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For Immediate Release

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

Asset Management Company
Star Asia Investment Management Co., Ltd.
Representative: Atsushi Kato
President and CEO
Contact: Akiko Kanno
Director and CFO
TEL: +81-3-5425-1340

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

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

1. Summary and Background of the Amendment

SAR, as a comprehensive REIT upholding the objective of maximizing unitholders' interest, invests in "offices", "retail facilities", "residences", "logistic facilities", "hotels" and "student residences". Since going public, SAR has continued active management and has acquired properties through 4 public offerings and increased asset size to JPY 179.6 billion (60 properties) through the merger etc. Given the expansion of asset size to date in the process of external growth, the impact which a single asset has on the entire portfolio has decreased, and SAR believes that portfolio's risk tolerance has continued to expand.

Furthermore, of the assets to be acquired which was announced in today's press release entitled "Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and entering into Lease Contracts", although "abeno nini (Retail)" and "abeno nini (Hotel)" both comprise a part of a single large building, their usage differ and are conceived to have differing risk-return characteristics from the perspectives of risks related to business cycles, and leaving of tenants and rent reductions of each property. Also, "abeno nini" is a sectional ownership building and it is possible to sell and purchase each of "abeno nini (Retail)" and "abeno nini (Hotel)" independently, so SAR views the two properties as separate transaction targets.

Taking into account such circumstances, the Management Guidelines which prescribe the basic rules for investment management has been partially amended today, and the definition of middle-sized assets has been revised.

Also, within the Asset Manager's Management Guidelines, SAR has established the Tokyo Area (see Note) as the main target investment area, and prescribed that for the time being the investment ratio in the same area

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should be at least 70% (on acquisition price basis). After the assets to be acquired are acquired, the Tokyo area ratio of the entire portfolio will become 66.7%. Although the investment ratio in the Tokyo Area will be estimated to become lower than 70%, if the 3 suburban retail facilities, “La Park Kishiwada”, “Suroy Mall Chikushino” and “Seiyu Minakuchi”, which have been considered to be sold are excluded, the calculated Tokyo Area ratio is 72.4%. As SAR will continue to uphold the investment policy of maintaining at least 70% (on acquisition price basis) of investments in the Tokyo Area going forward as the main investment target area, there are no changes made to the investment ratios set by area prescribed in the Management Guidelines.

(Note) SAR has classified investment target areas into “Tokyo Area”, “Greater Tokyo Area”, “Osaka Area”, “Nagoya Area”, “Fukuoka Area”, “Sapporo Area” and other ordinance-designated cities, and has designated investment areas within each classification by asset type (usage). With respect to offices and retail facilities, the 23 wards of Tokyo, Kawasaki-shi, and Yokohama-shi which SAR believes have high demand for such properties are defined as “Tokyo Area”, and for residences, logistic facilities, hotels, and student residences, given their feature that demand is expected from areas other than the above, Tokyo, Kanagawa, Saitama, and Chiba prefectures are defined as the “Tokyo Area”.

2. Overview of the Amendment to Management Guidelines

The parts that were changed are underlined.

<Before amendment>

2. Investment Policy

(1) Investment Policy

[2] SAR’s Portfolio Structuring Policy

(A) Strategic investment based on market analysis

b. Investments centered on middle-sized assets

Our Company is of the view that it is reasonable to accumulate middle-sized assets (refers to real estate etc. with acquisition price under JPY 10 billion. The same applies below.) in order to diversify risks. As middle-sized assets have abundant volume of supplies compared to large-sized assets (refers to real estate etc. with acquisition price of JPY 10 billion or more. The same applies below.), it is relatively easier to select high-grade properties from them and incorporate them into the portfolio, or select purchasers upon asset replacement as there are many market participants. Therefore, our Company considers that by concentrating investments to middle-sized assets, it is possible to add flexibility in management going forward.

Furthermore, by accumulating high-grade middle-sized assets while executing diversified investments into various asset-types of properties, the Company will aim to diversify risks related to business cycles and the leaving of tenants and reduction and rents of each property, and minimize the impact on portfolio revenues.

If the acquired asset is a sectional ownership right or co-ownership interest (or a trust beneficial interest with sectional ownership rights or co-ownership interest as entrusted assets), the determination of whether an asset falls under middle-sized asset or large-sized asset will be made based on the value of the entire property, and not on the acquisition price of the part acquired by SAR.

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3. Date of Change of Management Guidelines

August 1, 2022

4. Others

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

<Reference>

Other press releases announced today

- Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units
- Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and entering into Lease Contracts
- Notice Concerning Revision to Forecasts for Operating Results for the 14th Fiscal Period Ending January 31, 2023 and Forecasts for Operating Results and Distribution for the 15th Fiscal Period Ending July 31, 2023
- Notice Concerning Debt Financing (Green Loan)
- Notice Concerning Acquisition of Assessment Certification in CASBEE for Real Estate
- Notice Concerning Change of Names of Property

*SAR HP URL: <http://starasia-reit.com/en/>

This is an English translation of the announcement in Japanese dated August 1, 2022. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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