

Financial Results for the 17th Fiscal Period Ended July 2024



S T A R A S I A

Star Asia Investment Corporation

Star Asia Investment Corporation
(Securities CODE 3468)
Star Asia Investment Management



Characteristics of Star Asia Investment Corporation (SAR)

1. Diversified REIT

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

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 by the Star Asia Group

3. Initiatives focusing on unitholder value

Continuous implementation of "out-of-the-box" dynamic asset allocation

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Investment policy



Prioritized, focused investment in the Tokyo Area*

Investment ratio 70% ± 10% or higher in the Tokyo Area



Achieving income stability and growth through diversification of asset type



Investment primarily in middle-size assets**

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"

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

** "Middle-size assets" are properties with acquisition prices of less than JPY10bn.

1. Executive Summary

1. Executive Summary

Overview of FP17

Performance Indicators	Initial Forecast	Actual Results	difference	change ratio
Distribution per unit*	1,520 yen (55 yen)	1,596 yen (50 yen)	+76 yen	+5.0%
Earnings Per unit**	1,465 yen	1,546 yen	+81 yen	+5.5%
Rents from hotel properties	1,877 mn	2,038 mn	+161 mn	+8.6%

* The figure in brackets () for DPU is the amount for which internal reserves have been utilized.

- Distribution per unit: **+5.0%** / 1,596 yen, due to **5.5% increase in net income (mainly due to rental income from hotels)**
- Rental income from hotel portfolio (16 properties in total): **+8.6%** compared to forecast ...Rental income **from 7 hotels managed by Polaris** acquired in Sept.2023: **+12.1%** compared to forecast
- Achieved increase in office rents: 3.6% decrease upon entry of new tenants, **2.7% increase** upon contract renewals (**total increase of 2,528 thousand yen /month**)
- Achieved rent increase for residences: **8.4% increase** upon entry of new tenants, **1.7% increase** upon contract renewals (**total increase of 1,880 thousand yen/month**)
- **Realized increase in asset size** through public offering and asset replacement: **276.5 bn yen** (as of Sept. 6, 2024)
- Expansion of the incorporation ratio of hotels with high inflation resistance / 29.0% → **37.5%** (the largest ratio within the portfolio)

Forecasts for FP18 / FP19

◆ Forecasted Distributions Per Unit

FP18 **1,538** yen (37 yen)

FP19 **1,553** yen (33 yen)

◆ Growth Drivers for FP18 and Beyond

[1] Increase rents from the hotel portfolio. (especially from the 4 newly acquired hotels)

[2] Increase revenues from Suroy Mall Chikushino: in the short-term, by attracting new tenants; in the mid-term, by increasing rents from existing tenants and by building expansion.

[3] Residential: increase rents and improve occupancy rates.

(Rent increase is not assumed in the forecast.)

[4] Offices: increase rents and improve occupancy rates.

(Rent increase is not assumed in the forecast.)

Summary of 7th Public Offering & 11th Asset Replacement and Progression Status of Mid-term plan

<Summary of 7th Public Offering & 11th Asset Replacement>

- Acquired six assets of total amount 35.9 bn yen in August 2024
- Asset size has expanded to **276.5 bn yen** (as of Sept. 6, 2024)
 - ⇒ Newly acquired assets: mainly **high asset value hotels in central Tokyo**
 - ⇒ The 12 hotels managed by Polaris, including the 4 newly acquired hotels, have a relatively high GOP margins, and are expected to **contribute to internal growth** through increased rents calculated based on GOP.
- **Average building age has improved to 20.4 years, while maintaining the portfolio's appraised NOI yield**, through acquiring newer properties and transferring two older properties. (as of September 6, 2024)
(Previously 24.9 years *as of the end of January 2024)

<Progression Status of Mid-term plan>

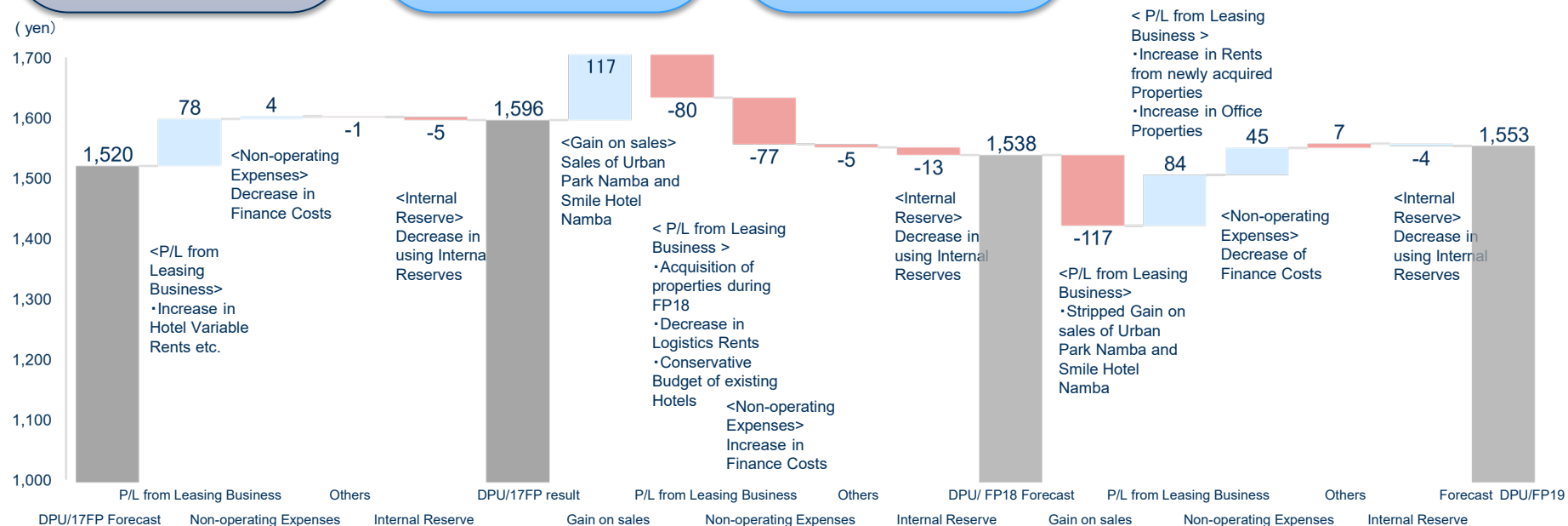
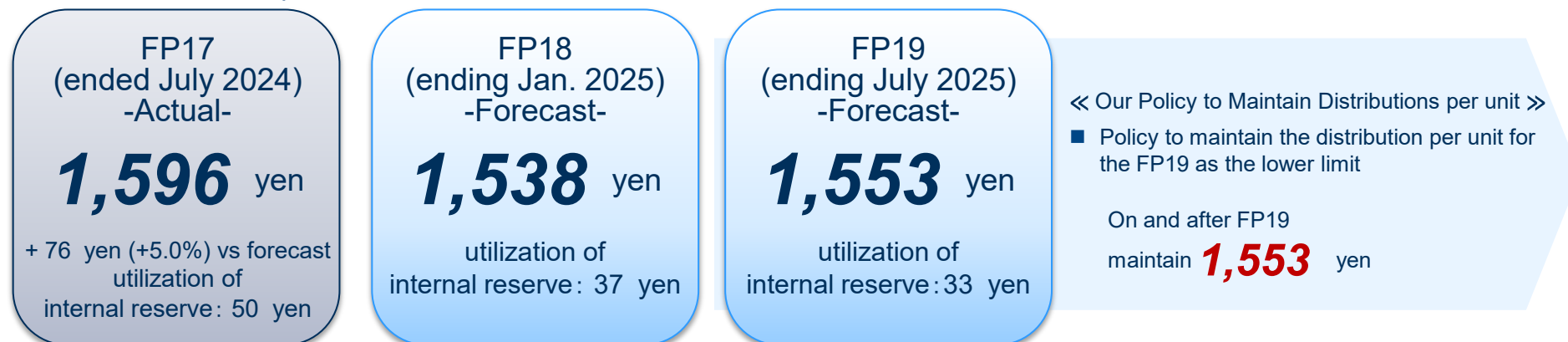
- Asset size target: **300 bn yen**
 - ⇒ Expansion of asset size, since formulating the mid-term plan: 108.7 bn yen
 - ⇒ Asset size after 7th public offering: 276.5 bn yen
 - ⇒ Aiming to achieve the asset size target by leveraging the proprietary network of the asset manager, in addition to support by Star Asia Group
- Distribution per unit (DPU) target: **1,600 yen**
 - ⇒ FP17 actual: 1,596 yen, FP19 forecast: 1,553 yen
 - ⇒ Aim to achieve the target by leveraging internal growth drivers of the portfolio.

2. Actual Distribution and Forecasts for Operating Results

2. Actual and forecasted distribution (1)

Actual distributions for FP17 ended July 31, 2024

- ◆ In FP17, rental income from hotels (particularly from Polaris-operated hotels) significantly exceeded forecasts, and actual distribution per unit increased by 5.0% compared to initial forecast.
- ◆ Going forward, we anticipate internal growth through rental income from the 4 newly acquired Polaris-operated hotels, aiming to increase distribution per unit.



2. Actual and forecasted distribution (2)

Factors for increase/decrease compared with forecast/actual results for the FP17

- ◆ Variable rents from the 7 hotels acquired in FP16 significantly increased / Total rents received from the 7 hotels: 8.6% increase compared to forecast.
- ◆ Amid soaring construction-related costs, achieved optimization of repair costs and capital expenditures through adequate cost controls.

(unit : mn)

	FP17 (ended Jan 2024) forecast *	FP17 (ended Jan 2024) Actual	Comparison with forecast		Factors for the increase/decrease
Lease business revenue	7,894	8,048	+153	+1.9%	<Lease business revenue > 【Hotel】 Increase in variable rents linked to GOP/Revenue
Office rent	2,137	2,133	△4	△0.2%	
Retail rent	1,046	1,040	△6	△0.7%	
Residence rent	1,265	1,260	△4	△0.4%	
Logistics rent	914	914	-	0.0%	
Hotel rent	1,877	2,038	+161	+8.6%	
Other	652	660	+7	+1.2%	
Expenses related to rent business (Depreciation is excluded)	2,051	2,021	△30	△1.5%	
NOI	5,842	6,026	+184	+3.1%	
Depreciation	1,034	1,034	+0	△0.0%	
Rent revenues/expenses	4,807	4,992	+184	+3.8%	
Capex	867	774	△93	△10.8%	
NCF(NOI-CAPEX)	4,975	5,252	+277	+5.6%	
Gain on sales	-	-	-	-	
Mezzanine	33	34	+0	+2.7%	
Income from securities lending fees	31	31	-	0.0%	
SGA	713	719	+5	+0.8%	
Operating income	4,159	4,338	+179	+4.3%	
Non-operating income	-	2	+2	-	
Non-operating expenses	681	671	△10	△1.5%	<Non-operating expenses> Decrease in finance costs △9.8mn
Ordinary income	3,477	3,669	+192	+5.5%	
Income before income taxes	3,477	3,669	+192	+5.5%	
taxes	0	0	-	0.0%	
Net income	3,476	3,668	+192	+5.5%	
Cash distribution per unit	1,520 yen	1,596 yen	76 yen	+5.0%	
FFO per unit	1,902 yen	1,982 yen	+80 yen	+4.2%	
AFFO per unit	1,536 yen	1,656 yen	+120 yen	+7.8%	
Balance of internal reserves	8,612	8,624	+11	+0.1%	
(Reference) Net income per unit(yen per unit) **	1,465 yen	1,546 yen	81 yen	+5.5%	

*Initial forecast disclosed in "(REIT) Financial Report for Fiscal Period Ended January 31, 2024" announced on March 15, 2024

2. Actual and forecasted distribution (3)

Forecast of business results for FP18 ending January 2025 / FP19 ending July 2025

- ◆ One property acquired on August 16, 2024 and 4 properties newly acquired through public offering etc. (acquired on August 30, 2024) will fully contribute starting from FP19 (ending July 2025).

(unit : mn)

	FP17 Actual (A)	FP18 Forecast (B)	Increase/decrease (B-A)		Major factors for the increase/decrease (VS FP17 Actual)	FP19 Forecast (C)	Increase/decrease (C-B)		Major factors for the increase/decrease (VS FP18 Forecast)
Lease business revenue	8,048	8,758	+710	+8.8%	<Lease business revenue>	8,913	+155	+1.8%	<Lease business revenue>
Office rent	2,133	2,132	△0	△0.0%	【Office】 Hakata-eki East Place △20mn	2,164	+31	+1.5%	【Office】 Increase in occupancy rate (Shinjuku, Hakata-eki EP, Tachikawa etc.)
Retail rent	1,040	1,064	+23	+2.3%	Urban Center Kanda Tsukasamachi +9mn	1,070	+6	+0.7%	【Logistics】 Termination △27mn
Residence rent	1,260	1,263	+2	+0.2%	Urban Center Shibuya East +8mn	1,256	△7	△0.6%	【Hotel】 4 hotels acquired in FP18 +174mn
Logistics rent	914	916	+1	+0.1%	【Retail】 Urban Forum Warabi acquired in FP18 +23mn	892	△23	△2.6%	
Hotel rent	2,038	2,669	+630	+30.9%	【Hotel】 4 hotels acquired in FP18 +703mn Smile Hotel Namba transferred △33mn	2,845	+175	+6.6%	
Other	660	712	+52	+7.9%		683	△28	△4.0%	
Expenses related to rent business (Depreciation is excluded)	2,021	2,174	+153	+7.6%		2,079	△95	△4.4%	<Rent expenses> 5 properties acquired in FP18 +48mn 2 properties transferred in FP18 △6mn Leasing related expenses △62mn Repair expenses △59mn Utility expenses △10mn
NOI	6,026	6,583	+556	+9.2%	<Other> Utility revenue +38mn Restoration +30mn Deposit △7mn Insurance △5mn	6,833	+250	+3.8%	
Depreciation	1,034	1,142	+107	+10.4%		1,167	+24	+2.1%	
Rent revenues/expenses	4,992	5,440	+448	+9.0%		5,666	+226	+4.2%	
CAPEX	774	873	+99	+12.8%		899	+25	+2.9%	
NCF(NOI-CAPEX)	5,252	5,709	+457	+8.7%		5,934	+224	+3.9%	
Gain on sales	-	314	+314	-	<Rent expenses> 5 properties acquired in FP18 +20mn 2 properties transferred in FP18 △10mn Repair expenses +80mn Utility expenses +32mn Leasing related expenses +28mn	-	△314	△100.0%	<Gain on sales> Urban Park Namba and Smile Hotel Namba transferred in FP18
Mezzanine	34	37	+2	+7.2%		36	△0	△0.9%	
Preferred securities lending fee	31	31	+0	+1.1%		30	△0	△1.6%	
SGA	719	819	+100	+14.0%		800	△19	△2.4%	<SGA> Asset management fees +14mn Taxes and public dues (Non-deductible consumption taxes, etc.) △24mn
Operating income	4,338	5,003	+665	+15.3%		4,934	△69	△1.4%	
Non-operating income	2	-	△2	△100.0%	<Gain on sales> Urban Park Namba and Smile Hotel Namba transferred in FP18	-	-	-	
Non-operating expenses	671	967	+296	+44.2%		847	△120	△12.4%	
Ordinary income	3,669	4,035	+366	+10.0%		4,086	+50	+1.3%	
Income before income taxes	3,669	4,035	+366	+10.0%	<SGA> Asset management fees +88mn Taxes and public dues (Non-deductible consumption taxes, etc.) +23mn	4,086	+50	+1.3%	
Taxes	0	0	-	0.0%		0	-	0.0%	<Non-operating expenses> Interest expenses +12mn Borrowing cost △132mn
Net income	3,668	4,035	+366	+10.0%		4,086	+50	+1.3%	
Cash distribution per unit	1,596 yen	1,538 yen	△58 yen	△3.6%		1,553 yen	+15 yen	+1.0%	
FFO per unit	1,982 yen	1,810 yen	△172 yen	△8.7%	<Non-operating expenses> Interest expenses +157mn Borrowing cost +136mn	1,955 yen	+145 yen	+8.0%	
AFFO per unit	1,656 yen	1,484 yen	△172 yen	△10.4%		1,620 yen	+136 yen	+9.2%	
Balance of internal reserves	8,624	8,527	△97	△1.1%		8,440	△86	△1.0%	
	8,048	8,758	+710	+8.8%		8,913	+155	+1.8%	
(Reference) Net income per unit (yen per unit)*	1,546 yen	1,501 yen	△45 yen	△2.9%		1,520 yen	+19 yen	+1.3%	

*EPU is calculated by dividing net income by the total number of investment units issued and outstanding (FP18 ending January 2025).

2. Actual and forecasted distribution (4)

NOI (amount / yield) by asset types

- ◆ **Achieved bold asset allocation** reading ahead market conditions. / NOI ratio of hotels, which are **inflation-responsive assets**, rose to more than 36%.

NOI ratio by asset types*

	FP16 2024/01 Actual		FP17 2024/07 Actual		FP18 2025/01 Forecast		FP19 2025/07 Forecast	
	NOI (thousand yen)	NOI yield	NOI (thousand yen)	NOI yield	NOI (thousand yen)	NOI yield	NOI (thousand yen)	NOI yield
Office	1,659,826	4.4%	1,697,684	4.6%	1,706,013	4.6%	1,795,332	4.8%
Retail	753,518	5.4%	772,926	5.6%	769,953	5.3%	813,133	5.6%
Residence	906,378	4.7%	983,178	5.0%	961,175	5.1%	967,383	5.2%
Logistics	716,485	4.8%	788,949	5.3%	754,586	5.0%	749,136	5.0%
Hotel	1,505,805	4.3%	1,784,094	5.1%	2,391,600	4.7%	2,508,963	4.9%
Office	5,542,013	4.6%	6,026,832	5.0%	6,583,327	4.8%	6,833,947	5.0%
DPU		1,524yen (1,513yen: forecast announced on Aug. 7, 2023)		1,596yen (1,520yen: forecast announced on Mar. 15, 2024)		- (forecast 1,538yen)		- (forecast 1,553yen)

*The ratio of NOI amount for each asset type to the total NOI amount of the portfolio.

3. 7th Public Offering and 11th Assets Replacement

3. 7th Public Offering and 11th Assets Replacement (1)

Assets acquired and transferred

Total acquisition price* 35,800mn	Total Appraisal value* 39,840mn	Average Appraisal NOI yield* 4.6%	Total transfer price 3,500mn
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Assets Acquired (Real Estate Properties, etc.)

Property name	KOKO HOTEL Tsukiji Ginza	KOKO HOTEL Residence Asakusa Kappabashi	KOKO HOTEL Residence Asakusa Tawaramachi	KOKO HOTEL Osaka Shinsaibashi	Urban Forum Warabi
Asset type	Hotel				Retail



Location	Chuo-ku, Tokyo	Taito-ku, Tokyo	Taito-ku, Tokyo	Chuo-ku, Osaka-shi, Osaka	Kawaguchi-shi, Saitama
Construction completion	Dec. 2020	Nov. 2020	Nov. 2021	Apr. 2005	Dec.2023
Acquisition price	17,000mn	4,300mn	5,900mn	7,500mn	1,100mn
Appraisal value	18,800mn	5,060mn	6,780mn	7,990mn	1,210mn
Appraisal NOI yield	4.4%	5.0%	4.9%	4.6%	4.7%
Operator	Polaris Holdings Group				-
	KOKO HOTELS	FINO HOTELS	FINO HOTELS	KOKO HOTELS	

Asset Acquired (Mezzanine)

Name	Star Asia Mezzanine Loan Debt Investment Series 9
Underlying Asset	hotel androoms Shin-Osaka
Acquisition price	130mn
Interest rate	Base rate +5.0%

Assets Transferred

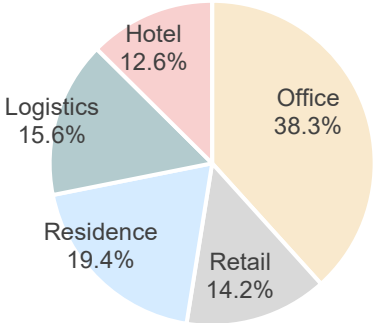
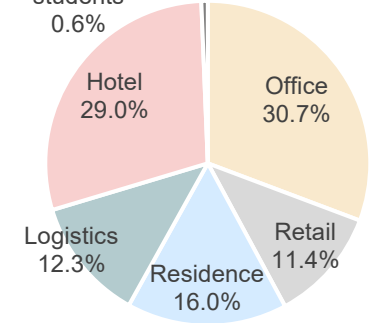
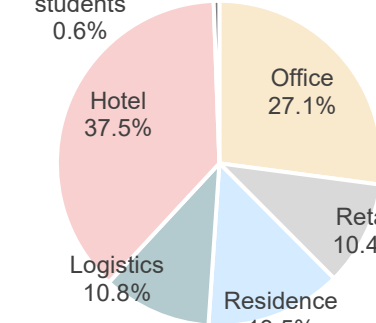
Name	Urban Park Namba	Smile Hotel Namba
Type	Residential (Single-type)	Hotel (Limited-service)
Location	Naniwa-ku, Osaka-shi, Osaka	Naniwa-ku, Osaka-shi, Osaka
Construction completion	Jan. 2013	Feb. 2008
Actual NOI yield	4.3%	3.6%
Transfer price	1,700mn	1,800mn
Gain on transfer (estimated)	175mn	139mn

*Mezzanine loan debt is excluded from the calculation of "Total acquisition price", "Total Appraisal value" and "Average Appraisal NOI yield."

3. 7th Public Offering and 11th Assets Replacement (2)

Portfolio evolution

- ◆ Expanded asset size while **actively changing the ratio of asset types**; the ratio of **hotels** with high inflation resistance **rose significantly to 37.5%**.
- ◆ Realized strengthening of the portfolio while also expanding asset size; **average age of buildings rejuvenated to 20.4 years while maintaining NOI yield**.

