

August 19, 2024

For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation

Representative: Atsushi Kato, Executive Officer

(Code: 3468)

Asset Management Company

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Notice Concerning Debt Financing (Green Loans)

Star Asia Investment Corporation (“SAR”) announces today that it has decided to execute a debt financing (the “Debt Financing”) as described below. A part of the Debt Financing is to be executed by green loans based on the Green Finance Framework (the “Framework”) formulated by SAR.

1.Details of the Debt Financing (Note 1)

Method of Borrowing: Borrowings under individual term loan agreements scheduled to be signed on August 28, 2024 with the lenders described below.

Term (Note 2)	Lenders	Borrowing amount (million yen) (Note 3)	Interest rate (Note 4)		Date of borrowing	Principal Repayment Date (Note 7)	Repayment method (Note 8)	Security
Short-term borrowings	Sumitomo Mitsui Banking Corporation	1,200	Floating	Base interest rate (JPY 1M TIBOR) +0.20% (Note 5)	August 30, 2024	January 31, 2025 (Note 9)	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed
Short-term borrowings	Sumitomo Mitsui Banking Corporation	800	Floating	Base interest rate (JPY 1M TIBOR) +0.20% (Note 5)	August 30, 2024	August 29, 2025 (Note 10)	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

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Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 11) (Green Loan) (Note 13)	7,440	Floating	Base interest rate (JPY 3M TIBOR) +0.60% (Note 6)	August 30, 2024	August 30, 2029	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 12) (Green Loan) (Note 13)	8,200	Floating	Base interest rate (JPY 3M TIBOR) +0.75% (Note 6)	August 30, 2024	February 28, 2031	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

(Note 1) This information is based on the notice on results of consideration regarding the Debt Financing issued by the lender or arrangers. However, it does not guarantee that the actual financing will be conducted as described above, because the lenders should go thorough financing examination.

(Note 2) Short-term borrowings refer to borrowings due within one year. Long-term borrowings refer to borrowings where the period up to the repayment date is more than one year. The same applies hereinafter.

(Note 3) This is the amount expected to be borrowed as of today, and the amount may be changed by the time of final execution of the borrowing, following consideration of the net proceeds etc. to be received through the public offering as described in the separate announcement today entitled "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units."

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

(Note 5) The first interest payment date is September 30, 2024, and thereafter, interest payment dates shall fall on the last day of every 1 month and on the principal repayment date. 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 the one-month TIBOR for Japanese Yen 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, if there is no base rate that corresponds to an interest calculation period, the base rate will be calculated by the formula set forth in the individual term loan agreements. For Japanese Yen TIBOR announced by the JBA TIBOR Administration, which is used as the base interest rate, please confirm on the JBA TIBOR Administration website (<https://www.ibatibor.or.jp/english/>). SAR may consider fixing interest rate payments by interest rate swap agreements for the Debt Financing.

(Note 6) The first interest payment date is September 30, 2024, and thereafter, interest payment dates shall fall on the last day of every 3 months and on the principal repayment date. 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

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date is the three-month TIBOR for Japanese Yen 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, if there is no base rate that corresponds to an interest calculation period, the base rate will be calculated by the formula set forth in the individual term loan agreements. For Japanese Yen TIBOR announced by the JBA TIBOR Administration, which is used as the base interest rate, please confirm on the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/english/>). SAR may consider fixing interest rate payments by interest rate swap agreements for the Debt Financing.

