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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Forecasts for the Fiscal Periods Ending April 30, 2015 (1st Period)
and October 31, 2015 (2nd Period)

Tosei Reit Investment Corporation (“Tosei Reit”) announces its operating results forecasts for the fiscal periods ending April 30, 2015 (1st Period) and October 31, 2015 (2nd Period) announced on October 28, 2014, as described below.

| | Operating revenue (JPY million) | Operating income (JPY million) | Ordinary income (JPY million) | Net Income (JPY million) | Cash distribution per unit (not including cash distribution in excess of earnings) (JPY) | Cash distribution in excess of earnings per unit (JPY) |
|---|------------------------------------|-----------------------------------|----------------------------------|-----------------------------|--|---|
| Fiscal period ending April 30, 2015 (1st Period) | 638 | 268 | 36 | 36 | 376 | — |
| Fiscal period ending October 2015 (2nd Period) | 759 | 322 | 266 | 266 | 2,775 | — |

(Reference)

Fiscal period ending April 30, 2015 (1st Period):

Forecast number of investment units issued and outstanding at the end of the fiscal period: 96,000 units

Forecast net income per unit: JPY376

Fiscal period ending October 2015 (2nd Period):

Forecast number of investment units issued and outstanding at the end of the fiscal period: 96,000 units

Forecast net income per unit: JPY2,775

(Note 1) Fiscal periods of Tosei Reit are from May 1 to October 31 and from November 1 to April 30 of the following year for every year. However, the first fiscal period is from the establishment date of Tosei Reit (September 4, 2014) to April 30, 2015.

(Note 2) The forecasts indicated above are calculated assuming an issue price of new investment units to be JPY100,000 per unit.

(Note 3) The forecasts indicated above are the current figures calculated under the assumptions described in the Attachment “Assumptions for Forecasts for the Fiscal Periods Ending April 30, 2015 (1st Period) and October 31, 2015 (2nd Period).”

The actual operating revenue, operating income, ordinary income, net income and cash distribution per unit (not including cash distribution in excess of earnings) may be subject to change due to variances in the assumptions arising from changes in operational environment such as additional acquisition/disposition of real estate, etc., changes in rental

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income associated with changes in tenants or other causes and unexpected occurrences of repair, etc., fluctuations in interest rates, the issue price of new investment units actually determined, and changes in other conditions surrounding Tosei Reit, etc. in the future. In addition, Tosei Reit does not guarantee any actual cash distribution amount by announcing the forecast figures.

(Note 4) The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts and actual figures.

(Note 5) The investment units of Tosei Reit are scheduled to be listed on the Tokyo Stock Exchange's real estate investment trust market (J-REIT market) on November 27, 2014.

(Note 6) Unless otherwise specified, amounts are rounded down to the nearest specified unit and ratios are rounded to the first decimal place.

* 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.

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【Attachment】

Assumptions for Forecasts for the Fiscal Periods Ending April 30, 2015 (1st Period)
and October 31, 2015 (2nd Period)

