

September 27, 2013

Real Estate Investment Trust Unit Issuer:  
TOKYU REIT, Inc.  
1-12-1, Dogenzaka,  
Shibuya-ku, Tokyo, 150-0043, Japan  
Masahiro Horie  
Executive Director  
(Securities Code: 8957)

Investment Management Company:  
Tokyu Real Estate Investment Management Inc.  
Representative:  
Masahiro Horie  
Representative Director & President, Chief Executive Officer  
Inquiries:  
Yosuke Koi  
Director, Senior Executive Officer,  
Chief Financial Officer & General Manager, Investor Relations  
TEL: +81-3-5428-5828

Notice Concerning Decision on Acquisition of co-ownership interests of  
Setagaya Business Square by three consolidated subsidiaries of Tokyu Corp.

This notice concerns Setagaya Business Square (hereafter called “the Property”), of which TOKYU REIT owns trust beneficiary right on its co-ownership interests (55%). The remaining co-ownership interests of the Property (45%)(hereafter called “the co-ownership interests”), which are currently owned by a third party, are going to be acquired jointly by three consolidated subsidiaries of Tokyu Corporation (hereafter called “Tokyu Corp.”), the sponsor of TOKYU REIT.

1. Parties to acquire the Property (hereafter collectively called “the consolidated group companies of Tokyu Corp.”)  
CT Realty Limited and other two companies
2. Scheduled date for the acquisition  
September 30, 2013
3. Summary of the Property  
Address: 4-10-1,2,3,4,5,6, Yoga, Setagaya-ku, Tokyo  
Nearest train station: Yoga Station on the Tokyu Denen-toshi Line (1minute walk from the Property, directly connected to the station)  
Total land space: 21,315.68m<sup>2</sup>  
Total floor space: 94,373.72m<sup>2</sup>  
Completion: September 1993
4. Background, etc. on the acquisition by the consolidated group companies of Tokyu Corp.  
The acquisition of the co-ownership interests by the consolidated group companies of Tokyu Corp. (hereafter called “the acquisition”) is due to the exercise of the preferential negotiation right that TOKYU REIT holds based upon the master agreement concluded with the current owner of the co-ownership interests (hereafter called “the current owner”). The said preferential right was exercised by the consolidated group companies of Tokyu Corp. on behalf of TOKYU REIT upon consent by the current owner.

TOKYU REIT had considered whether to acquire the co-ownership interests upon receiving an offer from the current owner to sell the co-ownership interests based upon the master agreement. However, if TOKYU REIT acquired the co-ownership interests, the share of the Property within its portfolio would be substantial. In view of portfolio diversification, it would not be appropriate for TOKYU REIT to acquire the co-ownership interests at this point of time. Therefore, it was concluded that parties who can best collaborate with TOKYU REIT, such as its sponsor Tokyu Corp. or its consolidated subsidiaries, should be the best option to undertake the acquisition in order to maximize shareholders value. In such perspective, TOKYU REIT requested Tokyu Corp., etc., to acquire the co-ownership interests, to which Tokyu Corp. and its consolidated group companies agreed.

As a result of the acquisition, the property will be wholly owned by TOKYU REIT and the consolidated group companies of Tokyu Corp. The property ownership by the consolidated group companies of Tokyu Corp., which can fully collaborate with TOKYU REIT, will enable to expedite decision-making on the property management. Such benefit may drive active capital expenditures, tenant attractions and smooth property management, leading to improvement in the occupancy rate, cash flow and asset values. After the acquisition, TOKYU REIT will endeavor to further enhance collaboration with its sponsor,

Tokyu Corp. Such collaboration may include advertisement inside Yoga Station on the Tokyu Denen-toshi Line by displaying on signage the name of the property, Setagaya Business Square, in parallel with the name of the station, Yoga.

Tokyu Corp. announced its three-year mid-term business plan on March 27, 2012. One of the visions presented in the plan was “The most popular town in Japan for working: Futako-Tamagawa”. Accordingly, Tokyu Corp. has undertaken redevelopment of the Futako-Tamagawa area. It is TOKYU REIT’s belief that the acquisition of the Property, which is very close from Futako-Tamagawa, will help reinforce endeavors by Tokyu Corp. to enhance value of entire Futako-Tamagawa area including Yoga.

At present, TOKYU REIT is not scheduled to acquire the co-ownership interests of 45% of the Property.

Please also refer to the news release on the acquisition announced by Tokyu Corp. as attached.

