

February 27, 2025

For Immediate Release

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

Asset Management Company
Star Asia Investment Management Co., Ltd.
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**Notice Concerning Revision to Forecasts for Operating Results and Distribution
for the 18th Fiscal Period Ended January 31, 2025 (upward revision)**

Star Asia Investment Corporation (“SAR”) announces that it has decided to revise the operating results and distribution forecasts for the 18th fiscal period ended January 31, 2025 (August 1, 2024 to January 31, 2025) announced in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2024” dated September 13, 2024 (the “Previously Announced Forecasts”).

1. Revision to forecasts for operating results and distribution for the fiscal period ended January 31, 2025

	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 (A)	9,141	5,003	4,035	4,035	1,538	0
Revised Forecasts (B)	9,690	5,472	4,522	4,522	1,701	0
Amount of change (C)=(B)-(A)	548	468	486	486	163	0
Rate of change (D)=(C)/(A)	6.0%	9.4%	12.1%	12.1%	10.6%	—

(Reference) Number of investment units issued and outstanding as of the end of the fiscal period: 2,687,000 units.

(Notes)

- The above forecast figures are the figures as of the date of this report calculated based on the assumptions described in the attached Exhibit.
- The above forecast figures are the figures as of the date of this report and the actual operating revenue, operating income, ordinary income, net income, cash distribution per unit may fluctuate from the forecasts. In addition, the above forecasts are not in any way guaranteed that the above cash distribution will be made.
- 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 the revisions and announcement

SAR decided to revise upward the Previously Announced Forecasts mainly due to the increase in the variable rent from the hotels owned by SAR, which will be higher than expected and lead to more than 5.0% increase in the cash distribution per unit.

For more details, please refer to the “Supplementary Material on Timely Disclosure Announced as of Today”.

3. Additional information

There are no changes made to the forecasts for operating results and distribution for the 19th fiscal period ending July 31, 2025 (February 1, 2025 to July 31, 2025) as of the date of this report, however, it is scheduled to be announced in “(REIT) Financial Report for Fiscal Period Ended January 31, 2025 on March 17, 2025”, reflecting the current performance.

In addition, the financial results and distribution for the fiscal period ending January 31, 2026 (August 1, 2025 to January 31, 2026) is scheduled to be announced in “(REIT) Financial Report for Fiscal Period Ended January 31, 2025 on March 17, 2025.

Further information is to be provided in the [Official YouTube Channel](#). (Japanese only)

*SAR HP URL: <https://starasia-reit.com/en/>

Exhibit

Assumptions Underlying Operating Results Forecasts and Distribution Forecasts
for Fiscal Period Ended January 31, 2025

