

September 2, 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

Sankei Building Asset Management Co., Ltd.

Representative: Yuichi Ota

President and Chief Executive Officer

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Director and Chief Finance & IR Officer

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Notice Concerning Change in Affiliates Structure

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces a change in the affiliates structure of Sankei Building Asset Management Co., Ltd., to which SANKEI REAL ESTATE entrusts the management of its assets (the "Asset Management Company"), as follows.

1. Overview

SANKEI REAL ESTATE and the trustee of the trust stipulated in Article 29-3, Paragraph 3, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act will conduct a lease transaction concerning real estate and real estate that are assets in trust with GRANVISTA Hotels & Resorts Co., Ltd. for three years from the first day of the second business period (September 1, 2019). The average amount per business period of the sum total of amount expected to be received by SANKEI REAL ESTATE and the trustee of the concerned trust as consideration for the lease transaction is expected to be 20% or more of the sum amount of SANKEI REAL ESTATE's operating revenue from the previous business period, which is between the establishment date of SANKEI REAL ESTATE (November 19, 2018) and the last day of the first business period (August 31, 2019). GRANVISTA Hotels & Resorts Co., Ltd. thus falls under the category of specified related party (corporation that is engaged or was engaged in the transactions set forth in Article 29-3, Paragraph 3, Item 3 and Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (lease transaction)) from September 1, 2019.

2. Effective Date

September 1, 2019

3. Profile of Specified Related Party

(1) Name	GRANVISTA Hotels & Resorts Co., Ltd.
(2) Location	2-3-4 Uchikanda, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	Sadanori Suda, President
(4) Description of Business	Hotel/Restaurant business, Aquarium business, Expressway business, Golf course business and Facility management contract business
(5) Amount of Capital	100 million yen (as of March 31, 2019)
(6) Establishment	August 27, 1958
(7) Net Assets	9,379 million yen (as of March 31, 2019)
(8) Total Assets	38,296 million yen (as of March 31, 2019)
(9) Major Shareholder and Shareholding Ratio	THE SANKEI BUILDING CO., LTD. (100%)
(10) Relationship between the Company and SANKEI REAL ESTATE/Asset Management Company	
Capital Relationship	There is no capital relationship required to be disclosed between the Company and SANKEI REAL ESTATE/Asset Management Company. However, the Company is a subsidiary of THE SANKEI BUILDING CO., LTD., the parent company of the Asset Management

	Company, and does falls under the category of interested parties of the Asset Management Company stipulated in the enforcement regulations of the Act on Investment Trusts and Investment Corporations.
Personnel Relationship	There is no personnel relationship required to be disclosed between the Company and SANKEI REAL ESTATE/Asset Management Company.
Business Relationship	The company is a lessee of “Hotel Intergate Tokyo Kyobashi,” which is the acquired asset of SANKEI REAL ESTATE, and “Hotel Intergate Hiroshima,” which is scheduled to be acquired by SANKEI REAL ESTATE on September 3, 2019. In addition, the company has concluded a trademark license agreement with SANKEI REAL ESTATE.
Classification as Related Party	The Company is a subsidiary of THE SANKEI BUILDING CO., LTD., the parent company of Asset Management Company, and does fall under the category of related party.

4. Impact on Forecasts

There will be no impact from the change in affiliates structure on SANKEI REAL ESTATE’s operating forecasts for the fiscal period ended August 31, 2019 (from November 19, 2018 to August 31, 2019), fiscal period ending February 29, 2020 (from September 1, 2019 to February 29, 2020), fiscal period ending August 31, 2020 (from March 1, 2020 to August 31, 2020) and fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021), which SANKEI REAL ESTATE announced on August 6, 2019.

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