

"Financial Results for the 12th Fiscal Period Ended January 2022"



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## Characteristics of Star Asia Investment Corporation (SAR)

### 1. A diversified REIT

Portfolio developed with diversified assets located mainly in the Tokyo Area (\* 1)

### 2. Steady growth

Pursuit of internal growth by the Asset Manager with abundant experience and know-how as well as external growth based on asset managed performed by the Star Asia Group

### 3. Initiatives focusing on unitholder value

Constant, “out-of-the-box” active management

## Investment policy



**Prioritized, focused investment in the Tokyo Area (\* 1)**  
Investment ratio 70% or higher in the Tokyo Area



**Achieving income stability and growth through diversification of asset type**



**Investment primarily in middle-size assets (\* 2)**

\*Unless otherwise stated within this document, references to all monetary amounts have been rounded down to the nearest monetary unit described, and ratios have been rounded to the decimal point described.

\* In this document, Star Asia Investment Corporation may be referred to as “SAR”

\* 1 “Tokyo area”: “Tokyo area” refers to Tokyo’s 23 wards and the cities of Kawasaki and Yokohama for office properties and retail facilities, and Tokyo and the three prefectures of Kanagawa, Saitama and Chiba for residential properties, logistics facilities, hotels and student residences.

\* 2 “Middle-size assets” are properties with acquisition prices of less than JPY10bn.

# 1. Executive Summary

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# 1. Executive Summary (1)

## Overview of 12<sup>th</sup> Fiscal Period (ended January 31, 2022)

### ◆ Distribution per Unit

Forecast 1,455 yen (108 yen)

+ 1.6%

Actual Results **1,478** yen (72 yen)

※ Forecast DPU is the distribution amount announced in September 2021.

※ The figure in brackets ( ) for DPU is the amount for which internal reserves have been utilized. The internal reserve utilization amount is calculated based on the following formula: (Forecast) DPU – (forecast) net income for period per unit.  
The same applies below.

### ◆ NAV per unit

End of 11<sup>th</sup> FP 57,994 yen

+ 3.0%

End of 12<sup>th</sup> FP **59,749** yen

### ◆ Topics/ Operational results

#### ■ Portfolio NOI **4,261** million yen (+1.5 % above forecast)

- By leveraging on our **strength as a diversified REIT**, we absorbed the strengths and weaknesses of the leasing market by asset type.
- Increase in NOI against forecast** was achieved, and the incremental increased amount of NOI (excluding temporary factors) were **distributed as increased amounts**.
- In the same manner, the amount of reversal of internal reserves was decreased, to be utilized **to stabilize DPU** for the next and subsequent periods.

#### ■ NAV per unit increased by 4.7% (compared to end of 11<sup>th</sup> FP)

- Growth of 3.0% NAV per unit** was realized, given the unrealized gains from newly acquired properties in August 2021, as well as the increase in amount of appraisal value (compared to the preceding period) of the existing portfolio.

## Forecasts for 13<sup>th</sup> / 14<sup>th</sup> Fiscal Periods

### ◆ Forecasted Distributions Per Unit

13<sup>th</sup> Period JPY **1,476** / unit (79 yen)

14<sup>th</sup> Period JPY **1,476** / unit (50 yen)

- For so long as the effects of COVID-19 continues, our policy is to maintain distribution levels by utilizing **internal reserves of negative goodwill**.

### ◆ Assumptions for 13<sup>th</sup> FP and thereafter.

- Given that the **Deepening of leasing strategy** (to further improve flexibility and agility) has succeeded, and actual results are beginning to be seen, a gradual increase in occupancy rates has been assumed for offices and residence in the 13<sup>th</sup> and 14<sup>th</sup> fiscal periods. (Please refer to the next page)
- For asset types other than hotels, it is anticipated that cruise mode conditions will return from the 14<sup>th</sup> Fiscal Period.

## ESG related initiatives etc. during the 12<sup>th</sup> Fiscal Period

### ◆ ESG related initiatives

- GRESB Real Estate Assessment Acquired **3 Star & Green Star** (in FY2021)
- Properties which acquired environmental certifications **exceeded 38%** (gross floor area basis) **Goal is 50%** by 2026.
- A change to the calculation formula for asset management fees was decided, and the proportion of revenue-linked fees has increased.
- Expanded ESG-related disclosures on website.

### ◆ Incorporation into global index

- Incorporated into **FTSE EPRA/ Nareit** in December 2021.
- Improved liquidity of investment units, expectations towards further expansion of the investor base.

### ◆ Issued Investment Corporation Bonds

- Realized **diversification of funds procurement methods and cost reduction**.

### ◆ Executed 4<sup>th</sup> Public Offering

- A public offering of investment units was executed in August 2021, and properties were newly acquired. (7 properties/ total acquisition price: JPY12.9 billion)
- Total asset size increased to **JPY 179.6 billion**.
- Given expansion of asset size and increase in the number of properties, a **highly diversified** portfolio with **stable profitability** was achieved.
- An expansion of the investor base** was observed.

# 1. Executive Summary (2)

## 12<sup>th</sup> FP (ended Jan. 2022) Status / Initiatives

- ◆ For offices and residence, the pace of increase in occupancy rates was slower than anticipated.

### ■ Background

- Due to continuation of COVID-19, the declaration of emergency was prolonged up to the end of Sept. 2021
- Due to the effects of COVID-19, the supply chain was affected, causing delays in delivery of materials for use in restoration works.

### ■ Phenomenon

#### <Office>

- Longer periods required for decision-making by tenants, due to reasons such as **postponement of property previews by persons in charge, and postponement of relocations.**
- During 12<sup>th</sup> FP, occupancy rates slightly declined: lower than the initial plan.

#### <Residence>

- For cancelled housing units, prolongation of time required to restore to original state.
- Due to prolongation of down time, increase in occupancy rates has slowed down.

## ◆ Deepening of leasing strategy

### ■ Measures to improve occupancy rates

- ✓ In quick response to leasing market trends, **implemented flexible and agile adjustments to leasing conditions** (rents and free rent periods, etc.)
- ✓ **Widely take in the needs of tenants**, and search for potential tenants by broadening the frontage, such as by flexibly responding to the move-in schedule of tenants.
- ✓ Cooperate more closely with property managers, and apply stricter administration of construction schedules for renovations (functional renewals) and works for restoration to original state: promote leasing activities by timely catching opportunities.

## Impact on Operating Status of 13<sup>th</sup> FP

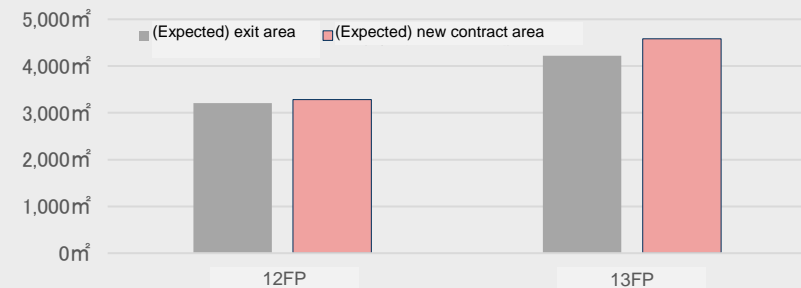
## ◆ Achievements due to deepening of leasing strategy

### ■ Office

- ✓ Due to deepening of the leasing strategy, the **conversion from the situation where the exit area exceeds new contract area** has been confirmed, an increase in occupancy rates is anticipated for the 13<sup>th</sup> FP.

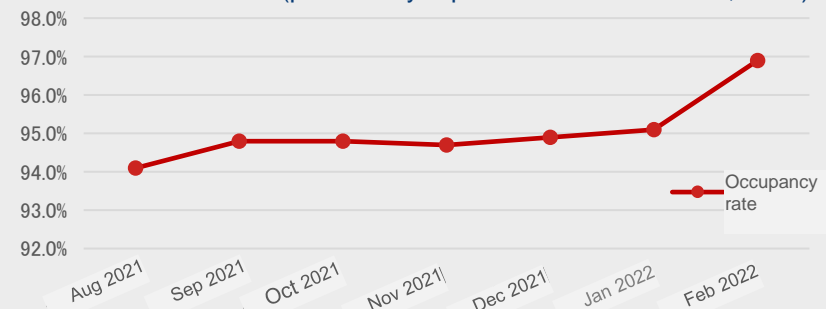
12<sup>th</sup> FP: new contract area > exit area

13<sup>th</sup> FP: new contract area ÷ cancellation area (as of Mar. 8, 2022)



### ■ Residence

- ✓ Due to deepening of the leasing strategy, **an increase in the occupancy rate** was confirmed during the 12<sup>th</sup> FP:
  - For 19 properties, recovered to **average exceeding 95%.**
- ✓ Further increase in occupancy rates was confirmed as of end of Feb. 2022: - **96.9%** (preliminary report basis as of Mar. 11, 2022)



## **2. Actual and forecasted distribution**

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## 2. Actual Distributions and Business Forecast (1)

- ◆ Distributions per unit (DPU) for the FP ended January 31, 2022 has been made by reflecting **the increase amount in NOI (+1.6% above forecast)**, given that portfolio NOI exceeding the initial forecast has been achieved.
- ◆ For the 13<sup>th</sup> and 14<sup>th</sup> fiscal periods, **the policy is to maintain the distribution amount** which is believed to reflect the inherent capacity (by utilizing internal reserves including negative goodwill.).

12<sup>th</sup> FP  
(ended Jan 2022)  
-Actual-

**1,478** yen

+ 23 yen (1.6%) v.s. forecast

Utilization of Internal Reserve: 72 yen

13<sup>th</sup> FP  
(ending July 2022)  
-Forecast-

**1,476** yen

Utilization of Internal Reserve: 79 yen

14<sup>th</sup> FP  
(ending Jan 2023)  
-Forecast-

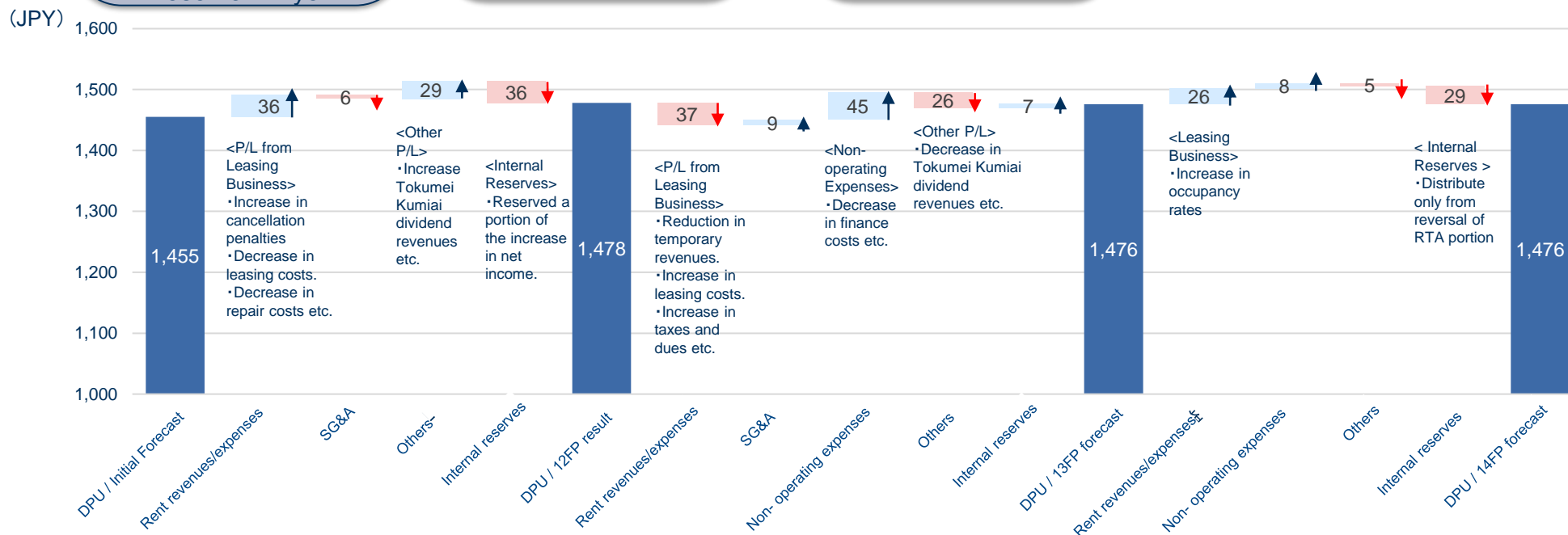
**1,476** yen

Utilization of Internal Reserve: 50 yen

### «Policy for Maintaining Distributions»

- During the period while the impact of COVID-19 is continuing, a minimum DPU amount will be set, by utilizing internal reserves.

Maintain **1,476** yen  
from 13<sup>th</sup> FP and thereafter



## 2. Actual Distributions and Business Forecast (2)

Operational Results (Summary) for FP ended January 31, 2022 and

Forecast Assumptions for FP ended July 31, 2022 and FP ending January 31, 2023

- ◆ The pace of increase in occupancy rates for offices and residences is below assumptions due to effects of COVID-19 - Deepening of leasing strategy.
- ◆ Regarding offices and residences, there are signs of increase in occupancy rates from recent leasing trends, and therefore, **a gradual increase in occupancy rates** has been assumed up to the end of the 14th fiscal period.

	Actual Result of FP ended January 2022	Forecast Assumptions for FP ending July 2022 and FP ending January 2023
Office	<ul style="list-style-type: none"> <li>Although increase in occupancy rates was anticipated at the beginning of the period, due to the effects of COVID-19, increase was limited. (End of Aug.2021:91.6% ⇒ End of Jan. 2022: 92.8%)</li> <li><b>Deepening of leasing strategy</b> to respond to the situation (Implement flexible and agile adjustments to leasing conditions in response to leasing market trends)</li> <li>New contracts with 9 tenants: <b>a 5.8% increase in amount</b> (compared to rent levels of former tenants) (※)</li> </ul>	<ul style="list-style-type: none"> <li>Due to success of deepening of the leasing strategy, <b>occupancy rates are expected to be in an increasing trend.</b></li> <li>During 13<sup>th</sup> FP: (Expected) new entry area ≒ (expected) exit area (as of March 8, 2022)</li> <li>The areas for which <b>increase in rent</b> have been contracted (or expected) (<b>existing 6 tenants</b>), have been incorporated in the forecast (otherwise, rent increases have not been anticipated at the time of contract renewal).</li> </ul>
Retail	<ul style="list-style-type: none"> <li>During 12<sup>th</sup> FP: 1 new tenant (765.53㎡) / 3 tenants left (1,279.30㎡), no surprises.</li> <li>There were 3 requests for reduction or exemption of rents due to effects of COVID-19, which is limited (of which 1 tenant left, and requests from other 2 tenants were denied.)</li> <li>There were no accrued rents during the 12<sup>th</sup> FP, and <b>revenues remained stable</b> (Regarding a large tenant which moved out, as it gave prenotice of termination and a new tenant was found, the NOI increase was higher than expected.)</li> </ul>	<ul style="list-style-type: none"> <li>Notice of moving out has been received from 2 tenants, and it has been assumed that there will be no new tenants after they leave (this has already been incorporated in the business forecast). Expected cancellation area:1,501.80㎡ /1.5% of all retail facilities.</li> <li>Requests received for rent reduction at time of resigning of contracts ⇒ under negotiation.</li> <li>We are currently reviewing expenses, and expect to <b>implement cost reductions during the 13th fiscal period.</b></li> </ul>
Residence	<ul style="list-style-type: none"> <li>Increasing trend in occupancy rates due to <b>deepening of leasing strategy</b> in accordance with current conditions (End of Aug. 2021: 94.1% ⇒ End of Jan. 2022:95.1%)</li> <li><b>Recovery in occupancy rates</b> are seen for single-type residences, due to detailed adjustments of rent conditions. (End of Aug. 2021: 94.1% ⇒ End of Feb. 2022: <b>95.1%</b> (on preliminary report basis)</li> <li>Of the 168 units of new contracts, <b>rents were increased for 66 housing units<sup>6</sup></b> (compared to rents for former tenants)</li> </ul>	<ul style="list-style-type: none"> <li>For family-type residences, a slight increase in occupancy rates are anticipated up to the end of the 14<sup>th</sup> fiscal period / rent levels are assumed to remain at the same levels.</li> <li>For single-type residences, through more flexible adjustments of leasing terms, there are signs that occupancy rates will increase/ increase in occupancy rate are expected.</li> </ul>
Logistics	<ul style="list-style-type: none"> <li>Of the 2 tenants which were expected to renew or re-sign lease contracts during the 12<sup>th</sup> FP, for 1 tenant <b>rents amounts have already been increased</b>, and for the other tenant the lease has been renewed under the same conditions as before.</li> <li>For tenants expected to re-sign during the 13<sup>th</sup> FP, <b>rent increase has already been agreed.</b></li> </ul>	<ul style="list-style-type: none"> <li>Revenues are expected to <b>continue to be stable.</b></li> <li>For tenants whose contracts are subject to renewal during the 13<sup>th</sup> FP other than the tenant mentioned at the left, renewal under the same conditions as before has been assumed.</li> <li>Prepare for re-signing and renewal of lease contracts in and after the 15<sup>th</sup> FP.</li> </ul>
Hotel	<ul style="list-style-type: none"> <li>"KOKO HOTEL Osaka Namba" has started operations in December 2021.</li> <li>For hotels other than the above, fixed rents are being received from the tenants.</li> <li>The impact of COVID-19 is continuing, and there are some hotels who are continuing closing periods.</li> </ul>	<ul style="list-style-type: none"> <li>Request for rent reduction has been received from 1 tenant/ currently being negotiated.</li> <li>Rent revenue from "KOKO HOTEL Osaka Namba" has been set at zero.</li> <li>For hotels other than the above-mentioned hotel, it is assumed that fixed rents will be received as agreed.</li> </ul>

※There are 9 new tenants which entered during the 12<sup>th</sup> FP, however, the 1 tenant with whom short-term lease has been signed is excluded for the purpose of calculating the increase percentage.

