

For the Fiscal Period Ended October 31, 2016 (4th Fiscal Period)

Earnings Announcement

Securities Code: 3451

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Utilization and revitalization of “the vast existing building stock”¹ in Japan’s real estate market

■ Investment Targets

- (1) Highly advantageous real estate properties located in areas where acquisition competition is relatively low and where high yields can be expected
- (2) Properties with strong potential regardless of the properties’ age

■ Portfolio Construction Policy

Diversified J-REIT focused primarily on the Tokyo metropolitan area

Area

Mainly The Tokyo metropolitan area

The Tokyo metropolitan area²

Main target

Major regional cities³

20% or less⁴

■ Tosei’s Core Competencies



Good Judgment



Leasing Capability



Revitalization Capability

Property type

Diversified investment based on the three property types of **offices, retail facilities and residential properties**, with some investment in **hotels** also possible

Offices

Retail facilities

Collectively **80%** or less⁴

Residential properties

50% or less⁴

Hotels

10% or less⁴

Ensures abundant investment opportunities to consider by concentrating on investing in the volume zone of real estate

Size

Investments targeting properties priced up to **¥5 billion**⁵ in principle

Notes: 1. “Existing building stock” collectively refers to building assets that were constructed in the past and still exist at present. Hereafter the same shall apply.

2. “Tokyo metropolitan area” is a general term for Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture. Hereafter the same shall apply.

3. “Major regional cities” collectively refers to cities designated by ordinance and prefectural capitals or equivalent cities located outside the Tokyo metropolitan area. Hereafter the same shall apply.

4. Ratio on an acquisition price basis. In the case of mixed-use properties that combine two or more different property types, the type of use that accounts for the largest proportion of dedicated floor space shall be deemed to be the property type.

5. Acquisition price basis.

Summary

Status of Operations		Future Strategies / Policy Points
1	Property Acquisition	<ul style="list-style-type: none"> ● Property acquisitions / Diversification of portfolio risk <ul style="list-style-type: none"> • Acquired Nishidai NC Building in 4th Fiscal Period. Including the 5 properties acquired at the beginning of the 5th Fiscal Period, the scale of assets grew to ¥36.1 BN, an increase of ¥6.8 BN, or 23.2% compared with the end of the previous period. • On an acquired value basis, the share of the top 5 properties fell (from 47.7% at the end of 4th Fiscal Period to 41.5% after public offering). ■ NOI yield / Appraisal value <ul style="list-style-type: none"> • Maintained average appraisal NOI yield of 6.17% for 18 properties held at the end of 4th Fiscal Period. • Total appraisal value ¥33.9 BN (unrealized gains ¥3.19 BN)
2	Leasing	<ul style="list-style-type: none"> ● Occupancy rate <ul style="list-style-type: none"> • The occupancy rate at the end of 4th Fiscal Period reached a new record high of 98.1%. Initiatives to improve the occupancy rate of the residential portfolio bore fruit. • In the 5th Fiscal Period the newly acquired property occupancy rate also improved significantly, from 90.9% before acquisition to 97.3% post-acquisition (as of the end of November). • The master lease for the Tama Center Tosei Building was renewed as expected for 4 years.
3	Finance / IR	<ul style="list-style-type: none"> ● New borrowings / refinancing <ul style="list-style-type: none"> • As a result of the capital increase from a public offering and new borrowings for property acquisitions, the LTV was 44.9% at the end of the 4th Fiscal Period and was maintained at an appropriate level of 46.5% (estimated) as of the end of the 5th Fiscal Period. • At the end of November, we financed ¥3,900 MM out of a total of ¥3,969 MM in debt coming due at long-term fixed interest rates. The ratio of fixed rates rose to 67.4%.
4	Cash Distributions	<ul style="list-style-type: none"> ● Cash distributions conducted <ul style="list-style-type: none"> • Cash distributions per unit for the 4th Fiscal Period were ¥3,371, higher than forecast due to higher occupancy rate and lower expenses related to rent business, etc. <ul style="list-style-type: none"> - + ¥163 compared with the previous fiscal period, +¥175 compared with the forecast
		<ul style="list-style-type: none"> ● Achieve ¥50 BN scale of assets as early as possible <ul style="list-style-type: none"> - Make full use of properties with preferential negotiating rights in sponsor pipeline (3 properties) ● Pursue relatively high yields and dig deep in the target area <ul style="list-style-type: none"> - Focus on Tokyo metropolitan area (Saitama, Chiba, Kanagawa within a range of about 30km from the center of the capital) ● As the occupancy rate is already high, we will concentrate on maintaining the current level. ● Initiatives to improve Tama Center Tosei Building's end-tenant occupancy rate continue. ● Implement methodical capital expenditure with the aim of ensuring property competitiveness and strengthening leasing. ● Expanding IR activities <ul style="list-style-type: none"> - The aim is to strengthen IR activities and improve name recognition among investors (regional banks and regional financial institutions, etc.) outside the Tokyo metropolitan area that forms the business foundation of the Tosei Group. ● 5th Fiscal Period forecast cash distributions ¥3,359 ● 6th Fiscal Period forecast cash distributions ¥3,211

Overview of the 4th Fiscal Period Financial Results and Earnings Forecast

4th Fiscal Period Financial Highlights

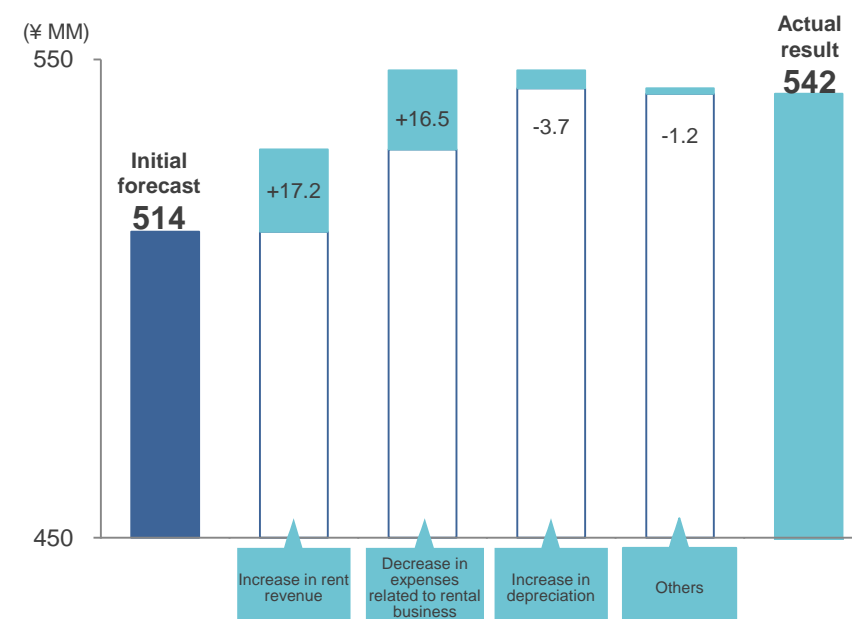
- Compared with initial forecast, operating revenue +1.3% at ¥1,337 MM and net income +5.5% at ¥542 MM
- The main drivers of these changes were increases in rent and common service income as a result of improved occupancy rates at residential properties, and declines in utilities expenses and other expenses related to the rental business.

■ Results for the 4th Fiscal Period

(¥ MM)

	Period Ended April 30, 2016 (3rd Fiscal Period)	Initial Forecast (Announced June 15, 2016)	Period Ended October 31, 2016 (4th Fiscal Period)	Difference from Initial Forecast
Days in operation	182 days	184 Days	184 days	—
Operating revenue	1,245	1,320	1,337	1.3 %
Operating income	613	614	643	4.7 %
Ordinary income	517	514	543	5.6 %
Net income	516	514	542	5.5 %
Cash distribution per unit (yen) (Note)	3,208	3,196	3,371	5.5 %
Total assets	33,695	—	34,428	—
LTV	44.1 %	—	44.9 %	—

■ Main Factors in Change in Net Income (compared with initial forecast)



Increase in rent revenue	+ ¥17.2 MM
Decrease in expenses related to rental business	+ ¥ 16.5 MM
Increase in depreciation	- ¥ 3.7 MM
Increase in other expenses	- ¥ 1.2 MM

Note: The forecast for cash distribution per unit for the fiscal period ended October 31, 2016, which was disclosed in the financial report for the fiscal period ended April 30, 2016 that was announced on June 15, 2016, was revised to ¥3,371 on November 30, 2016.

Earnings Forecast for the 5th and 6th Fiscal Periods

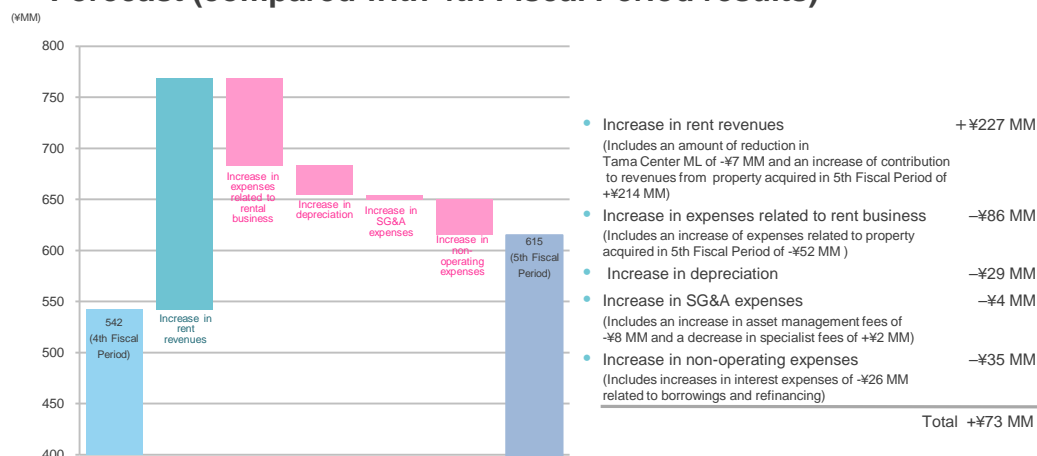
Earnings Forecast for the 5th and 6th Fiscal Periods

(¥ MM)

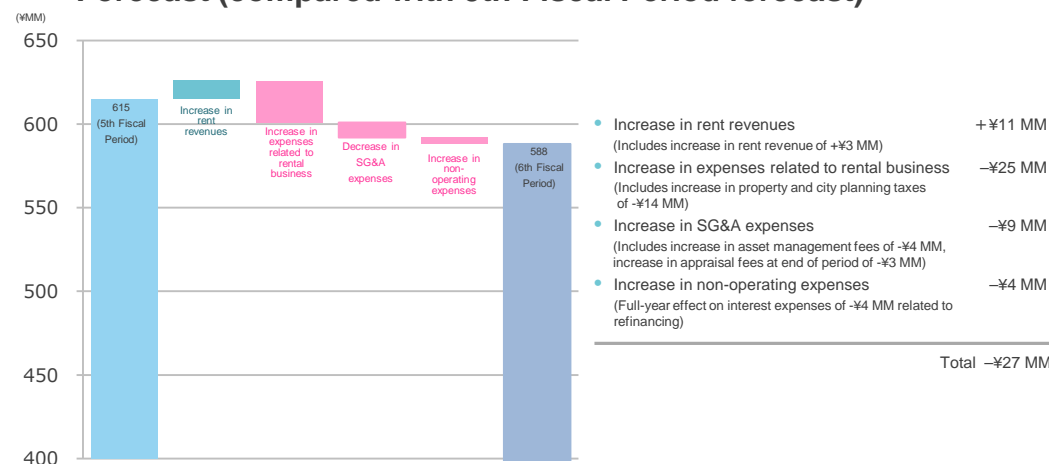
	Results for the Period Ended October 31, 2016 (4th Fiscal Period)	Forecast for the Period Ending April 30, 2017 (5th Fiscal Period)	Change (from previous fiscal period)		Forecast for the Period Ending October 31, 2017 (6th Fiscal Period)	Change (from previous fiscal period)	
Operating revenue	1,377	1,564	227	17.0%	1,575	11	0.7%
Operating income	643	750	108	16.7%	727	-23	-3.1%
Net income	542	615	73	13.4%	588	-27	-4.4%
Cash distribution per unit (yen)	3,371	3,359	-12	-0.4%	3,211	-148	-4.4%
	(Initial forecast 3,196)		(+163)	(+5.1%)			

Note: Cash distributions for the fiscal periods ending April 30, 2017 and October 31, 2017 are forecasts based on Tosei Reit's "Notice Concerning Revisions to Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending April 30, 2017 (5th Fiscal Period) and Forecasts for Operating Results and Cash Distribution for the Fiscal Period Ending October 31, 2017 (6th Fiscal Period)" of October 11, 2016, and are subject to change as a result of future acquisitions or sale of real estate, as well as fluctuations of the real estate market environment and other circumstances relevant to Tosei Reit. Moreover, these forecasts do not constitute a guarantee of the amount to be distributed.

