

March 6, 2015

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.  
Representative:  
Masahiro Horie  
Representative Director & President, Chief Executive Officer  
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## **Notice Concerning Amendments to the Articles of Incorporation, the Election of Directors**

TOKYU REIT, Inc. (“TOKYU REIT”) announced that the following resolution was passed concerning amendments to the Articles of Incorporation and the election of directors at the Board of Directors meeting held on March 6, 2015. These resolutions are subject to approval by the General Meeting of Unitholders of TOKYU REIT to be held on April 17, 2015.

### **1. Partial amendments to the Articles of Incorporation**

- (1) TOKYU REIT proposes to amend the calculation methods for Base 1 (Asset valuation-based) and Base 2 (Asset valuation-based) with the aim to clarify management stance which equally emphasizes the growth of the appraisal value of TOKYU REIT’s managed assets and the growth of cash flow generated by the managed assets, and to further strengthen the investment management company’s incentive with respect to growing cash flow. Due to the amendments above, under the assumption of TOKYU REIT’s operating status being as of the date of this document, the level of the Investment Management Fees is expected to decrease compared to the level calculated under the current calculation method and is expected to be about the same level as the Investment Management Fees after implementation of the time-limited reduction applied from the 20th fiscal period to the 23rd fiscal period. (Related to proposed amendments Attachment 2)
- (2) TOKYU REIT proposes to newly add provisions necessary concerning revisions to the Law for Investment Trusts and Investment Corporations (Law No. 198 of 1951, including amendments thereto; the “Investment Trust Law”) enacted on December 1, 2014, and other laws and regulations, etc. Details are as follows.
  - a. TOKYU REIT proposes necessary text revisions to the provisions which enable rights offering, acquisition of own investment units and capital reduction without compensation. (Related to proposed amendments Article 5 Paragraph 2, Article 6-2, Article 7-2, and Article 30-2)
  - b. TOKYU REIT proposes to newly add provisions to stipulate that TOKYU REIT’s general meeting of unitholders be convened on March 20, 2017 and after without delay,

here after on March 20 every other year and after without delay as stipulated that general meeting of unitholders be convened on a certain day and after without delay, and to newly add provisions to stipulate that extraordinary general meeting of unitholders be convened when necessary. TOKYU REIT also proposes to revise provisions to set a reference date associated with the general meeting of unitholders. (Related to proposed amendments Article 10 Paragraphs 1 and 2, and Article 12 Paragraphs 2 and 3)

- c. TOKYU REIT proposes to newly add provisions to stipulate that a general meeting of unitholders, which is convened within 25 months after a general meeting of unitholders held in accordance with the proposed amendments Article 10 Paragraph 1, shall not require public notices of the date of the general meeting of unitholders. (Related to proposed amendments Article 10 Paragraph 6)
  - d. TOKYU REIT proposes to newly add provisions to allow extension or shortening the term of office of directors to the extent permitted by laws and regulations, by resolution of the general meeting of unitholders. (Related to proposed amendments Article 21 Paragraph 1)
  - e. Since renewable energy power generation facility and right to operate public facility, etc. are to be included in the scope of specified assets due to the revision to the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Law No. 480 of 2000, including amendments thereto.), TOKYU REIT proposes to include such in the investment target. (Related to proposed amendment Attachment 1 2.(4))
  - f. In accordance with revisions to the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000, including amendments thereto; the "Enforcement Regulations for the Investment Trust Act"), TOKYU REIT proposes to newly add provisions that sets aims to invest assets primarily in real estate assets and such (stipulated in Article 105, paragraph (1), item (i) of the Enforcement Regulations for the Investment Trust Act). (Related to proposed amendments Article 2)
  - g. In accordance with the revision to the Investment Trust Law, TOKYU REIT proposes to delete supplementary provisions concerning effectuation of the revision. (Related to current Article 41)
  - h. Concerning issues on a discrepancy between tax accounting and corporate accounting at investment corporations, TOKYU REIT proposes to newly add provisions to enable cash distribution in excess of earnings for the purpose of reducing incidence of taxation in order to prepare for the revisions to the Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto) and such. In addition, in accordance with the partial revision made to the provision on cash distribution in excess of earnings under the "Rules Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" set by The Investment Trusts Association, Japan, TOKYU REIT proposes to amend provisions concerning the limit of amount for cash distribution in excess of earnings in the cash distributions policy. (Related to proposed amendments Article 30 Item 4)
- (3) TOKYU REIT proposes changes in view of consistency with other laws and regulations, etc. applicable to TOKYU REIT, as well as changes, consolidations, clarifications and eliminations of the text, etc. in line with the above amendments. (Related to proposed amended Article 29 Paragraph 1, Article 40, and Attachment 1 and 2)

(Please refer to the attachment "Notice of Convocation of the Seventh General Meeting of Unitholders" on page 3~ 13 for more details on the amendments to the Articles of Incorporation.)

## 2. Election of Directors

The terms of office of one executive director (Masahiro Horie) and two supervisory directors (Giichi Yanagisawa and Maruhito Kondo) will end on April 30, 2015. A proposal for the nomination of one executive director (Kazuyoshi Kashiwazaki) and two supervisory directors (Giichi Yanagisawa and Maruhito Kondo) will be submitted to the General Meeting of Unitholders of TOKYU REIT to be held on April 17, 2015.

