

August 26, 2022

For Immediate Release

Real Estate Investment Trust Securities Issuer
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 SANKEI REAL ESTATE Inc.
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 (TSE code: 2972)

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Notice Concerning Borrowing of Funds (Refinancing)

SANKEI REAL ESTATE Inc. (“SANKEI REAL ESTATE”) hereby announces its decision made today for partial refinancing of its existing loans (hereinafter, the “Refinancing”) as follows.

1. Details of the Refinancing

Long-term loan (Note 1)

i	Lenders	Loan syndicate with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as the arrangers
ii	Borrowing amount	5,900 million yen
iii	Interest rate	To be determined (fixed interest rate) (Note 2)
iv	Scheduled borrowing date	September 5, 2022 (Note 3)
v	Borrowing method	Conclusion of individual loan agreement on September 1, 2022 (scheduled) with the lenders shown above
vi	Maturity date	March 5, 2027 (Note 3) (Note 4)
vii	Repayment method	Lump-sum repayment at maturity (Note 5)
viii	Interest payment due date	The first interest payment due date shall be December 5, 2022, followed by the 5th of every March, June, September and December thereafter, and the maturity date (Note 4)
ix	Security	Unsecured and non-guaranteed (Note 6)

(Note 1) “Long-term loan” refers to borrowing for a period from the scheduled borrowing date to the maturity date of more than one year.

(Note 2) Interest rate will be announced upon the determination.

(Note 3) “Scheduled borrowing date” and “Maturity date” are the scheduled dates as of August 26, 2022, and may be changed before the final execution date of borrowing.

(Note 4) If the relevant date is not a business day, then it shall be the next business day, but if that next business day falls into the next calendar month, then it shall be the business day preceding the relevant date.

(Note 5) During the period from the abovementioned drawdown date to the maturity date, SANKEI REAL ESTATE may make early repayment of loans, in whole or in part, if SANKEI REAL ESTATE gives prior written notice and other certain terms and conditions are met.

(Note 6) SANKEI REAL ESTATE concluded a basic agreement on the borrowing of funds on March 7, 2019, and will conclude an individual loan agreement with the lenders shown above based on the basic agreement (including subsequent changes, etc.). In such individual loan agreement, provision of collateral is not assumed at the time of borrowing, but financial restrictions such as maintaining certain figures of financial indicators based on assets and liabilities will be set.

2. Reason and Target of the Refinancing

(1) Reason for the Refinancing

To repay 5,900 million yen of the following loan due for repayment on September 5, 2022.

(2) Target of the Refinancing

Long-term loan

i	Lenders	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited., Shinsei Bank, Limited and Resona Bank, Limited.
ii	Borrowing amount	5,900 million yen
iii	Interest rate	Base rate (JBA 3-month Japanese Yen TIBOR) + 0.200%
iv	Borrowing date	September 3, 2019
v	Borrowing method	Conclusion of individual loan agreement on August 29, 2019, with the lenders shown above
vi	Maturity date	September 5, 2022
vii	Repayment method	Lump-sum repayment at maturity
viii	Interest payment due date	The first interest payment due date shall be December 3, 2019, followed by the 3rd of every March, June, September and December thereafter, and the maturity date
ix	Security	Unsecured and non-guaranteed

(Note) For details of the above this Refinancing, please refer to “Notice Concerning Borrowing of Funds” dated August 6, 2019.

3. Status of Loans, etc. after the Refinancing

(Unit: million yen)

	Before the Refinancing	After the Refinancing	Increase (Decrease)
Short-term loans (Note)	—	—	—
Long-term loans (Note)	50,200	50,200	0
Repayment due within one year	9,600	9,600	0
Total loans	50,200	50,200	0
Investment corporation bonds	—	—	—
Total loans and investment corporation bonds	50,200	50,200	0

(Note) “Short-term loan” refers to borrowing for a period from the borrowing date to the maturity date of one year or less. “Long-term loan” refers to borrowing for a period from the borrowing date to the maturity date of more than one year.

4. Other

Concerning the risks associated with the Refinancing, there is no significant change from the content of “Part 1. Fund Information; Section 1. Status of Fund; (3) Investment Risks” in the annual securities report submitted on May 30, 2022.

* SANKEI REAL ESTATE Inc. website: <https://www.s-reit.co.jp/en/>