

August 13, 2019

For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
Representative: Atsushi Kato, Executive Officer

(Code: 3468)

Asset Management Company
Star Asia Investment Management Co., Ltd.
Representative: Atsushi Kato
President and CEO
Contact: Akiko Kanno
Director and CFO
TEL: +81-3-5425-1340

Lion Partners Submits Large Volume Possession Report
of Sakura Sogo REIT Investment Units to Become the Largest Unitholder

Star Asia Investment Corporation (“SAR”) and Star Asia Investment Management Co., Ltd., the asset manager for SAR (the “Asset Manager”), received a notice today from Lion Partners GK (“LPGK”, Representative Director: Toru Sugihara), an affiliate of Star Asia Group. LPGK is the largest unitholder of Sakura Sogo REIT Corporation (“SSR”) holding approximately 5.1% of the total investment units of SSR. Details are as follows:

1. LPGK Submits Large Volume Possession Report related to SSR Investment Units

As announced in the press release dated July 17, 2019 “Lion Partners to Acquire Additional Investment Units of Sakura Sogo REIT” and the press release dated July 19, 2019 “Lion Partners -Further Increases Amount of Additional Acquisition of Sakura Sogo REIT Units-”, LPGK acquired SSR investment units through open market purchases at the Tokyo Stock Exchange (TSE), up to a maximum amount of JPY 500 million, through discretionary transactions under a discretionary investment contract.

As of August 6, 2019, the number of SSR investment units held (on a contract basis) reached 16,896 units, and the holdings has exceeded 5.0% of SSR’s total number of investment units issued, so pursuant to the Financial Instruments and Exchange Act, a large volume possession report was submitted to the the Director-General of the Kanto Finance Bureau today.

The purpose of the holdings is as follows.

- LPGK, within its proposal for a merger between SSR and SAR, has advocated for “a merger of the unitholders, by the unitholders, for the unitholders”. By acquiring additional investment units of SSR, LPGK, as the now largest SSR unitholder, is powerfully aligned with all unitholders in the objective of maximizing unitholders’ value.
- At the same time, LPGK wants it to be abundantly clear to SSR unitholders that Star Asia Group is firmly committed to supporting SSR.
- LPGK strongly believes that, by replacing the executive director (having Toru Sugihara become the new Executive Director) and replacing the asset management company (having the Asset Manager enter into a new asset management entrustment agreement with SSR), SAR’s active management strategy will be implemented in SSR’s operations leading to the enhancement of unitholders’ value. The current trading price of the SSR investment units has materially diverged from the potential value which LPGK believes

the SSR investment units have. This divergence is as a result of the misalignment and poor performance of the current asset management company.

2. Reference Information

Please also refer to the following press releases for further information.

1	May 10th, 2019	Notice Concerning Proposal for Merger between Sakura Sogo REIT Investment Corporation and Star Asia Investment Corporation
2	May 10th, 2019	Supplementary Explanatory Material Regarding Today's Timely Disclosure (1) ~Proposal Material from the Star Asia Group to all unitholders of Sakura Sogo REIT Investment Corporation~
3	May 10th, 2019	Supplementary Explanatory Material Regarding Today's Timely Disclosure (2) ~Explanatory Material to all unitholders of Star Asia Investment Corporation~
4	May 16th, 2019	Notice Concerning Application for Permission of Holding Sakura Sogo REIT Investment Corporation's Unitholders' Meeting by Star Asia Group
5	June 28th, 2019	Star Asia Group Receives Approval to Hold Unitholders' Meeting of Sakura Sogo REIT Investment Corporation
6	July 1st, 2019	Notice Concerning Holding Unitholders' Meeting of Sakura Sogo REIT Investment Corporation by Star Asia Group
7	July 4th, 2019	Lion Partners Files Petition with Tokyo District Court Seeking Injunction Given Illegal Acts Conducted by the Executive Director of Sakura Sogo REIT ("SSR"). Also Takes Other Further Actions to Protect and Defend the Best Interests of SSR Unitholders
8	July 5th, 2019	Supplementary Explanatory Material Regarding Timely Disclosure announced on July 4th, 2019
9	July 17th, 2019	Lion Partners to Acquire Additional Investment Units of Sakura Sogo REIT
10	July 19th, 2019	Lion Partners — Further Increases Amount of Additional Acquisition of Sakura Sogo REIT Units —
11	July 24th, 2019	Important Notice Regarding the Sakura Sogo REIT Unitholders' Meeting to be Convened by Lion Partners (Scheduled to begin from 10:00 am on Friday August 30, 2019)
12	July 25th, 2019	Star Asia Group Supports Nippon Kanzaï's Views on Merger Star Asia Also Strongly Believes Merger Between Star Asia REIT and Sakura Sogo REIT Is in the Best Interest of All Unitholders
13	July 29th, 2019	(correction) Star Asia Group Supports Nippon Kanzaï's Views on Merger Star Asia Also Strongly Believes Merger Between Star Asia REIT and Sakura Sogo REIT Is in the Best Interest of All Unitholders
14	August 2, 2019	Notice Concerning Withdraw of Petition filed by LPGK for Injunction of Illegal Acts Conducted by the Executive Director of Sakura Sogo REIT
15	August 6, 2019	Notice Concerning Obtainment of Preferential Negotiation Rights Pertaining to Acquisition of Assets
16	August 7, 2019	Star Asia Group Announces Detailed Proposal for Merger between Sakura Sogo REIT and Star Asia Investment Corporation
17	August 7, 2019	Supplementary Explanatory Material Regarding Today's Timely Disclosure Proposal for Merger between Sakura Sogo REIT Investment Corporation and Star Asia Investment Corporation Merger Ratio ~ Star Asia Group's Unitholder-Friendly Concept

18	August 8, 2019	LPGK Withdraws Petition Filed Seeking Permission to Inspect and Take Copies of the Meeting Minutes of the Board of Officers of Sakura Sogo REIT
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3. Future Policy

If circumstances should arise which warrant further disclosures, such matters shall be disclosed as deemed appropriate in a timely manner.

- * SAR HP URL: <http://starasia-reit.com>
- * Star Asia Group HP URL: <http://starasiamanagement.com/>
- * SAR official YouTube channel URL: <https://www.youtube.com/channel/UCYasJn4xrns2fhyZFKMAELw>

This is an English translation of the announcement in Japanese dated August 13, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.