(REIT) Financial Report for Fiscal Period Ended July 31, 2020

September 14, 2020

REIT Securities Issuer: Star Asia Investment Corporation (SAR)
Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 3468
URL: http://starasia-reit.com
Representative: Atsushi Kato, Executive Director

Asset Management Company: Star Asia Investment Management Co., Ltd.
Representative: Atsushi Kato, President and CEO
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Scheduled date of commencement of cash distribution payment: October 16, 2020
Scheduled date of submission of securities report: October 28, 2020

Preparation of supplementary financial results briefing materials: Yes
Holding of financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended July 31, 2020 (from February 1, 2020 to July 31, 2020)

(1) Management Status (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Jul. 2020	3,996	23.8	2,131	23.8	1,857	24.3	1,857	24.3
Ended Jan. 2020	3,227	(14.7)	1,721	(22.7)	1,494	(23.9)	1,493	(24.0)

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Ended Jul. 2020	1,716	3.4	1.7	46.5
Ended Jan. 2020	1,381	2.7	1.4	46.3

(Note) SAR has conducted an investment unit split (the "Investment Unit Split") to split one investment unit into two investment units, with July 31, 2020, as the record date and August 1, 2020, as the effective date for the Investment Unit Split. Net income per unit is calculated assuming that the Investment Unit Split was conducted at the beginning of the fiscal period ended January 31, 2020.

(2) Status of Cash Distribution

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Cash distribution payout ratio	Ratio of cash distribution to net assets
	yen	million yen	yen	million yen	%	%
Ended Jul. 2020	3,436	1,858	-	-	100.1	3.4
Ended Jan. 2020	2,788	1,507	-	-	100.9	2.8

(Note) Total cash distribution for the fiscal period ended January 31, 2020, differs from net income due to reversal of internal reserve.

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Jul. 2020	113,035	54,614	48.3	50,492
Ended Jan. 2020	109,649	54,299	49.5	50,200

(Note) Net assets per unit is calculated assuming that the Investment Unit Split was conducted at the beginning of the fiscal period ended January 31, 2020.

(4) Status of Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Jul. 2020	3,268	(3,753)	1,232	6,219
Ended Jan. 2020	1,891	(144)	(1,960)	5,471

2. Management Status Forecast for Fiscal Period Ending January 31, 2021 (from August 1, 2020 to January 31, 2021) and Fiscal Period Ending July 31, 2021 (from February 1, 2021 to July 31, 2021)

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
Ending Jan. 2021	6,613	65.5	3,245	52.3	2,777	49.5	11,670	528.4	1,658	0
Ending Jul. 2021	5,486	(17.0)	2,694	(17.0)	2,258	(18.7)	2,257	(80.7)	1,455	0

(Reference) Forecast net income per unit (Expected net income ÷ expected total number of investment units issued and outstanding at end of period)

Fiscal period ending January 31, 2021:

Expected total number of investment units issued and outstanding at end of period 1,674,389 units

Forecast net income per unit 6,969 yen

Fiscal period ending July 31, 2021:

Expected total number of investment units issued and outstanding at end of period 1,674,389 units

Forecast net income per unit 1,348 yen

(Note 1) Cash distribution per unit calculated using the total number of investment units issued and outstanding as of the date of this report (1,674,389 units).

(Note 2) Since the amount excluding a gain on negative goodwill is assumed to be distributed in the fiscal period ending January 31, 2021, cash distribution per unit differs from forecast net income per unit.

* Others

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

① Changes in accounting policies accompanying amendments to accounting standards, etc.: No

② Changes in accounting policies other than ① : No

③ Changes in accounting estimates : No

④ Retrospective restatement : No

(2) Total Number of Investment Units Issued and Outstanding

① Total number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended Jul. 31, 2020	540,824 units	Fiscal period ended Jan. 31, 2020	540,824 units

② Number of own investment units at end of period

Fiscal period ended Jul. 31, 2020	0 units	Fiscal period ended Jan. 31, 2020	0 units

(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see "Notes on Per Unit Information" on page 20.

* Financial reports are exempt from audits by a certified public accounting or accounting firms.

* Special Note

The management status outlook and other forward-looking statements contained in this document are based on information that are currently available and certain assumptions that are deemed reasonable by SAR. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast figures are the current figures calculated under the assumptions described in "Assumptions Underlying Operating Results Forecasts for Fiscal Period Ending January 31, 2021, and Fiscal Period Ending July 31, 2021" on pages 3-4. Accordingly, 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 vary due to acquisition/disposition of real estate, etc., trends of the real estate market, etc., fluctuations in interest rates, or other changes in the circumstances surrounding SAR, etc. in the future. In addition, the forecast is not a guarantee of the amount of cash distribution.

Assumptions Underlying Operating Results Forecasts for
Fiscal Period Ending January 31, 2021, and Fiscal Period Ending July 31, 2021

Item	Assumptions
Calculation period	➢ Fiscal period ending January 31, 2021: August 1, 2020 – January 31, 2021 (184 days) ➢ Fiscal period ending July 31, 2021: February 1, 2021 – July 31, 2021 (181 days) ➢ Concerning the absorption-type merger (the "Merger") with SAR as the surviving corporation and Sakura Sogo REIT Investment Corporation ("SSR") as the dissolving corporation effectuated on August 1, 2020, it is assumed that the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised January 16, 2019) (the "Business Combinations Accounting Standard") will be applied to the Merger, and the Merger will be accounted for under the purchase method, with SAR as the acquiring entity and SSR as the acquired entity.
Assets under management	➢ It is assumed that, with regard to the assets held by SAR as of the date of this report (54 real estate trust beneficiary interests (of which 1 is quasi co-ownership interest of 60%), 4 mezzanine loan debts, and 2 equity investments in silent partnerships (collectively, "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)," and those in the form of equity investment in silent partnership being referred as "Currently Held Assets (Silent Partnership)")), SAR will sell the real estate trust beneficiary interest in respect to Alphabet Seven (the "Asset Planned to Be Transferred") as described in <Transfer> below. <Transfer> Name of property: Alphabet Seven (quasi co-ownership interest: 60%) Scheduled date of transfer: December 1, 2020 ➢ It is assumed that there will be no change in assets under management (new property acquisitions, sales of the existing properties, etc.) other than the transfer of the Asset Planned to Be Transferred through the end of the fiscal period ending July 31, 2021. ➢ However, in reality Assets under management may change.
Operating revenues	➢ Rent revenues from Currently Held Assets (Real Estates) are calculated based on the details stated in the lease agreements effective as of the date of this report, taking into consideration factors such as market movements. It is also assumed that there will be no arrears or non-payment of rent by tenants. ➢ Interest revenues or dividend revenues from Currently Held Assets (Mezzanine) are calculated based on outlines, trust agreements or loan agreements which define contents of Currently Held Assets (Mezzanine) that are effective as of the date of this report. It is also assumed that no interest payments or dividend payments will be unpaid. ➢ Dividend revenues from Currently Held Assets (Silent Partnership) are calculated as an estimate based on the assumption that the real estate underlying the cash flow will maintain stable operations. ➢ Gains on sale of the Asset Planned to Be Transferred are expected to be 970 million yen for the fiscal period ending January 31, 2021.
Operating expenses	➢ Among expenses related to rent business which are the main operating expenses, expenses other than depreciation are calculated on the basis of historical performance data, by reflecting variable expense factors. ➢ Fixed property taxes, city planning taxes, and other public charges are expected to be 424 million yen in the fiscal period ending January 31, 2021, and to be 427 million yen in the fiscal period ending July 31, 2021. With respect to real estate trust beneficiary interests, fixed property taxes, city planning taxes, and other public charges in the fiscal year will be settled with the seller on a pro rata basis based on the number of days of ownership at the time of acquisition of the properties. However, as SAR includes such settlement amounts in the acquisition cost, fixed property taxes, city planning taxes, and other public charges for fiscal year 2020 related to the acquisition of Urban Park Ichigao and Urban Park Gyotoku in March 2020 will not be recorded as expenses for the fiscal period ending January 31, 2021. Fixed property taxes, city planning taxes, and other public charges for these two properties are expected to be recorded as expenses from the fiscal period ending July 31, 2021. ➢ For expenditures for repair and maintenance of buildings, based on the repair and maintenance plan prepared by Star Asia Investment Management Co., Ltd, the asset manager of SAR (the "Asset Manager"), 141 million yen is expected for the fiscal period ending January 31, 2021, and 160 million yen is expected for the fiscal period ending July 31, 2021. However, the actual expenditures for repair and maintenance for the fiscal periods could differ significantly from the estimated amounts, as urgent expenditures due to damage to buildings may arise due to unexpected factors, and because generally speaking such expenditure amounts generally tend to vary significantly from year to year, and do not arise regularly. ➢ Depreciation is calculated using the straight-line method including for ancillary costs and is expected to be 632 million yen for the fiscal period ending January 31, 2021, and 646 million yen for the fiscal period ending July 31, 2021. ➢ Operating expenses other than rent business related expenses are expected to be 1,151 million yen in the

Item	Assumptions
	fiscal period ending January 31, 2021, and 515 million yen in the fiscal period ending July 31, 2021. ➢ Operating expenses other than rent business related expenses mentioned above include expected merger-related temporary expenses for the Merger of 511 million yen for the fiscal period ending January 31, 2021 (including a merger fee of 313 million yen to be paid by SAR to the Asset Manager).
NOI (Net Operating Income)	➢ Total NOI of the entire portfolio is expected to be 4,035 million yen for the fiscal period ending January 31, 2021, and 3,831 million yen for the fiscal period ending July 31, 2021. ➢ NOI is calculated by using the following calculation method. NOI = rent revenue – rent expenses (excluding depreciation)
Non-operating expenses	➢ The sum of interest expenses and other financing-related expenses is expected to be 468 million yen in the fiscal period ending January 31, 2021, and 436 million yen in the period ending July 31, 2021. ➢ Within other financing-related expenses noted above, temporary expenses to arise in relation to refinancing described under "Debt Financing" below of 75 million yen for the fiscal period ending January 31, 2021, and 45 million yen for the fiscal period ending July 31, 2021, are expected.
Negative goodwill	➢ Negative goodwill estimated from the Merger is 8,893 million yen, and the gain on negative goodwill will be recorded in lump sum as extraordinary income in the fiscal period ending January 31, 2021, in accordance with the Business Combinations Accounting Standard. ➢ The above amount of gain on negative goodwill is based on assumption that total accepted assets and total assumed liabilities from SSR, the acquired entity under the Business Combinations Accounting Standard, will be 67,951 million yen and 33,925 million yen, respectively, and acquisition cost of the Merger will be 25,132 million yen (calculated based on SAR's investment unit price (closing price) as of July 31, 2020). The amounts are estimates and subject to change.
Debt financing	➢ As of the date of this report, SAR has outstanding debt of 83,520 million yen. However, it is assumed that SAR will repay 1,080 million yen of the debt balance in the fiscal period ending January 31, 2021, using proceeds from the sale of the Asset Planned to Be Transferred. ➢ Other than the above, it is assumed that borrowings with repayment dates falling in the fiscal period ending January 31, 2021, and the fiscal period ending July 31, 2021, will be fully refinanced. ➢ It is assumed that there will be no new borrowings or repayment of existing borrowings, including early repayment, up to the end of the fiscal period ending July 31, 2021, other than those described above.
Investment units	➢ It is assumed that the total number of investment units issued and outstanding will be 1,674,389 units, the number as of the date of this report, and that there will be no change in the number due to issuance of new investment units, etc. through the end of the fiscal period ending July 31, 2021.
Cash distributions per unit (not including cash distribution in excess of earnings)	➢ SAR calculates its distribution per unit (excluding distributions in excess of earnings) pursuant to its cash distributions policy as set forth in its Articles of Incorporation. ➢ As SAR expects a gain on negative goodwill described in the "Negative goodwill" will be recognized upon the Merger, SAR plans to secure the full amount of the retained earnings as well as satisfy the tax requirements for conduit status by setting aside a reserve for temporary difference adjustment. SAR plans to use the retained earnings mainly to mitigate any negative impact on distributions caused by temporary decrease in income or incurred expenses and to avoid the occurrence of corporate and other tax expenses as a result of any inconsistencies between tax and accounting beginning from the fiscal period ending July 31, 2021. SAR plans to withdraw the retained earnings of 178 million yen in the fiscal period ending July 2021.
Cash distributions in excess of earnings per unit	➢ SAR has no plans to make distributions in excess of earnings as of the date of this report.
Others	➢ SAR assumes that no amendments affecting the above forecast numbers will be made to relevant laws and regulations, tax policies, accounting standards, listing rules, rules of investment trusts associations, etc. ➢ SAR assumes that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.

2. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	8th fiscal period (As of January 31, 2020)	9th fiscal period (As of July 31, 2020)
Assets		
Current assets		
Cash and deposits	1,622,851	2,303,632
Cash and deposits in trust	3,848,378	3,915,644
Operating accounts receivable	45,608	49,312
Prepaid expenses	112,436	119,529
Other	8,689	10,389
Total current assets	5,637,964	6,398,507
Non-current assets		
Property, plant and equipment		
Buildings in trust	33,247,569	34,100,500
Accumulated depreciation	(2,521,046)	(2,933,446)
Buildings in trust, net	30,726,523	31,167,053
Structures in trust	15,784	18,395
Accumulated depreciation	(2,431)	(2,990)
Structures in trust, net	13,352	15,405
Machinery and equipment in trust	46,680	55,823
Accumulated depreciation	(9,570)	(12,054)
Machinery and equipment in trust, net	37,110	43,768
Tools, furniture and fixtures in trust	36,546	46,277
Accumulated depreciation	(11,336)	(13,817)
Tools, furniture and fixtures in trust, net	25,210	32,460
Land in trust	68,602,052	70,619,311
Total property, plant and equipment	99,404,248	101,877,998
Intangible assets		
Leasehold rights in trust	3,459,138	3,459,138
Total intangible assets	3,459,138	3,459,138
Investments and other assets		
Investment securities	711,912	853,350
Long-term loans receivable	300,000	300,000
Long-term prepaid expenses	121,497	135,723
Lease and guarantee deposits	10,862	10,782
Other	3,625	-
Total investments and other assets	1,147,898	1,299,856
Total non-current assets	104,011,285	106,636,993
Total assets	109,649,249	113,035,501

(Unit: thousand yen)

	8th fiscal period (As of January 31, 2020)	9th fiscal period (As of July 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	338,896	337,786
Current portion of long-term loans payable	11,300,000	14,040,000
Accounts payable - other	269,588	417,355
Accrued expenses	11,903	12,748
Income taxes payable	605	605
Accrued consumption taxes	35,586	48,276
Advances received	531,192	698,166
Other	14,299	17,332
Total current liabilities	12,502,070	15,572,270
Non-current liabilities		
Long-term loans payable	40,280,000	40,280,000
Tenant leasehold and security deposits	6,718	6,595
Tenant leasehold and security deposits in trust	2,459,766	2,429,860
Other	101,271	132,189
Total non-current liabilities	42,847,755	42,848,645
Total liabilities	55,349,826	58,420,916
Net assets		
Unitholders' equity		
Unitholders' capital	52,745,966	52,745,966
Surplus		
Unappropriated retained earnings (undisposed loss)	1,649,263	1,998,562
Total surplus	1,649,263	1,998,562
Total unitholders' equity	54,395,229	54,744,528
Valuation and translation adjustments		
Deferred gains or losses on hedges	(95,806)	(129,943)
Total valuation and translation adjustments	(95,806)	(129,943)
Total net assets	*1 54,299,423	*1 54,614,584
Total liabilities and net assets	109,649,249	113,035,501

(2) Statement of Income

(Unit: thousand yen)

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Operating revenue		
Lease business revenue	*1 2,988,424	*1 3,122,781
Other lease business revenue	*1 212,244	*1 192,129
Gain on sales of real estate property	-	*2 648,585
Other revenue	27,160	32,582
Total operating revenue	3,227,829	3,996,079
Operating expenses		
Expenses related to rent business	*1 1,189,614	*1 1,173,882
Asset management fee	226,759	252,533
Asset custody and administrative service fees	23,757	28,053
Directors' compensations	2,400	2,400
Merger expenses	-	303,222
Other operating expenses	63,888	104,149
Total operating expenses	1,506,419	1,864,242
Operating income	1,721,410	2,131,837
Non-operating income		
Interest income	27	25
Reversal of unpaid distribution	997	1,131
Interest on refund	1	1
Gain on donation of non-current assets	-	2,816
Total non-operating income	1,026	3,975
Non-operating expenses		
Interest expenses	165,266	172,539
Borrowing related expenses	62,670	105,551
Total non-operating expenses	227,937	278,091
Ordinary income	1,494,499	1,857,721
Income before income taxes	1,494,499	1,857,721
Income taxes - current	605	605
Total income taxes	605	605
Net income	1,493,894	1,857,116
Retained earnings brought forward	155,368	141,446
Unappropriated retained earnings (undisposed loss)	1,649,263	1,998,562

(3) Statement of Unitholders' Equity

8th fiscal period (from August 1, 2019 to January 31, 2020)

(Unit: thousand yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of the period	52,745,966	2,115,855	2,115,855	54,861,822	(122,065)	(122,065)	54,739,757
Changes of items during the period							
Dividends from surplus		(1,960,487)	(1,960,487)	(1,960,487)			(1,960,487)
Net income		1,493,894	1,493,894	1,493,894			1,493,894
Net changes of items other than unitholders' equity					26,259	26,259	26,259
Total changes of items during the period	-	(466,592)	(466,592)	(466,592)	26,259	26,259	(440,333)
Balance at end of the period	*1 52,745,966	1,649,263	1,649,263	54,395,229	(95,806)	(95,806)	54,299,423

9th fiscal period (from February 1, 2020 to July 31, 2020)

(Unit: thousand yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of the period	52,745,966	1,649,263	1,649,263	54,395,229	(95,806)	(95,806)	54,299,423
Changes of items during the period							
Dividends from surplus		(1,507,817)	(1,507,817)	(1,507,817)			(1,507,817)
Net income		1,857,116	1,857,116	1,857,116			1,857,116
Net changes of items other than unitholders' equity					(34,137)	(34,137)	(34,137)
Total changes of items during the period		349,298	349,298	349,298	(34,137)	(34,137)	315,161
Balance at end of the period	*1 52,745,966	1,998,562	1,998,562	54,744,528	(129,943)	(129,943)	54,614,584

(4) Statement of Cash Distributions

(Unit: yen)

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
I. Unappropriated retained earnings	1,649,263,334	1,998,562,151
II. Cash distribution	1,507,817,312	1,858,271,264
[Cash distribution per unit]	[2,788]	[3,436]
Cash distribution of earnings	1,507,817,312	1,858,271,264
[Cash distribution of earnings per unit]	[2,788]	[3,436]
III. Retained earnings carried forward	141,446,002	

Method of calculation of amount of cash distributions

8th fiscal period (from August 1, 2019 to January 31, 2020):

Pursuant to the cash distribution policy provided in Article 35, Paragraph 1 of SAR's Articles of Incorporation, SAR shall distribute in excess of the amount equivalent to 90% of the amount of distributable earnings of SAR as defined in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with such policy, concerning cash distribution of earnings (not including cash distribution in excess of earnings), the decision was made to distribute 1,507,817,312 yen, an amount equivalent to the sum of net income plus the amount equal to a portion of rent holidays of logistic facilities, and an integral multiple of the total number of issued investment units of 540,824 in total cash distribution.

9th fiscal period (from February 1, 2020 to July 31, 2020):

Pursuant to the cash distribution policy provided in Article 35, Paragraph 1 of SAR's Articles of Incorporation, SAR shall distribute in excess of the amount equivalent to 90% of the amount of distributable earnings of SAR as defined in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with such policy, concerning cash distribution of earnings (not including cash distribution in excess of earnings), the decision was made to distribute 1,858,271,264 yen, an amount approximated to net income and an integral multiple of the total number of issued investment units of 540,824.

(5) Statement of Cash Flows

(Unit: thousand yen)

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Cash flows from operating activities		
Income before income taxes	1,494,499	1,857,721
Depreciation	420,178	432,258
Interest income	(27)	(25)
Interest expenses	165,266	172,539
Decrease (increase) in operating accounts receivable	10,297	(3,703)
Increase (decrease) in accrued consumption taxes	(163,882)	12,690
Decrease (increase) in prepaid expenses	20,308	(7,093)
Decrease (increase) in long-term prepaid expenses	46,677	(14,225)
Increase (decrease) in operating accounts payable	86,456	(59,255)
Increase (decrease) in accounts payable - other	(21,210)	147,767
Increase (decrease) in advances received	13,802	166,974
Decrease from sales of property, plant and equipment in trust	-	734,465
Other, net	(16,850)	957
Subtotal	2,055,515	3,441,071
Interest income received	27	25
Interest expenses paid	(163,464)	(171,694)
Income taxes paid	(903)	(696)
Net cash provided by (used in) operating activities	1,891,175	3,268,704
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(136,901)	(3,582,328
Repayments of tenant leasehold and security deposits	(141)	(123)
Proceeds from tenant leasehold and security deposits	211	-
Repayments of tenant leasehold and security deposits in trust	(105,199)	(104,949)
Proceeds from tenant leasehold and security deposits in trust	86,020	75,044
Purchase of investment securities	-	(150,000)
Proceeds from redemption of investment securities	11,639	9,275
Other, net	100	80
Net cash provided by (used in) investing activities	(144,270)	(3,753,001)
Cash flows from financing activities		
Proceeds from short-term loans payable	-	-
Repayments of short-term loans payable	-	-
Proceeds from long-term loans payable	-	10,760,000
Repayments of long-term loans payable	-	(8,020,000)
Dividends paid	(1,960,276)	(1,507,655)
Net cash provided by (used in) financing activities	(1,960,276)	1,232,344
Net increase (decrease) in cash and cash equivalents	(213,372)	748,047
Cash and cash equivalents at beginning of period	5,684,601	5,471,229
Cash and cash equivalents at end of period	*1 5,471,229	*1 6,219,277

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Evaluation standards and methods of valuation of securities	Other securities: Those with fair value Fair value method or market value method (Variances are directly included in net assets.) Those with no fair value Cost method through moving-average method As for silent partnership equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from silent partnership is adopted.
2. Method of depreciation of non-current assets	Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of primary property, plant and equipment is as follows: Buildings 5-69 years Structures 7-30 years Machinery and equipment 7-17 years Tools, furniture and fixtures 2-15 years
3. Standards for revenue and expense recognition	Accounting for fixed property tax, etc. Accounting for fixed property tax, city planning tax, depreciable asset tax, etc. ("fixed property tax, etc.") on real estate or beneficiary interest in trust for real estate held is that of the tax amount assessed and determined, and the amount corresponding to the concerned calculation period is expensed as expenses related to rent business. The amount equivalent to fixed property tax, etc. in the initial fiscal year borne by SAR upon acquisition of real estate or beneficiary interest in trust for real estate is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, the amount equivalent to fixed property tax, etc. included in the cost of acquisition of real estate, etc. was 9,754 thousand yen.
4. Method of hedge accounting	(1) Hedge accounting approach Deferral hedge accounting is adopted. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transaction Hedged items: Interest on loans (3) Hedging policy SAR conducts derivative transactions for the purpose of hedging the risks provided in its Articles of Incorporation pursuant to basic rules on risk management. (4) Method of assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.
5. Scope of funds in the statement of cash flows (cash and cash equivalents)	The funds (cash and cash equivalents) in the statement of cash flows comprise cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.
6. Other significant matters serving as the basis for preparation of financial statements	(1) Accounting for beneficiary interest in trust for real estate, etc. Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet. ① Cash and deposits in trust ② Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust ③ Leasehold rights in trust ④ Tenant leasehold and security deposits in trust (2) Accounting for consumption tax, etc. Taxes are excluded from the transaction amounts in accounting for consumption tax and local consumption tax. Non-deductible consumption tax on acquisition of assets is included in the acquisition cost of each asset.

