

January 30, 2020

For Translation Purpose Only
To All Concerned Parties

REIT Securities Issuer
Sakura Sogo REIT Investment Corporation
3-8-11 Kudan Minami, Chiyoda-ku, Tokyo
Representative: Toru Sugihara, Executive Director
(Securities Code 3473)

Asset Management Company:
Sakura Real Estate Funds Management, Inc.
Representative: Robert Shoji Morikuni,
Representative Director and
President
Contact: Mayumi Kobiki,
Chief Financial Officer
Tel:+81-3-6272-6608

Notice Concerning Execution of Memorandum of Understanding and
Measures to Ensure Fairness Regarding Merger with Star Asia Investment Corporation

Sakura Sogo REIT Investment Corporation (“Sakura”) announces as follows that it resolved at its board of directors meeting held today to execute a memorandum of understanding (the “MOU”) with Star Asia Investment Corporation (“Star Asia REIT”; together with Sakura, the “Investment Corporations”) on the merger of the Investment Corporations (the “Merger”) and has executed the MOU with Star Asia REIT as of today’s date. In order to ensure the fairness and transparency of the Merger, Sakura decided at its board of directors meeting held on December 19, 2019 to establish a special committee, and the execution of the MOU has been discussed by the special committee.

1. Purpose of the MOU

(1) Background of the MOU

On May 10, 2019, Sakura received a proposal toward the Merger (the “Star Asia Group Proposal”) from Lion Partners G.K. (“Lion Partners”), which belongs to Star Asia REIT’s sponsor group, the Star Asia Group, and is a minority unitholder of Sakura, and pursuant thereto, unitholder proposals (the “Unitholder Proposals”) were approved at the extraordinary unitholders’ meeting of Sakura convened by Lion Partners on August 30, 2019 pursuant to the Act on Investment Trusts and Investment Corporations (the “Extraordinary Unitholders’ Meeting”) electing Toru Sugihara as executive director, terminating the asset management agreement with Sakura Real Estate Funds Management, Inc. (“SREFM”), and executing a new asset management agreement with Star Asia Investment Management Co., Ltd. (“SAIM”). (As announced separately, in regard to the approved Unitholder Proposals, Galaxy JREIT Pty Limited, a unitholder of Sakura, filed an action for rescission of unitholders’ meeting resolutions, a petition for an order of injunction to suspend performance of duties and to appoint an acting representative, and a petition for an order of injunction to suspend the effect and enforcement of unitholders’ meeting resolutions, each of which is still pending.)

As the Unitholder Proposals, which were put forward for the purpose of promoting discussion regarding the Merger, were approved at the Extraordinary Unitholders' Meeting, Sakura began considering the Merger. As set out in “(3) (i) Establishment of and Consideration by the Special Committee” below, considering that the inherent risk of conflicts of interest in the Merger cannot be denied, for the purpose of ensuring the fairness of decisions when considering the merits of conducting the Merger and the terms and conditions thereof, Sakura established a special committee composed of Mr. Shigeru Kaneda and Mr. Hirotaka Isoyama, who are supervisory directors of Sakura independent from the Star Asia Group and the Merger, and Mr. Kiyoshi Kondaibo, who is a third party, at the board of directors meeting of Sakura held on December 19, 2019 and tasked the special committee to consider the merits of conducting the Merger and give an opinion to the board of directors of Sakura. (In regard to the status of consideration by the special committee and other matters, see “(3) (i) Establishment of and Consideration by the Special Committee” below.) Additionally, the special committee approved the appointment of Mizuho Securities Co., Ltd. (“Mizuho Securities”) as financial advisor to Sakura for the Merger and Mori Hamada & Matsumoto as legal advisor to Sakura for the Merger, and the special committee is considering the Merger with advice from these advisors. For a summary of other measures to ensure the fairness of the terms and conditions of the Merger taken by Sakura in considering the Merger (the “Measures to Ensure Fairness”), please see “(3) Measures to Ensure Fairness” below.

