



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

スターアジア不動産投資法人(3468)
スターアジア投資顧問株式会社

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

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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.

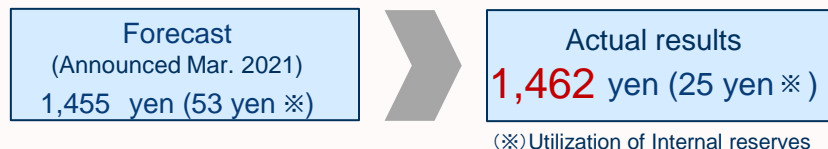
* 2 "Middle-size assets" are properties with acquisition prices of less than JPY10bn.

1. Executive Summary

1. Executive Summary

11th Fiscal Period Results Summary

◆ Distribution Per Unit



◆ NAV per unit



◆ Summary of Operational results by Assets Type

Office	18 Properties (Total leased area: 79,201.54㎡) Occupancy rate : 95.8% (10FP) ⇒ 93.1% (11FP) Cancellation : 13 Tenants (5,545.93㎡) New contract : 14 Tenants (3,424.21㎡)
Retail	3 Properties (Total leased area: 96,849.64㎡) Requests received for reduction/ exemption of rents : 4 Tenants (312.92㎡) / None accepted Cancellation : 2 Tenants (333.21㎡)
Residence	15 Properties (Total leased area: 89,602.30㎡) Occupancy rates at end of period of Total : 94.4 % Occupancy rates at end of period of Single Type : 79.8 % Occupancy rates at end of period of Family Type : 95.5 %
Logistics	9 Properties (Total leased area: 143,264.72㎡) 11FP/Renewal 1Tenant (Same terms and conditions) 12FP/Re-sign 1Tenant (Rent up), Renewal: 1 Tenant
Hotel	8 Properties (Total leased area: 23,819.44㎡) No accrued or unpaid rents.

Forecasts for 12th / 13th Fiscal Period

◆ Forecasted Distributions Per Unit

Forecast for Fiscal Period ending January 31, 2022	JPY 1,455 /unit
Forecast for Fiscal Period ending July 31, 2022	JPY 1,476 /unit

- ◆ As long as the effects of COVID-19 persist, our policy remains to utilize **negative goodwill** to offset any operational weakness and maintain distribution level.

ESG Initiatives

- ◆ Participate in the FY2021 **GRESB Real Estate Assessment**
~ Results will be announced in mid-October
- ◆ Disclosure of **achievement status related to E (=environment) numerical targets**
- ◆ **Change of Asset Management Fee Structure**

4th Public Offering Summary

◆ 4th Public Offering Summary

- Number of new investment units issued: **115,000** units
(Total no. of investment units issued : 1,789,389 units)
- Dilution ratio: **6.9** %
- Public offering type Greenshoe option: **16,743** units (**14.5%** of newly issued investment units)
- Total amount procured through public offering: **6.36** billion yen
- New borrowings: **7.0** billion yen (Invited new lenders, expanded bank formation)

◆ Assessment of the Public Offering

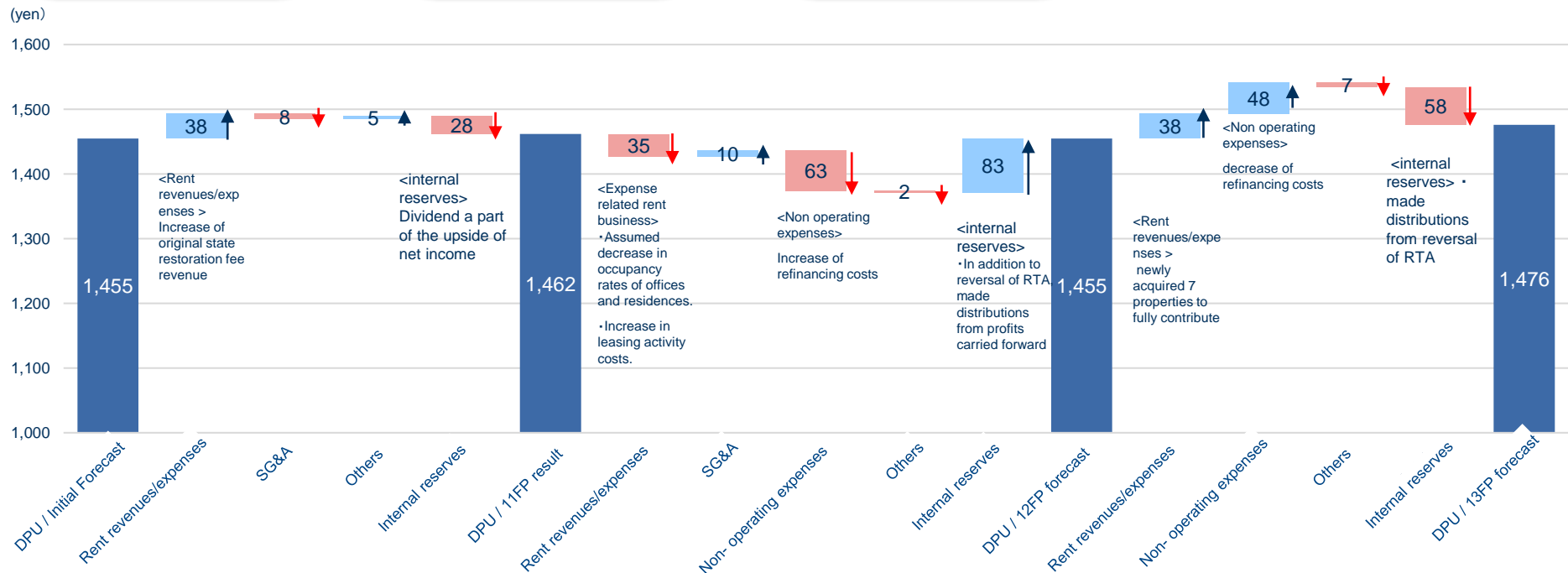
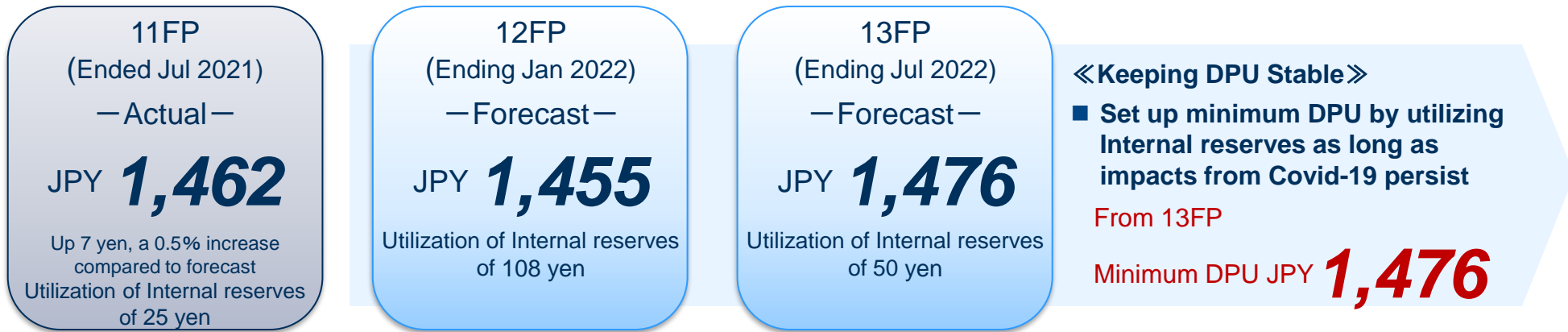
- Demand multiples were: institutional investors (domestic: 2-3 times, abroad: over 15 times), and retail (around 5 times), and the average demand was high at **approximately 9 times**.
- There were several **famous domestic and foreign institutional investors** who had not participated in past public offerings and subscribed for the first time, and we were able to have a real feel of **expansion of the investor base**.

