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For Immediate Release

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## 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 real estate. Brief details are as follows.

### 1. Acquisition Details

- |                                |   |
|--------------------------------|---|
| (1) Type of Acquisition:       | Real estate (Compartmentalized ownership)   |
| (2) Property Name:             | Daikanyama Forum  |
| (3) Acquisition Price:         | ¥4,136,000,000<br>(Excluding acquisition-related costs, property tax,<br>city planning tax and consumption tax) |
| (4) Contract Day:              | March 31, 2008 (Monday)   |
| (5) Scheduled Acquisition Day: | April 22, 2008 (Tuesday)  |
| (6) Seller:                    | Five individuals  |
| (7) Financing:                 | Debt financing (Planned)  |

### 2. Rationale

This property is a retail facility that meets TOKYU REIT’s fundamental investment/acquisition policy as outlined in its Articles of Incorporation. The decision to undertake this acquisition was made with an eye to further enhancing TOKYU REIT’s property portfolio.

The Daikanyama area, where the property is located, is characterized by a high concentration of casual wear retailers targeting young people as well as of other types of shops around Daikanyama Station. Providing a great commercial environment, the area is also a preferred residential location due to a plethora of restaurants, embassies and parks located along Kyu Yamate Dori avenue. Trees planted along the avenue and the nearby prestigious residential zone similarly enhance the area’s reputation. Planned developments that include retail facilities and high-end condominiums boost expectations for the area’s gaining further prosperity.

The property has two buildings—namely, East Wing and West Wing—that have been designed to harmonize with the sensibility of Kyu Yamate Dori avenue and accommodate luxury apparel shops, a French restaurant and other tenants.

Having recognized the area's growth potential and the property’s scarcity premium as well as potential for stable profitability, TOKYU REIT has concluded that the property will contribute to the improved quality of its portfolio. Accordingly, TOKYU REIT has decided to acquire a 100% interest in the East Wing and an approximately 64% interest in the West Wing.

Moving forward, TOKYU REIT will continue to acquire new properties while adhering to its investment criteria and taking into consideration trends in capital and real estate investment markets. This approach will help TOKYU REIT improve the overall long-term yield on the entire portfolio and minimize portfolio risks.

