

**First in Indonesia as a foreign company!
License granted for Real Estate Fund Management
~REIT (Real Estate Investment Trust) begins in Indonesia~**

We are pleased to announce that Shinoken Asset Management Indonesia (Further referred to as SAMI), an Indonesian subsidiary of Shinoken Group (TSE JASDAQ ticker 8909, President and CEO Hideaki Shinohara, further referred to as Shinoken including the whole group) has officially been granted the license for Investment Management regarding Real Estate Funds by the Indonesian FSA. There are only 3 domestic companies in Indonesia that manage Real Estate Funds, and we will be the first foreign company. Shinoken will not only initiate Real Estate Development and Management in Indonesia, but also raise Funds and REITs and proactively expand as a Platformer of Indonesian Real Estate Investment.

Showing strong presence in the giant market of Indonesia

Indonesia has the 4th largest population in the world (≒260 million), Young average age (≒27.8 years), Abundant natural resources (Oil, Natural Gas, Ores, etc.), making it the largest economic power in ASEAN. Although Indonesia gathers attention especially in Real Estate Investment for its high expectation of growth, direct



investments towards Real Estate are strongly restricted and almost impossible due to Indonesian law. The fact that SAMI, a subsidiary of Shinoken, having obtained the management license for Real Estate Funds in such a situation, makes it possible for us to become the Platformer for Indonesian Real Estate Investment, gathering direct investment not only from within Indonesia but also from overseas, and to provide investors worldwide with attractive investment opportunities.

The Indonesian government established regulations concerning REIT in 2007, but due to the tax efficiency and the regulations, REIT penetration showed very little progress. But in recent years, several Deregulations took place, and Indonesian REIT is becoming a market that attracts attention. Shinoken has focused on that market from an early stage, and proceeded the discussions with the Indonesian FSA, resulting in becoming the first foreign country in Indonesia to obtain the license.

Competitive Asset Management Model of Shinoken

Currently, Shinoken is running a Real Estate Fund business domestically. It is a private fund which focuses on apartments developed within our group, and it is producing high yield and institutional investors are very pleased. From now on, we will establish Funds that handle the "Sakura Terrace" series, also developed within our group in Indonesia, followed by various profitable Real Estate in the rapidly growing country, thus selling more attractive investment products to investors around the globe. Although recently overseas Real Estate Investment is a popular investment method, the actual property



management after the investment is left to the local side, often resulting in problems caused by poor quality management that is devastating to the investors interest. In the case of Shinoken's Indonesian Real Estate Business, however, it is safer for the investors because SAMI will initiate the whole package from the entrance to the exit, which is from property procurement, Fund raising, investment product sales, management, to sell-offs. First, we aim to distribute it towards investors not only within but also outside of Indonesia, and additionally, by proactively introducing Prop-Tech and Fin-Tech, we will prepare and provide the environment in which investments toward Indonesian Real Estate can easily be done from Japan. If this takes shape, it will be possible to invest in Indonesian Real Estate, via smartphone, from Japan. Though normally it is difficult to directly invest from overseas. This, will be the one and only Asset Management Model by Shinoken, and we believe it to be extremely competitive within and outside of Indonesia.

Fundraising already on the move

For the fundraising, we are planning to include the "Sakura Terrace", which Shinoken initiated the entire process from development to construction. In addition, we aim to include properties such as Factories, Warehouses, Industrial parks owned by Japanese manufacturing companies and have high demands for Securitization. Also, properties that reflect rapid economic growth, such as Infrastructure and Commercial facilities including Shopping Malls are rising as potential underlying assets of the REIT . So far, Shinoken has initiated land purchase, construction, rent management within the group, and by SAMI obtaining the license, it will be possible to sell the property to the REIT, and SAMI will initiate the asset management. We believe that this will widen the business value chain of Shinoken, and the presence of Shinoken will become larger in Indonesia, resulting in higher corporate value.

In addition to this Indonesian REIT, if we obtain the Japanese license for J-REIT, Shinoken will be able to raise and manage REITs in both Japan and Indonesia. For instance, investment products that include the steady yield of Japan (Income gain) and Growth potential of Indonesia (Capital gain) in a favorable balance will be possible to offer. Shinoken will continue to offer more attractive Real Estate Investment products that have strong global synergy effects within our group.

News Release

《Outline of Shinoken Asset Management Indonesia (SAMI)》

Business Name	PT Shinoken Asset Management Indonesia
Location	Wisma 46 - Kota BNI, 24th Floor, Jl. Jend. Sudirman Kav.1, Jakarta 10220, Indonesia
Capital	Rp 2.5 Billion (≐\$ 1.8 Million)
Executive Members	<ul style="list-style-type: none">● Commissioners<ul style="list-style-type: none">•Marzuki Usman (Former Chairman of IDX (Indonesian Stock Exchange), Former head of Investment Coordinating Board, Former Chairman of Indonesian FSA)•Hiroshi Uesaka (CEO of Shinoken Asset Management Co., Ltd.)● Board of Directors<ul style="list-style-type: none">•Aditya Soekarno A.R.(CEO of SAMI, Former Senior Expert of WIKA Group)•Dani Horton Tampubolon (Former Head of Invest Management of subsidiary Real Estate Fund of Lippo Group)
Business	<ul style="list-style-type: none">· Composition and Management of Real Estate investment Funds (KIK-DIRE)· Composition and Management of Infrastructure investment Funds (KIK-DINFRA)· Composition and Management of Development type Real Estate Funds (RDPT)

Inquiries

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