

March 10, 2017

Real Estate Investment Trust Unit Issuer:  
TOKYU REIT, Inc.  
1-12-1, Dogenzaka,  
Shibuya-ku, Tokyo, 150-0043, Japan  
Kazuyoshi Kashiwazaki  
Executive Director  
(Securities Code: 8957)

Investment Management Company:  
Tokyu Real Estate Investment Management Inc.  
Representative:  
Kazuyoshi Kashiwazaki  
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 it was decided at the Board of Directors meeting held on March 10, 2017, to put forward proposals at the General Meeting of Unitholders of TOKYU REIT to be held on April 21, 2017, the following matters: amendments to the Articles of Incorporation and the election of directors. These resolutions are subject to approval by the General Meeting of Unitholders of TOKYU REIT to be held on April 21, 2017.

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

- (1) TOKYU REIT will change the use of properties in which it invests outside of its target and policy of asset management in order to expand investment opportunities while maintaining its policy of focusing on the Five Central Tokyo Wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards and other major commercial and retail districts) and the Tokyu Areas as its core investment targets, based on its experience gained through asset management since listing. (Related to proposed amendments Attachment 1 1.(1), 3.(1))
- (2) In relation to the amendments to the Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto) and other laws, TOKYU REIT will make necessary changes in the provisions as follows.
  - ① TOKYU REIT will change the provisions to match the definition of profits related to the total amount of money to be distributed to the unitholders with the that of the Law Concerning Investment Trusts and Investment Corporations of Japan (Law No. 198 of 1952, including amendments thereto). (Related to proposed amendments Article 30 Paragraph 1)
  - ② With the amendment of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006, including amendments thereto), Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto), etc., TOKYU REIT will change the provisions to indicate that it is able to accumulate, reserve and handle long-term maintenance reserves deemed necessary to maintain and improve asset value, reserve for outstanding claims, reserve for cash distributions, and other similar reserves and allowance concerning the issue on a discrepancy between tax accounting and corporate accounting. (Related to proposed amendments Article 30 Paragraph 2)
  - ③ TOKYU REIT will delete unnecessary provisions as the requirement of investment corporations to receive special tax treatment was changed due to the amendment of Special Taxation Measures Law (Ordinance of the Ministry of Finance No. 15 of 1957, including amendments thereto) (Related to current articles Attachment 1 3.(5)b.)
- (3) TOKYU REIT will organize the indicated items to clarify the Management Standards of Property-Related Businesses for items concerning asset management. (Related to proposed amendments Attachment 1 3.(3))

(4)TOKYU REIT will also change, unify, clarify and delete texts, etc. associated with the changes made from the viewpoint of compliance with laws and regulations, etc. applied to TOKYU REIT as well as the above changes.(Related to proposed amendments Article 2, and Attachment 1 and 2)

Please refer to the attachment “Notice of Convocation of the Eighth General Meeting of Unitholders” on page 4-15 for more details.

## 2. Election of Directors

The terms of office of one executive director (Kazuyoshi Kashiwazaki) and two supervisory directors (Giichi Yanagisawa and Maruhito Kondo) will end on April 30, 2017. 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 21, 2017.

Please refer to the attachment “Notice of Convocation of the Eighth General Meeting of Unitholders” on page 16-17 for more details on the election of directors.

## 3. Schedule

March 10, 2017	Board of Directors meeting to approve proposals to be submitted to the General Meeting of Unitholders
March 27, 2017	Mailing of notice of convocation of the General Meeting of Unitholders (planned)
April 21, 2017	The General Meeting of Unitholders (planned)

## Attachment

Notice of Convocation of the Eighth General Meeting of Unitholders

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.

March 27, 2017

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

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

Dear Unitholders:

TOKYU REIT, Inc. (“TOKYU REIT”) hereby gives notification of and requests your attendance to its eighth 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 20, 2017 (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 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 21, 2017 (Friday) at 10:00 a.m.