Item	Assumptions												
Calculation period	18th Fiscal period ended January 31, 2025: August 1, 2024 - January 31, 2025 (184 days)												
Assets under management	<p>Regarding the assets under management, the following are the assumptions.</p> <table border="1"> <thead> <tr> <th></th> <th>18th Fiscal period</th> </tr> </thead> <tbody> <tr> <td>Real Estate Properties etc.</td> <td align="right">74</td> </tr> <tr> <td>Mezzanine Loan Debt</td> <td align="right">2</td> </tr> <tr> <td>Preferred Equity Securities</td> <td align="right">1</td> </tr> </tbody> </table>		18th Fiscal period	Real Estate Properties etc.	74	Mezzanine Loan Debt	2	Preferred Equity Securities	1				
	18th Fiscal period												
Real Estate Properties etc.	74												
Mezzanine Loan Debt	2												
Preferred Equity Securities	1												
Operating revenue	<p>Regarding the operating revenue, the following are the assumptions.</p> <table border="1"> <thead> <tr> <th></th> <th>18th Fiscal period</th> </tr> </thead> <tbody> <tr> <td>Operating revenue</td> <td align="right">9,690 million yen</td> </tr> <tr> <td>(of these, Operating revenue from real estate leasing)</td> <td align="right">(9,284 million yen)</td> </tr> <tr> <td>(of these, gain on sales of real estate)</td> <td align="right">(322 million yen)</td> </tr> <tr> <td>(of these, accrued interest on Mezzanine Loan Debt)</td> <td align="right">(50 million yen)</td> </tr> <tr> <td>(of these, lending fees of Preferred Equity Securities)</td> <td align="right">(31 million yen)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ➤ Rent revenues are calculated based on the terms stated in the lease agreements that are effective as of today and etc. ➤ Gain on sale from the disposition of “Smile Hotel Namba” transferred on August 19, 2024 and “Urban Park Namba” transferred on September 6, 2024, are to be recorded in the fiscal period ended January 31, 2025. ➤ For Interest on Mezzanine Loan Debt, it is calculated based on agreements related to loans and beneficiary interests, etc. ➤ For Preferred Equity Securities, it is calculated based on agreement on preferred equity lending transactions, etc. 		18th Fiscal period	Operating revenue	9,690 million yen	(of these, Operating revenue from real estate leasing)	(9,284 million yen)	(of these, gain on sales of real estate)	(322 million yen)	(of these, accrued interest on Mezzanine Loan Debt)	(50 million yen)	(of these, lending fees of Preferred Equity Securities)	(31 million yen)
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Operating expenses	<p>Regarding the operation expenses from real estate leasing, which are the main operating expenses, the following are the assumptions.</p> <table border="1"> <thead> <tr> <th></th> <th>18th Fiscal period</th> </tr> </thead> <tbody> <tr> <td>Operation expenses from real estate leasing</td> <td align="right">3,370 million yen</td> </tr> <tr> <td>(of these, taxes and etc.)</td> <td align="right">(596 million yen)</td> </tr> <tr> <td>(of these, repair and maintenance fee)</td> <td align="right">(361 million yen)</td> </tr> <tr> <td>(of these, depreciation)</td> <td align="right">(1,142 million yen)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ➤ For the five assets acquired on August 2024, such taxes etc. were settled with the seller on a pro-rata basis based on the number of days of ownership at the time of acquisition. However, SAR will include such settled amount in the acquisition cost, and thus SAR will not record these items for the fiscal year 2024 as expenses in the fiscal period ended January 31, 2025. ➤ The expenditures for repair and maintenance of buildings are estimated, based on repair and maintenance plans drawn up by the Star Asia Investment Management Co., Ltd. ➤ Depreciation expenses including ancillary costs are calculated using the straight-line method. 		18th Fiscal period	Operation expenses from real estate leasing	3,370 million yen	(of these, taxes and etc.)	(596 million yen)	(of these, repair and maintenance fee)	(361 million yen)	(of these, depreciation)	(1,142 million yen)		
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Operating expenses	<p>Regarding operating expenses other than the expenses related to rent business, the following are the assumptions.</p> <table border="1"> <thead> <tr> <th></th> <th>18th Fiscal period</th> </tr> </thead> <tbody> <tr> <td>Operating expenses (other than operation expenses)</td> <td align="right">847 million yen</td> </tr> </tbody> </table>		18th Fiscal period	Operating expenses (other than operation expenses)	847 million yen								
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Item	Assumptions														
	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">from real estate leasing)</td> <td></td> </tr> </table>	from real estate leasing)													
from real estate leasing)															
NOI (Net Operating Income)	<p>Regarding the total portfolio NOI expected, the following are the assumptions.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: center;">18th Fiscal period</td> </tr> <tr> <td>NOI</td> <td style="text-align: center;">7,057 million yen</td> </tr> </table> <p>➤ NOI is calculated by using the following calculation method. NOI = Operating revenue from real estate leasing – Expenses related to rent business (excluding depreciation)</p>		18th Fiscal period	NOI	7,057 million yen										
