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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 the Sigma Hatchobori Building and related costs. Please refer to the “Notice Concerning Acquisition of Property,” dated September 25, 2006, for details.

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.	730	0.76455% (Floating interest rate)	Unsecured, Unguaranteed Lump-sum repayment on maturity	September 29, 2006 September 28, 2007
The Chuo Mitsui Trust and Banking Company, Limited	730			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	730			
Mizuho Corporate Bank, Ltd.	730			
Mitsubishi UFJ Trust and Banking Corporation	4,380			
Total	7,300	—	—	—

The interest rate covers a two-month period from September 29, 2006.

Interest rates after November 27, 2006 will be announced when determined.

<Reference>

1. Total Borrowings after Debt Financing

Short-Term Borrowings	¥19,300 million
Long-Term Borrowings	¥41,000 million
Interest-Bearing Debt	¥60,300 million

2. Interest-Bearing Debt Ratios

Interest-Bearing Debt to Total Assets Ratio	33.7%
Interest-Bearing Debt to Total Appraisal Value Ratio	33.8%
Long-Term Interest-Bearing Debt Ratio	68.0%

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

For total assets, TOKYU REIT adopts the expectation of total assets on the close of the 7th financial period announced as of the 6th financial period settlement, plus the total debt-financing amount that is the subject of this press release.

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.