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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 Redemption of Mezzanine Loan Debt  
and Acquisition of Mezzanine Loan Debt  
(Star Asia Mezzanine Loan Debt Investment Series 11)

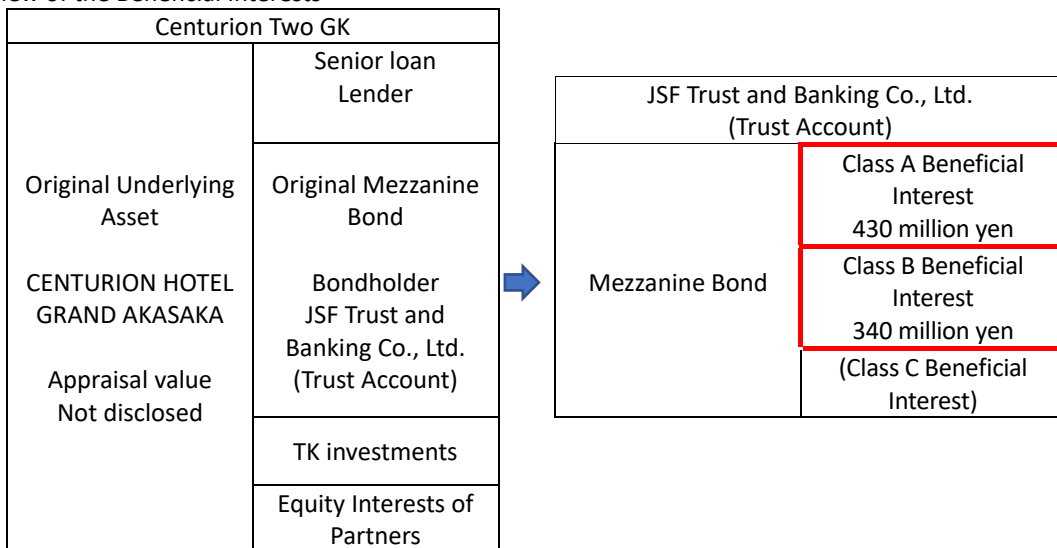
As stated in the press release dated February 1, 2023 entitled “Notice Concerning Acquisition of Mezzanine Loan Debt Star Asia Mezzanine Loan Debt Investment Series 8 (Class A Beneficial Interest and Class B Beneficial Interest)”, Star Asia Investment Corporation (“SAR”) has held Class A Beneficial Interest and Class B Beneficial Interest (the “Beneficial Interests”) as mezzanine loan debts (the “Original Mezzanine Bonds”). However, the Beneficial Interests held by SAR is to be fully redeemed today upon the transfer of CENTURION HOTEL GRAND AKASAKA (the “Original Underlying Asset”).

Additionally, SAR announces that Star Asia Investment Management Co., Ltd. (the “Asset Manager”), to which SAR entrusts the management of its assets, has decided today to reinvest in mezzanine loan debt (the acquisition of mezzanine loan debt is hereinafter referred to as the “Reinvestment”) which newly issued by Underlying Asset. Details are described below.

1. Redemption of the Beneficiary Interests

Upon the sale of the Underlying Asset and given the redemption in full of the Beneficiary Interests, SAR will receive a total amount including accrued interest on the Beneficial Interests.

<Overview of the Beneficial Interests>



## 2. Reason for the Reinvestment

Centurion Two Godo Kaisha which is the current holder of the original underlying asset has decided to dispose of the relevant underlying asset, and such original underlying asset is to be acquired by a new owner (hereinafter, CENTURION HOTEL GRAND AKASAKA after it is acquired by the new owner is to be referred to as the "Underlying Asset").

Recently, SAR has been approached by the new owner, Akasaka Hotel Godo Kaisha (hereinafter referred to as the "GK"), for our interest in investing in mezzanine loan debt.

The Asset Manager's evaluation of the Underlying Asset is described under "3. Overview of the Reinvestment <Overview of the Underlying Asset>". Furthermore, as the investment in mezzanine loan debt is to be made by utilizing SAR's own equity, SAR will obtain interest income (annual interest rate exceeding 5%) as effective use of its own funds, which is expected to have the effect of increasing distributable income. Given the above stated reasons, the Reinvestment has been decided as it will not only realize diversification of investment targets, but will contribute to maximization of unitholder value.

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 Mezzanine Bonds does not fall under any one 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 is expected to be no less than 95%. (Note)

(Note) Determined based on the amount calculated by deducting the book value of the asset transferred from the total assets of the balance sheet as of July 31 (the 17th fiscal period), 2024, and then adding the acquisition amount of the assets acquired or to be acquired in the 18th fiscal period, including the amount of the Reinvestment, ending January 31, 2025.

