

October 5, 2020

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 Acquisition and Transfer of  
Trust Beneficiary Interest in Domestic Real Estate (Sixth Asset Replacement)

Star Asia Investment Management Co., Ltd. (the "Asset Manager"), to which Star Asia Investment Corporation ("SAR") entrusts the management of its assets, announces today its decision to acquire domestic real estate beneficiary interests in trust of "Urban Park Tokiwadai Koen" (hereinafter referred to as the "Asset to be Acquired", and the acquisition of the Asset to be Acquired is referred to as the "Acquisition"), and transfer the domestic real estate beneficiary interest in trust of "Suroy Mall Nagamine" (hereinafter referred to as the "Asset to be Transferred", and the transfer of the Asset to be Transferred is referred to as the "Transfer" and collectively with the Acquisition, the "Asset Replacement").

SAR positions asset replacement as an important policy of active management which will contribute to the maximization of unitholders' value, and has executed 5 asset replacements to date. SAR has been making efforts to enhance its portfolio, and property sales from the 5 asset replacements generated approximately JPY 4.3 billion in gain on sales (including the (anticipated amount of) gain on sale of Alphabet Seven (60% quasi-co-ownership interest) scheduled to be sold on December 1, 2020). SAR expects that this Asset Replacement will also strengthen its portfolio.) (For details, please see the press release dated March 2, 2020 entitled "Notice Concerning Acquisition and Transfer of Trust Beneficiary Interest in Domestic Real Estate (Fifth Asset Replacement)").

The Asset Replacement is the implementation of the strategy upheld from before the merger with Sakura Sogo REIT Investment Corporation to "dispose of suburban-type commercial/retail facilities", put into implementation taking the opportunity of effectuation of the merger, and it also comprises the purchase of a family-type housing property located in the Tokyo metropolitan area (Note) which is expected to generate stable income. It is also the continued execution of active management as advocated by the Asset Manager.

SAR believes that this 6<sup>th</sup> Asset Replacement will enhance SAR's portfolio and contribute to the maximization of unitholders' value.

(Note) The "Tokyo metropolitan area" means Tokyo, Kanagawa, Saitama, and Chiba prefectures. The same applies below.

1. Reason for the Asset Replacement

The Transfer is to be conducted under our strategy to "dispose of suburban-type commercial/retail facilities", reflecting our concern for maintaining future asset value, given that from a macro perspective, the trade zone population in local suburban areas is expected to decrease in the mid- to long-term, and also given the likelihood that the number brick-and-mortar stores may decline given the growth of e-commerce. On the other hand, the execution of the Acquisition decided at the same time as the Transfer, is an acquisition of a family-type residence located in the Tokyo metropolitan area where stable operation is anticipated. By executing this 6<sup>th</sup> Asset Replacement, it is expected that the stability of the portfolio income will be further enhanced in the mid- to -long term.

"Suroy Mall Nagamine", the Asset to be Transferred located in Kumamoto-shi of Kumamoto Prefecture, is a commercial/retail facility mainly focused on living necessity related product sales. The impact of COVID-19 is limited, and it has recently been recording steady revenues. However, SAR has positioned the asset as an asset for which assignment is preferable in the mid- to long-term perspective as described above. Given this status, by utilizing the

broad network of the Asset Manager and searching for potential assignees which are considering investments in suburban type commercial/retail facilities, it was found that the asset could be sold at a price exceeding the appraisal value of the property which was obtained by SAR. Therefore, it has been determined that selecting “sale” rather than “hold” would contribute to the maximization of unitholders’ value.

On the other hand, it was determined that “Urban Park Tokiwadai Koen”, the Asset to be Acquired, would contribute to the stabilization of portfolio income based on assessment of the following points.

<Urban Park Tokiwadai Koen>

1. The property is located in the Tokyo metropolitan area (in Yokohama-shi, Kanagawa Prefecture) and is accessible to the terminal “Yokohama” station and the new “Hazawa Yokohama-kokudai” station. It is also accessible to several highways, and is a location highly convenient for car users.
2. In the neighborhood, there is the Tokiwadai-koen park with its extensive greenery and the Yokohama National University campus, providing a favorable living environment with lots of greenery, and it is highly appealing to families and particularly to households rearing children.
3. All units are 3LDK (66.0 m<sup>2</sup>), a layout matching the area’s characteristics.
4. In 2016, renovation works were conducted on the common-use areas and exclusively-owned areas (for all housing units), and housing equipment was replaced, and the property is highly competitive in the residential leasing market (the occupancy rate has been maintained above 97% since April 2020.)

After the Asset Replacement, our investment ratio (on the basis of acquisition price/ receipt price) to suburban-type commercial/retail facilities will be reduced from 11.2% to 9.2%, and our investment ratio into residential assets which is conceived to be defensive assets will rise from 15.5% to 17.6%. Just to note, the Transfer is expected to generate a gain-on-sale from an accounting perspective, and a loss-on-sale from a tax perspective, and SAR is considering to internally reserve and retain the accounting gain-on-sale.

## 2. Summary of Asset to be Acquired and Asset to be Transferred

### (1) Overview of Asset to be Acquired

#### RSC-16 Urban Park Tokiwadai Koen

Asset to be acquired	Beneficiary interest in trust whose main asset is domestic real estate
Property name	Urban Park Tokiwadai Koen
Location	40-1, Tokiwadai, Hodogaya-ku, Yokohama-shi, Kanagawa
Asset type	Residence
Date of execution of purchase agreement	October 5, 2020
Planned acquisition date	October 16, 2020
Seller	Godo Kaisya SAPR8
Planned acquisition price (Note)	3,506 million yen
Acquisition financing	Proceeds from sale of Asset to be Transferred and cash on hand

(Note) With respect to the “Planned acquisition price”, the planned sale and purchase proceeds stated in the agreement with the seller with respect to the Asset to be Acquired is stated, with the amount under one million yen rounded to the nearest million yen. The planned sale and purchase proceeds do not include consumption tax or local consumption tax or expenses required for the acquisition. The same applies below.