Following that, while continuing with its consideration of the Merger and its discussions with Star Asia REIT, as set out in “(2) Significance of Merger” below, Sakura reached the determination that based on its understanding of its current circumstances, by conducting the Merger with Star Asia REIT, an increase in its asset value can be expected, and the Merger could lead to maximizing Sakura's unitholder value through, in addition to the increase in asset value, such means as further diversifying its portfolio in terms of both area and asset type, securing a pipeline of real estate from the Star Asia Group, strengthening unitholder returns by improving and stabilizing profits and distributions through operating cost reductions, and achieving continual growth through acquisition of new real estate made possible by the increase in asset value; accordingly, on January 30, 2020, Sakura received an opinion from the special committee that it is reasonable to execute the MOU and engage in consideration, negotiations, and due diligence to work towards a definitive agreement. Additionally, taking into account the progress of the pending legal actions stated above, the board of directors meeting of Sakura held today resolved to execute the MOU with Star Asia REIT, and Sakura executed the MOU as of today's date.

Moving forward, while obtaining opinions and the like from the special committee, Sakura intends to conduct due diligence on Star Asia REIT and engage in discussions and negotiations with Star Asia REIT concerning the terms and conditions of the Merger, including the merger ratio.

(2) Significance of Merger

Understanding of Current Circumstances of Sakura

Sakura was listed on the REIT securities market of the Tokyo Stock Exchange in September 2016 with an asset value of JPY 57.3 billion (based on acquisition price) but has subsequently been unable to achieve growth through the acquisition of new real estate in accordance with the initial plan, and its asset value at the end of June 2019 was JPY 57.5 billion, nearly unchanged from its listing. Excluding special factors such as fixed asset taxes, city planning taxes, and the like, distributions per unit have failed to increase since the second fiscal year following listing. As set out above, based on an awareness of issues such as relatively poor growth potential and

stability in distributions caused by a latent lack of potential for growth by acquisition of new real estate due to a lack of real estate pipelines, Sakura was reconsidering growth strategies that include the possibility of a prospective merger.

Amid those circumstances, Sakura received the Star Asia Group Proposal on May 10, 2019 and approached multiple investment corporations, domestic and foreign funds, and other entities except for the Star Asia Group regarding the possibility of collaboration, including mergers, and other proposals, following which Sakura ultimately executed a merger agreement with MIRAI Corporation, which was determined to be best in terms of contributing to maximizing unitholder value. However, as the Unitholder Proposals were approved at the Extraordinary Unitholders' Meeting held on August 30, 2019 while the merger agreement with MIRAI Corporation was not approved at the unitholders' meeting convened by Sakura and held on the same date, Sakura has continued considering the Merger and engaging in discussions with Star Asia REIT up to the present.

Main Synergies Expected from Merger

Sakura expects an increase in its asset value through the Merger and has executed the MOU with the intention of increasing its unitholder value through, in addition to the increase in asset value, such means as further diversifying its portfolio in terms of both area and asset type, securing a pipeline of real estate from the Star Asia Group, strengthening unitholder returns by improving and stabilizing profits and distributions through operating cost reductions, and achieving continual growth through acquisition of new real estate made possible by the increase in asset value. Sakura is aware of the issues stated in "Understanding of Current Circumstances of Sakura" above but believes that by achieving synergy through the Merger, those issues can be resolved, which it expects will contribute to the mid- to long-term growth of unitholder value.

Main Synergies Expected from Merger

- Further diversification in terms of both area and asset type through increase in asset value; increased stability of portfolio profits (comprehensive portfolio diversified and comprised of primarily offices, more than two-thirds of which will be located in the greater Tokyo area, as well as residential and logistic properties)
- Streamlining operating costs (reducing real estate management costs and interest costs)
- Improving total market value and liquidity (improve market presence through increased asset value and liquidity as a result of merger)

Governance Systems for Maximizing Unitholder Interests

At the Extraordinary Unitholders' Meeting, Sakura resolved to terminate the asset management agreement with SREFM, its current asset management company, and execute an asset management agreement with SAIM, which is to be its new asset management company. Pursuant to that, it is intended that the asset management agreement with SREFM will be terminated on February 29, 2020 and that SAIM will take over the asset management agreement from March 1, 2020. SAIM has entered into an asset management agreement with Star Asia REIT, the counterparty to the MOU, and there is overlap in the investment criteria of Sakura and Star Asia REIT; therefore, until the Merger is conducted, it is possible that conflicts of interest could occur in the managing of assets, but Sakura will engage in discussions with SAIM to ensure that Sakura's unitholder value is not harmed by SAIM developing rigorous systems to prevent conflicts of interest.