2. Actual and forecasted distribution

2. Actual and Forecasted Distribution (1)

11FP Distribution per unit

- ◆ Distribution per unit (DPU) for the fiscal period ended July 2021 was +0.5% compared to forecast, as the portfolio NOI was higher than initially expected. For FP12, the forecasted amount (announced in March 2021) is expected to be maintained by utilizing internal reserves, and for FP 13, a 1.4% increase (compared to FP12) is anticipated assuming that occupancy rates will gradually increase.



2. Actual and forecasted distribution (2)

Operating Results (Summary) for the 11FP, and Forecast Assumptions for 12FP and 13FP

- ◆ For the fiscal period ended July 2021, while some asset types were affected by COVID-19, overall impact on income was limited.
- ◆ Although slightly prolonged downtime was seen for some offices and single-type residences, we have assumed that occupancy rates will gradually increase going forward.

	11FP (ended Jul. 2021) - Actual	Assumptions for 12FP, 13FP
Office	<ul style="list-style-type: none"> Cancelled floor area exceeded the newly contracted floor area, leading to overall occupancy rates seeing a slight decline. (End of 10FP: 95.8% ⇒ End of 11FP: 93.1%) There were also a few tenants who cancelled due to weak business performance given the effects of COVID-19. Of the 14 newly contracted tenants, for 10 tenants, rent increases in comparison to the former tenants were realized. 	<ul style="list-style-type: none"> ■ Downtime for vacant floor space has been set for slightly longer periods. ■ Although we anticipate that occupancy rates should gradually increase, for new contracts, we have assumed conservative assumptions. ■ No rent increases assumed upon contract renewals.
Retail	<ul style="list-style-type: none"> For tenants whose lease periods matured, all of them (other than cancelled tenants—one for which a new tenant has been found) have renewed the leases under the same terms. There was a limited number (four) of new requests for rent reductions/exemptions due to the impact of COVID-19. (No such requests were accepted during FP11) During FP11, there were no accrued rents, and revenues remained stable. 	<ul style="list-style-type: none"> ■ Most tenants handle daily necessities--and there is only one tenant where discussions are being held for rent reduction/exemptions--the impact is expected to be limited even if the request is accepted.) ■ Other than the single tenant expected to move out, revenues are assumed to be at the same level as the FP ended July 2021.
Residence	<ul style="list-style-type: none"> The occupancy status was satisfactory for family type residences. (Occupancy rates: End of FP10 96.6% ⇒ End of FP11 95.5%) Single-type residences showed a trend of prolonged downtime after cancellations. (Occupancy Rates: End of 10FP 83.2% ⇒ End of 11FP 79.8%) Of the 133 newly contracted residential units, we increased rent for 80 units (compared to the rent of the former tenants) 	<ul style="list-style-type: none"> ■ For family type residences, both rents and occupancy rates have been assumed to be at the same levels as actual performance for the FP ended July 2021. ■ For single type residences, increase in occupancy rates have not been anticipated and have been set at conservative levels.
Logistics	<ul style="list-style-type: none"> Contracts with tenants which were renewed during FP11 were all renewed under the same terms as before. For the two tenants whose contracts were expected to be renewed or newly signed during FP12, one tenant was newly signed with increased rent, and the other tenant was renewed under the same terms as before. 	<ul style="list-style-type: none"> ■ We have assumed that revenues will remain stable. ■ We will focus efforts on negotiations with two tenants whose contract periods mature in FP13 (business performance is expected to be maintained at current levels.)
Hotel	<ul style="list-style-type: none"> The “KOKO HOTEL Osaka Namba” is expected to open in December 2021 For the other hotels, fixed rents were received from all tenants. As the effects of COVID-9 is continuing, some hotels have temporarily closed down. 	<ul style="list-style-type: none"> ■ Rent revenues from “KOKO HOTEL Osaka Namba” are set at zero. ■ For the other hotels, it has been assumed that fixed rents will be received as agreed.

2. Actual and forecasted distribution (3)

Factors for increase/decrease compared with forecast/actual results for the 11FP

- ◆ Achieved increase in NOI amounts due to increase in rent revenues of held properties and focusing on cost reductions.
- ◆ Of the increase in NOI amounts excluding unexpected fee revenues from original state restoration is planned to be distributed in addition to the initial forecast amount. (DPU (vs forecast) +7 yen, increase by 0.5%).

