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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 Real Estate Beneficiary Interest in Trust and Mezzanine Loan Debt, and Transfer of Real Estate Beneficiary Interests in Trust (11th Asset Replacement)

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 acquire real estate beneficiary interest in trust for Urban Forum Warabi (hereinafter referred to as “Asset to be Acquired (Real Estate Properties etc.)”) and to invest a mezzanine loan debt (hereinafter referred to as “Asset to be Acquired (Mezzanine)”) and together with the Asset to be Acquired (Real Estate Properties etc.), respectively and collectively referred to as “Assets to be Acquired”, and the acquisition of such assets to be referred to as the “Acquisition”) and transfer “Urban Park Namba” and “Smile Hotel Namba” (hereinafter referred to as “Assets to be Transferred”, and the transfer of such assets to be referred to as the “Transfer”, and the “Acquisition” and the “Transfer” are collectively referred to as the “Replacement”), as described below.

1. Overview of the Assets to be Acquired and Assets to be Transferred

(1) Overview of Assets to be Acquired

Type	Asset type	Property no. (Note 1)	Property name	Location	Planned acquisition price (million yen) (Note 3)	Planned acquisition date	
Real Estate Properties etc.	Retail	RTL-07	Urban Forum Warabi	Kawaguchi-shi, Saitama	1,100	August 16, 2024	
	Subtotal (1 property)				1,100		
Mezzanine Loan Debt	Assets to be acquired	Asset no. (Note 1)	Name of Assets to be Acquired	Underlying Real Estate	Interest rate etc. (Note 2)	Planned acquisition price (million yen) (Note 3)	
	Beneficiary Interest in trust	MEZ-09	Star Asia Mezzanine Loan Debt Investment Series 9	hotel androoms Shin-Osaka	Base rate + 5.0%	130	August 16, 2024
	Subtotal (1 mezzanine loan debt)				130		
Total (1 property / 1 mezzanine loan debt)					1,230		

(Note 1) As for “Property no.” and “Asset no.,” please refer to “Reference Material 5 The terms used in the table of Description of Assets to be

Acquired and Assets to be Transferred” below.

(Note 2) “Interest rate etc.” is dividend yields paid as income dividends to beneficiary Interest in trust which is rounded to the first decimal place.

(Note 3) “Planned acquisition price” indicates the planned sale and purchase price stated in the sale and purchase agreements with the sellers for the Assets to be Acquired, rounded to the nearest million yen. The planned sale and purchase price does not include consumption tax, local consumption tax and various expenses required for the acquisition.

- (1) Signing date : August 2, 2024
 (2) Planned acquisition date : August 16, 2024
 (delivery and settlement date)
 (3) Sellers : Please refer to “5. Planned Seller and Transferee Profile” below.
 (4) Acquisition financing : Cash on hand
 (5) Settlement method : Payment of entire amount on planned acquisition date
 (6) Presence or absence of broker : Presence
 Please refer to “7. Overview of Broker” below.

Of the Asset to be Acquired (Real Estate Properties etc.), SAR has acquired Building-Housing Energy-Efficiency Labeling System (BELS)” Evaluation and Certification (Note). Details are as follows.

Asset type	Property no.	Property name	Location	Certification rating
Retail	RTL-07	Urban Forum Warabi	Kawaguchi-shi, Saitama	★★

(Note) Outline of BELS: Under the Act on the Improvement of Energy Consumption Performance of Buildings (Act No.53 of 2015; including its amendments) (“Building Energy Efficiency Act”), real estate business operators are required to make efforts to display the energy-saving performance of buildings. BELS is a system in which third-party institutions evaluate the energy-saving performance of buildings based on the evaluation standards set by the Ministry of Land, Infrastructure, Transport and Tourism, and the certification rating is given on a 7-point scale.

For the details of BELS, please refer to the following website.

<https://www.hyoukakyokai.or.jp/bels/bels.html> (Japanese only)

(2) Overview of Assets to be Transferred

Asset type	Property no. (Note 1)	Property name	Location	Planned transfer price (million yen) (Note2)	Planned transfer date
Residence	RSC-05	Urban Park Namba	Naniwa-ku, Osaka-shi, Osaka	1,700	September 6, 2024
Hotel	HTL-02	Smile Hotel Namba	Naniwa-ku, Osaka-shi, Osaka	1,800	August 19, 2024
Total (2 properties)				3,500	

(Note 1) As for “Property no.”, please refer to “Reference Material 5 The terms used in the table of Description of Assets to be Acquired and Assets to be Transferred” below.

(Note 2) “Planned sales price” indicates the planned sale and purchase price stated in the sales and purchase agreement with the purchasers for the Assets to be Transferred, rounded to the nearest million yen. The planned sales price does not include consumption tax, local consumption tax and various expenses required for the transfer.

Urban Park Namba

- (1) Signing date : August 2, 2024
 (2) Planned transfer date : September 6, 2024
 (delivery and settlement date)
 (3) Transferee : Please refer to “5. Planned Seller and Transferee Profile” below.
 (4) Planned sales price : 1,700 million yen
 (5) Book value (Note 3) : 1,461 million yen
 (6) Gain on transfer (estimate) : 175 million yen
 (7) Settlement method : 100 million yen to be received as deposit money on the signing

date of the sale and purchase agreements, and the remaining amount is to be received in lump-sum payment on the planned transfer date.

- (8) Presence or absence of broker : Presence
 (9) Use of sales proceeds : Cash on hand to be appropriated to a portion of the funds to acquire assets in the future or to supplement cash on hand decreased due to a future asset acquisition
 (10) Special notation : Please refer to “4. Summary of Assets to be Transferred” below.

(Note 3)The book value as of January 31, 2024 is stated.

Smile Hotel Namba

- (1) Signing date : August 2, 2024
 (2) Planned transfer date : August 19, 2024
 (delivery and settlement date)
 (3) Transferee : Please refer to “5. Planned Seller and Transferee Profile” below.
 (4) Planned sales price : 1,800 million yen
 (5) Book value (Note 4) : 1,594 million yen
 (6) Gain on transfer (estimate) : 139 million yen
 (7) Settlement method : 100 million 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.
 (8) Presence or absence of broker : Presence
 (9) Use of sales proceeds : Cash on hand to be appropriated to a portion of the funds to acquire assets in the future or to supplement cash on hand decreased due to a future asset acquisition
 (10) Special notation : Please refer to “4. Summary of Assets to be Transferred” below.

(Note 4)The book value as of January 31, 2024 is stated.

2. Reason for the Replacement

To date, SAR has strengthened its portfolio through 10 asset replacements. For this 11th Replacement, the following is an evaluation of the respective Assets to be Acquired and Assets to be Transferred, which will further strengthen the portfolio through this Replacement.

(1) Assets to be Acquired

<Urban Forum Warabi>

Urban Forum Warabi is a commercial building located at an approximate 4-minute walk from "Warabi" Station on the JR Keihin Tohoku Line. Redevelopment is underway at the west exit side of “Warabi” Station, and population growth is expected in the area in the future.

In terms of property characteristics, the building was built in December 2023 and is equipped with the latest facilities.

Upon acquiring this property, the Asset Manager utilized its own network, and by being involved and gathering information from the development stage, the property is being acquired at a fair price through a bi-lateral negotiated transaction.

The decision to acquire the property was made based on comprehensive consideration of the above-mentioned location and property characteristics, as it was determined that stable earnings can be expected from the property over the mid to long term and that it would contribute to improvement of the stability of portfolio earnings.

<Star Asia Mezzanine Loan Debt Investment Series 9>

The Asset to be Acquired (Mezzanine) is SAR's ninth investment in mezzanine loan debt, which will generate interest income (base rate +5.0%) through diversification of investment targets. SAR believes that such strategy to

boost distributable income is a valid differentiation of SAR which aims to maximize unitholders' interests.

<The Asset Manager's Evaluation of the Property Underlying the Asset to be Acquired (Mezzanine)>

The Underlying Real Estate (defined below) of the Asset to be Acquired (Mezzanine) is "hotel androoms Shin-Osaka", a limited-service type hotel located at an approximate 6-minute walk from "Shin-Osaka" Station on the JR Tokaido Shinkansen line, Sanyo Shinkansen line, Osaka Higashi Line, Tokaido Main Line, and Osaka Metro Midosuji Line. Despite being a limited-service type hotel, it is a hotel with competitiveness by providing differentiating, value-added "and" services to enhance the stay, such as providing a public-bath-style large bath facility, free "soba" noodles for guests, and breakfast delivery service to the guest rooms for guests to spend their precious morning time at their own pace. In addition, the hotel is expected to meet future demand for accommodation in anticipation of the Osaka, Kansai Expo to be held in 2025.

