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For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
Representative: Atsushi Kato, Executive Officer
(Code: 3468)

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Notice Concerning Signing of Preferential Negotiation Rights Agreement for the Acquisition of Assets

Star Asia Investment Corporation (“SAR”) announces today that it has entered into preferential negotiation rights agreements for 12 hotel properties managed by Star Asia Group with each of the relevant Star Asia Group companies.

Details are as follows.

1. Reason for Signing of the Preferential Negotiation Rights Agreements

SAR has continued to expand its asset size through external growth founded on strong sponsor support from Star Asia Group. Today, SAR has decided to acquire 7 hotel properties managed by Star Asia Group, as we are steadily realizing external growth in order to achieve the target asset size of 300 billion yen which was an objective established within the mid-term business plan.

This time, in order to further expand the foundation of external growth, SAR has signed preferential negotiation rights agreements for 12 hotel properties managed by Star Asia Group. All of the hotels subject to the preferential negotiation rights agreements (hereinafter referred to as “Properties for which preferential negotiation rights have been obtained”) are located in good locations, and by entering into preferential negotiation rights agreements, SAR will be able to promote its external growth strategy and also expand alternatives for active management which is one of SAR’s strengths, such as by grasping the real estate property market cycle and conducting asset replacements.

Furthermore, in addition to the Properties for which preferential negotiation rights have been obtained this time, SAR has secured preferential negotiation rights for 2 student residence properties. By leveraging on the preferential negotiation rights for these 14 properties, SAR will continue to aim for further external growth in close cooperation with Star Asia Group going forward.

Note : This press release does not in any way constitute any part of an offering of securities for investment. This press release has been prepared for the purpose of announcing to the public certain matters relating to the decision of Signing of Preferential Negotiation Rights Agreement for the Acquisition of Assets of SAR, and not for the purpose of soliciting any investment, within or outside of Japan.
Additionally, this press release is not an offer of securities for sale in the United States. SAR’s securities have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. No offering or sale of securities in the United States will be made in connection with the above-mentioned transactions. This press release is not for publication, distribution, or release, directly or indirectly in or into the United States of America.

Summary of the Properties for which preferential negotiation rights have been obtained and the Preferential Negotiation Rights Agreements

(1) Properties for which preferential negotiation rights have been obtained.

No.	Name of the Property	Asset Type	Location	Price etc.
1	KOKO HOTEL Residence Asakusa Tawaramachi	Hotel	Taito-ku, Tokyo	Total Appraisal Value (Note) 57,600 million yen
2	KOKO HOTEL Residence Asakusa Kappabashi	Hotel	Taito-ku, Tokyo	
3	KOKO HOTEL Premier Kanazawa Korinbo	Hotel	Kanazawa-shi, Ishikawa	
4	KOKO HOTEL Nagoya Sakae	Hotel	Nagoya-shi, Aichi	
5	KOKO HOTEL Osaka Shinsaibashi	Hotel	Osaka-shi, Osaka	
6	KOKO HOTEL Premier Kumamoto	Hotel	Kumamoto-shi, Kumamoto	
7	MIMARU Tokyo Ginza East	Hotel	Chuo-ku, Tokyo	
8	MIMARU Tokyo Ueno East	Hotel	Taito-ku, Tokyo	
9	GATE STAY Premium Nihonbashi	Hotel	Chuo-ku, Tokyo	
10	GATE STAY Premium Ginza Shintomicho	Hotel	Chuo-ku, Tokyo	
11	MONday Apart Premium Ueno	Hotel	Taito-ku, Tokyo	
12	KOKO HOTEL Tsukiji Ginza	Hotel	Chuo-ku, Tokyo	

(Note) The Total Appraisal Value is the amount calculated as the total of the appraisal values stated in the appraisal reports obtained by Star Asia Group.

(2) Summary of the Preferential Negotiation Rights Agreement

Description of major rights	During the Subject Period (as defined below), in the case of commencing disposition activities for the Properties for which preferential negotiation rights have been obtained, the counterparty shall first notify SAR of the fact that it will commence such activities in writing in preference to third parties. When SAR receives such notice, it may consider whether or not it desires to acquire the Properties for which preferential negotiation rights have been obtained, and if it desires to acquire it, the counterparty must negotiate in good faith with SAR regarding basic terms and conditions of the sale.
Signing Date	August 7, 2023
Subject Period	From August 7, 2023 to the anniversary date 12 months later (Provided, however, that in the case where either the contract counterparty or SAR does not notify otherwise, this agreement will be automatically extended one year, and the same applies thereafter.)

