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For Immediate Release

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

Asset Management Company
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Notice Regarding Signing of the Asset Management Agreement between Sakura Sogo REIT (SSR) and Star Asia Investment Management Co., Ltd. (SAIM) strong Organizational Changes Being Implemented and Internal Rules Being Established at SAIM

Star Asia Investment Management Co., Ltd. (the "Asset Manager"), the asset manager for Star Asia Investment Corporation (hereinafter "SAR"), at its meeting of the Board of Directors held today, resolved to (1) enter into an Asset Management Entrustment Agreement (hereinafter the "Agreement") with Sakura Sogo REIT Investment Corporation (hereinafter "SSR"), and (2) to implement strong organizational changes in order for the Asset Manager to be entrusted with the asset management of two listed investment corporations, namely SAR and SSR, and to establish and revise related internal rules. Details are described below.

1. Signing of the Agreement

(1) Reason for signing of the Agreement

The Agreement will be entered into between SSR and the Asset Manager, in accordance with the resolution passed at SSR's General Meeting of Unitholders held on August 30, 2019.

(2) Contents of the Agreement

1. Agreement Signing Date: February 18, 2020
2. Scheduled Effective Date of the Agreement: March 1, 2020
3. General Overview of SSR

Name	Sakura Sogo REIT Investment Corporation
Location	3-8-11, Kudan Minami, Chiyoda-ku, Tokyo
Name of Executive Director	Toru Sugihara
Date of Incorporation	April 1, 2016
Total Number of Issued and Outstanding Investment Units (see Note 1)	333,001 units
Total Unitholders' Capital	29,254 million yen
Fiscal Period-Ends	June and December

Main Assets Under Management	Real estate and real estate beneficial interests in trust	
Large Unitholders and Holdings Ratios (See Note 1)	The Master Trust Bank of Japan, Ltd. (Trust account)	7.6%
	Japan Trustee Services Bank, Ltd. (Trust account)	6.2%
	Lion Partners Godo Kaisha	3.6%
	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	3.1%
	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	3.0%
Net Assets	30,140 million yen	
Total Assets	63,389 million yen	
Relationship between SSR and SAR / Asset Manager		
Capital Relationships	There are no capital relationships required to be disclosed.	
Personal Relationships	While there is no personal relationship between SAR and SSR which require disclosure, it should be noted that Toru Sugihara, Executive Director of SSR, is an employee of the Tokyo Branch of Star Asia Management Japan Ltd., a subsidiary of Star Asia Management Ltd., with which SAR and the Asset Manager as SAR's asset management company, have each executed a sponsor support agreement.	
Business Relationships	There is no business relationship between SAR and SSR required to be disclosed. However, it is worth to note that the Asset Manager entered into an asset management agreement with SSR dated today, and is expected to become the asset management company of SSR effective from March 1, 2020.	
Status as Related Party	SSR is not a related party from SAR's perspective, however, the Asset Manager is expected to become the asset management company for SSR effective from March 1, 2020.	

(Note 1) The figures stated are as of June 30, 2019.

2. Organizational Changes at the Asset Manager, and New Establishment of and Amendments to Internal Rules.

(1) Reason for the organizational changes and the new establishment of and changes to internal rules.

The Asset Manager, pursuant to the Agreement, is scheduled to be entrusted with SSR's asset management commencing from March 1, 2020, and therefore, from the same date, the Asset Manager will be entrusted with asset management from two listed investment corporations, SAR and SSR. As such, the Asset Manager will move to an organizational structure which will allow for it to engage in asset management to maximize the interests of the unitholders for each of SAR and SSR, as described below.

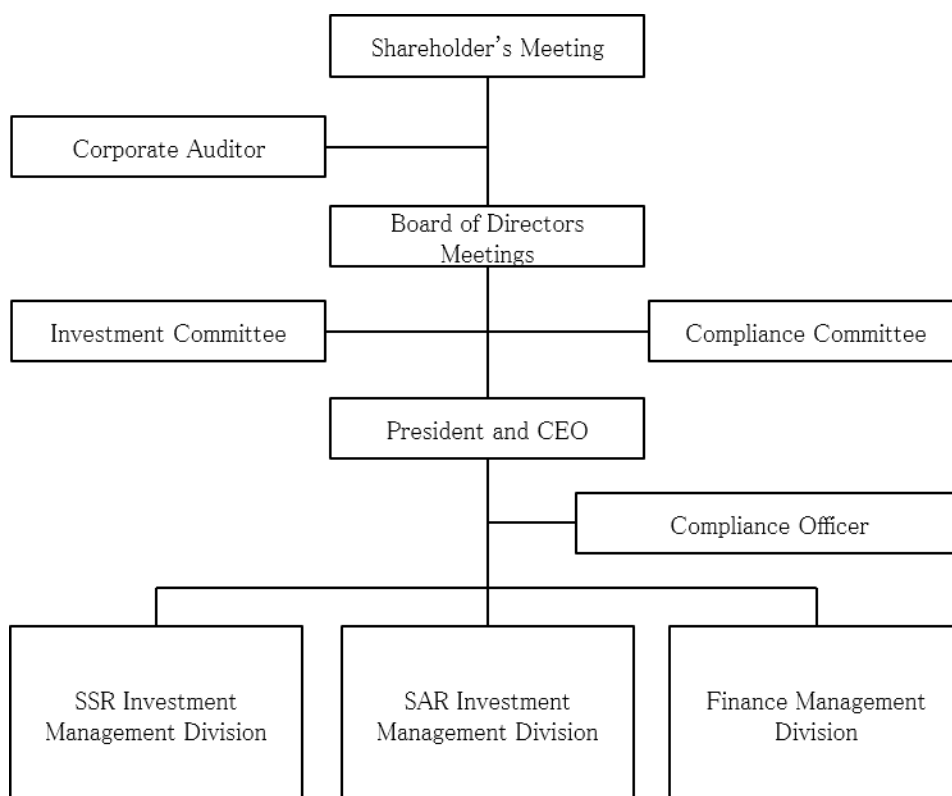
(2) Asset Manager's Organizational Chart effective from March 1, 2020