	18th Fiscal period														
NOI	7,057 million yen														
Non-operating expenses	<p>Regarding the non-operating expenses, the following are the assumptions.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: center;">18th Fiscal period</td> </tr> <tr> <td>Non-operating expenses</td> <td style="text-align: center;">951 million yen</td> </tr> <tr> <td>(of these, interest expense)</td> <td style="text-align: center;">(642 million yen)</td> </tr> <tr> <td>(of these, interest expense on investment corporation bonds)</td> <td style="text-align: center;">(6 million yen)</td> </tr> <tr> <td>(of these, loan related cost)</td> <td style="text-align: center;">(279 million yen)</td> </tr> <tr> <td>(of these, amortization of issuance cost of new investment bond)</td> <td style="text-align: center;">(1 million yen)</td> </tr> <tr> <td>(of these, amortization of issuance cost of new investment units)</td> <td style="text-align: center;">(21 million yen)</td> </tr> </table>		18th Fiscal period	Non-operating expenses	951 million yen	(of these, interest expense)	(642 million yen)	(of these, interest expense on investment corporation bonds)	(6 million yen)	(of these, loan related cost)	(279 million yen)	(of these, amortization of issuance cost of new investment bond)	(1 million yen)	(of these, amortization of issuance cost of new investment units)	(21 million yen)
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Debt financing	<p>Regarding the total amount of interest-bearing liabilities, the following are the assumptions.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: center;">18th Fiscal period</td> </tr> <tr> <td>Borrowings</td> <td style="text-align: center;">137,680 million yen</td> </tr> <tr> <td>Investment bond</td> <td style="text-align: center;">2,000 million yen</td> </tr> </table>		18th Fiscal period	Borrowings	137,680 million yen	Investment bond	2,000 million yen								
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Investment units	<p>Regarding the total issued and outstanding investment units, the following are the assumptions.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: center;">The end of 18th Fiscal period</td> </tr> <tr> <td>The total issued and outstanding investment units</td> <td style="text-align: center;">2,687,000 units</td> </tr> </table>		The end of 18th Fiscal period	The total issued and outstanding investment units	2,687,000 units										
	The end of 18th Fiscal period														
The total issued and outstanding investment units	2,687,000 units														
Cash distribution per unit (not including cash distribution in excess of earnings)	<p>Cash distribution per unit (not including cash distribution in excess of earnings) is calculated based on the money distribution policy set forth in SAR's articles of incorporation. With respect to temporary difference adjustment reserve, SAR's policy is that 1% or more of the initial reserve amount will continue to be reversed every fiscal period and be utilized mainly to mitigate negative impact on cash distribution from temporary decrease in income or temporarily incurred expenses, and also to avoid incurring tax expenses such as corporate taxes etc. arising due to the mismatch of tax and accounting treatments.</p> <p>Regarding the cash distribution of respective fiscal period, the following are the assumptions.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: center;">18th Fiscal period</td> </tr> <tr> <td>Net income</td> <td style="text-align: center;">4,522 million yen</td> </tr> <tr> <td>Cash distribution</td> <td style="text-align: center;">4,570 million yen</td> </tr> <tr> <td>Cash distribution per unit</td> <td style="text-align: center;">1,701 yen</td> </tr> </table> <p>As to cash distribution for the fiscal period ended January 31, 2025, it is assumed that a total of 4,570 million yen (1,701 yen per unit) will be distributed, which is the sum of the amount remaining after internally reserving 40 million yen from the estimated net income of 4,522 million yen plus the expected reversal amount from the temporary difference adjustment reserve of 88 million yen.</p>		18th Fiscal period	Net income	4,522 million yen	Cash distribution	4,570 million yen	Cash distribution per unit	1,701 yen						
	18th Fiscal period														
Net income	4,522 million yen														
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Cash distribution per unit	1,701 yen														
Cash distribution in excess of earnings per unit	SAR has no plan to make distribution in excess of earnings as of the date of this announcement.														

Item	Assumptions
Others	<p>It is assumed that no amendments affecting the above forecast numbers will be made to relevant laws and regulations, tax policies, accounting standards, listing rules, and the rules of the investment trusts association, etc.</p> <p>It is assumed that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.</p>

This is an English translation of the announcement in Japanese dated February 27, 2025. However, no assurance or warranties are given for the completeness or accuracy of this English translation.