- ✓ SAR has no obligation to acquire the Properties for which preferential negotiation rights have been obtained. Upon deciding whether or not to purchase, it will be necessary for SAR to take necessary internal procedures such as conducting necessary due diligence including obtaining real estate appraisals.
- ✓ Upon signing the preferential negotiation rights agreement, SAR will not pay any consideration to the counterparty.

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2. General Description of the Property

(1) KOKO HOTEL Residence Asakusa Tawaramachi

Name of the Property	KOKO HOTEL Residence Asakusa Tawaramachi	
Location	2-8-12, Kotobuki, Taito-ku, Tokyo	
Nearest station	Approximate 2-minute walk from “Tawaramachi” station on the Tokyo Metro Ginza Line Approximate 7-minute walk from “Asakusa” station on the Toei Subway Asakusa Line.	
Number of rooms	47	
Dates of completion	November 22, 2021	
Operator	FINO HOTELS CO.,LTD	
Features	The hotel is located in a town where there are various sightseeing spots such as the historic Sensoji temple and the modern symbolic Tokyo Sky Tree. It is equipped with kitchen facilities and laundry machines, and has guest rooms which can accommodate up to 6 guests, and is a hotel which can acquire group travel and family travel guests enjoying the traditional culture and a variety of shopping and gourmet spots.	

(2) KOKO HOTEL Residence Asakusa Kappabashi

Name of the Property	KOKO HOTEL Residence Asakusa Kappabashi	
Location	3-24-2, Nishiasakusa, Taito-ku, Tokyo	
Nearest station	Approximate 4-minute walk from “Asakusa” station on the Tsukuba Express Line Approximate 10-minute walk from “Tawaramachi” station on the Tokyo Metro Ginza Line. Approximate 10-minute walk from “Iriya” station on the Tokyo Metro Hibiya Line.	
Number of rooms	42	
Dates of completion	November 27, 2020	
Operator	FINO HOTELS CO.,LTD	
Features	The hotel is located in a town where there are various sightseeing spots such as the historic Sensoji temple and the modern symbolic Tokyo Sky Tree. It is equipped with kitchen facilities and laundry machines, and has guest rooms which can accommodate up to 6 guests, and is a hotel which can acquire group travel and family travel guests enjoying the traditional culture and a variety of shopping and gourmet spots.	

(3) KOKO HOTEL Premier Kanazawa Korinbo

Name of the Property	KOKO HOTEL Premier Kanazawa Korinbo	
Location	1-12-16, Korinbo, Kanazawa-shi, Ishikawa	
Nearest station	Approximate 1-minute walk from “Korinbo” bus stop on the Kanazawa Loop bus from “Kanazawa” station.	

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Number of rooms	207	
Dates of completion	April 30, 2013	
Operator	KOKO HOTELS Co., Ltd.	
Features	<p>The hotel is located in Korinbo, the center of Kanazawa which is the largest city in the Hokuriku region where “tradition” and “innovation” co-exists.</p> <p>The hotel is within walking distance from historical sightseeing spots such as Kenrokuen garden, the 21st Century Museum of Contemporary Art Kanazawa, and the Nagamachi Bukeyashiki (Samurai residence) district, and it is possible to acquire travelers enjoying history and culture.</p>	

(4) KOKO HOTEL Nagoya Sakae

Name of the Property	KOKO HOTEL Nagoya Sakae	
Location	3-15-21, Nishiki, Naka-ku, Nagoya-shi, Aichi	
Nearest station	Approximate 1-minute walk from “Sakae” station on the Subway Higashiyama Line and Subway Meijyo Line. Approximate 1-minute walk from “Sakae” station on the Meitetsu Seto Line.	
Number of rooms	204	
Dates of completion	February 28, 2003	
Operator	KOKO HOTELS Co., Ltd.	
Features	<p>The hotel is located in Sakae, Nagoya’s main downtown area.</p> <p>The hotel is within walking distance from Mirai Tower which is Nagoya’s landmark as well as Hisaya-Odori Park, and can acquire guest for business use and sightseeing use.</p>	