(Unit: million yen)

	11 FP (ended Jan. 2021) forecast*	11 FP (ended Jan. 2021) Actual	Comparison with forecast		Factors for the increase/decrease
Lease business revenue	5,488	5,536	+47	+0.9%	<Revenues from leasing business> Office: prolongation of downtime was observed Retail: realized attracting tenant earlier than expected . +4.1 million yen (Kishiwada) Residence: prolongation of downtime was observed <Other> Original state restoration fee revenue +54 million yen Penalty charge revenue +3.9 million yen Renewal fee revenue +6.9 million yen Key money revenue +4.9 million yen
Office rent	1,819	1,807	△ 11	△0.7%	
Retail rent	784	790	+5	+0.7%	
Residence rent	1,038	1,023	△ 14	△1.4%	
Logistics rent	909	909	-	+0.0%	
Hotel rent	424	424	-	+0.0%	
Other	513	582	+69	+13.5%	
Expenses related to rent business (Depreciation is excluded)	1,569	1,556	△ 13	△0.8%	
NOI	3,919	3,980	+61	+1.6%	
Depreciation	635	633	△ 2	△0.4%	<Expenses of leasing business> Repair costs +26 million yen Utility costs △22 million yen Leasing costs △16 million yen
Rent revenues/expenses	3,283	3,347	+63	+1.9%	
Mezzanine	24	24		+0	
SGA	518	532	+14	+2.7%	
Operating income	2,788	2,838	+49	+1.8%	
Non-operating income	-	3	+3	-	
Non-operating expenses	439	434	△ 5	△1.2%	
Ordinary income	2,349	2,407	+58	+2.5%	
Income before income taxes	2,349	2,407	+58	+2.5%	
taxes	0	0	-	+0.0%	
Net income	2,348	2,407	+58	+2.5%	
Cash distribution per unit	1,455 yen	1,462 yen	+7 yen	+0.5%	
FFO per unit	1,782 yen	1,815 yen	+33 yen	+1.9%	
Balance of internal reserves	9,048	9,095	+46	+0.5%	
(Reference) Net income per unit (Yen per unit)	1,402 yen	1,437 yen	+35 yen	+2.5%	

(*) Announced in 10th FP closing of accounting report (March 16, 2021)



2. Actual and forecasted distribution (4)

Forecast of business results for the 12FP ending January 2022 / the 13FP ending July 2022

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

(Unit: million yen)

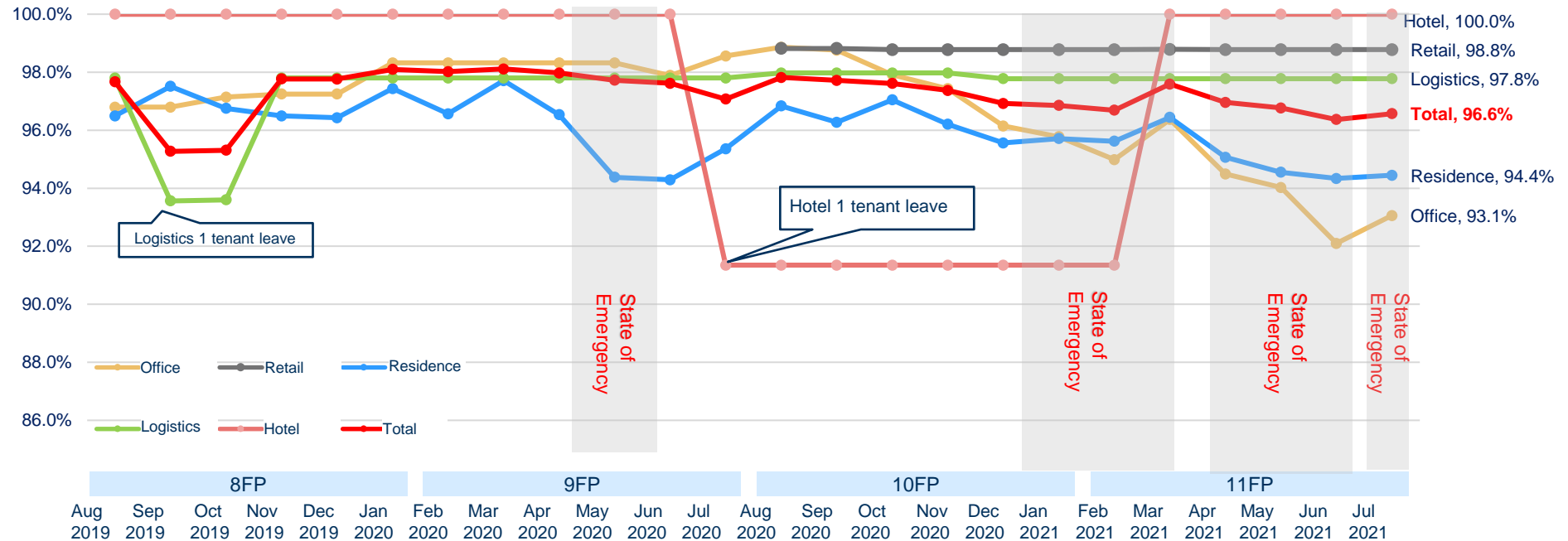
	11 FP (ended Jan. 2021) Actual (A)	Forecast for the 12 FP ending Jan 2022 (B)	Increase/decrease (B-A)		Major factors for the increase/decrease	Forecast for the 13FP ending Jul 2022(C)	Increase/decrease (C-B)		Major factors for the increase/decrease
Lease business revenue	5,536	5,873	①	+337	Increase / decrease factors for 12FP (compared to last forecast)	5,931	①	+57	Increase/ decrease factors for 13FP (compared to forecast for the 12 FP)
Expenses related to rent business (Depreciation is excluded)	1,556	1,674	②	+118	(1) Revenues from leasing business	1,650	②	△23	(1)Revenues from leasing business
NOI	3,980	4,199		+218	•Impact of acquired 7 assets +321 million yen	4,280		+81	•Impact of acquired 7 assets +53 million yen
Depreciation	633	684	③	+51	•Reduction in original state restoration fee revenues △48 million yen	697		+13	•Office rent revenues +73 million yen
Rent revenues/expenses	3,347	3,514		+167	•Penalty charge revenue +50 million yen	3,582		+67	•Utility fee revenues △21 million yen
Mezzanine	24	24		+0	(2) Leasing business expenses	24		+0	•Penalty revenues △50 million yen
SGA	532	550		+17	•Impact of acquired assets +54 million yen	562		+11	(2)Expenses of leasing business
Operating income	2,838	2,988		+149	•Repair expenses △29 million yen	3,044		+55	•Impact of acquired 7 assets +29 million yen
Non-operating income	3	-		△ 3	•Utility costs +31 million yen				•Utility expenses △12 million yen
Non-operating expenses	434	576	④	+141	•Leasing expenses +28 million yen	490	③	△86	•Leasing related costs △33 million yen
Income before income taxes	2,407	2,412		+4	•Loss on assets retirement +12 million yen	2,554		+141	•Loss on assets retirement △12million yen
Taxes	0	0		-	(3)Depreciation Impact of acquired 7 assets +37 million yen	0		-	(3)Temporary decrease in expenses due to refinancing
Net income	2,407	2,411		+4	(4) Non-operating expenses	2,553		+141	
Cash distribution per unit	1,462	1,455		△ 7	Temporary increase in expenses due to refinancing and financing associated with public offering	1,476		+ 21	

3. Operating results for the 11th fiscal period ended July 2021

3. Operating results for the 11th fiscal period ended July 2021 (1)

- Occupancy rate status -

- ◆ Although a slight prolongation of downtime was observed for offices and single-type residences, the occupancy rate for the portfolio on the whole was stable.

