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Real Estate Investment Trust Securities Issuer

Star Asia Investment Corporation

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(Code: 3468)

Asset Management Company

Star Asia Investment Management Co., Ltd.

Representative: Atsushi Kato, President and CEO

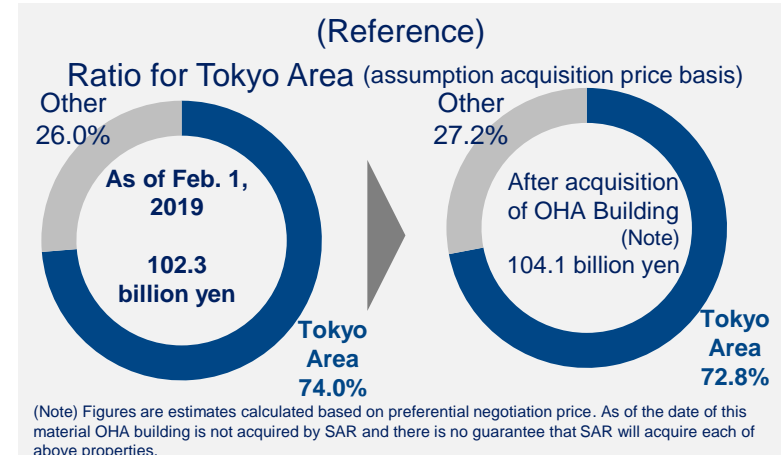
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Supplementary Material Concerning Partial Amendment to the Management Guidelines

Overview of Expansion of Investment Target Area with Amendment of Management Guidelines

Policy since listing of prioritized, focused investment in Tokyo Area will continue



No changes made to definition of “Tokyo Area” or policy of an investment ratio of 70% or more for Tokyo Area

Increased opportunities for external growth that pursues profitability and quality by adding “Expanded Tokyo Area” without changing the definition of Tokyo Area

Overview of expansion of investment area

	Area	Use	Target area
Focused investment 70% or more	Tokyo Area (no change)	Office and retail facility	Tokyo 23 wards, Kawasaki-shi and Yokohama-shi
		Residence, logistics facility, hotel and student accommodation	Tokyo, Kanagawa, Saitama and Chiba
30% or less	NEW Expanded Tokyo Area	Office and retail facility	Suburban Tokyo (outside 23 wards) Major cities in Kanagawa and Saitama (excluding Kawasaki-shi and Yokohama-shi) Areas targeted for focused investment: Tachikawa-shi, Hachioji-shi, Fuchu-shi, Chofu-shi, Machida-shi, Tama-shi, Kokubunji-shi, Musashino-shi, Koganei-shi, Saitama-shi, Omiya-ku and Urawa-ku
	Osaka Area	All assets	Osaka-shi, Osaka
	Nagoya Area	All assets	Nagoya-shi, Aichi
	Fukuoka Area	All assets	Fukuoka-shi, Fukuoka
	Sapporo Area	All assets	Sapporo-shi, Hokkaido
	Other government-designated cities	All assets	Sendai-shi, Miyagi; Niigata-shi, Niigata; Kyoto-shi, Kyoto; Sakai-shi, Osaka; Kobe-shi, Hyogo; Hiroshima-shi, Hiroshima; Kitakyushu-shi, Fukuoka

