

July 29, 2013

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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 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	The Dai-ichi Mutual Life Insurance Company	Nippon Life Insurance Company
Debt Financing Amount	¥2,500 million	¥2,000 million	¥500 million
Interest Rate	1.51375% (Fixed interest rate)	0.99125% (Fixed interest rate)	1.51375% (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	July 31, 2013	July 31, 2013	July 31, 2013
Repayment Date	July 31, 2021	July 31, 2018	July 31, 2021
Period	8years	5years	8years

(3) Use of Funds

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

Disclaimer: This document is a press release intended for the general public regarding the debt financing and repayment of TOKYU REIT. It has not been prepared for the purpose of soliciting investment. When investing, investors should do so based on their own judgment and responsibility after reading the prospectus on the issuance of new investment units and the secondary offering of investment units (as well as any amendments) prepared by TOKYU REIT

2. Repayment of Debt

(1) Partial Advanced Repayment of Short-Term Debt Procured on March 27, 2013

Classification	Short-Term Debt
Lender	Mitsubishi UFJ Trust and Banking Corporation
Principal amount outstanding prior to Repayment (Initial Amount Borrowed)	¥1,000 million (¥4,500 million)
Amount to be Repaid	¥1,000 million
Interest Rate	0.52500% (Floating interest rate)
Borrowing Method	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	March 27, 2013
Repayment Date	July 29, 2013
Maturity Date	March 27, 2014

Furthermore, repayment of the short-term debt above will be made with the company's own funds and the borrowing to be performed on July 31, 2013 will be allotted to the company's own funds.

(2) Long-Term Debt borrowed on July 31, 2006

Classification	Long-Term Debt
Lender	The Dai-ichi Mutual Life Insurance Company
Debt Financing Amount	¥4,000 million
Interest Rate	2.21125% (Floating interest rate)
Borrowing Method	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	July 31, 2006
Repayment Date	July 31, 2013
Maturity Date	July 31, 2013

3. Total Debt After Additional Debt Financing and Repayment (As of July 31, 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	1,000	0	-1,000
Long-Term Debt Financing	82,500	83,500	1,000
Total Debt Financing	83,500	83,500	0
Investment Corporation Bonds	8,000	8,000	0
Interest-Bearing Debt	91,500	91,500	0

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4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the Security Registration Statement submitted on July 26, 2013.

[Reference]

1. Interest-Bearing Debt Ratios as of July 31, 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	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 + 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 July 31, 2006

July 26, 2006 Notice Concerning Long-Term Debt Financing and Advanced Partial Repayment of Long-Term Debt Financing

<http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2006/2006-0726-00.pdf>

- Debt borrowed on March 27, 2013

March 25, 2013 Notice Concerning Debt Financing

http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2013/2013.03.25_01_E.pdf

June 25, 2013 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/2013/2013.06.25_E.pdf

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