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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

Notice Concerning Partial Amendment to the Management Guidelines of the Asset Manager

Star Asia Investment Management Co., Ltd. (the "Asset Manager"), the asset manager for Star Asia Investment Corporation ("SAR"), decided by resolution at its meeting of the Board of Directors held today, to partially amend its Management Guidelines. Details are as follows.

1. Purpose and Background of Amendment

The amendment purports to make the additions and revisions described below, however, none of the them are substantive, but instead purport to clearly define matters which had already been disclosed as investment policies etc. up to now, and to make necessary changes to accommodate the effects of the merger assuming that the merger will come into effect on August 1, 2020 based on the merger agreement signed as of today between SAR and Sakura Sogo REIT Investment Corporation ("SSR"), as described below.

- (1) Revisions taking into account effects of the merger between SAR and SSR.
- (2) With respect to silent partnership investments which are prescribed as eligible assets for investment under SAR's articles of incorporation, add wording within the Management Guidelines to clarify such provision.
- (3) Add wording to clarify the policy for replacing assets which has been conducted to date as a part of active management.
- (4) Other revisions such as changes to construction and necessary revisions of text etc.

2. Details of Amendment of the Management Guidelines

The changes and additions made are indicated below by underline. Only the main changes and additions have been stated below, and other insignificant changes etc. have been omitted from the description.

<First Part Omitted>

② SAR's Portfolio Construction Policy

<Omitted>

The incorporation ratio by each asset type shall be in principle up to no more than 50% of the entire portfolio on an acquisition value basis. However, 50% may be temporarily exceeded when investments are strategically made concentrating towards a certain asset class as a result of

conducting individual market analysis.

Regarding ratio by target investment area, the Tokyo area shall be set as the main target investment area and an investment ratio of 70% or more (on an acquisition value basis) shall be maintained, and investment ratio for investments in the larger Tokyo Metropolitan Area, Osaka area, Nagoya area, Fukuoka area, Sapporo area, and other ordinance-designated cities (hereinafter collectively referred to as “Local Areas”) shall be no more than 30%. Provided, however, that (1) in cases where investments are strategically made into certain areas as a result of conducting individual market analyses, or (2) in cases where properties are obtained under bulk sale (transactions conditioned upon the acquisition of multiple properties at once) or due to merger etc., the investment ratio into the Tokyo Area may temporarily fall below 70%.

While taking into consideration the investment ratio by asset type and by target investment area, creation of stable cashflow in the mid- to long-term shall be sought by aiming towards increase of the number of properties in the portfolio and diversification of tenant mix within each property.

Furthermore, in addition to investments in real estate properties in kind (including trust beneficial interests), investments into real estate supported securities (silent partnership investment securities etc.), and investments into mezzanine loan debts up to within 5% of total assets are also allowed, and by utilizing such investments depending on the circumstances, diversification of profit-making opportunities may be realized.

<Omitted>

Silent Partnership Investments Etc.

Investments may be made within the scope of laws and regulations by silent partnership investments or into preferred equity securities towards SPCs which hold real estate properties etc. which satisfy the investment standards prescribed for each asset type.

Upon making silent partnership investments etc., the following items shall be considered.

- The value and cashflow of the real estate property etc. held by the SPC.
- The level of debts of the SPC.
- The degree of contribution of the silent partnership investments against portfolio income.
- Other advantages due to making the silent partnership investments (such as grant of preferred negotiation right for acquiring properties etc.)

<Omitted>

⑥ Portfolio Management and Administration Policy

<Omitted>

Asset Replacement Policy

SAR will consider asset replacement by combining the sale of managed assets and purchase of new assets based on the implementation policy described below, for the purpose of maximizing unitholders’ interests by taking into account the real estate property market conditions, and the pricing level and distribution per unit of SAR’s investment units.

1. The degree of contribution to future income of the replacement target asset (managed asset) (enhancing SAR’s portfolio).

- Periodic evaluation towards the degree of contribution to income of managed assets (The stability and growth potential of income, prospects of life cycle costs such as repair expenses and capital expenditures, and balance with the sales price).
- The existence of assets available for purchase and comparison of them with managed assets with respect to the degree of contribution to income.
- The existence of real estate investors who have a different evaluation standard

towards the managed assets.

2. Real estate market condition by asset type

- The assessment of the investment environment by investment asset type seen from a macroenvironment perspective, and analyses of promising asset types based on such assessments.
- The existence or non-existence of asset types whose ratio in SAR's portfolio should be increased or decreased.

3. The price level of SAR's investment units

- Compare market indices such as TSE REIT Index and the trend of SAR's investment units.
- Compare the price level of SAR's investment units and the NAV level per unit.
- Calculation of profit and loss on sale due to the asset replacement, and the degree of return to existing unitholders.

<Remainder Omitted>

3. Date of Amendment of the Management Guidelines

March 2, 2020

4. Others

The above described partial amendment to the Management Guidelines is not expected to have any impact on the financial performance of SAR.

* Star Asia Investment Corporation website address: <http://starasia-reit.com/en/>

<For Reference>

Other press releases etc. disclosed dated today.

- Notice Concerning Execution of a Merger Agreement by and between Star Asia Investment Corporation and Sakura Sogo REIT Investment Corporation
- Notice Concerning Split of Investment Units
- Notice Concerning the Forecast of Operating Results and Distributions Subsequent to the Merger of Star Asia Investment Corporation and Sakura Sogo REIT Investment Corporation for the Fiscal Periods Ending January 31, 2021 and July 31, 2021
- Notice Concerning Acquisition and Transfer (5th Asset Replacement) of Real Estate Beneficiary Interests in Trust
- Notice Concerning Acquisition of Mezzanine Loan Debt – Acquisition of Domestic Assets (Star Asia Mezzanine Loan Debt Investment Series 5 (B Beneficiary Interest)) –
- Notice Concerning Debt Financing
- Notice Concerning Revision to Forecasts of Operating Results and Distributions for the Fiscal Periods ending January 31, 2020 and July 31, 2020
- Supplementary Explanatory Material Regarding Press Releases dated today (March 2)

This is an English translation of the announcement in Japanese dated March 2, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.