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For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
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(Code: 3468)

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Notice Concerning Signing of Construction Contract for Building Extension (2)
(Funabashi Hi-tech Park Factory I)

Star Asia Investment Management Co., Ltd. (the “Asset Manager”) to which Star Asia Investment Corporation (“SAR”) entrusts the management of its assets announces today that, concerning “Funabashi Hi-tech Park Factory I” (the “Property”) which is an asset managed by SAR, it has been decided to sign a construction contract for the building extension (2) of the Property (the “Building Extension”). Details are stated below.

1. The Purpose and Reason for the Building Extension (2)

As a part of active management aiming to maximize unitholders’ interests and with the aim to improve profitability of the portfolio, SAR is considering multiple options for each of the assets held such as redevelopment, building extension, and asset replacement etc.

Concerning the Property, as announced in the press release dated April 26, 2023 “Notice Concerning Signing of Construction Contract for Building Extension (Funabashi Hi-tech Park Factory I)”, extension construction works are proceeding (hereinafter referred to as “Building Extension (1)”). This time, a request was received from the current tenant it would like to dismantle the existing boiler room of the Property and newly build an office building utilizing unused capacity and sign a lease agreement.

In response to this request, the Asset Manager has confirmed specific details of the request for building extension received from the current tenant and calculated the building extension cost based on it, negotiated the terms for the lease after the building extension with the current tenant, and considered the profitability of the Property after the building extension, and has been able to confirm that the profitability of the Property will be improved by the building extension by utilizing the unused capacity from the building extension, and recently has signed a construction contract for the relevant building extension (2) assuming that such extended building portion will be acquired.

The key points of the Building Extension (2) are as follows.

【Key Points of the Building Extension (2)】

(1)	<p>Revenue improvement measure for a long-term span</p> <p>Contribute to increase in revenues, as rents will arise for the extended building portion. Also, by providing for a non-cancellable period for the 10-year ordinary lease will contribute to long-term stable revenues.</p>
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(2)	Effective use of unused floor area under floor area ratio restrictions Increase NOI by effective use of unused floor area.
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(3)	Rent revenues will continue to be received during the construction period During the construction period, the current lease agreement will continue to be in effect, and there is no downtime for rent revenues.
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2. General Description of the Building Extension (1) and (2)

Property No.	LGC-09	The Property (before extension)	After extension (1) (Note 1)	After extension (2) (Note 1)
Name of specified asset	Funabashi Hi-tech Park Factory I			
Type of specified asset	Trust beneficial interest			
Trustee	Mitsubishi UFJ Trust and Banking Corporation			
Location	606-11 Suzumi-cho, Funabashi-shi, Chiba and others			
Date acquired (expected)	August 1, 2020	December 28, 2023 (expected)		
Land	Form of ownership	Proprietary ownership		
	Site area	13,420.44 m ²		
	Use district	Industrial district		
	Building coverage ratio (designated)	32.72% (60%)	34.88% (60%)	35.63% (60%)
	Floor area ratio (designated)	62.16% (200%)	66.03% (200%)	66.64% (200%)
Building	Form of ownership	Proprietary ownership		
	Total floor area	8,340.98 m ² (Note 2)	8,868.22 m ² (Note 3)	8,983.56 m ² (Note 4)
	Use	Factory	Factory	Factory / Office
	Timing of construction	May 19, 2003	June 21, 2023 (Extension (1))	Construction works expected to begin in August 2023 (expected) (Extension (1) and (2))
	Structure/ no. of stories	Steel construction, galvanized steel roof, 2-stories high		
PM Company	Tokyo Capital Management Co., Ltd.			
Master lease company	SAR			
Type of master lease	Pass-through			
Security	Unsecured			
Special notations	None			
Designer	Toyo Construction Co. Ltd. First Class Architect Office	JFE CONFORM Co. Ltd. (Extension (1) and (2))		
Contractor	Toyo Construction Co. Ltd.	JFE CONFORM Co. Ltd. (Extension (1) and (2))		

(Note 1) Stated based on the plan assumed by the Asset Manager based on the Lease Option Agreement, the construction confirmation application drawings etc., and the construction contract, etc, as of today. As of today, an appraisal report related to the appraisal value after the Building Extension (1) and (2) and the seismic risk evaluation report regarding earthquake resistance have not been obtained. Such appraisal report and seismic risk evaluation report regarding earthquake resistance are planned to be obtained after the

construction is completed.

(Note 2) Total floor space indicates the leasable floor space in the building lease agreement before the extension.

(Note 3) The total floor area is the area of the entire building as indicated in the application for confirmation (building) for the building extension.

(Note 4) The total floor area is the area of the entire building as indicated in the application for Confirmation of Change of Plan (building) for the building extension.

