SANKEI REAL ESTATE Inc.

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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Acquisition and Leasing of Trust Beneficiary Rights in Domestic Real Estate

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that acquisition of trust beneficiary rights to the following property (the "To-be-Acquired Asset") and accompanying commencement of leasing were decided today by 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").
The To-be-Acquired Asset's seller falls 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.

1. Overview of Acquisition

Asset type	Property number	Property name	Location	To-be-Acquired Asset	Planned acquisition price (million yen) (Note)	Seller	Brokerage
Office building	A-10	S-GATE AKASAKA	Minato-ku, Tokyo	Real estate trust beneficiary right	4,200	The Sankei Building Co., Ltd.	None

(Note) "Planned acquisition price" is the sale and purchase price of the trust beneficiary right stated in the sale and purchase agreement for the To-be-Acquired Asset, 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.

(1) Acquisition decision date September 7, 2020
(2) Contract date September 7, 2020
(3) Planned acquisition date October 1, 2020
(4) Payment date October 1, 2020
(5) Funds for acquisition Borrowing (Note)
(6) Settlement method Payment of full amount at the time of delivery

(Note) For the said borrowing, please refer to "Notice Concerning Borrowing of Funds" announced today.

2. Reason for Acquisition and Leasing

The acquisition and leasing of the To-be-Acquired Asset were decided based on the judgment that the asset will contribute to continuous improvement of portfolio quality pursuant to the basic investment policy and investment perspective provided in SANKEI REAL ESTATE's articles of incorporation.
The To-be-Acquired Asset is the first property in the "S-GATE" Series of High-Grade, Mid-Size Office Buildings developed by The Sankei Building Co., Ltd., the sponsor, located in the city center of Tokyo , relatively new, and highly occupied office building.

The acquisition and leasing of the To-be-Acquired Asset are expected to expand SANKEI REAL ESTATE's portfolio to 71.5 billion yen (based on acquisition price and planned acquisition price (referred to together as "(planned) acquisition price")). The office building ratio (based on the (planned) acquisition price) will increase to 81.9%, the Tokyo area ratio (based on the (planned) acquisition price) will increased to 76.1%, the average building age (Note 1) will decrease to 16.1 years, so the quality of the portfolio will be improved. Moreover, the average appraisal NOI yield (Note 2) will be 4.2%, and the average occupancy rate (Note 3) will be 100%, and both are expected to maintain the same level as the existing portfolio.
Therefore, SANKEI REAL ESTATE thinks that it is appropriate to acquire the To-be-Acquired Asset in light of both growth and sustainability of SANKEI REAL ESTATE.
For the points that were highly rated in particular in the acquisition decision for the To-be-Acquired Asset, please refer to "Reference Material 2: Characteristics of the To-be-Acquired Asset."

(Note 1) "Average building age" is the number of years up until October 1, 2020 that has elapsed from the date of new construction completion stated in the registry of the main building for each To-be-Acquired Asset, expressed as a weighted average based on the acquisition price or planned acquisition price, rounded off to one decimal place.

(Note 2) "Appraisal NOI yield" is the net operating income measured by the direct capitalization method that is stated in the real estate appraisal report, and noted as a percentage of each acquisition price or each planned acquisition price, the concerned percentage of which is then expressed as a weighted average based on each acquisition price or each planned acquisition price, rounded to one decimal place.

(Note 3) "Average occupancy rate" is the ratio of the sum total of leased area (*1) to the sum total of leasable area (*2) for each property of the already acquired assets and the To-be-Acquired Asset (referred together as the "Acquired or To-be-Acquired Asset") (each as of the last day of June 2020), rounded to one decimal place. Leased area and leasable area are each the figures equivalent to each property's interest already acquired or planned to be acquired by SANKEI REAL ESTATE.

(*1) "Leased area" is the total leased area (the leased area (excluding area of warehouse, signboard, parking lot, etc.) stated in each lease agreement (excluding lease agreements under which the lease period is yet to commence) for the building) for each Acquired or To-be-Acquired Asset. 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 (master lease agreements with no rent guarantee).

(*2) "Leasable area" is the total area expected to be leasable (the area expected to be leasable (excluding area of warehouse, signboard, parking lot, etc.) based on the lease agreement, drawing, etc. of buildings) for each Acquired or To-be-Acquired Asset.