		FP14 2023/01	FP16 2024/01	As of September 6, 2024
Asset size		195.2bn yen	243.8bn yen	276.5bn yen
				
	% of properties in Tokyo Area (note1)	overall portfolio	71.9	63.6
	excl. suburban retail properties	78.0	67.9	70.2
Average building age (yrs) (note 2)		24.5	21.7	20.4
Average appraisal NOI yield (%) (note 3)		4.8	4.8	4.8
Average post-depreciation appraisal NOI yield (%) (note 4)		4.1	4.0	4.0
NAV per unit (yen)		62,264	62,630	64,513

4. Progression Status of Mid-Term Plan

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

Current status

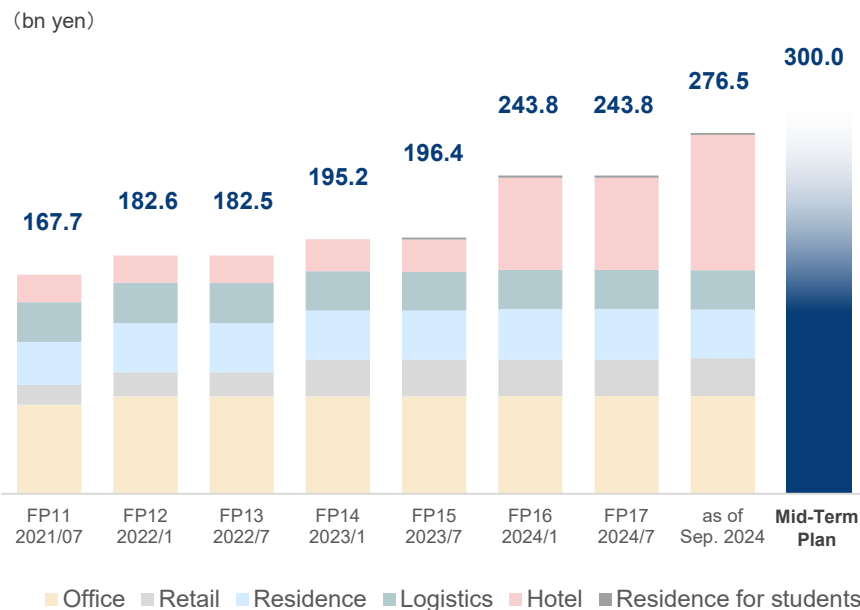
- ◆ Through public offerings conducted for 4 consecutive years, asset size expanded to **276.5 bn yen** (74 real estate properties, and 4 transactions in securities, etc.)
- ◆ FP17 actual DPU: **1,596 yen**, FP19 forecast DPU: **1,553 yen**. Aiming for distribution per unit of **1,600 yen** or more, by focusing on continual internal growth.

Mid-Term Plan (Target year FY2026)

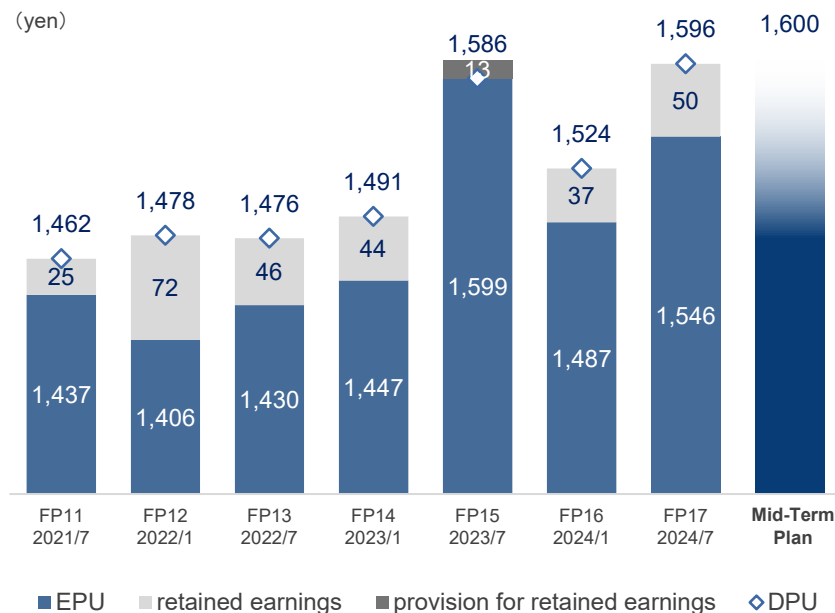
Asset Size : **300** bn yen
of properties **100**

Distributions per unit: **1,600** yen or more
of +2% per annum or more

Average annual growth of asset size: 31bn yen
from FP11(07/2021) to September 6, 2024



Average annual growth rate of per-unit distribution: 3.0%
from FP11(07/2021) to FP17(07/2024)

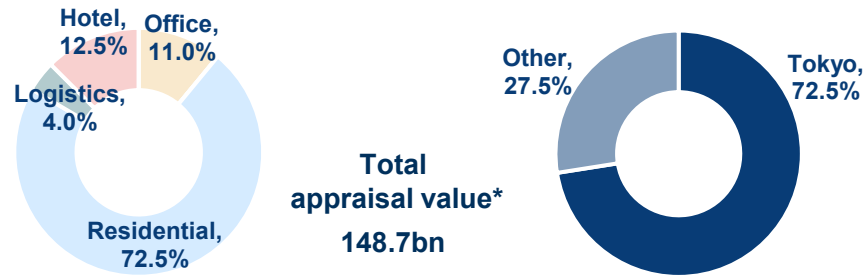


4. Progression Status of Mid-Term Plan (2)

SAR has Obtained Preferential Negotiation Rights for 12 Hotels Owned by Star Asia Group

- ◆ As of the end of July 2024, Star Asia Group had **148.7 billion yen** (total of most recent appraisal value) of properties under management.
- ◆ SAR has obtained **five preferential negotiation rights**.

Portfolio owned by Star Asia Group



*As of July 31, 2024. Excluding properties for which SAR has preferential negotiation rights, and deals involving land for development or land under development, etc.

- Star Asia Group has 148.7 billion yen of properties under management (excluding assets for which SAR has obtained preferential negotiation rights)
- Continuing to acquire properties, by leveraging on the strength of Star Asia Group which constantly executes investment strategies reading ahead of the market.
- SAR is considering external growth, with **Star Asia Group's properties under management as a pipeline**.

Student Residence (preferential negotiation rights obtained by SAR)

■ HAKUSAN HOUSE



■ KAMIKITA HOUSE



- An **international standard student residence** for which Star Asia Group was involve in its development.
- Provides ample common-use space to facilitate building among residents.
- Living expenses (utility fees etc.) are included in the rent.
- Staff are on-site 24 hours a day, and a concierge service is offered in multiple languages.

Hotels (preferential negotiation rights obtained by SAR)

- Three hotels **efficiently operated by Polaris**
- Located in core area of each city with convenient transportation, easy to capture lodging demand as well as to secure human resources

Property name	KOKO HOTEL Nagoya Sakae	KOKO HOTEL Premier Kanazawa Korinbo	KOKO HOTEL Premier Kumamoto
Location	Nagoya city, Aichi	Kanazawa city, Ishikawa	Kumamoto city, Kumamoto
Construction date	February 2003	April 2013	September 2019
Type	Limited Service	Limited Service	Limited Service
Rooms	204	207	205
Characteristics	Approx. one minute walk from Sakae station, located in Nagoya's only downtown area easy to capture business and tourist demand	Located in Kanazawa, the largest city in Hokuriku, where "tradition" and "innovation" coexist, and captures business demand as well as tourist demand.	Located in the new landmark "Sakura Machi Kumamoto" and captures business demand as well as tourist demand.

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

Overview of Star Asia Group

- ◆ Star Asia Group has created an ecosystem for its hotel business comprising an investor (Star Asia Group), operator (Polaris), and owner (SAR)
- ◆ SAR aims for continuous external growth, utilizing Sponsor pipeline of 148.7 bn

Realization of increased revenue through efficient hotel management

Operation

P * L A R I S
HOLDINGS

Polaris



Minacia



KOKO HOTELS



HOTEL WING

Ensuring financial and human resource stability by expanding business scale

Ownership

SAR



- Asset size : JPY 276.5bn
- Number of owned hotels : 19
(as of August 19, 2024)

With the expansion of the asset size, more flexible investment becomes possible



**Expansion of hotel market information acquisition
Diversification of sourcing routes**

Investment

Star Asia Group
(Private fund management)



- Development function
- Asset management of private funds
- Size of private funds : More than JPY 148.7bn
- Number of owned hotels: 4
(as of July 31, 2024)

Providing risk capital with market anticipation

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

Polaris Holdings – A “Company of Choice” as “Top Tier of Hotel Operators”-

- ◆ Continue to build and expand a portfolio with both growth potential and stability, by maintaining a well-balanced combination of owned properties and operation-commissioned properties.
- ◆ Currently discussing future business merger with hotel operator “Minacia”.

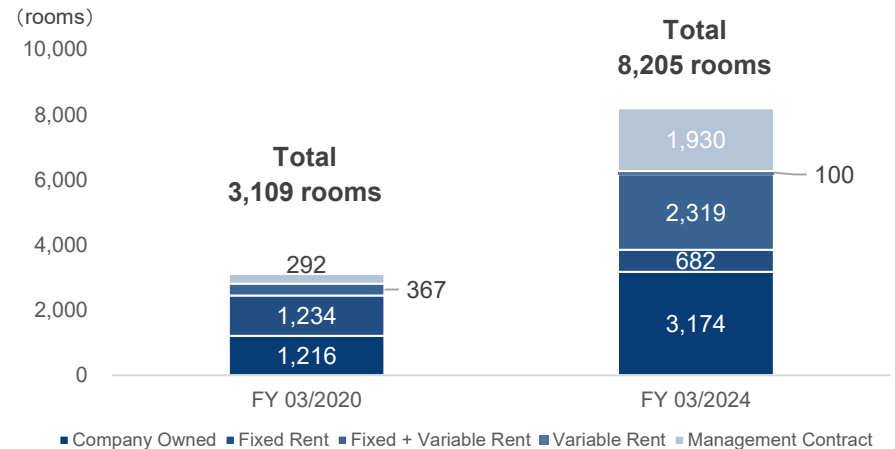
Company overview



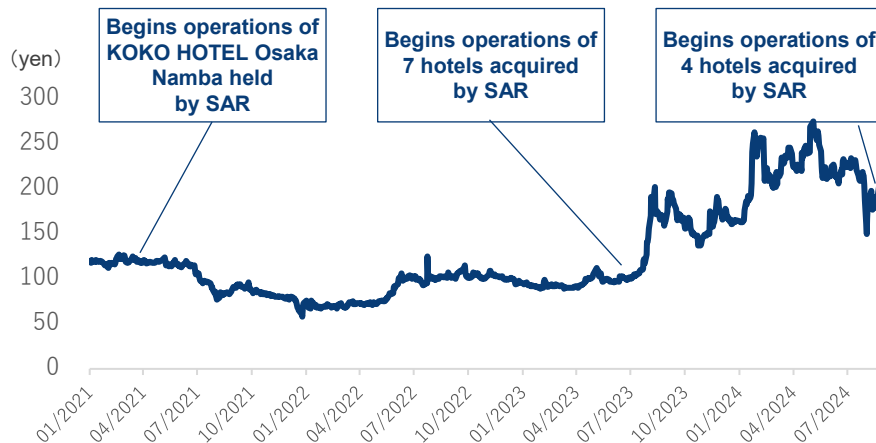
- Listed on the Tokyo Stock Exchange Standard Market CODE: 3010
- Manages 47 hotels / 8,205 rooms (including hotels abroad) as of the end of March 2024
- Operates multiple hotel brands including the main brand KOKO Hotels.
- Operates 12 hotels held by SAR.
- Has **actively expanded the number of hotels under management** even during the COVID-19 pandemic and **realized revenue increase and reduction of the break-even point**.
- Continues to improve occupancy rates without any bottlenecks with the strategy of securing human resources even during the pandemic.



Expansion of business scale



Trends in share price



of hotels, rooms and employees

- In June 2024, Polaris entered into a business alliance contract with **Minacia**, another hotel operator, and is currently in discussions with the aim of a future business integration.
- The merger is expected to make Polaris one of **the leading operators in Japan with more than 13,000 rooms** under management.

	# of hotels	# of rooms	# of employees
Polaris	47	8,205	486
Minacia	39	5,180	922

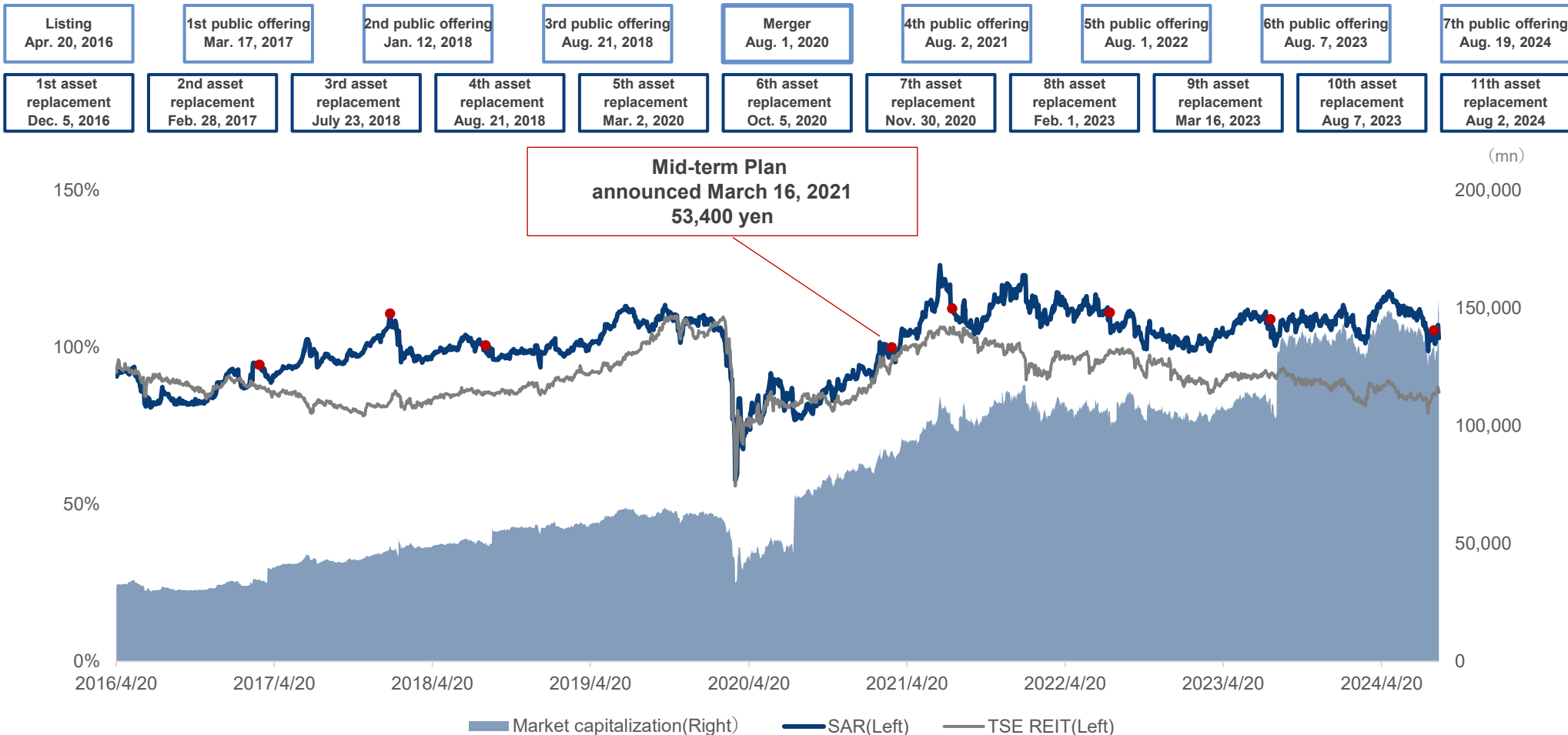


* The Polaris's figures for the number of "rooms," "hotels," and "employee" are as set forth in Polaris' Annual Securities Report filed on June 26, 2024. The figures for the number of "rooms" and "hotels" of Minacia are based on the figures disclosed in the announcement "Polaris Enters Business Alliance with Minacia Co., Ltd." disclosed by Polaris on June 26, 2024. And the number of "employees" is based on the information available on Minacia's website as of July 1, 2024.

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

Trends in investment unit price and market capitalization

- ◆ SAR executed eight public offerings including IPO and eleven asset replacements since our listing and the merger in 2020.
- ◆ Above initiatives allowing SAR's investment unit price to outperform TSE REIT index by +17.3pt** between the release of our Mid-term Plan on March 16, 2021 and the end of August 2024.



*As of August 31, 2024

**The TSE REIT index and unit price of Star Asia Investment Corporation (SAR) are indexed to SAR's closing price of March 16, 2021. Because we executed a 1 to 2 investment unit split effective August 1, 2020, unit prices prior to that date have been divided by 2 to account for the split's impact.

5. Operating results for the FP17 ended July 2024

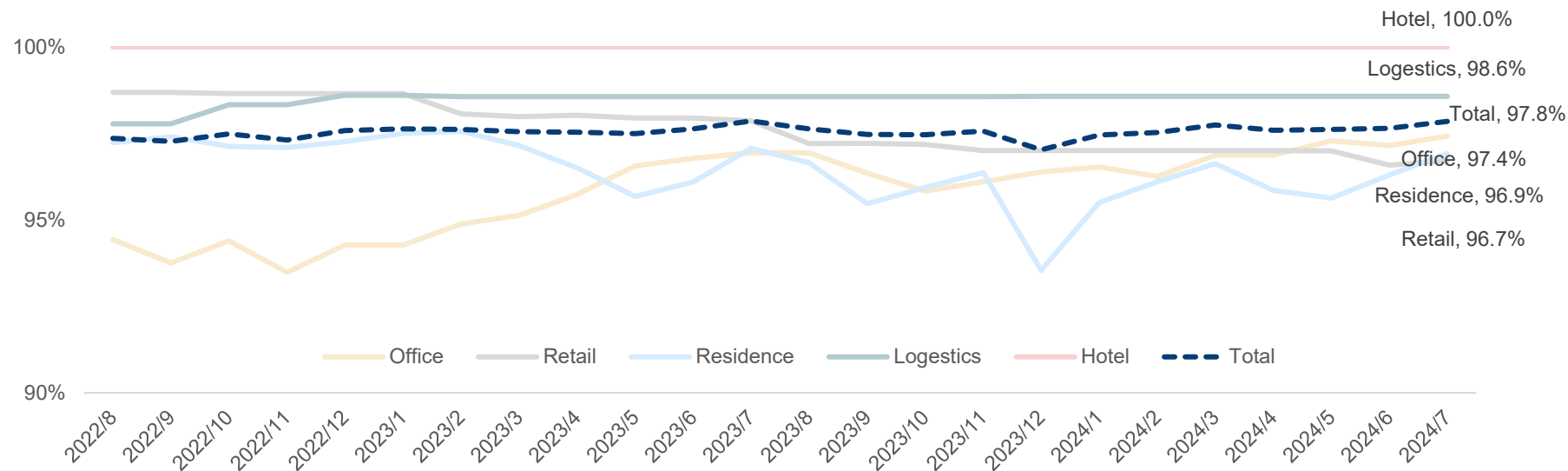
5. Operating results for the FP17 ended July 2024 (1)

operating results for FP17 and operating strategy for FP18 and FP19

	FP17 (2024/07) Operating Results	FP18 (2025/01), FP19 (2025/07) Operating Strategy
Office	<ul style="list-style-type: none"> ■ Average occupancy rate 97.0% / Effective occupancy rate 96.1% (compared to FP16 +0.6% / +0.9%) ■ 21 properties owned, average acquisition price 3.5bn ■ Average NOI yield: 4.6% ■ Rents increase at new contract and renewal +2,528 thousand yen / month 	<ul style="list-style-type: none"> ■ Focus on investing middle-size offices ■ Conducting leasing activities with appropriate rents to realize higher rents rather than aiming for increase in occupancy rate ■ Keep realizing rent increase at new contract / renewal taking advantage of the environment that SMEs are expected to be able to handle higher rents with the gradual economic recovery
Retail	<ul style="list-style-type: none"> ■ Average occupancy rate 96.9%(compared to FP16 ▲0.2%) ■ Urban retail: 2 properties; suburban retail: 3 properties owned ■ Average NOI yield: 5.6% ■ Suroy Mall Chikushino: leasing actively the vacant spaces after 'Lopia' opening / 1 space filled 	<ul style="list-style-type: none"> ■ Focus on investing in urban retail properties located near the station, while consider transferring suburban retail properties ■ Suroy Mall Chikushino (suburban retail): Focusing on leasing the vacant spaces ■ Consider measures to improve profitability at other retail properties owned
Residence	<ul style="list-style-type: none"> ■ Average occupancy rate 96.2%(compared to FP16 +0.6%) ■ Family type(30m² or larger): 93.9% ■ Average NOI yield: 5.0% ■ Net rent increase at new contract and renewal:+1,880 thousand yen / month 	<ul style="list-style-type: none"> ■ Invest mainly in family types, while invest selectively in single types ■ Aiming for rent increase at new contract / renewal ■ Transferred Urban Park Namba (post-depreciation appraisal NOI yield(FP17) 3.7%) due to the high frequency of tenant turnover leading to limited potential for cost reductions, and inability to anticipate improved profitability
Logistics	<ul style="list-style-type: none"> ■ Average occupancy rate 98.6%(compared to FP16 ±0%) ■ 8 properties owned, average acquisition price 3.7bn ■ Average NOI yield: 5.3% ■ Mid-sized logistics properties located within roughly 30 km of Tokyo Station ■ Rent increase in one property from Feb. 2024(+3.3%) 	<ul style="list-style-type: none"> ■ Transaction NOI yields in the trading market are still low, and opportunities to acquire logistics facilities are limited, however, will acquire properties when opportunities arise ■ In discussion with the tenant aiming for re-contract with rent increase in FP19 ■ Leasing activities underway the space planned to vacate in Mar. 2025, viewings by 19 companies
Hotel	<ul style="list-style-type: none"> ■ 16 properties owned, average acquisition price 4.3bn ■ income of hotels, in particular Polaris-operated hotels, significantly exceeded forecasts by 8.6% ■ KPI of the 8 properties operated by Polaris OCC 86.8%, ADR 10,927yen, RevPAR 9,480yen ■ Initiatives for improvement of ADR Partial twinning of rooms (KOKO HOTEL Ginza 1-Chome and KOKO HOTEL Kagoshima Tenmonkan) 	<ul style="list-style-type: none"> ■ Keep considering acquisition of hotel properties as key internal growth driver while roughly maintaining the current ratio (37.5%) ■ Consider mainly hotel properties operated by Polaris as well as rare / competitive properties in area or type ■ Aim to improve profitability by prompt strategic CAPEX etc., by way of close communication with Polaris ■ Transferred Smile Hotel Namba (post-depreciation appraisal NOI yield(FP17) 2.7%) due to the limited potential for performance improvement onward

5. Operating results for the FP17 ended July 2024 (2)

- ◆ For the portfolio, during FP17 (ending July 2024), the occupancy rate was maintained at 97.5% or higher.
- ◆ We focused on increasing rents in accordance with the characteristics of each asset type, while maintaining occupancy rate levels.