### (2) Overview of Asset to be Transferred

#### RTL-04 Suroy Mall Nagamine

Asset to be Transferred	Beneficiary interest in trust whose main asset is domestic real estate
Property name	Suroy Mall Nagamine
Location (Indication of residential address)	1-5-1, Nagamine nishi 1-5-1, Higashi-ku, Kumamoto-shi, Kumamoto
Asset type	Retail
Date of execution of sales agreement	October 5, 2020
Planned transfer date	October 15, 2020
Planned transferee	Not disclosed (Note1)
Planned sales price (Note2)	3,500 million yen
Book value (Note3)	3,450 million yen

Gain (loss) on transfer (estimate) (Note4)	18 million yen
Use of gain on transfer	To be appropriated to purchase proceeds for the Asset to be Acquired

(Note 1) The planned buyer is a domestic operating company; however, the company is not disclosed since consent for disclosure has not been obtained from the said company.

(Note 2) The expected sales price of the Asset to be Transferred (excluding assignment related expenses, consumption tax and local consumption tax) as described in the sale and purchase agreement related to the Asset to be transferred is stated.

(Note 3) The book value (the acceptance price upon the merger on August 1, 2020) is stated.

(Note 4) This states the assumed book value as at the scheduled sale date, and the estimated gain/ loss on assignment taking into consideration various expenses expected to arise incidental to the transfer. The actual gain/ loss on assignment may differ from the above stated estimate amount.

### 3. Details of Asset to be Acquired

#### RSC-10 Urban Park Tokiwadai Koen

Property No.	RSC-16	Property name	Urban Park Tokiwadai Koen	Type	Residence
Overview of specified asset					
Type of specified asset	Beneficiary interest in trust	Trustee	Mizuho Trust & Banking Co., Ltd.		
Planned acquisition price	3,506 million yen	Planned acquisition date	October 16, 2020		
Appraised value	3,770 million yen	Seller	Godo Kaisya SAPR8		
Location	Tokiwadai40-1, Hodogaya-ku, Yokohama-shi, Kanagawa				
Indication of residential address	Tokiwadai362-36, Hodogaya-ku, Yokohama-shi, Kanagawa and other				
Nearest station	Approx. 15-minute walk from "Wadamachi" Station on Sagami Tetsudo Line				
Land	Type of ownership	Proprietary ownership			
	Site area	12,544.61 m <sup>2</sup>	Use district	Category 1 medium-to-high-rise exclusive residential district	
	Building coverage ratio	60%	Floor area ratio	150%	
Building	Type of ownership	Proprietary ownership			
	Total floor area	15,708.08 m <sup>2</sup>	Use	Residence	
	Construction completion	February 17, 1994	Structure and floors	Reinforced concrete (RC) structure, 5 floors above ground.	
Property management company	Haseko Livenet, Inc.	Master lease company	Haseko Livenet, Inc.		
Type of master lease	Pass-through	Security	Unsecured		
Trust expiration date	October 31, 2030				
Status of leasing (as of end of August 2020)					
Total leasable are	14,058.00 m <sup>2</sup>	Monthly rent (including common area maintenance fee)	21,127,200 yen		
Total leased area	13,728.00 m <sup>2</sup>	Security and guarantee deposits	28,819,200 yen		
Total number of tenants	130				
Occupancy rate					
	April 2020	May 2020	June 2020	July 2020	August 2020
	98.1%	97.7%	97.2%	96.7%	97.7%
Special notation					
Not applicable.					

(Note) According to the register, there are 4 existing buildings (including the attached building), and "total floor area" states the total floor area of the 4 buildings, and the "structure/ floors" states details of the main building.

**Property description and acquisition highlight based on the survey by the Asset Manager**

(1) Property Description

The property is a family-type residence situated on a hill-top with a view of the town of Yokohama, located at an approximate 7-minute walk after getting off at “Yokohama Shindo” which is an approximate 19-minute bus ride from “Yokohama” station where JR lines, Tokyu Tokyo line, Keihin Kyuko line, and Sagami Railway line intersect, and an approximate 15-minute walk from “Wadamachi” station on the Sagami Railway main line. The property is situated in the Hodogaya area, where not only train lines, but also roads such as Daisan Keihin, Yokohama Shindo, and Hodogaya bypass intersect, providing excellent car traffic network. Furthermore, the new “Hazawa Yokohama-kokudai” station which began operations in 2019 is also within walking distance of the property, and it is expected that the station will eventually be directly accessible to the Tokyo metropolitan city center by extension of the Sotetsu line, and commuting time to stations such as Ebisu, Shibuya, and Shinjuku will become shortened and convenience will be improved. Also, in the neighborhood, there is the Tokiwadai-koen park with its extensive greenery, and as the area is being developed as a residential district backed by rich greenery providing a favorable residential environment, housing demand is expected centered around families. From a specification perspective, the property was fully renovated in 2016, and housing equipment in the common-use areas and housing exclusive areas have been fully replaced. The floorplans of all of the housing units are 3LDK, and a car-sharing service is also provided in the premises, and therefore, it is also a highly appealing property for families using cars.

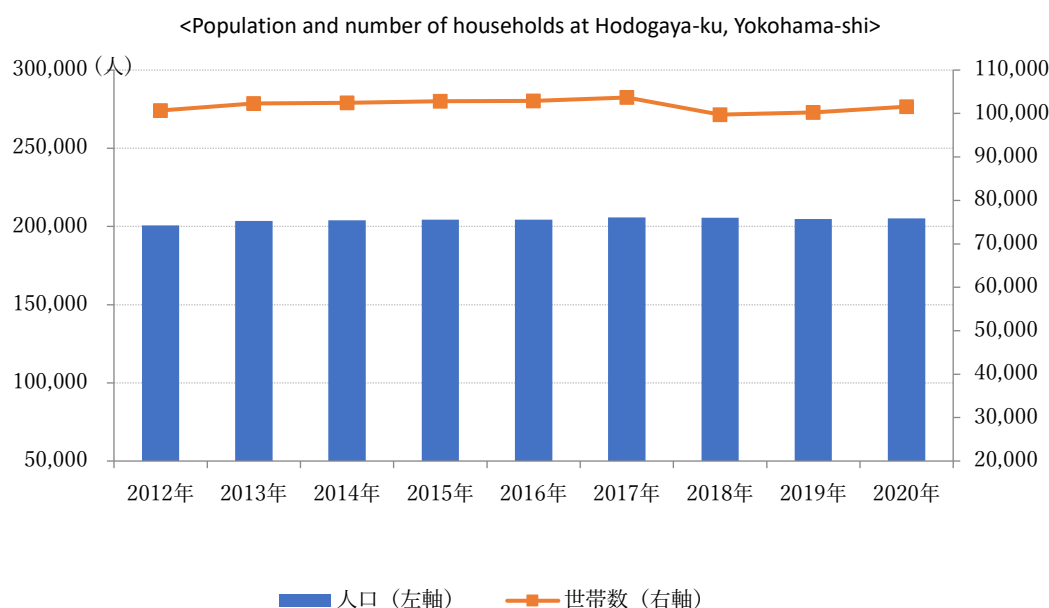
(2) Acquisition Highlight

The property is scheduled to be acquired by utilizing the preferential negotiation rights

**Demographic analysis etc., market analysis and independent analysis by the Asset Manager**

(1) Demographic analysis etc.

