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For Immediate Release

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Notice Concerning Acquisition of Property (Additional Ownership)

TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to acquire additional ownership in a property. Brief details are as follows.

1. Additional Acquisition Details

- | | | |
|-----|-----------------------------|---|
| (1) | Type of Acquisition: | Real Estate |
| (2) | Property Name: | TOKYU REIT Toranomom Building |
| | | ① Building area: 201, 202 |
| | | Land: Site rights (<i>shikichi-ken</i>): 1,728.38 m ²
Interest: 8,579 / 100,000 |
| | | Building: Compartmentalized ownership floor space: 865.14 m ²
Interest in registered exclusive area ownership: approx. 7.1% |
| | | ② Building area: 203 |
| | | Land: Site rights (<i>shikichi-ken</i>): 1,728.38 m ²
Interest: 1,322 / 100,000 |
| | | Building: Compartmentalized ownership floor space: 139.93 m ²
Interest in registered exclusive area ownership: approx. 1.1% |
| | | (Please refer to Attachment 4 for details) |
| (3) | Acquisition Price: | ① ¥ 1,100,000,000 |
| | | ② ¥ 200,000,000 |
| | | (Excluding acquisition-related costs, property tax, city planning tax and consumption tax) |
| (4) | Contract Date: | September 21, 2007 (Friday) |
| (5) | Scheduled Acquisition Date: | September 21, 2007 (Friday) |
| (6) | Seller: | ① Fujita Kanko Inc. |
| | | ② Four individuals |
| (7) | Financing: | Cash on hand |

2. Rationale

Anticipating improvements in both the value of its investment assets and its management efficiency, TOKYU REIT decided to acquire additional compartmentalized ownership of the TOKYU REIT Toranomom Building.

TOKYU REIT acquired approximately 79.5% of the property under compartmentalized ownership including co-ownership portions on December 15, 2004, and serving as the building manager has continued to run the building's management association. By acquiring additional compartmentalized ownership including co-ownership portions, TOKYU REIT's share of land site rights will total 83,486/100,000, and its interest in registered exclusive area ownership will amount to approximately 87.8%. In connection with the compartmentalized ownership portion relating to the second floor, TOKYU REIT currently subleases to tenants under a master lease agreement from compartmentalized owners. Following the additional acquisition, this master lease agreement will be cancelled.

Moving ahead, TOKYU REIT plans to fully cooperate with each compartmentalized owner while pursuing effective building management, as part of its overall aim to further raise asset value.

3. Property Details

Property Name		TOKYU REIT Toranomom Building (Additional Ownership)				
Location	Registered	Land 3-45-6, Toranomom, Minato-ku, Tokyo				
		Buildings ① Building areas: 201, 202 3-45-6-8 / 3-45-6-9, Toranomom, Minato-ku, Tokyo ② Building area: 203 3-45-6-10 Toranomom, Minato-ku, Tokyo				
	Residential	3-17-1, Toranomom, Minato-ku, Tokyo				
Access		Approximately a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line. Approximately a nine-minute walk from Toranomom Station on the Tokyo Metro Ginza Line. Approximately a nine-minute walk from Onarimon Station on the Toei Mita Line.				
Use		Office				
Area Classification		Commercial district				
Land Space	Registered	Site rights area		1,728.38 m ²		
		Land	① Interest	8,579 / 100,000		
			② Interest	1,322 / 100,000		
		Building	①	865.14 m ²		
			②	139.93 m ²		
Structure	Registered	SRC/RC B2/9F (one building)				
Completion Date		May 1988				
Architect		Kanko Kikaku Sekkeisha				
Construction Companies		Obayashi Corporation, JDC Corporation, Dowa Construction Co., Ltd.				
Building Certification Authority		Tokyo city government				
Earthquake Resistance		PML (Probable Maximum Loss) of 7.2% is based on an earthquake risk assessment report prepared by Engineering & Risk Services Corporation. (Note) This PML value applies to the existing portion owned and the portion scheduled for acquisition combined, calculated as a whole. PML refers to the expected maximum loss ratio caused by earthquakes. Although there is no single authoritative definition of PML, it refers to the percentage of expected damages caused by a small-to large-scale earthquake that happens within the next 475 years to the replacement value. Calculations also include data relating to individual property surveys, assessments of building conditions, conformity to architectural design, surveys of local areas and structural evaluations.				
Office Specifications		Second floor rental space:	1,091.74 m ²	Floor weight limit:	500kg/m ²	
		Electric power capacity:	Approx. 40VA/m ²	Ceiling height:	2,500 mm	
		Office automation floor:	None (3-way duct system)	Air conditioning:	Individually controlled air conditioners	
Type of Ownership		Land: Site rights	Building: Compartmentalized ownership			
Acquisition Price		① ¥ 1,100,000,000 ② ¥ 200,000,000				
Appraisal Value (Appraisal Method)		① ¥1,100 million (Capitalization method as of April 30, 2007) Appraiser: Japan Real Estate Institute				
		② ¥188 million (Capitalization method as of April 30, 2007) Appraiser: Japan Real Estate Institute				
Building Evaluation Report		Engineering & Risk Services Corporation				
Building Evaluation Date		September 6, 2004				
Property Management Company		Tokyu Corporation				
Collateral		There are no plans to provide as collateral after additional acquisition.				
Special Items		There are no new special items as a result of additional acquisition.				
Tenant Details for Portion Acquired by TOKYU REIT	Number of Tenants	1				
	Tenant	Takihyo Co., Ltd.				
	Total Leased Area	1,091.74 m ²				
	Total Rentable Area	1,091.74 m ²				
	Occupancy Rate	100%				
	Occupancy Rates over the Last Five Years	As of March 31, 2003	As of March 31, 2004	As of March 31, 2005	As of March 31, 2006	As of March 31, 2007
	100%	100%	100%	100%	100%	