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

*1 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

	8th fiscal period (As of January 31, 2020)	9th fiscal period (As of July 31, 2020)
	50,000	50,000

[Notes to the Statement of Income]

*1 Breakdown of operating income (loss) from real estate leasing

(Unit: thousand yen)

	8th fiscal period From: August 1, 2019 To: January 31, 2020		9th fiscal period From: February 1, 2020 To: July 31, 2020	
A. Operating revenue from real estate leasing				
Lease business revenue				
Rental revenue	2,617,584		2,744,081	
Common area maintenance revenue	262,460		264,725	
Parking revenue	95,729		98,938	
Facility use revenue	10,607		12,518	
Other rental revenue	2,041	2,988,424	2,517	3,122,781
Other lease business revenue				
Utilities reimbursement	177,361		152,573	
Other revenue	34,883	212,244	39,556	192,129
Total operating revenue from real estate leasing		3,200,669		3,314,911
B. Operating expenses from real estate leasing				
Expenses related to rent business				
Management fee	153,423		157,872	
Utilities expenses	176,939		148,284	
Taxes and dues	238,044		240,373	
Repair expenses	82,084		93,667	
Trust fee	13,150		13,779	
Insurance premium	4,773		4,846	
Depreciation	420,178		432,258	
Other expenses	101,019		82,800	
Total operating expenses from real estate leasing		1,189,614		1,173,882
C. Operating income (loss) from real estate leasing [A－B]		2,011,055		2,141,028

*2 Breakdown of gain on sales of real estate property

8th fiscal period (from August 1, 2019 to January 31, 2020)

Not applicable.

9th fiscal period (from February 1, 2020 to July 31, 2020)

Alphabet Seven (quasi co-ownership interest of 40%) (unit: thousand yen)

Real Estate Sale Income	1,400,000
Real Estate Sale Cost	734,465
Other Real Estate Sale Expenses	16,949
Gain on Real Estate Sale	648,585

[Notes to the Statement of Unitholders' Equity]

*1 Total number of investment units authorized and total number of investment units issued and outstanding

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	540,824 units	540,824 units

[Notes to the Statement of Cash Flows]

*1 Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet items

(Unit: thousand yen)

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Cash and deposits	1,622,851	2,303,632
Cash and deposits in trust	3,848,378	3,915,644
Cash and cash equivalents	5,471,229	6,219,277

[Notes on Lease Transactions]

Operating leases (as lessor)

Future minimum lease payments

(Unit: thousand yen)

	8th fiscal period As of Jan. 31, 2020	9th fiscal period As of Jul. 31, 2020
Not later than 1 year	2,723,855	2,837,305
Later than 1 year	7,898,637	7,716,198
Total	10,622,493	10,553,503

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

SAR shall procure funds to allocate to acquisition of real estate related assets, repayment of interest-bearing liabilities, etc. through mainly issuance of investment units, borrowing from financial institutions, issuance of investment corporation bonds, etc. Upon procuring funds through interest-bearing liabilities, due consideration shall be given to fund procurement agility and financial stability.

(2) Description of financial instruments and associated risks, and risk management system

The funds procured through loans, which shall be for the purpose of mainly acquisition of assets, are exposed to liquidity risk until the repayment date, but the concerned risks are managed by taking such measures as lengthening the procurement periods and staggering the maturities. In addition, loans with floating interest rates are exposed to interest rate fluctuation risk, but derivative transactions (interest rate swap transactions) are utilized as hedging instruments to, in effect, convert interest rates to fixed rates in order to mitigate that risk. For the hedge accounting approach, hedging instruments, hedged items, hedging policy and method of assessing the effectiveness of hedging, please refer to "4. Method of hedge accounting" described under "Notes on Matters Concerning Significant Accounting Policies" earlier in this document.

(3) Supplementary explanation to matters concerning fair value, etc. of financial instruments

Not applicable.

2. Matters concerning fair value, etc. of financial instruments

The carrying amount and fair value as of January 31, 2020, and the amount of difference between them, are as follows. Financial instruments for which estimation of fair value is recognized to be extremely difficult are not included. Please refer to "Note 2".

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,622,851	1,622,851	-
(2) Cash and deposits in trust	3,848,378	3,848,378	-
(3) Investment securities	524,740	524,740	-
(4) Long-term loans receivable	300,000	300,000	-
Assets total	6,295,969	6,295,969	-
(5) Current portion of long-term loans payable	11,300,000	11,300,000	-
(6) Long-term loans payable	40,280,000	40,280,000	-
Liabilities total	51,580,000	51,580,000	-
(7) Derivative transactions (*)	(95,806)	(95,806)	-

The carrying amount and fair value as of July 31, 2020, and the amount of difference between these, are as follows. Financial instruments for which estimation of fair value is recognized to be extremely difficult are not included. Please refer to "Note 2".

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,303,632	2,303,632	-
(2) Cash and deposits in trust	3,915,644	3,915,644	-
(3) Investment securities	674,110	674,110	-
(4) Long-term loans receivable	300,000	300,000	-
Assets total	7,193,387	7,193,387	-
(5) Current portion of long-term loans payable	14,040,000	14,040,000	-
(6) Long-term loans payable	40,280,000	40,280,000	-
Liabilities total	54,320,000	54,320,000	-
(7) Derivative transactions (*)	(129,943)	(129,943)	-

(*) Assets and liabilities arising from derivative transactions are offset and presented in the net amount, with the balance shown in parentheses ( ) when in a net liability position.

(Note 1) Method of calculation of the fair value of financial instruments

(1) Cash and deposits; (2) Cash and deposits in trust; (5) Current portion of long-term loans payable

Since these are settled in a short period of time, the fair value is approximately the same as the book value, and thus stated at book value.

(3) Investment securities; (4) Long-term loans receivable;

Since interest income etc. from mezzanine loan debt (corporate bonds, beneficiary interest in trust and loans receivable) are all based on floating interest rates under terms and conditions stipulating that interest rates be reviewed every set period of time, the fair value is approximately the same as the book value, and thus stated at book value.

(6) Long-term loans payables

Since long-term loans payable are all with floating interest rates under terms and conditions that interest rates be reviewed every set period of time, the fair value is approximately the same as the book value, and thus stated at that value.

(7) Derivative transactions

Please refer to "Notes on Derivative Transactions" later in this document.

(Note 2) Financial instruments for which estimation of fair value is recognized to be difficult

(Unit: thousand yen)

Category	8th fiscal period As of Jan. 31, 2020	9th fiscal period As of Jul. 31, 2020
Tenant leasehold and security deposits (*1)	6,718	6,595
Tenant leasehold and security deposits in trust (*1)	2,459,766	2,429,860
Investment securities (*2)	187,172	179,240

(*1) Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are not subject to valuation at fair value, because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out.

(*2) Fair values of silent partnership equity interest in investment securities are not subject to disclosure of fair value as they have no market value and their fair values are extremely difficult to recognize.

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts

8th fiscal period (as of January 31, 2020) (Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Cash and deposits	1,622,851	-	-	-	-	-
Cash and deposits in trust	3,848,378	-	-	-	-	-
Investment securities	-	-	-	524,740	-	-
Long-term loans receivable	-	-	-	300,000	-	-
Total	5,471,229	-	-	824,740	-	-

9th fiscal period (as of July 31, 2020) (Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Cash and deposits	2,303,632	-	-	-	-	
Cash and deposits in trust	3,915,644	-	-	-		
Investment securities	-	-	-	524,110	150,000	
Long-term loans receivable	-	-	-	300,000	-	
Total	6,219,277	-	-	824,110	150,000	

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts

8th fiscal period (as of January 31, 2020) (Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Long-term loans payable	11,300,000	14,600,000	8,150,000	9,530,000	8,000,000	-
Total	11,300,000	14,600,000	8,150,000	9,530,000	8,000,000	-

9th fiscal period (as of July 31, 2020) (Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Long-term loans payable	14,040,000	15,450,000	4,690,000	12,840,000	7,300,000	
Total	14,040,000	15,450,000	4,690,000	12,840,000	7,300,000	

[Notes on Securities]

Other securities

8th fiscal period (as of January 31, 2020)

(Unit: thousand yen)

	Category	Book value	Acquisition cost	Difference
Book value greater than acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	-	-	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Book value less than or equal to acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	400,000	400,000	-
	③ Others	-	-	-
	(3) Others	124,740	124,740	-
	Subtotal	524,740	524,740	-
Total		524,740	524,740	-

(*) Silent partnership equity interests (book value: 187,172 thousand yen) are not included in above because they have no market value and their fair values are extremely difficult to recognize.

9th fiscal period (as of July 31, 2020)

(Unit: thousand yen)

	Category	Book value	Acquisition cost	Difference
Book value greater than acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	-	-	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Book value less than or equal to acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	400,000	400,000	-
	③ Others	-	-	-
	(3) Others	274,110	274,110	-
	Subtotal	674,110	674,110	-
Total		674,110	674,110	-

(*) Silent partnership equity interests (book value: 179,240 thousand yen) are not included above because they have no market value and their fair values are extremely difficult to recognize.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

8th fiscal period (as of January 31, 2020)

Not applicable.

9th fiscal period (as of July 31, 2020)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

8th fiscal period (as of January 31, 2020)

The following is the contract amount or the amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Principle accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term loans payable	44,280,000	32,980,000	(95,806)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

9th fiscal period (as of July 31, 2020)

The following is the contract amount or the amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Principle method of accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term loans payable	44,280,000	32,980,000	(129,943)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

[Notes on Retirement Benefits]

8th fiscal period (as of January 31, 2020)

Not applicable.

9th fiscal period (as of July 31, 2020)

Not applicable.

