

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

March 13, 2020

REIT Securities Issuer: Star Asia Investment Corporation (SAR)
 Securities Code: 3468
 Representative: Atsushi Kato, Executive Director

Stock Exchange Listing: Tokyo Stock Exchange
 URL: <http://starasia-reit.com>

Asset Management Company: Star Asia Investment Management Co., Ltd.
 Representative: Atsushi Kato, President and CEO
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Scheduled date of commencement of cash distribution payment: April 15, 2020
 Scheduled date of submission of securities report: April 30, 2020

Preparation of supplementary financial results briefing materials: Yes
 Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended January 31, 2020 (from August 1, 2019 to January 31, 2020)

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Jan. 2020	3,227	(14.7)	1,721	(22.7)	1,494	(23.9)	1,493	(24.0)
Ended Jul. 2019	3,785	(1.5)	2,225	(7.5)	1,965	(5.2)	1,964	(4.2)

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Ended Jan. 2020	2,762	2.7	1.4	46.3
Ended Jul. 2019	3,632	3.6	1.8	51.9

(2) Status of Cash Distribution

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Cash distribution payout ratio	Ratio of cash distribution to net assets
	yen	million yen	yen	million yen	%	%
Ended Jan. 2020	2,788	1,507	-	-	100.9	2.8
Ended Jul. 2019	3,625	1,960	-	-	99.8	3.6

(Note) Due to increase in internal reserve for the fiscal period ended July 31, 2019 and reversal of internal reserve for the fiscal period ended January 31, 2020, total cash distribution for each period differs from net income.

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Jan. 2020	109,649	54,299	49.5	100,401
Ended Jul. 2019	110,240	54,739	49.7	101,215

(4) Status of Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Jan. 2020	1,891	(144)	(1,960)	5,471
Ended Jul. 2019	3,557	(1,366)	(2,770)	5,684

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

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
Ending Jul. 2020	3,949	22.4	2,064	19.9	1,790	19.8	1,790	19.8	3,310	0
Ending Jan. 2021	6,634	68.0	3,226	56.3	2,776	55.0	2,775	55.0	1,658	0

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

Fiscal period ending July 31, 2020:

Expected total number of investment units issued and outstanding at end of period 540,824 units

Forecasted net income per unit 3,310 yen

Fiscal period ending January 31, 2021:

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

Forecasted net income per unit 1,658 yen

(Note) SAR and Sakura Sogo REIT Investment Corporation ("SSR") resolved to undertake an absorption-type merger (the "Merger") to come into effect on August 1, 2020, with SAR as the surviving corporation and SSR as the dissolving corporation, and also executed a merger agreement dated March 2, 2020 (the "Merger Agreement"). Furthermore, SAR resolved to carry out a 2 for 1 split of the SAR investment units (the "Investment Unit Split") at the same time as when the Merger takes effect. The forecast for Fiscal Period Ending January 31, 2021 above assumes that the Merger and the Investment Unit Split take effect.

* Others

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

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ① : No
- ③ Changes in accounting estimates : No
- ④ Retrospective restatement : No

(2) Total Number of Investment Units Issued and Outstanding

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

Fiscal period ended Jan. 31, 2020	540,824 units	Fiscal period ended Jul. 31, 2019	540,824 units
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② Number of own investment units at end of period

Fiscal period ended Jan. 31, 2020	0 units	Fiscal period ended Jul. 31, 2019	0 units
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(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see "Notes on Per Unit Information" on page 23.

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

* Special Note

The management status outlook and other forward-looking statements contained in this document are based on information that are currently available and certain assumptions that are deemed reasonable by SAR. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast figures are the current figures calculated under the assumptions described in "Assumptions Underlying Operating Results Forecasts for Fiscal Period Ending July 31, 2020 and Fiscal Period Ending January 31, 2021" on pages 3-5. Accordingly, the actual operating revenue, operating income, ordinary income, net income, cash distribution per unit (not including cash distribution in excess of earnings) and cash distribution in excess of earnings per unit may vary due to acquisition/disposition of real estate, etc., trends of the real estate market, etc., fluctuations in interest rates or other changes in the circumstances surrounding SAR, etc. in the future. In addition, the forecast is not a guarantee of the amount of cash distribution.

Assumptions Underlying Operating Results Forecasts for
Fiscal Period Ending July 31, 2020 and Fiscal Period Ending January 31, 2021

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending July 31, 2020: February 1, 2020 – July 31, 2020 (182 days) ➤ Fiscal period ending January 31, 2021: August 1, 2020 – January 31, 2021 (184 days) ➤ It is assumed that the Merger will take effect on August 1, 2020, by having satisfied conditions precedent, such as the Merger being approved at the general meeting of unitholders of SSR scheduled on March 30, 2020 and the general meeting of unitholders of SAR scheduled on March 31, 2020. ➤ It is assumed that the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised January 16, 2019) (the “Business Combinations Accounting Standard”) will be applied to the Merger, and the Merger will be accounted for under the purchase method, with SAR as the acquiring entity and SSR as the acquired entity.
Assets under management	<ul style="list-style-type: none"> ➤ It is assumed that, in addition to the assets held by SAR as of the date of this report (36 real estate trust beneficiary interests, 4 mezzanine loan debts, and 2 equity investments in silent partnerships (collectively, “Currently Held Assets”, with those in the form of real estate trust beneficiary interests being referred to as “Currently Held Assets (Real Estate)”, those in the form of mezzanine loan debts being referred to as “Currently Held Assets (Mezzanine)”, and those in the form of equity investments in silent partnerships being referred as “Currently Held Assets (Silent Partnership)”), (i) as a result of the Merger, SAR will assume the real estate trust beneficiary interests currently held by SSR (comprising a total of 18 properties) (the “Assets Planned to be Succeeded”), and (ii) SAR will sell the real estate trust beneficiary interest in respect of Alphabet Seven which is currently owned by SAR (the “Asset Planned to be Transferred”) as described in <Transfer> below. <p style="margin-left: 40px;"><Transfer> Name of property: Alphabet Seven Scheduled date of transfer: July 1, 2020 40% of the quasi-co-ownership interests December 1, 2020 60% of the quasi-co-ownership interests</p> <ul style="list-style-type: none"> ➤ It is assumed that there will be no change in Assets under management (new property acquisitions, sales of the existing properties, etc.) other than Assets Planned to be Succeeded and Asset Planned to be Transferred through to the end of the fiscal period ending January 31, 2021. ➤ However, in reality Assets under management may change.
Operating revenues	<ul style="list-style-type: none"> ➤ Rent revenues from Currently Held Assets (Real Estates) and Assets Planned to be Succeeded are calculated based on the rent stated in the lease agreements that are effective as of the date of this report, taking into consideration factors such as the market movement. It is also assumed that there will be no arrears or non-payment of rents by tenants. ➤ Interest revenues or dividend revenues from Currently Held Assets (Mezzanine) are calculated based on outlines, trust agreements or loan agreements which define contents of Currently Held Assets (Mezzanine) that are effective as of the date of this report. It is also assumed that no interest payments or dividend payments will be unpaid. ➤ Dividend revenues from Currently Held Assets (Silent Partnership) are calculated based on the assumption that the real estate underlying the cash flow will maintain stable operations. ➤ Gains on sale of Asset Planned to be Transferred are expected to be 642 million yen for the fiscal period ending July 31, 2020 and 970 million yen for the fiscal period ending January 31, 2021.
Operating expenses	<ul style="list-style-type: none"> ➤ Among expenses related to rent business which are the main operating expenses, expenses other than depreciation are calculated on the basis of historical performance data, by reflecting variable expense factors. ➤ Fixed property taxes, city planning taxes and other public charges are expected to be 240 million yen in the fiscal period ending July 31, 2020 and to be 431 million yen in the fiscal period ending January 31, 2021. With respect to real estate trust beneficiary interests, fixed property taxes, city planning taxes and other public charges in the fiscal year will be settled with the seller on a pro rata basis based on the number of days of ownership at the time of acquisition of the properties. However, as SAR includes such settlement amounts in the acquisition cost, fixed property taxes, city planning taxes and other public charges for fiscal year 2020 related to the acquisition of Urban Park Ichigao and Urban Park Gyotoku in March 2020 will not be recorded as expenses for the fiscal period ending July 31, 2020 and January 31, 2021, fixed property taxes, city planning taxes and other public charges for these properties are expected to be recorded as expenses from the fiscal period ending July 31, 2021. ➤ For expenditures for repair and maintenance of buildings, based on the repair and maintenance plan prepared by Star Asia Investment Management Co., Ltd, the asset manager for SAR and SSR (the “Asset Manager”), 99 million yen is expected for the fiscal period ending July 31, 2020 and 147 million yen is expected for the fiscal period ending January 31, 2021. However, the actual expenditures for repair and maintenance for the fiscal periods could differ significantly from the estimated amounts, as urgent expenditures due to damage to buildings may arise due to unexpected factors, and because generally

