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For Immediate Release

## Real Estate Investment Trust Securities Issuer

2-3-4 Uchikanda, Chiyoda-ku, Tokyo

SANKEI REAL ESTATE Inc.

Representative: Yuichi Ota, Executive Director

(TSE code: 2972)

## Asset Management Company

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Notice Concerning large-scale Portfolio Rebalancing  
(disposition and Acquisition of Domestic Real Estate Trust Beneficiary Rights)

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that Sankei Building Asset Management Co., Ltd., the asset management company to which SANKEI REAL ESTATE entrusts the management of its assets (the "Asset Management Company"), has decided today the disposition and acquisition (collectively, the "Transaction"; the assets to be disposed and the assets to be acquired in the Transaction are referred to as the "Assets to be Disposed" and the assets to be acquired as the "Assets to be Acquired"; collectively, the "Assets to be Transacted") of domestic real estate trust beneficiary rights in the following properties as the previously announced Large-scale portfolio rebalancing.

THE SANKEI BUILDING CO., LTD. (the "Sponsor"), the counterparty of the Transaction, and GRANVISTA Hotels & Resorts Co., Ltd., one of the lessee of the Assets to be Acquired, fall under the category of a related party, etc. stipulated in Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (the "Investment Trusts Act") and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended) (the "Order for Enforcement of the Investment Trusts Act") as well as under the category of a related party defined in the Asset Management Company's rules on transactions with related parties. Accordingly, the Asset Management Company has completed necessary procedures such as deliberation and resolution in accordance with the rules on transactions with related parties, which are voluntary rules for preventing conflict of interest in transactions with related parties.

In addition to the Transaction, SANKEI REAL ESTATE is in discussions to acquire several other assets as part of its "large-scale portfolio rebalancing." The details of these transactions will also be disclosed as soon as the conditions of acquisition, etc. are finalized.

#### I. Overview of the Transaction

SANKEI REAL ESTATE plans to execute this transaction for the two properties to be disposed and three properties to be acquired, as described below. The Transactions will be executed upon the exercise of the Preferential Negotiation Rights (Note) granted or acquired based on the Sponsor's support.

Through the Transaction, SANKEI REAL ESTATE intends to build the portfolio capable of sustainable growth which withstands market cycles and is equipped with both upside potential and protection against downsides.

After the completion of the Transaction, the investment ratio in SANKEI REAL ESTATE's portfolio is expected to be 59.3% for office buildings and 40.7% for core asset group (i.e., hotels, logistics facilities, and residential facilities).

(Note) For details of the Preferential Negotiation Rights, please refer to "Notice Concerning Revival Plan and Granting of Preferential Negotiation Rights for Sale and Acquisition of Domestic Real Estate Trust Beneficiary Rights" announced on October 16, 2023. The same shall apply hereinafter.

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### 1. Overview of the Disposition

Asset type	Property Number	Property Name	Location	Planned Disposition Price (Note 1)	Book Value (Note 2)	Amount of difference between disposition price and book value (Note 3)	Brokerage
Office Building	A-2	BREEZÉ TOWER	Kita-ku, Osaka-shi	17,995	12,556	5,438	None
Office Building	A-8	Shinagawa Seaside TS Tower	Shinagawa-ku, Tokyo	16,100	21,191	-5,091	None
Total (2 Properties)			-	34,095	33,747	347	-

(Note 1) The disposition price is the sale and purchase price of the trust beneficiary right stated in the sale and purchase agreement for the trust beneficiary right of the Assets to be Disposed, rounded down to the nearest million yen. Sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the disposition.

(Note 2) The book value is a value as of the end of August 2023.

(Note 3) The difference between the disposition price and the book value is a value for reference, calculated as the difference between the planned disposition price, book value and disposition-related expenses, and may be different from the actual gain (loss) on disposition.

- (1) Contract date                                 January 31, 2024
- (2) Disposition date                            January 31, 2024 (Note)
- (3) Buyer   THE SANKEI BUILDING CO., LTD..
- (4) Settlement date                            January 31, 2024 (Note)
- (5) Settlement method                         Receipt of full amount at the time of delivery

(Note) The Disposition date and the Settlement date are subject to change upon agreement between SANKEI REAL ESTATE and the buyer.

### 2. Overview of the Acquisition

Asset type	Property Number	Property Name	Location	Assets to be Acquired	Planned Acquisition Price (million yen) (Note)	Brokerage
Hotel	B-4	Hotel Intergate Kyoto Shijo Shinmachi	Nakagyo-ku, Kyoto-shi	Real estate trust beneficiary right	5,800	None
Hotel	B-5	Hotel Intergate Kanazawa	Kanazawa-shi, Ishikawa	Real estate trust beneficiary right	3,250	None
Hotel	B-6	Grids Premium Hotel Osaka Namba	Naniwa-ku, Osaka-shi	Real estate trust beneficiary right	7,800	None
Total (2 Properties)			-	-	16,850	-

(Note) "Planned acquisition price" is the sale and purchase price of each trust beneficiary right stated in each sale and purchase agreement for trust beneficiary right of the Assets to be Acquired, rounded down to the nearest million yen. The sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the acquisition.

- (1) Contract date                                 February 1, 2024
- (2) Acquisition date                            February 1, 2024 (Note)
- (3) Seller   THE SANKEI BUILDING CO., LTD..
- (4) Settlement date                            February 1, 2024 (Note)
- (5) Settlement method                         Payment of full amount at the time of delivery

(Note) The Acquisition date and the Settlement date are subject to change upon agreement between SANKEI REAL ESTATE and the buyer.

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## II. Reason for Disposition and Acquisition

Since its listing, SANKEI REAL ESTATE has built a portfolio centered on office buildings. The environment of the office building has changed such as the entrenchment of telecommuting and other new forms of work, driven by the outbreak of COVID-19, and structural changes in office demand are foreseen.

Under such an environment, "Shinagawa Seaside TS Tower," whose major tenant had cancelled its lease, was unable to fully recover its earning capacity despite our efforts to focus on leasing activities. In addition, in light of the above structural changes in office demand, we were seeking to revise our portfolio, which is centered on office buildings.