[Notes on Tax-Effect Accounting]

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	8th fiscal period As of January 31, 2020	9th fiscal period As of July 31, 2020
Deferred tax assets		
Acquisition cost of securities	1,359	1,359
Deferred gains or losses on hedges	30,140	40,880
Subtotal	31,499	42,239
Valuation allowance	(31,499)	(42,239)
Total	-	-
Deferred tax assets, net	-	-

2. Breakdown of major components that caused any significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)

	8th fiscal period As of January 31, 2020	9th fiscal period As of July 31, 2020
Statutory tax rate	31.51	31.46
[Adjustments]		
Deductible distributions payable	(31.50)	(31.46)
Others	0.03	0.04
Effective income tax rate after application of tax-effect accounting	0.04	0.03

[Notes on Share of Profit or Loss of Entities Accounted for Using Equity Method, etc.]

8th fiscal period (as of January 31, 2020)

Not applicable.

9th fiscal period (as of July 31, 2020)

Not applicable.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholders, etc.

8th fiscal period (from August 1, 2019 to January 31, 2020)

Not applicable.

9th fiscal period (from February 1, 2020 to July 31, 2020)

Not applicable.

2. Affiliated companies, etc.

8th fiscal period (from August 1, 2019 to January 31, 2020)

Not applicable.

9th fiscal period (from February 1, 2020 to July 31, 2020)

Not applicable.

3. Fellow subsidiaries, etc.

8th fiscal period (from August 1, 2019 to January 31, 2020)

Not applicable.

9th fiscal period (from February 1, 2020 to July 31, 2020)

Not applicable.

4. Directors, major individual unitholders, etc.

8th fiscal period (from August 1, 2019 to January 31, 2020)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital	Description of business or occupation	Percentage of voting rights, etc. held by (in) SAR	Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director, or close relative of director	Atsushi Kato	—	—	Executive Director of SAR, and President and CEO of the Asset Manager	0.02%	Payment of asset management fee to the Asset Manager (Note 1)	226,759 (Note 2)	Accounts payable – others	249,435 (Note 2)

9th fiscal period (from February 1, 2020 to July 31, 2020)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital	Description of business or occupation	Percentage of voting rights, etc. held by (in) SAR	Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director, or close relative of director	Atsushi Kato	—	—	Executive Director of SAR, and President and CEO of the Asset Manager	0.02%	Payment of asset management fee to the Asset Manager (Note 1)	282,733 (Note 2) (Note 3)	Accounts payable – others	291,537 (Note 2)

(Note 1) The transaction was conducted by Atsushi Kato as President and CEO of a third party (the Asset Manager), and the transaction amount is based on the terms and conditions provided in the Articles of Incorporation of SAR.

(Note 2) Of the amounts above, the transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note 3) The asset management fee for the 9th fiscal period includes the acquisition incentive portion included in the book value of individual real estate, etc. in the amount of 16,200 thousand yen and the property transfer incentive portion in the amount of 14,000 thousand yen.

[Notes on Asset Retirement Obligations]

8th fiscal period (as of January 31, 2020)

Not applicable.

9th fiscal period (as of July 31, 2020)

Not applicable.

[Notes on Investments in Rental Properties]

SAR owns rental real estate, etc. for the purpose of earning revenue from leasing. The carrying amount, amount of increase (decrease) during the period and fair value of these investments in rental properties are as follows:

(Unit: thousand yen)

		8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Carrying amount			
	Balance at beginning of period	103,151,622	102,863,386
	Amount of increase (decrease) during period	(288,235)	2,473,750
	Balance at end of period	102,863,386	105,337,137
Fair value at end of period		114,110,000	115,290,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investments in rental properties during the 8th fiscal period, the amount of increase is mainly attributable to capital expenditures (131,943 thousand yen), while the amount of decrease is mainly attributable to depreciation (420,178 thousand yen). Of the amount of increase (decrease) during 9th fiscal period, the amount of increase is mainly attributable to acquisition of real estate beneficiary interest in trust of two properties (3,449,443 thousand yen) and capital expenditures (188,214 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate beneficiary interest in trust of a property (quasi co-ownership: 40%) (734,465 thousand yen) and depreciation (432,258 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser. Of the fair value at the end of the 9th fiscal period, that of Alphabet Seven (quasi co−ownership interest: 60%) is based on the transfer price (2,100,000 thousand yen) stated in the contract dated March 2, 2020.

Income (loss) concerning investments in rental properties is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Segment Information]

1. Segment information

Segment information is omitted because SAR operates a single segment, which is the real estate leasing business.

2. Related information

8th fiscal period (from August 1, 2019 to January 31, 2020)

(1) Information about products and services

Information about products and services is omitted because net sales to external customers for a single product and service category are in excess of 90% of operating revenue on the statement of income.

(2) Information about geographic areas

① Net sales

Information about net sales is omitted because net sales to external customers in Japan are in excess of 90% of operating revenue on the statement of income.

② Property, plant and equipment

Information about property, plant and equipment is omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about major customers

Information about major customers is omitted because operating revenue to each customer is less than 10% of operating revenue on the statement of income.

9th fiscal period (from February 1, 2020 to July 31, 2020)

(1) Information about products and services

Information about products and services is omitted because net sales to external customers for a single product and service category are in excess of 90% of operating revenue on the statement of income.

(2) Information about geographic areas

① Net sales

Information about net sales is omitted because net sales to external customers in Japan are in excess of 90% of operating revenue on the statement of income.

② Property, plant and equipment

Information about property, plant and equipment is omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

(Unit: thousand yen)

Customer name	Operating revenue	Segment
Kanden Realty & Development Co., Ltd.	648,585 (Note)	Real estate leasing business

(Note) Operating revenue is gain on sale of Alphabet Seven (quasi co-ownership interest: 40%)

[Notes on Per Unit Information]

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Net assets per unit	50,200 yen	50,492yen
Net income per unit	1,381 yen	1,716yen

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

(Note 2) SAR has conducted an investment unit split to split one investment unit into two investment units with August 1, 2020, as the effective date. Net assets per unit and net income per unit are calculated assuming that the Investment Unit Split was conducted at the beginning of the previous fiscal period.

(Note 3) The basis for calculation of net income per unit is as follows:

	8th fiscal period From: August 1, 2019 To: January 31, 2020	9th fiscal period From: February 1, 2020 To: July 31, 2020
Net income (thousand yen)	1,493,894	1,857,116
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,493,894	1,857,116
Average number of investment units during period (units)	1,081,648	1,081,648

[Notes on Significant Subsequent Events]

1. Merger with SSR

SAR and SSR conducted an absorption-type merger with SAR as the surviving corporation and SSR as the dissolving corporation, with August 1, 2020, as the effective date.

(1) Purpose of the Merger

The Merger was conducted based on the determination that realization of the Merger will contribute to maximization of unitholder value for both SAR and SSR, by improving revenue stability owing to expansion of asset size, increase of DPU as a result of cost reduction, and enhanced liquidity of investment units due to an increase in market capitalization.

(2) Merger Ratio

Upon entering into the Merger, SAR allocated and delivered to unitholders 1.78 SAR investment units for every 1.0 SSR investment unit. Fractions of less than 1.0 investment unit were sold through market transactions based on the provisions of the Act on Investment Trusts and Investment Corporations, and the proceeds from such sale were delivered to unitholders who have been allocated fractional shares in accordance with the fractions held.

(3) Merger Money

SAR intends to deliver to SSR unitholders stated or recorded in the final unitholders' register on July 31, 2020, the day immediately preceding the effective date of the Merger, merger money equivalent to cash distributions that would have been made for the final business period of SSR based on SSR's distributable income in October 2020.

(4) Unitholders' capital, etc.

Unitholders' capital and capital surplus of SAR increased upon the Merger are as follows.

Unitholders' capital : 0 yen

Unitholders' capital surplus : Amount to be increased is calculated by deduct the increase amount in unitholders' capital above from an amount to be changed in unitholders' equity prescribed in the Article 22, Paragraph 1 of the Regulation for the Accounting of the Investment Corporation (Cabinet Office Ordinance No. 47 effective in 2006).

(5) Overview of SSR's latest fiscal period (from January 1, 2020 to July 31, 2020)

Business description: Investing in and managing mainly specified assets based on the Investment Trust Act

Operating revenue: 2,774 million yen

Net income: 829 million yen

Total assets: 63,212 million yen

Total liabilities: 33,128 million yen

Net assets: 30,083 million yen

2. Split of Investment Units

SAR has conducted an investment unit split to split one investment unit into two investment units with July 31, 2020, as the record date and August 1, 2020, as the effective date for the Investment Unit Split.

(1) Purpose of Investment Unit Split

In order to make it possible for SSR unitholders to continue holding SAR investment units after the Merger, it has been

decided to carry out the Investment Unit Split, for the purpose of delivering to all SSR unitholders at least one SAR investment unit.

(2) Method of Investment Unit Split

Each SAR investment unit owned by the SAR unitholders as stated or recorded in the final unitholders' register on July 31, 2020, the day immediately preceding the effective date of the Merger, was split 2-for-1.

(3) Increase in number of investment units under the Investment Unit Split

(i)	Total number of issued and outstanding SAR investment units prior to the Investment Unit Split	:	540,824 units
(ii)	Number of investment units added under the Investment Unit Split	:	540,824 units
(iii)	Total number of issued and outstanding SAR investment units after the Investment Unit Split	:	1,081,648 units
(iv)	Total number of issued and outstanding SAR investment units after the Merger	:	1,674,389 units
(v)	Total number of authorized investment units after the Investment Unit Split and the Merger	:	10,000,000 units

[Other notes]

Asset transfer

SAR plans to conduct the following asset transfer.

<Alphabet Seven>

Asset to be transferred:	Trust beneficiary interest in which the main trust assets are real estate in Japan (60% of quasi co−ownership interest)
Signing date:	March 2, 2020
Scheduled transfer dates:	December 1, 2020
Location (indication of residential address):	7-6-38, Akasaka, Minato-ku, Tokyo
Expected Buyer:	Kanden Realty & Development Co., Ltd.
Expected Transfer price:	2,100 million yen
Effect on profit and loss:	Operating revenues from gain on sale of real estate property are expected to be recorded in the amount of approximately 970 million yen in the fiscal period ending January 31, 2021.

(9) Changes in Total Number of Investment Units Issued and Outstanding

The following are the changes in unitholders' capital and total number of investment units issued and outstanding from the date of establishment of SAR to the end of the 9th fiscal period. In line with the Merger and the Investment Unit Split, the total number of investment units issued and outstanding as of the date of this report is 1,674,389 units.

Date	Event	Total number of investment units issued and outstanding (units)		Unitholders' capital (thousand yen) (Note 11)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
December 1, 2015	Establishment through private placement	2,000	2,000	200,000	200,000	(Note 1)
January 14, 2016	Capital increase through private placement	95,000	97,000	9,500,000	9,700,000	(Note 2)
April 19, 2016	Capital increase through public offering	235,900	332,900	22,705,375	32,405,375	(Note 3)
May 17, 2016	Capital increase through third-party allotment	11,800	344,700	1,135,750	33,541,125	(Note 4)
April 4, 2017	Capital increase through public offering	66,200	410,900	6,173,017	39,714,142	(Note 5)
April 24, 2017	Capital increase through third-party allotment	3,400	414,300	317,043	40,031,185	(Note 6)
February 1, 2018	Capital increase through public offering	53,641	467,941	5,525,130	45,556,316	(Note 7)
February 27, 2018	Capital increase through third-party allotment	2,683	470,624	276,354	45,832,670	(Note 8)
September 5, 2018	Capital increase through public offering	66,857	537,481	6,584,077	52,416,747	(Note 9)
October 2, 2018	Capital increase through third-party allotment	3,343	540,824	329,218	52,745,966	(Note 10)

(Note 1) Investment units were issued at a paid-in amount of 100,000 yen per unit upon the establishment of SAR.