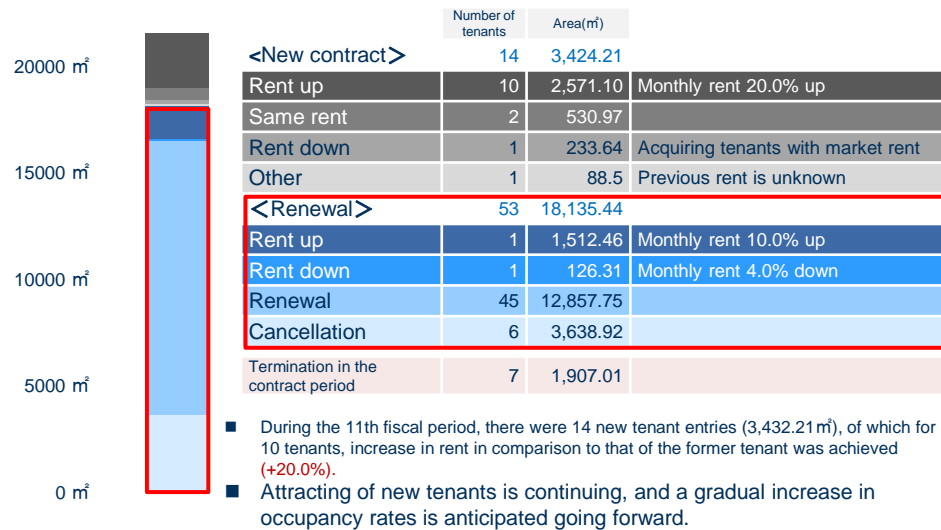


	8FP (Jan 2020)	9FP (Jul 2020)	10FP (Jan 2021)	11FP					
				Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021
Office	98.3%	98.6%	95.8 %	95.0%	96.4%	94.5%	94.0%	92.1%	93.1%
Retail	—	—	98.8 %	98.8%	98.8%	98.8%	98.8%	98.8%	98.8%
Residence	97.4%	95.4%	95.7 %	95.6%	96.4%	95.1%	94.6%	94.3%	94.4%
Logistics	97.8%	97.8%	97.8 %	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Hotel	100.0%	100.0%	91.3 %	91.3%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	98.1 %	97.1 %	96.9 %	96.7%	97.6%	97.0%	96.8%	96.4%	96.6%

3. Operating results for the 11th fiscal period ended July 2021 (2)

- Office - Status of rent gap and change in tenant as of the end of the 11FP

Status of changes to tenants in the fiscal period ended July 2021



(*)The ratio has been calculated using the gross area where tenant changes occurred within the 11th fiscal period (21,559.65m²) as the denominator.

Change in tenants in the 11FP (※)

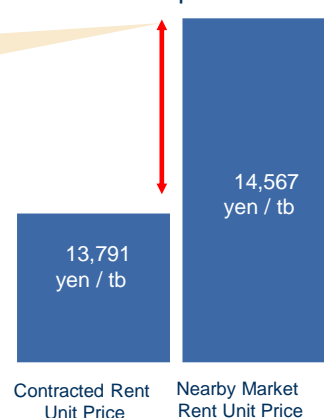
<Diversification status of rent gap>



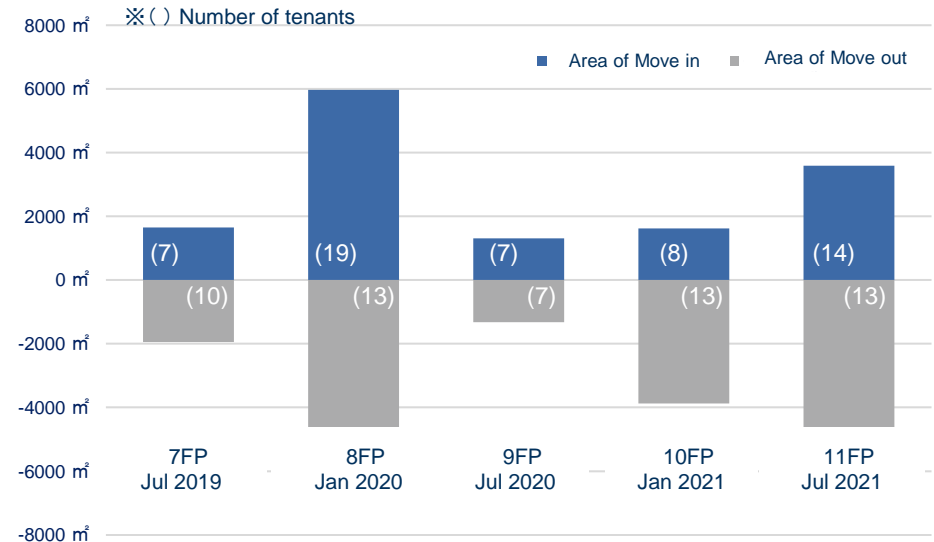
Rent gap exists at **776 yen/tb (5.6%)** of the total

Rent gap exists at **74.9%** (based on floor area) of the total

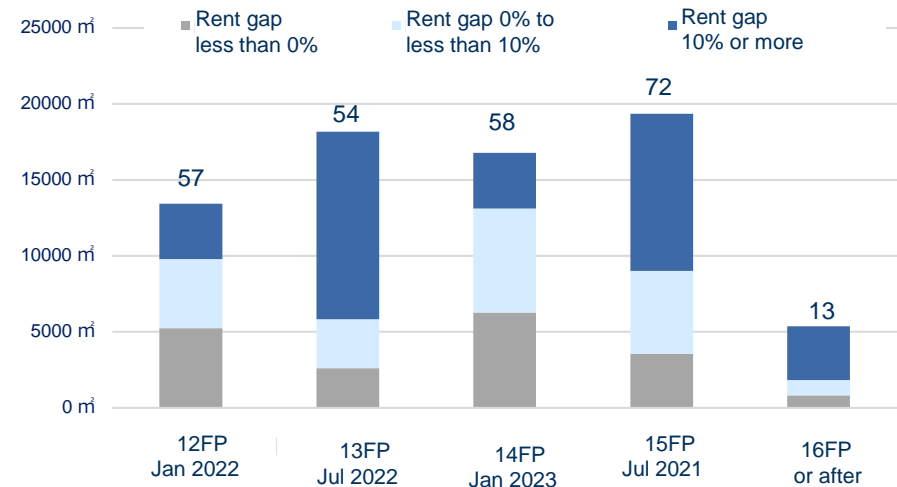
<Rent per Tsubo>



Transition of entering and leaving of tenants (by area & number of cases)



Contract Rent Period of Office Portfolio



(*) 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.



