

June 29, 2007

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: | Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) |
| (3) Acquisition Price: | ¥8,500,000,000
(Excluding acquisition-related costs, property tax, city planning tax and consumption tax) |
| (4) Contract Day: | June 29, 2007 (Friday) |
| (5) Scheduled Acquisition Day: | January 31, 2008 (Thursday) |
| (6) Seller: | Amit Investment Ltd. |
| (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.

Facing Aoyama Dori, the property is located approximately a four-minute walk from Akasaka-Mitsuke and Nagatacho Stations, which serve the Tokyo Metro lines of Ginza, Marunouchi, Hanzomon, Namboku and Yurakucho. Tokyu Agency, Inc. is currently using the property as its head office. In addition to a beneficiary interest transfer agreement, TOKYU REIT simultaneously entered into a five-year fixed-term lease contract regarding this property with Tokyu Agency, which is subject to the condition of implementation of interest transfer. In accordance with this lease contract, Tokyu Agency will continue to occupy the building.

Central government and other public offices are located in the area surrounding Akasaka, which neighbors the Kasumigaseki and Nagatacho districts. The Akasaka area attracts office buildings mainly along Sotobori Dori and Aoyama Dori, and is highly convenient for its large number of restaurants, retail stores and accommodations such as the Akasaka Excel Hotel Tokyu, Hotel New Otani and Grand Prince Hotel Akasaka. Further concentration of offices is expected under an urban redevelopment plan.

Completed in February 2003, the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is a relatively new building with excellent office specifications including 2.7 m ceiling height, 13.5 cm office automation floors, pillar-free space and individually controlled air conditioners. This highly versatile structure enables the property to be used as a multi-tenant building. Furthermore, the property is close to the Akasaka Imperial Gardens and boasts a stunning view of the Shinjuku Subcenter. In view of these merits, the property is expected to maintain its high competitiveness in the Akasaka area over the long term.

TOKYU REIT highly evaluates the growth potential of the area and the outstanding merits and stability of the property. Given these factors, the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building) is considered to be a major contribution to the improvement of TOKYU REIT's portfolio quality. This acquisition is regarded as a part of collaboration activities with Tokyu group companies.

TOKYU REIT will continue acquiring new properties in consideration of capital and real estate market trends while firmly maintaining its investment criteria.

3. Property Details

Property Name		Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)				
Type of Specified Assets		Trust beneficiary interest in real estate				
Trustee		The Chuo Mitsui Trust and Banking Company, Limited				
Trust Period		January 31, 2008 to January 31, 2018				
Location	Registered	Land 4-806, 4-819, Akasaka, Minato-ku, Tokyo				
		Building 4-806, 4-819, Akasaka, Minato-ku, Tokyo				
	Residential	4-8-18, Akasaka, Minato-ku, Tokyo				
Access		Approximately a four-minute walk from Akasaka-Mitsuke Station, Tokyo Metro Ginza and Marunouchi Lines. Approximately a four-minute walk from Nagatacho Station, Tokyo Metro Yurakucho, Hanzomon and Namboku Lines.				
Use		Office, parking and storage				
Area Classification		Commercial districts				
Land Space	Registered	Land		712.49 m ²		
		Building		5,002.36 m ²		
Structure	Registered	S/SRC B1/9F				
Completion Date		February 2003				
Design Company		Tokyu Architects & Engineers Inc. and TOKYU CONSTRUCTION CO., LTD.				
Construction Company		TOKYU CONSTRUCTION CO., LTD.				
Building Certification Authority		JAPAN ERI CO., LTD.				
Earthquake Resistance		PML (Probable Maximum Loss) of 3.9% 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:		420.72 m ²		
		Ceiling Height:		2.70 m		
		Floor Weight Limits:		300kg/m ² (500kg/m ² in some places)		
		Office Automation Floor:		13.5 cm in height		
		Electric Power Capacity:		60VA/m ²		
		Air Conditioning:		Individually controlled air conditioners		
Type of Ownership		Land: Proprietary ownership		Building: Proprietary ownership		
Acquisition Price		¥8,500,000,000				
Appraisal Value (Appraisal Method)		¥8,500 million (Capitalization method as of the appraisal date of May 16, 2007)				
		Appraiser: HIRO & REAS Network, Inc.				
Building Assessment Reporter		Engineering & Risk Services Corporation				
Date of Building Assessment Report		April 13, 2007				
Property Management Company		Tokyu Land Corporation				
Securities/Guarantee		None				
Special Items		The usage of an area at the road facing the southeast side of the property does not correspond with the recognized boundary separating private property and public land. TOKYU REIT has confirmed with the Minato Ward Office that the current state of affairs presents no problems in terms of rights and the usage of this property.				
Tenant Details	Number of Tenants		1			
	Tenant		Tokyu Agency, Inc.			
	Total Rental Income		410 million			
	Lease Deposits and Guarantee Deposits		321 million			
	Estimated NOI		326 million (annually)			
	Total Leased Area		3,533.03 m ²			
	Total Rentable Area		3,533.03 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
		100%	100%	100%	100%	100%

* Figures for the number of tenants, total rental income and occupancy rate are forecasts as of the scheduled settlement date of January 31, 2008.