- (Note 7) If the principal repayment date is a non-business day, the repayment date shall be the immediately following business day; however, if such date falls in the next month, repayment date shall be the immediately preceding business day.
- (Note 8) 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 9) The loan is scheduled to be repaid prior to maturity during the fiscal period ending January 31, 2025, due to the proceeds from the sale of the properties.
- (Note 10) The loan is scheduled to be repaid prior to maturity during the fiscal period ending July 31, 2025, due to the refund of consumption tax, etc.
- (Note 11) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Limited., Sumitomo Mitsui Trust Bank, Limited., Resona Bank, Limited., The Kiyo Bank, San ju San Bank, Ltd., The Juhachi-Shinwa Bank, Ltd., The Yamagata Bank, Ltd., The Hokuriku Bank, Ltd., Kansai Mirai Bank, Limited, The Gunma Bank, Ltd. and Suruga Bank Ltd.
- (Note 12) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Limited., Sumitomo Mitsui Trust Bank, Limited., Resona Bank, Limited., The Bank of Fukuoka, Ltd., San ju San Bank, Ltd., The Ogaki Kyoritsu Bank, Ltd., and Kansai Mirai Bank, Limited, The Gunma Bank and Suruga Bank Ltd.
- (Note 13) The borrowings are to be made as financing of funds required to acquire assets which satisfy the green eligibility criteria under the Framework. For details of the Framework, please refer to the "Green Finance Framework" page on SAR's website.
(<https://starasia-reit.com/en/esg/greenfinance.html>)
- (Note 14) Certain financial covenants, such as stipulating that certain financial figures should be maintained based on assets and liabilities, are expected to be provided for the Debt Financing.

2.Reason for the Debt Financing

To be allocated to the payment of a part of the acquisition funds and related expenses for acquisition of the real estate beneficiary interests in trust for 4 properties to be acquired on August 30, 2024 (total anticipated acquisition price: 34,700 million yen) described as Assets to be Acquired in the "Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and Lease Contract with New Tenants" announced today and to the reduced cash on hand due to the acquisition of the Asset to be Acquired (Real Estate Properties etc.), as announced in the "Notice Concerning Acquisition of Real Estate Beneficiary Interest in Trust and Mezzanine Loan Debt, and Transfer of Real Estate Beneficiary Interests in Trust (11th Asset Replacement)" dated August 2, 2024.

SAR may consider fixing interest rate payments by an arrangement such as interest rate swaps for the Debt Financing to improve stability of its financial foundation.

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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

17,640 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 to the payment of a part of the acquisition funds and related expenses for the real estate beneficiary interests in trust for 4 properties to be acquired on August 30, 2024 (expected acquisition price: 34,700 million yen) described as Assets to be Acquired and to the reduced cash on hand due to the acquisition of the Asset to be Acquired (Real Estate Properties etc.) which is acquired in August 16, 2024, as stated in Section 2 above.	17,640 million yen	August 30, 2024

4.Status of Borrowings etc. after the Debt Financing

(Unit: million yen)

	Before the Debt Financing	After the Debt Financing	Change
Short-term borrowings	1,000	2,200	1,200
Long-term borrowings	119,840	136,280	16,440
Total borrowings	120,840	138,480	17,640
Investment corporation bonds	1,000	1,000	—
Total borrowings and Investment corporation bonds	121,840	139,480	17,640

5.Future Outlook

As a result of the Debt Financing, there will be certain changes made to the assumptions for the forecasts for operating results for the 18th fiscal period ending January 31, 2025 (August 1, 2024 to January 31, 2025) described in “(REIT) Financial Report for Fiscal Period Ended January 31, 2024” announced on March 15, 2024. For further details, please refer to “Notice Concerning Revision to Forecasts for Operating Results and Distribution for the 17th Fiscal Period Ended July 31, 2024 and Revision to Forecasts for Operating Results for the 18th Fiscal Period Ending January 31, 2025 and Forecasts for Operating Results and Distribution for the 19th Fiscal Period Ending July 31, 2025” announced today.

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

With respect to the risks pertaining to the repayment of the Debt Financing, etc., there are no changes to the descriptions in “Part II. Reference Information / II. Information Supplementary to Reference Documents / 3. Investment Risks” of the Securities Registration Statement submitted today (August 19, 2024).

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<Reference>

Other press releases announced today

- Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units
- Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and Lease Contract with New Tenants
- Notice Concerning Revision to Forecasts for Operating Results and Distribution for the 17th Fiscal Period Ended July 31, 2024 and Revision to Forecasts for Operating Results for the 18th Fiscal Period Ending January 31, 2025 and Forecasts for Operating Results and Distribution for the 19th Fiscal Period Ending July 31, 2025

*SAR HP URL: <https://starasia-reit.com/en/>

This is an English translation of the announcement in Japanese dated August 19, 2024. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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