## 2. Actual and forecasted distribution (3)

### Factors for increase/decrease compared with forecast/actual results for the 12FP

- ◆ Achieved increase in NOI amounts due to increase in rent revenues of held properties and focusing on cost reductions.
- ◆ Of the increase in NOI amounts excluding unexpected fee revenues from original state restoration is planned to be distributed in addition to the initial forecast amount. . (DPU (vs forecast) +23yen/unit, increase by1.6%)

(Unit: million yen)

	12 FP (ended Jan. 2022) forecast*	12FP (ended Jan. 2022) Actual	Comparison with forecast		Factors for the increase/decrease
<b>Lease business revenue</b>	<b>5,873</b>	<b>5,890</b>	<b>17</b>	<b>0.3%</b>	<b>&lt;Revenues from leasing business&gt;</b>
Office rent	1,926	1,900	△ 25	-1.3%	Office : Decline in occupancy rates due to prolongation of down time.
Retail rent	838	842	4	0.5%	
Residence rent	1,173	1,152	△ 21	-1.9%	Residence : Decline in occupancy rates due to prolongation of down time.
Logistics rent	910	910	0	0.0%	
Hotel rent	425	425	-	0.0%	
Other	598	660	61	10.2%	<b>&lt;Other&gt;</b> Penalty charge revenue +29.5million yen Renewal fee revenue +12.0million yen Key money revenue +5.8million yen Original state restoration fee revenue +4.7million yen
Expenses related to rent business (Depreciation is excluded)	1,674	1,629	△ 44	-2.7%	
<b>NOI</b>	<b>4,199</b>	<b>4,261</b>	<b>62</b>	<b>1.5%</b>	
Depreciation	684	682	△ 1	-0.3%	
<b>Rent revenues/expenses</b>	<b>3,514</b>	<b>3,579</b>	<b>64</b>	<b>1.8%</b>	<b>&lt;Expenses of leasing business&gt;</b> Repair costs △17million yen Leasing costs △16million yen Decrease in building management costs△15million yen
Mezzanine	24	22	△ 1	-6.3%	
TK distribution	-	46	46	-	
SGA	550	560	9	1.8%	
<b>Operating income</b>	<b>2,988</b>	<b>3,087</b>	<b>99</b>	<b>3.3%</b>	<b>&lt;TK distribution&gt;</b> Increase in dividends due to sale of property held by invested entity.
Non-operating income	-	1	1	-	
Non-operating expenses	576	571	△ 4	-0.8%	
<b>Ordinary income</b>	<b>2,412</b>	<b>2,517</b>	<b>105</b>	<b>4.4%</b>	
<b>Income before income taxes</b>	<b>2,412</b>	<b>2,517</b>	<b>105</b>	<b>4.4%</b>	
taxes	0	0	-	0.0%	
<b>Net income</b>	<b>2,411</b>	<b>2,516</b>	<b>105</b>	<b>4.4%</b>	
<b>Cash distribution per unit</b>	<b>1,455 yen</b>	<b>1,478 yen</b>	<b>23 yen</b>	<b>1.6%</b>	
FFO per unit	1,730 yen	1,787 yen	57 yen	3.3%	
Balance of internal reserves	8,903	8,967	64	0.7%	
(Reference) Net income per unit (Yen per unit)	1,347 yen	1,406 yen	59 yen	4.4%	

(\*) Announced in 11th FP closing of accounting report (September 14, 2021)

## 2. Actual and forecasted distribution (4)

### Forecast of business results for the 13FP ending July 2022 / the 14FP ending January 2023

- ◆ Seven new properties acquired through the public offering executed in August 2021. The newly acquired properties expected to fully contribute to the FP ending July 2022.
- ◆ Within the existing held portfolio, a gradual recovery of occupancy rates is anticipated mainly for office properties in 14FP

(Unit: million yen)

	12 FP (ended Jan. 2022) Actual (A)	Forecast for the 13 FP ending Jul 2022 (B)	Increase/decrease (B-A)		Major factors for the increase/decrease	Forecast for the 14FP ending Jan 2023(C)	Increase/decrease (C-B)		Major factors for the increase/decrease
<b>Lease business revenue</b>	<b>5,890</b>	<b>5,899</b>	<b>8</b>	<b>0.1%</b>	Increase / decrease factors for 13FP (compared to last forecast)	<b>5,970</b>	<b>71</b>	<b>1.2%</b>	Increase/ decrease factors for 14FP (compared to forecast for the 13 FP)
Office rent	1,900	1,971	71	3.8%	<b>&lt;Office&gt;</b> Increase in occupancy rates <b>&lt;Residence&gt;</b> Increase in occupancy rates / Increase in number of days in operation of the 4 properties acquired in August 2021. <b>&lt;Other&gt;</b> Temporary reduction in income portion	2,010	38	2.0%	<b>&lt;Office&gt;</b> Increase in occupancy rates <b>&lt;Residence&gt;</b> Increase in occupancy rates <b>&lt;Other&gt;</b> Utility expenses +34million yen
Retail rent	842	849	6	0.8%		838	△ 10	-1.2%	
Residence rent	1,152	1,210	58	5.1%		1,224	14	1.2%	
Logistics rent	910	910	0	0.1%		913	2	0.3%	
Hotel rent	425	424	△ 1	-0.4%		419	△ 5	-1.2%	
Other	660	532	△ 127	-19.3%		563	30	5.8%	
Expenses related to rent business (Depreciation is excluded)	1,629	1,688	58	3.6%		1,695	7	0.5%	
<b>NOI</b>	<b>4,261</b>	<b>4,211</b>	<b>△ 50</b>	<b>-1.2%</b>	<b>&lt;Expenses related to rent business&gt;</b> Increase in taxes (fixed assets tax) +31million yen Utility expenses △38million yen Leasing expenses +28million yen Repair expenses +25million yen <b>&lt;TK distribution&gt;</b> Investment balance dissolved due to redemption <b>&lt;Non-operating expenses &gt;</b> decrease in expenses due to refinancing	<b>4,275</b>	<b>64</b>	<b>1.5%</b>	<b>&lt;Expenses related to rent business&gt;</b> Leasing expenses △32million yen Utility expenses +22million yen <b>&lt;Non-operating expenses&gt;</b> decrease in expenses due to refinancing
Depreciation	682	699	16	2.5%		715	16	2.4%	
<b>Rent revenues/expenses</b>	<b>3,579</b>	<b>3,511</b>	<b>△ 67</b>	<b>-1.9%</b>		<b>3,559</b>	<b>47</b>	<b>1.4%</b>	
Mezzanine	22	24	1	5.7%		24	0	-0.3%	
TK distribution	46	-	△ 46	-100.0%		-	-	-	
SGA	560	543	△ 16	-3.0%		552	8	1.6%	
<b>Operating income</b>	<b>3,087</b>	<b>2,992</b>	<b>△ 95</b>	<b>-3.1%</b>		<b>3,031</b>	<b>38</b>	<b>1.3%</b>	
Non-operating income	1	-	△ 1	-100.0%	<b>&lt;TK distribution&gt;</b> Investment balance dissolved due to redemption <b>&lt;Non-operating expenses &gt;</b> decrease in expenses due to refinancing	-	-	-	<b>&lt;TK distribution&gt;</b> Investment balance dissolved due to redemption <b>&lt;Non-operating expenses &gt;</b> decrease in expenses due to refinancing
Non-operating expenses	571	491	△ 79	-14.0%		478	△ 13	-2.8%	
<b>Ordinary income</b>	<b>2,517</b>	<b>2,500</b>	<b>△ 17</b>	<b>-0.7%</b>		<b>2,552</b>	<b>52</b>	<b>2.1%</b>	
<b>Income before income taxes</b>	<b>2,517</b>	<b>2,500</b>	<b>△ 17</b>	<b>-0.7%</b>		<b>2,552</b>	<b>52</b>	<b>2.1%</b>	
Taxes	0	0	-	0.0%		0	-	0.0%	
<b>Net income</b>	<b>2,516</b>	<b>2,499</b>	<b>△ 17</b>	<b>-0.7%</b>		<b>2,552</b>	<b>52</b>	<b>2.1%</b>	
<b>Cash distribution per unit</b>	<b>1,478 yen</b>	<b>1,476 yen</b>	<b>-2 yen</b>	<b>-0.1%</b>		<b>1,476 yen</b>	<b>0 yen</b>	<b>0.0%</b>	
<b>FFO per unit</b>	<b>1,787 yen</b>	<b>1,787 yen</b>	<b>0 yen</b>	<b>0.0%</b>		<b>1,826 yen</b>	<b>39 yen</b>	<b>2.2%</b>	
<b>Balance of internal reserves</b>	<b>8,967</b>	<b>8,826</b>	<b>△ 141</b>	<b>-1.6%</b>		<b>8,737</b>	<b>△ 88</b>	<b>-1.0%</b>	
<b>(Reference) Net income per unit (Yen per unit)</b>	<b>1,406 yen</b>	<b>1,397 yen</b>	<b>△ 9 yen</b>	<b>-0.6%</b>		<b>1,426 yen</b>	<b>29 yen</b>	<b>2.1%</b>	

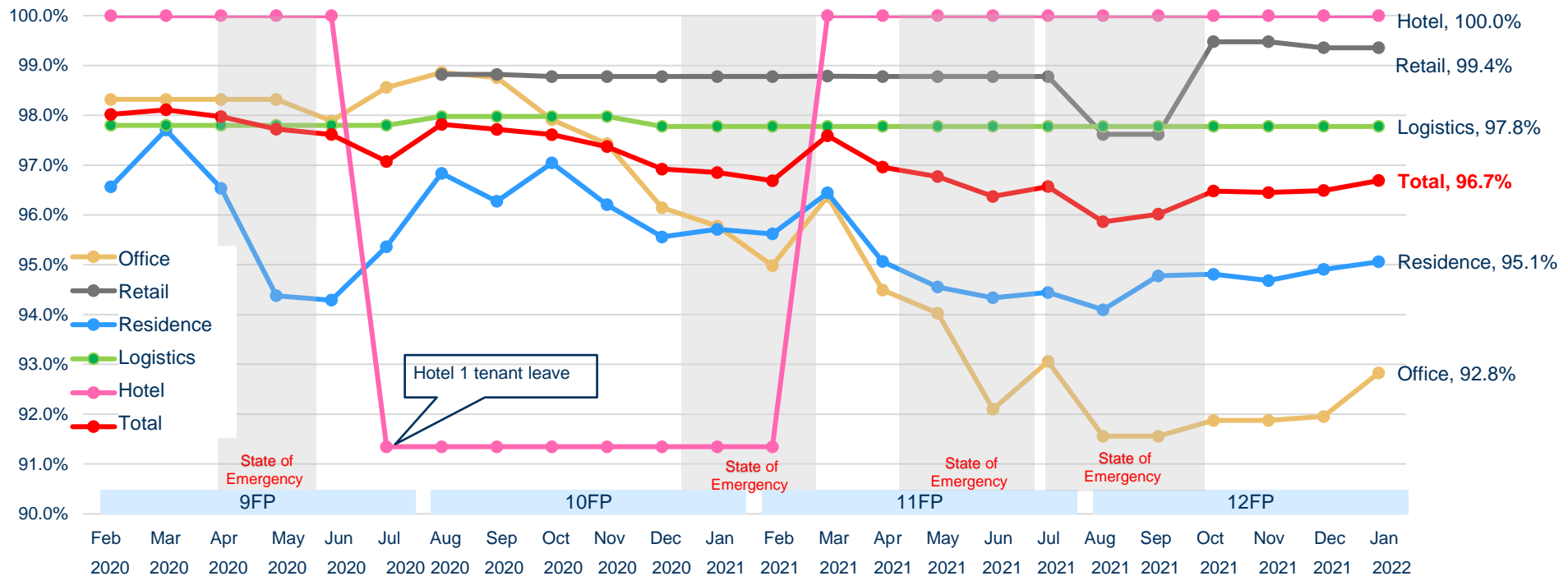
### **3. Operating results for the 12th fiscal period ended January 2022**

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### 3. Operating results for the 12th fiscal period ended January 2022 (1)

#### - Occupancy rate status -

- ◆ In offices and single-type housing, downtime has continued to increase from the previous fiscal year. However, the portfolio as a whole maintained an occupancy rate of **96%** or more (based on contract area) during the period. Confirmed upward trend of occupancy rate toward the end of December.



	9FP (Jul 2020)	10FP (Jan 2021)	11FP (Jul 2021)	12FP					
				Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022
Office	98.6%	95.8%	93.1%	91.6%	91.6%	91.9%	91.9%	92.0%	92.8%
Retail	-	98.8%	98.8%	97.6%	97.6%	99.5%	99.5%	99.4%	99.4%
Residence	95.4%	95.7%	94.4%	94.1%	94.8%	94.8%	94.7%	94.9%	95.1%
Logistics	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Hotel	91.3%	91.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	97.1%	96.9%	96.6%	95.9%	96.0%	96.5%	96.4%	96.5%	96.7%

### 3. Operating results for the 12th fiscal period ended January 2022 (2)

#### - Office - Status of change in tenant as of the end of the 12FP

#### Operating result

##### <Actual Result of 12FP>

- Entry and exit of tenants: **New contract area** (3,280.49㎡) > **exited area** (3,207.83㎡)
- Attracted new tenants: **9 tenants** (An average rent **increase of 5.8%** compared to before)  
(※) Calculated by excluding short-term leases

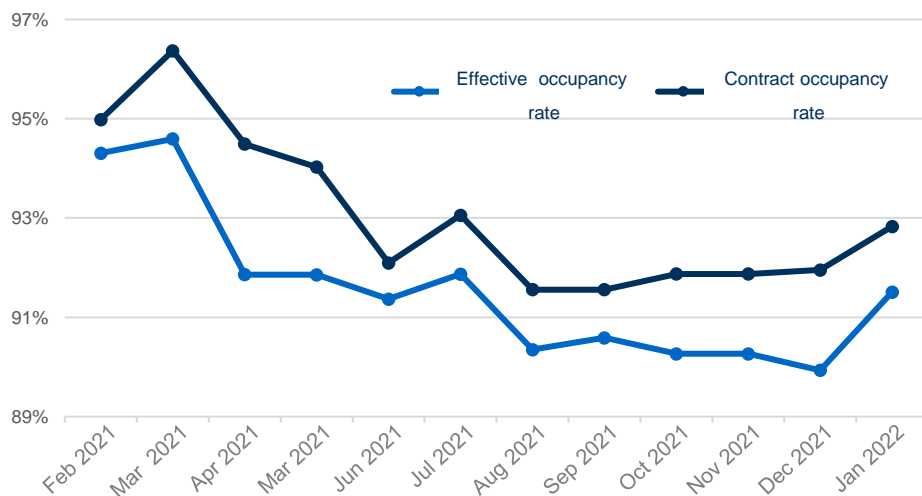
##### <Forecast Assumptions for 13FP>

- Due to deepening of the leasing strategy, it is anticipated that the increasing trend of occupancy rates will continue up to the end of the 12<sup>th</sup> FP
- As a result of negotiations with existing tenants, it is expected that rent increases will be realized in the 13<sup>th</sup> FP.  
**7 tenants already signed or expected to sign contracts/ 9,362.44㎡ / Average increase of 11.4%**
- At Urban Center Kanda Tsukasamachi, **large-scale renewal works** were conducted upon exiting of a tenant. – Confirm improvement of occupancy rates in the 13<sup>th</sup> FP.

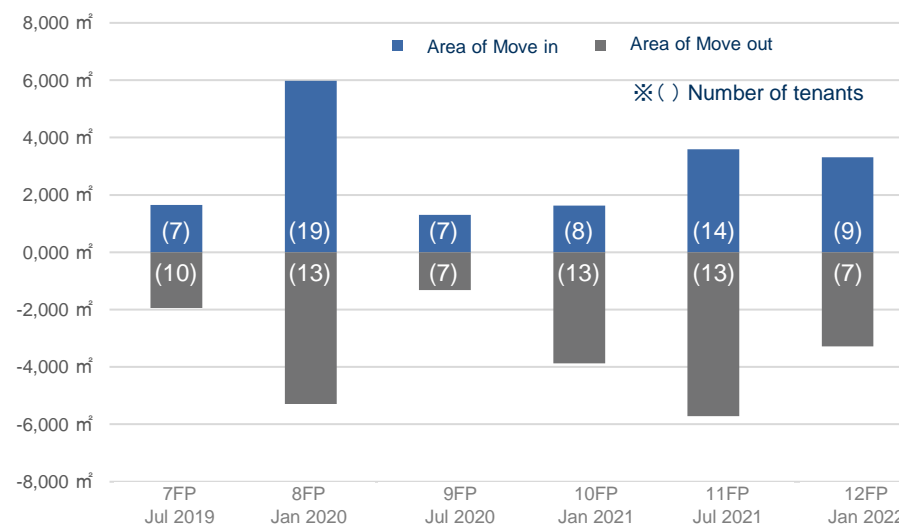
#### Status of change in tenant as of the end of the 12FP

	Number of tenants	Area(㎡)	
<b>&lt;New Contract&gt;</b>	<b>9</b>	<b>3,280.49</b>	
Rent up	6	2,668.34	Monthly rent 5.8% up
Same rent	1	49.43	
Rent down	2	562.72	Acquiring tenants with market rent
<b>&lt;Renewal&gt;</b>	<b>51</b>	<b>11,831.14</b>	
Rent up(※)	3	517.70	Monthly rent 19.6% up
Same rent	48	11,313.44	
Rent down	0	0.00	No tenants with reduced rents
※ Includes increased amounts in the middle of the contract period			
<b>&lt;Leaving&gt;</b>	<b>7</b>	<b>3,207.83</b>	

#### Contracted occupancy rate / effective occupancy rate



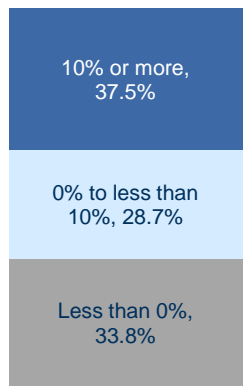
#### Contract Rent Period of Office Portfolio



### 3. Operating results for the 12th fiscal period ended January 2022 (3)

#### Change in tenants in the 12FP (＊)

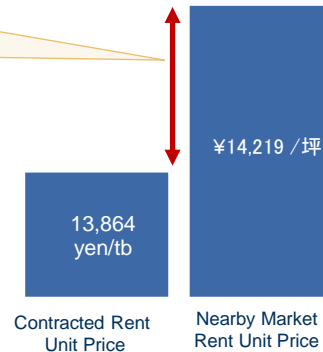
<Diversification status of rent gap>



Rent gap exists at **355 yen/tb (2.6%)** of the total

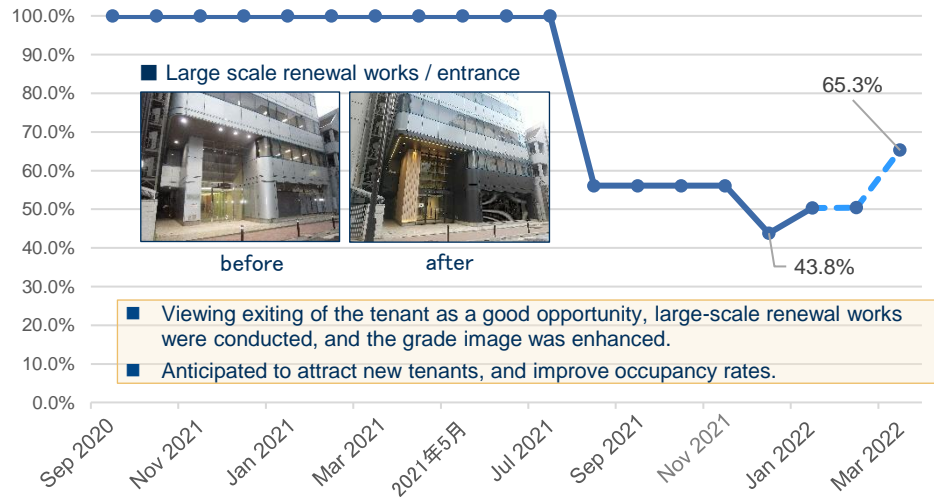
Rent gap exists at **66.2%** (based on floor area) of the total

<Rent per Tsubo>

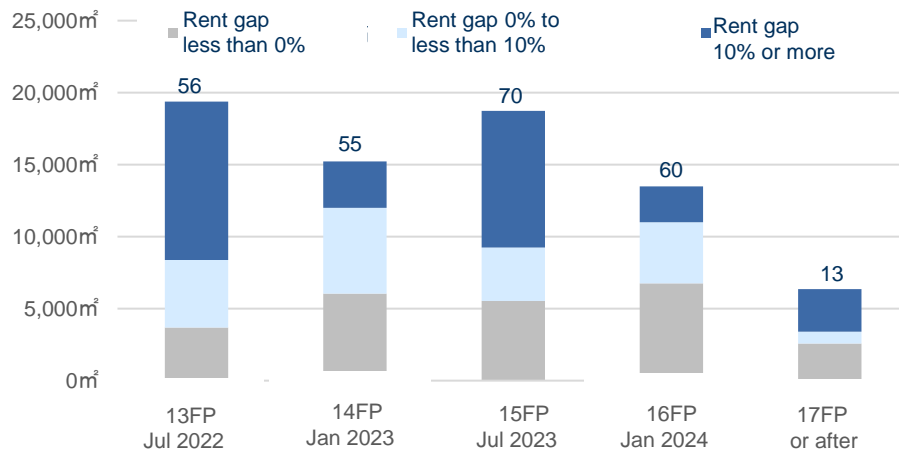


(＊) The rent gap is the gap between market rent and contract rent with each tenant. The market rent has taken the intermediate value of the expected new contract rents (described as a range) for each property appraised by CBRE as of the end of the period. With respect to Amusement Media Gakuin Honkan/Shinkan, the net rentable area is used for the calculation.