(Please refer to the attachment “Notice of Convocation of the Seventh General Meeting of Unitholders” on page 14~15 for more details on the election of directors.)

## 3. Schedule

March 6, 2015	Board of Directors meeting to approve proposals to be submitted to the General Meeting of Unitholders
March 23, 2015	Mailing of notice of convocation of the General Meeting of Unitholders (planned)
April 17, 2015	The General Meeting of Unitholders (planned)

## Attachment

Notice of Convocation of the Seventh General Meeting of Unitholders(※)

(※) Included in the attachment “Notice of Convocation of the Seventh General Meeting of Unitholders”, the content of Second Item “Election of one executive director” is under the assumption that the candidate of executive director assume the post of Tokyu REIM, Representative Director & Executive Vice President, Chief Investment Officer, TOKYU REIT’s investment management company, on March 9, 2015. For details of election of director of the investment management company, etc., please refer to “Notice Concerning Change to Director, Amendments to the Articles of Incorporation and Changes to Officers of the Investment Management Company” separately announced today.

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations.  
This notice is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese notice shall prevail in the event of any discrepancies between the translation and the Japanese original.

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 23, 2015

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

## Notice of Convocation of the Seventh General Meeting of Unitholders

Dear Unitholders:

TOKYU REIT, Inc. (“TOKYU REIT”) hereby gives notification of and requests your attendance to its Seventh 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, 2015 (Thursday).**

In accordance with Article 93-1 of the Law for Investment Trusts and Investment Corporations, TOKYU REIT determined in its Article 15 Paragraph 1 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 meeting 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, 2015 (Friday) at 10:00 a.m.
2. **Address:** Ball Room, B2 floor, Cerulean Tower Tokyuu Hotel  
26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan

3. **Agenda:**

**Matters to be Resolved:**

- |                    |   |
|--------------------|---|
| <b>First Item</b>  | Partial amendments to the Articles of Incorporation |
| <b>Second Item</b> | Election of one executive director                  |
| <b>Third Item</b>  | Election of two supervisory directors               |

4. **Decisions at the time of convocation:**

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.

If your voting rights exercise form fails to clearly express your position with regard to individual agenda items, TOKYU REIT will consider you to be voting for those agenda items.

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 Meeting Reference Document will be posted on the TOKYU REIT Web site (<http://www.tokyu-reit.co.jp/eng/>) 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 management company, which 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. Reasons for Amendments

- (1) TOKYU REIT proposes to amend the calculation methods for Base 1 (Asset valuation-based) and Base 2 (Asset valuation-based) with the aim to clarify management stance which equally emphasizes the growth of the appraisal value of TOKYU REIT's managed assets and the growth of cash flow generated by the managed assets, and to further strengthen the investment management company's incentive with respect to growing cash flow. (Related to proposed amendments Attachment 2)
- (2) TOKYU REIT proposes to newly add provisions necessary concerning revisions to the Law for Investment Trusts and Investment Corporations (Law No. 198 of 1951, including amendments thereto; the "Investment Trust Law") enacted on December 1, 2014, and other laws and regulations, etc. Details are as follows.
  - a. TOKYU REIT proposes necessary text revisions to the provisions which enable rights offering, acquisition of own investment units and capital reduction without compensation. (Related to proposed amendments Article 5 Paragraph 2, Article 6-2, Article 7-2, and Article 30-2)
  - b. TOKYU REIT proposes to newly add provisions to stipulate that TOKYU REIT's general meeting of unitholders be convened on March 20, 2017 and after without delay, here after on March 20 every other year and after without delay as stipulated that general meeting of unitholders be convened on a certain day and after without delay, and to newly add provisions to stipulate that extraordinary general meeting of unitholders be convened when necessary. TOKYU REIT also proposes to revise provisions to set a reference date associated with the general meeting of unitholders. (Related to proposed amendments Article 10 Paragraphs 1 and 2, and Article 12 Paragraphs 2 and 3)
  - c. TOKYU REIT proposes to newly add provisions to stipulate that a general meeting of unitholders, which is convened within 25 months after a general meeting of unitholders held in accordance with the proposed amendments Article 10 Paragraph 1, shall not require public notices of the date of the general meeting of unitholders. (Related to proposed amendments Article 10 Paragraph 6)
  - d. TOKYU REIT proposes to newly add provisions to allow extension or shortening the term of office of directors to the extent permitted by laws and regulations, by resolution of the general meeting of unitholders. (Related to proposed amendments Article 21 Paragraph 1)
  - e. Since renewable energy power generation facility and right to operate public facility, etc. are to be included in the scope of specified assets due to the revision to the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Law No. 480 of 2000, including amendments thereto.), TOKYU REIT proposes to include such in the investment target. (Related to proposed amendment Attachment 1 2.(4))
  - f. In accordance with revisions to the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000, including amendments thereto; the "Enforcement Regulations for the Investment Trust Act"), TOKYU REIT proposes to newly add provisions that sets aims to invest assets primarily in real estate assets and such (stipulated in Article 105, paragraph (1), item (i) of the Enforcement Regulations for the Investment Trust Act). (Related to proposed amendments Article 2)
  - g. In accordance with the revision to the Investment Trust Law, TOKYU REIT proposes to delete supplementary provisions concerning effectuation of the revision. (Related to current Article 41)
  - h. Concerning issues on a discrepancy between tax accounting and corporate accounting at investment corporations, TOKYU REIT proposes to newly add provisions to enable cash distribution in excess of earnings for the purpose of reducing incidence of taxation in order to prepare for the revisions to the Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto) and such. In addition, in accordance with the partial revision made to the provision on cash distribution in excess of earnings under the "Rules Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" set by The Investment Trusts Association, Japan, TOKYU REIT proposes to amend provisions concerning the limit of amount for cash distribution in excess of earnings in the cash distributions policy. (Related to proposed amendments Article 30 Item 4)

