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For Immediate Release

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Notice Concerning Debt Financing Partial Repayment

TOKYU REIT, Inc. ("TOKYU REIT") today announced its decision to accelerate the partial repayment of its debt, details of which are set out below. At the same time, the interest rate on the outstanding principal balance after partial repayment of the aforementioned debt was determined for the following period.

1. Prepayment of debt

Classification	Short-term debt
Lender	The Mitsubishi Trust and Banking Corporation
Amount borrowed	¥10,000 million
Amount to be repaid now	¥5,500 million
Borrowing 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 prepayment	August 6, 2004
Maturity date	June 25, 2005
Repayment source	Issuance of investment units

2. Decision regarding interest rate

(1) Outstanding principal balance	¥4,500 million
(2) Borrowing rate	0.46%
(3) Applicable interest rate period	August 7, 2004 to August 26, 2004

The interest rate after August 27, 2004, will be disclosed as and when determined.

(Reference)

Outstanding debt after prepayment

	(Millions of yen)		
	Before Prepayment	After Prepayment	Increase/(Decrease)
Short-Term Debt	25,000	9,500	(15,500)
Long-Term Debt	35,000	35,000	—
Total	60,000	44,500	(15,500)

Note: TOKYU REIT plans to repay short-term debt of ¥10,000 million on maturity, namely August 6, 2004.