

For Transration Purpose Only

Real Estate Investment Trust Securities Issuer
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(Securities Code: 3451)

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Notice Concerning Debt Financing and Prepayment of Debt Financing

Tosei Reit Investment Corporation (“Tosei Reit”) announces today that it has decided to obtain debt financing (the “Borrowings”) and execute prepayment of existing debt (“Prepayment”), as described below.

1. Description of the Borrowings

Short-term loans

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(2) Planned loan amount	JPY800 million
(3) Interest rate (Note 1)	Base rate (Note 2) (JBA 1 month JPY TIBOR) +0.30%
(4) Drawdown date	August 31, 2016
(5) Interest payment date	The first payment date is September 30, 2016 and interest payment dates are the end of each month and on the maturity date (If such date is not a business day, the immediately following business date; if such a date is in the next month, the immediately preceding business date.)
(6) Maturity date	November 30, 2016
(7) Repayment method	Lump-sum repayment on maturity date
(8) Security	Secured

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA’s JPY TIBOR, please check with the JBA TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/rate/>).

2. Reason for the Borrowings

Tosei Reit is using the borrowed funds for the acquisition of the real estate trust beneficiary rights (Nishidai NC Building) (planned acquisition price of JPY1,481 million) described as “to-be-acquired asset” in the “Notice Concerning Acquisition of Real Estate Trust Beneficiary Rights and Leases (Nishidai NC Building)” announced on June 15, 2016, and for portion of acquisition-related expenses.

3. Amount to be procured, use of funds and schedule of expenditure

(1) Amount to be procured

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JPY800 million

(2) Specific use of funds to be procured

For the acquisition of the real estate trust beneficiary rights (Nishidai NC Building) and for a portion of acquisition-related expenses

(3) Schedule of expenditure (planned)

August 31, 2016

4. Description of the Prepayment

(1) Details of the planned prepayment of debt

(Unit: JPY million)

Term	Lender	loan amount	Repayment amount	Drawdown date	Maturity date	Prepayment date (scheduled)	Security
Short-term	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation	200	200	November 17, 2015	October 31, 2016	August 31, 2016	Secured

(2) Funds for Prepayment

Funded from part of the consumption tax refund

5. Status of loans, etc. after the Borrowings and Prepayment

	Before	After	Increase (Decrease)
Short-term loans (Note)	200	800	+600
Long-term loans (Note)	14,669	14,669	—
Total loans	14,869	15,469	+600
Investment corporation bonds	—	—	—
Total sum of loans and investment corporation bonds	14,869	15,469	+600

(Note) Short-term loans refer to loans with the period from the drawdown date to the maturity date being one year or less, and long-term loans refer to loans with the period from the drawdown date to the maturity date being more than one year.

6. Future outlook

The Borrowings and the Prepayment are included in the Assumptions for Outlook for Management Status described in “(REIT) Financial Report for the Fiscal Period Ended April 30, 2016” announced on June 15, 2016 and there are no changes to the operating results forecasts for the fiscal period ending October 2016 (May 1, 2016 to October 31, 2016) and the fiscal period ending April 2017 (November 1, 2016 to April 30, 2017).

7. Other

Concerning the risks associated with the Borrowings and the Prepayment, there is no material change from the content of “Part I. Fund Information; Section 1. Fund Status; 3. Investment Risks” of the securities report submitted on July 29, 2016.

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- * Tosei Reit Investment Corporation website: <http://www.tosei-reit.co.jp/en/>

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