* Figures for the number of tenants and occupancy rate are forecasts as of the scheduled acquisition date of September 21, 2007.

4. Effects of Additional Acquisition

	①	②	Total	Remarks
Rental income	—	—	—	Increases and decreases are in line with the cancellation of the master lease agreement applicable to the additional portion to be acquired.
Sundry expenses	(¥51 million)	(¥8 million)	(¥59 million)	
Estimated NOI	¥51 million	¥8 million	¥59 million	
Lease deposits	(¥28 million)	—	(¥28 million)	

* Increases and decreases in estimated NOI are annualized and do not take into account special factors during the fiscal year in which the acquisition is to be undertaken. (Accordingly, figures provided are not estimates for the current fiscal period.) Furthermore, figures are based on the following assumptions:

- (1) Total expenses payable are the net amounts after offsetting decreases in rents payable by TOKYU REIT from increases in taxes, dues, insurance premiums and other imposts in accordance with the master lease agreement.
- (2) Taxes and dues are estimated as the same amounts imposed for fiscal 2007.

5. Seller Profiles

(1) Fujita Kanko Inc.

Head Office Address	2-10-8 Sekiguchi, Bunkyo-ku, Tokyo
Representative	Masanori Morimoto
Capital	¥120 million
Major Shareholders	Dowa Holdings Co., Ltd., Bank of New York GCM Client Accounts ELRG, Morgan Stanley and Company International plc, and others (as of June 30, 2007)
Principal Activities	Hotels, Japanese-style hotel business, restaurants, etc.
Relationship with TOKYU REIT or its Investment Management Company	The seller has no relationship with TOKYU REIT or its Investment Management Company

(2) Four individuals

The aforementioned four individuals have not provided their consent to disclose profile details. Accordingly this information has been omitted. These sellers have no relationship with TOKYU REIT or its Investment Management Company.

6. Transactions with Related Parties

Commissioned to serve as a property manager for the subject property, Tokyu Corporation falls under the definition of a “related party” as outlined in Article 15, Item 2 of the Law Concerning Investment Trusts and Investment Corporations. At the time property management functions were commissioned, TOKYU REIT and Tokyu Corporation concluded a property management contract on December 15, 2004, based on measures to prevent conflicts of interest established by TOKYU REIT. With the additional acquisition, both companies plan to exchange a memorandum amending the scope of the contract.

7. Brokerage

No brokerage transaction will be undertaken for the additional acquisition.

