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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Change of Tenant/Operator of Asset and Signing of Lease Agreement

Star Asia Investment Management Co., Ltd. (the “Asset Manager”), to which Star Asia Investment Corporation (“SAR”) entrusts the management of its assets, announces today that, in connection with the expiration of the fixed-term building lease agreement with the current tenant/operator of the asset listed below (the “Subject Asset”), it has decided, with the aim of increasing earnings from the Subject Asset, to enter into a “Fixed-Term Building Lease Agreement” (the “Agreement”) between SAR and the new tenant/operator of the Subject Asset (the change of the tenant/operator of the Subject Asset and the signing of the Agreement are hereinafter collectively referred to as the “Change”), as described below.

Furthermore, the counterparty to the Agreement falls under an interested party, etc. as defined in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”) and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (the “Enforcement Order of the Investment Trusts Act”), and also falls under the category of interested party as defined in the “Rules on Transactions with Interested Parties,” which are the voluntary rules set forth by the Asset Manager for preventing conflicts of interest regarding its management of SAR’s assets. Upon entering into the Agreement, the Asset Manager has conducted deliberations and approval processes in accordance with laws and regulations and such rules.

1. Overview of the Change

(1) Current Tenant and New Tenant of the Subject Asset, etc.

Subject Assets	:	The BREAKFAST HOTEL Fukuoka Tenjin
Current Tenant/Operator:	:	Resorts Ryukyu Co., Ltd.
New Tenant/Operator:	:	Polaris Holdings Co., Ltd.
Rented Area:	:	2,281.49 m ²
Percentage to SAR’s Total	:	0.49%
Rentable Area (Note):	:	

(Note) The percentage is calculated based on the SAR’s Total Rentable Area of 461,359.48m² as of the date of hereof.

Following the effective date of the lease agreement, the name of the Subject Asset is scheduled to be changed to “KOKO HOTEL Fukuoka Tenjin Minami Annex”.

(2) Overview of the Agreement

	After the Change Fixed-term building lease agreement
New Tenant/Operator	Polaris Holdings Co., Ltd.
Rent structure	fixed rent + variable rent
Rents	Fixed rent: JPY 8,900,000 per month Variable rent: GOP for the relevant rent calculation period (each one-month period with the last day of each month as the calculation date) × 85% – fixed rent
Contract period	March 30, 2027 to March 29, 2042

The agreement with the current operator also provides for a fixed rent + variable rent structure; however, the details have not been disclosed at the request of the current operator.

(3) Schedule

Signing date of the Agreement:	October 29, 2026
Date of the Change:	March 30, 2027 (scheduled)
Commencement date of hotel operations:	April 2027 (scheduled)

2. Reason for the Change

Concerning the Subject Asset, under the fixed-term building lease agreement entered into with the current tenant/operator, the hotel has successfully captured the recent strong inbound and domestic demand, and its operating performance has remained strong.

Under such circumstances, given that the current fixed-term building lease agreement will expire on March 29, 2027, proposals for leasing terms going forward were received from both the current tenant/operator and the new tenant/operator, with the aim of further increasing earnings from the Subject Asset through a change in the rent structure. The Asset Manager examined in detail the proposed terms and made estimate calculations of the assumed rents, based on which it decided to enter into the Agreement with the new tenant/operator, which was judged to be able to contribute the most to SAR's future business performance.

The new tenant/operator is Polaris Holdings Co., Ltd. ("Polaris"), which belongs to the Star Asia Group, the sponsor group of SAR. Polaris currently serves as the tenant/operator of 17 of the 22 hotels owned by SAR and continues to conduct efficient hotel operations.

SAR has decided on the Change mainly from the following perspectives.

