

December 18, 2003

**For Immediate Release**

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**Notice Concerning Acquisition of Property  
( Resona Maruha Building )**

TOKYU REIT, Inc. ("TOKYU REIT") today announced details of the acquisition of trust beneficial interest in a certain property, summarized as follows.

**1. Acquisition Details**

1. Type of Acquisition: A property in the form of trust beneficial interest
2. Property Name: Resona Maruha Building  
Land: 6,893.71 m<sup>2</sup> (27% under co-ownership)  
Building: Compartmentalized ownership of floors B3, 1, and 18 through 25 of the Resona Maruha Building comprising 19,542.77 m<sup>2</sup>
3. Trustee: The Mitsubishi Trust and Banking Corporation
4. Expiration Date of Trustee Contract: January 31, 2010
5. Acquisition Price: ¥23,260 million (excluding acquisition costs, property tax, city planning tax, and consumption tax)
6. Scheduled Acquisition Date: January 15, 2004
7. Seller: Just Capital, Y.K.
8. Financing: Debt financing

**2. Rationale**

The acquisition of an office building in the central business district of Otemachi, Chiyoda Ward falls within TOKYU REIT's investment / acquisition policy as outlined in its Articles of Incorporation. This acquisition is anticipated to

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further enhance TOKYU REIT's office property portfolio, particularly that portion located in Central Tokyo (specifically the Chiyoda, Chuo, Minato, Shibuya, and Shinjuku wards).

TOKYU REIT has contracted to acquire compartmentalized ownership of eight floors (18 through 25) with dedicated entrance and elevator. In addition to the execution of a trust beneficial interest transfer agreement, TOKYU REIT has also secured a fixed six-year lease for six floors with MARUHA CORPORATION. While the remaining two floors are currently vacant, TOKYU REIT is planning comprehensive renovation to ensure the building meets today's sophisticated office requirements. Each floor will boast floor space of approximately 500 tsubo (approximately 1,700 m<sup>2</sup>), ceiling height of 2.65 m, and individually controlled air conditioners. Coupled with its prime location, this acquisition is distinguished for its high competitive advantage. Moreover, TOKYU REIT will make every effort to curtail management costs.

### 3. Property Profile

Location	Registered	Land	1-2-1 Otemachi, Chiyoda-ku, Tokyo and other 16 hitsu	
		Bldg.	1-2-1 Otemachi, Chiyoda-ku, Tokyo and other 5 hitsu (Whole Building) 1-2-1 Otemachi, Chiyoda-ku, Tokyo (Compartmentalized ownership)	
	Residential	1-1-2 Otemachi, Chiyoda-ku, Tokyo		
Access		Approximately 1 minute on foot from Otemachi Station – Eidan Subway Chiyoda Line/ Hanzomon Line/Tozai Line/ Marunouchi Line/ Toei Subway Mita Line		
Use		Office and parking		
Area Classification		Commercial district		
Land Space	Registered	Land	6,893.71 m <sup>2</sup>	Total land space including co-ownership
		Bldg.	74,379.30 m <sup>2</sup>	Total building floor space including other compartmentalized ownership
Type of Structure	Registered	Bldg.	S/SRC, B4/25F	
Completion Date		November 1978		
Earthquake Resistance		<p>PML of 7.7% is based on earthquake risk assessment report prepared by Engineering &amp; Risk Services Corporation</p> <p>PML (Probable Maximum Loss) refers to the expected maximum loss ratio caused by earthquakes. Although there is no single authoritative definition of PML, PML refers to the percentage of expected damages caused by a small-to large-level earthquake that happens during an assumed period for the economic life of a building, to procurement cost for restoring the expected damages. Earthquake probability is statistically calculated as occurring once every 475 years. Calculations also include data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation.</p> <p>Although this building was constructed prior to the current earthquake resistance standards, the current owner has received structural evaluation from the Building Center of Japan, foundation.</p>		
Type of Ownership		Land:	Co-ownership (Co-ownership ratio 27%)	Bldg.: Compartmentalized ownership (19,542.77 m <sup>2</sup> )
Appraisal		¥22,800 million (capitalization method as of November 1, 2003) Appraiser Japan Real Estate Institute		
Special Items		<ul style="list-style-type: none"> <li>The current owner has not received a letter of confirmation regarding roadway areas for certain sections of the building's boundaries from the Tokyo Metropolitan Government.</li> <li>TOKYU REIT has concluded a fixed six-year lease with MARUHA CORPORATION commencing the date of scheduled acquisition.</li> </ul>		

