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For Immediate Release

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

Asset Management Company
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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Star Asia Investment Corporation (SAR) announces that it resolved at the Board of Directors meeting held on March 16, 2016 concerning issuance of new investment units and secondary offering of investment units, which are to be conducted upon listing the investment units of SAR (the "Investment Units") on Tokyo Stock Exchange, Inc. (TSE), as described below.

1. Issuance of new investment units through public offering (primary offering)
 - (1) Total number of investment units to be offered: 235,900 units
 - (2) Paid-in amount (issue amount): To be determined
(The amount shall be determined at a Board of Directors meeting to be held on April 11, 2016 (Monday) (the "Pricing Date")
 - (3) Total paid-in amount (total issue amount): To be determined
 - (4) Issue price (offer price): To be determined
The issue price (offer price) will be determined using the book building method (denoting a method for determining the issue price, etc., after indicating investors' provisional conditions regarding the issue price at the time of solicitation for applications for the acquisition of investment units and understanding the state of investors' demand for investment units), which is provided in Article 1210 of the enforcement rule of the securities listing regulations established by TSE, on the Pricing Date.
 - (5) Total issue price (offer price): To be determined
 - (6) Offering method: The offering of investment units shall be through a primary offering, and underwritten in full by Nomura Securities Co., Ltd. and Mizuho Securities Co., Ltd., who are the joint lead managers (collectively referred to as the "Underwriters").
 - (7) Underwriting agreement: The Underwriters will make payment of the amount equivalent to aggregate amount of the paid-in amount (issue amount) for the primary offering to SAR on the payment date identified in (11) below. The price difference between the amount and the aggregate amount of the issue price (offer price) for the primary offering will be the proceeds of each underwriter. SAR will not pay an underwriting fee to the Underwriters.
 - (8) Period of notification of: From April 4, 2016 (Monday) to April 7, 2016 (Thursday)

Disclaimer: This document is an English translation of a press release for public announcement concerning issuance of new investment units and secondary offering of investment units by Star Asia Investment Corporation, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to Star Asia REIT's prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

demand (book building period):

- (9) Subscription unit: One unit or more in multiples of one unit
- (10) Subscription period: From April 12, 2016 (Tuesday) to April 15, 2016 (Friday)
- (11) Payment date: April 19, 2016 (Tuesday)
- (12) Delivery date: April 20, 2016 (Wednesday)
- (13) The paid-in amount (issue amount), issue price (offer price) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors meeting
- (14) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan

2. Secondary offering of investment units (over-allotment) (please refer to <Reference> 2. below.)

- (1) Number of investment units to be offered: 11,800 units
The above-mentioned number indicates the maximum number of investment units to be offered through secondary offering (over-allotment). There may be cases where this number is reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other circumstances concerning the primary offering. The number of investment units to be offered through the secondary offering shall be determined at the Board of Directors meeting of SAR to be held on the Pricing Date while taking into account the demand for the primary offering and other factors.
- (2) Seller: Nomura Securities Co., Ltd.
- (3) Offer price: To be determined
The offer price shall be determined at Pricing Date, and offer price shall be same as the issue price (offer price) for the public offering.
- (4) Total offer price: To be determined
- (5) Offering method: Upon the primary offering, in consideration of the demand and other circumstances of the primary offering, Nomura Securities Co., Ltd., the bookrunner of the primary offering, shall offer the Investment Units (up to 11,800 units) to be borrowed from SA4 Investment Business Limited Partnership.
- (6) Subscription unit: One unit or more in multiples of one unit
- (7) Subscription period: From April 12, 2016 (Tuesday) to April 15, 2016 (Friday)
- (8) Delivery date: April 20, 2016 (Wednesday)
- (9) The offer price and other items necessary for the secondary offering through over-allotment shall be determined at a future Board of Directors meeting.
- (10) Each of the aforementioned items shall be subject to the effectiveness of the filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act of Japan.

3. Issuance of new investment units through third party allotment (please refer to <Reference> 2. below.)

- (1) Total number of investment units to be offered: 11,800 units
- (2) Paid-in amount (issue amount): To be determined
The offer price shall be determined at a Board of Directors meeting to be held on the Pricing Date, and offer price shall be same as the issue price (offer price) for the public offering.
- (3) Total paid-in amount (total issue amount): To be determined
- (4) Alottee: Nomura Securities Co., Ltd.

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- (5) Subscription unit: One unit or more in multiples of one unit
- (6) Subscription period (Subscription date): May 16, 2016 (Monday)
- (7) Payment date: May 17, 2016 (Tuesday)
- (8) If there is no subscription for all or a part of the investment units on or before the subscription period (Subscription Date) described in (6) above, the issuance of such shall be canceled.
- (9) The paid-in amount (issue amount) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors meeting of SAR.

<Reference>

1. The Investment Units are planned to be listed on the TSE on April 20, 2016 (Wednesday).

2. Details of the secondary offering (over-allotment)

Secondary offering (over-allotment) is the offering through which Nomura Securities Co., Ltd., the bookrunner of the primary offering, shall offer the Investment Units (up to 11,800 units) borrowed from SA4 Investment Business Limited Partnership, upon the primary offering after taking into account the demand and other circumstances concerning it. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 11,800, but the number is the maximum amount. The number may be reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other circumstances.

In order to allow Nomura Securities Co., Ltd. to acquire the Investment Units needed to return the investment units borrowed from SA4 Investment Business Limited Partnership (the "Borrowed Investment Units") in relation to the secondary offering through over-allotment, SAR has resolved at its Board of Directors meeting held on March 16, 2016 (Wednesday) to newly issue 11,800 units of the Investment Units through third party allotment (the "Third Party Allotment"), to Nomura Securities Co., Ltd. as the allottee with the payment date on May 17, 2016 (Tuesday).

