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For Immediate Release

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Notice Concerning Disposition of Domestic Properties (Resona Maruha Building and Ryoshin Harajuku Building)

TOKYU REIT, Inc. ("TOKYU REIT") today announced details of its decision to execute a beneficiary interest disposition agreement in connection with the sale of domestic properties. Brief details are as follows.

1. Disposition Details

(1) Resona Maruha Building

- (A) Type of Disposition : Trust beneficiary interest in real estate
(B) Property Name : Resona Maruha Building
(C) Disposition Price : ¥42,000,000,000
(Excluding fixed property tax, city planning tax, consumption tax and other imposts)
(D) Book Value : ¥23,722,782,484 (expected)
(E) Amount of Difference from Disposition Price : ¥18,277,217,516
(F) Agreement Date : December 24, 2009 (Thursday)
(G) Settlement Date : January 15, 2010 (Friday)
(H) Purchaser : Otemachi Development Tokutei Mokuteki Kaisha
(Please refer to 4. Purchaser's Profile for details)
(I) Disposition Method : Disposition of real estate in the form of a trust beneficiary interest to the purchaser

(2) Ryoshin Harajuku Building

- (A) Type of Disposition : Trust beneficiary interest in real estate
(B) Property Name : Ryoshin Harajuku Building
(C) Disposition Price : ¥8,400,000,000
(Excluding fixed property tax, city planning tax, consumption tax and other imposts)
(D) Book Value : ¥15,567,500,940 (expected)

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- (E) Amount of Difference from Disposition Price : ¥-7,167,500,940
- (F) Agreement Date : December 24, 2009 (Thursday)
- (G) Settlement Date : December 25, 2009 (Friday)
- (H) Purchaser : Japan Prime Realty Investment Corporation
(Please refer to 4. Purchaser's Profile for details)
- (I) Disposition Method : Disposition of real estate in the form of a trust beneficiary interest to the purchaser

2. Rationale

(1) Resona Maruha Building

This disposition is based on TOKYU REIT's investment management policy as outlined in its Articles of Incorporation.

At the time of acquisition of the Resona Maruha Building in January 2004, two out of the eight floors acquired were vacant. However, we have worked to enhance the quality of the applicable compartments through implementation of renovation work and recorded stable performance. On the other hand, we have been carrying out discussions on future measures to take regarding the property towards the expiration of the fixed-term lease contract of six floors rented by the main tenant, Maruha Nichiro Seafoods, Inc. (The initial January 14, 2010 expiration date was extended to March 31, 2011.)

During these discussions, we conducted a comprehensive evaluation, which included economic value, of the gains TOKYU REIT can ultimately secure through each of the four options outlined below.

A) Keep under Management

The six floors leased to Maruha Nichiro Seafoods, Inc. are in a state that is unchanged from that at the building's completion in 1978, and with neighboring buildings being rebuilt one after the other, there are concerns that the property's comparative superiority will decline. In order to newly lease the floors, we believe that renovation work similar to what was performed at the time of acquisition needs to be implemented. As a result, a large amount of capital expenditure and several months of vacancy are expected. In addition, due to the aging of the property from the time of completion of construction, total maintenance and repair costs are projected to rise in the future.

Furthermore, due to changes in urban planning made after the acquisition of this property, the floor area ratio rose significantly, from 1,000% to 1,300%. If operations are continued with the current building, then we will not be able to enjoy the increased value accompanying this change of ratio.

B) Exchange of Assets

This property is a unique office building in Otemachi, one of the most highly regarded office building districts in Japan, and boasts a stunning view, etc. since it faces Uchibori-dori. This type of property is in high demand from buyers and the actual transaction price often greatly exceeds the appraisal value as this value cannot be incorporated in the appraisal value.

Since exchange of assets is usually conducted based on the appraisal value, there remains the possibility that we may not sufficiently enjoy the property's value, which cannot be incorporated in the appraisal.

C) Hold as Land with a Fixed-Term Leasehold for Commercial Use (*sokochi*)

The Law Concerning Investment Trusts and Investment Corporations (hereafter, "Investment Trusts Law") regulates the development of real estate by investment corporations. Under this regulation, in order to remove the current building and redevelop the property through reconstruction, a method available to us is to sell the current building to a developer, etc. after setting leasehold rights for the property's *sokochi* and to continue receiving ground rent income from that developer, etc. Ground rent income is calculated by considering the period required for redevelopment and associated risks, etc. In that case, the ground rent income and profit margin may be lower than in the case of owning the building.

