

March 17, 2020

For Immediate Release

Real Estate Investment Trust Securities Issuer  
Sakura Sogo REIT Investment Corporation  
Representative: Toru Sugihara, Executive Director  
(Code: 3473)

Asset Management Company  
Star Asia Investment Management Co., Ltd.  
Representative: Atsushi Kato, President and CEO  
Inquires: Akiko Kanno, Director and CFO  
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Institutional Shareholder Services (“ISS”) Recommends Voting **FOR** SSR’s Unitholder Meeting Agenda Items (#1-8) including Merger with Star Asia Investment Corp, and **AGAINST** All of Galaxy’s Agenda Items (#9-15)

Sakura Sogo REIT Investment Corporation (“SSR”) obtained information today that Institutional Shareholders Services Inc. (hereinafter “ISS”), a globally recognized voting rights exercise research and advisory firm, has issued a detailed report (hereinafter “Report”) with respect to the proposed agenda items for the SSR’s unitholders’ meeting scheduled to be held on March 30, 2020 (the “Unitholders’ Meeting”).

It has been confirmed that within the Report, ISS has recommended to “**VOTE FOR**” all of the proposed agenda items to be submitted to the Unitholders’ Meeting by SSR, including approval of the merger agreement between SSR and Star Asia Investment Corporation (the “Merger Agreement”), and has recommended to “**VOTE AGAINST**” all of the proposed agenda items submitted by GALAXY JREIT PTW LIMITED (“Galaxy”).

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1. Proposed Agenda Items for the Unitholders’ Meeting and ISS’s Recommendations

< Agenda Items proposed by SSR >

Agenda Item 1	Appointment of One Executive Director	FOR
Agenda Item 2	Appointment of Two Supervisory Directors	FOR
Agenda Item 3	Partial Amendments to the Articles of Incorporation (to Change the Maximum Number of Executive Directors and Supervisory Directors that may be Appointed)	FOR
Agenda Item 4	Partial Amendments to the Asset Management Agreement	FOR
Agenda Item 5	Approval of Agreement on Absorption-Type Merger with Star Asia Investment Corporation	FOR
Agenda Item 6	Termination of Asset Management Agreement (subject to consummation of the Merger)	FOR
Agenda Item 7	Partial Amendments to the Articles of Incorporation (for change to end of fiscal period)	FOR
Agenda Item 8	Partial Amendments to the Articles of Incorporation (for change of head office location)	FOR

< Agenda Items Proposed by a Unitholder >

Agenda Item 9	Dismissal of Executive Director Toru Sugihara	AGAINST
Agenda Item 10	Appointment of One Executive Director	AGAINST

Agenda Item 11	Dismissal of Supervisory Director Shigeru Kaneda	AGAINST
Agenda Item 12	Appointment of One Supervisory Director	AGAINST
Agenda Item 13	Termination of Asset Management Agreement with Star Asia Investment Management Co., Ltd.	AGAINST
Agenda Item 14	Execution of Asset Management Agreement	AGAINST
Agenda Item 15	Partial Amendment of the Articles of Incorporation (For details of each proposed agenda item, please refer to the attached “Convocation Notice of the 4th General Meeting of Unitholders”.)	AGAINST

For details of each proposed agenda item, please refer to the press release disclosed on March 11, 2020 entitled “Notice Concerning Convocation of General Meeting of Unitholders for Approval of the Merger Agreement Etc.”

## 2. SSR’s Response Policy and Future Outlook

ISS has recommended to vote in favor of the proposal to approve the Merger Agreement, on the grounds that STRATEGICALLY, it is most beneficial to expand the asset size and market capitalization through the merger given the nature of the extremely competitive J-REIT market. Such an increase in market capitalization can be expected to contribute to the expansion in the investor base as well as an increased potential for index inclusion. Other synergies, such as cost reductions can be expected through more efficient operations, and the lowering of asset management fee rates and borrowing costs. For these reasons, ISS has recommended to exercise voting rights in favor of all of SSR’s proposed agenda items.

On the other hand, ISS has recommended to exercise voting rights against all of the agenda items proposed by Galaxy as unitholder—the key issue being that a sale of all of the assets held by SSR which has been proposed by Galaxy undoubtedly has excessive risks and uncertainty. Furthermore, taking into consideration the current market environment, the price proposed by Galaxy lacks feasibility, as well as the fact that Galaxy/Galileo **has a poor track record of maximizing unitholder returns and has lacked proper corporate governance. and has no credibility in the market.** Above all, ISS stated that Galaxy’s proposals contradict the proposed approval of the Merger Agreement which ISS has recommended to vote in favor of.

SSR is of the view that given the fact that ISS has recommended to vote in favor of the merger between SSR and Star Asia Investment Corporation means they have clearly understood that the Merger Agreement will contribute to an increase in unitholders’ value, as well as providing for the multiple reasons and benefits presented by SSR as a basis for its proposals.

As of today, there is no impact on SSR’s business performance due to the issue of the Report. Going forward, if timely disclosure becomes necessary, such disclosure will be promptly made.

\* Sakura Sogo REIT Investment Corporation website address: <http://sakurasogoreit.com/en/>

*This is an English translation of the announcement in Japanese dated March 17, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*