

For Immediate Release

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

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Tosei Reit Investment Corporation (“Tosei Reit”) announces that it resolved at the Board of Directors meeting held on October 28, 2014 concerning issuance of new investment units and secondary offering of investment units, which are to be conducted upon listing the investment units of Tosei Reit (the “Investment Units”) on Tokyo Stock Exchange, Inc. (“TSE”), as described below.

1. Issuance of new investment units through public offering (primary offering)

- (1) Total number of investment units to be offered: 86,400 units
- (2) Paid-in amount (issue amount): To be determined
(The amount shall be determined at a meeting of Board of Directors to be held on November 19, 2014 (Wednesday) (the “Pricing Date”))
- (3) Total paid-in amount (total issue amount): To be determined
- (4) Issue price (offer price): To be determined
The issue price (offer price) will be determined using the book building method (denoting a method for determining the issue price, etc., after indicating investors’ provisional conditions regarding the issue price at the time of solicitation for applications for the acquisition of investment units and understanding the state of investors’ demand for investment units), which is provided in Article 1210 of the enforcement rule of the securities listing regulations established by TSE, on the Pricing Date.
- (5) Total issue price (offer price): To be determined
- (6) Offering method: The offering of the Investment Units shall be through a public offering, and underwritten in full by Daiwa Securities Co., Ltd. and SMBC Nikko Securities Inc. (collectively referred to as the “Joint Lead Managers”) and Mizuho Securities Co., Ltd. (the above collectively referred to as the “Underwriters”).
- (7) Underwriting agreement: The underwriters shall underwrite the issue at the paid-in amount, which is to be determined on the Pricing Date, and publicly offer the issue at a different price (issue price). Tosei Reit will pay no underwriting fee to the Underwriters. However, the Underwriters shall pay the total paid-in amount (total issue amount) to Tosei Reit on the payment date identified in (11) below. The difference between the total issue price (total offer price) and the total paid-in amount (total issue amount) in the public offering shall be the proceeds of the Underwriters.

Disclaimer: This document is an English translation of a press release for public announcement concerning issuance of new investment units and secondary offering of investment units by Tosei Reit Investment Corporation, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to Tosei Reit’s prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

- (8) Period of notification of demand (book building period): From November 13 (Thursday), 2014 to November 18 (Tuesday), 2014
- (9) Subscription unit: One unit or more in multiples of one unit
- (10) Subscription period: From November 20 (Thursday), 2014 to November 25 (Tuesday), 2014
- (11) Payment date: November 26 (Wednesday), 2014
- (12) Delivery date: November 27, (Thursday), 2014
- (13) The paid-in amount (issue amount), issue price (offer price) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors' meeting.
- (14) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan.

2. Secondary offering of investment units (over-allotment) (please refer to <Reference> 2. below.)

- (1) Number of investment units to be offered: 4,320 units
The above-mentioned number indicates the maximum number of investment units to be offered through the secondary offering (over-allotment), which is conducted by Daiwa Securities Co., Ltd. upon public offering after considering the demand, etc. There may be cases where this number is reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other factors. The number of investment units to be offered through the secondary offering shall be determined at the Board of Directors' meeting to be held on the Pricing Date taking into account the demand for the public offering and other factors.
- (2) Seller: Daiwa Securities Co., Ltd.
- (3) Offer price: To be determined
The offer price shall be determined at a meeting of Board of Directors to be held on the Pricing Date, and shall be same as the issue price (offer price) for the public offering.
- (4) Total offer price: To be determined
- (5) Offering method: In consideration of the demand and other factors of the public offering, Daiwa Securities Co., Ltd. shall, aside from the public offering, offer the Investment Units (up to 4,320 units) borrowed from Tosei Corporation. The lending and borrowing will be conditional on the sale of 4,320 units, out of the Investment Units in the public offering, to Tosei Corporation as stated in <Reference> 5. below.
- (6) Subscription unit: One unit or more in multiples of one unit
- (7) Subscription period: From November 20 (Thursday), 2014 to November 25 (Tuesday), 2014
- (8) Delivery date: November 27 (Thursday), 2014
- (9) The offer price and other items necessary for the secondary offering through over-allotment shall be determined at a future Board of Directors' meeting.
- (10) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan.

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<Reference>

1. The Investment Units are planned to be listed on the TSE on November 27 (Thursday), 2014 (the “Listing (start of trading) Date”).

2. Details of the secondary offering (over-allotment)

Taking into account the demand and other factors upon the public offering, Daiwa Securities Co., Ltd. may implement a secondary offering of the Investment Units (the “Borrowed Investment Units”) (up to 4,320 units) (the lending and borrowing will be conditional on the sale of 4,320 units, out of the Investment Units in the public offering, to Tosei Corporation as stated in <Reference> 5. below) (secondary offering through over-allotment) borrowed from Tosei Corporation, a unitholder of Tosei Reit, aside from the public offering. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 4,230, but the number is the maximum amount. The number may be reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other factors.

