

TŌSEI



Supplemental Material on Press Releases
announced October 11, 2018

Securities Code: 3451

Tosei Reit Investment Corporation

Implemented return to unitholders by asset transfer in addition to increasing cash distribution through continuous external growth and stable management

- In addition to increasing cash distribution per unit through external growth due to public offering announced today and stable management of its portfolio, Tosei Reit will return capital gain from the transfer of MarLand Five scheduled on November 15, 2018 at a price above the appraisal value (approximately 1.3 times), to unitholders and increase the level of cash distribution per unit.
- A portion of the above capital gain will be internally reserved and returned to unitholders in the fiscal period ending October 31, 2019 (10th Period) onward.

Overview of the Asset to be transferred

MarLand Five



Use of Building	Residential
Location	Fujimi-shi, Saitama
Construction Completion	April, 1990
Acquisition price	JPY 830 million
Appraisal Value	JPY 867 million
Planned transfer price	JPY 1,150 million
Planned transfer date	November 15, 2018

Capital gain (expected amount) JPY 284 million

- Scheduled to return a portion of unrealized gain in portfolio which has steadily increased since being listed
- Part of the capital gain will be internally reserved and utilized for maintaining and increasing future cash distribution level
- Pursue maximization of unitholder value by striving to maintain stable management while continuing to enhance the portfolio

Internal reserve will be reversed and returned to unitholders continuously from the 10th period onward.

Fiscal period ending April 30, 2019

Return capital gain, etc. (Note 2)
JPY 520/unit

Internal reserve
JPY 280/unit

Fiscal period ending October 31, 2019

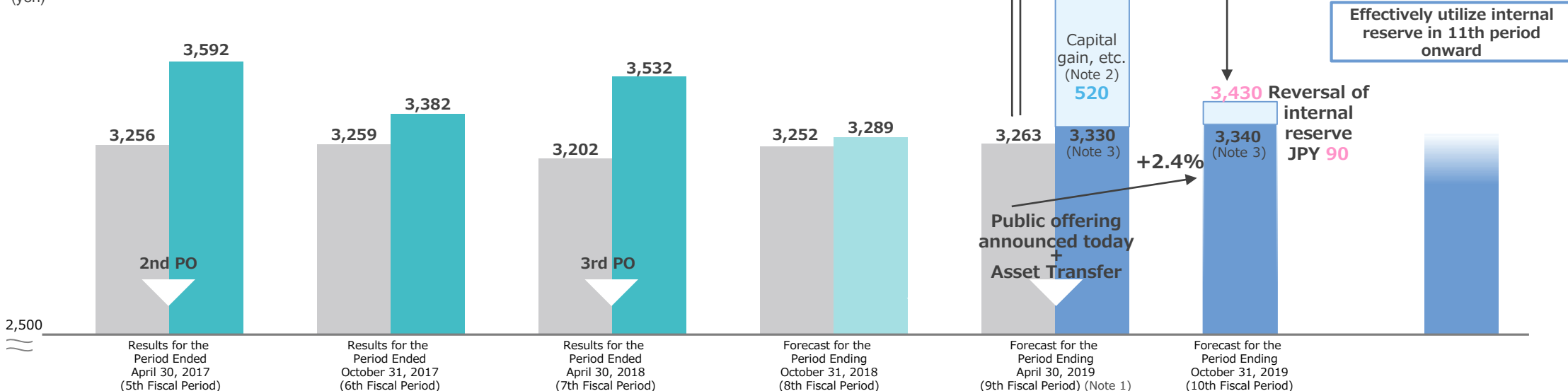
Reversal of internal reserve
JPY 90/unit

Effectively utilize internal reserve in 11th period onward

Cash Distribution per Unit

- Initial forecast (Note 1)
- Forecast announced June 15, 2018
- Actual result
- Forecast announced October 11, 2018

(yen)



(Note 1) The figure announced first is listed as the initial forecast. The initial forecasts for the fiscal period ending in April 2019 (9th Fiscal Period) was released on June 15, 2018.

(Note 2) In addition to capital gain from the transfer of MarLand Five, it includes all impacts from the concerned transfer (internal reserve of part of the concerned capital gain, recording of income taxes due to the internal reserve, etc.) excluding the impact indicated in Note 3.

(Note 3) Impacts from decrease in property-related operating revenue due to the transfer of MarLand Five are incorporated into the concerned forecast figures.

This presentation is a summary of content announced today in the press releases "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units," "Notice Concerning Acquisition of Real Estate Trust Beneficiary Rights and Leases (Total of 8 Properties)," "Notice Concerning Revisions to Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending April 30, 2019 (9th Period) and Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending October 31, 2019 (10th Period)," "Notice Concerning Debt Financing" and "Notice Concerning Debt Financing (Refinance) and Prepayment of Existing Debt," as well as ancillary information, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to the prospectus and notice of amendments thereto, if any, prepared by Tosei Reit Investment Corporation (below, "Tosei Reit") without fail and to undertake investment at their own decision and responsibility.

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