In addition, Nomura Securities Co., Ltd. may, within the period from April 20, 2016 (Wednesday) to May 10, 2016 (Tuesday) (the "Syndicate Cover Transaction Period"), purchase up to the maximum number of investment units offered in the secondary offering through over-allotment on the Tokyo Stock Exchange (the "Syndicate Cover Transaction") with the aim of returning the Borrowed Investment Units. Investment units purchased by Nomura Securities Co., Ltd. through Syndicate Cover Transaction shall be allocated in full for returning the Borrowed Units. Nomura Securities Co., Ltd., at its discretion, may choose not to enter into any Syndicate Cover Transaction, or to terminate the Syndicate Cover Transaction prior to reaching the maximum number of investment units to be offered in the secondary offering through over-allotment during the Syndicate Cover Transaction Period.

Nomura Securities Co., Ltd. intends to agree to the Third Party Allotment to acquire the Investment Units for the number of investment units which were reduced from the number of investment units that are purchased through the Syndicated Cover Transaction. In that case, there may be no subscription for all or a part of the investments units through Third Party Allotment. As a result, there may be cases in which the subscription right shall be forfeited and the final number of investment units to be offered through Third Party Allotment reduced to the same extent, or the issue itself may be suspended.

Nomura Securities Co., Ltd. shall conduct the transaction above upon consultation with Mizuho Securities Co., Ltd.

3. Changes in total number of investment units issued and outstanding after these issuances of new investment

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units

Total number of investment units issued and outstanding at present:	97,000 units	
Number of new investment units to be issued through public offering:	235,900 units	
Total number of investment units issued and outstanding after new issuance through public offering:	332,900 units	
Number of new investment units to be issued through third party allotment:	11,800 units	(Note)
Total number of investment units issued through third party allotment:	344,700 units	(Note)

(Note) The number is based on the assumption that Nomura Securities Co., Ltd. subscribes to all the investment units to be offered through Third Party Allotment and that all such units are issued.

4. Amount to be procured, use of funds and schedule of expenditure

(1) Amount to be procured (approximate net proceeds SAR will obtain)

24,770,000,000 yen (maximum)

(Note) The total amount of the net proceeds from the primary offering (23,590,000,000 yen) and the maximum net proceeds from the Third Party Allotment (1,180,000,000 yen) is indicated. The above amount is an expected amount as of today.

(2) Specific use of the funds to be procured and scheduled expenditure date

Net proceeds from the primary offering will be allocated for the acquisition of beneficiary interest in trust of real estate concerning seven properties which the SAR plans to acquire, and partial repayment of borrowings. The net proceeds from the Third Party Allotment will be used for part of the funds to repay borrowings.

5. Designation of Allottee

Not applicable.

6. Future outlook

Please refer to the "Notice Concerning Forecasts for the Fiscal Periods Ending July 31, 2016 and January 31, 2017" separately announced today.

7. Status of past equity financing, etc.

Date	Issue amount (thousand yen)	Unitholders' capital after the issuance (thousand yen)	Type of issue
December 1, 2015	200,000	200,000	Private establishment
January 14, 2016	9,500,000	9,700,000	Private offering

8. Details of the lock-up

(1) With respect to the primary offering, SA1 Investment Business Limited Partnership, SA2 Investment Business Limited Partnership, SA3 Investment Business Limited Partnership and SA4 Investment Business Limited Partnership, the unitholders of SAR, has respectively agreed with Nomura Securities Co., Ltd. and Mizuho Securities Co., Ltd. (collectively referred to as the "Joint Lead Managers") that they will not sell, etc. the Investment Units (except for leasing, etc. the Investment Units in line with the secondary offering through over-allotment) without the prior written approval of the Joint Lead

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Managers, during the period from April 11, 2016 (Monday) to November 30, 2016 (Wednesday) for SA2 Investment Business Limited Partnership and during the period from April 11 (Monday) to January 13, 2017 (Friday) for SA1 Investment Business Limited Partnership, SA3 Investment Business Limited Partnership and SA4 Investment Business Limited Partnership.

The Joint Lead Managers have the right to terminate the concerned agreements in part or in whole at their discretion even during the period stated above.

- (2) In relation to the primary offering, SAR has agreed with the Joint Lead Managers that it will not conduct issuance, etc. of the Investment Units (except for issuance of new investment units in line with the primary offering, the Third Party Allotment and a split of investment units) for a period from April 11, 2016 (Monday) to July 18, 2016 (Monday) without prior written consent from the Joint Lead Managers.

The Joint Lead Managers have the right to terminate the concerned agreement in part or in whole at their discretion even during the period stated above.

- (3) In addition, aside from the restrictions described in above (1), SA1 Investment Business Limited Partnership, SA2 Investment Business Limited Partnership, SA3 Investment Business Limited Partnership and SA4 Investment Business Limited Partnership have made commitments with SAR to the continuous ownership of investment units based on the TSE regulations upon listing the Investment Units on the TSE. Concerning investment units owned as of today, SA2 Investment Business Limited Partnership is to own them until the date when one year has passed from December 1, 2015 (Tuesday), and SA1 Investment Business Limited Partnership, SA3 Investment Business Limited Partnership and SA4 Investment Business Limited Partnership are to own them until the date when one year has passed from January 14, 2016 (Thursday).

- * 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/>