

May 27, 2022

For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
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(Code: 3468)

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Notice Concerning Debt Financing (Refinancing)

Star Asia Investment Corporation (“SAR”) announces today that it has decided to execute debt financing (the “Debt Financing”), as described below.

1. Details of the Debt Financing

Method of Borrowing: Borrowing under individual term loan agreements from the lenders described below.
(Contract date: May 27, 2022)

Term (Note 1)	Lenders	Borrowing amount	Interest rate (Note 3)		Date of borrowing	Principal Repayment Date (Note 5)	Repayment method	Security
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	2,100 million yen	Fixed	0.87375 % (Note 4)	May 31, 2022	May 31, 2027	Lump sum repayment on principal repayment date (Note 6)	Unsecured and Unguaranteed

(Note 1) Borrowings with a repayment period of 1 year or less are classified as “short-term” and borrowings with repayment periods exceeding 1 year are classified as “long-term”. The same applies below.

(Note 2) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited., Aozora Bank, Ltd., and The Kiyo Bank, Ltd.

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

(Note 4) The first interest payment date is August 31, 2022, and thereafter, interest payment dates shall fall on the last day of each 3 month, and on the principal repayment date. However, if such day is a non-business day, the interest payment date shall be the immediately following business day, or if such day falls in the next month, the interest payment date shall be the immediately preceding business day.

(Note 5) If the principal repayment date is a non-business day, repayment shall be made on the next following business day; however, if such date falls in 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 principal repayment date, SAR may prepay the borrowed amounts either in whole or in part

prior to maturity.

- (Note 7) Certain financial covenants, such as stipulating that certain financial figures should be maintained based on assets and liabilities, are established for the Debt Financing.

2. Reason for the Debt Financing

The proceeds from the Debt Refinancing will be appropriated to the repayment of the JPY 1,600 million long-term borrowing and the JPY 500 million short-term borrowing each to mature on May 31, 2022. With respect to the JPY 1,600 million long-term borrowing, please refer to the press release disclosed by Sakura Sogo REIT Investment Corporation dated May 24, 2019 entitled “Notice Concerning Borrowing” and May 30, 2019 entitled “Notice Concerning Determination of Interest Rate on Borrowings”, and with respect to the JPY 500 million short-term borrowing, please refer to the press release by SAR dated March 16, 2022 entitled “Notice Concerning Debt Financing (Refinancing)”. (The Debt Financing and the relevant repayments of existing borrowings are collectively referred to as the “Refinancings”).

(Note) Due to the absorption-type merger executed on August 1, 2020, where SAR was the juridical person surviving the absorption-type merger, and Sakura Sogo REIT Investment Corporation was the investment corporation extinguished in the absorption-type merger, SAR has assumed the liabilities under the relevant borrowing of Sakura Sogo REIT Investment Corporation.

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

JPY 2,100 million 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 repayment of the existing borrowings stated in Section 2 above.	2,100 million yen	May 31, 2022

4. Status of Borrowings etc. after the Refinancing

(Unit: million yen)

	Before the Refinancing	After the Refinancing	Change
Short-term borrowings	500	—	-500
Long-term borrowings	88,140	88,140	500
Total borrowings	88,640	88,640	—
Investment corporation bonds	1,000	1,000	—
Total interest-bearing liabilities	89,640	89,640	—

5. Future Outlook

The impact of the Refinancing on the forecast of operating results for the fiscal period ending July 31, 2022 (February 1, 2022 to July 31, 2022) and the fiscal period ending January 31, 2023 (August 1, 2022 to January 31, 2023) has already been reflected in the “(REIT) Financial Report for Fiscal Period Ended January 31, 2022” which SAR announced on March 16, 2022.

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

Concerning 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 securities report (Japanese only) submitted on April 27, 2022.

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

This is an English translation of the announcement in Japanese dated May 27, 2022. However, no assurance or warranties are given for the completeness or accuracy of this English translation.