3. Overview of the To-be-Acquired Asset

The table below shows the overview of the To-be-Acquired Asset (the "individual asset table"). In addition, the terms used in the individual asset table are as follows unless otherwise specified in an individual asset table. Please refer to the individual asset table together with the explanation on the terms listed below.
In principle, unless otherwise specified, the status as of the last day of June 2020 is indicated.

- "Type of specified asset" indicates the type of the To-be-Acquired Asset upon acquisition.
- "Location" indicates the formal building address of the To-be-Acquired Asset. 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 acquisition price" indicates the purchase price of the trust beneficiary right indicated in the sale and purchase agreement for the To-be-Acquired Asset (excluding consumption tax, local consumption tax and various expenses including brokerage commission, rounded down to the nearest million yen).
- "Overview of trust beneficiary right" indicates the overview of the trustee, trust establishment date and trust expiration date upon the acquisition of the To-be-Acquired Asset (after the change when changes are planned to be made due to the acquisition). For trust agreements that are planned to be concluded after the date of this document, the overview of the planned trustee, planned trust establishment date and planned trust expiration date upon the planned acquisition of the To-be-Acquired Asset is indicated.
- "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. Moreover, certain easing or restrictive measures may be applied to the "Floor area ratio" or "Building coverage ratio" in the individual asset table depending on the To-be-Acquired Asset.

- “Type of ownership” of the land indicates the type of right for the To-be-Acquired Asset held or planned 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 the building indicated in the registry. If there are multiple main buildings, the date of the oldest building in the registry is indicated.
- “Total floor area” of the building is indicated based on the information in the registry. Moreover, “Total floor area” indicates the total floor area of main buildings and attached buildings. It indicates the total floor area of the one entire building regardless of sectional ownership or quasi co-ownership.
- “Use” of the building indicates the main use among the building type in the registry.
- “Type of ownership” of the building indicates the type of right for the To-be-Acquired Asset held or planned 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 plans to conclude a property management agreement for the To-be-Acquired Asset.
- “Master lease company” indicates the company with which SANKEI REAL ESTATE has concluded or plans to conclude a master lease agreement for the To-be-Acquired Asset. Moreover, the co-owners of the To-be-Acquired Asset 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 of the To-be-Acquired Asset. “Pass-through-type” indicates master lease agreements with no rent guarantee and “fixed-rent-type” indicates master lease agreements with rent guarantee.
- “Appraisal value” is the appraisal value as of August 1, 2020, stated in the real estate appraisal report. The appraisal of the To-be-Acquired Asset is entrusted to The Tanizawa Sōgō Appraisal Co., Ltd. and Japan Real Estate Institute.
- “PML value” is indicated based on the “Building Seismic Risk Assessment Report” dated August 2020 prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd.
- “Number of tenants” indicates the number of tenants based on the lease agreement of the To-be-Acquired Asset as of the last day of June 2020. However, the total number of end tenants is indicated for the portion in the pass-through-type master lease agreement when a master lease agreement has been concluded for the said asset. If a single tenant has concluded lease agreements for different uses of a single asset, the concerned tenant is counted as a tenant on a use-by-use basis.
- “Total rental revenue” indicates the amount calculated by annualizing the monthly rent (Only for rent of rental rooms excluding usage fee of warehouse, signboard, parking lot, etc. and including common service expenses. 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 June 2020 is used. If the agreement with 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 the To-be-Acquired Asset effective as of the last day of June 2020, rounded down to the nearest million yen. Moreover, the amount calculated by annualizing the monthly rent in the lease agreement concluded with the end tenant for the portion in the pass-through-type master lease agreement and by annualizing the monthly rent in the master lease agreement for the portion in the fixed-rent-type master lease agreement is indicated when a master lease agreement has been concluded for the To-be-Acquired Asset.
- “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 warehouse, signboard, parking lot, etc.) based on the lease agreement of the To-be-Acquired Asset as of the last day of June 2020, rounded down to the nearest million yen.
- “Leased area” indicates the total leased area (excluding area of warehouse, signboard, parking lot, etc.) shown in the lease agreement (excluding lease agreements under which the lease period is yet to commence.) with the tenant of the To-be-Acquired Asset as lessee as of the last day of June 2020, 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 warehouse, signboard, parking lot, etc.) based on the lease agreement, drawing, etc. of buildings for the To-be-Acquired Asset as of the last day of June 2020, rounded down to two decimal places.
- “Occupancy rate” indicates the ratio of leased area to leasable area for the To-be-Acquired Asset as of the last day of June 2020, rounded to one decimal place.
- “Special remarks” indicates matters recognized as important as of the last day of June 2020 in consideration of the relationship of rights, use, safety, etc. of the To-be-Acquired Asset as well as the impact on the appraisal value, profitability, and disposition.

