

March 16, 2023

For Immediate Release

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

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Notice Concerning the Transfer of Trust Beneficial Interests of Domestic Real Estate
(Urban Park Gokokuji)

Star Asia Investment Management Co., Ltd. (the "Asset Manager"), to which Star Asia Investment Corporation ("SAR") entrusts the management of its assets, announces today of its decision to transfer the domestic real estate trust beneficial interest of "Urban Park Gokokuji" (hereinafter referred to as the "Asset to be Transferred", and the transfer of the Asset to be Transferred is referred to as the "Transfer") as described below.

1. Summary of Transfer

(1)	Asset to be Transferred	Trust beneficial interest in which the main entrusted asset is domestic real estate
(2)	Property name	Urban Park Gokokuji
(3)	Location (Indication of residential address)	1-5-4 Zoushigaya, Toshima-ku, Tokyo
(4)	Asset type	Residence
(5)	Expected sales price (Note 1)	1,800 million yen
(6)	Book value (Note 2)	1,494 million yen
(7)	Anticipated gain on transfer (Note3)	271 million yen
(8)	Date of transfer decision	March 16, 2023
(9)	Signing date of sale and purchase agreement	March 16, 2023
(10)	Planned transfer date (Note 4)	August 31, 2023 or such other date to be separately agreed by SAR and the purchaser
(11)	Date of Receipt of Proceeds (Note 4)	Planned transfer date
(12)	Planned purchaser	A.D.Works corporation
(13)	Existence of intermediary	Yes (Note 5)
(14)	Use of sales proceeds	The remaining proceeds to be appropriated to cash-on-hand to be used mainly as funds for future property acquisitions. We will consider using the proceeds for the acquisition of preferred securities as described in the "Notice Concerning signing of Right of First Refusal Agreement for Acquisition of Assets (Preferred Equity Securities) and Receipt of a Letter of Intent regarding Lending of the Preferred Equity Securities (HAKUSAN HOUSE)"

- announced today.
- (15) Settlement method 92,742,300 yen to be received as deposit money on the signing date of sale and purchase agreement, and the remaining amount is to be received in lump-sum payment on the planned transfer date.
- (Note 1) This figure is the sales price of the Asset to be Transferred which is stated in the trust beneficial interest sale and purchase agreement for the Asset to be Transferred (and does not include various sale related expenses or consumption tax).
- (Note 2) “Book Value” represents the book value as of July 31, 2022.
- (Note 3) The anticipated gain on transfer is calculated by deducting anticipated book value and expenses related to the disposition from transfer price, rounded down to the nearest million yen.
- (Note 4) This is the transfer date which is stated in the trust beneficial interest sale and purchase agreement.
- (Note 5) The intermediary of the Transfer does not fall under “interested persons, etc.” as defined under the Order for Enforcement of the Act on Investment Trusts and Investment Corporations or “Interested Parties” as defined in the “Rules on Transactions with Interested Parties” which are internal rules of the Asset Manager.

2. Reason for the Transfer

SAR and the Asset Manager are constantly aiming to maximize unitholders’ interests, and are pursuing various possibilities to strengthen the portfolio, such as by improving the profitability of individual properties being managed through redevelopments, and realizing the potential value of properties through asset replacement and accompanying sale of such properties.

The Asset to be Transferred is located at a 7-minute walking distance from “Zoushigaya” station on the Tokyo Metro Fukutoshin Line, in an area where many universities and junior colleges are concentrated, and also given good access to the commercial center of Ikebukuro etc. by using the Tokyo Metro Fukutoshin Line and Yurakucho Line, the property is a single-type residence which is attractive to mainly students and the younger generation workforce for single use. Although occupancy rates became lower for a certain period during 2021 given the impact of COVID-19, due to implementation of various measures to improve the occupancy rates, currently it has recovered.

On the other hand, with respect to the Asset to be Transferred, given that increases in the life-cycle costs such as repair costs and capital expenditures were envisioned for the future, SAR had the recognition that it was necessary to take drastic measures in order to improve the property’s profitability.

