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For Immediate Release

TOKYU REIT, Inc.
 2-17, Nampeidai-cho, Shibuya-ku, Tokyo
 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 (revision)

TOKYU REIT, Inc. ("TOKYU REIT") today announced revisions to its operating forecasts for its first fiscal period (June 20, 2003 to January 31, 2004), and for its second fiscal period (February 1, 2004 to July 31, 2004), which were announced on September 10, 2003.

1. Reasons for Revision

The acquisition of new properties including TOKYU REIT Shibuya Udagawa-cho Square (tentative name) and trust beneficial interests in the Resona Maruha Building (compartmentalized ownership), and the fund procurement through debt financing for the properties and other factors.

2. Revised Forecasts for the First and Second Fiscal Periods

	Operating Revenues	Net Income	Distributions per Unit	Distributions in Excess of Earnings per Unit
Previous Forecasts				
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 -
Revised Forecasts				
First Fiscal Period (June 20, 2003 – January 31, 2004)	Millions of Yen 2,858	Millions of Yen 862	Yen 8,800	Yen -
Second Fiscal Period (February 1, 2004 – July 31, 2004)	Millions of Yen 4,182	Millions of Yen 1,372	Yen 14,000	Yen -
Change				
First Fiscal Period (June 20, 2003 – January 31, 2004)	% 3.4	% 4.4	% 4.4	-
Second Fiscal Period (February 1, 2004 – July 31, 2004)	% 18.1	% 14.7	% 14.6	-

Translation Purpose Only

(Reference)

Number of Units Outstanding: 98,000 units (No change from previous announcement)

Notes:

1. The forecasts presented in this document are based on “Assumptions for the Revised Forecasts 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 cash distributions 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.
2. Distributions per unit do not include distributions in excess of earnings per unit.
3. TOKYU REIT has a financing policy of maintaining a low Loan to Value (LTV) ratio with the aim of ensuring a sound financial position. LTV remains within the scope of TOKYU REIT's established financing policy, however a significant increase in LTV following the acquisition of new properties compared with the ratio as of TOKYU REIT's listing is expected.

Assumptions for the Revised Forecasts 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)

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. In the event of any specified change in published forecasts, the Company will report accordingly, and promptly disclose revised forecasts.

Item	Assumptions
Property Portfolio	<ul style="list-style-type: none"> ● TOKYU REIT has used the net proceeds received from the issue of new investment units and the funds from debt financing to purchase the trust beneficial interests in 11 properties (“initial properties”) on September 10, 2003 and September 11, 2003. ● Operating forecasts are based on the assumption TOKYU REIT will promptly acquire TOKYU REIT Shibuya Udagawa-cho Square (tentative name) and compartmentalized ownership in the Resona Maruha Building (“additional properties”). Forecasts are also 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 portfolio) up to and including the end of the second fiscal period ending July 31, 2004.
Operating Revenues	<ul style="list-style-type: none"> ● Operating revenues are estimated based on the historical performance of each initial property and each additional property, as provided under the relevant lease agreements as of November 30, 2003 and include estimates for vacancies based on notices received from tenants of the termination of lease agreements up to and including the end of the second fiscal period ending July 31, 2004. Estimates are also based on the assumption there will be no arrears and non-payment by tenants.
Operating Expenses	<ul style="list-style-type: none"> ● No property-related taxes relating to the additional properties will be expensed in the first and second fiscal periods because the amounts of property-related taxes for the period from the date of acquisition through to December 31, 2004 will be capitalized as a part of the acquisition costs of the additional properties. ● Repair, maintenance and renovation expenses are calculated in the amount deemed necessary for each fiscal period. Actual repairs and maintenance expenses may differ significantly from estimates, however, due to the possible emergence of unforeseen factors. ● Depreciation and amortization expenses are calculated based on the straight-line method. Specific components of depreciation and amortization are acquisition costs, and expected capital expenditures. TOKYU REIT estimates approximately ¥468 million and approximately ¥612 million for the first and second fiscal periods, respectively.
Non-operating Expenses	<ul style="list-style-type: none"> ● Start-up costs associated with incorporation and costs incurred in connection with the offerings are estimated to be approximately ¥430 million for the first fiscal period. ● TOKYU REIT partly intends to convert its short-term debt to long-term debt during the second fiscal period ending July 31, 2004.
Debt Financing	<ul style="list-style-type: none"> ● TOKYU REIT obtained debt financing of ¥32,700 million from qualified institutional investors as defined in section 2-3-1 under the Securities and Exchange Act of Japan on September 11, 2003, for the acquisition of initial properties. ● TOKYU REIT intends to obtain debt financing of approximately ¥29,500 million from qualified institutional investors to assist in the acquisition of additional properties. Details of ¥24,000 million debt financing earmarked for the acquisition of the Resona Maruha Building are provided under separate cover. Please refer to press release “Notice Concerning Debt Financing” dated December 18, 2003. ● LTV is forecast at 50.2% after acquisition of the additional properties (currently: 36.0%). LTV = Total amount of interest-bearing debt/Total assets (forecast)
Investment Unit	<ul style="list-style-type: none"> ● There will be no additional issue of new investment units up to and including the second fiscal period ending July 31, 2004.
Distributions per Unit	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.

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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.