

Proposal for Merger between Sakura Sogo REIT Investment Corporation and Star Asia Investment Corporation

- We have been committed to Star Asia Investment Corporation's growth and achieved successful results.
- Star Asia Group is a unitholder of Sakura Sogo REIT, which owns 11,971 units or 3.6% ownership stake.
- We hereby make a proposal of the unitholders, by the unitholders, to the unitholders.

Star Asia group company

Managing Partner

Malcolm F. MacLean IV

Managing Partner

Taro Masuyama

Star Asia group company Lion Partners GK

Representative Director

Toru Sugihara

- Regarding the status quo of Sakura Sogo REIT, as one of the unitholders, we believe that it is the best interest for both REITs to merge.
- On May 10, 2019, we have released "Proposal for Merger of Sakura Sogo REIT Investment Corporation and Star Asia Investment Corporation" for investors' better understanding.
- At the same time, as the first step of the M&A process, we have requested for calling of general unitholders meeting; the main agenda of the meeting is to replace the executive officer and the asset management company.
- This brochure is the brief version of the Proposal Document. Please visit our website for the full version of the document and additional information. <http://starasiamanagement.com/en/>

Post-merger

Sakura Sogo REIT Investment Corporation



Diversified REIT

AUM : ¥56.1bn

No. of properties : 17

Target asset class :

Office, Retail, Residential,
Other



Star Asia Investment Corporation



Diversified REIT

AUM : ¥102.3bn

No. of properties : 34

Target asset class :