(Note 2) Investment units were issued at a paid-in amount of 100,000 yen per unit.

(Note 3) New investment units were issued through public offering at an issue price of 100,000 yen (paid-in amount of 96,250 yen) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 4) New investment units were issued through third-party allotment at a paid-in amount of 96,250 yen per unit for the purpose of procuring funds for repayment of borrowings.

(Note 5) New investment units were issued through public offering at an issue price of 96,720 yen (paid-in amount of 93,248 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 6) New investment units were issued through third-party allotment at a paid-in amount of 93,248 yen per unit for the purpose of procuring funds for repayment of borrowings.

(Note 7) New investment units were issued through public offering at an issue price of 106,724 yen (paid-in amount of 103,002 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 8) New investment units were issued through third-party allotment at a paid-in amount of 103,002 yen per unit for the purpose of procuring funds for repayment of borrowings.

(Note 9) New investment units were issued through public offering at an issue price of 101,985 yen (paid-in amount of 98,480 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 10) New investment units were issued through third-party allotment at a paid-in amount of 98,480 yen per unit for the purpose of procuring funds for repayment of borrowings.

(Note 11) Deduction of reversal of allowance for temporary difference adjustment in line with the cash distribution in excess of earnings from unitholders' capital is not considered.

3. Reference Information

(1) Investment Status

Type of asset	Primary use	Geographic area (Note 1)	8th fiscal period (As of January 31, 2020)		9th fiscal period (As of July 31, 2020)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate in trust	Office	Greater Tokyo	20,130	18.4	19,387	17.2
		Other than Greater Tokyo	15,825	14.4	15,761	13.9
	Residence	Greater Tokyo	12,411	11.3	15,858	14.0
		Other than Greater Tokyo	3,126	2.9	3,113	2.8
	Logistics facility	Greater Tokyo	30,793	28.1	30,690	27.2
	Hotel	Greater Tokyo	12,811	11.7	12,789	11.3
		Other than Greater Tokyo	7,764	7.1	7,736	6.8
Subtotal			102,863	93.8	105,337	93.2
Investment securities			711	0.6	853	0.8
Long-term loans receivable			300	0.3	300	0.3
Deposits and other assets			5,773	5.3	6,545	5.8
Total amount of assets			109,649	100.0	113,035	100.0

	Amount (million yen)	As a percentage of total assets (%)	Amount (million yen)	As a percentage of total assets (%)
Total amount of liabilities (Note 4)	55,349	50.5	58,420	51.7
Total amount of net assets (Note 4)	54,299	49.5	54,614	48.3

(Note 1) "Greater Tokyo" refers to Tokyo's 23 wards, Yokohama City and Kawasaki City in the case of the office asset type, and Tokyo, Kanagawa, Saitama and Chiba Prefectures in the case of other asset types (residence, logistics facility and hotel). The same shall apply hereinafter.

(Note 2) "Total amount held" is the carrying amount as at the date of settlement of accounts (in the case of real estate in trust, then the depreciated book value), rounded down to the nearest million yen.

(Note 3) "As a percentage of total assets" is the carrying amount of the concerned assets expressed as a percentage of the total amount of assets, rounded to the first decimal place.

(Note 4) "Total amount of liabilities" and "Total amount of net assets" are according to total liabilities and total net assets on the balance sheet.

(2) Investment Assets

① Investment securities

Asset no.	Name of the security	Type of asset	Quantity (Units)	Book value (million yen)		Fair value (million yen)		Unrealized gain or loss (million yen)	Remarks
				Unit price	Amount	Unit price	Amount		
MEZ-01	Star Asia Mezzanine Loan Debt Investment Series 1	Corporate bond	—	—	400	—	400	—	(Note 1) (Note 2)
MEZ-03	Star Asia Mezzanine Loan Debt Investment Series 3	Trust beneficiary rights	—	—	124	—	124	—	(Note 1) (Note 3)
MEZ-05	Star Asia Mezzanine Loan Debt Investment Series 5	Trust beneficiary rights	—	—	150	—	150	—	(Note 1) (Note 4)
TKI-01	Subordinated silent partnership equity interest in Godo Kaisya SAPR8	Silent partnership equity interest	—	—	106	—	106	—	(Note 5) (Note 6)
TKI-02	Silent partnership equity interest in Godo Kaisya SAPR7	Silent partnership equity interest	—	—	72	—	72	—	(Note 5) (Note 6)
	Total	—	—	—	853	—	853	—	—

(Note 1) Because interest income etc. from mezzanine loan debt are based on floating interest rates, the fair value is approximately the same as the book value and thus stated at that book value.

(Note 2) The underlying assets are trust beneficiary interests in a trust mainly comprised of Relief Premium Haneda.

(Note 3) The underlying assets are trust beneficiary interests in a trust mainly comprised of The Royal Garden Residence Shirokanedai.

(Note 4) The underlying assets are trust beneficiary interests in a trust mainly composed of Sanmaison Ohorikoenkita.

(Note 5) Book value is stated as fair value.

(Note 6) Overview of operating assets are as follows:

Name of the security	Type of specified asset	Property name	Location (Indication of residential address)
Subordinated silent partnership equity interest in Godo Kaisya SAPR8	Beneficiary interest in trust	Urban Park Mitsuike Koen	6-10-5 Shimosueyoshi, Tsurumi-ku, Yokohama City, Kanagawa Prefecture
		Urban Park Tokiwadai Koen	40-1 Tokiwadai, Hodogaya-ku, Yokohama City, Kanagawa Prefecture
Silent partnership equity interest in Godo Kaisya SAPR7	Beneficiary interest in trust	OHA Building	1-22-17 Akebono-cho, Tachikawa-shi, Tokyo

② Real estate

(a) Overview of real estate (purchase price, etc.)

Use	Property no. (Note 1)	Property name	Location (Note 2)	Acquisition price (million yen) (Note 3)	Share of investment (%) (Note 4)	Real estate appraisal value, etc. (million yen) (Note 5)	Acquisition date
Office	OFC-01	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	2.8	3,070	January 14, 2016
	OFC-03	Honmachibashi Tower	Chuo Ward, Osaka City, Osaka	6,065	5.8	6,960	January 14, 2016
	OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	1.7	2,510	April 20, 2016
	OFC-05	Alphabet Seven (60% of quasi co−ownership interest) (Note 6)	Minato Ward, Tokyo	1,035	1.0	1,608	April 20, 2016
	OFC-06	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	1.9	3,260	April 20, 2016
	OFC-08	Asahi Building	Kanagawa Ward, Yokohama City, Kanagawa	6,320	6.0	7,840	April 20, 2016
	OFC-09	Hakata-eki East Place	Hakata Ward, Fukuoka City, Fukuoka	2,286	2.2	2,630	April 6, 2017
	OFC-10	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1.4	1,550	February 2, 2018
	OFC-11	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2.5	2,690	September 6, 2018
	OFC-12	Higashi-Kobe Center Building	Higashinada Ward, Kobe City, Hyogo	7,440	7.1	7,530	September 6, 2018
	OFC-13	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1.0	1,160	February 1, 2019
	Subtotal			34,974	33.3	40,808	—
Residence	RSC-01	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	1.9	2,480	January 14, 2016
	RSC-02	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	6.0	8,310	January 14, 2016
	RSC-05	Urban Park Namba	Naniwa Ward, Osaka City, Osaka	1,490	1.4	1,650	April 20, 2016
	RSC-06	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1.4	1,510	February 1, 2017
	RSC-07	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1.1	1,190	April 6, 2017
	RSC-08	Urban Park Ryokuchi Koen	Suita City, Osaka	1,550	1.5	1,620	February 2, 2018
	RSC-09	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1.1	1,180	February 2, 2018
	RSC-10	Urban Park Ichigao	Aoba Ward, Yokohama City, Kanagawa	1,810	1.7	1,850	March 13, 2020
	RSC-11	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	1.4	1,500	March 13, 2020
	Subtotal			18,453	17.6	21,290	—

Logistics facility	LGC-01	Iwatsuki Logistics	Iwatsuki Ward, Saitama City, Saitama	6,942	6.6	7,310	January 14, 2016
	LGC-02	Yokohama Logistics	Kanagawa Ward, Yokohama City, Kanagawa	3,560	3.4	4,170	January 14, 2016
	LGC-03	Funabashi Logistics	Funabashi City, Chiba	7,875	7.5	8,650	January 14, 2016
	LGC-04	Baraki Logistics	Ichikawa City, Chiba	4,700	4.5	4,870	April 6, 2017
	LGC-05	Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	1.2	1,350	April 6, 2017
	LGC-06	Funabashi Nishiura Logistics I	Funabashi City, Chiba	3,000	2.9	3,020	February 2, 2018
	LGC-07	Funabashi Nishiura Logistics II	Funabashi City, Chiba	821	0.8	850	February 2, 2018
	LGC-08	Matsubushi Logistics	Kitakatsushika, Saitama	2,755	2.6	2,860	February 2, 2018
	Subtotal			30,953	29.5	33,080	—
Hotel	HTL-01	R&B Hotel Umeda East	Kita Ward, Osaka City, Osaka	2,069	2.0	2,270	January 14, 2016
	HTL-02	Smile Hotel Namba	Naniwa Ward, Osaka City, Osaka	1,750	1.7	1,430	January 14, 2016
	HTL-03	BEST WESTERN Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	3.6	3,660	April 6, 2017
	HTL-04	BEST WESTERN Yokohama	Tsurumi Ward, Yokohama City, Kanagawa	3,248	3.1	3,220	April 6, 2017
	HTL-05	Hotel WBF Fukuoka Tenjin Minami	Chuo Ward, Fukuoka City, Fukuoka	1,970	1.9	1,940	September 6, 2018
	HTL-06	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	2.4	2,450	September 6, 2018
	HTL-07	Best Western Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3.0	3,130	September 6, 2018
	HTL-08	Hotel WBF Art Stay Namba	Naniwa Ward, Osaka City, Osaka	2,000	1.9	1,520	September 6, 2018
	Subtotal			20,544	19.6	19,620	—
Total				104,924	100.0	114,798	—

(Note 1) "Property no." is assigned to SAR's investment assets by categorizing into office (OFC), retail facility (RTL), residence (RSC), logistics facility (LGC) and hotel (HTL), and numbering in order by category. The same shall apply hereinafter.

(Note 2) "Location" is the smallest independent administrative district in which each investment asset is located.

(Note 3) "Acquisition price" indicates the sale and purchase price stated in the sale and purchase agreement for each investment asset. (Not including consumption tax and local consumption tax.) However, in the case of Minami-Azabu Shibuya Building, since the price for each investment asset among multiple assets is not set in the sale and purchase agreement, the total sale and purchase price is divided proportionally based on the ratio of the appraisal value of the properties at the time of acquisition and indicated as the acquisition price.