As a result of comprehensively considering the above-mentioned matters, the investment decision was made based on the judgment that stable earnings over the mid- to long-term are expected from the mezzanine loan debt investment, and that it will contribute to improvement of stability of portfolio earnings.

(2) Assets to be Transferred

<Urban Park Namba>

Urban Park Namba is a residential property, mainly consisting of single rooms, located at an approximate 6-minute walk from "Sakuragawa" Station on the Osaka Metro Sennichimae Line.

The property has a high location advantage, being within walking distance to the Namba area, one of Osaka's representative commercial areas. The property consists mainly of single rooms and appeals mainly to young single households.

On the other hand, single room type residences which have relatively large supply tends to decrease price competitiveness of the rental unit price as the property ages, and there were concerns about achieving internal growth in the future.

Under these circumstances, we searched for and reached an agreement with a real estate investor who highly evaluated the area of the property and offered a purchase price that exceeded the appraisal value, and we decided to sell the property because the asset replacement with the Asset to be Acquired (Real Estate Properties etc.) would realize portfolio enhancement.

<Smile Hotel Namba>

Smile Hotel Namba is a limited-service type hotel with mainly single rooms located at an approximate 1-minute walk from "Sakuragawa" Station on the Hanshin Namba Line.

The property is located near the Namba area, one of Osaka's representative commercial areas, with excellent transportation access to the downtown area, and within walking distance to Kyocera Dome Osaka. As a hotel that can capture both business and tourist demand, this hotel has made a significant contribution to SAR's business performance.

On the other hand, after covid-19 pandemic, given the recovery of inbound and domestic travel, there were concerns regarding achievement of future internal growth for hotels with many single-type rooms due to changes in accommodation style shifting towards group travel.

Under these circumstances, we searched for and reached an agreement with a real estate investor who highly evaluated the said property in anticipation of the Osaka, Kansai Expo to be held in 2025 and offered a purchase price that exceeded the appraisal value, and it was decided to sell the property.

2. Summary of Assets to be Acquired

(1) Urban Forum Warabi

Property no.	RTL-07	Property name	Urban Forum Warabi		Type	Retail
Overview of specified asset						
Type of specified asset		Beneficiary interest in trust		Trustee	SMBC Trust Bank Ltd.	
Planned acquisition price		1,100 million yen		Planned acquisition date	August 16, 2024	
Appraisal value		1,210 million yen		Seller	Undisclosed (Note1)	
Location		4-13 Shibashinmachi, Kawaguchi-shi, Saitama and others				
Indication of residential address		4-8 Shibashinmachi, Kawaguchi-shi, Saitama				
Nearest station		Approx. 4-minute walk from "Warabi" Station of JR Keihin Tohoku Line				
Land	Type of ownership	Proprietary ownership				
	Site area	408.90㎡	Use district	Commercial district		
	Building coverage ratio	80%	Floor area ratio	400%		
Building	Type of ownership	Proprietary ownership				
	Total floor area	1,489.22㎡	Use	Clinic/Office/Shop		
	Construction completion	December 1, 2023	Structure and floors	Steel-framed structure 6F		
Property management company	Tokyo Capital Management Co., Ltd.		Master lease company	SAR		
Type of master lease	Pass-through		Security	Unsecured		
Trust expiration date	August 31, 2034					
Status of leasing						
Total leasable area	1,158.14㎡		Monthly rent (including common area maintenance fee)	5,319,000 yen (Note2)		
Total leased area	1,158.14㎡ (Note2)		Security and guarantee deposits	19,876,000 yen		
Total number of tenants	5					
Occupancy rate (Note 2)						
	December 2023	January 2024	February 2024	March 2024	April 2024	
	100.0%	100.0%	100.0%	100.0%	100.0%	
Special notation	Not applicable					

(Note 1) The Seller is not disclosed because the seller consent has not been obtained.

(Note 2) Although there are some vacant parcels, a rent guarantee agreement has been executed between the former master lease company and one end-tenant. The said end-tenant is,

(i) In the event that a specific compartment remains vacant until December 25, 2023, the end-tenant shall pay the guaranteed rent agreed upon by both parties,

(ii) If a lease agreement is executed with a third party for the vacant compartment for the period until December 25, 2023, and the rent is less than the guaranteed rent agreed by both parties, the end-tenant shall pay the amount less than the guaranteed rent; and

(iii) If a lease agreement is executed with a third party for the said vacant compartment for the period until December 25, 2023, and all or part of the said lease agreement becomes vacant due to cancellation, etc., and the rent is less than the guaranteed rent agreed by both parties, the end tenant shall pay the amount less than the said guaranteed rent for a maximum of two years. In this case, the end-tenant shall pay the amount less than the said guaranteed rent for a maximum of two years.

Since SAR is scheduled to succeed to the said agreement, the said vacant compartment is also included in the leased area, and the occupancy rate is also calculated based on the said leased area. In addition, the monthly rent (including common expenses) is calculated including the guaranteed rent under the said rent guarantee contract. If the said rent guarantee is not taken into account, the leased area is 992.09㎡, the occupancy rate is 85.7%, and the monthly rent (including common expenses) is 4,285 thousand yen.

Property Features/ Key Points of Evaluation

- This property is located at an approximate 4-minute walk from "Warabi" Station on the JR Keihin Tohoku Line and faces the Warabi Station East Exit bus stop with access to multiple bus lines. It is a commercial retail facility with excellent transportation access as it is approximately 30 minutes to "Tokyo" Station and approximately 15 minutes to "Omiya" Station from the nearest station.
- Stable revenue is secured as SAR has a rent guarantee contract with one end-tenant for a certain period of time.
- At the west exit side of "Warabi" Station, the "Warabi Station West Exit Redevelopment Project" is underway, where construction of two 415-unit tower condominiums with commercial facilities is scheduled to be completed in July 2027, which is expected to create demand from the neighboring areas.
- Stable earnings are expected as it is a relatively new commercial retail facility located in front of the station, which consists of community-based tenants backed by the surrounding population density and tenants providing shared office space, whose demand is increasing due to the diversification of work styles, etc.
- Property information has been obtained from the Asset Manager's own unique network in the pre-development stage, and the property is planned to be acquired through a bridge scheme.

(Unit: yen)

Summary of real estate appraisal report		
Property name	Urban Forum Warabi	
Appraisal value	1,210,000,000	
Appraisal firm	Japan Real Estate Institute	
Date of value	July 1, 2024	
Item	Details	Details
Indicated value by income approach	1,210,000,000	Estimated by correlation of the indicated value by direct capitalization method and the indicated value by DCF method.
Indicated value by direct capitalization method	1,210,000,000	
(1) Operating revenue ((a)-(b))	63,324,000	
(a) Gross potential income	63,825,000	Appraised and recorded the rent that can be received stably over the medium to long term based on the current contracted rent and new rent levels.
(b) Vacancy loss, etc.	501,000	Recorded taking into consideration the occupancy status of similar properties, supply and demand trends, and the condition of the subject property, etc.
(2) Operating expenses	12,113,000	
Maintenance and management fee	3,841,000	Recorded by taking into account the individual characteristics of the subject real estate based on the estimates and the similar properties.
Utilities expenses	431,000	Recorded by taking into account similar properties.
Repair expenses	183,000	Booked by taking into account expense levels for similar properties, and repair and renewal costs in the ER.
Property management fee	1,900,000	Booked by referring to the planned terms of agreement, and also by taking into account the fee levels for similar real estate properties and the individual features of the subject real estate property.
Tenant leasing cost, etc.	192,000	Leasing fees etc. and renewal fees have been booked by referring to the contract terms of the subject real estate property and the leasing conditions etc. of similar real estate properties and also by taking into account replacement rates and occupancy rates etc.
Property taxes	5,441,000	Booked by taking into consideration tax-related documents and the contents of burden adjustment measures.
Insurance premium	125,000	Appraised based on the insurance contract and the level of similar real estate.
Other expenses	0	No expenses expected.
(3) Net operating income (NOI = (1)-(2))	51,211,000	
(4) Financial interests on deposits	144,000	Appraised investment return as 1.0%.
(5) Capital expenditures	427,000	Assessed by referring to levels of capital expenditures of similar real estate properties and repair and renewal expense in the ER.
(6) Net cash flow (NCF = (3) + (4)-(5))	50,928,000	
(7) Capitalization rate	4.2%	Appraised by comprehensively taking into account the competitiveness of the subject real estate, etc.
Indicated value by DCF method	1,200,000,000	
Discount rate	4.0%	Appraised by taking into account the individual characteristics, etc. of the subject property as well as Investment yield on similar properties.
Terminal capitalization rate	4.3%	Appraised by comprehensively taking into account future trends, riskiness of the subject property, market risks, etc.
Indicated value by cost approach	1,190,000,000	Estimated by multiplying the total of the land price and the building price by marketability correction rate.
Ratio of land	60.3%	
Ratio of building	39.7%	
Matters considered in reconciliation of indicated values and determination of appraisal value	Determined using the indicated value by income approach as standard and by reference to the indicated value by cost approach.	

