

Translation Purpose Only

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For Immediate Release

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Notice Concerning Debt Financing

TOKYU REIT, Inc. (“TOKYU REIT”) has executed a debt agreement, brief details as follows.

1. Rationale

TOKYU REIT has executed a debt agreement to support the acquisition and payment of associated costs of the Fujita Kanko Toranomon Building. Detail of the Fujita Kanko Toranomon Building is disclosed in the “Notice concerning Acquisition of Property” dated December 7, 2004.

2. Details of Debt Financing

Lender	Amount (¥ millions)	Interest Rate	Loan Type Repayment Method	Drawdown Date Repayment Date
The Sumitomo Trust and Banking Corporation, Ltd.	4,900	Floating rate (Yet to be determined)	Unsecured/Unguaranteed Lump-sum Repayment on maturity	December 10, 2004 December 10, 2005
The Chuo Mitsui Trust and Banking Corporation, Ltd.	900			
The Bank of Tokyo -Mitsubishi, Ltd.	900			
Mizuho Corporate Bank, Ltd.	900			
The Mitsubishi Trust and Banking Corporation	900			
Total	8,500	-	-	-

Note: Interest rate details are expected to be determined on December 13, 2004. Details will be disclosed as and when determined.

3. Application of Funds

Acquisition of an asset (the Fujita Kanko Toranomom Building)

<Reference>

1. Total Borrowings after Additional Debt Financing

	Borrowings Balance prior to Additional Debt Financing (¥ millions)	Borrowings Balance after Additional Debt Financing (¥ millions)	Change
Short-Term Borrowings	7,000	15,500	8,500
Long-Term Borrowings	35,000	35,000	-
Interest-Bearing Debt	42,000	50,500	8,500

2. Interest-Bearing Debt Ratio after Additional Debt Financing

	Prior to Additional Debt Financing	After Additional Debt Financing	Percentage Ping Change
Interest-Bearing Debt to Expected Total Assets as of 3rd Financial Close Ratio	30.3%	36.5%	6.1
Interest-Bearing Debt to Total Appraisal Value Ratio	36.7%	41.0%	4.4
Long-Term Debt ratio	83.3%	69.3%	(14.0)

Notes :

* The above Interest-Bearing Debt Ratio are calculated using the following formulas :

Interest-Bearing Debt to Expected Total Assets as of 3rd Financial Close Ratio (%)
= Interest-Bearing Debt ÷ Expected Total Assets as of 3rd Financial Close × 100

Interest-Bearing Debt to Total Appraisal Value Ratio (%)
= (Interest-Bearing Debt + Security Deposit and Guarantee Money which is not Reserved)
÷ 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.