

October 14, 2020

For Immediate Release

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

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

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 4) (Note 5)	Date of borrowing	Borrowing method	Principal Repayme nt Date (Note 6)	Repayment method	Security
long-term borrowing (1)	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	400 million yen	Base interest rate (Japanese Yen 1M TIBOR) +0.20%	October 20, 2020	Borrowing based on the individual term loan agreement expected to be dated October 16, 2020 based on the basic agreement dated July 29, 2020 with Sumitomo Mitsui Banking Corporation as agent.	October 29, 2021	Lump sum repayment on principal repayment date (Note7)	Unsecured and Unguaranteed

long-term borrowing (2)	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 3)	3,600 million yen	Base interest rate (Japanese Yen 3M TIBOR) +0.60%	October 20, 2020	Borrowing based on the individual term loan agreement expected to be dated October 16, 2020 based on the basic agreement dated July 29, 2020 with Sumitomo Mitsui Banking Corporation as an agent.	October 31, 2025	Lump sum repayment on principal repayment (Note7)	Unsecured and Unguaranteed
-------------------------	---	-------------------	---	------------------	--	------------------	---	----------------------------

(Note 1) Long-term borrowings refers to borrowings where the period up to the repayment date is one year or more. The same applies hereinafter for long-term borrowings.

(Note 2) The syndicate of lenders arranged by Resona Bank, Limited.

(Note 3) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited and Aozora Bank, Ltd.

(Note 4) Financing fees and other charges payable to the lenders are not included.

(Note 5) The first interest payment date for long-term borrowing (1) is October 30, 2020, and the first interest payment date for long-term borrowing (2) is November 30, 2020. 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, for the calculation of interest for the first interest period (and also including the final interest period with respect to long-term borrowing (2) of the Debt Financing), the higher interest rate of either (i) the rate of interest indicated for an interest period which is nearest to and shorter than the relevant interest calculation period, and (ii) the rate of interest indicated for an interest period which is nearest to and longer than the relevant interest calculation period 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/>).

(Note 6) 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 7) 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 8) 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 Refinancing will be appropriated to repayment of a total of JPY 4,000 million in debt, consisting of the JPY 2,400 million long-term loan referred to in the announcement on March 30, 2017 entitled "Notice Concerning Debt Financing" due for repayment on October 20, 2020, and the JPY 1,000

million and JPY 600 million long-term loans referred to in the announcement on April 20, 2017 entitled “Notice Concerning Debt Financing and Repayment” due for repayment on October 20, 2020. (The Debt Refinancing and the repayment of the existing loans shall hereinafter be referred to as the “Refinancing”.)

Of the Debt Financing, with respect to long-term borrowing (2), SAR intends to fix the interest payments by entering into interest rate swap agreements etc. in order to enhance stability of its financial base.

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

4,000 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.	4,000	October 20, 2020

4. Status of Borrowings etc. after the Refinancing

(Unit: million yen)

	Before the Refinancing	After the Refinancing	Change
Short-term borrowings	2,150	2,150	—
Long-term borrowings	81,370	81,370	—
Total borrowings	83,520	83,520	—
—	—	—	—
Total borrowings and Investment corporation bonds	83,520	83,520	—
—	—	—	—
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) and the fiscal period ending July 31, 2021 (February 1, 2021 to July 31, 2021) which was announced by SAR in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2020” dated September 14, 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 October 14, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.