

June 23, 2014

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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	Long-Term Debt
Lender	The Mizuho Bank, Ltd.	The Mitsui Sumitomo Insurance Company, Limited
Debt Financing Amount	¥1,000 million	¥1,000 million
Interest Rate	1.05250% (Fixed interest rate)	1.05250% (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, 2014	June 25, 2014
Repayment Date	June 25, 2021	June 25, 2021
Period	7 years	7 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 June 25, 2010

Classification	Long-Term Debt	Long-Term Debt
Lender	The Mizuho Bank, Ltd.	The Mitsui Sumitomo Insurance Company, Limited
Debt Financing Amount	¥1,000 million	¥1,000 million
Interest Rate	1.31250% ( Fixed interest rate )	1.31250% ( 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, 2010	June 25, 2010
Repayment Date	June 25, 2014	June 25, 2014
Maturity Date	June 25, 2014	June 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	5,000	5,000	0
Long-Term Debt Financing	83,500	83,500	0
Total Debt Financing	88,500	88,500	0
Investment Corporation Bonds	14,500	14,500	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 April 25, 2014.

## [Reference]

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

Interest-bearing debt to total assets ratio	44.6 %
Interest-bearing debt to total appraisal value ratio	48.2%
Long-term interest-bearing debt ratio	95.1 %

\* 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 January 31, 2014) × 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  
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 January 31, 2014) 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 debt financing and repayment amounts and issuance of investment corporation bond amounts until June 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)

June 23, 2010 Notice Concerning Debt Financing, Repayment and Determination of Interest Rate  
[http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2010/2010.06.23\\_01\\_E.pdf](http://www.tokyu-reit.co.jp/eng/material/pdf/kaiji/2010/2010.06.23_01_E.pdf)