SANKEI REAL ESTATE Inc.

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For Immediate Release

Real Estate Investment Trust Securities Issuer
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SANKEI REAL ESTATE Inc.
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(TSE code: 2972)

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Notice Concerning Borrowing of Funds (Refinancing)

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") hereby announces its decision made today to refinance part of its existing borrowings (hereinafter, the "Refinancing") as follows.

1. Details of the Refinancing

Long-term borrowing (Note 1)

i.	Lender:	Loan syndicate with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as the arrangers
ii.	Borrowing amount	4,800 million yen
iii.	Interest rate:	Base rate + 0.250% (fixed interest rate) (Note 2)
iv.	Planned borrowing date:	March 12, 2021 (Note 3)
v.	Borrowing method:	Conclusion of individual loan agreement on February 26, 2021 (scheduled) with the lenders shown above
vi.	Maturity date:	March 12, 2025 (Note 3) (Note 4)
vii.	Repayment method:	Lump-sum repayment at maturity (Note 5)
viii.	Interest payment due date:	The first interest payment due date shall be June 12, 2021, followed by the 12th of every March, June, September and December thereafter, and the maturity date (Note 4)
ix.	Security:	Unsecured and non-guaranteed (Note 6)

(Note 1) "Long-term borrowing" refers to borrowing for a period from the planned borrowing date to the maturity date of more than one year.

(Note 2) Base rate will be: swap offered rate corresponding to the period from the planned borrowing date to the last maturity date as of two business days prior to the planned borrowing date + TIBOR-LIBOR spread (365-day basis). However, if there is no rate corresponding to the relevant period, the base rate will be calculated based on the method specified in the individual loan agreement. The interest rates quoted hereto are based on those scheduled as of February 24, 2021, and may be changed before the final execution date of borrowing.

(Note 3) "Planned borrowing date" and "Maturity date" are the scheduled dates as of February 24, 2021, and may be changed before the final execution date of borrowing.

(Note 4) If the relevant date is not a business day, then it shall be the next business day, but if that next business day falls into the next calendar month, then it shall be the business day preceding the relevant date.

(Note 5) During the period from the abovementioned drawdown date to the maturity date, SANKEI REAL ESTATE may make early repayment of borrowings, in whole or in part, if SANKEI REAL ESTATE gives prior written notice and other certain terms and conditions are met.

(Note 6) SANKEI REAL ESTATE concluded a basic agreement on the borrowing of funds on March 7, 2019, and will conclude an individual loan agreement with the lenders shown above based on the basic agreement (including subsequent changes, etc.). In such individual loan agreement, provision of collateral is not assumed at the time of borrowing, but financial restrictions such as maintaining certain figures of financial indicators based on assets and liabilities will be set.

2. Reason and Target of the Refinancing

(1) Reason for the Refinancing

To repay 4,800 million yen of the following borrowings due for repayment on March 12, 2021.

(2) Target of the Refinancing

Long-term borrowing

i.	Lender:	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited., Shinsei Bank, Limited and Resona Bank, Limited.
ii.	Borrowing amount:	4,800 million yen
iii.	Interest rate:	Base rate (JBA 3-month Japanese Yen TIBOR) + 0.175%
iv.	Borrowing date:	March 12, 2019
v.	Borrowing method:	Conclusion of individual loan agreement on March 7, 2019, with the lenders shown above
vi.	Maturity date:	March 12, 2021
vii.	Repayment method:	Lump-sum repayment at maturity
viii.	Interest payment due date:	The first interest payment due date shall be June 12, 2019, followed by the 12th of September, December, March and June thereafter, and the maturity date
ix.	Security:	Unsecured and non-guaranteed

(Note) For details of the above refinancing, please refer to "Notice Concerning Borrowing of Funds" dated March 12, 2019.

3. Status of Borrowings, etc. after the Refinancing

(Unit: million yen)

	Before the Refinancing	After the Refinancing	Increase (Decrease)
Short-term borrowing (Note)	4,300	4,300	0
Long-term borrowings (Note)	33,500	33,500	0
Repayment due within one year	4,800	5,600	800
Total borrowings	37,800	37,800	0
Investment corporation bonds	—	—	—
Total borrowings and investment corporation bonds	37,800	37,800	0

(Note) "Short-term borrowing" refers to borrowing for a period from the borrowing date to the maturity date of one year or less. "Long-term borrowing" refers to borrowing for a period from the borrowing date to the maturity date of more than one year.

4. Other

Concerning the risks associated with the Refinancing, there is no significant change from the content of "Part 1. Fund Information; Section 1. Status of Fund; (3) Investment Risks" in the annual securities report submitted on November 26, 2020.

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