

November 30, 2021

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer
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Notice Concerning Completion of Acquisition of Properties

Samty Residential Investment Corporation ("Samty Residential") announces that it today completed acquisition of the following 3 properties as announced in "Notice Concerning Acquisition of Properties" dated November 15, 2021. In addition, Samty Residential again announces the overview of the properties as details concerning "Leased area," "Number of tenants," "Monthly rental revenue" and "Security and guarantee deposits," which were undecided at the time of the announcement, have been finalized. Changes from "Notice Concerning Acquisition of Properties" dated November 15, 2021, are underlined.

1. Completion of Acquisition of Properties

<Acquired Assets>

Property number	Property name	Location	Acquisition price ^(Note) (million yen)
Major Regional Cities			
A-84	S-RESIDENCE Joshin II	Nishi-ku, Nagoya-shi	787
A-85	S-RESIDENCE Sengencho	Nishi-ku, Nagoya-shi	443
Other Regional Cities			
B-45	S-FORT Utsunomiya Minamiodori	Utsunomiya-shi, Tochigi	1,309
Total			2,539

(Note) "Acquisition price" is the amount that was required for the acquisition of the acquired assets excluding various costs such as commissions for mediation of transaction, taxes and public dues, etc. (the amount of the price of purchase of the real estate, etc. indicated in the purchase agreement, etc.) Amounts of less than 1 million yen are rounded down.

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2. Details of Acquired Assets

"A-84 S-RESIDENCE Joshin II"

Property name		S-RESIDENCE Joshin II				
Location		2-16-2 Kaminagoya, Nishi-ku, Nagoya-shi, Aichi				
Type of specified asset		Real estate trust beneficiary interest				
Planned acquisition price		787 million yen				
Trustee		Mizuho Trust & Banking Co., Ltd.				
Trust establishment date		November 30, 2021				
Trust expiration date		November 30, 2031				
Planned acquisition date		November 30, 2021				
Land	Type of ownership	Ownership				
	Site area	769.16 m ² (Note 1)				
	Building coverage ratio	80%				
	Floor area ratio	200%				
	Zoning	Neighborhood commercial district				
Building	Type of ownership	Ownership				
	Use	Apartment				
	Total floor area	1,631.16 m ²				
	Completion date	August 24, 2021				
	Structure and floors	Reinforced concrete structure, flat roof, 10 floors				
	Number of leasable units	58				
Collateral		None				
Property management company		Samty Property Management Co., Ltd.				
Master lease company		Samty Property Management Co., Ltd.				
Master lease type		Pass-through lease (Note 2)				
Appraisal value (date of value)		801 million yen (September 30, 2021)				
Real estate appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.				
Probable maximum loss (PML value)		8.7%				
Overview of leasing						
	Total leasable area	1,486.62 m ²				
	Leased area	<u>1,486.62 m²</u> (Note 2)				
	Number of tenants	<u>1</u> (Note 2)				
	Monthly rental revenue	<u>4,143 thousand yen</u> (Note 2)				
	Security and guarantee deposits	<u>500 thousand yen</u> (Note 2)				
	Occupancy rate	June 2021	July 2021	August 2021	September 2021	October 2021
		– (Note 2)	– (Note 2)	– (Note 2)	– (Note 2)	34.6% (Note 2)
Characteristics of the property		<p>The property is about a 6-minute walk from Joshin Station on the Nagoya City Subway Tsurumai Line and has single-type units. The property offers excellent transportation convenience to the central commercial areas and the main business districts as Joshin Station to Nagoya Station is about a 6-minute ride via Marunouchi Station on the Nagoya City Subway Sakura-dori Line and Sakae Station is about a 7-minute ride via Fushimi Station on the Nagoya City Subway Higashiyama Line.</p> <p>In addition, there are convenience stores, supermarkets, etc. within walking distance and also parks and other public facilities, making the district one that offers both living convenience and a favorable living environment.</p> <p>With such characteristics, the property is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>				
Special remarks		Not applicable				

(Note 1) The site area includes a portion of private road burden (about 0.37 m²) based on Article 42, Paragraph 1, Item 1 of the Building Standards Act.

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(Note 2) The property was handed over to Samty Co., Ltd. ("Samty") by a construction company on September 30, 2021 after completion, and is currently being leased. Concerning the property, effective as of November 30, 2021, a pass-through master lease agreement between the trustee and Samty Property Management Co., Ltd., and a lease agreement between Samty Property Management Co., Ltd. and Samty, the seller of the property, have been concluded. The agreement stipulates that Samty guarantees lease as the end tenant until November 29, 2023, in principle, with the number of vacancies as of November 30, 2021 as the upper limit, and units that are occupied as of November 30, 2021 or become newly vacant after the conclusion of the agreement are not subject to Samty's lease.

