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For Immediate Release

Real Estate Investment Trust Securities Issuer  
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Notice Concerning Establishment of Interest Rate Swaps

Star Asia Investment Corporation (SAR) announces today the establishment of interest rate swaps (the “Establishment of Interest Rate Swaps”) concerning a part of long-term borrowing among borrowings described in “Notice Concerning Debt Financing” dated January 12, 2018, as described below. Moreover, please refer to the press release mentioned above for the details of borrowing which the Establishment of Interest Rate Swaps was made for.

1. Reason for establishment

SAR intends to fix interest rate payments and hedge the risk of interest rate fluctuation pertaining to the borrowings under individual term loan agreements concluded on January 31, 2018 as described in “2. Details of the established swaps” below.

2. Details of the established swaps

<Borrowings which interest rate swap agreements were concluded for>

Term	Lender	Borrowing amount (million yen)	Interest rate	Date of borrowing	Borrowing method	Maturity date	Repayment method	Security
Long-term Borrowing (Note1)	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	4,690	Base interest rate + 0.60%	February 2, 2018	Borrowing based on individual term loan agreement dated January 31, 2018 based on basic agreement dated April 15, 2016 assuming Sumitomo Mitsui Banking Corporation as agent	February 20, 2023	Lump sum repayment on maturity date	Unsecured and unguaranteed

(Note 1) Long-term refers to borrowings due after one year.

(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 The Bank of Fukuoka Ltd.

(1) Interest rate swap agreement in connection with Long-term Borrowing

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	4,690 million yen
Interest rate	Fixed interest rate payable: 0.13 % Floating interest rate receivable: JBA 1 month yen TIBOR
Commencement date	March 20, 2018
Termination date	February 20, 2023
Interest payment dates	The first interest payment will be April 20, 2018, and subsequent interest payments will be the 20th of every month.

(Note 1) The interest rate for Long-term Borrowing will be effectively fixed at 0.73% with the conclusion of this interest rate swap agreement in connection with the Long-term Borrowing.

3. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

In conjunction with the risks pertaining to the Early Repayment, etc. there are no changes to “Part II. Reference Information /II. Information Supplementary to Reference Documents/3. Investment Risks, 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/>