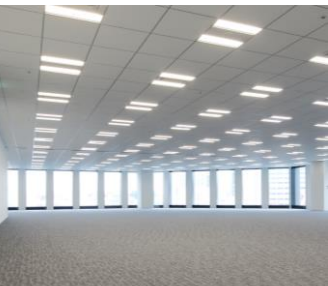




October 26, 2023

9th Fiscal Period (Ended August 2023) Financial Results Briefing Materials

9th



 **SANKEI REAL ESTATE Inc.**

Asset
Management
Company

SANKEI BUILDING ASSET MANAGEMENT CO.,LTD.

Disclaimer

This document is for the purpose of providing information on SANKEI REAL ESTATE Inc. (hereinafter, “SANKEI REAL ESTATE”) and the information provided by this document is not a disclosure document or asset management report pursuant to the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations, associated Cabinet Orders, Cabinet Office Orders and Regulations and the Securities Listing Regulations of the Tokyo Stock Exchange. Furthermore, this document was not prepared for the purpose of soliciting investment or recommending trading related to specific instruments. Please consult your company for any purchase of SANKEI REAL ESTATE investment units. When making any investment, investors do so at their sole risk and discretion.

This document contains certain forward-looking statements on financial condition, management results and operations, statements on the plans and targets of Sankei Building Asset Management Co., Ltd. (hereinafter, the “Asset Management Company”), which is the asset management company of SANKEI REAL ESTATE, and forward-looking statements and forecasts on future plans, management targets, strategies, etc. of SANKEI REAL ESTATE. These forward-looking statements are based on information available to SANKEI REAL ESTATE and the Asset Management Company on the date of preparation of the document (or the relevant date if otherwise specified in the document), and are based on certain suppositions and assumptions at the present time that were formulated based on multiple assumptions concerning various internal and external environmental factors such as financial, economic, market, political and international conditions surrounding the operations of SANKEI REAL ESTATE. However, there is no assurance that the above suppositions and assumptions are correct. Therefore, please be aware that such forward-looking statements contain known and unknown risks and uncertainties that could cause the actual performance, management results, financial condition, etc. of SANKEI REAL ESTATE to significantly differ from explicitly or implicitly stated forecasts. Therefore, this document does not provide any assurances of future performance, investment results or fluctuations, etc., and actual results may differ significantly due to a variety of factors.

In addition to statements on SANKEI REAL ESTATE, this document contains diagrams and data, etc. prepared by the Asset Management Company based on information provided to SANKEI REAL ESTATE and the Asset Management Company by a third party or information published by a third party, and contains analyses, judgments and other views of SANKEI REAL ESTATE and the Asset Management Company on these. There may be different views on these, and SANKEI REAL ESTATE and the Asset Management Company may change their views in the future.

Careful attention has been given to the information provided in this document, but there are no assurances on the accuracy, fairness and completeness of the information regardless of information prepared by SANKEI REAL ESTATE or the Asset Management Company, or information received from a third party.

The content of this document may be changed or abolished without notice. SANKEI REAL ESTATE and the Asset Management Company do not have the obligation to update or publish the content of this document (including forward-looking statements).

All rights to any part of this document belong to Sankei Building Asset Management, and no part of this document shall be used, cited, reproduced, altered, disassembled, transmitted, etc. by any means, electronic or mechanical, for any purpose without permission.

Please contact below if you have any inquiries concerning this document.

Sankei Building Asset Management Co., Ltd.
Finance & IR Department
Phone: +81-3-5542-1316

Table of Contents

□ Executive Summary	... P3
□ 1. Financial Results and Management Highlights	... P4
□ 2. Future Growth Strategy “Revival Plan”	... P13
□ 3. Internal Growth Results and Strategy	... P24
□ 4. Financial Strategy	... P30
□ 5. ESG Initiatives	... P34
□ Appendix	... P37

Executive Summary

Financial Results and Management Highlights

- In the 9th FP (ended August 2023), revenue decreased and profit increased compared with the forecast. DPU **increased compared with the forecast (+41 yen)**
- **Portfolio rebalancing** was implemented (March and August 2023) as a measure (first step) to achieve stable DPU.
 - Acquired **two relatively new properties** through sponsor support
 - “SANKEILOGI Settsu” → SANKEI REAL ESTATE’s first logistics facility
 - “S-GATE AKASAKA” (20% quasi co-ownership interest) → 100% ownership
 - Sold part of quasi co-ownership interest in office building to the Sponsor
 - “BREEZÉ TOWER” (1.55% quasi co-ownership interest)
→ Implemented **measures to stabilize DPU** through gain on sale
- Implemented **renewal** of SANKEI REAL ESTATE **website** (June 2023)

Future Growth Strategies

- Execution of “Revival Plan” [**during 10th FP (ending February 2024)**]
 - Implementation of large-scale **portfolio rebalancing** (second step)
 - Partial amendments to management guidelines (conversion to **a diversified REIT**)
 - Additional acquisition of SANKEI REAL ESTATE’s investment units by the Sponsor

* “DPU” refers to distribution per unit. The same applies below.

1. Financial Results and Management Highlights

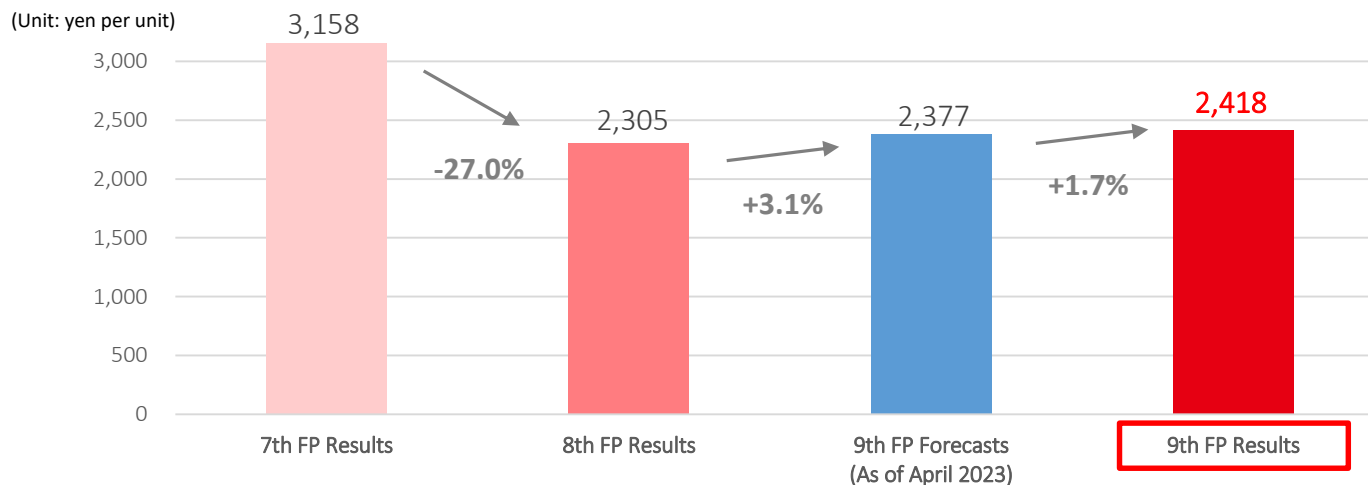
Financial Results Highlights 9th Fiscal Period (Ended August 2023)

- **Operating revenue for the 9th FP: 2,751 million yen** (-3.4% from the forecast, -4.9% from the previous fiscal period)
- **Operating income for the 9th FP: 1,334 million yen** (+1.4% from the forecast, +7.3% from the previous fiscal period)
- **DPU for the 9th FP: 2,418 yen** (+41 yen from the forecast, +113 yen from the previous fiscal period)

Financial Summary for 9th Fiscal Period (Ended August 2023)

	Results	Comparison with beginning-of-period forecast	Comparison with previous fiscal period
Operating revenue	2,751 million yen	-3.4% -98 million yen	-4.9% -140 million yen
Operating income	1,334 million yen	+1.4% +18 million yen	+7.3% +90 million yen
Net income	1,129 million yen	+1.7% +19 million yen	+4.9% +52 million yen
DPU (distribution per unit)	2,418 yen	+1.7% +41 yen	+4.9% +113 yen

Change in DPU for 9th Fiscal Period (Ended August 2023)

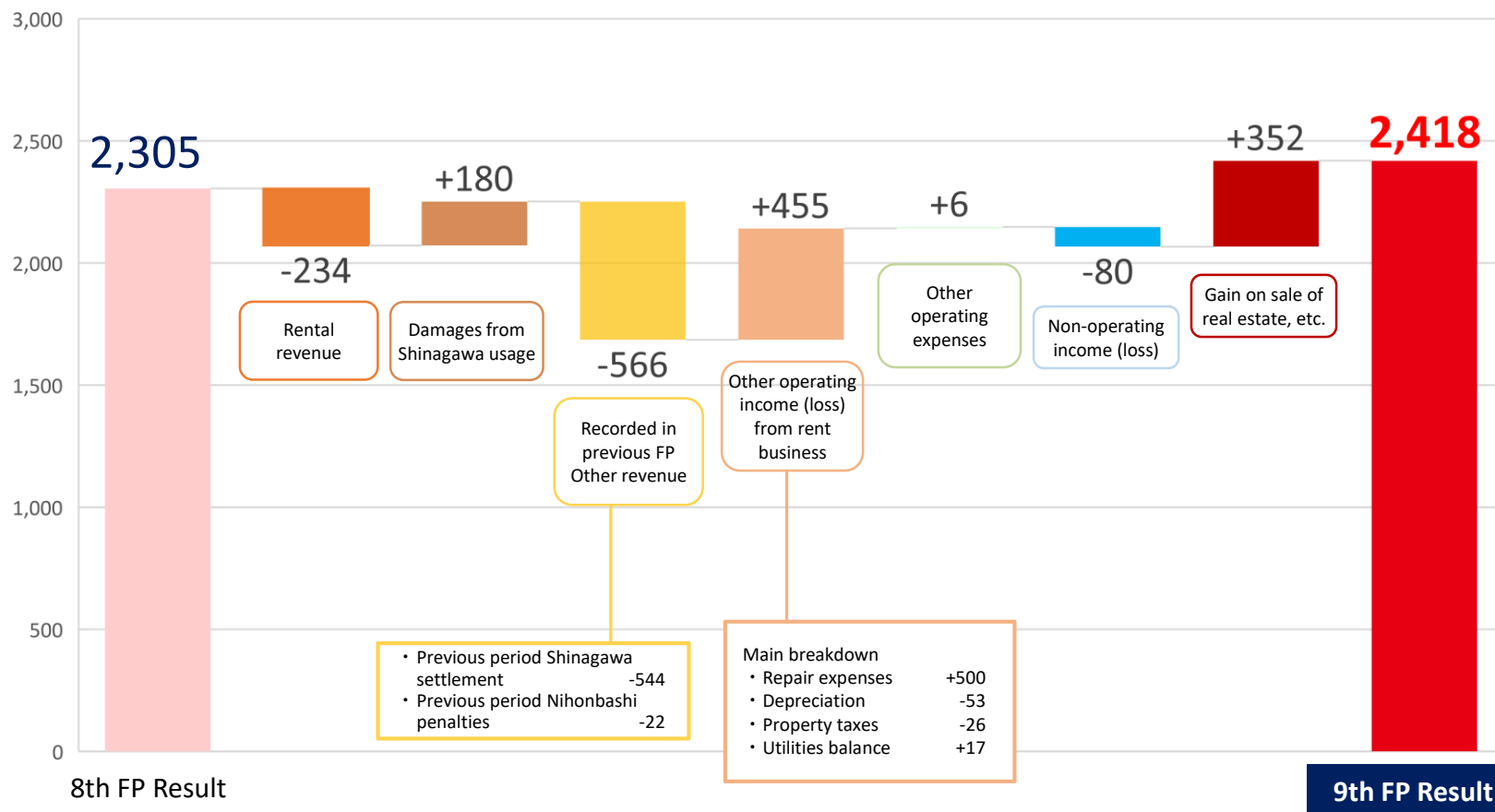


Financial Results Highlights Summary of DPU for the 9th FP (Ended August 2023)

➤ **+113 yen** from the previous fiscal period due to the recording of gain on sale of real estate, etc. through DPU stabilization measures

■ Summary of DPU for the 9th FP (Ended August 2023)

(Unit: yen per unit)



* The figures for changes shown in the bar chart are rounded to the nearest unit.

Detailed Financial Results Highlights (Comparison with Forecast) 9th Fiscal Period (Ended August 2023)

- Operating income (loss) from leasing **+8.5%**, operating income **+1.4%** compared with the forecast

(Unit: million yen)

Accounting period	9th FP Forecasts (A) (as of April 2023)	9th FP Results (B) (August 2023)	Difference (B)-(A)	Major Factors for the Difference
Operating revenue	2,849	2,751	(98)	
Total rent business revenue	2,586	2,586	+0	
Rental and CAM revenue	2,255	2,343	+87	Shinagawa (+84) (recording of rent for cancellation penalties), Tokyo Sankei Building (+ 3) (increase in plaza revenue)
Parking revenue	32	33	+0	
Utilities reimbursement	121	113	(7)	Omori (-5), Hatchobori (-2), Akasaka (-2), Toyo (+1)
Other revenue	177	96	(80)	Shinagawa (-84) (above late rent), Shinagawa (+1) (utilities penalties)
Gain on sale of real estate, etc.	263	164	(98)	
Operating expenses	1,533	1,416	(117)	
Total expenses related to rent business	1,226	1,110	(115)	
Outsourcing expenses	251	221	(30)	Shinagawa (-31) (Leasing fees), Shinagawa (+4) (BM), Toyo (-2) (Leasing fees)
Utilities expenses	219	189	(30)	BREEZÉ (-13), Omori(-6), Shinagawa (-4), Hatchobori (-3), Akasaka (-1)
Repair expenses	89	37	(52)	Shinagawa (-20), BREEZÉ (-14), Miyazakidai (-5), Omori (-4)
Property taxes	312	313	+0	
Depreciation	325	320	(4)	BREEZÉ (-3)
Other expenses	26	27	+1	
Operating income (loss) from rent business	1,360	1,476	+115	
Total other operating expenses	307	306	(1)	
Asset management fee	241	245	+4	
Other expenses	66	60	(6)	
Operating income	1,315	1,334	+18	
Non-operating income	0	0	+0	
Non-operating expenses	204	204	+0	
Ordinary income	1,111	1,130	+19	
Net income	1,110	1,129	+19	
Distribution per unit (Unit: yen)	2,377 yen	2,418 yen	+41 yen	
NOI (Excluding gain on sale of real estate, etc.)	1,685	1,797	+111	

Detailed Financial Results Highlights

(Comparison with Previous Fiscal Period) 9th Fiscal Period (Ended August 2023)

- Comparison with previous fiscal period, rent business revenue (-10.5%), operating income (loss) from leasing (-4.9%), operating income including effect of gain on sale (+7.3%)

(Unit: million yen)

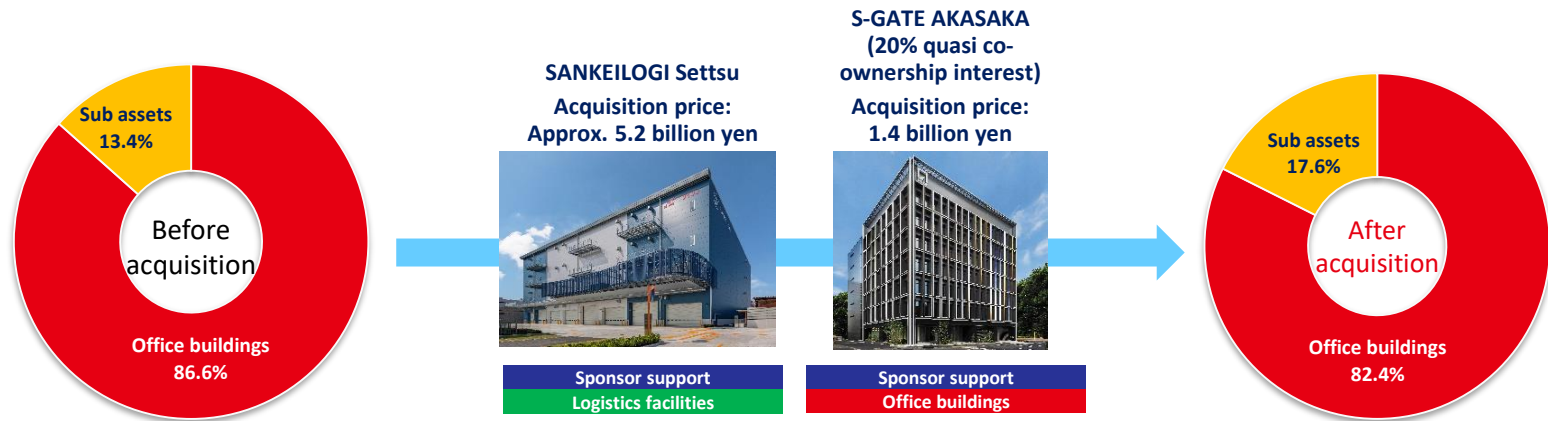
Accounting period	8th FP Forecasts (A) (as of February 2023)	9th FP Results (B) (August 2023)	Difference (B)-(A)	Major Factors for the Difference
Operating revenue	2,891	2,751	(140)	
Total rent business revenue	2,891	2,586	(305)	
Rental and CAM revenue	2,452	2,343	(109)	Shinagawa (-200), Settsu (+98), Akasaka (+23) (additional acquisition), Toyo (-15), Omori (-14) (cancellation), Hibiya (+3) (occurrence of rent)
Parking revenue	34	33	(0)	
Utilities reimbursement	130	113	(16)	Shinagawa (-16), Miyazakidai (+4), Omori (-4)
Other revenue	274	96	(178)	Shinagawa (-169) (settlement of restoration work in previous FP (-254), late rent (+84)), Nihonbashi-honcho (-10) (termination penalties of the previous FP)
Gain on sale of real estate, etc.	0	164	+164	
Operating expenses	1,648	1,416	(231)	
Total expenses related to rent business	1,338	1,110	(228)	
Outsourcing expenses	231	221	(9)	Leasing fees (-12) (Shinagawa (-14), BREEZÉ (+2)), PM incentive (+2) (BREEZÉ (+5), Nihonbashi-honcho(-2))
Utilities expenses	214	189	(24)	BREEZÉ (-10), Shinagawa (-7), Miyazakidai (+4), Omori (-4), Hatchobori (-2), Hibiya (-2), Nihonbashi-honcho(-1)
Repair expenses	271	37	(233)	Shinagawa (-237) (expenses for restoration work in previous FP)
Property taxes	300	313	+12	Shinagawa (+2), Hitachi Kyusyu (+1), Hibiya (+1), Hatchobori (+1)
Depreciation	296	320	+24	Settsu (+20), Akasaka (+2), Shinagawa (+1), BREEZÉ (-1)
Other expenses	25	27	+2	
Operating income (loss) from rent business	1,552	1,476	(76)	
Total other operating expenses	309	306	(2)	
Asset management fee	247	245	(1)	
Other expenses	62	60	(1)	
Operating income	1,243	1,334	+90	
Non-operating income	1	0	(1)	
Non-operating expenses	168	204	+36	Increase in borrowing expenses and interest paid due to property acquisition
Ordinary income	1,077	1,130	+53	
Net income	1,076	1,129	+52	
Distribution per unit (Unit: yen)	2,305 yen	2,418 yen	+113 yen	
NOI (Excluding gain on sale of real estate, etc.)	1,849	1,797	(51)	

