

June 25, 2008

For Immediate Release

Real Estate Investment Trust Unit Issuer:
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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 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: | Ryoshin Harajuku Building (Compartmentalized ownership) |
| (3) Acquisition Price: | ¥14,160,000,000
(Excluding acquisition-related costs, property tax,
city planning tax and consumption tax) |
| (4) Contract Day: | June 25, 2008 (Wednesday) |
| (5) Scheduled Acquisition Day: | June 27, 2008 (Friday) |
| (6) Seller: | <i>Plaza Jingumae Co., Ltd.</i> |
| (7) Financing: | Debt financing and Cash on hand |

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 with an eye to further enhance TOKYU REIT's property portfolio.

Facing onto Meiji-dori, the property is located approximately a four-minute walk from Meiji-jingumae Station, serviced by the Tokyo Metro Fukutoshin Line, a new railway service that opened on June 14, 2008 as well as the Tokyo Metro Chiyoda Line. In the surrounding area along Meiji-dori, from Shibuya to Harajuku, the district is home to numerous apparel shops. More recently, with the opening of the Iceberg and other buildings, the area boasts a concentration of commercial facilities while also attracting stable demand for retail and office space from the domestic apparel, communication and media industries.

A multi-function facility, the property offers retail space on the first floor. With a glass-fitted external façade and excellent management, the property is distinguished by its high visibility and a quality that belies its age. Facing onto Meiji-dori, the property is a rare commodity with standard office space exceeding 150 tsubo per floor. Other features include high ceilings (approximately 2,650mm), individually controlled air conditioners and outstanding specifications.

TOKYU REIT highly evaluates the growth potential and the stability of the property. Given these factors, Ryoshin Harajuku Building is considered to be a major contribution to the improvement of TOKYU REIT's portfolio quality, and therefore TOKYU REIT made the decision for acquisition.

Translation Purpose Only

In addition to acquiring approximately 96% of the property under compartmentalized ownership including co-ownership portions, TOKYU REIT subleases co-ownership of compartmentalized ownership portions of an individual and the first floor.

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.

3. Property Details

Property Name		Ryoshin Harajuku Building				
Type of Specified Assets		Trust beneficiary interest in real estate (Compartmentalized ownership)				
Trustee		Mitsubishi UFJ Trust and Banking Corporation Trust Period : March, 2005 to November, 2017 (Planned)				
Location	Registered	Land	6-16-46, Jingumae, Shibuya-ku, Tokyo			
		Building	16-26, 16-19, 16-24, 16-25, 16-34, and a lot without lot numbers (next to 16-25), Jingumae, Shibuya-ku, Tokyo			
	Residential	6-17-11, Jingumae, Shibuya-ku, Tokyo				
Access		Approximately a four-minute walk from Meiji-jingumae Station, Tokyo Metro Fukutoshin and Chiyoda Lines Approximately a six-minute walk from Shibuya Station, Tokyo Metro Fukutoshin and Hanzomon Lines Approximately a nine-minute walk from Harajuku Station, JR Yamanote Line. Approximately an eleven-minute walk from Shibuya Station, JR Yamanote Line.				
Use		Office and Retail				
Area Classification		Commercial district/Residential Classification 1				
Land Space	Registered	Land	Site rights area 1,205.07 m ²	Interest : 191,540/200,000		
		Building	6,466.94 m ²	Interest in exclusive area ownership: Approximately 95.74%		
Structure	Registered	SRC B1/9F				
Completion Date		March 1989				
Design Company		Fujita Corporation				
Construction Company		Fujita Corporation				
Building Certification Authority		Tokyo city government				
Earthquake Resistance		PML (Probable Maximum Loss) of 5.1% 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.				
Type of Ownership		Land	Site rights (Proprietary ownership)	Building	Compartmentalized ownership	
Acquisition Price		¥ 14,160,000,000				
Appraisal Value (Appraisal Method)		¥ 13,400 million (Capitalization method as of the appraisal date of may 31, 2008) Appraiser: Japan Real Estate Institute				
Building Assessment Reporter		Engineering & Risk Services Corporation				
Date of Building Assessment Report		June 4, 2008				
Property Management Company		Tokyu Corporation (Planned)				
Securities/Guarantee		None				
Special Items		• The dimensions of the entrusted land are less than those at the time the subject entrusted building was constructed due to expropriation in connection with urban planning roadway expansion works on the northwest side of the premises. As a result, the entrusted building exceeds its currently allowed plot ratio. • A portion of the interior fittings of a tenant on the first floor exceeds the designated total floor area. Based on concerns that this excess portion will be included in calculations relating to the designated total floor area, written confirmation that the subject tenant will rectify this excess use of floor area in a timely fashion has been received.				
Tenant Details	Number of Tenants	6				
	Major Tenants	Peach John Co., Ltd, ZYX International, Toyota Motor Corporation				
	Total Rental Income	¥ 580 million				
	Lease Deposits and Guarantee Deposits	¥ 345 million				
	Estimated NOI	¥ 404 million				
	Total Leased Area	3,420.80 m ²				
	Total Rentable Area	4,761.62 m ²				
	Occupancy Rate	71.8% (as of June25, 2008)				
	Occupancy Rates over the Last Five Years	As of May 31, 2003 —	As of May 31, 2004 —	As of May 31, 2005 88.6%	As of May 31, 2006 100%	As of May 31, 2007 88.6%

* Figures for the number of tenants, major tenants and occupancy rate are forecasts as of the scheduled settlement date of June 27, 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.

