

March 15, 2010

## FINANCIAL REPORT

### FOR THE THIRTEENTH FISCAL PERIOD ENDED January 31, 2010

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

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

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

Planned start of dividend payments: April 12, 2010

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 THIRTEENTH FISCAL PERIOD (AUGUST 1, 2009 – JANUARY 31, 2010)

**(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)	(%)
<b>Thirteenth Fiscal Period</b>	<b>25,359</b>	<b>239.0</b>	<b>14,374</b>	<b>313.5</b>	<b>13,457</b>	<b>412.2</b>
Twelfth Fiscal Period	7,479	-2.1	3,475	-3.3	2,627	-4.8

	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)	(%)	(%)	(%)
<b>Thirteenth Fiscal Period</b>	<b>13,456</b>	<b>412.4</b>	<b>79,445</b>	<b>12.7</b>	<b>6.1</b>	<b>53.1</b>
Twelfth Fiscal Period	2,626	-4.8	15,505	2.6	1.2	35.1

**(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)	(%)	(%)
<b>Thirteenth Fiscal Period</b>	<b>79,446</b>	<b>13,456</b>	<b>0</b>	<b>—</b>	<b>100.0</b>	<b>12.7</b>
Twelfth Fiscal Period	15,505	2,626	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)
<b>Thirteenth Fiscal Period</b>	<b>225,299</b>	<b>111,476</b>	<b>49.5%</b>	<b>658,143</b>
Twelfth Fiscal Period	217,200	100,646	46.3%	594,202

Reference: Unitholders' Equity for the thirteenth fiscal period: 111,476 million yen and for the twelfth fiscal period: 100,646 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)
<b>Thirteenth Fiscal Period</b>	<b>53,519</b>	<b>-620</b>	<b>-2,624</b>	<b>54,656</b>
Twelfth Fiscal Period	3,627	-393	-2,754	4,381

**FORECAST OF RESULTS FOR FOURTEENTH FISCAL PERIOD (FEBRUARY 1, 2010 – JULY 31, 2010)  
AND FIFTEENTH FISCAL PERIOD (AUGUST 1, 2010 – JANUARY 31, 2011)**

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)
Fourteenth Fiscal Period	6,264	-75.3	2,716	-81.1	1,864	-86.1	1,863	-86.2	11,000	0
Fifteenth Fiscal Period	6,022	-3.9	2,546	-6.3	1,694	-9.1	1,693	-9.1	10,000	0

Reference: Estimated net income per unit for the fourteenth fiscal period: ¥11,000

Estimated net income per unit for the fifteenth fiscal period: ¥10,000

**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 July 31, 2009 and January 31, 2010.

No investment unit is held by TOKYU REIT itself as of July 31, 2009 and January 31, 2010.

## Notes:

Forecasts presented in this document are based on “Assumptions for Forecasts for the Fourteenth Fiscal Period (from February 1, 2010 to July 31, 2010) and the Fifteenth Fiscal Period (from August 1, 2010 – January 31, 2011)” identified in the separate reference attached. Forecasts for operating revenues, operating income, 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.

## Assumptions for Forecasts for the Fourteenth Fiscal Period (from February 1, 2010 to July 31, 2010) and the Fifteenth Fiscal Period (from August 1, 2010 to January 31, 2011)

The forecasts of results for the Fourteenth Fiscal Period (from February 1, 2010 to July 31, 2010) and the Fifteenth Fiscal Period (from August 1, 2010 to January 31, 2011) diverge substantially from the results for the Thirteenth Fiscal Period (from August 1, 2009 to January 31, 2010). Underlying such a substantial divergence are several actions that TOKYU REIT took during the Thirteenth Fiscal Period. First, TOKYU REIT sold the Ryoshin Harajuku Building for ¥8,400 million with the aim of eliminating the risk of applying impairment accounting for this property. The sale of the Ryoshin Harajuku Building resulted in a loss on sale totaling ¥7,179 million. Second, TOKYU REIT also sold the Resona Maruha Building for ¥42,000 million to secure the maximum profit generated by the property. The sale of the Resona Maruha Building resulted in a gain on sale totaling ¥18,258 million. Finally, TOKYU REIT returned ¥11,079 million—the sum of the loss and gain from the sales of the two properties—to unitholders as cash dividends for the per-unit amount of ¥79,446.

