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For Immediate Release

Real Estate Investment Trust Unit Issuer:
TOKYU REIT, Inc.
1-12-1 Dogenzaka,
Shibuya-ku, Tokyo 150-0043, Japan
Masahiro Horie
Executive Director
(Securities Code: 8957)

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

Notice Concerning Acquisition of Property

TOKYU REIT, Inc. (“TOKYU REIT”) today announced that it has executed a purchase agreement in connection with the acquisition of trust beneficiary interest in real estate. Brief details are as follows.

1. Acquisition Details

- | | |
|--------------------------------|---|
| (1) Type of Acquisition: | Trust beneficiary interest in real estate |
| (2) Property Name: | Tokyu Ikejiri-Ohashi Building |
| (3) Acquisition Price: | ¥5,480,000,000
(Excluding acquisition-related costs, property tax,
city planning tax and consumption tax) |
| (4) Contract Day: | March 25, 2008 (Tuesday) |
| (5) Scheduled Acquisition Day: | March 28, 2008 (Friday) |
| (6) Seller: | <i>KI Realty</i> |
| (7) Financing: | Debt financing (Planned) |

2. 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.

This property is located close to Ikejiri-Ohashi Station on the Tokyu Den-en-toshi Line and provides a quick connection to the neighboring Shibuya Station area via both the Tokyu Den-en-toshi Line and National Highway 246. Other neighboring areas include Sangenjaya and Nakameguro. Despite the limited supply of new office buildings in the Shibuya station area —a prevailing trend since 2006—it is a highly sought after location for a variety of industries, including software and IT, fashion and mass communications. The area therefore maintains a low vacancy rate compared with other areas within Tokyo’s five central wards. As such, the Ikejiri-Ohashi Station area is ideally located to accommodate demand not met by Shibuya and is thus seen to provide occupancy stability.

With road access from all four sides and a floor layout that is essentially square throughout, the property boasts approximately 1,000 m² of floor space per floor, for an approximate total of 7,700 m², making it a rare find that is considered to possess a competitive edge in the area. In addition to the above features, TOKYU REIT views the property’s long-established and appropriate leasing rates and well-maintained facilities as features capable of sustaining stable occupancy and therefore contributing to enhancing the quality of the Company’s portfolio.

Furthermore, the seller of this property, *KI Realty*, was established as a special-purpose company (SPC) by the TOKYU Corporation. The acquisition of this property by TOKYU REIT demonstrates the effectiveness of the collaboration among the Tokyu Group companies.

Moving forward, TOKYU REIT will continue to acquire new properties while adhering to its investment criteria and taking into consideration trends in capital and real estate investment markets.

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3. Property Details

Property Name		Tokyu Ikejiri-Ohashi Building				
Type of Specified Assets		Trust beneficiary interest in real estate				
Trustee		The Sumitomo Trust and Banking Co., Ltd.				
Trust Period		March 1, 2006 to February 28, 2013				
Location	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				
Access		Approximately a five-minute walk from Ikejiri-Ohashi Station, Tokyu Den-en-toshi Line				
Use		Office and Parking				
Area Classification		Semi-industrial area				
Land Space	Registered	Land	2,382.67 m ²			
		Building	7,619.56 m ²			
Structure	Registered	SRC 7F				
Completion Date		October 1989				
Design Company		Tokyu Architects & Engineers Inc.				
Construction Company		TOKYU CONSTRUCTION CO., LTD.				
Building Certification Authority		Meguro-ku				
Earthquake Resistance		PML (Probable Maximum Loss) of 5.8% is based on an earthquake risk assessment report prepared by Engineering & Risk Services Corporation. PML refers to the expected damages 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, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation.				
Office Specifications	Standard Floor Rental Space:	1,064.53 m ²	Ceiling Height:		2,600 mm	
	Floor Weight Limits:	300kg/m ²	Office Floor:	Automation	in some Places(H=50mm)	
	Electric Power Capacity:	Approximately 45VA/m ²	Air Conditioning:	Central (Individually Controllable)		
Type of Ownership	Land	Proprietary Ownership	Building	Proprietary Ownership		
Acquisition Price		¥ 5,480,000,000				
Appraisal Value (Appraisal Method)		¥ 5,500 million (Capitalization method as of the appraisal date of February 15, 2008)				
		Appraiser: Daiwa Real Estate Appraisal Co., Ltd.				
Building Assessment Reporter		Engineering & Risk Services Corporation				
Date of Building Assessment Report		February 20, 2008				
Property Management Company		Tokyu Corporation				
Securities/Guarantee		None				
Special Items		<ul style="list-style-type: none"> As a result of road inspections conducted around the property, the property's floor area ratio was determined to exceed current legal boundaries. Therefore, TOKYU REIT plans to begin construction to remedy the situation immediately after acquiring the property. The construction cost is considered to the decision of acquisition price. Road inspections conducted around the property revealed a portion of the property's gutter system to extend beyond the property boundary. Construction expenses to correct the situation will be borne by the seller and work is scheduled for completion at the end of May 2008. A portion of the smoke ventilation system in the 3rd floor office is out of service. Repairs will be done with payment being borne by the tenant. 				
Tenant Details	Number of Tenants	4				
	Major Tenants	Top Tour Corporation, Tokyu Facility Service Co., Ltd. etc.				
	Total Rental Income	¥ 375 million				
	Lease Deposits and Guarantee Deposits	¥ 316 million				
	Estimated NOI	¥ 274 million (annually)				
	Total Leased Area	5,710.41 m ²				
	Total Rentable Area	5,710.41 m ²				
	Occupancy Rates	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%	

