

March 16, 2022

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 to execute debt financing (the “Debt Financing”), as described below.

1. Details of the Debt Financing

Method of Borrowings: Borrowings under individual term loan agreements from the lenders described below.  
(Scheduled contract date: March 17, 2022)

Term (Note 2)	Lenders	Borrowing amount	Interest rate (Note 4)		Expected Date of borrowing	Principal Repayment Date (Note 7)	Repayment method	Security
Short-term borrowings	Sumitomo Mitsui Banking Corporation	250 million yen	Floating	Base interest rate (JPY 1M TIBOR) +0.20% (Note 5)	March 22, 2022	May 31, 2022	Lump sum repayment on principal repayment date (Note 9)	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	250 million yen						
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 3)	3,500 million yen	Fixed	(To be determined) (Note 6)		May 31, 2027		

(Note 1) This information is based on the notice on results of consideration regarding the Debt Financing issued by the arrangers. However, it does not guarantee that the actual financing will be conducted as described above, because the lenders need to go through prescribed screening procedures.

(Note 2) 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”.

(Note 3) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Shinsei Bank, Limited., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., Resona Bank, Limited, and The Bank of Fukuoka,

Ltd.

- (Note 4) Financing fees and other charges payable to the lenders are not included.
- (Note 5) The first interest payment date is April 28, 2022, and thereafter, interest payment dates shall fall on the last day of each 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. For Japanese Yen TIBOR announced by the JBA TIBOR Administration which is used as the base interest rate, please confirm in the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/>).
- (Note 6) These interest rates will be determined on or before the anticipated borrowing date based on the individual term loan agreements expected to be signed on March 17, 2022. The interest rates will be announced as soon as they are determined. These first interest payment date is May 31, 2022, and thereafter, interest payment dates shall fall on the last day of every 3 months 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 7) If the principal repayment date is not a 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 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) Certain financial covenants, such as stipulating that certain financial figures should be maintained based on assets and liabilities, are expected to be established for the Debt Financing.

## 2. Reason for the Debt Financing

The proceeds from the Debt Refinancing will be appropriated to repayment of JPY 4,000 million long-term loan referred to in the announcement made on August 21, 2018 entitled “Notice Concerning Debt Financing” due for repayment on March 22, 2022. (The Debt Financing and the repayment of the existing borrowings shall hereinafter be referred to collectively as the “Refinancing”.)

## 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 4,000 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.	4,000 million yen	March 22, 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	88,640	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 today.

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 October 28, 2021.

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