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For Immediate Release

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Announcement Regarding the Determination to
Allow Convocation of an Extraordinary Unitholders' Meeting

Sakura Sogo REIT ("Sakura"), as previously announced on May 11, 2019, and May 17, 2019, received a request from Lion Partners Godo Kaisha ("Lion Partners"), a minority unitholder of Sakura, to convene an extraordinary unitholders' meeting, and Lion Partners filed a petition ("Petition") for allowance to convene an extraordinary unitholders' meeting with the Director-General of the Kanto Local Finance Bureau ("KLFB") on May 16, 2019. Sakura today received the written judgement by KLFB and announce as follows.

As stated in the announcement dated June 20, 2019, Sakura and SREFM are currently investigating several strategic options, including forming an alliance with a potential partner. Sakura and SREFM are confident to be able to announce a revised business strategy to further enhance unitholder value, which is a more certain, value-enhancing and attractive proposal than that presented by Lion Partners and Star Asia Group.

Sakura urges unitholders of Sakura to **Take No Action** in respect of any instruction or information sent by Star Asia Group or Lion Partners and wait for Sakura's further announcements so that they can determine the best way to enhance the value of their investment.

1. Text of Judgement to Allow Convocation of Unitholders' Meeting

Allow convocation of unitholders' meeting of Sakura for the purpose of agenda items below to be held by September 30, 2019.

- Dismissal of the current executive director
- Appointment of a new executive director
- Terminate the agreement with the current asset manager
- Enter into a new agreement with Star Asia investment Management, Co., Ltd.

2. Background to the Judgement

As previously announced on May 11, 2019, Sakura received the request ("Request") from Lion Partners to convene the unitholders' meeting for the purpose of resolution on the agenda items as described above on May 10, 2019. As announced on May 17, 2019, Sakura has rejected the Request because the Request is not only coercive in urging Sakura to hold an extraordinary unitholders' meeting to replace the executive director and the asset management company of Sakura without giving any material or information necessary to consider a proposed merger, with the ultimate aim of a merger of Sakura with Star Asia, which would likely have a material adverse

effect on the interests of Sakura unitholders, but is also a coercive and abusive hostile takeover proposal, and an abusive exercise of the rights of the unitholder and cannot be accepted.

Lion Partners responded to such rejection and filed the Petition with DKLFB on May 16, 2019 with the assertion that Sakura failed to take necessary procedures for the convocation of unitholders' meeting.

Sakura has asserted and discussed with DKLFB that the Request is an abusive exercise of the unitholders' right as described above, however, it received the written judgement by DKLFB to allow the Petition today.

3. Date of the Meeting of the Unitholders' Meeting to be held by Minority unitholder

The scheduled date of extraordinary unitholders' meeting to be held by Lion Partners will be proposed by Lion Partners upon the judgement, and Sakura will make announcement of the scheduled date of the meeting and the record date and other matters once determined for the unitholders' meeting to be held by minority unitholder.

4. Outlook

Sakura is deeply concerned with the KLF's judgment which rejected our assertions, and Sakura will seek to protect the interest of Sakura unitholders, including the measures described below.

As stated in the letter dated June 20, 2019, Sakura strongly believes that Star Asia's unsolicited approach will damage the value of unitholders' investment. It also believes that assertions made by Star Asia and Lion Partners relating to Sakura's management are misleading and intended to deceive Sakura unitholders, as described in detail in the June 20 letter. Sakura again urges unitholders to **Take No Action** in respect of any instruction or information sent by Star Asia Group or Lion Partners.

Sakura plans to convene its own unitholders' meeting to allow the unitholders the opportunity to vote on other proposals that will protect the unitholders' interest from the abusive and hostile takeover approach, and to vote on the implementation of measures related to the revised business strategy which will be announced soon.

The unitholders' meeting outlined above **Should Not Be Confused With** the meeting convened by Lion Partners. This is a meeting convened by Sakura with a separate agenda, that will be designed to offer unitholders a better option and submitted by Sakura than Lion Partners and Star Asia Groups.

Details of Sakura unitholder meeting below:

(1) Date of Meeting: August 30, 2019 (Friday)

(2) Record Date: June 30, 2019 (Sunday)

Place and Time: To be determined.

Sakura will announce the detail of the date and place and the agenda items for the unitholders' meeting convened by Sakura, upon determination.

-Ends-