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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 Disposition of Domestic Real Estate

#### (Tokyo Sankei Building (2% Co-Ownership Interest))

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") announces that disposition (the "Disposition") of the following property (the "Property") was decided today by Sankei Building Asset Management Co., Ltd., the asset management company to which SANKEI REAL ESTATE entrusts the management of its assets (the "Asset Management Company").

#### 1. Overview of the Disposition

i	Property name	Tokyo Sankei Building
ii	Contract date	July 10, 2025 (Note 1)
iii	Disposition date	August 1, 2025 (Note 1)
iv	Disposition price	2,685 million yen (Note 2, 3)
v	Book value	2,617 million yen (Note 3, 4)
vi	Amount of difference between disposition price and book value	68 million yen (Note 4, 5)
vii	Buyer	The Sankei Building Co., Ltd. (Note 6)
viii	Brokerage	None
ix	Settlement method	Receipt of full amount at the time of delivery

(Note 1) The contract date and disposition date are subject to change upon agreement between SANKEI REAL ESTATE and the buyer.

(Note 2) The disposition price is the sale and purchase price stated in the sale and purchase agreement for the Property, rounded down to the nearest million yen. Sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the disposition.

(Note 3) The disposition price and book value for the Property are the figures equivalent to the 2% co-ownership interest planned to be disposed by SANKEI REAL ESTATE.

(Note 4) The book value is a value as of the end of February 2025.

(Note 5) The difference between the disposition price and the book value is a value for reference, calculated as the difference between the planned disposition price, book value and disposition-related expenses, and may be different from the actual gain (loss) on disposition.

(Note 6) For details on the buyer, please refer to "Overview of Buyer" presented later in this document.

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## 2. Reason for the Disposition

This Disposition will contribute to strengthening the portfolio, which is one of SANKEI REAL ESTATE's current growth strategies.

Since converting to a diversified REIT, SANKEI REAL ESTATE has been working to adapt to market cycles and build a portfolio with upside potential and downside protection. However, given that the investment yield of the Property is relatively low compared with the portfolio average and that capital expenditures are on an upward trend, which could lead to a gradual decline in profitability, SANKEI REAL ESTATE has been waiting for sales opportunities since last year.

We have now reached an agreement with the buyer on a price that exceeds both the book value and the appraisal value obtained at the time of considering the Disposition, and have now decided to proceed with the Disposition. It has not yet been determined how the proceeds from the Disposition will be used, but we will consider a wide range of possibilities, including the acquisition of new properties (rebalancing), repayment of borrowings, and the acquisition of own investment units.

Although the buyer falls under the category of parties with an interest in SANKEI REAL ESTATE, the Disposition is a transfer of co-ownership interests and the buyer was given preferential negotiation rights in the contract at the time of acquisition of the Property, leading to their selection as the buyer.

## 3. Overview of the Property

The table below shows the overview of the Property (the "asset table"), and the terms used in the asset table are as follows unless otherwise specified in the asset table.

In principle, unless otherwise specified, the status as of the last day of February 2025 is indicated.

- "Type of specified asset" indicates the type of the Property.
- "Location" indicates the formal building address of the Property. If there is no formal building address, the building location stated in the registry (if there are multiple locations, one of those) is indicated.
- "Site area" of the land is indicated based on the information in the registry.
- "Use district" of the land indicates the type of use district stipulated in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- "Floor area ratio" and "Building coverage ratio" of the land indicate, in principle, the figures before the increase or decrease through easing or restrictive measures defined in accordance with related laws and regulations such as the Building Standards Act and the City Planning Act.
- "Type of ownership" of the land indicates the type of right for the Property held by SANKEI REAL ESTATE (trustee of real estate trust for trust beneficiary rights in real estate).
- "Structure and floors" of the building is indicated based on the information in the registry.
- "Construction completion" of the building indicates the date of completion of the building indicated in the registry. If there are multiple main buildings, the date of the oldest building in the registry is indicated.
- "Total floor area" of the building is indicated based on the information in the registry. Moreover, "Total floor area" indicates the total floor area of main buildings and attached buildings. It indicates the total floor area of the one entire building regardless of sectional ownership or quasi co-ownership.
- "Use" of the building indicates the main use among the building type in the registry.
- "Type of ownership" of the building indicates the type of right for the Property to be disposed by SANKEI REAL ESTATE (trustee of real estate trust for trust beneficiary rights in real estate).
- "Property management company" indicates the company with which SANKEI REAL ESTATE has concluded a property management agreement for the Property.
- "Master lease company" indicates the company with which SANKEI REAL ESTATE has concluded a master lease agreement for the Property.
- "Master lease type" indicates the type of master lease agreement (pass-through-type or fixed-rent-type) for the Property. "Pass-through-type" indicates master lease agreements with no rent guarantee and "fixed-rent-type" indicates master lease agreements with rent guarantee.
- "Special remarks" indicates matters recognized as important as of the last day of February 2025 in consideration of the relationship of rights, use, safety, etc. of the Property as well as the impact on the appraisal value, profitability, and disposal.
- "Leasable area" indicates the area believed to be leasable (excluding area of incidental parts such as warehouse, signboard and parking lot that are not the main use) based on the lease agreement, drawing, etc. of buildings for the Property as of the last day of February 2025, rounded down to two decimal places.

