

TŌSEI



For the Fiscal Period Ended April 30, 2018 (7th Fiscal Period)

IR Presentation

Securities Code: 3451

Tosei Reit Investment Corporation

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Overview of Financial Results and Earnings Forecast

Overview of the 7th Fiscal Period

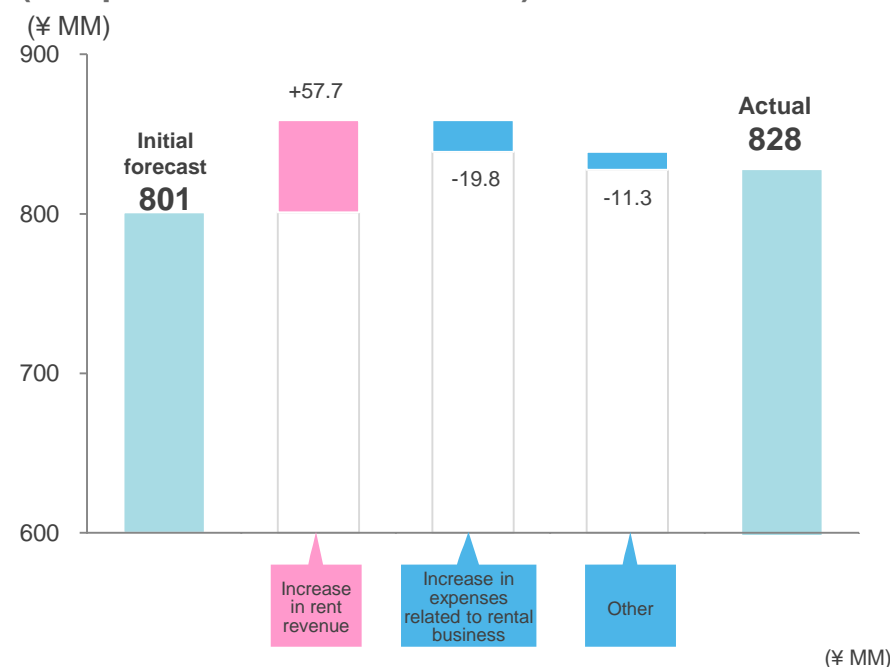
- Compared with initial forecast, operating revenue is +3.0% at ¥2,002 MM and net income is +3.3% at ¥828 MM.
- The main reason is rent revenue exceeding forecasts due to early filling up of scheduled vacancies of office spaces.

■ Results for the 7th Fiscal Period

(¥ MM)

	Period Ended October 31, 2017 (6th Fiscal Period)	Period Ended April 30, 2018 (7th Fiscal Period)		
		Forecast Announced Dec. 18, 2017	Actual result	Difference from Forecast
Days in operation	184	181	181	—
Operating revenue	1,633	1,944	2,002	+3.0%
Operating income	754	970	1,001	+3.2%
Ordinary income	620	802	828	+3.3%
Net income	619	801	828	+3.3%
Cash distribution per unit (yen)	3,382	3,419	3,532	+3.3%
Total assets	40,351	—	51,272	—

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



Increase in rent revenue (Of which +¥17.7 was for office rent, +¥8.7 for residential rent, +¥2.5 for shop rent, +¥14.9 for utilities revenue and +¥12.6 for other operating revenue (revenue from construction to restore properties to original state))	+57.7
Increase in expenses related to rental business (Of which -¥2.3 was for increase in PM fees, -¥4.9 for increase in utility costs, -¥10.8 for increase of repair costs (expenses of restoring properties to original state) and +¥0.1 for decrease in taxes and public dues)	-19.8
Other (Increase in depreciation of -¥2.9, increase in G&A expenses of -¥4.0 and increase in non-operating expenses (interest payment) of -¥3.4)	-11.3

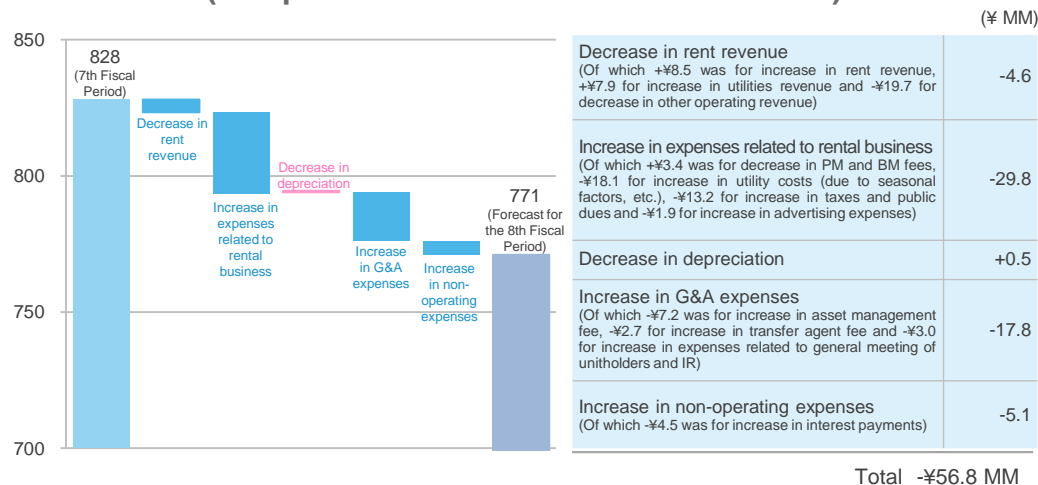
Earnings Forecast for the 8th and 9th Fiscal Periods

■ Earnings Forecast for the 8th and 9th Fiscal Periods

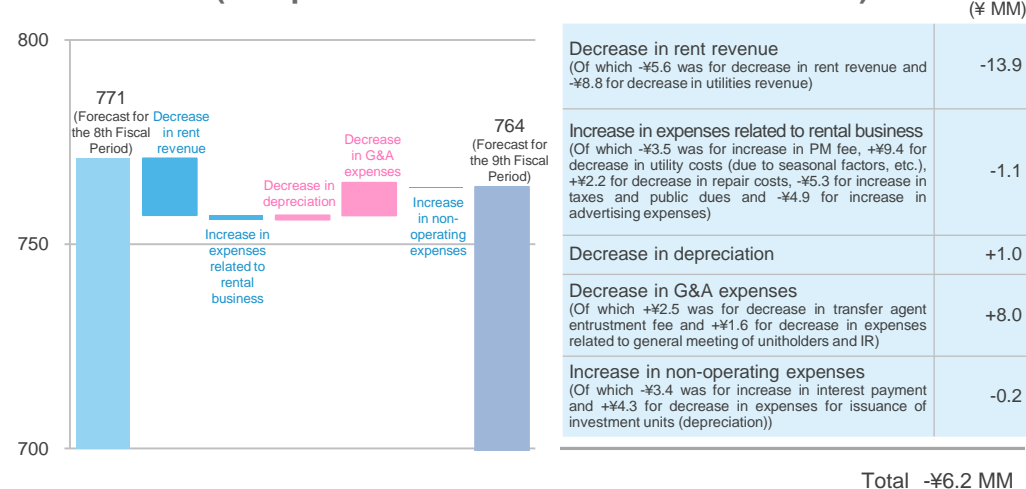
(¥ MM)

	Results for the Period Ended April 30, 2018 (7th Fiscal Period)	Forecast for the Period Ending October 31, 2018 (8th Fiscal Period)				Forecast for the Period Ending April 30, 2019 (9th Fiscal Period)	Compared with 8th period forecast
		Initial forecast (Announced Dec. 18, 2017)	Recent Forecast (Announced Jun. 15, 2018)	Compared with 7th period actual	Compared with initial forecast		
Operating revenue	2,002	1,945	1,997	-0.2%	+2.7%	1,983	-0.7%
Operating income	1,001	934	949	-5.2%	+1.6%	943	-0.6%
Net income	828	762	771	-6.9%	+1.2%	764	-0.8%
Cash distribution per unit (yen)	3,532	3,252	3,289	-6.9%	+1.1%	3,263	-0.8%

■ Main Factors for Change in 8th Fiscal Period Net Income Forecast (compared with 7th Fiscal Period Results)



■ Main Factors for Change in 9th Fiscal Period Net Income Forecast (compared with 8th Fiscal Period Forecast)

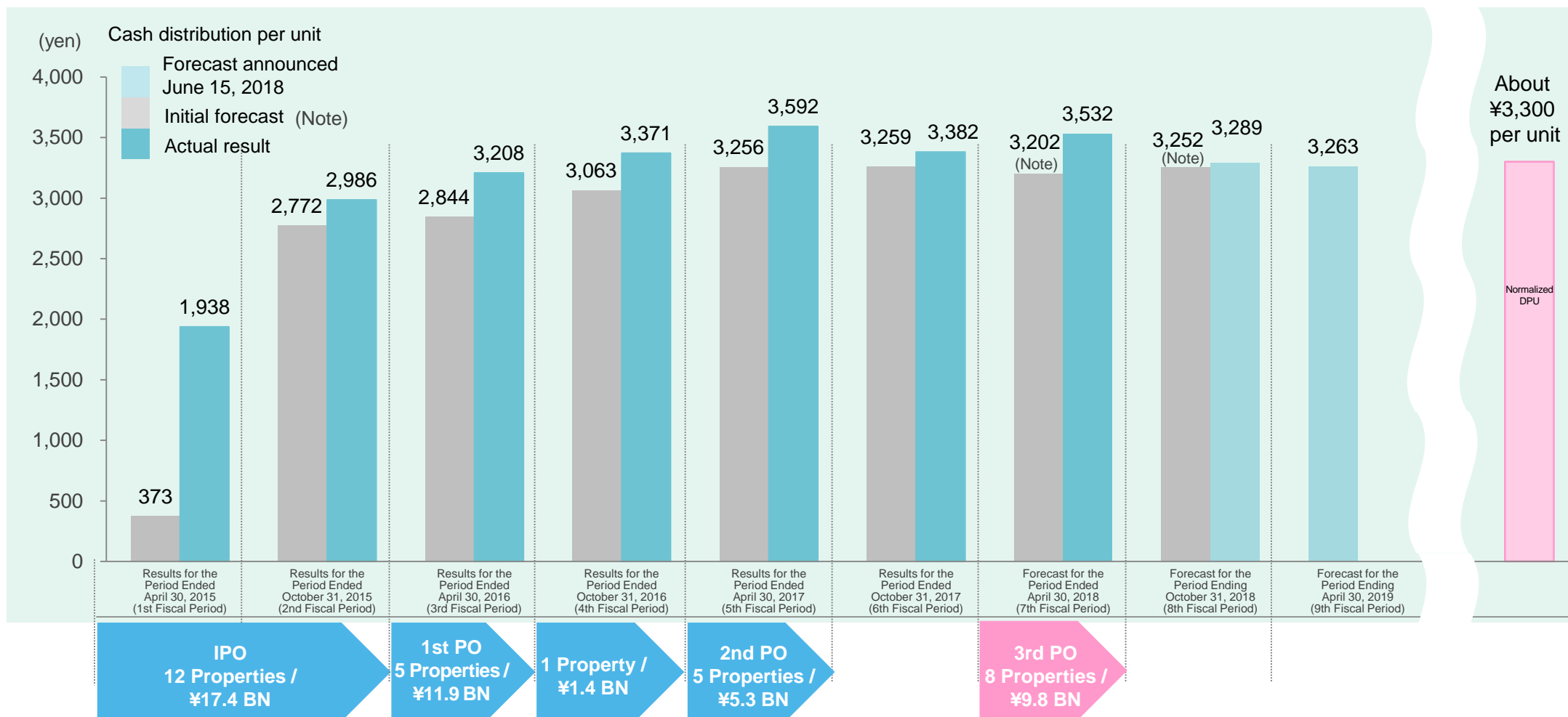


Notes:

- Cash distributions for the fiscal periods ending October 31, 2018 and ending April 30, 2019 are forecasts and are subject to change as a result of future acquisitions or sale of real estate, as well as fluctuations in 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.
- Rent revenue for the fiscal periods ending October 31, 2018 and ending April 30, 2019, are figures that factor in departures based on the cancellation notices received at the point of announcement for offices, and assume that the offices in question remain empty after departure for the period in question.

Cash Distribution per Unit

- Actual results for the 7th Fiscal Period was ¥3,532 per unit, up ¥113 (+3.3%) from the previous forecast
- Forecast cash distributions for the 8th Fiscal Period were adjusted upwards (¥3,252 to ¥3,289)

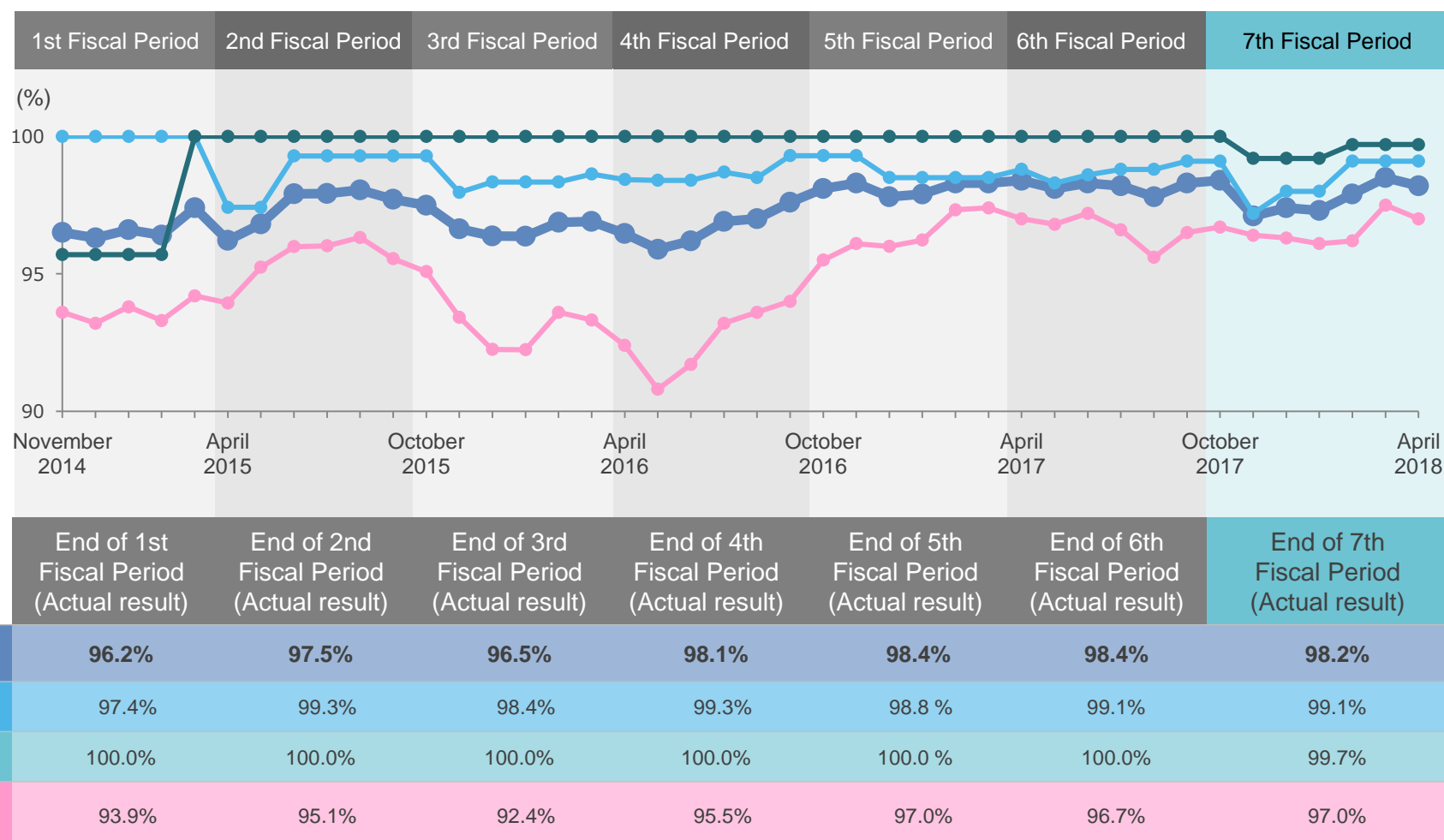


(Note) The figure announced first is listed as the initial forecast. The initial forecasts for the fiscal period ended in April 2018 (7th Fiscal Period) was released on June 15, 2017 and the initial forecasts for the fiscal period ending October 2018 (8th Fiscal Period) was released on December 18, 2017.

