

February 21, 2014

Real Estate Investment Trust Unit Issuer:
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Masahiro Horie
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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 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	1.57750% (Fixed interest rate)
Borrowing Method	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	February 25, 2014
Maturity Date	February 25, 2024
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 February 25, 2009

Classification	Long-Term Debt
Lender	Development Bank of Japan Inc.
Debt Financing Amount	¥5,000 million
Interest Rate	1.79000% (Fixed interest rate)
Borrowing Method	Unsecured, unguaranteed
Repayment Method	Lump-sum repayment on maturity
Drawdown Date	February 25, 2009
Repayment Date	February 25, 2014
Maturity Date	February 25, 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	8,000	8,000	0
Long-Term Debt Financing	83,500	83,500	0
Total Debt Financing	91,500	91,500	0
Investment Corporation Bonds	11,500	11,500	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 February 25, 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	92.2 %

* 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, issuance of investment corporation bond amounts, and the amount procured from the public offering until February 25, 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)

February 23, 2009 Notice Concerning Debt Financing, Partial Repayment of Short-Term Debt and Determination of Interest Rates
http://tokyu-reit.co.jp/eng/material/pdf/kaiji/2009/2009.02.23_01_E.pdf