Significance of expansion of target investment area

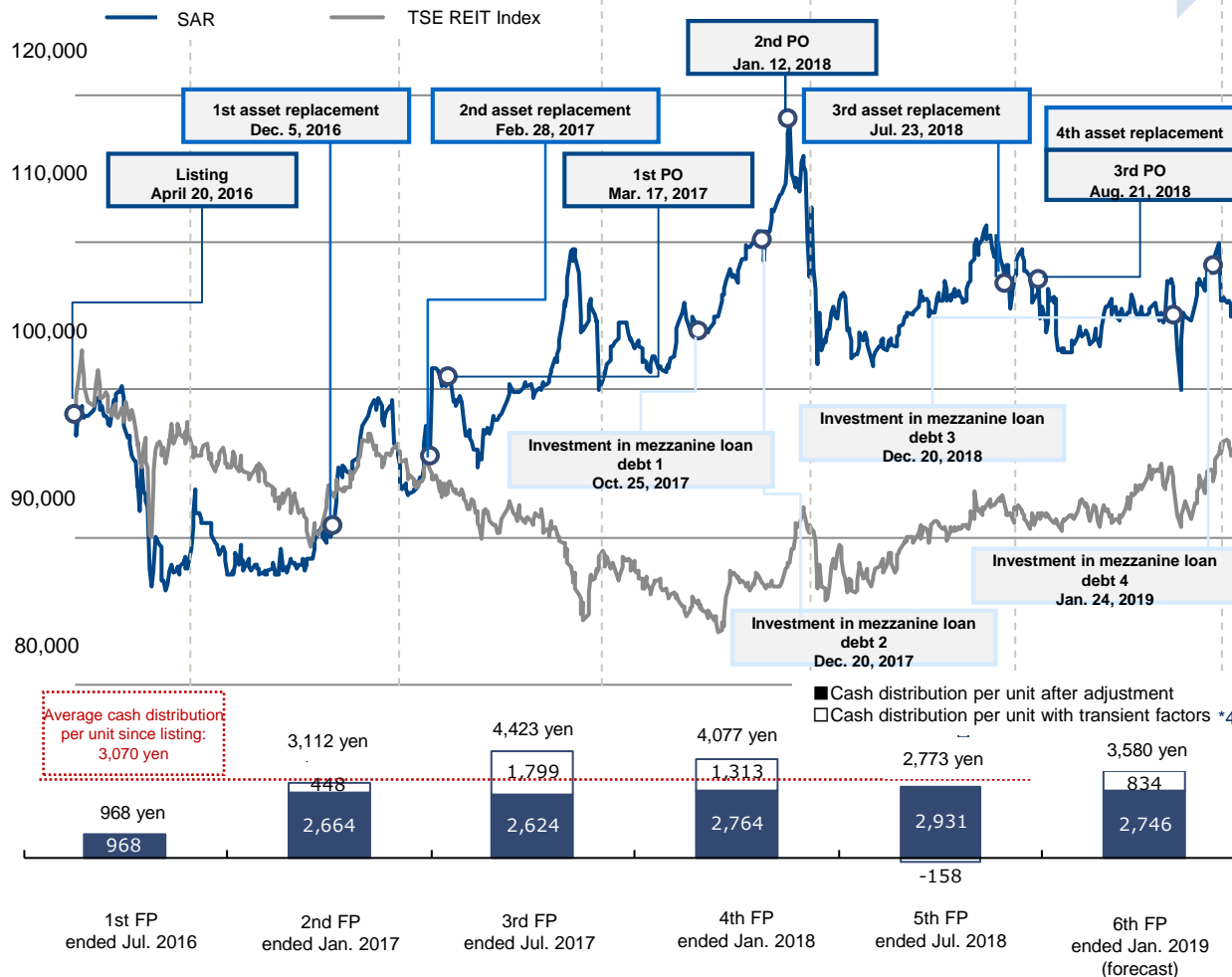
- Further increase of opportunities for external growth**
Increase of opportunities to consider acquisition of prime assets through the addition of target investment area
- Acquisition of higher-quality properties**
Selective investment in areas that are more competitive than other regional cities
- Securing greater profitability**
Securing of acquisition yields exceeding the NOI yield after depreciation of the portfolio



Measures since listing to increase unitholders' value and the positioning of the Silent partnership investment

- Realizing a positive cycle that increases both asset size and unitholders' value through the continued implementation of active management

- Implementation of continuous external growth which pursues profitability and quality through diversification and maximization of opportunities for acquisition
- Enhancement of the portfolio and realization of gain on sale through flexible asset replacement



Silent partnership investment of concern

- Increasing opportunities for external growth while pursuing profitability and quality by maintaining prioritized focused investment in Tokyo Area and expanding the investment area

Expansion of target investment area	Silent partnership investment and preferential negotiation rights
Addition of Expanded Tokyo Area	Underlying real estate OHA Building 1,322 million yen
Maintain ratio of 70% or more for Tokyo Area	Loan 430 million yen
Pursuit of profitability and quality	Silent partnership investment (sponsor) 430 million yen
	Real estate trust beneficiary right, etc. 1,665 million yen
	Silent partnership investment (SAR) 100 million yen

Investment in mezzanine loan debt

- Increasing cash distributions by effectively utilizing cash on hand and investing at higher yields

Investments Made(*1)	Total investment amount	Average interest Rate(*2)
4 cases	1.16 billion yen	Standard + 5%

Increase of asset size through public offering

- Increasing unitholders' value and stability through growth of the asset size
- Improving liquidity of investment units through increase of market cap

Number of public offerings	Total asset acquisition amount	Total issue price
3	46.9 billion yen	19.9 billion yen

Asset replacement

- Generating gain on sale and pay out cash distributions to unitholders
- Internally reserving and stabilizing future cash distributions

Number of replacements	Return of gain on sale (including plan or expected amount)(*3)	Internal reserves
4	2.53 billion yen	0.11 billion yen