Office, Retail, Residential,
Logistics, Hotel, Student
accommodation

Post-merger

AUM : ¥158.4bn

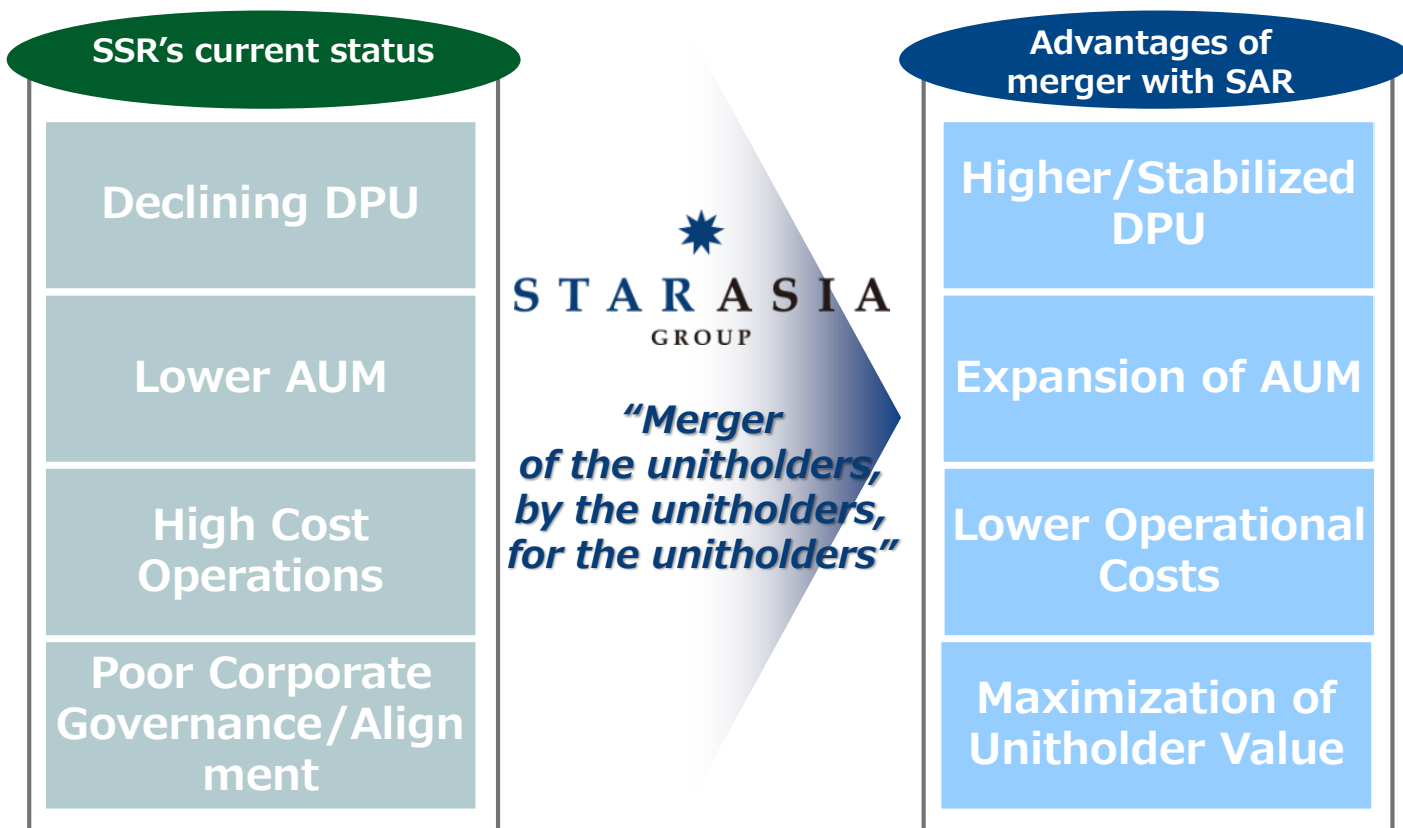
No. of properties : 51

Target asset class :

Office, Retail, Residential,
Logistics, Hotel, Student
accommodation, Other

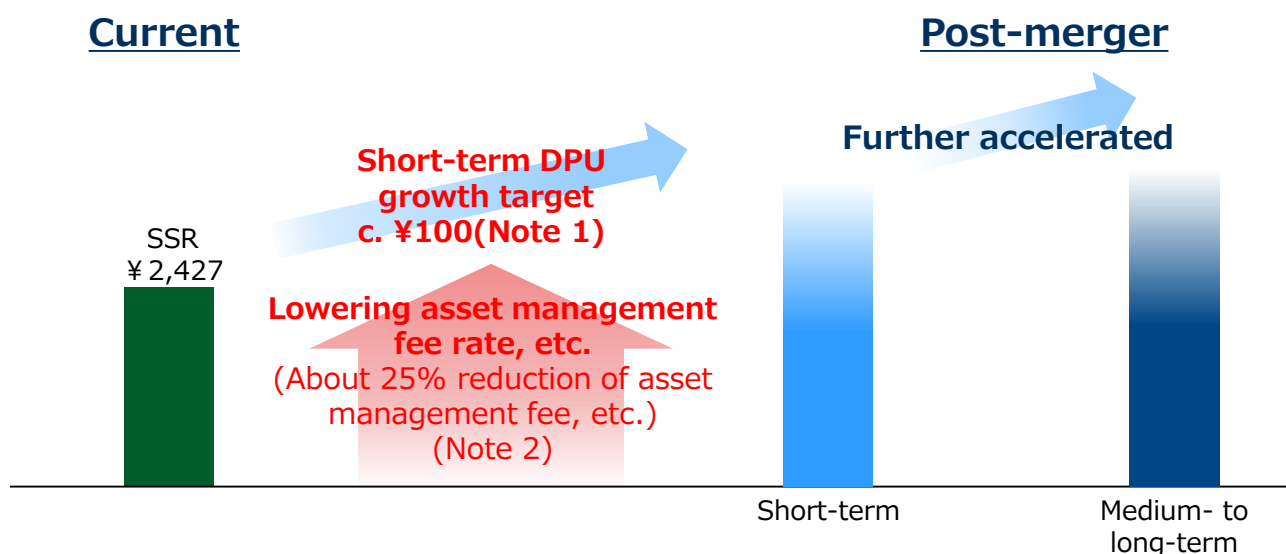
Improving Unitholder Value through Merger with SAR

We are confident that the proposed merger will benefit all unitholders of SSR



Improving Unitholder Value: DPU Increase

Targeted ¥100 DPU increase in the short term, aiming for further growth in the medium to long term

