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For Immediate Release

Real Estate Investment Trust Securities Issuer

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Asset Management Company

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Notice Concerning Revival Plan and Granting of Preferential Negotiation Rights for Sale and Acquisition of Domestic Real Estate Trust Beneficiary Rights

SANKEI REAL ESTATE Inc. (“SANKEI REAL ESTATE”) announces that Sankei Building Asset Management Co., Ltd., the asset management company to which SANKEI REAL ESTATE entrusts the management of its assets (the “Asset Management Company”), has decided today to execute the previously announced Revival Plan in accordance with the following procedures. Furthermore, SANKEI REAL ESTATE has entered into an agreement with The Sankei Building Co., Ltd. (the “Sponsor”) concerning the granting of preferential negotiation rights for the sale and acquisition of domestic real estate trust beneficiary rights (the “Preferential Negotiation Rights”) with respect to 2 candidate properties for sale and 3 candidate properties for acquisition (collectively the “Transaction Candidate Properties”).

I. About the Revival Plan

1. Purpose of the Revival Plan

Since its listing, SANKEI REAL ESTATE has steadily expanded its asset size based on a portfolio centered on office buildings, making stable distributions to unitholders. Its unit price trends have generally outperformed the Tokyo Stock Exchange REIT Index. However, SANKEI REAL ESTATE’s internal environment is such that the risk of revenue loss that has materialized due to the cancellation of a major tenant in the portfolio (the “Materialized Risk”) has triggered an urgent need to rebuild the revenue structure.

Meanwhile, with respect to the external environment, structural changes in office demand are expected amid the entrenchment of telecommuting and other new forms of work, driven by the outbreak of COVID-19.

SANKEI REAL ESTATE aims to eliminate the Materialized Risk in the internal environment and to revive itself as a REIT capable of sustainable growth by implementing the Revival Plan to transform the current office building-centered portfolio into a portfolio that is more in line with changes in the external environment.

2. Overview of the Revival Plan

The Revival Plan to be implemented in light of the above objectives consists of three elements: (i) a large-scale portfolio rebalancing, (ii) partial amendment to the management guidelines (conversion to a diversified REIT), and (iii) acquisition of additional investment units by the Sponsor.

(i) Large-scale portfolio rebalancing

Since the occurrence of the aforementioned Materialized Risk, while striving to recover portfolio income, SANKEI REAL ESTATE, in anticipation of structural changes in office demand, increased its investment ratio in asset types other than office buildings (on this occasion, logistics facilities) through the acquisition of SANKEILOGI Settsu, SANKEI REAL ESTATE’s first logistics facility, in March 2023. Furthermore, through the partial disposition of the quasi co-ownership interest in BREEZÉ TOWER in August of the same year, we have rebalanced our portfolio to stabilize distribution per unit (DPU). These two transactions have served to reduce the investment ratio in office buildings.

Furthermore, SANKEI REAL ESTATE has reached an agreement with the Sponsor concerning the granting of preferential negotiation rights for the sale and acquisition of domestic real estate trust beneficiary rights and plans to implement a large-scale portfolio rebalancing as described below. Details of the transaction price and other terms and conditions of the exercise of preferential negotiation rights for such sale and acquisition have not yet been determined, but in order to execute them during the fiscal year ending February 29, 2024 (September 1, 2023 to February 29, 2024), SANKEI REAL ESTATE has reached an agreement as of the date of this document regarding the granting of preferential negotiation rights for the candidate properties for sale and the acquisition of preferential negotiation rights for the candidate properties for acquisition. The majority of this rebalancing is to be in collaboration with the Sponsor, with the aim of eliminating the Materialized Risk in SANKEI REAL ESTATE's internal environment and providing a stable DPU based on this mitigated risk.

In the process of negotiating sale and/or acquisition, there may be cases in which the number of Transaction Candidate Properties may fluctuate. We will issue a new announcement as soon as the details of the transaction conditions, including the status of said candidate assets, are finalized.

(2) Partial amendments to management guidelines (conversion to a diversified REIT)

SANKEI REAL ESTATE's Articles of Incorporation stipulate that, though SANKEI REAL ESTATE's principle asset type shall be office buildings, SANKEI REAL ESTATE may also invest in logistics facilities, hotels, commercial facilities, healthcare facilities, residential properties, and other asset type that differ from office buildings in the interest of diversifying asset types. In accordance, since its listing, SANKEI REAL ESTATE has sought to enhance unitholder value by investing in asset types other than office buildings in the interest of diversifying asset types, while building up its portfolio as an investment corporation that mainly invests in office buildings.

