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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 Acquisition of Land with Leasehold Right (acquisition of the limited proprietary right of land with leasehold right of Higashi Kobe Center Building)

Star Asia Investment Management Co., Ltd. (the “Asset Manager”), to which Star Asia Investment Corporation (“SAR”) entrusts the management of its asset, announces today its decision to acquire the land with leasehold right of “Higashi Kobe Center Building” (the “Acquired Asset”, and the transaction to acquire this ownership is referred to as the “Acquisition”).

1. Overview of the Acquired Asset

- | | | | |
|------|--|---|--|
| (1) | Acquired Asset | : | Real estate property (limited proprietary right of land with leasehold right) / area 794.18 square meters.
SAR plans to additionally entrust the Acquired Asset as real estate property immediately after the Acquisition, and hold the asset as a trust beneficial interest. |
| (2) | Property name | : | Higashi Kobe Center Building
(limited proprietary right of land with leasehold right) |
| (3) | Location (Lot number) | : | 8-20 Motoyama-minami-machi, Higashinada-ku, Kobe-shi, Hyogo |
| (4) | Acquisition price | : | 160 million yen (Note) |
| (5) | Contract date | : | December 1, 2023 |
| (6) | Acquisition date
(delivery and settlement date) | : | December 1, 2023 |
| (7) | Seller | : | Please refer to “5.Profile of Seller” below. |
| (8) | Acquisition financing | : | Cash on hand |
| (9) | Settlement method | : | Payment of entire amount on acquisition date |
| (10) | Presence or absence
of broker | : | Yes.
Please refer to “7. Overview of Broker” below. |

(Note) With respect to the “acquisition price”, the sales price found in the agreement with the Seller is stated. The sales proceeds amount does not include any consumption tax, local consumption tax, and expenses required for the acquisition.

2. Reason for the Acquisition

Although SAR had already acquired “Higashi Kobe Center Building”, some of the land was limited proprietary right of land with leasehold right. The purpose of the Acquisition is to acquire the land with leasehold right, in order to gain full proprietary ownership interest in “Higashi Kobe Center Building”, which in turn is expected to increase the liquidity of the asset, as well as enhance the property’s asset value.

Furthermore, after the Acquisition, as it will no longer be necessary to pay the land rental fee, SAR believes that the profitability of the property will also improve.

3. Description of the Acquired Asset

Please refer to the table below for details of the Acquired Asset. Concerning the terms used in the table, please refer to the “Reference Material 3”.

Property No.	OFC-12	Property name	Higashi Kobe Center Building (limited proprietary right of land with leasehold right)		Type	OFFICE
Overview of specified asset						
Type of specified asset		Real estate property (limited proprietary right of land with leasehold right)		Trustee	-	
Acquisition price		160 million yen		Acquisition date	December 1, 2023	
Appraised value		168 million yen (Note 1)		Seller	Not disclosed	
Location		8-20 Motoyama-minami-machi, Higashinada-ku, Kobe-shi, Hyogo				
Indication of residential address		8-6-26 Motoyama-minami-machi, Higashinada-ku, Kobe-shi, Hyogo				
Nearest station		Approx. 9-minute walk from “Settsu Motoyama” Station of JR Tokai Line				
Land	Type of ownership	Proprietary ownership (Note 2)				
	Site area	794.18 m ²	Use district	Neighborhood commercial district		
	Building coverage ratio	80%	Floor area ratio	300%		
Building	Type of ownership	-				
	Total floor area	-	Use	-		
	Construction completion	-	Structure and floors	-		
Property management company		-	Master lease company	-		
Type of master lease		-	Security	Unsecured		
Trust expiration date		-				
Status of leasing						
Total leasable area		-	Monthly rent (including common area maintenance fee)	-		
Total leased area		-	Security and guarantee deposits	-		
Total number of tenants		-				
Occupancy rate						
		June 2023	July 2023	August 2023	September 2023	October 2023
		-	-	-	-	-
Special notation		Not applicable				

(Note 1) After the Acquisition, SAR intends to additionally entrust the Acquired Asset, and hold it as beneficiary interest in trust.

