

Forecast (Announced at March 25, 2010)

14th Period (Ending Jul. 2010) Estimates

■ **Projected EPS: ¥11,900 (change from 13th period ¥ 67,546)**

➢ Net Income: ¥2,015 million	change from 13 th period	¥ - 11,441 million (profit decrease)
□ Revenues and Loss on sale of real estate	change from 13 th period	¥ - 11,079 million (profit decrease)
□ Leasing Operations Profit	change from 13 th period	¥ - 513 million (profit decrease)
✓ 2 properties sold	¥ - 596 million	
✓ Kojimachi Square acquired	¥ 150 million	
✓ ORIX Shinjuku Building acquired	¥ 158 million	
✓ Existing 21 properties	¥ - 225 million	
● Rental Revenue decrease	¥ - 199 million	
● Cancellation Fee	¥ 131 million (QFRONT)	
● Repair Cost increase	¥ - 62 million	
□ Investment Management Fee	¥ 103 million (cost decrease)	
□ Non-Operating Expense	¥ 65 million (cost decrease) etc. (Interest expense decrease: ¥ 32 million)	

* Rental Revenue decreased due to sale of property and cancellations/rate reductions

* Kojimachi Square acquired in March 19, 2010

* ORIX Shinjuku Building acquired in March 26, 2010

* Forecast does not include New Lease Contract (non contracted)

■ **LTV / Total Assets: 43.5% LT Debt Ratio: 100% Period End Occupancy Estimate: 96.6%**

15th Period (Ending Jan. 2011) Estimates

■ **Projected EPS: ¥11,200**

➢ Operating Income: ¥6,330 million Recurring Profit: ¥1,898 million Net Income: ¥1,897 million

■ **LTV / Total Assets: 43.6% LT Debt Ratio: 100% Period End Occupancy Estimate: 96.5%**

* Tenants submitting their notice of cancellation are expected to leave vacancies up until and past the 15th period. In addition, rent level factors in the effect of the recent deterioration in the real estate market.

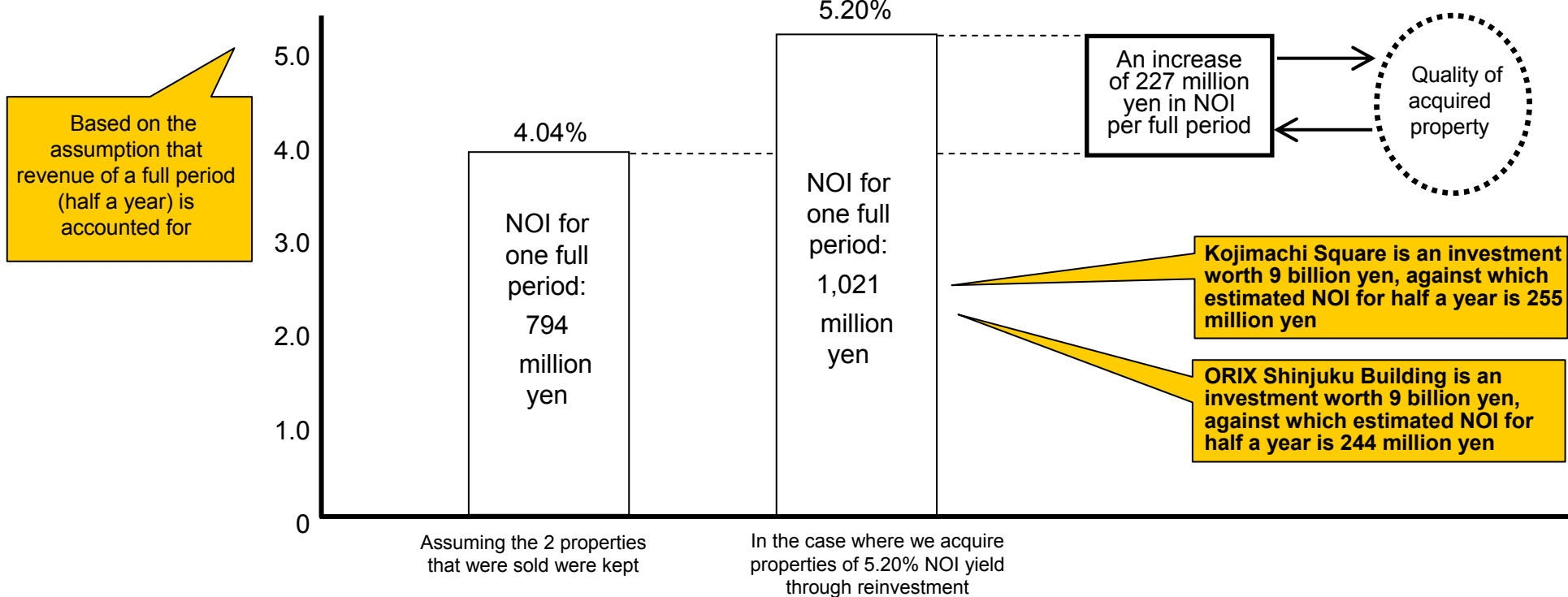
* LTV / Total Assets (Period End) = Expected Period End Interest-Bearing Debt / Expected Period End Total Assets

