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For Immediate Release

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

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

Star Asia Investment Corporation (“SAR”) announces that it resolved at the Board of Directors meeting held on January 12, 2018 concerning issuance of new investment units and secondary offering of investment units as described below.

1. Issuance of new investment units through public offering (primary offering)

- (1) Total number of investment units to be offered: 53,641 units
- (2) Paid-in amount (issue amount): To be determined
The paid-in amount shall be determined at a Board of Directors meeting.
- (3) Total paid-in amount (total issue amount): To be determined
- (4) Offer price: To be determined
The offer price shall be determined considering the demand for new investment units and other circumstances.
- (5) Total offer price: To be determined
- (6) Offering method: The offering of investment units shall be through a primary offering, and underwritten in full by an underwriting syndicate.
- (7) Payment date: February 1, 2018 (Thursday)
- (8) Delivery date: February 2, 2018 (Friday)
- (9) The paid-in amount (issue amount), offer price and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors meeting.
- (10) Each of the aforementioned items shall be subject to the securities registration in accordance with the Financial Instruments and Exchange Act of Japan taking effect.

2. Secondary offering of investment units (over-allotment) (please refer to <Reference> 1. below.)

Note: This press release does not in any way constitute any part of an offering of securities for investment. This press release has been prepared for the purpose of announcing to the public certain matters relating to the issuance of new investment units and secondary offering of investment units, and not for the purpose of soliciting any investment, within or outside of Japan. Additionally, this press release is not an offer of securities for sale in the United States. The securities referred to herein have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. No offering or sale of securities in the United States will be made in connection with the above-mentioned transactions. This press release is not for publication, distribution or release, directly or indirectly in or into the United States of America.

- (1) Total number of investment units to be offered: 2,683 units
The above-mentioned number indicates the maximum number of investment units to be offered through secondary offering through over-allotment. There may be cases where this number is reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other circumstances concerning the primary offering. The number of investment units to be offered through the secondary offering shall be determined at a Board of Directors meeting taking into account the demand for the primary offering and other circumstances.
- (2) Seller: A bookrunner of the primary offering
- (3) Offer price: To be determined
The offer price shall be same as the offer price for the primary offering.
- (4) Total offer price: To be determined
- (5) Offering method: Upon the primary offering, in consideration of the demand and other circumstances of the primary offering, a bookrunner of the primary offering, shall offer the investment units to be borrowed from Star Asia Capital Japan Godo Kaisha ("SACJ GK").
- (6) Delivery date: Same as the delivery date for the primary offering.
- (7) The offer price and other items necessary for the secondary offering through over-allotment shall be determined at a future Board of Directors meeting.
- (8) Each of the aforementioned items shall be subject to the securities registration in accordance with the Financial Instruments and Exchange Act of Japan taking effect.

3. Issuance of new investment units through third party allotment (please refer to <Reference> 1. below.)

- (1) Total number of investment units to be offered: 2,683 units
- (2) Paid-in amount (issue amount): To be determined
The paid-in amount shall be determined at a Board of Directors meeting, and shall be same as the paid-in amount (issue amount) for the primary offering.
- (3) Total paid-in amount (total issue amount): To be determined
- (4) Allottee: A bookrunner of the primary offering
- (5) Payment date: February 27, 2018 (Tuesday)
- (6) If there is no subscription for all or a part of the investment units, the issuance of such investment units shall be canceled.
- (7) The paid-in amount (issue amount) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors meeting.

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- (8) Each of the aforementioned items shall be subject to the securities registration in accordance with the Financial Instruments and Exchange Act of Japan taking effect.

<Reference>

1. Details of the secondary offering through over-allotment

Secondary offering through over-allotment is the offering through which a bookrunner of the primary offering, shall offer the investment units (up to 2,683 units) borrowed from SACJ GK, upon the primary offering after taking into account the demand and other circumstances concerning it. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 2,683 units, but the number is the maximum amount. The number may be reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other circumstances.

In order to allow such bookrunner to acquire the investment units needed to return the investment units borrowed from SACJ GK (the "Borrowed Investment Units") in relation to the secondary offering through over-allotment, SAR has resolved at its Board of Directors meeting to newly issue 2,683 units of the investment units through third party allotment (the "Third Party Allotment"), to such bookrunner as the allottee with the payment date on February 27, 2018 (Tuesday).

In addition, such bookrunner may, within a specified period, purchase investment units up to the maximum number of investment units offered in the secondary offering through over-allotment on the Tokyo Stock Exchange, Inc. (the "Syndicate Cover Transaction") with the aim of returning the Borrowed Investment Units. Investment units purchased by such bookrunner through the Syndicate Cover Transaction shall be appropriated in full for returning the Borrowed Investment Units. Such bookrunner, at its discretion, may choose not to enter into any Syndicate Cover Transaction, or to terminate the Syndicate Cover Transaction prior to reaching the maximum number of investment units to be offered in the secondary offering through over-allotment during the Syndicate Cover Transaction Period.

Further, such bookrunner may conduct stabilizing transactions in connection with the primary offering and secondary offering through over-allotment, and appropriate all or part of the investment units that are purchased through such stabilizing transactions to the return of Borrowed Investment Units.

Such bookrunner intends to agree to the Third Party Allotment to purchase the number of investment units calculated by deducting the number of investment units purchased through stabilizing transactions and the Syndicated Cover Transaction and then to be appropriated to the return of Borrowed Investment Units from the number of investment units sold in the secondary offering through over-allotment. In that case, there may be no subscription for all or a part of the investments units to be issued through the Third Party Allotment. As a result, there may be cases in which the subscription right shall be forfeited and the final number of investment units to be issued through the Third Party Allotment is reduced to the same extent, or the issuance itself may not take place at all.

2. Specific use of the funds to be procured and schedule of expenditure

Net proceeds from the primary offering will be appropriated to a portion of the acquisition of the properties

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described in “Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and Lease Contract with New Tenants”, which was released today. Additionally, the net proceeds from the Third Party Allotment will be appropriated to a portion of the repayment of borrowings.

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