

July 20, 2004

For Immediate Release

TOKYU REIT, Inc.
2-17, Nampeidai-cho
Shibuya-ku, Tokyo 150-0036, Japan
Masahiro Horie
Executive Director
(Securities Code: 8957)

Inquiries:
Tokyu Real Estate Investment Management Inc.
Yosuke Koi
Chief Financial Officer and General Manager
TEL: +81-3-5428-5828

**Notice Concerning Pricing for the Issue of New Investment Units and
a Second Offering**

TOKYU REIT, Inc. ("TOKYU REIT," hereinafter referred to as the "investment corporation") today announced that at a Board of Directors Meeting held on July 20, 2004, it has determined the issue price for the issue of new investment units and a secondary offering.

1. Primary Offering for the Issue of New Investment Units
 - (1) Issue price ¥652,484 per investment unit
 - (2) Total issue amount ¥27,404,328,000
 - (3) Issue price ¥630,512 per investment unit
 - (4) Total issue amount ¥26,481,504,000
 - (5) Application period July 21, 2004 to July 23, 2004
 - (6) Payment date August 2, 2004

Note: The underwriter underwrites the issue at the issue price. A primary offering is made at the issue price.

2. Secondary Offering (Over-Allotment)
 - (1) Number of investment units 2,000 units
 - (2) Offer price ¥652,484 per investment unit
 - (3) Total issue amount ¥1,304,968,000
 - (4) Application period July 21, 2004 to July 23, 2004
 - (5) Settlement date August 3, 2004
3. Issue of Investment Units by Allocation to Third Parties
 - (1) Issue price ¥630,512 per investment unit
 - (2) Total issue amount (upper limit) ¥1,261,024,000
 - (3) Application period (Application date) August 23, 2004
 - (4) Payment date August 24, 2004

Note: This press release provides information regarding the issues of new investment units and the secondary offering and is not provided as an inducement or invitation for investment. We caution readers to refer to the Company's Prospectus for the Issue of New Investment Units and the Secondary Distribution of Investment Units (and amendments thereto) and to undertake investment decisions subject to individual determination.

(Reference)

1. Calculation of Issue Price and Offer Price

(1) Date of calculation and price on that date

July 20, 2004 ¥680,000

(2) Discount rate

2.00%

Note: The discount rate is calculated after deducting the forecast cash distribution amount of ¥14,200.

2. Over-Allotment

(1) Secondary offering through over-allotment shall be effected by Nomura Securities Co., Ltd. on the occasion of the primary offering, under consideration of the conditions of demand, to an upper limit of 2,000 investment units (hereinafter referred to as the “investment securities”) borrowed from certain unitholders of the investment corporation.

In addition, in order to effect reimbursement of borrowed investment units (hereinafter referred to as “borrowed investment units”), on the occasion of the secondary offer (over-allotment of investment units), by Nomura Securities Co., Ltd. from TOKYU REIT unitholders, TOKYU REIT has approved an allotment of 2,000 investment units to Nomura Securities Co., Ltd. by way of third-party allocation, at meetings of its Board of Directors held today and on July 1, 2004, with a payment date of August 24, 2004 (Tuesday).

From July 24, 2004 (Saturday) to August 17, 2004 (Tuesday) (hereinafter referred to as the “syndicate cover transaction period”), Nomura Securities Co., Ltd. may purchase up to the maximum limit of investment units (2,000) as sold in the secondary offering through over-allotment on the Tokyo Stock Exchange, with the aim of procuring and reimbursing the borrowed investment units. The investment units purchased by Nomura Securities Co., Ltd. by way of syndicated cover transaction shall be used in full as reimbursement for the borrowed investment units. Moreover, Nomura Securities Co., Ltd., at its discretion, may choose not to enter into any syndicate cover transactions or to terminate such transactions without purchasing the maximum number of investment units (2,000) through over-allotment.

Further, Nomura Securities Co., Ltd. may effect stabilization transactions in relation to the primary and secondary offerings (over-allotment) and allocate all or part of the investment units purchased through stabilization transactions to the reimbursement of borrowed investment units.

The remaining number of investment units through over-allotment (2,000) after allocation of investment units purchased by way of syndicated cover transactions and stabilization transactions shall be allocated to and purchased by Nomura Securities Co., Ltd. by way of third-party allotment. In this case, application for all or part of the third-party allotment may not be made and as a result of the forfeiture of rights in connection third-party allotment, all or part of the third-party allotment may not be effected.

(2) Actions to be taken in terms of (1) above will be subject to discussion between Nomura Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd.

3. Rationale for the Issue (Use of Proceeds)

Net proceeds to be raised through primary offering and third-party allocation of investment units are estimated at a maximum ¥27,742,528,000. The investment corporation intends to use the net proceeds to acquire new specific assets and to repay a portion of its short-term debt.

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