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For Immediate Release

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Notice Concerning the Partial Repayment of Debt Financing

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 the 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
Outstanding principal balance (Amount borrowed)	¥4,500 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	August 26, 2004
Maturity date	June 25, 2005
Repayment source	Issuance of investment units

2. Determination of interest rate

(1) Outstanding principal balance	¥3,500 million
(2) Interest rate	0.48%
(3) Applicable interest rate period	August 27, 2004 to October 25, 2004

Interest rate on and after October 26, 2004 will be announced when it is determined.

(Reference)

Outstanding debt after prepayment

(Millions of yen)

	Before Prepayment	After Prepayment	Increase/(Decrease)
Short-Term Debt	9,500	8,500	(1,000)
Long-Term Debt	35,000	35,000	—
Total	44,500	43,500	(1,000)