**2. Address:** Ball Room, B2 floor, Cerulean Tower Tokyu 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.
4. The notice concerning the results of resolutions of each agenda item that was sent after the closing of the General Meeting of Unitholders until the Seventh General Meeting of Unitholders will not be sent from the Eighth General Meeting of Unitholders onward. Please be noted that the results of each agenda item will be posted on TOKYU REIT’s website (<http://www.tokyu-reit.co.jp/>) after the closing of the Eighth General Meeting of Unitholders, instead.

**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 will change the use of properties in which it invests outside of its target and policy of asset management in order to expand investment opportunities while maintaining its policy of focusing on the Five Central Tokyo Wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards and other major commercial and retail districts) and the Tokyu Areas as its core investment targets, based on its experience gained through asset management since listing. (Related to proposed amendments Attachment1 1.(1), 3.(1))
- (2) In relation to the amendments to the Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto) and other laws, TOKYU REIT will make necessary changes in the provisions as follows.
  - a. TOKYU REIT will change the provisions to match the definition of profits related to the total amount of money to be distributed to the unitholders with the that of the Law Concerning Investment Trusts and Investment Corporations of Japan (Law No. 198 of 1952, including amendments thereto). (Related to proposed amendments Article 30 Paragraph 1)
  - b. With the amendment of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006, including amendments thereto), Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereto), etc., TOKYU REIT will change the provisions to indicate that it is able to accumulate, reserve and handle long-term maintenance reserves deemed necessary to maintain and improve asset value, reserve for outstanding claims, reserve for cash distributions, and other similar reserves and allowance concerning the issue on a discrepancy between tax accounting and corporate accounting. (Related to proposed amendments Article 30 Paragraph 2)
  - c. TOKYU REIT will delete unnecessary provisions as the requirement of investment corporations to receive special tax treatment was changed due to the amendment of Special Taxation Measures Law (Ordinance of the Ministry of Finance No. 15 of 1957, including amendments thereto) (Related to current articles Attachment 1 3.(5)b.)
- (3) TOKYU REIT will organize the indicated items to clarify the Management Standards of Property-Related Businesses for items concerning asset management. (Related to proposed amendments Attachment 1 3.(3))
- (4) TOKYU REIT will also change, unify, clarify and delete texts, etc. associated with the changes made from the viewpoint of compliance with laws and regulations, etc. applied to TOKYU REIT as well as the above changes.(Related to proposed amendments Article 2, and Attachment 1 and 2)

## 2. Details of Amendments

Proposed amendments are as follows.

(Underlined portions indicate changes)

Current Articles	Proposed Amendments
<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 Article 105, <u>paragraph (1)</u> , item (i) of 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.)] 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”)]	<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 Article 105, item (i) of 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.)] 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”)]
<b>Article 30. (Cash Distributions)</b> (Omitted) (1) Out of the total amount of cash distributed to unitholders, earnings refers to <u>the amount obtained by subtracting the sum of unitholders' capital, capital surplus, valuation and translation adjustments, etc. from the amount of net assets on the balance sheet of TOKYU REIT</u> (The same applies in (3) and (4)). (2) TOKYU REIT shall make cash distributions to its unitholders in excess of 90% of its distributable earnings amount as defined in Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, as amended) (hereinafter referred to as “special tax treatment”). Any applicable regulatory amendments shall prevail in the calculation of distributable earnings amount and cash distributions. TOKYU REIT is allowed to provide for a long-term maintenance reserves as deemed necessary to maintain and improve asset value, reserve for outstanding claims, reserve for cash distributions <u>and other similar reserves</u> . (3) (Omitted) (4) (Omitted) (5) (Omitted)	<b>Article 30. (Cash Distributions)</b> (No change) (1) Out of the total amount of cash distributed to unitholders, earnings refer to <u>the earnings defined in Article 136, Paragraph 1 of the Investment Trust Law</u> (The same applies in (3) and (4)). (2) TOKYU REIT shall make cash distributions to its unitholders in excess of 90% of its distributable earnings amount as defined in Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, as amended) (hereinafter referred to as “special tax treatment”). Any applicable regulatory amendments shall prevail in the calculation of distributable earnings amount and cash distributions. TOKYU REIT is allowed to provide for a long-term maintenance reserves as deemed necessary to maintain and improve asset value, reserve for outstanding claims and reserve for cash distributions; <u>and conduct other similar reserves, other treatment of allowances and such, including reserve or retainment</u> . (3) (No change) (4) (No change) (5) (No change)
<b>Attachment 1</b>	<b>Attachment 1</b>
<b>Scope and Policy of Investment Management</b>	<b>Scope and Policy of Investment Management</b>
1. Policy of Investment Management (Omitted) (1) Growth (Omitted) ① Internal growth factors Optimization of asset management In order to achieve internal growth, TOKYU	1. Policy of Investment Management (No change) (1) Growth (No change) ① Internal growth factors Optimization of asset management In order to achieve internal growth, TOKYU