Operating Results

- High occupancy rate of 98.2% was secured at the end of the 7th Fiscal Period, the same level as the previous period.
- The occupancy rate temporarily fell to 97.1% along with the acquisition of new properties but gradually recovered. There is capacity for further improvement.

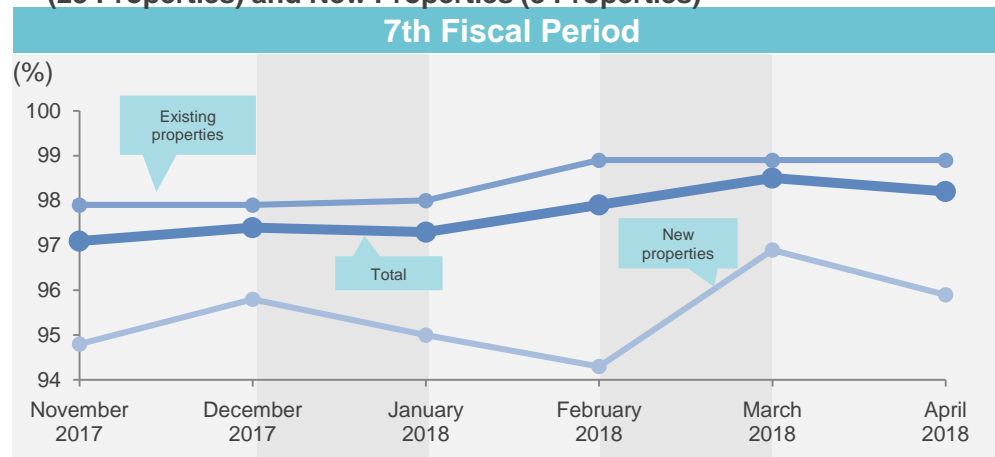
■ Occupancy Rate (Note)



(Note) The occupancy rate is the ratio of leased area to leasable area.

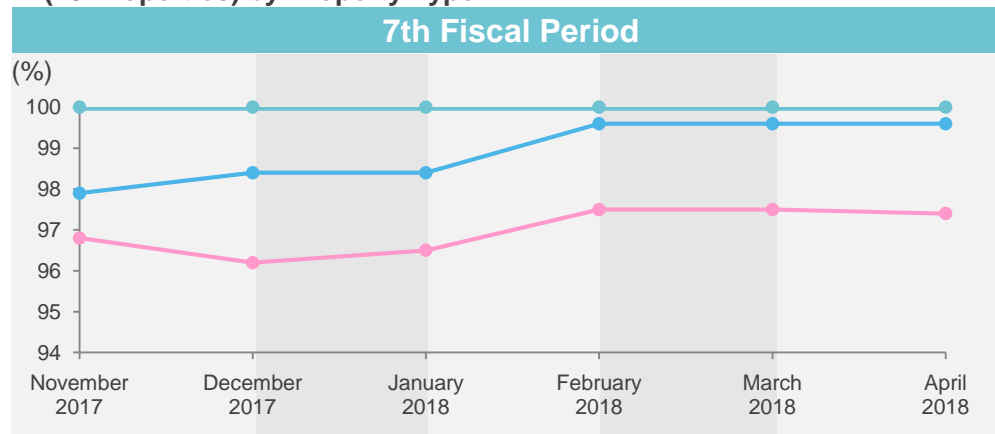
Occupancy Rates of Existing Properties and New Properties

■ Comparison of Occupancy Rates of Existing Properties (23 Properties) and New Properties (8 Properties)

















	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018
Total	97.1%	97.4%	97.3%	97.9%	98.5%	98.2%
Existing properties	97.9%	97.9%	98.0%	98.9%	98.9%	98.9%
New properties	94.8%	95.8%	95.0%	94.3%	96.9%	95.9%

■ Comparison of Occupancy Rates of Existing Properties (23 Properties) by Property Type



	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018
Offices	97.9%	98.4%	98.4%	99.6%	99.6%	99.6%
Retail facilities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential properties	96.8%	96.2%	96.5%	97.5%	97.5%	97.4%

■ Occupancy Rates of New Properties (8 Properties)

Offices			
	O-10 Chojamachi Duo Building	Before acquisition	End of April
		78.6%	 89.4%
Retail facilities			
	Rt-04 Wako Building	Before acquisition	End of April
		95.5%	 98.1%
Residential properties			
	Rd-12 Twin Avenue	Before acquisition	End of April
		96.8%	 94.3%
	Rd-13 Milestone Higashikurume	Before acquisition	End of April
		96.6%	 98.3%
	Rd-14 Lumiere No.3	Before acquisition	End of April
		90.0%	 95.6%
	Rd-15 T's garden Nishifunabashi	Before acquisition	End of April
		77.7%	 94.4%
	Rd-16 Quest Yamatedai	Before acquisition	End of April
		85.1%	 100.0%
	Rd-17 Sancerre Yonohommachi	Before acquisition	End of April
		94.5%	 97.2%

Shortening of Vacancy Periods and Improvement of ML End Tenant Occupancy Rates

- Continued initiatives to shorten vacancy periods of vacated spaces and contributed to high occupancy of office properties
- The occupancy rate of Tama-Center Tosei Building is expected to be around 90.4% at the end of the 8th Fiscal Period.

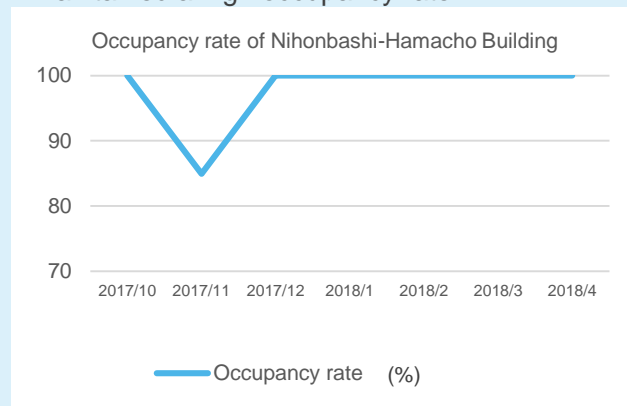
Vacancy Period for Tenant Replacements at Major Office Properties

Name of Property	Date of Cancellation	Contract Start Date	Vacancy Period
Nihonbashi-Hamacho Building (1)	Oct. 31, 2017	Dec. 1, 2017	30 days
Nihonbashi-Hamacho Building (2)	Feb. 7, 2018	Feb. 15, 2018	7 days
Nihonbashi-Hamacho Building (3)	Feb. 28, 2018	Mar. 12, 2018	11 days
Nishikasai Tosei Building	Feb. 13, 2018	Feb. 14, 2018	0 day
Hakusan Asanomi Building	Nov. 30, 2017	Feb. 1, 2018	62 days

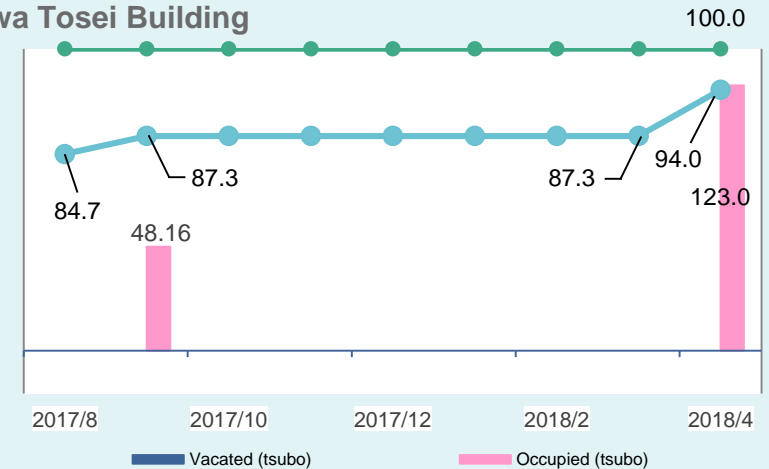
Nihonbashi-Hamacho Building



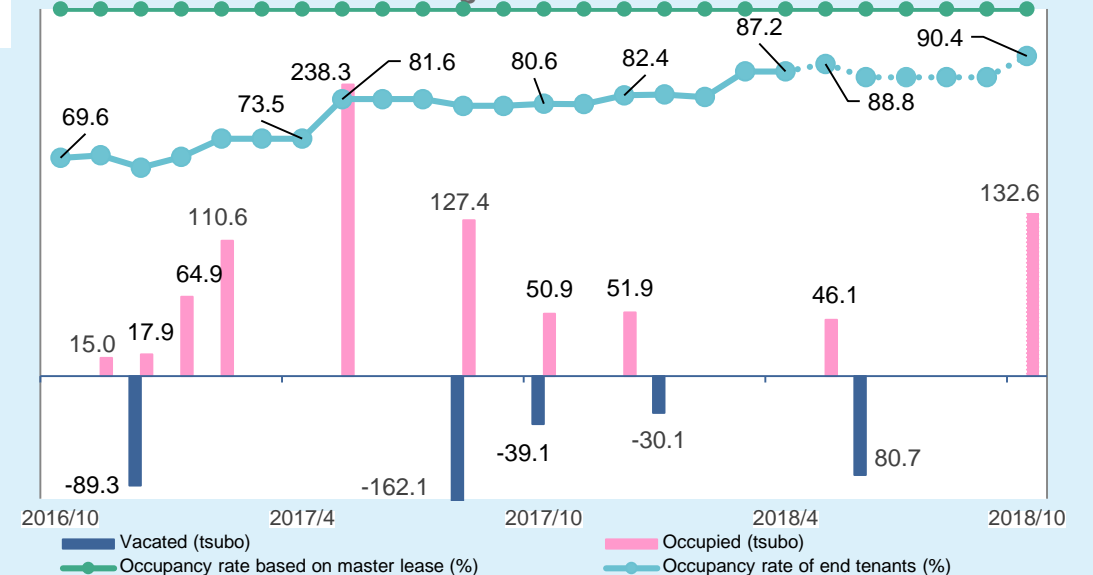
- Refilled vacated spaces within a short period and maintained a high occupancy rate



Change in Occupancy Rate of End Tenants of Musashi Fujisawa Tosei Building



Change in Occupancy Rate of End Tenants of Tama-Center Tosei Building (Note)

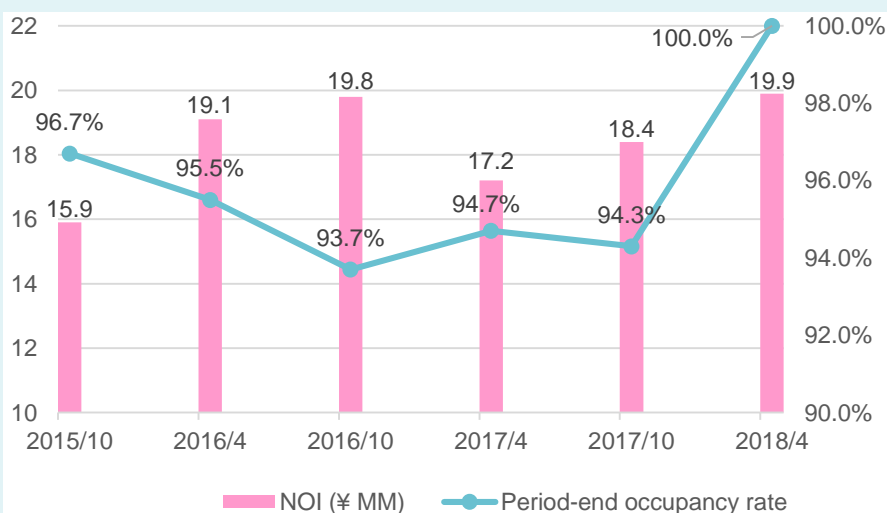
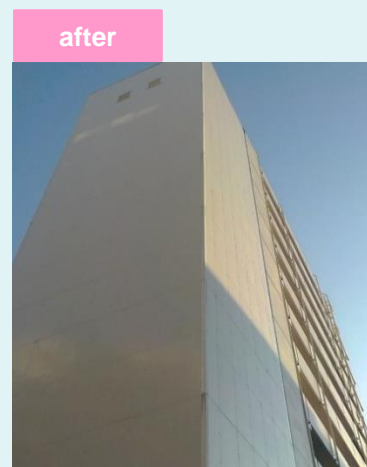


(Note) Occupancy rates of end tenants for May 2018 onward and the expected figures for occupied spaces partially include leased area based on partial inquiries.

■ Large-Scale Repair Work: Dormitory Haramachida

Implementation	7th Fiscal Period
Construction costs: Approx. ¥41 MM	

- Implemented painting of exterior walls, waterproofing and other work and replacement of lighting equipment (to LED lighting).
 - Implemented beautification work at the entrance and in elevators
- ↓
- Increase of NOI and improvement of occupancy rate
 - NOI: ¥18.4 MM → ¥19.9 MM
 - Occupancy rate: 94.3 % → 100%



Capital Expenditure and Amortization (¥ MM)

	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period	5th Fiscal Period	6th Fiscal Period	7th Fiscal Period
Capital expenditure	2.3	31.6	32.1	50.4	47.3	51.9	76.1
Depreciation	90.5	91.6	159.2	168.4	207.9	204.0	243.4

Breakdown of Capital Expenditure (1st Fiscal Period to 7th Fiscal Period, cumulative ¥ MM)

Details of investment	Value	%
Air-conditioning work	95.4	32.7%
Electrical and other facilities	97.4	33.4%
Mechanical parking facility	23.9	8.2%
Refurbishment / Enhancement work	75.3	25.8%

■ Management Automation Work: Inage Kaigan Building

Implementation	8th Fiscal Period
Construction costs: Approx. ¥4 MM	



- In response to requests to increase management fees alongside surging personnel expenses, a remote monitoring and manipulation system was introduced, eliminating the need for resident security guards and technicians and the rise of management fees was reduced.
- Bicycle parking management by barricades and entrance gate (installment work: approx. ¥1 MM)
- Introduced systems for remote manipulation of lighting and automatic doors as well as for closing up in times of emergencies and property closure (approx. ¥3 MM)



● New / Cancelled Rents

- In the 7th Fiscal Period, there were 110 new contracts and 108 cancellations, with a difference of +¥2.5 MM in monthly rent.

