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To whom it may concern

Tosei Corporation
 Toranomom Tosei Building, 4-2-3 Toranomom, Minato-ku, Tokyo
 President and CEO: Seiichiro Yamaguchi
 Securities code: 8923 (Tokyo Stock Exchange, First Section)
 S2D (Singapore Exchange, Mainboard)
 Contact: Director and CFO: Noboru Hirano
 TEL: +81-3-3435-2864

Notice Regarding Use of Placement Proceeds Raised on Singapore Exchange
(for the Period up until August 31, 2013)

Tosei Corporation (the “Company”) had issued 2,600,000 shares of common stock pursuant to a placement in Singapore and overseas markets (excluding the United States and Canada) on July 25, 2013 (“Placement”) and received ¥1,933,438,000 as net proceeds of the Placement. In relation to the issuance of the new shares, the Company announced on July 22, 2013 that the proceeds were expected to be applied to its Revitalisation Business, Development Business, and Fund and Consulting Business, which are the core operations of the Company.

Further to the announcement, the Company wishes to provide an update that during the third quarter of the current fiscal year ending November 30, 2013 (from June 1 to August 31, 2013), it had utilised a portion of the net proceeds from the Placement as follows:

1. Use of Placement Proceeds	(¥ thousand)
Total amount raised in July 2013	1,933,438
Total amount utilised from the proceeds (As of Aug. 31, 2013)	321,884
Balance proceeds	1,611,554

2. Details of Use of Proceeds (¥ thousand)

Revitalisation Business			
Acquisition cost of residential property in Sendagi (partial)	Bunkyo-ku, Tokyo	Apartment	95,500
Subtotal			95,500
Development Business			
Construction cost of THE Palms Nishigahara (partial)	Kita-ku, Tokyo	Condominium	153,700
Construction cost of Palms Court Minamiasagaya (partial)	Suginami-ku, Tokyo	Detached house	22,684
Subtotal			176,384
Fund and Consulting Business			
Co-equity investment in preferred equity of Tokumei Kumiai (silent partnership) of a private fund			50,000
Subtotal			50,000
Total amount utilised for the period up until August 31, 2013			321,884

The above disclosure on use of net proceeds from the Placement is made pursuant to a requirement of the listing rules of the Singapore Exchange Securities Trading Limited

The abovementioned utilisations are in accordance with the stated use of the proceeds disclosed by the Company in the announcement dated July 22, 2013. The Company will make further announcements via SGXNET as and when such funds are materially disbursed.

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