

"Financial Results for the 6th Fiscal Period Ended January 2019"



スターアジア不動産投資法人

Star Asia Investment Corporation
(Securities CODE 3468)

Star Asia Investment Management

スターアジア不動産投資法人 (3468)
スターアジア投資顧問株式会社

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Characteristics of Star Asia Investment Corporation (SAR)

- 1. A diversified REIT**
Portfolio developed with diversified assets located mainly in the Tokyo Area (Note 2)
- 2. Steady growth**
Pursuit of internal growth by the Asset Manager with abundant experience and know-how as well as external growth based on asset managed performed by the Star Asia Group
- 3. Initiatives focusing on unitholder value**
Constant, "out-of-the-box" active management

Investment policy



Prioritized, focused investment in the Tokyo Area
Investment ratio of 70% of higher in the Tokyo Area



Achieving income stability and growth through diversification of asset type



Investment primarily in middle-size assets (Note 2)

1. Executive summary

1. Executive summary

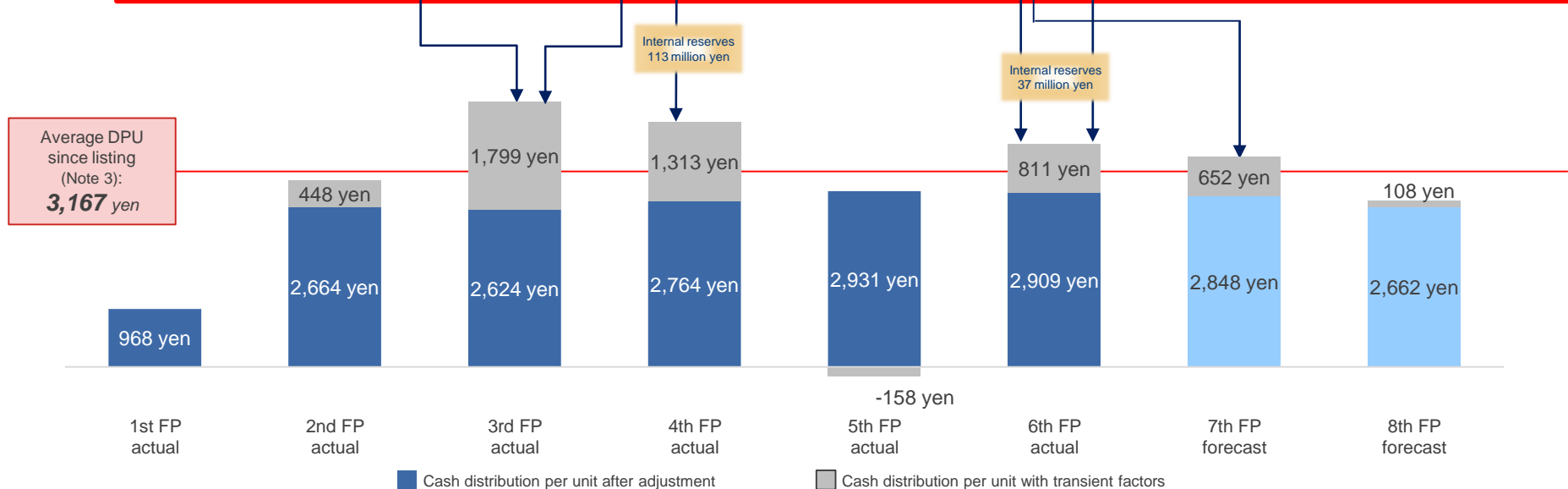
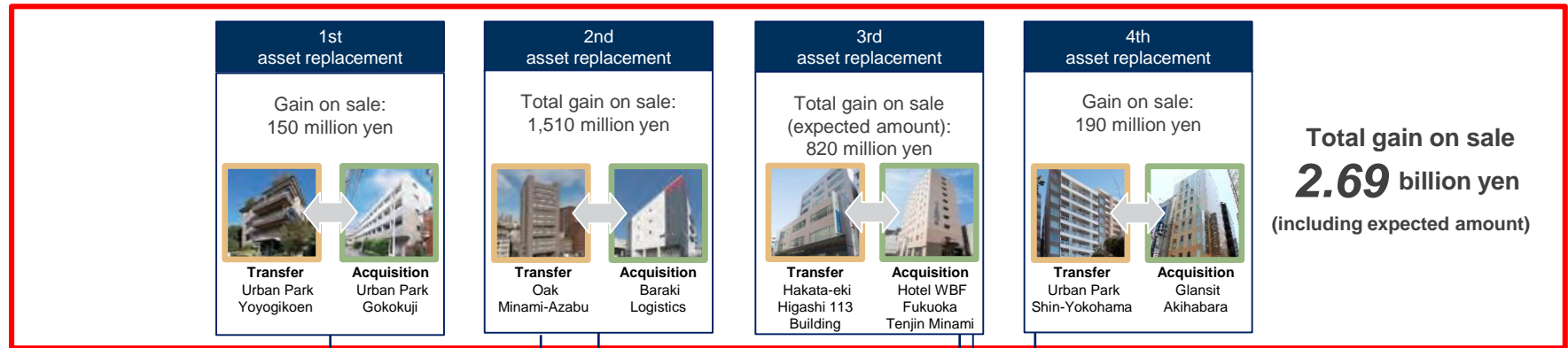
<h2>Distribution</h2>	<ul style="list-style-type: none"> Upward revision of distributions for the 6th fiscal period ended January 2019: 3,720 yen (+140 yen, up 3.9% compared to forecast) <small>*Accumulated 37 million yen as internal reserves among the effect of the increase in revenue and reduction of expenses to stabilize distribution</small> Upward revision of forecasted distributions for the 7th fiscal period ending July 2019: 3,500 yen (+100 yen, up 2.9% compared to previous forecast) Forecasted distributions for the 8th fiscal period ending January 2020: 2,770 yen
<h2>Internal growth</h2>	<ul style="list-style-type: none"> Occupancy rate as of the end of the 6th fiscal period (overall average): 98.1% (+0.4% from the end of the 5th fiscal period) Office: Focusing on the elimination of rent gap rent increase (revision) 11 cases (8 new cases+3 renewal cases) Residence: Realized increase in monthly unit rent per tsubo (+15 yen~+110 yen) for 7 out of the 8 properties
<h2>External growth</h2>	<ul style="list-style-type: none"> Expended asset size through property acquisition accompanying public offering: 102.3 billion yen (1.6 times the asset size as of listing/based on acquisition price/as of March 15, 2019) Implementation of asset replacement realizing 1,020 million yen of total gain on sale (including expected amount) (total of 3rd and 4th) Implementation of silent partnership investment and acquisition of preferential negotiation rights associated with such investment (3 properties/total preferential negotiation price: 8,450 million yen) Implementation of mezzanine loan debt investment for 2 projects
<h2>Future key issues</h2>	<p><Logistics facility> Measures against rent decrease due to leasing/rent holiday (*) associated with tenant departure</p> <p><Office> Improvement in occupancy rate accompanying rent increase in response to tenant departure at Higashi Kobe Center Building</p> <p><Residence> Pursuit of improvement and stabilization of occupancy rate/continuous rent increase</p> <p style="text-align: right;"><small>*Exemption of payment of rent for a specific month during the period of lease agreement</small></p>

2. Actual and forecasted distribution

2. Actual and forecasted distribution (1)

Change in actual distribution and distribution excluding transient factors

	1st FP	2nd FP	3rd FP	4th FP	5th FP	6th FP	7th FP forecast	8th FP forecast
Forecasted distribution	829 yen	3,046 yen	4,340 yen	4,039 yen	2,750 yen	3,580 yen	3,500 yen	2,770 yen
Actual distribution	968 yen	3,112 yen	4,423 yen	4,077 yen	2,773 yen	3,720 yen		



2. Actual and forecasted distribution (2)

Factors for increase/decrease compared with forecast/actual results for the 6th fiscal period ended January 2019

Net income was 2,049 million yen (+5.9% compared to initial forecast) and distribution per unit was 3,720 yen (+3.9% compared to initial forecast) in the 6th fiscal period ended January 2019

Accumulated 37 million yen as internal reserves to stabilize distribution

(Unit: million yen)

	6th FP (ended Jan. 2019) forecast*	6th FP (ended Jan. 2019) actual	Comparison with forecast	Factors for the increase/decrease
Lease business revenue	3,196	3,224	+27	<Lease business revenues> +27
Office rent	1,091	1,104	+12	Office: Occupancy of vacant spaces at Nishi-Shinjuku Matsuya Building at an early stage
Residence rent	443	458	+14	Residence: Improvement in occupancy rate exceeding forecast as a whole/increase in revenue from renewal fees
Logistics rent	912	912	+0	
Hotel rent	450	447	-3	Hotel: Decrease in floating rent
Other	298	302	+3	Decrease in revenue from utilities expenses
Expenses related to rent business (Depreciation is excluded)	715	678	-36	Increase in revenue from restoration work fees, etc.
NOI	2,481	2,545	+63	<Expenses related to rent business> -36
Depreciation	415	409	-6	Decrease in utilities expenses
Rent revenues/expenses	2,065	2,135	+70	Decrease in repair expenses
Mezzanine	18	22	+3	Decrease in expenses for leasing and sales activities
Gain on sale of real estate property	579	598	+18	<SGA> -16
SGA	365	349	-16	Increase in asset management fee
Operating income	2,298	2,406	+108	Decrease in asset custody and administrative service fees
Non-operating income	-	0	+0	Decrease in taxes and public dues, etc.
Non-operating expenses	361	333	-27	<Non-operating expenses> -27
Ordinary income	1,936	2,073	+136	Decrease in investment unit issuance expenses
Net income	1,936	2,049	+113	Decrease in borrowing related expenses, etc.
Cash distribution per unit	3,580 yen	3,720 yen	+140 yen	
FFO per unit	3,276 yen	3,440 yen	+164 yen	
Balance of Internal reserves	113	151	+37	

*Announced in 5th FP closing of accounting report (September 13, 2018)



2. Actual and forecasted distribution (3)

Forecast of business results for the 7th fiscal period ending July 2019 and 8th fiscal period ending January 2020

(Unit: million yen)

	Initial forecast for the 7th FP ending July 2019 (A)	Current forecast for the 7th FP ending July 2019 (B)	Increase/decrease (B-A)	Major factors for the increase/decrease	Forecast for the 8th FP ending January 2020 (C)	Forecast for the 8th FP Forecast for the 7th FP Increase/decrease (C-B)	Major factors for the increase/decrease
Lease business revenue	3,263	3,268	(1) +4	Factors for increase/decrease in 7th FP (Comparison with previous forecast) (1) Lease business revenues +4 <ul style="list-style-type: none"> Review of rent revenue, revenue from utilities expenses, etc. Increase due to acquisition of Amusement Media Gakuin Shinkan Incurrence of revenue from cancellation penalty fees at logistics facilities Revision of expected floating rent of hotels (2) Expenses related to rent business +7 <ul style="list-style-type: none"> Review of repair expenses, utilities expenses, etc. Increase due to acquisition of Amusement Media Gakuin Shinkan (3) SGA -10 <ul style="list-style-type: none"> Decrease in taxes and public dues (4) Non-operating expenses -28 <ul style="list-style-type: none"> Decrease due to examination of temporary expenses associated with refinancing 	3,160	(1) -107	Factors for increase/decrease in 8th FP (compared to 7th FP actual) (1) Lease business revenues -107 <ul style="list-style-type: none"> Tenant departure and incurrence of rent holiday at logistics facilities (2) Expenses related to rent business -18 <ul style="list-style-type: none"> Decrease in repair expenses, leasing expenses, etc. Incurrence of renewal fee of leased land at Higashi Kobe Center Building (3) SGA -24 <ul style="list-style-type: none"> Decrease in asset management fee linked to revenue (4) Non-operating expenses -36 <ul style="list-style-type: none"> Decrease in temporary expenses accompanying refinancing
Expenses related to rent business (Depreciation is excluded)	785	793	(2) +7		774	(2) -18	
NOI	2,478	2,475	-2		2,386	-88	
Depreciation	427	419	-8		426	+7	
Rent revenues/expenses	2,050	2,055	+5		1,959	-96	
Gain on sale of real estate properties	418	422	+4		-	-422	
Mezzanine	18	20	+2		20	+0	
Dividends in silent partnership investment	-	2	+2		7	+4	
SGA	356	345	(3) -10		320	-24	
Operating income	2,130	2,155	+25		1,667	-488	
Non-operating income	-	-	-	-	-		
Non-operating expenses	290	261	(4) -28	225	(3) -36		
Ordinary income	1,839	1,893	+54	1,442	-451		
Net income	1,838	1,893	+54	1,441	-451		
Cash distribution per unit	3,400	3,500	+100	2,770	-730		

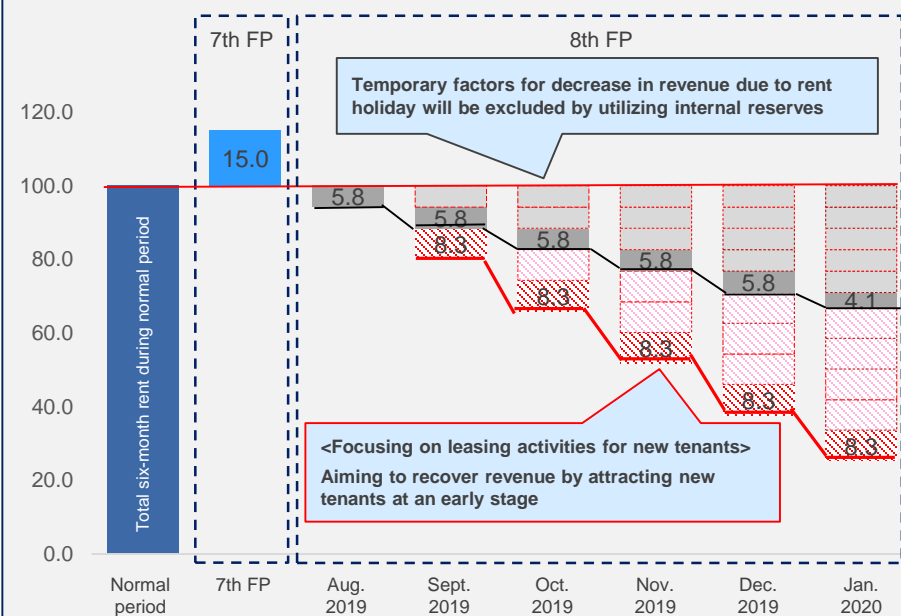
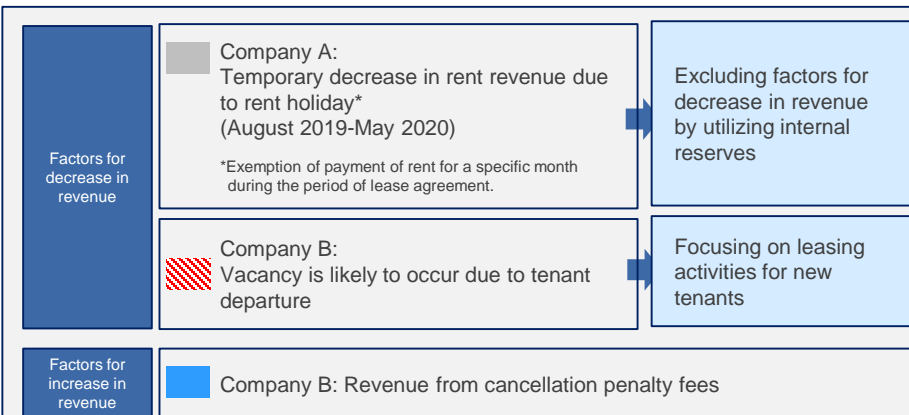
*Initial forecast for the 7th fiscal period was announced on September 13, 2018/Current forecast was announced on March 15, 2019



2. Actual and forecasted distribution (4)

Future key issues – Logistics facilities

Factors and countermeasures for decrease in revenue at logistics facilities (Baraki Logistics)



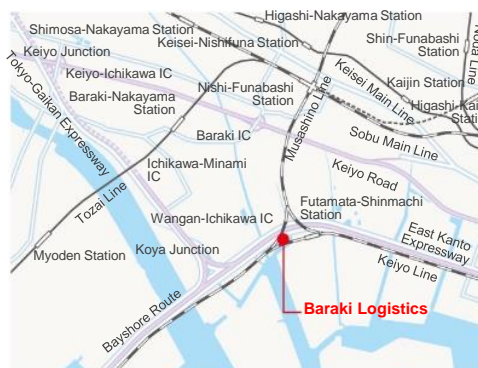
*Total six-month rent during normal period is indexed as 100

Property features of Baraki Logistics



Baraki Logistics	
Use	Logistics facility
Location	Ichikawa-shi, Chiba
Acquisition price	4,700 million yen
Appraisal value	4,870 million yen
Structure	Reinforced concrete, steel-framed galvanized steel sheet roofing 5 floors above ground
Total floor areas	12,471.50 m ²

- Located near the Wangan Ichikawa IC of the East Kanto Expressway and approximately 1.6 km to the south of the "Baraki" IC on the Keiyo Road as well as within 30 km from Tokyo Station, the Property offers excellent access to central Tokyo.
- The Property allows access to the Chiba and Ibaraki areas via the East Kanto Expressway and offers excellent access to Haneda Airport and Narita International Airport, also addressing the needs of airfreight logistics
- The Property allows access to the Saitama area and delivery to a wide range and a large number of consumption areas via the Gaikan Expressway that is expected to be opened to traffic
- A multi-tenant logistics facility
- Enjoys good access to Central Tokyo as well as the consumption areas throughout Chiba, allowing tenants to address the needs of ecommerce operators.
- Located within approximately a 5-minute walk from Futamata-Shinmachi station on the JR Keiyo Line, allowing for securement of employees.
- Property with highly versatile specifications, including one passenger elevator, two freight elevators, a floor height of approx. 6.5 m and a pillar span of approx. 9 m-11 m.



