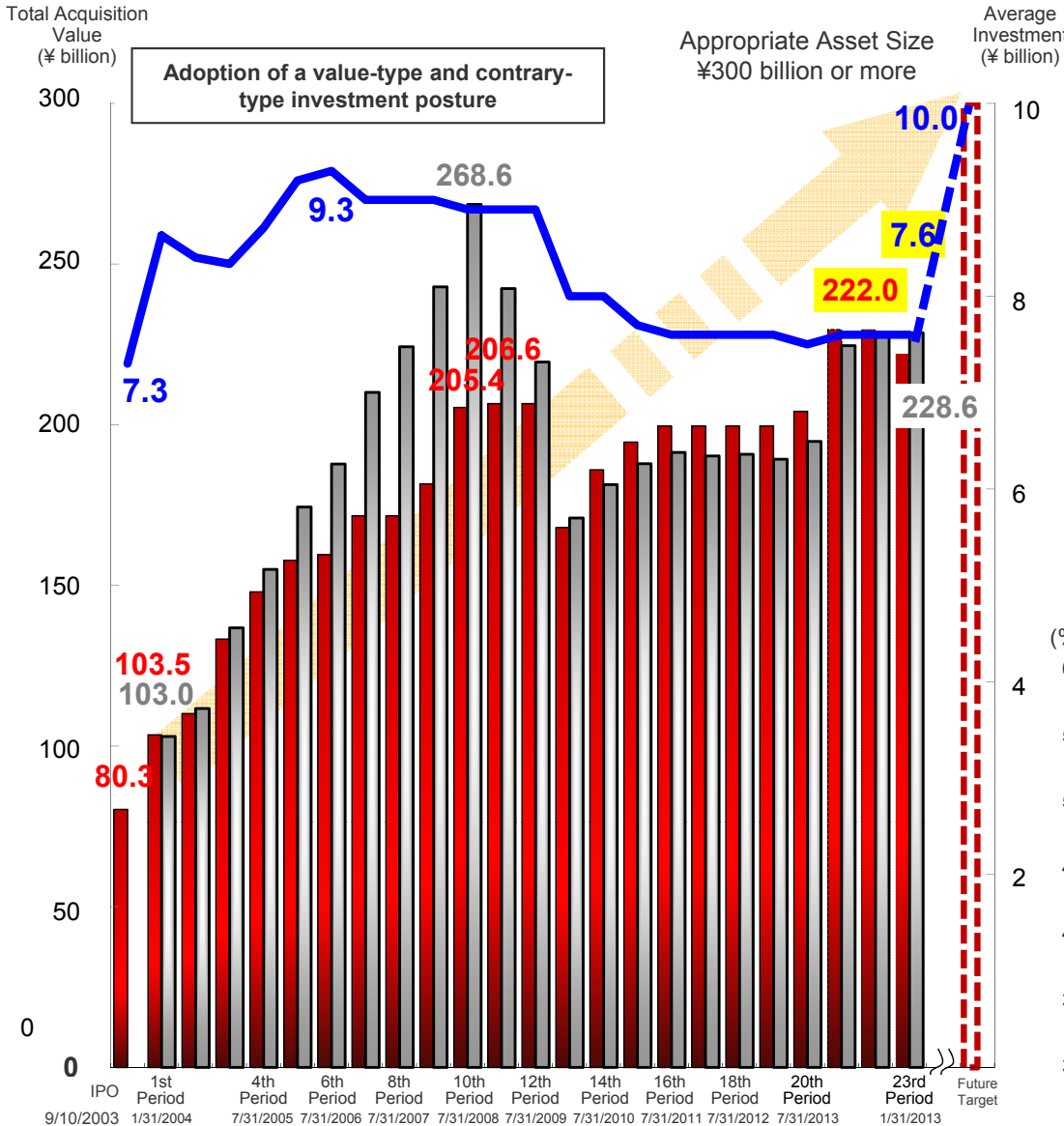
* Expected yield and transaction yield for prime locations decreased.



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

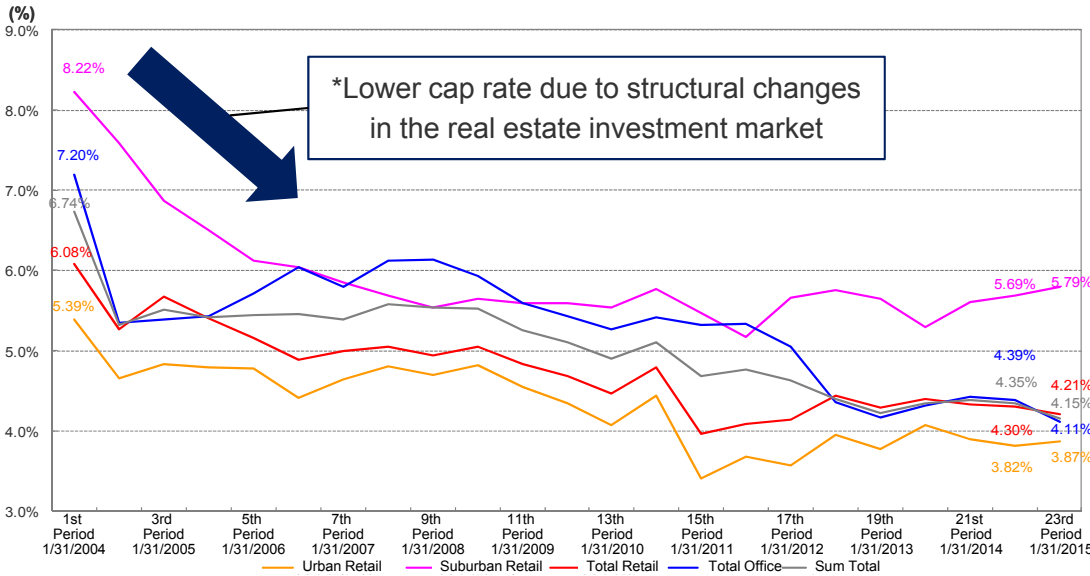
*Comments by Tokyu REIM

Total Acquisition Appraisal Value Average Investment

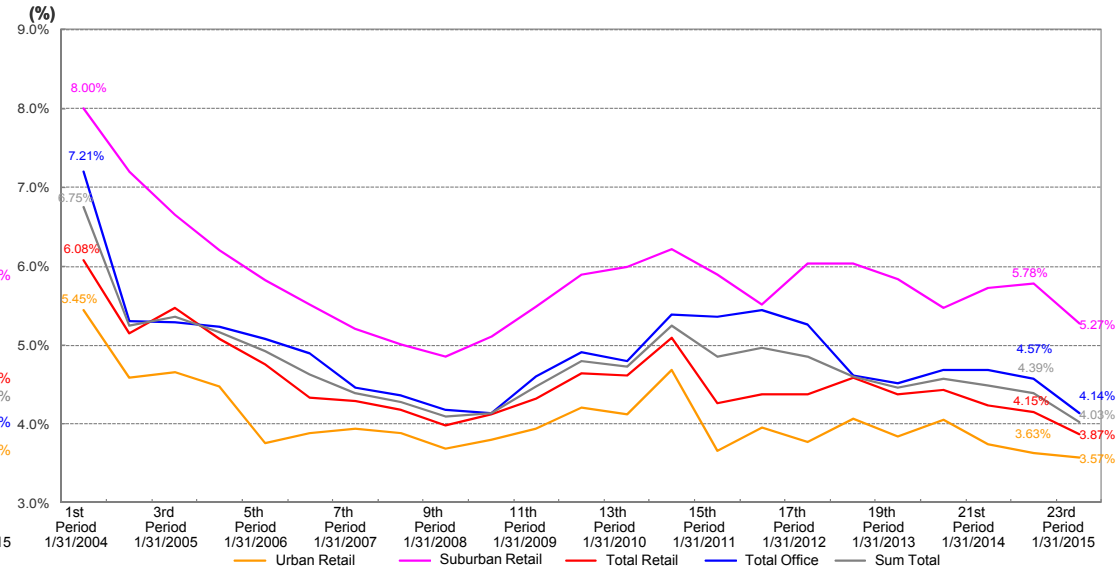


Portfolio Overview (i)

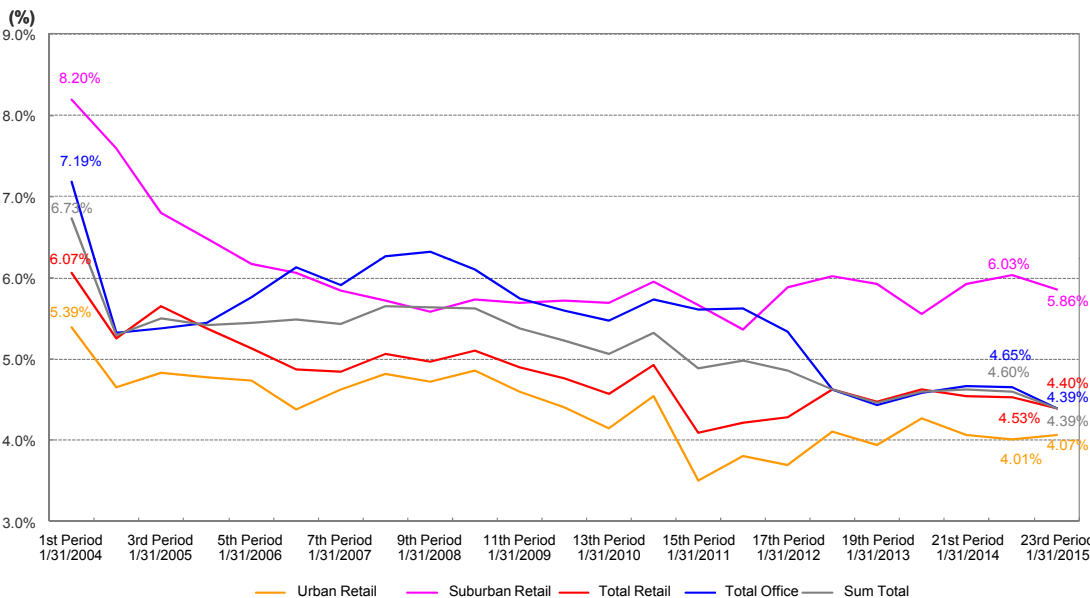
Changes in NOI Yield (Based on Acquisition Price)



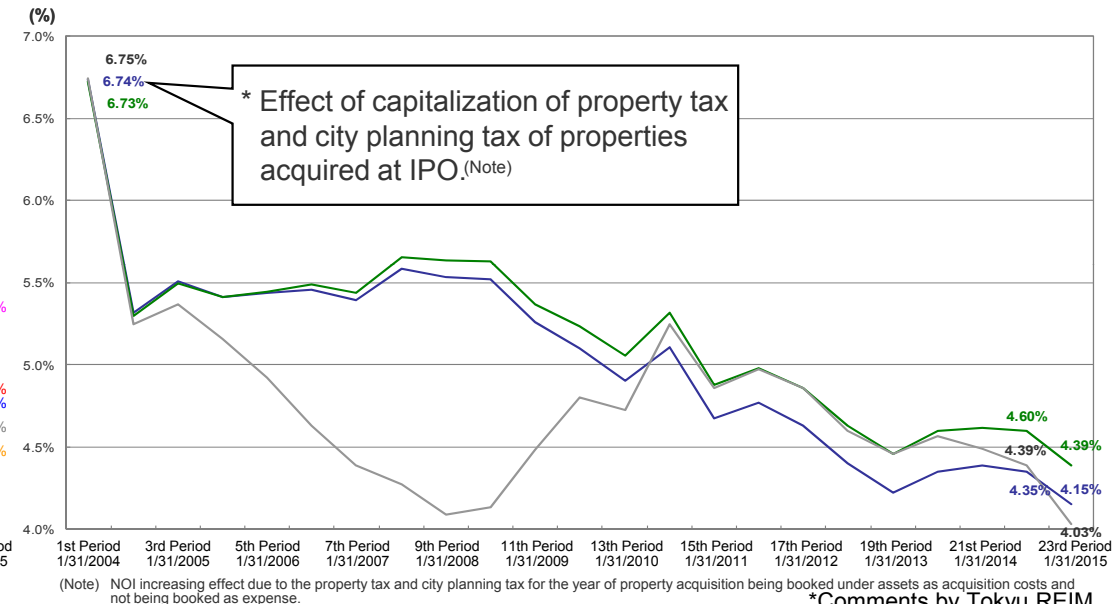
Changes in NOI Yield (Based on Appraisal Value at End of Period)



Changes in NOI Yield (Based on Book Value)



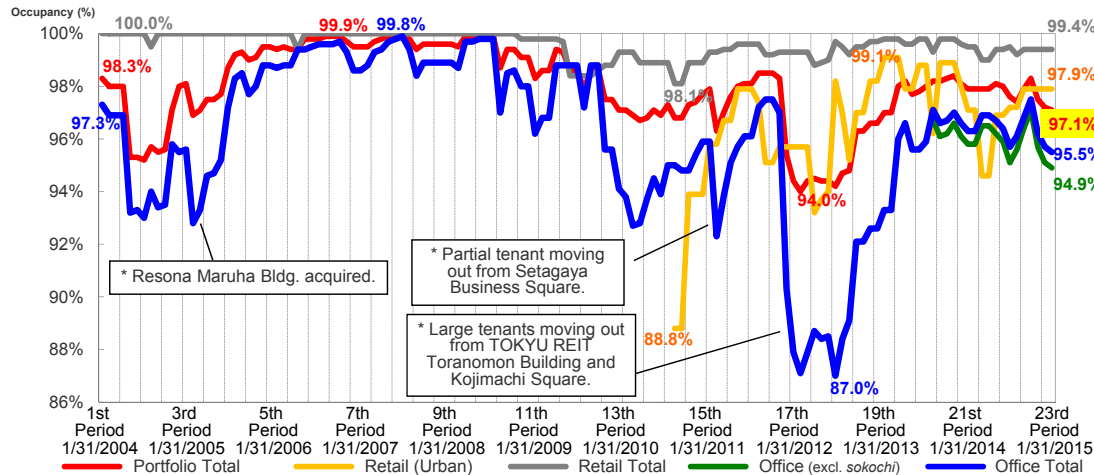
Changes in NOI Yield (Comparison of Each Basis)



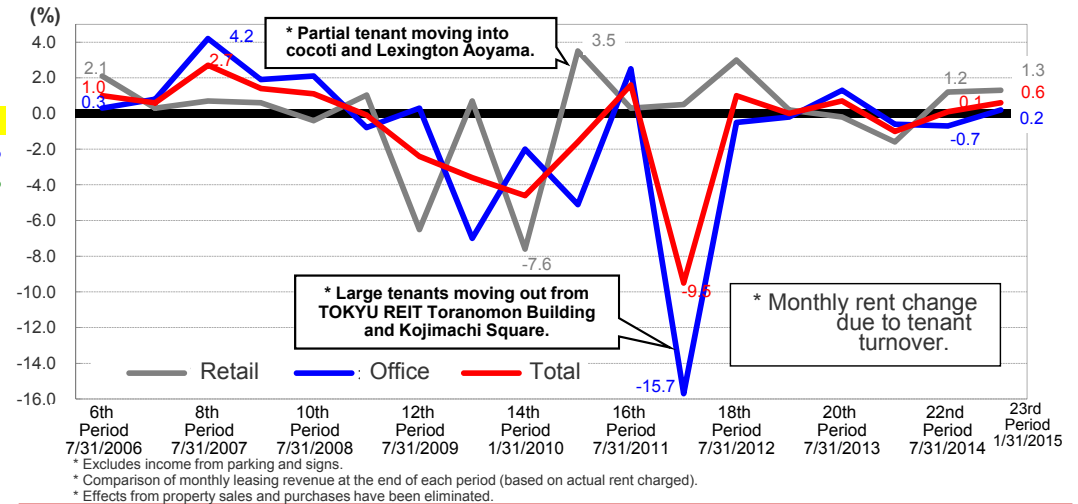
Internal Growth

* Occupancy rate 97.1% and monthly rents are on an increasing trend. Average rents are increasing in all sectors of Retail (Central Tokyo and Suburb) and Office.