Current Articles	Proposed Amendments
<p>REIT shall outsource management which aims to optimize portfolio value from a medium- to long-term perspective to an asset management company.</p> <p>Growth based on the area where the investment target is located and its type of use</p> <p>The investment targets of TOKYU REIT are primarily <u>office buildings and retail facilities</u> located in the Tokyo central 5 wards area (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards; and other major commercial and retail districts of Tokyo) and areas along the Tokyu rail lines. However, we shall not invest in areas other than the Tokyo Metropolitan Area.</p> <p>② External growth factors</p> <p>Proactive property acquisition, and maintaining and increasing portfolio quality</p> <p>TOKYU REIT actively seeks to acquire <u>office properties and retail properties</u> located in its primary investment targeted areas of Central Tokyo and the Tokyu Areas at reasonable prices by taking advantage of Tokyu REIM's proprietary skill and know-how in collecting information and detailed investigation and research of properties. Premising acquisitions on holding properties for the long term, each real estate is selected based on a careful property consideration. On the other hand, TOKYU REIT will maintain and increase the quality of the portfolio by replacing properties in its portfolio, etc. as needed as it aims to develop a portfolio that leads to increase in asset value and growth of earnings per investment unit.</p> <p>Property acquisition from Tokyu Corporation</p> <p>TOKYU REIT shall secure stable and continuous opportunities for acquisition of property owned by Tokyu Corporation</p> <p>In these Articles of Incorporation, Tokyu Corporation refers to any of a. to c. below:</p> <p>a. Tokyu Corporation;</p> <p>b. A consolidated subsidiary of Tokyu Corporation; or</p> <p>c. A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) established under the instruction of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and whose majority of silent partnership and other capital are invested by such.</p>	<p>REIT shall outsource management which aims to optimize portfolio value from a medium- to long-term perspective to an asset management company.</p> <p>Growth based on the area where the investment target is located and its type of use</p> <p>The investment targets of TOKYU REIT are primarily <u>office buildings, retail facilities and complexes that include either of these</u> located in the Tokyo central 5 wards area (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards; and other major commercial and retail districts of Tokyo. <u>The same applies hereinafter.</u>) and areas along the Tokyu rail lines. However, we shall not invest in areas other than the Tokyo Metropolitan Area.</p> <p>② External growth factors</p> <p>Proactive property acquisition, and maintaining and increasing portfolio quality</p> <p>TOKYU REIT shall proactively acquire <u>office buildings, retail facilities and complexes that include either of these</u> located in the Tokyo central 5 wards area and areas along the Tokyu rail lines, which are primary investment targets of TOKYU REIT, at reasonable prices, based on the original information collection ability and property assessment ability of the asset management company. Premising acquisitions on holding properties for the long term, each real estate is selected based on a careful property consideration. On the other hand, TOKYU REIT will maintain and increase the quality of the portfolio by replacing properties in its portfolio, etc. as needed as it aims to develop a portfolio that leads to increase in asset value and growth of earnings per investment unit.</p> <p>Property acquisition from Tokyu Corporation</p> <p>TOKYU REIT shall secure stable and continuous opportunities for acquisition of property owned by Tokyu Corporation</p> <p>In these Articles of Incorporation, Tokyu Corporation refers to any of a. to c. below:</p> <p>a. Tokyu Corporation;</p> <p>b. A consolidated subsidiary of Tokyu Corporation; or</p> <p>c. A party that constitutes either a tokutei mokuteki kaisha (TMK) or special purpose entity (SPE) established under the instruction of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and whose majority of silent partnership and other capital are invested by such.</p>