Main Factors in Change in 5th Fiscal Period Net Income Forecast (compared with 4th Fiscal Period results)

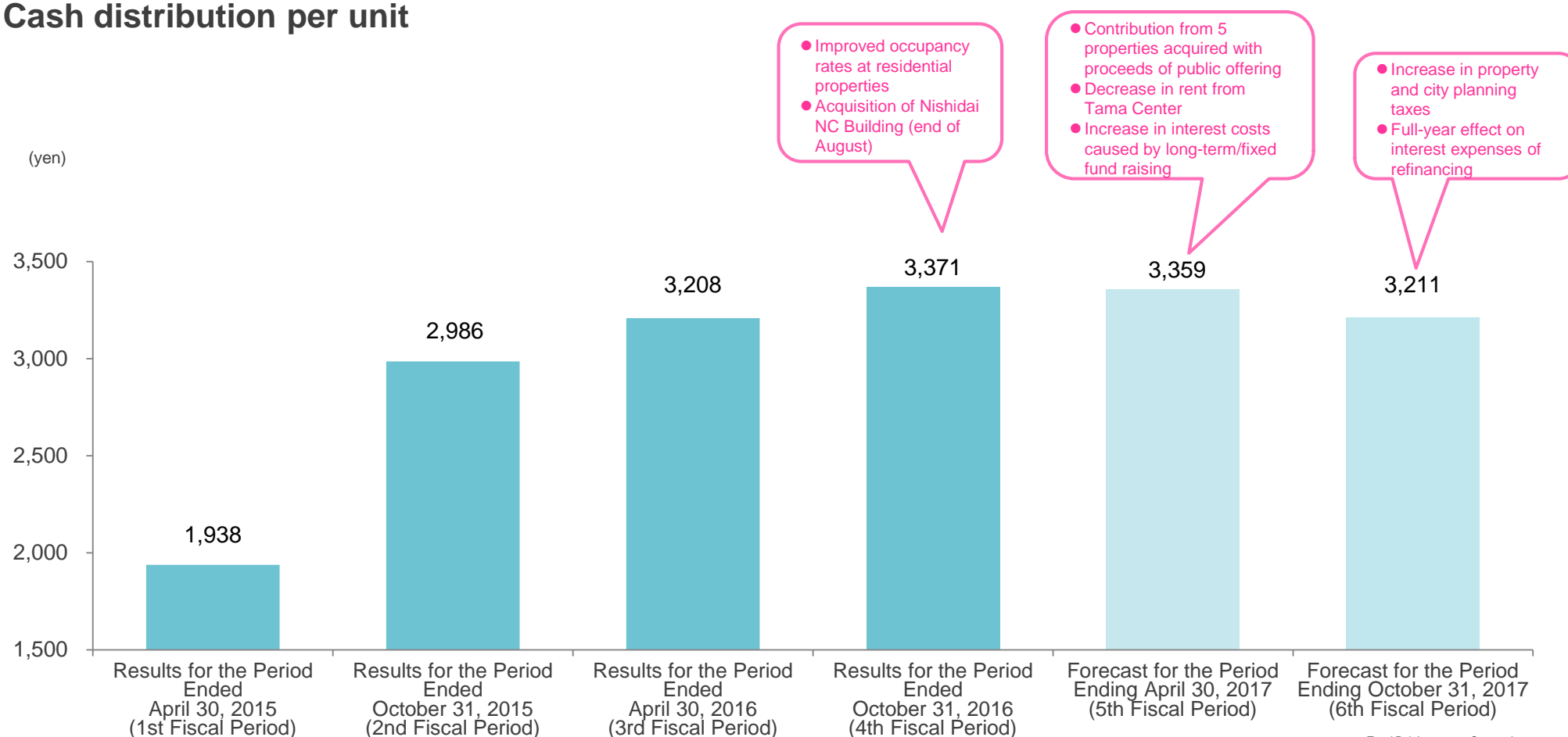


Main Factors in Change in 6th Fiscal Period Net Income Forecast (compared with 5th Fiscal Period forecast)



- 4th Fiscal Period cash distributions per unit: ¥3,371 (+¥163 vs. previous fiscal period, +¥175 vs. forecast)
- In the 5th Fiscal Period, despite the contribution of rent revenue from newly acquired properties on the one hand, there was also an impact from declines in rent at the Tama Center master lease and a rise in interest costs caused by raising funds with long-term fixed interest rates, a move aimed at reinforcing the financial foundation. In addition, we have taken a conservative stance on the occupancy rate for existing properties compared to actual figures in the 4th Fiscal Period, forecasting ¥3,359 in cash distributions.
- Due to the expensing of property and city planning taxes, etc., we forecast cash distributions of ¥3,211 in the 6th Fiscal Period.

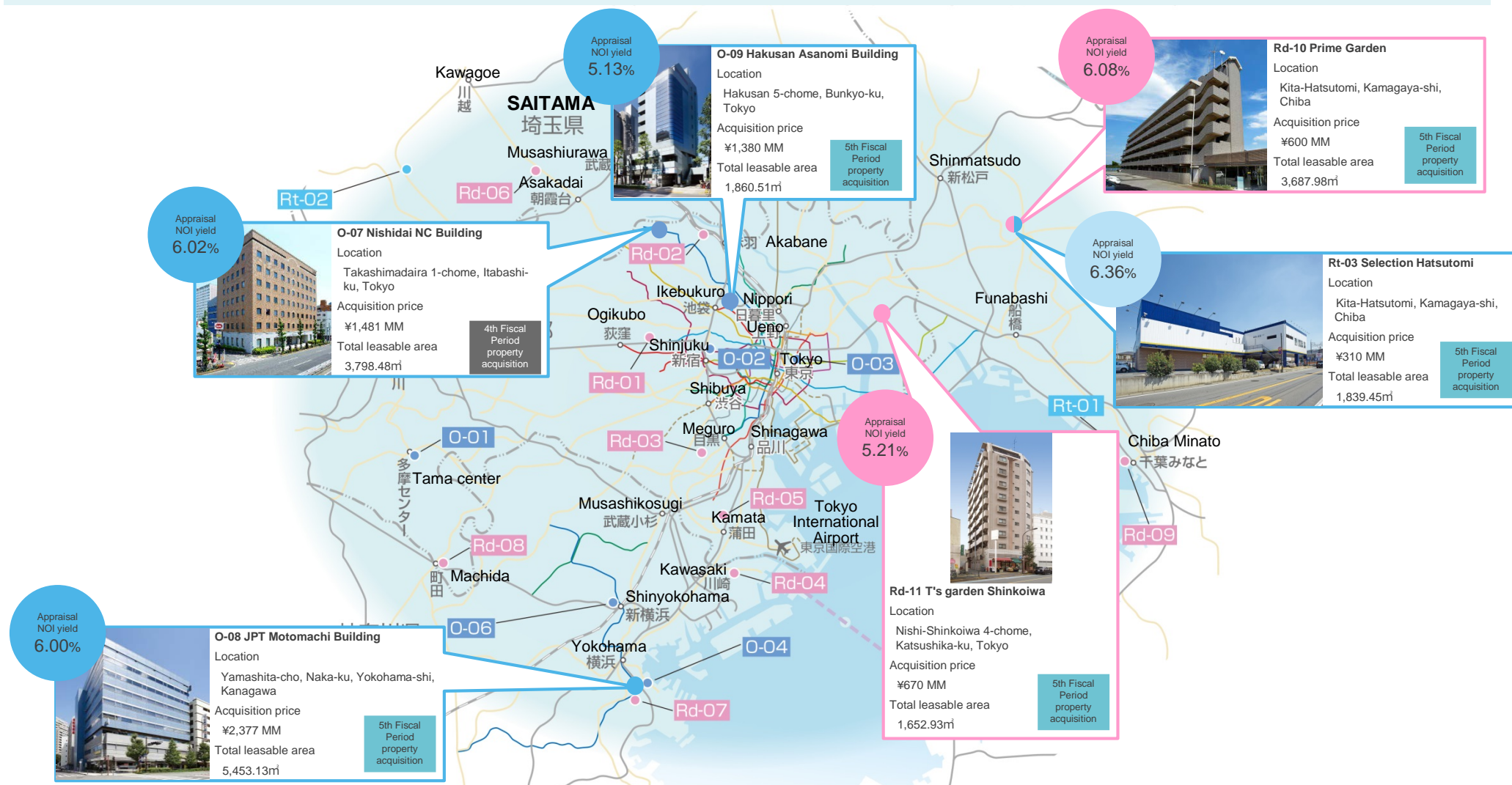
■ Cash distribution per unit



Operating Results

Acquisition of New Properties (6 Properties/¥6.8 BN)

- Acquired 1 property in 4th Fiscal Period and 5 properties in 5th Fiscal Period for a total of ¥6.8 BN (3 offices, 1 retail facility and 2 residential properties)
- Carefully balanced acquisition of high-yield properties to diversify regional risk within the Tokyo metropolitan area



Note: O-01 - 09, Rt-01 - 03 and Rd-01 - 11 represent properties that make up the portfolio. For details on each property, refer to the "List of Properties" appended below.

We believe that there are areas other than those shown in the map above where competition for acquisitions is relatively low and yields are high, and we may in future acquire properties in such areas.

- While the number of end tenants and properties is increasing gradually, the proportion of the top 5 properties has fallen as a result of the progressive diversification of the portfolio.
- Unrealized gains at the end of the 4th Fiscal Period were ¥3.19 BN and NAV per unit was ¥122,311.

		1st Fiscal Period	2nd Fiscal period	3rd Fiscal Period	4th Fiscal Period	After public offering ⁵
Scale of assets (acquisition price basis)		¥17.4 BN	¥17.4 BN	¥29.3 BN	¥30.8 BN	¥36.1 BN
Portfolio	Total appraisal value	¥18.7 BN	¥18.7 BN	¥32.2 BN	¥33.9 BN	¥39.5 BN
	Appraisal NOI yield	6.26%	6.19%	6.20%	6.17%	6.10%
	Total leasable area	40,732.76 m ²	40,734.02 m ²	67,576.59 m ²	71,369.69 m ²	85,863.69 m ²
	Number of properties (Percentage of top 5 properties by acquisition price in the portfolio) ¹	12 properties (64.1%)	12 properties (64.1%)	17 properties (50.1%)	18 properties (47.7%)	23 properties (41.5%)
	Number of tenants (Percentage of top 10 tenants) ²	382 tenants (47.4%)	385 tenants (47.0%)	553 tenants (40.1%)	572 tenants (39.0%)	659 tenants (35.7%)
NAV per unit ³		¥111,349	¥112,420	¥119,823	¥122,311	—
Unrealized gains ⁴		¥1,164 MM	¥1,277 MM	¥2,802 MM	¥3,190 MM	—

Notes: 1. Calculated based on acquisition price.

2. Calculations are based on the leased area and the number of end tenants at the end of each fiscal period, counting only end tenants in business premises and in the store sections of offices and retail facilities.

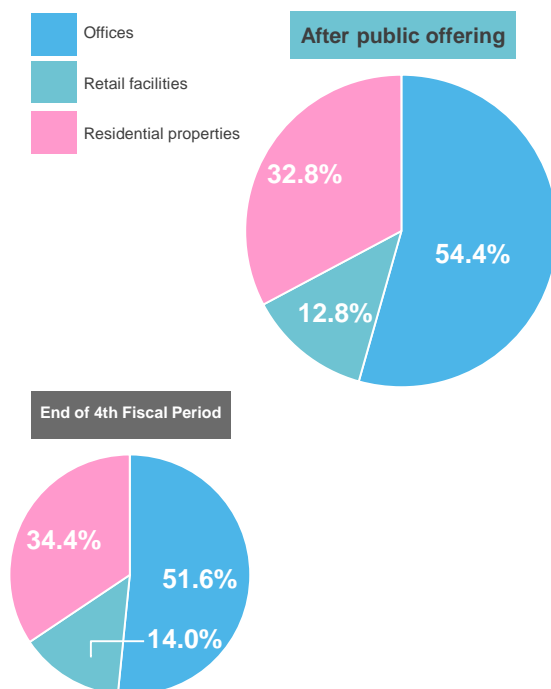
3. NAV per unit is calculated as Appraisal NAV ÷ Total number of units, and Appraisal NAV is calculated as Net asset value after distributions + (Total appraisal value - Total book value).

4. "Unrealized gains" are calculated as (Total appraisal value - Book value of acquired assets at end of period) for each period.

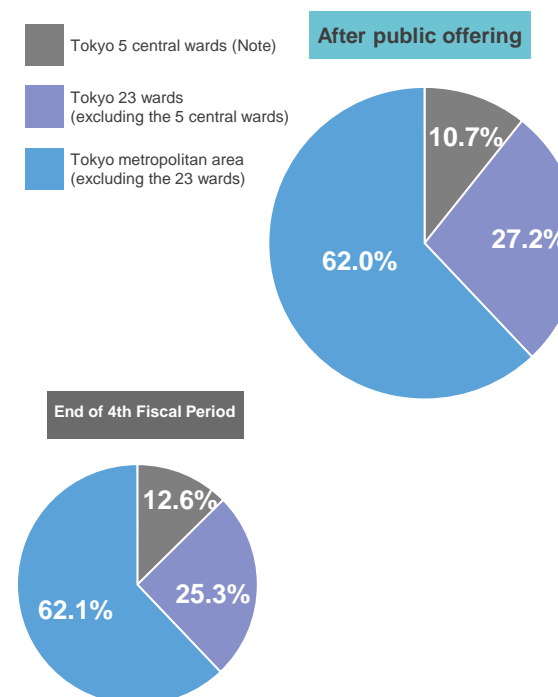
5. The appraisal value as of August 31, 2016 is used for the total appraisal value and appraisal NOI yield after the public offering for the 5 acquired properties. The total leasable area after the public offering consists of the total rentable floor space based on all leases concluded, or on architectural drawings, for buildings related to operating assets or operating assets scheduled to be acquired, as of August 31, 2016. In addition, the number of tenants (percentage of top 10 tenants) after the public offering consists of the total number of end tenants based on all leases concluded for each asset related to operating assets or operating assets scheduled to be acquired, as of August 31, 2016.

- After implementing the public offering, the composition of offices and the Tokyo 23 wards (excluding the 5 central wards) rose slightly, while high yields were maintained.