* Estimated NOI is forecast exclusive of special items related to the acquisition. Figures are based on the following assumptions:

- 1) Total rental income is calculated based on the occupancy rate 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.

4. Seller Profile

Company Name	Amit Investment Ltd.
Head Office Address	c/o Sakura & Co., 1-11 Kanda Jimbocho, Chiyoda-ku, Tokyo
Representative	Shigeru Sugimoto
Capital	¥3 million
Major Shareholder	TSF No.10 (Cayman Special Purpose Company)
Principal Activities	Acquisition, management and sale of trust beneficiary interests based on trust agreements
Relationship with TOKYU REIT or its Investment Management Company	As a special purpose company (SPC) established by Tokyu Agency, Inc. and Tokyu Land Corporation, which are related parties as stipulated under Article 15, Item 2 of the Law Concerning Investment Trusts and Investment Corporations, Amit Investment Ltd. falls under the category of an associated company* of TOKYU REIT's Investment Management Company, Tokyu Real Estate Investment Management Inc., and therefore, is covered by TOKYU REIT's measures to prevent conflicts of interest.

* "Associated company of the Tokyu Group" refers to a related party of the Investment Management Company, as stipulated under Article 15, Item 2 of the Law Concerning Investment Trusts and Investment Corporations, or an SPC in which a related party holds a majority of its shares and equity in silent partnerships, or implements preferential investment.

5. Conditions of Property Acquisition

	Investment Corporation	Previous Owner	Owner before the Previous Owner
Company Name	TOKYU REIT, Inc.	Amit Investment Ltd.	No owner before the previous owner as it was a development project.
Relationship with Specially Related Parties	None	Please refer above to "Relationship with TOKYU REIT or its Investment Management Company" in "4. Seller Profile"	
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	
Acquisition Price	¥8,500 million	Details omitted as it was a development project.	
Acquisition Date	January 31, 2008 (Planned)	Acquisition of land: January 2002 Construction of the property: February 2003	

6. Transactions with Related Parties

Amit Investment Ltd. was established by Tokyu Agency and Tokyu Land Corporation as an SPC. Given this, TOKYU REIT will acquire the property for a price that does not surpass the real estate appraisal value, in accordance with its own voluntary measures to prevent conflicts of interest. In addition, TOKYU REIT received a second opinion summary compiled by The Chuo Mitsui Trust and Banking Company, Limited, with regard to the appropriateness of the property's acquisition price and price calculation process.

As of March 31, 2007, TOKYU Corporation owned 66.96% voting rights of the building's tenant, Tokyu Agency Inc., and in accordance with Article 15, Item 2 of the Law Concerning Investment Trusts and Investment Corporations, Tokyu Agency falls under the category of a related party. For the tenant contract of this property, TOKYU REIT entered into a fixed-term lease agreement with Tokyu Agency, which is subject to condition precedent of the implementation of interest transfer in accordance with its own voluntary measures to prevent conflicts of interest. Leasing conditions stipulated in this lease agreement were set effective upon acquisition, and the acquisition price reflects these conditions.

Tokyu Land Corporation, the company to which TOKYU REIT plans to outsource property management of the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building), falls under the category of a related party as stipulated in Article 15, Item 2 of the Law Concerning Investment Trusts and Investment Corporations. Accordingly, TOKYU REIT entered into a property management agreement with Tokyu Land Corporation 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 three 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.

7. Leasing Conditions to the Tenant

Leased Area and Annual Leasing Rates

Tenant Name	Business	Leased Space (m ²)	Annual Leasing Rate (Thousands of yen)
Tokyu Agency, Inc.	Advertising	3,553.03	385,200

Leasing Conditions

Tenant	Tokyu Agency, Inc.
Property Name	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)
Contract Period	From January 31, 2008 to January 31, 2013
Contract Renewal Method	No renewal
Lease Deposits	¥321,000,000
Supplementary Contract for Fixed-Term Lease Contract	Yes
Conditions of Leasing Rate Revision	No
Others	Trust beneficiary interests from Amit Investment Ltd. to TOKYU REIT, Inc. are subject to condition precedent

8. Brokerage

No brokerage transaction will be undertaken for this acquisition.

9. Acquisition Schedule

June 29, 2007	Decision of acquisition Execution of beneficiary interest transfer agreement, fixed-term lease contract with condition precedent, property management agreement and the amendment of real estate trust agreement
January 31, 2008	Settlement (planned) Lump-sum payment of acquisition costs (planned)

10. Financing Details

TOKYU REIT intends to procure debt financing upon the property acquisition. Details of debt financing will be disclosed as and when determined.

