

November 30, 2020

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 Concerning the Acquisition and Transfer of
Trust Beneficiary Interests to Consummate the Seventh 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 Mitsui 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 "Funabashi Nishiura Logistics 1" (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").

The Asset Replacement was designed by the Asset Manager together with the 6th asset replacement announced on October 5, 2020, and SAR believes that the consecutive 6th and 7th asset replacements will contribute to enhancement of the portfolio. Disposition of suburban type commercial retail facilities which will continue to be a post-merger strategy for SAR, along with the continued acquisition of defensive assets like family type residences in the Tokyo area, will improve the stability and quality of the portfolio

As always, SAR will continue to actively manage its assets to maximize the value of unitholders' interests, by enhancing the portfolio through the execution of deliberate and effective asset replacements.

1. Reason for the Asset Replacement

It has been expected that the tenant of the Asset to be transferred was planning to vacate the property at the end of January 2021. While the Asset Manager was able to find a replacement tenant, we believe that income could be reduced due to lower rental income during the year ending July 2021. Furthermore, cost increases for the renovation of this older asset (increase of life cycle costs) are also expected going forward, and so there is the possibility that profitability would also decrease in the mid- to long-term. Taking these circumstances into consideration, the Asset Manager continued to actively find a new tenant for the asset, while at the same time initiated tactical disposition activities. After finding a reputable counterparty to buy the property at an attractive price, the decision was made to sell the property.

Concurrently, the Asset Manager decided to Acquisition of the Asset to be acquired an asset that is a family type residence located in the Tokyo area (see Note). Recent occupancy rates have been maintained at a high level of 98% or more, and the appraised NOI yield of 5.5% exceeds that of the Asset to be Transferred. Therefore, it is believed that the property will create further stability of the portfolio while reducing risk and improving the quality of the portfolio income. The Acquisition is to be made by utilizing preferential negotiation rights held by SAR.

SAR is of the view that the Asset Replacement will strengthen the portfolio and contribute to the

maximization of unitholders' interests.

The following points were positively assessed with respect to the Asset to be Acquired, "Urban Park Mitsuike Koen".

<Urban Park Mitsuike Koen>

1. Urban Park Mitsuike Koen is nearest to "Tsurumi" station which is located in a popular area with good access to major business districts for commuting to work and school. The building sits on an elevated space with an excellent view and is near the well-known "Mitsuike Koen" park providing for a desirable environment with rich greenery.
2. All housing units have layouts of either 2LDK or 3LDK (66.00 m²). In 2016, a full renovation was completed which replaced all housing equipment in the common areas as well as inside the units. The renovated property appeals well to families.
3. The property has maintained high occupancy even during COVID-19, and it has been confirmed that it is a defensive asset with stable income and is well positioned in the market.

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

(1) Overview of Asset to be Acquired

RSC-17 Urban Park Mitsuike Koen

Asset to be acquired	Beneficiary interest in trust whose main asset is domestic real estate
Property name	Urban Park Mitsuike Koen
Location	6-10-5 Shimosueyoshi, Tsurumi-ku, Yokohama-shi, Kanagawa
Asset type	Residence
Date of execution of purchase agreement	November 30, 2020
Planned acquisition date	January 8, 2021
Seller	Godo Kaisya SAPR8
Planned acquisition price (Note)	3,160 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

LGC-06 Funabashi Nishiura Logistics 1

Asset to be Transferred	Beneficiary interest in trust whose main asset is domestic real estate
Property name	Funabashi Nishiura Logistics 1
Location (Indication of residential address)	2-15-11 Nishiura, Funabashi-shi, Chiba
Asset type	Logistics
Date of execution of sales agreement	November 30, 2020
Planned transfer date	December 23, 2020
Planned transferee	Not disclosed (Note 1)
Planned sales price (Note 2)	3,030 million yen
Book value (Note 3)	2,967 million yen
Difference between the	63 million yen

expected sales price and book value (Note 4)	
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 is a reference figure calculated as the difference between the expected sales price and book value, which is different from the gain or loss on sale.

