

February 1, 2023

For Immediate Release

Real Estate Investment Trust Securities Issuer  
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Notice Concerning Revision to Forecasts for Operating Results and Distributions  
for the 15th Fiscal Period Ending July 31, 2023

Star Asia Investment Corporation (“SAR”) announces that it has decided to revise the operating results forecasts and distribution forecasts for the 15th fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) announced in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2022” dated September 13, 2022 (the “Previously Announced Forecasts”) as described below.

There are no changes to the forecasts for operating results and distributions for the fiscal period ended January 31, 2023 (August 1, 2022 to January 31, 2023) which was announced on September 13, 2022. The announcement of financial results for the fiscal period ended January 31, 2023 (August 1, 2022 to January 31, 2023) is scheduled to be made on March 16, 2023.

1. Revision to forecasts for operating results for the fiscal period ending July 31, 2023

	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)	6,523	3,302	2,766	2,766	1,485	0
Revised Forecasts (B)	7,012	3,527	2,983	2,983	1,552	0
Amount of change (C)=(B)-(A)	489	225	216	216	67	0
Rate of change (D)=(C)/(A)	7.5%	6.8%	7.8%	7.8%	4.5%	—

(Reference)

Expected number of investment units issued and outstanding as of the end of the fiscal period: 1,921,689 units

(Refer to the “Investment units” in the assumptions described in Exhibit 1.)

(Notes)

1. The above forecasts are current forecasts based on “Assumptions Underlying Operating Results Forecasts and Distributions Forecasts For Fiscal Periods Ending January 31, 2023 and Ending July 31, 2023” described in Exhibit 1 and the actual operating revenue, operating income, ordinary income, net income, cash distribution per unit (not including cash distribution in excess of earnings) and cash distribution in excess of earnings per unit may fluctuate from the forecasts, due to the deviation in assumptions caused by factors such as the future acquisition or sale of real estate properties etc., the transition of the real estate market, changes to rent income due to the moving of tenants, changes to the operational environment including occurrence of unexpected repairs, changes to the number or issue price of actually issued new investment units, change of interest rate, further issuances of new investment units, or changes to other conditions surrounding SAR. In addition, the above forecasts are not in any way a guarantee that the above cash distribution will be made.
2. The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts 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 the revisions and announcement

Revision to the forecast for operating results and distributions is being made as, given the assignment of the trust beneficial interest for real estate property as announced today in the press release entitled “Notice Concerning the Transfer of Trust Beneficial Interests of Domestic Real Estate - (Funabashi Hi-Tech Park Factory II)” and acquisition of the trust beneficial interest as announced in the press release entitled “Notice Concerning Acquisition of Mezzanine Loan Debt Star Asia Mezzanine Loan Debt Investment Series 8 (Class A Beneficial Interest and Class B Beneficial Interest)”, changes have arisen to the assumptions for the forecast of operating results for the 15<sup>th</sup> fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) announced in the “(REIT) Financial Report for Fiscal Period Ended July 31, 2022” dated September 13, 2022.

<Other press releases announced today>

- Notice Concerning the Transfer of Trust Beneficial Interests of Domestic Real Estate (Funabashi Hi-Tech Park Factory II)
- Notice Concerning Acquisition of Mezzanine Loan Debt Star Asia Mezzanine Loan Debt Investment Series 8 (Class A Beneficial Interest and Class B Beneficial Interest)
- Notice Concerning Early Repayment of Borrowings

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

[Exhibit1]

Assumptions Underlying Operating Results Forecasts and Distributions Forecasts  
For the Fiscal Period Ending July 31, 2023

Items	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>➤ 15th fiscal period ending July 31, 2023: February 1, 2023 – July 31, 2023 (181 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>➤ It will be assumed that with respect to the assets held by SAR as of today (real estate beneficiary interests in trust over 63 properties, mezzanine loan debts (collectively referred to as “Currently Held Assets”, with those in the form of real estate trust beneficiary interests being referred to as “Currently Held Assets (Real Estate)”, those in the form of mezzanine loan debt being referred to as “Currently Held Assets (Mezzanine)”), the trust beneficial interest described below will be acquired (the “Acquisition”), and the real estate beneficial interest in trust over property will be assigned (the “Assignment”).</li> <li style="margin-left: 20px;">&lt;The Acquisition&gt; Name: Star Asia Mezzanine Loan Debt Investment Series 8 Class B Beneficial Interest Anticipated Acquisition Date: February 20, 2023</li> <li style="margin-left: 20px;">&lt;The Assignment&gt; Property Name: Funabashi Hi-Tech Park Factory II Anticipated Transfer Date: February 20, 2023</li> <li>➤ It is assumed that, other than the Acquisition and the Assignment, there will be no change in investment assets (acquisitions of new assets, sales of the Currently Held Assets, etc.) up to the end of the fiscal period ending July 31, 2023.</li> <li>➤ In practice, assets under management may vary due to changes in investment assets.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>➤ Rent revenues from the Currently Held Assets (Real Estate) are calculated based on the rents stated in the lease agreements that are effective as of today, and it is assumed that there will be no delinquencies or defaults in rent payments from tenants.</li> <li>➤ Interest revenues or dividend revenues from the Currently Held Assets (Mezzanine) are calculated based on the provisions of the terms and conditions, loan agreements, or trust agreements effective as of today which define details of the Currently Held Assets (Mezzanine). The dividend revenues from the asset to be acquired (Mezzanine) are calculated based on the provisions of the terms and conditions, sale and purchase agreement, and trust agreement. It is also assumed that interest payments or dividend payments will not default.</li> <li>➤ Gain on sale from the Assignment of JPY 413 million yen is anticipated for the fiscal period ending July 31, 2023.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>➤ Among the rent business-related expenses which are the main operating expenses, all such expenses other than depreciation expenses are calculated based on historical data of actual expenses, and reflecting variable factors for expenses.</li> <li>➤ Fixed property taxes, city planning taxes and other public charges are expected to be 489 million yen for the fiscal period ending July 31, 2023.</li> <li>➤ For expenditures for repair and maintenance of buildings, based on repair and maintenance plans formulated by Star Asia Investment Management Co., Ltd., 271</li> </ul>

