

For Translation Purpose Only

Real Estate Investment Trust Securities Issuer
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Notice Concerning Debt Financing

Tosei Reit Investment Corporation (“Tosei Reit”) announces today that it has decided to obtain debt financing (“Borrowings”, as described below.)

1. Description of the Borrowings

① Term loan (3.6years) (Note 1)

(1) Lenders	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2)	JPY1,600 million
(3) Interest rate (Note 3)	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.50%
(4) Planned drawdown date (Note 5)	November 2, 2016
(5) Interest payment date	The first payment date is November 30, 2016 and interest payment dates are the end of each month and on the maturity date (If such date is not a business day, the immediately following business date; if such a date is in the next month, the immediately preceding business date.)
(6) Borrowing method	Borrowing based on the individual loan agreements concluded on October 31, 2016 (planned) with above lenders.
(7) Maturity date	May 29, 2020
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

② Term loan (5.0 years) (Note 1)

(1) Lenders	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2)	JPY1,700 million
(3) Interest rate (Note 3)	To be decided (fixed interest rate) (Note 5)

Disclaimer: This document is an English translation of a press release for public announcement concerning debt financing 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.

(4) Planned drawdown date (Note 5)	November 2, 2016
(5) Interest payment date	The first payment date is November 30, 2016 and interest payment dates are the end of each month and on the maturity date (If such date is not a business day, the immediately following business date; if such a date is in the next month, the immediately preceding business date.)
(6) Borrowing method	Borrowing based on the individual loan agreements concluded on October 31, 2016 (planned) with above lenders.
(7) Maturity date	October 29, 2021
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

(Note 1) Concerning the Borrowings, although the result of study on lenders planned to be participants of the syndicate has been notified by the arranger, loan agreements have not been concluded as of today. Therefore, execution of the Borrowings is not guaranteed and the day the loans become effective and the terms of loans may be changed.

(Note 2) "Planned loan amount" indicates the maximum amount planned as of today.

(Note 3) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 4) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/rate/>).

(Note 5) The interest rate shall be announced once it is determined.

2. Reason for the Borrowings

Tosei Reit is using the borrowed funds for the acquisition of 5 properties to be acquired (total planned acquisition price of JPY 5,337 million) described in "Notice Concerning Acquisition of Real Estate Trust Beneficiary Rights and Leases (Total of 5 Properties)" separately announced today, and for a portion of acquisition-related expenses.

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

(1) Amount to be procured

JPY3,300 million

(2) Specific use of funds to be procured

For the acquisition of the above real estate trust beneficiary rights (5 properties) and for a portion of acquisition-related expenses

(3) Schedule of expenditure (planned)

November 2, 2016

4. Status of loans, etc. after the Borrowings

(Unit: JPY million)

	Before the Borrowings	After the Borrowings	Increase (Decrease)
Short-term loans (Note 1)	800	800	—
Long-term loans (Note 1) (Note 2)	14,669	17,969	+3,300
Total loans	15,469	18,769	+3,300
Investment corporation bonds	0	0	—
Total interest-bearing debt	15,469	18,769	+3,300

(Note 1) Short-term loans refer to loans with the period from the drawdown date to the maturity date being one year or less, and long-term loans refer to loans with the period from the drawdown date to the maturity date being more than one year.

(Note 2) Figures including the borrowings that are scheduled to be repaid within one year from today are indicated.

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5. Future prospects

For the forecast of operating results for the fiscal period ending April 2017 (from November 1, 2016 to April 30, 2017) and the fiscal period ending October 2017 (from May 1, 2017 to October 31, 2017) based on the execution of the Borrowings, please refer to the “Notice Concerning Revisions to Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending April 30, 2017 (5th Period) and Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending October 31, 2017 (6th Period)” announced today.

6. Other

Concerning the risks associated with the Borrowings, there is no material change from the content of “Part II. Reference Information; Section 2. Information Supplementary to Reference Documents; 3. Investment Risks” of the securities registration statement submitted today.

- * 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/>

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