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For Translation Purposes Only

Real Estate Investment Trust Securities Issuer
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**Notice Concerning Revisions to the Forecast of Management Status and Distribution per Unit
for 10th Fiscal Period Ending July 2020**

Samty Residential Investment Corporation ("Samty Residential") announces revisions to the forecast of its management status and distribution per unit for the 10th fiscal period ending July 2020 (from February 1, 2020 to July 31, 2020), which was announced in "(REIT) Summary of Financial Results for Fiscal Period Ended January 2020" dated March 13, 2020, as described below.

**1. Revisions to the Forecast of Management Status and Distribution per Unit for 10th Fiscal Period
Ending July 2020**

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (including distribution in excess of earnings)	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)	(yen)	(yen)
Previous forecast (A)	3,791	1,705	1,370	1,369	2,701	2,310	391
Revised forecast (B)	3,900	1,768	1,435	1,434	2,812	2,421	391
Variation (B-A)	108	63	65	65	111	111	-
Rate of variation	2.9%	3.7%	4.8%	4.8%	4.1%	4.8%	-

(Reference)

Fiscal period ending : Forecast number of 592,600 units Forecast net income per unit: 2,421 yen
July 2020 investment units issued and
outstanding at end of period

(Note 1) The above forecast is the current forecast calculated based on the assumptions stated in the attached "Assumption Underlying Forecast of Management Status for 10th Fiscal Period Ending July 2020." Accordingly, discrepancies with the assumptions may arise due to future additional acquisition or disposition of real estate properties, changes in the real estate market and other developments, fluctuation in interest rates, further issuance of new investment units in the future, change in other circumstances surrounding Samty Residential and other factors. The actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary as a result. In addition, the forecast is not a guarantee of the amount of distributions and distributions in excess of earnings.

(Note 2) Samty Residential may revise the forecast in the event that it expects discrepancies above a certain level from the forecast above.

(Note 3) Figures are rounded down to the nearest unit, and percentage are rounded to the first decimal place. The same applies hereafter.

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2. Reason for Disclosure

As notified in “Notice Concerning Acquisition and Disposition of Properties” (the “Notice”) announced today, due to the acquisition and disposition of assets, the assumptions underlying the forecast of management status for the fiscal period ending July 2020 announced on March 13, 2020 have changed. Therefore, revisions to the forecast of management status and distribution per unit for the fiscal period ending July 2020 are made.

The impact on the forecast of Samty Residential’s management status for the fiscal period ending January 2021 (11th fiscal period) is minimal, and thus there is no revision to the forecast.

* This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism

* Samty Residential Investment Corporation website: <https://samty-residential.com/en/>

[Attachment]

Assumptions Underlying Forecast of Management Status for 10th Fiscal Period Ending July 2020

