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To All Concerned Parties

REIT Securities Issuer
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Notice Concerning Revision to Operating Forecasts for the Fiscal Periods
Ending February 2017 and August 2017

Sakura Sogo REIT (hereinafter the “Investment Corporation”) announces revision to its operating forecasts for the first fiscal period (from April 1, 2016 to February 28, 2017) and for the second fiscal period (from March 1, 2017 to August 31, 2017) announced on August 5, 2016, as follows.

1. Reason for the revision to operating forecasts

The provisional conditions for the issue price with regard to the issuance of new investment units through public offering concerning the issuance of new investment units and secondary offering of investment units resolved at its Board of Directors meeting held on August 5, 2016 were determined today. Accordingly, the Investment Corporation revises its operating forecasts for the fiscal periods ending February 2017 and August 2017.

- (1) Issue price of new investment units on which the operating forecasts announced on August 5, 2016 were assumed:
 - 100,000 yen per unit

- (2) Issue price of new investment units on which the revision accompanying the determination of provisional conditions was assumed:
 - 91,000 yen or more but not exceeding 92,000 yen per unit
 - The issue price is scheduled to be determined on August 31, 2016 (Wed).

Disclaimer: This press release is for public announcement in regards to the operating forecasts for the fiscal periods ending February 2017 and August 2017 of the Investment Corporation, and has not been prepared for the purpose of solicitation of investment. Investors shall always refer to the prospectus for issuance of new investment units and for notification of secondary offering of investment units, and amendments thereto, prepared by the Investment Corporation, and undertake any investment in their own decision. Furthermore, this press release does not constitute an offer of securities in the United States. The investment units have not been registered under the United States Securities Act of 1933. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933. In case securities are to be publicly offered in the United States, prospectus written in English prepared based on the United States Securities Act of 1933 shall be used. In such a case, investors will be able to obtain the English prospectus from the Investment Corporation or the selling agency, and detailed information on the Investment Corporation and its executive team as well as the financial statements will be provided in the English prospectus. The securities referred to in this press release will not be publicly offered or sold in the United States.

2. Details of the revision

| | Operating revenue (mm yen) | Operating income (mm yen) | Ordinary income (mm yen) | Net income (mm yen) | Distributions per Unit (Yen) (excluding Distributions in Excess of Earnings) | Distributions in Excess of Earnings per Unit (Yen) |
|---|-------------------------------|------------------------------|-----------------------------|------------------------|---|--|
| Previous Forecast (as of August 5, 2016) | | | | | | |
| Fiscal period ending February 2017 (First Fiscal Period) | 2,291 | 905 | 95 | 95 | 278 | 0 |
| Fiscal period ending August 2017 (Second Fiscal Period) | 2,418 | 1,085 | 951 | 951 | 2,772 | 0 |
| Revised Forecast | | | | | | |
| Fiscal period ending February 2017 (First Fiscal Period) | 2,291 | 910 | 97-98 | 97-98 | 285-286 | 0 |
| Fiscal period ending August 2017 (Second Fiscal Period) | 2,418 | 1,089-1,090 | 950-951 | 950-951 | 2,768-2,770 | 0 |

In line with the determination of provisional conditions, reduction of postage and supplies costs in operating expenses and market interest rate trends described in 1. above, "Assumptions for Operating Forecasts for the First Fiscal Period Ending February 2017 and the Second Fiscal Period Ending August 2017," which were announced in "Notice Concerning Operating Forecasts for the Fiscal Periods Ending February 2017 and August 2017" dated August 5, 2016 are partially revised as follows. As a result, operating income, ordinary income, net income and distributions per unit (excluding distributions in excess of earnings) are revised.

- "Non-operating expenses" column : As for interest expenses and other borrowing related expenses, the projected amounts are revised from 330 million yen to 334 - 335 million yen for the fiscal period ending February 2017, and from 133 million yen to 138 - 139 million yen for the fiscal period ending August 2017.
- "Debt financing" column : As to the total of interest bearing liabilities outstanding, the projected amounts are revised from 27,000 million yen to 29,700 - 30,000 million yen for the end of the fiscal period ending February 2017 and from 26,000 million yen to 28,700 - 29,000 million yen for the end of the fiscal period ending August 2017. Furthermore, total projected amount of borrowings from the qualified institutional investors defined under Article 2 Paragraph 3 item 1 of Financial Instruments and Exchange Act scheduled to be made on September 9, 2016 is revised from 28,000 million yen to 30,600 - 30,900 million yen. The projected LTVs are revised from about 42.7% to about 46.9 - 47.4% for the end of the fiscal period ending February 2017 (1st fiscal period), and from about 41.2% to about 45.4% - 45.9% for the end of the fiscal period ending August 2017 (2nd fiscal period).

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(Reference) Fiscal period ending February 2017: Number of investment units forecast to be issued: 343,401 units (no change from last time)
Fiscal period ending August 2017: Number of investment units forecast to be issued: 343,401 units (no change from last time)

(Note 1) Fiscal periods of the Investment Corporation are from March 1 to August 31 and from September 1 to the end of February of the following year for every year. However, the first fiscal period is from April 1, 2016 (date of establishment) to February 28, 2017. The substantial first fiscal period is from September 9, 2016, which is a planned date for property acquisition, to February 28, 2017 (173 days).

(Note 2) The above forecast figures are forecast as of today, calculated under certain assumptions. The actual operating revenue, operating income, ordinary income, net income and distributions per unit excluding distributions in excess of earnings are subject to change as a result of deviation from assumptions caused by factors such as additional acquisition/disposition of real estate, fluctuations in rent income accompanying changes of lessees, changes in management environment including occurrence of unexpected repair, fluctuations in interest rates, and additional issuance of new investment units in the future. In addition, the Investment Corporation does not guarantee any actual cash distribution amount by announcing the forecast figures.

(Note 3) The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts and actual figures.

(Note 4) The scheduled date for the listing of the Investment Corporation's investment units on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange is September 8, 2016.

(Note 5) Amounts are rounded down to the nearest specified unit.

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/>

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