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Characteristics of Star Asia Investment Corporation (SAR)

1. A diversified REIT

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

2. Steady growth

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

3. Initiatives focusing on unitholder value

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

Investment policy



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



Achieving income stability and growth through diversification of asset type



Investment primarily in middle-size assets (* 2)

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

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

* 1 “Tokyo area”: “Tokyo area” refers to Tokyo and the three prefectures of Kanagawa, Saitama and Chiba.

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

1. Executive Summary

1. Executive Summary (1)

14th Fiscal Period (ended Jan 31, 2023)

◆ Distribution per Unit

Forecast 1,476 yen (79 yen)

Actual Results **1,491** yen (44 yen)

※ Forecast DPU is the distribution amount announced in September 2022
 ※ The figure in brackets () for DPU is the amount for which internal reserves have been utilized. The internal reserve utilization amount is calculated based on the following formula: (Forecast) DPU – (forecast) net income for period per unit. The same applies below.

◆ NAV per unit

End of 13th FP 61,129 yen

End of 14th FP **62,264** yen

◆ Distribution per Unit and NAV Summary

- Variable rent generated from hotels (approximately 29 million yen) has been added to the initially forecasted Distributions per Unit.
- Other improved portions of revenues and expenditures have been appropriated to retained earnings. (Please refer to P8)
- NAV per unit increased by 1.9% compared to end of the 13th FP.
- Appraisal value at end of period increased by 1.2% compared to the end of the 13th FP.
- Unrealized gain, 19,062million yen 9,919yen per unit

Forecasts for 15th / 16th Fiscal Periods

◆ Forecasted Distributions Per Unit

15th FP **1,552** yen (0 yen)

※ Includes gain on sale of Funabashi Hi-Tech Park Factory II.
 ※ Forecast figures announced on February 1, 2023 (No revisions)

16th FP **1,513** yen (0 yen)

※ Includes gain on sale of Urban Park Gokokuji.
 ※ Revenues from the preferred equity securities related to HAKUSAN HOUSE, which has a high probability of being acquired, has been added.

◆ Assumptions underlying the forecasts for 15th FP and 16th FP.

- Positioned as period for enhancing the asset portfolio, through asset replacements, building extensions, and attracting new tenants.
- Office :
Certain level of improvements in occupancy rates anticipated. (Target : 98%)
- Retail :
Attracting a supermarket is assumed towards the end of the 16th FP.
- Residence :
Occupancy rates assumed to stabilize at around 97 %.
- Logistics :
Building extension expected to be completed towards the end of 16th FP.
Baraki Logistics to be leased as whole building/ FR (Free Rent) to arise due to rent increase. ~ Impact removed by gain on sale
- Hotel :
Further improvement of the business condition of the tenant (hotel operator) is assumed
- a certain amount of variable rent has been anticipated.

Medium-term Guidance

◆ Forecasted Distributions Per Unit

Assumed cruising distribution
1,485 yen (46 yen)

Adjusted cruising distribution
1,500 yen (46 yen)

※ The assumed cruising DPU is the forecast figures (lower limit) for 15th FP and onward announced in September 2022.
 ※ The revised cruising DPU is the forecast figure after reflecting the implementation of corporate actions.

◆ Guidance Assumptions

- Office :
Occupancy rates will increase
- Retail :
Attracting of supermarket completed at Suroy Mall Chikushino, and rent accrued. Current status of other retail facilities unchanged and operations stable.
Residence : Occupancy rates stable at around 95%
- Logistics :
Building extension of Funabashi High-tech Park Factory I completed, rent accrued. Rent increase already agreed are reflected, and for others, rent assumed to be the same.
- Hotel :
Variable rents anticipated to a certain extent.
- Mezzanine etc.
Revenues anticipated from mezzanine loan debts currently held and expected to be invested in, as well as from the HAKUSAN HOUSE preferred equity securities.

1. Executive Summary (2)

Change in portfolio of assets under management due to active management

	14FP End of January 2023	15FP End of July 2023	16FP End of January 2024
Corporate action	<ul style="list-style-type: none"> PO (5th) Acquired 3 properties (Total 15.1bn) Asset size : 195.2bn 	<ul style="list-style-type: none"> Asset replacement (8th) Sale of Funabashi High Teck Park II Partial acquisition of Mezzanine Loan Debt Investment (Series 8) 	<ul style="list-style-type: none"> Asset replacement (9th) assumed Sale of Urban Park Gokokuji Acquisition of preferred securities of Hakusan House (assumed) Partial acquisition of Mezzanine Loan Debt Investment (Series 8)
No. of properties	<div>64</div> <div>Property: 63</div> <div>Mezzanine: 1</div>	<div>64</div> <div>Property: 62</div> <div>Mezzanine: 2</div>	<div>64</div> <div>Property: 631</div> <div>Mezzanine: 2 ／優先出資1</div>
Asset size			
Ratio of assets in Tokyo area <small>(note1) entire portfolio / excluding suburban retail facilities</small>	68.8% / 74.6% (※)	68.7 % / 74.5 % (※)	68.8 % / 74.6 % (※)
Ratio of mid-sized assets <small>(note2)</small>	98.5 %	98.5 %	98.4%
Average building age <small>(note3)</small>	24.6 years	25.1 years (Forecast as of July 31, 2023)	25.5 years (Forecast as of January 31, 2024)
Portfolio appraisal NOI yield <small>(note4)</small>	4.4 %	4.4%	4.4 %

※ The asset size is the total amount of the acquisition price of all of the assets acquired (expected or assumed), excluding assets which have already been sold at such point or expected to be sold.

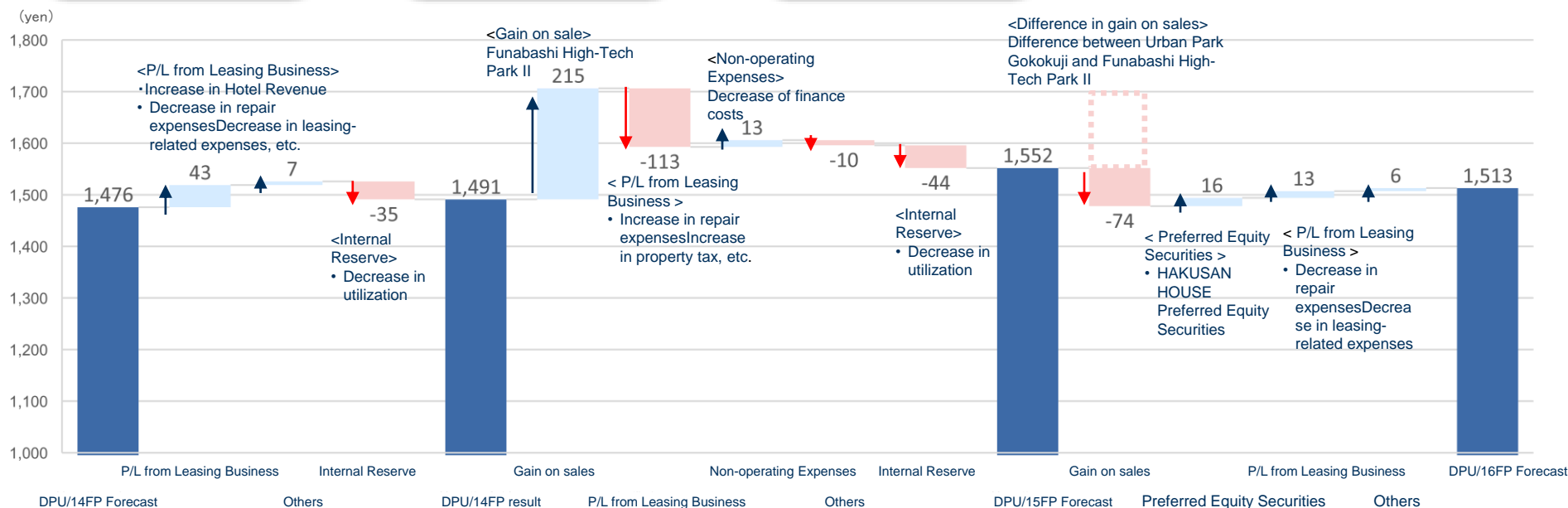
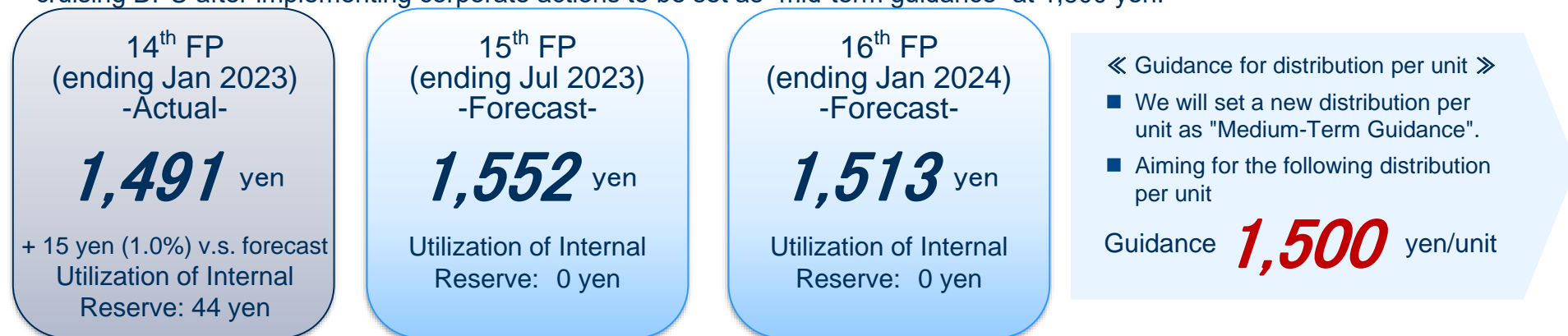
※ Tokyo Area Ratio: The ratio to the left is the ratio of assets located in the Tokyo Area to the entire portfolio (including mezzanine loan debt: acquisition price basis) The ratio to the right is the ratio when excluding suburban retail facilities which are assumed to be sold (same as left).

2. Actual and forecasted distribution

2. Actual Distributions and Business Forecast (1)

Actual distributions for FP ended January 31, 2023

- ◆ In the 14th FP, portfolio NOI exceeding initial expectations was recorded, and the portion of **variable rent from hotels was added to initial forecast for distributions** (+15 yen per unit)
- ◆ For the 15th FP and 16th FP, gain on sale of properties accompanying asset replacements are expected to be recorded, and cruising DPU after implementing corporate actions to be set as “mid-term guidance” at 1,500 yen.



2. Actual Distributions and Business Forecast (2)

Operational Results (Summary) for FP ended Jan 31, 2023 and

Forecast Assumptions for FP ended July 31, 2023 and FP ending January 31, 2024

- ◆ Office occupancy rate is steadily increasing, **increase in rents** have been realized, residence occupancy rates has been maintained at or above **97.0% during the 14th FP**, and **occupancy rates of logistics facilities is also rising**.
- ◆ Due to recovery of accommodation demand, **variable rent** from hotels have been received (**approximately 29 million yen**) / Further increase in variable rent revenues anticipated going forward.

	Actual Result of FP ended Jan 2023	Forecast Assumptions for FP ended Jul 2023 and FP ended Jan 2024
Office	<ul style="list-style-type: none"> • Occupancy rate is steadily increasing (End of July 2022: 93.7% ⇒ End of January 2023: 94.3%) • The trend of activation of potential tenants is continuing, and although there are differences among properties, new tenants are steadily being found. • 12 newly contracted tenants: rent increase average 5.2% (compared to rents of former tenants). Rent increases upon renewal • also realized: for 7 tenants, average increase of 15.9%. 	<ul style="list-style-type: none"> • The moves of potential tenants are becoming active, and also with the agile adjustments etc. of lease conditions, it is assumed that the upward trend of occupancy rates will be maintained. • Trend towards shortening of leasing and free rent periods. • A gradual increase in occupancy rates is anticipated for the 14th FP and 15th FP/ increase in unit price of rent is not anticipated.
Retail	<ul style="list-style-type: none"> • There were no rents that were not paid out during the 14th. Revenues remained stable. • 2 new tenants (137.65㎡) / 3 tenants moved out (174.19㎡), but impact is extremely limited. • No new requests received for exemption or reduction in rents. • ~Ongoing negotiations 1tenant(Chikushino) • Ongoing negotiations are underway to invite a supermarket to Shuroa Mall Chikushino. 	<ul style="list-style-type: none"> • 14tenant expected to move out during the 15th FP. Expected cancellation area: 1,464.01㎡ • Occupancy rate of Shuroa Mall Chikushino is expected to decline~92.0% • Negotiation to attract a supermarket to Suroy Mall Chikushino is toe continued. • Attracting supermarket tenants and improving occupancy rate
Residence	<ul style="list-style-type: none"> • Occupancy rates during the 14th FP was maintained at or above an average of 97.0% for all residences. • Family-type residences continued to achieve increase in rents at time of new contracts and contract renewals, as was the case in the preceding period. • Single-type residences maintained occupancy rates, due to agile adjustments in rent terms (Average occupancy rates during the period: 97.0%). 	<ul style="list-style-type: none"> • Sold Urban Park Gokokuji in the 16th period on the premise of asset replacement (realized gain on sale) • It is assumed that current average occupancy rates will be maintained during the 14th FP. • Rents are assumed to remain at the same level.
Logistics	<ul style="list-style-type: none"> • Revenues have remained stable, and no re-contracts/contract renewals in the 14th FP. • Funabashi Logistics: 2 new tenants were attracted into the office-spec space which was vacant for a long period. Occupancy rate improved: 97.8% ⇒ 98.6% (average of all logistics facilities) • Progressed in building extension of Funabashi Hi-tech Park Factory I 	<ul style="list-style-type: none"> • Sale of Funabashi Hi-tech Park Factory II upon asset replacement (realization of gain-on-sale) • Revenues are expected to remain stable. • For the 3 tenants whose contract period will expire during the 15th FP, it is assumed that the status quo will remain unchanged.
Hotel	<ul style="list-style-type: none"> • Fixed rent received as agreed (from the 7 hotels excluding "KOKO HOTEL Osaka Namba" which has only variable rent." • Given recovery of accommodation demand, variable rent was received from the tenants of "Smile Hotel Namba" and "KOKO HOTEL Osaka Namba" (Total amount of approximately 29 million yen). • Request for reduction of rent (from 1 tenant) was withdrawn. 	<ul style="list-style-type: none"> • It is assumed that the business performance of tenants will further improve as domestic travel demand is maintained and the trend towards increase of inbound visitors will continue given the lifting of travel restrictions from abroad (excluding certain areas). • During the 15th FP and 16th FP, it has been assumed that a certain level of variable rent will be received.

2. Actual and forecasted distribution (3)

Factors for increase/decrease compared with forecast/actual results for the 14FP

- ◆ Rental revenues, excluding hotel revenues, were almost in line with the initial forecast / NOI increased (vs. forecast) due to the effect of reduced repair expenses
- ◆ Variable rents from hotels, which were not expected in the initial forecast, were added to the distribution - +15 yen/unit compared to the initial forecast

(Unit: million yen)

	14 FP (ended Jan. 2023) forecast*	14FP (ended Jul. 2022) Actual	Comparison with forecast		Factors for the increase/decrease
Lease business revenue	6,363	6,463	99	1.6%	<Revenue of leasing business> variable rent +29 million yen Utility revenue+52.9 million yen Penalty charge revenue +6.4 million yen Original state restoration fee revenue +5.3 million yen Renewal fee revenue +4.0 million yen
Office rent	2,056	2,036	△20	△1.0%	
Retail rent	1,035	1,038	3	0.3%	
Residence rent	1,216	1,225	9	0.8%	
Logistics rent	914	914	0	0.1%	
Hotel rent	503	537	34	6.8%	
Other	637	710	72	11.4%	
Expenses related to rent business (Depreciation is excluded)	1,804	1,812	8	0.5%	<Expenses of leasing business> Utility costs +74.5 million yen Repair costs -35.7 million yen Leasing costs -30.3 million yen
NOI	4,559	4,650	91	2.0%	
Depreciation	734	743	8	1.2%	
Rent revenues/expenses	3,824	3,907	82	2.2%	
Capex	628	605	△22	△3.6%	
NCF(NOI-CAPEX)	3,931	4,044	113	2.9%	
Mezzanine	24	22	△1	△5.5%	
SGA	585	580	△5	△0.9%	
Operating income	3,263	3,349	86	2.6%	
Non-operating income	-	1	1	-	
Non-operating expenses	576	568	△7	△1.4%	
Ordinary income	2,686	2,782	95	3.6%	
Income before income taxes	2,686	2,782	95	3.6%	
taxes	0	0	-	0.0%	
Net income	2,686	2,781	95	3.6%	
Cash distribution per unit	1,476 yen	1,491 yen	15 yen	1.0%	
FFO per unit	1,780 yen	1,834 yen	54 yen	3.0%	
AFFO per unit	1,453 yen	1,519 yen	66 yen	4.5%	
Balance of internal reserves	8,735	8,802	66	0.8%	
(Reference) Net income per unit (Yen per unit)	1,397 yen	1,447 yen	50 yen	3.6%	

(*) Announced in 13th FP closing of accounting report (Sep 13, 2022)

2. Actual and forecasted distribution (4)

Forecast of business results for the 15FP ending July 2023 / the 16FP ending January 2024

- ◆ Acquired 3 new properties through a public offering in August 2022, and the 3 new properties will fully contribute to the period ending July 31, 2023
- ◆ Aiming for gradual increase in occupancy rate of office buildings toward the end of the 16th fiscal period (Unit: million yen)

