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For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
Representative: Atsushi Kato, Executive Director
(Code: 3468)

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

Star Asia Investment Management Co., Ltd. (the "Asset Manager"), to which Star Asia Investment Corporation ("SAR") entrusts the management of its assets, announces today the Asset Manager's resolution to make a partial amendment to the management guidelines, which are internal rules of the Asset Manager, at the Board of Directors meeting held today. Details are as follows.

1. Summary and Background of the Amendment

SAR invests in office, retail, residential, logistics, hotel and purpose-built student accommodation properties as a diversified REIT with an aim to maximize unitholders' interests and pursue the development of a portfolio by which SAR can achieve income "stability" (prevention of reduction of income as a result of change of economic environment) and "growth" (future increase of income) by accurately grasping the features of each asset type.

Since its listing, SAR has continued to acquire properties, leading to its asset size increasing by approximately 1.6 times (total acquisition price: approximately 102.3 billion yen) and the number of owned assets growing to 34. As such, the stability of the portfolio revenue has increased as well.

In consideration of the status of SAR's real estate portfolio as described above as well as the real estate market and such, SAR has decided to expand its investment target area and to change the investment target area in the management guidelines which are the internal rules of the Asset Manager as described below. This is thought to enable further expansion of the asset size and construction of a diversified portfolio.

Please also see "<Attached Material> Expanded Tokyo Area" as well as "Supplementary Materials Concerning Partial Amendment to the Management Guidelines" dated today.

Note that no changes have been made to the definition of investment target area "Tokyo Area" nor to the investment policy of "prioritized focused investment in Tokyo Area" (investment ratio of 70% or more for Tokyo Area).

2. Overview of the Amendment to Management Guidelines

The parts that were changed are underlined>.

<Before amendment>

(Omitted)

Concerning the investment ratios by area, Tokyo Area (Note 2), being the main investment target area, shall for the time being have an investment ratio of 70% or more while the investment ratio of the Osaka Area, Nagoya Area, Fukuoka Area, Sapporo Area and other government-designated cities (collectively referred to as the “Regional Areas”) (Note 2) shall be 30% or less. In addition, the generation of stable cash flow in the medium to long term will be pursued by promoting an increase of properties in the portfolio and diversification of tenants in each property.

(Omitted)

(Note 2) Tokyo Area, Osaka Area, Nagoya Area, Fukuoka Area, Sapporo Area and other government-designated cities shall be defined as follows. The ratio of investment in Tokyo Area may temporarily fall below 70% through strategic investment in particular areas as a result of independent market analysis.

Area	Use	Target Area
Tokyo Area (70% or higher investment ratio (acquisition price base))	Office and retail facility	Tokyo 23 wards, Kawasaki-shi and Yokohama-shi
	Residence, logistics facility, hotel, purpose-built student accommodation	Tokyo, Kanagawa, Saitama and Chiba
Osaka Area	All asset types	Osaka-shi, Osaka (Note 1)
Nagoya Area		Nagoya-shi, Aichi (Note 2)
Fukuoka Area		Fukuoka-shi, Fukuoka (Note 3)
Sapporo Area		Sapporo-shi, Hokkaido
Other government-designated cities		Sendai-shi, Miyagi Niigata-shi, Niigata Kyoto-shi, Kyoto Sakai-shi, Osaka Kobe-shi, Hyogo Hiroshima-shi, Hiroshima Kitakyushu-shi, Fukuoka

(Note 1) Residence and logistics facilities include the neighboring areas of Osaka-shi, Osaka

(Note 2) Residence and logistics facilities include the neighboring areas of Nagoya-shi, Aichi

(Note 3) Residence and logistics facilities include the neighboring areas of Fukuoka-shi, Fukuoka

(Omitted)

<After amendment>

(Omitted)

Concerning the investment ratios by area, Tokyo Area (Note 2), being the main investment target area, shall for the time being have an investment ratio of 70% or more while the investment ratio of the Expanded Tokyo Area, Osaka Area, Nagoya Area, Fukuoka Area, Sapporo Area and other government-designated cities (collectively referred to as the “Regional Areas”) (Note 2) shall be 30% or less. In addition, the generation of stable cash flow in the medium to long term will be pursued by promoting an increase of properties in the portfolio and diversification of tenants in each property.

(Omitted)

(Note 2) Tokyo Area, Expanded Tokyo Area, Osaka Area, Nagoya Area, Fukuoka Area, Sapporo Area and other government-designated cities shall be defined as follows. The ratio of investment in Tokyo Area may temporarily fall below 70% through strategic investment in particular areas as a result of independent market

analysis.

Area	Use	Target Area
Tokyo Area (70% or higher investment ratio (acquisition price base))	Office and retail facility	Tokyo 23 wards, Kawasaki-shi and Yokohama-shi
	Residence, logistics facility, hotel, purpose-built student accommodation	Tokyo, Kanagawa, Saitama and Chiba
<u>Expanded Tokyo Area</u>	<u>Office and retail facility</u>	<u>Suburban Tokyo (outside 23 wards) and major cities in Kanagawa and Saitama (excluding Kawasaki-shi and Yokohama-shi)</u>
Osaka Area	All asset types	Osaka-shi, Osaka (Note 1)
Nagoya Area		Nagoya-shi, Aichi (Note 2)
Fukuoka Area		Fukuoka-shi, Fukuoka (Note 3)
Sapporo Area		Sapporo-shi, Hokkaido
Other government-designated cities		Sendai-shi, Miyagi Niigata-shi, Niigata Kyoto-shi, Kyoto Sakai-shi, Osaka Kobe-shi, Hyogo Hiroshima-shi, Hiroshima Kitakyushu-shi, Fukuoka

(Note 1) Residence and logistics facilities include the neighboring areas of Osaka-shi, Osaka

(Note 2) Residence and logistics facilities include the neighboring areas of Nagoya-shi, Aichi

(Note 3) Residence and logistics facilities include the neighboring areas of Fukuoka-shi, Fukuoka

(Omitted)

3. Date of Change of Management Guidelines
February 26, 2019

4. Others

There is no impact from the partial amendment to the above management guidelines on the operating results of SAR.

<Attached Material>

- Expanded Tokyo Area

<Reference >

Other press releases published as of today

- Notice Concerning Acquisition of Asset (Silent Partnership Equity Interest)
- Supplementary Material Concerning Partial Amendment to the Management Guidelines

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

<Attached Material>

Expanded Tokyo Area

Through its property acquisition activities, the Asset Manager has confirmed that there is a certain amount of opportunity for acquiring prime office buildings and retail facilities in the “Expanded Tokyo Area” as well. It is believed that expanding the investment target area will contribute to the external growth of SAR.

Furthermore, the major cities to be targeted are selected based on the following point of view.

The Asset Manager emphasizes demographic trends when it comes to searching for investment targets. In particular, the number of people moving into Tokyo, Kanagawa and Saitama is increasing, and in these three prefectures there are several specific areas where the increase is even more notable. Of these areas, the following indicators are mainly used, and regions where prime offices and retail facilities exist or are expected to be developed shall be targeted.

- ① There is a considerable amount of office stock
- ② Private businesses have a considerable amount of sales
- ③ The area is positioned as a core city or there are development projects underway or planned at a central station in the area

In addition to the above, the status of transactions in the real estate market will be taken into consideration. For details, please see “Supplementary Materials Concerning Partial Amendment to the Management Guidelines” dated today.