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Characteristics of Star Asia Investment Corporation (SAR)

1. A diversified REIT

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

2. Steady growth

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

3. Initiatives focusing on unitholder value

Constant, "out-of-the-box" active management

Investment policy



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



Achieving income stability and growth through diversification of asset type



Investment primarily in middle-size assets (* 2)

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

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

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

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

1. Executive Summary

1. Executive Summary (1)

Overview of 13th Fiscal Period (ended July 31, 2022)

◆ Distribution per Unit

Forecast 1,476 yen (79 yen)

Actual Results **1,476** yen (46 yen)

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

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

◆ NAV per unit

End of 12th FP 59,749 yen

End of 13th FP **61,129** yen

◆ Topics/ Operational results

■ Portfolio NOI **4,263** million yen (+1.2 % above forecast)

- Rent revenue was largely as forecasted (+0.1%) /Other leasing business related revenues higher than forecasted.
- Upside portion of NOI (mainly revenues from restoration-to-original state fees) are expected to be appropriated to (1) decrease amount of withdrawal from retained earnings—utilize to **stabilize distributions per unit**, and (2) expenditures for restoration-to-original-state costs for future fiscal periods.
- **NAV per unit increased by 2.3%** (compared to end of 12th FP)
 - **Growth of 2.3% NAV per unit** was realized, the increase in amount of appraisal value (compared to the preceding period) of the existing portfolio.

Forecasts for 14th / 15th Fiscal Periods

◆ Forecasted Distributions Per Unit

14th Period JPY **1,476** / unit (79 yen)

- The amounts withdrawn from retained earnings increased due to finance related expenses (compared to forecast announced in March 2022).

15th Period JPY **1,485** / unit (46 yen)

- The retained earnings withdrawal amount assumes amortization amount of negative goodwill (minimum 88 million yen).

◆ Assumptions for 14th FP and thereafter.

- It is assumed that the recovery trend of office occupancy rates will continue, and occupancy rates which have recovered for residences will be maintained.
- Variable rents of hotels **assumed at “zero”**.
- Distribution per unit is forecasted to increase, as in addition to the recovery of office occupancy rates, also due to the increase in the number of days in operation of the 3 newly acquired properties, and decrease in finance related expenses in the 15th fiscal period.

ESG related initiatives / Executed 5th Public Offering

◆ ESG related initiatives

- Establishment of green finance framework/ Acquisition of third-party assessments
 - New borrowings at the time of the 5th public offering were **fully procured by green loans**.
- Continue to acquire environmental certifications for properties held from the past and newly acquired properties.
 - Environmental certification acquisition rate as of the end of August 2022: **42.7%**
- GRESB real estate assessment
 - Already participated for the 2022 fiscal year.
- Continue to disclose the degree of achievement of environment-related numerical goals in the company website.

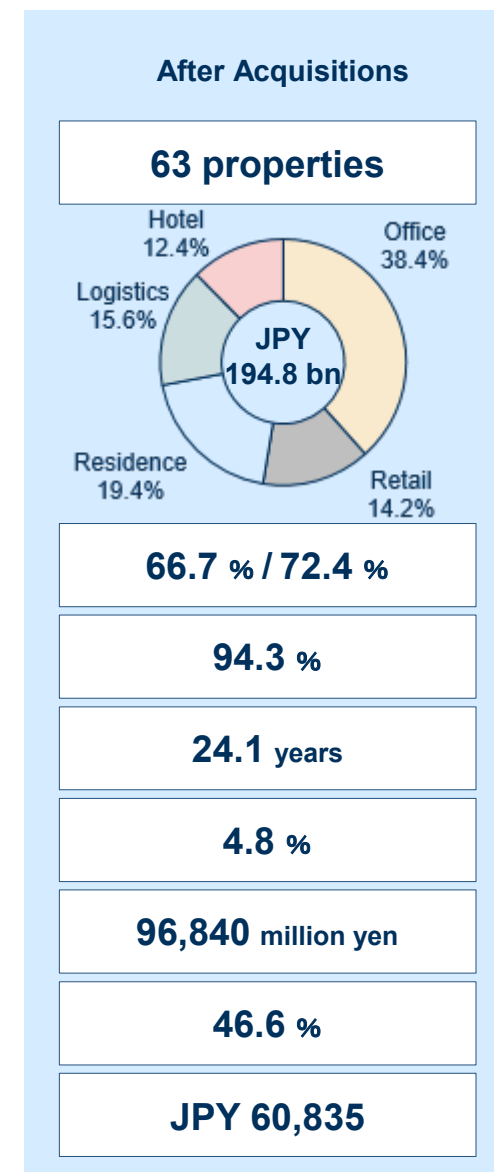
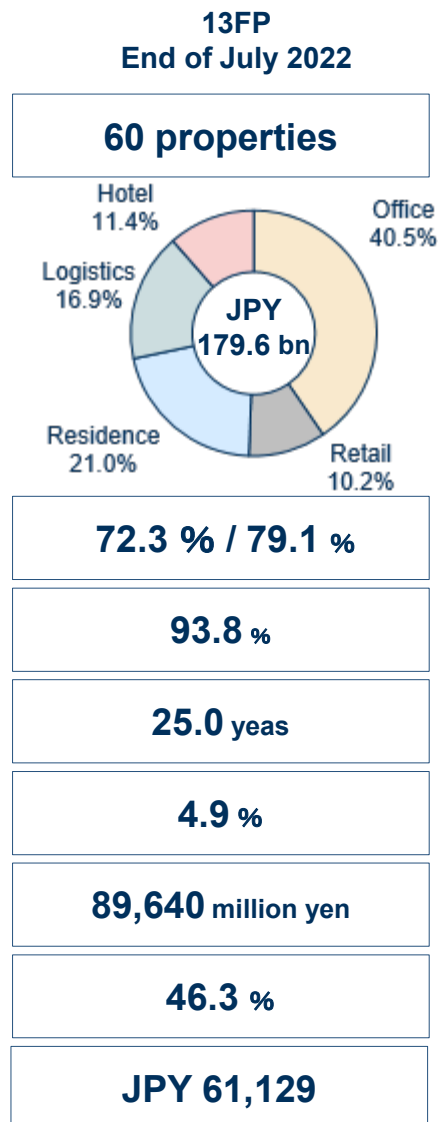
◆ Executed 5th Public Offering

- A public offering of investment units was executed in August 2022, and properties were newly acquired. (3 properties/ total acquisition price: JPY15.1 billion)
- Total asset size increased to **JPY 194.8 billion**.
Given expansion of asset size and increase in the number of properties, a **highly diversified portfolio with stable profitability** was achieved,
- **An expansion of the investor base** was observed. ~ Demand from abroad particularly strong, including some new participation of institutional investors.
- In the mid-term, **pursue expansion of asset size** while maintaining the LTV level, with the anticipation of the effect of asset size expansion – **improved ratings – reduction of interest costs**.

1. Executive Summary (2)

Change in Key Indicators

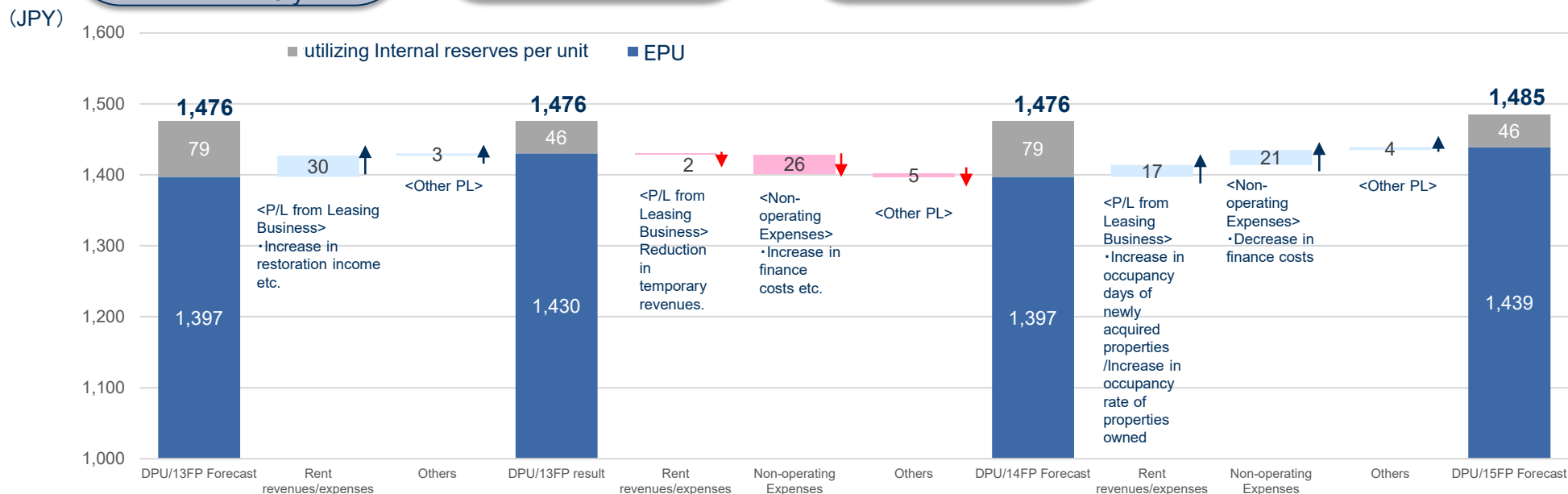
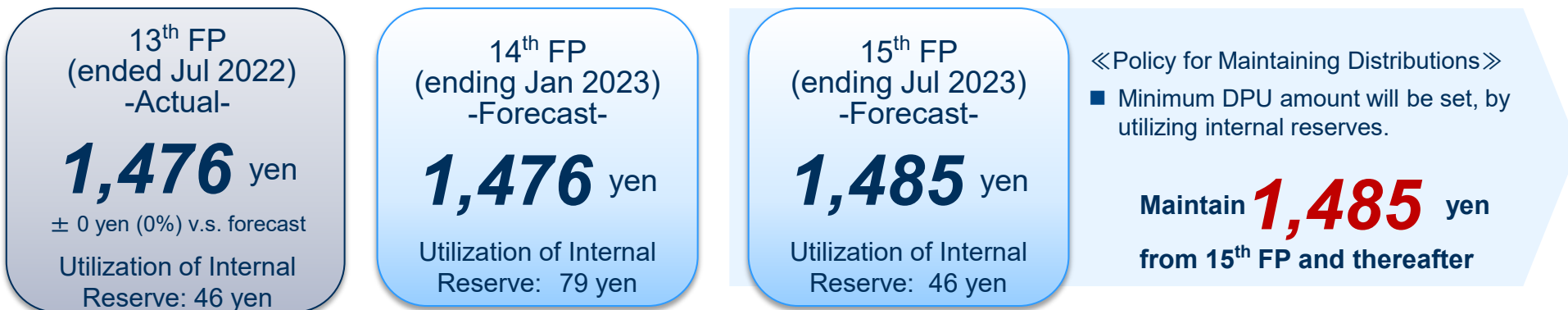
| |
|--|
| No. of properties |
| Asset size |
| Ratio of assets in Tokyo area <small>(note1) entire portfolio / excluding suburban retail facilities</small> |
| Ratio of mid-sized assets <small>(note2)</small> |
| Average building age <small>(note3)</small> |
| Portfolio appraisal NOI yield <small>(note4)</small> |
| Total interest-bearing debts |
| Total asset LTV |
| NAV per unit <small>(note 5)</small> |



2. Actual and forecasted distribution

2. Actual Distributions and Business Forecast (1)

- ◆ In the 13th fiscal period, portfolio NOI exceeding initial forecast was recorded, and the amount of utilization of **retained earnings was reduced** compared to initial forecast (▲33 yen per unit)
- ◆ For the 14th fiscal period, an increase (compared to the last estimate) in the withdrawal amount from retained earnings is anticipated to cover financing costs, and for the 15th fiscal period it is expected that **distributions will return to cruising status** for asset types other than hotels.



2. Actual Distributions and Business Forecast (2)

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

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

- ◆ By making agile adjustments to lease conditions by responding to changes in the market environment, **office occupancy rates will move to an increasing trend**, and **residence occupancy rates will stabilize**.
- ◆ **Upside in hotel variable rent revenues** due to recovery in accommodation demand / variable rents have been assumed to be “zero” for the purpose of business forecast.

| | Actual Result of FP ended Jul 2022 | Forecast Assumptions for FP ended Jan 2023 and FP Jul 2023 |
|-----------|---|---|
| Office | <ul style="list-style-type: none"> Rise in occupancy rates which was assumed at the beginning of the period transitioned more or less as expected. (January 31, 2022: 92.8% ⇒ July 31, 2022: 93.7%; period average: 94.0%) Given that the activities of potential tenants are intensifying, although the degree differs depending on the property, new tenants are consistently being found. Newly contracted 12 tenants: average amount increase of 0.5% (compared to rents of former tenants) | <ul style="list-style-type: none"> The activities of potential tenants are intensifying, and it is assumed that the rising trend of occupancy rates will be maintained by agile adjustments to rent conditions etc. We have sensed that free-rent periods will not be prolonged. A gradual increase in occupancy rates are anticipated from the 14th to 15th fiscal periods. / Increase in rents amounts per-unit is not anticipated. |
| Retail | <ul style="list-style-type: none"> 3 tenants newly entered (1,373.68㎡) / 4 tenants moved out (1,949.25㎡), no surprises. No new requests for reduction or exemption of rents Expense reduction (land lease fees) implemented from April 2022 (annual reduction effect of 4,255 thousand yen). No rents in arrears for the 13th fiscal period, and rent revenues transitioned stably. | <ul style="list-style-type: none"> No tenants to move out during the 14th fiscal period; 1 tenant expected to move out during the 15th fiscal period. Expected floor area to be cancelled: 585.52㎡ / 0.6% of the entire retail facility. Re-contracted or scheduled to be re-contracted during the 14th fiscal period. (Rent increase 1, no change 1, rent reduction 2) The above 2 points have been reflected in the financial forecast Reconsidering tenant mix -- currently negotiating to attract a supermarket. |
| Residence | <ul style="list-style-type: none"> Due to tight supply and demand and adjustments and negotiations of rent reflecting such condition, achieved rent increases at the time signing new contracts and contract renewals for family-type residences. (Increase amount: 877,200 yen per month) Given agile adjustments to rent conditions, occupancy rates for single-type residences recovered. (January 31, 2022: 81.0% ⇒ July 31, 2022: 96.0%) | <ul style="list-style-type: none"> Assumed to maintain the average occupancy rates during 13th fiscal period of approximately 97.3%. Assumed that rents will be maintained at the same level. |
| Logistics | <ul style="list-style-type: none"> Revenues have transitioned stably. Of the 3 tenants for which the contract term has matured during the 13th fiscal period, for 1 tenant a new fixed-term lease agreement has commenced with increased rent, and for the remaining 2 tenants lease contracts have been renewed on the same conditions as the last contract. | <ul style="list-style-type: none"> Revenues anticipated to remain stable. For the 3 tenants whose contract periods will end during the 15th fiscal period, it is assumed that current status will be maintained. Also, for tenants whose contract periods will end in or after the 16th fiscal period, prepare for proactive negotiation. |
| Hotel | <ul style="list-style-type: none"> Fixed rents have been received as agreed under contract (from 7 hotels excluding “KOKO HOTEL Osaka Namba” for which only variable rents are received) Given recovery of accommodation demand and efforts to lower the break-even point, variable rent (linked to GOP) has been received from the tenant of “KOKO HOTEL Osaka Namba”. | <ul style="list-style-type: none"> Received request from 1 tenant for reduction of rent: under negotiation Variable rent assumed to be “zero” for financial forecast / For hotels other than those stated above, it is assumed that only fixed rents will be received as agreed under contract. |

2. Actual and forecasted distribution (3)

Factors for increase/decrease compared with forecast/actual results for the 13FP

- ◆ Rent revenues were more or less at the same level as per initial forecast, and NOI amount increased mainly due to increase in revenues from restoration-to-original-state fees (versus forecast).
- ◆ Promptly responded to the increase in electricity charge payments

(Unit: million yen)

| | 13 FP (ended Jul. 2022) forecast* | 13FP (ended Jul. 2022) Actual | Comparison with forecast | | Factors for the increase/decrease |
|--|-----------------------------------|-------------------------------|--------------------------|-------------|---|
| Lease business revenue | 5,899 | 6,060 | 161 | 2.7% | <Other> Original state restoration fee revenue +69.2million yen Utility revenue+55.2 million yen Deposit amortization+16.4million yen Key money revenue +4.3million yen Penalty charge revenue +3.4million yen Renewal fee revenue +3.4million yen |
| Office rent | 1,971 | 1,974 | 2 | 0.1% | |
| Retail rent | 849 | 847 | △2 | △0.2% | |
| Residence rent | 1,210 | 1,215 | 4 | 0.4% | |
| Logistics rent | 910 | 910 | 0 | 0.0% | |
| Hotel rent | 424 | 426 | 2 | 0.5% | |
| Other | 532 | 686 | 154 | 29.0% | |
| Expenses related to rent business (Depreciation is excluded) | 1,688 | 1,796 | 108 | 6.4% | |
| NOI | 4,211 | 4,263 | 52 | 1.2% | <Expenses of leasing business> Utility costs 71.5 million yen Repair costs +30.5 million yen Leasing costs +6.7 million yen |
| Depreciation | 699 | 697 | △1 | △0.2% | |
| Rent revenues/expenses | 3,511 | 3,565 | 53 | 1.5% | |
| Mezzanine | 24 | 28 | 4 | 17.5% | |
| TK distribution | - | - | - | - | |
| SGA | 543 | 546 | 2 | 0.5% | |
| Operating income | 2,992 | 3,047 | 55 | 1.9% | |
| Non-operating income | - | 2 | 2 | - | <div> <p>■ Promptly responded to the increase in electricity charge payments</p> <ul style="list-style-type: none"> Made a request to all of the tenants of 17 office properties and 1 logistics properties to change the method of invoicing electricity charges so that it is linked to the actual electricity charges paid. All of the tenants have accepted. </div> |
| Non-operating expenses | 491 | 489 | △2 | △0.5% | |
| Ordinary income | 2,500 | 2,560 | 59 | 2.4% | |
| Income before income taxes | 2,500 | 2,560 | 59 | 2.4% | |
| taxes | 0 | 0 | - | 0.0% | |
| Net income | 2,499 | 2,559 | 59 | 2.4% | |
| Cash distribution per unit | 1,476 yen | 1,476 yen | 0 yen | 0.0% | |
| FFO per unit | 1,787 yen | 1,820 yen | 33 yen | 1.8% | |
| Balance of internal reserves | 8,826 | 8,886 | 59 | 0.7% | |
| (Reference) Net income per unit (Yen per unit) | 1,397 yen | 1,430 yen | 33 yen | 2.4% | |

(*) Announced in 12th FP closing of accounting report (March 16, 2022)

2. Actual and forecasted distribution (4)

Forecast of business results for the 14FP ending January 2023 / the 15FP ending July 2023

- ◆ Tree new properties acquired through the public offering executed in August 2022. The newly acquired properties expected to fully contribute to the FP ending July 2023.
- ◆ A gradual increase in occupancy rates is anticipated for office up to the end of the 15th fiscal period.

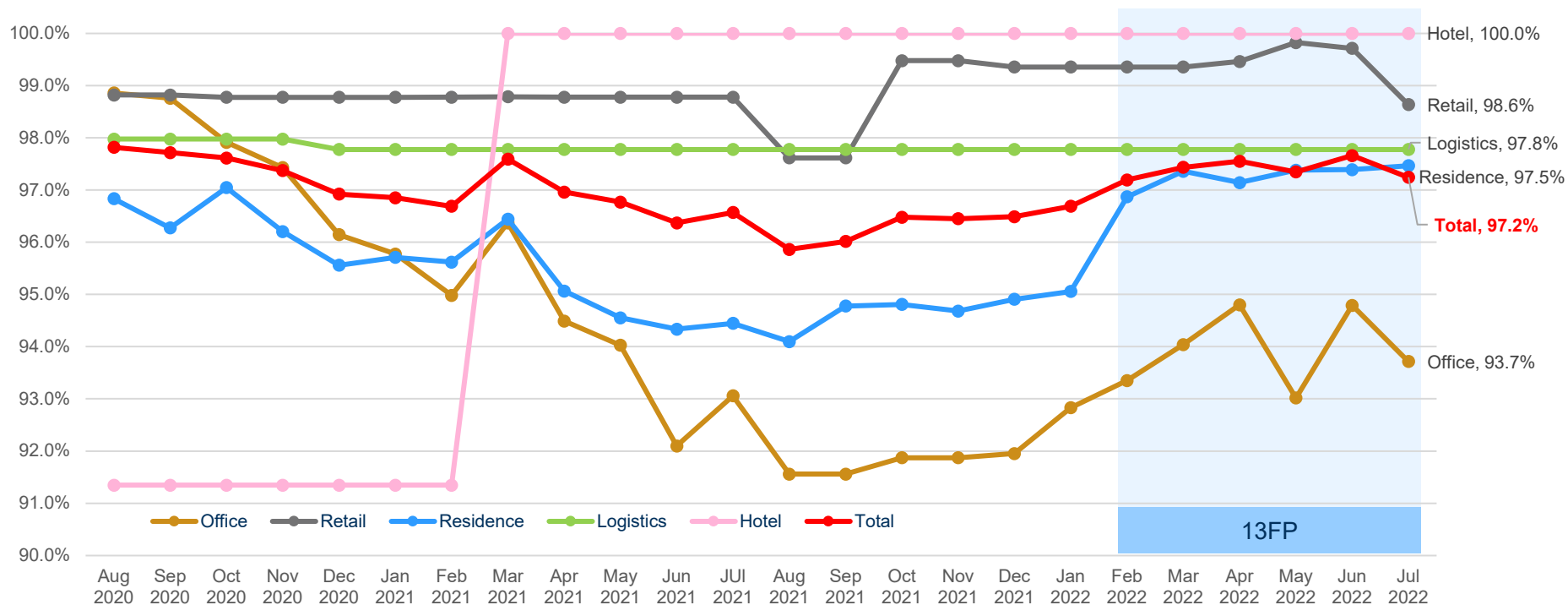
(Unit: million yen)

| | 13 FP (ended Jul. 2022) Actual (A) | Forecast for the 14 FP ending Jan 2023 (B) | Increase/decrease (B-A) | | Major factors for the increase/decrease | Forecast for the 15P ending Jul 2023(C) | Increase/decrease (C-B) | | Major factors for the increase/decrease |
|---|---|---|----------------------------|--------------|--|---|----------------------------|--------------|---|
| Lease business revenue | 6,060 | 6,363 | 303 | 5.0% | <Office> Acquired Urban Center Fujisawa +65.1mil | 6,499 | 136 | 2.1% | <Office> Increase in number of days of operation at Urban Center Fujisawa |
| Office rent | 1,974 | 2,056 | 82 | 4.2% | | 2,137 | 80 | 3.9% | |
| Retail rent | 847 | 1,035 | 188 | 22.3% | <Retail> Acquired abeno nini(Retail) +198.7mil | 1,043 | 8 | 0.8% | Refilling of vacant compartments of existing properties assumed. |
| Residence rent | 1,215 | 1,216 | 1 | 0.1% | | 1,224 | 8 | 0.7% | |
| Logistics rent | 910 | 914 | 3 | 0.4% | <Hotel> Acquired abeno nini(Hotel) +80.7mil | 916 | 1 | 0.2% | |
| Hotel rent | 426 | 503 | 76 | 18.0% | <Other> (3 New Properties) +7.2mil (Existing properties) | 501 | △1 | △0.3% | <Retail> Increase in number of days of operation at abeno nini (Retail) |
| Other | 686 | 637 | △48 | △7.1% | | 676 | 38 | 6.0% | |
| Expenses related to rent business (Depreciation is excluded) | 1,796 | 1,804 | 7 | 0.4% | Decrease in revenues for restoration- to-original-state △69.1mil | 1,892 | 87 | 4.9% | <Residence> Refilling of office compartments assumed. |
| NOI | 4,263 | 4,559 | 296 | 6.9% | Increase in utility charge revenues +45.8mil | 4,607 | 48 | 1.1% | |
| Depreciation | 697 | 734 | 37 | 5.3% | Decrease in amortization of deposits △16.4mil | 749 | 15 | 2.0% | <Other> Utility expenses +40.1million yen |
| Rent revenues/expenses | 3,565 | 3,824 | 258 | 7.3% | Decrease in renewal fees △8.8mil | 3,857 | 33 | 0.9% | |
| Mezzanine | 28 | 24 | △4 | △15.2% | Decrease in key money revenues△3.9mil | 23 | 0 | △1.6% | |
| TK distribution | - | - | - | - | Decrease in cancellation penalties△3.4mil | - | - | - | <Expenses related to rent business> Utility expenses +71.4 million yen |
| SGA | 546 | 585 | 38 | 7.1% | <Expenses related to rent business> (3 New Properties) +50.9mil (Existing properties) | 579 | △6 | △1.0% | Taxes and dues +32.2million yen |
| Operating income | 3,047 | 3,263 | 215 | 7.1% | Repair expenses △49.7mil Utility expenses +37.6mil | 3,302 | 38 | 1.2% | Leasing expenses △36.6million yen |
| Non-operating income | 2 | - | △2 | △100.0 % | Leasing expenses △20.5mil Building management fee△12.1mil | - | - | - | Building management fee +9.9 million yen |
| Non-operating expenses | 489 | 576 | 86 | 17.7% | <Depreciation, SGA> Increase with the expansion of asset size | 535 | △41 | △7.1% | Repair expenses +9.7 million yen |
| Ordinary income | 2,560 | 2,686 | 126 | 4.9% | <Non-operating expenses > Increase given the increase in interest-bearing debt balance. Occurrence of finance costs | 2,766 | 79 | 3.0% | <Non-operating expenses> decrease in expenses due to refinancing |
| Income before income taxes | 2,560 | 2,686 | 126 | 4.9% | | 2,766 | 79 | 3.0% | |
| Taxes | 0 | 0 | - | 0.0% | | 0 | - | 0.0% | |
| Net income | 2,559 | 2,686 | 126 | 4.9% | | 2,766 | 79 | 3.0% | |
| Cash distribution per unit | 1,476 yen | 1,476 yen | 0 yen | 0.0% | | 1,485 yen | 9 yen | 0.6% | |
| FFO per unit | 1,820 yen | 1,780 yen | △40 yen | △2.2% | | 1,829 yen | 49 yen | 2.8% | |
| Balance of internal reserves | 8,886 | 8,735 | △150 | △1.7% | | 8,648 | △87 | △1.0% | |
| (Reference) Net income per unit (Yen per unit) | 1,430 yen | 1,397 yen | △33 yen | △2.3% | | 1,439 yen | 42 yen | 3.0% | |