(2) Star Asia Mezzanine Loan Debt Investment Series 9

(1) Asset to be Acquired (Mezzanine)	Beneficiary interests (hereinafter referred to as the “Beneficiary Interest”) in trust whose principal trust asset is a loan claim (non-recourse loan) against GK Daiban Hotel One (hereinafter referred to as the “GK”), with hotel androoms Shin-Osaka as the underlying real estate (hereinafter referred to as the “Underlying Real Estate”)																				
(2) Name of the Asset to be Acquired (Mezzanine)	Star Asia Mezzanine Loan Debt Investment Series 9																				
(3) Trustee	Kiraboshi Bank, Ltd. (hereinafter referred to as the “Trustee”)																				
(4) Trust period of the Beneficiary Interest	March 29, 2024, to July 31, 2029																				
(5) The main asset in trust for the Beneficiary Interest	Loan claim to the GK underlying by Underlying Real Estate (hereinafter referred to as the “Loan claim”)																				
(6) Face amount of the Beneficiary Interest	130,000,000 yen																				
(7) Planned acquisition price of the Beneficiary Interest	130,000,000 yen (excluding acquisition expenses, etc.)																				
(8) Planned dividend yield	Base rate (Note 2) + 5.0% (Note 3)																				
(9) LTV of the Underlying Real Estate	57.1% (Note 4)																				
(10) Planned dividend payment date of the Beneficiary Interest	The last day of January, April, July and October (Four times a year) (The first dividend payment date is October 31, 2024.)																				
(11) Planned redemption date	July 31, 2028,																				
(12) Final redemption date	July 31, 2029 (Note 5)																				
(13) Seller	Tokyo Capital Management Co., Ltd. (hereinafter referred to as “TCM”)																				
(14) Overview of the Beneficiary Interest structure	<p>Operator: The GK</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">The GK</th> <th colspan="2" style="text-align: center;">The Trustee</th> </tr> <tr> <td style="width: 25%; text-align: center; vertical-align: middle;">Underlying Real Estate hotel androoms Shin-Osaka Appraisal Value 3.5 billion yen</td> <td style="width: 25%; text-align: center; vertical-align: middle;">Borrowing Non-recourse loan (the Loan claim)</td> <td style="width: 25%; text-align: center; vertical-align: middle;">Loan Non-recourse loan</td> <td style="width: 25%; text-align: center; vertical-align: middle;">ABL Lender Beneficiary Interest TCM 130 million yen</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">←</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center; vertical-align: middle;">Investment in anonymous association</td> <td></td> <td style="text-align: center;">↓</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center; border: 2px solid black;">Beneficiary Interest SAR 130 million yen</td> </tr> </table> <p>1. The Trustee was succeeded the Loan Claim at the trust account on March 29, 2024, based on the trust agreement of the Beneficiary Interest with the loan by the ABL Lenders and the money held in trust by TCM.</p> <p>2. SAR will take over the Beneficiary Interest from TCM, the</p>	The GK		The Trustee		Underlying Real Estate hotel androoms Shin-Osaka Appraisal Value 3.5 billion yen	Borrowing Non-recourse loan (the Loan claim)	Loan Non-recourse loan	ABL Lender Beneficiary Interest TCM 130 million yen			←			Investment in anonymous association		↓				Beneficiary Interest SAR 130 million yen
The GK		The Trustee																			
Underlying Real Estate hotel androoms Shin-Osaka Appraisal Value 3.5 billion yen	Borrowing Non-recourse loan (the Loan claim)	Loan Non-recourse loan	ABL Lender Beneficiary Interest TCM 130 million yen																		
		←																			
	Investment in anonymous association		↓																		
			Beneficiary Interest SAR 130 million yen																		

	<p>current beneficiary of the Beneficial Interest, and at the same time, SAR will succeed the status and rights and obligations concerning the Beneficial Interest.</p> <p>3. The Beneficiary Interest will be subordinated to the ABL Lenders in the payment of dividends and the redemption of principal. On the other hand, in principle, the payment of dividends and redemption of principal to the Beneficiary Interest will take priority over the "Equity (anonymous association investment, etc.)". In particular, in the redemption of the principal, even in the unlikely event of a decline in the value of the Underlying Real Estate, the "Equity (anonymous association investment, etc.)" will be impaired first, and only after all the "Equity (anonymous association investment, etc.)" has been impaired, the Beneficiary Interest be impaired.</p>	
<p>(15) Relationship between SAR/the Asset Manager and the GK (as of April 30, 2024)</p>	<p>Capital relationship</p>	<p>There is no capital relationship to report between SAR/the Asset Manager and the GK.</p>
	<p>Personnel relationship</p>	<p>There is no personnel relationship to report between SAR/the Asset Manager and the GK. Furthermore, there is no personnel relationship to report between associated persons and associated companies of SAR/the Asset Manager and associated persons and associated companies of the GK.</p>
	<p>Business relationship</p>	<p>There is no business relationship to report between SAR/the Asset Manager and the GK. Furthermore, there is no business relationship to report between associated persons and associated companies of SAR/the Asset Manager and associated persons and associated companies of the GK.</p>
	<p>Related party status</p>	<p>There is no related party status to report between SAR/the Asset Manager and the GK.</p>

(Note 1)For an overview of the Underlying Real Estate, please refer to <Overview of Underlying Real Estate>.

(Note 2)Base rate is JBA 3-month JPY TIBOR. The Japanese yen TIBOR by JBA 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.

(Note 3)The dividend yield paid as income distribution to the Beneficiary Interest is rounded to the first decimal place.

(Note 4)The ratio of the amount financed by the GK's borrowing from the loan claim, which is the principal trust asset of the trust for the Beneficiary Interest, to the appraisal value stated in the appraisal report obtained by SAR for the Underlying Real Estate, is rounded to the first decimal place.

(Note 5) The final redemption date of the Beneficiary Interest is July 31, 2029. However, the Beneficiary Interest may be redeemed earlier due to the sale of the Underlying Real Estate and other reasons.

<Overview of Underlying Real Estate>

Asset type	beneficiary interests in real estate	
Property name	hotel androoms Shin-Osaka	
Owner	The GK	
Location	1-4-28 Nishi-miyahara, Yodogawa-ku, Osaka-shi, Osaka	
Use (Note 1)	Hotel	
Structure (Note 2)	Steel-framed structure 9F with flat roof	
Area	Land (Note 3)	861.35㎡
	Building (Total floor area) (Note 4)	3,340.9㎡(annexed building included)
Type of ownership (Note 5)	Land	Proprietary ownership
	Building	Proprietary ownership
Construction completion	July 10, 2018	
Earthquake PML (Note 6)	6.8%	
Appraisal obtained by SAR	Appraisal value	3,500 million yen
	Cap rate (Note 7)	4.1%
	Appraisal date	July 1, 2024
	Appraiser	Japan Real Estate Institute
Occupancy rate (Note 9)	100% (April 30, 2024)	
Special notation	Not applicable	

(Note 1)The type indicated in the registry may not match the current status.

(Note 2)The structure of the building is indicated in the registry.

(Note 3)The registered area is the area indicated in the real estate registry, which may not match the current status.

(Note 4)The total floor area indicated in the registry book may not match the current status.

(Note 5)The type of rights held by the Trustee for hotel androoms Shin-Osaka.

(Note 6)The PML (probable maximum loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine dR Co., Ltd., upon the request of SAR.

"Probable Maximum Loss" means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a probability of occurrence in 50 years of more than 10%) in the scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage (physical loss corresponding to a probability of not more than 90% in the event of occurrence of such earthquake) as a percentage (%) of the replacement cost.

(Note 7)"Cap rate" is based on the direct capitalization method in the real estate appraisal report.

