

March 4, 2011

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
Inquiries:
Yosuke Koi
Director, Senior Executive Officer,
Chief Financial Officer and General Manager, Investor Relations
TEL: +81-3-5428-5828

Notice Concerning Conclusion of Memorandums Regarding Sponsor's Structure

TOKYU REIT, Inc. ("TOKYU REIT") today announced that its Board of Directors and the Board of Directors at its investment management company, Tokyu Real Estate Investment Management Inc. ("Tokyu REIM"), have respectively decided to conclude a new memorandum to replace the memorandum relating to the purchase and sale of owned real estate assets ("the Former Acquisition Opportunity Memorandum") dated July 28, 2003 concerning the provision of opportunities to acquire properties to TOKYU REIT, and to conclude a new memorandum with Tokyu Corporation to replace the memorandum on unitholdings dated July 28, 2003 concerning the holding of TOKYU REIT investment units, based on a letter of intent ("the Letter of Intent") concluded between TOKYU REIT, Tokyu REIM, Tokyu Corporation, and Tokyu Land Corporation ("Tokyu Land") as announced in the press release, "Notice Concerning Conclusion of Letter of Intent regarding Sponsor's Structure" dated January 13, 2011. Details are as follows.

Moreover, the Memorandums will become effective once the proposal to partially amend the "Scope and Policy of Investment Management" described in the attachment of TOKYU REIT's Articles of Incorporation is approved at the general meeting of unitholders to be held on April 14, 2011.

1. New Memorandums

- (1) "Memorandum relating to the purchase and sale of owned real estate assets" with Tokyu Corporation
- (2) "Memorandum relating to the provision of opportunities to acquire owned real estate assets" with Tokyu Land
- (3) "Memorandum on unitholdings" with Tokyu Corporation

2. Overview of the New Memorandum

(1) Overview of the memorandum relating to the purchase and sale of owned real estate assets with Tokyu Corporation

Tokyu Corporation, TOKYU REIT and Tokyu REIM shall agree to mutually grant rights of first refusal for the acquisition of property in a memorandum relating to the purchase and sale of owned real estate assets. (“the Memorandum” under 1. (1)) that shall be concluded as of March 4, 2011. An overview of the Memorandum is as follows.

A. Granting of the rights of first refusal

In the event Tokyu Corporation (Note 1) intends to sell a real estate asset that meets TOKYU REIT's investment criteria (“Investment Properties”), it shall first make an offer to sell it to TOKYU REIT, except under certain conditions. On the other hand, in the event TOKYU REIT intends to sell a property which it has acquired from Tokyu Corporation or a warehousing SPC (Note 2), it shall first make an offer to sell it to Tokyu Corporation, except under certain conditions. In either case, in the event that a purchase agreement is not concluded within a certain period of time, the seller may make an offer to sell it to a third party. However, in the event that the disposal price presented by the third party is lower than the purchase price presented by Tokyu REIM or Tokyu Corporation, the seller must once again make an offer to sell it to Tokyu REIM or Tokyu Corporation before selling it. In the event Tokyu REIM makes an offer to sell a real estate asset, Tokyu Corporation may request to make another Tokyu Corporation entity the purchasing entity. In this case, Tokyu REIM shall once again make an offer to sell it to the concerned purchasing entity after a disposal price is presented by a third party.

B. Utilization of the warehousing (Note 3) function of Tokyu Corporation

Under certain conditions, TOKYU REIT and Tokyu REIM may make requests for warehousing to Tokyu Corporation. In the event Tokyu Corporation intends to conduct warehousing, Tokyu Corporation shall make its utmost effort to acquire an Investment Property by itself or through another Tokyu Corporation entity or a warehousing SPC, and in the event an acquisition has been made, it shall own that Investment Property for a certain period of time. Following that, it shall first conduct negotiations with Tokyu REIM concerning transfer of the said Investment Property to TOKYU REIT. In addition, the acquisition price to be paid by TOKYU REIT to the entity that conducted the warehousing shall be the fair price which is agreed on between TOKYU REIT and the entity that conducted the warehousing at the time of concluding the purchase agreement.

C. No term shall be established for the Memorandum. However, in the event that Tokyu REIM ceases to be the investment management company of TOKYU REIT, the Memorandum shall be terminated immediately, aside from certain exceptions.

D. Moreover, the Memorandums will become effective once the proposal to partially amend the “Scope and Policy of Investment Management” described in the attachment of TOKYU REIT's Articles of Incorporation is approved at the general meeting of unitholders.

E. All other matters shall virtually be the same as the Former Acquisition Opportunity Memorandum.

(Note 1) Tokyu Corporation under 1. (1) refers to any entity that falls under the following a. to c.:

- a. Tokyu Corporation
- b. A consolidated subsidiary of Tokyu Corporation (*not including equity method affiliates)
- c. A tokutei mokuteki kaisha (TMK) or special purpose company (SPC) that was established based on the intention of Tokyu Corporation or a consolidated subsidiary of Tokyu Corporation and where the

share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.

