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For Immediate Release

Real Estate Investment Trust Securities Issuer
Star Asia Investment Corporation
Representative: Atsushi Kato, Executive Officer
(Code: 3468)

Asset Management Company
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Notice Concerning Partial Early Repayment of Borrowings

Star Asia Investment Corporation (SAR) announces today that it has decided on partial early repayment of borrowings (the “Early Repayment”), as described below.

1. Details of Early Repayment

- (1) Repayment amount: 1,137 million yen
(2) Repayment date: August 22, 2016
(3) Source for repayment: Entire amount of proceeds from the issuance of new investment units through third-party allotment indicated in the “Notice Concerning Determination of the Number of New Investment Units to be Issued through Third-Party Allotment” dated May 13, 2016 and cash on hand.

2. Summary of Borrowings of which Early Repayment will be Executed

Short-term Borrowings (Note 1) (Announced in the “Notice Concerning Execution of Debt Financing and Establishment of Interest Rate Swaps” dated April 20, 2016)

Term	Lender	Borrowing amount (million yen)	Interest rate	Date of borrowing	Borrowing method	Maturity date	Repayment method	Security
Short-term	A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers (Note 2)	3,355 (Note 3)	Base interest rate (JBA 1 month yen TIBOR) +0.20%	April 20, 2016	Borrowing based on individual term loan agreement concluded with lenders in the left column dated April 15, 2016	April 20, 2017	Lump sum repayment on maturity date	Unsecured and unguaranteed

(Note 1) Short-term refers to borrowing due within one year. The same applies hereinafter.

(Note 2) The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Ltd. and Resona Bank, Ltd.

(Note 3) Balance after executing the Early Repayment will be 2,218 million yen.

3. Status of Interest-Bearing Liabilities after Early Repayment

(million yen)

	Before the Early Repayment	After the Early Repayment	Increase/ Decrease
Short-term borrowings	3,355	2,218	-1,137
Long-term borrowings (Note)	29,200	29,200	-
Total borrowings	32,555	31,418	-1,137
Investment corporation bonds	—	—	-
Total borrowings and Investment corporation bonds	32,555	31,418	-1,137
Other liabilities	—	—	—
Total liabilities	32,555	31,418	-1,137

(Note) Long-term refers to borrowings due within one year or more.

4. Future Outlook

The execution of the Early Repayment will have minimal impact on the operating results for the fiscal period ending January 31, 2017 (August 1, 2016 – January 31, 2017) and there are no revisions to the forecast.

5. Other

In conjunction with the risks concerning the Early Repayment and other factors, there are no changes to “Part 2. Fund Information, I. Overview of the Fund, 3. Investment Risks” stated in the Securities Registration Statement submitted on March 16, 2016.

- * This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.
- * Star Asia Investment Corporation website address: <http://starasia-reit.com/en/>