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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
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Notice Concerning Acquisition and Transfer of Real Estate Beneficiary Interests in Trust

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 and transfer quasi-co-ownership interest of real estate beneficiary interests in trust (collectively, the "Transactions") as follows.

SAR has considered and is implementing various measures to pursue the "maintenance and enhancement of cash distribution per unit" for "maximization of unitholders' value." The asset replacement represents SAR's commitment to constantly pursue the enhancement of its portfolio and was decided through comprehensive consideration of circumstances such as (1) Contribution to stability of occupancy rate and revenue of portfolio, (2) Implementation of active management in portfolio operation, (3) Return on gain on sale to unitholders (Please refer to Reference Material 5 attached at the bottom of this press release for further details).

① Contribution to stability of occupancy rate and revenue of portfolio

The occupancy rate of Oak Minami-Azabu reached 100% as of the end of January 2017 as a result of strategic leasing activities conducted by the Asset Manager but it is considered that the fluctuation of revenue is relatively large when compared with Baraki Logistics that has an occupancy rate of 100% by concluding a long-term fixed-term building lease with two major companies. In addition, Baraki Logistics is a relatively new building completed in August 2015 and is considered to be able to reduce maintenance and management costs of buildings compared with Oak Minami-Azabu, completed in April, 1985. SAR believes that contribution to the enhancement of the portfolio's occupancy rate and revenue can be expected from these two points.

② Implementation of active management in portfolio operation

SAR believed that the potential asset value of Oak Minami-Azabu will largely exceed the acquisition price as the property has excellent profitability as an office building and scarce land with an area of 2,471.14 m² (site area of Oak Minami-Azabu) in Minami-Azabu as well as its surrounding area. As a result of strategic sales activities to the prospective buyers that recognize the above-mentioned asset values, a sale and purchase contract was concluded on February 28, 2017 with the scheduled transfer price of 5,020 million yen, which exceeded the appraisal value at the end of the 1st fiscal period (3,400 million yen) by approximately 45%. This transfer is considered as a result of multifaceted verifications of the value of the assets owned by SAR and is believed to expose the potential value of the assets owned by SAR.

③ Return on gain on sale to unitholders

SAR believes that the gain on sale expected to be acquired with the split transfer of Oak Minami-Azabu in the 3rd and 4th fiscal periods can be returned to unitholders in two periods. In addition, part of the gain on

sale is scheduled to be retained as internal reserves in each fiscal period and the internal reserves will be used to alleviate the negative impact on cash distributions caused by unexpected factors such as temporary decrease of income and accrual of a large amount of expenses in future management. Moreover, the gain on sale will be used to avoid dilution of cash distributions upon capital increase through public offering, absorb financial costs and address the difference between accounting and tax treatment, as needed, and will secure stability of cash distribution per unit.

1. Overview of the asset to be acquired and the asset to be transferred

(1) Overview of the asset to be acquired

Asset to be acquired	73% of quasi co-ownership interest in beneficiary interests in trust assets comprised mainly of real estate
Property name	Baraki Logistics
Asset type	Logistics
Contract date	February 28, 2017
Planned acquisition date	April 2017
Sellers	GKEnterprise
Planned acquisition price	3,431 million yen
Acquisition financing	payment received for the transfer of Oak minami^azabu and own resources
Special notations	1. Refer to 3. Description of the asset to be acquired Special notations

Quasi co-ownership interest in beneficiary interests in trust assets comprised mainly of real estate is as below

	quasi co-ownership interest	owner	Planned acquisition price (note2)	Appraisal value (note3)
Baraki Logistics	73%	SAR	3,431 million yen	3,470 million yen
	27% (note1)	GKSAPR2 (note1)	1,269 million yen	—
total	100%	—	4,700 million yen	—

(Note 1) A sale and purchase agreement of 27% of quasi co-ownership interest in trust beneficiary interests, that sets the seller as GK Enterprise, the buyer as GK SAPR2, and the planned acquisition date as until the end of April 2017 has been concluded as of today.

Moreover, the preferential negotiation rights with GK Enterprise which SAR acquired have been changed to the preferential negotiation rights with GK SAPR2. For details, please refer to the "Notice Concerning Change in Preferential Negotiation Rights," separately announced today.