3. Details of Asset to be Acquired

RSC-17 Urban Park Mitsui Koen

Property No.	RSC-17	Property name	Urban Park Mitsuike Koen		Type	Residence
Overview of specified asset						
Type of specified asset		Beneficiary interest in trust		Trustee	Mizuho Trust & Banking Co., Ltd.	
Planned acquisition price		3,160 million yen		Planned acquisition date	January 8, 2021	
Appraised value		3,330 million yen		Seller	Godo Kaisya SAPR8	
Location		6-388 Shimosueyoshi, Tsurumi-ku, Yokohama-shi, Kanagawa other				
Indication of residential address		6-10-5 Shimosueyoshi, Tsurumi-ku, Yokohama-shi, Kanagawa				
Nearest station		Approx. 11-minute walk from “Tsurumi” Station on JR Keihin - Tohoku Line and JR Negishi Line				
Land	Type of ownership	Proprietary ownership				
	Site area	10,216.95 ㎡	Use district		Category 2 medium-to-high-rise exclusive residential district	
	Building coverage ratio	60%	Floor area ratio		150%	
Building	Type of ownership	Proprietary ownership				
	Total floor area	10,918.37 ㎡	Use		Residence	
	Construction completion	March 24, 1992	Structure and floors		Reinforced concrete (RC) structure, 6 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		January 31, 2031				
Status of leasing (as of end of October 2020)						
Total leasable are		10,362.00 ㎡	Monthly rent (including common area maintenance fee)		18,730,000 yen	
Total leased area		10,164.00 ㎡	Security and guarantee		24,912,000 yen	

		deposits			
Total number of tenants	138				
Occupancy rate					
	June 2020	July 2020	August 2020	September 2020	October 2020
	98.7%	99.4%	99.4%	99.4%	98.1%
Special notation					
Not applicable.					

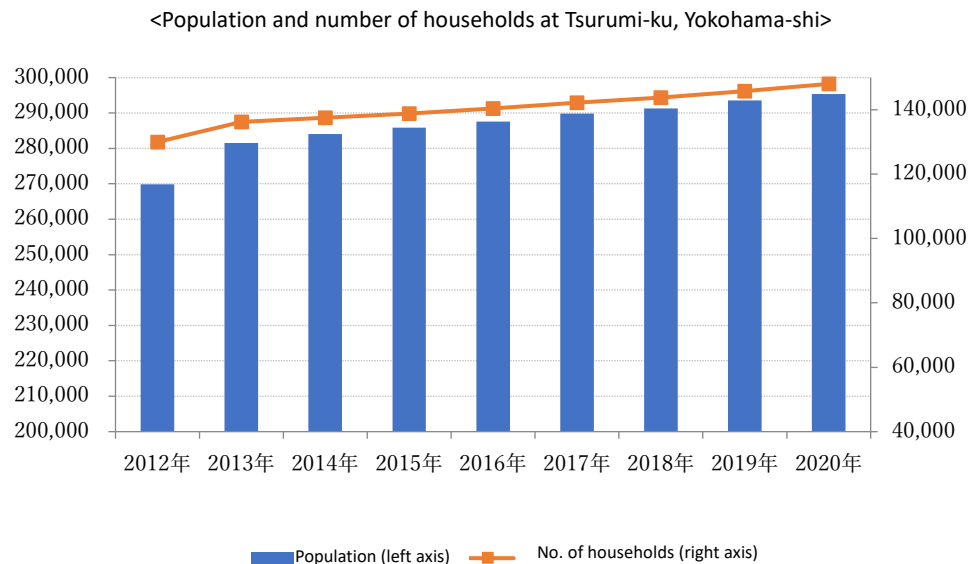
(Note) According to the register, there are 5 existing buildings (including the attached building), and “total floor area” states the total floor area of the 4 buildings, and the “structure/ floors” states details of the main building.

Property description and acquisition highlight based on the Survey by the Asset Manager	
(1)	<p>Property description</p> <p>Urban Park Mitsuike Koen is a family-type residence located at an approximate 11-minute walk after getting off at “Mitsuike-michi” bus station which is an approximate 7-minute bus ride from “Tsurumi” station on the JR Keihin Tohoku Line and Negishi Line. The Tsurumi area where the property is located is popular because Tsurumi station is directly accessible by train to major business areas such as Kawasaki, Yokohama, and Shinagawa, and is within school and work commuting distance from the central Tokyo metropolitan area. The property has good views as it is situated on top of a hill, and nearby there is the “Mitsuike Koen” park which has been chosen as one of “Japan’s Top 100 Cherry Blossom Spots” and provides a livable environment with rich greenery. From a specification perspective, the floorplans of all housing units are either 2LDK or 3LDK, and the property is equipped with an indoor kids’ room, and SAR believes that the it is a residence particularly appealing to families with small children. The property was fully renovated in 2016, and housing equipment in both the common-use areas and exclusive areas have been fully replaced. and SAR has determined that the property will be competitive in the market.</p>
(2)	<p>Acquisition highlight</p> <p>The property is expected to be acquired by utilizing the preferential negotiation rights held by SAR.</p>

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

(1) Demographic analysis etc.

