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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 Debt Financing

Star Asia Investment Corporation (“SAR”) announces today that it has decided to execute debt financing (the “Debt Financing”), as described below.

1. Details of the Debt Financing (Note1)

Term (Note 2)	Lenders	Borrowing amount	Interest rate (Note 5) (Note 6)	Date of borrowing	Borrowing method	Principal Repayment Date (Note 7)	Repayment method	Security
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note3)	3,750 million yen	Base interest rate (JPY 3M TIBOR) +0.60%	August 19, 2021	Borrowing based on the individual term loan agreement expected to be dated August 17, 2021 based on the basic agreement dated July 29, 2020 with Sumitomo Mitsui Banking Corporation as agent.	August 19, 2026	Lump sum repayment on principal repayment date (Note8)	Unsecured and Unguaranteed
	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 4)	3,250 million yen	Base interest rate (JPY 3M TIBOR) +0.80%			August 21, 2028		

(Note 1) This information is based on the notice on results of consideration regarding the Debt Financing issued by the arrangers. However, it does not guarantee that the actual financing will be conducted as described above, because the lenders should go through financing examination.

(Note 2) Short-term borrowings refer to borrowings due within one year. Long-term borrowings refer to borrowings where

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Additionally, this press release is not an offer of securities for sale in the United States. The securities referred to herein 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 This press release is not for publication, distribution or release, directly or indirectly in or into the United States of America.

the period up to the repayment date is one year or more. The same applies hereinafter for short-term borrowings and long-term borrowings.

- (Note 3) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., The Bank of Yokohama, Ltd., and The Minato Bank, Ltd.
- (Note 4) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., and The Minato Bank, Ltd.
- (Note 5) Financing fees and other charges payable to the lenders are not included.
- (Note 6) The first interest payment date is September 30, 2021, and thereafter, interest payment dates shall fall on the last day of every 3 months and on the principal repayment date. However, if such date is a non-business day, the interest payment date shall be the immediately following business day, or if such date falls in the next month, the interest payment date shall be the immediately preceding business day. For borrowings with floating interest rates, the base interest rate applicable to the calculation period for payment of interest on any given interest payment date is the three month interest rate for Japanese Yen as announced by JBA TIBOR Administration at 11 a.m. (Tokyo time, the same applies hereinafter) or at the point of time after 11 a.m. and as close to 11 a.m. as possible, on the date which is two business days prior to the immediately preceding interest payment date (or two business days before the drawdown date for the first interest payment date). However, if there is no base rate that corresponds to an interest calculation period, the base rate will be calculated by the formula set forth in the individual term loan agreements. For Japanese Yen TIBOR announced by the JBA TIBOR Administration which is used as the base interest rate, please confirm in the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/english/>). SAR will consider fixing interest rate payments by an arrangement such as interest rate swaps for the Debt Financing.
- (Note 7) If the principal repayment date is a non-business day, the repayment date shall be the immediately following business day; however, if such date falls in the next month, repayment date shall be the immediately preceding business day.
- (Note 8) If certain conditions, such as advance notification in writing by SAR, are met during the period between the date of borrowing and the principal repayment date, SAR may prepay the borrowed amounts either in whole or in part prior to maturity.
- (Note 9) Certain financial covenants, such as stipulating that certain financial figures should be maintained based on assets and liabilities, are expected to be established for the Debt Financing.

2. Reason for the Debt Financing

To be allocated to the payment of a part of the acquisition funds and related expenses for the real estate beneficiary interests in trust for 7 properties (total anticipated acquisition price: 12,965 million yen) described as Assets to be Acquired in the “Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and entering into Lease Contracts” announced today. SAR will consider fixing interest rate payments by an arrangement such as interest rate swaps for the Debt Financing to improve stability of its financial foundation.

3. Total amount of funds to be procured by the Debt Financing, use of funds and schedule of expenditure

(1) Amount of funds to be procured

7,000 million yen in total

(2) Specific use of funds to be procured and schedule of expenditure

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Specific use of funds	Amount	Schedule of Expenditure
To be allocated to the payment of a part of the acquisition funds and related expenses for the real estate beneficiary interests in trust for 7 properties (total anticipated acquisition price: 12,965 million yen) described as Assets to be Acquired as stated in Section 2 above.	7,000 million yen	August 19, 2021

4. Status of Borrowings etc. after the Debt Financing

(Unit: million yen)

	Before the Debt Financing	After the Debt Financing	Change
Short-term borrowings	2,150	2,150	—
Long-term borrowings	80,290	87,290	7,000
Total borrowings	82,440	89,440	7,000
Investment corporation bonds	—	—	—
Total borrowings and Investment corporation bonds	82,440	89,440	7,000
Other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	82,440	89,440	7,000

5. Future Outlook

As a result of the Debt Financing, there will be certain changes made to the assumptions for the forecasts for operating results described in “(REIT) Financial Report for Fiscal Period Ended January 31, 2021” announced on March 16, 2021. For further details, please refer to “Notice Concerning Revision to Forecasts for Operating Results for the 12th Fiscal Period Ending January 31, 2022 and Forecasts for Operating Results and Distribution for the 13th Fiscal Period Ending July 31, 2022” announced today.

6. Other matters required for investors to appropriately understand and evaluate the above information

With respect to the risks pertaining to the repayment of the Debt Financing, etc., there are no changes to the descriptions in “Part II. Reference Information / II. Information Supplementary to Reference Documents / 3. Investment Risks” of the Securities Registration Statement submitted today (August 2, 2021).

<Reference>

Other press releases announced today

- Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units
- Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and entering into Lease Contracts
- Notice Concerning Revision to Forecasts for Operating Results for the 12th Fiscal Period Ending January 31, 2022 and Forecasts for Operating Results and Distribution for the 13th Fiscal Period Ending July 31, 2022

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

This is an English translation of the announcement in Japanese dated August 2, 2021. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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