3. Operating results for the 13th fiscal period ended July 2022

3. Operating results for the 13th fiscal period ended July 2022 (1) - Occupancy rate status -

- ◆ During the 13th fiscal period, the portfolio as a whole maintained occupancy rates exceeding 97% (on a contract floor area basis).
- ◆ Office occupancy rates have shown a rising trend, and residence occupancy rates are in stable condition.



| | 10FP (Jan 2021) | 11FP (Jul 2021) | 12FP (Jan 2022) | 13FP | | | | | |
|-----------|--------------------|--------------------|--------------------|----------|----------|----------|----------|----------|----------|
| | | | | Feb 2022 | Mar 2022 | Apr 2022 | May 2022 | Jun 2022 | Jul 2022 |
| Office | 95.8% | 93.1% | 92.8% | 93.4% | 94.06% | 94.8% | 93.0% | 94.8% | 93.7% |
| Retail | 98.8% | 98.8% | 99.4% | 99.4% | 99.4% | 99.5% | 99.8% | 99.7% | 98.6% |
| Residence | 95.7% | 94.4% | 95.1% | 96.9% | 97.4% | 97.1% | 97.4% | 97.4% | 97.5% |
| Logistics | 97.8% | 97.8% | 97.8% | 97.8% | 97.8% | 97.8% | 97.8% | 97.8% | 97.8% |
| Hotel | 91.3% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total | 96.9% | 96.6% | 96.7% | 97.2% | 97.4% | 97.6% | 97.4% | 97.7% | 97.2% |

3. Operating results for the 13th fiscal period ended July 2022 (2)

- **Office** - Status of change in tenant as of the end of the 13FP

Operating result for office

<Actual Result of 13FP>

- Entry and exit of tenants: **New contract area** (4,973.60㎡) > **exited area** (4,261.63㎡)
- Attracted new tenants: **12 tenants** (An average rent **increase of 0.5%** compared to before)
All rents are above market except one tenant.
- Achieved rent increases at the timing of renewal for **6 tenants**, at monthly amount **plus 2,710 thousand yen**.
When including cases where rents were not changed, the average amount of rents **increased by 4.2%**.
- **No cases** of rent reductions upon contract renewals.
- Achieved increase in rents during lease periods, other than at timing of contract renewals.
For 2 tenants, average increase amount of 10.3%.

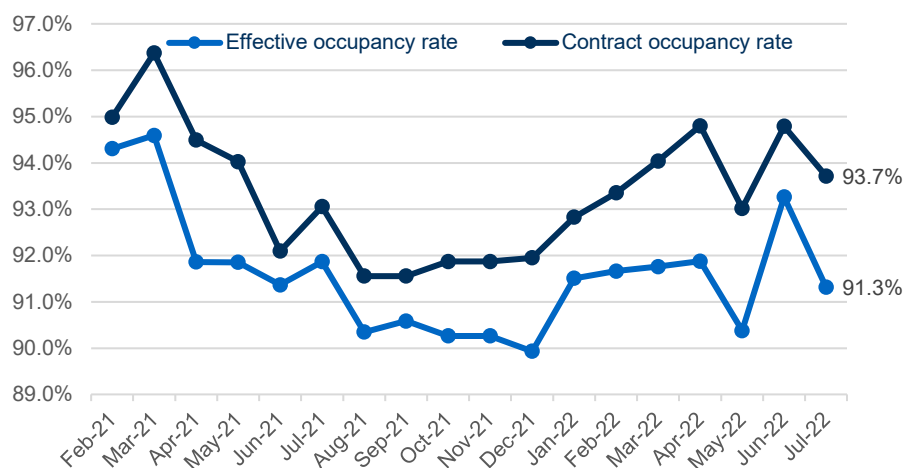
<Forecast for 14th fiscal period and onwards>

- The activities of potential tenants are intensifying, and we have good responses in leasing activities.
- A gradual **rise in occupancy rates** is expected from the 14th to 15th fiscal periods.

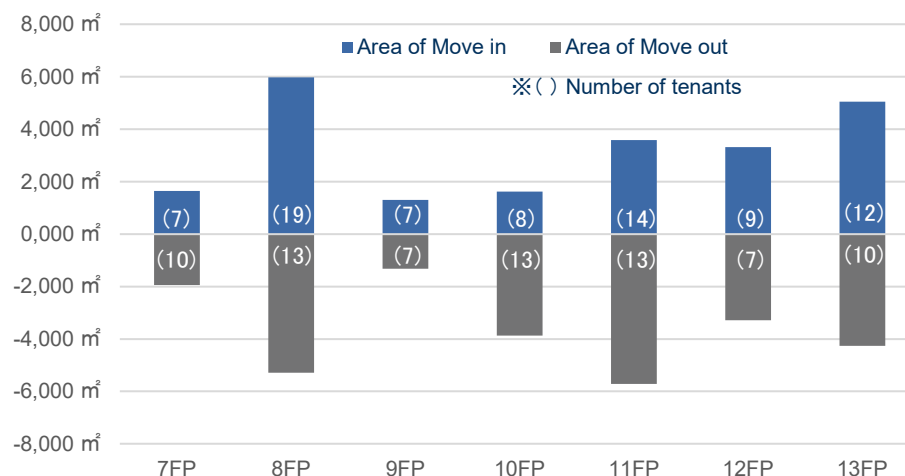
Status of change in tenant as of the end of the 13FP

| | Number of tenants | Area(㎡) | |
|---|-------------------|------------------|---|
| <New Contract> | 12 | 4,973.60 | |
| Rent up | 6 | 3,014.03 | Average 0.5% increase, including both increase and decrease of rents. |
| Same rent | 1 | 726.98 | |
| Rent down | 5 | 1,232.59 | Rents of new tenants are all above market rent levels, except for 1 tenant. |
| <Renewal> | 40 | 18,725.25 | |
| Rent up(※) | 6 | 8,385.00 | Average increase of 4.2% including rents which have been unchanged. |
| Same rent | 34 | 10,340.25 | |
| Rent down | 0 | 0.00 | No tenants have reduced rents upon contract renewal. |
| ※ Includes increased amounts in the middle of the contract period | | | |
| <Leaving> | 10 | 4,261.63 | |

Contracted occupancy rate / effective occupancy rate



Contract Rent Period of Office Portfolio

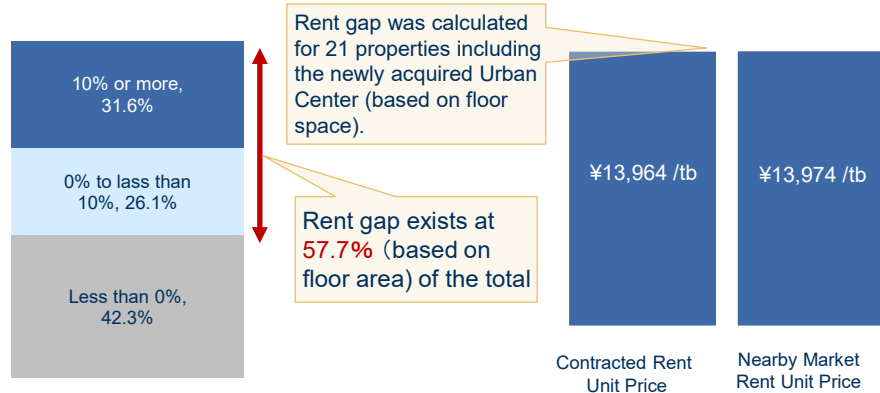


3. Operating results for the 13th fiscal period ended July 2022 (3)

- Office -

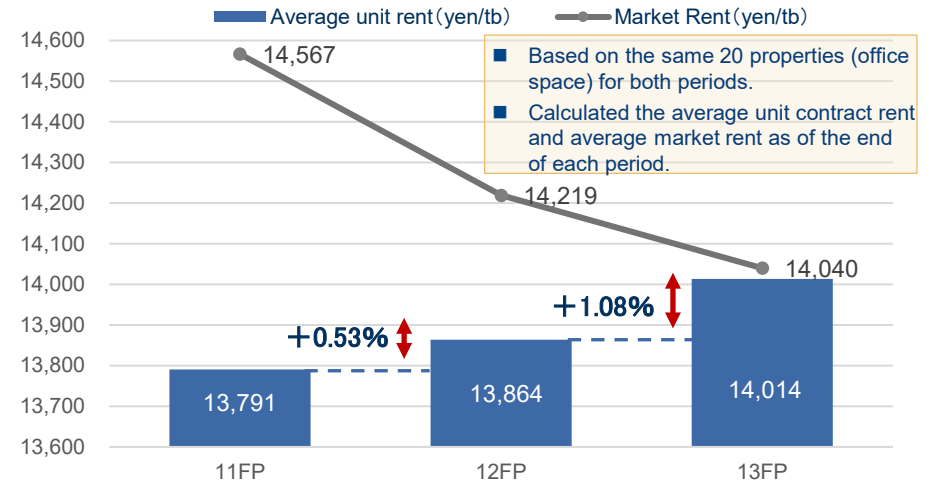
Rent in the 13FP (*)

<Diversification status of rent gap>

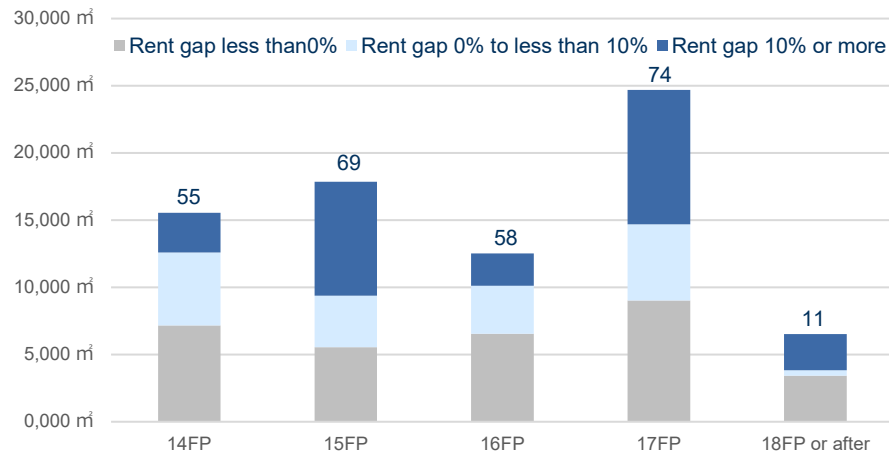


(*) The rent gap is the gap between market rent and contract rent with each tenant. The market rent has taken the intermediate value of the expected new contract rents (described as a range) for each property appraised by CBRE as of the end of the period. With respect to Amusement Media Gakuin Honkan/Shinkan,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

Transition of unit rent



Contract Rent Period of Office Portfolio



Addressing leasing issues

【Urban Center Tachikawa (Tachikawa city, Tokyo)】



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

- 2 of the 4 floors vacated have been refilled
- 2 remaining sections are being previewed.

| | | |
|----------|----------|----------|
| Aug 2021 | May 2022 | Jun 2022 |
| 83.0 % | 33.9 % | 65.1 % |

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



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

- Failed to make up the space vacated at the end of the 12th fiscal period in the 13th fiscal period
- Current rent is higher than market rent, but leasing is underway with a focus on rent.

| | | |
|----------|----------|----------|
| 2021年12月 | Jan 2022 | Jul 2022 |
| 100.0 % | 74.9 % | 74.9 % |

3. Operating results for the 13th fiscal period ended July 2022 (4)

- Retail -

Management strategies of retail

<13th fiscal period: actual performance>

- Rent revenues have transitioned **stably and** have been secured more or less as initially assumed.
- “Lapark Kishiwada”
Relocation of existing tenants within the building – **Attracted tenants with ability to attract customers** (started operations during the 13th fiscal period)
With the cooperation of sub-sponsor Nippon Kanzai Group, implemented cost reductions.
- “Suroy Mall Chikushino” (see to the right)
- “Seiyu Minakuchi-ten”
Given that it is a single tenant, community-based industry, nothing to note in particular.
- “Bagus Ikebukuro Nishiguchi”
The business of some tenants **have recovered sales to pre-Covid 19 levels** depending on the industry.

<Concept for 14th fiscal period and onward>

- Policy to sell suburban-type retail facilities to be maintained / Will aim to maximize profits so long as they are held.
Consider methods to improve revenues from “**zero basis**”.
- Prepare for rent increase at the newly acquired “Abeno nini (retail facility)”.

Suroy Mall Chikushino (Case Studies)



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

- Tenants moved out from 3 compartments during the 13th fiscal year (1,048.58㎡)
- Considering reexamination of tenant mix as a measure to improve profits. With the view to expand the building, considering attracting a supermarket which handles foodstuff as an anchor tenant which can effectively attract daily customers.
- Achieved reduction of the land lease fee for the parking lot (leased land) (Annual cost reduction of over 4.2 million yen).
- Status of handling the 4 tenants whose lease period expires during the 14th fiscal period.
(Rent increase 1, no change 1, rent reduction 2)

Asset management which contributes to the revitalization of the local community

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

■ La Park Kishiwada

Conducted events contributing to the regional community organized by the municipal government office and by public interest foundations which aim to create a sustainable and peaceful global community.



Peace Pal International Art Contest



Kishiwada Environmental Fair
2022

■ Suroy Mall Chikushino

Conducted communication events and health promotion events with the neighboring community.

「May 5, Children's Day: Let's Play Together at Shuroa Mall Chikushino」

「Suroy Mall Chikushino Walking Contest」



3. Operating results for the 13th fiscal period ended July 2022 (5)

- Residence -

- ◆ Promptly responding to market conditions, occupancy rates for single-type residences has **increased** due to agile adjustments of leasing conditions, moving towards the state of **stable** operations.
- ◆ For family-type residences (exclusive floor area of 30m² or more), achieved rent increases for new entrants and at the time of contract renewals.

Operating results for residence

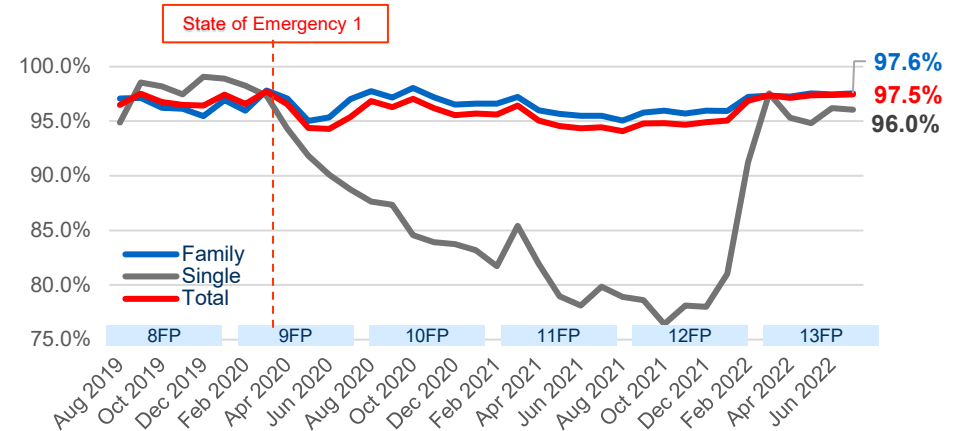
< 13FP Actual >

- Entering and leaving of tenants : Area move in (9,467.98m²) > Area move out (7,033.18m²)
- Entering and leaving, Rent Fee: Total rent (monthly amount) **+317,850 yen**

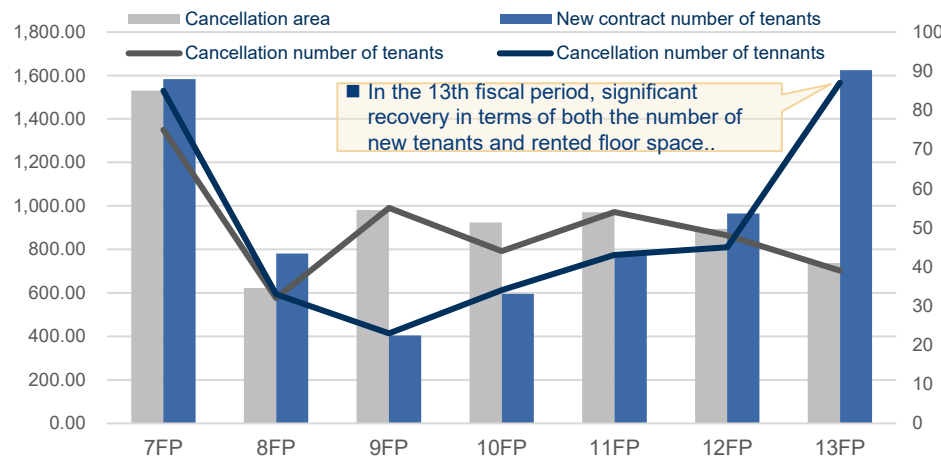
| | Less than 30m ² | | 30m ² or more | |
|--------------|----------------------------|----------------------|--------------------------|----------------------|
| | Number of tenants | Total monthly amount | Number of tenants | Total monthly amount |
| New contract | 89 | △558,850 yen | 120 | +611,700 yen |
| Renewal | 45 | 0 yen | 257 | +265,500 yen |
| Cancellation | 49 | — | 83 | — |

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

Transition of occupancy rates

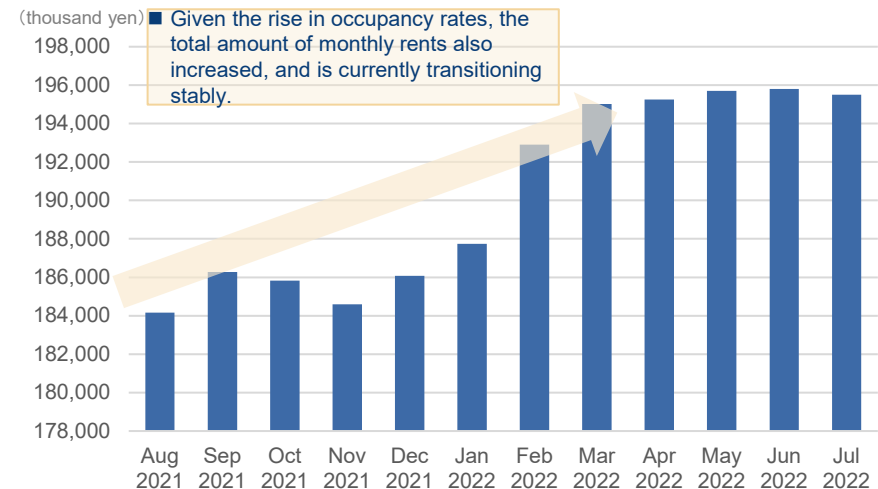


Transition of new contracts and cancellations of single-type residences



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

Transition of total monthly rent



3. Operating results for the 13th fiscal period ended July 2022 (6)

- Logistics -

- ◆ During the 12th and 13th fiscal periods, rent increases were achieved for 1 tenant for each period at the timing of maturity of the respective fixed-term building lease agreements.
- ◆ Going forward, continue to pursue the possibility of rent increases, while considering redevelopments and building expansion aiming towards improvement of profitability.

Operating results for Logistics

<12th fiscal period: actual performance >

- For 1 tenant, resigned fixed-term building lease agreement with **increased rent amount**.
- For 1 tenant, lease agreement was renewed under the same conditions as before.

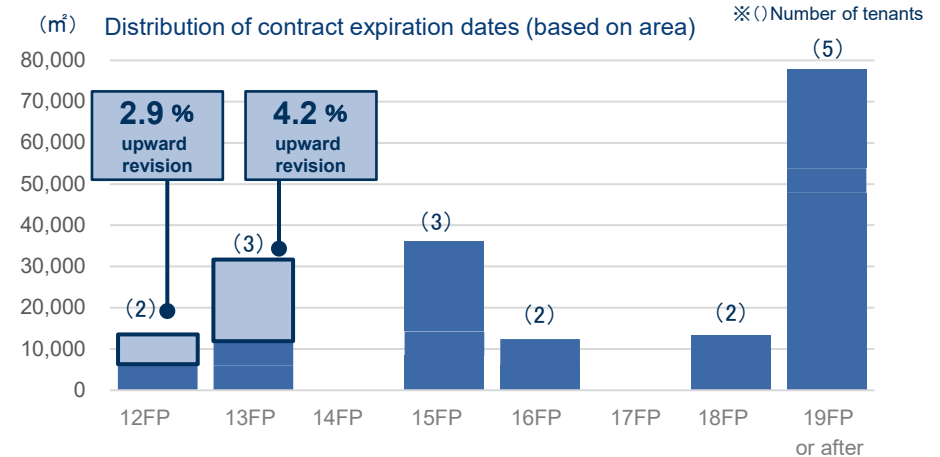
<13th fiscal period: actual performance >

- For 1 tenant, a new fixed-term building lease agreement has commenced with **increased rent amount**.
- For the other 2 tenants, renewed contract under the same conditions as before.