(Note 2) The land lease agreement between the Seller and the trustee pertaining to the Acquired Asset is expected to be extinguished due to merger of rights resulting from the additional entrustment described in Note 2 above.

4. Summary of Real Estate Appraisal Report

Main information for valuation indicated in the appraisal report concerning the Acquired Asset is as described below.

Appraisal value	168 million yen
Appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Date of value	October 31, 2023

[1]	Ordinary price of the Acquired Asset	119 million yen
[2]	Price of existing properties (building and its land (including leasehold right))	7,330 million yen
[3]	Price concerning building and its land (100% ownership) after Acquisition	7,570 million yen
[4]	Incremental value by adjoining lands $([3]-([1]+[2]))$	121 million yen
[5]	Value allocated to Asset to be Acquired from [4] (\div [4] x distribution ratio (see * below))	49 million yen
[6]	Appraisal value concerning Asset to be Acquired $([1]+[5])$	168 million yen

(*) The distribution ratio for distribution of the incremental value to the Acquired Asset has been assessed as 40.47%, by using (1) the 50/50 method, (2) the total amount ratio method, and (3) the purchase limit ratio method, while placing emphasis on the 50/50 method, and also comparing and considering results obtained by the total amount ratio method and the purchase limit ratio method.

5. Profile of Seller

Details are not disclosed, as consent for disclosure has not been obtained from the Seller, and this fact falls under unavoidable circumstances for non-disclosure.

There are no capital relationship, personnel relationship, or business relationship which is worthy of note between SAR or the Asset Manager and the Seller.

6. Status of the Seller of the property

The Acquisition is not a transaction to acquire from a person with a special interest with SAR or the Asset Manager.

7. Overview of Broker

(1) Overview of the Broker

Details are not disclosed, as consent for disclosure has not been obtained from the Broker which is a domestic company, and this fact falls under unavoidable circumstances for non-disclosure. The broker does not fall under the category of interested party, etc. under the Investment Trusts Act or "Interested Parties" as defined in the "Rules on Transactions with Interested Parties" which are internal rules of the Asset Manager.

(2) Amounts and breakdown of the brokerage fee

Details are not disclosed, as consent for disclosure has not been obtained from the Broker, and this fact falls under unavoidable circumstances for non-disclosure.

8. Transactions with Interested Parties

None

9. Schedule for the Transaction

December 1, 2023

Acquisition decided

Conclusion of the sale and purchase agreement

Acquisition of the property

10. Settlement method

The settlement for the Acquired Asset is expected to take place by making lump-sum payment of the acquisition price on the planned acquisition date.

11. Future outlook

The impact of the Acquisition on the operating results is immaterial, and there are no changes to the forecast of operating results for the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) and the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024) announced in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2023” on September 13, 2023.

<Reference Materials>

Reference Material 1: Location maps/photos of exterior property

Reference Material 2: Portfolio list after the Transaction

Reference Material 3: The terms used in the table of Description of Asset to be Acquired