Translation Purpose Only

### 3. Property Details

Property Name		Daikanyama Forum					
Type of Specified Assets		Real Estate (Compartmentalized ownership)					
Location	Registered	Land	Building 1 (East) : 33-18, 33-20, Sarugaku-cho, Shibuya-ku, Tokyo Building 2 (West) : 33-1, Sarugaku-cho, Shibuya-ku, Tokyo				
		Building	Building 1 (East) : 33-18, 33-20, Sarugaku-cho, Shibuya-ku, Tokyo Building area : E-001,E-101,E-201 Building 2 (West) : 33-1, Sarugaku-cho, Shibuya-ku, Tokyo Building area : W-001,W-101,W-202				
	Residential	17-16, Sarugaku-cho, Shibuya-ku, Tokyo					
Access		Approximately a six-minute walk from Daikanyama Station, Tokyu Toyoko Line					
Use		Building 1 (East) : Retail Building 2 (West) : Retail and Apartment Complex					
Area Classification		Category 2 exclusive district for medium and high residential buildings/ Category 2 exclusive district for low residential buildings					
Land Space	Registered	Land	Building 1 (East) : Building 2 (West) :	Site rights area Site rights area	942.30m <sup>2</sup> 1,108.01m <sup>2</sup>	Interest Interest	10,000/10,000 6,413/10,000
		Building	Building 1 (East) : Building 2 (West) :	1,441.57m <sup>2</sup> 2,388.70m <sup>2</sup>	Compartmentalized Ownership Compartmentalized Ownership	10,000/10,000 6,413/10,000	
Structure	Registered	Building 1 (East) : RC B1/2F Building 2 (West) : RC B1/5F					
Completion Date		February 1993					
Design Company		MITSUBISHI ESTATE CO., LTD.					
Construction Company		SHIMIZU CORPORATION					
Building Certification Authority		Shibuya-ku					
Earthquake Resistance		PML (Probable Maximum Loss) of 8.0% is based on an earthquake risk assessment report prepared by Engineering & Risk Services Corporation. This figure is obtained based on consideration Building 1 and Building 2 are integral. 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.					
Type of Ownership		Land	Building 1 (East) : Sight rights (Proprietary Ownership) Building 2 (West) : Sight rights ( Proprietary Ownership)				
		Building	Building 1 (East) : Compartmentalized Ownership Building 2 (West) : Compartmentalized Ownership				
Acquisition Price		¥ 4,136,000,000					
Appraisal Value (Appraisal Method)		¥ 4,160 million (Capitalization method as of the appraisal date of February 1, 2008)					
		Appraiser : HIRO & REAS network, Inc.					
Building Assessment Reporter		Property Risk Solution Corporation					
Date of Building Assessment Report		February 11, 2008					
Property Management Company		Tokyu Corporation					
Securities/Guarantee		None					
Special Items		· The roof over the property’ s car parking lot and the roof and tent-type roof sheltering the bicycle parking area were installed without obtaining prior approval for construction. However, a meeting of the property’ s tenant association board has passed a resolution for the removal of said roofs and/or the legitimate reinstallation of said roofs. TOKYU REIT will undertake the necessary construction shortly after the acquisition of the property.					
Tenant Details	Number of Tenants	5					
	Major Tenants	Hiramatsu Inc., Jun Ashida Co., Ltd.					
	Total Rental Income	¥ 205 million					
	Lease Deposits and Guarantee Deposits	¥ 437million					
	Estimated NOI	¥ 125 million					
	Total Leased Area	2,477.64 m <sup>2</sup>					
	Total Rentable Area	2,477.64 m <sup>2</sup>					
	Occupancy Rates	100%					
	Occupancy Rates over the Last Five Years	As of March 31, 2003 —	As of March 31, 2003 —	As of March 31, 2005 —	As of March 31, 2006 —	As of March 31, 2007 100%	

The number of tenants, major tenants, total rental income and occupancy rate are forecasts as of the scheduled settlement date of April 22, 2008.

\* Estimated NOI are forecast exclusive of special items related to the acquisition. Figures are based on the following assumptions. Regarding "Estimated NOI", management expenses and repair expenses are based on estimated expense from deposit of tenant association board. By contrast, "Net Operating Income" in the attachment 1, they are based on estimated deposit of tenant association board expensed by TOKYU REIT. They adopt a different calculation method.

- Total rental income is calculated based on effective lease contracts as of the scheduled acquisition date, and total estimated income is listed as an item.
- Notice of cancellation on August 31, 2008 has been presented by a tenant. "Total Rental Income", "Lease Deposits and Guarantee Deposits" and "Estimated NOI" are based on that no tenant will be moved in after leaving on August 31, 2008. Occupancy rate after leaving is assumed to be 91.5%.
- Calculations are based on the assumption that there will be no change in public taxes and dues from fiscal 2007.
- Estimated repair, maintenance and renovation expenses for the next 15 years are calculated based on the engineering report.

\* Figures except for "As of March 31, 2007" under "Occupancy Rates over the last Five Years" have not been confirmed.

#### 4. Seller Profile

Five individuals

These sellers have not provided their consent to disclose profile details, and accordingly, this information has been omitted. These sellers have no relationship with TOKYU REIT or its Investment Management Company.

#### 5. Conditions of Property Acquisition

	Investment Corporation	Previous Owner
Company Name	TOKYU REIT, Inc.	Five individuals
Relationship with Specially Related Parties	None	None
Acquisition Process and Rationale	For the purpose of enhancing its property portfolio, TOKYU REIT decided that the acquisition of the retail building meets its fundamental investment/acquisition policy as outlined in its Articles of Incorporation.	—
Acquisition Price	¥ 4,136 million	—
Acquisition Date	April 22, 2008 (Planned)	—

#### 6. Transactions with Related Parties

Tokyu Corporation, the company to which TOKYU REIT plans to outsource property management of the Daikanyama Forum, falls under the category of a related party as stipulated in Article 201, Item 1, of the Investment Trusts Law and Article 123 of the Enforcement Guidance for Investment Trusts Law.