Under this recognition, SAR and the Asset Manager have continued to consider both of the following two options: (1) reconstruction etc. through redevelopment based on the premise of continued holding of the property, and (2) securing funds for future external growth by property sale and realizing a gain-on-sale.

From SAR’s perspective, as a result of comparing and verifying both (1) and (2) stated above, SAR has determined that realizing a gain-on-sale through sale of the Asset to be Transferred and securing the sales proceeds for funding future growth would contribute to maximization of unitholders’ interests.

T Furthermore, if the transfer of the Property is realized, SAR intends to position the transaction together with the asset expected to be acquired described in the announcement made today entitled “Notice Concerning signing of Right of First Refusal Agreement for Acquisition of Assets (Preferred Equity Securities) and Receipt of a Letter of Intent regarding Lending of the Preferred Equity Securities (HAKUSAN HOUSE)” as the 9th asset replacement.

3. Description of Asset to be Transferred

Property No.	RSC-06	Property name	Urban Park Gokokuji		Category	Residence
Overview of the specified asset						
Type of specified asset		Beneficial interest in trust	Trustee	Sumitomo Mitsui Trust Bank		
Expected sales price		1,800 million yen	Planned transfer date	August 31, 2023 or such other date to be separately agreed by SAR and the purchaser		
Location		1-346-1 Zoushigaya, Toshima-ku, Tokyo				
Indication of residential address		1-5-4 Zoushigaya, Toshima-ku, Tokyo				
Nearest station		Approx. 7-minute walk from Zoushigaya Station on the Tokyo Metro Fukutoshin Line				
Land	Form of ownership	Proprietary ownership				
	Site area	942.66m ² (note1)	Use district	Neighborhood commercial zone		
	Building coverage ratio	80 %	Floor area ratio	300 % (Note2)		
Building	Form of ownership	Proprietary ownership				
	Total floor area	2,451.72m ²	Use	Apartment complex, office, parking, warehouses, building manager room		
	Construction completion	February 28, 1990	Structure and floors	Reinforced concrete structure 1 floor below ground / 5 floors above ground		
Property management (PM) company		Haseko Livenet Inc.	Master lease company	Haseko Livenet Inc.		
Type of master lease		Pass-through	Security	Unsecured		
Trust expiration date		January 31, 2027				
Status of leasing (as of the end of January 2023)						
Total leasable area		1,964.04m ²	Total number of tenants	106		
Total leased area		1,898.52m ²	Monthly rent (including common area maintenance fee)	JPY 7,985,000		
Security and guarantee deposits		JPY 3,729,000				
Occupancy rates						
		September 2022	October 2022	November 2022	December 2022	January 2023
		98.3 %	99.2%	99.3%	95.8 %	96.7 %
Special notation		Not applicable.				

(Note 1) 50.85m² of the site area has been provided to Toshima ward as a road (special ward road) free of charge.

(Note 2) Due to the building standing on two different use districts (neighborhood commercial zone and category 1 medium-to-high-rise exclusive residential zone) and the width of the front road, the permitted weighted averaged floor area ratio is 278.68%.

4. Impact on SAR's finance in the case where the forward commitments etc. are not performed.

The Transfer falls under forward commitment etc. by an investment company (Note 1) as set forth in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." prescribed by the Financial Services Agency.

Each of SAR and the planned purchaser may, in the case where either party breaches the provisions of the sale and purchase agreement for the Transfer (the "Agreement") or breaches representations or warranties, and such breach violation is material to the extent that it is recognized that the purpose of the Agreement cannot be achieved due to such breach, the non-breaching party may make a demand to terminate the Agreement to the violating party by providing for a reasonable period, and may claim penalty money for 20% worth of the sales proceeds of the Asset to be Transferred.

SAR is of the view that the probability that the forward commitment etc. related to the assignment of the property under the Transfer would have a material impact on SAR's finances and distribution payments is low.

(Note 1) This refers to forward dated sale and purchase agreements, where it is intended that settlement or delivery is to occur after 1 month or more from the date of signing of the agreement, and any other similar agreements.

