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For Translation Purposes Only

Real Estate Investment Trust Securities Issuer
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(Securities Code: 3459)

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Notice Concerning Revisions to the Forecast of Management Status and Distribution per Unit for 13th Fiscal Period
Ending January 2022 and Forecast of Management Status and Distribution per Unit
for 14th Fiscal Period Ending July 2022

Samty Residential Investment Corporation ("Samty Residential") announces revisions to the forecast of its management status and distribution per unit for the 13th fiscal period ending January 2022 (from August 1, 2021 to January 31, 2022), which was announced in "(REIT) Summary of Financial Results for Fiscal Period Ended January 2021" dated March 12, 2021, and announces the forecast of its management status and distribution per unit for the 14th fiscal period ending July 2022 (from February 1, 2022 to July 31, 2022) as described below.

1. Revisions to the Forecast of Management Status and Distribution per Unit for 13th Fiscal Period Ending January 2022

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (including distribution in excess of earnings)	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)	(yen)	(yen)
Previous forecast (A)	4,024	1,826	1,466	1,465	2,673	2,291	382
Revised forecast (B)	4,843	2,314	1,826	1,825	2,751	2,369	382
Variation (B-A)	819	487	359	359	78	78	-
Rate of variation	20.4%	26.7%	24.5%	24.6%	2.9%	3.4%	-

(Reference) Forecast net income per unit: Forecast net income / Forecast number of investment units at end of period
Fiscal period ending January 2022Forecast number of investment units issued and outstanding at end of period
770,400 unitsForecast net income per unit: 2,369 yen

(Note 1) The above forecast is the current forecast calculated based on the assumptions stated in the attached "Assumptions Underlying Forecast of Management Status for 13th Fiscal Period Ending January 2022 and 14th Fiscal Period Ending July 2022." Accordingly, discrepancies with the assumptions may arise due to future additional acquisition or disposition of real estate properties, changes in the real estate market and other developments, fluctuation in interest rates, further issuance of new investment units in the future, change in other circumstances surrounding Samty Residential and other factors. The actual operating revenue, operating income, ordinary income, net income, distribution per unit (including distribution in excess of earnings), distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary as a result. In addition, the forecast is not a guarantee of the amount of distributions and distributions in excess of earnings.

(Note 2) Samty Residential may revise the forecast in the event that it expects discrepancies above a certain level from the forecast above.

(Note 3) Figures are rounded down to the nearest unit, and percentages are rounded to the first decimal place.

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2. Forecast of Management Status and Distribution per Unit for 14th Fiscal Period Ending July 2022

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (including distribution in excess of earnings)	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)	(yen)	(yen)
Revised forecast	4,945	2,192	1,773	1,772	2,642	2,300	342

(Reference) Forecast net income per unit: Forecast net income / Forecast number of investment units at end of period
Fiscal period ending July 2022Forecast number of investment units issued and outstanding at end of period
770,400 unitsForecast net income per unit: 2,300 yen

(Note 1) The above forecast is the current forecast calculated based on the assumptions stated in the attached "Assumptions Underlying Forecast of Management Status for 13th Fiscal Period Ending January 2022 and 14th Fiscal Period Ending July 2022." Accordingly, discrepancies with the assumptions may arise due to future additional acquisition or disposition of real estate properties, changes in the real estate market and other developments, fluctuation in interest rates, further issuance of new investment units in the future, change in other circumstances surrounding Samty Residential and other factors. The actual operating revenue, operating income, ordinary income, net income, distribution per unit (including distribution in excess of earnings), distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary as a result. In addition, the forecast is not a guarantee of the amount of distributions and distributions in excess of earnings.

(Note 2) Samty Residential may revise the forecast in the event that it expects discrepancies above a certain level from the forecast above.

(Note 3) Figures are rounded down to the nearest unit, and percentages are rounded to the first decimal place.

3. Reason for Disclosure

As notified in "Notice Concerning Acquisition of Properties" (the "Notice"), "Notice Concerning Issuance of New Investment Units through Public Offering and Third-Party Allotment and Secondary Offering of Investment Units" and "Notice Concerning Borrowing of Funds" announced today, due to the acquisition of assets, the assumptions underlying the forecast for the 13th fiscal period ending January 2022 (from August 1, 2021 to January 31, 2022) announced on March 12, 2021, have changed. Therefore, revisions to the forecast of management status and distribution per unit for the 13th fiscal period ending January 2022 (from August 1, 2021 to January 31, 2022) are made.

Furthermore, along with the revisions, the forecast of management status and distribution per unit for the 14th fiscal period ending July 2022 (from February 1, 2022 to July 31, 2022) is also announced.