Management Highlights (External Growth)

– Implemented portfolio rebalancing (first step) –

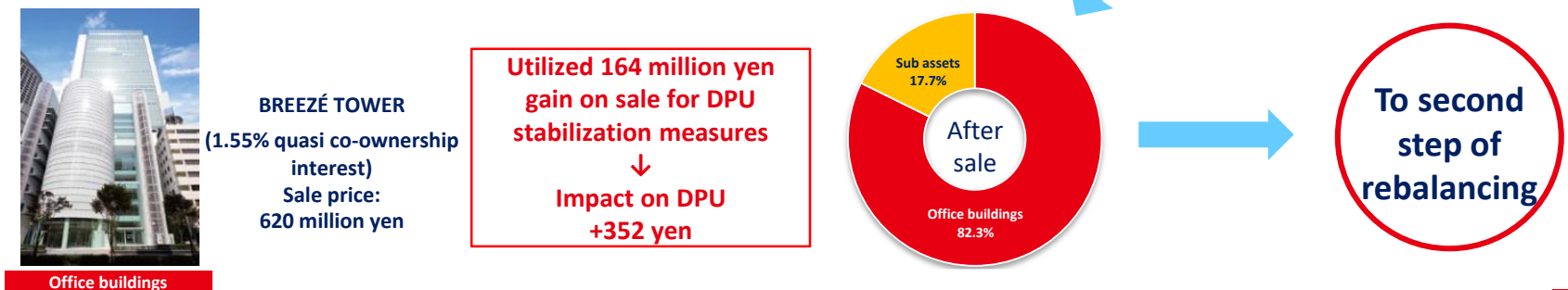
March 2023: Acquired two relatively new properties through sponsor support

- **Lowered office building investment ratio without lowering portfolio quality**



August 2023: Sold part of quasi co-ownership interest in office building to the Sponsor

- **Implemented DPU stabilization measures and lowered office building investment ratio**



Management Highlights (ESG-Related)

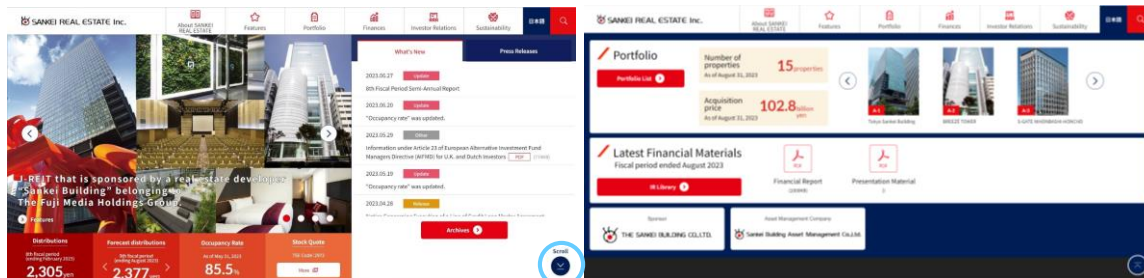
– Implemented renewal of SANKEI REAL ESTATE website –

June 2023: Implemented renewal of website

➤ Seeking to provide easily understandable information to investors and improve disclosure

1. Consolidated information on the latest updates on the top page

- Consideration given to convenience for both first-time viewers and high-frequency viewers
- Consolidated information on the latest updates such as “Latest information” “Distributions” and “Occupancy rate” on the top page
- Clicking the scroll button on the bottom right displays “Portfolio” and “Latest Financial Materials”



Placed scroll button

2. Support for “Individual Investors” (Established dedicated page (Japanese page))

- Established dedicated page. Contents icons implemented for pages of individual content, and information on SANKEI REAL ESTATE is provided by clicking the icons in sequence
- In addition to the dedicated page, we sought to provide ease of understanding by including diagrams in explanations

Dedicated page (Japanese page)

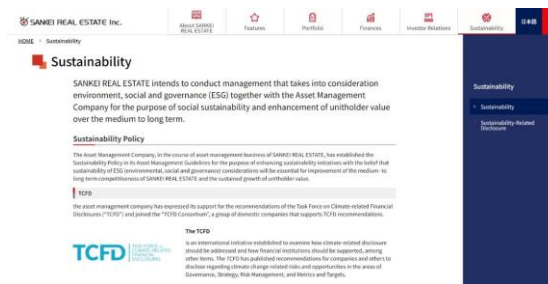


Example of other page

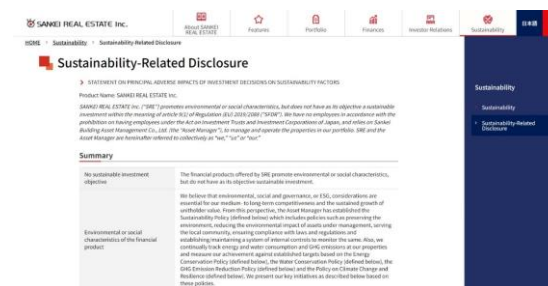


3. Sustainability response

➤ Established new dedicated sustainability page



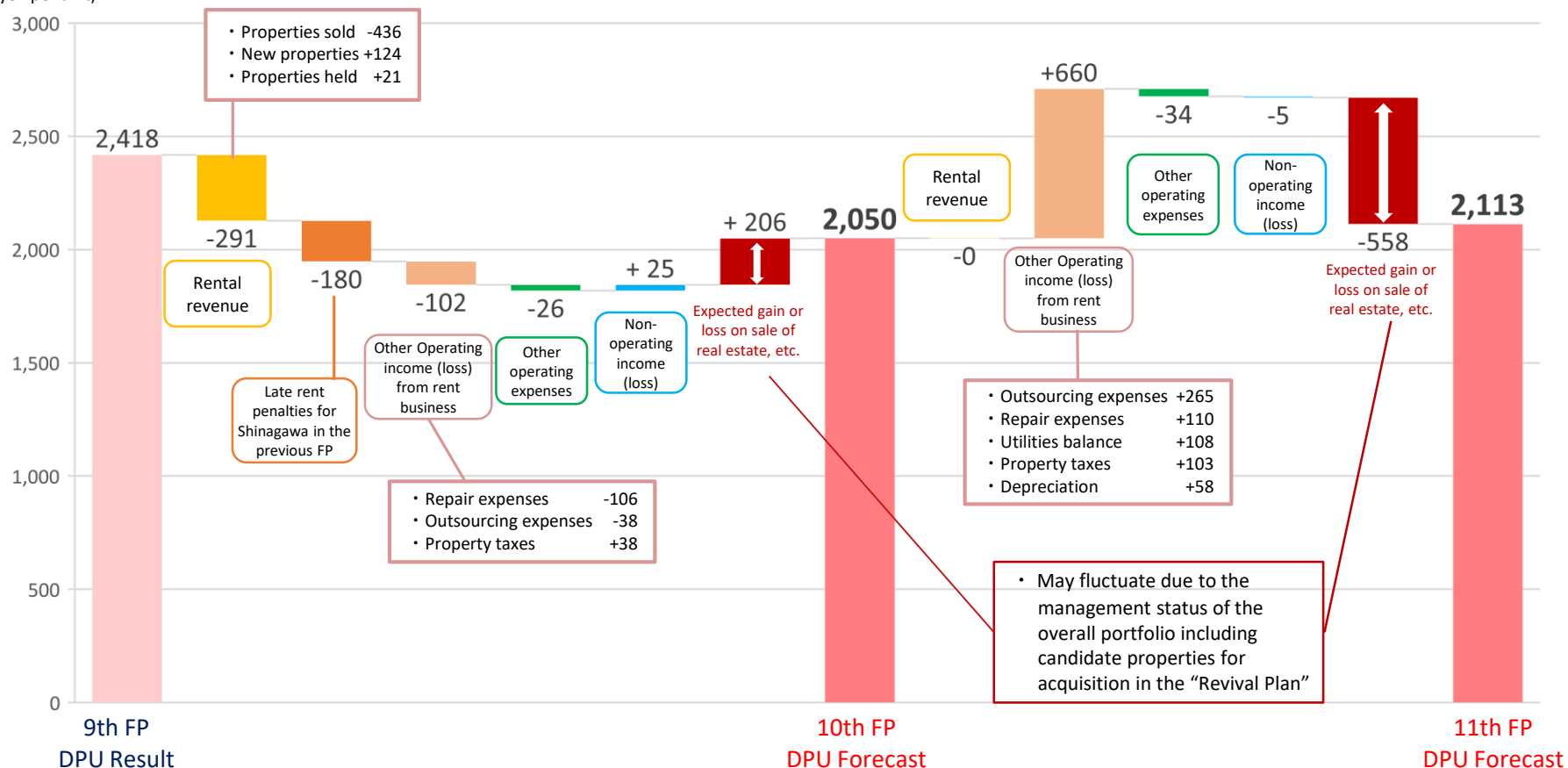
➤ Support for European sustainable finance disclosure regulations (English page)



Earnings Forecast (DPU Summary)

- **DPU forecast for the 10th FP (ending February 2024): 2,050 yen**, -15.2% (-368 yen) from the 9th FP
No change from April forecast. **Large-scale portfolio rebalancing** calculated based on certain assumptions
- **DPU forecast for the 11th FP (ending August 2024): 2,113 yen**, +3.1% (+63 yen) from the 10th FP
Assumes **new portfolio** mitigating and eliminating materialized risk of the current portfolio

(Unit: yen per unit)



* The figures for changes shown in the bar chart are rounded to the nearest unit.

Forecast (Unabridged)

- DPU forecast for the 10th FP (ending February 2024): **2,050 yen** -15.2% (-368 yen) from the 9th FP.
- DPU forecast for the 11th FP (ending August 2024): **2,113 yen** +3.1% (+63 yen) from the 10th FP.

(Unit: million yen)

Accounting period	9th FP Result (A) (August 2023)	10th FP Forecasts (B) (February 2024)	Difference (B)-(A)	11th FP Forecasts (C) (August 2024)	Difference (C)-(B)
Operating revenue	2,751	2,613	(137)	2,337	(276)
Total rent business revenue	2,586	2,353	(233)	2,337	(15)
Rental and CAM revenue	2,343	2,207	(135)	2,207	(0)
Parking revenue	33	28	(5)	24	(3)
Utilities reimbursement	113	107	(6)	96	(11)
Other revenue	96	10	(85)	9	(0)
Gain on sale of real estate, etc.	164	260	+96	0	(260)
Operating expenses	1,416	1,463	+46	1,155	(307)
Total expenses related to rent business	1,110	1,144	+34	821	(323)
Outsourcing expenses	221	239	+17	115	(123)
Utilities expenses	189	175	(14)	113	(61)
Repair expenses	37	86	+49	35	(51)
Property taxes	313	295	(17)	247	(48)
Depreciation	320	314	(6)	287	(27)
Other expenses	27	33	+5	22	(10)
Operating income (loss) from rent business	1,476	1,208	(267)	1,516	+307
Total other operating expenses	306	318	+12	334	+15
Asset management fee	245	244	(1)	259	+15
Other expenses	60	74	+13	74	+0
Operating income	1,334	1,150	(183)	1,182	+31
Non-operating income	0	0	(0)	0	±0
Non-operating expenses	204	192	(12)	194	+2
Ordinary income	1,130	958	(172)	987	+29
Net income	1,129	957	(172)	986	+29
Distribution per unit (Unit: yen)	2,418 yen	2,050 yen	(368 yen)	2,113 yen	+ 63 yen
NOI (excluding gain on sale of real estate, etc.)	1,797	1,523	(273)	1,803	+280

Major Factors for the Difference
10th FP Forecasts (Comparison with 9th FP)
Rent business revenue (-233 million yen)
<ul style="list-style-type: none"> • Rent (-135) (Properties sold (-203) (Shinagawa, BREEZÉ), New properties (+58) Existing properties (+9) (Settsu (+19), Akasaka (+4), Nihonbashi (+6), Omori (-11), Akihabara (-6)) • Other revenue (-85) (Damages from Shinagawa usage (-84))
Expenses related to rent business (+34 million yen)
<ul style="list-style-type: none"> • Outsourcing expenses (+17) (Existing properties (+11) (Toyo (+6), Omori (+3)), Properties sold (+6)) • Utilities expenses (-14) (Properties sold (-14)) • Repair expenses (+49) (BREEZÉ (+30), Hibiya (+4), Omori (+4), Shinagawa (+3)) • Property taxes (-17) (Properties sold (-14)) • Depreciation (-6) (Properties sold (-19), New properties (+11))
11th FP Forecasts (Comparison with 10th FP)
Rent business revenue (-15 million yen)
<ul style="list-style-type: none"> • Rent (-0) (Properties sold (-429), New properties (+439) Existing properties (-19) (Omori)) • Utilities revenue (-11) (Properties sold (-20), New properties (+7))
Expenses related to rent business (-323 million yen)
<ul style="list-style-type: none"> • Outsourcing expenses (-123) (Properties sold (-128), New properties (+11)) • Utilities expenses (-61) (Properties sold (-70)) • Repair expenses (-51) (Properties sold (-53)) • Property taxes (-48) (Properties sold (-69)) • Depreciation (-27) (Properties sold (-104), New properties (+73))

2. Future Growth Strategy “Revival Plan”

About the Revival Plan

- We aim for a revival into a **REIT capable of sustained growth** by implementing **three major plans** through collaboration with the Sponsor

1. Objectives

<Internal environment>

- **Mitigation of and elimination of materialized risk** in the portfolio (rebuilding revenue structure)
- Seek to **further improve investor value**
- Mitigate and eliminate risks, and seek to **realize stable DPU** (distributions per unit)

<External environment>

- Transformation into **portfolio matching structural changes** in office demand
- Revival into a **REIT capable of sustained growth**

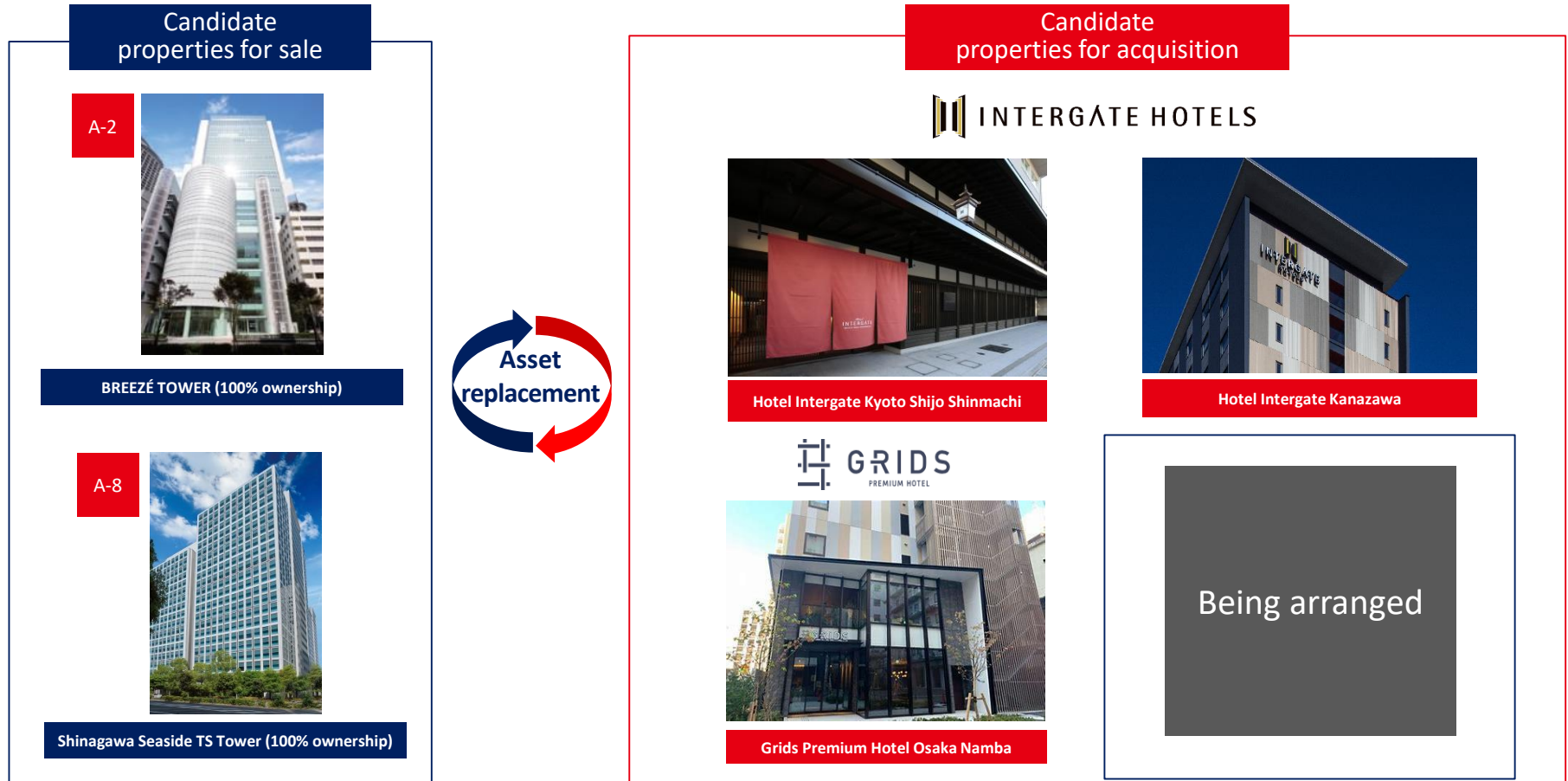
2. Plan outline

- I. **Large-scale portfolio rebalancing**
- II. Partial amendments to management guidelines (conversion to a **diversified REIT**)
- III. **Additional acquisition of SANKEI REAL ESTATE's investment units** by the **Sponsor**

I. Large-scale Portfolio Rebalancing

<**Second step of rebalancing**> Large-scale portfolio rebalancing (**granting/acquiring preferential negotiation rights**)

Two candidate properties for sale ⇔ **Three or more candidate properties for acquisition (being arranged)** based on sponsor's branding strategy



* The candidate properties for sale and acquisition are as of the date of this document. No sale or acquisition has been decided, and there is no assurance any acquisition will be made. The same applies below.

I. Large-scale Portfolio Rebalancing

<Second step of rebalancing> Overview of candidate properties for acquisition



Value experience-type hotel "Intergate Hotels"

"Intergate Hotels" is a hotel brand developed by Sankei Building and operated and managed by its group company GRANVISTA Hotels & Resorts.