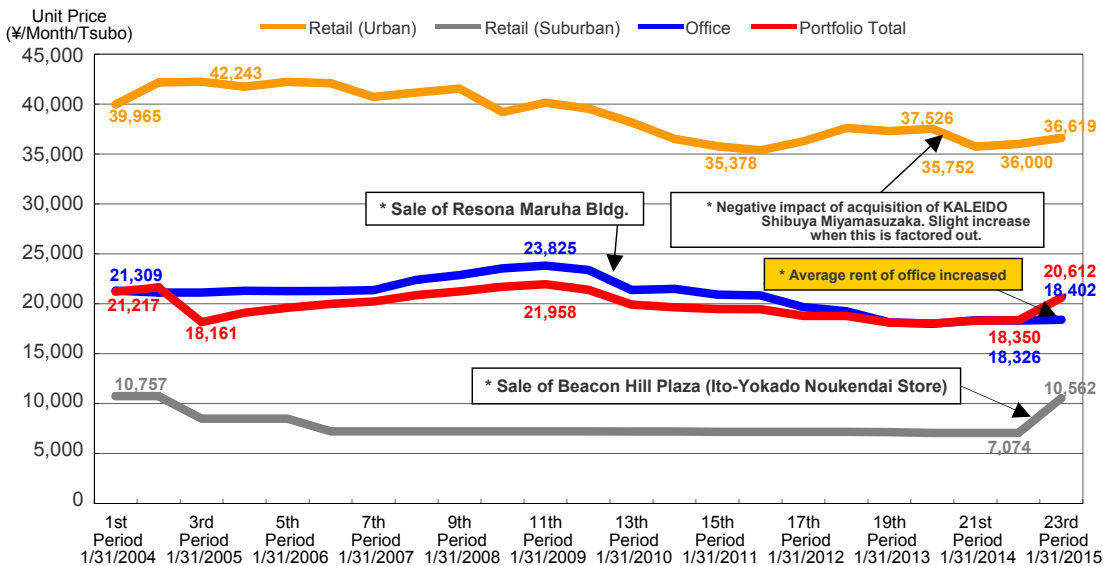
Changes in Occupancy of Overall Portfolio



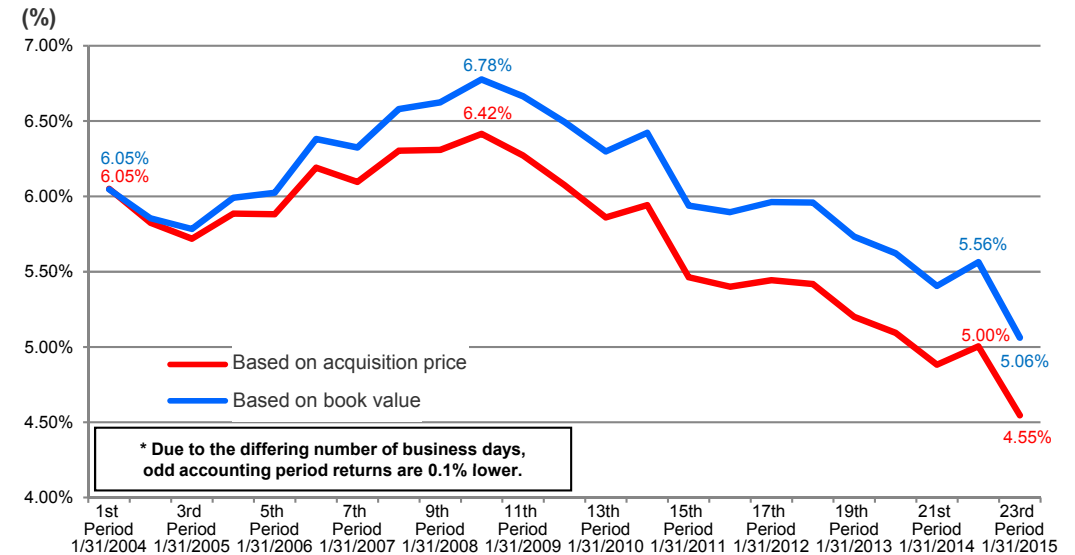
Period-on-Period Monthly Leasing Revenue Increase Rate



Average Rent (Including Common Area Charges)



NOI Yield of 11 Properties at IPO



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

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

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

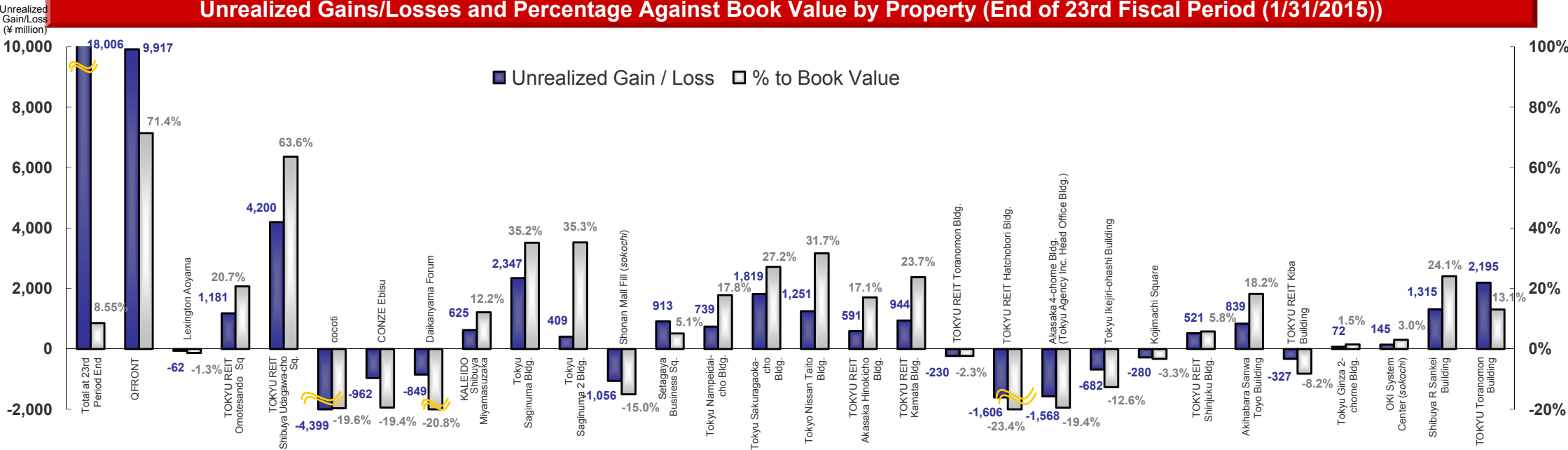
* Includes common area charges and excludes income from parking, warehouses, etc.

*Comments by Tokyu REIM

Unrealized Gains/Losses and Total Return

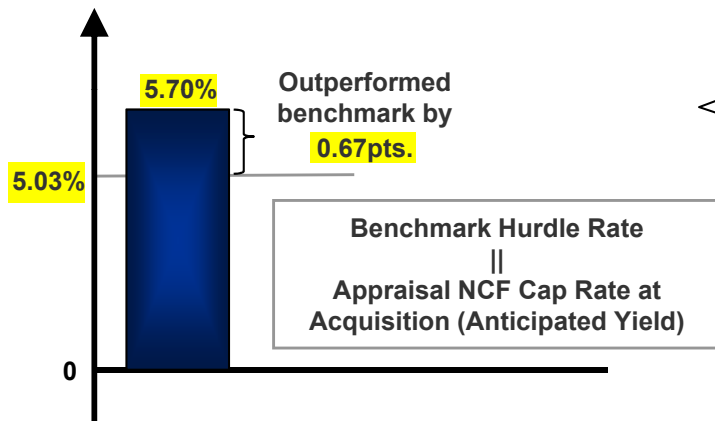
* Total return has outperformed the benchmark hurdle rate by 0.67 points.

Unrealized Gains/Losses and Percentage Against Book Value by Property (End of 23rd Fiscal Period (1/31/2015))



Portfolio Total Return Performance Since IPO

■ Based on 33 properties (acquisition price: ¥275,245 million), which is the sum of current portfolio, Yokohama Yamashita-cho Building (Barneys New York Yokohama Store), Resona Maruha Building, Ryoshin Harajuku Building and Beacon Hill Plaza (Ito-Yokado Noukendai Store).



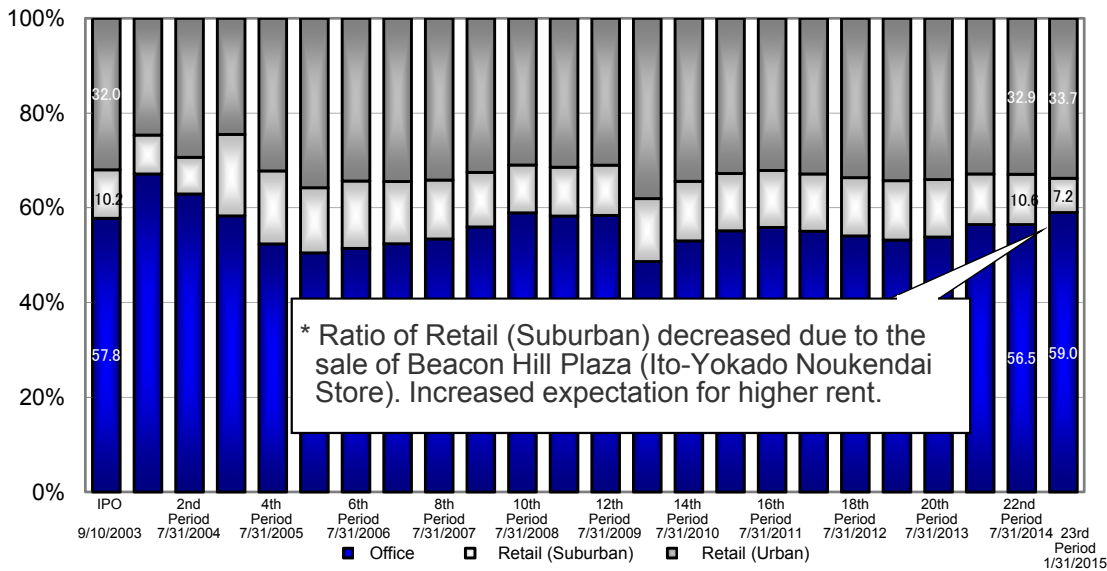
- Fiscal period end appraisal values are utilized as the deemed disposal price (sale price) of properties for the calculation of IRR.
- Acquisition price does not include capitalized expenses (such as broker's fees, first year's property / city planning tax, compensation for specialist agents).
- Cash 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).
- Sale price of Beacon Hill Plaza (Ito-Yokado Noukendai Store) is ¥8,720 million (sold in 23rd period).

* IRR for the current portfolio (acquisition price: ¥222,060 million) is 5.13% (underperforming the benchmark return of 5.02% by 0.11 points).

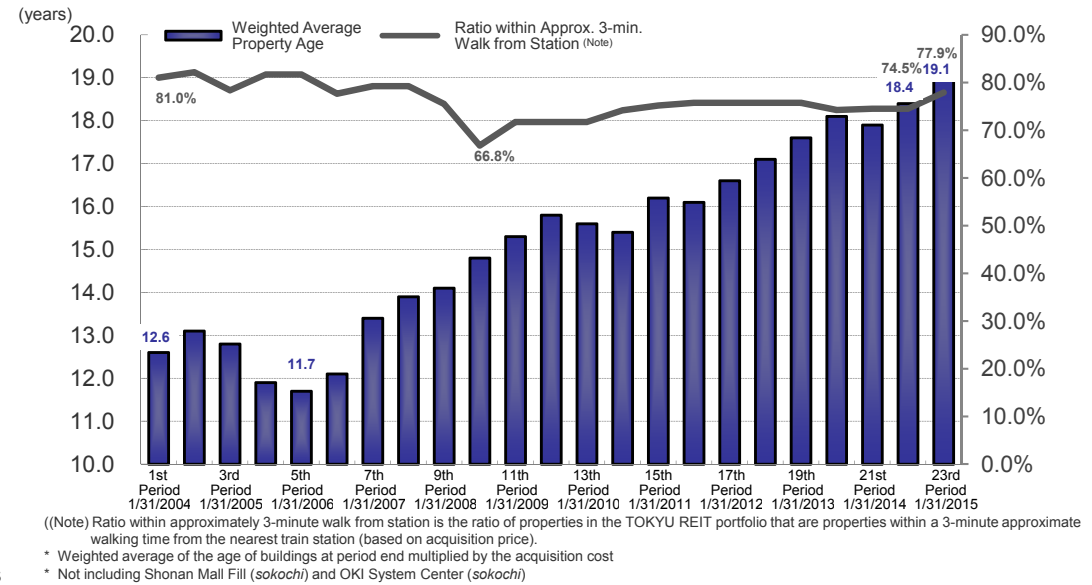
*Comments by Tokyu REIM

Portfolio Overview (ii)

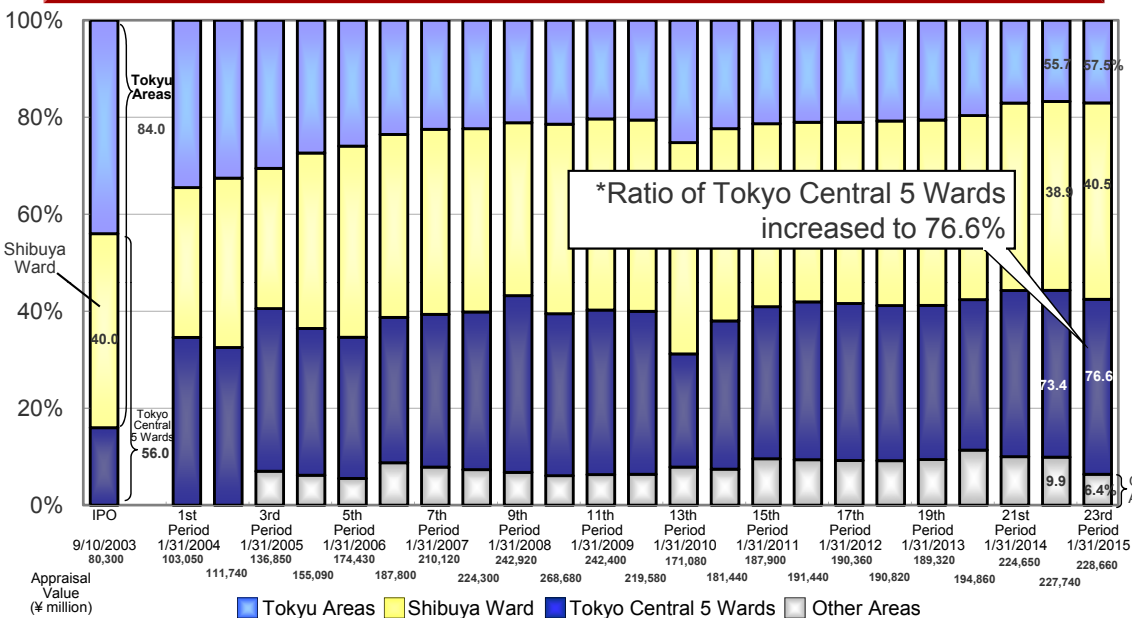
Office / Retail Ratio (Based on Appraisal Values at End of Period)



