

June 23, 2009

For Immediate Release

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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	Long-Term Debt	Long-Term Debt	Long-Term Debt
Lender	The Chuo Mitsui Trust and Banking Company, Limited	The Chuo Mitsui Trust and Banking Company, Limited	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥2,500 million	¥2,500 million	¥2,500 million	¥2,500 million
Interest Rate	1.67500% (Fixed interest rate)	1.78812% (Fixed interest rate)	1.67500% (Fixed interest rate)	1.78812% (Fixed interest rate)
Borrowing Method	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown Date	June 25, 2009	June 25, 2009	June 25, 2009	June 25, 2009
Repayment Date	June 25, 2013	December 25, 2013	June 25, 2013	December 25, 2013
Period	4 years	4 years and 6 months	4 years	4 years and 6 months

(3) Use of Funds

The funds procured will be used to refinance existing borrowings.

2. Repayment of Debt

Classification	Long-Term Debt	Long-Term Debt
Lender	The Chuo Mitsui Trust and Banking Company, Limited	Mitsubishi UFJ Trust and Banking Corporation
Principal amount outstanding prior to Repayment (Initial amount borrowed)	¥5,000 million (¥5,000 million)	¥5,000 million (¥5,000 million)
Amount to be Repaid	¥5,000 million	¥5,000 million
Interest Rate	1.68875% (Fixed interest rate)	1.68875% (Fixed interest rate)
Borrowing Method	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown Date	June 25, 2004	June 25, 2004
Repayment Date	June 25, 2009	June 25, 2009
Maturity Date	June 25, 2009	June 25, 2009
Repayment Source	Separately procured funds	Separately procured funds

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	9,600	9,600	0
Long-Term Debt Financing	77,400	77,400	0
Total Debt Financing	87,000	87,000	0
Investment Corporation Bonds	10,000	10,000	0
Interest-Bearing Debt	97,000	97,000	0

Reference

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

Interest-bearing debt to total assets ratio	44.7 %
Interest-bearing debt to total appraisal value ratio	42.5 %
Long-term interest-bearing debt ratio	90.1 %

* The above interest-bearing debt ratios are calculated using the following formulas:

- Interest-bearing debt to total assets ratio (%) = Total interest-bearing debt ÷ Total assets × 100
For total assets, TOKYU REIT adopts the estimate for total assets on the close of the 12th financial period announced as of the 11th financial period settlement, considering debt financing and repayment already undertaken during the 12th financial period together with the subject of this press release.
- Interest-bearing debt to total appraisal value ratio (%) = (Total interest-bearing debt + Security deposits 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
The total estimated value of specified assets is the total appraisal price as of the 11th period-end (January 31, 2009).
- 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 (Except for timely disclosure concerning determination of interest rates)

Long-term debt financing executed on June 25, 2004

June 21, 2004

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