- (3) TOKYU REIT proposes changes in view of consistency with other laws and regulations, etc. applicable to TOKYU REIT, as well as changes, consolidations, clarifications and eliminations of the text, etc. in line with the above amendments. (Related to proposed amended Article 29 Paragraph 1, Article 40, and Attachment 1 and 2)

## Reference

TOKYU REIT has implemented a time-limited reduction on part of investment management fees (the “Investment Management Fees”) from the fiscal period ended July 31, 2013 (20th fiscal period) to the fiscal period ended January 31, 2015 (23rd fiscal period) in accordance with the amendment to TOKYU REIT’s Articles of Incorporation resolved at the Sixth General Meeting of Unitholders. The time-limited reduction of the Investment Management Fees has ended as of January 2015.

Concerning the Investment Management Fees after the end of the implementation of the time-limited reduction, Tokyu Real Estate Investment Management Inc., our investment management company, has requested TOKYU REIT on September 12, 2014, after taking into account the operating status of TOKYU REIT since its establishment, external environment and such, for a partial amendment to the Investment Management Fees.

Upon receiving the request, TOKYU REIT proposes to make the following amendments, as a result of consultation with the investment management company on specific details (rates for fee calculation, etc.) of the partial amendments of the Investment Management Fees.

### < Outline of amendments >

The Investment Management Fees from the fiscal period ending July 31, 2015 (24th fiscal period) onward shall be partially amended as follows.

(For details, please refer to 2. Details of amendments (p.15-16)) (Underlined portions indicate changes.)

	Calculation method	Current rates	Proposed rates
Base 1 (Asset valuation -based)	Value of assets under management at the end of the previous fiscal period x rate		
	For the portion of 200 billion yen or less	<u>0.150%</u>	<u>0.125%</u>
	For the portion exceeding 200 billion yen but 300 billion yen or less	<u>0.125%</u>	<u>0.120%</u>
	For the portion exceeding 300 billion yen	0.115%	0.115%
Base 2 (Cash flow -based)	Standard cash flow of the concerned fiscal period x rate		
	For the portion of 5 billion yen or less	6.0%	6.0%
	For the portion exceeding 5 billion yen but 7.5 billion yen or less	<u>5.0%</u>	<u>5.7%</u>
	For the portion exceeding 7.5 billion yen	<u>4.6%</u>	<u>5.4%</u>
Incentive (Unit price-based)	(Average investment unit price in the concerned fiscal period - Highest average investment unit price over fiscal periods) x the number of investment units x 0.4%		

Due to the amendments above, under the assumption of TOKYU REIT’s operating status being as of the date of this document, the level of the Investment Management Fees is expected to decrease compared to the level calculated under the current calculation method and is expected to be about the same level as the Investment Management Fees after implementation of the time-limited reduction applied from the 20th fiscal period to the 23rd fiscal period.



#### < Purpose of amendments >

The amendments this time aims to clarify management stance which equally emphasizes the growth of the appraisal value of the assets under management (the “Appraisal Value”) and the growth of cash flow generated by the assets under management (the “CF”), and to further strengthen the investment management company’s incentive with respect to growing cash flow.

When determining the fee system for the Investment Management Fee upon the establishment of TOKYU REIT, it was intended, under the policy to equally emphasize the growth of the Appraisal Value and of the CF, that the amount of base fee 1, which is linked to the Appraisal Value, and the amount of base fee 2, which is linked to CF, be approximately the same level. However, in line with the structural changes in the real estate market, etc., during the period from the establishment of TOKYU REIT to the present, the amount of base fee 1 has become to constantly outweigh the amount of base fee 2.

Based on the recognition of such circumstances, the reduction of base fee 1 by an amount equivalent to 15% for a limited period from the 20th fiscal period through 23rd fiscal period was implemented in order to adjust the balance of the amounts of base fee1 and base fee 2.

This proposed amendment is to partially amend the rates used in the calculation of fees for base fee 1 and base fee 2 upon the end of the time-limited reduction, in order to bring the amount of base fee 1 and the amount of base fee 2 to approximately equal level pursuant to the initial policy.

Under the assumption of TOKYU REIT’s CF size being as of the date of this document, the applicable calculation rate of base fee 2 remains unchanged. However, when CF grows due to the increase in assets under management, the enhancement in occupancy rates, the improvement in lease terms, etc., the applicable calculation rate will be higher than the currently implemented rate. Therefore, the investment management company’s incentive with respect to growing cash flow will be strengthened.

