

January 24, 2019

For Immediate Release

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

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

### Notice Concerning Acquisition 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 asset, announces today its decision to acquire of real estate property (the "Asset to be Acquired" and the transaction to acquire this beneficiary interests is referred to as the "Acquisition").

#### 1. Overview of the Asset to be Acquired

Asset type	Property no. (Note 1)	Property name	Location	Planned acquisition price (mm yen) (Note 2)
Office	OFC-13	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020

(Note 1) As for "Property no.", please refer to "Reference Material 4" below.

(Note 2) "Planned acquisition price" indicates the planned sale and purchase price stated in the sale and purchase agreement for the Asset to be Acquired, after rounded to the nearest million yen. The planned sale and purchase price does not include consumption tax, local consumption tax and various expenses required for the acquisition.

Contract date : January 24, 2019  
Planned acquisition date : February 1, 2019 (delivery and settlement date)  
Sellers : Please refer to "4. Planned Seller Profile" below.  
Acquisition financing : Proceeds from new borrowings (Note 3) for which resolution was made at the Board of Directors meeting of SAR held on January 24, 2019 and cash on hand.  
Settlement method : Payment of entire amount on planned acquisition date.

(Note 3) Please refer to "Notice Concerning Debt Financing" announced today for details.

#### 2. Reason for the Acquisition

SAR holds the investment policy of "prioritized focused investment in the Tokyo metropolitan area (70% or more investment ratio of the Tokyo metropolitan area among all investment)", "continuous 'income stability' and 'growth' through diversification of asset types", "investment primarily in middle-sized asset (Note 1)." In line with this policy, SAR is aiming to realize a steady growth as a diversified REIT.

Through the Acquisition, SAR aims to expand the asset size and diversify risks through the increase in the number of properties held, as well as mainly to ensure the stability in medium to long-term profitability. Shown below are key reasons for the investment decision for each of the selected asset.

Furthermore, SAR judges that the lessees of the Asset to be Acquired satisfy the criteria for the selection of tenants (set by the Asset Manager) stated in the "Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties" dated October 30, 2018.

(Note 1) Middle-sized assets mean real estate, etc. whose acquisition prices are under 10 billion yen.

Amusement Media Gakuin Shinkan is an office building, approx. 7-minute walk from Ebisu Station on the JR Yamanote, Saikyo and Shonan-Shinjuku Lines and the Tokyo Metro Hibiya Line.

The Ebisu area, where the property is located, is in high-quality business and residential environment. It has a high concentration of companies, in particular such as foreign owned companies, IT-related companies, and creative companies such as advertisement and content industries. In addition, the area is also characterized as a quiet residential area with closer proximity to home, where residence and small stores exist.

In terms of the physical features, although this building has been fully leased by a single tenant at present, the property has a structure and specifications that can be leased by floor. The office room is pillar- and column-free space, and has an open atmosphere with a ceiling height on the standard floor of 2,600 mm.

The tenant for this property is the same entity as the tenant for Amusement Media Gakuin Honkan, which SAR acquired, Amusement Media Gakuin Honkan and Amusement Media Gakuin Shinkan are managed and operated in a consistent and united manner. Furthermore, SAR concluded an agreement on preferential negotiation for the Asset to be Acquired with the Sponsor Group on August 21, 2018 to obtain the preferential negotiation right for the property, and the Acquisition was conducted by exercising this right.

As a result of comprehensive consideration on the characteristics of the location and property, SAR decided to acquire the property by using the Sponsor support after determining that the acquisition would contribute to the stability of medium to long-term revenue and enhancement of the stability of the portfolio revenue.

3. Description of Asset to be Acquired

Please refer to Table below, for the detail of each of the Asset to be Acquired. For the terms used in the tables, please refer to the "Reference Material 4".