*Tokyu Land Group companies will not be included in Tokyu Corporation. Moreover, for Tokyu Land Group companies, please refer to (2) below.

(Note 2) A warehousing SPC under 1. (1) refers to an entity established by Tokyu Corporation or established based on the intention of Tokyu Corporation whose purpose is solely to own Investment Properties.

(Note 3) Warehousing under 1. (1) refers to the act of Tokyu Corporation or a warehousing SPC acquiring Investment Properties temporarily.

(2) Overview of the memorandum relating to the provision of opportunities to acquire owned real estate assets with Tokyu Land

Tokyu Land, TOKYU REIT and Tokyu REIM shall agree to an arrangement of having Tokyu Land provide TOKYU REIT and Tokyu REIM opportunities to acquire properties in a memorandum relating to the provision of opportunities to acquire owned real estate assets. ("the Memorandum" under 1. (2)) that shall be concluded as of March 4, 2011. An overview of the Memorandum is as follows.

- A. In the event that Tokyu Land intends to sell an Investment Property owned by itself or Tokyu Land Group companies (Note 4) to a third party, it shall provide virtually the same information it intends to provide to the said third party or information Tokyu Land deems as necessary to TOKYU REIT and Tokyu REIM, by the time of providing property information to the said third party, except under certain conditions. Furthermore, in the event that TOKYU REIT and Tokyu REIM make a request of purchase to Tokyu Land, it shall respond in good faith, or shall make its utmost effort to have Tokyu Land Group companies respond in good faith.
- B. Under certain conditions, TOKYU REIT and Tokyu REIM may make requests for warehousing (Note 5) to Tokyu Land until March 31, 2012. In view of the aforementioned request, Tokyu Land shall immediately make a reasonable effort to conduct warehousing or have a warehousing SPC (Note 6) do the same. At the same time, it shall carry out negotiations with TOKYU REIT and Tokyu REIM in good faith concerning whether or not warehousing will be conducted, its duration period, etc. Even in the event that an agreement is reached that warehousing will be conducted, TOKYU REIT, Tokyu Land, or the warehousing SPC shall not be responsible for acquiring or disposing the said Investment Property until a purchase agreement is concluded between TOKYU REIT and Tokyu Land or the warehousing SPC. In addition, the acquisition price to be paid by TOKYU REIT to the entity that conducted the warehousing shall be the fair value which is agreed upon between TOKYU REIT and the entity that conducted the warehousing at the time of concluding the purchase agreement.
- C. The Memorandum shall be effective until the time the total acquisition price of properties TOKYU REIT acquires from Tokyu Land Group companies based on the Memorandum reaches 20 billion yen (Note 7).
- D. Moreover, the Memorandums will become effective once the proposal to partially amend the "Scope and Policy of Investment Management" described in the attachment of TOKYU REIT's Articles of Incorporation is approved at the general meeting of unitholders.

(Note 4) Tokyu Land under 1. (2) refers to any entity that falls under the following a. to c.:

- a. Tokyu Land
- b. A consolidated subsidiary of Tokyu Land (*not including equity method affiliates)
- c. A tokutei mokuteki kaisha (TMK) or special purpose company (SPC) that was established based on the intention of Tokyu Land or a consolidated subsidiary of Tokyu Land and where the share of investment by undisclosed associations or other investment shares in that entity by the respective company exceeds 50%.

(Note 5) Warehousing under 1. (2) refers to the act of Tokyu Land or a warehousing SPC acquiring Investment Properties temporarily.

(Note 6) A warehousing SPC under 1. (2) refers to an entity established based on the intention of Tokyu Land whose purpose is solely to own Investment Properties.

(Note 7) The acquisition price of the properties acquired by TOKYU REIT through the warehousing arrangement shall be included in the calculations of the abovementioned 20 billion yen.

(3) Overview of the memorandum on unitholdings with Tokyu Corporation

Tokyu Corporation, TOKYU REIT and Tokyu REIM shall agree to an arrangement of continuing to hold TOKYU REIT's investment units in a memorandum on unitholdings ("the Memorandum" under 1. (3)) that shall be concluded as of March 4, 2011. An overview of the Memorandum is as follows.

- A. Tokyu Corporation shall at all times own 3% or more of total number of investment units outstanding of TOKYU REIT.
- B. No term shall be established for the Memorandum. However, in the event that Tokyu REIM ceases to be the investment management company of TOKYU REIT, the Memorandum shall be terminated immediately.
- C. Moreover, the Memorandums will become effective once the proposal to partially amend the "Scope and Policy of Investment Management" described in the attachment of TOKYU REIT's Articles of Incorporation is approved at the general meeting of unitholders.

3. Forecasts of Business Results

This incident will have no quantitative impact on TOKYU REIT's net assets or its profit and loss. No changes are foreseen to the forecasts of business results at the present time.