#### < Impact of amendments >

Under the assumption of TOKYU REIT’s operating status being as of the date of this document, the level of the Investment Management Fees calculated using the amended calculation method (the “Amended Fees”) is expected to decrease compared to the level of the Investment Management Fees calculated using the current calculation method.

The Amended Fees is expected, under the assumption of TOKYU REIT’s operating status being as of the date of this document, to be approximately the same level as the level of Investment Management Fees with the time-limited reduction implemented from the 20th fiscal period through the 23rd fiscal period.

However, the above is under the assumption that the amounts of appraisal value and CF and the level of investment unit price as of the date of this document remain unchanged going forward, and the actual amount of the Investment Management Fees will change in accordance with the amounts of appraisal value and CF and the level of investment unit price. Therefore, the amount of Amended Fees may be larger or smaller than the amount calculated using the calculation method before the amendment, depending on the amounts of appraisal value and CF and the level of investment unit price.

#### < Other >

In addition to base fee 1 and base fee 2, The Investment Management Fees payable by TOKYU REIT comprise incentive fee. Incentive fee arises when the average closing price of investment units in the concerned fiscal period surpasses the highest average closing price over fiscal periods up to the previous fiscal period, and helps encourage the investment management company to raise the investment unit price. Thus no amendments shall be made to the fees.

The aforementioned partial amendments to the Investment Management Fees follow the discussion based on the proposal made to TOKYU REIT by the investment management company, and the investment management company has declared that the level of management services shall not be degraded due to said amendments.

\* TOKYU REIT has, as part of initiatives to put it back on the path to growth, implemented the reduction of base fee 1 by an amount equivalent to 15% for a limited period from the 20th fiscal period through 23rd fiscal period. During the period with the time-limited reduction, TOKYU REIT continued efforts to recover profitability by conducting the fourth public offering to acquire new investment assets while working to improve occupancy rates for existing assets under management through tenant leasing.

2. Details of Amendments

Proposed amendments are as follows.

Current Articles	(Underlined portions indicate changes) Proposed Amendments
<p><b>Article 2. (Purpose)</b> The purpose of TOKYU REIT shall be to manage its assets primarily as investments in real estate, etc. [as defined in Attachment 1, 2. (1) included in specified assets (hereinafter referred to as “specified assets”) as defined 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”)] <u>and asset-backed securities [as defined in Attachment 1, 2. (2) included in specified assets]</u> which intend to invest primarily in real estates, etc.</p>	<p><b>Article 2. (Purpose)</b> The purpose of TOKYU REIT shall be to manage its <u>assets</u> primarily as investments in real estate, etc. [as defined in Article 105, paragraph (1), item (i) of the Ordinance for Enforcement of the Act on <u>Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000, including amendments thereto.)</u>] included in specified assets (hereinafter referred to as “specified assets”) as defined 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”)]</p>
<p><b>Article 5. (Total Number of Investment Units Authorized)</b> 1. (Omitted) 2. Within the scope of the total number of investment units prescribed in the preceding paragraph and with the approval of the Board of Directors, TOKYU REIT shall be able to solicit persons to subscribe for the investment units it issues. In this case, the amount to be paid in per investment unit for the investment units for subscription (meaning the investment units allotted to persons who have applied to subscribe for the investment units in response to the solicitation) shall be an amount that is fair in light of the content of the assets held by TOKYU REIT (hereinafter referred to as “assets”) approved by the Board of Directors. <u>However, in the case where an amount other than an amount that is fair in light of the content of the assets pursuant to laws and regulations is allowed to be approved as the amount to be paid in, the amount shall be an amount approved by the Board of Directors pursuant to the provisions of laws and regulations.</u></p>	<p><b>Article 5. (Total Number of Investment Units Authorized)</b> 1. (No change) 2. Within the scope of the total number of investment units prescribed in the preceding paragraph and with the approval of the Board of Directors, TOKYU REIT shall be able to solicit persons to subscribe for the investment units it issues. In this case, the amount to be paid in per investment unit for the investment units for subscription (meaning the investment units allotted to persons who have applied to subscribe for the investment units in response to the solicitation) shall be an amount that is fair in light of the content of the assets held by TOKYU REIT (hereinafter referred to as “assets”) approved by the Board of Directors.</p>
<p><b>Article 6-2. (Rights Offerings)</b> <u>TOKYU REIT may offer and issue new investment units</u> to unitholders through allotment of rights that allow unitholders to receive delivery of TOKYU REIT investment units by exercising such rights to TOKYU REIT (hereinafter referred to as “investment unit options”) pursuant to laws and regulations (hereinafter referred to as “rights offering”). <u>In this case, unless otherwise provided for in laws and regulations, the content and number of investment unit options and other matters necessary for rights offerings shall be specified by resolution of the Board of Directors.</u></p>	<p><b>Article 6-2. (Rights Offerings)</b> TOKYU REIT <u>may</u> allot rights that allow unitholders to receive delivery of TOKYU REIT invest units <u>issued by</u> TOKYU REIT by exercising such rights to TOKYU REIT pursuant to laws and regulations <u>without demanding additional payments from unitholders.</u></p>
<p><b>Article 7-2. (Acquisition of Own Investment Units)</b> <u>TOKYU REIT may, by resolution of the Board of Directors, acquire its own investment units through market transactions or other method provided in laws and regulations.</u></p>	<p><b>Article 7-2. (Acquisition of Own Investment Units)</b> TOKYU REIT may, <u>under agreement with unitholders,</u> acquire <u>its own investment units for value.</u></p>
<p><b>Article 10. (Convocation)</b> 1. The General Meeting of Unitholders of TOKYU</p>	<p><b>Article 10. (Convocation)</b> 1. TOKYU REIT <u>shall hold the General Meeting of</u></p>