	FP14	FP15	FP16	FP17						average
	2023/01	2023/07	2024/01	2024/02	2024/03	2024/04	2024/05	2024/06	2024/07	
Office	94.3%	96.9%	96.4%	96.3%	96.9%	96.9%	97.3%	97.1%	97.4%	97.0%
Retail	98.6%	97.9%	97.1%	97.0%	97.0%	97.0%	97.0%	96.6%	96.7%	96.9%
Residence	97.5%	97.1%	94.0%	96.1%	96.6%	95.9%	95.6%	96.3%	96.9%	96.2%
Logistics	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	97.6%	97.9%	97.1%	97.5%	97.7%	97.6%	97.6%	97.6%	97.8%	97.7%

5. Operating results for the FP17 ended July 2024 (3)

Office / Operating Results, Occupancy Rate and Changes in Tenants

Operating Results

<Basic information >

21 properties, average acquisition price 3.5 bn

<Performance for FP17>

- Newly attracted tenants: 6 tenants (rents decreased on average of 3.6% compared to before)
- Free rent: Average 2.3 months
- Increase in rents at time of contract renewal: 19 tenants (average of 6.8% increase compared to before)
- Net increase in rent **+2,528 thousand yen / month** (total of new contract and renewal)

<Forecast for FP18 and onwards>

- In FP18, downtime of vacant areas are estimated conservatively
- Occupancy rate at the end of the period:
FP17 97.4% → FP18 97.2%
- Average occupancy rate during the period:
FP17 97.0% → FP18 96.4%

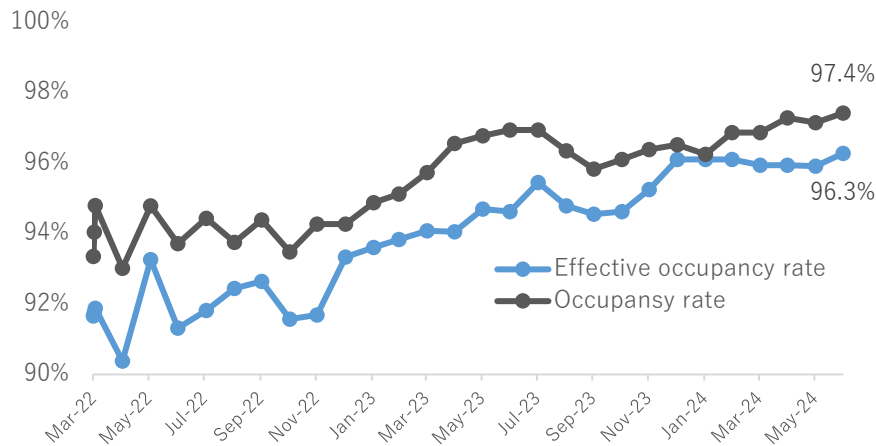
*For the calculation of average free rent periods, only the tenants newly entered during the FP17 are extracted.

Status of change in tenant

	# of tenants	Area(m ²)	
<New Contract>	6	1,392.13	- Average rent at new contract ▲3.6%
Rent up	2	403.18	(317 thousand yen/month)
Same rent	1	72.8	- All the contract are above market rents
Rent down	2	818.16	- Average free rent 2,3 months
Unknown	1	97.99	
<Renewal>	62	26,577.80	- Average rent at renewal +2.7%
Rent up	19	12,158.39	- Rent increase at renewal +6.8%(+3,041 thousand yen/month)
Same rent	41	13,963.06	- Rent decrease at renewal ▲6.7%(▲195 thousand yen/month)
Rent down	2	456.35	
<Leaving>	4	599.18	

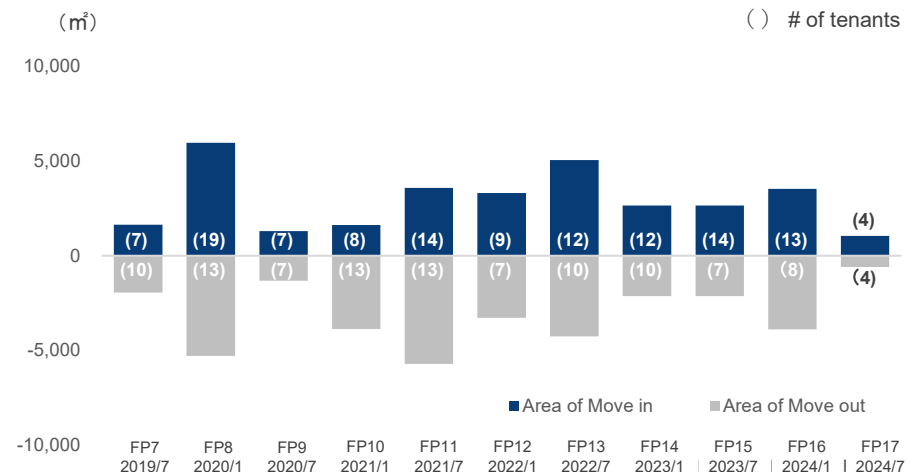
*Only tenants whose contracts were up for renewal during the FP17

Contracted occupancy rate / Effective occupancy rate*



*Effective occupancy rate = (Contracted area - Rent-free area) / Leasable area

Contract Rent Period of Office Portfolio



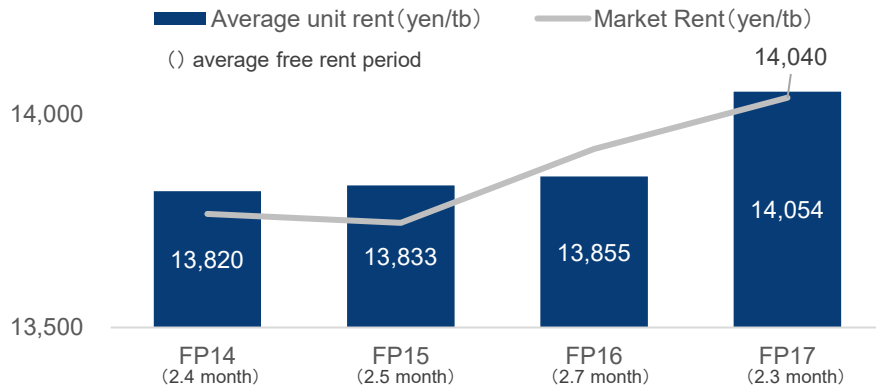
5. Operating results for the FP17 ended July 2024 (4)

Office / Status of Rent Gap and Trends in Unit Rents

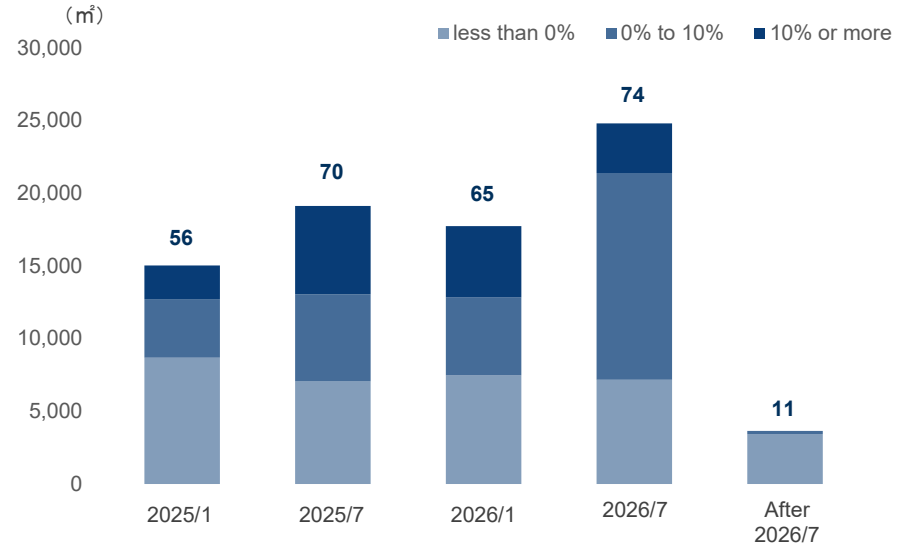
Trends in Market Rents and Contract Rents/Average FR Period

(yen) 14,500

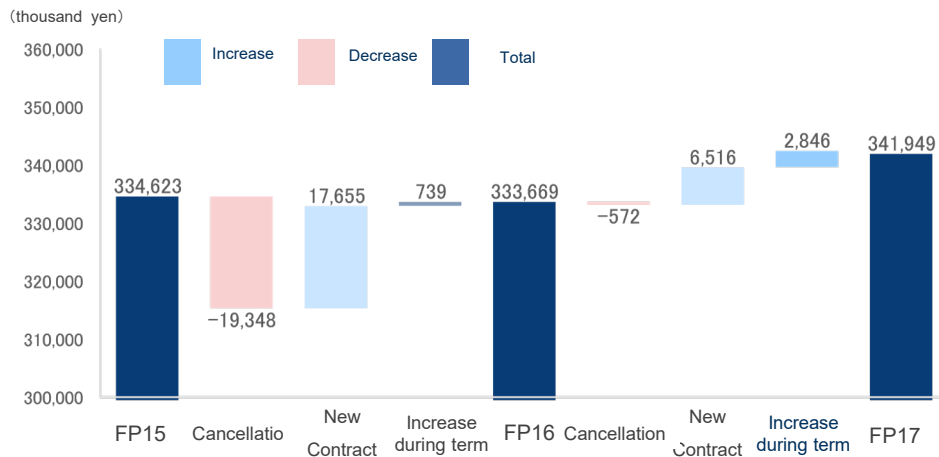
- Continuous increase in rents have been achieved to resolve the rent gap.
- During FP18, many tenants will reach timing of contract renewals (56 units, approximately 15,000m²), which is a good opportunity to increase rents.



Contract Rent Period of Office Tenants



Total monthly rent at the end of the period



Addressing leasing issues

【Urban Center Tachikawa (Tachikawa-shi, Tokyo)】

Acquisition price	1,804 mil
Structure	RC S 6F/1B
Leasable area	3,400.47m ²
Construction completion	May 1990

- One are is vacant
- Leasing activities are conducted focusing on rents
- Multiple tenants have previewed in September 2024

July 2023	Jan. 2024	July 2024
82.3 %	82.3 %	82.3 %

【Amusement Media Gakuin Shinkan (Shibuya-ku, Tokyo)】

Acquisition price	1,020 mil
Structure	RC 7F
Leasable area	781.33 m ²
Construction completion	Jan 1999

- Received notice of termination dated May 2025
- Currently leased to one tenant and considering measures
- NOI occupies 0.3% of whole portfolio NOI

Jan. 2024	July 2024	May 2025
100.0 %	100.0 %	0%(planned)

5. Operating results for the FP17 ended July 2024 (5)

Retail

Operating Results

<基礎情報>

	Property name	Location	# of tenants	Leasable area	Occupancy rate as of end of FP
urban	BAGUS Ikebukuro West abeno nini (Retail)	Toshima-ku, Tokyo	1	1,497.45㎡	100.0%
	abeno nini (Retail)	Osaka-shi, Osaka	5	3,481.03㎡	100.0%
suburban	La Park Kishiwada	Kishiwada-Shi, Osaka	47	41,050.01㎡	97.6%
	Seiyu Minakuchi	Koka- hi, Shiga	1	23,814.87㎡	100.0%
	Suroy Mall Chikushino	Chikushino-Shi, Fukuoka	20	31,088.53㎡	92.5%
	total / average		74	100,931,89㎡	96.7%

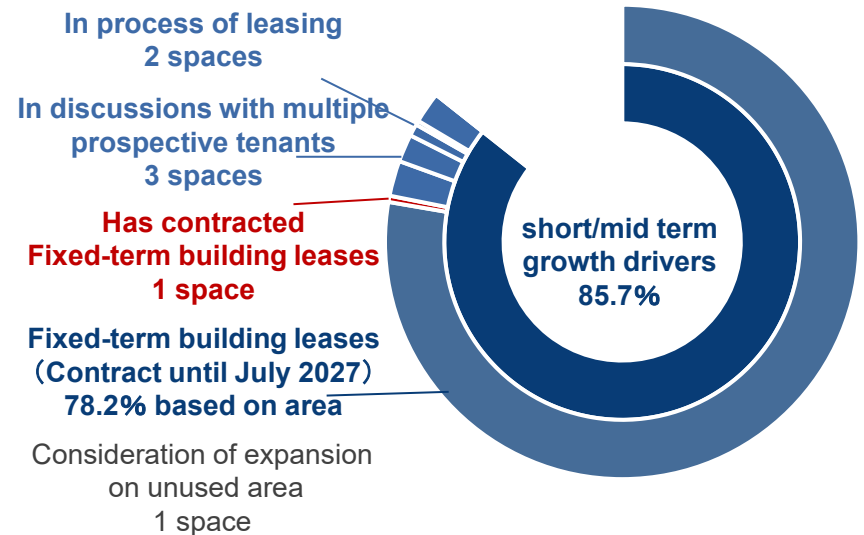
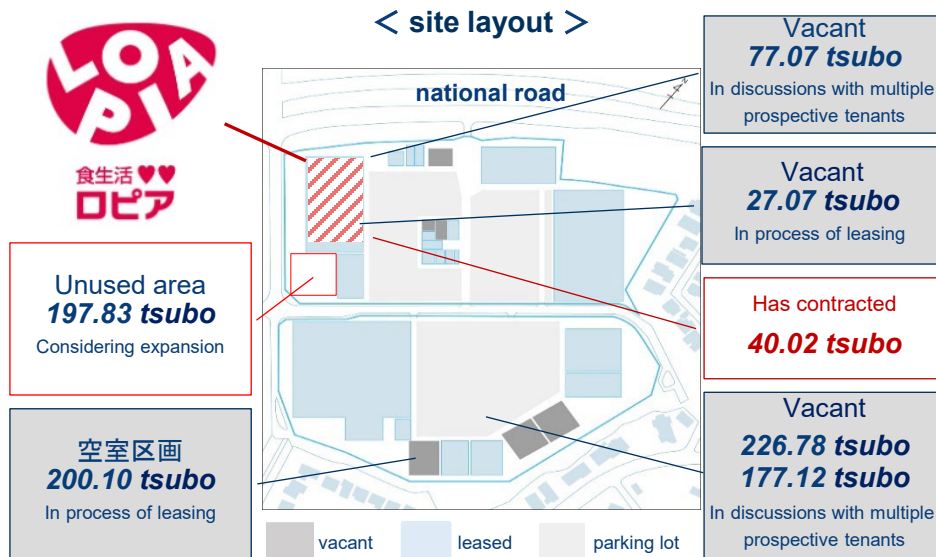
<Topics in FP17>

- Stable occupancy during FP17 as expected
- Suroy Mall Chikushino: contracted with new tenant
- After end of FP17, the portfolio expanded to 6 properties by acquiring Urban Forum Warabi located very close to the station

<FP18 onwards>

- Increase value of three suburban retail properties by realizing internal growth, considering future sales
- Suroy Mall Chikushino: Continue to lease the vacant spaces
- La Park Kishiwada: Consider renewal and tenant mix to be more competitive in the area
- Two urban retail properties and the new property are expected to be stable

Suroy Mall Chikushino/ Strategic Leasing



5. Operating results for the FP17 ended July 2024 (6)

Residence

- ◆ Composed of **mainly family-type residential units that can realize continuous rent increases**, with 93.9% of the floor space of 30 square meters or more (based on floor area).
- ◆ Policy is to strictly select only relatively new properties for single-type residences. In September 2024, Urban Park Namba which is composed on mainly for single-type units was sold.

Operating Results

<Basic information>

less than 30㎡		30㎡ between 60㎡		60㎡ or larger	
# of units	total area	# of units	total area	# of units	total area
259	6,197.32 ㎡	326	15,689.82 ㎡	1,114	79,090.24 ㎡
(6.1%)		(15.5%)		(78.3%)	

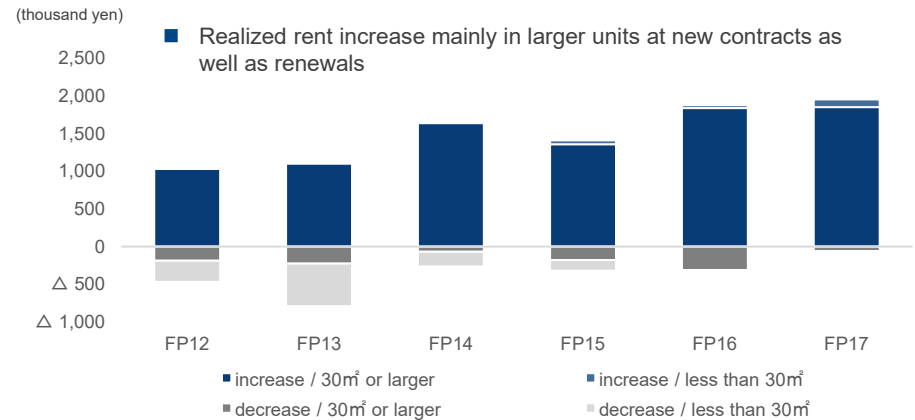
*21 properties owned at the end of FP17

<FP17 results>

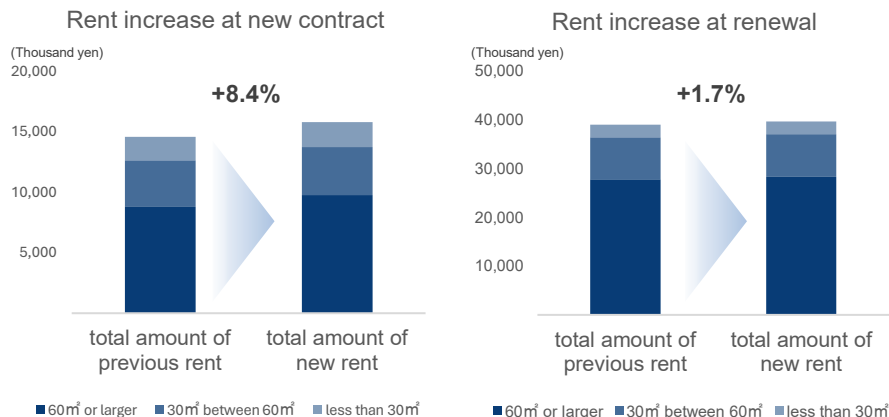
Average occupancy rate 96.2%, rents has increased mainly in 60㎡/unit.

	less than 30㎡		30㎡ between 60㎡		60㎡ or larger	
	# of units	change	# of units	change	# of units	change
New contract	58	4.5%	37	4.3%	66	11.0%
Renewal	37	0.2%	61	1.6%	219	1.9%
Termination	23	—	34	—	62	—

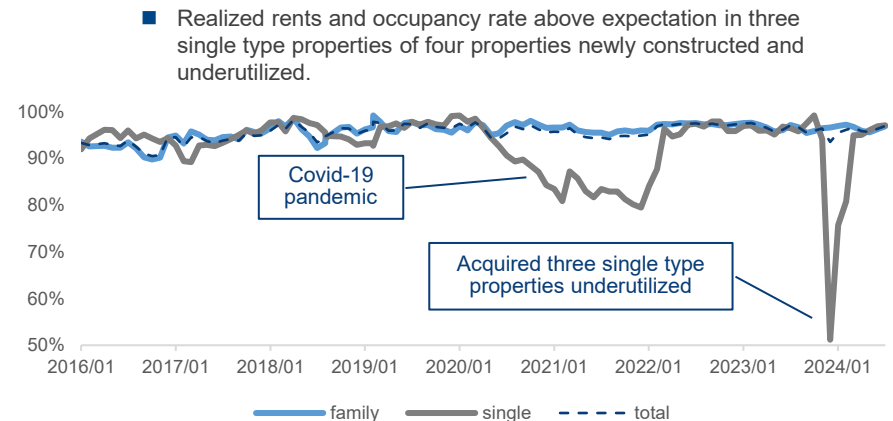
Trends in rents (increase/decrease)



Change in monthly rent for new contracts and renewals



Trends in occupancy rate by types



5. Operating results for the FP17 ended July 2024 (7)

Logistics

Operating Results

<Basic Information>

Property name	Location	Leasable area	Occupancy rate (end of 17FP)
Iwatsuki Logistics	Tokyo Area Iwatsuki-ku, Saitama-shi, Saitama	30,190.81㎡	100.0%
Yokohama Logistics	Tokyo Area Kanagawa-ku, Yokohama-shi, Kanagawa	18,142.08㎡	100.0%
Funabashi Logistics	Tokyo Area Funabashi-shi, Chiba	38,086.56㎡	94.7%
Baraki Logistics	Tokyo Area Ichikawa-shi, Chiba	12,471.50㎡	100.0%
Tokorozawa Logistics	Tokyo Area Tokorozawa-shi, Saitama	5,994.75㎡	100.0%
Funabashi Nishiura Logistics II	Tokyo Area Funabashi-shi, Chiba	6,316.32㎡	100.0%
Matsubushi Logistics	Tokyo Area Kitakatsushika-gun, Saitama	19,833.47㎡	100.0%
Funabashi Hi-Tech Park Factory I	Tokyo Area Funabashi-shi, Chiba	8,902.08㎡	100.0%
total / average		139,937.57㎡	98.6%

<Investment Policy>

- Portfolio structured with mid-sized logistics facilities **within roughly 30 km** of Tokyo Station
- High percentage of fixed-term building leases generating stable revenue
- **Negotiating rent increase** with tenants those rents gap with market rents
- Achieved internal growth in FP16 due to building expansion utilizing unused floor area ratio. Continues to consider the possibilities of internal growth including building expansion.