5. Profile of the planned purchaser

Name	A.D.Works corporation
Location	2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representative	Chief Executive Officer Hideo Tanaka
Main business description	<ol style="list-style-type: none"> 1. Sale of real estate and brokerage service. 2. Leasing, supervision, holding and management services of real estate. 3. Real estate appraisal service. 4. Consulting work related to real estate. 5. Consulting work related to personal property. 6. Civil engineering, measurement, and design services. 7. Civil engineering and construction works. 8. Management of a registered architect office. 9. to 30. Omitted 31. All businesses incidental to the above.
Capital	100,000,000 yen
Established	May 5, 1936
Net asset	The information is undisclosed as consent to disclosure has not been obtained from the company.
Total asset	
Major shareholders and shareholding ratio	
Relationship with SAR or the Asset Manager	
Capital relationship	There is no capital relationship to report.
Personnel relationship	There is no personnel relationship to report.
Business relationship	In the 12 th fiscal period (ended January 31, 2022), SAR has signed a sale and purchase agreement for acquisition of real estate property with the said company, and has acquired 1 property. Other than this property, there are no business relationships to report.
Related party or not	The company does not fall under the category of interested person, etc. of SAR or the Asset Manager.

6. Future outlook

The Transfer is included in the assumptions underlying management status forecast announced in the “Financial Report for Fiscal Period Ended January 31, 2023” dated March 16, 2023, and thus there are no revisions to the management status forecasts for the fiscal period ending July 2023 (February 1, 2023 to July 31, 2023) and for the fiscal period ending January 2024 (August 1, 2023 to January 31, 2024).

7. Summary of Appraisal Report

(Unit: Yen)

Summary of Real Estate Appraisal Report		
Property name	Urban Park Gokokuji	
Appraisal value	1,570,000,000	
Appraisal firm	Japan Real Estate Institute	
Date of value	January 31, 2023	
Item	Details	Description, etc.
Indicated value by income approach	1,570,000,000	Calculated by linking the value based on the direct capitalization method and the value based on the DCF method.
Indicated value of direct capitalization approach	1,580,000,000	
(1) Operating revenue ((a)-(b))	93,144,000	
(a) Gross potential income	99,950,000	Appraised the rent level which can be stably received in the mid- to long-term, based on the current rent levels and new rents etc. assuming new leases,
(b) Vacancy loss, etc.	6,806,000	Appraised taking into consideration the occupancy status of the subject real estate properties, the occupancy status of similar real estate properties, and future estimate of supply and demand.
(2) Operating expenses	32,092,000	
Maintenance and management Fee	6,716,000	Appraised by referring to the actual recorded amounts and levels at similar real estate properties.
Utilities expenses	4,600,000	Appraised by referring to the actual recorded amounts and levels at similar real estate properties.
Repair expenses	7,028,000	Appraised by referring to the actual recorded amounts of restoration-to-original-state costs and repair costs, repair and renewal costs in the ER, and levels at similar real estate properties.
Property management fee	1,784,000	Appraised by referring to the contract conditions, and levels at similar real estate properties.
Tenant leasing cost, etc.	7,505,000	Appraised by referring to actual recorded amounts, the contract conditions, and levels at similar real estate properties.
Taxes and other public charges	3,828,000	Appraised by taking into account the actual recorded amounts, and the contents etc. of tax burden adjustment measures.
Insurance premium	121,000	Appraised by referring to the insurance contracts and levels at similar real estate properties.
Other expenses	510,000	Internet usage fee has been recorded.
(3) Net operating income (NOI = (1)-(2))	61,052,000	
(4) Investment profits from deposits	24,000	The investment yield appraised at 1.0%.
(5) Capital expenditures	5,750,000	Appraised taking into account the repair and renewal costs of the ER, and levels at

		similar real estate properties.
(6) Net cash flow (NCF = (3)+(4)-(5))	55,326,000	
(7) Capitalization rate	3.5%	Appraised by comprehensively taking into account competitiveness etc. of the subject real estate property.
Indicated value of DCF method	1,560,000,000	
Discount Rate	3.3 %	Appraised by comprehensively taking into account competitiveness etc. of the subject real estate property.
Terminal capitalization rate	3.6 %	Appraised by comprehensively taking into account future trends, risks of the subject real estate property, and market risks etc.
Indicated value by cost approach	1,110,000,000	Calculated by multiplying the market correction rate to the total of the land price and the building price.
Ratio of land	87.3 %	
Ratio of building	12.7 %	
Matters considered in reconciliation of indicated values and determination of appraisal values		The appraisal value was determined by adopting the income approach value, and the value based on the cost approach was used as reference only.

