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For Immediate Release

Real Estate Investment Trust Securities Issuer
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**Notice Concerning Signing of Preferential Negotiation Rights Agreement
for the Acquisition of the Asset (Mezzanine Loan Debt)**

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 it has entered into a preferential negotiation rights agreement (the “Preferential Negotiation Rights Agreement”) for the mezzanine loan debts (the “Mezzanine Bonds”). Details are as follows.

1. Rationale for the Signing of Preferential Negotiation Rights Agreement

SAR continues to invest 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, as part of the management strategy that leads to maximization of unitholders’ value.

SAR has to date invested in a total of 11 mezzanine loan debt transactions totaling 4,294 million yen and currently holds 2 transactions and is constantly continuing to seek new investment opportunities.

This time, SAR has decided to sign the Preferential Negotiation Rights Agreement for the acquisition of the Mezzanine Bonds to obtain a new opportunity to invest in mezzanine loan debts.

The 4 properties backing the Mezzanine Bonds are hotels equipped with amenities such as kitchens and washing machines, making them suitable for long-term stays. The hotels are expected to generate stable revenue by attracting group and family travelers.

2. Summary of the Preferential Negotiation Rights Agreement (Note 1) (Note 2)

Counterparty	Tokyo Capital Management Co., Ltd. (“TCM”) (Note 3)
Name of Mezzanine Bonds subject to the Preferential Negotiation Rights agreement	No. 1 Class A Unsecured Bonds and No. 2 Class A Unsecured Bonds issued by Hanayashiki Godo Kaisha (the “GK”)
Major rights given	During the Subject Period (as stated below), in the case of commencing disposition activities for all or a part of the Mezzanine Bonds, the counterparty shall first notify SAR of the fact that it will commence such activities in writing (“Notice of Intention of Disposition”) prior to third parties. When SAR receives the Notice of Intention of Disposition, it may consider whether it desires to acquire the Mezzanine Bonds and its conditions in case it desires to acquire it.

	If SAR notifies TCM of its desire to acquire the Mezzanine Bonds within the prescribed period from the date of receipt of the Notice of Intention of Disposition, TCM and SAR shall negotiate in good faith towards coming to an agreement regarding basic terms and conditions of the disposition of the Mezzanine Bonds.	
Amount of the Mezzanine Bonds	No. 1 Class A Unsecured Bonds: 952.5 million yen No. 2 Class A Unsecured Bonds: 347.5 million yen Total: 1,300 million yen (excluding consumption tax, local consumption tax)	
Interest rate of the Mezzanine Bonds	Base rate+5.00% (Note 4)	
Contract date	June 30, 2025	
Subject Period	From June 30, 2025 to December 31, 2025 or the date separately agreed Provided, however, in the case where a part of the Mezzanine Bonds is partially dispositioned, the term shall be automatically extended for two years.	
Relationship between SAR / Asset Manager and the GK	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 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”)

(Note 1) SAR has no obligation to acquire the Mezzanine Bonds by signing the Preferential Negotiation Rights Agreement. Upon deciding to acquire, it will be necessary for SAR to take necessary internal procedures such as conducting necessary due diligence including obtaining real estate appraisals.

(Note 2) Upon signing the Preferential Negotiation Rights Agreement, SAR will not pay any consideration to the counterparty.

(Note 3) There is no related party status to report between SAR/the Asset Manager and TCM. Also, TCM is not an interested person, etc. under the Investment Trust Law but a sub-sponsor who has signed a “Comprehensive Support Agreement for Property Acquisitions and Product Management and Operations” with SAR and the Asset Manager.

(Note 4) The 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 (<https://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.

3. Structure of the Mezzanine Bonds

The scope of the Preferential Negotiation Rights agreement is circled in red line.

Hanayashiki Godo Kaisha		
<div>Underlying Assets</div> <div>MONday Apart UENO SHINOKACHIMACHI</div> <div>MONday Apart Premium ASAKUSA</div> <div>MONday Apart OSAKA NAMBA WEST</div> <div>GRAND MONday GINZA</div> <div>Appraisal Value</div> <div>Total 20,720 million yen</div>	Senior Loan	
	Mezzanine Bonds	<div>No. 1 Class A</div> <div>Unsecured Bonds</div> <div>TCM</div> <div>952.5 million yen</div>
		<div>No. 2 Class A</div> <div>Unsecured Bonds</div> <div>TCM</div> <div>347.5 million yen</div>
		Class B Bonds
	Silent Partnership Equity Interest	
	Capital	

*The Mezzanine Bonds are subordinated to senior loans in terms of interest payment and redemption of principal. On the other hand, in principle, interest payments and redemption of principal on the Mezzanine Bonds are to be made in priority over such payments on the Class B Bonds, the Silent Partnership Equity Interest and the Capital. In particular, with respect to redemption of principal, even if the value of underlying assets falls, the Capital, the Silent Partnership Equity Interest and the Class B Bonds will be first to incur a loss, and the Mezzanine Bonds will incur a loss only after the full principal amount of the Class B Bonds is impaired.

