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For Immediate Release

Real Estate Investment Trust Securities Issuer
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Notice Concerning Revision to Forecasts for Operating Results and Distribution for the Fiscal Period Ended July 31, 2016

Star Asia Investment Corporation (SAR) announces that it has decided to revise the operating results forecasts and distribution forecasts for the fiscal period ended July 31, 2016 (1st fiscal period) (December 1, 2015 – July 31, 2016) described in “Notice Concerning Forecasts for the Fiscal Periods Ending July 31, 2016 and January 31, 2017” announced on April 20, 2016.

1. Revision to forecasts for operating results and distribution for the fiscal period ended July 31, 2016

	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)	Cash distribution per unit (including cash distribution in excess of earnings) (yen)
Previously announced forecasts (A)	1,811	1,145	285	285	829	0	829
Revised forecast (B)	1,859	1,147	335	333	892	76	968
Change (C)=(B)-(A)	48	2	49	48	63	76	139
Rate of change (D)=(C)/(A)	2.7%	0.2%	17.3%	16.8%	7.6%	—	16.8%

(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. However, the first fiscal period is from the establishment date of SAR (December 1, 2015) to July 31, 2016. As for the first fiscal period, SAR conducted capital increase through private offering on January 14, 2016, acquired 11 properties (real estate beneficiary interest in trust) and started asset management. Therefore, the substantial first fiscal period is from January 14, 2016 to July 31, 2016 (200 days). Furthermore, SAR additionally acquired 7 properties (real estate beneficiary interest in trust) as of April 20, 2016
2. The above forecasts are current figures and the actual operating revenue, operating income, ordinary income, net income, cash distribution per unit, etc. may differ from them. 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. Amounts are rounded down to the nearest specified unit and percentage figures are rounded to the first decimal place.

2. Reason for revisions

In the process of settling accounts for the fiscal period ended July 31, 2016, it has become apparent that the difference from the forecast distribution per unit (not including cash distribution in excess of earnings) for the fiscal period ended July 31, 2016 (1st fiscal period) (December 1, 2015 – July 31, 2016) announced on April 20, 2016 will be 5% or more and that there will be cash distribution in excess of earnings. Therefore, SAR has decided to revise the forecasts for operating results and distribution.

Main factor for the revisions is that expenses for issuance of new investment units and for listing/public offering, interest expense, etc. are likely to be less than the previous forecast.

Furthermore, cash distribution in excess of earnings will be conducted in pursuant to the distribution policy which states that, in line with the occurrence of deferred loss on hedge, which is a net asset deduction item, from derivative transactions (interest rate swap), the amount equivalent to the net asset deduction item shall be distributed as distribution of the reserve for temporary difference adjustments.

3. Fiscal periods ending January 31, 2017 (2nd Fiscal Period) and ending July 31, 2017 (3rd Fiscal Period)

There will be no revisions to the forecasts for operating results and distribution for the fiscal period ending January 31, 2017 (2nd Fiscal Period) (August 1, 2016 to January 31, 2017) as of present. However, forecast figures reflecting the recent changes in situations are scheduled to be announced in Summary of Financial Results for the Fiscal Period Ended July 31, 2016 (December 1, 2015 to July 31, 2016) to be announced on September 14, 2016.

Furthermore, the forecasts for operating results and distribution for the fiscal period ending July 31, 2017 (3rd Fiscal Period) (February 1, 2017 to July 31, 2017) are scheduled to be announced in Summary of Financial Results for the Fiscal Period Ended July 31, 2016 (1st Fiscal Period) (December 1, 2015 to July 31, 2016) to be announced on September 14, 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/>