TOKYU REIT will use the cash reserve collected and retained following the two properties' sales for the acquisition of new properties. For example, TOKYU REIT plans to complete the acquisition of a property on March 19, 2010. On March 15, 2010, we concluded an agreement concerning the transaction of the trust beneficial interest relating to this property. We have included this new portfolio property in the assumptions of forecast results for the Fourteenth Fiscal Period and the Fifteenth Fiscal Period.

Forecasts for operating revenues, operating income, ordinary income, net income, distribution per unit and distributions in excess of earnings per unit for the fourteenth fiscal period (from February 1, 2010 to July 31, 2010) and the fifteenth fiscal period (from August 1, 2010 to January 31, 2010) 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"> <li>It is assumed that there will be no transfers (new properties added or existing properties removed from the initial portfolio, etc.) by the end of the Fifteenth Fiscal Period (January 31, 2011) from the 22 properties, which include the new property, along with the 21 properties owned by the Investment Corporation as of January 31, 2010.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>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 fifteenth 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.</li> <li>Occupancy Rates as of the end of the 14th fiscal period and the end of the 15th fiscal period are projected to be 95.8% and 95.7%, respectively.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Outsourcing expenses for the fourteenth and fifteenth fiscal periods are projected to be ¥423 million and ¥425 million, respectively.</li> <li>Repair, maintenance and renovation expenses for buildings for the fourteenth and fifteenth fiscal periods are projected to be ¥185 million and ¥183 million, respectively. Actual repair, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>Property and other taxes, such as fixed property tax and city planning tax TOKYU REIT possesses are calculated based on the amount expected to be imposed in each fiscal period (fourteenth fiscal period: ¥516 million / fifteenth fiscal period: ¥509 million). Fixed property tax and other taxes paid as part of the purchase prices to the seller upon the property acquisition were not recorded as expenses but included in the relevant property acquisition costs. Property and other taxes for the fourteenth period is projected 22 million.</li> <li>Depreciation and amortization expenses, including associated costs and additional capital expenditure in the future, are calculated based on the straight-line method (fourteenth fiscal period: approximately 948 million / fifteenth fiscal period approximately 963 million).</li> <li>Rental expenses other than those listed above were calculated in consideration of fluctuation factors based on results in past fiscal periods.</li> <li>Operating expenses other than expenses from real estate operation (investment management fees and asset custodian fees, etc.) for the fourteenth and fifteenth fiscal periods are expected to be ¥572 million and ¥566 million, respectively.</li> </ul>
Debt financing	<ul style="list-style-type: none"> <li>With debt financing (short-term debt financing of ¥7,000 million and long-term debt financing of ¥12,000 million) repayment dates approaching in the Fourteenth and Fifteenth Fiscal Periods, it is assumed that the short-term debt financing of ¥7,000 million will be repaid with cash reserves and the entire long-term debt financing of ¥12,000 million will be refinanced. There is no investment corporation bonds maturing during the fourteenth fiscal period and the fifteenth fiscal period.</li> <li>LTVs as of the end of the fourteenth fiscal period and the end of the fifteenth fiscal period are projected to be 43.6% and 43.7%, respectively. LTV: Interest-bearing debt (forecast) / total assets (forecast)</li> <li>Interest expenses for the fourteenth and fifteenth fiscal periods are expected to be ¥859 million and ¥856 million, respectively. Interest expenses include interest expense, interest expense on investment corporation bonds, interest expense on security deposits and other financial expenses.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>TOKYU REIT has 169,380 investment units issued and outstanding as of January 31, 2010.</li> </ul>

Distribution per unit	<ul style="list-style-type: none"> <li>● 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.</li> <li>● It is possible that the distribution per unit could change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>● TOKYU REIT does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>● Forecasts are based on the assumption that any major revisions to regulatory requirements, accounting standards and taxation will not impact forecast figures.</li> <li>● Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations.

This notice is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese notice shall prevail in the event of any discrepancies between the translation and the Japanese original.