INTERGATE
HOTELS

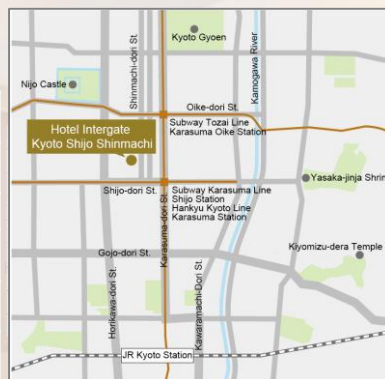
Hotel

Hotel Intergate Kyoto Shijo Shinmachi

- First in the series, located well in a quiet area a 5-minute walk from Karasuma Station



Location	Nakagyo-ku, Kyoto-shi
Construction completion	November 2017
Total floor area	6,029.40 m ²
Structure / size	Steel Construction, 5 floors above ground
Number of rooms	153
Operator	GRANVISTA Hotels & Resorts



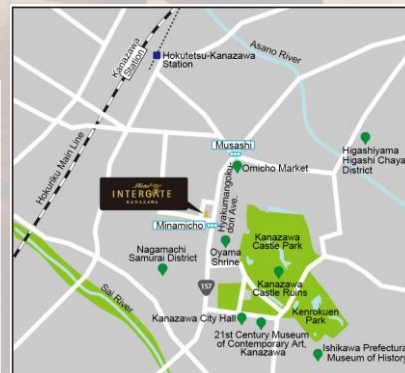
Hotel

Hotel Intergate Kanazawa

- Fourth in the series, in a good location with famous tourist spots such as Kenrokuen and Omicho Market accessible by foot



Location	Takaokamachi, Kanazawa-shi
Construction completion	January 2019
Total floor area	5,177.73 m ²
Structure / size	Steel Construction, 12 floors above ground
Number of rooms	166
Operator	GRANVISTA Hotels & Resorts



Lifestyle-type hotel "GRIDS"

GRIDS is a hotel based on the concept of "THE TRAVELLERS' HUB: connecting travels, people and hearts" where it is easy for visiting guests to find new enjoyment and connections while coming in contact with Japanese tradition and culture.

Hotel

Grids Premium Hotel Osaka Namba

- New series "GRIDS" First lifestyle-type hotel



Location	Naniwa-ku, Osaka-shi
Construction completion	January 2021
Total floor area	4,353.79 m ²
Structure / size	Steel Construction, 11 floors above ground
Number of rooms	142
Operator	AB Accommo



II. Partial Amendments to “Asset Management Guidelines”

➤ Conversion from office building-focused REIT to **diversified REIT**

1. Reason for the Amendments

- i. Response to expected **structural change in office demand**
- ii. Necessity for **creating a portfolio capable of sustainable growth**

2. Details of Major Amendments

(1) Conversion to a **diversified REIT**

Conversion to a **diversified REIT** to realize a portfolio that adapts to market cycles and is equipped with both **upside potential** and **protection against downsides**

(2) Revision of investment policy

- i. **Asset type diversification:** Change to **asset type category** and **investment ratio**
For the purpose of **accurately capturing new revenue opportunities**, the investment policy will be changed so that the minimum investment ratio in “office buildings,” which had previously been our main assets, will be reduced to 50%, while the **maximum investment ratio** for “sub assets,” previously positioned as secondary assets, will be increased to **50% as a core asset group^(*)**. (*Core asset group: Hotels, logistics facilities, residential facilities)
- ii. **Geographic diversification:** Review of **geographic area subject to investment**
Expand the scope of geographic area subject to investment from the perspective of geographic diversification according to the diversification of asset type categories

(3) Clarifying ESG investment posture

- i. Clarification of investment in properties that have obtained or are able to obtain environmental certification
- ii. Appropriately reflect the decisions of the Asset Management Company’s Sustainability Promotion Committee in the investment decision process

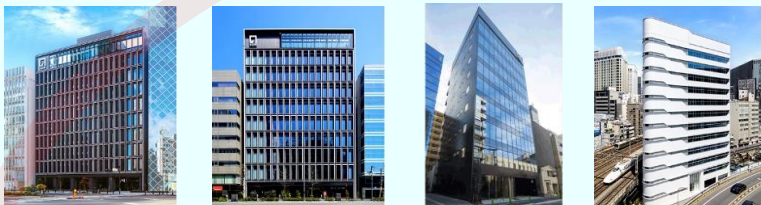
II. Partial Amendments to “Asset Management Guidelines”

➤ Urban development business based on sponsor’s branding strategy



Office buildings

High-grade mid-sized office buildings realizing “high-spec x mid-size”



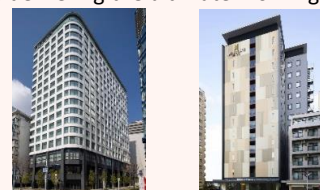
[S-GATE official website]

<https://www.s-gate-office.com/>

INTERGATE HOTELS

Hotels

Value experience-type hotels providing connections with the region and people, and the experience of values with “five senses” based on the concept of “hotels delivering the ultimate morning”



A lifestyle-type hotel series providing a taste of premium time enveloped in a relaxed sense of high quality

[INTERGATE HOTELS official website]

<https://www.intergatehotels.jp/>

[GRIDS official website]

<https://gridshotel.com/group/>



Logistics facilities

The SANKEILOGI logistics facilities plan to increase cargo storage efficiency and flexibly adapt to split usage, in addition to paying attention to the entrance and common area, with the aim of creating facilities that are comfortable for the people working there.



Nine buildings under development

* Including renewal properties
Including logistics facilities other than “SANKEILOGI”

LEFOND PROGRÈS

Residential facilities

Rental residences developed by Sankei Building
Homes bringing freedom to living.



[LEFOND PROGRES official website]

<https://www.lefond.jp/progres/>

Elderly facilities
Sankei Building Well Care



[Sankei Building Well Care official website]

<https://www.sankeiwellcare.com/>

* The properties shown on this page are not assets under management of SANKEI REAL ESTATE as of the date of this document, decisions on their acquisition have not been made, and there are no assurances that they will be.

II. Partial Amendments to “Asset Management Guidelines”

➤ Sponsor’s Main Development Results and Plans

Residential facilities

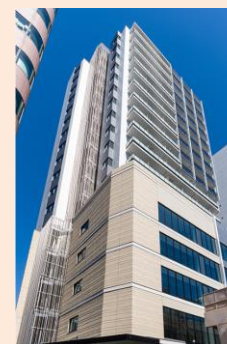
LEFOND’s new business type LEFOND ETUDE (student residences)

LEFOND ETUDE

- Providing safe and secure homes.
- A place for learning about society.
- A place for nurturing the environment.



S-LINKS Shibuya (S-LINKS)



A mixed-use facility connecting housing, work, healthcare and commerce was created in Aobadai, Meguro-ku, connecting the areas of cutting-edge information and culture in Tokyo such as Shibuya, Daikanyama and Nakameguro.

S-LINKS Shibuya official website

<https://www.sankeibldg.co.jp/s-linksshibuya/>

Under Development

Property name	Location	Planned completion	Total floor area	Building structure/ number of floors	Number of units
LEFOND ETUDE Kanamachi	Kanamachi, Katsushika-ku, Tokyo	January 2024	Approx. 2,719 m ²	Reinforced Concrete Construction, 14 floors above ground	113
LEFOND ETUDE Kameari	Kameari, Katsushika-ku, Tokyo	March 2024	Approx. 2,297 m ²	Reinforced Concrete Construction, 11 floors above ground	95
LEFOND ETUDE Kokubunji	Honcho, Kokubunji-shi, Tokyo	March 2024	Approx. 2,065 m ²	Reinforced Concrete Construction, 13 floors above ground	95

Overview

Location	Meguro-ku, Tokyo
Construction completion	November 2022
Total floor area	9,889.78 m ²
Structure/ size	Reinforced concrete construction, 1 floor below ground and 18 floors above ground

Logistics facilities



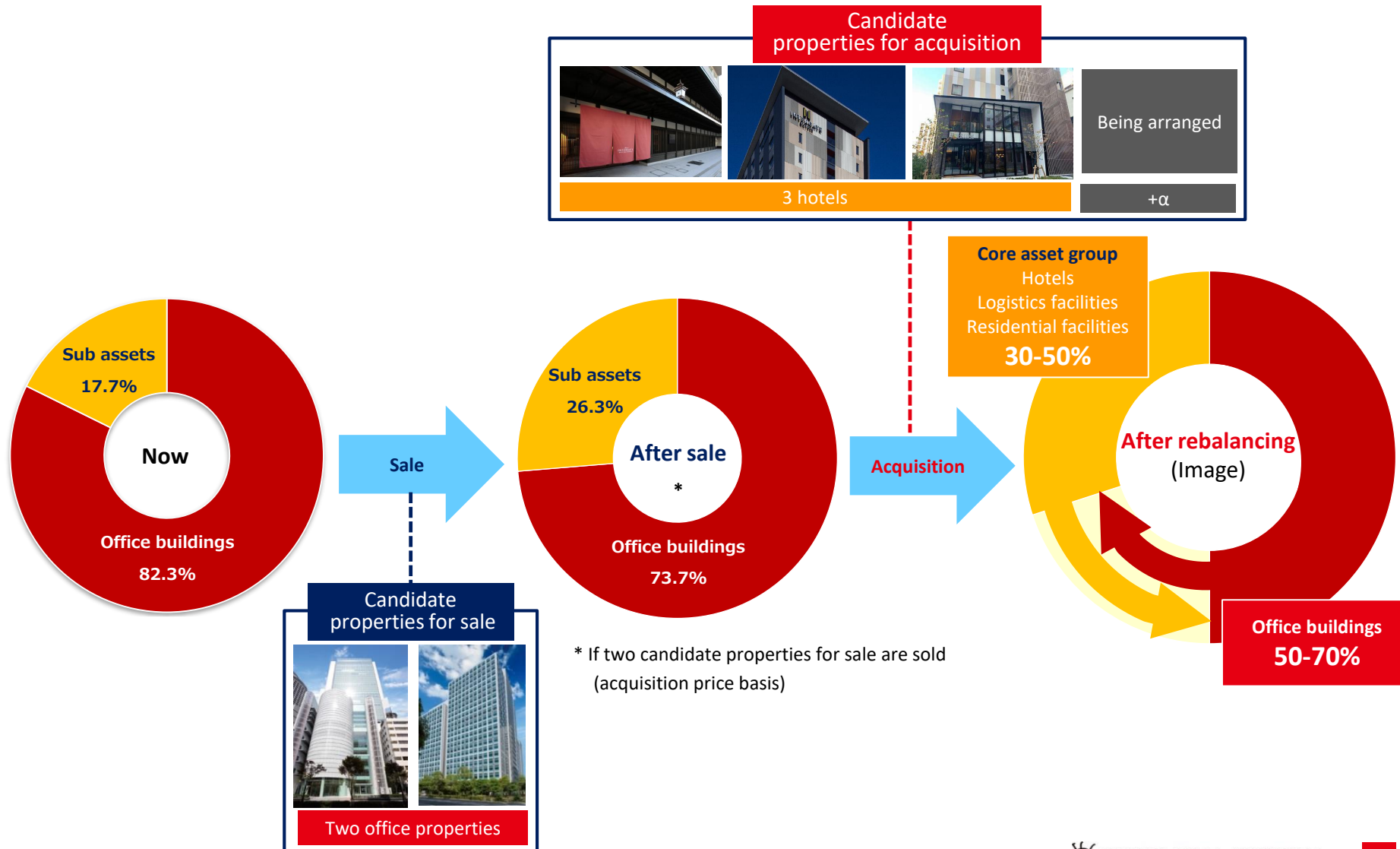
Under Development *Joint project

Property name	Location	Planned completion	Total floor area	Building structure/ number of floors
Minamisuita Logistics Project (tentative name)*	Minamisuita, Suita-shi, Osaka	December 2023	Approx. 86,422 m ²	Steel Construction, 5 floors above ground
Komaki-kita Logistics Project (tentative name)*	Fuso-cho, Niwa-gun, Aichi	March 2024	Approx. 43,706 m ²	Steel Construction, 2 floors above ground
Nagaokakyo Logistics Project (tentative name)*	kotaritenyaku, Nagaokakyo-shi, Kyoto	April 2024	Approx. 15,355 m ²	Reinforced concrete steel-frame, 4 floors above ground
SANKEILOGI Fuchu	Musashidai, Fuchu-shi, Tokyo	September 2024	Approx. 39,617 m ²	Reinforced concrete and Steel Construction, 4 floors above ground
Bando Logistics Project (tentative name)	Koshindaira, Bando-shi, Ibaraki	December 2024 Renewal	Approx. 15,736 m ²	Warehouse: Steel Construction, 2 floors above ground Office: Steel Construction, 3 floors above ground
Toda Logistics Project (tentative name)	Kizawaminami, Toda-shi, Saitama	March 2025	Approx. 10,519 m ²	Steel Construction, 4 floors above ground
Sendai-Izumi Logistics Project (tentative name)	Kamisakuragi, Tomiya-shi, Miyagi	October 2025	Approx. 14,831 m ²	Steel Construction, 4 floors above ground
Chiba-shi Shinminato Logistics Project (tentative name)*	Shinminato, Mihama-ku, Chiba-shi, Chiba	Winter, 2025	Approx. 53,934 m ²	Steel Construction, 4 floors above ground
Kasukabe Logistics Project (tentative name)	Shimoyanagi, Kasukabe-shi, Saitama	March 2026	Approx. 12,222 m ²	Steel Construction, 4 floors above ground

* The properties shown on this page are not assets under management of SANKEI REAL ESTATE as of the date of this document, decisions on their acquisition have not been made, and there are no assurances that they will be.

II. Partial Amendments to “Asset Management Guidelines”

➤ Asset type diversification after large-scale portfolio rebalancing (image)



III. Additional Acquisition of SANKEI REAL ESTATE's Investment Units by the Sponsor

- The **Sponsor** has expressed a **strong commitment** to the **Revival Plan** being executed by SANKEI REAL ESTATE. The Sponsor has **re-clarified its stance of support** for SANKEI REAL ESTATE

1. Details of consideration of additional acquisition after receiving notice from the Sponsor

(1) Total number of investment units to be acquired (planned)

- Up to 46,652 units (approx. 10.0% of the number of investment units issued and outstanding)
 - * If the price of the investment units exceeds the initially set maximum price during the acquisition period, the maximum number of units to be acquired may not be reached or the acquisition may not take place at all.
- Combined with the number of units currently held (17,479 units), up to 64,131 units (approx. 13.7% of the number of investment units issued and outstanding)

(2) Acquisition period (planned)

- Planned to be up to 220 business days from a date decided by the Sponsor between October 16, 2023, and February 29, 2024
 - * It may be terminated during the period if the number of investment units acquired reaches the maximum number of investment units, or in other circumstances
 - * The date and period (the final acquisition day) will be determined according to approval by the Sponsor at a later date

(3) Acquisition method (planned)

The Sponsor will acquire SANKEI REAL ESTATE's investments units through open market purchases in accordance with a sale transaction agreement to be entered into with a securities company

2. Significance of additional acquisition

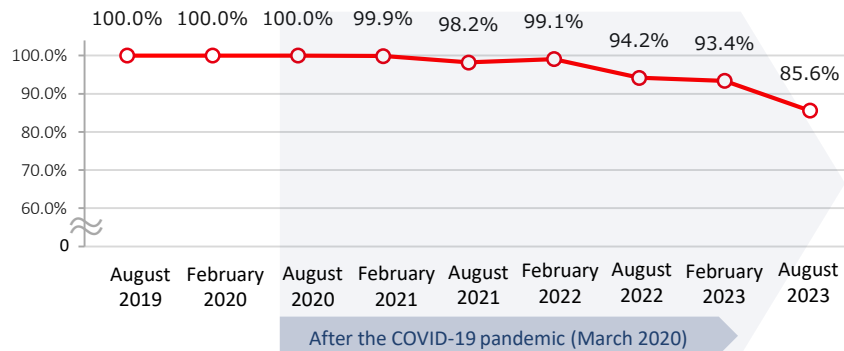
- The intention to make the additional acquisition shows the **Sponsor's firm commitment** to the **Revival Plan** being executed by SANKEI REAL ESTATE, **reaffirming the Sponsor's position as a supporter** of SANKEI REAL ESTATE.
- Further same-boat investment by the Sponsor aligns the interests of the unitholders of SANKEI REAL ESTATE with those of the Sponsor. Support from the Sponsor is expected to lead to not only the steady execution of the **Revival Plan** but also **SANKEI REAL ESTATE's sustainable growth**.

MEMO

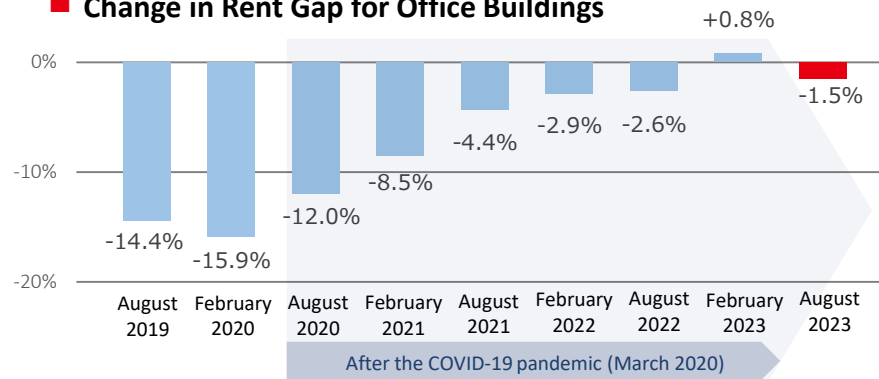
3. Internal Growth Results and Strategy

Internal Growth Results

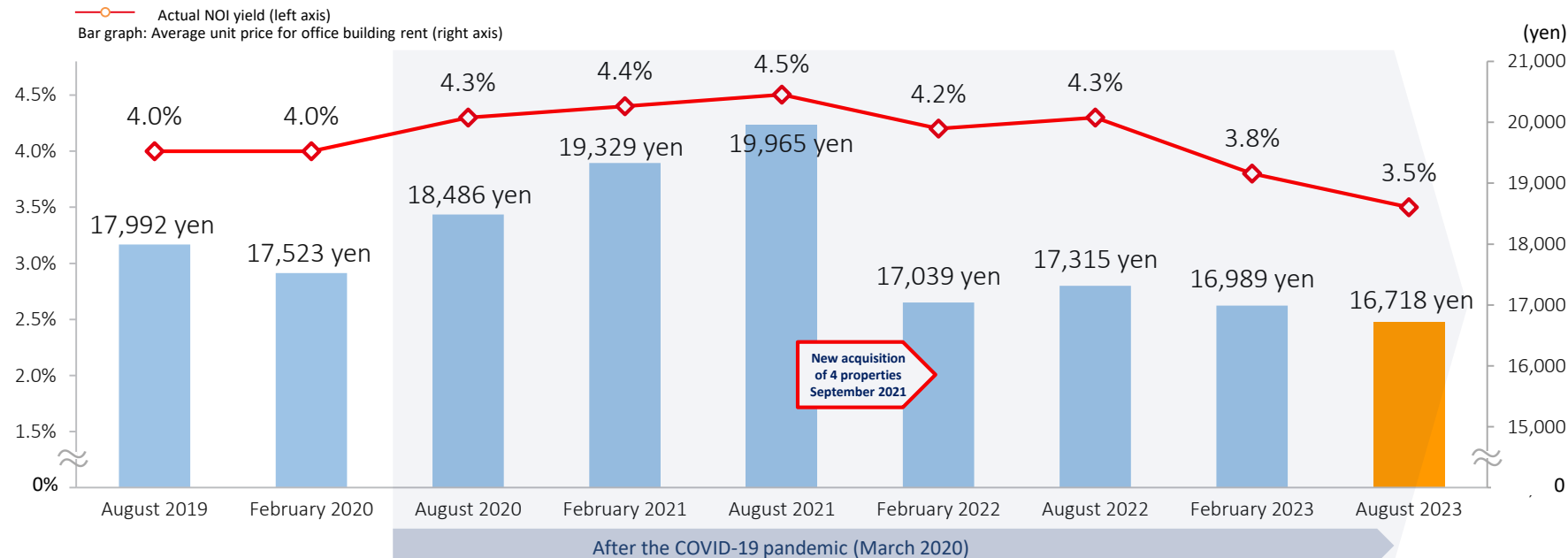
Change in Occupancy Rate



Change in Rent Gap for Office Buildings



Change in Portfolio's Actual NOI Yield and Office Buildings Average Rent Unit Price