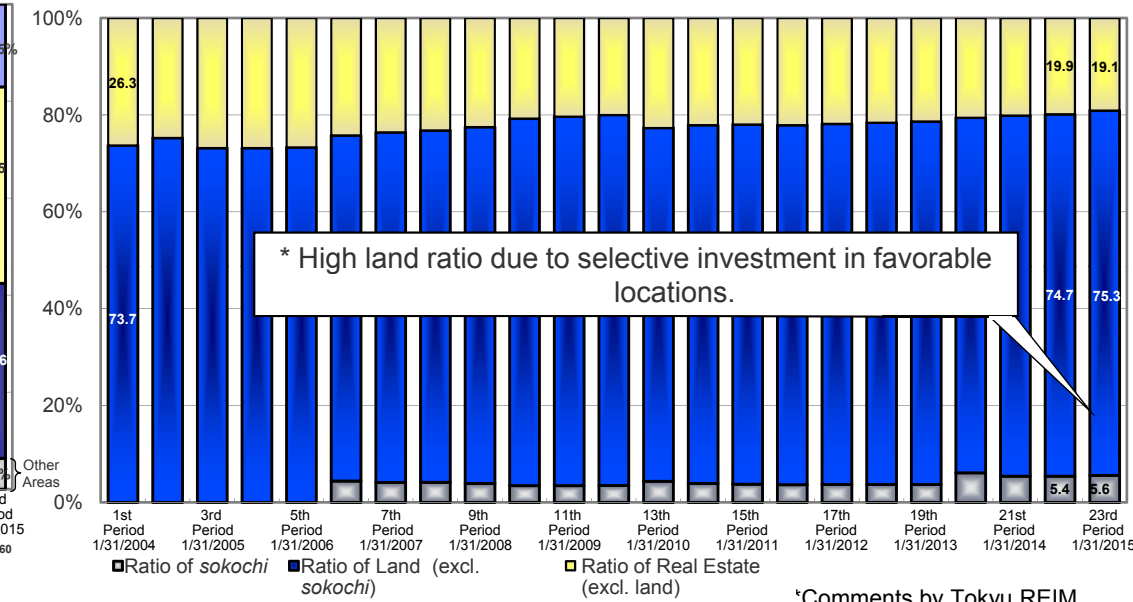
Weighted Average Property Age



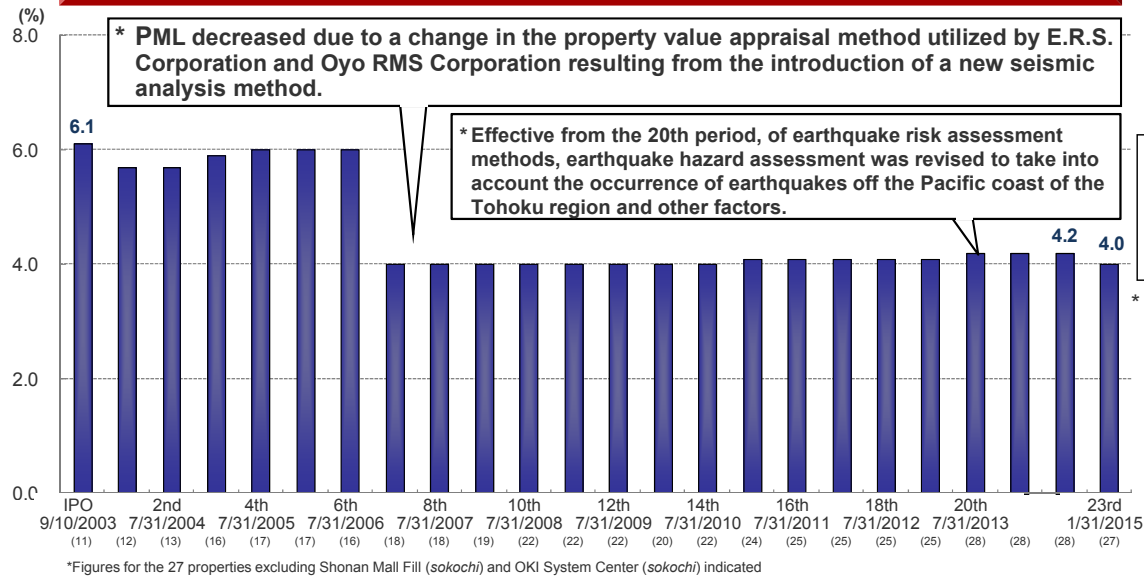
Area (Based on Appraisal Values at End of Period)



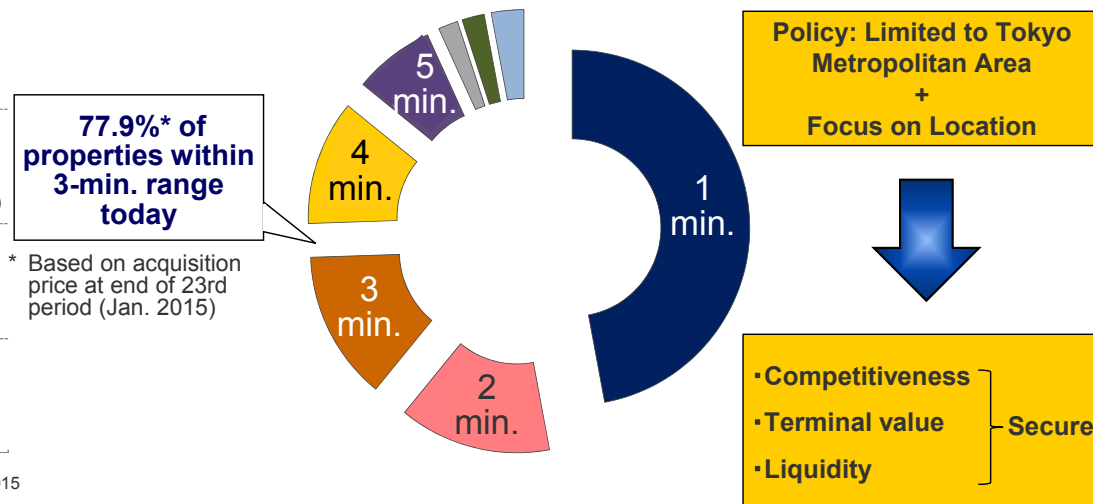
Land / Property (Excl. Land) Ratio (Based on Book Value at End of Period)



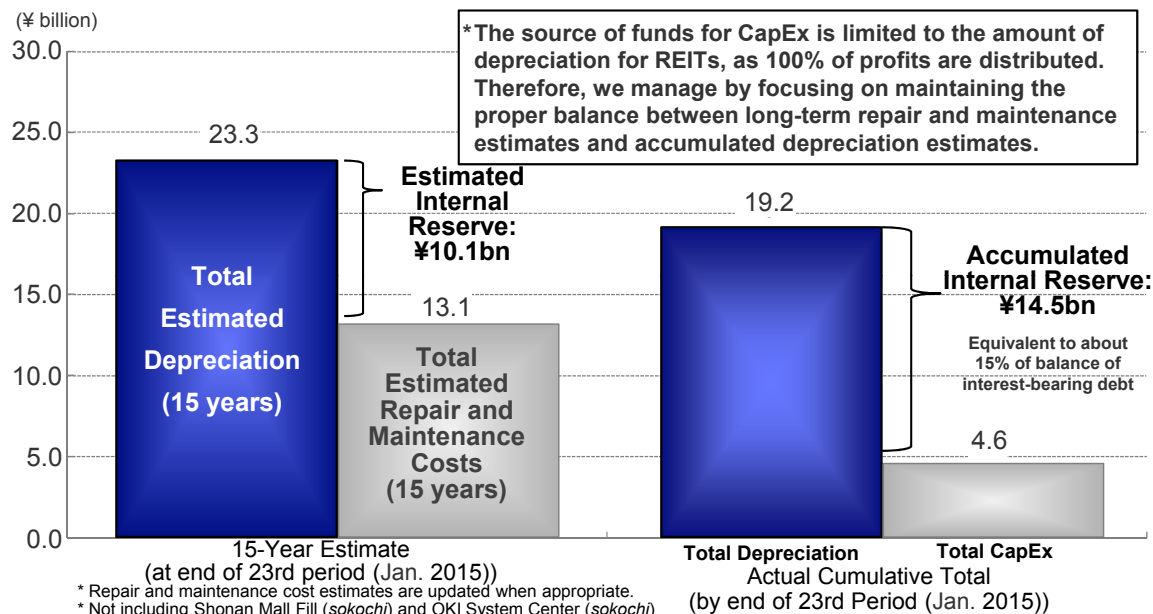
Portfolio PML Trends



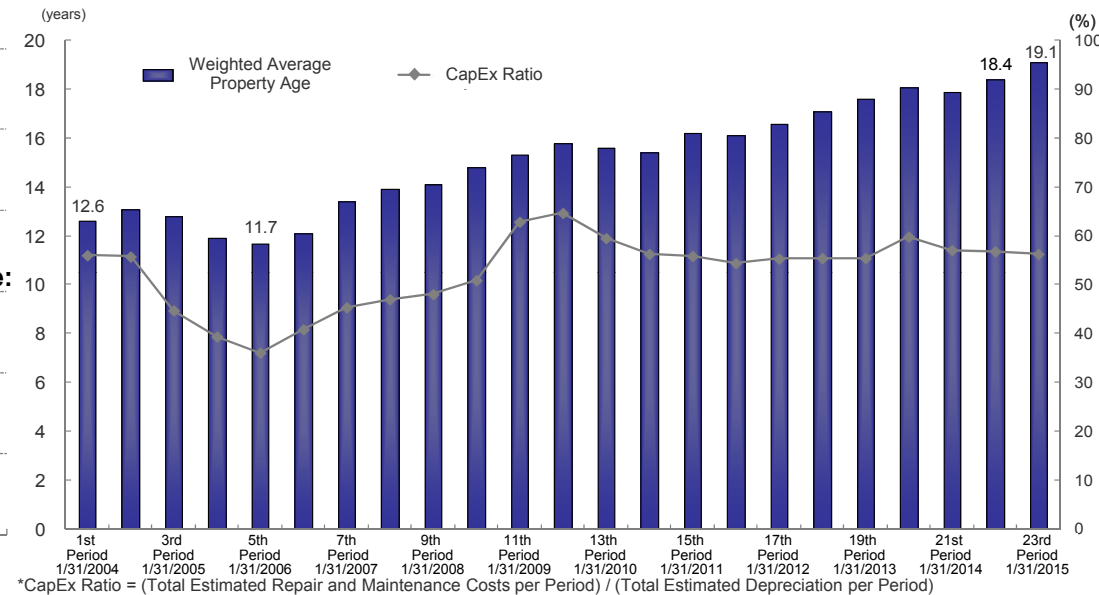
Approximate Walking Time from Nearest Station



