

August 21, 2019

For Immediate Release

**Real Estate Investment Trust Securities Issuer**

1-7-2 Otemachi, Chiyoda-ku, Tokyo

SANKEI REAL ESTATE Inc.

Representative: Yuichi Ota, Executive Director

(TSE code: 2972)

**Asset Management Company**

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Representative: Yuichi Ota

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**Notice Concerning Pricing, Etc. for Issuance of New Investment Units and Secondary Offering of Investment Units**

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that, concerning the issuance of new investment units and secondary offering of investment units for which resolution was passed at the meeting of the board of directors of SANKEI REAL ESTATE held on August 6, 2019, the following issue price, secondary offering price, etc. were determined at the meeting of the board of directors of SANKEI REAL ESTATE held today.

**1. Issuance of new investment units through public offering (primary offering)**

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|--|--|
| (1) Number of investment units to be offered:            | 111,619 units<br>17,580 units of the abovementioned number of investment units to be offered will be sold to overseas investors in overseas markets (excluding the U.S. and Canada). |
| (2) Amount to be paid in (issue amount):                 | 114,471 yen per unit   |
| (3) Total amount of amount to be paid in (issue amount): | 12,777,138,549 yen   |
| (4) Issue price (offer price):                           | 118,734 yen per unit   |
| (5) Total amount of issue price (offer price):           | 13,252,970,346 yen   |
| (6) Subscription period:                                 | From August 22, 2019 (Thursday)<br>to August 23, 2019 (Friday)   |
| (7) Payment due date:                                    | September 2, 2019 (Monday)   |
| (8) Delivery due date:                                   | September 3, 2019 (Tuesday)  |

(Note) The underwriters shall purchase and underwrite at the amount to be paid in (issue amount) and offer at the issue price (offer price).

**2. Secondary offering of investment units (secondary offering through over-allotment)**

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|---|--|
| (1) Number of investment units to be offered: | 5,581 units  |
| (2) Secondary offering price:                 | 118,734 yen per unit   |
| (3) Total amount of secondary offering price: | 662,654,454 yen  |
| (4) Subscription period:                      | From August 22, 2019 (Thursday)<br>to August 23, 2019 (Friday) |
| (5) Delivery due date:                        | September 3, 2019 (Tuesday)                                    |

**3. Issuance of new investment units through third-party allotment**

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|--|--------------------------------|
| (1) Amount to be paid in (issue amount):                 | 114,471 yen per unit           |
| (2) Total amount of amount to be paid in (issue amount): | 638,862,651 yen                |
| (3) Subscription period (subscription due date):         | September 25, 2019 (Wednesday) |
| (4) Payment due date:                                    | September 26, 2019 (Thursday)  |

(Note) The investment units not subscribed for by the subscription period (subscription due date) stated in (3) above shall not be issued.

**Disclaimer:** This press release is a document for making a public announcement concerning the issue of new investment units of SANKEI REAL ESTATE Inc. and the sale of investment units, and has not been prepared for the purpose of soliciting investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (hereinafter referred to as the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be offered or sold, publicly or otherwise, in the United States.

<Reference>

1. Calculation of issue price and secondary offering price

(1) Reference date of calculation and price: August 21, 2019 (Wednesday) 122,900 yen

(2) Discount rate (Note): 2.50%

(Note) The issue price (offer price) and secondary offering price are calculated by applying the discount rate to the result of closing price in regular trading of SANKEI REAL ESTATE investment units on Tokyo Stock Exchange, Inc. on the reference date of calculation, less the forecast distribution per unit for the fiscal period ending August 31, 2019 of 1,121 yen.

2. Syndicate covering transaction period

From August 24, 2019 (Saturday) to September 20, 2019 (Friday)

3. Specific use and planned outlay schedule of funds to be procured

The proceeds from the primary offering (12,777,138,549 yen) are planned to be used as part of the funds for acquisition of real estate trust beneficiary rights to be acquired by SANKEI REAL ESTATE (Note). Furthermore, the maximum amount of proceeds from the issuance of new investment units through the third-party allotment (638,862,651 yen) are planned to be used as part of the funds for acquisition of specified assets (the meaning set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended)) or part of the funds for repayment of borrowings in the future, until which the funds will be deposited with a financial institution as funds on hand.

(Note) For details of the real estate trust beneficiary rights to be acquired by SANKEI REAL ESTATE, please refer to “Notice Concerning Acquisition of Trust Beneficiary Rights in Domestic Real Estate and Leasing” announced on August 6, 2019.

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

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