The population and the number of households in Tsurumi-ku, Yokohama-shi is increasing, and the Asset Manager believes that it is an area where the population and the number of households will continue to grow stably going forward.



(Note) For the years 2012 and 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.

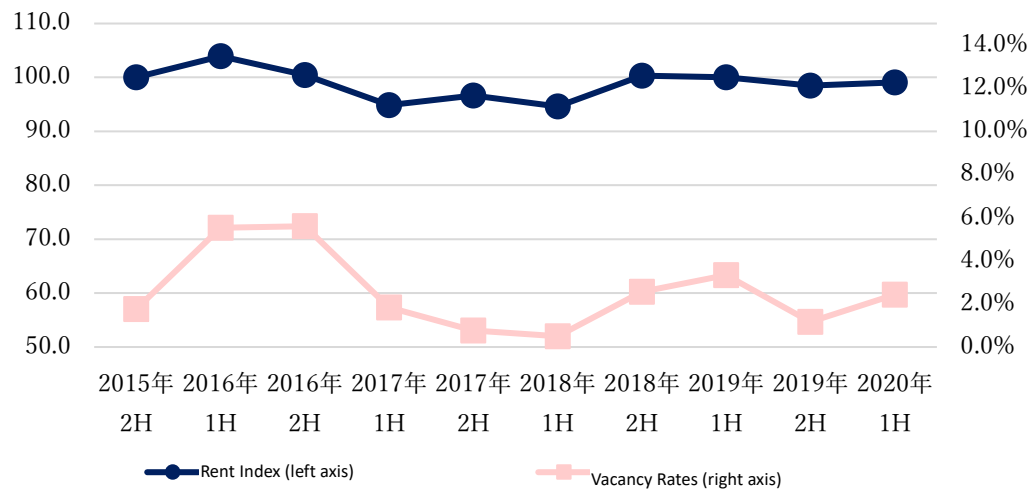
Source: Prepared by the Asset Manager based on the “Survey on Population, Demography and Number of Households based on the Basic Resident Registration Cards” published by the Ministry of Internal Affairs and Communications Statistics Bureau.

(2) Market analysis

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

Regarding vacancy rates, as shown in the transition of vacancy rates in the graph below, it increased towards the first half of 2016; however, since then beginning from the first half of 2017, rent levels have stabilized at low levels of around 3.0%. Given the historical trend in the surrounding area, the Asset Manager believes that vacancy rates will continue to be flat going forward.

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



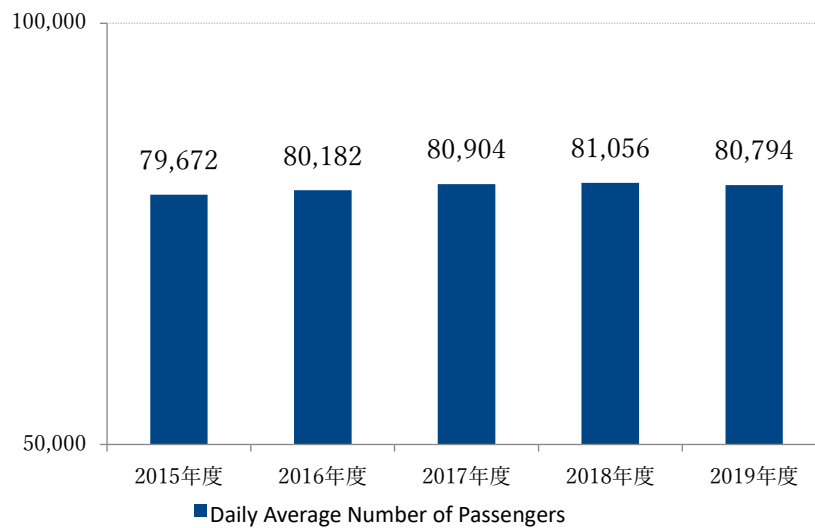
(Note) 1H means 1st half of the year (January to June), and 2H means latter half of the year (July to December)

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 JR "Tsurumi" station has remained flat since fiscal year 2015, and the Asset Manager believes that this trend will continue going forward.

