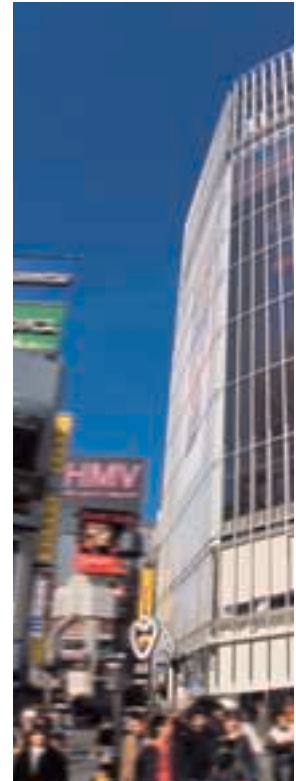
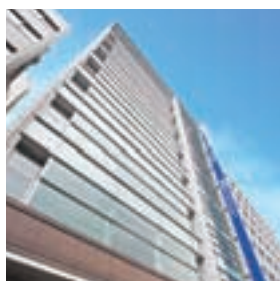
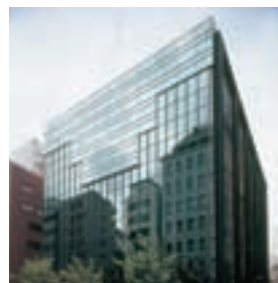
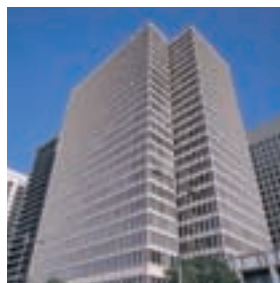


TOKYU REIT



**Stable Earnings and Cash Distributions
through Investment in Highly Competitive**

**Properties in Areas with
Strong Growth Potential**



TOKYU REIT, Inc.
Semiannual Report
Ninth Fiscal Period
From August 1, 2007 to January 31, 2008

TOKYU REIT, Inc.

Semiannual Report
Ninth Fiscal Period

From August 1, 2007 to January 31, 2008

9th

TOKYU REIT listed its units on the Tokyo Stock Exchange on September 10, 2003.

With the ultimate goal of maximizing unitholder value, TOKYU REIT is engaged in asset investment and management based on principles of growth, stability, and transparency. TOKYU REIT is committed to securing stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential.

TOKYU REIT invests primarily in retail and office properties located in the five central Tokyo wards (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya wards) and the Tokyu Areas, which refers to the areas serviced by the Tokyu rail network. As of January 31, 2008, the end of TOKYU REIT's ninth fiscal period, TOKYU REIT held ten retail facilities and ten office buildings, for a total of 20 properties.

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Basic Policy of TOKYU REIT

1 Investment strategies that accelerate 'growth'

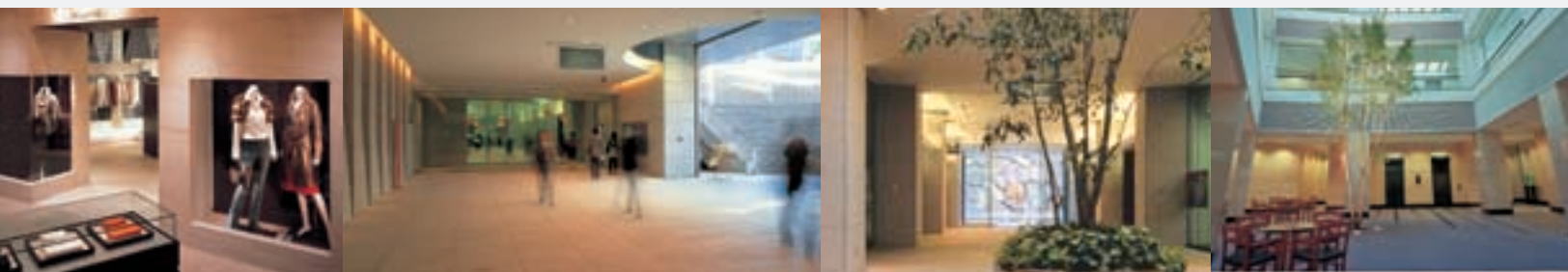
- Investment in properties in central Tokyo and the Tokyu Areas – areas with strong growth potential
- Committed to continued collaboration with Tokyu Group companies
- Growth through heightened added value of the Tokyu Areas

2 A portfolio that secures 'stability'

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

3 Fund structure that backs 'transparency'

- Original establishment of rules for preventing conflicts of interest
- Independent third-party checks
- Proactive disclosure of transaction details



HIGHLIGHTS

■ External Growth

- Additional acquisition of TOKYU REIT Toranomon Building (September 21, 2007 and October 26, 2007)
- Acquisition of Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) (January 31, 2008)

■ Internal Growth

- Outstanding occupancy rate (99.9%) as of January 31, 2008, at the end of the ninth fiscal period
- Rise by 1.4% of monthly rental income in the entire portfolio at the end of the ninth fiscal period (Compared with eighth fiscal period)

■ Finance

- Issuance of unsecured investment corporation bonds (1st series and 2nd series) (October 24, 2007)

■ Implementation of Strict Corporate Governance

■ Proactive IR Activities



TOKYU REIT
Toranomon Building



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

FINANCIAL SUMMARY

		9th Fiscal Period	8th Fiscal Period
Balance Sheets	Number of Properties	20 properties	19 properties
	Total Assets	¥193,080 million	¥184,390 million
	Interest-Bearing Liabilities	¥73,500 million	¥65,300 million
	Total Assets Loan-to-Value (LTV) Ratio	38.1%	35.4%
Statements of Income	Operating Revenues	¥6,831 million	¥6,730 million
	Net Income	¥2,602 million	¥2,443 million
Distributions	Cash Distribution per Unit	¥15,364	¥14,427
	Average Market Price per Unit	¥1,000,664	¥1,241,537
	Distribution Yield	3.05%	2.34%

To Our Unitholders

On behalf of TOKYU REIT, Inc. (**TOKYU REIT**), I would like to express my sincere appreciation to all of our REIT unitholders for their continued support and understanding. The following pages provide an overview of our operating environment and results for the ninth fiscal period, August 1, 2007 to January 31, 2008.

Masahiro Horie

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



Cash Distribution of ¥15,364 per Unit

Operating revenues for the ninth fiscal period amounted to ¥6,831 million, while net income totaled ¥2,602 million. This represented an increase in both revenues and income compared with the previous fiscal period.

Consistent with its existing distribution policy, **TOKYU REIT** allocated 100% of its net income for a cash distribution of ¥15,364 per unit. This was ¥937, or 6.5%, above the eighth fiscal period distribution of ¥14,427 per unit.

Net assets per unit stood at ¥594,061 as of January 31, 2008. After deducting the cash distribution of ¥15,364 per unit and accounting for unrealized gains (the difference between the total appraisal value of portfolio at the end of fiscal period and their book values), adjusted net assets per unit amounted to ¥959,997, an increase of ¥55,288 compared with July 31, 2007.

Taking into account the aforementioned, **TOKYU REIT** continues to secure income and net asset growth on a per unit basis.

Realizing an Increase in Rental Rates of 10.7%

Underpinned by stable investment management, 18 of TOKYU REIT's 20 properties were fully occupied as of the ninth fiscal period-end, and the occupancy rate for the entire portfolio was 99.9%. During the fiscal period under review, **TOKYU REIT** succeeded in attracting tenants to the vacant ninth floor of the TOKYU REIT Kamata Building. In total, we attracted eight tenants that were either new or seeking additional space to replace seven tenants who vacated or decreased their leasing space.

In the context of a robust real estate leasing market in Tokyo, **TOKYU REIT** is proceeding with upward revisions to rental rates. Among 34 tenants whose contracts were scheduled for renewal during the fiscal period under review, **TOKYU REIT** was successful in raising rental rates by an average of 10.7% (including service charges for common areas) for 27 tenants.

Based on these initiatives and activities, rental revenues from 19 properties, excluding the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) acquired at the end of the fiscal period under review, increased 1.4% compared with the previous fiscal period. Furthermore, monthly rent at the fiscal period-end also

Monthly Rent Comparison at the End of Fiscal Period

Millions of yen

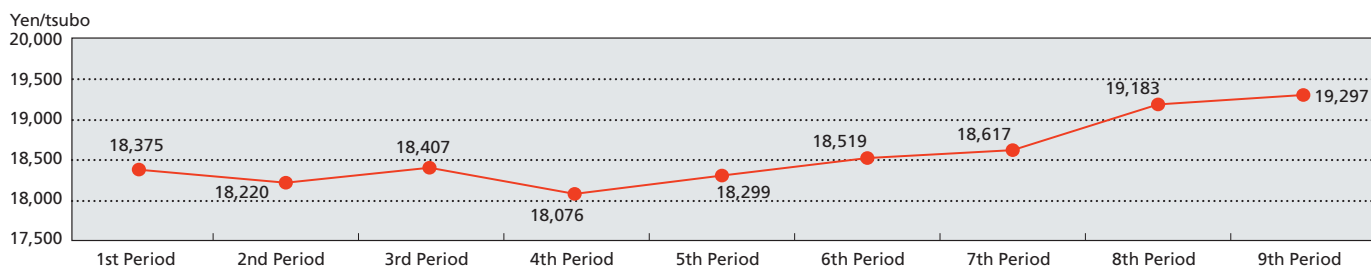
		9th Period	10th Period	Increase / Decrease	Increase / Decrease (%)
Retail	Overall	411	409	2	0.6%
	Rent Increase from Existing Tenants			1	
Office	Overall	560	549	11	1.9%
	Rent Increase from Existing Tenants			5	
Total (19 properties)	Overall	971	958	13	1.4%
	Rent Increase from Existing Tenants			7	

Notes: 1. Except for income from parking and signs.

2. Comparison of monthly rent at the end of each period.

3. TOKYU REIT Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is excluded because it has been acquired on the last day of 9th Fiscal Period.

Unit Price of 11 Properties at IPO



Notes: 1. 11 properties are: QFRONT, Lexington Aoyama, TOKYU REIT Omotesando Square, Tokyu Saginuma Building, Tokyu Saginuma 2 Building, Setagaya Business Square, Tokyu Nampeidai-cho Building, Tokyu Sakuragaoka-cho Building, Tokyu Nissan Taito Building, TOKYU REIT Akasaka Hinokicho Building and TOKYU REIT Kamata Building.
2. Unit Price = Monthly Rental Income including Common Service Charge / Total Leased Area at the end of period

Divergence from the Market Rent

Use		Current Monthly Rent (A) *1 (millions of yen)	Market Rent (B) *2 (millions of yen)	Difference in Value (B-A) (millions of yen)	Average Divergence (B-A)/A (%)
Retail	Urban	271	308	37	13.5
	Suburban	138	138	0	0.2
Office		409	446	37	9.0
Total (20 properties)		592	684	92	15.6
Total (20 properties)		1,001	1,130	129	12.9

Notes: *1. Current Monthly Rent includes Common Service Charge (except revenue from parking/sign charge) based on the contract as of February 1, 2008.
*2. Market Rent is calculated by Tokyu REIM based on market reports written by third parties.

Percentage of Tenants Facing Rent Renegotiation (Monthly Rental Income Base)

Use		9th Fiscal Period	10th Fiscal Period	11th Fiscal Period	12th Fiscal Period	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period
Retail	Urban	0.0%	9.4%	24.9%	4.4%	27.7%	5.1%	2.0%
	Suburban	5.4%	36.2%	5.4%	21.0%	37.4%	0.0%	0.0%
Office		1.8%	18.5%	18.3%	10.0%	31.0%	3.4%	1.3%
Total (20 properties)		6.6%	28.0%	22.3%	27.0%	20.0%	29.0%	21.9%
Total (20 properties)		4.6%	24.1%	20.7%	20.0%	24.5%	18.5%	13.5%

Notes: 1. Percentage calculated by dividing rent for tenants facing rent renegotiation by total rent by use
2. Rent including Common Service Charge (except revenue from parking/sign charge)
3. As of the beginning of the 10th period

increased 1.4% to ¥971 million.

Compared to the 11 properties that comprised TOKYU REIT's portfolio at the time of its IPO (September 2003), rental rates have continuously risen from a base level in the fourth fiscal period (ended July 31, 2005).

With regards to future rental rates, although a downturn in the real estate leasing market is considered unlikely based on such factors as employment conditions (unemployment rates, the number of job applicants, etc.) in Tokyo and trends in the supply of new building space, uncertainties surrounding economic conditions offer few reasons for an overly optimistic viewpoint. Nevertheless, as outlined in the table above, "Divergence from the Market Rent" current monthly rental rates for all of TOKYU REIT's properties are still relatively low compared to market levels. Pressing forward with efforts to narrow this gap,

TOKYU REIT will work toward realizing internal growth of its cash distributions by raising rent levels.

Negotiations with the Ito-Yokado Noukendai Store

In recent months, numerous investors raised concerns regarding the status of rents at Beacon Hill Plaza (Ito-Yokado Noukendai Store). These concerns arose from the lowering of rental rates at a number of other REIT-owned properties occupied by large-scale general merchandise stores (GMSs).

TOKYU REIT invested in this property in August 2004 for several reasons: the upswing in population trends; the lack of alternative development sites in the surrounding area capable of accommodating competing facilities; and, forecast stable growth based on the long-term lease

agreement through to 2018. With respect to rent levels, **TOKYU REIT** commenced negotiations in connection with rental rate revision immediately following the property's acquisition. We will continue negotiating with Ito-Yokado Co., Ltd. in an effort to lift rental rates, taking into consideration the store's healthy sales and the ratio of rent to those sales.

Signs of Change in the Real Estate Investment Market

In the ninth fiscal period, **TOKYU REIT** acquired the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) for ¥8.5 billion, and acquired additional compartmentalized ownership of the TOKYU REIT Toranomom Building from six parties, for a total acquisition cost of ¥1.44 billion. As a result of these activities, the total acquisition cost of TOKYU REIT's portfolio was ¥181.7 billion as of January 31, 2008, with the total appraisal value of portfolio (assessed by qualified third-party appraiser) amounting to ¥242.9 billion.

Although the portfolio has grown in scale by ¥101.3 billion from ¥80.3 billion at the time of TOKYU REIT's IPO, the pace of expansion has been nonconstant. While the portfolio grew by ¥77.5 billion from 2004 to 2005, the level of expansion was held to ¥23.8 billion since 2006. This reflects trends in the J-REIT market over this period, primarily intense competition in the acquisition of properties as a result of greater interest in real estate from both domestic and overseas investors. During this time, we refrained from pursuing investment opportunities in properties involving high-cost transactions that could negatively affect unitholder value. **TOKYU REIT** considers that "The decision not to acquire a property is of equal importance and a valid alternative in the decision-making process."

Despite these conditions, recent signs are pointing to changes in the real estate investment market, not the least of which is a shift toward property disposal by real estate funds. This can be attributed to a variety of factors

including implementation of the Financial Instruments and Exchange Law, changes in the stance adopted by financial institutions toward real estate financing, and the drop in securitized real estate product prices across global capital markets including sub-prime loans.

In our Semiannual Report for the seventh fiscal period, I stated the following: "Although the current real estate investment market is strong, when long-term economic cycles are considered, we cannot expect asset values to rise constantly." In this context, the ability to assess the intrinsic value of properties is becoming increasingly vital, given new developments in the market.

Despite this changing environment, **TOKYU REIT** recognizes that current conditions offer positive opportunities for property acquisition. Looking ahead, we will maintain our existing posture of prudently selecting investments and continue to enhance unitholder value through external growth based on asset scale expansion and the aforementioned internal growth.

Outlook

On March 14, 2008, **TOKYU REIT** announced distribution forecasts of ¥16,000 and ¥15,300 per unit for the tenth and eleventh fiscal periods, respectively. While these forecasts are based on current contracts, they are considered conservative estimates that do not take into account plans for rental revisions or potential property acquisitions. Furthermore, these forecasts are subject to change due to a variety of factors including trends in conditions of investment management and interest rate movements.

Approach to Debt Financing

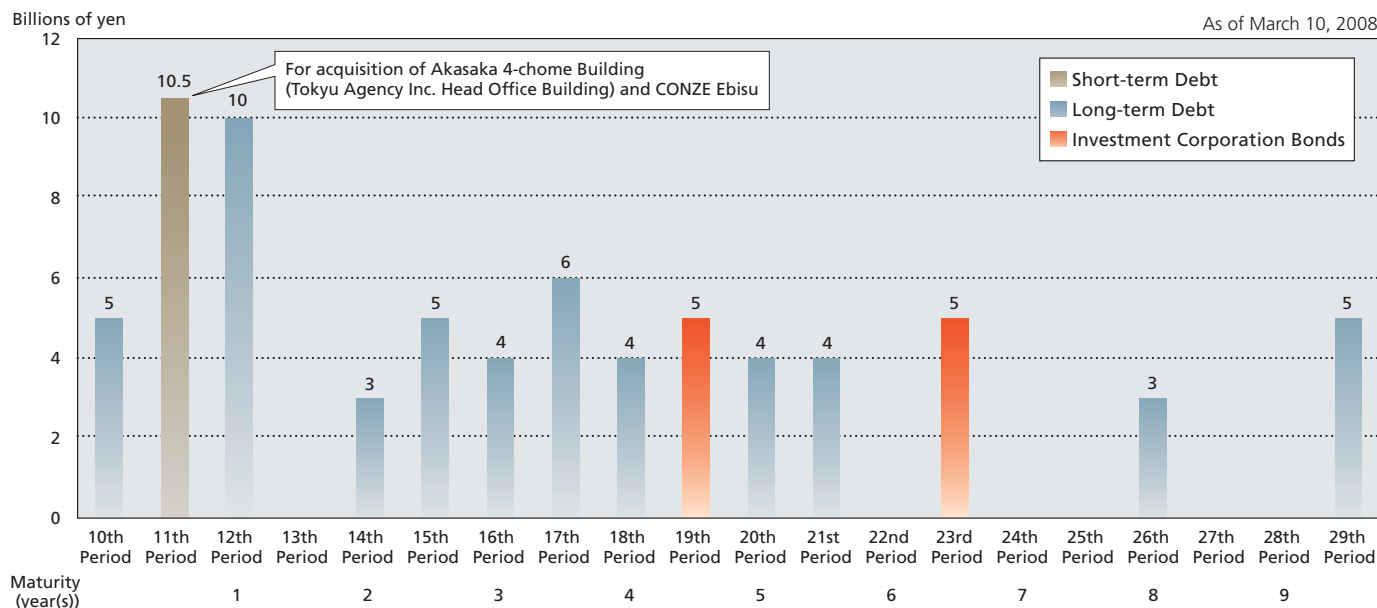
In our Semiannual Report for the seventh fiscal period, I also commented on the stance adopted by financial institutions in Japan toward real estate financing. According to the Bank of Japan's *Tankan* report, the lending attitudes of financial institutions to the real estate

Upper Limit of LTV

Name	Calculation	Upper Limit *	End of 9th Fiscal Period
Total Asset LTV	(Interest-Bearing Debt + Investment Corporation Bonds) / Total Assets at the End of Fiscal Period	60%	38.1%
Appraisal Value LTV	(Interest-Bearing Debt and Investment Corporation Bonds + Security and Guarantee Deposits without Reserved Cash) / Appraisal Value at End of Period	50%	32.7%

Note: Figures of LTV might exceed temporarily in accordance with any reason, such as acquisition of properties, change of appraisal value, etc. Upper limit of "Appraisal Value LTV" indicates operational guide.

Maturity Ladder



sector when compared with other industries varies significantly at certain times.

Adopting a conservative financial policy, **TOKYU REIT** restricts its portfolio properties to the Tokyo Metropolitan Area in order to ensure stable cash flows, and takes all possible measures to minimize the risk of procurement difficulties during periods of tight credit.

Concretely, **TOKYU REIT** works to ensure financial soundness by limiting interest-bearing debt (the sum of debt financing, investment corporation bonds, and security and guarantee deposits without reserved cash) to no more than 50% of the total value of the portfolio. (Refer to the table on page 6 for more details.) Underpinned by two public offerings since its IPO, and along with the increased value of its portfolio, **TOKYU REIT** has successfully maintained low interest-bearing debt ratios while acquiring the high credit ratings of AA-, A2, and A from Rating and Investment Information, Inc., Moody's Investors Service and Standard & Poor's, respectively.

Turning to debt financing in the ninth fiscal period, **TOKYU REIT** issued investment corporation bonds totaling ¥5,000 million with a maturity date of five years (1.65% annual interest) and ¥5,000 million with a maturity date of seven years (1.89% annual interest). (Refer to page 15 for more details.) When fund procurement is undertaken over such a long term, we give special attention to diversifying repayment dates. As indicated in the chart on this page, we procure funds in a manner that

enables us to avoid multiple large-scale refinancing within a limited time frame.

As of January 31, 2008, the average repayment term for interest-bearing debts was 3.5 years. This average term is based on such considerations as economic and financial conditions, details of tenants' rental agreements (rent systems, schedules for rent revisions, etc.), and periods of property holding. Looking ahead, **TOKYU REIT** will work diligently to extend this average term further.

Investment Unit Price

TOKYU REIT's highest investment unit price after IPO was ¥1,470,000, recorded on May 31, 2007. The investment unit price closed at ¥996,000 at the onset of the ninth fiscal period (August 1, 2007), but dropped to ¥826,000 at the end of the period (January 31, 2008). (Refer to the "Unit Price Chart" on page 62 for more details.) Also at the ninth fiscal period-end, adjusted net assets per unit reached ¥959,997, for a net asset value (NAV) multiple of 0.86.

It is generally recognized that issuing corporation managers should refrain from commenting on their own stock price. The reason for this is simple: these managers should focus on day-to-day management, leaving the assessment of a company's value and analysis of its stock price to analysts and investors. However, in situations where a company's stock price becomes unreasonably undervalued because of insufficient disclosure or rumor, I believe that the role of management is to provide detailed

explanation to ensure that corporate value remains fairly evaluated.

The drop in investment unit prices amid firm business activity is not limited to the REIT market of which **TOKYU REIT** is a part. A major contributing factor is the downward pressure on investor sentiment significantly affected by the sub-prime loan crisis.

Nevertheless, even if the main cause for this price decline was not related to the deterioration in fundamentals but driven more by external factors, an NAV multiple of REITs, whose financial statements are prepared in a relatively simple manner, lower than 1.0 represents a serious cause for concern and significantly so for a REIT's investment management company, whose *raison d'être* is to continuously add value to net assets.

Of course, the aforementioned decline in our investment unit price may reflect investor forecasts of lower real estate values in the future. Against this backdrop, **TOKYU REIT** will endeavor to regain its favorable market standing by further promoting the competitive advantage of its portfolio and steadily building a sound track record of asset value and net income per unit growth.

Return on the Public Offering Price

Along with NAV per unit, we are also highly conscious of the balance between the public offering price and the investment unit price. Including IPO, **TOKYU REIT** has undertaken three public offerings, with the most recent issue price of ¥761,950. **TOKYU REIT** is one of very

few J-REITs that has increased its offer price with each public offering.

The weighted average issue price of all three of TOKYU REIT's public offerings amounts to ¥599,113. Compared with the cash distribution of ¥15,364 per unit in the ninth fiscal period, this represents a "return on the public offering price" of 5.1%. In this context, I believe that to achieve an income return around 5% based on an investment portfolio comprised of low-risk, prime properties represents considerable value.