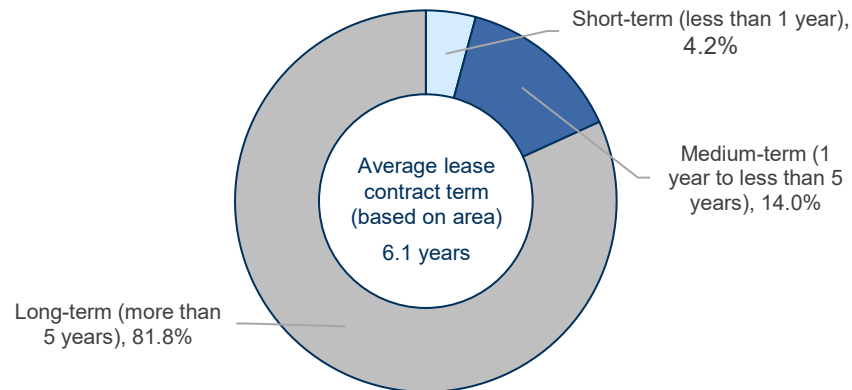
<Initiatives to be taken from 14th fiscal period and onward >

- Pursue possibility to increase rent amount at the timing of re-signing or renewal of contracts.
- In order to improve profitability, implement building extensions of Funabashi Hi-Tech Park Factory I.

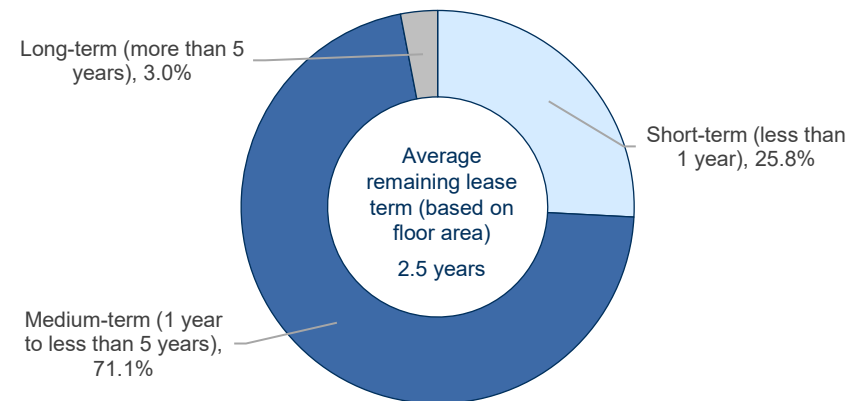
Revision of Rent and Contract Period



Average period of lease contracts



Average remaining period of lease contracts



3. Operating results for the 13th fiscal period ended July 2022 (7)

- Hotels -

- ◆ In the 13th fiscal period, **variable rent was received** from “KOKO HOTEL Osaka Namba” / For the purpose of financial forecasts for the 14th and 15th fiscal periods, **variable rents have been set at “zero”**.
- ◆ At the newly acquired “Abeno nini (hotel)”, commenced discussions towards **changing the operator**.

Hotel portfolio (9 properties)

<Status of 13th fiscal period/ 8 properties>

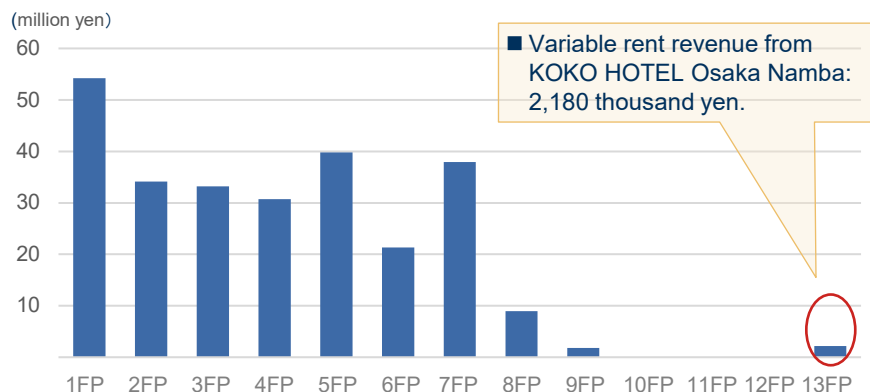
- In the 13th fiscal period, fixed rents were received on schedule as per agreement (no uncollected or late payments).
- Rent reduction request received from 1 tenant – under negotiation.
- 1 hotel is currently closed due to the influence of COVID-19 --- timing of reopening not decided
Received GOP linked rent from “KOKO HOTEL Osaka Namba” for the calculation period from May to July. 2,180 thousand yen.

<Assumptions for 14th fiscal period and onward>

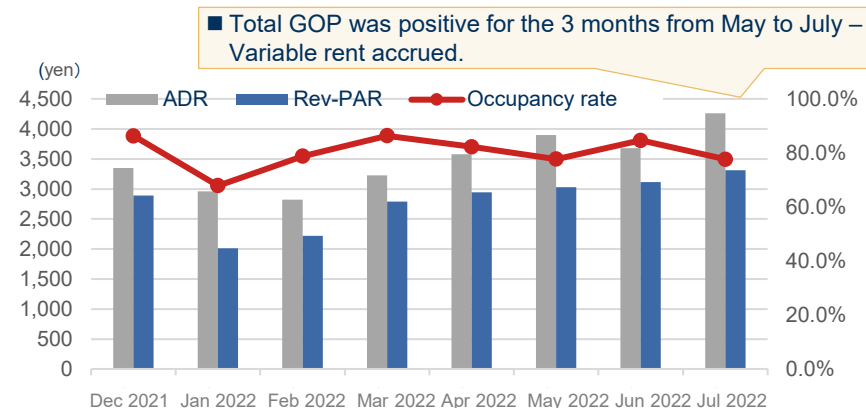
- Assuming that fixed rents will be received on schedule as per agreement.
- Although a certain level of recovery of accommodation demand has been confirmed, it has been assumed that variable rents will not be received.
- Variable rents have been incorporated in the rental scheme for **6 hotels**, for which **upside is anticipated**.

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

Transition of Floating



Operating results for KOKO HOTEL Osaka Namba



3. Operating results for the 13th fiscal period ended July 2022 (8)

- Financial standing 1 -

- ◆ Through new borrowings and refinancings, average term of borrowings has become longer, and the **ratio of fixed interest borrowings has increased.**
- ◆ In the new debt financing in connection with the public offering in August 2022, new lenders were invited and the **bank formation was expanded.**

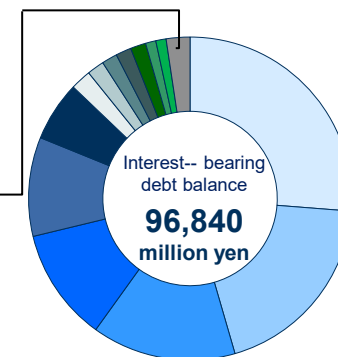
Main financial indicators (※1)

| | 12FP Jan 2022 | 13FP Jul 2022 | As of Aug 31, 2022 |
|--------------------------------------|--------------------|--------------------|----------------------------------|
| LTV | 46.4 % | 46.3 % | 46.6% (after 5 th PO) |
| Interest-- bearing debt balance | 89,640 million yen | 89,640 million yen | 96,840 million yen |
| Long-term debt ratio | 100.0 % | 100.0 % | 100.0 % |
| Average remaining period to maturity | 3.0 years | 3.0 years | 3.3 years |
| Average borrowing period | 5.0 years | 5.1 years | 5.1 years |
| Average interest rate (※2) | 0.76 % | 0.77 % | 0.78 % |
| Fixed interest rate ratio | 89.5 % | 88.4 % | 95.1% |

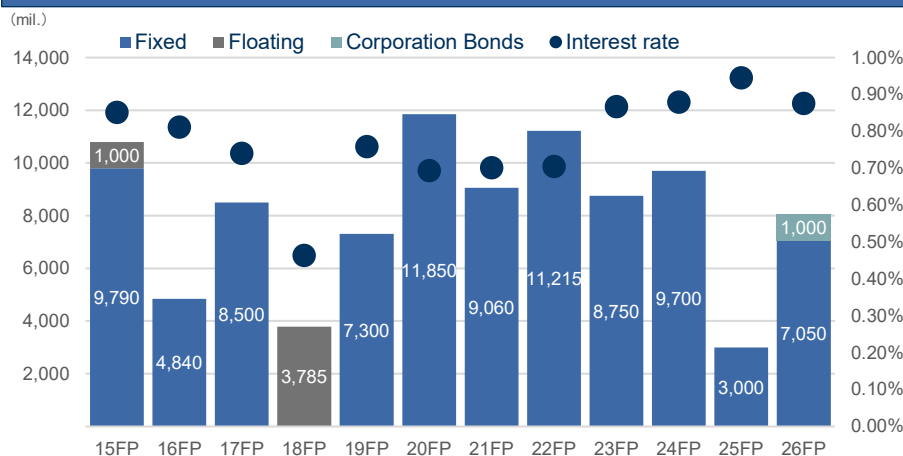
(※1) This describes the status including investment corporation bonds.(※2) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

Bank formation (as of Aug31, 2022)

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



Diversification of repayment dates(as of Aug 31, 2022)



Credit Ratings

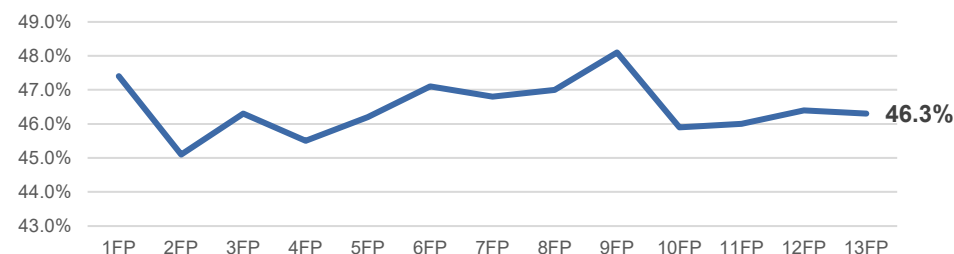
Japan Credit Rating Agency, Ltd. ("JCR")

Long-term Issuer Rating
A (Stable)

Rating and Investment Information, Inc. (R&I)

Issuer Rating
A- (Stable)

Transition of LTV



3. Operating results for the 13th fiscal period ended July 2022 (8)

- Financial standing 2 -

- ◆ In the 13th FP, Established a "Green Finance Framework" and obtained the highest rating of "GREEN 1 (F)" from JCR.
- ◆ New borrowing (7.2 billion yen) in connection with the public offering in August 2022 was entirely financed by green loans.

Established a green finance framework and have obtained a third-party evaluation

JCR Green Finance Framework Evaluation

The highest rank
GREEN 1 (F)

- For continue to pursue maximization of unitholders' interest and further promote ESG related measures, and aim to further expand the investor base as well as secure stable methods to procure funds, We have established a **green finance framework**.

Eligibility Criteria-1 Properties which have obtained or renewed certification from one of the following third-party certifying organizations, or otherwise intends to obtain or renew such certification in the future.

| | | |
|---|----------------------------------|--------------------|
| 1 | DBJ Green Building certification | ★★★★ ~ ★★★★★★ |
| 2 | BELS assessment | ★★★★ ~ ★★★★★★ |
| 3 | CASBEE certification | A rank, or S rank. |

Eligibility Criteria-2 Facilities and equipment etc. renovation works which satisfy one of the following criteria.

| | |
|---|--|
| 1 | Renovation works which aim to improve one of the assessments or certifications under Eligibility Criteria-1 by at least one star or one rank |
| 2 | Facilities and equipment renovation works to be conducted for managed real estate for the purpose of making beneficial improvements from an environmental perspective, such as energy efficiency, water consumption capacity etc. (such works where usage volume reduction effects of 30% or higher are anticipated compared to before). |
| 3 | Installation of or acquisition of equipment related to renewable energy. |

First borrowing by green loan



| Abeno nini (Retail) | |
|-------------------------|-------------------|
| CASBEE A rank | |
| Location | Osaka City, Osaka |
| Acquisition price | 9,500 million yen |
| Construction completion | Jan 2012 |

- Obtained **Rank A** under CASBEE real estate assessment certification for Abeno nini (retail facility) at the same time as signing the sale and purchase agreement.
- Borrowings were executed under the newly established Green Finance Framework.
- As part of the acquisition proceeds for Abeno nini (retail facility), the **full amount of 7,200 million yen was procured by Green Loan**.
- As a part of ESG related initiatives, issuance of **green bonds** and making borrowings of **green loans** will continue to be considered going forward based on the Green Finance Framework.

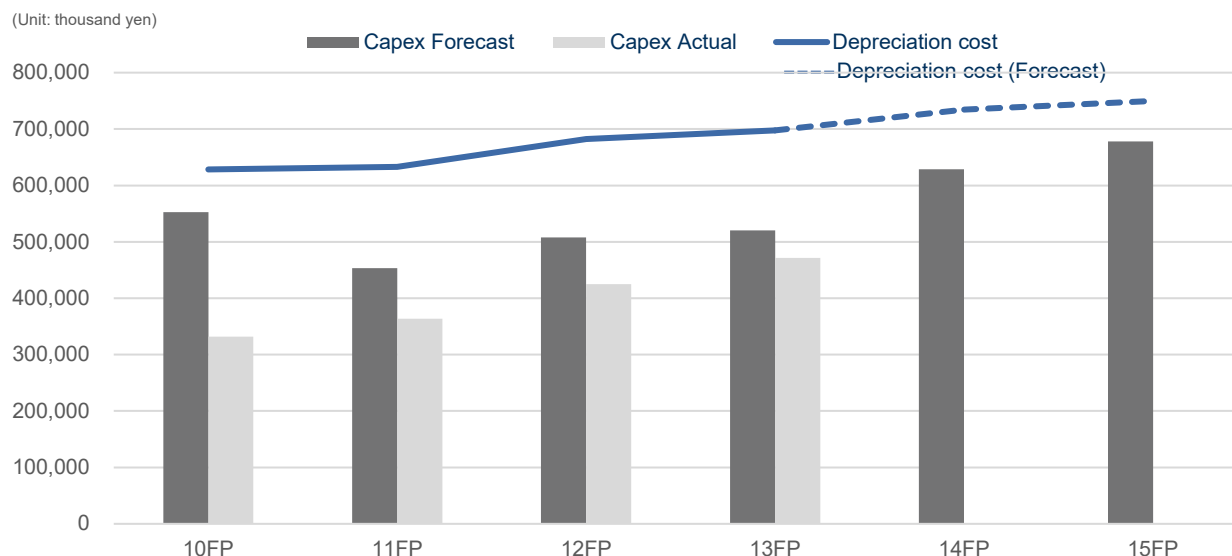
| | |
|-------------------|--|
| Lenders | A syndicate of lenders with Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. as arrangers Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Shinsei Bank, Limited., Sumitomo Mitsui Trust Bank, Limited., Aozora Bank, Ltd., Resona Bank, Limited., and The Chiba Bank, Ltd. |
| Borrowing amounts | 7,200 million yen |
| use of funds | a part of the acquisition funds and related expenses for abeno nini(Retail) |
| Interest Rates | JPY 3M TIBOR + 0.60% (Given the establishment of the Interest Rate Swaps, the interest rate for the relevant borrowing effectively fixed at 0.87215 %) |
| Date of Borrowing | August 18, 2022 |
| Repayment Date | August 31, 2027 |

3. Operating results for the 13th fiscal period ended July 2022 (8)

- Capex Control –

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

| Capex Management | |
|---|----------------|
| <ul style="list-style-type: none"> Centrally manage budget planning and progress on Capex centered on the Sustainability Promotion Division Consider moving the plan forward depending on the budget exhaustion status and budget reduction status. | |
| Capital Expenditures during the 13th fiscal period | |
| Takadanobaba Access Outdoor air-handling units and air conditioning renewal works | 36 million yen |
| Higashi-Kobe Center Building Entry/exit control system renewal works | 27 million yen |
| Schedule of Capital Expenditures for the 14th fiscal period | |
| Higashi-Kobe Center Building Mechanical parking facility renovation works | 40 million yen |
| Minami-Azabu Shibuya Building Elevators renewal works | 37 million yen |



(Unit: thousand yen)

| | 10FP Jan 2021 Actual | 11FP Jul 2021 Actual | 12FP Jan 2022 Actual | 13FP Jul 2022 Actual | 14FP Jan 2023 Forecast | 15FP Jul 2023 Forecast |
|--|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| Depreciation cost | 628,354 | 633,013 | 682,245 | 697,599 | 734,778 | 749,729 |
| Capex Forecast | 552,841 | 453,448 | 507,750 | 520,543 | 628,409 | 678,057 |
| Capex Actual | 331,901 | 363,439 | 424,722 | 471,534 | — | — |
| Capex Budget reduction rate | 40.0% | 19.8% | 16.4% | 9.4% | — | — |
| Capex ratio (Capex Actual/Depreciation cost) | 52.8% | 57.4% | 62.3% | 67.6% | — | — |
| Repair cost (Actual/Forecast) | 181,949 | 220,204 | 181,998 | 255,201 | 209,016 | 218,727 |
| Number of Properties | 53 | 53 | 60 | 60 | 63 | 63 |

4. Initiatives on ESG

4. Initiatives on ESG (1)

Recent Topics regarding ESG Initiatives and ESG Promotion System

- ◆ As a part of ESG related initiatives, participated in the 2021 GRESB Real Estate Assessment ^(Note 1) and acquired **3-Star / Green Star**
- ◆ In order to further enhance ESG related initiatives, strengthen cooperation with the **sub-sponsors (Nippon Kanzai and Tokyo Capital Management)**

Recent Topics regarding ESG Initiatives

◆ Establishment of Green Finance Framework and acquisition of Green1 (F)

- On June 30, 2022, SAR obtained **Green1 (F)**, the highest rank of JCR's Green Finance Framework evaluation ^(Note 2)
- SAR borrowed money through its first green loan to acquire "abeno nini (retail)", a specific asset (green qualifying asset) satisfying eligibility criteria ^(Note 3) based on Green Finance Framework



◆ Acquisition of the highest rank in CASBEE Real Estate Certification

- SAR acquired **rank S** (the highest rank) in CASBEE Real Estate Certification for "Higashi-Kobe Center Building" for the first time in SAR's history
- SAR switched to LED lightbulbs to promote energy conservation, receiving **rank S** in June 2022 four years after it acquired the property



◆ GRESB Real Estate Assessment

- In 2021, SAR participated in GRESB Real Estate Assessment for the first time, receiving **"3 Star"**
- SAR also earned a **"Green Star"** designation by achieving high performance in both the "Management Component" and "Performance Component"



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



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

■ ESG initiatives

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

■ Optimization of capital expenditures and repairs expenses

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

Nippon Kanzai (Sub sponsor)



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

<E (Environment) related support>

■ New Business & Corporate Branding Dept.

- Institution with certification for CASBEE
- Environment-related consulting services

■ East Japan Engineering Management Center

■ West Japan Engineering Management Center

- Energy-related services
- Environmental assessment services

Tokyo Capital Management (Sub sponsor)



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

Aim to achieve E (Environment) related goals

4. Initiatives on ESG (2)

(Environment) related Numerical Goals and their Achievement Status

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

E (Environment) Related Numerical Objectives and Actual Performance

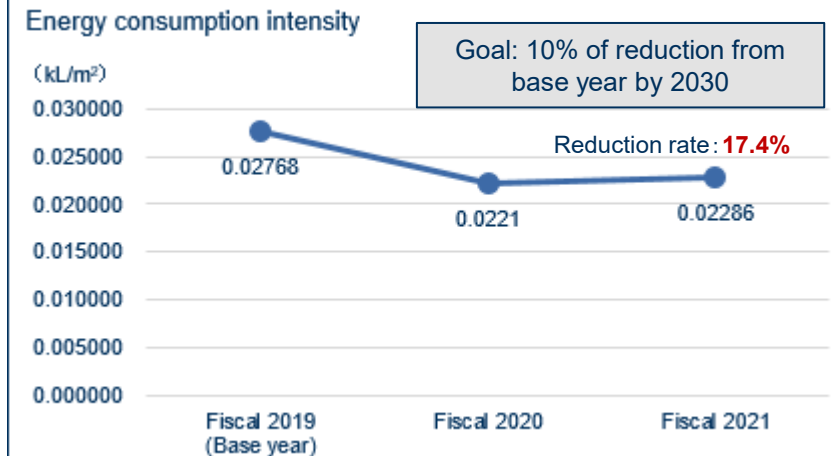
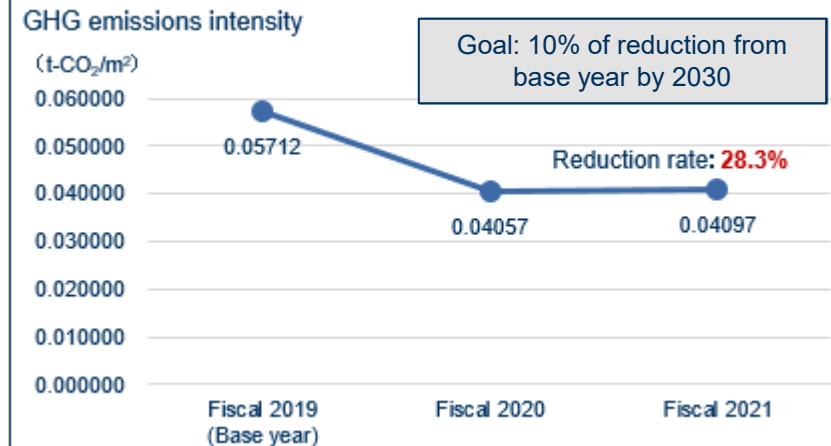
| GHG (Note 1) Monitoring item | Unit | Base year (2019) | 2020 Actual | 2021 Actual | Target year (2030) |
|---------------------------------|-----------------------------------|---------------------|----------------|----------------|-----------------------|
| GHG emissions | t-CO ₂ | 23,154.05 | 16,804.50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

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

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

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

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



4. Initiatives on ESG (3)

Initiatives for E (Environment) and S (Society)

- ◆ In June 2022, SAR acquired “rank S” (the highest rank) in “CASBEE Real Estate Certification” for “Higashi-Kobe Center Building”
- ◆ As initiatives concerning S (Society), SAR has conducted a tenant satisfaction survey in broader scope in fiscal 2021, and is considering to reflect the results obtained to management and operations

Initiatives for E (Environment)

◆Receipt of environmental certification (as of Aug 31, 2022)

| | | | |
|--|----------------------|---|---------------|
| Number of properties with environmental certifications | 13 properties | Percentage of total floor area (Note 1) | 42.7 % |
|--|----------------------|---|---------------|

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

(※) Properties which have received certification in 12FP and thereafter are highlighted.

Goals for 2026

Percentage of total floor area **50.0 %**

Signing of green lease contracts (Note 6)

◆Signing of green lease contracts

- Established policy for green lease agreement and added green lease clauses for 59 office tenants, 17 retail tenants, 3 residence tenant, 3 logistics tenants, and 2 hotel tenants
- SAR plans to add the same clause to other properties

84 tenants

Total leased area **63,703.76** m²

Initiatives for S (Society)

◆Initiatives for employees

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

◆Disaster Response Vending Machine

- In several properties held by SAR automatic vending machines that are able to provide beverages free of charge at times of disaster have been installed. at times of disaster or other emergencies any person can easily obtain free beverages from the machines.
※They are conventionally used as beverage vending machines.



