

December 20, 2013

Real Estate Investment Trust Unit Issuer:
TOKYU REIT, Inc.
1-12-1, Dogenzaka,
Shibuya-ku, Tokyo, 150-0043, Japan
Masahiro Horie
Executive Director
(Securities Code: 8957)

Investment Management Company:
Tokyu Real Estate Investment Management Inc.
Representative:
Masahiro Horie
Representative Director & President, Chief Executive Officer
Inquiries:
Yosuke Koi
Director, Senior Executive Officer,
Chief Financial Officer & General Manager, Investor Relations
TEL: +81-3-5428-5828

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
Lender	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Debt Financing Amount	¥2,500 million	¥2,000 million	¥1,500 million
Interest Rate	1.21000% (Fixed interest rate)	1.21000% (Fixed interest rate)	0.95625% (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	December 25, 2013	December 25, 2013	December 25, 2013
Repayment Date	December 25, 2020	December 25, 2020	June 25, 2019
Period	7 years	7years	5.5years

(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, 2008 and June 25, 2009

Classification	Long-Term Debt	Long-Term Debt	Long-Term Debt
Lender	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation	Sumitomo Mitsui Trust Bank, Limited
Debt Financing Amount	¥1,000 million	¥2,500 million	¥2,500 million
Interest Rate	2.10187% (Fixed interest rate)	1.78812% (Fixed interest rate)	1.78812% (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, 2008	June 25, 2009	June 25, 2009
Repayment Date	December 25, 2013	December 25, 2013	December 25, 2013
Maturity Date	December 25, 2013	December 25, 2013	December 25, 2013

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	11,500	11,500	0
Long-Term Debt Financing	83,500	83,500	0
Total Debt Financing	95,000	95,000	0
Investment Corporation Bonds	8,000	8,000	0
Interest-Bearing Debt	103,000	103,000	0

4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the latest securities report submitted on October 25, 2013.

[Reference]

1. Interest-Bearing Debt Ratios as of December 25, 2013

Interest-bearing debt to total assets ratio	44.3 %
Interest-bearing debt to total appraisal value ratio	48.9 %
Long-term interest-bearing debt ratio	88.8 %

* 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 (as of July 31, 2013) + Total acquisition price of Properties which were acquired on or after August 1, 2013) × 100
Properties acquired on or after August 1, 2013 are KALEIDO Shibuya Miyamasuzaka, Shibuya R Sankei Building, and Tokyu Toranomom Building.
- 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 on or after August 1, 2013 + 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 of July 31, 2013) as announced in the most recent Financial Report.
Cash and bank deposits are calculated by deducting the balance of unappropriated 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, debt financing and repayment amounts, and the amount procured from the public offering until December 25, 2013.
- 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, 2008

June 20, 2008 Notice Concerning Debt Financing and Repayment
http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2008/2008.06.20_02_E.pdf

- 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

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.