

March 25, 2010

Real Estate Investment Trust Unit Issuer:
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Masahiro Horie
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(Securities Code: 8957)

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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 |
| (2) Property Name: | ORIX Shinjuku Building |
| (3) Acquisition Price: | ¥9,000,000,000
(Excluding acquisition-related costs, property tax,
city planning tax and consumption tax) |
| (4) Contract Day: | March 25, 2010 (Thursday) |
| (5) Scheduled Acquisition Day: | March 26, 2010 (Friday) |
| (6) Seller: | ORIX JREIT Inc. |
| (7) Financing: | Cash on hand |

2. Rationale

This property is an office building that meets TOKYU REIT’s fundamental investment and acquisition policies 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 Shinjuku area where this property is located is home to Shinjuku Station, one of Japan’s largest train station terminals, and Tokyo’s best known downtown commercial area. Numerous commercial buildings, including large retail stores, are concentrated in the area surrounding the station. With these area features, Shinjuku has strong location appeal for companies, especially sales and service-related companies that place a premium on busy downtown locations with the ability to attract large numbers of customers.

The property is favorably situated, combining transportation convenience—about a one-minute walk from Tokyo Metro Shinjuku-Sanchome Station and a roughly four-minute walk from JR Shinjuku Station—with high visibility when seen from the Koshu Kaido (one of the main highways that pass through Shinjuku) which it faces. The building’s specifications are highly competitive: a maximum single floor area of approximately 230 *tsubo* (759 m²), ceiling height of roughly 2,750 mm, raised access floors with a 70 mm aperture for the under-floor placement of office equipment cables and individually controlled air conditioners. Thanks to its competitive advantages, the property has operated at a high occupancy rate since its completion and the outlook is for continued stable demand. TOKYU REIT rates this property highly for its profit performance and stability and considers it one that will contribute to raising the quality of the Company’s portfolio and has therefore decided upon its acquisition.

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		ORIX Shinjuku Building				
Type of Specified Assets		Real estate				
Location	Registered	Land	4-2-3, 4-2-4, 4-3-1, 4-4-1, 4-4-2, 4-4-3, 4-4-4, 4-4-5, 4-4-6, 4-4-7, 4-4-8, 4-4-9, 4-4-10, Shinjuku, Shinjuku-ku, Tokyo			
		Building	4-4-2, 4-2-3, 4-2-4, 4-3-1, 4-4-1, 4-4-2, 4-4-3, 4-4-4, Shinjuku, Shinjuku-ku, Tokyo			
	Residential	4-3-25, Shinjuku, Shinjuku-ku, Tokyo				
Access		<p>Approximately a one-minute walk from Shinjuku-Sanchome Station, Tokyo Metro Marunouchi and Fukutoshin Lines and Toei Shinjuku Line.</p> <p>Approximately a four-minute walk from Shinjuku Station, JR Lines.</p> <p>Approximately a six-minute walk from Shinjuku Station, Tokyo Metro Marunouchi Line and Toei Shinjuku and Oedo Lines and Keio Line.</p> <p>Approximately a seven-minute walk from Shinjuku Station, Odakyu Line.</p>				
Use		Office and parking				
Area Classification		Commercial district				
Land Space (Registered)	Land	1,113.87 m ²				
	Building	8,720.09 m ²				
Structure (Registered)		SRC 10F				
Completion Date (Registered)		May 2003				
Design Company		Nikken Sekkei Ltd.				
Construction Company		Nippon Steel Corporation, OBAYASHI CORPORATION				
Building Certification Authority		Tokyo Bldg-Tech Center Co., Ltd				
Earthquake Resistance		<p>PML (Probable Maximum Loss) of 4.2% 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.</p>				
Type of Ownership	Land	Proprietary ownership				
	Building	Proprietary ownership				
Previous Owner		ORIX JREIT Inc.				
Acquisition Price		¥ 9,000,000,000				
Appraisal Value (Appraisal Method)	¥ 9,790,000,000 (Capitalization method as of the appraisal date of February 1, 2010)					
	Appraiser: Daiwa Real Estate Appraisal Co., Ltd					
Building Assessment Reporter		Engineering & Risk Services Corporation				
Date of Building Assessment Report		February 16, 2010				
Property Management Company		Tokyu Corporation (Planned)				
Securities/Guarantee		None				
Special Items		<ul style="list-style-type: none"> Some of the hallways in the building are not as wide in some places as is required under laws and ordinances. TOKYU REIT has obtained assurances from the seller that it will swiftly rectify this problem. A compartmentalized land surface right has been set up for a portion of the property in conjunction with the construction of entrances and exits for a subway station on the Tokyo Metro Fukutoshin Line. Tokyo Metro Co., Ltd. holds the said right for the purpose of enabling the construction of the subway station structures, and the term of the said right is over the duration of the structures' existence. TOKYU REIT will not be required to pay any rent in connection with the said right. 				
Tenant Details	Number of Tenants	9				
	Major Tenants	ORIX Corporation, DAIDO LIFE INSURANCE COMPANY, JTB Tokyo Metropolitan Corp.				
	Total Rental Income	¥ 612 million				
	Lease Deposits and Guarantee Deposits	¥ 503 million				
	Estimated NOI	¥ 489 million				
	Total Leased Area	6,130.45 m ²				
	Total Rentable Area	6,130.45 m ²				
	Occupancy Rate	100.0%				
Occupancy Rates over the Last Five Years	As of February 28, 2006	As of February 28, 2007	As of February 29, 2008	As of February 28, 2009	As of February 28, 2010	
	100.0%	100.0%	100.0%	87.8%	100.0%	
<p>* Figures for the number of tenants, major tenants and occupancy rate are forecasts as of the scheduled settlement date of March 26, 2010.</p> <p>* Estimated NOI are forecast exclusive of special items related to the acquisition. Figures are based on the following assumptions.</p> <p>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.</p> <p>2) Calculations are based on the assumption that there will be no change in public taxes and dues from fiscal 2009.</p> <p>3) Estimated repair, maintenance and renovation expenses for the next 15 years are calculated based on the engineering report.</p>						