Current Articles	Proposed Amendments
<p>③Synergy effect with Tokyu Corporation TOKYU REIT shall aim to achieve growth by improving added value of the areas along the Tokyu rail lines through the synergy effect with Tokyu Corporation</p> <p>(2) Stability (Omitted)</p> <p>(3) Transparency (Omitted)</p> <p>2. Type, Purpose and Scope of Specified Assets for Investments (Omitted)</p> <p>3. Investment Posture</p> <p>(1) <u>Portfolio management policy</u></p> <p>a. Holding Period TOKYU REIT, in principle, acquires properties for the purpose of holding properties for the long term and does not acquire properties for the purpose of holding properties for the short term.</p> <p>b. Use of properties <u>Office building and retail facilities</u></p> <p>c. <u>Investment targeted areas</u> TOKYU REIT invests primarily in Tokyo central 5 wards area, and areas along the Tokyu rail lines. (New addition)</p> <p>d. Selling Policy TOKYU REIT, in principle, premises on holding properties for the long term, but may consider selling as appropriate in light of the market environment, etc. to replace properties in its portfolio in view of maintaining and increasing the quality of the portfolio.</p> <p>(2) <u>Investment criteria</u> <u>Selection of a property shall be considered comprehensively after conducting sufficient studies on expected earnings of the property, future potential of the area it is located in, building size, specifications of the building and facilities, aseismic capacity, contractual relationship, occupying tenants, building management status, environment, geological</u></p>	<p>③Synergy effect with Tokyu Corporation TOKYU REIT shall aim to achieve growth by improving added value of the areas along the Tokyu rail lines through the synergy effect with Tokyu Corporation</p> <p>(2) Stability (No change)</p> <p>(3) Transparency (No change)</p> <p>2. Type, Purpose and Scope of Specified Assets for Investments (No change)</p> <p>3. Investment Posture</p> <p>(1) <u>Investment Policy</u></p> <p>①Holding Period TOKYU REIT, in principle, acquires properties for the purpose of holding properties for the long term and does not acquire properties for the purpose of holding properties for the short term.</p> <p>② <u>Portfolio composition criteria</u></p> <p>a. Use of properties <u>Office buildings, retail facilities and complexes that include either of these</u></p> <p>b. Areas TOKYU REIT invests primarily in Tokyo central 5 wards area, and areas along the Tokyu rail lines.</p> <p>③<u>Investment criteria for each property</u> <u>Selection of a property shall be considered comprehensively after conducting sufficient studies on expected earnings of the property, future potential of the area it is located in, building size, specifications of the building and facilities, aseismic capacity, contractual relationship, occupying tenants, building management status, environment, geological condition, etc.</u></p> <p>(2)Selling Policy TOKYU REIT, in principle, premises on holding properties for the long term, but may consider selling as appropriate in light of the market environment, etc. to replace properties in its portfolio in view of maintaining and increasing the quality of the portfolio.</p> <p>(Deleted)</p>



