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For Immediate Release

TOKYU REIT, Inc.
1-12-1, Dogenzaka
Shibuya-ku, Tokyo 150-0043, Japan
Masahiro Horie
Executive Director
(Securities Code: 8957)
Inquiries:
Tokyu Real Estate Investment Management Inc.
Yosuke Koi
Chief Financial Officer and General Manager, Investor Relations
TEL: +81-3-5428-5828

Notice Concerning Acquisition of Property

TOKYU REIT, Inc. ("TOKYU REIT") has executed a purchase agreement in connection with the acquisition of a trust beneficiary interest (quasi-co-ownership) in real estate.

1. Acquisition Details

- (1) Type of Acquisition : Trust beneficiary interest (quasi-co-ownership) in real estate
- (2) Property Name : PICASSO347
- (3) Acquisition Share : Trust beneficiary interest (quasi-co-ownership) 60%
(Please refer to "5. Trust Beneficiary Interest (Quasi-Co-Ownership)" for details in connection with the acquisition of the residual 40%)
- (4) Acquisition Price : ¥14,700 million
(Excluding brokerage commissions and other acquisition costs, property tax, city planning tax, and consumption tax)
- (5) Scheduled Acquisition Date : April 6, 2005
- (6) Seller : Yugen Kaisha BIT FIRST
- (7) Financing : Cash on hand and debt financing (Planned)

2. Rationale

PICASSO347 is a retail property that meets TOKYU REIT's fundamental investment/acquisition policy, as outlined in its Articles of Incorporation. The purpose of acquiring this interest is to enhance the stability and growth of TOKYU REIT's portfolio.

The property is approximately a three-minute walk from Shibuya Station and faces Meiji Dori, a major Tokyo thoroughfare. Unique and highly visible, this large-scale retail property was completed in September 2004 and falls within the boundaries of Shibuya, one of Tokyo's leading commercial and retail districts. The property is surrounded by casual brand stores and lies on the outskirts of an area popularly known as "Ura Harajuku," which is recognized for its high name value and is attractive to visitors. Access is expected to improve, with the 2007 opening of Tokyo Metro 13 line, running beneath Meiji Dori, and the planned directly linking Tokyo Metro 13 line and the Tokyu Toyoko line, in 2012. TOKYU REIT foresees this area as having significant potential for further growth.

In addition, the property is home to a number of leading companies, befitting the area. TOKYU REIT has inherited a number of stable lease agreements including fixed lease agreements.

Highly valued for its growth potential and stability, the property will allow TOKYU REIT to maximize the collective strengths of the Tokyu Group in areas such as tenant relations, leasing, cost control, and property management. Following property acquisition, TOKYU REIT will move swiftly to implement management initiatives for the entire facility. TOKYU REIT will endeavor to reduce maintenance costs and step up promotional activities with the aim of attracting tenants. The acquisition of PICASSO347 is expected to help realize internal growth.

3. Property Profile

Location	Registered	Land 1-23-1 Shibuya, Shibuya-ku, Tokyo
		Building 1-23-1 Shibuya, Shibuya-ku, Tokyo (Building Number: PICASSO 347)
	Residential	1-23-16 Shibuya, Shibuya-ku, Tokyo
Access		Approximately a three-minute walk from Shibuya Station (JR Yamanote line, Tokyu lines, Keio Inokashira line, Tokyo Metro lines) (Tokyo Metro 13 line expected to open in 2007)
Use		Retail, movie theater, restaurant, sports gymnasium
Area Classification		Commercial district (shogyo chiiki) (30m within Meiji Dori), Residential Classification 2
Land Space	Registered	Land 1,705.35 m ²
		Building 11,847.87 m ²
Type of Structure	Registered	S/SRC B2/12F
Completion Date		September 2004
Earthquake Resistance		PML of 11.4% is based on earthquake risk assessment report prepared by Engineering & Risk Services Corporation PML (Probable Maximum Loss) refers to the expected maximum loss ratio caused by earthquakes. Although there is no single authoritative definition of PML, PML refers to the percentage of expected damages caused by a small- to large-level earthquake that happens within the next 475 years to replacement value. Calculations also include data relating to individual property survey, assessment of building conditions, conformity to architectural design, surveys of local areas and structural evaluation.
Type of Ownership		Land: Proprietary ownership Building: Proprietary ownership
Appraisal Value (Appraisal Method)		¥24,500 million (Capitalization method as of February 1, 2005) (100% ownership)
		Appraiser: Daiwa Real Estate Appraisal Corporation * Traditionally, TOKYU REIT appoints three independent appraisers for each property. Recently, the ability to appoint appraisers has been impacted by changes in the market and competition among clients. Notwithstanding, TOKYU REIT has appointed an additional three appraisers based on track record. The aforementioned is one of the appraisals.
Property Management Company		Tokyu Corporation (Planned)
Special Items		Tenant handover has been completed for a portion of the first floor and B1 level. Store opening is scheduled on March 17, 2005.
Tenant Details	Number of Tenants	15
	Principal Tenant(s)	Rocs, TOMORROWLAND Co., Ltd., CASSINA IXC. Ltd.
	Total Rental Income	¥775 million (Annually)
	Estimated NOI	¥619 million (Annually)
	Total Leased Area	8,319.96 m ² (Whole Building)
	Total Rentable Area	8,319.96 m ² (Whole Building)
	Occupancy Rate	100.0%
<p>* Figures for the number of tenants, principal tenants, total rental income and occupancy rate are forecasts as of the scheduled acquisition date, April 6, 2005.</p> <p>* Total rental income and estimated NOI is based on ownership share or 60%.</p> <p>* Estimated NOI is an annual forecast, exclusive of special items related to the acquisition, and not a forecast for the current fiscal period. Figures are based on the following assumptions:</p> <ol style="list-style-type: none"> 1) Total Rental Income is calculated based on the current occupancy rate. 2) Calculations are based on the assumption taxes and duties applicable to land will be the same as in 2004. Calculations for taxes and duties applicable to the building include estimated amounts imposed for 2005. 		