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

Reference Material 1 Location maps/photos of exterior of property

OFC-12 Higashi Kobe Center Building



Reference Material 2 Portfolio list after the Transaction

Property No.	Property Name	Location (Note 1)	Acquisition Price (million yen) (Note 2)	Real estate appraisal value (million yen) (Note 3)	Investment ratio (%) (Note 4)
OFC-01	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,040	1.2
OFC-03	Honmachibashi Tower	Chuo-ku, Osaka-Shi, Osaka	6,065	7,080	2.5
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,690	0.7
OFC-06	Urban Center Shibuya East(Note 5)	Shibuya-ku, Tokyo	2,042	3,290	0.8
OFC-08	Urban Center Yokohama West(Note 5)	Kanagawa-ku, Yokohama-Shi, Kanagawa	6,320	8,400	2.6
OFC-09	Hakata-eki East Place	Hakata-ku, Fukuoka-Shi, Fukuoka	2,286	3,260	0.9
OFC-10	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,500	0.6
OFC-11	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,790	1.1
OFC-12	Higashi Kobe Center Building	Higashinada-ku, Kobe-Shi, Hyogo	7,600	7,570	3.2
OFC-13	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,230	0.4
OFC-14	Seishin BLDG.	Shinjuku-ku, Tokyo	11,200	11,700	4.7
OFC-15	Urban Center Kanda Suda-cho	Chiyoda-ku, Tokyo	5,350	5,440	2.2
OFC-16	Urban Center Kanda Tsukasamachi	Chiyoda-ku, Tokyo	4,590	4,570	1.9
OFC-17	Takadanobaba Access	Shinjuku-ku, Tokyo	3,990	3,930	1.7
OFC-18	Azabu Amerex BLDG.	Minato-ku, Tokyo	2,780	2,890	1.2
OFC-19	Hiei-Kudan BLDG.	Chiyoda-ku, Tokyo	2,400	2,400	1.0
OFC-20	Urban Center Shin-Yokohama	Kohoku-ku, Yokohama-Shi, Kanagawa	2,300	2,570	1.0
OFC-21	The Portal Akihabara	Chiyoda-ku, Tokyo	1,510	1,490	0.6
OFC-22	Urban Center Tachikawa	Tachikawa-Shi, Tokyo	1,804	2,010	0.7
OFC-23	Urban Center Hakata	Hakata-ku, Fukuoka-shi, Fukuoka	2,870	3,250	1.2
OFC-24	Urban Center Fujisawa	Fujisawa-Shi, Kanagawa	2,054	2,200	0.9
Office Subtotal			74,947	83,300	31.1
RTL-01	La Park Kishiwada	Kishiwada-Shi, Osaka	5,400	5,200	2.2
RTL-02	Suroy Mall Chikushino	Chikushino-Shi, Fukuoka	6,550	6,310	2.7
RTL-03	Seiyu Minakuchi	Koka- hi, Shiga	3,320	3,330	1.4
RTL-05	BAGUS Ikebukuro West	Toshima-ku, Tokyo	2,984	3,500	1.2
RTL-06	abeno nini (Retail)	Abeno-ku, Osaka-Shi, Osaka	9,500	10,500	3.9
Retail Subtotal			27,754	28,840	11.5
RSC-01	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,950	0.8
RSC-02	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	10,100	2.6
RSC-05	Urban Park Namba	Naniwa-ku, Osaka-Shi, Osaka	1,490	1,540	0.6
RSC-07	Urban Park Kashiwa	Kashiwa-Shi, Chiba	1,186	1,200	0.5
RSC-08	Urban Park Ryokuchi Koen	Suita-Shi, Osaka	1,550	1,730	0.6
RSC-10	Urban Park Ichigao	Aoba-ku, Yokohama-Shi, Kanagawa	1,810	2,180	0.8
RSC-11	Urban Park Gyotoku	Ichikawa-Shi, Chiba	1,430	1,610	0.6
RSC-12	Shiroi Logiman	Shiroi-Shi, Chiba	2,470	2,520	1.0
RSC-13	Urban Park Sekime	Jyoto-ku, Osaka-Shi, Osaka	2,150	2,470	0.9