Property no.	OFC-13	Property name	Amusement Media Gakuin Shinkan	Type	Office
Overview of specified asset					
Type of specified asset	Beneficiary interest in trust	Trustee	Mizuho Trust & Banking Co., Ltd.		
Trust expiration date	February 28, 2029	Security	Unsecured		
Planned acquisition price	1,020 million yen	Planned acquisition date	February 1, 2019		
Appraisal value	1,120 million yen	Seller	GK El Toro		
Location	2-85-1 Higashi, Shibuya-ku, Tokyo				
Indication of residential address	2-27-9 Higashi, Shibuya-ku, Tokyo				
Nearest station	Approx. 7-minute walk from Ebisu Station on JR Line and Tokyo Metro Hibiya Line				
Land	Type of ownership	Proprietary ownership			
	Site area	203.43m <sup>2</sup>	Use district	Quasi-industrial district	
	Building coverage ratio	80%	Floor area ratio	400%	
Building	Type of ownership	Proprietary ownership			
	Total floor area	913.71m <sup>2</sup>	Use	Office / School	
	Construction completion	January 25, 1999	Structure and floors	Steel-framed reinforced concrete structure 7 floor above ground	
Property management company	Sun Frontier Fudousan Co., Ltd.	Master lease company	SAR		
Status of leasing					
Total leasable area	781.33m <sup>2</sup>	Monthly rent (including common area maintenance fee)	Not disclosed <sup>(Note)</sup>		
Total leased area	Not disclosed <sup>(Note)</sup>	Security and guarantee deposits	Not disclosed <sup>(Note)</sup>		
Total number of tenants	1				
Occupancy rate					
	August 2018	September 2018	October 2018	November 2018	December 2018
	100.00%	100.00%	100.00%	100.00%	100.00%
Special notation					
Not applicable.					

(Note) The information is undisclosed as consent to disclosure has not been obtained from end tenants.

(unit: yen)

Summary of real estate appraisal report		
Property name	Amusement Media Gakuin Shinkan	
Appraisal value	1,120,000,000	
Appraisal firm	Japan Real Estate Institute	
Date of value	November 1, 2018	
Item	Details	Description, etc.
Indicated value by income approach	1,120,000,000	Estimated by associating value based on the direct capitalization method and that based on the DCF method.
Indicated value by direct capitalization method	1,140,000,000	
(1) Operating revenue ((a)-(b))	48,812,000	
(a) Gross potential income	48,812,000	
(b) Vacancy loss, etc.	0	Unrecorded as the current lessee is expected to continue leasing since the entire building is leased to the single lessee.
(2) Operating expenses	8,757,000	
Maintenance and management fee	102,000	Appraised based on actual data and taking into account the fee level of similar real estate.
Utilities expenses	3,400,000	Appraised based on actual data.
Repair expenses	630,000	Appraised based on actual data and taking into account the fee level and the ER of similar real estate.
Property management fee	908,000	Appraised by referencing fees based on the agreement terms and taking into account the characteristics of the property.
Tenant leasing cost, etc.	0	Unrecorded as no lessee replacement is expected since the entire building is leased to the single lessee.
Property taxes	3,679,000	Recorded based on documents related to taxes and public charges.
Insurance premium	38,000	Appraised by taking into account the estimate and insurance rate of similar real estate.
Other expenses	0	No special expenses are expected.
(3) Net operating income (NOI=(1)-(2))	40,055,000	
(4) Financial interests on deposits	299,000	Appraised investment return as 1.0%.
(5) Capital expenditures	1,540,000	Appraised by taking into account the capital expenditure level, building age and the ER of similar real estate.
(6) Net cash flow (NCF=(3)+(4)-(5))	38,814,000	
(7) Capitalization rate	3.4%	Appraised by adding individual factors such as location of the subject real estate to the basis yield, and taking into account uncertainty of the future and cap rate, etc. of similar real estate.
Indicated value by DCF method	1,090,000,000	
Discount rate	3.2%	Appraised by comprehensively taking into account individual characteristics, etc. of subject real estate by reference to the investment yield, etc. of similar real estate.
Terminal capitalization rate	3.6%	Appraised by comprehensively taking into account the uncertainty of the future by reference to the investment yield, etc. of similar real estate.
Indicated value by cost approach	952,000,000	
Ratio of land	88.5%	
Ratio of building	11.5%	
Matters considered in reconciliation of indicated values and determination of appraisal value	Determined using the indicated value by income approach as standard and by reference to the indicated value by cost approach.	

**Property information and acquisition highlight based on the survey by the Asset Manager**

(1) Property information

- An office building, approx. 7-minute walk from Ebisu Station on the JR Yamanote, Saikyo and Shonan Shinjuku Lines and the Tokyo Metro Hibiya Line
- Located in high-quality business and residential environment consisting of quiet residential area and small stores
- Pillar- and column-free space, and an open atmosphere with a ceiling height on the standard floor of 2,600 mm.

