

September 9, 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

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### Notice Concerning Execution of Debt Financing

Sakura Sogo REIT (hereinafter the "Investment Corporation") announces today that it has executed debt financing (the "Borrowing") as described below.

#### 1. Details of the Borrowing

##### (1) Short-term borrowings (Note 1) (Tranche A)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Sumitomo Mitsui Trust Bank, Limited
(2)	Loan Amount	¥4.0 billion
(3)	Interest Rate (Note 2)	Base interest rate (Japanese Bankers Association (JBA) one-month Japan Yen-TIBOR) (Note 3) + 0.2% (Floating rate) (Note 4)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 31, 2017
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on September 30, 2016 with following interest payment dates on the last day of every month (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

##### (2) Long-term borrowings (Note 1) (Tranche B)

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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.

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Aozora Bank, Ltd.
(2)	Loan Amount	¥6.0 billion
(3)	Interest Rate	0.62473% (Fixed rate)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 31, 2018
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on November 30, 2016 with following interest payment dates on the last day of every 3 months (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(3) Long-term borrowings (Tranche C)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Aozora Bank, Ltd. The Nishi-Nippon City Bank, Ltd. The Bank of Fukuoka, Ltd.
(2)	Loan Amount	¥4.0 billion
(3)	Interest Rate	0.71096% (Fixed rate)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 30, 2019
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on November 30, 2016 with following interest payment dates on the last day of every 3 months (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(4) Long-term borrowings (Tranche D)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Aozora Bank, Ltd. ORIX Bank Corporation
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(2)	Loan Amount	¥6.0 billion
(3)	Interest Rate	0.81842% (Fixed rate)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 31, 2020
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on November 30, 2016 with following interest payment dates on the last day of every 3 months (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(5) Long-term borrowings (Tranche E)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Resona Bank, Limited Aozora Bank, Ltd. ORIX Bank Corporation
(2)	Loan Amount	¥6.0 billion
(3)	Interest Rate	0.93842% (Fixed rate)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 31, 2021
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on November 30, 2016 with following interest payment dates on the last day of every 3 months (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(6) Short-term borrowings (Tranche F)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited
(2)	Loan Amount	¥1.0 billion
(3)	Interest Rate	Base interest rate (Japanese Bankers Association (JBA) one-month Japanese Yen-TIBOR) (Note 3) + 0.2% (Floating rate) (Note 4)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016

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(6)	Principal Repayment Date	August 31, 2017
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on September 30, 2016 with following interest payment dates on the last day of every month (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(7) Short-term borrowings (Tranche G)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited
(2)	Loan Amount	¥0.9 billion
(3)	Interest Rate	Base interest rate (Japanese Bankers Association (JBA) one-month Yen-TIBOR) (Note 3) + 0.2% (Floating rate) (Note 4)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreement concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 31, 2017
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on September 30, 2016 with following interest payment dates on the last day of every month (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(8) Short-term borrowings (Tranche H)

(1)	Lender	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited
(2)	Loan Amount	¥3.0 billion
(3)	Interest Rate	Base interest rate (Japanese Bankers Association (JBA) one-month Japanese Yen-TIBOR) (Note 3) + 0.2% (Floating rate) (Note 4)
(4)	Drawdown Date	September 9, 2016
(5)	Method of Borrowing	Borrowing based on individual term loan agreements concluded with the above lenders, etc. on September 7, 2016
(6)	Principal Repayment Date	August 31, 2017
(7)	Principal Repayment Method	Lump sum repayment on repayment date
(8)	Interest Payment Date	The first interest payment date on September 30, 2016 with following interest payment dates on the last day of every month (Note 5) thereafter and the principal repayment date.
(9)	Collateral	Unsecured / Non-guaranteed

(Note 1) Short-term borrowings refer to borrowings with the period from the drawdown date to the maturity date being one year

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or less, and long-term borrowings refer to borrowings with the period from the drawdown date to the maturity date being more than one year. The same applies hereinafter.

- (Note 2) Financing fees and other charges to be paid to the lenders are not included. The same applies hereinafter.  
 (Note 3) The base rate applicable to the calculation period for the interest payable on each interest payment date shall be the one-month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by JBA TIBOR Administration two business days prior to the interest payment date immediately preceding the respective interest payment date. The base rate can be confirmed at the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>). However, when the calculation period is less than one month, the base rate corresponding to the period which is calculated based on the method stated in the agreement will apply.  
 (Note 4) The first interest calculation period is from September 9, 2016, to September 30, 2016, and the base rate corresponding to the period is 0.02383%.  
 (Note 5) However, if the concerned date is not a business day, then it shall be the next business day, and if that next business day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date.

## 2. Purpose of the Borrowing

The Investment Corporation intends to allocate the funds for part of the acquisition of the assets to be acquired as described in “Chapter 2. Fund Information, I. Overview of the Fund, 2. Investment Policy, (2) Investment Target, (3) Overview of Assets to be Acquired” of the Securities Registration Statement submitted on August 5, 2016 (including amendment thereafter; the same applies hereinafter), and incidental expenses.

(Note) For the overview of assets to be acquired, please refer to “Notice of the completion of the acquisition of real estate trust beneficiary rights” announced today.

## 3. Total Amount to be Borrowed, Use of Proceeds and Scheduled Expenditure Date

### (1) Total Amount to be Borrowed

¥30,900 million

### (2) Detailed Use of Proceeds

To be allocated for part of the fund for acquisition of the aforementioned assets to be acquired and the incidental expenses.

### (3) Expenditure Date

September 9, 2016

## 4. Status of Interest-bearing Debt after the Borrowing

(millions of yen)

	Before Drawdown	After Drawdown	Increase/Decrease
Short-term borrowings	0	8,900	8,900
Long-term borrowings	0	22,000	22,000
Total borrowings	0	30,900	30,900
Investment Corporation Bonds	0	0	0
Sum of borrowings and investment corporation bonds	0	30,900	30,900
Other interest-bearing debt	0	0	0
Total interest-bearing debt	0	30,900	30,900

## 5. Others

With respect to the risks of the Borrowing, there are no significant changes to “Chapter 2. Fund

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Information, I. Overview of the Fund, 3. Investment Risks” stated in the Securities Registration Statement submitted on August 5, 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/>

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