(Note 4) "Share of investment" is the acquisition price of the investment asset indicated as the ratio of the total of acquisition price, rounded to the first decimal place.

(Note 5) Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and The Tanizawa Sogo Appraisal co., Ltd. are entrusted with appraisals. Real estate appraisal values are the figures indicated in the real estate appraisal report with July 31, 2020 as the date of value and are rounded to the nearest million yen. "Real estate appraisal value" of Alphabet Seven (quasi co−ownership interest: 60%) is obtained by multiplying the appraisal value for 100% of quasi co-ownership interest by 60%, the portion of quasi co-ownership interest owned by SAR as of July 31, 2020. For details, please refer to "(d) Summary of Real Estate Appraisal Reports, etc.".

(Note 6) Alphabet Seven (quasi-co-ownership interest: 60%) is scheduled be transferred on December 1,2020. The same shall apply hereinafter.

(b) Portfolio Summary

a. By Geographic Area

Geographic area		Acquisition price (million yen)	Share (%) (Note 1)	
Greater Tokyo	5 central wards of Tokyo (Note 2)	23,723	22.6	74.6
	Other areas in Greater Tokyo	54,581	52.0	
Other than Greater Tokyo		26,620		25.4
Total		104,924		100.0

(Note 1) "Share" is calculated on the basis of acquisition price, rounded to the first decimal place. Accordingly, the shares may not add up to 100%. The same shall apply hereinafter in "c. By Asset Type (Use)."

(Note 2) "5 central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards. The same shall apply hereinafter.

(a) Office

Geographic area		Acquisition price (million yen)	Share (%)	
Greater Tokyo	5 central wards of Tokyo	12,863	36.8	54.8
	Other areas in Greater Tokyo	6,320	18.1	
Other than Greater Tokyo		15,791		45.2
Total		34,974		100.0

(b) Residence

Geographic area		Acquisition price (million yen)	Share (%)	
Greater Tokyo	5 central wards of Tokyo	8,360	45.3	83.5
	Other areas in Greater Tokyo	7,053	38.2	
Other than Greater Tokyo		3,040		16.5
Total		18,453		100.0

(c) Logistics facility

Geographic area		Acquisition price (million yen)	Share (%)	
Greater Tokyo	5 central wards of Tokyo	—	—	100.0
	Other areas in Greater Tokyo	30,953	100.0	
Other than Greater Tokyo		—		—
Total		30,953		100.0

(d) Hotel

Geographic area		Acquisition price (million yen)	Share (%)	
Greater Tokyo	5 central wards of Tokyo	2,500	12.2	62.1
	Other areas in Greater Tokyo	10,255	49.9	
Other than Greater Tokyo		7,789		37.9
Total		20,544		100.0

b. By Size

Acquisition price	Number of properties	Share (%) (Note)
5 billion yen or more but less than 10 billion yen	6	16.7
1 billion yen or more but less than 5 billion yen	29	80.6
Less than 1 billion yen	1	2.8
Total	36	100.0

(Note) "Share" is calculated on the basis of number of properties.

c. By Asset Type (Use)

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office	11	34,974	33.3
Residence	9	18,453	17.6
Logistics facility	8	30,953	29.5
Hotel	8	20,544	19.6
Total	36	104,924	100.0

(c) Status of Leasing

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Operating revenue from leasing (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m^2) (Note 4)	Leasable area (m^2) (Note 5)	Occupancy rate (%) (Note 6)
OFC-01	Minami-Azabu Shibuya Building	June 1993	5	95,947	110,263	3,263.08	3,263.08	100.0
OFC-03	Honmachibashi Tower	February 2010	5 (Note 7)	215,558	200,763	10,489.58	10,489.58	100.0
OFC-04	Nishi-Shinjuku Matsuya Building	May 1987	10	108,781	127,097	3,521.03	3,521.03	100.0
OFC-05	Alphabet Seven (Note 10)	January 1990	9	75,266	54,541	1,362.11	1,478.75	92.1
OFC-06	Shibuya MK Building	July 1993	4	79,693	106,556	1,612.88	1,612.88	100.0
OFC-08	Asahi Building	November 1994	20	226,051	247,602	8,672.01	8,672.01	100.0
OFC-09	Hakata-eki East Place	February 1986	17	104,329	89,557	4,583.27	4,632.70	98.9
OFC-10	Nihonbashi Hamacho Park Building	July 1992	4	51,571	76,945	1,911.84	1,911.84	100.0
OFC-11	Amusement Media Gakuin Honkan	November 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,892.18	100.0
OFC-12	Higashi Kobe Center Building	January 1992	52	318,964	300,470	16,298.00	16,926.56	96.3
OFC-13	Amusement Media Gakuin Shinkan	January 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	781.33	100.0
RSC-01	Urban Park Azabujuban	November 1999	41	57,827	10,764	1,883.40	1,986.76	94.8
RSC-02	Urban Park Daikanyama	Existing: November 1982 Newly built: May 2006	67	193,318	80,152	5,624.44	5,977.18	94.1
RSC-05	Urban Park Namba	January 2013	105	49,759	-	2,328.25	2,584.81	90.1
RSC-06	Urban Park Gokokuji	February 1990	90	51,611	7,834	1,668.68	1,964.04	85.0
RSC-07	Urban Park Kashiwa	August 1997	39	37,076	8,031	2,884.86	2,954.77	97.6
RSC-08	Urban Park Ryokuchi Koen	March 1989	59	56,478	9,770	5,508.94	5,508.94	100.0
RSC-09	Urban Park Koenji	October 1987	70	36,321	5,701	1,252.03	1,365.48	91.7
RSC-10	Urban Park Ichigao	July 1998	61	42,764	16,107	4,197.58	4,322.62	97.1
RSC-11	Urban Park Gyotoku	March 1995	41	34,607	28,860	2,917.92	2,976.36	98.0
LGC-01	Iwatsuki Logistics	October 2014	3	197,147	97,014	30,190.81	30,190.81	100.0
LGC-02	Yokohama Logistics	October 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	18,142.08	100.0
LGC-03	Funabashi Logistics	Building 1: September 1992 Building 2: August 1997	4	257,660	83,426	34,901.67	38,086.56	91.6
LGC-04	Baraki Logistics	August 2015	2	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	12,126.28	100.0

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Operating revenue from leasing (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m²) (Note 4)	Leasable area (m²) (Note 5)	Occupancy rate (%) (Note 6)
LGC-05	Tokorozawa Logistics	April 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	5,994.75	100.0
LGC-06	Funabashi Nishiura Logistics I	October 1985	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	14,018.82	100.0
LGC-07	Funabashi Nishiura Logistics II	Warehouse: March 1991 Factory: May 1972 Office: May 1986	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	6,315.87	100.0
LGC-08	Matsubushi Logistics	March 1997	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	19,833.47	100.0
HTL-01	R&B Hotel Umeda East	October 2000	1	65,212	73,495	3,940.93	3,940.93	100.0
HTL-02	Smile Hotel Namba	February 2008	1	19,410	-	1,711.42	1,711.42	100.0
HTL-03	BEST WESTERN Tokyo Nishikasai	March 1991	1	84,600	84,600	5,293.88	5,293.88	100.0
HTL-04	BEST WESTERN Yokohama	September 1987	1	80,400	80,400	4,686.09	4,686.09	100.0
HTL-05	Hotel WBF Fukuoka Tenjin Minami	February 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	2,281.49	100.0
HTL-06	GLANSIT AKIHABARA	September 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,089.06	100.0
HTL-07	BEST WESTERN Tokyo Nishikasai Grande	February 2017	1	70,002	116,670	2,755.19	2,755.19	100.0
HTL-08	Hotel WBF Art Stay Namba	April 2017	0	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	2,061.46	0.0
Total			722	3,314,911	2,436,455	245,935.22	253,351.06	97.1

(Note 1) "Number of tenants" is the number of tenants (excluding parking) under the lease agreement stated in the lease agreement for each investment asset as of July 31, 2020. If a single tenant is leasing multiple rental units in an investment asset, the tenant is counted as 1 tenant for the concerned investment asset. If a single tenant is leasing rental units across multiple investment assets, the tenant is counted as separate tenants and the sum total number of tenants is stated in the total column. Furthermore, in cases where a pass-through-type master lease agreement under which rent from end-tenants is received in principle ("pass-through-type master lease") has been concluded for the concerned investment asset, the total number of end-tenants is stated. In cases where a master lease agreement agreeing to the effect that the rent under the master lease agreement shall be a fixed rent ("rent-guaranteed type master lease") has been concluded for the concerned investment asset, the number of tenants is 1 and the sum total of these is stated.

(Note 2) "Operating revenue from leasing" is rental revenue, common area maintenance revenue, parking revenue and other revenue generated from real estate held during the fiscal period under review (including other lease business revenue).

(Note 3) "Security and guarantee deposits" is the sum total amount of tenant security and guarantee deposits required based on the lease agreement (including deposits based on parking, antenna, rooftop and other agreements; the amount after depreciation) for each investment asset as of July 31, 2020 (limited to those occupied as of said date). Furthermore, in cases where a pass-through-type master lease agreement has been concluded for the concerned investment asset, it is the sum total amount of tenant security and guarantee deposits under lease agreements concluded with end-tenants.

(Note 4) "Leased area" is the sum total of the leased area stated in the lease agreement for each investment asset as of July 31, 2020. Furthermore, in cases where a master lease agreement has been concluded for the concerned investment

asset, it is the sum total of the leased area under lease agreements concluded with end-tenants for properties under a pass-through-type master lease, and it is the leased area under the master lease agreement for properties under a rent-guaranteed type master lease.

(Note 5) "Leasable area" is the floor area regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for each investment asset as of July 31, 2020.

(Note 6) "Occupancy rate" is the ratio of leased area to leasable area for each investment asset as of July 31, 2020, rounded to the first decimal place. In addition, in the total column, it is the ratio of the sum total of leased area to the sum total of leasable area for each investment asset, rounded to the first decimal place.

(Note 7) Of the tenants of the property, a single company leases all 36 units of the residential portion, of which 30 units are under a rent-guaranteed type master lease agreement and 6 units are under a pass-through-type master lease agreement.

(Note 8) In the table, "Number of tenants," "Security and guarantee deposits," "Leased area" and "Occupancy rate" are based on lease agreements valid as of July 31, 2020, even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent.

(Note 9) Not disclosed, because consent for disclosure has not been obtained from the tenants.

(Note 10) "Leased area" and "Leasable area" of Alphabet Seven are obtained by multiplying the area of the entire property by 60%, the portion of quasi co-ownership interest owned by SAR as of July 31, 2020.