(3) Measures to Ensure Fairness

(i) Establishment of and Consideration by the Special Committee

Executive Director Toru Sugihara, who was elected through the Unitholder Proposals, was a director of Star Asia REIT's asset management company SAIM before the submission of the Unitholder Proposals, was a representative member of Lion Partners, which submitted the Unitholder Proposals, even after their submission, and is an employee of the Tokyo Branch of Star Asia Management Japan Ltd., which is a subsidiary of Star Asia Management Ltd., which in turn has executed a sponsor support agreement with Star Asia REIT and SAIM, so despite the fact that, at present, Mr. Sugihara has already resigned as a director of SAIM and as a representative member of Lion Partners and is not engaged in any duties other than those as executive director of Sakura, it still cannot be denied that his decision-making might be considered influenced by the Star Asia Group. Also there is an inherent risk of conflicts of interest stemming from the plan to change Sakura's asset management company as of March 1, 2020 to SAIM, which is the same asset management company used by Star Asia REIT. Considering these, at a meeting of Sakura's board of directors held on December 19, 2019, Sakura established, for the purpose of ensuring the fairness of decisions when considering whether to conduct the Merger and the terms and conditions thereof, a special committee tasked with considering whether to conduct the Merger and with giving an opinion to Sakura's board of directors.

Mr. Shigeru Kaneda and Mr. Hirotaka Isoyama, who have been supervisory directors of Sakura from before the submission of the Unitholder Proposals and possess independence from the Star Asia Group and the outcome of the Merger, and Mr. Kiyoshi Kondaibo, who is a third party, possesses independence from the Star Asia Group and the outcome of Merger, and possesses abundant knowledge regarding J-REITs, were appointed as members of the special committee. A brief history of Mr. Kondaibo's career and the principal reasons for his appointment are as described below.

| | Business career | Principal reasons for appointment |
|---------------|--|--|
| April 1988 | The Mitsubishi Bank, Ltd. (now MUFG Bank, Ltd.) | <ul style="list-style-type: none"> · Holds no vested interest in the Star Asia Group · Holds 50 investment units in Sakura, but his interests are consistent with those of a general unitholder, so it can be determined that he possesses independence from the outcome of the Merger · He has worked at a Japanese financial institution and a foreign investment bank, has been involved in multiple M&A and REIT dealings, and has excellent knowledge of finance matters · He has served as an executive at an asset management company for a Japanese investment corporation |
| December 1993 | Mitsubishi Finance (Hong Kong) Limited | |
| August 1995 | Singapore Branch of The Mitsubishi Bank, Ltd. (now MUFG Bank, Ltd.) | |
| February 2000 | Securitization Group, Financial Instruments Development Division, The Bank of Tokyo-Mitsubishi, Ltd. (now MUFG Bank, Ltd.) | |
| July 2003 | REIT Promotion Dept., Mitsubishi Securities Co., Ltd. (now Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) | |

| | | |
|---------------|--|--|
| August 2005 | Manager, Director Real Estate Investment Bank Group, Deutsche Securities Inc. | and has excellent knowledge of REIT operations |
| February 2008 | Manager, Managing Director Real Estate Investment Bank Group, Deutsche Securities Inc. | |
| December 2013 | Vice President and Director, Finance & Planning Division Manager, Sojitz REIT Advisors K.K. (retired in June 2017) | |

With respect to treatment of the special committee’s determinations, Sakura’s board of directors resolved at a meeting concerning the establishment of the special committee (i) to respect the contents of the special committee’s determinations to the utmost degree in making decisions regarding the Merger, including whether to agree to the Merger, as the board of directors and (ii) not to proceed with the Merger if the special committee determined that implementation of the Merger or any term or condition of the Merger transaction was inappropriate; in addition, the board of directors has granted authority to the special committee in relation to the following matters, among other matters: (a) the authority to negotiate with Star Asia REIT in relation to the Merger; (b) the authority to appoint advisors on financial matters, legal matters, and the like for its own or to nominate or approve advisors on financial matters, legal matters, and the like for Sakura; and (c) the authority to receive from Sakura’s board of directors information required to deliberate and make determinations regarding the Merger. It has been decided to pay remuneration in accordance with hours worked as consideration for the execution of duties by the members of the special committee, regardless of the contents of their reports.