4. Seller Profile

Company Name	ORIX JREIT Inc.
Head Office Address	2-4-1, Hamamatsucho, Minato-ku, Tokyo
Representative	Yoshio Ono, Executive Director
Capital	¥ 137,814 million
Business Activities	Management of assets primarily as investments in specific assets
Foundation Date	September 10, 2001
Net Assets of the previous business year	¥142,575 million
Total Assets of the previous business year	¥287,727 million
Major Shareholder and Ratio	NikkoCiti Trust and Banking Corporation (Trust) 8.11%
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 fall under the category of a related party as stipulated in the Law Concerning Investment Trusts and Investment Corporations.

5. Transaction with Related Parties

Tokyu Corporation, the company to which TOKYU REIT plans to outsource property management of the ORIX Shinjuku Building, falls under the category of a related party (prescribed under law). Accordingly, TOKYU REIT will enter into a property management agreement with Tokyu Corporation on the acquisition date in accordance with its own voluntary measures to prevent conflicts of interest. In addition, TOKYU REIT received an opinion summary compiled by Urban Research Institute, Corp with regard to its property management fees being within the standard range of other investment corporations listed on the Tokyo Stock Exchange.

This transaction was monitored by an audit firm other than TOKYU REIT's accounting auditor and confirmed the consistency with TOKYU REIT's measures to prevent conflicts of interest. Based on the results, the acquisition of this property was approved at a meeting of TOKYU REIT's Board of Directors.

6. Brokerage

- | | |
|---|--|
| (1) Brokerage | The Sumitomo Trust and Banking Co., Ltd. |
| (2) Head Office Address | 4-5-33, Kitahama, Chuo-ku, Osaka-city, Osaka |
| (3) Representative | Hitoshi Tsunekage, President and CEO |
| (4) Business Activities | Banking and trust services |
| (5) Capital | ¥ 342 billion(As of September 2009) |
| (6) Foundation Date | 1925 |
| (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 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 fall under the category of a related party as stipulated in the Law Concerning Investment Trusts and Investment Corporations. |
| (8) Brokerage Charge | Consent for the disclosure of brokerage charges has not been provided, and details of brokerage charges have therefore been omitted. |

7. Acquisition Schedule

March 25, 2010	Decision of acquisition Execution of real estate purchase agreement
March 26, 2010	Lump-sum payment of acquisition costs (planned) Settlement (planned) Execution of property management agreement (planned)

8. Financing Details

TOKYU REIT intends to acquire the ownership using cash on hand.

