

For Immediate Release

Real Estate Investment Trust Securities Issuer
2-3-4 Uchikanda, Chiyoda-ku, Tokyo
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
Contact: Akio Watanabe
Director and Chief Finance & IR Officer
TEL: +81-3-5542-1316

**Notice Concerning Revisions to Operating Forecasts and Distribution Forecasts
for the Fiscal Period Ended August 31, 2026 and Fiscal Period Ending February 28, 2027**

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") hereby announces the following revisions to the operating forecasts and distribution forecasts for the fiscal period ended August 2026 (from March 1, 2026 to August 31, 2026) and the fiscal period ending February 2027 (from September 1, 2026 to February 28, 2027) announced in "(REIT) Financial Report for the Fiscal Period Ended February 2026" dated April 28, 2026.

1. Details of Revisions to Operating Forecasts and Distribution Forecasts

(1) Fiscal Period Ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit (million yen)	Distribution per unit (yen) (including distributions in excess of earnings)	Distribution per unit (yen) (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit (yen)
Previous forecasts announced (A)	3,757	1,987	1,664	1,663	3,560	3,560	-
Revised forecasts (B)	3,729	2,085	1,796	1,719	3,681	3,681	-
Change (B-A)	(28)	98	132	56	121	121	-
Change rate	(0.7)%	4.9%	7.9%	3.4%	3.4%	3.4%	-

(Reference) Fiscal period ended August 2026

Forecast number of investment units issued and outstanding at end of period: 467,099 units; Forecast net profit per unit:
3,681 yen

(2) Fiscal Period Ending February 28, 2027 (from September 1, 2026 to February 28, 2027)

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit (million yen)	Distribution per unit (yen) (including distributions in excess of earnings)	Distribution per unit (yen) (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit (yen)
Previous forecasts announced (A)	2,351	887	511	510	1,093	1,093	-

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Revised forecasts (B)	2,613	1,335	968	967	2,071	2,071	-
Change (B-A)	262	448	457	457	978	978	-
Change rate	11.1%	50.5%	89.4%	89.6%	89.5%	89.5%	-

(Reference) Fiscal period ending February 2027

Forecast number of investment units issued and outstanding at end of period: 467,099 units; Forecast net profit per unit: 2,070 yen

(Note 1) The operating forecasts and distribution forecasts for the fiscal period ended August 2026 and the fiscal period ending February 2027 are made using information available at the time of this release, based on the assumptions stated in Attachment "Assumptions Underlying the Operating Forecasts for the Fiscal Period Ended August 31, 2026 and the Fiscal Period Ending February 28, 2027." Actual operating revenue, operating profit, ordinary profit, net profit, distribution per unit (excluding distributions in excess of earnings) and distributions in excess of earnings per unit may differ as a result of variance from assumptions due to various factors, such as future additional acquisition or disposition of real estate, trends in the real estate market, interest rate fluctuation and other changes in circumstances surrounding SANKEI REAL ESTATE. In addition, these forecasts do not guarantee the amount of distribution.

(Note 2) In the event that a certain level of deviation from the above forecasts is expected, the forecasts may be revised.

(Note 3) Figures are rounded down to the nearest specified unit, and change rate is rounded to one decimal place.

2. Reason for Revisions to Operating Forecasts and Distribution Forecasts and Announcement of Such

In connection with the disposition of Fukuoka Green Building (the "Property") as described in "Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Right (Fukuoka Green Building)" announced today, changes have occurred in the assumptions underlying the operating forecasts for the fiscal period ended August 2026 (from March 1, 2026 to August 31, 2026) and the fiscal period ending February 2027 (from September 1, 2026 to February 28, 2027) announced in "(REIT) Financial Report for the Fiscal Period Ended February 2026" dated April 28, 2026, and, a difference of 10% or more in forecast operating revenue, a difference of 30% or more in forecast profit and a difference of 5% or more in forecast distributions per unit are expected for the fiscal period ending February 2027. In light of the foregoing, SANKEI REAL ESTATE revises the forecasts for operating results and distribution for the fiscal period ending February 2027.