3. Operating results for the 11th fiscal period ended January 2021 (3)

- Retail -

Status of commercial facilities in 11FP

	Average occupancy rates during period	Occupancy rates at end of period
La Park Kishiwada	98.9 %	99.0 %
Suoy Mall Chikushino	97.6 %	97.6 %
Seiyu Minakuchi	100.0 %	100.0 %
Total	98.7 %	98.8 %
No. of requests received for reduction/exemption of rents during the 11 th fiscal period.	4 Tenants (None accepted) 312.92 m ²	
Tenants leaving during the 11 th fiscal period	2 Tenants 333.21 m ²	
Impact on revenues in 11 th fiscal period.	less than JPY 450K	

Tenants Breakdown by Business Type (as of end of July 2021)

Tenants Breakdown by Business Type	Area (m ²)		Number of lease agreements
Daily necessities (Food)	39,782.16	83.4 %	6
Daily necessities (Clothing)	3,726.98		11
Daily necessities (Others)	23,467.87		10
Other product sales	12,622.03		13
Clinic	168.60	0.1 %	2
Private tutoring schools	84.39		1
Child care and day care	0.00		0
Sports clubs	2,466.13		1
Food and beverage	1,302.31	1.4 %	12
Entertainment and amusement	8,622.82	9.0 %	3
Other services	3,422.17	3.6 %	18
Total	95,665.46	100.0 %	77

- Many of the tenants handle daily necessities (83.4% of the total floor space), and it is believed that the impact of spreading of COVID-19 on business performance will be limited.
- During the 11th fiscal period (ended July 2021), there were four requests received from tenants to reduce or exempt rents (none were accepted, one case is still under negotiation).
- During the 11th fiscal period, two tenants moved out (333.21 m²) for which one new tenant has already been found.
- One tenant expected to move out during the 12th fiscal period (1,071.09 m²)
- Going forward, while the impact of COVID-19 remains, if requests for reduction or exemption of rents is received from tenants, we intend to sincerely respond taking into consideration the business condition, financial condition, and the possibility of utilizing public support measures etc. for each individual tenant.

Asset management which contributes to the revitalization of the local community

<La Park Kishiwada>

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

- In the elementary school class called “Life Environment Studies”, social observation event “Town Exploration” was conducted as a study to discover the splendor of the local region.



- As an event “for making the society brighter” advocated by the Ministry of Justice, Legal Affairs, a Correction Exhibition (which displays and sells products manufactured in jails through Japan) was held.

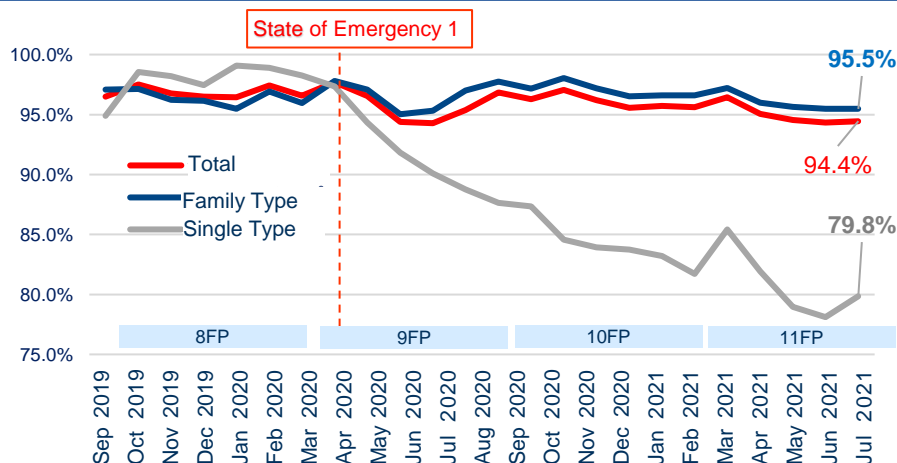


3. Operating results for the 11th fiscal period ended July 2021 (4)

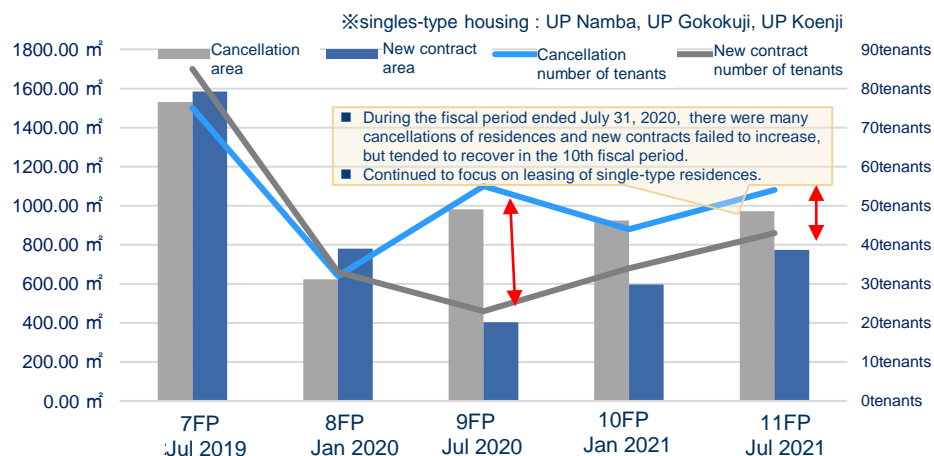
- Residence -

- ◆ Although occupancy rates for the three single type properties have decreased due to the tendency for prolonged downtime during covid, the overall impact remains limited given the overall proportion of the three properties is low.
- ◆ In August 2021, **4 mainly family type residential properties in the Tokyo area** were acquired, and stabilization and improvement of income is anticipated.

