TOSEI
News Release

HEART INTO THE CITY

January 6, 2026
Tosei Corporation

Notice Regarding the Commencement of a Tender Offer for Investment Units of SANKEI REAL ESTATE, Inc. by Funds Managed by TAA, and Partial Investment in the Fund by Tosei

— Aiming to Contribute to the Sustainable Development of the Real Estate Investment Market —

Tosei Corporation (Head office: Minato-ku, Tokyo; President and CEO: Seiichiro Yamaguchi; Securities code: 8923; hereinafter the “Company") hereby announces that its wholly-owned subsidiary, Tosei Asset Advisors, Inc. (Head office: Minato-ku, Tokyo; President and Representative Director: Yoshiyuki Tsukada; hereinafter "TAA"), will commence a tender offer (hereinafter the “Tender Offer") for the investment units of SANKEI REAL ESTATE, Inc. (Head office: Chiyoda-ku, Tokyo; Executive Director: Yuichi Ota; Securities code: 2972) through investment vehicles invested in by funds managed by TAA under a discretionary investment management contract.

◇ Background and History of the Tender Offer

TAA’s principal business consists of real estate fund and consulting services, including asset management and CRE advisory. It provides asset management services to domestic and overseas real estate investors, aiming to maximize investment returns by appropriately identifying the potential of real estate based on its specialized expertise and formulating and implementing optimal investment strategies. As of the end of August 2025, the balance of assets under management (AUM) in private funds entrusted to TAA exceeds 2.4 trillion yen.

In addition, under its corporate philosophy of "Create new value and inspiration in all aspects of real estate as a global-minded group of seasoned professionals," the Tosei group upholds the corporate message, “Heart into the City,” and aims to enhance its corporate value by contributing to society through the development and revitalization of real estate for the sustainable development of society. The Tosei group operates six businesses—Real Estate Revitalization, Development, Rental, Fund and Consulting, Property Management, and Hotel—and promotes a highly stable portfolio management. Particularly in the Revitalization business, the Tosei group leverages its unique discernment to identify the potential of idle assets with declined value and strive to revitalize the real estate market by maximizing real estate value through various methods.

The target of this Tender Offer, SANKEI REAL ESTATE, Inc. (hereinafter the “Target"), has built a high-quality portfolio centered on offices and hotels and has continued efforts toward sustainable growth. However, in recent years, the Target's investment unit price has been trading below a NAV multiple of 1.0. Additionally, in the J-REIT market, investor interest tends to concentrate on short-term dividend yields and performance. Under such an environment, there are structural constraints on implementing value-enhancement measures such as repairs and renovations, and it was considered that the intrinsic value of the properties might not be fully realized.

Based on this recognition, TAA, which has extensive expertise in real estate transactions and asset management, proceeded to conduct due diligence on the Target, evaluate the real estate owned by the Target, and examine options for transactions involving such properties.

TAA then continued to make various proposals and hold discussions with the Target and Sankei Building Asset Management Co., Ltd., the asset management company of the Target, including proposals for the replacement of properties owned by the Target and collaboration through private funds, and engaged in multiple rounds of opinion exchanges. As a result, TAA concluded that, rather than purchasing individual properties, the acquisition of the investment units of the Target and its privatization would be a highly viable option as a method of acquiring the properties owned by the Target and enhancing their value.

TAA then proposed to the Target various terms and conditions of the transaction related to the privatization, including the tender offer price in the Tender Offer, and, having recently received a response indicating acceptance of such proposal, TAA has decided to implement the Tender Offer.

◇ Outlook Following the Tender Offer

The tender offerors in this Tender Offer (the "Offerors") will be Investment Limited Partnerships (LPSs) formed for the purpose of acquiring and holding the investment units of the Target, and the Company will provide a portion of the funding to the investment vehicle through a Silent Partnership (Tokumei Kumiai) investment.

If this Tender Offer is successfully completed, the offerors intend to implement squeeze-out procedures and take the Target private. The offerors are considering the sale of all or part of its owned assets, changes to lease agreements and other restructuring measures for the purpose of value enhancement, with the aim of improving the efficiency of portfolio management and maximizing asset value.

The Tosei Group aims to contribute to society by identifying, utilizing, and maximizing the value of real estate through all of its businesses. This initiative leverages the synergies of the Group to meet the expectations of diverse investors, and the Group intends to continue pursuing every possibility in real estate toward the sustainable growth of the Group and the development of society.

※ For specific details of this Tender Offer, please refer to the tender offer registration statement to be filed by the Offerors on January 7, 2026, in connection with this Tender Offer.

< Tosei Corporation Corporate Data >

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< Tosei Asset Advisors, Inc. Corporate Data >

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