Accordingly, TOKYU REIT has entered into a property management agreement with Tokyu Corporation today subject to completion of acquisition of the property in accordance with its own voluntary measures to prevent conflicts of interest.

#### 7. Brokerage

Mitsubishi UFJ Trust and Banking Corporation

Consent for disclose brokerage charge has not been provided, and accordingly, details for brokerage charge has been omitted.

## 8. Acquisition Schedule

March 31, 2008	Decision of acquisition Execution of Real Estate transfer agreement
April 22, 2008	Execution of property management agreement Lump-sum payment of acquisition costs (planned) Settlement (planned)

## 9. Financing Details

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

## 10. Outlook

As the acquisition of the property will have little effect on operating conditions, no changes are foreseen to the forecasts for the tenth fiscal period ending July 31, 2008 and the eleventh fiscal period ending January 31, 2009.

### Attachments

1. Property appraisal summary
2. Property portfolio after acquisition (as of April 22, 2008)
3. Photograph of the Daikanyama Forum
4. Location map of the Daikanyama Forum
5. Floor map of the Daikanyama Forum

Attachment 1

Property appraisal summary

(Unit: JPY '000)

Property Name : Daikanyama Forum		Details	Specific Notes
Appraisal Firm		HIRO & REAS network, Inc.	-
Final Appraised Value		4,160,000	DCF Method applied
	Date of value	01-Feb-08	-
	Category of Value	Specific Value (Tokutei-Kakaku)	
	Value Indicated by Income Approach	4,160,000	-
	Value Indicated by Direct Capitalization Method	4,140,000	-
	(1) Gross Income	242,174	-
	① Potential Gross Income	247,667	Assessed based on current and projected lease conditions
	② Vacancy Loss	5,493	Assessed based on current occupancy of the subject and standard vacancy rate in the market
	(2) Total Expenses	80,935	-
	③ Management/Repairs/PM Fee, etc.	64,479	Based on actual payment record and budget
	④ Real Estate Taxes	15,842	FY2007 actual applied
	⑤ Insurance Premium	614	Based on historic figures
	(3) Net Operating Income	161,239	-
	(4) Investment Profit from Deposit et al.	5,307	-
	(5) Long-term Repair Cost Reserve	1,045	Annual average of total of 15 years' mid/long-term repair and replacement cost indicated in the engineering report. It should be noted, however, that the ready-reserved amount of periodic repairs at the association board of the property as well as future
	(6) Net Cash Flow	165,501	-
	(7) Overall Capitalization Rate	4.00%	Based on market cap rate
	Value Indicated by DCF Method	4,160,000	-
	Discount Rate	4.00%	-
	Terminal Capitalization Rate	4.20%	-
	Value Indicated by Cost Approach	3,780,000	-
	Ratio of Land Value	90.1%	-
	Ratio of Building Value	9.9%	-
Particular Attention to have been paid in Application of Appraisal Methodology and Final Value Conclusion		The subject is a retail facility located where the area's name brand is renowned and it can enjoy high demand on it within the central Tokyo area. The appraised value is obtained considered with current and future income stream of the subject from the ten	

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 placed as of the effective date of value. The real estate appraisers do not make any warrant

