

For Translation Purpose Only

December 16, 2016

Real Estate Investment Trust Securities Issuer
Tosei Reit Investment Corporation
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(Securities Code: 3451)

Asset Management Company
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Notice Concerning Obtainment and Cancellation 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 retail facility and a residential property from Tosei Corporation (the “Sponsor”), the sponsor of Tosei Reit, as described below.

We also announce the cancellation of the preferential negotiating rights (T’s garden Nishi Hachioji (Former Property Name: Miyata Building No.14)) 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. Obtainment and cancellation of preferential negotiating rights

(1) Obtainment of preferential negotiating rights

Property name: Wako Building
Date of obtainment: December 16, 2016
Preferential negotiating period: From the date of obtainment above to May 31, 2016
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.

Property name: Lumiere No.3
Date of obtainment: December 16, 2016
Preferential negotiating period: From the date of obtainment above to May 31, 2016
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) Cancellation of preferential negotiating rights

Property name:	T's garden Nishi Hachioji
Date of cancellation:	December 16, 2016
Reason for cancellation:	Preferential negotiating rights are cancelled due to notification received from Tosei Asset Advisors, Inc. (the "Asset Management Company") as the Asset Management Company deemed that there were no prospects of fulfilling the investment criteria of Tosei Reit. No penalty, etc. shall arise from the cancellation of the preferential negotiating right.

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 the properties which preferential negotiating rights were granted (Note 1), have yet to be determined. It is not guaranteed that Tosei Reit will be able to acquire the Properties nor is Tosei Reit obliged to acquire the Properties.

Tosei Reit will perform the necessary due diligence upon actual acquisition of the Property and make decisions in compliance with the Asset Management Company's interested-party transaction rules.

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

(Note 1) The total number of properties for which preferential negotiating rights have been granted by the Sponsor as of today is three (Twin Avenue, Wako Building, Lumiere No.3).

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



Property Name	Twin Avenue
Address	Sekimachi-kita, Nerima-ku, Tokyo
Property type	Residence
Site area / Total floor area	2,475.07 m ² (Note 2) / 4,563.79m ²
Construction	SRC, flat roof 8F
Completed	March 1992

(Note 2) In "Notice Concerning Obtainment and Modification of the Condition of Preferential Negotiating Rights Pertaining to Acquisition of Investment Assets" dated September 30, 2016, the site area of the property was stated as 2,702.95m². However,

it should have been “2,475.07m².” We hereby correct the information.



Property Name	Wako Building
Address	Takasu, Mihama-ku, Chiba
Property type	Shops / Office
Site area / Total floor area	1,104.14m ² / 4,059.79m ²
Construction	S, flat roof, B1,5F
Completed	May 1986



Property Name	Lumier No.3
Address	Shiba, Kawaguchi-shi, Saitama
Property type	Residence / Shops
Site area / Total floor area	3,129.63m ² / 5,812.86m ²
Construction	RC, roofing, 7F
Completed	September 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 April 30, 2017 (5th fiscal period) and October 31, 2017(6th fiscal period) due to the obtainment and cancellation of the preferential negotiating rights.

* 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/>