<Daily Average of Number of Passengers using Tsurumi 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 growth in income can be anticipated in the future through increase in rents etc.	
(1)	The Tsurumi area where the property is located is popular because Tsurumi station is directly accessible by train to major business areas such as Kawasaki, Yokohama, and Shinagawa, and is within school and work commuting distance from the central Tokyo metropolitan area. Also, the floorplans of all housing units are either 2LDK or 3LDK, and the property is equipped with an indoor kids' room, and SAR believes that it is a residence particularly appealing to families with small children. Furthermore, the property was fully renovated in 2016, and housing equipment in both the common-use areas and exclusive areas have been fully replaced, and SAR has determined that the property will be competitive in the market.
(2)	The rental housing market in Yokohama city has been stable, and vacancy rates are transitioning at low levels. Also, the population and the number of households in Tsurumi-ku, Yokohama-shi is increasing, and the Asset Manager believes that it is an area where the population and the number of households will continue to grow stably going forward.

4. Details of Asset to be Transferred

LGC-06 Funabashi Nishiura Logistics 1

Property No.	LGC-06	Property name	Funabashi Nishiura Logistics 1		Type	Logistics
Overview of specified asset						
Type of specified asset		Beneficiary interest in trust		Trustee	Sumitomo Mitsui Trust Bank, Limited	
Planned sales price		3,030 million yen		Planned transfer date	December 23, 2020	
Location		2-6-4 Nishiura, Funabashi-shi, Chiba				
Indication of residential address		2-15-11 Nishiura, Funabashi-shi, Chiba				
Nearest station		Approx. 4.8 km from “Chidori-cho” IC on Metropolitan Expressway Bay Shore Route				
Land	Type of ownership	Proprietary ownership				
	Site area	7,142.00 ㎡		Use district	Exclusive industrial zone	
	Building coverage ratio	60%		Floor area ratio	200%	
Building	Type of ownership	Proprietary ownership				
	Total floor area (note 1)	14,018.82㎡ (Total) Office: 188.22㎡ Warehouse: 13,830.60㎡ (includes the pump room)		Use	Office / Logistics	
	Construction completion	October 11, 1985		Structure and floors	Office: light weight steel structure with galvanized steel sheet roof, 2 stories. Warehouse: Steel structure with galvanized steel sheet roof, 4 stories.	
Property management company		CBRE K.K.		Master lease company	SAR	

Type of master lease	Pass-through	Security	Unsecured		
Trust expiration date	January 31, 2026				
Status of leasing (as of end of October 2020)					
Total leasable area	14,018.82 m ²	Total number of tenants	1		
Total leased area	non – disclosure (note 2)	Monthly rent (including common area maintenance fee)	non - disclosure (note 2)		
Security and guarantee deposits	non - disclosure (note 2)	CBRE K.K.			
Occupancy rate					
	June 2020	July 2020	August 2020	September 2020	October 2020
	100.0%	100.0%	100.0%	100.0%	100.0%
Special notation					
(Note 1) Under the register, the warehouse and pump room is registered as an annexed building of the office.					
(Note 2) Not disclosed, as consent has not been obtained from the end tenant.					

5. Summary of Appraisal Report
Urban Park Mitsuike Koen

(Unit : Yen)

