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[Translation]

June 15, 2020

To whom it may concern

Tosei Corporation
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Securities code: 8923 (Tokyo Stock Exchange, First Section)
Securities code: S2D (Singapore Exchange, Main Board)
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Notice of Subscription for Third-Party Allotment of Investment Units Issued by Tosei Reit Investment Corporation

Tosei Corporation (the "Company") hereby announces that it resolved, at the meeting of the Board of Directors held on June 15, 2020, to subscribe to additional 4,000 investment units (the "Additional Acquisition") in the capital increase through third-party allotment to be implemented by Tosei Reit Investment Corporation (the "Investment Corporation"). Details are as follows.

1. Reason for subscription for capital increase through third-party allotment

The Tosei group (the "Group") is basing its portfolio management on its strengths in providing a broad range of real estate solutions through the revitalization business, the development business, the asset management business, the rental business, the property management business and the hotel business. The Group believes that achieving sustained and stable growth of the Investment Corporation will contribute to the enhancement of the value chain in the Group's business portfolio and the improvement of the Group's corporate value over medium- to long- term.

The capital increase through third-party allotment will be implemented to bolster the financial base of the Investment Corporation and improve its fund-raising ability, etc. From the viewpoint of providing support as its sponsor, the Company reviewed and decided to subscribe for the Additional Acquisition of the Investment Corporation's investment units. Going forward, the Company will positively provide support to the Investment Corporation toward further external growth and value improvement of the Investment Corporation's investment units.

2. Outline of Tosei Reit Investment Corporation

(1)	Name	Tosei Reit Investment Corporation
(2)	Address	Toranomon Tosei Building, 4-2-3 Toranomon, Minato-ku, Tokyo
(3)	Name and title of the representative person	Executive Director: Takayoshi Kitajima
(4)	Fields of business	Investment management regarding specified assets
(5)	Total amount of Equity	36,097 million yen (as of April 30, 2020)
(6)	Date of establishment	September 4, 2014
(7)	Investment units issued	336,505units (as of June 15, 2020)

(8)	Major Equity holders and Percentage Ownership (as of April 30, 2020) Numbers are rounded to the second decimal place, may not add up to totals due to rounding	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.41%
		Tosei Corporation	8.04%
		Japan Trustee Services Bank, Ltd. (Trust Account)	6.31%
		The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4.02%
		Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2.46%
		Masayuki Ishihara	2.45%
		NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	2.00%
		Morgan Stanley MUFG Securities Co., Ltd.	1.98%
		Kinki Sangyo Credit Union	1.29%
		Aozora Bank, Ltd.	1.19%

(9)	Outline of Asset Management Company	
	Name	Tosei Asset Advisors, Inc. (“TAA”)
	Address	Toranomon Tosei Building, 4-2-3 Toranomon, Minato-ku, Tokyo
	Name and title of the representative person	President & Representative Director Kaname Wakabayashi
	Fields of business	Investment management business and other business incidental or related to the foregoing
	Capital	100 million yen (as of February 29, 2020)
(10)	Relationship among Investment Corporation, TAA and Company	
	Capital relationship	As of today, the Company holds 8.04% of the total number of issued units of the Investment Corporation. Moreover, TAA is a wholly owned subsidiary of the Company and falls under interested persons and other close affiliates as set forth in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter the “Investment Trust Act”).
	Personal relationship	There is no special personnel relationship to be stated between the Company and the Investment Corporation. As of today, all the officers and employees, excluding Chairman and President & Representative Director, of TAA are seconded from the Company. Moreover, Directors of the Company concurrently serve as a part-time Director and a part-time Auditor of TAA.
	Business relationship	The Company has concluded separate sponsor support agreements with the Investment Corporation and TAA. Moreover, the Company has conducted sales and purchases of real estate trust beneficiary interests with the Investment Corporation, transferring 11 properties in the fiscal term ended November 30, 2019 and 3 properties in the fiscal term ending November 30, 2020. Furthermore, the Company is leasing part of the assets under management of the Investment Corporation in accordance with fixed-rent master lease agreements.
	Applicability of Affiliated Party definition	TAA is a wholly owned subsidiary of the Company and falls under interested persons and other close affiliates as set forth in the Investment Trust Act. Prior to the implementation of the third-party allotment, TAA has performed procedures for decision-making as required under the rules on related party transactions.

(11) Operating Results and Financial Status in previous three periods			
Accounting period	Fiscal period ended April 2019	Fiscal period ended October 2019	Fiscal period ended April 2020
Net assets	30,237 million yen	30,106 million yen	37,398 million yen
Total assets	62,514 million yen	62,400 million yen	76,345 million yen
Net assets per unit (yen)	106,840 yen	106,377 yen	111,137 yen
Operating revenue	2,748 million yen	2,510 million yen	2,996 million yen
Operating profit	1,490 million yen	1,241 million yen	1,501 million yen
Ordinary profit	1,273 million yen	1,019 million yen	1,244 million yen
Current net income	1,229 million yen	1,014 million yen	1,243 million yen
Current net income per units (yen)	4,349 yen	3,585 yen	3,698 yen
Cash distributions per unit (yen)	4,052 yen	3,675 yen	3,696 yen

[Note] Audits of financial statements of the Fiscal period ended April 30, 2020 by an audit firm in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act have not yet finished.

3. Number of investment units in the Additional Acquisition and number of investment units held before and after the Additional Acquisition

(1) Number of investment units held before the Additional Acquisition	27,051 units (Percentage of investment units held in total number of issued investment units: 8.04%)
(2) Number of investment units acquired	4,000 units
(3) Acquisition value	419,600,000 yen
(4) Number of investment units held after the Additional Acquisition	31,051 units (Percentage of investment units held in total number of issued investment units: 9.12%)

[Note] Numbers are rounded to the second decimal place, may not add up to totals due to rounding

4. Schedule

(1) Conclusion of a new subscription agreement	June 15, 2020 (scheduled)
(2) Payment date	June 25, 2020 (scheduled)

5. Impact on business results forecast

The impact of the subject matter on the consolidated business results forecast for the fiscal year ending November 30, 2020, announced as of January 9, 2020 will be immaterial.

End