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Tenant Details	Number of Tenants	1	
	Principal Tenants	MARUHA CORPORATION	
	Total Rental Income	¥1,100 million	(Annually)
	Estimated NOI	¥757 million	(Annually)
	Total Leased Area	11,097.27 m <sup>2</sup>	
	Total Rentable Area	14,064.53 m <sup>2</sup>	
	Occupancy Rate	78.9%	

Figures for the number of tenants, principal tenants, total rental income and occupancy are forecasts as of the scheduled settlement date, January 15, 2004.

Estimated NOI is forecast exclusive of special items related to the acquisition. Figures are based on the following assumptions:  
Revenues are calculated based on the current occupancy rate of 78.9%.  
Calculations are based on the assumption there will be no change in taxes and dues.

#### 4. Seller Profile

1.	Company Name:	Just Capital, Y.K.
2.	Head Office Address:	2-14-3 Nagatacho, Chiyoda-ku, Tokyo
3.	Representative:	Fumio Motoki, Director
4.	Capital:	¥3 million
5.	Principal Activities:	Real estate leasing and other
6.	Other:	No related interest with TOKYU REIT

#### 5. Acquisition Schedule

December 18, 2003 Execution of Trust Beneficial Interests Transfer Agreement

January 15, 2004 Scheduled property settlement

#### 6. Financing Details

TOKYU REIT has decided to procure ¥24,000 million (planned) in debt financing on the scheduled acquisition date to assist in the purchase of the Resona Maruha Building. Details of debt financing have been announced under separate press release. Please refer to “Notice Concerning Debt Financing” dated December 18, 2003.

#### 7. Outlook

Details of TOKYU REIT’s operating forecasts for the first fiscal period ending January 31, 2004 and the second fiscal period ending July 31, 2004 have been provided under separate press release. Please refer to “Notice Concerning Operating Forecasts for the First Fiscal Period Ending January 31, 2004 and the Second Fiscal Period Ending July 31, 2004 (revision)” dated December 18, 2003.

#### [Attachments]

1. Property Appraisal Summary
2. Property portfolio after acquisition
3. Photograph of the Resona Maruha Building
4. Map of the Resona Maruha Building
5. Overview of the Resona Maruha Building

## Attachment 1

Property Appraisal Summary

**Appraiser:** Japan Real Estate Institute

**Appraisal value<sup>(1)</sup>:** ¥22,800,000,000

**As of November 1, 2003**

*(in thousands, except percentages)*

<b>Value based on direct capitalization method:</b>	¥22,800,000
<b>Income</b>	
Income (including rent, fees paid by tenants to cover CAM charges and other income) <sup>(2)</sup> .....	1,712,297
Vacancy and collection loss <sup>(3)</sup> .....	48,679
Total income .....	1,663,618
<b>Expenses</b>	
Maintenance and management costs including utility expenses and property management fees <sup>(4)</sup> .....	180,641
Property taxes <sup>(5)</sup> .....	179,740
Insurance <sup>(6)</sup> .....	4,433
Other expenses .....	0
Total expenses .....	364,814
Net operating income .....	1,298,804
Interest revenue on deposits <sup>(7)</sup> .....	31,613
Capital expenditures (including repair costs) <sup>(8)</sup> .....	99,321
Net cash flow <sup>(9)</sup> .....	1,231,096
Capitalization rate <sup>(10)</sup> .....	5.40 %
<b>Valued based on discounted cash flow method:</b>	22,800,000
Discount rate .....	5.20 %
Terminal capitalization rate .....	5.40 %
<b>Valued based on cost method:</b>	23,400,000
Percentage of estimated land value .....	92.3 %
Percentage of estimated building value .....	7.7 %

Notes:

- (1) In determining the appraisal value, the following were taken into account: (i) the property's favorable office location, (ii) the stable income from the fixed-term lease agreement with the main tenant, (iii) the compartmentalized ownership.
- (2) Calculated by giving consideration to expected future lease markets and rent levels applicable to new tenants based on current contracts and past financial results.
- (3) Calculated based on current occupancy rates of similar properties in the area.
- (4) Calculated based on past financial results.
- (5) Calculated based on the value of the land and the building, respectively, as of January 1, 2003.
- (6) Calculated based on insurance premium of similar properties.
- (7) Calculated based on (i) the amount of the deposit applicable to new tenants and (ii) current occupancy rates.
- (8) The amount is the annual average of repair and renovation costs set forth in the engineering report prepared by Engineering & Risk Services Corporation.
- (9) Net cash flow is leasehold income plus interest revenue on deposits, less capital expenditures.
- (10) Capitalization rate was calculated taking into account: (i) the property location, (ii) the conditions of the building, (iii) growth of rental income, (iv) property rights attaching to the property (contractual or otherwise), and (v) the capitalization rate of similar properties.

