

March 9, 2007

For Immediate Release

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.
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Masahiro Horie
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**Notice Concerning Amendments to the Articles of Incorporation, the
Election of Directors and the Election of Independent Auditor**

TOKYU REIT, Inc. (“TOKYU REIT”) announced that the following resolution was passed concerning amendments to the Articles of Incorporation, the election of directors and the election of Independent Auditor at the Board of Directors meeting held on March 9, 2007. These resolutions are subject to approval by the General Meeting of Unitholders of TOKYU REIT to be held on April 17, 2007.

1. Amendments to the Articles of Incorporation

- (1) In line with the implementation of the Corporation Law (Law No. 86 of 2005) and the Law Concerning Adjustment and Coordination of Relevant Laws in Association with the Enforcement of the Corporation Law (Law No. 87 of 2005) on May 1, 2006, laws or ordinances relating to investment corporations including those stipulated under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951), have been adjusted and revised. The amendments include necessary changes to the use of certain terminology in order to align TOKYU REIT’s Articles of Incorporation with relevant regulatory requirements.
- (2) In accordance with revisions to Tokyo Stock Exchange listing regulations (special exceptions to security listing regulations concerning real estate investment trust securities) on October 1, 2006, limits on holdings of non-real estate assets included in portfolios of listed investment corporations have been liberalized. Accordingly, TOKYU REIT proposes revisions to the type and scope of its assets subject to investment management to enable the investment in the assets recognized as necessary and useful in line with TOKYU REIT’s basic policies of investment management.

Also, TOKYU REIT proposes to simplify the details of the securities that had been listed individually until now by prescribing such securities as “marketable securities” as defined under the Law Concerning Investment Trusts and Investment Corporations.

- (3) In line with the implementation of laws for the partial revision of the Securities and Exchange Act of Japan and related regulations, issuance of short-term investment corporate bonds by investment corporations will become possible. Owing to this and in order to allow for TOKYU REIT's flexible procurement of finances, TOKYU REIT proposes the amendment to Article 37 as well as the creation of Article 41.
- (4) In order to respond to changes in market environment and ensure appropriate levels of unit price-based fees, the amendment concerns unit price-based fees in Attachment 2 of the current Articles of Incorporation and proposes partial changes to the calculation method of such fees paid to Tokyu REIM. (Attachment 2)
In light of these changes, TOKYU REIT proposes the partial amendments to the Investment Management Agreement concluded between TOKYU REIT and Tokyu REIM on June 20, 2003, as the Second Item submitted to the General Meeting of Unitholders.
- (5) TOKYU REIT shall adjust any discrepancies in the text and numbering that results from the creation and deletion of articles.

(Please refer to the attachment "Notice of Convocation of the Third General Meeting of Unitholders" for more details on the amendments to the Articles of Incorporation.)

2. Election of Directors

The terms of office of one executive director and two supervisory directors will end on April 30, 2007. A proposal for the nomination of one executive director and two supervisory directors will be submitted to the General Meeting of Unitholders of TOKYU REIT to be held on April 17, 2007.

(Please refer to the attachment "Notice of Convocation of the Third General Meeting of Unitholders" for more details on the election of directors.)

3. Election of Independent Auditor

TOKYU REIT received a notice of resignation, effective July 14, 2006, from its independent auditor, ChuoAoyama PricewaterhouseCoopers (now MISUZU Audit Corporation). Pursuant to Article 108-3 of the Law Concerning Investment Trusts and Investment Corporations, TOKYU REIT appointed its temporary independent auditor, PricewaterhouseCoopers Arata, at its Board of Directors meeting held on the same date. The temporary independent auditor has performed necessary auditing operations to date. Under these circumstances, TOKYU REIT proposes the appointment of an independent auditor at the General Meeting of Unitholders of TOKYU REIT to be held on April 17, 2007. PricewaterhouseCoopers Arata will be elected Independent Auditor with approval at the General Meeting of Unitholders of TOKYU REIT.

(Please refer to the attachment "Notice of Convocation of the Third General Meeting of Unitholders" for more details on the election of independent auditor.)

4. Schedule

March 9, 2007	Board of Directors meeting to approve proposals to be submitted to the General Meeting of Unitholders
March 30, 2007	Mailing of notification of convocation of General Meeting of Unitholders (planned)
April 17, 2007	General Meeting of Unitholders (planned)

5. Others

TOKYU REIT today announced “Notice Concerning Partial Amendments to the Investment Management Agreement” for “Approval of partial amendments to the Investment Management Agreement”, which will be submitted to the General Meeting of Unitholders of TOKYU REIT to be held on April 17, 2007.

Appendix

Notice of Convocation of the Third General Meeting of Unitholders

Please note that this document is an English translation prepared solely for the convenience and information purpose of unitholders who are non-native Japanese. In the event of any inconsistency between this translation and the Japanese authoritative document, the latter shall prevail.

March 30, 2007

Masahiro Horie
Executive Director:
TOKYU REIT, Inc.
12-1, Dogenzaka, 1-chome,
Shibuya-ku, Tokyo, Japan
(Securities Code: 8957)

Notice of Convocation of the Third General Meeting of Unitholders

Dear Unitholders:

TOKYU REIT, Inc. (“TOKYU REIT”) hereby gives notification of and requests your attendance to its Third General Meeting of Unitholders (“Meeting”) to be held as detailed below.