RSC-14	Urban Park Imazato	Ikuno-ku, Osaka-Shi, Osaka	993	1,110	0.4
RSC-15	Urban Park Yoyogi	Shibuya-ku, Tokyo	1,740	1,990	0.7
RSC-16	Urban Park Tokiwadai Koen	Hodogaya-ku, Yokohama-Shi, Kanagawa	3,506	4,090	1.5
RSC-17	Urban Park Mitsuike Koen	Tsurumi-ku, Yokohama-Shi, Kanagawa	3,160	3,620	1.3
RSC-18	Urban Park Ryogoku	Sumida-ku, Tokyo	1,115	1,310	0.5
RSC-19	Urban Park Mizonokuchi	Takatsu-ku, Kawasaki-Shi Kanagawa	2,019	2,100	0.8
RSC-20	Urban Park Miyamaedaira	Miyamae-ku, Kawasaki-Shi Kanagawa	1,060	1,250	0.4
RSC-21	Urban Park Tsurumi	Tsurumi-ku, Yokohama-Shi Kanagawa	1,113	1,190	0.5
RSC-22	Urban Park Mitaka	Mitaka-shi, Tokyo	743	1,010	0.3
RSC-23	Urban Park Kamata Minami I	Ota-ku, Tokyo	641	864	0.3
RSC-24	Urban Park Kamata Minami II	Ota-ku, Tokyo	1,375	1,720	0.6
RSC-25	Urban Park Umejima	Adachi-ku, Tokyo	1,032	1,140	0.4
Residence Subtotal			38,943	47,694	16.2
LGC-01	Iwatsuki Logistics	Iwatsuki-ku, Saitama-Shi, Saitama	6,942	7,690	2.9
LGC-02	Yokohama Logistics	Kanagawa-ku, Yokohama-Shi, Kanagawa	3,560	4,330	1.5
LGC-03	Funabashi Logistics	Funabashi-Shi, Chiba	7,875	8,950	3.3
LGC-04	Baraki Logistics	Ichikawa-Shi, Chiba	4,700	5,230	2.0
LGC-05	Tokorozawa Logistics	Tokorozawa-Shi, Saitama	1,300	1,550	0.5
LGC-07	Funabashi Nishiura Logistics II	Funabashi-Shi, Chiba	821	891	0.3
LGC-08	Matsubushi Logistics	Kitakatsushika, Saitama	2,755	3,310	1.1
LGC-09	Funabashi Hi-Tech Park Factory I	Funabashi-Shi, Chiba	1,710	2,070	0.7
Logistics facility Subtotal			29,663	34,021	12.3
HTL-01	R&B Hotel Umeda East	Kita-ku, Osaka-Shi, Osaka	2,069	2,280	0.9
HTL-02	Smile Hotel Namba	Naniwa-ku, Osaka-Shi, Osaka	1,750	1,460	0.7
HTL-03	REMBRANDT STYLE Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,440	1.6
HTL-04	BEST WESTERN Yokohama	Tsurumi-ku, Yokohama-Shi, Kanagawa	3,248	3,200	1.3
HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Chuo-ku, Fukuoka-Shi, Fukuoka	1,970	1,930	0.8
HTL-06	GLANSIT AKIHABARA	Chiyoda-ku, Tokyo	2,500	2,440	1.0
HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,140	1.3
HTL-08	KOKO HOTEL Osaka Namba	Naniwa-ku, Osaka-Shi, Osaka	2,000	1,450	0.8
HTL-09	abeno nini (Hotel)	Abeno-ku, Osaka-Shi, Osaka	3,600	3,770	1.5
HTL-10	KOKO HOTEL Ginza 1-Chome	Chuo-ku, Tokyo	17,800	18,600	7.4
HTL-11	KOKO HOTEL Sapporo Ekimae	Chuo-ku, Sapporo-Shi, Hokkaido	6,700	7,040	2.8
HTL-12	KOKO HOTEL Fukuoka Tenjin	Chuo-ku, Fukuoka-Shi, Fukuoka	5,000	5,370	2.1
HTL-13	KOKO HOTEL Hiroshima Ekimae	Minami-ku, Hiroshima -Shi, Hiroshima	4,100	4,280	1.7
HTL-14	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima-shi, Kagoshima	3,800	4,260	1.6

HTL-15	Fino Hotel Sapporo Odori	Chuo-ku, Sapporo-Shi, Hokkaido	4,200	4,250	1.7
HTL-16	Best Western Plus Fukuoka Tenjin-minami	Chuo-ku, Fukuoka-Shi, Fukuoka	3,800	4,390	1.6
Hotel Subtotal			69,544	71,300	28.9
Total			240,851	265,155	100.0

(Note 1) "Location" indicates the minimum independent administrative district of which each asset held by SAR as of today (the "Existing Assets (real estate, etc.)") and Asset to be Acquired is located except for mezzanine loan debt and silent partner equity interest described in the <Other Assets> below.

(Note 2) "Acquisition price", with respect to each asset already acquired (real estate properties etc.) other than "Minami-Azabu Shibuya Building", is the purchase price stated in the respective sale and purchase agreement. With respect to Higashi Kobe Center Building which includes the Acquired Asset, the total amount of the sales price stated in the respective agreements with Seller has been stated. The sales price does not include any consumption tax, local consumption tax, and expenses required for the acquisition. However, with respect to "Minami-Azabu Shibuya Building", as it is a sale and purchase agreement for multiple real estate properties where the price has not been set for each individual property, the stated "acquisition price" is the amount calculated by taking the aggregate purchase price of the multiple properties, and pro-rating such amount based on the ratio of the appraisal value amounts at the time of acquisition of the properties. Furthermore, regarding properties which were inherited due to merger, the amounts stated in the real estate appraisal reports with the valuation date as of July 31, 2020 which is the acceptance value have been stated.