Internal Growth Results

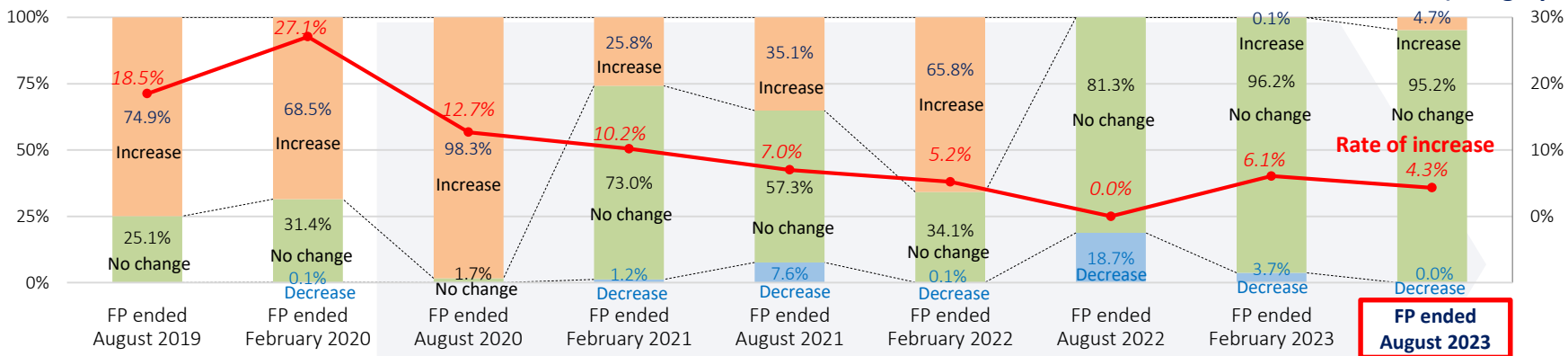
– Rent Revision Performance of Office Buildings (Based on Contracts Signed) –

- **Prioritize the reduction of risk of tenants downsizing/moving out while achieving revisions with increase in rent for some tenants**

■ Rent Revision Performance of Office Buildings (Based on Rental Area)

Percentages of rent revision results (bar graph)

Rate of rent increase (line graph)



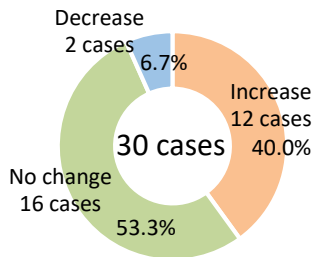
Number of targeted tenants
Targeted leased area

9 cases	24 cases	30 cases	27 cases	13 cases	11 cases	17 cases	24 cases	30 cases
369 tsubos	3,144 tsubos	4,165 tsubos	2,769 tsubos	1,195 tsubos	1,725 tsubos	705 tsubos	2,600 tsubos	10,885 tsubos

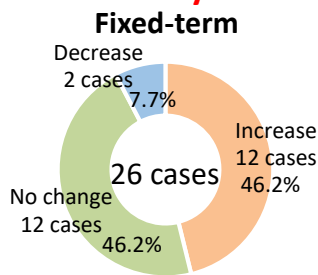
After the COVID-19 pandemic (March 2020)

■ Rent Revision Performance of Office Buildings (Based on Number of Cases)

Overall



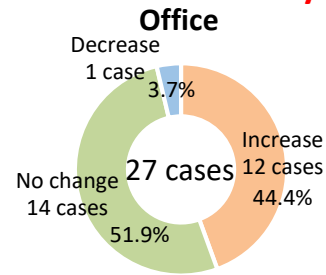
By Contract Form



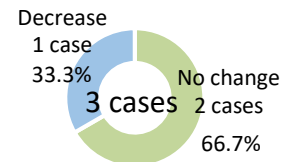
Ordinary



By Use



Retail



Internal Growth Results

■ Rent Revision Examples

A-1 Tokyo Sankei Building

Flexibly respond to tenants with a risk of downsizing or moving out

Revise with slight decreases or the same rent

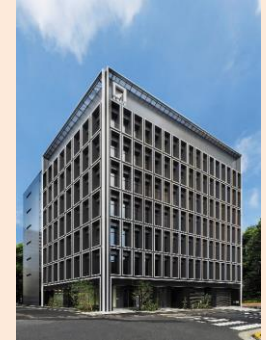
Prioritize maintaining the occupancy rate



A-10 S-GATE AKASAKA

Additional acquisition in March 2023 (to 100% interest)

During the softening of the office market, relations with major tenants have paid off, resulting in **renewal of contracts with the same conditions**



■ Lease-Up Status

A-2 BREEZÉ TOWER

One vacant floor (approx. 406 tsubos) was divided in four and filled in a short period.

<Occupancy rate: Leased area basis>

96.7% (End of September)



90.7% (End of February)



A-8 Shinagawa Seaside TS Tower

Status of lease agreements

- i. December 2022 : **2 floors** occupied
- ii. August 2023 : Contracts concluded **for 2.5 floors**
- iii. September 2023 : Contracts concluded **for 4 floors**

<Occupancy rate: End of September>

Leased area basis : **9.6%**
Contracted area basis : **41.1%**

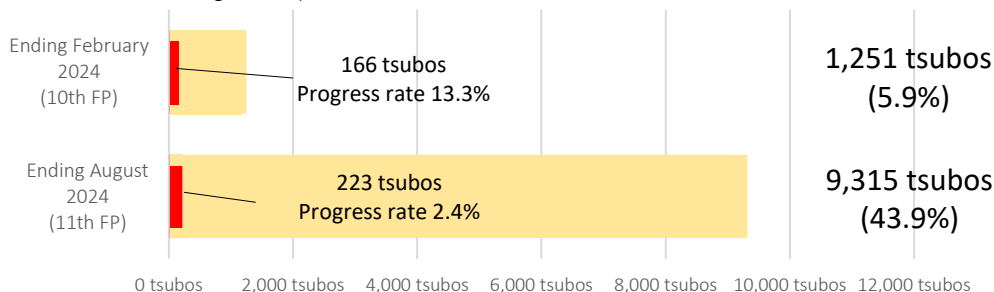


Internal Growth Strategy

– Aiming to Achieve Results That Drive Stable Medium- to Long-term Operation –

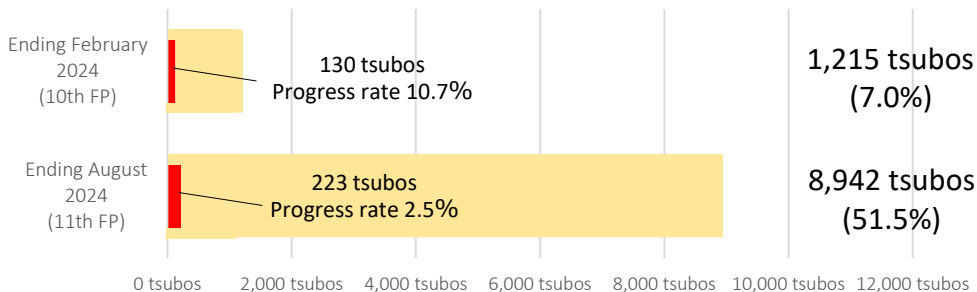
■ Scheduled Renewal with Contract Revision/Renewal and Progress (Targeting Office Buildings)

Contract revision/renewal planned area is as of the end of the 9th FP
 Renewal with contract revision/renewal is based on contracts signed (applicable to tenant contracts signed as of the end of August 2023)



■ Contract revision/renewal area
 ■ Contract revision/renewal planned area (ratio to total leased area)

Two candidate properties for sale sold



■ Contract revision/renewal area
 ■ Contract revision/renewal planned area (ratio to total leased area)

■ Assumed Occupancy Rate of Portfolio

(Two candidate properties for sale sold)

10th FP (ending February 2024)

- End of period 96.0%
- Period average 87.9%

11th FP (ending August 2024)

- End of period 97.4%
- Period average 96.9%

■ Implementation of Strategic Leasing

- With the **basic policy to reduce the risk of tenants moving**, negotiations will be made for rent increase with tenants with a rent gap (especially for tenants under fixed-term leases)
- Diversify leasing periods, advance cancellation notices, switch the form of contracts (from ordinary leases to fixed leases) and diversify tenants

■ Leasing Measures (Priority Properties)

A-7

Toyo Park Building

- ✓ Turn up needs for nearby relocation (increased or decreased floor space)
- ✓ Actively capture short-term leases



A-9

Omori Park Building

- ✓ Flexibly respond to FR
- ✓ Catch up with tenants aiming to reduce office costs



MEMO

4. Financial Strategy

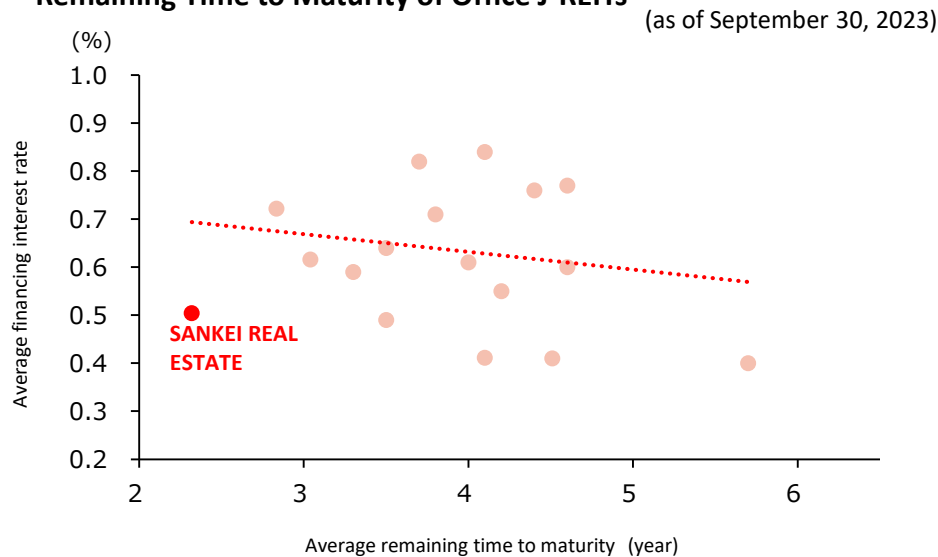
Financial Strategy – Financial Highlights (1) –

- With the acquisition of two new properties, the LTV ratio increased temporarily. However, under a medium-term view, it will cruise around the level of normal operation (45-50%)
- Depending on the trends of interest rates, some loans will be implemented with floating interest rates, but no change will be seen in the policy to improve and stabilize the financial base

■ Financial Highlights (as of September 29, 2023)

Balance of interest-bearing liabilities	56.6 billion yen	LTV ratio	50.6%
Ratio of long-term debt	75.3%	Ratio of fixed-rate debt	78.3%
Average financing interest rate	0.5%	Average remaining time to maturity	2.3 years

■ Distribution Map of Average Financing Interest Rates and Average Remaining Time to Maturity of Office J-REITs (as of September 30, 2023)



■ LTV Ratio During Normal Operations

	End of the 9th FP	End of the 10th FP	End of the 11th FP
LTV ratio	50.8%	50.2% (Forecast)	47.2% (Forecast)

■ Lender Composition (as of September 29, 2023)

[Unit: million yen]

	Borrowing amount	Percentage
Mizuho Bank	18,900	33.4%
Sumitomo Mitsui Banking	9,100	16.1%
Development Bank of Japan	7,700	13.6%
Mizuho Trust & Banking	4,640	8.2%
Sumitomo Mitsui Trust Bank	4,500	8.0%
SBI Shinsei Bank	4,080	7.2%
Resona Bank	3,780	6.7%
Aozora Bank	2,000	3.5%
The Nishi-Nippon City Bank	1,000	1.8%
Kansai Mirai Bank	600	1.1%
Chiba Bank	300	0.5%
11 banks in total	56,600	100.0%

Financial Strategy – Financial Highlights (2) –

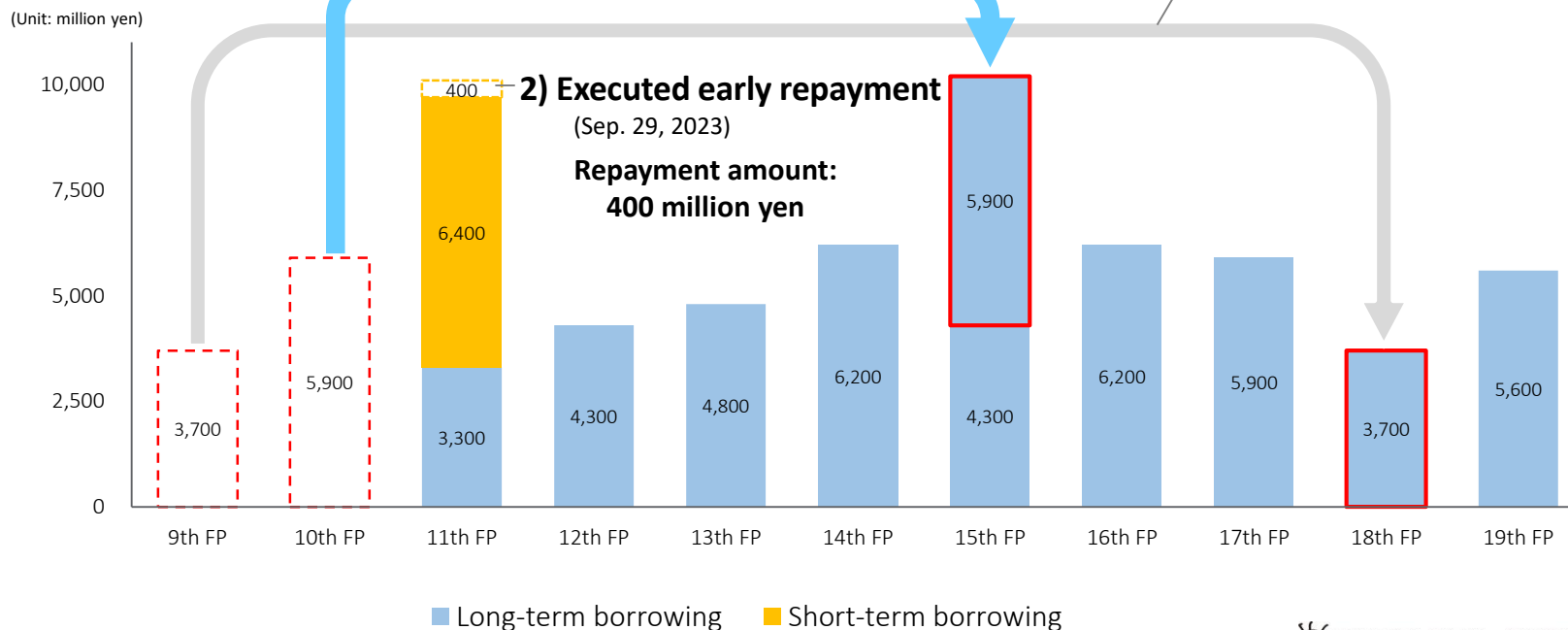
- Will implement loans based on funding uses and the future of SANKEI REAL ESTATE while monitoring interest rate trends, etc.
 - 1) **Refinancing** 10th FP → 15th FP (period of 2.6 years) (September 2023)
 - 2) 400 million yen of the early repayment out of the loan executed in March 2023 (6.8 billion yen) in association with the partial sale of BREEZÉ TOWER (September 2023)

➤ Promote the **distribution** and **prolongation** of the maturity ladder

■ Maturity Ladder for Interest-Bearing Liabilities (as of September 29, 2023)

- 1) **Refinanced borrowings due in the 10th FP** (September 4, 2023)
5.9 billion yen at a floating interest rate, **2.6 years**
(to be repaid in the **15th FP**)

- Refinancing results for the 9th FP
3.7 billion yen at a fixed interest rate, 4.5 years
(to be repaid in the **18th FP**)



MEMO

5. ESG Initiatives

ESG Initiatives (1)

■ Topics

➤ Promotion of acquisition of environmentally friendly properties (March 2023)

B-3

SANKEILOGI Settsu



Rooftop solar panels

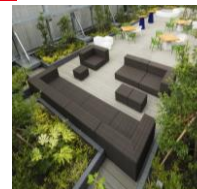


SANKEILOGI

- Sponsor brand
Logistics facilities
SANKEILOGI Series
- Equipped with a rooftop solar power system
(Facility capacity: 90kW)
It enables captive consumption within the facility
Operates autonomously using solar power in the event of a power outage
- Application of LED lights
- Space secured for emergency power generation systems

A-10

S-GATE AKASAKA



Rooftop garden



S-GATE



- Sponsor brand
Mid-sized office building
S-GATE Series
- Additional acquisition of properties that have obtained environmental certification

➤ SANKEI REAL ESTATE renewed its website (June 2023)

➤ Continued participation in GRESB Real Estate Assessment (October 2023)

Obtained “2 Star” and “Green Star” GRESB ratings in FY2023



GRESB
☆☆☆☆ 2023

➤ Status of installation of LED lighting at tenant turnover

- 9th FP (ending August 2023): Installation at BREEZÉ TOWER, Tokyo Sankei Building, Toyo Park Building
- 10th FP (ending February 2024): Plan to implement in BREEZÉ TOWER and Miyazakidai Garden Office (common area)

■ Future Initiatives

- Promoting acquisition of environmental certification for owned assets (BELS, DBJ Green Building, CASBEE, etc.)
- Considering installation of EV charging stations at owned assets
- Promotion of introduction of “LUUP,” a share service for electric micromobility (4 properties at present)



* “LUUP” is a service that allows users to share electric kickboards and electric bicycles via smartphone.

ESG Initiatives (2)

■ Various Rules Associated with ESG

Sustainability Policy

- (1) Preserving the Earth environment and reducing the environmental load of assets under management
- (2) Serving the local community
- (3) Cooperating with external stakeholders
- (4) Working with executives and employees
- (5) Observing compliance and establishing/maintaining an internal control system
- (6) Disclosing ESG information and securing transparency

Sustainability Promotion System

- Chief Sustainability Officer: Executive Deputy President
- Sustainability Officer: General Manager, Sustainability Promotion Office
- Sustainability Promotion Committee: Examining and planning various policies, targets, and measures related to sustainability

Internal regulations, policies, etc.