Through the recent discussions with the sponsor, we have come to see a roadmap for our revival as a REIT capable of sustainable growth by implementing "Large-scale Portfolio Rebalancing" to reduce and eliminate apparent risks in our internal environment and transform our portfolio to one that is more in line with changes in the external environment. In addition to granting the Preferential Negotiation Rights for the Disposition of "Shinagawa Seaside TS Tower", we have selected a property that will enable us to reduce the loss on the Disposition and to secure the source of distributions, and have decided to grant the Preferential Negotiation Rights for "BREEZÉ TOWER," which has sufficient latent profit but maintenance costs are expected to increase. After discussing the details of the conditions, we have decided to exercise our Preferential Negotiation Rights. In addition, with regard to the three hotel properties that are the Assets to be Acquired, in order to enhance the immediate response to the external environment through "large-scale portfolio rebalancing", we acquired Preferential Negotiation Rights for the mainstay and relatively new properties among the hotels whose market conditions are rapidly recovering, and similarly came to exercise them after discussions regarding the details of the terms and conditions.

For the points that were highly rated in particular in the acquisition decision for each Asset to be Acquired, please refer to "Reference Material 2: Characteristics of the Asset to be Acquired."

## III. Overview of each of the Assets to be Transacted

The following tables (the "Individual Property Tables") provide an overview of each of the Assets to be Transacted. Terms used in the Individual Property Tables are defined as follows, unless otherwise specified in the Individual Property Tables.

In principle, unless otherwise specified, the status as of the last day of August 2023 for the Assets to be Disposed and the status as of January 1, 2024 for the Assets to be Acquired is indicated.

- "Type of specified asset" indicates the type of each Asset to be Transacted.
- "Location" indicates the formal building address of each Asset to be Transacted. If there is no formal building address, the building location stated in the registry (if there are multiple locations, one of those) is indicated.
- "Planned Disposition Price" and "Planned Acquisition Price" are the sale and purchase price of the trust beneficiary right stated in the sale and purchase agreement for each of the Assets to be Transacted, rounded down to the nearest million yen. Sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the disposition.
- "Overview of trust beneficiary right" indicates the overview of the trustee, trust establishment date and trust expiration date upon the disposition or the acquisition (after the acquisition, in case the changes are anticipated on the acquisition) of each Asset to be Transacted. For the trust agreement to be executed on and after today, Overview indicates the planned trustee, planned trust establishment date and planned trust expiration date at the time of the planned acquisition of each Asset to be Transacted.
- "Site area" of the land is indicated based on the information in the registry.
- "Use district" of the land indicates the type of use district stipulated in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- "Floor area ratio" and "Building coverage ratio" of the land indicate, in principle, the figures before the increase or decrease through easing or restrictive measures defined in accordance with related laws and regulations such as the Building Standards Act and the City Planning Act.
- "Type of ownership" of the land indicates the type of right for each Asset to be Transacted held or to be held by SANKEI REAL ESTATE (trustee of real estate trust for trust beneficiary rights in real estate).
- "Structure and floors" of the building is indicated based on the information in the registry.
- "Construction completion" of the building indicates the date of completion of each building indicated in

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- the registry. If there are multiple main buildings, the date of the oldest building in the registry is indicated.
- “Total floor area” of the building is indicated based on the information in the registry. Moreover, “Total floor area” indicates the total floor area of main buildings and attached buildings. It indicates the total floor area of the one entire building regardless of sectional ownership or quasi co-ownership.
  - “Use” of the building indicates the main use among the building type in the registry.
  - “Type of ownership” of the building indicates the type of right for each Asset to be Transacted held or to be held by SANKEI REAL ESTATE (trustee of real estate trust for trust beneficiary rights in real estate).
  - “Property management company” indicates the company with which SANKEI REAL ESTATE has concluded or will conclude a property management agreement for each Asset to be Transacted.
  - “Master lease company” indicates the company with which SANKEI REAL ESTATE has concluded or will conclude a master lease agreement for each Asset to be Transacted. Moreover, the co-owners of each Asset to be Transacted may be the master lease company.
  - “Master lease type” indicates the type of master lease agreement (pass-through-type or fixed-rent-type, after the acquisition, in case the agreement is executed on the acquisition) of each Asset to be Transacted. “Pass-through-type” indicates master lease agreements with no rent guarantee and “fixed-rent-type” indicates master lease agreements with a rent guarantee.
  - “Appraisal value” is the appraisal value as of January 1, 2024 for each Asset to be Transacted, stated in each real estate appraisal report. The appraisal of each Asset to be Transacted is entrusted to Japan Real Estate Institute and The Tanizawa Sōgō Appraisal Co., Ltd.
  - PML value for each of the Assets to be Acquired is indicated based on the “Seismic Risk Survey Evaluation Report” dated December 2023 prepared by Tokio Marine dR Co., Ltd.
  - “Number of tenants” indicates the number of tenants based on the lease agreement of each candidate property for sale as of the last day of August 2023. However, the total number of end tenants is indicated for the portion in the pass-through-type master lease agreement when a master lease agreement has been concluded for the said asset. If a single tenant has concluded lease agreements for different uses of a single asset, the concerned tenant is counted as a tenant on a use-by-use basis.
  - “Total rental revenue” for the Assets to be Disposed indicates the amount calculated by annualizing the monthly rent (Only for rent of rental rooms excluding usage fee of incidental parts such as warehouse, signboard, parking lot that are not the main use and including common service expenses, etc. Free rent and rent holiday will not be taken into consideration. If there is any agreement of change of rent, the rent as of the last day of August 2023 is used. If the agreement with the tenant includes variable rent, such variable rent is not taken into consideration. Consumption tax, etc. are not included.) of the building indicated in the lease agreement of each Asset to be Disposed effective as of the last day of August 2023, rounded down to the nearest million yen. For the Assets to be Acquired, the estimated annual rent is indicated by applying the terms of the lease agreement for each Asset to be Acquired to the most recent operating results.
  - “Security and guarantee deposits” indicates the total amount of security and guarantee deposits (including the amount expected to be received based on each lease agreement and excluding the security and guarantee deposits for incidental parts such as warehouse, signboard, parking lot that are not the main use) based on the lease agreement of each Asset to be Disposed as of the last day of August 2023 and Assets to be Acquired to be concluded, rounded down to the nearest million yen.
  - “Leased area” indicates the total leased area (excluding area of warehouse, signboard, parking lot, etc. that are not the main use) shown in the lease agreement (excluding lease agreements under which the lease period is yet to commence.) with the tenant of each Asset to be Disposed as lessee as of the last day of August 2023 and as of January 1, 2024 for each Asset to be Acquired, rounded down to two decimal places. Moreover, the total area for which a lease agreement has actually been concluded with the end tenant and the lease period has commenced is indicated for the portion in the pass-through-type master lease agreement, rounded down to two decimal places
  - “Leasable area” indicates the area believed to be leasable (excluding area of incidental parts such as warehouse, signboard, parking lot that are not the main use) based on the lease agreement, drawing, etc. of buildings as of the last day of August 2023 for the Assets to be Disposed and as of January 1, 2024 for

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the Assets to be Acquired, rounded down to two decimal places.

