

March 17, 2017

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
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(Code: 3468)

Asset Management Company
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Supplemental Material on Press Releases Announced as of Today

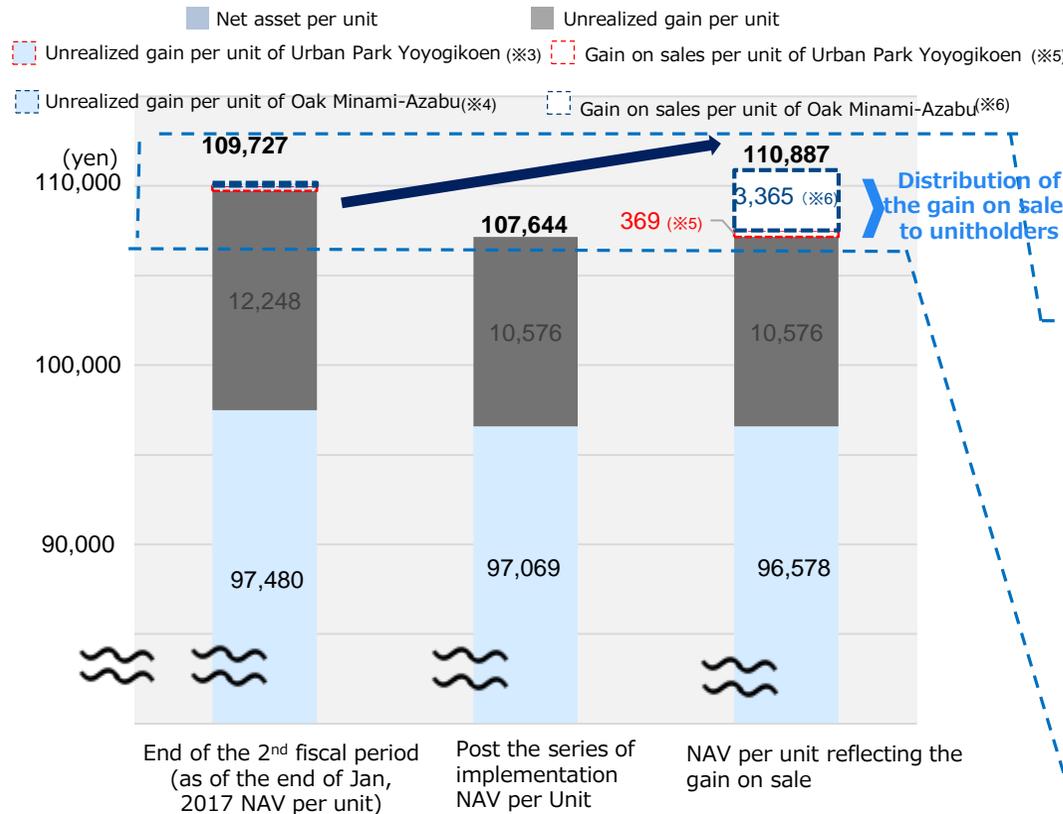
<Other Press Releases Announced as of Today>

- Notice Concerning Acquisition of Real Estate Beneficiary Interest in Trust and Lease Contract with New Tenants
- Notice Concerning Revision to Forecasts for Operating Results for the 3rd Fiscal Period Ending July 31, 2017 and Forecasts for Operating Results and Distribution for the 4th Fiscal Period Ending January 31, 2018

Series of implementation^(※1) Highlight (1)

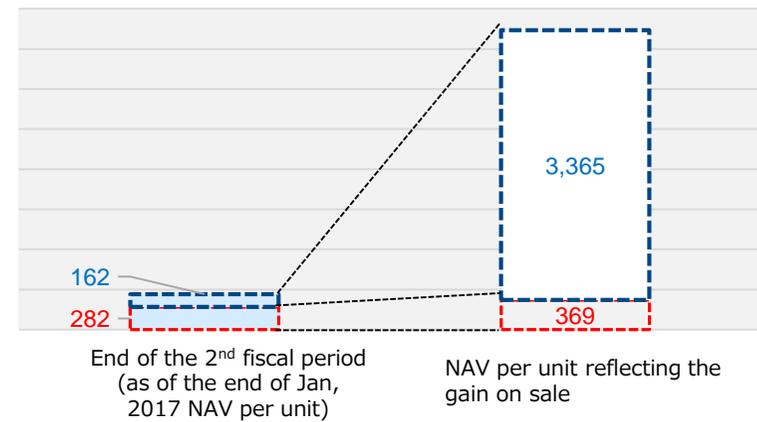
Change in NAV per unit and unitholders' profit