- Sustainability Promotion System Rules
- Energy Conservation Policy
- GHG Emissions Reduction Policy
- Policy on sustainable procurement
- Water Conservation Policy
- EMS operational manual
- Policy on climate change and resilience

■ Environment

Energy consumption reduction targets

- Long-term target 1: **Reduce** annual energy consumption intensity within the scope managed by the owner **by 5% from the base year (2019) by 2025**
- Long-term target 2: **Reduce** annual energy consumption intensity within the scope managed by tenants **by 1% from the base year (2019) by 2025**

GHG emission reduction targets

<Scope 1 + Scope 2>

- The single-year target is to **reduce** energy consumption intensity **by 1% compared with the previous year** for Scope 1 + Scope 2
- **Reduce by 5% from the base year (2019)** in the medium to long term (5 years)

<Scope 3>

- **Reduce by 1% from the base year (2019)** in the medium to long term (5 years)

Status of environmental certificates

Property name	Evaluation ranking	Year of issuance
Tokyo Sankei Building	★★★★	2021
BREEZÉ TOWER	★★★★	2021
S-GATE NIHONBASHI-HONCHO	★★★★	2022
S-GATE AKIHABARA	★★★	2022
S-GATE AKASAKA	★★★	2020
Hotel Intergate Tokyo Kyobashi	★★★★	2021
Hotel Intergate Hiroshima	★★	2021
Shinagawa Seaside TS Tower	★★★★★	2023



GRESB
☆☆☆☆ 2023



■ Social

➢ Relationship with Stakeholders

[Example: Tokyo Sankei Building]

Launched official LINE account
Looking for friends! /



■ Governance

➢ The Asset Management Company published a report of its **fiduciary duty policy** (policy for Customer-Oriented Business Conduct)

(Updated annually in June)

➢ Plan to **intensify same-boat investment** by the Sponsor

FP ended August 2023

Number of investment units issued and outstanding	Number of units held by Sponsor	Percentage of units held by Sponsor
467,099 units	17,479 units	3.74%

■ Contributions to SDGs (Sustainable Development Goals)



SANKEI REAL ESTATE's efforts have contributed to the following SDGs.



- Goal 3: Ensuring prevention of the spread of infectious diseases, flexible work styles
- Goal 7: LEDs, solar power, reduction of heat load
- Goal 8: Rooftop terraces (worker-friendly buildings)
- Goal 11: Green Building certification, seismic dampers, stockpiles
- Goal 12: Appropriate treatment and recycling of industrial waste
- Goal 13: Disaster countermeasures, intake of people having difficulty returning home

Appendix

Balance Sheet (Unabridged) for the Fiscal Period Ended August 2023 (9th FP)

(Unit: thousand yen)

	8th FP (as of Feb. 28, 2023)	9th FP (as of Aug. 31, 2023)
Assets		
Current assets		
Cash and deposits	5,208,842	5,687,713
Cash and deposits in trust	3,097,656	2,649,835
Operating accounts receivable	64,478	62,645
Prepaid expenses	62,795	78,865
Consumption taxes receivable	-	166,963
Other	-	82
Total current assets	8,433,772	8,646,106
Non-current assets		
Property, plant and equipment		
Buildings	182,520	189,040
Accumulated depreciation	(25,525)	(29,088)
Buildings, net	156,995	159,952
Structures	544	544
Accumulated depreciation	(67)	(81)
Structures, net	476	463
Tools, furniture and fixtures	-	604
Accumulated depreciation	-	(40)
Tools, furniture and fixtures, net	-	564
Land	2,457,766	2,457,766
Buildings in trust	18,955,810	21,225,884
Accumulated depreciation	(1,879,113)	(2,169,707)
Buildings in trust, net	17,076,697	19,056,176
Structures in trust	71,171	105,457
Accumulated depreciation	(4,558)	(6,304)
Structures in trust, net	66,613	99,152
Machinery and equipment in trust	14,330	14,326
Accumulated depreciation	(2,290)	(3,008)
Machinery and equipment in trust, net	12,040	11,318
Tools, furniture and fixtures in trust	71,817	76,121
Accumulated depreciation	(16,419)	(21,723)
Tools, furniture and fixtures in trust, net	55,397	54,397
Land in trust	77,433,848	81,618,833
Construction in progress in trust	945	5,886
Total property, plant and equipment	97,260,780	103,464,511
Intangible assets		
Software	2,013	8,806
Total intangible assets	2,013	8,806
Investments and other assets		
Long-term prepaid expenses	103,557	94,326
Deferred tax assets	12	17
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	113,569	104,343
Total non-current assets	97,376,363	103,577,662
Deferred assets		
Investment unit issuance costs	18,075	12,050
Total deferred assets	18,075	12,050
Total assets	105,828,211	112,235,819

	8th FP (as of Feb. 28, 2023)	9th FP (as of Aug. 31, 2023)
Liabilities		
Current liabilities		
Operating accounts payable	347,103	217,790
Short-term borrowings	-	6,800,000
Long-term loans due within one year	9,600,000	9,200,000
Accounts payable - other	288,400	295,160
Accrued expenses	50,743	56,973
Income taxes payable	855	957
Consumption taxes payable	38,660	-
Advances received	449,764	397,611
Deposits received	676	10,184
Total current liabilities	10,776,204	16,978,677
Non-current liabilities		
Long-term loans	40,600,000	41,000,000
Lease and guarantee deposits received	88,166	88,716
Lease and guarantee deposits received in trust	3,851,485	3,603,120
Total non-current liabilities	44,539,651	44,691,837
Total liabilities	55,315,856	61,670,515
Net assets		
Unitholders' equity		
Unitholders' capital	49,442,685	49,442,685
Deduction from unitholders' capital	(7,136)	(7,136)
Unitholders' capital (net)	49,435,549	49,435,549
Surplus		
Unappropriated retained earnings (undisposed loss)	1,076,805	1,129,754
Total surplus	1,076,805	1,129,754
Total unitholders' equity	50,512,354	50,565,304
Total net assets	50,512,354	50,565,304
Total liabilities and net assets	105,828,211	112,235,819

Statement of Income and Retained Earnings (Unabridged) for the Fiscal Period Ended August 2023 (9th FP)

(Unit: thousand yen)

	8th FP (as of Feb. 28, 2023)	9th FP (as of Aug. 31, 2023)
Operating revenue		
Rent business revenue	2,452,313	2,343,152
Other rent business revenue	439,634	243,748
Gain on sale of real estate, etc.	-	164,424
Total operating revenue	2,891,948	2,751,326
Operating expenses		
Expenses related to rent business	1,338,956	1,110,607
Asset management fee	247,055	245,773
Asset custody fee	2,092	2,192
Administrative service fees	8,020	8,170
Remuneration for directors (and other officers)	3,600	3,600
Other operating expenses	48,325	46,384
Total operating expenses	1,648,050	1,416,727
Operating income	1,243,897	1,334,598
Non-operating income		
Interest income	41	40
Reversal of distributions payable	584	639
Insurance claim income	930	-
Other non-operating income	285	9
Total non-operating income	1,842	689
Non-operating expenses		
Interest expenses	114,796	139,180
Borrowing related expenses	47,427	57,511
Amortization of investment unit issuance expenses	6,024	6,024
Other non-operating expenses	-	2,000
Total non-operating expenses	168,248	204,716
Ordinary income	1,077,491	1,130,571
Net income before income taxes	1,077,491	1,130,571
Income taxes - current	861	963
Income taxes - deferred	3	(4)
Total income taxes	865	958
Net income	1,076,626	1,129,612
Retained earnings brought forward	178	141
Unappropriated retained earnings (undisposed loss)	1,076,805	1,129,754

Statement of Cash Flows for the Fiscal Period Ended August 2023 (9th FP)

	(Unit: thousand yen)	
	8th FP (as of Feb. 28, 2023)	9th FP (as of Aug. 31, 2023)
Cash flows from operating activities		
Net income before income taxes	1,077,491	1,130,571
Depreciation	297,033	322,112
Amortization of investment unit issuance expenses	6,024	6,024
Interest income	(41)	(40)
Interest expenses	114,796	139,180
Decrease (increase) in operating accounts receivable	(1,775)	1,832
Decrease (increase) in consumption taxes refund receivable	-	(166,963)
Decrease (increase) in prepaid expenses	9,006	(16,070)
Increase (decrease) in operating accounts payable	77,214	(83,458)
Increase (decrease) in accounts payable - other	(22,151)	8,101
Increase (decrease) in consumption taxes payable	(133,178)	(38,660)
Increase (decrease) in advances received	1,936	(52,153)
Increase (decrease) in deposits received	(5,360)	9,507
Decrease (increase) in long-term prepaid expenses	(399)	9,230
Decrease due to the sale of property, plant and equipment in trust	-	447,918
Decrease (increase) in other assets	78	(82)
Subtotal	1,420,674	1,717,050
Interest received	41	40
Interest paid	(108,884)	(132,950)
Income taxes paid	(932)	(861)
Net cash provided by (used in) operating activities	1,310,899	1,583,278
Cash flows from investing activities		
Purchase of property, plant and equipment	(542)	(7,125)
Purchase of property, plant and equipment in trust	(130,867)	(7,014,566)
Proceeds from lease and guarantee deposits received	632	5,231
Refund of lease and guarantee deposits received	(703)	(2,344)
Proceeds from lease and guarantee deposits received in trust	74,547	306,551
Refund of lease and guarantee deposits received in trust	(351,923)	(554,915)
Others	-	(8,000)
Net cash provided by (used in) investing activities	(408,856)	(7,275,168)
Cash flows from financing activities		
Proceeds from short-term loans	-	6,800,000
Proceeds from long-term loans	5,900,000	3,700,000
Repayments of long-term loans	(5,900,000)	(3,700,000)
Distributions paid	(1,474,263)	(1,077,059)
Net cash provided by (used in) financing activities	(1,474,263)	5,722,940
Net increase (decrease) in cash and cash equivalents	(572,220)	31,050
Cash and cash equivalents at beginning of period	8,878,719	8,306,499
Cash and cash equivalents at end of period	8,306,499	8,337,549

Status of Lenders (as of September 29, 2023)

Category	Lender	Loan amount (million yen)		Interest rate	Borrowing date (upper row) Maturity date (lower row)	Repayment method	Description
Short-term loans	Mizuho Bank	6,400	6,400	0.39545% (floating)	Mar. 30, 2023 Mar. 30, 2024		
	Mizuho Bank	856					
Long-term loans	Sumitomo Mitsui Banking	639					
	Development Bank of Japan	548					
	Mizuho Trust & Banking	350	3,300	0.49096% (fixed)	Mar. 12, 2019 Mar. 12, 2024		
	Sumitomo Mitsui Trust Bank	319					
	SBI Shinsei Bank	294					
	Resona Bank	294					
	Mizuho Bank	1,167					
	Sumitomo Mitsui Banking	832					
	Development Bank of Japan	713					
	Mizuho Trust & Banking	456	4,300	0.32923% (fixed)	Mar. 12, 2020 Sep. 12, 2024		
	Sumitomo Mitsui Trust Bank	416					
	SBI Shinsei Bank	358					
	Resona Bank	358					
	Mizuho Bank	1,331					
	Sumitomo Mitsui Banking	929					
	Development Bank of Japan	796					
	Mizuho Trust & Banking	509	4,800	0.36978% (fixed)	Mar. 12, 2021 Mar. 12, 2025	Lump-sum repayment at maturity	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank	465					
SBI Shinsei Bank	385						
Resona Bank	385						
Mizuho Bank	1,550						
Sumitomo Mitsui Banking	1,000						
Development Bank of Japan	700						
Mizuho Trust & Banking	600						
Sumitomo Mitsui Trust Bank	500	6,200	0.29655% (fixed)	Sep. 2, 2021 Sep. 2, 2025			
SBI Shinsei Bank, Limited	500						
Resona Bank	400						
The Nishi-Nippon City Bank	500						
Kansai Mirai Bank	300						
Chiba Bank	150						
Mizuho Bank	750						
Sumitomo Mitsui Banking	700						
Development Bank of Japan	700						
Mizuho Trust & Banking	200						
Sumitomo Mitsui Trust Bank	500	6,200	0.35542% (fixed)	Sep. 2, 2021 Sep. 2, 2026			
SBI Shinsei Bank	500						
Resona Bank	400						
Aozora Bank	1,500						
The Nishi-Nippon City Bank	500						
Kansai Mirai Bank	300						
Chiba Bank	150						

Category	Lender	Loan amount (million yen)		Interest rate	Borrowing date (upper row) Maturity date (lower row)	Repayment method	Description
Long-term loans	Mizuho Bank	1,100					
	Sumitomo Mitsui Banking	900					
	Development Bank of Japan	700					
	Mizuho Trust & Banking	300	4,300	0.38044% (fixed)	Oct. 1, 2021 Apr. 1, 2026		
	Sumitomo Mitsui Trust Bank	300					
	SBI Shinsei Bank	300					
	Resona Bank	200					
	Aozora Bank	500					
	Mizuho Bank	1,574					
	Sumitomo Mitsui Banking	1,084					
	Development Bank of Japan	929					
	Mizuho Trust & Banking	593	5,600	0.77500% (fixed)	Mar. 14, 2022 Mar. 14, 2028		
	Sumitomo Mitsui Trust Bank	542					
	SBI Shinsei Bank	439					
	Resona Bank	439					
	Mizuho Bank	2,250					
	Sumitomo Mitsui Banking	1,500					
	Mizuho Trust & Banking	620	5,900	0.79285% (fixed)	Sep. 5, 2022 Mar. 5, 2027	Lump-sum repayment at maturity	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank	550					
	SBI Shinsei Bank	490					
	Resona Bank	490					
	Mizuho Bank	972					
	Sumitomo Mitsui Banking	716					
	Development Bank of Japan	614					
	Mizuho Trust & Banking	392	3,700	1.02763% (fixed)	Mar. 13, 2023 Sep. 13, 2027		
	Sumitomo Mitsui Trust Bank	358					
	SBI Shinsei Bank	324					
	Resona Bank	324					
Mizuho Bank	950						
Sumitomo Mitsui Banking	800						
Development Bank of Japan	2,000						
Mizuho Trust & Banking	620	5,900	0.45386% (floating)	Sep. 4, 2023 Apr. 1, 2026			
Sumitomo Mitsui Trust Bank	550						
SBI Shinsei Bank	490						
Resona Bank	490						
Total		56,600					

* If the maturity date is not a business day, it will be the following business day, and if that business day is the following month, it will be the immediately preceding business day.

Key Performance Indicators (KPIs) for the Fiscal Period Ended August 2023 (9th FP)

		8th FP (as of Feb. 28, 2023)	9th FP (as of Aug. 31, 2023)
LTV ratio	(against total assets)	47.4%	50.8%
	(against total assets <considering unrealized gain/loss>)	44.5%	48.7%
NOI yield	(against book value)	3.8%	3.5%
	(against appraisal value)	3.5%	3.3%
NOI yield after depreciation	(against book value)	3.2%	2.9%
	(against appraisal value)	3.0%	2.7%
Implied cap rate	(NOI yield)	4.3%	3.7%
	(NOI yield after depreciation)	3.6%	3.1%
FFO		1,372 million yen	1,286 million yen
AFFO		1,160 million yen	1,066 million yen
FFO per unit		2,938 yen	2,753 yen
EPS		2,304 yen	2,418 yen

- *1. LTV (against total assets) = Interest-bearing liabilities / Total assets (book value)
LTV (against total assets <considering unrealized gain/loss>) = Interest-bearing liabilities / (Total assets (book value) + unrealized gain/loss)
- *2. NOI yield (against book value) = (Operating income from real estate rent business + depreciation) / Book value of real estate for lease
NOI yield (against appraisal value) = (Operating income from real estate rent business + depreciation) / Appraisal value of real estate for lease
- *3. NOI yield after depreciation (against book value) = Operating income from real estate rent business / Book value of real estate for lease
NOI yield after depreciation (against appraisal value) = Operating income from real estate rent business / Appraisal value of real estate for lease
- *4. Implied cap rate (NOI yield) = NOI (Annualized; current FP result x 2) / (Total fair value + Interest-bearing liabilities - Cash and deposits + Leasehold deposits received)
Implied cap rate (NOI yield after depreciation) = NOI after depreciation (Annualized; current FP result x 2) / (Total fair value + Interest-bearing liabilities - Cash and deposits + Leasehold deposits received)
- *5. FFO = Net profit + Depreciation - Gain/loss on sales of real estate properties (including loss on retirement of non-current assets)
- *6. AFFO = FFO - Capital expenditure

		8th FP (as of Feb. 28, 2023)	9th FP (as of Aug. 31, 2023)
Distribution per unit		2,305 yen	2,418 yen
Distribution yield		5.3%	5.2%
ROE		4.3%	4.5%
Net assets per unit		108,140 yen	108,253 yen
NAV per unit		123,067 yen	118,704 yen
Investment unit price (at end of period)		86,400 yen	93,300 yen
NAV multiple		0.7x	0.8x
PBR		0.8x	0.9x
PER		18.8x	19.3x
FFO multiple		14.7x	16.9x
Payout ratio	(FFO)	78.4%	87.8%
	(AFFO)	92.8%	105.9%

- *7. FFO per unit = FFO / Total number of investment units issued and outstanding at end of period
- *8. EPS = Net profit / Total number of investment units issued and outstanding at end of period
- *9. Distribution per unit = Total distribution / Total number of investment units issued and outstanding at end of period
- *10. Distribution yield = Distribution per unit (Annualized; current FP result x 2) / Investment unit price (at end of period)
- *11. ROE (Return on equity) = Net profit (Annualized; most recent FP result x 2) / Net assets
- *12. NAV per unit = (Net assets + Unrealized gain/loss) / Total number of investment units issued and outstanding at end of period
- *13. NAV multiple = Investment unit price (at end of period) / NAV per unit
- *14. PBR (Price Book-value Ratio) = Investment unit price (at end of period) / Net assets per unit
- *15. PER (Price Earnings Ratio) = Investment unit price (at end of period) / EPS (Annualized; most recent FP result x 2)
- *16. FFO multiple = Investment unit price / FFO per unit (Annualized; most recent FP result x 2)
- *17. Payout ratio (FFO) = Total distribution / FFO
- *18. Payout ratio (AFFO) = Total distribution / AFFO
- *19. Figures are rounded down to the indicated digits (Percentages and multiples are rounded to one decimal place.)

Statement of Income from Rent Business by Property for the Fiscal Period Ended August 2023 (9th FP)

(Unit: thousand yen)

Property number	A-1	A-2	A-3	A-4	A-5	A-6	A-7	A-8
Asset type	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings
Property name	Tokyo Sankei Building	BREEZÉ TOWER	S-GATE NIHONBASHI-HONCHO	S-GATE AKIHABARA	Hibiya Sankei Building	Hatchobori Sankei Building	Toyo Park Building	Shinagawa Seaside TS Tower*
Rent business revenue	59,193	525,246	157,142	69,258	202,087	177,468	91,754	
Rental revenue	51,061	413,320	147,671	65,353	184,116	145,339	73,243	
Common area maintenance revenue	2,021	78,959	-	-	3,975	13,790	5,937	
Utilities reimbursement	4,228	23,426	6,441	3,821	11,413	11,976	9,545	
Parking revenue	833	7,921	2,854	24	1,662	4,782	2,790	
Other rental revenue	1,047	1,619	174	59	920	1,579	238	
Expenses related to rent business	35,046	241,693	46,339	23,395	96,330	67,525	38,473	(Not disclosed)*
Outsourcing expenses	6,010	71,912	8,553	5,778	16,519	16,779	8,710	
Utilities expenses	4,865	48,047	7,449	4,039	13,276	15,511	11,796	
Property taxes	13,143	38,553	11,337	5,018	57,018	11,131	8,055	
Land rent	683	1,135	-	-	-	-	-	
Repair expenses	3,119	14,021	-	209	2,580	5,190	398	
Insurance premium	106	860	371	168	353	532	253	
Trust fee	-	247	250	250	250	250	350	
Depreciation	3,617	63,021	18,068	7,623	6,114	17,631	8,714	61,556
Other expenses related to rent business	3,500	3,894	308	307	218	498	194	
Operating income (loss) from rent business	24,147	283,553	110,803	45,862	105,756	109,943	53,281	31,234
NOI	27,764	346,575	128,871	53,486	111,871	127,574	61,996	92,790

* The information is "Not disclosed" due to unavoidable circumstances in that such contains information for which consent for disclosure has not been obtained from the tenant, relevant party, etc. or information from which confidential information can be derived.