A-10　S-GATE AKASAKA

Property name		S-GATE AKASAKA
Type of specified asset		Real estate trust beneficiary right
Location		6-2-4 Akasaka, Minato-ku, Tokyo
Planned acquisition price		4,200 million yen
Overview of trust beneficiary right	Trustee	Sumitomo Mitsui Trust Bank, Limited
	Trust establishment date	October 1, 2020
	Trust expiration date	September 30, 2030
Land	Site area	775.63 m^2 (Note 1) (Note 2)
	Use district	Commercial district, Category 2 residential district
	Floor area ratio	500%, 400%
	Building coverage ratio	80%, 60%
	Type of ownership	Ownership (60% quasi co-ownership interest)
Building	Structure and floors	Reinforced concrete, steel framed reinforced concrete, steel framed structure with flat roof 8 floors above ground
	Construction completion	July 31, 2015
	Total floor area	3,918.05 m^2
	Asset type	Office, Retail
	Type of ownership	Ownership (60% quasi co-ownership interest)
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)		4,266 million yen (August 1, 2020)
Appraiser		Japan Real Estate Institute
PML value		4.6%
PML value investigation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.
Collateral		None
Overview of leasing		
	Number of tenants	2
	Total rental revenue	Not disclosed (Note 3)
	Security and guarantee deposits	Not disclosed (Note 3)
	Leased area	1,984.86 m^2 (Note 4)
	Leasable area	1,984.86 m^2 (Note 4)
	Occupancy rate	100.0% (Note 4)
Special remarks		The quasi co-owners of the trust beneficiary right of the property, which are The Sankei Building Co., Ltd. (40% quasi co-ownership interest) and SANKEI REAL ESTATE (60% quasi co-ownership interest), will enter into a quasi co-owner's agreement in which the following matters are stipulated. ・Decision-making In principle, actions of beneficiaries are decided by reaching an agreement with all quasi co-owners. ・Special agreement on indivisibility Quasi co-owners shall not request the division of the trust beneficiary rights for five years (to be automatically renewed) ・Preferential negotiation rights Quasi co-owners shall discuss the conditions of sale and purchase with other quasi co-owners in preference to third parties when selling quasi co-ownership interest.

	・Approved matters Advance approval in written form by other quasi co-owners is required when quasi co-owners set collateral or implement disposal other than the transfer of the quasi co-ownership interest.

(Note 1) The site area under ownership (quasi co-ownership interest).

(Note 2) The site area of the land includes the private road contribution portion (27.55 m^2).

(Note 3) Such items contain the information for which the consent for disclosure from the tenants or other related parties has not been obtained. SANKEI REAL ESTATE does not disclose such information in light of future stable asset management and profit increase, because SANKEI REAL ESTATE judged that maintaining good relationship with such tenants and other related parties by not disrupting the fiduciary relationship benefits to the unitholders.

(Note 4) In the overview of leasing, figures equivalent to 60% quasi co-ownership interest are indicated for leased area, leasable area and occupancy rate.

4. Overview of Seller

(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	28,120 million yen (as of March 31, 2020)
(6)	Date of establishment	June 11, 1951
(7)	Net assets	108,962 million yen (as of March 31, 2020)
(8)	Total assets	350,464 million yen (as of March 31, 2020)
(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 4.19% of the total number of investment units issued and outstanding of SANKEI REAL ESTATE as of August 31, 2020. It also owns 100% of the shares issued and outstanding of the Asset Management Company as of the date of this document.
	Personnel relationship	Fourteen 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 (8 properties) other than "Toyo Park Building," "Shinagawa Seaside TS Tower," and "Omori Park Building" 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 a related party of SANKEI REAL ESTATE and the Asset Management Company.

5. 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 (transfer) period	Acquisition (transfer) period	Acquisition (transfer) period
S-GATE AKASAKA (6-2-4 Akasaka, Minato-ku, Tokyo)	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: February 2013 Building: July 2015 (completion)	—	—

6. Future Outlook

For SANKEI REAL ESTATE's operating forecasts and distribution forecasts for the fiscal period ending February 2021 (from September 1, 2020 to February 28, 2021) and fiscal period ending August 2021 (from March 1, 2021 to August 31, 2021), please refer to "Notice Concerning Revisions to Operating Forecasts and Distribution Forecasts for the Fiscal Period Ending February 28, 2021 and Operating Forecasts and Distribution Forecasts for the Fiscal Period Ending August 31, 2021" announced today.