Portfolio Composition by Property Type (Acquisition price basis)



Portfolio Composition by Area (Acquisition price basis)



Average Appraisal NOI Yield by Property Type

	End of 3rd Fiscal Period	End of 4th Fiscal Period	After public offering
Offices	6.29%	6.25%	6.14%
Retail facilities	6.45%	6.43%	6.43%
Residential properties	5.99%	5.94%	5.91%

Average Appraisal NOI Yield by Area

	End of 3rd Fiscal Period	End of 4th Fiscal Period	After public offering
Tokyo 5 central wards (Note)	5.89%	5.89%	5.89%
Tokyo 23 wards	5.74%	5.77%	5.64%
Tokyo metropolitan area	6.42%	6.39%	6.34%

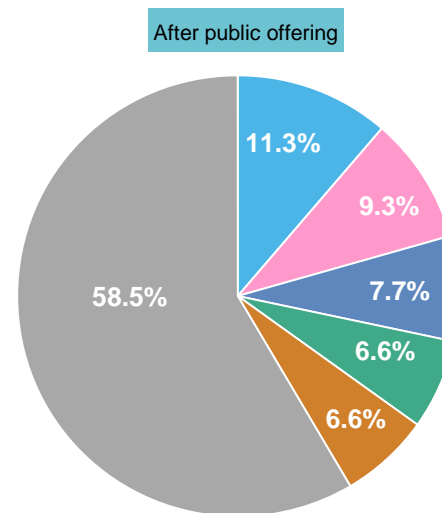
Note: "Tokyo 5 central wards" collectively refers to Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards. The same applies hereafter.

- As a result of the public offering, the diversification of the portfolio improved markedly. The composition of the top 5 properties fell from 47.7% to 41.5%.

Investment Ratio by Property (Acquisition price basis)



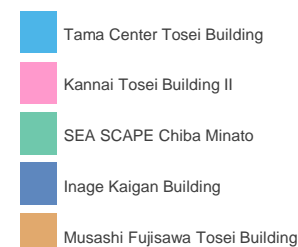
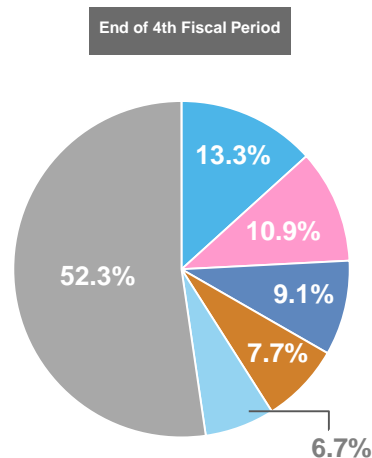
Top 5 Properties Total
41.5%



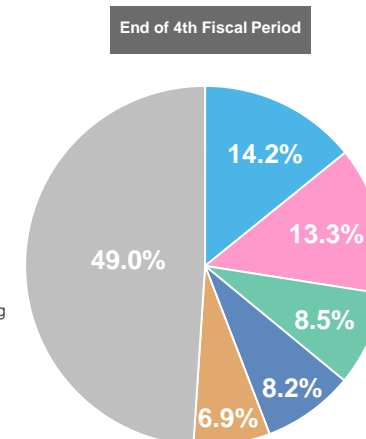
NOI ratio by property (Reference)



Top 5 Properties Total
47.7%

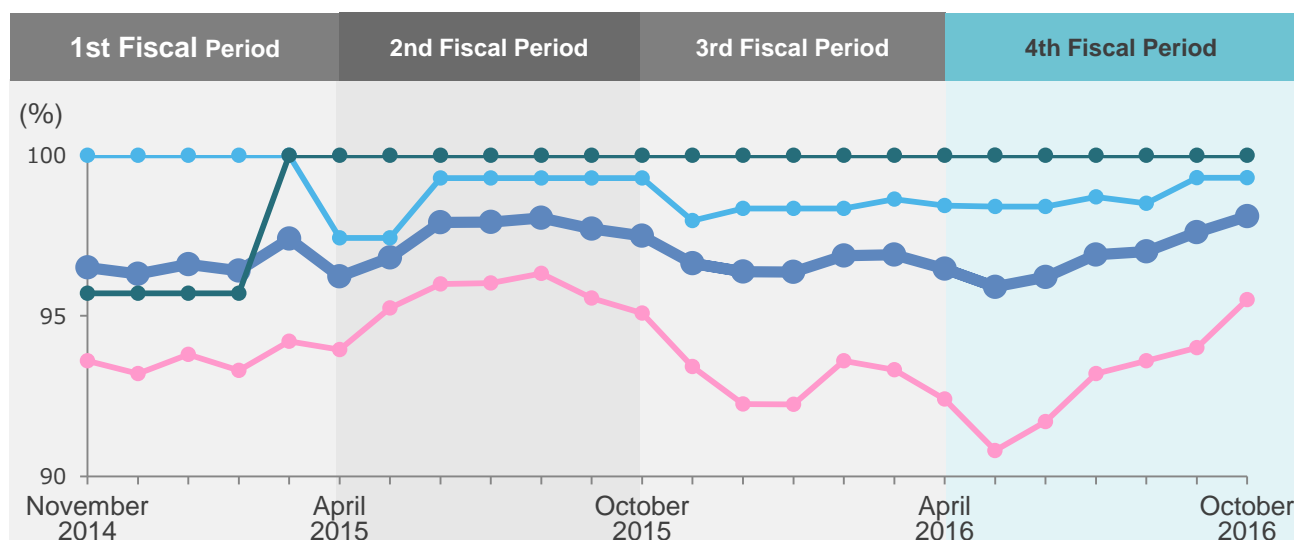


Top 5 Properties Total
51.1%



- As a result of initiatives to improve the occupancy rates of the residential portfolio, the occupancy rate in the 4th Fiscal Period reached a new record high of 98.1%. This was an improvement of 1.6 points over the end of the previous period.
- The occupancy rate for the five properties acquired in the 5th Fiscal Period is also steadily rising.

■ Occupancy Rate¹



End of 1st Fiscal Period		End of 2nd Fiscal Period		End of 3rd Fiscal Period		End of 4th Fiscal Period	
Total	96.2%	Total	97.5%	Total	96.5%	Total	98.1%
Offices	97.4%	Offices	99.3%	Offices	98.4%	Offices	99.3%
Retail facilities	100.0%	Retail facilities	100.0%	Retail facilities	100.0%	Retail facilities	100.0%
Residential properties	93.9%	Residential properties	95.1%	Residential properties	92.4%	Residential properties	95.5%

Notes: 1. The occupancy rate is the ratio of leased area to leasable area.

2. For some sections on the second and seventh floors, Tosei Corporation has signed a fixed-rent master lease. The figures in parentheses show the percentage of the total area for which leases have been concluded between Tosei Corporation and the end tenant, and that are actually being rented.

3. The occupancy rate as of the end of August 2016 is used for the pre-acquisition occupancy rate, but that of the JPT Motomachi Building reflects the fixed-rent master lease concluded in September².

■ Main Changes in Occupancy Rate

Property Name	End of 3rd Fiscal Period	End of 4th Fiscal Period	Change in Leased Area
Shin Yokohama Center Building	92.3%	100.0%	297.77 m ²
MarLand Five	90.5%	97.7%	192.36 m ²
SEA SCAPE Chiba Minato	86.4%	93.2%	461.13 m ²
Gekkocho Apartment	82.4%	87.8%	74.95 m ²
Avenir Shirotae	91.5%	95.7%	106.38 m ²
Dormitory Haramachida	95.5%	93.7%	-33.28 m ²

- Occupancy rates for the three residential properties noted in the 3rd Fiscal Period have improved.

■ Occupancy rate (five properties acquired in 5th Fiscal Period)

Property Name	Pre Aquisition ³	Nov. 2016	Change in Leased Area
JPT Motomachi Building ²	94.6% (72.0)	100.0% (83.9)	293.74 m ²
Hakusan Asanomi Building	83.4%	91.7%	154.71 m ²
Selection Hatsutomi	100.0%	100.0%	0.00 m ²
Prime Garden	85.1%	98.4%	488.91 m ²
T's garden Shinkoiwa	89.7%	89.7%	0.00 m ²

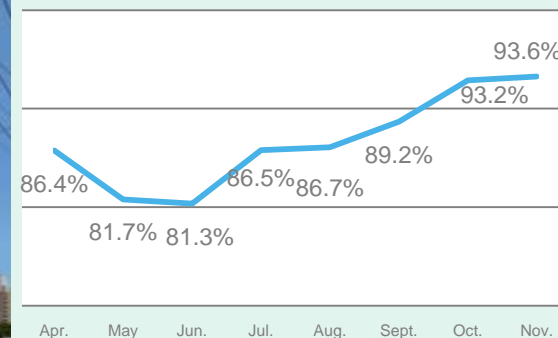
Note: The occupancy rate for the five properties acquired in the 5th Fiscal Period is a provisional figure as of the end of November, 2016 and may differ from the final figure.

- Rent revenues from SEA SCAPE Chiba Minato in the 4th Fiscal Period rose by ¥9.5 MM over the previous period due to an improved occupancy rate.
- The fixed-rent master lease was renewed for the Tama Center Tosei Building. The end-tenant occupancy rate remains an issue.

■ SEA SCAPE Chiba Minato



Change in Occupancy Rate



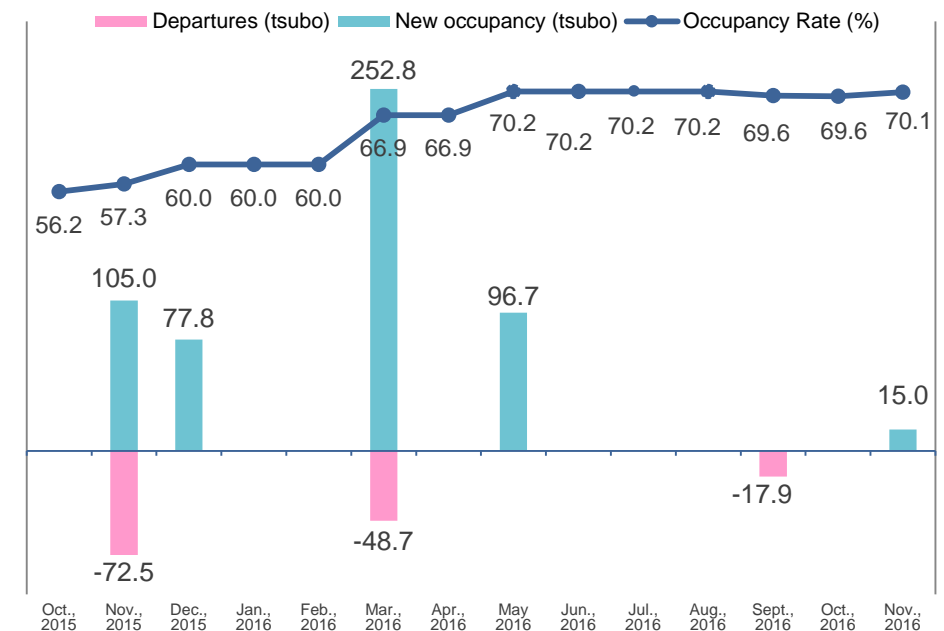
[Leasing measures and results]

- (1) Began direct sales aimed at senior management of influential local brokers (3 contracts concluded)
- (2) Implemented program of directly introducing those responsible for Chiba area at large and medium-sized brokers directly to the properties (2 contracts concluded)
- (3) Support from sponsor for sales to businesses along Keiyo and Keisei railway lines (1 contract concluded)

	Leasable area (㎡)	Occupancy Rate (%)			
		End of 3rd Fiscal Period	End of 4th Fiscal Period	Change	(November)
Total	6,758.52	86.4	93.2	+6.8	93.6
Residential properties (5-13F)	3,286.87	92.9	98.5	+5.6	99.3
Stores / Offices (1-4F)	3,471.65	80.2	88.2	+8.0	88.2
		3rd Fiscal Period	4th Fiscal Period	Change	
Rent revenue (¥ MM)		102.0	111.5	+9.5	

Note: The occupancy rates for SEA SCAPE Chiba Minato and Tama Center Tosei Building are provisional figures as of the end of November 2016 and may differ from the final figures.

■ Tama Center Tosei Building



■ Renewal of fixed-rent master lease

- Contract term: Four years, to November 30, 2020
- Master lease rent: ¥329 MM annually (-5.1% compared to previous contract)
- Introduced a system whereby additional rent becomes payable if the sponsor secures cumulative income by promptly concluding leases

- Implemented methodical program of capital expenditure to maintain property value (capital expenditure in 4th Fiscal Period was ¥50.4 MM)
 - Aim to improve occupancy rate while at the same time maintain asset value by timely renovation and enhancement work
- Set up model rooms and refurbished units to let to promote leasing

Examples of air-conditioning update work

Tama Center Tosei Building



Implementation period	4th Fiscal Period
Construction expenses approximately ¥18 MM	

Nihonbashi-Hamacho Building



Implementation period	4th and 5th Fiscal Periods
Construction expenses approximately ¥20 MM	

Inage Kaigan Building



Implementation period	Scheduled for 5th Fiscal Period
Construction expenses approximately ¥5.6 MM	

(Air conditioning facilities)

- Carrying out a methodical program of update work in preparation for failures in equipment for which parts supply has come to an end after a certain number of years or for equipment in which air conditioning efficiency has declined

(Rental units)

- Converted layout from 2DK to 1LDK (Abitato Kamata)
- Implemented work to convert from SOHO specification to residential specification (Gekkocho Apartment)
- Set up model rooms, etc., to promote leasing at Dormitory Haramachida and Abitato Kamata and others

[Capital expenditure / depreciation (¥ MM)]

	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period
Capital Expenditure	2.3	31.6	32.1	50.4
Depreciation	90.5	91.6	159.2	168.4

[Breakdown of main goals (1st Fiscal Period to 4th Fiscal Period, cumulative ¥ MM)]

Details of investment	Value	%
Air-conditioning work	57.8	49.6%
Electrical and other facilities	26.2	22.5%
Mechanical parking facility	20.9	18.0%
Refurbishment / enhancement work	7.8	6.8%

Examples of rental unit refurbishment

Abitato Kamata



2DK



1LDK

Examples of setting up model rooms

Dormitory Haramachida



● New / cancelled rents

- In the 4th Fiscal Period, there were 68 new contracts and 54 cancellations, the difference of 14 contracts leading to a rise in monthly rent of ¥2.2 MM.

