

For Immediate Release

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Notice Concerning Debt Financing and Partial Repayment of Short-Term Debt

TOKYU REIT, Inc. ("TOKYU REIT") today announced its decision to undertake debt financing and partial repayment of short-term debt. Brief details are as follows.

1. Debt Financing**(1) Rationale**

The decision to undertake debt financing is consistent with TOKYU REIT's efforts to stabilize fund 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	Period
The Dai-ichi Mutual Life Insurance Company	1,000	1.92000% (Fixed interest rate)	Unsecured, Unguaranteed, Lump-sum repayment on maturity	January 25, 2007 January 25, 2014	7 Years
National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren)	3,000	1.92000% (Fixed interest rate)	Unsecured, Unguaranteed, Lump-sum repayment on maturity	January 25, 2007 January 25, 2014	7 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 28, 2006

Classification	Short-term debt
Lender	The Sumitomo Trust & Banking Co., Ltd.
Outstanding principal balance	¥700 Million
(Amount borrowed)	(¥700 Million)
Amount to be paid	¥700 Million
Interest rate	0.76818% (Floating interest rate)
Borrowing method	Unsecured/Unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 28, 2006
Planned date for partial repayment	January 25, 2007
Maturity date	April 28, 2007
Repayment source	Funds procured from other sources
Classification	Short-term debt
Lender	The Chuo Mitsui Trust and Banking Company, Limited
Outstanding principal balance	¥700 Million
(Amount borrowed)	(¥700 Million)
Amount to be paid	¥700 Million
Interest rate	0.76818% (Floating interest rate)
Borrowing method	Unsecured/Unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 28, 2006
Planned date for partial repayment	January 25, 2007
Maturity date	April 28, 2007
Repayment source	Funds procured from other sources
Classification	Short-term debt
Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Outstanding principal balance	¥700 Million
(Amount borrowed)	(¥700 Million)
Amount to be paid	¥700 Million
Interest rate	0.76818% (Floating interest rate)
Borrowing method	Unsecured/Unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 28, 2006
Planned date for partial repayment	January 25, 2007
Maturity date	April 28, 2007
Repayment source	Funds procured from other sources

Translation Purpose Only

Classification	Short-term debt
Lender	Mizuho Corporate Bank, Ltd.
Outstanding principal balance	¥700 Million
(Amount borrowed)	(¥700 Million)
Amount to be paid	¥700 Million
Interest rate	0.76818% (Floating interest rate)
Borrowing method	Unsecured/Unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 28, 2006
Planned date for partial repayment	January 25, 2007
Maturity date	April 28, 2007
Repayment source	Funds procured from other sources

Classification	Short-term debt
Lender	Mitsubishi UFJ Trust and Banking Corporation
Outstanding principal balance	¥4,200 Million
(Amount borrowed)	(¥4,200 Million)
Amount to be paid	¥1,200 Million
Interest rate	0.76818% (Floating interest rate)
Borrowing method	Unsecured/Unguaranteed
Repayment method	Lump-sum repayment on maturity
Drawdown date	April 28, 2006
Planned date for partial repayment	January 25, 2007
Maturity date	April 28, 2007
Repayment source	Funds procured from other sources

Translation Purpose Only

<Reference>

1. Total Borrowings after Debt Financing and Partial Repayment

Short-Term Borrowings	¥20,300 million
Long-Term Borrowings	¥45,000 million
Interest-Bearing Debt	¥65,300 million

2. Interest-Bearing Debt Ratio after Debt Financing and Partial Repayment

Interest-Bearing Debt to Total Assets Ratio	35.5%
Interest-Bearing Debt to Total Appraisal Value Ratio	35.5%
Long-Term Interest-Bearing Debt Ratio	68.9%

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 the amount of total assets used in the above formula, the amount of debt financing already executed during the 7th financial period (current) has been added to the amount of projected total assets on the close of the 7th financial period announced as of the 6th financial period settlement.

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