The population of Hodogaya-ku, Yokohama-shi remains more or less flat, while the number of households is increasing, and therefore, the Asset Manager believes that the population in the area will continue to steadily grow going forward.



(Note) For the years from 2012 to 2013, the figures stated are as of the end of each fiscal year (March 31), and for the years from 2014 to 2020, the figures stated are as of January 1 of each year.

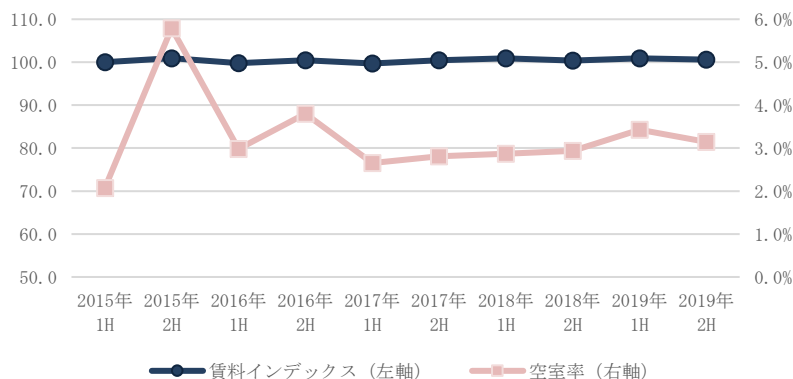
Source: Prepared by the Asset Manager based on the “Survey on Population, Demography and Number of Households based on the Basic Resident Registration Cards” published by the Ministry of Internal Affairs and Communications Statistics Bureau.

(2) Market analysis

As shown in the transition of rent levels in the graph below, rent levels in Yokohama-shi of Kanagawa Prefecture has remained more or less flat from the first half of 2015 and has remained stable.

Regarding vacancy rates, as shown in the transition of vacancy rates in the graph below, the vacancy rate had increased moving towards the latter half of 2015; however, since then it has stabilized at a low level of around 3.0% up to the latter half of 2019. Given the historical trend in the area, the Asset Manager believes that the vacancy rate will continue to be flat going forward.

< Yokohama-shi, Kanagawa Prefecture – Average Rent Index & Vacancy Rates >

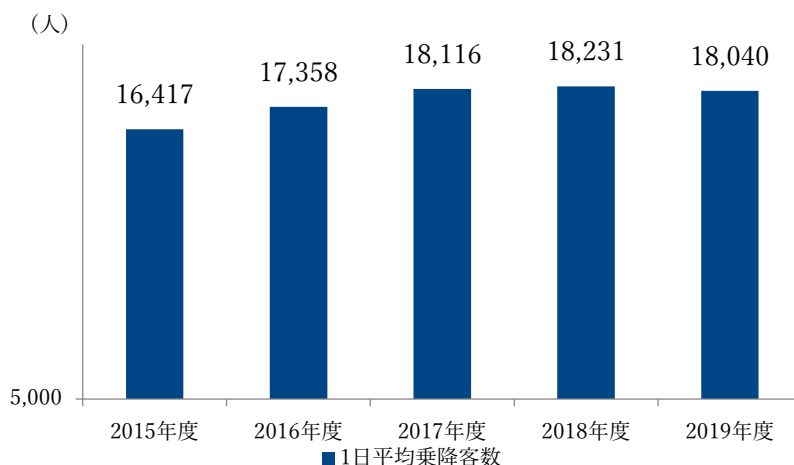


(Note) 1H means 1st half of the year (January to June), and 2H means latter half of the year (July to December)  
 Source: Prepared by Japan Real Estate Institute (“JREI”) based on data disclosed by listed REITs (for residences in Yokohama-shi of Kanagawa Prefecture (however, excluding any properties which were sold or purchased during the above periods)).

(3) Independent analysis by the Asset Manager

The number of passengers using Wadamachi station on the Sotetsu line has remained flat since fiscal year 2017, and the Asset Manager believes that this trend will continue going forward.

< Daily Average of Number of Passengers using Wadamachi Station >



Source: Prepared by the Asset Manager based on “Yokohama-shi Statistics”.

**Comprehensive evaluation by SAR: Evaluation on income stability**

Due to the reasons stated below, SAR believes that the property will be able to obtain stable income in the mid- to long-term, and also that growth in income can be anticipated in the future through increase in rents etc.

- (1) In addition to the nearest station of Wadamachi station, the property is also accessible from “Yokohama” station and the new “Hazawa Yokohama-kokudai” station, and the property is also located in an area highly convenient for car users as it is accessible to multiple highways. Also, all housing units are 3LDK (66.0㎡), which is a layout which matches the area’s characteristics. Furthermore, the property’s common use area and exclusive area (for all units) have been fully renovated in 2016, and it is believed to be highly appealing to families.
- (2) Rent levels in Yokohama city’s residence rent market has been stable, and vacancy rates are also at low levels. Also, given that the population and number of households of Hodogaya-ku, Yokohama-shi remains more or less flat, the Asset Manager has determined that the population in the area is also anticipated to steadily increase going into the future.