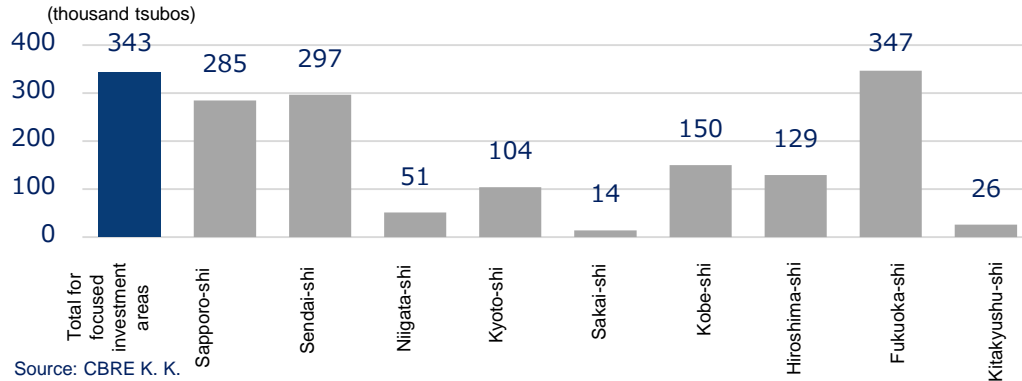
*1: Includes one reimbursed case
 *2: The average of Mezzanine 1-4 etc.) which fluctuates as a result of ① through ⑤
 *3: Gain for sale - Internal reserves

*4: Transient factors refer to the following: ① Gain on sales of real estate properties ② Equivalent of fixed property taxes, etc. that are not expensed due to being included in the acquisition cost of real estate, etc. ③ Of the expenses related to funding, arrangement fees for investment unit issuance expenses and borrowings from syndicates of lenders ④ Expenditures such as asset management fees and taxes and public charges (non-deductible consumption tax, etc.)

Ample office stock

■ In total, the focused investment areas of the Expanded Tokyo Area have an office stock comparable to Fukuoka City

Comparison of stock size of focused investment areas and major cities

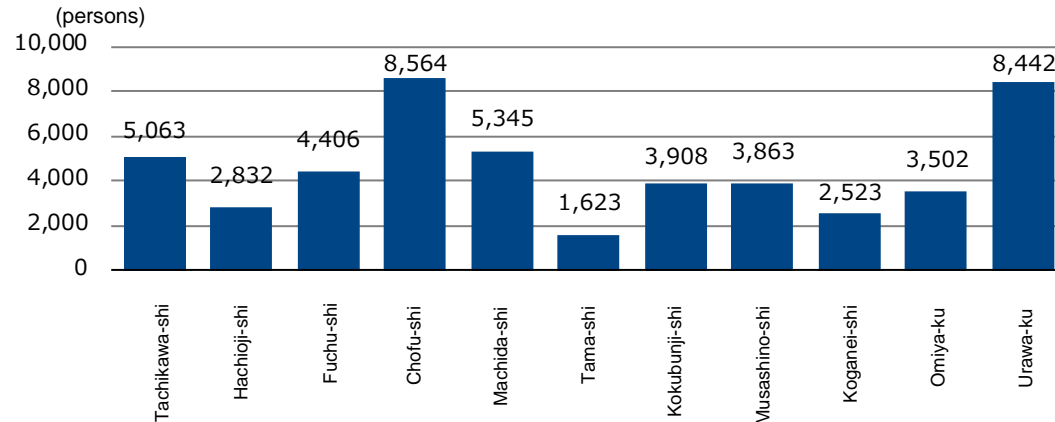


Source: CBRE K. K.

Favorable demographic trends

■ There are solid inflows of population in each of the focused investment areas, making excellent foundational terms

Excess Population Inflow at Focused Investment Areas Over 5 Years (total from 2014 to 2018)



Source: Prepared by the Asset Manager based on Basic Resident Register

(Reference) Overview of the “Basic Plan for Base Development in Tama”

- Basic plan for the establishments of hubs in Tama such as core cities and living bases
- 2025 has been set as the target for implementation
- 7 basic policies

- Regeneration of urban areas through compact urban development
- Establishment of industrial hubs for the formation of a Tama Silicon Valley
- Environmentally-conscious and sustainable urban development
- Formation of a green city space
- Creation of beautiful and attractive cityscapes
- Formation of safe and secure city districts
- Enhancement of the foundation of transportation

- Core cities
 - Hachioji, Tachikawa, Tama New Town, Ome and Machida
 - 55 projects are proposed and development is being promoted emphatically and systematically
- Living bases
 - Around the stations of Musashi-Koganei, Kokubunji, Toyoda, Hajjima, Chofu, Fuda, Kokuryo, Fuchu, Higashi-Murayama and Higarigaoka
 - 32 projects are proposed and urban development is being promoted



Source: “Basic Plan for Base Development in Tama” by the Bureau of Urban Development, Tokyo Metropolitan Government

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