The special committee has held five meetings from December 19, 2019 to date and has also held multiple discussions regarding the Merger by emails and other means as required. Specifically, as stated in “(1) Background of the MOU” above, the special committee approved the appointment of Mizuho Securities as financial advisor to Sakura for the Merger and Mori Hamada & Matsumoto as legal advisor to Sakura for the Merger and has considered and approved, with advice from Mori Hamada & Matsumoto, the contents of the Measures to Ensure Fairness that should be implemented in considering the Merger. Further, while obtaining advice from Mizuho Securities, the special committee has carefully and repeatedly confirmed and discussed the circumstances leading to consideration of the Merger, conditions and issues faced by Sakura, the contents of the merger proposal from Star Asia REIT, the significance and necessity of conducting the Merger with Star Asia REIT, the feasibility and anticipated outcomes of options other than the Merger, expected effects on the investment corporation and unitholders as a result of the Merger, and other related matters. The special committee has also inquired with multiple investment corporations, through Mizuho Securities, matters including those pertaining to whether those corporations might consider a merger with Sakura, while keeping in mind the feasibility of conducting such a merger that would benefit Sakura. In the process of this deliberation, the special committee has received from Mizuho Securities the provision of provisional materials and advice in relation to the Merger transaction terms and conditions. The special committee has also offered its opinion on the contents of the MOU, provided Mizuho Securities with instructions regarding the policy for negotiations with Star ASIA REIT, and confirmed the contents of this press release.

Further, the special committee submitted to Sakura's board of directors an opinion, dated January 30, 2020, to the effect that, as it is acknowledged that there is a reasonable possibility that the Merger will lead to an improvement in Sakura's value and the interests of Sakura's unitholders, it is reasonable to enter into the MOU and engage in consideration, negotiations, and due diligence to work towards a definitive agreement. Going forward, the special committee plans to negotiate with Star Asia REIT in relation to the terms and conditions of the Merger and other matters and, in compliance with the matters it has been tasked, report to Sakura's board of directors regarding the merits of the Merger.

(ii) Non-involvement in decision-making related to the Merger by persons with vested interests

As stated in "(3) (i) Establishment of and Consideration by the Special Committee," it is undeniable that Executive Director Toru Sugihara's decision-making might be considered influenced by the Star Asia Group, so he has not participated in deliberations and resolutions by Sakura's board of directors in relation to execution of the MOU. As Sakura's only executive director, Mr. Sugihara has provided necessary explanations and information to the special committee and conducted various administrative tasks to facilitate consideration of the Merger; however, he has not participated in any actual decision-making by the special committee in relation to the Merger.

(iii) Preferential negotiation obligation

Each of Sakura and Star Asia REIT has agreed under the MOU not to conduct solicitation with respect to, or negotiate with, any third party other than each other with the aim of realizing a merger or the like that conflicts with the Merger (which includes not allowing any third party (including, but not limited to, its own asset management company) to commit any such action). However, if a counteroffer is made to Sakura by any third party other than Star Asia REIT, Sakura will not be precluded from conducting consultations, negotiations, and the like in relation to that counteroffer to the extent judged reasonably necessary by the special committee, unless that counteroffer is the result of Sakura actively making new contact with a third party after the execution of the MOU. If Sakura determines that execution of a transaction related to a third party's counteroffer is in the interests of Sakura's unitholders, Sakura must consult with Star Asia REIT before any legally binding agreement is made.

In this way, the fairness of procedures related to the Merger has been taken into account by ensuring that opportunities for third parties to make counteroffers, and the consideration of such counteroffers, are not precluded.

2. Summary of Merger

(1) Schedule of Merger

Sakura and STAR ASIA REIT will proceed with necessary procedures such as due diligence and aim to conclude the merger agreement early.

(2) Method for Merger

The method of the Merger will be determined upon subsequent discussion between Sakura and Star Asia REIT.

(3) Allocation of Units upon Merger

Sakura and Star Asia REIT will determine the merger ratio for the Merger upon discussion in good faith based on the results of due diligence and third party assessment.

(4) Effective Period of MOU

The effective term of the MOU is from the date of signing the MOU to the earlier of: (i) May 31, 2020; or (ii) approval of the merger agreement by the general meeting of unitholders of both Sakura and Star Asia REIT following execution of the merger agreement. However, the term may be extended with the written agreement of Sakura and Star Asia REIT.

