

March 29, 2006

**For Immediate Release**

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## **Notice Concerning Transfer of Property (Yokohama Yamashita-cho Building [Barneys New York Yokohama Store])**

TOKYU REIT, Inc. ("TOKYU REIT") today announced details of its decision to execute a beneficiary interest transfer agreement in connection with the sale of an investment property. Brief details are as follows.

### **1. Transfer Details**

- (1) Type of Transfer : Trust beneficiary interest in real estate
- (2) Property Name : Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)
- (3) Transfer Price : ¥6,480,000,000  
(Excluding property tax, city planning tax, consumption tax and other imposts)
- (4) Book Value : ¥4,847,845,040  
(As of January 31, 2006)
- (5) Capital Gain : ¥1,632,154,960
- (6) Agreement Date : March 29, 2006 (Wednesday)
- (7) Settlement Date : April 26, 2006 (Wednesday)
- (8) Purchaser : Yokohama Motomachi Property Special Purpose Company  
(Please refer to 4. Purchaser's Profile for details)
- (9) Transfer Method : Transfer of real estate in the form of a trust beneficiary interest to the purchaser

### **2. Rationale**

The transfer of this property falls within TOKYU REIT's fundamental asset management policies, as outlined in its Articles of Incorporation.

Since acquisition of the Yokohama Yamashita-cho Building, TOKYU REIT has enjoyed stable management and operations. From 2005, TOKYU REIT undertook negotiations with the tenant in connection with a review of lease agreement terms and conditions. As a result of these discussions, the parties agreed on February 1, 2006 to a reduction in rent and the execution of a new 10-year fixed-term lease agreement. While the new agreement has contributed to stabilizing cash flows and enhancing property value, the reduction in rent has also placed downward pressure on the level of TOKYU REIT's cash distributions. In light of the aforementioned and taking into consideration the market environment and other factors, TOKYU REIT has decided that the property offers greater value to unitholders from its short-term transfer and sale (capital gains) as opposed to long-term rental income (income gains).

### 3. Profile of Property Scheduled for Transfer

Location	Registered	Land	Yamashita-cho 36-1, 36-4, Naka-ku, Yokohama, Kanagawa-ken	
		Building	Yamashita-cho 36-1, 36-4, Naka-ku, Yokohama, Kanagawa-ken	
	Residential	Yamashita-cho 36-1, Naka-ku, Yokohama, Kanagawa-ken		
Use		Commercial		
Land Space	Registered	Land	1,350.57 m <sup>2</sup>	
		Building	8,583.54 m <sup>2</sup>	
Type of Structure	Registered	SRC, B2/7F		
Completion Date		July 1993		
Type of Ownership		Land:	Proprietary ownership (100%)	Building: Proprietary ownership (100%)
Trustee		Mitsubishi UFJ Trust and Banking Corporation		
Acquisition Date		August 3, 2004		
Acquisition Price		¥5,050 million		
Appraisal Value as of the Period-End (Appraisal Method)		¥4,410 million (capitalization method as of January 31, 2006)		
		Appraiser: Japan Real Estate Institute		
Appraisal Value as of Property Transfer (Appraisal Method)		¥5,670 million (capitalization method as of February 1, 2006)		
		Appraiser: Daiwa Real Estate Appraisal Corporation		

### 4. Purchaser's Profile

- (1) Company Name : Yokohama Motomachi Property Special Purpose Company  
(2) Head Office Address : 2-13-10 Nagata-cho, Chiyoda-ku, Tokyo  
(3) Representative : Junichi Naganawa, Director  
(4) Capital : ¥100 thousand  
(5) Business Activities : 1. Asset acquisition, management and disposition according to the plan based on the Asset Liquidation Law  
2. Another operation accompanies to above mentioned asset liquidation  
(6) Other : The purchaser is a special purpose company defined under the Asset Liquidation Law. The purchaser has appointed the following company to serve as its asset manager.  
Company Name: LaSalle Investment Management, Inc.  
Representative: Hironori Uchiyama  
TOKYU REIT has no particular relationship with the purchaser or LaSalle Investment Management, Inc.

### 5. Transfer Schedule

- March 29, 2006 Execution of the beneficiary interest transfer agreement  
April 26, 2006 Planned settlement

### 6. Outlook

Please refer to TOKYU REIT's "Financial Report for the Fifth Fiscal Period Ended January 31, 2006" announced today for details of forecasts for the fiscal periods ending July 31, 2006 and January 31, 2007.

### Appendix

Property Portfolio after Acquisition (as of April 26, 2005)

**Appendix**  
**Property Portfolio after Acquisition (as of April 26, 2005)**

Property	Location	Acquisition Date	Acquisition Price (Millions of Yen)	Ratio (%)
QFRONT	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	15,100	9.9
Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	3.1
TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	5,770	3.8
Tokyu Saginuma Building	Tokyu Areas	September 10, 2003	6,920	4.5
Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	0.8
TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	4.3
Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	6.2
cocoti *1	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *2 August 2, 2005 *3	24,500	16.0
Subtotal			74,500	48.8
Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	14.7
Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	3.0
Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	4.3
Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.9
TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	2.3
TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	3.1
Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	15.2
Fujita Kanko Toranomom Building *4	Central Tokyo	December 15, 2004	8,630	5.6
Subtotal			78,310	51.2
Total			152,810	100.0

Notes:

1. The property changed its name from PICASSO347 on March 20, 2006.
2. Details of the 60% portion of trust beneficiary interests acquired under co-ownership.
3. Details of the 40% portion of trust beneficiary interests acquired under co-ownership.
4. The property changed its name from the Fujita Kanko Toranomom Building on February 1, 2006.
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 6.0% and is recorded in a PML report prepared by Engineering & Risk Services Corporation and OYO RMS Corporation.