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For Immediate Release

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Notice Concerning Debt Financing

In accordance with commitment line agreements concluded on April 21, 2005, TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to undertake debt financing as follows.

1. Rationale

TOKYU REIT has decided to undertake debt financing to fund its working capital needs.

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.	486	0.68000%	Unsecured, Unguaranteed Lump-sum repayment on maturity	October 11, 2006 October 18, 2006
The Chuo Mitsui Trust and Banking Company, Limited	486			
Total	972			

Translation Purpose Only

<Reference>

1. Total Borrowings after Debt Financing

Short-Term Borrowings	¥20,272 million
Long-Term Borrowings	¥41,000 million
Interest-Bearing Debt	¥61,272 million

2. Interest-Bearing Debt Ratios after Debt Financing

Interest-Bearing Debt to Total Assets Ratio	34.1%
Interest-Bearing Debt to Total Appraisal Value Ratio	34.3%
Long-Term Interest-Bearing Debt Ratio	66.9%

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 debt financing undertaken during the 7th financial period together with the 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.