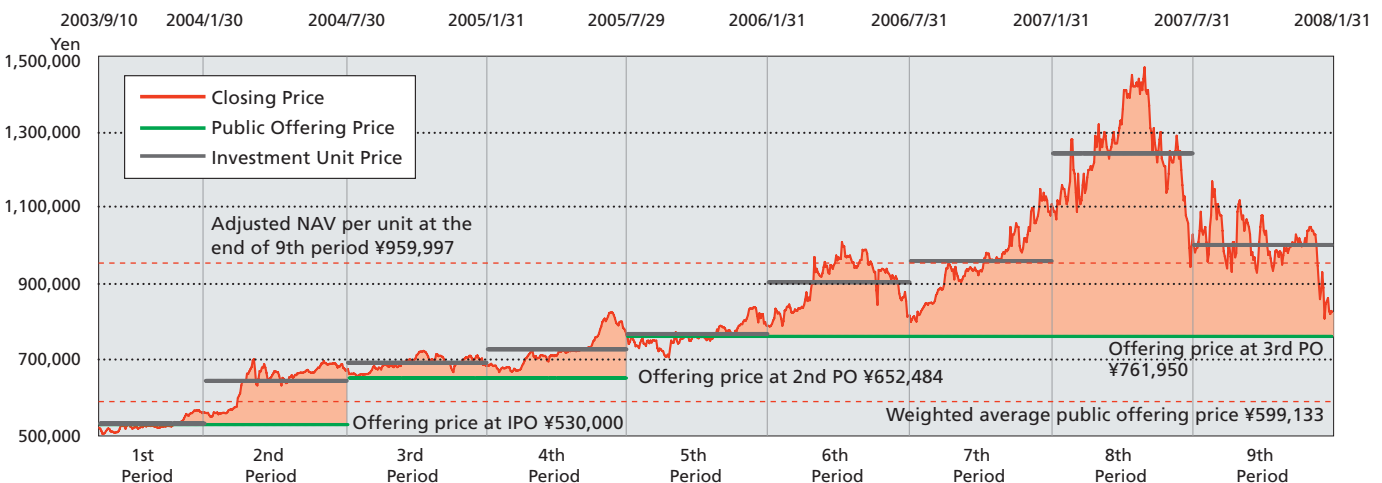
In this light, I consider that the investment unit price, the absolute amount of cash distributions, the adjusted NAV, and the return on the public offering price are all important indicators for measuring a REIT's performance.

Expected Dividend Yield

While the return on the public offering price of a REIT reflects its performance, the expected dividend yield (publicly disclosed estimated dividend divided by investment unit price) can be considered a measure of a REIT's value in the market. In this context, portfolio stability, sound financial strategies, a rigorous stance toward governance, comprehensive IR activities, thorough compliance and risk management are all components that determine the investment unit price.

Although its investment unit price has fallen, **TOKYU REIT** is one of J-REITs that has a low expected dividend yield. This means that the yield on the current value is low. Conversely, this reflects the high price of TOKYU REIT's investment unit compared with its

TOKYU REIT Public Offering Prices and Investment Unit Prices



distribution. Cognizant of the stature afforded by such high market valuations, **TOKYU REIT** will continue moving forward with its endeavors.

Toward Expanding the J-REIT Market

J-REITs enjoy certain tax privileges, and at the same time, they are entrusted with a social mission to fulfill numerous responsibilities. In capital markets, they offer a medium-risk/medium-return investment alternative, while in the real estate market, they contribute to balancing price formation, promoting optimal real estate utilization, upgrading infrastructure and improving liquidity. In general terms, J-REITs contribute to advancing Japan's economic growth. While the J-REIT market is facing an uphill battle, I am convinced that the nation would suffer significant damage were the REIT market's functions to cease entirely.

Since last year, plans to publicly list funds in the REIT market were often laid aside or abandoned altogether. Nevertheless, we expect further corporate restructuring and market reshuffling in the future. As the J-REIT market matures, certain processes are required for it to continue moving forward. The market should refine itself as it traverses through the current downward cycle, and if a higher valuation of J-REIT products is achieved from a better understanding of these financial instruments, we will

see a stabilization of capital costs and increased internal and external fund-raising capacity. That will enable J-REITs to eventually fulfill their social mission—a vision that occupies my mind as I engage in daily management activities.

March 2008



Masahiro Horie

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

1984

Entered Tokyu Corporation.

1985

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

1986

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

1989

Transferred to hotel management company domiciled in Honolulu, Hawaii.

1994

Posted to the Finance & Accounting Division of Tokyu Corporation.

1996

Posted to the Group Controllers Division.

1999

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

2001

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

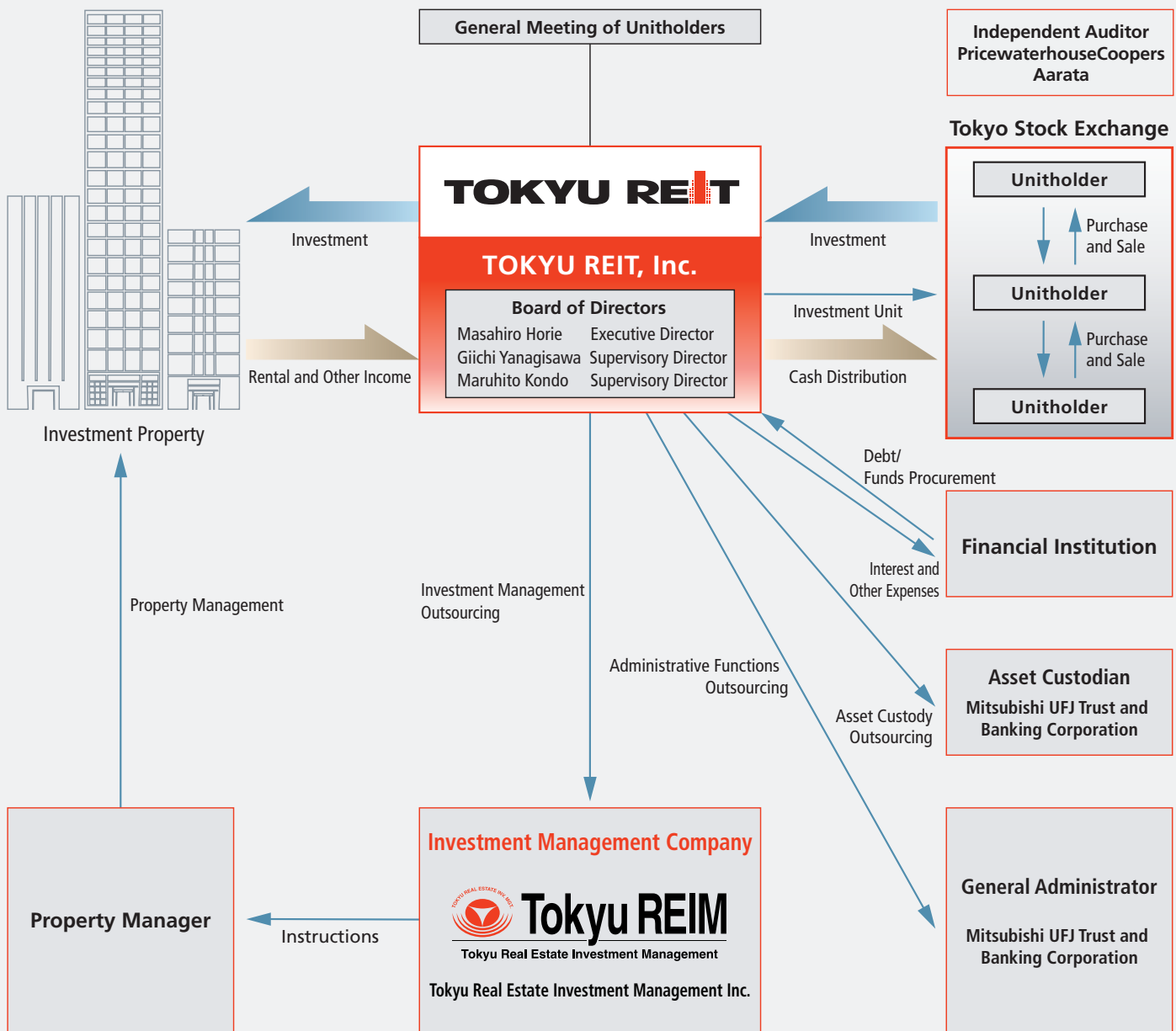
2002

Appointed Representative Director, President and Chief Executive Officer of Tokyu REIM.

2003

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

TOKYU REIT Structure and External Service Providers



Investment Management Fee

Base 1	Total from the following calculation concerning asset value at the end of previous period ■ For the portion under 200 billion yen: Asset value at the end of previous period × 0.150% ■ For the portion exceeding 200 billion yen: Asset value at the end of previous period × 0.125%
Base 2	Total from the following calculation concerning operating cash flow*1 in current period ■ For the portion under 5 billion yen: Operating cash flow in current period × 6.0% ■ For the portion exceeding 5 billion yen: Operating cash flow in current period × 5.0%
Incentive	Amount from the following calculation concerning closing price in current period ■ (Average price in current period – Record average price) × Number of investment unit × 0.4%

Apart from the above fees, TOKYU REIT pays service charges to an asset custodian firm (Mitsubishi UFJ Trust and Banking Corporation), general administration firm (Mitsubishi UFJ Trust and Banking Corporation), property management firm (Tokyu Corporation as well as Tokyu Land Corporation), and accounting auditor (PricewaterhouseCoopers Aarata) among others.

Note: *1. Operating cash flow = ordinary income + depreciation and amortization of deferred assets - profit or loss from valuation

TOKYU REIT, Inc. Board of Directors

The Board of Directors Meeting

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



Giichi Yanagisawa
Supervisory Director



Masahiro Horie
Executive Director



Maruhito Kondo
Supervisory Director

Giichi Yanagisawa Supervisory Director

March 1985	Certified as a public accountant in Japan. Established Yanagisawa Certified Public Accountant Office
May 1985	Certified as a tax accountant in Japan (current position)
June 2000	Appointed representative, Shinsoh Corporation (current position)
July 2001	Appointed member of the Board of The Japanese Institute of Certified Public Accountants
June 2003	Appointed supervisory director, TOKYU REIT, Inc. (current position)
July 2004	Appointed Executive Board of The Japanese Institute of Certified Public Accountants (current position)

Maruhito Kondo Supervisory Director

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

Look at page 9 about Masahiro Horie's career.

Board of Directors Meeting Operation Schedule

TOKYU REIT's Board of Directors Meeting is run by the General Administrator (Mitsubishi UFJ Trust & Banking) Corporation and Legal Counsel (Mori Hamada & Matsumoto) to attend the meeting in principle. Meetings held and attendance of the period are as follows:

Name	Role	Attendance (including by phone)									Total	Rate of Attendance
		1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period		
Masahiro Horie	Executive Director	22	16	11	16	10	12	12	13	12	124	100%
Giichi Yanagisawa	Supervisory Director	22	16	11	16	9	12	12	13	12	123	99%
Maruhito Kondo	Supervisory Director	22	16	11	16	10	12	12	13	12	124	100%
Mitsubishi UFJ T&B	General Administrator	22	16	11	16	10	12	12	13	12	124	100%
Mori Hamada & Matsumoto	Legal Counsel	22	13	11	15	10	12	12	13	12	120	96%
Meetings Held		22	16	11	16	10	12	12	13	12	124	

Supervision of Operation by Supervisory Directors

TOKYU REIT's Supervisory Directors operate as follows (apart from attendance to the Board of Directors Meetings):

- (1) Supervision of execution of duties by Executive Director under Article 111 of the Investment Trust Law, including inspection of books and site reconnaissance as needed.
- (2) In addition to a report by service providers at the Board meeting, exercise the right to inspect key service providers provided in the agreement as needed.
- (3) Investment Manager or General Administrator assists Supervisory Directors since TOKYU REIT is not allowed to hire employees following the Investment Trust Law. Supervisory Directors are always able to consult Legal Counsel whenever legal assistance is needed.

Tokyu Real Estate Investment Management Inc. Investment Management Company

URL: www.tokyu-reim.co.jp

Tokyu Real Estate Investment Management Inc. ("Tokyu REIM") contracted with **TOKYU REIT** on June 20, 2003, to act as its investment manager.

Underpinned by investment policies held in common with **TOKYU REIT**, Tokyu REIM strives to maximize unitholder value through business growth, stability and transparent operations.

In addition, Tokyu REIM follows strict internal rules governing conflicts of interest and takes all necessary care in transactions with Tokyu Group companies.

Tokyu REIM is a financial instruments dealer under the Financial Instruments and Exchange Law (Kanto Financial Bureau (*Kin-sho*) No. 360).

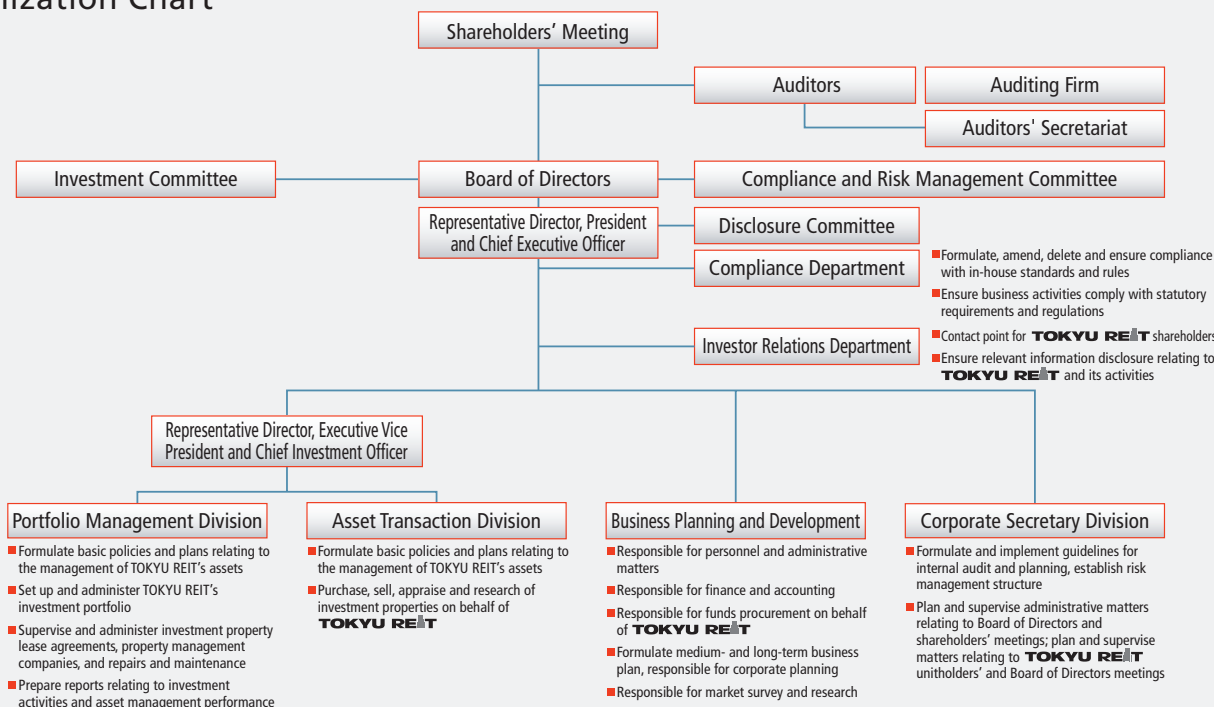
History

Date	Remark
June 27, 2001	Tokyu REIM established (capital ¥100 million)
August 31, 2001	Acquired real estate brokerage license (No. 79964 Governor of Tokyo (updated on September 1, 2006))
September 26, 2001	Capital increase (increase in capital from ¥100 million to ¥125 million)
September 28, 2002	Capital increase (increase in capital from ¥125 million to ¥300 million)
April 3, 2003	Acquired discretionary transaction agent approval in accordance with the Building Lots and Building Transactions Business Law (Minister of Land, Infrastructure and Transport No. 17)
June 16, 2003	Acquired investment trust management business transaction authorization from the Office of the Prime Minister (No. 27)
June 16, 2003	Acquired approval to provide consulting services and agency services (Financial Service Agency No. 1961)
June 20, 2003	Concluded an investment management agreement with TOKYU REIT
July 25, 2003	Registered as a general real estate investment management company (No. 000016)
September 30, 2007	Registered as a financial instruments dealer (Kanto Financial Bureau (<i>Kin-sho</i>) No. 360)

Major Shareholders (as of September 30, 2007)

Name	Address	Shares Held	Ratio
Tokyu Corporation	5-6 Napeidai-cho, Shibuya-ku, Tokyo	3,600 shares	60%
Tokyu Land Corporation	1-21-2 Dogenzaka, Shibuya-ku, Tokyo	2,400 shares	40%
Total		6,000 shares	100%

Organization Chart



■ Board of Directors

A management structure has been implemented whereby the Board of Directors is responsible for business management, such as decision making on business strategy and other important matters relating to the execution of business operations. In addition, the Board of Directors supervises business operations undertaken by the representative director and executive officers. During the ninth fiscal period, the Board of Directors met on nine occasions.

■ Investment Committee

The Investment Committee is comprised of the president (who serves as chairperson), three non-executive directors and a real estate appraiser. The Investment Committee discusses the initial drafts of, and any amendments to TOKYU REIT's management guidelines and fund management plan, portfolio asset allocation, and possible investment and disposal of a property. This information is presented to the Board of Directors with the Committee's opinion and recommendation. During the ninth fiscal period, the Investment Committee met on five occasions.

■ Compliance and Risk Management Committee

The Compliance and Risk Management Committee was established to ensure independent third-party checks of internal rules regarding related-party transactions. The Compliance and Risk Management Committee is comprised of two non-executive directors (one of whom serves as chairperson) and two external committee members. Under the guidance of the Board of Directors, the Compliance and Risk Management Committee discusses material matters relating to compliance and risk management as well as the adequacy of internal rules regarding related-party transactions. It also provides opinions and recommendations to Tokyu REIM's Board of Directors. While third-party confirmation is obtained regarding the adequacy of rules applicable to individual transactions, matters are referred to the compliance officer and forwarded to the Compliance and Risk Management Committee for discussion as required, when the third party determines the matter warrants special mention. During the ninth fiscal period, the Compliance and Risk Management Committee met on nine occasions.

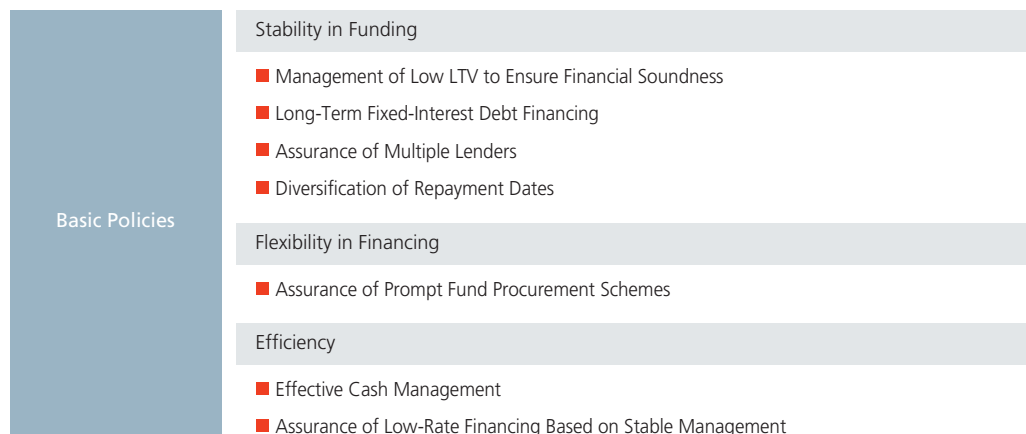
■ Disclosure Committee

The head of the Disclosure Committee is the Investor Relations Officer. The other members of the Committee include the Compliance Officer, Corporate Secretary Officer, Business Planning Officer and other members the Committee head judged to be necessary. Of information that is disclosed on a timely basis, the Committee reviews the handling of disclosure concerning matters that occur regarding **TOKYU REIT**, Tokyu REIM and TOKYU REIT's assets under management. The results of the Committee's discussions are reported to the Representative Director, President and Chief Executive Officer. The Disclosure Committee met two times during the ninth fiscal period.



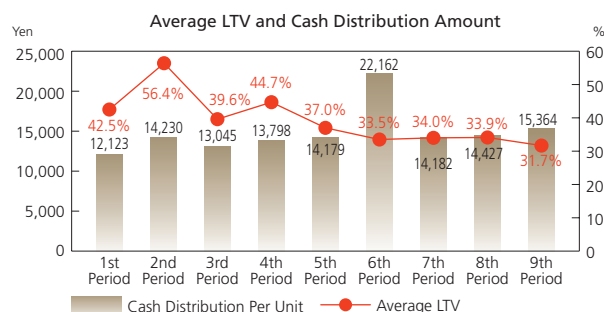
TOKYU REIT's Financial Strategies

With its financial strategies based on stability, flexibility and efficiency, **TOKYU REIT** strives to maximize unitholder value by reducing capital costs as well as fostering external growth with minimal expenditures.



Note: LTV (Loan to Value) = (interest-bearing debt + security and guarantee deposits without reserved cash) / Total appraisal value as of acquisition or of the end of fiscal period.
This formula derives the liability level to the acquired property's value. Low LTV (namely, less liabilities or high-valued properties) is considered as high level of financial soundness.

Average LTV and Cash Distribution Amount



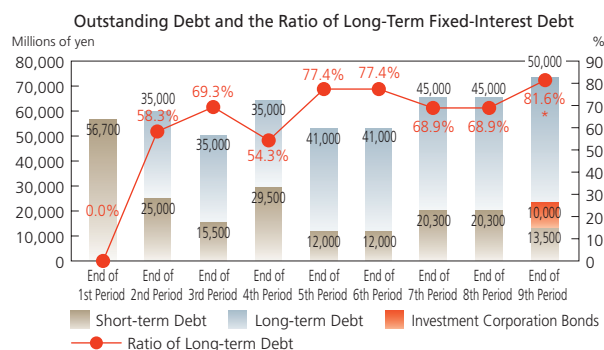
Generally, the level of cash distribution amount will increase as LTV rises by the leverage effect. An excessive increase of LTV, however, decreases financial soundness.

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

Cash distribution amount increased on the sixth fiscal period by selling property.

Notes: 1. Average LTV = (average interest-bearing debt during the period + average security and guarantee deposits without reserved cash) / Total appraisal value at the end of previous fiscal period and weighted average of appraisal value as of acquisition.
2. Cash distribution amount in 1st fiscal period was ¥9,488 based on the actual operating days of 144 days, but cash distribution amount of ¥12,123 recalculated based on 184 days is used in the above graph for the sake of comparison with 2nd fiscal period onwards.

Outstanding Debt and the Ratio of Long-Term Fixed-Interest Debt



TOKYU REIT has been implementing a conversion to long-term fixed-interest debt financing, as shown left. The ratio of long-term fixed-interest debt as of the end of the ninth fiscal period is 81.6% (74.8%: excluding the long term debt maturing within a year).

Long-term debt financing enables **TOKYU REIT** to curb any excessive burden resulting from increases in interest rates.