Item	Assumptions
	<p>speaking such expenditure amounts generally tend to vary significantly from year to year, and do not arise regularly.</p> <ul style="list-style-type: none"> ➤ Depreciation is calculated using the straight-line method including for ancillary costs and is expected to be 436 million yen for the fiscal period ending July 31, 2020 and 639 million yen for the fiscal period ending January 31, 2021. ➤ Operating expenses other than rent business related expenses are expected to be 645 million yen in the fiscal period ending July 31, 2020 and 1,160 million yen in the fiscal period ending January 31, 2021. ➤ Operating expenses other than rent business related expenses mentioned above include expected merger-related temporary expenses of 269 million yen for the fiscal period ending July 31, 2020 and 538 million yen (including a merger fee of 315 million yen to be paid by SAR to the Asset Manager for the fiscal period ending January 31, 2021).
NOI (Net Operating Income)	<ul style="list-style-type: none"> ➤ Total NOI of the entire portfolio is expected to be 2,473 million yen for the fiscal period ending July 31, 2020 and 4,032 million yen for the fiscal period ending January 31, 2021. ➤ NOI is calculated by using the following calculation method. NOI = rent revenue – rent expenses (excluding depreciation)
Non-operating expenses	<ul style="list-style-type: none"> ➤ The sum of interest expenses and other financing-related expenses for the new borrowing described under “Debt Financing” below is expected to be 273 million yen in the fiscal period ending July 31, 2020 and 449 million yen in the period ending January 31, 2021. ➤ Within other financing-related expenses noted above, temporary expenses to arise in relation to new borrowings described under “Debt Financing” below and refinancings of 37 million yen for the fiscal period ending July 31, 2020 and 51 million yen for the fiscal period ending January 31, 2021 are expected.
Goodwill, negative goodwill	<ul style="list-style-type: none"> ➤ The Merger is expected to generate goodwill or negative goodwill: however, as of the date of this report, SAR’s investment unit price as of the date of consummation of the Merger which will form the basis for calculating such goodwill or negative good will is not known, and it is not certain whether goodwill or negative goodwill will be generated, and the amount of such goodwill or negative goodwill is also unknown. Therefore, it has been assumed that no goodwill or negative goodwill will be generated, and these have not been factored into the figures in the forecast. A general estimation of goodwill or negative goodwill, and any revisions to the operating results forecast and distributions forecast based on such estimations, are scheduled to be promptly announced when confirmed, on or after August 1, 2020 which is the effective date of the Merger. ➤ If the Merger generates goodwill, the goodwill will be recorded as an asset and amortized over 20 years using the straight-line method in accordance with the Business Combinations Accounting Standard. If the Merger generates negative goodwill, the gain on negative goodwill will be recorded in lump sum as extraordinary income in the fiscal period ending January 31, 2021 (the 10th fiscal period). ➤ With respect to SSR which is the acquired corporation under the Business Combinations Accounting Standard, total accepted assets are expected to be 68,422 million yen, and total assumed liabilities are expected to be 33,857 million yen.
Debt financing	<ul style="list-style-type: none"> ➤ As of the date of this report, SAR has outstanding debt of 55,040 million yen, however, it is assumed that SAR will repay 720 million yen and 1,080 million yen of the debt balance in the fiscal period ending July 31, 2020 and the fiscal period ending January 31, 2021, respectively, using proceeds from the sale of the Asset Planned to be Transferred. ➤ As of July 31, 2020, it is anticipated that SSR will have outstanding debt of 29,200 million yen, and it is assumed that SAR after effectuation of the Merger will succeed to the entire amount of such outstanding debt. ➤ It is assumed that borrowings with repayment dates falling in the fiscal period ending July 31, 2020 and the fiscal period ending January 31, 2021 will be fully refinanced. ➤ It is assumed that there will be no new borrowings or repayment of existing borrowings, including early repayment, up to the end of the fiscal period ending January 31, 2021, other than those described above.
Investment units	<ul style="list-style-type: none"> ➤ It is assumed that, in addition to SAR’s issued and outstanding investment units of 540,824 units as of the date of this report, SAR will, upon the Merger, conduct a 2 for 1 investment unit split (resulting in 1,081,648 units in total), and furthermore, together with the planned issue of 592,741 new investment units by SAR upon the Merger, the total number of issued and outstanding investment units will be 1,674,389 units. ➤ As of the date of this report, the number of new investment units to be issued by SAR upon the Merger has not yet been finalized, and the number may change due to treatment of fractional amounts, etc. The number of such newly issued investment units will be promptly announced when confirmed, on or after August 1, 2020, which is the effective date of the Merger. ➤ It is assumed that there will be no change in the total number of investment units issued and outstanding other than the above up to the end of the fiscal period ending January 31, 2021.

Item	Assumptions
Cash distributions per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ SAR calculates its distribution per unit (excluding distributions in excess of earnings) pursuant to its cash distributions policy as set forth in its Articles of Incorporation. ➤ SAR conducts derivative transactions (interest rate swaps). It is assumed that deferred hedge losses as a net asset deduction item (i.e., the items set forth in Article 2, Item 30, (b) of “Ordinances on Accounting of Investment Corporation”) will not be incurred in the fiscal periods ending July 31, 2020 and January 31, 2021, and the distribution per unit (excluding distributions in excess of earnings) has been calculated on the assumption that changes in the net asset deduction item have no impact on distribution per unit (excluding distributions in excess of earnings). ➤ Distribution per unit (excluding distributions in excess of earnings) may change due to various factors, including changes in the managed assets, changes in leasing income caused by changes in tenants, and unforeseen repairs. In addition, distribution per unit (excluding distributions in excess of earnings) may be affected by changes in the net asset deduction item. ➤ SAR expects that in cases where a gain on negative goodwill described in the “Goodwill, negative goodwill” is recognized upon the Merger, SAR would secure the full amount of the retained earnings as well as satisfy the tax requirements for conduit status, by setting aside a reserve for temporary difference adjustment. SAR plans to use the retained earnings mainly to mitigate any negative impact on distributions caused by temporary decrease in income or incurred expense, and to avoid the occurrence of corporate and other tax expenses as a result of any inconsistencies between tax and accounting, beginning from the fiscal period ending January 31, 2021 (the 10th fiscal period).
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> ➤ Upon the Merger, if any goodwill is generated as described under “Goodwill, negative goodwill” above, or any inconsistencies between tax and accounting in excess of income arise, SAR plans to utilize retained earnings. However, if there are insufficient retained earnings, it plans to avoid generation of corporate and other tax expenses by making distribution in excess of earnings related to the allowance for temporary difference adjustment. As of the date of this report, SAR has no plans to make any allowance for temporary difference adjustment other than for the above purpose. ➤ Furthermore, as of the date of this report, SAR has no plans to make distributions in excess of earnings that fall under capital distribution by decreasing investment capital, etc. prescribed under taxation laws.
Others	<ul style="list-style-type: none"> ➤ SAR assumes that no amendments affecting the above forecast numbers will be made to relevant laws and regulations, tax policies, accounting standards, listing rules, rules of investment trusts associations, etc. ➤ SAR assumes that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	7th fiscal period (As of July 31, 2019)	8th fiscal period (As of January 31, 2020)
Assets		
Current assets		
Cash and deposits	1,743,631	1,622,851
Cash and deposits in trust	3,940,970	3,848,378
Operating accounts receivable	55,906	45,608
Prepaid expenses	132,744	112,436
Other	11,298	8,689
Total current assets	5,884,550	5,637,964
Non-current assets		
Property, plant and equipment		
Buildings in trust	33,118,834	33,247,569
Accumulated depreciation	(2,106,616)	(2,521,046)
Buildings in trust, net	31,012,218	30,726,523
Structures in trust	15,784	15,784
Accumulated depreciation	(1,893)	(2,431)
Structures in trust, net	13,890	13,352
Machinery and equipment in trust	46,680	46,680
Accumulated depreciation	(7,236)	(9,570)
Machinery and equipment in trust, net	39,444	37,110
Tools, furniture and fixtures in trust	33,338	36,546
Accumulated depreciation	(8,460)	(11,336)
Tools, furniture and fixtures in trust, net	24,877	25,210
Land in trust	68,602,052	68,602,052
Total property, plant and equipment	99,692,483	99,404,248
Intangible assets		
Leasehold rights in trust	3,459,138	3,459,138
Total intangible assets	3,459,138	3,459,138
Investments and other assets		
Investment securities	723,220	711,912
Long-term loans receivable	300,000	300,000
Long-term prepaid expenses	168,174	121,497
Lease and guarantee deposits	10,962	10,862
Other	2,024	3,625
Total investments and other assets	1,204,382	1,147,898
Total non-current assets	104,356,004	104,011,285
Total assets	110,240,555	109,649,249

(Unit: thousand yen)

	7th fiscal period (As of July 31, 2019)	8th fiscal period (As of January 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	254,637	338,896
Current portion of long-term loans payable	7,300,000	11,300,000
Accounts payable - other	293,558	269,588
Accrued expenses	10,030	11,903
Income taxes payable	605	605
Accrued consumption taxes	199,468	35,586
Advances received	517,389	531,192
Other	30,552	14,299
Total current liabilities	8,606,243	12,502,070
Non-current liabilities		
Long-term loans payable	44,280,000	40,280,000
Tenant leasehold and security deposits	6,669	6,718
Tenant leasehold and security deposits in trust	2,478,925	2,459,766
Other	128,960	101,271
Total non-current liabilities	46,894,554	42,847,755
Total liabilities	55,500,798	55,349,826
Net assets		
Unitholders' equity		
Unitholders' capital	52,745,966	52,745,966
Surplus		
Unappropriated retained earnings (undisposed loss)	2,115,855	1,649,263
Total surplus	2,115,855	1,649,263
Total unitholders' equity	54,861,822	54,395,229
Valuation and translation adjustments		
Deferred gains or losses on hedges	(122,065)	(95,806)
Total valuation and translation adjustments	(122,065)	(95,806)
Total net assets	*1 54,739,757	*1 54,299,423
Total liabilities and net assets	110,240,555	109,649,249

(2) Statement of Income

(Unit: thousand yen)