(2) Acquisition highlight

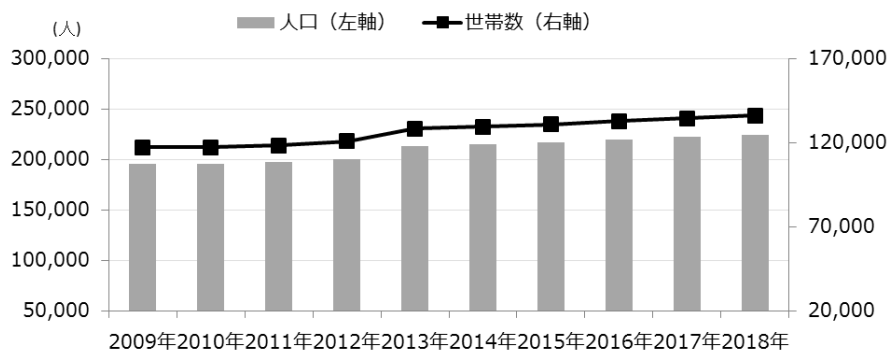
The property, which is owned by the Sponsor Group through an acquisition executed in a form of a negotiated transaction using the wide range of business relations, will be acquired by utilizing the Sponsor support.

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

(1) Demographic analysis, etc.

Shibuya-ku, Tokyo keeps trend of growing in population and the number of households. The Asset Manager believes that the area will keep growing steadily in population from now on too. Although there was a temporary decrease in terms of the number of offices and the number of employees in 2012, both figures showed a recovery in 2014 and kept the same level in 2016.

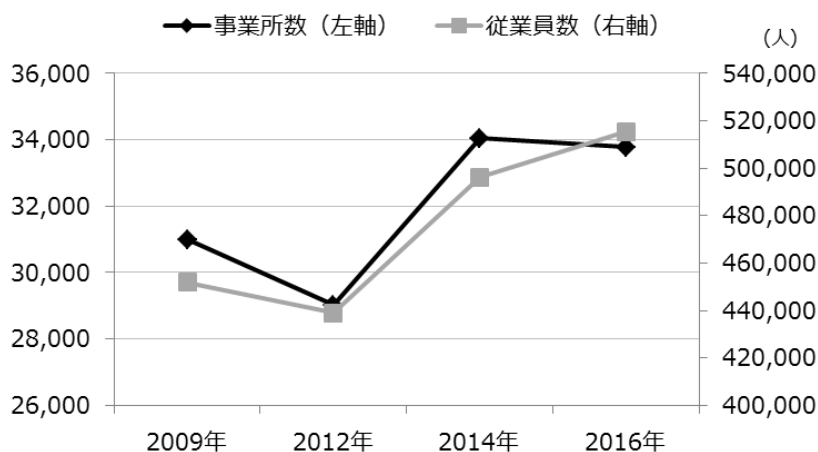
<Shibuya-ku, Tokyo – Population / Households >



\*Note: Figures from 2009 to 2013 are as of the each fiscal period (March 31) and figures from 2014 to 2018 are as of January 1 for each year

\*Source: Prepared by the Asset Manager based on “Counts of Population, Vital Events and Households derived from the Basic Resident Registration,” Statistics Bureau, Ministry of Internal Affairs and Communications

<Shibuya-ku, Tokyo – Business establishments / Employees >

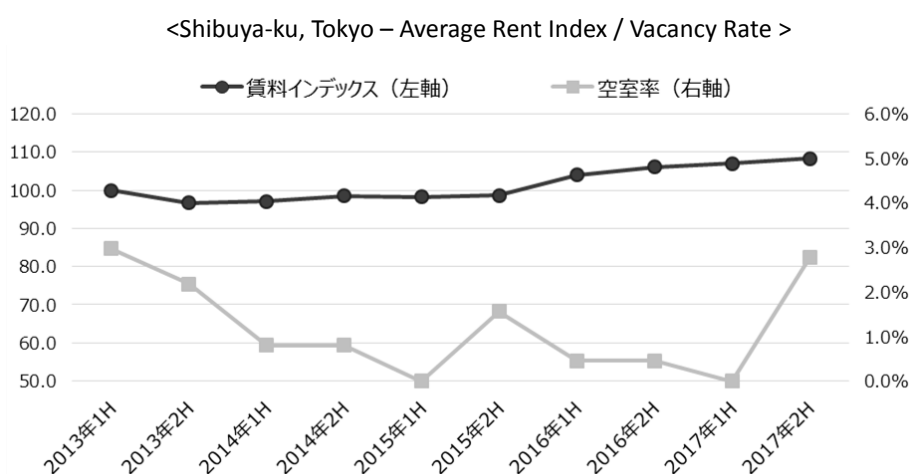


\*Source: Prepared by the Asset Manager based on “2009 Economic Census for Business Frame”, “2012 Economic Census for Business Frame”, “2014 Economic Census for Business Frame” and “2016 Economic Census for Business Frame”, Statistics Bureau, Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry

(2) Market analysis

Overall rent has been rising since the second half of 2015 and kept shifting stable, as shown in the figure below of transition of rent index.