8. Acquisition Schedule

September 20, 2007	Decision of acquisition
September 21, 2007	Execution of real estate purchase and sale agreement (planned)
	Settlement (planned)
	Lump-sum property acquisition payment (planned)

9. Financing Details

TOKYU REIT intends to acquire the additional ownership using cash on hand.

10. Outlook

As the acquisition of the property will have little effect on operating conditions, there are no changes to the forecasts for the ninth fiscal period ending January 31, 2008.

Attachments

1. Property appraisal summary
2. Property portfolio of TOKYU REIT
3. Photograph and location map of the TOKYU REIT Toranomom Building
4. Overview of the TOKYU REIT Toranomom Building

Attachment 1-1

Property appraisal summary (1) (acquisition from Fujita Kanko Inc.)

(Unit: JPY '000)

Property Name : TOKYU REIT Toranomon Buiding (Portion for Fujita Kanko Inc.)	Details	Specific Notes
Appraisal Firm	Japan Real Estate Institute	-
Effective Date of Value	30-Apr-07	-
Value Indicated by Income Approach	1,090,000	-
Value Indicated by Direct Capitalization Method	1,100,000	-
(1) Effective Gross Income(①-②)	71,160	-
① Potential Gross Income	73,353	Based on current and projected lease conditions
② Vacancy Loss and Collection Loss Allowances	2,193	Consideration of leasing situations and market's vacancy
(2) Total Expenses (③+④+⑤+⑥)	14,997	-
③ Building Maintenance/Utilities/PM Fee, etc.	0	Based on historical payment
④ Property Taxes	5,059	Based on actual payment of FY2007
⑤ Property Insurance	196	Based on comparable insurance premium rates
⑥ Other Expenses	9,742	Based on historical expenses
(3) Net Operating Income ((1) - (2))	56,163	-
(4) Investment Profits from Refundable Deposits	108	-
(5) Capital Expenditure	187	Consideration of 15-year average of long-term improvements repairs provided by ER report
(6) Net Cash Flow ((3) + (4) - (5))	56,084	-
(7) Overall Capitalization Rate	5.10%	Based on market cap rates
Value Indicated by DCF Method	1,080,000	-
Discount Rate	4.60%	-
Terminal Capitalization Rate	5.30%	-
Value Indicated by Cost Approach	1,090,000	-
Ratio of Land Value	86.7%	-
Ratio of Building Value	13.3%	-
Value of Subject Property before Allocation of Increased Value	1,090,000	Determined by Income Approach
Allocated Portion of Increased Value	8,797	Allocated by proportion of total values
Appraisal Value Conclusion	1,100,000	
Particular Attention Paid to Appraisal Methods and Appraisal Value Conclusion	The subject was an office use located at the CBD of stable demand. We estimated "the value of the subject property before allocation of increased value" considering incomes based on the current and projected lease conditions and the credibility of tenant	

The appraisal value conclusion is a value opinion as of the effective date of value, indicated by licensed real estate appraisers in conformity with the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards. The real estate appraisers do

Attachment 1-2

Property appraisal summary (2) (acquisition from four individuals)

(Unit: JPY '000)

Property Name : TOKYU REIT Toranomon Building (Portion for Individual)	Details	Specific Notes
Appraisal Firm	Japan Real Estate Institute	-
Effective Date of Value	30-Apr-07	-
Value Indicated by Income Approach	188,000	-
Value Indicated by Direct Capitalization Method	189,000	-
(1) Effective Gross Income(①-②)	9,779	-
① Potential Gross Income	9,779	Based on current and projected lease conditions
② Vacancy Loss and Collection Loss Allowances	0	No consideration because of lease contracts
(2) Total Expenses (③+④+⑤+⑥)	722	-
③ Building Maintenance/Utilities/PM Fee, etc.	0	Based on historical payment
④ Property Taxes	692	Based on actual payment of FY2007
⑤ Property Insurance	30	Based on comparable insurance premium rates
⑥ Other Expenses	0	Based on historical expenses
(3) Net Operating Income ((1)-(2))	9,057	-
(4) Investment Profits from Refundable Deposits	601	-
(5) Capital Expenditure	29	Consideration of 15-year average of long-term improvements repairs provided by ER report
(6) Net Cash Flow ((3)+(4)-(5))	9,629	-
(7) Overall Capitalization Rate	5.10%	Based on market cap rates
Value Indicated by DCF Method	187,000	-
Discount Rate	4.60%	-
Terminal Capitalization Rate	5.30%	-
Value Indicated by Cost Approach	187,000	-
Ratio of Land Value	86.7%	-
Ratio of Building Value	13.3%	-
Value of Subject Property before Allocation of Increased Value	188,000	Determined by Income Approach
Allocated Portion of Increased Value	222	Allocated by proportion of total values
Appraisal Value Conclusion	188,000	
Particular Attention Paid to Appraisal Methods and Appraisal Value Conclusion	The subject was an office use located at the CBD of stable demand. We estimated "the value of the subject property before allocation of increased value" considering incomes based on the current and projected lease conditions and the credibility of tenant	

