

December 14, 2016

To All Concerned Parties

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

Asset Management Company:
Sakura Real Estate Funds Management, Inc.
Representative: Makoto Muranaka,
Representative Director and
President
Inquiries: Mayumi Kobiki,
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Notice Concerning Transaction with a Related Party (Galileo Japan Co., Ltd.)
(Takadanobaba Access)

Sakura Sogo REIT (hereinafter the “Investment Corporation”) announces that Sakura Real Estate Funds Management, Inc. (hereinafter the “Asset Management Company”), to which the Investment Corporation entrusts its asset management, decided today to conduct a transaction with a related party, etc. as stipulated in the Act on Investment Trusts and Investment Corporations (hereinafter the “Investment Trusts Act”). The details are as follows.

1. Transaction Overview

The Investment Corporation will conclude a lease agreement with Galileo Japan Co., Ltd., which is a related party, etc., for Takadanobaba Access owned by the Investment Corporation as follows.

- (1) Leasing section: Room 1301, Takadanobaba Access
- (2) Leasing area: 181.63m²
- (3) Lessee: Galileo Japan Co., Ltd.
- (4) Monthly rent: 576,870 yen (including common service fees)
- (5) Date of execution: December 20, 2016
- (6) Contract period: From January 1, 2017 to December 31, 2018

2. Overview of Related Party, etc.

Name	Galileo Japan Co., Ltd.
Location	Hiei Kudan Building B1F, 3-8-11 Kudan Minami, Chiyoda-ku, Tokyo
Representative	Hirofumi Kambayashi, Representative Director
Scope of business	Real estate investment management
Capital	180,000,100 yen (as of December 14, 2016)
Established	October 24, 2016
Relationship with Investment Corporation and Asset Manager	Galileo Japan Co., Ltd. falls under the category of a related party, etc. set forth in the Investment Trusts Act since Werrett Family Pty Ltd, which holds a 100% stake in Galaxy JREIT Pty Limited, the parent company of the Asset Management Company, holds a 100% stake in Galaxy Japan Pty Limited, the parent company of Galileo Japan Co., Ltd.

3. Others

We have confirmed with Daiwa Real Estate Appraisal Co., Ltd. regarding the monthly rent of 576,870 yen (including common service fees) in the lease agreement with Galileo Japan Co., Ltd., and received a statement that the amount is appropriate.

Written statement concerning appropriateness of the new monthly rent provided by Daiwa Real Estate Appraisal Co., Ltd.	
New monthly rent (including common service fees) confirmed to be appropriate in the written statement	576,870 yen (10,500 yen/tsubo, including common service fees)
Appraisal date	November 25, 2016

4. Transaction Procedure

To comply with applicable laws and regulations and with the asset management agreement, as well as to prevent the interests of the Investment Corporation from being negatively impacted, the Asset Management Company has conducted adequate procedures pursuant to the Related Parties Transaction Guidelines. In addition, the Asset Management Company will deliver a written statement to the Investment Corporation, pursuant to the Investment Trusts Act.

5. Future Outlook

Since the impact of this transaction on the management status of the Investment Corporation is minimal, there is no change to the management status forecast for the fiscal period ending February 2017 (from April 1, 2016 to February 28, 2017) and the fiscal period ending August 2017 (from March 1, 2017 to August 31, 2017) announced in “(REIT) Interim Financial Report for Fiscal Period Ending February 2017” dated November 14, 2016.

This material is to be distributed to the Kabuto Club, the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Purposes.

Sakura Sogo REIT website address: <http://sakurasogoreit.com/en/>