● Rent renewals

- In the 4th Fiscal Period, 114 contracts came up for renewal and the renewal rate was 84%. For 27 out of the 96, we succeeded in raising rents.
- The number of increases rose over the previous period, but fell in terms of the rate of increase.

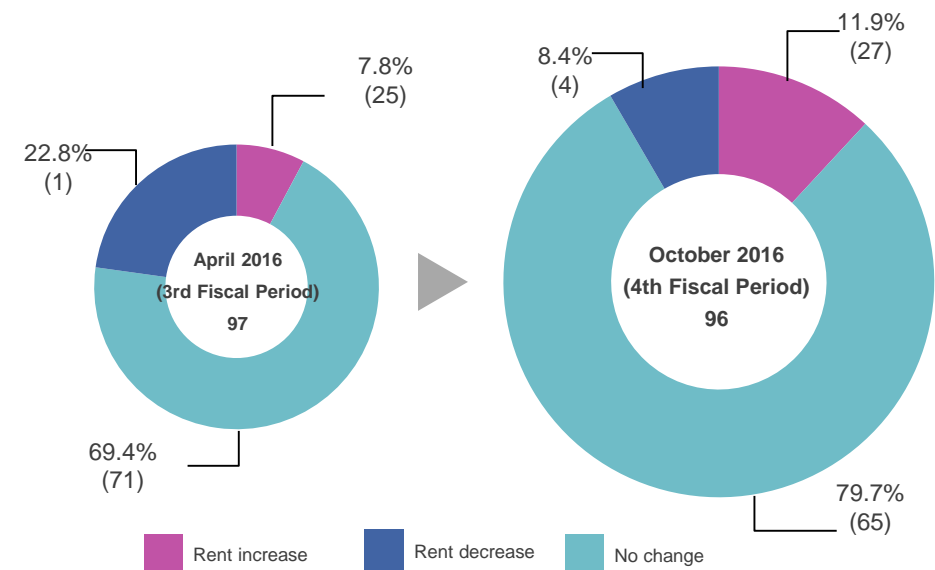
■ New / cancelled rents (4th Fiscal Period)

		Offices	Retail facilities	Residential properties	Total
New contracts	Number of contracts	2	-	66	68
	Contracted area (㎡)	382	-	3,258	3,640
	Monthly rent (¥ MM)	1.0	-	8.3	9.3
Cancellations	Number of contracts	1	-	53	54
	Contracted area (㎡)	133	-	2,480	2,613
	Monthly rent (¥ MM)	0.5	-	6.5	7.1
Change	Number of contracts	1	-	13	14
	Contracted area (㎡)	249	-	778	1,027
	Monthly rent (¥ MM)	0.5	-	1.8	2.2

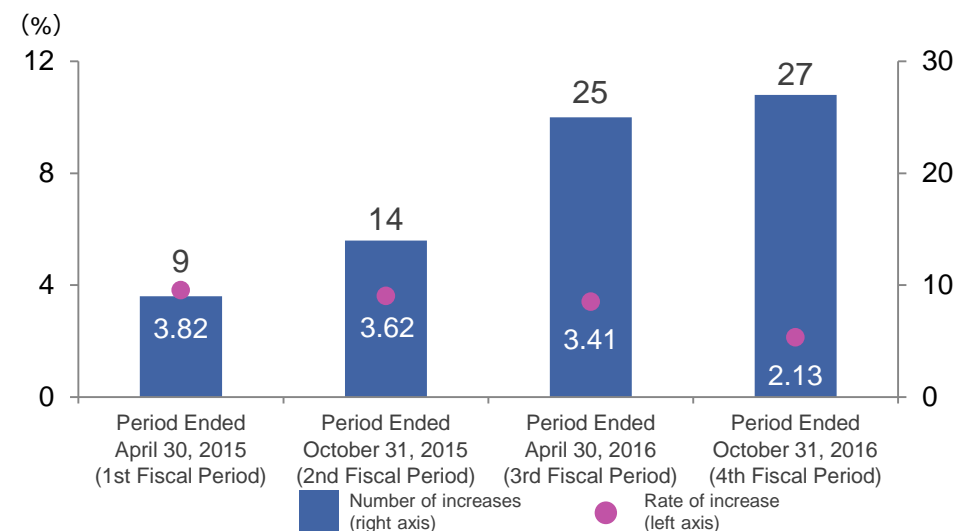
■ Rent revision comparison (Leased area basis)

Contracts up for renewal: 116 Renewal rate: 84%

Contracts up for renewal: 114 Renewal rate: 84%



■ Rent increases (Number of increases / Rate of increase)



- **Took out long-term loans of ¥3.3 BN in November 2016 for property acquisitions**
 - The Chiba Bank, Ltd. and The Bank of Fukuoka, Ltd. joined our syndicate of lenders
- **At the end of November 2016, we refinanced ¥3,900 MM of the total ¥3,969 MM consisting of ¥3,169 MM borrowed for two years at the time of the IPO and a ¥800 MM bridging loan for the acquisition of the Nishidai NC Building.**
 - ¥500 MM (4.0 years) / ¥1,200 MM (5.0 years) / ¥800 MM (6.0 years) / ¥1,400 MM (7.0 years)

■ Details of borrowings (tranche drawn down on November 2, 2016)

Classification		Balance (¥ MM)	Fixed/Floating	Interest Rate	Drawdown Date	Repayment Date
Long	3.6 years	1,600	Floating	Base rate (JBA 1 month JPY TIBOR) +0.50%	November 2, 2016	May 29, 2020
	5.0 years	1,700	Fixed	0.87445%	November 2, 2016	October 29, 2021
		3,300	—	—	—	—

■ Details of refinancing (tranche drawn down on November 30, 2016)

Classification		Balance (¥ MM)	Fixed/Floating	Interest Rate	Drawdown Date	Repayment Date
Long	4.0 years	500	Fixed	0.84075%	November 30, 2016	November 30, 2020
	5.0 years	1,200		0.95441%	November 30, 2016	November 30, 2021
	6.0 years	800		1.17068%	November 30, 2016	November 30, 2022
	7.0 years	1,400		1.39061%	November 30, 2016	November 30, 2023
		3,900	—	—	—	—

■ Balance of borrowings (by lender)

Lender		Balance of borrowings (¥ MM)		
		4th Fiscal Period	After public offering	After refinancing
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,719	6,769	6,175
	Sumitomo Mitsui Banking Corporation	4,225	5,025	5,200
	Mizuho Bank, Ltd.	1,445	1,795	1,945
	Resona Bank, Ltd.	1,020	1,270	1,370
	Shinsei Bank, Ltd.	1,020	1,320	1,370
	Aozora Bank, Ltd.	1,020	1,270	1,320
	Sumitomo Mitsui Trust Bank, Ltd.	1,020	1,020	1,020
	The Chiba Bank, Ltd.	—	150	150
	The Bank of Fukuoka, Ltd.	—	150	150
Total		15,469	18,769	18,700

New
New

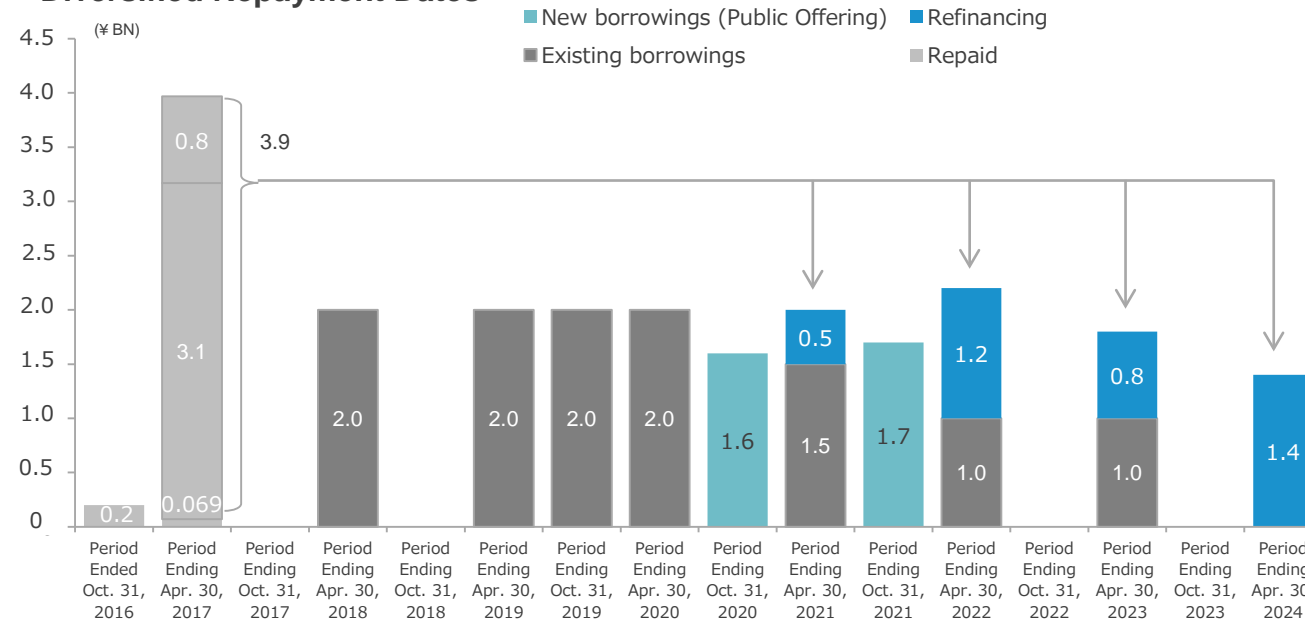
Reinforcing Our Financial Foundation

- Reinforcing the financial foundation by lengthening maturities when taking on new borrowings or refinancing, and by shifting to fixed interest rates
- The average loan interest rate has risen by 0.17 points to 0.84% but remains at a low level. The ratio of fixed rates rose to 67.4%.

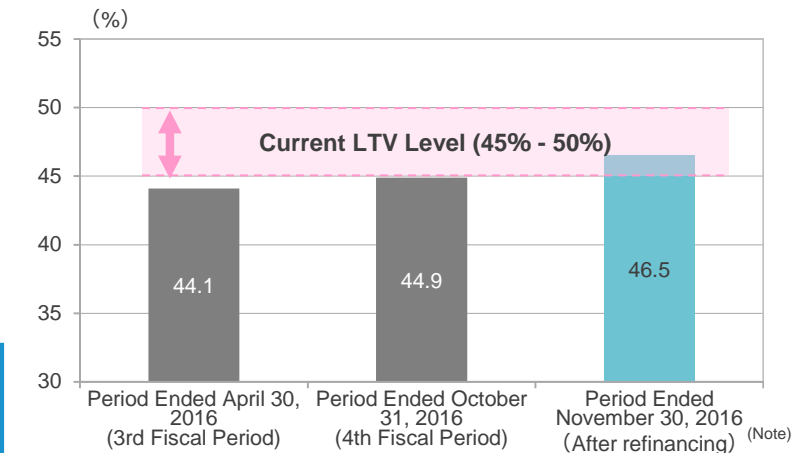
Financial Indicators

	Period Ended April 30, 2016 (3rd Fiscal Period)			Period Ended October 31, 2016 (4th Fiscal Period) (A)			After Refinancing (Note) (B)		Rate of Change or Difference (B)-(A)	
Interest-bearing debt	¥14,869	MM	↗	¥15,469	MM	↗	¥18,700	MM	¥3,231	MM
Average loan interest rate	0.69	%	↘	0.67	%	↗	0.84	%	0.17	%
Ratio of fixed rates	47.1	%	↘	45.3	%	↗	67.4	%	22.1	%
Ratio of long-term borrowings	98.7	%	↘	94.8	%	↗	100.0	%	5.2	%
Average remaining maturity	2.8	years	↘	2.3	years	↗	3.8	years	1.5	years
LTV	44.1	%	↗	44.9	%	↗	46.5	%	2.1	%

Diversified Repayment Dates



LTV

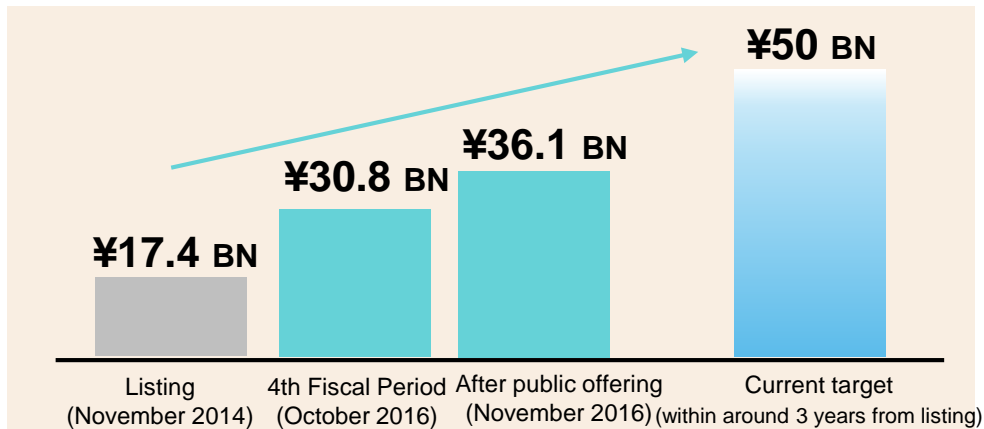


Note: With regard to the LTV after refinancing, presented here is the ratio of interest-bearing debt to estimated total assets for the Investment Corporation in the 5th Fiscal Period.

