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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 Change of Tenants and Operators and Names of Assets (two hotels)

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 enter into the fixed-term building sub-lease option agreement (the “Option Agreement”) with new tenant upon the expiration of the term of the existing lease agreement of the assets (two hotels) (the “Subject Assets”) listed below.

In addition, the Asset Manager announces its decision to change the names of the Subject Assets (hereinafter the changes of the tenant/operator and the name of the assets are collectively referred to as the “Change”).

Furthermore, the counterpart of the Option Agreement falls under 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”), and it 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 conflict of interests regarding its management of SAR’s assets. Upon deciding on signing the Option 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) Changes of Names and Tenants of the Subject Assets, etc.

Subject Assets	REMBRANDT STYLE Tokyo Nishikasai	BEST WESTERN Yokohama
Current Tenant	REMBRANDT INN Co., Ltd.	
New Tenant	Fino Hotels Co., Ltd.,	
New Names of Assets	KOKO HOTEL Tokyo Nishikasai	KOKO HOTEL Yokohama Tsurumi
Rented Area	5,293.88 m <sup>2</sup>	4,686.09 m <sup>2</sup>
Percentage to SAR’s Total Rentable Area (Note)	1.0%	0.9%

Fino Hotels Co., Ltd., the new tenant, is the hotel operating company which belongs to the Polaris Holdings Co., Ltd. (listed on the Tokyo Stock Exchange Standard Market, CODE:3010, hereinafter collectively with the subsidiaries or solely referred to as “Polaris”) and the tenant/operator of the five hotels (KOKO HOTEL Osaka Namba, KOKO HOTEL Sapporo Odori, Best Western Plus Fukuoka Tenjin-minami, KOKO HOTEL Residence Asakusa Kappabashi, KOKO HOTEL Residence Asakusa Tawaramachi) owned by SAR.

(Note) The percentage is calculated based on the SAR’s Total Rentable Area (516,803.00 m<sup>2</sup>) as of December 2024.

(2) Overview of the Option Agreement

SAR and Mizuho Trust & Banking Co., Ltd. (the “Trustee”) will enter into the “Master Lease Agreement” on July 24, 2025 (the “Scheduled Signing date of the ML Agreement”) and SAR will be the master lessee of the Subject Assets. SAR, as the lessee, will sublease them to Fino Hotels Co., Ltd., whose conditions are defined in the Option Agreement. The details of the Option Agreement are as follows.

<KOKO HOTEL Tokyo Nishikasai>

	After the Change fixed-term building sub-lease option agreement
Tenant/Operator	Fino Hotels Co., Ltd.
Form of contract	fixed rent + variable rent
Rents	fixed rent: JPY 6,630,000 per month variable rent: GOP of the relevant month (every month with the last day of each month as the calculation due date) × 85% - monthly fixed rent
Contract period	July 24, 2025 to July 23, 2040
Remarks	SAR may hold the right of completion of the Option Agreement (the “Completion Right”) and may exercise such right by written notice to Tenant/Operator from the date of execution of the Option Agreement (including the date of execution) to the Scheduled Signing date of the ML Agreement. When SAR exercises the Completion Right, the fixed-term building sub-lease agreement will come into effect on the conditions specified in the Option Agreement. SAR may terminate the Option Agreement in the event of any breach defined in the Option Agreement occurred.

<KOKO HOTEL YokohamaTsurumi>

	After the Change fixed-term building sub-lease agreement
Tenant/Operator	Fino Hotels Co., Ltd.
Form of contract	fixed rent + variable rent
Rents	fixed rent: JPY 5,390,000 per month variable rent: GOP of the relevant month (every month with the last day of each month as the calculation due date) × 85% - monthly fixed rent
Contract period	July 24, 2025 to July 23, 2040
Remarks	SAR may hold the right of completion of the Option Agreement (the “Completion Right”) and may exercise such right by written notice to Tenant/Operator from the date of execution of the Option Agreement (including the date of execution) to the Scheduled Signing date of the ML Agreement. When SAR exercises the Completion Right, the fixed-term building sub-lease agreement will come into effect on the conditions specified in the Option Agreement. SAR may terminate the Option Agreement in the event of any breach defined in the Option Agreement occurred.

(3) Schedule

Signing date of the Option Agreement: January 22, 2025  
Date of the Change: July 24, 2025

2. Reason for the Change

Concerning the Subject Assets, under the fixed-term building lease agreement entered into between the current tenant/operator and SAR, they have continued stable operations by acquiring guests based on the recent strong travel demand.

Under such circumstances, given that the current fixed-term building lease agreement will expire on July 23, 2025, proposals for new leasing terms going forward were received from the current tenant/operator as well as other successor tenant candidates. The Asset Manager has examined in detail the proposed terms received and has made an estimate calculation of the assumed rent, based on which it was decided to sign the Option Agreement with a new operator which was judged to be able to contribute the most to the future business performance of SAR.

The new tenant/operator is a subsidiary of Polaris, stated above, which belongs to the Starasia Group, the sponsor group of SAR. The Polaris subsidiaries including new tenant/operator, as the tenant of 12 out of the 19 hotels currently held by SAR, has continued efficient hotel operations.

SAR has made the decision for the Change mainly from the following perspectives.