However, the COVID-19 pandemic over the past few years has had such an impact that the socioeconomic structure has changed dramatically. With the acceleration of the work-style reform, structural changes in office demand are expected amid the entrenchment of telecommuting and other new forms of work, driven by the outbreak of COVID-19. In light of these changes in the environment, the Asset Management Company has decided to amend its Asset Management Guidelines to the extent permitted by the Articles of Incorporation in order to build a portfolio capable of sustainable growth. This will be achieved by converting the current office building-centric portfolio into a portfolio that meets the needs of the changing external environment (i.e., that of a diversified REIT).

For details, please refer to "Notice of Partial Amendments to Asset Management Guidelines of Asset Management Company (Conversion to a Diversified REIT)" separately announced today.

(3) Acquisition of additional investment units by the Sponsor

The Asset Management Company received a notice today from SANKEI REAL ESTATE's Sponsor that the Sponsor will acquire additional investment units of SANKEI REAL ESTATE (the "Additional Acquisition").

The Additional Acquisition shows the Sponsor's firm commitment to the Revival Plan, reaffirming the Sponsor's position as a supporter of SANKEI REAL ESTATE.

Further same-boat investment by the Sponsor aligns the interests of the unitholders of SANKEI REAL ESTATE with those of the Sponsor and it is expected to lead to the steady execution of the Revival Plan as well as support from the Sponsor for SANKEI REAL ESTATE's sustainable growth.

For details, please see "Notice of Additional Acquisition of Investment Units by The Sankei Building Co., Ltd." separately announced today.

II. About the Granting of Preferential Negotiation Rights for Sale and Acquisition of Domestic Real Estate Trust Beneficiary Rights

1. Overview of the Preferential Negotiation Rights

i.	Transaction Candidate Properties	(1) Candidate properties for sale A. BREEZÉ TOWER (entire ownership interest) B. Shinagawa Seaside TS Tower (entire ownership interest) (2) Candidate properties for acquisition A. Hotel Intergate Kyoto Shijo Shinmachi B. Hotel Intergate Kanazawa C. Grids Premium Hotel Osaka Namba
ii.	Parties granting or acquiring preferential negotiation rights	The Sankei Building Co., Ltd.
iii.	Rights received	Right of preferential negotiation for sale and acquisition of Transaction Candidate Properties
iv.	Expiration date of the Preferential Negotiation Rights	The earlier of the contract date or February 29, 2024
v.	Conditions for exercise of the Preferential Negotiation Rights	(1) Preferential negotiating rights shall not be granted to any third party until the above expiration date (2) If the counterparty is an interested party, it must comply with the provisions of the applicable rules on transactions with interested parties.

2. Reason for and Background of the Acquisition or Granting of the Preferential Negotiation Rights

As described in “1. Purpose of the Revival Plan” under “I. About the Revival Plan” above, since its listing, SANKEI REAL ESTATE has built a portfolio centered on office buildings, but changes in the office environment, such as the entrenchment of telecommuting and other new forms of work, driven by the outbreak of COVID-19, have led to structural changes in office demand.

In this environment, major tenants in the portfolio have been canceling their leases, and although SANKEI REAL ESTATE has been focusing its efforts on ensuring leasing for these properties, a continued weak undertone in the office market has made it necessary to review efforts to recover profitability to maintain and secure the current level of rental revenue. In addition, the recent change in the environment provides an opportunity to reassess our office building-centric portfolio.

Given the above, SANKEI REAL ESTATE has decided to conduct a large-scale portfolio rebalancing with the Sponsor in order to aim for revival as a REIT capable of sustainable growth by eliminating the Materialized Risk in the internal environment and transforming its portfolio to one that is more in line with changes in the external environment. In order to ensure this, we have reached an agreement for the granting of Preferential Negotiation Rights for each Transaction Candidate Property.

3. Overview of the Transaction Candidate Properties

i. Candidate properties for sale

The following tables (the “Property Tables”) provide an overview of each of the candidate properties for sale. Terms used in the Property Tables are defined as follows, unless otherwise specified in the Property Tables.

In principle, unless otherwise specified, the status as of the last day of August 2023 is indicated.