Future Initiatives

- Aim to achieve the current target of ¥50 BN scale of assets as quickly as possible
- No change in our policy of pursuing relatively high yields, which we will combine with digging deep in the target area
- Focus on Tokyo metropolitan area (Saitama, Chiba, Kanagawa, within a range of about 30 km from the center of the capital)

■ Achieve ¥50 BN scale of assets as quickly as possible



- Make full use of sponsor pipeline (3 properties with preferential negotiating rights)
- Strengthen sourcing activities by using the asset management company's unique acquisition routes

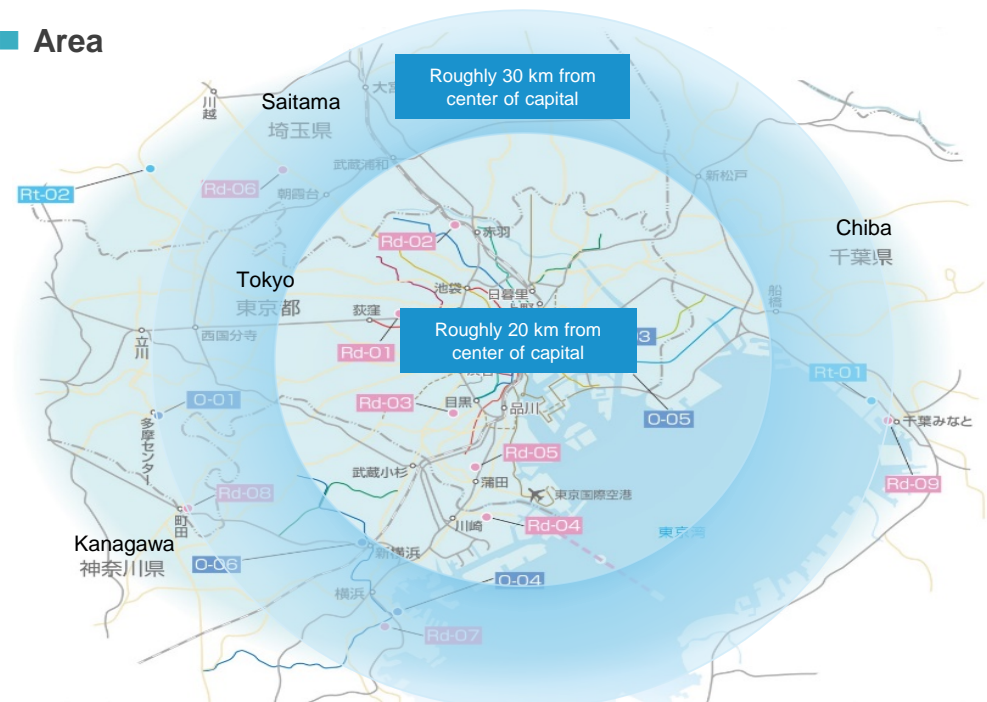
■ Investment Targets

Property type	Scale	Targets	Yield level
Offices	Floor area of over 1,000 m ²	Small and medium-sized offices that are not easily exposed to excessive acquisition competition, positioned centrally in their local areas rather than in limited, high-density commercial areas	NOI after depreciation from the mid to latter half of 4%
Retail facilities	Floor area of over 1,000 m ²	Small commercial area urban-type retail facilities located adjacent to major stations or in areas with a flourishing business environment, having good visibility and the proven ability to draw in customers	
Residential properties	Over 20 m ² floor area per unit	Small and medium-sized residential properties located in densely populated suburban or surrounding areas, with comparatively good access to central Tokyo	
Hotels	Single-use small/ medium-sized hotels	Business hotels that lease everything to operations company	

■ Sourcing Policy

- The acquisition environment remains challenging, but at the current stage, expanding the scale of assets to a level at which we can expect rising cash distributions is important to the investment corporation.
- We will pursue our policy of aiming for competitive real estate in areas where competition for acquisitions is relatively low and where high yields can be expected, and dig deep into the target area.
- Focus on the Tokyo metropolitan area (Saitama, Chiba, Kanagawa)
 - Gather property information primarily in the Tokyo metropolitan area (up to about 30 km from the center of the capital)

■ Area



- On December 16, 2016, we acquired preferential negotiating rights related to 2 properties and declined preferential negotiating rights to 1 property acquired on December 17, 2015, leaving preferential negotiating rights for a total of 3 properties currently.
- Strengthening sponsor support laterally through introduction of “same-boat” financing and cumulative unit investment system
- Framework intended to improve investment unit performance, as well as generate enhanced mutual profits for unitholders, officers and employees of the Tosei Group and the sponsor

■ Preferential Negotiating Rights



Name	Twin Avenue
Address	Sekimachi-kita, Nerima-ku, Tokyo
Property type	Residential
Site area / Floor area	2,475.07 m ² /4,563.79 m ²
Construction / Floors	SRC, flat roof, 8F
Completion of construction	March 1992



Name	Wako Building
Address	Takasu, Mihama-ku, Chiba
Property type	Shops/offices
Site area / Floor area	1,104.14 m ² / 4,059.79 m ²
Construction / Floors	S, flat roof, B1, 5F
Completion of construction	May 1986



Name	Lumiere No.3
Address	Shiba, Kawaguchi-shi, Saitama
Property type	Residential, shops
Site area / Floor area	3,129.63 m ² / 5,812.86 m ²
Construction / Floors	RC, roofing, 7F
Completion of construction	September 1994

■ “Same-boat” Financing Situation

- On the occasion of a capital increase from public offerings, additional investment units are acquired with the aim of further increasing the sponsor's commitment
- Number/ratio of investment units held by sponsor

	End of 1st Fiscal Period	End of 2nd Fiscal Period	End of 3rd Fiscal Period	End of 4th Fiscal Period	End of November
Units issued	96,000	96,000	161,000	161,000	183,200
Units held	9,600	9,600	9,600	9,600	11,820
%	10.00	10.00	5.96	5.96	6.45

Aligning sponsor profits with unit-holder profits

■ Introduction of Cumulative Unit Investment System

- This makes use of the cumulative unit investment system provided by the securities company to enable Tosei officers and employees, including those seconded to the asset management company, to acquire units of the Investment Corporation.
- Through the introduction of this system, we aim to further raise the awareness of improvements in the Investment Corporation's earnings among officers and employees of the Tosei Group, in the expectation that this in turn will contribute to continuous growth of the Investment Corporation and medium-term improvements to unit-holder value.
 - Fixed amount is withheld from salaries and bonuses of officers and employees
 - Deductions begin in December 2016

Aligning profits of Tosei Group officers and employees with profits of unitholders

- Continued work on reducing maintenance and administration costs, including electricity
- For Prime Garden and Selection Hatsutomi, which were acquired at the beginning of the 5th Fiscal Period, we are planning to remove the water purification tank and carry out work to connect to the main sewerage system. In this way we aim to reduce building maintenance costs.

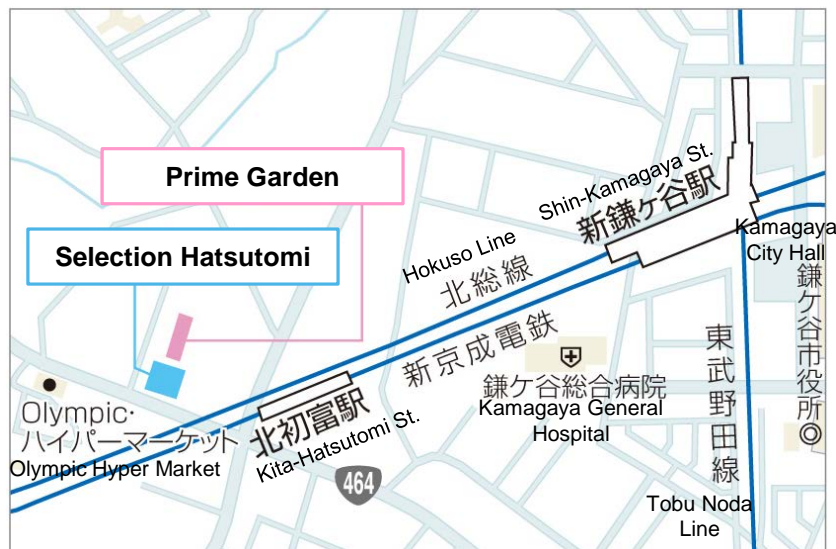
■ Prime Garden / Selection Hatsutomi



Prime Garden

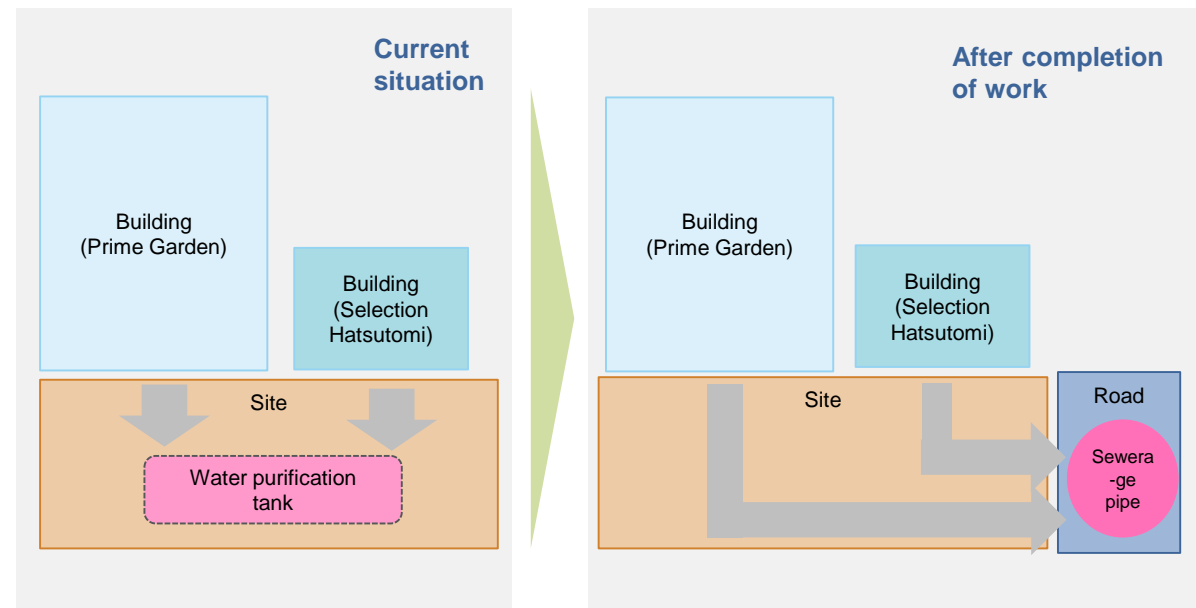


Selection Hatsutomi



■ Remove water purification tank / connect to main sewerage system (scheduled for 5th Fiscal Period)

(Illustration of work planned)

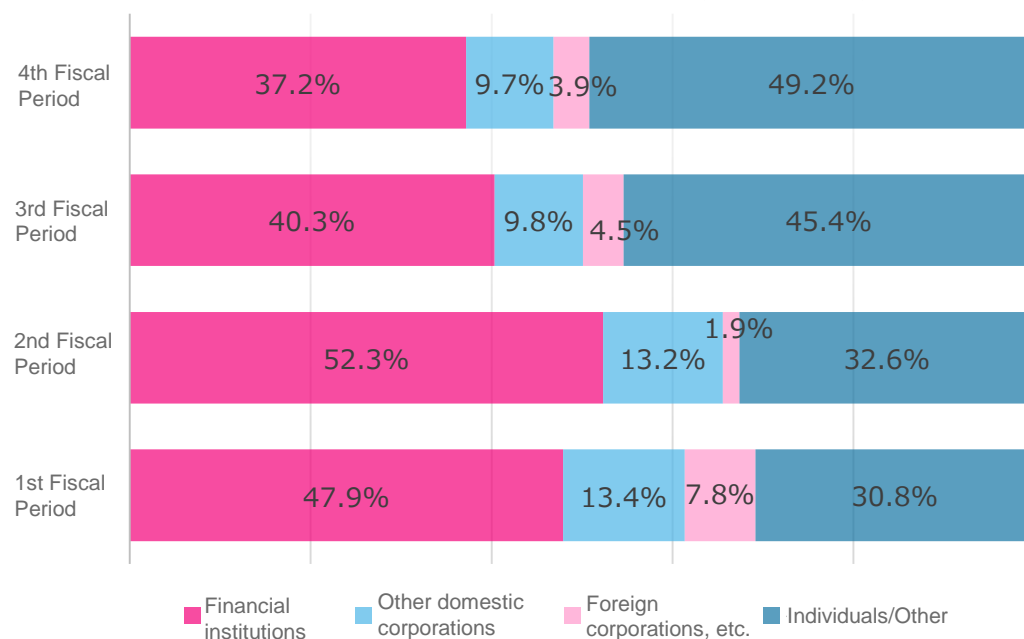


Property	Prime Garden	Selection Hatsutomi
Estimated investment	¥21.0 MM	¥12.4 MM
Estimated reduction in annual maintenance costs	¥1.1 MM	¥1.2 MM