■ Through the series of implementation, SAR realizes the gain on sales more than the unrealized gain on an appraisal value basis (appraisal value – book value). As a result, unitholders' profit per unit taking into account the distribution of the gain on sale^(※2) surpasses the NAV per unit as of the end of Jan, 2017.



■ **Net asset value per unit :**
 As of January 31, 2017: (1) / (Total number investment unit issued as of the end of Jan, 2017 (344,700 units)) – (Dividend per unit (3,112 yen))
 (1)=(Net asset as of January 31, 2017)
 Post the series of implementation: ((1) + (Assumed total payment of 6.6 billion yen (calculated based on 66,200 units of new issuance, 3,400 units maximum of third party allotment and 101,100 yen of the closing price of investment unit as of March 9, 2017))-(Total dividend for the fiscal period ending in January 31, 2017)) / (Anticipated total number of investment unit issued (414,300 units))

■ **Unrealized gain per unit**
 As of January 31, 2017: ((Total appraisal value as of January 31, 2017 (sale price is used for Urban Park Yoyogikoen)) – (Total book value as of January 31, 2017)) / (Total number of investment unit issued as of the end of Jan,2017 (344,700 units))
 Post the series of implementation: ((Total appraisal value excluding Urban Park Yoyogikoen and Oak Minami-Azabu as of January 31, 2017) - (Total book value excluding Urban Park Yoyogikoen and Oak Minami-Azabu as of January 31, 2017)) + ((Total appraisal value of anticipated properties including Urban Park Gokokuji) - (Total (planned) acquisition price of anticipated properties including Urban Park Gokokuji)) / (Anticipated total number of investment unit issued (414,300 units))