7. Overview of Appraisal Report

Overview of appraisal report	
Property name	S-GATE AKASAKA
Appraiser	Japan Real Estate Institute
Appraisal value	4,266 million yen
Appraisal date	August 1, 2020

Items	Details	Overview, etc.
Income approach value	4,266 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	4,362 million yen	
i. Operating revenue	Not disclosed (Note 2)	
Effective gross income	Not disclosed (Note 2)	
Loss from vacancy, etc.	Not disclosed (Note 2)	
ii. Operating expenses	Not disclosed (Note 2)	
Maintenance and operation cost	Not disclosed (Note 2)	
Utilities expenses	Not disclosed (Note 2)	
Repair expenses	Not disclosed (Note 2)	
PM fee	Not disclosed (Note 2)	
Tenant soliciting fees, etc.	Not disclosed (Note 2)	
Taxes and public dues	Not disclosed (Note 2)	
Non-life insurance premium	Not disclosed (Note 2)	
Other expenses	Not disclosed (Note 2)	
iii. Net operating income (NOI: i.-ii.)	139 million yen	
iv. Income from deposits	1 million yen	Assessed by assuming an investment yield of 1.0%.
v. Capital expenditure	1 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.)	139 million yen	
Capitalization rate	3.2%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	4,170 million yen	
Discount rate	3.0%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	3.4%	Assessed by taking into consideration the risk on aging, market condition, etc.
Integrated value based on cost method	3,924 million yen	
Ratio of land	85.1%	
Ratio of building	14.9%	
Other matters which the appraiser has paid attention to in the appraisal	—	

(Note 1) All of the above amounts are the figures equivalent to the 60% quasi co-ownership interest.

(Note 2) Such items contain the information for which the consent for disclosure from the tenants and other related parties has not been obtained. Although the appraisal report prepared by the expert appraiser is to be disclosed, SANKEI REAL ESTATE does not disclose such information in light of future stable asset management and profit increase, because SANKEI REAL ESTATE judged that maintaining good relationship with such tenants and other related parties by not disrupting the fiduciary relationship benefits to the unitholders.

*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 Asset
Reference Material 2　Characteristics of the To-be-Acquired Asset

<Attachment>

Reference Material 1　Portfolio List After Acquisition of the To-be-Acquired Asset

Asset type	Property number	Property name	Location	Actual or planned acquisition price (Note 1)		Appraisal value (million yen) (Note 2)	Actual or planned acquisition date (Note 3)
				Price (million yen)	Investment ratio (%)		
Office building	A-1	Tokyo Sankei Building (Note 4)	Chiyoda-ku, Tokyo	2,509	3.5	2,690	March 12, 2019
	A-2	BREEZÉ TOWER (Note 4)	Kita-ku, Osaka-shi, Osaka	i. 8,600 ii. 4,500 Total 13,100	18.3	14,715	i. March 12, 2019 ii. September 3, 2019
	A-3	S-GATE NIHONBASHI-HONCHO (Note 4)	Chuo-ku, Tokyo	6,698	9.4	7,440	March 12, 2019
	A-4	S-GATE AKIHABARA	Chiyoda-ku, Tokyo	2,055	2.9	2,220	March 12, 2019
	A-5	Hibiya Sankei Building	Chiyoda-ku, Tokyo	5,829	8.1	6,530	March 12, 2019
	A-6	Hatchobori Sankei Building	Chuo-ku, Tokyo	4,959	6.9	5,570	March 12, 2019
	A-7	Toyo Park Building	Koto-ku, Tokyo	3,782	5.3	3,940	March 12, 2019
	A-8	Shinagawa Seaside TS Tower (Note 4)	Shinagawa-ku, Tokyo	10,040	14.0	10,600	September 3, 2019
	A-9	Omori Park Building	Ota-ku, Tokyo	5,400	7.5	5,620	September 3, 2019
	A-10	S-GATE AKASAKA (Note 4)	Minato-ku, Tokyo	4,200	5.9	4,266	October 1, 2020
Subtotal (average)			-	58,574	81.9	63,591	-
Sub assets	B-1	Hotel Intergate Tokyo Kyobashi	Chuo-ku, Tokyo	8,961	12.5	9,140	March 12, 2019
	B-2	Hotel Intergate Hiroshima	Naka-ku, Hiroshima-shi, Hiroshima	3,990	5.6	4,140	September 3, 2019
Subtotal (average)			-	12,951	18.1	13,280	-
Total (average)			-	71,525	100.0	76,871	-

(Note 1) "Actual or 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 or To-be-Acquired Asset, 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 actual or planned acquisition price of each Acquired or To-be-Acquired Asset to the total amount of actual or planned acquisition prices, rounded to one decimal place.