In the event that you are unable to attend, you are able to exercise your voting right using a voting rights exercise form. Therefore we request you study the attached reference documents and exercise your voting rights on the enclosed voting rights exercise form by indicating your approval or disapproval of the items of business, and return those documents with your seal impression by April 16, 2007 (Monday).

In accordance with Article 93-1 of the Law for Investment Trusts and Investment Corporations, TOKYU REIT determined in its Articles of Incorporation that unitholders not present at the general meeting of unitholders who do not exercise their voting rights are deemed to approve proposals submitted to the general meeting of unitholders (excluding proposals that contradict each other when there are several proposals).

Accordingly, please be aware that unitholders not present at the Meeting who do not exercise their voting rights on the voting rights exercise form are deemed to approve proposals submitted to the Meeting. Also please be aware that the number of voting rights held by non-attending unitholders is included in the number of voting rights of unitholders in attendance.

1. **Date:** April 17, 2007 (Tuesday) at 10:00 a.m.
2. **Address:** Planets Room, 6th floor, Shibuya Excel Hotel Tokyu
1-12-2, Dogenzaka, Shibuya-ku, Tokyo, Japan
(Please refer to the meeting place map attached)
3. **Agenda:**
 - Matters to be Resolved:**
 - First Item** Partial amendments to the Articles of Incorporation
An outline of the proposal is provided in the General Meeting of Unitholders Reference Document (pages 3~12)
 - Second Item** Approval of partial amendments to the Investment Management Agreement
An outline of the proposal is provided in the General Meeting of Unitholders Reference Document (pages 13~14)
 - Third Item** Election of one executive director
 - Fourth Item** Election of two supervisory directors
 - Fifth Item** Election of independent auditor

4. Decisions at the time of convention:

On the day of the Meeting, unitholders may exercise their voting rights by proxy, limited to one other unitholder with voting rights. If voting by proxy, we request that your proxy submit a document certifying his or her authority with your voting rights exercise form.

Notes:

1. If you attend the Meeting, we request that you return the enclosed voting rights exercise form to the reception desk.
2. Any revisions that need to be made to the General Meeting of Unitholders Reference Document will be posted on the TOKYU REIT Web site (<http://www.tokyu-reit.co.jp/>) after revision, so please approve those revisions beforehand.
3. After the conclusion of the Meeting, Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”), our investment trust asset manager who we consign to manage our assets and investments, will hold a management status meeting in the same room and on the same day. We understand that you are busy, but we would appreciate it if you could attend

General Meeting of Unitholders Reference Document

Agenda Items and References

First Item: Partial Amendments to the Articles of Incorporation

1. Resolution Procedures and Reasons for Amendments

- (1) In line with the implementation of the Corporation Law (Law No. 86 of 2005) and the Law Concerning Adjustment and Coordination of Relevant Laws in Association with the Enforcement of the Corporation Law (Law No. 87 of 2005) on May 1, 2006, laws or ordinances relating to investment corporations including those stipulated under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951), have been adjusted and revised. The amendments include necessary changes to the use of certain terminology in order to align TOKYU REIT's Articles of Incorporation with relevant regulatory requirements. (Articles 4, 5, 6, 7, 8, 9, 16, 17, 24, 26, 29, 30 and 36)

- (2) In accordance with revisions to Tokyo Stock Exchange listing regulations (special exceptions to security listing regulations concerning real estate investment trust securities) on October 1, 2006, limits on holdings of non-real estate assets included in portfolios of listed investment corporations have been liberalized. Accordingly, TOKYU REIT proposes revisions to the type and scope of its assets subject to investment management to enable the investment in the assets recognized as necessary and useful in line with TOKYU REIT's basic policies of investment management.
Also, TOKYU REIT proposes to simplify the details of the securities that had been listed individually until now by prescribing such securities as "marketable securities" as defined under the Law Concerning Investment Trusts and Investment Corporations (Attachment 1-2 (1),(3),(4) and Attachment 1-3(5)a).

- (3) In line with the implementation of laws for the partial revision of the Securities and Exchange Act of Japan and related regulations, issuance of short-term investment corporate bonds by investment corporations will become possible. Owing to this and in order to allow for TOKYU REIT's flexible procurement of finances, TOKYU REIT proposes the amendment to Article 37 as well as the creation of Article 41.

- (4) In order to respond to changes in market environment and ensure appropriate levels of unit price-based fees, the amendment concerns unit price-based fees in Attachment 2 of the current Articles of Incorporation and proposes partial changes to the calculation method of such fees paid to Tokyu REIM. (Attachment 2)
In light of these changes, TOKYU REIT proposes the partial amendments to the Investment Management Agreement concluded between TOKYU REIT and Tokyu REIM on June 20, 2003, as the Second Item submitted to the General Meeting of Unitholders.

- (5) TOKYU REIT shall adjust any discrepancies in the text and numbering that results from the creation and deletion of articles. (Articles 2, 12, 23, 40 and Attachment 1)

2. Details of Amendments

Proposed Amendments are as follows.

