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Notice Concerning Partial Amendment to Internal Rules  
(Regulations on Transactions with Interested Parties, Etc.) of the Asset Management Company

Samty Residential Investment Corporation (“Samty Residential”) announces that Samty Asset Management Co., Ltd. (“the Asset Management Company”), the asset management company to which Samty Residential entrusts the management of its assets, decided today to make a partial amendment (“the Amendment”) to its internal rules, the regulations on transactions with interested parties, etc.

**1. Background of the Amendment**

Since its establishment in March 2015, Samty Residential has been pursuing maximization of its unitholder value by enhancing profitability, growth potential, and stability through investments in high-quality rental housing by making use of the overall capabilities of the main sponsor, Samty Co., Ltd. (“Samty”), and its strengths in real estate development.

With a view to increasing the likelihood for Samty Residential to acquire properties of the S-RESIDENCE Series (“the Series”), which is a market-competitive rental condominium brand developed by the main sponsor, a partial amendment will be made to the regulations on transactions with interested parties, etc., which are the Asset Management Company’s internal rules, involving partial relaxation of the upper limit on acquisition price of properties acquired from interested parties, etc.

Although, in principle, Samty Residential is granted exclusive negotiating rights to properties with respect to the Series in accordance with the Sponsor Support Agreement dated March 27, 2015 (including subsequent amendments), entered into among Samty Residential, the Asset Management Company, and Samty, a challenging situation has continued for Samty Residential to acquire the Series properties primarily from the price competition aspect, given an investment environment where demand for acquisition of high-grade and relatively new rental condominiums is growing in recent years, particularly in major regional cities and the greater Tokyo area. This is because, under the regulations on transactions with interested parties, etc. prior to the Amendment, the appraisal value is set as the upper price limit on property acquisition from interested parties, etc.

For this reason, an amendment will be made to establish exceptions, setting the upper price limit to 103% of the appraisal value for acquisition of properties from interested parties, etc. if certain requirements are met, thereby increasing the likelihood of acquiring the Series properties as compared to before the Amendment. Details of the said requirements are as described below in “2. Details of the Amendment.” Inasmuch as application of the exceptions is confined to the Series properties, with further restriction on the location of the properties and requirement for confirmation of purchase or similar documents to be obtained from third parties, it is believed that the scope of application of the exceptions is within a reasonable range.

While it is possible that, as a result of the Amendment, acquisition price may exceed appraisal value by up to 3%, such excess portion is of the same level as a brokerage fee that would normally be charged if Samty Residential were to acquire, through a real estate broker or other agent, a property from a third party other

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than the main sponsor. In this respect, because no brokerage fee is incurred in an acquisition of property from the main sponsor, Samty Residential will be making additional disbursement equivalent to 3% (at maximum) of the appraisal value (compared to before the Amendment) in an instance where the exception provision as described above is applied. However, as stated above, since the additional disbursement is at the same level as the expenses normally incurred for acquisition of properties from third parties, and since the additional disbursement will increase the likelihood of acquiring properties that are highly competitive in the market, Samty Residential considers the Amendment to be conducive to improving its unitholder value in the medium to long term.

## 2. Details of the Amendment

The following is a summary of the Amendment to the regulations:

- Partial relaxation of the upper price limit in acquisition of properties from interested parties, etc. (establishment of exceptions)  
Heretofore, when Samty Residential acquired a property from an interested party, etc., an upper limit on acquisition price was set uniformly at the appraisal value. By making an amendment to the regulations with establishment of certain exceptions, it would become possible to acquire the property with an upper limit of 103% of the appraisal value provided that all of the following requirements are met.

(1) Real estate, etc. to be acquired relates to the Series planned and developed by Samty

(2) Property location is any one of the following regions

- Major regional cities (Sapporo, Sendai, Nagoya, Kyoto, Osaka, Kobe, Hiroshima, and Fukuoka)
- Greater Tokyo area (Tokyo, Kanagawa, Saitama, and Chiba)

(3) A written statement is submitted by a third party who is not an interested party, etc. to the interested party, etc. being the seller, expressing the intent to purchase the said real estate, etc. at a price that exceeds the appraisal value that would be the acquisition price for Samty Residential or the Asset Management Company.

- Other revisions

In addition to the above, revisions were made primarily to clarify procedures and ensure consistency with other internal rules, including rearrangement of provisions and modification to the wording.

## 3. Date of Amendment

June 15, 2022

## 4. Future outlook

The partial amendment to the regulations on transactions with interested parties, etc. has no impact on the business results of Samty Residential.

\*Samty Residential Investment Corporation website: <https://samty-residential.com/en/>