Overview of the rental unit lease agreement			
Name of tenant	Monthly rent (thousand yen)	Contract period	Security and guarantee deposits (thousand yen)
Samty Co., Ltd.	<u>4,049</u>	From November 30, 2021, to November 29, 2023	-
Rent revision: Cancellation:	<p>There is no rent revision clause.</p> <p>The lessee may end the agreement by consultation on or after November 29, 2022, or when the remaining residential units subject to the agreement becomes two units. However, even on or before November 30, 2021, if a tenant finds Samty Property Management Co., Ltd., the lessor, an end tenant to substitute under similar lease terms and conditions as the concerned rental unit lease agreement and a new lease agreement is concluded between Samty Property Management Co., Ltd. and the new end tenant, Samty may have the rental unit lease agreement with Samty Property Management Co., Ltd. canceled, effective the day preceding the date of commencement of the concerned new lease agreement, limited to the residential units subject thereto.</p>		

(Note 3) The monthly rent payable by Samty will decrease if the rental unit lease agreement is partially canceled based on the provisions of cancellation stated above.

“A-85 S-RESIDENCE Sengencho”

Property name		S-RESIDENCE Sengencho				
Location		1-5-6 Sengen, Nishi-ku, Nagoya-shi, Aichi				
Type of specified asset		Real estate (Actual real estate)				
Planned acquisition price		443 million yen				
Trustee		-				
Trust establishment date		-				
Trust expiration date		-				
Planned acquisition date		November 30, 2021				
Land	Type of ownership	Ownership				
	Site area	221.34 m ²				
	Building coverage ratio	80%				
	Floor area ratio	400%				
	Zoning	Commercial district				
Building	Type of ownership	Ownership				
	Use	Apartment				
	Total floor area	971.24 m ²				
	Completion date	October 8, 2021				
	Structure and floors	Reinforced concrete structure, flat roof, 10 floors				
	Number of leasable units	36				
Collateral		None				
Property management company		Samty Property Management Co., Ltd.				
Master lease company		Samty Property Management Co., Ltd.				
Master lease type		Pass-through lease (Note 1)				
Appraisal value (date of value)		457 million yen (September 30, 2021)				
Real estate appraiser		The Tanizawa Sogo Appraisal Co., Ltd.				
Probable maximum loss (PML value)		8.9%				
Overview of leasing						
	Total leasable area	843.75 m ²				
	Leased area	843.75 m ² (Note 1)				
	Number of tenants	1 (Note 1)				
	Monthly rental revenue	2,446 thousand yen (Note 1)				
	Security and guarantee deposits	193 thousand yen (Note 1)				
	Occupancy rate	June 2021 _ (Note 1)	July 2021 _ (Note 1)	August 2021 _ (Note 1)	September 2021 _ (Note 1)	October 2021 16.7% (Note 1)
Characteristics of the property		<p>The property is about a 2-minute walk from Sengencho Station on the Nagoya City Subway Tsurumai Line and has single-type units. The property offers excellent transportation convenience to the central commercial areas and the main business districts as it is about a 6-minute ride via Marunouchi Station on the Nagoya City Subway Sakura-dori Line from Sengencho Station to Nagoya Station, and Sakae Station is about a 7-minute ride via Fushimi Station on the Nagoya City Subway Higashiyama Line.</p> <p>The surrounding area of Sengencho Station with a concentration of many restaurants, stores selling daily necessities, etc. offers high living convenience as well as excellent living environment as hospitals, elementary schools, parks, etc. are located. Therefore, stable rental demand mainly from single working adult households who work in the surrounding areas of Nagoya Station and Sakae Station can be anticipated.</p> <p>With such characteristics, the property is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>				

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Special remarks	The property has not secured parking capacity under the obligation to set up a parking lot as provided in the Nagoya City ordinance regarding prevention and adjustments of disputes on the construction of medium- to high-rise buildings. Since the application of exception in the establishment of parking lots as provided in the guidelines for handling parking lots in the detailed enforcement regulations of ordinances regarding prevention and adjustment of disputes on the construction of medium- to high-rise buildings was permitted after having discussions with Nagoya City, the obligation of securing insufficient parking capacity has been excluded.
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(Note 1) The property was handed over to Samty by a construction company on October 29, 2021 after completion, and is currently being leased. Concerning the property, effective as of November 30, 2021, a pass-through master lease agreement between the trustee and Samty Property Management Co., Ltd., and a lease agreement between Samty Property Management Co., Ltd. and Samty, the seller of the property, have been concluded. The agreement stipulates that Samty guarantees lease as the end tenant until November 29, 2023, in principle, with the number of vacancies as of November 30, 2021 as the upper limit, and units that are occupied as of November 30, 2021 or become newly vacant after the conclusion of the agreement are not subject to Samty's lease.

Overview of the rental unit lease agreement			
Name of tenant	Monthly rent (thousand yen)	Contract period	Security and guarantee deposits (thousand yen)
Samty Co., Ltd.	<u>2,425</u>	From November 30, 2021, to November 29, 2023	-
Rent revision: Cancellation:	There is no rent revision clause. The lessee may end the agreement by consultation on or after November 29, 2022, or when the remaining residential units subject to the agreement becomes one unit. However, even on or before November 30, 2021, if a tenant finds Samty Property Management Co., Ltd., the lessor, an end tenant to substitute under similar lease terms and conditions as the concerned rental unit lease agreement and a new lease agreement is concluded between Samty Property Management Co., Ltd. and the new end tenant, Samty may have the rental unit lease agreement with Samty Property Management Co., Ltd. canceled, effective the day preceding the date of commencement of the concerned new lease agreement, limited to the residential units subject thereto.		