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Operating revenue		
Lease business revenue	*1 3,092,125	*1 2,988,424
Other lease business revenue	*1 242,455	*1 212,244
Gain on sales of real estate property	*2 422,504	-
Other revenue	28,185	27,160
Total operating revenue	3,785,271	3,227,829
Operating expenses		
Expenses related to rent business	*1 1,214,656	*1 1,189,614
Asset management fee	251,121	226,759
Asset custody and administrative service fees	23,583	23,757
Directors' compensations	2,400	2,400
Other operating expenses	67,548	63,888
Total operating expenses	1,559,310	1,506,419
Operating income	2,225,961	1,721,410
Non-operating income		
Interest income	30	27
Reversal of unpaid distribution	-	997
Interest on refund	883	1
Total non-operating income	913	1,026
Non-operating expenses		
Interest expenses	155,935	165,266
Borrowing related expenses	105,827	62,670
Total non-operating expenses	261,763	227,937
Ordinary income	1,965,111	1,494,499
Income before income taxes	1,965,111	1,494,499
Income taxes - current	605	605
Total income taxes	605	605
Net income	1,964,506	1,493,894
Retained earnings brought forward	151,349	155,368
Unappropriated retained earnings (undisposed loss)	2,115,855	1,649,263

(3) Statement of Unitholders' Equity

7th fiscal period (from February 1, 2019 to July 31, 2019)

(Unit: thousand yen)

(Unit: thousand yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of the period	52,745,966	2,163,215	2,163,215	54,909,181	(69,303)	(69,303)	54,839,877
Changes of items during the period							
Dividends from surplus		(2,011,865)	(2,011,865)	(2,011,865)			(2,011,865)
Net income		1,964,506	1,964,506	1,964,506			1,964,506
Net changes of items other than unitholders' equity	-				(52,761)	(52,761)	(52,761)
Total changes of items during the period	-	(47,359)	(47,359)	(47,359)	(52,761)	(52,761)	(100,120)
Balance at end of the period	*1 52,745,966	2,115,855	2,115,855	54,861,822	(122,065)	(122,065)	54,739,757

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

(Unit: thousand yen)

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

(4) Statement of Cash Distributions

(Unit: yen)

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
I. Unappropriated retained earnings	2,115,855,829	1,649,263,334
II. Cash distribution	1,960,487,000	1,507,817,312
[Cash distribution per unit]	[3,625]	[2,788]
Cash distribution of earnings	1,960,487,000	1,507,817,312
[Cash distribution of earnings per unit]	[3,625]	[2,788]
III. Retained earnings carried forward	155,368,829	141,446,002

Method of calculation of amount of cash distributions

7th fiscal period (from February 1, 2019 to July 31, 2019):

Pursuant to the cash distribution policy provided in Article 35, Paragraph 1 of SAR's Articles of Incorporation, SAR shall distribute in excess of the amount equivalent to 90% of the amount of distributable earnings of SAR as defined in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with such policy, concerning cash distribution of earnings (not including cash distribution in excess of earnings), the decision was made to distribute 1,960,487,000 yen in total cash distribution which is more than the amount necessary to minimize tax expenses such as corporate tax etc., and which is an integral multiple of the total number of issued investment units of 540,824.

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

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

(5) Statement of Cash Flows

(Unit: thousand yen)

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Cash flows from operating activities		
Income before income taxes	1,965,111	1,494,499
Depreciation	415,829	420,178
Interest income	(30)	(27)
Interest expenses	155,935	165,266
Decrease (increase) in operating accounts receivable	(3,338)	10,297
Decrease (increase) in consumption taxes refund receivable	184,863	-
Increase (decrease) in accrued consumption taxes	199,468	(163,882)
Decrease (increase) in prepaid expenses	(12,060)	20,308
Decrease (increase) in long-term prepaid expenses	(7,223)	46,677
Increase (decrease) in operating accounts payable	(51,642)	86,456
Increase (decrease) in accounts payable - other	(12,905)	(21,210)
Increase (decrease) in advances received	(106,933)	13,802
Decrease from sales of property, plant and equipment in trust	994,157	-
Other, net	17,477	(16,850)
Subtotal	3,738,710	2,055,515
Interest income received	30	27
Interest expenses paid	(155,922)	(163,464)
Income taxes paid	(25,080)	(903)
Net cash provided by (used in) operating activities	3,557,738	1,891,175
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(1,234,988)	(136,901)
Repayments of tenant leasehold and security deposits	(72)	(141)
Proceeds from tenant leasehold and security deposits	72	211
Repayments of tenant leasehold and security deposits in trust	(172,112)	(105,199)
Proceeds from tenant leasehold and security deposits in trust	136,218	86,020
Purchase of investment securities	(101,375)	-
Proceeds from redemption of investment securities	5,938	11,639
Other, net	-	100
Net cash provided by (used in) investing activities	(1,366,319)	(144,270)
Cash flows from financing activities		
Increase in short-term loans payable	700,000	-
Decrease in short-term loans payable	(1,160,000)	-
Proceeds from long-term loans payable	8,000,000	-
Repayments of long-term loans payable	(8,300,000)	-
Dividends paid	(2,010,691)	(1,960,276)
Net cash provided by (used in) financing activities	(2,770,691)	(1,960,276)
Net increase (decrease) in cash and cash equivalents	(579,272)	(213,372)
Cash and cash equivalents at beginning of period	6,263,874	5,684,601
Cash and cash equivalents at end of period	*1 5,684,601	*1 5,471,229

- (6) Notes on the Going Concern Assumption
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Evaluation standards and methods of valuation of securities	<p>Other securities:</p> <p>Those with fair value Fair value method or market value method (Variances are directly included in net assets.)</p> <p>Those with no fair value Cost method through moving-average method</p> <p>As for silent partnership equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from silent partnership is adopted.</p>
2. Method of depreciation of non-current assets	<p>Property, plant and equipment (including trust assets)</p> <p>The straight-line method is adopted. The useful life of primary property, plant and equipment is as follows:</p> <p>Buildings 5-69 years</p> <p>Structures 10-30 years</p> <p>Machinery and equipment 10 years</p> <p>Tools, furniture and fixtures 3-15 years</p>
3. Standards for revenue and expense recognition	<p>Accounting for fixed property tax, etc.</p> <p>Accounting for fixed property tax, city planning tax, depreciable asset tax, etc. ("fixed property tax, etc.") on real estate or beneficiary interest in trust for real estate held is that of the tax amount assessed and determined, and the amount corresponding to the concerned calculation period is expensed as expenses related to rent business.</p> <p>The amount equivalent to fixed property tax, etc. in the initial fiscal year borne by SAR upon acquisition of real estate or beneficiary interest in trust for real estate is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, there is no amount equivalent to fixed property tax, etc. included in the cost of acquisition of real estate, etc.</p>
4. Method of hedge accounting	<p>(1) Hedge accounting approach Deferral hedge accounting is adopted.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transaction Hedged items: Interest on loans</p> <p>(3) Hedging policy SAR conducts derivative transactions for the purpose of hedging the risks provided in its Articles of Incorporation pursuant to rules and regulations.</p> <p>(4) Method of assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.</p>
5. Scope of funds in the statement of cash flows (cash and cash equivalents)	<p>The funds (cash and cash equivalents) in the statement of cash flows comprise cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.</p>
6. Other significant matters serving as the basis for preparation of financial statements	<p>(1) Accounting for beneficiary interest in trust for real estate, etc. Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <p>① Cash and deposits in trust</p> <p>② Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust</p> <p>③ Leasehold rights in trust</p> <p>④ Tenant leasehold and security deposits in trust</p> <p>(2) Accounting for consumption tax, etc. Taxes are excluded from the transaction amounts in accounting for consumption tax and local consumption tax. Non-deductible consumption tax on acquisition of assets is included in the acquisition cost of each asset.</p>

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

*1 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations
(Unit: thousand yen)

	7th fiscal period (As of July 31, 2019)	8th fiscal period (As of January 31, 2020)
	50,000	50,000

[Notes to the Statement of Income]

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

(Unit: thousand yen)

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
A. Operating revenue from real estate leasing		
Lease business revenue		
Rental revenue	2,718,786	2,617,584
Common area maintenance revenue	266,210	262,460
Parking revenue	94,978	95,729
Facility use revenue	9,924	10,607
Other rental revenue	2,225	2,041
	3,092,125	2,988,424
Other lease business revenue		
Utilities reimbursement	165,375	177,361
Other revenue	77,080	34,883
	242,455	212,244
Total operating revenue from real estate leasing	3,334,581	3,200,669
B. Operating expenses from real estate leasing		
Expenses related to rent business		
Management fee	148,449	153,423
Utilities expenses	179,347	176,939
Taxes and dues	238,101	238,044
Repair expenses	114,653	82,084
Trust fee	13,129	13,150
Insurance premium	4,727	4,773
Depreciation	415,829	420,178
Other expenses	100,418	101,019
Total operating expenses from real estate leasing	1,214,656	1,189,614
C. Operating income (loss) from real estate leasing [A – B]	2,119,924	2,011,055

*2 Breakdown of gain on sales of real estate property

7th fiscal period (from February 1, 2019 to July 31, 2019)

Hakata-eki Higashi 113 Building (51% of quasi co-ownership interest) (unit: thousand yen)

Real Estate Sale Income	1,453,500
Real Estate Sale Cost	994,157
Other Real Estate Sale Expenses	36,837
Gain on Real Estate Sale	422,504

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

Not applicable.

[Notes to the Statement of Unitholders' Equity]

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

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	540,824 units	540,824 units

[Notes to the Statement of Cash Flows]

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

(Unit: thousand yen)

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Cash and deposits	1,743,631	1,622,851
Cash and deposits in trust	3,940,970	3,848,378
Cash and cash equivalents	5,684,601	5,471,229

[Notes on Lease Transactions]

Operating leases (as lessor)

Future minimum lease payments

(Unit: thousand yen)

	7th fiscal period As of Jul. 31, 2019	8th fiscal period As of Jan. 31, 2020
Not later than 1 year	2,823,356	2,723,855
Later than 1 year	8,278,730	7,898,637
Total	11,102,086	10,622,493

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

Not applicable.