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- “Occupancy rate” indicates the ratio of leased area to leasable area for the Property as of the last day of February 2025, rounded to one decimal place.
- “Number of tenants” indicates the number of tenants based on the lease agreement for the Property as of the last day of February 2025. However, the total number of end tenants is indicated for the portion in the pass-through-type master lease agreement when a master lease agreement has been concluded for the said asset. If a single tenant has concluded lease agreements for different uses of a single asset, the concerned tenant is counted as a tenant on a use-by-use basis.
- “Total rental revenue” indicates the amount calculated by annualizing the monthly rent (Only for rent of rental rooms excluding usage fee of incidental parts such as warehouse, signboard and parking lot that are not the main use and including common service expenses, etc. Free rent and rent holiday will not be taken into consideration. If there is any agreement of change of rent, the rent as of the last day of February 2025 is used. If the agreement with tenant includes variable rent, such variable rent is not taken into consideration. Consumption tax, etc. are not included.) of the building indicated in the lease agreement for the Property effective as of the last day of February 2025, rounded down to the nearest million yen.
- “Security and guarantee deposits” indicates the total amount of security and guarantee deposits (including the amount expected to be received based on each lease agreement and excluding the security and guarantee deposits for incidental parts such as warehouse, signboard and parking lot that are not the main use) based on the lease agreement for the Property as of the last day of February 2025, rounded down to the nearest million yen.

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**A-1 Tokyo Sankei Building**

Property name		Tokyo Sankei Building
Type of specified asset		Real estate
Location		1-7-2 Otemachi, Chiyoda-ku, Tokyo
Disposition price		2,685 million yen
Land	Site area	6,261.96 m <sup>2</sup> (Note 1)
	Use district	Commercial district
	Floor area ratio	1,300%
	Building coverage ratio	80%
	Type of ownership	Ownership (2% co-ownership interest), leasehold (2% quasi co-ownership interest) (Note 2)
Building	Structure and floors	Steel-frame reinforced concrete, reinforced concrete, steel-framed structure with flat roof / 31 floors above ground and 4 floors below
	Construction completion	September 28, 2000
	Total floor area	82,494.98 m <sup>2</sup> (Note 5)
	Use	Office, assembly hall, retail, parking
	Type of ownership	Ownership (2% co-ownership interest) (Note 3)
Property management company		The Sankei Building Co., Ltd.
Master lease company		The Sankei Building Co., Ltd.
Master lease type		Pass-through type
Appraisal value (Date of valuation)		2,680 million yen (as of May 31xx, 2025) (Note 6)
Appraiser		Japan Real Estate Institute
Collateral		None
Overview of leasing		
	Number of tenants	49
	Total rental revenue	101 million yen (Note 7)
	Security and guarantee deposits	87 million yen (Note 7)
	Leased area	881.68 m <sup>2</sup> (Note 7)
	Leasable area	881.68 m <sup>2</sup> (Note 7)
	Occupancy rate	100.0%
Special remarks		<p>Part of the land (site) of the property is leased land. The said leasehold (2% quasi co-ownership interest) is owned by SANKEI REAL ESTATE and the remaining portion (98% quasi co-ownership interest) is owned by The Sankei Building Co., Ltd. Approval of the owner of the said leased land (Fuji Media Holdings, Inc.) is required upon the transfer of the leasehold associated with the transfer of the building.</p> <p>As for the property, SANKEI REAL ESTATE and The Sankei Building Co., Ltd. hold respective co-ownership interest of 2% and 98% in the land and building. In addition, SANKEI REAL ESTATE and The Sankei Building Co., Ltd. also hold respective quasi co-ownership interest of 2% and 98% in the leasehold for the leased land, which is part of the land, and a co-ownership agreement has been concluded between SANKEI REAL ESTATE and The Sankei Building Co., Ltd. The following matters have been stipulated in the said agreement.</p> <ul style="list-style-type: none"> <li>• Decision-making In principle, decision-making on all matters concerning operation and management of the property (including leasehold. The same hereafter in the following special remarks) are based on the agreement of all co-owners, and co-owners shall discuss in good faith with each other by holding meetings to reach the said agreement smoothly. Co-owners shall abide by the decision made at the reasonable discretion of the majority of co-owners if an agreement cannot be reached among all co-owners after holding multiple meetings.</li> <li>• Special agreement on indivisibility Co-owners shall not request the division of the property for five years (to be automatically renewed).</li> <li>• Preferential negotiation rights Co-owners shall designate other co-owners as parties to whom preferential negotiation</li> </ul>