(Underlined portions indicate changes)

Current Articles	Proposed Amendments
<p>Chapter I. General Provisions</p> <p>Article 2. (Purpose) The purpose of TOKYU REIT shall be to manage investments mainly in real estate assets [as defined in Attachment 1, 2. (1) included in specified assets (hereinafter referred to as “specified assets”) <u>as defined in Article 2 Paragraph 1</u> of the Investment Trust and Investment Trust Corporation Law of Japan (Law No. 198 of 1951, as amended, hereinafter referred to as the “Investment Trust Law”)] and asset-backed securities [as defined in Attachment 1, 2. (2) included in specified assets]which intend to invest primarily in real estates.</p> <p>Article 4. (Method of Public Notice) TOKYU REIT shall <u>place</u> public notices in the <i>Nibon Keizai Shimbun</i>.</p> <p>Chapter II. Investment Units</p> <p>Article 5. (Total Number of Investment Units to be Issued) 1. The total number of investment units <u>to be issued</u> shall be two million (2,000,000). 2. Subject to the maximum limit identified for the total number of investment units as specified in Article 5.1, TOKYU REIT shall issue <u>additional investment units</u> in accordance with resolutions of the Board of Directors. The <u>issue price</u> shall be a fair <u>price</u> in view of the characteristics of the assets held by TOKYU REIT approved by resolutions of the Board of Directors.</p> <p>Article 6. (Offerings in Japan) The <u>issue price</u> of investment units offered in Japan shall exceed 50% of the total.</p> <p>Article 7. (Redemption of Investment Units) Unitholders, including beneficial unitholders who fall within the scope of the <u>share certificate</u> custody and book-entry transfer system (hereinafter referred to as “beneficial unitholders”); the same shall apply hereinafter), shall not be entitled to the redemption of</p>	<p>Chapter I. General Provisions</p> <p>Article 2. (Purpose) The purpose of TOKYU REIT shall be to manage investments mainly in real estate assets [as defined in Attachment 1, 2. (1) included in specified assets (hereinafter referred to as “specified assets”) <u>as defined</u> in the Investment Trust and Investment Trust Corporation Law of Japan (Law No. 198 of 1951, as amended, hereinafter referred to as the “Investment Trust Law”)] and asset-backed securities [as defined in Attachment 1, 2. (2) included in specified assets] which intend to invest primarily in real estates.</p> <p>Article 4. (Method of Public Notice) TOKYU REIT shall <u>make</u> public notices <u>through</u> the <i>Nibon Keizai Shimbun</i>.</p> <p>Chapter II. Investment Units</p> <p>Article 5. (Total Number of Investment Units Available for Issue) 1. The total number of <u>TOKYU REIT</u> investment units <u>available for issue</u> shall be two million (2,000,000). 2. Subject to the maximum limit identified for the total number of investment units as specified in Article 5.1, TOKYU REIT shall issue <u>offered investment unit</u> in accordance with resolutions of the Board of Directors. The <u>amount paid</u> shall be a fair <u>amount</u> in view of the characteristics of the assets held by TOKYU REIT approved by resolutions of the Board of Directors.</p> <p>Article 6. (Offerings in Japan) The <u>amount paid for</u> investment units offered in Japan shall exceed 50% of the total.</p> <p>Article 7. (Redemption of Investment Units) Unitholders, including beneficial unitholders who fall within the scope of the <u>securities custody</u> and book-entry transfer system_(hereinafter referred to as “beneficial unitholders”); the same shall apply hereinafter), shall not be entitled to the redemption of investment units.</p>

Current Articles	Proposed Amendments
<p>investment units.</p> <p>Article 8. (Investment Unit Handling Regulations) The type of investment units to be issued, <u>the registration of transfer of investment unit</u> (including the entry and record in the register of beneficial unitholders; the same shall apply hereinafter), the registration of pledgees or the record of trust assets, the reissue of investment securities and any other matters relating to the handling of investment units and investment securities including commissions shall be governed by handling regulations to be established by the Board of Directors.</p> <p>Article 9. (Minimum Net Assets Held by TOKYU REIT) TOKYU REIT shall <u>consistently maintain a minimum</u> net asset balance of fifty million yen.</p> <p>Chapter III. General Meetings of Unitholders</p> <p>Article 12. (Resolutions of General Meeting of Unitholders) 1. Unless otherwise provided by law or ordinance or these Articles of Incorporation, resolutions of the General Meeting of Unitholders shall be <u>adopted</u> by a simple majority of votes of unitholders in attendance. 2. (Omitted) 3. When necessary and in addition to the preceding clause, TOKYU REIT may, through a resolution of the Board of Directors and with advance notification, consider unitholders and <u>registered pledgees</u> entered or recorded in the register of unitholders on a certain date as unitholders and <u>registered pledgees</u> with voting rights.</p> <p>Article 16. (Exercise of Voting Rights by Proxy) 1. Unitholders may exercise their voting rights by <u>a</u> proxy who is also a unitholder with voting rights in TOKYU REIT. 2. (Omitted)</p> <p>Article 17. (Minutes of General Meeting of Unitholders) Minutes of the General Meeting of Unitholders shall be created including recordings or notes of the proceedings and results of the meeting and shall be signed or electronically signed by the</p>	<p>Article 8. (Investment Unit Handling Regulations) The type of investment units to be issued, <u>the preparation and management of the register of unitholders</u> (including the entry and record in the register of beneficial unitholders; the same shall apply hereinafter), the registration of pledgees or the record of trust assets, the reissue of investment securities and any other matters relating to the handling of investment units and investment securities including commissions shall be governed by handling regulations to be established by the Board of Directors.</p> <p>Article 9. (Minimum Net Assets) TOKYU REIT shall <u>have a minimum</u> net asset balance of fifty million yen.</p> <p>Chapter III. General Meetings of Unitholders</p> <p>Article 12. (Resolutions of General Meeting of Unitholders) 1. Unless otherwise provided by law or ordinance or these Articles of Incorporation, resolutions of the General Meeting of Unitholders shall be <u>undertaken</u> by a simple majority of votes of unitholders in attendance. 2. (No change). 3. When necessary and in addition to the preceding clause, TOKYU REIT may, through a resolution of the Board of Directors and with advance notification, consider unitholders and <u>registered pledgees of investment units</u> entered or recorded in the register of unitholders on a certain date as unitholders and <u>registered pledgees of investment units</u> with voting rights.</p> <p>Article 16. (Exercise of Voting Rights by Proxy) 1. Unitholders may exercise their voting rights by <u>one</u> proxy who is also a unitholder with voting rights in TOKYU REIT. 2. (No change)</p> <p>Article 17. (Minutes of General Meeting of Unitholders) Minutes of the General Meeting of Unitholders shall be created including recordings or notes of the proceedings and results of the meeting <u>and other items as stipulated by law</u> and shall be</p>