Furthermore, as described in "Notice Concerning Expression of Opinion in Support of the Tender Offer by City Index Fifth Co., Ltd. for Investment Units of SANKEI REAL ESTATE Inc. (TSE Code: 2972) and Neutral Position on Tendering" announced today, City Index Fifth Co., Ltd. (the "Offeror") conducts the Tender Offer for the investment units of SANKEI REAL ESTATE (the "Investment Units") for the tender offer period from September 28, 2026 to November 10, 2026 (the "Tender Offer"). SANKEI REAL ESTATE has resolved, at the meeting of its Board of Directors held on September 25, 2026, to express an opinion in support of the Tender Offer and to leave the decision as to whether to tender in the Tender Offer to the judgment of the unitholders who hold the Investment Units. The above resolution by the Board of Directors of SANKEI REAL ESTATE was made on the assumption that the Offeror plans to acquire all the Investment Units through the Tender Offer and a series of procedures thereafter, and that the Investment Units are scheduled to be delisted. In the event that a certain level of deviation from the above forecasts is expected, SANKEI REAL ESTATE will promptly make an announcement.

(Note) For details of the Property and the Tender Offer, please refer to "Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Rights (Fukuoka Green Building)" and "Notice Concerning Expression of Opinion in Support of the Tender Offer by City Index Fifth Co., Ltd. for Investment Units of SANKEI REAL ESTATE Inc. (TSE Code: 2972) and Neutral Position on Tendering" announced today, respectively.

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

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[Attachment]

Assumptions Underlying the Operating Forecasts for the Fiscal Period Ended August 31, 2026
(from March 1, 2026 to August 31, 2026) and the Fiscal Period Ending February 28,
2027 (from September 1, 2026 to February 28, 2027)