Note: 74.8% (excluding the long-term debt maturing within a year)

Lenders and Outstanding Debt by Repayment Dates (as of the end of the ninth fiscal period)

Category	Lender	Amount (millions of yen)	Interest Rate (%)	Drawdown Date	Repayment Date	Type
Short-Term Debt	The Sumitomo Trust and Banking Co., Ltd.	1,000	0.99000	October 31, 2006	October 31, 2008	Unsecured
	The Chuo Mitsui Trust and Banking Company, Ltd.	1,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000				
	Mizuho Corporate Bank, Ltd.	1,000				
	Mitsubishi UFJ Trust and Banking Corporation	1,000				
	The Sumitomo Trust and Banking Co., Ltd.	1,700	0.93000	January 31, 2008	January 31, 2009	
	The Chuo Mitsui Trust and Banking Company, Ltd.	1,700				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,700				
	Mizuho Corporate Bank, Ltd.	1,700				
	Mitsubishi UFJ Trust and Banking Corporation	1,700				
Sub Total	13,500	—	—	—	—	
Long-Term Debt	The Norinchukin Bank*	4,000	1.38875	June 25, 2004	June 25, 2008	Unsecured
	The Hyakugo Bank, Ltd.*	1,000	1.23875		June 25, 2009	
	The Chuo Mitsui Trust and Banking Company, Limited	5,000	1.68875		June 25, 2010	
	Mitsubishi UFJ Trust and Banking Corporation	5,000			June 25, 2012	
	Aioi Insurance Co., Ltd.	1,000	1.92750		October 25, 2011	
	Daido Life Insurance Company	1,000			October 25, 2018	
	Mitsui Sumitomo Insurance Company, Limited	1,000	2.03000	July 31, 2011		
	The Development Bank of Japan	4,000		July 31, 2013		
	The National Mutual Insurance Federation of Agricultural Cooperatives	1,000	1.26250	January 25, 2005	January 25, 2014	
	The Development Bank of Japan	5,000	1.95000	January 25, 2006	January 25, 2018	
	Nippon Life Insurance Company	4,000	1.93000	July 31, 2006	January 25, 2010	
	The Dai-ichi Mutual Life Insurance Company	4,000	2.21125		January 25, 2014	
	The Dai-ichi Mutual Life Insurance Company	1,000	1.92000	January 25, 2007	December 25, 2010	
	The National Mutual Insurance Federation of Agricultural Cooperatives	3,000		September 25, 2007	September 25, 2011	
	The Sumitomo Trust and Banking Co., Ltd.	5,000	1.81062	September 25, 2007	September 25, 2011	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000	1.62625	—	—	
Sub Total	50,000	—	—	—		
Total	63,500	—	—	—		

Note: Repayment date is within one year.

Execution of Commitment Line Agreement

- Lender : The Sumitomo Trust and Banking Corporation, Ltd.
: The Chuo Mitsui Trust and Banking Corporation, Limited
- Commitment Line Limit : ¥1,000 million, respectively
- Securities/Guarantee : Unsecured/Unguaranteed

The execution of the commitment line agreement allows us to undergo debt financing at any given time up to the designated amount. To this end, a flexible and efficient fund procurement system has been assured. During the ninth fiscal period, **TOKYU REIT** undertook debt financing ¥420 million on October 5, 2007 and the full amount was repaid by October 19, 2007.

Issuance of Investment Corporation Bonds (as of the end of the ninth fiscal period)

Category	Name of Investment Corporation Bonds	Amount (millions of yen)	Interest Rate (%)	Issuance Date	Repayment Date	Type
Long-Term	1st Series Unsecured Investment Corporation Bond (Ranks pari passu in right of payment with certain investment corporation bonds)	5,000	1.65000	October 24, 2007	October 24, 2012	Unsecured, unguaranteed. Included restrictions on collateral provision. The investment corporation bonds may be redeemed at any time from the day following the payment date, unless determined otherwise by the book-entry transfer agent.
	2nd Series Unsecured Investment Corporation Bond (Ranks pari passu in right of payment with certain investment corporation bonds)	5,000	1.89000	October 24, 2007	October 24, 2014	
	Total	10,000	—	—	—	—

Ratings

- Rating and Investment Information, Inc. (R&I)
:R&I Issuer Rating AA- (Rating Outlook: Stable)
- Standard & Poor's (S&P)
:Long-Term Issuer Rating A (Outlook: Stable)
:Short-Term Issuer Rating A-1
- Moody's Investors Service (Moody's)
:Moody's Issuer Rating A2 (Rating Outlook: Stable)

TOKYU REIT acquired ratings on September 6, 2005 and Rating and Investment Information, Inc. (R&I) upgrades from A+ to AA- (April 13, 2007). **TOKYU REIT** submitted a registration application relating to the issue of investment corporation bonds (from December 8, 2007 to December 7, 2009, with ¥100,000 million to the Ministry of Finance, and its Board of Directors made a comprehensive resolution to the issue of investment corporation bonds (from December 8, 2007 to December 7, 2008, within ¥50,000 million), thereby ensuring the flexible issuance of investment corporation bonds. **TOKYU REIT** issued investment corporation bonds totaling ¥10,000 million on October 24, 2007, as shown in the above chart.



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

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

Portfolio Overview

Use	Name of Property	Location	Area	Total Land Area (m ²)	Total Floor Area (m ²)
R	QFRONT	Udagawa-cho, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	784.26 (compartmentalized ownership 728.30)	6,692.14 (compartmentalized ownership 4,821.09)
R	Lexington Aoyama	Minami-Aoyama, Minato-ku, Tokyo	Five central Tokyo wards	776.59	2,342.21
R	TOKYU REIT Omotesando Square	Jingumae, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas	1,259.21	3,321.20
R	Tokyu Saginuma Building	Saginuma, Miyamae-ku, Kawasaki City, Kanagawa	Tokyu Areas	5,658.00	18,326.99
R	Tokyu Saginuma 2 Building	Kodai, Miyamae-ku, Kawasaki City, Kanagawa	Tokyu Areas	1,807.21	4,409.50
R	TOKYU REIT Shibuya Udagawa-cho Square	Udagawa-cho, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	679.27	(Bldg. 1) 1,473.10 (Bldg. 2) 56.39
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Noukendai-Higashi, Kanazawa-ku, Yokohama City, Kanagawa	Other	17,318.78	46,587.87
R	cocoti	Shibuya, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	1,705.35	11,847.87
R	Shonan Mall Fill (<i>sokochi</i>)*1	Tsujido Shinmachi, Fujisawa City, Kanagawa	Other	44,078.12	—
R	CONZE Ebisu	Ebisu Minami, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas	562.07	2,789.35
⊙	Setagaya Business Square	Yoga, Setagaya-ku, Tokyo	Tokyu Areas	21,315.68	94,373.72
⊙	Tokyu Nampeidai-cho Building	Nampeidai-cho, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	2,013.28	7,003.88
⊙	Tokyu Sakuragaoka-cho Building	Sakuragaoka-cho, Shibuya-ku, Tokyo	Five central Tokyo wards, Tokyu Areas (Shibuya)	1,013.03	6,505.39
⊙	Tokyo Nissan Taito Building	Moto-Asakusa, Taito-ku, Tokyo	Five central Tokyo wards	1,718.45	11,373.20
⊙	TOKYU REIT Akasaka Hinokicho Building	Akasaka, Minato-ku, Tokyo	Five central Tokyo wards	866.61	4,058.92
⊙	TOKYU REIT Kamata Building	Kamata, Ota-ku, Tokyo	Tokyu Areas	1,642.86	10,244.51
⊙	Resona Maruha Building	Otemachi, Chiyoda-ku, Tokyo	Five central Tokyo wards	6,893.71	74,379.30 (compartmentalized ownership 19,542.77)
⊙	TOKYU REIT Toranomom Building	Toranomon, Minato-ku, Tokyo	Five central Tokyo wards	1,728.38	15,343.73 (10,787.59)
⊙	TOKYU REIT Hatchobori Building	Hatchobori, Chuo-ku, Tokyo	Five central Tokyo wards	974.32	8,810.21
⊙	TOKYU REIT Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Akasaka, Minato-Ku, Tokyo	Five central Tokyo wards	712.49	5,002.36
Total					

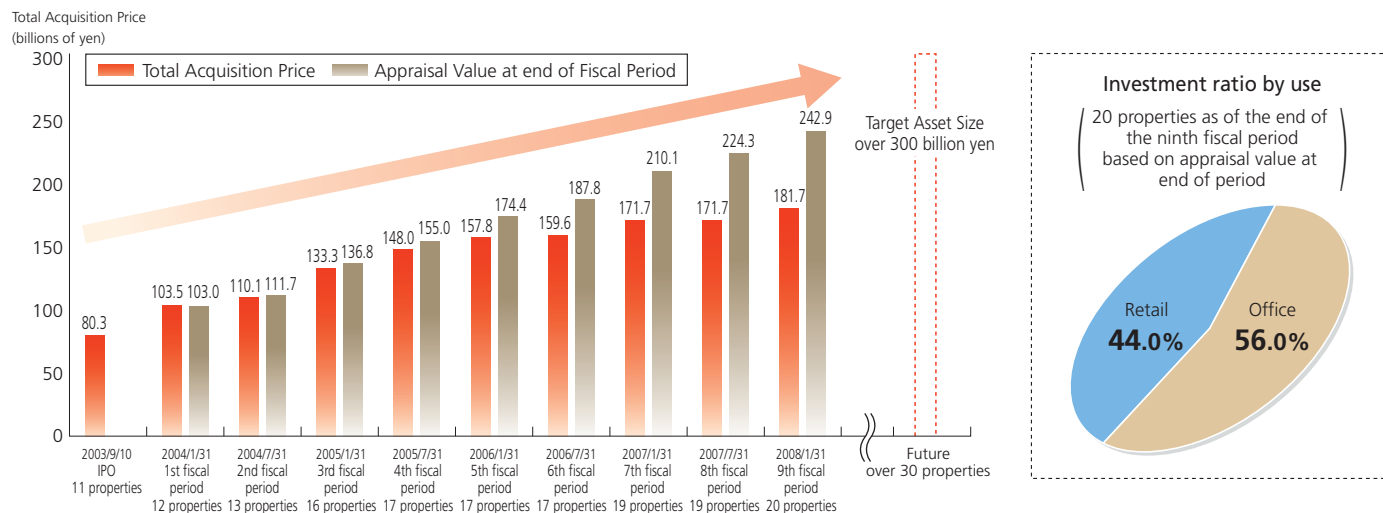
Notes: *1. "Sokochi" means ownership of land with a fixed-term leasehold for commercial use. *2. 60% trust beneficiary interest *3. 40% trust beneficiary interest
 *4. Total floor area 9,688.59 m² co-ownership ratio 73.585% *5. Total floor area 865.14 m² co-ownership ratio 8.579% *6. Total floor area 139.93 m² co-ownership ratio 1.322%
 *7. Total floor area 93.93 m² co-ownership ratio 1.166%
 *8. PML (Probable Maximum Loss) refers to the expected maximum loss ratio caused by earthquakes. As used in these documents PML is the percentage of expected loss due to small- to large-level earthquakes (those

Total Acquisition Price and Appraisal Value, Investment Ratio

Total acquisition price as of the end of the ninth fiscal period ended January 31, 2008, stood at ¥181.7 billion, and appraisal value at the end of fiscal period stood at ¥242.9 billion. Given TOKYU REIT's portfolio diversification, mobility of property acquisition, and liquidity of investment units, we believe that the asset portfolio should eventually reach ¥300.0 billion or more. TOKYU REIT will steadily expand asset size with high quality properties on proper price, not pursuing expansion of asset size only, but considering real estate market as intensification of property acquisition competition and rise of property price.

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

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



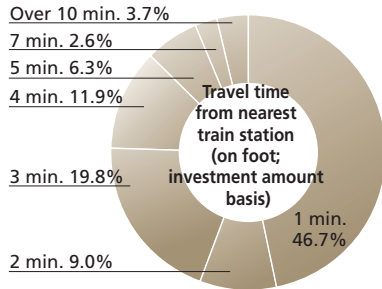
(as of January 31, 2008)

	Structure	Floors	Completion	Acquisition Date	Acquisition Cost (Millions of yen)	Appraisal Value	Type of Ownership		PM	Number of Tenants	Occupancy Ratio	Earthquake PML*8
							Land	Bulinding				
	SRC/S	B3/8F	Oct. 1999	Sep. 10, 2003	15,100	22,300	Proprietary Ownership	Compartmentalized Ownership	Tokyu Corporation	4	100.0%	4.1%
	S/RC	B1/4F	Jan. 1998	Sep. 11, 2003	4,800	8,200	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	2	100.0%	2.3%
	S/SRC	B1/4F	Oct. 1985	Sep. 10, 2003	5,770	8,510	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	4	100.0%	9.5%
	RC	B1/4F	Sep. 1978	Sep. 10, 2003	6,920	9,790	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	1	100.0%	9.9%
	SRC	B2/4F	Oct. 1979	Sep. 11, 2003	1,290	1,730	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	1	100.0%	9.3%
	S S	3F 2F	Jul. 1998 Jun. 1995	Mar. 1, 2004	6,600	8,700	Proprietary Ownership Proprietary Ownership	Proprietary Ownership Proprietary Ownership	Tokyu Corporation	2	100.0%	7.3%
	SRC	B2/4F	Jun. 1998	Aug. 3, 2004	9,520	9,550	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	1	100.0%	9.5%
	S/SRC	B2/12F	Sep. 2004	Apr. 6, 2005 Aug. 2, 2005	14,700*2 9,800*3	26,200	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	16	100.0%	6.2%
	—	—	—	Apr. 28, 2006	6,810	6,890	Proprietary Ownership	—	—	1	100.0%	—
	S/SRC	B1/9F	Mar. 2004	Oct. 31, 2006	5,116	5,060	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	8	100.0%	4.1%
	SRC/RC/S	B2/28F	Sep. 1993	Sep. 11, 2003	22,400	31,800	Proprietary Ownership (co-ownership ratio 55%)	Proprietary Ownership (co-ownership ratio 55%)	Tokyu Land Corpoation	59	99.2%	2.8%
	SRC	B2/5F	Jul. 1992	Sep. 11, 2003	4,660	6,860	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	1	100.0%	7.9%
	SRC	B3/9F	Jun. 1987	Sep. 11, 2003	6,620	9,820	Proprietary Ownership	Compartmentalized Ownership	Tokyu Corporation	2	100.0%	11.1%
	SRC	B2/10F	Sep. 1992	Sep. 11, 2003	4,450	5,860	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	13	100.0%	7.4%
	RC	7F	Aug. 1984	Sep. 10, 2003	3,570	5,050	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	5	100.0%	11.2%
	S/SRC	B1/9F	Feb. 1992	Sep. 10, 2003	4,720	7,550	Proprietary Ownership	Proprietary Ownership	Tokyu Corporation	4	100.0%	7.7%
	S/SRC	B4/25F	Nov. 1978	Jan. 15, 2004	23,260	36,300	Proprietary Ownership (co-ownership ratio 27%)	Compartmentalized Ownership	Tokyu Land Corpoation	3	100.0%	4.1%
	SRC/RC	B2/9F	Apr. 1988	Dec. 15, 2004 Sep. 21, 2007 Sep. 21, 2007 Oct. 26, 2007	8,630*4 1,100*5 200*6 140*7	16,800	Proprietary Ownership (co-ownership ratio 84.652%)	Compartmentalized Ownership and Co-ownership of Compartmentalized Ownership	Tokyu Corporation	7	100.0%	7.2%
	SRC	B2/9F	Sep. 1965	Sep. 29, 2006	7,000	7,350	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	9	99.0%	4.0%
	S/SRC	B1/9F	Feb. 2003	Jan. 31, 2008	8,500	8,600	Proprietary Ownership	Proprietary Ownership	Tokyu Land Corpoation	1	100.0%	3.9%
					181,676	242,920				144	99.9%	4.0%

statistically calculated as possible over a 475 year period) that occur during an assumed period for the economic life of a building, to procurement cost for restoring expected damage. Calculations incorporate data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation. Damages in this instance refer to property damage and do not include secondary damages such as loss of life and damages to fixtures. In addition, damages are limited to structural damage and damages to facilities and building interior and exterior, and do not cover damages caused by earthquake fire and fire damage from surrounding facilities.

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

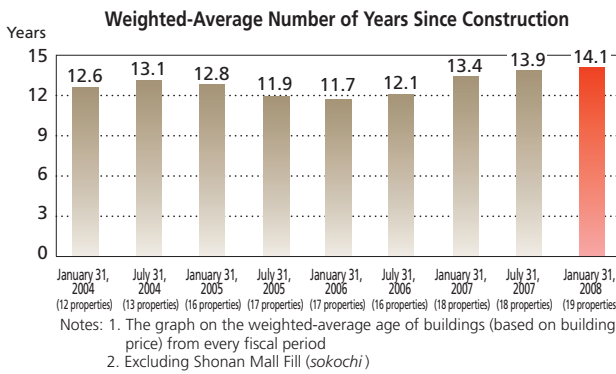
Location



Properties conveniently located near train stations increase the stability of TOKYU REIT's portfolio. In principal, **TOKYU REIT** only considers office properties located within seven minutes walking distance from the nearest train station. **TOKYU REIT** decides to invest in retail properties based on a comprehensive analysis of the surrounding business area.

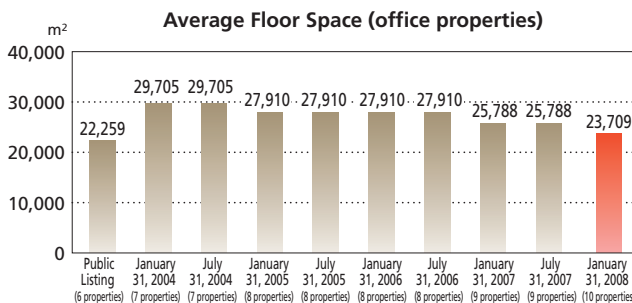
As of the end of the ninth fiscal period, approximately 75% (investment amount basis) of TOKYU REIT's properties were located within about three minutes from the nearest train station.

Investment Property Age

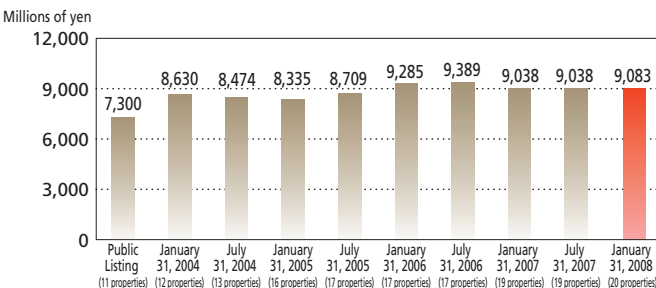


The graph on the left shows the weighted-average age of buildings (based on building price) at the end of each fiscal period. Based on 19 properties as of the end of the ninth fiscal period, it can be said TOKYU REIT's portfolio consists of relatively new properties in terms of its weighted-average age of buildings (14.1 years).

Investment Property Size



In principle, **TOKYU REIT** invests in office properties with a total floor space exceeding 5,000m² and office properties with compartmentalized ownership of 330m² or more of proprietary floor space per standard floor. Office properties owned by **TOKYU REIT** have an average floor space of approximately 23,709m².



In principle, **TOKYU REIT** invests a minimum of ¥4,000 million in each property, excluding taxes and acquisition expenses.

As of the end of the ninth fiscal period, **TOKYU REIT** had invested an average of ¥9,083 million per property. **TOKYU REIT** intends to continue investing in mainly large-scale properties.

Top 10 Tenants by Leased Area

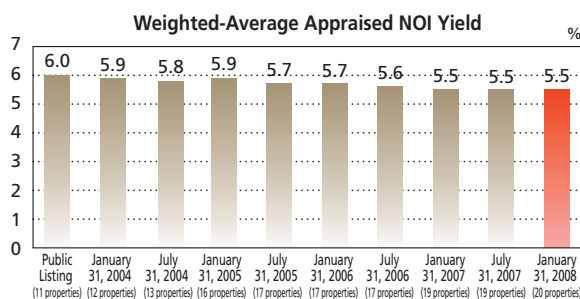
Top 10 Tenants by Leased Area

As of January 31, 2008

No.	Tenant Name	Business Category	Property Name	Leased Area (m ²)	Ratio ^{(*)1}
1	Ito-Yokado Co., Ltd.	Retail	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	50,285.89	22.2%
2	Daiwa House Industry Co., Ltd.	Construction	R Shonan Mall Fill (sokochi)	44,078.12	19.5%
3	Tokyu Store Chain Co., Ltd.	Retail	R Tokyu Saginuma Building	19,610.06	8.7%
4	Maruha Corporation	Fishery and Agriculture	Q Resona Maruha Building	11,097.27	4.9%
5	Tokyu Corporation	Land Transportation	Q Tokyu Nampeidai-cho Building	7,148.18	3.2%
			Q Tokyu Sakuragaoka-cho Building	3,878.36	1.7%
6	Japan Nuclear Energy Safety Organization	Other	Q TOKYU REIT Toranomon Building	6,579.05	2.9%
7	Sun Microsystems K.K.	Information and Telecommunication	Q Setagaya Business Square (*2)	5,800.76	2.6%
8	Fujitsu Advanced Solutions Limited	Information and Telecommunication	Q TOKYU REIT Kamata Building	4,253.55	1.9%
9	Tsulaya Stores Co., Ltd.	Service	R QFRONT	3,556.31	1.6%
			Q Setagaya Business Square (*2)	338.13	0.1%
10	Tokyu Agency Inc.	Service	Q Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	3,533.03	1.6%
Total leased area of top 10 tenants				160,158.71	70.8%
Total leased area of 20 properties at the end of ninth fiscal period				226,069.48	100.0%

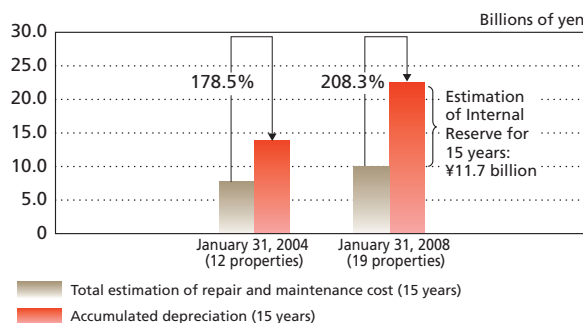
Notes: *1. "Ratio" indicates ratio of each tenant's leased areas to total leased area at the end of ninth fiscal period (20 properties).
*2. "Leased Area" of tenants in Setagaya Business Square are calculated by 55%.

Portfolio Cap Rate



TOKYU REIT has acquired some properties after listing, and as of the end of the ninth fiscal period, the weighted-average appraised NOI yield fell to 5.5%. A low appraised NOI yield is considered an indicator of reduced risk of a decrease in future earnings. **TOKYU REIT** will continue efforts to build a portfolio with low risks and stable returns in the future.