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

The carrying amount and fair value as of July 31, 2019, and the amount of difference between these, are as follows. Financial instruments for which estimation of fair value is recognized to be extremely difficult are not included. Please refer to “Note 2”.

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,743,631	1,743,631	-
(2) Cash and deposits in trust	3,940,970	3,940,970	-
(3) Investment securities	525,370	525,370	-
(4) Long-term loans receivable	300,000	300,000	-
Assets total	6,509,971	6,509,971	-
(5) Current portion of long-term loans payable	7,300,000	7,300,000	-
(6) Long-term loans payable	44,280,000	44,280,000	-
Liabilities total	51,580,000	51,580,000	-
(7) Derivative transactions (*)	(122,065)	(122,065)	-

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

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,622,851	1,622,851	-
(2) Cash and deposits in trust	3,848,378	3,848,378	-
(3) Investment securities	524,740	524,540	-
(4) Long-term loans receivable	300,000	300,000	-
Assets total	6,295,969	6,295,969	-
(5) Current portion of long-term loans payable	11,300,000	11,300,000	-
(6) Long-term loans payable	40,280,000	40,280,000	-
Liabilities total	51,580,000	51,580,000	-
(7) Derivative transactions (*)	(95,806)	(95,806)	-

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

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

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

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

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

Since interest income etc. from mezzanine loan debt are based on floating interest rates, the fair value is approximately the same as the book value, and thus stated at book value.

(6) Long-term loans payables

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

(7) Derivative transactions

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

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

(Unit: thousand yen)

Category	7th fiscal period As of July 31, 2019	8th fiscal period As of January 31, 2020
Tenant leasehold and security deposits (*1)	6,669	6,718
Tenant leasehold and security deposits in trust (*1)	2,478,925	2,459,766
Investment securities (*2)	197,850	187,172

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

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

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

7th fiscal period (as of July 31, 2019)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Cash and deposits	1,743,631	-	-	-	-	-
Cash and deposits in trust	3,940,970	-	-	-	-	-
Investment securities	-	-	-	-	525,370	-
Long-term loans receivable	-	-	-	-	300,000	-
Total	5,684,601	-	-	-	825,370	-

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

(Unit: thousand yen)

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

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

7th fiscal period (as of July 31, 2019)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Long-term loans payable	7,300,000	11,300,000	15,450,000	4,690,000	12,840,000	-
Total	7,300,000	11,300,000	15,450,000	4,690,000	12,840,000	-

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

(Unit: thousand yen)

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

[Notes on Securities]

Other securities

7th fiscal period (as of July 31, 2019)

(Unit: thousand yen)

	Category	Book value	Acquisition cost	Difference
Book value greater than acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	-	-	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Book value less than or equal to acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	400,000	400,000	-
	③ Others	-	-	-
	(3) Others	125,370	125,370	-
	Subtotal	525,370	525,370	-
Total		525,370	525,370	-

(*) Silent partnership equity interests (book value: 197,850 thousand yen) are not included above because they have no market value and their fair values are extremely difficult to recognize.

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

(Unit: thousand yen)

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

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

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

7th fiscal period (as of July 31, 2019)

Not applicable.

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

Not applicable.

2. Derivative transactions to which hedge accounting is applied

7th fiscal period (as of July 31, 2019)

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

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Principle method of accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term loans payable	44,280,000	36,980,000	(122,065)

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

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

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

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

(Unit: thousand yen)

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

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

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

[Notes on Retirement Benefits]

7th fiscal period (as of July 31, 2019)

Not applicable.

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

Not applicable.

[Notes on Tax-Effect Accounting]

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

(Unit: thousand yen)

	7th fiscal period As of July 31, 2019	8th fiscal period As of January 31, 2020
Deferred tax assets		
Acquisition cost of securities	1,359	1,359
Accounts payable	204	-
Deferred gains or losses on hedges	38,401	30,140
Subtotal	39,965	31,499
Valuation allowance	(39,965)	(31,499)
Total	-	-
Deferred tax assets, net	-	-

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

(Unit: %)

	7th fiscal period As of July 31, 2019	8th fiscal period As of January 31, 2020
Statutory tax rate	31.51	31.51
[Adjustments]		
Deductible distributions payable	(31.43)	(31.50)
Others	(0.05)	0.03
Effective income tax rate after application of tax-effect accounting	0.03	0.04

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

7th fiscal period (as of July 31, 2019)

Not applicable.

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

Not applicable.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholders, etc.

7th fiscal period (from February 1, 2019 to July 31, 2019)

Not applicable.

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

Not applicable.

2. Affiliated companies, etc.

7th fiscal period (from February 1, 2019 to July 31, 2019)

Not applicable.

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

Not applicable.

3. Fellow subsidiaries, etc.

7th fiscal period (from February 1, 2019 to July 31, 2019)

Not applicable.

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

Not applicable.

4. Directors, major individual unitholders, etc.

7th fiscal period (from February 1, 2019 to July 31, 2019)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital	Description of business or occupation	Percentage of voting rights, etc. held by (in) SAR	Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director, or close relative of director	Atsushi Kato	—	—	Executive Director of SAR, and President and CEO of the Asset Manager	0.01%	Payment of asset management fee to the Asset Manager (Note 1)	271,756 (Note 2) (Note 3)	Accounts payable – others	271,211 (Note 2)

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

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

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

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

(Note 3) The asset management fee for the 7th fiscal period includes the acquisition incentive portion included in the book value of individual real estate, etc. in the amount of 5,100 thousand yen, the acquisition incentive portion included in the book value of silent partnership equity interest in the amount of 1,000 thousand yen and the property transfer incentive portion in the amount of 14,535 thousand yen.

[Notes on Asset Retirement Obligations]

7th fiscal period (as of July 31, 2019)

Not applicable.

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

Not applicable.

[Notes on Investments in Rental Properties]

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

(Unit: thousand yen)

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Carrying amount		
Balance at beginning of period	103,340,671	103,151,622
Amount of increase (decrease) during period	(189,048)	(288,235)
Balance at end of period	103,151,622	102,863,386
Fair value at end of period	112,222,000	114,110,000

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

(Note 2) Of the amount of increase (decrease) in the investments in rental properties during the 7th fiscal period, the amount of increase is mainly attributable to acquisition of real estate beneficiary interest in trust of a properties (1,031,741 thousand yen) and capital expenditures (189,197 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate beneficiary interest in trust of a property (51% of quasi co-ownership) (994,157 thousand yen) and depreciation (415,829 thousand yen). Of the amount of increase (decrease) during 8th fiscal period, the amount of increase is mainly attributable to capital expenditures (131,943 thousand yen), while the amount of decrease is mainly attributable to depreciation (420,178 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser. Of the fair value at the end of the 8th fiscal period, that of Alphabet Seven is based on the transfer price (3,500,000 thousand yen) stated in the contract dated March 2, 2020.

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

[Notes on Segment Information]

1. Segment information

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

2. Related information

7th fiscal period (from February 1, 2019 to July 31, 2019)

(1) Information about products and services

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

(2) Information about geographic areas

① Net sales

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

② Property, plant and equipment

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

(3) Information about each major customer

(Unit: thousand yen)

Customer name	Operating revenue	Segment
Godo Kaisha Sunrise	422,504 (Note)	Real estate leasing business

(Note) Operating revenue is gain on sale of Hakata-eki Higashi 113 Building (quasi co-ownership interest: 51%)

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

(1) Information about products and services

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

(2) Information about geographic areas

① Net sales

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

② Property, plant and equipment

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

(3) Information about major customers

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

[Notes on Per Unit Information]

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Net assets per unit	101,215 yen	100,401 yen
Net income per unit	3,632 yen	2,762 yen

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

(Note 2) The basis for calculation of net income per unit is as follows:

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Net income (thousand yen)	1,964,506	1,493,894
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,964,506	1,493,894
Average number of investment units during period (units)	540,824	540,824

[Notes on Significant Subsequent Events]

1. Execution of a Merger Agreement with SSR

SAR and SSR, at their respective board of directors meetings held on March 2, 2020, resolved to undertake the Merger to come into effect on August 1, 2020, with SAR as the surviving corporation and SSR as the dissolving corporation, and also executed the Merger Agreement.

(1) Purpose of the Merger

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

(2) Merger Ratio

Upon entering into the Merger, SAR will allocate and deliver to unitholders 1.78 SAR investment units for every one SSR investment unit (Note). As a result, fractions of less than one investment unit will arise. Such fractional investment units will be sold through market transactions based on the provisions of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the "Investment Trust Act"), and the proceeds from such sale will be delivered to the unitholders who have been allocated fractional shares in accordance with the fractions held.

(Note) SAR is planning the Investment Unit Split to split one investment unit into two investment units with July 31, 2020 as the record date and August 1, 2020 as the effective date for the Investment Unit Split, and the allocation ratio shown above are subject to the Investment Unit Split taking effect. For details of the Investment Unit Split, please see "2. Split of Investment Units" below.

(3) Merger Money

In addition to the above mentioned investment units, SAR intends to deliver to SSR unitholders (the unitholders stated or recorded in the final unitholders' register on the day before the effective date of the Merger (excluding those SSR unitholders who have demanded the purchase of their investment units pursuant to Article 149-3 of the Investment Trust Act; hereinafter referred to as the "Unitholders Subject to Allocation"), based on SSR's distributable income, merger money equal to cash distributions which would have been made for the final business period of SSR. The merger money is to be calculated by dividing the amount of SSR's distributable income as of the day before the effective date of the Merger by the total number of issued and outstanding SSR investment units on such date after deducting the number of investment units held by unitholders other than the Unitholders Subject to Allocation (fractions of a yen to be rounded down), and is scheduled to be paid within a reasonable period from the effective date of the Merger.