There is no revision to the forecast of management status and distribution per unit for the 12th fiscal period ending July 2021 (from February 1, 2021 to July 31, 2021) announced in "Notice Concerning Revisions to the Forecast of Management Status and Distribution per Unit for 12th Fiscal Period Ending July 2021" dated May 21, 2021.

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

[Attachment]

Assumptions Underlying Forecast of Management Status for 13th Fiscal Period Ending January 2022
and 14th Fiscal Period Ending July 2022

Item	Assumption
Fiscal period	<ul style="list-style-type: none"> Fiscal period ending January 2022 (from August 1, 2021 to January 31, 2022) (184 days) Fiscal period ending July 2022 (from February 1, 2022 to July 31, 2022) (181 days)
Managed assets	<ul style="list-style-type: none"> Fiscal period ending January 2022: It is assumed that Samty Residential will continue to own a total of 156 properties, which are the 132 properties for real estate/trust beneficiary interest in real estate it owns as of today (the "Acquired Assets") and the 24 properties to be acquired announced in the Notice (the "Assets to Be Acquired"), through the end of fiscal period ending January 2022, and that no other property will be newly acquired or disposed. Fiscal period ending July 2022: It is assumed that Samty Residential will continue to own the total of 156 properties for real estate/trust beneficiary interest in real estate above owned as of the end of the fiscal period ending January 2022 through the end of fiscal period ending July 2022, and that no other property will be newly acquired or disposed. In practice, change may arise due to acquisition of new properties except the Assets to Be Acquired or disposition of owned properties, etc.
Operating revenue	<ul style="list-style-type: none"> Real estate rent revenue is calculated on the basis of past results of Samty Residential (or the past results disclosed by the previous owners, etc. for the periods for which Samty Residential does not have past results) for the Acquired Assets, and on the basis of the information provided by the current owner of each property, etc., for the Assets to Be Acquired, and by taking into account the status of leasing. Operating revenue is based on the assumption that there will be no accrual of gain or loss on sale of real estate properties.
Operating expenses	<ul style="list-style-type: none"> Expenses related to the rent business, which are the principal operating expenses, are calculated on the basis of past results of Samty Residential (or the past results disclosed by the previous owners, etc. for the periods for which Samty Residential does not have past results) for the Acquired Assets, and on the basis of the information provided by the current owner of each property, etc. for the Assets to Be Acquired, taking into account the fluctuation factors of expenses. Real estate rent income (excluding gain on sale of real estate properties) after deducting expenses related to the rent business (excluding depreciation) is assumed to be 3,843 million yen for the fiscal period ending January 2022 and 3,809 million yen for the fiscal period ending July 2022. The property tax and city planning tax, etc. to be recorded as expenses are assumed to be 258 million yen for the fiscal period ending January 2022 and 328 million yen for the fiscal period ending July 2022. In general practice, the property tax and city planning tax, etc. levied on transactions of real estate properties are settled at the time of acquisition by prorating for the period with the current owner. However, as Samty Residential includes the amount equivalent to such settlement in the acquisition costs for the property, the amount is not recorded as expenses. As for the Assets to Be Acquired, the property tax and city planning tax, etc. to be included in the acquisition costs are assumed to be 50 million yen in total, and 61 million yen is assumed to be recorded as property tax and city planning tax, etc. of such properties from the fiscal period ending July 2022. Depreciation is calculated using the straight-line method, and is assumed to be 938 million yen for the fiscal period ending January 2022 and 941 million yen for the fiscal period ending July 2022. Repair expenses for buildings are assumed to be 193 million yen for the fiscal period ending January 2022 and 211 million yen for the fiscal period ending July 2022, based on the medium- to long-term repair plans prepared by the Asset Management Company. However, the amounts could differ significantly from the assumed figures, as increased or additional repair expenses may arise due to unpredictable factors.
Non-operating expenses	<ul style="list-style-type: none"> Approximately 36 million yen is expected as expenses for issuance of new investment units and secondary offering of investment units, which were resolved at the meeting of Samty Residential's board of directors held today. It will be amortized over three years based on the straight-line method. As for amortized expenses for issuance of investment units including the above, 11 million yen in the fiscal period ending January 2022 and 11 million yen in the fiscal period ending July 2022 are assumed. As for amortized expenses for issuance of investment corporation bonds, 4 million yen in the fiscal period ending January 2022 and 4 million yen in the fiscal period ending July 2022 are assumed. As for interest expenses and other financing-related expenses, 471 million yen in the fiscal period ending January 2022 and 403 million yen in the fiscal period ending July 2022 are assumed.
Interest-bearing debt	<ul style="list-style-type: none"> The balance of interest-bearing debt as of today is outstanding loans of 60,735 million yen and outstanding investment corporation bonds of 2,700 million yen. The loans maturing in the fiscal periods ending January 2022 and July 2022 are 5,350 million yen and 5,350 million yen, respectively, and the entire amount is assumed to be refinanced in the fiscal periods ending January 2022 and July 2022, respectively. In addition, borrowing of 13,500 million yen upon the acquisition of Assets to Be Acquired announced in the Notice is assumed.