Coverage Ratio by Depreciation of Repair and Maintenance Cost Estimation

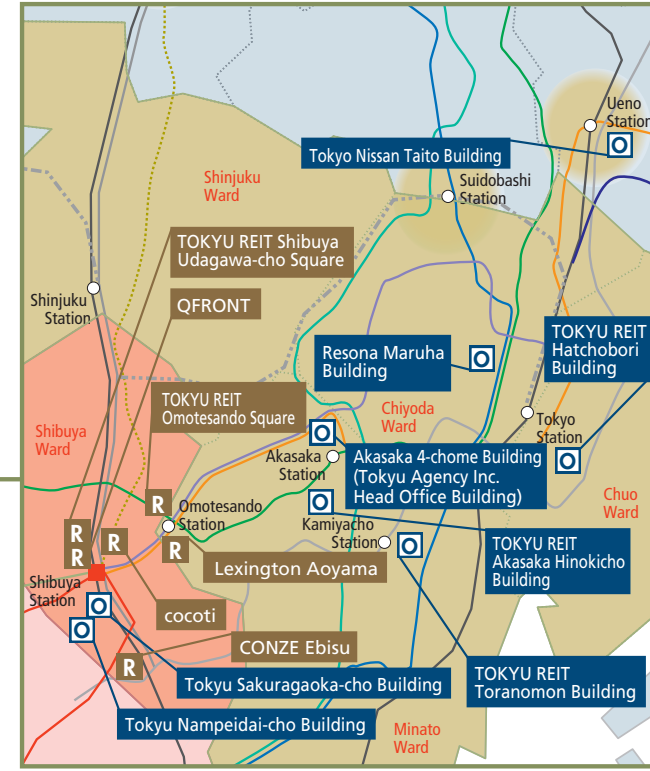
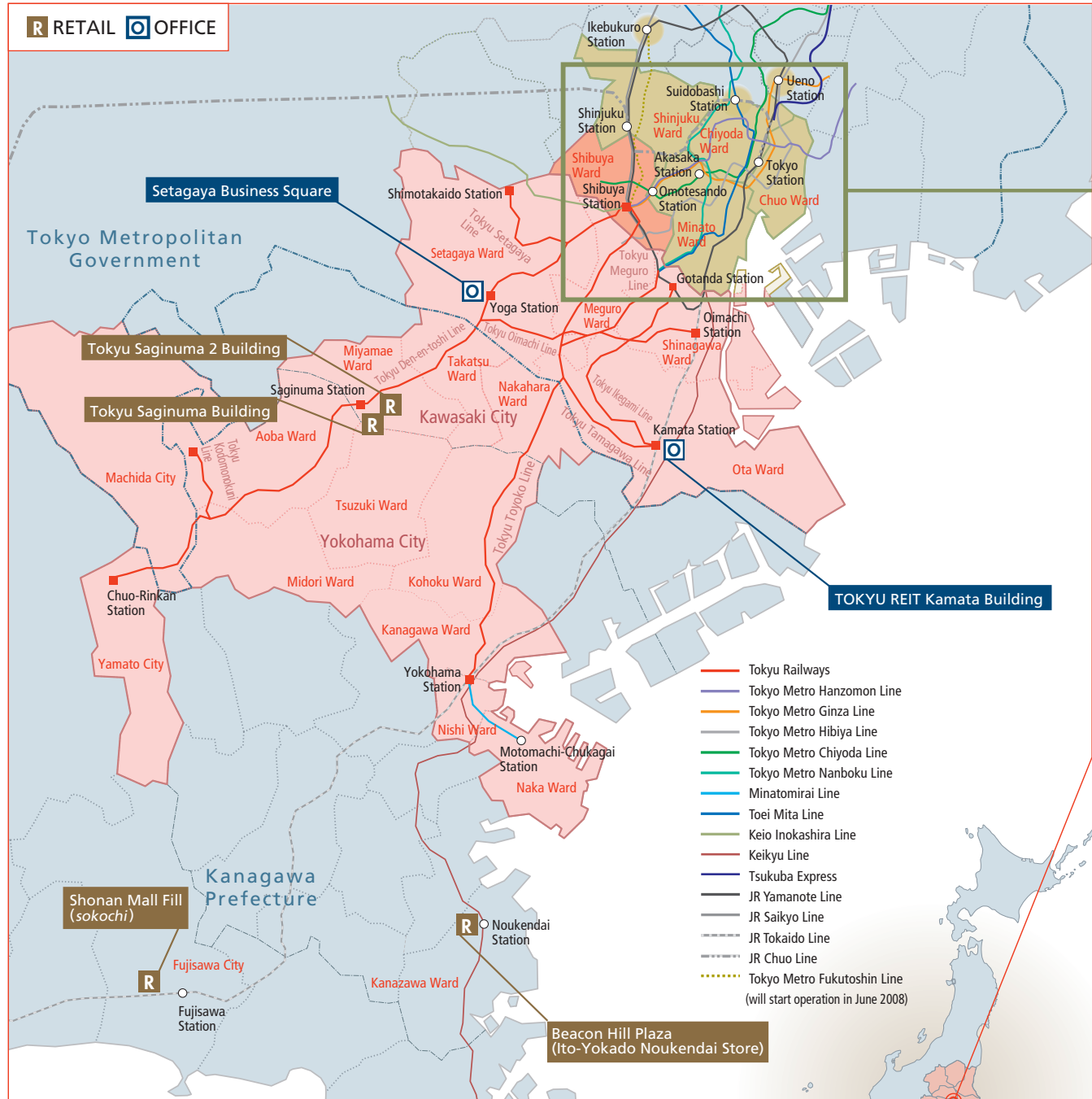


Notes: 1. Total estimation of repair and maintenance cost (15 years) extracted from Property Report (including expenses items).
2. Accumulated depreciation (15 years) estimated by Tokyu REIM (does not include depreciation application to additional capital expenditure).
3. Excluding Shonan Mall Fill (sokochi)

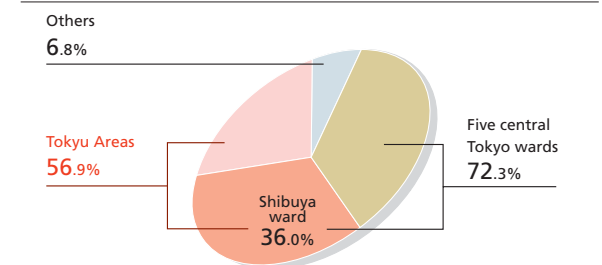
Buildings require repairs as they age. Even after recording items such as depreciation on financial statements, funds used for other intangible expenses must be replenished with additional borrowings on occasion.

As of the end of the ninth fiscal period and over the next fifteen years, cumulative depreciation for the portfolio (19 properties) will significantly exceed total repair and maintenance cost, for a coverage ratio of 208.3%. This figure shows that **TOKYU REIT** has secured the funds necessary for projected repair and maintenance costs.

Investment Targeted Areas



Percentage share in total portfolio by Region (20 properties based on the appraisal value at the end of ninth fiscal period)



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

Area	Targeted Areas of Investment	Investment Share
Central Tokyo	Five central Tokyo wards	More than 85%
	Other major commercial and retail districts of Tokyo	
Tokyu Areas	Tokyu Rail network hub	More than 85%
	Other Tokyu rail network areas	
Other	Other districts in the Tokyo Metropolitan Area, including Kanagawa, Saitama and Chiba prefectures (excluding the separately mentioned areas above)	Less than 15%

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



RETAIL PORTFOLIO

- QFRONT
- Lexington Aoyama
- TOKYU REIT Omotesando Square
- Tokyu Saginuma Building
- Tokyu Saginuma 2 Building
- TOKYU REIT Shibuya Udagawa-cho Square
- Beacon Hill Plaza (Ito-Yokado Noukendai Store)
- cocoti
- Shonan Mall Fill (*sokochi*)
- CONZE Ebisu

The most attractive feature of TOKYU REIT's retail portfolio is the prime location of each of its properties. Adhering to strict criteria in the selection of investment properties, **TOKYU REIT** has maintained a retail portfolio with an extremely high occupancy ratio since it listed on the stock market.

At the end of the ninth fiscal period, TOKYU REIT's retail portfolio comprised a total of ten properties and TOKYU REIT's retail properties have a total acquisition price of ¥86.42 billion and total floor space of 97,846.62m². In the ninth fiscal period, revenues from property leasing totaled ¥2.85 billion, NOI was ¥2.15 billion, operating income from property leasing was ¥1.76 billion, and the weighted-average NOI yield was 4.9%.

The most attractive feature of TOKYU REIT's retail portfolio is the prime locations. TOKYU REIT's retail properties situate in Central Tokyo and Tokyu Area, including Shibuya, Omotesando, Aoyama and Saginuma, and situate in suburbs including Noukendai and Fujisawa. Even in the event that a tenant vacates, TOKYU REIT's portfolio consists of retail properties that quickly entice new tenants to enter leasing contracts. As of January 31, 2008, an occupancy ratio of 100.0% indicates the strength of our portfolio.

TOKYU REIT will continue to aggressively, yet prudently acquire competitive properties that meet its strict investment criteria. From this approach, **TOKYU REIT** aims to build a retail portfolio that contributes to maximizing unitholder return over the medium- to long-term.

R QFRONT



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

Address: 21-6, Udagawa-cho, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Shibuya Station—JR Yamanote Line/ Tokyu Toyoko Line/ Tokyu Den-en-toshi Line/ Keio Inokashira Line/ Tokyo Metro Ginza and Hanzomon Lines
 Total Land Space: 784.26m²
 Total Floor Space: 6,692.14m²
 Structure/Floors: SRC/S, B3/8F
 Completed: October 1999
 Type of Ownership: Land—Proprietary ownership
 Building—Compartmentalized ownership
 Representative Tenants: Tsutaya Stores Co., Ltd.; Tokyu Corporation; Punraku Co., Ltd.



R Lexington Aoyama



Lexington Aoyama is a retail property along Kotto-dori in the Aoyama district. Main tenants include the specialist apparel company World Co., Ltd., Alux, a restaurant managed by avex Planning & Development Inc. opened on the first underground floor in July 2006. Like Omotesando, Kotto-dori offers a high status location in the Aoyama district, attracting the world's leading fashion brands.

Address: 5-11-9, Minami-Aoyama, Minato-ku, Tokyo
 Nearest Station: Approximately a five-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines
 Total Land Space: 776.59m²
 Total Floor Space: 2,342.21m²
 Structure/Floors: S/RC, B1/4F
 Completed: January 1998
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Tenant: World Co., Ltd.
 avex Planning & Development Inc.



R TOKYU REIT Omotesando Square



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

Address: 4-3-2, Jingumae, Shibuya-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Omotesando Station—Tokyo Metro Ginza, Hanzomon and Chiyoda Lines
 Total Land Space: 1,259.21m²
 Total Floor Space: 3,321.20m²
 Structure/Floors: S/SRC, B1/4F
 Completed: October 1985
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Think Fitness Corporation;
 Royal Holdings Co., Ltd.;
 Wondertable, Ltd.



R Tokyu Saginuma Building



Tokyu Saginuma Building is located in Miyamae-ku, Kawasaki city, approximately 15 kilometers southwest of Shibuya. The area is a residential suburb of Tokyo with a growing population, increasing number of households and high growth potential. The entire building is leased to Tokyu Store Corporation, which uses the property as an outlet of its general merchandise store Saginuma Tokyu.

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



R Tokyu Saginuma 2 Building



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

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

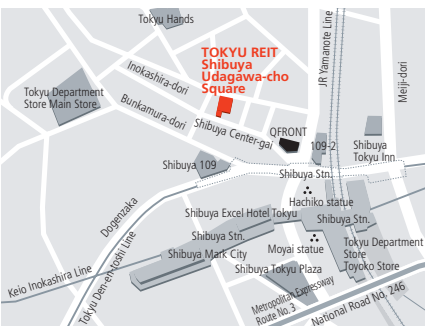


R TOKYU REIT Shibuya Udagawa-cho Square



TOKYU REIT Shibuya Udagawa-cho Square is located in the central area of Shibuya, one of Tokyo's main retail and commercial districts, and faces the major retail thoroughfares Inokashira-dori and Shibuya Center-gai. Comprising two buildings, ZARA, a Spain-based retailer of casual clothing, is the principal tenant of Building 1. ZARA boasts a global network of 1,136 stores (as of February 26, 2008). The restaurant UOGASHI NIHON ICHI operated by NIPPAN Co., Ltd. is located in Building 2.

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

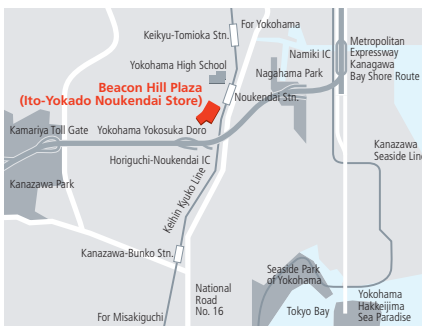


R Beacon Hill Plaza (Ito-Yokado Noukendai Store)



The sole tenant of Beacon Hill Plaza, Ito-Yokado Noukendai Store is a large-scale General Merchandise Store (GMS) with 7,000 *tsubo* (a *tsubo* is Japan's former unit of area and is equivalent to 3.3 m²) of shopping space and provides space for approximately 900 vehicles in its parking garage on the premises. The property is not situated in a major investment area, but was judged to be excellent for its location in a retail and commercial district that is expected to bring stable growth.

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

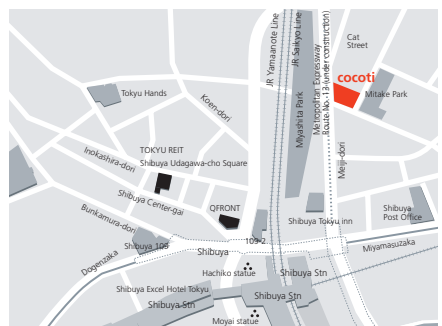


R cocoti



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

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



R Shonan Mall Fill (*sokochi*)



Shonan Mall Fill is the retail property which situates between Fujisawa and Tsujido Stations on the JR Tokaido Line and has achieved steady sales growth since its opening.

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

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

Address: 4-1-1, Tsujido Shinmachi, Fujisawa City, Kanagawa Prefecture

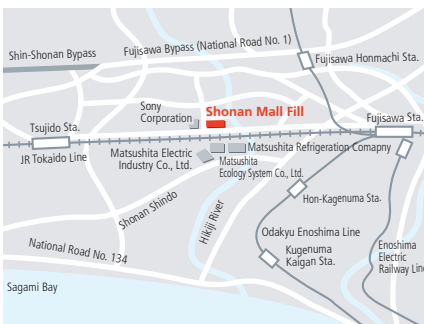
Nearest Station: Approximately three minutes by bus or a twenty-minute walk from Tsujido Station—JR Tokaido Line.

Approximately five minutes by bus from Fujisawa Station—JR Tokaido Line, Odakyu Enoshima Line and Enoshima Electric Railway Line.

Total Land Space: 44,078.12m²

Type of Ownership: Land—Proprietary ownership

Representative Tenants: Daiwa House Industry Co., Ltd.



R CONZE Ebisu



CONZE Ebisu is situated approximately a two-minute walk from Ebisu Station on the Tokyo Metro Hibiya Line and a three-minute walk from Ebisu Station on the JR Yamanote and Saikyo Lines, and contains eight restaurants from the basement level to the eighth floor.

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

The area is particularly known as an ideal site for restaurants, and shows potential for further growth.

Address: 2-3-14, Ebisu-Minami, Shibuya-ku, Tokyo

Nearest Station: Approximately a two-minute walk from Ebisu Station—Tokyo Metro Hibiya Line.

Approximately a three-minute walk from Ebisu Station—JR Yamanote and Saikyo Lines.

Total Land Space: 562.07m²

Total Floor Space: 2,789.35m²

Structure/Floors: SRC B1/9F

Completed: March 2004

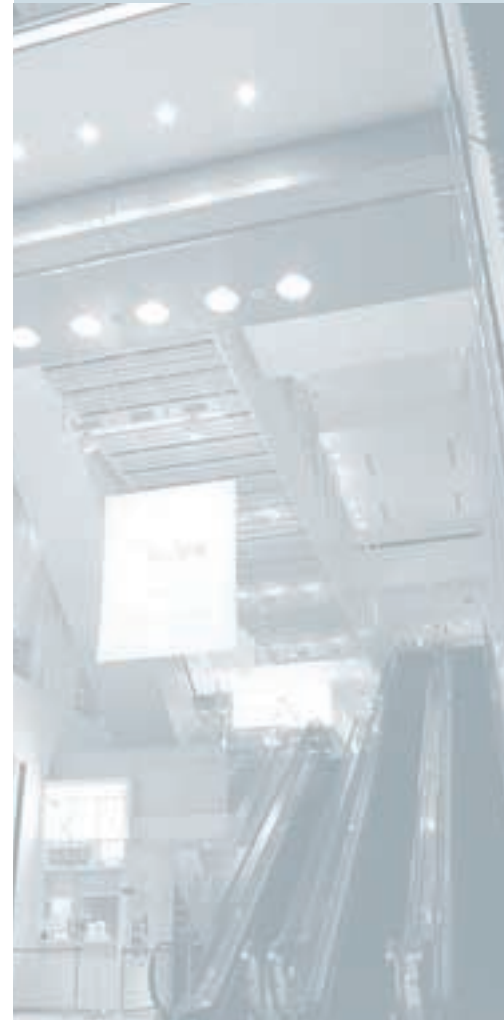
Type of Ownership: Land—Proprietary ownership

Building—Proprietary ownership

Representative Tenants: Food Scope, Inc.;

Task;

MYU PLANNING & OPERATORS Inc.





OFFICE PORTFOLIO

- Setagaya Business Square
- Tokyu Nampoedai-cho Building
- Tokyu Sakuragaoka-cho Building
- Tokyo Nissan Taito Building
- TOKYU REIT Akasaka Hinokicho Building
- TOKYU REIT Kamata Building
- Resona Maruha Building
- TOKYU REIT Toranomom Building
- TOKYU REIT Hatchobori Building
- TOKYU REIT Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)

"Stability" is the defining feature of TOKYU REIT's office portfolio. TOKYU REIT's goal is to secure a stable earnings platform by adhering to strict property acquisition criteria, securing long-term leasing agreements, and attracting tenants through active marketing.

TOKYU REIT's office portfolio comprised a total of ten properties at the end of ninth fiscal period with the acquisition of Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) which is located in Minato-ku, Tokyo and the additional acquisition of Toranomom Building which is located in Minato-ku, Tokyo. During the ninth fiscal period, TOKYU REIT's had a total acquisition price of ¥95.25 billion and total floor space of 237,095.22m². Revenues from property leasing reached ¥3.97 billion, NOI was ¥2.67 billion, operating income from property leasing activities totaled ¥2.09 billion and the weighted-average NOI yield was 6.1% for the fiscal period under review.

A number of factors make up TOKYU REIT's real estate investment criteria, including the concentration of office buildings, local rental market conditions, the centrality of the nearest train station and the proximity of the property to the nearest train station in those areas earmarked for investment. In principle, **TOKYU REIT** will invest in large-scale properties that feature a high degree of convenience. **TOKYU REIT** will look toward office buildings with an acquisition price of a minimum ¥4.0 billion, total floor space exceeding 5,000m², and individual floor space in excess of 330m².

At the end of the ninth fiscal period, approximately 8.4% of the office portfolio's total leaseable floor space was subject to lease agreements with an expiry date exceeding five years. **TOKYU REIT** recognizes the critical requirement for long-term (anchor) leasing contracts.

TOKYU REIT is also active in the promotion of leasing activities, well after property acquisition. As of January 31, 2008, the occupancy ratio of the office portfolio reached 99.7%.

TOKYU REIT strives to further enhance earnings stability by investing in prime large-scale properties, securing long-term lease agreements, and actively promoting leasing activities.

Setagaya Business Square



Setagaya Business Square is a large complex situated above Yoga Station on the Tokyu Den-en-toshi Line, consisting of a 28-story high-rise connected to the station, four mid-size office towers, two terraces with commercial facilities and a community center. The site is a high-traffic area, with good road access (National road No.246, Kampachi-dori and the Yoga interchange on Metropolitan Expressway Route No.3) as well as rail (Yoga Station, approximately 12 minutes to Shibuya Station and 27 minutes to Otemachi Station).

Address: 4-10-1,2,3,4,5,6, Yoga, Setagaya-ku, Tokyo
Nearest Station: Approximately a one-minute walk from Yoga Station—Tokyu Den-en-toshi Line

Total Land Space: 21,315.68m²
Total Floor Space: 94,373.72m²
Structure/Floors: SRC/RC/S, B2/28F
Completed: September 1993

Type of Ownership: Land—Proprietary ownership (co-ownership ratio 55%)
Building—Proprietary ownership (co-ownership ratio 55%)

Representative Tenants: Sun Microsystems K.K.;
Tokyu Community Co., Ltd.;
Tyco Healthcare



Tokyu Nampoedai-cho Building

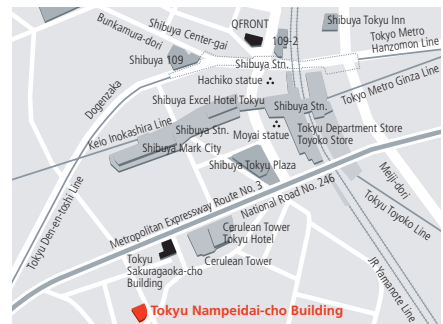


Tokyu Nampoedai-cho Building is a five-story office building located in Shibuya Ward, which Tokyu Corporation uses as its head office. A fixed-term lease contract is in effect until December 2012, contributing to earnings stability.

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

Total Land Space: 2,013.28m²
Total Floor Space: 7,003.88m²
Structure/Floors: SRC, B2/5F
Completed: July 1992

Type of Ownership: Land—Proprietary ownership
Building—Proprietary ownership
Tenant: Tokyu Corporation



Tokyu Sakuragaoka-cho Building



Tokyu Sakuragaoka-cho Building is a nine-story office building located in Shibuya Ward, mostly occupied by Tokyu Corporation, which the operating division uses as its head office. A fixed-term lease contract is in effect until December 2011, contributing to earnings stability.

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



Tokyo Nissan Taito Building



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

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

A fixed-term lease contract for the first two floors and the underground parking area is in place with the principal tenant, Tonichi Carlife Group Inc., contributing to earnings stability.

Address: 2-6-6, Moto-Asakusa, Taito-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Inari-cho Station—Tokyo Metro Ginza Line, a four-minute walk from Shin-Okachi-machi Station—Toei Oedo Line/Tsukuba Express Line, and a ten-minute walk from Ueno Station—JR Yamanote Line
 Total Land Space: 1,718.45m²
 Total Floor Space: 11,373.20m²
 Structure/Floors: SRC, B2/10F
 Completed: September 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Tonichi Carlife Group Inc.;
 Ataka Construction & Engineering Co., Ltd.;
 Miyachi Corporation



TOKYU REIT Akasaka Hinokicho Building



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

The multiple large office buildings and multi-faceted retail properties in the area and the large redevelopments of Tokyo Midtown which start operation in 2007 and akasaka Sacas which start operation in 2008 enliven the area and giving the building even greater potential.

Address: 6-14-15, Akasaka, Minato-ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Akasaka Station—Tokyo Metro Chiyoda Line
 Total Land Space: 866.61m²
 Total Floor Space: 4,058.92m²
 Structure/Floors: RC, 7F
 Completed: August 1984
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Q-TEC, Inc.;
 Roadway Development and Reconstruction Association;
 Rome Tile Japan Co., Ltd.



TOKYU REIT Kamata Building



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

Address: 5-13-23, Kamata, Ota-ku, Tokyo
 Nearest Station: Approximately a two-minute walk from Kamata Station—Tokyu Ikegami Line/ Tokyu Tamagawa Line/ JR Keihin Tohoku Line
 Total Land Space: 1,642.86m²
 Total Floor Space: 10,244.51m²
 Structure/Floors: S/SRC, B1/9F
 Completed: February 1992
 Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Fujitsu Advanced Solutions Limited; Dai Nippon Toryo Co., Ltd.; Canon Software Inc.

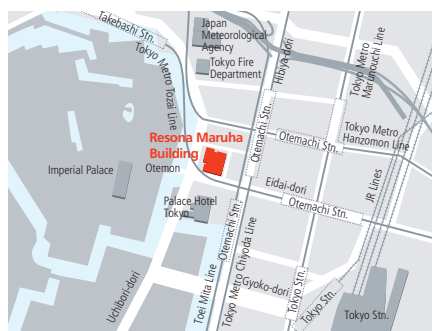


TOKYU REIT Resona Maruha Building



Resona Maruha Building is a unique office building facing Uchibori-dori in Otemachi, one of the most highly regarded office-building districts in Japan. Six of the eight upper floors that TOKYU REIT acquired are leased to Maruha Corporation. Another two floors were significantly renovated after acquisition.