Upon secondary offering through over-allotment, Tosei Corporation grants Daiwa Securities Co., Ltd. an option to additionally acquire the Investment Units for the same price as the issue price, up to the number of units for the secondary offering through over-allotment (the “greenshoe option”). The greenshoe option shall be exercised between the Listing (start of trading) Date and December 19 (Friday), 2014.

For the purpose of returning the Borrowed Investment Units, Daiwa Securities Co., Ltd. may also purchase the Investment Units up to the number of units for the secondary offering through over-allotment at the TSE (the “Syndicated Cover Transaction”) during the period from the Listing (start of trading) Date to December 19 (Friday), 2014 (the “Syndicated Cover Transaction Period”) . All of the Investment Units purchased by Daiwa Securities Co., Ltd. through the Syndicated Cover Transaction shall be used to return the Borrowed Investment Units. There may be cases in which Daiwa Securities Co., Ltd. does not conduct the Syndicated Cover Transaction at all or ends the Syndicated Cover Transaction with the number of Investment Units that is smaller than the number of the Investment Units offered through the secondary offering (over-allotment), at its sole discretion during the Syndicated Cover Transaction Period.

For the number of the Investment Units obtained by subtracting the number of Investment Units that are purchased through the Syndicated Cover Transaction and used to return the Borrowed Investment Units from the number of the Investment Units for the secondary offering (over-allotment), Daiwa Securities Co., Ltd. shall exercise the greenshoe option.

Whether or not the secondary offering (over-allotment) is conducted, and the number of investment units to be offered when it is conducted, shall be determined on the Pricing Date. When the secondary offering (over-allotment) is not conducted, neither the borrowing of the Investment Units from Tosei Corporation by Daiwa Securities Co., Ltd. nor granting of the greenshoe option to Daiwa Securities Co., Ltd. by Tosei Corporation nor the Syndicated Cover Transaction at the TSE shall be conducted.

Daiwa Securities Co., Ltd. shall conduct the Syndicated Cover Transaction upon consultation with SMBC Nikko Securities Inc.

3. Changes in total number of investment units issued and outstanding after these issuances of new investment units

Total number of investment units issued and outstanding at present:	9,600 units
Number of new Investment Units to be issued through public offering:	86,400 units
Total number of investment units issued and outstanding after new issuance through public offering:	96,000 units

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

- (1) Amount to be procured (approximate net balance Tosei Reit will obtain)

JPY8,640 million

(Note) The above amount is an expected amount as of today.

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(2) Specific use of the funds to be procured and scheduled expenditure date

The net proceeds Tosei Reit will receive from the public offering will be used for part of the funds for the acquisition of new specified assets (the same meaning as defined in Article 2 Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended)).

5. Designation of party to receive allocation

The Underwriters plan to sell 4,320 units out of the Investment Units offered through the public offering to Tosei Corporation, the shareholder of the asset management company, as a buyer designated by Tosei Reit.

6. Future outlook

Please refer to the “Notice Concerning Forecasts for the Fiscal Periods Ending April 30, 2015 (1st Period) and October 31, 2015 (2nd Period)” separately announced today.

7. Status of past equity financing, etc.

Date of payment	Type of issue	Number of investment units issued and outstanding (units)		Unitholders' capital (JPY million)		Remark
		Increase/decrease	Balance	Increase/decrease	Balance	
September 4, 2014	Private placement for incorporation	9,600	9,600	960	960	(Note)

(Note) Upon establishing Tosei Reit, investment units with per-unit issue price of JPY100,000 were issued.

8. Restrictions on sale and additional issuance of investment units, etc.

(1) With respect to the public offering, Tosei Reit plans to request Tosei Corporation, a unitholder of Tosei Reit, to agree with the Joint Lead Managers that the Investment Units (9,600 units) currently held by the company and the Investment Units (4,320 units), which the company plans to acquire through the public offering as stated in the above <Reference> 5, will not be sold, etc. (excluding the lending of the Investment Units to Daiwa Securities Co., Ltd. associated with the offering through over-allotment, and sales and such of the Investment Units to Daiwa Securities Co., Ltd. based on the exercising of the greenshoe option) during the period from the Pricing Date to a date when 360 days have passed after the delivery date for the public offering, without the prior written approval of the Joint Lead Managers.

The Joint Lead Managers have the rights to cancel the above restrictions in part or in whole at their discretion even during the period stated above.

(2) With respect to the public offering, Tosei Reit has agreed with the Joint Lead Managers that it will not issue the Investment Units (except for the public offering and issuance of new investment units in line with a split of investment units) for a period from the Pricing Date to a date when 90 days have passed after the delivery date for the public offering without prior written consent of the Joint Lead Managers.

The Joint Lead Managers have the rights to cancel the above restrictions in part or in whole at their discretion even during the period stated above.

(3) In addition, aside from the restrictions described in above (1), Tosei Corporation has made commitment with Tosei Reit to the continuous ownership of investment units based on the TSE regulations upon listing the Investment Units on the TSE. Under the commitment, Tosei Corporation is to own all of the investment units it owns as of today until the date when one year has passed from September 4, 2014.

* 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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