- “Type of specified asset” indicates the type of each candidate property for sale.
- “Location” indicates the formal building address of each candidate property for sale. If there is no formal building address, the building location stated in the registry (if there are multiple locations, one of those) is indicated.
- “Overview of trust beneficiary right” indicates the overview of the trustee, trust establishment date and trust expiration date upon the disposition of each candidate property for sale.
- “Site area” of the land is indicated based on the information in the registry.
- “Use district” of the land indicates the type of use district stipulated in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Floor area ratio” and “Building coverage ratio” of the land indicate, in principle, the figures before the increase or decrease through easing or restrictive measures defined in accordance with related laws and regulations such as the Building Standards Act and the City Planning Act.
- “Type of ownership” of the land indicates the type of right for each candidate property for sale held by SANKEI REAL ESTATE (trustee of real estate trust for trust beneficiary rights in real estate).
- “Structure and floors” of the building is indicated based on the information in the registry.
- “Construction completion” of the building indicates the date of completion of each building indicated in the registry. If there are multiple main buildings, the date of the oldest building in the registry is indicated.
- “Total floor area” of the building is indicated based on the information in the registry. Moreover, “Total floor area” indicates the total floor area of main buildings and attached buildings. It indicates the total floor area of the one entire building regardless of sectional ownership or quasi co-ownership.
- “Use” of the building indicates the main use among the building type in the registry.
- “Type of ownership” of the building indicates the type of right for each candidate property for sale to be disposed of by SANKEI REAL ESTATE (trustee of real estate trust for trust beneficiary rights in real estate).
- “Property management company” indicates the company with which SANKEI REAL ESTATE has concluded a property management agreement for each candidate property for sale.
- “Master lease company” indicates the company with which SANKEI REAL ESTATE has concluded a master lease agreement for each candidate property for sale.
- “Master lease type” indicates the type of master lease agreement (pass-through-type or fixed-rent-type) of each candidate property for sale. “Pass-through-type” indicates master lease agreements with no rent guarantee and “fixed-rent-type” indicates master lease agreements with a rent guarantee.
- “Special remarks” indicates matters recognized as important as of the last day of August 2023 in consideration of the relationship of rights, use, safety, etc. of each candidate property for sale as well as the impact on the appraisal value, profitability, and disposition.
- “Leasable area” indicates the area believed to be leasable (excluding area of incidental parts such as warehouse, signboard, parking lot that are not the main use) based on the lease agreement, drawing, etc. of buildings for each candidate property for sale as of the last day of August 2023, rounded down to two decimal places.
- “Occupancy rate” indicates the ratio of leased area to leasable area for each candidate property for sale as of the last day of August 2023, rounded to one decimal place.
- “Number of tenants” indicates the number of tenants based on the lease agreement of each candidate property for sale as of the last day of August 2023. However, the total number of end tenants is indicated for the portion in the pass-through-type master lease agreement when a master lease agreement has been concluded for the said asset. If a single tenant has concluded lease agreements for different uses of a single asset, the concerned tenant is counted as a tenant on a use-by-use basis.

- “Total rental revenue” indicates the amount calculated by annualizing the monthly rent (Only for rent of rental rooms excluding usage fee of incidental parts such as warehouse, signboard, parking lot that are not the main use and including common service expenses, etc. Free rent and rent holiday will not be taken into consideration. If there is any agreement of change of rent, the rent as of the last day of August 2023 is used. If the agreement with the tenant includes variable rent, such variable rent is not taken into consideration. Consumption tax, etc. are not included.) of the building indicated in the lease agreement of each candidate property for sale effective as of the last day of August 2023, rounded down to the nearest million yen.
- “Security and guarantee deposits” indicates the total amount of security and guarantee deposits (including the amount expected to be received based on each lease agreement and excluding the security and guarantee deposits for incidental parts such as warehouse, signboard, parking lot that are not the main use) based on the lease agreement of each candidate property for sale as of the last day of August 2023, rounded down to the nearest million yen.