Address: 1-1-2 Otemachi, Chiyoda-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Otemachi Station—Tokyo Metro Chiyoda, Hanzomon, Tozai and Marunouchi Lines/ Toei Mita Line
 Total Land Space: 6,893.71m²
 Total Floor Space: 74,379.30m²
 Structure/Floors: S/SRC, B4/25F
 Completed: November 1978
 Type of Ownership: Land—Proprietary ownership (co-ownership ratio 27%)
 Building—Compartmentalized ownership
 Tenants: Maruha Corporation and two companies



TOKYU REIT Toranomon Building



TOKYU REIT Toranomon Building is a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line and faces National Route 1 (Sakurada-dori). Since its completion, occupancy has remained stable, and the property is expected to deliver competitive advantage.

Address: 3-17-1 Toranomon, Minato-ku, Tokyo
 Nearest Station: Approximately a one-minute walk from Kamiyacho Station—Tokyo Metro Hibiya Line
 Approximately a nine-minute walk from Toranomon Station—Tokyo Metro Ginza Line
 Approximately a nine-minute walk from Onarimon Station—Toei Mita Line
 Total Land Space: 1,728.38m²
 Total Floor Space: 15,343.73m²
 Structure/Floors: SRC/RC, B2/9F
 Completed: April 1988



Type of Ownership: Land—Proprietary ownership (co-ownership ratio 84.652%)
 Building—Compartmentalized ownership and co-ownership of compartmentalized ownership
 Representative Tenants: Japan Nuclear Energy Safety Organization; Takiho Co., Ltd.; Anzco Foods Japan Ltd.

Additional Acquisition

Additional Acquisitions during the ninth fiscal period is as follows:

Acquisition Date	Seller	Acquisition Cost	Interest
September 21, 2007	Fujita Kanko Inc.	1,100 million yen	Land: 8.6% Building: 7.1%
September 21, 2007	4 individuals	200 million yen	Land: 1.3% Building: 1.1%
October 26, 2007	1 individual	140 million yen	Land: 1.2% Building: 0.8%
After acquisition	Jointly owned building with 9 compartmentalized owners	Total Acquisition Price: 10,070 million yen (appraisal value at end of fiscal period: 16,800 million yen)	Land: 84.7% Building: 88.6%

TOKYU REIT Hatchobori Building



TOKYU REIT Hatchobori Building is located in Hatchobori that has long had a high concentration of office buildings. This building is a large office building with standard floor layout of 200 tsubo. It is accessible to several stations, for example, a three-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line. The property has maintained competitiveness by certain refurbishments in terms of design including full renovations of the building's exterior, entrance and elevator hall since 1999. In addition, it has excellent earthquake resistance that far exceeds that of new structures as stipulated in the current Building Standards Law owing to its seismic-reinforced construction (intermediate seismicisolation) in 2005.

Address: 2-7-1, Hatchobori, Chuo-ku, Tokyo
 Nearest Station: Approximately a three-minute walk from Hatchobori Station—Tokyo Metro Tozai and Hibiya Lines
 Approximately a six-minute walk from Kayabacho Station—Tokyo Metro Tozai and Hibiya Lines
 Approximately a six-minute walk from Takaracho Station—Toei Asakusa Line
 Approximately an eight-minute walk from Kyobashi Station—Tokyo Metro Ginza Line
 Approximately a ten-minute walk from Tokyo Station—JR Lines

Total Land Space: 974.32 m²
 Total Floor Space: 974.32 m²
 Total Floor Space: 8,810.21 m²
 Structure/Floors: S/SRC B2/9F
 Completed: September 1965

Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Tokai Kogyo Co., Ltd.; Polaire Intellectual Property Corporation; ITOCHU CERATECH CORP.



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



Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is a relatively new office building located in the Akasaka area nearby the Kasumigaseki and Nagatacho districts where Central government and other public offices are located.

This property is located approximately a four-minute walk from Akasaka-Mitsuke and Nagatacho Stations and have excellent office specifications including 2,700mm of ceiling height and individually controlled air conditioners. Tokyu Agency, Inc. is currently using the property as its head office and entered into a fixed-term lease contract (with no cancellation and no claim rights for reducing leasing rates) for five years from January 31, 2008 (acquisition day)

Address: 4-8-18, Akasaka, Minato-ku, Tokyo
 Nearest Station: Approximately a four-minute walk from Akasaka-Mitsuke Station—Tokyo Metro Ginza and Marunouchi Lines
 Approximately a four-minute walk from Nagatacho Station—Tokyo Metro Yurakucho, Hanzomon and Namboku Lines

Total Land Space: 712.49 m²
 Total Floor Space: 5,002.36 m²
 Structure /Floors: S/SRC B1/9F
 Completed: February 2003

Type of Ownership: Land—Proprietary ownership
 Building—Proprietary ownership
 Representative Tenants: Tokyu Agency Inc.



I . Asset management report

1. Financial Highlights

(1) Result of operation and financial position

		9th fiscal period From August 1, 2007 to January 31, 2008 (184 days)	8th fiscal period From February 1, 2007 to July 31, 2007 (181 days)	7th fiscal period From August 1, 2006 to January 31, 2007 (184 days)	6th fiscal period From February 1, 2006 to July 31, 2006 (181 days)	5th fiscal period From August 1, 2005 to January 31, 2006 (184 days)		
Millions of yen, except per unit data or where otherwise indicated								
Result of operation	Statement of income	Operating revenues	¥ 6,832	¥ 6,730	¥ 6,460	¥ 7,876	¥ 6,344	
		Operating income	¥3,153	¥ 2,933	¥ 2,848	¥ 4,119	¥ 2,752	
		Net income	¥ 2,603	¥ 2,444	¥ 2,402	¥ 3,754	¥ 2,402	
	Operating income	Revenue from property leasing (a) (Note 2)	¥ 6,832	¥ 6,725	¥ 6,460	¥ 6,239	¥ 6,281	
		Rental service expenses (b)	¥ 2,965	¥ 2,920	¥ 2,867	¥ 2,912	¥ 2,937	
		Depreciation and amortization (included in (b)) (c) (Note 3)	¥ (957)	¥ (952)	¥ (947)	¥ (970)	¥ (982)	
		Net Operating Income (a) – (b) + (c)	¥ 4,824	¥ 4,756	¥ 4,540	¥ 4,297	¥ 4,326	
	Cash flow	FFO (Funds from Operation) (d) (Note 4)	¥ 3,559	¥ 3,390	¥ 3,349	¥ 3,087	¥ 3,383	
		Capital expenditures (e)	¥ 126	¥ 80	¥ 38	¥ 179	¥ 154	
AFFO (Adjusted Funds from Operation) (d) – (e)		¥ 3,433	¥ 3,311	¥ 3,311	¥ 2,907	¥ 3,228		
Financial position	Balance sheet	Total assets (f)	¥ 193,080	¥ 184,390	¥ 183,995	¥ 172,930	¥ 171,791	
		(Change from the preceding period)	(4.7%)	(0.2%)	(6.4%)	(0.7%)	(5.9%)	
		Interest-bearing liabilities (g)	¥ 73,500	¥ 65,300	¥ 65,300	¥ 53,000	¥ 53,000	
		Total unitholders' equity (Net assets) (h)	¥ 100,622	¥ 100,463	¥ 100,421	¥ 101,774	¥ 100,421	
		(Change from the preceding period)	(0.2%)	(0.0%)	(△ 1.3%)	(1.3%)	(25.8%)	
		Unitholders' capital	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	
	Portfolio	Acquisition costs of properties (Note 5)	¥ 181,677	¥ 171,737	¥ 171,737	¥ 159,620	¥ 157,860	
		Book value of properties (Note 5)	¥ 178,336	¥ 169,110	¥ 169,971	¥ 158,529	¥ 157,104	
		Appraisal value of properties (i) (Note 5)	¥ 242,920	¥ 224,330	¥ 210,120	¥ 187,800	¥ 174,430	
		Number of properties	20	19	19	17	17	
		Total rentable area (Note 6)	226,330.13 m ²	222,637.60 m ²	222,653.08 m ²	214,330.82 m ²	179,211.29 m ²	
		Occupancy ratio at the end of period (Note 6)	99.9%	99.6%	99.8%	99.9%	99.4%	
	Other	Distribution	Cash distribution	¥ 2,603	¥ 2,444	¥ 2,402	¥ 3,754	¥ 2,402
			Dividend per ratio (Note 7)	100.0%	99.9%	100.0%	100.0%	100.0%
		Amount per unit	Number of units	169,380 units	169,380 units	169,380 units	169,380 units	169,380 units
Unitholders' equity per unit			¥ 594,061	¥ 593,124	¥ 592,879	¥ 600,860	¥ 592,877	
Cash distribution per unit			¥ 15,364	¥ 14,427	¥ 14,182	¥ 22,162	¥ 14,179	
Management index		Return on total unitholders' equity (annualized) (Note 8)	5.1%	4.9%	4.7%	7.5%	5.3%	
		Equity ratio (h)/(f)	52.1%	54.5%	54.6%	58.9%	58.5%	
		(Change from the preceding period)	(△ 2.4%)	(△ 0.1%)	(△ 4.3%)	(0.4%)	(9.3%)	
		Proportion of interest-bearing liabilities to total assets (g)/(f)	38.1%	35.4%	35.5%	30.6%	30.9%	
		Proportion of interest-bearing liabilities to appraisal value at the end of period (g)/(i)	30.3%	29.1%	31.1%	28.2%	30.4%	
Average market price per unit (Note 9)	¥ 1,000,664	¥ 1,241,537	¥ 958,306	¥ 902,435	¥ 766,520			

- Note 1. Consumption tax is not included in operating revenues.
- Note 2. 'Revenue from property leasing' does not include construction fees (63 millions of yen on 5th fiscal period) and revenues from facility acceptance (5 millions of yen on 8th fiscal period)
- Note 3. 'Depreciation and amortization' includes Loss on disposal of property and equipment (29 millions of yen on 6th fiscal period, 0 millions of yen on 8th fiscal period and 0 millions of yen on 9th fiscal period)
- Note 4. Net income + depreciation and amortization + other property related depreciation and amortization - revenue from the sales of properties - revenues from facility acceptance. Other property related depreciation and amortization was not recognized.
- Note 5. 'Properties' means investment properties held in the trust in substance, which is total assets in the trust less the money held in the trust.
- Note 6. Regarding the 'Total rentable area' and 'Occupancy ratio at the end of period', please refer to 3. Portfolio profile. (2) Major portfolio Notes 2 and 4.
- Note 7. Figures are rounded down to the second decimal place.
- Note 8. $\text{Net income} / (\text{net assets at the beginning of the period} + \text{net assets at the end of the period}) / 2 \times 365 / \text{number of days of investment}$
- Note 9. Average price during the period (closing price) at the Real Estate Investment Trust Market of the Tokyo Stock Exchange ("Tokyo Stock Exchange") on which TOKYU REIT Inc. ("TOKYU REIT") is listed.

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

① Investment Environment

During the six-month period ended January 31, 2008, Japan's economy continued to enjoy its longest period of economic expansion in the post-WWII era. The pace of expansion, however, showed signs of a slowdown, negatively impacted by both international and domestic factors. International factors included the impact of the subprime loan crisis on global financial markets and the persistent surge in prices of crude oil and raw materials, while domestic factors included declining housing starts and the abolition of temporary tax cuts. Meanwhile, the population growth rate of the Tokyo Metropolitan area has accelerated since 2004, as more and more people emigrate from other regions. This, coupled with a relatively gentler decline in the birthrate in the area from 2006 has further exacerbated the disparity between the area and other regions. Economic growth in the Tokyo Metropolitan area – particularly in terms of gross production in Tokyo and Chiba, Kanagawa and Saitama Prefectures – has also outpaced the nation as a whole throughout the current economic recovery phase, beginning from 2002 when the economy bottomed out.

Under these circumstances, vacancy rates in the office leasing market in Tokyo's 23 wards continued to drop, resulting in a growing shortage of supply regardless of location and building size. Accordingly, average advertised rents have continued to rise since 2006. Although a full-fledged recovery in household consumption expenditure is unlikely, conditions in the retail space leasing market are expected to show a turnaround as large retail shops improve efficiency of space utilization, supported by regulations concerning sales floor space and a recovery in overall sales. These tendencies have been confirmed particularly in Tokyo and Kanagawa Prefecture.

The real estate investment market remained as robust as in the previous six-month period, as major market players conducted a series of large-scale transactions, and a downward spiral in expected returns on investment appeared to have been circumvented. We believe that this favorable turnaround is attributable to a reverse in the decline of real estate risk premiums, as a result of various factors including widespread risk reassessment triggered by the subprime loan crisis, concerns of a slowdown in Japan's economic growth, changes in attitudes toward real estate loans by financial institutions, and the implementation of the Financial Instruments and Exchange Law.

② Investment Performance Results

a. Acquisition of Properties

TOKYU REIT adheres to selective investment criteria and endeavors to invest in highly

competitive properties in areas with growth potential. Through separate acquisitions of additional ownership on September 21, 2007 and October 26, 2007, TOKYU REIT acquired the TOKYU REIT Toranomon Building for an acquisition price of ¥1,440 million. In addition, on January 31, 2008, TOKYU REIT acquired a trust beneficiary interest in the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) for an acquisition price of ¥8,500 million. As a result, as of January 31, 2008, TOKYU REIT held an investment portfolio totaling 20 properties with a total acquisition price of ¥181,677 million and total leasable floor space of 226,330.13m².

The period-end appraisal value for TOKYU REIT's entire portfolio amounted to ¥242,920 million. As in the previous fiscal period, appraisal value exceeded book value, resulting in an unrealized gain of ¥64,584 million. Based on generally accepted accounting principles, unrealized gains are not reflected in TOKYU REIT's financial statements.

b. Investment Management Control

Reflecting stable investment management, the occupancy rate for the entire portfolio of 20 properties stood at 99.9% as of January 31, 2008. TOKYU REIT is also actively working to upwardly revise rent levels. Consequently, as of the end of the ninth fiscal period, the average rental rate for the existing property portfolio (excluding the two properties acquired during the period under review) increased 0.95% compared with the end of the eighth fiscal period.

c. Financing

TOKYU REIT undertakes financing activities under a financial policy that emphasizes stability, flexibility and efficiency. TOKYU REIT issued investment corporation bonds in the fiscal period under review, with the aims of securing borrowings with fixed long-term interest rates and diversifying repayment dates. The balance of interest-bearing liabilities as of January 31, 2008 was ¥73,500 million, consisting of ¥10,000 million in investment corporation bonds, ¥50,000 million in long-term debt (including ¥5,000 million of the current portion of long-term debt) and ¥13,500 million in short-term debt. The weighted-average interest rate was 1.67% (calculated from the annualized amount of interest payable for the ninth fiscal period divided by the total average balance of each loan).

d. Countering conflicts of interest

To ensure the proprietary and transparency of its transactions, TOKYU REIT strictly adheres to self-imposed measures to prevent conflicts of interest, and accordingly, continued to follow prescribed procedures during the period under review. These measures are applicable to Tokyu Group companies. TOKYU REIT changed the definition of "Tokyu Group companies" in order to retain several Group companies in the category of related parties, after they had been removed to comply with the implementation of the Financial Instruments and Exchange Law.

In addition, TOKYU REIT received an opinion report from STB Research Institute Co., Ltd. stating that fees paid to Tokyu Group companies for property management services pertaining to properties in the portfolio at the period-end were within the range set by other REITs listed on the Tokyo Stock Exchange.

(3) Issuance of New Investment Units

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

Date	Remark	Number of units issued		Total unitholders' equity		Note
		Unit		Millions of yen		
		Change	Total	Change	Total	
June 20, 2003	Issuance of units under private offering	400	400	¥ 200	¥ 200	(Note 1)
September 10, 2003	Issuance of units under public offering	97,600	98,000	¥ 49,918	¥ 50,118	(Note 2)
August 3, 2004	Issuance of units under public offering	42,000	140,000	¥ 26,481	¥ 76,599	(Note 3)
August 25, 2004	Issuance of units under third-party allotment	2,000	142,000	¥ 1,261	¥ 77,860	(Note 4)
August 1, 2005	Issuance of units under public offering	26,700	168,700	¥ 19,658	¥ 97,519	(Note 5)
August 26, 2005	Issuance of units under third-party allotment	680	169,380	¥ 500	¥ 98,019	(Note 6)

Note 1. Incorporated with ¥ 500,000 per unit

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

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

Note 4. Issued new investment units at issue price of ¥ 630,512 for the purpose of acquiring new properties and repayments of the short-term loans

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

Note 6. Issued new investment units at issue price of ¥ 736,292 for the purpose of acquiring new properties and repayments of the short-term loans

【Movements of Market Price】

The highest and lowest (closing price) in the Tokyo Stock Exchange, on which TOKYU REIT is listed, are as follows:

	9th fiscal period From August 1, 2007 to January 31, 2008	8th fiscal period From February 1, 2007 to July 31, 2007	7th fiscal period From August 1, 2006 to January 31, 2007	6th fiscal period From February 1, 2006 to July 31, 2006	5th fiscal period From August 1, 2005 to January 31, 2006
	Yen				
Highest	¥ 1,170,000	¥ 1,470,000	¥ 1,150,000	¥ 1,010,000	¥ 839,000
Lowest	¥ 809,000	¥ 945,000	¥ 800,000	¥ 788,000	¥ 707,000

(4) Distribution Information

With respect to distribution for the ninth fiscal period, TOKYU REIT determined to distribute the whole unappropriated earnings (except for the rounding amount, which is the distribution per unit of less than ¥ 1) for the ninth fiscal period to be eligible for special tax treatment (Article 67-15 of Special Taxation Measures Law (Law number 26 in 1957, including subsequent revision) that allows TOKYU REIT to deduct the maximum amount of profit distribution from its taxable income. Accordingly, distribution per unit was ¥15,364.

	9th fiscal period From August 1, 2007 to January 31, 2008	8th fiscal period From February 1, 2007 to July 31, 2007	7th fiscal period From August 1, 2006 to January 31, 2007	6th fiscal period From February 1, 2006 to July 31, 2006	5th fiscal period From August 1, 2005 to January 31, 2006
Millions of yen, except per unit data					
Unappropriated retained earnings	¥ 2,603	¥ 2,444	¥ 2,402	¥ 3,754	¥ 2,402
Undistributed earnings	¥ 0	¥ 0	¥ 0	¥ 0	¥ 0
Cash distributions	¥ 2,603	¥ 2,444	¥ 2,402	¥ 3,754	¥ 2,402
(Cash distribution per unit)	(¥ 15,364)	(¥ 14,427)	(¥ 14,182)	(¥ 22,162)	(¥ 14,179)
Distribution of accumulated earnings	¥ 2,603	¥ 2,444	¥ 2,402	¥ 3,754	¥ 2,402
(Distribution of accumulated earnings per unit)	(¥ 15,364)	(¥ 14,427)	(¥ 14,182)	(¥ 22,162)	(¥ 14,179)
Cash distribution in excess of accumulated earnings	—	—	—	—	—
(Cash distribution in excess of accumulated earnings per unit)	(—)	(—)	(—)	(—)	(—)

(5) Future Policies of Investment Management

① Forecast of Future Movement

Robust corporate performance is improving employment conditions in Japan, which in turn are positively affecting the household sector, albeit at a slower pace. In such an environment, economic forecasts have generally followed a conservative approach. Economic conditions in the Tokyo Metropolitan area are expected to remain favorable for a certain span of time, reflecting the widening disparity between the area and other regions in Japan in terms of corporate activities, the household sector and population growth. In the real estate investment market, real estate prices continue to recover in certain areas of the country; however, the polarization between Tokyo and other regions and even within Tokyo itself is widening. Underpinning this phenomenon is the increasing link between capital and real estate markets due to the expansion of the property securitization market, which in turn has led to the revaluation and setting of real estate prices based on the capitalization method and risk assessment. Consequently, TOKYU REIT expects further progression in the trend toward rising prices for low-risk, high-return properties and decreasing prices for other properties. In such an environment, investment in growth areas, the selection of prime properties, relevant investment policies, the ability to execute these policies and good corporate governance will become all the more important for TOKYU REIT and REITs in general.

② Future Policies of Investment Management and Issues to be Countered

Prior to the formal establishment of TOKYU REIT, Tokyu REIM undertook an assessment of future investment trends based on business growth potential. Based on this assessment, it was decided that TOKYU REIT would adopt a stance of investing in highly competitive properties in areas with strong growth potential. Specifically, TOKYU REIT will continue to focus on an investment area mainly limited to the five central wards of Tokyo, where ongoing growth is expected, and to Tokyu Areas, the areas serviced by the Tokyu rail network. As it builds a competitive, high-quality portfolio, TOKYU REIT will continue to adhere firmly to stringent investment criteria for selecting individual properties. Aiming to achieve external growth, TOKYU REIT will obtain a balanced mix of properties from Tokyu Group companies and the real estate investment market. Working in this manner, TOKYU REIT will improve the quality of its portfolio and expand the scale of its business.

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

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

(6) Subsequent events

There were no matters requiring explanation as of the date of the Report of Independent Auditors (April 24, 2008).

(Information after the end of the ninth fiscal period)

① TOKYU REIT executed a purchase agreement in connection with the acquisition of a trust beneficiary interest in real estate on March 25, 2008 and acquired on March 28, 2008. Its general description on March 25, 2008 is as follows.

Property name	Tokyu Ikejiri-Ohashi Building		
Location (Note 1)	(Registered)	(Land)	3-1050, 3-1051, 3-1052, 3-1053, 3-1054, 3-1055, 3-1056, 3-1057, Higashiyama, Meguro-ku, Tokyo
		(Building)	3-1054, 3-1052, 3-1053, 3-1055, 3-1056, 3-1057, 3-1050, 3-1051, Higashiyama, Meguro-ku, Tokyo
	(Residential)	3-8-1, Higashiyama, Meguro-ku, Tokyo	
Nearest station (Note 2)	Approximately a five-minute walk from Ikejiri-Ohashi Station, Tokyu Den-en-toshi Line		
Total land space (Note 1)	2,382.67 m ²	Total floor space (Note 1)	7,619.56 m ²
Structure/Floors (Note 1)	SRC 7F	Completion Date (Note 1)	October 1989
Type of ownership	Land - Proprietary Ownership Building - Proprietary Ownership		
Major Tenants	Top Tour Corporation, Tokyu Facility Service Co., Ltd. etc.		
Type of specified assets	Trust beneficiary interest in real estate		
Acquisition price (Note 3)	5,480 million		
Rationale	This property is an office building that meets TOKYU REIT's fundamental investment/acquisition policy as outlined in its Articles of Incorporation. The decision to undertake this acquisition was made to further enhance TOKYU REIT's property portfolio.		

② TOKYU REIT executed a purchase agreement in connection with the acquisition of real estate on March 31, 2008 and acquired on April 22, 2008. Its general description on March 31, 2008 is as follows.