2. Actual and forecasted distribution (5)

Future key issues – Office

Improvement in occupancy rate accompanying rent increase in response to tenant departure at Higashi Kobe Center Building

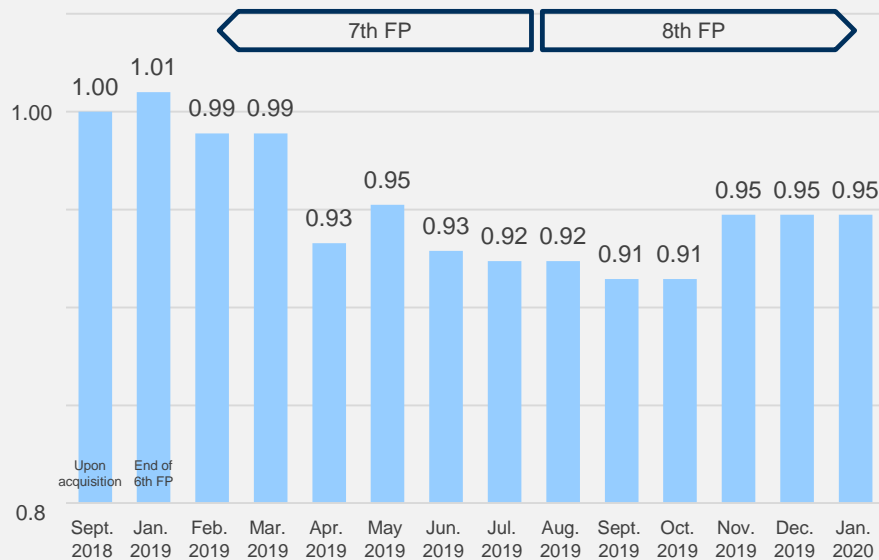
Occupancy rate at the time of property acquisition was 95.4%

Factors for decrease in revenue
Likely to become a factor of decrease in revenue due to continuous cancellation in the recent period despite the attraction of new tenants
(Tenants that are less likely to be attracted as of now are not included in the forecast of business results)

Countermeasures
Aiming for improvement in occupancy rate accompanying rent increase by attracting new tenants

- Held 2 property viewings (1st viewing (December) 33 people and 19 companies participated/2nd viewing (March) 40 people and 15 companies participated)
- Implementation of leasing activities through intimate local collaboration

Change in total monthly rent (forecast)



*The total monthly rent upon acquisition is indexed as 1

<Results of leasing after acquisition>

- Acquired a total of 3 new tenants and approximately 160 tsubos. Realized increase in average unit rent

<Progress in leasing activities at present>

- Financial institutions: Accepted application for occupancy/currently discussing details of lease agreement
- Major manufacturers: Plans to accept application for occupancy/currently discussing details of lease agreement
- Major manufacturers: Currently looking for floors with a certain area/ the Property is one of the major candidates
- Other multiple candidate tenants are deliberating the occupancy of the Property as a candidate property by assessing the convenience in access to Osaka & Kobe area and the number of parking lots.

Property features of Higashi Kobe Center Building



Higashi Kobe Center Building

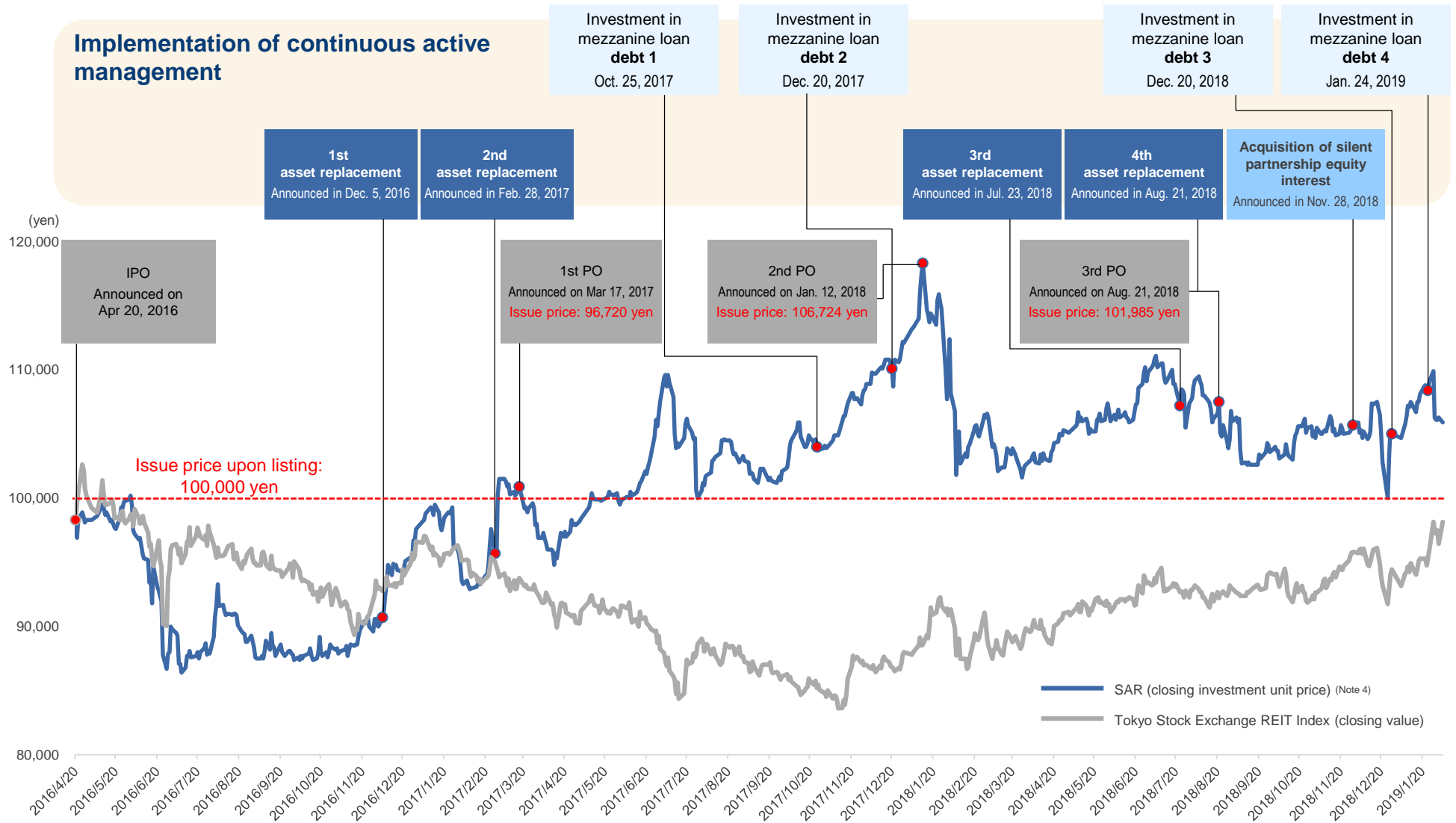
Use	Office
Location	Kobe-shi, Hyogo
Acquisition price	7,440 million yen
Appraisal value	7,470 million yen
Structure	Steel-framed / Steel-framed reinforced concrete structure 14 floors above ground
Total floor areas	25,740.46 m ²

- Provides convenient access to office and commercial areas since the building is centrally located between Osaka and Kobe, with an 11-minute ride to Sannomiya Station and 17-minute ride to Osaka Station from Settsu Motoyama, the closest station to the property
- The property has specifications satisfying a wide range of tenant needs and is competitive amongst properties in the surrounding area at a certain degree.
- There is parking space for 180 cars on the premises and for 112 cars off the premises, which is very appealing to a wide range of retail tenants and stores seeking to attract customers across a wide area.
- The standard office floor area is 1,042.44 m². Units can be divided based on tenant needs (existing tenants rent rooms of 57.42 m² - 1,387.82 m²). The property has competitive specs such as 8 elevators, ceiling height of 2,500 mm, individual air conditioning, OA floors, etc. and can satisfy demand from tenants in various industries.
- The building is in the same region as Ashiya, Nishinomiya, Okamoto, and other such luxury residential areas, and includes community-based tenants (mobile phone shops, photo studios, etc.) who emphasize easy access to residential areas

3. Status of implementation of active management

3. Status of implementation of active management (1)

Actual results of active management and change in investment unit price from the time of listing








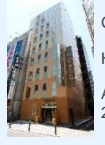



3. Status of implementation of active management (2)

Steady expansion of asset size

—To increase asset size by 1.6 times to more than 100 billion yen from the time of listing—

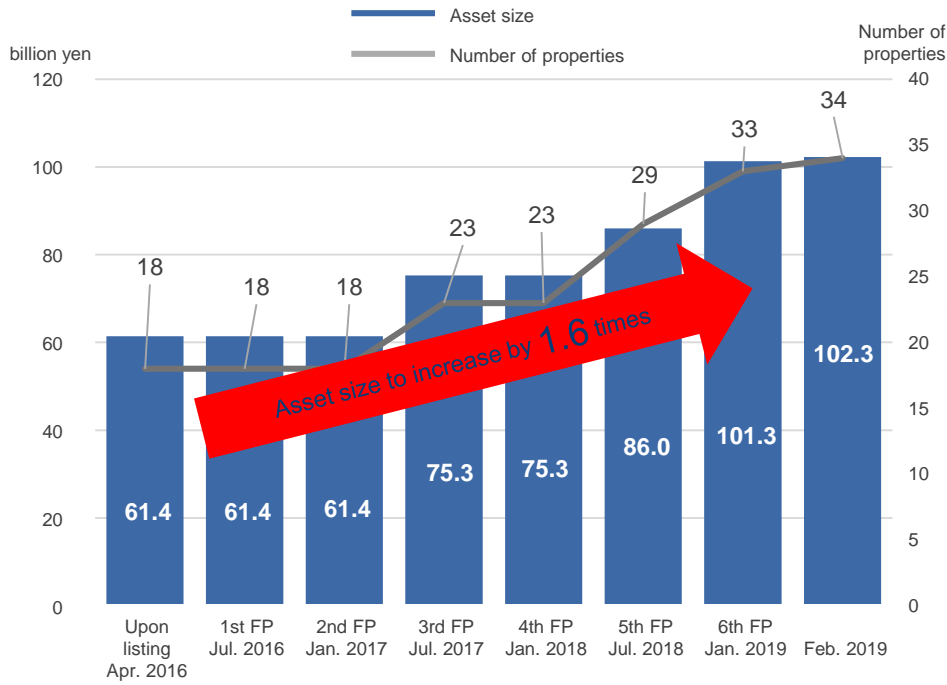
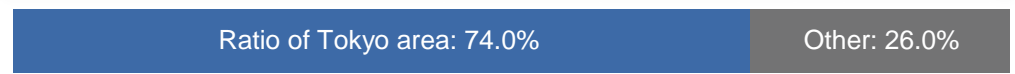
	Upon listing	6th FP (as of Jan. 31, 2019) (Note 5)	As of Mar. 15, 2019
Number of properties	18 properties	33 properties	34 properties
Total acquisition price	61.4 billion yen	101.3 billion yen	102.3 billion yen
Total appraisal value	65.1 billion yen	109.9 billion yen	111.0 billion yen
Number of tenants	390 properties	642 properties	643 properties

Asset replacement/property acquisition in and after the 6th fiscal period

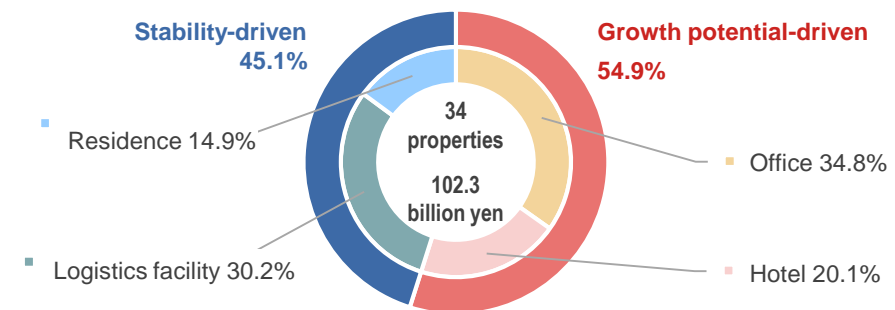
 <p>Amusement Media Gakuin Honkan Office Acquisition price: 2.58 billion yen</p>	 <p>Higashi Kobe Center Building Office Acquisition price: 7.44 billion yen</p>	 <p>Hotel WBF Fukuoka Tenjin Minami Hotel Acquisition price: 1.97 billion yen</p>
 <p>Best Western Tokyo Nishikasai Grande Hotel Acquisition price: 3.18 billion yen</p>	 <p>Hotel WBF Art Stay Namba Hotel Acquisition price: 2.00 billion yen</p>	 <p>GLANSIT Akihabara Hotel Acquisition price: 2.50 billion yen</p>
 <p>Hakata-eki Higashi 113 Building Office Transfer price: 2.85 billion yen</p>	 <p>Urban Park Shin-Yokohama Residence Transfer price: 2.77 billion yen</p>	 <p>Amusement Media Gakuin Shinkan Office Acquisition price: 1.02 billion yen</p>

Sales (7 properties, 20.69 billion yen) Acquisition (7 properties, 20.69 billion yen)

Status of portfolio (as of March 15, 2019)



(Note 6)



3. Status of implementation of active management (3)

Enhancement of portfolio and implementation of asset replacement generating gain on sale

Continuous deliberation in the future

Deliberation based on implementation policy of asset replacements

Replace with assets that contribute to stability of revenue

1st asset replacement



Gain on sale: 150 million yen

Existence of real estate investors with different appraisal standards

2nd asset replacement



Total gain on sale: 1,510 million yen

Replacement with assets with expected growth of revenue

3rd asset replacement



Total gain on sale: 820 million yen (expected amount)

Replacement with assets whose NOI yield after depreciation is expected to recover

4th asset replacement



Gain on sale: 190 million

3rd FP

Gain on sale in 3rd FP: 150 million yen
Gain on sale per unit (Note 7): 367 yen

Gain on sale in 3rd FP: 740 million yen
Gain on sale per unit (Note 7): 1,801 yen

4th FP

Gain on sale in 4th FP: 770 million yen
Gain on sale per unit (Note 7): 1,862 yen
Internal reserves in 4th FP: 110 million yen

6th FP

Gain on sale in 6th FP:
Approx. 400 million yen (Note 8)
Gain on sale per unit (Note 7): 750 yen

Gain on sale in 6th FP:
Approx. 190 million yen
Gain on sale per unit (Note 7): 355 yen

7th FP
Forecast

Gain on sale in 7th FP:
Approx. 420 million yen (expected amount) (Note 8)
Gain on sale per unit (Note 19): 781 yen



3. Status of implementation of active management (4)

Increase in capital efficiency utilizing cash on hand and continued implementation of mezzanine loan debt investment realizing revenue exceeding after-amortization yields of real estate portfolios

Star Asia Mezzanine Loan Debt Investment Series 1		Star Asia Mezzanine Loan Debt Investment Series 2		Star Asia Mezzanine Loan Debt Investment Series 3		Star Asia Mezzanine Loan Debt Investment Series 4	
Return: Base rate +5.0%		Return: Base rate +5.0%		Return: Base rate +5.0%		Return: Base rate +5.0%	
Haneda Hotel Development GK		GK Japan B Asset	Shinsei Trust & Banking	GK CHK	Shinsei Trust & Banking	GK DS Kaigan	
Underlying asset	Senior loan Approx. 1,840 million yen	Collateral Asset	Non-recourse loan (loan receivable)	Collateral Asset	Non-recourse loan (loan receivable)	Collateral Asset	Senior loan Lender A: 3,354.3 million yen
HOTEL RELIEF Premium Haneda	Acquired by third parties (Subordinated bonds) 301 million yen	Sasazuka South Building	Approx. 1,948.5 million yen	The Royal Garden Residence	Approx. 1,207 million yen	Premier Kaigan Building	Mezzanine loan Lender B: 300 million yen
Appraisal Value: 4,080 million yen	Star Asia Mezzanine Loan Debt Investment Series 1 (Subordinated bonds) 400 million yen	Appraisal Value: 2,870 million yen	(Subordinate Beneficiary Interest) 334.5 million yen	Appraisal Value: 1,850 million yen	(Subordinated beneficiary interest C) 126 million yen	Appraisal Value: 5,750 million yen	Star Asia Mezzanine Loan Debt Investment Series 4 (Subordinate loan claims) 300 million yen
	(Equity) Silent partnership investment, etc.		(Equity) Silent partnership investment, etc.		Beneficiary interest D		(Equity) Silent partnership investment, etc.

5th FP	Revenue: Approx. 10 million yen	Revenue: Approx. 8 million yen			Effects on distribution per unit
6th FP	Revenue: Approx. 10 million yen	Revenue: Approx. 6 million yen Redemption	Acquisition Revenue: Approx. 0 million yen	Acquisition Revenue: Approx. 0 million yen	
7th FP Forecast	Revenue: Approx. 9 million yen		Revenue: Approx. 3 million yen	Revenue: Approx. 7 million yen	37 yen
8th FP Forecast	Revenue: Approx. 10 million yen		Revenue: Approx. 3 million yen	Revenue: Approx. 7 million yen	38 yen

Continuous deliberation



3. Status of implementation of active management (5)

Implementation of investment in silent partnership equity interest

Also acquired preferential negotiation rights for property acquisition and secured opportunities for future external growth (Note 9)



Property name	Urban Park Mitsuike Koen		
Asset type	Residence	Location	Yokohama-shi, Kanagawa
Construction completion	March 24, 1992	Investment amount	100 million yen *1 (Total of *1 and *2)
Appraisal value	3,260 million yen	Preferential negotiation price	3,200 million yen
Preferential negotiation period	Until Nov. 30, 2020	Business found through unique route of the Asset Manager	



Property name	Urban Park Tokiwadai Koen		
Asset type	Residence	Location	Yokohama-shi, Kanagawa
Construction completion	February 17, 1994	Investment amount	100 million yen *2 (Total of *1 and *2)
Appraisal value	3,770 million yen	Preferential negotiation price	3,500 million yen
Preferential negotiation period	Until Nov. 30, 2020	Business found through unique route of the Asset Manager	



Property name	OHA Building		
Asset type	Office	Location	Tachikawa-shi, Tokyo
Construction completion	May 30, 1990	Investment amount	100 million yen
Appraisal value	1,900 million yen	Preferential negotiation price	1,750 million yen
Preferential negotiation period	Until Aug. 30, 2020	Business found through unique route of the Asset Manager	

Total preferential negotiation price of the 3 properties whose preferential negotiation rights were acquired

8,450 million yen

<Reason for acquisition of silent partnership equity interest>

• Acquisition of stable revenue

SAR manages trust beneficiary interest for family-type rental residence/office buildings in which stable revenue can be expected as assets under management and judged that stable revenue can also be realized in subordinated silent partnership equity interest which it will acquire.

• Effective utilization of cash on hand

The Acquisition will be made using the cash on hand of SAR, and SAR has deemed that a boost in distributable profits can be expected.

• Securing opportunities for future external growth in collaboration with Star Asia Group

Realized investment in collaboration with Star Asia Group. Also acquired preferential negotiation rights for property acquisition and secured opportunities for future external growth.



