



November 9, 2011

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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 | Mizuho Corporate Bank, Ltd. | Mizuho Corporate Bank, Ltd. |
| Debt Financing Amount | ¥1,700 million | ¥1,700 million |
| Interest Rate | 1.03500%(Fixed interest rate) | 1.48875%(Fixed interest rate) |
| Borrowing Method | Unsecured, unguaranteed | Unsecured, unguaranteed |
| Repayment Method | Lump-sum repayment on maturity | Lump-sum repayment on maturity |
| Drawdown Date | November 11, 2011 | November 11, 2011 |
| Repayment Date | November 11, 2015 | November 11, 2018 |
| Period | 4 years | 7 years |

(3) Use of Funds

The funds procured will be used to refinance the long-term debt financing and be applied to the cash on hand that was used for repayment of the long-term debt on October 27, 2011.

2. Repayment of Debt

Debt borrowed on November 11, 2008

| | |
|-----------------------|-----------------------------------|
| Classification | Long-Term Debt |
| Lender | Mizuho Corporate Bank, Ltd. |
| Debt Financing Amount | ¥2,000 million |
| Interest Rate | 1.54250% (Fixed interest rate) |
| Borrowing Method | Unsecured, unguaranteed |
| Repayment Method | Lump-sum repayment on maturity |
| Drawdown Date | November 11, 2008 |
| Repayment Date | November 11, 2011 |
| Maturity Date | November 11, 2011 |
| Repayment Source | Separately procured funds |

Debt borrowed on November 25, 2008

| | |
|-----------------------|-----------------------------------|
| Classification | Long-Term Debt |
| Lender | Mizuho Corporate Bank, Ltd. |
| Debt Financing Amount | ¥1,000 million |
| Interest Rate | 1.52875% (Fixed interest rate) |
| Borrowing Method | Unsecured, unguaranteed |
| Repayment Method | Lump-sum repayment on maturity |
| Drawdown Date | November 25, 2008 |
| Repayment Date | November 11, 2011 |
| Maturity Date | November 11, 2011 |
| Repayment Source | Separately procured funds |

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 | 78,600 | 79,000 | 400 |
| Total Debt Financing | 78,600 | 79,000 | 400 |
| Investment Corporation Bonds | 10,000 | 10,000 | 0 |
| Interest-Bearing Debt | 88,600 | 89,000 | 400 |

4. Others

Regarding the loan repayment risk, there is no change to the “Investment risks” of the latest securities report submitted on October 27, 2011.

[Reference]

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

| | |
|--|---------|
| Interest-bearing debt to total assets ratio | 42.9 % |
| Interest-bearing debt to total appraisal value ratio | 49.1 % |
| 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 × 100
- 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 + Cash and Bank Deposits) × 100

For Cash and Bank Deposits, TOKYU REIT adopts Balance of Cash and Bank Deposits at the end of the previous period after deducting Balance of Retained Earnings, considering property acquisition and disposition, and debt financing and repayment during the current period.

- 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)

- Debt borrowed on November 11, 2008
November 7, 2008 Notice Concerning Debt Financing and
Determination of Short-Term Debt Financing Interest Rates
- Debt borrowed on November 25, 2008
November 20, 2008 Notice Concerning Debt Financing, Partial Repayment of
Short-Term Debt and Determination of Interest Rates