Property Features/ Key Points of Evaluation	
➤	The investment is SAR' ninth mezzanine loan debt investment, and it is expected to generate stable interest income (interest income: base rate + 5.0%) that exceeds the amortized yield of the SAR's current portfolio.
➤	Relevant information has been collected through the Asset Manager's own network, and the investment will be made by utilizing the bridge function of the sub-sponsors.
➤	The LTV calculated based on the appraisal value of the Underlying Real Estate complies with SAR's investment standards.
➤	The Underlying Real Estate is a limited-service type hotel located at an approximate 6-minute walk from "Shin-Osaka" Station, and the hotel operation is expected to remain stable, and it has been determined that the certainty of tenant's rent payments is high.
➤	In the event of redemption of the mezzanine loan debt, SAR will flexibly consider either reinvesting the redemption proceeds into mezzanine loan debt or using the proceeds for strategic CAPEX of owned properties.

3. Summary of Assets to be Transferred

The Assets to be Transferred are described in the table below. With respect to the various terms stated in the table, please refer to “Reference Material 5: The terms used in the tables of Description of Assets to be Acquired and Assets to be Transferred.”

(1) Urban Park Namba

Property no.	RSC-05	Property name	Urban Park Namba		Type	Residence
Overview of specified asset						
Type of specified asset		Beneficiary interest in trust		Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Planned transfer price		1,700 million yen		Planned transfer date	September 6, 2024	
Appraisal value		1,540 million yen		Buyer	Undisclosed (Note)	
Location		2-7-18 Inari, Naniwa-ku, Osaka-shi, Osaka				
Indication of residential address		2-7-22 Inari, Naniwa-ku, Osaka-shi, Osaka				
Nearest station		Approx. 6-minute walk from “Sakuragawa” Station of Osaka Metro Sennichimae Line				
Land	Type of ownership	Proprietary ownership				
	Site area	670.39m ²	Use district	Semi-industrial zone		
	Building coverage ratio	60%	Floor area ratio	400%		
Building	Type of ownership	Proprietary ownership				
	Total floor area	2,776.87m ²	Use	Housing complexes / Parking lots		
	Construction completion	January 9, 2013	Structure and floors	Reinforced concrete structure 14F		
Property management company		GLOBAL COMMUNITY CO., LTD.	Master lease company	GLOBAL COMMUNITY CO., LTD.		
Type of master lease		Pass-through	Security	Unsecured		
Trust expiration date		April 30, 2026				
Status of leasing (as of the end of April 2024)						
Total leasable area		2,584.81m ²	Monthly rent (including common area maintenance fee)	8,010 thousand yen		
Total leased area		2,563.2m ²	Security and guarantee deposits	-		
Total number of tenants		116				
Occupancy rate						
		December 2023	January 2024	February 2024	March 2024	April 2024
		95.8%	96.6%	100.0%	99.2%	99.2%
Special notation		Not applicable				

(Note) The transferee is not disclosed because the buyer consent has not been obtained.

(Unit: yen)

Summary of real estate appraisal report		
Property name	Urban Park Namba	
Appraisal value	1,540,000,000	
Appraisal firm	Daiwa Real Estate Appraisal Corporation	
Date of value	January 31, 2024	
Item	Details	Description, etc.
Indicated value by income approach	1,560,000,000	Estimated by emphasizing the indicated value by DCF method and verifying with the indicated value by direct capitalization method.
Indicated value by direct capitalization method	1,560,000,000	
(1) Operating revenue ((a)-(b))	93,631,519	
(a) Gross potential income	105,258,224	
(b) Vacancy loss, etc.	6,761,269	Appraised by taking into account the occupancy status of similar properties and the competitiveness of the subject property, etc.
(2) Operating expenses	19,761,885	
Maintenance and management fee	3,312,000	Based on the Property Management contract and.
Utilities expenses	1,312,786	Appraised based on past actual data and that of similar properties.
Repair expenses	2,162,003	Booked by taking into account expense levels for similar real estate properties and repair and renewal costs in the ER.
Property Management fee	1,375,762	Based on the Property Management contract.
Tenant leasing cost, etc.	4,798,861	Booked 1.5 month rent of new tenants by referring to the leasing conditions etc. of similar real estate properties
Property taxes	5,836,800	Appraised based on the past result.
Insurance premium	226,673	Appraised based on the level of similar properties.
Other expenses	737,000	Appraised based on actual data of reserve for consumable supplies and other miscellaneous expenses.
(3) Net operating income (NOI= (1)-(2))	73,869,634	
(4) Financial interests on deposits	0	Appraised investment return as 2.0%.
(5) Capital expenditures	2,148,900	Assessed by referring to levels of capital expenditures of similar real estate properties and repair and renewal expense in the ER.
(6) Net cash flow (NCF = (3) + (4) - (5))	71,720,734	
(7) Capitalization rate	4.6%	Appraised by taking into account the competitiveness of the subject property, etc.
Indicated value by DCF method	1,530,000,000	
Discount rate	4.4%	Appraised by taking into account the competitiveness of the subject property, etc.
Terminal capitalization rate	4.8%	Appraised taking into account the aging risk, market risk, etc.
Indicated value by cost approach	1,830,000,000	Estimated with cost adjustments to replacement cost.
Ratio of land	72.5%	
Ratio of building	27.5%	
Matters considered in reconciliation of indicated values and determination of appraisal value	Determined using the indicated value by income approach as standard and by reference to the indicated value by cost approach.	

(2) Smile Hotel Namba

Property no.	HTL-02	Property name	Smile Hotel Namba		Type	Hotel
Overview of specified asset						
Type of specified asset		Beneficiary interest in trust		Trustee		Mitsubishi UFJ Trust and Banking Corporation
Planned transfer price		1,800 million yen		Planned transfer date		August 19, 2024
Appraisal value		1,490 million yen		Buyer		Undisclosed (Note 1)
Location		3-3-6 Saiwaicho, Naniwa-ku, Osaka-shi, Osaka and others				
Indication of residential address		3-3-9 Saiwaicho, Naniwa-ku, Osaka-shi, Osaka				
Nearest station		Approx. 1-minute walk from "Sakuragawa" Station of Hanshin Namba Line				
Land	Type of ownership	Proprietary ownership				
	Site area	285.28m ²	Use district		Commercial district	
	Building coverage ratio	80%	Floor area ratio		600%	
Building	Type of ownership	Proprietary ownership				
	Total floor area	1,711.42m ²	Use		Hotel	
	Construction completion	February 6, 2008	Structure and floors		Steel-framed 9F	
Property management company		BEST・PROPERTY CORPORATION	Master lease company		SAR (Note 2)	
Type of master lease		-	Security		Unsecured	
Trust expiration date		January 31, 2026				
Status of leasing (as of the end of April 2024)						
Total leasable area		1,711.42m ²	Monthly rent (including common area maintenance fee)		7,845 thousand yen	
Total leased area		1,711.42m ²	Security and guarantee deposits		-	
Total number of tenants		1				
Occupancy rate						
		December 2023	January 2024	February 2024	March 2024	April 2024
		100.0%	100.0%	100.0%	100.0%	100.0%
Special notation		Not applicable				

(Note 1) The Buyer is not disclosed because the buyer consent has not been obtained.

(Note 2) The master lease agreement was signed on January 31, 2024, that SAR would be the master lease company of Smile Hotel Namba from April 24, 2024.