◆Tenant satisfaction surveys

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

4. Initiatives on ESG (4)

Governance

Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 9.7% of the investment units of the Sponsor Group (as of Sep 13, 2022)
- Members of the Asset Manager also hold investment units

Star Asia Group (as of Sep 13, 2022)

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

Number of units held in same-boat investment:

186,832 units

<Founder of Star Asia>



Ownership:

9.7 %

Management team of the Asset Manager

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

Calculation Formula for Asset Management Fees

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

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

※: 0.5% for acquisitions from 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



4. Initiatives on ESG (5)

Governance

Star Asia Group's Code of Conduct

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

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

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

1

Client First

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

2

Highest Ethical
Standards and
Integrity

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

3

Creativity

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

4

Respect for Others

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

5

Collaborative
and
Cooperative Culture

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

6

Adaptability

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

7

Meritocracy

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

8

Endless Pursuit
of
Excellence

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

5. Progression Status of Mid-Term Plan

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

Progression Status of Mid-Term Plan

- ◆ In March 2021, the mid-term plan will set asset scale target: 300 billion yen and distribution growth target per unit: 1,600 yen.
- ◆ Progress: Asset scale: **194.8 billion yen** (as of August 31, 2022), distribution per unit: **1,485 yen** (forecasted cruising distribution)

Mid-Term Plan (Target year FY2026)

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

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

Progress status as of the end of Aug. 2022

Assets Size

As of the end of January 2022 **194.8** billion yen

Priority measures going forward:

- Expand asset size by gathering highly liquid middle-sized properties.
- Improve income stability by diversifying the portfolio.
- Think “outside the box” and consider all measures.
- Sponsor pipeline (The fund’s assets under management of JPY 191.8 billion, pursuit development deals)
- Find deals through the asset management company’s own unique network.
- Conduct asset replacements as necessary.

Distributions Per Unit

Cruising Distributions Per Unit **1,485** yen

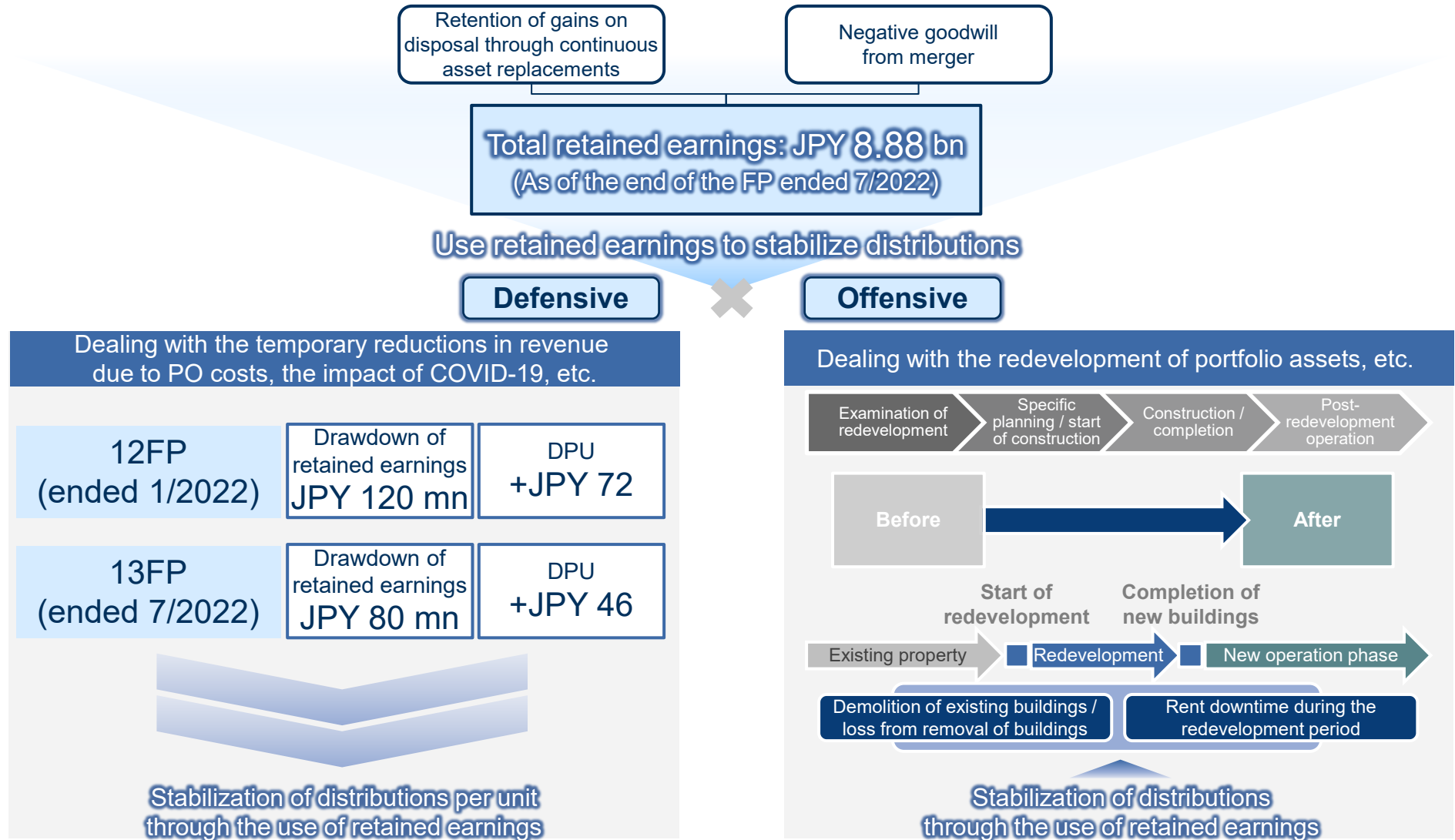
Priority measures going forward:

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

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

Utilization Policy of retained earnings

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



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

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

Star Asia Group's initiatives for development projects

- Star Asia Group will continue to engage in development projects

Student residences
developed by GSA Star Asia

Residential development
project in Kyoto city (Note 1)



HAKUSAN HOUSE



KAMIKITA HOUSE

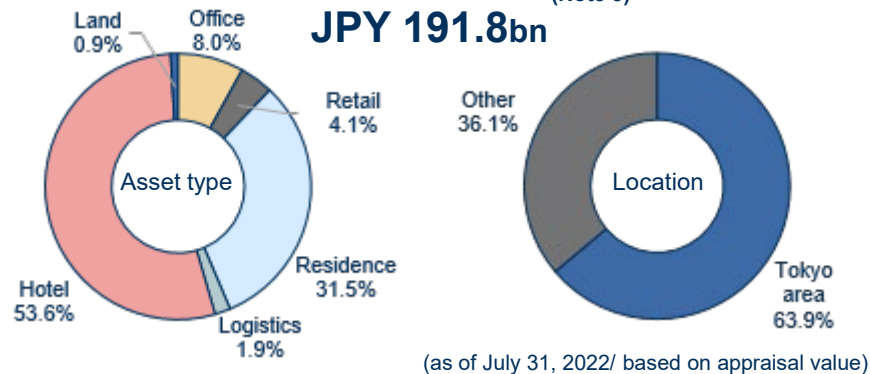


Urban Park
Kyoto Nishishichijo

Properties managed by Star Asia Group (Note 2)

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

Total appraisal value (Note 3)
JPY 191.8bn



Expecting for expansion of SAR's pipeline

Polaris Holdings' initiatives for the hotel business

- Polaris Holdings will focus on profit structure reform by leveraging expertise in real-estate investment to hotel operations
- Polaris Holdings manages three brands and operates 26 hotels nationwide in Japan (as of June 30, 2022)



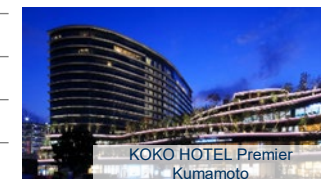
Hotel Buildings and Rooms operated by Polaris Holdings



The consolidated subsidiary of Polaris Holdings is entrusted with operation of facilities of "Hotel Trusty" (Note 4)

| No. | Property name | Floor area/number of rooms |
|-----|---------------------------------------|---------------------------------|
| 1 | KOKO HOTEL Premier Kanazawa Korinbo | 6,648m ² / 207 rooms |
| 2 | KOKO HOTEL Nagoya Sakae | 5,732m ² / 204 rooms |
| 3 | KOKO HOTEL Osaka Shinsaibashi | 9,506m ² / 211 rooms |
| 4 | KOKO HOTEL Premier Kumamoto | 8,064m ² / 205 rooms |
| 5 | KOKO HOTEL Premier Nihonbashi-Hamacho | 7,812m ² / 223 rooms |
| 6 | KOKO HOTEL Kobe Sannomiya | 4,900m ² / 141 rooms |

- No.1-4: Acquired by Star Asia Group
- No.5-6: Entrusted with the operations by operator change



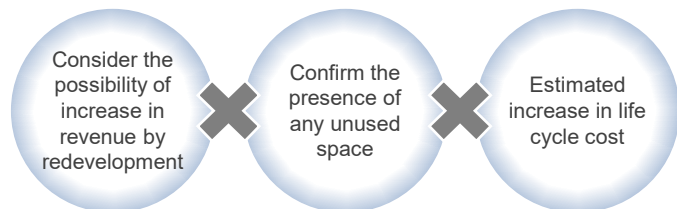
5. Progression Status of Mid-Term Plan (4)

Consideration and examination of initiatives to improve portfolio properties contributing to internal growth (redevelopment, expansion, etc.)

- ◆ Star Asia Group determined that SAR can redevelop portfolio properties through initiatives including (1) lowering the level of contribution to revenue per property by expanding the asset size, and (2) securing resources to stabilize distributions by increasing internal reserves including negative goodwill ~ Continuing to consider redevelopment of the portfolio properties
- ◆ As another initiative to improve profitability, SAR is considering extending the building of Funabashi Hi-Tech Park Factory I at the request of its tenant / the Basic Agreement has already been concluded with the tenant

Consideration of redevelopment of portfolio properties to strengthen portfolio

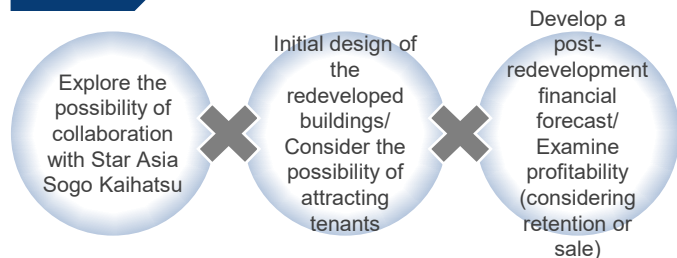
STEP 1 Analysis of a present status



Status of SAR's initiatives

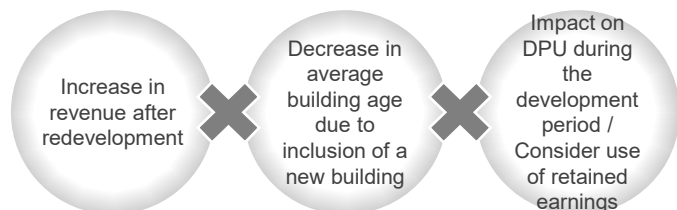
✓ Considering several candidate properties

STEP 2 Formulation of a redevelopment plan



✓ Initial design completed
Profitability is being examined

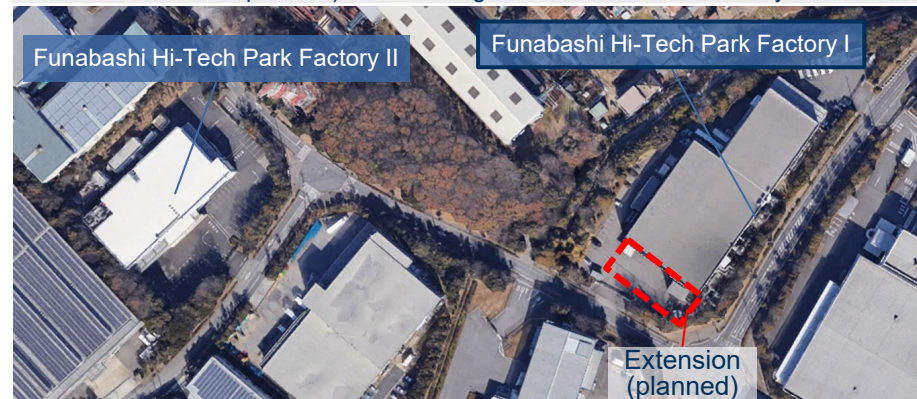
STEP 3 Examination of effect on portfolio assets



To be judged based on the analysis (Note 1)

Consideration of extension of Funabashi Hi-Tech Park Factory I

- Purpose of extension (initiative to increase revenue)
The plan is to increase rental income by generating rent in the extension part by expanding the existing building while utilizing the existing building
- Rent income during extension construction
The current lease agreement (payment of current rent) will continue, so there will be no downtime of rent income
- Overview of the extension construction
Extension area: 576.00m²
(Calculated from the area stated in the Basic Agreement (Note 2))
- Overview of the Basic Agreement with the tenant (the plan as of the date of this document)
 - ✓ After the completion of the extension construction, a new lease agreement will be concluded for a building including the extension part (planned)
 - ✓ The estimated leased area after the extension construction (Note 3) would (if executed as planned) be 6.9% larger than the current leased area
 - ✓ The estimated monthly rent after the extension construction (Note 4) would (if executed as planned) be 20.4% higher than the current monthly rent



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

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

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

Active management and investment unit price performance since listing



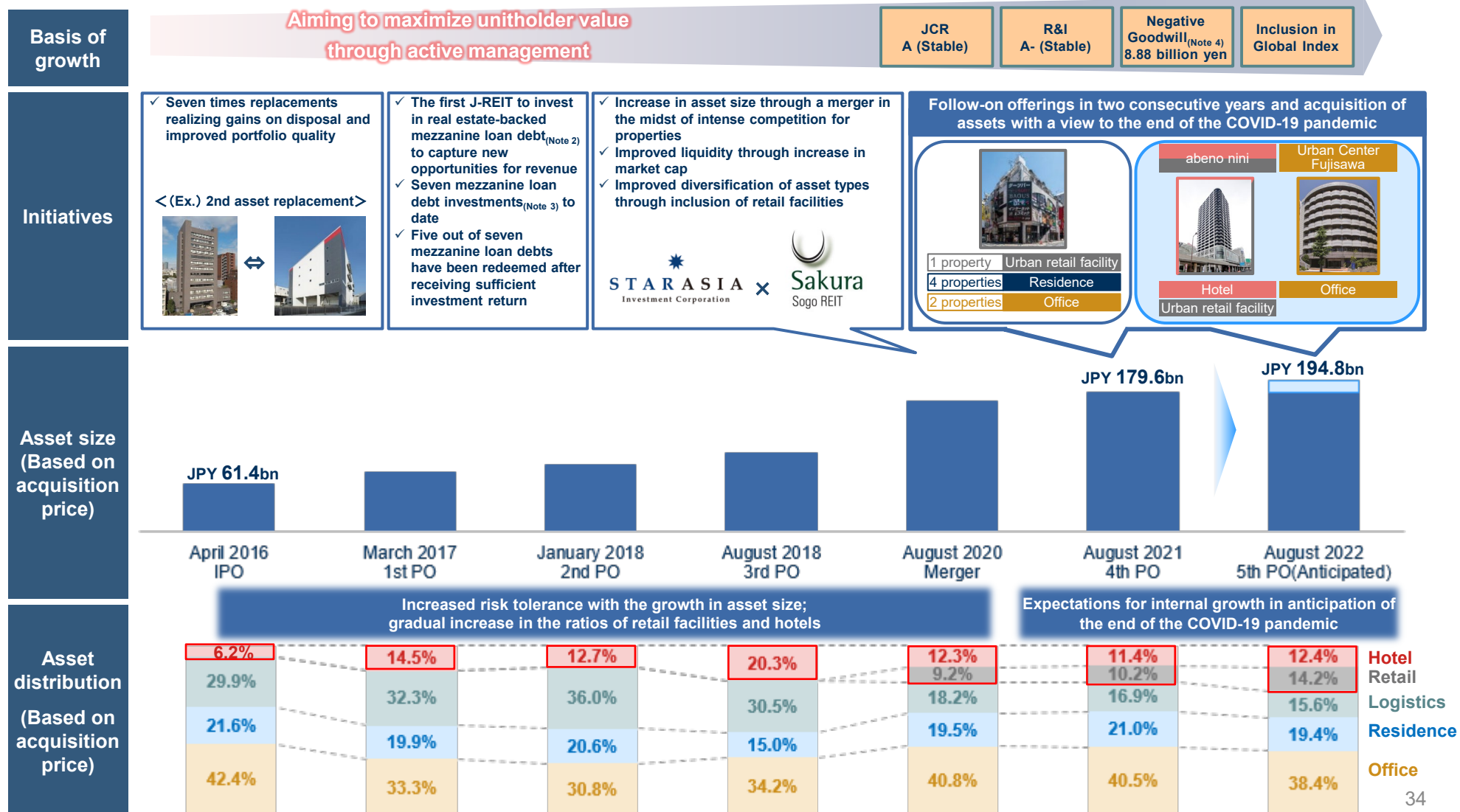
*The closing price of TSE REIT index as of the date of listing of SAR (1,887.75) has been converted based on the closing price of SAR's investment units on the same day of 98,300 yen. Furthermore, SAR has conducted a 2- for-1 investment unit split on the reference date of July 31, 2020. The investment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

6. Offering Summary

6. Offering Summary (1)

Realization of Continued External Growth to Achieve the Mid-term Business Plan

- ◆ Active management ^(Note 1) leveraging the information-gathering and market analysis capabilities of the Star Asia Group, including the Asset Manager
- ◆ SAR acquired an urban retail facility, a hotel and a mid-sized office building through the Offering, securing stable revenue with expectations for future internal growth





6. Offering Summary (2)

Overview of Assets Acquired

- ◆ Acquisitions in line with SAR's investment policy: 1) acquisition of assets with stability and growth potential, and 2) investment focused on mid-sized assets The maturation of SAR's portfolio base enables SAR to acquire a large multi-use facility

| | | | | |
|---|---|--|---|---|
| Total acquisition price JPY 15,154 mn | Total appraisal value JPY 15,670 mn | Average appraisal NOI yield 4.5 % | Ratio of mid-sized assets 100.0 % | Acquisitions via the Asset Manager's unique network 100.0 % |
|---|---|--|---|---|

| Property No. | Property name | | Asset type | Acquisition price (JPY mn) | Appraisal value (JPY mn) | Investment target area _(Note2) | Appraisal NOI yield | Acquisition route |
|------------------------------|---|---|------------|----------------------------|--------------------------|---|---------------------|--------------------------------|
| RTL - 06 | abeno nini (retail) _(Note 1) |  | Retail | 9,500 | 9,800 | Osaka area | 4.1 % | Asset Manager's unique network |
| HTL - 09 | abeno nini (hotel) _(Note 1) | | Hotel | 3,600 | 3,670 | | 4.9 % | |
| OFC - 24 | Urban Center Fujisawa |  | Office | 2,054 | 2,200 | Greater Tokyo area | 5.6 % | |
| Total Acquisitions / average | | | | 15,154 | 15,670 | | 4.5 % | |

Aim of property acquisitions through the Offering

- With the Offering, SAR acquired a flagship property with a competitive location and outstanding exterior, which will be positioned in the second largest asset size out of its portfolio (based on acquisition price)

| No. | Asset type | Property name | Acquisition price (JPY mn) |
|-----|---------------|----------------------------|----------------------------|
| 1 | Office | Seishin BLDG. | 11,200 |
| 2 | Retail | abeno nini (retail) | 9,500 |
| 3 | Logistics | Funabashi Logistics | 7,875 |
| 4 | Logistics | Iwatsuki Logistics | 6,942 |
| 5 | Retail | Suoy Mall Chikushino | 6,550 |
| ∴ | ∴ | ∴ | ∴ |

No.2

- Timely acquisition of three types of assets looking ahead to the end of the COVID-19 pandemic will contribute asset size expansion and profitability improvement for achieving the Mid-term Business Plan

| | |
|-----------------------|--|
| Urban retail facility | Upside potential after the COVID-19 pandemic |
| Hotel | |
| Mid-sized office | Stable occupancy rates contributing to revenue |

Aiming of Achievement of the Mid-term Business Plan and Maximization of Unitholder Value

6. Offering Summary (3)

Acquisition of flagship urban retail facility and hotel from the Offering with good potential for internal growth

- ◆ A large multi-use facility directly connected to multiple train stations, including “Tennoji” Station, which is one of the largest terminal stations in southern Osaka City / abeno nini



| Property Name | abeno nini (sectional ownership) | |
|---|--|-------------------------|
| | abeno nini (retail) | abeno nini (hotel) |
| Acquisition price | JPY 9,500 mn | JPY 3,600 mn |
| Appraisal value | JPY 9,800 mn | JPY 3,670 mn |
| Appraisal NOI yield | 4.1 % | 4.9 % |
| Location | Abeno-ku, Osaka City, Osaka | |
| Access | Connected to “Tennoji” Station on the JR Osaka Loop Line and other lines | |
| Structure / floors (Note 1) | RC / 24F (with 2 basement floors) | |
| Total floor area (Note 2) | 4,866.82 m ² | 7,764.81 m ² |
| Ratio of exclusive area (Note 3) | 19.6 % | 31.3 % |
| Occupancy rate (Note 4) (As of July 31, 2022) | 100.0 % | 100.0 % |
| No. of tenants / rooms (Note 5) | 5 tenants | 202 rooms |
| Completion date (Note 6) | January 2012 | |
| Environmental certification (Note 7) | CASBEE Real Estate Rank A (Note 8) | - |

<Number of passengers using nearby stations>

Most-used JR West Line stations (Daily averages for Fiscal Year 2020)

| # | Station | Passengers |
|---|----------------|----------------|
| 1 | Osaka | 290,317 |
| 2 | Kyoto | 127,178 |
| 3 | Tennoji | 108,718 |
| 4 | Kyobashi | 94,147 |
| 5 | Sannomiya | 91,978 |

Source: West Japan Railway Co., “The data collection of JR West (2021)”

Most-used Kintetsu Line stations (Daily averages for survey date)

| # | Station | Passengers |
|---|-------------------------|----------------|
| 1 | Osaka Abenobashi | 134,925 |
| 2 | Tsuruhashi | 124,506 |
| 3 | Osaka Namba | 101,192 |
| 4 | Kintetsu Nagoya | 80,878 |
| 5 | Kyoto | 63,506 |

Source: Kinki Nippon Railway Co., “Number of passengers at each station as of November 9, 2021”

Most-used Osaka Metro Line stations (Daily averages for survey date)

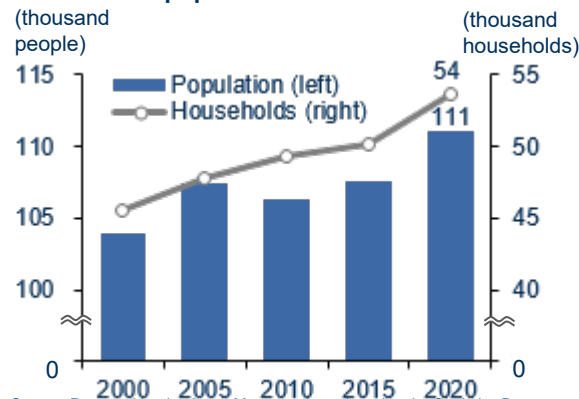
| # | Station | Passengers |
|---|----------------|----------------|
| 1 | Umeda | 347,504 |
| 2 | Namba | 268,203 |
| 3 | Tennoji | 223,050 |
| 4 | Hommachi | 179,901 |
| 5 | Yodoyabashi | 177,241 |

Source: Osaka Metro Co., “Number of passengers at each station by line as of November 16, 2021”

- This building has a high accessibility, being connected directly, via underground connections, to “Tennoji” Station on JR West Line and Osaka Metro Line, and “Osaka Abenobashi” Station on Kintetsu Line, which boast some of the highest numbers of passengers along these lines
- Being connected to these stations and surrounding retail facilities by pedestrian decks, this building boasts pedestrian-friendliness and enjoys large number of passers-by



<Abeno-ku population and households>



Source: Prepared by the Asset Manager, based on data by Statistics Bureau Ministry of Internal Affairs and Communications of Japan “Basic Complete Tabulation and Households” from “Population Census” in 2000, 2005, 2010, 2015 and 2020