Item	Assumptions																											
Accounting period	- Fiscal period ended August 2026 (15th fiscal period) (from March 1, 2026 to August 31, 2026) (184 days) - Fiscal period ending February 2027 (16th fiscal period) (from September 1, 2026 to February 28, 2027) (181 days)																											
Assets under management	- The assumption for the real estate trust beneficiary rights (16 properties in total) held by SANKEI REAL ESTATE as of today is that the number of assets under management of SANKEI REAL ESTATE will decrease to 15 properties as a result of the disposition of the real estate trust beneficiary rights of Fukuoka Green Building on October 13, 2026, and that there will be no further changes until the end of the fiscal period ending February 2027. - In addition to the above, there is a possibility of changes due to the acquisition of other properties or disposition of assets under management.																											
Operating revenue	- Rent business revenue of the assets under management is calculated by taking into account various factors, such as lease agreements that have been concluded and are valid during the calculation period of the Assumptions, tenant trends and market trends. - The assumption is that there will be no delinquent or unpaid rent by tenants. - For the fiscal period ended August 2026, income from settlement of restoration work, etc. of 1,419 million yen received in connection with the agreed termination of the tenant at Fukuoka Green Building is recorded. - For the fiscal period ending February 2027, a gain on disposition of 288 million yen in connection with the disposition of Fukuoka Green Building is expected to be recorded.																											
Operating expenses	- The principal items of operating expenses are as follows. (Unit: million yen) <table><tr><th></th><th>Fiscal Period ended Aug. 2026</th><th>Fiscal Period ending Feb. 2027</th></tr><tr><td>Total expenses related to rent business</td><td>1,284</td><td>918</td></tr><tr><td> Outsourcing expenses</td><td>145</td><td>115</td></tr><tr><td> Utilities expenses</td><td>112</td><td>94</td></tr><tr><td> Repair expenses</td><td>404</td><td>56</td></tr><tr><td> Property taxes</td><td>287</td><td>265</td></tr><tr><td> Depreciation</td><td>314</td><td>310</td></tr><tr><td>Other expenses related to rent business</td><td>359</td><td>359</td></tr><tr><td> Asset management fee</td><td>273</td><td>232</td></tr></table> - Of expenses related to the rent business, which are the main operating expenses, expenses other than depreciation are calculated on the basis of historical data and by taking into consideration the factors causing fluctuation in each of the expenses. - Depreciation is calculated using the straight-line method. - In general, non-current asset tax, city planning tax, etc. are calculated on a pro rata basis and reimbursed at the time of property acquisition with the previous owner upon transactions of real estate, etc. At SANKEI REAL ESTATE, the amount equivalent to the reimbursement is included in the cost of acquisition and thus not expensed in the business period in which the property acquisition date falls in the case of the properties for which such reimbursement is made at the time of transaction. - Repair expenses for buildings is the amount estimated based on medium- to long-term repair plans formulated by Sankei Building Asset Management Co., Ltd.		Fiscal Period ended Aug. 2026	Fiscal Period ending Feb. 2027	Total expenses related to rent business	1,284	918	Outsourcing expenses	145	115	Utilities expenses	112	94	Repair expenses	404	56	Property taxes	287	265	Depreciation	314	310	Other expenses related to rent business	359	359	Asset management fee	273	232
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	However, repair expenses possibly increasing in amount or additionally arising from unforeseeable factors may result in repair expenses differing materially from the forecast amount. In the operating forecasts for the fiscal period ended August 2026 (from March 1, 2026 to August 31, 2026) and for the fiscal period ending February 2027 (from September 1, 2026 to February 28, 2027) disclosed in “(REIT) Financial Report for the Fiscal Period Ended February 2026 SANKEI REAL ESTATE Inc. (2972)” dated April 28, 2026, the cost of restoration work at Fukuoka Green Building was anticipated to be recorded as repair expenses in the amount of 402 million yen for the fiscal period ended August 2026 and 185 million yen for the fiscal period ending February 2027. However, following the disposition of Fukuoka Green Building announced in “Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Right (Fukuoka Green Building)”, the estimated amount of such repair expenses has changed, and now the assumption is that 309 million yen will be recorded only for the fiscal period ended August 2026.
Non-operating expenses	Interest expenses and other borrowing-related expenses are estimated at 309 million yen for the fiscal period ended August 2026 and 382 million yen for the fiscal period ending February 2027.
Interest-bearing liabilities	- The assumption is that total interest-bearing liabilities will be 49,500 million yen at the end of the fiscal period ended August 2026 and 43,300 million yen at the end of the fiscal period ending February 2027. - It is assumed that the disposition proceeds of 5,500 million yen from the disposition of Fukuoka Green Building will be applied to part of the repayment of borrowings in October 2026. - LTV is expected to be 48.6% at the end of the fiscal period ended August 2026 and 45.7% at the end of the fiscal period ending February 2027. LTV is calculated by the following formula and rounded to one decimal place. $\text{LTV ratio} = \text{Total interest-bearing liabilities} / \text{Total assets} \times 100$
Number of investment units issued and outstanding	- The assumption is that the total number of investment units issued and outstanding as of today is 467,099 units and that there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending February 2027. - Distribution per unit (excluding distributions in excess of earnings) is calculated based on the expected total number of investment units issued and outstanding at the end of each of the fiscal period ended August 2026 and the fiscal period ending February 2027, which is 467,099 units.
Distribution per unit (excluding distributions in excess of earnings)	- Distribution per unit (excluding distributions in excess of earnings) is calculated based on the assumption that distribution of earnings will be in accordance with the policy on distribution of cash provided in SANKEI REAL ESTATE’s articles of incorporation. - Distribution per unit (excluding distributions in excess of earnings) may vary due to various factors, such as fluctuation in rent business revenue accompanying change in assets under management, change in tenants or other events, or incurrence of unexpected repairs.
Distributions in excess of earnings per unit	No cash distribution in excess of earnings is planned to be made at this point in time.
Other	- The assumption is that there will be no amendment of laws and regulations, tax systems, accounting standards, listing regulations provided by Tokyo Stock Exchange, Inc., rules provided by the Investment Management Association of Japan, etc. that will impact the forecast figures above. - The assumption is that there will be no unforeseen material change in general economic trends, real estate market conditions, etc.

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