Also as shown in the figure below of transition of vacancy rate, it has shown a declining trend, approx. 3% or below, since the first half of 2013. The Asset Manager believes that such stable demands for office space will be maintained in the area.

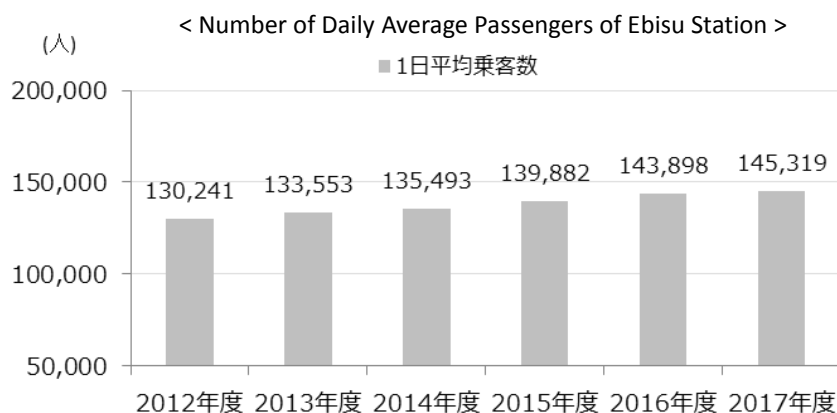


\*Source: Made by Japan Real Estate Institute based on the data disclosed by J-REIT (Offices in Shibuya-ku, Tokyo, aged from 21 years to less than 30 years, with total floor area from 1,500 tsubo to less than 5,000 tsubo (excluding properties traded during the period above)).

\*Note: 1H refers to the first half (January to June) and 2H refers to the second half (July to December).

(3) Independent analysis by the Asset Manager

Number of Daily Average Passengers using Ebisu Station on the JR Line has been constantly increasing since the fiscal year 2012, and the Asset Manager believes that this trend will continue.



\*Source: Prepared by the Asset Manager based on “Number of Passengers by Station,” JR East

Moreover, Ebisu ranked as the No. 1 residential area in the “Questionnaire Which City You Want to Live (metropolitan area version) 2017.”

順位	駅	ポイント
1位	恵比寿駅	683
2位	自由が丘駅	541
3位	二子玉川駅	488
4位	吉祥寺駅	470
5位	目黒駅	428
6位	品川駅	345
7位	中目黒駅	339
8位	横浜駅	333
9位	表参道駅	327
10位	広尾駅	296

\*Source: “Questionnaire Which City You Want to Live (metropolitan area version) 2017”  
“Mansion Trend Research” by Major 7.

The questionnaire (Top 3) made to internet members of companies participating Major 7 (Sumitomo Realty & Development Co., Ltd., DAIKYO INCORPORATED, TOKYU LAND CORPORATION, Tokyo Tatemono Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsui Fudosan Residential Co., Ltd. and Mitsubishi Jisho Residence Co., Ltd.). Ranking was made counting No. 1 as three points, No. 2 as two points and No. 3 as one point.

#### **Comprehensive evaluation by SAR: Evaluation on income stability and growth**

For the following reasons, SAR believes the property can gain stable revenue over the medium to long-term and can also expect income growth from increased rent, etc. into the future.

- (1) Expected to gain stable revenue as a professional school occupies an entire building over the long term, and the tenant for this property is the same entity as the tenant for Amusement Media Gakuin Honkan, which SAR acquired, Amusement Media Gakuin Honkan and Amusement Media Gakuin Shinkan are managed and operated in a consistent and united manner.
- (2) Very attractive area for companies as Ebisu area has a high concentration of companies, in particular such as foreign companies, IT-related companies, and creative companies such as advertisement and content industries
- (3) Further development of the area is expected considering that it not only has characteristics of an office area, but also has characteristics of residential and tourism areas such as Ebisu Garden Place

#### 4. Planned Seller Profile

Name	GK El Toro
Location	5-1-4 Toranomom, Minato-ku, Tokyo
Representative	Representative partner: Ippanshadanhoujin Shichirigahama 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	100,000 yen
Established	July 27, 2015
Net asset	The information is undisclosed as consent to disclosure has not been obtained from the company.
Total asset	
Major shareholders and shareholding ratio	
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 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 Act on Investment Trusts and Investment Corporations (Act No.198 of 1951; including its amendments) (the "Investment Trusts Act"), but falls under the category of interested party prescribed in the "Rules on Transaction 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 acquisition of the assets, the Asset Manager has performed deliberation and approval in accordance with the voluntary rules.