6. Offering Summary (4)

Acquisition of flagship urban retail facility and hotel from the Offering with good potential for internal growth

Overall evaluation by SAR / Property characteristics

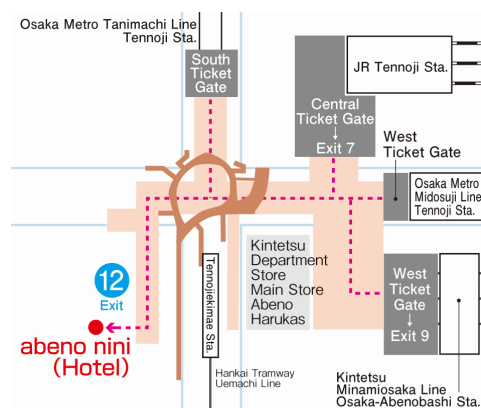
abeno nini (retail)

1. A large multi-use facility containing retail facilities, hotel, and residence (SAR will acquire part of the retail section as well as the whole of the hotel section) in a popular area directly connected via underground passage to “Tennoji” Station (JR Osaka Loop Line, Osaka Metro Midosuji Line and Tanimachi Line) and “Osaka Abenobashi” Station (Kintetsu Minami Osaka Line)

2. The Tennoji / Abeno area is a symbolic area in Osaka as of “Kita” (Umeda) and “Minami” (Namba), containing various retail facilities and has high accessibility to tourist resources

3. The retail section contains tenants that serve visiting customers such as bank, an international school, restaurants, and other tenants, which require highly convenient locations where many people pass by

<Access from nearby stations>



- In abeno nini (retail), the current owner concluded lease agreements with new tenants for the purpose of tenant replacement in June 2022, and succeeded in rent increase with the new tenants compared to rent level of the previous tenants
- Due to its high traffic convenience and accessibility, many passengers pass the facility. Such advantage is expected to contribute to improve tenant revenue and internal growth

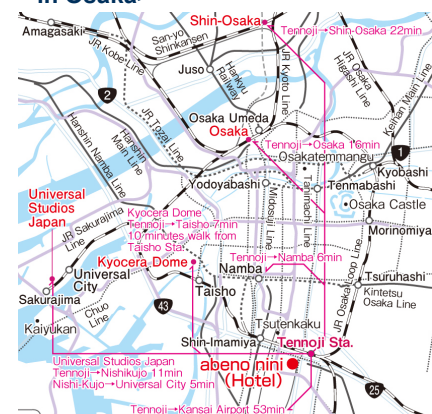
<Tenant mix (Note 1) of abeno nini (retail) (in sections acquired)>

| Entity | Floor | Floor area (m ²) | % of floor total area |
|------------------------|-----------|------------------------------|-----------------------|
| Bank | B2F, 1-4F | 2,900.22 | 83.3 % |
| Real estate business | 1F | 102.47 | 2.9 % |
| Restaurant | 1F | 69.74 | 2.0 % |
| Restaurant + Warehouse | 2F | 144.12 | 4.1 % |
| International school | 4F | 264.48 | 7.6 % |
| Total retail area | | 3,481.03 | 100.0 % |

abeno nini (hotel)

4. In addition to stable revenue from fixed rent, the hotel section is expected to see future internal growth backed by further recovery in accommodation demand owing to the high accessibility to tourist resources and popularity

<High accessibility to major areas in Osaka>

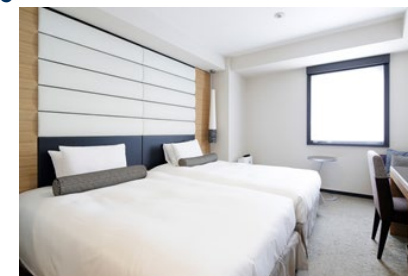
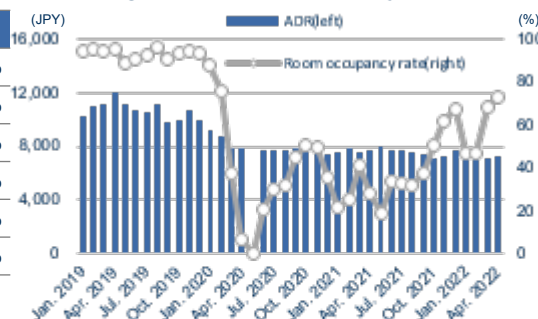


It has excellent access to “Kansai International Airport” and “Shin-Osaka” Station, which are gateways for domestic and overseas destinations, “Universal Studios Japan”, which is a tourist spot, and “Kyocera Dome Osaka”, in which many events are held, so that it can meet both business and tourism demands

- Stable earnings are ensured by a fixed-term building lease agreement with fixed rent
- Contributions to future internal growth are also expected due to the recovery of accommodation demand from domestic and foreign tourists after the COVID-19 pandemic

Hotel Trusty Osaka Abeno operated in abeno nini(hotel) has maintained a certain level of ADR_(Note 2) during the COVID-19 pandemic. Although the room occupancy rate_(Note 3) had been low since the first declaration of state of emergency, it has bottomed out in May 2021

<Operating results of Hotel Trusty Osaka Abeno>



6. Offering Summary (5)

Acquisition of a mid-sized office building from the Offering expected to generate stable revenue

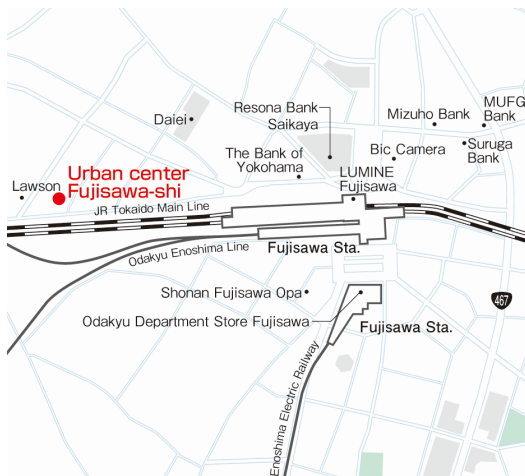
- ◆ A mid-sized office with anticipated stable occupancy deriving from a tenant mix based on the dense population and the convenient location close to “Fujisawa” Station



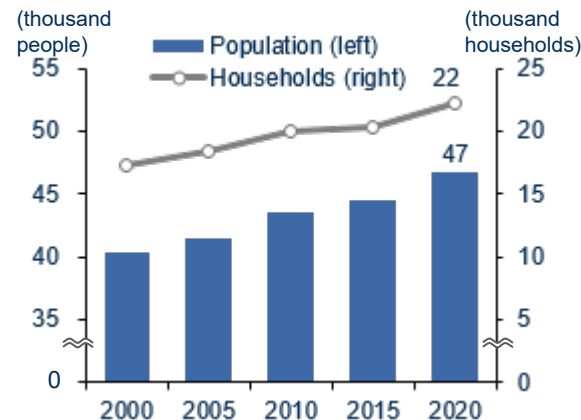
| | |
|--------------------------------------|---|
| Property Name | Urban Center Fujisawa |
| Acquisition price | JPY 2,054 mn |
| Appraisal value | JPY 2,200 mn |
| Appraisal NOI yield | 5.6 % |
| Location | Fujisawa City, Kanagawa |
| Access | approx. 7-minute walk from “Fujisawa” Station on the JR Tokaido Main Line |
| Structure / floors | SRC / 8F (with 1 basement floor) |
| Total floor area | 4,392.71 m ² |
| Occupancy rate (As of July 31, 2022) | 97.1 % |
| No. of tenants | 6 tenants |
| Completion date | April 1991 |

<Characteristics of the asset of to be acquired>

1. A mid-sized office building located at an approx. 7-minute walk from “Fujisawa” Station on the JR Tokaido Main Line, with direct access to “Tokyo” Station and “Yokohama” Station
2. Fujisawa City has the largest population in the Shonan area ^(Note 2) backed by its good natural / housing environments, and is expected to continue to have stable population and households due to work from home demands
3. Located along the main road connecting “Fujisawa” Station and “Tsujido” Station, the asset is highly convenient for car drivers as well
4. Its tenants include a municipal facility, a call center, etc. The tenant mix is based on the local community and the dense population
5. Suitable for meeting potential needs for satellite offices



<Fujisawa City Fujisawa area (Note 1) population and households>

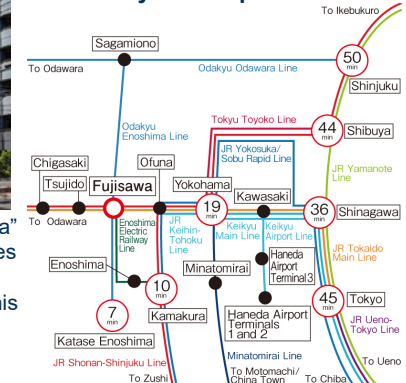


Source: Prepared by the Asset Manager, based on data by Fujisawa City “Trend in population and households (estimation based on national censuses)” (as of October 1st for each year)



- With its good location near “Fujisawa” Station and convenient living facilities around the station, the area has an excellent residential environment; this asset could be redeveloped into an apartment building in the future

<High accessibility to major stations in the Tokyo metropolitan area>



7. Appendix

About Star Asia Group



Taro Masuyama
Co-Founder and
Managing Partner



Malcolm F. MacLean IV
Co-Founder and
Managing Partner

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

- Conceived in 2006, Star Asia Group has invested over JPY990 bn since its foundation in 2007. (as of June 2022)
- We fully operate under our Guiding Principles which has continuously driven the group to become one of the leading real estate investment management firms in Japan.
- The group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors.
- The group is committed to its disciplined Investment Philosophy and SAR strives for its most important goal of meeting and exceeding unitholders' expectations.

Star Asia Group

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

Star Asia Group with expanding business provides strong support to SAR

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 13th Fiscal Period ended July 2022

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

| Category | End of 12FP | | End of 13FP | |
|-----------------------|-------------------------|--------|-------------------------|--------|
| | No. of investment units | Ratio | No. of investment units | Ratio |
| Individual | 433,004 | 24.2% | 426,904 | 23.9% |
| Financial institution | 525,836 | 29.4% | 522,997 | 29.2% |
| Domestic corporation | 82,917 | 4.6% | 75,701 | 4.2% |
| Foreign | 688,348 | 38.5% | 688,657 | 38.5% |
| Securities company | 59,284 | 3.3% | 75,130 | 4.2% |
| Total | 1,789,389 | 100.0% | 1,789,389 | 100.0% |

Number of unitholders by attribute: Total 26,273

| Category | End of 12FP | | End of 13FP | |
|-----------------------|--------------------|--------|--------------------|--------|
| | No. of unitholders | Ratio | No. of unitholders | Ratio |
| Individual | 25,559 | 97.2% | 25,558 | 97.3% |
| Financial institution | 40 | 0.2% | 42 | 0.2% |
| Domestic corporation | 367 | 1.4% | 353 | 1.3% |
| Foreign | 299 | 1.1% | 293 | 1.1% |
| Securities company | 27 | 0.1% | 27 | 0.1% |
| Total | 26,292 | 100.0% | 26,273 | 100.0% |

List of major unitholders (Top 10)

| | Unitholder name | Number of investment units | Holding ratio |
|-------|---|----------------------------|---------------|
| 1 | The Master Trust Bank of Japan, Ltd. (Trust account) | 223,569 | 12.5 % |
| 2 | Custody Bank of Japan, Ltd. (Trust Account) | 144,733 | 8.1 % |
| 3 | NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT | 83,932 | 4.7 % |
| 4 | The Nomura Trust and Banking Co., Ltd. (Trust Account) | 66,734 | 3.7 % |
| 5 | STATE STREET BANK AND TRUST COMPANY 505001 | 49,050 | 2.7 % |
| 6 | Star Asia Capital I LLC | 46,598 | 2.6 % |
| 6 | Star Asia Capital II LLC | 46,598 | 2.6 % |
| 6 | Star Asia Capital III LLC | 46,598 | 2.6 % |
| 6 | Star Asia Capital IV LLC | 46,598 | 2.6 % |
| 10 | SSBTC CLIENT OMNIBUS ACCOUNT | 28,094 | 1.6 % |
| Total | | 782,504 | 43.7 % |

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

Change in business results

| | 8FP (ended Jan. 2020) actual | 9FP (ended Jul. 2020) actual | 10FP (ended Jan. 2021) actual | 11FP (ended Jul. 2021) actual | 12FP (ended Jan. 2022) actual | 13FP (ended Jul. 2022) forecast (※1) | 13FP (ended Jul. 2022) actual | Comparison with forecast |
|--|---------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|--|----------------------------------|-----------------------------|
| Lease business revenue | 3,200 | 3,314 | 5,648 | 5,536 | 5,890 | 5,899 | 6,060 | 161 |
| Office rent | 1,145 | 1,163 | 1,895 | 1,807 | 1,900 | 1,971 | 1,974 | 2 |
| Retail rent | - | - | 848 | 790 | 842 | 849 | 847 | △2 |
| Residence rent | 439 | 512 | 889 | 1,023 | 1,152 | 1,210 | 1,215 | 4 |
| Logistics rent | 817 | 887 | 974 | 909 | 910 | 910 | 910 | 0 |
| Hotel rent | 477 | 445 | 423 | 424 | 425 | 424 | 426 | 2 |
| Other | 320 | 306 | 616 | 582 | 660 | 532 | 686 | 154 |
| Expenses related to rent business (Depreciation is excluded) | 769 | 741 | 1,550 | 1,556 | 1,629 | 1,688 | 1,796 | 108 |
| NOI | 2,431 | 2,573 | 4,097 | 3,980 | 4,261 | 4,211 | 4,263 | 52 |
| Depreciation | 420 | 432 | 628 | 633 | 682 | 699 | 697 | △1 |
| Rent revenues/expenses | 2,011 | 2,141 | 3,469 | 3,347 | 3,579 | 3,511 | 3,565 | 53 |
| Mezzanine | 21 | 25 | 24 | 24 | 22 | 24 | 28 | 4 |
| TK distribution | 6 | 7 | 5 | - | 46 | - | - | - |
| Gain on sale of real estate property | - | 648 | 993 | - | - | | | |
| Loss on sales of real estate property | - | - | 19 | - | - | | | |
| SGA | 316 | 690 | 1,096 | 532 | 560 | 543 | 546 | 2 |
| Operating income | 1,721 | 2,131 | 3,376 | 2,838 | 3,087 | 2,992 | 3,047 | 55 |
| Non-operating income | 1 | 3 | 4 | 3 | 1 | - | 2 | 2 |
| Non-operating expenses | 227 | 278 | 469 | 434 | 571 | 491 | 489 | △2 |
| Ordinary income | 1,494 | 1,857 | 2,911 | 2,407 | 2,517 | 2,500 | 2,560 | 59 |
| Extraordinary income | - | - | 8,891 | - | - | | | |
| Net income | 1,493 | 1,857 | 11,801 | 2,407 | 2,516 | 2,499 | 2,559 | 59 |
| Cash distribution per unit | 2,788 yen | 3,436 yen | 1,676 yen | 1,462 yen | 1,478 yen | 1,476 yen | 1,476 yen | 0 yen |
| FFO per unit※2 | 3,539 yen | 3,033 yen | 1,531 yen | 1,815 yen | 1,787 yen | 1,787 yen | 1,820 yen | 33 yen |
| Balance of Internal reserves ※3 | 141 | 140 | 9,135 | 9,095 | 8,967 | 8,826 | 8,886 | 59 |

(※1) announced in the 12th FP financial briefing report (2022/3/16). (※2) The 10th FP FFO per unit has been calculated excluding gains from negative goodwill. (※3) The balance of internal reserves is calculated as the total of the temporary difference adjustment reserve plus unappropriated retained earnings as of the end of the period, minus distributions of profits for the period.

Balance Sheets

| | 12FP (As of January 31, 2022) | 13FP (As of July 31, 2022) |
|---|----------------------------------|-------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,774,975 | 4,265,178 |
| Cash and deposits in trust | 7,950,192 | 8,075,474 |
| Operating accounts receivable | 88,581 | 137,598 |
| Prepaid expenses | 200,093 | 196,009 |
| Consumption taxes receivable | 155,777 | – |
| Other | 14,763 | 9,011 |
| Total current assets | 12,184,385 | 12,683,272 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Tools, furniture and fixtures | 114 | 114 |
| Accumulated depreciation | △71 | △100 |
| Tools, furniture and fixtures, net | 42 | 14 |
| Buildings in trust | 53,053,772 | 53,471,574 |
| Accumulated depreciation | △4,755,763 | △5,441,732 |
| Buildings in trust, net | 48,298,008 | 48,029,841 |
| Structures in trust | 20,635 | 21,640 |
| Accumulated depreciation | △5,115 | △5,856 |
| Structures in trust, net | 15,520 | 15,784 |
| Machinery and equipment in trust | 99,519 | 119,343 |
| Accumulated depreciation | △23,762 | △28,905 |
| Machinery and equipment in trust, net | 75,756 | 90,437 |
| Tools, furniture and fixtures in trust | 67,545 | 100,966 |
| Accumulated depreciation | △24,969 | △30,688 |
| Tools, furniture and fixtures in trust, net | 42,576 | 70,278 |
| Land in trust | 127,283,507 | 127,283,507 |
| Total property, plant and equipment | 162,754,946 | 175,715,413 |
| Intangible assets | | |
| Leasehold rights in trust | 4,082,300 | 4,082,300 |
| Total intangible assets | 4,082,300 | 4,082,300 |
| Investments and other assets | | |
| Investment securities | 922,220 | 800,000 |
| Long-term prepaid expenses | 351,116 | 337,433 |
| Lease and guarantee deposits | 10,379 | 10,359 |
| Other | 3,317 | 45,353 |
| Total investments and other assets | 1,287,033 | 1,193,146 |
| Total non-current assets | 181,084,747 | 180,765,311 |
| Deferred assets | | |
| Investment corporation bond issuance costs | 13,603 | 12,583 |
| Investment unit issuance expenses | 34,219 | 27,375 |
| Total deferred assets | 47,823 | 39,959 |
| Total assets | 193,316,956 | 193,488,543 |

| | 11FP (As of July 31, 2021) | 12FP (As of January 31, 2022) |
|--|-------------------------------|----------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 789,397 | 662,398 |
| Current portion of long-term loans payable | 15,350,000 | 16,390,000 |
| Accounts payable - other | 500,649 | 495,977 |
| Accrued expenses | 49,478 | 59,099 |
| Income taxes payable | 605 | 605 |
| Accrued consumption taxes | 46,037 | 234,089 |
| Advances received | 915,355 | 974,728 |
| Other | 30,771 | 36,804 |
| Total current liabilities | 17,682,295 | 18,853,703 |
| Non-current liabilities | | |
| Investment corporation bonds | 1,000,000 | 1,000,000 |
| Long-term loans payable | 73,290,000 | 72,250,000 |
| Tenant leasehold and security deposits | 5,074 | 5,187 |
| Tenant leasehold and security deposits in trust | 5,476,752 | 5,559,508 |
| Other | 109,745 | 16,759 |
| Total non-current liabilities | 79,881,571 | 78,831,455 |
| Total liabilities | 97,563,867 | 97,685,158 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 59,115,701 | 59,115,701 |
| Surplus | | |
| Unitholders' capital surplus | 25,132,218 | 25,132,218 |
| Voluntary reserve | | |
| Reserve for temporary difference adjustment | 8,802,324 | 8,713,411 |
| Total voluntary reserve | 8,802,324 | 8,713,411 |
| Unappropriated retained earnings (undisposed loss) | 2,809,755 | 2,813,756 |
| Total surplus | 36,744,298 | 36,659,386 |
| Total unitholders' equity | 95,859,999 | 95,775,087 |
| Valuation and translation adjustments | | |
| Deferred gains or losses on hedges | △106,910 | 28,297 |
| Total valuation and translation adjustments | △106,910 | 28,297 |
| Total net assets | 1 95,753,089 | 1 95,803,384 |
| Total liabilities and net assets | 193,316,956 | 193,488,543 |

Statement of Income

(Unit: thousand yen)

| | 12FP (As of January 31, 2022) | 13FP (As of July 31, 2022) |
|--|----------------------------------|-------------------------------|
| Operating revenue | | |
| Lease business revenue | 5,467,061 | 5,611,196 |
| Other lease business revenue | 423,937 | 449,218 |
| Other revenue | 69,418 | 28,525 |
| Total operating revenue | 5,960,418 | 6,088,939 |
| Operating expenses | | |
| Expenses related to rent business | 2,311,905 | 2,494,593 |
| Asset management fee | 392,495 | 392,584 |
| Asset custody and administrative service fees | 42,732 | 38,428 |
| Directors' compensations | 2,400 | 2,400 |
| Other operating expenses | 122,935 | 113,213 |
| Total operating expenses | 2,872,468 | 3,041,220 |
| Operating income | 3,087,950 | 3,047,719 |
| Non-operating income | | |
| Interest income | 48 | 55 |
| Reversal of unpaid distribution | 1,326 | 1,470 |
| Interest on refund | 106 | 262 |
| Gain on donation of non-current assets | – | 516 |
| Total non-operating income | 1,481 | 2,305 |
| Non-operating expenses | | |
| Interest expenses | 337,121 | 338,087 |
| Interest expenses on investment corporation bonds | 2,473 | 3,500 |
| Borrowing related expenses | 224,543 | 140,164 |
| Amortization of investment unit issuance expenses | 850 | 1,020 |
| Amortization of investment corporation bond issuance costs | 6,843 | 6,843 |
| Total non-operating expenses | 571,833 | 489,615 |
| Ordinary income | 2,517,598 | 2,560,409 |
| Income before income taxes | 2,517,598 | 2,560,409 |
| Income taxes - current | 605 | 605 |
| Total income taxes | 605 | 605 |
| Net income | 2,516,993 | 2,559,804 |
| Retained earnings brought forward | 292,762 | 253,951 |
| Unappropriated retained earnings (undisposed loss) | 2,809,755 | 2,813,756 |