Current Articles	Proposed Amendments
<p>REIT <u>shall, in principle, be held at least once every two years.</u></p> <p>2. In addition to the preceding paragraph, <u>the General Meeting of Unitholders shall be held when separately stipulated in laws and regulations or when necessary.</u></p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p>5. (Omitted)</p> <p style="text-align: center;">(New addition)</p>	<p><u>Unitholders on March 20, 2017 and after without delay. After such, the General Meeting of Unitholders shall be held on March 20 and after every other year without delay.</u></p> <p>2. In addition to the preceding clause, <u>TOKYU REIT shall hold the General Meeting of Unitholders when necessary.</u></p> <p>3. (No change)</p> <p>4. (No change)</p> <p>5. (No change)</p> <p>6. <u>When holding the General Meeting of Unitholders, public notices for the date shall be made at least 2 months prior to the date, and unitholders shall be notified of such in writing or by electromagnetic means as stipulated in laws and regulations at least 2 weeks prior to the date. However, a general meeting of unitholders, which is convened within 25 months after a general meeting of unitholders held in accordance with Paragraph 1, shall not require such public notices.</u></p>
<p><b>Article 12. (Resolutions)</b></p> <p>1. (Omitted)</p> <p>2. <u>As for the General Meeting of Unitholders to be held within three months from the end of the fiscal period, TOKYU REIT shall recognize unitholders stated or recorded in the final the register of unitholders of the fiscal period as the unitholders who are allowed to exercise rights at the relevant General Meeting of Unitholders.</u></p> <p>3. <u>Notwithstanding the provisions of the preceding paragraph, when necessary, TOKYU REIT may determine the unitholders or registered pledgees of investment units stated or recorded in the register of unitholders on a certain date specified by resolution of the Board of Directors for which public notice is given in advance as the unitholders or registered pledgees of investment units who are to exercise their rights.</u></p>	<p><b>Article 12. (Resolutions)</b></p> <p>1. (No change)</p> <p>2. <u>When TOKYU REIT holds the General Meeting of Unitholders pursuant to the provision in Article 10 Paragraph 1, TOKYU REIT shall recognize unitholders stated or recorded in the final the register of unitholders on January 31, 2017 or on January 31 of every other year onwards as the unitholders who are allowed to exercise rights at the relevant General Meeting of Unitholders.</u></p> <p>3. <u>When TOKYU REIT holds the General Meeting of Unitholders pursuant to the provision in Article 10 Paragraph 2, TOKYU REIT may determine the unitholders or registered pledgees of investment units stated or recorded in the register of unitholders on a certain date specified by resolution of the Board of Directors for which public notice is given in advance as the unitholders or registered pledgees of investment units who are to exercise their rights.</u></p>
<p><b>Article 21 (Term of Office of Directors)</b></p> <p>1. The term of office of executive directors and supervisory directors shall be two years after appointment</p> <p>2.(Omitted)</p>	<p><b>Article 21 (Term of Office of Directors)</b></p> <p>1. The term of office of executive directors and supervisory directors shall be two years after appointment. <u>However, it may be extended or shortened to the extent permitted by laws and regulations, by resolution of the General Meeting of Unitholders.</u></p> <p>2. (No change)</p>
<p><b>Article 29. (Asset Valuation Methods, Standards and Reference Dates)</b></p> <p>1. (Omitted)</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>(4) (Omitted)</p> <p>(5) (Omitted)</p> <p>(6) (Omitted)</p> <p>(7) Other</p>	<p><b>Article 29. (Asset Valuation Methods, Standards and Reference Dates)</b></p> <p>1. (No change)</p> <p>(1) (No change)</p> <p>(2) (No change)</p> <p>(3) (No change)</p> <p>(4) (No change)</p> <p>(5) (No change)</p> <p>(6) (No change)</p> <p>(7) Other</p>