9. Outlook

Please refer to TOKYU REIT's "Notice Concerning Revision to Distribution Forecasts and Expected Operating Conditions for the Fourteenth Fiscal Period (Ending July 31, 2010) and the Fifteenth Fiscal Period (Ending January 31, 2011)" announced today for details of forecasts for the fiscal periods ending July 31, 2010 and January 31, 2011.

Attachments

1. Property appraisal summary (ORIX Shinjuku Building)
2. Property portfolio after acquisition (as of March 26, 2010)
3. Photograph of the ORIX Shinjuku Building
4. Location map of the ORIX Shinjuku Building

Attachment 1

Appraisal Summary

(JPY in thousands)

Property Name : ORIX SHINJUKU BUILDING	Details	Specific Notes
Appraisal Firm Daiwa Real Estate Appraisal Co., Ltd.		-
Final Opinion of Value	9,790,000	Adopted the value indicated by income approach
Date of Value Opinion	February 1, 2010	-
Value Indicated by Income Approach	9,790,000	Value indicated by DCF method was weighted more, considering the existing lease contracts.
Value Indicated by Direct Capitalization Method	9,960,000	-
(1)Effective Gross Income (①-②)	579,388	-
① Potential Gross Income	603,464	Estimated based on market rent, etc
② Vacancy Loss	24,076	Estimated based on actual vacancy rate and market vacancy rate
(2)Operating Expenses (③+④+⑤+⑥)	131,609	-
③ Building maintenance/Repairs/PM Fee/Utility Charges	83,709	Estimated based on the actual amount
④ Property Taxes	42,905	Estimated based on FY2009 taxes, etc
⑤ Property Insurance	453	Estimated based on the actual amount
⑥ Other Expenses	4,542	Tenant advertisement expenses
(3)Net Operating Income ((1)-(2))	447,780	-
(4)Investment Revenue from Refundable Deposits	8,901	Estimated based on an assumed refundable deposits
(5)Capital Expenditure	8,481	Estimated on the basis of average renewal cost in the engineering report
(6)Net Cash Flow ((3)+(4)-(5))	448,200	-
(7)Capitalization Rate	4.5%	-
Value Indicated by DCF Method	9,710,000	-
Discount Rate	4.3%	-
Terminal Capitalization Rate	4.7%	-
Value Indicated by Cost Approach	8,650,000	-
Ratio of Land Value	82.5%	-
Ratio of Building Value	17.5%	-
Items paid special attention in application of appraisal methods and determination of the final opinion of value	The final opinion of value was determined by reflecting the change of rent specified in the new lease agreement which would occur on and after the date of the value opinion.	

The final opinion of the value goes no more than expressing a licensed appraiser's opinion on a value of a property to be appraised as of a date of the value opinion in conformity with the Real Estate Appraisal Law and Real Estate Appraisal Standards, etc. If the same property is re-appraised, the final opinion of value might be different from the former value, depending on a licensed real estate appraiser, appraisal methods, or an appraisal point in time. In addition, The real estate appraisal does not guarantee or promise that the appraised property will be dealt at the final opinion of value at present or in the future.

Attachment 2

Property Portfolio after Acquisition of ORIX Shinjuku Building (as of March 26, 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	8.1
R	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	2.6
R	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas	September 10, 2003	5,770	3.1
R	Tokyu Saginuma Building (Saginuma Tokyu Store)	Tokyu Areas	September 10, 2003	6,920	3.7
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	3.5
R	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	5.1
R	cocoti	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005 *1 August 2, 2005 *2	14,700 9,800	13.2
R	Shonan Mall Fill (<i>sokochi</i>)	Other	April 28, 2006	6,810	3.7
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	4,136	2.2
	Subtotal			90,562	48.7
O	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	12.0
O	Tokyu Nampo-dai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	2.5
O	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	3.6
O	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	2.4
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	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	5.4
O	TOKYU REIT Hatchobori Building	Central Tokyo	September 29, 2006	7,000	3.8
O	Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building)	Central Tokyo	January 31, 2008	8,500	4.6
O	Tokyu Ikejiri-Ohashi Building	Tokyu Areas	March 28, 2008	5,480	2.9
O	Kojimachi Square	Central Tokyo	March 19, 2010	9,030	4.9
O	ORIX Shinjuku Building	Central Tokyo	March 26, 2010 (Planned)	9,000	4.8
	Subtotal			95,500	51.3
	Total			186,062	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