- “Occupancy rate” indicates the ratio of leased area to leasable area as of the last day of August 2023 for the Assets to be Disposed and as of January 1, 2024 for the Assets to be Acquired, rounded to one decimal place.
- “Special remarks” indicates matters recognized as important in consideration of the relationship of rights, use, safety, etc. as of the last day of August 2023 for the Assets to be Disposed and as of January 1, 2024 for the Assets to be Acquired as well as the impact on the appraisal value, profitability, and disposition.

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(1) (Assets to be Disposed) A-2: BREEZÉ TOWER

Property name		BREEZÉ TOWER
Type of specified asset		Real estate trust beneficiary right
Location		2-4-9 Umeda Kita-ku, Osaka-shi, Osaka
Planned Disposition Price		17,995 million yen
Overview of trust beneficiary right	Trustee	Mizuho Trust & Banking Co., Ltd.
	Trust establishment date	March 12, 2019
	Trust expiration date	March 31, 2029
Land	Site area	4,676.08 m <sup>2</sup> (Note 1)
	Use district	Commercial district
	Floor area ratio	800%
	Building coverage ratio	80%
	Type of ownership	Ownership, leasehold, mutual use rights (all being rights to use the site) (43.45% quasi co-ownership interest) (Notes 2, 3, 4)
Building	Structure and floors	Steel-frame reinforced concrete structure with flat roof, 37 floors above ground and 3 below
	Construction completion	July 1, 2008
	Total floor area	82,718.17 m <sup>2</sup> (Note 5)
	Asset Type	Office, retail, theater
	Type of ownership	Sectional ownership interest in the office portion of the building (43.45% quasi co-ownership interest) (Note 3)
Property management company		THE SANKEI BUILDING CO., LTD..
Master lease company		THE SANKEI BUILDING CO., LTD..
Master lease type		Pass-through type
Appraisal Value (Date of valuation)		17,944 million yen (as of January 1, 2024)
Appraiser		Japan Real Estate Institute
Collateral		None
Overview of leasing		
	Number of tenants	41
	Total rental revenue	992 million yen
	Security and guarantee deposits	903 million yen
	Leased area	11,035.84 m <sup>2</sup>
	Leasable area	11,689.09 m <sup>2</sup>
	Occupancy rate	96.7%
Special remarks		<p>Part of the property's land (site) is leased land, and the approval of the owner of the leased land (Sankei Shimbun Co., Ltd.) is required for the disposition of the leasehold upon the disposition of the building.</p> <p>The property's land (site) consists of (1) land shared by THE SANKEI BUILDING CO., LTD.. and the trustee, (2) leased land from Sankei Shimbun Co., Ltd., and (3) land owned or leased by the third party who is the co-owner in question (mutual use rights portion). Therefore, THE SANKEI BUILDING CO., LTD., the trustee, and the third party who is the co-owner in question, the three parties comprising the sectional owners of the building, have established mutual use rights for the site of the property.</p> <p>The quasi co-owners of the trust beneficiary right in the sectional ownership of the building, which are Sankei Building and SANKEI REAL ESTATE, have entered into a quasi co-owner's agreement in which the following matters have been stipulated.</p> <ul style="list-style-type: none"> <li>• Decision-making</li> </ul> <p>With regard to actions as a beneficiary, decisions shall in principle be made by agreement of all</p>

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	<p>quasi co-owners. However, in the event that agreement cannot be reached among all quasi co-owners, the decisions of the majority of quasi co-owners shall be followed, except for certain matters.</p> <ul style="list-style-type: none"> <li>• Special agreement on indivisibility Quasi co-owners shall not request the division of the trust beneficiary rights for five years (to be automatically renewed)</li> <li>• Preferential negotiation rights Each of the quasi co-owners shall discuss the conditions of sale and purchase with other quasi co-owners in preference to third parties when selling quasi co-ownership interest.</li> <li>• Approved matters Advance approval in written form by other quasi co-owners is required when a quasi co-owner sets collateral or implements disposal other than the disposition of quasi co-ownership interest.</li> </ul>
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(Note 1) This amount includes (1) 74.30 m<sup>2</sup>, which is the leased land portion from Sankei Shimbun Co., Ltd., and (2) 339.89 m<sup>2</sup>, which is the land portion (mutual use rights portion) owned or leased by a third party who is another co-owner of the sectional ownership of the building of which the trustee co-owns part of the exclusively owned portion.

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

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

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

(Note 5) The area of the exclusively owned portion pertaining to the sectional ownership of the building's office portion owned by the trustee is 35,464.91 m<sup>2</sup> (the floor area of the exclusively owned portion of Building 27-6, which is co-owned by the trustee and a third party, is calculated by taking into account the co-ownership interest). The area of the exclusively owned portion pertaining to the sectional ownership of the building's office portion owned by the third party is 4,504.20 m<sup>2</sup> (the floor area of the exclusively owned portion of Building 27-6, which is co-owned by the trustee and a third party, is calculated by taking into account the co-ownership interest). The total area of the shared ownership portions between the owners of the building's sectional portions (common areas and auxiliary facilities, not including the floor area of the exclusively owned portion of Building 27-6, which is co-owned by the trustee and a third party) is 17,410.39 m<sup>2</sup>. The area of the exclusively owned portion pertaining to sectional ownership interests in non-office portions is 25,338.67 m<sup>2</sup> and is owned by THE SANKEI BUILDING CO., LTD..