4. Details of Asset to be Transferred

RTL-04 Suroy Mall Nagamine

Property No.	RTL-04	Property name	Suroy Mall Nagamine		Type	Retail
Overview of specified asset						
Type of specified asset		Beneficiary interest in trust		Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Planned sales price		3,500 million yen		Planned transfer date	October 15, 2020	
Location		Nagamine nishi 1-2331-37, Higashi-ku, Kumamoto-shi, Kumamoto				
Indication of residential address		Nagamine nishi 1-5-1, Higashi-ku, Kumamoto-shi, Kumamoto				
Nearest station		Approx. 2.5km from "Tokai Gakuen" Station on JR Hohi Line				
Land	Type of ownership	Proprietary ownership				
	Site area	28,546.23 m <sup>2</sup>	Use district	Quasi-Industrial District		
	Building coverage ratio	60%	Floor area ratio	200%		
Building	Type of ownership	Proprietary ownership				
	Total floor area	13,130.23 m <sup>2</sup>	Use	Retail / Office / Gymnasium		
	Construction completion	(note)	Structure and floors	(note)		
Property management company		XYMAX KYUSHU Corporation		Master lease company	SAR	
Type of master lease		Pass-through		Security	Unsecured	
Trust expiration date		July 31, 2030				
Status of leasing						
Total leasable area		12,600.67 m <sup>2</sup>	Total number of tenants	22		
Total leased area		12,600.67 m <sup>2</sup>	Monthly rent (including common area maintenance fee)	25,083,122 yen		
Security and guarantee deposits		206,635,575 yen				
Occupancy rate						
		April 2020	May 2020	June 2020	July 2020	August 2020
		100.0%	100.0%	100.0%	100.0%	100.0%
Special notation						

(Note) This property is registered as being comprised of 5 buildings, and the total floor area, total leasable area, total leased area are the total of the 5 buildings. Details of individual buildings are described below. (Areas stated are registered areas.)

- Building A: Single-storied building, steel framed with flat roof/ store/ 8,865.07m<sup>2</sup>/ construction completed on August 23, 2007
- Building C: Two-storied building, steel framed with alloy plated steel shingle roof/ office/ 1<sup>st</sup> floor 672.00m<sup>2</sup> 2<sup>nd</sup> floor 672.00 m<sup>2</sup> Total of 1,344.00m<sup>2</sup>/ construction completed on August 23, 2007
- Building D: Single-storied building, steel framed with alloy plated steel shingle roof/ store/ 530.20m<sup>2</sup>/ construction completed on August 23, 2007
- Building E: Single-storied building, steel framed with alloy plated steel shingle roof/ store & warehouse/ 418.00m<sup>2</sup>/ construction completed on August 23, 2007
- Building B: Two-storied building, steel framed with alloy plated steel shingle roof/ practice area/ 1<sup>st</sup> floor 1,053.71m<sup>2</sup> 2<sup>nd</sup> floor 919.25m<sup>2</sup> Total of 1,972.96m<sup>2</sup>/ construction completed on December 5, 2007.

5. Summary of Appraisal Report  
Urban Park Tokiwadai Koen

(Unit : Yen)

Summary of Real Estate Appraisal Report		
Property name	Urban Park Tokiwadai Koen	
Appraisal value	3,770,000,000	
Appraisal firm	The Tanizawa Sogo Appraisal Co., Ltd.	
Date of value	September 1, 2020	
Item	Details	Description, etc.
Indicated value by income approach	3,770,000,000	Estimated by using the indicated value by DCF method as standard and verifying with the indicated value by direct capitalization method.
Indicated value of direct capitalization approach	3,830,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating revenue ((a)-(b))	276,916,237	
(a) Gross potential income	298,629,777	Calculated by rent fee level based on the stable mid-to-long term
(b) Vacancy loss, etc.	21,713,540	Referred to property similar properties to estimate the vacancy rate and supply /demand trends,
(2) Operating expenses	81,231,631	
Maintenance and management Fee	15,688,728	Appraised based on actual data and the MPM agreement
Utilities expenses	3,711,312	Appraised based on actual data.
Repair expenses	17,555,090	Appraised by reference to repair and renewal expenses in the ER and the level of similar real estate.
Property management fee	5,332,375	Estimated based on the MPM agreement.
Tenant leasing cost, etc.	12,356,982	Calculated by new tenants recruitment and fees on contract renewal
Property taxes	21,787,500	Based on the documents relating to taxes and public dues
Insurance premium	645,900	Based on insurance materials.
Other expenses	4,153,744	Appraised according to financial performance etc..
(3) Net operating income (NOI=(1)-(2))	195,684,606	
(4) Financial interests on deposits	195,652	Appraised investment return as 1.0%
(5) Capital expenditures	19,910,000	Appraised based on the ER and similar cases.
(6) Net cash flow (NCF=(3)+(4)-(5))	175,970,258	
(7) Capitalization rate	4.6 %	Appraised by comparing with cap rate of similar real estate.
Indicated value of DCF method	3,750,000,000	
Discount Rate	4.7 %	Appraised by taking into account individual risk and calculating the base cap rate of office buildings based on cap rate of financial instruments.
Terminal capitalization rate	4.8 %	Appraised based on the capitalization rate and reflecting uncertainty of future prediction.
Indicated value by cost approach	3,470,000,000	Estimated by making depreciation adjustment to replacement cost.
Ratio of land	73.2 %	
Ratio of building	26.8 %	
Matters considered in reconciliation of indicated values and determination of appraisal values	Determined by using the indicated value by income approach as standard and by verifying with the indicated value by cost approach.	



Suoy Mall Nagamine

(Unit : Yen)

Summary of Real Estate Appraisal Report		
Property name	Suoy Mall Nagamine	
Appraisal value	3,450,000,000	
Appraisal firm	The Tanizawa Sogo Appraisal Co., Ltd.	
Date of value	July 31, 2020	
Item	Details	Description, etc.
Indicated value by income approach	3,450,000,000	Estimated by using the indicated value by DCF method as standard and verifying with the indicated value by direct capitalization method.
Indicated value of direct capitalization approach	3,380,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating revenue ((a)-(b))	318,421,527	
(a) Gross potential income	335,591,814	Calculated by rent fee level based on the stable mid-to-long term
(b) Vacancy loss, etc.	17,170,287	Referred to property similar properties to estimate the vacancy rate and supply /demand trends,
(2) Operating expenses	116,864,672	
Maintenance and management Fee	19,664,705	Appraised based on actual data and the FM agreement
Utilities expenses	57,481,445	Appraised based on actual data.
Repair expenses	3,045,000	Appraised by the ER and the level of similar real estate.
Property management fee	6,180,000	Estimated based on the management related agreements.
Tenant leasing cost, etc.	2,086,254	Calculated by new tenants recruitment fee.l
Property taxes	26,103,100	Based on the documents relating to taxes and public dues
Insurance premium	712,060	Based on insurance materials.
Other expenses	1,592,108	Appraised according to financial performance etc..
(3) Net operating income (NOI=(1)-(2))	201,556,855	
(4) Financial interests on deposits	1,717,817	Appraised investment return as 1.0%
(5) Capital expenditures	7,105,000	Appraised based on the ER and similar cases.
(6) Net cash flow (NCF=(3)+(4)-(5))	196,169,672	
(7) Capitalization rate	5.8 %	Appraised by comparing with cap rate of similar real estate.
Indicated value of DCF method	3,480,000,000	
Discount Rate	5.9 %	Appraised by taking into account individual risk and calculating the base cap rate of office buildings based on cap rate of financial instruments.
Terminal capitalization rate	6.0 %	Appraised based on the capitalization rate and reflecting uncertainty of future prediction.
Indicated value by cost approach	3,670,000,000	Estimated by making depreciation adjustment to replacement cost.
Ratio of land	80.6 %	
Ratio of building	19.4 %	
Matters considered in reconciliation of indicated values and determination of appraisal values		Determined by using the indicated value by income approach as standard and by verifying with the indicated value by cost approach.