Current Articles	Proposed Amendments
<p>chairman, executive directors and supervisory directors in attendance.</p> <p>Chapter IV. Executive Directors, Supervisory Directors and Board of Directors</p> <p>Article 23. (Resolutions of Board of Directors) Resolutions of the Board of Directors shall be <u>adopted</u> with a simple majority of the votes of members in attendance, when more than half of <u>the members are in attendance</u>, unless otherwise determined by law or these Articles of Incorporation.</p> <p>Article 24. (Minutes of Board of Directors) The minutes of the Board of Directors are created including recordings or notes of the proceedings and results of the meetings and are signed by the executive directors and supervisory directors in attendance either electronically or by hand.</p> <p>Article 26. (Director Remuneration and Limitation of Liability) 1.~2.(Omitted) 3. Pursuant to Article 109 Paragraph 9 of the <u>Investment Trust Law, TOKYU REIT may, in a resolution of the Board of Directors, exempt its executive directors and supervisory directors from liability within legal limits for acts prescribed in Article 109 Paragraph 1-4 of the Investment Trust Law. Exemptions from liability are limited to the liable amount less the amounts outlined under the following clauses.</u> (1) <u>A four-year portion of the highest amount in the total amount of the profits from assets due in each fiscal period (except items in the next clause) the executive director or supervisory director received or should receive from TOKYU REIT in the form of remuneration or other consideration for their performance of duties during the fiscal period in which the date of the resolution adopted by the Board of Directors falls or each preceding fiscal period.</u> (2) <u>The lowest amount of either 1) the total amount of the retirement bonuses and profits from assets of the same nature that the executive director or supervisory director received from TOKYU REIT, or 2) the amount obtained by dividing this total by the number of years worked</u></p>	<p>signed or electronically signed by the chairman, executive directors and supervisory directors in attendance.</p> <p>Chapter IV. Executive Directors, Supervisory Directors and Board of Directors</p> <p>Article 23. (Resolutions of Board of Directors) Resolutions of the Board of Directors shall be <u>implemented</u> with a simple majority of the votes of members in attendance, when more than half of <u>the members who are entitled to participate in the resolutions</u> are in attendance, unless otherwise determined by law or these Articles of Incorporation.</p> <p>Article 24. (Minutes of Board of Directors) The minutes of the Board of Directors are created including recordings or notes of the proceedings and results of the meetings <u>and other items as stipulated by law</u> and are signed by the executive directors and supervisory directors in attendance either electronically or by hand.</p> <p>Article 26. (Director Remuneration and Limitation of Liability) 1.~2. (No change) 3. <u>In regard to the accountability of executive directors and supervisory directors pursuant to Article 115 Paragraph 6 Item 1 of the Investment Trust Law, TOKYU REIT may, in a resolution of the Board of Directors, exempt its executive directors and supervisory directors from liability within legal limits. Such exemptions may occur when approved to be particularly needed by taking into consideration the conditions of the executive directors' and supervisory directors' execution of duties and other circumstances as well as the detailed facts that were the cause of responsibility. The exemptions are limited to executive directors and supervisory directors who have undertaken their execution of duties in good faith without ever having made any significant oversights.</u> (Articles below "Exemptions from liability" and (1), (2) is Deleted)</p>