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**A-8: Shinagawa Seaside TS Tower**

Property name		Shinagawa Seaside TS Tower
Type of specified asset		Real estate trust beneficiary right
Location		4-12-3 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Planned Disposition Price		16,100 million yen
Overview of trust beneficiary right	Trustee	SMBC Trust Bank Ltd.
	Trust establishment date	April 28, 2017
	Trust expiration date	September 28, 2029
Land	Site area	17,386.11 m <sup>2</sup> (Note 1)
	Use district	Quasi-industrial district
	Floor area ratio	300%
	Building coverage ratio	60%
	Type of ownership	Ownership (45% co-ownership interest), mutual use rights (all being rights to use the site) (50% quasi co-ownership interest) (Note 2)
Building	Structure and floors	(1) Steel-frame reinforced concrete structure, 1 floor (2) Steel-frame reinforced concrete, reinforced concrete, steel-frame structure with flat roof, 25 floors above ground and 2 below ground (3) Steel-frame reinforced concrete structure, 1 floor (Note 3)
	Construction completion	July 25, 2003 (Note 4)
	Total floor area	(1) 7,698.76 m <sup>2</sup> (2) 43,337.23 m <sup>2</sup> (3) 1,941.74 m <sup>2</sup> (Note 3)
	Asset Type	(1) Parking (2) Retail, office (3) Parking (Note 3)
	Type of ownership	Ownership (50% quasi co-ownership interest) (Note 2)
Property management company		CBRE K.K.
Master lease company		—
Master lease type		—
Appraisal Value (Date of valuation)		16,050 million yen (as of January 1, 2024)
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Collateral		None
Overview of leasing		
	Number of tenants	1
	Total rental revenue	Not disclosed (Note 5)
	Security and guarantee deposits	Not disclosed (Note 5)
	Leased area	1,476.01 m <sup>2</sup>
	Leasable area	15,348.20 m <sup>2</sup>
	Occupancy rate	9.6%
Special remarks		<p>The property is part of Shinagawa Seaside Forest, which was developed upon certification as a single complex under the Building Standards Act. The trustee co-owns the site portion of the property with third parties. In addition, ownership of the entire site of Shinagawa Seaside Forest is divided among the trustee and each other land right holder, but mutual use rights have been established pursuant to the sectional ownership bylaws for the sectional owners of each building of Shinagawa Seaside Forest.</p> <p>Part of the exclusively owned portion (parking portion) of the buildings under sectional ownership of the property is co-owned by the trustee and third parties.</p> <p>The quasi co-owners of the trust beneficiary right in the sectional ownership of the buildings, etc., which are Godo Kaisha SKB 2 (50% quasi co-ownership interest) and SANKEI REAL ESTATE (50%</p>

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	<p>quasi co-ownership interest), have entered into a quasi co-owner's agreement in which the following matters have been stipulated.</p> <ul style="list-style-type: none"> <li>• Decision-making In principle, the actions of beneficiaries are decided by reaching an agreement with all quasi co-owners.</li> <li>• Special agreement on indivisibility Quasi co-owners shall not request the division of the trust beneficiary rights for five years (to be automatically renewed).</li> <li>• Preferential negotiation rights Each of the quasi co-owners shall discuss the conditions of sale and purchase with other quasi co-owners in preference to third parties when selling quasi co-ownership interest.</li> <li>• Approved matters Advance approval in written form by other quasi co-owners is required when a quasi co-owner sets collateral or implements disposal other than the disposition of quasi co-ownership interest.</li> </ul>
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(Note 1) The site area of ownership (co-ownership interest) is shown. Other than this site area, there is the 21,990.11 m<sup>2</sup> land portion (portion subject to mutual use) owned by third parties that is the site of the property.

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

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

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

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

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(2) (Assets to be Acquired) B-4: Hotel Intergate Kyoto Shijo Shinmachi

Property name		Hotel Intergate Kyoto Shijo Shinmachi
Type of specified asset		Real estate trust beneficiary right
Location		387 Mukadeyacho, Shinmachidori Nishikikojiagaru, Nakagyo-ku, Kyoto-shi, Kyoto
Planned Acquisition Price		5,800 million yen
Overview of trust beneficiary right	Trustee	SMBC Trust Bank Ltd.
	Trust establishment date	February 1, 2024
	Trust expiration date	January 31, 2034
Land	Site area	1,633.60 m <sup>2</sup>
	Use district	Commercial districts
	Floor area ratio	400%
	Building coverage ratio	80%
	Type of ownership	Ownership
Building	Structure and floors	Steel frame with flat roof, alloy-plated steel plate and tile roof, 5 floors above ground
	Construction completion	November 30, 2017
	Total floor area	5,882.48 m <sup>2</sup>
	Asset Type	Hotel
	Type of ownership	Ownership
Property management company		Sankei Building. Management Co., Ltd.
Master lease company		—
Master lease type		—
Appraisal Value (Date of valuation)		5,870 million yen (as of January 1, 2024)
Appraiser		Japan Real Estate Institute
PML Value		10.5 %
PML value investigation company		Tokio Marine dR Co., Ltd.
Collateral		None
Overview of leasing		
	Number of tenants	1
	Total rental revenue	Annual Rental Revenue : 262 million yen (Note 1) Fixed Rent : 13 million yen Variable Rent : (GOP – Fixed Rent) * Tariff (Not disclosed (Note 2))
	Security and guarantee deposits	148 million yen
	Leased area	6,029.40 m <sup>2</sup>
	Leasable area	6,029.40 m <sup>2</sup>
	Occupancy rate	100.0 %
Special remarks		None

(Note 1) The amount is the estimated amount in case the terms of the lease agreement are applied to the most recent operating results.

(Note 2) GOP and fixed rent rates are not disclosed due to unavoidable reasons, as consent for disclosure has not been obtained from tenants.

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## B-5: Hotel Intergate Kanazawa

Property name		Hotel Intergate Kanazawa
Type of specified asset		Real estate trust beneficiary right
Location		2-5 Takaokamachi, Kanazawa-shi, Ishikawa
Planned Acquisition Price		3,250 million yen
Overview of trust beneficiary right	Trustee	SMBC Trust Bank Ltd.
	Trust establishment date	February 1, 2024
	Trust expiration date	January 31, 2034
Land	Site area	965.60 m <sup>2</sup> (Note 1)
	Use district	Commercial districts
	Floor area ratio	600%
	Building coverage ratio	80%
	Type of ownership	Ownership
Building	Structure and floors	Steel-frame structure with flat roof, 12 floors above ground
	Construction completion	January 15, 2019
	Total floor area	5,147.71 m <sup>2</sup>
	Asset Type	Hotel
	Type of ownership	Ownership
Property management company		Sankei Building. Management Co., Ltd.
Master lease company		—
Master lease type		—
Appraisal Value (Date of valuation)		3,280 million yen (as of January 1, 2024)
Appraiser		Japan Real Estate Institute
PML Value		3.5 %
PML value investigation company		Tokio Marine dR Co., Ltd.
Collateral		None
Overview of leasing		
	Number of tenants	1
	Total rental revenue	Annual Rental Revenue : 143 million yen (Note 1) Fixed Rent : 8 million yen Variable Rent : (GOP – Fixed Rent) * Tariff (Not disclosed (Note 2))
	Security and guarantee deposits	93 million yen
	Leased area	5,177.73 m <sup>2</sup>
	Leasable area	5,177.73 m <sup>2</sup>
	Occupancy rate	100.0 %
Special remarks		None

(Note 1) The amount is the estimated amount in case the terms of the lease agreement are applied to the most recent operating results.