● Rent Revision

- In the 7th Fiscal Period, 231 contracts came up for renewal and of these 207 were renewed (90% renewal rate).
- Of the 207 renewals, rents were increased for 52.
- The rate of increased rents rose from that in the previous period (3.00% → 3.96%).

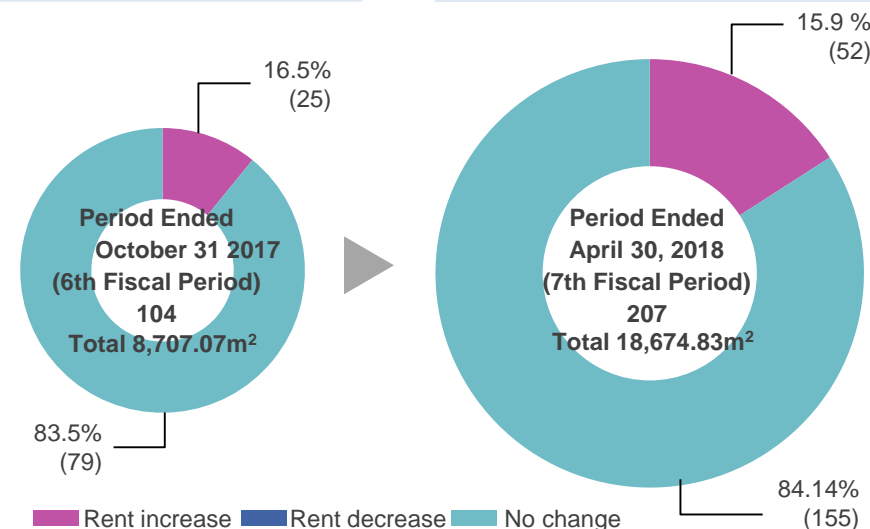
■ New / Cancelled Rents (7th Fiscal Period)

		Offices	Retail facilities	Residential properties	Total
New contracts	Number of contracts	10	1	99	110
	Contracted area (m ²)	1,922.35	74.00	4,451.14	6,447.49
	Monthly rent (¥ MM)	7.1	0.2	10.9	18.2
Cancellations	Number of contracts	6	0	102	108
	Contracted area (m ²)	1,587.99	0	4,060.65	5,648.64
	Monthly rent (¥ MM)	5.7	0	9.9	15.7
Change	Number of contracts	4	1	-3	2
	Contracted area (m ²)	334.36	74.00	390.49	798.85
	Monthly rent (¥ MM)	1.3	0.2	0.9	2.5

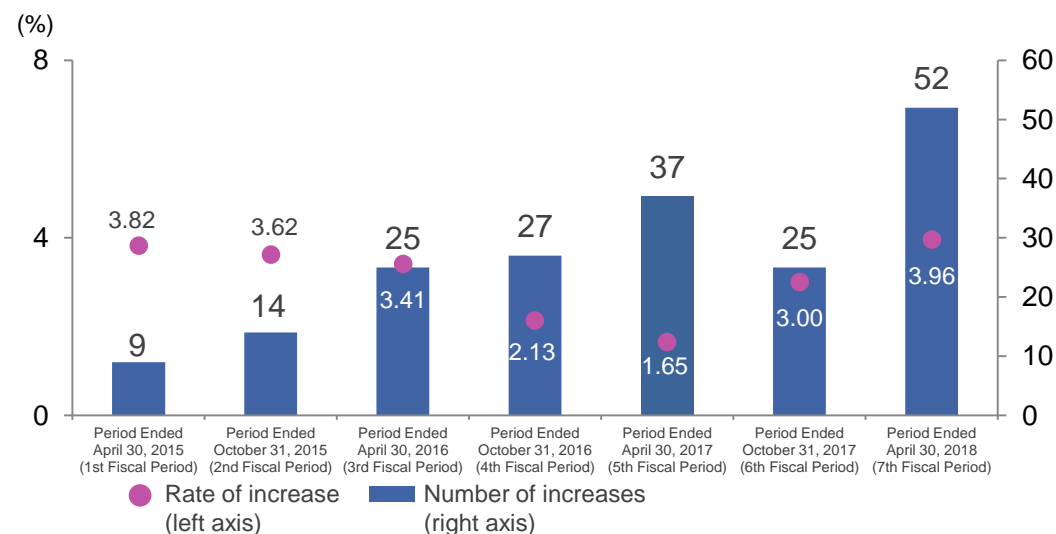
■ Rent Revision Comparison (leased area basis)

Contracts up for renewal: 112
Renewal rate: 93%

Contracts up for renewal: 231
Renewal rate: 90%



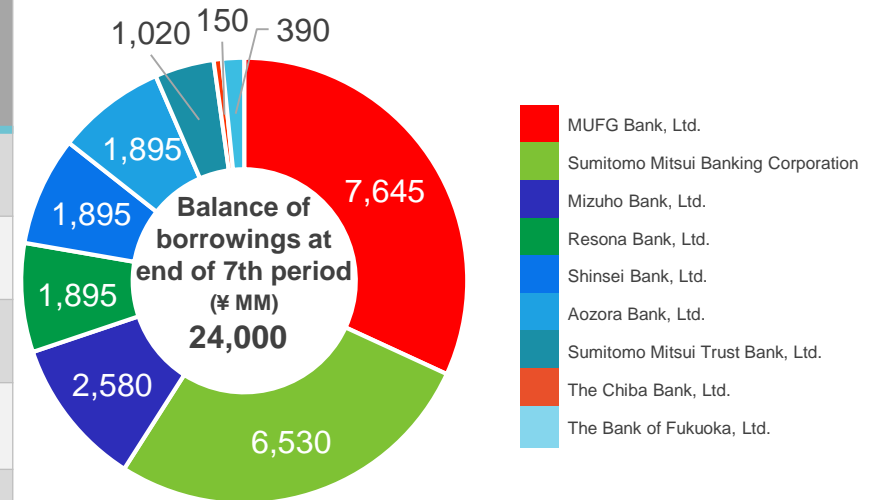
■ Rent Increases (number of increases / rate of increase)



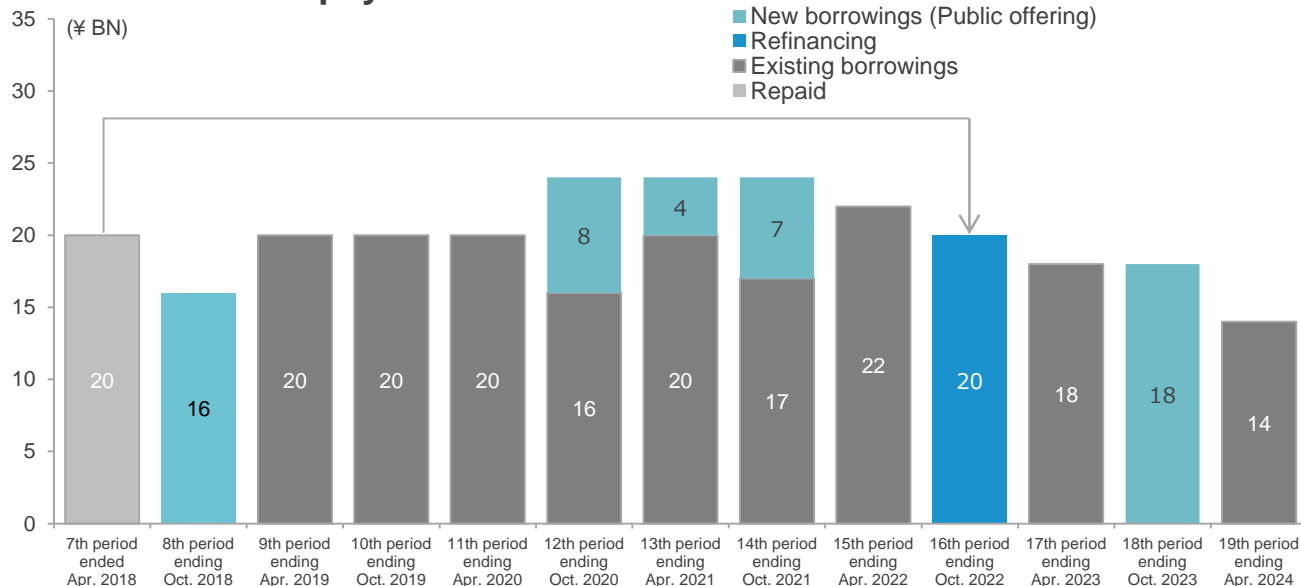
Financial Indicators

	For the Fiscal Period Ended October 31, 2017 (6th Fiscal Period) (A)			For the Fiscal Period Ended April 30, 2018 (7th Fiscal Period) (B)			Rate of Change or Difference (B)-(A)	
Interest-bearing debt	18,700	¥ MM	↗	24,000	¥ MM		5,300	¥ MM
Average loan interest rate	0.84	%	→	0.84	%		-0.0	%
Average remaining maturity	2.9	years	→	2.9	years		0.0	years
Ratio of fixed rates	67.4	%	↘	62.9	%		-4.5	%
Ratio of long-term borrowings	100.0	%	↘	93.3	%		-6.7	%
LTV	46.3	%	↗	46.8	%		0.5	%

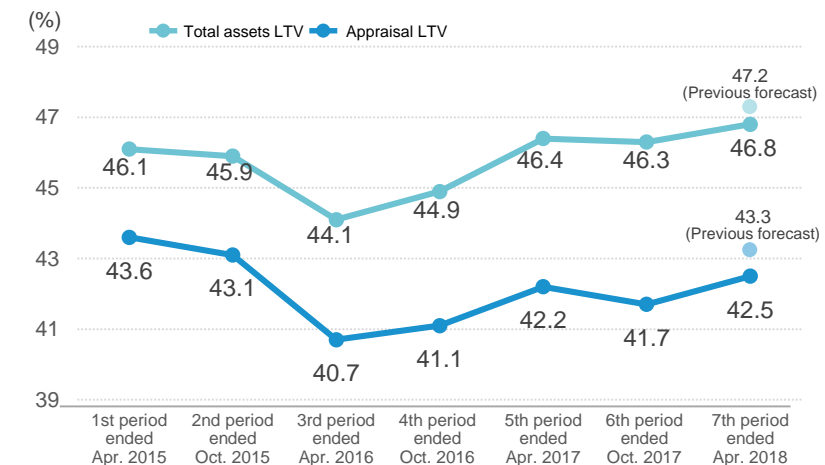
Balance of Borrowings (by lender)



Diversified Repayment Dates



Total Assets LTV and Appraisal LTV(Note)



(Note) Appraisal LTV refers to the ratio of interest-bearing debt in the amount arrived at by adding unrealized gains to Tosei Reit's total assets.

Appraisal Value at End of 7th Fiscal Period

■ Appraisal Value by Property

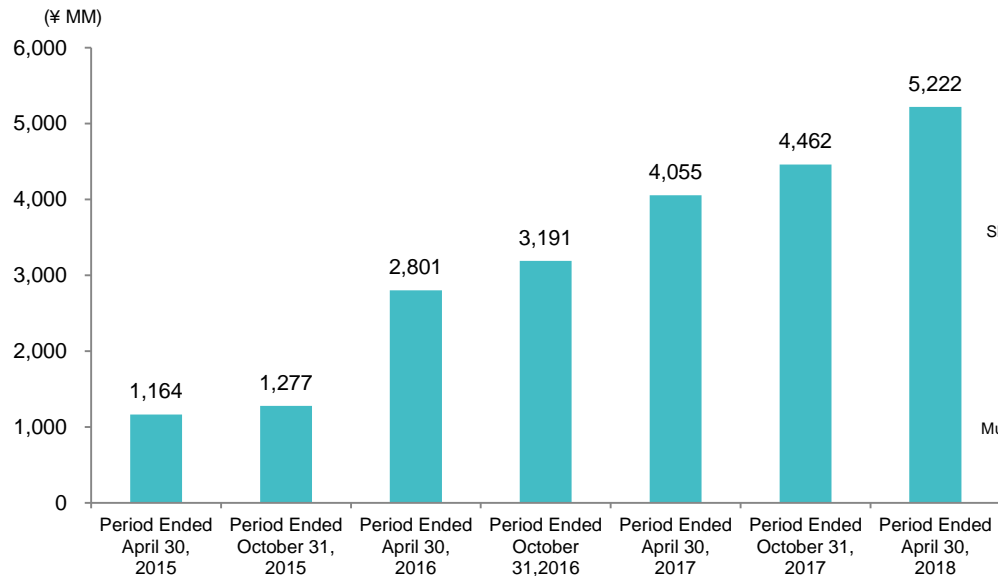
(¥ MM)

Property Name	Acquisition Price	Book Value at End of 7th Fiscal Period	Period Ended April 30, 2017 (7th Fiscal Period) (A)		Period Ended October 31, 2017 (6th 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	3,310	3,560	249	3,550	228	10	20
O-02 KM Shinjuku Building	2,057	2,012	2,460	447	2,460	439	0	8
O-03 Nihonbashi-Hamacho Building	1,830	1,810	2,180	369	2,120	299	60	70
O-04 Kannai Tosei Building II	4,100	4,031	4,640	608	4,570	518	70	89
O-05 Nishikasai Tosei Building	1,710	1,684	1,970	285	1,920	226	50	59
O-06 Shin Yokohama Center Building	1,364	1,364	1,660	295	1,620	247	40	48
O-07 Nishidai NC Building	1,481	1,478	1,700	221	1,690	204	10	17
O-08 JPT Motomachi Building	2,377	2,356	2,680	323	2,630	260	50	62
O-09 Hakusan Asanomi Building	1,380	1,380	1,410	29	1,410	26	0	3
O-10 Chojamachi Duo Building	1,300	1,309	1,370	60	1,350	—	20	—
Offices subtotal	20,969	20,738	23,630	2,891	23,320	2,450	310	380
Rt-01 Inage Kaigan Building	2,380	2,285	2,600	314	2,540	236	60	77
Rt-02 Musashi Fujisawa Tosei Building	1,950	1,925	2,140	214	2,110	179	30	34
Rt-03 Selection Hatsutomi	310	316	345	28	339	20	6	7
Rt-04 Wako Building	1,400	1,402	1,410	7	1,410	—	0	—
Retail facilities subtotal	6,040	5,930	6,495	564	6,399	436	96	120
Offices/Retail facilities subtotal	27,009	26,669	30,125	3,455	29,719	2,886	406	500
Rd-01 T's garden Koenji	1,544	1,527	1,940	412	1,940	407	0	5
Rd-02 Live Akabane	1,227	1,214	1,480	265	1,480	261	0	3
Rd-03 Gekkocho Apartment	1,000	996	1,140	143	1,130	130	10	12
Rd-04 T's garden Kawasakidaishi	980	962	1,120	157	1,120	152	0	5
Rd-05 Abitato Kamata	836	836	900	63	900	59	0	3
Rd-06 MarLandFive	830	817	867	49	867	45	0	4
Rd-07 Avenir Shirotae	780	758	907	148	898	133	9	15
Rd-08 Dormitory Haramachida	600	630	698	67	689	95	9	(27)
Rd-09 SEA SCAPE Chiba Minato	2,800	2,741	3,040	298	3,040	276	0	22
Rd-10 Prime Garden	600	621	624	2	619	(4)	5	7
Rd-11 T's garden Shinkoiwa	670	674	721	46	696	19	25	26
Rd-12 Twin Avenue	1,880	1,896	1,880	(16)	1,880	—	0	—
Rd-13 Milestone Higashikurume	1,650	1,663	1,670	6	1,670	—	0	—
Rd-14 Lumiere No.3	1,420	1,435	1,520	84	1,470	—	50	—
Rd-15 T's garden Nishifunabashi	860	869	875	5	870	—	5	—
Rd-16 Quest Yamatedai	710	718	740	21	725	—	15	—
Rd-17 Sancerre Yonohommachi	600	607	619	11	603	—	16	—
Residential properties subtotal	18,987	18,973	20,741	1,767	20,597	1,576	144	78
Total	45,996	45,643	50,866	5,222	50,316	4,462	550	579