- As from March 1, 2020, as described in the organizational chart below, the SSR Investment Management Division will be newly established to be responsible for asset management of SSR, and a wall will be installed between it and the SAR Investment Management Division (as of today, the name of the division is "Investment Management Division" however the name will be changed to "SAR Investment Management Division" effective from March 1, 2020) which handles asset management of SAR. in order to implement Strict information isolation measures so that management related information cannot be mutually accessed on the systems.
- A director of the Asset Manager who has the necessary experience, track record, and requisite

qualifications will be appointed as the head of the newly established SSR Investment Management Division, and the SSR Investment Management Division shall be in charge of SSR’s asset management. For details, please refer to “Notice Concerning Transfer of Important Employee at the Asset Management Company” released today.

- Staff in the SSR Investment Management Division and staff in the SAR Investment Management Division may not hold positions concurrently in both divisions at the same time.

< Organizational Chart >



- (3) General description of the internal rules to be newly established or internal rules to be amended in line with the changes to be made to the organizational structure.

1. Formulation of Allocation Rules related to the Acquisition of Properties.

“Property Information Handling Rules” have been newly established as rules prescribing the method of allocation of information related to property acquisitions to the two investment corporations while avoiding conflicts of interest, upon being entrusted with the asset management of two investment corporations. A general overview is provided below.

<Allocation Rules for Property Information (General Overview)>

- a) Property information which has been obtained by the Asset Manager shall be registered at the Finance Management Division, and managed in a consolidated manner.
- b) If the year of completion (under the western calendar) under the register of registered property is an even number, the SSR Investment Management Division will consider acquisition of such property, and if the year of completion is an odd number, the SAR Investment Management Division will consider acquisition. If multiple properties are being

sold by a single seller at the same time, the allocation of all of such properties shall be determined based on the year of completion (under the western calendar) of the oldest property in such property portfolio.

- c) If as a result of consideration by the respective divisions, such division decides to not proceed with the acquisition, such fact shall be reported to the Finance Management Division, and the Finance Management Division shall provide the information to the other investment management division.

2. Changes to the Asset Manager's decision-making process flow etc.

With respect to the decision-making process flow related to the acquisition and management of properties at the two investment corporations, the following changes will be made from the perspectives of information isolation and prevention of conflict of interests.

<Changes to the decision-making process flow at each of the meeting bodies of the Asset Manager (General Overview) >

- a) At the Investment Committee, when either one of the Investment Management Divisions puts up on the agenda for discussion an investment management-related topic, members of the Investment Committee who belong to the Investment Management Division of the other investment corporation may not participate in such discussions, and shall have no voting rights.
- b) Also, at the Compliance Committee and the Meeting of the Board of Directors, when either one of the Investment Management Divisions puts up on the agenda for discussion an investment management-related topic, committee or board members who belong to the Investment Management Division of the other investment corporation may not participate in such discussions.

3. Effects on Status of Asset Management

The above-mentioned matters have no effect on the status of asset management of SAR's 9th Period (February 1, 2020- July 31, 2020), and there are no changes to the forecast of the status of asset management. With respect to the summary financial report (*kessan tanshin*) for SAR's 8th Period (August 1, 2019 – January 31, 2020), it is scheduled to be disclosed on March 13, 2020.

4. Others

As announced in the press release "Notice Concerning Execution of Memorandum of Understanding Regarding Merger with Sakura Sogo REIT Investment Corporation" dated January 30, 2020, SAR and SSR have entered into a Memorandum of Understanding (MOU) related to the merger. If any matters arise which require disclosure in the future, such disclosure will be promptly made.

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

This is an English translation of the announcement in Japanese dated February 18, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.