(Note 2) GOP and Tariff are not disclosed due to unavoidable reasons, as consent for disclosure has not been obtained from tenants.

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## B-6: Grids Premium Hotel Osaka Namba

Property name		Grids Premium Hotel Osaka Namba
Type of specified asset		Real estate trust beneficiary right
Location		1-7-7 Nanbanaka, Naniwa-ku, Osaka-shi, Osaka
Planned Acquisition Price		7,800 million yen
Overview of trust beneficiary right	Trustee	SMBC Trust Bank Ltd.
	Trust establishment date	February 1, 2024
	Trust expiration date	January 31, 2034
Land	Site area	704.21 m <sup>2</sup>
	Use district	Commercial districts
	Floor area ratio	600%
	Building coverage ratio	80%
	Type of ownership	Ownership
Building	Structure and floors	Steel-frame structure with flat roof, 11 floors above ground
	Construction completion	January 12, 2021
	Total floor area	4,308.56 m <sup>2</sup>
	Asset Type	Hotel
	Type of ownership	Ownership
Property management company		Sankei Building. Management Co., Ltd.
Master lease company		—
Master lease type		—
Appraisal Value (Date of valuation)		7,860 million yen (as of January 1, 2024)
Appraiser		Japan Real Estate Institute
PML Value		7.2 %
PML value investigation company		Tokio Marine dR Co., Ltd.
Collateral		None
Overview of leasing		
	Number of tenants	1
	Total rental revenue	Annual Rental Revenue : 293 million yen (Note 1) Fixed Rent : Not disclosed (Note 2) Variable Rent : (GOP – Fixed Rent) * Tariff (Not disclosed (Note 2))
	Security and guarantee deposits	45 million yen
	Leased area	4,353.79 m <sup>2</sup>
	Leasable area	4,353.79 m <sup>2</sup>
	Occupancy rate	100.0 %
Special remarks		None

(Note 1) The amount is the estimated amount in case the terms of the lease agreement are applied to the most recent operating results.

(Note 2) GOP, Fixed rents and Tariff are not disclosed due to unavoidable reasons, as consent for disclosure has not been obtained from tenants.

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**IV. Overview of the counterparty of the Transaction**

(1)	Name	THE SANKEI BUILDING CO., LTD..
(2)	Location	1-7-2 Otemachi, Chiyoda-ku, Tokyo
(3)	Post and name of representative	President & CEO Kazunobu Iijima
(4)	Line of business	Development, acquisition, sales, leasing, sale in lots and management of real estate (office, residence, hotel, etc.)
(5)	Capital	38,120 million yen (as of the last day of September 2023)
(6)	Established	June 11, 1951
(7)	Net assets	142,075 million yen (as of the last day of September 2023)
(8)	Total assets	459,235 million yen (as of the last day of September 2023)
(9)	Major shareholders and shareholding ratio	Fuji Media Holdings, Inc. 100%
(10)	Relationship with investment corporation and asset management company	
	Capital relationship	The company owns 3.74% of the total number of investment units issued and outstanding of SANKEI REAL ESTATE as of today. The company also owns 100% of the total number of shares issued and outstanding of the Asset Management Company as of today.
	Personnel relationship	As of today, 16 of the executives and employees of the Asset Management Company are loaned staff from the company.
	Business relationship	As of today, SANKEI REAL ESTATE has acquired all of the acquired assets other than "Toyo Park Building," "Shinagawa Seaside TS Tower," "Omori Park Building," "Miyazakidai Garden Office" and "Hitachi Kyusyu Building" (10 properties) from the company. The company has concluded a trademark license agreement, property management agreements and master lease agreements (including master lease and property management agreements) with SANKEI REAL ESTATE. The company has also concluded a sponsor support agreement and a fixed-term building lease agreement with the Asset Management Company.
	Status as related party	The company falls under the category of related party of SANKEI REAL ESTATE and the Asset Management Company.

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**V. Status of Property Buyers, Etc.**

Property acquisitions from parties having special interest are as follows. The following table shows i. the name of the company, ii. relationship with parties having special interest and, iii. background, reasons, etc. of acquisition.

Property name (Location)	Previous owner/holder of trust beneficiary right	Second previous owner/holder of trust beneficiary right	Third previous owner/holder of trust beneficiary right
	i., ii., iii.	i., ii., iii.	i., ii., iii.
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (Disposition) period	Acquisition (Disposition) period	Acquisition (Disposition) period
Hotel Intergate Kyoto Shijo Shinmachi (387 Mukadeyacho, Shinmachidori Nishikikojiagaru, Nakagyo-ku, Kyoto-shi, Kyoto)	i. THE SANKEI BUILDING CO., LTD. ii. Parent company of the Asset Management Company iii. Acquired for development purposes	Other than a party having special interest	—
	Omitted as the property was owned for more than a year	—	—
	Land: September 30, 2015 Building: November 24, 2017 (completion)	—	—
Hotel Intergate Kanazawa (2-5 Takaokamachi, Kanazawa-shi, Ishikawa)	i. THE SANKEI BUILDING CO., LTD. ii. Parent company of the Asset Management Company iii. Acquired for development purposes	Other than a party having special interest	—
	Omitted as the land was owned for more than a year.	—	—
	Land: March 29, 2017 Building: January 11, 2017 (completion)	—	—
Grids Premium Hotel Osaka Namba (1-7-7 Nanbanaka, Naniwa-ku, Osaka-shi, Osaka)	i. THE SANKEI BUILDING CO., LTD. ii. Parent company of the Asset Management Company iii. Acquired for development purposes	Other than a party having special interest	—
	Omitted as the property was owned for more than a year	—	—
	Land: September 11, 2018 Building: January 14, 2021 (completion)	—	—

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#### VI. Future Outlook

Since this transaction has already been incorporated in the "Assumptions for the Operating Forecasts for the Fiscal Periods Ending February 2024 (September 1, 2023 to February 29, 2024) and August 2024 (March 1, 2024 to August 31, 2024)" announced on October 16, 2023, there is no change to the operating forecast for the fiscal period ending February 2024.