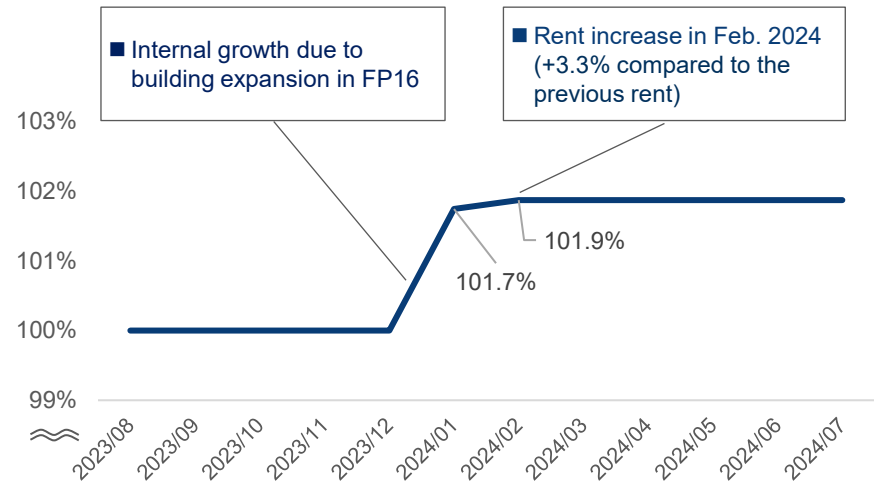
<Topics in FP17>

- Stable revenue as expected in FP17
- Achieved rent increase at one property from Feb. 2024(+3.3% compared to the previous rent, +0.2% to the whole rents form logistics)

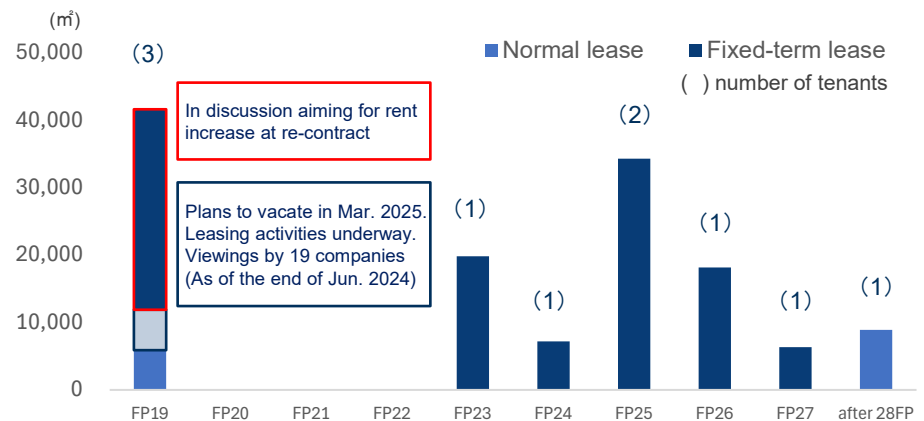
<FP18 and onwards>

- **Negotiating rent increase** with tenants those who have renewal timing in FP19
- Leasing activities underway in area to vacate in March 2025. .Viewings by 19 companies

Historical change in total monthly rent



Revision of Rent and Contract Period



5. Operating results for the FP17 ended July 2024 (8)

Hotel Overview

Overview

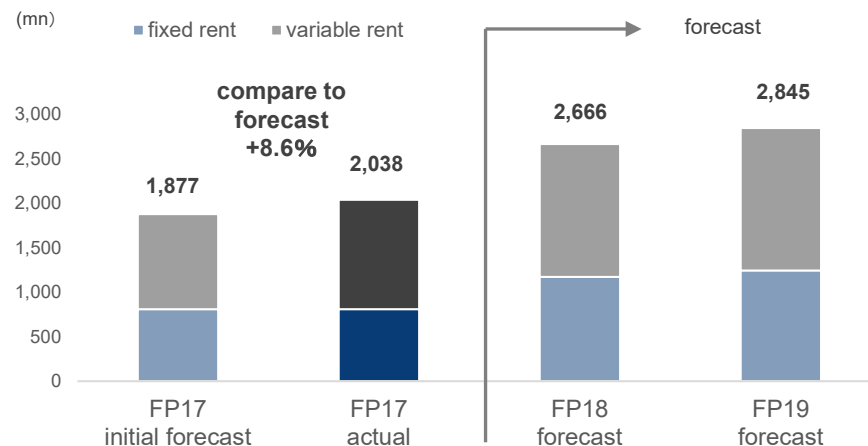
<FP17>

- Total rents income : 2,038mn / **+8.6%** compared to initial forecast
- Variable rent : 1,228mn / +15.1% compared to initial forecast
Rents from seven hotels operated by Polaris acquired in Sep. 2023 **significantly exceeded expectations (+12.1% compared to the initial forecast)**

<FP18 and onwards>

- Four hotels newly acquired ~ in FP18, estimated performance in Sep. 2024 already exceeding preconditions for forecast, expecting better performance than forecast
- Existing hotels ~ expecting upside in variable rents
- Transferred “Smile Hotel Namba” whose performance potential is limited
- Consider mainly hotel properties operated by Polaris as well as rare / competitive properties in area or type

Rents from hotels (actual/forecast)



*The 18th fiscal period forecast does not include Smile Hotel Namba, which was transferred on August 19, 2024.
**The four hotels acquired on August 30, 2024 will effectively contribute 5 months in the 18th fiscal period and 6 months in the 19th fiscal period.

Characteristics of hotels operated by Polaris

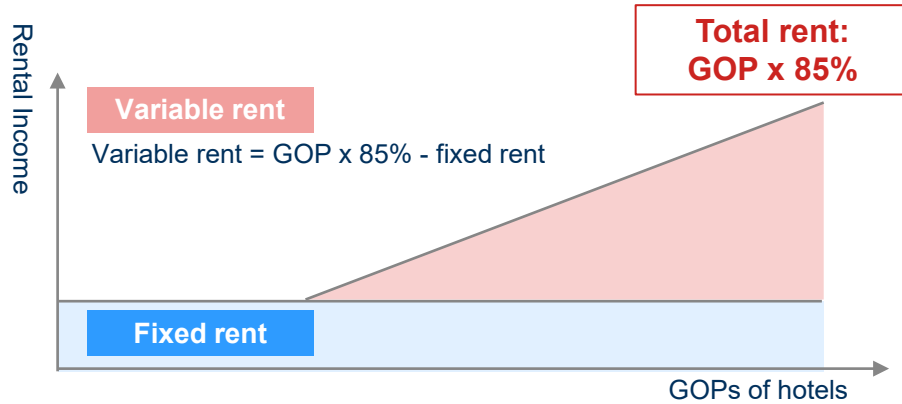
Property name	type	Acquisition price (mn)	# of rooms	inbound ratio	DOR double occupancy rate	LOS length of stay
HTL-08 KOKO HOTEL Osaka Namba	Limited Service	2,000	98	65.3%	1.84	2.09
HTL-10 KOKO HOTEL Ginza 1-Chome	Limited Service	17,800	305	84.9%	1.85	2.54
HTL-11 KOKO HOTEL Sapporo Ekimae	Limited Service	6,700	224	21.6%	1.39	1.90
HTL-12 KOKO HOTEL Fukuoka Tenjin	Limited Service	5,000	159	65.0%	1.77	1.87
HTL-13 KOKO HOTEL Hiroshima Ekimae	Limited Service	4,100	250	4.5%	1.16	1.43
HTL-14 KOKO HOTEL Kagoshima Tenmonkan	Limited Service	3,800	295	1.7%	1.16	1.52
HTL-15 KOKO HOTEL Sapporo Odori	Limited Service	4,200	145	35.1%	1.58	1.84
HTL-16 Best Western Plus Fukuoka Tenjin-minami	Limited Service	3,800	236	60.4%	1.85	1.59
HTL-17 KOKO HOTEL Tsukiji Ginza	Limited Service	17,000	188	92.5%	2.37	2.30
HTL-18 KOKO HOTEL Residence Asakusa Kappabashi	Residence	4,300	42	94.3%	3.14	3.36
HTL-19 KOKO HOTEL Residence Asakusa Tawaramachi	Residence	5,900	47	98.6%	3.50	3.66
HTL-20 KOKO HOTEL Osaka Shinsaibashi	Limited Service	7,500	211	64.7%	1.65	1.78

5. Operating results for the FP17 ended July 2024 (9)

Hotel GOP / GOP margin

- ◆ The ratio of GOP to sales (GOP margin) is **59.5%** on average for the 12 Polaris-operated hotels (based on actual results from April to July 2024)
- ◆ Polaris and SAR will collaborate to implement agile measures (e.g. twinning construction works) to improve sales and occupancy rates.

Rent structure to capture revenue growth at hotels



Reason and advantage of high GOP margin

Reason	<ul style="list-style-type: none"> • Many of the hotels specialize in lodging with around 200 rooms, which is considered to allow the most efficient operation, and can be operated by a small number of people. • Many of the hotels are located in the city center, and can attract outside tenants to the lower floors, and rental income from such tenants supports the operator's revenue. • Area management by Polaris which pursues efficiency (mutual support among staff, transfer of guests between hotels, etc.)
Advantage	<ul style="list-style-type: none"> • Future accommodation demand is expected to expand more gradually compared to the past, and since rent is calculated based on GOP, a higher GOP margin enables the gradual increase in sales to be captured more as rent.

Profit Structure of twelve hotels operated by Polaris

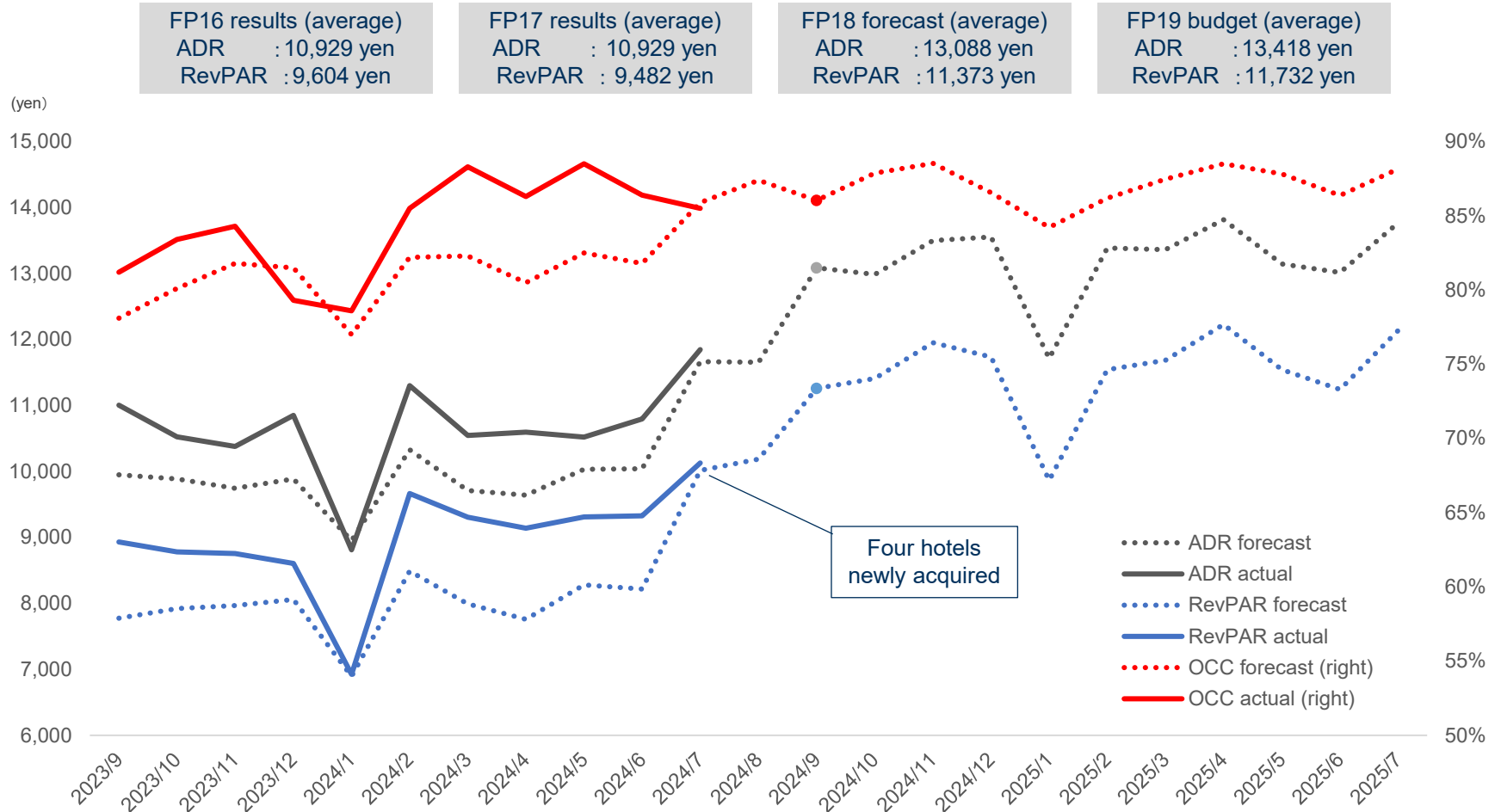
	April to July 2024	Sales	Cost	
	Total	100	40.5	
Production Div	Accommodation	94.8	29.2	【Accommodation Division】 <ul style="list-style-type: none"> • Room charge income: 94.8% of total sales / Expenses: Room cleaning staff expenses, linen costs, etc. • As the hotels are specialized in accommodation, they can be operated with a small number of staff.
	Food & Beverages	2.4	1.9	【Food & Beverages Division】 <ul style="list-style-type: none"> • Food & Beverage division revenue: 2.4% of total sales / Expenses: food and beverage costs, outsourcing fees, etc. • The basic policy regarding food & beverage is to attract restaurants or to outsource such services.
	Others	2.8	0.1	【Oher Division】 <ul style="list-style-type: none"> • Rent income from restaurants etc. in the lower floors, and fees from external rent of conference rooms. • Supports operator revenues.
	Non-production Div	—	9.3	【Non-production Division】 <ul style="list-style-type: none"> • Personnel expenses of hotel managers, etc., A&G expenses, sales and marketing expenses, facility management expenses, utility costs, outsourcing expenses, etc.
	GOP margin		59.5	

* Composition ratio of each item when total sales from February to July 2024 is set as 100.

5. Operating results for the FP17 ended July 2024 (10)

Hotel OCC / ADR / RevPAR

- ◆ Even though business performance is expected to improve, the forecast of various indicators used as assumptions for forecasts for the 4 hotel properties acquired on August 30, 2024 are conservative, focusing on the operator's budget, given that the track record is short.
- ◆ The recent various indicators are confirmed to have generally exceeding forecasts.

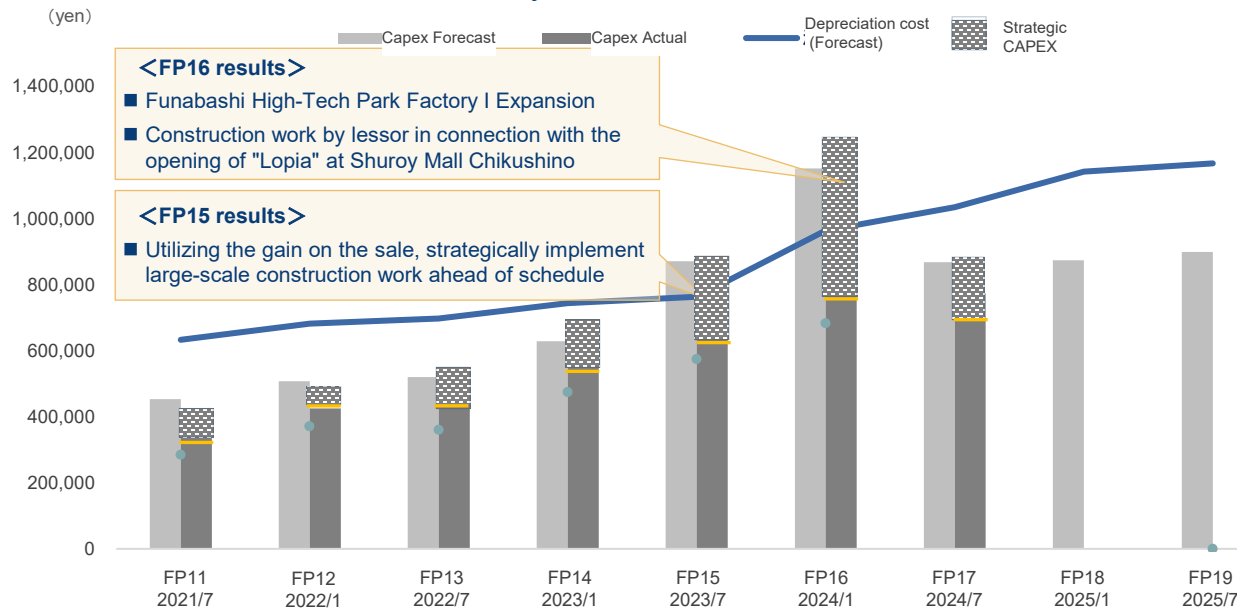


*Scope: Hotels operated by Polaris. In FP17, 8 properties, while after FP18, 12 properties are in the scope.

5. Operating results for the FP17 ended July 2024 (11)

Capex Control

- ◆ Basically, the policy is to implement capital expenditures within the scope of depreciation expenses.
- ◆ The decisions on implementation of **strategic capital expenditures** related to internal growth measures will be made taking into consideration investment efficiency.



- <Examples of Strategic CAPEX Investments>**
- Strategic CAPEX such as construction works which lead to future revenue increases, increase in asset value, and improvement in tenant satisfaction, taking into account investment efficiencies.
 - Building extension: Utilize unused FAR and increase rentable floor space, in cases where revenue increase can be expected, and investment efficiency is believed to be high.
 - Residences: Renovations which involve changes to floor plans which are determined to be able to achieve rent increases, and which are believed to have high investment efficiency.

<Major strategic CAPEX for FP17>

Exterior / interior renewal of Urban Center Shin-Yokohama	59 million yen
Renovation of restrooms of La Park Kishiwada	19 million yen
Renovation of Urban Park Azabujuban	3 million yen

<Major strategic CAPEX for FP18>

LED installation of Honmachibashi Tower common / private area	62 million yen
Store area construction of Suroy Mall Chikushino	50 million yen

	FP11 July 2021 Actual	FP12 Jan 2022 Actual	FP13 July 2022 Actual	FP14 Jan 2023 Actual	FP15 July 2023 Actual	16FP Jan 2024 Actual	FP17 July 2024 Actual	FP18 Jan 2025 Forecast	FP19 July 2025 Forecast
Depreciation cost	633,013	682,245	697,599	743,661	763,353	963,602	1,034,674	1,142,598	1,167,127
Capex Forecast	453,448	507,750	520,543	628,409	871,225	1,151,707	867,658	873,691	899,454
Capex Actual	363,439	424,722	471,534	605,932	787,991	1,107,190	774,323	-	-
(Strategic CAPEX)	(78,826)	(54,321)	(111,822)	(131,701)	(214,397)	(424,296)	(173,038)	-	-
Capex Budget reduction rate	19.8%	16.4%	9.4%	3.6%	9.6%	3.9%	10.8%	-	-
Capex ratio (Capex Actual / Depreciation cost)	57.4%	62.3%	67.6%	81.5%	103.2%	114.9%	74.8%	-	-
Repair cost (Actual / Forecast)	220,205	181,998	255,201	173,257	308,817	319,629	217,551	303,369	244,512
Number of Properties as of the end of FP	53	60	60	63	62	71	71	74	74

5. Operating results for the FP17 ended July 2024 (12)

Capex Control

- ◆ Considered strategic CAPEX for hotel assets aiming to further increase revenues / GOP / rents.
- ◆ Working together Polaris, discussed the contents, timing of implementation and scale of strategic CAPEX.

Strategic CAPEX on hotel assets

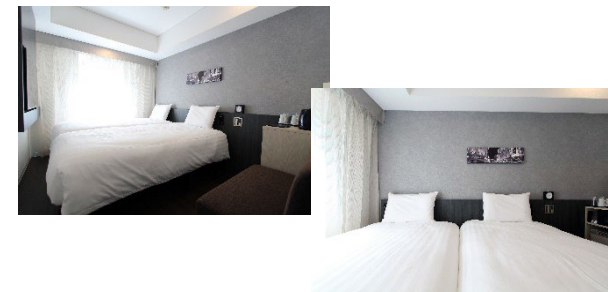
- As of Sep. 6, 2024, the average age since construction of the 19 hotels properties currently owned is 10.3 years, and as of current, Capex associated with aging is limited.
- Assumed strategic CAPEX are as follows;
 - Twinning construction aiming for increase in ADR
 - Smoke-free construction aiming for increase in OCC and ADR
 - Construction to improve guest satisfaction
- Identify issues and discuss measures at regular monthly meetings with Polaris, including local area managers and managers.
- Discuss contents, timing and scale, etc. including burden of costs.

【KOKOHOTEL Ginza 1-Chome】

Before



After



Completed				Scheduled		
Category	Strategic CAPEX	Strategic CAPEX	Improve customer satisfaction	Construction on operator's side	Construction on operator's side	Strategic CAPEX
Property name	KOKO HOTEL Ginza 1-Chome	KOKO HOTEL Kagoshima Tenmonkan	KOKO HOTEL Sapporo Ekimae	KOKO HOTEL Fukuoka Tenjin	KOKO HOTEL Osaka Shinsaibashi	KOKO HOTEL Ginza 1-Chome
Contents and Effect	Twinning 10 Single rooms ⇒ ADR +5,000 yen (expected)	Twinning 30 single rooms ⇒ ADR +2,000 yen (expected)	Wi-Fi retrofit Aiming to attract repeat guests by renewing facilities in response to guest reviews. ⇒ Increase in number of revisiting guests	Smoke-free All rooms are smoke-free by changing 52 smoking rooms to non-smoking ⇒ Increase in OCC (expected) ⇒ Increase in ADR (expected)	Smoke-free All rooms are smoke-free by changing 66 smoking rooms to non-smoking ⇒ Increase in OCC (expected) ⇒ Increase in ADR (expected)	Twinning 20 Single rooms ⇒ ADR +5,000 yen (expected)
Construction Period	July 10, 2024 - July 31, 2024	July 4, 2024 - July 31, 2024	June 1, 2024 - June 27, 2024	April 8, 2024 - April 10, 2024 May 27, 2024 - May 29, 2024	FP18 (2025/1)	FP18 (2025/1)
Amount	Approx. 12mn	Approx. 29mn	Approx. 6mn	Approx. 3mn	Approx. 3mn	Approx. 21mn

5. Operating results for the FP17 ended July 2024 (13)

Financial standing

- ◆ For new borrowings upon the public borrowing, **invited 5 new banks** and realized diversification of lenders and repayment dates.
- ◆ The “Borrowing Policy” for the time being, from the perspective of controlling interest payments, is to procure **long-term / floating-rate loans**, and to consider fixing the interest rate depending on financial market conditions.

Main financial indicators*

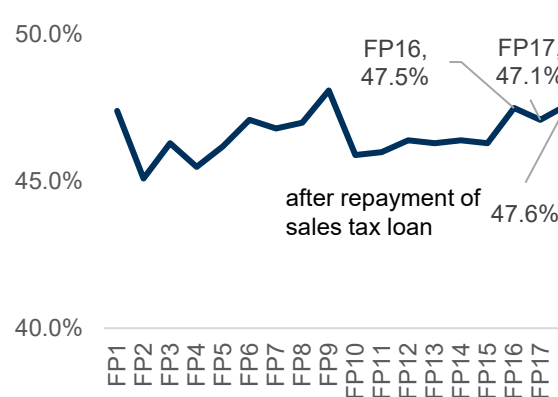
	FP16 Jan 2024	FP17 July 2024	As of Aug. 31, 2024***
LTV	47.5%	47.1%	-
Interest-bearing debt balance	123,140 mn	121,840 mn	138,880 mn
Long-term debt ratio	98.9 %	99.2 %	99.3 %
Average remaining period to maturity	3.3 yrs	3.2 yrs	3.5 yrs
Average borrowing period	5.3 yrs	5.4 yrs	5.4 yrs
Average interest rate**	0.79 %	0.90 %	0.95 %
Fixed interest rate ratio	70.8 %	64.6 %	56.7%

*This describes the status including investment corporation bonds.