6. Profile of the seller and planned buyer

(1) Seller Profile (Urban Park Tokiwadai Koen)

Name	Godo Kaisya SAPR8
Location	5-1-4 Toranomom, Minato-ku, Tokyo
Representative	Representative partner: Ippanshadanhoujin SAPR Holding8 Operational executor: Takaaki Fukunaga
Main Business Description	1. Acquisition, ownership, and disposition of beneficiary interest in trust of real estate 2. Acquisition, ownership and disposition of loan claims 3. Acquisition, ownership and disposition of corporate bonds, silent partnership interest and other securities 4. Sales, leasing, management, acquisition, ownership, disposition and use of real estate 5. All business incidental to the above
Capital	300,000 yen
Established	October 17, 2018
Net Asset	The information is undisclosed as consent to disclosure has not been obtained from the seller.
Total Asset	
Major shareholder and ratio of shareholding	
Relationship with SAR or the Asset Manager	
Capital Relationship	There is no capital relationship to report.
Personnel Relationship	There is no personnel relationship to report.
Business Relation	There is no business relationship to report.
Related party or not	The seller does not fall under the category of interested person, etc. as provided in Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended, hereinafter referred to as the "Investment Trusts Act")

(2) Planned buyer profile (Suroy Mall Nagamine)

The planned buyer is a domestic operating company, however, consent to disclose the company has not been obtained, so it is not disclosed. To note, there are no capital, personal, or trading relationship between the planned buyer and SAR/Asset Manager which needs to be stated. The planned buyer does not fall under the category of interested person, etc. as provided in Investment Trusts Act.

7. Status of Parties Related to the Acquisition of the Property

The buyer of the property is not classified as a special related party of SAR and of the Asset Manager.

8. Transaction with interested person, etc.

Not applicable.

9. Overview of brokers

(1) Urban Park Tokiwadai Koen

① Broker Profile

Name	ASSETS BRAIN.Co
Location	1-11-1, Kanda Jinbo-cho, Chiyoda-ku, Tokyo
Representative	Representative Kunihiko Taue
Main business description	1. The company, by holding shares in companies which conduct the following businesses, aims to control and manage the business activities of such companies. (1) Business of owning, leasing, sale and purchase, asset management, and brokerage

	<p>of real estate.</p> <p>(2) Real estate appraisal and consulting business.</p> <p>(3) Type II financial instruments business, investment advisory and agency business, and investment management business as set forth in the Financial Instruments and Exchange Act.</p> <p>(4) Businesses related to computer systems and software development and operations, and operation of real estate websites.</p> <p>(5) All business incidental to or related to each of the preceding items.</p> <p>2. The company may operate the businesses described in each item of the preceding paragraph and any businesses incidental to or related to such businesses.</p>
Capital	160 million yen
Established	May 15, 2014
Relationship with SAR or the Asset Manager	
Capital Relationship	There is no capital relationship to report.
Personnel Relationship	There is no personnel relationship to report.
Business Relationship	There is no business relationship to report.
Related party or not	The planned buyer does not fall under the category of interested person, etc. as provided in the Investment Trusts Act.

② Breakdown and value of the brokerage commission

Breakdown of Brokerage Fee	Brokerage fee for transfer of Trust Beneficiary Interest
Amount of Brokerage Fee	8 million yen (excluding consumption tax and local consumption tax.)

- (2) Suroy Mall Nagamine  
Not applicable.

10. Schedule for the Transactions

- (1) Acquisition of Urban Park Tokiwadai Koen
- |                  |  |
|------------------|--|
| October 5, 2020  | Acquisition decided  |
|                  | Sign the Trust Beneficial Interest Sale and Purchase Agreement |
| October 16, 2020 | Acquisition of beneficiary interest in trust (planned)         |
|                  | Payment of acquisition price (planned)                         |
|                  | Conclusion of a property management agreement (planned)        |
- (2) Transfer of Suroy Mall Nagamine
- |                  |  |
|------------------|--|
| October 5, 2020  | Transfer decided   |
|                  | Sign the Trust Beneficial Interest Sale and Purchase Agreement                                 |
| October 15, 2020 | Transfer of ownership of real estate beneficiary interest in trust (planned)                   |
|                  | Receipt of transfer price for ownership of real estate beneficiary interest in trust (planned) |

11. Settlement method

The settlement for the Asset to be Acquired is expected to take place by making lump-sum payment of the acquisition price on the scheduled acquisition date.

12. Future outlook

The impact of the Asset Replacement is insignificant, and the impact on the forecast of operating results for the fiscal period ending January 31, 2021 (August 1, 2020 to January 31, 2021) and the fiscal period ending July 31, 2021 (February 1, 2021 to July 31, 2021) which was announced by SAR in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2020” dated September 14, 2020 is minimal, and there are no changes to the forecast.