(Unit: yen)

Summary of real estate appraisal report

Property name	Smile Hotel Namba	
Appraisal value	1,490,000,000	
Appraisal firm	Daiwa Real Estate Appraisal Corporation	
Date of value	January 31, 2024	
Item	Details	Description, etc.
Indicated value by income approach	1,490,000,000	Estimated by emphasizing the indicated value by DCF method and verifying with the indicated value by direct capitalization method.
Indicated value by direct capitalization method	1,500,000,000	
(1) Operating revenue ((a)-(b))	84,000,000	
(a) Gross potential income	84,000,000	
(b) Vacancy loss, etc.	0	Not booked in this report
(2) Operating expenses	9,176,047	
Maintenance and management fee	0	Not booked in this report as the cost is borne by the lessee.
Utilities expenses	0	Not booked in this report as the cost is borne by the lessee.
Repair expenses	1,798,667	Booked by taking into account expense levels for similar real estate properties and repair and renewal costs in the ER
Property Management fee	1,320,000	Based on the Property Management contract.
Tenant leasing cost, etc.	0	Not booked in this report
Property taxes	4,992,500	Appraised based on the past result.
Insurance premium	224,880	Appraised by reference to the similar properties
Other expenses	840,000	Appraised based on assumption as extra expenses
(3) Net operating income (NOI= (1)-(2))	74,823,953	
(4) Financial interests on deposits	0	
(5) Capital expenditures	1,715,071	Assessed by referring to levels of capital expenditures of similar real estate properties and repair and renewal expense in the ER.
(6) FF&E reserve	3,960,000	Assessed by referring to levels of capital expenditures of similar real estate properties and documents provided by the client.
(7) Net cash flow (NCF = (3) + (4) - (5))	69,148,882	
(8) Capitalization rate	4.6%	Appraised by taking into account the competitiveness of the subject property, etc.
Indicated value by DCF method	1,490,000,000	
Discount rate	4.4%	Appraised by taking into account the competitiveness of the subject property, etc.
Terminal capitalization rate	4.8%	Appraised taking into account the aging risk, market risk, etc.
Indicated value by cost approach	944,000,000	Estimated with cost adjustments to replacement cost.
Ratio of land	64.6%	
Ratio of building	35.4%	Chattels included.
Matters considered in reconciliation of indicated values and determination of appraisal value		Determined using the indicated value by income approach as standard and by reference to the indicated value by cost approach.

4. Planned Seller and Transferee Profile

(1) Planned Seller Profile

a) Urban Forum Warabi

Since the seller, a domestic general business company, has not given its consent to disclose the information, it is not disclosed as a case of unavoidable circumstances. There is no capital, personnel, or business relationships to note between the seller and SAR or the Asset Manager, and the seller is not a related party of SAR or the Asset Manager, an interested party, etc. as defined in Article 201 Paragraph 1 of the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Investment Trusts Act") and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the "Enforcement Order of the Investment Trusts Act"), or an interested party prescribed in the "Rules on Transactions with Interested Parties" which are the voluntary rules set forth by the Asset Manager for preventing conflict of interests regarding its management of SAR's assets..

b) Star Asia Mezzanine Loan Debt Investment Series 9

Name	Tokyo Capital Management Co., Ltd.
Location	1-14-2 Shimbashi SY Building, Nishi- Shimbashi, Minato-ku, Tokyo
Representative	Representative Director Mitsuo Kimura
Main business description	<ol style="list-style-type: none"> 1. Asset management (AM) business 2. Property management (PM) business 3. Real estate management consulting business 4. Construction management business 5. Tenant brokerage business, etc. 6. Rental conference room operating business 7. Parking lot operating business
Capital	100 million yen
Established	January 24, 2007
Net asset	The information is undisclosed as consent to disclosure has not been obtained from the company.
Total asset	
Major Shareholder	NIPPON KANZAI Co., Ltd. 100%
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	<p>For the fiscal period ended January 31, 2024, in addition to the property management services outsourced for properties held by SAR (14 properties), there are transactions related to the following agreements:</p> <ul style="list-style-type: none"> • Comprehensive support agreement for property acquisitions and property management and operations (Sub-sponsor Support Agreement) • Business outsourcing agreement • Property survey service agreement
Related party or not	The afore-mentioned company does not fall under the category of related party of SAR and the Asset Manager.

(2) Planned Transferee Profile

Since the buyer of Urban Park Namba, a domestic general business company, has not given its consent to disclose the information, it is not disclosed as a case of unavoidable circumstances. Also, the buyer of Smile Hotel Namba, an overseas general business company, has not given its consent to disclose the information, it is not disclosed as a case of unavoidable circumstances.

In both cases, there are no capital, personnel, or business relationships to note between the buyers and SAR or the Asset Manager, and the buyers are not a related party of SAR or the Asset Manager, an interested party, etc. under the Investment Trust Law and Investment Trust Law Enforcement Order, or an interested party as defined in the Asset Manager's "Related Party Transaction Rules.

5. Status of Parties Related to the Acquisition and the Transfer of the Property

The sellers of Urban Forum Warabi and Star Asia Mezzanine Loan Debt Investment Series 9 are not related parties of SAR or the Asset Manager.

6. Overview of Broker

(1) Urban Forum Warabi

a) Overview of Broker

Name	Star Asia Asset Advisors Co., Ltd.
Location	Atago Green Hills MORI Tower, 18 th Floor, 2-5-1 Atago, Minato-ku, Tokyo
Representative	CEO Keiji Watanabe
Main business description	<ol style="list-style-type: none"> 1. Investment management business prescribed in the Financial Instruments and Exchange Act. 2. Type II financial instruments business prescribed in the Financial Instruments and Exchange Act. 3. Investment advisory and agency business prescribed in the Financial Instruments and Exchange Act. 4. Comprehensive real estate investment advisory business. 5. Business based on the Real Estate Specified Joint Enterprise Act. 6. Building lots and buildings transaction business. 7. The business of leasing, management, and operation of real estate. 8. to 11. Omitted 12. All businesses incidental to the above
Capital	50 million yen
Established	May 2, 2008
Relationship with SAR or the Asset Manager	
Capital relationship	There is no capital tie to be noted between SAR / the Asset Manager and the abovementioned company.
Personnel relationship	There is no personnel relationship to report.
Business relationship	In the fiscal period ended January 31, 2024 (16th fiscal period), SAR engaged in asset acquisition with the aforementioned company, which acted as an intermediary.
Related party or not	The afore-mentioned company does not fall under the category of related party of SAR and the Asset Manager. The aforementioned company falls under the category of interested party, etc. under the Investment Trusts Act and the Enforcement Order of the Investment Trusts Act or interested parties as defined in the "Rules on Transactions with Interested Parties". Upon determination of the retention as broker, the Asset Manager has performed deliberation and approval in accordance with laws and regulations and such rules.

b) Breakdown and value of the brokerage commissions

brokerage commission fee	4,000,000 yen (excluding consumption tax and local consumption tax)
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(2) Urban Park Namba, Smile Hotel Namba

As for name, etc. and breakdown and value of the brokerage commission, since the consent has not been obtained from the domestic company as the broker, the information is not disclosed. Each 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.

7. Interested-Party Transactions

The broker of Asset to be Acquired (Real Estate Properties etc.) falls under interested party, etc. under the Investment Trusts Act and the Enforcement Order of the Investment Trusts Act, and they also fall under the category of interested party prescribed in the “Rules on Transactions with Interested Parties.”

Upon deciding on the signing of related transaction agreements above, the Asset Manager has conducted deliberations and approval processes in accordance with laws and regulations and such rules.

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

The beneficiary interest in trust sale and purchase agreements for “Urban Park Namba” fall under forward commitments etc. by an investment company (Note) as set forth in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” prescribed by the Financial Services Agency.

The trust beneficiary interests purchase agreement for Urban Park Namba provides that if SAR and the purchaser breach any of the agreements or representations and warranties set forth in the said trust beneficiary interests purchase agreement, and if such breach is material to the extent that it is deemed impossible to achieve the purpose of the agreement, SAR and the purchaser may cancel the agreement upon giving the other party a demand with a reasonable period of time. The party who cancels the contract may demand a penalty of 20% of the purchase price (estimated amount of compensation for damages) from the counterparty upon exercising the right of cancellation.

However, since SAR is the seller, there is no concern about financing risk, etc. in connection with the execution of the beneficiary interest in trust sale and purchase agreements, and SAR’s liability to the buyers is limited, and therefore it is believed that the likelihood that SAR will be held contractually liable under the agreements is limited, and the possibility that such case will have a direct material impact on SAR’s finance and distributions etc. is low.

(Note) 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.

9. Replacement schedule

(1) Schedule for the Acquisition

August 2, 2024	the Acquisition decided Signed the beneficiary interest in trust sale and purchase agreements of the Asset to be Acquired (Real Estate Properties etc.) Signed the beneficiary interest in trust sale and purchase agreements for the Asset to be Acquired (Mezzanine)
August 16, 2024	Acquire the Asset to be Acquired (Real Estate Properties etc.) (planned) Acquire the Asset to be Acquired (Mezzanine) (planned) Pay the purchase proceeds for the Asset to be Acquired (Real Estate Properties etc.) and the Asset to be Acquired (Mezzanine) (planned) Sign the master lease agreements, lease agreements and property management agreements (planned)

(2) Schedule for the Transfer

August 2, 2024	the Transfer decided (2 properties) Signed the beneficiary interest in trust sale and purchase agreements (2 properties) Receipt of deposit (2 properties)
August 19, 2024	Transfer of beneficiary interest in trust of Smile Hotel Namba (planned) Receipt of the remaining transfer proceeds (planned)
September 6, 2024	Transfer of beneficiary interest in trust Urban Park Namba (planned) Receipt of the remaining transfer proceeds (planned)

10. Settlement method

The settlement for the Assets to be Acquired is expected to take place by making lump-sum payment of the acquisition price on the planned acquisition dates. The settlement for the Assets to be Transferred is expected to take place by receiving 100 million yen as deposit money on the signing date of the sale and purchase agreement for each property, and the remaining amount is to be received in lump-sum payment on the planned transfer date.

