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For Immediate Release

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Notice Concerning Partial Amendments to the Investment Management Agreement

TOKYU REIT, Inc. (“TOKYU REIT”) today announced that it exchanged a memorandum concerning partial amendments to the Investment Management Agreement (“Agreement”) dated June 20, 2003 with the Investment Management Company, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”). Brief details are as follows.

1. Scope of the Amendments

The amendments will affect unit price-based fee calculation methods concerning investment management fees as stipulated by the Agreement (“Investment Management Fees”). The calculation methods are scheduled for enforcement from February 1, 2007. Details of the amendments are described in the table on the following page.

The amendments, however, shall take effect on the condition that the proposed amendments are approved at the General Meeting of Unitholders, to be held on April 17, 2007.

Before Amendments	After Amendments
<p>Calculation Method and Payment Period The unit price-based fee is calculated as follows based on the average closing price of TOKYU REIT units as reported on the Tokyo Stock Exchange. However, in the event that TOKYU REIT aggregates or splits its units, the following calculation methods may be revised.</p> <p>Calculation Formula (Average closing price of units during the fiscal period – Highest average closing price of units during the previous fiscal period) x Number of units outstanding <u>at the beginning of the fiscal period</u> x <u>1.0%</u></p> <p>The average closing price equals the aggregate sum of the closing price of units for each trading day during the fiscal period, divided by the total number of trading days during the fiscal period. Trading days with no closing price are omitted from the calculation.</p> <p><u>The unit price-based fee shall be zero yen in the event that the average closing price during the fiscal period does not exceed the highest average closing price in the past.</u></p> <p>The payment period is within two months of the end of the fiscal period.</p>	<p>Calculation Method and Payment Period (No change)</p> <p>Calculation Formula (Average closing price of units during the fiscal period – Highest average closing price of units <u>over all previous fiscal periods</u>) x Number of units outstanding <u>at the end of the previous fiscal period</u> x <u>0.4%</u></p> <p>(No change)</p> <p><u>The unit price-based fee shall be zero yen in the event that the average closing price during the fiscal period does not exceed the highest average closing price of units over all previous fiscal periods.</u></p> <p>(No change)</p>

2. Reasons for the Amendments

With the ultimate goal of maximizing unitholder value, TOKYU REIT is engaged in asset investment based on principles of pursuing growth, stability and transparency. TOKYU REIT is committed to securing stable earnings and cash distributions through investment in highly competitive properties in areas with strong growth potential.

In order to make sure that Tokyu REIM performs investment management with priority placed on maximizing unitholder value, TOKYU REIT pays Tokyu REIM Investment Management Fees that fluctuate with the value of TOKYU REIT's assets (at market value), cash flows or investment unit price.

Of the aforementioned Investment Management Fees, the unit price-based fee, which fluctuates along with the actual market price of TOKYU REIT's investment units, takes a structure that, aside from increased asset value and distributions, serves well for advantageous investment unit pricing, as Tokyu REIM strives to minimize investment unit-related risk premiums in its overall investment management operations, which encompass the establishment and reinforcement of corporate governance and compliance structures and proactive investor relations activities.

Owing primarily to ever-higher recognition and the expanded scale of the J-REIT market, as well as the all-out and unitholder value-oriented efforts made by Tokyu REIM and other entities, prevailing market prices of TOKYU REIT's investment units have more than doubled compared with the indicative price of approximately ¥500,000 at the time of the initial public offering. In addition, forecast distribution yield, which is calculated by a forecast distribution amount multiplied by two and divided by an investment unit price, has nearly halved.

With the current level of forecast distribution yield, the degree of impact on investment unit prices from risk premium fluctuations would more than double compared with the level that TOKYU REIT has previously forecast. Under these conditions, if TOKYU REIT is to maintain the current rate of unit price-based fees at 1.0%, the amount of unit price-based fees will more than double the amount previously forecast. The rate of unit price-based fees will be revised in order to respond to changes in such a market environment and ensure appropriate levels of unit price-based fees.

This revision will most likely reduce capital costs, thanks to the decreased volatility of investment unit prices. Reduced capital costs will consequently make way for upgrading the value for TOKYU REIT's unitholders and furthering external growth based on enhanced property acquisition competitiveness. In this way TOKYU REIT and Tokyu REIM will work to better secure stable earnings and cash distributions.

From a medium- to long-term viewpoint, sharpening property acquisition competitiveness will also have positive impacts on the Tokyu REIM side, possibly bringing the Investment Management Fee amounts higher. Based on this assumption, TOKYU REIT and Tokyu REIM have reached an agreement on the revision of the unit price-based fee structure. The revision, however, will have no effects whatsoever on the quality of Tokyu REIM's operations and services.

TOKYU REIT expects no significant effects on its business results from the revision. Accordingly, there will be no changes to operating forecasts previously announced.