(Note2) excluding acquisition-related expenses, consumption tax and local consumption tax

(Note3) refer to Summary of appraisal report

(2) Overview of the asset to be transferred

Asset to be transferred	quasi co-ownership interest in beneficiary interests in trust assets comprised mainly of real estate (1:49%、2:51%)
Property name	Oak Minami-Azabu
Asset type	Office
Contract date	Feb 28, 2017
Planned transfer date	1: (49%) : Mar 31, 2017 2: (51%) : Aug 1, 2017
Planned buyer	Kanden Realty & Development Co.,Ltd.

Planned transfer price (Note 2)	1: (49%) : 2,459.8 million yen 2: (51%) : 2,560.2 million yen
Book value (Note 3)	3,413 million yen
Gain/loss on sale (Note 4)	708 million yen
Special notations	Refer to 4. Description of the asset to be transferred Special notations

(Note1)Indicated is the sale and purchase price of the asset to be acquired stated in the sale and purchase agreement for the asset to be acquired (excluding acquisition-related expenses, consumption tax and local consumption tax).

(Note2)Indicated is the book value as of July 31, 2016.

(Note3)Please refer to “Notice Concerning Revision to Forecasts for Operating Results and Distribution for the Fiscal Period Ending July 31, 2017” announced today.

2. Reason for the Transactions

① Acquisition of BarakiLogistics

Baraki Logistics, located within 30km from Tokyo Station, is a logistics facility with good access to central Tokyo. It is approximately 700m south of Wangan-Ichikawa Interchange on the Higashi-Kanto Expressway, and has excellent accessibility to central Tokyo as well as to Haneda and Narita International Airport and can also address air logistics demand. In addition, it has excellent commuting convenience for workers as it is located within walking distance to the nearest station and is a logistics facility with high appeal to tenants due to its excellent location. It is a relatively new property completed in August 2015 (approximately 1.5 years old) and is fully occupied with the conclusion of long-term fixed-term building lease agreements with two major companies.

SAR decided to acquire the property by exerting the preferential negotiation rights acquired from the sponsor group (Note 1) after determining that the acquisition will contribute to the stability of medium- to long-term revenue and enhancement of the quality and stability of the portfolio as a result of comprehensively considering the characteristics of the location and property.

Moreover, SAR is scheduled to acquire quasi co-ownership interest equivalent to approximately 73% of the trust beneficiary interest of the property in the Transactions.

② Transfer of Oak Minami-Azabu

Oak Minami-Azabu is a multi-tenant office building located an approximate eight-minute walk from Shirokane Takanawa Station on the Tokyo Metro Nanboku Line and Toei Mita Line. It is located in “Minami-Azabu Area,” an exclusive residential district where embassies of various countries concentrate and where apparel, mass media and IT-related companies have their offices.

The occupancy rate was approximately 77.9% upon acquisition, but reached 100% as of the end of January 2017 through successful strategic leasing activities conducted by narrowing down the target and renewal work of common spaces, etc. resulting in enhanced value as an income property.

SAR believed that the property had potential value (multifaceted asset value) as a versatile property due to the characteristics of the Minami-Azabu Area as well as the large portion of land.

SAR was able to sell the property for 5,020 million yen, largely exceeding the appraisal value at the end of the 2nd fiscal period (3,470 million yen) as a result of sales activities by focusing on the above-mentioned aspects. This transfer is considered as a transaction through which multifaceted asset values of the property became visible.

As mentioned above, the Transactions seek to maintain and enhance cash distribution per unit in order to contribute to SAR’s basic policy of “maximization of unitholder’s value,” and are believed to lead to further strengthening of the portfolio.

Moreover, please refer to the attached Reference Material 4 for specific measures that are considered as a strategy to maximize unitholders’ value by the Asset Manager.

SAR will continue to discuss, verify and implement various measures that contribute to the interests of unitholders including those indicated above without being bound by precedent.

Moreover, please refer to Reference Material 5 as a material related to the Transactions.