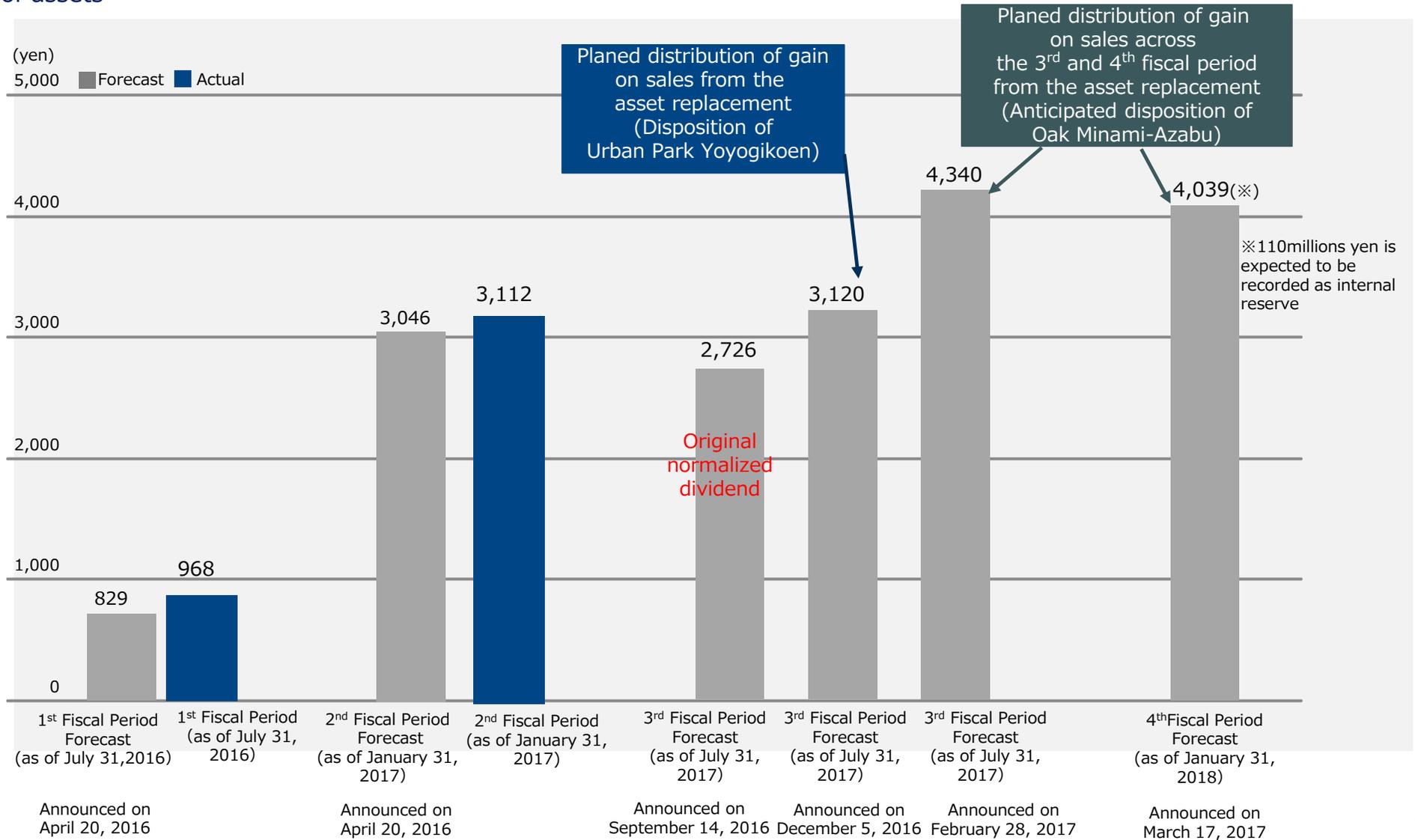


※1: "The series of implementation" refers to the acquisition of anticipated properties and asset replacement by means of transferring Oak Minami-Azabu and acquiring Baraki Logistics
 ※2: Uniholders' profit per unit = Net Asset per unit + Unrealized gain per unit + gain on sales per unit of Urban Park Yoyogikoen + gain on sales per unit of Oak Minami-Azabu
 ※3: Calculated as ((Appraisal value of Urban Park Yoyogikoen as of July 31, 2016) - (Book value of Urban Park Yoyogikoen as of January 31, 2017)) / (Total number of investment unit issued as of the end of Jan, 2017 (344,700units))
 ※4: Calculated as ((Appraisal value of Urban Park Oak Minami-Azabu as of January 31, 2017) - (Book value of Oak Minami-Azabu as of January 31, 2017)) / (Total number of investment unit issued)
 ※5: Calculated as (Gain on sale of Urban park Yoyogikoen) / (Anticipated total number of investment unit issued 414,300 units)
 ※6: Calculated as ((Expected gain on sale of Oak Minami-Azabu) – (anticipated Internal reserve)) / (Anticipated total number of investment unit issued 414,300 units)

Series of implementation Highlight (2)