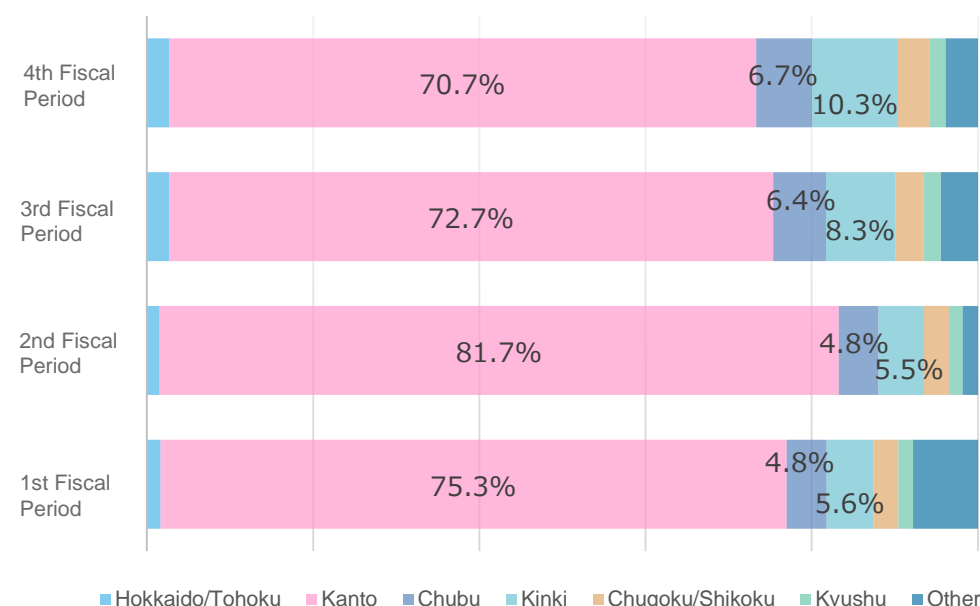
Note: The figures above are estimated values at present and may change depending on future negotiations, etc.

- While we continue to be highly regarded by individual investors, we will devote resources to IR to concentrate on further raising our appeal with financial institutions.
- In particular, we will make energetic efforts to increase our IR activities and to carefully explain our business model to investors (such as regional banks and regional financial institutions) outside the Tokyo metropolitan area, which forms the business foundation of the Tosei Group.

Ratio of Investment Units by Industry (%)



Ratio of Investment Units by Region (%)



(Reference) 15 Diversified REITs (Simple average)

Financial institutions	Foreign corporations	Other corporations	Individuals, others
57.0%	18.3%	13.3%	11.4%

Note: Prepared by the Company from data disclosed for the most recent period of each company.
Figures are simple averages of the data for each company.

APPENDIX

Statement of Income

	(¥ K)	
	Period Ended April 30, 2016 (3rd Fiscal Period)	Period Ended October 31, 2016 (4th Fiscal Period)
Operating revenue		
Lease business revenue	1,139,845	1,208,837
Other lease business revenue	105,772	128,925
Total operating revenue	1,245,618	1,337,762
Operating expenses		
Expenses related to rent business	522,192	563,262
Asset management fee	66,000	79,600
Asset custody fee	1,049	1,666
Administrative service fees	9,383	11,126
Directors' compensation	3,900	3,900
Other operating expenses	29,532	34,833
Total operating expenses	632,059	694,438
Operating income	613,559	643,324
Non-operating income		
Interest income	295	18
Interest on refund	-	361
Miscellaneous income	54	18
Total non-operating income	349	398
Non-operating expenses		
Interest expenses	51,548	51,331
Borrowing related expenses	40,447	44,327
Other	4,334	4,393
Total non-operating expenses	96,330	100,051
Ordinary income	517,578	543,671
Profit before income taxes	517,578	543,671
Income taxes - current	960	913
Income taxes - deferred	(3)	1
Total income taxes	957	915
Profit	516,621	542,755
Retained earnings brought forward	39	31,406
Unappropriated retained earnings (undisposed loss)	516,660	574,162

Balance Sheet

	Period Ended April 30, 2016 (3rd Fiscal Period)	Period Ended October 31, 2016 (4th Fiscal Period)
Assets		
Current assets		
Cash and deposits	1,427,661	921,684
Cash and deposits in trust	2,338,098	2,498,345
Operating accounts receivable	3,334	4,623
Prepaid expenses	81,294	62,926
Deferred tax assets	16	14
Consumption taxes receivable	251,596	-
Total current assets	4,102,003	3,487,595
Non-current assets		
[Property, plant and equipment]	[29,416,703]	[30,797,725]
Buildings in trust	9,212,530	9,720,152
Accumulated depreciation	(302,064)	(450,463)
Buildings in trust, net	8,910,465	9,269,689
Structures in trust	116,282	116,558
Accumulated depreciation	(9,784)	(14,619)
Structures in trust, net	106,497	101,939
Machinery and equipment in trust	243,783	251,755
Accumulated depreciation	(21,141)	(31,834)
Machinery and equipment in trust, net	222,641	219,920
Tools, furniture and fixtures in trust	91,358	92,812
Accumulated depreciation	(8,432)	(12,939)
Tools, furniture and fixtures in trust, net	82,926	79,872
Land in trust	20,092,132	21,124,106
Construction in progress in trust	2,040	2,169
[Investments and other assets]	[154,967]	[125,456]
Long-term prepaid expenses	144,967	115,456
Lease and guarantee deposits	10,000	10,000
[Total non-current assets]	29,571,671	30,923,181
Investment unit issuance expenses	21,673	17,338
Total deferred assets	21,673	17,338
Total assets	33,695,348	34,428,115

	Period Ended April 30, 2016 (3rd Fiscal Period)	Period Ended October 31, 2016 (4th Fiscal Period)
Liabilities		
Current liabilities		
Operating accounts payable	48,739	41,096
Short-term loans payable	200,000	800,000
Current portion of long-term loans payable	3,169,000	3,169,000
Accounts payable	58,012	65,778
Income taxes payable	915	910
Accrued consumption taxes	-	11,785
Advances received	217,519	232,688
Other	42,529	34,487
[Total current liabilities]	3,736,715	4,355,747
Non-current liabilities		
Long-term loans payable	11,500,000	11,500,000
Tenant leasehold and security deposits in trust	1,420,650	1,508,117
Other	31,306	20,715
[Total non-current liabilities]	12,951,956	13,028,833
Total liabilities	16,688,672	17,384,580
Net assets		
Unit-holders' equity		
Unit-holders' capital	16,521,321	16,521,321
Allowance for temporary difference adjustment	-	(31,234)
Unit-holders' capital, net	16,521,321	16,490,087
Surplus	(516,660)	(574,162)
Unappropriated retained earnings (undisposed loss)	516,660	574,162
[Total unit-holders' equity]	17,037,982	17,064,250
Valuation and translation adjustments		
Deferred gains or losses on hedges	(31,306)	(20,715)
[Total valuation and translation adjustments]	(31,306)	(20,715)
Total net assets	17,006,676	17,043,534
Total liabilities and net assets	33,695,348	34,428,115

(¥ K)

Appraisal Value at the End of 4th Fiscal Period

Status at the End of 4th Fiscal Period

Appraisal value	¥33,989 MM
Total book value	¥30,797 MM
Unrealized gains	¥3,191MM

Appraisal Value by Property

(¥ MM)

Property Name	Acquisition Price	Book Value at End of 4th Fiscal Period	Period Ended April 30, 2016 (3rd Fiscal Period) (A)		Period Ended October 31, 2016 (4th Fiscal Period) (B)		Difference (B)-(A)	
			Appraisal Value at End of Period	Unrealized Gains (Book Value Basis)	Appraisal Value at End of Period	Unrealized Gains (Book Value Basis)	Appraisal Value at End of Period	Unrealized Gains (Book Value Basis)
O-01 Tama Center Tosei Building	3,370	3,347	3,430	83	3,450	102	20	18
O-02 KM Shinjuku Building	2,057	2,038	2,370	323	2,400	361	30	38
O-03 Nihonbashi-Hamacho Building	1,830	1,829	2,030	202	2,060	230	30	28
O-04 Kannai Tosei Building II	4,100	4,089	4,540	432	4,540	450	0	17
O-05 Nishi Kasai Tosei Building	1,710	1,707	1,880	164	1,880	172	0	8
O-06 Shin Yokohama Center Building	1,364	1,386	1,570	180	1,590	203	20	23
O-07 Nishidai NC Building	1,481	1,495	(Note) 1,580	-	1,590	94	10	0
Subtotal	15,912	15,894	17,400	1,384	17,510	1,615	110	134
Rt-01 Inage Kaigan Building	2,380	2,337	2,530	172	2,520	182	-10	9
Rt-02 Musashi Fujisawa Tosei Building	1,950	1,947	2,090	132	2,110	162	20	29
Subtotal	4,330	4,285	4,620	304	4,630	344	10	39
Rd-01 T's garden Koenji	1,544	1,544	1,860	309	1,890	345	30	35
Rd-02 Live Akabane	1,227	1,226	1,400	169	1,430	203	30	33
Rd-03 Gekkocho Apartment	1,000	1,005	1,100	93	1,110	104	10	11
Rd-04 T's garden Kawasakidaishi	980	978	1,080	96	1,080	101	0	5
Rd-05 Abitato Kamata	836	844	900	54	900	55	0	0
Rd-06 MarLandFive	830	829	866	32	867	37	1	5
Rd-07 Avenir Shirotae	780	776	874	91	881	104	7	12
Rd-08 Dormitory Haramachida	600	603	658	51	661	57	3	6
Rd-09 SEA SCAPE Chiba Minato	2,800	2,807	3,040	211	3,030	222	-10	11
Residential properties subtotal	10,597	10,617	11,778	1,106	11,849	1,231	71	122
Total	30,839	30,797	33,798	2,802	33,989	3,191	191	295

Note: Appraisal value at the time of acquisition for properties acquired during 4th Fiscal Period (Nishidai NC Building)

Portfolio List (After Capital Increase from Public Offering)

Property No.	Acquired during 5th Fiscal Period	Property Name	Age of Building (Years)	Address	Acquisition Price (¥ MM)	Investment Ratio (%)	Appraisal Value (¥ MM)	Appraisal NOI Yield (%)	Total Leasable Area (㎡)	Occupancy Rate (%) ²	PML (%) ³
O-01		Tama Center Tosei Building	27.3	Tama-shi, Tokyo	3,370	9.3	3,450	6.93	9,737.49	100.0 (69.6)	4.36
O-02		KM Shinjuku Building	25.1	Shinjuku-ku, Tokyo	2,057	5.7	2,400	5.73	3,403.95	100.0	5.52
O-03		Nihonbashi-Hamacho Building	26.0	Chuo-ku, Tokyo	1,830	5.1	2,060	6.07	3,334.40	100.0	6.11
O-04		Kannai Tosei Building II	32.7	Yokohama-shi Kanagawa	4,100	11.3	4,540	6.01	6,917.02	96.7	11.54
O-05		Nishi Kasai Tosei Building	22.8	Edogawa-ku, Tokyo	1,710	4.7	1,880	6.09	3,187.97	100.0	3.84
O-06		Shin Yokohama Center Building	25.9	Yokohama-shi Kanagawa	1,364	3.8	1,590	6.79	3,888.28	100.0	6.47
O-07		Nishidai NC Building	24.6	Itabashi-ku, Tokyo	1,481	4.1	1,590	6.02	3,798.48	100.0	5.25
O-08	●	JPT Motomachi Building	25.0	Yokohama-shi Kanagawa	2,377	6.6	2,550	6.00	5,453.13	94.6 (72.0)	6.06
O-09	●	Hakusan Asanomi Building	23.3	Bunkyo-ku, Tokyo	1,380	3.8	1,400	5.13	1,860.51	83.4	7.31
Offices subtotal			—	—	19,669	54.4	21,460	6.14	41,581.23	98.0	—
Rt-01		Inage Kaigan Building	23.9	Chiba-shi, Chiba	2,380	6.6	2,520	6.35	5,890.92	100.0	6.49
Rt-02		Musashi Fujisawa Tosei Building	19.2	Iruma-shi, Saitama	1,950	5.4	2,110	6.54	6,089.72	100.0 (100.0)	5.85
Rt-03	●	Selection Hatsutomi	13.4	Kamagaya-shi, Chiba	310	0.9	318	6.36	1,839.45	100.0	7.98
Retail facilities subtotal			—	—	4,640	12.8	4,948	6.43	13,820.09	100.0	—
Offices/Retail facilities subtotal			—	—	24,309	67.2	26,408	6.20	55,401.32	98.5	—
Rd-01		T's garden Koenji	5.8	Suginami-ku, Tokyo	1,544	4.3	1,890	5.33	2,169.38	97.9	7.91
Rd-02		Live Akabane	27.6	Kita-ku, Tokyo	1,227	3.4	1,430	6.25	3,876.35	97.7	7.45
Rd-03		Gekkocho Apartment	8.6	Meguro-ku, Tokyo	1,000	2.8	1,110	5.11	1,392.13	87.8	8.98
Rd-04		T's garden Kawasaki-daishi	7.8	Kawasaki-shi, Kanagawa	980	2.7	1,080	5.75	2,067.77	96.2	7.38
Rd-05		Abitato Kamata	25.4	Ota-ku, Tokyo	836	2.3	900	5.52	1,768.23	100.0	7.82
Rd-06		MarLandFive	26.5	Fujimi-shi, Saitama	830	2.3	867	6.92	2,723.68	97.7	4.00
Rd-07		Avenir Shirotae	21.7	Yokohama-shi, Kanagawa	780	2.2	881	6.59	2,499.93	95.7	7.57
Rd-08		Dormitory Haramachida	24.3	Machida-shi Tokyo	600	1.7	661	6.74	1,865.47	93.7	5.29
Rd-09		SEA SCAPE Chiba Minato	8.6	Chiba-shi, Chiba	2,800	7.7	3,030	6.00	6,758.52	93.2	7.30
Rd-10	●	Prime Garden	21.7	Kamagaya-shi, Chiba	600	1.7	607	6.08	3,687.98	85.1	9.42
Rd-11	●	T's garden Shinkoiwa	18.6	Katsushika-ku Tokyo	670	1.9	694	5.21	1,652.93	89.7	4.41
Residential properties subtotal			—	—	11,867	32.8	13,150	5.91	30,462.37	93.9	—
Total/Average			22.4	—	36,176	100.0	39,558	6.10	85,863.69	96.9	3.75

Notes: 1. The figures in this table are from the end of October 2016, but for the five properties newly acquired in the 5th Fiscal Period, the appraisal value, appraisal NOI yield, total leasable area and occupancy rate date from the end of August 2016.

