

August 7, 2023

For Immediate Release

Real Estate Investment Trust Securities Issuer  
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(Code: 3468)

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### Notice Concerning Debt Financing

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

#### 1. Details of the Debt Financing (Note 1)

##### (1) Method of Borrowing:

Borrowings under individual term loan agreements scheduled to be signed on August 30, 2023 with the lenders described below.

Term (Note 2)	Lenders	Borrowing amount (million yen) (Note 3)	Interest rate (Note 4) (Note 5)		Date of borrowing	Principal Repayment Date (Note 6)	Repayment method (Note 7)	Security
Short-term borrowings	Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd.	1,300 (Note 8)	Floating	Base interest rate (JPY 3M TIBOR) +0.20%	September 1, 2023	August 30, 2024	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 9)	9,200	Floating	Base interest rate (JPY 3M TIBOR) +0.65%	September 1, 2023	February 28, 2029	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

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Term (Note 2)	Lenders	Borrowing amount (million yen) (Note 3)	Interest rate (Note 4) (Note 5)		Date of borrowing	Principal Repayment Date (Note 6)	Repayment method (Note 7)	Security
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 10)	12,000	Floating	Base interest rate (JPY 3M TIBOR) +0.80%	September 1, 2023	August 30, 2030	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

(2)Method of Borrowing:

Borrowing under individual term loan agreement scheduled to be signed on November 29, 2023 with the lenders described below.

Term (Note 2)	Lenders	Borrowing amount (million yen)	Interest rate (Note 4) (Note 11)		Date of borrowing	Principal Repayment Date (Note 6)	Repayment method (Note 7)	Security
Long-term borrowings	Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd.	3,200	Floating	Base interest rate (JPY 3M TIBOR) +0.45%	December 1, 2023	May 31, 2027	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

(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 thorough financing examination.

(Note 2) Short-term borrowings refer to borrowings due within one year. Long-term borrowings refer to borrowings where the period up to the repayment date is more than one year. The same applies hereinafter.

(Note 3) This is the amount expected to be borrowed as of today, and the amount may be changed by the time of final execution of the borrowing, following consideration of the net proceeds etc. to be received as described in the separate announcement today entitled "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units".

(Note 4) Financing fees and other charges payable to the lenders are not included.

(Note 5) The first interest payment date is September 29, 2023, 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

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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 on the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/english/>). SAR will consider fixing interest rate payments by interest rate swap agreements for the Debt Financing.

- (Note 6) 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 7) 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 8) The loan is scheduled to be repaid prior to maturity during the fiscal year ending July 31, 2024, due to the refund of consumption tax, etc.
- (Note 9) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Limited., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Chiba Bank, Ltd., The Juhachi-Shinwa Bank, Ltd., The Asahi Shinkin Bank, The Musashino Bank, Ltd., and The Yamagata Bank, Ltd.
- (Note 10) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Limited., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Kiyo Bank, Ltd., San ju San Bank, Ltd., The Juhachi-Shinwa Bank, Ltd., The Asahi Shinkin Bank, and The Musashino Bank, Ltd.
- (Note 11) The first interest payment date is December 29, 2023, 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 on the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/english/>). SAR may consider fixing interest rate payments by interest rate swap agreements for the Debt Financing.
- (Note 12) 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 acquisition of the real estate beneficiary interests in trust for 8 properties to be acquired on September 1, 2023 (total anticipated acquisition price: 46,143 million yen) and of the real estate beneficiary interests in trust for 3 properties to be acquired on December 1, 2023 (total anticipated acquisition price: 3,048 million yen) (Total:

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49,191 million yen) described as Assets to be Acquired in the “Notice Concerning Acquisition and Lease Contract with New Tenants, and Transfer, of Real Estate Beneficiary Interests in Trust” 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

25,700 million yen in total

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

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 8 properties to be acquired on September 1, 2023 (expected acquisition price: 46,143 million yen) described as Assets to be Acquired as stated in Section 2 above.	22,500 million yen	September 1, 2023
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 3 properties to be acquired on December 1, 2023 (expected acquisition price: 3,048 million yen) described as Assets to be Acquired as stated in Section 2 above.	3,200 million yen	December 1, 2023

4. Status of Borrowings etc. after the Debt Financing

(Unit: million yen)

	Before the Debt Financing	After the Debt Financing	Change
Short-term borrowings	—	1,300	1,300
Long-term borrowings	95,840	120,240	24,400
Total borrowings	95,840	121,540	25,700
Investment corporation bonds	1,000	1,000	—
Total interest-bearing liabilities	96,840	122,540	25,700

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, 2023” announced on March 16, 2023. For further details, please refer to “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”

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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 7, 2023).

<Reference>

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 Signing of Preferential Negotiation Rights Agreement for the Acquisition of Assets

\*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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