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	<p>rights are exercised in preference to third parties when transferring co-ownership interest in the property or quasi co-ownership interest in the leasehold to third parties.</p> <ul style="list-style-type: none"> <li>• Approved matters</li> </ul> <p>Co-owners shall not transfer, pledge, set collateral or dispose co-ownership interest in the property or quasi co-ownership interest in the leasehold against third parties without any written consent of all other co-owners.</p>
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(Note 1) 223.31 m2 of leased land is included.

(Note 2) SANKEI REAL ESTATE holds 2% co-ownership interest in the ownership of the land, 2% quasi co-ownership interest in the leasehold and 2% co-ownership interest in the ownership of the building.

(Note 3) The value equivalent to the 2% co-ownership interest of the Property.

(Note 4) In the overview of leasing, the figures equivalent to 2% co-ownership interest are indicated for total rental revenue, security and guarantee deposits, leased area and leasable area.

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#### 4. Overview of Buyer

(1)	Name	The Sankei Building Co., Ltd.
(2)	Location	1-7-2 Otemachi, Chiyoda-ku, Tokyo
(3)	Post and name of representative	President & CEO Kazunobu Iijima
(4)	Line of business	Development, acquisition, sales, leasing, sale in lots and management of real estate (office, residence, hotel, etc.)
(5)	Capital	38,120 million yen (as of the last day of March 2025)
(6)	Established	June 11, 1951
(7)	Net assets	152,324 million yen (as of the last day of March 2025)
(8)	Total assets	511,807 million yen (as of the last day of March 2025)
(9)	Major shareholders and shareholding ratio	Fuji Media Holdings, Inc. 100%
(10)	Relationship with investment corporation and asset management company	
	Capital relationship	The company owns 4.96% of the total number of investment units issued and outstanding of SANKEI REAL ESTATE as of today. The company also owns 100% of the total number of shares issued and outstanding of the Asset Management Company as of today.
	Personnel relationship	As of today, 10 of the executives and employees of the Asset Management Company are loaned staff from the company.
	Business relationship	As of today, SANKEI REAL ESTATE has acquired all of the acquired assets other than "Toyo Park Building," "Omori Park Building," "Miyazakidai Garden Office" and "Hitachi Kyusyu Building" (13 properties) from the company. The company has concluded a trademark license agreement, property management agreements and master lease agreements (including master lease and property management agreements) with SANKEI REAL ESTATE. The company has also concluded a sponsor support agreement and a fixed-term building lease agreement with the Asset Management Company.
	Status as related party	The company falls under the category of related party of SANKEI REAL ESTATE and the Asset Management Company.

#### 5. Future Outlook

The impact of the Disposition on the forecast of operating results for the fiscal period ending August 2025 (March 1, 2025 to August 31, 2025) will be negligible. Meanwhile, as we are currently examining the level of operating revenue, etc. associated with the Disposition, we plan to announce the forecast for the operating results for the fiscal period ending February 2026 (September 1, 2025 to February 28, 2026) in the announcement of our financial results for the fiscal period ended August 2025 ((REIT) Financial Report for the Fiscal Period Ended August 2025), which is scheduled for October 16, 2025.