Current Articles	Proposed Amendments
<p>Unless otherwise stipulated above, asset valuation shall be made based on the prices calculated following the Investment Trust Law, rules on valuation set by The Investment Trusts Association, Japan, and generally accepted accounting principles.</p> <p>2. (Omitted) 3. (Omitted)</p>	<p>Unless otherwise stipulated above, asset valuation shall be made based on the prices calculated following the Investment Trust Law, rules on valuation set by The Investment Trusts Association, Japan (the “Investment Trusts Association”), and generally accepted accounting principles.</p> <p>2. (No change) 3. (No change)</p>
<p><b>Article 30. (Cash Distributions)</b> (Omitted) (1) (Omitted) (2) (Omitted) (3) (Omitted) (4) Cash distributions in excess of earnings When the amount of earnings is an amount equivalent to 90% of its distributable earnings amount <u>or</u> less or when TOKYU REIT deems appropriate in light of economic environment, real estate market, leasing market and other trends, TOKYU REIT shall be able to distribute as cash in excess of earnings an amount that adds to the distribution amount prescribed in Item 2 <u>an amount as it determines, which shall be no more than an amount equivalent to 60% of the depreciation amount recorded on the last day of the fiscal period.</u> When the cash distribution amount in the case above does not satisfy the requirements for special tax treatment, TOKYU REIT shall be able to distribute cash in an amount as it determines under the objective of satisfying the requirements.</p> <p>(5) (Omitted)</p>	<p><b>Article 30. (Cash Distributions)</b> (Omitted) (1) (No change) (2) (No change) (3) (No change) (4) Cash distributions in excess of earnings <u>When</u> the amount of earnings is an amount equivalent to 90% of its distributable earnings amount or less or when TOKYU REIT deems appropriate in light of economic environment, real estate market, leasing market and other trends or <u>when TOKYU REIT deems appropriate for the purpose of reducing incidence of taxation,</u> TOKYU REIT shall be able to distribute as cash in excess of earnings an amount that adds to the distribution amount prescribed in Item 2 <u>an amount as it determines, which shall be no more than an amount stipulated in laws and regulations, etc. (including rules and such stipulated by the Investment Trusts Association).</u> When the cash distribution amount in the case above does not satisfy the requirements for special tax treatment, TOKYU REIT shall be able to distribute cash in an amount as it determines under the objective of satisfying the requirements.</p> <p>(5) (No change)</p>
<p><b>Article 30-2. (Capital Reduction Without Contribution)</b> TOKYU REIT may, <u>by resolution of the Board of Directors, reduce the amount of unitholders’ capital or capital surplus for the purpose of deficit disposition within the scope provided in laws and regulations.</u></p>	<p><b>Article 30-2. (Capital Reduction Without Contribution)</b> TOKYU REIT may, <u>pursuant to laws and regulations, deduct loss defined in Article 136 Paragraph 2 of the Investment Trust Law in whole or in part from the amount of unitholders’ capital defined in Article 80 Paragraph 5 of the Investment Trust Law).</u></p>
<p><b>Article 40</b> (Deleted)</p>	<p><b>(Deleted)</b></p>
<p><b>Article 41. (Entry into Force of Revisions)</b> <u>1. The revision pertaining to new addition of Article 6-2 shall become effective on the date of enforcement of the revision of the Investment Trust Law approving investment corporations to issue investment unit options. In addition, in the case where necessary for conducting rights offerings, the provisions of Article 6-2 shall be deemed to be replaced in accordance with the provisions of the revised law.</u> <u>2. The revision pertaining to new addition of Article 7-2 shall become effective on the date of enforcement of the revision of the Investment Trust Law approving investment corporations to acquire their own investment units through market</u></p>	<p><b>(Deleted)</b></p>

Current Articles	Proposed Amendments
<p><u>transactions, etc. Furthermore, in the case where the revised law requires that an upper limit be provided when implementing acquisition of own investment units, the upper limit for TOKYU REIT shall be the number arrived at when the total number of TOKYU REIT investment units issued and outstanding on the date of the enforcement is multiplied by one-third (in the case where the revised law provides a number below this, then that number). In addition, in the case where necessary for implementing acquisition of own investment units, the provisions of Article 7-2 shall be deemed to be replaced in accordance with the provisions of the revised law.</u></p> <p><u>3. The revision pertaining to new addition of Article 30-2 shall become effective on the date of enforcement of the revision of the Investment Trust Law approving investment corporations to reduce the amount of unitholders' capital or capital surplus for the purpose of deficit disposition. In addition, in the case where necessary for conducting the reduction, the provisions of Article 30-2 shall be deemed to be replaced in accordance with the provisions of the revised law.</u></p>	
<p>Attachment 1 Scope and Policy of Investment Management</p>	<p>Attachment 1 Scope and Policy of Investment Management</p>
<p>2. Type, Purpose and Scope of Specified Assets for Investment TOKYU REIT shall invest <u>primarily</u> in real estate and asset-backed securities related to real estate.</p> <p>(1) (Omitted) (2) (Omitted) (3) (Omitted) (4) (Omitted)</p> <p style="padding-left: 20px;">a. (Omitted) b. (Omitted) c. (Omitted) d. (Omitted) e. (Omitted) f. (Omitted) g. (Omitted) h. (Omitted) i. (Omitted) j. (Omitted) k. (Omitted) l. (Omitted) m. (Omitted)</p> <p style="text-align: right;"><u>(New addition)</u></p> <p style="text-align: right;"><u>(New addition)</u></p> <p>n. Rights and other assets that are deemed</p>	<p>2. Type, Purpose and Scope of Specified Assets for Investment TOKYU REIT shall invest in real estate and asset-backed securities related to real estate.</p> <p>(1) (No change) (2) (No change) (3) (No change) (4) (No change)</p> <p style="padding-left: 20px;">a. (No change) b. (No change) c. (No change) d. (No change) e. (No change) f. (No change) g. (No change) h. (No change) i. (No change) j. (No change) k. (No change) l. (No change) m. (No change)</p> <p style="padding-left: 20px;"><u>n. Renewable energy power generation facility specified in Article 2 Paragraph 3 of Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Law No. 108 of 2011, including amendments thereto.) (excluding those categorized as real estate)</u></p> <p style="padding-left: 20px;"><u>o. Right to operate public facility, etc. specified in Article 2 Paragraph 7 of Act on Promotion of Private Finance Initiative (Law No. 117 of 1999, including amendments thereto.)</u></p> <p>p. Rights and other assets that are deemed</p>

