

News Release

July 31, 2020

Shinoken begins operation of the JPY 10 Billion private REIT

Shinoken Asset Management, the real estate fund business subsidiary of Shinoken Group Co., Ltd. (Tokyo Headquarters: Minato-ku, Tokyo, President Hideaki Shinohara, TSE Ticker 8909, further referred to as Shinoken) has raised the JPY 10 Billion private REIT and began the operation.

Shinoken's private residential REIT begins

In October, 2019, "Entrustment-Based Agency Services for Transactions, etc." has been approved by the Minister of Land, Infrastructure and Transport. Following that, the registration of "Investment (Fund) Management Business" to the Kanto Local Finance Bureau has been completed. And in May, 2020, "Shinoken REIT Investment Corporation" has been established. And now, the JPY 10 Billion private REIT has been raised, and the operation has begun. The property mainly consists of rental residential property located within the Tokyo 23 wards.



A large step of widening the range of sales channels

In addition to the conventional sales channel for individual investors such as paid workers and public servants, the REIT will be a new sales channel for Shinoken's property for sales. Gathering the development and operation knowledge established over the course of 30 years since the foundation, Shinoken will aim to strengthen the business basis by expanding Real Estate Sales business, and recurring business such as Real Estate Service business (newly added asset management fee), and Energy business. We are also planning on raising an additional JPY 20 Billion next year and enlarging the total asset value to approximately JPY 30 Billion. And while keeping a close watch on the Real Estate and Capital markets, we will make the necessary preparations for the REIT to be listed in the TSE (Tokyo Stock Exchange). We will continue our effort to provide the opportunity of investing in our competitive and high-occupancy property, to a wider range of investors, both institutional and individual.

※As for the effects on our consolidated financial results, please refer to the news release "Notice Regarding the Revision of Consolidated Financial Forecast" disclosed today on our website.

Outline of the Investment Corporation

Trade Name	Shinoken REIT Investment Corporation
Location	2-3-1 Hamamatsu-cho, Minato-ku, Tokyo, Japan
Representative	Hiroshi Uesaka
Date of establishment	May 15, 2020
Initial Asset Value	JPY 10 Billion (Approximately)
Date of operation started	July 31, 2020

Outline of the Asset Management Company

Trade Name	Shinoken Asset Management Co., Ltd.
Location	2-3-1 Hamamatsu-cho, Minato-ku, Tokyo, Japan
Representative	Hiroshi Uesaka, Representative Director
Shareholder	Shinoken Group Co., Ltd. (100%)
License /Registration /Approval	Real Estate Brokerage -Governor of Tokyo (1) No. 102324 Entrustment-Based Agency Services for Transaction -Minister of Land, Infrastructure and Transport No. 131 Investment Management Business -Kanto Local Finance Bureau No. 3167

This is a press release to officially announce the Raising of the private REIT to the public. It is not intended to be a solicitation for investment or similar acts.

Inquiries regarding this release

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