<Appendix>

• Reference Material 1	Portfolio list after the Transaction
• Reference Material 2	Summary of earthquake risk analysis
• Reference Material 3	Location maps / photos of exterior of Asset to be Acquired
• Reference Material 4	The terms used in the table of Description of Asset to be Acquired and Asset to be Transferred

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

*This is an English translation of the announcement in Japanese dated October 5, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*

Reference Material 1 Portfolio list after the Transaction

(Reflected the Asset Replacement to the existing portfolio of SAR at the date of this document)

<Real Estate, etc.>

Property No.	Property Name	Location (Note1)	(Planned) Acquisition Price (million yen) (Note2)	Real estate appraisal value (million yen) (Note3)	Investment ratio (%) (Note4)
OFC-01	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	3,070	1.8
OFC-03	Honmachibashi Tower	Chuo Ward, Osaka City, Osaka	6,065	6,960	3.6
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	2,510	1.1
OFC-06	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	3,260	1.2
OFC-08	Asahi Building	Yokohama City, Kanagawa	6,320	7,840	3.8
OFC-09	Hakata-eki East Place	Yokohama City, Kanagawa	2,286	2,630	1.4
OFC-10	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1,550	0.9
OFC-11	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2,690	1.5
OFC-12	Higashi Kobe Center Building	Higashinada Ward, Kobe City, Hyogo	7,440	7,530	4.5
OFC-13	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1,160	0.6
OFC-14	Seishin BLDG.	Shinjyuku Ward, Tokyo	11,200	11,200	6.7
OFC-15	NK BLDG.	Chiyoda Ward, Tokyo	5,350	5,350	3.2
OFC-16	Tsukasamachi BLDG.	Chiyoda Ward, Tokyo	4,590	4,590	2.8
OFC-17	Takadanobaba Access	Shinjyuku Ward, Tokyo	3,990	3,990	2.4
OFC-18	Azabu Amerex BLDG.	Minato Ward, Tokyo	2,780	2,780	1.7
OFC-19	Hiei-Kudan BLDG.	Chiyoda Ward, Tokyo	2,400	2,400	1.4
OFC-20	Shin-Yokohama Nara BLDG.	Yokohama City, Kanagawa	2,300	2,300	1.4
OFC-21	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	1,510	0.9
Office Subtotal			68,059	73,320	40.9
RTL-01	La Park Kishiwada	Kishiwada City, Osaka	5,400	5,400	3.2
RTL-02	Suroy Mall Chikushino	Chikushino City, Fukuoka	6,550	6,550	3.9
RTL-03	Seiyu Minakuchi	Koka shi, Shiga	3,320	3,320	2.0
Retail Subtotal			15,270	15,270	9.2
RSC-01	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2,480	1.2
RSC-02	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	8,310	3.8
RSC-05	Urban Park Namba	Osaka City, Osaka	1,490	1,650	0.9
RSC-06	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1,510	0.9
RSC-07	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1,190	0.7
RSC-08	Urban Park Ryokuchi Koen	Suita City, Osaka	1,550	1,620	0.9
RSC-09	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1,180	0.7
RSC-10	Urban Park Ichigao	Yokohama City, Kanagawa	1,810	1,850	1.1
RSC-11	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	1,500	0.9
RSC-12	Shiroi Logiman	Shiroi City, Chiba	2,470	2,470	1.5
RSC-13	Urban Park Sekime	Osaka City, Osaka	2,150	2,150	1.3
RSC-14	Urban Park Imazato	Osaka City, Osaka	993	93	0.6

RSC-15	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	1,740	1.0
RSC-16	Urban Park Tokiwadai Koen	Yokohama City, Kanagawa	3,506	3,770	2.1
Residence Subtotal			29,312	32,413	17.6
LGC-01	Iwatsuki Logistics	Saitama City, Saitama	6,942	7,310	4.2
LGC-02	Yokohama Logistics	Kanagawa Ward, Yokohama City, Kanagawa	3,560	4,170	2.1
LGC-03	Funabashi Logistics	Funabashi City, Chiba	7,875	8,650	4.7
LGC-04	Baraki Logistics	Ichikawa City, Chiba	4,700	4,850	2.8
LGC-05	Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	1,350	0.8
LGC-06	Funabashi Nishiura Logistics I	Funabashi City, Chiba	3,000	3,020	1.8
LGC-07	Funabashi Nishiura Logistics II	Funabashi City, Chiba	821	850	0.5
LGC-08	Matsubushi Logistics	Kitakatsushika, Saitama	2,755	2,860	1.7
LGC-09	Funabashi Hi-Tech Park Factory I	Funabashi City, Chiba	1,710	1,710	1.0
LGC-10	Funabashi Hi-Tech Park Factory II	Funabashi City, Chiba	702	702	0.4
Logistics facility Subtotal			33,365	35,492	20.0
HTL-01	R&B Hotel Umeda East	Kita Ward, Osaka City, Osaka	2,069	2,270	1.2
HTL-02	Smile Hotel Namba	Naniwa Ward, Osaka City, Osaka	1,750	1,430	1.1
HTL-03	BEST WESTERN Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	3,660	2.3
HTL-04	BEST WESTERN Yokohama	Tsurumi Ward, Yokohama City, Kanagawa	3,248	3,220	2.0
HTL-05	Hotel WBF Fukuoka Tenjin Minami	Chuo Ward, Fukuoka City, Fukuoka	1,970	1,940	1.2
HTL-06	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	2,450	1.5
HTL-07	BEST WESTERN Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3,130	1.9
HTL-08	Hotel WBF Art Stay Namba	Naniwa Ward, Osaka City, Osaka	2,000	1,520	1.2
Hotel Subtotal			20,544	19,620	12.3
Total					100.0

(Note1) "Location" states the minimum individual administrative division in the region where the assets held by SAR as of today (excluding the mezzanine loan debt stated under <Mezzanine> below) (hereinafter "Already Acquired Assets (Real Estate Etc.)") and the Asset to be Acquired are located.

(Note2) "Acquisition price" means the sale and purchase proceeds described in the sale and purchase agreement related to each acquired asset (real estate properties etc.), and "Planned Acquisition Price" means the planned sale and purchase proceeds as stated in the agreement signed with the Seller in relation to the Asset to be Acquired, and each price is stated by rounding the amounts of less than 1 million yen to the nearest 1 million yen. The Acquisition Price and the Planned Acquisition Price do not include consumption tax, local consumption tax, or expenses required for acquisition. However, with respect to "Minami-Azabu Shibuya Building", as it is based on a sale and purchase agreement for multiple properties where no price is established for each individual property, the amount derived by prorating the total sales price of the multiple properties based on the ratio of the appraisal values of each individual property as of the time of their acquisition is stated as the "Acquisition Price".

(Note3) "Real estate appraisal value" states the appraisal values stated in the real estate appraisal reports based on the price as of July 31, 2020, for already acquired properties, and the appraisal value stated in the real estate appraisal report based on the price as of September 1, 2020 with respect to the Asset to be Acquired.

(Note4) "Investment ratio" shows the ratio of the (planned) acquisition price of each of acquired assets or Asset to be Acquired against the sum of the (planned) acquisition price for acquired assets and Asset to be Acquired rounded to the first decimal place.

(Note5) Descriptions on this page exclude Alphabet Seven (60% share in quasi co-ownership) scheduled for sale on December 1, 2020.