3. Status of implementation of active management (6)

Partially amended management guideline and added “Expanded Tokyo Area” to the investment target area (February 26, 2019)

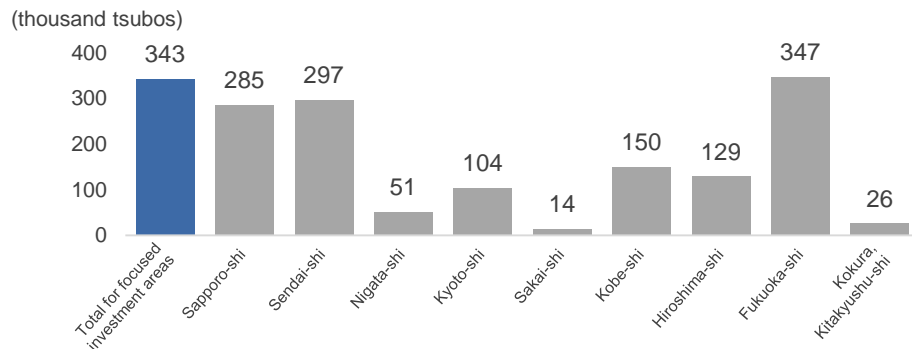
- No changes made to definition of “Tokyo Area” and investment ratio of 70% or more for Tokyo Area
- Increased opportunities for external growth that pursues profitability and quality by adding “Expanded Tokyo Area”

Investment target area after amendment

	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
NEW 30% or less	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

- In total, the focused investment areas of the Expanded Tokyo Area have almost as much office stock as Fukuoka City

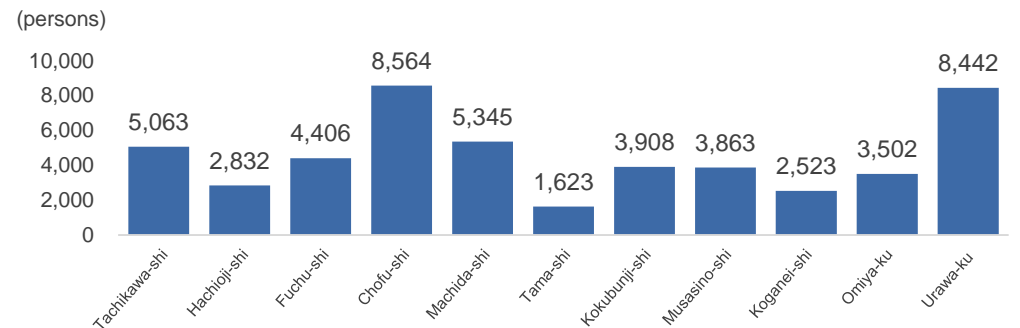
Comparison of stock size of focused investment areas and major cities



Source: CBRE K. K.

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

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



Source: Source: Prepared by the Asset Manager based on the Basic Resident Register (annual) regarding excess population inflow by nation, prefecture and municipal administration.

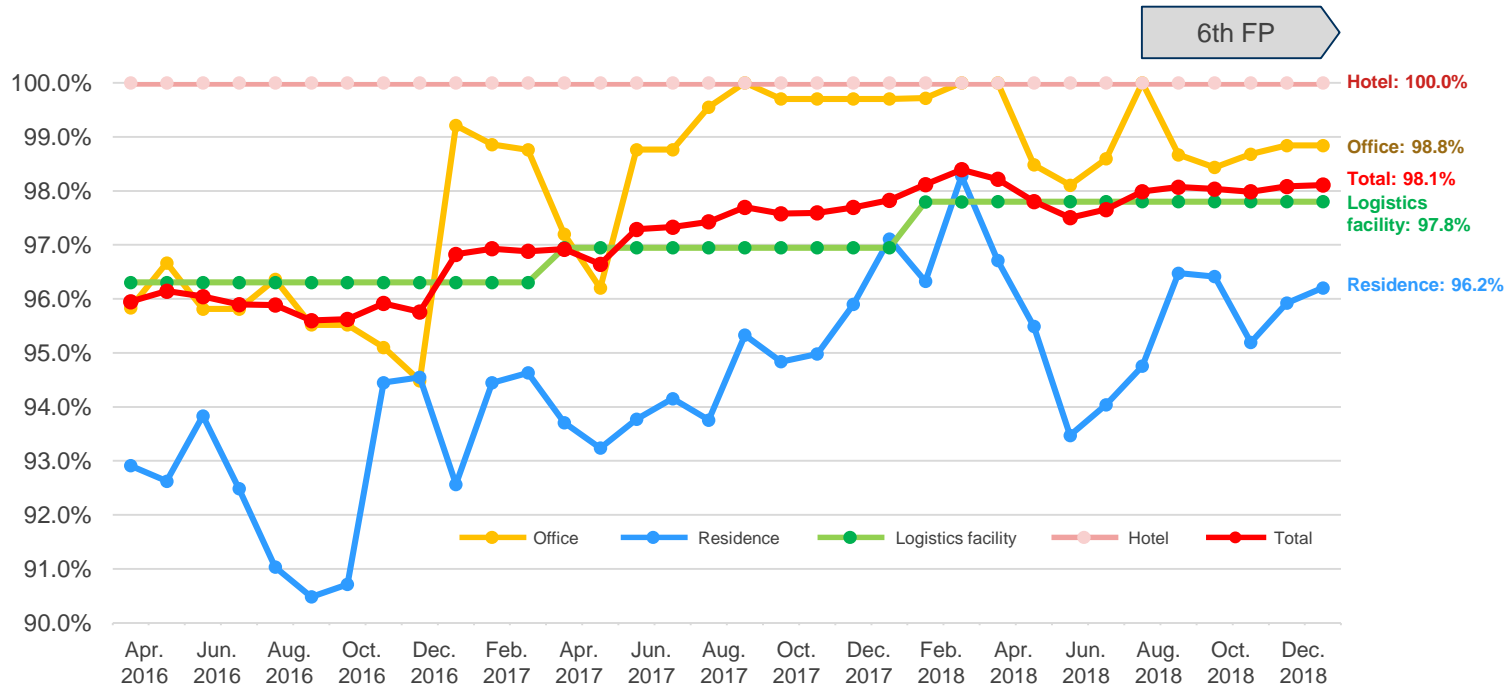
4. Operating results for the 6th fiscal period ended January 2019

4. Operating results for the 6th fiscal period ended January 2019 (1)

Occupancy rate status

Occupancy rate as of the end of the 6th fiscal period: 97.7%

Aiming to stabilize occupancy rate by grasping tenant needs and the situation of properties through intimate on-site collaboration and other careful measures



[Total]
The occupancy rate for the 6th FP was maintained at around 98%.

[Office]
The occupancy rate decreased mainly due to the impact of the properties acquired in September, turning to a slight recovery trend after that

[Residence]
Although occupancy rate declined at the beginning of the period, a level of 95% or more was maintained. Continuous increase and stabilization of occupancy rate is recognized as an issue

[Logistics facility]
Stable occupancy was maintained in the 6th fiscal period as many of the tenants have concluded fixed-term building lease contracts. Focused on the attraction of new tenants for the floor whose lease agreement has been cancelled by a tenant.

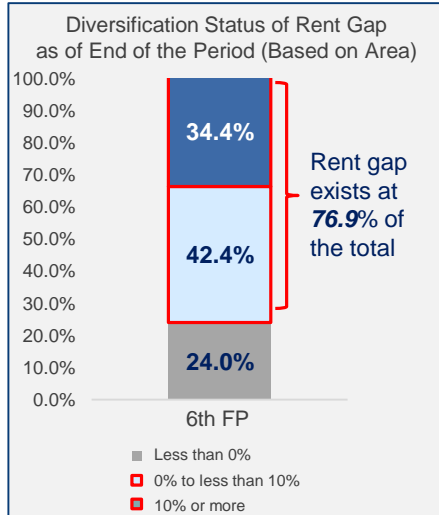
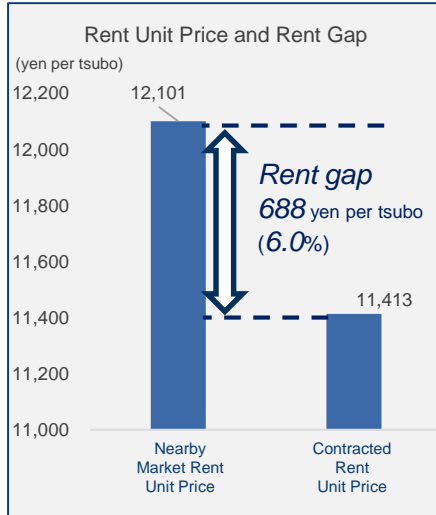
[Hotel]
Occupancy is 100% with full lease to the hotel operator

	1st FP (18 properties)	2nd FP (18 properties)	3rd FP (24 properties)	4th FP (23 properties)	5th FP (29 properties)	6th FP (33 properties)
Office	95.8%	99.2%	98.8%	99.7%	98.6%	98.8%
Residence	92.5%	92.6%	94.2%	97.1%	94.0%	96.2%
Logistics	96.3%	96.3%	96.9%	96.9%	97.8%	97.8%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	95.9%	96.8%	97.3%	97.8%	97.7%	98.1%

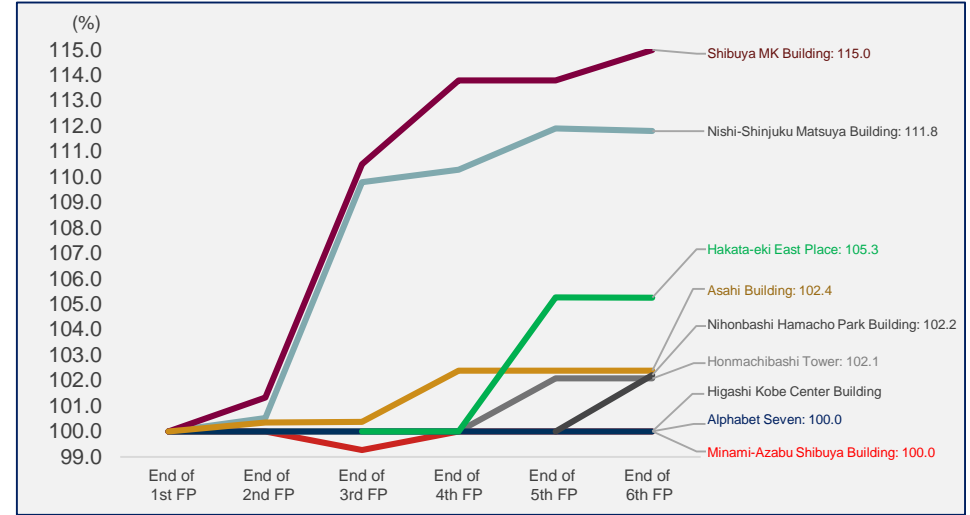
4. Operating results for the 6th fiscal period ended January 2019 (2)

Office —Status of rent gap as of the end of the 6th Fiscal Period (Ended January 2019)—

Rent gap as of the end of the period (Note 13)



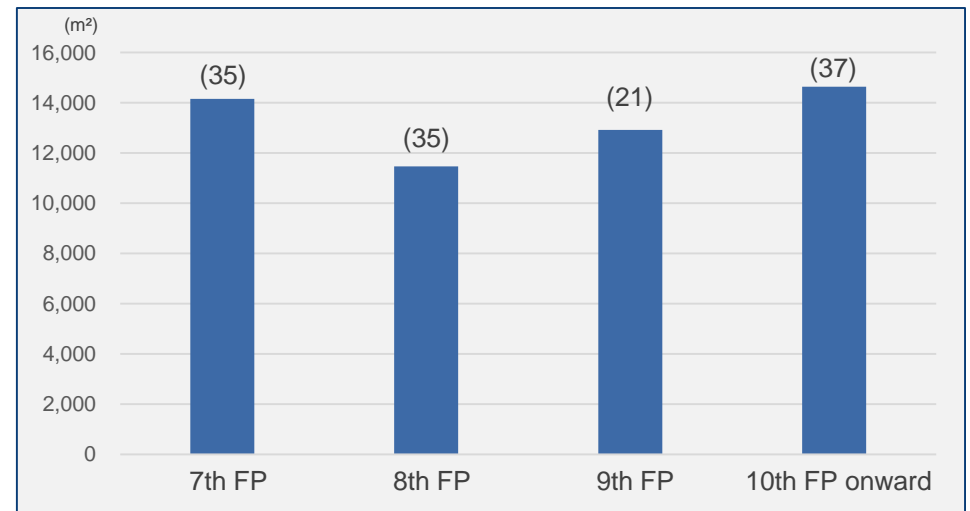
Average Rent per Tsubo since the 1st FP (Note 12)



Rent increase upon conclusion of lease agreement (new contract/renewal)

	New contract (Note 10)	Renewal contract (Note 11)
Number of cases of rent increase	8	3
Increase rate of rent upon rent increase	10.8%	4.2%
Number of cases of rent decrease	0	1
Total number of cases	11	26

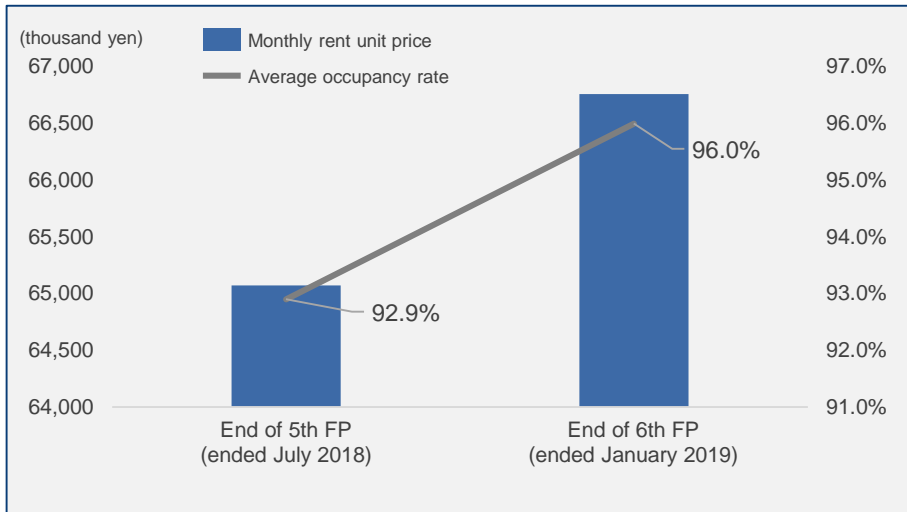
Contract Rent Periods of Office Portfolio (Figures in parenthesis indicate the number of cases)



4. Operating results for the 6th fiscal period ended January 2019 (3)

Residences — Increased rents through renovation of exclusive areas, etc. —

Change in Total Monthly Rent and Average Occupancy Rate (Note 14)



[Results]

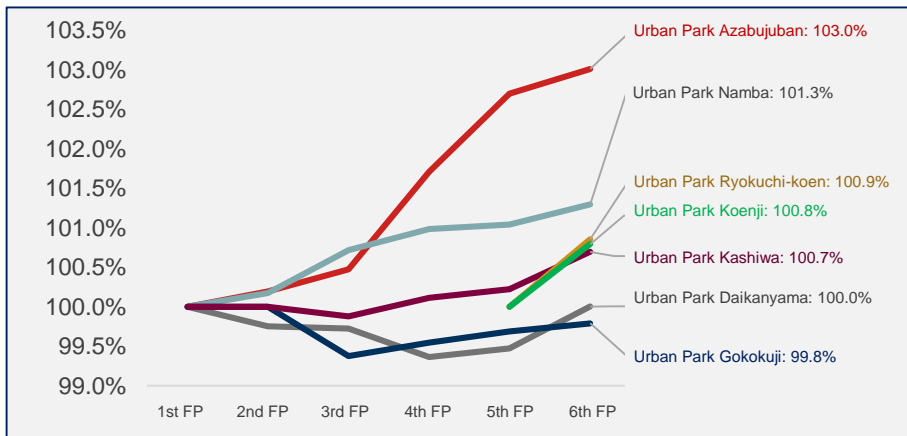
Occupancy rate: 3.1% increase
 Total monthly rent: Approximately 2.59% increase

Focused on the maintenance and improvement in occupancy rate through more precise collection of information on the status of competitive properties in the surrounding area and adjustment of the setting of the total rent for each unit
 Realized rent increase through the implementation of renovation work responding to latent tenant needs

[Future Policy]

Continue to implement appropriate capital expenditure and repair work by assessing the status of competitive properties in the surrounding area and the competitiveness of properties owned by SAR as well as maintain and improve occupancy rate and conduct measures for rent increase

Average Rent per Tsubo since the 1st FP



Rent increase through strategic renovation —Urban Park Koenji—

Improvement in convenience

Conducted installation work of delivery boxes as needs from tenants is high and their installation is judged to be necessary also from the viewpoint of convenience at the Property primarily targeting students and single individuals



Environmental consideration

Conducted construction work to change the porch lighting to LED lighting from the viewpoint of environment-friendly real estate operation
 Also contributed to the reduction of electricity charge



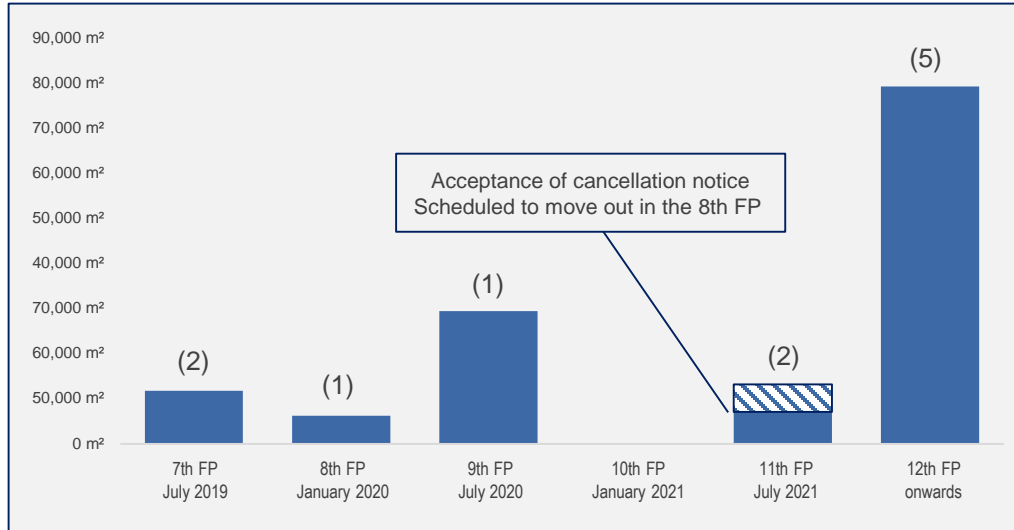
Total construction costs:
1,836 thousand yen

Contribution to revenue:
0.8% increase in average rent

4. Operating results for the 6th fiscal period ended January 2019 (4)

Logistics facility/hotel

■ Logistics facility ■ Diversification of Current Contract Renewal Period (based on floor area)



7th FP (ending July 2019)

Currently discussing conditions of contract renewal for 2 tenants with a contract subject to renewal

Received cancellation notice from a tenant with a contract ending in the 11th FP
Focus on leasing activities for the floor whose lease agreement has been cancelled by the tenant

<Overview of leasing activities>

Started leasing activities targeting mainly end users

Favorably located near an IC of a highway and within walking distance from station, and special needs for offices such as research facilities will also be incorporated.