Current Articles	Proposed Amendments
<p><u>condition, etc.</u></p> <p>(3) Properties handling policy (New addition)</p> <p>a. <u>Property information collection operations</u> In addition to its own information sources, TOKYU REIT shall seek property information from a wide range and make an effort to collect highly reliable information. (New addition)</p> <p>b. <u>Property management business</u></p> <p>(i) <u>Property management policy</u> With an aim to maximize the cash flows of each property from a medium- to long-term perspective, TOKYU REIT shall aim to enhance tenant satisfaction and reduce costs. (New addition)</p> <p>(New addition)</p> <p>(ii) <u>Selection standards of property management companies</u> In principle, TOKYU REIT shall select property management companies from Tokyu Corporation from the perspective of their strength in tenant marketing, which is based on their familiarity with local areas, and their information network with respect to <u>retail</u> tenants, as well as cost reductions due to economies of scale. However, TOKYU REIT shall not be hindered from selecting companies other than Tokyu Corporation as the property management company, depending on the respective property's characteristics, continuity of management, or other factors. Moreover, the Board of Directors of TOKYU REIT shall separately</p>	<p>(3) Properties handling policy</p> <p>① <u>Property acquisition operations</u> TOKYU REIT shall acquire properties that will contribute to the enhancement of asset value and the growth of profits from a medium- to long-term perspective, by carefully monitoring the trends of the real estate transaction market and implementing proper due diligence. (Deleted)</p> <p>② <u>Property management operations</u> With an aim to maximize asset value from a medium- to long-term perspective, TOKYU REIT shall conduct appropriate risk management while striving to maintain/improve market competitiveness of the property. (Deleted)</p> <p>a. <u>Leasing operations</u> With an aim to maximize the cash flows of each property from a medium- to long-term perspective, TOKYU REIT shall strive to enhance tenant satisfaction.</p> <p>b. <u>Management operations</u> TOKYU REIT shall strive to reduce real estate management cost, etc. and maintain/enhance asset value by conducting appropriate and efficient management operations.</p> <p>c. <u>Repairs and maintenance/capital expenditure</u> TOKYU REIT shall conduct repairs and maintenance, or expend capital after having prepared an appropriate efficient repair and maintenance plan for each property.</p> <p>d. <u>Selection of property management companies</u></p> <p>In principle, TOKYU REIT shall select property management companies from Tokyu Corporation taking into account their strength in tenant marketing, which is based on their familiarity with local areas, and their information network with respect to tenants, as well as cost reductions due to economies of scale. However, TOKYU REIT shall not be hindered from selecting companies other than Tokyu Corporation as the property management company, depending on the respective property's characteristics, continuity of management, or other factors. Moreover, the Board of Directors of TOKYU REIT shall separately stipulate items necessary for measures to prevent conflict of</p>