Portfolio List (as of Jul 31, 2022)

| | Property name | Location | Acquisition Price (mill) | Appraisal value at end of 13 FP(mill) | Investment ratio (%) | Appraisal NOI yield (%) (※) |
|-----------|----------------------------------|--------------------------|--------------------------|---------------------------------------|----------------------|-----------------------------|
| Office | Minami-Azabu Shibuya Building | Minato Ward, Tokyo | 2,973 | 3,070 | 1.7 | 4.6 |
| | Honmachibashi Tower | Osaka City, Osaka | 6,065 | 7,070 | 3.4 | 5.1 |
| | Nishi-Shinjuku Matsuya Building | Shibuya Ward, Tokyo | 1,763 | 2,650 | 1.0 | 6.7 |
| | Shibuya MK Building | Shibuya Ward, Tokyo | 2,042 | 3,290 | 1.1 | 5.6 |
| | Asahi Building | Yokohama City, Kanagawa | 6,320 | 8,280 | 3.5 | 5.0 |
| | Hakata-eki East Place | Fukuoka City, Fukuoka | 2,286 | 3,050 | 1.3 | 6.2 |
| | Nihonbashi Hamacho Park Building | Chuo Ward, Tokyo | 1,450 | 1,530 | 0.8 | 4.7 |
| | Amusement Media Gakuin Honkan | Shibuya Ward, Tokyo | 2,580 | 2,790 | 1.4 | 4.0 |
| | Higashi Kobe Center Building | Kobe City, Hyogo | 7,440 | 7,390 | 4.1 | 5.5 |
| | Amusement Media Gakuin Shinkan | Shibuya Ward, Tokyo | 1,020 | 1,230 | 0.6 | 4.0 |
| | Seishin Building | Shinjuku Ward, Tokyo | 11,200 | 11,700 | 6.2 | 3.6 |
| | Urban Center Kanda Suda cho | Chiyoda Ward, Tokyo | 5,350 | 5,440 | 3.0 | 3.7 |
| | Urban Center Kanda | Chiyoda Ward, Tokyo | 4,590 | 4,630 | 2.6 | 3.8 |
| | Takadanobaba Access | Shinjyuku Ward, Tokyo | 3,990 | 3,990 | 2.2 | 3.9 |
| | Azabu Amerex Building | Minato Ward, Tokyo | 2,780 | 2,910 | 1.5 | 3.7 |
| | Hiei-Kudan Building | Chiyoda Ward, Tokyo | 2,400 | 2,390 | 1.3 | 3.8 |
| | Undab Center Shin-Yokohama | Yokohama City, Kanagawa | 2,300 | 2,540 | 1.3 | 5.0 |
| | The Portal Akihabara | Chiyoda Ward, Tokyo | 1,510 | 1,490 | 0.8 | 3.8 |
| | Urban Center Tachikawa | Tachikawa City, Tokyo | 1,804 | 1,980 | 1.0 | 5.2 |
| | Urban Center Hakata | Fukuoka City, Fukuoka | 2,870 | 3,100 | 1.6 | 4.4 |
| | Subtotal | | 72,733 | 80,520 | 40.5 | 4.5 |
| Retail | La Park Kishiwada | Kishiwada City, Osaka | 5,400 | 5,230 | 3.0 | 7.1 |
| | Suoy Mall Chikushino | Chikushino City, Fukuoka | 6,550 | 6,320 | 3.6 | 5.7 |
| | Seiyu Minakuchi | Koka City, Shiga | 3,320 | 3,330 | 1.8 | 7.4 |
| | BAGUS Ikebukuro West | Toshima Ward, Tokyo | 2,984 | 3,280 | 1.7 | 4.1 |
| | Subtotal | | 18,254 | 18,160 | 10.2 | 6.2 |
| Residence | Urban Park Azabujuban | Minato Ward, Tokyo | 2,045 | 2,740 | 1.1 | 4.4 |
| | Urban Park Daikanyama | Shibuya Ward, Tokyo | 6,315 | 9,430 | 3.5 | 4.8 |
| | Urban Park Namba | Osaka City, Osaka | 1,490 | 1,530 | 0.8 | 5.1 |
| | Urban Park Gokokuji | Toshima Ward, Tokyo | 1,460 | 1,560 | 0.8 | 4.3 |
| | Urban Park Kashiwa | Kashiwa City, Chiba | 1,186 | 1,190 | 0.7 | 4.9 |
| | Urban Park Ryokuchi-koen | Suita City, Osaka | 1,550 | 1,680 | 0.9 | 5.6 |
| | Urban Park Koenji | Suginami Ward, Tokyo | 1,167 | 1,180 | 0.6 | 4.6 |
| | Urban Park Ichigao | Yokohama City, Kanagawa | 1,810 | 2,060 | 1.0 | 4.8 |
| | Urban Park Gyotoku | Ichikawa City, Chiba | 1,430 | 1,570 | 0.8 | 4.8 |
| | Shiroi Logiman | Shiroi City, Chiba | 2,470 | 2,470 | 1.4 | 5.7 |
| | Urban Park Sekime | Osaka City, Osaka | 2,150 | 2,380 | 1.2 | 5.3 |
| | Urban Park Imazato | Osaka City, Osaka | 993 | 1,070 | 0.6 | 5.4 |
| | Urban Park Yoyogi | Shibuya Ward, Tokyo | 1,740 | 1,890 | 1.0 | 3.6 |
| | Urban Park Tokiwadai Koen | Yokohama City, Kanagawa | 3,506 | 3,920 | 2.0 | 5.4 |

| | Property name | Location | Acquisition Price (mill) | Appraisal value at end of 13 FP(mill) | Investment ratio (%) | Appraisal NOI yield (%) (※) |
|-----------|--|------------------------------|--------------------------|---------------------------------------|----------------------|-----------------------------|
| Logistics | Urban Park Mitsuike Koen | Yokohama City, Kanagawa | 3,160 | 3,520 | 1.8 | 5.5 |
| | Urban Park Ryogoku | Sumida Ward, Tokyo | 1,115 | 1,240 | 0.6 | 4.6 |
| | Urban Park Mizonokuchi | Kawasaki City, Kanagawa | 2,019 | 2,100 | 1.1 | 4.8 |
| | Urban Park Miyamaedaira | Kawasaki City, Kanagawa | 1,060 | 1,230 | 0.6 | 5.0 |
| | Urban Park Tsurumi | Yokohama City, Kanagawa | 1,113 | 1,190 | 0.6 | 5.0 |
| | Subtotal | | 37,779 | 43,950 | 21.0 | 5.0 |
| | Iwatsuki Logistics | Saitama City, Saitama | 6,942 | 7,670 | 3.9 | 4.8 |
| Hotel | Yokohama Logistics | Yokohama City, Kanagawa | 3,560 | 4,330 | 2.0 | 5.8 |
| | Funabashi Logistics | Funabashi City, Chiba | 7,875 | 8,900 | 4.4 | 5.3 |
| | Baraki Logistics | Ichikawa City, Chiba | 4,700 | 4,980 | 2.6 | 3.9 |
| | Tokorozawa Logistics | Tokorozawa City, Saitama | 1,300 | 1,550 | 0.7 | 5.8 |
| | Funabashi Nishiura Logistics I | Funabashi City, Chiba | 821 | 890 | 0.5 | 7.0 |
| | Funabashi Nishiura Logistics II | Funabashi City, Chiba | 2,755 | 3,180 | 1.5 | 5.7 |
| | Matsubushi Logistics | Kita-Katsushika-gun, Saitama | 1,710 | 1,710 | 1.0 | 6.5 |
| | Funabashi Hi-Tech Park I | Funabashi City, Chiba | 702 | 704 | 0.4 | 6.8 |
| | Subtotal | | 30,365 | 33,914 | 16.9 | 5.2 |
| | R&B Hotel Umeda East | Osaka City, Osaka | 2,069 | 2,280 | 1.2 | 5.5 |
| Hotel | Smile Hotel Namba | Osaka City, Osaka | 1,750 | 1,410 | 1.0 | 4.3 |
| | REMBRANT STYLE Tokyo Nishi-kasai | Edogawa Ward, Tokyo | 3,827 | 3,530 | 2.1 | 4.2 |
| | Best Western Yokohama | Yokohama City, Kanagawa | 3,248 | 3,200 | 1.8 | 4.5 |
| | The BREAKFAST HOTEL Fukuoka Tenjin | Fukuoka City, Fukuoka | 1,970 | 1,910 | 1.1 | 4.4 |
| | GLANSIT Akihabara | Chiyoda Ward, Tokyo | 2,500 | 2,440 | 1.4 | 3.9 |
| | REMBRANT STYLE Tokyo Nishikasai Grande | Edogawa Ward, Tokyo | 3,180 | 3,130 | 1.8 | 4.0 |
| | KOKO HOTEL Namba | Osaka City, Osaka | 2,000 | 1,410 | 1.1 | 3.6 |
| | Subtotal | | 20,544 | 19,250 | 11.4 | 4.3 |
| Total | | | 179,675 | 195,794 | 100.0 | 4.9 |

| | | |
|--|---|---------------------|
| Period-end appraisal value | : | 195,794 million yen |
| Total book value | : | 179,572 million yen |
| Period-end unrealized gains (losses) | : | 16,221 million yen |
| Net assets per unit | : | 53,539 yen |
| Unrealized gains per unit | : | 9,066 yen |
| NAV per unit (*1) | : | 61,129 yen |
| P/NAV per (*2) | : | 0.97 |
| (*1) NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding (*2) P/NAV per = Investment unit price / NAV per unit (Investment unit price on July 29, 2022: 59,500 yen) | | |

(※) "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.

List of Newly Acquired and Mezzanine Loan Investment

Properties acquired after 13FP

| | Property name | Location | Acquisition Price (mill) | Appraisal value at end of 13 FP(mill) | Appraisal NOI yield (%) (※) |
|-----------|-----------------------|-------------------------|--------------------------|---------------------------------------|-----------------------------|
| Office | Urban Center Fujisawa | Fujisawa City, Kanagawa | 2,054 | 2,200 | 5.6 |
| Retail | abeno nini (Retail) | Osaka City, Osaka | 9,500 | 9,800 | 4.1 |
| Hotel | abeno nini (Hotel) | Osaka City, Osaka | 3,600 | 3,670 | 4.9 |
| Sub total | | | 15,154 | 15,670 | 4.5 |
| Total | | | 194,829 | 211,464 | 4.8 |

※: "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.

Mezzanine loan debt investment (as of July 31, 2022)

| Type | Name of the security (asset overview) | Period-end book value | Underlying asset, etc. | | Interest rate (※) |
|--------------------------------|---|-----------------------|-------------------------|------------------|-------------------|
| | | | Asset name | Location | |
| Mezzanine (Subordinated bonds) | Star Asia Mezzanine Loan Debt Investment Series 6 | 400 million yen | Tajimi Logistics Center | Tajimi-shi, Gifu | Base rate +7.0% |
| Mezzanine (Subordinated bonds) | Star Asia Mezzanine Loan Debt Investment Series 7 | 400 million yen | Relief Premium Haneda | Ota-ku, Tokyo | Base rate +5.0% |
| | | 800 | | | |

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

Balance of Payments of Individual Properties (1)

| Asset Type | OFC-01 | | OFC-03 | | OFC-04 | | OFC-06 | | OFC-08 | | OFC-09 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|-----------|
| Property name | Minami-Azabu Shibuya Building | | Honmachibashi Tower | | Nishi-Shinjuku Matsuya Building | | Shibuya MK Building | | Asahi Building | | Hakata-eki East Place | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 2,973 million yen | | 6,065 million yen | | 1,763 million yen | | 2,042 million yen | | 6,320 million yen | | 2,286 million yen | |
| Appraisal value | 3,070 million yen | | 7,070 million yen | | 2,650 million yen | | 3,290 million yen | | 8,280 million yen | | 3,050 million yen | |
| Structure/Floors | SRC B1/7F | | S/SRC B1/21F | | SRC B1/9F | | S 6F | | S・SRC B2/12F | | SRC 9F | |
| Location | Minato Ward, Tokyo | | Osaka City, Osaka | | Shibuya Ward, Tokyo | | Shibuya Ward, Tokyo | | Yokohama City, Kanagawa | | Fukuoka City, Fukuoka | |
| Lot area | 766.11㎡ | | 1,274.37㎡ | | 589.94㎡(surface right) | | 620.42㎡(of which 2.62 m ² 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 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 75,619 | 98,919 | 217,480 | 237,698 | 100,011 | 101,740 | 79,807 | 76,808 | 226,273 | 229,194 | 109,992 | 114,885 |
| Lease business revenue | 68,549 | 90,068 | 191,314 | 209,238 | 91,421 | 93,535 | 75,331 | 72,525 | 210,114 | 211,318 | 98,944 | 104,408 |
| Other lease business revenue | 7,069 | 8,850 | 26,166 | 28,459 | 8,590 | 8,204 | 4,475 | 4,282 | 16,158 | 17,875 | 11,048 | 10,477 |
| Total operating expenses from real estate leasing | 35,816 | 28,957 | 62,731 | 69,825 | 43,957 | 35,154 | 13,030 | 17,545 | 60,910 | 55,598 | 26,775 | 28,629 |
| Management fee | 5,622 | 6,002 | 14,020 | 13,860 | 7,149 | 6,699 | 4,812 | 4,726 | 14,758 | 14,778 | 8,131 | 8,252 |
| Utilities expenses | 400 | 400 | 400 | 400 | 400 | 400 | 350 | 350 | 400 | 400 | 400 | 400 |
| Insurance premium | 5,229 | 6,080 | 20,681 | 23,844 | 7,398 | 7,573 | 2,914 | 3,194 | 18,268 | 21,144 | 7,061 | 7,368 |
| Repair expenses | 150 | 148 | 465 | 457 | 167 | 164 | 58 | 57 | 487 | 479 | 219 | 216 |
| Trust fee | 3,631 | 1,280 | 1,328 | 3,130 | 6,414 | 1,615 | 463 | 1,435 | 9,918 | 2,153 | 2,000 | 3,987 |
| Taxes and dues | 4,510 | 4,498 | 19,702 | 19,807 | 3,480 | 3,445 | 4,277 | 4,418 | 15,757 | 15,952 | 7,084 | 7,321 |
| Other expenses | 16,272 | 10,546 | 6,132 | 8,324 | 18,947 | 15,255 | 154 | 3,363 | 1,319 | 689 | 1,877 | 1,083 |
| NOI | 39,802 | 69,961 | 154,749 | 167,872 | 56,054 | 66,585 | 66,776 | 59,263 | 165,362 | 173,595 | 83,216 | 86,256 |
| Depreciation | 12,648 | 12,655 | 45,435 | 45,504 | 10,490 | 10,534 | 3,693 | 3,761 | 28,772 | 29,378 | 9,513 | 10,447 |
| Operating income (loss) from real estate leasing | 27,154 | 57,306 | 109,314 | 122,368 | 45,563 | 56,051 | 63,083 | 55,502 | 136,590 | 144,217 | 73,703 | 75,808 |
| Capital expenditures | - | 1,239 | 3,244 | - | 1,242 | 2,691 | 1,706 | 5,835 | 23,624 | 6,527 | 19,813 | 65,182 |
| NCF | 39,802 | 68,722 | 151,505 | 167,872 | 54,811 | 63,894 | 65,070 | 53,428 | 141,738 | 167,067 | 63,403 | 21,073 |
| Period-end book value | 2,964,980 | 2,953,564 | 5,687,374 | 5,641,870 | 1,818,187 | 1,810,344 | 2,089,124 | 2,091,197 | 6,299,284 | 6,276,434 | 2,345,389 | 2,400,125 |

Balance of Payments of Individual Properties (2)


| Asset Type | OFC-10 | | OFC-11 | | OFC-12 | | OFC-13 | | OFC-14 | | OFC-15 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|------------|---|-----------|
| Property name | Nihonbashi Hamacho Park Building | | Amusement Media Gakuin Honkan | | Higashi Kobe Center Building | | Amusement Media Gakuin Shinkan | | Seishin Building | | Urban Center Kanda Suda-cho | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,450 million yen | | 2,580 million yen | | 7,440 million yen | | 1,020 million yen | | 11,200 million yen | | 5,350 million yen | |
| Appraisal value | 1,530 million yen | | 2,790 million yen | | 7,390 million yen | | 1,230 million yen | | 11,700 million yen | | 5,440 million yen | |
| Structure/Floors | SRC 11F | | SRC S 8F/B1F | | SRC 14F | | RC7F | | SRC 10F/1B | | SRC 10F/1B | |
| Location | Chuo Ward, Tokyo | | Shibuya Ward, Tokyo K | | Kobe City, Hyogo | | Shibuya Ward, Tokyo | | Shinjyuku Ward, Tokyo | | Chiyoda Ward, Tokyo | |
| Lot area | 319.04㎡ <small>Number derived by multiplying the ratio of holdings</small> | | 433.21㎡ | | 8,488.11㎡ | | 203.43㎡ | | 886.93㎡ | | 590.72㎡ | |
| Total floor areas | 2,383.76㎡ <small>Number derived by multiplying the ratio of holdings</small> | | 1,892.18㎡ | | 25,740.46㎡ | | 913.71㎡ | | 7,624.66㎡ | | 4,994.70㎡ | |
| Construction completion | July 13, 1992 | | November 2, 1994 | | January 6, 1992 | | January 25, 1999 | | March 31, 1989 | | October 28, 1991 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 49,807 | 39,904 | (※) | (※) | 279,400 | 298,919 | (※) | (※) | 257,794 | 252,394 | 129,510 | 139,829 |
| Lease business revenue | 49,807 | 39,904 | | | 253,508 | 272,990 | | | 241,421 | 235,569 | 122,674 | 131,858 |
| Other lease business revenue | - | - | | | 25,892 | 25,929 | | | 16,372 | 16,824 | 6,836 | 7,970 |
| Total operating expenses from real estate leasing | 12,141 | 12,809 | | | 111,799 | 116,561 | | | 68,506 | 65,468 | 31,467 | 40,183 |
| Management fee | 813 | 678 | | | 25,450 | 24,797 | | | 19,933 | 19,854 | 11,803 | 11,770 |
| Utilities expenses | 400 | 400 | | | 400 | 400 | | | 350 | 350 | 350 | 350 |
| Insurance premium | 3 | 87 | | | 29,503 | 32,435 | | | 11,321 | 12,403 | 4,773 | 5,896 |
| Repair expenses | 175 | 172 | | | 955 | 939 | | | 288 | 283 | 211 | 208 |
| Trust fee | - | 472 | | | 7,987 | 5,554 | | | 14,560 | 10,233 | 149 | 10,715 |
| Taxes and dues | 4,299 | 4,371 | | | 28,640 | 29,029 | | | 20,726 | 21,497 | 10,652 | 10,915 |
| Other expenses | 6,450 | 6,627 | | | 18,862 | 23,404 | | | 1,326 | 846 | 3,527 | 327 |
| NOI | 37,665 | 27,094 | 52,625 | 50,875 | 167,601 | 182,358 | 20,651 | 19,292 | 189,287 | 186,925 | 98,043 | 99,645 |
| Depreciation | 2,837 | 2,921 | 4,221 | 4,221 | 35,027 | 39,117 | 1,672 | 1,676 | 14,043 | 14,964 | 8,819 | 8,846 |
| Operating income (loss) from real estate leasing | 34,828 | 24,173 | 48,403 | 46,653 | 132,574 | 143,240 | 18,978 | 17,615 | 175,244 | 171,961 | 89,224 | 90,799 |
| Capital expenditures | - | 2,464 | - | - | 93,442 | 37,585 | 347 | - | 24,007 | 38,507 | - | 1,564 |
| NCF | 37,665 | 24,630 | 52,625 | 50,875 | 74,158 | 144,772 | 20,303 | 19,292 | 165,280 | 148,417 | 98,043 | 98,081 |
| Period-end book value | 1,447,445 | 1,446,988 | 2,583,995 | 2,579,773 | 7,659,246 | 7,657,714 | 1,037,206 | 1,035,530 | 11,253,497 | 11,277,041 | 5,351,761 | 5,344,479 |

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

Balance of Payments of Individual Properties (3)

| Asset Type | OFC-16 | | OFC-17 | | OFC-18 | | OFC-19 | | OFC-20 | | OFC-21 | |
|---|---|-----------|---|-----------|--|-----------|--|-----------|---|-----------|---|-----------|
| Property name | Urban Center Kanda Tsukasamachi | | Takadanobaba Access | | Azabu Amerex Building | | Hiei Kudan Building | | Urban Center Shin - Yokohama | | The Portal Akihabara | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 4,590 million yen | | 3,990 million yen | | 2,780 million yen | | 2,400 million yen | | 2,300 million yen | | 1,510 million yen | |
| Appraisal value | 4,630 million yen | | 3,990 million yen | | 2,910 million yen | | 2,390 million yen | | 2,540 million yen | | 1,490 million yen | |
| Structure/Floors | SRC 8F/1B | | SRC 14F/1B | | SRC 8F/1B | | SRC S 11F/1B | | S RC 1F/1B | | SRC S 8F | |
| Location | Chiyoda Ward, Tokyo | | Shinjyuku Ward, Tokyo | | Minato Ward, Tokyo | | Chiyoda Ward, Tokyo | | Yokohama City, Kanagawa | | Chiyoda Ward, Tokyo | |
| Lot area | 709.52㎡ | | 930.70㎡ | | 601.71㎡ | | 478.27㎡ (Number derived by multiplying the ratio of holdings) 3,205.72㎡ (Number derived by multiplying the ratio of holdings) | | 700.59㎡ | | 184.76㎡ | |
| Total floor areas | 4,629.27㎡ | | 5,757.14㎡ | | 2,909.80㎡ | | | | 5,356.99㎡ | | 1,010.67㎡ | |
| Construction completion | January 20, 1988 | | January 14, 1994 | | June 30, 1988 | | September 17, 1991 | | March 17, 1992 | | May 31, 2002 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 68,261 | 81,562 | 112,884 | 113,062 | 71,229 | 72,995 | 66,434 | 69,073 | 80,964 | 80,736 | 32,986 | 36,233 |
| Lease business revenue | 64,202 | 76,259 | 102,460 | 102,526 | 68,117 | 69,623 | 66,434 | 69,073 | 71,944 | 71,906 | 31,836 | 33,248 |
| Other lease business revenue | 4,058 | 5,302 | 10,424 | 10,535 | 3,111 | 3,372 | - | - | 9,019 | 8,830 | 1,150 | 2,984 |
| Total operating expenses from real estate leasing | 48,640 | 41,149 | 32,080 | 36,199 | 20,685 | 23,361 | 20,756 | 21,621 | 28,517 | 32,241 | 6,223 | 8,109 |
| Management fee | 8,883 | 10,494 | 13,308 | 13,398 | 7,185 | 7,181 | 3,539 | 3,480 | 8,866 | 9,003 | 2,835 | 2,974 |
| Utilities expenses | 400 | 400 | 400 | 400 | 375 | 375 | 500 | 500 | 350 | 350 | 400 | 400 |
| Insurance premium | 4,944 | 5,319 | 7,661 | 8,715 | 2,877 | 3,099 | 29 | 39 | 6,043 | 6,501 | 1,048 | 1,179 |
| Repair expenses | 204 | 200 | 223 | 219 | 105 | 103 | 189 | 186 | 193 | 190 | 40 | 39 |
| Trust fee | 20,431 | 5,939 | 898 | 3,506 | 1,976 | 2,777 | 270 | 974 | 3,705 | 7,733 | 200 | 120 |
| Taxes and dues | 7,463 | 7,575 | 9,011 | 9,266 | 7,598 | 7,818 | 6,630 | 6,844 | 7,697 | 7,779 | 1,546 | 1,578 |
| Other expenses | 6,313 | 11,218 | 576 | 692 | 567 | 2,005 | 9,597 | 9,596 | 1,660 | 683 | 153 | 1,817 |
| NOI | 19,620 | 40,413 | 80,804 | 76,862 | 50,543 | 49,634 | 45,678 | 47,452 | 52,447 | 48,494 | 26,762 | 28,123 |
| Depreciation | 10,521 | 12,425 | 8,980 | 9,675 | 3,446 | 3,817 | 3,909 | 3,909 | 9,869 | 12,585 | 3,472 | 3,472 |
| Operating income (loss) from real estate leasing | 9,098 | 27,987 | 71,823 | 67,186 | 47,096 | 45,817 | 41,769 | 43,542 | 42,578 | 35,909 | 23,289 | 24,650 |
| Capital expenditures | 74,154 | 28,101 | - | 46,898 | 14,940 | - | - | - | 60,223 | 53,970 | - | - |
| NCF | △ 54,534 | 12,311 | 80,804 | 29,964 | 35,602 | 49,634 | 45,678 | 47,452 | △ 7,776 | △ 5,476 | 26,762 | 28,123 |
| Period-end book value | 4,720,241 | 4,735,916 | 3,969,364 | 4,006,586 | 2,789,026 | 2,785,209 | 2,394,739 | 2,390,829 | 2,381,264 | 2,422,649 | 1,499,581 | 1,496,108 |

