

October 16, 2012

Real Estate Investment Trust Unit Issuer:  
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Masahiro Horie  
Executive Director  
(Securities Code: 8957)

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## **Notice Concerning Issue and Redemption of Investment Corporation Bonds**

TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to issue investment corporation bonds.

TOKYU REIT also announced that investment corporation bonds will be redeemed on October 24, 2012 by using the proceeds from the abovementioned issue of investment corporation bonds as part of the funds and cash on hand.

### **1. Issuance of the Investment Corporation Bonds**

#### **(1) Outline of the Investment Corporation Bonds**

##### **(i) Name of investment corporation bonds**

TOKYU REIT, Inc. 3<sup>rd</sup> Series Unsecured Investment Corporation Bonds

(hereafter, “The investment corporation bonds”)

(Ranks *pari passu* in right of payment with certain investment corporation bonds)

##### **(ii) Total issue amount**

¥3,000 million

##### **(iii) Application of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.**

The investment corporation bonds in whole will be subject to application of the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. Accordingly, investment corporation bond certificates will not be issued for the investment corporation bonds.

##### **(iv) Issue price**

Nominal par value of each bond: ¥100 per ¥100

##### **(v) Redemption value**

Nominal par value of each bond: ¥100 per ¥100

- (vi) **Annual interest rates**  
1.47%
- (vii) **Denomination**  
¥100 million
- (viii) **Subscription and sales**  
Public placement
- (ix) **Subscription term**  
October 16, 2012
- (x) **Payment date**  
October 22, 2012
- (xi) **Collateral**  
The investment corporation bonds are unsecured, unguaranteed, and not backed by specific assets.
- (xii) **Redemption method and maturity date**  
The entire amount of the principal of the investment corporation bonds will be redeemed on October 21, 2022.  
The investment corporation bonds may be redeemed at any time from the day following the payment date, unless determined otherwise by the book-entry transfer agent.
- (xiii) **Interest payment dates**  
April 22 and October 22 annually
- (xiv) **Special financial agreements**  
Restrictions on collateral provision have been included.
- (xv) **Bond ratings**  
Rating and Investment Information, Inc. AA<sup>+</sup>  
Standard & Poor's Ratings Japan K.K. A
- (xvi) **Book-entry transfer agent**  
Japan Securities Depository Center, Incorporated
- (xvii) **Fiscal agent, issue agent and payment agent**  
Mitsubishi UFJ Trust and Banking Corporation
- (xviii) **Underwriters**  
Mizuho Securities Co., Ltd.

**(2) Reason for Bond Issuance**

To repay the Investment Corporation's 1<sup>st</sup> Series Unsecured Investment Corporation Bonds (¥5,000 million in total), which will mature on October 24, 2012.

**(3) Total Amount to be Procured, Use of Funds and Scheduled Outlay Period**

**(i) Total amount to be procured (approximate net balance)**

¥2,980 million

**(ii) Specific use of funds and scheduled outlay period**

To repay the Investment Corporation's 1<sup>st</sup> Series Unsecured Investment Corporation Bonds (¥5,000 million in total), which will mature on October 24, 2012.

## 2. Redemption of the Investment Corporation Bonds

Name of investment corporation bonds	1 <sup>st</sup> Series Unsecured Investment Corporation Bond (Ranks <i>pari passu</i> in right of payment with certain investment corporation bonds)
Total issue amount	¥5,000 million
Annual interest rates	1.65% (Fixed interest rate)
Collateral	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity
Payment Date	October 24, 2007
Maturity Date	October 24, 2012
Redemption Date	October 24, 2012

## 3. Total Debt After Issue and Redemption of Investment Corporation Bonds

	Debt Balance Prior to Issue and Redemption of Investment Corporation Bonds (¥ millions)	Debt Balance after Issue and Redemption of Investment Corporation Bonds (¥ millions)	Change (¥ millions)
Short-Term Debt Financing	0	0	0
Long-Term Debt Financing	79,000	79,000	0
Total Debt Financing	79,000	79,000	0
Investment Corporation Bonds	10,000	8,000	-2,000
Interest-Bearing Debt	89,000	87,000	-2,000

## 4. Others

Regarding the Issue and Redemption of Investment Corporation Bonds risk, there is no change to the “Investment risks” of the latest securities report submitted on April 26, 2012.

This notice may contain forward-looking statements, such as current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, fluctuations of the real estate market in Japan, general conditions of the Japanese economy, competitive pressures and relevant regulations. This notice is a translation of the original document in Japanese and is prepared solely for the convenience of non-Japanese speakers. There is no assurance as to the accuracy of the English translation. The original Japanese notice shall prevail in the event of any discrepancies between the translation and the Japanese original.