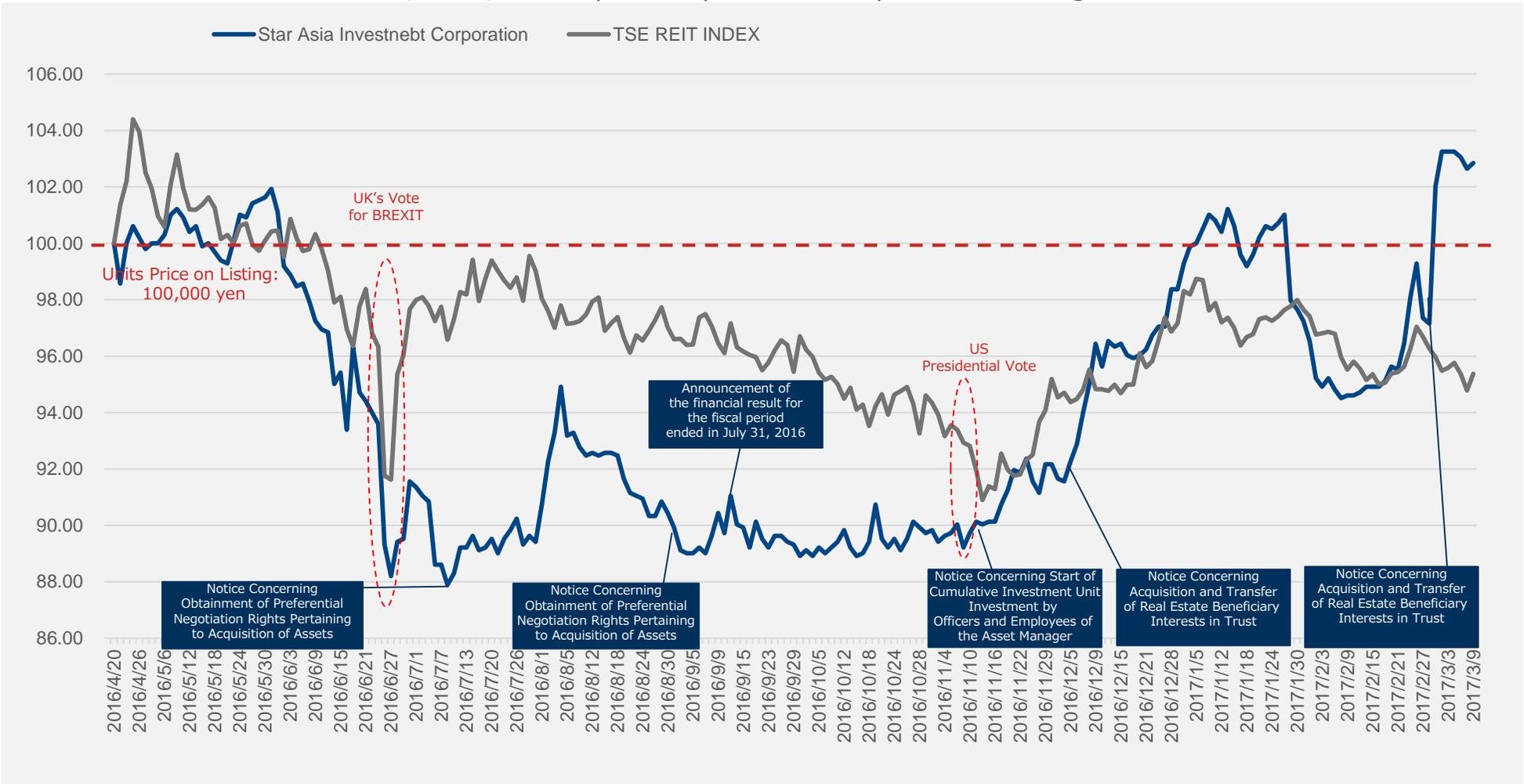
Change in dividend per unit

■ Increase unitholders' interest and actualize the value of assets through realization of unrealized gain by the transfer of assets