- 1) 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
- 2) A lease agreement has been executed with one tenant with an effective delivery date of August 4, 2008. Total rental income, lease deposits, guarantee deposits and estimated NOI are calculated on the basis this tenant has occupied the contracted premises. The occupancy rate including this tenant is forecast at 74.3%.
- 3) Calculations are based on the assumption that there will be no change in public taxes and dues from fiscal 2008.
- 4) Estimated repair, maintenance and renovation expenses for the next 15 years are calculated based on the engineering report.

* Figures "As of May 31, 2003" and "As of May 31, 2004" under "Occupancy Rates over the last Five Years" have not been confirmed.

4. Seller Profile

Company Name	<i>Plaza Jingumae Corporation</i>
Head Office Address	c/o Sakura & Co, 11th Floor, DSM Jimbocho Building, 1-11, Kanda Jimbocho, Chiyoda-ku, Tokyo
Representative	Shigeru Sugimoto, Director
Capital	¥ 3 million (As of June 2008)
Major Shareholder	PGS Holdings Limited Liability Company
Principal Activities	1. Real estate holding, acquisition and disposal, leasing and maintenance 2. Acquisition, holding and disposal of real estate trust beneficial interest(s) 3. Development and management of office and retail properties. 4. Business pertaining to the above items
Relationship with TOKYU REIT or its Investment Management Company	The seller has no relationship with TOKYU REIT or its Investment Management Company.

5. Transaction with Related Parties

Tokyu Corporation, the company to which TOKYU REIT plans to outsource property management of the Ryoshin Harajuku Building, 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 plans to enter into a property management agreement with Tokyu Corporation on date of acquisition in accordance with its own voluntary measures to prevent conflicts of interest.

6. 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.

7. Acquisition Schedule

June 25, 2008	Decision of acquisition
	Execution of trust beneficiary interest transfer agreement
June 27, 2008	Lump-sum payment of acquisition costs (planned)
	Settlement (planned)
	Execution of property management agreement (planned)

8. Financing Details

TOKYU REIT intends to procure ¥14,000 million in debt financing on the scheduled acquisition date. For details of the debt financing, please refer to the press release dated June 25, 2008, “Notice Concerning Debt Financing.”

9. 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 June 27, 2008)
3. Photograph of the Ryoshin Harajuku Building
4. Location map of the Ryoshin Harajuku Building
5. Overview of the Ryoshin Harajuku Building

Attachment 1

Property appraisal summary

(Unit : JPY '000)

Property Name : Ryoshin Harajuku Building	Details	Specific Notes
Appraisal Firm: Japan Real Estate Institute		—
Effective Date of Value	31-May-08	—
Value Indicated by Income Approach	13,400,000	After deduction of the renovation costs (see Particular Attention below)
Value Indicated by Direct Capitalization Method	13,600,000	—
(1) Effective Gross Income(①－②)	712,963	—
①Potential Gross Income	737,678	The stabilized revenue was estimated considering the current lease conditions and past actual performance, etc.
②Vacancy Loss and Collection Loss Allowances	24,715	Considered the leasing situation and the market vacancy rate
(2) Total Expenses (③+④+⑤+⑥)	144,340	—
③Building Maintenance/Utilities/PM Fee, etc.	64,852	Considered the past actual performance, etc.
④Property Taxes	46,064	Based on the taxable value in FY2008
⑤Property Insurance	834	Considered the comparable insurance premium rates
⑥Other Expenses	32,590	The rent for leasehold portion of the building was estimated.
(3) Net Operating Income ((1)－(2))	568,623	—
(4) Investment Profits from Refundable Deposits	2,101	—
(5) Capital Expenditure	15,010	Considered the age, the annual average of the long-term renewal costs in ER, etc.
(6) Net Cash Flow ((3)+(4)－(5))	555,714	—
(7) Overall Capitalization Rate	4.10%	Considered the market cap rates, etc.
Value Indicated by DCF Method	13,100,000	—
Discount Rate	3.80%	—
Terminal Capitalization Rate	4.30%	—
Value Indicated by Cost Approach	13,100,000	After deduction of the renovation costs (see Particular Attention below)
Ratio of Land Value	93.1%	—
Ratio of Building Value	6.9%	—
Appraisal Value Conclusion	13,400,000	
Particular Attention Paid to Appraisal Methods and Appraisal Value Conclusion	<p>The subject property was an office building with retail space located at the CBD with stable demand. The appraisal value was concluded by considering the revenues based on the current and expected lease conditions and the tenants' credit.</p> <p>Because the buyer must pay 18,000,000 yen for the renovation costs for 1st floor retail space on this appraisal, the indicated values by income and cost approaches above were obtained by, first, estimating the values after renovation, and then deducting the renovation costs.</p>	