8. Other matters necessary for investors to appropriately understand the relevant information and make decisions

Concerning risks related to the Transfer, there are no changes to the contents described in “Part I: Fund Information / Section 1 - Status of the Fund / 3. Investment Risks” of the Securities Report submitted on October 28, 2022.

<Other press releases announced today>

- (REIT) Financial Report for Fiscal Period Ended January 31, 2023
- Notice Concerning Signing of Building Lease Option Agreement Presupposing Extension of the Building (Funabashi Hi-tech Park Factory I)
- Notice Concerning signing of Right of First Refusal Agreement for Acquisition of Assets (Preferred Equity Securities) and Receipt of a Letter of Intent regarding Lending of the Preferred Equity Securities (HAKUSAN HOUSE)
- Notice Concerning Partial Amendment to the Management Guidelines of the Asset Manager<Appendix>
 - Reference Material 1 Summary of portfolio after the Transfer
 - Reference Material 2 Portfolio list after the Transfer
 - Reference Material 3 General Description of Asset to be Transferred – Explanation of various terms

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

This is an English translation of the announcement in Japanese dated March 16, 2023. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material 1 Summary of portfolio after the Transfer etc.

The status of the portfolio after the transfer of the Asset to be Transferred and after acquiring the Class A Beneficial Interests and Class B Beneficial Interests under the Mezzanine Loan Debt Investments as described in the press release announced on February 1, 2023 entitled “Notice Concerning Acquisition of Mezzanine Loan Debt - Star Asia Mezzanine Loan Debt Investment Series 8 (Class A Beneficial Interest and Class B Beneficial Interest)” is as follows.

Furthermore, the Asset Manager has effective today amended a part of the Management Guidelines which are internal rules of the Asset Manager. For details, please refer to the press release announced today entitled “Notice Concerning Partial Amendment to the Management Guidelines of the Asset Manager”.

<By Asset type (use)>

Asset type (use)	Number of Properties	Total Acquisition Price (in million yen)	Ratio (%) (Note 1)
Office	21	74,787	38.6
Retail	5	27,754	14.3
Residence	18	36,319	18.7
Logistics	8	29,663	15.3
Hotel	11	25,314	13.1
Total	63	193,837	100.0

<By Region>

Region	Total Acquisition Price (in million yen)	Ratio (%) (Note1)
Greater Tokyo Area (Note 2)	132,834	68.5
Major Metropolitan Areas	61,003	31.5
Other Ordinance-Designated Cities Etc.	22,710	11.7
TOTAL	193,837	100.0

(Note 1) Ratios have been calculated based on the total acquisition price, and stated by rounding to the 2nd decimal place.

Therefore, ratios may not add up to 100%.

(Note2) The figure includes mezzanine loan debt investments (2 transactions).

(Note3) The investment ratio for the Greater Tokyo Area excluding the 3 suburban-type retail facilities for which our policy is to dispose of is 74.4%.