(4) Overview of SSR's latest fiscal period (from July 1, 2019 to December 31, 2019)

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

Operating revenue: 2,391 million yen

Net income: 704 million yen

Total assets: 63,111 million yen

Total liabilities: 33,152 million yen

Net assets: 29,959 million yen

2. Split of Investment Units

SAR resolved at its board of directors meeting held on March 2, 2020 to split its investment units (the "Investment Unit Split")

(1) Purpose of Investment Unit Split

As mentioned in "1. Execution of a Merger Agreement with SSR" above, the Merger will be conducted through an absorption-type merger with SAR as the surviving corporation. The merger ratio before taking into consideration the Investment Unit Split is SSR 0.89 to SAR 1. However, on the basis of such merger ratio, 0.89 SAR investment units would be allocated and delivered against one SSR investment unit, resulting in many SSR unitholders being allocated fractions of less than one SAR investment unit. Therefore, to make it possible for SSR unitholders to continue holding SAR investment units after the Merger, it has been decided to carry out a 2 for 1 split of the SAR investment units, for the purpose of delivering to all SSR unitholders at least one SAR investment unit.

(2) Method of Investment Unit Split

Each SAR investment unit owned by the SAR unitholders as stated or recorded in the final unitholders' register on July 31, 2020, which is the day immediately preceding the effective date of the Merger will be split 2-for-1. The Investment Unit Split will take effect on August 1, 2020, the effective date of the Merger, subject to all conditions precedent for the Merger set forth in the Merger Agreement being satisfied.

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

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

(Note) The number of units is calculated on the assumption that, upon the Merger, 1.78 SAR investment units after the Investment Unit Split will be allocated to each SSR investment unit, with respect to all issued and outstanding SSR investment units (333,001 units) as of the date of this report.

(4) Schedule of Investment Unit Split

Announcement of record date for the Investment Unit Split	:	July 10, 2020 (tentative)
Record date for the Investment Unit Split	:	July 31, 2020 (tentative)
Effective date for the Investment Unit Split	:	August 1, 2020 (tentative)

(5) Impact on per unit information

Per unit information for the 7th fiscal period and 8th fiscal period, prepared on the assumption that the Investment Unit Split had been conducted at the beginning of the 7th fiscal period are as follows.

	7th fiscal period From: February 1, 2019 To: July 31, 2019	8th fiscal period From: August 1, 2019 To: January 31, 2020
Net assets per unit	50,607 yen	50,200 yen
Net income per unit	1,816 yen	1,381 yen

3. Asset transfer

SAR has decided on the following asset transfer.

<Alphabet Seven>

Asset to be transferred: Quasi-co-ownership in a trust beneficiary interest in which the main trust assets are real estate in Japan (1st transfer 40%, 2nd transfer 60%)

Signing date: March 2, 2020

Scheduled transfer dates:

1st transfer (40% quasi-co-ownership interest)	July 1, 2020
2nd transfer (60% quasi-co-ownership interest)	December 1, 2020

Location (indication of residential address): 7-6-38, Akasaka, Minato-ku, Tokyo

Expected Buyer: Kanden Realty & Development Co., Ltd.

Expected Transfer price:

1st transfer (40% quasi-co-ownership interest)	1,400 million yen
2nd transfer (60% quasi-co-ownership interest)	2,100 million yen

Effect on profit and loss: Operating revenues from gain on sale of real estate property are expected to be recorded in the amount of approximately 642million yen in the fiscal period ended July 31, 2020 and approximately 970 million yen in the fiscal period ended January 31, 2021, respectively.

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

The following are the changes in unitholders' capital and total number of investment units issued and outstanding from the date of establishment of SAR to the end of the 8th fiscal period.

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

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

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

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

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

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

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

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

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

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

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

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

4. Reference Information

(1) Investment Status

Investment status						
Type of asset	Primary use	Geographic area (Note 1)	7th fiscal period (As of July 31, 2019)		8th fiscal period (As of January 31, 2020)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate in trust	Office	Greater Tokyo	20,172	18.3	20,130	18.4
		Other than Greater Tokyo	15,896	14.4	15,825	14.4
	Residence	Greater Tokyo	12,435	11.3	12,411	11.3
		Other than Greater Tokyo	3,135	2.8	3,126	2.9
	Logistics facility	Greater Tokyo	30,877	28.0	30,793	28.1
	Hotel	Greater Tokyo	12,830	11.6	12,811	11.7
		Other than Greater Tokyo	7,804	7.1	7,764	7.1
	Subtotal			103,151	93.6	102,863
Investment securities			723	0.7	711	0.6
Long-term loans receivable			300	0.3	300	0.3
Deposits and other assets			6,065	5.5	5,773	5.3
Total amount of assets			110,240	100.0	109,649	100.0

	Amount (million yen)	As a percentage of total assets (%)	Amount (million yen)	As a percentage of total assets (%)
Total amount of liabilities (Note 4)	55,500	50.3	55,349	50.5
Total amount of net assets (Note 4)	54,739	49.7	54,299	49.5

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

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

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

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

(2) Investment Assets

① Investment securities

Asset no.	Name of the security	Type of asset	Quantity (Units)	Book value (million yen)		Fair value (million yen)		Unrealized gain or loss (million yen)	Remarks
				Unit price	Amount	Unit price	Amount		
MEZ-01	Star Asia Mezzanine Loan Debt Investment Series 1	Corporate bond	—	—	400	—	400	—	(Note 1) (Note 2)
MEZ-03	Star Asia Mezzanine Loan Debt Investment Series 3	Trust beneficiary rights	—	—	124	—	124	—	(Note 1) (Note 3)
TKI-01	Subordinated silent partnership equity interest in Godo Kaisya SAPR8	Silent partnership equity interest	—	—	105	—	105	—	(Note 4) (Note 5)
TKI-02	Silent partnership equity interest in Godo Kaisya SAPR7	Silent partnership equity interest	—	—	81	—	81	—	(Note 4) (Note 5)
	Total	—	—	—	711	—	711	—	—

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

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

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

(Note 4) Book value is stated as fair value.

(Note 5) Overview of operating assets are as follows:

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

② Real estate

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

Use	Property no. (Note 1)	Property name	Location (Note 2)	Acquisition price (million yen) (Note 3)	Share of investment (%) (Note 4)	Real estate appraisal value, etc. (million yen) (Note 5)	Acquisition date
Office	OFC-01	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	2.9	3,070	January 14, 2016
	OFC-03	Honmachibashi Tower	Chuo Ward, Osaka City, Osaka	6,065	5.9	6,960	January 14, 2016
	OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	1.7	2,510	April 20, 2016
	OFC-05	Alphabet Seven (Note 6)	Minato Ward, Tokyo	1,725	1.7	2,670	April 20, 2016
	OFC-06	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	2.0	3,260	April 20, 2016
	OFC-08	Asahi Building	Kanagawa Ward, Yokohama City, Kanagawa	6,320	6.2	7,840	April 20, 2016
	OFC-09	Hakata-eki East Place	Hakata Ward, Fukuoka City, Fukuoka	2,286	2.2	2,590	April 6, 2017
	OFC-10	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1.4	1,550	February 2, 2018
	OFC-11	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2.5	2,690	September 6, 2018
	OFC-12	Higashi-Kobe Center Building	Higashinada Ward, Kobe City, Hyogo	7,440	7.3	7,520	September 6, 2018
	OFC-13	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1.0	1,160	February 1, 2019
	Subtotal			35,664	34.8	41,820	—
Residence	RSC-01	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2.0	2,480	January 14, 2016
	RSC-02	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	6.2	8,240	January 14, 2016
	RSC-05	Urban Park Namba	Naniwa Ward, Osaka City, Osaka	1,490	1.5	1,650	April 20, 2016
	RSC-06	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1.4	1,530	February 1, 2017
	RSC-07	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1.2	1,190	April 6, 2017
	RSC-08	Urban Park Ryokuchi Koen	Suita City, Osaka	1,550	1.5	1,620	February 2, 2018
	RSC-09	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1.1	1,180	February 2, 2018
	Subtotal			15,213	14.9	17,890	—

Logistics facility	LGC-01	Iwatsuki Logistics	Iwatsuki Ward, Saitama City, Saitama	6,942	6.8	7,310	January 14, 2016
	LGC-02	Yokohama Logistics	Kanagawa Ward, Yokohama City, Kanagawa	3,560	3.5	4,170	January 14, 2016
	LGC-03	Funabashi Logistics	Funabashi City, Chiba	7,875	7.7	8,650	January 14, 2016
	LGC-04	Baraki Logistics	Ichikawa City, Chiba	4,700	4.6	4,850	April 6, 2017
	LGC-05	Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	1.3	1,350	April 6, 2017
	LGC-06	Funabashi Nishiura Logistics I	Funabashi City, Chiba	3,000	2.9	3,020	February 2, 2018
	LGC-07	Funabashi Nishiura Logistics II	Funabashi City, Chiba	821	0.8	850	February 2, 2018
	LGC-08	Matsubushi Logistics	Kitakatsushika, Saitama	2,755	2.7	2,860	February 2, 2018
	Subtotal			30,953	30.2	33,060	—
Hotel	HTL-01	R&B Hotel Umeda East	Kita Ward, Osaka City, Osaka	2,069	2.0	2,320	January 14, 2016
	HTL-02	Smile Hotel Namba	Naniwa Ward, Osaka City, Osaka	1,750	1.7	1,490	January 14, 2016
	HTL-03	BEST WESTERN Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	3.7	3,750	April 6, 2017
	HTL-04	BEST WESTERN Yokohama	Tsurumi Ward, Yokohama City, Kanagawa	3,248	3.2	3,250	April 6, 2017
	HTL-05	Hotel WBF Fukuoka Tenjin Minami	Chuo Ward, Fukuoka City, Fukuoka	1,970	1.9	2,000	September 6, 2018
	HTL-06	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	2.4	2,520	September 6, 2018
	HTL-07	Best Western Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3.1	3,210	September 6, 2018
	HTL-08	Hotel WBF Art Stay Namba	Naniwa Ward, Osaka City, Osaka	2,000	2.0	1,970	September 6, 2018
	Subtotal			20,544	20.1	20,510	—
Total			102,374	100.0	113,280	—	

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

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

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

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

(Note 5) Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and The Tanizawa Sogo Appraisal co., Ltd. are entrusted with appraisals. Real estate appraisal values are the figures indicated in the real estate appraisal report with January 31, 2020 as the date of value and are rounded to the nearest million yen. For details, please refer to "(d) Summary of Real Estate Appraisal Reports, etc."