3. Outline of Merging Parties

| | Sakura | Star Asia REIT |
|---|---|---|
| (1) Name | Sakura Sogo REIT Investment Corporation | Star Asia Investment Corporation |
| (2) Location | 3-8-11, Kudan Minami, Chiyoda-ku, Tokyo | Atago Green Hills Mori Tower 18F, 2-5-1, Atago, Minato-ku, Tokyo |
| (3) Name of Executive Director | Toru Sugihara | Atsushi Kato |
| (4) Unitholders' Capital | 29,254 million yen | 52,745 million yen |
| (5) Date of Incorporation | April 1, 2016 | December 1, 2015 |
| (6) Total Number of Outstanding Investment Units (Note 1) | 333,001 units | 540,824 units |
| (7) Fiscal Period-Ends | June and December | January and July |
| (8) Main Assets under Management | Real estate and real estate beneficiary interests in trust | Real estate and real estate beneficiary interests in trust |
| (9) Total Number of Assets (Note 1) | Office buildings 8 Retail 4 Residence 4 Others 2 | Office buildings 11 Residence 7 Logistics facility 8 Hotel 8 |
| (10) Book Value at End of Fiscal Period (Note 1) | Office buildings 26,544 million yen Retail 22,214 million yen Residence 6,583 million yen Others 2,378 million yen | Office buildings: 36,068 million yen Residence 15,571 million yen Logistics facility 30,877 million yen Hotel 20,634 million yen |

| | | | | | | |
|------------------------------|--|---|--|----------------|-----------|-----------|
| (11) | Main Financial Banks | Sumitomo Mitsui Banking Corporation, and seven other banks | Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., and nine other banks | | | |
| (12) | Large Unitholders and Holding Ratio (Note 1) | <p>The Master Trust Bank of Japan, Ltd. (Trust account) 7.6%</p> <p>Japan Trustee Services Bank, Ltd. (Trust account) 6.2%</p> <p>Lion Partners Godo Kaisha 3.6%</p> <p>The Nomura Trust and Banking Co., Ltd. (Investment trust account) 3.1%</p> <p>BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) 3.0%</p> | <p>The Master Trust Bank of Japan, Ltd. (Trust account) 9.2%</p> <p>Japan Trustee Services Bank, Ltd. (Trust account) 7.1%</p> <p>STAR ASIA CAPITAL I LLC 4.5%</p> <p>STAR ASIA CAPITAL II LLC 4.5%</p> <p>STAR ASIA CAPITAL III LLC 4.5%</p> <p>STAR ASIA CAPITAL IV LLC 4.5%</p> | | | |
| (13) | Business Results for Last 3 Fiscal Periods (in units of million yen unless otherwise specified; figures rounded down to the nearest unit) | | | | | |
| Fiscal Period Ended: | Sakura | | | Star Asia REIT | | |
| | Jun. 2018 | Dec. 2018 | Jun. 2019 | Jul. 2018 | Jan. 2019 | Jul. 2019 |
| Operating Revenue | 1,768 | 2,362 | 2,394 | 2,810 | 3,844 | 3,785 |
| Operating Profit | 854 | 1,046 | 1,037 | 1,576 | 2,406 | 2,225 |
| Ordinary Profit | 615 | 885 | 874 | 1,305 | 2,073 | 1,965 |
| Net Profit | 615 | 886 | 885 | 1,305 | 2,049 | 1,964 |
| Net Profit per Unit (yen) | 1,847 | 2,661 | 2,660 | 2,775 | 3,889 | 3,632 |
| Distributions per Unit (yen) | 1,848 | 2,662 | 2,660 | 2,773 | 3,720 | 3,625 |
| Net Assets per Unit (yen) | 89,700 | 90,513 | 90,512 | 100,477 | 101,400 | 101,215 |
| Net Assets | 29,870 | 30,141 | 30,140 | 47,287 | 54,839 | 54,739 |
| Total Assets | 62,752 | 61,643 | 63,389 | 93,553 | 111,079 | 110,240 |
| (14) | Name of Asset Management Company | Sakura Real Estate Funds Management, Inc. (Note 2) | Star Asia Investment Management Co., Ltd. (Note 2) | | | |
| (15) | Location of Asset Management Company | 3-8-11, Kudan Minami, Chiyoda-ku, Tokyo | Atago Green Hills Mori Tower 18F, 2-5-1, Atago, Minato-ku, Tokyo | | | |

