

June 21, 2013

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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	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥2,900 million	¥1,500 million	¥500 million	¥500 million
Interest Rate	1.53375% (Fixed interest rate)	1.45125% (Fixed interest rate)	1.07500% (Fixed interest rate)	0.77500% (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, 2013	June 25, 2013	June 25, 2013	June 25, 2013
Repayment Date	December 25, 2020	June 25, 2020	June 25, 2018	June 25, 2016
Period	7.5years	7years	5years	3years

#### (3) Use of Funds

The funds procured will be used to refinance the long-term debt financing.

## 2. Repayment of Debt

Debt borrowed on June 25, 2009 and June 29, 2009

Classification	Long-Term Debt	Long-Term Debt	Long-Term Debt
Lender	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥2,500 million	¥400 million	¥2,500 million
Interest Rate	1.67500% ( Fixed interest rate )	1.66375% ( Fixed interest rate )	1.67500% ( Fixed interest rate )
Borrowing Method	Unsecured, unguaranteed	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown Date	June 25, 2009	June 29, 2009	June 25, 2009
Repayment Date	June 25, 2013	June 28, 2013	June 25, 2013
Maturity Date	June 25, 2013	June 28, 2013	June 25, 2013

## 3. Total Debt After Additional Debt Financing and Repayment

### (1) As of June 25, 2013

	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	4,500	4,500	0
Long-Term Debt Financing	79,000	79,400	400
Total Debt Financing	83,500	83,900	400
Investment Corporation Bonds	8,000	8,000	0
Interest-Bearing Debt	91,500	91,900	400

### (2) As of June 28, 2013

	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	4,500	4,500	0
Long-Term Debt Financing	79,400	79,000	-400
Total Debt Financing	83,900	83,500	-400
Investment Corporation Bonds	8,000	8,000	0
Interest-Bearing Debt	91,900	91,500	-400

## 4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the latest securities report submitted on April 26, 2013.

## [Reference]

### 1. Interest-Bearing Debt Ratios as of June 28, 2013

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 (%) = Total interest-bearing debt ÷ (Total assets + Acquisition price of Properties which were acquired in this period) × 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 (%) = (Total interest-bearing debt + Security deposits and guarantee money without reserved cash) ÷ (Total estimated latest appraisal value of specified assets + Appraisal value on acquisition of Properties which were acquired in this period + Cash and Bank Deposits) × 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 (%) = (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 concerning decision of Interest Rate)

- Debt borrowed on June 25, 2009

June 23, 2009 Notice Concerning Debt Financing and Repayment

[http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2009/2009.06.23\\_01\\_E.pdf](http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2009/2009.06.23_01_E.pdf)

- Debt borrowed on June 29, 2009

June 25, 2009 Notice Concerning Debt Financing, Partial Repayment of Short-Term Debt and Determination of Interest Rate

[http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2009/2009.06.25\\_01\\_E.pdf](http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2009/2009.06.25_01_E.pdf)

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