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For Immediate Release

Real Estate Investment Trust Securities Issuer

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SANKEI REAL ESTATE Inc.

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(TSE code: 2972)

Asset Management Company

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Notice Concerning Differences from Operating Forecasts and Distribution Forecasts
in Actual Results for the Fiscal Period Ended August 2019

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that differences from the operating forecasts and distribution forecasts announced on August 6, 2019, resulted in the following actual results for the fiscal period ended August 2019 (from November 19, 2018 to August 31, 2019).

1. Differences from the figures of operating forecasts and distribution forecasts in the figures of actual results for the fiscal period ended August 2019

	Operating revenue (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Profit (million yen)	Distribution per unit (yen) (including distribution in excess of earnings)	Distribution per unit (yen) (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit (yen)
Previous forecasts (A)	1,154	638	269	268	1,121	1,121	-
Actual results (B)	1,157	699	336	335	1,399	1,399	-
Amount of change (B-A)	3	61	67	67	278	278	-
Rate of change	0.3%	9.6%	24.9%	25.0%	24.8%	24.8%	-

(Reference) Fiscal period ended August 2019

Number of investment units issued and outstanding at end of period: 239,600 units

(Note 1) The business periods of SANKEI REAL ESTATE are every year from March 1 to the last day of August and from September 1 to the last day of February in the following year, but the business period of the fiscal period ended August 2019 (1st fiscal period) is from November 19, 2018, the date of incorporation of SANKEI REAL ESTATE, to the last day of August 2019. Please note that the actual business period of the fiscal period ended August 2019 (1st fiscal period) is from March 12, 2019, to the last day of August 2019 (173 days).

(Note 2) For the figures of actual results, please refer to "(REIT) Financial Report for the Fiscal Period Ended August 2019" dated October 17, 2019.

(Note 3) Figures are rounded down to the nearest specified unit and the rate of change is rounded to one decimal place.

2. Reasons for differences

Actual results exceeded the previous forecasts as a result of mainly the following reasons: (i) Of the operating expenses that were initially assumed, decrease in the amount of repair expenses as expenses related to leasing business due to postponement of the timing of implementation, etc., and managing to reduce outsourcing expenses for other operating expenses associated with interim operations, and (ii) Of the non-operating expenses that were initially assumed, managing to keep investment unit issuance expenses, etc. lower than those expected.

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