The appraisal value conclusion is a value opinion as of the effective date of value, indicated by licensed real estate appraisers in conformity with the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards. The real estate appraisers do

Attachment 2

Property portfolio of TOKYU REIT

Use	Property Name	Location	Acquisition Date	Acquisition Price (Millions of Yen)	Ratio (%)	
					*1	*2
R	QFRONT	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	15,100	8.7	8.3
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.8	2.6
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	5,770	3.3	3.2
R	Tokyu Saginuma Building (Saginuma Tokyu Store)	Tokyu Areas	September 10, 2003	6,920	4.0	3.8
R	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	0.7	0.7
R	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	3.8	3.6
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	5.5	5.2
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	14.2	13.5
R	Shonan Mall Fill (<i>sokochi</i>)	Other	April 28, 2006	6,810	3.9	3.8
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	3.0	2.8
	Subtotal			86,426	49.9	47.6
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	12.9	12.3
O	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.7	2.6
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.8	3.6
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.6	2.5
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	2.1	2.0
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.7	2.6
O	Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	13.4	12.8
O	TOKYU REIT Toranomom Building	Central Tokyo	December 15, 2004	8,630	5.7	5.5
			September 21, 2007 (Planned)	1,300		
O	Sigma Hatchobori Building	Central Tokyo	September 29, 2006	7,000	4.0	3.9
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008 (Planned)	8,500		4.7
	Subtotal			95,110	50.1	52.4
	19 properties as of September 21, 2007 including property planned to be acquired			173,036	100.0	
	20 properties as of January 31, 2008 including property planned to be acquired			181,536		100.0

*1 Properties as of September 21, 2007.

*2 Properties as of January 31, 2008.

*3 Details of the 60% portion of trust beneficiary interests acquired under co-ownership.

*4 Details of the 40% portion of trust beneficiary interests acquired under co-ownership.

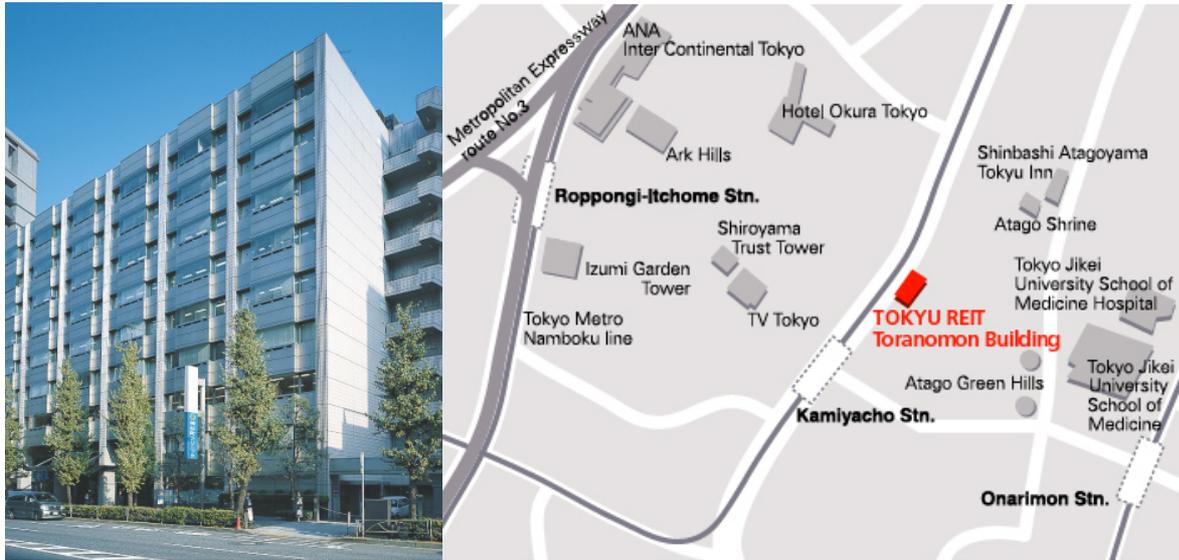
*5 Ratios are rounded to the nearest first decimal place. Accordingly, subtotal and totals may not exactly match the sum of relevant items.