5. Attached reference

News release by Tokyu Corp. dated September 27, 2013: “Acquisition of co-ownership interests of 45% of Setagaya Business Square by Tokyu Corporation’s consolidated subsidiaries”

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations. This notice is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese notice shall prevail in the event of any discrepancies between the translation and the Japanese original.

September 27, 2013

**Acquisition of co-ownership interests of 45% of Setagaya Business Square  
by Tokyu Corporation's consolidated subsidiaries**

TOKYU CORPORATION

This notice concerns the decision on acquisition of co-ownership interests of 45% of Setagaya Business Square (hereafter called "SBS") by CT Realty Limited and other two companies, which are Tokyu Corporation's consolidated subsidiaries.

Located in Yoga, Setagaya-ku, Tokyo, SBS is a high-rise complex known as local landmark directly connected to Yoga Station on the Tokyu Denen-toshi Line. The main tower building has 28 aboveground floors accommodating offices in upper floors. Its lower floors as well as other multiple low-rise towers accommodate retail and public community facilities called community terrace. The remaining co-ownership interests of 55% are owned by TOKYU Real Estate Investment Corporation (hereafter called "TOKYU REIT.")

Since the IPO of TOKYU REIT in September 2003, Tokyu Corporation, as its sponsor, has been promoting collaboration and strengthening the partnership. As Tokyu Corporation's consolidated subsidiaries acquire 45% of co-ownership interests from a third party, the property will be owned jointly by Tokyu Group and TOKYU REIT.

Upon the acquisition, Tokyu Corporation will be collaborative in various marketing initiatives and will work on diverse measures in order to enhance the value of the property. Such efforts may include advertisement inside Yoga Station on the Tokyu Denen-toshi Line by displaying on signage the name of the property, SBS, in parallel with the name of the station, Yoga. Also, establishing communication infrastructure network to offer connectivity with Tokyu Corporation's office buildings located in Shibuya and Futako-Tamagawa may be another initiative.

In Tokyu Corporation's three-year mid-term business plan, visions such as "The most popular town in Japan for visiting: Shibuya" and "The most popular town in Japan for working: Futako-Tamagawa" are presented, based on which various businesses are underway. Tokyu Corporation will endeavor to further enhance the value of the area, including the acquisition of SBS, in order to continue to be the railway of choice.

Please refer to the attachment for the summary of SBS.

End

[Attachment] Summary of SBS

Address: 4-10-1,2,3,4,5,6, Yoga, Setagaya-ku, Tokyo (directly connected to Yoga Station, Tokyu Denen-toshi line)

Total land space: Approximately 21,334m<sup>2</sup>

Building:

Total floor space: Approximately 94,373 m<sup>2</sup>

Towers: Total of 7 towers including main high rise tower

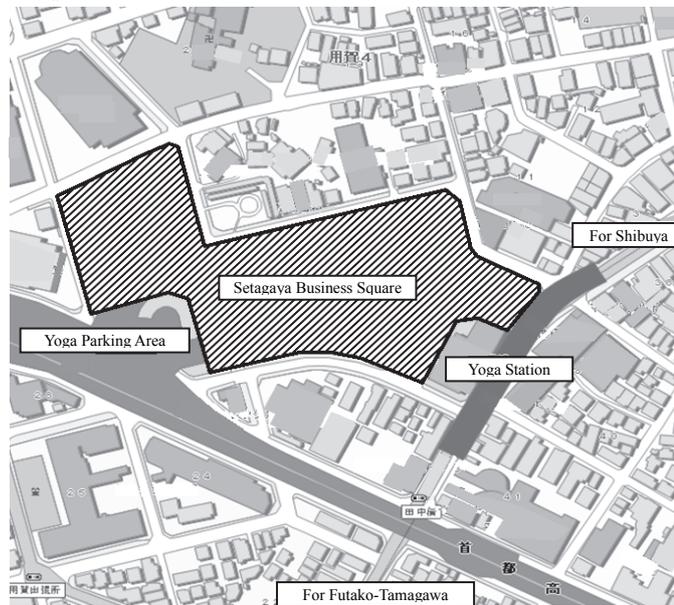
Structures: SRC/RC/S, B2/28F (the main tower)

Usage: Offices, retail and others

Standard leasable floor space: Approximately 1,287m<sup>2</sup> (offices)

Completion: September 1993

Location map



Aerial Photo