**The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

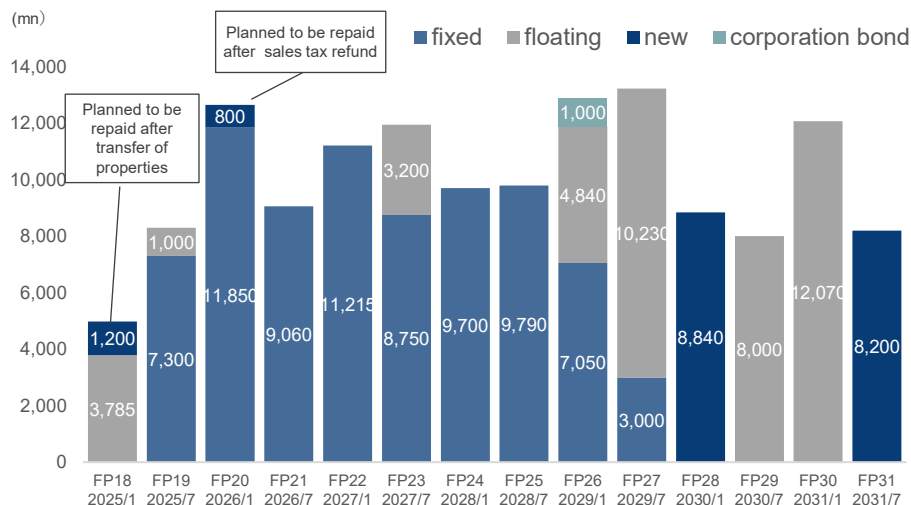
*** Consumption tax loan and bridge loan are excluded.

LTV / Credit Rating



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

Diversification of repayment dates (as of Aug 31, 2024)



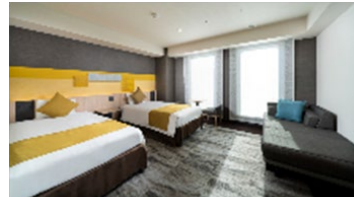
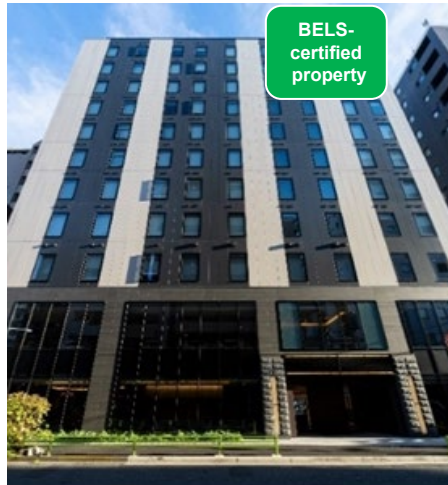
Bank formation (as of Aug 31, 2024)

Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	24.1%	The Juhachi-Shinwa Bank, Ltd	0.9%
Mizuho Bank	17.4%	The Musashino Bank, Ltd	0.7%
SBI Shinsei Bank	13.5%	The Yamagata Bank, Ltd	0.7%
Sumitomo Mitsui Trust Bank	11.7%	The Ogaki Kyoritsu Bank, Ltd	0.7%
Aozora Bank	7.9%	Kansai Mirai Bank, Limited	0.7%
Resona Bank	6.6%	The Gunma Bank	0.7%
The Bank of Fukuoka	2.1%	Mizuho Trust & Banking	0.6%
The Kiyo Bank, Ltd	1.8%	Suruga Bank Ltd	0.5%
Minato Bank	1.4%	The Dai-ichi Life Insurance	0.4%
The Chiba Bank, Ltd	1.4%	Fukoku Mutual Life Insurance Comp	0.4%
The Asahi Shinkin Bank	1.4%	The Kumamoto Bank, Ltd	0.4%
San-ju San Bank	1.1%	The Hokuriku Bank, Ltd	0.2%
The Nishi-Nippon City Bank	1.1%	Corporation Bonds	0.7%
The Bank of Yokohama, Ltd	1.1%		

6. Overview of Newly Acquired Assets

6. Overview of Newly Acquired Assets

KOKO HOTEL Tsukiji Ginza



Features of the Asset:

- Polaris operates this property together with KOKO HOTEL Ginza 1-chome, achieving high GOP margins
- The hotel is easily accessible by public transportation, located approx. 6 minutes' walk to the nearest station, "Tsukiji" Station on the Tokyo Metro Hibiya Line, and approx. 9 minutes' walk to "Higashi-ginza" Station on the Toei Subway Asakusa Line and Tokyo Metro Hibiya Line
- The hotel is close to Tsukiji Outer Market, a popular site among domestic and inbound tourists, and is located within walking distance from the Ginza area, so it can capture both business and leisure demands
- All rooms accommodate 2-4 guests, and demand from school trips, sports groups, inbound tourists, and other group trips is expected

Features of the location: Expected to increase in attractiveness through upcoming redevelopment

- The "Tsukiji District Community Development Project" is underway at the old site of Tsukiji Market close to the hotel, the business scale of which is 900bn
- Business operators were selected in April 2024, some of the buildings will open in FY2029, and the others will open from the early 2030s
- A large attraction and exchange facility (multi-purpose stadium with capacity of approx. 50,000 people), a MICE facility (a facility for meetings, incentive travel/ tours, conventions, and exhibitions), a life science/commercial complex, and offices, etc. are scheduled for construction
- The construction of additional infrastructure such as a new subway line, an expressway, a wharf, and decks for pedestrians is being considered in the nearby area

[Tsukiji District Town Development Project Concept Image]



Source: Created by the Asset Manager based on "Overview of proposals from the prospective operators" released by the Bureau of Urban Development, Tokyo Metropolitan Government

[Seaside Subway Line Map]



Source: Created by the Asset Manager based on "Project Plan Proposal (November of Reiwa Year 4)" released by Subway Project Plan for Central and Coastal Areas From the Study Meeting

	Operating performance							Anticipated figures during stable operation as stated in the Appraisal Report	Preconditions for performance forecast of FP2025/7
	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	June 2024	July 2024	Average Feb.2024-July 2024		
Occupancy rate	94.2%	95.2%	93.8%	94.4%	93.7%	95.2%	94.4%	89.0%	89.6%
ADR (yen)	21,761	27,835	28,080	23,425	21,975	24,182	24,553	23,000	23,556
RevPAR (yen)	20,508	26,489	26,348	22,107	20,592	23,033	23,186	20,470	21,104

6. Overview of Newly Acquired Assets

KOKO HOTEL Residence Asakusa Kappabashi / KOKO HOTEL Residence Asakusa Tawaramachi



**KOKO HOTEL
Residence Asakusa
Kappabashi**



**KOKO HOTEL
Residence Asakusa
Tawaramachi**

Features of the Asset:

Residence-type hotels that meet demand for multiple occupancy guestrooms and mid-to-long-term stays

- The concept is “a hotel that feels like home”
- Realizing high GOP margin through integrated operation by Polaris

Features of the location:

Competitiveness due to the location in the Asakusa area

- Both properties are easily accessible, located within a 5 minutes' walk from the nearest station
- Both hotels are surrounded by major sightseeing spots including Senso-ji Temple, the Nakamise street, and Tokyo Skytree, capturing tourism demand, attracting inbound visitors as well



KOKO HOTEL Residence Asakusa Kappabashi

	Operating performance							Average Feb.2024-July 2024
	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	June 2024	July 2024		
Occupancy rate	76.8%	88.3%	92.8%	91.8%	90.4%	92.4%	85.5%	
ADR (yen)	31,652	37,024	38,374	29,993	32,952	38,097	33,671	
RevPAR (yen)	24,324	32,701	35,603	27,528	29,787	35,201	28,777	

Anticipated figures during stable operation as stated in the Appraisal Report	Preconditions for performance forecast of FP2025/7
80.0%	85.9%
34,400	34,428
27,520	29,582

KOKO HOTEL Residence Asakusa Tawaramachi

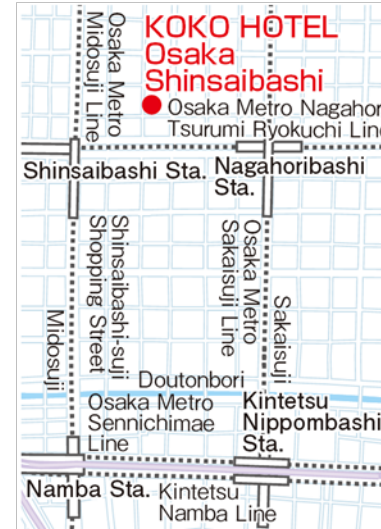
	Operating performance							Average Feb.2024-July 2024
	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	June 2024	July 2024		
Occupancy rate	86.5%	88.8%	91.6%	93.0%	91.7%	90.6%	90.4%	
ADR (yen)	34,889	40,964	43,191	35,300	40,032	44,415	39,865	
RevPAR (yen)	30,179	36,382	39,576	32,829	36,710	40,238	36,038	

Anticipated figures during stable operation as stated in the Appraisal Report	Preconditions for performance forecast of FP2025/7
84.0%	85.9%
38,500	39,634
32,340	34,048

6. Overview of Newly Acquired Assets

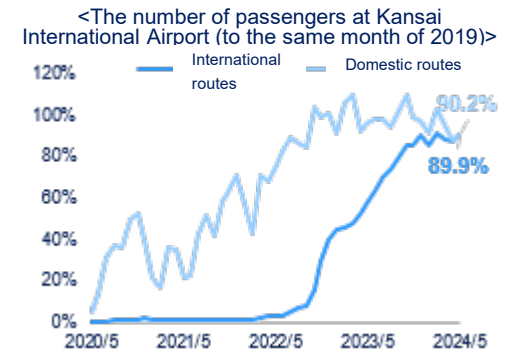
KOKO HOTEL Osaka Shinsaibashi

KOKO HOTEL Osaka Shinsaibashi



Features of the location: Potential increase demand of tourism and business Osaka

- The number of passengers at Kansai International Airport has been rising since around autumn of 2022, but has not recovered to the 2019 level. However, it is expected to grow further on the back of increased tourism and business demand, and boosted inbound travel
- Expo 2025 Osaka, Kansai, which is scheduled to be held for six months from April to October 2025, is expected to attract many domestic and foreign visitors



Source: Created by the Asset Manager based on "Monthly usage status" released by Kansai Airport"

Features of the Asset:

- The hotel is situated in a competitive location with good access to key areas in Osaka, around approx.3 minutes' walk from "Shinsaibashi" Station on the Osaka Metro Midotsuji Line and from there, with close access to "Shin-Osaka" Station and "Umeda" Station are reachable in approx.14 and approx.7 minutes, respectively
- The area around "Shinsaibashi" Station is one of Osaka's core retail areas, as well as an area where various companies have their headquarters and branch offices, and where business demand is strong
- Since the participation of Polaris as operator, the focus of room types has been changed from single to twin, resulting in an increase in the double occupancy rate(DOR). The hotel has also successfully captured leisure demand
- Rent income from tenants such as a clinic in basement level one and the second floor, and restaurants on the first floor contribute to increase in GOP margin

	Operating performance						
	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	June 2024	July 2024	Average Feb.2024-July 2024
Occupancy rate	81.7%	87.5%	90.2%	86.1%	85.1%	86.7%	81.5%
ADR (yen)	10,155	11,699	11,758	10,725	9,881	10,626	10,889
RevPAR (yen)	8,293	10,234	10,608	9,236	8,408	9,214	8,878

Anticipated figures during stable operation as stated in the Appraisal Report	Preconditions for operation forecast of FP2025/7
86.0%	89.1%
11,500	11,682
9,890	10,414

6. Overview of Newly Acquired Assets

Urban Forum Warabi / Star Asia Mezzanine Loan Debt Investment Series 9

Urban Forum Warabi



Features of the Asset and the location:

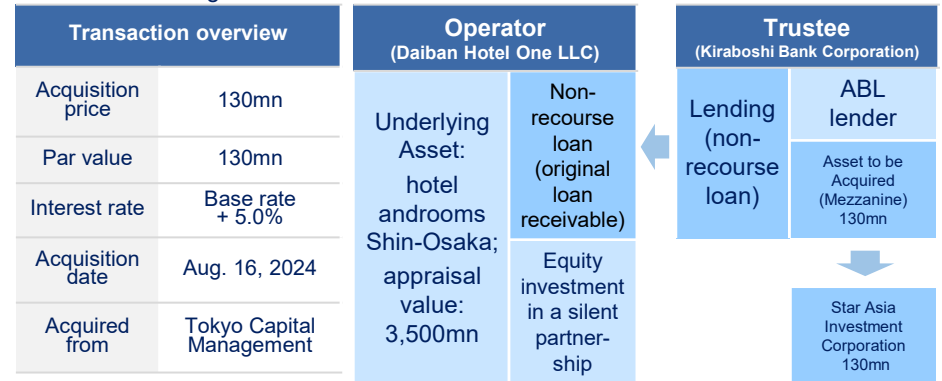
- Commercial facility located approx.4 minutes' walk from "Warabi" Station on the JR Keihin Tohoku Line, traveling from "Warabi" Station to "Tokyo" Station by train will take approx.30 minutes, while "Omiya" Station is approx.15 minutes away, making this area with excellent access for commuters
- Entered into a rental guarantee contract with one tenant for a certain period, ensuring stable income
- The west exit of "Warabi" Station is currently undergoing redevelopment, with two high-rise residential buildings comprising 415 units plus commercial facilities scheduled for completion in July 2027, which will likely create additional local demand
- This recently constructed commercial facility located near the train station consists of tenants offering services such as community-based stores and shared offices, responding to the increasing demand driven by the population density of the surrounding area and the diversification of work styles
- The Asset Manager's unique network allowed us to discover this project at the pre-development stage and secure the property through the use of a bridge scheme

Property overview	
Acquisition price	1,100mn
Appraisal value	1,210mn
Appraisal NOI yield	4.7%
Location	Kawaguchi-shi, Saitama
Structure / Floors	Steel-framed / 6F
Total floor area	1,489.22m ²
Construction completion	Dec. 2023
# of tenants	5
Occupancy rate	100%



Star Asia Mezzanine Loan Debt Investment Series 9

- Series 9 of SAR's mezzanine loan debt investments
- Realize investments leveraging proprietary sourcing routes and utilizing the bridging functions of the sub-sponsor
- Redeemed funds will be reinvested in mezzanine loan debt investments or used to execute strategic CAPEX



List of Star Asia Investment Corporation's mezzanine loans (Total value of assets: JPY 3,011mn)

Asset no.	Underlying Asset	Acquisition Price	Interest rate
1	Relief Premium Haneda Redemption complete	400mn	Base rate + 5.0%
2	Sasazuka South Building Redemption complete	335mn	Base rate + 5.0%
3	The Royal Garden Residence Shirokanedai Redemption complete	126mn	Base rate + 5.0%
4	DS Kaigan Building (formerly known as Premier Kaigan Building) Redemption complete	300mn	Base rate + 5.0%
5	Sun Maison Ohori Park Kita Redemption complete	150mn	Base rate + 5.0%
6	Tajimi Logistics Center Redemption complete	400mn	Base rate + 7.0%
7	Quintessa Hotel Tokyo Haneda Comic & Books	400mn	Base rate + 5.0%
8A	Centurion Hotel Grand Akasaka	430mn	Base rate + 5.3%
8B		340mn	Base rate + 7.3%
9	hotel androoms Shin-Osaka	130mn	Base rate + 5.0%

7. Initiatives on ESG

7. Initiatives on ESG

Recent Topics regarding ESG Initiatives and ESG Promotion System

Acknowledgement on ESG

<GRESB Real Estate Assessment> (note1)

- Star Asia Investment Corporation (“SAR”) participated in the GRESB Real Estate Assessment in 2023 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 Kanざい Group who is one of sub-sponsors. 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.

ESG promotion system

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

The Asset Manager’s Sustainability Promotion Division

Tetsuya Makino
Executive officer in charge of sustainability
General Manager of Sustainability Promotion Division

Takayuki Hatakeyama
Manager of Sustainability Promotion Division

■ **Initiatives on ESG**

- Setting of goals primarily focused on E (Environment), process management, and result verification
- Participation in GRESB Real Estate Assessment, and acquired **3 Star**

■ **Optimization of capital expenditures and repairs expenses**

- Selection of equipment and materials with consideration for impact on revenue pursuant to ESG Policy and Sustainable purchase policy through examination of capital expenditures and repair expenses

Nippon Kanざい (Sub sponsor)

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

<Support System>

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

Tokyo Capital Management (Sub sponsor)

TCM helps developing long-term repair plans for SAR’s portfolio assets together with Nippon Kanざい

7. Initiatives on ESG

E (Environment) related Numerical Goals and their Achievement Status

- ◆ Total Energy consumption increased in 2023 due to the 7 hotels acquired at the time of the previous public offering
- ◆ SAR will aim for continued reductions by considering the introduction of highly efficient equipment and low carbon equipment when renovating or renewing facilities

E (Environment) Related Numerical Objectives and Actual Performance

GHG Monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
GHG emissions	t-CO ₂	23,154.05	20,130.43	20,588.99	24,167.02	-
Scope 1	t-CO ₂	1,968.71	1,672.17	1,953.58	2,570.26	-
Scope 2	t-CO ₂	21,185.34	18,458.26	18,635.41	21,596.76	-
GHG emissions intensity	t-CO ₂ /m ²	0.05712	0.04097	0.04051	0.04384	0.05140
Reduction rate	%	-	▲ 28.3%	▲ 29.1%	▲ 23.2%	▲ 10.0%

Energy consumption monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Crude oil equivalent usage	kL	11,220.81	11,234.60	12,001.80	13,710.32	-
Crude oil equivalent usage intensity	kL/m ²	0.02768	0.02286	0.02362	0.02487	0.02491
Reduction rate	%	-	▲ 17.4%	▲ 14.7%	▲ 10.1%	▲ 10.0%

Energy consumption monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Energy consumption	MWh	44,560.98	44,615.75	47,662.51	54,447.52	-
Energy consumption intensity	MWh/m ²	0.10992	0.09080	0.09379	0.09877	0.09893
Reduction rate	%	-	▲ 17.4%	▲ 14.7%	▲ 10.1%	▲ 10.0%

Water consumption monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Clean water usage	m ³	329,687.35	255,933.91	334,463.31	427,136.45	-
Clean water usage intensity	m ³ /m ²	0.8133	0.5209	0.6581	0.7748	≤ 0.8133
Reduction rate	%	-	▲ 36.0%	▲ 19.1%	▲ 4.7%	±0%

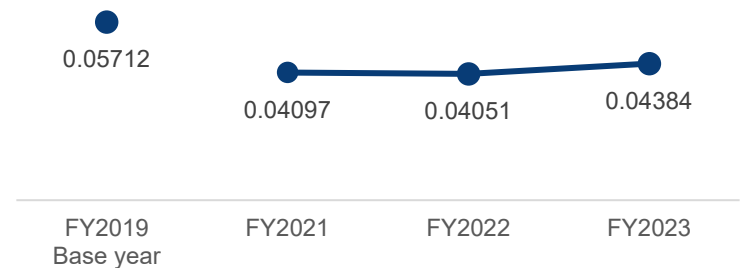
Waste monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Waste emissions	t	2,693.27	3,164.05	3,825.29	4,218.67	-
Coverage rate	%	69.1%	70.4%	79.6%	77.7%	-
Waste emissions intensity	t/m ²	9.61	9.14	9.46	9.85	≤ 9.61
Reduction rate	%	-	▲ 4.9%	▲ 1.6%	+ 2.5%	±0%

GHG emissions intensity (note 2)

(t-CO₂/m²)

Goal: 10% reduction from base year by 2030

Reduction rate: **23.2%**

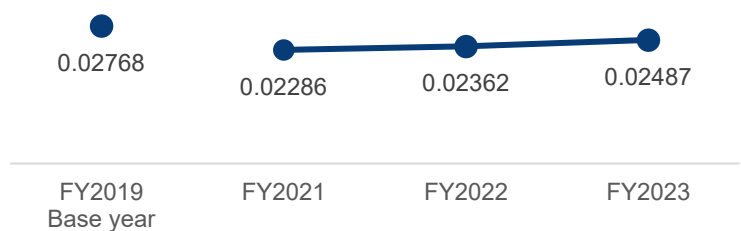


Energy consumption intensity (note 3)

(kL/m²)

Goal: 10% reduction from base year by 2030

Reduction rate: **10.1%**



7. Initiatives on ESG

Initiatives for E (Environment) and S (Society)

Environmental Certification

Target of certified ratio : 50% (2026)

		Property name	Asset type	Total floor area (㎡)	Ratio (note 1)
BELS (note 2)	★★★★★	Funabashi Hi-Tech Park Factory I *	Logistics	576.00	6.4%
		KOKO HOTEL Sapporo Odori	Hotel	3,854.01	
		Best Western Plus Fukuoka Tenjin-minami	Hotel	7,322.03	
	★★★★	KOKO HOTEL Hiroshima Ekimae	Hotel	5,370.75	
		KOKO HOTEL Kagoshima Tenmonkan	Hotel	4,622.48	
		KOKO HOTEL Tsukiji Ginza	Hotel	6,086.48	
	★★★	Urban Center Hakata	Office	3,566.56	
		Urban Park Mitaka	Residence	1,180.02	
		KOKO HOTEL Residence Asakusa Tawaramachi	Hotel	2,226.57	
	★★	Urban Park Miyamaedaira (note 4)	Residence	2,039.17	
Urban Forum Warabi		Retail	1,489.22		
CASBEE (note 3)	Rank S	Higashi-Kobe Center Building	Office	25,740.46	38.0%
		Urban Center Shinjuku	Office	7,624.66	
		Seiyu Minakuchi	Retail	31,829.71	
	Rank A	Honmachibashi Tower	Office	15,407.83	
		La Park Kishiwada	Retail	65,663.02	
		abeno nini (Retail)	Retail	4,866.82	
		Urban Park Daikanyama	Residence	8,261.29	
		Urban Park Tokiwadai Koen	Residence	15,708.08	
		Urban Park Mitsuike Koen	Residence	10,918.37	
		Baraki Logistics	Logistics	12,471.50	
Iwatsuki Logistics	Logistics	29,729.72			
Total**				266,554.75	44.4%

* limited to the expansion portion

** as of Sep. 6, 2024

Status of signing of green lease contracts (as of July 31, 2024)

(note 5)

- Established policy for green lease agreement and added green lease clauses for 185 tenants (130 office tenants, 35 retail tenants, 7 residence tenant, 9 logistics tenants, and 4 hotel tenants. (41.2% of leasable area +3.1% compared to the previous FP)
- SAR plans to add the same clause to other properties

185 tenants

Total leased area
206,662.79 m²

Initiatives for S (Society)

◆ Initiatives for employees

- Diversity & inclusion (one director and one auditor are 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

◆ Initiatives on own Property

- La Park Kishiwada
 - providing resting spots at the Danjiri festival. as a part of regional contribution initiatives
 - signed an agreement with Kishiwada City as a temporary evacuation facility in the event of tsunami.