## 3. Overview of the Reinvestment

(1) Asset to be acquired	The first unsecured bonds of Akasaka Hotel Godo Kaisha: The mezzanine bonds (hereinafter referred to as the "Mezzanine Bonds") which corresponds to the bonds issued by Akasaka Hotel Godo Kaisha (hereinafter referred to as the "GK") whose main underlying asset is the Underlying Asset.
(2) Name of asset to be acquired	Star Asia Mezzanine Loan Debt Investment Series 11
(3) the Underlying Asset	Trust beneficiary interests of real estate with CENTURION HOTEL GRAND AKASAKA as the principal trust asset
(4) Trustee of the Underlying Asset	Mizuho Trust & Banking Co., Ltd.
(5) Trust period of the Underlying Asset	From December 26, 2024 to December 31, 2034
(6) Face Amount of the Mezzanine Bonds	870,000,000 yen
(7) Acquisition price of the Mezzanine Bonds	870,000,000 yen (excluding acquisition expenses)
(8) Expected Dividend Yield (Note 2)	Base rate (Note 2) + 6.20%
(9) LTV	Not disclosed (Note 3)
(10) Planned signing date of the Mezzanine Bonds	December 26, 2024
(11) Planned acquisition date of the Mezzanine Bonds	December 26, 2024
(12) Scheduled dividend payment dates of the Mezzanine Bonds	The last day of January, April, July, October (Four times a year) (The first interest payment date is the last day of July 2025.)
(13) Scheduled redemption date	December 30, 2029 (Note 4)
(14) Final redemption date	December 30, 2030 (Note 4)
(15) Funding for the Reinvestment	Transfer proceeds of the redemption of the Beneficial Interests and cash on hand
(16) Settlement method	Refer to 7. Settlement method
(17) Seller	Akasaka Hotel Godo Kaisha (the "GK")

(18) Overview of the structure of the Mezzanine Bonds	Operator: The GK								
	<table border="1"> <tr> <td colspan="2" style="text-align: center;">GK</td> </tr> <tr> <td style="text-align: center;">Underlying Asset</td> <td style="text-align: center;">Senior loan Lender (Note 5)</td> </tr> <tr> <td style="text-align: center;">CENTURION HOTEL GRAND AKASAKA</td> <td style="text-align: center;">Mezzanine Bond</td> </tr> <tr> <td style="text-align: center;">Appraisal value Not disclosed (Note 3)</td> <td style="text-align: center;">TK (Silent partnership) investments, etc. (Note 5)</td> </tr> </table>		GK		Underlying Asset	Senior loan Lender (Note 5)	CENTURION HOTEL GRAND AKASAKA	Mezzanine Bond	Appraisal value Not disclosed (Note 3)
GK									
Underlying Asset	Senior loan Lender (Note 5)								
CENTURION HOTEL GRAND AKASAKA	Mezzanine Bond								
Appraisal value Not disclosed (Note 3)	TK (Silent partnership) investments, etc. (Note 5)								
	<p>1. On December 26, 2024, the Mezzanine Bonds will be issued at the same time when the senior loans are executed.</p> <p>2. SAR will hold the status as holder of and to the rights and obligations of the Mezzanine Bonds and also hold the right of the reception of the dividends and the redemption regarding the Mezzanine Bonds.</p> <p>* The Mezzanine Bonds, with respect to the payment of dividends and repayment of principal, shall be subordinated to the senior loan claims, however, shall be paid in preference to the TK (silent partnership) investments. In particular, with respect to redemption of principal, even in the case where the value of the Underlying Asset declines, the TK investments of the GK will bear first loss, and the Mezzanine Bonds will incur a loss for the first time only after the full principal amounts of the TK investments have been damaged and lost.</p>								
(19) Relationship between SAR/ the Asset Manager and the GK  * Based on information as of December 26, 2024.	Capital relationship	There is no capital relationship to report between SAR/ the Asset Manager and the GK.							
	Personnel relationship	There is no personnel relationship to report between SAR/ the Asset Manager and the GK.							
	Business relationship	There is no business relationship to report between SAR/ the Asset Manager and the GK.							
	Related party status	There is no related party status to report between SAR/the Asset Manager and the GK. Moreover, the GK does not fall under the category of interested person, etc. as provided in the Act on Investment Trusts and Investment Corporations. (Act No. 198 of 1951, as amended) (the Investment Trust Law" hereinafter.)							

(Note 1) For an overview of the Underlying Asset, please refer to 3. Overview of the Reinvestment <Overview of the Underlying Asset>.

(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 appraisal value stated in the appraisal report obtained by the GK for the Underlying Asset is not disclosed, because consent to disclosure has not been obtained from the GK. The LTV which is the ratio of the total amount of the Beneficial Interests and senior claims to the appraisal value is lower than 85%, which is SAR's investment standard for investments in mezzanine loan debts (announced in the "Notice Concerning Acquisition of Mezzanine Loan Debt (Subordinate Bonds)" dated October 25, 2017. The same applies below.)

(Note 4) The scheduled redemption date of the Mezzanine Bonds is December 30, 2029. However, the Mezzanine Bonds may be repaid prior to the scheduled redemption date for certain reasons such as the sale of the Underlying Asset.

