

March 25, 2013

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Notice Concerning Debt Financing

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

1. Rationale

Debt financing was conducted for the acquisition of real estate, namely the OKI System Center (*sokochi*), along with expenses related to that acquisition. For details of the acquisition, please refer to the press release dated March 25, 2013, “Notice Concerning Acquisition of Property.”

2. Details of Debt Financing

Classification	Short-Term Debt
Lender	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥4,500 million
Interest Rate	0.53500% Floating interest rate (Note)
Borrowing Method	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	March 27, 2013
Repayment Date	March 27, 2014
Period	1years

(Note) The interest rates are applicable from March 27, 2013 to April 30 2013.

The interest rate after the aforementioned interest period will be announced when determined.

3. Total Debt After Additional Debt Financing

	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	0	4,500	4,500
Long-Term Debt Financing	79,000	79,000	0
Total Debt Financing	79,000	83,500	4,500
Investment Corporation Bonds	8,000	8,000	0
Interest-Bearing Debt	87,000	91,500	4,500

4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the latest securities report submitted on October 26, 2012.

[Reference]

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

Interest-bearing debt to total assets ratio	44.3 %
Interest-bearing debt to total appraisal value ratio	49.5 %
Long-term interest-bearing debt ratio	95.1 %

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

- Interest-bearing debt to total assets ratio (%) = $\frac{\text{Total interest-bearing debt}}{(\text{Total assets} + \text{Acquisition price of Properties which were acquired in this period})} \times 100$
Total assets are calculated using the figures at the end of the fiscal period as announced in the most recent Financial Report.

- Interest-bearing debt to total appraisal value ratio (%) = $\frac{(\text{Total interest-bearing debt} + \text{Security deposits and guarantee money without reserved cash})}{(\text{Total estimated latest appraisal value of specified assets} + \text{Appraisal value on acquisition of Properties which were acquired in this period} + \text{Cash and Bank Deposits})} \times 100$

Security deposits and guarantee money without reserved cash and Total estimated latest appraisal value of specified assets are calculated using the figures at the end of the fiscal period as announced in the most recent Financial Report.

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 to date.

- Long-term interest-bearing debt ratio (%) = $\frac{(\text{Long-term debt} + \text{Investment corporation bonds})}{\text{Total interest-bearing debt}} \times 100$

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

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.
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