## Attachment 2

### Property Portfolio after Acquisition (As of January 15, 2004)

	Property	Location	Acquisition Date	Acquisition Price (Millions of Yen)	Ratio
R1	QFRONT	Central Tokyo and Tokyu Areas	September 10, 2003	15,100	14.6%
R2	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	4.6%
R3	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	5.6%
R4	Tokyu Saginuma Building	Tokyu Areas	September 10, 2003	6,920	6.7%
R5	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	1.2%
	Subtotal			33,880	32.7%
O1	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	21.6%
O2	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas	September 11, 2003	4,660	4.5%
O3	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas	September 11, 2003	6,620	6.4%
O4	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	4.3%
O5	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	3.4%
O6	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	4.6%
O7	Resona Maruha Building	Central Tokyo	January 15, 2004 (planned)	23,260	22.5%
	Subtotal			69,680	67.3%
	Total			103,560	100.0%

Note: 1. The acquisition price is the contract price and is exclusive of acquisition costs, property taxes, city planning taxes, and consumption tax.

2. PML (Probable Maximum Loss) of the total property portfolio identified above is 5.7% based on earthquake risk assessment report prepared by Engineering & Risk Services Corporation and OYO RMS Corporation. PML of the total property portfolio prior to acquisition of the Resona Maruha Building is 6.1%.

3. "Central Tokyo" refers to the region comprising Shinjuku, Shibuya, Chiyoda, Minato, and Chuo wards. "Tokyu Area" refers to the areas covered by the Tokyu rail network.

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Property Portfolio after Acquisition (As of March 1, 2004)

	Property	Location	Acquisition Date	Acquisition Price (Millions of Yen)	Ratio
R1	QFRONT	Central Tokyo and Tokyu Areas	September 10, 2003	15,100	13.7%
R2	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	4.4%
R3	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	5.2%
R4	Tokyu Saginuma Building	Tokyu Areas	September 10, 2003	6,920	6.3%
R5	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	1.2%
R6	TOKYU REIT Shibuya Udagawa-cho Square (tentative name)	Central Tokyo and Tokyu Areas	March 1, 2004 (planned)	6,600	6.0%
	Subtotal			40,480	36.7%
O1	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	20.3%
O2	Tokyu Nampo-dai-cho Building	Central Tokyo and Tokyu Areas	September 11, 2003	4,660	4.2%
O3	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas	September 11, 2003	6,620	6.0%
O4	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	4.0%
O5	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	3.2%
O6	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	4.3%
O7	Resona Maruha Building	Central Tokyo	January 15, 2004 (planned)	23,260	21.1%
	Subtotal			69,680	63.3%
	Total			110,160	100.0%

Note: 1. The acquisition price is the contract price and is exclusive of acquisition costs, property taxes, city planning taxes, and consumption tax.

2. For proposed acquisition of TOKYU REIT Shibuya Udagawa-cho Square (tentative name) on March 1, 2004, please refer to the press release “Notice Concerning Acquisition of Property TOKYU REIT Shibuya Udagawa-cho Square (tentative name)” dated December 12, 2003.

3. PML (Probable Maximum Loss) of the total property portfolio identified above is 5.7% based on earthquake risk assessment report prepared by Engineering & Risk Services Corporation and OYO RMS Corporation. PML of the total property portfolio prior to acquisition of the Resona Maruha Building is 6.1%. PML of the total property portfolio prior to acquisition of TOKYU REIT Shibuya Udagawa-cho Square (tentative name) is 5.7%.

4. “Central Tokyo” refers to the region comprising Shinjuku, Shibuya, Chiyoda, Minato, and Chuo wards. “Tokyu Area” refers to the areas covered by the Tokyu rail network.

