

For Translation Purpose Only

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Real Estate Investment Trust Securities Issuer
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Notice Concerning Master Lease Agreement of Tama Center Tosei Building

Tosei Reit Investment Corporation (“Tosei Reit”) announces that concerning Tama Center Tosei Building, which is an investment asset of Tosei Reit, Tosei Community Co., Ltd. (the “Lessor”) and Tosei Corporation (the “Lessee”) agreed to re-contract, with the details described below, the fixed-rent master lease agreement (the “ML Agreement”) which had been concluded; and concluded a letter of understanding today.

1. Re-contract

The Lessor and the Lessee agree to conclude a new fixed-rent master lease agreement (the “New ML Agreement”) which begins on November 28, 2016 (the day after the expiration date of the leasing period of the current ML Agreement) and ends on November 30, 2020. Items not specified in the letter of understanding are to follow, in principle, the contents of the current ML Agreement.

(Note) “Master lease agreement” refers to the contract form where investment real estate is leased with a separate lessee (master lessee) mediating between the lessor and tenants. “Fixed-rent master lease agreement” refers to a master lease agreement of which the contract form is the receipt of a fixed amount of rent regardless of fluctuations in rent from tenants.

2. Rent

The master lease rent (rent paid to the Lessor by the Lessee) applicable under the New ML Agreement will be newly set as follows based on the discussions with the Lessee on income and expenditure plan of the master lease business, etc. taking into account the market level and the current occupancy rate.

	ML Agreement	New ML Agreement
Annual rent (Note1)	JPY346 million	JPY329 million (Note 2)

(Note 1) “Annual rent” indicates figures obtained by annualizing (or multiplying by 12) the monthly rent for leased space under the agreement and rounding them to the nearest million yen.

(Note 2) Approximately 5.1% decrease compared to the current rent.

3. Additional rent

Additional rent is newly established this time so that Tosei Reit will be able to receive benefits when an occupancy rate surpasses the forecast. The details are as follows.

Counting from the start of the New ML Agreement, in and after the month when the cumulative amount obtained by subtracting leasing cost from the total amount of rents the Lessee has received from the

sublessee (a lessee who leases the subject property from the Lessee. The same shall apply hereinafter.) up to a certain calendar month (the “Cumulative Rent Received”) surpasses the cumulative amount of rent the Lessee has paid to the Lessor up to the relevant month (the “Cumulative Rent Paid”), when the Cumulative Rent Received surpasses the Cumulative Rent Paid during the calculation period of additional rent; the amount calculated under a certain calculation formula shall be paid as an additional rent to the Lessor by the Lessee, in addition to the rent specified in 2. above.

4. Future Outlook

There is no impact of the agreement for the re-contract on the operating results for the fiscal period ending October 31, 2016 (4th Period). For the outlook of the operating results for the fiscal period ending April 30, 2017 (5th Period), please refer to “Outlook for Management Status for Fiscal Period Ending October 31, 2016 and Fiscal Period Ending April 30, 2017” in the Financial Report for the Fiscal Period Ended April 30, 2016 announced today.

* 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/>