(Note 6) As for Alphabet Seven, 40% of quasi-co-ownership interest in the trust beneficiary interest is scheduled be transferred on July 1,2020 and 60% of quasi-co-ownership interest in the trust beneficiary interest is scheduled to be transferred on December 1,2020. The same shall apply hereinafter.

(b) Portfolio Summary

a. By Geographic Area

Geographic area		Acquisition price (million yen)	Share (%) (Note 1)	
Greater Tokyo	5 central wards of Tokyo (Note 2)	24,413	23.8	74.0
	Other areas in Greater Tokyo	51,341	50.2	
Other than Greater Tokyo		26,620	26.0	
Total		102,374	100.0	

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

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

(a) Office

a) Office

Geographic area		Acquisition price (million yen)	Share (%)	
Greater Tokyo	5 central wards of Tokyo	13,553	38.0	55.7
	Other areas in Greater Tokyo	6,320	17.7	
Other than Greater Tokyo		15,791	44.3	
Total		35,664	100.0	

(b) Residence

b) Residence

Geographic area		Acquisition price (million yen)	Share (%)	
Greater Tokyo	5 central wards of Tokyo	8,360	55.0	80.0
	Other areas in Greater Tokyo	3,813	25.1	
Other than Greater Tokyo		3,040	20.0	
Total		15,213	100.0	

(c) Logistics facility

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

(d) Hotel

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

b. By Size

Acquisition price	Number of properties	Share (%) (Note)
5 billion yen or more but less than 10 billion yen	6	17.6
1 billion yen or more but less than 5 billion yen	27	79.4
Less than 1 billion yen	1	2.9
Total	34	100.0

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

c. By Asset Type (Use)

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office	11	35,664	34.8
Residence	7	15,213	14.9
Logistics facility	8	30,953	30.2
Hotel	8	20,544	20.1
Total	34	102,374	100.0

(c) Status of Leasing

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Operating revenue from leasing (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m ²) (Note 4)	Leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
OFC-01	Minami-Azabu Shibuya Building	June 1993	5	96,950	110,263	3,263.08	3,263.08	100.0
OFC-03	Honmachibashi Tower	February 2010	5 (Note 7)	217,369	198,451	10,489.58	10,489.58	100.0
OFC-04	Nishi-Shinjuku Matsuya Building	May 1987	10	107,954	127,097	3,521.03	3,521.03	100.0
OFC-05	Alphabet Seven	January 1990	10	75,367	94,303	2,464.59	2,464.59	100.0
OFC-06	Shibuya MK Building	July 1993	4	79,478	106,556	1,612.88	1,612.88	100.0
OFC-08	Asahi Building	November 1994	20	226,226	246,717	8,672.01	8,672.01	100.0
OFC-09	Hakata-eki East Place	February 1986	18	102,116	86,452	4,632.70	4,632.70	100.0
OFC-10	Nihonbashi Hamacho Park Building	July 1992	4	48,238	79,547	1,911.84	1,911.84	100.0
OFC-11	Amusement Media Gakuin Honkan	November 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,892.18	100.0
OFC-12	Higashi Kobe Center Building	January 1992	51	311,330	292,458	15,987.30	16,931.82	94.4
OFC-13	Amusement Media Gakuin Shinkan	January 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	781.33	100.0
RSC-01	Urban Park Azabujuban	November 1999	44	59,237	11,291	1,986.76	1,986.76	100.0
RSC-02	Urban Park Daikanyama	Existing: November 1982 Newly built: May 2006	70	187,268	77,131	5,864.69	5,977.18	98.1
RSC-05	Urban Park Namba	January 2013	117	50,697	-	2,584.81	2,584.81	100.0
RSC-06	Urban Park Gokokuji	February 1990	106	52,187	8,899	1,931.28	1,964.04	98.3
RSC-07	Urban Park Kashiwa	August 1997	41	38,094	8,352	2,954.77	2,954.77	100.0
RSC-08	Urban Park Ryokuchi Koen	March 1989	54	58,383	9,243	5,114.16	5,508.94	92.8
RSC-09	Urban Park Koenji	October 1987	74	36,647	6,015	1,332.59	1,365.48	97.6
LGC-01	Iwatsuki Logistics	October 2014	3	202,816	97,014	30,190.81	30,190.81	100.0
LGC-02	Yokohama Logistics	October 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	18,142.08	100.0

LGC-03	Funabashi Logistics	Building 1: September 1992 Building 2: August 1997	4	260,597	83,426	34,901.67	38,086.56	91.6
LGC-04	Baraki Logistics	August 2015	2	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	12,126.28	100.0
LGC-05	Tokorozawa Logistics	April 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	5,994.75	100.0
LGC-06	Funabashi Nishiura Logistics I	October 1985	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	14,018.82	100.0
LGC-07	Funabashi Nishiura Logistics II	Warehouse: March 1991 Factory: May 1972 Office: May 1986	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	6,315.87	100.0
LGC-08	Matsubushi Logistics	March 1997	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	19,833.47	100.0
HTL-01	R&B Hotel Umeda East	October 2000	1	65,302	73,495	3,940.93	3,940.93	100.0
HTL-02	Smile Hotel Namba	February 2008	1	31,319	-	1,711.42	1,711.42	100.0
HTL-03	BEST WESTERN Tokyo Nishikasai	March 1991	1	84,600	84,600	5,293.88	5,293.88	100.0
HTL-04	BEST WESTERN Yokohama	September 1987	1	80,400	80,400	4,686.09	4,686.09	100.0
HTL-05	Hotel WBF Fukuoka Tenjin Minami	February 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	2,281.49	100.0
HTL-06	GLANSIT AKIHABARA	September 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,089.06	100.0
HTL-07	BEST WESTERN Tokyo Nishikasai Grande	February 2017	1	70,002	116,670	2,755.19	2,755.19	100.0
HTL-08	Hotel WBF Art Stay Namba	April 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	2,061.46	100.0
Total			657	3,200,669	2,466,484	242,340.85	247,043.18	98.1

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

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

- (Note 3) “Security and guarantee deposits” is the sum total amount of tenant security and guarantee deposits required based on the lease agreement (including deposits based on parking, antenna, rooftop and other agreements; the amount after depreciation) for each investment asset as of January 31, 2020 (limited to those occupied as of said date). Furthermore, in cases where a pass-through type master lease agreement has been concluded for the concerned investment asset, it is the sum total amount of tenant security and guarantee deposits under lease agreements concluded with end-tenants.
- (Note 4) “Leased area” is the sum total of the leased area stated in the lease agreement for each investment asset as of January 31, 2020. Furthermore, in cases where a master lease agreement has been concluded for the concerned investment asset, it is the sum total of the leased area under lease agreements concluded with end-tenants for properties under a pass-through type master lease, and it is the leased area under the master lease agreement for properties under a rent-guaranteed type master lease.
- (Note 5) “Leasable area” is the floor area regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for each investment asset as of January 31, 2020.
- (Note 6) “Occupancy rate” is the ratio of leased area to leasable area for each investment asset as of January 31, 2020, rounded to the first decimal place. In addition, in the total column, it is the ratio of the sum total of leased area to the sum total of leasable area for each investment asset, rounded to the first decimal place.
- (Note 7) Of the tenants of the property, a single company leases all 36 units of the residential portion, of which 30 units are under a rent-guaranteed type master lease agreement and 6 units are under a pass-through type master lease agreement.
- (Note 8) In the table, “Number of tenants,” “Security and guarantee deposits,” “Leased area” and “Occupancy rate” are based on lease agreements valid as of January 31, 2020, even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent.
- (Note 9) Not disclosed, because consent for disclosure has not been obtained from the tenants.