Statement of Income from Rent Business by Property for the Fiscal Period Ended August 2023 (9th FP)

(Unit: thousand yen)

Property number	A-9	A-10	A-11	A-12	B-1	B-2	B-3	Total
Asset type	Office buildings	Office buildings	Office buildings	Office buildings	Sub assets	Sub assets	Sub assets	
Property name	Omori Park Building	S-GATE AKASAKA*	Miyazakidai Garden Office	Hitachi Kyusyu Building*	Hotel Intergate Tokyo Kyobashi	Hotel Intergate Hiroshima	SANKEILOGI Settsu	
Rent business revenue	137,843		92,118		206,955	118,800	99,449	2,586,901
Rental revenue	107,099		73,087		206,955	118,800	98,776	2,224,844
Common area maintenance revenue	10,037		3,587		-	-	-	118,308
Utilities reimbursement	15,356		12,580		-	-	-	113,684
Parking revenue	4,680		1,542		-	-	-	33,632
Other rental revenue	670		1,321		-	-	673	96,431
Expenses related to rent business	70,325	(Not disclosed)*	41,339	(Not disclosed)	55,739	43,493	21,548	1,110,607
Outsourcing expenses	13,789		6,377		1,200	1,200	904	221,524
Utilities expenses	23,982		15,258		-	-	-	189,454
Property taxes	17,087		6,882		26,906	15,888	0	313,078
Land rent	-		-		-	-	-	1,818
Repair expenses	2,308		3,434		-	-	-	37,704
Insurance premium	482		232		577	534	325	7,097
Trust fee	350		350		250	250	293	4,090
Depreciation	11,793	12,968	8,218	29,232	26,770	25,572	20,001	320,905
Other expenses related to rent business	530		583		36	48	23	14,933
Operating income (loss) from rent business	67,518	103,789	50,779	185,200	151,216	75,306	77,901	1,476,293
NOI	79,311	116,757	58,997	214,433	177,986	100,879	97,902	1,797,199

* The information is "Not disclosed" due to unavoidable circumstances in that such contains information for which consent for disclosure has not been obtained from the tenant, relevant party, etc. or information from which confidential information can be derived.

Overview of Appraisal Value (as of August 31, 2023)

(Unit: million yen)

Property number	Property name	Acquisition price	End of the 9th FP Book value (a)	End of the 8th FP (February 28, 2023) (b)		End of the 9th FP (August 31, 2023) (c)		Change from appraisal in the previous fiscal period (c) – (b)		Unrealized gain/loss (c) – (a)
				Appraisal value	CR	Appraisal value	CR	Appraisal value	CR	
A-1	Tokyo Sankei Building (2% co-ownership interest)	2,509	2,618	2,620	2.3%	2,570	2.3%	-50	0.0pt	-49
A-2	BREEZÉ TOWER (43.45% quasi co-ownership interest in sectional ownership of the office portion of the building, etc.)	12,648	12,556	(18,000) *2	(3.6%) *2	17,380	3.5%	-	(-0.1pt) *2	4,823
A-3	S-GATE NIHONBASHI-HONCHO (51% co-ownership interest)	6,698	6,635	7,750	3.2%	7,750	3.2%	-	0.0pt	1,114
A-4	S-GATE AKIHABARA	2,055	2,021	2,710	3.3%	2,690	3.3%	-20	0.0pt	668
A-5	Hibiya Sankei Building	5,829	6,060	6,620	2.8%	6,630	2.8%	+10	0.0pt	569
A-6	Hatchobori Sankei Building	4,959	4,989	5,490	4.1%	5,470	4.1%	-20	0.0pt	480
A-7	Toyo Park Building	3,782	3,871	3,920	3.7%	3,900	3.7%	-20	0.0pt	28
A-8	Shinagawa Seaside TS Tower (50% quasi co-ownership interest in sectional ownership of the building, etc.)	20,940	21,191	19,450	3.3%	17,350	3.4%	-2,100	+0.1pt	-3,841
A-9	Omori Park Building	5,400	5,445	5,490	3.7%	5,270	3.7%	-220	0.0pt	-176
A-10	S-GATE AKASAKA	7,000	7,040	(5,992) *2	(3.1%) *2	7,400	3.1%	-	(0.0pt) *2	359
A-11	Miyazakidai Garden Office	2,800	2,835	2,730	4.5%	2,710	4.5%	-20	0.0pt	-125
A-12	Hitachi Kyusyu Building	10,000	10,167	10,300	4.3%	10,300	4.2%	-	-0.1pt	132
Office buildings subtotal (total of 12 properties)		84,623	85,433	91,072	-	89,420	-	-	-	3,986
B-1	Hotel Intergate Tokyo Kyobashi	8,961	8,871	9,040	3.8%	9,190	3.7%	+150	-0.1pt	318
B-2	Hotel Intergate Hiroshima	3,990	3,847	4,120	4.6%	4,180	4.5%	+60	-0.1pt	332
B-3	SANKEILOGI Settsu	5,242	5,307	(5,440) *3	(3.8%) *3	5,550	3.7%	(+110) *3	(-0.1pt) *3	242
Sub assets subtotal (total of 3 properties)		18,193	18,025	18,600	-	18,920	-	-	-	894
Portfolio total (total of 15 properties)		102,816	103,458	-	-	108,340	-	-	-	4,881

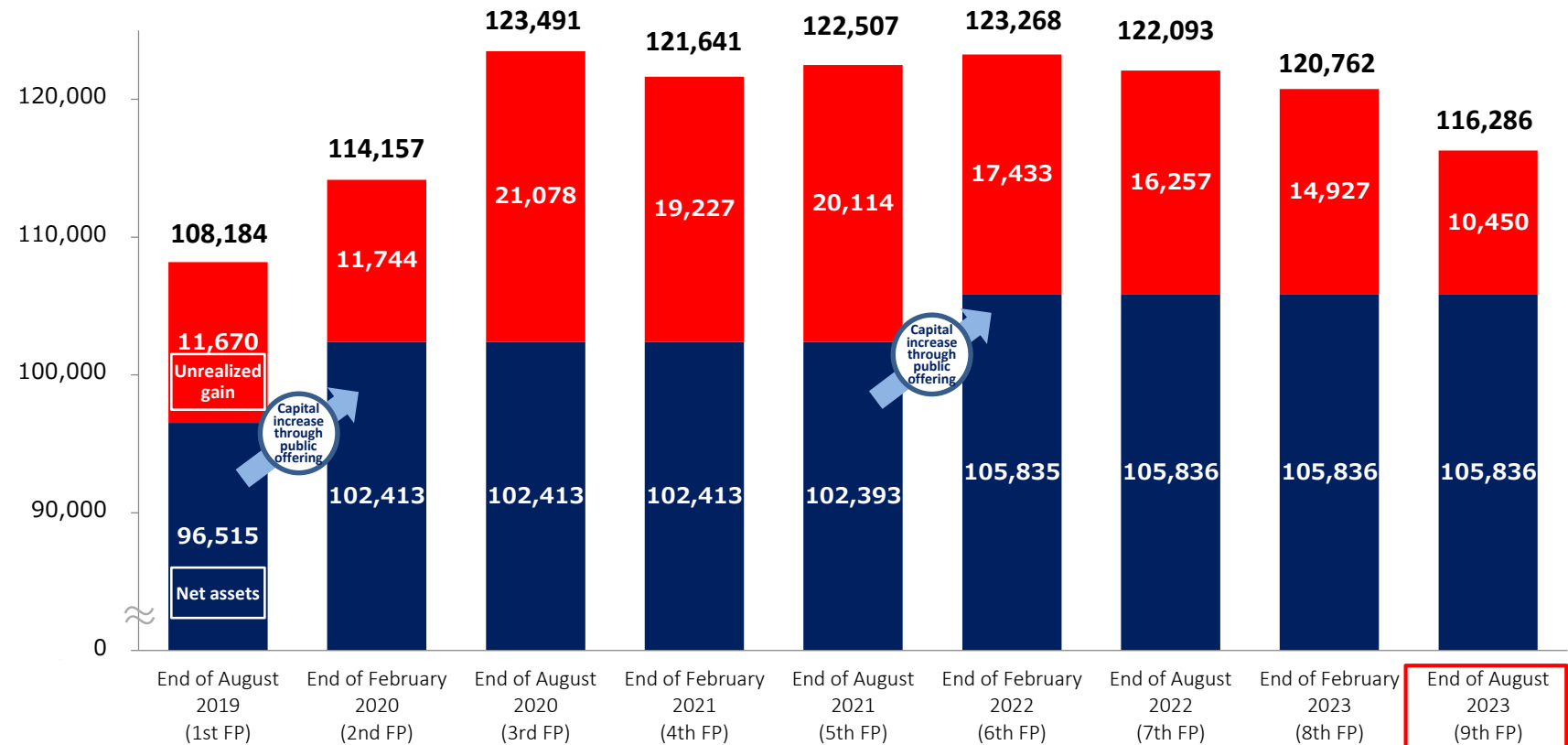
*1 CR is a cap rate based on direct capitalization method (NCF basis).

*2 The figures in parentheses are the appraisal values prior to the partial sale and additional acquisition of quasi co-ownership interest (45% quasi co-ownership interest shown for A-2, 80% quasi co-ownership interest for sectional ownership interest, of A-8).

*3 The figures in parentheses show the appraisal values published at the time of acquisition as reference values, and "Change from appraisal in the previous fiscal period" is the change from the appraisal value published at the time of acquisition.

Change in NAV per Unit (after Deduction of Distribution)

(Unit: yen)



Portfolio List (1) (as of August 31, 2023)

Property number	A-1	A-2	A-3	A-4	A-5	A-6	A-7	A-8
Asset type	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings	Office buildings
Property name	Tokyo Sankei Building (2% co-ownership interest)	BREEZÉ TOWER (43.45% quasi co-ownership interest in sectional ownership of the office portion of the building, etc.)	S-GATE NIHONBASHI-HONCHO (51% co-ownership interest)	S-GATE AKIHABARA	Hibiya Sankei Building	Hatchobori Sankei Building	Toyo Park Building	Shinagawa Seaside TS Tower (50% quasi co-ownership interest in sectional ownership of the building, etc.)
								
Location	Chiyoda-ku, Tokyo	Kita-ku, Osaka-shi	Chuo-ku, Tokyo	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo	Chuo-ku, Tokyo	Koto-ku, Tokyo	Shinagawa-ku, Tokyo
Acquisition date * Including partial sale	Mar. 12, 2019	(1) Mar. 12, 2019 (2) Sep. 3, 2019 (3) Aug. 31, 2023*	Mar. 12, 2019	Mar. 12, 2019	Mar. 12, 2019	Mar. 12, 2019	Mar. 12, 2019	(1) Sep. 3, 2019 (2) Sep. 2, 2021
Acquisition price	2,509 million yen	12,648 million yen	6,698 million yen	2,055 million yen	5,829 million yen	4,959 million yen	3,782 million yen	20,940 million yen
Appraisal value	2,570 million yen	17,380 million yen	7,750 million yen	2,690 million yen	6,630 million yen	5,470 million yen	3,900 million yen	17,350 million yen
Appraisal NOI yield (Appraisal NOI/Acquisition price)	2.5%	5.3%	3.8%	4.4%	3.5%	5.1%	4.0%	3.1%
Construction completion	Sep. 2000	Jul. 2008	Oct. 2018	Sep. 2017	Jun. 1992	Sep. 1965	Jun. 1991	Jul. 2003
Occupancy rate	99.8%	96.7%	100.0%	100.0%	100.0%	100.0%	75.1%	9.6%
PML value	2.3%	2.8%	2.0%	2.2%	3.1%	0.3%	9.0%	3.2%

Portfolio List (2) (as of August 31, 2023)

Property number	A-9	A-10	A-11	A-12	B-1	B-2	B-3
Asset type	Office buildings	Office buildings	Office buildings	Office buildings	Sub assets	Sub assets	Sub assets
Property name	Omori Park Building	S-GATE AKASAKA	Miyazakidai Garden Office	Hitachi Kyusyu Building	Hotel Intergate Tokyo Kyobashi	Hotel Intergate Hiroshima	SANKEILOGI Settsu
							
Location	Ota-ku, Tokyo	Minato-ku, Tokyo	Miyamae-ku, Kawasaki-shi	Sawara-ku, Fukuoka-shi	Chuo-ku, Tokyo	Naka-ku, Hiroshima-shi	Settsu-shi, Osaka
Acquisition date	Sep. 3, 2019	(1) Oct. 1, 2020 (2) Sep. 2, 2021 (3) Mar. 31, 2023	Sep. 2, 2021	Sep. 2, 2021	Mar. 12, 2019	Sep. 3, 2019	Mar. 31, 2023
Acquisition price	5,400 million yen	7,000 million yen	2,800 million yen	10,000 million yen	8,961 million yen	3,990 million yen	5,242 million yen
Appraisal value	5,270 million yen	7,400 million yen	2,710 million yen	10,300 million yen	9,190 million yen	4,180 million yen	5,550 million yen
Appraisal NOI yield (Appraisal NOI/Acquisition price)	3.8%	3.3%	4.5%	4.7%	3.9%	4.9%	4.0%
Construction completion	May 1993	Jul. 2015	Feb. 1993	Feb. 1996	Jan. 2018	Oct. 2018	Oct. 2022
Occupancy rate	79.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
PML value	5.6%	4.6%	9.5%	2.5%	1.8%	2.1%	6.9%
						PML value (average)	1.8%

Portfolio Matrix (1) (as of August 31, 2023)

<Cap. Rate (Appraisal NOI Yield) x Area>

Area

Area	Central 3 wards of Tokyo (Chiyoda, Chuo, and Minato wards)		Tokyo 23 wards (Other than the central 3 wards of Tokyo)		Greater Tokyo (Excluding Tokyo)		Greater Osaka Greater Nagoya		Other ordinance-designated cities Core Cities, Major Regional Cities		Total acquisition price (Overall ratio)
	Property name Building age, walking time from station Acquisition price		Property name Building age, walking time from station Acquisition price		Property name Building age, walking time from station Acquisition price		Property name Building age, walking time from station Acquisition price		Property name Building age, walking time from station Acquisition price		
Less than 3.0%	Tokyo Sankei Building 22 years old, 1-minute walk 2,509										2,509 (2.4%)
Less than 3.5%	S-GATE AKASAKA 8 years old, 1-minute walk 7,000		Shinagawa Seaside TS Tower 20 years old, 1-minute walk 20,940								27,940 (27.2%)
Less than 4.0%	Hibiya Sankei Building 31 years old, 1-minute walk 5,829		Omori Park Building 30 years old, 3-minute walk 5,400								26,889 (26.2%)
	S-GATE NIHONBASHI-HONCHO 4 years old, 4-minute walk 6,698										
	Hotel Intergate Tokyo Kyobashi 5 years old, 1-minute walk 8,961										
Less than 4.5%	S-GATE AKIHABARA 5 years old, 5-minute walk 2,055		Toyo Park Building 32 years old, 9-minute walk 3,782				SANKEILOGI Settsu New, 6-minute walk 5,242				11,079 (10.8%)
Less than 5.0%					Miyazakidai Garden Office 30 years old, 3-minute walk 2,800				Hitachi Kyusyu building 27 years old, 17-minute walk 10,000		16,790 (16.3%)
									Hotel Intergate Hiroshima 4 years old, 3-minute walk 3,990		
5.0% or more	Hatchobori Sankei Building 58 years old, 3-minute walk 4,959						BREEZÉ TOWER 15 years old, 3-minute walk 12,648				17,608 (17.1%)
Total acquisition price (Overall ratio)	38,013 (37.0%)		30,122 (29.3%)		2,800 (2.7%)		17,890 (17.4%)		13,990 (13.6%)		102,816 (100.0%)

Typical Floorplate * Office Buildings Only

- 400 tsubos or more
- Less than 400 tsubos, but 200 tsubos or more
- Less than 200 tsubos, but 100 tsubos or more
- Less than 100 tsubos
- Assets other than office buildings

Portfolio Matrix (2) (as of August 31, 2023)

<Typical Floorplate x Area>

← Area →

Area	Central 3 wards of Tokyo (Chiyoda, Chuo, and Minato wards)		Tokyo 23 wards (Other than the central 3 wards of Tokyo)		Greater Tokyo (Excluding Tokyo)		Greater Osaka Greater Nagoya		Other ordinance-designated cities Core Cities, Major Regional Cities		Total acquisition price (Overall ratio)
	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price	Property name Building age, walking time from station Acquisition price			
400 tsubos or more	Tokyo Sankei Building 22 years old, 1-minute walk 2,509	Shinagawa Seaside TS Tower 20 years old, 1-minute walk 20,940					BREEZÉ TOWER 15 years old, 3-minute walk 12,648				41,340 (40.2%)
							SANKEILOGI Settsu New, 6-minute walk 5,242				
Less than 400 tsubos 300 tsubos or more		Omori Park Building 30 years old, 3-minute walk 5,400	Miyazakidai Garden Office 30 years old, 3-minute walk 2,800					Hitachi Kyusyu building 27 years old, 17-minute walk 10,000			18,200 (17.7%)
Less than 300 tsubos 200 tsubos or more	Hatchobori Sankei Building 58 years old, 3-minute walk 4,959	Toyo Park Building 32 years old, 9-minute walk 3,782						Hotel Intergate Hiroshima 4 years old, 3-minute walk 3,990			12,732 (12.4%)
Less than 200 tsubos 100 tsubos or more	S-GATE NIHONBASHI-HONCHO 4 years old, 4-minute walk 6,698										28,489 (27.7%)
	Hibiya Sankei Building 31 years old, 1-minute walk 5,829										
	S-GATE AKASAKA 8 years old, 1-minute walk 7,000										
	Hotel Intergate Tokyo Kyobashi 5 years old, 1-minute walk 8,961										
Less than 100 tsubos	S-GATE AKIHABARA 5 years old, 5-minute walk 2,055										2,055 (2.0%)
Total acquisition price (Overall ratio)	38,013 (37.0%)	30,122 (29.3%)	2,800 (2.7%)	17,890 (17.4%)	13,990 (13.6%)	102,816 (100.0%)					