(5) KOKO HOTEL Osaka Shinsaibashi

Name of the Property	KOKO HOTEL Osaka Shinsaibashi	
Location	3-3-17, Minami Senba, Chuo-ku, Osaka-shi, Osaka	
Nearest station	Approximate 8-minute walk from “Shinsaibashi” station on the Osaka Metro Midosuji Line.	
Number of rooms	211	
Dates of completion	April 19, 2005	
Operator	KOKO HOTELS Co., Ltd.	
Features	<p>The hotel is located in Shinsaibashi which is Osaka’s representative downtown area. In addition to acquiring guests for sightseeing use, as the hotel has good access to Shin-Osaka and Umeda, it is also possible to acquire guests for business use.</p> <p>A sister store of a 1-Michelin-starred restaurant which has simultaneously acquired a Green Star is a tenant, and is</p>	

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	supporting the hotel's revenues.	
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(6) KOKO HOTEL Premier Kumamoto

Name of the Property	KOKO HOTEL Premier Kumamoto	
Location	3-20, Sakuramachi, Chuo-ku, Kumamoto-shi, Kumamoto	
Nearest station	Directly connected to Sakura Machi Kumamoto Bus Terminal Approximate 5-minute walk from "Karashimacho" station on the Kumamoto City Line.	
Number of rooms	205	
Dates of completion	September 9, 2019	
Operator	KOKO HOTELS Co., Ltd.	
Features	<p>The hotel is located at the "Sakuramachi Kumamoto" site which is Kumamoto city's landmark, and has good access to sightseeing spots such as Kumamoto Castle which is one of Japan's top 3 castles as well as Suizenji Jojuen Park which is a Momoyama-style stroll garden which has been designated as a national scenic spot and historical site, as well as to business centers, and can acquire guests for tourist use as well as business use. The building has luxurious exterior made under the concept of the brilliant and beautiful Kumamoto castle.</p>	

(7) MIMARU Tokyo Ginza EAST

Name of the Property	MIMARU Tokyo Ginza EAST	
Location	1-4-4, Shintomi, Chuo-ku, Tokyo	
Nearest station	Approximate 3-minute walk from "Shintomi-cho" station on the Tokyo Metro Yurakucho Line. Approximate 5-minute walk from "Takaracho" station on the Toei Subway Asakusa Line.	
Number of rooms	37	
Dates of completion	September 26, 2018	
Operator	COSMOS HOTEL MANAGEMENT Co., Ltd.	
Features	<p>The hotel is a family apartment type hotel which is accessible using 5 train lines and 5 stations, and is located within walking distance from Ginza which is one of the representative commercial districts in Japan and the Tsukiji Outer Market where one can enjoy Japanese food culture. A space design company has produced the hotel under the concept of Modern Japanism in a gorgeous traditional Japanese atmosphere.</p> <p>The hotel rooms are equipped with a kitchen and dining space, and can accommodate up to 6 guests, and can acquire users for mid- to long-term stay.</p>	

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(8) MIMARU Tokyo Ueno EAST

Name of the Property	MIMARU Tokyo Ueno EAST	
Location	4-26-3, Higashi Ueno, Taito-ku, Tokyo	
Nearest station	Approximate 3-minute walk from “Ueno” station on the JR Line.	
Number of rooms	56	
Dates of completion	July 18, 2018	
Operator	COSMOS HOTEL MANAGEMENT Co., Ltd.	
Features	<p>The hotel is a family apartment type hotel located at an approximate 3-minute walk from “Ueno” station. It has various types of rooms such as rooms with rooftop space, Japanese-style rooms, rooms with bunk beds and rooms with 4 single beds. The hotel rooms are equipped with a kitchen and dining space, and can accommodate up to 6 guests, and can acquire users for mid- to long-term stay.</p>	