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

Summary of Real Estate Appraisal Reports, Etc.												
Use	Property no.	Property name	Appraisal firm (Note 1)	Appraisal value (million yen) (Note 2)	Summary of appraisal reports						Appraisal NOI yield (%) (Note 4)	
					Income approach					NOI (million yen) (Note 3)		
					Direct capitalization method		DCF method					
					Indicated value (million yen)	Cap rate (%)	Indicated value (million yen)	Discount rate (%)	Terminal cap rate (%)			
Office	OFC-01	Minami-Azabu Shibuya Building	Daiwa	3,070	3,170	3.9	3,020	3.5	4.1	139	4.7	
	OFC-03	Honmachibashi Tower	Daiwa	6,960	7,070	4.2	6,910	4.0	4.4	311	5.1	
	OFC-04	Nishi-Shinjuku Matsuya Building	Daiwa	2,510	2,450	4.1	2,530	3.9	4.3	113	6.4	
	OFC-05	Alphabet Seven	JREI	2,670	2,720	3.7	2,620	3.5	3.9	105	6.1	
	OFC-06	Shibuya MK Building	JREI	3,260	3,320	3.5	3,190	3.3	3.7	120	5.9	
	OFC-08	Asahi Building	JREI	7,840	7,970	3.6	7,700	3.4	3.8	317	5.0	
	OFC-09	Hakata-eki East Place	Daiwa	2,590	2,580	4.6	2,600	4.4	4.8	120	5.2	
	OFC-10	Nihonbashi Hamacho Park Building	Daiwa	1,550	1,540	4.3	1,550	4.1	4.5	68	4.7	
	OFC-11	Amusement Media Gakuin Honkan	Daiwa	2,690	2,740	3.6	2,670	3.4	3.8	102	4.0	
	OFC-12	Higashi Kobe Center Building	Tanizawa	7,520	7,630	5.0	7,470	5.1	5.2	430	5.8	
	OFC-13	Amusement Media Gakuin Shinkan	JREI	1,160	1,180	3.4	1,130	3.2	3.6	41	4.0	
	Subtotal				41,820	42,370	-	41,390	-	-	1,865	5.2

Residence	RSC-01	Urban Park Azabujuban	JREI	2,480	2,530	3.5	2,430	3.3	3.7	91	4.4
	RSC-02	Urban Park Daikanyama	JREI	8,240	8,410	3.4	8,060	3.2	3.6	298	4.7
	RSC-05	Urban Park Namba	Daiwa	1,650	1,670	4.7	1,640	4.5	4.9	80	5.4
	RSC-06	Urban Park Gokokuji	JREI	1,530	1,550	4.0	1,500	3.8	4.2	69	4.8
	RSC-07	Urban Park Kashiwa	Tanizawa	1,190	1,210	4.6	1,180	4.7	4.8	59	5.0
	RSC-08	Urban Park Ryokuchi Koen	Tanizawa	1,620	1,640	4.8	1,610	4.9	5.0	89	5.7
	RSC-09	Urban Park Koenji	Tanizawa	1,180	1,200	4.0	1,170	4.1	4.2	55	4.7
	Subtotal			17,890	18,210	-	17,590	-	-	742	4.9
Logistics facility	LGC-01	Iwatsuki Logistics	Daiwa	7,310	7,410	4.4	7,270	4.2	4.6	332	4.8
	LGC-02	Yokohama Logistics	Daiwa	4,170	4,200	4.2	4,150	4.0	4.4	204	5.7
	LGC-03	Funabashi Logistics	Daiwa	8,650	8,710	4.2	8,620	4.0	4.4	419	5.3
	LGC-04	Baraki Logistics	Tanizawa	4,850	4,970	4.0	4,800	3.9	4.2	201	4.3
	LGC-05	Tokorozawa Logistics	JREI	1,350	1,360	5.0	1,330	4.6	5.3	74	5.7
	LGC-06	Funabashi Nishiura Logistics I	Daiwa	3,020	3,040	4.6	3,010	4.3	4.7	153	5.1
	LGC-07	Funabashi Nishiura Logistics II	Daiwa	850	843	5.6	853	5.4	5.8	57	7.0
	LGC-08	Matsubushi Logistics	JREI	2,860	2,870	5.1	2,840	4.6	5.4	151	5.5
Subtotal			33,060	33,403	-	32,873	-	-	1,591	5.1	
Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,320	2,330	4.5	2,310	4.3	4.7	113	5.5
	HTL-02	Smile Hotel Namba	Daiwa	1,490	1,500	4.7	1,480	4.5	4.9	75	4.3
	HTL-03	BEST WESTERN Tokyo Nishikasai	JREI	3,750	3,800	4.3	3,690	4.1	4.5	168	4.4
	HTL-04	BEST WESTERN Yokohama	JREI	3,250	3,290	4.4	3,200	4.2	4.6	149	4.6
	HTL-05	Hotel WBF Fukuoka Tenjin Minami	Tanizawa	2,000	2,040	4.4	1,980	4.4	4.6	90	4.6
	HTL-06	GLANSIT AKIHABARA	Tanizawa	2,520	2,580	3.8	2,490	3.7	4.0	98	3.9
	HTL-07	Best Western Tokyo Nishikasai Grande	Tanizawa	3,210	3,230	3.9	3,200	3.8	4.1	126	4.0
	HTL-08	Hotel WBF Art Stay Namba	Daiwa	1,970	1,980	4.3	1,960	4.1	4.5	86	4.3
	Subtotal			20,510	20,750	-	20,310	-	-	906	4.4
Total			113,280	114,733	-	112,163	-	-	5,104	5.0	

(Note 1) "Appraisal firm" is shown as "Daiwa" to stand for Daiwa Real Estate Appraisal Co., Ltd., "JREI" to stand for Japan Real Estate Institute and "Tanizawa" to stand for The Tanizawa Sogo Appraisal co., Ltd.

(Note 2) "Appraisal value" is as of January 31, 2020 as the date of value.

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

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

(e) Information on Major Real Estate Properties

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

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

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

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

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

	Name of tenant	Name of property occupied	Leased area (m ²) (Note 1)	As a percentage of total leasable area (%) (Note 2)
1	Not disclosed (Note 3)	Iwatsuki Logistics	Not disclosed (Note 3)	12.0
2	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	8.8
3	Tokyo Nohin Daiko	Matsubushi Logistics	19,833.47	8.0
4	Not disclosed (Note 3)	Yokohama Logistics	Not disclosed (Note 3)	7.3
5	Not disclosed (Note 3)	Funabashi Nishiura Logistics I	Not disclosed (Note 3)	5.7
6	Rembrandt Inn	BEST WESTERN Tokyo Nishikasai BEST WESTERN Yokohama Best Western Tokyo Nishikasai Grande	12,735.16	5.2
7	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	2.9
8	Not disclosed (Note 3)	Funabashi Nishiura Logistics II	Not disclosed (Note 3)	2.6
9	Not disclosed (Note 3)	Baraki Logistics	Not disclosed (Note 3)	2.5
10	Not disclosed (Note 3)	Baraki Logistics	Not disclosed (Note 3)	2.4
Total of the top 10 tenants			141,877.25	57.4

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

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

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

(g) Capital Expenditures

a. Schedule of Capital Expenditures for the 9th fiscal period

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

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction costs (thousand yen)		
			Total amount	Amount of payment during period	Total amount already paid
Asahi Building (Yokohama City, Kanagawa)	Renovation of air-conditioning equipment	From: Apr. 2020 To: Jul. 2020	30,000	—	—
Best Western Tokyo Nishikasai (Edogawa Ward, Tokyo)	Renewal of hot water supply equipment	From: Apr. 2020 To: Jun. 2020	18,400		
Nishi-Shinjuku Matsuya Building (Shibuya Ward, Tokyo)	Renewal of DC power supply equipment	From: May. 2020 To: Jul. 2020	17,000		
Urban Park Gokokuji (Toshima Ward, Tokyo)	Renewal of hot water supply equipment	From: Apr. 2020 To: Jul. 2020	12,000		
Hakata-eki East Place (Fukuoka City, Fukuoka)	Renewal of multi-story parking facility	From: May. 2020 To: Jul. 2020	11,847		
Funabashi Nishiura Logistics I (Funabashi City, Chiba)	Facilities investment inside warehouse including installing LED lighting	From: May. 2020 To: Jul. 2020	10,000		

b. Capital Expenditures during the 8th fiscal period

The following summarizes the primary construction works that constitute capital expenditures implemented for the assets held by SAR as of January 31, 2020 during the 8th fiscal period. Capital expenditures for the 8th fiscal period amounted to 131,943 thousand yen and, when combined with the 82,084 thousand yen in repair expenses charged to the same period, it totals 214,028 thousand yen in construction works implemented.

Name of real estate, etc. (Location)	Purpose	Period	Construction costs (thousand yen)
Funabashi Nishiura Logistics II (Funabashi City, Chiba)	Water proof construction works on east, south and north side exterior walls	From: Nov. 2019 To: Jan. 2020	28,934
Funabashi Nishiura Logistics I (Funabashi City, Chiba)	Installation of emergency staircase	From: Jan. 2020 To: Jan. 2020	17,585
BEST WESTERN YOKOHAMA (Yokohama City, Kanagawa)	Renewal of 2 elevators	From: Jan. 2020 To: Jan. 2020	12,776
Others	—	—	72,647
Total			131,943

(h) Individual Property Income Statements

(Unit: thousand yen)

Property no.	OFC-01	OFC-03	OFC-04	OFC-05	OFC-06
Property name	Minami-Azabu Shibuya Building	Honmachibashi Tower	Nishi-Shinjuku Matsuya Building	Alphabet Seven	Shibuya MK Building
① Total operating revenue from real estate leasing	96,950	217,369	107,954	75,367	79,478
Lease business revenue	88,172	192,577	99,607	68,814	73,938
Other lease business revenue	8,777	24,792	8,346	6,553	5,539
② Total operating expenses from real estate leasing	26,386	62,771	35,362	20,105	14,129
Management fee	5,703	13,845	6,802	4,735	5,115
Trust fee	400	400	400	400	350
Utilities expenses	7,077	25,259	8,790	4,754	3,893
Insurance premium	116	358	129	99	45
Repair expenses	468	1,556	3,714	1,990	235
Property taxes	4,560	19,730	3,426	6,214	4,322
Others	8,061	1,620	12,099	1,910	168
③ NOI (①－②)	70,563	154,598	72,591	55,262	65,348
④ Depreciation	11,556	45,343	8,440	5,426	3,342
⑤ Operating income (loss) from real estate leasing (③－④)	59,006	109,255	64,151	49,836	62,006
⑥ Capital expenditures	-	-	258	7,801	-
⑦ NCF (③－⑥)	70,563	154,598	72,332	47,460	65,348
Book value at end of the period	2,962,948	5,860,272	1,820,838	1,841,780	2,092,186