Item	Assumption
Fiscal period	<ul style="list-style-type: none"> Fiscal period ending July 2020 (from February 1, 2020 to July 31, 2020) (182 days)
Managed assets	<ul style="list-style-type: none"> It is assumed that Samty Residential will continue to own the 118 properties it owns as of today (the "Acquired Assets") through the end of fiscal period ending July 2020; will acquire "S-FORT Funabashi roots" (the "Asset to Be Acquired") and dispose "S-FORT Kyoto Nishioji" (the "Asset to Be Disposed") on July 31, 2020, as announced in the Notice; and will newly acquire or dispose no other property. In practice, change may arise due to acquisition of new properties except the Asset to Be Acquired or sales of owned properties other than the Asset to Be Disposed, etc.
Operating revenue	<ul style="list-style-type: none"> Real estate rent revenue from the Acquired Assets and the Asset to Be Acquired is calculated by taking into account the information provided from the current owners, etc. of the respective properties, concluded lease agreements, market trends and other factors. Samty Residential anticipates 113 million yen of gain on sale of real estate properties for the Asset to Be Disposed on July 31, 2020, announced in the Notice. Gain on sale of real estate properties is an assumption at the present time, and there may be changes in the future. Operating revenue is based on the assumption that there will be no accrual of gain or loss on sale of real estate properties other than that of the property above.
Operating expenses	<ul style="list-style-type: none"> Expenses related to the rent business, which are the principal operating expenses, are calculated on the basis of past results of Samty Residential (or the past results disclosed by the previous owners, etc. for the periods for which Samty Residential does not have past results), taking into account the fluctuation factors of expenses. Real estate rent income (excluding gain on sale of real estate properties) after deducting expenses related to the rent business (excluding depreciation) is assumed to be 2,930 million yen. In general practice, the property tax and city planning tax, etc. levied on transactions of real estate properties are settled at the time of acquisition by prorating for the period with the current owner. However, as Samty Residential includes the amount equivalent to such settlement in the acquisition costs for the property, the amount is not recorded as expenses. As for the Asset to Be Acquired, the property tax and city planning tax, etc. to be included in the acquisition costs are assumed to be 0.94 million yen in total, and 1 million yen is assumed to be recorded as property tax and city planning tax, etc. of the property from the fiscal period ending July 2021. Depreciation is calculated using the straight-line method, and is assumed to be 773 million yen. Repair expenses for buildings are assumed to be 164 million yen, based on the medium- to long-term repair plans prepared by the asset management company. However, the amounts could differ significantly from the assumed figures, as increased or additional repair expenses may arise due to unpredictable factors.
Non-operating expenses	<ul style="list-style-type: none"> As for amortized expenses for issuance of investment units, 9 million yen is assumed. As for amortized expenses for issuance of investment corporation bonds, 5 million yen is assumed. As for interest expenses and other financing-related expenses, 318 million yen is assumed.
Interest-bearing debt	<ul style="list-style-type: none"> The balance of interest-bearing debt is 58,985 million yen as of today, and it is assumed that there will be no change to the amount through the end of the fiscal period ending July 2020. Borrowing of funds and early repayment of existing borrowings were conducted today. For the details, please refer to "Notice Concerning Borrowing of Funds and Early Repayment of Existing Borrowings" dated May 29, 2020.
Investment units	<ul style="list-style-type: none"> It is assumed that there will be no change in the number of investment units issued and outstanding as of today (592,600 units) due to issuance of new investment units, etc. through the end of the fiscal period ending July 2020. Net income per unit, distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit are calculated based on the forecast number of 592,600 investment units issued and outstanding at the end of fiscal period ending July 2020.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that the amount of earnings is distributed pursuant to the cash distribution method stipulated in Samty Residential's Articles of Incorporation. There is the possibility that the distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, including changes of managed assets, variation in real estate rental revenue in accordance with changes of tenants, and occurrence of unpredicted repairs.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is calculated pursuant to the cash distribution method stipulated in Samty Residential's Articles of Incorporation as well as the Asset Management Company's internal regulations.

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Item	Assumption
	<ul style="list-style-type: none"> While depreciation for the Acquired Assets and the Asset to Be Acquired is anticipated to be 773 million yen for the fiscal period ending July 2020, the six-month average of the sum total of the estimated urgent repair expenses, estimated short-term repair expenses and estimated long-term repair expenses described in the building condition survey reports will be only 114 million yen. Accordingly, Samty Residential expects to have residual free cash flow even after making certain reserves from the cash and deposits on hand equivalent to the depreciation amount at the end of each fiscal period as reserves for capital expenditures to maintain the building functions, etc., as funds equivalent to the estimated amount of working capital, etc. and as reserves in preparation for investments that should contribute to increasing portfolio earning power as stated above. Considering the above, Samty Residential believes that it is appropriate to implement distribution in excess of earnings for the fiscal period ending July 2020 as part of its cash management policy, and anticipates 231 million yen as total distribution in excess of earnings. Such distribution in excess of earnings is calculated by taking into account the level of the payout ratio (the ratio of total cash distribution, including distribution in excess of earnings, to net income and depreciation combined), and the payout ratio will be 75.5 %. In addition, the total distribution in excess of earnings will be equivalent to 30.0 % of the depreciation expected to accrue in the fiscal period. Regarding the basic policy for cash management and the like for distribution in excess of earnings, please refer to “Part 1 Fund information, 1. Fund status, 2. Investment policy” in the securities report filed on April 28, 2020.
Other	<ul style="list-style-type: none"> It is assumed that there will be no revision to laws and regulations, tax system, accounting standards, regulations applying to publicly listed companies and rules of The Investment Trusts Association, Japan, etc. that will impact the aforementioned forecast figures. It is also assumed that there will be no unexpected material changes in general economic trends and real estate market conditions, etc.