* Comments by Tokyu REIM

Reinvestment Simulation (Announced at March 25, 2010)

Ryoshin Harajuku Building book value 15.5 billion yen (39.6%)	Source of funds for reinvestment 39.2 billion yen (100%)
Resona Maruha Building book value 23.7 billion yen (60.4%)	

Expected NOI Yield (%)



*This page represents the view of Tokyu REIM.

Acquisition of ORIX Shinjuku Building (Announced at March 25, 2010)

1. Summary

- **Type of Acquisition:** Real estate
- **Use:** Office
- **Tenants:** ORIX Corporation,
DAIDO LIFE INSURANCE COMPANY, etc.
- **Location:** Shinjuku, Shinjuku-ku, Tokyo
Approximately a one-minute walk from Shinjuku- Sanhome
Station, Tokyo Metro Marunouchi and Fukutoshin Lines and
Toei Shinjuku Line
- **Total Land Area:** 1,113.87m²
- **Total Floor Area:** 8,720.09m²
- **Type of Ownership:** Land: Proprietary ownership
Building: Proprietary ownership
- **Acquisition Price:** 9,000 million yen
- **Appraisal Value
at Acquisition:** 9,790 million yen (as of February 1, 2010)
- **Overall Capitalization
Rate:** 4.50% (Direct capitalization method)
- **Completion Date:** May 2003 (Property age: 6.9 years)
- **Acquisition Date:** March 26, 2010
- **Seller:** ORIX JREIT Inc.



2. Characteristics and Issues

- **Strengths:** A one-minute walk from the nearest station, several train lines and stations nearby, competitive building specifications are competitive, relatively new, and high occupancy
- **Weaknesses:** Not gathering Office Buildings than Nishi-Shinjuku Area
- **Risk:** Fluctuation of rental revenues with changes in the real estate leasing market
- **Special Items:** Some of the hallways in the building are not as wide in some places as is required under laws and ordinances.
(TOKYU REIT has obtained assurances from the seller that it will swiftly rectify this problem.)
A compartmentalized land surface right has been set up for a portion of the property in conjunction with the construction of entrances and exits for a subway station on the Tokyo Metro Fukutoshin Line.

14th Period (7/2010) Forecast of Income Statement

(Announced at March 25, 2010)