(1) (Candidate property for sale) A-2: BREEZÉ TOWER (planned sale of entire ownership interest)

Property name		BREEZÉ TOWER
Type of specified asset		Real estate trust beneficiary right
Location		2-4-9 Umeda Kita-ku, Osaka-shi, Osaka
Overview of trust beneficiary right	Trustee	Mizuho Trust & Banking Co., Ltd.
	Trust establishment date	March 12, 2019
	Trust expiration date	March 31, 2029
Land	Site area	4,676.08 m ² (Note 1)
	Use district	Commercial district
	Floor area ratio	800%
	Building coverage ratio	80%
	Type of ownership	Ownership, leasehold, mutual use rights (all being rights to use the site) (43.45% quasi co-ownership interest) (Notes 2, 3, 4)
Building	Structure and floors	Steel-frame reinforced concrete structure with flat roof, 37 floors above ground and 3 below
	Construction completion	July 1, 2008
	Total floor area	82,718.17 m ² (Note 5)
	Asset Type	Office, retail, theater
	Type of ownership	Sectional ownership interest in the office portion of the building (43.45% quasi co-ownership interest) (Note 3)
Property management company		The Sankei Building Co., Ltd.
Master lease company		The Sankei Building Co., Ltd.
Master lease type		Pass-through type
Collateral		None
Overview of leasing		
	Number of tenants	41
	Total rental revenue	992 million yen (Note 6)
	Security and guarantee deposits	903 million yen (Note 6)
	Leased area	11,689.09 m ² (Note 6)
	Leasable area	11,305.84 m ² (Note 6)
	Occupancy rate	96.7%
Special remarks		<p>Part of the property's land (site) is leased land, and the approval of the owner of the leased land (Sankei Shimbun Co., Ltd.) is required for the disposition of the leasehold upon the disposition of the building.</p> <p>The property's land (site) consists of (1) land shared by The Sankei Building Co., Ltd. and the trustee, (2) leased land from Sankei Shimbun Co., Ltd., and (3) land owned or leased by the third party who is the co-owner in question (mutual use rights portion). Therefore, The Sankei Building Co., Ltd., the trustee, and the third party who is the co-owner in question, the three parties comprising the sectional owners of the building, have established mutual use rights for the site of the property.</p> <p>The quasi co-owners of the trust beneficiary right in the sectional ownership of the building, which are Sankei Building and SANKEI REAL ESTATE, have entered into a quasi co-owner's agreement in which the following matters have been stipulated.</p> <ul style="list-style-type: none"> • Decision-making With regard to actions as a beneficiary, decisions shall in principle be made by agreement of all quasi co-owners. However, in the event that agreement cannot be reached among all quasi co-owners, the decisions of the majority of quasi co-owners shall be followed, except for certain matters. • Special agreement on indivisibility Quasi co-owners shall not request the division of the trust beneficiary rights for five years (to be automatically renewed) • Preferential negotiation rights

	<p>Each of the quasi co-owners shall discuss the conditions of sale and purchase with other quasi co-owners in preference to third parties when selling quasi co-ownership interest.</p> <ul style="list-style-type: none"> • Approved matters <p>Advance approval in written form by other quasi co-owners is required when a quasi co-owner sets collateral or implements disposal other than the disposition of quasi co-ownership interest.</p>
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(Note 1) This amount includes (1) 74.30 m², which is the leased land portion from Sankei Shimbun Co., Ltd., and (2) 339.89 m², which is the land portion (mutual use rights portion) owned or leased by a third party who is another co-owner of the sectional ownership of the building of which the trustee co-owns part of the exclusively owned portion.

(Note 2) The property's land is the site of a building under sectional ownership, and the quasi co-ownership interest in the right to use the site acquired by the trustee is 54.30%.

(Note 3) The trust assets constituting the trust for the trust beneficiary right owned by SANKEI REAL ESTATE are i. Of the site, 58.33% co-ownership interest in the land co-owned with The Sankei Building Co., Ltd.; ii. Of the site, 58.33% quasi-co-ownership interest in the leasehold right to the leased land portion; iii. Of the site, 58.33% quasi co-ownership interest in mutual use rights of the portion subject to mutual use; iv. Sectional ownership of the office portion of the building (38.56% co-ownership interest in the sectional ownership interest due to shared ownership with a third party of the exclusively owned portion of Building 27-6). SANKEI REAL ESTATE holds a 43.45% quasi co-ownership interest in these trust beneficiary rights.

(Note 4) The trustee uses the underground of land owned by Osaka City adjacent to this site as an underground connecting passageway based on occupancy permission obtained from Osaka City.