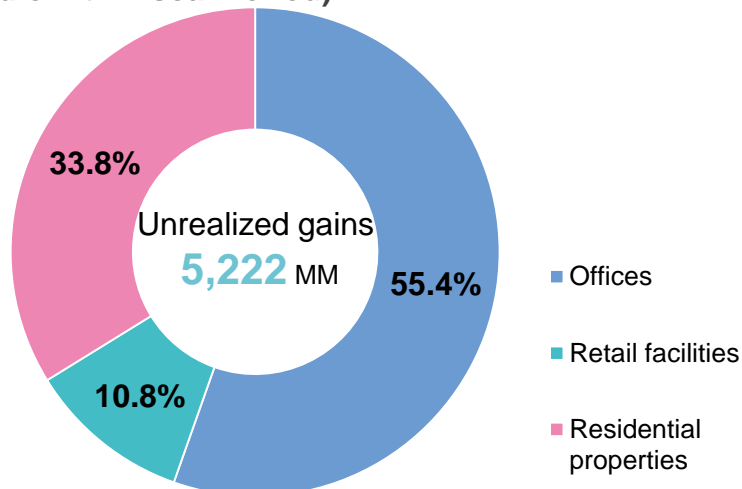
Status of Unrealized Gains

- Unrealized gains at the end of the 7th Fiscal Period (ended April 2018) was ¥5,222 MM.
- The breakdown by property type is: 55.4% for offices, 10.8% for retail facilities and 33.8% for residences.

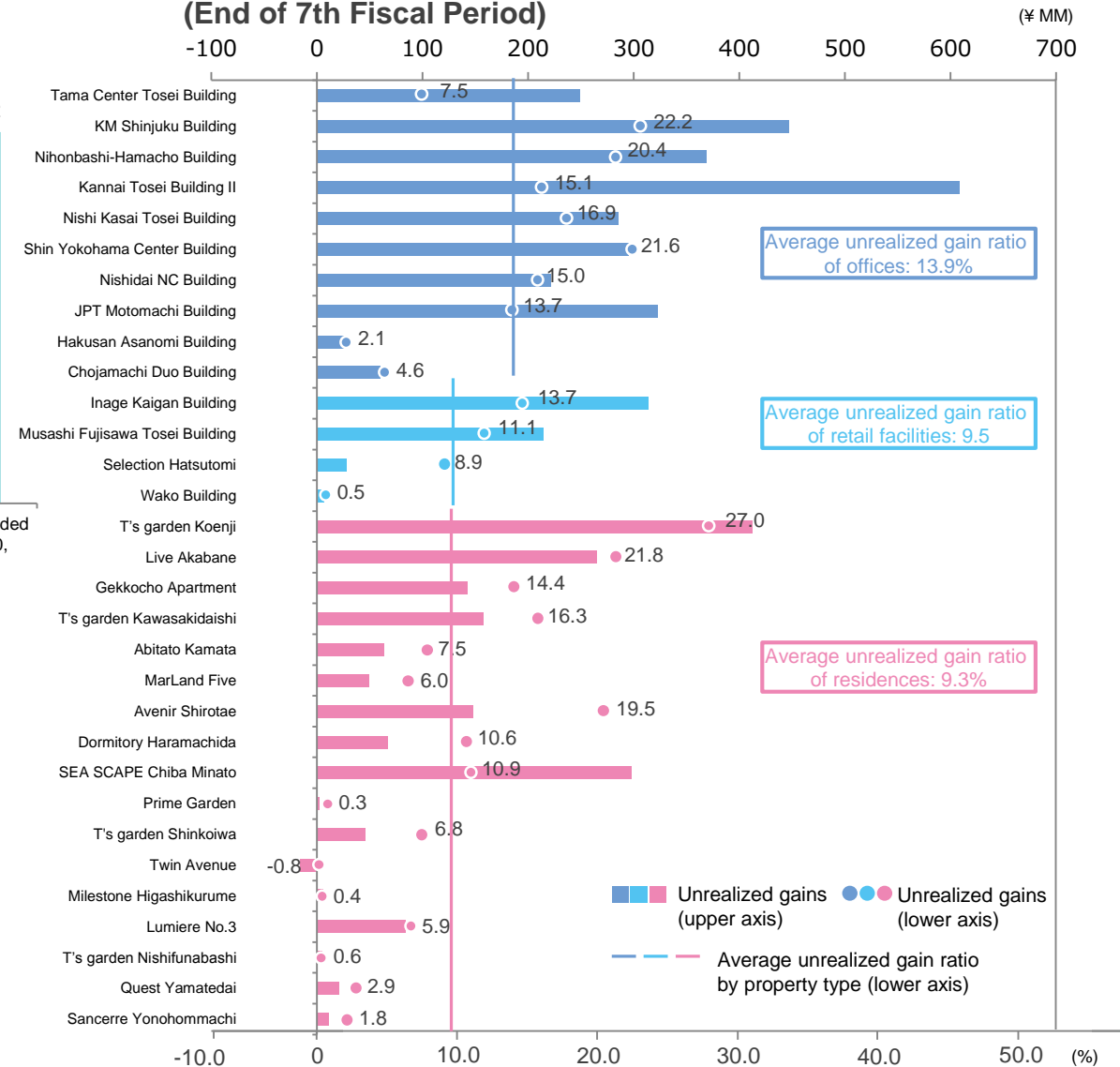
■ Changes in Unrealized Gains in the Portfolio



■ Ratio of Unrealized Gains in the Portfolio by Property Type (End of 7th Fiscal Period)



■ Status of Unrealized Gains for Each Asset Under Management (End of 7th Fiscal Period)





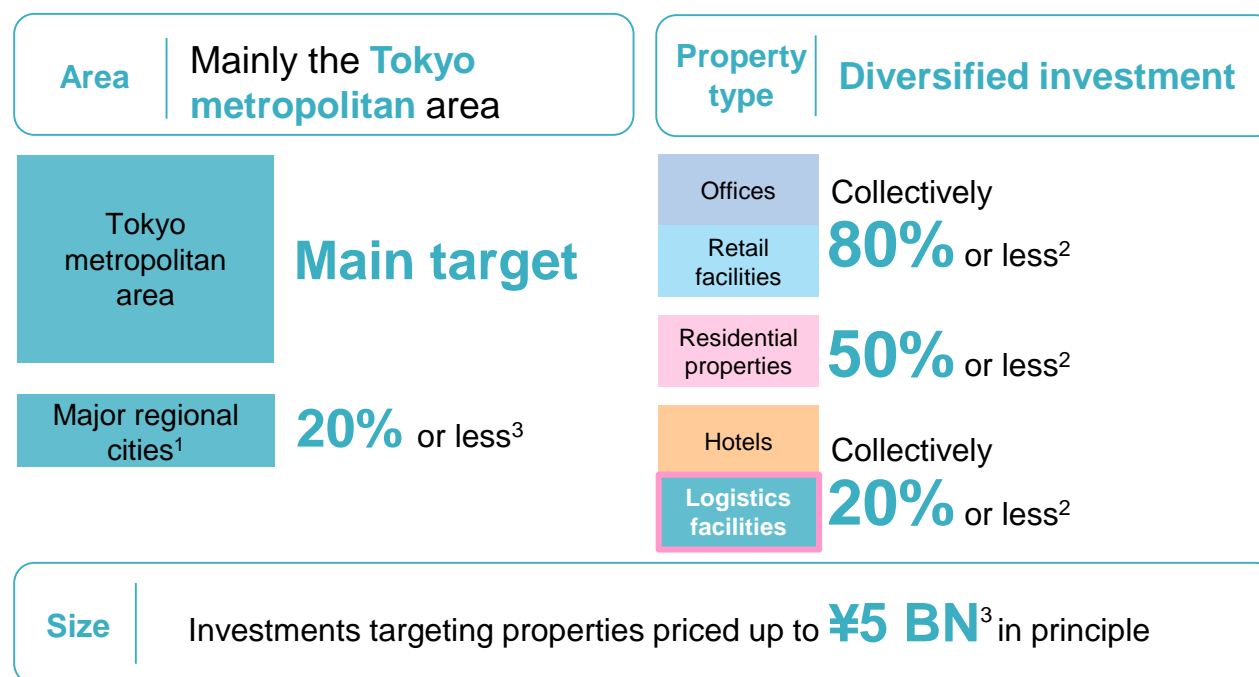
Future Policy

■ Logistics Facilities Added to Investment Target

(scheduled to be discussed at the 3rd General Meeting of Unitholders to be held on July 20, 2018)

- Aim to increase the asset size and expand revenue opportunities through the addition of an asset type targeted for investment
- Change is made to the target upper limit ratio of investment by assets type with the addition of logistics facilities: 20% for hotels and logistics facilities combined
- Small- and medium-sized logistics facilities will be targeted, suitable for Tosei Reit
 - Small- and medium-sized logistics facilities (BTS) with a leasable area of 3,000 to 7,000 tsubos of which there is a large stock and demand can also be anticipated
 - In principle, large-scale multi-tenant type facilities are not targeted
 - Assuming zone of rent of around ¥3,000 to ¥4,000 per tsubo

■ Investment Criteria



Property type	Scale	Targets
Offices	Total floor area of 1,000m ² or more	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
Retail facilities	Total floor area of 1,000 m ² or more	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	Mostly over 20 m ² exclusive area per unit	Small- and medium-sized residential properties located in suburban or surrounding areas, with a certain level of population concentration and comparatively good access to central Tokyo
Hotels	Total floor area of 1,000 m ² or more	Small- and medium-sized hotels for mainly single use
Logistics facilities	Total floor area of 1,000 m ² or more	Small- and medium-sized logistics facilities

Notes:

1. "Major regional cities" collectively refers to cities designated by ordinance and prefectural capitals or equivalent cities located outside the Tokyo metropolitan area.

2. Ratio is 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.

3. Acquisition price basis.

■ Image of Tosei Group's Hotel Business Development

Taken from Tosei Corporation's materials (Jan. 10, 2018) from earnings announcement for period ended November 2017

Purchase and Development

Acquire hotels centering on the Tokyo area

- Develop new hotel
- Purchase and add value to existing hotels
- Change property type of office buildings

Period Operation

Operate hotel or lease

- Operation by Tosei Corporation
- Also consider operation of hotels owned by other companies
- For hotels not operated by Tosei Corporation, rent revenue is received through leasing

Sale

Sale to hotel operators or investors

● First Tosei Brand Project

Opened in December 2017



Lodging-type hotel with a Japanese modern concept

Tosei Hotel Cocone Kanda
(operated by Tosei Corporation)

● Tosei Brand Hotel Projects Scheduled for the Future



Conversion

Ueno Tosei Building II Project
Scheduled to open in 2018

Development

Ueno 3-chome Project
Scheduled to open in 2020

Development

Asakusa Hotel Project
Scheduled to open in 2020

■ Tosei Group's Logistics Facilities Development Business

Tosei Corporation's press release dated May 30, 2018



【報道関係者各位】

平成30年5月30日
トーセイ株式会社

首都圏を中心とした物流施設開発事業を開始 ～ 第一弾として相模原市内に開発用地を取得～

トーセイ株式会社(本社:東京都港区 代表取締役社長 山口 誠一郎 証券コード:8923)は、神奈川県相模原市緑区橋本において、当社グループで初となる物流施設の開発用地を取得しましたのでお知らせします。

今後、ネット通販などのeコマース市場は拡大を続け、物流施設の需要は高い水準で推移しています。このような社会的ニーズに応えるべく、当社グループは首都圏エリアにおいて物流施設開発事業を開始します。本開発用地は、首都圏中央連絡自動車道(圏央道)「相模原インターチェンジ」の5km圏内に立地しているため、広域配送の拠点として利便性が高いエリアであり、さらに、人口70万人を超える相模原市内やその周辺地域への近距離配送にも適しています。

本物流施設の開発は、中期経営計画「Seamless Growth 2020」の成長戦略として策定した「新強ビジネスの展開」の1つです。本プロジェクトを推進するにあたり、当社のテナントリーシングカや、グループ会社トーセイコミュニケーションズ株式会社の、トーセイ・リバイバル・インベストメント株式会社による物流施設のプロパティ・マネジメント業務受託実績(合計延床面積10万坪以上)等、当社グループがこれまで培ってきたあらゆるノウハウを集結させ、テナントニーズにマッチする機能性の高い物流施設を開発してまいります。

【プロジェクト概要】

所在地	神奈川県相模原市緑区橋本台3丁目2008番1(地番)
交通	首都圏中央連絡自動車道(圏央道)「相模原」IC 約4.5km 京王電鉄相模原線「橋本」駅 徒歩22分 JR横浜線「橋本」駅 徒歩23分
構造・規模	鉄骨造地上4階(予定)
用途地域	工業専用地域
敷地面積	5,885.04㎡(1780.22坪)(予定)
延床面積	11,591.00㎡(3,506.27坪)(予定)
竣工時期	2020年3月(予定)

【地図】



「地図院地図」(https://maps.gsi.go.jp/)をもとにトーセイ株式会社作成

Cooperation with Sponsor: Preferential Negotiating Rights Property

- On June 15, 2018, preferential negotiating rights were acquired for an office property. Preferential negotiation rights are currently held for a total of 1 property.

■ Preferential negotiating rights (Higashi-Totsuka West Building)



- This is an office building facing the bus terminal at the west exit of Higashi-Totsuka Station on the JR Yokosuka Line and Shonan Shinjuku Line
- It is located in an area with many commercial buildings.