Transition of occupancy rates by individual properties.

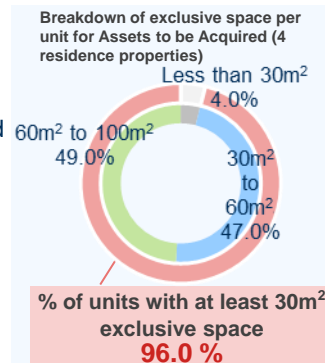


Transition of new contracts and cancellations of single-type residences



4 residential properties were incorporated in August 2021

- Acquisition mainly of properties with large occupancy areas, **which consist mainly of residential units with an occupancy area of 30 m² or more**, and these assets have had and are expected to have strong demand and stable operations even under COVID-19 pandemic
- **Selective investment in properties located in Tokyo area with convenient access**, which has been designated as a prioritized investment area by SAR
- Assets with expectations for internal growth in terms of **rent gap** (the difference between the current rent levels of existing tenants^(Note 1) and the assumed rents for new tenants^(Note 2) which exceeds the rent levels of existing tenants)



■ The assumed rents for new tenants

- Some properties have rent gap

Property name	The assumed rents for new tenants	The current rent levels of existing tenants
Urban Park Ryogoku	8,000 yen/tsubo	7,437 yen/tsubo
Urban Park Mizonokuchi	8,467 yen/tsubo	8,446 yen/tsubo
Urban Park Miyamaedaira	9,301 yen/tsubo	9,294 yen/tsubo
Urban Park Tsurumi	6,500 yen/tsubo	5,675 yen/tsubo

3. Operating results for the 10th fiscal period ended July 2021 (5)

- Logistics / Hotels -

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

11FP (ended July 2021)

Contract period expired for 1 tenant

- Lease contract renewed under the same terms as before.

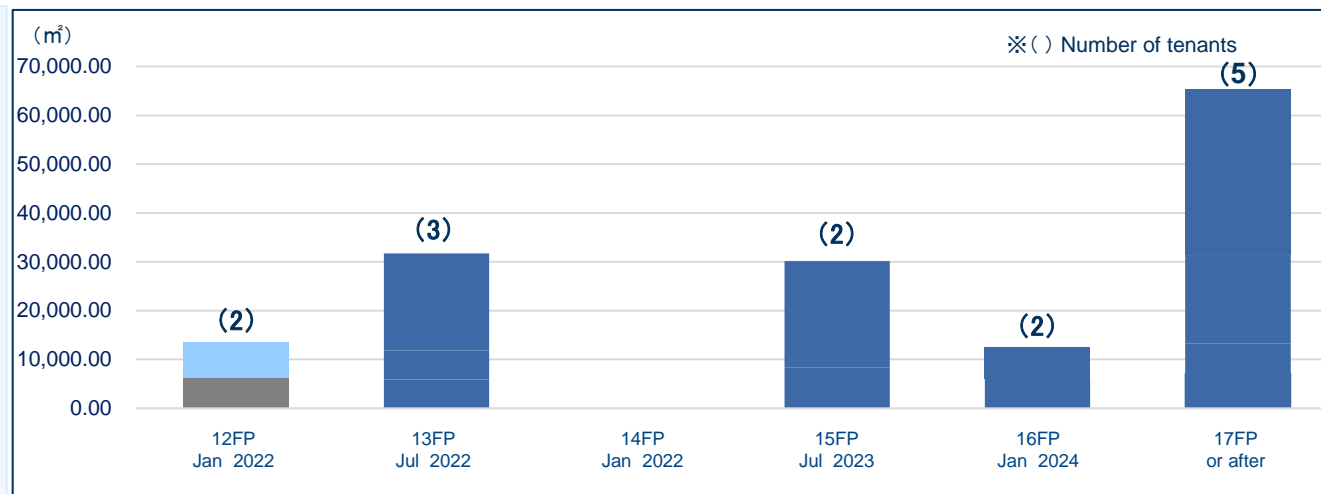
12FP (ending Jan. 2022)

Contract period to expire for 2 tenants

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

13FP (ending July 2022)

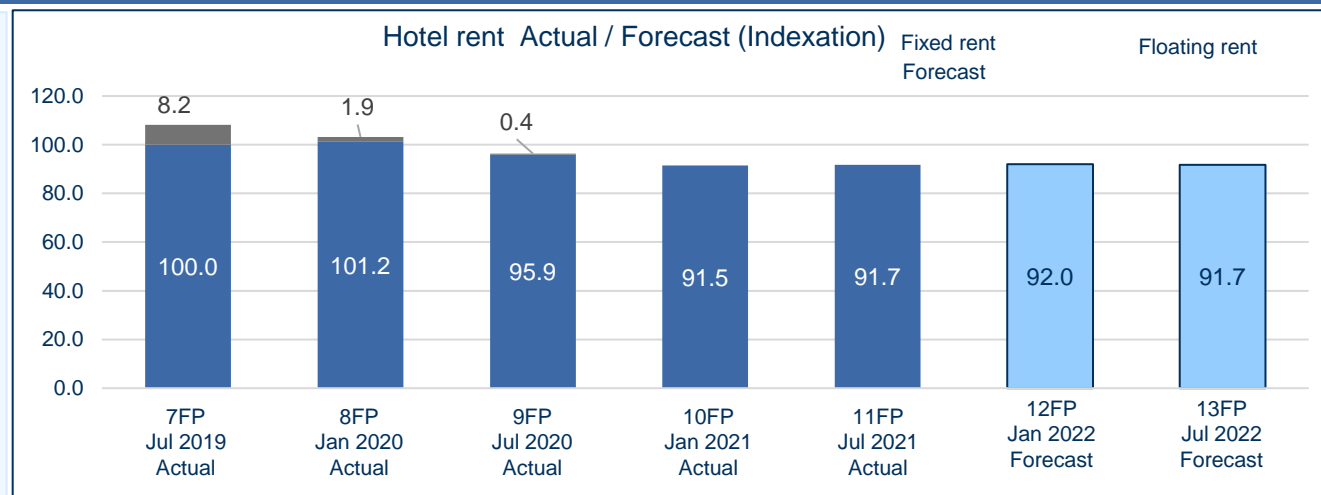
- To be negotiated



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

<Actual results for 11FP and financial performance forecast assumptions>

- In the 11FP (ended Jan 2021), fixed rents were received (none in arrears)
- "KOKO HOTEL Osaka Namba" **expected to open in mid-December 2021**. No rent revenues have been assumed from the hotel during 12FP and 13FP.
- For the remaining seven hotels, it has been assumed that fixed rents are received as agreed with the tenants.
- Best Western Yokohama has decided to accept COVID19 patients with mild symptoms as a recovery accommodation facility.