Summary of Real Estate Appraisal Report		
Property name	Urban Park Mitsuike Koen	
Appraisal value	3,330,000,000	
Appraisal firm	The Tanizawa Sogo Appraisal Co., Ltd.	
Date of value	October 31, 2020	
Item	Details	Description, etc.
Indicated value by income approach	3,330,000,000	The preliminary calculation has been made based on the income price using the DCF method, and verified using the direct capitalization method.
Indicated value of direct capitalization approach	3,360,000,000	Appraised by reduction of mid- to long-term stable net income using the capitalization rate. The mid- to long-term stable net income was assessed by reduction using
(1) Operating revenue ((a)-(b))	242,722,644	
(a) Gross potential income	266,530,112	Appraised based on fair rent levels recognized as being stable in the mid- to long-term.
(b) Vacancy loss, etc.	23,807,468	Appraised based on the occupancy status and trends in the demand of similar real estate properties, and the status of occupancy of the subject real estate property etc.
(2) Operating expenses	68,448,432	
Maintenance and management Fee	15,543,000	Booked based on the MLPM agreement and actual results of income and expenditures.
Utilities expenses	2,486,880	Appraised based on actual results of income and expenditures.
Repair expenses	12,089,010	In addition to costs for restoration to the original state, booked taking into account the ER and levels of similar real estate properties.
Property management fee	4,675,398	Booked based on MLPM agreements.
Tenant leasing cost, etc.	10,743,321	Booked based on administration fees etc. for the finding new tenants and lease renewal of tenants.
Property taxes	17,535,400	Booked based on taxes and public dues related materials.
Insurance premium	520,970	Booked insurance premiums based on insurance contracts.
Other expenses	4,854,453	Booked based on actual results of income and expenditures.
(3) Net operating income (NOI=(1)-(2))	174,274,212	
(4) Financial interests on deposits	170,103	Investment yield appraised at 1.0%.
(5) Capital expenditures	13,095,000	Appraised taking into consideration the ER and the levels at similar real estate properties.
(6) Net cash flow (NCF=(3)+(4)-(5))	161,349,315	
(7) Capitalization rate	4.8%	Appraised by comparing and considering the transaction yield of similar real estate properties.
Indicated value of DCF method	3,310,000,000	
Discount Rate	4.9 %	Appraised by calculating the base yield of apartment housing based on the yield of financial products, and taking into account individual risks.
Terminal capitalization rate	5.0 %	Appraised based on the capitalization rate and by making adjustments for future unforeseeable uncertainties.
Indicated value by cost approach	2,930,000,000	Preliminary calculation conducted by adjusting the replacement cost for value

		reduction aspects.
Ratio of land	72.7 %	
Ratio of building	27.3%	
Matters considered in reconciliation of indicated values and determination of appraisal values		Determined based on the income approach value, and verified using the integrated price.

Funabashi Nishiura Logistics 1

(Unit : Yen)

Summary of Real Estate Appraisal Report		
Property name	Funabashi Nishiura Logistics 1	
Appraisal value	3,020,000,000	
Appraisal firm	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Date of value	July 31, 2020	
Item	Details	Description, etc.
Indicated value by income approach	3,020,000,000	Preliminary calculation made mainly based on price under the DCF method, and verified using price under the direct capitalization method.
Indicated value of direct capitalization approach	3,040,0000	
(1) Operating revenue ((a)-(b))	167,931,324	
(a) Gross potential income	167,931,324	
(b) Vacancy loss, etc.	0	
(2) Operating expenses	14,538,877	
Maintenance and management Fee	0	Not booked, as cost is borne by tenant.
Utilities expenses	0	Not booked, as cost is borne by tenant.
Repair expenses	2,065,000	The repair expense stated in the ER has been booked as it has been determined to be adequate.
Property management fee	2,400,000	Booked based on the determination that the current contract amount is adequate, by referring to the PM fee levels of similar real estate properties,
Tenant leasing cost, etc.	0	Not booked, as it is assumed that tenant will stay for a long period.
Property taxes	9,608,200	Evaluated taking into reference actual past amounts.
Insurance premium	265,677	Actual past amount paid has been booked, as it has been determined to be adequate.
Other expenses	200,000	
(3) Net operating income (NOI=(1)-(2))	153,392,447	
(4) Financial interests on deposits	0	No guarantee money deposited.
(5) Capital expenditures	13,510,967	The renewal expense stated in the ER has been booked as it has been determined to be adequate.
(6) Net cash flow (NCF=(3)+(4)-(5))	139,881,480	
(7) Capitalization rate	4.6%	Appraised based on the method of deriving the rate using the comparison approach for transactions of similar real estate properties.
Indicated value of DCF method	3,010,000,000	
Discount Rate	4.3%	Appraised by combining the method of deriving the rate using the comparison approach for transactions of similar real estate properties, and the method of deriving the rate by taking the yields of financial assets and adjusting them taking into account the individual characteristics of real estate properties.
Terminal capitalization rate	4.7%	Appraised based on the capitalization rate, and comprehensively taking into account market uncertainties etc.
Indicated value by cost approach	1,670,000,000	Preliminary calculation made by adjusting the replacement cost for value reduction items.

