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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Debt Financing (Refinancing)

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

Term	Lender	Borrowing amount	Interest rate (Note 3) (Note 4)	Date of borrowing	Borrowing method	Maturity date (Note 5)	Repayment method	Security
long-term (Note 1)	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	7,300 million yen	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 dated April 15, 2016 between Sumitomo Mitsui Banking Corporation as an agent.	April 21, 2025	Lump sum repayment on maturity date (Note6)	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.,

(Note 3) Financing fees and other charges to the lenders are not included.

(Note 4) The first interest payment date is May 20, 2020 and following interest payment dates are 20th of every month thereafter and the principal repayment date (maturity date). However, if such date is not a business day, the immediately following business day, or if such date falls on the next month, the immediately preceding business day is respectively set as the interest payment date. 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 the point of time after 11 a.m. and 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 reasons, the interest rate (annual rate) determined reasonably by the agent (Sumitomo Mitsui Banking Corporation) 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, base rate corresponding to the concerned period and calculated based on methods determined 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 check with the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>). SAR will consider fixing interest rate payments by an arrangement such as interest rate swaps for long-term borrowings out of the Debt Financing.

- (Note 5) 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 6) 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 is eligible to repay the borrowed amounts either in whole or in part prior to the maturity date.
- (Note 7) Financial covenants, such as 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

The Debt Financing shall be allocated to the repayment of long-term borrowings totaling 7,300 million yen which will mature on April 20, 2020 announced in the press release titled “Notice Concerning Execution of Debt Financing and Establishment of Interest Rate Swaps” dated April 20, 2016. (The Debt Financing and the concerned repayment of existing borrowings are collectively referred to as the “Refinancing.”)

SAR seeks to improve the soundness of its financial base by the Refinancing and considering fixing of interest-rate payments for the Debt Financing through interest rate swap agreements, etc.

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

7,300million yen in total

(2) Specific use of funds to be procured and schedule of expenditure

Specific use of funds	Amount million yen	Schedule of Expenditure
To be allocated to repaying the Existing Loan. stated in Section 2 above.	7,300	April 20, 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	55,040	55,040	55,040
Total borrowings	55,040	55,040	55,040
Investment corporation bonds	—	—	—
Total borrowings and Investment corporation bonds	55,040	55,040	55,040
Other interest-bearing liabilities	—	—	—
Total interest-bearing liabilities	55,040	55,040	55,040

5. Future outlook Since the impact of the Refinancing for 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.
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 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 10, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.