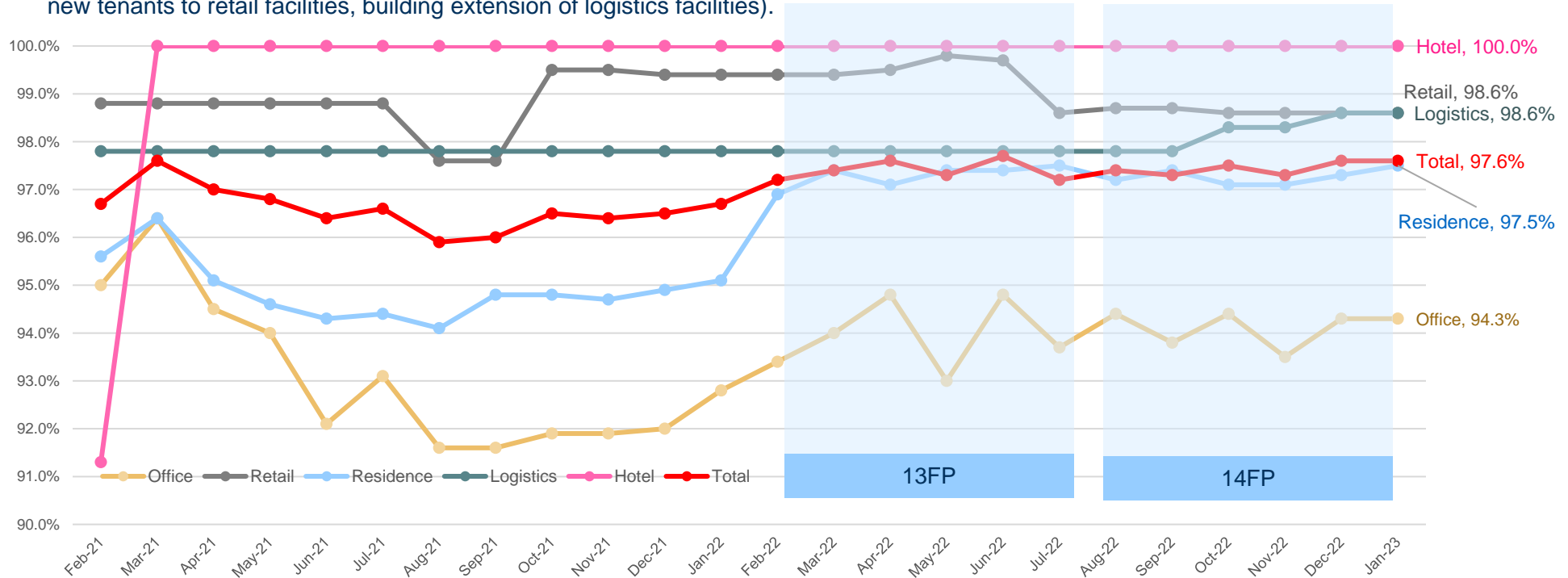
	14 FP (ended Jan. 2023) Actual (A)	Forecast for the 15 FP ending Jul 2023 (B)	Increase/decrease (B-A)			Forecast for the 16P ending Jan 2024(C)	Increase/decrease (C-B)		Major factors for the increase/decrease
Lease business revenue	6,463	6,576	112	1.7%	<Rental revenues>	6,550	△26	△0.4%	<Rental revenues>
Office rent	2,036	2,076	40	2.0%	【Office】Urban Center	2,112	35	1.7%	【Office】Urban Center
Retail rent	1,038	1,046	7	0.8%	FujisawaAssuming a certain level of operating days at Urban Center	1,012	△34	△3.3%	FujisawaAssuming a certain level of occupancy rate improvement
Residence rent	1,225	1,232	6	0.5%	FujisawaAssumption of backfilling of vacant parcels in existing properties	1,198	△34	△2.8%	【Retail】Shuoy Mall Chikushino - 34.5 million yen
Logistics rent	914	846	△68	△7.5%	Retail PropertiesIncrease in operating days at Abeno nini (retail facility), etc.	877	31	3.7%	【Residence】Decrease due to sale of Urban Park Gokokuji, etc.
Hotel rent	537	515	△21	△4.0%		535	19	3.8%	Decrease due to sale of Urban Park Gokokuji, etc.
Other	710	858	147	20.8%		813	△44	△5.2%	【Logistics】Increase due to decrease in free rent period
Expenses related to rent business (Depreciation is excluded)	1,812	2,126	313	17.3%	【Logistics】Decrease due to sale of Funabashi Hi-Tech Park Factory II	2,049	△77	△3.6%	Decrease due to sale of Funabashi High-Tech Park Factory II
NOI	4,650	4,449	△201	△4.3%	Decrease due to sale of Funabashi High-Tech Park Factory II	4,500	51	1.1%	Decrease due to increase in variable rents, etc.
Depreciation	743	760	16	2.3%	due to free rent periodIncrease in occupancy rate of Funabashi Logistics	786	25	3.4%	【Hotel】Decrease due to increase in variable rents, etc.
Rent revenues/expenses	3,907	3,689	△218	△5.6%		3,714	25	0.7%	【Other】Increase in utilities income +36.3 million yen
CAPEX	605	871	265	43.8%		1,072	201	23.1%	Income +36.3 million yen
NCF(NOI-CAPEX)	4,044	3,578	△466	△11.5%		3,428	△150	△4.2%	Cancellation penalty income - 83.9 million yen
Gain on sales	-	413	413	-	【Hotel】Decrease due to the sale of Abeno nini (hotel)	271	△142	△34.5%	
Mezzanine	22	22	0	△0.4%	Increase in number of operating days at Abeno nini (hotel)	34	11	50.2%	
Preferred securities lending fee	-	-	-	-	Decrease in variable rents, etc.	30	30	-	
SGA	580	598	18	3.1%		601	3	0.5%	
Operating income	3,349	3,527	177	5.3%	<Rental expenses>Utilities +116.0 million yen	3,448	△78	△2.2%	<Rental expenses>Funabashi High-Tech Park Factory II, sale of Gokokuji (15.7) million yen
Non-operating income	1	-	△1	△100.0%	Repair expenses +98.5 million yen	-	-	-	Utilities: +41.4 million yen
Non-operating expenses	568	543	△25	△4.4%	Taxes and dues for property acquired in August 2022	539	△4	△0.8%	Leasing-related expenses -59.7 million yen
Ordinary income	2,782	2,983	201	7.2%	+26.4 million yen	2,909	△74	△2.5%	Repair expenses -27.1 million yen
Income before income taxes	2,782	2,983	201	7.2%	+56.3 million yen	2,909	△74	△2.5%	
Taxes	0	0	-	0.0%	<Sale of Funabashi High-Tech Park Factory II>	0	-	0.0%	<Gain on sales>Urban Park Gokokuji (gain on sale) - Funabashi High Tech Park Factory II (gain on sale)
Net income	2,781	2,983	201	7.2%		2,908	△74	△2.5%	
Cash distribution per unit	1,491yen	1,552yen	61yen	4.1%	<SGA> Increase in taxes and public charges (non-deductible consumption tax) due to sale of properties, etc	1,513yen	△39yen	△2.5%	
FFO per unit	1,834yen	1,732yen	△102yen	△5.6%		1,781yen	49yen	2.8%	
AFFO per unit	1,519yen	1,279yen	△240yen	△15.8%		1,223yen	△56yen	△4.4%	<Loan fees for preferred securities> Hakusan House Preferred Securities Lending
Balance of internal reserves	8,802	8,803	0	0.0%	<Non-operating expenses> Decrease in financing costs	8,804	1	0.0%	
(Reference) Net income per unit (Yen per unit)	1,447yen	1,552yen	105yen	7.3%		1,513yen	△39yen	△2.5%	

3. Operating results for the 14th fiscal period ended January 2023

3. Operating results for the 14th fiscal period ended January 2023 (1)

- Occupancy rate status -

- ◆ For the portfolio as a whole (real estate properties etc.), occupancy rates were **maintained at or above 97%** during the 14th FP (on a contracted floor area basis).
- ◆ For the 15th FP and onward, we will **aim for further improvement** in office occupancy rates, and promote **internal growth** measures (attracting new tenants to retail facilities, building extension of logistics facilities).



	11FP (Jul 2021)	12FP (Jan 2022)	13FP (Jul 2022)	14FP					
				Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023
Office	93.1%	92.8%	92.8%	94.4%	93.8%	94.4%	93.5%	94.3%	94.3%
Retail	98.8%	99.4%	99.4%	98.7%	98.7%	98.6%	98.6%	98.6%	98.6%
Residence	94.4%	95.1%	95.1%	97.2%	97.4%	97.1%	97.1%	97.3%	97.5%
Logistics	97.8%	97.8%	97.8%	97.8%	97.8%	98.3%	98.3%	98.6%	98.6%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.6%	96.7%	96.7%	97.4%	97.3%	97.5%	97.3%	97.6%	97.6%

3. Operating results for the 14th fiscal period ended January 2023 (2) - Responses to increase in energy costs-

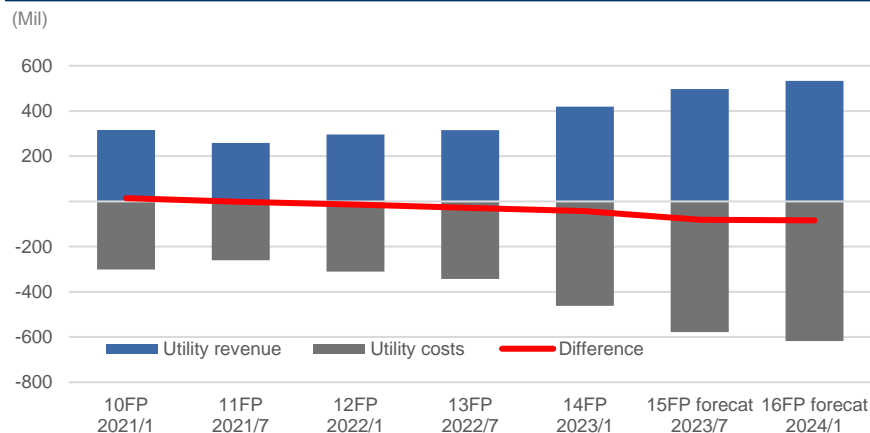
- ◆ For tenants where electricity charges are being claimed from the owners, shift to the **variable amount billing method which is linked to the increase in electricity charge payments.**
- ◆ From the 15th FP onward, although the cost burden for common-use areas is anticipated to increase, the impact is expected to be limited.

Burden of Cost for Electricity Charges

	Office	Retail	Residence	Logistics	Hotel
Burden of Cost for Electricity Charges (Details)	<ul style="list-style-type: none"> ■ Excluding whole-building leases (※1) and sectional ownership buildings, the billing method towards tenants shifted from fixed to Pass-through amount billing, to absorb increase in electricity charges. ■ The common-use area costs borne by the investment company. 	<ul style="list-style-type: none"> ■ For the 3 properties which are whole-building leases, the tenant has direct contract with utilities. ■ For 2 other properties, for the exclusively-owned area the tenant has a direct contract, and the common-use area costs are borne by the investment company. 	<ul style="list-style-type: none"> ■ For the exclusively-owned area, direct contract by tenant. ■ For the common-use area, borne by investment company. 	<ul style="list-style-type: none"> ■ For the 5 properties which are whole-building leases (※2), the tenants have a direct contract with utilities. ■ For 4 properties, the billing method has been shifted from fixed to variable form, to pass on increase in utility costs. 	<ul style="list-style-type: none"> ■ Direct contract by hotel operator.

※1 Excluding “Amusement Media Gakuin Honkan” and “Amusement Media Gakuin Shinkan”. ※2 Excluding “Yokohama Logistics”.

Actual and Forecast of Utility Costs



The ratio of utility costs P/L to the total revenues of leasing business.

13FP Actual	14FP Actual	15FP Forecast	16FP Forecast
-0.50 %	-0.71 %	-1.34 %	-1.40 %

※ Calculated by the formula to the right: Ratio = (utility cost revenues - utility cost expenditures) ÷ (total leasing business revenues - utility cost revenues)

- Utility cost revenues increase in conjunction with the increase in utility cost expenditures
- Although the ratio of utility costs P/L to leasing business revenue is not increasing, due to the shift towards the billing method which incorporates electricity charges as described above, the extent of increase has settled down.

3. Operating results for the 14th fiscal period ended January 2023 (3)

- Office - Status of change in tenant as of the end of the 14FP

Operating result for office

<Actual performance for 14th Fiscal Period>

■ Entry and moving out of tenants:

Newly contracted area (2,661.25m²) > moved out area (2,107.46m²).

Occupancy rates: 93.7% (as of end of July 2022) → 94.3% (as of end of January 2023)

■ Newly attracted tenants: 12 tenants (rents increased on average of 5.2% compared to before)

■ Free rent: Average 2.4 months.

■ Increase in rents at time of contract renewal: 6 tenants (average of 0.8% increase compared to before)

■ No reductions at time of contract renewal.

■ Rent increases also realized during the lease periods, instead of at the time of contract renewals.

■ For 1 tenant, rent was increased by 10.8%.

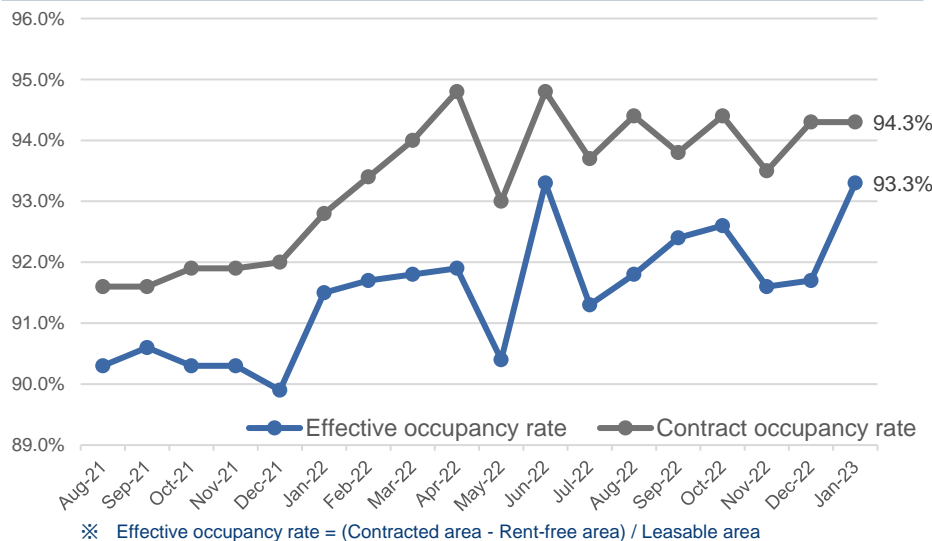
<Forecast for 15th Fiscal Period and onwards>

■ The moves of potential tenants are becoming active, and getting good responses in leasing activities. -- From the 14th FP to the 15th FP, a gradual increase in occupancy rates is anticipated.

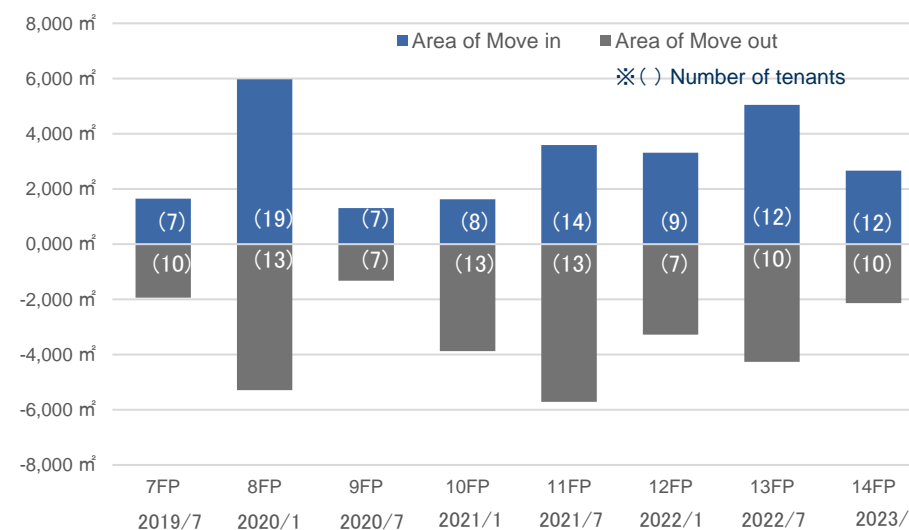
Status of change in tenant as of the end of the 14FP

	Number of tenants	Area(m ²)	
<New Contract>	12	2,661.25	
Rent up	6	1,801.13	- Average rent increase of 5.2% + 525 thousand yen/month
Same rent	1	126.31	- Average free rent 2,4 months
Rent down	5	733.81	
<Renewal>	42	15,210.20	
Rent up(※)	6	1,557.74	- Average 0.8% increase at renewal + 571 thousand yen/month
Same rent	36	13,652.46	- No tenant reduction at the time of renewal
Rent down	0	0.00	
<Leaving>	9	2,107.46	

Contracted occupancy rate / effective occupancy rate



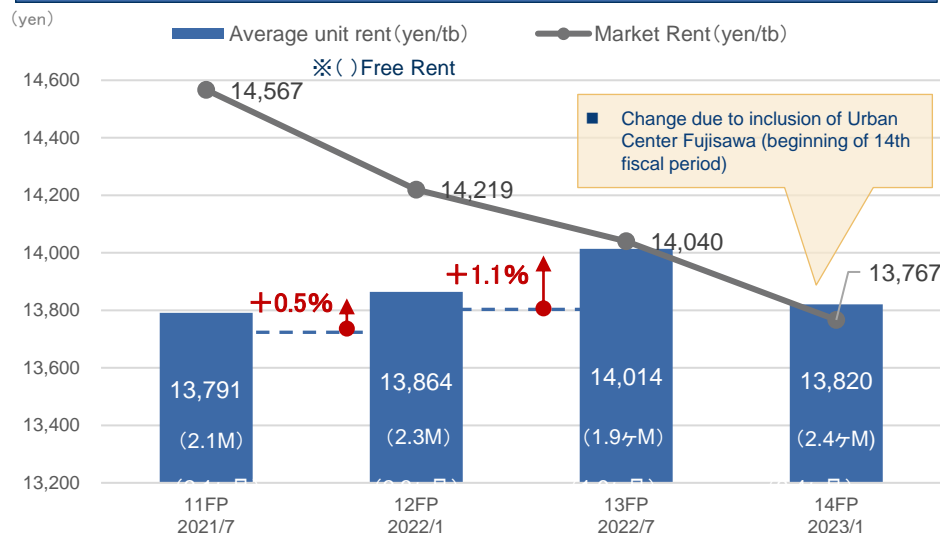
Contract Rent Period of Office Portfolio



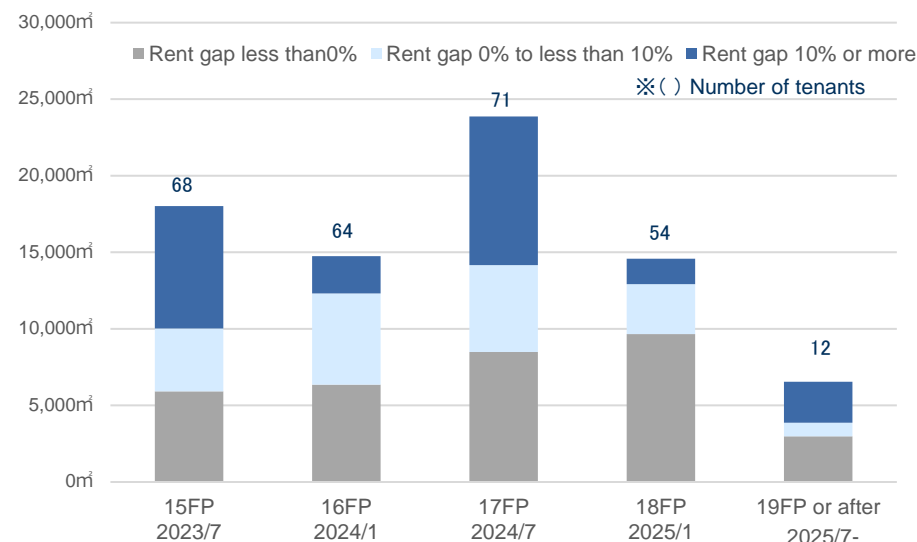
3. Operating results for the 14th fiscal period ended January 2023 (4)

- Office - ② Status of Rent Gap and Trends in Unit Rents ~

Trends in Market Rents and Contract Rents per Unit, Average FR Period

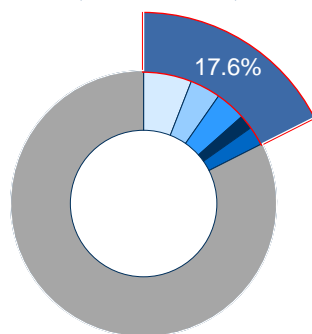


Contract Rent Period of Office Tenants



Tenant Diversification

<Rent-based>



- The aggregate rents of the top 5 tenants makes up for a ratio of 17.6% of the office portfolio rent revenues, and risk is diversified.

	Property name	Type	ratio
1	Honmachibashi Tower	business company	5.9%
2	Amusement Media Gakuin Honkan/Shinkan	School	3.8%
3	Urban Center Hakata	Master lease	3.8%
4	Honmachibashi Tower (住宅部分)	Master lease	1.8%
5	Urban Center Fujisawa	business company	2.3%
Total			17.6%

Addressing leasing issues

【Urban Center Tachikawa (Tachikawa city, Tokyo)】



Acquisition price	1,804 mil
Structure	RC S 6F/1B
Leasable area	3,400.47㎡
Construction completion	May 1990

A memorandum has been signed with a new tenant, and leasing of 1 floor is expected to commence from May 2023 ⇒ occupancy rates 82.0%
For the 1 remaining floor, we will focus on leasing activities by conducting interior preview tours etc.

May 2022	Jun 2022	May 2023 (予定)
33.9 %	65.1 %	82.0 %

【Nihonbashi Hamacho Park Building (Chuo-ku, Tokyo)】



Acquisition price	1,450 mil
Structure	SRC 11F
Leasable area	1,913.44㎡
Construction completion	Jul 1992

- Of the 4 sectional ownership compartments, 1 compartment is vacant.
- An application for leasing has been received from 1 tenant candidate.

Dec 2021	Jan 2022	Jun 2023 (見込)
100.0 %	74.9 %	100.0 %

3. Operating results for the 14th fiscal period ended January 2023 (5)

- Retail -

- ◆ Basic policy: The policy to sell suburban retail facilities is maintained/ Pursue maximization of profits during the holding period
- ◆ At Suroy Mall Chikushino, making efforts to **attract a supermarket** which has high effect of attracting customers, and considering **returning the leased land portion as a cost reduction measure.**

Operating results for Retail

<Retail Basic Information>

	Property name	Location	Number of tenants	Total floor area (㎡)	Occupancy rate (As of Jan 31, 2023)
Urban-type	BAGUS Ikebukuro West	Toshima Ward, Tokyo	1	1,497.45	100.0%
	Abeno nini (Retail)	Osaka city, Osaka	5	3,481.03	100.0%
Suburban-type	La Park Kishiwada	Kishiwada City, Osaka	53	40,774.23	99.4%
	Seiyu Minakuchi	Koka City, Shiga	1	23,814.87	100.0%
	Suroy Mall Chikushino	Chikushino City, Fukuoka	20	29,950.48	96.3%
			80	99,518.06	98.64%

<<14FP Actual>>

- Rent revenues have remained stable/ No changes to tenants other than as described below, and the impact of such changes is extremely limited.
Change of tenants (Lapark Kishiwada): 3 tenants cancelled (174.19㎡), 2 tenants newly contracted (137.65㎡).

<Key points of focus for 15th Forward>

- Suroy Mall Chikushino: Promote attracting a P and supermarket – attract new tenants to vacant spaces.