Ratio of land	82.4%	
Ratio of building	17.6%	
Matters considered in reconciliation of indicated values and determination of appraisal values		Determined based on the income approach value, while also referring to the integrated price.

6. Profile of the seller and planned buyer

(1) Seller Profile (Urban Park Mitsui Koen)

Name	Godo Kaisya SAPR8
Location	5-1-4 Toranomon, 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 (Funabashi Nishiura Logistics 1)

The planned buyer is a special purpose company established by a foreign 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. Overview of brokers

(1) Urban Park Mitsui Koen

① Broker Profile

Name	Star Asia Asset Advisors Co., Ltd.
Location	Atago Green Hills MORI Tower, 18 th Floor, 2-5-1 Atago, Minato-ku, Tokyo
Representative	CEO Keiji Watanabe
Main business description	1. Consulting 2. Planning, design, development, structuring, sale and management of computer software, hardware, and network 3. Internet-related services

	4. Buy/Sell, holding, and management of securities, real estate, and monetary claim 5. Information processing related services 6. Telecommunication business 7. Real estate brokerage 8. Type II financial instruments business 9. Investment advisory and agency 10. Lease, management and operation of real estate 11. – through 13. (Omitted) 14. All business incidental to the above
Capital	50 million yen
Established	May 2, 2008
Relationship with SAR or the Asset Manager	
Capital Relationship	There is no capital tie to be noted between SAR / the Asset Manager and the abovementioned company, however the aforementioned company falls under the category of interested party prescribed in the “Rules on Transactions with Interested Parties”, which is the voluntary rules set forth by the Asset Manager for preventing conflict of interests regarding its management of SAR’s assets. Upon determination of retainance as broker, the Asset Manager has performed deliberation and approval in accordance with the voluntary rules.
Personnel Relationship	There is no personnel relationship to report.
Business Relationship	There is no business relationship to report.
Related party or not	The aforementioned company falls under the category of interested person, etc. as provided in the Investment Trusts Act, and falls under the category of interested party prescribed in the “Rules on Transactions with Interested Parties”, which is the voluntary rules set forth by the Asset Manager for preventing conflict of interests regarding its management of SAR’s assets. Upon determination of the retainance as broker, the Asset Manager has performed deliberation and approval in accordance with the voluntary rules.

② Breakdown and value of the brokerage commission

Breakdown of Brokerage Fee	Brokerage fee for transfer of Trust Beneficiary Interest
Amount of Brokerage Fee	3,000,000 million yen (excluding consumption tax and local consumption tax.)

(2) Funabashi Nishiura Logistics 1

Name	Jones Lang LaSalle, Inc.
Location	2-13-10, Nagata-cho, Chiyoda-ku, Tokyo
Representative	Toshinobu Kasai
Main business description	1. Consultant and research of real estate investment 2. Sales, trading, leasing, management of real estate; and agent and brokerage of such 3. Appraisal and consultant of real estate 4. through 24. (Omitted) 25. All business incidental to the above
Capital	195 million yen
Established	April 23, 1985
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 aforementioned company does not fall under the category of related party of SAR/the Asset Manager.

① Breakdown and value of the brokerage commission

Since the consent has not been obtained from the broker, the information is not disclosed as an undisclosed case due to unavoidable reasons.

9. Schedule for the Transactions

(1) Acquisition of Urban Park Mitsui Koen

November 30, 2020	Acquisition decided
	Sign the Trust Beneficial Interest Sale and Purchase Agreement
January 8, 2021	Acquisition of beneficiary interest in trust (planned)
	Payment of acquisition price (planned)
	Conclusion of a property management agreement (planned)

(2) Transfer of Funabashi Nishiura Logistics 1

November 30, 2020	Transfer decided
	Sign the Trust Beneficial Interest Sale and Purchase Agreement
December 23, 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)

10. 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.

11. Impact on SAR'S finance in the case where the forward commitment etc. is not executed

The sale and purchase agreement related to the Asset to be Acquired falls under forward commitments etc. (see Note) by investment companies set forth in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency.

Under the sale and purchase agreement, it is stipulated that if the agreement is terminated due to non-performance by SAR of its obligations set forth in the same agreement, SAR is required to immediately pay penalty of 10% of the total sales proceeds amount.