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



3. Operating results for the 11th fiscal period ended July 2021 (6)

- Financial standing –

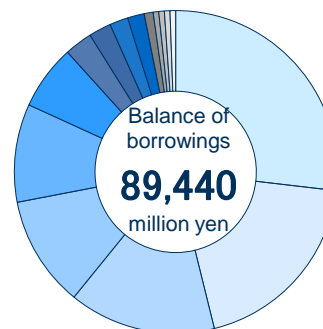
- ◆ Prolongation of the average borrowing term achieved through new borrowings and refinancings, and the ratio of fixed rate borrowings increased.
- ◆ Since 11FP, **3 new banks** were invited, **and the bank formation was expanded** (Lenders: increased to 15 banks (as of end of August 2021))

Main financial indicators

	10FP Jan 2021	11FP July 2021	as of August 31, 2021
LTV	45.9 %	46.0 %	-
Balance of borrowings	82,440 million yen	82,440 million yen	89,440 million yen
Long-term debt ratio	97.4 %	97.4 %	100.0 %
Average remaining period to maturity	2.2 years	2.3 years	3.0 years
Average borrowing period	4.5 years	4.7 years	5.0 years
Average interest rate (note1)	0.72 %	0.75 %	0.75 %
Fixed interest rate ratio	79.2 %	81.3 %	85.1 %

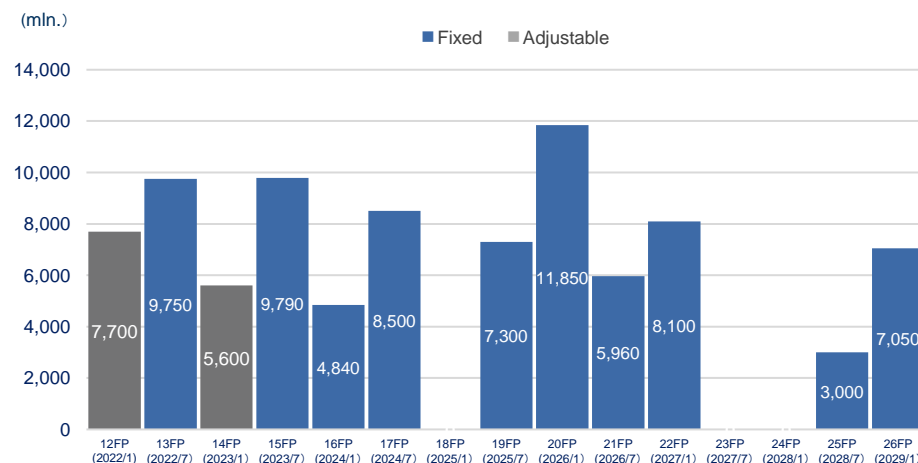
(*) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

Bank formation (as of August 31, 2021)



Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	26.9%	The Bank of Fukuoka	1.9%
Mizuho Bank	19.3%	The Bank of Yokohama, Ltd.	1.7%
Shinsei Bank	14.7%	Mizuho Trust & Banking	0.9%
Sumitomo Mitsui Trust Bank	11.1%	The Kiyo Bank, Ltd.	0.6%
Aozora Bank	9.8%	San-ju San Bank	0.6%
Resona Bank	6.5%	The Dai-ichi Life Insurance	0.6%
The Nishi-Nippon City Bank	2.8%	Fukoku Mutual Life Insurance Company	0.6%
Minato Bank	2.2%	Total 15 Lenders	

Diversification of repayment dates (as of August 31, 2021)



Credit Ratings

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

Submission of Shelf Registration Statement of Investment Corporation Bonds

Issuance of Investment Corporation Bonds being considered in order to diversify funding methods, extending the repayment dates of interest-bearing debts, and increasing the ratio of fixed rate liabilities.

Scheduled Amount to be Issued	100 billion yen
Scheduled Issuance Period of the Bond	2 years from the effective date of shelf registration statement (From February 2, 2021 to February 1, 2023)

4. Initiatives on ESG

4. Initiatives on ESG (1)

E (Environment) related numerical goals and ESG promotion system

- ◆ As a part of ESG related efforts, we participated in the FY2021 **GRESB Real Estate Assessment**. Results to be announced in October 2021.
- ◆ In order to strengthen ESG related efforts, further strengthen cooperation with **sub-sponsors (Nippon Kanzai and Tokyo Capital Management)**

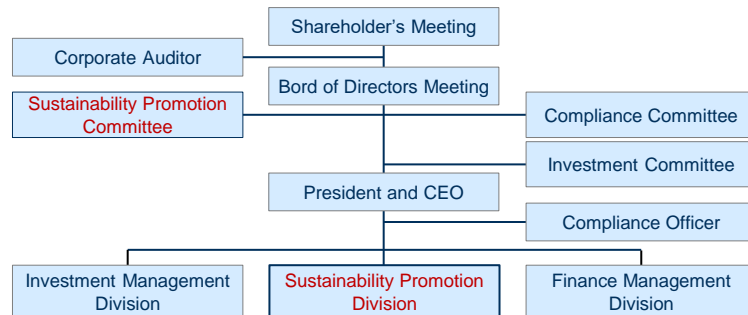
ESG promotion system

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

ESG Policy

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

New organization of the asset management company



- 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**
- **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.** (20 employees)
 - Institution with certification for **CASBEE**
 - Environment-related consulting services
- **East Japan Engineering Management Center** (30 employees)
- **West Japan Engineering Management Center** (24 employees)
 - Energy-related services
 - Environmental assessment services

Tokyo Capital Management (129 employees) (Sub sponsor)