In addition to the transaction announced herein, SANKEI REAL ESTATE is currently in discussions regarding the acquisition of several other assets. In the event that the acquisition of such assets is realized, it is expected to have an impact on the forecasted management situation. Therefore, changes to the forecasted management situation for the period ending August 31, 2024 will be announced after a careful examination of such impact.

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**7. Overview of Appraisal Report**
**(1) (Assets to be Disposed) A-2: BREEZÉ TOWER**

Overview of appraisal report	
Property name	BREEZÉ TOWER
Appraiser	Japan Real Estate Institute
Appraisal value	17,944 million yen
Appraisal date	January 1, 2024

Item	Details	Overview, etc.
Income approach value	17,944 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	18,118 million yen	
i. Operating revenue	1,037 million yen	
Effective gross income	1,106 million yen	
Loss from vacancy, etc.	68 million yen	
ii. Operating expenses	367 million yen	
Maintenance and operation cost	108 million yen	
Utilities expenses	105 million yen	
Repair expenses	26 million yen	
PM fee	18 million yen	
Tenant soliciting fees, etc.	6 million yen	
Taxes and public dues	78 million yen	
Non-life insurance premium	1 million yen	
Other expenses	21 million yen	
iii. Net operating income (NOI: i.-ii.)	670 million yen	
iv. Income from deposits	7 million yen	Assessed by assuming an investment yield of 1.0%.
v. Capital expenditure	62 million yen	Assessed by taking into consideration the engineering report and the level of renewal fees of similar properties
Net income (NCF: iii. + iv.- v.)	615 million yen	
Capitalization rate	3.4%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	17,727 million yen	
Discount rate	3.0%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	3.6%	Assessed by taking into consideration the risk on aging, market condition, etc.
Integrated value based on cost method	15,989 million yen	
Ratio of land	76.3%	
Ratio of building	23.7%	
Other matters which the appraiser has paid attention to in the appraisal	—	

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**A-8: Shinagawa Seaside TS Tower**

Overview of appraisal report	
Property name	Shinagawa Seaside TS Tower
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal value	16,050 million yen
Appraisal date	January 1, 2024

Item	Details	Overview, etc.
Income approach value	16,050 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	17,250 million yen	
i. Operating revenue	997 million yen	
Effective gross income	1,049 million yen	
Loss from vacancy, etc.	51 million yen	
ii. Operating expenses	355 million yen	
Maintenance and operation cost	53 million yen	
Utilities expenses	133 million yen	
Repair expenses	28 million yen	
PM fee	4 million yen	
Tenant soliciting fees, etc.	2 million yen	
Taxes and public dues	92 million yen	
Non-life insurance premium	0 million yen	
Other expenses	39 million yen	
iii. Net operating income (NOI: i.-ii.)	642 million yen	
iv. Income from deposits	8 million yen	Assessed by assuming an investment yield of 1.0%.
v. Capital expenditure	65 million yen	Assessed by taking into consideration the engineering report and the level of renewal fees of similar properties
Net income (NCF: iii. + iv.- v.)	586 million yen	
Capitalization rate	3.4%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	15,500 million yen	
Discount rate	3.5%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	3.6%	Assessed by taking into consideration the risk on aging, market condition, etc.
Integrated value based on cost method	21,950 million yen	
Ratio of land	82.9%	
Ratio of building	17.1%	
Other matters which the appraiser has paid attention to in the appraisal	—	

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## (2) (Assets to be Acquired) B-4: Hotel Intergate Kyoto Shijo Shinmachi

Overview of appraisal report	
Property name	Hotel Intergate Kyoto Shijo Shinmachi
Appraiser	Japan Real Estate Institute
Appraisal value	5,870 million yen
Appraisal date	January 1, 2024

Item	Details	Overview, etc.
Income approach value	5,870 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	5,930 million yen	
i. Operating revenue	268 million yen	
Effective gross income	268 million yen	
Loss from vacancy, etc.	-	
ii. Operating expenses	31 million yen	
Maintenance and operation cost	-	
Utilities expenses	-	
Repair expenses	2 million yen	
PM fee	2 million yen	
Tenant soliciting fees, etc.	-	
Taxes and public dues	25 million yen	
Non-life insurance premium	0 million yen	
Other expenses	0 million yen	
iii. Net operating income (NOI: i.-ii.)	236 million yen	
iv. Income from deposits	1 million yen	Assessed by assuming an investment yield of 1.0%.
v. Capital expenditure	6 million yen	Assessed by taking into consideration the engineering report and the level of renewal fees of similar properties
Net income (NCF: iii. + iv.- v.)	231 million yen	
Capitalization rate	3.9%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	5,810 million yen	
Discount rate	3.7%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	4.0%	Assessed by taking into consideration the risk on aging, market condition, etc.
Integrated value based on cost method	5,550 million yen	
Ratio of land	69.3%	
Ratio of building	30.7%	
Other matters which the appraiser has paid attention to in the appraisal	—	

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**B-5: Hotel Intergate Kanazawa**

Overview of appraisal report	
Property name	Hotel Intergate Kanazawa
Appraiser	Japan Real Estate Institute
Appraisal value	3,280 million yen
Appraisal date	January 1, 2024

Item	Details	Overview, etc.
Income approach value	3,280 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	3,320 million yen	
i. Operating revenue	178 million yen	
Effective gross income	178 million yen	
Loss from vacancy, etc.	-	
ii. Operating expenses	21 million yen	
Maintenance and operation cost	-	
Utilities expenses	-	
Repair expenses	2 million yen	
PM fee	2 million yen	
Tenant soliciting fees, etc.	-	
Taxes and public dues	15 million yen	
Non-life insurance premium	0 million yen	
Other expenses	0 million yen	
iii. Net operating income (NOI: i.-ii.)	157 million yen	
iv. Income from deposits	0 million yen	Assessed by assuming an investment yield of 1.0%.
v. Capital expenditure	5 million yen	Assessed by taking into consideration the engineering report and the level of renewal fees of similar properties
Net income (NCF: iii. + iv.- v.)	152 million yen	
Capitalization rate	4.6%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	3,240 million yen	
Discount rate	4.4%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	4.7%	Assessed by taking into consideration the risk on aging, market condition, etc.
Integrated value based on cost method	2,550 million yen	
Ratio of land	37.2%	
Ratio of building	62.8%	
Other matters which the appraiser has paid attention to in the appraisal	—	