Property no.	OFC-08	OFC-09	OFC-10	OFC-11	OFC-12
Property name	Asahi Building	Hakata-eki East Place	Nihonbashi Hamacho Park Building	Amusement Media Gakuin Honkan	Higashi Kobe Center Building
① Total operating revenue from real estate leasing	226,226	102,116	48,238	Not disclosed (Note)	311,330
Lease business revenue	208,203	91,437	48,238		275,087
Other lease business revenue	18,022	10,679	-		36,243
② Total operating expenses from real estate leasing	60,773	26,002	12,542		119,299
Management fee	15,948	7,985	824		26,551
Trust fee	400	400	400		400
Utilities expenses	19,325	7,185	-		35,342
Insurance premium	357	167	123		656
Repair expenses	7,053	1,884	68		2,504
Property taxes	16,195	6,801	4,299		29,147
Others	1,493	1,577	6,826		24,697
③ NOI (①－②)	165,452	76,114	35,695		192,031
④ Depreciation	26,119	7,391	2,837		32,806
⑤ Operating income (loss) from real estate leasing (③－④)	139,332	68,723	32,858		159,225
⑥ Capital expenditures	12,020	13,571	-		1,081
⑦ NCF (③－⑥)	153,431	62,543	35,695		190,949
Book value at end of the period	6,330,182	2,316,816	1,458,794	2,592,734	7,648,262

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

(Unit: thousand yen)

Property no.	OFC-13	RSC-01	RSC-02	RSC-05	RSC-06
Property name	Amusement Media Gakuin Shinkan	Urban Park Azabujuban	Urban Park Daikanyama	Urban Park Namba	Urban Park Gokokuji
① Total operating revenue from real estate leasing	Not disclosed (Note)	59,237	187,268	50,697	52,187
Lease business revenue		55,027	176,407	49,208	50,627
Other lease business revenue		4,209	10,860	1,489	1,560
② Total operating expenses from real estate leasing		11,293	44,405	12,189	15,368
Management fee		2,652	8,556	2,585	4,603
Trust fee		350	350	350	400
Utilities expenses		503	4,287	374	2,405
Insurance premium		57	196	63	53
Repair expenses		2,380	10,535	2,368	3,340
Property taxes		2,831	11,399	2,820	1,855
Others		2,517	9,080	3,627	2,710
③ NOI (①－②)		47,943	142,863	38,507	36,819
④ Depreciation		4,852	12,686	7,537	5,310
⑤ Operating income (loss) from real estate leasing (③－④)		43,091	130,176	30,970	31,508
⑥ Capital expenditures		1,019	3,257	615	-
⑦ NCF (③－⑥)		46,923	139,605	37,891	36,819
Book value at end of the period	1,030,689	2,085,301	6,384,104	1,513,317	1,506,326

Property no.	RSC-07	RSC-08	RSC-09	LGC-01	LGC-02
Property name	Urban Park Kashiwa	Urban Park Ryokuchi Koen	Urban Park Koenji	Iwatsuki Logistics	Yokohama Logistics
① Total operating revenue from real estate leasing	38,094	58,383	36,647	202,816	Not disclosed (Note)
Lease business revenue	37,181	55,575	34,294	187,713	
Other lease business revenue	913	2,808	2,352	15,103	
② Total operating expenses from real estate leasing	12,653	13,808	6,817	37,669	
Management fee	2,151	2,830	1,810	5,920	
Trust fee	350	350	400	350	
Utilities expenses	725	2,323	1,467	15,155	
Insurance premium	85	119	36	275	
Repair expenses	5,900	2,177	1,512	2,073	
Property taxes	2,951	3,578	962	13,728	
Others	489	2,429	626	166	
③ NOI (①－②)	25,441	44,574	29,830	165,146	
④ Depreciation	7,143	7,842	2,479	46,544	
⑤ Operating income (loss) from real estate leasing (③－④)	18,297	36,732	27,350	118,602	
⑥ Capital expenditures	4,268	5,119	-	1,627	
⑦ NCF (③－⑥)	21,172	39,455	29,830	163,519	
Book value at end of the period	1,246,619	1,612,763	1,189,315	6,648,961	3,767,829

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

(Unit: thousand yen)

Property no.	LGC-03	LGC-04	LGC-05	LGC-06	LGC-07
Property name	Funabashi Logistics	Baraki Logistics	Tokorozawa Logistics	Funabashi Nishiura Logistics I	Funabashi Nishiura Logistics II
① Total operating revenue from real estate leasing	260,597	Not disclosed (Note1)	Not disclosed (Note1)	Not disclosed (Note1)	Not disclosed (Note1)
Lease business revenue	241,793				
Other lease business revenue	18,804				
② Total operating expenses from real estate leasing	57,179				
Management fee	11,308				
Trust fee	400				
Utilities expenses	17,047				
Insurance premium	397				
Repair expenses	4,808				
Property taxes	23,055				
Other	162				
③ NOI (①－②)	203,418				
④ Depreciation	26,918				
⑤ Operating income (loss) from real estate leasing (③－④)	176,499				
⑥ Capital expenditures	2,987				
⑦ NCF (③－⑥)	200,430				
Book value at end of the period	7,812,120	4,659,731	1,353,894	2,959,872	857,919

Property no.	LGC-08	HTL-01	HTL-02	HTL-03	HTL-04
Property name	Matsubushi Logistics	R&B Hotel Umeda East	Smile Hotel Namba (Note2)	BEST WESTERN Tokyo Nishikasai	BEST WESTERN Yokohama
① Total operating revenue from real estate leasing	Not disclosed (Note 1)	65,302	31,319	84,600	80,400
Lease business revenue		65,302	31,319	84,600	80,400
Other lease business revenue		-	-	-	-
② Total operating expenses from real estate leasing		6,685	4,710	10,181	7,747
Management fee		742	660	1,200	1,200
Trust fee		350	550	400	400
Utilities expenses		4	-	-	-
Insurance premium		113	53	126	106
Repair expenses		-	1,111	461	772
Property taxes		5,450	2,281	7,970	4,705
Other		23	53	22	561
③ NOI (①－②)		58,617	26,609	74,418	72,652
④ Depreciation		9,786	12,225	11,849	12,524
⑤ Operating income (loss) from real estate leasing (③－④)		48,831	14,383	62,568	60,128
⑥ Capital expenditures		-	-	799	20,227
⑦ NCF (③－⑥)		58,617	26,609	73,618	52,425
Book value at end of the period	2,733,177	2,121,325	1,682,845	3,855,577	3,271,906

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

(Note 2) Operating revenue from real estate leasing of Smile Hotel Namba includes variable rents of 8,945 thousand yen.

(Unit: thousand yen)

Property no.	HTL-05	HTL-06	HTL-07	HTL-08
Property name	Hotel WBF Fukuoka Tenjin Minami	GLANSIT AKIHABARA	Best Western Tokyo Nishikasai Grande	Hotel WBF Art Stay Namba
① Total operating revenue from real estate leasing	Not disclosed (Note)	Not disclosed (Note)	70,002	Not disclosed (Note)
Lease business revenue			70,002	
Other lease business revenue			-	
② Total operating expenses from real estate leasing			6,796	
Management fee			990	
Trust fee			400	
Utilities expenses			-	
Insurance premium			64	
Repair expenses			25	
Property taxes			5,293	
Other			22	
③ NOI (①－②)			63,205	
④ Depreciation			10,857	
⑤ Operating income (loss) from real estate leasing (③－④)			52,348	
⑥ Capital expenditures			-	
⑦ NCF (③－⑥)			63,205	
Book value at end of the period	1,965,568	2,508,592	3,175,809	1,994,998

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

	Office Total	Residence Total	Logistics facility total	Hotel total	Portfolio total
① Total operating revenue from real estate leasing	1,352,983	482,516	887,758	477,410	3,200,669
Lease business revenue	1,228,922	458,322	823,769	477,410	2,988,424
Other lease business revenue	124,060	24,194	63,989	-	212,244
② Total operating expenses from real estate leasing	392,534	116,536	210,388	49,976	769,435
Management fee	89,701	25,190	31,110	7,419	153,423
Trust fee	4,350	2,550	3,050	3,200	13,150
Utilities expenses	116,754	12,087	48,092	4	176,939
Insurance premium	2,130	612	1,438	592	4,773
Repair expenses	22,068	28,215	29,429	2,371	82,084
Property taxes	98,900	26,399	77,105	35,639	238,044
Other	58,627	21,480	20,162	748	101,019
③ NOI (①－②)	960,449	365,979	677,370	427,433	2,431,233
④ Depreciation	148,556	47,853	144,591	79,177	420,178
⑤ Operating income (loss) from real estate leasing (③－④)	811,892	318,126	532,779	348,256	2,011,055
⑥ Capital expenditures	35,622	14,281	61,012	21,026	131,943
⑦ NCF (③－⑥)	924,826	351,697	616,358	406,407	2,299,290
Book value at end of the period	35,955,507	15,537,748	30,793,506	20,576,624	102,863,386

③ Other investment assets

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

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

(Note 2) The underlying assets are trust beneficiary interests in a trust mainly comprised of DS Kaigan Building (previously “Premier Kaigan Building”).