Current Articles	Proposed Amendments
<p><u>and then multiplying by four.</u></p> <p>Chapter VI. Accounts</p> <p>Article 29. (Asset Valuation Methods, Standards and Reference Dates) 1.(Omitted) 2. The following valuations method shall be used to present values in <u>asset management reporting</u> in the event different valuations method are used than those in Paragraph 1. (1)~(2) and 3 (Omitted)</p> <p>Article 30. (Cash Distributions) TOKYU REIT shall make cash distributions to unitholders or registered pledgees entered or recorded in the record of unitholders at the end of each fiscal period in accordance with the following rules. (1) Profit included in the cash distributions to unitholders is calculated by deducting the sum of TOKYU REIT's total contribution amount, contribution surplus and valuation differences from its net asset amount on TOKYU REIT's balance sheets. (Same shall apply in (3) and (4).)</p> <p>((2)~(4) below, omitted) (5) Method of cash distributions Cash distributions shall be distributed according to the number of units held by unitholders within three months, in principle, from the end of the fiscal period to unitholders or registered <u>pledgees</u> entered or recorded at the end of the fiscal period.</p> <p>Chapter VIII. Debt Financing and Corporate Bonds</p> <p>Article 36. (Debt Financing) 1. TOKYU REIT may engage in debt financing in accordance with the following conditions. However, such debt financing shall be limited to from the qualified institutional buyers as defined in the Securities and Exchange Act of Japan.</p> <p>(1)~(3) (Omitted) 2. (Omitted)</p> <p>Article 37. (Corporate Bonds) 1. TOKYU REIT may issue corporate bonds in accordance with the following conditions.</p>	<p>Chapter VI. Accounts</p> <p>Article 29. (Asset Valuation Methods, Standards and Reference Dates) 1. (No change) 2. The following valuations method shall be used to present values in <u>asset management reporting</u> in the event different valuations method are used than those in Paragraph 1. (1)~(2) and 3 (No change)</p> <p>Article 30. (Cash Distributions) TOKYU REIT shall make cash distributions to unitholders or <u>registered pledgees of investment units</u> entered or recorded in the record of unitholders at the end of each fiscal period in accordance with the following rules. (1) Profit included in the cash distributions to unitholders is calculated by deducting the sum of TOKYU REIT's total contribution amount, contribution surplus and valuation <u>and translation</u> differences from its net asset amount on TOKYU REIT's balance sheets. (Same shall apply in (3) and (4).)</p> <p>((2)~(4) below, no change) (5) Method of cash distributions Cash distributions shall be distributed according to the number of units held by unitholders within three months, in principle, from the end of the fiscal period to unitholders or <u>registered pledgees of investment units</u> entered or recorded at the end of the fiscal period.</p> <p>Chapter VIII. Debt Financing and Corporate Bonds</p> <p>Article 36. (Debt Financing) 1. TOKYU REIT may engage in debt financing in accordance with the following conditions. However, such debt financing shall be limited to from the qualified institutional buyers <u>as defined in the Securities and Exchange Act of Japan (Law No. 25 of 1948, as amended)</u>.</p> <p>(1)~(3) (No change) 2. (No change)</p> <p>Article 37. (Corporate Bonds) 1. TOKYU REIT may issue corporate bonds <u>(including short-term corporate bonds; the same shall apply hereinafter)</u> in accordance with the</p>

Current Articles	Proposed Amendments
<p>(1)~(3) and 2 (Omitted)</p> <p>Chapter XI. Supplementary Provisions</p> <p>Article 40. (Consumption Tax and Local Consumption Tax) Within asset management and other payable expenses and amounts, TOKYU REIT pays the total amount of the cost and consumption taxes and local consumption taxes on items subject to taxation (hereinafter “taxable items”) under the Consumption Tax Law (Law No. 108 of 1988, as amended). All figures in these Articles of Incorporation, unless otherwise stated, are shown without consumption tax.</p> <p><u>(New addition)</u></p> <p>Attachment 1: Scope and Policy of Asset Management</p> <p>2. Type, Purpose and Scope of Specified Assets for Investment TOKYU REIT shall invest primarily in real estate and asset-backed securities related to real estate. (1) Real estate includes the following: a~b. (Omitted) c. Land surface rights</p> <p>d. Investment trust beneficiary rights on the following (including comprehensive trusts with monetary interests in real estate, but excluding marketable securities (hereinafter referred to as “marketable securities”) as defined in <u>Article 3-1</u> of the Investment Trust and Investment Corporation Act Enforcement Order (Order No. 480 of 2000, as amended, hereinafter referred to as “Investment Trust Law Enforcement Act”)): ➤ Real estate</p>	<p>following conditions. (1)~(3) and 2 (No change)</p> <p>Chapter XI. Supplementary Provisions</p> <p>Article 40. (Consumption Tax and Local Consumption Tax) Within asset management and other payable expenses and amounts, TOKYU REIT pays the total amount of the cost and consumption taxes and local consumption taxes <u>(hereinafter, collectively referred to as “consumption taxes”)</u> on items subject to taxation (hereinafter “taxable items”) under the Consumption Tax Law (Law No. 108 of 1988, as amended) <u>and the Local Tax Law (Law No. 226 of 1950, as amended)</u>. All figures in these Articles of Incorporation, unless otherwise stated, are shown without consumption tax.</p> <p><u>Article 41</u> <u>Sections relating to short-term corporate bonds in these Articles of Incorporation shall take effect on the date of implementation of the Law for Partial Amendment of the Securities and Exchange Act of Japan (Law No. 65 of 2006)</u></p> <p>Attachment 1: Scope and Policy of Asset Management</p> <p>2. Type, Purpose and Scope of Specified Assets for Investment TOKYU REIT shall invest primarily in real estate and asset-backed securities related to real estate. (1) Real estate includes the following: a~b. (No change) c. Land surface rights <u>(including the rights to below grade and above-grade open space as defined in Article 269-2 of the Civil Code (Law No. 89 of 1896, as amended; hereinafter the “Civil Code”); the same shall apply hereinafter)</u></p> <p>d. Investment trust beneficiary rights on the following (including comprehensive trusts with monetary interests in real estate, but excluding marketable securities (hereinafter referred to as “marketable securities”) as defined in the Investment Trust and Investment Corporation Act Enforcement Order (Order No. 480 of 2000, as amended, hereinafter referred to as “Investment Trust Law Enforcement Act”)) ➤ (No change)</p>

