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For Immediate Release

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Notice Concerning Debt Financing, Partial Repayment of Short-Term Debt Financing and Determination of Short-Term Debt Financing Interest Rate

TOKYU REIT, Inc. ("TOKYU REIT") has announced its decision to undertake debt financing and partial repayment of short-term debt. The interest rate applicable to short-term debt was determined as follows.

1. Debt Financing

(1) Rationale

The decision to undertake debt financing is consistent with TOKYU REIT's efforts to stabilize funds procurement by ensuring an appropriate and prudent level of long-term fixed-interest rate debt financing and the dispersion of repayment dates.

(2) Details of Debt Financing

Lender	Debt financing amount (millions of yen)	Interest rate	Borrowing method Repayment method	Drawdown date Repayment date	Term
The Development Bank of Japan (DBJ)	5,000	1.95%	Unsecured, unguaranteed Lump-sum repayment on maturity	January 25, 2006 January 25, 2018	12 years

(3) Application of Funds

Refinancing and replacement of existing debt

2. Partial Repayment of Short-Term Debt

Short-term debt financing executed on April 6, 2005

Classification	Short-term debt financing	Short-term debt financing	Short-term debt financing
Lender	The Sumitomo Trust & Banking Co., Ltd.	The Chuo Mitsui Trust and Banking Company, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Outstanding principal balance (Amount borrowed)	¥900 million (¥1,500 million)	¥8,400 million (¥9,000 million)	¥900 million (¥1,500 million)
Amount to be repaid	¥900 million	¥1,400 million	¥900 million
Interest rate	0.46750% (floating interest rate)	0.46750% (floating interest rate)	0.46750% (floating interest rate)
Borrowing method	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment method	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown date	April 6, 2005	April 6, 2005	April 6, 2005
Planned date for partial repayment	January 25, 2006	January 25, 2006	January 25, 2006
Maturity date	April 6, 2006	April 6, 2006	April 6, 2006
Repayment source	Fund from DBJ	Fund from DBJ	Fund from DBJ

Classification	Short-term debt financing	Short-term debt financing
Lender	Mizuho Corporate Bank, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Outstanding principal balance (Amount borrowed)	¥900 million (¥1,500 million)	¥900 million (¥1,500 million)
Amount to be repaid	¥900 million	¥900 million
Interest rate	0.46750% (floating interest rate)	0.46750% (floating interest rate)
Borrowing method	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment method	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown date	April 6, 2005	April 6, 2005
Planned date for partial repayment	January 25, 2006	January 25, 2006
Maturity date	April 6, 2006	April 6, 2006
Repayment source	Fund from DBJ	Fund from DBJ

3. Determination of Interest Rate

Short-term debt financing executed on April 6, 2005 0.47364%
(Amount borrowed: ¥15,000 million / Outstanding balance: ¥7,000 million)
Period: 2 months from January 25, 2006

Next interest rate will be announced when it is determined.

<Reference>

1. Total Borrowings after Partial Repayment

Short-Term Borrowings	¥12,000 million
Long-Term Borrowings	¥41,000 million
Interest-Bearing Debt	¥53,000 million

2. Interest-Bearing Debt Ratios

Interest-Bearing Debt to Total Assets Ratio	30.9%
Interest-Bearing Debt to Total Appraisal Value Ratio	35.6%
Long-Term Debt Ratio	77.4%

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

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

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.