4. Seller Profile

- (1) Company Name : Yugen Kaisha BIT FIRST
- (2) Head Office Address : 3-2-3 Marunouchi, Choyoda-ku, Tokyo
- (3) Representative : Ryutaro Uchiyama, Director
- (4) Capital : ¥3 million
- (5) Principal Activities : Real estate development and leasing
- (6) Other : No related interest with TOKYU REIT

5. Acquisition of Trust Beneficiary Interest (Quasi-Co-Ownership) in Real Estate

Giving due consideration to its financial health and standing, TOKYU REIT plans to acquire 60% of a trust beneficiary interest (quasi-co-ownership) in the subject property. Plans are also in place for a special purpose company, established by Tokyu Land Corporation, a sponsor company of TOKYU REIT, to acquire the residual 40% on April 6, 2005.

In addition the quasi-co-owners and purchasers of the subject trust beneficiary interest, who are parties to a second amendment agreement in connection with property management, executed on March 9, 2005, have agreed that important matters pertaining to property management shall require the approval of quasi-co-owners. Important matters include major renovations to the property, reconstruction, sale and large-scale capital investment. TOKYU REIT, who holds an absolute ownership majority, shall determine all other matters pertaining to property management. The quasi-co-owners have further agreed to a first right of acquisition in connection with the mutual trust beneficiary interests. Quasi-co-owners have also agreed to split the receivable rights and liability obligations relating to the property depending on the ratio of ownership.

TOKYU REIT will continue to leverage the support of its sponsor companies including Tokyu Corporation and Tokyu Land Corporation and look to acquire properties not only developed by Tokyu Group companies, but also companies outside the Tokyu Group and develop comprehensive collaboration with all appropriate parties in an effort to promote optimal stability of its property portfolio.

6. Acquisition Schedule

- March 9, 2005 Execution of purchase agreement
- April 6, 2005 Property settlement (planned)

7. Financing Details

TOKYU REIT has decided to procure ¥15,000 million in debt financing on the scheduled acquisition date. As a result, the total of debt financing by TOKYU REIT is forecast at ¥65,500 million. Details of debt financing will be disclosed as and when determined.

8. Outlook

An analysis of the impact of this acquisition on TOKYU REIT's performance is currently in progress. TOKYU REIT will disclose further details in its Business Report for the third fiscal period ended January 31, 2005, for which an announced is scheduled on March 18, 2005.

Appendix

- 1. Appraisal Summary
- 2. Property Portfolio after Acquisition (as of April 6, 2005)
- 3. Photograph of PICASSO347
- 4. Location Map of PICASSO347
- 5. Overview of PICASSO347

Appendix. 1 Appraisal Summary

(Unit : JPY '000)