Current Articles		Proposed Amendments	
appropriate to be acquired concomitantly with the real estate that are required for real estate management (5) (Omitted)		appropriate to be acquired concomitantly with the real estate that are required for real estate management (5) (No change)	
3. (Omitted) 4. (Omitted) 5. (Omitted)		3. (Omitted) 4. (Omitted) 5. (Omitted)	
Attachment 2 Investment Management Fees Payable to Investment Management Company		Attachment 2 Investment Management Fees Payable to Investment Management Company	
(Omitted)		(No change)	
Fee Type	Calculation Method and Payment Period	Fee Type	Calculation Method and Payment Period
Base 1 (Asset valuation-based)	<p>For every fiscal period, the sum total amount of amount found by the following calculation formula according to the total value of assets under management at the immediately preceding settlement of accounts. Moreover, total value of assets under management here shall be the sum total amount of appraisal value of all real estate properties (in the case of trust beneficiary interests in real estate, real estate in trust).</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> <li>• The amount derived by multiplying <u>0.150%</u> by the portion of the total value of assets under management 200 billion yen or less</li> <li>• The amount derived by multiplying <u>0.125%</u> by the portion of the total value of assets under management exceeding 200 billion yen but 300 billion yen or less</li> <li>• The amount derived by multiplying 0.115% by the portion of the total value of assets under management exceeding 300 billion yen</li> </ul> <p>Payment of fees pertaining to each fiscal period shall be made by the settlement of accounts of the concerned fiscal period.</p>	Base 1 (Asset valuation-based)	<p>For every fiscal period, the sum total amount of amount found by the following calculation formula according to the total value of assets under management at the immediately preceding settlement of accounts. Moreover, total value of assets under management here shall be the sum total amount of appraisal value of all real estate properties (in the case of trust beneficiary interests in real estate, real estate in trust).</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> <li>• The amount derived by multiplying <u>0.125%</u> by the portion of the total value of assets under management 200 billion yen or less</li> <li>• The amount derived by multiplying <u>0.120%</u> by the portion of the total value of assets under management exceeding 200 billion yen but 300 billion yen or less</li> <li>• The amount derived by multiplying 0.115% by the portion of the total value of assets under management exceeding 300 billion yen</li> </ul> <p>Payment of fees pertaining to each fiscal period shall be made by the settlement of accounts of the concerned fiscal period.</p>

Current Articles		Proposed Amendments	
Base 2 (Cash flow-based)	<p>For every fiscal period, the sum total amount of amount found by the following calculation formula according to the standard cash flow in the concerned fiscal period. Moreover, standard cash flow here shall be the amount of income before income taxes on the statements of income of TOKYU REIT, plus depreciation and deferred assets amortization, and less an amount equivalent to 50% of gain/loss on sales of specified assets (rounded down to the nearest yen) and an amount equivalent to 50% of gain/loss on valuation of specified assets (rounded down to the nearest yen) (standard cash flow hereinafter referred to as “CF”). In addition, when calculating base fee 2, CF before deducting base fee 1, base fee 2 and the incentive fee set forth below shall serve as the base. However, the lower limit of base fee 2 shall be 0 yen.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> <li>• The amount derived by multiplying 6.0% by the portion of CF 5 billion yen or less</li> <li>• The amount derived by multiplying 5.0% by the portion of CF exceeding 5 billion yen but 7.5 billion yen or less</li> <li>• The amount derived by multiplying 4.6% by the portion of CF exceeding 7.5 billion yen</li> </ul> <p>Payment of fees pertaining to each fiscal period shall be made no later than two months after the settlement of accounts pertaining to the concerned fiscal period.</p>	Base 2 (Cash flow-based)	<p>For every fiscal period, the sum total amount of amount found by the following calculation formula according to the standard cash flow in the concerned fiscal period. Moreover, standard cash flow here shall be the amount of income before income taxes on the statements of income of TOKYU REIT, plus depreciation and deferred assets amortization, and less an amount equivalent to 50% of gain/loss on sales of specified assets (rounded down to the nearest yen) and an amount equivalent to 50% of gain/loss on valuation of specified assets (rounded down to the nearest yen) (standard cash flow hereinafter referred to as “CF”). In addition, when calculating base fee 2, CF before deducting base fee 1, base fee 2 and the incentive fee set forth below shall serve as the base. However, the lower limit of base fee 2 shall be 0 yen.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> <li>• The amount derived by multiplying 6.0% by the portion of CF 5 billion yen or less</li> <li>• The amount derived by multiplying 5.7% by the portion of CF exceeding 5 billion yen but 7.5 billion yen or less</li> <li>• The amount derived by multiplying 5.4% by the portion of CF exceeding 7.5 billion yen</li> </ul> <p>Payment of fees pertaining to each fiscal period shall be made no later than two months after the settlement of accounts pertaining to the concerned fiscal period.</p>
Incentive fees	(Omitted)	Incentive fees	(No change)



**Second Item: Election of One Executive Director**

The term of office of executive director Masahiro Horie will end on April 30, 2015. TOKYU REIT requests the election of one executive director on May 1, 2015. Under this item, the term of office of the executive director shall be two years from May 1, 2015 in accordance with TOKYU REIT's current Articles of Incorporation.