* Figures for the number of tenants, major tenants and occupancy rate are forecasts as of the scheduled settlement date of March 28, 2008.

* Total rental income and estimated NOI are forecast exclusive of special items related to the acquisition. Figures are based on the following assumptions:

- 1) Total rental income is calculated based on effective lease contracts as of the scheduled acquisition date, and total estimated income is listed as an item.
- 2) Calculations are based on the assumption that there will be no change in public taxes and dues from fiscal 2007.
- 3) Estimated repair, maintenance and renovation expenses for the next 15 years are calculated based on the engineering report.
- 4) Estimated NOI includes trustee's fee.
- 5) Estimated NOI does not account for the repair costs from construction to correct the floor area ratio as expenses.

* Figures "As of March 31, 2003" and "As of March 31, 2004" under "Occupancy Rates over the last Five Years" have not been confirmed.

4. Seller Profile

Company Name	<i>KI Realty</i>
Head Office Address	c/o Tokyo Kyodo Accounting Office 3-2-3, Marunouchi, Chiyoda-ku, Tokyo
Representative	Shinji Arakawa
Capital	¥ 3 million
Major Shareholder	<i>KI Asset Funding Limited Liability Intermediary Corporation</i>
Principal Activities	1. Real estate acquisition, holding, disposal and leasing and maintenance 2. Acquisition, holding and disposal of real estate trust beneficial interest(s) 3. Business pertaining to the above items
Relationship with TOKYU REIT or its Investment Management Company	<i>KI Realty</i> is a special purpose company established by Tokyu Corporation, falls under the category of a related party as stipulated in Article 201, Item 1, of the Law Concerning Investment Trusts and Investment Corporations (hereafter, "Investment Trusts Law") and Article 123 of the Enforcement Guidance for Investment Trusts Law.

5. Conditions of Property Acquisition

	Investment Corporation	Previous Owner	Owner before the Previous Owner	Owner before "Owner before Previous Owner"
Company Name	TOKYU REIT, Inc.	<i>KI Realty</i>	<i>Shibuya Kaihatsu</i>	<i>Yaesu Shinko</i>
Relationship with Specially Related Parties	None	Please refer above to "Relationship with TOKYU REIT or its Investment Management Company" in "4. Seller Profile"	At the time property acquisition, a wholly owned subsidiary of the TOKYU Corporation, a "related party" of the Asset Management Company	None
Acquisition Process and Rationale	For the purpose of enhancing its property portfolio, TOKYU REIT decided that the acquisition of the office building meets its fundamental investment/acquisition policy as outlined in its Articles of Incorporation.	Investment management purpose	Investment management purpose	Investment management purpose
Acquisition Price	¥ 5,480 million	Details omitted as possessed over a year	—	—
Acquisition Date	March 28, 2008 (Planned)	March 2006	March 2004	November 1998

6. Transactions with Related Parties

Owing to the status of the seller, *KI Realty*, which falls under the category of a related party as stipulated in Article 201, Item 1, of the Investment Trusts Law and Article 123 of the Enforcement Guidance for Investment Trusts Law (called “related party (prescribed under law)” below), TOKYU REIT will acquire this property in accordance with its own voluntary measures to prevent conflicts of interest, which approves acquisitions whose costs are not in excess of real estate appraisal values. In addition, TOKYU REIT received a second opinion prepared by The Chuo Mitsui Trust and Banking Company, Limited with regard to the value of and validity of the valuation calculation process for the subject real estate property.

