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**For Immediate Release**

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## **Notice Concerning Long-Term Debt Financing and Repayment of Short-Term Borrowings**

TOKYU REIT, Inc. today announced its decision to undertake long-term debt financing and use the funds procured to repay short-term borrowings that will soon reach maturity. Brief details are as follows.

### **1. Long-Term Debt Financing**

#### **(1) Rationale**

The funds procured will be used to refinance existing borrowings.

#### **(2) Details of Long-Term Debt Financing**

Lender	Debt Financing Amount (Millions of Yen)	Interest Rate	Borrowing Method; Repayment Method	Drawdown Date; Repayment Date	Period
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000	Yet to be determined (Fixed interest rate)	Unsecured, Unguaranteed; Lump-sum repayment on maturity	September 25, 2007; September 25, 2011	4 years

The interest rate for the debt financing above is scheduled to be determined on September 20, 2007, and will be announced at that time.

## 2. Repayment of Short-Term Borrowings

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount borrowed	¥5,000 million
Interest rate	1.05727% (Floating)
Borrowing method	Unsecured/Unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	June 25, 2004
Maturity date	September 25, 2007

The maturity date for the short-term borrowings above has been extended.

## Reference

### 1. Total Borrowings after Debt Financing and Repayment

Short-term borrowings	¥15,300 million
Long-term borrowings	¥50,000 million
Interest-bearing debt	¥65,300 million

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

Interest-bearing debt to total assets ratio	33.8%
Interest-bearing debt to total appraisal value ratio	31.8%
Long-term interest-bearing debt ratio	76.6%

#### Notes:

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

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

The amount of total assets used in the above formula is the projected amount at the close of the 9th financial period, as announced as of the 8th financial period settlement.

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

Long-term interest-bearing debt ratio (%) = Long-term borrowings ÷ Interest-bearing debt × 100

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