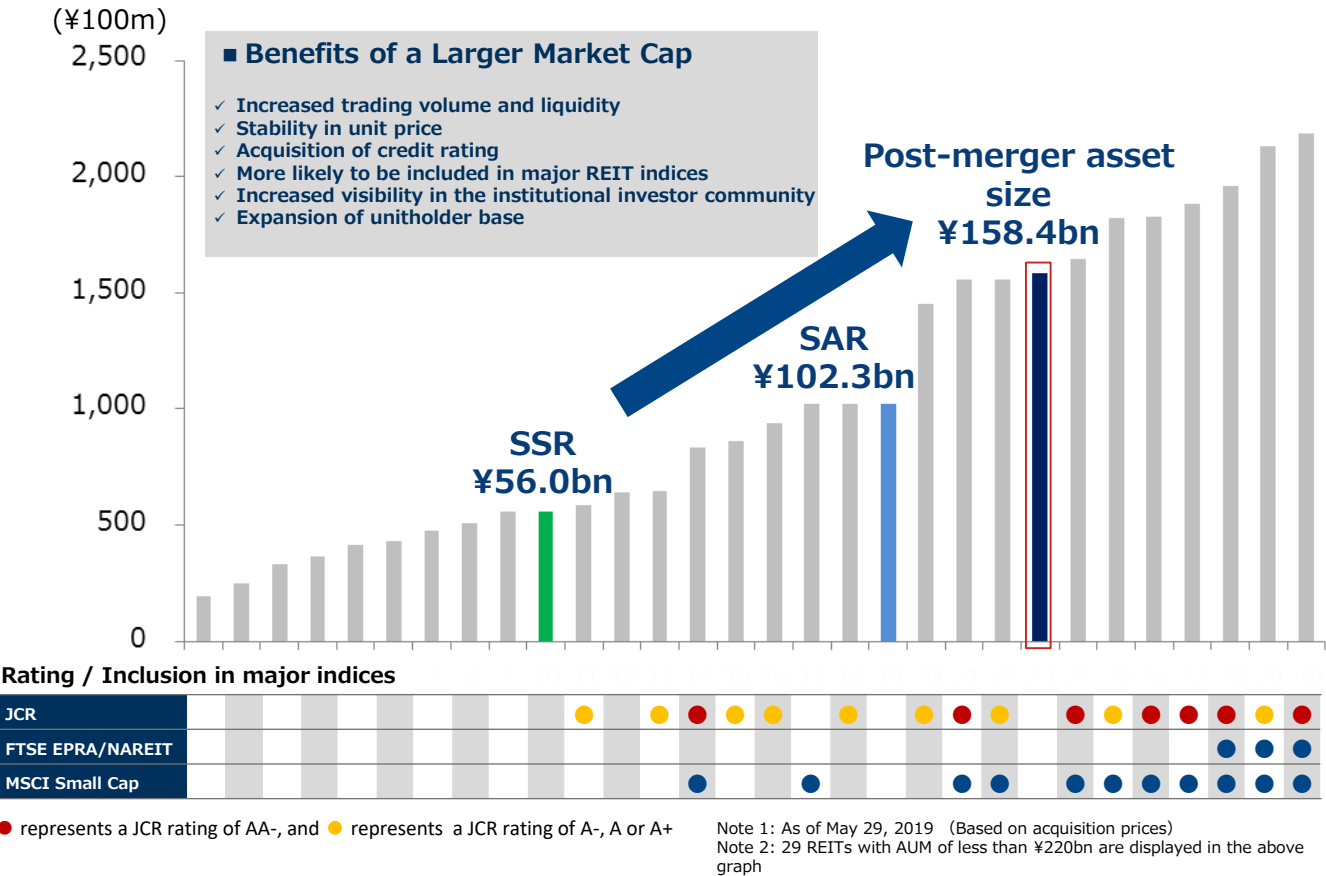


Note1: Provisional calculation in case of a merger under the condition of the unit price as of the end of April, 2019, and on pre-unit splits basis
Note 2: As of May 10, 2019, a roughly 25% reduction of asset management fee which is currently paid by Sakura Sogo REIT Investment Corporation to Sakura Real Estate Management is envisaged by bringing it in line with the fee paid by Star Asia Investment Corporation to Star Asia Investment Management

