SANKEI REAL ESTATE Inc.

English Translation

April 28, 2026

For Immediate Release

Real Estate Investment Trust Securities Issuer
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SANKEI REAL ESTATE Inc.
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(TSE Code: 2972)
Asset Management Company
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Notice Concerning Capital Reduction Without Compensation

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") hereby announces that it has resolved, at the meeting of the Board of Directors held today, that pursuant to the provisions of Article 136, Paragraph 2 of the Act on Investment Trusts and Investment Corporations (the "Investment Trusts Act"), the undisposed loss for the fiscal period ended February 28, 2026 (from September 1, 2025 to February 28, 2026) is to be treated by deduction from the unitholders' capital, etc. (the "Capital Reduction Without Compensation").

SANKEI REAL ESTATE has resolved, at the meeting of the Board of Directors held today, that the undisposed loss for the fiscal period ended February 28, 2026 (from September 1, 2025 to February 28, 2026) is to be treated by the Capital Reduction Without Compensation as follows:

(1) Purpose of Capital Reduction Without Compensation
This is to ensure that the loss recognized in the fiscal period ended February 28, 2026 (from September 1, 2025 to February 28, 2026) due to a recognition of the impairment loss on the Fukuoka Green Building is not carried forward to the following fiscal year, thereby enabling profit distributions to be possible starting from the fiscal period ending August 31, 2026 (from March 1, 2026 to August 31, 2026) onwards.

(2) Amount to be Deducted from Unitholders' Capital, Etc.
Undisposed losses for the fiscal period ended February 28, 2026, 4,009 million yen.

(3) Method of Capital Reduction Without Compensation
No refund will be made for the Capital Reduction Without Compensation, and the number of issued and outstanding investment units will not change. The amount of reduction mentioned in (2) above will be deducted from the amount of the unitholders' capital, etc. The Capital Reduction Without Compensation has taken effect with the approval of financial statements, etc. by the Board of Directors of SANKEI REAL ESTATE in accordance with Article 136 and Article 131, Paragraph 2 of the Investment Trusts Act.

(4) Schedule for Deduction from Unitholders' Capital, Etc.
As stated in "(4) Statement of Cash Distributions" in "2. Financial Statements" in "(REIT) Financial Report for the Fiscal Period Ended February 2026" released today, the deduction from the unitholders' capital, etc. will be treated in the Statement of Cash Distributions for the fiscal period ended February 28, 2026.

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

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