in JPY mn

Item	14th Period(E) (Jul. 2010)		13th Period(A) (Jan. 2010)		Change
	金額	百分比	金額	百分比	金額
Total Operating Revenues (A)	6,483	100.0%	25,359	100.0%	△18,875
Revenues from Real Estate Operation (B)	6,483	100.0%	7,100	28.0%	△616
Rental Revenues	5,925	91.4%	6,601	26.0%	△676
Rent	5,444	84.0%	6,115	24.1%	△670
Parking Rent	130	2.0%	128	0.5%	1
Others	350	5.4%	358	1.4%	△7
Other Revenues	557	8.6%	498	2.0%	59
Incidental Revenues	389	6.0%	428	1.7%	△39
Other Revenues	168	2.6%	69	0.3%	98
Revenues on sale of real estate	—	—	18,258	72.0%	△18,258
Total Operating Expenses (C)	3,615	55.8%	10,985	43.3%	△7,369
Expenses from Real Estate Operation (D)	3,037	46.8%	3,140	12.4%	△103
Expenses	2,025	31.2%	2,121	8.4%	△95
Utility Charges	517	8.0%	519	2.0%	△2
Building Management Costs	431	6.7%	454	1.8%	△24
Property Management Expenses	139	2.1%	155	0.6%	△16
Repairs and Maintenance	188	2.9%	129	0.5%	58
Property and other Taxes	516	8.0%	619	2.4%	△102
Insurance Expenses	14	0.2%	17	0.1%	△2
Other Operating Expenses	218	3.4%	225	0.9%	△6
Depreciation (E)	976	15.1%	1,019	4.0%	△42
Loss from the Removal of Fixed Assets (F)	35	0.5%	0	0.0%	34
Loss on sale of real estate	—	—	7,179	28.3%	△7,179
Other Operating Expenses	578	8.9%	664	2.6%	△86
Investment Management Fee	434	6.7%	538	2.1%	△103
Net Operating Income (G)=(B)-(D)	3,446	53.2%	3,959	15.6%	△513
Operating Profits (A)-(C)	2,867	44.2%	14,374	56.7%	△11,506
Non-Operating Revenues	7	0.1%	7	0.0%	0
Non-Operating Expenses	858	13.2%	924	3.6%	△65
Interest Expenses	808	12.5%	840	3.3%	△32
Others	50	0.8%	83	0.3%	△32
Recurring Profits	2,016	31.1%	13,457	53.1%	△11,440
Income Before Income Taxes	2,016	31.1%	13,457	53.1%	△11,440
Corporate Tax Adjustment	1	0.0%	0	0.0%	0
Net Income	2,015	31.1%	13,456	53.1%	△11,440
Dividend per Unit	11,900		79,446		△67,546
Operating NOI (G)+(F)+(E)	4,457	68.8%	4,978	70.1%	△520
NOI Return (NOI/Average Total Asset)	4.96%		4.91%		0.06pts

Underlying Conditions

(Asset)

23 properties, which is the sum of 21 properties held as of January 31, 2010 and Kojimachi Square acquired on March 19, 2010 and ORIX Shinjuku building acquired on March 26, 2010

(Operating Revenue)

Basically, based on the leasing contract being effective as of March 19, 2010, and additionally, incorporated recent decline of leasing market, etc.

(Debt financing)

7 billion yen of short-term borrowings whose repayment date is approaching will be repaid using cash on hand, while all 7 billion yen of long-term borrowings will be refinanced

14th Period (7/2010) Forecast of Balance Sheet

(Announced at March 25, 2010)

in JPY mn

Item	14th Period(E) (Jul. 2010)	13th Period(A) (Jan. 2010)	Change
Total Assets	207,051	225,299	△18,247
Current Assets	27,219	63,149	△35,930
Fixed Assets	179,803	162,117	17,686
Differed Assets	28	32	△4
Total Liabilities	107,016	113,823	△6,806
Short-term Borrowings	—	7,000	△7,000
Long-term Borrowings maturing within a year	15,000	12,000	3,000
Investment Corporation Bonds	10,000	10,000	—
Long-term Borrowings	65,000	68,000	△3,000
Leasehold and Security Deposits Received	14,916	14,502	414
Others	2,099	2,321	△221
Total Unitholder's Equity	100,035	111,476	△11,440
Total Unitholder's Capital	98,019	98,019	—
Retained Earnings	2,015	13,456	△11,440

LTV at the end of fiscal period

Interest Bearing Debt / Total Asset	43.5%	43.1%	0.4pts
(Interest Bearing Debt + Security Deposit)/(Total estimated latest appraisal value of specified assets+ Balance of Cash and Deposits with Banks at End of Period)	46.3%	45.8%	0.5pts

(Reference Information)

Average Total Asset for the Period	181,132	201,328	△20,195
------------------------------------	---------	---------	----------------