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For Immediate Release

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Notice Concerning Debt Financing

TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to undertake debt financing as follows.

1. Rationale

The decision to undertake debt financing is to fund the acquisition of a trust beneficiary interest in Shonan Mall Fill (*sokochi*) and related costs. Please refer to the “Notice Concerning Acquisition of Property,” dated March 29, 2006, for details.

Note: *Sokochi* refers to the right of ownership over residential land with a fixed-term leasehold for commercial use.

2. Details of Debt Financing

Lender	Debt financing amount (millions of yen)	Interest rate	Borrowing method Repayment method	Drawdown date Repayment date
The Sumitomo Trust & Banking Co., Ltd.	700	0.45727% (floating interest rate)	Unsecured, Unguaranteed Lump-sum repayment on maturity	April 28, 2006 April 28, 2007
The Chuo Mitsui Trust and Banking Company, Limited	700			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	700			
Mizuho Corporate Bank, Ltd.	700			
Mitsubishi UFJ Trust and Banking Corporation	4,200			
Total	7,000	-	-	-

The interest rate covers a two-month period from April 28, 2006. Interest rates after June 26, 2006 will be announced when determined.

Translation Purpose Only

<Reference>

1. Total Borrowings after Debt Financing

Short-Term Borrowings	¥19,000 million
Long-Term Borrowings	¥41,000 million
Interest-Bearing Debt	¥60,000 million

2. Interest-Bearing Debt Ratios

Interest-Bearing Debt to Total Assets Ratio	34.5%
Interest-Bearing Debt to Total Appraisal Value Ratio	37.1%
Long-Term Interest-Bearing Debt Ratio	68.3%

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, TOKYU REIT adopts the expectation of total assets on the close of the 6th financial period announced as of the 5th financial period settlement.

Interest-Bearing Debt to Total Appraisal Value Ratio (%) = (Interest-Bearing Debt + Security Deposit and Guarantee Money without Reserved Cash) ÷ (Total estimated 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.