- Polaris, which has operated 97 buildings, 14,964 rooms (as of the end of December 2024) including the KOKO HOTEL, has realized generating high GOP margins through efficient operations that leverages its strength in area management, which has significantly contributed to maximizing SAR's business performance and thus maximizing unitholders' interests. It has been determined that the brand change to KOKO HOTEL is also anticipated to contribute to maintaining and improving asset value and profitability of the Subject Assets.
- Based on the "Comprehensive Support Agreement for Hotel Operations" (Note) signed between SAR, the Asset Manager, and Polaris, the support received from Polaris such as information on hotel market analysis and advice on hotel operations has significantly contributed to SAR's business performance. As one example, through discussions held at regular meetings etc. between the Asset Manager and Polaris, capital expenditures and repairs have been implemented in a planned orderly manner while keeping an eye on SAR's performance, and capital expenditures and repairs required in the future for the Subject Assets can also be handled in the same manner.
- Polaris, through the share exchange transaction making Minacia Co. Ltd. a wholly- owned subsidiary, has enjoyed economies of scale from the expansion in all aspects including sales, cost control, and human resource management, and this system is expected to continue to contribute to maximization of hotel profits going forward, and is anticipated to contribute to SAR's performance.
- The contract system of the Subject Assets is a fixed rent plus variable rent contract system, which ensures a certain level of stability, while also being able to benefit from expansion in future travel demand as well as increase in inbound travel in response to the government's promotion to achieve its target number of inbound visitors to Japan. It is estimated that the rent income received by SAR will exceed current rent income, based on operations which leverages Polaris' strengths as described above, which is expected to significantly contribute to SAR's business performance and, in turn to the maximization of unitholders' interests.

(Note) For details, please refer to announcement made on May 14, 2024 "Notice Concerning Signing of Comprehensive Support Agreement for Hotel Operations".

3. Overview of the Tenant/Operator after the Change

Name	Fino Hotels Co., Ltd.
Location	1-12-3 Iwamoto-cho, Chiyoda-ku, Tokyo
Name and Title of Representative	Shigeru Takakura, CEO
Main Business Description	<ol style="list-style-type: none"> <li>1. Management of hotels, restaurants, sports facilities, golf courses, spas and other bathing facilities, and entrustment of management</li> <li>2. Operation, entrustment of management, management, purchase and sale, and consulting of hotels, restaurants, sports facilities, golf courses, spas, and other bathing facilities</li> <li>3. Planning, operation, and entrustment of training and education for hotel employees and cooks</li> <li>4. General and specific worker dispatch services</li> <li>5. Traveling and travel agency business</li> <li>6. Mail order business using the Internet</li> <li>7. Shopping and home delivery of daily necessities</li> <li>8. Leasing, buying and selling trademark rights, design rights, utility model rights, patent rights and technical knowledge</li> <li>9. Planning, management and consulting of various events</li> <li>10. Money lending business</li> <li>11. Leasing and rental of cruisers and marine leisure goods</li> <li>12. Investment and investment advisory business</li> <li>13. Buying, selling, exchanging, leasing, managing, and brokering real estate</li> <li>14. Sale of alcoholic beverages, cigarettes, stamps, foodstuffs, specialty souvenirs, clothing and other daily sundries</li> <li>15. All businesses incidental and related to each of the preceding items</li> </ol>
Capital	1 million yen
Date of Establishment	April 3, 2007
Net Assets	The information is undisclosed as consent to disclosure has not been obtained from the company.
Total Assets	
Major shareholder and ratio of shareholding	Polaris Holdings Co. Ltd. 100.0 %
Relationship with SAR and the Asset Manager	
Capital Relationship	There are no capital relationships to report between SAR / the Asset Manager and the Operator.
Personnel Relationship	There are no personnel relationships to report SAR / the Asset Manager and the Operator.
Business Relationship	<p>SAR has entered into lease agreements with the company for the properties owned by SAR as described below, and receives rents.</p> <ul style="list-style-type: none"> <li>- KOKO HOTEL Osaka Namba</li> <li>- KOKO HOTEL Sapporo Odori</li> <li>- Best Western Plus Fukuoka Tenjin-minami</li> <li>- KOKO HOTEL Residence Asakusa Kappabashi</li> <li>- KOKO HOTEL Residence Asakusa Tawaramachi</li> </ul>
Related party or not	<p>The company does not fall under Related party of SAR, but falls under Related party of the Asset Manager.</p> <p>Also, it falls under Interested Person, etc. as defined under the Investment Trusts Act and Enforcement Order of the Investment Trusts Act and also falls under a related party as defined in the "Related Party Transaction Rules"</p>

	<p>which is a self-imposed rule established as countermeasures for conflicts of interests related to SAR's asset management. Upon entering into the lease agreement, the Asset Manager has made necessary deliberations and passed necessary resolutions as provided for under the Investment Trust Act, the Investment Trust Order and internal rules.</p>
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The Tenants/Operator above mentioned satisfy the conditions described in the “Part 1. Fund Information, 1. Status of the Fund, 2. Investment Policy, (1)Investment Policy ⑨Investment Criteria (c)Portfolio Management Policy (ii)Leasing policy” in the securities report (Japanese only)” submitted on October 30, 2024.

4. Outlook

The impact of the Change is assumed to contribute to improve the performance of SAR, however, the effect will arise on and after July 24, 2025, so that there are no changes to the forecasts 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) which were announced by SAR in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2024 ” on September 13, 2024.

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

*This is an English translation of the announcement in Japanese dated January 22, 2025. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*