↑ Typical floorplate (tsubo) ↓

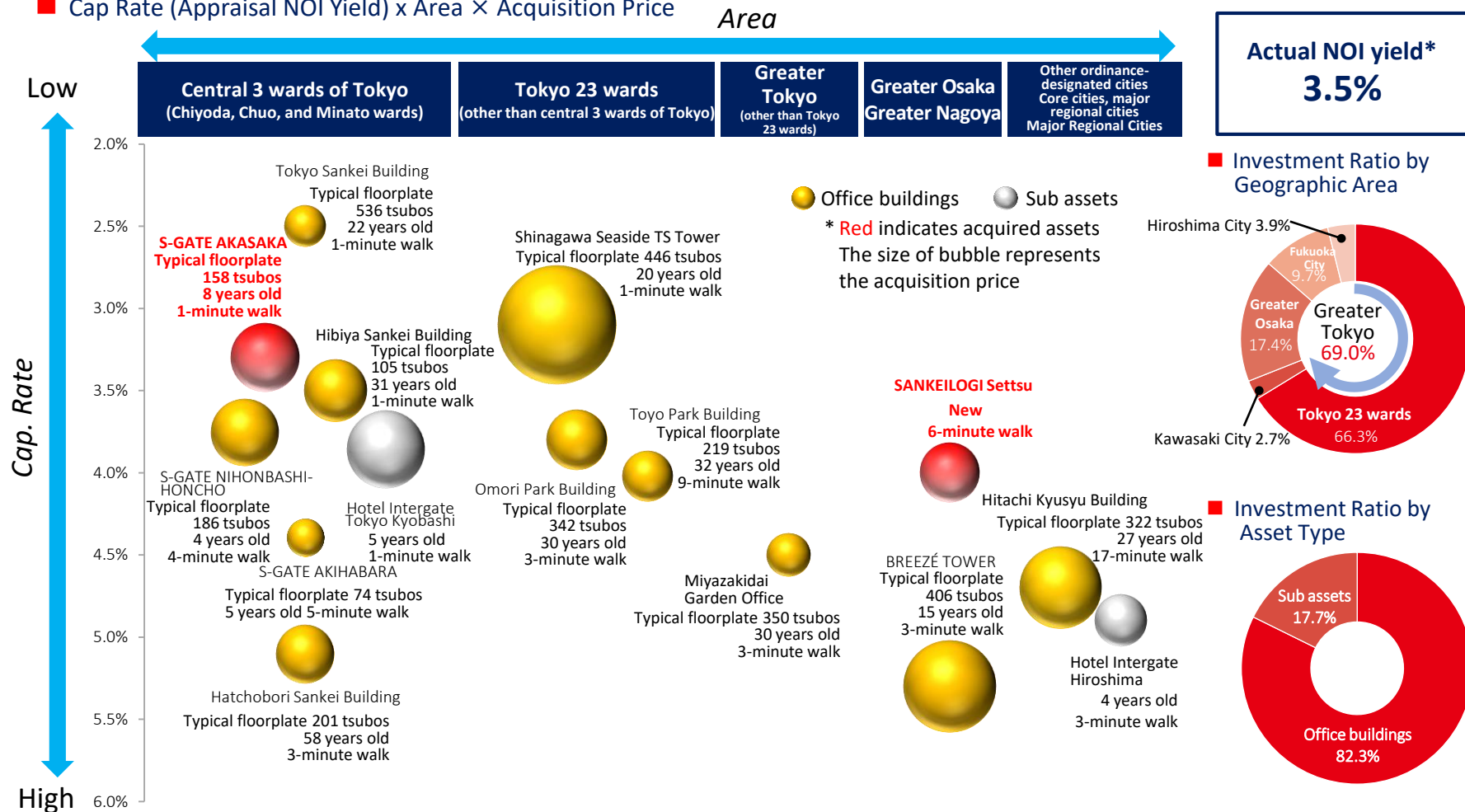
Typical Floorplate * Office Buildings Only

- 400 tsubos or more
- Less than 400 tsubos, but 200 tsubos or more
- Less than 200 tsubos, but 100 tsubos or more
- Less than 100 tsubos
- Assets other than office buildings (Construction area is used as reference value)

Portfolio Matrix (3) (as of August 31, 2023)



■ Cap Rate (Appraisal NOI Yield) x Area × Acquisition Price



* "Actual NOI yield" refers to the actual NOI yield calculated assuming the level of normal operations, after adjusting temporary factors such as fixed asset taxes that were not expensed at the time of acquisition and one-off termination penalties.

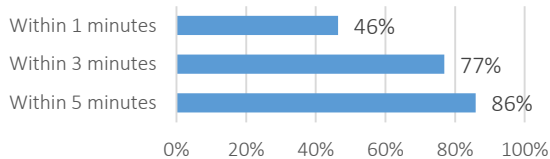
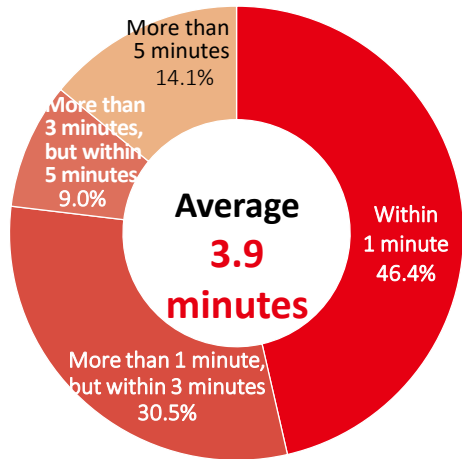
Portfolio Status (as of August 31, 2023)

SANKEI REAL ESTATE’s high-quality portfolio is supported by strong sponsor support

Sponsor support rate **100%**

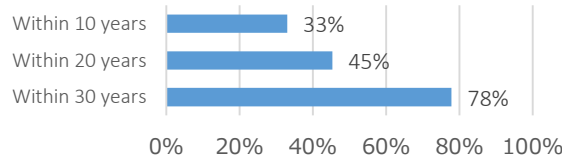
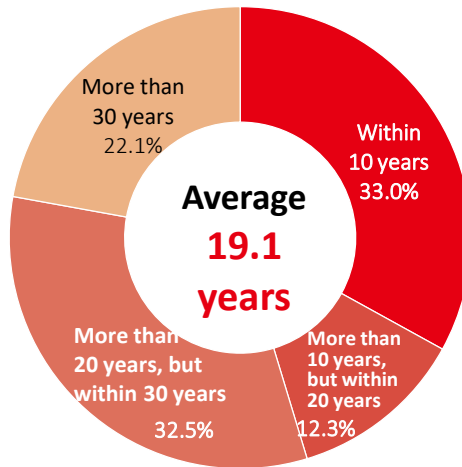
Close

Percentage by Walking Time to the Nearest Station (excluding logistics facilities)



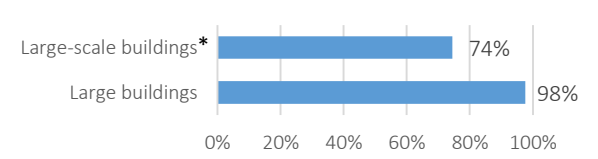
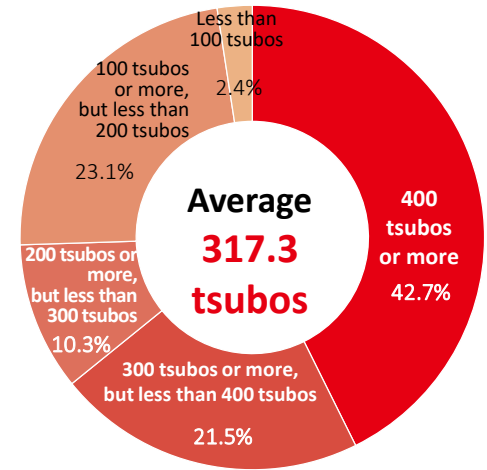
New

Percentage by Building Age



Large

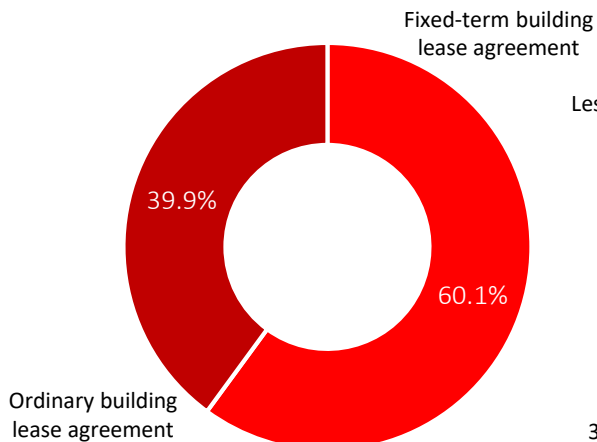
Percentage by Typical Floorplate (Office Buildings)



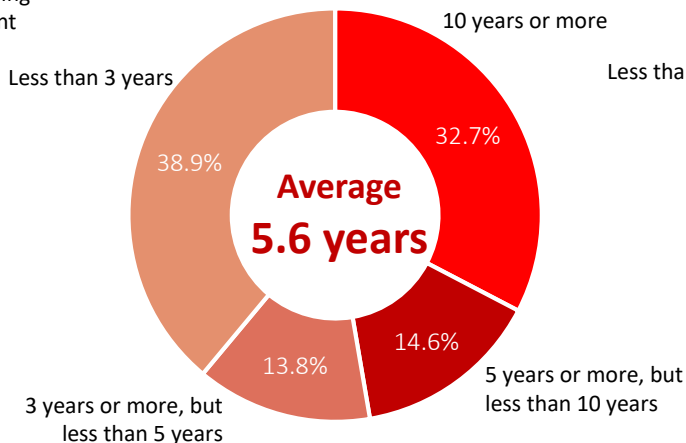
* Calculated based on the definition of “Large-scale buildings: 200 tsubos or more” and “Large buildings: 100 tsubos or more, but less than 200 tsubos” made by Sanko Estate Co., Ltd.

Status of Lease Agreements (as of August 31, 2023; based on leased area after considering ownership interest)

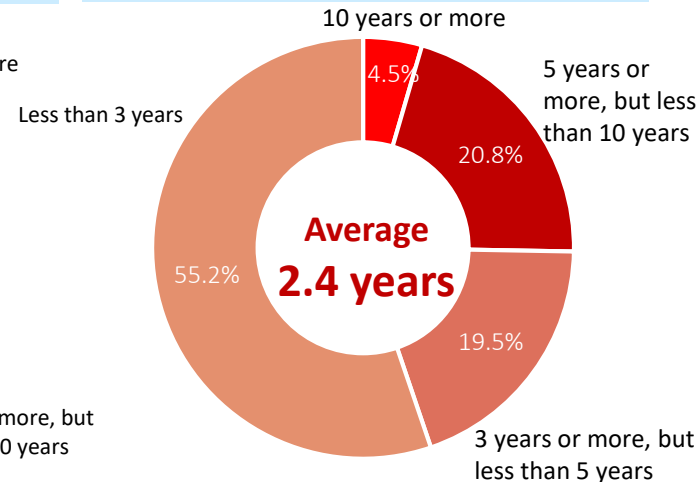
Percentage by Contract Form



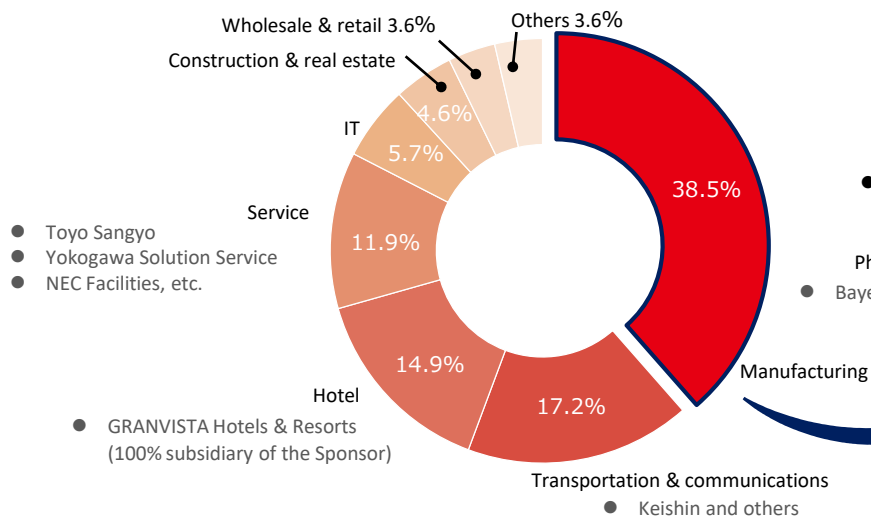
Percentage by Lease Period



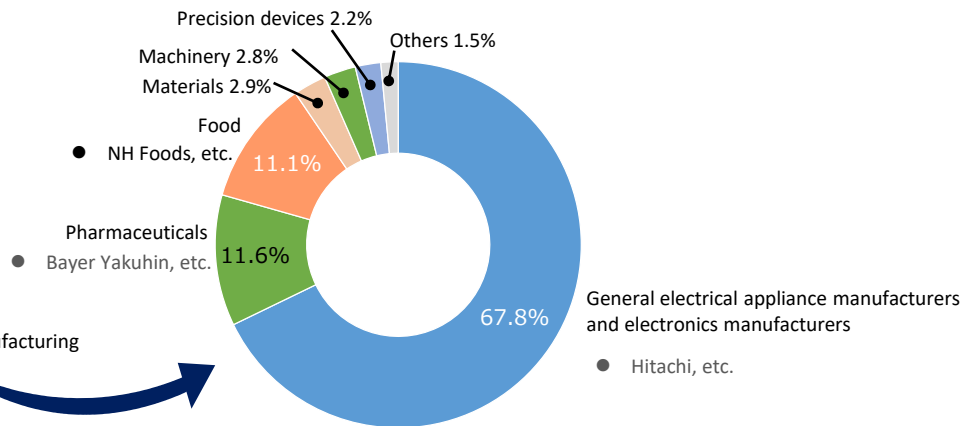
Percentage by Lease Period (Excluding hotels and logistics facilities)



Percentage by Business Type



Percentage by Business Type (Manufacturing)



Top End Tenants by Leased Area (as of August 31, 2023)

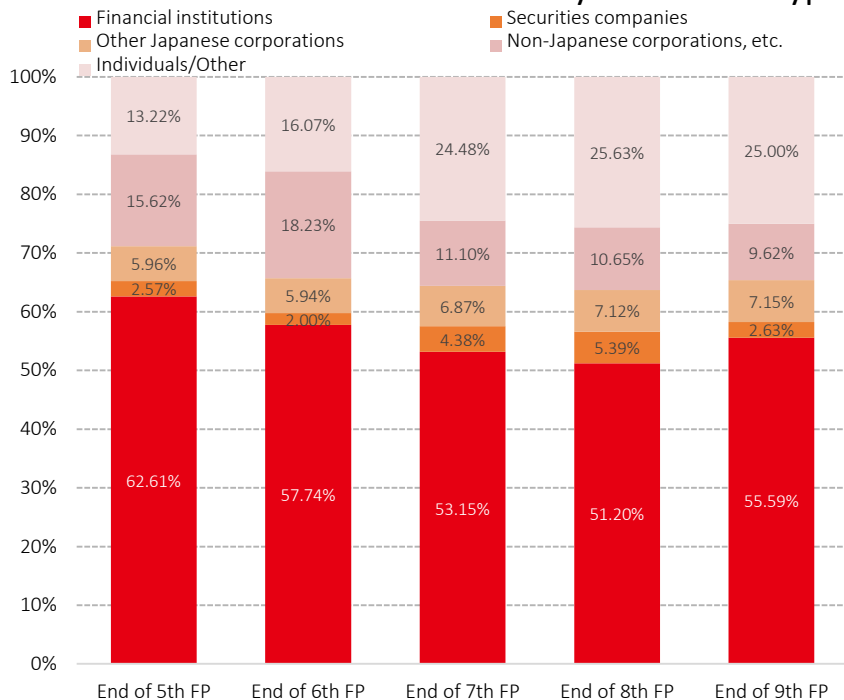
Name of end tenant	Business type	Total leased area (m ²)	% of portfolio's total leased area	Property name
Hitachi, Ltd.	Manufacturing (general electrical appliances)	26,513.3	26.50%	Hitachi Kyusyu Building
GRANVISTA Hotels & Resorts Co., Ltd.	Hotels	15,166.7	15.16%	Hotel Intergate Tokyo Kyobashi Hotel Intergate Hiroshima
Keishin K.K.	Transportation	14,489.6	14.48%	SANKEILOGI Settsu
Bayer Yakuhin, Ltd.	Manufacturing (pharmaceutical)	Not disclosed	Not disclosed	BREEZÉ TOWER
Hakuhodo DY Holdings Inc.	Services (advertising)	3,147.1	3.15%	S-GATE AKASAKA
NH Foods Ltd.	Manufacturing (food)	Not disclosed	Not disclosed	BREEZÉ TOWER
Konoike Construction Co., Ltd.	Construction	2,542.7	2.54%	S-GATE NIHONBASHI-HONCHO
Toyo Sangyo Co., Ltd.	Services (equipment maintenance)	1,509.7	1.51%	Omori Park Building
HBA Corporation	IT	1,476.0	1.48%	Shinagawa Seaside TS Tower
Yokogawa Solution Service Corporation	Services (equipment maintenance)	Not disclosed	Not disclosed	BREEZÉ TOWER

*1 The information is "Not disclosed" due to unavoidable circumstances in that such contains information for which consent for disclosure has not been obtained from the tenant, relevant party, etc. or information from which confidential information can be derived.

*2 "Total leased area" is rounded to one decimal place.

Status of Unitholders (as of August 31, 2023)

➤ Breakdown of Investment Units by Unitholder Type



➤ Number of Unitholders by Unitholder Type

	End of 5th FP	End of 6th FP	End of 7th FP	End of 8th FP	End of 9th FP
Financial institutions	43	50	50	47	45
Securities companies	22	23	23	22	21
Other Japanese corporations	124	178	240	248	238
Non-Japanese corporations, etc.	75	143	160	171	168
Individuals/Other	7,064	10,117	13,872	13,981	13,894
Total	7,328	10,511	14,345	14,469	14,366

➤ Major Unitholders

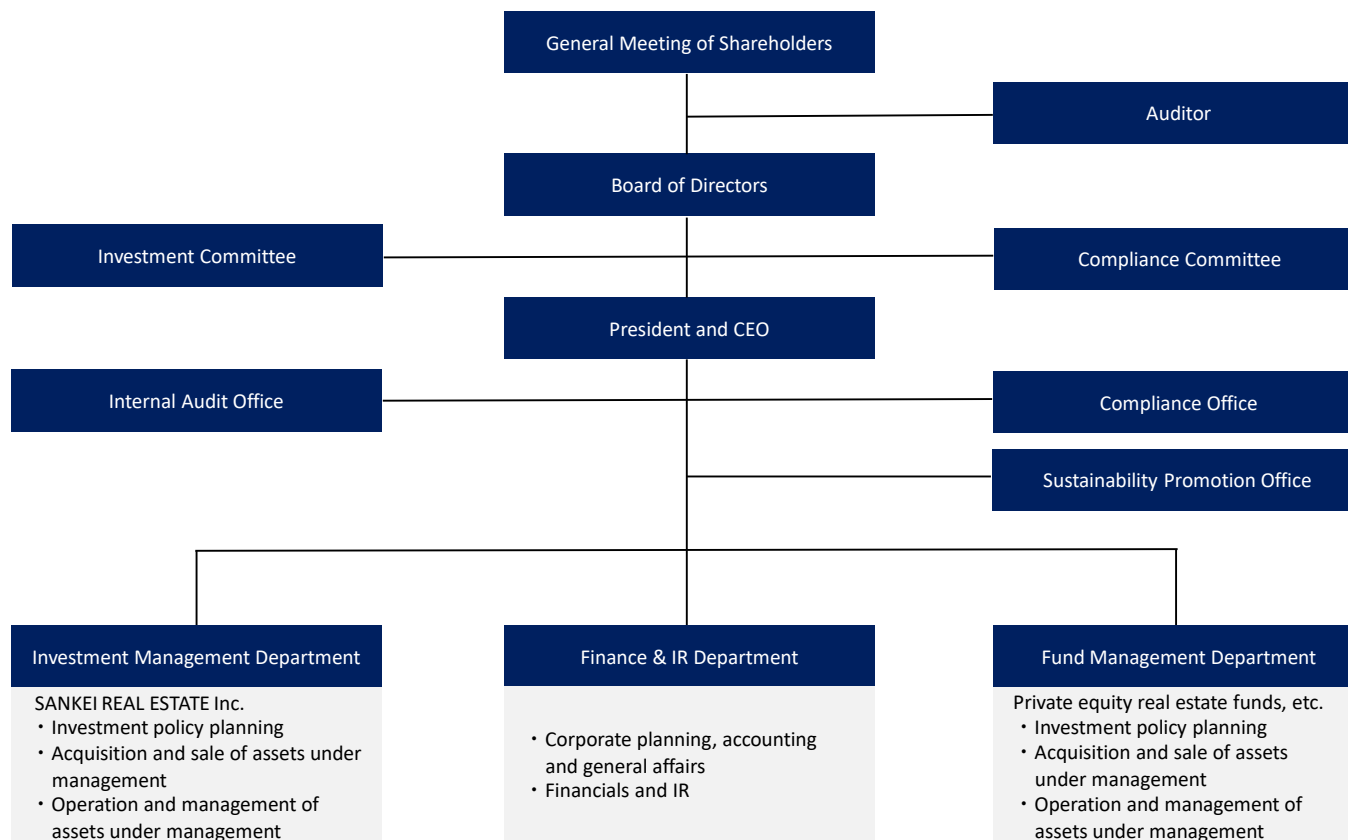
Name of unitholder	Number of units owned (units)	Share of units owned (%)
Custody Bank of Japan, Ltd. (Trust Account)	107,191	22.94%
The Master Trust Bank of Japan, Ltd. (Trust Account)	89,244	19.10%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	20,172	4.31%
The Sankei Building Co., Ltd.	17,479	3.74%
JP MORGAN CHASE BANK 385771	7,164	1.53%
The Bank of Yokohama, Ltd.	5,691	1.21%
The Hyakujushi Bank, Ltd.	3,500	0.74%
JAPAN SECURITIES FINANCE CO., LTD.	3,273	0.70%
UEDA YAGI TANSHI Co., Ltd.	3,266	0.69%
BNP Paribas Securities (Japan) Limited	3,171	0.67%
Total	260,151	55.69%

* Each share above is rounded down to two decimal place.