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

Use	Property no.	Property name	Appraisal firm (Note 1)	Appraisal value (million yen) (Note 2)	Summary of appraisal reports					NOI (million yen) (Note 3)	Appraisal NOI yield (%) (Note 4)
					Income approach						
					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	3,070	3,180	3.9	3,020	3.5	4.1	139	4.7
	OFC-03	Honmachibashi Tower	Daiwa	6,960	7,070	4.2	6,910	4.0	4.4	311	5.1
	OFC-04	Nishi-Shinjuku Matsuya Building	Daiwa	2,510	2,450	4.1	2,540	3.9	4.3	113	6.4
	OFC-05	Alphabet Seven (quasi co-ownership interest: 60%)	JREI	1,608 (Note 5)	1,632 (Note 5)	3.7	1,578 (Note 5)	3.5	3.9	63 (Note 5)	6.1
	OFC-06	Shibuya MK Building	JREI	3,260	3,320	3.5	3,190	3.3	3.7	120	5.9
	OFC-08	Asahi Building	JREI	7,840	7,970	3.6	7,700	3.4	3.8	317	5.0
	OFC-09	Hakata-eki East Place	Daiwa	2,630	2,570	4.6	2,650	4.4	4.8	119	5.2
	OFC-10	Nihonbashi Hamacho Park Building	Daiwa	1,550	1,540	4.3	1,550	4.1	4.5	68	4.7
	OFC-11	Amusement Media Gakuin Honkan	Daiwa	2,690	2,740	3.6	2,670	3.4	3.8	102	4.0
	OFC-12	Higashi Kobe Center Building	Tanizawa	7,530	7,640	5.0	7,480	5.1	5.2	430	5.8
	OFC-13	Amusement Media Gakuin Shinkan	JREI	1,160	1,180	3.4	1,130	3.2	3.6	41	4.0
	Subtotal			40,808	41,292	-	40,418	-	-	1,823	5.2
Residence	RSC-01	Urban Park Azabujuban	JREI	2,480	2,520	3.5	2,430	3.3	3.7	91	4.4
	RSC-02	Urban Park Daikanyama	JREI	8,310	8,480	3.4	8,130	3.2	3.6	300	4.8
	RSC-05	Urban Park Namba	Daiwa	1,650	1,670	4.7	1,640	4.5	4.9	80	5.4
	RSC-06	Urban Park Gokokuji	JREI	1,510	1,540	4.0	1,480	3.8	4.2	69	4.7
	RSC-07	Urban Park Kashiwa	Tanizawa	1,190	1,210	4.6	1,180	4.7	4.8	60	5.0
	RSC-08	Urban Park Ryokuchi Koen	Tanizawa	1,620	1,630	4.8	1,620	4.9	5.0	89	5.7
	RSC-09	Urban Park Koenji	Tanizawa	1,180	1,200	4.0	1,170	4.1	4.2	55	4.7
	RSC-10	Urban Park Ichigao	JREI	1,850	1,870	4.3	1,820	4.1	4.5	86	4.7
	RSC-11	Urban Park Gyotoku	Tanizawa	1,500	1,510	4.2	1,490	4.3	4.4	67	4.7
	Subtotal			21,290	21,630	-	20,960	-	-	896	4.9

Logistics facility	LGC-01	Iwatsuki Logistics	Daiwa	7,310	7,410	4.4	7,270	4.2	4.6	333	4.8
	LGC-02	Yokohama Logistics	Daiwa	4,170	4,190	4.2	4,160	4.0	4.4	204	5.7
	LGC-03	Funabashi Logistics	Daiwa	8,650	8,710	4.2	8,620	4.0	4.4	419	5.3
	LGC-04	Baraki Logistics	Tanizawa	4,870	4,980	4.0	4,820	3.9	4.2	201	4.3
	LGC-05	Tokorozawa Logistics	JREI	1,350	1,360	5.0	1,330	4.6	5.3	74	5.7
	LGC-06	Funabashi Nishiura Logistics I	Daiwa	3,020	3,040	4.6	3,010	4.3	4.7	153	5.1
	LGC-07	Funabashi Nishiura Logistics II	Daiwa	850	844	5.6	853	5.4	5.8	57	7.0
	LGC-08	Matsubushi Logistics	JREI	2,860	2,870	5.1	2,840	4.6	5.4	151	5.5
	Subtotal			33,080	33,404	-	32,903	-	-	1,591	5.1
Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,270	2,280	4.6	2,260	4.4	4.8	113	5.5
	HTL-02	Smile Hotel Namba	Daiwa	1,430	1,500	4.7	1,400	4.5	4.9	75	4.3
	HTL-03	BEST WESTERN Tokyo Nishikasai	JREI	3,660	3,730	4.3	3,590	4.1	4.5	165	4.3
	HTL-04	BEST WESTERN Yokohama	JREI	3,220	3,260	4.4	3,170	4.2	4.6	147	4.5
	HTL-05	Hotel WBF Fukuoka Tenjin Minami	Tanizawa	1,940	1,960	4.4	1,930	4.4	4.6	87	4.4
	HTL-06	GLANSIT AKIHABARA	Tanizawa	2,450	2,510	3.9	2,420	3.8	4.1	98	3.9
	HTL-07	Best Western Tokyo Nishikasai Grande	Tanizawa	3,130	3,160	4.0	3,120	3.9	4.2	126	4.0
	HTL-08	Hotel WBF Art Stay Namba	Daiwa	1,520	1,600	4.3	1,490	4.1	4.5	76	3.8
	Subtotal			19,620	20,000	-	19,380	-	-	888	4.3
Total				114,798	116,326	-	113,661	-	-	5,199	5.0

(Note 1) Under “Appraisal firm,” “Daiwa,” “JREI,” and “Tanizawa” stand for Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, and The Tanizawa Sogo Appraisal co., Ltd., respectively

(Note 2) “Appraisal value” is as of July 31, 2020, as the date of value.

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

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

(Note 5) The figures obtained by multiplying figures in the appraisal report for 100% of quasi co-ownership by 60%, the portion of quasi co-ownership interest owned by SAR as of July 31, 2020, are shown.

(e) Information on Major Real Estate Properties

Of investment assets, there is no property that falls under the category of major real estate properties (buildings/facilities pertaining to land recognized to be used collectively, of which total rental revenue accounts for 10% or more of the sum total of total rental revenue of investment assets) as of July 31, 2020. Of investment assets, the following are top five properties in terms of total rental revenue as of July 31, 2020.

	Changes in occupancy rate (%) (Note)				
	July 31, 2018	January 31, 2019	July 31, 2019	January 31, 2020	July 31, 2020
Higashi Kobe Center Building	-	96.1	89.6	94.4	96.3
Funabashi Logistics	91.6	91.6	91.6	91.6	91.6
Asahi Building	100.0	100.0	100.0	100.0	100.0
Iwatsuki Logistics	100.0	100.0	100.0	100.0	100.0
Honmachibashi Tower	100.0	100.0	100.0	100.0	100.0

(Note) "Changes in occupancy rate" is the ratio of leased area to leasable area for each investment asset as of the record date, rounded to the first decimal place.

(f) Top 10 End-Tenants in Terms of Leased Area

The following table lists the tenants ranking in the top ten tenants in terms of leased area of investment assets.

	Name of tenant	Name of property occupied	Leased area (m^2) (Note 1)	As a percentage of total leasable area (%) (Note 2)
1	Not disclosed (Note 3)	Iwatsuki Logistics	Not disclosed (Note 3)	11.7
2	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	8.6
3	Tokyo Nohin Daiko	Matsubushi Logistics	19,833.47	7.8
4	Not disclosed (Note 3)	Yokohama Logistics	Not disclosed (Note 3)	7.2
5	Not disclosed (Note 3)	Funabashi Nishiura Logistics I	Not disclosed (Note 3)	5.5
6	Rembrandt Inn	BEST WESTERN Tokyo Nishikasai BEST WESTERN Yokohama Best Western Tokyo Nishikasai Grande	12,735.16	5.0
7	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	2.8
8	Not disclosed (Note 3)	Funabashi Nishiura Logistics II	Not disclosed (Note 3)	2.5
9	Not disclosed (Note 3)	Baraki Logistics	Not disclosed (Note 3)	2.4
10	Not disclosed (Note 3)	Baraki Logistics	Not disclosed (Note 3)	2.4
Total of the top 10 tenants			141,877.25	56.0

(Note 1) "Leased area" is the sum total of the leased area stated in the lease agreement for each investment asset as of July 31, 2020.

(Note 2) "As a percentage of total leasable area" is the area leased to the tenant expressed as a percentage of the sum total of leasable area of all investment assets, rounded to the first decimal place.

(Note 3) Not disclosed, because consent for disclosure has not been obtained from the end-tenants, etc.

(g) Capital Expenditures

a. Schedule of Capital Expenditures for the 10th fiscal period

The following are the principal capital expenditures arising from renovation construction works, etc. currently planned for the assets held by SAR as of July 31, 2020. Please note that the expected construction amounts include portions that are expensed as a separate account item of accounting costs.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction costs (thousand yen)		
			Total amount	Amount of payment during period	Total amount already paid
Higashi Kobe Center Building (Kobe City, Hyogo)	Porcelain tile correction work on the outer wall	From: Dec. 2020 To: Dec. 2020	39,600	—	—
Asahi Building (Yokohama City, Kanagawa)	Air conditioning equipment renewal work	From: Nov. 2020 To: Nov. 2020	34,500		
Amusement Media Gakuin Honkan (Shibuya Ward, Tokyo)	Air conditioning equipment renewal work	From: Sep. 2020 To: Oct. 2020	16,940		
Tokorozawa Logistics (Tokorozawa City, Saitama)	Northwest side outer wall repair work	From: Oct. 2020 To: Dec. 2020	16,000		
Urban Park Gokokuji (Toshima Ward, Tokyo)	Northwest side outer wall repair work	From: Dec. 2020 To: Dec. 2020	14,400		

b. Capital Expenditures during the 9th fiscal period

The following summarizes the primary construction works that constitute capital expenditures implemented for the assets held by SAR as of July 31, 2020, during the 9th fiscal period. Capital expenditures for the 9th fiscal period amounted to 188,214 thousand yen and, when combined with the 93,667 thousand yen in repair expenses charged to the same period, it totals 281,882 thousand yen in construction works implemented.

Name of real estate, etc. (Location)	Purpose	Period	Construction costs (thousand yen)
Asahi Building (Yokohama City, Kanagawa)	Air conditioning equipment renewal work	From: Jul. 2020 To: Jul. 2020	21,885
Funabashi Nishiura Logistics I (Funabashi City, Chiba)	Roof tarpaulin replacement work and painting work	From: Jul. 2020 To: Jul. 2020	17,143
BEST WESTERN Tokyo Nishikasai (Edogawa Ward, Tokyo)	Hot water supply facility renewal work	From: Jul. 2020 To: Jul. 2020	16,170
Nishi-Shinjuku Matsuya Building (Shibuya Ward, Tokyo)	DC power supply renewal work	From: May. 2020 To: Jul. 2020	14,352
Urban Park Gokokuji (Toshima Ward, Tokyo)	Heats equipment renewal work	From: Jun. 2020 To: Jul. 2020	11,172
Others	—	—	107,488
Total			188,214

(h) Individual Property Income Statements

(Unit: thousand yen)

Property no.	OFC-01	OFC-03	OFC-04	OFC-05	OFC-06
Property name	Minami-Azabu Shibuya Building	Honmachibashi Tower	Nishi-Shinjuku Matsuya Building	Alphabet Seven	Shibuya MK Building
① Total operating revenue from real estate leasing	95,947	215,558	108,781	75,266	79,693
Lease business revenue	88,068	193,563	101,784	66,870	75,321
Other lease business revenue	7,879	21,994	6,996	8,396	4,372
② Total operating expenses from real estate leasing	27,446	58,871	34,383	17,242	13,522
Management fee	5,971	15,180	6,835	4,564	4,797
Trust fee	400	400	400	412	350
Utilities expenses	6,085	18,763	7,439	3,913	3,078
Insurance premium	115	354	127	92	44
Repair expenses	1,921	2,159	3,374	1,807	530
Property taxes	4,535	19,763	3,410	6,208	4,327
Others	8,416	2,250	12,796	244	393
③ NOI (①－②)	68,500	156,686	74,397	58,023	66,170
④ Depreciation	11,565	45,359	8,744	5,617	3,386
⑤ Operating income (loss) from real estate leasing (③－④)	56,934	111,327	65,653	52,406	62,784
⑥ Capital expenditures	637	1,132	16,631	-	3,797
⑦ NCF (③－⑥)	67,863	155,554	57,766	58,023	62,373
Book value at end of the period	2,952,020	5,816,046	1,828,725	1,101,697	2,092,597