Balance of Depreciation and Repair and Maintenance Cost Estimates

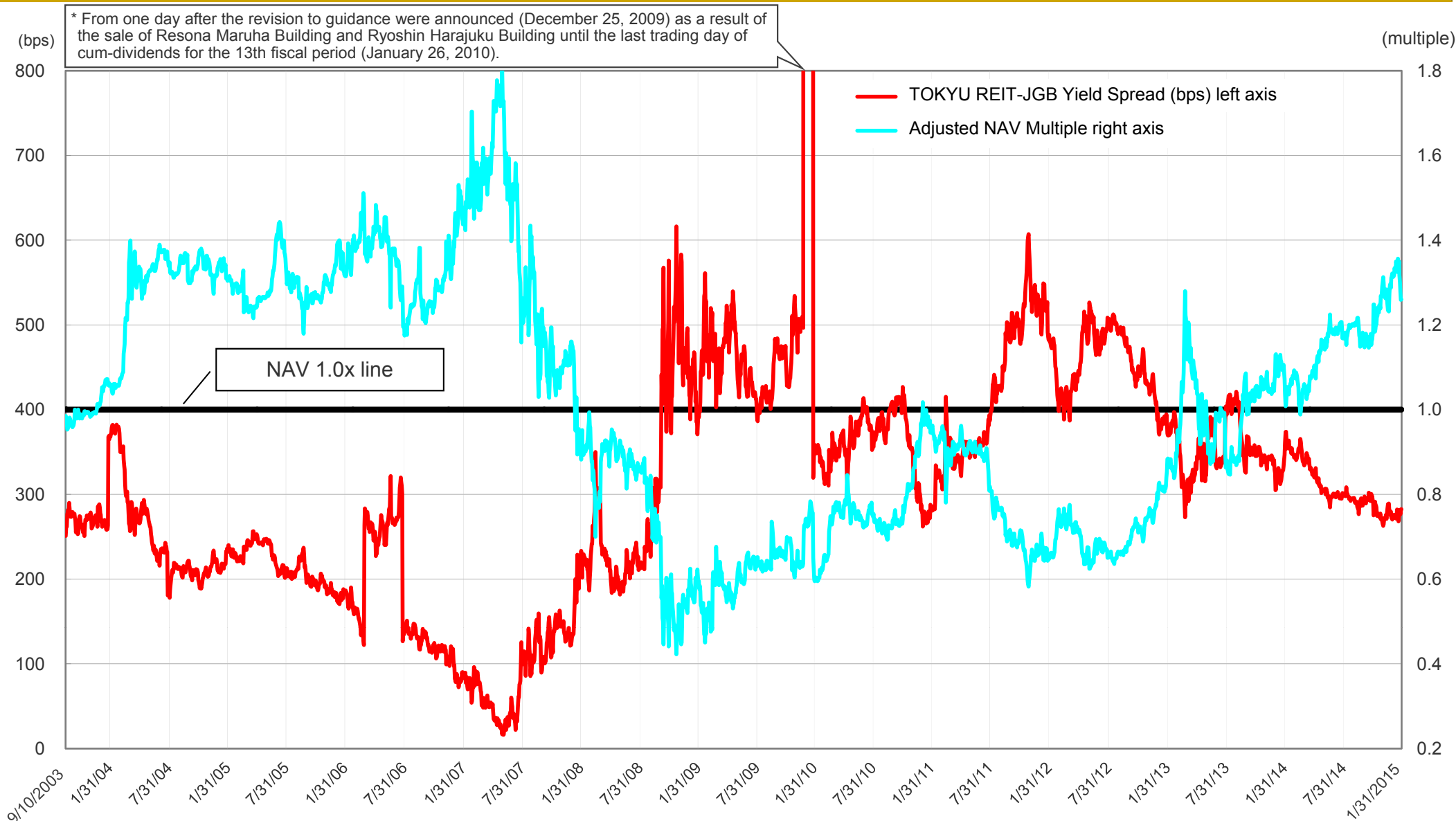


Weighted Average Property Age and CapEx Ratio



TOKYU REIT-JGB Yield Spread and Adjusted NAV Multiple

*** Investment unit price / NAV multiple increased to 1.3x range and JGB spread exceeded 280bps.**

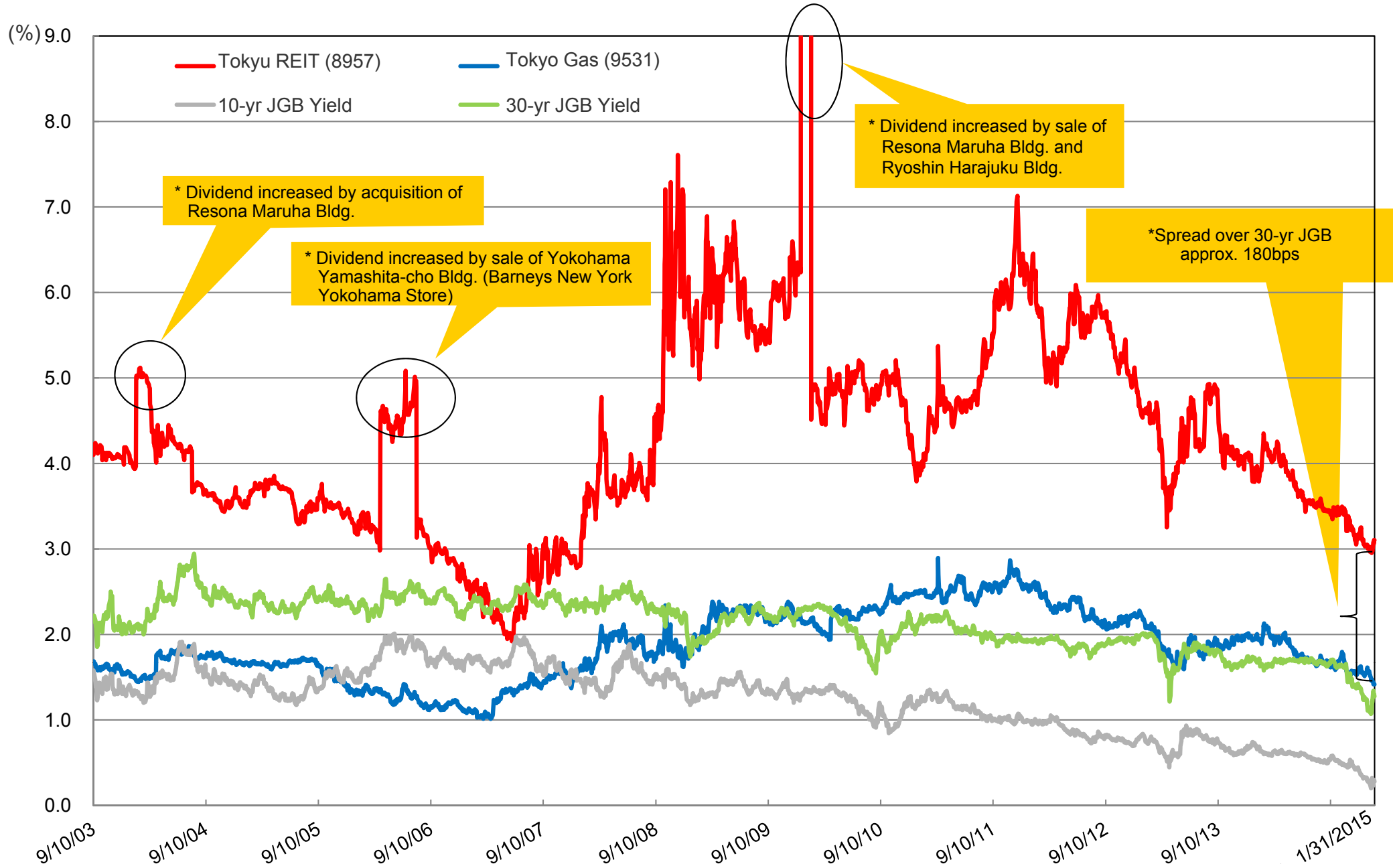


* Adjusted NAV updated on the date of announcement of results for every period.

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

*Comments by Tokyu REIM

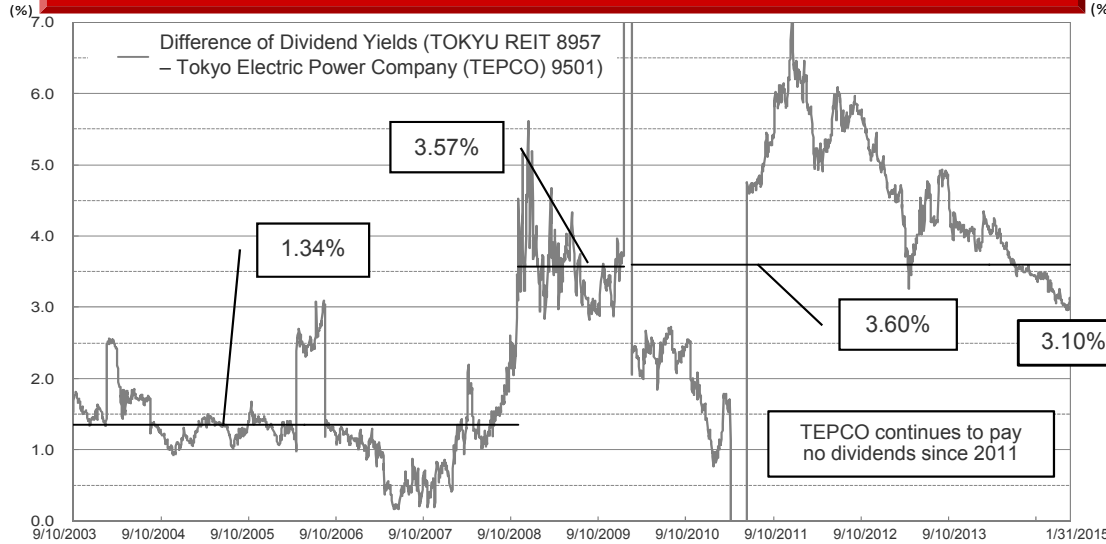
TOKYU REIT-JGB Yield Spread and Adjusted NAV Multiple



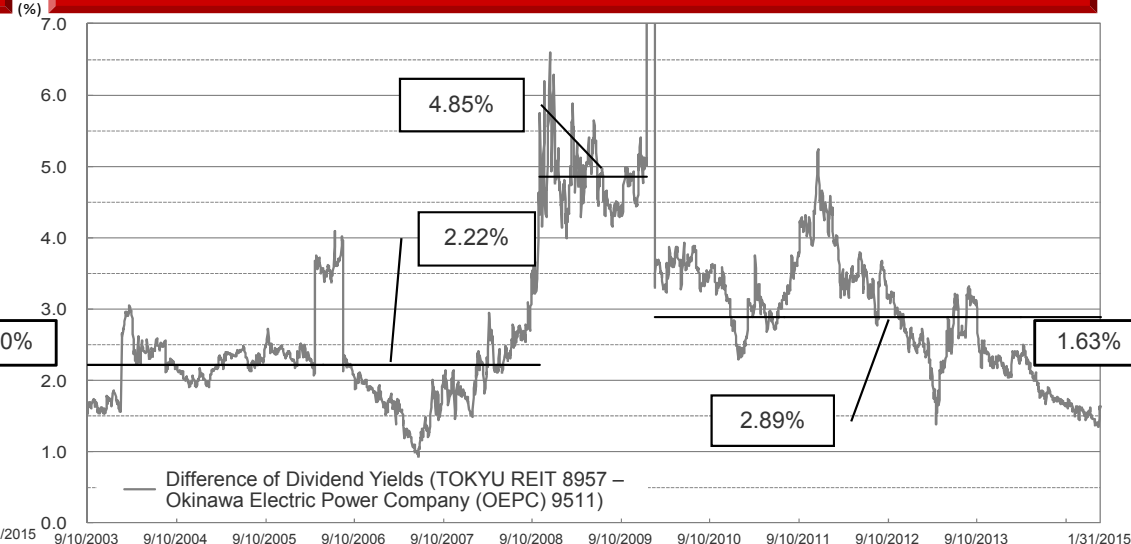
Difference Between Dividend Yields of TOKYU REIT and Equity Stocks (Spread)

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

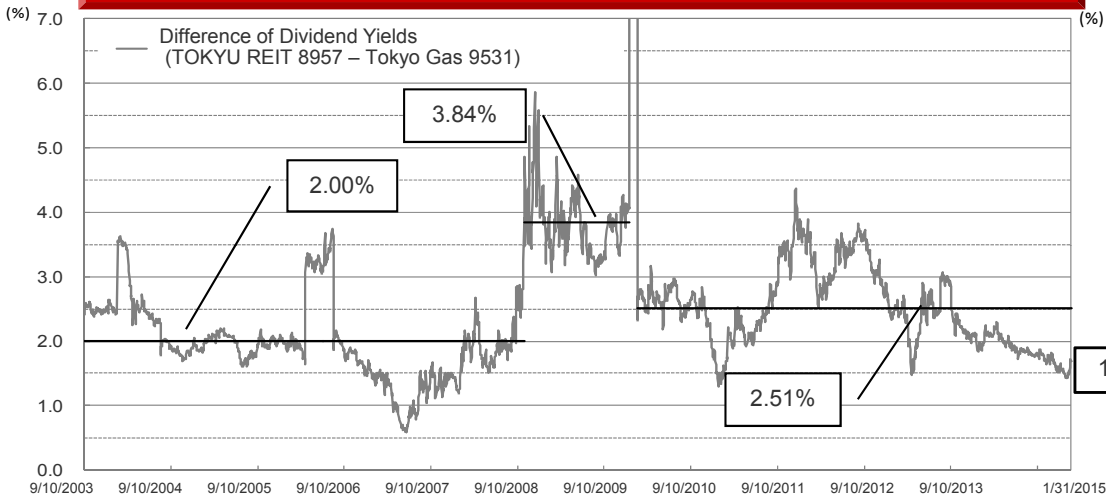
Difference Between Dividend Yields with TEPCO



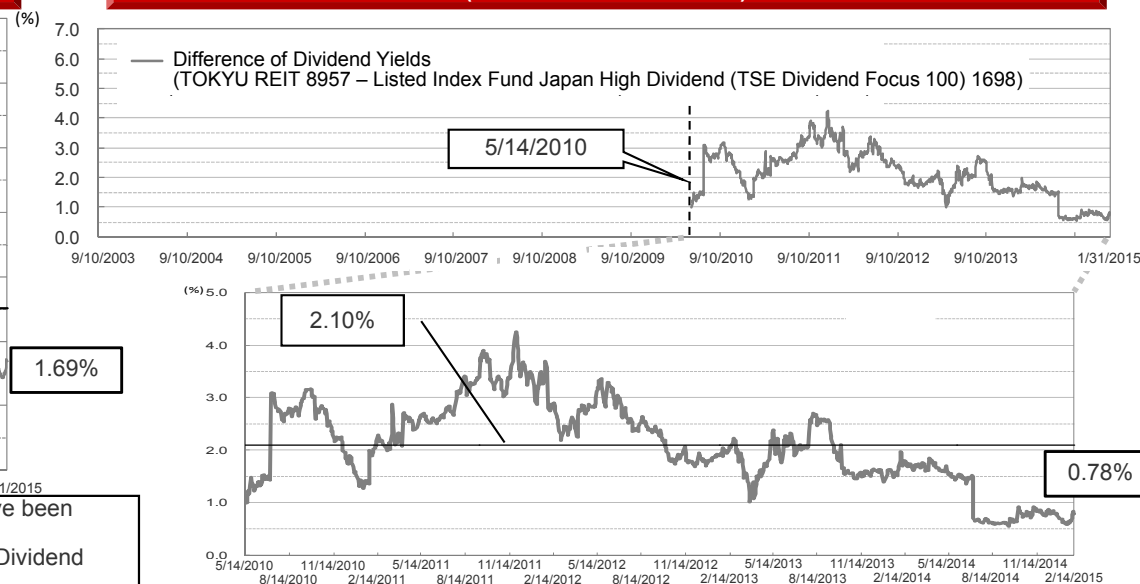
Difference Between Dividend Yields with OEPC



Difference Between Dividend Yields with Tokyo Gas



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

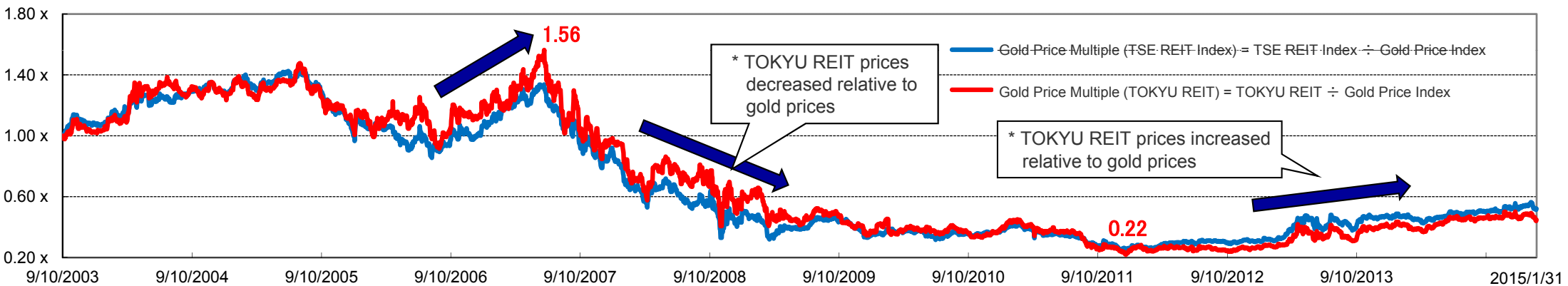
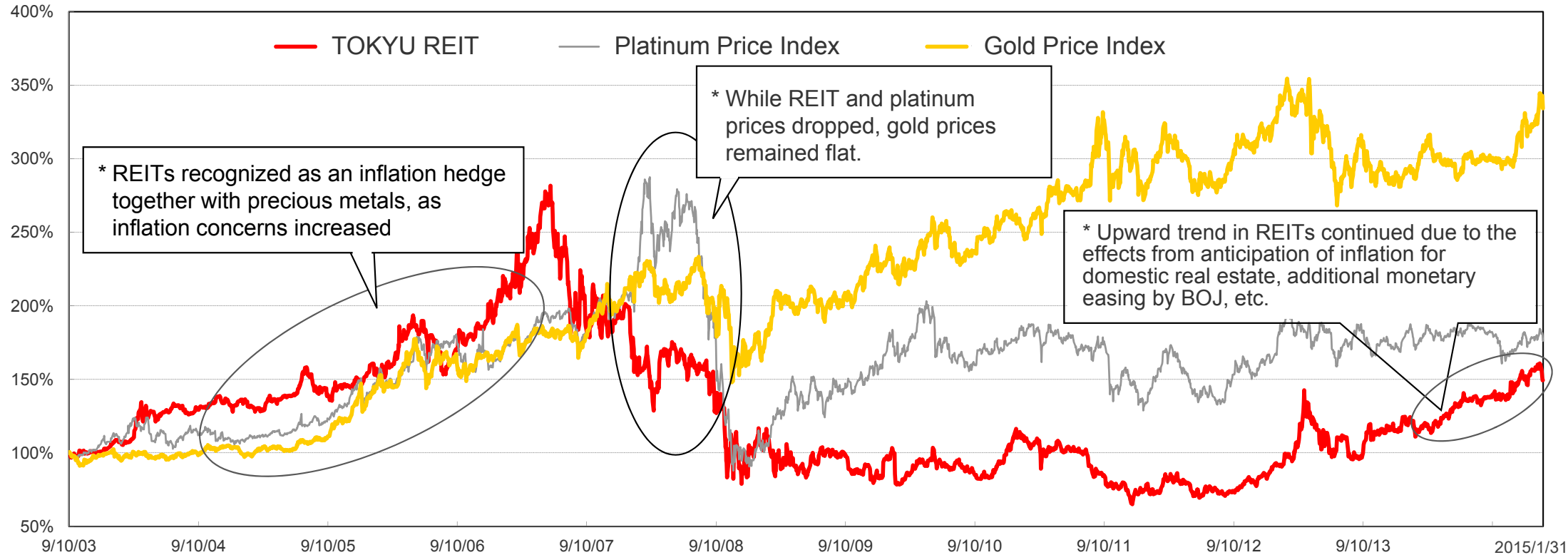


* The yields in the difference between dividend yields with TEPCO, OEPC and Tokyo Gas have been calculated by using dividend forecasts.
The yields in the difference between dividend yields with the Listed Index Fund Japan High Dividend (TSE Dividend Focus 100) have been calculated from actual dividends.