Reference Material 2 Summary of earthquake risk analysis

Type	Property no.	Property name	PML (%)	
Office	OFC-01	Minami-Azabu Shibuya Building	11.6	
	OFC-03	Honmachibashi Tower	5.5	
	OFC-04	Nishi-Shinjuku Matsuya Building	5.5	
	OFC-06	Shibuya MK Building	7.2	
	OFC-08	Asahi Building	6.2	
	OFC-09	Hakata-eki East Place	4.7	
	OFC-10	Nihonbashi Hamacho Park Building	7.4	
	OFC-11	Amusement Media Gakuin Honkan	7.6	
	OFC-12	Higashi Kobe Center Building	8.6	
	OFC-13	Amusement Media Gakuin Shinkan	9.6	
	OFC-14	Seishin BLDG.	5.5	
	OFC-15	NK BLDG.	5.4	
	OFC-16	Tsukasamachi BLDG.	9.4	
	OFC-17	Takadanobaba Access	3.5	
	OFC-18	Azabu Amerex BLDG.	10.2	
	OFC-19	Hiei-Kudan BLDG.	3.6	
	OFC-20	Shin-Yokohama Nara BLDG.	4.4	
	OFC-21	The Portal Akihabara	8.2	
	Retail	RTL-01	La Park Kishiwada	14.8
		RTL-02	Suroy Mall Chikushino	2.2
		RTL-03	Seiyu Minakuchi	4.2
Residence	RSC-01	Urban Park Azabujuban	7.5	
	RSC-02	Urban Park Daikanyama	8.1	
	RSC-05	Urban Park Namba	8.1	
	RSC-06	Urban Park Gokokuji	5.1	
	RSC-07	Urban Park Kashiwa	4.9	
	RSC-08	Urban Park Ryokuchi Koen	6.4	
	RSC-09	Urban Park Koenji	10.4	
	RSC-10	Urban Park Ichigao	9.8	
	RSC-11	Urban Park Gyotoku	5.1	
	RSC-12	Shiroi Logiman	3.5	
	RSC-13	Urban Park Sekime	11.5	
	RSC-14	Urban Park Imazato	12.0	
	RSC-15	Urban Park Yoyogi	7.7	
	RSC-16	Urban Park Tokiwadai Koen	9.6	
	Logistics	LGC-01	Iwatsuki Logistics	3.9

	LGC-02	Yokohama Logistics	13.0
	LGC-03	Funabashi Logistics	5.7
	LGC-04	Baraki Logistics	3.8
	LGC-05	Tokorozawa Logistics	9.5
	LGC-06	Funabashi Nishiura Logistics I	4.8
	LGC-07	Funabashi Nishiura Logistics II	2.9
	LGC-08	Matsubushi Logistics	2.2
	LGC-09	Funabashi Hi-Tech Park Factory I	5.7
	LGC-10	Funabashi Hi-Tech Park Factory II	5.6
Hotel	HTL-01	R&B Hotel Umeda East	9.0
	HTL-02	Smile Hotel Namba	9.2
	HTL-03	BEST WESTERN Tokyo Nishikasai	9.0
	HTL-04	BEST WESTERN Yokohama	11.1
	HTL-05	Hotel WBF Fukuoka Tenjin Minami	5.0
	HTL-06	GLANSIT AKIHABARA	3.7
	HTL-07	BEST WESTERN Tokyo Nishikasai Grande	6.1
	HTL-08	Hotel WBF Art Stay Namba	6.7
Entire portfolio (53 properties) (Note)			3.3

(Note) The figure in the entire portfolio column is the PML for the entire portfolio of the Existing Assets and Asset to be Acquired (except for Asset to be Transferred) based on “portfolio earthquake risk evaluation report” prepared by TOKIO MARINE & NICHIDO RISK CONSULTING CO., LTD. dated September 2020.

(Note) Descriptions on this page exclude Alphabet Seven (60% share in quasi co-ownership) scheduled for sale on December 1, 2020.



Reference Material 3 Location maps / photos of exterior of Asset to be Acquired

Urban Park Tokiwadai Koen

<Exterior>



<Map>



Reference Material 4 The terms used in the table of Description of Asset to be Acquired and Asset to be Transferred

a. Explanation on “Property no.” and “Type”

Property Number column and Type column: Each of Asset to be Acquired and Asset to be Transferred by SAR is categorized by use of OFC (office), RTL (commercial / retail), RSC (residence), LGC (logistics), or HTL (hotel). Then, for each category, serial numbers are given to the assets in the category. In case of a property which could straddle two or more categories, it shall fall under the category from which the property generates the largest sum of assumed rent income.

b. Explanation on “Overview of specified asset”

(a) “Trust expiration date” column: Herein is shown the planned date of trust expiration as of the planned acquisition date. As for Asset to be Transferred, the trust expiration date which is stipulated in the existing contract as of today is shown.

(b) “Planned Acquisition price” column: Herein is shown the planned acquisition price of the Asset to be Acquired as described in the purchase agreement of the Asset to be Acquired (excluding consumption taxes, local consumption taxes, and expenses necessary for the acquisition), after rounded to the nearest million yen.

“Planned Transfer price” column: Here in shown the planned transfer price of Asset to be Transferred as described in the purchase agreement of the Asset to be Transferred (excluding consumption taxes, local consumption taxes and expenses necessary for the transfer), after rounded to the nearest million yen.

(c) “Planned Acquisition Date” column: Herein is shown the planned MMDDYY of acquisition by SAR.

“Planned Transfer Date” column: Herein is shown the planned MMDDYY of transfer by SAR.

(d) “Location” column: Herein is shown the certified address in registry. “Indication of residential address” column: Herein is shown the postal address. If postal address is not available, registered address of the property (if there are two or more of them, one is selected) is shown.

(e) “Land” column:

( i ) “Type of ownership” column: Herein is shown the type of right(s) held by respective trustee of the Asset to be Acquired or of the Asset to be Transferred.

( ii ) “Site area” column: Herein is shown the land area as recorded in registry, unless otherwise noted. For this reason, it possibly might not be equal to the actual.

( iii ) “Use district” column: Herein is shown the type of use in accordance with Article 8, Paragraph 1 and Item 1 of the Urban Planning Act (Act No.100 of 1968; including its amendments) (“Urban Planning Act”).

( iv ) “Building coverage ratio” column and “Floor area ratio” column: Herein is shown the pertinent figure in each column in accordance with the relevant laws and regulations (the Building Standards Act, the Urban Planning Act, etc.)