Current Articles	Proposed Amendments
<p>stipulate items necessary for measures to prevent conflict of interest.</p> <p>(iii) Renewal of property management contracts Performance checks shall regularly be conducted by the asset management company. In the event the company does not meet criteria set forth by the asset management company, the contract shall not be renewed.</p> <p><u>c. Repairs and maintenance/capital expenditure</u> <u>TOKYU REIT shall conduct repairs and maintenance, or expend capital after having prepared an efficient repair and maintenance plan for each property that would lead to maintenance and improvement of the property's competitiveness from a medium- to long-term perspective.</u></p> <p><u>d. Placement of insurance such as non-life insurance</u> In order to avert the risk of buildings receiving damage as a result of disasters, accidents, etc., earnings decreasing, or receiving requests for indemnity from a third party, TOKYU REIT shall, in principle, place fire insurance, rent insurance and liability insurance on real estate it owns. (New addition)</p> <p>(4) Financing policy a. Equity finance (additional issuance of investment units) TOKYU REIT shall issue additional investment units flexibly with an aim to achieve a long-term stable growth of assets, by accurately understanding the market conditions and considering dilution of investment units (decrease in proportional holding of investment unit due to additional issuance of new investment units). (New addition)</p> <p>b. Debt finance (financing through loans, issuance of investment corporation bonds, etc.) (i) TOKYU REIT may efficiently combine short-term financing emphasizing flexibility and stable long-term financing. (ii) TOKYU REIT may establish commitment lines when obtaining financing. (iii) TOKYU REIT may set collateral using assets under management. (iv) TOKYU REIT may issue investment</p>	<p>interest.</p> <p><u>e. Renewal of property management contracts</u> Performance checks shall regularly be conducted by the asset management company. In the event the company does not meet criteria set forth by the asset management company, the contract shall not be renewed. (Deleted)</p> <p><u>f. Placement of insurance such as non-life insurance</u> In order to avert the risk of buildings receiving damage as a result of disasters, accidents, etc., earnings decreasing, or receiving requests for indemnity from a third party, TOKYU REIT shall, in principle, place fire insurance, rent insurance and liability insurance on real estate it owns. (3) <u>Property sales operations</u> <u>TOKYU REIT shall aim to maximize a sales price by opting a sales means suitable for the characteristics of a property. Selection of a buyer shall be made based on its credibility of transactions such as fund procurement capability in addition to the sales price.</u></p> <p>(4) Financing policy a. Equity finance (additional issuance of <u>new</u> investment units) (i) TOKYU REIT shall issue additional investment units flexibly with an aim to achieve a long-term stable growth of assets, by accurately understanding the market conditions and considering dilution of investment units (decrease in proportional holding of investment unit due to additional issuance of new investment units). (ii) <u>TOKYU REIT may acquire treasury investment units for retirement in order to improve capital efficiency.</u></p> <p>b. Debt finance (financing through loans, issuance of investment corporation bonds, etc.) (i) TOKYU REIT may efficiently combine short-term financing emphasizing flexibility and stable long-term financing. (ii) TOKYU REIT may establish commitment lines when obtaining financing. (iii) TOKYU REIT may set collateral using assets under management. (iv) TOKYU REIT may issue investment</p>

Current Articles	Proposed Amendments								
<p>corporation bonds to diversify funding sources in order to conduct stable financing.</p> <p>(v)TOKYU REIT may enter into derivative finance transactions in order to hedge risks, etc. arising from fluctuations of interest rate of loans, etc.</p> <p style="text-align: center;"><u>(New addition)</u></p> <p>c. Cash management (cash, deposit, etc.) TOKYU REIT shall conduct efficient and appropriate cash management by accurately understanding cash supply and demand.</p> <p>(5) Other</p> <p>a. TOKYU REIT shall adhere to a policy of 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 ownership, land leasing rights and land surface rights) relative to the total value of specified assets.</p> <p>b. <u>TOKYU REIT shall adhere to a policy of maintaining a ratio of 70% or higher for the value of real estate, etc. stipulated in Article 22-19 of the Ordinance for Enforcement of the Special Taxation Measures Law (Ministry of Finance Ordinance No. 15 of 1957, including amendments thereafter) relative to the total value of assets.</u></p> <p>c. The rate above may be changed from that at the commencement of investment management to reflect capital trends, market trends, general economic situation, real estate market trends, etc.</p> <p>4. Restriction on assets subject to asset management (Omitted)</p> <p>5. Asset Portfolio Leasing (Omitted)</p>	<p>corporation bonds to diversify funding sources in order to conduct stable financing.</p> <p>(v)TOKYU REIT may enter into derivative finance transactions in order to hedge risks, etc. arising from fluctuations of interest rate of loans, etc.</p> <p><u>(vi)TOKYU REIT may conduct repayment, redemption or retirement by purchase of loans or investment corporation bonds of which repayment dates or redemption dates have not arrived, in order to improve capital efficiency and financial soundness, etc.</u></p> <p>c. Cash management (cash, deposit, etc.) TOKYU REIT shall conduct efficient and appropriate cash management by accurately understanding cash supply and demand.</p> <p>(5) Other</p> <p>a. TOKYU REIT shall adhere to a policy of 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 ownership, land leasing rights and land surface rights) relative to the total value of specified assets.</p> <p style="text-align: center;"><u>(Deleted)</u></p> <p>b. The rate above may be changed from that at the commencement of investment management to reflect capital trends, market trends, general economic situation, real estate market trends, etc.</p> <p>4. Restriction on assets subject to asset management (No change)</p> <p>5. Asset Portfolio Leasing (No change)</p>								
<b>Attachment 2</b>	<b>Attachment 2</b>								
<b>Investment Management Fees Payable to Investment Management Company</b>	<b>Investment Management Fees Payable to Investment Management Company</b>								
(Omitted)	(No change)								
<table border="1"> <thead> <tr> <th>Fee Type</th><th>Calculation Method and Payment Period</th></tr> </thead> <tbody> <tr> <td>Base 1 (Asset valuation)</td><td>(Omitted)</td></tr> </tbody> </table>	Fee Type	Calculation Method and Payment Period	Base 1 (Asset valuation)	(Omitted)	<table border="1"> <thead> <tr> <th>Fee Type</th><th>Calculation Method and Payment Period</th></tr> </thead> <tbody> <tr> <td>Base 1 (Asset valuation)</td><td>(No change)</td></tr> </tbody> </table>	Fee Type	Calculation Method and Payment Period	Base 1 (Asset valuation)	(No change)
Fee Type	Calculation Method and Payment Period								
Base 1 (Asset valuation)	(Omitted)								
Fee Type	Calculation Method and Payment Period								
Base 1 (Asset valuation)	(No change)								

