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For Immediate Release

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### Star Asia Announces Preferential Negotiation Rights for the Acquisition of Additional Assets

Star Asia Investment Corporation (“SAR”) announces that today it has entered in to a preferential negotiation rights agreement with Star Asia Sogo Kaihatsu Co., Ltd. (“Star Asia Sogo Kaihatsu”), a member of Star Asia Group, in relation to “City Heim Kamezawa” (residence) (the “Property”) for the purpose of securing future resources for growth. Details are as follows.

#### 1. Reason for Signing of the Agreements on Preferential Negotiation Rights

SAR, since commencement of management, has expanded its asset size from JPY 61.4 billion at the time of listing by more than 2.7 times to JPY 166.7 billion (see Note 1), based on external growth founded on the strong sponsor support by Star Asia Group and due to the merger with Sakura Sogo REIT Investment Corporation on August 1, 2020. Furthermore, SAR is aiming to accumulate properties subject to preferential negotiation rights as a resource for future growth, in order to achieve further external growth. The Property which is subject to the preferential negotiation rights agreement is a family-type residence located in the Tokyo area, which has maintained high occupancy due to the high level of traffic convenience for access to major business districts in central Tokyo. SAR believes that if the Property is acquired, it would improve the stability of portfolio income.

Furthermore, SAR has already secured preferential negotiation rights for 7 properties (3 offices, 1 commercial retail facility, 1 residence, and 2 student residences) apart from the Property. The total preferential negotiation price etc. or appraisal values etc. of the 8 properties including the Property is approximately JPY 23.4 billion (see Note 2), and SAR intends to aim for further external growth by utilizing the preferential negotiation rights for these 8 properties and by continuing to co-work with Star Asia Group going forward as well.

(Note 1) This states the total amount after executing the assignment of the quasi-co-ownership interest in Alphabet Seven, and also the (expected) acquisition price after execution of the 7<sup>th</sup> asset replacement announced today.

(Note 2) For definitions of the preferential negotiation prices etc. and appraisal values etc. and details of the total value, please refer to section “4. Preferential Negotiation Rights held by SAR” below.

#### 2. Summary of the agreements on preferential negotiation rights with respect to the Property

##### (1) City Heim Kamezawa

Counterparty	Star Asia Sogo Kaihatsu Co., Ltd. (Note1)
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Major rights given	The contract counterparty is expected to acquire the Property by the end of March 2022, and during the subject period stated below, in the case where the contract counterparty is to start activities to sell or purchase the Property (if it is before the contract counterparty executes the purchase, this means the assignment of the contract counterparty's status as purchaser under the sale and purchase agreement), SAR will be able to receive information in priority to third parties, and also, If SAR desires to acquire the Property, the contract counterparty must consult with SAR in good faith towards agreement on the basic terms and conditions etc. of the sale and purchase.
The Property	City Heim Kamezawa

- ✓ The date of signing of the preferential negotiation rights agreement for the Property is today (November 30, 2020), and the preferential negotiation period (subject period) shall be from today up to the end of March 2022.
- ✓ When deciding to acquire the Four Properties, it is necessary for Star Asia Investment Management Co., Ltd. to take necessary procedures including conducting due diligence which includes obtaining real-estate appraisals, and SAR has no obligation to acquire the Four Properties.
- ✓ Upon entering into the agreements on preferential negotiation rights, SAR shall not pay any consideration to the counterparties.