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

*** REITs can be considered as inflation hedge instruments generating dividend income.**

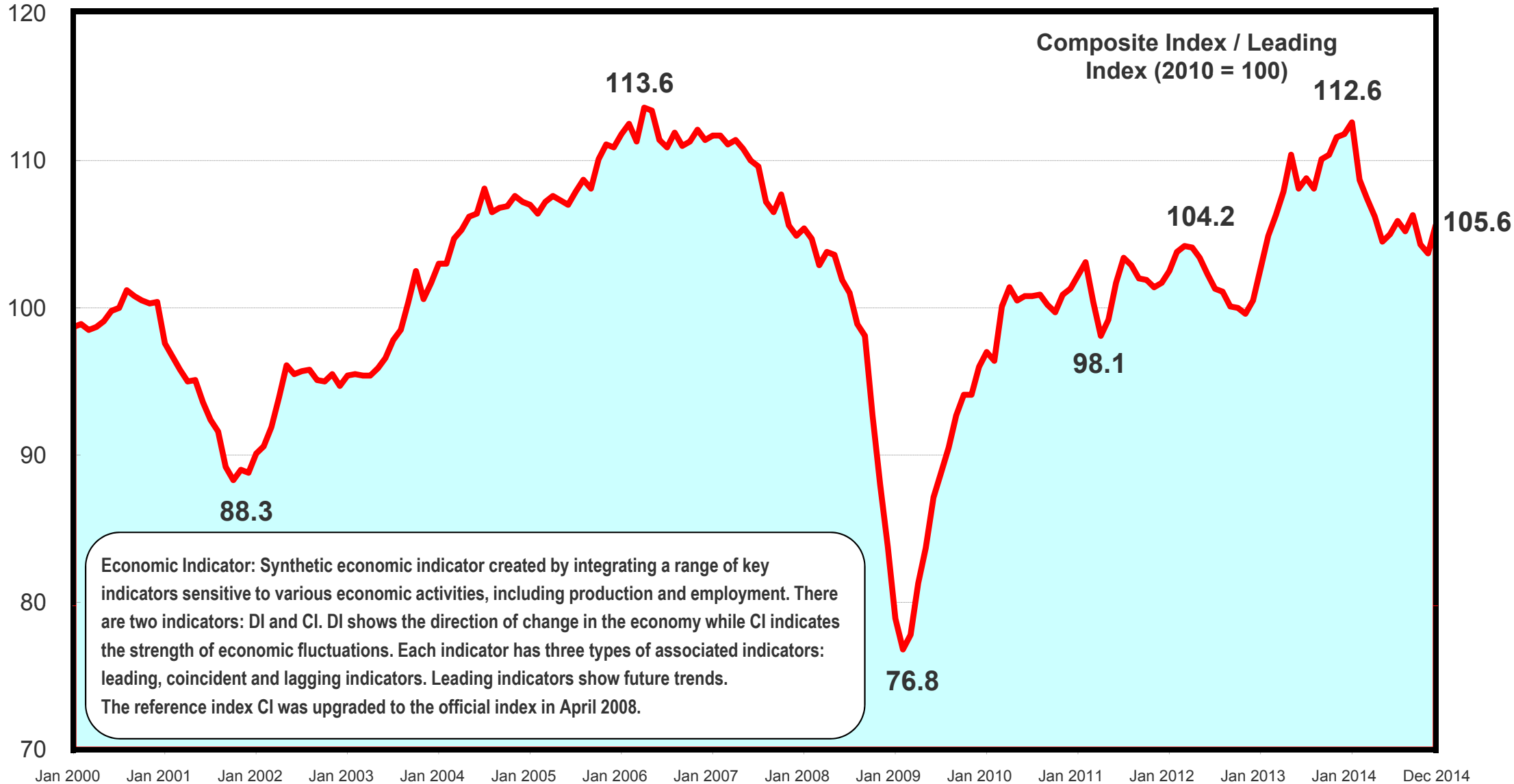
9/10/2003 = 100%





10. Market Review

*** Abenomics leading to economy rapidly recovering, but slowed due to consumption tax hike.**



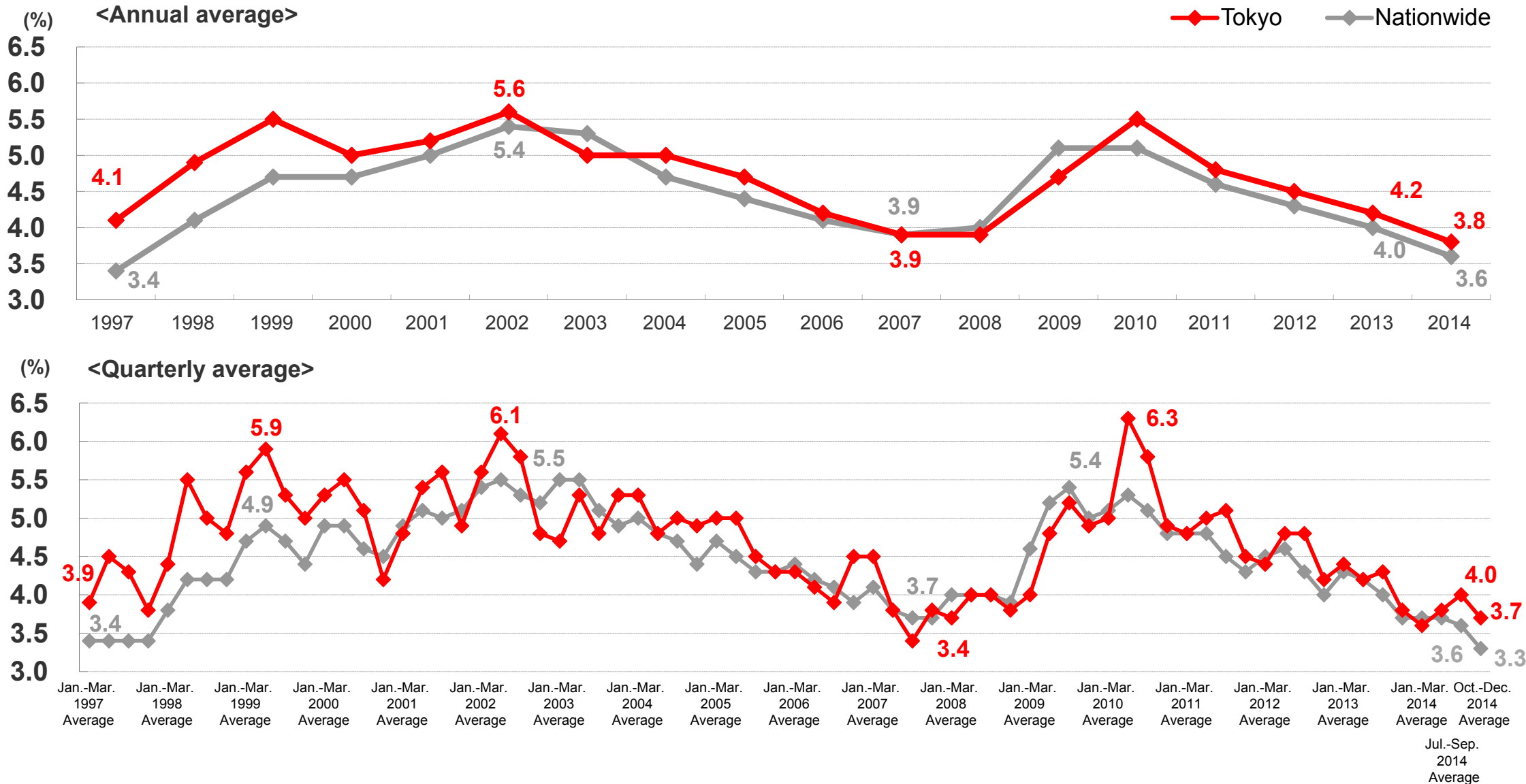
Economic Indicator: Synthetic economic indicator created by integrating a range of key indicators sensitive to various economic activities, including production and employment. There are two indicators: DI and CI. DI shows the direction of change in the economy while CI indicates the strength of economic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

Source: Cabinet Office.

*Comments by Tokyu REIM

Unemployment Rate

*** Unemployment rate on steady downward trend.**



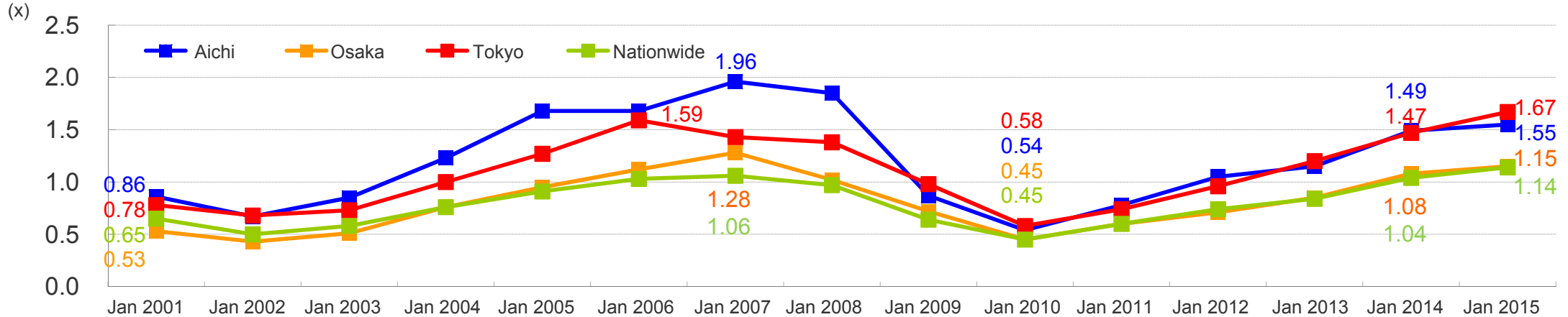
Source: "Labor Force Survey" by the Ministry of Internal Affairs and Communications.

*Comments by Tokyu REIM

Employment Trends in Japan (Job Openings)

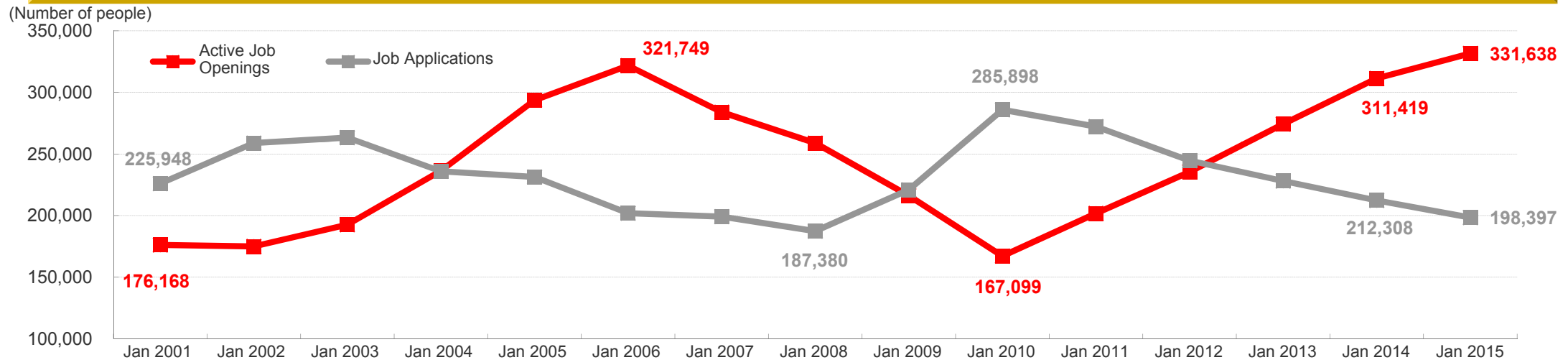
Job to Application Ratio (Seasonally Adjusted)

* Job to application ratio continued to be on increasing trend, with Tokyo's exceeding 2006 level, the previous peak.



Active Job Openings / Job Applications in Tokyo

* Number of job openings has been continuously increasing since 2010, reaching almost double. There are stronger sense of labor shortage. Population inflow into Tokyo might be accelerating.



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

*Comments by Tokyu REIM

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

* Vacancy rate on improving trend nationwide, with Tokyo falling below 5% and Shibuya/Ebisu area hovering at 1% range.

