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For Immediate Release

Real Estate Investment Trust Securities Issuer

Star Asia Investment Corporation

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**Notice Concerning Revision to Forecasts for Operating Results and Distribution  
for the 6th Fiscal Period Ended January 31, 2019**

Star Asia Investment Corporation (“SAR”) announces that it has decided to revise the operating results forecasts and distribution forecasts for the 6th fiscal period ended January 31, 2019 (August 1, 2018 to January 31, 2019) described in “Financial Report for Fiscal Period Ended July 31, 2018” announced on September 13, 2018 (“Previous Forecast”).

SAR also plans to announce the account settlement for the 6th fiscal period ended January 31, 2019 (August 1, 2018 to January 31, 2019) on March 15, 2019.

1. Revision to forecasts for operating results for the fiscal period ending January 31, 2019 and distribution

|                            | Operating revenue<br>(million yen) | Operating income<br>(million yen) | Ordinary income<br>(million yen) | Net income<br>(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) |
|----------------------------|------------------------------------|-----------------------------------|----------------------------------|-----------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------|
| Previous Forecast (A)      | 3,795                              | 2,298                             | 1,936                            | 1,936                       | 3,580                                                                                    | 0                                                      | 3,580                                                                                |
| Revised Forecast (B)       | 3,844                              | 2,406                             | 2,073                            | 2,049                       | 3,720                                                                                    | 0                                                      | 3,720                                                                                |
| Change (C)=(B)-(A)         | 49                                 | 108                               | 136                              | 113                         | 140                                                                                      | 0                                                      | 140                                                                                  |
| Rate of change (D)=(C)/(A) | 1.3%                               | 4.7%                              | 7.1%                             | 5.9%                        | 3.9%                                                                                     | -                                                      | 3.9%                                                                                 |

(Notes)

- The above forecast figures represent the financial results and the cash distribution forecasted as of this moment, and the actual operating revenue, operating income, ordinary income, net income and distribution per unit may vary. In addition, SAR does not guarantee any actual distribution amount with this forecast.
- The forecast may be subject to revision when a disparity beyond a certain degree is expected between the above forecast and actual figures.

3. Amounts are rounded down to the nearest specified unit and percentage figures are rounded to the first decimal place.

2. Reason for revisions and announcement

SAR has revised the forecast for operating results and distribution as it has become clear in the process of settling accounts that net income will exceed the assumption for the 6th fiscal period ended January 31, 2019 (August 1, 2018 to January 31, 2019) described in “(REIT) Financial Report for Fiscal Period Ended July 31, 2018” announced on September 13, 2018, as well as due to adopting the policy to retain internal reserves.

The main factors for the revision are (1) operating revenue is likely to exceed the previous forecast with the increase in rental income for office/residential properties and increase in gain on sale of real estate, the decrease in expenses accompanying property sales, etc., and (2) both operating expenses and non-operating expenses are likely to be less than in the previous forecast with the decrease in expenses related to rent business, general and administrative expenses, investment unit issuance expenses and borrowing related expenses, etc.

In addition, with operating revenue exceeding the previous forecast by 5.9% as described above, SAR has adopted a policy to retain approximately 37 million yen as internal reserves, which was not in the previous forecast, for the purpose of securing stability of future cash distribution level. Furthermore, the amount of accompanying income tax, etc. is expected to be approximately 24 million yen.

3. Fiscal periods ending July 31, 2019 (7th Fiscal Period) and ending January 31, 2020 (8th Fiscal Period)

There will be no revisions to the forecasts for operating results and distribution for the fiscal period ending July 31, 2019 (7th Fiscal Period) (February 1, 2019 to July 31, 2019) 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 January 31, 2019 (6th Fiscal Period) (August 1, 2018 to January 31, 2019) to be announced on March 15, 2019.

Furthermore, the forecasts for operating results and distribution for the fiscal period ending January 31, 2020 (8th Fiscal Period) (August 1, 2019 to January 31, 2020) are scheduled to be announced in Summary of Financial Results for the Fiscal Period Ended January 31, 2019 (6th Fiscal Period) (August 1, 2018 to January 31, 2019) to be announced on March 15, 2019.

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