11. Future outlook

As a result of the Replacement, there will be certain changes made to the assumptions for the forecasts for operating results and distribution for the 18th Fiscal Period Ending January 31, 2025 described in “(REIT) Financial Report for Fiscal Period Ended January 31, 2024” announced on March 15, 2024. The impact of the Replacement is currently under scrutiny and will be announced when it is determined.

<Appendix>

• Reference Material 1	Summary of portfolio after the Replacement
• Reference Material 2	Portfolio list after the Replacement
• Reference Material 3	Summary of earthquake risk analysis
• Reference Material 4	Location maps / photos of exterior
• Reference Material 5	The terms used in the table of Description of Assets to be Acquired and Assets to be Transferred

<Reference>

Other press release announced today

- Notice Concerning Acquisition of Real Estate Assessment Certification under CASBEE

*SAR HP URL: <https://starasia-reit.com/en/>

Reference Material 1 Summary of portfolio after the Replacement

< Asset type (use) >

Asset type (use)	Number of Property	Acquisition Price (million yen)	Investment ratio (%) (Note 1)
Office	21	74,947	31.0
Retail	6	28,854	11.9
Residence	20	37,453	15.5
Logistics	8	29,950	12.4
Hotel	18	69,094	28.6
Student residence (Preferred equity securities)	1	1,562	0.6
Total	74	241,861	100.0

< Investment Areas >

Area		(Planned) Acquisition Price (million yen)	Investment ratio (%) (Note 2)	
Tokyo Area		156,208	64.6	
Major Metropolitan Areas	Osaka, Nagoya, Fukuoka area	43,983	18.2	35.4
	Other areas	41,670	17.2	
Total		241,861	100.0	

(Note 1) Mezzanine loan debts and preferred securities are classified based on the asset type (use) and region of the underlying real estate.

(Note 2) Ratios have been calculated based on the total (planned) acquisition price and stated by rounding to the 1st decimal point. Therefore, ratios may not add up to 100%.

Reference Material 2 Portfolio list after the Replacement

<Real Estate Properties>

Property No.	Property Name	Location (Note 1)	(Planned) 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	3,110	1.2
OFC-03	Honmachibashi Tower	Chuo-ku, Osaka-Shi, Osaka	6,065	7,100	2.5
OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,740	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	8,420	2.6
OFC-09	Hakata-eki East Place	Hakata-ku, Fukuoka-Shi, Fukuoka	2,286	3,290	0.9
OFC-10	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,510	0.6
OFC-11	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,810	1.1
OFC-12	Higashi Kobe Center Building	Higashinada-ku, Kobe-Shi, Hyogo	7,600	7,530	3.1
OFC-13	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,230	0.4
OFC-14	Urban Center Shinjuku	Shinjuku-ku, Tokyo	11,200	11,700	4.6
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	4,600	1.9
OFC-17	Takadanobaba Access	Shinjuku-ku, Tokyo	3,990	3,920	1.7
OFC-18	Azabu Amerex BLDG.	Minato-ku, Tokyo	2,780	2,890	1.1
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	2,050	0.7
OFC-23	Urban Center Hakata	Hakata-ku, Fukuoka-shi, Fukuoka	2,870	3,280	1.2
OFC-24	Urban Center Fujisawa	Fujisawa-Shi, Kanagawa	2,054	2,200	0.8
Office Subtotal			74,947	83,570	31.0
RTL-01	La Park Kishiwada	Kishiwada-Shi, Osaka	5,400	5,170	2.2
RTL-02	Suroy Mall Chikushino	Chikushino-Shi, Fukuoka	6,550	6,580	2.7
RTL-03	Seiyu Minakuchi	Koka- hi, Shiga	3,320	3,320	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
RTL-07	Urban Forum Warabi	Kawaguchi-shi, Saitama	1,100	1,210	0.5
Retail Subtotal			28,854	30,280	11.9
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-07	Urban Park Kashiwa	Kashiwa-Shi, Chiba	1,186	1,210	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	0.7
RSC-11	Urban Park Gyotoku	Ichikawa-Shi, Chiba	1,430	1,620	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	2,460	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	4,190	1.5
RSC-17	Urban Park Mitsuike Koen	Tsurumi-ku, Yokohama-Shi, Kanagawa	3,160	3,690	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	879	0.3
RSC-24	Urban Park Kamata Minami II	Ota-ku, Tokyo	1,375	1,770	0.6
RSC-25	Urban Park Umejima	Adachi-ku, Tokyo	1,032	1,150	0.4
Residence Subtotal			37,453	47,444	15.5
LGC-01	Iwatsuki Logistics	Iwatsuki-ku, Saitama-Shi, Saitama	6,942	7,650	2.9
LGC-02	Yokohama Logistics	Kanagawa-ku, Yokohama- Shi, Kanagawa	3,560	4,260	1.5
LGC-03	Funabashi Logistics	Funabashi-Shi, Chiba	7,875	8,770	3.3
LGC-04	Baraki Logistics	Ichikawa-Shi, Chiba	4,700	5,220	1.9
LGC-05	Tokorozawa Logistics	Tokorozawa-Shi, Saitama	1,300	1,550	0.5
LGC-07	Funabashi Nishiura Logistics II	Funabashi-Shi, Chiba	821	907	0.3
LGC-08	Matsubushi Logistics	Kitakatsushika, Saitama	2,755	3,300	1.1
LGC-09	Funabashi Hi-Tech Park Factory I	Funabashi-Shi, Chiba	1,998	2,200	0.8
Logistics facility Subtotal			29,951	33,857	12.4
HTL-01	R&B Hotel Umeda East	Kita-ku, Osaka-Shi, Osaka	2,069	2,320	0.9
HTL-03	REMBRANDT STYLE Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,460	1.6
HTL-04	BEST WESTERN Yokohama	Tsurumi-ku, Yokohama-Shi, Kanagawa	3,248	3,160	1.3
HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Chuo-ku, Fukuoka-Shi, Fukuoka	1,970	1,990	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	3,110	1.3
HTL-08	KOKO HOTEL Osaka Namba	Naniwa-ku, Osaka-Shi, Osaka	2,000	1,560	0.8
HTL-09	abeno nini (Hotel)	Abeno-ku, Osaka-Shi, Osaka	3,600	3,850	1.5
HTL-10	KOKO HOTEL Ginza 1-Chome	Chuo-ku, Tokyo	17,800	19,100	7.4

HTL-11	KOKO HOTEL Sapporo Ekimae	Chuo-ku, Sapporo-Shi, Hokkaido	6,700	7,080	2.8
HTL-12	KOKO HOTEL Fukuoka Tenjin	Chuo-ku, Fukuoka-Shi, Fukuoka	5,000	5,410	2.1
HTL-13	KOKO HOTEL Hiroshima Ekimae	Minami-ku, Hiroshima -Shi, Hiroshima	4,100	4,320	1.7
HTL-14	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima-shi, Kagoshima	3,800	4,280	1.6
HTL-15	KOKO HOTEL Sapporo Odori	Chuo-ku, Sapporo-Shi, Hokkaido	4,200	4,270	1.7
HTL-16	Best Western Plus Fukuoka Tenjin-minami	Chuo-ku, Fukuoka-Shi, Fukuoka	3,800	4,410	1.6
Hotel Subtotal			67,794	70,760	28.0
Real Estate Properties Total			238,999	265,911	98.8

<Securities>

Property No.	Name of the Security	Type	Interest rate	(Planned) Acquisition Price (million yen) (Note 2)	Investment ratio (%) (Note 4)
MEZ-07	Star Asia Mezzanine Loan Debt Investment Series 7	Corporate bonds	Base rate +5.0%	400	0.2
MEZ-08	Star Asia Mezzanine Loan Debt Investment Series 8 Class A Beneficial Interest	Trust beneficiary interest	Base rate +5.3%	430	0.2
	Star Asia Mezzanine Loan Debt Investment Series 8 Class B Beneficial Interest		Base rate +7.3%	340	0.1
MEZ-09	Star Asia Mezzanine Loan Debt Investment Series 9	Trust beneficiary interest	Base rate +5.0%	130	0.1
TK-03	GSA JP Project 1 Tokutei Mokuteki Kaisha (TMK) Preferred Equity Securities	Preferred equity security	Lending Fee: 4.0%	1,562	0.6
Securities Subtotal				2,862	1.2
Total				241,861	100.0

(Note 1) "Location" states the minimum individual administrative division in the region where the assets held by SAR as of today (hereinafter "Already Acquired Assets (Real Estate Etc.)") and the Assets to be Acquired (Real Estate Etc.) are located.