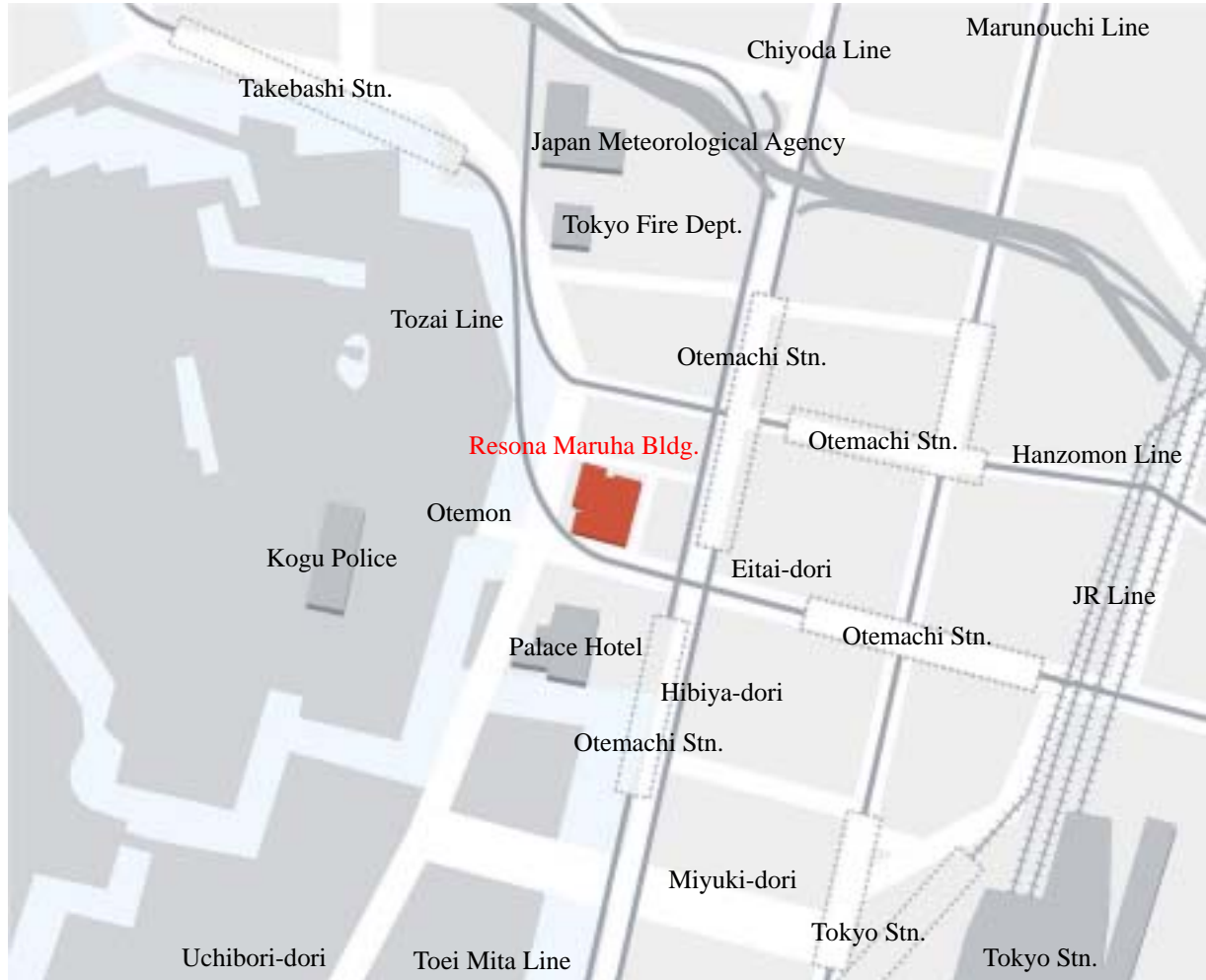
**Attachment 3**

Photograph of the Resona Maruha Building



**Attachment 4**

Map of the Resona Maruha Building

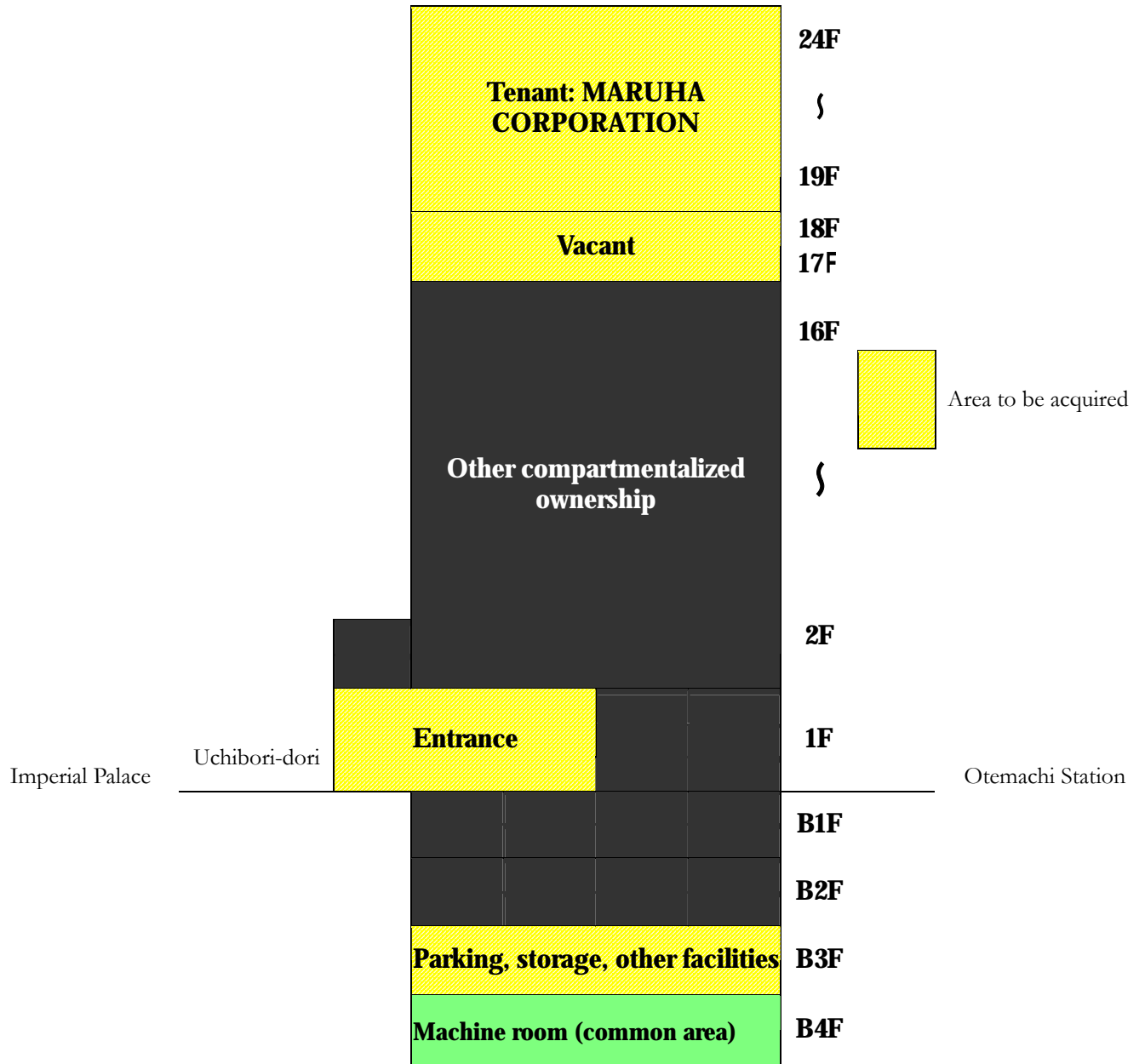


Location:	1-1-2 Otemachi, Chiyoda-ku, Tokyo
Access:	Approximately 1 minute on foot from Otemachi Station—Eidan Subway Chiyoda Line/ Hanzomon Line/ Tozai Line/ Marunouchi Line/ Toei Subway Mita Line
Land Space	Land 6,893.71 m <sup>2</sup> Total land space including co-ownership
	Building 74,379.30 m <sup>2</sup> Total building floor space including compartmentalized ownership
Type of Ownership	Land Co-ownership
	Building Compartmentalized ownership
Completion Date	November 1978
Principal Tenants	MARUHA CORPORATION



**Attachment 5**

Overview of the Resona Maruha Building



Note: The number of floors identified above is in accordance with the building management agreement and differs from that disclosed in this document.