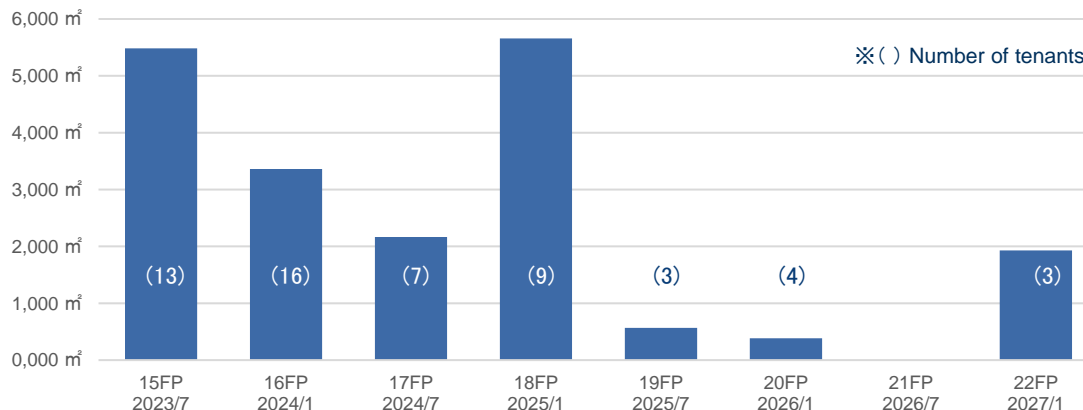
Suroy Mall Chikushino (Case Studies)



Acquisition price	6,550 mil.
Structure	S 2F
Leasable area	31,088.53㎡
Number of Tenants	20
Construction completion	Jun 2007

- Making efforts to **attract a supermarket** which can be an anchor tenant with high effect of attracting day-to-day visitors. It is assumed that operations will commence and rents will arise from the latter half of the **16th FP**.
Aim to increase occupancy rate in line with the opening of the supermarket (92.0% during the 15th fiscal period due to cancellations)
- As a cost reduction measure, considering return of leased land portion (the parking lot portion which has low usage rate).

Revision of Contract Period (based on floor area)



Asset management which contributes to the revitalization of the local community

- Collaborate with other businesses in the area and the municipality, and contribute to the neighboring areas and revitalized the local society by using held real estate properties.

La Park Kishiwada



Haruki Area Danjiri Festival
(provided as a resting place)



2022 Citizen's Movement
Promotion Council to Beautify the
Town

※ Extract tenants whose contracts will expire by the 22nd fiscal period; 27 tenants (contracted area: approx. 79,666.95㎡) in the 23rd fiscal period and thereafter

3. Operating results for the 14th fiscal period ended January 2023 (6)

- Residence -

- ◆ Occupancy rates during the 14th FP has transitioned at an average of **97% or more**/ Decision made to sell 1 of the single-type residences which have highly volatile occupancy rates.
- ◆ At family-type residences (exclusive area of 30m² or more), new **rent increases** have been achieved at both the timing of new entrants and contract renewals.

Operating results for residence

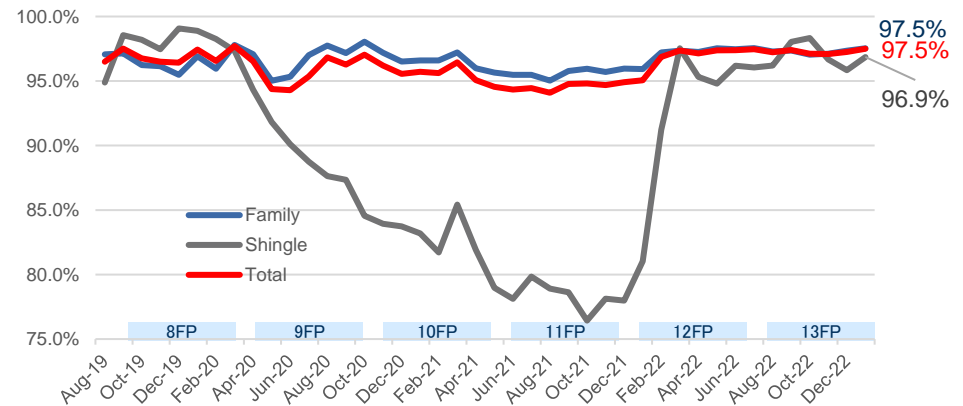
< 14FP Actual >

- Entering and leaving of tenants : Area move in (6,164.81m²) > Area move out (6,135.91m²)
- Entering and leaving, Rent Fee: Total rent (monthly amount) **+1,391,600 yen**

	Less than 30m ²		30m ² or more	
	Number of tenants	Total monthly amount	Number of tenants	Total monthly amount
New contract	32	△186,500 yen	86	+1,299,100 yen
Renewal	27	0 yen	247	+275,000 yen
Cancellation	28	—	85	—

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

Transition of occupancy rates



Example of measures to improve tenant satisfaction

■ Urban Park Mizonokuchi Installed a dog park ("dog run")

Vacant space within the site was effectively used and changed to a dog park for exclusive use by residents. Exclusive foot wash space and leash hook have been installed, and improvement of resident satisfaction was achieved.

< before >



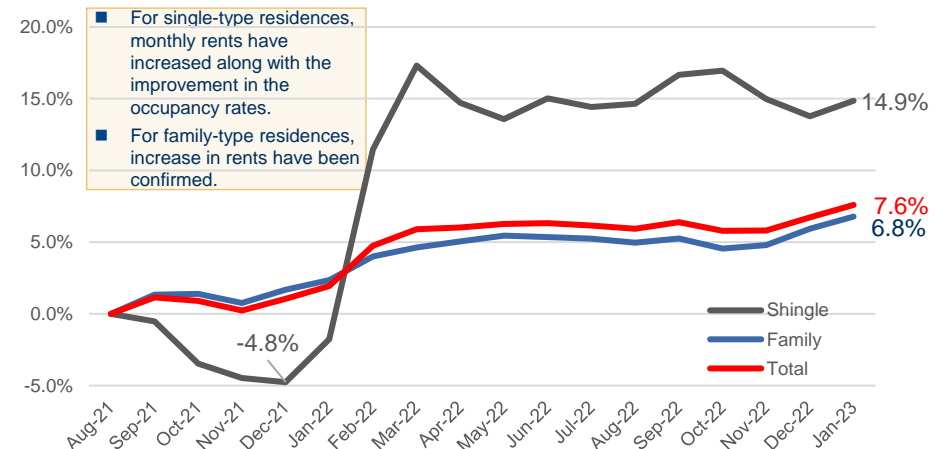
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※single-type housing : UP Namba, UP Gokokuji, UP Koenji

※ The "Transition of Gross Monthly Rents" has been calculated as the total amount of rents and common-use fees stated in the effective lease agreements at the end of each month, and indexing it to such amount as of the end of August 2018 (assuming such amount is 100). There are no changes in properties since August 2021.

Transition of total monthly rent



3. Operating results for the 14th fiscal period ended January 2023 (7)

- Logistics -

- ◆ Gain-on-sale generated from the sale of 1 property (8th asset replacement)
- ◆ Signed a building lease option agreement for **building extension**, which is expected to contribute to **improvement of revenues** in the 16th FP.

Operating results for Logistics

<14th fiscal period: actual performance >

- **Improvement of occupancy rates:** Attracted new tenant to vacant office space
- Logistics facilities portfolio: 97.8% → 98.6%

<Initiatives to be taken from 15th fiscal period and onward >

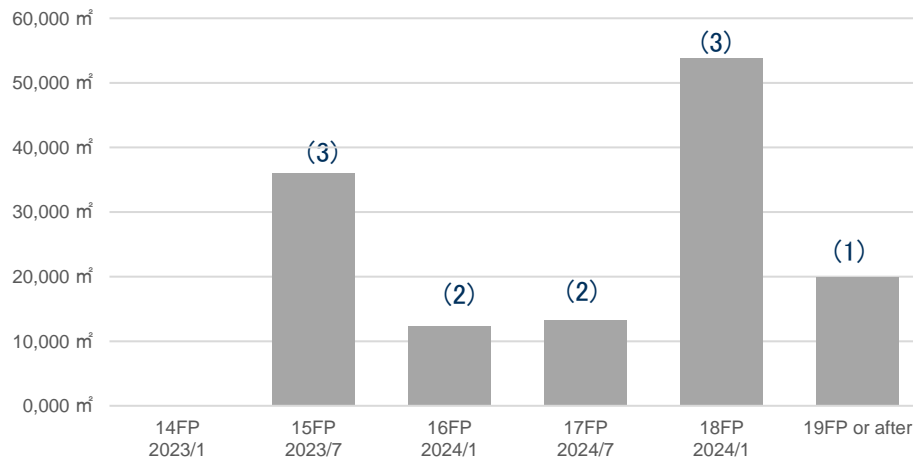
- Sale of Funabashi High-Tech Park Factory II (asset replacement) – **realize gain-on-sale**
- Funabashi High-Tech Park Factory I – **Sign a building lease option agreement, presupposing building extension.**
- Negotiate with tenants whose lease agreements will expire during the 15th FP.
 - 3 tenants (36,038.85m²): Renewal or re-contract under the same conditions (expected).
- For 1 property which is being used by 2 tenants, as the lease agreement for 1 of the tenants will be terminated (expected), the property will become a whole-building lease.
 - Although a free-rent period will be established, on a cruising basis, **revenues will increase** by around **+ 7 million yen / year**

Extension of Funabashi Hi-Tech Park Factory I

- Objective of building extension (revenue improvement measure)
Aim for “building extension” to utilize unused floor area ratio – Attempt to **increase rent revenues**.
- Rent revenue during the building extension period.
The current lease agreement (and current rent payments) will continue as is. **No downtime.**
- Progress status
Confirmation application already submitted/ Increased rentable area: 527.24m²
The contract for the building extension is under negotiation.
- Overview of the Building Lease Option Agreement
 - The agreement provides that after the extension works is completed, the building will be treated as a single building, and stipulates to amend the rent amount, leased area, and contract period etc. of the current lease agreement.
 - Establishes a non-cancellable period of 10 years
 - Assumed leased area after extension (Note 1) is a 5.7% increase from the current leased area.
 - Assumed monthly rent after extension (Note 2) is a 20.4% increase from the current monthly rent.

Revision of Rent and Contract Period

※ () Number of tenants



3. Operating results for the 14th fiscal period ended January 2023 (8)

- Hotels -

- ◆ Variable rent received from 2 tenants, “Smile Hotel Namba” and “KOKO HOTEL Osaka Namba” (Approximately 29,000 thousand yen).
- ◆ Clear recovery of business conditions of hotels - Rev PAR has recovered to pre-COVID 19 (2019) levels.

Hotel portfolio (9 properties)

<Status of 14th Fiscal Period>

- Collected fixed rent (as agreed) + Variable rent (from 2 hotels)
- The policy is to increase distributions reflecting the variable rents received, which was not anticipated in the initial forecast.
- Request for rent reduction (from 1 tenant) – request withdrawn
- Due to the effect of COVID-19, 1 hotel is still closed/ timing of resuming operations not yet determined – rents are received as agreed.

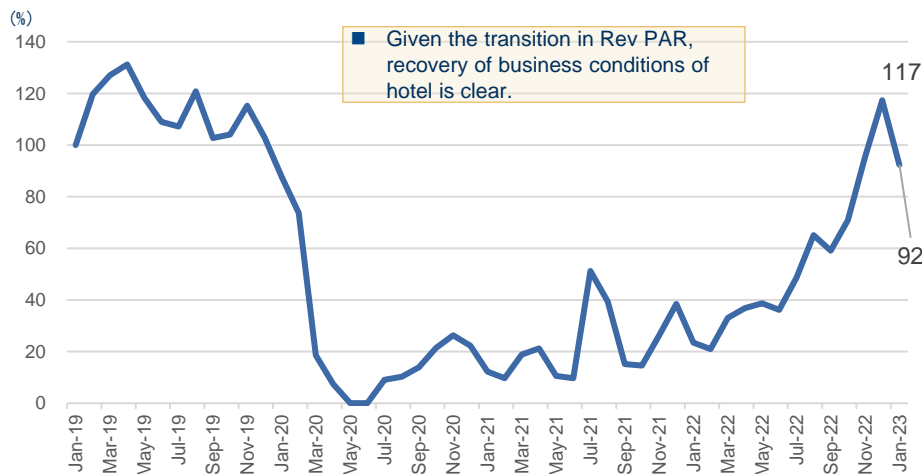
<Assumptions for 15th Fiscal Period and onward>

- Assumed that fixed rents will be received as agreed.
- Given the status of recovery of hotel operations, although there are seasonal factors, a certain level of variable rent revenues is anticipated.
- A variable rent component is included in the rent structure for 6 hotels, and upside is expected.

Continuing negotiations with the hotel operator of abeno nini (hotel) (for operator change)

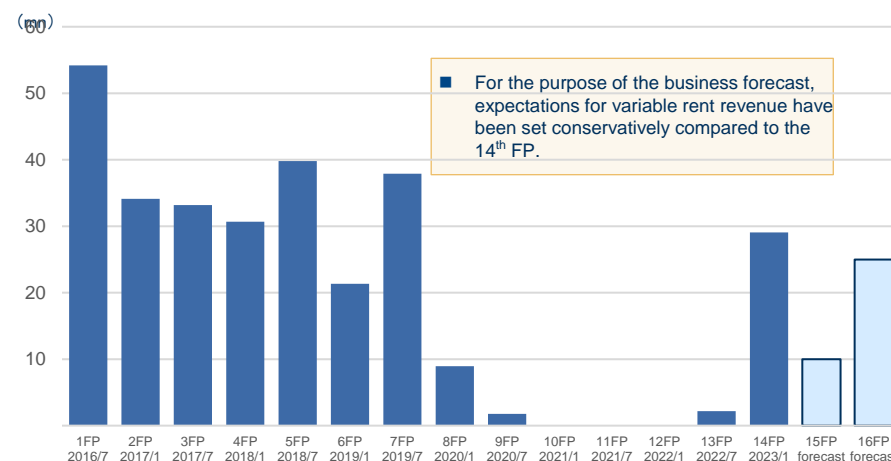
Name of Property	Acquisition Date	Fixed	Floating
R&B Hotel Umeda East	2016.4	○	—
Smile Hotel Namba	2016.4	○	○
REMBRANDT STYLE Tokyo Nishikasa	2017.3	○	○
BEST WESTERN Yokohama	2017.3	○	○
The BREAKFAST HOTEL FUKUOKA TENJIN	2018.8	○	○
GLANSIT AKIHABARA	2018.8	○	—
REMBRANDT STYLE Tokyo Nishikasai Grande	2018.8	○	○
KOKO HOTEL Osaka Namba	2018.8	—	○
abeno nini (Hotel)	2022.8	○	—

Rev PAR recovery



※ Rev PAR of 7 hotels whose operating conditions are known, averaged for each month since January 2019, and indexed with January 2019 as 100

Transition of Floating



3. Operating results for the 14th fiscal period ended January 2023 (9)

- Financial standing -

- ◆ The basic policy is to maintain LTV levels, increase long-term borrowings, and fix interest rates.
- ◆ Upon making borrowings, aim to fix interest rates while taking into account costs, in preparation for future interest rate increases.
/Diversify lenders (Explore opportunities to issue investment corporation bonds)

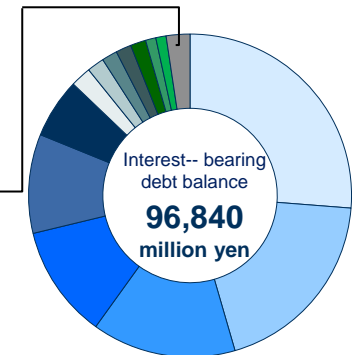
Main financial indicators (※1)

	13FP Jul 2022	14FP Jan 2023	As of Feb 20, 2023	As of Mar 14, 2023
LTV	46.3 %	46.4 %	—	—
Interest-- bearing debt balance	89,640 mil	96,840 mil	96,840 mil	96,840 mil
Long-term debt ratio	100.0 %	100.0 %	100.0 %	100.0 %
Average remaining period to maturity	3.0 years	2.9 years	3.4 years	3.3 years
Average borrowing period	5.1 years	5.1 years	5.1 years	5.1 years
Average interest rate (※2)	0.77 %	0.78 %	0.76 %	0.80 %
Fixed interest rate ratio	88.4 %	95.1 %	83.9%	95.1%

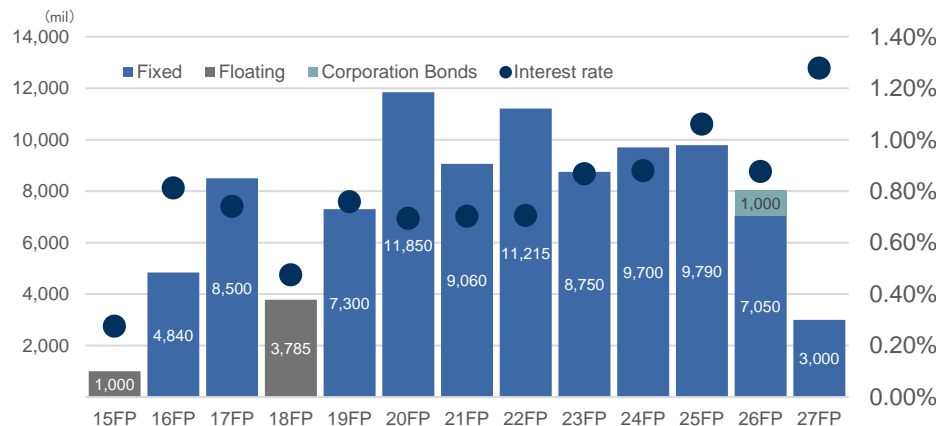
(※1) This describes the status including investment corporation bonds.(※2) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

Bank formation (as of Mar 14, 2023)

Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	26.2%	The Kiyo Bank, Ltd	1.5%
Mizuho Bank	19.3%	The Nishi-Nippon City Bank	1.5%
SBI Shinsei Bank	14.4%	The Chiba Bank, Ltd	1.0%
Sumitomo Mitsui Trust Bank	11.3%	Corporation Bonds	1.0%
Aozora Bank	9.9%	Mizuho Trust & Banking	0.8%
Resona Bank	6.0%	San-ju San Bank	0.5%
Minato Bank	2.1%	The Dai-ichi Life Insurance	0.5%
The Bank of Fukuoka	1.7%	Fukoku Mutual Life Insurance Company	0.5%
The Bank of Yokohama, Ltd.	1.5%		



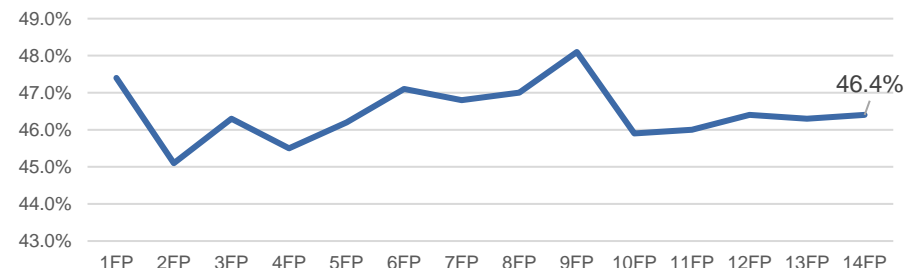
Diversification of repayment dates(as of Feb 20, 2023)




Credit Ratings

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

Transition of LTV



3. Operating results for the 14th fiscal period ended January 2023 (10)



- Capex Control –

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

Capex Management

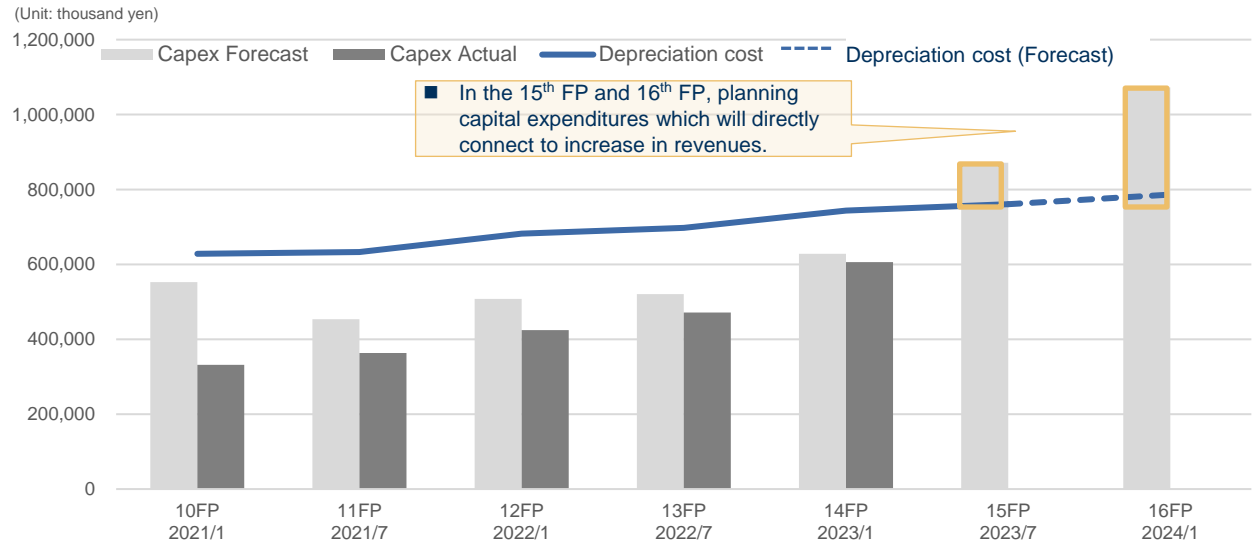
- Centrally manage budget planning and progress on Capex centered on the Sustainability Promotion Division
- Consider moving the plan forward depending on the budget exhaustion status and budget reduction status.