Property name	Daikanyama Forum		
Location (Note 1)	(Registered)	(Land)	Building1(East) : 33-18,33-20,Sarugaku-cho, Shibuya-ku, Tokyo Building2(West) : 33-1,Sarugaku-cho, Shibuya-ku, Tokyo
		(Building)	Building 1 (East) : 33-18, 33-20, Sarugaku-cho, Shibuya-ku, Tokyo Building area : E-001,E-101,E-201

			Building2(West) : 33-1, Sarugaku-cho, Shibuya-ku, Tokyo Building area : W-001,W-101,W-202	
	(Residential)	17-16, Sarugaku-cho, Shibuya-ku, Tokyo		
Nearest station (Note 2)	Approximately a six-minute walk from Daikanyama Station, Tokyu Toyoko Line			
Total land space (Note 1)	Building 1 (East) :	Site rights area	942.30m ²	Interest 10,000/10,000
	Building 2 (West) :	Site rights area	1,108.01m ²	Interest 6,413/10,000
Total floor space (Note 1)	Building 1 (East) :	1,441.57m ² Compartmentalized Ownership 10,000/10,000		
	Building 2 (West) :	2,388.70m ² Compartmentalized Ownership 6,413/10,000		
Structure/Floors (Note 1)	Building 1 (East) : RC	B1/2F	Completion Date	February 1993
	Building 2 (West) : RC	B1/5F	(Note 1)	
Type of ownership	Land	Building 1 (East) : Site rights (Proprietary Ownership) Building 2 (West) : Site rights (Proprietary Ownership)		
	Building	Building 1 (East) : Compartmentalized Ownership Building 2 (West) : Compartmentalized Ownership		
Major Tenants	Hiramatsu Inc., Jun Ashida Co., Ltd.			
Type of specified assets	Real Estate			
Acquisition price (Note 4)	4,136 million			
Rationale	This property is a retail facility that meets TOKYU REIT's fundamental investment/acquisition policy as outlined in its Articles of Incorporation. The decision to undertake this acquisition was made with an eye to further enhancing TOKYU REIT's property portfolio.			

Note 1. 'Location (Registered)', 'Total land space', 'Total floor space', 'Structure / Floors' and 'Completion Date' are based on the description stated in the registry book of the property. The present status of the said property might not correspond to the descriptions in the registry book.

Note 2. The figures are calculated as it takes one minute for 80 meters based on fair competition rules concerning real estate indication.

Note 3. 'Acquisition cost' does not include expenditures incurred (such as trade agency fee, tax and public duty) and is the transfer price of property described in the contract of beneficial interests in trust.

Note 4. 'Acquisition cost' does not include expenditures incurred (such as trade agency fee, tax and public duty) and is the transfer price of property described in the contract of real estate.

2. Company Profiles

(1) Summary of unitholders' contributions

	9th fiscal period as of January 31, 2008	8th fiscal period as of July 31, 2007	7th fiscal period as of January 31, 2007	6th fiscal period as of July 31, 2006	5th fiscal period as of January 31, 2006
Authorized units (unit)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Units issued (unit)	169,380	169,380	169,380	169,380	169,380
Unitholders' capital (millions of yen)	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019	¥ 98,019
Number of unitholders (persons)	8,406	8,821	9,997	11,241	13,385

(2) Details Regarding TOKYU REIT's Unitholders

The following table sets forth our major unitholders' information as of January 31, 2008.

Name	Address	Number of unitholders owned	Owner-ship
		Unit	%
Japan Trustee Services Bank, Ltd. (Trust)	1-8-11, Harumi, Chuo-ku, Tokyo	14,009	8.27
NikkoCiti Trust and Banking Corporation (Trust)	2-3-14, Higashi-shinagawa, Shinagawa-ku, Tokyo	12,783	7.55
CB LONDON STANDARDLIFE ASSURANCE LIMITED	Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH, British (Standard Proxy :Citibank Japan Ltd.)	10,329	6.10
Trust & Custody Services Bank, Ltd.	Harumi Island Triton Square Office Tower-Z, 1-8-12, Harumi, Chuo-ku, Tokyo	9,924	5.86
The Master Trust Bank of Japan, Ltd. (Trust)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	8,449	4.99
Tokyu Corporation	5-6, Nampeidai-cho, Shibuya-ku, Tokyo	5,880	3.47
AIG STAR LIFE INSURANCE CO., LTD.	4-1-3, Taihei, Sumida-ku, Tokyo (Standing Proxy : Citibank Japan Ltd.)	4,871	2.88
North Pacific Bank, Ltd.	3-11, Odori Nishi, Chuo-ku, Sapporo, Hokkaido	4,604	2.72
The Nomura Trust and Banking Co., Ltd	2-2-2, Otemachi, Chiyoda-ku, Tokyo	4,123	2.43
Tokyu Land Corporation	1-21-2, Dogenzaka, Shibuya-ku, Tokyo	3,920	2.31
Total		78,892	46.58

(3) Details of TOKYU REIT's Directors and Auditors

① Member of the Directors and Auditor (as of January 31, 2008)

Titles	Name	Title of other companies	Total fee for each titles (Note 2) (Thousands of Yen)
Executive Director	Masahiro Horie	Tokyu Real Estate Investment Management, Inc. Representative Director & President, Chief Executive Director	— (Note 3)
Supervisory Director	Giichi Yanagisawa	Certified public accountant, Shinsoh Audit Corporation	3,000
Supervisory Director	Maruhito Kondo	Lawyer, Kondo Maruhito Law Office	3,000
Independent Auditor	PricewaterhouseCoopers Aarata		8,000 (Note 4)

Note 1. The executive director, the supervising directors and the independent auditor do not possess investment units of TOKYU REIT under their own name nor under another person's name. Besides, although there are cases that supervisory directors could be directors of other companies stated above, they have no particular interests in TOKYU REIT.

Note 2. Amounts paid to the executive director and supervisory directors and the amount due to independent auditors are shown above.

Note 3. The executive director serves without compensation

Note 4. During the fiscal period under review, TOKYU REIT paid ¥1 million for work relating to the issue of comfort letters and ¥3 million for agreed upon procedures, in addition to the stated amount paid for work stipulated in Article 2, Paragraph 1 of the Certified Public Accountant Law (Law No. 103 of 1948, including amendments thereafter).

② Policies Regarding the Decision of Dismissing and Not Reappointing Independent Auditors

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

(4) Investment Management Company, Asset Custodian and General Administrator at the end of the ninth fiscal period.

The following table sets forth information of our Investment Management Company, asset custodian and general administrator as of January 31, 2008.

Business to be entrusted	Name
Investment Management Company	Tokyu Real Estate Investment Management Inc.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (accounting operations, administration of meetings, management of the register of unitholders, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (work related to investment corporation bonds)	The Sumitomo Trust and Banking Company, Limited

3. Portfolio Profile

(1) Component of assets

Asset type	Type	Area	9th fiscal period As of January 31, 2008		8th fiscal period As of July 31, 2007	
			Total amount held	Percentage of total assets	Total amount held	Percentage of total assets
			Millions of yen	%	Millions of yen	%
Real estate	Retail	Central Tokyo and Tokyu Areas	11,753	6.1	11,774	6.4
		Other	—	—	—	—
		Sub total	11,753	6.1	11,774	6.4
	Office	Central Tokyo and Tokyu Areas	10,051	5.2	8,651	4.7
		Other	—	—	—	—
		Sub total	10,051	5.2	8,651	4.7
	Total		21,804	11.3	20,425	11.1
Trust beneficiary interest in real estate	Retail	Central Tokyo and Tokyu Areas	57,658	29.9	57,910	31.4
		Other	16,222	8.4	16,308	8.8
		Sub total	73,880	38.3	74,219	40.3
	Office	Central Tokyo and Tokyu Areas	82,652	42.8	74,466	40.4
		Other	—	—	—	—
		Sub total	82,652	42.8	74,466	40.4
	Total		156,532	81.1	148,685	80.6
Other assets		14,744	7.6	15,280	8.3	
Total assets		¥ 193,080 (¥178,336)	100.0 (92.4)	¥184,390 (¥169,110)	100.0 (91.7)	

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

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

(2) Major portfolio

Major portfolio held by TOKYU REIT as of January 31, 2008, is as follows:

Name of property		Book Value	Rentable area	Leased area	Occupancy ratio	Percentage of revenue from property leasing	Type
		Millions of yen	m ²	m ²	%	%	
R	QFRONT	¥ 14,607	4,544.07	4,544.07	100.0	8.9	Retail
R	Lexington Aoyama	4,752	2,241.76	2,241.76	100.0	2.5	Retail
R	TOKYU REIT Omotesando Square	5,752	2,702.42	2,702.42	100.0	2.8	Retail
R	Tokyu Saginuma Building	6,766	19,610.06	19,610.06	100.0	4.5	Retail
R	Tokyu Saginuma 2 Building	1,257	1,284.60	1,284.60	100.0	1.0	Retail
R	TOKYU REIT Shibuya Udagawa-cho Square	6,665	1,543.05	1,543.05	100.0	2.5	Retail
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	9,196	50,285.89	50,285.89	100.0	4.4	Retail
R	cocoti	24,524	8,319.95	8,319.95	100.0	10.7	Retail
R	Shonan Mall Fill (<i>sokochi</i>)	7,026	44,078.12	44,078.12	100.0	2.5	Retail
R	CONZE Ebisu	5,088	2,319.24	2,319.24	100.0	2.1	Retail
O	Setagaya Business Square	20,289	24,918.29	24,717.14	99.2	19.3	Office
O	Tokyu Nampeidai-cho Building	4,433	7,148.18	7,148.18	100.0	2.7	Office
O	Tokyu Sakuragaoka-cho Building	6,474	4,737.19	4,737.19	100.0	3.7	Office
O	Tokyo Nissan Taito Building	4,072	7,947.25	7,947.25	100.0	3.5	Office
O	TOKYU REIT Akasaka Hinokicho Building	3,510	3,206.25	3,206.25	100.0	2.2	Office
O	TOKYU REIT Kamata Building	4,347	7,337.82	7,337.82	100.0	4.0	Office
O	Resona Maruha Building	23,891	14,414.99	14,414.99	100.0	12.5	Office
O	TOKYU REIT Toranomom Building	10,051	10,136.72	10,136.72	100.0	7.1	Office
O	TOKYU REIT Hatchobori Building	7,105	6,021.25	5,961.75	99.0	3.2	Office
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	8,531	3,533.03	3,533.03	100.0	0.0	Office
Total		¥ 178,336	226,330.13	226,069.48	99.9	100.0	

Note 1. The properties' trust beneficiary interests possessed the said whole of the 17 properties, except TOKYU REIT Shibuya Udagawa-cho Square, CONZE Ebisu and TOKYU REIT Toranomom Building.

Note 2. 'Rentable area' is the total area of rentable offices, stores, warehouses and land indicated in the agreements and drawing (common use space is included when leased.). With respect to Tokyu Saginuma Building, Beacon Hill Plaza(Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, parking lots are included. Regarding QFRONT, the fiduciary rents the partial space possessed appropriately by other owners and leases them as a block together with the entrusted property, the said space is included in it. For Setagaya Business Square, jointly owned with another owner, the stated figure is given by multiplying rentable area in the whole building by the ratio of common-use space (55%, ratio of co-ownership). For TOKYU REIT Toranomom Building, the leased area includes exclusive-use areas jointly owned with another compartmentalized owner and leased by TOKYU REIT, as well as exclusive-use areas under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates leased area of land.

Note 3. 'Leased area' is the amount of square meters actually leased, under lease contracts, out of the total square meters stated in contracts (parking lots, side signboards leased under commitments, are not included). For Tokyu Saginuma Building, Beacon Hill Plaza(Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, parking lots are included. Regarding QFRONT, the fiduciary rents partial space possessed appropriately by other owners and leases them as a block together with the entrusted property, and the said space is included in it. As to Setagaya Business Square, jointly owned with another owner, the stated figure is given by multiplying rentable area in the whole building by the ratio of common-use space (55%, ratio of co-ownership). For TOKYU REIT Toranomom Building, the leased area includes exclusive-use areas jointly owned with another compartmentalized owner and leased by TOKYU REIT, as well as exclusive-use areas under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill (*sokochi*) indicates leased area of land.

Note 4. 'Occupancy ratio' is the percentage of leased areas to rentable area at the end of the period.

Note 5. 'Percentage of revenue from property leasing' is rounded off the second decimal place. Therefore, sum of each item might be not corresponding to figure of 'Total'.

(3) Details of properties in portfolio

Properties held by TOKYU REIT as of January 31, 2008 are as follows:

Name of property		Location	Investment Type	Rentable area	Appraisal value at the end of period	Book value	
				m ²	Millions of yen	Millions of yen	
Retail	Central Tokyo and Tokyu Areas	R QFRONT	75-8, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,544.07	¥ 22,300	¥ 14,607
		R Lexington Aoyama	5-235-7, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiary interest in real estate	2,241.76	8,200	4,752
		R TOKYU REIT Omotesando Square	4-3-18, Jingumae, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	2,702.42	8,510	5,752
		R Tokyu Saginuma Building	1-1, Saginuma, Miyamae-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	19,610.06	9,790	6,766
		R Tokyu Saginuma 2 Building	1-18-5, Kodai, Miyamae-ku, Kawasaki City, Kanagawa	Trust beneficiary interest in real estate	1,284.60	1,730	1,257
		R TOKYU REIT Shibuya Udagawa-cho Square	86-2, Udagawa-cho, Shibuya-ku, Tokyo	Real estate	1,543.05	8,700	6,665
		R cocoti	1-23-1, Shibuya, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	8,319.95	26,200	24,524
		R CONZE Ebisu	2-3-5, Ebisu Minami Shibuya-ku, Tokyo	Real estate	2,319.24	5,060	5,088
	Sub total				42,565.15	90,490	69,411
	Other	R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	88-1, Noukendai-higashi, Kanazawa-ku, Yokohama City, Kanagawa	Trust beneficiary interest in real estate	50,285.89	9,550	9,196
R Shonan mall Fill (Sokochi)		4-4300-1, Tsujido Shinmachi, Fujisawa City, Kanagawa	Trust beneficiary interest in real estate	44,078.12	6,890	7,026	
Sub total				94,364.01	16,440	16,222	
Total				136,929.16	106,930	85,633	
Office	Central Tokyo and Tokyu Areas	O Setagaya Business Square	4-260-2, Yoga, Setagaya-ku, Tokyo	Trust beneficiary interest in real estate	24,918.29	31,800	20,289
		O Tokyu Nampeidai-cho Building	12-3, Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	7,148.18	6,860	4,433
		O Tokyu Sakuragaoka-cho Building	109-9, Sakuragaoka-cho, Shibuya-ku, Tokyo	Trust beneficiary interest in real estate	4,737.19	9,820	6,474
		O Tokyo Nissan Taito Building	2-120-2, Moto-Asakusa, Taito-ku, Tokyo	Trust beneficiary interest in real estate	7,947.25	5,860	4,072
		O TOKYU REIT Akasaka Hinokicho Building	6-1401, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,206.25	5,050	3,510

○	TOKYU REIT Kamata Building	5-13-7, Kamata, Ota-ku, Tokyo	Trust beneficiary interest in real estate	7,337.82	7,550	4,347
○	Resona Maruha Building	1-2-1, Otemachi, Chiyoda-ku, Tokyo	Trust beneficiary interest in real estate	14,414.99	36,300	23,891
○	TOKYU REIT Toranomom Building	3-45-6, Toranomom, Minato-ku, Tokyo	Real property	10,136.72	16,800	10,051
○	TOKYU REIT Hatchobori Building	2-104-1, Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest in real estate	6,021.25	7,350	7,105
○	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	4-806,4-819, Akasaka, Minato-ku, Tokyo	Trust beneficiary interest in real estate	3,533.03	8,600	8,531
Sub total				89,400.97	135,990	92,703
Total				89,400.97	135,990	92,703
Total				226,330.13	¥ 242,920	¥ 178,336

Note 1. 'Location' is stated as based on the description shown in the registry book. The present status of the said property might not correspond to the descriptions in the registry book.

Note 2. 'Rentable area' is the total area of rentable offices, stores and warehouses indicated in the agreements and drawings (common use space is included when it is leased.). With respect to Tokyu Saginuma Building, Beacon Hill Plaza(Ito-Yokado Noukendai Store) and Tokyu Nampeidai-cho Building, parking lots are included. Regarding QFRONT, the fiduciary rents the partial space possessed appropriately by other owners and leases them as a block together with the entrusted property and the said space is included in it. For Setagaya Business Square, jointly owned with another owner, the stated figure is given by multiplying rentable area in the whole building by the ratio of common-use space (55%, ratio of joint co-ownership). For TOKYU REIT Toranomom Building, the leased area includes exclusive-use areas jointly owned with another compartmentalized owner and leased by TOKYU REIT, as well as exclusive-use areas under TOKYU REIT's proprietary ownership. The figure of Shonan Mall Fill(*sokochi*) indicates leased area of land.

Note 3. 'Appraisal value at the end of period' is the assessed value based on the appraisal by real estate appraisers following the asset evaluation method, standards, reporting date and rules laid down in the laws and rules of the Investment Trust Association, Japan, (based on the report prepared by Japan Real Estate Institute, HIRO & REAS network, Inc., Jones Lang LaSalle IP, Inc., and Daiwa Real Estate Appraisal Co., Ltd., which adopt the period end date as the date of value estimate).

Development of Leasing Business of Properties Held by TOKYU REIT

Name of property	9th Fiscal Period From August 1, 2007 to January 31, 2008				8th fiscal period From February 1, 2007 to July 31, 2007			
	Number of tenants	Occupancy ratio	Revenue from property leasing	Percentage of revenue from property leasing	Number of tenants	Occupancy ratio	Revenue from property leasing	Percentage of revenue from property leasing
		%	Millions of yen	%		%	Millions of yen	%
R QFRONT	4	100.0	¥ 611	8.9	4	100.0	¥ 608	9.0
R Lexington Aoyama	2	100.0	168	2.5	2	100.0	168	2.5
R TOKYU REIT Omotesando Square	4	100.0	193	2.8	4	100.0	187	2.8
R Tokyu Saginuma Building	1	100.0	310	4.5	1	100.0	310	4.6
R Tokyu Saginuma 2 Building	1	100.0	65	1.0	1	100.0	65	1.0
R TOKYU REIT Shibuya Udagawa-cho Square	2	100.0	169	2.5	2	100.0	168	2.5
R cocoti	16	100.0	729	10.7	16	100.0	717	10.7
R CONZE Ebisu	8	100.0	141	2.1	8	100.0	139	2.1
Sub total	38	100.0	2,386	34.9	38	100.0	2,362	35.1

Other	R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	1	100.0	300	4.4	1	100.0	300	4.5	
	R	Shonan mall Fill (Sokochi)	1	100.0	174	2.5	1	100.0	174	2.6	
		Sub total	2	100.0	474	6.9	2	100.0	474	7.1	
		Total	40	100.0	2,860	41.9	40	100.0	2,836	42.2	
Office	Central Tokyo and Tokyu Areas	O	Setagaya Business Square	59	99.2	1,316	19.3	61	99.8	1,293	19.2
		O	Tokyu Nampeidai-cho Building	1	100.0	182	2.7	1	100.0	182	2.7
		O	Tokyu Sakuragaoka-cho Building	2	100.0	254	3.7	2	100.0	254	3.8
		O	Tokyo Nissan Taito Building	13	100.0	238	3.5	13	100.0	234	3.5
		O	TOKYU REIT Akasaka Hinokicho Building	5	100.0	151	2.2	5	100.0	150	2.2
		O	TOKYU REIT Kamata Building	4	100.0	272	4.0	3	88.4	252	3.7
		O	Resona Maruha Building	3	100.0	854	12.5	3	100.0	842	12.5
		O	TOKYU REIT Toranomon Building	7	100.0	482	7.1	6	100.0	470	7.0
		O	TOKYU REIT Hatchobori Building	9	99.0	222	3.2	9	99.0	212	3.1
		O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	100.0	1	0.0	-	-	-	-
				Sub total	104	99.7	3,972	58.1	103	98.9	3,889
		Total	104	99.7	3,972	58.1	103	98.9	3,889	57.8	
		Total	144	99.9	¥6,832	100.0	143	99.6	¥6,725	100.0	

Note 1. With respect to 'Number of tenants', this is counted cumulatively, i.e., when one tenant leases plural rooms for rent in the same property, it is regarded as one tenant, and when in plural properties, it is regarded as plural tenants.

Note 2. 'Occupancy ratio' is the percentage of leased areas to rentable area at the end of the period.

Note 3. 'Percentage of revenue from property leasing' is rounded off the second decimal place. Therefore, sum of each item might be not corresponding to figure of 'Total'.

(4) Other Assets

As of January 31, 2008, there are no assets targeted for investments other than those described in said above.

4. Capital Expenditures for Properties Held

(1) Plan of Capital Expenditures

Major capital expenditure for repair and maintenance works of properties held, as scheduled as of January 31, 2008, is as follows: The estimated construction costs shown below includes repair and maintenance costs to be charged to income.

Efficient repair and maintenance plans continue to be prepared for each property to maintain their competitiveness and from the view point of medium- to long-term improvements, as well as for repair and maintenance, and capital expenditure.

Name of property	Location	Objective	Estimated period	Estimated construction cost		
				Millions of yen		
				Total	Amount paid during this period	Amount paid by the end of period

R	cocoti	Shibuya-ku, Tokyo	Renovation of common areas on 2F	From March 2008 to April 2008	¥ 14	—	—
O	Setagaya Business Square	Setagaya-ku , Tokyo	Renewal of building management systems	From February 2008 to December 2008	¥110	—	—
O	Setagaya Business Square	Setagaya-ku , Tokyo	Replacement of fan coil units	From March 2008 to July 2008	¥ 13	—	—
O	Resona Maruha Building	Chiyoda-ku , Tokyo	Repair of elevator control systems	From November 2007 to July 2008	¥140	—	—
O	Resona Maruha Building	Chiyoda-ku , Tokyo	Renewal of DC power supply units	From February 2008 to February 2008	¥ 16	—	—

(2) Capital Expenditures made during the Period

The overview of construction works that fall under the category of capital expenditures for properties held, is as follows:

Capital expenditures during the current period amounted to ¥ 126 million, and together with ¥ 120 million expenses for repair and maintenance costs, ¥ 246 million was spent for these works.

Name of property		Location	Objective	Period	Construction Cost Millions of yen
O	Setagaya Business Square	Setagaya-ku , Tokyo	Replacement of window shades	From September 2007 to November 2007	¥ 12
O	Resona Maruha Building	Chiyoda-ku, Tokyo	Renewal of calorimeters and steam flow meters	From December 2007 to January 2008	¥ 21
Others					¥ 93
Total					¥ 126

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

(Reserve for Repair and Maintenance)

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

	9th fiscal period From August 1, 2007 to January 31, 2008	8th fiscal period From February 1, 2007 to July 31, 2007	7th fiscal period From August 1, 2006 to January 31, 2007	6th fiscal period From February 1, 2006 to July 31, 2006	5th fiscal period From August 1, 2005 to January 31, 2006
	Millions of yen				
Reserve at the beginning of the period	¥ 274	¥ 270	¥ 208	¥ 245	¥ 331
Amount transferred to reserve in current period	172	128	212	242	108
Reversal from reserves in current period	222	125	149	279	194
Reserve at the ending of the period	¥ 224	¥ 274	¥ 270	¥ 208	¥ 245

Note TOKYU REIT took over reserves made in the trust assets that the prior proprietor accounted for at the time of trade of beneficial interests in trust accounts and for the current period, such reserves are included in the "amount transferred to reserve in current period".