### 3. General Description of the Four Property

#### (1) City Heim Kamezawa

Name of the Property	City Heim Kamezawa
Address	3-12-5 Kamezawa, Sumida-ku, Tokyo (residence indication)
Access from nearby train stations	Approximately a 9-minute walk from "Ryogoku" Station on the Toei Oedo Line Approximately an 11-minute walk from "Kinshi-cho" Station on the JR Line and Tokyo Metro Hanzomon Line
Asset type	Residence
Site area	669.98 m <sup>2</sup> (Note)
Total floor area	2,531.42 m <sup>2</sup> (Note)
Structure / Number of Stories	Steel reinforced concrete (SRC) construction, flat roof, 9 stories (Note)
Planned completion	October 31, 1997
Features	The Property is a family-type residence consisting of 32 housing units centered on 3LDK layouts, and is located in a highly traffic convenient area accessible to "Ryogoku" station and "Kinshi-cho" station. Given the access to 2 train stations, it has good access to the central metropolitan areas, and the Property is anticipated to have stable operations.  In the Kamezawa area surrounding the property, there is the "Sumida Hokusai Museum", "Edo-Tokyo Museum", "Kokugikan Sumo Arena", and "Former Yasuda Garden" etc., and it is an area which is focusing on disseminating cultural information and formation of landscapes.  The Property has a high level of living convenience, and is highly appealing to families seeking proximity to central Tokyo.

(Note) Figures shown are current plans and subject to change until completion.

### 4. Preferential Negotiation Rights held by SAR

As of today, SAR has entered into agreements on preferential negotiation rights for acquiring properties, with respect to the following 8 properties in total which include the Four Properties.

No.	Name of the Property	Asset Type	Location	Value Etc.	Completion/ Planned completion
1	OHA Building	Office	Tachikawa-shi, Tokyo	Total amount of the preferential negotiation prices etc. 5,090 Million yen (Note 1)	May 1990
2	Nishi-Ikebukuro 1 Chome Building	Retail	Toshima-ku, Tokyo		November 1992
3	HAKUSAN HOUSE	Purpose-built student accommodation	Bunkyo-ku, Tokyo	Total amount of the appraisal values etc. 18,403Million yen (Note 2)	February 2018
4	KAMIKITA HOUSE (Former) Shimotakaido Project	Purpose-built student accommodation	Suginami-ku, Tokyo		December 2019
5	URBAN CENTER HAKATA Former (Tentative Name) Hakata-ku Hataka-eki Minami 3-Chome Office Project	Office	Fukuoka-shi, Fukuoka		September 2020
6	URBAN CENTER MIDOSUJI	Office	Osaka-shi, Osaka		April 2019
7	Miyamae-ku, Kodai	Residence	Kawasaki-shi, Kanagawa		June 2021 (planned)
8	City Heim Kamezawa	Residence	Sumida-ku, Tokyo		October 1997

(Note 1) The total amount of the preferential negotiation prices etc. means the total amount of (1) if a preferential negotiation price or desired purchase price is stated in the agreement on preferential negotiation rights, such price, and (2) if not stated, the scheduled purchase price at which Star Asia Group is expecting to purchase the property.

(Note 2) The ‘Total amount of the appraisal values etc.’ means the total of (i) the appraisal values in cases where appraisals have been obtained, and (ii) the expected acquisition price by Star Asia Group in cases where appraisals have not been obtained.

#### 5. Future Prospects

Signing of the above-mentioned agreements on preferential negotiation rights are not expected to have any impact on the performance of SAR.

\* SAR HP URL: <http://starasia-reit.com/en/>

This is an English translation of the announcement in Japanese dated November 30, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

<Annex documents>

Photographs of properties and conceptual drawings

<p style="text-align: center;">OHA Building</p> 	<p style="text-align: center;">Nishi-Ikebukuro 1 Chome Building</p> 
<p style="text-align: center;">HAKUSAN HOUSE</p> 	<p style="text-align: center;">KAMIKITA HOUSE (Former) Shimotakaido Project</p> 
<p style="text-align: center;">URBAN CENTER HAKATA (Former) (Tentative Name) Hakata-ku Hataka-eki Minami 3-Chome Office Project</p> 	<p style="text-align: center;">URBAN CENTER MIDOSUJI</p> 
<p style="text-align: center;">Miyamae-ku, Kodai (Note)</p> 	<p style="text-align: center;">City Heim Kamezawa</p> 

(Note) Kodai in Miyamae-ku which is subject to the preferential negotiation rights is currently under construction, so a map has been inserted.