(Note) "Interested parties" are (i) the Interested Parties of the Asset Manager as provided in Article 201, Paragraph 1 of the Investment Trust Act, (ii) the shareholders and officers of the Asset Manager, (iii) SPCs which execute an investment management agreement with the shareholders of the Asset Manager, (iv) SPCs a majority of investment of which are made by the Asset Manager and the shareholders of the Asset Manager, (v) Star Asia Management Limited, Star Asia Management Japan Limited, Star Asia Asset Management LLC, Star Asia Group LLC, Star Asia Asset Advisors Co., Ltd., Star Asia Sogo Kaihatsu Co., Ltd., Malcolm F. MacLean IV, Taro Masuyama, as well as investment vehicles invested by funds under management of Malcolm F. MacLean IV and Taro Masuyama (excluding minority investment) which (a) are located in Japan to own or acquire real estates or other investment assets and (b) own or acquire the investment units of SAR. This applies to any other assets described below.

#### 5. Status of Parties Related to the Acquisition of the Property

	Current owner, current trustee	Previous owner, previous trustee
Company name	GK El Toro	Other than the one in 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 Transaction with Interested Parties" set forth by the Asset Manager.	—
Acquisition background and reason, etc.	Acquired for investment management purpose	—
Acquisition price	Omitted as the current owner has owned the property for over one year.	—
Acquisition period	September 30, 2016	—



6. Transaction with interested person, etc.

The Acquisitions are not transaction with interested person, etc., as provided in the Investment Trusts Act, but each sellers in the asset acquisition falls under the category of interested party prescribed in the “Rules on Transaction 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 approval in accordance with the voluntary rules.

7. Overview of broker

None applicable.

8. Schedule for the Transaction

January 24, 2019	Acquisition decided
	Conclusion of a sale and purchase agreement of beneficiary interest in trust
February 1, 2019	Acquisition of beneficiary interest in trust (planned)
(Planned Acquisition Date)	Payment of acquisition price (planned)
	Conclusion of a master lease agreement and property management agreement (planned)

9. Settlement method

The acquisition prices of the Acquisition will be settled in lump sum payment on February 1, 2019.

10. Future outlook

Since the impact of the Acquisition on the forecast for operating results for the fiscal period ending January 2019 (August 1, 2018 to January 31, 2019) and July 2019 (February 1, 2019 to July 31, 2019) announced in “Financial Report for Fiscal Period Ended July 31, 2018 (REIT)” dated September 13, 2018 is minimal, there are no changes to the forecast.

<Reference Materials>

- Reference Material 1: Portfolio list after the Transaction
- Reference Material 2: Summary of earthquake risk analysis
- Reference Material 3: Location maps/photos of exterior of property
- Reference Material 4: The terms used in the table of Description of Asset to be Acquired