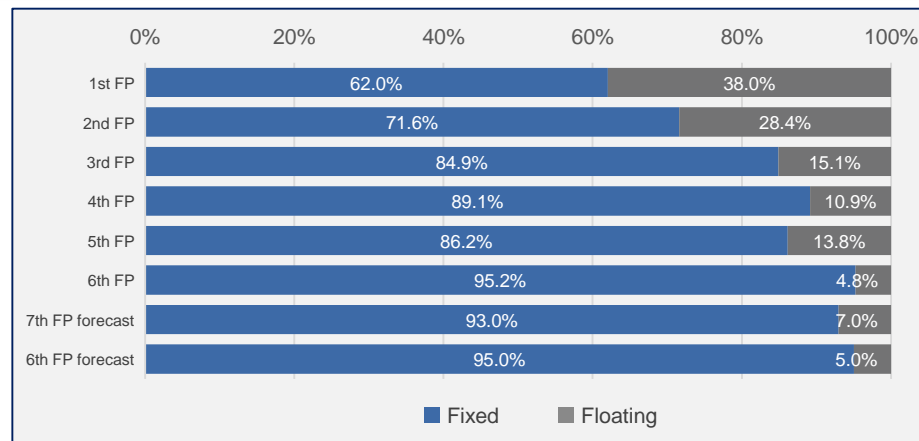
8th FP (ending January 2020)

1 tenant with a contract subject to renewal

Establish a favorable relationship with tenants such as grasping tenant needs and responding to such needs through intimate on-site collaboration

■ Hotels ■ Change in rent system and rent ratio

Property name	Fixed rent	Floating rent
R&B Hotel Umeda East	○	—
Smile Hotel Namba	○	○
Best Western Tokyo Nishi-kasai	○	○
Best Western Yokohama	○	○
Hotel WBF Fukuoka Tenjin Minami (Note 16)	○	○
Glansit Akihabara	○	—
Best Western Tokyo Nishikasai Grande	○	○
Hotel WBF Artstay Namba	○	○



Upon listing: 2 properties
3rd FP: additional acquisition of 2 properties
6th FP: additional acquisition of 4 properties
Currently managing a total of 8 properties

Ratio of floating rent decreased due to the additional acquisition of hotel with a high ratio of fixed rent

Ratio of floating rent to lease business revenue was

7th FP: 1.1%

8th FP: 0.8%

4. Operating results for the 6th fiscal period ended January 2019 (5)

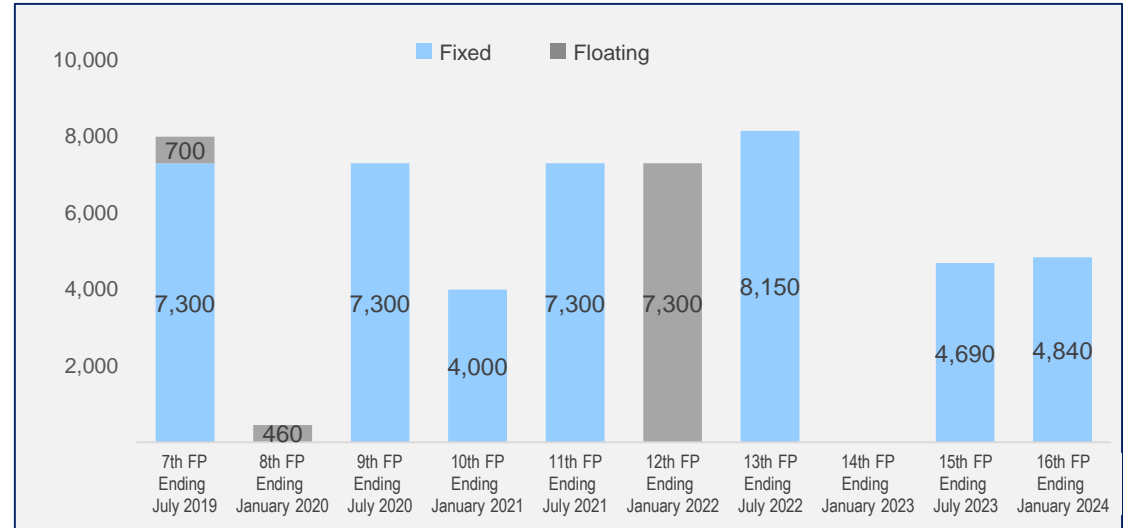
Financial standing

Refinancing risk and the risk of rising interest rates is reduced by diversifying repayment dates of loans and fixing interest rates

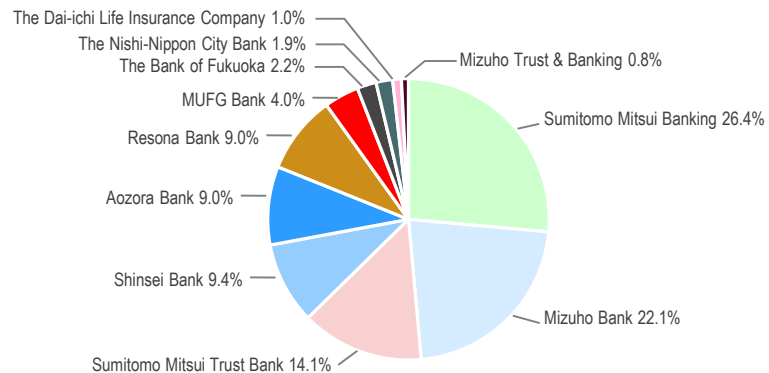
Balance of borrowings

	Balance of borrowings (unit: million yen)		Interest rate	Term	FP of the repayment date
	End of 6th FP	As of Mar. 15, 2019			
Long-term	7,300	7,300	0.364% (Note 17)	3.0 years	7th FP
	7,300	7,300	0.483% (Note 17)	4.0 years	9th FP
	7,300	7,300	0.625% (Note 17)	5.0 years	11th FP
	2,400	2,400	0.530% (Note 17)	3.5 years	10th FP
	4,150	4,150	0.710% (Note 17)	5.0 years	13th FP
	1,600	1,600	0.530% (Note 17)	3.5 years	10th FP
	4,690	4,690	0.730% (Note 17)	5.0 years	15th FP
	1,000	-	Base rate (Note 18)+0.20%	1.0 years	7th FP
	7,300	7,300	Base rate (Note 18)+0.45%	3.5 years	12th FP
	4,000	4,000	0.6095% (Note 17)	3.5 years	13th FP
	4,840	4,840	0.812% (Note 17)	5.0 years	16th FP
	Short-term	460	460	Base rate (Note 18)+0.20%	11 months
	-	700	Base rate (Note 18)+0.20%	3 months	7th FP
	52,340	52,040			

Diversification of repayment dates (As of March 15, 2019)



Bank formation (as of March 15, 2019)



Main financial indicators

	End of 5th FP	End of 6th FP	As of March 15, 2019
LTV (based on total assets)	46.2%	47.1%	47.0%
Balance of borrowings	43,230 million yen	52,340 million yen	52,040 million yen
Long-term debt ratio	100.0%	99.1%	97.8%
Average remaining period to maturity	2.5 years	2.3 years	2.2 years
Average borrowing period	4.0 years	4.0 years	4.0 years
Average interest rate	0.537%	0.568%	0.569%
Fixed interest rate ratio	80.4%	83.3%	83.7%

5. Future Initiatives

5. Future Initiatives (1)

Continuous implementation of active management that seeks to maximize unitholder value

Continued implementation of measures that seek to maximize unitholder value such as the implementation of 2 mezzanine loan debt investments and property acquisition from the Sponsor Group utilizing preferential negotiation rights in the current period

Points of focus in and after the 7th Fiscal Period

Internal growth

- Elimination of the rent gap in the office portfolio
- Improvement and stabilization of occupancy rate of residences/continuous pursuit of rent increase (enhancement of competitiveness through renovation work, etc.)
- Maintenance and improvement of appeal to potential tenants through appropriate capital expenditure and repair (utilization of sponsor support)
- Attraction of new tenants for the floors whose lease agreement has been cancelled at Baraki Logistics/Higashi Kobe Center Building at an early stage

External growth

- Focus on securement of external growth including the accumulation of properties for which SAR holds preferential negotiation rights
 - ⇒ Acquisition of preferential negotiation rights from the Sponsor Group
 - ⇒ Searching for properties utilizing the unique network of Star Asia Investment Management Co., Ltd.
- Continuous deliberation of various measures (mezzanine loan debt investment/asset replacement/silent partnership investment)
- Challenging new measures in collaboration with Star Asia Group

Financial strategy

- Continuous deliberation on the acquisition of ratings
- Enhancement of the bank formation (inviting new lenders)
- Utilization of internal reserves intending to stabilize distributions

5. Future Initiatives (2)

Conclusion of preferential negotiation contracts for future external growth (Note 9)

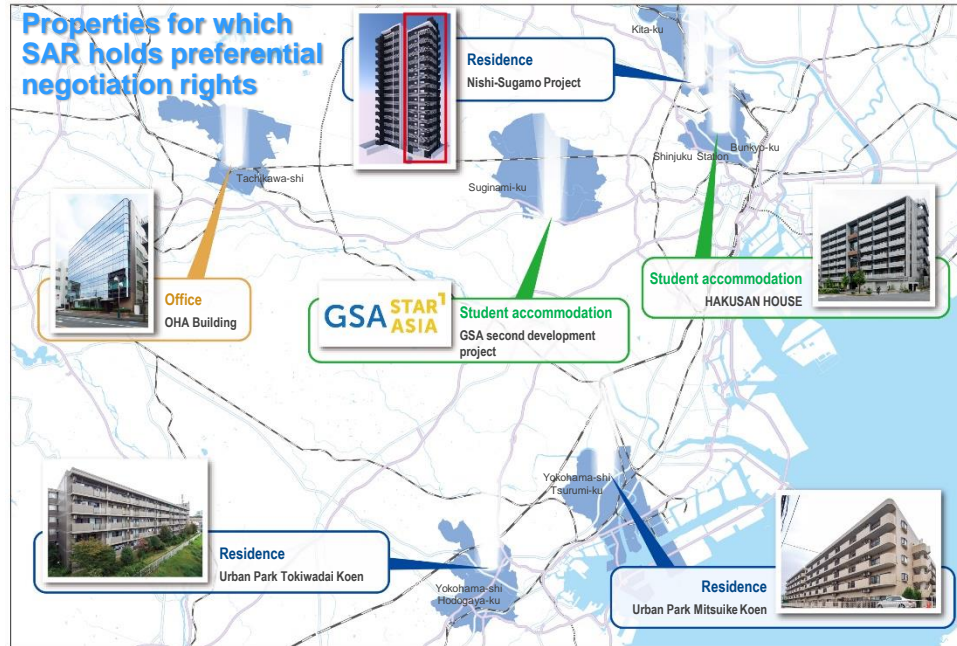
■ Acquired preferential negotiation rights for 3 properties from Star Asia Group which has been expanding its business line as well as for 3 other properties

Property name	OHA Building
Asset type	Office
Location	Tachikawa-shi, Tokyo
Completed	May 30, 1990
Number of tenants	3
A multi-tenant office building which is approximately a 9-minute walk from Tachikawa Station	
Preferential negotiation price	1,750 million yen

Property name	Urban Park Mitsuike Koen
Asset type	Residence
Location	Yokohama-shi, Kanagawa
Completed	March 24, 1992
Family-type residence with 2LDK or 3LDK	
Number of leasable units	157 units
Preferential negotiation price	3,200 million yen

Property name	Urban Park Tokiwadai Koen
Asset type	Residence
Location	Yokohama-shi, Kanagawa
Completed	February 17, 1994
Family-type residence with 2LDK or 3LDK	
Number of leasable units	213 units
Preferential negotiation price	3,500 million yen

Preferential negotiation price
(Total of the above 3 properties):
8,450 million yen

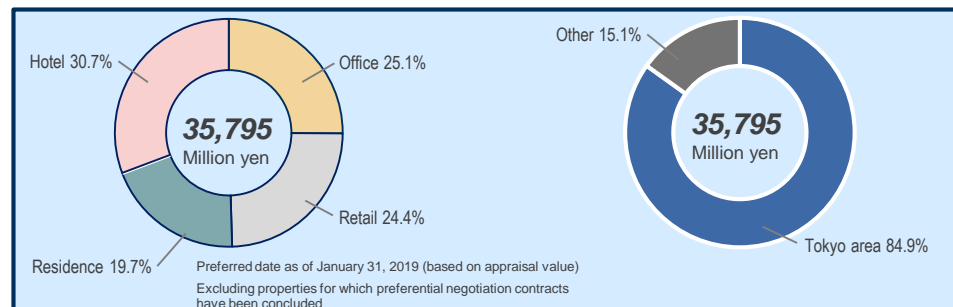


Property name	HAKUSAN HOUSE
Asset type	Student accommodation
Location	Hakusan, Bunkyo-ku, Tokyo
Completed	February 2018
Other	8F, 175 rooms, 364 beds

Property name	Shimotakaido Project
Asset type	Student accommodation
Location	Shimo-Takaido, Suginami-ku, Tokyo
Scheduled completion period	December 2019
Other	RC, B1F/8F 144 rooms and 326 beds scheduled

Property name	Nishi-Sugamo Project
Asset type	Residence
Location	Takinogawa, Kita-ku, Tokyo
Scheduled completion period	April 2020
Other	Access to city center is excellent with the Mita subway line RC, 16F Total of 44 units scheduled

Overview of assets managed by the Sponsor Group



5. Future Initiatives (3)

Continuous implementation of active management that seeks to maximize unitholder value
—Asset replacement/mezzanine loan debt investment—

Continue to implement active management represented by asset replacement generating gain on sale and mezzanine loan debt investment with profitability exceeding after-amortization yields of real estate portfolios by enhancing portfolio

Asset replacement

Actual

- Enhanced portfolio by implementing asset replacement for four times until now
- Generated gain on sale through sales of properties

Implementation policy for asset replacement

1. Future revenue contribution of the assets to be replaced
2. Real Estate Market Conditions by Asset Type
3. Level of the investment unit price of SAR

Mezzanine Loan Debt Investment

Actual

- Invested in 4 projects until now
- Realized yields exceeding after-amortization yields of real estate portfolios in all projects

Idea on mezzanine loan debt investment

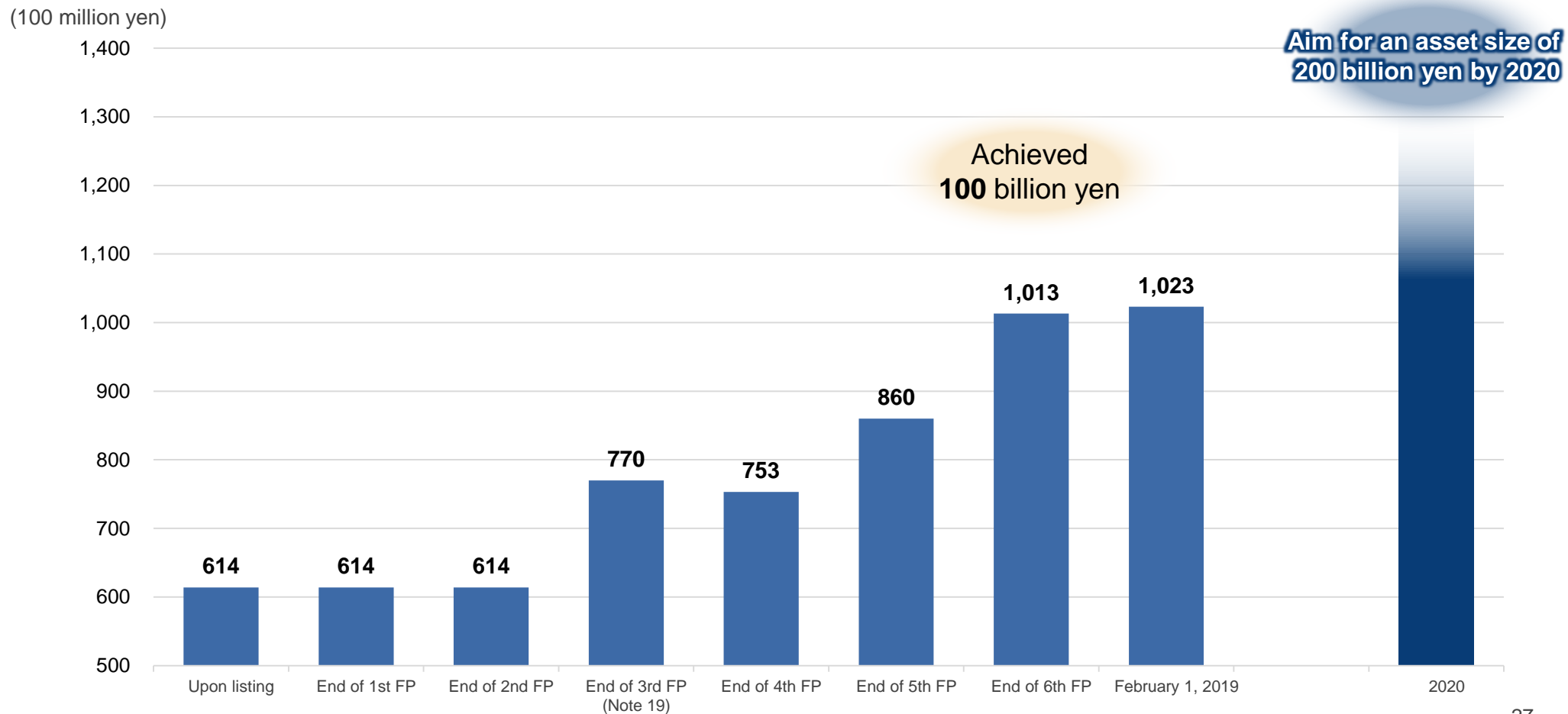
1. Differentiate from other real estate players in view of diversification of income (revenue) opportunities as supplemental investment for actual real estate in the fiercely competitive real estate market.
2. Secure revenue exceeding after-amortization yields of the existing real estate portfolio
3. Serves as an effective investment using current cash on hand (cash and deposits) for accretion
4. Judged likely to assure repayment of principal and interest

Pursuit of maximization of unitholder value

5. Future Initiatives (4)

Continuous implementation of active management that seeks to maximize unitholder value

