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For Immediate Release

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Notice Concerning a Change to the Definition of “Tokyu Group Companies” in the context of Measures to Prevent Conflicts of Interest

TOKYU REIT, Inc. (“TOKYU REIT”) today announced that it had decided at a Board of Directors meetings held on December 21, 2007 to revise its internal rules with the addition of a new definition for “Tokyu Group companies” (“Group companies”) in the context of measures to prevent conflicts of interest. Details are as follows.

1. Reasons for Revision

In conjunction with the enforcement of the Financial Instruments and Exchange Law from September 30, 2007, the Law Concerning Investment Trusts and Investment Corporations (“the Investment Trust Law”) has been revised with respect to the method for determining related parties. Under the revision, certain corporate entities have been removed from the scope and definition of an investment management company related party. In connection with Tokyu Real Estate Investment Management Inc. (“Tokyu REIM”), investment management company of TOKYU REIT, and in the context of its internal rules relating to measures to prevent conflicts of interest, TOKYU REIT has decided to amend its definition in an effort to retain the pre-existing definition and scope of related parties. In addition to the definition of an investment management company related party prescribed under law, TOKYU REIT has decided to add related parties determined under its own criteria and standards to the scope of Group companies. On this basis, and in the context of third-party transactions, TOKYU REIT’s measures to prevent conflicts of interest shall apply equally to related parties as prescribed under law and related parties identified under this new definition.

2. Details

In addition to the definition of a related party of an investment management company prescribed by law, which comprises a shareholder holding a majority of voting rights of the said investment management company or a party that maintains close ties with the said investment management company as defined under cabinet ordinance (the Investment Trust Law, Article 201, Paragraph 1, and the Investment Trust Law Enforcement Order, Article 123), TOKYU REIT will include in the scope of Group companies related parties determined under its own criteria and standards, namely a company whose majority voting rights are held by a shareholder of Tokyu REIM (including any other company whose majority voting rights are held by that company). At the same time, TOKYU REIT will undertake changes to other requirements.

Translation Purpose Only

Pre-existing items

Term	Definition	Specific Parties
Related Party (prescribed under law)	A shareholder holding a majority of voting rights of an investment management company or a party that maintains close ties with the said investment management company as defined under the Investment Trust Law Enforcement Order.	TOKYU Corporation (“TOKYU”), Tokyu Land Corporation (“Tokyu Land”) and other related parties prescribed under law.
Group Companies	<ol style="list-style-type: none"> 1. Related parties prescribed under law 2. Special-purpose companies that maintain a majority investment 	<ul style="list-style-type: none"> • Related parties prescribed under law • QF Asset Funding, other

Revised items

Term	Definition	Specific Parties
Related Party (prescribed under law)	The investment management companies’ parent companies, subsidiary, other	Tokyu Corporation (the parent company of the investment management company) and companies included within the scope of consolidation
Related Party	Companies whose majority voting rights are held by a shareholder of the investment management company (including any other company whose majority voting rights are held by that company)	Subsidiaries of Tokyu Land Corporation (including a subsidiary of that subsidiary)
Group Companies	<ol style="list-style-type: none"> 1. Related parties prescribed under law, a related parties 2. Related parties prescribed under law and Special-purpose companies that maintain a majority investment 	<ul style="list-style-type: none"> • Tokyu Corporation and companies included within the scope of consolidation • Subsidiaries of Tokyu Land Corporation (including a subsidiary of that subsidiary) • Aforementioned related parties prescribed under law, a special-purpose companies that maintain a majority investment, SPCs, other