

August 19, 2024

For Immediate Release

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

Asset Management Company
Star Asia Investment Management Co., Ltd.
Representative: Atsushi Kato
President and CEO
Contact: Akiko Kanno
Director and CFO
TEL: +81-3-5425-1340

Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Star Asia Investment Corporation (“SAR”) announces that it resolved at the Board of Directors meeting held on August 19, 2024 concerning issuance of new investment units and secondary offering of investment units as described below.

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

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| (1) Total number of investment units to be offered: | 315,000 units |
| (2) Paid-in amount (issue amount): | To be determined
The paid-in amount shall be determined at a future Board of Directors meeting. |
| (3) Total paid-in amount (total issue amount): | To be determined |
| (4) Issue price (offer price): | To be determined
The issue price (offer price) shall be determined considering the demand for new investment units and other circumstances. |
| (5) Total issue price (total offer price): | To be determined |
| (6) Offering method: | The offering of investment units shall be through a primary offering and underwritten in full by an underwriting syndicate. |
| (7) Payment date: | Four business days after the Pricing Date (a business day from August 22, 2024 (Thursday) to August 28, 2024 (Wednesday)), which will be one of the business days from August 28, 2024 (Wednesday) to September 3, 2024 (Tuesday). |
| (8) Delivery date: | The business day immediately following the payment date described in (7) above |
| (9) Payment period for deposit in securities: | From the business day immediately following the Pricing Date to the second business day following the Pricing Date. |

<p>Note: This press release does not in any way constitute any part of an offering of securities for investment. This press release has been prepared for the purpose of announcing to the public certain matters relating to the issuance of new investment units and secondary offering of investment units, and not for the purpose of soliciting any investment, within or outside of Japan. Additionally, this press release is not an offer of securities for sale in the United States. The securities referred to here in have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. No offering or sale of securities in the United States will be made in connection with the above-mentioned transactions. This press release is not for publication, distribution or release, directly or indirectly in or into the United States of America.</p>
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- (10) The paid-in amount (issue amount), issue price (offer price) and other items necessary for the issuance of the new investment units shall be determined at a future Board of Directors meeting.
- (11) Each of the aforementioned items shall be subject to the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act of Japan.

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

- (1) Total number of investment units to be offered: 31,504 units
The above-mentioned number indicates the maximum number of investment units to be offered through secondary offering through over-allotment. There may be cases where this number is reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other circumstances concerning the primary offering. The number of investment units to be offered through the secondary offering shall be determined at a future Board of Directors meeting taking into account the demand for the primary offering and other circumstances.
- (2) Seller: A bookrunner of the primary offering
- (3) Offer price: To be determined
The offer price shall be same as the offer price for the primary offering.
- (4) Total offer price: To be determined
- (5) Offering method: Upon the primary offering, in consideration of the demand and other circumstances of the primary offering, a bookrunner of the primary offering, shall offer the investment units (up to 31,504 units) to be borrowed from Lion Partners Godo Kaisha (“Lion Partners”).
- (6) Delivery date: Same as the delivery date for the primary offering.
- (7) Payment period for deposit in securities: Same as the payment period for deposit in securities for the primary offering.
- (8) The offer price and other items necessary for the secondary offering through over-allotment shall be determined at a future Board of Directors meeting.
- (9) Each of the aforementioned items shall be subject to the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act of Japan.

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<Reference>

1. Details of the secondary offering through over-allotment

Secondary offering through over-allotment is the offering through which a bookrunner of the primary offering shall offer the investment units (up to 31,504 units) borrowed from Lion Partners, upon the primary offering after taking into account the demand and other circumstances concerning it. The number of investment units to be offered in the secondary offering through over-allotment is scheduled to be 31,504 units, but the number is the maximum amount. The number may be reduced or the secondary offering through over-allotment itself may not take place at all, depending on the demand and other circumstances.

If the secondary offering through over-allotment is conducted, Lion Partners will grant such bookrunner a right to acquire additional investment units (the “Greenshoe Option”), up to the maximum number of investment units offered in the secondary offering through over-allotment, separate from the investment units for the primary offering. The Greenshoe Option shall be exercised between the delivery date of the primary offering and secondary offering through over-allotment and September 20, 2024 (Friday).

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

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

Any Borrowed Investment Units remaining after allocation of investments units acquired through Syndicate Covering Transaction and stabilizing transaction shall be returned by such bookrunner exercising the Greenshoe Option.

Such bookrunner will conduct the transactions described above upon consultation with the other bookrunners.

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

SAR intends to acquire the four hotels (Assets to be Acquired) described below with the aim of expanding the asset size through enhancing the stability and growth potential of the portfolio income.

We believe to maximize unitholders’ profits by steadily increasing the size of our assets through ensuring the stability and growth potential of our portfolio income.

Market trends, financial soundness, and the level of distribution per unit are considered for the issuance of new investment units and secondary offering of investment units.

3. Amount, use and schedule of expenditure of funds to be procured

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(1) Amount of funds to be procured (estimated net proceeds)

17,731,035,000 yen

(Note) The amount noted above is the expected amount calculated on the basis of the closing price as of June 28, 2024 (Friday) on the Tokyo Stock Exchange.

(2) Specific use and schedule of expenditure of funds to be procured

Net proceeds from the primary offering will be appropriated to a portion of the acquisition of the four hotels (Assets to be Acquired) described in “Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and Lease Contract with New Tenants”, which was released today, by the end of September, 2024. The remainder will be treated as cash on hand and will be appropriated to a portion of the funds to acquire specified assets in the future.

(Note) The proceeds will be deposited to financial institutions until expensed.

<Reference>

Other press releases announced today

- Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and Lease Contract with New Tenants
- Notice Concerning Revision to Forecasts for Operating Results and Distribution for the 17th Fiscal Period Ended July 31, 2024 and Revision to Forecasts for Operating Results for the 18th Fiscal Period Ending January 31, 2025 and Forecasts for Operating Results and Distribution for the 19th Fiscal Period Ending July 31, 2025
- Notice Concerning Debt Financing (Green Loans)

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

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