Location: Kawakami-cho, Totsuka-ku, Yokohama-shi, Kanagawa

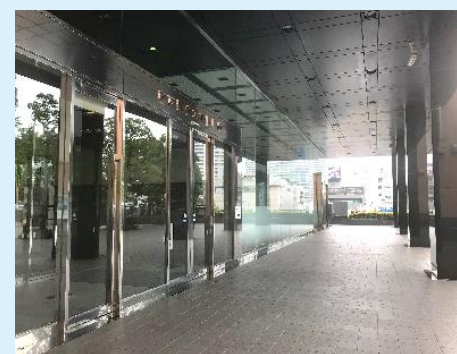
Access: JR Yokosuka Line, Shonan Shinjuku Line
2-minute walk from Higashi-Totsuka Station

Site area: 1,583.07 m²

Floor area: 9,101.21 m²

Structure/floors: S, 11F/B1F

Completed: March 1993



Prepared using Google Maps

Target

Expand asset size and improve the performance of assets under management in an aim to increase DPU and unitholder value

External Growth

Aim for asset size of ¥100 BN in the medium to long term: Continue selective acquisition of properties, no change in target yields (middle to latter half of the 4% range after depreciation)

As before, the basis will be investment in competitive real estate in the Tokyo metropolitan area utilizing sponsor support



Also pursue properties with relatively high yields in markets that we have yet to engage (major regional cities)

Internal Growth

Efforts to maintain and improve property value: Focus on maintaining competitiveness and occupancy rates of aged buildings

Planned capital expenditure for owned properties

Pursue upside

- Increase occupancy rates of newly acquired properties
- Shorten downtime for tenant departures
- Increase end tenant occupancy rate regarding fixed-rent master leases

Ascertain property performance and make replacements

Financial Strategy

Efforts to improve credit strength: Reduce fund procurement costs and increase market awareness

Efforts for external and internal growth



Remove collateral and increase property value



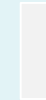
Acquire rating and IR activities



Diversify procurement methods



Reduce procurement costs



Expand investor base

APPENDIX

■ Basic Policy concerning Customer-Oriented Business Conduct

- Tosei Asset Advisors, Inc. has formulated a basic policy on business conduct as released on its website. Going forward it shall review this policy and publish the status of implementation on a periodic basis.

1. Periodic review of policy and publishing of implementation status
2. Engagement for enhancing asset value
3. Firm engagement toward conflict of interest management
4. Rigid enforcement of providing information in an easily understandable manner for customers
5. Providing financial products taken in consideration of the customers' risk tolerance
6. Establishing customer-oriented corporate culture

■ Mechanism for Aligning with Unitholder Interest

Management Fee System

- Introduced management fees linked to investment corporation revenue as management fee II (Management fee II = Net income × 5.00%)

Same-Boat Investment by the Sponsor

Alignment of Unitholder Interest and Sponsor Interest

- Implemented same-boat investment in order to promote the sharing of interest among the Investment Corporation's unitholders and the Tosei Group and increase the effectiveness of sponsor support. As of the end of April 2018, the sponsor (Tosei Corporation) owned 11,820 units of the Investment Corporation's investment units (5.04% of the total number of investment units issued and outstanding).

Introduction of Cumulative Investment Unit Investment Program

Alignment of Unitholder Interest and the Interest of officers and employees of the Tosei Group

- The cumulative investment unit investment program was introduced for the purpose of further enhancing the awareness of Tosei officers and employees regarding the enhancement of Tosei Reit's business performance and for their contribution to the continuous growth of Tosei Reit and enhancement of medium- to long-term unitholder value (contribution started in December 2016).
- Tosei Officers and employees including those seconded to the Asset Management Company can acquire the Investment Corporation's investment units by using the cumulative investment unit investment program.

■ The Tosei Group's Social Initiatives

Initiatives for Employees

● Personnel development and training

The Tosei Group has introduced the implementation of personnel development and training as well as a self-development assistance program and certification incentive program in order to support self-improvement and skill development of employees.



● Support for work-life balance of employees

The Tosei Group implements initiatives for managing the physical and mental health of its employees by obligating yearly health examinations for the preservation of employee health as well as through the implementation of questionnaires for all employees concerning mental health care and training under the instruction of partnered industrial physicians.

Regional and Social Contribution

● Cleaning activity volunteering



● Green fund-raising



● Recycling of caps



● Continuation of relief activities to areas affected by the Great East Japan Earthquake

*Photos are from volunteer activities in recent years.

The Tosei Group has continuously coordinated relief activities by inviting volunteers and experts, as well as through donations.



Support of Machibiraki Festival (2017)



Painting of nursery playthings (2016)



Maintenance of grounds (2015)

Environmental Initiatives

■ Tosei Group's Environmental Initiatives

- In order to strengthen its environmental initiatives, the Tosei Group formulated the Tosei Group Eco Declaration in April 2009 and conducts its business activities based on the three policies of its Eco Mission. Tosei Asset Advisors, Inc., the Asset Management Company of Tosei Reit Investment Corporation, operates under the Tosei Group Eco Declaration as well as the Eco Mission as a member of the Tosei Group.

Tosei Group Eco Declaration

In order to achieve our slogan "Heart into the City," the Tosei Group declares its intention to promote corporate activities that are friendly to people and the environment and to work to reduce burdens on the environment, while keeping true to our philosophy, "To create new value and inspiration in all aspects of real estate."

Eco Mission 1

Promote environmental practice through business activities

We strive to minimize environmental burden by proactively introducing measures to contribute to energy conservation and resource saving in the revitalization and development of real estate.

Eco Mission 2

Comply with environmental laws, regulations and raising of environmental awareness

We work to conserve the environment by complying with environmental laws and regulations. We will also conduct various measures aiming to increase Tosei group employees' environmental conservation awareness.

Eco Mission 3

Inform our activities to stakeholder

Starting with the announcement of "Eco Declaration" and "Eco Mission," we will promote open communication with society while providing information on our progress and results.

■ Environmental Initiatives of Tosei Asset Advisors

The Investment Corporation aims to improve the performance of relatively aged properties through the implementation of value-adding work and such, maintaining asset value and utilizing these in the long term as investment properties.

Acquisition of Environmental Certification

A rating of 3 stars has been acquired from the Building Energy-efficiency Labeling System (BELS), a third-party certification for residences and buildings.



Shin Yokohama Center Building
★ ★ ★

Improvement of Energy Efficiency through Update of Air Conditioning Equipment

Energy-related CAPEX investment such as for air conditioning update work is implemented for aged properties. Improvement of energy efficiency is strived for through the replacement and update of air conditioning equipment, etc.



Nihonbashi-Hamacho Building



Tama Center Tosei Building

Rooftop greenery

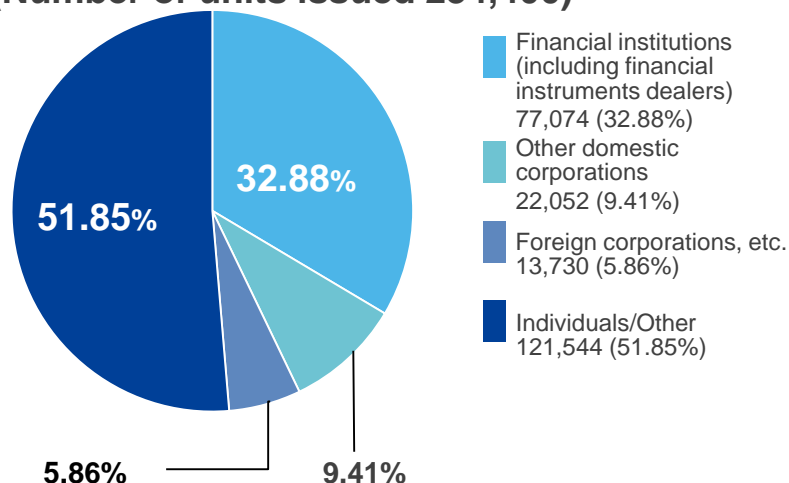
Greenery is being promoted at some owned properties for the purpose of improving insulation and landscaping of buildings as well as improvement of urban environments.



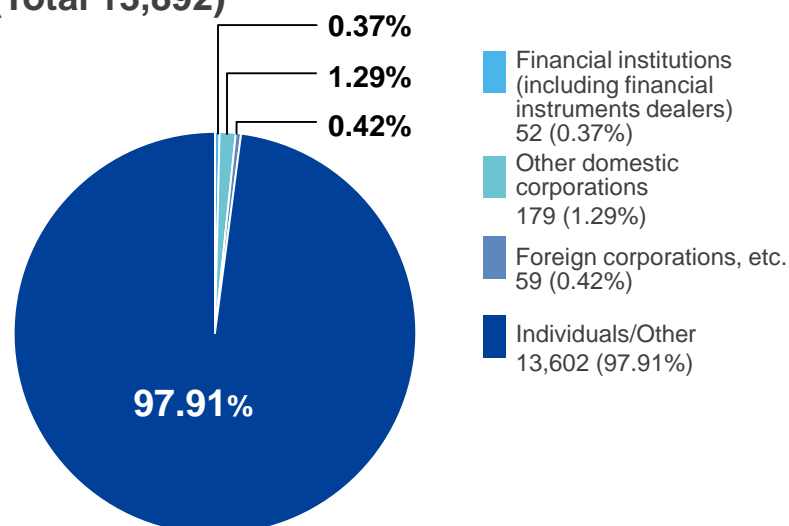
Gekkocho Apartment

Unit-Holder Composition (at End of 7th Fiscal Period)

■ Number of Units by Unit-Holder Type (Number of units issued 234,400)



■ Number of Unit-Holders by Unit-Holder Type (Total 13,892)



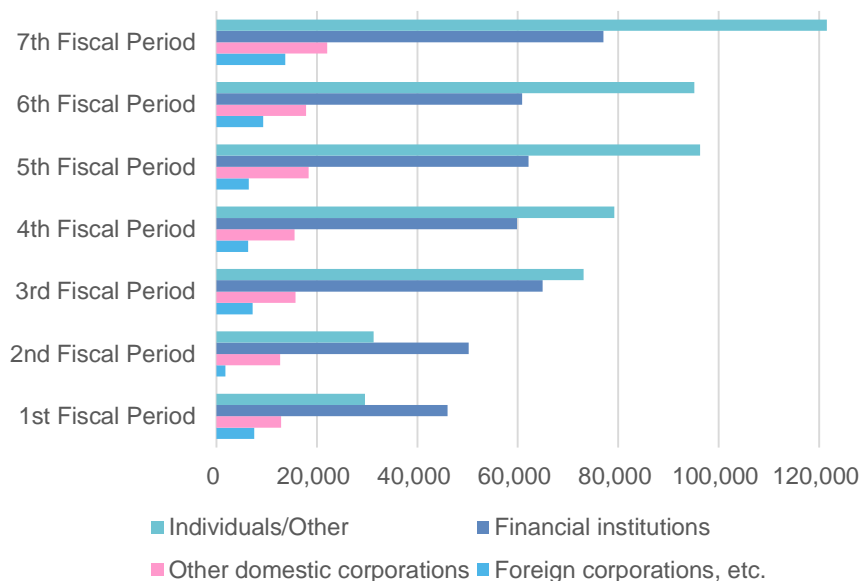
■ Top 10 Unit-Holders

	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	The Master Trust Bank of Japan, Ltd. (Trust Account)	20,964	8.94%
2	Japan Trustee Services Bank, Ltd. (Trust Account)	17,762	7.57%
3	Tosei Corporation	11,820	5.04%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	8,250	3.51%
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	8,131	3.46%
6	Individual	4,400	1.87%
7	Kinki Sangyo Credit Union	4,340	1.85%
8	STATE STREET BANK AND TRUST COMPANY 505001	2,490	1.06%
9	Sekai Shindokyo	2,354	1.00%
10	Aozora Bank, Ltd.	2,342	0.99%
Total		82,853	35.34%

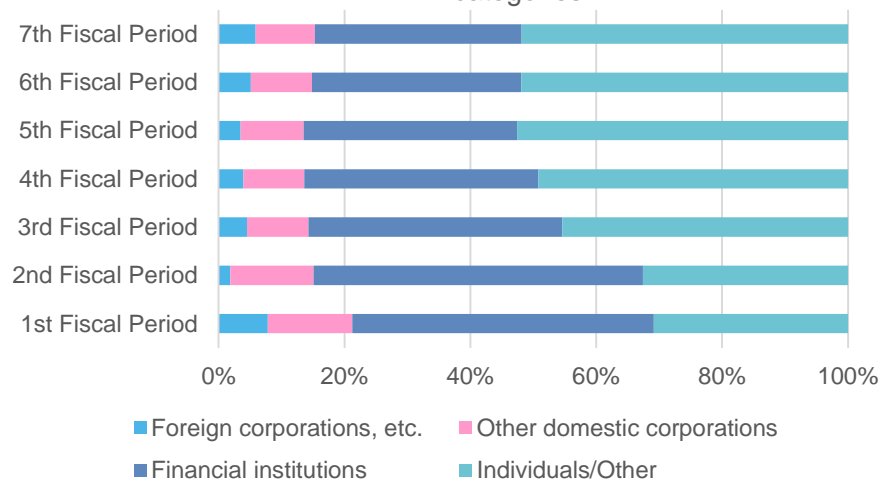
Note: Based on the unitholder registry as of April 30, 2018. "Number of Investment Units Owned as a Percentage of Total Number of Investment Units Issued and Outstanding" refers to the ratio of the number of investment units owned to the total number of units issued, and figures are rounded down to the second decimal place.

■ Trends in Units Held

Fluctuations in units held by investor categories



Fluctuations in percentage of units held by investor categories



■ IR Activities Targeting Individual Investors (actual)

- Held explanatory meetings in Osaka and Sapporo in addition to Tokyo upon request from regional individual investors.

January 28, 2018	SMBC Nikko J-REIT Fair 2018 (Tokyo)
March 16, 2018	Daiwa J-REIT Caravan 2017 (second half) (Nagoya)



Daiwa J-REIT Festival 2018



■ Targeting Individual Investors (planned)

- Scheduled to participate in events for individual investors in the 8th Fiscal Period as well.

