

October 28, 2015

For Immediate Release

Real Estate Investment Trust Securities Issuer
Tosei Reit Investment Corporation
4-2-3 Toranomom, Minato-ku, Tokyo
Representative: Hisaaki Kuroyama, Executive Director
(Securities Code: 3451)

Asset Management Company
Tosei Asset Advisors, Inc.
Representative: Hiroshi Nakamura, Chairman & CEO
Inquiries: Keiichi Yoshida
General Manager, Treasury & Planning Department, REIT Division
(TEL: 03-3433-6320)

Notice Concerning Debt Financing

Tosei Reit Investment Corporation (“Tosei Reit”) announces today that it has decided to obtain debt financing (“Borrowings”), as described below.

1. Description of the Borrowings

① Term loan (3.5 years) (Note 1)

(1) Lenders:	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2):	JPY2,000,000,000
(3) Interest rate (Note 3):	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.500%
(4) Planned drawdown date (Note 5):	November 17, 2015
(5) Interest payment date:	The first payment date is December 30, 2015 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) Borrowing method:	Borrowing based on the individual loan agreements concluded on November 13, 2015 (planned) with above lenders.
(7) Maturity date:	May 31, 2019
(8) Repayment method:	Lump-sum repayment on maturity date
(9) Security:	Secured

② Term loan (5 years) (Note 1)

(1) Lenders:	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2):	JPY1,500,000,000
(3) Interest rate (Note 3):	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.700%

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(4) Planned drawdown date (Note 5):	November 17, 2015
(5) Interest payment date:	The first payment date is December 30, 2015 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) Borrowing method:	Borrowing based on the individual loan agreements concluded on November 13, 2015 (planned) with above lenders.
(7) Maturity date:	November 30, 2020
(8) Repayment method:	Lump-sum repayment on maturity date
(9) Security:	Secured

③ Term loan (6 years) (Note 1)

(1) Lenders:	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2):	JPY1,000,000,000
(3) Interest rate (Note 3):	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.900%
(4) Planned drawdown date (Note 5):	November 17, 2015
(5) Interest payment date:	The first payment date is December 30, 2015 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) Borrowing method:	Borrowing based on the individual loan agreements concluded on November 13, 2015 (planned) with above lenders.
(7) Maturity date:	November 30, 2021
(8) Repayment method:	Lump-sum repayment on maturity date
(9) Security:	Secured

④ Term loan (7 years) (Note 1)

(1) Lenders:	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2):	JPY1,000,000,000
(3) Interest rate (Note 3):	To be decided (fixed interest rate) (Note 6)
(4) Planned drawdown date (Note 5):	November 17, 2015
(5) Interest payment date:	The first payment date is December 30, 2015 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) Borrowing method:	Borrowing based on the individual loan agreements concluded on November 13, 2015 (planned) with above lenders.
(7) Maturity date:	November 30, 2022

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(8) Repayment method:	Lump-sum repayment on maturity date
(9) Security:	Secured

⑤ Term loan (1 year) (Note 1)

(1) Lenders:	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2):	JPY200,000,000
(3) Interest rate (Note 3):	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.300%
(4) Planned drawdown date (Note 5):	November 17, 2015
(5) Interest payment date:	The first payment date is December 30, 2015 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) Borrowing method:	Borrowing based on the individual loan agreements concluded on November 13, 2015 (planned) with above lenders.
(7) Maturity date:	October 31, 2016
(8) Repayment method:	Lump-sum repayment on maturity date
(9) Security:	Secured

⑥ Backup loan (1 year) (Note 1) (Note 7)

(1) Lenders:	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2):	JPY900,000,000 (upper limit)
(3) Interest rate (Note 3):	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.300%
(4) Planned drawdown date (Note 5):	November 17, 2015
(5) Interest payment date:	The first payment date is December 30, 2015 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) Borrowing method:	Borrowing based on the individual loan agreements concluded on November 13, 2015 (planned) with above lenders.
(7) Maturity date:	October 31, 2016
(8) Repayment method:	Lump-sum repayment on maturity date
(9) Security:	Secured

(Note 1) Concerning the Borrowings, although the result of study on lenders planned to be participants of the syndicate has been notified by the arranger, loan agreements have not been concluded as of today. Therefore, execution of the Borrowings is not guaranteed and the actual total amount of loans may be changed.