(%)
25

20

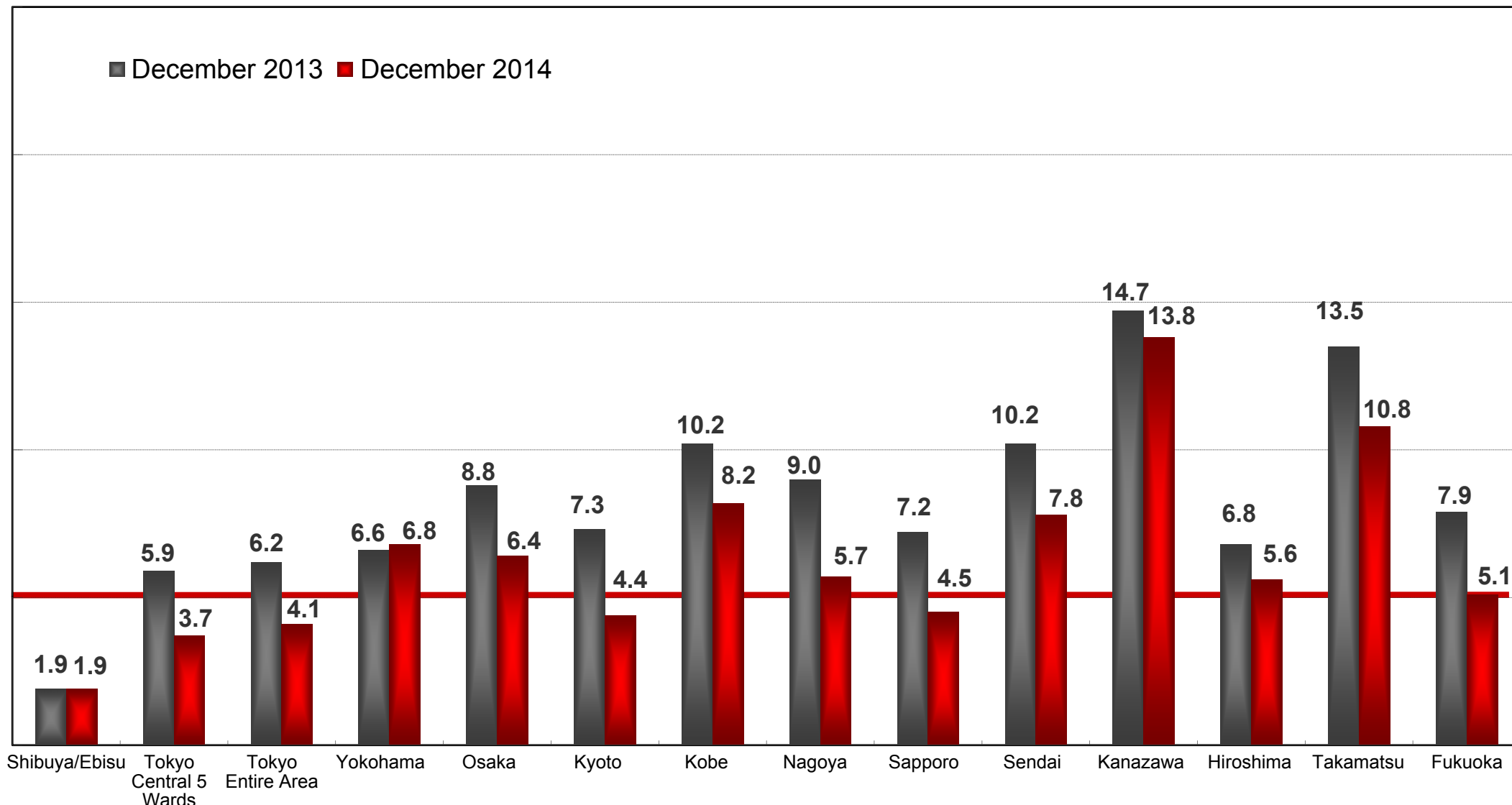
15

10

5

0

■ December 2013 ■ December 2014



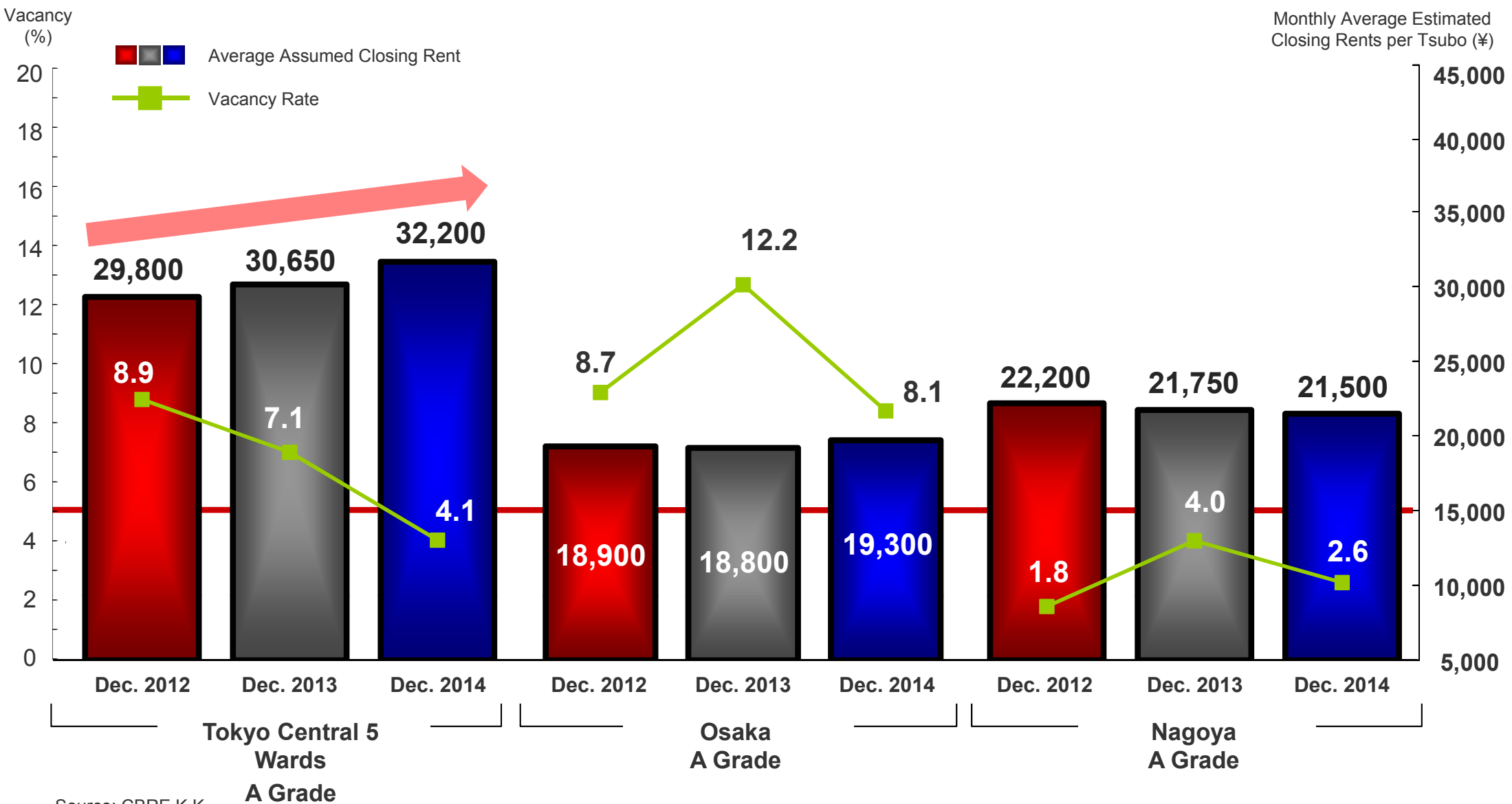
Source: CBRE K.K.

* 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 continued to increase as vacancy rate decreased.**



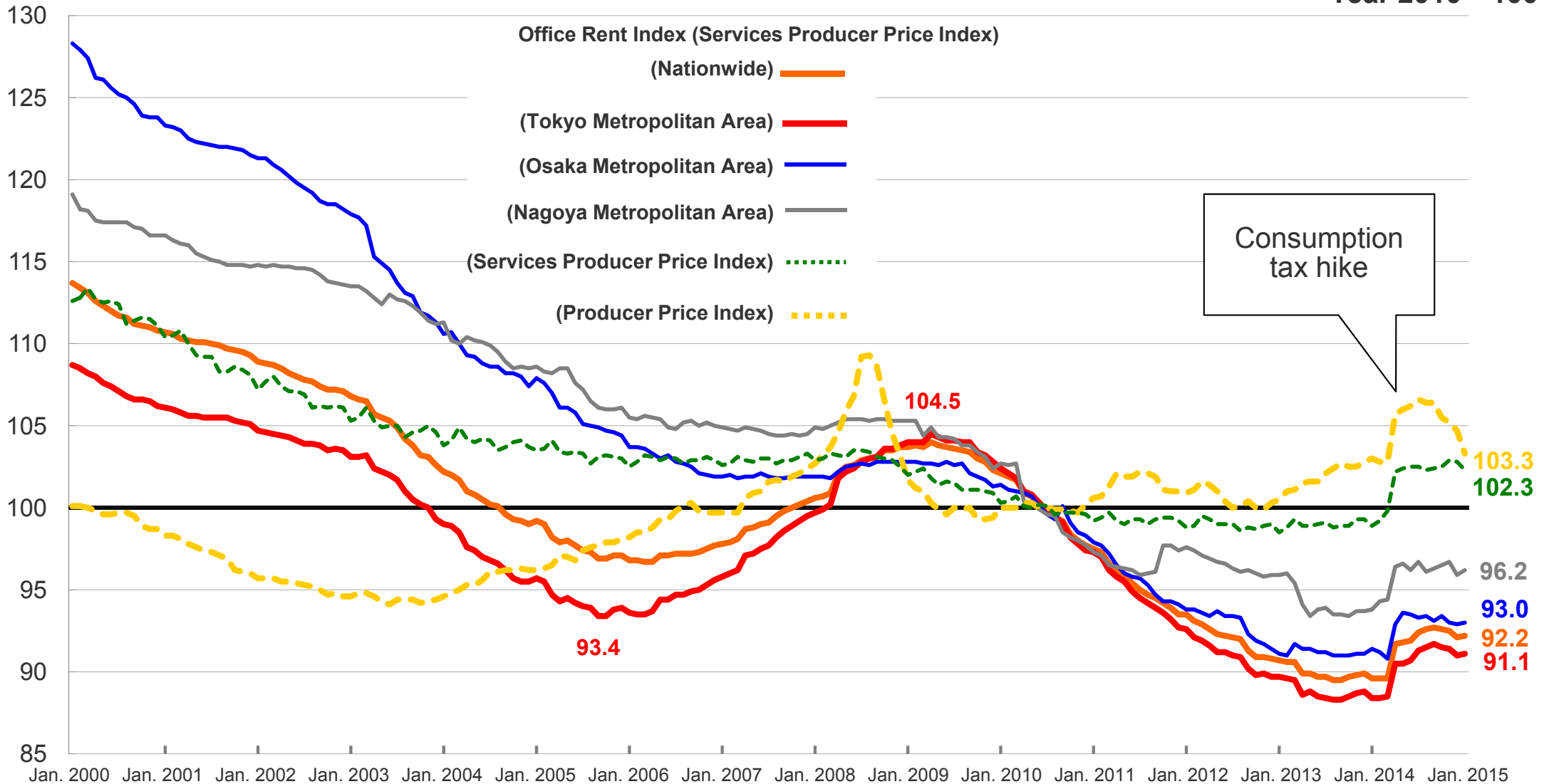
Source: CBRE K.K.

*Comments by Tokyu REIM

Office Leasing Market Overview (3): Office Rent Index

*** Existing contract office rent rallied.**

Year 2010=100



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

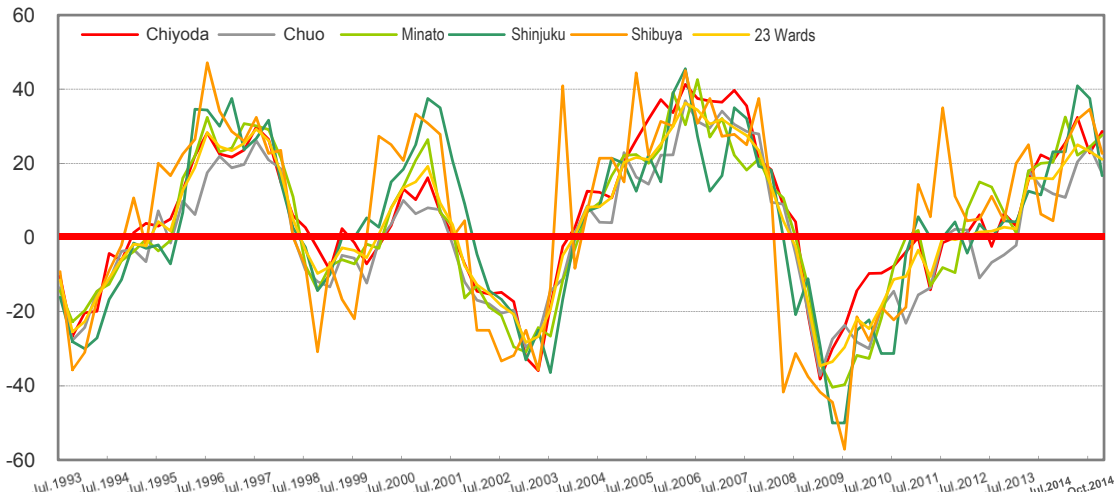
* The Office Rent Index is calculated based on contracted rents, rather than newly asking rents.

*Comments by Tokyu REIM

Office Leasing Market Overview (4): Business Sentiment

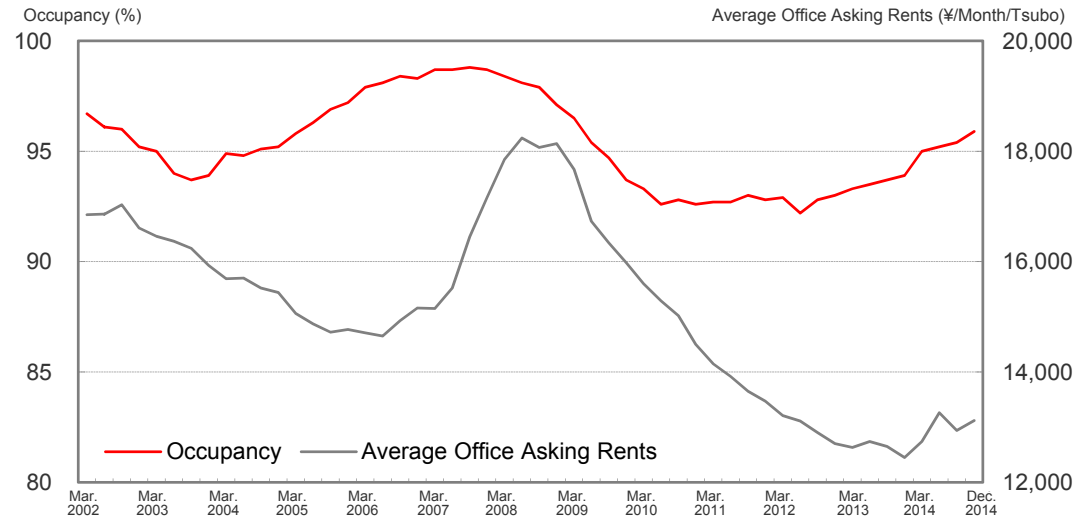
*** Business sentiment favorable for both vacancy rate and rent, and asking rent (lagging indicator), also, took an upward turn.**

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



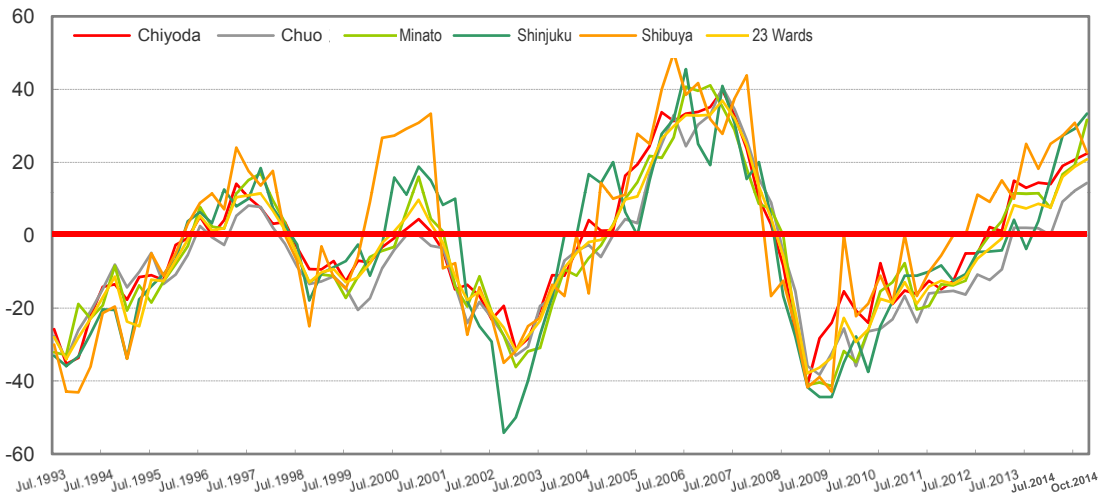
Source: Tokyo Building Owners and Managers Association

Occupancy and Asking Rents in 5 Central Wards of Tokyo



Source: CBRE K. K.