Current Articles		Proposed Amendments	
-based)		-based)	
Base 2 (Cash flow-based)	(Omitted)	Base 2 (Cash flow-based)	(No change)
Incentive (Unit price-based )	<p>For every fiscal period, the amount found by the following calculation formula according to the investment unit price (closing) on the Tokyo Stock Exchange (hereinafter referred to as “closing price”) in the concerned fiscal period.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> <li>• (Average closing price in the concerned fiscal period * – Highest average closing price over fiscal periods up to the previous fiscal period) ** × Number of investment units issued and outstanding at the previous settlement of accounts *** × 0.4%</li> </ul> <p>* The average closing price shall be the aggregate sum of the closing price for each trading day during the concerned fiscal period, divided by the number of trading days during the fiscal period. Days with no closing price shall be omitted from the calculation. However, in the event of a split of investment units, for each trading day up to the day preceding the effective date of the split of investment units, (i) the closing price for each trading day is (ii) multiplied by the number of investment units issued and outstanding before the split and (iii) divided by the number of investment units issued and outstanding after the split to derive the amount (rounded down to the nearest yen) that is deemed the closing price for each trading day. Furthermore, in the event of a consolidation of investment units, for each trading day up to the effective date of the</p>	Incentive (Unit price-based )	<p>For every fiscal period, the amount found by the following calculation formula according to the investment unit price (closing) on the Tokyo Stock Exchange (hereinafter referred to as “closing price”) in the concerned fiscal period.</p> <p>[Calculation Formula]</p> <ul style="list-style-type: none"> <li>• (Average closing price in the concerned fiscal period * – Highest average closing price over fiscal periods up to the previous fiscal period) ** × <u>Total</u> number of investment units issued and outstanding at the previous settlement of accounts *** × 0.4%</li> </ul> <p>* The average closing price shall be the aggregate sum of the closing price for each trading day during the concerned fiscal period, divided by the number of trading days during the fiscal period. Days with no closing price shall be omitted from the calculation. However, in the event of a split of investment units, for each trading day up to the day preceding the effective date of the split of investment units, (i) the closing price for each trading day is (ii) multiplied by the <u>total</u> number of investment units issued and outstanding before the split and (iii) divided by the <u>total</u> number of investment units issued and outstanding after the split to derive the amount (rounded down to the nearest yen) that is deemed the closing price for each trading day. Furthermore, in the event of a consolidation of investment units, for each trading day up to the effective date of the consolidation of investment units, (i) the closing price for each trading</p>