D) Disposition

Disposition of this property will cause TOKYU REIT's asset value to decrease, and will cause the distribution per unit to decrease from the next fiscal period and thereafter. (Moreover, as the Investment Trusts Law does not allow a closed-end investment corporation to buy back or redeem investment units, the investment units outstanding will not be reduced in accordance with the decrease in asset value.)

However, depending on terms such as cases when the disposition price largely exceeds the appraisal value, by conducting a disposition we would be able to realize a capital gain based on the property's value, which cannot be incorporated in the appraisal value, in addition to the increased value from the increase of the floor area ratio, which is assumed to accompany the redevelopment. As a result, we believe that unitholder value will be maximized.

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As a result of detailed comparisons and discussions on the abovementioned options from A) to D), we judged that a disposition of the property is the best option with the highest economic value for TOKYU REIT and contributes the most to the maximization of unitholder value if the disposition at the concerned disposition price is realized. Therefore, we decided to conduct the disposition of the property.

(2) Ryoshin Harajuku Building

This disposition is based on TOKYU REIT's investment management policy as outlined in its Articles of Incorporation.

In June 2008, we acquired approximately 96% of the Ryoshin Harajuku Building under compartmentalized ownership, including co-ownership portions. The occupancy rate at the time of acquisition was 71.8%. However, as a result of conducting leasing activities, we attracted several tenants, etc. and as of this date, the occupancy rate is 100%. Furthermore, by additionally acquiring the interests of other compartmentalized owners, we came to own the entire property and have striven to ensure the property's value.

However, following the so-called Lehman Shock, conditions in the real estate leasing market and real estate investment market suddenly deteriorated. With this deterioration, the valuation of this property was significantly reviewed and as of July 31, 2009, its appraisal value declined to 58.9% of the book value at the end of the period. Although future changes in price are uncertain, if the valuation drops below 50%, impairment accounting may be applied to it.

Due to the reform of the tax system in fiscal 2009, the conduit requirement for REITs in terms of cash distributions was revised to "an amount equivalent to 90% or more of the profit available for cash distribution." Therefore, the issue of a discrepancy between tax accounting and corporate accounting related to impairment accounting was resolved. However, even after the tax system reform, payment of distributions will be difficult as TOKYU REIT has a loss in terms of accounting. Furthermore, even in the case where a profit from impairment accounting is posted, corporate taxes, etc. will be imposed on TOKYU REIT since the loss from impairment loss cannot be recorded as an expense for tax accounting purposes. As a result, this would negatively affect unitholder value.

This property was acquired based on the rationale that it would contribute to the improvement of TOKYU REIT's portfolio quality and gained the support of many investors. However, based on a conservative perspective, we determined that evading the application of impairment accounting is the best measure for protecting unitholder value, and we therefore decided to conduct the disposition.

3. Profile of Properties Scheduled for Disposition

(1) Resona Maruha Building

Location	Registered	Land	1-2-1, Otemachi, Chiyoda-ku, Tokyo and other 16 <i>hitsu</i>	
	Residential	Building	1-2-1, Otemachi, Chiyoda-ku, Tokyo and other 5 <i>hitsu</i> (Whole Building) 1-2-1-2, Otemachi, Chiyoda-ku, Tokyo (Compartmentalized ownership)	
Use		Office and parking		
Land Space	Registered	Land	6,893.71 m ²	Total land space including portion of co-owner
		Building	74,379.30 m ²	Total floor space of the whole building including portion of the compartmentalized owner
Type of Structure	Registered	S/SRC, B4/25F		
Completion Date		November 1978		
Type of Ownership	Land:		Proprietary ownership	(Co-ownership ratio 27%)
	Building:		Compartmentalized ownership	(Exclusive area 19,542.77 m ²)
Trustee		Mitsubishi UFJ Trust and Banking Corporation		
Acquisition Date		January 15, 2004		
Acquisition Price		¥23,260 million		
Appraisal Value as of the Period-End (Appraisal Method)		¥31,600 million (capitalization method as of July 31, 2009)		
		Appraiser: Japan Real Estate Institute		

