

October 1, 2024

For Immediate Release

Real Estate Investment Trust Securities Issuer
 Star Asia Investment Corporation
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Notice concerning Redemption of Mezzanine Loan Debt

As stated in the press release dated August 2, 2024 entitled “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 Corporation (“SAR”) has held beneficiary interests in trust as mezzanine loan debt (the “Beneficiary Interests”). However, the Beneficiary Interests held by SAR is to be fully redeemed today. Details are described below.

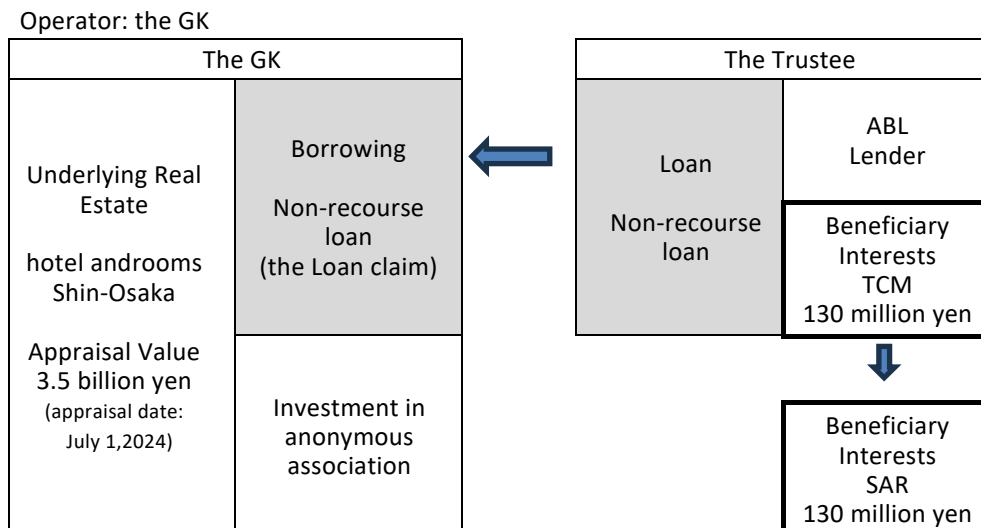
Given this redemption, of the nine mezzanine loan debt investments executed by SAR to date, eight of them will have been redeemed.

1. Overview of the Beneficiary Interests

The Beneficiary Interests is the beneficiary interests 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”).

SAR decided to acquire the Beneficiary Interests of 130 million yen as the investment in the mezzanine loan debt on August 16, 2024 based on the judgement that the certainty of redemption of the entire amount of the principal for the Beneficiary Interests is high and the acquisition would not only realize diversification of investment targets, but also boost distributable profits since it would be conducted with cash on hand, allowing SAR to receive the dividend income (base rate + 5.0%) from effective use of own funds; and has continued to hold it.

<Overview of the Structure (as of August 2, 2024)>



For details regarding the Beneficiary Interests described above, please refer to the press release dated August 2, 2024 entitled “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)”.

2. Redemption of the Beneficiary Interests

With the sale of the Underlying Asset by the GK and given the redemption in full of the Beneficiary Interests on October 1, 2024, SAR will receive a total amount including accrued interest on the Beneficiary Interests .

3. Future forecast

The impact of the redemption of the Beneficiary Interests is insignificant, and there are no changes to the forecast of operating results for the fiscal period ending January 31, 2025 (August 1, 2024 to January 31, 2025) and the fiscal period ending July 31, 2025 (February 1, 2025 to July 31, 2025) announced on September 13, 2024 in the press release entitled “(REIT) Financial Report for Fiscal Period Ended July 31, 2024”.

4. Other matters required for investors to appropriately understand and evaluate the above information

In conjunction with the risks pertaining to the redemption of the Beneficiary Interests , there are no changes to “Part 2. Reference, 2. Supplemental information for Reference, 3. Investment Risks” stated in the securities report (Japanese only) submitted on August 19, 2024.

SAR, as part of the active management strategy that leads to maximization of unitholders’ value, will continue to consider investments in mezzanine loan debts, which not only realizes diversification of investment targets, but also allows SAR to receive dividend income and boost distributable profits through effective use of cash on hand.

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

This is an English translation of the announcement in Japanese dated October 1, 2024.

However, no assurance or warranties are given for the completeness or accuracy of this English translation.