SANKEI REAL ESTATE Inc.

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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Differences from Operating Forecasts and Distribution Forecasts in Actual Results for the Fiscal Period Ended February 2020

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that differences from the operating forecasts and distribution forecasts announced on October 17, 2019, resulted in the following actual results for the fiscal period ended February 2020 (from September 1, 2019 to February 29, 2020).

1. Differences from the figures of operating forecasts and distribution forecasts in the figures of actual results for the fiscal period ended February 2020

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net Profit (million yen)	Distribution per unit (yen) (including distribution in excess of earnings)	Distribution per unit (yen) (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit (yen)
Previous forecasts (A)	1,951	1,100	960	959	2,689	2,689	-
Actual results (B)	1,933	1,166	1,069	1,068	2,995	2,995	-
Amount of change (B−A)	(18)	66	109	109	306	306	-
Rate of change	-0.9%	6.0%	11.4%	11.4%	11.4%	11.4%	-

(Reference) Fiscal period ended February 2020
Number of investment units issued and outstanding at end of period: 356,800 units

(Note 1) For the figures of actual results, please refer to "(REIT) Financial Report for the Fiscal Period Ended February 2020" dated April 16, 2020.
(Note 2) Figures are rounded down to the nearest specified unit and the rate of change is rounded to one decimal place.

2. Reasons for differences

Actual result of profits exceeded the previous forecasts as a result of mainly the following reasons: (i) Of the operating expenses that were initially assumed, decrease in the amount of building management fee in outsourcing expenses as expenses related to leasing business lower than those expected, decrease in the amount of repair expenses as expenses related to leasing business due to postponement of the timing of implementation, and decrease in the amount of property taxes lower than those expected, and (ii) Of the non-operating expenses that were initially assumed, managing to keep investment unit issuance expenses, etc. lower than those expected.

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