

【To whom it may concern】

Tosei Corporation
Mitsubishi UFJ Trust and Banking Corporation
Tokai Tokyo Securities Co., Ltd.
Progmatic, Inc.
May 24, 2024

Release of Information Regarding Security Token Business Collaboration and Completion of Public Offering and Issuance of Real Estate Security Tokens

Tosei Corporation (President and CEO: Seiichiro Yamaguchi; “Tosei”), Mitsubishi UFJ Trust and Banking Corporation (President and CEO: Iwao Nagashima; “Mitsubishi UFJ Trust and Banking”), and Tokai Tokyo Securities Co., Ltd. (President and CEO: Naoko Kitagawa; “Tokai Tokyo Securities”) collaborated on a public offering of real estate security token*1 (the “ST”), utilizing “Progmatic,”*2 a digital asset issuance and management platform licensed by Progmatic, Inc. (Founder and CEO: Tatsuya Saito, “Progmatic”), and the offering and issuance of the ST has been completed.



Investment Property “LIERRE ICHIGAYA”

The ST will be a real estate security token that forms the trusts with certificates of beneficial interests with real estate trust beneficial interest backed by LIERRE ICHIGAYA, an office and residential complex located in Ichigaya, Shinjuku-ku, Tokyo (the “Investment Property”) as the trust asset, whose securities and transaction information for the beneficial interest (the “Beneficial Interest”) will be managed using “Progmatic.” With a total issuance amount of 1.74 billion yen in the public offering of security tokens, the ST utilizes digital technology to provide general investors with the opportunity to invest in a single property (an office and residential complex) in small lots.

After May 28, 2024, the transaction start date for the ST, it is planned to apply for the Beneficial Interest to be dealt with in “START,”*3 a private trading system aiming for the circulation of security tokens operated by Osaka Digital Exchange Co., Ltd. If the ST is accepted by START, it is expected to further enhance convenience by diversifying trading opportunities.

◆ **Outline of the ST**

Name of the product	Tosei Property Fund (Series 3) Ichigaya (Digital transfer system)
Investment property (appraised value)	Beneficial interest in real estate management and disposition trust with “LIERRE ICHIGAYA” as the trust asset (4.01 billion yen: as of February 1, 2024)
Number of units issued / Total amount of issue	17,400 units / 1.74 billion yen
Issue price / Application unit	100,000 yen per unit / 10 units or more in increments of 10 units
Management period	About 5 years and 2 months (in principle) <ul style="list-style-type: none"> • In the event of early sale of beneficial interests in real estate management and disposition trusts, they will be redeemed earlier than the scheduled redemption date. • It may be decided to extend the management period for up to one year.

Type of securities offered	Security tokens representing beneficial interests in trusts with certificates of beneficial interests
Issuer	Beneficiary: Token Three LLC*4 Fiduciary: Mitsubishi UFJ Trust and Banking Corporation
Asset manager	Tosei Asset Advisors, Inc.
Handling company	Tokai Tokyo Securities Co., Ltd.
Lender	Sumitomo Mitsui Banking Corporation
Platform	Progmat

Tosei Asset Advisors, Inc., the asset manager of the ST, is a wholly-owned consolidated subsidiary of Tosei which is responsible for the Tosei Group's real estate fund and consulting business including asset management and CRE advisory services, and the balance of assets under management exceeds 2.4 trillion yen (as of the end of February 2024). Tosei Reit Investment Corporation, which was established based on the knowledge and experience accumulated in the private fund management business, was listed on the Tokyo Stock Exchange in 2014, and has since expanded its asset scale through continuous capital increases. In addition, Tosei Asset Advisors is promoting a real estate tech business that integrates real estate, finance, and DX, with 2 ST deals backed by domestic real estate listed on the digital securities platform in Singapore, and will provide even more real estate investment opportunities to a new customer base through this ST collaboration.

Mitsubishi UFJ Trust and Banking Corporation will issue the ST, manage the beneficial interest registry, and provide custody service of the private key using "Progmat" licensed by Progmat. With the issuance of the ST, the number of public offerings using "Progmat" will increase to 26, and the balance of assets under registry management will amount to approximately 133 billion yen*5. Through the collaboration of the ST, we will contribute to the improvement of customer convenience and further expansion of the digital securities market.

In the Group's new medium-term management plan "Beyond Our Limit," which started in FY2022, Tokai Tokyo Securities has set "Tokai Tokyo Digital New World" as a priority measure toward "New World," and as part of this plan, the company aims to aggressively expand its ST business. Tokai Tokyo Securities has now realized the issuance of the ST in collaboration with the three companies, bringing the total number of STs sold since the public offering of real estate STs in November 2021 to 6 (5 real estate STs and one overseas private equity fund ST through private placement). Tokai Tokyo Securities will continue to provide investors and issuers with more investment and financing opportunities by collaborating with various partners and taking on the challenge of creating STs in diverse asset classes in order to meet the needs of our customers.

"Progmat," licensed by Progmat, has dealt with 24 cases of publicly offered real estate STs including this ST initiative and 2 cases of publicly offered corporate bond STs, making it the top platform in Japan. In addition, Tosei is expected to be the 8th partner company to use "Progmat" through the collaboration of the ST, making it the top in Japan in terms of network expansion.

*1 For more information on the ST during the management period, please refer to the website operated by Tosei Asset Advisors, Inc.

<https://sto-4.tosei-asset.co.jp/>

*2 Regarding "Progmat":

The website and explanatory article are available at the following URL.

Website: <https://progmat.co.jp/>

Explanatory article: https://note.com/tatsu_s123/n/n03a291fa52ab

*3 A private trading system (so-called PTS) approved by the Financial Services Agency and regulated by the Financial Instruments and Exchange Act, etc. as a secondary market for ST trading transactions.

*4 A special purpose company established for the purpose of issuing the ST.

*5 Calculated by Mitsubishi UFJ Trust and Banking based on the principal amount of the trust at the time of establishment of the trust in the trusts with certificates of beneficial interests that issues asset-backed STs or the total assets on the most recent annual securities report, and the issue amount of publicly offered corporate bond STs.

◆ <Reference> The Definition of Security Token

Terms	Definition
Security Token (ST, Digital Securities)	Financial instruments (securities) issued and managed using digital technology represented by the blockchain which corresponds to the category of “Electronically Recorded Securities Representation Rights, etc.” as defined in the Financial Instruments and Exchange Act
Security Token Offering (STO)	Fundraising by issuing security tokens to investors which is regulated by the Financial Instruments and Exchange Act
Real Estate Security Token (Real Estate ST)	A security token that is issued backed by real estate-related assets. STOs using real estate STs are called real estate STOs.

This document is intended for general publication regarding Tosei Property Fund (Series 3) Ichigaya (Digital transfer system) and is not intended for solicitation for investment in individual financial instruments, either in Japan or overseas.

*The Japanese version of this website shall be the original, and this English version has been prepared for reference purposes only. In the event of any discrepancy or inconsistency between these two versions, the Japanese version shall prevail.

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