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(Securities Code: 8957)

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Notice Concerning Debt Financing and Repayment

TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to undertake debt financing and repayment. Brief details are as follows.

1. Debt Financing

(1) Rationale

TOKYU REIT undertakes debt financing for procurement of funds to repay long-term debt financing becoming due date. In an effort to ensure stability in connection with the procurement of funds, TOKYU REIT has adopted the strategies to convert its debt financing to long-term fixed interest rate borrowings and to disperse repayment dates.

(2) Details of Debt Financing

Classification	Long-Term Debt
Lender	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥500 million
Interest Rate	0.45630%(Fixed interest rate)
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	June 27, 2016
Maturity Date	June 27, 2023
Period	7 years
Collateral	Unsecured, unguaranteed

(3) Use of Funds

The funds procured will be used to refinance the long-term debt financing borrowed on June 25, 2013.

2. Repayment of Debt

(1) Debt borrowed on June 25, 2013

Classification	Long-Term Debt
Lender	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥500 million
Interest Rate	0.77500%(Fixed interest rate)
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	June 25, 2013
Repayment Date	June 27, 2016
Maturity Date	June 27, 2016
Repayment Source	Debt finance mentioned above 1. Debt Financing
Collateral	Unsecured, unguaranteed

(2) Debt borrowed on March 23, 2016

Classification	Short-Term Debt (Commitment Line Agreement)			
Lender	Sumitomo Mitsui Trust Bank, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd	Mizuho Bank, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥1,600 million	¥800 million	¥800 million	¥800 million
Interest Rate	0.52409% (Fixed interest rate)			
Borrowing Method	Commitment Line Agreement			
Repayment Method	Lump-sum repayment on maturity			
Drawdown Date	March 23, 2016			
Repayment Date	June 23, 2016			
Maturity Date	June 23, 2016			
Repayment Source	Cash on hand (allocate a part of the proceeds from the Disposition of TOKYU REIT Hatchobori Building)			
Collateral	Unsecured, unguaranteed			

3. Total Debt After Additional Debt Financing and Repayment

	Debt Balance Prior to Additional Debt Financing and Repayment (¥ millions)	Debt Balance after Additional Debt Financing and Repayment (¥ millions)	Change (¥ millions)
Short-Term Debt Financing	4,000	0	-4,000
Long-Term Debt Financing	86,000	86,000	0
Total Debt Financing	90,000	86,000	-4,000
Investment Corporation Bonds	9,500	9,500	0
Interest-Bearing Debt	99,500	95,500	-4,000

4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the latest securities report submitted on April 27, 2016.

1. Interest-Bearing Debt Ratios after the Execution of the Subject of this Press Release

Interest-bearing debt to total assets ratio	42.9%
Interest-bearing debt to total appraisal value ratio	41.3%
Long-term interest-bearing debt ratio	100.0%

* The above interest-bearing debt ratios are calculated as of matter of convenience using the following formulas:

• Interest-bearing debt to total assets ratio (%) = Total interest-bearing debt ÷ Total assets (as of January 31, 2016) × 100

• Interest-bearing debt to total appraisal value ratio (%) = (Total interest-bearing debt + Security deposits and guarantee money without reserved cash) ÷ (Total latest appraisal value of specified assets in the end of the fiscal period ± Appraisal value of the properties which were acquired and disposed of on or after February 1, 2016) × 100

Security deposits and guarantee money without reserved cash(*), etc. are calculated using the figures which is considering the subsequent changes after the end of the fiscal period (as of January 31, 2016) as announced in the most recent Financial Report.

(*)Security deposits and guarantee money without reserved cash = (Total tenant leasehold and security deposits held in trust + Total tenant leasehold and security deposits) – (Cash and deposits with banks held in trust + Cash and deposits with banks)

Cash and bank deposits are calculated by deducting the balance of retained earnings from the figures at the end of the fiscal period as announced in the most recent Financial Report, with further considerations given to property acquisition and disposition amounts, and debt financing and repayment amounts, etc.

The Properties acquired and disposed of on or after February 1, 2016 are Tokyu Bancho Building, Tokyu Saginuma Building and TOKYU REIT Hatchobori Building.

• Long-term interest-bearing debt ratio (%) = (Long-term debt + Investment corporation bonds) ÷ Total interest-bearing debt × 100

** Percentage figures are rounded to the nearest first decimal place.

2. Timely Disclosure Relating to the Aforementioned Debt Financings

June 21, 2013	Notice Concerning Debt Financing and Repayment
March 15, 2016	Notice Concerning Debt Financing
March 18, 2016	Notice Concerning Determination of Debt Financing Interest Rates