5. Expenses and debt

(1) Investment management expenses

	9th fiscal period From August 1, 2007 to January 31, 2008		8th fiscal period From February 1, 2007 to July 31, 2007	
	Millions of yen			
(a) Investment management fees				
Asset-based fees	¥ 330		¥ 313	
Cash-based fees	249		249	
Unit price-based fees	-	¥ 579	192	¥ 754
(b) Asset custodian and general administration fees		58		61
(c) Director's fees		6		5
(d) Other expenses		71		57
Total		¥ 714		¥ 877

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

Short-term debt and Long-term debt from each financial institution, as of January 31, 2008, are as follows:

Category	Lender	Draw-down date	Balance as of January 31, 2008	Balance as of July 31, 2007	Average interest Rate (Note 1)	Maturity date	Re-payment method	Use of funds	Remark
			Millions of yen	Millions of yen	%				
Short-term debt	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 25, 2004	¥ -	¥ 5,000	1.03839	September 25, 2007	Bullet Payment	Refinance fund	Unsecured and Unguaranteed (Note 3)
	Mitsubishi UFJ Trust and Banking Corporation	April 28, 2006	-	3,000	1.04104	April 28, 2008		(Note 2)	
	The Sumitomo Trust and Banking Company, Limited	September 29, 2006	-	730	1.04075	September 29, 2008			
	The Chuo Mitsui Trust and Banking Company, Limited		-	730					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	730					
	Mizuho Corporate Bank, Ltd.		-	730					
	Mitsubishi UFJ Trust and Banking Corporation		-	4,380					
	The Sumitomo Trust and Banking Company, Limited	October 31, 2006	1,000	1,000	1.07676	October 31, 2008			
	The Chuo Mitsui Trust and Banking Company, Limited		1,000	1,000					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	1,000					
	Mizuho Corporate Bank, Ltd.		1,000	1,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000					
	The Sumitomo Trust and Banking Company, Limited	January 31, 2008	1,700	-	0.93000	January 31, 2009			
	The Chuo Mitsui Trust and Banking Company, Limited		1,700	-					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,700	-					
Mizuho Corporate Bank, Ltd.	1,700		-						
Mitsubishi UFJ Trust and Banking Corporation	1,700		-						
Sub total			13,500	20,300					

Long-term debt	The Norinchukin Bank	June 25, 2004	4,000	4,000	1.38875	June 25, 2008	Bullet Payment	Refinance fund	Unsecured and Unguaranteed (Notes 3 and 4)	
	The Hyakugo Bank, Ltd.		1,000	1,000	1.23875				Unsecured and Unguaranteed (Notes 3, 4 and 5)	
	The Chuo Mitsui Trust and Banking Company, Limited		5,000	5,000	1.68875	June 25, 2009			Unsecured and Unguaranteed (Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation		5,000	5,000						
	Aioi Insurance Company, Limited		1,000	1,000	1.92750	June 25, 2010			Unsecured and Unguaranteed (Notes 3 and 5)	
	DAIDO LIFE INSURANCE COMPANY		1,000	1,000						
	Mitsui Sumitomo Insurance Company, Limited		1,000	1,000						
	Development Bank of Japan			4,000	4,000	2.03000			June 25, 2012	
	The National Mutual Insurance Federation of Agricultural Cooperatives		October 25, 2005	1,000	1,000	1.26250			October 25, 2011	
	Development Bank of Japan		January 25, 2006	5,000	5,000	1.95000			January 25, 2018	
	Nippon Life Insurance Company		July 31, 2006	4,000	4,000	1.93000			July 31, 2011	Unsecured and Unguaranteed (Note 3)
	The Dai-ichi Mutual Life Insurance Company			4,000	4,000	2.21125			July 31, 2013	
	The Dai-ichi Mutual Life Insurance Company		January 25, 2007	1,000	1,000	1.92000			January 25, 2014	
	The National Mutual Insurance Federation of Agricultural Cooperatives			3,000	3,000					
	The Sumitomo Trust and Banking Company, Limited		June 25, 2007	5,000	5,000	1.81062			December 25, 2010	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		September 25, 2007	5,000	-	1.62625			September 25, 2011	
	Sub total			50,000	45,000					
Total		¥ 63,500	¥ 65,300							

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

Note 2. Fund was used to purchase property and for expenditure pertaining to the purchase.

Note 3. Depending on the financial position of TOKYU REIT, it is possible that financial restraint may occur, such as addition to interest rate and cash reserve, restraint on acquisition and disposal of assets, debt load and payment, dividends, offerings of additional pledge.

Note 4. As of the fiscal period-end, the amounts are recorded in the balance sheets as "long-term debt financing due within one year" under "current liabilities."

Note 5. Initially, although TOKYU REIT implemented refinance of ¥ 6,000 million from Mizuho Corporate Bank on June 25, 2004, it transferred ¥ 4,000 million to The Hyakugo Bank, Ltd., Aioi Insurance Company, Limited, DAIDO LIFE INSURANCE COMPANY and Mitsui Sumitomo Insurance Company, Limited (¥ 1,000 million each) on the same day.

(3) Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2008 is as follows.

Name	Issue date	Balance as of January 31, 2008	Balance as of July 31, 2007	Annual interest rate	Maturity date	Redemption method	Use of proceeds	Remark
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		Millions of yen		(%)				
1 st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	—	1.65000	October 24, 2012	Full amount on maturity	Repayment of debt financing	Unsecured/Unguaranteed (Note)
2 nd Series Unsecured Investment Corporation Bond	October 24, 2007	5,000	—	1.89000	October 24, 2014			
Total		¥10,000	—					

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

6. Acquisitions and Dispositions during the ninth fiscal period

(1) Sales and purchases of properties and asset backing securities

Asset type	Name of property		Acquisition		Disposition			
			Date	Acquisition price	Date	Disposition price	Book value	Gain (Loss)
				Millions of yen				
Real estate	○	TOKYU REIT Toranomon Building (Note 2)	September 21, 2007	¥1,100	—	—	—	—
Real estate	○	TOKYU REIT Toranomon Building (Note 3)	September 21, 2007	200	—	—	—	—
Real estate	○	TOKYU REIT Toranomon Building (Note 4)	October 26, 2007	140	—	—	—	—
Trust beneficiary interest in real estate	○	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	January 31, 2008	8,500	—	—	—	—
Total				¥9,940		—	—	—

Note 1: Acquisition prices presented in the table above are exclusive of acquisition expenses (brokerage fees, property-related taxes, etc.) and identical to those stated in relevant transaction agreements.

Note 2: Information is for compartmentalized ownership (floor space: 865.14m², site-right interest: 8,579/100,000) additionally acquired during the fiscal period under review.

Note 3: Information is for compartmentalized ownership (floor space: 139.93m², site-right interest: 1,322/100,000) additionally acquired during the fiscal period under review.

Note 4: Information is for compartmentalized ownership (floor space: 93.93m², site-right interest: 1,166/100,000) additionally acquired during the fiscal period under review.

(2) Sales and purchases of other assets

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

(3) Research on Prices of Specified Assets

Asset type	Name of property	Acquisition date	Acquisition price	Assessed value of specified assets	(Reference) Appraisal value at the period-end
			Millions of yen		

Real estate	○	TOKYU REIT Toranomon Building (Note 4)	September 21, 2007	¥1,100	¥1,100	—
Real estate	○	TOKYU REIT Toranomon Building (note 5)	September 21, 2007	200	188	—
Real estate	○	TOKYU REIT Toranomon Building (Note 6)	October 26, 2007	140	140	—
Trust beneficiary interest in real estate	○	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	January 31, 2008	8,500	8,500	8,600
Total				¥9,940	¥9,928	—

Note 1: Research on prices of specified assets presented in the table above was conducted by PricewaterhouseCoopers Aarata at the time of acquisition of the stated properties, in accordance with the procedures set forth in the “Research on Prices of Specified Assets Held by Investment Trust Funds and Investment Corporations” (Industry Audit Practice Committee Report No. 23 of the Japan Institute of Certified Public Accountants). In addition to the assessed value of the stated properties, TOKYU REIT has also received a research report concerning the locations, lot numbers and other relevant matters necessary for the identification of the stated properties and assets held in trust, as well as the content of the relevant trust beneficiary interest.

Note 2: Acquisition prices presented in the table above are exclusive of acquisition expenses (brokerage fees, property-related taxes, etc.) and identical to those stated in relevant transaction agreements.

Note 3: “Appraisal value at the period-end,” which is not based on the aforementioned price research, is presented for reference purposes. For details of the appraisal methods, please refer to Note 3 of “3.-(3) Details of properties in portfolio,” above. For TOKYU REIT Toranomon Building, the appraisal value has been calculated for the entire property. Therefore, the appraisal values for each additional acquisition of ownership during the fiscal period under review are not provided herein.

Note 4: Information is for compartmentalized ownership (floor space: 865.14m², site-right interest: 8,579/100,000) additionally acquired during the fiscal period under review.

Note 5: Information is for compartmentalized ownership (floor space: 139.93m², site-right interest: 1,322/100,000) additionally acquired during the fiscal period under review.

Note 6: Information is for compartmentalized ownership (floor space: 93.93m², site-right interest: 1,166/100,000) additionally acquired during the fiscal period under review.

(4) Trading with related party and major shareholders

① Status of trading

The status of trading of specified assets with related parties and major shareholders are as follows.

Classification	Amount of trading	
	Purchase amount	Sale amount
Millions of yen		
Total trading amount	9,940	—
	Amount relating to purchases from related parties and major shareholders 8,500 (85.5%)	Amount relating to sales to related parties and major shareholders — (—%)
Breakdown of the total amount relating to trading with related parties and major shareholders		
Amit Investment Ltd.	8,500 (85.5%)	— (—%)
Total	8,500 (85.5%)	— (—%)

Note: The figures in brackets indicate the ratio of the amount relating to purchases from or sales to related parties and major shareholders to the total trading amount.

② Amounts of commissions paid to related parties and major shareholders

Item	Total amounts of commissions paid (A) Thousands of yen	Paid to related parties and major shareholders		B/A (%)
		Payee	Amount of payment (B) Thousands of yen	
Utilities expenses	¥ 548,929	Shibuya Underground Shopping Center, Inc.	¥ 57	0.0
		Yoga District Heating and Cooling Co., Ltd.	112,917	20.6
Subcontract expenses	414,390	its communications Inc.	20,065	4.8
		Kyodo Gijutsu Center Co., Ltd.	14,974	3.6
		Tokyu Community Co., Ltd.	242,759	58.6
		Tokyu Security Co., Ltd.	8	0.0
		Tokyu Facility Service, Co., Ltd.	20,802	5.0
Property management fees	149,885	Tokyu Land Corporation	80,391	53.6
		Tokyu Corporation	69,493	46.4
Insurance premium	17,193	Tokyu Insurance Consulting Co., Ltd.	17,193	100.0
Other rental service expenses	219,094	its communications Inc.	62	0.0
		Shibuya Underground Shopping Center, Inc.	853	0.4
		Tokyu Green System Co., Ltd.	52	0.0
		Tokyu Community Co., Ltd.	4,088	1.9
		Tokyu Facility Service, Co., Ltd.	356	0.2
		Tokyu Land Corporation	1,818	0.8
		TMD Corporation	50	0.0
Tokyu Corporation	330	0.2		
Other non-operating expenses	10,961	Tokyu Station Retail Service Co., Ltd.	2,400	21.9

Note 1. Pursuant to Article 123 of the Enforcement Regulations of the Investment Trust Law, related parties are defined as having interests in Tokyu Real Estate Investment Management Inc. ("Tokyu REIM"), the Investment Management Company of TOKYU REIT based on the investment management agreement. Pursuant to Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Law, major shareholders are defined as major shareholders of Tokyu REIM. However, information provided in this section, "(4) Trading with related parties and major shareholders," includes trading with Tokyu Group companies (see Note 2 below), which are subject to TOKYU REIT's voluntary measures to prevent conflicts of interest. During the fiscal period under review, TOKYU REIT undertook trading with Amit Investment Ltd., its communications Inc., Kyodo Gijutsu Center Co., Ltd., Shibuya Underground Shopping Center, Inc., Tokyu Green System Co., Ltd., Tokyu Community Co., Ltd., Tokyu Station Retail Service Co., Ltd., Tokyu Security Co., Ltd., Tokyu Facility Service Co., Ltd., Tokyu Land Corporation, Tokyu Insurance Consulting Co., Ltd., TMD Corporation, Tokyu Corporation and Yoga District Heating and Cooling Co., Ltd.

Note 2. In addition to the related parties designated by relevant laws and regulations ("legally related parties"), TOKYU REIT's independent definition of "Tokyu Group companies" encompasses the following: companies, whose majority of voting rights is held by a company that has a stake in Tokyu REIM, and their subsidiaries (collectively "related companies"); and special purpose entities whose majority of capital has been contributed by legally related parties and related companies.

Note 3. In addition to the commissions paid described above, TOKYU REIT paid for commissions to third parties through Tokyu Land Corporation and Tokyu Corporation ¥ 36,060 thousand and ¥ 48,819 thousand, respectively.

In addition to commissions paid as described above, the amount paid for repair and maintenance works placed to related parties and major shareholders are as follows :

Kyodo Gijutsu Center Co., Ltd.	¥ 12,180 thousand
Tokyu Construction Co., Ltd.	¥ 5,988 thousand
Tokyu Community Co., Ltd.	¥ 6,611 thousand
Tokyu Facility Service Co., Ltd.	¥ 3,038 thousand
Tokyu Land Corporation	¥ 5,441 thousand
Tokyu Corporation	¥ 1,911 thousand
Tokyu Techno System Co., Ltd.	¥ 6,053 thousand

(previously Toyoko Industry Co., Ltd.)

- (5) Trading between the Investment Management Company and TOKYU REIT where the Investment Management Company follows other business.

Tokyu REIM does not carry out other businesses such as first and second financial instruments businesses defined under the Financial Instruments and Exchange Law (or securities business defined under the former Securities and Exchange Law), realty business or real estate specific joint enterprise. Accordingly, no trading falls under this category.

7. Accounting

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

See accompanying Balance Sheets, Statements of Income, Statements of changes in Unitholders' Equity and Notes.

- (2) Change in depreciation method

Following the 2007 Tax Reform in Japan and effective from the six months ended January 31, 2008, TOKYU REIT depreciates fixed assets acquired on or before March 31, 2007 over 5 years using the straight-line method until the net balance for each asset is amounts to ¥1 (memorandum value). Depreciation method starts as soon as residual value falls to 5% of the acquisition price in accordance with the previous Corporation Tax Law.

Depreciation of fixed assets calculated based on the previous method is ¥954 millions and is ¥956 millions calculated based on the new method.

- (3) Change in valuation methods

There is no item that falls under this category.

8. Others

- (1) News

During the fiscal period under review, matters stipulated in Article 109, Paragraph 2, Items 2, 3, 5, 6 and 8 were approved or reported at TOKYU REIT's Board of Directors meetings, as below.

Date of meeting	Agenda item	Summary
October 15, 2007 (Report)	Outsourcing of general administration incidental to the issuance of the 1 st and 2 nd unsecured investment corporation bonds	In accordance with a resolution passed at TOKYU REIT's Board of Directors meeting held on October 27, 2006, the Executive Director was entrusted with the decision concerning the outsourcing of general administration of the investment corporation bonds. At the October 15, 2007 meeting, the Executive Director reported on his decision to outsource said general administration to Mizuho Securities Co., Ltd., Daiwa Securities SMBC Co., Ltd. (see Note) and the Sumitomo Trust & Banking Co., Ltd.
November 30, 2007 (Approval)	Underwriter of the bonds and outsourcing of general administration for the 1 st and 2 nd unsecured investment corporation bonds	In accordance with comprehensive resolutions passed at this meeting, the Executive Director was granted an approval for making decisions concerning the outsourcing of general administration of investment corporation bonds, including those to be issued in the future, and other relevant matters.

Note: The outsourcing to Mizuho Securities Co., Ltd. and Daiwa Securities SMBC Co., Ltd. was completed upon the completion of payments for the 1st and 2nd unsecured investment corporation bonds on October 24, 2007.

(2) Others

① During the fiscal period under review, TOKYU REIT's Board of Directors meetings have granted approvals for exchanging the following memorandums with Tokyu REIM (the Investment Management Company) and Mitsubishi UFJ Trust and Banking Corporation (the General Administrator).

Date of meeting	Agenda item	Summary
September 28, 2007 (Approval)	Exchange of a cost-burden memorandum with Tokyu REIM (see Note)	The meeting approved the exchange of the memorandum to confirm Tokyu REIM's intention, based on the investment management agreement, to take full responsibility for expenses (¥1,445 thousand) resulting from administrative malpractice.
January 22, 2008 (Approval)	Exchange of a cost-burden memorandum with Mitsubishi UFJ Trust and Banking Corporation (investment unit administrator)	The meeting approved the exchange of the memorandum to confirm the General Administrator's intention to take full responsibility for expenses (¥178 thousand) resulting from a delay in their verification of the format for distribution receipts.
January 31, 2008 (Approval)	Exchange of a cost-burden memorandum with Tokyu REIM (see Note)	The meeting approved the exchange of the memorandum to confirm Tokyu REIM's intention, based on the investment management agreement, to take full responsibility for expenses (¥51 thousand) resulting from administrative malpractice.

Note: These activities do not fall under the category of loss compensation, which is prohibited under Article 39 of the Financial Instruments and Exchange Law.

② In this report, unless otherwise specifically mentioned, amounts and ratios are rounded.

Report of Independent Auditors

To the Board of Directors of
TOKYU REIT, Inc.

We have audited the accompanying balance sheet of TOKYU REIT, Inc. (the "Company") as of January 31, 2008, and the related statements of income, changes in unitholders' equity and cash flows for the six months ended January 31, 2008, all expressed in Japanese Yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TOKYU REIT, Inc. as of January 31, 2008, and the results of its operations and its cash flows for the six months ended January 31, 2008 in conformity with accounting principles generally accepted in Japan.

Pricewaterhouse Coopers Aarata

April 24, 2008

TOKYU REIT, Inc.
Balance Sheets
As of January 31, 2008 and July 31, 2007

	January 31, 2008	July 31, 2007 (information only)
(Millions of yen)		
<u>ASSETS</u>		
Current assets:		
Cash and deposits with banks	¥ 1,306	¥ 2,391
Cash and deposits with banks held in trust	12,158	11,646
Tenant receivables	132	146
Consumption tax refund receivables	7	-
Other current assets	59	55
Total current assets	13,662	14,238
Fixed assets:		
Property and equipment		
Buildings and structures	3,463	3,270
Land	18,668	17,417
Other tangible assets	15	13
Buildings and structures held in trust	42,756	41,261
Land held in trust	119,544	112,481
Other tangible assets held in trust	1,067	972
Construction in progress held in trust	76	-
Less accumulated depreciation	(7,271)	(6,317)
Total property and equipment	178,318	169,097
Intangible assets		
Intangible assets	1	1
Intangible assets held in trust	17	12
Total intangible assets	18	13
Investments and other assets		
Lease deposits	77	106
Lease deposits held in trust	874	874
Other assets	80	62
Total investments and other assets	1,031	1,042
Total fixed assets	179,367	170,152
Deferred assets		
Investment corporation bond issuance expenses	51	-
Total deferred assets	51	-
Total assets	¥ 193,080	¥ 184,390

TOKYU REIT, Inc.
Balance Sheets, continued
As of January 31, 2008 and July 31, 2007

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
<u>LIABILITIES</u>		
Current liabilities:		
Short-term debt	¥ 13,500	¥ 20,300
Long-term debt due within one year	5,000	5,000
Accounts payable	939	994
Consumption tax refund payable	-	164
Rent received in advance	1,129	1,054
Tenant leasehold and security deposits held in trust due within one year	289	72
Accrued expenses and other current liabilities	157	141
Total current liabilities	21,014	27,725
Long-term liabilities:		
Long-term debt	45,000	40,000
Investment corporation bonds	10,000	-
Tenant leasehold and security deposits	1,134	1,120
Tenant leasehold and security deposits held in trust	15,306	15,078
Other long-term liabilities	4	4
Total long-term liabilities	71,444	56,202
Total liabilities	92,458	83,927
 <u>NET ASSETS</u>		
Unitholders' capital:		
Units authorized - 2,000,000 units		
Units issued and outstanding - 169,380 units as of January 31, 2008 and July 31, 2007	98,019	98,019
Retained earnings	2,603	2,444
Total net assets	100,622	100,463
Total liabilities and net assets	¥ 193,080	¥ 184,390

TOKYU REIT, Inc.
Statements of Income

For the six months ended January 31, 2008 and July 31, 2007

	For the six months ended	
	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Operating revenues:		
Rental revenue	¥ 6,317	¥ 6,225
Other	515	505
Operating expenses:		
Rental service expenses	(2,965)	(2,920)
Asset management fees	(579)	(753)
Other	(135)	(124)
Operating income	3,153	2,933
Non-operating income:		
Interest income	13	6
Other	1	6
Non-operating expenses:		
Interest expense	(502)	(491)
Interest expense on investment corporation bonds	(48)	-
Amortization of investment corporation bond issuance expenses	(2)	-
Other	(11)	(9)
Income before income taxes	2,604	2,445
Income taxes:		
Current	(1)	(1)
Deferred	(0)	0
Net income	2,603	2,444
Retained earnings at beginning of period	0	0
Retained earnings at end of period	¥ 2,603	¥ 2,444

TOKYU REIT, Inc.
Statements of Changes in Unitholders' Equity
For the six months ended January 31, 2008 and July 31, 2007

For the six months ended January 31, 2008

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at July 31, 2007	¥ 98,019	¥ 2,444	¥100,463
Changes during the period			
Cash distributions declared	-	(2,444)	(2,444)
Net income	-	2,603	2,603
Total changes during the period	-	159	159
Balance at January 31, 2008	¥ 98,019	¥ 2,603	¥100,622

For the six months ended July 31, 2007(information only)

	Unitholders' capital	Retained earnings	Total
		(Millions of yen)	
Balance at January 31, 2007	¥ 98,019	¥ 2,402	¥100,421
Changes during the period			
Cash distributions declared	-	(2,402)	(2,402)
Net income	-	2,444	2,444
Total changes during the period	-	42	42
Balance at July 31, 2007	¥ 98,019	¥ 2,444	¥100,463

TOKYU REIT, Inc.
Statements of Cash Flows
For the six months ended January 31, 2008 and July 31, 2007

	For the six months ended	
	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Cash flows from operating activities:		
Income before income taxes	¥ 2,604	¥ 2,444
Depreciation and amortization	957	952
Amortization of investment corporation bond issuance expenses	2	-
Loss on disposal of property and equipment	0	0
Interest income	(13)	(6)
Interest expense	550	491
Decrease (Increase) in tenant receivables	14	(16)
(Increase)Decrease in consumption tax refund receivables	(7)	153
(Decrease)Increase in consumption tax payable	(164)	164
(Decrease)Increase in accounts payable	(54)	154
Increase in rent received in advance	74	14
Other, net	(23)	(7)
Total	3,940	4,343
Interest received	13	7
Interest paid	(534)	(475)
Income taxes paid	(2)	(2)
Net cash provided by operating activities	3,417	3,873
Cash flows from investing activities:		
Payments for purchases of property and equipment	(1,446)	(8)
Payments for purchases of property and equipment held in trust	(8,731)	(77)
Payments for purchases of intangible assets held in trust	(5)	-
Proceeds from lease deposits	29	-
Proceeds from tenant leasehold and security deposits	54	54
Payments for tenant leasehold and security deposits	(40)	(0)
Proceeds from tenant leasehold and security deposits held in trust	515	309
Payments for tenant leasehold and security deposits held in trust	(70)	(351)
Payments for restricted deposits with banks held in trust	(515)	(309)
Proceeds from restricted deposits with banks held in trust	70	351
Net cash used in investing activities	(10,139)	(31)
Cash flows from financing activities:		
Proceeds from short-term debt	8,920	400
Repayment of short-term debt	(15,720)	(400)
Proceeds from long-term debt	5,000	5,000
Repayment of long-term debt	-	(5,000)
Proceeds from investment corporation bonds	9,947	-
Payment of dividends	(2,442)	(2,406)
Net cash provided by(used in) financing activities	5,705	(2,406)
Net change in cash and cash equivalents	(1,017)	1,436
Cash and cash equivalents at beginning of period	4,581	3,145
Cash and cash equivalents at end of period	¥ 3,564	¥ 4,581

TOKYU REIT, Inc.
Notes to Financial Statements
For the six months ended January 31, 2008 and July 31, 2007

1. Organization and basis of presentation

(a) Organization

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

On September 10, 2003, TOKYU REIT was listed on the Tokyo Stock Exchange and issued 97,600 investment units for proceeds totaling ¥49,918 million through initial public offering. TOKYU REIT had acquired 11 properties with those proceeds and started its substantial operation.