Reference Material 2 Portfolio list after the Transfer

<Real Estate, etc.>

Property No. (Note 1)	Property Name	Location (Note 2)	Acquisition Price (in million yen) (Note 3)	Real estate appraisal value (in million yen) (Note 4)	Investment ratio (%) (Note 5)
OFC-01	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,040	1.5
OFC-03	Honmachibashi Tower	Chuo-ku, Osaka-Shi, Osaka	6,065	7,090	3.1
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,660	0.9
OFC-06	Shibuya MK Building	Shibuya-ku, Tokyo	2,042	3,290	1.1
OFC-08	Asahi Building	Kanagawa-ku, Yokohama-Shi, Kanagawa	6,320	8,390	3.3
OFC-09	Hakata-eki East Place	Hakata-ku, Fukuoka-Shi, Fukuoka	2,286	3,140	1.2
OFC-10	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,500	0.8
OFC-11	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,790	1.3
OFC-12	Higashi Kobe Center Building	Higashinada-ku, Kobe-Shi, Hyogo	7,440	7,320	3.9
OFC-13	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,240	0.5
OFC-14	Seishin BLDG.	Shinjuku-ku, Tokyo	11,200	11,700	5.8
OFC-15	Urban Center Kanda Suda-cho	Chiyoda-ku, Tokyo	5,350	5,440	2.8
OFC-16	Urban Center Kanda Tsukasamachi	Chiyoda-ku, Tokyo	4,590	4,630	2.4
OFC-17	Takadanobaba Access	Shinjuku-ku, Tokyo	3,990	3,990	2.1
OFC-18	Azabu Amerex BLDG.	Minato-ku, Tokyo	2,780	2,910	1.4
OFC-19	Hiei-Kudan BLDG.	Chiyoda-ku, Tokyo	2,400	2,390	1.2
OFC-20	Urban Center Shin-Yokohama	Yokohama-Shi, Kanagawa	2,300	2,590	1.2
OFC-21	The Portal Akihabara	Chiyoda-ku, Tokyo	1,510	1,490	0.8
OFC-22	Urban Center Tachikawa	Tachikawa-Shi, Tokyo	1,804	1,980	0.9
OFC-23	Urban Center Hakata	Hakata-ku, Fukuoka-shi, Fukuoka	2,870	3,200	1.5
OFC-24	Urban Center Fujisawa	Fujisawa-Shi, Kanagawa	2,054	2,200	1.1
Office Subtotal			74,787	82,980	38.5
RTL-01	La Park Kishiwada	Kishiwada-Shi, Osaka	5,400	5,240	2.8
RTL-02	Suroy Mall Chikushino	Chikushino-Shi, Fukuoka	6,550	6,290	3.4
RTL-03	Seiyu Minakuchi	Koka- hi, Shiga	3,320	3,330	1.7
RTL-05	BAGUS Ikebukuro West	Toshima-ku, Tokyo	2,984	3,410	1.5
RTL-06	abeno nini (Retail)	Abeno-ku, Osaka-Shi, Osaka	9,500	10,100	4.9
Retail Subtotal			27,754	28,370	14.4
RSC-01	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,930	1.1
RSC-02	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	10,100	3.3
RSC-05	Urban Park Namba	Naniwa-ku, Osaka-Shi, Osaka	1,490	1,550	0.8
RSC-07	Urban Park Kashiwa	Kashiwa-Shi, Chiba	1,186	1,200	0.6