◆ Tenant satisfaction surveys

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

7. Initiatives on ESG

Governance

Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 6.9% of the investment units of the Sponsor Group (as of Jan 31, 2024)
- Members of the Asset Manager also hold investment units

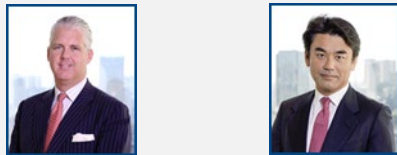
Star Asia Group (as of Jan 31, 2024)

- 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:

164.316 units

<Founder of Star Asia>



Ownership:
6.9%

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 2023 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	FP16	FP17
Management fees I	Total valuation amount of managed assets x 0.2% (upper limit)	175,906 thousand yen	180,814 thousand yen
Management fees II	NOI x 7.5% (upper limit)	332,520 thousand yen	361,609 thousand yen
Acquisition fees	Acquisition price x 1.0% (upper limit) ※	254,733 thousand yen	0 thousand yen
Transfer fee	Assignment price x 1.0% (upper limit) ※	31,150 thousand yen	0 thousand yen
Merger fee	Valuation amount of held assets x 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



7. Initiatives on ESG

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

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

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

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

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

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

8	Endless Pursuit of Excellence
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We will tirelessly pursue excellence not only for our investor clients but also for ourselves.

8. Appendix

About Star Asia Group (1)



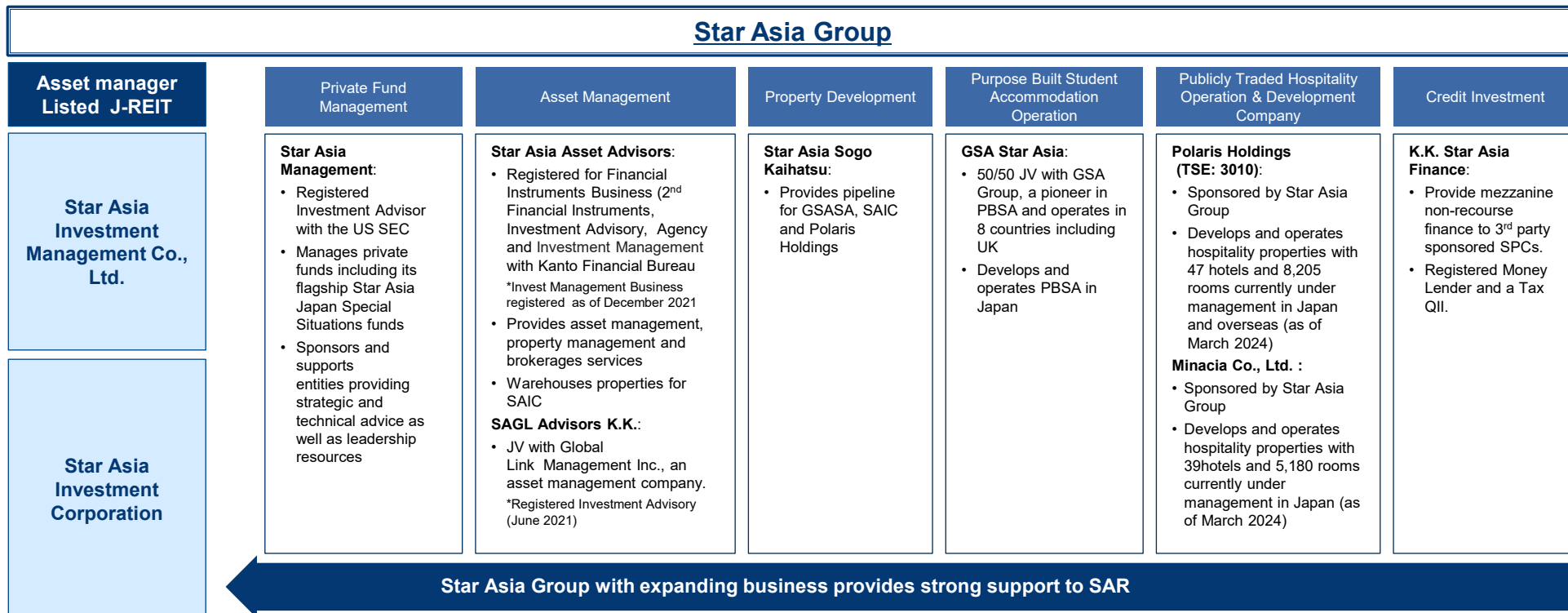
Taro Masuyama
Co-Founder and
Managing Partner



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 JPY1,3 trillion and has current assets under management of around JPY518.0 billion. (as of March 2024)
- Star Asia Group has 1,244 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. (as of March 2024. including group companies not listed below)
- 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



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 17th Fiscal Period ended July 2024)

Number of investment units by attribute: Total 2,372,000 units

Category	End of 16FP		End of 17FP	
	No. of units	Ratio		
Individual	534,363	22.5%	514,580	21.7%
Financial institution	916,636	38.6%	966,829	40.8%
Domestic corporation	70,436	3.0%	67,784	2.9%
Foreign	783,553	33.0%	788,705	33.3%
Securities company	67,012	2.8%	34,102	1.4%
Total	2,372,000	100.0%	2,372,000	100.0%

List of major unitholders (Top 10)

	Unitholder name	No. of units	Ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	374,313	15.8%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	364,959	15.4%
3	The Nomura Trust and Banking Co., Ltd. (Trust Account)	111,318	4.7%
4	NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	81,809	3.4%
5	Star Asia Capital I LLC	40,969	1.7%
5	Star Asia Capital II LLC	40,969	1.7%
5	Star Asia Capital III LLC	40,969	1.7%
5	Star Asia Capital IV LLC	40,969	1.7%
9	STATE STREET BANK AND TRUST COMPANY 505001	37,960	1.6%
10	STATE STREET BANK AND TRUST COMPANY 505001	37,816	1.6%
	Total	1,172,051	49.4%

*Star Asia Capital I ~IVLLC are Sponsor Group.

Number of unitholders by attribute: Total 30,350

Category	End of 16FP		End of 17FP	
	No. of units	Ratio		
Individual	29,574	97.2%	29,496	97.2%
Financial institution	48	0.2%	50	0.2%
Domestic corporation	428	1.4%	412	1.4%
Foreign	343	1.1%	370	1.2%
Securities company	22	0.1%	22	0.1%
Total	30,415	100.0%	30,350	100.0%

Change in business results

(Unit: million yen)

	12FP (ended Jan. 2022) actual	13FP (ended July 2022) actual	14FP (ended Jan. 2023) actual	15FP (ended July 2023) actual	16FP (ended Jan. 2024) actual	17FP (ended July 2024) forecast*	17FP (ended Jan. 2024) actual	Comparison with forecast
Lease business revenue	5,890	6,060	6,463	6,503	7,524	7,894	8,048	+153
Office rent	1,900	1,974	2,036	2,077	2,088	2,137	2,133	△4
Retail rent	842	847	1,038	1,048	1,012	1,046	1,040	△6
Residence rent	1,152	1,215	1,225	1,227	1,183	1,265	1,260	△4
Logistics rent	910	910	914	869	877	914	914	-
Hotel rent	425	426	537	581	1,666	1,877	2,038	+161
Other	660	686	710	700	695	652	660	+7
Expenses related to rent business (Depreciation is excluded)	1,629	1,796	1,812	1,981	1,982	2,051	2,021	△30
NOI	4,261	4,263	4,650	4,521	5,542	5,842	6,026	+184
Depreciation	682	697	743	763	963	1,034	1,034	+0
Rent revenues/expenses	3,579	3,565	3,907	3,758	4,578	4,807	4,992	+184
Gain on sale of real estate property	-	-	-	414	374	-	-	-
Mezzanine	22	28	22	22	33	33	34	+0
TK distribution	46	-	-	-	-	-	-	-
Income from securities lending fees	-	-	-	6	31	31	31	-
SGA	560	546	580	595	708	713	719	+5
Operating income	3,087	3,047	3,349	3,606	4,309	4,159	4,338	+179
Non-operating income	1	2	1	1	1	-	2	+2
Non-operating expenses	571	489	568	534	782	681	671	△10
Ordinary income	2,517	2,560	2,782	3,073	3,528	3,477	3,669	+192
Income before income taxes	2,517	2,560	2,782	3,073	3,528	3,477	3,669	+192
taxes	0	0	0	0	0	0	0	-
Net income	2,516	2,559	2,781	3,073	3,527	3,476	3,668	+192
Cash distribution per unit	1,478 yen	1,476円	1,491円	1,586円	1,524円	1,520円	1,596円	76円
FFO per unit	1,787円	1,820円	1,834円	1,780円	1,735円	1,902円	1,982円	+80円
AFFO per unit	1,550円	1,556円	1,519円	1,370円	1,268円	1,536円	1,656円	+120円
Balance of Internal reserve**	8,967	8,886	8,802	8,828	8,741	8,612	8,624	+11

*Announced in the 16th FP financial briefing report on March 15, 2024

**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

	(Unit: thousand yen)	
	16th fiscal period (As of January 31, 2024)	17th fiscal period (As of July 31, 2024)
Assets		
Current assets		
Cash and deposits	2,466,478	3,379,427
Cash and deposits in trust	9,186,964	8,945,505
Operating accounts receivable	319,557	443,175
Prepaid expenses	276,610	312,802
Consumption taxes receivable	1,245,234	-
Others	18,498	32,807
Total current assets	13,513,345	13,113,718
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(114)	(114)
Tools, furniture and fixtures, net	0	0
Buildings in trust	72,991,822	73,691,762
Accumulated depreciation	(7,735,645)	(8,733,016)
Buildings in trust, net	65,256,177	64,958,746
Structures in trust	37,679	43,768
Accumulated depreciation	(8,703)	(10,290)
Structures in trust, net	28,975	33,477
Machinery and equipment in trust	306,175	338,544
Accumulated depreciation	(58,216)	△74,087
Machinery and equipment in trust, net	247,958	264,457
Tools, furniture and fixtures in trust	150,147	193,701
Accumulated depreciation	(54,677)	(66,089)
Tools, furniture and fixtures in trust, net	95,470	127,611
Land in trust	169,768,470	169,771,175
Construction in progress in trust	170	-
Total property, plant and equipment	235,397,221	235,155,469
Intangible assets		
Leasehold rights in trust	6,251,893	6,243,459
Total intangible assets	6,251,893	6,243,459
Investments and other assets		
Investments in other securities of subsidiaries and associates	1,588,015	1,588,015
Investment securities	1,170,000	1,170,000
Long-term prepaid expenses	542,728	479,515
Leasehold and guarantee deposits	10,239	10,239
Leasehold and guarantee deposits in trust	263,988	263,988
Others	343,228	601,063
Total investments and other assets	3,918,199	4,112,822
Total non-current assets	245,567,314	245,511,751

	16th fiscal period (As of January 31, 2024)	17th fiscal period (As of July 31, 2024)
Deferred assets		
Investment corporation bond issuance costs	9,522	8,502
Investment unit issuance costs	65,149	44,337
Total deferred assets	74,672	52,840
Total assets	259,155,332	258,678,309
Liabilities		
Current liabilities		
Operating accounts payable	983,908	794,335
Short-term borrowings	1,300,000	1,000,000
Current portion of long-term borrowings	13,285,000	11,085,000
Accounts payable - others	664,966	669,967
Accrued expenses	96,918	107,831
Income taxes payable	605	605
Accrued consumption taxes	48,408	438,633
Advances received	1,028,917	1,160,537
Others	26,846	32,356
Total current liabilities	17,435,570	15,289,267
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term borrowings	107,555,000	108,755,000
Leasehold and guarantee deposits received	4,053	2,808
Leasehold and guarantee deposits received in trust	5,915,288	6,057,696
Asset retirement obligations	98,969	99,915
Others	18,825	-
Total non-current liabilities	114,592,137	115,915,419
Total liabilities	132,027,707	131,204,686
Net assets		
Unitholders' equity		
Unitholders' capital	89,316,185	89,316,185
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	8,446,674	※2 8,357,762
Total voluntary reserve	8,446,674	8,357,762
Unappropriated retained earnings (undisposed loss)	3,909,364	4,052,316
Total surplus	37,488,257	37,542,297
Total unitholders' equity	126,804,443	126,858,483
Valuation and translation adjustments		
Deferred gains or losses on hedges	323,181	615,139
Total valuation and translation adjustments	323,181	615,139
Total net assets	127,127,624	127,473,622
Total liabilities and net assets	259,155,332	258,678,309

Statement of Income

(Unit: thousand yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Operating revenue		
Rental revenue	7,077,860	7,635,803
Other lease business revenue	447,056	412,199
Gain on sale of real estate	374,516	-
Other revenue	65,436	65,782
Total operating revenue	7,964,869	8,113,786
Operating expenses		
Expenses related to rent business	2,946,506	3,055,846
Asset management fee	512,727	542,424
Asset custody and administrative service fees	48,711	50,525
Directors' compensations	2,400	2,400
Other operating expenses	144,769	123,739
Total operating expenses	3,655,114	3,774,935
Operating income	4,309,754	4,338,850
Non-operating income		
Interest income	58	62
Reversal of unpaid distribution	1,583	1,163
Interest on refund	-	906
Other	-	0
Total non-operating income	1,642	2,132
Non-operating expenses		
Interest expenses	463,491	504,833
Interest expenses on investment corporation bonds	3,500	3,500
Borrowing related expenses	294,089	141,244
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	20,812	20,812
Total non-operating expenses	782,913	671,409
Ordinary income	3,528,484	3,669,572
Income before income taxes	3,528,484	3,669,572
Income taxes - current	605	605
Total income taxes	605	605
Net income	3,527,879	3,668,967
Retained earnings brought forward	381,485	383,349
Unappropriated retained earnings (undisposed loss)	3,909,364	4,052,316

Portfolio List (as of July 31, 2024)

<Properties etc.>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)*
Office	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,040	1.2	4.5
	Honmachibashi Tower	Osaka-shi, Osaka	6,065	7,100	2.5	5.0
	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,740	0.7	6.9
	Urban Center Shibuya East	Shibuya-ku, Tokyo	2,042	3,300	0.8	5.6
	Urban Center Yokohama West	Yokohama-shi, Kanagawa	6,320	8,520	2.6	5.0
	Hakata-eki East Place	Fukuoka-shi, Fukuoka	2,286	3,300	0.9	6.6
	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,510	0.6	4.3
	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,710	1.1	3.9
	Higashi Kobe Center Building	Kobe-shi, Hyogo	7,600	7,460	3.1	5.2
	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,220	0.4	4.0
	Urban Center Shinjuku	Shinjuku-ku, Tokyo	11,200	11,800	4.6	3.6
	Urban Center Kanda Suda cho	Chiyoda-ku, Tokyo	5,350	5,420	2.2	3.7
	Urban Center Kanda	Chiyoda-ku, Tokyo	4,590	4,570	1.9	3.7
	Takadanobaba Access	Shinjyuku-ku, Tokyo	3,990	3,810	1.6	3.8
	Azabu Amerex Building	Minato-ku, Tokyo	2,780	2,920	1.1	3.7
	Hiei-Kudan Building	Chiyoda-ku, Tokyo	2,400	2,420	1.0	3.6
	Urban Center Shin-Yokohama	Yokohama-shi, Kanagawa	2,300	2,650	0.9	5.1
	The Portal Akihabara	Chiyoda-ku, Tokyo	1,510	1,490	0.6	3.8
	Urban Center Tachikawa	Tachikawa-shi, Tokyo	1,804	2,060	0.7	5.2
	Urban Center Hakata	Fukuoka-shi, Fukuoka	2,870	3,290	1.2	4.3
Urban Center Fujisawa	Fujisawa-shi, Kanagawa	2,054	2,210	0.8	5.6	
	Office Subtotal		74,947	83,540	30.7	4.5
Retail	La Park Kishiwada	Kishiwada-shi, Osaka	5,400	5,170	2.2	7.1
	Suroy Mall Chikushino	Chikushino-shi, Fukuoka	6,550	6,580	2.7	5.8
	Seiyu Minakuchi	Koka-shi, Shiga	3,320	3,340	1.4	7.4
	BAGUS Ikebukuro West	Toshima-ku, Tokyo	2,984	3,500	1.2	4.1
	abeno nini (Retail)	Osaka-shi, Osaka	9,500	10,600	3.9	4.2
		Retail Subtotal		27,754	29,190	11.4

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)*
Residence	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,990	0.8	4.5
	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	10,300	2.6	4.8
	Urban Park Namba	Osaka-shi, Osaka	1,490	1,540	0.6	5.0
	Urban Park Kashiwa	Kashiwa-shi, Chiba	1,186	1,240	0.5	4.8
	Urban Park Ryokuchi-koen	Suita-shi, Osaka	1,550	1,730	0.6	5.6
	Urban Park Ichigao	Yokohama-shi, Kanagawa	1,810	2,160	0.7	4.8
	Urban Park Gyotoku	Ichikawa-shi, Chiba	1,430	1,610	0.6	4.7
	Shiroi Logiman	Shiroi-shi, Chiba	2,470	2,580	1.0	5.5
	Urban Park Sekime	Osaka-shi, Osaka	2,150	2,450	0.9	5.3
	Urban Park Imazato	Osaka-shi, Osaka	993	1,090	0.4	5.5
	Urban Park Yoyogi	Shibuya-ku, Tokyo	1,740	2,020	0.7	3.7
	Urban Park Tokiwadai Koen	Yokohama-shi, Kanagawa	3,506	4,250	1.4	5.6
	Urban Park Mitsuike Koen	Yokohama-shi, Kanagawa	3,160	3,760	1.3	5.6
	Urban Park Ryogoku	Sumida-ku, Tokyo	1,115	1,350	0.5	4.6
	Urban Park Mizonokuchi	Kawasaki-shi, Kanagawa	2,019	2,100	0.8	4.6
	Urban Park Miyamaedaira	Kawasaki-shi, Kanagawa	1,060	1,250	0.4	4.9
	Urban Park Tsurumi	Yokohama-shi, Kanagawa	1,113	1,190	0.5	4.8
	Urban Park Mitaka	Mitaka-shi, Tokyo	743	1,010	0.3	5.0
	Urban Park Kamata Minami I	Ota-ku, Tokyo	641	881	0.3	5.1
	Urban Park Kamata Minami II	Ota-ku, Tokyo	1,375	1,770	0.6	5.1
Urban Park Umejima	Adachi-ku, Tokyo	1,032	1,220	0.4	4.4	
	Residence Subtotal		38,943	48,491	16.0	5.0
Logistics	Iwatsuki Logistics	Saitama-shi, Saitama	6,942	7,650	2.8	4.8
	Yokohama Logistics	Yokohama-shi, Kanagawa	3,560	4,170	1.5	5.7
	Funabashi Logistics	Funabashi-shi, Chiba	7,875	8,770	3.2	5.2
	Baraki Logistics	Ichikawa-shi, Chiba	4,700	5,220	1.9	4.1
	Tokorozawa Logistics	Tokorozawa-shi, Saitama	1,300	1,550	0.5	5.8
	Funabashi Nishiura Logistics II	Funabashi-shi, Chiba	821	911	0.3	7.2
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	2,755	3,310	1.1	5.7
	Funabashi Hi-Tech Park I	Funabashi-shi, Chiba	1,997	2,200	0.8	7.0
	Logistics Subtotal		29,950	33,781	12.3	5.2

*"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 July 31, 2024)

< Properties etc.>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)*1
Hotel	R&B Hotel Umeda East	Osaka-shi, Osaka	2,069	2,430	0.8	5.7
	Smile Hotel Namba	Osaka-shi, Osaka	1,750	1,490	0.7	4.3
	REMBRANDT STYLE Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,500	1.6	4.2
	Best Western Yokohama	Yokohama-shi, Kanagawa	3,248	3,090	1.3	4.5
	The BREAKFAST HOTEL Fukuoka Tenjin	Fukuoka-shi, Fukuoka	1,970	2,040	0.8	4.7
	GLANSIT AKIHABARA	Chiyoda-ku, Tokyo	2,500	2,440	1.0	3.9
	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,110	1.3	4.0
	KOKO HOTEL Osaka Namba	Osaka-shi, Osaka	2,000	1,780	0.8	4.2
	abeno nini (Hotel)	Osaka-shi, Osaka	3,600	3,950	1.5	4.8
	KOKO HOTEL Ginza 1-Chome	Chuo-ku, Tokyo	17,800	21,100	7.3	4.3
	KOKO HOTEL Sapporo Ekimae	Sapporo-shi, Hokkaido	6,700	7,720	2.7	5.2
	KOKO HOTEL Fukuoka Tenjin	Fukuoka-shi, Fukuoka	5,000	5,500	2.1	4.7
	KOKO HOTEL Hiroshima Ekimae	Hiroshima-shi, Hiroshima	4,100	4,430	1.7	5.2
	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima-shi, Kagoshima	3,800	4,280	1.6	6.0
	KOKO HOTEL Sapporo Odori	Sapporo-shi, Hokkaido	4,200	4,370	1.7	4.6
Best Western Plus Fukuoka Tenjin-minami	Fukuoka-shi, Fukuoka	3,800	4,650	1.6	6.9	
	Hotel Subtotal		69,544	75,880	28.5	408
	Total		241,138	270,822	98.9	4.9

Period-end appraisal value	:	270,882 million yen
Total book value	:	241,396 million yen
Period-end unrealized gains (losses)	:	29,483 million yen
Net assets per unit	:	53,740 yen
Unrealized gains per unit	:	12,430 yen
NAV per unit (*1)	:	64,574 yen
P/NAV per (*2)	:	0.88
* NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding		
** P/NAV per = Investment unit price / NAV per unit (Investment unit price on July 31, 2024: 56,800 yen)		

