

For Translation Purpose Only

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

Asset Management Company
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Notice Concerning Obtainment and Modification of the Condition of Preferential Negotiating Rights
Pertaining to Acquisition of Investment Assets

Tosei Reit Investment Corporation (“Tosei Reit”) announces that it obtained today preferential negotiating rights pertaining to a residential property from Tosei Corporation (the “Sponsor”), the sponsor of Tosei Reit, as described below.

We also announce the partial modification of the condition of the preferential negotiating rights (T’s garden Nishi Hachioji EAST) granted by the Sponsor described in “Notice Concerning Obtainment of Preferential Negotiating Rights Pertaining to Acquisition of Investment Assets” announced on December 17, 2015.

1. Details of obtainment and modification of the condition of preferential negotiating rights

(1) Obtainment of preferential negotiating rights

Property name: Twin Avenue
Date of obtainment: September 30, 2016
Preferential negotiating period: From the date of obtainment above to May 31, 2017
If no request is made for cancellation of the preferential negotiating rights before one month prior to the expiry date of the above negotiating period, it shall be automatically renewed every two months.

(2) Modification of the condition of preferential negotiating rights

Property name: T’s garden Nishi Hachioji EAST
Modified condition: Site area [Before modification] 1,886.27 m²
[After modification] 1,571.13 m²
Reason for modification: The Sponsor requested partial exclusion of the site of the property from the scope of the preferential negotiating rights, and Tosei Asset Advisors, Inc. (the “Asset Management Company”) has discussed the matter. Since the portion of the

site requested for exclusion was not included in the area subject to building permission of the property, and thus legal compliance of the property is judged to be maintained and its profitability not lowered even if the portion is excluded from the scope of the preferential negotiating rights, the Asset Management Company has decided to accept the request.

2. Preferential negotiating rights

The preferential negotiating rights are granted in accordance with the “Sponsor Support Agreement” concluded among Tosei Reit, the Asset Management Company and the Sponsor. Through the above, Tosei Reit aims to achieve external growth by securing opportunities for future property acquisitions and realizing timely acquisitions.

The acquisition price, acquisition date, etc. for Twin Avenue, for which preferential negotiating rights were granted today, (the “Property Granted with Preferential Negotiating Rights”) have yet to be determined. It is not guaranteed that Tosei Reit will be able to acquire the Property Granted with Preferential Negotiating Rights nor is Tosei Reit obliged to acquire the property.

Tosei Reit will perform the necessary due diligence upon acquisition of the Property Granted with Preferential Negotiating Rights and make decisions in compliance with the Asset Management Company’s related-party transaction rules.

No consideration from Tosei Reit to the Sponsor will accrue concerning the obtainment of the preferential negotiating rights.

(Note) The number of properties for which preferential negotiating rights have been granted as of today is five (Twin Avenue, T’s garden Nishi Hachioji EAST, JPT Motomachi Building, Hakusan Asanomi Building and T’s garden Shinkoiwa).

3. Overview of properties for which preferential negotiating rights were granted



Property Name	Twin Avenue
Address	Sekimachi-kita, Nerima-ku, Tokyo
Property type	Residential
Site area	2,702.95 m ²
Total floor area	4,563.79 m ²
Construction	SRC with flat roof, 8F
Completed	March 1992



Property Name	T's garden Nishi Hachioji EAST (Former Property Name: Miyata Building No.14)
Address	Daimachi, Hachioji-shi, Tokyo
Property type	Residential
Site area	1,571.13m ²
Total floor area	2,740.12 m ²
Construction	RC with flat roof, 6F RC with flat roof, 5F
Completed	March 1994

4. Future outlook

There is no impact on the operating results and no changes to the operating results forecast for the fiscal period ending October 2016 (4th fiscal period) due to the obtainment and modification of the condition of the preferential negotiating rights.

* This material has been distributed separately to the Kabuto Club (the press club of the Tokyo Stock Exchange); the Ministry of Land, Infrastructure, Transport and Tourism Press Club; and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for construction publications.

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