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	<ul style="list-style-type: none"> Based on the assumptions above, the balance of interest-bearing debt at the end of the fiscal period ending January 2022 is assumed to be outstanding loans of 74,235 million yen and outstanding investment corporation bonds of 2,700 million yen, and the outstanding interest-bearing debt at the end of the fiscal period ending July 2022 is assumed to be outstanding loans of 74,235 million yen and outstanding investment corporation bonds of 2,700 million yen.
Investment units	<ul style="list-style-type: none"> In addition to the total 639,300 investment units issued and outstanding as of today, it is assumed that all investment units to be newly issued, that is, 57,868 new investment units through public offering resolved at Samty Residential's board of directors' meeting held today, 70,339 new investment units through third-party allotment with Daiwa Securities Group Inc. and Samty Co., Ltd. as the allottees, and 2,893 new investment units through third-party allotment with Daiwa Securities Co., Ltd. as the allottee, will be issued. Other than the above, it is assumed there will be no change in the number of investment units due to issuance of new investment units, etc. through the ends of the fiscal periods ending January 2022 and July 2022.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that the amount of earnings is distributed pursuant to the cash distribution method stipulated in Samty Residential's Articles of Incorporation. There is the possibility that the distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, including changes of managed assets, variation in real estate rental revenue in accordance with changes of tenants, and occurrence of unpredicted repairs.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is calculated pursuant to the cash distribution method stipulated in Samty Residential's Articles of Incorporation as well as the Asset Management Company's internal regulations. Samty Residential anticipates that there will be ample opportunities, etc. to acquire new properties as investments that should contribute to increasing portfolio earnings power in the fiscal period ending January 2022 and the fiscal period ending July 2022, although the real estate transaction market appears to be partially overheated. Accordingly, it is highly necessary to reserve certain amounts of funds to make it possible to respond to such opportunities flexibly. On the other hand, in consideration of such factors as Samty Residential's financial conditions and the prospect of its ability to refinance interest-bearing debt, Samty Residential does not consider itself in the said two fiscal periods to be in a position to allocate funds preferentially for reinforcing its financial base through such measures as reducing interest-bearing liabilities. While depreciation for the Acquired Assets and the Assets to Be Acquired is anticipated to be 938 million yen for the fiscal period ending January 2022 and 941 million yen for the fiscal period ending July 2022, the six-month average of the sum total of the estimated urgent repair expenses, estimated short-term repair expenses and estimated long-term repair expenses described in the building condition survey reports will be only 192 million yen (Estimate is 192 million yen for the fiscal period ending January 2022 and 192 million yen for the fiscal period ending July 2022). Accordingly, Samty Residential expects to have residual free cash flow even after making certain reserves from the cash and deposits on hand equivalent to the depreciation amount at the end of each fiscal period as reserves for capital expenditures to maintain the building functions, etc., as funds equivalent to the estimated amount of working capital, etc. and as reserves in preparation for investments that should contribute to increasing portfolio earning power as stated above. Considering the above, Samty Residential believes as of today that it is appropriate to implement distribution in excess of earnings for the fiscal periods ending January 2022 and July 2022, and anticipates total distribution in excess of earnings of 294 million yen and 263 million yen, respectively. Such distribution in excess of earnings is calculated by taking into account the level of the payout ratio (the ratio of total cash distribution, including distribution in excess of earnings, to net income and depreciation combined), and the payout ratio will be 76.7% and 75.0%, respectively. In addition, the total distribution in excess of earnings will be equivalent to 31.4% and 28.0% of the depreciation expected to accrue in the respective fiscal periods. Regarding the basic policy for cash management and the like for distribution in excess of earnings, please refer to "Part 1 Fund Information, 1. Fund Status, 2. Investment Policy" in the securities report filed on April 28, 2021.
Other	<ul style="list-style-type: none"> It is assumed that there will be no revision to laws and regulations, tax system, accounting standards, regulations applying to publicly listed companies and rules of The Investment Trusts Association, Japan, etc. that will impact the aforementioned forecast figures. It is also assumed that there will be no unexpected material changes in general economic trends and real estate market conditions, etc.