| Item | Assumptions |
|-------------------------|---|
| Calculation Period | <ul style="list-style-type: none"> • Fiscal period ending April 30, 2015 (1st Period): September 4, 2014 – April 30, 2015 (239 days) • Fiscal period ending October 31, 2015 (2nd Period): May 1, 2015 – October 31, 2015 (184 days) |
| Assets under Management | <ul style="list-style-type: none"> • It is assumed that trust beneficiary interests in real estate to be newly acquired (12 properties in total: the “Properties to be Acquired”) after the issuance of new investment units, which was resolved at the Board of Directors meetings held on October 28, 2014, are acquired on November 28, 2014, as well as that there will be no change (new property acquisitions, sales of existing properties, etc.) through the end of the fiscal period ending October 2015. • In practice, they may vary due to acquisition of new properties other than the Properties to be Acquired or sales of properties held, etc. |
| Operating Revenue | <ul style="list-style-type: none"> • It is assumed that operating revenue is from the Properties to be Acquired. For rental revenues, it is assumed that no rent payments will be behind or declined by tenants, taking into account the information obtained from the present owners and such of the Properties to be Acquired, tenant trends, market trends, etc. |
| Operating Expenses | <ul style="list-style-type: none"> • Among expenses related to rent business, which are the principal operating expenses, expenses excluding depreciation are calculated on the basis of historical data, reflecting variable factors of expenses, based on the information obtained from the present owners and such of the Properties to be Acquired. • Depreciation is calculated using the straight line method, including incidental expenses and others. Depreciation is assumed to be JPY93 million each for the fiscal period ending April 2015 and the fiscal period ending October 2015. • Upon transactions of real estate and other properties, it is a general practice to calculate and reimburse the pro rata portion of fixed property taxes, city planning taxes and other public charges based on the number of days of ownership to the previous owner and settle them at the time of acquisition. However, the settled amount is included in the acquisition cost and is not recorded as expenses. Therefore, concerning the Properties to be Acquired, fixed property taxes, city planning taxes and other public charges in the fiscal 2014 will not be recorded as expenses in the fiscal year ending April 2015. The fixed property taxes, city planning taxes and other public charges to be included in the acquisition cost of the Properties to be Acquired are assumed to be JPY12 million (equivalent to that for 34 days). • For the expenditures for repair and maintenance of buildings, the amounts expected to be required in the relevant fiscal periods have been recorded as costs based on the amount planned by Tosei Asset Advisors Inc., the asset management company of Tosei Reit, after considering the amounts stated in the engineering report. However, the expenditures for repair and maintenance for the fiscal periods could differ significantly from the estimated amounts, as expenditures may arise urgently due to damages to buildings and such caused by unexpected factors, and because the variance in amounts generally tends to be significant from year to year and repair and maintenance expenses do not arise regularly. |
| Non-operating Expenses | <ul style="list-style-type: none"> • As temporary expenses for the fiscal period ending April 2015, JPY60 million for the establishment of Tosei Reit and a total of JPY99 million for issuance of new investment units and expenses related to listing/offering of investment units are expected. • Interest expense and financial expenses are expected to be JPY71 million for the fiscal period ending April 2015 and JPY56 million for the fiscal period ending October 2015. Among the financial expenses, JPY25 million in the fiscal period ending April 2015 and JPY25 million in the fiscal period ending October 2015 will be amortized in accordance with the borrowing period as deferred cost. |
| Debt Financing | <ul style="list-style-type: none"> • It is assumed that new debt financing of JPY9,169 million in total will be made from the qualified institutional investors (institutional investors who are specified by Ordinance of the Ministry of Internal Affairs and Communications among those defined under Article 67-15 Paragraph 1 item 1 (b)-2 of Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) and Article 7 Paragraph 7 item 3, supplementary provision of the Order for Enforcement of the Local Tax Act (Cabinet Order No. 245 of 1950, as amended)) defined under Article 2 Paragraph 3 item 1 of Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), as of November 28, 2014. It is also assumed that there will be no changes, other than the above, in debt outstanding through the end of the fiscal period ending October 2015. • LTVs as of the end of the fiscal period ending April 2015 (1st Period) and the end of the fiscal period ending October 2015 (2nd Period) are expected to be 47% for both of them. • LTV is calculated by using the following calculation method. LTV = Total interest-bearing debt/total assets x 100 • LTV may fluctuate depending on the issue price of new investment units to be issued this time around. |

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| | |
|---|--|
| <p>Number of Investment Units Issued and Outstanding</p> | <ul style="list-style-type: none"> • It is assumed that, in addition to 9,600 investment units issued and outstanding as of today, new investment units (86,400 units) will be issued through public offering as was resolved at the Board of Directors meeting held today. • It is assumed that, except for the above, there will be no changes in the number of investment units due to additional issuance of new investment units and such through the end of the fiscal period ending October 2015. • Cash distribution per unit is calculated using the forecast number of investment units issued and outstanding at the end of the fiscal period ending April 2015 and the end of the fiscal period ending October 2015 (96,000 units) including 86,400 units scheduled to be newly issued as stated above. |
| <p>Cash Distribution per Unit (not including cash distribution in excess of earnings)</p> | <ul style="list-style-type: none"> • Cash distribution per unit (not including cash distribution in excess of earnings) is calculated on the assumption described in the monetary cash distribution policy stipulated in Tosei Reit's Articles of Incorporation. • It is assumed that the entire amount of unappropriated retained earnings is distributed excluding the portion where cash distribution per unit would be less than JPY1. • It is possible that the cash distribution per unit (not including cash distribution in excess of earnings) could change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc., and unexpected repair and maintenance, etc. |
| <p>Cash Distribution in Excess of Earnings per Unit</p> | <ul style="list-style-type: none"> • Tosei Reit does not currently anticipate cash distributions in excess of earnings per unit. |
| <p>Other</p> | <ul style="list-style-type: none"> • Forecasts are based on the assumption that revisions will not be made to laws and regulations, tax systems, accounting standards, listing rules, rules of the Investment Trusts Association, Japan that impact forecast figures. • Forecasts are based on the assumption there will be no major unforeseen changes to general economic trends in real estate and other market conditions, etc. |

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