(Note1)The Sponsor Group is Star Asia Management Limited (the Sponsor), Star Asia Asset Management LLC, Star Asia Management Japan Limited, Malcolm F. MacLean IV, Taro Masuyama and investment vehicles in Japan that are the investment destination of funds (excluding minority investments) for which Malcolm F. MacLean IV and Taro Masuyama make investment decisions (a) that are in Japan and own or acquire investment assets such as real estate or (b) that own or acquire SAR's investment units.

3. Description of the asset to be acquired

(1) Baraki Logistics (73%)

Property no.	LGC-04	Property name	Baraki Logostocs	Type	Logistics
Overview of specified asset					
Type of specified asset	Beneficiary interest in trust	Trustee	Mitsubishi UFJ Trust and Banking Corporation		
Period set for beneficiary interest in trust (planned)	From April 6th, 2017 To the end of April, 2027				
Planned acquisition price	3,431 million yen	Date of conclusion of sale and purchase agreement	February 28, 2017		
Appraisal value	3,470 million yen	Sellers	GK Enterprise		
Location	2526-42 Baraki, Ichikawa-shi, Chiba				
Indication of residential address	—				
Nearest station	Close to 「Wangan-Ichikawa」 Higashi-Kanto High way				
Land	Type of ownership	Proprietary ownership			
	Site area	6,240.96 m ²	Use district	Semi-industrial are	
	Building coverage ratio	60%	Floor area ratio	200%	
Building	Type of ownership	Proprietary ownership			
	Total floor area	12,471.50 m ²	Use	Logistics	
	Construction completion	August 14, 2015	Structure and floors	RC・S 5F	
Property management company (planned)	CRE Inc.	Master lease company (planned)	—		
Status of leasing					
Total leasable area	12,185.78 m ²	Total number of tenants	2		
Total leased area	12,185.78 m ²	Monthly rent (including common area maintenance fee)	Non-disclosed		
Security and guarantee deposits	Non-disclosed				
Occupancy rate					
					Feb 1st, 2017
					100.0%
Appraisal firm	The Tanizawa Sogo Appraisal Co., Ltd.				
Status of collateral	SAR has no plan to offer it as collateral after the acquisition.				
Special notations					
It is stipulated that SAR shall not bear any liability for compensation for damages, etc. and may cancel each "sale and purchase agreement of beneficiary interest in trust" in the case fund procurement (includes but not limited to issuance of SAR's investment units and borrowings from financial instructions based on monetary consumption loan agreement) for purchasing quasi co-ownership interest of the beneficiary interests in trust has not been implemented satisfactorily by the transfer date.					

4. Description of the asset to be transferred

(1) Oak Minami-Azabu

Property no.	OFC-02	Property name	Oak Minami-Azabu	Type	Office
Overview of specified asset					
Type of specified asset		Beneficiary interest in trust	Trustee	Mizuho Trust & Banking Co., Ltd.	
Acquisition price		3,271 million yen	Acquisition date	Jan 14, 1953	
Appraisal value		3,470 million yen	Planned buyer	Kanden Realty & Development Co., Ltd.	
Location		3-145-3 Minami-Azabu, Minatoku, Tokyo			
Indication of residential address		3-19-23 Minami-Azabu, Minatoku, Tokyo			
Nearest station		Approximately 8-minute walk from Shirokane-Takanawa on the Tokyo Metro Nanboku Chiyoda Line/ Toei-Mita Line			
Land	Type of ownership	Proprietary ownership			
	Site area	2,471.14 m ²	Use district	Commercial district	
	Building coverage ratio	80%	Floor area ratio	500%	
Building	Type of ownership	Proprietary ownership			
	Total floor area	10,454.93 m ² (including logistics 7.41 m ²)	Use	Office	
	Construction completion	Apr 30, 1985	Structure and floors	SRC B1/14F	
Property management company		CBRE Japan KK	Master lease company	SAR	
Status of leasing					
Total leasable area		6,511.74 m ²	Total number of tenants	10	
Total leased area		4,732.93 m ²	Monthly rent (including common area maintenance fee)	15,341 thousand yen	
Security and guarantee deposits			131,745,575 thousand yen		
Occupancy rate					
Sep 2016		Oct 2016	Nov 2016	Dec 2016	Jan 2017
84.37%		84.37%	84.37%	84.37%	100.00%
Appraisal firm			Japan Real Estate Institute		
Special notations					
<p>• A deposit of a total of 550 million yen (245 million yen for the first settlement and 255 million yen for the second settlement) set forth in each “sale and purchase agreement of beneficiary interest in trust” is scheduled to be paid respectively by the buyer on the contract date of the agreement, and SAR will, after the payment, have a sale and purchase price receivable (2,214.8 for the first settlement and 2,305.2 for the second settlement), which is the amount after deducting deposit-equivalent from the planned transfer price. In addition, as for the first settlement, “sale and purchase agreement of beneficiary interest in trust,” stipulates that seller and buyer can cancel the agreement when the seller returns the deposit to the buyer with no interest and pays the same amount as the deposit to the buyer and when the buyer abandons the deposit only between the contract date and fulfillment date of the agreement by either SAR or the buyer (Not stipulated for the second settlement and in the “sale and purchase agreement of beneficiary interest in trust”).</p> <p>• SAR will conclude a quasi co-ownership agreement with the buyer, trustee and the Asset Manager before the first settlement of the transfer and agree with the rights and obligations between quasi co-owners such as decision making methods as the beneficiary of beneficiary interests in trust and transfer restriction on the quasi co-ownership interest of beneficiary interests in trust.</p>					