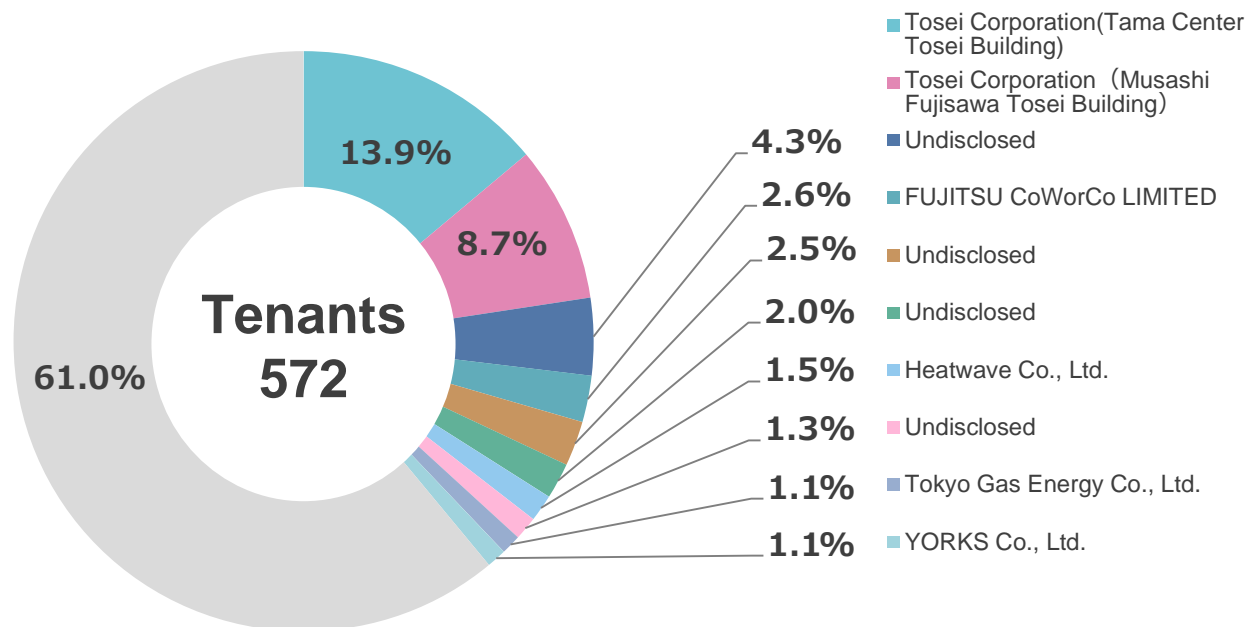
2. "Occupancy Rate" figures in parentheses are the percentage of the total area for which leases have been concluded between the master lease company and the end tenants, and that are actually being rented.

3. The "Total/Average" figures for the PML value are based on SOMPO RISK MANAGEMENT & HEALTH CARE Inc.'s "Portfolio Earthquake PML Evaluation Report" of August 2016 and show PML figures for the entire portfolio.

Distribution of Tenants (at End of 4th Period)

■ Top 10 Tenants (By Leased Floor Area)

	Name	Leased Area (㎡)	Tenanted Property	%
1	Tosei Corporation	9,737.49	Tama Center Tosei Building	13.9%
2	Tosei Corporation	6,089.72	Musashi Fujisawa Tosei Building	8.7%
3	Undisclosed	2,989.01	Inage Kaigan Building	4.3%
4	FUJITSU CoWorCo LIMITED	1,822.20	Shin Yokohama Center Building	2.6%
5	Undisclosed	1,762.57	Undisclosed	2.5%
6	Undisclosed	1,420.46	Undisclosed	2.0%
7	Heatwave Co., Ltd.	1,032.11	KM Shinjuku Building	1.5%
8	Undisclosed	926.41	Nishi Kasai Tosei Building	1.3%
9	Tokyo Gas Energy Co., Ltd.	756.21	Nihonbashi-Hamacho Building	1.1%
10	YORKS Co., Ltd.	755.29	Nihonbashi-Hamacho Building	1.1%



Earnings Performance of Properties (1)

(¥ K)

Property Name	O-01 Tama Center Tosei Building	O-02 KM Shinjuku Building	O-03 Nihonbashi-Hamacho Building	O-04 Kannai Tosei Building II	O-05 Nishi Kasai Tosei Building	O-06 Shin Yokohama Center Building
Rental and other operating revenue (1)	205,358	92,151	87,503	174,160	73,491	69,240
Rent revenue	176,781	83,189	76,833	154,321	64,428	64,397
Other operating revenue	28,577	8,961	10,669	19,838	9,062	4,843
Property-related expenses (2)	71,671	28,033	27,805	48,459	23,936	21,234
Property management fees	24,337	6,663	7,646	18,002	6,714	7,959
Trust fees	300	300	300	300	300	300
Utilities expenses	26,964	9,114	9,605	15,976	8,288	6,000
Insurance premiums	572	186	181	338	147	210
Repair and maintenance expenses	344	884	824	3,600	779	387
Property taxes	18,058	9,852	7,919	6,508	6,366	3,522
Other expenses	1,093	1,031	1,328	3,732	1,399	2,853
NOI (3) [(1)-(2)]	133,687	64,117	59,698	125,700	49,555	48,006
Depreciation (4)	16,549	8,983	10,108	20,762	8,867	7,855
Rental operating income (5) [(3)-(4)]	117,137	55,134	49,589	104,937	40,688	40,150
Capital expenditures (6)	18,093	815	11,648	2,969	650	4,174
NCF (7) [(3)-(6)]	115,594	63,302	48,049	122,730	48,905	43,831

Earnings Performance of Properties (2)

(¥ K)







Property Name	O-07 Nishidai NC Building	Rt-01 Inage Kaigan Building	Rt-02 Musashi Fujisawa Tosei Building	Rd-01 T's garden Koenji	Rd-02 Live Akabane	Rd-03 Gekkochō Apartment
Rental and other operating revenue (1)	24,553	126,647	72,182	52,052	51,627	30,960
Rent revenue	24,293	102,450	72,182	51,334	50,665	28,995
Other operating revenue	260	24,196	0	717	962	1,964
Property-related expenses (2)	5,887	49,428	7,496	8,087	11,957	11,343
Property management fees	3,022	8,088	1,080	3,888	4,569	2,860
Trust fees	101	300	300	300	300	300
Utilities expenses	2,401	27,854	0	363	656	405
Insurance premiums	68	295	109	75	139	57
Repair and maintenance expenses	18	430	0	406	1,802	2,300
Property taxes	0	11,636	5,985	2,576	3,327	2,108
Other expenses	274	822	22	476	1,162	3,311
NOI (3) [(1)-(2)]	18,666	77,218	64,685	43,964	39,669	19,616
Depreciation (4)	4,622	19,988	9,167	5,778	4,252	3,344
Rental operating income (5) [(3)-(4)]	14,043	57,299	55,517	38,186	35,417	16,271
Capital expenditures (6)	1,592	0	0	0	284	2,305
NCF (7) [(3)-(6)]	17,074	77,218	64,685	43,964	39,385	17,310

Earnings Performance of Properties (3)







(¥ K)

Property Name	Rd-04 T's garden Kawasakidaishi	Rd-05 Abitato Kamata	Rd-06 MarLandFive	Rd-07 Avenir Shirotae	Rd-08 Dormitory Haramachida	Rd-09 SEA SCAPE Chiba Minato
Rental and other operating revenue (1)	35,591	28,401	38,343	34,821	29,174	111,503
Rent revenue	34,304	27,464	35,638	33,378	28,172	100,005
Other operating revenue	1,286	937	2,704	1,443	1,001	11,497
Property-related expenses (2)	7,986	7,832	12,634	9,937	9,282	31,814
Property management fees	2,459	2,353	3,622	3,002	2,515	9,713
Trust fees	300	300	300	300	300	300
Utilities expenses	175	538	2,453	688	731	6,684
Insurance premiums	67	62	101	86	82	296
Repair and maintenance expenses	1,336	1,744	2,694	2,275	2,280	3,777
Property taxes	2,035	1,536	2,580	2,060	2,437	4,741
Other expenses	1,612	1,296	882	1,524	936	6,300
NOI (3) [(1)-(2)]	27,604	20,568	25,708	24,884	19,891	79,689
Depreciation (4)	5,218	3,297	4,829	6,362	4,855	23,589
Rental operating income (5) [(3)-(4)]	22,386	17,271	20,879	18,521	15,035	56,100
Capital expenditures (6)	0	2,438	456	1,150	1,547	2,311
NCF (7) [(3)-(6)]	27,604	18,130	25,252	23,733	18,344	77,378







List of Properties (1)

Property Name	O-01 Tama Center Tosei Building	O-02 KM Shinjuku Building	O-03 Nihonbashi-Hamacho Building
			
Location	Ochiai, Tama-shi, Tokyo	Kabuki-cho, Shinjuku-ku, Tokyo	Nihonbashi-Hamacho, Chuo-ku, Tokyo
Access	Approx. 4-min. walk from Odakyu Tama Center Station, Odakyu Tama Line	Approx. 1-min. walk from Seibu Shinjuku Station, Seibu Shinjuku Line	Approx. 3-min. walk from Hamacho Station, Toei Subway Shinjuku Line
Acquisition price	¥3,370 MM	¥2,057 MM	¥1,830 MM
Structure	S, SRC	SRC	SRC, S
Floors	B1/7F	B1/9F	9F
Floor area	16,212.96 m ²	5,240.41 m ²	4,583.48 m ²
Property Name	O-04 Kannai Tosei Building II	O-05 Nishikasai Tosei Building	O-06 Shin Yokohama Center Building
			
Location	Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa	Nishikasai, Edogawa-ku, Tokyo	ShinYokohama, Kohoku-ku, Yokohama-shi, Kanagawa
Access	Approx. 3-min. walk from Kannai Station, Yokohama Municipal Subway	Approx. 2-min. walk from Nishikasai Station, Tokyo Metro Tozai Line	Approx. 5-min. walk from Shinyokohama Station, JR Tokaido Shinkansen and Yokohama Line
Acquisition price	¥4,100 MM	¥1,710 MM	¥1,364 MM
Structure	SRC	SRC	SRC, RC
Floors	B1/12F	B1/8F	B2/9F
Floor area	9,383.81 m ²	4,271.38 m ²	5,809.25 m ²






List of Properties (2)

Property Name	O-07 Nishidai NC Building	O-08 JPT Motomachi Building	O-09 Hakusan Asanomi Building
			
Location	Takashimadaira, Itabashi-ku, Tokyo	Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa	Hakusan, Bunkyo-ku, Tokyo
Access	Approx. 1-min. walk from Nishidai Station, Toei Subway Mita Line	5-min walk from Ishikawa-cho Station, JR Keihin-Tohoku Line/Negishi Line	Approx. 1-min. walk from Hakusan Station, Toei Subway Mita Line
Acquisition price	¥1,481 MM	¥2,377 MM	¥1,380 MM
Structure	S, SRC	S, SRC, RC	S, SRC
Floors	B1/7F	B2/8F	B1/10F
Floor area	6,214.11 m ²	7,924.98 m ²	2,374.87 m ²
Property Name	Rt-01 Inage Kaigan Building	Rt-02 Musashi Fujisawa Tosei Building	Rt-03 Selection Hatsutomi
			
Location	Takasu, Mihama-ku, Chiba	Higashi Fujisawa, Iruma-shi, Saitama	Kita-Hatsutomi, Kamagaya-shi, Chiba
Access	Approx. 1-min. walk from Inagekaigan Station, JR Keiyo Line	Approx. 9-min. walk from Musashi-Fujisawa Station, Seibu Ikebukuro Line	Approx. 3-min walk from Kita-Hatsutomi Station, Keisei Railway Shinkeisei Line
Acquisition price	¥2,380 MM	¥1,950 MM	¥310 MM
Structure	SRC	Steel frame structure, galvanized steel	S
Floors	7F	2F	2F
Floor area	7,175.12 m ²	6,131.07 m ²	1,827.75 m ²

List of Properties (3)

