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For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
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Notice Concerning Status of a Tenant of a Hotel Property (follow-up report)
- Signing of Lease Contract Cancellation Agreement with the Current Tenant-

Star Asia Investment Management Co., Ltd. (“Asset Manager”), the asset manager for Star Asia Investment Corporation (“SAR”) has announced that, with respect to “HOTEL WBF ART STAY OSAKA NAMBA” (the “Property”), an asset managed by SAR as mentioned in the press release dated April 27, 2020 entitled “Notice Concerning Status of a Tenant of a Hotel Property”, it has signed a “Lease Contract Cancellation Agreement” (hereinafter the “Cancellation Agreement”) with the property tenant WBF Hotel & Resorts K.K. (the “Current Tenant”). Details are as follows.

1. Reason for the Cancellation Agreement

As of the end of March 2020, the Current Tenant had operated (held, leased, or managed) 27 hotels including the Property; however, coming into this year, being significantly affected by the drastic reduction in inbound demand due to immigration restrictions imposed given the global epidemic of COVID-19 and also domestically the significant reduction in domestic visitors due to the government’s request for people to stay home, on April 27, 2020, the operator applied for procedures under the Civil Rehabilitation Act. The Property was closed down on June 30, 2020.

Since then, negotiations were continued with the attorney to the Current Tenant towards signing the Cancellation Agreement, and the Cancellation Agreement was signed today.

Concurrently with the discussions on the Cancellation Agreement, SAR and the Asset Manager has considered various utilization options for the Property including change in use, however, it was finally determined that it is desirable to continue to operate the Property as a hotel, and currently a new tenant (hotel operator) is being sought.

2. General Description of the Lease Contract Cancellation Agreement

Name of Property	:	HOTEL WBF ART STAY NAMBA
Name of Tenant	:	WBF Hotel & Resorts K.K.
Total leasable area	:	2,061.46 m ²
Percentage of the Property to the Gross Rentable Area	:	100.0%
Percentage to SAR’s Total Rentable Area (note1)	:	0.81%
Monthly rent amount	:	Not disclosed (see Note 2)
Security deposit, guarantee money etc.	:	Not disclosed (see Note 2)
Signing Date of Cancellation Agreement	:	July 28, 2020
Cancellation Date	:	July 28, 2020

(note1) The percentage to SAR's Total Rentable Area (254,342.47 m²) (as of the end of June) is stated rounded off to the second decimal place.

(note2) Cannot be disclosed, as approval has not been obtained from the Current Tenant.

3. Future Policy Regarding the Property

As described above, as a result of having considered various options for utilization of the Property, SAR and the Asset Manager have determined that the best option would be to invite a new operator as a hotel. As of current, we are in discussions with multiple new operator candidates (tenant candidates), and would like to select the operator which can contribute most to maximize unitholders' interest.

4. Future Outlook

Since the impact of the Cancellation Agreement on our management status forecast for the fiscal period ending July 31, 2020 (from February 1, 2020 to July 31, 2020) which was announced in the "(REIT) Financial Report for Fiscal Period Ended January 31, 2020" dated March 13, 2020 is minimal, there are no changes to the forecast.

Furthermore, the effects on the management status forecast for the fiscal period ended January 31, 2021 (August 1, 2020 to January 31, 2021) and the fiscal period ending July 31, 2020 (February 1, 2021 to July 31, 2021) which were announced in the "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" dated March 2, 2020 are currently being examined. If matters which require disclosure should arise in the future, such notification will be promptly made.

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

This is an English translation of the announcement in Japanese dated July 28, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.