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For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
Representative: Atsushi Kato, Executive officer

(Code: 3468)

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Notice Concerning Establishment of Interest Rate Swap

Star Asia Investment Corporation (“SAR”) announces today the establishment of an interest rate swap (the “Establishment of Interest Rate Swap”) concerning long-term borrowings described in “Notice Concerning Debt Financing (refinancing)” dated April 10, 2020, as described below. Moreover, please refer to the press release mentioned above for the details of borrowing for which the Establishment of Interest Rate Swap was performed.

1. Reason for establishment

SAR intends to fix interest rate payments and hedge the risk of interest rate fluctuation pertaining to the borrowings under an individual term loan agreement concluded (Scheduled) on April 16, 2020 as described in “2. Details of the established swap” below.

2. Details of the established swap

(1) Borrowing for which an interest rate swap agreement was concluded

Term (Note 1)	Lender	Borrowing amount (million yen)	Interest rate	Date of borrowing	Borrowing method	Maturity date	Repayment method	Security
Long-term	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	7,300	Base interest rate +0.60%	April 20, 2020	Borrowing based on the individual term loan agreement planned to be dated April 16, 2020, based on the basic agreement with Sumitomo Mitsui Banking Corporation as an agent dated April 15, 2016.	April 21, 2025	Lump sum repayment on maturity date	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, Shinsei Bank, Limited, Resona Bank, Limited. and Aozora Bank, Ltd.,

(2) Details of interest rate swap agreement

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	7,300 million yen
Interest rate (Note)	Fixed interest rate payable: 0.15875% Floating interest rate receivable: JBA 1-month yen TIBOR
Commencement date	April 20, 2020
Termination date	April 21, 2025
Interest payment dates	The first interest payment will be May 20, 2020, and subsequent interest payments will be the 20th of every month.

(Note) The interest rate for long-term borrowing will be effectively fixed at 0.75875% with the conclusion of the Establishment of Interest Rate Swap.

3. Future outlook

Since the impact of the Establishment of Interest Rate Swap on the operating results for the fiscal period ending July 2020 (February 1, 2020 to July 31, 2020) and January 2021 (August 1, 2020 to January 31, 2021) announced in “Financial Report for Fiscal Period Ended January 31, 2020 (REIT)” dated March 13, 2020 is minimal, there are no changes to the forecast.

4. Other matters required for investors to appropriately understand and evaluate the above information.

In conjunction with the risks pertaining to the Establishment of Interest Rate Swap, 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/>

This is an English translation of the announcement in Japanese dated April 13, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.