*6 Acquisition prices are the acquisition prices identified in purchase and sale agreements for each relevant property. Acquisition prices are exclusive of acquisition expenses, property tax, city planning tax and consumption tax.

*7 The overall portfolio PML is 4.0% and is recorded in a PML Report prepared by Engineering & Risk Services Corporation and OYO RMS Corporation.

Attachment 3

Photograph and location map of the TOKYU REIT Toranomom Building



Location	:	3-17-1, Toranomom, Minato-ku, Tokyo
Nearest Station	:	Approximately a one-minute walk from Kamiyacho Station, Tokyo Metro Hibiya Line. Approximately a nine-minute walk from Toranomom Station, Tokyo Metro Ginza Line. Approximately a nine-minute walk from Onarimon Station, Toei Mita Line.
Total land area	:	1,728.38m ²
Total floor area	:	15,343.73m ²
Structure	:	SRC/RC B2/9F
Completion	:	May 1988
Type of ownership	:	(Land) Site rights (Building) Compartmentalized ownership
Tenant	:	Japan Nuclear Energy Safety Organization Takihyo Co., Ltd. Anzco Foods Japan Ltd.

Attachment 4

Overview of the TOKYU REIT Toranomon Building

9F	Office	Compartmentally owned by TOKYU REIT 1,140.99m ²						Compartmentally owned by two individuals	
8F	Office	Compartmentally owned by TOKYU REIT 1,140.99 m ²							
7F	Office	Compartmentally owned by TOKYU REIT 1,140.99 m ²							
6F	Office	Compartmentally owned by TOKYU REIT 1,140.99 m ²							
5F	Office	Compartmentally owned by TOKYU REIT 1,140.99 m ²							
4F	Office	Co-owned compartmentalized ownership between TOKYU REIT and an individual (TOKYU REIT owns 90% of 1,140.99 m ²)							
3F	Office	Co-owned compartmentalized ownership between TOKYU REIT and two individuals (TOKYU REIT owns 24% of 1,140.99 m ²)							
2F	Office	Building Area : 201 Compartmentally owned by Fujita Kanko Inc. 654.70 m ²		Building Area : 202 Compartmentally owned by Fujita Kanko Inc. 210.44 m ²		Building Area : 203 Compartmentally owned by four individuals 139.93 m ²			
1F	Stores	Co-owned compartmentalized ownership between TOKYU REIT and an individual (TOKYU REIT owns 62% of 278.21 m ²)	Co-owned compartmentalized ownership between TOKYU REIT and an individual (TOKYU REIT owns 52% of 355.37 m ²)	Compartmentally owned by TOKYU REIT 18.36 m ²	Compartmentally owned by TOKYU REIT 55.57 m ²	Compartmentally owned by a individual	Compartmentally owned by a individual		Compartmentally owned by a individual
B1F	Parking	Compartmentally owned by TOKYU REIT 1,150.68 m ²							
B2F	Parking	Compartmentally owned by TOKYU REIT 1,091.66 m ²							

TOKYU REIT plans to acquire the second floor portion highlighted in the chart.

As the chart shows, the subject property is currently owned by TOKYU REIT together with 15 other compartmentalized owners. With the additional acquisition, this number will reduce to 10.

Furthermore, the compartmentalized ownership portion co-owned with TOKYU REIT shown in the chart is leased by TOKYU REIT and subleased to tenants.