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**For Immediate Release**

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**Notice Concerning Operating Forecasts  
for the First Fiscal Periods 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.

**Forecasts for the First and Second Fiscal Period**

(yen in millions, except distributions per unit and distributions in excess of earnings per unit)

	Operating Revenues	Net Income	Distributions per Unit	Distributions in Excess of Earnings per Unit
First Fiscal Period (June 20, 2003 – January 31, 2004)	2,764	818	8,355	-
Second Fiscal Period (February 1, 2004 – July 31, 2004)	3,541	1,184	12,090	-

(Note) As of January 31, 2004

Units outstanding: 98,000 units      Net income per unit: 8,355 yen

As of July 31, 2004

Units outstanding: 98,000 units      Net income per unit: 12,090 yen

(\*) The offer price per unit used for the forecasts is 500,000 yen.

Note: This press release provides information regarding the company’s investment and business forecasts for the fiscal periods ending January 31, 2004 and July 31, 2004, and is not provided as an inducement or invitation for investment. We caution readers to refer to the company’s Prospectus and Notice of Amendments thereto and to undertake investment decisions subject to individual determination. This press release is not intended to be, and is not, an offer of units for sale in the United States, and units may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933. There is not, and there is not currently intended to be, any public offering of the units in the United States.

The operating forecasts for the first and the second fiscal period are based on the above-mentioned pre-conditions and assumptions stated below and do not guarantee the actual results of operations. Actual results of operating revenues, net income, and distributions per unit may differ due to the acquisitions or sale of properties, change in operating environment, and additional issue of new investment units.

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

The assumptions that support forecasts for the first fiscal period ending January 31, 2004 and the second fiscal period ending July 31, 2004 are as follows. If, in the future, revised forecasts materially deviate from the original forecasts, TOKYU REIT will announce revised forecasts promptly.

	Assumptions
Property Portfolio	<ul style="list-style-type: none"> <li>TOKYU REIT intends to use the net proceeds received from the offerings and the funds from debt financing to purchase trust beneficial interests in the 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 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).</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>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).</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>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.</li> </ul>

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Operating Expenses	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Depreciation and amortization expenses are calculated based on a straight-line method. Specific components of depreciation and amortization are acquisition cost, 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.</li> </ul>
Non-operating Expenses	<ul style="list-style-type: none"> <li>• Start-up 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.</li> <li>• Interest rate will remain unchanged until the end of the second fiscal period.</li> </ul>
Debt Financing	<ul style="list-style-type: none"> <li>• TOKYU REIT intends to obtain the debt financing of approximately 35.5 billion yen from qualified institutional buyers as defined in section 2-3-1 under the Securities Act in Japan.</li> </ul>
Investment Unit	<ul style="list-style-type: none"> <li>• 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).</li> </ul>
Distribution per Unit	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• TOKYU REIT does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• There will be no material changes in legislation and regulations, Japanese GAAP and Japanese taxation.</li> <li>• There will be no material changes in the general economic and real estate market conditions in Japan.</li> </ul>

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