< Schedule of Capital Expenditures for the 15th fiscal period >

REMBRANT STYLE Tokyo Nishi-kasai Air-conditioning facilities renewal works	58 million yen
Seishin Building Entrance renewal construction works	50 million yen
planning capital expenditures which will directly connect to increase in revenues.	30 million yen

< Schedule of Capital Expenditures for the 16th fiscal period >

planning capital expenditures which will directly connect to increase in revenues.	Approximately 282 million yen
--	-------------------------------



(Unit: thousand yen)

	10FP Jan 2021 Actual	11FP Jul 2021 Actual	12FP Jan 2022 Actual	13FP Jul 2022 Actual	14FP Jan 2023 Actual	15FP Jul 2023 Forecast	16FP Jan 2024 Forecast
Depreciation cost	628,354	633,013	682,245	697,599	743,661	760,593	786,178
Capex Forecast	552,841	453,448	507,750	520,543	628,409	871,225	1,072,438
Capex Actual	331,901	363,439	424,722	471,534	605,932	—	—
Capex Budget reduction rate	40.0%	19.8%	16.4%	9.4%	3.6%	—	—
Capex ratio (Capex Actual/Depreciation cost)	52.8%	57.4%	62.3%	67.6%	81.5%	—	—
Repair cost (Actual/Forecast)	181,949	220,204	181,998	255,201	173,257	271,769	240,000
Number of Properties	53	53	60	60	63	62	61

4. Progression Status of Mid-Term Plan

4. Progression Status of Mid-Term Plan (1)

Progression Status of Mid-Term Plan

- ◆ In March 2021, the mid-term plan will set asset scale target: 300 billion yen and distribution growth target per unit: 1,600 yen.
- ◆ Progress: Asset scale: **194.8 billion yen** (as of August 31, 2022), distribution per unit: **1,500 yen** (forecasted cruising distribution)

Mid-Term Plan (Target year FY2026)

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

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

Progress status as of the end of Feb. 2023

Assets Size

As of the end of January 2023 **194.8** billion yen

Priority measures going forward:

- Expand asset size by gathering highly liquid middle-sized properties.
- Improve income stability by diversifying the portfolio.
- Think “outside the box” and consider all measures.
- Sponsor pipeline (The fund’s assets under management of JPY 205.7 billion, pursuit development deals)
- Find deals through the asset management company’s own unique network.
- Conduct asset replacements as necessary.

Distributions Per Unit

Cruising Distributions Per Unit **1,500** yen


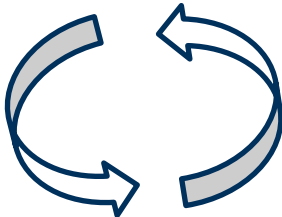
Priority measures going forward:

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

4. Progression Status of Mid-Term Plan (2)

8th asset replacement

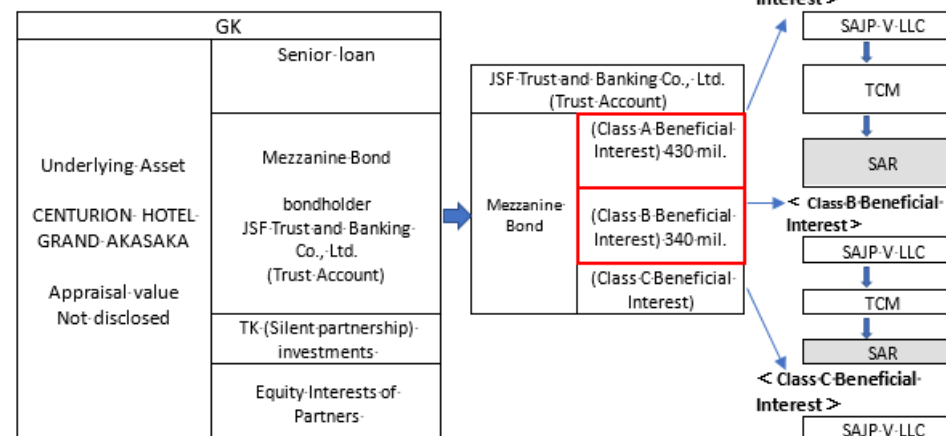
- ◆ Conducted sales activities, along with considering internal growth measures (building extensions, redevelopments). Selected sales opportunities where it was determined that gain-on-sale can be achieved and would contribute to maximization of unitholders' interests.
- ◆ Executed mezzanine loan debt investments with high dividend ratio, backed by a hotel asset in central Tokyo.

Transferred Asset		Asset (to be acquired)	
Property name	Funabashi Hi-Tech Park Factory II (Logistics) 	Name of asset	Star Asia Mezzanine Loan Debt Investment Series 8 <Underlying Asset> : CENTURION HOTEL GRAND AKASAKA
transfer date	Feb 20, 2023	(Planned) acquisition date	Class A Beneficial Interest: Aug 31, 2023 or such other date to be separately agreed by SAR and the seller. Class B Beneficial Interest: Feb 20, 2023
sales price	1,150 million yen	(Planned) Acquisition price	Class A Beneficial Interest: 430 million yen Class B Beneficial Interest: 340 million yen
Appraisal value	705 million yen	Dividend Yield	Class A Beneficial Interest: 3M TIBOR + 5.30% Class B Beneficial Interest: 3M TIBOR + 7.30%
Book value	689 million yen		
Gain of Sales	413 million yen		
NOI Yield	4.3 % (※)		
Verification for maximizing unitholders' profit	<ul style="list-style-type: none"> - Verification of potential for internal growth through utilization of unused floor space (expansion, redevelopment) - Realization of unrealized gains through sales - Increased distributions to unitholders 		

Effects of asset replacement

< Sale of asset >

- Realize gain-on-sale Approximately 413 million yen
- Received penalty money from the cancelation of fixed-term building lease agreements with existing tenants.
- Dividend ratios is 6.1% (Class A 5.3%, Class B 7.3%)
- Utilize support from sponsors and sub-sponsors

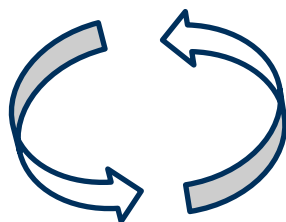


4. Progression Status of Mid-Term Plan (3)

9th asset replacement

- ◆ Plan to sell properties which are relatively unprofitable and with high volatility in occupancy rates, and realize gain-on-sale.
- ◆ Expecting to acquire preferred equity securities backed by a student residence asset which is anticipated to have improved profitability in the future (Right of first refusal already obtained).

Transferred Asset	
Property name	Urban Park Gokokuji (Residence) 
transfer date	Aug 31, 2023 or such other date to be separately agreed by SAR and the seller.
sales price	1,800 million yen
Appraisal value	1,570 million yen
Book value	1,494 million yen
Gain of Sales	271million yen
NOI Yield	3.7 % (※)
erification for maximizing unitholders' profit	<ul style="list-style-type: none"> - Various verifications including change of use with total renovation and measures to improve profitability through redevelopment - Projected increase in life-cycle costs in case of continuous holding - Potential for returns to unitholders through realization of gains on sales



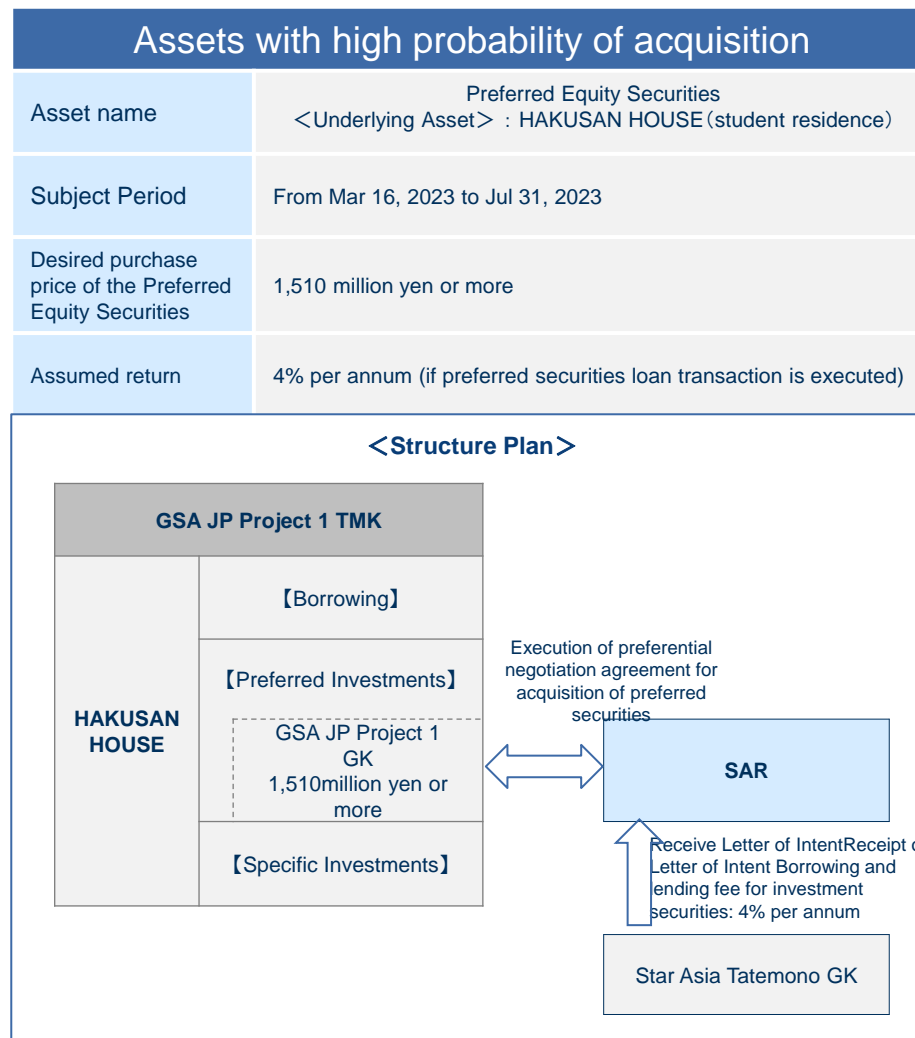
Effects of asset replacement

<Sale of Assets>

- Realize gains-on-sale Approximately 271 million yen
- Dispose of assets with highly volatile occupancy rates which are more than 30 years since construction.

<Purchase of Assets (assumed) >

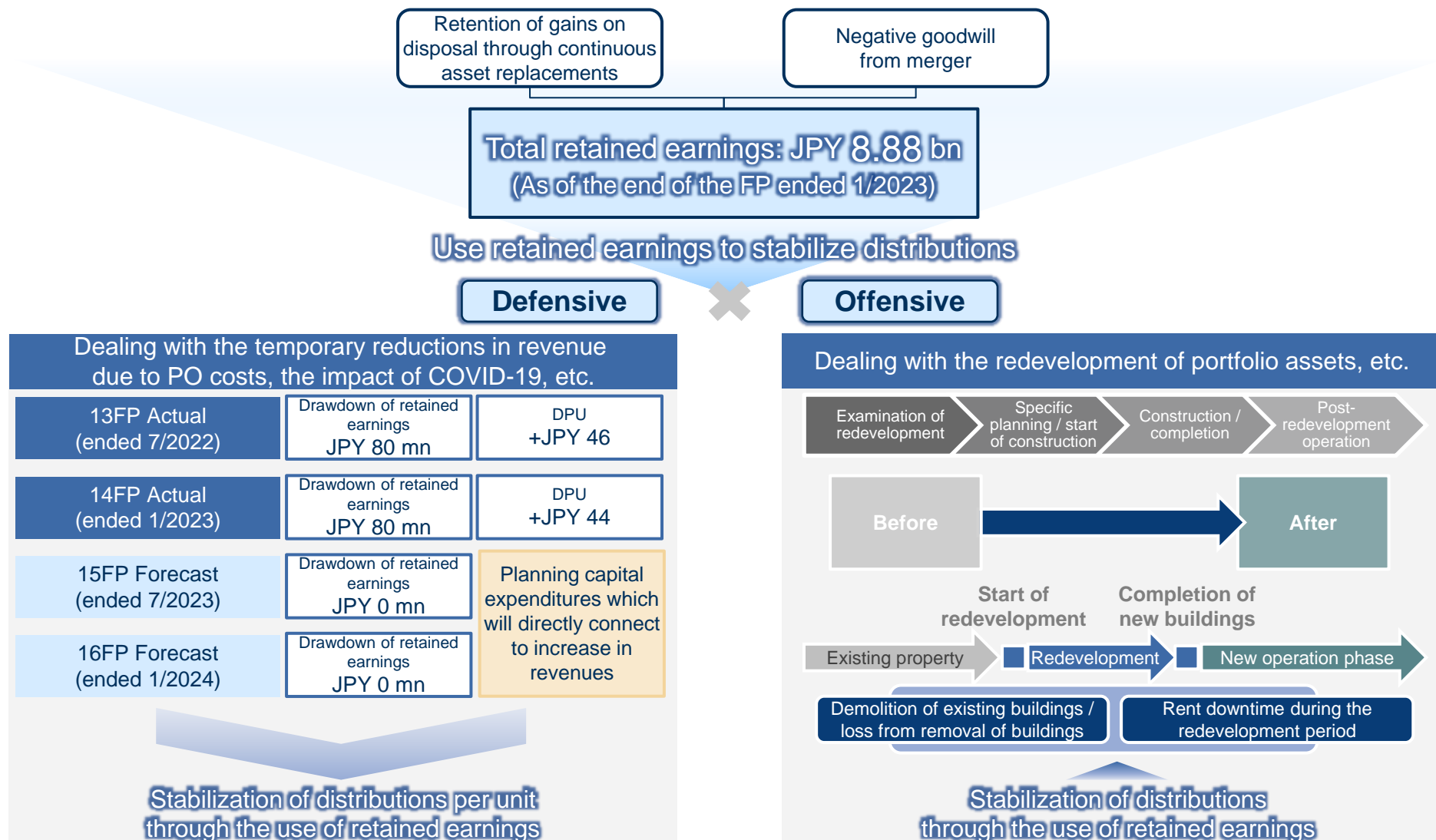
- Return for the near term to be stable Annual rate of 4%
- Anticipating improvement of revenues in conjunction with the increase in international students from abroad.



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

Utilization Policy of retained earnings

- ◆ Leverage retained earnings including **negative goodwill** to (1) counteract temporary reductions in revenue (**defensive use**) and (2) handle issues (loss from removal of buildings, rent downtime) with redevelopment, etc. of portfolio assets (**offensive use**), and maintain stable distributions



4. Progression Status of Mid-Term Plan (5)

Continuous Sponsor Support by Star Asia Group for the Growth of SAR

Star Asia Group's initiatives for development projects

- Star Asia Group will continue to engage in development projects

Student residences
developed by GSA Star Asia

Residential development
project in Kyoto city (Note 1)



HAKUSAN HOUSE



KAMIKITA HOUSE

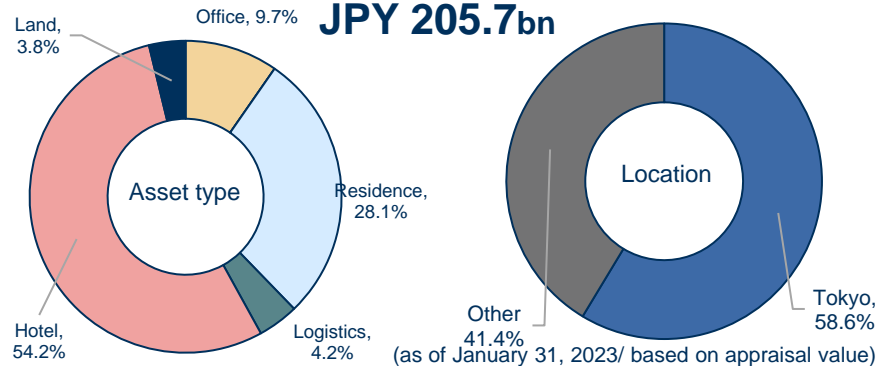


Urban Park
Kyoto Nishishichijo

Properties managed by Star Asia Group (Note 2)

- Star Asia Group operates many hotels for which revenue is expected to recover in future

Total appraisal value (Note 3)
JPY 205.7bn

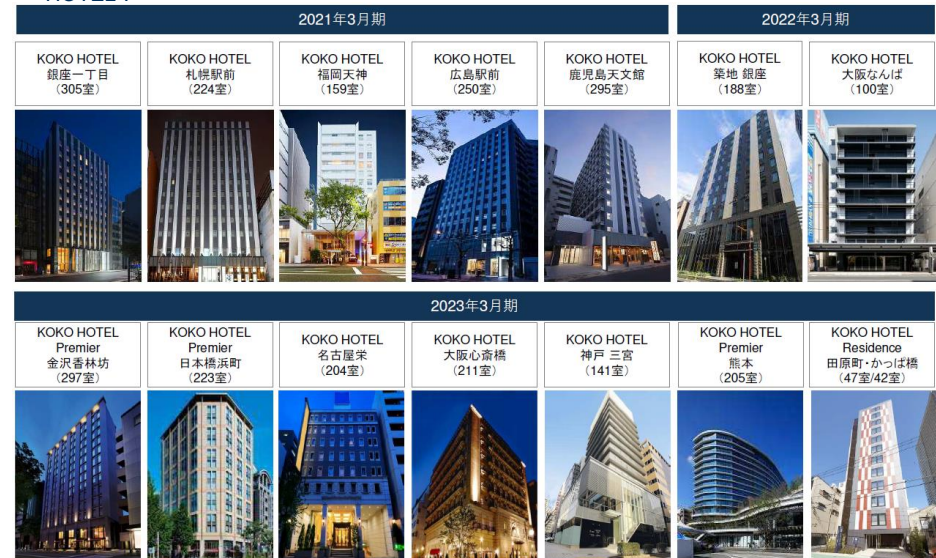


Polaris Holdings Co. Ltd.- Approach to Hotel Business

- Polaris is making efforts to renovate its revenue structure by leveraging on the real estate investment management know-how of Star Asia Group for hotel operations.
- As the owner and operator of the major accommodation-focused hotel brand "Red Planet", it has signed memorandums to acquire shares of the corporate group companies which it holds and operates.
- Due to this, the number of hotels operated by the Polaris Group is **44 buildings and 8,075 rooms**.



- By collaborating with Star Asia Group, it is stably expanding the number of hotels under its operation, through operator changes and rebranding the hotels to its own brand "KOKO HOTEL".