Historical track record of unit price

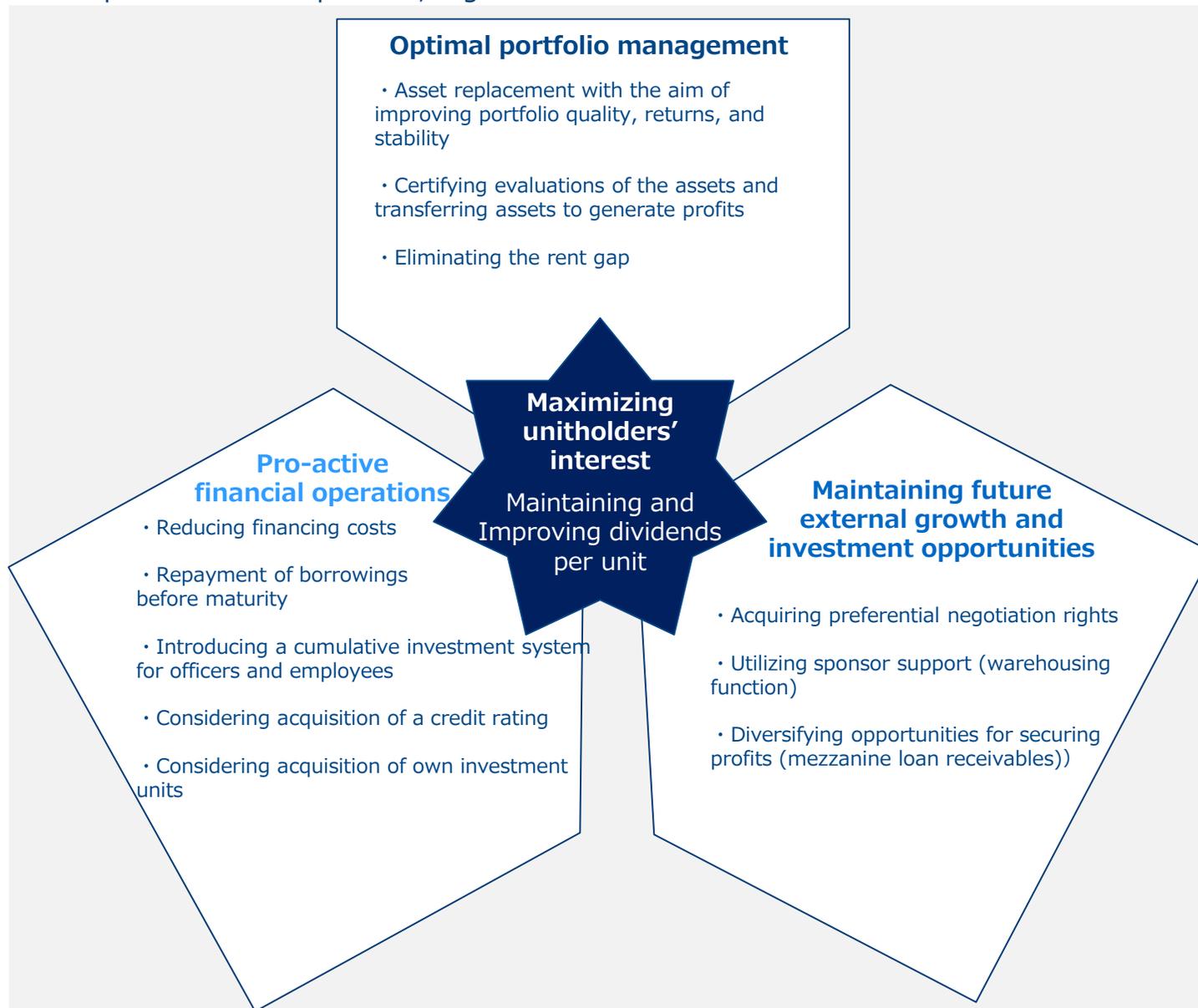
■ Since the listing(April 20, 2016), SAR has been rapidly implementing policies aimed at increasing unitholders' interest, and As of the date of March 9, 2017, its unit price outperforms unit price as its listing.



※:The closing price of the investment units on the Tokyo stock exchange and the TSE REIT Index from April 20, 2016 to March 9, 2017 were both standardized at a closing price of 100 on April 20, 2016 in the above graph for comparison purposes.

Specific measures tailored to the financial environment and real estate market conditions

- Consideration and implementation of various measures allowing us to maintain and improve dividends per unit, regardless of the conventional notion



Major measures implemented or to be implemented

- Asset replacement
- Urban Park Yoyogikoen and Urban Park Gokokuji
 - Oak Minami-Azabu Building and Baraki Logistics (plan to implement in March-August 2017)
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- Introduction of a cumulative investment system for officers and employees
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Major measures being implemented

- Eliminating the rent gap
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Major measures under consideration

- Investing in mezzanine loan receivables
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Disclaimer

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