#### Urban Center Kanda Tsukasamachi (Case study)



#### Contract Rent Period of Office Portfolio



#### Details of increase and decrease in rents for the 12<sup>th</sup> FP to 13<sup>th</sup> FP.

<New Contract 12FP (※)>※Only new tenants for whom rents have change from the former tenant have been extracted.

Property Name	Number of tenants	Increase – decrease rate	remarks
Honmachibashi Tower	1	+32.7 %	<b>New contracts in 12th FP: 9 tenants</b> <b>Average increase/decrease rate: +5.8%</b> <b>Excluding 1 tenant with a short-term lease, the average of 8 tenants including the 1 tenant described at the left for which there was no change in rents from before.</b>
Higashi-Kobe Center Building	2	+22.5 %	
Minami-Azabu Shibuya Building	1	+7.1 %	
Urban Center Kanda Tsukasamachi	1	+6.3 %	
NK BLDG.	1	△13.0 %	
Hiei-Kudan BLDG.	1	△2.9 %	

<Existing tenants for which rents are expected to increase in the 13<sup>th</sup> FP (already contracted or agreed)>

Property Name	Number of tenants	Increase – decrease rate	remarks
Asahi Building	1	+20.0 %	<b>Average increase rate of the 6 tenants mentioned to the left: 11.4%</b>
Higashi-Kobe Center Building	1	+19.8 %	
Honmachibashi Tower	1	+10.6 %	
Hakata – eki East Place	3	+10.1 %	

### 3. Operating results for the 12th fiscal period ended January 2022 (4)

#### - Retail -

#### Management strategies of retail facilities

##### ◆ Policy to approach suburban type retail facilities

- Maintain the policy to sell suburban type retail facilities
  - Timing of sale is not decided
- Upon day-to-day operations, as with other held assets, maximization of profits and optimization of expenses will be pursued.

##### ◆ Initiatives policy for the near term

- Aim for value increase, by pursuing **maximization of NOI**, and improvement of profitability.
- Added senior members with **strong experience and track record in retail facility** operations at the asset management company and strengthened the organization.

##### ◆ Forecast Assumptions for 13FP and 14FP

###### <Revenue decrease factors>

- 2 cancellations expected during 13<sup>th</sup> FP (916.28㎡)
- Of the tenants whose contracts will expire during the 13<sup>th</sup> FP, 3 tenants (1,056.02㎡) have requested a reduction in rents.
  - currently under negotiation

###### <Revenue increase factors>

- **Cost reductions are expected** to be achieved, based on proposals from the members listed at the left and the cooperation from the sub-sponsor Nippon Kanzaei Group.
- Reduction amount: More than **12,000 thousand yen per year**
- For 1 property in the suburbs, given that an existing tenant is moving within the facility, we are expecting to attract a new tenant with **high customer attraction capacity (a large home furnishing company)** for the relevant space.

#### Tenants Breakdown by Business Type (as of end of January 2022)

	Tenants Breakdown by Business Type	Area (㎡)	Ratio	Number of lease agreements
Suburbs	Daily necessities (Food)	39,782.16	82.1%	6
	Daily necessities (Clothing)	7,889.86		11
	Daily necessities (Others)	18,115.16		8
	Other product sales	13,359.82		14
	Clinic	168.60		2
	Private tutoring schools	84.39	0.1%	1
	Child care and day care	2,466.13	2.6%	1
	Sports clubs	1,302.31	1.3%	12
	Food and beverage	8,622.82	8.9%	3
	Entertainment and amusement	3,360.44	3.48%	17
Urban	Entertainment and amusement	1,497.45	1.5%	1
	Total	96,649.14	100.0 %	76

#### Asset management which contributes to the revitalization of the local community

Making efforts to revitalize the local community, by cooperating with other business operators within the region and the municipal government, and facilitating communication with the neighboring society.

■ In cooperation with the Japan Football Association and soccer players in J-League, we provided landsites as ground for holding soccer schools targeting small children.



【Suroy Mall Chikushino (multipurpose ground)】



■ In cooperation with the local municipality, in order to foster a sense of unity with the regional society, provide resting space and spectator seating during the period of the "Danjiri Festival". Contributed to vitalization of the local region, as LAPARK KISHIWADA is facing the main street of "Danjiri Festival" of Haruki district.



【La Park Kishiwada】

■ In cooperation with municipalities, provide sites as venues for early voting of elections.



【La Park Kishiwada】

### 3. Operating results for the 12th fiscal period ended January 2022 (5)

#### - Residence -

- ◆ Given the prolongation of the time required for original state restoration works due to confusion of the supply chain, the increase in occupancy rates has been slower than assumed/ on the other hand, due to deepening of the leasing strategy, **occupancy rates are recovering**.
- ◆ Occupancy rates as of the end of Jan. 2022: 95.1% ⇒ Occupancy rates as of the end of Feb. 2022: **96.9%** (on preliminary report basis)

#### Management strategies of residence

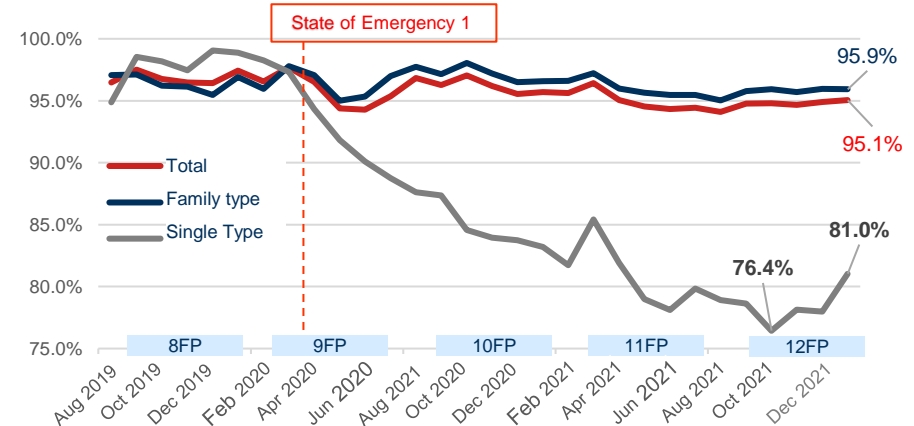
##### < 12FP Actual >

- Entering and leaving of tenants : Area move in (8,042.51m<sup>2</sup>) > Area move out (6,500.29m<sup>2</sup>)
- Entering and leaving, Rent Fee: Total rent (monthly amount) **+573,700 yen**

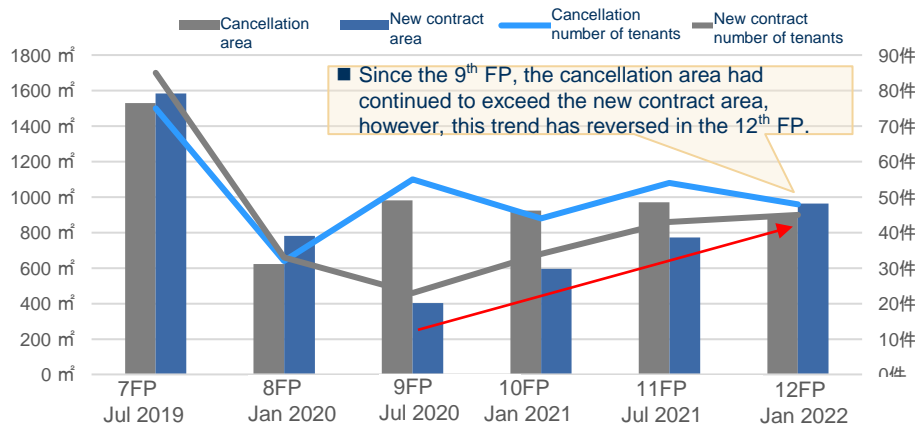
	Less than 30m <sup>2</sup>		30m <sup>2</sup> or more	
	Number of tenants	Total monthly amount	Number of tenants	Total monthly amount
New contract	48	△265,400 yen	120	+385,600 yen
Renewal	31	△ 5,000 yen	216	+458,500 yen
Cancellation	49	—	83	—

※ For newly entering tenants, only those housing units for which the former tenant's rent is known are compared, and the difference is aggregated.

#### Transition of occupancy rates

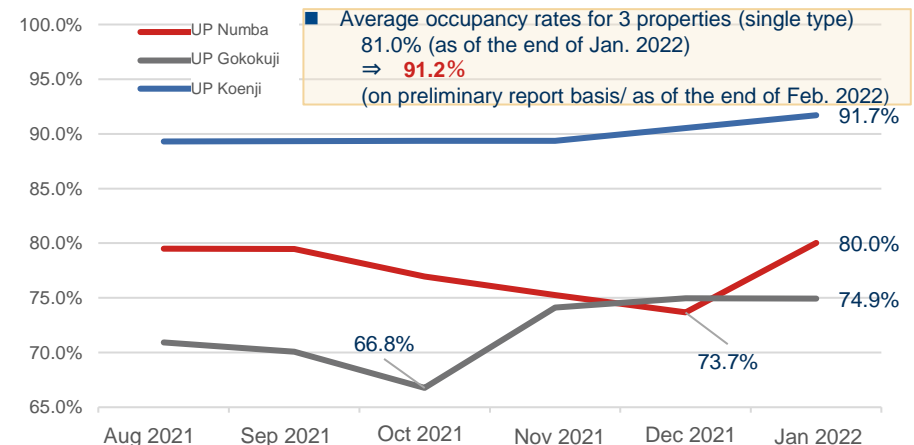


#### Transition of new contracts and cancellations of single-type residences



※single-type housing : UP Namba, UP Gokokuji, UP Koenji

#### Transition of occupancy rates by individual properties.



### 3. Operating results for the 12th fiscal period ended January 2022 (6)

- Logistics / Hotels -

#### Logistics Diversification of Current Contract Renewal Period (based on floor area)

##### 12FP (ending Jan. 2022)

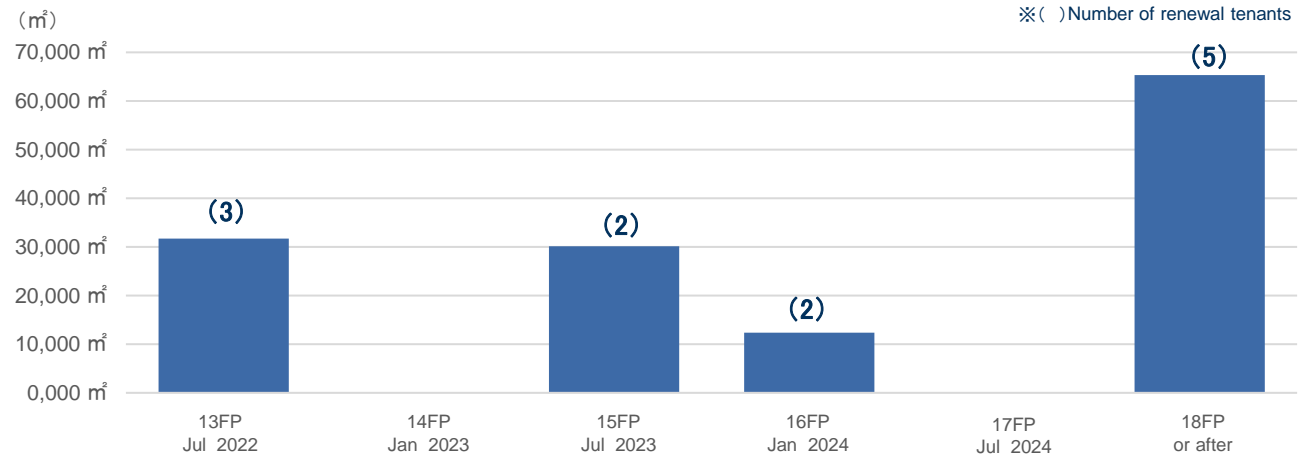
###### Contract period expired for 2 tenant

- For 1 tenant, **rent increase** has been agreed, and a new contract has been signed under a fixed-term building lease.
- For the remaining tenant, lease contract renewed under the same terms as before

##### 13FP (ending July 2022)

###### Contract period expired for 3 tenant

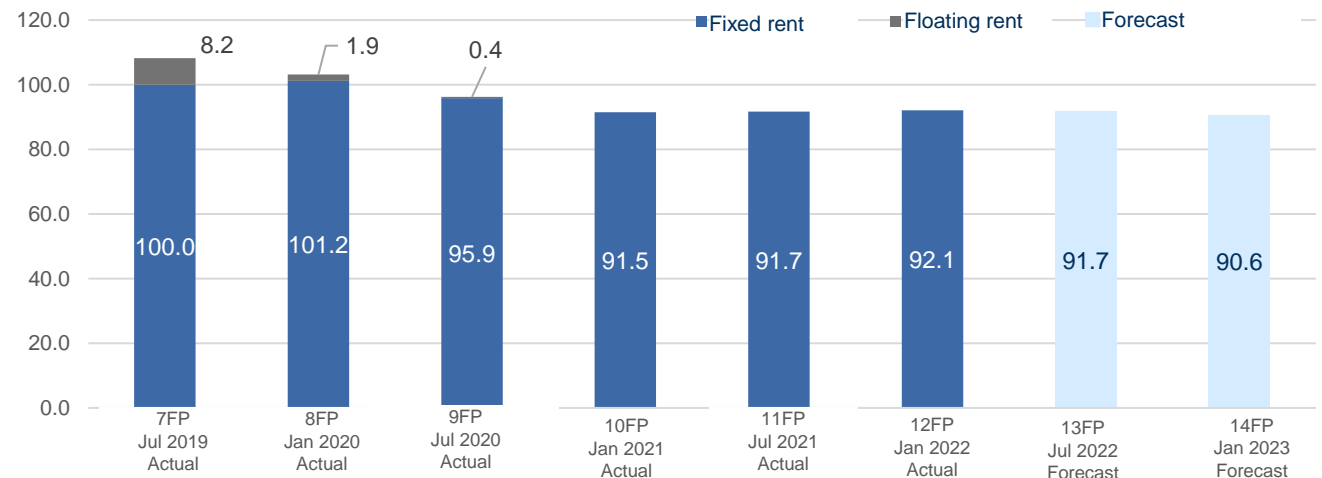
- For 1 tenant, **rent increase** has been agreed.
- For the remaining tenant, lease contract renewed under the same terms as before



#### Hotel Transition of gross rent amounts (index)/ rent systems/ causes of rent increases and decreases

##### <Actual results for 12FP and financial performance forecast assumptions>

- In the 12FP (ended Jan 2022), fixed rents were received (none in arrears)
- "KOKO HOTEL Osaka Namba" opened in mid-December 2021. No rent revenues have been assumed from the hotel during 13FP and 14FP.
- 1 hotel has requested reduction in rent – under negotiation.
- From 6 hotels other than the 2 mentioned above, it is assumed that fixed rents will be received as agreed with the tenants.



※The index has been prepared by calculating fixed rent on the date of Jul 2019

### 3. Operating results for the 12th fiscal period ended January 2022 (7)

#### - Financial standing –

- ◆ Through new borrowings and refinancings, average term of borrowings has become longer, and the ratio of fixed interest borrowings has increased.
- ◆ Issued investment corporation bonds in order to diversify funding, prolong repayment dates, and fix interest rates based on our finance strategy.

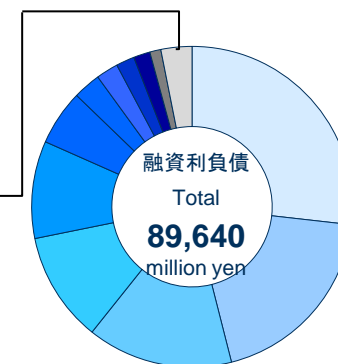
#### Main financial indicators (※1)

	11FP July 2021	12FP Jan 2022
LTV	46.0 %	46.4 %
Interest-- bearing debt balance	82,440 million yen	89,640 million yen
Long-term debt ratio	97.4 %	100.0 %
Average remaining period to maturity	2.3 years	3.0 years
Average borrowing period	4.7 years	5.0 years
Average interest rate (※2)	0.75 %	0.76 %
Fixed interest rate ratio	81.3 %	89.5 %

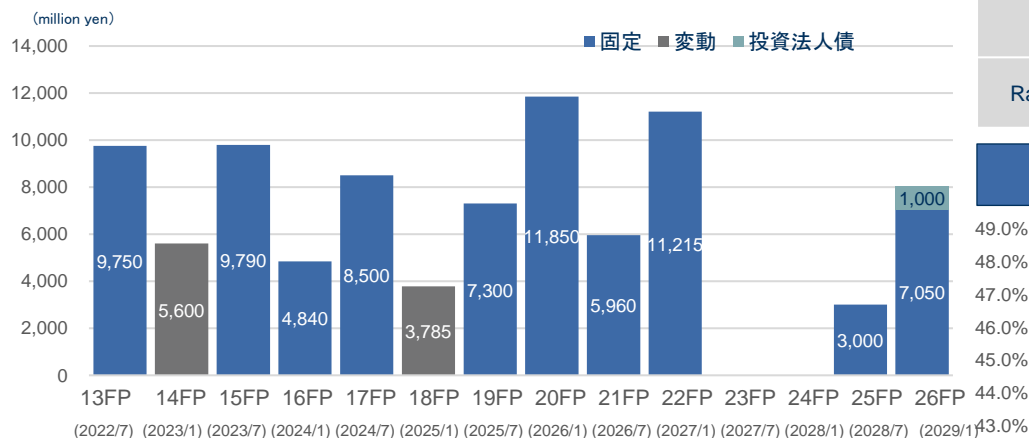
(※1) This describes the status including investment corporation bonds.(※2) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

#### Bank formation

Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	26.8%	The Bank of Fukuoka	1.9%
Mizuho Bank	19.2%	The Bank of Yokohama, Ltd.	1.7%
Shinsei Bank	14.7%	Corporation Bonds	1.1%
Sumitomo Mitsui Trust Bank	11.1%	Mizuho Trust & Banking	0.9%
Aozora Bank	9.8%	The Kiyo Bank, Ltd.	0.6%
Resona Bank	5.6%	San-ju San Bank	0.6%
The Nishi-Nippon City Bank	2.8%	The Dai-ichi Life Insurance	0.6%
Minato Bank	2.2%	Fukoku Mutual Life Insurance Company	0.6%



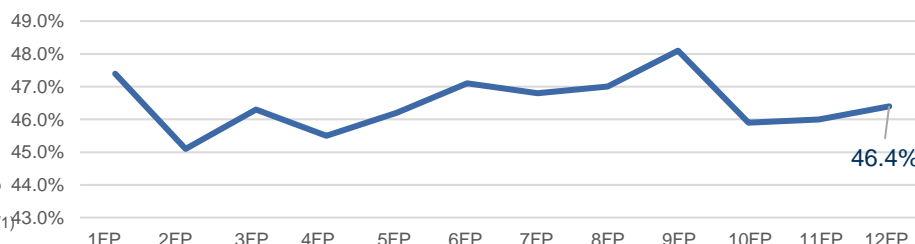
#### Diversification of repayment dates



#### Credit Ratings

Japan Credit Rating Agency, Ltd. ("JCR")	Long-term Issuer Rating A (Stable)
Rating and Investment Information, Inc. (R&I)	Issuer Rating A- (Stable)

#### Transition of LTV



### 3. Operating results for the 12th fiscal period ended January 2022 (8)

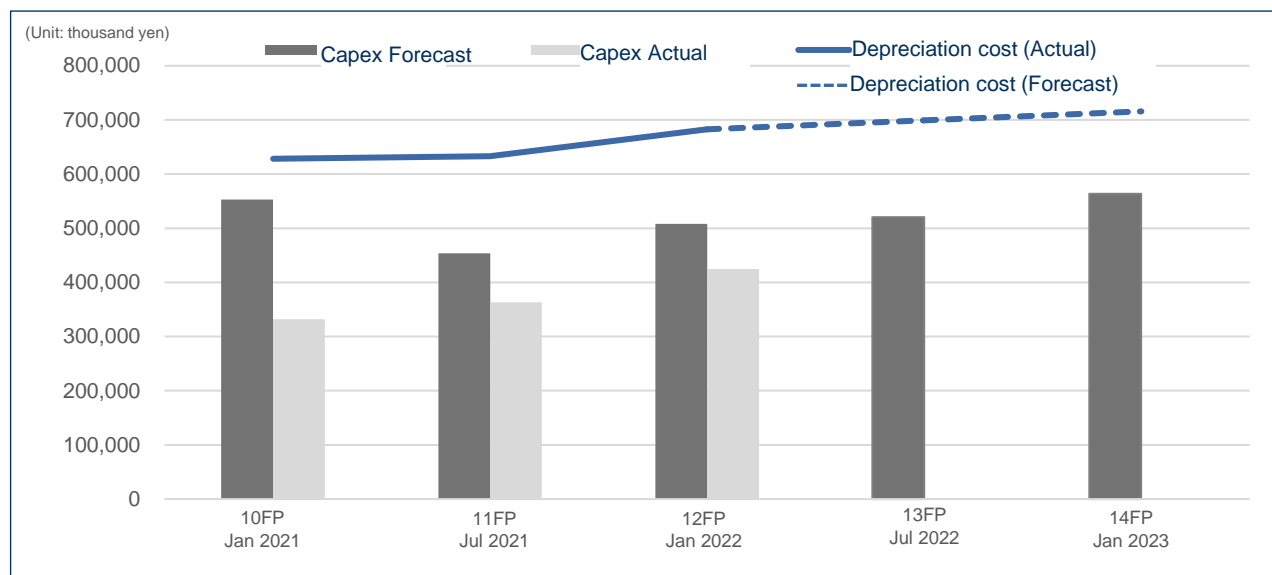
#### - Capex Control –

- ◆ Led by the Sustainability Promotion Division, appropriate control of Capex/ secure free cashflow in cooperation with the Finance Division.
- ◆ Reduce costs by reducing energy consumption, by reducing economic burden and also by introducing highly efficient equipment.
- Contribute to internal growth.