Current Articles	Proposed Amendments
<p>j. Monetary claims (as defined in <u>Article 3-11 of the Investment Trust Law Enforcement Order</u>)</p> <p>k. Interests in monetary futures (as defined in <u>Article 3-13 of the Investment Trust Law Enforcement Order</u>)</p> <p>l. Interests in financial derivative transactions (as defined in <u>Article 3-14 of the Investment Trust Law Enforcement Order</u>)</p> <p>m. Beneficiary interest in monetary trusts that aim to invest in one of a. to l. above.</p> <p>(4) TOKYU REIT may invest in the following as necessary when investing in real estate.</p> <p>a. <u>Equity interests in limited liability companies (Yugen Kaisha) as defined in the Private Company Law (Law relating to Yugen-kaisha) (Law No. 74 of 1938, as amended), limited to those that aim to invest substantially in real estate</u></p> <p><u>(New addition)</u></p> <p>b. Exclusive use rights and ordinary use rights as defined in the Trademark Law (Law No. 127 of 1959, as amended), limited to those associated with investing in real estate</p> <p><u>(New addition)</u></p> <p><u>(New addition)</u></p> <p><u>(New addition)</u></p> <p><u>(New addition)</u></p>	<p>b. Monetary receivables (as defined <u>by the Investment Trust Law Enforcement Order, including ordinary deposits, large-sum time deposits, negotiable deposits (excluding marketable securities) and call loans</u>)</p> <p>c. Interests in monetary futures (as defined <u>by the Investment Trust Law Enforcement Order</u>)</p> <p>d. Interests in financial derivative transactions (as defined <u>by the Investment Trust Law Enforcement Order</u>)</p> <p>e. Beneficiary interest in monetary trusts that aim to invest in one of a. to d. above.</p> <p>(4) (No change)</p> <p>a. (i) <u>Equity interest in special limited liability companies (Yugen Kaisha), as defined in the Law Concerning Adjustment and Coordination of Relevant Laws in Association with the Enforcement of the Corporation Law (Law No. 87 of 2005, as amended), whose purpose is to invest substantially in assets identified in (1)-a. to f. above; (ii) equity interest in Godo-Kaisha, as defined in the Corporation Law (Law No. 86 of 2005, as amended); (iii) equity interest in limited liability investment partnerships, as defined in the Limited Partnership Act for Investment (Law No. 90 of 1998, as amended); and (iv) equity interest in limited liability partnerships and other corporations (including entities whose purposes are to indirectly invest in assets identified in (1)-a. to f. above), as defined in the Limited Liability Partnership Act (Law No. 40 of 2005, as amended)</u></p> <p>b. <u>Easement</u></p> <p>c. Exclusive use rights and ordinary use rights as <u>defined in the Trademark Law (Law No. 127 of 1959, as amended), limited to those associated with investing in real estate</u></p> <p>d. (i) <u>Copyrights (including moral rights and neighboring rights), as defined in the Copyright Act (Law No. 48 of 1970, as amended); (ii) patent rights; (iii) utility model rights; (iv) design rights; and (v) other intellectual property rights</u></p> <p>e. Rights to use sources of hot springs as defined <u>by the Hot Springs Law (Law No. 125 of 1948, as amended), and facilities related to the hot springs</u></p> <p>f. <u>Movables as defined in the Civil Code, limited to facilities, equipment and others that are attached to real estate either structurally or for use, including cases of leasing such movables</u></p> <p>g. <u>Equity and contribution interests in associations and other corporations, as defined in</u></p>

Current Articles	Proposed Amendments
<p>(New addition)</p> <p>(New addition)</p> <p>c. Specified investments as defined in the Asset Securitization Law, limited to those that aim to invest in real estate</p> <p>d. (Omitted)</p> <p>e. Stock issued by foreign corporations associated with <u>d.</u> above, limited to stock that aims to invest in real estate</p> <p>(New addition)</p> <p>3. Investment Posture</p> <p>(5) Other</p> <p>a. <u>TOKYU REIT shall make investments so that it can keep 75% or more of its total assets in the form of real estate, real estate leasing rights, land surface rights, trust beneficiary interests (only those of the trust created by entrustment of real estate, land surface rights and real estate leasing rights, but excluding those corresponding to marketable securities), equity interests in Tokumei Kumiai (silent partnership) (only those related to agreements providing that the contributed assets shall be invested only in real estate, land surface rights and real estate leasing rights), and other real estate specified in the special exceptions to the Tokyo Stock Exchange, Inc.'s securities listing regulations related to real estate investment trust securities.</u></p> <p>b. TOKYU REIT shall maintain a ratio of 75% or higher for the total value of specified real estate (real estate, real estate leasing rights, land surface rights or trust beneficiary interests in real estate, land leasing rights and land surface rights) relative to the total value of specified assets (<u>hereinafter referred to as the "Ratio of Specified Real Estate"</u>).</p> <p>c.(Omitted)</p> <p>d.(Omitted)</p>	<p><u>the Civil Code, limited to those established through contribution of real estate, real estate leasing rights and land surface rights and whose purpose is to lease, administrate and manage such assets</u></p> <p><u>h. Preferred equity interest in reinsurance companies established by insurance policyholders for the purpose of accepting their own risks by way of reinsurance</u></p> <p><u>i. Rights related to various insurance contracts, limited to those for the purpose of reducing risks associated with investments in real estate-related assets</u></p> <p><u>j. Specified investments as <u>defined</u> in the Asset Securitization Law, limited to those that aim to invest substantially in real estate</u></p> <p><u>k. (No change)</u></p> <p><u>l. Stock issued by foreign corporations associated with <u>k.</u> above, limited to stock that aims to invest in real estate <u>or that is acquired through or in relation to such investments</u></u></p> <p><u>m. Rights and other assets that are deemed appropriate to be acquired concomitantly with the real estate that are required for real estate management</u></p> <p>3. Investment Posture</p> <p>(5) Other</p> <p>(Deleted)</p> <p><u>a. TOKYU REIT shall <u>adhere to a policy of</u> maintaining a ratio of 75% or higher for the total value of specified real estate (real estate, real estate leasing rights, land surface rights or trust beneficiary interests in real estate, land leasing rights and land surface rights) relative to the total value of specified assets.</u></p> <p><u>b. (No change)</u></p> <p><u>c. (No change)</u></p>