(9) GATE STAY Premium Nihonbashi

Name of the Property	GATE STAY Premium Nihonbashi	
Location	4-1-5, Nihonbashi Honcho, Chuo-ku, Tokyo	
Nearest station	<p>Approximate 2-minute walk from “Shin-Nihonbashi” station on the JR Line.</p> <p>Approximate 5-minute walk from “Mitsukoshimae” station on the Tokyo Metro Ginza Line and Tokyo Metro Hanzomon Line.</p> <p>Approximate 6-minute walk from “Kanda” station on the JR Line.</p>	
Number of rooms	56	
Dates of completion	July 14, 2020	
Operator	JHAT Co., Ltd.	
Features	<p>The hotel is located at an approximate 2-minute walk from “Shin-Nihonbashi” station on the JR Line.</p> <p>The hotel rooms are fully equipped with laundry machines with dryers and vacuum cleaners, in addition to cooking facilities such as IH kitchens, microwave ovens, and rice cookers. Guests are able to use the hotel rooms as if they were at home immediately after arrival.</p>	

(10) GATE STAY Premium Ginza Shintomicho

Name of the Property	GATE STAY Premium Ginza Shintomicho	
Location	3-4-1, Irifune, Chuo-ku, Tokyo	
Nearest station	<p>Approximate 1-minute walk from “Shintomicho” station on the Tokyo Metro Yurakucho Line.</p> <p>Approximate 5-minute walk from “Tsukiji” station on the Tokyo Metro Hibiya Line.</p> <p>Approximate 6-minute walk from “Hatchobori” station on the JR Keiyo Line, Musashino Line and the Tokyo Metro Hibiya Line.</p>	

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Number of rooms	40	
Dates of completion	October 23, 2020	
Operator	JHAT Co., Ltd.	
Features	<p>The hotel is located at an approximate 1-minute walk from “Shintomicho” station on the Tokyo Metro Yurakucho Line.</p> <p>The hotel is comprised of mainly guest rooms for 3 to 4 guests, and the rooms are fully equipped with living facilities such as an IH kitchen and cooking utensils and laundry machines.</p>	

(11) MONday Apart Premium Ueno

Name of the Property	MONday Apart Premium Ueno	
Location	1-7-6, Kita Ueno, Taito-ku, Tokyo	
Nearest station	<p>Approximate 6-minute walk from “Iriya” station on the Tokyo Metro Hibiya Line.</p> <p>Approximate 10-minute walk from “Ueno” station on the JR Line.</p>	
Number of rooms	71	
Dates of completion	March 12, 2021	
Operator	JHAT Co., Ltd.	
Features	<p>The hotel is located at an approximate 6-minute walk from “Iriya” station on the Tokyo Metro Hibiya Line.</p> <p>The hotel is comprised of mainly guest rooms for 3-4 guests, and the rooms are fully equipped with living facilities such as an IH kitchen and cooking utensils and laundry machines. The restaurant serves freshly baked bread for breakfast.</p>	

(12) KOKO HOTEL Tsukiji Ginza

Name of the Property	KOKO HOTEL Tsukiji Ginza	
Location	6-8-8, Tsukiji, Chuo-ku, Tokyo	
Nearest station	<p>Approximate 5-minute walk from “Tsukiji” station on the Tokyo Metro Hibiya Line.</p> <p>Approximate 9-minute walk from “Higashi Ginza” station on the Tokyo Metro Hibiya Line and Toei subway Asakusa Line.</p>	
Number of rooms	188	
Dates of completion	December 15, 2020	
Operator	KOKO HOTELS Co., Ltd.	
Features	<p>The hotel is an accommodation-specialized hotel located at an approximate 5-minute walk from “Tsukiji” station.</p> <p>It is close to traditional sightseeing spots such as the Tsukiji Outer Market and the Tsukiji Hongwanji Temple, as well as Ginza area which is one of Japan’s representative commercial districts.</p>	

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Other press releases announced today

- Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units
- Notice Concerning Acquisition and Lease Contract with New Tenants, and Transfer, of Real Estate Beneficiary Interests in Trust
- Notice Concerning the Decision on the Transfer Date of Urban Park Gokokuji (the Asset)
- Notice Concerning Revision to Forecasts for Operating Results and Distribution for the 16th Fiscal Period Ending January 31, 2024 and Forecasts for Operating Results and Distribution for the 17th Fiscal Period Ending July 31, 2024
- Notice Concerning Debt Financing

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

This is an English translation of the announcement in Japanese dated August 7, 2023. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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