July 7, 2018	Daiwa J-REIT Festival 2018 (Tokyo)
August 7, 2018	ARES Nationwide J-REIT Popularization Campaign 2018 (first half) (Shizuoka)

Balance Sheet

	October 2017 (6th Fiscal Period)	April 2018 (7th Fiscal Period)
Assets		
Current assets		
Cash and deposits	1,073,276	1,506,719
Cash and deposits in trust	3,097,864	3,561,028
Operating accounts receivable	7,665	4,734
Prepaid expenses	84,713	140,762
Deferred tax assets	14	16
Consumption taxes receivable	-	145,316
[Total current assets]	4,263,534	5,358,576
Non-current assets		
(Property, plant, and equipment)	[35,875,013]	[45,643,098]
Buildings in trust	11,104,973	13,461,265
Accumulated depreciation	(805,289)	(1,024,104)
Buildings in trust, net	10,299,684	12,437,161
Structures in trust	122,122	143,424
Accumulated depreciation	(25,075)	(29,583)
Structures in trust, net	97,047	113,840
Machinery and equipment in trust	284,229	303,016
Accumulated depreciation	(56,560)	(70,583)
Machinery and equipment in trust, net	227,669	232,432
Tools, furniture, and fixtures in trust	99,953	113,824
Accumulated depreciation	(22,990)	(29,073)
Tools, furniture, and fixtures in trust, net	76,963	84,750
Land in trust	25,173,648	32,774,913
[Investments and other assets]	[190,273]	[237,409]
Long-term prepaid expenses	180,273	227,409
Lease and guarantee deposits	10,000	10,000
[Total non-current assets]	36,065,287	45,880,508
Investment unit issuance expenses	22,402	33,907
[Total deferred assets]	22,402	33,907
Total assets	40,351,223	51,272,992

	October 2017 (6th Fiscal Period)	April 2018 (7th Fiscal Period)
Liabilities		
Current liabilities		
Operating accounts payable	68,696	67,315
Short-term loans	-	1,600,000
Current portion of long-term loans payable	2,000,000	2,000,000
Accounts payable	76,223	89,991
Income taxes payable	910	934
Accrued consumption taxes	59,857	9,976
Advances received	263,151	326,860
Other	88,860	38,523
[Total current liabilities]	2,557,698	4,133,601
Non-current liabilities		
Long-term loans payable	16,700,000	20,400,000
Tenant leasehold and security deposits in trust	1,727,855	2,003,360
Other	7,796	4,395
[Total non-current liabilities]	18,435,651	22,407,755
Total liabilities	20,993,350	26,541,356
Net assets		
Unit-holders' equity		
Unit-holders' capital	18,745,895	23,907,827
Allowance for temporary difference adjustment	(14,656)	(7,694)
Unit-holders' capital, net	18,731,239	23,900,133
Surplus	[634,430]	[835,896]
Unappropriated retained earnings (undisposed loss)	634,430	835,896
[Total unit-holders' equity]	19,365,669	24,736,030
Valuation and translation adjustments		
Deferred gains or losses on hedges	(7,796)	(4,395)
[Total valuation and translation adjustments]	(7,796)	(4,395)
Total net assets	19,357,873	24,731,635
Total liabilities and net assets	40,351,223	51,272,992

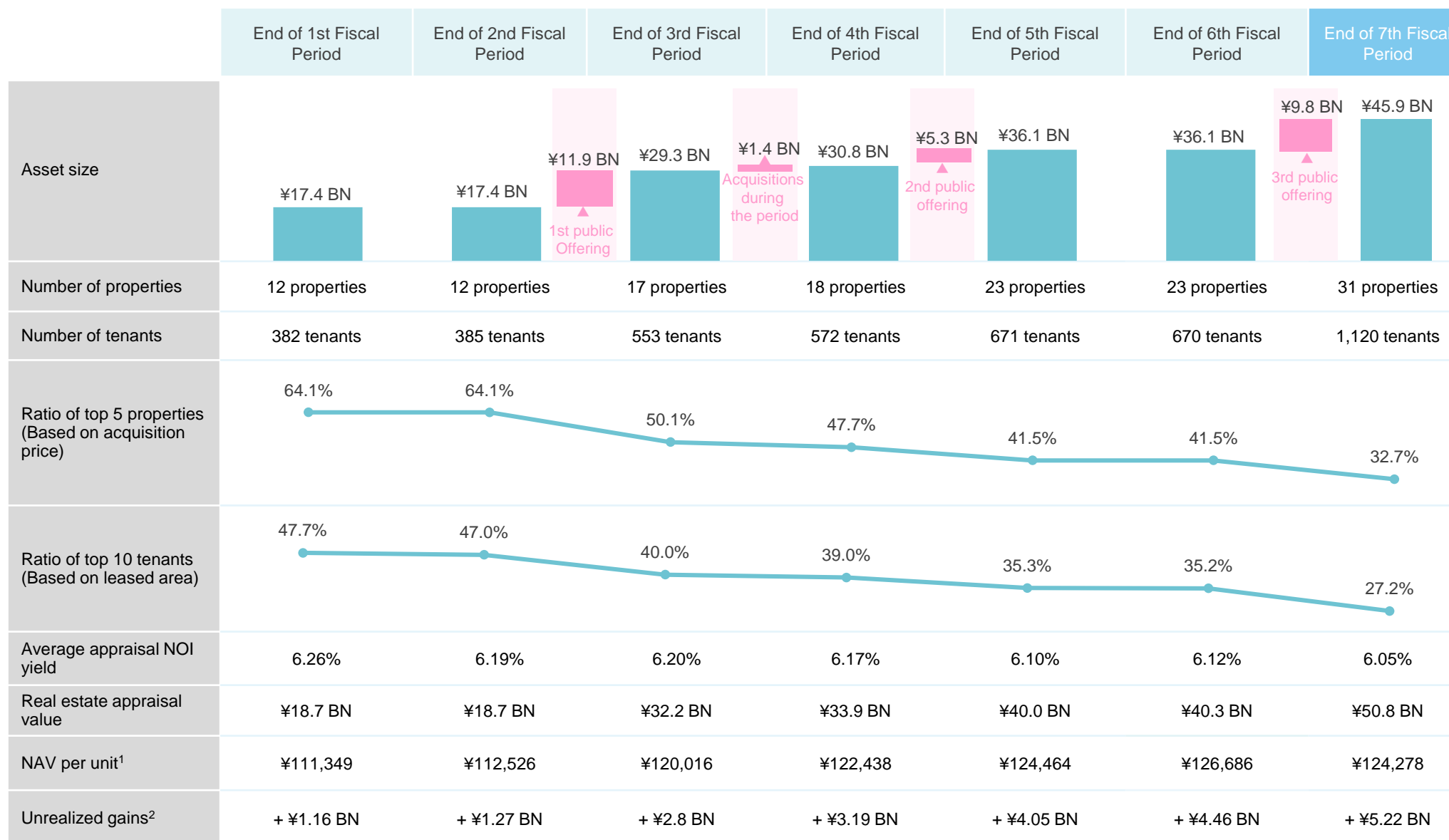
(¥ K)

Statement of Income

(¥ K)

	October 2017 (6th Fiscal Period)	April 2018 (7th Fiscal Period)
Operating revenue		
Lease business revenue	1,464,469	1,818,838
Other lease business revenue	169,070	183,688
Total operating revenue	1,633,540	2,002,526
Operating expenses		
Expenses related to rent business	731,021	834,127
Asset management fee	93,624	110,894
Asset custody fee	1,963	1,965
Administrative service fees	11,219	13,910
Directors' compensation	3,900	3,900
Other operating expenses	37,022	36,507
Total operating expenses	878,751	1,001,304
Operating income	754,789	1,001,221
Non-operating income		
Interest income	18	22
Compensation for damage	2,404	-
Miscellaneous income	94	-
Total non-operating income	2,517	22
Non-operating expenses		
Interest expenses	79,503	99,305
Borrowing related expenses	49,490	61,369
Other	7,767	11,622
Total non-operating expenses	136,762	172,297
Ordinary income	620,544	828,946
Profit before income taxes	620,544	828,946
Income taxes - current	913	937
Income taxes - deferred	(2)	(1)
Total income taxes	910	936
Net income	619,634	828,009
Retained earnings brought forward	14,796	7,886
Unappropriated retained earnings (undisposed loss)	634,430	835,896

Changes in Portfolio

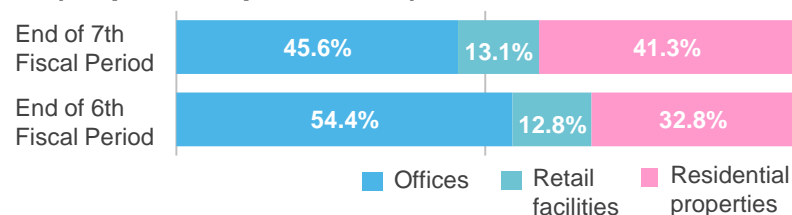


Notes:

1. NAV per unit is calculated as "NAV ÷ Total number of units issued and outstanding," and NAV is calculated as "Total value of investment units issued + (Total appraisal value - Total book value)."

2. Unrealized gains is calculated as "Total appraisal value of owned assets – Total book value of owned assets" for each period.

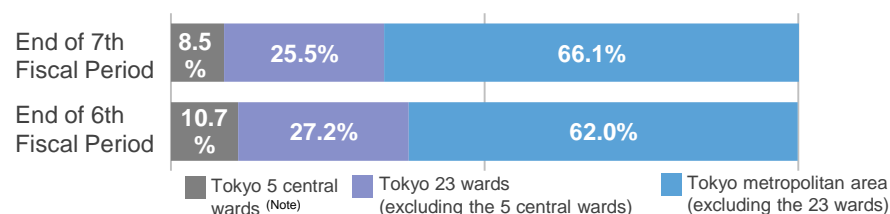
Portfolio Composition by Property Type (acquisition price basis)



Average Appraisal NOI Yield by Property Type

	End of 6th Fiscal Period	End of 7th Fiscal Period
Offices	6.17%	6.14%
Retail facilities	6.41%	6.35%
Residential properties	5.94%	5.85%

Portfolio Composition by Area (acquisition price basis)

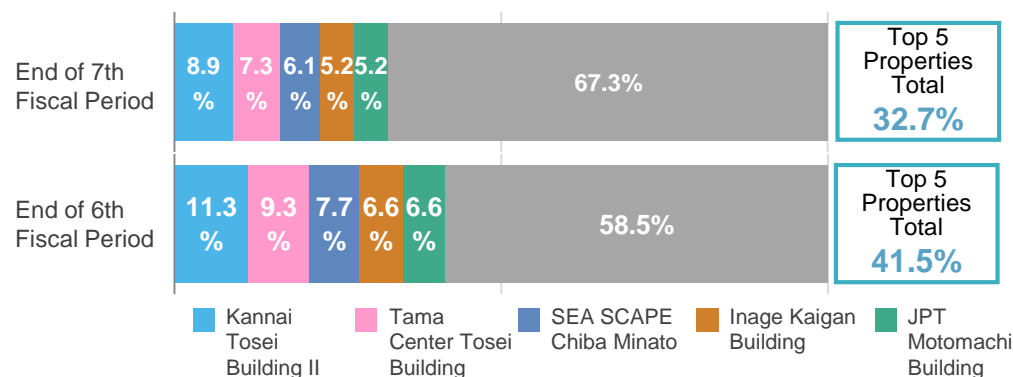


Note: "Tokyo 5 central wards" collectively refers to Chiyoda, Chuo, Minato, Shinjuku, and Shibuya wards. Hereafter the same shall apply.

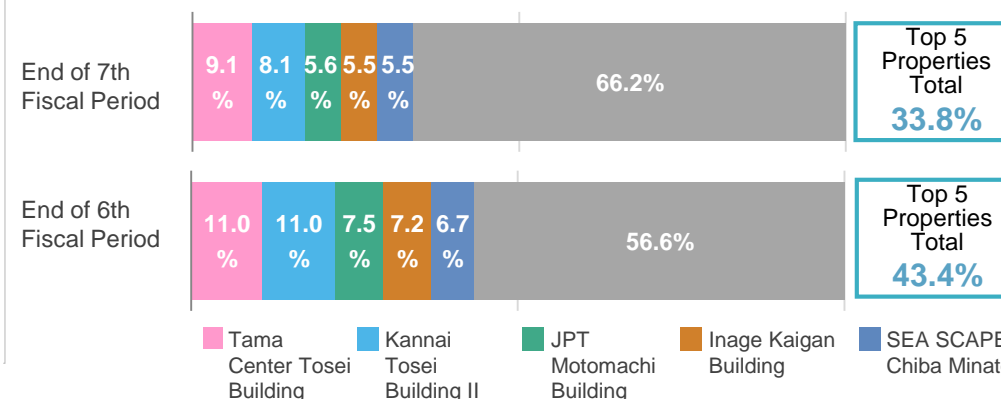
Average Appraisal NOI Yield by Area

	End of 6th Fiscal Period	End of 7th Fiscal Period
Tokyo 5 central wards (Note)	5.90%	5.96%
Tokyo 23 wards	5.69%	5.66%
Tokyo metropolitan area	6.35%	6.21%

Investment Ratio by Property (acquisition price basis)



