

For Translation Purpose Only

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

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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 (1.0 year) (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) +0.20%
(4) Planned drawdown date	November 2, 2017
(5) Interest payment date	The first payment date is November 30, 2017 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, 2017 (planned) with above lenders.
(7) Maturity date	October 31, 2018
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

② Back up loan (1.0 year) (Note 1) (Note 5)

(1) Lenders	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an arranger
(2) Planned loan amount (Note 2)	JPY400 million
(3) Interest rate (Note 3)	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.20%
(4) Planned drawdown date	November 2, 2017
(5) Interest payment date	The first payment date is November 30, 2017 and interest payment dates

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	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 31,2017 (planned) with above lenders.
(7) Maturity date	October 31, 2018
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

③ Term loan (2.6 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)	JPY800 million
(3) Interest rate (Note 3)	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.30%
(4) Planned drawdown date	November 2, 2017
(5) Interest payment date	The first payment date is November 30, 2017 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 31,2017 (planned) with above lenders.
(7) Maturity date	May 29, 2020
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

④ Term loan (3.1 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)	JPY400 million
(3) Interest rate (Note 3)	Base rate (Note 4) (JBA 1 month JPY TIBOR) +0.35%
(4) Planned drawdown date	November 2, 2017
(5) Interest payment date	The first payment date is November 30, 2017 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 31,2017 (planned) with above lenders.
(7) Maturity date	November 30, 2020
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

⑤ Term loan (4.0 years) (Note 1)

(1) Lenders	Syndicate of lenders with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as an
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	arranger
(2) Planned loan amount (Note 2)	JPY700 million
(3) Interest rate (Note 3)	To be decided (fixed interest rate) (Note 6)
(4) Planned drawdown date	November 2, 2017
(5) Interest payment date	The first payment date is November 30, 2017 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, 2017 (planned) with above lenders.
(7) Maturity date	October 29, 2021
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

⑥ Term loan (6.0 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)	JPY1,800 million
(3) Interest rate (Note 3)	To be decided (fixed interest rate) (Note 6)
(4) Planned drawdown date	November 2, 2017
(5) Interest payment date	The first payment date is November 30, 2017 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, 2017 (planned) with above lenders.
(7) Maturity date	October 31, 2023
(8) Repayment method	Lump-sum repayment on maturity date
(9) Security	Secured

(Note 1) The Borrowings will be conditional on fulfilling all of the separately set preconditions for granting loans, in addition to completion of decision making in loan-granting assessments by financial institutions that comprise a syndicate of lenders as well as other factors. Therefore, execution of the Borrowings is not guaranteed and the day on which the loans become effective as well as the terms of the 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 upper limit of the loan is JPY400 million. However, the actual loan amount will be finalized through the loan agreement scheduled to be concluded after the paid-in amount of the public offering (the public offering indicated in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" separately announced today, (the "Public Offering")) is determined. The loan amount may be changed or the Borrowing of JPY400 million may be cancelled depending on the amount of proceeds from the Public Offering. Tosei Reit will not execute the Borrowing if the estimated amount of proceeds from the Public Offering calculated based on the closing price of the regular transaction of investment units at the Tokyo Stock Exchange on October 2, 2017 (Monday) is assumed.

(Note 6) The interest rate shall be announced once it is determined.

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## 2. Reason for the Borrowings

Tosei Reit is using the borrowed funds for the acquisition of 8 properties to be acquired (total planned acquisition price of JPY 9,820 million) described in “Notice Concerning Acquisition of Real Estate Trust Beneficiary Rights and Leases (Total of 8 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

JPY5,300 million (Note)

### (2) Specific use of funds to be procured

For the acquisition of the above real estate trust beneficiary rights (8 properties) and for a portion of acquisition-related expenses

### (3) Schedule of expenditure (planned)

November 2, 2017

(Note) The borrowing through the backup loan (1.0 year) is not included. Execution of the borrowing and the loan amount when executing the borrowing will be decided after taking into account the amount of proceeds from the Public Offering and other factors.

## 4. Status of loans, etc. after the Borrowings (As of November 2, 2017)

(Unit: JPY million)

	Before the Borrowings	After the Borrowings	Increase (Decrease)
Short-term loans (Note 1) (Note 2)	—	1,600	+1,600
Long-term loans (Note 1) (Note 3)	18,700	22,400	+3,700
Total loans (Note 2)	18,700	24,000	+5,300
Investment corporation bonds	—	—	—
Total interest-bearing debt (Note 2)	18,700	24,000	+5,300

(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) Short-term loans, total loans and total interest-bearing debt indicate amounts excluding JPY400 million, the upper limit of the planned loan amount through backup loan (1.0 year). Execution of the Borrowing and the loan amount when executing the Borrowing will be decided after taking into account the amount of proceeds from the Public Offering and other factors.

(Note 3) Figures including the borrowings that are scheduled to be repaid within one year from today are indicated.

## 5. Future prospects

For the forecast of operating results for the fiscal period ending April 2018 (from November 1, 2017 to April 30, 2018) and the fiscal period ending October 2018 (from May 1, 2018 to October 31, 2018) 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, 2018 (7th Period) and Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending October 31, 2018 (8th 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; 4. 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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