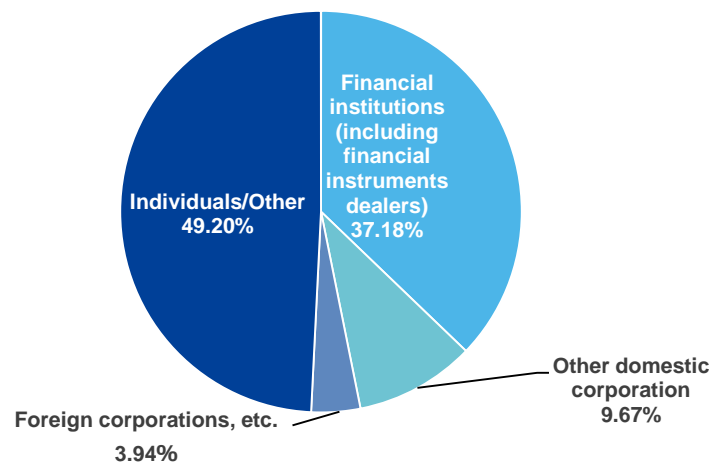
Property Name	Rd-01 T's garden Koenji	Rd-02 Live Akabane	Rd-03 Gekkocho Apartment
			
Location	Koenjikita, Suginami-ku, Tokyo	Ukima, Kita-ku, Tokyo	Shimomeguro, Meguro-ku, Tokyo
Access	Approx. 5-min. walk from Koenji Station, JR Chuo Line	Approx. 4-min. walk from Kita-akabane Station, JR Saikyo Line	Approx. 13-min. walk from Musashi-koyama Station, Tokyu Meguro Line
Acquisition price	¥1,544 MM	¥1,227 MM	¥1,000 MM
Structure	RC	SRC	RC
Floors	6F	12F	6F
Floor area	2,445.31 m ²	4,484.24 m ²	1,547.03 m ²
Property Name	Rd-04 T's garden Kawasaki-daishi	Rd-05 Abitato Kamata	Rd-06 MarLandFive
			
Location	Ise-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Chuo, Ota-ku, Tokyo	Nishimizuhodai, Fujimi-shi, Saitama
Access	Approx. 8-min. walk from Suzukicho Station, Keikyu Daishi Line	Approx. 18-min. walk from Kamata Station, JR Keihin Tohoku Line	Approx. 2-min. walk from Mizuhodai Station, Tobu Tojo Line
Acquisition price	¥980 MM	¥836 MM	¥830 MM
Structure	S	RC	SRC
Floors	3F	6F	B1/9F
Floor area	2,105.59 m ²	2,062.09 m ²	3,688.54 m ²

List of Properties (4)

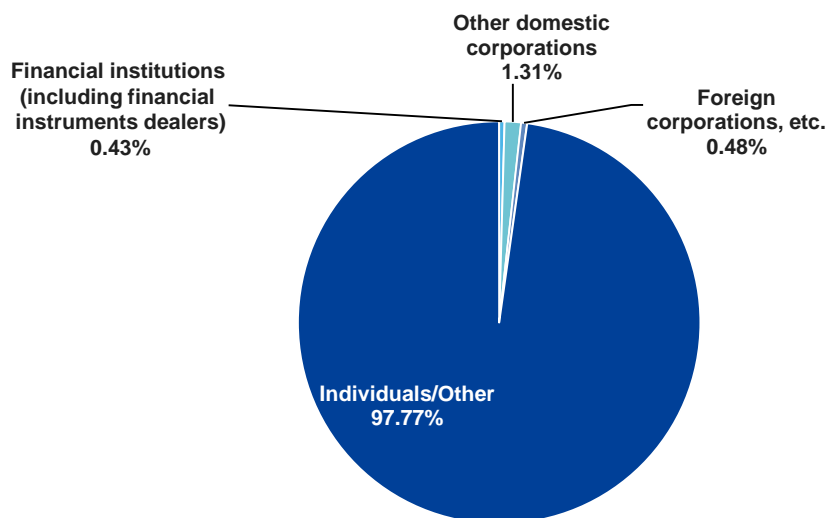
Property Name	Rd-07 Avenir Shirotae	Rd-08 Dormitory Haramachida	Rd-09 SEA SCAPE Chiba Minato
			
Location	Shirotae-cho, Minami-ku, Yokohama-shi, Kanagawa	Haramachida, Machida-shi, Tokyo	Chuoko, Chuo-ku, Chiba-shi, Chiba
Access	Approx. 4-min. walk from Bandobashi Station, Blue Line (Yokohama)	Approx. 6-min. walk from Machida Station, JR Yokohama Line	Approx. 1-min. walk from Chiba Minato Station, JR Keiyo Line
Acquisition price	¥780 MM	¥600 MM	¥2,800 MM
Structure	SRC	SRC, S	RC
Floors	11F	B1/12F	B1/13F
Floor area	3,001.81 m ²	2,239.50 m ²	7,571.58 m ²
Property Name	Rd-10 Prime Garden	Rd-11 T's garden Shinkoiwa	
			
Location	Kita-Hatsutomi, Kamagaya-shi, Chiba	Nishi-Shinkoiwa, Katsushika-ku Tokyo	
Access	Approx. 4-min. walk from Kita Hatsutomi Station, Shin Keisei Line	Approx. 4-min. walk from Shinkoiwa Station, JR Sobu Line	
Acquisition price	¥600 MM	¥670 MM	
Structure	RC	SRC	
Floors	6F	10F	
Floor area	3,975.87 m ²	1,976.90 m ²	

Unit-holder Composition (At End of 4th Period)

■ Number of Units by Unit-holder Type (Number of units issued 161,000)



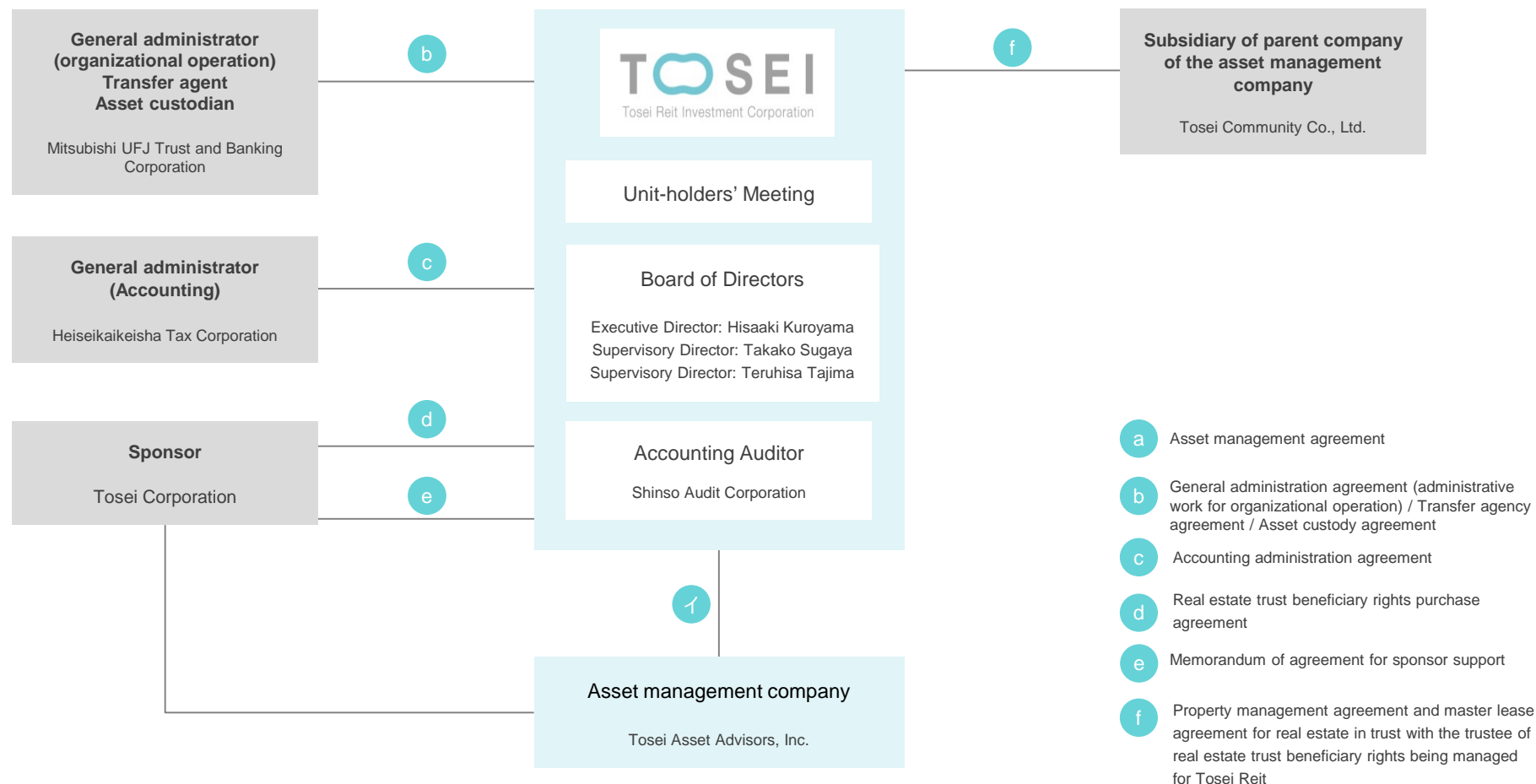
■ Number of Unit-holders by Unit-holder Type (Total 9,436)



■ Top 10 Unit-holders

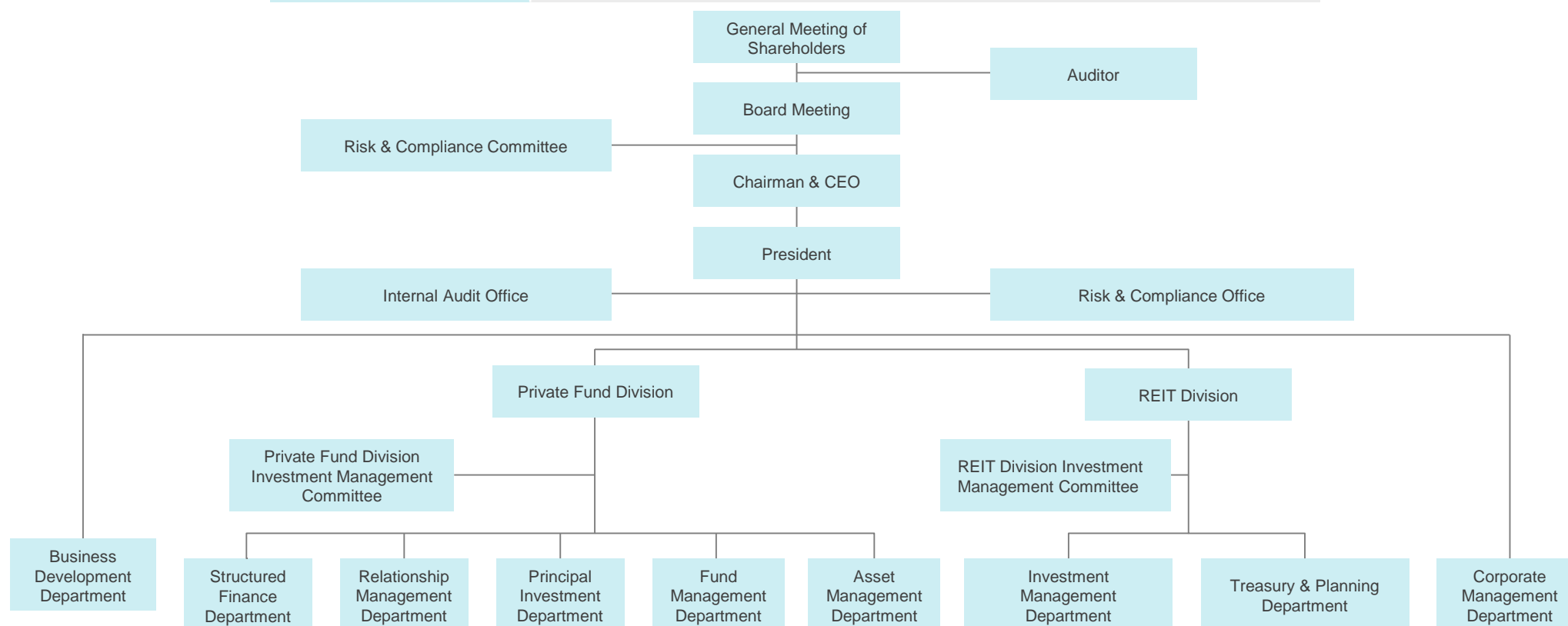
	Name	Number of Investment Units Owned (Units)	Number of Investment Units Owned as a Percentage of Total Number of Investment Units Issued and Outstanding (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	28,860	17.92%
2	Tosei Corporation	9,600	5.96%
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	8,801	5.46%
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	8,403	5.21%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,484	2.78%
6	Individual	3,000	1.86%
7	Aozora Bank, Ltd.	1,610	1.00%
8	SBI Securities Co., Ltd.	1,427	0.88%
9	State Street Bank and Trust Company 505001	1,398	0.86%
10	Nissui Pharmaceutical Co., Ltd.	1,326	0.82%
Total		68,909	42.80%

Note: Based on the unitholder registry as of October 31, 2016



Profile of Tosei Asset Advisors, Inc.

Company Name	Tosei Asset Advisors, Inc.
Date of Establishment	September 28, 2005
Capital	¥100 MM
Chairman & CEO	Hiroshi Nakamura
Licenses/Registrations	Type II Financial Instruments Business, Investment Advisory and Agency Business Investment Management Business: Director-General of Kanto Local Finance Bureau (Financial Instruments) Registration No. 363 Entrustment-Based Agency Services For Transactions: Minister of Land, Infrastructure, Transport and Tourism, License No. 52 Real Estate Brokerage Business: Governor of Tokyo (3) Registration No. 85736 Real Estate Specified Joint Enterprise License: Commissioner of the Financial Services Agency, Minister of Land, Infrastructure, Transport and tourism No.70



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