

**For Immediate Release**

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## **Notice Concerning Long-Term Debt Financing and Advanced Partial Repayment of Long-Term Debt Financing**

TOKYU REIT, Inc. ("TOKYU REIT") has announced its decision to undertake debt financing and advanced partial repayment of long-term debt, which was determined as follows.

### **1. Long-Term Debt Financing**

#### **(1) Rationale**

The decision to undertake debt financing is consistent with TOKYU REIT's efforts to stabilize funds procurement by ensuring an appropriate and prudent level of long-term debt financing and the dispersion of repayment dates.

#### **(2) Details of Debt Financing**

Lender	Debt financing amount (millions of yen)	Interest rate	Borrowing method Repayment method	Drawdown date Repayment date	Term
Nippon Life Insurance Company	4,000	Undetermined fixed interest rate	Unsecured, unguaranteed  Lump-sum repayment on maturity	July 31, 2006 July 31, 2011	5 years
The Dai-ichi Mutual Life Insurance Company	4,000	Undetermined fixed interest rate	Unsecured, unguaranteed  Lump-sum repayment on maturity	July 31, 2006 July 31, 2013	7 years

#### **(3) Application of Funds**

Refinancing and replacement of existing debt

Interest rates are to be determined on July 27, 2006, and will be announced accordingly.

## 2. Advanced Partial Repayment of Long-Term Debt

Long-term debt financing executed on June 25, 2004

Classification	Long-term debt financing	Long-term debt financing
Lender	Nippon Life Insurance Company	The Dai-ichi Mutual Life Insurance Company
Outstanding principal balance (Amount borrowed)	¥4,000 million (¥4,000 million)	¥4,000 million (¥4,000 million)
Amount to be repaid	¥4,000 million	¥4,000 million
Interest rate	1.11625% (fixed interest rate)	1.11625% (fixed interest rate)
Borrowing method	Unsecured, unguaranteed	Unsecured, unguaranteed
Repayment method	Lump-sum repayment on maturity	Lump-sum repayment on maturity
Drawdown date	June 25, 2004	June 25, 2004
Planned date for partial repayment	July 31, 2006	July 31, 2006
Maturity date	June 25, 2007	June 25, 2007
Repayment source	Funds procured from other sources	Funds procured from other sources

<Reference>

## **1. Total Borrowings after Advanced Partial Repayment**

Short-Term Borrowings	¥12,000 million
Long-Term Borrowings	¥41,000 million
Interest-Bearing Debt	¥53,000 million

## **2. Interest-Bearing Debt Ratios after Debt Financing and Advanced Partial Repayment**

Interest-Bearing Debt to Total Assets Ratio	30.5%
Interest-Bearing Debt to Total Appraisal Value Ratio	33.2%
Long-Term Debt Ratio	77.4%

Notes:

\* The above Interest-Bearing Debt Ratios are calculated using the following formulas:

Interest-Bearing Debt to Total Assets Ratio (%) = Interest-Bearing Debt ÷ Total Assets × 100

To calculate the above formula we adopt the expectation of total assets on the close of the 6<sup>th</sup> financial period, which were announced in conjunction with the closing results of the 5<sup>th</sup> financial period.

Interest-Bearing Debt to Total Appraisal Value Ratio (%) = (Interest-Bearing Debt + Security Deposit and Guarantee Money without Reserved Cash) ÷ Total of latest Appraisal Value × 100

Long-term Interest-Bearing Debt Ratio (%) = Long-Term Borrowings ÷ Interest-Bearing Debt × 100

\* Percentage figures are rounded to the nearest first decimal place.