Tokyu Corporation, the company to which TOKYU REIT plans to outsource property management of the Tokyu Ikejiri-Ohashi Building, falls under the category of a related party (prescribed under law). Accordingly, TOKYU REIT will enter into a property management agreement with Tokyu Corporation on acquisition date in accordance with its own voluntary measures to prevent conflicts of interest. In addition, TOKYU REIT received an opinion summary compiled by STB Research Institute with regard to its property management fees being within the standard range of other investment corporations listed on the Tokyo Stock Exchange.

These two transactions were monitored by an audit firm other than TOKYU REIT’s accounting auditor and confirmed the consistency with TOKYU REIT’s measures to prevent conflicts of interest. Based on the results, the acquisition of this property was approved at a meeting of TOKYU REIT’s Board of Directors.

Although the Tokyu Facility Service Co., Ltd., a tenant of the subject property, falls under the category of a related party (prescribed under law), because the existing lease agreement with Tokyu Facility Service Co., Ltd. will be directly carried over after acquisition by TOKYU REIT, TOKYU REIT does not consider Tokyu Facility Service Co., Ltd. to be a related party based on its own voluntary rules concerning conflicts of interest transactions.

Furthermore, Tokyu Bus Corporation is scheduled to move into the building in July 2008 based on a lease agreement that was already signed with the previous owner of the property. This transfer of this agreement and ownership of the property to TOKYU REIT will take place simultaneously with acquisition. Also, despite Tokyu Bus Corporation falling under the category of a related party (prescribed under law), because of the direct carrying over of the existing lease agreement after acquisition by TOKYU REIT, TOKYU REIT does not consider Tokyu Bus Corporation to be a related party based on its own voluntary rules concerning conflicts of interest transactions.

With regard to the naming of the property, in accordance with a brand licensing agreement exchanged with the TOKYU Corporation on July 14, 2003, TOKYU REIT has been granted a license to use the TOKYU name and the name’s corresponding Japanese characters.

7. Brokerage

No brokerage transaction will be undertaken for this acquisition.

8. Acquisition Schedule

March 25, 2008	Decision of acquisition Execution of beneficiary interest transfer agreement
March 28, 2008	Lump-sum payment of acquisition costs (planned) Settlement (planned) Execution of property management agreement (planned)

9. Financing Details

TOKYU REIT intends to procure ¥5,500 million in debt financing on the scheduled acquisition date. Details of debt financing will be disclosed separately.

10. Outlook

As the acquisition of the property will have little effect on operating conditions, no changes are foreseen to the forecasts for the tenth fiscal period ending July 31, 2008 and the eleventh fiscal period ending January 31, 2009.

Attachments

1. Property appraisal summary
2. Second opinion summary
3. Property portfolio after acquisition (as of March 28, 2008)
4. Photograph of the Tokyu Ikejiri-Ohashi Building
5. Location map of the Tokyu Ikejiri-Ohashi Building

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Attachment 1

Property appraisal summary

(Unit : JPY '000)

Property Name : TOKYU IKEJIRI OOHASHI BUILDING	Details	Specific Notes
Appraisal Firm Daiwa Real Estate Appraisal Co., Ltd.		-
Final Appraised Value	5,500,000	Income Approach applied
Date of value	15 St -Feb-2008	-
Value Indicated by Income Approach	5,500,000	much of a price by DCF method
Value Indicated by Direct Capitalization Method	5,650,000	-
(1)Gross Income	407,608	-
①Potential Gross Income	426,982	Estimated based on market rent
②Vacancy Loss	19,374	Estimated based on market ratio considering current lease conditions
(2)Total Expenses	107,107	-
③Maintenance/Management/Repairs/PM Fee, etc	74,983	Actual applied and Estimated
④Real Estate Taxes	26,205	Land · Building: FY2007 actual applied and Estimated
⑤Insurance Premium	629	Estimated
⑥Other Expenses	5,290	Leasing cost and other expenses
(3)Net Operating Income	300,501	-
(4)interest revenue on deposit	6,381	Yield on investment:2.0%
(5)Long-term Repair Cost Reserve	24,508	Annual average of long-term repair cost reserve indicated in the engineering report
(6)Net Cash Flow	282,374	-
(7)Overall Capitalization Rate	5.0%	Based on market cap rate
Value Indicated by DCF Method	5,430,000	-
Discount Rate	4.8%	-
Terminal Capitalization Rate	5.2%	-
Value Indicated by Cost Approach	4,390,000	-
Ratio of Land Price	80.4%	-
Ratio of Building Price	19.6%	-
Particular Attention to have been paid in Application of Appraisal Methodology and Final Value Conclusion	We determined the final opinion of value by reflecting the change of tenants shown in the new lease agreement which occurred on and after the date of the value opinion.	