Capex Management
<ul style="list-style-type: none"> <li>Centrally manage budget planning and progress on Capex centered on the Sustainability Promotion Division</li> <li>Consider moving the plan forward depending on the budget exhaustion status and budget reduction status.</li> </ul>

Capital Expenditures during the 12th fiscal period	
Higashi Kobe Center Building/Automatic fire alarm facility renewal work	51 million yen
Urban Center Kanda Tsukasamachi/Phase 1 renewal work	44 million yen

Schedule of Capital Expenditures for the 13th fiscal period	
Takadanobaba Access/Outdoor-air processing unit renewal work	36 million yen
Urban Center Kanda Tsukasamachi/Common area renewal work (3F, 6F and 7F)	33 million yen



(Unit: thousand yen)

	10FP Jan 2021	11FP Jul 2021	12FP Jan 2022	13FP Jul 2022	14FP Jan 2023
Depreciation cost	628,354	633,013	682,245	699,146	715,756
Capex Forecast	552,841	453,448	507,750	520,543	563,568
Capex Actual	331,901	363,439	424,722	—	—
Capex Budget reduction rate	40.0%	19.8%	16.4%	—	—
Capex ratio (Capex Actual/Depreciation cost)	52.8%	57.4%	62.3%	—	—
Repair cost (Actual/Forecast)	181,949	220,204	181,998	207,877	207,041
Number of Properties	53	53	60	60	60

## 4. Initiatives on ESG

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## 4. Initiatives on ESG (1)

### E (Environment) related numerical goals and ESG promotion system

- ◆ As a part of ESG related initiatives, participated in the 2021 GRESB Real Estate Assessment, and acquired **3-Star / Green-Star**.
- ◆ In order to further enhance ESG related initiatives, further strengthen cooperation with the **sub-sponsors (Nippon Kanzai and Tokyo Capital Management)**.

#### ESG promotion system

**<ESG Policy> introduction** Our Company, as a member of the Star Asia Group, shares its Investment Philosophy and Guiding Principles. Furthermore, as the asset management company for Star Asia Investment Corporation, we engage in the real estate investment management business while giving consideration to the environment, society, and governance (hereinafter, collectively referred to as “ESG”) in order to enhance corporate value and exert comprehensive competitiveness while pursuing long-term sustainability and recognizing the role Star Asia Investment Corporation has been given in society in accordance with our basic philosophy of “Client First”.

##### ESG Policy

- 1 Action towards Climate Change
- 2 Consideration towards Resource Circulation, Water Use, and Biodiversity
- 3 Pursuit of Health, Safety, and well-being
- 4 Securing and Developing Human Capital
- 5 Stakeholder Engagement
- 6 Establishing and Organizing a Governance System

- The first Participation in GRESB Real Estate Assessment received a “3 Star” rating



**G R E S B**  
☆☆☆☆☆ 2021

In the 2021 GRESB Real Estate Assessment, “SAR” received a **“3 Star” rating** under GRESB’s 5-grade global rating which is based on the GRESB Overall Score. It also received a **“Green Star”** designation by achieving high performance in both “Management Component” that evaluates policies and organizational structure for ESG promotion, and “Performance Component” that assesses environmental performance and tenant

- The Asset Manager’s ESG promotion system centered on the Sustainability Promotion Division (Primarily involving E (Environment) matters)

##### The Asset Manager’s Sustainability Promotion Division



**Executive officer in charge of sustainability  
General Manager of Sustainability  
Tetsuya Makino**

##### ■ ESG initiatives

- Setting of goals primarily focused on E (Environment), process management, and result verification
- Participation in **GRESB Real Estate Assessment, and acquired 3-Star**
- **Optimization of capital expenditures and repairs expenses**
  - Examination of capital expenditures and repair expenses
  - Selection of equipment and materials with consideration for impact on revenue pursuant to ESG Policy and Sustainable purchase policy

##### Nippon Kanzai (Sub sponsor)



Supports SAR to achieve numerical targets (provides advice related to developing various data and measures to reduce environmental burdens)

##### <E (Environment) related support>

- **New Business & Corporate Branding Dept.** Institution with certification for **CASBEE**
  - Environment-related consulting services
- **East Japan Engineering Management Center**
- **West Japan Engineering Management Center**
  - Energy-related services
  - Environmental assessment services

##### Tokyo Capital Management (Sub sponsor)



After the Merger, Tokyo Capital Management (TCM) provides one-stop service for asset management + property management. TCM helps developing long-term repair plans for SAR’s portfolio assets together with Nippon Kanzai

**Aim to achieve E (Environment) related goals**

## 4. Initiatives on ESG (2)

### E (Environment) related Numerical Goals and their Achievement Status

- ◆ Although the stagnation of economic activities due to COVID-19 is a factor, both **GHG emissions and energy consumption were reduced.**
- ◆ We will aim for continued reduction by considering introducing highly efficient equipment and low carbon equipment at times of facilities renovation and renewal.

#### E (Environment) Related Numerical Objectives and Actual Performance

GHG	Unit	Base year (2019)	2020 Actual	Target Year (2030)
GHG emissions	t-CO <sub>2</sub>	23,154.05	16,804.50	-
Scope 1	t-CO <sub>2</sub>	1,968.71	1,129.44	-
Scope 2	t-CO <sub>2</sub>	21,185.34	15,675.06	-
GHG emissions intensity	t-CO <sub>2</sub> /m <sup>2</sup>	0.05712	0.04057	0.05140
Reduction rate (intensity)	%	-	▲ 29.0%	▲ 10.0%
Energy Consumption	Unit	Base year (2019)	2020 Actual	Target Year (2030)
Crude oil equivalent usage amount	kL	11,220.81	9,156.34	-
Crude oil equivalent usage per unit	kL/m <sup>2</sup>	0.02768	0.02210	0.02491
Reduction rate	%	-	▲ 20.1%	▲ 10.0%
Water Resources	Unit	Base year (2019)	2020 Actual	Target Year (2030)
Clean water usage	m <sup>3</sup>	329,687.35	220,847.18	-
Clean water usage intensity	m <sup>3</sup> /m <sup>2</sup>	0.8133	0.5331	≤ 0.8133
Reduction rate	%	-	▲ 34.4%	±0%
Waste	Unit	Base year (2019)	2020 Actual	Target Year (2030)
Waste emissions	t	2,693.27	1,656.50	-
Coverage rate	%	69.1%	65.1%	-
Waste emissions intensity	t/m <sup>2</sup>	9.61	6.14	≤ 9.61
Reduction rate	%	-	▲ 36.1%	±0%

The calculation year is from April to March of the following year.

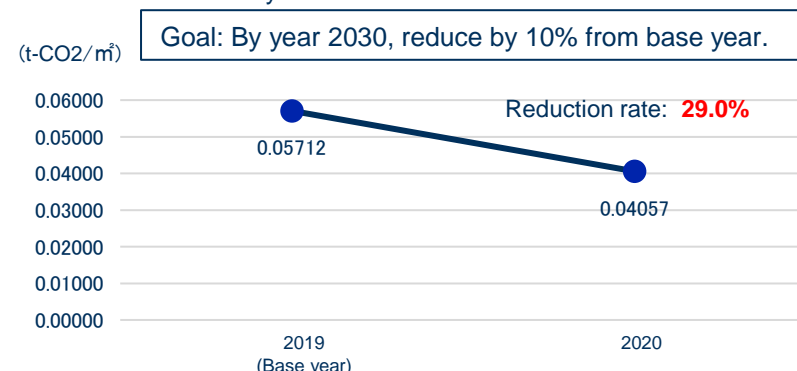
The base year is calculated based on managed assets for full year and with 100% coverage rate. (including the former Sakura Sogo REIT).

GHG is calculated based on market standards.

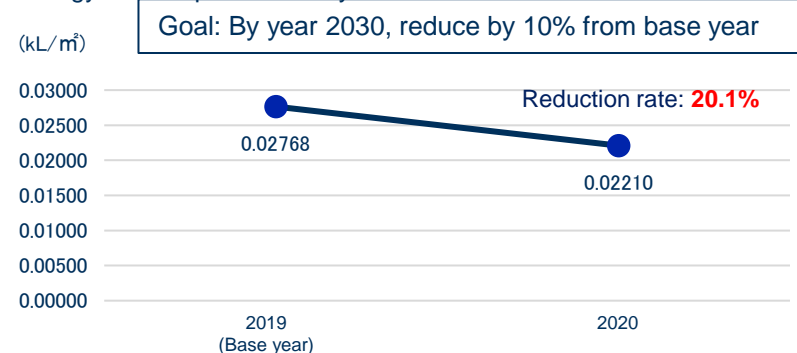
The intensity denominator uses the total area taking into account the number of months in operation.

The reduction rate is the ratio compared to the base year.

#### GHG emissions intensity



#### Energy consumption intensity



## 4. Initiatives on ESG (3)

### Initiatives for E (Environment) and S (Society)

- ◆ Environmental certifications have been obtained for 11 properties (DBJ Green Building certification (see Note 1) and BELS (see Note 2)). The goal has been set to acquire certifications for 50% by 2026.
- ◆ As initiatives concerning S (=Society), it is planned to conduct a tenant satisfaction survey in broader scope, and consider reflecting the results obtained to management and operations.

#### Initiatives for E (Environment)

##### ◆ Received environmental certification

Received in 12FP		2 properties	Percentage of total floor area 1.1 %	
As of the end of 12FP		11 properties	Percentage of total floor area 38.3 %	
		Property name	Asset type	Total floor area
DBJ green building certification	★★★	Baraki Logistics	Logistics	12,471.50 m <sup>2</sup>
	★★	Honmachibashi Tower	Office	15,407.83 m <sup>2</sup>
		La Park Kishiwada	Retail	65,663.02 m <sup>2</sup>
		Urban Park Tokiwadai Koen	Residence	15,708.08 m <sup>2</sup>
		Urban Park Mitsuike Koen	Residence	10,918.37 m <sup>2</sup>
		Iwatsuki Logistics	Logistics	29,729.72 m <sup>2</sup>
	★	Seishin Building	Office	7,624.66 m <sup>2</sup>
		Seiyu Minakuchi	Retail	31,829.71 m <sup>2</sup>
		Urban Park Daikanyama	Residence	8,261.29 m <sup>2</sup>
BELS	★★★★	Urban Center Hakata	Office	3,566.56 m <sup>2</sup>
	★★	Urban Park Miyamaedaira(note📌)	Residence	2,039.17 m <sup>2</sup>
Total				203,219.91 m <sup>2</sup>

Goals for 2026

Percentage of total floor area **50.0 %**

#### Signing of green lease contracts (Note 3)

##### ◆ Signing of green lease contracts )

- Established policy for green lease agreement and added green lease clauses for 15 office tenants, 5 retail tenants, and one logistics tenants
- SAR plans to add the same clause to other properties

**47** tenants

Total lending area **24,392.57** m<sup>2</sup>

#### Initiatives for S (Society)

##### ◆ Initiatives for employees

- Diversity / inclusion (one out of four directors is female)
- Employee satisfaction surveys
- Introduced various systems in order to care for the health of employees
  - Promotion of teleworking and staggered commuting, superflex
  - Maternity leave, childcare leave, nursing care leave, and reduced working hours

##### ◆ Human Rights Week posters were put up on message boards

■ During the "Human Rights Week" prescribed by the human rights protection organization of the Ministry of Legal Affairs, Human Rights Week posters were put up on message boards of owned properties. Awareness-raising activities were held in order to disseminate and raise awareness towards respect for human rights.



##### ◆ Tenants satisfaction surveys

Tenant satisfaction surveys are conducted periodically towards tenants of owned properties. Based on the results of the survey, measures to improve operations and management are considered.

## 4. Initiatives on ESG (4)

### Governance

#### Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 12.2% of the investment units of the Sponsor Group
- Members of the Asset Manager also hold investment units

#### Management team of the Asset Manager (as of January 31, 2022)

- Hold SAR's units through the employee unit purchase plan
  - High commitment (Four officers hold **935** units in total)
  - Akiko Kanno, Director and General Manager of the Finance Management Department, was approved as SAR's substitute executive officer at the October 2021 unitholders' meeting
- <Management team of the Asset Manager>



#### Star Asia Group (as of January 31, 2022)

- Star Asia Group has continued to hold investment units since the time of listing, which strongly supports the growth of SAR.
- Star Asia Group's founders also as individuals hold investment units.

<Founder of Star Asia>



Number of units  
held in same-boat  
investment:

**219,190 units**

Ownership:

**12.2 %**

#### Changes to the Calculation Formula for Asset Management Fees

- Change the calculation formula for asset management fees, with the aim to conform with the interests of unit investors (October 2021 resolution of the general meeting of unitholders)
- The rates on asset balances will be explicitly reduced, and the link to income from the managed assets to be increased.

	Before the change	After the Change
Management fees I	Total valuation amount of managed assets x <b>0.3%</b> (upper limit)	Total valuation amount of managed assets x <b>0.2%</b> (upper limit)
Management fees II	Rate capped at DPU before deduction of Management Fees II x NOI x 0.002% (upper limit)	<b>NOI x 7.5%</b> (upper limit)

#### Decision-making process

- Implement decision-making with high transparency, compliant with laws and regulations
- Maintain high ethical standards and execute operations as a steward of investors' funds



## 4. Initiatives on ESG (5)

### Governance

#### Star Asia Group's Code of Conduct

Star Asia, the sponsor of Star Asia Investment Corporation, is a non-listed independent investment management group which invests mainly in Japanese real estate-related assets and whose main goal is supplying investors with excellent returns

Star Asia Investment Corporation and Star Asia shall share the same long-term vision in accordance with the Star Asia Group's **Code of Conduct**, shall be a leading Real estate investment management group in Japan and shall persistently endeavor to continue to be such

The **Code of Conduct** is as follows:

1

Client First

We are rewarded only when we consistently meet and exceed our investor clients' expectations for the mandates they have given to us.

2

Highest Ethical  
Standards and  
Integrity

We always abide by the highest ethical standards and integrity. Unethical actions by an employee could easily destroy the group's long-standing reputation and trust.

3

Creativity

We utilize our experience, persistence, and creativity to identify and monetize investment opportunities which may not be immediately apparent to our competitors.

4

Respect for Others

We treat our investor clients, employees, trade counterparties, and vendors with the utmost respect, and always strive to be trustworthy partner.

5

Collaborative  
and  
Cooperative Culture

We succeed only when we work together by fully utilizing our collective strengths in a cooperative manner to serve our investor clients. The group's performance always exceeds the sum of our individual performances.

6

Adaptability

We stay nimble, proactive and critical, allowing us to adjust quickly as the market environment changes in order to continue to be a successful leader in the market where we do business.

7

Meritocracy

We reward our employees for their specific personal performance as well as their contribution to the group and to investor client performance.

8

Endless Pursuit  
of  
Excellence

We will tirelessly pursue excellence not only for our investor clients but also for ourselves.

## **6. Progression Status of Mid-Term Plan**

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## 6. Progression Status of Mid-Term Plan (1)

### Progression Status of Mid-Term Plan

- ◆ asset size: JPY 300 billion, versus asset size as of end of Jan. 2022: **JPY 179.6 billion**
- ◆ Targe Distribution per Unit (DPU): 1,600 yen, versus cruising DPU of **1,476 yen**

### Mid-Term Plan (Target year FY2026)

Asset Size (Target): JPY **300** billion  
Indicative number of properties **100**

Distribution Per Unit (Target): **1,600** yen or more  
Growth objective of 2% per annum

### Progress status as of the end of Jan. 2022

#### Assets Size

As of the end of January 2022 **179.6** billion yen

#### Priority measures going forward:

- Expand asset size by gathering highly liquid middle-sized properties.
- Improve income stability by diversifying the portfolio.
- Think “outside the box” and consider all measures.
- Sponsor pipeline (The fund’s assets under management of JPY 141.3 billion, pursuit development deals)
- Find deals through the asset management company’s own unique network.
- Conduct asset replacements as necessary.

#### Distributions Per Unit

Cruising Distributions Per Unit **1,476** yen

#### Priority measures going forward:

- Improve distribution per unit through external growth, internal growth.
- Cooperate with sub-sponsor (Nippon Kanazai Group)
- Resolve rent gaps in the office portfolio.
- Rebuild the property management system to suit the portfolio mix.
- Reduce costs leveraging on the economy of scale
- Optimize repair costs/ capital expenditures.

## 6. Progression Status of Mid-Term Plan (2)

### Unwavering sponsor support by Star Asia Group for the growth of SAR

#### Status of Star Asia Group

##### <Expansion of the Team>

- Star Asia Group is continuing to expand the team.
- The group has under its umbrella Star Asia Sogo Kaihatsu K.K. in charge of development functions, hotel operator Polaris Holdings Co., Ltd. and Star Asia Asset Advisors Co. Ltd. Which operates private placement funds.

##### <Expansion of Assets under Management>

- The investment amount in 2021 was historically the largest size.
- Star Asia Special Situation Fund, the flagship fund, is executing its 5<sup>th</sup> investment.
- As of the end of Feb. 2022, assets under management totaled **JPY 147.5 billion** / It includes many properties which meet SAR's investment standards.

#### Star Asia Group's initiatives for development projects

##### Initiatives for development projects

- ◆ Star Asia Group will continue to engage in development projects
- ◆ The next development project, located in central Kyoto<sup>(Note 6)</sup>

##### 【Residential development projects in Kyoto】



**Expectation for expanded pipeline for SAR**

#### Unwavering sponsor support by Star Asia Group

##### < Actual track record of support up to the 12<sup>th</sup> FP >

SAR's acquisition track record including those properties immediately sold.