Balance of Payments of Individual Properties (4)

| Asset Type | OFC-22 | | OFC-23 | | RTL-01 | | RTL-02 | | RTL-03 | | RTL-05 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|-----------|
| Property name | Urban Center Tachikawa | | Urban Center Hakata | | LaPark Kishiwada | | Suroy Mall Chikushino | | Seiyu Minakuchi | | BAGUS Ikebukuro West | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,804million yen | | 2,870million yen | | 5,400 million yen | | 6,550 million yen | | 3,320 million yen | | 2,984million yen | |
| Appraisal value | 1,980million yen | | 3,100million yen | | 5,230 million yen | | 6,320 million yen | | 3,330 million yen | | 3,280million yen | |
| Structure/Floors | RC S 6F/1B | | S 8F | | RC S 3F | | S 2F | | S 4F | | SRC 8F/2B | |
| Location | Tachikawa city, Tokyo | | Fukuoka city, Fukuoka | | Kishiwada city, Osaka | | Chikushino city, Fukuoka | | Koka city, Shiga | | Toshima Ward, Tokyo | |
| Lot area | 964.80㎡ | | 656.72㎡ | | 39,799.74㎡ | | 121,423.46㎡ (Also has leased land of 25,321.5㎡ for use as a parking lot.) | | 19,917.56㎡ (of which leased land is 16,444.53㎡) | | 264.15㎡ | |
| Total floor areas | 4,659.20㎡ | | 3,566.56㎡ | | 65,663.02㎡ | | 31,028.62㎡ | | 31,829.71㎡ | | 1,497.45㎡ | |
| Construction completion | May 30, 1990 | | August 27, 2020 | | August 30, 1994 | | June 22, 2007 | | May 31, 1999 | | November 20, 1992 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 54,372 | 85,029 | 69,587 | 77,043 | 496,379 | 503,192 | 354,964 | 301,522 | (※) | (※) | (※) | (※) |
| Lease business revenue | 48,931 | 37,923 | 69,587 | 77,043 | 415,561 | 414,452 | 275,178 | 274,833 | | | | |
| Other lease business revenue | 5,441 | 47,106 | - | - | 80,817 | 88,739 | 79,785 | 26,688 | | | | |
| Total operating expenses from real estate leasing | 10,511 | 69,303 | 5,370 | 12,612 | 282,680 | 310,372 | 87,735 | 68,906 | | | | |
| Management fee | 4,726 | 4,824 | 4,731 | 5,140 | 118,874 | 123,548 | 23,229 | 24,525 | | | | |
| Utilities expenses | 361 | 400 | 361 | 400 | 1,850 | 1,850 | 350 | 350 | | | | |
| Insurance premium | 4,289 | 4,498 | - | - | 103,932 | 114,371 | 5,421 | 5,985 | | | | |
| Repair expenses | 128 | 139 | 109 | 119 | 1,184 | 1,164 | 622 | 612 | | | | |
| Trust fee | 694 | 45,530 | - | 486 | 934 | 16,616 | 10,030 | 1,440 | | | | |
| Taxes and dues | 31 | 4,551 | 29 | 6,314 | 44,045 | 43,998 | 19,379 | 19,799 | | | | |
| Other expenses | 279 | 9,358 | 138 | 150 | 11,859 | 8,823 | 28,702 | 16,192 | | | | |
| NOI | 43,861 | 15,725 | 64,217 | 64,431 | 213,699 | 192,820 | 267,229 | 232,615 | 128,018 | 128,596 | 58,238 | 59,426 |
| Depreciation | 4,609 | 4,790 | 15,272 | 15,274 | 25,431 | 26,235 | 23,595 | 23,485 | 26,098 | 26,441 | 2,284 | 2,304 |
| Operating income (loss) from real estate leasing | 39,251 | 10,935 | 48,945 | 49,157 | 188,267 | 166,584 | 243,633 | 209,129 | 101,920 | 102,155 | 55,953 | 57,122 |
| Capital expenditures | 860 | 20,825 | - | 1,161 | 15,839 | 48,682 | - | - | 8,434 | - | 1,674 | - |
| NCF | 43,001 | △ 5,099 | 64,217 | 63,269 | 197,859 | 144,138 | 267,229 | 232,615 | 119,583 | 128,596 | 56,563 | 59,426 |
| Period-end book value | 1,814,395 | 1,830,430 | 2,884,118 | 2,870,005 | 5,394,670 | 5,417,634 | 6,474,017 | 6,450,531 | 3,273,918 | 3,247,477 | 3,006,464 | 3,004,160 |

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

Balance of Payments of Individual Properties (5)

| Asset Type | RSC-01 | | RSC-02 | | RSC-05 | | RSC-06 | | RSC-07 | | RSC-08 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|-----------|
| Property name | Urban Park Azabujuban | | Urban Park Daikanyama | | Urban Park Namba | | Urban Park Gokokuji | | Urban Park Kashiwa | | Urban Park Ryokuchi-koen | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 2,045 million yen | | 6,315 million yen | | 1,490 million yen | | 1,460 million yen | | 1,186 million yen | | 1,550 million yen | |
| Appraisal value | 2,740 million yen | | 9,430 million yen | | 1,530 million yen | | 1,560 million yen | | 1,190 million yen | | 1,680 million yen | |
| Structure/Floors | SRC with slate roofing B1/12F | | ①RC B1/3F ②RC B1/9F | | RC 14F | | RC B1F/5F | | SRC B1F/8F | | RC 8F | |
| Location | Minato Ward, Tokyo | | Shibuya Ward, Tokyo | | Osaka City, Osaka | | Toshima Ward, Tokyo | | Kashiwa City, Chiba | | Suita City, Osaka | |
| Lot area | 417.67㎡ | | 2,469.06㎡ | | 670.39㎡ | | 942.66 m ² (Of which, 50.85 m ² is contributed to Toshima Ward as road) | | 1,597.85㎡ | | 2,804.56㎡ | |
| Total floor areas | 2,564.94㎡ | | 8,261.29㎡ | | 2,776.87㎡ | | 2,451.72㎡ | | 4,243.71㎡ | | 5,854.64㎡ | |
| Construction completion | November 29, 1999 | | 1: November 15, 1982 2: May 30, 2006 | | January 9, 2013 | | February 28, 1990 | | August 28, 1997 | | March 10, 1989 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 55,790 | 55,865 | 186,998 | 192,871 | 41,899 | 47,402 | 38,358 | 48,338 | 37,566 | 38,336 | 55,633 | 61,575 |
| Lease business revenue | 52,770 | 54,276 | 176,937 | 184,843 | 39,471 | 45,725 | 36,887 | 46,442 | 36,667 | 36,905 | 50,801 | 56,794 |
| Other lease business revenue | 3,019 | 1,589 | 10,060 | 8,027 | 2,427 | 1,676 | 1,470 | 1,896 | 899 | 1,430 | 4,832 | 4,780 |
| Total operating expenses from real estate leasing | 11,660 | 10,968 | 36,097 | 37,581 | 13,346 | 18,680 | 19,547 | 21,098 | 8,047 | 9,206 | 15,980 | 17,665 |
| Management fee | 2,257 | 2,107 | 8,900 | 9,650 | 2,419 | 2,512 | 4,015 | 4,364 | 1,880 | 2,092 | 1,758 | 2,604 |
| Utilities expenses | 350 | 350 | 350 | 350 | 450 | 350 | 400 | 400 | 350 | 350 | 450 | 350 |
| Insurance premium | 628 | 776 | 3,666 | 4,058 | 333 | 369 | 2,202 | 2,560 | 520 | 567 | 3,396 | 2,470 |
| Repair expenses | 74 | 72 | 251 | 247 | 85 | 84 | 67 | 66 | 111 | 109 | 165 | 162 |
| Trust fee | 784 | 2,633 | 5,415 | 2,812 | 3,100 | 4,966 | 7,877 | 4,733 | 1,499 | 1,459 | 4,328 | 2,871 |
| Taxes and dues | 2,873 | 2,937 | 11,453 | 11,777 | 2,833 | 2,841 | 1,897 | 1,914 | 2,949 | 2,955 | 3,588 | 3,585 |
| Other expenses | 4,693 | 2,090 | 6,060 | 8,685 | 4,123 | 7,557 | 3,086 | 7,059 | 735 | 1,671 | 2,292 | 5,619 |
| NOI | 44,129 | 44,897 | 150,900 | 155,289 | 28,553 | 28,721 | 18,810 | 27,240 | 29,519 | 29,130 | 39,653 | 43,910 |
| Depreciation | 5,167 | 5,172 | 13,514 | 12,631 | 7,544 | 7,693 | 5,709 | 5,775 | 7,553 | 7,598 | 8,204 | 8,271 |
| Operating income (loss) from real estate leasing | 38,962 | 39,725 | 137,385 | 142,657 | 21,008 | 21,027 | 13,100 | 21,465 | 21,965 | 21,531 | 31,448 | 35,638 |
| Capital expenditures | 297 | 189 | 2,011 | 1,093 | - | 5,511 | 221 | 10,770 | 1,544 | 305 | 2,733 | 2,686 |
| NCF | 43,832 | 44,708 | 148,888 | 154,195 | 28,553 | 23,209 | 18,589 | 16,469 | 27,974 | 28,824 | 36,919 | 41,224 |
| Period-end book value | 2,072,910 | 2,067,927 | 6,359,097 | 6,347,559 | 1,484,142 | 1,481,961 | 1,495,700 | 1,500,696 | 1,230,838 | 1,223,545 | 1,590,072 | 1,584,487 |

Balance of Payments of Individual Properties (6)

| Asset Type | RSC-09 | | RSC-10 | | RSC-11 | | RSC-12 | | RSC-13 | | RSC-14 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|---------|
| Property name | Urban Park Koenji | | Urban Park Ichigao | | Urban Park Gyotoku | | Shiroi Logiman | | Urban Park Sekime | | Urban Park Imazato | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,167 million yen | | 1,810 million yen | | 1,430 million yen | | 2,470 million yen | | 2,150 million yen | | 993 million yen | |
| Appraisal value | 1,180 million yen | | 2,060 million yen | | 1,570 million yen | | 2,470 million yen | | 2,380 million yen | | 1,070 million yen | |
| Structure/Floors | RC 4F | | RC SF/1B | | SRC 10F | | RC 13F | | SRC 15F | | RC 10F | |
| Location | Suginami Ward, Osaka | | Yokohama City, Kanagawa | | Ichikawa city, Chiba S | | Shiroi city, Chiba | | Osaka City, Osaka | | Osaka City, Osaka | |
| Lot area | 988.26㎡ | | 1,758.84㎡ | | 1,122.57㎡ | | 11,485.06㎡ (Number derived by multiplying the ratio of holdings) | | 2,346.39㎡ | | 1,803.70㎡ | |
| Total floor areas | 1,524.34㎡ | | 5,243.85㎡ | | 3,397.95㎡ | | 22,448.08㎡ (Number derived by multiplying the ratio of holdings) | | 8,190.11㎡ | | 4,862.83㎡ | |
| Construction completion | October 13, 1987 | | July 10, 1998 | | March 1, 1995 | | May 9, 1995 | | August 18, 1989 | | December 20, 1991 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 33,559 | 36,496 | 57,627 | 58,960 | 44,130 | 36,546 | 140,695 | 142,518 | 81,404 | 85,724 | 39,769 | 39,231 |
| Lease business revenue | 31,129 | 33,871 | 56,106 | 57,290 | 41,921 | 34,908 | 133,783 | 134,952 | 78,371 | 83,088 | 39,652 | 39,037 |
| Other lease business revenue | 2,430 | 2,624 | 1,521 | 1,670 | 2,209 | 1,638 | 6,911 | 7,566 | 3,033 | 2,636 | 117 | 193 |
| Total operating expenses from real estate leasing | 10,504 | 11,322 | 12,272 | 14,015 | 9,284 | 9,958 | 61,225 | 60,200 | 36,118 | 33,393 | 10,376 | 13,015 |
| Management fee | 2,286 | 2,334 | 3,094 | 4,361 | 2,154 | 2,633 | 5,964 | 6,078 | 10,151 | 10,118 | 4,324 | 4,190 |
| Utilities expenses | 400 | 400 | 400 | 400 | 400 | 400 | 750 | 750 | 375 | 375 | 375 | 375 |
| Insurance premium | 1,402 | 1,645 | 1,425 | 1,578 | 1,602 | 1,179 | 44 | 43 | 2,286 | 2,402 | 293 | 304 |
| Repair expenses | 50 | 50 | 147 | 145 | 97 | 95 | 829 | 815 | 286 | 281 | 145 | 142 |
| Trust fee | 3,177 | 3,370 | 2,519 | 2,633 | 2,337 | 2,562 | 10,994 | 10,544 | 13,762 | 12,315 | 1,220 | 3,737 |
| Taxes and dues | 1,009 | 1,041 | 3,941 | 3,963 | 2,146 | 2,170 | 13,926 | 13,921 | 5,288 | 5,291 | 3,202 | 3,199 |
| Other expenses | 2,177 | 2,481 | 742 | 933 | 545 | 915 | 28,716 | 28,048 | 3,969 | 2,609 | 814 | 1,065 |
| NOI | 23,055 | 25,173 | 45,355 | 44,945 | 34,846 | 26,588 | 79,470 | 82,318 | 45,285 | 52,331 | 29,393 | 26,216 |
| Depreciation | 2,796 | 2,883 | 5,458 | 5,469 | 4,315 | 4,359 | 19,168 | 19,241 | 11,905 | 12,557 | 5,196 | 5,203 |
| Operating income (loss) from real estate leasing | 20,258 | 22,290 | 39,897 | 39,475 | 30,530 | 22,228 | 60,301 | 63,076 | 33,380 | 39,773 | 24,197 | 21,012 |
| Capital expenditures | - | 3,478 | 399 | 598 | 4,775 | 762 | 1,840 | 761 | 29,385 | 12,957 | 112 | 460 |
| NCF | 23,055 | 21,695 | 44,956 | 44,346 | 30,070 | 25,825 | 77,629 | 81,556 | 15,900 | 39,373 | 29,281 | 25,755 |
| Period-end book value | 1,187,182 | 1,187,777 | 1,915,481 | 1,910,611 | 1,510,209 | 1,506,612 | 2,415,591 | 2,397,111 | 2,193,913 | 2,194,313 | 977,690 | 972,947 |

Balance of Payments of Individual Properties (7)

| Asset Type | RSC-15 | | RSC-16 | | RSC-17 | | RSC-18 | | RSC-19 | | RSC-20 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|-----------|
| Property name | Urban Park Yoyogi | | Urban Park Tokiwadai Koen | | Urban Park Mitsuike Koen | | Urban Park Ryogoku | | Urban Park Mizonokuchi | | Urban Park Miyamaedaira | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,740 million yen | | 3,506 million yen | | 3,160 million yen | | 1,115million yen | | 2,019million yen | | 1,060million yen | |
| Appraisal value | 1,890 million yen | | 3,920 million yen | | 3,520 million yen | | 1,240 million yen | | 2,100million yen | | 1,230million yen | |
| Structure/Floors | RC 8F | | RC 5F | | RC 6F | | SRC 9F | | RC 5F | | S Alloy-plated steel plate 3F | |
| Location | Shibuya Ward, Tokyo | | Yokohama City, Kanagawa | | Yokohama City, Kanagawa | | Sumida Ward, Tokyo | | Kawasaki City, Kanagawa | | Kawasaki City, Kanagawa | |
| Lot area | 464.09㎡ | | 12,544.61㎡ | | 10,216.95㎡ | | 669.98㎡ | | 2,624.51㎡ | | 1,239.53㎡ | |
| Total floor areas | 1,418.03㎡ | | 15,708.08㎡ | | 10,918.37㎡ | | 2,351.42㎡ | | 5,029.52㎡ | | 2,039.17㎡ | |
| Construction completion | September 4, 2017 | | Feb 17, 1994 | | March 24, 1992 | | October 31, 1997 | | August 23, 1988 | | June 10, 2021 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 37,585 | 42,502 | 141,887 | 143,364 | 127,356 | 130,541 | 33,019 | 37,011 | 57,055 | 65,713 | 22,225 | 32,927 |
| Lease business revenue | 34,107 | 39,709 | 136,498 | 135,861 | 121,431 | 122,424 | 28,961 | 34,253 | 55,109 | 61,116 | 21,344 | 32,620 |
| Other lease business revenue | 3,477 | 2,792 | 5,388 | 7,502 | 5,924 | 8,116 | 4,058 | 2,758 | 1,945 | 4,597 | 881 | 307 |
| Total operating expenses from real estate leasing | 11,111 | 7,804 | 34,503 | 40,084 | 27,137 | 41,321 | 5,726 | 11,789 | 9,601 | 26,948 | 9,155 | 4,605 |
| Management fee | 2,326 | 2,309 | 11,645 | 11,186 | 10,670 | 10,539 | 2,198 | 2,660 | 4,143 | 4,566 | 1,185 | 1,312 |
| Utilities expenses | 400 | 400 | 400 | 400 | 400 | 400 | 361 | 400 | 361 | 400 | 361 | 400 |
| Insurance premium | 251 | 254 | 1,805 | 2,032 | 1,161 | 1,342 | 387 | 526 | 695 | 982 | 153 | 52 |
| Repair expenses | 50 | 49 | 421 | 414 | 339 | 333 | 66 | 72 | 137 | 149 | 47 | 51 |
| Trust fee | 1,534 | 588 | 5,511 | 9,276 | 8,705 | 12,414 | 1,599 | 4,533 | 2,580 | 11,609 | 16 | 264 |
| Taxes and dues | 1,660 | 1,655 | 10,829 | 10,793 | - | 8,813 | 2 | 1,851 | 4 | 3,404 | 1 | 1,605 |
| Other expenses | 4,887 | 2,546 | 3,888 | 5,981 | 5,860 | 7,477 | 1,109 | 1,744 | 1,679 | 5,837 | 7,390 | 919 |
| NOI | 26,473 | 34,697 | 107,384 | 103,279 | 100,218 | 89,220 | 27,293 | 25,222 | 47,453 | 38,764 | 13,069 | 28,321 |
| Depreciation | 4,393 | 4,393 | 12,624 | 12,633 | 11,770 | 12,014 | 2,401 | 2,503 | 5,646 | 5,742 | 4,522 | 4,523 |
| Operating income (loss) from real estate leasing | 22,080 | 30,304 | 94,759 | 90,646 | 88,448 | 77,205 | 24,892 | 22,718 | 41,806 | 33,021 | 8,547 | 23,797 |
| Capital expenditures | - | - | - | 1,064 | 5,540 | 20,625 | 1,954 | 1,886 | 1,785 | 3,857 | 290 | - |
| NCF | 26,473 | 34,697 | 107,384 | 102,215 | 94,678 | 68,594 | 25,339 | 23,335 | 45,667 | 34,906 | 12,779 | 28,321 |
| Period-end book value | 1,726,819 | 1,722,425 | 3,622,941 | 3,611,372 | 3,286,174 | 3,294,786 | 1,150,151 | 1,149,533 | 2,085,971 | 2,084,086 | 1,105,101 | 1,100,577 |

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

Balance of Payments of Individual Properties (8)

| Asset Type | RSC-21 | | LGC-01 | | LGC-02 | | LGC-03 | | LGC-04 | | LGC-05 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|-----------|
| Property name | Urban Park Tsurumi | | watsuki Logistics | | Yokohama Logistics | | Funabashi Logistics | | Baraki Logistics | | Tokorozawa Logistics | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,113 million yen | | 6,942 million yen | | 3,560 million yen | | 7,875 million yen | | 4,700 million yen | | 1,300 million yen | |
| Appraisal value | 1,190 million yen | | 7,667 million yen | | 4,330 million yen | | 8,900 million yen | | 4,980 million yen | | 1,550 million yen | |
| Structure/Floors | RC 6F | | Steel construction, zinc plated steel roofing, 5 floors | | RC 8F | | Building 1: Steel construction, flat roof, zincplated steel roofing, 8 floors Building 2: Reinforced concrete structure | | RC+S 5F | | S 2F | |
| Location | Yokohama City, Kanagawa | | Saitama City, Saitama | | Yokohama City, Kanagawa | | a Funabashi City, Chiba | | Ichikawa City, Chiba | | Tokorozawa City, Saitama | |
| Lot area | 2,172.70m ² | | 15,623.14m ² | | 10,565.95m ² | | 19,858.00m ² | | 6,240.96m ² | | 8,645.63m ² | |
| Total floor areas | 3,169.13m ² | | 29,729.72m ² | | 18,387.89m ² (including 256.15 m2 break areas etc.) | | 38,871.45m ² (two buildings combined) | | 12,471.50m ² | | 5,994.75m ² | |
| Construction completion | February 17, 1994 | | October 29, 2014 | | October 1, 1994 | | 1: September 25, 1992 2: August 5, 1997 | | August 14, 2015 | | April 30, 1999 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | (※) | (※) | | | (※) | (※) | | | (※) | (※) | (※) | (※) |
| Lease business revenue | | | 187,727 | 187,713 | | | 243,219 | 243,184 | | | | |
| Other lease business revenue | | | 11,037 | 13,583 | | | 18,170 | 14,853 | | | | |
| Total operating expenses from real estate leasing | | | 31,431 | 34,121 | | | 55,677 | 61,249 | | | | |
| Management fee | | | 5,920 | 5,650 | | | 13,363 | 11,308 | | | | |
| Utilities expenses | | | 350 | 350 | | | 400 | 400 | | | | |
| Insurance premium | | | 11,037 | 13,583 | | | 14,939 | 14,713 | | | | |
| Repair expenses | | | 353 | 346 | | | 510 | 501 | | | | |
| Trust fee | | | 329 | 742 | | | 4,452 | 12,660 | | | | |
| Taxes and dues | | | 13,441 | 13,448 | | | 21,392 | 21,643 | | | | |
| Other expenses | | | - | - | | | 619 | 21 | | | | |
| NOI | 28,823 | 28,224 | 167,332 | 167,175 | 96,831 | 88,457 | 205,711 | 196,789 | 98,446 | 96,972 | 37,291 | 36,017 |
| Depreciation | 2,716 | 2,717 | 46,788 | 46,788 | 19,983 | 19,943 | 27,474 | 27,936 | 15,774 | 15,779 | 5,889 | 5,899 |
| Operating income (loss) from real estate leasing | 26,107 | 25,506 | 120,544 | 120,386 | 76,848 | 68,513 | 178,237 | 168,852 | 82,672 | 81,193 | 31,402 | 30,117 |
| Capital expenditures | 346 | - | - | - | - | - | 10,061 | 33,346 | - | 291 | 1,826 | - |
| NCF | 28,476 | 28,224 | 167,332 | 167,175 | 96,831 | 88,457 | 195,649 | 163,442 | 98,446 | 96,680 | 35,465 | 36,017 |
| Period-end book value | 1,153,555 | 1,150,838 | 6,467,600 | 6,420,812 | 3,696,301 | 3,676,357 | 7,725,495 | 7,730,906 | 4,597,416 | 4,581,929 | 1,354,832 | 1,348,932 |

