

For Immediate Release

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Notice Concerning Change of Property Management Company

TOKYU REIT, Inc. (“TOKYU REIT”) today announced that its Board of Directors made the decision in a meeting held on July 11, 2008 to change the property management company for certain properties it owns. Brief details are as follows.

1. Overview of the Change

TOKYU REIT currently uses Tokyu Land Corporation (“Tokyu Land”) as the property management company for the nine properties of Lexington Aoyama, TOKYU REIT Omotesando Square, Beacon Hill Plaza (Ito-Yokado Noukendai Store), Setagaya Business Square, Tokyo Nissan Taito Building, TOKYU REIT Akasaka Hinokicho Building, Resona Maruha Building, TOKYU REIT Hatchobori Building and Akasaka 4-chome Building (Tokyu Agency Inc. Head Office Building). Based on the Board of Directors’ decision, TOKYU REIT will change the property management company for these properties to Tokyu Community Co., Ltd. (“Tokyu Community”).

TOKYU REIT will continue to use Tokyu Corporation as the property management company for the other portfolio properties.

2. Rationale behind the Change

Tokyu Land, the current property management company for the aforementioned properties, has submitted a request to TOKYU REIT to transfer relevant property management operations to Tokyu Community with the aim of bolstering the Tokyu Land group’s property management capability through the streamlining of operations within the group. TOKYU REIT has accepted that request and changes property management company.

Based on an evaluation of Tokyu Community by an external organization, TOKYU REIT has concluded that Tokyu Community has extensive experience in the property management industry and sufficient ability and expertise to perform relevant operations at a level on par with Tokyu Land.

Furthermore, TOKYU REIT believes that Tokyu Community is capable of improving its property management capability on a sustainable basis after the acceptance of relevant operations.

Translation Purpose Only

3. Property Management Agreements

In principle, the terms and conditions of the property management agreements that have been applied to Tokyu Land, including the provisions concerning the basic property management fees, shall remain effective for Tokyu Community. For more details, please refer to Attachment.

4. Overview of the New Property Management Company

Company Name	Tokyu Community Co., Ltd.
Head Office Address	4-10-1, Yoga, Setagaya-ku, Tokyo
Representative	Motonori Nakamura
Capital	¥ 1,653,800,000
Major Shareholder	Tokyu Land Corporation
Principal Activities	1. Integrated condominium life support business 2. Integrated building management business 3. Property service business 4. Renewal business 5. Environment-related business and Business related to senior citizens
Relationship with TOKYU REIT or its Investment Management Company	- Tokyu Community falls under the category of related parties, as stipulated in Article 201, Item 1 of the Investment Trust Law and Article 123 of the Enforcement Guidance for Investment Trusts Law. - Tokyu Community is a current tenant leasing a portion of a property owned by TOKYU REIT. - Tokyu Community is a current outsourcee of building management operations for some of TOKYU REIT's portfolio properties.

5. Transactions with Related Parties

Tokyu Community, which falls under the category of a related party as stipulated in Article 201, Item 1, of the Investment Trusts Law and Article 123 of the Enforcement Guidance for Investment Trusts Law. Accordingly, TOKYU REIT shall make decisions relating to terms and conditions of outsourcing property management operations based on its own voluntary measures to prevent conflicts of interest and with due consideration given to market standards, service details and volume of operations. TOKYU REIT received an opinion summary compiled by Urban Research Institute Corp with regard to its property management fees being within the standard range of other investment corporations listed on the Tokyo Stock Exchange.

According to voluntary measures to prevent conflicts of interest, these transactions should be monitored by an audit firm other than TOKYU REIT's accounting auditor and confirmed the consistency with the measures, and the conclusion of property management agreements should be approved at a meeting of TOKYU REIT's Board of Directors based on the aforementioned confirmation.

6. Planned Schedule for the Change

With due consideration given to various factors, including the conditions of each portfolio property involved, TOKYU REIT will apply different schedules for the change of the property management company for the Setagaya Business Square and the other eight properties.

Late July 2008	Conclusion of the fixed term lease agreement and a property management agreement for the Setagaya Business Square
August 1, 2008	Transfer of property management operations for the Setagaya Business Square
Late September, 2008	Conclusion of property management agreements for the other eight properties
October 1, 2008	Transfer of property management operations for the other eight properties

Attachment

Terms and Conditions of the Property Management Agreements with Tokyu Community (Draft)

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Property Management Fee

Basic fees payable to Tokyu Community shall be the total of the amounts calculated using methods (1) and (2) described below.

- (1) Rate of Basic Fee (1) : The rate as following table multiplied to the total monthly rental income for each property less water, light and power expenses.
- (2) Rate of Basic Fee (2) : The rate as following table multiplied to the monthly operating income^(Note1) for each property

Property Name	Rate of Basic Fee (1)	Rate of Basic Fee (2)	Contract Term	Condition for Cancellation
Setagaya Business Square	1.0%	2.8%	From August 1, 2008 to September 30, 2009	Early termination of the Agreement allowed only with mutual agreement among relevant trustees and Tokyu Community
Lexington Aoyama		1.3%	From October 1, 2008 to September 30, 2009	Termination of the Agreement allowed only with TOKYU REIT's approval for a written request to be submitted by Tokyu Community at least one month prior to the expiration of the Agreements' term ^(Note2)
Beacon Hill Plaza (Ito-Yokado Noukendai Store)		-		
TOKYU REIT Omotesando Square		1.3%		
Tokyo Nissan Taito Building		1.3%		
TOKYU REIT Akasaka Hinokicho Building		1.3%		
Resona Maruha Building		1.3%		
TOKYU REIT Hatchobori Building		1.3%		
Akasaka 4-chome Building (Tokyu Agency, Inc. Head Office Building)		0.5%		

Note 1 Depreciation, tax and public dues, rent payable, fire and other casualty insurance premiums, repair and maintenance expenses, and brokerage fees are not included in total operating expenses, which are deducted from total rental income.

Note 2 The Agreements have no provisions concerning its early termination. The Agreements shall be renewed automatically every year. In the case that Tokyu Community wishes not to renew the Agreements, it must submit a written request to TOKYU REIT at least one month prior to the expiration of the Agreements' term.

Translation Purpose Only

* In addition to the basic fees described above, property management fees include construction management fees and general brokerage fees. TOKYU REIT shall pay to Tokyu Community the entire property management fees.