Items	Assumptions
	<p>million yen of such expenses is anticipated for the fiscal period ending July 31, 2023. However, the actual expenditures for repair and maintenance for the fiscal periods could differ significantly from the estimated amounts, as expenditures may arise urgently due to damage to buildings caused by unexpected factors, and generally speaking such expenditures tend to vary significantly from year to year and also are not amounts which arise regularly.</p> <ul style="list-style-type: none"> <li>➤ Depreciation expenses including ancillary costs are calculated using the straight-line method, and is expected to be 760 million yen for the fiscal period ending July 31, 2023.</li> </ul>
<p>NOI (Net Operating Income)</p>	<ul style="list-style-type: none"> <li>➤ The total portfolio NOI is expected to be 4,449 million yen for the fiscal period ending July 31, 2023.</li> <li>➤ NOI is calculated by using the following calculation method. NOI = rent revenue – rent expenses (excluding depreciation)</li> </ul>
<p>Non-operating expenses</p>	<ul style="list-style-type: none"> <li>➤ As issuance cost of new investment units, non-operating expenses are expected to be 13 million yen for the fiscal period ending July 31, 2023.</li> <li>➤ The total amount of interest expense and other financial expenses are expected to be 521 million yen for the fiscal period ending July 31, 2023.</li> <li>➤ The total amount of interest expense on investment corporation bonds and other investment corporation bond issuance costs are expected to be 4 million yen for the fiscal period ending July 31, 2023.</li> </ul>
<p>Debt financing</p>	<ul style="list-style-type: none"> <li>➤ The total amount of interest-bearing liabilities is assumed to be 96,840 million yen as of the end of the fiscal period ending July 31, 2023.</li> <li>➤ As of today, SAR has 95,840 million yen of outstanding borrowings and 1,000 million yen of outstanding investment corporation bonds.</li> <li>➤ It is assumed that 10,790 million yen of loans payable which are due for repayment in the fiscal periods ending July 31, 2023 will be refinanced.</li> <li>➤ It is assumed that, except for those stated above, there will be no changes to the balance of existing borrowings and outstanding balance of investment corporation bonds issued, including due to new borrowings or prepayments of existing borrowings up to the end of the fiscal period ending July 31, 2023.</li> </ul>
<p>Investment units</p>	<ul style="list-style-type: none"> <li>➤ It is assumed that a total of 1,921,689 investment units are issued, which is the total number of investment units issued.</li> <li>➤ It is assumed that, except those stated above, there will be no changes in the number of investment units issued and outstanding, due to additional issuance, etc. of new investment units up to the end of the fiscal period ending July 31, 2023.</li> </ul>
<p>Cash distribution per unit (not including cash distribution in excess of earnings)</p>	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ As to cash distribution for the fiscal period ending July 31, 2023, it is assumed that a total of 2,982 million yen (1,552 yen per unit) will be distributed which consists of the amount remaining after deducting 89 million yen of retained earnings from the estimated net</li> </ul>

Items	Assumptions
	<p>income for the fiscal period of 2,983 million yen, plus the expected reversal amount from the temporary difference adjustment reserve of 88 million yen.</p> <ul style="list-style-type: none"> <li>➤ The distribution per unit may change due to various factors including changes to the assets under management, changes to rent revenues given movements etc. of tenants, or the occurrence of unexpected repairs.</li> </ul>
Cash distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>➤ SAR has no plan to make distribution in excess of earnings as of the date of this announcement.</li> </ul>
Others	<ul style="list-style-type: none"> <li>➤ 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 investment trusts association, etc.</li> <li>➤ It is assumed that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.</li> </ul>

*This is an English translation of the announcement in Japanese dated February 1, 2023. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*