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## 6. Overview of Appraisal Report

Overview of appraisal report	
Property name	Tokyo Sankei Building
Appraiser	Japan Real Estate Institute
Appraisal value	2,680 million yen
Appraisal date	May 31, 2025

Item	Details	Overview, etc.
Income approach value	2,680 million yen	Assessed by applying the DCF method and direct capitalization method
Value based on direct capitalization method	2,720 million yen	
i. Operating revenue	127 million yen	
Effective gross income	132 million yen	
Loss from vacancy, etc.	4 million yen	
ii. Operating expenses	61 million yen	
Maintenance and operation cost	20 million yen	
Utilities expenses	9 million yen	
Repair expenses	1 million yen	
PM fee	2 million yen	
Tenant soliciting fees, etc.	0 million yen	
Taxes and public dues	25 million yen	
Non-life insurance premium	0 million yen	
Other expenses	1 million yen	
iii. Net operating income (NOI: i. - ii.)	65 million yen	
iv. Income from deposits	0 million yen	
v. Capital expenditure	3 million yen	Assessed by taking into consideration the engineering report and the level of renewal fees of similar properties
Net cash flow (NCF: iii. + iv. - v.)	62 million yen	
Capitalization rate	2.3%	Assessed by taking into consideration the marketability of targeted property, transaction yield of similar properties, etc.
Value based on discounted cash flow (DCF) method	2,640 million yen	
Discount rate	2.0%	Assessed by taking into consideration the competitiveness, etc. of targeted property
Terminal capitalization rate	2.4%	Assessed by taking into consideration the risk on aging, market conditions, etc.
Integrated value based on cost method	2,780 million yen	
Ratio of land	94.8%	
Ratio of building	5.2%	
Other matters which the appraiser has paid attention to in the appraisal	—	

(Note) All of the above amounts are the figures equivalent to the 2% co-ownership interest planned to be disposed.

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

<Attachment>

Reference Material Portfolio List Following Disposition

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<Attachment>

Reference Material Portfolio List Following Disposition

Use	Property number	Property name	Location	Acquisition price (Note 1)		Appraisal value (million yen) (Note 2)
				Price (million yen)	Investment ratio (%)	
Office building	A-3	S-GATE NIHONBASHI-HONCHO	Chuo-ku, Tokyo	14,148	15.1	15,800
	A-4	S-GATE AKIHABARA	Chiyoda-ku, Tokyo	2,055	2.2	2,720
	A-5	Hibiya Sankei Building	Chiyoda-ku, Tokyo	5,829	6.2	6,790
	A-6	Hatchobori Sankei Building	Chuo-ku, Tokyo	4,959	5.3	5,140
	A-7	Toyo Park Building	Koto-ku, Tokyo	3,782	4.0	3,490
	A-9	Omori Park Building	Ota-ku, Tokyo	5,400	5.7	4,950
	A-10	S-GATE AKASAKA	Minato-ku, Tokyo	7,000	7.5	7,550
	A-11	Miyazakidai Garden Office	Miyamae-ku, Kawasaki-shi	2,800	3.0	2,710
	A-12	Hitachi Kyusyu Building	Sawara-ku, Fukuoka-shi	10,000	10.6	10,300
Subtotal (average)			-	55,975	59.6	59,450
Core asset group	B-1	Hotel Intergate Tokyo Kyobashi	Chuo-ku, Tokyo	8,961	9.5	9,620
	B-2	Hotel Intergate Hiroshima	Naka-ku, Hiroshima-shi	3,990	4.2	4,330
	B-3	SANKEILOGI Settsu	Settsu-shi, Osaka	5,242	5.6	5,510
	B-4	Hotel Intergate Kyoto Shijo Shinmachi	Nakagyo-ku, Kyoto-shi	5,800	6.2	6,250
	B-5	Hotel Intergate Kanazawa	Kanazawa-shi, Ishikawa	3,250	3.5	3,300
	B-6	Grids Premium Hotel Osaka Namba	Naniwa-ku, Osaka-shi	7,800	8.3	8,170
	B-7	VESSEL HOTEL CAMPANA SUSUKINO (Note 3)	Chuo-ku, Sapporo-shi,	2,920	3.1	2,930
Subtotal (average)			-	37,963	40.4	40,110
Total (average)			-	93,938	100.0	99,560

(Note 1) "Acquisition price" is the sale and purchase price of each real estate and trust beneficiary right stated in each sale and purchase agreement for the assets under management, rounded down to the nearest million yen. The sale and purchase prices do not include consumption tax, local consumption tax and the various expenses required for the acquisition. "Investment ratio" is the proportion of the acquisition price of each asset under management to the sum total amount of acquisition prices, rounded to one decimal place.

(Note 2) "Appraisal value" is the appraisal value with an appraisal date of February 28, 2025, stated in each real estate appraisal report. The appraisal of each asset under management is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd. and Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) The acquisition price and appraisal value for "VESSEL HOTEL CAMPANA SUSUKINO" are figures equivalent to the 40% co-ownership interest acquired by SANKEI REAL ESTATE.

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