(Note 5) The lender of the senior loans and the TK investors are not disclosed, as consents for such disclosures have not been obtained.

<Overview of the Underlying Asset>

Asset type	Trust beneficiary interests of real estate
Property name	CENTURION HOTEL GRAND AKASAKA

Owner		The GK
Location		3-19-3 Akasaka, Minato-ku, Tokyo
Use (Note 1)		Hotel, Sauna
Structure (Note 2)		Steel reinforced concrete (SCR) structure with flat roof, 14 stories with 1 basement floor.
Area	Land (Note 3)	668.02 m <sup>2</sup>
	Building (Total floor area) (Note 4)	2,516.83 m <sup>2</sup>
Form of ownership (Note 5)	Land	Proprietary ownership
	Building	Proprietary ownership
Construction completion		July 16, 2013
Earthquake PML (Note 6)		6.1%
Appraisals	Appraisal value	Not disclosed (Note 7)
	Appraisal NOI	
	Appraisal date	November 1, 2024
	Appraiser	Japan Real Estate Institute
Occupancy rate		100.0% (as of November 30, 2024)
Special notation		No matters worthy of mention.

(Note 1) "Use" indicates the use stated in the real estate registry, and may differ from the present state.

(Note 2) "Structure", for buildings, indicates the structure stated in the real estate registry.

(Note 3) "Land" is the entire land area stated in the real estate registry and may differ from the present state.

(Note 4) "Building (Total floor area)" is the total floor area stated in the real estate registry and may differ from the present state.

(Note 5) "Form of ownership" is the type of rights held by the trustee of the Underlying Asset.

(Note 6) The PML (probable maximum loss) calculated based on the seismic risk evaluation conducted by Tokyo Marine dR Co., Ltd. based on the GK's request is stated. "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 more than 90% in the event of occurrence of such earthquake) as a percentage (%) of the replacement cost.

(Note 7) The contents of the real estate appraisal report obtained by the GK for grasping the appropriate price of the Underlying Asset are not disclosed as consent for disclosure has not been obtained from the GK.

#### <Evaluation of the Underlying Asset by the Asset Manager>

CENTURION HOTEL GRAND AKASAKA, the Underlying Asset, is a business hotel located with high transportation convenience, at an approximate 4-minute walk from "Akasakamitsuke" Station on the Tokyo Metro Ginza Line and Marunouchi Line and an approximate 5-minute walk from "Akasaka" Station on the Tokyo Metro Chiyoda Line.

With respect to the property aspects, the hotel has a total of 82 guest rooms of various types, including twin bedrooms, double bed rooms, as well as family-type rooms accommodating up to 6 guests, and is available for a variety of uses such as business use, group travel use and family use.

Due to Centurion Hotels sales strategy, it has acquired demand of inbound visitors and has realized strong recovery. Furthermore, the hotel is competitive in that it has differentiated itself from other accommodation facilities located in the nearby area, by providing ancillary facilities such as a large bath and sauna facilities.

Given the above stated reasons, the Asset Manager has evaluated the Underlying Asset as a property which can acquire stable cash flow.

#### 4. Overview of the Seller

Name of Seller	Akasaka Hotel Godo Kaisha
Location	Maniera Ginza Building 4F, 2-10-8, Ginza, Chuo-ku, Tokyo
Description of the limited partnership's business	1. Acquisition, ownership, and disposition of real estate 2. Acquisition of beneficiary interest in trust of real estate 3. Acquisition of TK

	4. All business incidental to the above	
Stated Capital	100,000 yen	
Date of Establishment	November 15, 2024	
Representative	Representative General Incorporated Association Akasaka Hotel Executor Chiaki Kato	
Major Shareholder	Not disclosed (Note)	
Total assets		
Net assets		
Relationship between SAR/ the Asset Manager and the Seller	Capital relationship	There is no capital relationship to report.
	Personnel relationship	There is no personnel relationship to report.
	Business relationship	There is no business relationship to report.
	Related party status	There is no related party status to report between the relevant company and SAR/the Asset Manager. Furthermore, the company does not fall under interested person, etc. under the Investment Trust Law.

(Note) Not disclosed, because consent for disclosure has not been obtained from the Seller.

5. Transaction with interested person, etc.

The Reinvestment is not a transaction with an interested person, etc. under the A Investment Trust Law or interested parties as defined in the “Rules on Transactions with Interested Parties” set forth by the Asset Manager.

6. Schedule for the Reinvestment

Date of decision of the Reinvestment	December 26, 2024
Signing date of the Purchase Agreement of the Mezzanine Bonds	December 26, 2024
Planned redemption date of the Original Mezzanine Bonds	December 26, 2024
Planned acquisition date of the Mezzanine Bonds	December 26, 2024

7. Settlement method

SAR intends to settle by making lump-sum payment of the full amount of the acquisition proceeds, on the planned date of the Reinvestment.

8. Outlook

The impact of the Reinvestment is immaterial, and 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.

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

*This is an English translation of the announcement in Japanese dated December 26, 2024.*

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