This appraisal was performed by licensed real estate appraisers in conformity with the Real Estate Appraisal Act and Real Estate Appraisal Standards that were in placed as of the effective date of this appraisal. The real estate appraisers do not make any warranty in respect of the possible discrepancies in value of the same properties appraised under different parties, conditions or timing. Neither does this appraisal make warranty of any sales transactions at the said value at any time.

Attachment 2

Second opinion summary

Subject	Tokyu Ikejiri-Ohashi Building
Item	Summary
Opinions about the Property Value	CMTB essentially agrees with the appraiser's final opinion of the value of the Subject.
Assumptions	CMTB's appraisal standards set the same assumptions as the appraiser has.
Best Usage of the Property	CMTB shares the appraiser's opinion that continuation of the current use of the building as a medium and high-rise office building is the highest and best use.
Capitalized Value (A)	CMTB approximately and generally estimates the same capitalized value as the appraiser assesses.
Value Indicated by Cost Approach(B)	With respect to the value on the subject indicated by cost approach, the CMTB has almost the same estimation as the appraiser assesses.
Reconciliation of the Indicated Value (A) and (B)	The reconciliation procedures the appraiser has taken and the final opinion of value on the subject the appraiser has determined are considered to be reasonable and appropriate.

The above brief summary made by The Chuo Mitsui Trust and Banking Company Limited ("CMTB") is to describe the CMTB's opinion about the appraiser's approach (the "Second Opinion"). The Second Opinion is based on the each appraiser's opinion, disclosed information, some index and others. CMTB makes no representation, warranty (express or implied) or undertaking of any nature nor is any responsibility or liability of any kind accepted with respect to the truthfulness, completeness or accuracy of any information, representation or warranty (express or implied) or omissions in this summary of the Second Opinion. Any discrepancy between the Japanese language and the English language version of this summary shall be interpreted according to the Japanese language version.

Please note that the Second Opinion is not the appraisal documents("Fudosan Kantei Hyoka-sho") subject to the Real Estate Appraisal Act (Law No.152 of 1963, as amended)

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Attachment 3

Property portfolio after acquisition (as of March 28, 2008)

USE	Property Name	Location	Acquisition Date	Acquisition Price (Millions of Yen)	Ratio (%)
R	QFRONT	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	15,100	8.1
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.6
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	3.1
R	Tokyu Saginuma Building (Saginuma Tokyu Store)	Tokyu Areas	September 10, 2003	6,920	3.7
R	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	0.7
R	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	3.5
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	5.1
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	13.1
R	Shonan Mall Fill (<i>sokochi</i>)	Other	April 28, 2006	6,810	3.6
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	2.7
	Subtotal			86,426	46.2
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	12.0
O	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.5
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.5
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.4
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	1.9
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.5
O	Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	12.4
O	TOKYU REIT Toranomom Building	Central Tokyo	December 15, 2004 *3 September 21, 2007 *4 September 21, 2007 *5 October 26, 2007 *6	8,630 1,100 200 140	5.4
O	TOKYU REIT Hatchobori Building	Central Tokyo	September 29, 2006	7,000	3.7
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008	8,500	4.5
O	Tokyu Ikejiri-Ohashi Building	Central Tokyo	March 28, 2008 (Planned)	5,480	2.9
	Subtotal			100,730	53.8
	Total			187,156	100.0

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

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

*3 Floor space: 9,688.59 m², Interest of sight rights (*shikichi-ken*): 73,585/100,000

*4 Floor space: 865.14 m², Interest of sight rights (*shikichi-ken*): 8,579/100,000

*5 Floor space: 139.93 m², Interest of sight rights (*shikichi-ken*): 1,322/100,000

*6 Floor space: 93.93 m², Interest of sight rights (*shikichi-ken*): 1,166/100,000

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

*8 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.

*9 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 4

Photograph of the Tokyu Ikejiri-Ohashi Building



Attachment 5

Location map of the Tokyu Ikejiri-Ohashi Building



Location	: 3-8-1, Higashiyama, Meguro-ku, Tokyo
Nearest Station	: Approximately a five-minute walk from Ikejiri-Ohashi Station, Tokyu Den-en-toshi Line
Total land area	: 2,382.67 m ²
Total floor area	: 7,619.56 m ²
Structure	: SRC 7F
Completion	: October 1998
Type of ownership	: Land : Proprietary Ownership Building : Proprietary Ownership
Major Tenants	: Top Tour Corporation, Tokyu Facility Service Co., Ltd. etc.