5. Summary of appraisal report

(1) Baraki Logistics

(unit:yen)

Summary of real estate appraisal report		
Property name	Baraki Logistics	
Appraisal value	3,470,000,000	
Appraisal firm	The Tanizawa Sogo Appraisal Co., Ltd.	
Date of value	February 1, 2017	
Item	Details	Description, etc.
Indicated value by income approach	3,470,000,000	Estimated by correlation of the indicated value by direct capitalization method and the indicated value by DCF method.
Indicated value by direct capitalization method	3,550,000,000	
(1) Operating revenue ((a)-(b))	259,445,350	
(a) Gross potential income	259,445,350	
(b) Vacancy loss, etc.	0	
(2) Operating expenses	26,772,000	
Maintenance and management fee	5,995,404	
Utilities expenses	13,891,789	
Repair expenses	1,130,000	
Property management fee	2,400,000	
Tenant leasing cost, etc.	0	
Property taxes	20,878,400	
Insurance premium	565,000	
Other expenses	4,045,445	
(3) Net operating income (NOI=(1)-(2))	210,539,312	
(4) Financial interests on deposits	603,876	Appraised investment return as 1.0%.
(5) Capital expenditures	2,260,000	Appraised by reference to repair and renewal expenses in the ER and the level of similar real estate.
(6) Net cash flow (NCF=(3)+(4)-(5))	208,883,188	
(7) Capitalization rate	4.3%	
Indicated value of DCF method	3,430,000,000	
Discount rate	4.2%	Appraised by comprehensively taking into account the competitiveness of the subject real estate, etc.
Terminal capitalization rate	4.5%	
Indicated value by cost approach	3,510,000,000	
Ratio of land	69.6%	
Ratio of building	30.4%	
Matters considered in reconciliation of indicated values and determination of appraisal value	Employed the indicated value by income approach with the indicated value by cost approach only as reference.	

(2) Oak Minami-Azabu

(unit:yen)

Summary of real estate appraisal report		
Property name	Oak Minami-Azabu	
Appraisal value	3,470,000,000 yen	
Appraisal firm	Japan Real Estate Institute	
Date of value	January 31, 2017	
Item	Details	Description, etc.