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

Reference Material 1 Portfolio list after the Transaction

<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	3,150	2.9
OFC-03	Honmachibashi Tower	Chuo-ku, Osaka-shi, Osaka	6,065	6,940	5.9
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,430	1.7
OFC-05	Alphabet Seven	Minato-ku, Tokyo	1,725	2,390	1.7
OFC-06	Shibuya MK Building	Shibuya-ku, Tokyo	2,042	2,890	2.0
OFC-08	Asahi Building	Kanagawa-ku, Yokohama-shi, Kanagawa	6,320	7,090	6.2
OFC-09	Hakata-eki East Place	Hakata-ku, Fukuoka-shi, Fukuoka	2,286	2,480	2.2
OFC-10	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,520	1.4
OFC-11	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,660	2.5
OFC-12	Higashi-Kobe Center Building	Higashinada-ku, Kobe-shi, Hyogo	7,440	7,470	7.3
OFC-13	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,120	1.0
<b>Office subtotal</b>			<b>35,664</b>	<b>40,140</b>	<b>34.8</b>
RSC-01	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,230	2.0
RSC-02	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	7,500	6.2
RSC-05	Urban Park Namba	Naniwa-ku, Osaka-shi, Osaka	1,490	1,610	1.5
RSC-06	Urban Park Gokokuji	Toshima-ku, Tokyo	1,460	1,510	1.4
RSC-07	Urban Park Kashiwa	Kashiwa-shi, Chiba	1,186	1,190	1.2
RSC-08	Urban Park Ryokuchi Koen	Suita-shi, Osaka	1,550	1,570	1.5
RSC-09	Urban Park Koenji	Suginami-ku, Tokyo	1,167	1,170	1.1
<b>Residence subtotal</b>			<b>15,213</b>	<b>16,780</b>	<b>14.9</b>
LGC-01	Iwatsuki Logistics	Iwatsuki-ku, Saitama-shi, Saitama	6,942	7,140	6.8
LGC-02	Yokohama Logistics	Kanagawa-ku, Yokohama-shi, Kanagawa	3,560	4,060	3.5
LGC-03	Funabashi Logistics	Funabashi-shi, Chiba	7,875	8,650	7.7
LGC-04	Baraki Logistics	Ichikawa-shi, Chiba	4,700	4,930	4.6
LGC-05	Tokorozawa Logistics	Tokorozawa-shi, Saitama	1,300	1,350	1.3
LGC-06	Funabashi Nishiura Logistics I	Funabashi-shi, Chiba	3,000	3,020	2.9
LGC-07	Funabashi Nishiura Logistics II	Funabashi-shi, Chiba	821	841	0.8
LGC-08	Matsubushi Logistics	Kitakatsushika-gun, Saitama	2,755	2,850	2.7
<b>Logistics subtotal</b>			<b>30,953</b>	<b>32,841</b>	<b>30.2</b>
HTL-01	R&B Hotel Umeda East	Kita-ku, Osaka-shi, Osaka	2,069	2,310	2.0
HTL-02	Smile Hotel Namba	Naniwa-ku, Osaka-shi, Osaka	1,750	1,720	1.7
HTL-03	BEST WESTERN Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,830	3.7
HTL-04	BEST WESTERN Yokohama	Tsurumi-ku, Yokohama-shi, Kanagawa	3,248	3,250	3.2
HTL-05	Hotel WBF Fukuoka Tenjin Minami	Chuo-ku, Fukuoka-shi, Fukuoka	1,970	1,990	1.9
HTL-06	GLANSIT AKIHABARA	Chiyoda-ku, Tokyo	2,500	2,520	2.4
HTL-07	Best Western Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,200	3.1
HTL-08	Hotel WBF Art Stay Namba	Naniwa-ku, Osaka-shi, Osaka	2,000	2,030	2.0
<b>Hotel subtotal</b>			<b>20,544</b>	<b>20,850</b>	<b>20.1</b>
<b>Real Estate etc. Total</b>			<b>102,374</b>	<b>110,611</b>	<b>100.0</b>

(Note 1) "Location" indicates the minimum independent administrative district of which each asset held by SAR as of

today (the “Existing Assets (real estate, etc.)”) and Asset to be Acquired is located except for mezzanine loan debt described in the <Mezzanine> below.

(Note 2) “(Planned) acquisition price” indicates, except for Minami-Azabu Shibuya Building, the sale and purchase price stated in each sale and purchase contract for Existing Assets (real estate, etc.), and “planned acquisition price” indicates the planned sale and purchase price stated in the sale and purchase agreement for Assets 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, since price for each property is not set in the sale and purchase agreement, the total sale and purchase price of the property is divided proportionally based on the ratio of appraisal value of the property at the time of acquisition and indicated as “(planned) acquisition price.”

(Note 3) “Real estate appraisal values” is the opinions of value stated in the real estate appraisal report with July 31, 2018 as the date of valuation for Existing Assets (real estate, etc.), July 1, 2018 as the date of valuation for Amusement Media Gakuin Honkan, Higashi-Kobe Center Building, Hotel WBF Fukuoka Tenjin Minami, GLANSIT AKIHABARA, Best Western Tokyo Nishikasai Grande, Hotel WBF Art Stay Namba acquired during the 6th Fiscal Period, November 1, 2018 as the date of valuation for Assets to be Acquired Amusement Media Gakuin Shinkan, each rounded to the nearest million yen.

(Note 4) “Investment ratio” is the ratio of (planned) acquisition price for each Existing Assets (real estate, etc.) / Assets to be Acquired to the total of (planned) acquisition prices of each Existing Assets (real estate, etc.) / Assets to be Acquired each rounded to the first decimal place.