Improvement of Unitholders value: Increase in AUM, Portfolio reinforcement

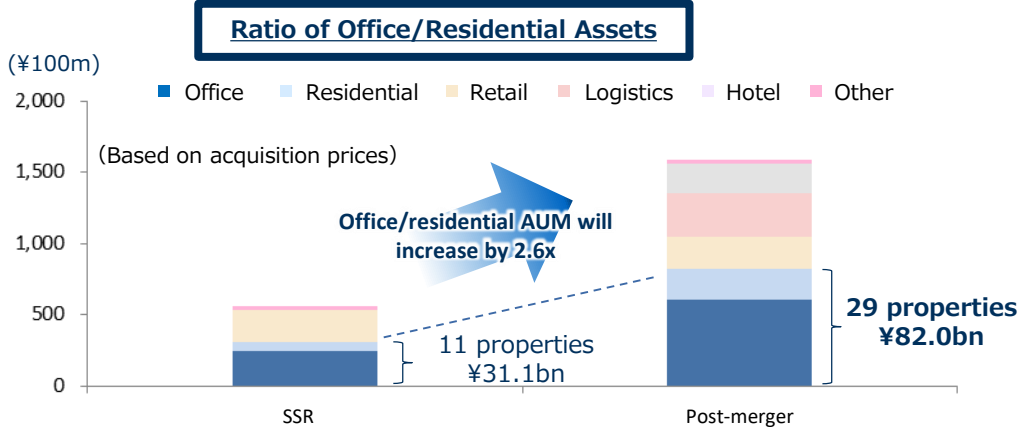
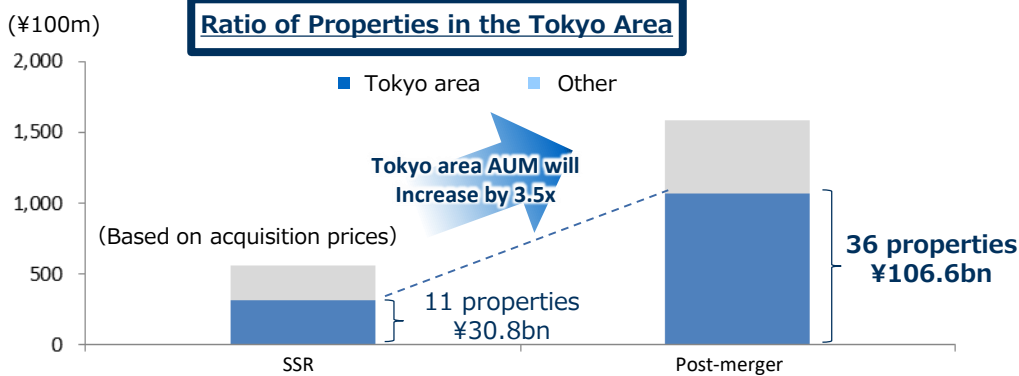
An expanded AUM will improve SSR's position in the J-REIT market

Post-merger, the total AUM will be ¥158.4bn, and increase in revenue stability as well as in liquidity can be expected



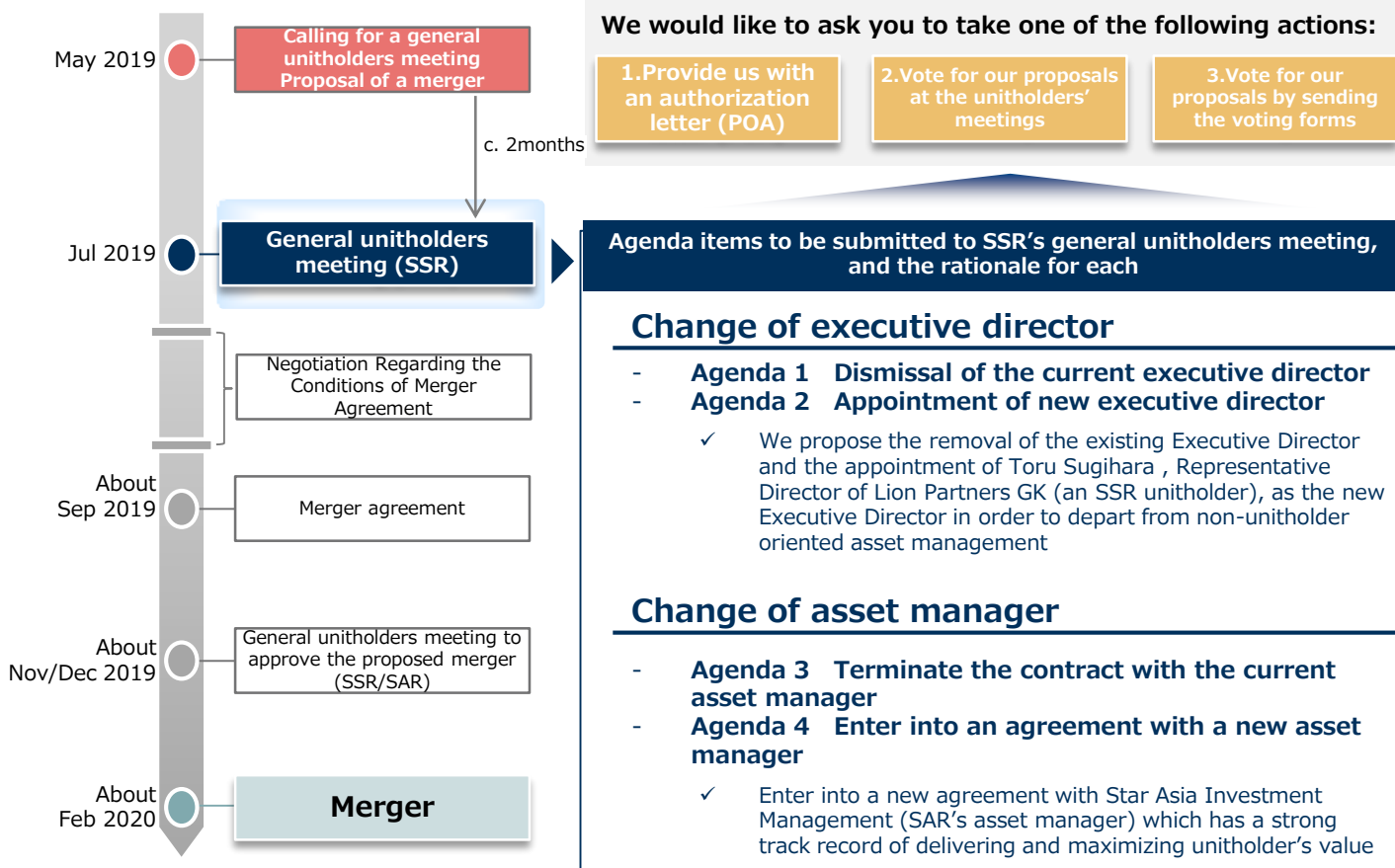
Portfolio Quality and progress of dispersion