Expecting for expansion of SAR's pipeline

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

Amendment to the Management Guidelines

- ◆ Given the expansion of asset size, the degree of risk tolerance of the portfolio has increased. / Mainly consolidation of investment areas
- ◆ There are no change main investment policies ①Prioritized and concentrated investments in the Tokyo Area、②diversifying asset type ③Invest mainly in middle-sized assets

Concept of investment target areas

<Before amendment>

Area Classification	Specific Investment Target Areas	Investment Ratio
Tokyo Area	Tokyo 23 wards, Kawasaki-shi, Yokohama-shi	In principle, 70 % or more
	Tokyo, Kanagawa, Saitama, and Chiba prefectures	
Greater Tokyo Area	Main cities in Suburban Tokyo (other than the 23 wards), Kanagawa prefecture (excluding Kawasaki-shi and Yokohama-shi), and Saitama prefecture.	In principle, less than 30%
Osaka Area	Osaka-shi, Osaka prefecture (※)	
Nagoya Area	Nagoya-shi, Aichi prefecture (※)	
Fukuoka Area	Fukuoka-shi, Fukuoka prefecture (※)	
Sapporo Area	Sapporo-shi, Hokkaido prefecture	
Other ordinance-designated cities	Sendai-shi, Miyagi prefecture, Niigata-shi, Niigata prefecture, Kyoto-shi, Kyoto prefecture, Sakai-shi, Osaka prefecture, Kobe-shi, Kobe prefecture, Hiroshima-shi, Hiroshima prefecture, Kitakyushu-shi, Fukuoka prefecture	

<After amendment>

Area Classification		Specific Investment Target Areas	Investment Ratio
Tokyo Area		Tokyo, Kanagawa, Saitama, Chiba prefectures	In principle, 70 % or more
Major Metropolitan Areas	Osaka Area	Osaka-shi, Osaka prefecture (※)	In principle, less than 30%
	Nagoya Area	Nagoya-shi, Aichi prefecture (※)	
	Fukuoka Area	Fukuoka-shi, Fukuoka prefecture (※)	
	Ordinance-designated cities other than the above investment target areas		In principle, less than 10%

※ For residences and logistics facilities, also includes the neighboring areas
For logistics facilities, areas other than the above investment target areas can be invested in, if it is determined that tenant demand will be high in the mid- to long-term

Concept of investment target asset types

<Before amendment>

Area Classification	Area Type
Tokyo Area	Office, Retail
	Residence, Logistics, Hotel Student residence
Greater Tokyo Area	Office, Retail
Osaka Area	All asset types
Nagoya Area	All asset types
Fukuoka Area	All asset types
Sapporo Area	All asset types
Other ordinance-designated cities	All asset types

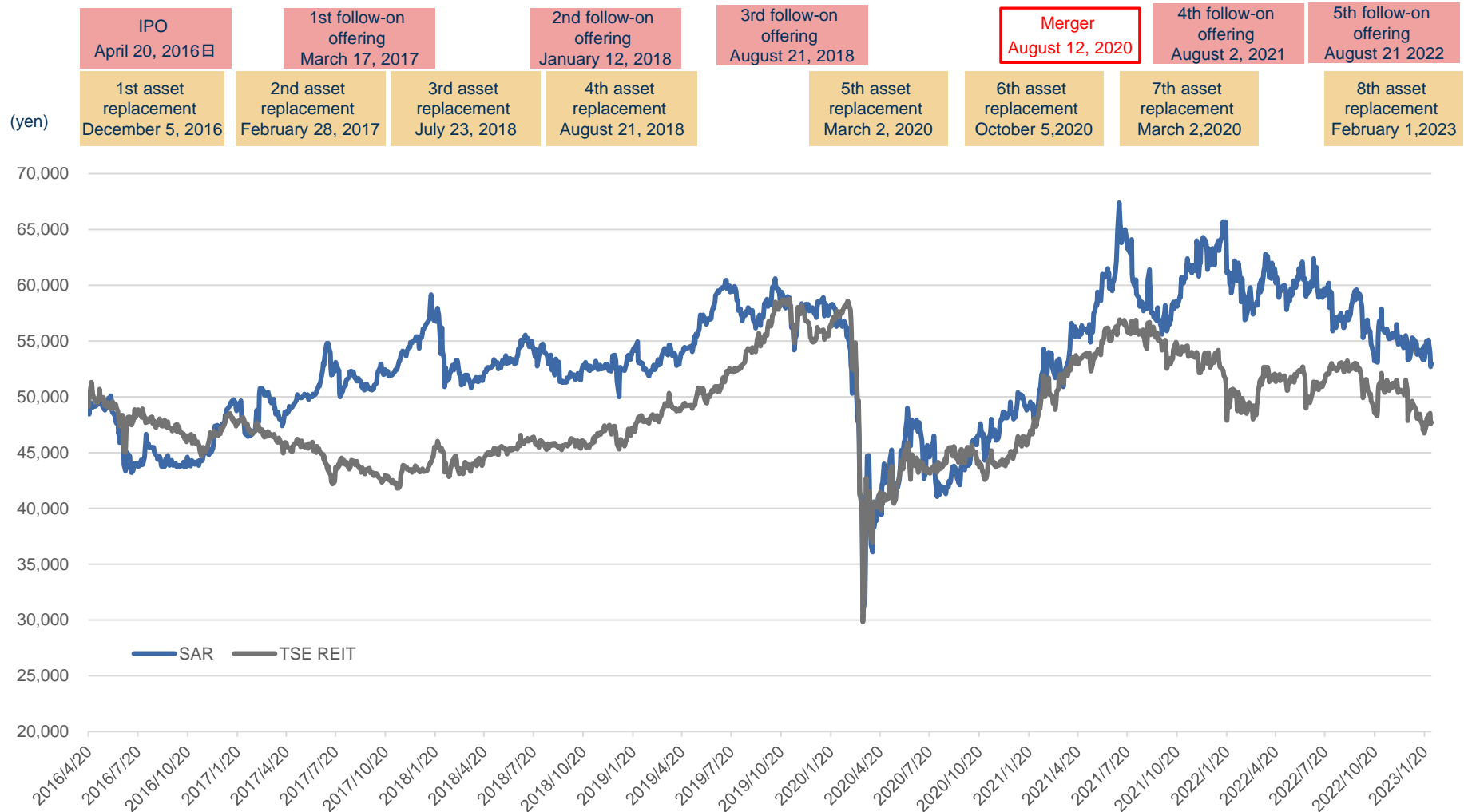
- No restrictions on investment in asset types based on previous area classifications
- In principle, the following asset types will be categorized, with each asset type accounting for no more than 50% of the portfolio
 - (1) Office (2) Retail (3) Residence (4) Logistics (5) Hotels (6) Student residences (7) Land with leasehold interest in each of the above asset types
 - (7) Conforms to the asset type of the building on the land
 - Investment in anonymous associations and mezzanine loan investment are based on the asset type of the subject property.
- However, the following exceptions are made
 - Acquisition by merger or in bulk
 - Possible to invest in areas other than those mentioned above, taking into consideration the location characteristics of the logistics facility (nearest consumption area, access to transportation infrastructure facilities such as airports, ports, and highway interchanges, etc.)

4. Progression Status of Mid-Term Plan (7)

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

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

Active management and investment unit price performance since listing



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

5. Initiatives on ESG

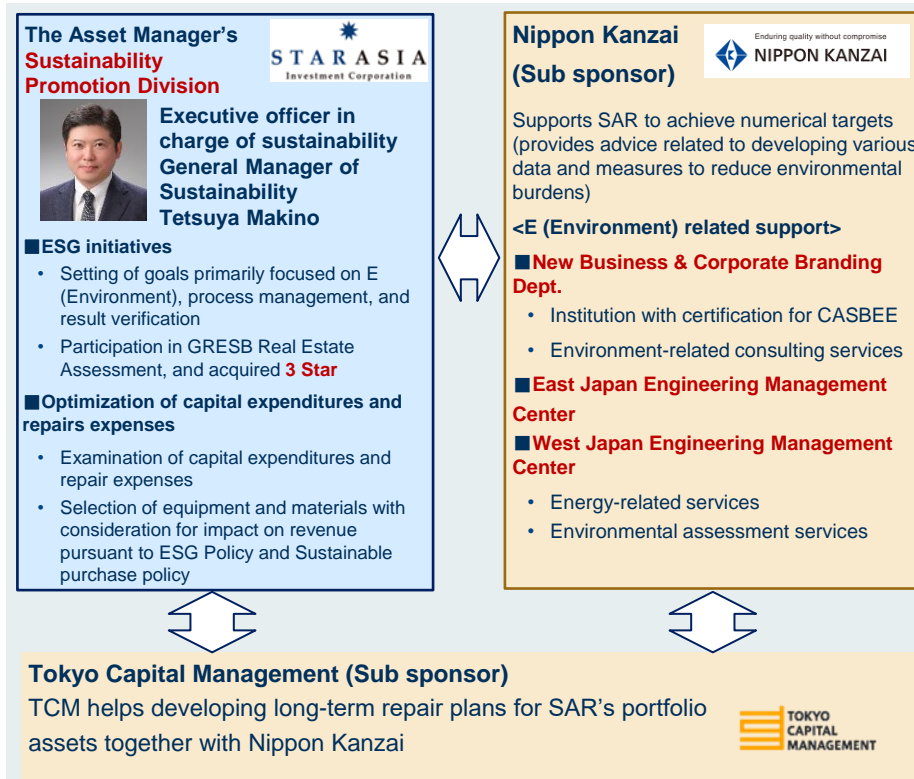
5. Initiatives on ESG (1)

Recent Topics regarding ESG Initiatives and ESG Promotion System

- ◆ As a part of ESG related initiatives, participated in the 2022 GRESB Real Estate Assessment ^(Note 1) and acquired **3-Star / Green Star**
- ◆ In order to further enhance ESG related initiatives, strengthen cooperation with the **sub-sponsors (Nippon Kanzai and Tokyo Capital Management)**

ESG promotion system

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



Aim to achieve E (Environment) related goals

GRESB Real Estate Assessment

<GRESB Real Estate Assessment>

- Star Asia Investment Corporation ("SAR") participated in the GRESB Real Estate Assessment in 2022, and acquired "3 Stars" rating.
- Furthermore, SAR obtained the "Green Star" which indicates that SAR is a participant which excels in both the "Management Component" which assesses the policy and organization structure for promoting ESG as well as the "Performance Component" which assesses environmental performance and tenant engagement of properties owned.
- SAR also received the highest "A Level" for the GRESB Public Disclosure, which assesses the width of our ESG disclosure.



<Initiatives on GRESB Real Estate Assessment>

Develop and organize data, led by the Sustainability Promotion Division and with the cooperation of Nippon Kanzai Group who is a sub-sponsor. We recognize that the purpose is not to receive high evaluation itself, but that it is important to make efforts towards achieving a better environment, a better society, and building a better governance structure.

5. Initiatives on ESG (2)

(Environment) related Numerical Goals and their Achievement Status

- ◆ As the occupancy rates of hotels recovered, both GHG emissions and energy consumption slightly increased compared to fiscal 2020, but decreased compared to fiscal 2019(Base year)
- ◆ We will aim for continued reduction by considering introducing highly efficient equipment and low carbon equipment at times of facilities renovation and renewal

E (Environment) Related Numerical Objectives and Actual Performance

GHG (Note 1) Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	Target year (2030)
GHG emissions	t-CO ₂	23,154.05	16,804.50	20,130.43	-
Scope 1	t-CO ₂	1,968.71	1,129.44	1,672.17	-
Scope 2	t-CO ₂	21,185.34	15,675.06	18,458.26	-
GHG emission intensity (Note 2)	t-CO ₂ /m ²	0.05712	0.04057	0.04097	0.05140
Reduction rate	%	-	-29.0%	-28.3%	-10.0%

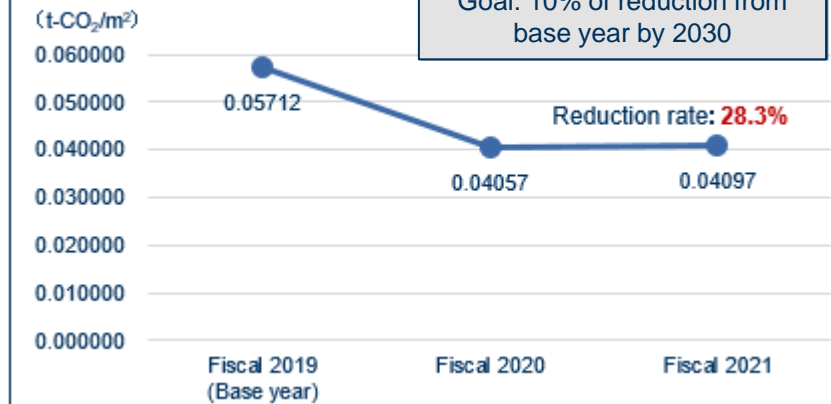
Crude oil equivalent usage Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	Target year (2030)
Crude oil equivalent usage amount	kL	11,220.81	9,156.34	11,234.60	-
Crude oil equivalent usage per unit	kL/m ²	0.02768	0.02210	0.02286	0.02491
Reduction rate	%	-	-20.1%	-17.4%	-10.0%

Energy Consumption Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	Target year (2030)
Energy Consumption	MWh	44,560.98	36,362.39	44,615.75	-
Energy Consumption per unit	MWh/m ²	0.10992	0.08778	0.09080	0.09893
Reduction rate	%	-	-20.1%	-17.4%	-10.0%

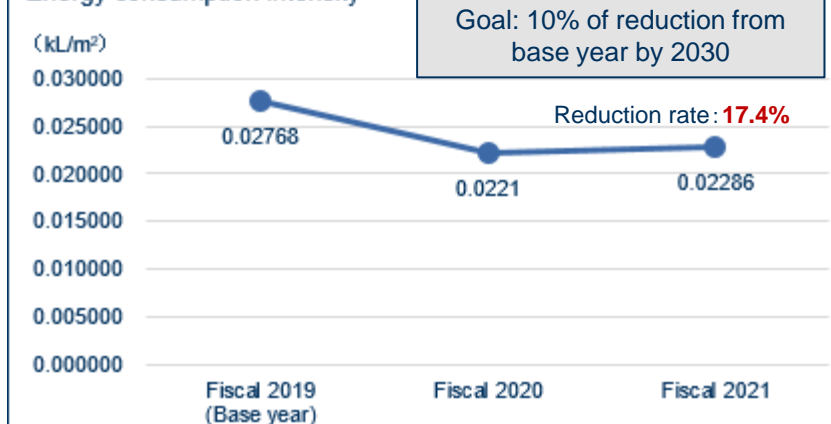
Water Consumption Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	Target year (2030)
Clean water usage	m ³	329,687.35	220,847.18	255,933.91	-
Clean water usage intensity	m ³ /m ²	0.8133	0.5331	0.5209	≤ 0.8133
Reduction rate	%	-	- 34.4%	- 36.0%	±0%

Waste Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	Target year (2030)
Waste emissions	t	2,693.27	1,656.50	3,164.05	-
Coverage rate	%	69.1%	65.1%	70.4%	-
Waste emissions intensity	t/m ²	9.61	6.14	9.14	≤ 9.61
Reduction rate	%	-	- 36.1%	- 4.9%	±0%

GHG emissions intensity



Energy consumption intensity



5. Initiatives on ESG (3)

Initiatives for E (Environment) and S (Society)

- ◆ In August 2022, "CASBEE Real Estate Certification" was acquired for "abeno nini (retail)". / Green loan was executed for the purpose of acquiring this property.
- ◆ As an initiative for S (=Society), in the fiscal year 2021, a tenant satisfaction survey has been conducted in wider scope. Considered ways to reflect the results of the survey in management and operations.

Receipt of environmental certification (as of Jan 31, 2023) and goals					
		Obtained			
		Property name	Asset type	Total floor area	Ratio (Note 1)
DBJ Green Building Certification (Note 2)	★★★	Baraki Logistics	Logistics	12,471.50 m ²	34.6 %
	★★	Honmachibashi Tower	Office	15,407.83 m ²	
		La Park Kishiwada	Retail	65,663.02 m ²	
		Urban Park Tokiwadai Koen	Residence	15,708.08 m ²	
		Urban Park Mitsuike Koen	Residence	10,918.37 m ²	
		Iwatsuki Logistics	Logistics	29,729.72 m ²	
	★	Seishin Building	Office	7,624.66 m ²	
		Seiyu Minakuchi	Retail	31,829.71 m ²	
BELS Certification (Note 3)	★★★	Urban Center Hakata	Office	3,566.56 m ²	1.0 %
	★★	Urban Park Miyamaedaira (Note 5)	Residence	2,039.17 m ²	
CASBEE Real Estate Certification (Note 4)	Rank S	Higashi-Kobe Center Building	Office	25,740.46 m ²	7.1 %
	Rank A	Urban Park Daikanyama	Residence	8,261.29 m ²	
		abeno nini (retail)	Retail	4,866.82 m ²	
Total計				233,827.19 m ²	42.7 %

Goals : 50% (2026)

Signing of green lease contracts (Note 6)

◆ Signing of green lease contracts

- Established policy for green lease agreement and added green lease clauses for 89 (+30) office tenants, 25 (+8) retail tenants, 6(+3) residence tenant, 6(+3) logistics tenants, and 2 hotel tenants. (16.7 % of leasable area)
- SAR plans to add the same clause to other properties

128 tenants

Total leased area **77,553.58** m²

Initiatives for S (Society)

◆ Initiatives for employees

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

◆ Displayed poster for Human Rights Week

- Displayed posters at held properties for the "74th Human Rights Week" promoted by the human rights protection institute of the Ministry of Justice.



◆ Tenant satisfaction surveys

- Tenant satisfaction surveys are conducted periodically in order to enhance tenant satisfaction

5. Initiatives on ESG (4)

Governance

Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 9.7% of the investment units of the Sponsor Group (as of Jan 31, 2023)
- Members of the Asset Manager also hold investment units

Star Asia Group (as of Jan 31, 2023)

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

Number of units
held in same-boat
investment:

186,832 units

<Founder of Star Asia>



Ownership:

9.7 %

Management team of the Asset Manager

- Hold SAR's units through the employee unit purchase plan
- Indicates a high level of commitment by the management team to the growth of SAR.
- Star Asia Group commences cumulative investment-units investment program.
- Akiko Kanno, Director and General Manager of the Finance Management Department, was approved as SAR's substitute executive officer at the October 2021 unitholders' meeting

Calculation Formula for Asset Management Fees

- Aim to further align interests with those of unitholders and increase the linkage to revenues from properties under management.

	Calculation Formula	13FP	14FP
Management fees I	Total valuation amount of managed assets × 0.2% (upper limit)	132,779 thousand yen	145,318,thousand yen
Management fees II	NOI × 7.5% (upper limit)	255,805 thousand yen	279,092,thousand yen
Acquisition fees	Acquisition price × 1.0% (upper limit) ※	4,000 thousand yen	15,140 thousand yen

■ Other fees

Transfer fee	Assignment price × 1.0% (upper limit) ※	—	—
Merger fee	Valuation amount of held assets × 1.0% (upper limit) ※	—	—

※: 0.5% if SAR transact with its interested parties.

Decision-making process

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



5. Initiatives on ESG (5)

Governance

Star Asia Group's Code of Conduct

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

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

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

1	Client First	2	Highest Ethical Standards and Integrity	3	Creativity	4	Respect for Others
We are rewarded only when we consistently meet and exceed our investor clients' expectations for the mandates they have given to us.		We always abide by the highest ethical standards and integrity. Unethical actions by an employee could easily destroy the group's long-standing reputation and trust.		We utilize our experience, persistence, and creativity to identify and monetize investment opportunities which may not be immediately apparent to our competitors.		We treat our investor clients, employees, trade counterparties, and vendors with the utmost respect, and always strive to be trustworthy partner.	
5	Collaborative and Cooperative Culture	6	Adaptability	7	Meritocracy	8	Endless Pursuit of Excellence
We succeed only when we work together by fully utilizing our collective strengths in a cooperative manner to serve our investor clients. The group's performance always exceeds the sum of our individual performances.		We stay nimble, proactive and critical, allowing us to adjust quickly as the market environment changes in order to continue to be a successful leader in the market where we do business.		We reward our employees for their specific personal performance as well as their contribution to the group and to investor client performance.		We will tirelessly pursue excellence not only for our investor clients but also for ourselves.	

6. Appendix

About Star Asia Group



Taro Masuyama
Co-Founder and
Managing Partner



Malcolm F. MacLean IV
Co-Founder and
Managing Partner

Founded by Taro Masuyama and Malcolm F. MacLean IV in 2006, Star Asia Group is an independent fund management company focused on Japanese real estate and real estate related assets (i.e., debt, equity, property, securitized assets, corporations, etc.)