(Note 5) The area of the exclusively owned portion pertaining to the sectional ownership of the building's office portion owned by the trustee is 35,464.91 m² (the floor area of the exclusively owned portion of Building 27-6, which is co-owned by the trustee and a third party, is calculated by taking into account the co-ownership interest). The area of the exclusively owned portion pertaining to the sectional ownership of the building's office portion owned by the third party is 4,504.20 m² (the floor area of the exclusively owned portion of Building 27-6, which is co-owned by the trustee and a third party, is calculated by taking into account the co-ownership interest). The total area of the shared ownership portions between the owners of the building's sectional portions (common areas and auxiliary facilities, not including the floor area of the exclusively owned portion of Building 27-6, which is co-owned by the trustee and a third party) is 17,410.39 m². The area of the exclusively owned portion pertaining to sectional ownership interests in non-office portions is 25,338.67 m² and is owned by The Sankei Building Co., Ltd.

(Note 6) Within the overview of leasing, the figures for total rental revenue, security and guarantee deposits, leased area and leasable area are equivalent to 43.45% of the area/amount/etc. for the office portion comprising the trust beneficiary rights.

(2) (Candidate property for sale) A-8: Shinagawa Seaside TS Tower (planned sale of entire ownership interest)

Property name		Shinagawa Seaside TS Tower
Type of specified asset		Real estate trust beneficiary right
Location		4-12-3 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Overview of trust beneficiary right	Trustee	SMBC Trust Bank Ltd.
	Trust establishment date	April 28, 2017
	Trust expiration date	September 28, 2029
Land	Site area	17,386.11 m ² (Note 1)
	Use district	Quasi-industrial district
	Floor area ratio	300%
	Building coverage ratio	60%
	Type of ownership	Ownership (45% co-ownership interest), mutual use rights (all being rights to use the site) (50% quasi co-ownership interest) (Note 2)
Building	Structure and floors	(1) Steel-frame reinforced concrete structure, 1 floor (2) Steel-frame reinforced concrete, reinforced concrete, steel-frame structure with flat roof, 25 floors above ground and 2 below ground (3) Steel-frame reinforced concrete structure, 1 floor (Note 3)
	Construction completion	July 25, 2003 (Note 4)
	Total floor area	(1) 7,698.76 m ² (2) 43,337.23 m ² (3) 1,941.74 m ² (Note 3)
	Asset Type	(1) Parking (2) Retail, office (3) Parking (Note 3)
	Type of ownership	Ownership (50% quasi co-ownership interest) (Note 2)
Property management company		CBRE K.K.
Master lease company		—
Master lease type		—
Collateral		None
Overview of leasing		
	Number of tenants	1
	Total rental revenue	Not disclosed (Note 5)
	Security and guarantee deposits	Not disclosed (Note 5)
	Leased area	1,476.01 m ²
	Leasable area	15,348.20 m ²
	Occupancy rate	9.6%
Special remarks		<p>The property is part of Shinagawa Seaside Forest, which was developed upon certification as a single complex under the Building Standards Act. The trustee co-owns the site portion of the property with third parties. In addition, ownership of the entire site of Shinagawa Seaside Forest is divided among the trustee and each other land right holder, but mutual use rights have been established pursuant to the sectional ownership bylaws for the sectional owners of each building of Shinagawa Seaside Forest.</p> <p>Part of the exclusively owned portion (parking portion) of the buildings under sectional ownership of the property is co-owned by the trustee and third parties.</p> <p>The quasi co-owners of the trust beneficiary right in the sectional ownership of the buildings, etc., which are Godo Kaisha SKB 2 (50% quasi co-ownership interest) and SANKEI REAL ESTATE (50% quasi co-ownership interest), have entered into a quasi co-owner's agreement in which the following matters have been stipulated.</p> <ul style="list-style-type: none"> • Decision-making <p>In principle, the actions of beneficiaries are decided by reaching an agreement with all quasi</p>

	<p>co-owners.</p> <ul style="list-style-type: none"> • Special agreement on indivisibility Quasi co-owners shall not request the division of the trust beneficiary rights for five years (to be automatically renewed). • Preferential negotiation rights Each of the quasi co-owners shall discuss the conditions of sale and purchase with other quasi co-owners in preference to third parties when selling quasi co-ownership interest. • Approved matters Advance approval in written form by other quasi co-owners is required when a quasi co-owner sets collateral or implements disposal other than the disposition of quasi co-ownership interest.
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(Note 1) The site area of ownership (co-ownership interest) is shown. Other than this site area, there is the 21,990.11 m² land portion (portion subject to mutual use) owned by third parties that is the site of the property.