11. Outlook

As the acquisition of the property will have little effect on operating conditions, no changes are foreseen to the forecasts for the eighth fiscal period ending July 31, 2007, and the ninth fiscal period ending January 31, 2008.

Attachments

1. Property appraisal summary
2. Second opinion summary
3. Property portfolio after acquisition (as of January 31, 2008)
4. Photograph of the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)
5. Location map of the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)

Translation Purpose Only

Attachment 1

Property appraisal summary

(Unit: JPY '000)

Property Name : Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)		Details	Specific Notes
Appraisal Firm		HIRO & REAS network, Inc.	-
Final Appraised Value		8,500,000	DCF Method applied
Date of value		16-May-07	-
Value Indicated by Income Approach		8,500,000	-
Value Indicated by Direct Capitalization Method		8,340,000	-
(1) Gross Income		439,369	-
① Potential Gross Income		445,428	Assessed based on current and projected lease conditions
② Vacancy Loss		6,059	Assessed based on current occupancy of the subject and standard vacancy rate in the market
(2) Total Expenses		82,360	-
③ Management/Repairs/PM Fee, etc.		48,644	Based on actual payment record and budget
④ Real Estate Taxes		33,120	FY2006 actual applied
⑤ Insurance Premium		596	Based on historic figures
(3) Net Operating Income		357,009	-
(4) Capital Expenditure		6,873	Annual average of capital expenditure reserve indicated in the engineering report
(5) Net Cash Flow		350,136	-
(6) Overall Capitalization Rate		4.20%	Based on market cap rate
Value Indicated by DCF Method		8,500,000	-
Discount Rate		4.20%	-
Terminal Capitalization Rate		4.50%	-
Value Indicated by Cost Approach		6,640,000	-
Ratio of Land Value		82.8%	-
Ratio of Building Value		17.2%	-
Particular Attention to have been paid in Application of Appraisal Methodology and Final Value Conclusion		The subject is a office building located where it can enjoy high demand on it in central Tokyo area. In estimating future cash flow, Income is projected by current and future leasing conditions in the subject. In addition, earning power of the subject is judged stable because of tenant's corporate credit and long-term lease.	

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 place as of the effective date of value. 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

Akasaka 4-chome Building (Tokyu Agency Inc. Head Office 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 did.
Best usage of the property	CMTB shares appraiser's opinion that the Subject's current use as a medium-and high-rise office building is the highest and best use.
Capitalized value (A)	In light of the CMTB's appraisal standards, the capitalization rate in the appraiser's scenario should be considered to be lower than the discount rate in the method of DCF, not the same rate as each other in the appraiser's approach in which consequently the capitalized value might be possibly low in the direct capitalization method. While, CMTB approximately and generally estimates the same capitalized value as the appraiser assessed in conclusion, as a result of having placed the most emphasis on the indicated value obtained from the method of DCF.
Cost approached value (B)	With respect to the value on the subject indicated by cost approach, the CMTB reached almost the same estimation as the appraiser assessed.
Adjustment to (A) and (B)	The reconciliation procedures the appraiser took and the final opinion of value on the subject the appraiser determined are considered to be reasonable and appropriate.

The above brief summary made by The Chuo Mitsui Trust and Banking Company Limited as the real estate investment advisor ("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)

Attachment 3

Property portfolio after acquisition (as of January 31, 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	8.4
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.7
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	5,770	3.2
R	Tokyu Saginuma Building (Saginuma Tokyu Store)	Tokyu Areas	September 10, 2003	6,920	3.8
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	3.7
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	5.3
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	13.6
R	Shonan Mall Fill (<i>sokochi</i>)	Other	April 28, 2006	6,810	3.8
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	2.8
	Subtotal			86,426	48.0
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	12.4
O	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.6
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.7
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.5
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	2.0
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.6
O	Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	12.9
O	TOKYU REIT Toranomom Building	Central Tokyo	December 15, 2004	8,630	4.8
O	Sigma Hatchobori Building	Central Tokyo	September 29, 2006	7,000	3.9
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008 (Planned)	8,500	4.7
	Subtotal			93,810	52.0
	Total			180,236	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 Ratios are rounded to the nearest first decimal place. Accordingly, subtotal and totals may not exactly match the sum of relevant items.

*4 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.

*5 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 Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)



Attachment 4

Location map of the Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)



Location	: 4-8-18, Akasaka, Minato-ku, Tokyo
Nearest Station	: Approximately a four-minute walk from Akasaka-mitsuke Station, Tokyo Metro Ginza and Marunouchi Lines Approximately a four-minute walk from Nagatacho Station, Tokyo Metro Yurakucho, Hanzomon and Namboku Lines
Total land area	: 712.49m ²
Total floor area	: 5,002.36m ²
Structure	: S/SRC B1/9F
Completion	: February 2003
Type of ownership	: (Land) Proprietary ownership (Building) Proprietary ownership
Tenant	: Tokyu Agency Inc.