## Attachment 2

Property portfolio after acquisition (as of April 22, 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	7.9
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.5
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	3.0
R	Tokyu Saginuma Building (Saginuma Tokyu Store)	Tokyu Areas	September 10, 2003	6,920	3.6
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	3.4
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	5.0
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	12.8
R	Shonan Mall Fill ( <i>sokochi</i> )	Other	April 28, 2006	6,810	3.6
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	2.7
R	Daikanyama Forum	Central Tokyo and Tokyu Areas	April 22, 2008 (Planned)	4,136	2.2
	Subtotal			90,562	47.3
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	11.7
O	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.4
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.5
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.3
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	1.9
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.5
O	Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	12.2
O	TOKYU REIT Toranomom Building	Central Tokyo	December 15, 2004 *3 September 21, 2007 *4 September 21, 2007 *5 October 26, 2007 *6	8,630 1,100 200 140	5.3
O	TOKYU REIT Hatchobori Building	Central Tokyo	September 29, 2006	7,000	3.7
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008	8,500	4.4
O	Tokyu Ikejiri-Ohashi Building	Central Tokyo	March 28, 2008	5,480	2.9
	Subtotal			100,730	52.7
	Total			191,292	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. Floor space: 9,688.59 m<sup>2</sup>, Interest of sight rights (*shikichi-ken*): 73,585/100,000

\*4. Floor space: 865.14 m<sup>2</sup>, Interest of sight rights (*shikichi-ken*): 8,579/100,000

\*5. Floor space: 139.93 m<sup>2</sup>, Interest of sight rights (*shikichi-ken*): 1,322/100,000

\*6. Floor space: 93.93 m<sup>2</sup>, Interest of sight rights (*shikichi-ken*): 1,166/100,000

\*7. Ratios are rounded to the nearest first decimal place. Accordingly, subtotal and totals may not exactly match the sum of relevant items.

\*8. 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.

\*9. The overall portfolio PML is 4.0% and is recorded in a PML Report prepared by Engineering &amp; Risk Services Corporation and OYO RMS Corporation.

Attachment 3

Photograph of the Daikanyama Forum



Attachment 4

Location map of the Daikanyama Forum



Location	17-16, Sarugaku-cho, Shibuya-ku			
Nearest Station	Approximately a six-minute walk from Daikanyama Station, Tokyu Toyoko Line			
Total Land Area	Building 1 (East) :	Site rights area	942.30m <sup>2</sup>	Interest 10,000/10,000
	Building 2 (West) :	Site rights area	1,108.01 m <sup>2</sup>	Interest 6,413/10,000
Total Floor Area	Building 1 (East) :	1,441.57 m <sup>2</sup>	Compartmentalized Ownership	10,000/10,000
	Building 2 (West) :	2,388.70 m <sup>2</sup>	Compartmentalized Ownership	6,413/10,000
Structure	Building 1 (East) :	RC B1/2F		
	Building 2 (West) :	RC B1/5F		
Completion	February 1993			
Type of Ownership	Land	Building 1 (East) :	Site rights (Proprietary Ownership)	
		Building 2 (West) :	Site rights (Proprietary Ownership)	
	Building	Building 1 (East) :	Compartmentalized Ownership	
		Building 2 (West) :	Compartmentalized Ownership	
Major Tenants	Hiramatsu Inc., Jun Ashida Co., Ltd.			



Attachment 5

Floor map of the Daikanyama Forum

	Building 2 (West)	Building 1 (East)
4F	residence	
3F	residence	
2F	residence	
1F	residence	
B1F	residence	
Land	residence	

  

4F	residence	residence	residence		
3F				residence	
2F	Daikanyama Syakan Photo Studio	Il Pleut Sur La Seine French Confectionery		residence	
1F	Boutique Ashida Ladies wear				
B1F	Maison Paul Bocuse Restaurant / Wedding				
Land	Sight rights area (1,108.01m <sup>2</sup> ) Interest of TOKYU REIT (6,413/10,000)				

  

4F		
3F		
2F	Il Pleut Sur La Seine French Confectionery School	RUBINACCI Men's clothes
1F	Boutique Ashida Ladies wear	
B1F	Maison Paul Bocuse Restaurant / Wedding	
Land	Sight rights area (942.30m <sup>2</sup> ) Interest of TOKYU REIT (10,000/10,000)	

Areas to be acquired by TOKYU REIT