

May 23, 2005

**For Immediate Release**

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## **Notice Concerning the Partial Repayment of Short-Term Debt Financing and Short-Term Debt Financing Interest Rate**

TOKYU REIT, Inc. ("TOKYU REIT") today announced its decision to accelerate the partial repayment of its short-term debt, details of which are set out below. At the same time, the interest rate on the outstanding principal balance after the partial repayment of the aforementioned debt and the interest rate applicable to short-term debt financing executed on December 15, 2004 and April 6, 2005 were determined as below.

### **1. Prepayment of short-term debt**

Classification	Short-term debt
Lender	The Mitsubishi Trust and Banking Corporation
Outstanding principal balance (Amount borrowed)	¥2,000 million (¥10,000 million)
Amount to be prepaid	¥1,000 million
Interest rate	0.46% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	June 25, 2004
Planned date for partial prepayment	May 25, 2005
Maturity date	June 25, 2005
Repayment source	Issuance of investment units

### **2. Determination of interest rate**

- (1) Short-term debt financing executed on June 25, 2004 0.46%  
(Amount borrowed : ¥10,000 million / Outstanding balance : ¥1,000 million)  
Period; From May 25, 2005 to June 24, 2005
- (2) Short-term debt financing executed on December 15, 2004 0.48%  
(Outstanding balance : ¥8,500 million)  
Period; From May 25, 2005 to August 24, 2005
- (3) Short-term debt financing executed on April 6, 2005 0.48%  
(Outstanding balance : ¥15,000 million)  
Period; From May 25, 2005 to August 24, 2005

Interest rate on and after August 25, 2005 applicable to short-term debt financing executed on December 15, 2004 and April 6, 2005 will be announced when it is determined.

<Reference>

## 1. Total Borrowings after partial repayment

Short-Term Borrowings	¥29,500millions
Long-Term Borrowings	¥35,000millions
Interest-Bearing Debt	¥64,500millions

## 2. Interest-Bearing Debt Ratio

Interest-Bearing Debt to Total Assets Ratio	39.7%
Interest-Bearing Debt to Total Appraisal Value Ratio	46.3%
Long-Term Debt Ratio	54.3%

Notes :

\* The above Interest-Bearing Debt Ratio are calculated using the following formulas :

Interest-Bearing Debt to Total Assets Ratio (%) = Interest-Bearing Debt ÷ Total Assets × 100

In addition, to calculate the above formula, we used Expected Total Assets as of 4<sup>th</sup> Financial Close as Total Assets

Interest-Bearing Debt to Total Appraisal Value Ratio (%)

= (Interest-Bearing Debt + Security Deposit and Guarantee Money without Reserved Cash)  
÷ Total of latest Appraisal Value × 100

\* Long-Term Interest-Bearing Debt Ratio (%) = Long-Term Borrowings ÷ Interest-Bearing Debt × 100

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