< Mezzanine loan debt investment / Preferred equity security>

No.	Name of the security (asset overview)	Type	Interest rate *2	Acquisition Price (mill)	Investment ratio (%)	Underlying asset, etc.	
						Asset name	Location
MEZ-07	Star Asia Mezzanine Loan Debt Investment Series 7	Corporate bond	Base rate +5.0%	400	0.2	Quintessa Hotel Tokyo Haneda Comic & Books	Ota-ku, Tokyo
MEZ-08	Star Asia Mezzanine Loan Debt Investment Series 8 A	Trust beneficiary interest	Base rate +5.3%	430	0.2	Centurion Hotel Grand Akasaka	Minato-ku, Tokyo
	Star Asia Mezzanine Loan Debt Investment Series 8 B	Trust beneficiary interest	Base rate +7.3%	340	0.1		Minato-ku, Tokyo
TK-03	GSA JP Project 1 Tokutei Mokuteki Kaisha Preferred Equity Securities	Preferred equity security	(Lending Fee 4.0%)	1,562	0.6	HAKUSAN HOUSE	Bunkyo-ku, Tokyo
	Total			2,732	1.1		

*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

Portfolio List (Acquired on or after August 1, 2024)

< Properties etc.>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Appraisal NOI yield (%) *1
Retail	Urban Forum Warabi	Kawaguchi-shi, Saitama	1,100	1,210	4.7
	Retail Subtotal		1,100	1,210	4.7
Hotel	KOKO HOTEL Tsukiji Ginza	Chuo-ku, Tokyo	17,000	18,800	4.4
	KOKO HOTEL Residence Asakusa Kappabashi	Taito-ku, Tokyo	4,300	5,060	5.0
	KOKO HOTEL Residence Asakusa Tawaramachi	Taito-ku, Tokyo	5,900	6,780	4.9
	KOKO HOTEL Osaka Shinsaibashi	Osaka-shi, Osaka	7,500	7,990	4.6
	Hotel Subtotal		34,700	38,630	4.6
	Total		35,800	39,840	4.6

< Mezzanine loan debt investment / Preferred equity security>

No.	Name of the security (asset overview)	Type	Interest rate *2	Acquisition Price (mill)	Underlying asset, etc.	
					Asset name	Location
MEZ-09	Star Asia Mezzanine Loan Debt Investment Series 9	Trust beneficial interest	Base rate +5.0%	130	hotel androoms Shin-Osaka	Osaka-shi, Osaka
	Total			130		

*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)

(Unit : Thousand yen)

Asset Type	OFC-01		OFC-03		OFC-04		OFC-06		OFC-08		OFC-09	
	Property name		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Urban Center Shibuya East		Urban Center Yokohama West		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	3,040 million yen		7,100 million yen		2,740 million yen		3,300 million yen		8,520 million yen		3,300 million yen	
Structure/Floors	SRC B1F/7F		S and SRC B1F/21F		SRC B1F/9F		S 6F		S, SRC and RC B2F/12F		SRC 9F	
Location	Minato-ku, Tokyo		Osaka-shi, Osaka		Shibuya-ku, Tokyo		Shibuya-ku, Tokyo		Yokohama-shi, Kanagawa		Fukuoka-shi, Fukuoka	
Lot area	766.11㎡ (Leasehold)		1,274.37㎡		589.94㎡(surface right)		620.42㎡(of which 2.62㎡ 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	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	99,582	100,390	249,511	247,040	122,357	121,507	74,455	66,299	232,635	230,435	114,087	114,477
Lease business revenue	92,251	92,224	216,316	217,020	109,154	109,636	71,163	63,527	211,707	211,838	104,209	107,767
Other lease business revenue	7,330	8,166	33,195	30,019	13,203	11,870	3,291	2,772	20,928	18,597	9,877	6,710
Total operating expenses from real estate leasing	29,018	28,848	82,219	73,711	34,875	37,394	18,659	13,717	64,506	57,073	32,023	28,626
Management fee	6,020	6,033	15,197	17,457	7,257	6,974	5,294	5,229	14,944	15,608	9,292	8,362
Utilities expenses	6,149	6,035	28,008	27,964	9,796	9,453	2,422	2,282	21,376	20,079	8,594	7,339
Taxes and dues	4,480	4,472	20,019	20,264	3,401	3,374	4,681	4,853	16,365	16,497	7,711	8,274
Repair expenses	1,199	314	16,047	1,336	1,314	4,499	1,098	652	10,353	2,845	1,810	806
Trust fee	388	388	400	400	400	400	350	350	400	400	400	400
Insurance premium	156	204	487	665	174	229	61	89	504	645	227	309
Other expenses	10,624	11,400	2,060	5,623	12,531	12,462	4,751	260	562	997	3,988	3,134
NOI	70,563	71,541	167,291	173,328	87,482	84,112	55,795	52,582	168,129	173,362	82,063	85,851
Depreciation	14,017	14,207	45,782	46,524	11,093	11,810	3,996	4,004	31,649	33,372	13,076	13,714
Operating income (loss) from real estate leasing	56,545	57,334	121,509	126,804	76,388	72,301	51,799	48,577	136,479	139,990	68,987	72,136
Capital expenditures	7,287	-	20,307	5,825	15,232	17,184	-	780	43,508	14,112	8,712	24,456
NCF	63,275	71,541	146,984	167,503	72,249	66,927	55,795	51,801	124,621	159,249	73,351	61,394
Period-end book value (million yen)	2,961	2,947	5,531	5,490	1,803	1,809	2,081	2,078	6,282	6,263	2,413	2,424

Balance of Payments of Individual Properties (2)

(Unit : Thousand yen)

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		Urban Center Shinjuku		Urban Center Kanda Suda-cho	
												
Acquisition price	1,450 million yen		2,580 million yen		7,600 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
Appraisal value	1,510 million yen		2,710 million yen		7,460 million yen		1,220 million yen		11,800 million yen		5,420 million yen	
Structure/Floors	SRC 11F		SRC and S B1F/8F		S and SRC 14F		RC 7 F		SRC B1F/10F		SRC B1F/10F	
Location	Chuo-ku, Tokyo		Shibuya-ku, Tokyo		Kobe-shi, Hyogo		Shibuya-ku, Tokyo		Shinjuku-ku, Tokyo		Chiyoda-ku, Tokyo	
Lot area	319.04㎡ (derived by multiplying the ratio of holdings)		433.21㎡		8,488.11㎡		203.43㎡		886.93㎡		590.72㎡	
Total floor areas	2,384.03㎡ (derived by multiplying the ratio of holdings)		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	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	52,089	52,089			327,805	317,175			203,719	239,103	141,512	140,854
Lease business revenue	52,089	52,089			290,004	285,424			191,055	224,754	135,466	135,706
Other lease business revenue	-	-			37,800	31,751			12,663	14,349	6,046	5,148
Total operating expenses from real estate leasing	13,472	14,595			124,476	136,016			62,876	77,606	36,808	41,766
Management fee	885	885			24,608	32,479			21,470	18,445	12,500	11,713
Utilities expenses	-	-	(※)	(※)	40,163	38,291	(※)	(※)	9,521	9,510	5,828	5,227
Taxes and dues	4,510	4,664			29,849	30,858			22,793	24,270	11,453	11,733
Repair expenses	312	50			16,519	18,496			7,056	14,777	6,126	11,806
Trust fee	400	400			400	400			350	350	350	350
Insurance premium	184	262			985	1,246			299	378	219	281
Other expenses	7,179	8,333			11,949	14,244			1,385	9,873	329	654
NOI	38,616	37,493	50,884	50,666	203,329	181,159	19,568	20,338	140,842	161,496	104,703	99,087
Depreciation	3,137	3,137	4,653	4,753	50,509	57,044	1,706	1,805	22,008	22,613	9,777	10,044
Operating income (loss) from real estate leasing	35,479	34,355	46,231	45,913	152,820	124,114	17,861	18,533	118,833	138,883	94,926	89,043
Capital expenditures	-	-	2,005	3,382	139,640	267,171	3,777	-	46,221	15,789	5,106	3,297
NCF	38,616	37,493	48,879	47,284	63,688	△86,011	15,790	20,338	94,620	145,707	99,597	95,790
Period-end book value (million yen)	1,445	1,442	2,575	2,573	7,995	8,208	1,034	1,032	11,439	11,432	5,344	5,337

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




Balance of Payments of Individual Properties (3)

(Unit : Thousand yen)

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	4,570 million yen		3,810 million yen		2,920 million yen		2,420 million yen		2,650 million yen		1,490 million yen	
Structure/Floors	SRC B1F/8F		S and SRC B1F/14F		SRC B1F/8F		SRC and S B1F/11F		S and SRC B1F/11F		SRC and S 8F	
Location	Chiyoda-ku, Tokyo		Shinjuku-ku, Tokyo		Minato-ku, Tokyo		Chiyoda-ku, Tokyo		Yokohama-shi, Kanagawa		Chiyoda-ku, Tokyo	
Lot area	709.52㎡		930.70㎡		601.71㎡		478.27㎡ (Number derived by multiplying the ratio of holdings)		700.59㎡		184.76㎡	
Total floor areas	4,629.27㎡		5,757.14㎡		2,909.80㎡		3,205.72㎡ (Number derived by multiplying the ratio of holdings)		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	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	103,932	101,475	107,817	113,807	74,012	75,029	70,034	69,992	87,289	87,453	28,518	35,002
Lease business revenue	98,983	96,839	99,891	102,065	69,333	70,902	70,034	69,992	79,805	81,522	22,892	29,507
Other lease business revenue	4,949	4,635	7,926	11,742	4,678	4,127	-	-	7,484	5,931	5,626	5,495
Total operating expenses from real estate leasing	24,985	28,721	45,686	34,727	25,527	22,065	24,296	24,230	30,684	32,504	13,177	8,451
Management fee	9,637	9,583	14,569	13,086	7,480	7,694	3,566	3,566	9,542	9,070	2,510	2,731
Utilities expenses	5,354	5,415	7,883	7,933	3,093	3,132	25	26	7,066	6,308	1,171	1,381
Taxes and dues	7,917	8,325	9,552	9,780	8,256	8,716	7,205	7,382	8,093	8,297	1,642	1,695
Repair expenses	1,015	2,275	11,028	2,601	5,810	1,941	424	-	4,684	6,798	3,113	826
Trust fee	400	400	400	400	375	375	500	500	350	350	400	400
Insurance premium	212	271	231	293	109	140	194	256	200	251	41	52
Other expenses	449	2,450	2,021	631	401	66	12,379	12,499	747	1,428	4,297	1,363
NOI	78,946	72,753	62,131	79,080	48,484	52,964	45,737	45,761	56,605	54,948	15,341	26,551
Depreciation	13,493	13,750	11,716	13,052	4,064	4,401	4,027	4,027	16,207	17,133	3,989	4,063
Operating income (loss) from real estate leasing	65,453	59,003	50,414	66,028	44,419	48,562	41,710	41,734	40,397	37,814	11,352	22,487
Capital expenditures	3,823	7,428	31,867	9,900	7,936	9,258	-	-	30,340	63,784	850	2,582
NCF	75,123	65,324	30,263	69,180	40,547	43,705	45,737	45,761	26,264	△8,836	14,491	23,968
Period-end book value (million yen)	4,719	4,712	4,026	4,022	2,787	2,792	2,382	2,378	2,481	2,528	1,499	1,498

Balance of Payments of Individual Properties (4)

(Unit : Thousand yen)

Asset Type	OFC-22		OFC-23		OFC-24	
Property name	Urban Center Tachikawa		Urban Center Hakata		Urban Center Fujisawa	
						
Acquisition price	1,804 million yen		2,870 million yen		2,054 million yen	
Appraisal value	2,060 million yen		3,290 million yen		2,210 million yen	
Structure/Floors	RC and S B1F/6F		S 8F		SRC B1F/8F	
Location	Tachikawa-shi, Tokyo		Fukuoka-shi, Fukuoka		Fujisawa-shi, 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	
	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	62,214	63,352	80,088	85,373	80,566	80,990
Lease business revenue	58,609	59,333	76,727	80,781	73,506	74,125
Other lease business revenue	3,604	4,019	3,360	4,592	7,060	6,864
Total operating expenses from real estate leasing	19,994	18,916	19,595	17,787	19,970	18,409
Management fee	6,032	5,032	5,673	5,215	4,694	4,627
Utilities expenses	3,736	3,966	3,851	5,131	6,533	6,099
Taxes and dues	4,549	4,633	6,424	6,578	4,185	4,203
Repair expenses	4,373	4,010	57	63	3,341	1,987
Trust fee	400	400	400	400	400	400
Insurance premium	150	212	128	187	154	214
Other expenses	753	661	3,060	211	661	875
NOI	42,219	44,435	60,493	67,585	60,595	62,581
Depreciation	8,362	9,058	15,281	15,281	7,666	7,898
Operating income (loss) from real estate leasing	33,857	35,377	45,211	52,303	52,929	54,682
Capital expenditures	38,945	1,208	-	-	8,934	3,512
NCF	3,273	43,227	60,493	67,585	51,660	59,068
Period-end book value (million yen)	1,935	1,927	2,824	2,808	2,196	2,192

Balance of Payments of Individual Properties (5)

(Unit : Thousand yen)

Asset Type	RTL-01		RTL-02		RTL-03		RTL-05		RTL-06		RTL-07	
Property name	LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		BAGUS Ikebukuro West		abeno nini (Retail)		Urban Forum Warabi	
												
Acquisition price	5,400 million yen		6,550 million yen		3,320 million yen		2,984 million yen		9,500 million yen		1,100 million yen	
Appraisal value	5,170 million yen		6,580 million yen		3,340 million yen		3,500 million yen		10,600 million yen		1,210 million yen	
Structure/Floors	RC and S 3F		S 1F (A, CD, EFG, HIJ, KLM, O, QRSTUY, V, W and X building) S 2F (B and P building)		S 4F		S and RC B2F/8F		RC B2F/24F		S 6F	
Location	Kishiwada-shi, Osaka		Chikushino-shi, Fukuoka		Koka-shi, Shiga		Toshima-ku, Tokyo		Osaka-shi, Osaka		Kawaguchi-shi, Saitama	
Lot area	39,779.74㎡		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㎡		408.90㎡	
Total floor areas	65,663.02㎡		31,028.62㎡		31,829.71㎡		1,497.45㎡		4,866.82㎡		1,489.22㎡	
Construction completion	August 30, 1994		June 22, 2007		May 31, 1999		November 20, 1992		January 31, 2012		December 1, 2023	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	525,138	508,209	270,794	277,023					219,340	223,804	-	-
Lease business revenue	414,095	409,783	222,869	249,875					219,340	223,804	-	-
Other lease business revenue	111,043	98,425	47,924	27,148					-	-	-	-
Total operating expenses from real estate leasing	319,618	311,931	99,301	84,469					31,641	28,467	-	-
Management fee	113,245	115,034	26,126	26,190	(※)	(※)	(※)	(※)	1,200	1,200	-	-
Utilities expenses	128,668	124,260	9,568	27,770					-	-	-	-
Taxes and dues	44,193	43,389	20,803	21,927					8,253	8,620	-	-
Repair expenses	12,294	11,915	33,507	3,713					32	-	-	-
Trust fee	1,850	3,078	500	350					350	350	-	-
Insurance premium	1,224	1,520	643	799					155	217	-	-
Other expenses	18,143	12,732	8,150	3,717					21,649	18,078	-	-
NOI	205,519	196,277	171,493	192,554	127,072	127,620	61,734	61,137	187,698	195,336	-	-
Depreciation	31,194	33,489	24,432	25,213	26,833	27,846	2,341	2,350	16,639	16,639	-	-
Operating income (loss) from real estate leasing	174,325	162,788	147,060	167,341	100,238	99,773	59,393	58,786	171,058	178,697	-	-
Capital expenditures	77,222	67,789	60,599	1,614	12,608	41,569	-	1,519	-	-	-	-
NCF	128,297	128,487	110,893	190,940	114,464	86,051	61,734	59,617	187,698	195,336	-	-
Period-end book value (million yen)	5,545	5,580	6,442	6,418	3,189	3,203	2,998	2,997	9,555	9,539	-	-

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

Balance of Payments of Individual Properties (6)

Sold

(Unit : Thousand yen)

Asset Type	RSC-01		RSC-02		RSC-05		RSC-07		RSC-08		RSC-10	
Property name	Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Namba		Urban Park Kashiwa		Urban Park Ryokuchi-koen		Urban Park Ichigao	
												
Acquisition price	2,045 million yen		6,315 million yen		1,490 million yen		1,186 million yen		1,550 million yen		1,810 million yen	
Appraisal value	2,990 million yen		10,300 million yen		1,540 million yen		1,240 million yen		1,730 million yen		2,160 million yen	
Structure/Floors	SRC B1F/12F		1.Existing building : RC B1F/3F 2. Extension building : RC B1F/9F		RC 14F		SRC B1F/8F		Apartment house: RC 8F Parking: RC 3F		RC SF B1F/8F	
Location	Minato-ku, Tokyo		Shibuya-ku, Tokyo		Osaka-shi, Osaka		Kashiwa-shi, Chiba		Suita-shi, Osaka		Yokohama-shi, Kanagawa	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		1,597.85㎡		2,804.56㎡		1,758.84㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		4,243.71㎡		5,854.64㎡		5,243.85㎡	
Construction completion	November 29, 1999		1: November 15, 1982 2: May 30, 2006		January 9, 2013		August 28, 1997		March 10, 1989		July 10, 1998	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	59,594	59,693	200,432	196,535	46,647	49,082	39,046	39,356	60,016	60,546	58,359	59,302
Lease business revenue	55,973	57,528	191,602	186,826	46,249	48,205	38,329	37,134	56,979	57,172	57,103	56,908
Other lease business revenue	3,620	2,165	8,829	9,708	398	876	717	2,222	3,037	3,374	1,256	2,393
Total operating expenses from real estate leasing	13,317	14,674	34,397	36,836	14,295	13,260	7,225	12,325	16,021	15,503	14,013	17,715
Management fee	2,407	2,204	10,229	9,709	2,950	2,650	1,916	2,109	2,523	2,491	2,973	3,515
Utilities expenses	608	600	3,340	3,330	327	359	503	555	2,426	2,428	1,209	1,233
Taxes and dues	2,996	3,053	12,211	12,532	2,892	2,921	2,956	2,973	3,592	3,646	3,961	4,023
Repair expenses	4,289	4,810	4,696	3,091	4,097	3,349	787	4,938	4,218	4,088	5,009	7,218
Trust fee	350	350	350	350	350	350	350	350	350	350	400	400
Insurance premium	77	102	252	335	88	112	116	159	169	227	152	193
Other expenses	2,588	3,552	3,318	7,487	3,589	3,517	596	1,240	2,741	2,270	306	1,131
NOI	46,276	45,019	166,034	159,698	32,352	35,821	31,820	27,030	43,994	45,043	44,346	41,586
Depreciation	5,289	5,396	13,180	13,472	8,044	8,046	7,670	7,722	8,923	8,898	6,367	6,466
Operating income (loss) from real estate leasing	40,986	39,622	152,853	146,226	24,307	27,774	24,150	19,308	35,071	36,145	37,978	35,120
Capital expenditures	9,073	3,808	11,233	1,785	-	115	847	1,657	754	1,039	4,183	144
NCF	37,202	41,210	154,800	157,913	32,352	35,705	30,973	25,373	43,239	44,003	40,163	41,441
Period-end book value (million yen)	2,065	2,064	6,328	6,316	1,461	1,453	1,202	1,196	1,572	1,564	1,920	1,913

Balance of Payments of Individual Properties (7)

(Unit : Thousand yen)

Asset Type	RSC-11		RSC-12		RSC-13		RSC-14		RSC-15		RSC-16	
Property name	Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato		Urban Park Yoyogi		Urban Park Tokiwadai Koen	
												
Acquisition price	1,430 million yen		2,470 million yen		2,150 million yen		993 million yen		1,740 million yen		3,506 million yen	
Appraisal value	1,610 million yen		2,580 million yen		2,450 million yen		1,090 million yen		2,020 million yen		4,250 million yen	
Structure/Floors	SRC 10F		RC 13F		SRC 15F		RC 10F		RC 8F		RC 5F	
Location	Ichikawa-shi, Chiba		Shiroi-shi, Chiba		Osaka-shi, Osaka		Osaka-shi, Osaka		Shibuya-ku, Tokyo		Yokohama-shi, Kanagawa	
Lot area	1,122.57㎡		11,485.06㎡ (derived by multiplying the ratio of holdings)		2,346.39㎡		1,803.70㎡		464.09㎡		12,544.61㎡	
Total floor areas	3,397.95㎡		22,448.08㎡ (derived by multiplying the ratio of holdings)		8,190.11㎡		4,862.83㎡		1,418.03㎡		15,708.08㎡	
Construction completion	March 1, 1995		May 9, 1995		August 18, 1989		December 20, 1991		September 4, 2017		Feb 17, 1994	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	39,566	45,316	143,832	142,506	85,097	86,647	37,497	40,535	45,959	42,472	148,263	152,409
Lease business revenue	37,937	42,136	137,163	136,265	82,774	82,544	37,035	40,149	41,781	40,086	142,521	145,011
Other lease business revenue	1,629	3,180	6,669	6,240	2,322	4,103	461	386	4,177	2,385	5,742	7,398
Total operating expenses from real estate leasing	10,134	9,664	67,112	69,164	26,288	29,943	17,709	13,515	8,544	9,864	41,578	37,982
Management fee	2,056	2,402	6,238	6,121	9,743	9,552	4,647	3,899	2,325	2,253	11,860	11,590
Utilities expenses	1,021	2,360	49	50	1,989	2,360	277	258	312	319	1,382	1,354
Taxes and dues	2,192	2,470	13,910	13,882	5,295	5,325	3,194	3,216	2,033	2,026	10,762	10,946
Repair expenses	2,623	1,109	13,535	15,178	6,554	9,309	7,752	3,915	1,151	1,819	12,322	8,701
Trust fee	400	400	750	750	375	375	375	375	400	400	400	400
Insurance premium	101	131	852	1,084	296	377	150	190	52	70	434	553
Other expenses	1,739	790	31,776	32,097	2,032	2,642	1,312	1,659	2,268	2,975	4,415	4,436
NOI	29,431	35,651	76,720	73,342	58,809	56,704	19,788	27,019	37,414	32,607	106,684	114,427
Depreciation	4,508	4,605	19,453	19,466	13,895	14,189	5,475	5,710	4,393	4,393	15,087	15,474
Operating income (loss) from real estate leasing	24,922	31,046	57,267	53,876	44,914	42,514	14,313	21,309	33,021	28,213	91,596	98,952
Capital expenditures	1,768	9,027	985	555	6,603	4,361	5,958	3,153	-	-	7,776	7,839
NCF	27,663	26,624	75,734	72,786	52,205	52,342	13,829	23,866	37,414	32,607	98,907	106,588
Period-end book value (million yen)	1,497	1,501	2,342	2,323	2,187	2,177	965	963	1,709	1,704	3,635	3,627

Balance of Payments of Individual Properties (8)




(Unit : Thousand yen)

Asset Type	RSC-17		RSC-18		RSC-19		RSC-20		RSC-21		RSC-22	
Property name	Urban Park Mitsuike Koen		Urban Park Ryogoku		Urban Park Mizonokuchi		Urban Park Miyamaedaira		Urban Park Tsurumi		Urban Park Mitaka	
												