Current Articles		Proposed Amendments	
	<p>consolidation of investment units, (i) the closing price for each trading day is (ii) multiplied by the number of investment units issued and outstanding before the consolidation and (iii) divided by the number of investment units issued and outstanding after the consolidation to derive the amount (rounded down to the nearest yen) that is deemed the closing price for each trading day.</p> <p><b>**</b> The incentive fee shall be 0 yen in the event that the average closing price in the concerned fiscal period does not exceed the highest average closing price over fiscal periods up to the previous fiscal period.</p> <p><b>***</b> In the event of a split of investment units in the concerned fiscal period, (i) the number of investment units issued and outstanding at the previous settlement of accounts is (ii) multiplied by the number of investment units issued and outstanding after the split and (iii) divided by the number of investment units issued and outstanding before the split to derive the number of investment units (rounded down to the nearest investment unit) that is deemed the number of investment units issued and outstanding at the previous settlement of accounts in the concerned fiscal period. Furthermore, in the event of a consolidation of investment units in the concerned fiscal period, (i) the number of investment units issued and outstanding at the previous settlement of accounts is (ii) multiplied by the number of investment units issued and outstanding after the consolidation and (iii) divided by the number of investment units issued and outstanding</p>		<p>day is (ii) multiplied by the <u>total</u> number of investment units issued and outstanding before the consolidation and (iii) divided by the <u>total</u> number of investment units issued and outstanding after the consolidation to derive the amount (rounded down to the nearest yen) that is deemed the closing price for each trading day.</p> <p><b>**</b> The incentive fee shall be 0 yen in the event that the average closing price in the concerned fiscal period does not exceed the highest average closing price over fiscal periods up to the previous fiscal period.</p> <p><b>***</b> In the event of a split of investment units in the concerned fiscal period, (i) the <u>total</u> number of investment units issued and outstanding at the previous settlement of accounts is (ii) multiplied by the <u>total</u> number of investment units issued and outstanding after the split and (iii) divided by the <u>total</u> number of investment units issued and outstanding before the split to derive the number of investment units (rounded down to the nearest investment unit) that is deemed the <u>total</u> number of investment units issued and outstanding at the previous settlement of accounts in the concerned fiscal period. Furthermore, in the event of a consolidation of investment units in the concerned fiscal period, (i) the <u>total</u> number of investment units issued and outstanding at the previous settlement of accounts is (ii) multiplied by the <u>total</u> number of investment units issued and outstanding after the consolidation and (iii) divided by the <u>total</u> number of investment units issued and</p>

Current Articles		Proposed Amendments	
	<p>before the consolidation to derive the number of investment units (rounded down to the nearest investment unit) that is deemed the number of investment units issued and outstanding at the previous settlement of accounts in the concerned fiscal period.</p> <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>		<p>outstanding before the consolidation to derive the number of investment units (rounded down to the nearest investment unit) that is deemed the <u>total</u> number of investment units issued and outstanding at the previous settlement of accounts in the concerned fiscal period.</p> <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>

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

The term of office of executive director Kazuyoshi Kashiwazaki will end on April 30, 2017. TOKYU REIT requests the election of one executive director on May 1, 2017. Under this item, the term of office of the executive director shall be two years from May 1, 2017 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 10, 2017 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 Transferred to Tokyu REIM, Representative Director & Executive Vice President, Chief Investment Officer
	May 2015 Tokyu REIM, Representative Director & President, Chief Executive Officer (current position)
	May 2015 Executive Director of TOKYU REIT (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, 2017. TOKYU REIT requests the election of two supervisory directors on May 1, 2017. Under this item, the term of office of the supervisory directors shall be two years from May 1, 2017 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</p> <p>July 2013 Appointed Deputy President of The Japanese Institute of Certified Public Accountants (current position)</p> <p>June 2015 Outside auditor of Nagatanien Co., Ltd. (currently Nagatanien Holdings Co., Ltd.) (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.