However, given that the acquisition of the Asset to be Acquired is expected to be settled using SAR's own capital and the sales proceeds from the transfer of the Asset to be Transferred, and also given that it is provided for in the sales and purchase agreement related to the acquisition of the Asset to be Acquired that in the case where SAR fails to procure funds for the purchase of the Asset to be Acquired under terms satisfactory to SAR by the assignment execution date, that SAR may terminate the sale and purchase agreement without having to bear any compensation for damages or any other obligations, it is believed that possibility is low that the sale and purchase agreement related to the Asset to be Acquired will have a material adverse effect on the finance and distributions etc. of SAR.

(Note) "forward commitment etc." refers to sales and purchase agreements with a forward date, whereby settlement and delivery of the property is to be made after 1 month or more after the signing date, and other similar agreements.

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 Summary of portfolio after the Transaction
- Reference Material 2 Portfolio list after the Transaction
- Reference Material 3 Summary of earthquake risk analysis
- Reference Material 4 Location maps / photos of exterior of Asset to be Acquired
- Reference Material 5 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 November 30, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material 1 Summary of portfolio after the Transaction

< Asset type (use) >

Asset type (use)	Number of Property	(Planned) Acquisition Price (million yen)	Investment ratio (%) (Note1)
Office	18	68,059	40.8
Retail	3	15,270	9.2
Residence	15	32,472	19.5
Logistics	9	30,365	18.2
Hotel	8	20,544	12.3
Total	53	166,710	100.0

< Investment Areas >

Area		(Planned) Acquisition Price (million yen)	Investment ratio (%) (Note1)	
Tokyo Area	Five central wards of Tokyo (Note 2)	56,248	33.7	73.0
	Other areas in Greater Tokyo	65,429	39.2	
Other		45,033	27.0	
Total		166,710	100.0	

(Note1) Ratios have been calculated based on the total acquisition price, and stated by rounding to the 2nd decimal place.

Therefore, ratios may not add up to 100%.

(Note2) The five central wards of Tokyo are Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku.

Reference Material 2 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 (Note 1)	(Planned) Acquisition Price (million yen) (Note 2)	Real estate appraisal value (million yen) (Note 3)	Investment ratio (%) (Note 4)
OFC-01	Minami-Azabu Shibuya Building	Minato - ku, Tokyo	2,973	3,070	1.8
OFC-03	Honmachibashi Tower	Osaka - Shi, Osaka	6,065	6,960	3.6
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya - ku, Tokyo	1,763	2,510	1.1
OFC-06	Shibuya MK Building	Shibuya- ku, Tokyo	2,042	3,260	1.2
OFC-08	Asahi Building	Yokohama - Shi, Kanagawa	6,320	7,840	3.8
OFC-09	Hakata-eki East Place	Yokohama - Shi, Kanagawa	2,286	2,630	1.4
OFC-10	Nihonbashi Hamacho Park Building	Chuo - ku, Tokyo	1,450	1,550	0.9
OFC-11	Amusement Media Gakuin Honkan	Shibuya - ku, Tokyo	2,580	2,690	1.5
OFC-12	Higashi Kobe Center Building	Higashinada- ku, Kobe - Shi, Hyogo	7,440	7,530	4.5
OFC-13	Amusement Media Gakuin Shinkan	Shibuya- ku, Tokyo	1,020	1,160	0.6
OFC-14	Seishin BLDG.	Shinjyuku- ku, Tokyo	11,200	11,200	6.7
OFC-15	NK BLDG.	Chiyoda- ku, Tokyo	5,350	5,350	3.2
OFC-16	Tsukasamachi BLDG.	Chiyoda- ku, Tokyo	4,590	4,590	2.8
OFC-17	Takadanobaba Access	Shinjyuku- ku, Tokyo	3,990	3,990	2.4
OFC-18	Azabu Amerex BLDG.	Minato- ku, Tokyo	2,780	2,780	1.7
OFC-19	Hiei-Kudan BLDG.	Chiyoda- ku, Tokyo	2,400	2,400	1.4
OFC-20	Shin-Yokohama Nara BLDG.	Yokohama - Shi, Kanagawa	2,300	2,300	1.4
OFC-21	The Portal Akihabara	Chiyoda- ku, Tokyo	1,510	1,510	0.9
Office Subtotal			68,059	73,320	40.8
RTL-01	La Park Kishiwada	Kishiwada - Shi, Osaka	5,400	5,400	3.2
RTL-02	Suroy Mall Chikushino	Chikushino - Shi, 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- ku, Tokyo	2,045	2,480	1.2
RSC-02	Urban Park Daikanyama	Shibuya- ku, Tokyo	6,315	8,310	3.8
RSC-05	Urban Park Namba	Osaka - Shi, Osaka	1,490	1,650	0.9
RSC-06	Urban Park Gokokuji	Toshima- ku, Tokyo	1,460	1,510	0.9
RSC-07	Urban Park Kashiwa	Kashiwa - Shi, Chiba	1,186	1,190	0.7
RSC-08	Urban Park Ryokuchi Koen	Suita - Shi, Osaka	1,550	1,620	0.9
RSC-09	Urban Park Koenji	Suginami- ku, Tokyo	1,167	1,180	0.7
RSC-10	Urban Park Ichigao	Yokohama - Shi, Kanagawa	1,810	1,850	1.1
RSC-11	Urban Park Gyotoku	Ichikawa - Shi, Chiba	1,430	1,500	0.9
RSC-12	Shiroi Logiman	Shiroi - Shi , Chiba	2,470	2,470	1.5
RSC-13	Urban Park Sekime	Osaka - Shi, Osaka	2,150	2,150	1.3
RSC-14	Urban Park Imazato	Osaka - Shi, Osaka	993	993	0.6
RSC-15	Urban Park Yoyogi	Shibuya- ku, Tokyo	1,740	1,740	1.0

