

February 6, 2014

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 Issuance of Investment Corporation Bonds and Partial Advanced Repayment of Short-Term Debt

TOKYU REIT, Inc. (“TOKYU REIT”) today announced its decision to issue investment corporation bonds.

In addition, TOKYU REIT also announced that partial advanced repayment of short-term debt will be made on February 17, 2014 by using the proceeds from the abovementioned issuance of investment corporation bonds and cash on hand.

1. Issuance of the Investment Corporation Bonds

(1) Outline of the Investment Corporation Bonds

(i) Name of investment corporation bonds

TOKYU REIT, Inc. 4th Series Unsecured Investment Corporation Bonds
(hereafter, “The investment corporation bonds”)
(Ranks *pari passu* in right of payment with certain investment corporation bonds)

(ii) Total issue amount

¥3,500 million

(iii) Application of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.

The investment corporation bonds in whole will be subject to application of the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. Accordingly, investment corporation bond certificates will not be issued for the investment corporation bonds.

(iv) Issue price

Nominal par value of each bond: ¥100 per ¥100

(v) Redemption value

Nominal par value of each bond: ¥100 per ¥100

(vi) Annual interest rates

0.399%

(vii) Denomination

¥100 million

(viii) Subscription and sales

Public placement

(ix) Subscription term

February 6, 2014

(x) Payment date

February 14, 2014

(xi) Collateral

The investment corporation bonds are unsecured, unguaranteed, and not backed by specific assets.

(xii) Redemption method and maturity date

The entire amount of the principal of the investment corporation bonds will be redeemed on February 14, 2019.

The investment corporation bonds may be redeemed at any time from the day following the payment date, unless determined otherwise by the book-entry transfer agent.

(xiii) Interest payment dates

February 14 and August 14 annually

(xiv) Special financial agreements

Restrictions on collateral provision have been included.

(xv) Bond ratings

Rating and Investment Information, Inc. A⁺
Standard & Poor's Ratings Japan K.K. A
Japan Credit Rating Agency, Ltd. AA⁻

(xvi) Book-entry transfer agent

Japan Securities Depository Center, Incorporated

(xvii) Fiscal agent, issue agent and payment agent

Mitsubishi UFJ Trust and Banking Corporation

(xviii) Underwriters

Mizuho Securities Co., Ltd.

(2) Reason for Bond Issuance

The investment corporation bonds are being issued to make partial advanced repayment of short-term debt, and thereby diversify repayment dates and extend the average duration of interest-bearing debt without increasing interest expense and other financial expenses.

(3) Total Amount to be Procured, Use of Funds and Scheduled Outlay Period

(i) Total amount to be procured (approximate net balance)

¥3,480million

(ii) Specific use of funds and scheduled outlay period

The funds are scheduled to be allocated as part of funds for partial advanced repayment of short-term debt due for repayment on August 15, 2014 (¥11.5 billion). This advanced repayment is scheduled for February 17, 2014.

2. Partial Advanced Repayment of Short-Term Debt

Partial Advanced Repayment of Short-Term Debt Procured on August 15, 2013

Classification	Short-Term Debt			
Lender	Sumitomo Mitsui Trust Bank, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mizuho Bank, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Principal amount outstanding prior to Repayment (Initial Amount Borrowed)	¥4,600 million (¥5,000 million)	¥2,300 million (¥2,500 million)	¥2,300 million (¥2,500 million)	¥2,300 million (¥2,500 million)
Amount to be Repaid	¥1,400 million	¥700 million	¥700 million	¥700 million
Interest Rate	0.52318% Floating interest rate (Note)	0.52318% Floating interest rate (Note)	0.52318% Floating interest rate (Note)	0.52318% Floating interest rate (Note)
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	August 15, 2013	August 15, 2013	August 15, 2013	August 15, 2013
Repayment Date	February 17, 2014	February 17, 2014	February 17, 2014	February 17, 2014
Maturity Date	August 15, 2014	August 15, 2014	August 15, 2014	August 15, 2014
Repayment Source	Proceeds from issuance of investment corporation bonds and cash on hand			

(Note) The interest rates are applicable from January 15, 2014 to February 17, 2014.

3. Total Debt After Issuance of Investment Corporation Bonds and Partial Advanced Repayment of Short-Term Debt

	Debt Balance Prior to Issuance and Repayment (¥ millions)	Debt Balance After Issuance and Repayment (¥ millions)	Change (¥ millions)
Short-Term Debt Financing	11,500	8,000	-3,500
Long-Term Debt Financing	83,500	83,500	0
Total Debt Financing	95,000	91,500	-3,500
Investment Corporation Bonds	8,000	11,500	3,500
Interest-Bearing Debt	103,000	103,000	0

4. Others

Regarding the Issue and Redemption of Investment Corporation Bonds risk, there is no change to the “Investment risks” of the latest securities report submitted on October 25, 2013.

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.