

September 10, 2003

For Immediate Release

TOKYU REIT, Inc.
 2-17, Nampeidai-cho
 Shibuya-ku, Tokyo 150-0026, Japan
 Masahiro Horie
 Executive Director
 (Securities Code: 8957)

Inquiries:
 Tokyu Real Estate Investment Management Inc.
 Yosuke Koi
 Chief Financial Officer and General Manager
 TEL: +81-3-5428-5828

**Notice Concerning Operating Forecasts for the First Fiscal Period
 Ending January 31, 2004 and the Second Fiscal Period Ending July 31, 2004**

TOKYU REIT, Inc. ("TOKYU REIT") today announced its operating forecasts for the first fiscal period June 20, 2003 to January 31, 2004 and for the second fiscal period February 1, 2004 to July 31, 2004. Forecast results are summarized as follows.

	Operating Revenues	Net Income	Distributions per Unit	Distributions in Excess of Earnings per Unit
First Fiscal Period (June 20, 2003 - January 31, 2004)	Millions of Yen 2,764	Millions of Yen 825	Yen 8,422	Yen -
Second Fiscal Period (February 1, 2004 - July 31, 2004)	Millions of Yen 3,541	Millions of Yen 1,196	Yen 12,210	Yen -

(Reference:)

Forecasts

As of January 31, 2004

Units outstanding: 98,000 units Net Income Per Unit: 8,422 yen

As of July 31, 2004

Units outstanding: 98,000 units Net Income Per Unit: 12,210 yen

(Notes:)

1. The forecasts presented in this document remain unchanged from forecasts announced on September 1, 2003.

Translation Purpose Only

2. The forecasts presented in this document are based on “Assumptions for the First Fiscal Period (from June 20, 2003 to January 31, 2004) and the Second Fiscal Period (from February 1, 2004 to July 31, 2004)” identified in the separate schedule attached. Forecasts for operating revenues, net income, and distributions 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.
3. Distributions per unit do not include distributions in excess of earnings per unit.

For further information please refer to TOKYU REIT's Web site at <http://www.tokyu-reit.co.jp/>

Assumptions Used for Operating Forecasts for the Fiscal Periods Ending January 31, 2004 and July 31, 2004

Operating revenues, net income, distributions per unit, and distributions in excess of earnings per unit for the first fiscal period ending January 31, 2004 and the second fiscal period ending July 31, 2004 are calculated based on assumptions summarized as follows. If, in the future, revised forecasts materially deviate from the original forecasts, TOKYU REIT will announce revised forecasts promptly.

Item	Assumptions
Property Portfolio	<ul style="list-style-type: none"> TOKYU REIT intends to use the net proceeds received from the offerings and the funds from debt financing to purchase trust beneficial interests in eleven properties (“initial properties”). TOKYU REIT will move swiftly to acquire those initial properties identified, following settlement of investment unit issue. Forecasts are based on the assumption that the property portfolio will remain unchanged (no new properties will be added to, and no existing properties will be removed from, the initial portfolio) up to and including the end of the second fiscal period ending July 31, 2004. The first fiscal period reflects operations for approximately 4.7 months (approximately 142 days).
Operating Revenues	<ul style="list-style-type: none"> Operating revenues are estimated based on the historical performance of each initial property, as provided under the relevant lease agreements as of April 30, 2003, adjusted by expected changes, including any increases or reductions in rental income, based on the execution of new lease agreements and the expiration, termination or renewal (or notices received to that effect) of existing lease agreements, as well as other known factors (including competitive properties located in the same areas as TOKYU REIT’s properties and real estate market conditions in such areas or otherwise).
Operating Expenses	<ul style="list-style-type: none"> No property-related taxes will be expensed in the first fiscal period because in connection with the purchases of the initial properties, TOKYU REIT will pay to the sellers the amounts of the property-related taxes for the period from the date of acquisition through to December 31, 2003 as a part of the acquisition costs of the initial properties. Normal spending of property-related taxes beginning in the second fiscal period is provided. Property-related taxes in the second fiscal period is assumed to be approximately 321 million yen. Repair, maintenance and renovation expenses are projected based on the historic expenses associated with each property, as adjusted to take into account budgeted repair, maintenance and renovation expenses, although TOKYU REIT may actually record substantially different amounts in the event of unbudgeted emergency repairs. Depreciation and amortization expenses are calculated based on a straight-line method. Specific components of depreciation and amortization are acquisition costs, costs associated with acquisition, and expected capital expenditures. TOKYU REIT estimates approximately 444 million yen and approximately 575 million yen for the first and second fiscal period, respectively.
Non-operating Expenses	<ul style="list-style-type: none"> Startup costs associated with incorporation and costs incurred in connection with the offerings are estimated to be approximately 430 million yen for the first fiscal period. Interest rates will remain unchanged until the end of the second fiscal period.
Debt Financing	<ul style="list-style-type: none"> TOKYU REIT intends to obtain the debt financing of approximately 32.7 billion yen from qualified institutional buyers as defined in section 2-3-1 under the Securities and

Translation Purpose Only

	Exchange Act of Japan.
Investment Unit	<ul style="list-style-type: none"> TOKYU REIT will have 98,000 units outstanding at the end of each of the fiscal periods ending January 31, 2004 and July 31, 2004 (no additional issue of new investment units up to and including the end of the second fiscal period ending July 31, 2004).
Distributions per Unit	<ul style="list-style-type: none"> Distributions per unit are calculated according to TOKYU REIT's distribution policy described in its articles of incorporation. Calculations are based on a 100% distribution of net income.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> TOKYU REIT does not currently anticipate distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> There will be no material changes in legislation and regulations, Japanese GAAP and Japanese taxation. There will be no material changes in the general economic and real estate market conditions in Japan.