

August 31, 2022

For Immediate Release

Real Estate Investment Trust Securities Issuer  
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### Notice Concerning Establishment of Interest Rate Swaps

Star Asia Investment Corporation (“SAR”) announces today the establishment of interest rate swap agreements (the “Establishment of Interest Rate Swap”) for the long-term borrowings described in the “Notice Concerning Debt Financing (Refinancing)” dated August 26, 2022, as described below.

Please refer to the press release mentioned above for details of the borrowings for which the Establishment of Interest Rate Swaps were executed.

1. Reason for establishment

The interest rate swaps have been established in order to fix interest rate payments and hedge interest rate fluctuation risks pertaining to the borrowings under an individual term loan agreement concluded on August 29, 2022 as described under “2. Details of the established swaps” below.

2. Details of the established swaps

(1) Borrowings for which the interest rate swap agreements were concluded

Method of Borrowings: Borrowings under individual term loan agreements signed on August 29, 2022 with the lenders described below.

Term (Note 1)	Lenders	Borrowing amounts	Interest Rates		Expected Date of Borrowing	Principal Repayment Date	Repayment Method	Security
Long-term borrowings	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	3,100 million yen	Floating	Base interest rate (JPY 3M TIBOR) +0.45 %	August 31, 2022	April 30, 2026	Lump sum repayment on principal repayment date	Unsecured and Unguaranteed

A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	2,500 million yen	Floating	Base interest rate (JPY 3M TIBOR) +0.60 %	August 31, 2027
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(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”.

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

(2) Details of interest rate swap agreements

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	3,100 million yen
Interest rate (Note)	Fixed interest rate payable: 0.24990% Floating interest rate receivable: JBA 3-month yen TIBOR
Commencement date	August 31, 2022
Termination date	April 30, 2026
Interest payment dates	The first interest payment date will be November 30, 2022, and subsequent interest payment dates will be every 3 months at the end of the month.

(Note) Given the establishment of the Interest Rate Swaps, the interest rate for the relevant borrowing will be effectively fixed at 0.69990 %.

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional principal	2,500 million yen
Interest rate (Note)	Fixed interest rate payable: 0.29990% Floating interest rate receivable: JBA 3-month yen TIBOR
Commencement date	August 31, 2022
Termination date	August 31, 2027
Interest payment dates	The first interest payment date will be November 30, 2022, and subsequent interest payment dates will be every 3 months at the end of the month.

(Note) Given the establishment of the Interest Rate Swaps, the interest rate for the relevant borrowing will be effectively fixed at 0.89990 %.

3. Future outlook

The impact of the establishment of the Interest Rate Swaps on the operating results is insignificant, and there are no changes to the forecast 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 was announced by SAR in the press release entitled “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” dated August 1, 2022. With respect to the summary financial report (kessan tanshin) for SAR’s 13th Fiscal Period (February 1, 2022 to July 31, 2022), it is scheduled to be disclosed on September 13, 2022

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

In conjunction with the risks related to the establishment of the Interest Rate Swaps, there are no changes to the section “Part 2. Reference Information, 2. Supplementary Information on Reference

Documents, 3. Investment Risks” found in the securities report (Japanese only) submitted on August 1, 2022.

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

*This is an English translation of the announcement in Japanese dated August 31, 2022.  
However, no assurance or warranties are given for the completeness or accuracy of this English translation.*