Acquisition price	3,160 million yen		1,115 million yen		2,019 million yen		1,060 million yen		1,113 million yen		743 million yen	
Appraisal value	3,760 million yen		1,350 million yen		2,100 million yen		1,250 million yen		1,190 million yen		1,010 million yen	
Structure/Floors	RC 6F		SRC 9F		RC B1F/5F		S 3F		RC 6F		S 3F	
Location	Yokohama-shi, Kanagawa		Sumida-ku, Tokyo		Kawasaki-shi, Kanagawa		Kawasaki-shi, Kanagawa		Yokohama-shi, Kanagawa		Mitaka-shi, Tokyo	
Lot area	10,216.95㎡		669.98㎡		2,624.51㎡		1,239.53㎡		2,172.70㎡		947.92㎡	
Total floor areas	10,918.37㎡		2,351.42㎡		5,029.52㎡		2,039.17㎡		3,169.13㎡		1,201.39㎡	
Construction completion	March 24, 1992		October 31, 1997		August 23, 1988		June 10, 2021		February 17, 1994		June 8, 2023	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	128,014	134,374	39,726	38,806	64,267	67,121	33,838	33,966			2,083	7,322
Lease business revenue	122,366	127,048	36,518	36,691	62,336	61,543	31,791	33,242			2,083	7,322
Other lease business revenue	5,647	7,326	3,208	2,115	1,930	5,577	2,047	724			-	-
Total operating expenses from real estate leasing	42,087	38,299	6,756	8,693	21,373	19,993	7,766	5,303			3,241	7,131
Management fee	11,542	11,047	2,581	2,664	4,390	4,207	1,454	1,463	(※)	(※)	325	493
Utilities expenses	880	866	377	389	607	640	48	50			50	72
Taxes and dues	8,795	8,805	1,880	1,907	3,466	3,562	1,605	1,554			4	697
Repair expenses	11,042	9,120	602	2,165	10,099	6,794	1,147	283			-	66
Trust fee	400	400	400	400	400	400	400	400			291	350
Insurance premium	345	441	78	115	159	226	55	78			28	52
Other expenses	9,080	7,616	836	1,050	2,249	4,161	3,055	1,473			2,540	5,398
NOI	85,926	96,074	32,970	30,113	42,894	47,127	26,072	28,662	29,290	28,637	(1,157)	191
Depreciation	13,026	13,138	2,678	2,690	7,135	7,488	4,533	4,533	2,777	2,829	2,796	3,383
Operating income (loss) from real estate leasing	72,899	82,935	30,291	27,422	35,759	39,639	21,538	24,129	26,512	25,807	(3,953)	(3,191)
Capital expenditures	5,916	-	-	173	15,730	13,920	-	-	1,558	144	-	611
NCF	80,009	96,074	32,970	29,939	27,164	33,206	26,072	28,662	27,731	28,492	(1,157)	(420)
Period-end book value (million yen)	3,277	3,264	1,146	1,143	2,113	2,119	1,087	1,082	1,145	1,142	778	775

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

Balance of Payments of Individual Properties (9)







(Unit : Thousand yen)

Asset Type	RSC-23		RSC-24		RSC-25	
Property name	Urban Park Kamata Minami I		Urban Park Kamata Minami II		Urban Park Umejima	
						
Acquisition price	641 million yen		1,375 million yen		1,032 million yen	
Appraisal value	881 million yen		1,770 million yen		1,220 million yen	
Structure/Floors	RC 5F		RC 6F		RC 5F	
Location	Ota-ku, Tokyo		Ota-ku, Tokyo		Adachi-ku, Tokyo	
Lot area	502.47㎡		1,031.39㎡		770.37㎡	
Total floor areas	1,239.35㎡		2,323.83㎡		1,805.78㎡	
Construction completion	September 29, 2022		September 25, 2023		October 23, 2023	
	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	7,464	22,634	244	38,312	832	27,334
Lease business revenue	7,197	22,001	244	38,312	832	22,739
Other lease business revenue	267	633	-	-	-	4,595
Total operating expenses from real estate leasing	1,542	5,963	14,826	11,289	1,940	12,611
Management fee	389	1,179	558	2,455	341	1,547
Utilities expenses	37	202	60	394	70	326
Taxes and dues	8	1,164	8	2,692	8	1,767
Repair expenses	297	541	-	-	-	45
Trust fee	116	349	116	349	116	349
Insurance premium	12	53	23	97	17	71
Other expenses	681	2,472	14,059	5,299	1,387	8,503
NOI	5,922	16,671	(14,581)	27,023	(1,108)	14,722
Depreciation	1,107	3,322	2,254	6,763	1,710	5,208
Operating income (loss) from real estate leasing	4,815	13,349	(16,836)	20,260	(2,818)	9,514
Capital expenditures	-	-	-	-	407	-
NCF	5,922	16,671	(14,581)	27,023	(1,515)	14,722
Period-end book value (million yen)	677	674	1,441	1,434	1,086	1,088

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

Balance of Payments of Individual Properties (10)

(Unit : Thousand yen)

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	7,650 million yen		4,170 million yen		8,770 million yen		5,220 million yen		1,550 million yen		911 million yen	
Structure/Floors	S 5F		RC 8F		Building 1: S 8F Building 2: RC 5F		RC and S 5F		Office: S 2F Warehouse: S 2F		Warehouse: S 4F Factory: S 1F Office: S 3F	
Location	Saitama-shi, Saitama		Yokohama-shi, Kanagawa		Funabashi-shi, Chiba		Ichikawa-shi, Chiba		Tokorozawa-shi, Saitama		Funabashi-shi, 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㎡ 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	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	200,318	201,657			267,529	265,769						
Lease business revenue	187,718	190,179			251,461	251,428						
Other lease business revenue	12,600	11,477			16,068	14,340						
Total operating expenses from real estate leasing	34,852	35,860			67,019	52,570						
Management fee	5,831	6,060	(※)	(※)	12,541	13,397	(※)	(※)	(※)	(※)	(※)	(※)
Utilities expenses	12,600	11,477			16,297	14,577						
Taxes and dues	13,547	13,477			22,153	21,077						
Repair expenses	2,157	1,580			14,977	2,322						
Trust fee	350	350			400	400						
Insurance premium	365	461			527	672						
Other expenses	-	2,452			120	121						
NOI	165,465	165,797	90,248	94,557	200,510	213,198	78,081	98,473	37,172	37,741	22,727	29,600
Depreciation	46,942	47,179	20,470	21,815	30,587	32,508	15,806	15,918	6,091	6,091	4,641	4,673
Operating income (loss) from real estate leasing	118,523	118,617	69,777	72,741	169,922	180,690	62,274	82,554	31,081	31,650	18,086	24,927
Capital expenditures	7,409	5,809	44,361	17,225	47,827	42,621	2,961	-	-	-	-	6,414
NCF	158,056	159,987	45,886	77,332	152,683	170,577	75,119	98,473	37,172	37,741	22,727	23,186
Period-end book value (million yen)	6,288	6,247	3,661	3,657	7,732	7,742	4,537	4,521	1,338	1,332	839	841

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

Balance of Payments of Individual Properties (11)

(Unit : Thousand


Asset Type	LGC-08		LGC-09 (yen)	
Property name	Matsubushi Logistics		Funabashi Hi-Tech Park I	
				
Acquisition price	2,755 million yen		1,997 million yen	
Appraisal value	3,310 million yen		2,200 million yen	
Structure/Floors	RC 3F		S 2F	
Location	Kita-Katsushika-gun, Saitama		Funabashi-shi, Chiba	
Lot area	11,580.65㎡		13,420.44㎡	
Total floor areas	19,833.47㎡		9,002.40㎡	
Construction completion	March 31, 1997		May 19, 2003	
	FP16	FP17	FP16	FP17
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	79,445	79,065	42,833	70,513
Depreciation	20,020	20,813	7,064	9,771
Operating income (loss) from real estate leasing	59,424	58,251	35,768	60,742
Capital expenditures	39,026	27,478	289,378	5,901
NCF	40,418	51,586	(246,545)	64,611
Period-end book value (million yen)	2,742	2,748	1,957	1,954

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

Balance of Payments of Individual Properties (12)

Sold



(Unit : Thousand yen)

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	2,430 million yen		1,490 million yen		3,500 million yen		3,090 million yen		2,040 million yen		2,440 million yen	
Structure/Floors	RC 9F		S 9F		SRC B1F/9F		SRC B1F/9F		RC 10F		S and SRC B1F/10F	
Location	Osaka-shi, Osaka		Osaka-shi, Osaka		Edogawa-ku, Tokyo		Yokohama-shi, Kanagawa		Fukuoka-shi, Fukuoka		Chiyoda-ku, 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	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	65,212	65,212	37,365	36,612	84,600	93,998	80,400	80,400				
Lease business revenue	65,212	65,212	37,365	36,612	84,600	93,998	80,400	80,400				
Other lease business revenue	-	-	-	-	-	-	-	-				
Total operating expenses from real estate leasing	9,114	8,339	6,090	3,940	11,953	12,000	18,055	9,504				
Management fee	742	742	660	660	1,200	1,200	1,520	1,200	(※)	(※)	(※)	(※)
Utilities expenses	3	2	-	-	-	-	-	-				
Taxes and dues	5,704	5,632	2,313	2,351	8,521	8,883	4,637	4,502				
Repair expenses	2,131	1,381	1,776	339	1,633	1,209	11,329	3,169				
Trust fee	350	350	850	471	400	400	400	400				
Insurance premium	160	205	74	94	174	285	142	181				
Other expenses	22	24	415	24	23	22	25	50				
NOI	56,098	56,873	31,275	32,672	72,646	81,997	62,344	70,895	55,386	41,810	48,861	48,759
Depreciation	11,005	11,061	11,390	8,946	15,881	16,158	13,409	13,408	8,655	8,662	4,643	4,643
Operating income (loss) from real estate leasing	45,092	45,812	19,884	23,725	56,765	65,839	48,935	57,487	46,731	33,148	44,218	44,116
Capital expenditures	9,427	-	315	504	12,204	-	13,382	552	295	-	-	-
NCF	46,670	56,873	30,959	32,167	60,442	81,997	48,961	70,343	55,090	41,810	48,861	48,759
Period-end book value (million yen)	2,081	2,070	1,594	1,585	3,868	3,852	3,191	3,178	1,896	1,888	2,471	2,466

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

Balance of Payments of Individual Properties (13)


(Unit : Thousand yen)

Asset Type	HTL-07		HTL-08		HTL-09		HTL-10		HTL-11		HTL-12	
Property name	REMBRANDT STYLE Tokyo Nishikasai Grande		KOKO HOTEL Osaka Namba		abeno nini (Hotel)		KOKO HOTEL Ginza 1-Chome		KOKO HOTEL Sapporo Ekimae		KOKO HOTEL Fukuoka Tenjin	
												
Acquisition price	3,180 million yen		2,000 million yen		3,600 million yen		17,800 million yen		6,700 million yen		5,000 million yen	
Appraisal value	3,110 million yen		1,780 million yen		3,950 million yen		21,100 million yen		7,720 million yen		5,500 million yen	
Structure/Floors	S 8F		RC 9F		RC B2F/24F		S and RC B1F/12F		S B1F/12F		RC 14F	
Location	Edogawa-ku, Tokyo		Osaka-shi, Osaka		Osaka-shi, Osaka		Chuo-ku, Tokyo		Sapporo-shi, Hokkaido		Fukuoka-shi, Fukuoka	
Lot area	657.00㎡		335.31㎡		586.44㎡		848.78㎡		734.34㎡		752.89㎡(Including the set-back area of 7.33㎡)	
Total floor areas	2,755.19㎡		2,061.38㎡		7,764.81㎡		7,299.11㎡		5,886.67㎡		4,404.91㎡	
Construction completion	February 7, 2017		April 7, 2017		January 31, 2012		October 29, 2014		October 20, 2015		Augst 20, 2007	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	70,002	70,002	46,244	46,911			407,986	540,155	145,690	209,472	110,701	148,299
Lease business revenue	70,002	70,002	46,244	46,911			407,986	540,155	145,690	208,153	110,701	148,299
Other lease business revenue	-	-	-	-			-	-	-	1,318	-	-
Total operating expenses from real estate leasing	7,537	6,849	6,418	5,275			10,131	46,475	8,609	17,474	1,536	14,337
Management fee	990	990	900	900	(※)	(※)	600	1,160	550	660	600	720
Utilities expenses	-	-	-	-			-	-	-	-	-	-
Taxes and dues	5,305	5,316	3,321	3,413			9	30,805	8	13,877	8	12,942
Repair expenses	725	-	1,270	15			8,924	13,639	3,338	2,165	450	-
Trust fee	400	400	350	350			333	400	333	400	333	400
Insurance premium	94	121	67	86			241	443	191	348	140	255
Other expenses	22	21	508	510			23	26	4,187	22	3	20
NOI	62,464	63,152	39,826	41,636	58,625	58,161	397,854	493,680	137,081	191,997	109,165	133,961
Depreciation	10,857	10,857	8,726	8,746	6,885	6,885	19,793	23,964	24,982	30,096	6,449	7,757
Operating income (loss) from real estate leasing	51,607	52,295	31,100	32,889	51,740	51,275	378,060	469,715	112,099	161,901	102,716	126,203
Capital expenditures	-	-	-	285	-	-	280	17,746	310	7,344	1,042	-
NCF	62,464	63,152	39,826	41,351	58,625	58,161	397,574	475,933	136,771	184,653	108,123	133,961
Period-end book value (million yen)	3,088	3,078	1,926	1,917	3,630	3,623	17,896	17,889	6,724	6,701	5,034	5,026

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



Balance of Payments of Individual Properties (14)

(Unit : Thousand yen)

Asset Type	HTL-13		HTL-14		HTL-15		HTL-16		HTL-17		HTL-18	
Property name	KOKO HOTEL Hiroshima Ekimae		KOKO HOTEL Kagoshima Tenmonkan		KOKO HOTEL Sapporo Odori		Best Western Plus Fukuoka Tenjin-minami		KOKO HOTEL Tsukiji Ginza		KOKO HOTEL Residence Asakusa Kappabashi	
												
Acquisition price	4,100 million yen		3,800 million yen		4,200 million yen		3,800 million yen		17,000 million yen		4,300 million yen	
Appraisal value	4,430 million yen		4,280 million yen		4,370 million yen		4,650 million yen		18,800 million yen		5,060 million yen	
Structure/Floors	S and RC B1F/14F		S 13F		RC 10F		S 13F		S 11F		S 12F	
Location	Hiroshima-shi, Hiroshima		Kagoshima-shi, Kagoshima		Sapporo-shi, Hokkaido		Fukuoka-shi, Fukuoka		Chuo-ku, Tokyo		Taito-ku, Tokyo	
Lot area	534.09㎡		882.69㎡		626.34㎡		1,788.92㎡ (Including the set-back area of 1.14㎡)		829.96㎡ (Including the set-back area of 2.99㎡)		261.16㎡	
Total floor areas	5,370.75㎡		4,622.48㎡ (including the attached building)		3,854.01㎡		7,322.03㎡ (including the attached building)		6,086.48㎡ (including the attached building)		1,608.74㎡	
Construction completion	December 17, 2019		April 19, 2019		June 9, 2020		April 3, 2020		December 15, 2020		November 27, 2020	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing	106,591	139,829	76,832	70,256	72,627	113,882	161,263	236,929	-	-	-	-
Lease business revenue	106,591	139,829	76,832	70,256	72,627	113,882	161,263	236,929	-	-	-	-
Other lease business revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses from real estate leasing	1,611	13,929	1,343	11,016	1,081	10,367	39,102	57,090	-	-	-	-
Management fee	600	720	600	790	600	720	600	720	-	-	-	-
Utilities expenses	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and dues	8	11,510	8	8,949	8	8,781	8	9,697	-	-	-	-
Repair expenses	-	480	233	-	-	227	-	-	-	-	-	-
Trust fee	333	400	333	400	333	400	333	400	-	-	-	-
Insurance premium	167	303	143	259	119	217	227	412	-	-	-	-
Other expenses	502	515	25	617	19	20	37,933	45,861	-	-	-	-
NOI	104,979	125,899	75,488	59,240	71,546	103,515	122,160	179,838	-	-	-	-
Depreciation	27,966	33,563	30,705	37,249	17,807	21,408	43,373	52,052	-	-	-	-
Operating income (loss) from real estate leasing	77,013	92,336	44,783	21,990	53,738	82,106	78,786	127,786	-	-	-	-
Capital expenditures	310	-	310	30,016	310	1,918	310	-	-	-	-	-
NCF	104,669	125,899	75,178	29,224	71,236	101,596	121,850	179,838	-	-	-	-
Period-end book value (million yen)	4,106	4,073	3,801	3,793	4,215	4,196	3,887	3,835	-	-	-	-

Balance of Payments of Individual Properties (15)

(Unit : Thousand yen)

Asset Type	HTL-19		HTL-20	
Property name	KOKO HOTEL Residence Asakusa Tawaramachi		KOKO HOTEL Osaka Shinsaibashi	
				
Acquisition price	5,900 million yen		7,500 million yen	
Appraisal value	6,780 million yen		7,990 million yen	
Structure/Floors	S 11F		SRC 10F/B1F	
Location	Taito-ku, Tokyo		Osaka-shi, Osaka	
Lot area	296.66㎡		1,636.96㎡ (Including the set-back area of 162.4㎡)	
Total floor areas	2,226.57㎡		8,881.68㎡	
Construction completion	November 22, 2021		April 19, 2005	
	FP16	FP17	FP16	FP17
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	-	-	-	-
Depreciation	-	-	-	-
Operating income (loss) from real estate leasing	-	-	-	-
Capital expenditures	-	-	-	-
NCF	-	-	-	-
Period-end book value (million yen)	-	-	-	-

Balance of Payments of Individual Properties(16)

Total operating revenue from real estate leasing by asset types (FP17)

(unit: thousand yen)

	Office		Retail		Residence		Logistics		Hotel		Total	
	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17	FP16	FP17
Total operating revenue from real estate leasing												
Lease business revenue	2,397,454	2,427,977	1,241,310	1,235,224	1,290,776	1,379,914	926,298	962,609	1,669,076	2,042,277	7,524,917	8,048,003
Other lease business revenue	2,205,321	2,247,057	1,082,343	1,109,651	1,237,451	1,314,507	883,667	923,628	1,669,076	2,040,958	7,077,860	7,635,803
Total operating expenses from real estate leasing	192,132	180,919	158,967	125,573	53,325	65,406	42,631	38,981	-	1,318	447,056	412,199
Management fee	737,628	730,293	487,792	462,298	384,398	396,736	209,813	173,660	163,271	258,182	1,982,903	2,021,171
Utilities expenses	183,350	186,154	143,121	144,885	84,574	86,293	31,253	35,011	12,489	13,784	454,790	466,129
Taxes and dues	174,637	169,938	138,237	152,030	17,271	18,526	42,393	39,218	3	2	372,542	379,716
Repair expenses	189,597	195,707	87,881	88,180	85,262	91,701	76,677	75,664	50,753	148,149	490,171	599,404
Trust fee	96,765	76,617	47,580	17,890	94,304	87,363	49,032	13,052	31,947	22,626	319,629	217,551
Insurance premium	8,263	8,263	3,600	4,678	7,622	8,249	3,000	3,000	6,183	6,271	28,668	30,462
Other expenses	4,835	6,354	2,615	3,289	3,589	4,803	1,898	2,461	2,374	3,801	15,314	20,709
NOI	80,178	87,258	64,756	51,342	91,773	99,797	5,557	5,253	59,519	63,547	301,786	307,198
Depreciation	1,659,826	1,697,683	753,518	772,926	906,378	983,178	716,485	788,948	1,505,805	1,784,094	5,542,013	6,026,831
Operating income (loss) from real estate leasing	296,217	311,701	101,441	105,539	151,785	163,199	151,625	158,772	262,532	295,462	963,602	1,034,674
Capital expenditures	1,363,608	1,385,982	652,076	667,387	754,592	819,978	564,859	630,176	1,243,272	1,488,631	4,578,410	4,992,156
Lease business revenue	414,498	449,674	150,429	112,492	72,799	48,338	430,965	105,450	38,497	58,367	1,107,190	774,323
NCF	1,245,327	1,248,009	603,088	660,433	833,579	934,839	285,519	683,498	1,467,307	1,725,726	4,434,822	5,252,508
Period-end book value (million yen)	75,760	75,901	27,732	27,739	39,642	39,534	29,098	29,044	69,415	69,178	241,648	241,398

- P.11 (note 1) The "Tokyo area ratio" is the ratio of properties located in the Tokyo area out of the total acquisition price of real estate, etc. owned, for the "Tokyo area ratio of portfolio," and the "Tokyo area ratio excluding suburban commercial" is the ratio of the total acquisition price of real estate, etc. owned, excluding three suburban commercial facilities that are assumed to be sold, for the "Tokyo area ratio of portfolio," which is the total acquisition price of all properties in the Tokyo area.
- P.11 (note 2) "Average building age" is the weighted average calculated by dividing the building age of each property.
* 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 January 31, 2024. 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 respective date.
- P.11 (note 3) "Average appraisal NOI Yield" is the average 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. Preferred securities and mezzanine loan debts are excluded from calculation of "Average appraisal NOI yields".
- P.11 (note 4) "Average post-depreciation appraisal NOI yield" is the ratio of total appraisal NOI (Net Operating Income) values of the assets held by SAR at the end of each period using the direct capitalization method, given in the respective real estate appraisal reports of each property, minus the actual annualized depreciation expenses of such assets for each period, to the total acquisition price of all such assets, all rounded to the first decimal place. Preferred securities and mezzanine loan debts are excluded from calculation of "Average appraisal NOI yields".
- P.38 (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.39 (note 1) "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.
- P.39 (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.39 (note 3) "Energy Consumptions intensity" refers to per-unit Energy Consumptions emissions amount resulting from a specific activity. In this document, Energy Consumptions intensity is calculated using total floor area (m²) accounting for operating months as a unit.
- P.40 (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 September 6, 2024 by the total floor area of assets.
- P.40 (note 2) "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.
- P.40 (note 3) 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.
- P.40 (note 4) "Urban Park Miyamaedaira" consists of two buildings ("Urban Park Miyamaedaira EAST" and "Urban Park Miyamaedaira WEST") and each of them received certification.
- P.40 (note 5) "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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■ Contact regarding this material

Akiko Kanno,
Director and CFO (General Manager of Finance Management Department)

Star Asia Investment Management Co., Ltd.
Atago Green Hills Mori Tower 18F, 2-5-1, Atago, Minato-ku, Tokyo 105-6218
Tel: +81-3-5425-1340

