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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Redemption of Mezzanine Loan Debt (Series 5/ Class B Beneficiary Interest)

As stated in the press release dated March 2, 2020 entitled “Notice Concerning Acquisition of Mezzanine Loan Debt Star Asia Mezzanine Loan Debt Investment Series 5 (B Beneficiary Interest)”, Star Asia Investment Corporation (“SAR”) has held in investment the subordinated beneficial interest (the “Class B Beneficial Interest”) related to the trust established over a loan receivable (non-recourse loan) advanced towards a Godo Kaisha (the “GK”) collateralized by a trust beneficial interest whose main entrusted asset was Sanmaison Ohorikoenkita (such trust beneficial interest hereinafter referred to as the “Collateral Asset”). However, as the GK recently sold the Collateral Asset to a third party, the loan receivable which was the underlying trust asset of the relevant subordinated beneficial interest was fully repaid, and the accrued interest on the underlying loan receivable fully paid, and accordingly, today, the total principal amount of the subordinated beneficial interest held by SAR was fully redeemed, and SAR also received payment of the relevant accrued interest. Details are described below.

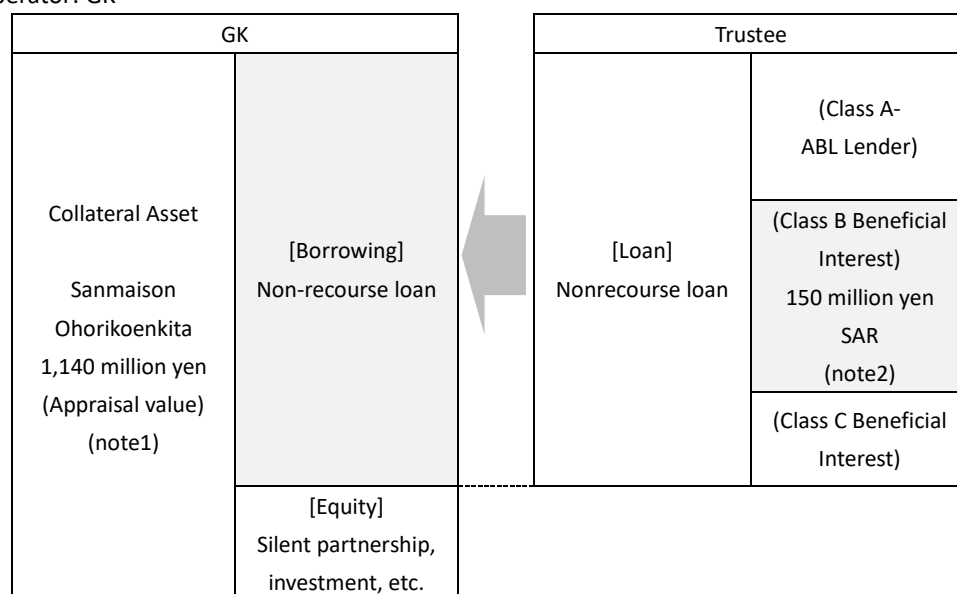
Given this prepayment, of the 6 mezzanine loan debt investments executed by SAR to date, three of them have been redeemed.

1. Overview of the Class B Beneficiary Interest

The Class B Beneficiary Interest is the subordinated beneficial interest related to the trust established over a loan receivable towards the GK, where the collateral asset is a trust beneficial interest with Sanmaison Ohorikoenkita as the main entrusted asset. SAR acquired the Class B Beneficial Interest on March 6, 2020 for JPY 1.5 million, and continued to hold it, based on the judgement that the certainty of principal repayment was high, and also as the investment would bring about diversification of investments and produce dividend income by the effective utilization of own capital, and as it was anticipated that the investment would have the effect of increasing distributable income.

<Overview of the Class B Beneficiary Interest Structure (as of March 2, 2020)>

Operator: GK



(Note 1) The appraisal value as of February 1, 2020 is indicated.

(Note 2) The Class B Beneficiary Interest was acquired on March 6, 2020.

For details regarding the Class B Beneficiary Interest described above, please refer to “Notice Concerning Acquisition of Mezzanine Loan Debt Star Asia Mezzanine Loan Debt Investment Series 5 (B Beneficiary Interest)” announced on March 2, 2020.

2. Redemption of the Class B Beneficiary Interest

Given the sale of the Collateral Asset by the GK, the underlying loan receivable which was the trust asset of the subordinated beneficial interest was fully repaid together with the total amount of accrued interest, and in return, the total principal amount of the subordinated beneficial interest was also fully repaid, and the total amount of accrued interest was received.

3. Future outlook

Since the impact of the redemption of the Class B Beneficiary Interest on the forecast for operating results for the fiscal periods ending January 2022 (August 1, 2021 to January 31, 2022) and July 2022 (February 1, 2022 to July 31, 2022) announced in “Financial Report for Fiscal Period Ended July 31, 2021 (REIT)” dated September 14, 2021 is minimal, there are no changes to the forecast.

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 Class B Beneficiary Interest, etc., there are no changes to “Part 1. Fund Information, I. Overview of the Fund, 3. Investment Risks” stated in the securities report (Japanese only) submitted on October 26, 2021.

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

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

This is an English translation of the announcement in Japanese dated December 27, 2021.

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