The appraisal value conclusion is a value opinion as of the effective date of value, indicated by licensed real estate appraisers in conformity with the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards. The real estate appraisers do not make any warranty in respect of the possible discrepancies in value of the same property appraised under different parties, conditions or timing. Neither does this appraisal make warranty of any sales transactions at the concluded value at any time.

Attachment 2

Property portfolio after acquisition (as of June 27, 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	7.3
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.3
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	2.8
R	Tokyu Saginuma Building (Saginuma Tokyu Store)	Tokyu Areas	September 10, 2003	6,920	3.4
R	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	0.6
R	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	3.2
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	4.6
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	11.9
R	Shonan Mall Fill (<i>sokochi</i>)	Other	April 28, 2006	6,810	3.3
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	2.5
R	Daikanyama Forum	Central Tokyo and Tokyu Areas	April 22, 2008	4,136	2.0
	Subtotal			90,562	44.1
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	10.9
O	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.3
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.2
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.2
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	1.7
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.3
O	Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	11.3
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	4.9
O	TOKYU REIT Hatchobori Building	Central Tokyo	September 29, 2006	7,000	3.4
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008	8,500	4.1
O	Tokyu Ikejiri-Ohashi Building	Tokyu Areas	March 28, 2008	5,480	2.7
O	Ryoshin Harajuku Building	Central Tokyo and Tokyu Areas	June 27, 2008 (Planned)	14,160	6.9
	Subtotal			114,890	55.9
	Total			205,452	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 m², Interest of sight rights: 73,585/100,000

*4 Floor space: 865.14 m², Interest of sight rights: 8,579/100,000

*5 Floor space: 139.93 m², Interest of sight rights: 1,322/100,000

*6 Floor space: 93.93 m², Interest of sight rights: 1,166/100,000

Translation Purpose Only

- *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 & Risk Services Corporation and OYO RMS Corporation.

Attachment 3

Photograph of the Ryoshin Harajuku Building



Attachment 4

Location map of the Ryoshin Harajuku Building



Location	: 6-17-11, Jingumae, Shibuya-ku, Tokyo
Nearest Station	: Approximately a four-minute walk from Meiji-jingumae Station, Tokyo Metro Fukutoshin and Chiyoda Lines Approximately a six-minute walk from Shibuya Station, Tokyo Metro Fukutoshin and Hanzomon Lines Approximately a nine-minute walk from Harajuku Station, JR Yamanote Line Approximately an eleven-minute walk from Shibuya Station, JR Yamanote Line
Total land area	: Site rights 1,205.07 m ² Interest : 191,540/200,000
Total floor area	: 6,466.94 m ² Interest in exclusive area ownership : Approximately 95.74%
Structure	: SRC B1/9F
Completion	: March 1989
Type of ownership	: Land : Site rights (Proprietary Ownership) Building : Compartmentalized ownership
Major Tenants	: Peach John Co., Ltd., ZYX International, Toyota Motor Corporation

Attachment 5

Overview of the Ryoshin Harajuku Building

9F	Office	Site to be acquired by TOKYU REIT		
		351.48 m ²		
8F	Office	Site to be acquired by TOKYU REIT		
		504.56 m ²		
7F	Office	Site to be acquired by TOKYU REIT		
		502.15 m ²		
6F	Office	Site to be acquired by TOKYU REIT		
		500.06 m ²		
5F	Office	Site to be acquired by TOKYU REIT		
		500.06 m ²		
4F	Office	Site to be acquired by TOKYU REIT		
		500.06 m ²		
3F	Office	Site to be acquired by TOKYU REIT		
		566.43 m ²		
2F	Office	Site to be acquired by TOKYU REIT		
		509.83 m ²		
1F	Retail	Site to be acquired by TOKYU REIT	Site to be acquired by TOKYU REIT	Site owned by an individual *
		86.40 m ²	115.10 m ²	204.82 m ²
B1F	Car parking lot/ Storage	Site to be acquired by TOKYU REIT Car parking lot		
				Site to be acquired by TOKYU REIT
				49.70 m ²

* TOKYU REIT leases the aforementioned individually owned compartment and sublease to the current tenant.