Property Name : PICASSO 347		Details	Specific Notes
Appraisal Firm Daiwa Real Estate Appraisal Co., Ltd.			-
Final Appraised Value		24,500,000	Income Approach applied
Date of value		1 st -Feb-2005	-
Value Indicated by Income Approach		24,500,000	-
Value Indicated by Direct Capitalization Method		25,200,000	-
(1)Gross Income		1,427,695	-
Potential Gross Income		1,456,893	Estimated based on market rent
Vacancy Loss		29,198	Estimated based on market ratio considering current lease conditions
(2)Total Expenses		281,700	-
Maintenance/Management/Repairs/PM Fee, etc		138,838	Estimated
Real Estate Taxes		71,965	Land : FY2004 actual applied Building : Estimated
Insurance Premium		5,897	FY2004 actual applied
Other Expenses		65,000	Leasing cost and other expenses
(3)Net Operating Income		1,145,995	-
(4)Long-term Repair Cost Reserve		6,794	Annual average of long-term repair cost reserve indicated in the engineering report
(5)Net Cash Flow		1,156,959	-
(6)Overall Capitalization Rate		4.60%	Based on market cap rate
Value Indicated by DCF Method		23,800,000	-
Discount Rate		4.50%	-
Terminal Capitalization Rate		4.80%	-
Value Indicated by Cost Approach		10,161,000	-
Ratio of Land Price		69.5%	-
Ratio of Building Price		30.5%	-
Particular Attention to have been paid in Application of Appraisal Methodology and Final Value Conclusion		The marketing trading area is expected to expand under the influence of the newly opening subway in 2007, and earning power of the subject is judged stable because of the high competitiveness within Shibuya area which has great appeal in the young fashion.	

It is considered that the value of quasi-co-ownership portion (60%) of the beneficiary right in trust to be acquired is 14,700,000,000 yen, which corresponds to the co-ownership portion of the above appraised value of the real asset.

This appraisal was performed by licensed real estate appraisers in conformity with the Real Estate Appraisal Act and Real Estate Appraisal Standards that were in place as of the effective date of this appraisal. The real estate appraisers do not make any warranty in respect of the possible discrepancies in value of the same properties appraised under different parties, conditions or timing. Neither does this appraisal make warranty of any sales transactions at the said value at any time.

Appendix. 2 Property Portfolio after Acquisition (as of April 6, 2005)

	Property	Location	Acquisition Date	Acquisition Price (Millions of Yen)	Ratio (%)
R1	QFRONT	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	15,100	10.2
R2	Lexington Aoyama	Central Tokyo	September 11, 2003	4,800	3.2
R3	TOKYU REIT Omotesando Square	Central Tokyo and Tokyu Areas (Shibuya)	September 10, 2003	5,770	3.9
R4	Tokyu Saginuma Building	Tokyu Areas	September 10, 2003	6,920	4.7
R5	Tokyu Saginuma 2 Building	Tokyu Areas	September 11, 2003	1,290	0.9
R6	TOKYU REIT Shibuya Udagawa-cho Square	Central Tokyo and Tokyu Areas (Shibuya)	March 1, 2004	6,600	4.5
R7	Yokohama Yamashita-cho Building (Barneys New York Yokohama Store)	Tokyu Areas	August 3, 2004	5,050	3.4
R8	Beacon Hill Plaza (Ito-Yokado Noukendai Store)	Other	August 3, 2004	9,520	6.4
R9	PICASSO347	Central Tokyo and Tokyu Areas (Shibuya)	April 6, 2005	14,700	9.9
	Subtotal			55,050	47.1
O1	Setagaya Business Square	Tokyu Areas	September 11, 2003	22,400	15.1
O2	Tokyu Nampeidai-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	4,660	3.2
O3	Tokyu Sakuragaoka-cho Building	Central Tokyo and Tokyu Areas (Shibuya)	September 11, 2003	6,620	4.5
O4	Tokyo Nissan Taito Building	Central Tokyo	September 11, 2003	4,450	3.0
O5	TOKYU REIT Akasaka Hinokicho Building	Central Tokyo	September 10, 2003	3,570	2.4
O6	TOKYU REIT Kamata Building	Tokyu Areas	September 10, 2003	4,720	3.2
O7	Resona Maruha Building	Central Tokyo	January 15, 2004	23,260	15.7
O8	Fujita Kanko Toranomom Building	Central Tokyo	December 15, 2004	8,630	5.8
	Subtotal			78,310	52.9
	Total			148,060	100.0

