

March 30, 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 Revision to Forecasts for Operating Results and Cash Distribution per Unit
for the Fiscal Period Ending April 30, 2015 (1st Period)

Tosei Reit Investment Corporation (“Tosei Reit”) announces that it has revised the operating results and cash distribution per unit forecasts for the fiscal period ending April 30, 2015 (1st Period) announced on November 27, 2014 in “Notice Concerning Forecasts for the Fiscal Periods Ending April 30, 2015 (1st Period) and October 31, 2015 (2nd Period),” as described below.

1. Revisions to operating results and cash distribution per unit forecasts

Fiscal Period ending April 2015 (1st Period)

	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)
Previous forecast (A)	638	268	35	35	373	—
Revised forecast (B)	657	331	174	174	1,821	—
Variation (B-A)	18	63	138	138	1,448	—
Rate of variation	2.9%	23.7%	387.3%	387.3%	388.2%	—

(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 revised forecasts indicated above are the current figures calculated under the assumptions described in the Attachment “Assumptions for Forecasts for the Fiscal Period Ending April 30, 2015 (1st 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 income associated with changes in tenants or other causes and unexpected occurrences of repair, fluctuations in interest rates, additional issuance of investment units, etc., or 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 3) The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts and actual figures.

(Note 4) Unless otherwise specified, amounts are rounded down to the nearest specified unit and ratios are rounded to the first decimal place.

Disclaimer: This document is an English translation of a press release for public announcement concerning revision to forecasts for operating results and cash distribution per unit for the fiscal period ending April 30, 2015 (1st Period) by Tosei Reit Investment Corporation, and has not been prepared for the purpose of solicitation of investment.

2. Reason for revisions

Concerning the operating results forecasts for the fiscal period ending April 30, 2015 (1st Period) announced on November 27, 2014 in “Notice Concerning Forecasts for the Fiscal Periods Ending April 30, 2015 (1st Period) and October 31, 2015 (2nd Period),” differences of 30% or more is expected to arise in the forecasts for ordinary income and net income due to following reasons as well as a difference of 5% or more in the forecast for cash distribution per unit, and thus revisions to forecasts for ordinary income, net income and cash distribution per unit were made. Along with these revisions, operating revenue has been revised taking into consideration the most recent situation. As to the forecasts for the fiscal period ending October 2015 (2nd Period), there are no revisions since the impact from the revisions to the forecasts for the fiscal period ending April 2015 (1st Period) are minimal.

Main factors for revisions to revenue and income are as follows.

- Operating revenue: Rental revenues are maintaining a level higher than the assumed figures.
- Operating income: The amount of fixed property taxes, city planning taxes and other public charges in fiscal 2015 is expected to be JPY37 million lower than what was expected in the previous forecast.
- Ordinary income: Non-operating expenses described below have been reduced significantly due to cost-cutting efforts.

Expected reduction in non-operating expense items

Item	Previous forecast	Revised forecast	Difference
Establishment of Tosei Reit	JPY60 million	JPY45 million	-JPY14 million
Issuance of investment units, expenses related to listing/offering of the investment units	JPY100 million	JPY53 million	-JPY46 million
Interest expense and financial expenses	JPY71 million	JPY57 million	-JPY13 million
Total	JPY232 million	JPY157 million	-JPY75 million

* 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/>

Disclaimer: This document is an English translation of a press release for public announcement concerning revision to forecasts for operating results and cash distribution per unit for the fiscal period ending April 30, 2015 (1st Period) by Tosei Reit Investment Corporation, and has not been prepared for the purpose of solicitation of investment.

【Attachment】

Assumptions for Forecasts for the Fiscal Period Ending April 30, 2015 (1st Period)

Item	Revised 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)
Assets under Management	<ul style="list-style-type: none"> It is assumed that there will be no change (new property acquisitions, sales of assets under management, etc.) through the end of the fiscal period ending October 2015 to the trust beneficiary interests in real estate owned by Tosei Reit as of today (12 properties in total; the “Assets under Management”). In practice, they may vary due to acquisition of new properties other than the Assets under Management or sales of properties managed, etc.
Operating Revenue	<ul style="list-style-type: none"> It is assumed that operating revenue is from the Assets under Management. For rental revenues from the Assets under Management, it is assumed that no rent payments will be behind or declined by tenants, taking into account the 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. As to operational management costs, which account for a large portion of expenses related to the rent business, JPY45 million is recorded while JPY15 million is recorded for property management costs. Depreciation is calculated using the straight line method, including incidental expenses and others, and is assumed to be JPY89 million. 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 Assets under Management, 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 Assets under Management are assumed to be JPY12 million (equivalent to that for 34 days). For the expenditure for repair and maintenance of buildings, the amount expected to be required in the fiscal period has been recorded as costs (JPY20 million) based on the amount planned by Tosei Asset Advisors Inc., the asset management company of Tosei Reit, after considering the amount stated in the engineering report. However, the expenditure for repair and maintenance for the fiscal period could differ significantly from the estimated amount, 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 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, JPY45 million for the establishment of Tosei Reit and a total of JPY53 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 JPY57 million. Among the financial expenses, JPY20 million will be amortized in accordance with the borrowing period as deferred cost.
Debt Financing	<ul style="list-style-type: none"> It is assumed that 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 today. 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 April 2015. LTV as of the end of the fiscal period ending April 2015 (1st Period) is expected to be 47%. LTV is calculated by using the following calculation method. $LTV = \text{Total interest-bearing debt} / \text{total assets} \times 100$
Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> It is assumed that the number of investment units issued and outstanding will be 96,000 as it is as of today, and that there will be no changes to this number due to additional issuance of new investment units and such through the end of the fiscal period ending April 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 (96,000 units).

Disclaimer: This document is an English translation of a press release for public announcement concerning revision to forecasts for operating results and cash distribution per unit for the fiscal period ending April 30, 2015 (1st Period) by Tosei Reit Investment Corporation, and has not been prepared for the purpose of solicitation of investment.

Cash Distribution per Unit (not including cash distribution in excess of earnings)	<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 maintenance and repairs, etc.
Cash Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> • Tosei Reit does not currently anticipate a cash distribution in excess of earnings per unit.
Other	<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.

Disclaimer: This document is an English translation of a press release for public announcement concerning revision to forecasts for operating results and cash distribution per unit for the fiscal period ending April 30, 2015 (1st Period) by Tosei Reit Investment Corporation, and has not been prepared for the purpose of solicitation of investment.