(Note 2) The monthly rent payable by Samty will decrease if the rental unit lease agreement is partially canceled based on the provisions of cancellation stated above.

“B-45 S-FORT Utsunomiya Minamiodori”

Property name		S-FORT Utsunomiya Minamiodori				
Location		3-1-1 Minamiodori, Utsunomiya-shi, Tochigi				
Type of specified asset		Real estate trust beneficiary interest				
Planned acquisition price		1,309 million yen				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Trust establishment date		November 30, 2021				
Trust expiration date		November 30, 2031				
Planned acquisition date		November 30, 2021				
Land	Type of ownership	Ownership				
	Site area	1,826.63 m ²				
	Building coverage ratio	60%				
	Floor area ratio	200%				
	Zoning	Quasi-industrial district				
Building	Type of ownership	Ownership				
	Use	Apartment				
	Total floor area	3,427.42 m ²				
	Completion date	August 19, 2021				
	Structure and floors	Reinforced concrete structure, flat roof, 10 floors				
Number of leasable units		70				
Collateral		None				
Property management company		Haseko Livenet, Inc.				
Master lease company		Haseko Livenet, Inc.				
Master lease type		Pass-through lease (Note 1)				
Appraisal value (date of value)		1,320 million yen (September 30, 2021)				
Real estate appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.				
Probable maximum loss (PML value)		3.3%				
Overview of leasing						
	Total leasable area	3,258.30 m ²				
	Leased area	3,258.30 m ² (Note 1)				
	Number of tenants	1 (Note 1)				
	Monthly rental revenue	7,162 thousand yen (Note 1)				
	Security and guarantee deposits	348 yen (Note 1)				
	Occupancy rate	June 2021 _ (Note 1)	July 2021 _ (Note 1)	August 2021 _ (Note 1)	September 2021 _ (Note 1)	October 2021 5.0% (Note 1)
Characteristics of the property		<p>The property is about a 9-minute walk from Utsunomiya Station on the JR Line and has compact- and family-type units. It offers excellent transportation convenience as Utsunomiya Station, the nearest station, offers access to Tohoku Shinkansen as well as the Tohoku Main Line and Nikko Line and is a transportation hub connecting the greater Tokyo area and the Tohoku region.</p> <p>In addition, there are convenience stores, supermarkets, drug stores and restaurants within walking distance, and also extensive public facilities, such as elementary schools, police boxes and nursery schools, making the district one that offers a favorable living environment and living convenience.</p> <p>With such characteristics, the property is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>				
Special remarks		Not applicable				

(Note 1) The property was handed over to Samty by a construction company on September 30, 2021 after completion, and is currently being leased. Concerning the property, effective as of November 30, 2021, a pass-through master lease agreement between the trustee and Haseko Livenet, Inc., and a lease agreement between Haseko Livenet, Inc. and Samty, the seller of the property, have been concluded. The agreement stipulates that Samty guarantees lease as the end tenant until November 29, 2023, in principle, with the number of vacancies as of November 30, 2021 as the upper limit, and units that are occupied as of November 30, 2021 or become newly vacant after the conclusion of the agreement are not subject to Samty's lease.

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Overview of the rental unit lease agreement			
Name of tenant	Monthly rent (thousand yen)	Contract period	Security and guarantee deposits (thousand yen)
Samty Co., Ltd.	<u>7,142</u>	From November 30, 2021, to November 29, 2023	-
Rent revision: Cancellation:	<p>There is no rent revision clause.</p> <p>The lessee may end the agreement by consultation on or after November 29, 2022, or when the remaining residential units subject to the agreement becomes three units. However, even on or before November 30, 2021, if a tenant finds Haseko Livenet, Inc., the lessor, an end tenant to substitute under similar lease terms and conditions as the concerned rental unit lease agreement and a new lease agreement is concluded between Haseko Livenet, Inc. and the new end tenant, Samty may have the rental unit lease agreement with Haseko Livenet, Inc. canceled, effective the day preceding the date of commencement of the concerned new lease agreement, limited to the residential units subject thereto.</p>		

(Note 2) The monthly rent payable by Samty will decrease if the rental unit lease agreement is partially canceled based on the provisions of cancellation stated above.

3. Future Outlook

The above content has minimal impact on Samty Residential's business performance, and there are no changes to the forecasts of management status for the fiscal period ending January 2022 (from August 1, 2021, to January 31, 2022) and fiscal period ending July 2022 (from February 1, 2022, to July 31, 2022) described in "(REIT) Summary of Financial Results for Fiscal Period Ended July 2021" announced on September 15, 2021.

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