Current Articles	Proposed Amendments
<p>5. Asset Portfolio Leasing (1) TOKYU REIT may lease out (including the installation of parking facilities and advertising billboards) real estate, real estate leasing rights and land surface rights within the assets defined in 2. above to efficiently manage assets and achieve strong management results.</p> <p>(2) (Omitted)</p> <p>(3) TOKYU REIT shall not lease out assets other than real estate, real estate leasing rights and land surface rights.</p> <p>Attachment 2: Fees Paid to Investment Management Company</p> <p>Investment management fees payable to the Investment Management Company comprise an asset-based fee, cash flow-based fee and unit price-based fee. The following represents the actual amounts, calculation methods and payment periods for fees to be transferred by TOKYU REIT to a bank account designated by the Investment Management Company.</p> <p>Compensation Type Unit price-based fee</p> <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 during the fiscal period 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 promptly revised.</p> <p>Calculation Formula (Average closing price of units during the fiscal period – Highest average closing price of units before the current fiscal period) x Number of units outstanding <u>at the beginning of the current fiscal period</u> x 1.0%</p> <p>The average closing price equals the aggregate sum of the closing price of units for each trading</p>	<p>5. Asset Portfolio Leasing (1) In order to efficiently manage assets and achieve strong management results, TOKYU REIT may lease out (including the installation of parking facilities and advertising billboards) real estate, real estate leasing rights, land surface rights <u>(including underlying real estate, real estate leasing rights and land surface rights of real estate for trust beneficiary rights and other assets to be acquired by TOKYU REIT) and movables attached to such real estate</u> within the assets defined in 2. above.</p> <p>(2) (No change)</p> <p>(3) TOKYU REIT shall not lease out assets other than real estate, real estate leasing rights, land surface rights <u>(including underlying real estate, real estate leasing rights and land surface rights for trust beneficiary rights and other assets to be acquired by TOKYU REIT) and movables attached to such real estate.</u></p> <p>Attachment 2: Fees Paid to Investment Management Company</p> <p>(No change)</p> <p>Compensation Type (No change)</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 0.4%</p> <p>(No change)</p>

Current Articles	Proposed Amendments
<p>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>The unit price-based fee shall be zero yen in the event that <u>the average closing price during the current fiscal period does not exceed the highest average closing price in the past.</u></p> <p>The payment period is within two months after the end of the fiscal period.</p>	<p><u>The unit price-based fee shall be zero yen in the event that the average closing price per unit during the current fiscal period does not exceed the highest average closing price per unit over all previous fiscal periods.</u></p> <p>(No change)</p>

Second Item: Approval of Partial Amendments to the Investment Management Agreement

The following outlines the proposed partial amendments to the Investment Management Agreement concluded between TOKYU REIT and the Investment Management Company, Tokyu REIM, on June 20, 2003. Proposed amendments will affect unit price-based fee calculation methods recorded in Attachment 2, concerning investment management fees as stipulated in attachment 2 in the agreement. Provided that the amendments to the Articles of Incorporation shown in the First Item, Attachment 2 are approved, the initial date of the computation period of unit price-based fees will be February 1, 2007.

(Underlined portions indicate changes)

Current Articles	Proposed Amendments
<p>Attachment 2: Fees Paid to Investment Management Company</p> <p>Investment management fees payable to the Investment Management Company comprise an asset-based fee, cash flow-based fee and unit price-based fee. The following represents the actual amounts, calculation methods and payment periods for fees to be transferred by TOKYU REIT to a bank account designated by the Investment Management Company.</p> <p>Compensation Type Unit price-based fee</p> <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 during the fiscal period 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 promptly revised.</p> <p>Calculation Formula (Average closing price of units during the fiscal period – Highest average closing price of units before the current fiscal period) x Number of units outstanding <u>at the beginning of the current fiscal period</u> x 1.0%</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>The unit price-based fee shall be zero yen in the event that <u>the average closing price during the current fiscal period</u> does not exceed the highest <u>average closing price</u> in the past.</p> <p>The payment period is within two months after the end of the fiscal period.</p>	<p>Attachment 2: Fees Paid to Investment Management Company</p> <p>(No change)</p> <p>Compensation Type (No change)</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 0.4%</p> <p>(No change)</p> <p>The unit price-based fee shall be zero yen in the event that <u>the average closing price per unit during the current fiscal period</u> does not exceed the highest <u>average closing price per unit over all previous fiscal periods</u>.</p> <p>(No change)</p>

The reasons for amendments are as follows.

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.

The details of Tokyu REIM, the other party agreeing to the proposed amendments above are as follows.