- Since its founding, Star Asia Group has invested over JPY1,089 billion and has current assets under management of around JPY453 billion¹.
- Star Asia Group has 588 officers and employees² with over 55 professionals in finance, investment and real estate area in primarily in Japan and a few in the United States
- Star Asia Group's partners and employees share a long-term perspective and always operate under our Guiding Principles which continuously drive the group to become and remain one of the leading real estate investment management firms in Japan
- Star Asia Group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors
- Star Asia Group is committed to its disciplined Investment Philosophy with a single goal of meeting and exceeding our client's expectations for the mandates we are given

Star Asia Group

Listed J-REIT Asset manager	Star Asia Group					
	Private Fund Management	Asset Management	Property Development	Purpose Built Student Accommodation Operation	Publicly Traded Hospitality Operation & Development Company	Credit Investment
Star Asia Investment Management Co., Ltd.	Star Asia Management: <ul style="list-style-type: none"> Registered Investment Advisor with the US SEC Manages private funds including its flagship Star Asia Japan Special Situations funds Sponsors and supports entities providing strategic and technical advice as well as leadership resources 	Star Asia Asset Advisors: <ul style="list-style-type: none"> Registered for Financial Instruments Business (2nd Financial Instruments, Investment Advisory, Agency and Investment Management*) with Kanto Financial Bureau (*) Invest Management Business registered as of December 2021 Provides asset management, property management and brokerages services Warehouses properties for SAIC SAGL Advisors K.K. <ul style="list-style-type: none"> JV with Global Link Management Inc., an asset management company. (*) Registered Investment Advisory (June 2021) 	Star Asia Sogo Kaihatsu: <ul style="list-style-type: none"> Provides pipeline for GSASA, SAIC and Polaris Holdings 	GSA Star Asia: <ul style="list-style-type: none"> 50/50 JV with GSA Group, a pioneer in PBSA and operates in 8 countries including UK Develops and operates PBSA in Japan 	Polaris Holdings (TSE: 3010): <ul style="list-style-type: none"> Sponsored by Star Asia Group Develops and operates hospitality properties with 29 hotels and 5,022 rooms currently under management across Japan (as of September 2022) 	K.K. Star Asia Finance: <ul style="list-style-type: none"> Provide mezzanine non-recourse finance to 3rd party sponsored SPCs. Registered Money Lender and a Tax QII.
Star Asia Investment Corporation	Star Asia Group with expanding business provides strong support to SAR					

1. As of September 2022. US\$ = JPY144.74.
2. As of September 2022. Includes officers and employees of affiliated entities not shown above.

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

1

Research Focus

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

2

Market Inefficiencies

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

3

Maximizing and Unlocking Value

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

4

Specialization

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

5

Risk Control

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

6

Dependability, Transparency and Decisive Action

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

Status of Unitholders at the End of 14th Fiscal Period ended January 2023

Number of investment units by attribute: Total 1,921,689 units

Category	End of 13FP		End of 14FP	
	No. of investment units	Ratio	No. of investment units	Ratio
Individual	426,904	23.9%	489,943	25.5%
Financial institution	522,997	29.2%	629,816	32.8%
Domestic corporation	75,701	4.2%	69,783	3.6%
Foreign	688,657	38.5%	663,050	34.5%
Securities company	75,130	4.2%	69,097	3.6%
Total	1,789,389	100.0%	1,921,689	100.0%

Number of unitholders by attribute: Total 28,965

Category	End of 13FP		End of 14FP	
	No. of unitholders	Ratio	No. of unitholders	Ratio
Individual	25,558	97.3%	28,169	97.3%
Financial institution	42	0.2%	48	0.2%
Domestic corporation	353	1.3%	413	1.4%
Foreign	293	1.1%	309	1.1%
Securities company	27	0.1%	26	0.1%
Total	26,273	100.0%	28,965	100.0%

List of major unitholders (Top 10)

	Unitholder name	Number of investment units	Holding ratio
1	The Master Trust Bank of Japan, Ltd. (Trust account)	228,672	11.9 %
2	Custody Bank of Japan, Ltd. (Trust Account)	216,748	11.3 %
3	NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	82,368	4.3 %
4	The Nomura Trust and Banking Co., Ltd. (Trust Account)	81,847	4.3 %
5	Star Asia Capital I LLC	46,598	2.4 %
5	Star Asia Capital II LLC	46,598	2.4 %
5	Star Asia Capital III LLC	46,598	2.4 %
5	Star Asia Capital IV LLC	46,598	2.4 %
9	STATE STREET BANK AND TRUST COMPANY 505001	45,474	2.4 %
10	SSBTC CLIENT OMNIBUS ACCOUNT	28,351	1.5 %
Total		869,852	45.3 %

Star Asia Capital I ~IVLLC are Sponsor Group.

Change in business results

	9FP (ended Jul. 2020) actual	10FP (ended Jan. 2021) actual	11FP (ended Jul. 2021) actual	12FP (ended Jan. 2022) actual	13FP (ended Jul. 2022) actual	14FP (ended Jan. 2023) forecast (※1)	14FP (ended Jan. 2023) actual	Comparison with forecast
Lease business revenue	3,314	5,648	5,536	5,890	6,060	6,363	6,463	99
Office rent	1,163	1,895	1,807	1,900	1,974	2,056	2,036	△20
Retail rent	-	848	790	842	847	1,035	1,038	3
Residence rent	512	889	1,023	1,152	1,215	1,216	1,225	9
Logistics rent	887	974	909	910	910	914	914	0
Hotel rent	445	423	424	425	426	503	537	34
Other	306	616	582	660	686	637	710	72
Expenses related to rent business (Depreciation is excluded)	741	1,550	1,556	1,629	1,796	1,804	1,812	8
NOI	2,573	4,097	3,980	4,261	4,263	4,559	4,650	91
Depreciation	432	628	633	682	697	734	743	8
Rent revenues/expenses	2,141	3,469	3,347	3,579	3,565	3,824	3,907	82
Mezzanine	25	24	24	22	28	24	22	△1
TK distribution	7	5	-	46	-	-	-	-
Gain on sale of real estate property	648	993	-	-	-	-	-	-
Loss on sales of real estate property	-	19	-	-	-	-	-	-
SGA	690	1,096	532	560	546	585	580	△5
Operating income	2,131	3,376	2,838	3,087	3,047	3,263	3,349	86
Non-operating income	3	4	3	1	2	-	1	1
Non-operating expenses	278	469	434	571	489	576	568	△7
Ordinary income	1,857	2,911	2,407	2,517	2,560	2,686	2,782	95
Extraordinary income	-	8,891	-	-	-	-	-	-
Net income	1,857	11,801	2,407	2,516	2,559	2,686	2,781	95
Cash distribution per unit	3,436 yen	1,676 yen	1,462 yen	1,478 yen	1,476 yen	1,476 yen	1,491 yen	15 yen
FFO per unit※2	3,033 yen	1,531 yen	1,815 yen	1,787 yen	1,820 yen	1,780 yen	1,834 yen	54 yen
Balance of Internal reserves ※3	140	9,135	9,095	8,967	8,886	8,735	8,802	66

(※1) announced in the 13th FP financial briefing report (2022/9/13). (※2) The 10th FP FFO per unit has been calculated excluding gains from negative goodwill. (※3) The balance of internal reserves is calculated as the total of the temporary difference adjustment reserve plus unappropriated retained earnings as of the end of the period, minus distributions of profits for the period.

Balance Sheets

	13th fiscal period (As of July 31, 2022)	14th fiscal period (As of January 31, 2023)
Assets		
Current assets		
Cash and deposits	4,265,178	3,488,637
Cash and deposits in trust	8,075,474	8,549,954
Operating accounts receivable	137,598	147,713
Prepaid expenses	196,009	211,249
Consumption taxes receivable	-	181,189
Other	9,011	7,000
Total current assets	12,683,272	12,585,743
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(100)	(114)
Tools, furniture and fixtures, net	14	0
Buildings in trust	53,471,574	56,299,699
Accumulated depreciation	(5,441,732)	(6,169,727)
Buildings in trust, net	48,029,841	50,129,971
Structures in trust	21,640	25,348
Accumulated depreciation	(5,856)	(6,646)
Structures in trust, net	15,784	18,702
Machinery and equipment in trust	119,343	163,565
Accumulated depreciation	(28,905)	(35,247)
Machinery and equipment in trust, net	90,437	128,318
Tools, furniture and fixtures in trust	100,966	125,782
Accumulated depreciation	(30,688)	(39,013)
Tools, furniture and fixtures in trust, net	70,278	86,768
Land in trust	127,283,507	140,397,333
Construction in progress in trust	-	1,282
Total property, plant and equipment	175,489,864	190,762,377
Intangible assets		
Leasehold rights in trust	4,082,300	4,082,300
Total intangible assets	4,082,300	4,082,300
Investments and other assets		
Investment securities	800,000	400,000
Long-term prepaid expenses	337,433	330,923
Leasehold and guarantee deposits	10,359	10,359
Other	45,353	533,969
Total investments and other assets	1,193,146	1,275,251
Total non-current assets	180,765,311	196,119,929
Deferred assets		
Investment corporation bond issuance costs	12,583	11,563
Investment unit issuance costs	27,375	49,370
Total deferred assets	39,959	60,933
Total assets	193,488,543	208,766,606

	13th fiscal period (As of July 31, 2022)	14th fiscal period (As of January 31, 2023)
Liabilities		
Current liabilities		
Operating accounts payable	662,398	906,069
Current portion of long-term borrowings	16,390,000	15,630,000
Accounts payable - other	495,977	539,516
Accrued expenses	59,099	77,453
Income taxes payable	605	605
Accrued consumption taxes	234,089	47,405
Advances received	974,728	1,019,524
Other	36,804	34,899
Total current liabilities	18,853,703	18,255,474
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term borrowings	72,250,000	80,210,000
Leasehold and guarantee deposits received	5,187	5,880
Leasehold and guarantee deposits received in trust	5,559,508	5,840,152
Other	16,759	-
Total non-current liabilities	78,831,455	87,056,032
Total liabilities	97,685,158	105,311,507
Net assets		
Unitholders' equity		
Unitholders' capital	59,115,701	66,123,367
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	8,713,411	8,624,499
Total voluntary reserve	8,713,411	8,624,499
Unappropriated retained earnings (undisposed loss)	2,813,756	3,043,461
Total surplus	36,659,386	36,800,179
Total unitholders' equity	95,775,087	102,923,546
Valuation and translation adjustments		
Deferred gains or losses on hedges	28,297	531,551
Total valuation and translation adjustments	28,297	531,551
Total net assets	95,803,384	103,455,098
Total liabilities and net assets	193,488,543	208,766,606

Statement of Income

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Operating revenue		
Rental revenue	5,611,196	5,995,567
Other lease business revenue	449,218	467,828
Other revenue	28,525	22,857
Total operating revenue	6,088,939	6,486,253
Operating expenses		
Expenses related to rent business	2,494,593	2,556,151
Asset management fee	392,584	424,410
Asset custody and administrative service fees	38,428	40,528
Directors' compensations	2,400	2,400
Other operating expenses	113,213	113,204
Total operating expenses	3,041,220	3,136,696
Operating income	3,047,719	3,349,557
Non-operating income		
Interest income	55	56
Reversal of unpaid distribution	1,470	1,476
Interest on refund	262	1
Gain on donation of non-current assets	516	-
Total non-operating income	2,305	1,534
Non-operating expenses		
Interest expenses	338,087	372,916
Interest expenses on investment corporation bonds	3,500	3,500
Borrowing related expenses	140,164	178,507
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	6,843	12,611
Total non-operating expenses	489,615	568,555
Ordinary income	2,560,409	2,782,535
Income before income taxes	2,560,409	2,782,535
Income taxes - current	605	605
Total income taxes	605	605
Net income	2,559,804	2,781,930
Retained earnings brought forward	253,951	261,530
Unappropriated retained earnings (undisposed loss)	2,813,756	3,043,461

Portfolio List (as of Jan 31, 2023)

< Property >

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 13 FP(mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Office	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	3,040	1.5	4.7
	Honmachibashi Tower	Osaka City, Osaka	6,065	7,090	3.1	5.1
	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	2,660	0.9	6.8
	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	3,290	1.0	5.6
	Asahi Building	Yokohama City, Kanagawa	6,320	8,390	3.2	4.9
	Hakata-eki East Place	Fukuoka City, Fukuoka	2,286	3,140	1.2	6.4
	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1,500	0.7	4.5
	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2,790	1.3	4.0
	Higashi Kobe Center Building	Kobe City, Hyogo	7,440	7,320	3.8	5.4
	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1,240	0.5	4.0
	Seishin Building	Shinjuku Ward, Tokyo	11,200	11,700	5.7	3.6
	Urban Center Kanda Suda cho	Chiyoda Ward, Tokyo	5,350	5,440	2.7	3.7
	Urban Center Kanda	Chiyoda Ward, Tokyo	4,590	4,630	2.4	3.8
	Takadanobaba Access	Shinjuku Ward, Tokyo	3,990	3,990	2.0	3.9
	Azabu Amerex Building	Minato Ward, Tokyo	2,780	2,910	1.4	3.7
	Hiei-Kudan Building	Chiyoda Ward, Tokyo	2,400	2,390	1.2	3.6
	Undab Center Shin-Yokohama	Yokohama City, Kanagawa	2,300	2,590	1.2	5.0
	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	1,490	0.8	3.8
	Urban Center Tachikawa	Tachikawa City, Tokyo	1,804	1,980	0.9	5.2
	Urban Center Hakata	Fukuoka City, Fukuoka	2,870	3,200	1.5	4.4
	Urban Center Fujisawa	Fujisawa City, Kanagawa	2,054	2,200	1.1	5.6
	Subtotal		74,787	82,980	38.4	4.5
Retail	La Park Kishiwada	Kishiwada City, Osaka	5,400	5,240	2.8	7.1
	Suroy Mall Chikushino	Chikushino City, Fukuoka	6,550	6,290	3.4	5.6
	Seiyu Minakuchi	Koka City, Shiga	3,320	3,330	1.7	7.4
	BAGUS Ikebukuro West	Toshima Ward, Tokyo	2,984	3,410	1.5	4.1
	abeno nini (Retail)	Osaka City, Osaka	9,500	10,100	4.9	4.1
	Subtotal		27,754	28,370	14.2	5.5

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 13 FP(mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Residence	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2,930	1.0	4.4
	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	10,100	3.2	4.8
	Urban Park Namba	Osaka City, Osaka	1,490	1,550	0.8	5.0
	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1,570	0.7	4.2
	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1,200	0.6	4.9
	Urban Park Ryokuchi-koen	Suita City, Osaka	1,550	1,720	0.8	5.7
	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1,180	0.6	4.5
	Urban Park Ichigao	Yokohama City, Kanagawa	1,810	2,170	0.9	4.8
	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	1,600	0.7	4.7
	Shiroi Logiman	Shiroi City, Chiba	2,470	2,520	1.3	5.7
	Urban Park Sekime	Osaka City, Osaka	2,150	2,460	1.1	5.3
	Urban Park Imazato	Osaka City, Osaka	993	1,100	0.5	5.4
	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	1,990	0.9	3.6
	Urban Park Tokiwadai Koen	Yokohama City, Kanagawa	3,506	3,960	1.8	5.3
	Urban Park Mitsuike Koen	Yokohama City, Kanagawa	3,160	3,580	1.6	5.4
	Urban Park Ryogoku	Sumida Ward, Tokyo	1,115	1,280	0.6	4.6
	Urban Park Mizonokuchi	Kawasaki City, Kanagawa	2,019	2,100	1.0	4.8
	Urban Park Miyamaedaira	Kawasaki City, Kanagawa	1,060	1,260	0.5	5.0
	Urban Park Tsurumi	Yokohama City, Kanagawa	1,113	1,190	0.6	4.9
	Subtotal		37,779	45,460	19.4	4.9
Logistics	Iwatsuki Logistics	Saitama City, Saitama	6,942	7,690	3.6	4.8
	Yokohama Logistics	Yokohama City, Kanagawa	3,560	4,340	1.8	5.7
	Funabashi Logistics	Funabashi City, Chiba	7,875	8,930	4.0	5.3
	Baraki Logistics	Ichikawa City, Chiba	4,700	5,030	2.4	3.9
	Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	1,550	0.7	5.8
	Funabashi Nishiura Logistics I	Funabashi City, Chiba	821	891	0.4	7.0
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	2,755	3,240	1.4	5.7
	Funabashi Hi-Tech Park I	Funabashi City, Chiba	1,710	1,710	0.9	6.5
	Funabashi Hi-Tech Park II	Funabashi City, Chiba	702	705	0.4	6.8
	Subtotal		30,365	34,086	15.6	5.2

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

Portfolio List (as of Jan 31, 2023)

< Property >

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 13 FP(mill)	Investment ratio (%)	Appraisal NOI yield (%) (※1)
Hotel	R&B Hotel Umeda East	Osaka City, Osaka	2,069	2,280	1.1	5.5
	Smile Hotel Namba	Osaka City, Osaka	1,750	1,440	0.9	4.3
	REMBRANT STYLE Tokyo Nishi-kasai	Edogawa Ward, Tokyo	3,827	3,470	2.0	4.2
	Best Western Yokohama	Yokohama City, Kanagawa	3,248	3,210	1.7	4.5
	The BREAKFAST HOTEL Fukuoka Tenjin	Fukuoka City, Fukuoka	1,970	1,920	1.0	4.4
	GLANSIT Akihabara	Chiyoda Ward, Tokyo	2,500	2,440	1.3	3.9
	REMBRANT STYLE Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3,140	1.6	4.0
	KOKO HOTEL Namba	Osaka City, Osaka	2,000	1,420	1.0	3.6
	abeni nini (Hotel)	Osaka City, Osaka	3,600	3,690	1.8	4.9
	Subtotal		24,144	23,010	12.4	4.4
Subtotal			194,829	213,906	100.0	4.8

Period-end appraisal value : 194,829 million yen

Total book value : 194,843 million yen

Period-end unrealized gains (losses) : 19,062million yen

Net assets per unit : 53,835 yen

Unrealized gains per unit : 9,919 yen

NAV per unit (※1) : 62,264 yen

P/NAV per (※2) : 0.85

(※1) NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding (※2) P/NAV per = Investment unit price / NAV per unit (Investment unit price on January 31, 2023: 52,700 yen)

< Mezzanine loan debt investment >

	Type	Name of the security (asset overview)	Period- end book value	Underlying asset, etc.		Interest rate (※2)
				Asset name	Location	
Mezzanine	Mezzanine (Subordina ted bonds)	Star Asia Mezzanine Loan Debt Investment Series 7	400 million yen	Relief Premium Haneda	Ota-ku, Tokyo	Base rate +5.0%
	Mezzanine Total		400			
Subtotal			400			

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

※2 The base interest rate : JBA 3-month yen TIBOR

Balance of Payments of Individual Properties (1)

Asset Type	OFC-01		OFC-03		OFC-04		OFC-06		OFC-08		OFC-09	
Property name	Minami-Azabu Shibuya Building		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Shibuya MK Building		Asahi Building		Hakata-eki East Place	
												
Acquisition price	2,973 million yen		6,065 million yen		1,763 million yen		2,042 million yen		6,320 million yen		2,286 million yen	
Appraisal value	3,070 million yen		7,070 million yen		2,650 million yen		3,290 million yen		8,280 million yen		3,050 million yen	
Structure/Floors	SRC B1/7F		S/SRC B1/21F		SRC B1/9F		S 6F		S・SRC B2/12F		SRC 9F	
Location	Minato Ward, Tokyo		Osaka City, Osaka		Shibuya Ward, Tokyo		Shibuya Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka	
Lot area	766.11㎡		1,274.37㎡		589.94㎡(surface right)		620.42㎡(of which 2.62 m² leasehold)		1,096.86㎡		1,129.86㎡	
Total floor areas	4,137.21㎡		15,407.83㎡		5,117.80㎡		1,982.86㎡		12,353.83㎡		6,243.13㎡	
Construction completion	June 15, 1993		February 8, 2010		May 28, 1987		July 31, 1993		November 25, 1994		February 24, 1986	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	98,919	102,768	237,698	250,354	101,740	119,608	76,808	70,716	229,194	235,651	114,885	115,873
Lease business revenue	90,068	90,117	209,238	214,898	93,535	104,825	72,525	66,970	211,318	211,725	104,408	104,943
Other lease business revenue	8,850	12,651	28,459	35,456	8,204	14,783	4,282	3,745	17,875	23,926	10,477	10,929
Total operating expenses from real estate leasing	28,957	31,128	69,825	73,322	35,154	38,199	17,545	13,300	55,598	70,952	28,629	29,616
Management fee	6,002	5,949	13,860	14,425	6,699	7,093	4,726	4,888	14,778	14,802	8,252	8,328
Utilities expenses	6,080	7,971	23,844	32,481	7,573	12,785	3,194	3,118	21,144	29,209	7,368	8,937
Taxes and dues	4,498	4,496	19,807	19,807	3,445	3,445	4,418	4,418	15,952	15,952	7,321	7,321
Repair expenses	1,280	763	3,130	4,192	1,615	264	1,435	382	2,153	9,640	3,987	2,964
Trust fee	400	391	400	400	400	400	350	350	400	400	400	400
Insurance premium	148	150	457	465	164	167	57	58	479	487	216	219
Other expenses	10,546	11,404	8,324	1,550	15,255	14,044	3,363	84	689	460	1,083	1,444
NOI	69,961	71,640	167,872	177,032	66,585	81,408	59,263	57,415	173,595	164,699	86,256	86,257
Depreciation	12,655	13,261	45,504	45,454	10,534	10,613	3,761	3,942	29,378	29,879	10,447	12,087
Operating income (loss) from real estate leasing	57,306	58,379	122,368	131,577	56,051	70,795	55,502	53,473	144,217	134,819	75,808	74,170
Capital expenditures	1,239	39,923	-	460	2,691	4,057	5,835	1,880	6,527	47,448	65,182	37,840
NCF	68,722	31,717	167,872	176,571	63,894	77,351	53,428	55,535	167,067	117,250	21,073	48,416
Period-end book value	2,953,564	2,980,226	5,641,870	5,596,876	1,810,344	1,803,151	2,091,197	2,089,136	6,276,434	6,294,003	2,400,125	2,425,878

