SANKEI REAL ESTATE Inc.

October 15, 2020

For Immediate Release

Real Estate Investment Trust Securities Issuer
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SANKEI REAL ESTATE Inc.
Representative: Yuichi Ota, Executive Director
(TSE code: 2972)
Asset Management Company
Sankei Building Asset Management Co., Ltd.
Representative: Yuichi Ota
President and Chief Executive Officer
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Notice Concerning Partial Amendments to the Articles of Incorporation and Appointment of Directors

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that it passed at the meeting of the board of directors of SANKEI REAL ESTATE held today a resolution concerning proposing of partial amendments to the Articles of Incorporation and appointment of directors at the Second General Meeting of Unitholders to be held on November 18, 2020 (the "General Meeting of Unitholders"). Details are as follows.

The following items shall become effective upon their resolution and approval at the General Meeting of Unitholders.

1. Partial amendments to the Articles of Incorporation

The details and reasons for the amendments are as follows.

(1) Pursuant to Article 93, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, Article 14 of the current Articles of Incorporation of SANKEI REAL ESTATE stipulates that when a unitholder does not attend a general meeting of unitholders and does not exercise his/her voting right, it is deemed that the unitholder approves the proposals (excluding proposals that conflict with other proposals when more than one proposal are submitted and any of them conflict with other proposals) submitted to the general meeting of unitholders (so-called a deemed approval system). However, concerning proposals against which submitting a conflicting proposal is difficult due to its nature and which greatly affect the interest of the unitholders and the governance structure of the investment corporation, application of the deemed approval system may lead to approval of a proposal without judgement in line with the will of a majority of unitholders and deriving from sufficient discussion by the full body of unitholders. As such, taking into account also the recent debate by minority unitholders over unitholder's proposals, SANKEI REAL ESTATE shall make an amendment to halt the application of the deemed approval system to certain proposals (the "Subject Proposals") when a clear contrary intention has been expressed in advance by minority unitholders or SANKEI REAL ESTATE based on the prescribed procedures.

The Subject Proposals shall be proposals concerning (1) appointment or dismissal of Executive Directors or Supervisory Directors, (2) conclusion or cancellation of the asset management agreement with the asset management company, (3) dissolution, (4) consolidation of investment units, and (5) exemption of liability of the Executive Directors, Supervisory Directors, or financial auditor.

The entities that can express contrary intention in advance shall be minority unitholders fulfilling certain eligibility requirements and SANKEI REAL ESTATE, from the standpoint of impartiality and fairness.

Procedural requirements when expressing a contrary intention shall be (1) for minority unitholders, a notice to SANKEI REAL ESTATE (both SANKEI REAL ESTATE and the convenor when the convenor is one other than the Executive Director or Supervisory Director) within a certain period of time and (2) for SANKEI REAL ESTATE, description in the notice of convocation or announcement on SANKEI REAL ESTATE's website.

In order to stipulate partial exclusion of application of the deemed approval system as described above and to make necessary amendments in line with such, SANKEI REAL ESTATE shall make amendments to provisions concerning deemed approval (Paragraph 3 and Paragraph 4 of Article 14 of the draft amendment).

(2) SANKEI REAL ESTATE shall clearly specify that logistic facilities are included in the investment target for sub assets of SANKEI REAL ESTATE (Paragraph 1 of Article 29 of the draft amendment).

(3) In addition to the above, SANKEI REAL ESTATE shall delete provisions that are no longer necessary in line with the closing of the first fiscal period of SANKEI REAL ESTATE (Article 35 and Article 38, Paragraph 1, Item 1 of the draft amendment).

2. Appointment of Directors

The term of office of SANKEI REAL ESTATE's Executive Director (Yuichi Ota) and Supervisory Directors (Susumu Motoyoshi and Kohmei Shimizu) will expire on November 19, 2020. In line with such, appointment of one Executive Director and two Supervisory Directors as of November 20, 2020, shall be requested.

Furthermore, in preparation for the event of the Executive Director or Supervisory Director failing to remain in office or the number of Executive Directors and Supervisory Directors falling below what is set forth by laws and regulations, appointment of one substitute Executive Director and one substitute Supervisory Director as of November 20, 2020, shall be requested.

(1) Candidate for Executive Director

Yuichi Ota (current) (Note 1)

(2) Candidate for substitute Executive Director

Atsushi Mukai (Note 2)

(3) Candidates for Supervisory Director

Susumu Motoyoshi (current)

Kohmei Shimizu (current)

(4) Candidate for substitute Supervisory Director

Kanae Fukushima

(Note 1) Yuichi Ota, the candidate for Executive Director, is President and CEO of Sankei Building Asset Management Co., Ltd., with which SANKEI REAL ESTATE has concluded an asset management agreement.

(Note 2) Atsushi Mukai, the candidate for substitute Executive Director, is Director and Chief Finance & IR Officer of Sankei Building Asset Management Co., Ltd., with which SANKEI REAL ESTATE has concluded an asset management agreement.

3. Schedule

October 15, 2020	Approval of the proposals submitted to the Second General Meeting of Unitholders at the meeting of the board of directors
November 2, 2020	Dispatch of Notice of Convocation of the Second General Meeting of Unitholders (planned)
November 18, 2020	The Second General Meeting of Unitholders (planned)

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