

Real Estate Investment Trust Unit Issuer:  
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Kazuyoshi Kashiwazaki  
Executive Director  
(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 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                    |
| Lender                | Development Bank of Japan Inc.    |
| Debt Financing Amount | ¥5,000 million                    |
| Interest Rate         | 1.26125%<br>(Fixed interest rate) |
| Borrowing Method      | Unsecured, unguaranteed           |
| Repayment Method      | Lump-sum repayment<br>on maturity |
| Drawdown Date         | June 25, 2015                     |
| Maturity Date         | June 25, 2025                     |
| Period                | 10 years                          |

#### (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

|                       |                                   |
|-----------------------|-----------------------------------|
| Classification        | Long-Term Debt                    |
| Lender                | Development Bank of Japan Inc.    |
| Debt Financing Amount | ¥5,000 million                    |
| Interest Rate         | 2.21100%<br>(Fixed interest rate) |
| Borrowing Method      | Unsecured, unguaranteed           |
| Repayment Method      | Lump-sum repayment<br>on maturity |
| Drawdown Date         | June 25, 2008                     |
| Repayment Date        | June 25, 2015                     |
| Maturity Date         | June 25, 2015                     |

## 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    | 0  | 0   | 0                   |
| Long-Term Debt Financing     | 87,500   | 87,500  | 0                   |
| Total Debt Financing         | 87,500   | 87,500  | 0                   |
| Investment Corporation Bonds | 9,500  | 9,500   | 0                   |
| Interest-Bearing Debt        | 97,000   | 97,000  | 0                   |

## 4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the latest securities report submitted on April 28, 2015.

[Reference]

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

|  |         |
|--|---------|
| Interest-bearing debt to total assets ratio          | 43.4 %  |
| Interest-bearing debt to total appraisal value ratio | 43.8%   |
| 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 (as of January 31, 2015) × 100
- Interest-bearing debt to total appraisal value ratio (%) = (Total interest-bearing debt + Security deposits and guarantee money without reserved cash) ÷ (Total latest appraisal value of specified assets + Cash and Bank Deposits) × 100  
Security deposits and guarantee money without reserved cash and Total latest appraisal value of specified assets are calculated using the figures at the end of the fiscal period (as of January 31, 2015) 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 debt financing and repayment amounts until June 25, 2015.
- 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)**

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](http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2008/2008.06.20_02_E.pdf)