This item was submitted after the unanimous approval of all supervisory directors at TOKYU REIT's Board of Directors meeting held on March 6, 2015 was obtained.

The candidate for executive director is as follows.

Name (Date of Birth)	Career Summary
Kazuyoshi Kashiwazaki (August 18, 1962)	April 1985 Entered Tokyu Corporation, Railway Operation Division, Railway Business Unit
	April 1986 Tokyu Corporation, Finance & Account Division
	March 1998 Tokyu Corporation, Division I ,Group Management Division
	July 1999 Tokyu Corporation, Division II ,Group Management Division
	October 1999 Tokyu Corporation, Finance & Account Division
	January 2000 Tokyu Corporation, Manager of Finance & Account Division
	April 2003 Tokyu Corporation, Manager of Finance, Accounting & Group Strategy Headquarters
	April 2005 Tokyu Corporation, Manager of Accounting & IR Division, Finance, Accounting & Group Strategy Headquarters
	June 2006 Tokyu Corporation, Manager of Group Management & Planning Division, Finance, Accounting & Group Strategy Headquarters
	April 2007 Tokyu Corporation, Manager of Group Strategy Division, Finance, Accounting & Group Strategy Headquarters
	April 2008 Tokyu Corporation, General Manager of Group Strategy Division, Finance, Accounting & Group Strategy Headquarters
	April 2009 Transferred to Tokyu Agency Inc., Executive Officer & Senior Executive General Manager of Corporate Management Division
	June 2009 Tokyu Agency Inc., Director, Executive Officer & Senior Executive General Manager of Corporate Management Division
	June 2010 Tokyu Agency Business Service Inc., President & Representative Director
	April 2014 Tokyu Corporation, General Manager of Business Planning Department, Building Management Division, Urban Development Headquarters
	April 2014 Tokyu REIM, Auditor(Non-Executive)
March 2015 Posted to Tokyu REIM, Representative Director & Executive Vice President, Chief Investment Officer (current position)	

- The above candidate for executive director does not own TOKYU REIT investment units.
- The above candidate for executive director is currently the representative director of TOKYU REIM. There is no other particular vested interest between the above candidate for executive director and TOKYU REIT.

**Third Item: Election of Two Supervisory Directors**

The term of office of supervisory directors Giichi Yanagisawa and Maruhito Kondo will end on April 30, 2015. TOKYU REIT requests the election of two supervisory directors on May 1, 2015. Under this item, the term of office of the supervisory directors shall be two years from May 1, 2015 in accordance with TOKYU REIT's current Articles of Incorporation.

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

The candidates for supervisory director are as follows.

No.	Name (Date of Birth)	Career Summary
1	Giichi Yanagisawa (August 3, 1956)	<p>March 1985 Certified as a public accountant in Japan. (current) Established Yanagisawa Certified Public Accountant Office</p> <p>May 1985 Certified as a tax accountant in Japan (current)</p> <p>June 2000 Appointed Representative, Shinso Audit Corporation</p> <p>July 2001 Appointed Council Member of The Japanese Institute of Certified Public Accountants</p> <p>June 2003 Appointed Supervisory Director of TOKYU REIT (current position)</p> <p>July 2004 Appointed Executive Board Member of The Japanese Institute of Certified Public Accountants</p> <p>July 2010 Appointed Deputy President of the Tokyo Chapter of The Japanese Institute of Certified Public Accountants</p> <p>April 2011 Appointed Chief Representative, Shinso Audit Corporation (current position)</p> <p>June 2013 Appointed President of the Tokyo Chapter of The Japanese Institute of Certified Public Accountants (current position)</p> <p>July 2013 Appointed Deputy President of The Japanese Institute of Certified Public Accountants (current position)</p>
2	Maruhito Kondo (March 6, 1962)	<p>April 1988 Admitted to the Bar of Japan (Tokyo Bar Association) Entered Ohara Law Office</p> <p>May 1988 Studied abroad at the Chinese University of Hong Kong</p> <p>September 1988 Studied abroad at the Renmin University of China</p> <p>July 1989 Employed at Robert Lee &amp; Fong Solicitors (law office), Hong Kong</p> <p>February 1996 Established Maruhito Kondo Law Office (current)</p> <p>May 1998 Admitted to Daini Tokyo Bar Association (current)</p> <p>June 2003 Appointed Supervisory Director of TOKYU REIT (current position)</p>

- The above candidates for supervisory director do not own TOKYU REIT investment units.
- There is no particular vested interest between the above candidates for supervisory director and TOKYU REIT.

**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 Concerning Investment Trusts and Investment Corporations and Article 15-1 of TOKYU REIT's current Articles of Incorporation shall not apply to either proposal. Proposals in the First Item to the Third Item above do not conflict.