RSC-08	Urban Park Ryokuchi Koen	Suita-Shi, Osaka	1,550	1,720	0.8
RSC-09	Urban Park Koenji	Suginami-ku, Tokyo	1,167	1,180	0.6
RSC-10	Urban Park Ichigao	Aoba-ku, Yokohama-Shi, Kanagawa	1,810	2,170	0.9
RSC-11	Urban Park Gyotoku	Ichikawa-Shi, Chiba	1,430	1,600	0.7
RSC-12	Shiroi Logiman	Shiroi-Shi , Chiba	2,470	2,520	1.3
RSC-13	Urban Park Sekime	Osaka-Shi, Osaka	2,150	2,460	1.1
RSC-14	Urban Park Imazato	Osaka-Shi, Osaka	993	1,100	0.5
RSC-15	Urban Park Yoyogi	Shibuya-ku, Tokyo	1,740	1,990	0.9
RSC-16	Urban Park Tokiwadai Koen	Hodogaya-ku, Yokohama- Shi, Kanagawa	3,506	3,960	1.8
RSC-17	Urban Park Mitsuike Koen	Tsurumi-ku, Yokohama- Shi, Kanagawa	3,160	3,580	1.6
RSC-18	Urban Park Ryogoku	Sumida-ku, Tokyo	1,115	1,280	0.6
RSC-19	Urban Park Mizonokuchi	Takatsu-ku, Kawasaki-Shi Kanagawa	2,019	2,100	1.0
RSC-20	Urban Park Miyamaedaira	Miyamae-ku, Kawasaki-Shi Kanagawa	1,060	1,260	0.6
RSC-21	Urban Park Tsurumi	Tsurumi-ku, Yokohama-Shi Kanagawa	1,113	1,190	0.6
Residence Subtotal			37,779	42,480	18.9
LGC-01	Iwatsuki Logistics	Iwatsuki-ku, Saitama-Shi, Saitama	6,942	7,690	3.6
LGC-02	Yokohama Logistics	Kanagawa-ku, Yokohama- Shi, Kanagawa	3,560	4,340	1.8
LGC-03	Funabashi Logistics	Funabashi-Shi, Chiba	7,875	8,930	4.1
LGC-04	Baraki Logistics	Ichikawa-Shi, Chiba	4,700	5,030	2.4
LGC-05	Tokorozawa Logistics	Tokorozawa-Shi, Saitama	1,300	1,550	0.7
LGC-07	Funabashi Nishiura Logistics II	Funabashi-Shi, Chiba	821	891	0.4
LGC-08	Matsubushi Logistics	Kitakatsushika, Saitama	2,755	3,240	1.4
LGC-09	Funabashi Hi-Tech Park Factory I	Funabashi-Shi, Chiba	1,710	1,710	0.9
Logistics facility Subtotal			29,663	33,510	15.4
HTL-01	R&B Hotel Umeda East	Kita-ku, Osaka-Shi, Osaka	2,069	2,280	1.1
HTL-02	Smile Hotel Namba	Naniwa-ku, Osaka-Shi, Osaka	1,750	1,440	0.9
HTL-03	REMBRANDT STYLE Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,470	2.0
HTL-04	BEST WESTERN Yokohama	Tsurumi-ku, Yokohama- Shi, Kanagawa	3,248	3,210	1.7
HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Chuo-ku, Fukuoka-Shi, Fukuoka	1,970	1,920	1.0
HTL-06	GLANSIT AKIHABARA	Chiyoda-ku, Tokyo	2,500	2,440	1.3
HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,140	1.7
HTL-08	KOKO HOTEL Osaka Namba	Naniwa-ku, Osaka-Shi, Osaka	2,000	1,420	1.0

HTL-09	abeno nini (Hotel)	Abeno-ku, Osaka-Shi, Osaka	3,600	3,690	1.9
Hotel Subtotal			24,144	23,010	12.5
Total			192,667	211,630	100.0

(Note 1) "Property No" categorizes the assets held by SAR by offices (OFC), retail (RTL), residences (RSC), logistics (LGC), and hotels (HTL), and numbers the properties separately for each category. The same applies below.

(Note 2) "Location" states the minimum individual administrative division in the region where the held assets are located.

(Note 3) "Acquisition price" means the sale and purchase proceeds (excluding consumption tax) described in the sale and purchase agreement related to each held asset. With respect to "Minami-Azabu Shibuya Building", as it is based on a sale and purchase agreement for multiple properties where no price is established for each individual property, the amount derived by prorating the total sales price of the multiple properties based on the ratio of the appraisal values of each individual property as of the time of their acquisition is stated as the "Acquisition Price". Also, for real estate properties which were succeeded to as a result of the merger, the appraisal value stated in the real estate appraisal report which indicates the value as of July 31, 2020 which is the acceptance price is stated.

(Note 4) "Real estate appraisal value" states the appraisal values stated in the real estate appraisal reports based on the price as of January 31, 2023.

(Note 5) "Investment ratio" shows the ratio of the (planned) acquisition price of each of acquired assets or Assets to be Acquired against the sum of the acquisition price for acquired assets (real estate etc.) or the planned acquisition price for Assets to be Acquired, rounded to the first decimal place.

<Mezzanine Loan Debt Investments>

The table below includes the acquisition of Class A and Class B beneficial interests under the mezzanine loan debt investments described in the press release announced on February 1, 2023, entitled "Notice Concerning Acquisition of Mezzanine Loan Debt - Star Asia Mezzanine Loan Debt Investment Series 8 (Class A Beneficial Interest and Class B Beneficial Interest)".

