January 23, 2014

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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
Lender	The Norinchukin Bank	The Dai-ichi Mutual Life Insurance Company, Limited
Debt Financing Amount	¥3,000 million	¥1,000 million
Interest Rate	0.85000% (Fixed interest rate)	1.04625% (Fixed interest rate)
Borrowing Method	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown Date	January 27, 2014	January 27, 2014
Repayment Date	January 27, 2019	January 27, 2020
Period	5 years	6years

(3) Use of Funds

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

2. Repayment of Debt

Debt borrowed on January 25, 2007

Classification	Long-Term Debt	Long-Term Debt
Lender	National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren)	The Dai-ichi Mutual Life Insurance Company, Limited
Debt Financing Amount	¥3,000 million	¥1,000 million
Interest Rate	1.92000% (Fixed interest rate)	1.92000% (Fixed interest rate)
Borrowing Method	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown Date	January 25, 2007	January 25, 2007
Repayment Date	January 27, 2014	January 27, 2014
Maturity Date	January 27, 2014	January 27, 2014

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 January 27, 2014

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 Toranomon 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 January 27, 2014.

・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)

January 23, 2007 Notice Concerning Debt Financing and Partial Repayment of Short-Term Debt
http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2007/2007-0123-00.pdf