(Note 5) Hakata-eki Higashi 113 Building as the anticipated transferred asset described in “Notice Concerning Acquisition and Transfer (Asset Replacement) of Real Estate Beneficiary Interests in Trust” announced as of July 23, 2018 are excluded.

Mezzanine loan debt	Asset no.	Asset type	Asset name (overview)	Investment ratio (%) (Note 1)	Acquisition price (million yen) (Note 2)	Interest rate (Note 3)	Acquisition date	Investment ratio to the entire portfolio (%) (Note 4)
	MEZ-01	Corporate bond	Haneda Hotel Development GK Series 1 Item A Unsecured Bonds (Name: Star Asia Mezzanine Loan Debt Investment Series 1)	48.4	400 (Note 5)	Base rate (Note 6) +5.0%	October 31, 2017	0.4%
	MEZ-03	Beneficiary interest in trust	Subordinate beneficiary interest of trust with loan claims to GK CHK as main asset in trust, which holds trust beneficiary interest with The Royal Garden Residence Shirokanedai as main asset in trust (Name: Star Asia Mezzanine Loan Debt Investment Series 3)	15.3	126	Base rate (Note 7) +5.0%	December 26, 2018	0.1%
	MEZ-04	Loan claims	Subordinate part of nonrecourse loan to GK DS Kaigan, whose collateral asset shall be the beneficiary interest in trust with Premier Kaigan Building as the main asset in trust (Name: Star Asia Mezzanine Loan Debt Investment Series 4)	36.3	300	Base rate (Note 8) +5.0%	January 30, 2019	0.3%
Mezzanine loan debt Total				100.0	826	—	—	0.8%

<Mezzanine>

(Note 1) “Investment ratio” is the acquisition price expressed as a percentage of the sum total of mezzanine loan debt.

(Note 2) “Acquisition price” is the sale and purchase price in the agreement (each do not include transfer-related costs), each rounded down to the nearest million yen.

(Note 3) "Interest rate" includes the dividend from the invested mezzanine loan debt.

(Note 4) "Investment ratio to the entire portfolio" is the acquisition price of each mezzanine loan debt as a percentage of the sum total of (scheduled) acquisition price of the portfolio (including Existing Assets (real estate, etc.) and Asset to be Acquired) including the mezzanine loan debt after the Transaction.

(Note 5) "400" means 400 million yen of total issued bonds amount of 701 million yen.

(Note 6) Base rate is JBA 3-month JPY TIBOR. The Japanese yen TIBOR can be confirmed on the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>). The same applies hereinafter. For each interest calculation period, the rate announced at 11 a.m. (Tokyo time) two business days prior to the last day of the previous calculation period of the relevant calculation period (the first date is two business days prior to the closing date of the senior loan which will be made closing with the payment of the bond) will be applied as the base rate.

(Note 7) Base rate is JBA 3-month JPY TIBOR. For each interest calculation period, the rate announced at 11 a.m. (Tokyo time) two business days prior to the last day of the previous calculation period of the relevant calculation period (the first date is December 21, 2018) will be applied as the base rate.

(Note 8) Base rate is JBA 3-month JPY TIBOR. For each interest calculation period, the rate announced at 11 a.m. (Tokyo time) two business days prior to the last day of the previous calculation period of the relevant calculation period (the first date is two business days prior to the closing date) will be applied as the base rate.