3. Effect of the Building Extension (1) and (2)

	Before extension	After extension (1)	After extension (2)
Total rentable area	8,340.98 m ²	8,819.65 m ²	8,902.08 m ²
Floor area usage ratio (Note 2) (Current / Designated)	62.16 % / 200 %	66.03% /200%	66.64% /200%
Appraisal value (Survey value)	1,710 million yen	Appraisal report is planned to be obtained after the construction is completed.	
Annual NOI	110 million yen (Note 3)	134 million yen (Note 4)	140 million yen (Note 4)

(Note 1) 0.1% of the total leasable area of the assets held as of the end of the fiscal period ended January 31, 2023.

(Note 2) Gross floor area (area subject to floor area ratio restrictions) ÷ site area × 100

(Note 3) The figures stated are 2 times the actual figures recorded for the fiscal period ended January 31, 2023.

(Note 4) This is the annual estimate figure, based on the rents stated in the Lease Option Agreement, and after excluding special factors of the year of construction completion.

4. The timing and amounts of payment of the total project cost for the Building Extension (2)

The total project cost of the Building Extension (2) is estimated to be approximately 53 million yen (excluding taxes)

(Note 1). The payments are planned to be made by appropriating own funds.

The schedule of payments are as follows:

Amount expected to be paid in fiscal period ending January 31, 2024 (16 th fiscal period)	53 million yen (estimated amount)
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(Note) Includes design supervision fee, survey costs etc.

(Note) The appropriateness of the total project cost has been confirmed with construction estimates and other documents. The additions (1) and (2) are the utilization of unutilized floor space, and do not involve the acquisition of new land or other assets.

5. General Description of the Contractor

Name	JFE CONFORM Co. Ltd. (Note)
Location	Keihin Building 7 th Floor 1-1 Minami-wataridacho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Representative	Representative Director and President, Akira Kido
Main Business	<ol style="list-style-type: none"> Contract and consulting work for the design, supervision, and implementation of civil engineering and construction works. Contract and consulting work for the design, supervision, and implementation of extension, renovation, remodeling, repair, refurbishment works of residences, office buildings, factories and other buildings and ancillary facilities. Real estate appraisal work. Design, supervision, and construction of exteriors and landscapes accompanying the preceding item and related consulting work. Consulting related to personal property.

	4. Manufacturing, sale, and construction implementation of lighting, air conditioning, plumbing facilities, furniture, interior decorations etc. related to each of the preceding items. 5. Various demolition works. 6. All businesses incidental to or related to each of the above items.
Capital	300 million yen
Established	August 31, 1972
Net asset	Not disclosed, as consent for such disclosure has not been obtained from the company.
Total asset	
Major shareholders and shareholding ratio	JFE Civil Engineering & Construction Corp. 100%
Relationship with SAR and the Asset Manager	
Capital relationship	There is no capital relationship to report.
Personnel relationship	There is no personnel relationship to report.
Business relationship	There is no business relationship to report, other than the signing of the construction contract for the Building Extension.
Related party or not	The company is not a related party of SAR or the Asset Manager.

(Note) The contract counterparty is not a related party of SAR or the Asset Manager.

6. Details of the Lease Option Agreement (Note 1)

Contract counterparty	Current tenant (Number of tenants: 1) (Note 2)
Name of Property	Funabashi Hi-tech Park Factory I
Net rentable area	8,902.08 m ²
Leased area	8,902.08 m ²
Rent	Not disclosed (Note 3)
Deposit and Guarantee Money	Not disclosed (Note 3)
Signing date of building lease option agreement	July 19, 2023
Type of lease contract	Ordinary building lease contract
Term of lease contract	10 years from the delivery date, with provision for automatic renewal every 3 years.
Revision of Rents	Revision possible at the time of contract renewal.
Early termination	Not allowed for 10 years.

(Note 1) The above is described based on the Option Lease Agreement signed on July 19, 2023.

(Note 2) The contract counterparty is not a related party of SAR or the Asset Manager.

(Note 3) "Rent" and "Deposit and Guarantee Money" are not disclosed, as consent for disclosure has not been obtained from the current tenant.

7. Building Extension (2) Time Schedule

July 25, 2023	Sign construction contract
Around August 2023	Commence building extension (2) construction works (expected)
Around December 2023	Complete building extension (1) and (2) construction works (expected)
Around January 2024	Begin operations of the extended building (expected)

8. Future Outlook

The impact of the change to the planned acquisition date of the Class A Beneficial Interest on the operating results is immaterial, and there are no changes to the forecast of operating results for the fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) and the fiscal period ending January 31, 2024 (August 1,

2023 to January 31, 2024).

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

Concerning the risks related to the Building Extension, 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 April 28, 2023.

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

This is an English translation of the announcement in Japanese dated July 25, 2023. However, no assurance or warranties are given for the completeness or accuracy of this English translation.