(Note 2) "Acquisition price" means the sale and purchase proceeds described in the sale and purchase agreement related to each Already Acquired Assets (Real Estate Etc.), except for "Minami-Azabu Shibuya Building", and "Planned Acquisition Price" means the planned sale and purchase proceeds as stated in the agreement signed with the Seller in relation to the Assets to be Acquired, and each price is stated by rounding the amounts of less than 1 million yen to the nearest 1 million yen. The Acquisition Price and the Planned Acquisition Price do not include consumption tax, local consumption tax, or expenses required for acquisition. However, 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". In addition, for the property succeeded by the merger, the appraisal value stated in the real estate appraisal report with the date of value as of the July 31, 2020, which is the accepted price, is stated.

(Note 3) The appraisal was commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Corporation and Tanizawa Sogo Appraisal Co., "Real estate appraisal value" states the appraisal values stated in the real estate appraisal reports based on the price which is rounded to the nearest 1 million yen as the end of January 31, 2024, for Already Acquired Assets (Real Estate Etc.), and the appraisal value stated in the real estate appraisal report based on the price which is rounded to the nearest 1 million yen as of July 1, 2024 with respect to the Assets to be Acquired.

(Note 4) "Investment ratio" shows the ratio of the (planned) acquisition price of each of Already Acquired Asset (Real Estate Etc.), each of already acquired assets (Securities) or Assets to be Acquired against the sum of the (planned) acquisition price for Already Acquired

Assets (Real Estate Etc.), already acquired assets (Securities) and Assets to be Acquired rounded to the first decimal point.

Real estate investment corporations, under securities listing regulations of the Tokyo Stock Exchange (TSE), are only permitted to hold assets other than real estate etc., real estate-related assets and current assets up to a maximum of 5% of the total amount of assets under management. The Asset to be Acquired (Mezzanine) does not fall under any of real estate etc., real estate-related assets, or current assets etc., however, the ratio of “real estate etc., real estate-related assets and current assets” to the total amount of SAR’s assets under management after the Replacement is expected to be no less than 95%. *

*Determined based on the amount calculated by deducting the book value of the Assets to be Transferred as of January 31, 2024 from the total assets of the balance sheet as of January 31, 2024, and then adding the acquisition price of the Assets to be Acquired.

(Note 5) On January 1, 2024, the property name of “Seishin Building” has been changed to “Urban Center Shinjuku” and on April 1, 2024, the property name of “FINO Hotel Sapporo-Odori” has been changed to “KOKO Hotel Sapporo-Odori” and the above chart has stated the property names after such changes. The same applies below.

(Note 6) Property No. RSC-05 “Urban Park Namba” which is managed as of the date of this document, a sale and purchase agreement has been signed on August 2, 2024 to the effect that it will be sold on September 6, 2024 and Property No. HTL-02 “Smile Hotel Namba” which is managed as of the date of this document, a sale and purchase agreement has been signed on August 2, 2024 to the effect that it will be sold on August 19, 2024 have been excluded from the description of the portfolio after the Replacement.

Reference Material 3 Summary of earthquake risk analysis

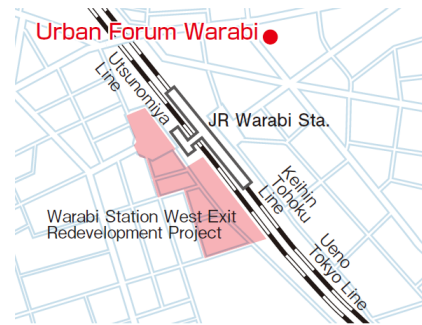
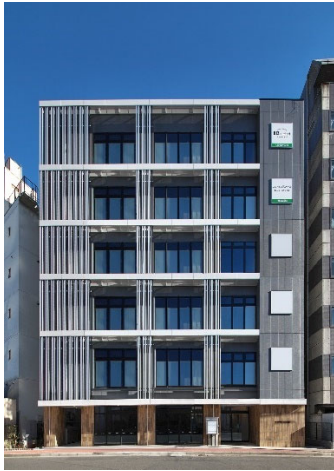
Type	Property no.	Property name	PML (%)	
Office	OFC-01	Minami-Azabu Shibuya Building	11.6	
	OFC-03	Honmachibashi Tower	5.5	
	OFC-04	Nishi-Shinjuku Matsuya Building	5.5	
	OFC-06	Urban Center Shibuya East	7.2	
	OFC-08	Urban Center Yokohama West	6.2	
	OFC-09	Hakata-eki East Place	4.7	
	OFC-10	Nihonbashi Hamacho Park Building	7.4	
	OFC-11	Amusement Media Gakuin Honkan	7.6	
	OFC-12	Higashi-Kobe Center Building	8.6	
	OFC-13	Amusement Media Gakuin Shinkan	9.6	
	OFC-14	Urban Center Shinjuku	5.5	
	OFC-15	Urban Center Kanda Suda-cho	8.4	
	OFC-16	Urban Center Kanda Tsukasamachi	9.4	
	OFC-17	Takadanobaba Access	3.5	
	OFC-18	Azabu Amerex BLDG.	10.2	
	OFC-19	Hiei-Kudan BLDG.	3.6	
	OFC-20	Urban Center Shin-Yokohama	4.4	
	OFC-21	The Portal Akihabara	8.2	
	OFC-22	Urban Center Tachikawa	4.5	
	OFC-23	Urban Center Hakata	3.6	
	OFC-24	Urban Center Fujisawa	9.7	
	Retail	RTL-01	La Park Kishiwada	14.8
		RTL-02	Suroy Mall Chikushino	2.2
		RTL-03	Seiyu Minakuchi	4.2
RTL-05		BAGUS Ikebukuro West	4.6	
RTL-06		abeno nini (Retail)	6.2	
RTL-07		Urban Forum Warabi	4.3	
Residence		RSC-01	Urban Park Azabujuban	7.5
	RSC-02	Urban Park Daikanyama	8.1	
	RSC-07	Urban Park Kashiwa	4.9	
	RSC-08	Urban Park Ryokuchi Koen	6.4	
	RSC-10	Urban Park Ichigao	9.8	
	RSC-11	Urban Park Gyotoku	5.1	
	RSC-12	Shiroi Logiman	3.5	
	RSC-13	Urban Park Sekime	11.5	
	RSC-14	Urban Park Imazato	12.0	
	RSC-15	Urban Park Yoyogi	7.7	
	RSC-16	Urban Park Tokiwadai Koen	9.6	
	RSC-17	Urban Park Mitsuike Koen	9.7	
	RSC-18	Urban Park Ryogoku	6.0	
RSC-19	Urban Park Mizonokuchi	10.4		

	RSC-20	Urban Park Miyamaedairai	4.5
	RSC-21	Urban Park Tsurumi	9.9
	RSC-22	Urban Park Mitaka	7.6
	RSC-23	Urban Park Kamata Minami I	4.3
	RSC-24	Urban Park Kamata Minami II	8.0
	RSC-25	Urban Park Umejima	2.6
Logistics	LGC-01	Iwatsuki Logistics	3.9
	LGC-02	Yokohama Logistics	13.0
	LGC-03	Funabashi Logistics	5.7
	LGC-04	Baraki Logistics	3.8
	LGC-05	Tokorozawa Logistics	9.5
	LGC-07	Funabashi Nishiura Logistics II	2.9
	LGC-08	Matsubushi Logistics	2.2
	LGC-09	Funabashi Hi-Tech Park Factory I	5.7
		Funabashi Hi-Tech Park Factory I (Building Extension Portion)	3.2
Hotel	HTL-01	R&B Hotel Umeda East	9.0
	HTL-03	REMBRANT STYLE Tokyo Nishikasai	9.0
	HTL-04	BEST WESTERN Yokohama	11.1
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	5.0
	HTL-06	GLANSIT AKIHABARA	3.7
	HTL-07	REMBRANT STYLE Tokyo Nishikasai Grande	6.1
	HTL-08	KOKO HOTEL Osaka Namba	6.7
	HTL-09	abeno nini (Hotel)	6.2
	HTL-10	KOKO HOTEL Ginza 1-Chome	5.9
	HTL-11	KOKO HOTEL Sapporo Ekimae	2.2
	HTL-12	KOKO HOTEL Fukuoka Tenjin	4.3
	HTL-13	KOKO HOTEL Hiroshima Ekimae	2.3
	HTL-14	KOKO HOTEL Kagoshima Tenmonkan	6.5
	HTL-15	KOKO HOTEL Sapporo Odori	4.2
	HTL-16	Best Western Plus Fukuoka Tenjin-minami	3.2
	Entire portfolio (70 properties) (Note)		

(Note) The figure in the entire portfolio is to be reported based on "portfolio earthquake risk evaluation report" prepared by Tokio Marine dR Co., Ltd. near future.