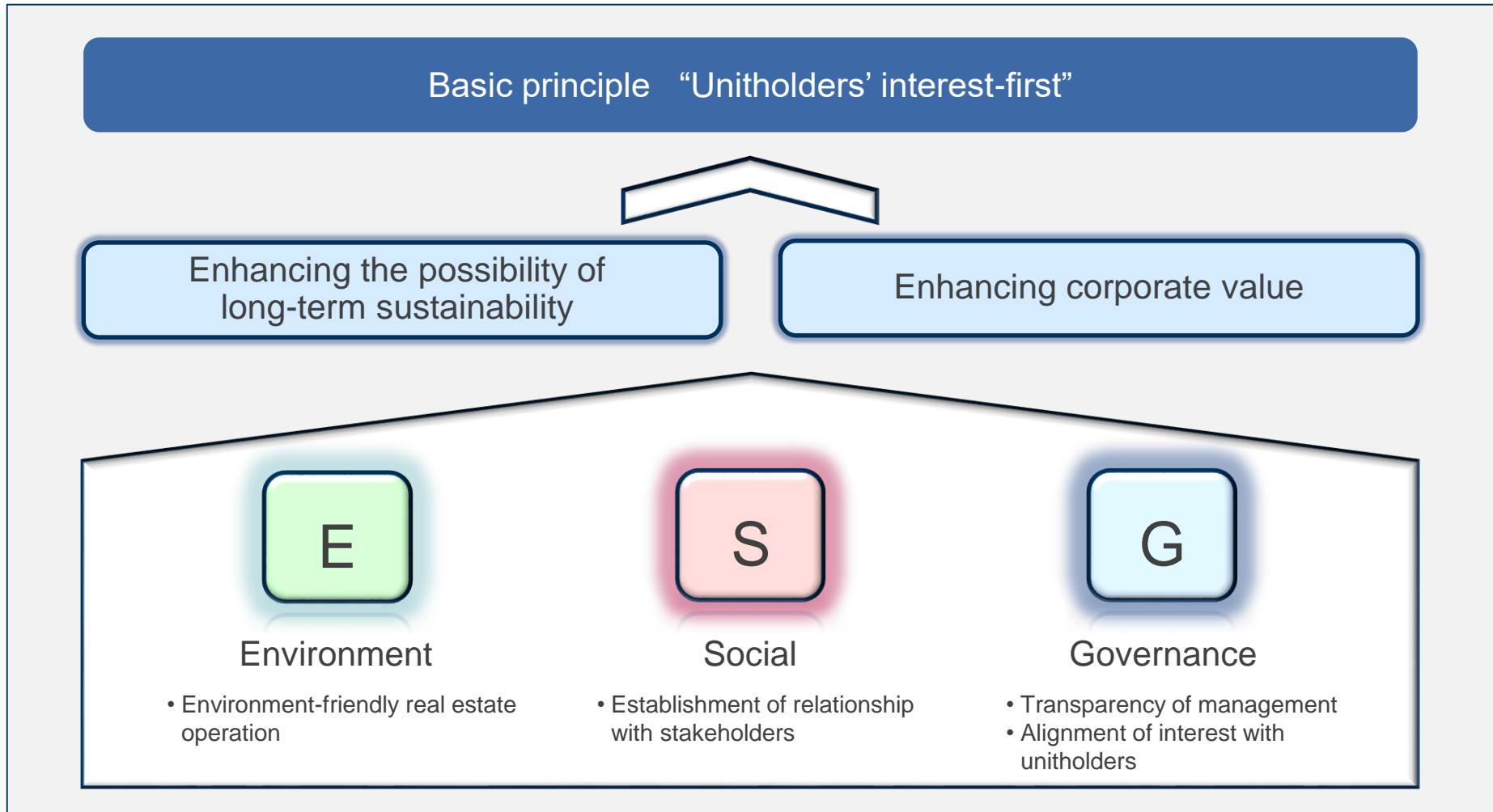
Pursuing an increase of the asset size based on assets managed by the Star Asia Group



5. Future Initiatives (6)

Initiatives on sustainability

- SAR recognizes its position in society as a listed real estate investment corporation and will implement operation that is considerate towards ESG as an initiative on sustainability
- SAR will enhance corporate value in pursuit of long-term sustainability and gain comprehensive competitiveness
- SAR believes that such efforts are in line with the basic principle of “Unitholders’ interest-first”



5. Future Initiatives (7)

Initiatives on sustainability

E

Environmental initiatives

- Acquisition of environmental certification and DBJ Green Building Certification for 3 properties.

- Promotion of LED lighting



Property name	Iwatsuki Logistics
Asset type	Logistics facility
Location	Saitama-shi, Saitama
Properties with excellent environmental & social awareness	



Property name	Baraki Logistics
Asset type	Logistics facility
Location	Ichikawa-shi, Chiba
Properties with high environmental & social awareness	



Property name	Honmachibashi Tower
Asset type	Office
Location	Osaka-shi, Osaka
Properties with satisfactory environmental & social awareness	

Promoting change to LED lighting from the viewpoint of environment-friendly building operation and management as well as pursuing the reduction of future electricity charge



S

Social initiatives

- Establishing relationship with various stakeholders

Local community:

Aim to contribute to the local community through owned properties and tenants.

Clients:

Establish mutual trust based on fair transaction.



Lenders:

Strive to share information to establish a relationship of mutual trust.

Unitholders:

Aim to maximize unitholder value based on the “Unitholders’ interest-first” mindset.

Employees:

Support the growth of each employee by accepting various employees regardless of gender, nationality, ethnic group, race and generation
 Ratio of female employees: 55.6% (excluding director)

5. Future Initiatives (8)

Initiatives on sustainability

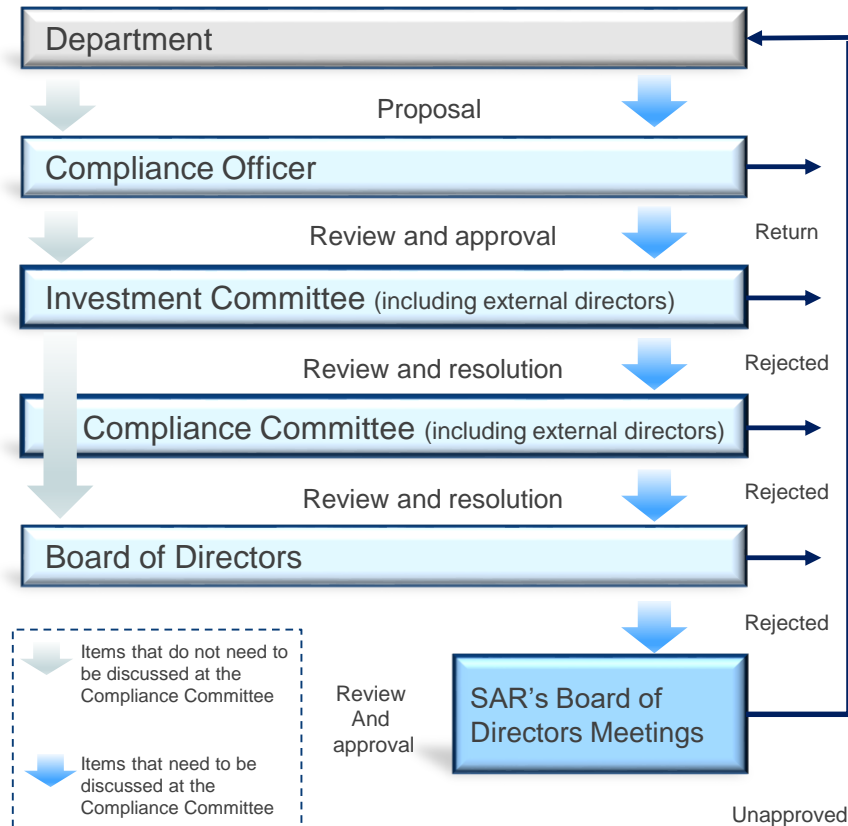
G

Governance

- Implement decision-making with high transparency by complying with laws and regulations
- Maintain a high sense of ethics and execute operations as a manager of investors' funds

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 17.9% of the investment units of the Sponsor Group
- Members of the Asset Manager also hold investment units

<Decision-making process>



Sponsor Group

Total: 96,780 units held by 5 unitholders

Founder of Star Asia 2 individuals

Total: 220 units



Number of investment units held in same-boat investment:

97,000 units

Holding ratio:

17.9%

Management team of the Asset Manager

Holding SAR's investment units through the cumulative investment system for employees
 High commitment by management



Employees of Star Asia Investment Management Co., Ltd.

Holding SAR's investment units through the cumulative investment system for employees

5. Future Initiatives (9)

Initiatives on sustainability

G Governance

Star Asia, the sponsor of Star Asia Investment Corporation, is a non-listed independent investment management group which invests mainly in Japanese real estate-related assets and whose main goal is supplying investors with excellent returns.

Star Asia Investment Corporation and Star Asia shall share the same long-term vision in accordance with the Star Asia Group’s Code of Conduct, shall be a leading Real estate investment management group in Japan and shall persistently endeavor to continue to be such.

The Code of Conduct is as follows:

1 Client First

We are rewarded only when we consistently meet and exceed our investor clients’ expectations for the mandates they have given to us.

2 Highest Ethical Standards and Integrity

We always abide by the highest ethical standards and integrity. Unethical actions by an employee could easily destroy the group’s long-standing reputation and trust.

3 Creativity

We utilize our experience, persistence, and creativity to identify and monetize investment opportunities which may not be immediately apparent to our competitors.

4 Respect for Others

We treat our investor clients, employees, trade counterparties, and vendors with the utmost respect, and always strive to be trustworthy partner.

5 Collaborative and Cooperative Culture

We succeed only when we work together by fully utilizing our collective strengths in a cooperative manner to serve our investor clients. The group’s performance always exceeds the sum of our individual performances.

6 Adaptability

We stay nimble, proactive and critical, allowing us to adjust quickly as the market environment changes in order to continue to be a successful leader in the market where we do business.

7 Meritocracy

We reward our employees for their specific personal performance as well as their contribution to the group and to investor client performance.

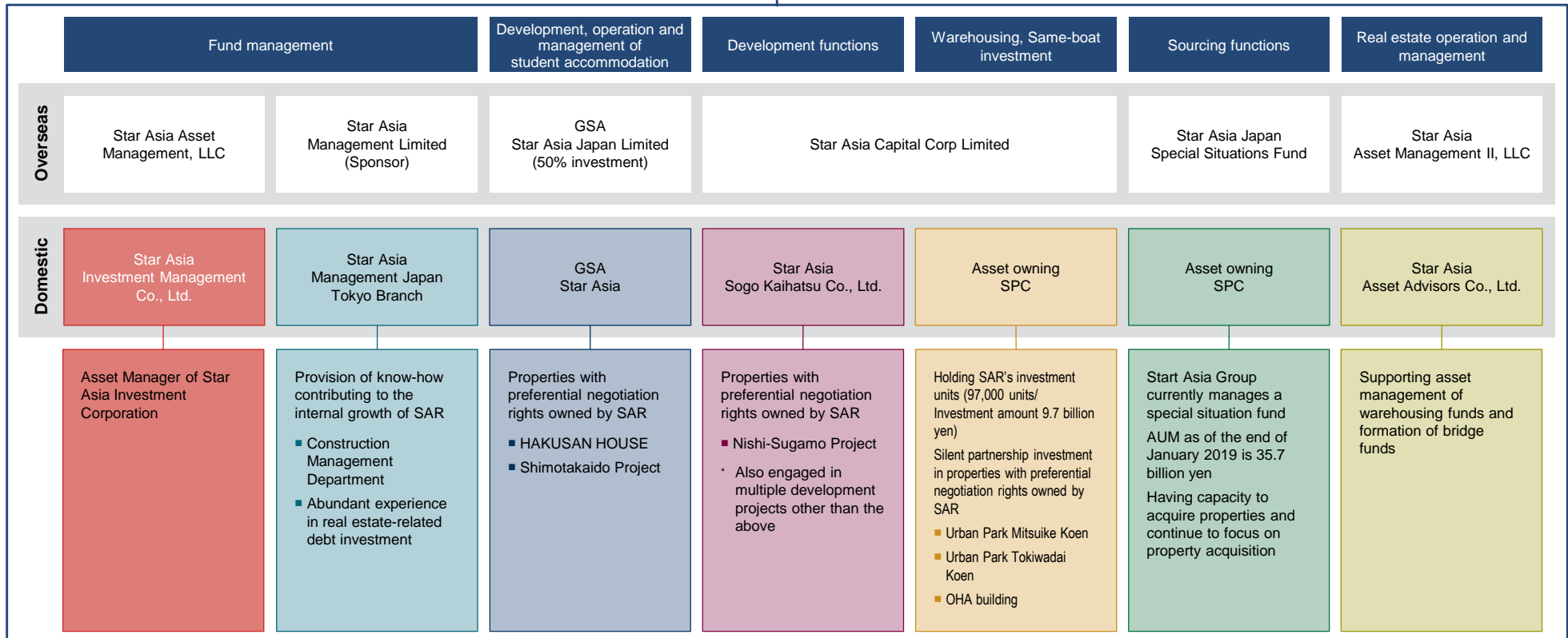
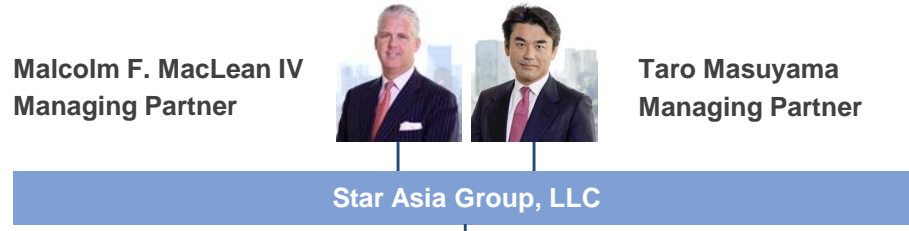
8 Endless Pursuit of Excellence

We will tirelessly pursue excellence not only for our investor clients but also for ourselves.

6. Appendix

Star Asia Group's Organizational Chart by Function and Overview of Support to SAR

Star Asia Group, which is expanding business operations, strongly supports the growth of Start Asia Investment Corporation.



Properties owned by the Sponsor Group

Overview of HAKUSAN HOUSE

<Attractiveness of HAKUSAN HOUSE>

- Arrival of revenue-generating opportunities against the backdrop of “Super Global University Creation Support Project” promoted by the government
- Expansion of “UNINEST”, a brand for global student accommodations, into Japan for the first time
- Enabling international exchange at global student accommodations targeting international and Japanese students
- Provision of residential space and common space (study room, cinema room and kitchen) to form an active community for students
- Monthly fees are all inclusive (utilities expenses, usage fee of furniture and home appliances, internet fee, security costs)
- Safe security system with staff onsite 24 hours a day
- Provision of multilingual concierge service



Share Nest



Common Space



Rooftop Terrace



Kitchen Space

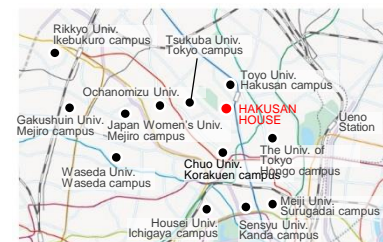


Concierge service



External appearance

■ Nearby universities with many international students



	University	No. of international students (Note)
1	Waseda University	4,767
2	The University of Tokyo	3,260
3	Tokyo University of Social Welfare	3,000
4	Ritsumeikan Asia Pacific University	2,818
5	Japan University of Economics	2,708
6	University of Tsukuba	2,326
7	Osaka University	2,184


(Note 9) As of the date of this material, Hakusan House has not been acquired by SAR and there is no guarantee that SAR will acquire the above property.

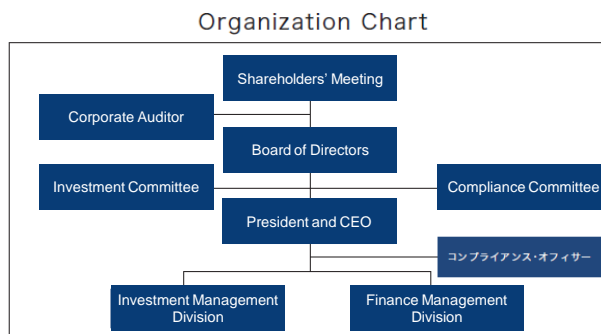
Source: JASSO Japan Student Services Organization

(Note) Number of international students for universities provided above is the total for all the campuses combined in “Result of Annual Survey of International Students in Japan 2018”



Organizational Structure of Asset Manager

President and CEO Atsushi Kato		<p>After entering Nomura Real Estate Development Co., Ltd., he worked for Showa Ota Ernst & Young, and then entered Nomura Securities Co, Ltd. After being involved in the asset finance business including support in establishing J-REITs, he joined Star Asia Investment Management Co., Ltd.</p>
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Chief Compliance Officer Kazuaki Fujii	<p>Worked at Mizuho FG and its affiliate companies. Holds experience in a broad range of on-site auditing, including theme audits on risk management, internal control, compliance and others.</p>
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Investment Management Division

Director and CEO Satoshi Obara		<p>Joined Nissho Iwai Corporation (current: Sojitz Corporation). After working in the condominium developer sector of the Urban Development Department, engaged in acquisition and asset management of private funds at Morgan Stanley Capital K.K. Has been involved in business deals totaling 218 billion yen. Joined Hulic Co., Ltd. Engaged in IPO and four POs at Hulic Reit Management Co., Ltd.</p>
Senior Manager (Male)	<p>Assistant Real Estate Appraiser Was in charge of the acquisition of a total of over 100 billion yen in properties, asset management (AM) and finance tasks at a foreign-affiliated real estate investment company, prior to which he supervised acquisitions, AM and finance tasks at a REIT operating company.</p>	
Manager (Female)	<p>Was involved in contracting tasks and accounting tasks at a leading real estate operating company. Currently conducts property cash management in cooperation with the Finance Management Division.</p>	
Manager (Male)	<p>Was involved in asset management at an overseas listed fund's asset management company, prior to which he was in charge of acquisitions, including development projects, at a real estate asset management company.</p>	
Manager (Female)	<p>Was involved in acquisitions and interim investment management of various asset types at an overseas listed fund's asset management company and a J-REIT operating company. Currently in charge of asset management.</p>	

Finance Management Division

Director and CFO Toru Sugihara		<p>After being involved in the investment banking business at Nomura Securities Co., Ltd., he worked at Barclays Securities Japan Limited and Kenedix, Inc. and joined Star Asia Management Japan, Ltd.</p>
Senior Manager (Female)	<p>Involved in IR, management planning tasks, etc. in the general construction industry. Using experience obtained thereafter in startup work for an overseas base of a different business, is currently in charge of general financial management tasks while primarily working in IR.</p>	
Manager (Male)	<p>Certified Public Accountant. After gaining experience as a member of an audit team at an accounting office, he was involved in tasks of the planning department at a leading investment advisory company. Is mainly in charge of gain/loss management, settlement and disclosure of the investment corporation also contributing to establishing internal infrastructure.</p>	
Manager (Female)	<p>After gaining experience in conducting duties at a leading bank and foreign-affiliated financial institute, gained experience in PM tasks for over 50 properties in total of REITs, private placement and individual owners at a leading PM company, and using such experience, conducts property cash management in cooperation with the Investment Management Division. She also contributes in other administrative tasks.</p>	
Associate (Female)	<p>In charge of a wide range of work as an assistant, using abundant experience from various duties.</p>	