Profile of the Asset Management Company

Trade name	Sankei Building Asset Management Co., Ltd.
Established	April 13, 2018
Capital	100 million yen
Shareholder composition	The Sankei Building Co., Ltd. 100%
Main line of business	Investment management business, investment advisory and agency business, type II financial instruments business

Directors and auditors	5 directors 1 auditor
Financial instruments business registration	Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 3094
Real estate brokerage license	Governor of Tokyo License (2) No. 102209
Discretionary transaction agency, etc. approval	Minister of Land, Infrastructure, Transport and Tourism Approval No. 125



Notes

Unless otherwise specified, the figures in this document are rounded down to the nearest unit and percentages are rounded to one decimal place. Therefore, the value, such as sum total, may not match the value obtained thereby. Furthermore, the figures shown correspond to 2% co-ownership interest in Tokyo Sankei Building, 43.45% quasi co-ownership interest in sectional ownership of the building, etc. of the office portion of BREEZÉ TOWER, 51% co-ownership interest in S-GATE NIHONBASHI-HONCHO and 50% quasi co-ownership interest in sectional ownership of the building, etc. of Shinagawa Seaside TS Tower.

Page 3

1. Sankei Building Asset Management has concluded a sponsor support agreement with the Sponsor (Sankei Building) for receiving support providing sale information on properties and various other types of support.

Page 20

1. For the properties shown on the “Sponsor’s Main Development Results and Plans” page are those developed or scheduled to be developed by Sankei Building, special purpose companies or specified purpose companies in which Sankei Building invests through silent partnership, preferred equity investment or other means, and affiliates of Sankei Building.
2. The development plans shown on this page are of SANKEI REAL ESTATE and SANKEI REAL ESTATE neither guarantees nor promises their execution.

Page 25

■ (Top left graph) Change in Occupancy Rate

1. “Occupancy rate” indicates the percentage of the total leased area^(*) against the total leasable area^(*) of each of the acquired assets as of each base date, rounded to one decimal place.
 - (*)1 “Total leasable area” is the total area believed to be leasable (not including area for storage facilities, billboards, parking areas, etc. that are not the main use) based on lease agreements or building drawings, etc. pertaining to each of the acquired assets as of each date shown.
 - (*)2 “Total leased area” is the total leased area (not including area for storage facilities, billboards, parking areas, etc. that are not main use) shown in lease agreements for the building pertaining to each of the acquired assets as of each date shown (excluding, however, lease agreements for which the lease period has not commenced). For the portion covered by a pass-through master lease, this is the total of the area for which a lease agreement has actually been concluded with an end tenant for said portion, and the lease period has commenced.

■ (Top right graph) Change in Rent Gap for Office Buildings

1. “Rent Gap” refers to the figure arrived at when the amount of difference between the average rent for SANKEI REAL ESTATE’s office building portfolio^(*) and the market rent^(*) is divided by the market rent. SANKEI REAL ESTATE believes there is room for negotiation with tenants to increase rent when revising rent if the figure is negative. This applies to the assets acquired by SANKEI REAL ESTATE as of the end of each fiscal period that are categorized as “Office Buildings.”
 - (*)1 “Average rent of the office building portfolio” is calculated using the weighted average, based on leased area, of the total amount of monthly rent specified in lease agreements concluded as of the end of each period, for the office building portfolio* (including CAM). Furthermore, it does not take into consideration free rent and rent holidays as of the same day and is based on the rent as of the end of each period, if there is an agreement to change rent in the future. Furthermore, if agreements with tenants include variable rent, calculation is made without taking into consideration variable rent. (Consumption tax, etc. is not included.)
 - (*)2 “Market rent” is calculated using the weighted average, based on leased area, of the total median value of assumed new contract rent (typical floorplate) (including CAM) as of September 2023 for office buildings subject to rent gap calculation within the acquired assets of SANKEI REAL ESTATE shown in the market report prepared by CBRE. Market rent is assessed by CBRE using its own methodology assuming the conclusion of new contracts with new tenants as of March 2023 based on information collected by CBRE and the objectivity of the assessment, and the validity and accuracy of the assessment content are not guaranteed. In particular, actual new contract rent fluctuates due to factors such as whether it is for a new tenant or rent revision with an existing tenant, the timing of the rent revision, the timing of moving in, the contract area and the region, and for this reason the rent in the CBRE-assessed rent may not be realized. Furthermore, the amount and level of actual new contract rent for the office building portfolio are not guaranteed, and there are no assurances or promises that the rent increases equivalent to the “rent gap” will be made.

■ (Bottom figure) Change in Portfolio’s Actual NOI Yield and Office Buildings Average Rent Unit Price

1. “Actual NOI yield” refers to the actual NOI yield of all assets held at each point in time calculated using the following formula for assets after acquisition. The same applies below.

$$\text{Actual NOI yield} = \text{Actual NOI (annualized)}(*) \div \text{acquisition price}$$
 - (*) Actual NOI states the level of normal operation(*). For example, as some fixed asset taxes on acquired assets have not been expensed in the fiscal period, these are the figures after adjustment assuming these are expensed. For the fiscal period in which there was other temporarily occurring revenue (fiscal period ended August 2022), it is the figure calculated by subtracting this other revenue.
 - (*) “During normal operation” (also referred to as “the level of normal operation”) refers to the level at the time of stable operations rather than the temporary level immediately after commencement of operations by SANKEI REAL ESTATE. The same applies below.
2. Office Buildings Average Rent Unit Price is calculated using “Rental and CAM revenue upon the most recent settlement / 6 months / Leasable area x Occupancy rate of office building.”

Page 26

■ (Top graph) Rent Revision Performance of Office Buildings (Based on Rental Area)

1. Of the assets acquired by SANKEI REAL ESTATE as of the end of each fiscal period, applies to properties classified under “Office Buildings” (12 properties in the fiscal period ended August 2023: Tokyo Sankei Building, BREEZÉ TOWER, S-GATE NIHONBASHI-HONCHO, S-GATE AKIHABARA, Hibiya Sankei Building, Hatchobori Sankei Building, Toyo Park Building, Shinagawa Seaside TS Tower, Omori Park Building, S-GATE AKASAKA, Miyazakidai Garden Office, and Hitachi Kyusyu Building). For example, for the fiscal period ended August 2023, in the 12 applicable properties, those with rent revision under lease agreements occurring in the period from March 1, 2023, until August 31, 2023 (limited to those for which a lease agreement was concluded or renewed during the relevant period), applied to 30 tenants with a total of 10,855 tsubos in area (rounded to the nearest unit). Assuming the revised area is 100%, on a leased area basis, monthly rent was increased in 4.7%, renewed at the same level (maintained) in 95.2%, and reduced in 0.0%. Changes in floor space were treated as rent revision performance, and if there was no change in the current rent per unit, it is regarded as being maintained.
2. “Rate of increase” refers to the figure calculated by dividing the difference between the total monthly rent after renewal and the total monthly rent before renewal by the total monthly rent before renewal for lease agreements renewed during each period (for example, from March 1, 2023, to the end of August 2023 for the period ended August 2023), with increased rent (calculated for renewal with rent revision/renewal of agreements with existing tenants, limited to lease agreements concluded or renewed during the relevant period).

Notes

Page 28

■ (Top graph) Scheduled Renewal with Rent Revision/Renewal and Progress (Targeting Office Buildings)

1. Applies to lease agreements concluded as of the end of the fiscal period ended August 2023 (9th FP), stating the area subject to renewal with rent revision/renewal in the fiscal period ending February 2024 (10th FP) and the fiscal period ending August 2024 (11th FP).
2. The leased area of the office buildings subject to “contract revision/renewal planned area” is the figure corresponding to the ownership interest acquired by SANKEI REAL ESTATE in each property.
3. “Ratio to total leased area” is the value calculated by dividing the total contract revision/renewal (planned) area for each contract revision/ renewal period by the total leased area for each period.
4. “Progress rate” is the value calculated by dividing the total leased area for lease contracts that have been concluded as of August 31, 2023, and whose revision/renewal has been completed by the contract revision/renewal (planned) area for each contract revision/renewal period.

Page 31

■ (Top left figure) Financing Highlights

1. “Balance of interest-bearing liabilities” shows the figure as the date of disclosure.
 2. “Ratio of long-term debt” is the ratio of the balance of the long-term interest-bearing debt (not including the current portion) included in the balance of interest-bearing liabilities as the date of disclosure.
 3. “Average financing interest rate” is calculated using the weighted average, based on the balance of interest-bearing debt, of the anticipated applicable interest rate of each interest-bearing liability as the date of disclosure. Calculations are on an interest payable basis and do not include arrangement fee and other borrowing-related expenses.
 4. “LTV” is the balance of interest-bearing liabilities divided by the amount of total assets and multiplied by 100, rounded to one decimal place. The figures at the end of the 10th FP and the end of the 11th FP at the top right are forecasts.
 5. “Ratio of fixed interest rate” refers to the ratio of the balance of interest-bearing liabilities with fixed interest included in the balance of interest-bearing liabilities as the date of disclosure.
 6. “Average remaining time to maturity” refers to the period determined by the weighted average, based on the balance of each interest-bearing liability, of the period until the repayment date or redemption date of each interest-bearing liability as the date of disclosure.
- (Bottom left figure) Distribution Map of Average Financing Interest Rates and Average Remaining Time to Maturity of Office J-REITs
1. “J-REIT” refers to a listed real estate investment corporation, and “Office J-REITs” refers to J-REITs with an office building rate (*) exceeding 50% in their portfolio at the end of the most recent fiscal period as of September 30, 2023.
- (*) “Office building rate” is the percentage (on acquisition price basis) of “office buildings” included in an investment corporation’s entire portfolio. The same applies below.
2. Uses the figures for the most recent fiscal period of “Office J-REITs” as of September 30, 2023.
 3. The dotted lines in the graphs are straight lines approximating the relationships between “average financing interest rate” and “average remaining time to maturity” for Office J-REITs that are statistically calculated to minimize the sum of the error (distance between the anticipated line and the coordinates of the distribution) using the least-squares method

Page 32

■ (Bottom figure) Maturity ladder

1. “Maturity ladder” refers to a diagram that aggregates the amounts of each interest-bearing liability for a certain period by maturity date and lists these in order of time.

Page 35

1. “GRESB” is the name of an annual benchmark assessment measuring consideration for the environment, society and governance (ESG) in real estate companies and funds, and the organization that manages this. It was founded in 2009 by a group of major European pension funds leading the Principles for Responsible Investment (PRI).
2. “DBJ Green Building Certification” is a certification system established by Development Bank of Japan Inc. (DBJ) in April 2011 to support properties that give proper care to the environment and society (Green Building). Besides the applicable properties’ environmental performance, based on comprehensive evaluation, including various efforts for stakeholders, such as consideration to disaster prevention or local communities, it evaluates and certifies real estate needed for society and economy and supports those initiatives.

Page 36

■ Environment

1. “DBJ Green Building Certification” was obtained by The Sankei Building Co., Ltd. for Tokyo Sankei Building and BREEZÉ TOWER
 2. “BELS”, the Building-Housing Energy-efficiency Labeling System, is a third-party evaluation system that evaluates energy-saving performance of buildings based on evaluation standards set by the Ministry of Land, Infrastructure, Transport and Tourism. The same applies below.
 3. CASBEE for Real Estate was developed to utilize the results of the CASBEE* environmental assessment of buildings in real estate evaluations. Buildings are assessed in five categories — Energy/GHG, Water, Materials, Biodiversity/Sustainable Site, and Indoor Environment — and each is assigned one of four ranks — S, A, B+, or B.
- (*) CASBEE, or Comprehensive Assessment System for Built Environment Efficiency, is a system that comprehensively evaluates the quality of buildings that are environmentally friendly by introducing materials that are effective for energy saving and have low environmental burden as well as the comfortableness of indoor areas and appearances of buildings. In April 2001, with the support from the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, the Comprehensive Environmental Assessment Research Committee for buildings was established as part of joint projects of government, industry and academia. Since then, it has implemented developmental and maintenance activities in a continuous manner.

Notes

Page 46

- The actual values of NAV per unit in each period are calculated as follows.
 Actual value of NAV per unit = Net assets per unit⁽¹⁾ at end of each FP + Unrealized gain (loss) at end of each FP⁽²⁾ / Number of investment units issued and outstanding at end of each FP⁽³⁾
 (*1) "Net assets per unit" is obtained using the following formula. This is simply shown as "Net assets" in the graph. The same applies below.
 Net assets per unit = Net assets at end of FP (after deducting distributions at the end of each FP) ÷ Number of investment units issued and outstanding at end of FP
 (*2) "Unrealized gain/loss at end of FP" is obtained using the following equation. It is referred to as "unrealized gain" if the result is positive and "unrealized loss" if negative. This is simply shown as "Unrealized gain" or "Unrealized loss" in the graph.
 Unrealized gain/loss at end of FP = Total appraisal value of assets held by SANKEI REAL ESTATE at end of FP - Total book value of assets held by SANKEI REAL ESTATE at end of FP
 (*3) "Number of investment units issued and outstanding at end of each FP" is the number of investment units issued and outstanding at the end of each fiscal period.
- The figures shown on this page are rounded to the nearest unit and percentages are rounded to one decimal place.

Pages 47 and 48

- Entries with multiple "acquisition dates" indicate additional acquisitions of interest.
- "PML value" refers to the probable maximum loss ratio in earthquake risk analysis, which is represented by the percentage of the probable maximum loss in relation to the replacement cost (value in the event of reconstructing the building) in the event of the largest anticipated earthquake during the period of use of the building (PML = probable maximum loss / replacement cost x 100).

Page 51

- "Portfolio matrix" is the balance and distribution of areas and yield, etc. in the overall assets acquired by SANKEI REAL ESTATE. The same applies below.
- "Cap. Rate" refers to "appraisal NOI yield," which is the ratio of the net operating income derived by the direct capitalization method shown on the real estate appraisal report against the acquisition price. The same applies below.
- "Acquisition price" is shown as the transaction price of real estate and trust beneficiary rights shown on the transaction agreement pertaining to each of the acquired assets. The sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the acquisition. The same applies below.
- "Greater Tokyo" refers to Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture. The same applies below.
- "Core cities" refers to cities with a population of 200,000 or more (excluding Greater Tokyo, Greater Osaka and Greater Nagoya, and other cities designated by government ordinance).
- "Major regional cities" refers to cities that are municipalities with population of less than 200,000 and the Asset Management Company has deemed certain demand can be found for specific asset types.
- "Typical floorplate" is a typical floor plan in mid- to high-rise buildings. The same applies below.
- "Investment ratio by geographic area" states the percentage in terms of acquisition price, after categorizing overall assets acquired by SANKEI REAL ESTATE by geographic area.
- "Investment ratio by asset" states the percentage in terms of acquisition price, after categorizing overall assets acquired by SANKEI REAL ESTATE into office buildings and those other than office buildings

Page 52

- "Sponsor support rate" is the percentage (on an acquisition price basis) of sponsor-owned properties or those acquired by using sales information on properties owned by third parties provided based on a sponsor support agreement. The same applies below.
- "Percentage by Walking Time to the Nearest Station(excluding logistics facilities)" is the percentage, based on acquisition price, of assets held excluding logistics facilities after classifying them by the number of minutes required to walk from the nearest station assuming that it takes one minute to travel a road distance of 80 meters, and the average is the weighted average based on acquisition price of each property of the calculated figures, rounded to one decimal place.
- "Percentage by Building Age" is the percentage, based on acquisition price, of assets held after classifying them by building age as of August 31, 2023, and the average is the weighted average, based on acquisition price of each property, of the calculated figures, rounded to one decimal place.
- "Percentage by Typical Floorplate (Office Buildings)" is the percentage, based on acquisition price, of assets held of which use is office buildings after classifying them by typical floorplate, and the average is the weighted average, based on acquisition price of each property, of the calculated figures, rounded to one decimal place

Page 53

- "Percentage by Contract Form" is the percentage of assets held based on leased area, rounded to one decimal place.
- "Percentage by Lease Period" is the percentage of assets held classified into "including hotels" and "excluding hotels," based on leased area, rounded to one decimal place. The average is the weighted average based on leased area of each property of the calculated figures, rounded to one decimal place.
- "Percentage by Business Type" is the percentage of assets held classified by tenant business type based on leased area, rounded to one decimal place.
- "Percentage by Business Type (Manufacturing)" is the percentage of assets held classified by tenant business type within manufacturing based on leased area, rounded to one decimal place.
- The leased area for properties leased through a master lessee is calculated using the areas stated in the lease agreements concluded with end tenants as the areas leased to the end tenants

Page 54

- "Total leased area" and "% of portfolio's total leased area" are based on figures after considering SANKEI REAL ESTATE's ownership interest.
- "% of portfolio's total leased area" refers to the total leased area expressed as a percentage of the entire portfolio's total leased area, rounded to one decimal place.
- "Total leased area" and "% of portfolio's total leased area" for properties leased through a master lessee are calculated using the areas stated in the lease agreements concluded with end tenants as the areas leased to the end tenants