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**B-6: Grids Premium Hotel Osaka Namba**

Overview of appraisal report	
Property name	Grids Premium Hotel Osaka Namba
Appraiser	Japan Real Estate Institute
Appraisal value	7,860 million yen
Appraisal date	January 1, 2024

Item	Details	Overview, etc.
Income approach value	7,860 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	7,930 million yen	
i. Operating revenue	347 million yen	
Effective gross income	347 million yen	
Loss from vacancy, etc.	-	
ii. Operating expenses	24 million yen	
Maintenance and operation cost	-	
Utilities expenses	-	
Repair expenses	1 million yen	
PM fee	2 million yen	
Tenant soliciting fees, etc.	-	
Taxes and public dues	19 million yen	
Non-life insurance premium	0 million yen	
Other expenses	0 million yen	
iii. Net operating income (NOI: i.-ii.)	323 million yen	
iv. Income from deposits	0 million yen	Assessed by assuming an investment yield of 1.0%.
v. Capital expenditure	4 million yen	Assessed by taking into consideration the engineering report and the level of renewal fees of similar properties
vi. FF&E Reserve	9 million yen	
Net income (NCF: iii. + iv.- v.)	309 million yen	
Capitalization rate	3.9%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	7,780 million yen	
Discount rate	3.7%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	4.0%	Assessed by taking into consideration the risk on aging, market condition, etc.
Integrated value based on cost method	5,310 million yen	
Ratio of land	64.2%	
Ratio of building	35.8%	
Other matters which the appraiser has paid attention to in the appraisal	—	

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

<Attachment>

Reference Material 1 Portfolio List After Acquisition of the To-Be-Acquired Assets

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Reference Material 2 Characteristics of the Assets to be Acquired  
<Attachment>

Reference Material 1 Portfolio List After the Transaction

Asset type	Property number	Property name	Location	(Planned) acquisition price (Note 1)		Appraisal value (million yen) (Note 2)
				Price (million yen)	Investment ratio (%)	
Office building	A-1	Tokyo Sankei Building (Note 3)	Chiyoda-ku, Tokyo	2,509	2.9	2,570
	A-3	S-GATE NIHONBASHI- HONCHO (Note 3)	Chuo-ku, Tokyo	6,698	7.8	7,750
	A-4	S-GATE AKIHABARA	Chiyoda-ku, Tokyo	2,055	2.4	2,690
	A-5	Hibiya Sankei Building	Chiyoda-ku, Tokyo	5,829	6.8	6,630
	A-6	Hatchobori Sankei Building	Chuo-ku, Tokyo	4,959	5.8	5,470
	A-7	Toyo Park Building	Koto-ku, Tokyo	3,782	4.4	3,900
	A-9	Omori Park Building	Ota-ku, Tokyo	5,400	6.3	5,270
	A-10	S-GATE AKASAKA	Minato-ku, Tokyo	7,000	8.1	7,400
	A-11	Miyazakidai Garden Office	Miyamae-ku, Kawasaki-shi, Kanagawa	2,800	3.3	2,710
	A-12	Hitachi Kyusyu Building	Sawara-ku, Fukuoka- shi, Fukuoka	10,000	11.6	10,300
Subtotal (average)			-	51,034	59.3	54,690
Core asset group	B-1	Hotel Intergate Tokyo Kyobashi	Chuo-ku, Tokyo	8,961	10.4	9,190
	B-2	Hotel Intergate Hiroshima	Naka-ku, Hiroshima- shi, Hiroshima	3,990	4.6	4,180
	B-3	SANKEILOGI Settsu	Settsu-shi, Osaka	5,242	6.1	5,550
	B-4	Hotel Intergate Kyoto Shijo Shinmachi	Nakagyo-ku, Kyoto-shi, Kyoto	5,800	6.7	5,870
	B-5	Hotel Intergate Kanazawa	Kanazawa-shi, Ishikawa	3,250	3.8	3,280
	B-6	Grids Premium Hotel Osaka Namba	Naniwa-ku, Osaka-shi, Osaka	7,800	9.1	7,860
Subtotal (average)			-	35,043	40.7	35,930
Total (average)			-	86,077	100.0	90,620

(Note 1) “(Planned) acquisition price” is the sale and purchase price of real estate and each trust beneficiary right stated in each sale and purchase agreement for the Acquired Assets or the Assets to be Acquired, rounded down to the nearest million yen. Sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the acquisition. “Investment ratio” is the proportion of the (planned) acquisition price of each Acquired Assets or Asset to be Acquired to the total amount of (planned) acquisition price, rounded to one decimal place.

(Note 2) “Appraisal value” is the appraisal value stated in each real estate appraisal report at the respective times as of August 31, 2023, for the assets acquired by SANKEI REAL ESTATE and as of January 1, 2024, for the Assets to be Acquired. The appraisal of each Acquired Asset or Asset to be Acquired is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd. and Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) The (planned) acquisition price and appraisal value for “Tokyo Sankei Building” and “S-GATE NIHONBASHI-HONCHO” are the figures that correspond to the (quasi) co-ownership interest in each property (2% and 51%, respectively) (\*) acquired by SANKEI REAL ESTATE.

(\*) As for “Tokyo Sankei Building,” SANKEI REAL ESTATE has already acquired 2% co-ownership interest in the ownership of the site, 2% quasi co-ownership interest in the leasehold and 2% co-ownership interest in the ownership of the building. As for “S-GATE NIHONBASHI-HONCHO,” SANKEI REAL ESTATE has already acquired trust beneficiary rights with 51% co-ownership interest in the ownership of the site and building as trust assets. “(Quasi) co-ownership interest in each property (2% and 51%, respectively)” is used to refer to such.