Star Asia Management Japan Limited (Construction Management Department) Tatsuji Ishii	<p>Was involved in ① proposals for implementing capital expenditure and repair plans with an aim to enhance value and maintain functions upon acquisition of real estate and ② supervising construction work such as renewal and repair work after the acquisition of real estate as well as advisory and support to help maintain building value at a foreign real estate fund.</p>
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Change in distribution since listing

Change in business results since listing

(Unit: million yen)

	1st FP (ended Jul. 2016) actual	2nd FP (ended Jan. 2017) actual	3rd FP (ended Jul. 2017) actual	4th FP (ended Jan. 2018) actual	5th FP (ended Jul. 2018) actual	6th FP (ended Jan. 2019) forecast	6th FP (ended Jan. 2019) actual	Comparison with forecast
Lease business revenue	1,859	2,017	2,312	2,408	2,791	3,196	3,224	+27
Office rent	634	802	822	795	862	1,091	1,104	+12
Residence rent	325	349	391	410	500	443	458	+14
Logistics rent	581	530	642	696	906	912	912	+0
Hotel rent	142	120	220	282	287	450	447	-3
Other	174	215	235	223	235	298	302	+3
Expenses related to rent business (Depreciation is excluded)	321	380	549	536	607	715	678	-36
NOI	1,538	1,636	1,763	1,871	2,184	2,481	2,545	+63
Depreciation	246	244	287	305	355	415	409	-6
Rent revenues/expenses	1,291	1,392	1,476	1,566	1,828	2,065	2,135	+70
Mezzanine	-	-	-	14	18	18	22	+3
Gain on sale of real estate property	-	-	898	771	-	579	598	+18
SGA	143	202	276	300	270	365	349	-16
Operating income	1,147	1,190	2,098	2,051	1,576	2,298	2,406	+108
Non-operating income	0	0	0	0	0	-	0	+0
Non-operating expenses	812	117	264	176	270	361	333	-27
Ordinary income	335	1,073	1,833	1,876	1,305	1,936	2,073	+136
Net income	333	1,072	1,832	1,802	1,305	1,936	2,049	+113
Cash distribution per unit	968 yen	3,112 yen	4,423 yen	4,077 yen	2,773 yen	3,580 yen	3,720 yen	+140 yen
FFO per unit	1,684 yen	3,820 yen	2,948 yen	3,224 yen	3,529 yen	3,276 yen	3,440 yen	+164 yen
Balance of Internal reserves	0	0	0	113	113	113	151	+37

* Sept. 13, 2018
Announced in 5th FP closing
of accounting report



Balance Sheets for the 6th Fiscal Period ended January 31, 2019

(Unit: thousand yen)

	5th FP (As of July 31, 2018)	6th FP (As of January 31, 2019)
Assets		
Current assets		
Cash and deposits	2,000,005	2,310,545
Cash and deposits in trust	3,118,735	3,953,328
Operating accounts receivable	50,970	52,568
Prepaid expenses	118,176	120,684
Consumption taxes receivable	210,713	184,863
Other	16,157	7,153
Total current assets	5,514,759	6,629,144
Non-current assets		
Property, plant and equipment		
Buildings in trust	28,549,452	33,050,199
Accumulated depreciation	-1,407,469	-1,712,512
Buildings in trust, net	27,141,983	31,337,686
Structures in trust	9,606	11,621
Accumulated depreciation	-1,070	-1,423
Structures in trust, net	8,536	10,198
Machinery and equipment in trust	45,901	45,723
Accumulated depreciation	-2,718	-4,982
Machinery and equipment in trust, net	43,183	40,741
Tools, furniture and fixtures in trust	22,442	30,828
Accumulated depreciation	-4,123	-5,807
Tools, furniture and fixtures in trust, net	18,318	25,020
Land in trust	56,437,510	68,467,885
Construction in progress in trust	-	222
Total property, plant and equipment	83,649,531	99,881,755
Intangible assets		
Leasehold rights in trust	3,459,138	3,459,138
Total intangible assets	3,459,138	3,459,138
Investments and other assets		
Investments securities	734,500	628,893
Long-term loans receivable	-	300,000
Long-term prepaid expenses	155,717	160,951
Lease and guarantee deposits	10,000	10,962
Other	29,887	8,255
Total investments and other assets	930,105	1,109,062
Total non-current assets	88,038,774	104,449,955
Total assets	93,553,534	111,079,100

	5th FP (As of July 31, 2018)	6th FP (As of January 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	190,118	291,171
Short-term loans payable	-	460,000
Current portion of long-term loans payable	8,490,000	8,300,000
Accounts payable - other	251,986	335,845
Accrued expenses	8,643	10,017
Income taxes payable	605	22,611
Accrued consumption taxes	21,000	-
Advances received	594,306	624,323
Other	9,842	14,119
Total current liabilities	9,566,503	10,058,089
Non-current liabilities		
Long-term loans payable	34,740,000	43,580,000
Tenant leasehold and security deposits	-	6,669
Tenant leasehold and security deposits in trust	1,959,368	2,514,819
Other	493	79,644
Total non-current liabilities	36,699,861	46,181,133
Total liabilities	46,266,365	56,239,222
Net assets		
Unitholders' equity		
Unitholders' capital	45,832,670	52,745,966
Surplus		
Unappropriated retained earnings (undisposed loss)	1,418,609	2,163,215
Total surplus	1,418,609	2,163,215
Total unitholders' equity	47,251,279	54,909,181
Valuation and translation adjustments		
Deferred gains or losses on hedges	35,889	-69,303
Total valuation and translation adjustments	35,889	-69,303
Total net assets	47,287,168	54,839,877
Total liabilities and net assets	93,553,534	111,079,100



Statement of Income for the 6th Fiscal Period (From August 1, 2018 to January 31, 2019) S T A R A S I A

Investment Corporation

(Unit: thousand yen)

	5th FP From: February 1, 2018 To: July 31, 2018	6th FP From: August 1, 2018 To: January 31, 2019
Operating revenue		
Lease business revenue	2,631,029	3,028,065
Other lease business revenue	160,946	196,270
Gain on sale of real estate property	—	598,163
Others	18,476	22,092
Total operating revenue	2,810,451	3,844,592
Operating expenses		
Expenses related to rent business	963,758	1,088,373
Asset management fee	193,319	260,206
Asset custody and administrative service fees	20,323	22,377
Directors' compensation	2,400	2,400
Other operating expenses	54,427	64,945
Total operating expenses	1,234,229	1,438,302
Operating income	1,576,222	2,406,289
Non-operating income		
Interest income	26	24
Interest on refund	—	848
Total non-operating income	26	872
Non-operating expenses		
Interest expenses	112,385	145,156
Borrowing related expenses	149,537	150,949
Investment unit issuance expenses	7,405	37,238
Other	1,000	-
Total non-operating expenses	270,327	333,344
Ordinary income	1,305,921	2,073,818
Income before income taxes	1,305,921	2,073,818
Income taxes - current	605	24,172
Total income taxes	605	24,172
Net income	1,305,316	2,049,646
Retained earnings brought forward	113,292	113,568
Unappropriated retained earnings (undisposed loss)	1,418,609	2,163,215

Portfolio List (as of March 15, 2019)

	Property name	Location	Acquisition price (million yen)	Appraisal value (million yen)	Investment ratio (%)	Appraisal NOI yield (%)
Office	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,070	2.9	4.7
	Honmachibashi Tower	Osaka-shi, Osaka	6,065	6,950	5.9	5.2
	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,450	1.7	6.3
	Alphabet Seven	Minato-ku, Tokyo	1,725	2,450	1.7	5.9
	Shibuya MK Building	Shibuya-ku, Tokyo	2,042	2,980	2.0	5.7
	Asahi Building	Yokohama-shi, Kanagawa	6,320	7,170	6.2	4.8
	Hakata-eki East Place	Fukuoka-shi, Fukuoka	2,286	2,570	2.2	5.3
	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,520	1.4	4.7
	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,660	2.5	4.0
	Higashi Kobe Center Building	Kobe-shi, Kobe	7,440	7,470	7.3	5.8
	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,120	1.0	3.9
	Subtotal		35,664	40,410	34.8	5.2
Hotel	R&B Hotel Umeda East	Osaka-shi, Osaka	2,069	2,310	2.0	5.6
	Smile Hotel Namba	Osaka-shi, Osaka	1,750	1,660	1.7	5.0
	Best Western Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,840	3.7	4.6
	Best Western Yokohama	Yokohama-shi, Kanagawa	3,248	3,250	3.2	4.7
	Hotel WBF Fukuoka Tenjin Minami	Fukuoka-shi, Fukuoka	1,970	2,000	1.9	4.6
	GLANSIT Akihabara	Chiyoda-ku, Tokyo	2,500	2,520	2.4	3.9
	Best Western Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,210	3.1	4.0
	Hotel WBF Art Stay Namba	Osaka-shi, Osaka	2,000	2,030	2.0	4.6
	Subtotal		20,544	20,820	20.0	4.6

	Property name	Location	Acquisition price (million yen)	Appraisal value (million yen)	Investment ratio (%)	Appraisal NOI yield (%)
Residential	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,280	2.0	4.4
	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	7,690	6.2	4.8
	Urban Park Namba	Osaka-shi, Osaka	1,490	1,610	1.5	5.4
	Urban Park Gokokuji	Toshima-ku, Tokyo	1,460	1,520	1.4	4.9
	Urban Park Kashiwa	Kashiwa-shi, Chiba	1,186	1,190	1.2	5.0
	Urban Park Ryokuchi-koen	Suita-shi, Osaka	1,550	1,570	1.5	5.7
	Urban Park Koenji	Suginami-ku, Tokyo	1,167	1,170	1.1	4.7
	Subtotal		15,213	17,030	14.9	4.9
Logistics	Iwatsuki Logistics	Saitama-shi, Saitama	6,942	7,140	6.8	4.8
	Yokohama Logistics	Yokohama-shi, Kanagawa	3,560	4,060	3.5	5.7
	Funabashi Logistics	Funabashi-shi, Chiba	7,875	8,650	7.7	5.5
	Baraki Logistics	Ichikawa-shi, Chiba	4,700	4,870	4.6	4.4
	Tokorozawa Logistics	Tokorozawa-shi, Saitama	1,300	1,350	1.3	5.7
	Funabashi Nishiura Logistics I	Funabashi-shi, Chiba	3,000	3,020	2.9	5.1
	Funabashi Nishiura Logistics II	Funabashi-shi, Chiba	821	842	0.8	7.1
Matsubushi Logistics	Kita-Katsushika-gun, Saitama	2,755	2,850	2.7	5.5	
Subtotal		30,953	32,782	30.3	5.2	

* "Appraisal value" is the value stated in the real estate appraisal report with January 31, 2019 as the date of valuation. However, the value stated in the real estate appraisal report with November 1, 2018 as the date of valuation is indicated for Amusement Media Gakuin Shinkan.

Total	Acquisition price (million yen)	Appraisal value (million yen)
	102,374	111,042



Appraisal Value and Indicators at the End of 6th Fiscal Period ended January 2019

STARASIA
Investment Corporation

Period-end appraisal value:	111,375 million yen
Total book value:	103,340 million yen
Period-end unrealized gains (losses):	8,034 million yen
Net assets per unit:	101,400 yen
Unrealized gains per unit:	14,857 yen
NAV per unit (*1):	112,537 yen
P/NAV per (*2):	0.94

(*1) NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding

(*2) P/NAV per = Investment unit price / NAV per unit (Investment unit price on January 31, 2019: 106,100 yen)

(*3) Figures pertaining to 51% quasi co-ownership interest is indicated for Hakata-eki Higashi 113 Building. The transfer price is indicated for period-end appraisal value

(Unit: million yen)

	Property name	Acquisition price	(1) Period-end book value	(2) Appraisal value at end of 6th FP	(3) Unrealized gains (losses) (1)-(2)
Office	Minami-Azabu Shibuya Building	2,973	2,985	3,070	84
	Honmachibashi Tower	6,065	5,940	6,950	1,009
	Nishi-Shinjuku Matsuya Building	1,763	1,831	2,450	618
	Alphabet Seven	1,725	1,795	2,450	654
	Shibuya MK Building	2,042	2,097	2,980	882
	Hakata-eki Higashi 113 Building (51% quasi-co-ownership interest) ³	961	994	1,453	459
	Asahi Building	6,320	6,353	7,170	816
	Hakata-eki East Place	2,286	2,312	2,570	257
	Nihonbashi Hamacho Park Building	1,450	1,464	1,520	55
	Amusement Media Gakuin Honkan	2,580	2,600	2,660	59
	Higashi Kobe Center Building	7,440	7,673	7,470	-203
	Subtotal	35,605	36,048	40,743	4,694

	Property name	Acquisition price	(1) Period-end book value	(2) Appraisal value at end of 6th FP	(3) Unrealized gains (losses) (1)-(2)
Hotel	R&B Hotel Umeda East	2,069	2,140	2,310	169
	Smile Hotel Namba	1,750	1,707	1,660	-47
	Best Western Tokyo Nishi-kasai	3,827	3,877	3,840	-37
	Best Western Yokohama	3,248	3,264	3,250	-14
	Hotel WBF Fukuoka Tenjin Minami	1,970	1,982	2,000	17
	GLANSIT Akihabara	2,500	2,517	2,520	2
	Best Western Tokyo Nishikasai Grande	3,180	3,197	3,210	12
	Hotel WBF Art Stay Namba	2,000	2,012	2,030	17
	Subtotal	20,544	20,700	20,820	119
	Residential	Urban Park Azabujuban	2,045	2,093	2,280
Urban Park Daikanyama		6,315	6,402	7,690	1,287
Urban Park Namba		1,490	1,527	1,610	82
Urban Park Gokokuji		1,460	1,507	1,520	12
Urban Park Kashiwa		1,186	1,250	1,190	-60
Urban Park Ryokuchi-koen		1,550	1,612	1,570	-42
Urban Park Koenji		1,167	1,194	1,170	-24
Subtotal		15,213	15,587	17,030	1,442
Logistics	Iwatsuki Logistics	6,942	6,740	7,140	399
	Yokohama Logistics	3,560	3,806	4,060	253
	Funabashi Logistics	7,875	7,859	8,650	790
	Baraki Logistics	4,700	4,690	4,870	179
	Tokoyozawa Logistics	1,300	1,348	1,350	1
	Funabashi Nishiura Logistics I	3,000	2,962	3,020	57
	Funabashi Nishiura Logistics II	821	835	842	6
	Matsubushi Logistics	2,755	2,760	2,850	89
	Subtotal	30,953	31,004	32,782	1,777
	Total	102,315	103,340	111,375	8,034

Portfolio List







Asset type	Office	Office	Office	Office	Office	Office
Property name	Minami-Azabu Shibuya Building	Honmachibashi Tower	Nishi-Shinjuku Matsuya Building	Alphabet Seven	Shibuya MK Building	Hakata-eki Higashi 113 Building
						
Acquisition price	2,973 million yen	6,065 million yen	1,763 million yen	1,725 million yen	2,042 million yen	1,885 million yen
Appraisal value	3,070 million yen	6,950 million yen	2,450 million yen	2,450 million yen	2,980 million yen	
Structure/Floors	SRC B1/7F	S/SRC B1/21F	SRC B1/9F	RC B1/6F	S 6F	SRC 8F
Location	Minato Ward, Tokyo	Osaka City, Osaka	Shibuya Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Properties sold Fukuoka City, Fukuoka
Lot area	766.11 m ²	1,274.37 m ²	589.94 m ² (surface right)	1,286.45 m ²	620.42 m ² (of which 2.62 m ² leasehold)	950.75 m ²
Total floor areas	4,137.21 m ²	15,407.83 m ²	5,117.80 m ²	4,132.80 m ²	1,982.86 m ²	4,888.70 m ² (including 17.25 m ² pump room)
Construction completion	June 15, 1993	February 8, 2010	May 28, 1987	January 6, 1990	July 31, 1993	October 3, 1987
Property Features	<ul style="list-style-type: none"> • Located in Minami-Azabu, a well-known, high-class residential area that is also home to embassies of various countries. • In addition to access by train, the area is well served by bus routes and provides convenient access to various locations within central Tokyo. • The area is highly appealing to companies in fashion, mass media, and IT-related fields. 	<ul style="list-style-type: none"> • Located in the Yodoyabashi / Hommachi area, one of Osaka's leading office districts. • Situated near facilities such as the Osaka Chamber of Commerce and Industry, MyDome Osaka, and City Plaza Osaka, the area has a high concentration of office buildings. • The residences on the upper floors of the building offer excellent views overlooking landmarks such as Osaka Castle. 	<ul style="list-style-type: none"> • Located in the Nishi-Shinjuku area, which has a high concentration of office buildings. • In addition to access by train, the area is well served by bus routes and provides convenient access to various locations within central Tokyo. • The property is expected to attract strong demand from affiliated companies of tenants of large-scale buildings located in Shinjuku sub-center or its surrounding area 	<ul style="list-style-type: none"> • Located in the Akasaka area, one of central Tokyo's leading office/commercial districts. • The property is expected to attract strong demand from affiliated companies of tenants of the TBS building, Akasaka Biz Tower, etc. • Thanks to the popularity of the area, location conditions, etc., there is also strong demand for the residential units of the property. 	<ul style="list-style-type: none"> • Located in the Shibuya area, one of Japan's leading commercial districts, the property has a strong appeal for fashion and IT-related companies. • Following the completion of the Shibuya Station area redevelopment project, further development is expected going forward. 	<ul style="list-style-type: none"> • Located in the Hakata-eki-higashi area where there is a high concentration of office buildings. • Thanks to the renovated entrance hall and common areas on each floor, it appeals to tenant companies from a wide range of fields. • With the completion of the Hakata Station area redevelopment project, further development is expected going forward.