4. Overview of the Underlying Assets

< MONday Apart UENO SHINOKACHIMACHI >

Name of the Property	MONday Apart UENO SHINOKACHIMACHI
Location (residence indication)	1-27-11 Higashi-Ueno, Taito-ku, Tokyo
Nearest stations	An approximate 3-minute walk from "Shin-Okachimachi" station on the Toei Oedo Line and Tsukuba Express Line. An approximate 7-minute walk from "Naka-Okachimachi" station on the Tokyo Metro Hibiya Line.
Asset type	Hotel
Structure / no. of stories	RC / 10F (Note)
Site area	305.86 m ² (Note)
Total floor area	1,608.37 m ² (Note)
Construction date	June 12, 2020
Features	The 36-room hotel is accessible from 3 train stations, and is perfect base for sightseeing in Tokyo, as it has good access to popular sightseeing spots such as Ueno and Akihabara and other major facilities in Tokyo.

(Note) Based on the registry.

< MONday Apart Premium ASAKUSA >

Name of the Property	MONday Apart Premium ASAKUSA
Location (residence indication)	2-16-5, Nishi Asakusa, Taito-ku, Tokyo
Nearest stations	Approximate 3-minute walk from "Asakusa" station on the Tsukuba Express Line Approximate 6-minute walk from "Tawaramachi" station on the Tokyo Metro Ginza Line
Asset type	Hotel
Structure / no. of stories	RC / 14F (Note)
Site area	356.78 m ² (Note)
Total floor area	1,557.43 m ² (Note)
Construction date	February 9, 2024
Features	A newly built 25-room hotel which opened in July 2024. The rooms accommodate 5 to 8 guests, and in addition to being well-equipped for long-term stays, the hotel is ideally located within walking distance of popular tourist spots such as Senso-ji Temple and Kaminarimon, making it ideal for group and family travel.

(Note) Based on the registry.

< MONday Apart Premium OSAKA NAMBA WEST >

Name of the Property	MONday Apart Premium OSAKA NAMBA WEST
Location (residence indication)	3-1-14 Motomachi, Naniwa-ku, Osaka-shi, Osaka
Nearest stations	An approximate 7-minute walk from "Daikokucho" station on the Osaka Metro Midosuji Line and Yotsubashi Line. An approximate 8-minute walk from "Namba" station, which is served by multiple Osaka Metro lines and the Nankai Line.
Asset type	Hotel
Structure / no. of stories	RC / 10F (Note)
Site area	248.53 m ² (Note)
Total floor area	1,540.60 m ² (Note)
Construction date	January 15, 2020
Features	A 28-room hotel which opened in December 2024. All rooms are 30 to 50 square meters in size and may accommodate 5 to 7 guests. In addition to being well-equipped for long-term stays, the hotel is located within walking distance of Osaka Namba area which is one of Osaka's most popular entertainment districts, making it ideal for group and family travelers.

(Note) Based on the registry.

< GRAND MONday GINZA >

Name of the Property	GRAND MONday GINZA
Location (residence indication)	3-10-5 Hatchobori, Chuo-ku, Tokyo
Nearest stations	Approximate 3-minute walk from “Takaracho” station on the Toei Subway Asakusa Line Approximate 3-minute walk from “Hatchobori” station on the JR Keiyo Line and JR Musashino Line
Asset type	Hotel
Structure / no. of stories	S / 10F (Note)
Site area	370.80 m ² (Note)
Total floor area	2,760.11 m ² (Note)
Construction date	October 31, 2023
Features	The 45-room hotel opened on April 28, 2025. Positioned as a higher-end line of the existing “MONday” brand, all rooms are minimum 37 square meters in size and may accommodate up to 6 guests. It is located in a highly convenient area ideal for shopping and strolling in Ginza.

(Note) Based on the registry.

5. Outlook

There is no impact from the above signing of the Preferential Negotiation Agreement on the operating results of SAR.

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

This is an English translation of the announcement in Japanese dated June 30, 2025.

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