Portfolio quality is also expected to significantly improve as a result of an increased ratio of medium-size office and residential assets (particularly attractive categories from an investor demand perspective)



Calling for a general unitholders meeting

Lion Partners GK, a Star Asia Group Company, called for an SSR general unitholders meeting on May 10, 2019 to deliver our proposal to replace the current Executive Director and Asset Manager as an interim step towards the ultimate goal of a merger between SSR and SAR. Based on the following proposal, we respectfully seek for you to submit a proxy letter to Lion Partners GK or vote FOR the proposed agendas



Our nominee for the new Executive Director of SSR



Toru Sugihara

Representative Director of Lion Partners GK (Star Asia Group Company)
(Former Director and CFO of Star Asia Investment Corporation)

Bio	
April 1991	Joined Nomura Securities Co., Ltd.
October 2006	Joined Barclays Securities Japan Limited
July 2012	Joined Kenedix, Inc.
February 2015	Joined the Tokyo Branch of Star Asia Management Japan Ltd.
June 2015	Seconded to Star Asia Investment Management Co., Ltd. as Executive Director and CFO
August 2015	Director and CFO of Star Asia Investment Management Co., Ltd.
April 2019	Representative Director of Lion Partners GK (Star Asia Group Company)

Ever since the creation of the J-REIT market, I have focus on and desired its growth from the standpoint of a securities firm and as a REIT sponsor. Since June 2015, I have worked as a REIT asset manager to win the trust of investors as widely as possible through the optimal management of assets. Based on a deep understanding of the systems and history of the J-REIT market I am conducting corporate action through an unprecedented use of the unitholders' right to call for a general unitholders meeting in order to benefit the J-REIT market and its investors and to aid further market development

This proposal is a call for a general unitholders meeting, aiming for a merger for unitholders by minority unitholders, which would be a first for the J-REIT market, and it is my strong conviction that the proposal will undoubtedly benefit all unitholders

<Inquiries regarding this material>

Lion Partners GK

■ TEL : 03-4577-7871

■ E-mail : info@starasia-lp.com

- This document has been prepared solely for the purpose of providing information relating to Lion Partners GK's proposal of a merger between SSR and SAR, and not for offering, soliciting or selling any specific product
- Copying, reprinting or any other use of the contents of this document without prior approval is strictly prohibited. This document includes charts, graphs, data, etc. publicized by third parties. It also includes descriptions related to analysis, judgments and other opinions by Star Asia Group