Name	Tokyu Real Estate Investment Management Inc.	
Office location (Headquarters)	1-12-1 Dogenzaka, Shibuya-ku, Tokyo	
Corporate history	June 27, 2001	Established
	August 31, 2001	Obtained real estate brokerage license (No. 79964 Governor of Tokyo (2) - current)
	April 3, 2003	Acquired discretionary transaction agent approval in accordance with the Building Lots and Building Transactions Business Law (Minister of Land, Infrastructure and Transport No. 17)
	June 16, 2003	Acquired investment trust management business transaction authorization (Office of the Prime Minister No. 27)

	June 16, 2003	Acquired approval to provide consulting services and agency services (Financial Service Agency No. 1961)
	June 20, 2003	Concluded Investment Management Agreement
	July 25, 2003	Registered as a general real estate investment management company under the Real Estate Investment Advisory Registration Law (Registration number: General-000016)

Third Item: Election of One Executive Director

The executive director shall end his term of office on April 30, 2007. TOKYU REIT requests the election of one executive director. Under this item, the term of office of the executive director shall be two years from his day of appointment of May 1, 2007, in accordance with the Articles of Incorporation.

This proposal for the nomination of the executive director was submitted after the unanimous approval of all supervisory directors at the Board of Directors meeting held on March 9, 2007 was obtained.

The candidate for executive director is as follows.

Name (Date of birth)	Career Summary	
Masahiro Horie (December 31, 1961)	April 1984	Entered Railway Division of Tokyu Corporation
	April 1985	Tama Den-en-toshi Division
	March 1986	Resort Business Overseas Development Division
	July 1989	Temporary transfer to Emerald Resorts and Hotels, Assistant Vice President, Executive Assistant to Trustee, Emerald Liquidating Trust (Honolulu)
	March 1994	Tokyu Corporation, Finance & Accounting Division
	February 1996	Group Controllers Division
	December 1999	Head of the Group Restructuring Strategy & Investor Relations Division
	June 2001	Temporary transfer to Representative Director and Executive Vice President, Tokyu Real Estate Investment Management Inc.
	September 2002	Representative Director, President and Chief Executive Officer, Tokyu Real Estate Investment Management Inc. (present post)
June 2003	Executive Director, TOKYU REIT (present post)	

- The above candidate for executive director does not own units in TOKYU REIT.
- Executive director candidate Masahiro Horie is a representative director of Tokyu Real Estate Investment Management Inc. ("Tokyu REIM"), an investment management company. On June 16, 2003, he was recognized as also holding the post of a director of an asset management company by the Financial Service Agency in accordance with Article 13 of the Law for Investment Trusts and Investment Corporations (No. 1960).

Fourth Item: Election of Two Supervisory Directors

The two supervisory directors shall end their term of office on April 30, 2007. TOKYU REIT requests the election of two supervisory directors. Under this item, the term of office of the supervisory directors shall be two years from their day of appointment of May 1, 2007, in accordance with the Articles of Incorporation.

The number of supervisory directors must be at least one more than the number of executive directors as stipulated in the Articles of Incorporation and the Law for Investment Trusts and Investment Corporations.

The candidates for supervisory director are as follows.

No.	Name (Date of birth)	Career Summary	
1	Giichi Yanagisawa (August 3, 1956)	March 1985	Certified as a Public Accountant Established Yanagisawa Certified Public Accountant Office
		May 1985	Certified as Tax Accountant (present post)
		June 2000	Representative of Shinso Audit Corporation (present post)
		July 2001	Member of the Board of the Japanese Institute of Certified Public Accountants
		June 2003	Supervisory Director of TOKYU REIT (present post)
		July 2004	Managing Director of the Japanese Institute of Certified Public Accountants (present post)
2	Maruhito Kondo (March 6, 1962)	April 1988	Registered Attorney-at-Law (Tokyo Bar Association) Entered Ohara Law Office
		May 1988	Studied at the Chinese University of Hong Kong
		September 1988	Studied at Renmin University of China
		July 1989	Worked at Robert Lee Fong, Solicitors in Hong Kong (law firm)
		February 1996	Established Maruhito Kondo Law Office (present post)
		May 1998	Changed registration to Daini Tokyo Bar Association
June 2003	Supervisory Director of TOKYU REIT (present post)		

- The above candidates for supervisory director do not own units in TOKYU REIT.
- There are no specific interests between the above candidates for supervisory director and TOKYU REIT.

Fifth Item: Election of Independent Auditor

TOKYU REIT received a notice of resignation, effective July 14, 2006, from its independent auditor, ChuoAoyama PricewaterhouseCoopers (now MISUZU Audit Corporation). Pursuant to Article 108-3 of the Law Concerning Investment Trusts and Investment Corporations, TOKYU REIT appointed its temporary independent auditor, PricewaterhouseCoopers Arata, at its Board of Directors meeting held on the same date. The temporary independent auditor has performed necessary auditing operations to date.

Under these circumstances, TOKYU REIT proposes the appointment of an independent auditor at the General Meeting of Unitholders.

The candidate for independent auditor is as follows.

Name	PricewaterhouseCoopers Arata
Location of principal office	East Wing, Sumitomo Fudosan Mita Twin Building, 4-2-8 Shibaura, Minato-ku, Tokyo
Corporate history	Established June 1, 2006 Commenced operation July 1, 2006 Selected as the temporary independent auditor for TOKYU REIT from July 14, 2006 (to present)

Reference Information:

In the event that there are conflicting proposals submitted to the General Meeting of Unitholders, “deemed approval” as stated in Article 93-1 of the Law for Investment Trusts and Investment Corporations and Article 15-1 of the Articles of Incorporation of TOKYU REIT shall not apply to either proposal. Proposals in the First Item and the Fifth Item above do not conflict.