Reference Material 2 Summary of earthquake risk analysis

Type	Property no.	Property name	PML (%)	
Office Residence	OFC-01	Minami-Azabu Shibuya Building	12.6	
	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-08	Asahi Building	4.8	
	OFC-09	Hakata-eki East Place	7.3	
	OFC-10	Nihonbashi Hamacho Park Building	12.1	
	OFC-11	Amusement Media Gakuin Honkan	12.5	
	OFC-12	Higashi-Kobe Center Building	Higher bldg.: 4.7 Lower bldg.: 12.1	
	OFC-13	Amusement Media Gakuin Shinkan	10.7	
	Residence	RSC-01	Urban Park Azabujuban	7.2
		RSC-02	Urban Park Daikanyama	Existing bldg.: 12.7 Bldg. A: 10.2 Bldg. B: 7.9
RSC-05		Urban Park Namba	13.2	
RSC-06		Urban Park Gokokuji	9.2	
RSC-07		Urban Park Kashiwa	10.0	
RSC-08		Urban Park Ryokuchi Koen	Apartment house: 8.8 Parking bldg.: 4.0	
RSC-09		Urban Park Koenji	A bldg.: 6.7 B bldg.: 6.9	
Logistics		LGC-01	Iwatsuki Logistics	12.2
		LGC-02	Yokohama Logistics	10.8
	LGC-03	Funabashi Logistics	Bldg. 1-A: 13.9 Bldg. 1-B: 14.4 Bldg. 2: 11.1	
	LGC-04	Baraki Logistics	10.9	
	LGC-05	Tokorozawa Logistics	Warehouse: 9.7 Office: 3.8	
	LGC-06	Funabashi Nishiura Logistics I	Warehouse: 8.8 Office: 13.5	
	LGC-07	Funabashi Nishiura Logistics II	Office: 14.3 Factory: 15.9 Warehouse: 14.0	
	LGC-08	Matsubushi Logistics	9.8	
Hotel	HTL-01	R&B Hotel Umeda East	11.4	
	HTL-02	Smile Hotel Namba	12.3	
	HTL-03	BEST WESTERN Tokyo Nishikasai	13.3	
	HTL-04	BEST WESTERN Yokohama	7.9	
	HTL-05	Hotel WBF Fukuoka Tenjin Minami <sup>(Note 2)</sup>	7.8	
	HTL-06	GLANSIT AKIHABARA	7.5	
	HTL-07	Best Western Tokyo Nishikasai Grande	9.0	
	HTL-08	Hotel WBF Art Stay Namba	11.0	
Entire portfolio (33 properties) <sup>(Note 2)</sup>			2.64	

(Note 1) The figure in the entire portfolio column is the PML for the entire portfolio of the Existing Assets (real estate, etc.) /

Assets to be Acquired (portfolio PML) based on “portfolio earthquake risk evaluation report” prepared by Deloitte Tohmatsu Property Risk Solution Co., Ltd. dated January 16, 2019.

Reference Material 3 Location maps/photos of exterior of property

1. OFC-13 Amusement Media Gakuin Shinkan



Reference Material 4 The terms used in the table of Description of Asset to be Acquired

- a. Explanation on "Property no." and "Type"  
Property Number column and Type column: Each Asset to be Acquired by SAR is categorized by use as OFC (office), RTL (commercial / retail), RSC (residential), 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 of February 1, 2019.
  - (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.
  - (c) "Planned Acquisition Date" column: Herein is shown the planned MMDDYY of acquisition 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.
    - (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) held by respective trustee of the Asset to be Acquired.
    - (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. As for the building with compartmentalized ownership, the type of use for the exclusively owned space by SAR is shown.
    - (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 the 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 buildings of the Asset to be Acquired (in case common space is also leased, area of that space is included in the total). The figure does not include the area of the land lots leasable for parking and other purposes. Leasable area is counted not from registry data but from area data as described in lease agreements or from area data as calculated by using the architectural 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 December 31, 2018.
- (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 as of December 31, 2018 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 December 31, 2018.
- (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, 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 December 31, 2018.
- (d) "Total number of tenants" column: Herein is shown the total number of tenants as confirmed with the lease agreements effective as of December 31, 2018 of the Asset to be Acquired. In case a specific tenant uses two or more rooms in one of the Asset to be Acquired, 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, 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 December 31, 2018 (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 December 31, 2018 (only for the tenants who actually were in respective rooms at the time) of the Asset to be Acquired. In case master lease agreement is executed for any of the Asset to be Acquired, 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.
- 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 for the Asset to be Acquired.  
(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 Japan Real Estate Institute who conducted appraisal is an interested party of neither SAR nor the Asset Manager.
- f. Explanation on "Property information and acquisition highlight based on the survey by the Asset Manager"

Herein is shown a description on the basic features and characteristics of each of the Asset to be Acquired as prepared by the Asset Manager from the appraisal report, market reports and from their own research, as well as a description on the background of its acquisition (if it is an acquisition from Sponsor Group, background story on the acquisition by the group is described; and if it is an acquisition from the Asset Manager's own origination, background story on the sourcing is described). "<Sponsor fund>" means an acquisition from the Sponsor Group, "<external acquisition>" means an acquisition from a third-party, "<negotiated transaction>" means an acquisition from a third party on a negotiation basis, and "<warehousing>" means an acquisition utilizing the warehousing function of the Sponsor Group, respectively.

- g. Explanation on "Demographic analysis etc., market analysis and independent analysis by the Asset Manager"

Herein is shown the result of the Asset Manager's own market analysis based on the information from various real estate-specialized information providers and other publicly available information.

- h. Explanation on "Comprehensive evaluation by SAR"

Herein is shown SAR's independent comprehensive evaluation based on f. and g. above.