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Reference Material 1 Characteristics of the Assets to be Acquired

B-4: Hotel Intergate Kyoto Shijo Shinmachi

(1) Characteristics of the Assets

- The design concept of the property is "a hotel where you can stay as if you were living in Kyoto." It is a hotel specializing in overnight stays, with an exterior reminiscent of a traditional Kyoto townhouse with its impressive latticework, and a modern Japanese interior that mixes Eastern and Western sensibilities.
- The property is located within walking distance of the Shijo-Karasuma intersection, the central business district of Kyoto City, and is also easily accessible from Kyoto Station, which is used by nearly half of all tourists. The Shijo-Karasuma area is Kyoto's typical office district, with office buildings and the headquarters and branches of financial institutions located mainly along Karasuma-dori, while Shijo-dori is also a busy commercial area, making it highly convenient for guests, whether for leisure or business.
- The lounge on the first floor offers drinks and wine depending on the time of day, and as a gathering space, it hosts workshops to experience traditional Kyoto culture and events to experience traditional performing arts. In addition, a large bathroom with a relaxing healing room and a powder room with a variety of amenities is located in the property, and the guest rooms are equipped with Wi-Fi/wired LAN (free of charge), air purifiers, and "INTERGATE HOTELS" original mattresses developed in collaboration with Simmons Bed, which are used in luxury hotels around the world, making the hotel highly competitive compared to other hotels in the area.

(2) Map of surrounding area



(3) Photos of the Assets to be Acquired



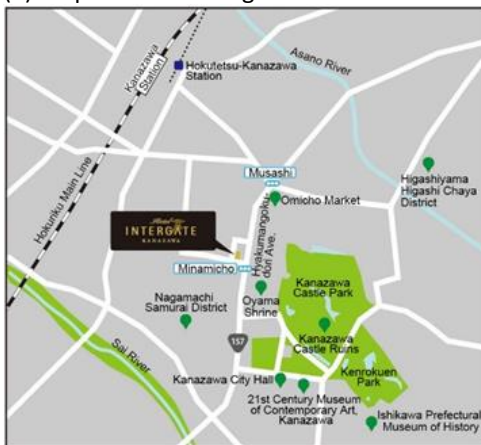
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B-5: Hotel Intergate Kanazawa

(1) Characteristics of the Assets

- The property is located close to Hyakumangoku-dori Avenue in central Kanazawa, where demand has been increasing since the opening of the Hokuriku Shinkansen bullet train, and is conveniently located in the center of the high-traffic Musashigatsuji and Korinbo areas, with easy access on foot to famous tourist spots such as Kenrokuen Park and Omicho Market. The 12-story building, located one-minute walk from the Minamicho/Oyama-jinja Shrine bus stop, has 166 guestrooms, mainly twin and double rooms, but also single rooms and suites, to meet the accommodation needs of both tourists and business travelers. The Property is equipped with a large communal bath to meet a wide range of accommodation needs.
- The restaurant and front desk are on the 1st floor, hotel guest rooms and a large communal bath on the 2nd floor, and hotel guest rooms on the 3rd through 12th floors. The standard floor height is 3.1 meters and the ceiling height is 2.5 meters. The hotel has 166 guest rooms, mainly twin and double rooms, but also single rooms and suites, to meet the accommodation needs of business travelers as well as tourists.
- The property is designed to harmonize with contemporary design while featuring interiors throughout that allow visitors to experience Kanazawa's history and culture, including the front wall tiles composed of "Kaga Gosai" used in Kaga Yuzen and Kutani Yaki porcelain. The coffee counter, which is placed in the center of the lounge on the first floor and resembles a chasen (tea whisk) representing Kanazawa's tea ceremony culture, offers coffee and original cocktails depending on the time of day, and the facility has the operational capability to plan and provide unique services such as holding various workshops and events to experience traditional Kanazawa culture or traditional performing arts as gathering spaces.
- A large public bath for relaxation with a powder room equipped with a variety of amenities is also located in the property. In addition, the guest rooms are equipped with Wi-Fi and wired LAN (free of charge), air purifiers, and items that contribute to the comfort of guests, such as the original "INTERGATE HOTELS" mattresses jointly developed with Simmons Beds, which have been introduced in luxury hotels around the world. We believe that the hotel has high competitiveness compared to other hotels in the area.

(2) Map of surrounding area



(3) Photos of the Assets to be Acquired



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B-6: Grids Premium Hotel Osaka Namba

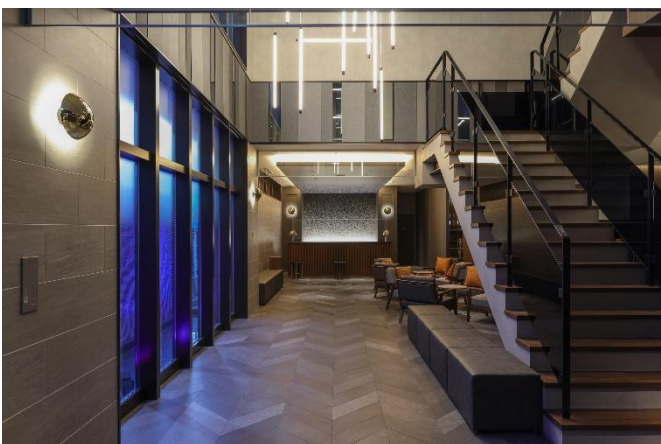
(1) Characteristics of the Assets

- The property is an 11-story hotel specializing in lodging, located in the "Minami" district, one of Osaka's most popular areas with many tourists and one-minute walk from "Namba" station on the Osaka Metro Midosuji, Sennichimae and Yotsubashi lines, 2-minute walk from "Namba" station on the Nankai Main Line, and 5-minute walk to JR Namba station.
- The lobby, front desk, cafe-restaurant serving buffet-style breakfast, lunch and dinner are on the 1st floor, lounge space that can be rented out, coin laundry, and guest rooms are on the 2nd floor, and guest rooms are on the 3rd to 11th floors. In addition, Wi-Fi and wireless LAN are available in the guest rooms.
- All of the 142 guest rooms are double or twin rooms, including one premium type room over 29 square meters with a spacious bathroom and 36 family type rooms that can accommodate up to four people, making it possible for friends and family to stay in the same room. The interior of the hotel features a partial atrium from the first to the second floor, and is decorated with design elements throughout to create a relaxing atmosphere.
- In addition to Universal Studios Japan, which drives leisure demand, and Osaka Castle, which attracts many tourists as a cultural tourist facility, Osaka City also has sports demand represented by high school baseball and professional baseball games, and there is a strong year-round source of demand for lodging, and the number of visitors is expected to continue to increase.

(2) Map of surrounding area



(3) Photos of the Assets to be Acquired



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