**67 properties / 196.4bn**



Properties acquired from Star Asia Group<sup>(note 4)</sup>

**50 properties / 160.5 bn**



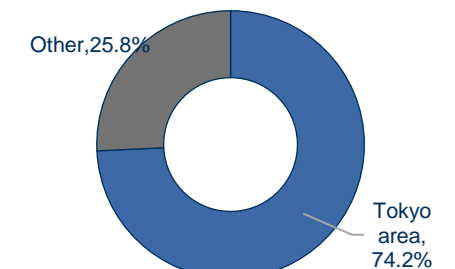
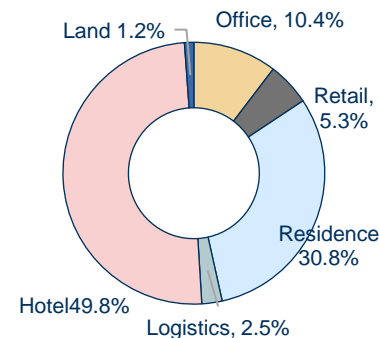
Properties acquired with support by Star Asia Group<sup>(note5)</sup>

**13 properties / 239 bn**

Going forward as well, we will continue to aim for external growth based on support from Star Asia Group including new development properties.

#### Properties managed by Star Asia Group (As of February 28, 2022)

**Total of appraisal value<sup>(Note 7)</sup>  
JPY 147.5bn**

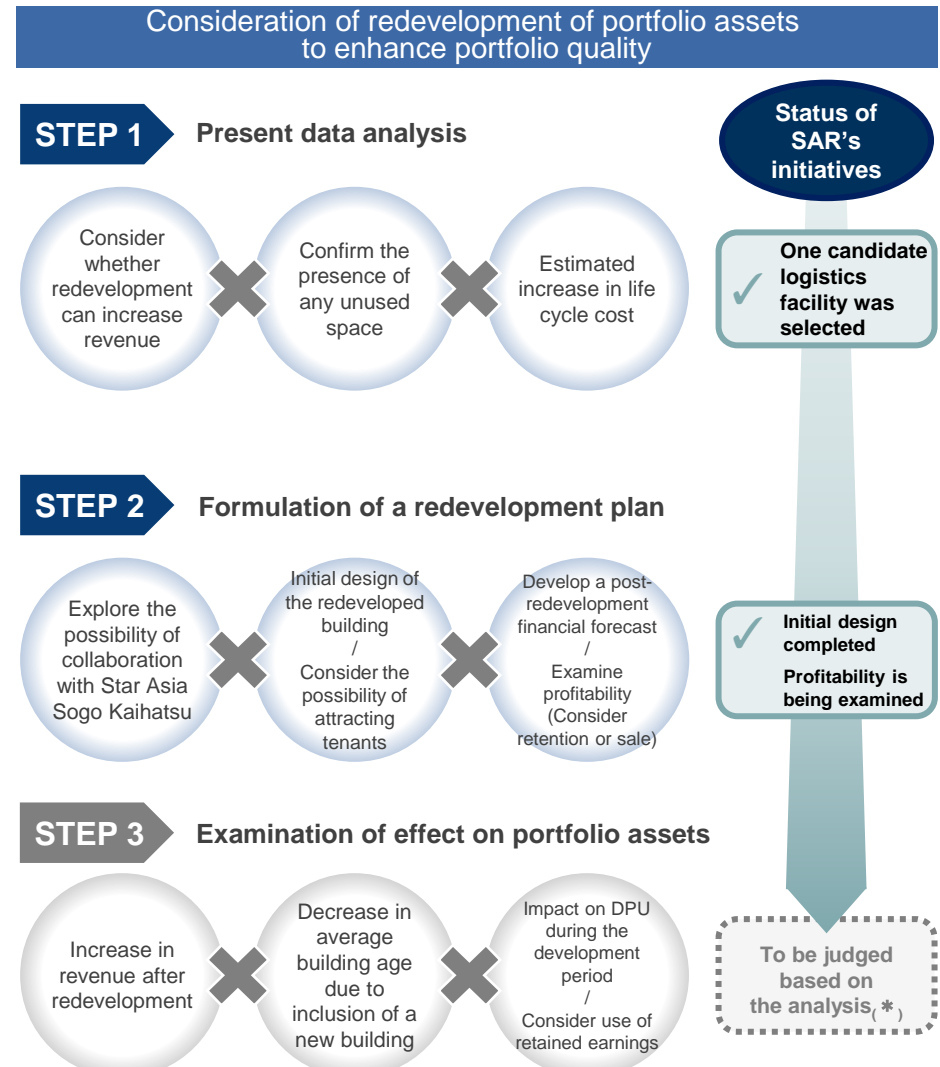


(Based on appraisal value)

## 6. Progression Status of Mid-Term Plan (3) Continued Initiatives to Improve Portfolio Quality

- ◆ SAR returned gains on sale of properties to unitholders by replacing assets seven times to **enhance the portfolio** and crystallize strong unrealized gains
- ◆ SAR considers the best way to utilize portfolio assets, and explore **the possibility of internal growth through redevelopment**

Continuous asset replacement				
	Disposed assets		Acquired assets	
		Residence		Residence
1st		Urban Park Yoyogi Koen		Urban Park Gokokuji
				+ JPY 150mn
2nd		Office		Logistics
		Oak Minami-Azabu		Baraki Logistics
				+ JPY 1,510mn
3rd		Office		Hotel
		Hakata-Eki Higashi 113 Building		Hotel WBF Fukuoka Tenjin Minami
				+ JPY 820mn
4th		Residence		Hotel
		Urban Park Shin-Yokohama		GLANSIT AKIHABARA
				+ JPY 190mn
5th		Office		Residence
		Alphabet Seven		Urban Park Ichigao
				Urban Park Gyotoku
				+JPY 1,620mn
6th		Retail		Residence
		Suroy Mall Nagamine		Urban Park Tokiwadai Koen
				+ JPY 10mn
7th		Logistics		Residence
		Funabashi Nishiura Logistics I		Urban Park Mitsuike Koen
				▲JPY 10mn
Total				+ JPY 4,310mn



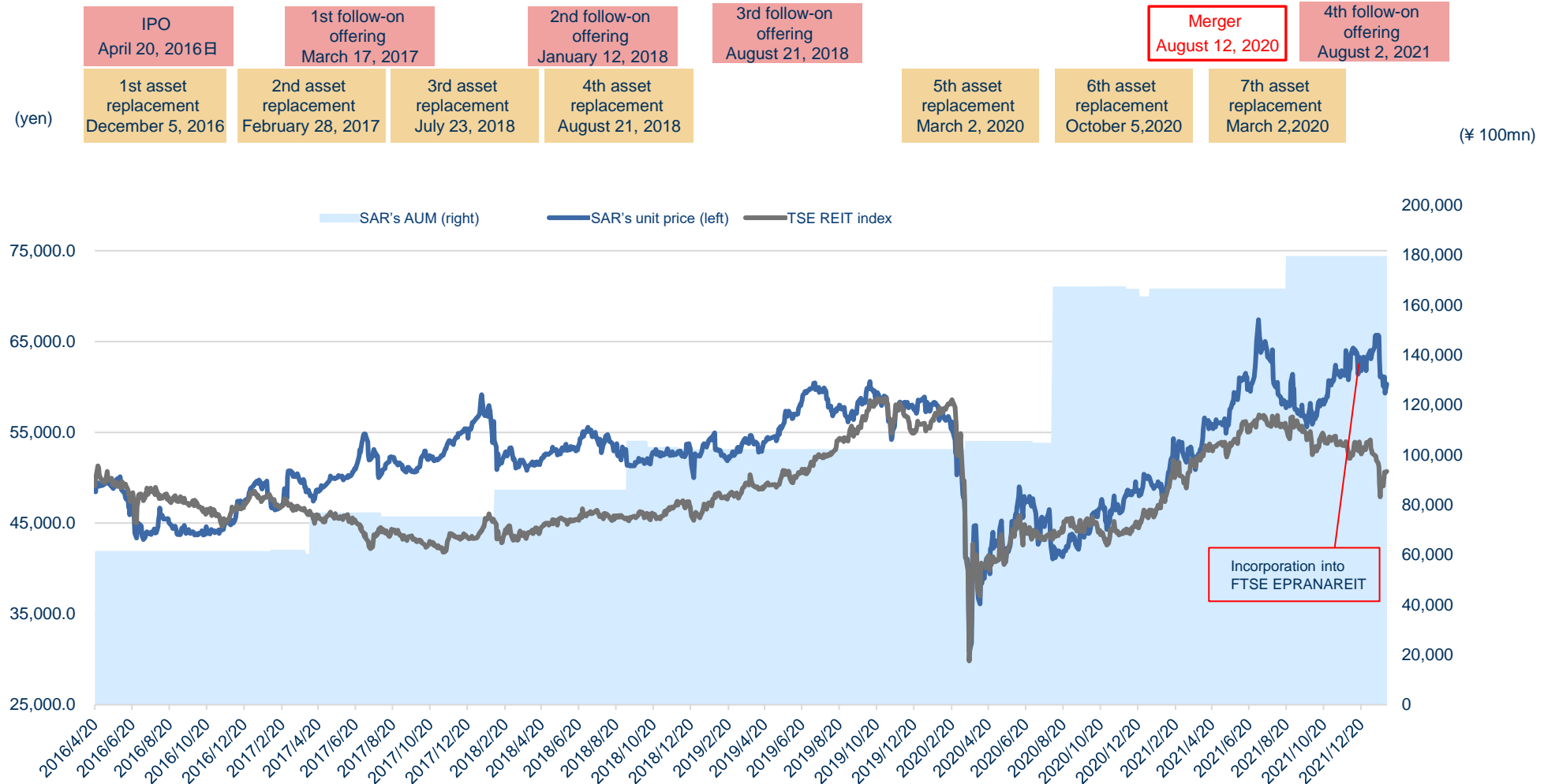
(\*) Redevelopment projects are still in the consideration stage as of the date of this document, and will not necessarily be executed.

## 6. Progression Status of Mid-Term Plan (4)

The continuous implementation of corporate action in pursuit of the maximization of unitholders' interests

- ◆ SAR has continuously implemented Active Management initiatives since IPO all designed with the intent of maximizing unitholder value. As a result of these strategies, SAR unit price has consistently outperformed the TSE REIT index since.

### Active management and investment unit price performance since listing



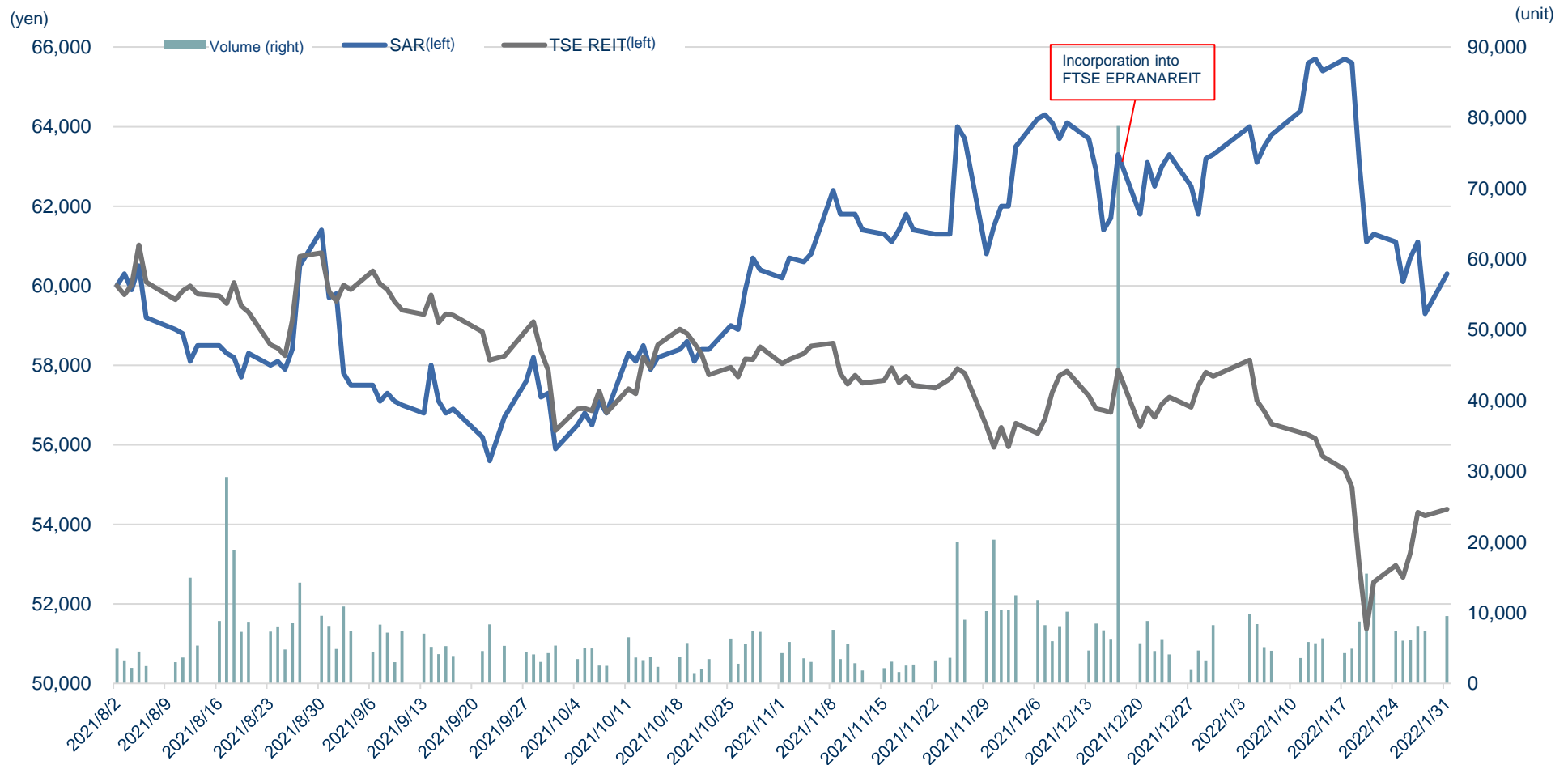
\*The closing price of TSE REIT index as of the date of listing of SAR (1,887.75) has been converted based on the closing price of SAR's investment units on the same day of 98,300 yen. Furthermore, SAR has conducted a 2- for-1 investment unit split on the reference date of July 31, 2020. The investment prices prior to such split are also indicated split in half.

## 6. Progression Status of Mid-Term Plan (5)

### Investment unit price performance 12FP

- ◆ Continue initiatives towards maximization of unitholders' interest through various measures of active management.
- ◆ The fluctuation ratio of the price of investment units for the 12<sup>th</sup> FP has outperformed the TSE REIT Index.

#### Investment unit price performance 12FP (Aug 31, 2021 – Jan 31, 2022)



(※) TSE REIT index is prepared using SAR's closing price of August 2, 2022 (60,000 yen) as the base figure.

## 7. Appendix

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# About Star Asia Group



**Taro Masuyama**  
Co-Founder and  
Managing Partner



**Malcolm F. MacLean IV**  
Co-Founder and  
Managing Partner

Star Asia Group is a privately owned, independent investment management group that focuses on investments in Japanese real estate related opportunities.

- Conceived in 2006, Star Asia Group has invested over JPY961 bn since its foundation in 2007. (as of December 2021)
- We fully operate under our Guiding Principles which has continuously driven the group to become one of the leading real estate investment management firms in Japan.
- The group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors.
- The group is committed to its disciplined Investment Philosophy and SAR strives for its most important goal of meeting and exceeding unitholders' expectations.

## Star Asia Group

Listed J-REIT Asset manager	Private placement fund management	Asset management	Unlisted investment company			Private placement fund	Development and operation of new- generation student accommodation	Development and operation of hospitality properties; listed
Star Asia Investment Management Co., Ltd.	<b>Star Asia Management Limited</b> <ul style="list-style-type: none"><li>Registered as an Investment Advisor with the US Securities and Exchange Commission</li><li>Manages multiple private placement funds through sister companies</li></ul>	<b>Star Asia Asset Advisors Co., Ltd.</b> <ul style="list-style-type: none"><li>Asset management and brokerage for private placement funds; real estate asset and trust beneficiary interest brokerage; and property management.</li></ul>	Star Asia Capital Corp Limited			<b>Star Asia Japan Special Situations LP</b> <ul style="list-style-type: none"><li>Star Asia Group's flagship fund</li><li>Actively investing based on its investment capacity</li></ul>	<b>GSA Star Asia KK</b> <ul style="list-style-type: none"><li>A 50/50 joint venture with GSA Group, a global pioneer in purpose built student accommodation (PBSA), that develops and operates new-generation PBSA</li><li>Following the first property (HAKUSAN HOUSE), developed the second (KAMIKITA HOUSE)</li></ul>	<b>Polaris Holdings Co., Ltd.</b> <p>Listed on TSE 2<sup>nd</sup> Section (3010); develops and operates hotels</p> <ul style="list-style-type: none"><li>Star Asia Group became a sponsor in Nov. 2018 and holds 75.65% of issued stock</li></ul>
	Star Asia Investment Corporation	Provides know-how contributing to SAR's internal and external growth as its sponsor <ul style="list-style-type: none"><li>Support of Construction Management Department</li><li>Provides advice based on abundant experience in real estate-related debt investment</li><li>Provides additional resource as needed</li></ul>	Asset management of warehousing funds and provides support for origination of bridge funds	Holds SAR's investment units	Holds SAR's investment units	Currently develops properties with preferential negotiation rights owned by SAR	Provided over JPY90bn properties (based on SAR's acquisition price) to SAR since SAR's listing	Currently operates properties with preferential negotiation rights owned by SAR <ul style="list-style-type: none"><li>HAKUSAN HOUSE</li><li>KAMIKITA HOUSE</li></ul>
Star Asia Group with expanding business provides strong support to SAR								

Star Asia Group with expanding business provides strong support to SAR

# Investment Philosophy of Star Asia Group

The Group intends to strictly adhere to its investment philosophy, and to meet the expectations of investors and continue to exceed such expectations. This is our largest objective

1

## Research Focus

We believe that consistent outperformance can only be achieved when investment opportunities identified through our rigorous origination process are validated against the comprehensive understanding of the ever-changing market environment. Government policies, macroeconomic environment, state of capital markets, trends in demographics, real estate supply/demand dynamics, status of the real estate market cycle, outlook and appetite by potential tenants, as well as anticipated behavior of other market participants are only a few of the critical inputs we analyze. In order to formulate and continually update our understanding of the current market environment, we run iterative processes of gathering feedback from our day-to-day investment and asset management activities, which are supplemented by various third-party research reports and data that is further investigated and verified by us to generate our unbiased view.

2

## Market Inefficiencies

Unlike highly efficient foreign exchange, interest rate and public equity markets, the Japanese and other Asian private real estate markets are inherently inefficient. Although Tokyo is the world's largest metropolis in terms of population (approximately 35 million), GDP, and real estate capital values, in our opinion, it is significantly less efficient than the U.S. or U.K. markets. The Japanese real estate market has high barriers-to-entry, asymmetric information flows, a less developed securitization market, and a limited universe of well-capitalized opportunistic market participants, which together creates market inefficiencies. We believe that thorough robust analysis and deep local relationships combined with our significant hands-on experience allow us to identify and capitalize on these market inefficiencies that are not obvious to our competitors.

3

## Maximizing and Unlocking Value

The real estate properties that we evaluate for investment are typically not operated to their maximum potential at the time of our investment. Some owners are not professional real estate investors, failed to invest necessary capital expenditures, and/or had poorly managed leasing strategies. Some real estate properties have certain compliance issues that can be cured with limited cost and time, or have potential to generate higher net operating income if repositioned or repurposed properly. We utilize our own experience along with technical advice from third-party professionals, as necessary, to formulate and execute the optimal asset management, capital expenditures, renovation, and repositioning plans. Implementation of these plans will maximize and unlock the property's intrinsic value in the most efficient manner from a cost and time perspective.

4

## Specialization

We believe deliberate specialization and a flat organization allow us to identify, properly structure, and dependably execute attractive, but often complex, investment opportunities. This specialization leads us to more predictable success and sets us apart from our competitors. Our senior professionals have years of hands-on experience in real estate deal sourcing, underwriting, structuring, asset management, financing, capital markets, and securitization. Star Asia's senior professionals have developed deep-rooted local relationships over multiple real estate cycles, and have executed some of the most creative and complex investment opportunities in the market.

