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For Immediate Release

Real Estate Investment Trust Securities Issuer  
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Notice Concerning Revision to Forecasts for the Fiscal Periods Ending July 31, 2016  
and January 31, 2017

Star Asia Investment Corporation (SAR) announces that it has revised the operating results forecasts for the fiscal periods ending July 31, 2016 (December 1, 2015 – July 31, 2016) and January 31, 2017 (August 1, 2016 – January 31, 2017) announced on March 16, 2016, as described below.

1. Reason for revisions to the operating results forecasts

Concerning issuance of new investment units and secondary offering of investment units which was resolved at the Board of Directors meeting held on March 16, 2016, provisional conditions of issue price for the issuance of new investment units through public offering was determined today. Revisions to the operating results forecasts for the fiscal periods ending July 31, 2016 and January 31, 2017 were made accordingly.

(1) Issue price of new investment unit used as assumption for the forecast announced on March 16, 2016  
100,000 yen per unit

(2) Issue price of new investment unit used as assumption for revisions in line with the determination of provisional conditions  
90,000 yen or more but not exceeding 100,000 yen per unit  
Issue price is scheduled to be determined on Monday, April 11, 2016.

Disclaimer: This document is an English translation of a press release for public announcement concerning revision to forecasts for the fiscal periods ending July 31, 2016 and January 31, 2017 by Star Asia REIT Investment Corporation, and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to Star Asia REIT's prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

## 2. Details of revisions

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net Income (million yen)	Cash distribution per unit (not including cash distribution in excess of earnings) (yen)	Cash distribution in excess of earnings per unit (yen)
Previous forecasts (announced on March 16, 2016)						
Fiscal period ending July 31, 2016 (1st Period)	1,811	1,145	285	285	829	—
Fiscal period ending January 31, 2017 (2nd Period)	1,952	1,185	1,050	1,050	3,046	—
Revised forecast						
Fiscal period ending July 31, 2016 (1st Period)	1,811	1,145	285	285	827 - 829	—
Fiscal period ending January 31, 2017 (2nd Period)	1,952	1,185	1,044 - 1,050	1,044 - 1,050	3,029 - 3,046	—

In line with the determination of provisional conditions, etc. described in the above 1., “Assumptions for Forecasts for the Fiscal Periods Ending July 31, 2016 and January 31, 2017” (the “Assumptions”) described in the Attachment of “Notice Concerning Forecasts for the Fiscal Periods Ending July 31, 2016 and January 31, 2017” dated March 16, 2016 is partially revised as below.

As a result, operating revenue, ordinary income, net income and cash distribution per unit (not including cash distribution in excess of earnings) are revised as described above.

In “Non-operating Expenses”: The previously expected total of interest expense and other financing expenses is revised from 604 million yen to 604-607 million yen for the fiscal period ending July 31, 2016, and from 135 million yen to 135-141 million yen for the fiscal period ending January 31, 2017.

The previously expected expenses for issuance of new investment units and expenses related to listing/offering of investment units for the fiscal period ending July 2016 are revised from 140 million yen to 137-140 million yen.

In “Debt Financing”: Total liabilities is revised from 32,600 million yen to 32,600-34,830 million yen for the end of the fiscal period ending July 31, 2016, and from 29,918 million to 29,918-32,600 million yen for the end of the fiscal period ending January 31, 2017.

The total amount of borrowings planned to be made on April 20, 2016 from the qualified institutional investors defined under Article 2 Paragraph 3 item 1 of Financial Instruments and Exchange Act is revised from 32,600 million yen to 32,600-34,830 million yen.

Furthermore, the previously expected LTV at the end of the fiscal period ending July 31, 2016 (1st fiscal period) is revised from around 47.55% to around 47.55%-50.92%, and that at the end of the fiscal period ending January 31, 2017 (2nd fiscal period) is revised from around 44.92% to around 44.92%-48.19%.

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(Reference)

Fiscal period ending July 31, 2016 (1st Period):

Forecast number of investment units issued and outstanding at the end of the fiscal period: 344,700 units  
(unchanged from the previous announcement)

Fiscal period ending January 31, 2017 (2nd Period):

Forecast number of investment units issued and outstanding at the end of the fiscal period: 344,700 units  
(unchanged from the previous announcement)

(Notes)

1. Fiscal periods of SAR are from February 1 to July 31 and from August 1 to January 31 of the following year for every year. As for the first fiscal period, SAR conducted capital increase through private placement on January 14, 2016, acquired the properties-already-acquired (defined in the Attachment) and started asset management. Therefore, the substantial first fiscal period is from January 14, 2016 to July 31, 2016 (200 days). Furthermore, SAR plans to acquire the properties-to-be-acquired (defined in the Attachment) on April 20, 2016 during the first fiscal period.
  2. The forecasts are the current figures calculated under the certain assumptions. The actual operating revenue, operating income, ordinary income, net income and cash distribution per unit (not including cash distribution in excess of earnings) may be subject to change due to additional acquisition/disposition of real estate, etc., trends of the real estate market, etc., the actual number and issue price of new investment units to be issued, fluctuations in interest rates, and changes in other conditions surrounding SAR, etc. in the future. In addition, SAR does not guarantee any actual cash distribution amount by announcing the forecast figures.
  3. The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts and actual figures
  4. The scheduled date for the listing of SAR's investment units on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange is April 20, 2016.
  5. Amounts are rounded down to the nearest specified unit.
- \* 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/>

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