(Note 2) "Appraisal value" is the appraisal value stated in each real estate appraisal report as of February 29, 2020 for the assets acquired by SANKEI REAL ESTATE and as of August 1, 2020 for the To-be-Acquired Asset. The appraisal of each Acquired or To-be-Acquired Asset is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd. and Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) "Actual or planned acquisition date" is the actual or planned acquisition date stated in each sale and purchase agreement for the Acquired or To-be-Acquired Asset. The planned acquisition date for the To-be-Acquired Asset is subject to change upon agreement between SANKEI REAL ESTATE and the seller.

(Note 4) The actual or planned acquisition price and appraisal value are the figures equivalent to the co-ownership interest (2% for "Tokyo Sankei Building" and 51% for "S-GATE NIHONBASHI-HONCHO") and the quasi co-ownership interest (45% for "BREEZÉ TOWER" and 25% of "Shinagawa Seaside TS Tower") held by SANKEI REAL ESTATE, and the quasi co-ownership interest to be acquired by SANKEI REAL ESTATE (60% for "S-GATE AKASAKA"). For details of co-ownership interest and quasi co-ownership interest of each assets already acquired, please refer to the content of "Part 1. Fund Information; Section 1. Status of Fund; (5) Operating Conditions; ii. Investment Assets; (d) Individual Real Estate" in the annual securities report for the 2nd fiscal period, and for details of quasi co-ownership interest of asset to be acquired, please refer to the individual asset table in "3. Overview of the To-be-Acquired Asset" presented earlier in this document.

(Note 5) For Asset type, please refer to the content of " Part 1. Fund Information; Section 1. Status of Fund; (2) Investment Policy; i. Investment Policy; (c) Characteristics and Investment Policy of the Investment Corporation; <Investment Policy>" in the annual securities report for the 2nd fiscal period.

Reference Material 2　Characteristics of the To-be-Acquired Asset

(Property Number A-10) S-GATE AKASAKA

(1) Characteristics of the Property

- The To-be-Acquired Asset is the first property in the “S-GATE” Series of High-Grade, Mid-Size Office Buildings, The Sankei Building Co., Ltd. unifies design, specifications (performance) and service level for development and operation management, and provides comfort, safety, security and environmental friendliness, BCP (business continuity plan) measures, and tenant services in intangible aspects, etc.
- The property is located in the popular office district of Akasaka area, and is just a one-minute walk from nearest Akasaka Station on the Tokyo Metro Chiyoda Line, and is also within walking distance of Tameike-sanno Station, Akasaka-mitsuke Station and Nagatacho Station, with access to four stations and six lines.
- In addition to a solid Grid design (Note), the floor area of the standard floor is approximately 525 m², the ceiling height is 2,800 mm, and an out-frame structure is used to create a completely column-free space. Environmentally friendly low-e paired glass, LED lighting, and complete individual air conditioning are installed. A comfortable office environment is achieved by creating a pleasant aroma at the entrance, greening the walls, installing a digital signage, a hotel-like toilet with a powder space, a refreshing corner, and an open roof terrace. In terms of business continuity plan (BCP) measures, the building is equipped with an emergency power generator, has two separate power lines, has an emergency storage facility on all floors except the first floor, and has an earthquake-resistant structure with an earthquake resistance level equivalent to 1.25 times that of the Building Standards Act. Although it is a medium-sized building, it boasts the same specifications and equipment levels as an A-class building, and we believe that it has a competitiveness comparable to a large-scale building that is relatively new.
- The property has acquired the DBJ Green Building certification “2017 4 stars” (certification destination: The Sankei Building Co., Ltd.).

  (Note) “Grid design” refers to grid-shaped design adopted at the exterior of the building.

DBJ Green Building 2017

(2) Map of surrounding area



(3) Photo of the To-be-Acquired Asset