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Appraisal Value as of Property Disposition (Appraisal Method)	¥34,600 million (capitalization method as of December 1, 2009)			
	Appraiser: Daiwa Real Estate Appraisal Corporation			
Tenants				
Number of Tenants	3 (As of December 24, 2009)			
Revenue from Property Leasing	¥ 845,473 thousand (From February 1, 2009 to July 31, 2009)			
Lease Deposits and Guarantee Deposits	¥ 1,320,392 thousand (As of July 31, 2009)			
Total Leased Area	14,414.99 m ² (As of December 24, 2009)			
Total Leasable Area	14,414.99 m ² (As of December 24, 2009)			
Changes in Occupancy Rate	January 15, 2004	As of July 31, 2004	As of July 31, 2005	As of July 31, 2006
	78.9%	88.5%	100.0%	100.0%
	As of July 31, 2007	As of July 31, 2008	As of July 31, 2009	As of December 24, 2009
	100.0%	100.0%	100.0%	100.0%

(2) Ryoshin Harajuku Building

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			
Use		Office and Retail			
Land Space	Registered	Land	1,205.07 m ²		
		Building	6,466.94 m ² Total Floor Space of the Whole Building		
Type of Structure	Registered	SRC B1/9F			
Completion Date		March 1989			
Type of Ownership	Land Proprietary ownership				
	Building	Compartmentalized ownership	All of compartmentalized ownerships with whole building are entrusted.		
Trustee		Mitsubishi UFJ Trust and Banking Corporation			
Acquisition Date		June 27, 2008 October 3, 2008 (additional acquisition)			
Acquisition Price		¥15,356 million (Total)			
Appraisal Value as of the Period-End (Appraisal Method)	¥9,180 million (capitalization method as of July 31, 2009)				
	Appraiser: Japan Real Estate Institute				
Appraisal Value as of Property Disposition (Appraisal Method)	¥8,360 million (capitalization method as of December 1, 2009)				
	Appraiser: Daiwa Real Estate Appraisal Corporation				
Representative Tenants					
Number of Tenants		8 (As of December 24, 2009)			
Revenue from Property Leasing		¥ 268,910 thousand (From February 1, 2009 to July 31, 2009)			
Lease Deposits and Guarantee Deposits		¥ 435,494 thousand (As of July 31, 2009)			
Total Leased Area		4,760.09 m ² (As of December 24, 2009)			
Total Leasable Area		4,760.09 m ² (As of December 24, 2009)			
Changes in Occupancy Rate	June 27, 2008	As of July 31, 2008	As of January 31, 2009	As of July 31, 2009	As of December 24, 2009
	71.8%	71.8%	75.6%	100.0%	100.0%

4. Purchaser's Profile

(1) Resona Maruha Building

- (A) Company Name : Otemachi Development Tokutei Mokuteki Kaisha
 (B) Head Office Address : 2-2-3, Marunouchi, Chiyoda-ku, Tokyo
 (C) Representative : Kenji Iimori, Director
 (D) Capital : ¥200 thousand
 (E) Business Activities : 1. Acquisition, management and disposition of specified assets in accordance with the asset securitization plan based on the Act on Securitization of Assets
 2. Other operations associated with the abovementioned securitization of specified assets
 (F) Foundation Date : March 31, 2008
 (G) Relationship with TOKYU REIT or its Investment Management Company : The co-owner of Land and the compartmentalized owner of buildings. There are no notable capital, personnel or business relationships between the company and TOKYU REIT or its investment management company. In addition, the company is not a related party of TOKYU REIT or its investment management company. And TOKYU REIT doesn't under the category of a related party as stipulated of the Law Concerning Investment Trusts and Investment Corporations
 (H) Other : The company is a Tokutei Mokuteki Kaisha originated by Mitsubishi Estate Co., Ltd. and others.

(2) Ryoshin Harajuku Building

- (A) Company Name : Japan Prime Realty Investment Corporation
 (B) Head Office Address : 1-9-9, Yaesu, Chuo-ku, Tokyo
 (C) Representative : Hirohito Kaneko, Executive Officer
 (D) Capital : ¥156,725 million
 (E) Business Activities : Investment in real estate, asset-backed securities and other related activities
 (F) Foundation Date : September 14, 2001
 (G) Net assets of the previous business year : ¥159,057 million
 (H) Total assets of the previous business year : ¥329,163 million
 (I) Major Shareholder and ratio : NikkoCiti Trust and Banking Corporation 8.55%
 (J) Relationship with TOKYU REIT or its Investment Management Company : There are no notable capital, personnel or business relationships between the company and TOKYU REIT or its investment management company. In addition, the company is not a related party of TOKYU REIT or its investment management company. And TOKYU REIT doesn't under the category of a related party as stipulated of the Law Concerning Investment Trusts and Investment Corporations