Indicated value by income approach	3,470,000,000	Estimated by correlation of the indicated value by direct capitalization method and the indicated value by DCF method.
Indicated value by direct capitalization method	3,510,000,000	
(1) Operating revenue ((a)-(b))	278,262,000	
(a) Gross potential income	299,423,000	
(b) Vacancy loss, etc.	21,161,000	Appraised taking into consideration the occupancy status of the subject real estate and similar real estate and future supply/ demand trend.
(2) Operating expenses	112,154,000	
Maintenance and management fee	26,020,000	Appraised by reference to the agreement terms and the level of similar real estate.
Utilities expenses	28,000,000	Appraised by reference to actual data and the level of similar real estate.
Repair expenses	6,986,000	Appraised by reference to costs for restoring to original state in the ER and the level of similar real estate.
Property management fee	5,265,000	Appraised by reference to the agreement terms and the level of similar real estate.
Tenant leasing cost, etc.	2,040,000	Appraised by reference to the agreement terms and the level of similar real estate.
Property taxes	43,387,000	Appraised based on actual data.
Insurance premium	456,000	Appraised by reference to the level of similar real estate.
Other expenses	0	none
(3) Net operating income (NOI=(1)-(2))	166,108,000	
(4) Financial interests on deposits	1,844,000	Appraised investment return as 2.0%.
(5) Capital expenditures	16,960,000	Appraised by reference to repair and renewal expenses in the ER and the level of similar real estate.
(6) Net cash flow (NCF=(3)+(4)-(5))	150,992,000	
(7) Capitalization rate	4.3%	Appraised by comprehensively taking into account the competitiveness of the subject real estate, etc.
Indicated value of DCF method	3,430,000,000	
Discount rate	4.1%	Appraised by comprehensively taking into account the competitiveness of the subject real estate, etc.
Terminal capitalization rate	4.5%	Appraised by reflecting aging risk, market trend risk, etc.
Indicated value by cost approach	4,050,000,000	Estimated by multiplying the total of the land price and the building price by marketability correction rate.
Ratio of land	90.1%	
Ratio of building	9.9%	
Matters considered in reconciliation of indicated values and determination of appraisal value		Employed the indicated value by income approach with the indicated value by cost approach only as reference.

6. Profile of the seller and planned buyer

(1) Seller profile (Baraki Logistics)

Name	GK Enterprise
Location	5-1-4 Toranomom, Minato-ku, Tokyo
Representative	Representative partner: Ippanshadanhoujin Operational executor: Takaaki Fukunaga
Main business description	1. Acquisition, ownership, disposition of real estate 2. Leasing and management of real estate 3. Acquisition, ownership, disposition of beneficially interest in trust 4. Acquisition, ownership, disposition of securities 5. All business incidental to the above
Capital	100,000 yen
Established	April 1, 2015
Relationship with investment corporation or asset management company	
Capital relationship	There is no capital relationship to report.

Personnel relationship	There is no personal relationship to report.
Business relationship	There is no business relationship to report.
Related party or no	The Seller does not fall under the category of interested person, etc. as provided in the Investment Trusts Act, but falls under the category of interested party (Note) 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 conducting the acquisition of the assets, the Asset Manager has performed deliberation and resolution in accordance with the voluntary rules.

(2) Planned buyer profile (Oak Minami-Azabu)

Name	Kanden Realty & Development Co.,Ltd
Location	3-3-23 Nakanoshima, kita-k, Osaka-shi, Osaka
Representative	Tomoaki Nakamori
Main business description	1. Acquisition, ownership, disposition of real estate 2. Leasing and management of real estate 3. Development 4. 4.~17. (omit) 5. 18. All business incidental to the above
Capital	710,000,000 yen
Established	July 4, 1947
Relationship with investment corporation or asset management company	
Capital relationship	There is no capital relationship to report.
Personnel relationship	There is no personal relationship to report.
Business relationship	There is no business relationship to report.
Related party or no	There is no relationship to report.

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

(1) Baraki Logistics

	Previous owner, previous trustee	Before Previous owner, previous trustee
Company name	GK Enterprise	Other than the one with a relationship of special interest
Relationship with parties who have special interests	The company does not fall under the category of interested person, etc. as provided in the Investment Trusts Act, but falls under the category of interested party prescribed in the "Rules on Transactions with Interested Parties" set forth by the Asset Manager.	—
Acquisition background and reason, etc.	Acquired for investment management purpose	—
Acquisition price	4,650,000,000 yen	—
Acquisition period	June 30, 2016	—

8. Transaction with interested person, etc.

The Transactions are no transactions with interested person, etc., but the seller in the asset acquisition 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 deciding on the acquisition of the asset, the Asset Manager has performed deliberation and resolution in accordance with the voluntary rules.