Portfolio List

Asset type	Office	Office	Office	Office	Office	Office
Property name	Asahi Building	Hakata-eki East Place	Nihonbashi Hamacho Park Building	Amusement Media Gakuin Honkan	Higashi Kobe Center Building	Amusement Media Gakuin Shinkan
						
Acquisition price	6,320 million yen	2,286 million yen	1,450 million yen	2,580 million yen	7,440 million yen	1,020 million yen
Appraisal value	7,170 million yen	2,570 million yen	1,520 million yen	2,660 million yen	7,470 million yen	1,120 million yen
Structure/Floors	S/SRCB2/12F	SRC 9F	SRC 11F	SRC S 8F/B1F	SRC 14F	RC 7F
Location	Yokohama City, Kanagawa	Fukuoka City, Fukuoka	Chuo Ward, Tokyo	Shibuya Ward, Tokyo	Kobe City, Hyogo	Shibuya Ward, Tokyo
Lot area	1,906.86 m ²	1,129.86 m ²	319.04 m ²	433.21 m ²	8,488.11 m ²	203.43 m ²
Total floor areas	12,353.83 m ²	6,243.13 m ²	2,384.03 m ²	1,892.18 m ²	25,740.46 m ²	913.71 m ²
Construction completion	November 25, 1994	February 24, 1986	July 13, 1992	November 2, 1994	January 6, 1992	January 25, 1999
Property Features	<ul style="list-style-type: none"> • Located in the Yokohama Station West Exit area where there is a high concentration of commercial and office buildings. • The floors can be subdivided into smaller spaces, enabling the building to flexibly accommodate demand from branch offices of companies in various fields. • With the completion of the Yokohama Station area redevelopment project and the Excite Yokohama 22 project, further development is expected going forward 	<ul style="list-style-type: none"> • Located in the Hakata Station East area, which has a higher concentration of offices after the completion of redevelopment projects in front of the station. • Even more vitalization is expected for the Fukuoka (Hakata) area with the start of "Tenjin Big Bang Project" and the extension of some Fukuoka City Subway lines. 	<ul style="list-style-type: none"> • Located in Nihonbashi Hamacho area, allowing easy access to major business areas in Central Tokyo and use of various railways • A number of major companies have their head offices in this area, as it is a very attractive area for companies in various fields and of various sizes • 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 	<ul style="list-style-type: none"> • Stable revenue is expected since a vocational school has rented the entire building for many years since the completion • The building is appealing to companies as the property is located in an office area with many foreign-affiliated companies and IT-related firms as well as companies in the creative sector such as advertising and content creation firms • Further development of the area is expected considering that it is not only an office area, but also has elements of residential and tourism areas. 	<ul style="list-style-type: none"> • Provides convenient access to office and commercial areas since the building is centrally located between Osaka and Kobe, with an 11-minute ride to Sannomiya Station and 17-minute ride to Osaka Station from Settsu Motoyama, the closest station to the property • There is parking space for 180 cars on the premises and for 112 cars off the premises, which is very appealing to a wide range of retail tenants, particularly stores seeking to attract customers 	<ul style="list-style-type: none"> • Stable revenue is expected since it has the same tenant as that of Amusement Media Gakuin Honkan • The building is appealing to companies as the property is located in an office area with many foreign-affiliated companies, IT-related firms as well as companies in the creative sector such as advertising and content creation firms. • Further development of the area is expected considering that it is not only an office area, but also has elements of residential and tourism areas.

Acquired on February 1, 2019


Portfolio List

Asset type	Residence	Residence	Residence	Residence	Residence	Residence
Property name	Urban Park Azabujuban	Urban Park Daikanyama	Urban Park Namba	Urban Park Gokokuji	Urban Park Kashiwa	Urban Park Ryokuchi-koen
						
Acquisition price	2,045 million yen	6,315 million yen	1,490 million yen	1,460 million yen	1,186 million yen	1,550 million yen
Appraisal value	2,128 million yen	7,690 million yen	1,610 million yen	1,520 million yen	1,190 million yen	1,570 million yen
Structure/Floors	SRC with slate roofing B1/12F	RC, B1/3F RC, B1/9F	RC 14F	RC B1F/5F	SRC B1F/8F	RC 8F
Location	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Osaka City, Osaka	Toshima Ward, Tokyo	Kashiwa City, Chiba	Suita City, Osaka
Lot area	417.67 m ²	2,469.06 m ²	670.39 m ²	942.66 m ² (Of which, 50.85 m ² is contributed to Toshima Ward as road)	1,597.85 m ²	2,804.56 m ²
Total floor areas	2,564.94 m ²	8,261.29 m ² (for 2 buildings combined)	2,776.87 m ²	2,451.72 m ²	4,243.71 m ²	5,854.64 m ²
Construction completion	November 29, 1999	1: November 15, 1987 2: May 30, 2006	January 9, 2013	February 28, 1990	August 28, 1997	March 10, 1989
Property Features	<ul style="list-style-type: none"> • Located in Azabu-Juban, an area with an elegant image that also boasts popular appeal. • In addition to a stately tiled facade, the property is fully equipped with premium household facilities. • Adjacent to the Roppongi area, a leading shopping spot in central Tokyo. 	<ul style="list-style-type: none"> • Located in the Daikanyama area, which produces the latest trends. • In addition to a stately tiled facade, the property is fully equipped with premium household facilities. • Adjacent to the Shibuya and Ebisu areas, which are leading shopping spots in central Tokyo. 	<ul style="list-style-type: none"> • Located near Namba, one of Osaka's leading commercial areas. • In addition to an elegant facade, the building is fully equipped with premium household facilities. • The influx of population into central Osaka due to the impact of strong in-bound demand has had a stabilizing effect on occupancy rates. 	<ul style="list-style-type: none"> • Located in an area with strong demand from various tenant groups for single-type residences, due to the location characteristics of having concentration of universities and junior colleges as well as Toshima ward having a relatively high ratio of single households. 	<ul style="list-style-type: none"> • Located in the Kashiwa area, a leading bed town in Chiba, with an excellent access to Central Tokyo. • Further medium- to long-term growth is expected in the area, with completion of various redevelopment plans in front of Kashiwa Station. 	<ul style="list-style-type: none"> • Located in the Ryokuchi-koen area, with good traffic accessibility, providing a lush greenery living environment such as "Hattori Ryokuchi-koen" • Popular residential area primarily for families since it is located in the Hokusetsu area, which has a high level of education • Appealing primarily for families since some of the units have been renovated and since it is equipped with substantial grade household equipment.



Portfolio List

Asset type	Residential
Property name	Urban Park Koenji
	
Acquisition price	1,167 million yen
Appraisal value	1,170 million yen
Structure/Floors	RC 4F
Location	Suginami Ward, Osaka
Lot area	988.26 m ²
Total floor areas	1,524.34 m ²
Construction completion	October 13, 1987
Property Features	<ul style="list-style-type: none"> ● Located in the Koenji area, which allows for easy access to major areas in the Tokyo metropolitan area ● With many shopping areas, discount supermarkets, restaurants and pubs, having a high appeal to young single-person households of business person and students ● Very popular residential area with its own unique culture, which can be seen in its cafes, vintage clothing shops, and clubs with live music, among other locations

Portfolio List

Asset type	Logistics	Logistics	Logistics	Logistics	Logistics	Logistics
Property name	Iwatsuki Logistics	Yokohama Logistics	Funabashi Logistics	Baraki Logistics	Tokorozawa Logistics	Funabashi Nishiura Logistics I
						
Acquisition price	6,942 million yen	3,560 million yen	7,875 million yen	4,700 million yen	1,300 million yen	3,000 million yen
Appraisal value	7,140 million yen	4,060 million yen	8,650 million yen	4,870 million yen	1,350 million yen	3,020 million yen
Structure/Floors	Steel construction, zinc plated steel roofing, 5 floors	RC 8F	Building 1: Steel construction, flat roof, zinc-plated steel roofing, 8 floors Building 2: Reinforced concrete structure	RC S 5F	S 2F	R 2F
Location	Saitama City, Saitama	Yokohama City, Kanagawa	Funabashi City, Chiba	Ichikawa City, Chiba	Tokorozawa City, Saitama	Funabashi City, Chiba
Lot area	15,623.14 m ²	10,565.95 m ²	19,858.00 m ²	6,242.76 m ²	8,645.63 m ²	7,142.00 m ²
Total floor areas	29,729.72 m ²	18,395.07 m ² (including 263.33 m ² break areas etc.)	38,871.45 m ² (two buildings combined)	12,471.50 m ²	5,994.75 m ²	14,018.82 m ²
Construction completion	October 29, 2014	October 1, 1994	1: September 25, 1992 2: August 5, 1997	August 14, 2015	April 30, 1999	October 11, 1985
Property Features	<ul style="list-style-type: none"> Located in the Iwatsuki area, which offers access to the central Tokyo, northern Kanto, and Tohoku areas. Equipped with specifications that offer a high level of versatility, such as the vehicle berths, floor height, and column interval. The property is situated in a zone of Saitama City that offers incentives for logistics facilities and therefore benefits from considerable government support. 	<ul style="list-style-type: none"> Located in the Yokohama bay area, where there are many logistics facilities. Equipped with specifications that offer a high level of versatility, such as vehicle berths, floor height, and column interval. In addition to accessing Central Tokyo, it is possible to access the wider Tokyo area thanks to the opening of the Shinagawa section of the Shuto Expressway Central Circular Route. 	<ul style="list-style-type: none"> Located in the Chiba bay area, where there are many logistics facilities. Equipped with specifications that offer a high level of versatility, such as vehicle berths, floor height, and column interval. In addition to accessing Central Tokyo, it is possible to access the wider Tokyo area thanks to the opening of the Tokyo Gaikan Expressway 	<ul style="list-style-type: none"> A multi-tenant logistics facility located near the Wangan Ichikawa IC of the East Kanto Expressway. Enjoys good access to Central Tokyo as well as the consumption areas throughout Chiba, allowing tenants to respond to the needs of e-commerce operators. Located within approx. 5-minute walk from Futamata-Shinmachi station on the JR Keiyo Line, allowing for securement of employees. Property with highly versatile specifications, including one passenger elevator, two freight elevators, a floor height of approx. 6.5 m and a pillar span of approx. 9 m-11 m. 	<ul style="list-style-type: none"> A multi-tenant logistics facility used also as a warehouse, located around 8.7 km from the Tokorozawa IC on the Kan-Etsu Expressway. Good access to Central Tokyo, and also capable of covering a wide range of destinations for consumption in the Tokyo Metropolitan area with the opening of the Gaikan Expressway and the Metropolitan Inter-City Expressway. Property with highly versatile specifications, including two freight elevators, a floor height of approx. 5.5 m-6.0 m, and a pillar span of approx. 9.5 m. 	<ul style="list-style-type: none"> Appealing from a standpoint of securing workforce, as it is conveniently located in the Chiba Bay area, where there are many logistics facilities, and it is located at approx. 1.4km from the closest train station In addition to access to Central Tokyo, the location allows easy access to wide range of areas throughout Tokyo via partial opening of the Gaikan Expressway The facility is provided with highly versatile specifications such as high-ceiling floors and a pillar span

Portfolio List

Asset type	Logistics	Logistics
Property name	Funabashi Nishiura Logistics II	Matsubushi Logistics
		
Acquisition price	821 million yen	2,755 million yen
Appraisal value	842 million yen	2,850 million yen
Structure/Floors	R 4F	RC 3F
Location	Funabashi City, Chiba	Kita-Katsushika-gun, Saitama
Lot area	3,964.00 m ²	11,580.65 m ²
Total floor areas	6,316.32 m ²	19,833.47 m ²
Construction completion	Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986	March 31, 1997
Property Features	<ul style="list-style-type: none"> ● Appealing from a standpoint of securing workforce, as it is conveniently located in the Chiba Bay area, where there are many logistics facilities, and it is located at approx. 1.1km from the closest train station ● In addition to access to Central Tokyo, the location allows easy access to wide range of areas throughout Tokyo via partial opening of the Gaikan Expressway ● The facility is provided with highly versatile specifications such as high-ceiling floors and a pillar span 	<ul style="list-style-type: none"> ● Located in Matsubushi area, with easy access to nearby areas such as Saitama Prefecture and Chiba Prefecture, in addition to Kita-Kanto, Joban, and Tohoku areas ● Provided with versatile specifications, such as loading berths, cargo elevators, high-ceiling, and a pillar span ● Back ups from the local government through activities by Saitama Prefecture to attract companies (the "Chance Maker Saitama Strategy")

Portfolio List

Asset type	Hotel	Hotel	Hotel	Hotel	Hotel	Hotel
Property name	R&B Hotel Umeda East	Smile Hotel Namba	Best Western Tokyo Nishi-kasai	Best Western Yokohama	Hotel WBF Fukuoka Tenjin Minami	GLANSIT Akihabara
						
Acquisition price	2,069 million yen	1,750 million yen	3,827 million yen	3,248 million yen	1,970 million yen	2,500 million yen
Appraisal value	2,310 million yen	1,660 million yen	3,840 million yen	3,250 million yen	2,000 million yen	2,520 million yen
Structure/Floors	RC 9F	S 9F	SRC B1F/9F	SRC B1F/9F	RC 10F	SRC 10F/B1F
Location	Osaka City, Osaka	Osaka City, Osaka	Edogawa Ward, Tokyo	Yokohama City, Kanagawa	Fukuoka City, Fukuoka	Chiyoda Ward, Tokyo
Lot area	730.26 m ²	285.28 m ²	1,418.00 m ²	782.66 m ²	534.94 m ²	167.74 m ²
Total floor areas	3,945.65 m ²	1,711.42 m ²	5,293.88 m ²	4,686.09 m ²	2,281.49 m ²	1,081.97 m ²
Construction completion	October 20, 2000	February 6, 2008	March 19, 1991	September 21, 1987	February 20, 2017	September 20, 2017
Property Features	<ul style="list-style-type: none"> • Located near Umeda, one of Osaka's leading office and commercial areas. • With over 200 single-occupancy rooms, the hotel is able to accommodate significant business- and tourism-based demand. • Due to the impact of strong in-bound demand in Osaka, further hotel demand is expected. 	<ul style="list-style-type: none"> • Located near Namba, one of Osaka's leading commercial areas. • In addition to excellent access to Namba, located near Osaka Dome, addressing multiple business- and tourism-based demand. • Due to the impact of strong in-bound demand in Osaka, further hotel demand is expected. 	<ul style="list-style-type: none"> • A business hotel located within approx. a 2-minute walk from Nishikasai Station of Tokyo Metro Tozai Line. • Excellent location characteristics that can attract a fair amount of Tokyo Disney Resort-related leisure travelers, as it stands in a straight-line distance of approx. 4 km away from Tokyo Disney Resort. • A hotel with great appeal to a variety of guests with various types of guest rooms depending on the intended use. 	<ul style="list-style-type: none"> • A business hotel located within approx. 4-minute walk from "Tsurumi" Station on the JR Keihin Tohoku Line and a 3-minute walk from "Keiyou Tsurumi" Station on the Keihin Kyuko Line. • Excellent location characteristics that can attract both business travelers and leisure travelers, as its location has good access to the major areas in Kanagawa including Yokohama and Kawasaki as well as to Haneda Airport. • A hotel with great appeal to a variety of guests with various types of guest rooms depending on the intended use. 	<ul style="list-style-type: none"> • The hotel is centrally located between Tenjin and Nakasu, thus it is expected to attract tourists and business guests • Demand for hotels is expected to increase with a rising number of passengers using the Fukuoka Airport and development of additional runways • Completed relatively recently in February 2017. 	<ul style="list-style-type: none"> • Located in the Akihabara area, one of the largest tourism spots in Tokyo • Appealing to guests for the purpose of business and tourism as it is located in a highly convenient and flourishing area • Offers three types of capsules, attracting various customers • Completed relatively recently in September 2017.

Portfolio List

Asset type	Hotel	Hotel
Property name	Best Western Tokyo Nishikasai Grande	Hotel WBF Art Stay Namba
		
Acquisition price	3,180 million yen	2,000 million yen
Appraisal value	3,210 million yen	2,030 million yen
Structure/Floors	S 8F	RC9F
Location	Edogawa Ward, Tokyo	Osaka City, Osaka
Lot area	657.00 m ²	335.31 m ²
Total floor areas	2,755.19 m ²	2,061.38 m ²
Construction completion	February 7, 2017	April 7, 2017
Property Features	<ul style="list-style-type: none"> ● Located in the Nishi Kasai area, which provides the easy access to main business and tourism areas in Tokyo. ● The hotel flexibly responds to the needs of many business people and tourists as it provides various room types in accordance with purpose of use. ● Completed relatively recently in February 2017. 	<ul style="list-style-type: none"> ● Located in the Namba area, one of the largest commercial areas in Osaka ● Good access from sightseeing spots and business district, thereby expected to meet huge business and tourism demand ● Demand for hotels is expected to increase as inbound demand rises in Osaka ● Completed relatively recently in April 2017.

Balance of Payments of Individual Properties

(Unit: thousand yen)

	OFC-01		OFC-03		OFC-04		OFC-05		OFC-06	
	Minami-Azabu Shibuya Building		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Alphabet Seven		Shibuya MK Building	
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	94,929	95,789	216,674	217,594	98,436	101,028	75,406	76,465	75,392	76,076
Lease business revenue	88,351	88,399	190,425	191,695	87,420	92,493	71,053	71,074	70,435	70,778
Other lease business revenue	6,577	7,390	26,249	25,898	11,015	8,535	4,352	5,391	4,957	5,298
Total of expenses - real estate lease	24,527	25,602	62,899	62,473	34,096	34,048	18,541	18,363	18,507	17,490
PM fees	5,707	6,067	13,860	13,440	6,549	6,717	4,916	4,814	4,819	4,896
Trust fees	398	400	396	400	396	400	396	400	346	350
Utilities expenses	6,793	7,038	25,070	25,179	7,251	9,081	4,333	4,715	3,288	3,918
Insurance expenses	114	116	352	358	126	129	98	99	44	45
Repair expenses	969	1,077	582	1,746	1,520	1,408	1,205	669	4,825	2,131
Taxes and public dues	4,575	4,572	19,767	19,766	3,434	3,434	6,219	6,219	4,316	4,316
Other	5,969	6,330	2,869	1,583	14,817	12,877	1,372	1,443	865	1,832
NOI	70,401	70,187	153,775	155,120	64,340	66,980	56,864	58,102	56,885	58,586
Depreciation	11,458	11,546	44,986	44,989	8,043	8,192	4,517	4,568	3,108	3,218
Income from real estate property leasing	58,942	58,640	108,788	110,131	56,297	58,787	52,347	53,534	53,777	55,367
Capital expenditures	2,897	-	2,241	-	22,451	1,553	2,031	-	10,809	8,641
NCF	67,504	70,187	151,533	155,120	41,889	65,426	54,833	58,102	46,076	49,944

Balance of Payments of Individual Properties

(Unit: thousand yen)

	OFC-07		OFC-08		OFC-09		OFC-10		OFC-11	
	Hakata-eki Higashi 113 Building Sold property		Asahi Building		Hakata-eki East Place		Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan	
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	75,784	67,760	218,872	215,210	100,791	97,760	45,084	43,682	-	-
Lease business revenue	70,325	60,927	202,101	197,652	81,508	87,759	45,084	43,682	-	-
Other lease business revenue	5,459	6,832	16,771	17,557	19,282	10,000	-	-	-	-
Total of expenses - real estate lease	22,616	22,052	61,823	56,898	29,009	32,582	10,160	7,622	-	-
PM fees	7,719	6,339	15,609	15,780	7,930	7,944	769	717	-	-
Trust fees	346	295	396	400	396	400	394	400	-	-
Utilities expenses	6,454	6,723	17,292	18,805	8,124	8,724	-	-	-	-
Insurance expenses	121	123	351	357	165	167	121	123	-	*
Repair expenses	1,251	2,296	6,007	3,611	4,919	6,264	63	-	-	-
Taxes and public dues	5,294	5,341	15,995	15,994	6,582	6,582	0	0	-	-
Other	1,428	931	6,169	1,948	890	2,498	8,811	6,381	-	-
NOI	53,168	45,708	157,049	158,311	71,781	65,177	34,924	36,059	-	-
Depreciation	5,995	5,524	24,244	25,395	6,528	6,830	2,837	2,837	-	-
Income from real estate property leasing	47,172	40,184	132,805	132,916	65,253	58,346	32,087	33,222	-	-
Capital expenditures	2,671	285	45,286	2,868	8,905	5,804	-	-	-	-
NCF	50,496	45,422	111,763	155,442	62,876	59,373	34,924	36,059	-	-

(*) Not disclosed as consent for disclosure has not been obtained from the tenant.

