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For Immediate Release

Real Estate Investment Trust Securities Issuer
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(Code: 3468)

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Notice Concerning Debt Financing (Refinancing)

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

Term (Note 1)	Lender	Borrowing amount	Interest rate (Note 5) (Note6)	Date of borrowing	Borrowing method	Principal Repayme nt Date (Note 7)	Repayment method	Security
short-term	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	2,150 million yen	Base interest rate (Japanese Yen 1M TIBOR) +0.20%	August 31, 2020	Borrowing based on the individual term loan agreement expected to be dated August 27, 2020 based on the basic agreement dated July 29, 2020 between Sumitomo Mitsui Banking Corporation as agent.	August 31, 2021	Lump sum repayment on principal repayment date (Note8)	Unsecured and Unguaranteed

long-term	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 3)	500 million yen	Base interest rate (Japanese Yen 3M TIBOR) +0.45%	August 31, 2020	Borrowing based on the individual term loan agreement planned to be dated August 27, 2020 based on the basic agreement dated July 29, 2020 between Sumitomo Mitsui Banking Corporation as an agent.	February 29, 2024	Lump sum repayment on principal repayment (Note8)	Unsecured and Unguaranteed
long-term	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 4)	8,250 million yen	Base interest rate (Japanese Yen 3M TIBOR) +0.60%	August 31, 2020	Borrowing based on the individual term loan agreement planned to be dated August 27, 2020 based on the basic agreement dated July 29, 2020 between Sumitomo Mitsui Banking Corporation as an agent.	August 29, 2025	Lump sum repayment on principal repayment date (Note8)	Unsecured and Unguaranteed

(Note 1) Short-term borrowings refers to borrowings where the period up to the repayment date is less than one year, and long-term borrowings refers to borrowings where 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 2) The syndicate of lenders consists of Shinsei Bank, Limited, The Bank of Fukuoka, Ltd., and Resona Bank, Limited.

(Note 3) The syndicate of lenders consists of The Bank of Fukuoka, Ltd.

(Note 4) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Aozora Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, The Nishi-Nippon City Bank, Ltd., and Resona Bank, Limited.

(Note 5) Financing fees and other charges payable to the lenders are not included.

(Note 6) The first interest payment date is September 30, 2020, and thereafter, interest payment dates are the last day of each month and the principal repayment date for loans with base interest rates of JPY 1 month TIBOR, and the last day of every 3 months and the principal repayment date for loans with base interest rates of JPY 3 month TIBOR. 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, for borrowings with a base interest rate of JPY 1 month TIBOR, the one month interest rate, and for borrowings with a base interest rate of JPY 3 month TIBOR, the three month interest rate, respectively, of the Japanese Yen TIBOR 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 Japanese Yen TIBOR corresponding to an interest rate calculation period does not exist in the above mentioned display of Japanese Yen TIBOR, either the interest rate displayed for the period which is shorter than and nearest to the relevant period and the interest rate displayed for the period which is longer than and nearest to the relevant period, whichever is higher, shall be applied. 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/>). SAR will consider fixing interest rate payments by arrangements such

as interest rate swaps for long-term borrowings within the Debt Financing.

- (Note 7) If a principal 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 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. Reasons for Debt Financing

The proceeds from the Debt Financing will be appropriated to repayments for the long-term borrowings of JPY 6,000 million and the short-term borrowings of JPY 4,900 million which are to mature on August 31, 2020. For details of the long-term borrowings, please refer to the press release announced by Sakura Sogo REIT Investment Corporation (see Note) on September 9, 2006 entitled “Notice Concerning Execution of Debt Financing (Japanese only. No English translation available)”, and for details of the short-term borrowings, please refer to the press release announced by Sakura Sogo REIT Investment Corporation (see Note) on February 18, 2020 entitled “Notice Concerning Debt Financing (Refinancing)” (Japanese only. No English translation available). (The Debt Financing together with repayments of the existing borrowings shall hereinafter be referred to as the “Refinancing”).

(SAR seeks to improve the soundness of its financial base by the Debt Financing and considering fixing of interest-rate payments by entering into the interest rate swap agreements for its long-term borrowings within the Debt Financing.

- (note) SAR has succeeded the debts of Sakura Sogo REIT Investment Corporation (“SSR”) following the execution of an absorption-type merger effective August 1, 2020, whereby SAR was the surviving company and SSR was the dissolving company.

3. 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

10,900 million yen in total

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

Specific use of funds	Amount million yen	Schedule of Expenditures
To be allocated to repayment of the Existing Loans stated in Section 2 above.	10,900	August 31, 2020

4. Status of Borrowings etc. after the Refinancing

(Unit: million yen)

	Before the Refinancing	After the Refinancing	Change
Short-term borrowings	4,900	2,150	-2,750
Long-term borrowings	78,620	81,370	2,750
Total borrowings	83,520	83,520	—
Investment corporation bonds	—	—	—
Total borrowings and Investment corporation bonds	83,520	83,520	—
Other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	83,520	83,520	—

5. Future outlook

The impact of the Refinancing on the operating results is insignificant, and the impact on the forecast of operating results for the fiscal period ending January 31, 2021 (August 1, 2020 to January 31, 2021) which was announced by SAR in the “Notice Concerning the Forecast of Operating Results and Distributions Subsequent to the Merger of Star Asia Investment Corporation and Sakura Sogo REIT Investment Corporation for the Fiscal Periods Ending January 31, 2021 and July 31, 2021” dated March 2, 2020 and in the “(REIT) Financial Report for Fiscal Period Ended January 31, 2020” dated March 13, 2020 is minimal, and there are no changes to the forecast.

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, there are no changes to “Part 1. Fund Information, I. Overview of the Fund, 3. Investment Risks” stated in the securities report (Japanese only) submitted on April 28, 2020.

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

This is an English translation of the announcement in Japanese dated August 25, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.