

For Immediate Release

Real Estate Investment Trust Securities Issuer  
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Notice Concerning Revisions to Probable Maximum Loss (PML) in Earthquake Risk Analysis

Sompo Japan Nipponkoa Risk Management Inc. (“the Evaluation Company”) has evaluated the PMLs for the assets under management of Tosei Reit Investment Corporation (“Tosei Reit”). The Evaluation Company has recently revised its earthquake-risk evaluation method and has reported the revised PMLs, which are shown below, to the Tosei Reit.

1. Revised PMLs

Property Number	Property Name	PML(%)	
		Before Revision	After Revision
O-01	Tama Center Tosei Building	4.34	4.36
O-02	KM Shinjuku Building	7.63	5.52
O-03	Nihonbashi-Hamacho Building	6.52	6.11
Rt-01	Inage Kaigan Building	6.90	6.49
Rd-01	T's Garden Koenji	8.50	7.91
Rd-02	Live Akabane	6.76	7.45
Rd-03	Gekkocho Apartment	9.22	8.98
Rd-04	T's Garden Kawasakidaishi	8.47	7.38
Rd-05	Abitato Kamata	13.18	7.82
Rd-06	MarLandFive	3.36	4.00
Rd-07	Avenir Shirotae	14.85	7.57
Rd-08	Dormitory Haramachida	9.72	5.29
	Portfolio PML	6.05	4.01

\* “PML (Probable Maximum Loss)” means the extent of the damage that would be incurred due to the largest earthquake (an earthquake that happens once every 50 years with a 10 % probability = a great earthquake with the likelihood of occurring once in 475 years) foreseen during the assumed useful life (50 years being the usual useful life of a building) as a ratio (%) of the replacement value for the foreseeable restoration costs of the damage. “Portfolio PML” is the ratio calculated for the entire portfolio in the same way as for individual properties.

## 2. Background of PML revisions

Tosei Reit received an explanation of the revisions to the earthquake-risk evaluation method from the Evaluation Company, as follows.

Before the revisions, the Evaluation Company calculated PML based on an evaluation system which was developed in 2007. Since then, the Ministry of Education, Culture, Sports, Science and Technology as well as various academic communities have advanced their research in relevant fields, accumulating knowledge and technologies concerning earthquake, earthquake risks and geotechnique.

With the aim of improving the accuracy of its evaluations of earthquake risk, the Evaluation Company revised its evaluation method, incorporating the aforementioned knowledge and technologies into its expertise.

\* Tosei Reit Investment Corporation website: <http://www.tosei-reit.co.jp/en/>