Balance of Payments of Individual Properties

(Unit: thousand yen)

	OFC-12		Office Total		RSC-01		RSC-02		RSC-03	
	Higashi Kobe Center Building				Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Shin-Yokohama Sold property	
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	-	263,133	1,001,373	1,305,280	54,003	56,912	189,587	187,182	76,112	28,529
Lease business revenue	-	231,637	906,707	1,184,218	52,538	55,267	181,165	177,059	73,367	27,946
Other lease business revenue	-	31,495	94,665	121,062	1,465	1,645	8,421	10,123	2,745	583
Total of expenses - real estate lease	-	77,475	282,181	358,793	11,758	8,438	34,819	45,722	19,718	6,434
PM fees	-	22,456	67,881	90,531	2,085	2,246	8,594	8,605	4,771	1,777
Trust fees	-	321	3,467	4,089	346	350	346	350	346	136
Utilities expenses	-	28,020	78,609	114,278	503	592	4,630	4,996	911	449
Insurance expenses	-	528	1,496	2,092	56	57	193	196	147	102
Repair expenses	-	9,819	21,345	29,221	3,021	1,004	4,422	12,119	2,580	1,068
Taxes and public dues	-	10	66,185	66,249	2,784	2,784	11,218	11,218	4,719	2,600
Other	-	16,318	43,195	52,331	2,959	1,402	5,413	8,236	6,241	298
NOI	-	185,657	719,191	946,487	42,245	48,474	154,767	141,459	56,393	22,095
Depreciation	-	23,977	111,719	140,456	4,749	4,810	12,233	12,353	16,442	8,221
Income from real estate property leasing	-	161,680	607,472	806,030	37,496	43,663	142,533	129,105	39,950	13,874
Capital expenditures	-	149,810	97,293	168,964	3,917	-	243	6,568	-	-
NCF	-	35,847	621,898	777,522	38,327	48,474	154,523	134,891	56,393	22,095

Balance of Payments of Individual Properties

(Unit: thousand yen)

	RSC-05		RSC-06		RSC-07		RSC-08		RSC-09	
	Urban Park Namba		Urban Park Gokokuji		Urban Park Kashiwa		Urban Park Ryokuchi-koen		Urban Park Koenji	
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	51,932	51,251	51,645	51,541	36,332	37,179	54,661	54,276	35,241	33,545
Lease business revenue	49,378	48,138	48,488	50,406	35,269	36,550	51,443	51,601	31,801	31,416
Other lease business revenue	2,553	3,113	3,156	1,134	1,063	628	3,217	2,675	3,439	2,129
Total of expenses - real estate lease	11,951	13,072	21,743	11,935	11,133	7,670	15,070	15,731	11,599	9,528
PM fees	2,566	2,547	3,852	4,107	1,851	1,890	2,201	2,415	1,741	1,744
Trust fees	346	350	396	400	346	350	344	650	394	400
Utilities expenses	482	493	2,589	2,567	799	897	1,967	2,355	1,321	1,494
Insurance expenses	62	63	52	53	83	85	116	119	36	36
Repair expenses	1,680	3,307	4,268	1,979	4,318	464	5,221	5,544	5,719	3,614
Taxes and public dues	2,791	2,791	1,838	1,838	2,954	2,954	10	-	-	-
Other	4,021	3,519	8,745	989	779	1,027	5,208	4,647	2,387	2,237
NOI	39,980	38,179	29,901	39,605	25,198	29,508	39,590	38,544	23,641	24,017
Depreciation	7,515	7,515	4,332	5,002	6,763	6,918	6,864	7,227	2,416	2,425
Income from real estate property leasing	32,464	30,663	25,569	34,603	18,435	22,590	32,726	31,317	21,225	21,591
Capital expenditures	-	-	21,126	-	12,162	-	5,918	6,471	-	1,877
NCF	39,980	38,179	8,775	39,605	13,035	29,508	33,672	32,072	23,641	22,139

Balance of Payments of Individual Properties

(Unit: thousand yen)

	Residence Total		LGC-01		LGC-02		LGC-03		LGC-04	
			Iwatsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics	
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	549,514	500,419	200,802	203,920			255,664	261,582		
Lease business revenue	523,452	478,386	187,713	187,713			240,079	241,779		
Other lease business revenue	26,062	22,033	13,088	16,207			15,585	19,802		
Total of expenses - real estate lease	137,794	118,533	33,799	36,429			55,782	54,025		
PM fees	27,665	25,335	5,987	5,650			11,908	11,308		
Trust fees	2,869	2,986	346	350			396	400		
Utilities expenses	13,204	13,846	13,088	16,125			14,156	17,737		
Insurance expenses	749	715	271	275	*	*	390	397	*	*
Repair expenses	31,232	29,101	70	192			5,764	1,450		
Taxes and public dues	26,317	24,187	13,835	13,835			22,709	22,709		
Other	35,756	22,359	200	-			455	22		
NOI	411,720	381,885	167,002	167,491			199,882	207,556		
Depreciation	61,318	54,474	46,467	46,532			26,695	26,836		
Income from real estate property leasing	350,401	327,411	120,535	120,958			173,187	180,720		
Capital expenditures	43,369	14,918	1,955	-			4,744	-		
NCF	368,350	366,967	165,046	167,491			195,138	207,556		

(*) Not disclosed as consent for disclosure has not been obtained from the tenant.

Balance of Payments of Individual Properties

(Unit: thousand yen)

	LGC-05		LGC-06		LGC-07		LGC-08		Logistics facility Total	
	Tokorozawa Logistics		Funabashi Nishiura Logistics I		Funabashi Nishiura Logistics II		Matsubushi Logistics			
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease									953,094	970,091
Lease business revenue									912,876	918,040
Other lease business revenue									40,217	52,050
Total of expenses - real estate lease									157,170	159,785
PM fees									30,961	29,835
Trust fees									3,015	3,050
Utilities expenses									39,174	50,325
Insurance expenses	*	*	*	*	*	*	*	*	1,406	1,438
Repair expenses									11,534	8,940
Taxes and public dues									62,936	62,947
Other									8,141	3,247
NOI									795,923	810,306
Depreciation									140,437	143,764
Income from real estate property leasing									655,486	666,542
Capital expenditures									120,566	11,082
NCF									675,356	799,223

(*) Not disclosed as consent for disclosure has not been obtained from the tenant.

Balance of Payments of Individual Properties

(Unit: thousand yen)

	HTL-01		HTL-02		HTL-03		HTL-04		HTL-05	
	R&B Hotel Umeda East		Smile Hotel Namba		Best Western Tokyo Nishi-kasai		Best Western Yokohama		Hotel WBF Fukuoka Tenjin Minami	
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	65,572	65,565	43,197	42,690	98,829	85,061	80,393	80,731	-	-
Lease business revenue	65,572	65,452	43,197	42,471	98,829	84,600	80,393	80,400	-	-
Other lease business revenue	-	112	-	219	-	461	-	331	-	-
Total of expenses - real estate lease	7,076	12,975	4,530	4,913	10,768	11,754	8,428	7,801	-	-
PM fees	742	742	660	660	1,200	1,200	1,200	1,200	-	-
Trust fees	346	350	544	550	396	400	396	400	-	-
Utilities expenses	8	13	-	-	-	-	-	-	-	-
Insurance expenses	111	113	53	53	124	126	105	106	-	*
Repair expenses	410	5,210	755	1,223	1,070	2,049	2,042	1,408	-	-
Taxes and public dues	5,431	5,431	2,283	2,282	7,955	7,954	4,659	4,659	-	-
Other	25	1,113	234	143	22	23	24	26	-	-
NOI	58,496	52,589	38,667	37,777	88,060	73,307	71,965	72,930	-	-
Depreciation	9,203	9,411	12,064	12,177	9,781	10,234	11,283	11,621	-	-
Income from real estate property leasing	49,293	43,178	26,602	25,599	78,278	63,072	60,682	61,308	-	-
Capital expenditures	-	23,792	5,279	2,114	4,913	29,464	9,757	11,991	-	-
NCF	58,496	28,797	33,387	35,662	83,146	43,842	62,207	60,938	-	-

(*) Not disclosed as consent for disclosure has not been obtained from the tenant.

Balance of Payments of Individual Properties

(Unit: thousand yen)

	HTL-06		HTL-07		HTL-08		Hotel Total		Total of all	
	GLANSIT Akihabara		Best Western Tokyo Nishikasai Grande		Hotel WBF Art Stay Namba					
	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP	5th FP	6th FP
Total of revenue real estate lease	-		-	56,390	-		287,993	448,544	2,791,975	3,224,335
Lease business revenue	-		-	56,390	-		287,993	447,420	2,631,029	3,028,065
Other lease business revenue	-		-	-	-		-	1,124	160,946	196,270
Total of expenses - real estate lease	-		-	1,186	-		30,803	41,794	607,950	678,906
PM fees	-		-	797	-		3,802	6,716	130,310	152,418
Trust fees	-		-	321	-		1,684	2,923	11,036	13,049
Utilities expenses	-		-	-	-		8	13	130,997	178,464
Insurance expenses	-	*	-	51	-	*	394	555	4,046	4,801
Repair expenses	-		-	-	-		4,277	9,891	68,389	77,155
Taxes and public dues	-		-	9	-		20,329	20,351	175,769	173,735
Other	-		-	5	-		306	1,342	87,399	79,280
NOI	-		-	55,204	-		257,189	406,750	2,184,025	2,545,429
Depreciation	-		-	9,047	-		42,333	70,772	355,808	409,467
Income from real estate property leasing	-		-	46,156	-		214,856	335,978	1,828,216	2,135,962
Capital expenditures	-		-	-	-		19,951	67,363	281,180	262,328
NCF	-		-	55,204	-		237,238	339,386	1,902,844	2,283,100

(*) Not disclosed as consent for disclosure has not been obtained from the tenant.

Other assets under management (as of March 15, 2019)

<Mezzanine loan debt investment>

Number	Type	Name of the security (asset overview)	Acquisition price (million yen)	Underlying asset, etc.		Interest rate (Note)
				Asset name	Location	
MEZ-01	Mezzanine (Subordinated bonds)	Star Asia Mezzanine Loan Debt Investment Series 1	400	Haneda Hotel	Ota-ku, Tokyo	Base rate +5.0%
MEZ-03	Mezzanine (Subordinate Beneficiary Interest)	Star Asia Mezzanine Loan Debt Investment Series 3	126	The Royal Garden Residence Shirokanedai	Minato-ku, Tokyo	Base rate +5.0%
MEZ-04	Mezzanine (Subordinate loan claims)	Star Asia Mezzanine Loan Debt Investment Series 4	300	Premier Kaigan Building	Minato-ku, Tokyo	Base rate +5.0%
Total			826			

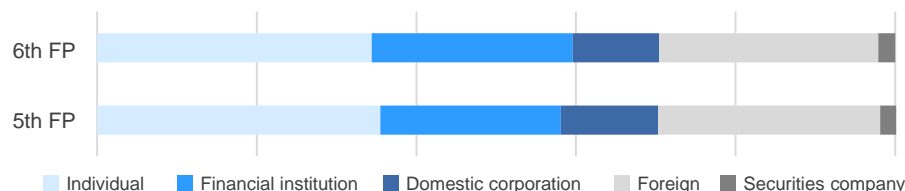
<Silent partnership equity interest>

Number	Investments securities	Investment amount (million yen)	Underlying asset, etc.	
			Property name	Location
TKI-01	GK SAPR8 subordinated silent partnership equity interest	100	Urban Park Mitsuike Koen	Yokohama-shi, Kanagawa
			Urban Park Tokiwadai Koen	Yokohama-shi, Kanagawa
TKI-02	GK SAPR7 silent partnership equity interest (acquired on February 28, 2019)	100	OHA Building	Tachikawa-shi, Tokyo
Total		200		



Status of Unitholders at the End of 6th Fiscal Period ended January 2019

Number of investment units by attribute: Total 540,824 units



Category	End of 5th FP		End of 6th FP			
	Ratio	No. of investment units	Unitholders' register		Sponsor Group is excluded	
			Ratio	No. of investment units	Ratio	No. of investment units
Individual	35.5%	166,889	34.4%	186,112	41.9%	186,112
Financial institution	22.6%	106,301	25.2%	136,030	30.6%	136,030
Domestic corporation	12.2%	57,479	10.8%	58,601	4.3%	19,121
Foreign	27.8%	130,607	27.5%	148,520	20.5%	91,000
Securities company	2.0%	9,348	2.1%	11,561	2.6%	11,561

Number of unitholders by attribute: Total 19,371 units



Category	End of 5th FP		End of 6th FP			
	Ratio	No. of persons/entities	Unitholders' register		Sponsor Group is excluded	
			Ratio	No. of persons/entities	Ratio	No. of persons/entities
Individual	97.3%	17,039	97.4%	18,860	97.4%	18,860
Financial institution	0.2%	37	0.2%	40	0.2%	40
Domestic corporation	1.6%	281	1.6%	319	1.6%	318
Foreign	0.7%	124	0.7%	126	0.6%	120
Securities company	0.1%	25	0.1%	26	0.1%	26

List of major unitholders (Top 10)

	Unitholder name (Note 20)	Number of investment units	Holding ratio (Note 21)
1	The Master Trust Bank of Japan, Ltd. (Trust account)	51,133	9.5%
2	Star Asia Capital Japan GK	39,480	7.3%
3	Japan Trustee Services Bank, Ltd (Trust account)	34,467	6.4%
4	The Nomura Trust and Banking Co., Ltd. (Trust account)	15,239	2.8%
5	SSBTC CLIENT OMNIBUS ACCOUNT	14,370	2.7%
6	Star Asia Capital I LLC	14,325	2.6%
6	Star Asia Capital II LLC	14,325	2.6%
6	Star Asia Capital III LLC	14,325	2.6%
6	Star Asia Capital IV LLC	14,325	2.6%
9	NORTHERN TRUST CO. (AVFC) RE 10PCT TR EATY ACCOUNT	13,661	2.5%
	Total	225,650	41.7%

7. Notes

	Note 1	In this material, amounts less than specified units are rounded down while ratios are rounded to a specified unit.
p1	Note 2	“Tokyo area”: “Tokyo area” refers to Tokyo’s 23 wards and the cities of Kawasaki and Yokohama for office properties and retail facilities, and Tokyo and the three prefectures of Kanagawa, Saitama and Chiba for residential properties, logistics facilities and hotels. “Middle-size assets” are properties with acquisition prices of less than JPY10bn. The same applies hereafter.
p5	Note 3	Calculated by dividing the sum of actual DPUs from the 1st to 6th fiscal periods and forecasted DPUs from the 6th to 8th fiscal periods by eight.
p11	Note 4	Change in the closing value of the TSE REIT Index on the Tokyo Stock Exchange from April 20, 2016 to August 10, 2018 is relativized based on the assumption that closing value (1,887.75) of the TSE REIT Index on April 20, 2016 is the same as the closing investment unit price of SAR of ¥98,300 on the same date.
p12	Note 5	Information excluding Hakata-eki Higashi 113 Building sold on February 1, 2019 is indicated.
p12	Note 6	Asset size as of the end of the 3rd fiscal period is the amount excluding Oak Minami-Azabu sold at the beginning of the 4th fiscal period.
p13	Note 7	Gain on sale per unit is calculated by dividing using the total number of investment units issued as of the end of the period in which each gain on sale is recorded.
p13	Note 8	Gain on sale in the 6th fiscal period is due to the transfer of 49% quasi-co-ownership interest in the real estate trust beneficiary interest in Hakata-eki Higashi 113 and the remaining 51% of quasi-co-ownership interest in real estate trust beneficiary interest was transferred in the 7th fiscal period.
p15 P25 p34	Note 9	As of the date of this material, each of above properties is not acquired by SAR and there is no guarantee that SAR will acquire each of above properties.
p19	Note 10	Tenants who concluded new contracts when the property was vacant at the beginning of the period or upon acquisition are counted as “increase of rent”. Increase/decrease rate is calculated by dividing the amount calculated by deducting the total monthly rent of previous tenants from the total monthly rent of new tenants by the total monthly rent of previous tenants (excluding warehouse portion). Moreover, as for tenants who concluded new contracts when the property was vacant at the beginning of the period or upon acquisition, the total monthly rent of previous tenants is calculated by assuming that the lower limit of the range of nearby market rent unit price is equal to the unit rent of previous tenants.
p19	Note 11	Ratio of the increased portions is calculated as a percentage of total rent of tenants’ rents before renewal as the denominator
p19	Note 12	Indexed for each property with the average price per tsubo in the period pertaining to the acquisition date of the property as 100.
p19	Note 13	Market rent refers to the median of each property’s expected new contract rent (range) assessed as the end of the period by CBRE K.K., and rent gap refers to the disparity between the market rent and each tenant’s contract rent. Hakata-eki Higashi 113 Building which was sold at the beginning of the 7th fiscal period is excluded. The figure for Amusement Media Gakuin Honkan is calculated based on net leased area.
p20	Note 14	Calculated by abstracting the residential section.
p20	Note 15	Indexed for each property with the average price per tsubo in the period pertaining to the acquisition date of the property as 100.
p21	Note 16	As of the date of this document rents are of a fixed rent system but it has been agreed that a change will be made to a fixed + floating rent system from January 2020.
p22	Note 17	The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).
p22	Note 18	JBA 1-month yen TIBOR
p27	Note 19	51% quasi-co-ownership interest in Oak Minami Azabu sold at the beginning of the 4th fiscal period is included in the figure as of the end of the 3rd fiscal period.
p58	Note 20	Star Asia Capital Japan and Star Asia Capital I-IV LLC are the sponsor group companies.
p58	Note 21	The ratio of investment units held expressed as a percentage to total number of investment units issued and outstanding is rounded to the nearest first decimal place.

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