5

## Risk Control

Our objective is to achieve consistent and superior risk-adjusted returns by only assuming well-calculated risks. When a potentially attractive investment opportunity is identified, we examine all the risks associated with the potential opportunity through our rigorous review process. We then negotiate with the counterparties to determine a fair risk-sharing arrangement while formulating structural solutions to eliminate or mitigate other risks, where possible. Concurrently, we conduct quantitative and qualitative analyses to evaluate the viability of the potential investment opportunity against our strict underwriting criteria.

6

## Dependability, Transparency and Decisive Action

Our trade counterparties know that they can depend on us when they need to sell their real estate related assets quickly, discreetly and/or through a complex structure that others may not be able to handle or understand. We are always candid and transparent by clearly explaining our requirements up front including expected deal economics, our strict due diligence process, and then work tirelessly and creatively to meet the counterparty's specific objectives and timing. Our flat organization and highly efficient, decision-making process allows us to be very flexible, tactical and decisive. This philosophy and execution style are valued by our trade counterparties who repeatedly bring attractive investment opportunities that reward our clients with outsized returns.

# Status of Unitholders at the End of 12th Fiscal Period ended January 2022

Number of investment units by attribute: Total 1,789,389 units

Category	End of 11FP		End of 12FP	
	No. of investment units	Ratio	No. of investment units	Ratio
Individual	459,467	27.4%	433,004	24.2%
Financial institution	506,828	30.3%	525,836	29.4%
Domestic corporation	102,191	6.1%	82,917	4.6%
Foreign	534,436	31.9%	688,348	38.5%
Securities company	71,467	4.3%	59,284	3.3%
Total	1,674,389	100.0%	1,789,389	100.0%

Number of unitholders by attribute: Total 26,292

Category	End of 11FP		End of 12FP	
	No. of unitholders	Ratio	No. of unitholders	Ratio
Individual	26,579	97.4%	25,559	97.2%
Financial institution	36	0.1%	40	0.2%
Domestic corporation	373	1.4%	367	1.4%
Foreign	263	1.0%	299	1.1%
Securities company	31	0.1%	27	0.1%
Total	27,282	100.0%	26,292	100.0%

List of major unitholders (Top 10)

	Unitholder name	Number of investment units	Holding ratio
1	The Master Trust Bank of Japan, Ltd. (Trust account)	219,986	12.3 %
2	Custody Bank of Japan, Ltd. (Trust Account)	116,556	6.5 %
3	NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	79,913	4.5 %
4	The Nomura Trust and Banking Co., Ltd. (Trust Account)	64,520	3.6 %
5	Star Asia Capital I LLC	48,390	2.7 %
5	Star Asia Capital II LLC	48,390	2.7 %
5	Star Asia Capital III LLC	48,390	2.7 %
5	Star Asia Capital IV LLC	48,390	2.7 %
9	Custody Bank of Japan, Ltd. (Security Trust Account)	44,778	2.5 %
10	STATE STREET BANK AND TRUST COMPANY 505001	36,259	2.0 %
Total		755,572	42.2 %

Star Asia Capital I ~ IV LLC、Lion Partners GK are Sponsor Group.

# Change in business results

	7FP (ended Jul. 2019) actual	8FP (ended Jan. 2020) actual	9FP (ended Jul. 2020) actual	10FP (ended Jan. 2021) actual	11FP (ended Jul. 2021) actual	12FP (ended Jan. 2021) forecast (※1)	12FP (ended Jan. 2021) actual	Comparison with forecast
Lease business revenue	3,344	3,200	3,314	5,648	5,536	5,873	5,890	17
Office rent	1,134	1,145	1,163	1,895	1,807	1,926	1,900	-25
Retail rent	-	-	-	848	790	838	842	4
Residence rent	438	439	512	889	1,023	1,173	1,152	-21
Logistics rent	910	817	887	974	909	910	910	0
Hotel rent	500	477	445	423	424	425	425	-
Other	349	320	306	616	582	598	660	61
Expenses related to rent business (Depreciation is excluded)	798	769	741	1,550	1,556	1,674	1,629	-44
NOI	2,535	2,431	2,573	4,097	3,980	4,199	4,261	62
Depreciation	415	420	432	628	633	684	682	-1
Rent revenues/expenses	2,119	2,011	2,141	3,469	3,347	3,514	3,579	64
Mezzanine	20	21	25	24	24	24	22	-1
TK distribution	7	6	7	5	-	-	46	46
Gain on sale of real estate property	422	-	648	993	-	-	-	-
Loss on sales of real estate property	-	-	-	19	-	-	-	-
SGA	344	316	690	1,096	532	550	560	9
Operating income	2,225	1,721	2,131	3,376	2,838	2,988	3,087	99
Non-operating income	0	1	3	4	3	-	1	1
Non-operating expenses	261	227	278	469	434	576	571	△ 4
Ordinary income	1,965	1,494	1,857	2,911	2,407	2,412	2,517	105
Extraordinary income	-	-	-	8,891	-	-	-	-
Net income	1,964	1,493	1,857	11,801	2,407	2,411	2,516	105
Cash distribution per unit	3,625 yen	2,788 yen	3,436 yen	1,676 yen	1,462 yen	1,455 yen	1,478 yen	23 yen
FFO per unit	3,620 yen	3,539 yen	3,033 yen	1,531 yen	1,815 yen	1,730 yen	1,787 yen	57 yen
Balance of Internal reserves	155	141	140	9,135	9,095	8,903	8,967	64

(※1) announced in the 11<sup>th</sup> FP financial briefing report (2021/9/14). (※2) The 10<sup>th</sup> FP FFO per unit has been calculated excluding gains from negative goodwill. (※3) The balance of internal reserves is calculated as the total of the temporary difference adjustment reserve plus unappropriated retained earnings as of the end of the period, minus distributions of profits for the period.

# Balance Sheets

	11FP (As of July 31, 2021)	12FP (As of January 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,169,688	3,774,975
Cash and deposits in trust	7,536,399	7,950,192
Operating accounts receivable	96,187	88,581
Prepaid expenses	177,085	200,093
Consumption taxes receivable	83,497	155,777
Other	7,506	14,763
<b>Total current assets</b>	<b>11,070,364</b>	<b>12,184,385</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Tools, furniture and fixtures	114	114
Accumulated depreciation	△42	△71
Tools, furniture and fixtures, net	71	42
Buildings in trust	49,655,872	53,053,772
Accumulated depreciation	△4,084,344	△4,755,763
Buildings in trust, net	45,571,527	48,298,008
Structures in trust	20,635	20,635
Accumulated depreciation	△4,393	△5,115
Structures in trust, net	16,242	15,520
Machinery and equipment in trust	97,214	99,519
Accumulated depreciation	△18,872	△23,762
Machinery and equipment in trust, net	78,341	75,756
Tools, furniture and fixtures in trust	56,654	67,545
Accumulated depreciation	△20,334	△24,969
Tools, furniture and fixtures in trust, net	36,319	42,576
Land in trust	117,051,893	127,283,507
Construction in progress in trust	550	-
<b>Total property, plant and equipment</b>	<b>162,754,946</b>	<b>175,715,413</b>
<b>Intangible assets</b>		
Leasehold rights in trust	4,082,300	4,082,300
<b>Total intangible assets</b>	<b>4,082,300</b>	<b>4,082,300</b>
<b>Investments and other assets</b>		
Investment securities	692,234	922,220
Long-term loans receivable	300,000	-
Long-term prepaid expenses	260,510	351,116
Lease and guarantee deposits	10,459	10,379
Other	-	3,317
<b>Total investments and other assets</b>	<b>1,263,203</b>	<b>1,287,033</b>
<b>Total non-current assets</b>	<b>168,100,450</b>	<b>181,084,747</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	-	13,603
Investment unit issuance expenses	-	34,219
<b>Total deferred assets</b>	<b>-</b>	<b>47,823</b>
<b>Total assets</b>	<b>179,170,815</b>	<b>193,316,956</b>

	11FP (As of July 31, 2021)	12FP (As of January 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	544,542	789,397
Short-term loans payable	2,150,000	-
Current portion of long-term loans payable	23,450,000	15,350,000
Accounts payable - other	492,764	500,649
Accrued expenses	41,562	49,478
Income taxes payable	605	605
Accrued consumption taxes	71,861	46,037
Advances received	913,623	915,355
Other	23,834	30,771
<b>Total current liabilities</b>	<b>27,688,794</b>	<b>17,682,295</b>
<b>Non-current liabilities</b>		
Investment corporation bonds	-	1,000,000
Long-term loans payable	56,840,000	73,290,000
Tenant leasehold and security deposits	6,142	5,074
Tenant leasehold and security deposits in trust	5,217,745	5,476,752
Other	238,654	109,745
<b>Total non-current liabilities</b>	<b>62,302,542</b>	<b>79,881,571</b>
<b>Total liabilities</b>	<b>89,991,336</b>	<b>97,563,867</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	52,745,966	59,115,701
<b>Surplus</b>		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	8,891,236	8,802,324
<b>Total voluntary reserve</b>	<b>8,891,236</b>	<b>8,802,324</b>
Unappropriated retained earnings (undisposed loss)	2,651,806	2,809,755
<b>Total surplus</b>	<b>36,675,261</b>	<b>36,744,298</b>
<b>Total unitholders' equity</b>	<b>89,421,227</b>	<b>95,859,999</b>
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges	△241,749	△106,910
<b>Total valuation and translation adjustments</b>	<b>△241,749</b>	<b>△106,910</b>
<b>Total net assets</b>	<b>89,179,478</b>	<b>95,753,089</b>
<b>Total liabilities and net assets</b>	<b>179,170,815</b>	<b>193,316,956</b>

# Statement of Income

(Unit: thousand yen)

	11FP (As of July 31, 2021)	12FP (As of January 31, 2022)
Operating revenue		
Lease business revenue	5,184,498	5,467,061
Other lease business revenue	351,786	423,937
Other revenue	24,495	69,418
Total operating revenue	5,560,780	5,960,418
Operating expenses		
Expenses related to rent business	2,189,167	2,311,905
Asset management fee	380,024	392,495
Asset custody and administrative service fees	38,699	42,732
Directors' compensations	2,400	2,400
Other operating expenses	111,699	122,935
Total operating expenses	2,721,990	2,872,468
Operating income	2,838,789	3,087,950
Non-operating income		
Interest income	63	48
Reversal of unpaid distribution	3,390	1,326
Interest on refund	1	106
Total non-operating income	3,454	1,481
Non-operating expenses		
Interest expenses	301,653	337,121
Interest expenses on investment corporation bonds	-	2,473
Borrowing related expenses	132,679	224,543
Amortization of investment unit issuance expenses	-	850
Amortization of investment corporation bond issuance costs	-	6,843
Total non-operating expenses	434,333	571,833
Ordinary income	2,407,910	2,517,598
Income before income taxes	2,407,910	2,517,598
Income taxes - current	605	605
Total income taxes	605	605
Net income	2,407,305	2,516,993
Retained earnings brought forward	244,500	292,762
Unappropriated retained earnings (undisposed loss)	2,651,806	2,809,755

# Portfolio List (as of Jan 31, 2022)

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 11 FP(mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Office	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	3,010	1.7	4.7
	Honmachibashi Tower	Osaka City, Osaka	6,065	6,840	3.4	5.1
	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	2,600	1.0	6.7
	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	3,240	1.1	5.7
	Asahi Building	Yokohama City, Kanagawa	6,320	8,200	3.5	5.1
	Hakata-eki East Place	Fukuoka City, Fukuoka	2,286	2,910	1.3	6.1
	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1,500	0.8	4.7
	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2,710	1.4	4.0
	Higashi Kobe Center Building	Kobe City, Hyogo	7,440	7,390	4.1	5.5
	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1,190	0.6	4.0
	Seishin Building	Shinjuku Ward, Tokyo	11,200	11,500	6.2	3.6
	NK Building	Chiyoda Ward, Tokyo	5,350	5,370	3.0	3.8
	Tsukasamachi Building	Chiyoda Ward, Tokyo	4,590	4,570	2.6	3.9
	Takadanobaba Access	Shinjuku Ward, Tokyo	3,990	3,990	2.2	4.1
	Azabu Amerex Building	Minato Ward, Tokyo	2,780	2,890	1.5	3.8
	Hiei-Kudan Building	Chiyoda Ward, Tokyo	2,400	2,380	1.3	4.0
	Shin-Yokohama Nara Building	Yokohama City, Kanagawa	2,300	2,500	1.3	5.1
	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	1,490	0.8	4.0
	OHA Building	Tachikawa City, Tokyo	1,804	1,930	1.0	5.2
	Urban Center Hakata	Fukuoka City, Fukuoka	2,870	3,030	1.6	4.4
	Subtotal		72,733	79,240	40.5	4.6
Retail	La Park Kishiwada	Kishiwada City, Osaka	5,400	5,230	3.0	7.1
	Suoy Mall Chikushino	Chikushino City, Fukuoka	6,550	6,350	3.6	5.7
	Seiyu Minakuchi	Koka City, Shiga	3,320	3,330	1.8	7.4
	BAGUS Ikebukuro West	Toshima Ward, Tokyo	2,984	3,280	1.7	4.1
	Subtotal		18,254	18,190	10.2	6.2
Residence	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2,680	1.1	4.4
	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	9,170	3.5	4.8
	Urban Park Namba	Osaka City, Osaka	1,490	1,560	0.8	5.0
	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1,550	0.8	4.4
	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1,190	0.7	5.0
	Urban Park Ryokuchi-koen	Suita City, Osaka	1,550	1,650	0.9	5.6
	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1,180	0.6	4.7
	Urban Park Ichigao	Yokohama City, Kanagawa	1,810	2,010	1.0	4.8
	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	1,540	0.8	4.8
	Shiroi Logiman	Shiroi City, Chiba	2,470	2,470	1.4	5.7
	Urban Park Sekime	Osaka City, Osaka	2,150	2,300	1.2	5.2
	Urban Park Imazato	Osaka City, Osaka	993	1,040	0.6	5.4
	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	1,850	1.0	3.7
	Urban Park Tokiwadai Koen	Yokohama City, Kanagawa	3,506	3,880	2.0	5.5

(※) "Appraisal NOI Yield" is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place.

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 11 FP(mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
	Urban Park Mitsuike Koen	Yokohama City, Kanagawa	3,160	3,470	1.8	5.5
	Urban Park Ryogoku	Sumida Ward, Tokyo	1,115	1,200	0.6	4.6
	Urban Park Mizonokuchi	Kawasaki City, Kanagawa	2,019	2,100	1.1	4.8
	Urban Park Miyamaedaira	Kawasaki City, Kanagawa	1,060	1,200	0.6	4.8
	Urban Park Tsurumi	Yokohama City, Kanagawa	1,113	1,190	0.6	5.2
	Subtotal		37,779	43,230	21.0	5.0
Logistics	Iwatsuki Logistics	Saitama City, Saitama	6,942	7,660	3.9	4.8
	Yokohama Logistics	Yokohama City, Kanagawa	3,560	4,330	2.0	5.8
	Funabashi Logistics	Funabashi City, Chiba	7,875	8,870	4.4	5.2
	Baraki Logistics	Ichikawa City, Chiba	4,700	4,980	2.6	4.0
	Tokoyozawa Logistics	Tokorozawa City, Saitama	1,300	1,520	0.7	5.8
	Funabashi Nishiura Logistics I	Funabashi City, Chiba	821	890	0.5	7.0
	Funabashi Nishiura Logistics II	Funabashi City, Chiba	2,755	2,970	1.5	5.5
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	1,710	1,710	1.0	6.5
	Funabashi Hi-Tech Park I	Funabashi City, Chiba	702	704	0.4	6.8
Subtotal		30,365	33,634	16.9	5.2	
Hotel	R&B Hotel Umeda East	Osaka City, Osaka	2,069	2,270	1.2	5.5
	Smile Hotel Namba	Osaka City, Osaka	1,750	1,410	1.0	4.3
	Best Western Tokyo Nishi-kasai	Edogawa Ward, Tokyo	3,827	3,530	2.1	4.2
	Best Western Yokohama	Yokohama City, Kanagawa	3,248	3,200	1.8	4.5
	Hotel WBF Fukuoka Tenjin Minami	Fukuoka City, Fukuoka	1,970	1,920	1.1	4.4
	GLANSIT Akihabara	Chiyoda Ward, Tokyo	2,500	2,440	1.4	3.9
	Best Western Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3,130	1.8	4.0
	KOKO HOTEL Namba	Osaka City, Osaka	2,000	1,410	1.1	3.6
	Subtotal		20,544	19,310	11.4	4.3
Total			179,675	193,604	100.0	4.9

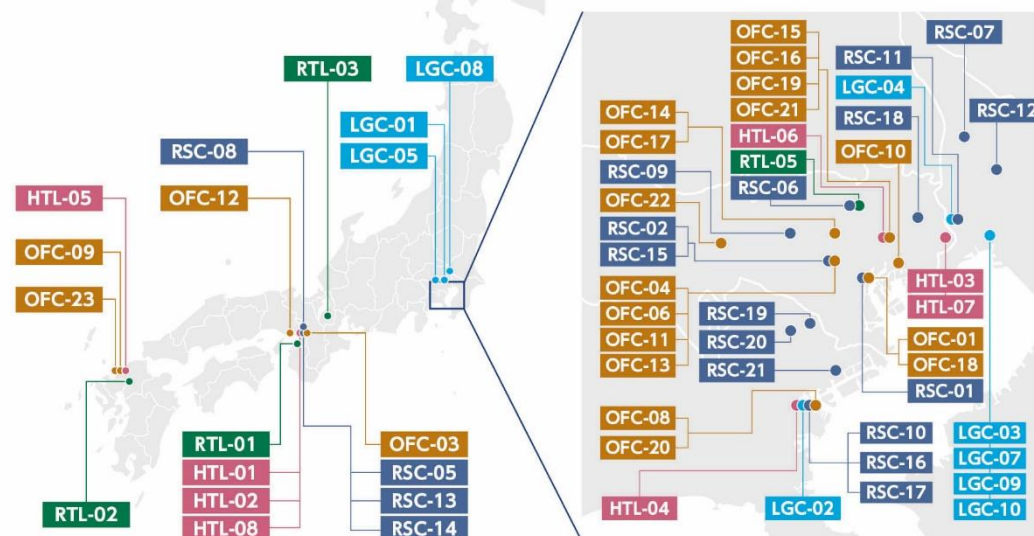
Type	Name of the security (asset overview)	Period-end book value	Underlying asset, etc.		Interest rate (※1)
			Asset name	Location	
Mezzanine (Subordinated bonds)	Star Asia Mezzanine Loan Debt Investment Series 1	400 million yen	Relief Premium Haneda	Ota Ward, Tokyo	Base rate +5.0%
Mezzanine (Subordinated Beneficiary Interest)	Star Asia Mezzanine Loan Debt Investment Series 3(※3)	122 million yen	The Royal Garden Residence Shirokanedai	Minato Ward, Tokyo	Base rate +5.0%
Mezzanine (Subordinated bonds)	Star Asia Mezzanine Loan Debt Investment Series 6	400 million yen	Tajimi Logistics Center	Tajimi-shi, Gifu	Base rate +7.0%
		922			

※2: The base interest rate : JBA 3-month yen TIBOR ※3: Fully redeemed on February 25

# Portfolio List (as of Jan 31, 2022)

## Portfolio Map (2022年1月31日現在)

- オフィス
- 商業施設
- 住宅
- ホテル
- 物流施設



No. of properties	60 properties
Asset size	179.6bn
	<div> <div>Office 40.5%</div> <div>Residence 21.0%</div> <div>Logistics 16.9%</div> <div>Hotel 11.4%</div> <div>Retail 10.2%</div> </div>
NAV per unit	59,749 yen
Portfolio appraisal NOI yield (Note 8)	4.9 %
Post-depreciation appraisal NOI yield (Note 9)	4.1 %
Ratio of Assets in Tokyo area (Note 10)	72.3 %
Ratio of Mid-size assets (Note 11)	93.8 %
Ratio of Assets acquired from Sponsor Group (Note 12)	73.9 %