(Note 2) The trust assets constituting the trust for the trust beneficiary right owned by SANKEI REAL ESTATE are: i. Of the site, 451,984/1,000,000 co-ownership interest in the land co-owned with Sumitomo Mitsui Trust Bank, Limited and Mitsubishi UFJ Trust and Banking Corporation; ii. Of the site, quasi co-ownership interest in mutual use rights of the portion subject to mutual use; iii. Sectional ownership of the office portion of the buildings; and iv. Co-ownership interest in sectional ownership of the parking portion of the buildings (204,513/1,000,000 co-ownership interest in the exclusively owned portion of Building 100-1-6, and 459,017/1,000,000 co-ownership interest in the exclusively owned portion of Building 100-1-15). SANKEI REAL ESTATE holds 50% quasi-co-ownership interest in this trust beneficiary right.

(Note 3) The total floor area of the buildings under sectional ownership. The buildings of the property are three buildings, the building numbers of which are 100-1-6, 100-1-9 and 100-1-15. "Structure and floors," "Total floor area" and "Use" are each the information presented in the order of (1) Building 100-1-6, (2) Building 100-1-9 and (3) Building 100-1-15.

(Note 4) The construction completion of Building 100-1-9, which has the largest total floor area. The construction completion of Building 100-1-6 is September 30, 2002, and that of Building 100-1-15 is July 25, 2003.

(Note 5) Such items contain the information for which the consent for disclosure from the tenants and other related parties has not been obtained and which enables the calculation of confidential information. Therefore, these items have not been disclosed for unavoidable reasons.

ii. Candidate properties for acquisition (referred to as “the property” in their respective sections)

(1) Hotel Intergate Kyoto Shijo Shinmachi

This property opened as the first of the “Hotel Intergate” series. The hotel is conveniently located only a five-minute walk from Shijo Station on the Kyoto Municipal Subway Line and Karasuma Station on the Hankyu Kyoto Line. Popular Kyoto tourist destinations and World Heritage Sites, including Nijo Castle, Kiyomizu Temple, and the Golden and Silver Pavilions are approximately 30 minutes, and Nishiki Market, the “kitchen of Kyoto,” is approximately a 10-minute walk from the hotel. With an exterior designed in the image of a traditional Kyoto townhouse, the hotel offers a total of 153 guest rooms, including 48 m² junior suites.

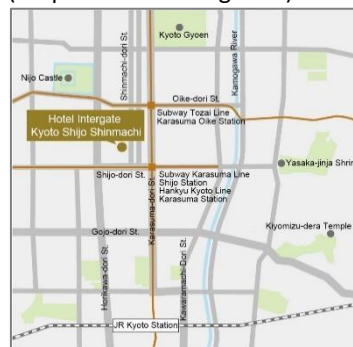
After check-in, guests may use the cafe-style Intergate Lounge as many times as they wish until their departure, and workshops to experience Kyoto's traditional culture are held on a regular basis. The hotel serves as an excellent base for sightseeing in Kyoto, offering new discoveries through travel by bringing a comfortable living-style accommodation that links travelers with local communities.

Property name	Hotel Intergate Kyoto Shijo Shinmachi
Location	387 Mukadeyacho, Shinmachidori Nishikikojiagaru, Nakagyo-ku, Kyoto-shi, Kyoto
Asset Type	Hotels
Site area	1,633.67 m ²
Total floor area	6,029.40 m ²
Construction completion	November 30, 2017
Structure and floors	Steel-frame structure with flat roof, alloy-plated steel plate and tile roof, 5 floors above ground

(Photo of the candidate property for acquisition)



(Map of surrounding area)