NOI Ratio by Property



Portfolio List

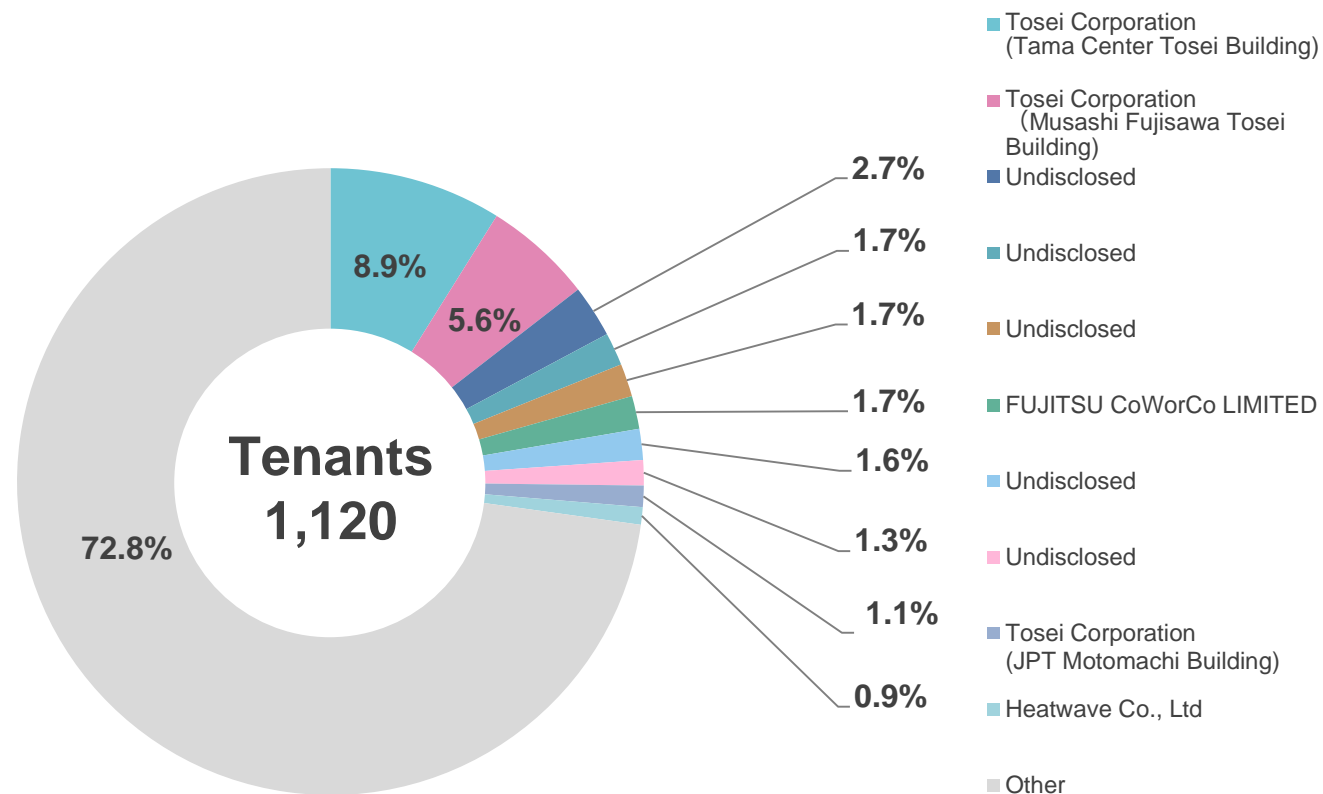
Property No.	Acquired during 7th Fiscal Period	Property Name	Age of Building (years)	Address	Acquisition Price (¥MM)	Investment Ratio (%)	Appraisal Value (¥MM)	Appraisal NOI Yield (%)	Total Leasable Area (m ²)	Occupancy Rate (%)	PML (%)
O-01		Tama Center Tosei Building	28.8	Tama-shi, Tokyo	3,370	7.3	3,560	6.97	9,737.49	100.0	4.36
O-02		KM Shinjuku Building	26.6	Shinjuku-ku, Tokyo	2,057	4.5	2,460	5.72	3,403.95	100.0	5.52
O-03		Nihonbashi-Hamacho Building	27.5	Chuo-ku, Tokyo	1,830	4.0	2,180	6.24	3,334.40	100.0	6.11
O-04		Kannai Tosei Building II	34.2	Yokohama-shi, Kanagawa	4,100	8.9	4,640	6.02	6,919.80	100.0	11.54
O-05		Nishi Kasai Tosei Building	24.2	Edogawa-ku, Tokyo	1,710	3.7	1,970	6.15	3,187.97	100.0	3.84
O-06		Shin Yokohama Center Building	27.4	Yokohama-shi, Kanagawa	1,364	3.0	1,660	6.84	3,888.28	100.0	6.47
O-07		Nishidai NC Building	26.1	Itabashi-ku, Tokyo	1,481	3.2	1,700	6.24	3,798.48	100.0	5.25
O-08		JPT Motomachi Building	26.5	Yokohama-shi, Kanagawa	2,377	5.2	2,680	5.99	5,453.13	100.0	6.06
O-09		Hakusan Asanomi Building	24.8	Bunkyo-ku, Tokyo	1,380	3.0	1,410	5.08	1,860.51	91.7	7.31
O-10	●	Chojamachi Duo Building	24.8	Yokohama-shi, Kanagawa	1,300	2.8	1,370	5.40	2,204.74	89.4	3.56
Offices subtotal			-	-	20,969	45.6	23,630	6.14	43,788.75	99.1	-
Rt-01		Inage Kaigan Building	25.4	Chiba-shi, Chiba	2,380	5.2	2,600	6.32	5,890.92	100.0	6.49
Rt-02		Musashi Fujisawa Tosei Building	20.7	Iruma-shi, Saitama	1,950	4.2	2,140	6.54	6,089.72	100.0	5.85
Rt-03		Selection Hatsutomi	14.9	Kamagaya-shi, Chiba	310	0.7	345	6.67	1,839.45	100.0	7.98
Rt-04	●	Wako Building	31.9	Chiba-shi, Chiba	1,400	3.0	1,410	6.07	2,827.26	98.1	9.32
Retail facilities subtotal			-	-	6,040	13.1	6,495	6.35	16,647.35	99.7	-
Offices/Retail facilities subtotal			-	-	27,009	58.7	30,125	6.19	60,436.10	99.3	-
Rd-01		T's garden Koenji	7.3	Suginami-ku, Tokyo	1,544	3.4	1,940	5.36	2,169.38	100.0	7.91
Rd-02		Live Akabane	29.1	Kita-ku, Tokyo	1,227	2.7	1,480	6.34	3,876.37	95.0	7.45
Rd-03		Gekkocho Apartment	10.1	Meguro-ku, Tokyo	1,000	2.2	1,140	5.25	1,392.13	85.2	8.98
Rd-04		T's garden Kawasaki-daishi	9.2	Kawasaki-shi, Kanagawa	980	2.1	1,120	5.83	2,067.77	98.6	7.38
Rd-05		Abitato Kamata	26.9	Ota-ku, Tokyo	836	1.8	900	5.52	1,768.23	100.0	7.82
Rd-06		MarLand Five	28.0	Fujimi-shi, Saitama	830	1.8	867	6.81	2,722.50	100.0	4.00
Rd-07		Avenir Shirotae	23.2	Yokohama-shi, Kanagawa	780	1.7	907	6.65	2,499.93	97.9	7.57
Rd-08		Dormitory Haramachida	25.8	Machida-shi, Tokyo	600	1.3	698	6.95	1,866.97	100.0	5.29
Rd-09		SEA SCAPE Chiba Minato	10.1	Chiba-shi, Chiba	2,800	6.1	3,040	6.00	6,758.52	97.2	7.30
Rd-10		Prime Garden	23.2	Kamagaya-shi, Chiba	600	1.3	624	6.15	3,687.98	98.3	9.42
Rd-11		T's garden Shinkoiwa	20.1	Katsushika-ku, Tokyo	670	1.5	721	5.29	1,652.93	96.7	4.41
Rd-12	●	Twin Avenue	26.2	Nerima-ku, Tokyo	1,880	4.1	1,880	5.38	4,558.96	94.3	5.70
Rd-13	●	Milestone Higashikurume	28.6	Higashikurume-shi, Tokyo	1,650	3.6	1,670	5.72	3,546.43	98.3	4.34
Rd-14	●	Lumiere No.3	23.6	Kawaguchi-shi, Saitama	1,420	3.1	1,520	5.93	5,644.16	95.6	2.58
Rd-15	●	T's garden Nishifunabashi	27.2	Funabashi-shi, Chiba	860	1.9	875	5.72	2,643.84	94.4	7.50
Rd-16	●	Quest Yamatedai	29.2	Yokohama-shi, Kanagawa	710	1.5	740	5.84	2,802.74	100.0	9.66
Rd-17	●	Sancerre Yonohommachi	27.5	Saitama-shi, Saitama	600	1.3	619	5.74	1,418.69	97.2	4.13
Residential properties subtotal			-	-	18,987	41.3	20,741	5.85	51,077.53	97.0	-
Total/Average			24.6	-	45,996	100.0	50,866	6.05	111,513.63	98.2	3.49

(Note) The figures in this table are as of the end of April 2018. "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. Furthermore, "PML" and the "Total/Average" of "PML" are based on the seismic PML (re)evaluation reports of each property as well as SOMPO Risk Management & Health Care Inc.'s Portfolio Earthquake PML Evaluation Report dated August 2017.

Distribution of Tenants (at End of 7th Fiscal Period)

■ Top 10 Tenants (by leased floor area)

	Name	Leased Area (m ²)	Tenanted Property	%
1	Tosei Corporation	9,737.49	Tama Center Tosei Building	8.9%
2	Tosei Corporation	6,089.72	Musashi Fujisawa Tosei Building	5.6%
3	Undisclosed	2,989.01	Inage Kaigan Building	2.7%
4	Undisclosed	1,852.02	JPT Motomachi Building	1.7%
5	Undisclosed	1,839.45	Selection Hatsutomi	1.7%
6	FUJITSU CoWorCo LIMITED	1,822.20	Shin Yokohama Center Building	1.7%
7	Undisclosed	1,762.57	Undisclosed	1.6%
8	Undisclosed	1,420.46	Undisclosed	1.3%
9	Tosei Corporation	1,235.19	JPT Motomachi Building	1.1%
10	Heatwave Co., Ltd.	1,032.11	KM Shinjuku Building	0.9%



Earnings Performance of Properties (1) (at End of 7th Fiscal Period)

(¥ K)

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 Nishikasai Tosei Building	O-06 Shin Yokohama Center Building
Rental and other operating revenue (1)	202,781	90,796	85,573	166,326	73,501	75,647
Lease business revenue	168,052	83,165	68,271	150,301	64,394	70,954
Other lease business revenue	34,728	7,631	17,302	16,025	9,106	4,692
Property-related expenses (2)	74,305	26,310	37,964	52,157	22,765	22,276
Property management fees	24,271	6,664	7,531	17,884	6,916	7,944
Trust fees	300	300	300	300	300	300
Utilities expenses	27,204	7,233	10,896	15,905	6,209	5,708
Insurance premiums	442	144	140	263	114	163
Repair and maintenance expenses	3,192	1,180	5,906	975	1,301	440
Property taxes	17,971	9,816	7,902	13,032	6,338	7,184
Other expenses	921	971	5,286	3,796	1,583	536
NOI (3) [(1)-(2)]	128,475	64,486	47,609	114,168	50,735	53,370
Depreciation (4)	16,998	8,906	10,674	20,894	9,057	8,131
Rental operating income (5) [(3)-(4)]	111,477	55,579	36,934	93,273	41,677	45,239
Capital expenditures (6)	6,140	-	-	1,588	-	-
NCF (7) [(3)-(6)]	122,335	64,486	47,609	112,580	50,735	53,370

Earnings Performance of Properties (2) (at End of 7th Fiscal Period)

(¥ K)

Name	O-07 Nishidai NC Building	O-08 JPT Motomachi Building	O-09 Hakusan Asanomi Building	O-10 Chojamachi Duo Building	Rt-01 Inage Kaigan Building	Rt-02 Musashi Fujisawa Tosei Building
Rental and other operating revenue (1)	73,610	112,706	42,939	47,449	125,889	72,186
Lease business revenue	69,246	99,635	38,599	43,924	103,454	72,186
Other lease business revenue	4,363	13,070	4,339	3,525	22,434	-
Property-related expenses (2)	29,233	33,608	14,295	12,514	48,177	7,423
Property management fees	9,046	10,578	4,118	5,162	8,286	1,080
Trust fees	300	300	300	299	300	300
Utilities expenses	8,270	10,950	2,731	4,098	23,526	-
Insurance premiums	160	199	76	86	228	90
Repair and maintenance expenses	889	1,112	1,275	787	3,564	-
Property taxes	8,363	9,627	3,909	1,597	11,541	5,931
Other expenses	2,202	840	1,885	483	730	22
NOI (3) [(1)-(2)]	44,376	79,097	28,643	34,935	77,711	64,763
Depreciation (4)	9,660	12,888	6,002	9,036	20,015	7,585
Rental operating income (5) [(3)-(4)]	34,716	66,209	22,641	25,898	57,696	57,177
Capital expenditures (6)	2,306	-	2,453	7,524	2,113	2,754
NCF (7) [(3)-(6)]	42,070	79,097	26,190	27,411	75,598	62,008

Earnings Performance of Properties (3) (at End of 7th Fiscal Period)

(¥ K)

Name	Rt-03 Selection Hatsutomi	Rt-04 Wako Building	Rd-01 T's garden Koenji	Rd-02 Live Akabane	Rd-03 Gekkocho Apartment	Rd-04 T's garden Kawasakidaishi
Rental and other operating revenue (1)	14,250	63,299	53,295	53,463	33,915	36,223
Lease business revenue	14,250	55,076	51,667	51,310	32,844	35,189
Other lease business revenue	-	8,222	1,627	2,153	1,071	1,034
Property-related expenses (2)	3,749	21,013	9,061	11,917	9,350	6,745
Property management fees	1,104	9,124	4,081	5,061	2,886	2,402
Trust fees	300	299	300	300	300	300
Utilities expenses	-	8,200	395	700	398	188
Insurance premiums	30	114	60	109	45	53
Repair and maintenance expenses	-	947	529	1,681	1,637	876
Property taxes	2,185	1,561	2,973	3,320	2,090	2,001
Other expenses	129	766	721	743	1,991	923
NOI (3) [(1)-(2)]	10,500	42,285	44,233	41,546	24,564	29,477
Depreciation (4)	1,288	9,910	5,778	4,225	3,352	5,204
Rental operating income (5) [(3)-(4)]	9,211	32,375	38,455	37,321	21,211	24,273
Capital expenditures (6)	-	400	-	291	1,156	-
NCF (7) [(3)-(6)]	10,500	41,885	44,233	41,255	23,408	29,477

Earnings Performance of Properties (4) (at End of 7th Fiscal Period)

(¥ K)









Name	Rd-05 Abitato Kamata	Rd-06 MarLandFive	Rd-07 Avenir Shirotae	Rd-08 Dormitory Haramachida	Rd-09 SEA SCAPE Chiba Minato	Rd-10 Prime Garden
Rental and other operating revenue (1)	29,355	38,916	36,633	30,708	117,700	31,378
Lease business revenue	28,808	36,452	35,545	29,227	104,447	30,599
Other lease business revenue	547	2,463	1,088	1,481	13,252	779
Property-related expenses (2)	5,455	13,298	8,236	10,801	40,289	9,539
Property management fees	2,409	3,548	2,956	2,884	9,889	3,758
Trust fees	300	300	300	300	300	300
Utilities expenses	539	2,273	712	668	8,095	385
Insurance premiums	49	80	68	64	233	96
Repair and maintenance expenses	617	3,158	726	3,263	5,008	2,308
Property taxes	1,530	2,570	2,051	2,413	9,345	2,306
Other expenses	8	1,366	1,420	1,205	7,418	383
NOI (3) [(1)-(2)]	23,900	25,617	28,396	19,907	77,411	21,839
Depreciation (4)	3,231	4,793	6,391	5,185	23,803	3,454
Rental operating income (5) [(3)-(4)]	20,668	20,823	22,005	14,721	53,607	18,384
Capital expenditures (6)	-	278	302	42,089	1,367	620
NCF (7) [(3)-(6)]	23,900	25,339	28,094	(22,181)	76,043	21,219

Earnings Performance of Properties (5) (at End of 7th Fiscal Period)









(¥ K)

Name	Rd-11 T's garden Shinkoiwa	Rd-12 Twin Avenue	Rd-13 Milestone Higashikurume	Rd-14 Lumiere No.3	Rd-15 T's garden Nishifunabashi	Rd-16 Quest Yamatedai	Rd-17 Sancerre Yonohommachi
Rental and other operating revenue (1)	25,695	61,679	65,903	57,377	31,497	28,244	23,577
Lease business revenue	24,212	60,761	59,737	55,518	30,555	27,755	22,692
Other lease business revenue	1,483	917	6,166	1,859	942	489	884
Property-related expenses (2)	5,976	8,536	14,668	8,436	8,482	7,085	7,018
Property management fees	2,623	3,560	5,186	4,201	2,802	2,920	2,341
Trust fees	300	299	299	299	299	299	299
Utilities expenses	547	726	3,170	540	540	355	398
Insurance premiums	50	117	112	142	68	68	47
Repair and maintenance expenses	804	2,506	3,413	2,254	2,384	1,679	2,150
Property taxes	1,439	-	-	-	1,190	957	-
Other expenses	211	1,325	2,486	997	1,197	802	1,781
NOI (3) [(1)-(2)]	19,719	53,143	51,234	48,941	23,015	21,159	16,558
Depreciation (4)	2,461	3,685	7,949	5,981	2,230	2,797	1,850
Rental operating income (5) [(3)-(4)]	17,257	49,457	43,284	42,959	20,784	18,362	14,707
Capital expenditures (6)	796	-	125	2,570	402	318	528
NCF (7) [(3)-(6)]	18,923	53,143	51,109	46,371	22,613	20,841	16,030









List of Properties (1)

Name	O-01 Tama Center Tosei Building	O-02 KM Shinjuku Building	O-03 Nihonbashi-Hamacho Building	O-04 Kannai Tosei Building II
				
Address	Ochiai, Tama-shi, Tokyo	Kabuki-cho, Shinjuku-ku, Tokyo	Nihonbashihamacho, Chuo-ku, Tokyo	Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa
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	Approx. 3-min. walk from Kannai Station, Yokohama Municipal Subway Line
Acquisition price	¥3,370 MM	¥2,057 MM	¥1,830 MM	¥4,100 MM
Structure	S, SRC	SRC	SRC, S	SRC
Floors	B1/7F	B1/9F	9F	B1/12F
Floor area	16,212.96 m ²	5,240.41 m ²	4,583.48 m ²	9,383.81 m ²
Name	O-05 Nishikasai Tosei Building	O-06 Shin Yokohama Center Building	O-07 Nishidai NC Building	O-08 JPT Motomachi Building
				
