

September 13, 2018

For Immediate Release

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

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(Correction) FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED July 31, 2018 (REIT)

Star Asia Investment Corporation corrects the following part of the “FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED July 31, 2018 (REIT)” dated September 13, 2018. Details are provided as follows and the change is indicated by the underlined portion.

1. Correction Point

P.32 5. Reference Information (2)Invested Assets ②Real estate (d)Summary of Real Estate Appraisal Report, etc.

2. Correction Details

<Before correction>

Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,310	2,330	4.6	2,300	4.4	4.8	<u>115</u>	5.6
	HTL-02	Smile Hotel Namba	Daiwa	1,720	1,740	5.1	1,710	4.9	5.3	<u>98</u>	<u>5.6</u>
	HTL-03	BEST WESTERN Tokyo Nishikasai	JREI	3,830	3,890	4.5	3,770	4.3	4.7	<u>182</u>	<u>4.8</u>
	HTL-04	BEST WESTERN Yokohama	JREI	3,250	3,260	4.6	3,230	4.3	4.7	<u>155</u>	<u>4.8</u>
	Subtotal				11,110	11,220	-	11,010	-	-	<u>550</u>
Total				94,291	95,727	-	93,363	-	-	<u>4,427</u>	5.1

<After correction>

Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,310	2,330	4.6	2,300	4.4	4.8	<u>116</u>	5.6
	HTL-02	Smile Hotel Namba	Daiwa	1,720	1,740	5.1	1,710	4.9	5.3	<u>93</u>	<u>5.3</u>
	HTL-03	BEST WESTERN Tokyo Nishikasai	JREI	3,830	3,890	4.5	3,770	4.3	4.7	<u>180</u>	<u>4.7</u>
	HTL-04	BEST WESTERN Yokohama	JREI	3,250	3,260	4.6	3,230	4.3	4.7	<u>154</u>	<u>4.7</u>
	Subtotal				11,110	11,220	-	11,010	-	-	<u>543</u>
Total				94,291	95,727	-	93,363	-	-	<u>4,420</u>	5.1

For the whole of the corrected “(d) Summary of Real Estate Appraisal Report, etc.”, Please refer to the Exhibit.

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

[Exhibit]

(d) Summary of Real Estate Appraisal Report, etc.