(Note 2) "Planned loan amount" indicates the maximum amount planned as of today. The finalized total loan amount may be changed before the actual execution of the Borrowings, taking into account the total amount of proceeds from the public offering (the public offering announced in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" separately announced today (the "Public Offering")) and other factors.

(Note 3) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

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(Note 4) 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/>).

(Note 5) "Planned drawdown date" may be changed in line with the determination of payment date of the Public Offering, etc.

(Note 6) The interest rate shall be announced once it is determined.

(Note 7) The upper limit of the loan is JPY900 million. However, the actual loan amount will be finalized on the loan agreement which is scheduled to be concluded after the paid-in amount of the Public Offering is determined. The loan amount may be changed or the borrowing may be cancelled depending on the amount of proceeds from the Public offering. Tosei Reit will not execute the borrowing if the estimated total paid-in amount of the Public Offering calculated based on the closing price of the regular transaction of the investment units at the Tokyo Stock Exchange, Inc. on October 16, 2015 (Friday) is assumed.

2. Reason for the Borrowings

Tosei Reit is using the borrowed funds for the acquisition of 5 properties to be acquired (total planned acquisition price of JPY11,924 million) described in "Notice Concerning Acquisition of Real Estate Trust Beneficiary Rights and Leases (Total of 5 Properties)" separately announced today, and for portion of acquisition-related expenses.

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

(1) Amount to be procured

JPY5,700,000,000 (Note 1)

(2) Specific use of funds to be procured

For the acquisition of the above real estate trust beneficiary interests to be acquired and for a portion of acquisition-related expenses

(3) Schedule of expenditure (planned)

November 17, 2015 (Note 2)

(Note 1) Amount to be procured is a planned amount for the Borrowings provisionally calculated with assumed estimate of total paid-in amount of the Public Offering which is calculated based on the closing price of the regular transaction of the investment units at the Tokyo Stock Exchange, Inc. on October 16, 2015 (Friday), and does not include the borrowing through the backup loan (1 year). However, the actual loan amount will be finalized on the loan agreement which is scheduled to be concluded after the paid-in amount of the Public Offering is determined. The amount may be changed or the borrowing may be cancelled after taking into account the amount of proceeds from the Public offering.

(Note 2) Schedule of expenditure (planned) may be changed in line with the determination of payment date of the Public Offering, etc.

4. Status of loans, etc. after the Borrowings

(Unit: JPY million)

	Before the Borrowings	After the Borrowings	Increase (Decrease)
Short-term loans (Note 1) (Note 2)	0	1,100	+1,100
Long-term loans (Note 1)	9,169	14,669	+5,500
Total loans (Note 2)	9,169	15,769	+6,600
Investment corporation bonds	0	0	—
Total sum of loans and investment corporation bonds (Note 2)	9,169	15,769	+6,600
Other interest-bearing debt	0	0	—
Total interest-bearing debt (Note 2)	9,169	15,769	+6,600

(Note 1) 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.

(Note 2) Short-term loans, Total loans, Total sum of loans and investment corporation bonds and Total interest-bearing debt indicate amounts when the entire JPY900 million, the upper limit of the planned loan amount through backup loan (1 year), is procured. However, the actual amount to be procured will be finalized on the loan agreement which is scheduled to be concluded after the paid-in amount of the Public Offering is determined. The amount may be changed or the borrowing may be cancelled after taking into account the amount of proceeds from the Public offering.

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5. Other

Concerning the risks associated with the Borrowings, there is no material change from the content of “Part II. Reference Information; Section 2. Information Supplementary to Reference Documents; 3. Investment Risks” of the securities registration statement submitted today.

- * This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.
- * Tosei Reit Investment Corporation website: <http://www.tosei-reit.co.jp/en/>

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