In August 2004, TOKYU REIT completed its second public offering of 42,000 units and third party allotment of 2,000 units. Net proceeds totaling ¥27,743 million were utilized in the partial repayments of short-term loan and acquisition of additional 2 properties.

In August 2005, TOKYU REIT completed its third public offering of 26,700 units and third party allotment of 680 units. With net proceeds totaling ¥20,160 million, TOKYU REIT had repaid short-term debt and acquired 40% of trust beneficiary interest of cocoti.

As at January 31, 2008, TOKYU REIT's total capital has been ¥98,019 million with 169,380 units outstanding. And TOKYU REIT has been operating 20 properties at approximately 99.9% of occupancy rate. Total acquisition cost of those 20 properties is ¥181,677 million and total rentable area is 226,330.13 m².

(b) Basis of presentation

The financial statements of TOKYU REIT, which is incorporated in Japan, have been prepared in accordance with the provisions set forth in the Commercial Code of Japan, the Investment Trust Law, the Financial Instruments and Exchange Law(replaced the Securities and Exchange Law effective from September 30, 2007) and related regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards.

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

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

TOKYU REIT's first fiscal period began on June 20, 2003, the date of incorporation, and ended on January 31, 2004. TOKYU REIT's fiscal period is a six-month period, which ends respectively at the end of each January and July of each year. Prior period information in accompanying financial statements are disclosed for comparative purpose only

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

2. Significant accounting policies

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

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

	January 31, 2008	July 31, 2007 (information only)
	(years)	
Buildings and structures		
Buildings	2-50	2-50
Structures	2-52	2-52
Other tangible assets		
Machinery and equipment	3-17	3-17
Tools, furniture and fixtures	2-15	2-15

- (c) **Intangible assets** - Amortization is computed by using the straight-line method.
- (d) **Income taxes** - Income taxes are accounted for financial reporting purpose. The tax effect of temporary differences between the amount of assets and liabilities for financial statements and for income tax reporting is recognized as deferred taxes. A deferred tax asset of ¥ 19 thousand and ¥ 21 thousand are included in other current assets as of January 31, 2008 and July 31, 2007, respectively.
- (e) **Property-related taxes** - Property-related taxes (property tax, city planning tax and depreciable property tax) are imposed on property on a calendar year basis. The amount of such taxes assessed in the period is charged to income as rental service expenses. In accordance with Japanese business practice, at the time of disposal, the seller of the property is generally liable for property-related taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser of the property for the accrued property-related tax liabilities up to the time of disposal, and the amount of the settlement reflects this adjustment when acquiring a property. TOKYU REIT is allocated the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes totals ¥32 million for the six months ended January 31, 2008.
- (f) **Revenue recognition** - TOKYU REIT operates retail and office properties that are rented to tenants. Revenue from leasing the retail and office space is recognized on an accrual basis over the life of each lease. Rental revenue includes fixed rental revenues, recoveries of utility charges and other income.
- (g) **Accounting treatment of beneficiary interest in trust accounts, including real estate**- For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan and through which TOKYU REIT holds most of its property, all accounts of assets and liabilities within the trust, as well as all income generated and expenses incurred from assets and liabilities in the trust, are recognized in the balance sheet and income statement accounts.

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

- (h) **Net income per unit** - Net income per unit is computed by dividing net income by the weighted-average number of units outstanding during each period.
- (i) **Accounting standard for impairment of fixed assets** - Effective August 1, 2005, TOKYU REIT adopted "Accounting Standard for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council in Japan on August 9, 2002) and "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets" (the Financial Accounting Standard Implementation Guidance No.6 issued by the Accounting Standards Board of Japan on October 31, 2003) . The standard requires the recognition of an impairment loss on fixed assets whenever events or changes in circumstances indicate that the carrying amounts of fixed assets may not be recoverable.
- (j) **Accounting method for deferred assets** - Depreciation of investment corporation bond issuance expenses is calculated using the straight-line method at rates based on the redemption period of the respective bonds.
- (k) **Depreciation Method for Fixed Assets** - Following the 2007 Tax Reform in Japan, TOKYU REIT has discarded the use of residual values allowing fixed assets acquired on or after April 1, 2007 to be fully depreciated until the depreciation balance for each asset is ¥1 (memorandum value) over its useful life. As a result of this change, for the six months ended July 31, 2007, rental service expenses increased by ¥87 thousand compared with the previously used depreciation method.

Following the 2007 Tax Reform in Japan and effective from the six months ended January 31, 2008, TOKYU REIT depreciates fixed assets acquired on or before March 31, 2007 over 5 years using the straight-line method until the net balance for each asset is amounts to ¥1 (memorandum value). Depreciation method starts as soon as residual value falls to 5% of the acquisition price in accordance with the previous Corporation Tax Law.

As a result of this change, for the six months ended January 31, 2008, rental service expenses increased by ¥1,171 thousand compared with the previously used depreciation method.

3. Cash and cash equivalents

Cash and cash equivalents, at January 31, 2008 and July 31, 2007 consisted of the follows:

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Cash and deposits with banks	¥ 1,306	¥ 2,391
Cash and deposits with banks held in trust	12,158	11,646
Restricted deposits with banks held in trust	(9,900)	(9,456)
Cash and cash equivalents	¥ 3,564	¥ 4,581

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

4. Schedule of property and equipment and intangible assets held in trust

Property and equipment and intangible assets held in trust as of January 31, 2008 and July 31, 2007 consisted of the following:

January 31, 2008		July 31, 2007 (information only)			
(Millions of yen)					
Acquisition costs	Accumulated depreciation	Book value	Acquisition costs	Accumulated depreciation	Book value

Property and equipment
Buildings and structures

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

Buildings	¥ 3,446	¥ (334)	¥ 3,112	¥ 3,253	¥ (269)	¥ 2,984
Structures	17	(2)	15	17	(1)	16
Land	18,668	-	18,668	17,417	-	17,417
Other tangible assets						
Machinery and equipment	3	(3)	0	3	(2)	1
Tools, furniture and fixtures	12	(3)	9	10	(3)	7
Intangible assets	1	(0)	1	1	(0)	1
Property and equipment held in trust						
Buildings and structures						
Buildings	42,015	(6,427)	35,588	40,527	(5,601)	34,926
Structures	741	(169)	572	734	(148)	586
Land	119,544	-	119,544	112,481	-	112,481
Other tangible assets						
Machinery and equipment	792	(202)	590	721	(172)	549
Tools, furniture and fixtures	275	(131)	144	251	(121)	130
Intangible assets held in trust	22	(5)	17	17	(5)	12
Construction in progress held in trust	76	-	76	-	-	-
Total	<u>¥185,612</u>	<u>¥ (7,276)</u>	<u>¥178,336</u>	<u>¥175,432</u>	<u>¥ (6,322)</u>	<u>¥169,110</u>

5. Unitholders' equity

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

6. Short-term debt and Long-term debt

Short-term debt and long-term debt as of January 31, 2008 and July 31, 2007 consisted of the following:

	January 31, 2008	July 31, 2007 (information only)
	<u>(Millions of yen)</u>	
Short-term debt		
Unsecured loans due on September 25, 2007 with floating rate	¥ -	¥ 5,000
Unsecured loans due on April 28, 2008 with floating rate	-	3,000
Unsecured loans due on September 29, 2008 with floating rate	-	7,300
Unsecured loans due on October 31, 2008 with floating rate	5,000	5,000
Unsecured loans due on January 31, 2009 with floating rate	8,500	-
Sub total	<u>13,500</u>	<u>20,300</u>
Long-term debt		
Unsecured loans due on June 25, 2008 with fixed rate	5,000	5,000
Unsecured loans due on June 25, 2009 with fixed rate	10,000	10,000
Unsecured loans due on June 25, 2010 with fixed rate	3,000	3,000
Unsecured loans due on December 25, 2010 with fixed rate	5,000	5,000
Unsecured loans due on July 31, 2011 with fixed rate	4,000	4,000
Unsecured loans due on September 25, 2011 with fixed rate	5,000	-
Unsecured loans due on October 25, 2011 with fixed rate	1,000	1,000
Unsecured loans due on June 25, 2012 with fixed rate	4,000	4,000
Unsecured loans due on July 31, 2013 with fixed rate	4,000	4,000
Unsecured loans due on January 25, 2014 with fixed rate	4,000	4,000
Unsecured loans due on January 25, 2018 with fixed rate	5,000	5,000
Sub total	<u>50,000</u>	<u>45,000</u>
Total	<u>¥63,500</u>	<u>¥65,300</u>
Weighted average interest cost	<u>1.67%</u>	<u>1.52%</u>

On April 21, 2005, TOKYU REIT executed commitment line agreements which provide credit facilities totaling ¥2 billions with two banks. No amount has been drawn down as of January 31, 2008 and July 31, 2007.

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

7. Investment Corporation Bonds

The status of investment corporation bonds issued and outstanding as of January 31, 2008 and July 31, 2007 was as follows:

Name	Issue date	Balance as of January 31, 2008	Balance as of July 31, 2007 (information only)	Annual interest rate	Maturity date
		Millions of yen		(%)	
1 st Series Unsecured Investment Corporation Bond	October 24, 2007	¥ 5,000	—	1.65000	October 24, 2012
2 nd Series Unsecured Investment Corporation Bond	October 24, 2007	5,000	—	1.89000	October 24, 2014
Total		¥10,000	—		

8. Collateral pledged

The net book value pledged as collateral to secure tenant lease hold and security deposits of ¥4,821 million outstanding as of January 31, 2008 and July 31, 2007 were as follows:

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Property and equipment held in trust		
Buildings and structures		
Buildings	¥ 3,463	¥ 3,546
Structures	147	150
Land	5,586	5,586
Other tangible assets		
Tools, furniture and fixtures	0	0
Total	¥ 9,196	¥ 9,282

9. Rental revenue and expense

Rental revenues and expenses for the six months ended January 31, 2008 and July 31, 2007 were as follows:

	For the six months ended	
	January 31, 2008	July 31, 2007 (information only)
(Millions of yen)		
Revenue from property leasing:		
Rental revenue:		
Rental revenue	¥ 5,142	¥ 5,047
Common area charges	648	648
Parking lot revenue under monthly contract	139	139
Other	388	391
Sub total	6,317	6,225
Other:		
Incidental income	457	431
Other	58	69
Sub total	515	500
Total revenue from property leasing	(a) 6,832	6,725
Rental service expenses:		
Utilities expenses	549	521
Subcontract expenses	414	414
Property management fees	150	144
Repairs and maintenance expenses	120	88

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

Property-related taxes	539	548
Insurance premium	17	17
Depreciation and amortization	957	952
Loss on disposal of property and equipment	0	0
Other	219	236
Total rental service expenses	(b) 2,965	2,920
Operating income from property leasing activities	(a)-(b) ¥ 3,867	¥ 3,805

10. Income taxes

Income taxes in Japan applicable to TOKYU REIT consist of corporate income tax, enterprise tax and inhabitant tax. The following is reconciliation between the statutory income tax rate in Japan and the effective tax rate reflected in the accompanying financial statements for the six months ended January 31, 2008 and July 31, 2007.

	January 31, 2008	July 31, 2007 (information only)
Statutory income tax rate	39.39%	39.39%
Deductible cash distributions	(39.37)	(39.37)
Other	0.02	0.02
Effective tax rate	0.04%	0.04%

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

11. Per unit information

The following table summarizes the net income per unit for the six months ended January 31, 2008 and July 31, 2007 and the unitholders' equity per unit as of January 31, 2008 and July 31, 2007.

	For the six months ended	
	January 31, 2008	July 31, 2007 (information only)
Net income per unit	¥ 15,363	¥ 14,427
Weighted-average number of units ※1	169,380 units	169,380 units
※1 Average number of units weighed by days in each fiscal period.		
	As of January 31, 2008 As of July 31, 2007 (information only)	
Unitholders' equity per unit	¥ 594,061	¥ 593,124

Diluted net income per unit is not presented since no warrants and convertible bonds were issued during the six months ended January 31, 2008 and July 31, 2007.

12. Leases

TOKYU REIT leases its properties to tenants under non-cancelable operating leases. As of January 31, 2008 and July 31, 2007, the future lease revenues under the non-cancelable operating leases were as follows:

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	

TOKYU REIT, Inc.

Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

Due within one year	¥ 5,703	¥ 5,614
Due after one year	30,614	31,367
Total	¥36,317	¥36,981

As of January 31, 2008 and July 31, 2007, the future lease payments under the non-cancelable operating leases were as follows:

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Due within one year	¥ 146	¥ 257
Due after one year	2,206	2,266
Total	¥2,352	¥2,523

13. The financial results of each property (Unaudited)

Details on the financial results of each property for the six months ended January 31, 2008 and July 31, 2007 were as follows: (Unaudited)

For the six months ended January 31, 2008

Name of building	Revenue from property leasing	Property leasing expenses (*1)	NOI (*2)	Depreciation and amortization (*3)	Operating income from property leasing activities
	Millions of yen				
R QFRONT	¥ 611	¥ 241	¥ 370	¥ 59	¥ 311
R Lexington Aoyama	168	31	137	7	130
R TOKYU REIT Omotesando Square	193	34	159	8	151
R Tokyu Saginuma Building	310	67	243	26	217
R Tokyu Saginuma 2 Building	65	15	50	8	42
R TOKYU REIT Shibuya Udagawa-cho Square	169	18	151	5	146
R Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	58	242	86	156
R cocoti	729	183	546	165	381
R Shonan Mall Fill (Sokochi)	174	25	149	-	149
R CONZE Ebisu	141	36	105	18	87
O Setagaya Business Square	1,316	530	786	251	535
O Tokyu Nampeidai-cho Building	182	35	147	30	117
O Tokyu Sakuragaoka-cho Building	254	49	205	20	185
O Tokyo Nissan Taito Building	238	70	168	51	117
O TOKYU REIT Akasaka Hinokicho Building	151	38	113	10	103
O TOKYU REIT Kamata Building	272	95	177	54	123
O Resona Maruha Building	854	228	626	61	565
O TOKYU REIT Toranomom Building	482	178	304	44	260
O TOKYU REIT Hatchobori Building	222	62	160	48	112
O Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	1	15	(14)	6	(20)
Total	¥ 6,832	¥ 2,008	¥ 4,824	¥ 957	¥ 3,867

For the six months ended July 31, 2007 (information only)

Name of building	Revenue from property leasing	Property leasing expenses (*1)	NOI (*2)	Depreciation and amortization (*3)	Operating income from property leasing activities
	Millions of yen				
R QFRONT	¥ 608	¥ 235	¥ 373	¥ 59	¥ 314
R Lexington Aoyama	168	26	142	7	135
R TOKYU REIT Omotesando Square	187	32	155	7	148
R Tokyu Saginuma Building	310	62	248	26	222
R Tokyu Saginuma 2 Building	65	14	51	8	43

TOKYU REIT, Inc.
Notes to Financial Statements, continued

For the six months ended January 31, 2008 and July 31, 2007

R	TOKYU REIT Shibuya Udagawa-cho Square	168	19	149	5	144
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	300	56	244	96	148
R	cocoti	717	167	550	165	385
R	Shonan Mall Fill (Sokochi)	174	25	149	-	149
R	CONZE Ebisu	139	36	103	18	85
O	Setagaya Business Square	1,293	523	770	249	521
O	Tokyu Nampeidai-cho Building	182	35	147	30	117
O	Tokyu Sakuragaoka-cho Building	254	52	202	19	183
O	Tokyo Nissan Taito Building	234	76	158	51	107
O	TOKYU REIT Akasaka Hinokicho Building	150	36	114	9	105
O	TOKYU REIT Kamata Building	252	101	151	53	98
O	Resona Maruha Building	842	221	621	61	560
O	TOKYU REIT Toranomom Building	470	196	274	41	233
O	TOKYU REIT Hatchobori Building	212	56	156	48	108
	Total	¥ 6,725	¥ 1,968	¥ 4,757	¥ 952	¥ 3,805

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

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

(Note 3) Depreciation and amortization include Loss on disposal of property and equipment.

14. Related party transactions

Masahiro Horie, who holds no voting units of TOKYU REIT, is executive director of TOKYU REIT and Representative Director & President, Chief Executive Officer of Tokyu Real Estate Investment Management. Tokyu Real Estate Investment Management, Inc. has entered into asset management agreement subject to the conditions set forth in the TOKYU REIT's articles of incorporation with TOKYU REIT. The amount of management fees incurred for the six months ended January 31, 2008 and July 31, 2007 and payable due to asset manager as of then were as follows:

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Asset management fees for the period	¥ 579	¥ 753
Management fees payable due to asset manager	261	463

15. Distribution information

The Board of Directors of TOKYU REIT resolved on March 14, 2008 and September 13, 2007 to effect payment of cash distributions of ¥15,364 and ¥14,427 per unit to unitholders of record on January 31, 2008 and July 31, 2007, respectively. Retained earnings carried forward after the distributions are as follows:

	January 31, 2008	July 31, 2007 (information only)
	(Millions of yen)	
Retained earnings at end of period	¥ 2,603	¥ 2,444
Cash distributions declared	2,603	2,444
Retained earnings carried forward	¥ 0	¥ 0

TOKYU REIT, Inc.

Notes to Financial Statements, continued

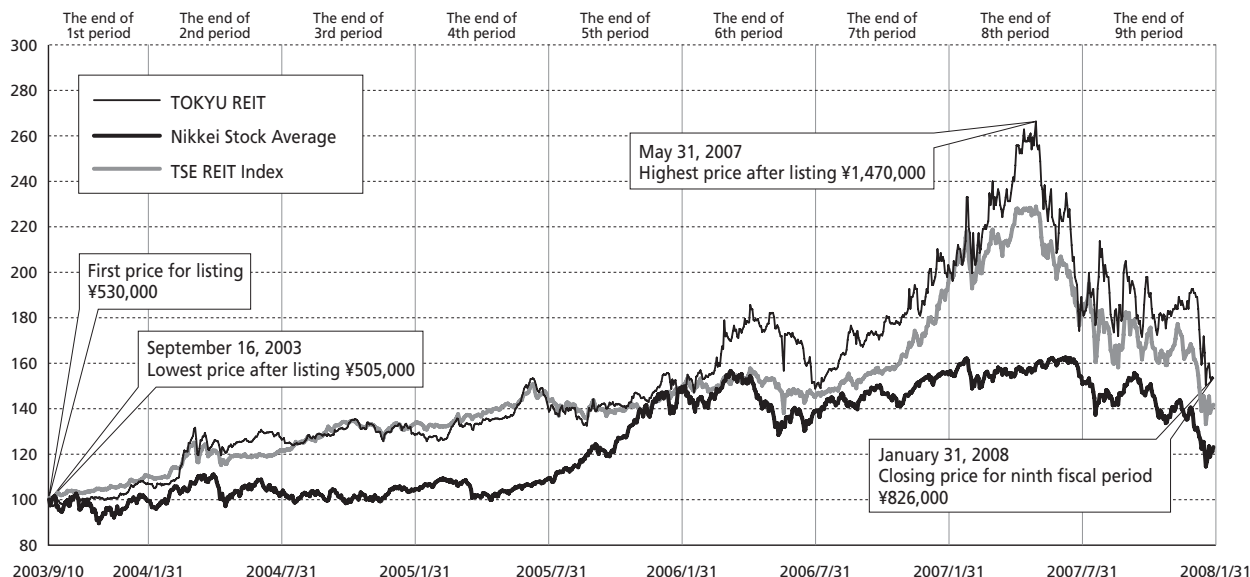
For the six months ended January 31, 2008 and July 31, 2007

16. Subsequent event

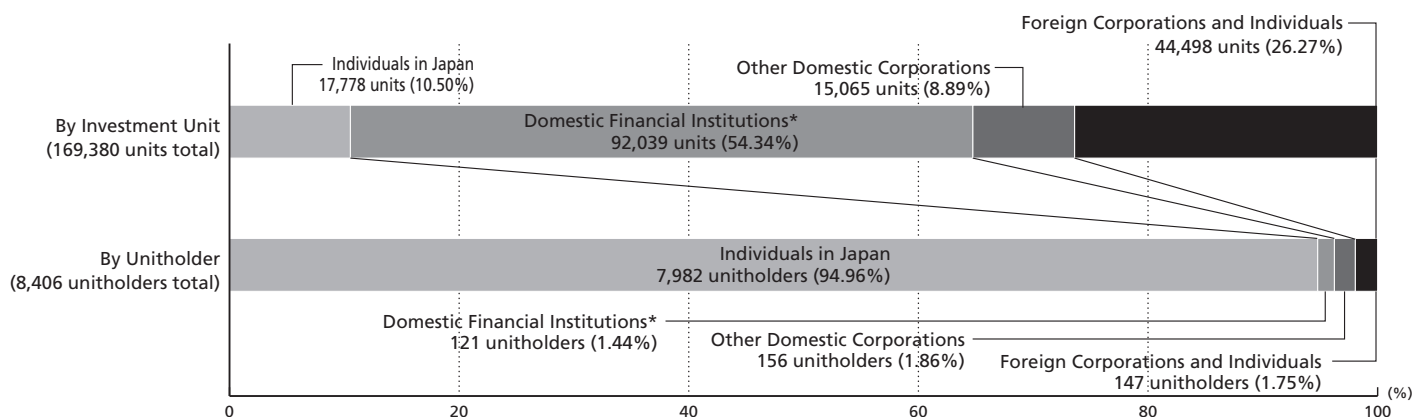
TOKYU REIT is not aware of any circumstances that may have a material impact on TOKYU REIT's financial position after the ninth fiscal period end.

Unitholder Information

Unit Price Chart



Unitholder Composition



* Securities companies are classified into "Other Domestic Corporations."

Results Reporting Schedule

	9th Period	10th Period
Date of settlement	Jan. 31, 2008	Jul. 31, 2008
Announcement of financial results	Mar. 14, 2008	Mid Sep. 2008
Delivery of asset management report (Japan only)	Apr. 10, 2008	Mid Oct. 2008
Payment of dividends	Apr. 11, 2008	Mid Oct. 2008

Address

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

Established

June 20, 2003

Executive Director

Masahiro Horie

Supervisory Directors

Giichi Yanagisawa

Maruhito Kondo

Independent Auditors

PricewaterhouseCoopers Aarata

1-5-1, Marunouchi, Chiyoda-Ku, Tokyo

Date of Settlement

Annually on January 31 and July 31

Unitholders' General Meeting

More than once every two years

Date for Finalizing General Meeting Voting Rights

As designated under Article 13 of the by-laws

Date for Determining Dividend Payments

Annually on January 31 and July 31

(Dividends paid within three months of each date)

The Administrator of the Register of Unitholders

The Mitsubishi UFJ Trust and Banking Corporation

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

Transfer Agent Head Business Office

The Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

Contact · Address

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

Tel: 0120-232-7111 (toll free number: Japan only)

Transfer Agent Locations

Nationwide branches of The Mitsubishi UFJ Trust and Banking Corporation

Nationwide head office and branch offices of Nomura Securities Co., Ltd.

Listing

Tokyo Stock Exchange (8957)

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

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

The date on which payment commenced for the third fiscal period (ended January 31, 2005) is on April 13, 2005 and for the fourth fiscal period (ended July 31, 2005) is on October 13, 2005.

Investment Management Company

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

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

Disclaimer

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

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

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

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

■ The information in this report without description of dates is as of January 31, 2008.

TOKYU REIT

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