RSC-16	Urban Park Tokiwadai Koen	Yokohama - Shi, Kanagawa	3,506	3,770	2.1
RSC-17	Urban Park Mitsuike Koen	Yokohama - Shi, Kanagawa	3,160	3,330	2.1
Residence Subtotal			32,472	35,743	19.5
LGC-01	Iwatsuki Logistics	Saitama - Shi, Saitama	6,942	7,310	4.2
LGC-02	Yokohama Logistics	Yokohama - Shi, Kanagawa	3,560	4,170	2.1
LGC-03	Funabashi Logistics	Funabashi - Shi, Chiba	7,875	8,650	4.7
LGC-04	Baraki Logistics	Ichikawa - Shi, Chiba	4,700	4,870	2.8
LGC-05	Tokorozawa Logistics	Tokorozawa - Shi, Saitama	1,300	1,350	0.8
LGC-07	Funabashi Nishiura Logistics II	Funabashi - Shi, 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 - Shi, Chiba	1,710	1,710	1.0
LGC-10	Funabashi Hi-Tech Park Factory II	Funabashi - Shi, Chiba	702	702	0.4
Logistics facility Subtotal			30,365	32,472	18.2
HTL-01	R&B Hotel Umeda East	Osaka - Shi, Osaka	2,069	2,270	1.2
HTL-02	Smile Hotel Namba	Osaka - Shi, Osaka	1,750	1,430	1.1
HTL-03	BEST WESTERN Tokyo Nishikasai	Edogawa- ku, Tokyo	3,827	3,660	2.3
HTL-04	BEST WESTERN Yokohama	Yokohama - Shi, Kanagawa	3,248	3,220	1.9
HTL-05	Hotel WBF Fukuoka Tenjin Minami	Fukuoka - Shi, Fukuoka	1,970	1,940	1.2
HTL-06	GLANSIT AKIHABARA	Chiyoda- ku, Tokyo	2,500	2,450	1.5
HTL-07	BEST WESTERN Tokyo Nishikasai Grande	Edogawa- ku, Tokyo	3,180	3,130	1.9
HTL-08	Hotel WBF Art Stay Namba	Osaka - Shi, Osaka	2,000	1,520	1.2
Hotel Subtotal			20,544	19,620	12.3
Total			166,710	176,425	100.0

(Note1) "Location" states the minimum individual administrative division in the region where the assets held by SAR as of today (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 October 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.

Reference Material 3 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.	8.4
	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
	RSC-17	Urban Park Mitsuike Koen	9.7
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-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)			2.6

(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 November 2020.

Reference Material 4 Location maps / photos of exterior of Asset to be Acquired

Urban Park Mitsuike Koen

<Exterior>



<Map>



Reference Material 5 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 October 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 October 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 October 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 October 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 October 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 October 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 October 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 DAIWA REAL ESTATE APPRAISAL CO.,LTD.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.