

February 16, 2023

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 financings (the “Debt Financing” or “Refinancing”) as described below.

1. Details of the Debt Financing

Method of Borrowings: Borrowings under individual term loan agreements signed on February 16, 2023 with the lenders described below.

Term (Note 1)	Lenders	Borrowing amounts	Interest Rates (Note 3) (Note 4)		Expected Date of Borrowings	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)	6,790 million yen	Floating	Base interest rate (JPY 3M TIBOR) +0.60 %	February 20, 2023	April 28, 2028	Lump sum repayment on principal repayment date (Note 6)	Unsecured and Unguaranteed
	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	3,000 million yen	Floating	Base interest rate (JPY 3M TIBOR) +0.70 %		February 28, 2029		

(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, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, SBI Shinsei Bank, Limited, Aozora Bank, Ltd., Resona Bank, Limited., and THE BANK OF FUKUOKA, LTD.

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

- (Note 4) The first interest payment date is March 31, 2023, and thereafter, interest payment dates are the last day of every 3-months and 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 Japanese Yen TIBOR for 3 months 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 no interest rates are found for the corresponding interest calculation period, the base interest rate for the relevant period shall be calculated based on the method set forth in the individual term loan agreement. For Japanese Yen TIBOR announced by the JBA TIBOR Administration which is used as the base interest rate, please check with the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) Concerning the Debt Financing, it is being considered to fix the interest payments by entering into an interest rate swap agreement, etc.
- (Note 5) If a principal repayment date is not a business day, repayment shall be made on the next business day; however, if such date falls on 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 satisfied 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.

2. Reason for the Debt Financing

The proceeds from the Debt Refinancing will be appropriated to the early repayment of the JPY 5,100 million long-term borrowing on February 20, 2023, and repayment of the 4,690 million long-term borrowing to mature on February 20, 2023. For details, please refer to the press release announced by SAR Corporation dated February 1, 2023 entitled “Notice Concerning Early Repayment of Borrowings” and the press release announced by SAR Corporation dated January 12, 2018 entitled “Notice Concerning Debt Financing”.

3. Total amount of funds to be procured by the Debt Financing, use of funds and schedule of expenditures

I. Amount of funds to be procured

Total 9,790 million yen

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

Specific use of funds	Amount million yen	Scheduled date of Expenditure
To be allocated to repayment of the existing loans stated in Section 2 above.	9,790	February 20, 2023

4. Status of Borrowings etc. after the Refinancing

(Unit: million yen)

	Before the Refinancing(note)	After the Refinancing	Increase/Decrease
Short-term borrowings	—	—	—
Long-term borrowings	95,840	95,840	—
Total borrowings	95,840	95,840	—
Investment corporation bonds	1,000	1,000	—
Total of borrowings and investment corporation bonds	96,840	96,840	—

5. Future outlook

The impact of the refinancing on the operating results is insignificant, and there are no changes to the forecast of operating results for 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 and Distribution for the 15th Fiscal Period Ending July 31, 2023” dated February 1, 2023. The summary financial report (kessan tanshin) for SAR’s 14th Fiscal Period ended January 1, 2023 (August 1, 2022 to January 31, 2023) is scheduled to be disclosed on March 16, 2023.

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

In conjunction with the risks related to the refinancing, 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, 2022.

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

*This is an English translation of the announcement in Japanese dated February 16, 2023.*

*However, no assurance or warranties are given for the completeness or accuracy of this English translation.*