9. Overview of broker

(2) Baraki Logistics

① Overview of broker

Name	Jones Lang LaSalle, Inc.
Location	2-13-10 Nagata-cho, Chiyoda-ku, Tokyo
Representative	Toshinobu Kawanishi
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. Omission 25. All business incidental to the above
Capital	195 million yen
Established	April 23, 1985
Relationship with investment corporation or asset management company	
Capital relationship	There is no capital relationship to report.
Personnel relationship	There is no personal relationship to report.
Business relationship	There is no Business relationship to report.
Related party or no	The company does not fall under the category of related party of SAR/the Asset Manager.

② 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.

(2) Oak Minami-Azabu

① Overview of broker

The information is undisclosed as consent to disclosure has not been obtained from the broker. There is no capital relationship, personnel relationship or business relationship to report between SAR/the Asset Manager and the broker, nor does the broker fall under the category of related party of SAR/the Asset Manager.

② 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.

10. Schedule for the Transactions

(1) Baraki Logistics

February 28, 2017	Acquisition decided
	Conclusion of a sale and purchase agreement of trust beneficiary interest
Until the end of April.2017	Acquisition of beneficiary interest in trust (planned) quasi-co-ownership interest of real estate beneficiary interests in trust 73%
	Payment of acquisition price (planned)
	Conclusion of a master lease agreement and property management agreement (planned)

(2) Oak Minami-Azabu

February 28, 2017	Transfer decided
	Conclusion of a sale and purchase agreement of trust beneficiary interest
	Receipt of deposit
March 31, 2017	Transfer of beneficiary interest in trust (planned) quasi-co-ownership interest of real estate beneficiary interests in trust 49%

	Receipt of transfer price (planned) quasi-co-ownership interest of real estate beneficiary interests in trust 49%
August 1, 2017	Transfer of beneficiary interest in trust (planned) quasi-co-ownership interest of real estate beneficiary interests in trust 51%
	Receipt of transfer price (planned) quasi-co-ownership interest of real estate beneficiary interests in trust 51%

11. Settlement method

As for the sale and purchase prices of the Transactions, the acquisition price is scheduled to be settled in lump sum on the planned acquisition date. As for the settlement for the property to be transferred, SAR will receive the amount after subtracting from the transfer price 245 million yen and 255 million yen received as deposit on the contract date of a sale and purchase agreement of trust beneficiary interest in trust.

12. Future outlook

As a result of the Transactions, 5% or larger discrepancy is expected for cash distribution per unit in the management status and cash distribution forecast for the fiscal period ending July 2017 announced in Financial Report for Fiscal Period Ended July 31, 2016 dated September 14, 2016. Please refer to "Notice Concerning Revision to Forecasts for Operating Results and Distribution for the Fiscal Period Ending July 31, 2017," separately announced today, for further details.

以上

* This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

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

Reference Material 1: Portfolio List after the Transactions

Property no.	Property name	Location	(Planned) acquisition price (million yen) (Note 1)	Real estate appraisal value (million yen) (Note 2)	Investment ratio (%) (Note 3)
OFC-01	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,040	4.7
OFC-02	Oak Minami-Azabu Building	Minato-ku, Tokyo	1,668	1,770	2.6
OFC-03	Honmachibashi Tower	Chuo-ku, Osaka-shi, Osaka	6,065	6,830	9.5
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,290	2.8
OFC-05	Alphabet Seven	Minato-ku, Tokyo	1,725	2,270	2.7
OFC-06	Shibuya MK Building	Shibuya-ku, Tokyo	2,042	2,530	3.2
OFC-07	Hakata-eki Higashi 113 Building	Hakata-ku, Fukuoka-shi, Fukuoka	1,885	1,960	2.9
OFC-08	Asahi Building	Kanagawa-ku, Yokohama-shi, Kanagawa	6,320	6,470	9.9
Office subtotal					38.2
RSC-01	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,140	3.2
RSC-02	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	7,120	9.9
RSC-04	Urban Park Shin-Yokohama	Kohoku-ku, Yokohama-shi, Kanagawa	2,528	2,580	4.0
RSC-05	Urban Park Namba	Naniwa-ku, Osaka-shi, Osaka	1,490	1,610	2.3
RSC-06	Urban Park Gokokuji	Toshima-ku, Tokyo	1,460	1,480	2.3
Residential property subtotal					21.7
LGC-01	Iwatsuki Logistics	Iwatsuki-ku, Saitama-shi, Saitama	6,942	7,000	10.9
LGC-02	Yokohama Logistics	Kanagawa-ku, Yokohama-shi, Kanagawa	3,560	3,880	5.6
LGC-03	Funabashi Logistics	Funabashi-shi, Chiba	7,875	8,240	12.3
LGC-04	Baraki Logistics	Ichikawa-shi, Chiba	3,431	3,470	5.4
Logistics property subtotal					34.1
HTL-01	R&B Hotel Umeda East	Kita-ku, Osaka-shi, Osaka	2,069	2,250	3.2
HTL-02	Smile Hotel Namba	Naniwa-ku, Osaka-shi, Osaka	1,750	1,960	6.7
Hotel subtotal					6.0
			63,906	68,890	100.0