Property no.	OFC-08	OFC-09	OFC-10	OFC-11	OFC-12
Property name	Asahi Building	Hakata-eki East Place	Nihonbashi Hamacho Park Building	Amusement Media Gakuin Honkan	Higashi Kobe Center Building
① Total operating revenue from real estate leasing	226,051	104,329	51,571	Not disclosed (Note)	318,964
Lease business revenue	210,058	94,303	51,571		282,767
Other lease business revenue	15,992	10,025	-		36,197
② Total operating expenses from real estate leasing	64,910	28,698	12,112		114,870
Management fee	15,720	8,041	880		26,457
Trust fee	400	400	400		400
Utilities expenses	17,490	6,986	-		33,035
Insurance premium	353	165	122		649
Repair expenses	12,566	4,881	30		4,782
Property taxes	16,123	7,079	4,299		29,165
Others	2,254	1,143	6,379		20,380
③ NOI (①－②)	161,140	75,630	39,459		204,094
④ Depreciation	26,611	7,777	2,837		33,006
⑤ Operating income (loss) from real estate leasing (③－④)	134,529	67,853	36,622		171,087
⑥ Capital expenditures	24,176	5,788	-		15,795
⑦ NCF (③－⑥)	136,964	69,841	39,459		188,299
Book value at end of the period	6,327,747	2,314,827	1,455,957	2,594,390	7,631,050

(Note) Not disclosed because consent for disclosure has not been obtained from the tenants.

(Unit: thousand yen)

Property no.	OFC-13	RSC-01	RSC-02	RSC-05	RSC-06
Property name	Amusement Media Gakuin Shinkan	Urban Park Azabujuban	Urban Park Daikanyama	Urban Park Namba	Urban Park Gokokuji
① Total operating revenue from real estate leasing	Not disclosed (Note)	57,827	193,318	49,759	51,611
Lease business revenue		54,777	186,271	49,255	47,450
Other lease business revenue		3,050	7,046	504	4,161
② Total operating expenses from real estate leasing		10,949	37,799	9,334	19,566
Management fee		2,107	9,922	2,561	3,806
Trust fee		350	350	350	400
Utilities expenses		669	3,778	351	2,222
Insurance premium		57	194	63	52
Repair expenses		2,909	7,242	2,158	7,935
Property taxes		2,874	11,442	2,821	1,909
Others		1,981	4,870	1,029	3,239
③ NOI (①－②)		46,878	155,518	40,425	32,045
④ Depreciation		4,915	12,909	7,541	5,374
⑤ Operating income (loss) from real estate leasing (③－④)		41,962	142,609	32,883	26,671
⑥ Capital expenditures		2,379	7,733	-	11,172
⑦ NCF (③－⑥)		44,498	147,785	40,425	20,872
Book value at end of the period	1,034,110	2,082,765	6,378,928	1,505,775	1,512,125

Property no.	RSC-07	RSC-08	RSC-09	RSC-10	RSC-11
Property name	Urban Park Kashiwa	Urban Park Ryokuchi Koen	Urban Park Koenji	Urban Park Ichigao	Urban Park Gyotoku
① Total operating revenue from real estate leasing	37,076	56,478	36,321	42,764	34,607
Lease business revenue	35,901	54,388	33,807	41,602	32,398
Other lease business revenue	1,174	2,090	2,513	1,162	2,208
② Total operating expenses from real estate leasing	10,842	22,457	8,447	5,071	6,132
Management fee	1,969	2,778	1,796	2,403	1,670
Trust fee	350	350	400	308	308
Utilities expenses	589	2,212	1,560	815	823
Insurance premium	84	117	36	81	53
Repair expenses	3,674	6,631	2,326	812	2,226
Property taxes	2,950	3,583	969	-	-
Others	1,225	6,784	1,358	648	1,049
③ NOI (①－②)	26,234	34,020	27,873	37,693	28,475
④ Depreciation	7,241	7,986	2,574	4,489	3,236
⑤ Operating income (loss) from real estate leasing (③－④)	18,992	26,034	25,299	33,204	25,238
⑥ Capital expenditures	2,191	3,153	7,707	1,611	5,256
⑦ NCF (③－⑥)	24,042	30,866	20,166	36,082	23,218
Book value at end of the period	1,241,569	1,607,931	1,194,447	1,930,897	1,517,687

(Note) Not disclosed because consent for disclosure has not been obtained from the tenants.

(Unit: thousand yen)

Property no.	LGC-01	LGC-02	LGC-03	LGC-04	LGC-05
Property name	Iwatsuki Logistics	Yokohama Logistics	Funabashi Logistics	Baraki Logistics	Tokorozawa Logistics
① Total operating revenue from real estate leasing	197,147	Not disclosed (Note1)	257,660	Not disclosed (Note1)	Not disclosed (Note1)
Lease business revenue	187,713		241,745		
Other lease business revenue	9,433		15,914		
② Total operating expenses from real estate leasing	30,756		51,891		
Management fee	5,650		11,618		
Trust fee	350		400		
Utilities expenses	9,433		13,247		
Insurance premium	272		392		
Repair expenses	1,111		3,026		
Property taxes	13,630		23,015		
Other	307		191		
③ NOI (①－②)	166,390		205,769		
④ Depreciation	46,609		26,992		
⑤ Operating income (loss) from real estate leasing (③－④)	119,780		178,777		
⑥ Capital expenditures	3,294		3,387		
⑦ NCF (③－⑥)	163,096		202,381		
Book value at end of the period	6,605,645	3,749,579	7,788,516	4,643,978	1,354,721

Property no.	LGC-06	LGC-07	LGC-08	HTL-01	HTL-02
Property name	Funabashi Nishiura Logistics I	Funabashi Nishiura Logistics II	Matsubushi Logistics	R&B Hotel Umeda East	Smile Hotel Namba (Note2)
① Total operating revenue from real estate leasing	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	65,212	19,410
Lease business revenue				65,212	19,410
Other lease business revenue				-	-
② Total operating expenses from real estate leasing				9,349	5,677
Management fee				742	660
Trust fee				350	550
Utilities expenses				1	-
Insurance premium				111	53
Repair expenses				2,490	1,539
Property taxes				5,452	2,276
Other				199	598
③ NOI (①－②)				55,863	13,733
④ Depreciation				9,844	12,210
⑤ Operating income (loss) from real estate leasing (③－④)				46,019	1,522
⑥ Capital expenditures				3,389	4,745
⑦ NCF (③－⑥)				52,474	8,987
Book value at end of the period	2,967,341	854,936	2,725,589	2,114,870	1,675,380

(Note 1) Not disclosed because consent for disclosure has not been obtained from the tenants.

(Note 2) Operating revenue from real estate leasing of Smile Hotel Namba includes variable rents of 1,784 thousand yen.

(Unit: thousand yen)

Property no.	HTL-03	HTL-04	HTL-05	HTL-06	HTL-07
Property name	BEST WESTERN Tokyo Nishikasai	BEST WESTERN Yokohama	Hotel WBF Fukuoka Tenjin Minami	GLANSIT AKIHABARA	Best Western Tokyo Nishikasai Grande
① Total operating revenue from real estate leasing	84,600	80,400	Not disclosed (Note)	Not disclosed (Note)	70,002
Lease business revenue	84,600	80,400			70,002
Other lease business revenue	-	-			-
② Total operating expenses from real estate leasing	12,853	7,241			6,715
Management fee	1,200	1,200			990
Trust fee	400	400			400
Utilities expenses	-	-			-
Insurance premium	125	105			63
Repair expenses	3,084	805			-
Property taxes	8,019	4,706			5,239
Other	24	24			22
③ NOI (①－②)	71,746	73,158			63,286
④ Depreciation	11,945	13,030			10,857
⑤ Operating income (loss) from real estate leasing (③－④)	59,800	60,128			52,429
⑥ Capital expenditures	16,170	1,666			-
⑦ NCF (③－⑥)	55,575	71,492			63,286
Book value at end of the period	3,859,803	3,260,542	1,956,921	2,503,949	3,164,952

Property no.	HTL-08
Property name	Hotel WBF Art Stay Namba
① Total operating revenue from real estate leasing	Not disclosed (Note)
Lease business revenue	
Other lease business revenue	
② Total operating expenses from real estate leasing	
Management fee	
Trust fee	
Utilities expenses	
Insurance premium	
Repair expenses	
Property taxes	
Other	
③ NOI (①－②)	
④ Depreciation	
⑤ Operating income (loss) from real estate leasing (③－④)	
⑥ Capital expenditures	
⑦ NCF (③－⑥)	
Book value at end of the period	1,989,108

(Note) Not disclosed because consent for disclosure has not been obtained from the tenants.

	Office Total	Residence Total	Logistics facility total	Hotel total	Portfolio total
① Total operating revenue from real estate leasing	1,362,266	559,765	931,180	461,698	3,314,911
Lease business revenue	1,247,159	535,853	894,133	445,636	3,122,781
Other lease business revenue	115,107	23,912	37,047	16,062	192,129
② Total operating expenses from real estate leasing	389,703	130,600	165,204	56,115	741,624
Management fee	90,824	29,017	30,610	7,419	157,872
Trust fee	4,362	3,167	3,050	3,200	13,779
Utilities expenses	100,575	13,021	34,684	1	148,284
Insurance premium	2,098	740	1,420	585	4,846
Repair expenses	35,968	35,916	13,490	8,292	93,667
Property taxes	100,957	26,550	77,187	35,679	240,373
Other	54,916	22,185	4,760	937	82,800
③ NOI (①－②)	972,562	429,165	765,975	405,583	2,573,287
④ Depreciation	150,274	56,270	145,828	79,885	432,258
⑤ Operating income (loss) from real estate leasing (③－④)	822,288	372,895	620,146	325,697	2,141,028
⑥ Capital expenditures	78,403	41,206	42,632	25,971	188,214
⑦ NCF (③－⑥)	894,159	387,958	723,343	379,611	2,385,072
Book value at end of the period	35,149,171	18,972,128	30,690,309	20,525,527	105,337,137

③ Other investment assets

Asset no.	Name of the security	Type of asset	Quantity (Units)	Book value (million yen)		Fair value (million yen)		Unrealized gain or loss (million yen)	Remarks
				Unit price	Amount	Unit price	Amount		
MEZ-04	Star Asia Mezzanine Loan Debt Investment Series 4	Loan receivable	—	—	300	—	300	—	(Note 1) (Note 2)

(Note 1) Because interest income etc. from mezzanine loan debt are based on floating interest rates, the fair value is approximately the same as the book value and thus stated at that book value.

(Note 2) The underlying assets are trust beneficiary interests in a trust mainly composed of DS Kaigan Building.