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For Immediate Release

Real Estate Investment Trust Securities Issuer  
Star Asia Investment Corporation  
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(Code: 3468)

Asset Management Company  
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### Notice Concerning of Debt Financing

Star Asia Investment Corporation (SAR) announces today it has decided on debt financing (the “Borrowing”), as described below.

#### 1. Details of Borrowing

(1) Lender	Sumitomo Mitsui Banking Corporation	Mizuho Bank, Ltd.
(2) Borrowing amount	300,000,000 yen	300,000,000 yen
(3) Interest rate	Base interest rate + 0.2% (Note 1) (Note 2)	
(4) Date of borrowing	February 1, 2017	
(5) Borrowing method	Borrowing based on individual term loan agreement dated January 30, 2017 based on a basic agreement dated April 15, 2016 assuming Sumitomo Mitsui Banking Corporation as agent.	
(6) Maturity date	April 20, 2017	
(7) Repayment method	Lump sum repayment on maturity date (Note 3)	
(8) Security	Unsecured and unguaranteed	

(Note 1) The first interest payment date is March 21, 2017 and the second (final) interest payment date is April 20, 2017.

(Note 2) Base interest rate applicable to the calculation period of interest to be paid on each interest payment date is the 1 month interest rate among the Japanese Yen TIBOR announced by JBA TIBOR Administration at 11 a.m. or at a point of time after 11 a.m. and close to 11 a.m. as possible on the date on which the interest rate is determined during the concerned calculation period for each interest (two business days prior to the date when individual loan is implemented for the first interest payment date and two business days prior to each interest payment date which is the first day during the concerned interest calculation period for the second interest payment date and after). However, in case the concerned interest rate is not announced for some reason, base rate corresponding to the concerned period and calculated based on methods determined in the contracts will be used. For the base interest rate Japanese Yen TIBOR announced by the JBA TIBOR Administration, please check with the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).

(Note 3) If certain requirements, such as advance notification in writing by SAR, are met during the period after implementing borrowings indicated above and before 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 Borrowing

To be allocated for the acquisition trust beneficiary interest in trust (Property name: Urban Park Gokokuji, planned acquisition price: 1,460 million yen) described in “Notice Concerning Acquisition and Transfer of Real Estate Beneficiary Interests in Trust” announced on December 5, 2016 and partial repayment of acquisition-related expenses.

3. Total amount to be procured, use of funds and schedule of expenditure

(1) Amount to be procured

600,000,000 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 acquisition of trust beneficiary interest in trust (Property name: Urban Park Gokokuji) and partial repayment of acquisition-related expenses	600 million yen	February 1, 2017

4. Status of Loans etc. after Borrowing

(Unit: million yen)

	Before Borrowing	After Borrowing	Change
Short-term borrowings (Note)	1,000	1,600	600
Long-term borrowings (Note)	29,200	29,200	0
Total borrowings	30,200	30,800	600
Investment corporation bonds	—	—	—
Total borrowings and Investment corporation bonds	30,200	30,800	600
Other liabilities	—	—	—
Total liabilities	30,200	30,800	600

(Note) Short-term borrowings refer to borrowings due within one year, and long-term borrowings refer to borrowings due within one year or more.

5. Future Outlook

There are no revisions to operating results forecasts as the impact of the Borrowing on SAR's operating results forecasts for the fiscal period ending July 31, 2017 (February 1, 2017 - July 31, 2017) announced on December 5, 2016 is minimal.

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 Borrowing, etc., there are no changes to "Part 1. Fund Information, I. Overview of the Fund, 3. Investment Risks" stated in the Securities Registration Statement submitted on October 28, 2016.

\* This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

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