(Note 1) "(Planned) acquisition price" indicates, except for Minami-Azabu Shibuya Building and Oak Minami-Azabu Building, the sale and purchase price stated in the sale and purchase agreement for the acquired asset/asset to be acquired, rounded to the nearest million yen. The sale and purchase price or the planned sale and purchase price does not include consumption tax, local consumption tax and various expenses required for the acquisition. As to Minami-Azabu Shibuya Building and Oak Minami-Azabu Building, since price for each property is not set in the sale and purchase agreement, the total sale and purchase price of the two properties is divided proportionally based on the ratio of appraisal value of each property at the time of acquisition and indicated as "Acquisition price."

(Note 2) "Real estate appraisal values" are the opinions of value stated in the real estate appraisal report with July 31, 2016 as the date of value for acquired assets and November 1, 2016 for assets to be acquired, each rounded to the nearest million yen.

(Note 3) "Investment ratio" is the ratio of (planned) acquisition price for each acquired asset/asset to be acquired to the total of (planned) acquisition prices, rounded to the first decimal place.

Reference Material2: Summary of engineering report and earthquake risk analysis

Type	Property no.	Property name	PML (%)
Office	OFC-01	Minami-Azabu Shibuya Building	12.6
	OFC-02	Oak Minami-Azabu Building	High-rise bldg.11.2 Low-rise bldg. A 6.3 Low-rise bldg. B 5.5 (Note1)
	OFC-03	Honmachibashi Tower	2.7
	OFC-04	Nishi-Shinjuku Matsuya Building	12.2
	OFC-05	Alphabet Seven	7.8
	OFC-06	Shibuya MK Building	13.1
	OFC-07	Hakata-eki Higashi 113 Building	7.1
	OFC-08	Asahi Building	4.8
Residence	RSC-01	Urban Park Azabujuban	7.2
	RSC-02	Urban Park Daikanyama	Existing bldg12.7 Bldg. A: 10.2 Bldg. B: 7.9
	RSC-04	Urban Park Shin-Yokohama	14.5
	RSC-05	Urban Park Namba	13.2
	RSC-06	Urban Park Gokokuji	9.2
Logistocs	LGC-01	Iwatsuki Logistics	12.2
	LGC-02	Yokohama Logistics	10.8
	LGC-03	Funabashi Logistics	Bldg1-A13.9 Bldg1-B14.4 Bldg211.1
	LGC-04	BarakiLogistics	10.9 (Note1)
Hotel	HTL-01	R&B Hotel Umeda East	11.4
	HTL-02	Smile Hotel Namba	12.3
Entire Portfolio (Note2)			3.57

(Note1) Entire building

(Note2) SAR consigned calculation of individual PML and portfolio PML to Deloitte Tohmatsu Property Risk Solution Co., Ltd. and have received the reports. The figure in the entire portfolio column is the PML for the entire portfolio (portfolio PML) based on the company's "portfolio earthquake risk evaluation report" dated February 17th, 2017.

Reference Material 3:

<Baraki Logistics: photos of exterior of property>



< Baraki Logistics: location map>

