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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 12th Fiscal Period Ending July 2021**

Samty Residential Investment Corporation ("Samty Residential") announces revisions to the forecast of its management status and distribution per unit for the 12th fiscal period ending July 2021 (from February 1, 2021 to July 31, 2021), which was announced in "(REIT) Summary of Financial Results for Fiscal Period Ended January 2021" dated March 12, 2021, as described below.

1. Revisions to the Forecast of Management Status and Distribution per Unit for 12th Fiscal Period Ending July 2021

	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)	4,073	1,807	1,454	1,453	2,652	2,273	379
Revised forecast (B)	4,176	1,865	1,513	1,512	2,728	2,365	363
Variation (B-A)	102	58	58	58	76	92	-16
Rate of variation	2.5%	3.2%	4.0%	4.0%	2.9%	4.0%	-4.2%

(Reference)

Forecast net income per unit: Forecast net income / Forecast number of investment units at end of period

Fiscal period ending July 2021: Forecast number of investment units issued and outstanding at end of period 639,300 units Forecast net income per unit: 2,365 yen

(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 12th Fiscal Period Ending July 2021." 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 percentages are rounded to the first decimal place.

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2. Reason for Revisions

As notified in “Notice Concerning Acquisition and Disposition of Properties” (the “Notice”) announced today, due to the acquisition and disposition of assets, a difference is expected to arise in distribution per unit forecast for the fiscal period ending July 2021 (12th fiscal period) announced on March 12, 2021. Therefore, revisions to the forecast of management status and distribution per unit for the fiscal period ending July 2021 (12th fiscal period) are made. The main factor for the revisions is gain on sale of real estate properties of 104 million yen from the transactions.

The impact on the forecast of Samty Residential’s management status for the fiscal period ending January 2022 (13th 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 12th Fiscal Period Ending July 2021

Item	Assumption
Fiscal period	<ul style="list-style-type: none"> Fiscal period ending July 2021 (from February 1, 2021 to July 31, 2021) (181 days)
Managed assets	<ul style="list-style-type: none"> It is assumed that Samty Residential will continue to own a total of 135 properties, which are the 132 properties for real estate/trust beneficiary interests in real estate it owns as of today (the "Acquired Assets") and the 3 properties to be acquired announced in the Notice (the "Assets to Be Acquired"), through the end of fiscal period ending July 2021, and that no other property will be newly acquired or disposed, except the disposition of the 3 properties to be disposed announced in the Notice (the "Assets to Be Disposed"). In practice, change may arise due to acquisition of new properties except the Assets to Be Acquired or disposition of owned properties, etc.
Operating revenue	<ul style="list-style-type: none"> Real estate rent revenue is calculated on the basis of historical data (or the past results disclosed by the previous owners, etc. for the periods for which Samty Residential does not have past results) and by taking into account the status of leasing. Samty Residential anticipates 104 million yen of gain on sale of real estate properties for the Assets to Be Disposed 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 Assets to Be Disposed 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 3,125 million yen for the fiscal period ending July 2021. The property taxes and city planning taxes, etc. to be recorded as expenses are assumed to be 261 million yen for the fiscal period ending July 2021. 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 4 million yen in total, and 4 million yen is assumed to be recorded as property tax and city planning tax, etc. of those properties stating from the fiscal period ending July 2022. Depreciation is calculated using the straight-line method, and is assumed to be 815 million yen for the fiscal period ending July 2021. Repair expenses for buildings are assumed to be 184 million yen for the fiscal period ending July 2021, 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, 8 million yen is assumed for the fiscal period ending July 2021. As for amortized expenses for issuance of investment corporation bonds, 4 million yen is assumed for the fiscal period ending July 2021. As for interest expenses and other financing-related expenses, 339 million yen is assumed for the fiscal period ending July 2021.
Interest-bearing debt	<ul style="list-style-type: none"> The balance of interest-bearing debt as of the date of this document is outstanding loans of 60,735 million yen and outstanding investment corporation bonds of 2,700 million yen. It is assumed that the entire amount of 5,200 million yen in loans maturing in the fiscal period ending July 2021 will be refinanced in the fiscal period ending July 2021. Based on the assumptions above, the balance of interest-bearing debt at the end of the fiscal period ending July 2021 is assumed to be outstanding loans of 60,735 million yen and outstanding investment corporation bonds of 2,700 million yen.
Investment units	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is assumed to be 639,300 units, which is the figure as of the date of this document. In addition to the above, it is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. through the end of the fiscal period ending July 2021.

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Item	Assumption
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. Samty Residential anticipates that there will be ample opportunities, etc. to acquire new properties as investments that should contribute to increasing the portfolio's earning power in the fiscal periods ending July 2021, although part of the real estate transaction market appears to be overheated. Accordingly, it is highly necessary to reserve certain amounts of funds to make it possible to respond to such opportunities flexibly. On the other hand, in consideration of such factors as Samty Residential's financial conditions and the prospect of its ability to refinance interest-bearing liabilities, Samty Residential considers itself not to be in a position in said fiscal period to allocate funds preferentially for reinforcing its financial base through such measures as reducing interest-bearing liabilities. While depreciation for the acquired assets is anticipated to be 815 million yen for the fiscal period ending July 2021, 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 158 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 calculation period as reserves for capital expenditures (CAPEX) 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 the portfolio's earning power as stated above. Considering the above, Samty Residential believes as of today that it is appropriate to implement distribution in excess of earnings for the fiscal period ending July 2021 and anticipates 232 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 74.9%. In addition, the total distribution in excess of earnings will be equivalent to 28.5% of the depreciation expected to accrue in the calculation 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, 2021.
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.