

News Release

Jan 6, 2021

Shinoken enters a Memorandum of Understanding with an institutional investor in London, regarding the investment into the Shinoken's Indonesian Real Estate Fund

PT. Shinoken Asset Management Indonesia (Initiates Indonesian real estate fund business. Further referred to as SAMI), a subsidiary of Shinoken Group Co., Ltd. (Tokyo Headquarters: Minato-ku, Tokyo, President Hideaki Shinohara, TSE Ticker 8909, further referred to as Shinoken, including the whole group) has signed a memorandum of understanding with Somerset Capital Management LLP (Based in London, U.K. Further referred to as Somerset), regarding investment by Somerset of up to £ 500 million (¥ 70 Billion) into SAMI's Indonesian real estate fund.

Shinoken's Indonesian real estate fund business gaining momentum, aiming to raise total assets size of ¥130 billion fund by summer of 2021

Somerset currently manages assets worth approximately £ 18.7 Billion (¥ 2.6 Trillion), and the investment of up to £ 500 million (¥ 70 Billion, in Indonesian currency (IDR), 9.4 Trillion) into SAMI's Indonesian real estate fund shall be the largest scale in history of Indonesian capital market, in terms of the equity size committed by investors.

SAMI, as the first foreign-affiliated company in Indonesia to obtain the license of investment management (As of July 23, 2019 from the Indonesian Financial Service Agency), that enables raising and managing real estate funds, has received many inquiries from a wide variety of investors and real estate developers. This memorandum with Somerset is a case that took shape. Based on this, SAMI is planning to acquire up to ¥ 130 Billion (IDR 17.5 Trillion) worth of properties by summer of 2021 and raise the real estate fund, and as a company that manages the largest real estate fund in Indonesia, SAMI will continue to acquire additional properties, and enlarge the presence in not only Indonesia, but in the whole overseas real estate market.

To meet the investment demands from around the world

Indonesia enjoys a demographic dividend, holding the 4th largest population in the world (260 million people), 60% consisting of working age. According to the calculations of the World Bank and IMF, the GDP of Indonesia is likely to become the 5th largest in the world in 2024. Therefore, Indonesia is a high growth potential market that attracts attention from around the world.

The field of real estate is also attracting strong demands of investment from around the world. However, direct investment to Indonesian real estate from abroad is prohibited by the regulation, making it a difficult market to invest in and cultivate. Whereas the fund that SAMI raises has the scheme which makes it possible to directly invest from abroad. SAMI also consists of professional members that are familiar with the Indonesian real estate as well as the financial market, thus provides highly reliable investment management services, and is attracting attention from investors around the world and already taking in the strong investment demands. Shinoken will continue to meet the various demands of individual and institutional investors, both domestic and overseas.

※The effects on our consolidated financial results are currently minor, and we will immediately disclose whenever judged as necessary.

Outline of SAMI

Name	PT. Shinoken Asset Management Indonesia
Location	Wisma 46 - Kota BNI, 24th Floor, Jl. Jend. Sudirman Kav.1, Jakarta 10220, Indonesia
Representative	Dani Hotron Tampubolon
Business	Investment Management

Outline of Somerset

Name	Somerset Capital Management LLP
Location	Manning House, 22 Carlisle Pl, Westminster, London SW1P 1JA, United Kingdom
Representative	Dominic Johnson, Jacob-Rees Mogg
Business	Investment Management

**Shinoken has the vision of being
“A Life Support Company for every generation across the world”
that provides value throughout the lifetime of our customers.**

We initiate Asset development solutions for an era of 100-year life span, Construction Business, Energy Business, managing elderly care facilities, providing care for people with disabilities, Real Estate Fund Business, both domestic and overseas.

Also, we will thrive to resolve the problems of the people and society through REaaS (Real Estate as a Service).

Inquiries regarding this release

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*This is a press release to officially announce the information regarding the “Indonesian real estate fund” to the public, and not intended to be a solicitation for investment or similar acts.