Address	Nishikasai, Edogawa-ku, Tokyo	ShinYokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Takashimadaira, Itabashi-ku, Tokyo	Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa
Access	Approx. 2-min. walk from Nishikasai Station, Tokyo Metro Tozai Line	Approx. 5-min. walk from Shinyokohama Station, JR Tokaido Shinkansen Line and Yokohama Line	Approx. 1-min. walk from Nishidai Station, Toei Subway Mita Line	5-min walk from Ishikawa-cho Station, JR Keihin-Tohoku Line/Negishi Line
Acquisition price	¥1,710 MM	¥1,364 MM	¥1,481 MM	¥2,377 MM
Structure	SRC	SRC, RC	S, SRC	S, SRC, RC
Floors	B1/8F	B2/9F	B1/7F	B2/8F
Floor area	4,271.38 m ²	5,809.25 m ²	6,214.11 m ²	7,924.98 m ²








List of Properties (2)

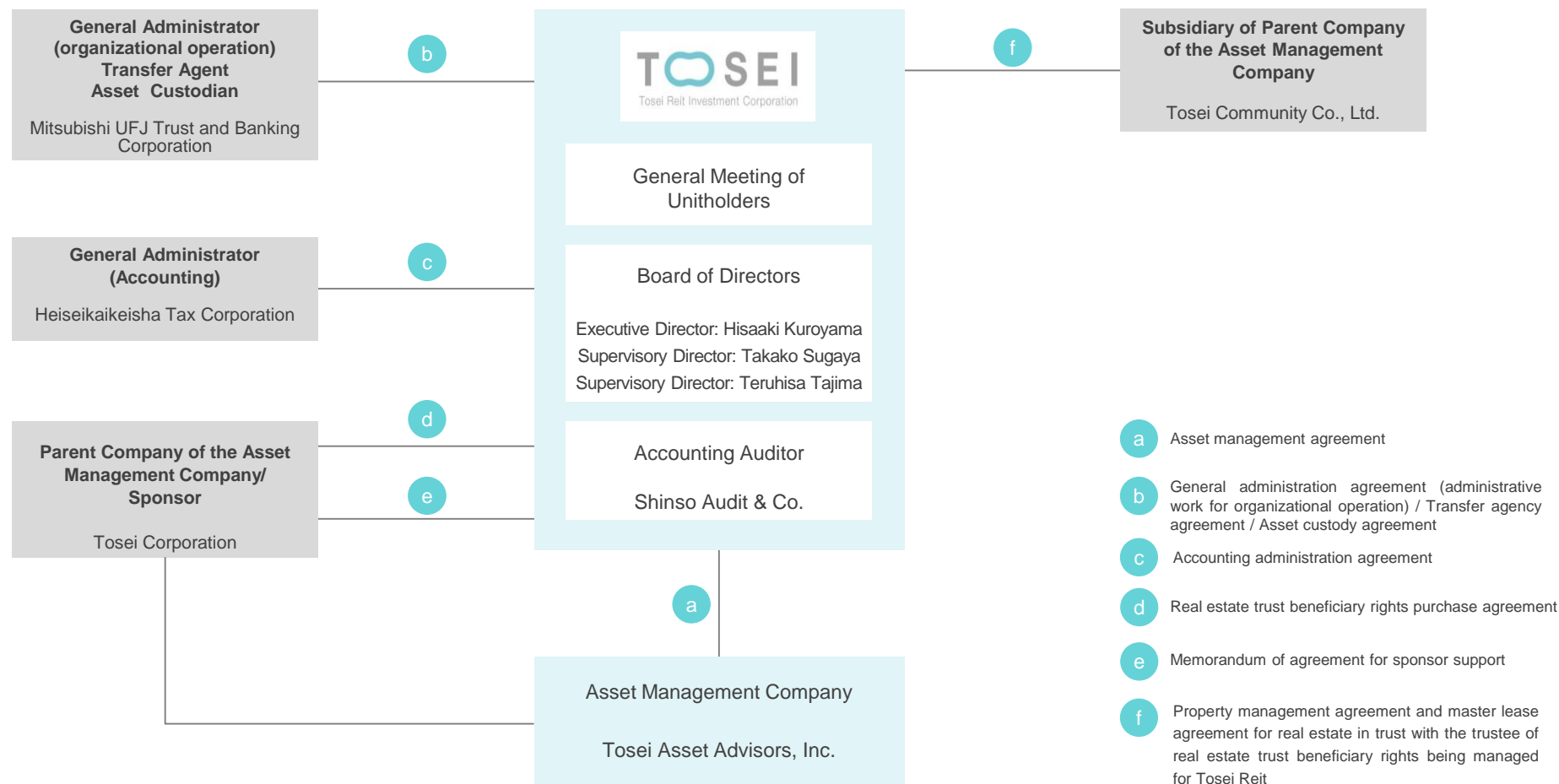
Name	O-09 Hakusan Asanomi Building	O-10 Chojamachi Duo Building	Rt-01 Inage Kaigan Building	Rt-02 Musashi Fujisawa Tosei Building
				
Address	Hakusan, Bunkyo-ku, Tokyo	Chojamachi, Naka-ku, Yokohama-shi, Kanagawa	Takasu, Mihama-ku, Chiba-shi, Chiba	Higashi Fujisawa, Iruma-shi, Saitama
Access	Approx. 1-min. walk from Hakusan Station, Toei Subway Mita Line	Approx. 1-minute walk from Isezaki-Chojamachi Station, Yokohama Municipal Subway Blue Line	Approx. 1-min. walk from Inagekaigan Station, JR Keiyo Line	Approx. 9-min. walk from Musashi-Fujisawa Station, Seibu Ikebukuro Line
Acquisition price	¥1,380 MM	¥1,300 MM	¥2,380 MM	¥1,950 MM
Structure	S, SRC	RC, SRC	SRC	Steel frame structure, galvanized steel
Floors	B1/10F	B1/7F	7F	2F
Floor area	2,374.87 m ²	3,091.23 m ²	7,175.12 m ²	6,131.07 m ²
Name	Rt-03 Selection Hatsutomi	Rt-04 Wako Building	Rd-01 T's garden Koenji	Rd-02 Live Akabane
				
Address	Kita-Hatsutomi, Kamagaya-shi, Chiba	Takasu, Mihama-ku, Chiba-shi, Chiba	Koenjikota, Sugunami-ku, Tokyo	Ukima, Kita-ku, Tokyo
Access	Approx. 3-min walk from Kita-Hatsutomi Station, Keisei Railway Shinkeisei Line	Approx. 1-minute walk from Inagekaigan Station, JR Keiyo Line	Approx. 5-min. walk from Koenji Station, JR Chuo Line	Approx. 4-min. walk from Kita-akabane Station, JR Saikyo Line
Acquisition price	¥310 MM	¥1,400 MM	¥1,544 MM	¥1,227 MM
Structure	S	S	RC	SRC
Floors	2F	B1/5F	6F	12F
Floor area	1,827.75 m ²	4,059.79 m ²	2,445.31 m ²	4,484.24 m ²

List of Properties (3)

Name	Rd-03 Gekkocho Apartment	Rd-04 T's garden Kawasakidaishi	Rd-05 Abitato Kamata	Rd-06 MarLandFive
				
Address	Shimomeguro, Meguro-ku, Tokyo	Ise-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Chuo, Ota-ku, Tokyo	Nishimizuhodai, Fujimi-shi, Saitama
Access	Approx. 13-min. walk from Musashi-koyama Station, Tokyu Meguro Line	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	¥1,000 MM	¥980 MM	¥836 MM	¥830 MM
Structure	RC	S	RC	SRC
Floors	6F	3F	6F	B1/9F
Floor area	1,547.03 m ²	2,105.59 m ²	2,062.09 m ²	3,688.54 m ²
Name	Rd-07 Avenir Shirotae	Rd-08 Dormitory Haramachida	Rd-09 SEA SCAPE Chiba Minato	Rd-10 Prime Garden
				
Address	Shirotae-cho, Minami-ku, Yokohama-shi, Kanagawa	Haramachida, Machida-shi, Tokyo	Chuominato, Chuo-ku, Chiba-shi, Chiba	Kita-Hatsutomi, Kamagaya-shi, Chiba
Access	Approx. 4-min. walk from Bandobashi Station, Yokohama Municipal Subway Blue Line	Approx. 6-min. walk from Machida Station, JR Yokohama Line	Approx. 1-min. walk from Chibaminato Station, JR Keiyo Line	Approx. 4-min walk from Kita-Hatsutomi Station, Shinkeisei Railway Shinkeisei Line
Acquisition price	¥780 MM	¥600 MM	¥2,800 MM	¥600 MM
Structure	SRC	SRC, S	RC	RC
Floors	11F	B1/12F	B1/13F	6F
Floor area	3,001.81 m ²	2,239.50 m ²	7,571.58 m ²	3,975.87 m ²

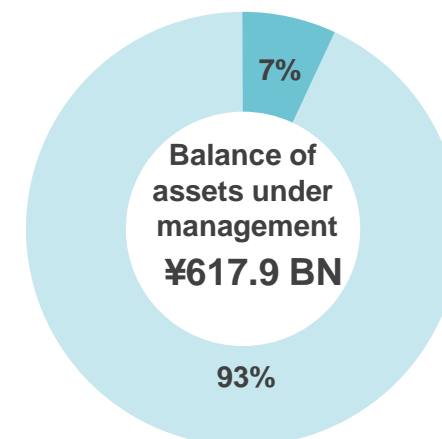
List of Properties (4)

Name	Rd-11 T's garden Shinkoiwa	Rd-12 Twin Avenue	Rd-13 Milestone Higashikurume	Rd-14 Lumiere No.3
				
Address	Nishi-Shinkoiwa, Katsushika-ku, Tokyo	Sekimachikita, Nerima-ku, Tokyo	Higashihoncho Higashikurume-shi, Tokyo	Shiba, Kawaguchi-shi, Saitama
Access	Approx. 4-min. walk from Shinkoiwa Station, JR Sobu Line	Approx. 8-minute walk from Musashi-Seki Station, Seibu Shinjuku Line	Approx. 5-minute walk from Higashi-Kurume Station, Seibu Ikebukuro Line	Approx. 16-minute walk from Warabi Station, JR Keihin Tohoku Line
Acquisition price	¥670 MM	¥1,880 MM	¥1,650 MM	¥1,420 MM
Structure	SRC	SRC	SRC	RC
Floors	10F	8F	10F	7F
Floor area	1,976.90 m ²	4,563.79 m ²	4,374.55 m ²	5,843.16 m ²
Name	Rd-15 T's garden Nishifunabashi	Rd-16 Quest Yamatedai	Rd-17 Sancerre Yonohommachi	
				
Address	Futagocho, Funabashi-shi, Chiba	Nishigaoka, Izumi-ku, Yokohama-shi, Kanagawa	Shimoochiai, Chuo-ku, Saitama-shi, Saitama	
Access	Approx. 10-minute walk from Higashi-Nakayama Station. Keisei Railway Main Line	Approx. 10-minute walk from Yayoidai Station, Sotetsu Izumino Line	Approx. 8-minute walk from Yono Station, JR Keihin Tohoku Line	
Acquisition price	¥860 MM	¥710 MM	¥600 MM	
Structure	RC	RC	RC	
Floors	6F	7F	4F	
Floor area	2,894.04 m ²	2,905.27 m ²	1,998.99 m ²	



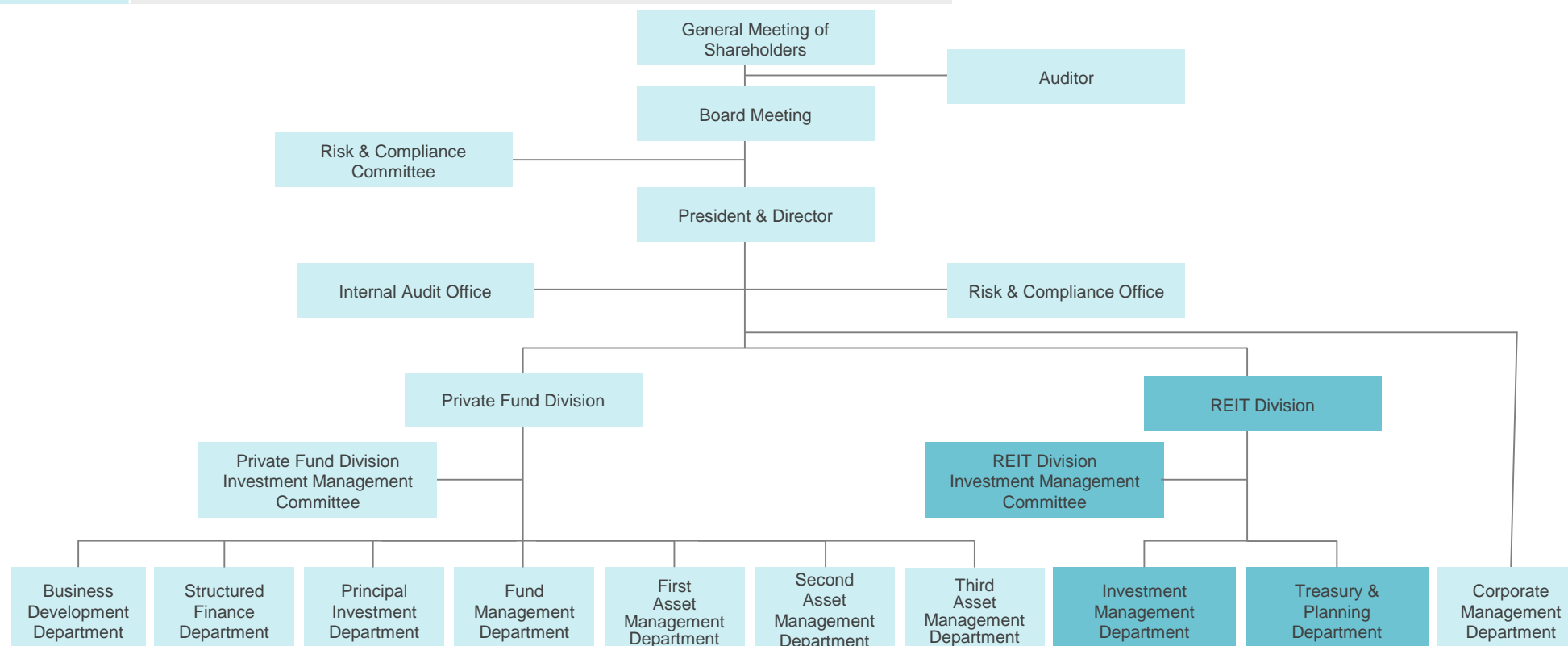
Profile of Tosei Asset Advisors, Inc.

Company Name	Tosei Asset Advisors, Inc.
Date of Establishment	September 28, 2005
Capital	¥100 MM
President & Representative Director	Akihiko Fujinaga
Number of officers and employees	69 persons
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



Private placement funds
¥571.9 BN (93%)

REITs
¥45.9 BN (7%)



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