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For Immediate Release

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

Asset Management Company
 Star Asia Investment Management Co., Ltd.
 Representative: Atsushi Kato
 President and CEO
 Contact: Akiko Kanno
 Director and CFO
 TEL: +81-3-5425-1340

Notice Concerning Debt Financing (Change to Borrowing Amount)

Star Asia Investment Corporation (“SAR”) announces today that with respect to the debt financing announced in the press release dated August 7, 2023 entitled “Notice Concerning Debt Financing” (hereinafter referred to as the “Debt Financing”), it has decided to change the borrowing amount as described below.

1. Change to the Debt Financing

(1) Increase in the borrowing amount

Regarding the Debt Financing announced in the “Notice Concerning Debt Financing” dated August 7, 2023, the total borrowing amount will be increased from JPY 25,700 million yen to JPY 26,300 million yen.

(2) Reason for the Change

It has been decided to increase the borrowing amount, because the amount procured by the issue of new investment units as announced in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated August 7, 2023 has been fixed, and such amount was lower than the initially expected amount.

(3) Details of the Debt Financing after the Change

There are no changes other than the increase in the borrowing amount. The parts that were changed are underlined.

1. Method of Borrowing: Borrowings under individual term loan agreements (Contract date: August 30, 2023) from the lenders described below.

Term (Note 1)	Lenders	Borrowing amount (million yen)	Interest rate (Note 2) (Note 3)	Date of borrowing	Principal Repayment Date (Note 4)	Repayment method (Note 5)	Security
Short-term borrowings	Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd.	1,300 (Note 6)	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

Term (Note 1)	Lenders	Borrowing amount (million yen)	Interest rate (Note 2) (Note 3)		Date of borrowing	Principal Repayment Date (Note 4)	Repayment method (Note 5)	Security
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 7)	(Before change) <u>9,200</u> (After change) <u>9,730</u>	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
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 8)	(Before change) <u>12,000</u> (After change) <u>12,070</u>	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 (Expected contract date: November 29, 2023) from the lenders described below.

Term (Note 1)	Lenders	Borrowing amount (million yen)	Interest rate (Note 2) (Note 9)		Date of borrowing	Principal Repayment Date (Note 4)	Repayment method (Note 5)	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) "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 one year or more. The same applies below.

(Note 2) Financing fees and other charges payable to the lenders are not included.

(Note 3) 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 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 4) 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 5) 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 6) The loan is scheduled to be repaid prior to maturity during the fiscal year ending July 31, 2024, by applying the refund of consumption tax, etc.
- (Note 7) 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 8) 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 Kiyu Bank, Ltd., San ju San Bank, Ltd., The Juhachi-Shinwa Bank, Ltd., The Asahi Shinkin Bank, and The Musashino Bank, Ltd.
- (Note 9) 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 10) 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. Total amount of funds to be procured by the Debt Financing, use of funds and schedule of expenditures

(1) Amount of funds to be procured

26,300 million yen in total

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

There are no changes other than the increase in the borrowing amount. The parts that were changed are underlined.

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) .	(Before change) <u>22,500</u> million yen (After change) <u>23,100</u> million yen	September 1, 2023
To be allocated to the payment of a part of the acquisition funds and related expenses for	3,200 million yen	December 1, 2023

the real estate beneficiary interests in trust for 3 properties to be acquired on December 1, 2023 (expected acquisition price: 3,048 million yen).		
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3. Status of Borrowings etc. after the Debt Financing

(Unit: million yen)

	Before the Debt Financing	After the Debt Financing	Increase/Decrease
Short-term borrowings	—	1,300	1,300
Long-term borrowings	95,840	120,840	25,000
Total borrowings	95,840	122,140	26,300
Investment corporation bonds	1,000	1,000	—
Total of borrowings and investment corporation bonds	96,840	123,140	26,300

4. Future outlook

The impact of the change to the Debt Financing on SAR's operating results is immaterial, and there are no changes to the forecasts of operating results for the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) and the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024) which were announced by SAR in the "Notice Concerning Revision to Forecasts for Operating Results 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" on August 7, 2023. The brief report on closing of accounts for the fiscal year ended July 31, 2023 (February 1, 2023 to July 31, 2023) is expected to be announced on September 13, 2023.

5. Other matters necessary for investors to appropriately understand and evaluate the above information.

In conjunction with the risks pertaining to the change to the Debt Financing, there are no changes to "Part II. Reference Information / II. Information Supplementary to Reference Documents / 3. Investment Risks" stated in the Securities Registration Statement (Japanese only) submitted on August 7, 2023.

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

This is an English translation of the announcement in Japanese dated August 30, 2023. However, no assurance or warranties are given for the completeness or accuracy of this English translation.