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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 applicable to short-term debt were determined as below.

1. Partial repayment of short-term debt

(1) Short-term debt financing executed on June 25, 2004

Classification	Short-term debt
Lender	The Mitsubishi Trust and Banking Corporation
Outstanding principal balance (Amount borrowed)	¥1,000 million (¥10,000 million)
Amount to be repaid	¥1,000 million
Interest rate	0.47% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	June 25, 2004
Planned date for partial repayment	August 25, 2005
Maturity date	August 25, 2005
Repayment source	Issuance of investment units

(2) Short-term debt financing executed on December 15, 2004

Classification	Short-term debt
Lender	The Sumitomo Trust and Banking Company, Limited
Outstanding principal balance (Amount borrowed)	¥4,900 million (¥4,900 million)
Amount to be repaid	¥4,900 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	December 15, 2004
Planned date for partial prepayment	August 25, 2005
Maturity date	December 15, 2005
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	The Chuo Mitsui Trust and Banking Company, Limited
Outstanding principal balance (Amount borrowed)	¥900 million (¥900 million)
Amount to be prepaid	¥900 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	December 15, 2004
Planned date for partial prepayment	August 25, 2005
Maturity date	December 15, 2005
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	The Bank of Tokyo Mitsubishi Corporation
Outstanding principal balance (Amount borrowed)	¥900 million (¥900 million)
Amount to be prepaid	¥900 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	December 15, 2004
Planned date for partial prepayment	August 25, 2005
Maturity date	December 15, 2005
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	Mizuho Corporate Bank, Ltd.
Outstanding principal balance (Amount borrowed)	¥900 million (¥900 million)
Amount to be prepaid	¥900 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	December 15, 2004
Planned date for partial prepayment	August 25, 2005
Maturity date	December 15, 2005
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	The Mitsubishi Trust and Banking Corporation
Outstanding principal balance (Amount borrowed)	¥900 million (¥900 million)
Amount to be prepaid	¥900 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	December 15, 2004
Planned date for partial prepayment	August 25, 2005
Maturity date	December 15, 2005
Repayment source	Issuance of investment units

(3) Short-term debt financing executed on April 6, 2005

Classification	Short-term debt
Lender	The Sumitomo Trust and Banking Company, Limited
Outstanding principal balance (Amount borrowed)	¥1,500 million (¥1,500 million)
Amount to be prepaid	¥200 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 6, 2005
Planned date for partial prepayment	August 25, 2005
Maturity date	April 6, 2006
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	The Chuo Mitsui Trust and Banking Company, Limited
Outstanding principal balance (Amount borrowed)	¥9,000 million (¥9,000 million)
Amount to be prepaid	¥200 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 6, 2005
Planned date for partial prepayment	August 25, 2005
Maturity date	April 6, 2006
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	The Bank of Tokyo Mitsubishi Corporation
Outstanding principal balance (Amount borrowed)	¥1,500 million (¥1,500 million)
Amount to be prepaid	¥200 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 6, 2005
Planned date for partial prepayment	August 25, 2005
Maturity date	April 6, 2006
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	Mizuho Corporate Bank, Ltd.
Outstanding principal balance (Amount borrowed)	¥1,500 million (¥1,500 million)
Amount to be prepaid	¥200 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 6, 2005
Planned date for partial prepayment	August 25, 2005
Maturity date	April 6, 2006
Repayment source	Issuance of investment units

Classification	Short-term debt
Lender	The Mitsubishi Trust and Banking Corporation
Outstanding principal balance (Amount borrowed)	¥1,500 million (¥1,500 million)
Amount to be prepaid	¥200 million
Interest rate	0.48% (floating interest rate)
Borrowing method	Unsecured / unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 6, 2005
Planned date for partial prepayment	August 25, 2005
Maturity date	April 6, 2006
Repayment source	Issuance of investment units

2. Determination of interest rate

- (1) Short-term debt financing executed on June 25, 2004 0.45917%
 (Amount borrowed: ¥5,000 million / Outstanding balance : ¥5,000 million)
 Period; A month from August 25, 2005
- (2) Short-term debt financing executed on April 6, 2005 0.45917%
 (Amount borrowed: ¥15,000million / Outstanding balance : ¥14,000 million)
 Period; A month from August 25, 2005

Next interest rate will be announced when it is determined.

<Reference>

1. Total Borrowings after partial repayment

Short-Term Borrowings	¥19,000millions
Long-Term Borrowings	¥35,000millions
Interest-Bearing Debt	¥54,000millions

2. Interest-Bearing Debt Ratio

Interest-Bearing Debt to Total Assets Ratio	31.4%
Interest-Bearing Debt to Total Appraisal Value Ratio	37.8%
Long-Term Debt Ratio	64.8%

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

To calculate the above formula we adopt the expectation of total assets on 5th financial close.

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.