

September 12, 2008

FINANCIAL REPORT

FOR THE TENTH FISCAL PERIOD ENDED JULY 31, 2008

TOKYU REIT, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8957.

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

Contact: Tokyu Real Estate Investment Management Inc. (Investment Management Company)
Masahiro Horie, Representative Director & President, Chief Executive Officer
Yosuke Koi, Chief Financial Officer & General Manager, Investor Relations
Tel: +81-3-5428-5828

Planned start of dividend payments: October 10, 2008

This financial report has been prepared in accordance with Japanese accounting standards and Japanese law.

Figures have been rounded down to eliminate amounts of less than one million yen.

PERFORMANCE FOR THE TENTH FISCAL PERIOD (FEBRUARY 1, 2008 – JULY 31, 2008)

(1) Business Results

Percentage change shows the increase and decrease ratio to the previous period.

	Operating Revenues		Operating Income		Ordinary Income	
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)
Tenth Fiscal Period	7,336	7.4	3,489	10.7	2,805	7.8
Ninth Fiscal Period	6,831	1.5	3,152	7.5	2,603	6.5

	Net Income		Net Income per Unit	Return on Unitholders' Equity (ROE)	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	(Millions of Yen)	(%)	(Yen)	(%)	(%)	(%)
Tenth Fiscal Period	2,804	7.8	16,559	2.8	1.4	38.2
Ninth Fiscal Period	2,602	6.5	15,363	2.6	1.4	38.1

(2) Distributions

	Distribution per Unit	Total Distributions	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	(Yen)	(Millions of Yen)	(Yen)	(Millions of Yen)	(%)	(%)
Tenth Fiscal Period	16,560	2,804	0	—	100.0	2.8
Ninth Fiscal Period	15,364	2,602	0	—	100.0	2.6

Note: The payout ratio is rounded down to the nearest first decimal place.

(3) Financial Position

	Total Assets	Unitholders' Equity	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Tenth Fiscal Period	218,205	100,824	46.2%	595,257
Ninth Fiscal Period	193,080	100,622	52.1%	594,061

Reference: Unitholders' Equity for the tenth fiscal period: 100,824 million yen and for the ninth fiscal period: 100,622 million yen

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of Period
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Tenth Fiscal Period	3,611	-23,986	20,899	4,088
Ninth Fiscal Period	3,418	-10,139	5,704	3,564

**FORECAST OF RESULTS FOR ELEVENTH FISCAL PERIOD (AUGUST 1, 2008 – JANUARY 31, 2009)
AND TWELFTH FISCAL PERIOD (FEBRUARY 1, 2009 – JULY 31, 2009)**

Percentage change shows the increase and decrease ratio to the previous period.

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution Per Unit	Distribution in Excess of Earnings per Unit
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Yen)	(Yen)
Eleventh Fiscal Period	7,651	4.3	3,563	2.1	2,677	-4.6	2,676	-4.6	15,800	0
Twelfth Fiscal Period	7,495	-2.0	3,420	-4.0	2,541	-5.1	2,540	-5.1	15,000	0

Reference: Estimated net income per unit for the eleventh fiscal period: ¥15,800

Estimated net income per unit for the twelfth fiscal period: ¥15,000

OTHERS

(1) Changes in Account Policies

Changes according to revision of account standard: No

Changes according to another reason: No

(2) The number of investment units outstanding

The number of investment units outstanding totaled 169,380 units as of January 31, 2008 and July 31, 2008.

No investment unit is held by TOKYU REIT itself as of January 31, 2008 and July 31, 2008.

Notes:

Forecasts presented in this document are based on “Assumptions for Forecasts for the Eleventh Fiscal Period (from August 1, 2008 to January 31, 2009) and for the Twelfth Fiscal Period (from February 1, 2009 to July 31, 2009)” identified in the separate reference attached. Forecasts for operating revenues, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may differ significantly from actual results due to changes in operating conditions and a variety of factors. Accordingly, TOKYU REIT does not guarantee any distribution amount.

This is an English translation of the captioned report. This translation is prepared and provided for readers' convenience. All readers are recommended to refer to the original version in Japanese of the report for complete and accurate information.

Assumptions for Forecasts for the Eleventh Fiscal Period (from August 1, 2008 to January 31, 2009) and the Twelfth Fiscal Period (from February 1, 2009 to July 31, 2009)

Forecasts for operating revenues, operating income, ordinary income, net income, distribution per unit and distributions in excess of earnings per unit for the eleventh fiscal period (from August 1, 2008 to January 31, 2009) and the twelfth fiscal period (from February 1, 2009 to July 31, 2009) are based on the following preconditions and assumptions. If major discrepancies between the following assumptions and initial forecast are found, and if they may cause a certain level of change in forecast figures displayed above, a revised forecast shall be drafted and announced immediately.

	Preconditions and Assumptions
Property portfolio	<ul style="list-style-type: none"> Forecasts are based on the assumption that there will be no change in the property portfolio as of July 31, 2008 (including the addition of new properties and removal of existing properties from the initial portfolio) of 23 properties by the end of the twelfth fiscal period.
Operating revenues	<ul style="list-style-type: none"> Rental revenues are calculated based on lease agreements effective as of the issuance date of this document. For tenants, announced lease cancellation by the issuance date of this document is considered as vacant during the period from the cancellation date to the end of the twelfth fiscal period. Average leasing rates are calculated based on those for competitive properties located in the same areas and exhibiting the same market trends. Forecasts are based on the assumption that there is no payment delay or nonpayment of tenants.
Operating expenses	<ul style="list-style-type: none"> Repair, maintenance and renovation expenses for buildings are calculated based on amounts considered essential for the eleventh and twelfth fiscal periods. Actual repair, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies. Depreciation and amortization expenses, including associated costs and additional capital expenditure in the future, are calculated based on the straight-line method (eleventh fiscal period: approximately 1,039 million).
Debt financing	<ul style="list-style-type: none"> LTV as of the end of the eleventh fiscal period is projected to be 44.4%. LTV: Interest-bearing debt (forecast) / total assets (forecast) (LTV as of July 31, 2008: 44.5%)
Investment units	<ul style="list-style-type: none"> TOKYU REIT has 169,380 investment units issued and outstanding as of July 31, 2008.
Distribution per unit	<ul style="list-style-type: none"> Distribution per unit is calculated based on the distribution policy stipulated in the Articles of Incorporation. Calculations are based on a 100% distribution of retained earnings.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> TOKYU REIT does not currently anticipate distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> Forecasts are based on the assumption that any major revisions to regulatory requirements, accounting standards and taxation will not impact forecast figures. Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.