Use	Property no.	Property name	Appraisal firm (Note 1)	Appraisal value (million yen) (Note 2)	Summary of appraisal report						Appraisal NOI yield (%) (Note 4)
					Income approach					NOI (million yen) (Note 3)	
					Direct capitalization method		DCF method				
					Indicated value (million yen)	Cap rate (%)	Indicated value (million yen)	Discount rate (%)	Terminal cap rate (%)		
Office	OFC-01	Minami-Azabu Shibuya Building	Daiwa	3,150	3,250	4.0	3,100	3.6	4.2	145	4.9
	OFC-03	Honmachibashi Tower	Daiwa	6,940	7,110	4.2	6,870	4.0	4.4	312	5.2
	OFC-04	Nishi-Shinjuku Matsuya Building	Daiwa	2,430	2,430	4.1	2,430	3.9	4.3	112	6.4
	OFC-05	Alphabet Seven	JREI	2,390	2,430	4.0	2,350	3.8	4.2	101	5.9
	OFC-06	Shibuya MK Building	JREI	2,890	2,940	3.8	2,830	3.6	4.0	115	5.6
	OFC-07	Hakata-eki Higashi 113 Building	Daiwa	2,090	2,170	4.6	2,060	4.4	4.8	111	5.9
	OFC-08	Asahi Building	JREI	7,090	7,130	3.9	7,050	3.6	4.0	308	4.9
	OFC-09	Hakata-eki East Place	Daiwa	2,480	2,520	4.7	2,460	4.5	4.9	119	5.2
	OFC-10	Nihonbashi Hamacho Park Building	Daiwa	1,520	1,550	4.3	1,510	4.1	4.5	68	4.7
		Subtotal			30,980	31,530	-	30,660	-	-	1,393
Residence	RSC-01	Urban Park Azabujuban	JREI	2,230	2,260	3.9	2,190	3.7	4.1	91	4.4
	RSC-02	Urban Park Daikanyama	JREI	7,500	7,640	3.8	7,360	3.6	4.0	302	4.8
	RSC-04	Urban Park Shin-Yokohama	Daiwa	2,580	2,610	4.5	2,560	4.3	4.7	121	4.8
	RSC-05	Urban Park Namba	Daiwa	1,610	1,630	4.8	1,600	4.6	5.0	80	5.4
	RSC-06	Urban Park Gokokuji	JREI	1,510	1,530	4.3	1,480	4.1	4.5	73	5.0
	RSC-07	Urban Park Kashiwa	Tanizawa	1,190	1,220	4.6	1,170	4.7	4.8	60	5.0
	RSC-08	Urban Park Ryokuchi Koen	Tanizawa	1,570	1,590	4.9	1,560	5.0	5.1	88	5.7
	RSC-09	Urban Park Koenji	Tanizawa	1,170	1,200	4.1	1,160	4.2	4.3	56	4.8
		Subtotal			19,360	19,680	-	19,080	-	-	872
Logistics facility	LGC-01	Iwatsuki Logistics	Daiwa	7,140	7,250	4.5	7,090	4.3	4.7	333	4.8
	LGC-02	Yokohama Logistics	Daiwa	4,060	4,120	4.3	4,030	4.1	4.5	205	5.8
	LGC-03	Funabashi Logistics	Daiwa	8,650	8,760	4.3	8,600	4.1	4.5	429	5.5
	LGC-04	Baraki Logistics	Tanizawa	4,930	5,050	4.1	4,880	4.0	4.3	209	4.4
	LGC-05	Tokorozawa Logistics	JREI	1,350	1,350	5.1	1,340	4.7	5.4	74	5.7
	LGC-06	Funabashi Nishiura Logistics I	Daiwa	3,020	3,060	4.6	3,000	4.4	4.8	154	5.1
	LGC-07	Funabashi Nishiura Logistics II	Daiwa	841	837	5.7	843	5.5	5.9	58	7.1
	LGC-08	Matsubushi Logistics	JREI	2,850	2,870	5.1	2,830	4.6	5.4	151	5.5
		Subtotal			32,841	33,297	-	32,613	-	-	1,612
Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,310	2,330	4.6	2,300	4.4	4.8	<u>116</u>	5.6
	HTL-02	Smile Hotel Namba	Daiwa	1,720	1,740	5.1	1,710	4.9	5.3	<u>93</u>	<u>5.3</u>
	HTL-03	BEST WESTERN Tokyo Nishikasai	JREI	3,830	3,890	4.5	3,770	4.3	4.7	<u>180</u>	<u>4.7</u>
	HTL-04	BEST WESTERN Yokohama	JREI	3,250	3,260	4.6	3,230	4.3	4.7	<u>154</u>	<u>4.7</u>
		Subtotal			11,110	11,220	-	11,010	-	-	<u>543</u>
	Total			94,291	95,727	-	93,363	-	-	<u>4,420</u>	5.1

(Note 1) "Appraisal firm" is shown as "Daiwa" to stand for Daiwa Real Estate Appraisal Co., Ltd., "JREI" to stand for Japan Real

Estate Institute and “Tanizawa” to stand for The Tanizawa Sogo Appraisal co., Ltd.

(Note 2) “Appraisal value” is as of July 31, 2018 as the date of value.

(Note 3) “NOI” is the net operating income by the direct capitalization method stated in the appraisal report, rounded to the nearest million yen.

(Note 4) “Appraisal NOI yield” is based on the net operating income by the direct capitalization method stated in the appraisal report and expressed as a percentage of acquisition price, rounded to the first decimal place.