

November 9, 2011

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)

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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.

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	

### (2) Details of Debt Financing



# (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	



	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

# 3. Total Debt After Additional Debt Financing and Repayment

## 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  $\div$  Total assets  $\times$  100
- Interest-bearing debt to total appraisal value ratio (%) = (Total interest-bearing debt + Security deposits and guarantee money without reserved cash)  $\div$  (Total estimated latest appraisal value of specified assets +Cash and Bank Deposits)  $\times$  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)  $\div$ 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, 2008Notice Concerning Debt Financing and<br/>Determination of Short-Term Debt Financing Interest Rates

 Debt borrowed on November 25, 2008 November 20, 2008 Notic

Notice Concerning Debt Financing, Partial Repayment of Short-Term Debt and Determination of Interest Rates

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.