Reference Material 4 Location maps / photos of exterior

RTL-07 Urban Forum Warabi



Reference Material 5 The terms used in the table of Description of Assets to be Acquired and Assets to be Transferred

(a) Explanation on “Property no.” and “Type”

Property Number column and Type column: Each of Asset to be Acquired (Real Estate Properties, etc.) and Assets to be Transferred by SAR is categorized by use of OFC (office), RTL (commercial / retail), RSC (residence), 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 “Asset no.”

Asset Number: The Asset to be Acquired (Mezzanine) acquired by SAR is categorized by mezzanine loan debt (MEZ), anonymous association investment or preferred securities (TK) and serial number is given to the assets in the category.

(c) Explanation on “Overview of specified asset”

a. “Planned Acquisition price” and “Planned Transfer price” column: Herein is shown the sale price of the Asset to be Acquired (real property etc.) and transfer price of the Assets to be Transferred as described in the purchase and sale agreement of the Asset to be Acquired (real property etc.) and Assets to be Transferred (excluding consumption taxes, local consumption taxes, and expenses necessary for the acquisition), after rounded to the nearest million yen.

b. “Planned Acquisition Date” and “Planned Transfer Date” column: Herein is shown the planned MMDDYY of acquisition and transfer by SAR.

c. “Location” column: Herein is shown the certified address in registry. “Indication of residential address” column: Herein is shown the postal address.

d. “Land” column:

- i. “Type of ownership” column: Herein is shown the type of right(s) held by respective trustee of the Asset to be Acquired (real property etc.) and Assets to be Transferred.
- 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.)

e. “Building” column:

- i. “Type of ownership” column. Herein is shown the type of right(s) held by respective trustee of the Asset to be Acquired (real property etc.) and Assets to be Transferred.
- ii. “Total floor area” column: Herein is shown the sum total of floor areas as recorded in registry, unless otherwise noted. For this reason, it possibly might not be equal to the actual figure.
- iii. “Use” column: Herein is shown the registered use or, if multiple uses are registered the representative use from what are recorded in registry, it possibly might not be equal to the actual representative use. As for the building with compartmentalized ownership, the type of use for the exclusively owned space by SAR is shown.
- iv. “Construction completion” column: Herein is shown MMDDYY of the representative building first built as recorded in registry.
- v. “Structure and floors” column: Herein is shown the structure and number of floors of the representative building, etc. as recorded in registry. It possibly might not be equal to the actual structure and number of floors. As for the building with compartmentalized ownership, the structure and the number of floors for the entire building are shown.

f. “Property management company” column: Herein is shown the name of property management company (“PM Company”), to which property management operation is (planned to be) entrusted as of today.

g. “Master lease company” column: Herein is shown the name of the master lease company, to which master lease operation is (planned to be) entrusted, as of today.

h. “Type of master lease” column: Herein is shown whether the property is a pass-through master lease or a rent-guaranteed master lease.

i. “Security” column: Herein is shown a summary of the security, if any, to be borne by SAR.

(d) Explanation on “Status of leasing”

a. “Total leasable area” column: Herein is shown the sum total of leasable floor areas of buildings of the Asset to be Acquired (real property etc.) and Assets to be Transferred (in case common space is also leased, area of that space is included in the total). The figure does not include the area of the land lots leasable for parking and other purposes. Leasable area is counted not from registry data but from area data as described in lease agreements or from area data as calculated by using the architectural drawings of the buildings, so it possibly might not

be equal to the total floor area as recorded in registry.

Please note that, unless noted otherwise, the source data for the column represent what were provided by the current owner(s) of the Asset to be Acquired (real property etc.) as of April 30, 2024, and the information as of January 31, 202 for the Assets to be Transferred.

b. "Total leased area" column: Herein is shown the sum total of the floor areas to be leased as described in lease agreement for each of the Asset to be Acquired (real property etc.) and Assets to be Transferred as of April 30, 2024 out of the leasable area. The figure does not include the area of the land lots to be leased for parking and other purposes. Please note that the source data for the column represent what were provided by the current owner(s) of the Asset to be Acquired (real property etc.) as of April 30, 2024.

c. "Occupancy rate" column: Herein is shown the percentage of total leased floor area over the total leasable floor area of the Asset to be Acquired (real property etc.) and Assets to be Transferred, after rounded to the first decimal point. Please note that the source data for the column represent what were provided by the current owner(s) for the Asset to be Acquired (real property etc.) as of April 30, 2024 and by the information as of April 30, 2024 for the Assets to be Transferred.

d. "Total number of tenants" column: Herein is shown the total number of tenants as confirmed with the lease agreements effective as of April 30, 2024 of the Asset to be Acquired (real property etc.) and the Assets to be Transferred. In case a specific tenant uses two or more rooms in one of the Asset to be Acquired (real property etc.), such tenant is counted only once for the asset. Also, in case a specific tenant signs lease agreements for rooms in two or more assets, the tenant shall be counted for each of the assets separately. In case a pass-through type of master lease agreement is executed for any of the Asset to be Acquired (real property etc.), total number of the actual (end) tenants under the master lease agreement for the asset is shown herein.

e. "Monthly rent (including common area maintenance fee)" column: Herein is shown the total of rent amounts as described in lease agreements with respective tenants as of April 30, 2024 (confined to room rents; excluding the charges for warehouses, sign boards and parking lots; but including the common service expenses; and free rent cases as of the same date are not considered), after rounded to the nearest thousand yen.

f. "Security and guarantee deposits" column: Herein is shown the sum total of refundable deposits as required in lease agreements effective as of April 30, 2024 (only for the tenants who actually were in respective rooms at the time) of the Asset to be Acquired (real property etc.). In case a pass-through type of master lease agreement is executed for any of the Asset to be Acquired (real property etc.), total amount of refundable deposits as described in the individual lease agreements with respective (end) tenants is calculated to be shown in the column.

(e) 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 the other items considered material in relation to appraisal value of, profitability of, and disposability of the Asset to be Acquired (real property etc.) and Assets to be Transferred.

(f) Explanation on "Summary of real estate appraisal report"

a. "Summary of real estate appraisal report" column: Herein is shown a summary of respective appraisal report, which was prepared either by Japan Real Estate Institute or Daiwa Real Estate Appraisal Corporation for the Asset to be Acquired (real property etc.) and the Assets to be Transferred. If there are multiple discount rate, the discount rate the appraiser adopted taking the current operating status into consideration is stated.

b. "Appraisal value" column: Herein is shown only the opinions on the value of respective property as of the date of appraisal, expressed by the appraiser who did the appraisal of the property, in accordance with the Act on Real Estate Appraisal (Act No.152 of 1963; including its amendments) and commonly accepted appraisal standards for real estate properties, etc.

c. In case appraisal is once again undertaken for the same property, its result could be different from the previous result because appraiser and/ or appraisal method and/ or appraisal timing is different. Also, it is requested to note that any appraisal result for any property is not what guarantees or promises the actual tradability of the property at the appraised value whether for right now or for any moment in the future.

d. None of Japan Real Estate Institute and Daiwa Real Estate Appraisal Corporation who conducted appraisal is an interested party of neither SAR nor the Asset Manager.

(g) Explanation on "Property Features/ Key Points of Evaluation"

The basic characteristics, features, etc. of the property are described based on the Asset Manager's own investigation, in reference to real estate appraisal reports and market reports, etc.

This is an English translation of the announcement in Japanese dated August 2, 2024. However, no assurance or warranties are given for the completeness or accuracy of this English translation.