Period-end appraisal value	: 193,604 million yen
Total book value	: 179,797 million yen
Period-end unrealized gains (losses)	: 13,806 million yen
Net assets per unit	: 53,511 yen
Unrealized gains per unit	: 7,716 yen
NAV per unit (*1)	: 59,749 yen
P/NAV per (*2)	: 1.01

(\*1) NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding (\*2) P/NAV per = Investment unit price / NAV per unit (Investment unit price on January 31, 2022: 60,300 yen)

# Balance of Payments of Individual Properties (1)

Asset Type	OFC-01		OFC-03		OFC-04		OFC-06		OFC-08		OFC-09	
Property name	Minami-Azabu Shibuya Building		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Shibuya MK Building		Asahi Building		Hakata-eki East Place	
												
Acquisition price	2,973 million yen		6,065 million yen		1,763 million yen		2,042 million yen		6,320 million yen		2,286 million yen	
Appraisal value	3,010 million yen		6,840 million yen		2,600 million yen		3,240 million yen		8,200 million yen		2,910 million yen	
Structure/Floors	SRC B1/7F		S/SRC B1/21F		SRC B1/9F		S 6F		S・SRC B2/12F		SRC 9F	
Location	Minato Ward, Tokyo		Osaka City, Osaka		Shibuya Ward, Tokyo		Shibuya Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka	
Lot area	766.11㎡		1,274.37㎡		589.94㎡(surface right)		620.42㎡(of which 2.62 m <sup>2</sup> leasehold)		1,096.86㎡		1,129.86㎡	
Total floor areas	4,137.21㎡		15,407.83㎡		5,117.80㎡		1,982.86㎡		12,353.83㎡		6,243.13㎡	
Construction completion	June 15, 1993		February 8, 2010		May 28, 1987		July 31, 1993		November 25, 1994		February 24, 1986	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	133,299	75,619	195,045	217,480	94,358	100,011	70,900	79,807	225,851	226,273	108,224	109,992
Lease business revenue	78,864	68,549	173,222	191,314	88,035	91,421	66,387	75,331	210,571	210,114	97,514	98,944
Other lease business revenue	54,435	7,069	21,823	26,166	6,323	8,590	4,513	4,475	15,279	16,158	10,710	11,048
Total operating expenses from real estate leasing	40,581	35,816	55,964	62,731	35,864	43,957	14,715	13,030	54,707	60,910	29,184	26,775
Management fee	5,766	5,622	13,860	14,020	6,524	7,149	4,733	4,812	15,405	14,758	8,715	8,131
Utilities expenses	400	400	400	400	400	400	350	350	600	400	400	400
Insurance premium	4,429	5,229	17,203	20,681	5,795	7,398	2,609	2,914	15,471	18,268	6,267	7,061
Repair expenses	148	150	457	465	164	167	57	58	479	487	216	219
Trust fee	16,188	3,631	2,964	1,328	3,462	6,414	2,270	463	5,921	9,918	3,210	2,000
Taxes and dues	4,512	4,510	19,703	19,702	3,470	3,480	4,277	4,277	15,878	15,757	7,084	7,084
Other expenses	9,135	16,272	1,375	6,132	16,046	18,947	417	154	950	1,319	3,291	1,877
NOI	92,717	39,802	139,081	154,749	58,493	56,054	56,184	66,776	171,143	165,362	79,040	83,216
Depreciation	11,851	12,648	45,345	45,435	10,135	10,490	3,616	3,693	28,282	28,772	8,660	9,513
Operating income (loss) from real estate leasing	80,866	27,154	93,735	109,314	48,358	45,563	52,568	63,083	142,861	136,590	70,379	73,703
Capital expenditures	44,939	-	1,957	3,244	11,727	1,242	1,683	1,706	7,490	23,624	25,215	19,813
NCF	47,778	39,802	137,124	151,505	46,766	54,811	54,501	65,070	163,653	141,738	53,825	63,403
Period-end book value	2,977,628	2,964,980	5,729,565	5,687,374	1,827,435	1,818,187	2,091,110	2,089,124	6,304,432	6,299,284	2,335,089	2,345,389

# Balance of Payments of Individual Properties (2)

Asset Type	OFC-10		OFC-11		OFC-12		OFC-13		OFC-14		OFC-15	
Property name	Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan		Higashi Kobe Center Building		Amusement Media Gakuin Shinkan		Seishin Building		NK Building	
												
Acquisition price	1,450 million yen		2,580 million yen		7,440 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
Appraisal value	1,500 million yen		2,710 million yen		7,390 million yen		1,190 million yen		11,500 million yen		5,370 million yen	
Structure/Floors	SRC 11F		SRC S 8F/B1F		SRC 14F		RC7F		SRC 10F/1B		SRC 10F/1B	
Location	Chuo Ward, Tokyo		Shibuya Ward, Tokyo K		Kobe City, Hyogo		Shibuya Ward, Tokyo		Shinjyuku Ward, Tokyo		Chiyoda Ward, Tokyo	
Lot area	319.04㎡ <small>Number derived by multiplying the ratio of holdings</small>		433.21㎡		8,488.11㎡		203.43㎡		886.93㎡		590.72㎡	
Total floor areas	2,383.76㎡ <small>Number derived by multiplying the ratio of holdings</small>		1,892.18㎡		25,740.46㎡		913.71㎡		7,624.66㎡		4,994.70㎡	
Construction completion	July 13, 1992		November 2, 1994		January 6, 1992		January 25, 1999		March 31, 1989		October 28, 1991	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	51,788	49,807	(*)	(*)	295,580	279,400	(*)	(*)	254,280	257,794	128,600	129,510
Lease business revenue	51,788	49,807			271,387	253,508			238,682	241,421	122,337	122,674
Other lease business revenue	-	-			24,193	25,892			15,598	16,372	6,263	6,836
Total operating expenses from real estate leasing	12,130	12,141			104,438	111,799			68,897	68,506	30,942	31,467
Management fee	880	813			24,040	25,450			19,205	19,933	11,606	11,803
Utilities expenses	400	400			400	400			350	350	350	350
Insurance premium	-	3			27,121	29,503			9,073	11,321	4,140	4,773
Repair expenses	172	175			939	955			283	288	208	211
Trust fee	-	-			4,144	7,987			17,604	14,560	3,599	149
Taxes and dues	4,299	4,299			28,635	28,640			20,723	20,726	10,706	10,652
Other expenses	6,378	6,450			19,158	18,862			1,656	1,326	331	3,527
NOI	39,658	37,665	(*)	52,625	191,141	167,601	(*)	20,651	185,383	189,287	97,658	98,043
Depreciation	2,837	2,837		4,221	33,822	35,027		1,672	12,718	14,043	8,736	8,819
Operating income (loss) from real estate leasing	36,820	34,828		48,403	157,319	132,574		18,978	172,664	175,244	88,922	89,224
Capital expenditures	-	-		-	14,380	93,442		347	41,455	24,007	2,177	-
NCF	39,658	37,665		52,625	176,761	74,158		20,303	143,927	165,280	95,481	98,043
Period-end book value	1,450,282	1,447,445	2,588,217	2,583,995	7,600,830	7,659,246	1,038,531	1,037,206	11,243,533	11,253,497	5,360,580	5,351,761

(\*) Not disclosed as consent for disclosure has not been obtained from the tenant.

# Balance of Payments of Individual Properties (3)



Asset Type	OFC-16		OFC-17		OFC-18		OFC-19		OFC-20		OFC-21	
Property name	Urban Center Kanda Tsukasamachi		Takadanobaba Access		Azabu Amerex Building		Hiei Kudan Building		Shin Yokohama Nara Bldg		The Portal Akihabara	
												
Acquisition price	4,590 million yen		3,990 million yen		2,780 million yen		2,400 million yen		2,300 million yen		1,510 million yen	
Appraisal value	4,570 million yen		3,990 million yen		2,890 million yen		2,380 million yen		2,500 million yen		1,490 million yen	
Structure/Floors	SRC 8F/1B		SRC 14F/1B		SRC 8F/1B		SRC S 11F/1B		S RC 1F/1B		SRC S 8F	
Location	Chiyoda Ward, Tokyo		Shinjyuku Ward, Tokyo		Minato Ward, Tokyo		Chiyoda Ward, Tokyo		Yokohama City, Kanagawa		Chiyoda Ward, Tokyo	
Lot area	709.52㎡		930.70㎡		601.71㎡		478.27㎡ (Number derived by multiplying the ratio of holdings) 3,205.72㎡ (Number derived by multiplying the ratio of holdings)		700.59㎡		184.76㎡	
Total floor areas	4,629.27㎡		5,757.14㎡		2,909.80㎡				5,356.99㎡		1,010.67㎡	
Construction completion	January 20, 1988		January 14, 1994		June 30, 1988		September 17, 1991		March 17, 1992		May 31, 2002	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	117,030	68,261	108,399	112,884	65,034	71,229	62,033	66,434	78,532	80,964	32,305	32,986
Lease business revenue	110,554	64,202	98,429	102,460	62,979	68,117	62,033	66,434	70,122	71,944	31,188	31,836
Other lease business revenue	6,475	4,058	9,969	10,424	2,054	3,111	-	-	8,410	9,019	1,116	1,150
Total operating expenses from real estate leasing	43,097	48,640	35,720	32,080	19,710	20,685	25,568	20,756	31,109	28,517	7,778	6,223
Management fee	9,740	8,883	13,090	13,308	7,198	7,185	3,410	3,539	8,875	8,866	2,738	2,835
Utilities expenses	400	400	400	400	375	375	500	500	350	350	400	400
Insurance premium	4,977	4,944	6,332	7,661	2,258	2,877	183	29	4,710	6,043	999	1,048
Repair expenses	200	204	219	223	103	105	186	189	190	193	39	40
Trust fee	17,850	20,431	5,340	898	1,161	1,976	1,008	270	7,722	3,705	330	200
Taxes and dues	7,382	7,463	9,011	9,011	7,598	7,598	6,630	6,630	7,691	7,697	1,562	1,546
Other expenses	2,545	6,313	1,325	576	1,014	567	13,648	9,597	1,570	1,660	1,708	153
NOI	73,932	19,620	72,679	80,804	45,323	50,543	36,465	45,678	47,423	52,447	24,526	26,762
Depreciation	8,339	10,521	8,932	8,980	3,345	3,446	3,802	3,909	8,710	9,869	3,472	3,472
Operating income (loss) from real estate leasing	65,593	9,098	63,747	71,823	41,978	47,096	32,662	41,769	38,712	42,578	21,053	23,289
Capital expenditures	81,879	74,154	857	-	1,921	14,940	2,550	-	28,760	60,223	-	-
NCF	△ 7,946	△ 54,534	71,821	80,804	43,402	35,602	33,914	45,678	18,662	△ 7,776	24,526	26,762
Period-end book value	4,656,608	4,720,241	3,978,344	3,969,364	2,777,532	2,789,026	2,398,648	2,394,739	2,330,910	2,381,264	1,503,054	1,499,581

# Balance of Payments of Individual Properties (4)

Asset Type	OFC-22		OFC-23		RTL-01		RTL-02		RTL-03		RTL-05	
Property name	OHA Building		Urban Center Hakata		LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		BAGUS Ikebukuro West	
												
Acquisition price	1,804million yen		2,870million yen		5,400 million yen		6,550 million yen		3,320 million yen		2,984million yen	
Appraisal value	1,930million yen		3,030million yen		5,230 million yen		6,350 million yen		3,330 million yen		3,280million yen	
Structure/Floors	RC S 6F/1B		S 8F		RC S 3F		S 2F		S 4F		SRC 8F/2B	
Location	Tachikawa city, Tokyo		Fukuoka city, Fukuoka		Kishiwada city, Osaka		Chikushino city, Fukuoka		Koka city, Shiga		Toshima Ward, Tokyo	
Lot area	964.80㎡		656.72㎡		39,799.74㎡		121,423.46㎡ (Also has leased land of 25,321.5㎡ for use as a parking lot.)		19,917.56㎡ (of which leased land is 16,444.53㎡)		264.15㎡	
Total floor areas	4,659.20㎡		3,566.56㎡		65,663.02㎡		31,028.62㎡		31,829.71㎡		1,497.45㎡	
Construction completion	May 30, 1990		August 27, 2020		August 30, 1994		June 22, 2007		May 31, 1999		November 20, 1992	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	-	54,372	-	69,587	486,731	496,379	285,039	354,964	(*)	(*)	-	(*)
Lease business revenue	-	48,931	-	69,587	416,957	415,561	281,432	275,178			-	
Other lease business revenue	-	5,441	-	-	69,774	80,817	3,607	79,785			-	
Total operating expenses from real estate leasing	-	10,511	-	5,370	273,949	282,680	69,851	87,735			-	
Management fee	-	4,726	-	4,731	120,173	118,874	25,767	23,229			-	
Utilities expenses	-	361	-	361	1,850	1,850	650	350			-	
Insurance premium	-	4,289	-	-	89,884	103,932	4,777	5,421			-	
Repair expenses	-	128	-	109	1,164	1,184	612	622			-	
Trust fee	-	694	-	-	7,279	934	4,431	10,030			-	
Taxes and dues	-	31	-	29	44,011	44,045	19,398	19,379			-	
Other expenses	-	279	-	138	9,587	11,859	14,214	28,702			-	
NOI	-	43,861	-	64,217	212,781	213,699	215,188	267,229			128,018	58,238
Depreciation	-	4,609	-	15,272	24,886	25,431	23,706	23,595			26,098	2,284
Operating income (loss) from real estate leasing	-	39,251	-	48,945	187,894	188,267	191,482	243,633			101,920	55,953
Capital expenditures	-	860	-	-	12,317	15,839	-	-			8,434	1,674
NCF	-	43,001	-	64,217	200,463	197,859	215,188	267,229			119,583	56,563
Period-end book value	-	1,814,395	-	2,884,118	5,404,262	5,394,670	6,509,371	6,474,017	3,291,582	3,273,918	-	3,006,464

(\*) Not disclosed as consent for disclosure has not been obtained from the tenant.


# Balance of Payments of Individual Properties (5)

Asset Type	RSC-01		RSC-02		RSC-05		RSC-06		RSC-07		RSC-08	
Property name	Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Namba		Urban Park Gokokuji		Urban Park Kashiwa		Urban Park Ryokuchi-koen	
												
Acquisition price	2,045 million yen		6,315 million yen		1,490 million yen		1,460 million yen		1,186 million yen		1,550 million yen	
Appraisal value	2,680 million yen		9,170 million yen		1,560 million yen		1,550 million yen		1,190 million yen		1,650 million yen	
Structure/Floors	SRC with slate roofing B1/12F		①RC B1/3F ②RC B1/9F		RC 14F		RC B1F/5F		SRC B1F/8F		RC 8F	
Location	Minato Ward, Tokyo		Shibuya Ward, Tokyo		Osaka City, Osaka		Toshima Ward, Tokyo		Kashiwa City, Chiba		Suita City, Osaka	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		942.66 m 2 (Of which, 50.85 m2 is contributed to Toshima Ward as road)		1,597.85㎡		2,804.56㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		2,451.72㎡		4,243.71㎡		5,854.64㎡	
Construction completion	November 29, 1999		1: November 15, 1982 2: May 30, 2006		January 9, 2013		February 28, 1990		August 28, 1997		March 10, 1989	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	51,142	55,790	187,458	186,998	42,591	41,899	43,535	38,358	38,425	37,566	56,303	55,633
Lease business revenue	49,563	52,770	180,111	176,937	40,982	39,471	39,322	36,887	36,489	36,667	53,007	50,801
Other lease business revenue	1,578	3,019	7,347	10,060	1,608	2,427	4,212	1,470	1,936	899	3,295	4,832
Total operating expenses from real estate leasing	14,567	11,660	35,414	36,097	11,096	13,346	16,621	19,547	9,496	8,047	15,041	15,980
Management fee	2,334	2,257	9,203	8,900	2,444	2,419	3,765	4,015	2,147	1,880	2,428	1,758
Utilities expenses	350	350	350	350	350	450	400	400	350	350	350	450
Insurance premium	588	628	3,442	3,666	314	333	2,188	2,202	512	520	2,384	3,396
Repair expenses	72	74	247	251	84	85	66	67	109	111	162	165
Trust fee	5,615	784	5,933	5,415	2,732	3,100	4,877	7,877	1,714	1,499	3,944	4,328
Taxes and dues	2,873	2,873	11,453	11,453	2,820	2,833	1,897	1,897	2,949	2,949	3,576	3,588
Other expenses	2,732	4,693	4,783	6,060	2,349	4,123	3,425	3,086	1,712	735	2,194	2,292
NOI	36,574	44,129	152,044	150,900	31,494	28,553	26,913	18,810	28,929	29,519	41,262	39,653
Depreciation	5,120	5,167	13,610	13,514	7,555	7,544	5,700	5,709	7,495	7,553	8,124	8,204
Operating income (loss) from real estate leasing	31,454	38,962	138,434	137,385	23,939	21,008	21,212	13,100	21,433	21,965	33,137	31,448
Capital expenditures	2,701	297	10,351	2,011	-	-	455	221	2,852	1,544	1,789	2,733
NCF	33,872	43,832	141,693	148,888	31,494	28,553	26,458	18,589	26,077	27,974	39,473	36,919
Period-end book value	2,077,780	2,072,910	6,370,600	6,359,097	1,491,687	1,484,142	1,501,189	1,495,700	1,236,847	1,230,838	1,595,543	1,590,072

# Balance of Payments of Individual Properties (6)

Asset Type	RSC-09		RSC-10		RSC-11		RSC-12		RSC-13		RSC-14	
Property name	Urban Park Koenji		Urban Park Ichigao		Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato	
												
Acquisition price	1,167 million yen		1,810 million yen		1,430 million yen		2,470 million yen		2,150 million yen		993 million yen	
Appraisal value	1,180 million yen		2,010 million yen		1,530 million yen		2,470 million yen		2,300 million yen		1,040 million yen	
Structure/Floors	RC 4F		RC SF/1B		SRC 10F		RC 13F		SRC 15F		RC 10F	
Location	Suginami Ward, Osaka		Yokohama City, Kanagawa		Ichikawa city, Chiba S		Shiroi city, Chiba		Osaka City, Osaka		Osaka City, Osaka	
Lot area	988.26㎡		1,758.84㎡		1,122.57㎡		11,485.06㎡ (Number derived by multiplying the ratio of holdings)		2,346.39㎡		1,803.70㎡	
Total floor areas	1,524.34㎡		5,243.85㎡		3,397.95㎡		22,448.08㎡ (Number derived by multiplying the ratio of holdings)		8,190.11㎡		4,862.83㎡	
Construction completion	October 13, 1987		July 10, 1998		March 1, 1995		May 9, 1995		August 18, 1989		December 20, 1991	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	34,715	33,559	56,488	57,627	45,031	44,130	140,163	140,695	83,940	81,404	38,864	39,769
Lease business revenue	31,642	31,129	54,413	56,106	42,507	41,921	132,560	133,783	81,276	78,371	38,726	39,652
Other lease business revenue	3,072	2,430	2,075	1,521	2,523	2,209	7,602	6,911	2,663	3,033	138	117
Total operating expenses from real estate leasing	15,039	10,504	14,049	12,272	9,539	9,284	61,646	61,225	38,428	36,118	11,927	10,376
Management fee	1,768	2,286	3,092	3,094	2,186	2,154	5,968	5,964	9,962	10,151	4,168	4,324
Utilities expenses	400	400	400	400	400	400	750	750	375	375	375	375
Insurance premium	1,380	1,402	1,341	1,425	1,581	1,602	2	44	2,329	2,286	264	293
Repair expenses	50	50	145	147	95	97	815	829	281	286	142	145
Trust fee	6,616	3,177	2,482	2,519	2,014	2,337	12,726	10,994	17,934	13,762	2,568	1,220
Taxes and dues	1,009	1,009	3,942	3,941	2,146	2,146	13,932	13,926	5,291	5,288	3,207	3,202
Other expenses	3,814	2,177	2,644	742	1,114	545	27,452	28,716	2,253	3,969	1,200	814
NOI	19,675	23,055	42,438	45,355	35,491	34,846	78,516	79,470	45,511	45,285	26,937	29,393
Depreciation	2,796	2,796	5,445	5,458	4,198	4,315	19,094	19,168	11,389	11,905	5,185	5,196
Operating income (loss) from real estate leasing	16,878	20,258	36,993	39,897	31,293	30,530	59,421	60,301	34,122	33,380	21,751	24,197
Capital expenditures	-	-	519	399	456	4,775	850	1,840	24,893	29,385	143	112
NCF	19,675	23,055	41,919	44,956	35,035	30,070	77,666	77,629	20,618	15,900	26,794	29,281
Period-end book value	1,189,979	1,187,182	1,920,540	1,915,481	1,509,749	1,510,209	2,432,918	2,415,591	2,176,433	2,193,913	982,774	977,690

