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For Immediate Release

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Notice Concerning Debt Financing, Partial Repayment of Short-Term Borrowings and Determination of Interest Rate

TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to undertake debt financing and to partially repay short-term borrowings. In addition to the aforementioned, TOKYU REIT provides details of interest rate determination applicable to short-term borrowings.

1. Debt Financing

(1) Rationale

In an effort to ensure stability in connection with the procurement of funds, TOKYU REIT has adopted the strategies to convert its debt financing to long-term fixed interest rate borrowings and to disperse repayment dates.

(2) Details of Debt Financing

Lender	Debt Financing Amount (Millions of Yen)	Interest Rate	Borrowing Method; Repayment Method	Drawdown Date; Repayment Date	Period
Daido Life Insurance Company	3,000	1.76625% (Fixed interest rate)	Unsecured, Unguaranteed; Lump-sum repayment on maturity	March 10, 2008 March 10, 2016	8 years

(3) Use of Funds

The funds procured will be used to refinance existing borrowings.

2. Partial Repayment of Short-Term Borrowings

Classification	Short-Term Borrowing	Short-Term Borrowing	Short-Term Borrowing
Lender	The Sumitomo Trust & Banking Co., Ltd.	The Chuo Mitsui Trust and Banking Company, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Principal amount outstanding prior to repayment (Initial amount borrowed)	¥1,000 million (¥1,000 million)	¥1,000 million (¥1,000 million)	¥1,000 million (¥1,000 million)
Amount to be repaid	¥600 million	¥600 million	¥600 million
Interest rate	0.93333% (Floating rate of interest)	0.93333% (Floating rate of interest)	0.93333% (Floating rate of interest)
Borrowing method	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment method	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown date	October 31, 2006	October 31, 2006	October 31, 2006
Partial repayment date	March 10, 2008	March 10, 2008	March 10, 2008
Repayment date	October 31, 2008	October 31, 2008	October 31, 2008
Repayment source	Separately procured funds	Separately procured funds	Separately procured funds

Classification	Short-Term Borrowing	Short-Term Borrowing
Lender	Mizuho Corporate Bank, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Principal amount outstanding prior to repayment (Initial amount borrowed)	¥1,000 million (¥1,000 million)	¥1,000 million (¥1,000 million)
Amount to be repaid	¥600 million	¥600 million
Interest rate	0.93333% (Floating rate of interest)	0.93333% (Floating rate of interest)
Borrowing method	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment method	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown date	October 31, 2006	October 31, 2006
Partial repayment date	March 10, 2008	March 10, 2008
Repayment date	October 31, 2008	October 31, 2008
Repayment source	Separately procured funds	Separately procured funds

3. Determination of Interest Rate

Short-Term Borrowings Drawn Down on October 31, 2006

Lender	Amount Borrowed (Millions of Yen)	Applicable Interest Rate	Borrowing Method; Repayment Method	Drawdown Date; Repayment Date
The Sumitomo Trust & Banking Co., Ltd.	400	1.15667% (Floating rate of interest) (Note 1)	Unsecured, unguaranteed; Lump-sum repayment on maturity	October 31, 2006 October 31, 2008
The Chuo Mitsui Trust and Banking Company, Limited	400			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	400			
Mizuho Corporate Bank, Ltd.	400			
Mitsubishi UFJ Trust and Banking Corporation	400			
Total	2,000	—	—	—

(*) The repayment date of these short-term borrowings has been extended.

(**) There is no change in the condition for the borrowing such as method for calculation of applied interest rate.

Note 1: The interest rate is applicable for a month from March 10, 2008.

The interest rate applicable after this period will be announced as and when determined.

Reference

1. Total Interest-Bearing Debt after Debt Financing and Repayment

Short-term debt	¥10,500 million
Long-term debt	¥53,000 million
Investment corporation bonds	¥10,000 million
Total interest-bearing debt	¥73,500 million

2. Interest-Bearing Debt Ratios after Debt Financing and Repayment

Interest-bearing debt to total assets ratio	38.1%
Interest-bearing debt to total appraisal value ratio	33.9%
Long-term interest-bearing debt ratio	85.7%

* The above interest-bearing debt ratios are calculated using the following formulas:

Interest-bearing debt to total assets ratio (%) = Total interest-bearing debt ÷ Total assets × 100

For total assets, TOKYU REIT adopts the estimate for total assets on the close of the 9th financial period announced as of the 8th financial period settlement.

Interest-bearing debt to total appraisal value ratio (%) = (Total interest-bearing debt + Security deposits and guarantee money without reserved cash) ÷ (Total estimated value of specified assets as of the period-end or total appraisal value as of the acquisition date) × 100

The total estimated value of specified assets is the total appraisal price as of the 8th period-end (July 31, 2007).

Long-term interest-bearing debt ratio (%) = (Long-term debt + Investment corporation bonds) ÷ Total interest-bearing debt × 100

** Percentage figures are rounded to the nearest first decimal place.

3. Timely Disclosure Relating to the Aforementioned Debt Financing

Short-term borrowings drawn down on October 31, 2006

October 27, 2006 Notice Concerning Debt Financing

September 14, 2007 Notice Concerning Change in Short-Term Debt Financing Repayment Dates