

April 12, 2019

For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
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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 on debt financing (the “Debt Financing”), as described below.

1. Details of the 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)	8,000	Base interest rate +0.60%	April 22, 2019	Borrowing based on the individual term loan agreement planned to be dated April 18, 2019 based on the basic agreement dated April 15, 2016 between Sumitomo Mitsui Banking Corporation as an agent.	April 22, 2024	Lump sum repayment on maturity date (Note6)	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. 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, 2019 and following interest payment dates are 20th of every month thereafter and the principal repayment date (maturity 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 is 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 one

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 reasons, the interest rate (annual rate) determined reasonably by the agent (Sumitomo Mitsui Banking Corporation) shall be used, or in case the period corresponding to the first interest rate calculation period or the interest rate calculation period does not exist, base rate corresponding to the concerned period and calculated based on methods determined in the contracts shall be used. 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 an arrangement such as interest rate swaps for long-term borrowings out of the Debt Financing.

- (Note 5) 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 6) If certain conditions, such as advance notification in writing by SAR, are met during the period between the date of borrowing and the maturity date, SAR is eligible to repay the borrowed amounts either in whole or in part prior to the maturity date.
- (Note 7) Financial covenants, such as stipulating that certain financial figures should be maintained based on assets and liabilities, are expected to be set for the Debt Financing.

2. Reasons for Debt Financing

The Debt Financing shall be allocated to the repayment of long-term borrowings totaling 7,300 million yen which will mature on April 20, 2019 (as April 20, 2019 is not a business day, April 22, 2019, the immediately following business day, will be the actual maturity date) announced in the press release titled “Notice Concerning Execution of Debt Financing and Establishment of Interest Rate Swaps” dated April 20, 2016 and the repayment of short-term borrowings totaling 700 million yen which will mature on April 22, 2019 announced in the press release titled “Notice Concerning Debt Financing” dated January 24, 2019. (The Debt Financing and the concerned repayment of existing borrowings are collectively referred to as the “Refinancing.”)

SAR seeks to improve the soundness of its financial base by extending borrowing periods through the Refinancing and considering fixing of interest-rate payments for the Debt Financing through interest rate swap agreements, etc.

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

8,000million yen in total

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

Specific use of funds	Amount million yen	Schedule of Expenditure
To be allocated to repaying the Existing Loan. stated in Section 2 above.	7,300	April 22, 2019
	700	
Total	8,000	

4. Status of Loans etc. after Debt Financing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Change
Short-term borrowings	1,160	460	-700
Long-term borrowings	50,880	51,580	700
Total borrowings	52,040	52,040	0
Investment corporation bonds	—	—	—
Total borrowings and Investment corporation bonds	52,040	52,040	0
Other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	52,040	52,040	0

5. Future outlook Since the impact of the Refinancing for operating results for the fiscal period ending July 2019 (February 1, 2019 to July 31, 2019) and January 2020 (August 1, 2019 to January 31, 2020) announced in “Financial Report for Fiscal Period Ended January 31, 2019 (REIT)” dated March 15, 2019 is minimal, 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 semiannual securities report (Japanese only) on October 30, 2018.

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