# Balance of Payments of Individual Properties (7)

Asset Type	RSC-15		RSC-16		RSC-17		RSC-18		RSC-19		RSC-20	
Property name	Urban Park Yoyogi		Urban Park Tokiwadai Koen		Urban Park Mitsuike Koen		Urban Park Ryogoku		Urban Park Mizonokuchi		Urban Park Miyamaedaira	
												
Acquisition price	1,740 million yen		3,506 million yen		3,160 million yen		1,115million yen		2,019million yen		1,060million yen	
Appraisal value	1,850 million yen		3,880 million yen		3,470 million yen		1,200 million yen		2,100million yen		1,200million yen	
Structure/Floors	RC 8F		RC 5F		RC 6F		SRC 9F		RC 5F		S Alloy-plated steel plate 3F	
Location	Shibuya Ward, Tokyo		Yokohama City, Kanagawa		Yokohama City, Kanagawa		Sumida Ward, Tokyo		Kawasaki City, Kanagawa		Kawasaki City, Kanagawa	
Lot area	464.09㎡		12,544.61㎡		10,216.95㎡		669.98㎡		2,624.51㎡		1,239.53㎡	
Total floor areas	1,418.03㎡		15,708.08㎡		10,918.37㎡		2,351.42㎡		5,029.52㎡		2,039.17㎡	
Construction completion	September 4, 2017		Feb 17, 1994		March 24, 1992		October 31, 1997		August 23, 1988		June 10, 2021	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	35,702	37,585	140,985	141,887	126,287	127,356	-	33,019	-	57,055	-	22,225
Lease business revenue	34,717	34,107	134,337	136,498	119,167	121,431	-	28,961	-	55,109	-	21,344
Other lease business revenue	984	3,477	6,648	5,388	7,119	5,924	-	4,058	-	1,945	-	881
Total operating expenses from real estate leasing	7,812	11,111	44,625	34,503	27,429	27,137	-	5,726	-	9,601	-	9,155
Management fee	2,035	2,326	11,341	11,645	10,795	10,670	-	2,198	-	4,143	-	1,185
Utilities expenses	400	400	394	400	394	400	-	361	-	361	-	361
Insurance premium	224	251	1,653	1,805	1,045	1,161	-	387	-	695	-	153
Repair expenses	49	50	414	421	333	339	-	66	-	137	-	47
Trust fee	2,284	1,534	11,369	5,511	7,382	8,705	-	1,599	-	2,580	-	16
Taxes and dues	1,660	1,660	10,833	10,829	-	-	-	2	-	4	-	1
Other expenses	1,157	4,887	8,617	3,888	7,476	5,860	-	1,109	-	1,679	-	7,390
NOI	27,889	26,473	96,360	107,384	98,858	100,218	-	27,293	-	47,453	-	13,069
Depreciation	4,393	4,393	12,624	12,624	11,707	11,770	-	2,401	-	5,646	-	4,522
Operating income (loss) from real estate leasing	23,495	22,080	83,736	94,759	87,150	88,448	-	24,892	-	41,806	-	8,547
Capital expenditures	-	-	-	-	-	5,540	-	1,954	-	1,785	-	290
NCF	27,889	26,473	96,360	107,384	98,858	94,678	-	25,339	-	45,667	-	12,779
Period-end book value	1,731,212	1,726,819	3,635,565	3,622,941	3,292,404	3,286,174	-	1,150,151	-	2,085,971	-	1,105,101

(\*) Not disclosed as consent for disclosure has not been obtained from the tenant.

# Balance of Payments of Individual Properties (8)

Asset Type	RSC-21		LGC-01		LGC-02		LGC-03		LGC-04		LGC-05	
Property name	Urban Park Tsurumi		watsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics		Tokorozawa Logistics	
												
Acquisition price	1,113 million yen		6,942 million yen		3,560 million yen		7,875 million yen		4,700 million yen		1,300 million yen	
Appraisal value	1,190 million yen		7,660 million yen		4,330 million yen		8,870 million yen		4,980 million yen		1,520 million yen	
Structure/Floors	RC 6F		Steel construction, zinc plated steel roofing, 5 floors		RC 8F		Building 1: Steel construction, flat roof, zincplated steel roofing, 8 floors Building 2: Reinforced concrete structure		RC・S 5F		S 2F	
Location	Yokohama City, Kanagawa		Saitama City, Saitama		Yokohama City, Kanagawa		a Funabashi City, Chiba		Ichikawa City, Chiba		Tokorozawa City, Saitama	
Lot area	2,172.70㎡		15,623.14㎡		10,565.95㎡		19,858.00㎡		6,240.96㎡		8,645.63㎡	
Total floor areas	3,169.13㎡		29,729.72㎡		18,387.89㎡(including 256.15 m2 break areas etc.)		38,871.45㎡(two buildings combined)		12,471.50㎡		5,994.75㎡	
Construction completion	February 17, 1994		October 29, 2014		October 1, 1994		1: September 25, 1992 2: August 5, 1997		August 14, 2015		April 30, 1999	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	–	(*)	196,498	198,764	(*)	(*)	256,808	261,389	(*)	(*)	(*)	(*)
Lease business revenue	–		187,713	187,727			241,899	243,219				
Other lease business revenue	–		8,784	11,037			14,909	18,170				
Total operating expenses from real estate leasing	–		29,226	31,431			50,736	55,677				
Management fee	–		5,908	5,920			11,773	13,363				
Utilities expenses	–		350	350			400	400				
Insurance premium	–		8,784	11,037			10,901	14,939				
Repair expenses	–		346	353			501	510				
Trust fee	–		394	329			5,245	4,452				
Taxes and dues	–		13,442	13,441			21,392	21,392				
Other expenses	–		–	–			521	619				
NOI	–	28,823	167,271	167,332	3,716,284	3,696,301	206,072	205,711	4,613,191	4,597,416	1,358,895	1,354,832
Depreciation	–	2,716	46,788	46,788			19,983	27,290				
Operating income (loss) from real estate leasing	–	26,107	120,483	120,544			76,848	178,781				
Capital expenditures	–	346	–	–			–	4,760				
NCF	–	28,476	167,271	167,332			96,831	201,311				
Period-end book value	–	1,153,555	6,514,389	6,467,600			7,742,907	7,725,495				

(\*) Not disclosed as consent for disclosure has not been obtained from the tenant.

# Balance of Payments of Individual Properties (9)

Asset Type	LGC-07		LGC-08		LGC-09		LGC-10		HTL-01		HTL-02	
Property name	Funabashi Nishiura Logistics II		Matsubushi Logistics		Funabashi Hi-Tech Park I		Funabashi Hi-Tech Park II		R&B Hotel Umeda East		Smile Hotel Namba	
												
Acquisition price	821 million yen		2,755 million yen		1,710 million yen		702 million yen		2,069 million yen		1,750 million yen	
Appraisal value	890 million yen		2,970 million yen		1,710 million yen		704 million yen		2,240 million yen		1,410 million yen	
Structure/Floors	R 4F		RC 3F		S 2F		S 2F		RC 9F		S 9F	
Location	Funabashi city, Chiba		Kita-Katsushika-gun, Saitama		Funabashi city, Chiba		Funabashi city, Chiba		Osaka City, Osaka		Osaka City, Osaka	
Lot area	3,964.00m <sup>2</sup>		11,580.65m <sup>2</sup>		13,420.44m <sup>2</sup>		8,268.35m <sup>2</sup>		730.26m <sup>2</sup>		285.28m <sup>2</sup>	
Total floor areas	6,316.32m <sup>2</sup>		19,833.47m <sup>2</sup>		8,029.47m <sup>2</sup>		4,384.83m <sup>2</sup>		3,945.65m <sup>2</sup>		1,711.42m <sup>2</sup>	
Construction completion	Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986		March 31, 1997		May 19, 2003		September 5, 2001		October 20, 2000		February 6, 2008	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	65,392	62,141	17,626	22,374
Lease business revenue									65,392	62,141	17,626	22,374
Other lease business revenue									-	-	-	-
Total operating expenses from real estate leasing									12,015	12,525	4,421	3,531
Management fee									742	742	660	660
Utilities expenses									350	350	550	550
Insurance premium									3	6	-	-
Repair expenses									152	155	70	71
Trust fee									4,788	5,211	888	-
Taxes and dues									5,404	5,404	2,227	2,227
Other expenses									573	654	24	21
NOI		28,151		75,925		55,458		24,560	53,377	49,616	13,204	18,842
Depreciation		4,559		16,272		5,737		2,594	10,096	10,523	12,209	12,209
Operating income (loss) from real estate leasing		23,591		59,652		49,721		21,966	43,281	39,092	995	6,633
Capital expenditures		-		4,995		-		-	9,277	11,042	-	-
NCF		28,151		70,930		55,458		24,560	44,099	38,573	13,204	18,842
Period-end book value	860,903	856,343	2,696,063	2,684,786	1,698,525	1,692,788	696,810	694,216	2,107,583	2,108,102	1,650,937	1,638,728

(\*) Not disclosed as consent for disclosure has not been obtained from the tenant.

# Balance of Payments of Individual Properties (10)

Asset Type	HTL-03		HTL-04		HTL-05		HTL-06		HTL-07		HTL-08	
Property name	REMBRANDT STYLE Tokyo Nishikasai		Best Western Yokohama		Hotel WBF Fukuoka Tenjin Minami		GLANSIT Akihabara		REMBRANDT STYLE Tokyo Nishikasai Grande		KOKO Hotel Osaka Namba	
												
Acquisition price	3,827 million yen		3,248 million yen		1,970 million yen		2,500 million yen		3,180 million yen		2,000 million yen	
Appraisal value	3,530 million yen		3,200 million yen		1,920 million yen		2,440 million yen		3,130 million yen		1,410 million yen	
Structure/Floors	SRC B1F/9F		SRC B1F/9F		RC 10F		SRC 10F/B1F		S 8F		RC9F	
Location	Edogawa Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka		Chiyoda Ward, Tokyo		Edogawa Ward, Tokyo		Osaka City, Osaka	
Lot area	1,418.00㎡		782.66㎡		543.94㎡		167.74㎡		657.00㎡		335.31㎡	
Total floor areas	5,293.88㎡		4,686.09㎡		2,281.49㎡		1,081.97㎡		2,755.19㎡		2,061.38㎡	
Construction completion	March 19, 1991		September 21, 1987		February 20, 2017		September 20, 2017		February 7, 2017		April 7, 2017	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	84,782	84,600	80,400	80,400	(*)	(*)	(*)	(*)	70,002	70,002	-	-
Lease business revenue	84,600	84,600	80,400	80,400					70,002	70,002	-	-
Other lease business revenue	182	-	-	-					-	-	-	-
Total operating expenses from real estate leasing	10,063	12,109	6,485	6,476					6,684	6,875	4,795	6,109
Management fee	1,200	1,200	1,200	1,200					990	990	979	1,230
Utilities expenses	400	400	400	400					400	400	350	350
Insurance premium	-	-	-	-					-	-	49	-
Repair expenses	159	161	135	137					90	91	64	65
Trust fee	424	2,406	205	196					-	188	100	1,111
Taxes and dues	7,856	7,855	4,521	4,520					5,182	5,182	3,169	3,169
Other expenses	24	85	23	21					21	23	84	184
NOI	74,718	72,490	73,914	73,923					63,317	63,126	△ 4,795	△ 6,109
Depreciation	12,895	12,895	13,069	13,069					4,643	10,857	10,857	9,050
Operating income (loss) from real estate leasing	61,823	59,594	60,845	60,854					44,368	52,460	52,269	△ 13,845
Capital expenditures	-	-	-	-					-	-	-	-
NCF	74,718	72,490	73,914	73,923					49,012	63,317	63,126	△ 4,795
Period-end book value	3,854,352	3,841,456	3,234,403	3,221,334	1,939,625	1,930,978	2,494,663	2,490,020	3,143,237	3,132,380	1,971,136	1,962,086

(\*) Not disclosed as consent for disclosure has not been obtained from the tenant.

# Balance of Payments of Individual Properties (11)

	Office		Retail		Residence		Logistics		Hotel		Total	
	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP	11FP	12FP
Total operating revenue from real estate leasing	2,107,587	2,169,355	931,809	1,070,994	1,121,634	1,264,750	950,535	959,866	424,718	426,032	5,536,284	5,890,999
Lease business revenue	1,917,333	2,009,848	858,427	910,391	1,068,828	1,204,142	915,373	916,647	424,536	426,032	5,184,498	5,467,061
Other lease business revenue	190,253	159,506	73,381	160,603	52,806	60,608	35,161	43,219	182	-	351,786	423,937
Total operating expenses from real estate leasing	623,899	653,581	376,322	403,809	332,735	345,060	169,305	170,155	53,890	57,053	1,556,153	1,629,660
Management fee	158,173	168,767	147,741	144,499	73,644	83,444	32,348	33,575	7,498	7,749	419,406	438,037
Utilities expenses	7,275	7,797	3,000	3,061	6,039	7,695	3,350	3,850	3,200	3,200	22,864	25,603
Insurance premium	114,861	137,765	94,661	109,353	19,254	22,618	31,732	40,665	53	6	260,562	310,409
Repair expenses	4,171	4,480	2,290	2,372	3,071	3,451	1,874	1,907	784	797	12,192	13,010
Trust fee	93,577	75,431	12,750	11,813	90,198	77,452	17,273	8,186	6,405	9,114	220,204	181,998
Taxes and dues	165,167	165,139	74,997	75,019	67,594	67,613	78,219	78,215	35,153	35,152	421,132	421,139
Other expenses	80,672	94,199	40,881	57,688	72,932	82,785	4,507	3,755	795	1,032	199,789	239,461
NOI	1,483,687	1,515,774	555,486	667,185	788,899	919,690	781,230	789,710	370,827	368,979	3,980,131	4,261,339
Depreciation	208,497	237,257	74,235	77,410	124,444	140,608	144,368	145,073	81,468	81,895	633,013	682,245
Operating income (loss) from real estate leasing	1,275,189	1,278,516	481,251	589,775	664,455	779,081	636,861	644,637	289,359	287,084	3,347,117	3,579,094
Capital expenditures	266,996	317,607	18,489	25,948	45,014	53,240	23,662	16,883	9,277	11,042	363,439	424,722
NCF	1,216,691	1,198,166	536,997	641,236	743,885	866,449	757,567	772,827	361,550	357,936	3,616,692	3,836,617
Period-end book value	68,192,339	72,990,225	15,205,216	18,149,070	33,145,227	38,563,547	29,897,972	29,769,782	20,395,940	20,325,088	166,836,697	179,797,713

- P.22 (Note1) “DBJ Green Building Certification” is a certification under the framework system (hereinafter, “the framework”) established by Development Bank of Japan Inc. (hereinafter, “DBJ”) in April 2011 to support properties with environmental and social awareness (“Green Building”). The framework rates and certifies properties required by society and the economy based on a comprehensive assessment covering items from environmental performance of properties to measures for various stakeholders including disaster prevention and consideration for local communities, and supports such initiatives. Japan Real Estate Institute (JREI) has conducted certification, while DBJ has controlled the overall framework since August 2017. The framework has five levels of certification (★ ~ ★★★★★).
- (Note 2) “BELS” is Under the Act on the Improvement of Energy Consumption Performance of Buildings (“Building Energy Efficiency Act”), real estate business operators are required to make efforts to display the energy-saving performance of buildings. BELS is a system in which third-party institutions evaluate the energy-saving performance of buildings based on the evaluation standards set by the Ministry of Land, Infrastructure, Transport and Tourism, and the certification rating is given on a five-star scale (★ to ★★★★★).
- (Note 3) “Green lease contracts” indicates the lease contracts stating that the lessor and the tenant jointly determine rules including reduction of environmental burdens such as energy saving of properties and improvement of working environment by concluding contracts, memorandums, etc., and implement such rules.
- P27 (Note 4) “Acquired from Star Asia Group” refers to the properties acquired or to be acquired from the sponsor group, including properties previously held by SSR, out of a total of 67 properties, including properties acquired by SAR up to the date of this document (including properties already sold) (total acquisition price of 196.4 billion yen). Acquisitions from SPC in which funds managed by Star Asia Group are investing in silent partnerships as part of its provision of warehousing function and acquisitions using sponsor forward commitment are excluded. The 18 properties acquired through the Merger are included in properties acquired from Star Asia Group.。
- (Note 5) “Properties acquired with support by Star Asia Group” are the properties for which Star Asia Group provided support, such as warehousing, securing properties through sponsor forward commitment, investment in equity interest in a silent partnership for SPC holding properties (including the minority investment), etc. of the 67 properties acquired by SAR up to the date of this document (including properties already sold) and the properties to be acquired (total price of 196.4 billion yen).
- (Note 6) As of the date of this document, the SPC belonging to the Sponsor Group owns the land for the housing development project, and the confirmation for construction of the building has already been obtained and construction work has commenced. SAR does not plan to acquire such development projects, etc., and there is no guarantee that SAR will be able to acquire it in the future as of the date of this document.
- (Note 7) “Appraisal value” of properties under management by Star Asia Group is calculated based on the appraisal value stated in the latest appraisal report of properties under management by Star Asia Group (of the assets held by Star Asia Group as of the end of February 2022, those that are real estate, and do not fall under any of the SAR’s assets currently held, Assets to be Acquired, assets for which SAR holds preferential negotiation rights as of the end of February 2022, or assets held by Polaris Holdings or its consolidated subsidiaries. The same applies hereinafter). As of the date of this document, SAR does not plan to acquire any of the properties under management by Star Asia Group, and there is no guarantee that such properties will be acquired in the future.
- P40 (Note 8) “Portfolio appraisal NOI yield” is the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports to the total acquisition price of the properties held as of January 31, 2022 (End of 12th FP) the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports to the total anticipated acquisition price of the Assets to be Acquired. The same shall apply hereinafter.
- (Note 9) “Post-depreciation appraisal NOI yield” is the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less depreciation cost anticipated by the Asset Manager to the total acquisition price of the properties held as of January 31, 2022 (End of 12th FP).The same shall apply hereinafter.
- (Note 10) “Ratio of Assets in Tokyo area” is the ratio of total acquisition price of SAR assets located in Tokyo area as of January 31,2022 (End of 12th FP) to the total acquisition price of all of the SAR assets as of January 31, 2022 (End of 12th FP).rounded to one decimal place.
- (Note 11) “Ratio of Mid-size assets” is to SAR’s total assets, based on acquisition prices, for “Assets to be Acquired”, the ratio of “mid-size assets” among the Assets to be Acquired to all the Assets to be Acquired, based on Anticipated Acquisition prices. The same shall apply hereinafter.
- (Note 12) “Ratio of Assets Acquired from Sponsor Group” is , the ratio of the total acquisition price of the properties acquired from the Sponsor Group (excluding the properties succeeded from SSR through the Merger and acquired using warehousing functions or sponsor forward commitment. ) held as of January 31, 2022 (End of 12th FP) to the total acquisition price of the properties held as of January 31, 2022 (End of 12th FP) (excluding the properties succeeded from SSR through the Merger).

## Disclaimer

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