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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice concerning Redemption of Mezzanine Loan Debt

As stated in the press release dated December 20, 2018 entitled “Notice Concerning Acquisition of Mezzanine Loan Debt, -Star Asia Mezzanine Loan Debt Investment Series 3 (C Beneficiary Interest)-”, Star Asia Investment Corporation (“SAR”) has held in investment the Class C Beneficiary Interest (the “Class C Beneficiary Interest”) as a mezzanine loan debt investment. However, the Class C Beneficiary Interest held by SAR has recently been fully redeemed. Details are described below.

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

1. Overview of the Class C Beneficiary Interest

The Class C Beneficiary Interest is the subordinate portion of the trust established over the loan claim (non-recourse loan) towards GK CHK (the “GK”), with the collateral asset being the beneficial interest in trust (the “Collateral Asset”) with The Royal Garden Residence Shirokanedai as the main entrusted asset. SAR acquired on December 26, 2018 and continued to hold 126 million yen of the Class C Beneficiary Interest, based on the judgement that the certainty of principal repayment was high, the investment would bring about diversification of investment targets, dividend income (base rate +5%) would be gained with the effective use of own capital, and also given the expectation towards increase of distributable income.

<Overview of Class C Beneficiary Interest Structure (as of December 20, 2018)>

Operator: GK

GK		Trustee Shinsei Trust	
Collateral Asset The Royal Garden Residence Shirokanedai 1,850 million yen (Appraisal value) (note1)	[Borrowing] Non-recourse loan Approximately 1,207 million yen	[Lending] Non-recourse loan Approximately 1,207 million yen	(Class A-ABL Lender) Approximately 781 million yen Shinsei Bank
	(Equity) Silent partnership investment, etc.		(Class B-ABL Lender) Approximately 300 million yen Shinsei Bank
			(Class C Beneficiary Interest) 126 million yen SAR (note2)
			(Class D Beneficiary Interest) Approximately 0.01 million yen Shinsei Bank

(Note 1) The appraisal value as of December 1, 2018 is indicated.

(Note 2) The Class C Beneficiary Interest was acquired from Shinsei Bank on December 26, 2018.

For details regarding the Class C Beneficiary Interest described above, please refer to “Notice Concerning Acquisition of Mezzanine Loan Debt, Star Asia Mezzanine Loan Debt Investment Series 3 (C Beneficiary Interest)” announced on December 20, 2018.

2. Redemption of the Class C Beneficiary Interest

Given the sale of the Collateral Asset by the GK, the total amount of the loan claim towards the GK as the borrower has been fully prepaid to the trust beneficiaries of the trust established over the loan claim. Due to such prepayment, SAR has received a total amount equal to the amount of full redemption of the Class C Beneficiary Interest from the beneficiary of the trust established over the loan claim, together with accrued interest on such Class C Beneficiary Interest.

3. Future forecast

The impact of the redemption of the Class C Beneficiary Interest on the operating results is currently being examined. The forecast of operating results for the period ending July 2022 (February 1, 2022 to July 31, 2022) and the period ending January 2023 (August 1, 2022 to January 31, 2023) will be announced in the “(REIT) Financial Report for the Fiscal Period Ended January 31, 2022” expected to be announced on March 16, 2022.

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 C 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 discuss investment 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 February 25, 2022.
However, no assurance or warranties are given for the completeness or accuracy of this English translation.*