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

Balance of Payments of Individual Properties (9)

| Asset Type | LGC-07 | | LGC-08 | | LGC-09 | | LGC-10 | | HTL-01 | | HTL-02 | |
|---|---|---------|---|-----------|--|-----------|---|---------|---|-----------|---|-----------|
| Property name | Funabashi Nishiura Logistics II | | Matsubushi Logistics | | Funabashi Hi-Tech Park I | | Funabashi Hi-Tech Park II | | R&B Hotel Umeda East | | Smile Hotel Namba | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 821 million yen | | 2,755 million yen | | 1,710 million yen | | 702 million yen | | 2,069 million yen | | 1,750 million yen | |
| Appraisal value | 890 million yen | | 3,180 million yen | | 1,710 million yen | | 704 million yen | | 2,280 million yen | | 1,410 million yen | |
| Structure/Floors | R 4F | | RC 3F | | S 2F | | S 2F | | RC 9F | | S 9F | |
| Location | Funabashi city, Chiba | | Kita-Katsushika-gun, Saitama | | Funabashi city, Chiba | | Funabashi city, Chiba | | Osaka City, Osaka | | Osaka City, Osaka | |
| Lot area | 3,964.00㎡ | | 11,580.65㎡ | | 13,420.44㎡ | | 8,268.35㎡ | | 730.26㎡ | | 285.28㎡ | |
| Total floor areas | 6,316.32㎡ | | 19,833.47㎡ | | 8,029.47㎡ | | 4,384.83㎡ | | 3,945.65㎡ | | 1,711.42㎡ | |
| Construction completion | Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986 | | March 31, 1997 | | May 19, 2003 | | September 5, 2001 | | October 20, 2000 | | February 6, 2008 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | (※) | (※) | (※) | (※) | (※) | (※) | (※) | (※) | 62,141 | 65,392 | 22,374 | 17,626 |
| Lease business revenue | | | | | | | | | 62,141 | 65,392 | 22,374 | 17,626 |
| Other lease business revenue | | | | | | | | | - | - | - | - |
| Total operating expenses from real estate leasing | | | | | | | | | 12,525 | 8,074 | 3,531 | 3,754 |
| Management fee | | | | | | | | | 742 | 742 | 660 | 660 |
| Utilities expenses | | | | | | | | | 350 | 350 | 550 | 550 |
| Insurance premium | | | | | | | | | 6 | 7 | - | - |
| Repair expenses | | | | | | | | | 155 | 152 | 71 | 70 |
| Trust fee | | | | | | | | | 5,211 | 1,288 | - | 196 |
| Taxes and dues | | | | | | | | | 5,404 | 5,508 | 2,227 | 2,255 |
| Other expenses | | | | | | | | | 654 | 24 | 21 | 22 |
| NOI | 28,151 | 28,483 | 75,925 | 69,562 | 55,458 | 54,953 | 24,560 | 24,608 | 49,616 | 57,318 | 18,842 | 13,871 |
| Depreciation | 4,559 | 4,559 | 16,272 | 16,283 | 5,737 | 5,737 | 2,594 | 2,594 | 10,523 | 10,746 | 12,209 | 12,209 |
| Operating income (loss) from real estate leasing | 23,591 | 23,923 | 59,652 | 53,278 | 49,721 | 49,216 | 21,966 | 22,013 | 39,092 | 46,572 | 6,633 | 1,662 |
| Capital expenditures | - | - | 4,995 | - | - | - | - | - | 11,042 | 543 | - | - |
| NCF | 28,151 | 28,483 | 70,930 | 69,562 | 55,458 | 54,953 | 24,560 | 24,608 | 38,573 | 56,775 | 18,842 | 13,871 |
| Period-end book value | 856,343 | 851,783 | 2,684,786 | 2,668,503 | 1,692,788 | 1,687,051 | 694,216 | 691,621 | 2,108,102 | 2,097,900 | 1,638,728 | 1,626,519 |

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

Balance of Payments of Individual Properties (10)

| Asset Type | HTL-03 | | HTL-04 | | HTL-05 | | HTL-06 | | HTL-07 | | HTL-08 | |
|---|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|---|-----------|
| Property name | REMBRANDT STYLE Tokyo Nishikasai | | Best Western Yokohama | | The BREAKFAST HOTEL Fukuoka Tenjin | | GLANSIT Akihabara | | REMBRANDT STYLE Tokyo Nishikasai Grande | | KOKO Hotel Osaka Namba | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 3,827 million yen | | 3,248 million yen | | 1,970 million yen | | 2,500 million yen | | 3,180 million yen | | 2,000 million yen | |
| Appraisal value | 3,470 million yen | | 3,200 million yen | | 1,910 million yen | | 2,440 million yen | | 3,130 million yen | | 1,410 million yen | |
| Structure/Floors | SRC B1F/9F | | SRC B1F/9F | | RC 10F | | SRC 10F/B1F | | S 8F | | RC9F | |
| Location | Edogawa Ward, Tokyo | | Yokohama City, Kanagawa | | Fukuoka City, Fukuoka | | Chiyoda Ward, Tokyo | | Edogawa Ward, Tokyo | | Osaka City, Osaka | |
| Lot area | 1,418.00㎡ | | 782.66㎡ | | 543.94㎡ | | 167.74㎡ | | 657.00㎡ | | 335.31㎡ | |
| Total floor areas | 5,293.88㎡ | | 4,686.09㎡ | | 2,281.49㎡ | | 1,081.97㎡ | | 2,755.19㎡ | | 2,061.38㎡ | |
| Construction completion | March 19, 1991 | | September 21, 1987 | | February 20, 2017 | | September 20, 2017 | | February 7, 2017 | | April 7, 2017 | |
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 84,600 | 84,600 | 80,400 | 80,400 | (※) | (※) | (※) | (※) | 70,002 | 70,002 | - | 2,180 |
| Lease business revenue | 84,600 | 84,600 | 80,400 | 80,400 | | | | | 70,002 | 70,002 | - | 2,180 |
| Other lease business revenue | - | - | - | - | | | | | - | - | - | - |
| Total operating expenses from real estate leasing | 12,109 | 11,114 | 6,476 | 7,241 | | | | | 6,875 | 6,864 | 6,109 | 5,036 |
| Management fee | 1,200 | 1,200 | 1,200 | 2,100 | | | | | 990 | 990 | 1,230 | 900 |
| Utilities expenses | 400 | 400 | 400 | 400 | | | | | 400 | 400 | 350 | 350 |
| Insurance premium | - | - | - | - | | | | | - | - | - | - |
| Repair expenses | 161 | 159 | 137 | 135 | | | | | 91 | 90 | 65 | 64 |
| Trust fee | 2,406 | 1,267 | 196 | - | | | | | 188 | 141 | 1,111 | - |
| Taxes and dues | 7,855 | 8,065 | 4,520 | 4,584 | | | | | 5,182 | 5,220 | 3,169 | 3,213 |
| Other expenses | 85 | 23 | 21 | 22 | | | | | 23 | 22 | 184 | 508 |
| NOI | 72,490 | 73,485 | 73,923 | 73,158 | 48,077 | 48,036 | 49,012 | 65,432 | 63,126 | 63,137 | △ 6,109 | △ 2,855 |
| Depreciation | 12,895 | 13,029 | 13,069 | 13,069 | 8,647 | 8,647 | 4,643 | 4,643 | 10,857 | 10,857 | 9,050 | 9,041 |
| Operating income (loss) from real estate leasing | 59,594 | 60,455 | 60,854 | 60,088 | 39,430 | 39,388 | 44,368 | 60,789 | 52,269 | 52,280 | △ 15,160 | △ 11,897 |
| Capital expenditures | - | 9,103 | - | - | - | - | - | - | - | - | - | - |
| NCF | 72,490 | 64,381 | 73,923 | 73,158 | 48,077 | 48,036 | 49,012 | 65,432 | 63,126 | 63,137 | △ 6,109 | △ 2,855 |
| Period-end book value | 3,841,456 | 3,837,530 | 3,221,334 | 3,208,265 | 1,930,978 | 1,922,330 | 2,490,020 | 2,485,377 | 3,132,380 | 3,121,523 | 1,962,086 | 1,953,045 |

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

Balance of Payments of Individual Properties (11)

| | Office | | Retail | | Residence | | Logistics | | Hotel | | Total | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
| | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP | 12FP | 13FP |
| Total operating revenue from real estate leasing | 2,169,355 | 2,293,289 | 1,070,994 | 1,030,752 | 1,264,750 | 1,331,565 | 959,866 | 961,616 | 426,032 | 443,188 | 5,890,999 | 6,060,414 |
| Lease business revenue | 2,009,848 | 2,082,212 | 910,391 | 915,324 | 1,204,142 | 1,269,760 | 916,647 | 917,181 | 426,032 | 426,716 | 5,467,061 | 5,611,196 |
| Other lease business revenue | 159,506 | 211,077 | 160,603 | 115,428 | 60,608 | 61,805 | 43,219 | 44,435 | - | 16,472 | 423,937 | 449,218 |
| Total operating expenses from real estate leasing | 653,581 | 732,424 | 403,809 | 417,293 | 345,060 | 397,073 | 170,155 | 198,598 | 57,053 | 51,604 | 1,629,660 | 1,796,993 |
| Management fee | 168,767 | 170,477 | 144,499 | 150,534 | 83,444 | 89,266 | 33,575 | 30,915 | 7,749 | 8,319 | 438,037 | 449,514 |
| Utilities expenses | 7,797 | 7,875 | 3,061 | 3,100 | 7,695 | 7,650 | 3,850 | 3,350 | 3,200 | 3,200 | 25,603 | 25,175 |
| Insurance premium | 137,765 | 153,892 | 109,353 | 120,357 | 22,618 | 23,666 | 40,665 | 45,700 | 6 | 7 | 310,409 | 343,623 |
| Repair expenses | 4,480 | 4,431 | 2,372 | 2,336 | 3,451 | 3,428 | 1,907 | 1,874 | 797 | 784 | 13,010 | 12,855 |
| Trust fee | 75,431 | 110,480 | 11,813 | 20,632 | 77,452 | 93,562 | 8,186 | 27,632 | 9,114 | 2,893 | 181,998 | 255,200 |
| Taxes and dues | 165,139 | 179,155 | 75,019 | 78,415 | 67,613 | 86,233 | 78,215 | 78,774 | 35,152 | 35,734 | 421,139 | 458,313 |
| Other expenses | 94,199 | 106,112 | 57,688 | 41,917 | 82,785 | 93,266 | 3,755 | 10,350 | 1,032 | 664 | 239,461 | 252,311 |
| NOI | 1,515,774 | 1,560,865 | 667,185 | 613,459 | 919,690 | 934,492 | 789,710 | 763,018 | 368,979 | 391,584 | 4,261,339 | 4,263,420 |
| Depreciation | 237,257 | 249,980 | 77,410 | 78,466 | 140,608 | 141,387 | 145,073 | 145,522 | 81,895 | 82,243 | 682,245 | 697,599 |
| Operating income (loss) from real estate leasing | 1,278,516 | 1,310,885 | 589,775 | 534,992 | 779,081 | 793,104 | 644,637 | 617,496 | 287,084 | 309,340 | 3,579,094 | 3,565,820 |
| Capital expenditures | 317,607 | 312,556 | 25,948 | 48,682 | 53,240 | 67,010 | 16,883 | 33,638 | 11,042 | 9,646 | 424,722 | 471,534 |
| NCF | 1,198,166 | 1,248,308 | 641,236 | 564,776 | 866,449 | 867,481 | 772,827 | 729,380 | 357,936 | 381,937 | 3,836,617 | 3,791,886 |
| Period-end book value | 72,990,225 | 73,052,802 | 18,149,070 | 18,119,803 | 38,563,547 | 38,489,170 | 29,769,782 | 29,657,898 | 20,325,088 | 20,252,490 | 179,797,713 | 179,572,164 |

- P.4 (Note1) The “ratio of assets in Tokyo area (entire portfolio)” is the ratio of the total acquisition price of properties in the Tokyo area to the total acquisition price of properties held as of July 31, 2022 (end of 13th FP) for “End of July 2022.”
The “ratio of assets in Tokyo area (excluding suburban retail facilities)” is the total acquisition price of properties in the Tokyo area to the total acquisition price of properties held as of July 31, 2022 (end of 13th FP) less the acquisition price of the three suburban retail properties for “End of July 2022.”
- (Note 2) “Ratio of mid-sized assets” is, for “End of July 2022 (13th FP)” the ratio of “mid-sized assets” to SAR’s total assets, based on acquisition prices.
- (Note 3) “Average building age” is the weighted average calculated by dividing the building age of each property held as of July 31, 2022 (end of 13th FP) by its acquisition price for “End of July 2022,” the weighted average calculated by dividing the building age of assets by the acquisition price for “Assets Acquired.”
* “Building age” refers to, except for “Urban Park Daikanyama”, the period commencing on the date of completion of construction (based on the date of completion of construction of the principal building as registered in the registry of real estates) to July 31, 2022. As for “Urban Park Daikanyama”, which consists of two buildings, “building age” refers to the period commencing on the date of completion of the older building and ends on July 31, 2022.
- (Note 4) “Appraisal NOI Yield” is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place.
- (Note 5) “NAV” stands for Net Asset Value, and NAV per unit is calculated as follows.
NAV per unit as of July 31, 2022 (End of 13th FP) = (Net assets on the balance sheet as of July 31, 2022 (End of 13th FP) – total distributions in the fiscal period ended July 2022 + total appraisal value of assets as of July 31, 2022 (End of 13th FP) – total book value of real estate, etc. as of July 31, 2022 (End of 13th FP)) / (Investment units outstanding as of July 31, 2022 (End of 13th FP))
- P.22 (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).
- (Note 2) JCR Green Finance Framework Evaluation” is the third-party evaluation conducted by JCR regarding compatibility with the “Green Bond Principles,” “Green Loan Principles,” “Green Bond Guideline,” and “Green Loan and Sustainability Link Loan Guideline.” Under this evaluation, JCR conducts the “Greenness Evaluation” which is an evaluation of whether a project described in the green finance policy of an issuer or borrower’s green finance policy falls under a green project, and “Evaluation of Management, Operations, and Transparency” which is an evaluation of the issuer or borrower’s management and operations system and transparency, and then as comprehensive evaluation based on these evaluations, JCR determines the JCR Green Finance Framework Evaluation. This evaluation relates to the green finance policy of the issuer etc., and is not an evaluation of the greenness or management, operations, and transparency etc. of the use of funds of individual projects conducted based on such policies. A separate evaluation process is required in order to grant green finance evaluations for individual bonds and borrowings. Details of the JCR Green Finance Framework Evaluation is described on JCR’s website.
- (Note 3) “Eligibility Criteria” is satisfied when one of the following conditions is fulfilled.
Eligibility Criteria-1: Properties which have obtained or renewed certification from one of the following third-party certifying organizations, or otherwise intends to obtain or renew such certification in the future. 1. DBJ Green Building certification: 3-star, 4-star, or 5-star. 2. BELS assessment: 3-star, 4-star, or 5-star. 3. CASBEE certification: B+ rank, A rank, or S rank.
Eligibility Criteria-2: Facilities and equipment etc. renovation works which satisfy one of the following criteria.
1. Renovation works which aim to improve one of the assessments or certifications under Eligibility Criteria-1 by at least one star or one rank. 2. Facilities and equipment renovation works to be conducted for managed real estate for the purpose of making beneficial improvements from an environmental perspective, such as energy efficiency, water consumption capacity etc. (such works where usage volume reduction effects of 30% or higher are anticipated compared to before). 3. Installation or acquisition of equipment related to renewable energy.
- P.23 (Note1) “GHG” refers to greenhouse gas. Scope 2 emissions (indirect emissions associated with the purchase of electricity, steam, or heat) indicated in this document are calculated based on market-based factors.
- (Note 2) “GHG emission intensity” refers to per-unit GHG emissions amount resulting from a specific activity. In this document, per-unit GHG emissions intensity is calculated using total floor area (m²) accounting for operating months as a unit.
- P.24 (Note 1) The ratio of assets obtaining environmental certification is calculated by dividing the total floor area of assets which are environmentally certified as of the date of the document by the total floor area of assets.
- (Note 2) “DBJ Green Building Certification” is a certification under the framework system (hereinafter, “the framework”) established by Development Bank of Japan Inc. (hereinafter, “DBJ”) in April 2011 to support properties with environmental and social awareness (“Green Building”). The framework rates and certifies properties required by society and the economy based on a comprehensive assessment covering items from environmental performance of properties to measures for various stakeholders including disaster prevention and consideration for local communities, and supports such initiatives. Japan Real Estate Institute (JREI) has conducted certification, while DBJ has controlled the overall framework since August 2017. The framework has five levels of certification (★ ~ ★★★★★).
- (Note 3) “BELS Evaluation Certification” is a third-party evaluation framework to assess energy saving performance of buildings based on criteria stipulated by the Ministry of Land, Infrastructure, Transport and Tourism. The framework has five levels of certification (★★★★★ ~ ★).

| | | |
|------|----------|---|
| P.24 | (Note4) | CASBEE Real Estate Certification integrates multiple assessment methods including CASBEE's real estate assessment system, which SAR was assessed. CASBEE's real estate assessment system was developed with the aim of making use of the results of the environmental assessment of buildings in real estate assessment. It scores buildings under each of the evaluation items in five categories, comprising "1. Energy & Greenhouse Gases", "2. Water", "3. Use of Resources & Safety", "4. Biodiversity & Sustainable Site", and "5. Indoor Environment". Based on the scores, the assessment results are granted under one of four ranks: Rank S, Rank A, Rank B+, and Rank B. The same shall apply hereinafter. |
| | (Note 5) | "Urban Park Miyamaedaira" consists of two buildings ("Urban Park Miyamaedaira EAST" and "Urban Park Miyamaedaira WEST") and each of them received certification. |
| | (Note 6) | "Green lease contracts" indicates the lease contracts stating that the lessor and the tenant jointly determine rules including reduction of environmental burdens such as energy saving of properties and improvement of working environment by concluding contracts, memorandums, etc., and implement such rules. |
| P.30 | (Note 1) | As of the date of this document, the housing development project has been completed and is scheduled for delivery at the end of August 2022. SAR does not plan to acquire such development projects, etc., and there is no guarantee that SAR will be able to acquire it in the future as of the date of this document. |
| | (Note 2) | "Properties managed by Star Asia Group" refers to properties held by Star Asia Group as of April 30, 2022, and excludes properties held or to be acquired by SAR, and properties in which SAR has preferential negotiating rights as of July 31, 2022, as well as properties held by Polaris Holdings or its consolidated companies as of the same date. As of the date of this document, SAR has no plan to acquire properties operated by Star Asia Group and there is no guarantee that SAR will be able to acquire such properties in the future. The same shall apply hereinafter. |
| | (Note 3) | "Appraisal value" is calculated based on the appraisal values stated in the most recent appraisal reports for properties managed by Star Asia Group. |
| | (Note 4) | The property name of the "six Hotel Trusty facilities" were changed after Polaris Holdings had been entrusted with their operation. |
| P.31 | (Note 1) | Redevelopment projects are still in the consideration stage as of the date of this document, and will not necessarily be executed |
| | (Note 2) | The "Basic Agreement" refers to the basic agreement concluded with tenants for extension of Funabashi Hi-Tech Park Factory I. The same shall apply hereinafter. |
| | (Note 3) | "Estimated leased area" refers to the leasable area in the building after extension as specified in the Basic Agreement and may be changed depending on the progress of the project. |
| | (Note 4) | "Estimated monthly rent" refers to the expected rent for the building after extension as specified in the Basic Agreement and may be changed depending on future discussion with the tenant. |
| P.34 | (Note 1) | "Active management" refers to the active use of such management measures as public offerings, asset replacements, mergers, and investment in mezzanine loan debt to maximize unitholder's interest. The same shall apply hereinafter. |
| | (Note 2) | "Mezzanine loan debt" refers to loans and other debt backed or secured by properties and provided to special purpose vehicles holding the relevant properties, and subordinated to senior debt. The same shall apply hereinafter. |
| | (Note 3) | SAR invested in the "Haneda Hotel Development GK No.2 Class A unsecured Bonds" (hereinafter referred to as "Mezzanine Loan Debt Investment Series 7") in response to the redemption of the Mezzanine Loan Debt Investment Series 1 on July 29, 2022. The Mezzanine Loan Debt Investment Series 7 is backed by the same property as the Mezzanine Loan debt Investment Series 1. |
| | (Note 4) | "Negative goodwill" refers to the gap between the merger price calculated based on SAR's unit price as of July 31, 2020 and the market value of Sakura Sogo REIT's net assets value at the time of the Merger. The same shall apply hereinafter. |
| P.35 | (Note 1) | "abeno nini" is a sectional ownership building containing retail, hotel, and residential facilities. A part of the retail facility and the hotel, which is to be acquired by SAR, will be referred to as two different properties. The same shall apply hereinafter. |
| | (Note 2) | SAR classifies the investment target areas as Tokyo area, Greater Tokyo area, Osaka area, Nagoya area, Fukuoka area, Sapporo area and other government-designated cities, and determines the target areas for each area according to the asset type (usage). The 23 wards of Tokyo, Kawasaki city and Yokohama city, where SAR believes there is high demand for office and retail facility, are designated as the "Tokyo area." Tokyo and three other prefectures, namely Kanagawa prefecture, Saitama prefecture and Chiba prefecture are designated as the "Tokyo area" because demand for residences, logistics facilities, hotels and student residences is also expected outside the above areas due to their characteristics. In addition, the "Greater Tokyo area" is used for office and retail facilities in suburban Tokyo (outside the 23 wards of Tokyo) and major cities of Kanagawa prefecture (excluding Kawasaki city and Yokohama city) and of Saitama prefecture. "Osaka area" is used for residence and logistics facility in Osaka city and its neighboring areas, and is used for the other asset type in Osaka city. The same shall apply hereinafter. |

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| P.36 | (Note 1) | “Structure / floors” refers to the structure and floors of the principal building as registered in the registry of real estate, and may be different from the current status. For a sectional ownership building, structure / floors refer to the structure and floors of the entire building to which SAR holds sectional ownership. The same shall apply hereinafter. |
| | (Note 2) | “Total floor area” refers to, unless otherwise noted, the total floor area registered in the registry of real estate, and may be different from the actual status. The same shall apply hereinafter. For abeno nini (retail), the total floor area refers to the total floor area of the building (24,827.45m ² , equivalent to the total area registered in the registry of real estates) multiplied by the ratio of exclusive space (19.6%, see Note 3), rounded to the third decimal place. And for abeno nini (hotel), the total floor area refers to the total area of the building (24,827.45m ² , equivalent to the total area registered in the registry of real estates) multiplied by the ratio of exclusive space (31.3%, see Note 3), rounded to the second decimal place. |
| | (Note 3) | “Ratio of exclusive area” refers to the ratio of the exclusive space for each part of the retail facility and the hotel to be acquired by SAR, as specified in the relevant management by-laws. |
| P.27 | (Note 4) | “Occupancy rate” refers to the ratio of the leased area to the leasable area of the acquired assets as of July 31, 2022, rounded to the first decimal place. The same shall apply hereinafter. |
| | (Note 5) | “No. of tenants / rooms” refers for the number of tenants (excluding parking lots) to the total number of tenants in lease agreements as of April 30, 2022 regarding assets to be acquired by SAR. A tenant renting multiple units in an asset is only counted once, and a tenant renting units in multiple properties is counted separately in the column for total tenants. In the case of pass through master leases, the total number of end tenants is shown. The same shall apply hereinafter. “rooms” refers to the total number of rooms in the hotel operating in abeno nini (hotel). |
| | (Note 6) | “Completion date” refers to the date of completion of construction for the principal building as registered on the registry of real estates. The same shall apply hereinafter. |
| | (Note 7) | “Environmental certification” refers to environmental evaluation based on DBJ Green Building Certification, BELS Evaluation Certification, or CASBEE Real Estate Certification, in case the property is certified by such organizations. |
| P.37 | (Note 1) | “Tenant mix” contains the industry, leased area as specified in lease agreements, and the ratio of the leased area of each tenant to the sum of the leased area of all tenants in abeno nini (retail) for each tenant as of April 30, 2022. |
| | (Note 2) | “ADR” refers to the average unit price of guest room revenue (Average Daily Rate) and is calculated by dividing the total monthly rooms sales by the total number of guest rooms available (total number of guest rooms occupied) in the same period. The same shall apply hereinafter. |
| | (Note 3) | “Room Occupancy rate” refers to the ratio of the monthly total number of guest rooms sold to the total number of rooms available. The same shall apply hereinafter. |
| | (Note 4) | “Fujisawa City Fujisawa area” refers to one of the 13 districts of Fujisawa City designated by the municipal government. The area consists of Asahi-cho, Fujisawa (south), Fujisawa1-5, Honcho1-4, a part of Kugenuma, Kugenumashinmei1-5, Nishitomi, Nishitomi1-2, Daigiri, Daigiri1-3 and Fujigaoka1-3. |
| | (Note 5) | “Shonan area” refers to an area specified by Kanagawa Prefecture which includes Hiratsuka City, Fujisawa City, Chigasaki City, Hadano City, Isehara City, Samukawa Town, Oiso Town, and Ninomiya Town. |

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