*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.

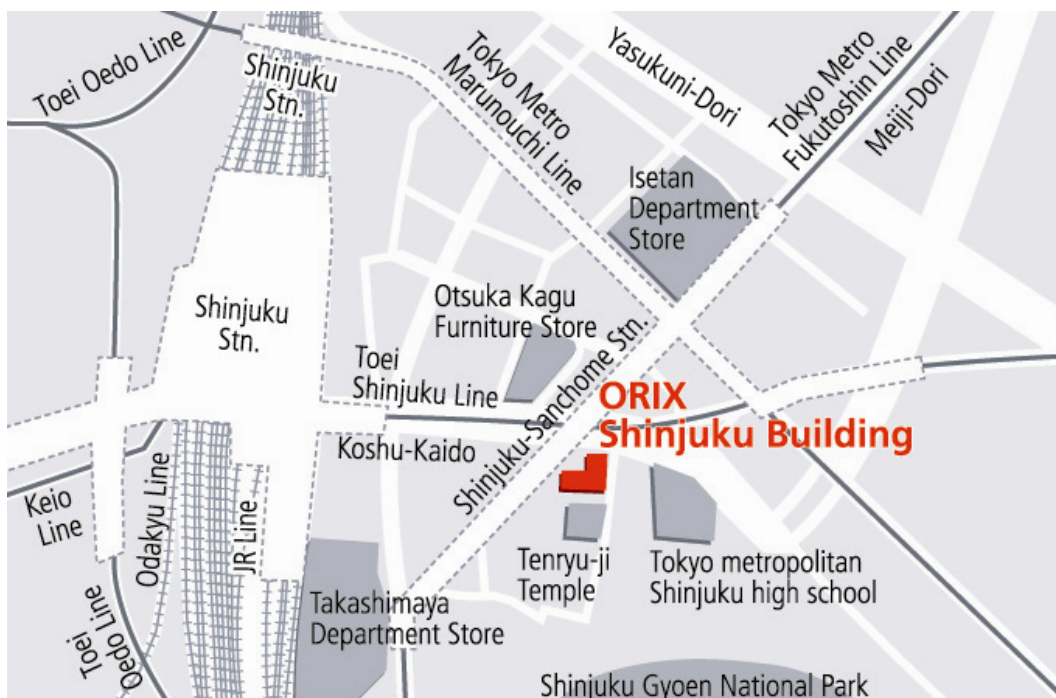
Attachment 3

Photograph of the ORIX Shinjuku Building



Attachment 4

Location Map of the ORIX Shinjuku Building



Location	: 4-3-25, Shinjuku, Shinjuku-ku, Tokyo
Nearest station	: Approximately a one-minute walk from Shinjuku-Sanchome Station, Tokyo Metro Marunouchi and Fukutoshin Lines and Toei Shinjuku Line. Approximately a four-minute walk from Shinjuku Station, JR Lines. Approximately a six-minute walk from Shinjuku Station, Tokyo Metro Marunouchi Line and Toei Shinjuku and Oedo Lines and Keio Line. Approximately a seven-minute walk from Shinjuku Station, Odakyu Line.
Total land area	: 1,113.87 m ²
Total floor area	: 8,720.09 m ²
Structure	: SRC 10F
Completion	: May 2003
Type of ownership	: Land: Proprietary ownership Building: Proprietary ownership
Major tenants	: ORIX Corporation, DAIDO LIFE INSURANCE COMPANY, JTB Tokyo Metropolitan Corp.

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.
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