(f) “Building” column:

( i ) “Type of ownership” column. Herein is shown the type of right(s) or the type of planned right(s) held by respective trustee of the Asset to be Acquired or the Asset to be Transferred

( ii ) “Total floor area” column: Herein is shown the sum total of floor areas as recorded in registry, unless otherwise noted. For this reason, it possibly might not be equal to the actual figure.

( iii ) “Use” column: Herein is shown the registered use or, if multiple uses are registered the

representative use from what are recorded in registry, it possibly might not be equal to the actual representative use.

(iv) "Construction completion" column: Herein is shown MMDDYY of the representative building first built as recorded in registry.

(v) "Structure and floors" column: Herein is shown the structure of the representative building, etc. as recorded in registry. It possibly might not be equal to the actual structure. As for the building with compartmentalized ownership, the structure and the number of floors for the entire building are shown.

(g) "Property management company" column: Herein is shown the name of property management company ("PM Company"), to which property management operation is (planned to be) entrusted as of today.

(h) "Master lease company" column: Herein is shown the name of the master lease company, to which master lease operation is (planned to be) entrusted, as of today.

c. Explanation on "Status of leasing"

(a) "Total leasable area" column: Herein is shown the sum total of leasable floor areas of building of the Asset to be Acquired or of the Asset to be Transferred (in case common space is also leased, area of that space is included in the total). The figure does not include from area of the land lots leasable for parking and other purposes. Leasable area is counted not from registry data but drawings of the buildings, so it possibly might not be equal to the total floor area as recorded in registry.

Please note that the source data for the column represent what were provided by the current owner(s) of the Asset to be Acquired as of August 31, 2020.

(b) "Total leased area" column: Herein is shown the sum total of the floor areas to be leased as described in lease agreement for each of the Asset to be Acquired or Asset to be Transferred as of August 31, 2020 out of the leasable area. The figure does not include the area of the land lots to be leased for parking and other purposes. Please note that the source data for the column represent what were provided by the current owner(s) of the Asset to be Acquired as of August 31, 2020.

(c) "Occupancy rate" column: Herein is shown the percentage of total leased floor area over the total leasable floor area of the Asset to be Acquired or of the Asset to be Transferred, after rounded to the first decimal place. Please note that the source data for the column represent what were provided by the current owner(s) of the Asset to be Acquired as of August 31, 2020.

(d) "Total number of tenants" column: Herein is shown the total number of tenants as confirmed with the lease agreements effective as of August 31, 2020 of the Asset to be Acquired or the Asset to be Transferred. In case a specific tenant uses two or more rooms in one of the Asset to be Acquired or the Asset to be Transferred, such tenant is counted only once for the asset. Also, in case a specific tenant signs lease agreements for rooms in two or more assets, the tenant shall be counted for each of the assets separately. In case a pass-through type of master lease agreement (a lease agreement in which the master lessee receives rent from end tenants and pay the same amount to the lessor) is executed for any of the Asset to be Acquired or the Asset to be Transferred, total number of the actual (end) tenants under the master lease agreement for the asset is shown herein.

(e) "Monthly rent (including common area maintenance fee)" column: Herein is shown the total of

rent amounts as described in lease agreements with respective tenants as of August 31, 2020 (confined to room rents; excluding the charges for warehouses, sign boards and parking lots; but including the common service expenses; and free rent cases as of the same date are not considered), after rounded to the nearest thousand yen.

- (f) “Security and guarantee deposits” column: Herein is shown the sum total of refundable deposits as required in lease agreements effective as of August 31, 2020 (only for the tenants who actually were in respective rooms at the time) of the Asset to be Acquired or of the Asset to be Transferred. In case master lease agreement is executed for any of the Asset to be Acquired or Asset to be Transferred, sum total of refundable deposits as described in the individual lease agreements with respective (end) tenants is calculated to be shown in the column.
- d. Explanation on “Special notations”
- Special notation column: Herein is shown a description not only on the items considered material in relation to the involved rights and assumed uses but also on the appraisal value of, profitability of, and the other items considered material in relation to the disposability of the Asset to be Acquired or of the Asset to be Transferred.
- e. Explanation on “Summary of real estate appraisal report”
- (a) “Summary of real estate appraisal report” column: Herein is shown a summary of respective appraisal report, which was prepared either by Japan Real Estate Institute and The Tanizawa Sogo Appraisal Co., Ltd. for the Asset to be Acquired or the Asset to be Transferred.
- (b) “Appraisal value” column: Herein is shown only the opinions on the value of respective property as of the date of appraisal, expressed by the appraiser who did the appraisal of the property, in accordance with the Act on Real Estate Appraisal (Act No.152 of 1963; including its amendments) and commonly accepted appraisal standards for real estate properties, etc.
- (c) In case appraisal is once again undertaken for the same property, its result could be different from the previous result because appraiser and/or appraisal method and/or appraisal timing is different. Also, it is requested to note that any appraisal result for any property is not what guarantees or promises the actual tradability of the property at the appraised value whether for right now or for any moment in the future.
- (d) None of Japan Real Estate Institute and The Tanizawa Sogo Appraisal Co., Ltd. who conducted appraisal is an interested party of neither SAR nor the Asset Manager.
- f. Explanation of the Section entitled “Property Description and Acquisition Highlight based on the investigation by the Asset Manager”

The Asset Manager has described, by making reference to real estate appraisal reports and market reports etc. and by taking into account the results of individual investigations made on its own, the basic attributes and characteristics of the relevant properties, and has also described the background leading to acquisition of the relevant properties (i.e. for those properties acquired from sponsor groups, the name of the sponsor group, and with respect to properties acquired based on sale information obtained by the Asset Manager individually and on its own, the background to such acquisition). The “<Sponsor Fund>” means it has been acquired from a sponsor group, “<Outside Acquisition>” means it has been obtained from a third party, “<Bilateral Negotiated Transaction>” means it has been acquired based on bilateral negotiations from a third party, and “<Warehousing>” means that it has been obtained by using the warehousing function of a sponsor group.

- g. Explanation regarding the Section “Demographic Analysis etc., Market Analysis, and the Asset Manager’s Individual Analysis”

The Asset Manager has described its own individual market analysis made based on information from various real estate information specialized firms and disclosed materials.

- h. Explanation regarding the Section “Comprehensive Evaluation by SAR”

SAR’s own individual assessments are stated taking into account paragraphs f. and g. above.