

SANKEI REAL ESTATE Announces Commencement of TOB Led by Tosei and GIC Group—JCR to Monitor Outcome and Rating Impact

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the tender offer for investment units ("TOB") in SANKEI REAL ESTATE Inc. (securities code: 2972) by Tiger Limited Partnership and Lion Limited Partnership (together, the "Offerors"), in which Tosei Corporation (securities code: 8923) and GIC Group are involved.

- (1) Regarding the investment units of SANKEI REAL ESTATE Inc. (the "Corporation"), it was announced on January 6 that a TOB would be initiated by the third-party Offerors. The TOB aims to privatize the investment units, and if successful, the non-listed status and restructuring of the Corporation's portfolio will be advanced through the additional acquisition of investment units by the Offerors. The Corporation has stated its support for the TOB and recommends that investors participate in the TOB. Also, THE SANKEI BUILDING CO., LTD., the sponsor of the Corporation, has agreed to apply for the TOB with all the investment units it holds.
- (2) Prior to the TOB, the Corporation has expressed its intention to obtain a commitment letter from Mizuho Bank, Ltd. regarding refinancing with a lending limit of 49.5 billion yen for the Corporation's interest-bearing debt under certain conditions. At this time, JCR considers that there will not be any immediate significant changes to the composition of the Corporation's assets, the profitability of the leasing business, or the existing financial structure and financing conditions.
- (3) The specific operational policies, financial policies, and details regarding organizational restructuring of the Corporation after delisting have not been disclosed as definitive matters currently. JCR will continue to confirm the progress of the TOB and the accompanying future trends, watching carefully their impact on the rating.

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<Reference>

Issuer: SANKEI REAL ESTATE Inc.

Long-term Issuer Rating: A+ Outlook: Stable

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