

Translation Purpose Only

April 4, 2005

**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 trust beneficiary interest (quasi-co-ownership) of PICASSO347. Detail of the PICASSO347 is disclosed in the "Notice concerning Acquisition of Property" dated March 9, 2005.

### 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.	1,500	0.46000% (annual rate)	Unsecured/Unguaranteed Lump-sum Repayment on maturity	April 6, 2005 April 6, 2006
The Chuo Mitsui Trust and Banking Corporation, Ltd.	9,000			
The Bank of Tokyo -Mitsubishi, Ltd.	1,500			
Mizuho Corporate Bank, Ltd.	1,500			
The Mitsubishi Trust and Banking Corporation	1,500			
Total	15,000	-	-	-

Note: Above interest rate is applicable to the period from April 6, 2005 to April 24, 2005, and on and after April 25, 2005 will be disclosed as and when determined.

### 3. Application of Funds

Acquisition of an asset (the PICASSO347)

<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	15,500	30,500	15,000
Long-Term Borrowings	35,000	35,000	-
Interest-Bearing Debt	50,500	65,500	15,000

### 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 Total Assets Ratio	36.5%	40.3%	6.0
Interest-Bearing Debt to Total Appraisal Value Ratio	41.0%	46.9%	5.9
Long-Term Debt ratio	69.3%	53.4%	(15.9)

Notes :

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

Interest-Bearing Debt to Total Assets Ratio (%) = Interest-Bearing Debt ÷ Total Assets × 100

In addition, to calculate the above formula, we used two different figures as Total Assets

Prior to Additional Debt Financing : Total Assets as of 3<sup>rd</sup> Financial Close.

After Additional Debt Financing : Expected Total Assets as of 4<sup>th</sup> Financial Close.

Interest-Bearing Debt to Total Appraisal Value Ratio (%)

= (Interest-Bearing Debt + Security Deposit and Guarantee Money without Reserved Cash)  
÷ 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.