| | | |
|--|---|---------------------------------|
| (16) Name and Title of Representative of Asset Management Company | Robert Shoji Morikuni, Representative Director and President | Atsushi Kato, President and CEO |
| (17) Relationship between Parties Involved | | |
| Capital Relationship (Note 2) | While there is no capital relationship required to be disclosed between Sakura and Star Asia REIT, the asset management company for both Sakura and Star Asia REIT is expected to be Star Asia Investment Management Co., Ltd., on and after March 1. | |
| Personnel Relationship (Note 2) | While there is no personnel relationship required to be disclosed between Sakura and Star Asia REIT, it should be noted that Toru Sugihara, Executive Director of Sakura, is an employee of the Tokyo Branch of Star Asia Management Japan Ltd., a subsidiary of Star Asia Management Ltd., with which Star Asia REIT and Star Asia Investment Management Co., Ltd., Star Asia REIT's asset management company, have each executed a sponsor support agreement. | |
| Business Relationship (Note 2) | There is no business relationship required to be disclosed between: (a) Sakura and its asset management company, and their related persons and affiliates; and (b) Star Asia REIT and its asset management company, and their related persons and affiliates. | |
| Status as Related Party (Note 2) | Sakura and Star Asia REIT do not fall under related parties that are required to be disclosed. However, the asset management company for both Sakura and Star Asia REIT is expected to be Star Asia Investment Management Co., Ltd., on and after March 1. | |

(Note 1) The relevant figures are as of June 30, 2019 for Sakura, and as of July 31, 2019 for Star Asia REIT. The “holding ratio” is rounded to the nearest tenth.

(Note 2) As stated in its “Announcement Concerning Notice of Termination of Asset Management Agreement” dated September 5, 2019, Sakura notified its cancellation of the asset management entrustment agreement with Sakura Real Estate Funds Management, Inc. on August 30, 2019. Sakura plans to sign a new asset management entrustment agreement with Star Asia Investment Management Co., Ltd., and the asset management entrustment agreement with SREFM is scheduled to be cancelled as of February 29, 2020. In response, SREFM has filed a petition against Sakura for preliminary order to provisionally grant SREFM the contractual status with contractual rights under the asset management entrustment agreement from March 1, 2020 until final judgement of the “Action for Rescission of Resolution of Unitholders’ Meeting” (hereinafter referred to as the “SREFM Petition”). Sakura has stated in its press release that it believes the SREFM Petition lacks reasonable grounds.

4. Post-Merger Status

(1) Status of Surviving Corporation

| | | Surviving Corporation after Merger |
|------|--|--|
| (1) | Name | Star Asia Investment Corporation |
| (2) | Location | Atago Green Hills Mori Tower 18F, 2-5-1, Atago, Minato-ku, Tokyo |
| (3) | Name of Executive Director | Atsushi Kato |
| (4) | Unitholders' Capital | Not yet been determined, and will be announced once determined. |
| (5) | Fiscal Period-Ends | Not yet been determined, and will be announced once determined. |
| (6) | Net Assets | Not yet been determined, and will be announced once determined. |
| (7) | Total Assets | Not yet been determined, and will be announced once determined. |
| (8) | Name of Asset Management Company | Star Asia Investment Management Co., Ltd. |
| (9) | Location of Asset Management Company | Not yet been determined, and will be announced once determined. |
| (10) | Name and Title of Representative of Asset Management Company | Not yet been determined, and will be announced once determined. |

(2) Major Unitholders and Unit Holding Ratio before and after Merger

Not yet been determined, and will be announced once determined.

(3) Amendment to Asset Management Agreement

As stated in its “Announcement Concerning Notice of Termination of Asset Management Agreement” dated September 5, 2019, Sakura notified its cancellation of the asset management entrustment agreement with SREFM on August 30, 2019. Sakura plans to sign a new asset management entrustment agreement with SAIM. Therefore, SAIM will continue to provide asset management services to the merged investment corporation following the Merger. Further, while SREFM filed the SREFM Petition, Sakura stated in its press release that it believes the SREFM Petition lacks reasonable grounds.

(4) Amendment to Investment Policy

Not yet been determined, and will be announced once determined.

(5) Amendment to Agreement with Sponsor, etc.

Not yet been determined, and will be announced once determined.

5. Influence on Distributions per Unit

Not yet been determined, and will be announced once determined.

6. Outlook

The outlook going forward is not yet determined at this time. We will make an announcement when specific progress is made. The impact of the execution of the MOU on Star Asia REIT's business results in the fiscal period ending June 2020 (from January 1, 2020 to June 30, 2020) is minor and there is no change to the forecast.

(End)

*This material has been distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club of specialty construction newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

*Sakura URL: <http://sakurasogoreit.com/en>