(Note 3) Real estate appraisals are outsourced to the Japan Real Estate Institute (JREI), Daiwa Real Estate Appraisal Co., Ltd, and the Tanizawa Sogo Appraisal Co., Ltd. Concerning "Real estate appraisal value", for already acquired assets (real estate properties etc.) the appraisal values stated in the real estate valuation reports with valuation dates as of July 31, 2023 are stated, and with respect to the property decided to be acquired as announced in the press release dated August 7, 2023 entitled "Notice Concerning Acquisition and Lease Contract with New Tenants, and Transfer, of Real Estate Beneficiary Interests in Trust", the appraisal value amount stated in the real estate appraisal report with the valuation date of July 1, 2023 is stated. Regarding the Acquired Asset, the normal price for the complete real estate (full ownership) which has been calculated in order to calculate the appraisal value within the real estate appraisal report with the valuation date being October 31, 2023 is stated. All such amounts have been rounded to the nearest million yen.

(Note 4) "Investment ratio" is the ratio of acquisition price for each Existing Asset (real estate, etc.) / Acquired Asset to the total of acquisition prices of each Existing Asset (real estate, etc.) / Acquired Asset each rounded to the first decimal place.

(Note 5) Property No. RSC-23 "Urban Park Kamata Minami I", Property No. RSC-24 "Urban Park Kamata Minami II", and Property No. RSC-25 "Urban Park Umejima" were acquired on December 1, 2023.

Reference Material 3 The terms used in the table of Description of Acquired Asset

- a. Explanation on "Property no." and "Type"
Property Number column and Type column: Each Acquired Asset by SAR is categorized by use as OFC (office), RTL (commercial / retail), RSC (residential), LGC (logistics), or HTL (hotel). Then, for each category, serial numbers are given to the assets in the category. In case of a property which could straddle two or more categories, it shall fall under the category from which the property generates the largest sum of assumed rent income.
- b. Explanation on "Overview of specified asset"
- (a) "Acquisition price" column: Herein is shown the planned acquisition price of the Asset to be Acquired as described in the purchase agreement of the Acquired Asset (excluding consumption tax, local consumption tax, and expenses required for the acquisition), after rounded to the nearest million yen.
- (b) "Acquisition Date" column: Herein is shown the date (MMDDYY) of acquisition by SAR.
- (c) "Location" column: Herein is shown the certified address in registry. "Indication of residential address" column: Herein is shown the postal address. If postal address is not available, registered address of the property (if there are two or more of them, one is selected) is shown.
- (d) "Appraisal value" column: The appraisal value amount stated in the real estate appraisal report where the date of the valuation is October 31, 2023 is stated, with amounts rounded to the nearest million yen.
- (e) There is no special interested relationship between The Tanizawa Sogo Appraisal Co., Ltd. and SAR or Asset Manager.
- (f) "Land" column:
- (i) "Type of ownership" column: Herein is shown the type of right(s) held by respective trustee of the Acquired Asset.
- (ii) "Site area" column: Herein is shown the land area as recorded in registry, unless otherwise noted. For this reason, it possibly might not be equal to the actual.
- (iii) "Use district" column: Herein is shown the type of use in accordance with Article 8, Paragraph 1 and Item 1 of the Urban Planning Act (Act No.100 of 1968; including its amendments) ("Urban Planning Act").
- (iv) "Building coverage ratio" column and "Floor area ratio" column: Herein is shown the pertinent figure in each column in accordance with the relevant laws and regulations (the Building Standards Act, the Urban Planning Act, etc.).
- (g) Explanation on "Special notations"
Special notation column: Herein is shown a description not only on the items considered material in relation to the involved rights and assumed uses but also on the appraisal value of, profitability of, and the other items considered material in relation to the disposability of the Acquired Asset.