

March 2, 2020

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 Debt Financing

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

Borrowing based on the individual term loan agreement scheduled to be dated March 2, 2020, based on the basic agreement dated April 15, 2016 under which Sumitomo Mitsui Banking Corporation acts as agent.

Term	Lenders	Borrowing amount (million yen)	Interest rate (Note 2) (Note 3)	Date of borrowing	Maturity date (Note 4)	Repayment method (Note 5) (million yen)	Security
Long-term (Note 1)	Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd.	3,460	Base interest rate +0.20%	March 13, 2020	March 22, 2021	Repayment in installments: (1) July 20, 2020 Repayment amount: 720 (2) December 21, 2020 Repayment Amount: 1,080 (3) March 22, 2021 Repayment amount: Remaining balance	Unsecured and Unguaranteed

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

(Note 2) Financing fees and other charges to the lenders are not included.

(Note 3) The first interest payment date is April 20, 2020 and subsequent interest payment dates are the 20th day of every month thereafter and the principal repayment date (maturity date). However, if such date is not a business day, the interest payment date shall be the immediately following business day, or if such date falls on the following month, the immediately preceding business day. 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 a point in time after 11 a.m. which is 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 reason, the interest rate (annual rate) determined reasonably by each lender 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, the base rate corresponding to the concerned periods as calculated based on methods prescribed 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 refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).

- (Note 4) 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 5) 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 may repay the borrowed amounts either in whole or in part prior to the maturity date.
- (Note 6) Certain financial covenants 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

To be allocated for a part of the acquisition price and acquisition-related expenses of real estate beneficiary interests in trust (Anticipated acquisition price: 3,240 million yen) described in “Notice Concerning Acquisition and Transfer (5th Asset Replacement) of Real Estate Beneficiary Interests in Trust” announced today.

## 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

3,460 million 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 a part of the acquisition price and acquisition-related expenses of real estate beneficiary interests in trust (Anticipated acquisition price: 3,240 million yen) stated in Section 2 above.	3,460 million yen	March 13, 2020

## 4. Status of Loans etc. after Debt Financing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Change
Short-term borrowings	—	—	—
Long-term borrowings	51,580	55,040	3,460
Total borrowings	51,580	55,040	3,460
Investment corporation bonds	—	—	—
Total borrowings and Investment corporation bonds	51,580	55,040	3,460
Other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	51,580	55,040	3,460

(Note) A portion of the Debt Financing (1,800 million yen) has a repayment due date of less than 1 year.

5. 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, 2019.

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

<For Reference>

Other press releases etc. disclosed dated today.

- Notice Concerning Conclusion of a Merger Agreement between Star Asia Investment Corporation and Sakura Sogo REIT Investment Corporation
- Notice Concerning Split of Investment Units
- 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
- Notice Concerning Acquisition and Transfer (Asset Replacement) of Real Estate Beneficiary Interests in Trust
- Notice Concerning Acquisition of Mezzanine Loan Debt – Acquisition of Domestic Assets (Star Asia Mezzanine Loan Debt Investment Series 5 (B Beneficiary Interest))
- Notice Concerning Revision to Forecast for Operating Results and Distributions for the 8th Fiscal Period ending January 31, 2020 and for the 9th Fiscal Period ending July 31, 2020
- Notice Concerning Partial Amendment to the Management Guidelines of the Asset Manager
- Supplementary Explanatory Material Regarding Press Releases dated today (March 2)

*This is an English translation of the announcement in Japanese dated March 2, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*