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For Immediate Release

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Notice Concerning Debt Financing (Change to Borrowing Amount)

Star Asia Investment Corporation (“SAR”) announces today that with respect to the debt financing announced in the press release dated August 19, 2024 entitled “Notice Concerning Debt Financing (Green Loans)” (hereinafter referred to as the “Debt Financing”), it has decided to change the borrowing amount as described below (hereinafter referred to as the “Change”).

1. Change to the Debt Financing

(1) Increase in the borrowing amount

Regarding the Debt Financing announced in the “Notice Concerning Debt Financing (Green Loans)” dated August 19, 2024, the total borrowing amount will be increased from JPY 17,460 million yen to JPY 19,040 million yen.

(2) Reason for the Change

It has been decided to increase the borrowing amount, because the amount procured by the issue of new investment units as announced in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated August 19, 2024 has been fixed, and such amount was lower than the initially expected amount.

(3) Details of the Debt Financing after the Change

There are no changes other than the increase in the borrowing amount. The parts that were changed are underlined.

Method of Borrowing: Borrowings under individual term loan agreements signed today from the lenders described below

Term (Note 1)	Lenders	Borrowing amount (million yen)	Interest rate (Note 2)		Date of borrowing	Principal Repayment Date (Note 5)	Repayment method (Note 6)	Security
Short-term borrowings	Sumitomo Mitsui Banking Corporation	1,200	Floating	Base interest rate (JPY 1M TIBOR) +0.20% (Note 3)	August 30, 2024	January 31, 2025 (Note 7)	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 3)	August 30, 2024	August 29, 2025 (Note 8)	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 9) (Green Loan) (Note 11)	(Before change) <u>7,440</u> (After change) <u>8,840</u>	Floating	Base interest rate (JPY 3M TIBOR) +0.60% (Note 4)	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 10) (Green Loan) (Note 11)	(Before change) 8,200	Floating	Base interest rate (JPY 3M TIBOR) +0.75% (Note 4)	August 30, 2024	February 28, 2031	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

(Note 1) “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 one year or more. The same applies below.

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

(Note 3) 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 4) 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 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.ibatibor.or.jp/english/>). SAR may consider fixing interest rate payments by interest rate swap agreements for the Debt Financing.

(Note 5) 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 6) 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 7) 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 8) 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 9) 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 10) 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 11) 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 12) 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 on August 2024 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.

## 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

19,040 million yen in total

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

There are no changes other than the increase in the borrowing amount. The parts that were changed are underlined.

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.	<p>(Before change) <u>17,640</u> million yen</p> <p>(After change) <u>19,040</u> million yen</p>	August 30, 2024

4. Status of Borrowings etc. after the Debt Financing

(Unit: million yen)

	Before the Debt Financing	After the Debt Financing	Increase/Decrease
Short-term borrowings	1,000	3,000	2,000
Long-term borrowings	119,840	136,880	17,040
Total borrowings	120,840	139,880	19,040
Investment corporation bonds	1,000	1,000	—
Total of borrowings and investment corporation bonds	121,840	140,880	19,040

5. Outlook

The impact of the change to the Debt Financing on SAR's operating results is immaterial, and there are no changes to the forecasts of operating results for the fiscal period ending January 31, 2025 (August 1, 2024 to January 31, 2025) and the fiscal period ending July 31, 2025 (February 1, 2025 to July 31, 2025) which were announced by SAR in the "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" on August 19, 2024. The brief report on closing of accounts for the fiscal year ended July 31, 2024 (February 1, 2024 to July 31, 2024) is scheduled to be announced on September 13, 2024.

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

In conjunction with the risks pertaining to the change to the Debt Financing, there are no changes to "Part II. Reference Information / II. Information Supplementary to Reference Documents / 3. Investment Risks" stated in the Securities Registration Statement (Japanese only) submitted on August 19, 2024.

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

*This is an English translation of the announcement in Japanese dated August 28, 2024. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*