(2) Hotel Intergate Kanazawa

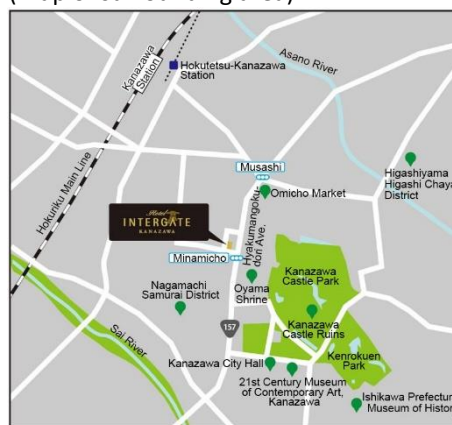
The property is located close to Hyakumangoku-dori Avenue in central Kanazawa, where demand has been increasing since the opening of the Hokuriku Shinkansen bullet train, and is conveniently located in the center of the high-traffic Musashigatsuji and Korinbo areas, with easy access on foot to famous tourist spots such as Kenrokuen Park and Omicho Market. The hotel is a 12-story building with 166 guest rooms and is a one-minute walk from the Minamicho/Oyama-jinja Shrine bus stop. Hotel Intergate Kanazawa has a contemporary design that allows guests to experience Kanazawa's history and culture throughout the hotel, including a coffee counter that resembles a *chasen* (tea whisk), symbolizing the tea ceremony culture that permeates daily life in Kanazawa, in the center of the bustling lobby.

Property name	Hotel Intergate Kanazawa
Location	2-5 Takaokamachi, Kanazawa-shi, Ishikawa
Asset Type	Hotels
Site area	965.61 m ²
Total floor area	5,177.73 m ²
Construction completion	January 15, 2019
Structure and floors	Steel-frame structure with flat roof, 12 floors above ground

(Photo of the candidate property for acquisition)



(Map of surrounding area)



(3) Grids Premium Hotel Osaka Namba

The property is conveniently located in the Namba district, one of Osaka’s most popular areas boasting throngs of tourists and shoppers. It is a one-minute walk from Namba Station on the Osaka Metro Midosuji Line, Sennichimae Line and Yotsubashi Line, a two-minute walk from Namba Station on the Nankai Line and a five-minute walk from JR Namba Station. The hotel offers a total of 142 guest rooms, including one premium room of over 29 square meters with a spacious bathroom and 36 family type rooms that can accommodate up to four people. The hotel also has an all-day restaurant that serves buffet-style breakfast, lunch and dinner, and a lounge space that can be rented out.

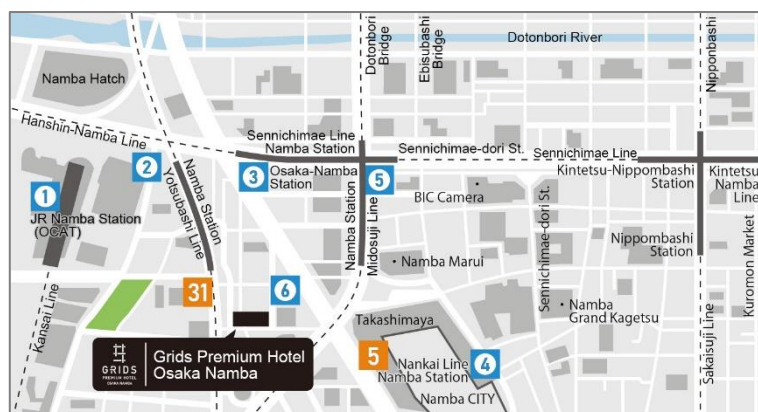
The accommodation maintains the GRIDS concept but does not provide dormitory-style rooms, instead providing all private rooms, mainly targeting millennials and Generation Z who want to enjoy traveling in their own way, as if they were living in their own home. This concept is aimed at creating an accommodation facility serving as a base for messaging about the local community, where travelers can discover new connections with people and things.

Property name	Grids Premium Hotel Osaka Namba
Location	1-7-7 Nanbanaka, Naniwa-ku, Osaka-shi, Osaka
Asset Type	Hotels
Site area	430.18 m ²
Total floor area	4,353.79 m ²
Construction completion	January 12, 2021
Structure and floors	Steel-frame structure, 11 floors above ground

(Photo of the candidate property for acquisition)



(Map of surrounding area)



III. Future Outlook

The implementation of the Revival Plan is expected to result in gain or loss on sales of real estate and other assets in the forecast for the fiscal year ending February 29, 2024 (September 1, 2023 to February 29, 2024). For the forecast for the fiscal year ending August 31, 2024 (March 1, 2024 to August 31, 2024), we also expect a change in the structure of rental revenues due to a significant change in the portfolio composition. For more information, please refer to “(REIT) Financial Report for the Fiscal Period Ended August 2023,” separately released today. Any further changes to the outlook as we finalize the details of the transaction terms, including any increase or decrease in the number of properties, will be accompanied by a new announcement.

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