Asset no.	Asset type	Asset name	Investment ratio (%) (Note 1)	Acquisition price (million yen) (Note 2)	Interest rate (Note 3)	Investment ratio to the entire portfolio (%) (Note 4)
MEZ-07	Mezzanine bonds	Star Asia Mezzanine Loan Debt Investment Series 7 — Haneda Hotel Development GK Series 2 Item A Unsecured Bonds —	34.2	400	Base rate (Note 5) +5.0%	0.2
MEZ-08	Beneficiary interest in trust	Star Asia Mezzanine Loan Debt Investment Series 8 — Centurion Two GK Class B Beneficiary interest in trust —	29.1	340	Base rate (Note 5) +7.3%	0.2
		Star Asia Mezzanine Loan Debt Investment Series 8 — Centurion Two GK Class A Beneficiary interest in trust —	36.8	430	Base rate (Note 5) +5.3%	0.2
Mezzanine loan debt investments Total			100.0	1,170	—	0.6

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

(Note 2) "Acquisition price" is the sale and purchase price in the bond transfer agreement and the sale price of beneficiary interest in the beneficiary interest transfer agreement (each does not include transfer-related costs), each rounded down to the nearest million yen.

(Note 3) "Interest rate" is the interest rate for bonds, and the dividend ratio for trust beneficial interests.

(Note 4) "Investment ratio to the entire portfolio" is the ratio of the acquisition price of each mezzanine loan debt as a percentage of the sum total of acquisition price of the portfolio (including the mezzanine loan debt) after the Transfer of the Assets to be Transferred

(Note 5) Base rate is JBA 3-month JPY TIBOR. The Japanese yen TIBOR can be confirmed on the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>). For each interest calculation period, the rate announced at 11 a.m. (Tokyo time) two business days prior to the last day of the previous calculation period of the relevant calculation period will be applied as the base rate.

Reference Material 3: General Description of Asset to be Transferred – Explanation of various terms

(A) Explanations of the “Property No.” and “Category” columns

The “Property No.” and “Category” columns states the numbering of the Asset to be Transferred by SAR, which categorizes the assets by as offices (OFC), retail (RTL), residences (RSC), logistics, (LGC), and hotels (HTL), and then numbers the assets according to each category. In the case where a single property is a complex facility with multiple uses, such property is categorized within the asset category with the highest assumed total rent revenue.

(B) Explanation of the “Overview of the Specified Asset” section

- a. The “Trust expiration date” column states the trust expiration date stated in the agreement existing as of the day of this announcement.
- b. The “Expected sales price” column states the sales proceeds for the Asset to be Transferred as stated in the sale and purchase agreement for the Asset to be Transferred (which does not include consumption tax and expense required for the acquisition), rounded to the nearest 1 million yen.
- c. The “Planned transfer date” column states the date on which SAR expects to execute the assignment.
- d. The “Location” column states the lot number address as indicated in the real estate registry. The “Indication of residential address” column states the indication of the residential address, and where the indication of residential address has not been implemented, the location of the building found in the real estate registry has been stated (if there are multiple locations, one of them has been stated).
- e. The “Indication of Residential Address” column states the indication of residential address, or if such indication of residential address has not been defined and the register describes multiple locations of the buildings, only one of such locations is stated.
- f. Explanations of the “Land” section
 - (i) The “Form of ownership” column states the type of right held by the trustee with respect to the Asset to be Transferred.
 - (ii) The “Site area” column state the parcel area as described in the real estate registry, unless otherwise stated in the annotation. Therefore, the stated area may not be the same as the actual current state.
 - (iii) The “Use district” states the type of use district as listed in Article 8 Paragraph 1 Item 1 of the City Planning Act (Act No.100 of 1968, including any amendments made thereto) (hereinafter referred to as the “City Planning Act”).
 - (iv) The “Building coverage ratio” column and “Floor area ratio” column, respectively, states numbers as prescribed under the Building Standards Act, City Planning Act, and other related laws and regulations.
- g. Explanations of the “Building” section
 - (i) The “Form of ownership” column states the type of right held by, or is expected to be held by, the trustee with respect to the Asset to be Transferred.
 - (ii) The “Total floor area” column states the total floor area indicated in the real estate registry, unless otherwise annotated. Therefore, the stated total floor area may not be the same as the actual current state.
 - (iii) The “Use” column states the main use within the uses indicated in the real estate registry, an

may not be the same as the actual current state.

