

July 27, 2006

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 Revision to Property Management Fees

TOKYU REIT, Inc. (“TOKYU REIT”) today announced details of its decision, made at its Board of Directors’ meeting held on July 27, 2006, to introduce new additional property management fees for *cocoti*, a retail property held by TOKYU REIT, with which it is aiming for high results by conducting *cocoti*-specific promotional operations and new tenant adjustments. The fees are set out below.

1. Fee Revision Outline

(1) Promotional fees (newly established)

Fee amount: Equivalent to 10% of the promotional fees related to *cocoti*, with upward (limited to 15%) or downward rate revision at the time of the next contract renewal, dependant upon the attainment of specially stipulated sales targets, etc., agreed between the investment management company, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”), and the property management company.

(2) New tenant merchandising management operations fee (newly established)

Objective: New tenant adjustment operations

Fee amount: In the case of newly contracted tenants, Tokyu REIM is to pay the property management company a maximum of ¥3 million, dependant upon the floor space leased. However, the fee does not apply in cases where the property management company attracts a tenant and a brokerage charge has been paid to the property management company.

2. Property Management Company

Tokyu Corporation

3. Conflict of Interest Provision

Tokyu Corporation is a related party holding a major part of the voting rights in TOKYU REIT's investment management company, Tokyu REIM. TOKYU REIT, in accordance with its own voluntary measures to prevent conflicts of interest, acquired the written opinions on the fee revision from the third-party body, STB Research Institute Co., Ltd., within the bounds of the criteria established by other investment corporations listed on the Tokyo Stock Exchange.

4. Revision Term

From August 1, 2006