Balance of Payments of Individual Properties (2)




Asset Type	OFC-10		OFC-11		OFC-12		OFC-13		OFC-14		OFC-15	
Property name	Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan		Higashi Kobe Center Building		Amusement Media Gakuin Shinkan		Seishin Building		Urban Center Kanda Suda-cho	
												
Acquisition price	1,450 million yen		2,580 million yen		7,440 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
Appraisal value	1,500 million yen		2,790 million yen		7,390 million yen		1,240 million yen		11,700 million yen		5,440 million yen	
Structure/Floors	SRC 11F		SRC S 8F/B1F		SRC 14F		RC7F		SRC 10F/1B		SRC 10F/1B	
Location	Chuo Ward, Tokyo		Shibuya Ward, Tokyo K		Kobe City, Hyogo		Shibuya Ward, Tokyo		Shinjyuku Ward, Tokyo		Chiyoda Ward, Tokyo	
Lot area	319.04㎡ <small>Number derived by multiplying the ratio of holdings</small>		433.21㎡		8,488.11㎡		203.43㎡		886.93㎡		590.72㎡	
Total floor areas	2,383.76㎡ <small>Number derived by multiplying the ratio of holdings</small>		1,892.18㎡		25,740.46㎡		913.71㎡		7,624.66㎡		4,994.70㎡	
Construction completion	July 13, 1992		November 2, 1994		January 6, 1992		January 25, 1999		March 31, 1989		October 28, 1991	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	39,904	39,904	(*)	(*)	298,919	316,441	(*)	(*)	252,394	207,083	139,829	145,353
Lease business revenue	39,904	39,904			272,990	278,559			235,569	187,065	131,858	135,305
Other lease business revenue	-	-			25,929	37,882			16,824	20,017	7,970	10,048
Total operating expenses from real estate leasing	12,809	12,932			116,561	131,401			65,468	68,753	40,183	33,911
Management fee	678	678			24,797	25,114			19,854	18,930	11,770	12,107
Utilities expenses	87	186			32,435	43,902			12,403	14,138	5,896	7,998
Taxes and dues	4,371	4,371			29,029	29,028			21,497	21,456	10,915	10,918
Repair expenses	472	379			5,554	10,066			10,233	10,325	10,715	1,912
Trust fee	400	400			400	400			350	350	350	350
Insurance premium	172	175			939	954			283	288	208	211
Other expenses	6,627	6,742			23,404	21,935			846	3,264	327	412
NOI	27,094	26,971	50,875	52,554	182,358	185,040	19,292	20,642	186,925	138,329	99,645	111,441
Depreciation	2,921	2,941	4,221	4,221	39,117	41,679	1,676	1,676	14,964	16,204	8,846	8,903
Operating income (loss) from real estate leasing	24,173	24,030	46,653	48,332	143,240	143,360	17,615	18,965	171,961	122,125	90,799	102,538
Capital expenditures	2,464	5,306	-	-	37,585	45,935	-	-	38,507	64,429	1,564	3,508
NCF	24,630	21,664	50,875	52,554	144,772	139,104	19,292	20,642	148,417	73,899	98,081	107,933
Period-end book value	1,446,988	1,449,353	2,579,773	2,575,551	7,657,714	7,661,970	1,035,530	2,575,551	11,277,041	11,325,267	5,344,479	5,339,084

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

Balance of Payments of Individual Properties (3)

Asset Type	OFC-16		OFC-17		OFC-18		OFC-19		OFC-20		OFC-21	
Property name	Urban Center Kanda Tsukasamachi		Takadanobaba Access		Azabu Amerex Building		Hiei Kudan Building		Urban Center Shin - Yokohama		The Portal Akihabara	
												
Acquisition price	4,590 million yen		3,990 million yen		2,780 million yen		2,400 million yen		2,300 million yen		1,510 million yen	
Appraisal value	4,630 million yen		3,990 million yen		2,910 million yen		2,390 million yen		2,540 million yen		1,490 million yen	
Structure/Floors	SRC 8F/1B		SRC 14F/1B		SRC 8F/1B		SRC S 11F/1B		S RC 1F/1B		SRC S 8F	
Location	Chiyoda Ward, Tokyo		Shinjyuku Ward, Tokyo		Minato Ward, Tokyo		Chiyoda Ward, Tokyo		Yokohama City, Kanagawa		Chiyoda Ward, Tokyo	
Lot area	709.52㎡		930.70㎡		601.71㎡		478.27㎡ (Number derived by multiplying the ratio of holdings) 3,205.72㎡ (Number derived by multiplying the ratio of holdings)		700.59㎡		184.76㎡	
Total floor areas	4,629.27㎡		5,757.14㎡		2,909.80㎡				5,356.99㎡		1,010.67㎡	
Construction completion	January 20, 1988		January 14, 1994		June 30, 1988		September 17, 1991		March 17, 1992		May 31, 2002	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	81,562	119,634	113,062	111,912	72,995	73,793	69,073	60,731	80,736	85,248	36,233	33,893
Lease business revenue	76,259	110,043	102,526	100,364	69,623	68,952	69,073	60,731	71,906	74,226	33,248	31,897
Other lease business revenue	5,302	9,591	10,535	11,547	3,372	4,840	-	-	8,830	11,021	2,984	1,996
Total operating expenses from real estate leasing	41,149	31,748	36,199	38,276	23,361	20,726	21,621	26,592	32,241	32,686	8,109	9,040
Management fee	10,494	9,608	13,398	13,417	7,181	7,472	3,480	3,421	9,003	9,047	2,974	2,653
Utilities expenses	5,319	8,366	8,715	11,259	3,099	4,350	39	74	6,501	8,328	1,179	1,661
Taxes and dues	7,575	7,565	9,266	9,197	7,818	7,817	6,844	6,845	7,779	7,779	1,578	1,578
Repair expenses	5,939	5,277	3,506	3,043	2,777	466	974	357	7,733	5,511	120	1,075
Trust fee	400	400	400	400	375	375	500	500	350	350	400	400
Insurance premium	200	204	219	223	103	105	186	189	190	193	39	40
Other expenses	11,218	326	692	733	2,005	138	9,596	15,204	683	1,476	1,817	1,632
NOI	40,413	87,886	76,862	73,635	49,634	53,067	47,452	34,139	48,494	52,562	28,123	24,852
Depreciation	12,425	12,723	9,675	10,702	3,817	3,849	3,909	3,934	12,585	13,871	3,472	3,603
Operating income (loss) from real estate leasing	27,987	75,162	67,186	62,933	45,817	49,218	43,542	30,205	35,909	38,690	24,650	21,248
Capital expenditures	28,101	15,633	46,898	8,199	-	5,609	-	3,467	53,970	19,998	-	11,553
NCF	12,311	72,252	29,964	65,436	49,634	47,457	47,452	30,672	△ 5,476	32,563	28,123	13,298
Period-end book value	4,735,916	4,738,827	4,006,586	4,004,083	2,785,209	2,786,969	2,390,829	2,390,362	2,422,649	2,428,776	1,496,108	1,504,057

Balance of Payments of Individual Properties (4)

Asset Type	OFC-22		OFC-23		OFC-23	
Property name	Urban Center Tachikawa		Urban Center Hakata		Urban Center Hakata	
						
Acquisition price	1,804million yen		2,870million yen		2,054million yen	
Appraisal value	1,980million yen		3,200million yen		2,200million yen	
Structure/Floors	RC S 6F/1B		S 8F		SRC 8F/1BC	
Location	Tachikawa city, Tokyo		Fukuoka city, Fukuoka		Fujisawa city, Kanagawa	
Lot area	964.80㎡		656.72㎡		1,005.52㎡	
Total floor areas	4,659.20㎡		3,566.56㎡		4,392.71㎡	
Construction completion	May 30, 1990		August 27, 2020		April 9, 1991	
	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	85,029	45,852	77,043	77,043	—	77,094
Lease business revenue	37,923	41,232	77,043	77,043	—	66,793
Other lease business revenue	47,106	4,619	-	-	—	10,301
Total operating expenses from real estate leasing	69,303	19,543	12,612	12,363	—	14,833
Management fee	4,824	5,085	5,140	5,140	—	4,285
Utilities expenses	4,498	4,741	-	-	—	8,047
Taxes and dues	4,551	4,547	6,314	6,314	—	21
Repair expenses	400	4,351	400	119	—	1,670
Trust fee	45,530	400	486	400	—	363
Insurance premium	139	142	119	121	—	134
Other expenses	9,358	275	150	268	—	310
NOI	15,725	26,308	64,431	64,679	—	62,260
Depreciation	4,790	5,557	15,274	15,281	—	5,942
Operating income (loss) from real estate leasing	10,935	20,750	49,157	49,398	—	56,318
Capital expenditures	20,825	27,865	1,161	-	—	1,443
NCF	△ 5,099	△ 1,557	63,269	64,679	—	60,817
Period-end book value	1,830,430	1,852,738	2,870,005	2,854,723	—	2,147,887


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

Balance of Payments of Individual Properties (5)


Asset Type	RTL-01		RTL-02		RTL-03		RTL-05		RTL-06	
Property name	LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		BAGUS Ikebukuro West		abeno nini (Retail)	
										
Acquisition price	5,400 million yen		6,550 million yen		3,320 million yen		2,984million yen		9,500 million yen	
Appraisal value	5,240 million yen		6,290 million yen		3,330 million yen		3,410million yen		10,100 million yen	
Structure/Floors	RC S 3F		S 2F		S 4F		SRC 8F/2B		RC24F/ 2B	
Location	Kishiwada city, Osaka		Chikushino city, Fukuoka		Koka city, Shiga		Toshima Ward, Tokyo		Osaka city, Osaka	
Lot area	39,799.74㎡		121,423.46㎡ (Also has leased land of 25,321.5㎡ for use as a parking lot.)		19,917.56㎡ (of which leased land is 16,444.53㎡)		264.15㎡		633.90㎡	
Total floor areas	65,663.02㎡		31,028.62㎡		31,829.71㎡		1,497.45㎡		4,866.82㎡	
Construction completion	August 30, 1994		June 22, 2007		May 31, 1999		November 20, 1992		January 31, 2012	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	503,192	533,043	301,522	267,243	(※)	(※)	(※)	(※)	—	201,113
Lease business revenue	414,452	417,110	274,833	263,274					—	201,113
Other lease business revenue	88,739	115,932	26,688	3,969					—	-
Total operating expenses from real estate leasing	310,372	331,572	68,906	68,231					—	18,034
Management fee	123,548	111,190	24,525	22,715					—	1,090
Utilities expenses	114,371	150,175	5,985	7,219					—	-
Taxes and dues	43,998	44,199	19,799	19,796					—	3
Repair expenses	1,850	9,417	350	1,372					—	81
Trust fee	16,616	1,850	1,440	350					—	318
Insurance premium	1,164	1,184	612	622					—	131
Other expenses	8,823	13,553	16,192	16,154					—	16,410
NOI	192,820	201,470	232,615	199,011	128,596	128,413	59,426	60,943	—	183,079
Depreciation	26,235	27,587	23,485	23,314	26,441	26,441	2,304	2,304	—	16,639
Operating income (loss) from real estate leasing	166,584	173,883	209,129	175,697	102,155	101,972	57,122	58,639	—	166,439
Capital expenditures	48,682	84,181	-	-	-	-	-	-	—	-
NCF	144,138	117,289	232,615	199,011	128,596	128,413	59,426	60,943	—	183,079
Period-end book value	5,417,634	5,474,228	6,450,531	6,427,216	3,247,477	3,221,036	3,004,160	3,001,856	—	9,589,242

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

Balance of Payments of Individual Properties (6)

Asset Type	RSC-01		RSC-02		RSC-05		RSC-06		RSC-07		RSC-08	
Property name	Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Namba		Urban Park Gokokuji		Urban Park Kashiwa		Urban Park Ryokuchi-koen	
												
Acquisition price	2,045 million yen		6,315 million yen		1,490 million yen		1,460 million yen		1,186 million yen		1,550 million yen	
Appraisal value	2,740 million yen		9,430 million yen		1,530 million yen		1,560 million yen		1,190 million yen		1,680 million yen	
Structure/Floors	SRC with slate roofing B1/12F		①RC B1/3F ②RC B1/9F		RC 14F		RC B1F/5F		SRC B1F/8F		RC 8F	
Location	Minato Ward, Tokyo		Shibuya Ward, Tokyo		Osaka City, Osaka		Toshima Ward, Tokyo		Kashiwa City, Chiba		Suita City, Osaka	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		942.66 m ² (Of which, 50.85 m ² is contributed to Toshima Ward as road)		1,597.85㎡		2,804.56㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		2,451.72㎡		4,243.71㎡		5,854.64㎡	
Construction completion	November 29, 1999		1: November 15, 1982 2: May 30, 2006		January 9, 2013		February 28, 1990		August 28, 1997		March 10, 1989	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	55,865	56,193	192,871	197,239	47,402	48,394	48,338	50,593	38,336	38,582	61,575	60,716
Lease business revenue	54,276	54,268	184,843	186,671	45,725	46,979	46,442	46,637	36,905	37,720	56,794	57,591
Other lease business revenue	1,589	1,925	8,027	10,567	1,676	1,415	1,896	3,956	1,430	861	4,780	3,124
Total operating expenses from real estate leasing	10,968	14,085	37,581	41,614	18,680	13,047	21,098	17,697	9,206	8,949	17,665	17,023
Management fee	2,107	2,287	9,650	9,486	2,512	2,555	4,364	4,213	2,092	2,575	2,604	3,070
Utilities expenses	776	786	4,058	4,924	369	427	2,560	2,711	567	634	2,470	2,865
Taxes and dues	2,937	2,937	11,777	11,761	2,841	2,841	1,914	1,914	2,955	2,955	3,585	3,584
Repair expenses	2,633	3,811	2,812	5,438	4,966	4,097	4,733	5,179	1,459	1,403	2,871	5,214
Trust fee	350	350	350	350	350	350	400	400	350	350	350	350
Insurance premium	72	74	247	250	84	85	66	67	109	111	162	165
Other expenses	2,090	3,839	8,685	9,402	7,557	2,689	7,059	3,210	1,671	918	5,619	1,772
NOI	44,897	42,108	155,289	155,624	28,721	35,347	27,240	32,896	29,130	29,633	43,910	43,692
Depreciation	5,172	5,200	12,631	12,812	7,693	7,874	5,775	6,041	7,598	7,622	8,271	8,392
Operating income (loss) from real estate leasing	39,725	36,908	142,657	142,812	21,027	27,472	21,465	26,854	21,531	22,011	35,638	35,300
Capital expenditures	189	1,362	1,093	4,330	5,511	1,881	10,770	-	305	750	2,686	4,498
NCF	44,708	40,746	154,195	151,294	23,209	33,466	16,469	32,896	28,824	28,883	41,224	39,194
Period-end book value	2,067,927	2,064,089	6,347,559	6,339,077	1,481,961	1,475,967	1,500,696	1,494,654	1,223,545	1,216,673	1,584,487	1,580,593

Balance of Payments of Individual Properties (7)


Asset Type	RSC-09		RSC-10		RSC-11		RSC-12		RSC-13		RSC-14	
Property name	Urban Park Koenji		Urban Park Ichigao		Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato	
												
Acquisition price	1,167 million yen		1,810 million yen		1,430 million yen		2,470 million yen		2,150 million yen		993 million yen	
Appraisal value	1,180 million yen		2,170 million yen		1,600 million yen		2,520 million yen		2,460 million yen		1,100 million yen	
Structure/Floors	RC 4F		RC SF/1B		SRC 10F		RC 13F		SRC 15F		RC 10F	
Location	Suginami Ward, Osaka		Yokohama City, Kanagawa		Ichikawa city, Chiba S		Shiroi city, Chiba		Osaka City, Osaka		Osaka City, Osaka	
Lot area	988.26㎡		1,758.84㎡		1,122.57㎡		11,485.06㎡ (Number derived by multiplying the ratio of holdings) 22,448.08㎡ (Number derived by multiplying the ratio of holdings)		2,346.39㎡		1,803.70㎡	
Total floor areas	1,524.34㎡		5,243.85㎡		3,397.95㎡				8,190.11㎡		4,862.83㎡	
Construction completion	October 13, 1987		July 10, 1998		March 1, 1995		May 9, 1995		August 18, 1989		December 20, 1991	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	36,496	36,134	58,960	59,082	36,546	37,005	142,518	143,014	85,724	87,176	39,231	39,327
Lease business revenue	33,871	33,953	57,290	56,751	34,908	35,431	134,952	135,266	83,088	84,982	39,037	39,207
Other lease business revenue	2,624	2,181	1,670	2,331	1,638	1,573	7,566	7,748	2,636	2,194	193	120
Total operating expenses from real estate leasing	11,322	9,049	14,015	14,047	9,958	8,763	60,200	62,070	33,393	24,197	13,015	12,764
Management fee	2,334	2,303	4,361	3,188	2,633	1,950	6,078	6,057	10,118	9,859	4,190	4,076
Utilities expenses	1,645	1,661	1,578	1,919	1,179	1,282	43	32	2,402	2,145	304	389
Taxes and dues	1,041	1,027	3,963	3,963	2,170	2,170	13,921	13,920	5,291	5,294	3,199	3,204
Repair expenses	3,370	2,392	2,633	3,371	2,562	1,588	10,544	12,695	12,315	4,638	3,737	3,711
Trust fee	400	400	400	400	400	400	750	750	375	375	375	375
Insurance premium	50	50	145	147	95	97	815	828	281	286	142	145
Other expenses	2,481	1,213	933	1,057	915	1,274	28,048	27,785	2,609	1,598	1,065	862
NOI	25,173	27,084	44,945	45,035	26,588	28,241	82,318	80,944	52,331	62,978	26,216	26,562
Depreciation	2,883	2,970	5,469	5,628	4,359	4,386	19,241	19,323	12,557	13,052	5,203	5,243
Operating income (loss) from real estate leasing	22,290	24,114	39,475	39,407	22,228	23,855	63,076	61,621	39,773	49,925	21,012	21,319
Capital expenditures	3,478	-	598	21,497	762	951	761	1,624	12,957	24,366	460	2,191
NCF	21,695	27,084	44,346	23,538	25,825	27,289	81,556	79,319	39,373	38,612	25,755	24,371
Period-end book value	1,187,777	1,184,806	1,910,611	1,926,480	1,506,612	1,503,177	2,397,111	2,379,412	2,194,313	2,205,626	972,947	969,895

Balance of Payments of Individual Properties (8)

Asset Type	RSC-15		RSC-16		RSC-17		RSC-18		RSC-19		RSC-20	
Property name	Urban Park Yoyogi		Urban Park Tokiwadai Koen		Urban Park Mitsuike Koen		Urban Park Ryogoku		Urban Park Mizonokuchi		Urban Park Miyamaedaira	
												
Acquisition price	1,740 million yen		3,506 million yen		3,160 million yen		1,115million yen		2,019million yen		1,060million yen	
Appraisal value	1,990 million yen		3,960 million yen		3,580 million yen		1,280 million yen		2,100million yen		1,260million yen	
Structure/Floors	RC 8F		RC 5F		RC 6F		SRC 9F		RC 5F		S Alloy-plated steel plate 3F	
Location	Shibuya Ward, Tokyo		Yokohama City, Kanagawa		Yokohama City, Kanagawa		Sumida Ward, Tokyo		Kawasaki City, Kanagawa		Kawasaki City, Kanagawa	
Lot area	464.09㎡		12,544.61㎡		10,216.95㎡		669.98㎡		2,624.51㎡		1,239.53㎡	
Total floor areas	1,418.03㎡		15,708.08㎡		10,918.37㎡		2,351.42㎡		5,029.52㎡		2,039.17㎡	
Construction completion	September 4, 2017		Feb 17, 1994		March 24, 1992		October 31, 1997		August 23, 1988		June 10, 2021	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	42,502	41,285	143,364	144,047	130,541	128,477	37,011	36,296	65,713	62,723	32,927	32,783
Lease business revenue	39,709	40,895	135,861	137,549	122,424	122,666	34,253	35,942	61,116	59,373	32,620	32,183
Other lease business revenue	2,792	389	7,502	6,498	8,116	5,811	2,758	354	4,597	3,349	307	599
Total operating expenses from real estate leasing	7,804	6,755	40,084	38,463	41,321	41,053	11,789	7,155	26,948	21,502	4,605	5,908
Management fee	2,309	2,260	11,186	13,103	10,539	11,267	2,660	2,553	4,566	4,185	1,312	1,373
Utilities expenses	254	302	2,032	3,313	1,342	2,309	526	570	982	1,079	52	55
Taxes and dues	1,655	1,655	10,793	10,790	8,813	8,813	1,851	1,851	3,404	3,404	1,605	1,605
Repair expenses	588	498	9,276	5,914	12,414	10,462	4,533	1,684	11,609	9,856	264	535
Trust fee	400	400	400	400	400	400	400	400	400	400	400	400
Insurance premium	49	50	414	421	333	338	72	74	149	151	51	52
Other expenses	2,546	1,587	5,981	4,519	7,477	7,460	1,744	21	5,837	2,424	919	1,886
NOI	34,697	34,530	103,279	105,584	89,220	87,424	25,222	29,140	38,764	41,220	28,321	26,874
Depreciation	4,393	4,393	12,633	13,330	12,014	12,528	2,503	2,518	5,742	6,014	4,523	4,523
Operating income (loss) from real estate leasing	30,304	30,136	90,646	92,253	77,205	74,895	22,718	26,622	33,021	35,206	23,797	22,350
Capital expenditures	-	-	1,064	33,153	20,625	1,972	1,886	379	3,857	15,928	-	-
NCF	34,697	34,530	102,215	72,430	68,594	85,451	23,335	28,760	34,906	25,291	28,321	26,874
Period-end book value	1,722,425	1,718,032	3,611,372	3,631,195	3,294,786	3,284,230	1,149,533	1,147,394	2,084,086	2,094,000	1,100,577	1,096,054