- Polaris currently has a track record of operating 126 hotels with 17,869 rooms (as of the end of July 2026) and has realized high GOP margins through efficient operations leveraging its strength in area management.
- The Subject Asset is located approximately 1 minute on foot from "Best Western Plus Fukuoka Tenjin-minami," which is owned by SAR. This hotel is also operated by Polaris, which operates three other hotels in Fukuoka City. By operating multiple hotels in the same area, Polaris is able to improve operating efficiency and pursue economies of scale, while synergies are also expected from increased recognition of Polaris' "KOKO HOTELS" brand. "Best Western Plus Fukuoka Tenjin-minami" is scheduled to be renamed "KOKO HOTEL Fukuoka Tenjin Minami" in February 2027.
- The rent structure for the Subject Asset after the Change will be fixed rent + variable rent, which provides a certain level of stability while enabling SAR to directly benefit from improved hotel performance resulting from further expansion in travel demand going forward. In addition, through operations leveraging Polaris' strengths described above, stabilized rent income to be received by SAR is expected to significantly exceed the current level, which is expected to contribute to SAR's business performance and, in turn, to the maximization of unitholders' interests.
- Based on the above, the Asset Manager has determined that entering into the Agreement with the new tenant/operator, involving a change in the rent structure, and rebranding the Subject Asset as a KOKO

HOTEL are expected to maintain and enhance the asset value of the Subject Asset and significantly improve its profitability.

- Based on the “Comprehensive Support Agreement for Hotel Operations” (Note) entered into among SAR, the Asset Manager and Polaris, the Asset Manager receives support from Polaris, including information from hotel market analyses and advice regarding hotel operations, and such support has significantly contributed to improving SAR’s business performance.

(Note) For details, please refer to the announcement dated May 14, 2024, “Notice Concerning Signing of Comprehensive Support Agreement for Hotel Operations.”

3. Overview of the Tenant/Operator after the Change

Name	Polaris Holdings Co., Ltd.
Location	1-23-5 Shinkawa, Chuo-ku, Tokyo
Name and Title of Representative	Yohei Taguchi, President & CEO
Main Business Description	<ol style="list-style-type: none"> 1. Operation and management of hotels 2. Restaurant business 3. Sale of food products, alcoholic beverages and other hotel-related goods 4. Operation of hot spring facilities and bathing facilities 5. Purchase, sale, leasing, management, brokerage and development of land and buildings, and investments in silent partnerships relating to land and buildings 6. Type II Financial Instruments Business 7. Loans, guarantees and investments to companies 8. All businesses incidental to each of the preceding items
Capital (Note 1)	JPY 42.40 million
Date of Establishment	September 20, 1912
Net Assets (Note 2)	JPY 31,270,487 thousand
Total Assets (Note 2)	JPY 65,226,978 thousand
Major shareholder and ratio of shareholding (Note 3)	SAJP VI 3.0 LP: 45.40% Star Asia Opportunity III LP: 26.66%
Relationship with SAR and the Asset Manager	
Capital Relationship	There are no capital relationships to report.
Personnel Relationship	There are no personnel relationships to report.
Business Relationship	SAR has entered into lease agreements with the company for 17 properties owned by SAR and receives rents.
Related party or not	The company does not fall under a related party of SAR, but falls under a related party of the Asset Manager. In addition, the company falls under an interested party, etc. as defined under the Investment Trusts Act and the Enforcement Order of the Investment Trusts Act, and also falls under the category of interested party as defined in the “Rules on Transactions with Interested Parties,” which are the voluntary rules set forth by the Asset Manager for preventing conflicts of interest regarding its management of SAR’s assets. Upon deciding on the lease of the Subject Asset, the Asset Manager has conducted deliberations and approval processes in accordance with laws and regulations and such rules.

(Note 1) The information is as of the date hereof.

(Note 2) The information is based on the consolidated balance sheet as of the end of June 2026.

(Note 3) The information is based on information as of the end of March 2026.

The tenant/operator satisfies the conditions described in “Part 1. Fund Information, 1. Status of the Fund, 2. Investment Policy, (1) Investment Policy, ⑨ Investment Criteria, (c) Portfolio Management Policy, (ii) Leasing Policy” in SAR’s securities report dated October 29, 2026.

4. Outlook

The impact of the Change on SAR’s operating results has already been incorporated to a certain extent in the forecasts of operating results for the fiscal period ending July 31, 2027 (February 1, 2027 to July 31, 2027), announced by SAR in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2026” dated September 14, 2026, and is expected to be immaterial.

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

This is an English translation of the announcement in Japanese dated October 29, 2026. However, no assurance or warranties are given for the completeness or accuracy of this English translation.