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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Debt Financing (Change to Borrowing Amount)
and Establishment of Interest Rate Swap

Star Asia Investment Corporation (“SAR”) announces today that with respect to the debt financing announced in the press release dated August 1, 2022 entitled “Notice Concerning Debt Financing (Green Loan)” (hereinafter referred to as the “Debt Financing”), it has decided to change the borrowing amount as described below.

Furthermore, with respect to such borrowing, it has been decided to establish the interest rate swap (hereinafter referred to as “Interest Rate Swap”) as described below.

1. Change to the Debt Financing

(1) Increase in the borrowing amount

Regarding the Debt Financing announced in the “Notice Concerning Debt Financing (Green Loan)” dated August 1, 2022, the total borrowing amount will be increased from JPY 7,000 million yen to JPY 7,200 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 1, 2022 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.

Method of Borrowing: Borrowing under individual term loan agreement (Expected contract date: August 16, 2022) from the lenders described below.

Term (Note 1)	Lenders	Borrowing amount (million yen)	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 (Green Loan) (Note 2)	7,200	Floating	Base interest rate (JPY 3M TIBOR) +0.60% (Note 4)	August 18, 2022	August 31, 2027	Lump sum repayment on principal repayment date (Note 6)	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) 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 Chiba 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 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 interest rate 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 will fix 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) 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.

(4) Total amount of funds to be procured by the Debt Financing, use of funds and schedule of expenditure

i. Amount of funds to be procured

7,200 million yen in total

ii. Specific use of funds to be procured and schedule of expenditures

There are no changes other than the increase in the borrowing amount.

Specific use of funds	Amount	Schedule of Expenditure
To be appropriated to a part of the purchase proceeds (expected purchase price of JPY 9,500 million yen) for the real estate trust beneficial interest for 1 property expected to be acquired as announced in the “Notice Concerning Acquisition of Real Estate Beneficiary Interests in Trust and entering into Lease Contracts” dated on August 1, 2022, and the payment of related miscellaneous expenses.	7,200 million yen	August 18, 2022

(5) Status of Borrowings etc. after the Debt Financing

(Unit: million yen)

	Before the Debt Financing	After the Debt Financing	Increase/Decrease
Short-term borrowings	—	—	—
Long-term borrowings	88,640	95,840	7,200
Total borrowings	88,640	95,840	7,200
Investment corporation bonds	1,000	1,000	—
Total of borrowings and investment corporation bonds	89,640	95,840	7,200

2. Establishment of Interest Rate Swap

(1) Reason for establishment

The interest rate swap has been established in order to fix interest rate payments and hedge interest rate fluctuation risks pertaining to the borrowing under an individual term loan agreement concluded on August 16, 2022 as described above under “1. Change to the Debt Financing (3) Details of the Debt Financing after the Change.”

(2) Details of interest rate swap agreement

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	7,200 million yen
Interest rate (Note)	Fixed interest rate payable: 0.27215% Floating interest rate receivable: JBA 3-month yen TIBOR
Commencement date	August 18, 2022
Termination date	August 31, 2027
Interest payment dates	The first interest payment date shall be August 31, 2022, and subsequently every 3 months at the end of the month.

(Note) Given the establishment of the Interest Rate Swap, the interest rate for the long-term borrowing will be effectively fixed at 0.87215 %.

3. Future outlook

The impact of the change to the Debt Financing and establishment of the Interest Rate Swap 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, 2023 (August 1, 2022 to January 31, 2023) and the fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) which were announced by SAR in the “Notice Concerning Revision

to Forecasts for Operating Results for the 14th Fiscal Period Ending January 31, 2023 and Forecasts for Operating Results and Distribution for the 15th Fiscal Period Ending July 31, 2023” on August 1, 2022. The brief report on closing of accounts for the fiscal year ended July 31, 2022 (February 1, 2022 to July 31, 2022) is expected to be announced on September 13, 2022.

4. 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 1, 2022.

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