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



Source: Tokyo Building Owners and Managers Association

Rent Estimates (Rent Level at Survey Date = 100)

30th Survey (as of April 2014)

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

31st Survey (as of October 2014)

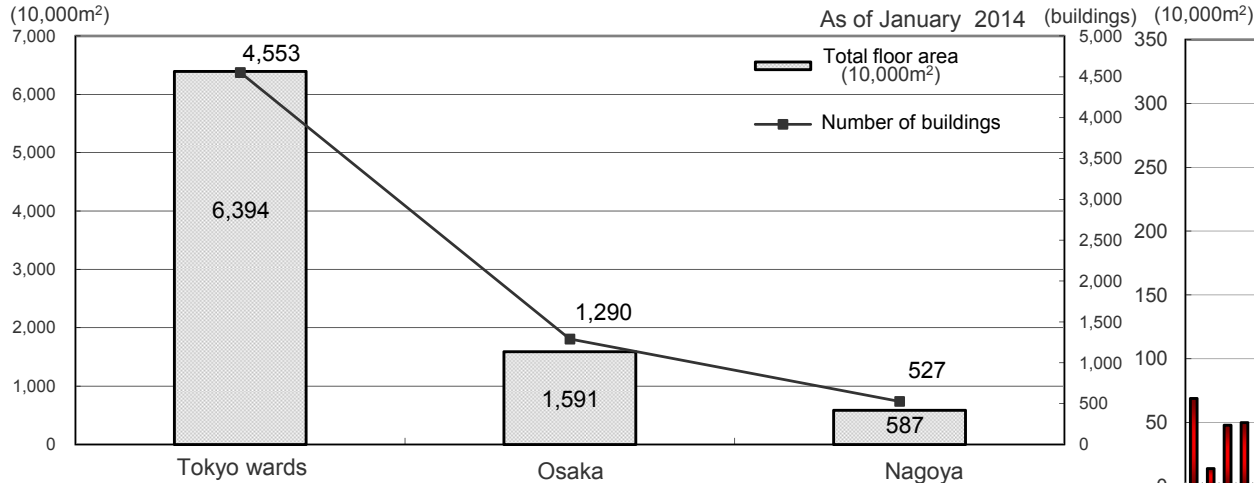
Area	Next Year	2 Years	5 Years	10 Years
Marunouchi, Otemachi area	102	104	105	105
Shibuya, Shibuya Station area	102	103	105	105
Nagoya, Nagoya Station area	100	100	100	100
Osaka, along Midousuji line	100	100	100	100

Source: Japan Real Estate Institute.

Office Building Inventory Overview (1): Three Major Cities

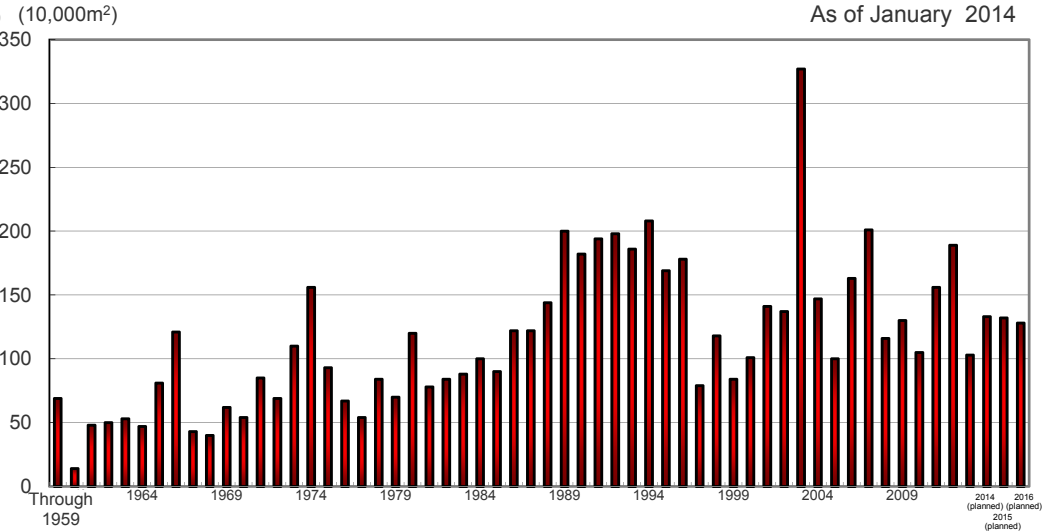
* New supply in Tokyo Wards in 2014 to 2016 was at the level of usual years.

Office Building Inventory in Three Major Cities

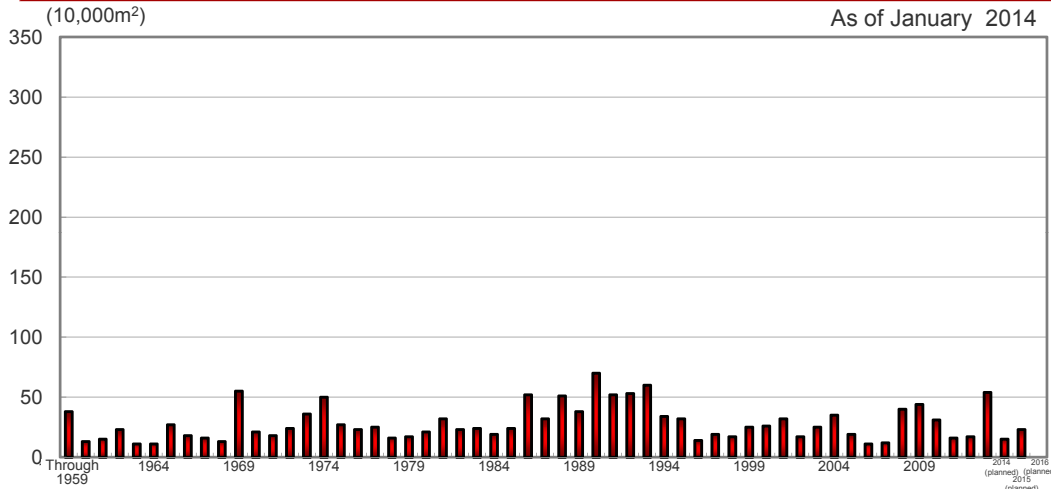


* Office buildings covered by the survey has been changed from those with 5,000m² or more of total floor area to those with 3,000m² or more of total floor area from this survey conducted in January 2014.

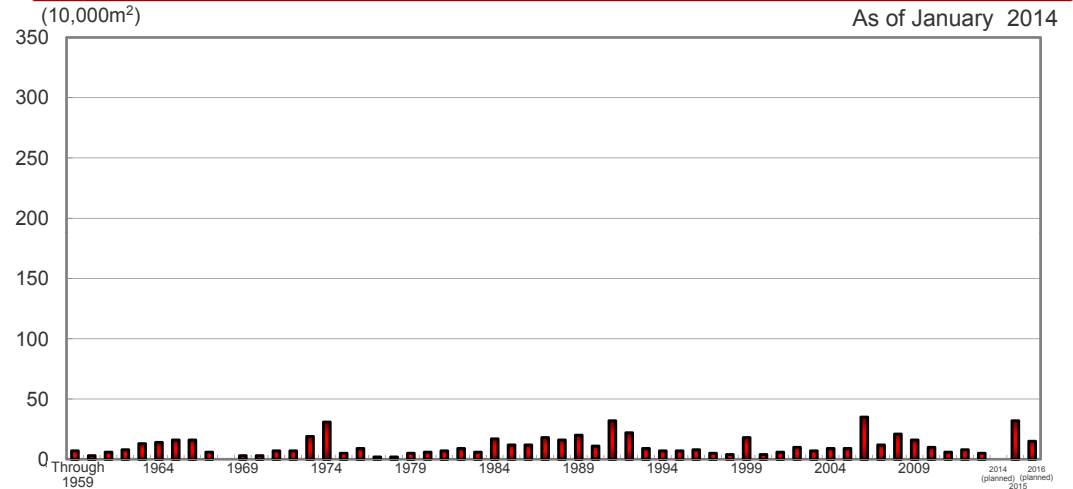
Office Building Inventory by Year Built (Tokyo Wards)



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 3,000m² 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

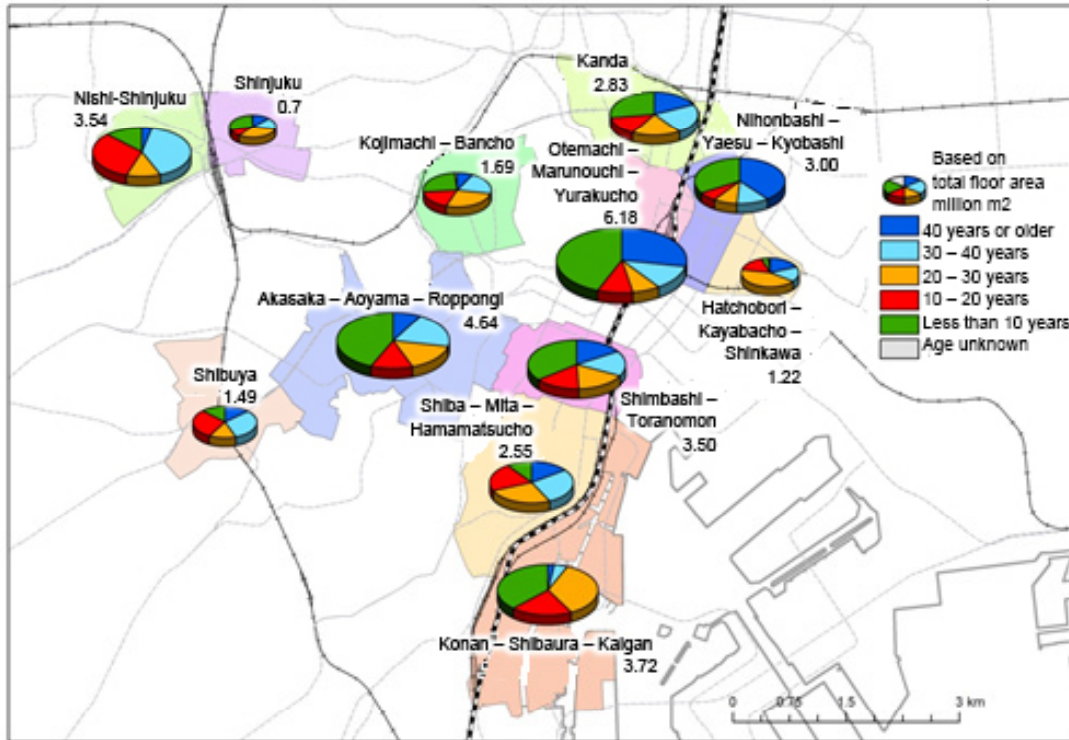
Office Building Inventory in Tokyo Wards (Statistics of Central Tokyo by Submarket)

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

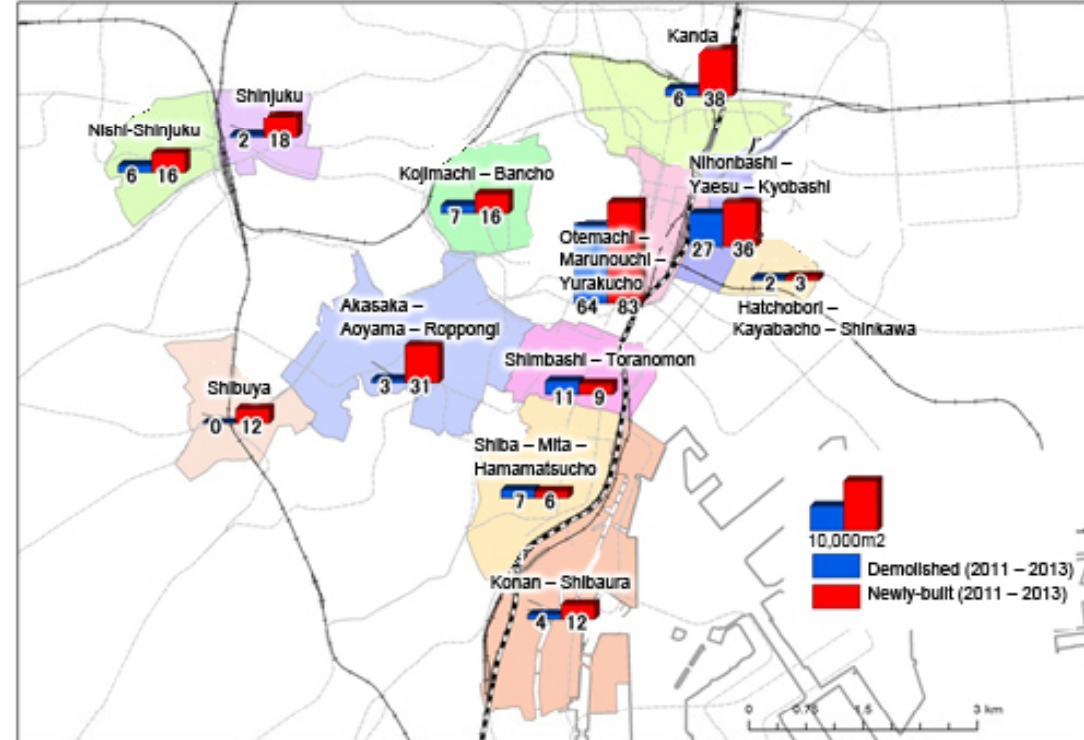
Newly-Built and Demolished Office Buildings in Tokyo Wards (2011 – 2013)

* Fairly large volume of demolished office buildings.

As of January 2015



As of January 2015



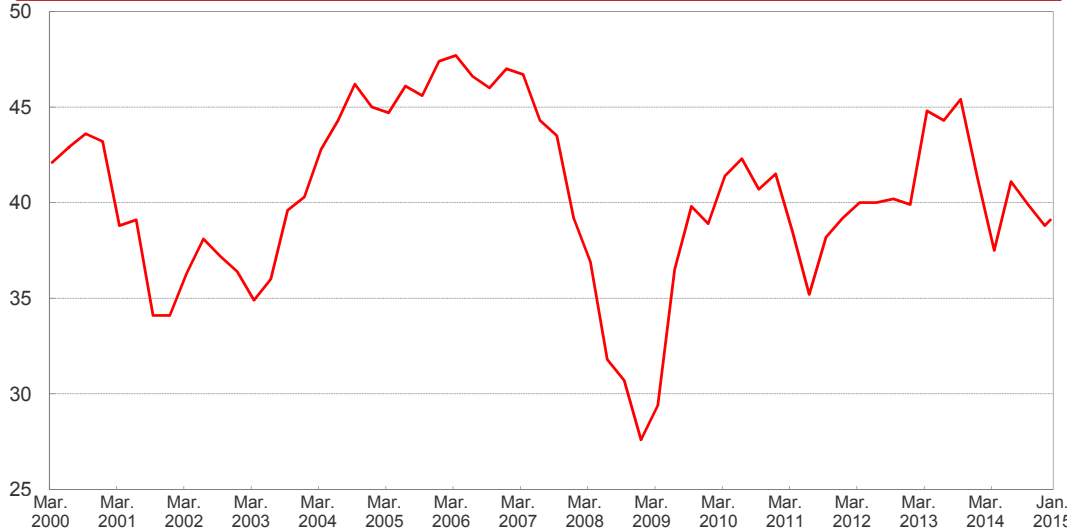
- * The so-called new earthquake resistance standards were enforced as a result of revisions to the Building Standards Act in 1981.
- * Tokyo Wards represents the Tokyo Central 5 Wards plus other wards (Bunkyo, Taito, Sumida, Koto, Shinagawa, Meguro, Ota, Toshima and Nakano wards).
- * The survey covers office buildings with 3,000m² or more of total floor area.