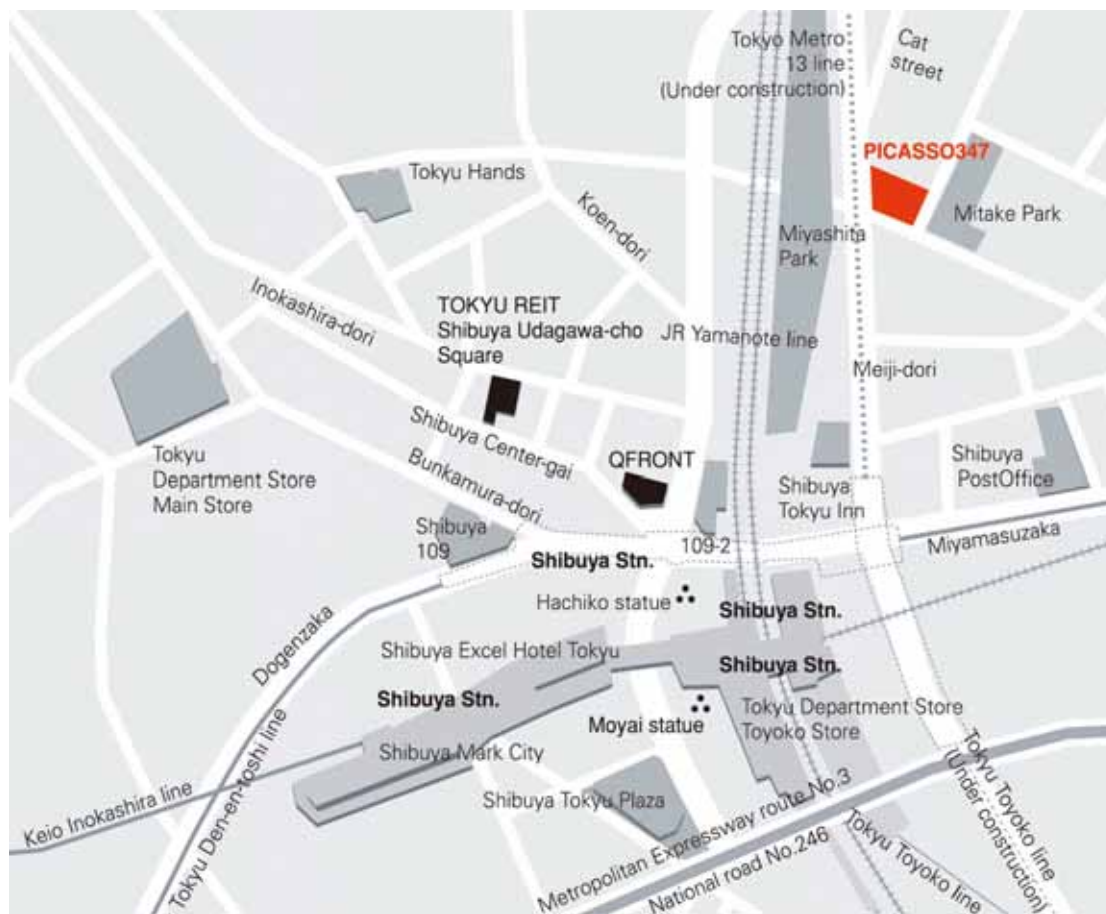
Note 1: The acquisition price is the contract price and is exclusive of acquisition costs, property taxes, city planning taxes, and consumption tax.

Note 2: Based on an earthquake risk analysis reports compiled by Engineering & Risk Services Corporation and OYO RMS Corporation, the PML of the total portfolio above is 5.8%. (Reference: Portfolio PML prior to the acquisition of PICASSO347 was 5.8%)

Appendix. 3 Photograph of PICASSO347



Appendix. 4 Location Map of PICASSO347



Location: 1-23-16, Shibuya, Shibuya-ku, Tokyo
 Access: Approx. a three-minute walk from Shibuya Station-
 JR Yamanote line/Tokyu Lines/Keio Inokashira line/Tokyo Metro Lines
 Land Space: 1,705.35 m²
 Total Floor Space: 11,847.87m²
 Type of Structure: S/SRC, B2/12F
 Completion Date: September 2004
 Type of Ownership: Land: Proprietary ownership
 Building: Proprietary ownership
 60% of a trust_beneficiary interest (quasi-co-ownership)
 Principal Tenants: Rocs
 TOMORROWLAND Co., Ltd.
 CASSINA IXC. Ltd.

Translation Purpose Only

Appendix. 5 Overview of PICASSO347

12F	Antibes Wedding & Restaurant										
11F											
10F							WOW'D Shibuya Fitness & Day Spa				
9F											
8F	Amuse CQN Cinema Complex										
7F											
6F	VICEVERSA Interior Miscellaneous Goods										
5F	UNIVERSAL LANGUAGE Men's and Woman's Wear										
4F	FRENCH CONNECTION Men's and Woman's Wear			CONSOMMÉ Eyewear		347café Cafe					
3F	Bistro347 Bistro			TOMMY HILFIGER Men's and Woman's Wear							
2F	LILICROBE Woman's Wear	zarzarrosa Woman's Wear	Tiara Woman's Wear	Little New York Woman's Wear	alcali Woman's Wear						
1F	TOMORROWLAND Men's and Woman's Wear			Cassina ixc. House Holding Articles (Scheduled of opening on March 17, 2005)							
B1F											