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For Immediate Release

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

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

Notice Concerning Debt Financing and Repayment of Borrowings

Star Asia Investment Corporation (“SAR”) announces today it has decided on debt financing (the “Debt financing”) and repayment of existing borrowings, as described below.

1. Debt financing

(1) Details of Debt financing

Term	Lender	Borrowing amount (million yen)	Interest rate (Note 3) (Note 4)	Date of borrowing	Borrowing method	Maturity date (Note 5)	Repayment method	Security
Long-term (Note 1)	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	7,300	Base interest rate +0.45%	April 20, 2018	Borrowing based on the individual term loan agreement dated April 18, 2018 based on the basic agreement dated April 15, 2016 assuming Sumitomo Mitsui Banking Corporation as an agent.	October 20, 2021	Lump sum repayment on maturity date (Note 6)	Unsecured and unguaranteed

(Note 1) Long-term refers to borrowings due after one year. The same applies hereinafter.

(Note 2) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., Shinsei Bank, Limited, Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Dai-ichi Life Insurance Company, Limited. and Mizuho Trust & Banking Co., Ltd.

(Note 3) Financing fees and other charges to the lenders are not included.

(Note 4) The first interest payment date is May 20, 2018 and the following interest payment dates will be the 20th of every month thereafter and the principal repayment date. However, if such date is not a business day, the immediately following business day, or if such date falls on the next month, the immediately preceding business day are respectively set as the interest payment date. For borrowings with floating interest rates, the base interest rate applicable to the calculation period for interest to be paid on each interest payment date is the 1-month interest rate of the Japanese

Yen TIBOR 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 two business days immediately before each interest payment date (two business days before the drawdown date for the first interest payment date). However, in case the concerned interest rate is not announced for some reason or in case the period corresponding to the interest rate calculation period doesn't exist, the interest rate (annual rate) determined reasonably by Agent (Sumitomo Mitsui Banking Corporation). For Japanese Yen TIBOR announced by the JBA TIBOR Administration which is used as the base interest rate, please check with the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).

(Note 5) If a repayment date is not a business day, repayment shall be made on the next business day; however, if such date falls on the next month, repayment shall be made on the immediately preceding business day.

(Note 6) If certain requirements, such as advance notification in writing by SAR, are met during the period after implementing the Debt financing and by the maturity date, SAR is eligible to repay the borrowed amounts either in whole or in part prior to the maturity date.

(2) Reasons for Debt financing

To be allocated for the repayment of long-term debt described in Section 3 below

2. 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

7,300 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 for the repayment of long-term debt described in Section 3 below	7,300 million yen	April 20, 2018

3. Repayment of borrowings

Details of borrowings scheduled to be repaid on April 20, 2018 are as follows.

Term	Lender	Outstanding borrowings (million yen)	Interest rate	Date of borrowing	Final principal repayment date	Repayment method	Security
Long-term	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 1)	7,300	Base interest rate +0.30%	April 20, 2016	April 20, 2018	Lump sum repayment on maturity date	Unsecured and unguaranteed

(Note 1) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited., Mitsubishi UFJ Trust and Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited and Resona Bank, Limited.

4. Status of loans etc. after Debt financing and repayment

(Unit: million yen)

		Before the Borrowing and Repayment	After the Borrowing and Repayment	Change
	Short-term borrowings	—	—	—
	Long-term borrowings	43,230	43,230	—
	Total borrowings	43,230	43,230	—
	Investment corporation bonds	—	—	—
	Total borrowings and investment corporation bonds	43,230	43,230	—
	Other interest-bearing liabilities	—	—	—
	Total interest-bearing liabilities	43,230	43,230	—

5. Future Outlook The Debt Financing and Repayment is included in the assumptions underlying management status forecast announced in “Financial Report for Fiscal Period Ended January 31, 2018” dated March 16, 2018, and thus there are no revisions to the management status forecasts for the fiscal period ending July 2018 (February 1, 2018 to July 31, 2018) and for the fiscal period ending January 2019 (August 1, 2018 to January 31, 2019).

6. Other matters required for investors to appropriately understand and evaluate the above information
In conjunction with the risks pertaining to the repayment of the Debt financing, etc., there are no changes to “Part II. Reference Information /II. Information Supplementary to Reference Documents/3. Investment Risks” stated in the Securities Registration Statement submitted on January 12, 2018.

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