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

Retail Leasing Market Overview

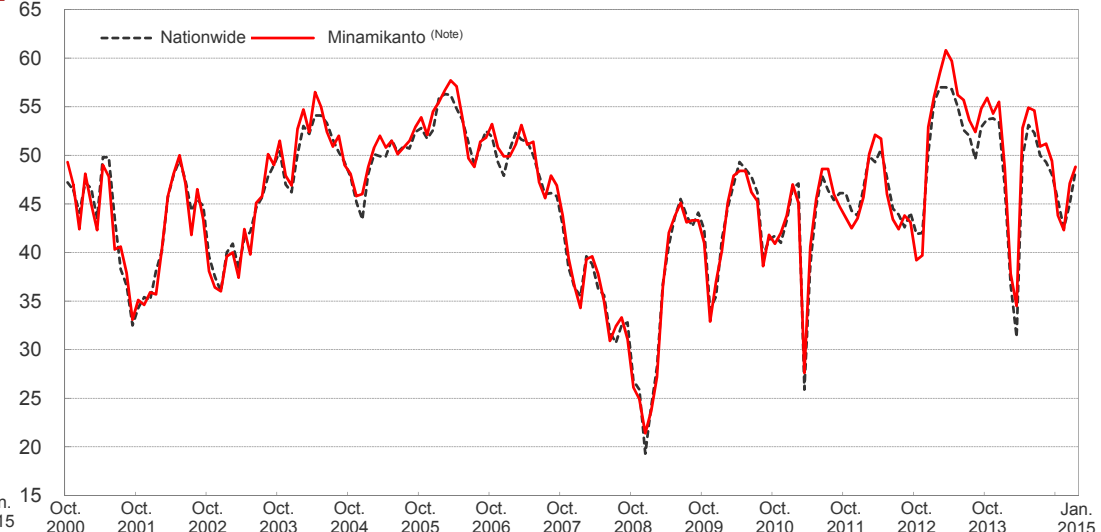
* Consumer sentiment continued to be on recovery trend due to the effects of Abenomics, but recently on slightly weak note due to the consumption tax hike.

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



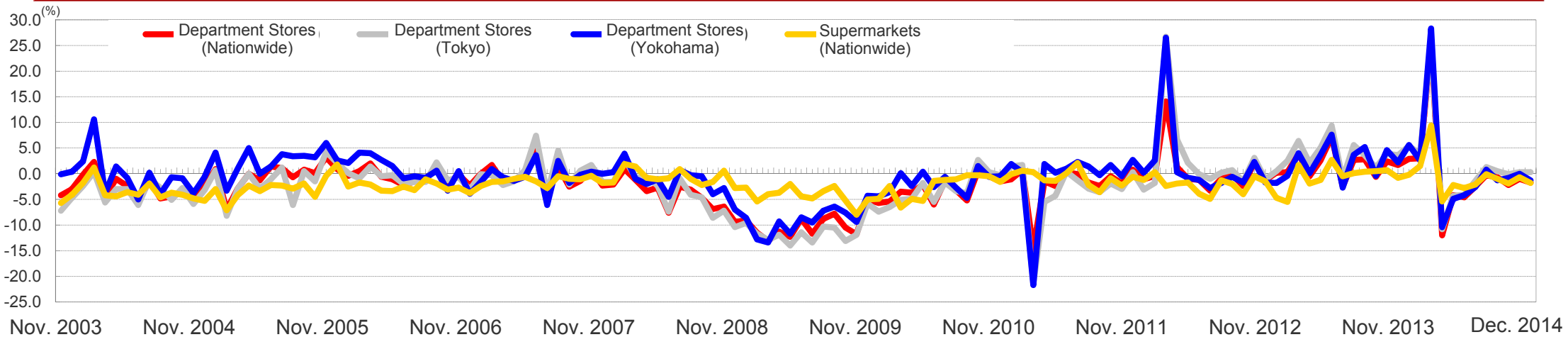
Source: Cabinet Office "Consumer Confidence Survey."

Economy Watchers Survey (Leading Indicator: Household Related)



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

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

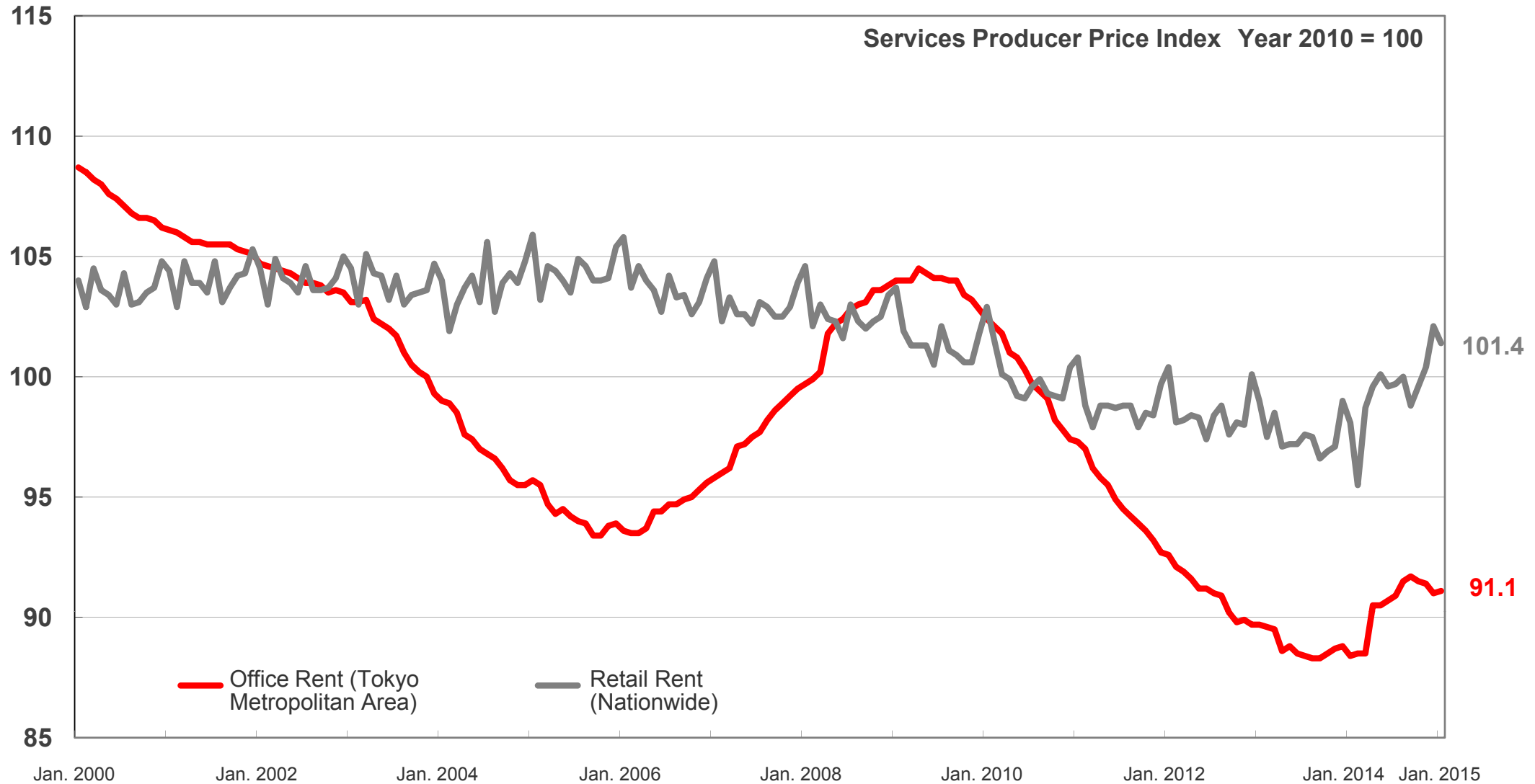


Source: Website of Japan Department Stores Association, Japan Chain Stores Association "Statistics on Sales of Chain Stores."

*Comments by Tokyu REIM

Office Rent (Tokyo Metropolitan Area) and Retail Rent (Nationwide) Index Comparison

* Unlike office rents, the rents of retail properties are on a stable trend. Recently also showing signs of bottoming out.



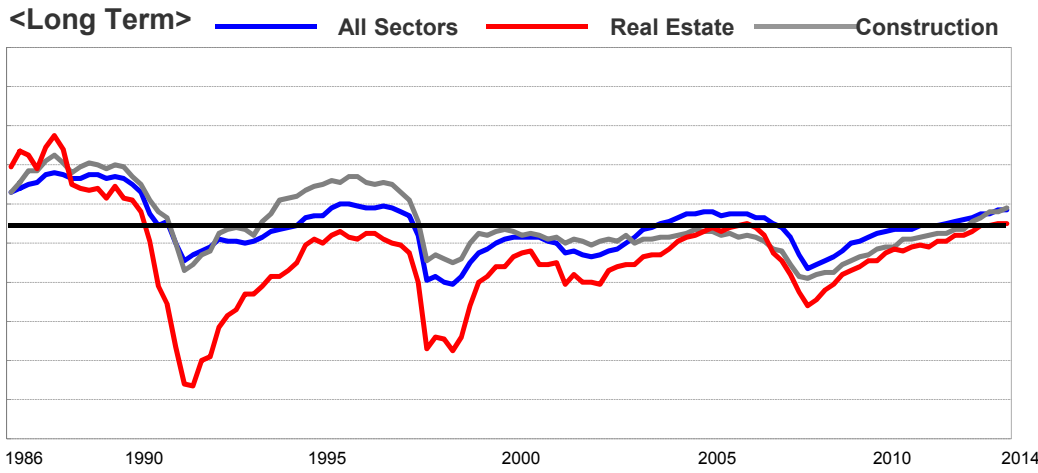
Source: Prepared by Tokyu REIM based on information from the BOJ website

*Comments by Tokyu REIM

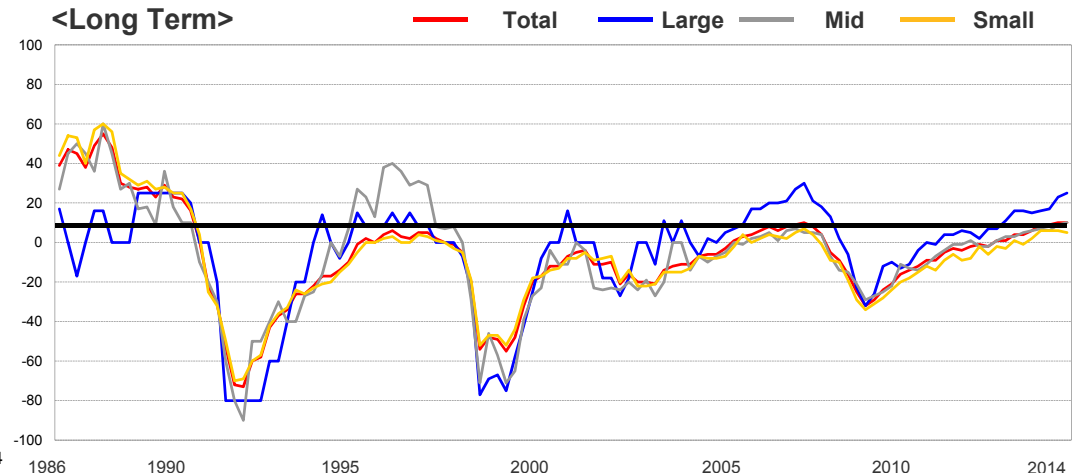
Real Estate Trading Market Overview :Lending Attitude DI

* Lending attitude DI for the real estate sector continued to be on improving trend since hitting bottom in March 2009. Although lending attitude DI for all company sizes was at a peak level in the previous survey, that for large companies has room for improvement.

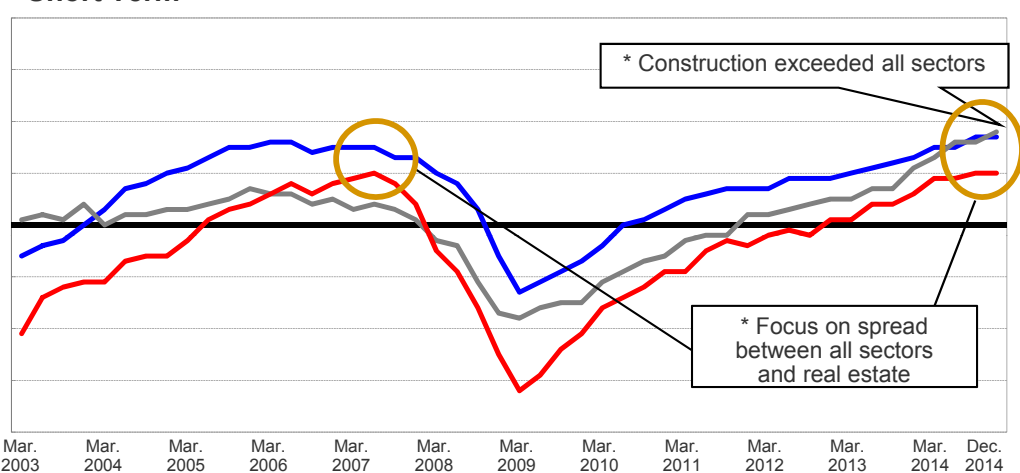
Lending Attitude DI by Sector



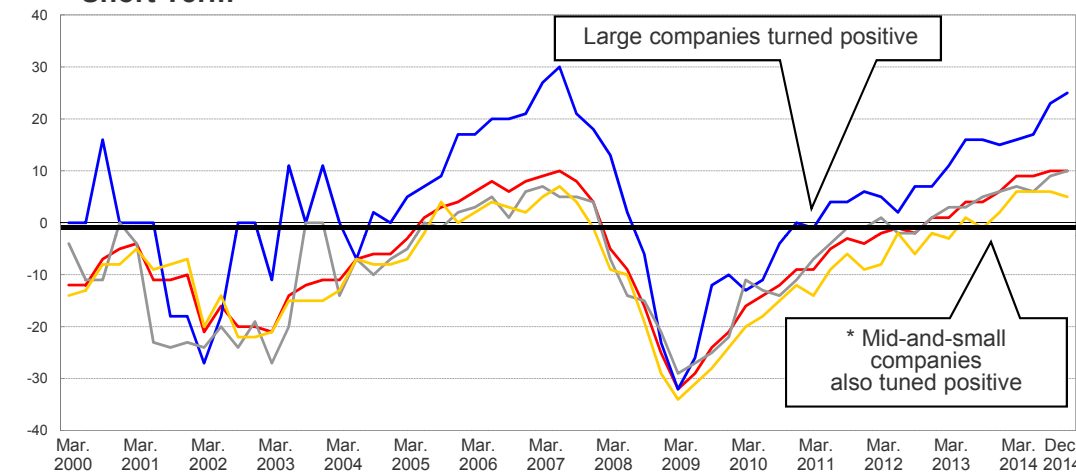
Lending Attitude DI by Size (Real Estate Sector)



<Short Term>



<Short Term>



* 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



11. Appendix

Acquisition

- **Pipeline Support:** 14 of 33 properties accumulated thus far (¥115.86bn out of total acquisition price of ¥275.24bn)
 - 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 Toranomom 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)

- **Joint ownership of property**
 - Setagaya Business Square (Note)
(Note) Owned by TOKYU REIT, which holds 55% co-ownership interest, and 3 consolidated subsidiaries of Tokyu Corporation, which have acquired 45% co-ownership interest

- PM business outsourcing
- Community-based tenant promotion capability
- Outsourcing construction management business concerning extension of Tokyu Toranomom Building

- **“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.)

“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. A consolidated subsidiary of Tokyu Corporation
3. Tokyu Land Group companies

* “Tokyu Land Group companies” refers to any entity that falls under the following (1) to (3).

- (1) Tokyu Fudosan Holdings (hereafter, referred to as “Tokyu Fudosan Holdings”)
- (2) A consolidated subsidiary of Tokyu Fudosan Holdings
- (3) A tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) 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%.

PM (Property Management)

Brand Strategy

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 (terminal value) 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
 - Extended and 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 through aggressive involvement of independent third-parties
- 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))

*This page represents the views of Tokyu REIM

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