5. Brokerage (Common to both properties)

- (1) Brokerage : Mitsubishi UFJ Trust and Banking Corporation
 (2) Head Office Address : 1-4-5, Marunouchi, Chiyoda-ku, Tokyo
 (3) Representative : Kinya Okauchi, President
 (4) Business Activities : Banking and trust services
 (5) Capital : ¥324,279 million (as of October 1, 2009)
 (6) Foundation Date : March 10, 1927
 (7) Relationship with TOKYU REIT or its Investment Management Company : TOKYU REIT's asset custodian, general administrator and lender.
 There are no notable capital, personnel or business relationships

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- between the company and TOKYU REIT or its investment management company. In addition, the company is not a related party of TOKYU REIT or its investment management company. And TOKYU REIT doesn't under the category of a related party as stipulated of the Law Concerning Investment Trusts and Investment Corporations.
- (8) Brokerage charge Consent for disclose brokerage charge has not been provided, and accordingly, details for brokerage charge has been omitted.

6. Property Management Expenses

With the disposition of the properties, the volume of operations now exceeds the normal operations set forth in the property management agreement. Therefore, we have decided to pay 1.5 millions yen to Tokyu Community Corporation, the property management company of the Resona Maruha Building, and 1.5 millions yen to Tokyu Corporation, the property management company of the Ryoshin Harajuku Building, in addition to the normal property management fees.

Furthermore, in making the decision to pay these fees, TOKYU REIT received an opinion summary compiled by the Urban Research Institute Corporation with regard to these amounts being within the standard range of other investment corporations listed on the Tokyo Stock Exchange.

7. Disposition Schedule

December 24, 2009	Execution of the beneficiary interest disposition agreement
December 25, 2009	Planned settlement and receipt of the disposition price of Ryoshin Harajuku Building (Scheduled)
January 15, 2010	Planned settlement and receipt of the disposition price of Resona Maruha Building (Scheduled)

8. Outlook

Please refer to TOKYU REIT's "Notice Concerning Revision to Distribution Forecasts and expected operating conditions for the Thirteenth Fiscal Period (Ending January 31, 2010) and the Fourteenth Fiscal Period (Ending July 31, 2010)" announced today for details of forecasts for the fiscal periods ending January 31, 2010 and July 31, 2010.

9. Future Policies

TOKYU REIT plans to retain most of the funds collected accompanying the disposition as cash on hand. Although it is not included in the abovementioned expected operating conditions and distributions, we will plan to acquire new properties. For the future policies of TOKYU REIT concerning investment management, including this case, please refer to the "Supplementary Explanatory Material for Notice Concerning Disposition of Domestic Properties (Resona Maruha Building and Ryoshin Harajuku Building)" announced today.

Attachment

Property Portfolio after Disposition of Resona Maruha Building and Ryoshin Harajuku Building
(as of January 15, 2010)

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Attachment

**Property Portfolio after Disposition of Resona Maruha Building and Ryoshin Harajuku Building
(as of January 15, 2010)**

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	9.0
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.9
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	3.4
R	Tokyu Saginuma Building	Tokyu Areas	September 10, 2003	6,920	4.1
R	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	0.8
R	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	3.9
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	5.7
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 August 2, 2005	14,700 9,800	14.6
R	Shonan Mall Fill (<i>sokochi</i>)	Other	April 28, 2006	6,810	4.1
R	CONZE Ebisu	Central Tokyo and Tokyu Areas	October 31, 2006	5,116	3.0
R	Daikanyama Forum	Central Tokyo and Tokyu Areas	April 22, 2008	4,136	2.5
	Subtotal			90,562	53.9
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	13.3
O	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.8
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.9
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.6
O	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	2.1
O	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	2.8
O	TOKYU REIT Toranomom Building	Central Tokyo	December 15, 2004 September 21, 2007 September 21, 2007 October 26, 2007	8,630 1,100 200 140	6.0
O	TOKYU REIT Hatchobori Building	Central Tokyo	September 29, 2006	7,000	4.2
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008	8,500	5.1
O	Tokyu Ikejiri-ohashi Building	Tokyu Areas	March 28, 2008	5,480	3.3
	Sub Total			77,470	46.1
	Total			168,032	100.0

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

* 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.

* The overall portfolio PML is 4.1% and is recorded in a PML Report prepared by Engineering & Risk Services Corporation and OYO RMS Corporation.