(iv) The “Construction completion” column states the timing of new construction of the main building as indicated in the real estate registry.

(v) The “Structure and floors” column states the structure indicated in the real estate registry for the main building, and may not be the same as the actual current state. Concerning sectional ownership buildings, the structure and number of floors of the entire building which includes the sectional ownership building is stated.

h. The “Property management (PM) company” column states, as of the date of this announcement, the property management company to which property management operations is entrusted or is expected to be entrusted.

i. The “Master lease company” column states, as of the date of this announcement, the master lease company to which master lease operations is entrusted or is expected to be entrusted.

(C) Explanations of the “Status of leasing” section

a. The “Total leasable area” column states the total floor area of the building pertaining to the Asset to be Transferred which is leasable (in the case where the common-use area is leased, the floor area for such space is included), and does not include leasable areas for parking lots or other land used for other purposes. The total leasable area does not state the area indicated in the real estate registry, but states the area indicated in lease agreements or area calculated based on the building drawing etc., and therefore does not necessarily coincide with the floor area indicated in the real estate registry.

b. The “Total leased area” column states, of the total leasable area, the total of leased areas as indicated in lease agreements pertaining to the Asset to be Transferred as of January 31, 2023, and does not include leased space of parking lots or land used for other purposes.

c. The “Occupancy rates” column states the ratio of total leased area to total leasable area for the Asset to be Transferred, rounded to the second decimal place.

d. The “Total number of tenants” column states the total number of tenants as indicated in lease agreements related to the asset to be transferred as of January 31, 2023. In the case where a single tenant is leasing multiple rooms for rent within the asset to be transferred, such tenant is counted as one tenant for the relevant asset to be transferred, however, in the case where a single tenant is leasing rooms for rent for multiple assets to be transferred, the tenant shall be counted separately for each asset to be transferred. In the case where a pass-through type master lease agreement is entered into with respect to an asset to be transferred, the total number of end tenants is stated.

e. The “Monthly rent (including common area maintenance fee)” column states the total amount of monthly rents (including common-use fees, but does not include usage fees for trunk rooms, signage, or parking lots etc., and only includes room rent. Also, free rent as of January 31, 2023 is not taken into account) as indicated in lease agreements with each effective tenant as of January 31, 2023, rounded to the nearest 1000 yen.

f. The “Security and guarantee deposits” column states the total amount of security deposits and guarantee deposits which are required under each lease agreement (limited to those where the tenants have already commenced occupying the property) related to the Asset to be Transferred as of January 31, 2023. In the case where a master lease agreement has been signed with respect to the relevant asset to be transferred, the column states the total amount of security deposits and

guarantee deposits in lease agreements signed with the end tenants.

(D) Explanations of the “Special notation” column

The “Special notation” column states matters which are believed to be important in relation to the rights and obligations of the Asset to be Transferred or its usage etc., as well as matters which are believed to be important when considering the degree of impact on the appraisal value, profitability, or disposability of the Asset to be Transferred.

(E) Explanations of the “Summary of Real Estate Appraisal Report” section

- a. The “Summary of Real Estate Appraisal Report” section has been written based on the real estate appraisal report prepared by Japan Real Estate Institute (a General Incorporated Association) with respect to the Asset to be Transferred.
- b. The “Appraisal value” column merely states an indication of opinion regarding the value of the real estate property subject to appraisal as of the time of appraisal given by the real estate appraiser that has conducted the appraisal pursuant to the Real Estate Appraisal Act (Act No. 152 of 1963, as amended) and real estate appraisal standards etc.
- c. Even if the same real estate property is reappraised, there is a possibility that the appraisal value may differ depending on the real estate appraiser conducting the appraisal, the appraisal method, and timing of appraisal. Furthermore, the appraisal of real estate gives no guarantee or promise of the possibility that the subject real estate property may be sold or purchased at the relevant appraisal value as of today or in the future.
- d. The Japan Real Estate Institute (a General Incorporated Association) that conducted the appraisal and SAR / the Asset Manager do not have any special interest relationships.