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

Balance of Payments of Individual Properties (9)

Asset Type	RSC-21	
Property name	Urban Park Tsurumi	
		
Acquisition price	1,113 million yen	
Appraisal value	1,190 million yen	
Structure/Floors	RC 6F	
Location	Yokohama City, Kanagawa	
Lot area	2,172.70m ²	
Total floor areas	3,169.13m ²	
Construction completion	February 17, 1994	
	13FP	14FP
Total operating revenue from real estate leasing	(※)	(※)
Lease business revenue		
Other lease business revenue		
Total operating expenses from real estate leasing		
Management fee		
Utilities expenses		
Taxes and dues		
Repair expenses		
Trust fee		
Insurance premium		
Other expenses		
NOI	28,224	28,563
Depreciation	2,717	2,726
Operating income (loss) from real estate leasing	25,506	25,837
Capital expenditures	-	1,501
NCF	28,224	27,061
Period-end book value	1,150,838	1,149,613




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

Balance of Payments of Individual Properties (10)

Asset Type	LGC-01		LGC-02		LGC-03		LGC-04		LGC-05		LGC-07	
Property name	Iwatsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics		Tokorozawa Logistics		Funabashi Nishiura Logistics II	
												
Acquisition price	6,942 million yen		3,560 million yen		7,875 million yen		4,700 million yen		1,300 million yen		821 million yen	
Appraisal value	7,690 million yen		4,340 million yen		8,930 million yen		5,030 million yen		1,550 million yen		891 million yen	
Structure/Floors	Steel construction, zinc plated steel roofing, 5 floors		RC 8F		Building 1: Steel construction, flat roof, zincplated steel roofing, 8 floors Building 2: Reinforced concrete structure		RC・S 5F		S 2F		R 4F	
Location	Saitama City, Saitama		Yokohama City, Kanagawa		a Funabashi City, Chiba		Ichikawa City, Chiba		Tokorozawa City, Saitama		Funabashi city, Chiba	
Lot area	15,623.14㎡		10,565.95㎡		19,858.00㎡		6,240.96㎡		8,645.63㎡		3,964.00㎡	
Total floor areas	29,729.72㎡		18,387.89㎡(including 256.15 m2 break areas etc.)		38,871.45㎡(two buildings combined)		12,471.50㎡		5,994.75㎡		6,316.32㎡	
Construction completion	October 29, 2014		October 1, 1994		1: September 25, 1992 2: August 5, 1997		August 14, 2015		April 30, 1999		Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	201,296	205,181	(*)	(*)	258,038	269,093	(*)	(*)	(*)	(*)	(*)	(*)
Lease business revenue	187,713	187,713			243,184	244,264						
Other lease business revenue	13,583	17,467			14,853	24,828						
Total operating expenses from real estate leasing	34,121	38,074			61,249	62,909						
Management fee	5,650	6,140			11,308	12,187						
Utilities expenses	13,583	17,467			14,713	23,166						
Taxes and dues	13,448	13,448			21,643	21,634						
Repair expenses	742	315			12,660	3,685						
Trust fee	350	350			400	400						
Insurance premium	346	352			501	510						
Other expenses	-	-			21	1,324						
NOI	167,175	167,106	88,457	94,956	196,789	206,184	96,972	97,543	36,017	37,569	28,483	26,584
Depreciation	46,788	46,879	19,943	19,832	27,936	28,997	15,779	15,784	5,899	5,962	4,559	4,578
Operating income (loss) from real estate leasing	120,386	120,227	68,513	75,124	168,852	177,186	81,193	81,759	30,117	31,606	23,923	22,005
Capital expenditures	-	908	-	-	33,346	12,247	291	-	-	6,143	-	677
NCF	167,175	166,198	88,457	94,956	163,442	193,937	96,680	97,543	36,017	31,425	28,483	25,907
Period-end book value	6,420,812	6,374,840	3,676,357	3,656,525	7,730,906	7,714,155	4,581,929	4,566,144	1,348,932	1,349,113	851,783	847,882






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

Balance of Payments of Individual Properties (11)

Asset Type	LGC-08		LGC-09		LGC-10	
Property name	Matsubushi Logistics		Funabashi Hi-Tech Park I		Funabashi Hi-Tech Park II	
						
Acquisition price	2,755 million yen		1,710 million yen		702 million yen	
Appraisal value	3,240 million yen		1,710 million yen		705 million yen	
Structure/Floors	RC 3F		S 2F		S 2F	
Location	Kita-Katsushika-gun, Saitama		Funabashi city, Chiba		Funabashi city, Chiba	
Lot area	11,580.65㎡		13,420.44㎡		8,268.35㎡	
Total floor areas	19,833.47㎡		8,029.47㎡		4,384.83㎡	
Construction completion	March 31, 1997		May 19, 2003		September 5, 2001	
	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	(※)	(※)	(※)	(※)	(※)	(※)
Lease business revenue						
Other lease business revenue						
Total operating expenses from real estate leasing						
Management fee						
Utilities expenses						
Taxes and dues						
Repair expenses						
Trust fee						
Insurance premium						
Other expenses						
NOI	69,562	79,022	54,953	55,466	24,608	24,608
Depreciation	16,283	16,457	5,737	5,737	2,594	2,594
Operating income (loss) from real estate leasing	53,278	62,564	49,216	49,729	22,013	22,013
Capital expenditures	-	10,242	-	-	-	-
NCF	69,562	68,780	54,953	55,466	24,608	24,608
Period-end book value	2,668,503	2,662,288	1,687,051	1,681,314	691,621	689,027


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

Balance of Payments of Individual Properties (12)

Asset Type	HTL-01		HTL-02		HTL-03		HTL-04		HTL-05		HTL-06	
Property name	R&B Hotel Umeda East		Smile Hotel Namba		REMBRANDT STYLE Tokyo Nishikasai		Best Western Yokohama		The BREAKFAST HOTEL Fukuoka Tenjin		GLANSIT Akihabara	
												
Acquisition price	2,069 million yen		1,750 million yen		3,827 million yen		3,248 million yen		1,970 million yen		2,500 million yen	
Appraisal value	2,280 million yen		1,440 million yen		3,470 million yen		3,210 million yen		1,920 million yen		2,440 million yen	
Structure/Floors	RC 9F		S 9F		SRC B1F/9F		SRC B1F/9F		RC 10F		SRC 10F/B1F	
Location	Osaka City, Osaka		Osaka City, Osaka		Edogawa Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka		Chiyoda Ward, Tokyo	
Lot area	730.26㎡		285.28㎡		1,418.00㎡		782.66㎡		543.94㎡		167.74㎡	
Total floor areas	3,945.65㎡		1,711.42㎡		5,293.88㎡		4,686.09㎡		2,281.49㎡		1,081.97㎡	
Construction completion	October 20, 2000		February 6, 2008		March 19, 1991		September 21, 1987		February 20, 2017		September 20, 2017	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	65,392	65,277	17,626	27,795	84,600	84,600	80,400	80,400	(※)	(※)	(※)	(※)
Lease business revenue	65,392	65,277	17,626	27,795	84,600	84,600	80,400	80,400				
Other lease business revenue	-	-	-	-	-	-	-	-				
Total operating expenses from real estate leasing	8,074	8,009	3,754	4,594	11,114	10,193	7,241	6,811				
Management fee	742	742	660	660	1,200	1,200	2,100	1,200				
Utilities expenses	7	6	-	-	-	-	-	-				
Taxes and dues	5,508	5,528	2,255	2,255	8,065	8,065	4,584	4,584				
Repair expenses	1,288	1,198	196	1,033	1,267	343	-	467				
Trust fee	350	350	550	550	400	400	400	400				
Insurance premium	152	155	70	71	159	161	135	137				
Other expenses	24	28	22	23	23	23	22	21				
NOI	57,318	57,267	13,871	23,201	73,485	74,406	73,158	73,588	48,036	48,028	65,432	48,895
Depreciation	10,746	10,785	12,209	12,222	13,029	13,499	13,069	13,109	8,647	8,647	4,643	4,643
Operating income (loss) from real estate leasing	46,572	46,481	1,662	10,978	60,455	60,906	60,088	60,478	39,388	39,380	60,789	44,252
Capital expenditures	543	6,869	-	1,819	9,103	14,690	-	7,200	-	-	-	-
NCF	56,775	50,398	13,871	21,381	64,381	59,715	73,158	66,388	48,036	48,028	65,432	48,895
Period-end book value	2,097,900	2,093,983	1,626,519	1,616,116	3,837,530	3,838,720	3,208,265	3,202,355	1,922,330	1,913,683	2,485,377	2,480,733

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

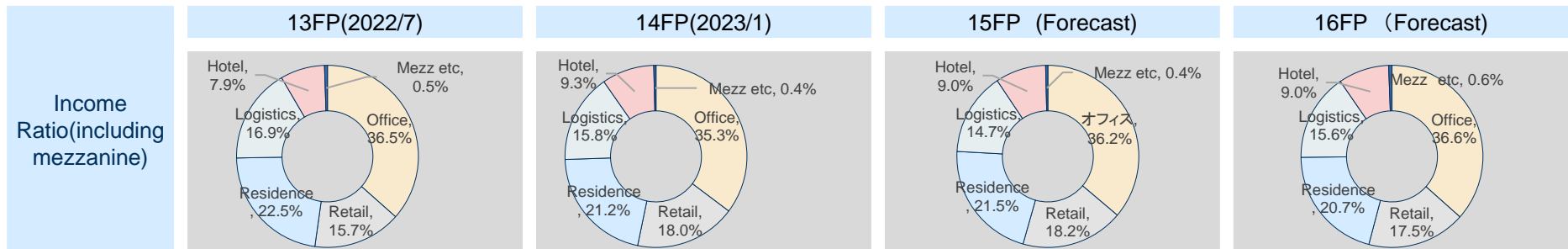
Balance of Payments of Individual Properties (13)

Asset Type	HTL-07		HTL-08		HTL-09	
Property name	REMBRANDT STYLE Tokyo Nishikasai Grande		KOKO Hotel Osaka Namba		abeno nini (Hotel)	
						
Acquisition price	3,180 million yen		2,000 million yen		3,600 million yen	
Appraisal value	3,140 million yen		1,420 million yen		3,690 million yen	
Structure/Floors	S 8F		RC9F		RC24F/2B	
Location	Edogawa Ward, Tokyo		Osaka City, Osaka		Osaka City, Osaka	
Lot area	657.00m ²		335.31m ²		586.44m ²	
Total floor areas	2,755.19m ²		2,061.38m ²		7,764.81m ²	
Construction completion	February 7, 2017		April 7, 2017		January 31, 2012	
	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	70,002	70,002	2,180	23,638	—	(※)
Lease business revenue	70,002	70,002	2,180	23,638	—	
Other lease business revenue	-	-	-	-	—	
Total operating expenses from real estate leasing	6,864	6,871	5,036	5,259	—	
Management fee	990	990	900	900	—	
Utilities expenses	-	-	-	-	—	
Taxes and dues	5,220	5,220	3,213	3,213	—	
Repair expenses	141	146	-	222	—	
Trust fee	400	400	350	350	—	
Insurance premium	90	91	64	65	—	
Other expenses	22	22	508	508	—	
NOI	63,137	63,130	△ 2,855	18,379	—	65,728
Depreciation	10,857	10,857	9,041	8,983	—	6,885
Operating income (loss) from real estate leasing	52,280	52,273	△ 11,897	9,396	—	58,843
Capital expenditures	-	-	-	-	—	-
NCF	63,137	63,130	△ 2,855	18,379	—	65,728
Period-end book value	3,121,523	3,110,665	1,953,045	1,944,061	—	3,644,441

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

Balance of Payments of Individual Properties (14)

	Office		Retail		Residence		Logistics		Hotel		Total	
	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP	13FP	14FP
Total operating revenue from real estate leasing	2,293,289	2,377,116	1,030,752	1,227,438	1,331,565	1,333,996	961,616	985,459	443,188	539,385	6,060,414	6,463,396
Lease business revenue	2,082,212	2,148,351	915,324	1,107,536	1,269,760	1,278,994	917,181	921,299	426,716	539,385	5,611,196	5,995,567
Other lease business revenue	211,077	228,765	115,428	119,901	61,805	55,002	44,435	64,159	16,472	-	449,218	467,828
Total operating expenses from real estate leasing	732,424	724,288	417,293	454,518	397,073	370,507	198,598	196,416	51,604	66,759	1,796,993	1,812,490
Management fee	170,477	174,635	150,534	137,456	89,266	88,637	30,915	32,644	8,319	8,030	449,514	441,402
Utilities expenses	153,892	212,993	120,357	157,395	23,666	28,041	45,700	63,936	7	6	343,623	462,373
Taxes and dues	179,155	179,051	78,415	78,469	86,233	86,208	78,774	78,762	35,734	35,754	458,313	458,246
Repair expenses	110,480	62,987	20,632	12,249	93,562	82,942	27,632	11,665	2,893	3,411	255,200	173,257
Trust fee	7,875	8,230	3,100	3,418	7,650	7,650	3,350	3,350	3,200	3,518	25,175	26,166
Insurance premium	4,431	4,639	2,336	2,508	3,428	3,483	1,874	1,907	784	1,059	12,855	13,598
Other expenses	106,112	81,750	41,917	63,020	93,266	73,544	10,350	4,150	664	14,978	252,311	237,444
NOI	1,560,865	1,652,828	613,459	772,919	934,492	963,489	763,018	789,042	391,584	472,626	4,263,420	4,650,905
Depreciation	249,980	266,332	78,466	96,286	141,387	144,583	145,522	146,823	82,243	89,635	697,599	743,661
Operating income (loss) from real estate leasing	1,310,885	1,386,495	534,992	676,632	793,104	818,906	617,496	642,218	309,340	382,990	3,565,820	3,907,244
Capital expenditures	312,556	344,563	48,682	84,181	67,010	116,389	33,638	30,218	9,646	30,579	471,534	605,932
NCF	1,248,308	1,308,264	564,776	688,737	867,481	847,099	729,380	758,824	381,937	442,046	3,791,886	4,044,973
Period-end book value	73,052,802	75,282,781	18,119,803	27,713,580	38,489,170	38,460,976	29,657,898	29,541,293	20,252,490	23,844,761	179,572,164	194,843,394



- P.4 (Note1) The “ratio of assets in Tokyo area (entire portfolio)” is the ratio of the total acquisition price of properties in the Tokyo area to the total acquisition price of properties held as of July 31, 2022 (end of 13th FP) for “End of July 2022.”
The “ratio of assets in Tokyo area (excluding suburban retail facilities)” is the total acquisition price of properties in the Tokyo area to the total acquisition price of properties held as of July 31, 2022 (end of 13th FP) less the acquisition price of the three suburban retail properties for “End of July 2022.”
- (Note 2) “Ratio of mid-sized assets” is, for “End of July 2022 (13th FP)” the ratio of “mid-sized assets” to SAR’s total assets, based on acquisition prices.
- (Note 3) “Average building age” is the weighted average calculated by dividing the building age of each property held as of July 31, 2022 (end of 13th FP) by its acquisition price for “End of July 2022,” the weighted average calculated by dividing the building age of assets by the acquisition price for “Assets Acquired.”
* “Building age” refers to, except for “Urban Park Daikanyama”, the period commencing on the date of completion of construction (based on the date of completion of construction of the principal building as registered in the registry of real estates) to July 31, 2022. As for “Urban Park Daikanyama”, which consists of two buildings, “building age” refers to the period commencing on the date of completion of the older building and ends on July 31, 2022.
- (Note 4) “Appraisal NOI Yield” is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place.
- P.17 (Note1) “Estimated leased area” refers to the leasable area in the building after extension as specified in the Basic Agreement and may be changed depending on the progress of the project.
- (Note 2) “Estimated monthly rent” refers to the expected rent for the building after extension as specified in the Basic Agreement and may be changed depending on future discussion with the tenant.
- P.26 (Note1) As of the date of this document, the housing development project has been completed and is scheduled for delivery at the end of August 2022. SAR does not plan to acquire such development projects, etc., and there is no guarantee that SAR will be able to acquire it in the future as of the date of this document.
- (Note 2) “Properties managed by Star Asia Group” refers to properties held by Star Asia Group as of January 31, 2023, and excludes properties held or to be acquired by SAR, and properties in which SAR has preferential negotiating rights as of January 31, 2023, as well as properties held by Polaris Holdings or its consolidated companies as of the same date. As of the date of this document, SAR has no plan to acquire properties operated by Star Asia Group and there is no guarantee that SAR will be able to acquire such properties in the future. The same shall apply hereinafter.
- P.30 (Note 1) “GRESB Real Estate Assessment” benchmarks ESG performance based on multiple factors and gives participants a five-grade relative evaluation. GRESB is the name of the organization which provides annual benchmarking assessments to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds. It was founded in 2009 by a group of major European pension funds who played leading roles in launching the Principles for Responsible Investment (PRI).
- P.31 (Note1) “GHG” refers to greenhouse gas. Scope 2 emissions (indirect emissions associated with the purchase of electricity, steam, or heat) indicated in this document are calculated based on market-based factors.
- (Note 2) “GHG emission intensity” refers to per-unit GHG emissions amount resulting from a specific activity. In this document, per-unit GHG emissions intensity is calculated using total floor area (m2) accounting for operating months as a unit.
- P.32 (Note 1) The ratio of assets obtaining environmental certification is calculated by dividing the total floor area of assets which are environmentally certified as of the date of the document by the total floor area of assets.
- (Note 2) “DBJ Green Building Certification” is a certification under the framework system (hereinafter, “the framework”) established by Development Bank of Japan Inc. (hereinafter, “DBJ”) in April 2011 to support properties with environmental and social awareness (“Green Building”). The framework rates and certifies properties required by society and the economy based on a comprehensive assessment covering items from environmental performance of properties to measures for various stakeholders including disaster prevention and consideration for local communities, and supports such initiatives. Japan Real Estate Institute (JREI) has conducted certification, while DBJ has controlled the overall framework since August 2017. The framework has five levels of certification (★ ~ ★★★★★).
- (Note 3) “BELS Evaluation Certification” is a third-party evaluation framework to assess energy saving performance of buildings based on criteria stipulated by the Ministry of Land, Infrastructure, Transport and Tourism. The framework has five levels of certification (★★★★★ ~ ★).
- (Note4) CASBEE Real Estate Certification integrates multiple assessment methods including CASBEE’s real estate assessment system, which SAR was assessed. CASBEE’s real estate assessment system was developed with the aim of making use of the results of the environmental assessment of buildings in real estate assessment. It scores buildings under each of the evaluation items in five categories, comprising “1. Energy & Greenhouse Gases”, “2. Water”, “3. Use of Resources & Safety”, “4. Biodiversity & Sustainable Site”, and “5. Indoor Environment”. Based on the scores, the assessment results are granted under one of four ranks: Rank S, Rank A, Rank B+, and Rank B. The same shall apply hereinafter.
- (Note 5) “Urban Park Miyamaedaira” consists of two buildings (“Urban Park Miyamaedaira EAST” and “Urban Park Miyamaedaira WEST”) and each of them received certification.
- (Note 6) “Green lease contracts” indicates the lease contracts stating that the lessor and the tenant jointly determine rules including reduction of environmental burdens such as energy saving of properties and improvement of working environment by concluding contracts, memorandums, etc., and implement such rules.

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