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

Aim to achieve E (Environment) related goals

4. Initiatives on ESG (2)

E (Environment) related Numerical Goals and their Achievement Status

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

E (Environment) Related Numerical Objectives and Actual Performance

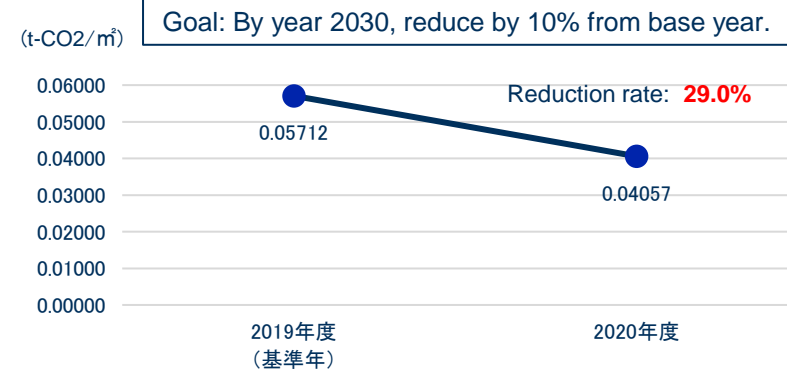
GHG	Unit	Base year (2019)	2020 Actual	Target Year (2030)
GHG emissions	t-CO ₂	23,154.05	16,804.50	-
Scope 1	t-CO ₂	1,968.71	1,129.44	-
Scope 2	t-CO ₂	21,185.34	15,675.06	-
GHG emissions intensity	t-CO ₂ /m ²	0.05712	0.04057	0.05140
Reduction rate (intensity)	%	-	▲ 29.0%	▲ 10.0%

Energy Consumption	Unit	Base year (2019)	2020 Actual	Target Year (2030)
Crude oil equivalent usage amount	kL	11,220.81	9,156.34	-
Crude oil equivalent usage per unit	kL/m ²	0.02768	0.02210	0.02491
Reduction rate	%	-	▲ 20.1%	▲ 10.0%

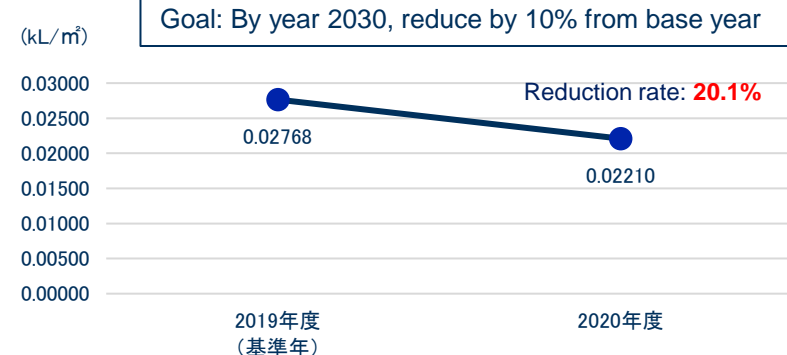
Water Resources	Unit	Base year (2019)	2020 Actual	Target Year (2030)
Clean water usage	m ³	329,687.35	220,847.18	-
Clean water usage intensity	m ³ /m ²	0.8133	0.5331	≤ 0.8133
Reduction rate	%	-	▲ 34.4%	±0%

Waste	Unit	Base year (2019)	2020 Actual	Target Year (2030)
Waste emissions	t	2,693.27	1,656.50	-
Coverage rate	%	69.1%	65.1%	-
Waste emissions intensity	t/m ²	9.61	6.14	≤ 9.61
Reduction rate	%	-	▲ 36.1%	±0%

GHG emissions intensity



Energy consumption intensity



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

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

GHG is calculated based on market standards.

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

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

4. Initiatives on ESG (3)

Initiatives for E (Environment) and S (Society)

- ◆ As of the end of July 2021, **DBJ Green Building Certification** (note 3) had been obtained for **9 properties**.
- ◆ As S (Society) related initiatives, during the FP ended July 2021, **Employees Satisfaction Surveys** and **Tenants Satisfaction Surveys** were conducted.

Initiatives for E (Environment)

◆ Received environmental certification

9 properties	Percentage of total floor area 37.3 %
---------------------	--

DBJ green building certification	Property name	Asset type	Total floor area
Buildings with the excellent level of "environmental and social awareness"	Baraki Logistics	Logistics	12,471.50 m ²
Buildings with the high level of "environmental and social awareness"	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
Buildings with the sufficient level of "environmental and social awareness"	Seishin Building	Office	7,624.66 m ²
	Seiyu Minakuchi	Retail	31,829.71 m ²
	Urban Park Daikanyama	Residence	8,261.29 m ²

Signing of green lease contracts (Note 4)

◆ Signing of green lease contracts (as of May 31, 2021)

- Established policy for green lease agreement and added green lease clauses for eight office tenants, two retail tenants, and two hotel tenants
- SAR plans to add the same clause to other properties

22 tenants	Total lending area 12,029.34 m²
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Initiatives for S (Society)

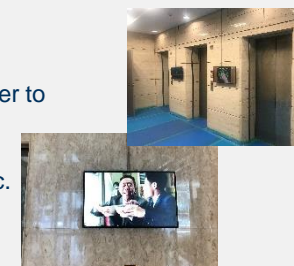
◆ Initiatives for employees

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

◆ Digital signage in elevator halls

- Digital signage is installed in the elevator halls which are common areas of the property, in order to enhance tenant satisfaction
- The signage displays various news, information about building facilities, and advertisements, etc.

◆ Tenants satisfaction surveys



4. Initiatives on ESG (4)

Governance

Same boat investment

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

Management team of the Asset Manager (as of July 31, 2021)

- Hold SAR's units through the employee unit purchase plan
- High commitment (Four officers hold **839** units in total)
- Akiko Kanno, Director and General Manager of the Finance Management Department, was approved as SAR's substitute executive officer at the October 2019 unitholders' meeting



Star Asia Group (as of September 14, 2021)

- 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:
219,190 units

Ownership:
12.2 %



Changes to the Calculation Formula for Asset Management Fees (under consideration)

- During FP ended July 2021, the composition ratio of on-going fees was changed. Aiming to further suit the interests of unitholders, changes are being considered of the calculation formula of asset management fees itself (No changes are expected to be made to other fees).
 - The rates on asset balances will be explicitly reduced, and the link to income from the managed assets to be increased.

	Current	Currently considered proposal
Management fees I	Total valuation amount of managed assets x 0.3% (upper limit)	Total valuation amount of managed assets x 0.2% (upper limit)
Management fees II	Rate capped at DPU before deduction of Management Fees II x NOI x 0.002% (upper limit)	NOI x 7.5% (upper limit)

Decision-making process

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



4. Initiatives on ESG (5)

Governance

Star Asia Group's Code of Conduct

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

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

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

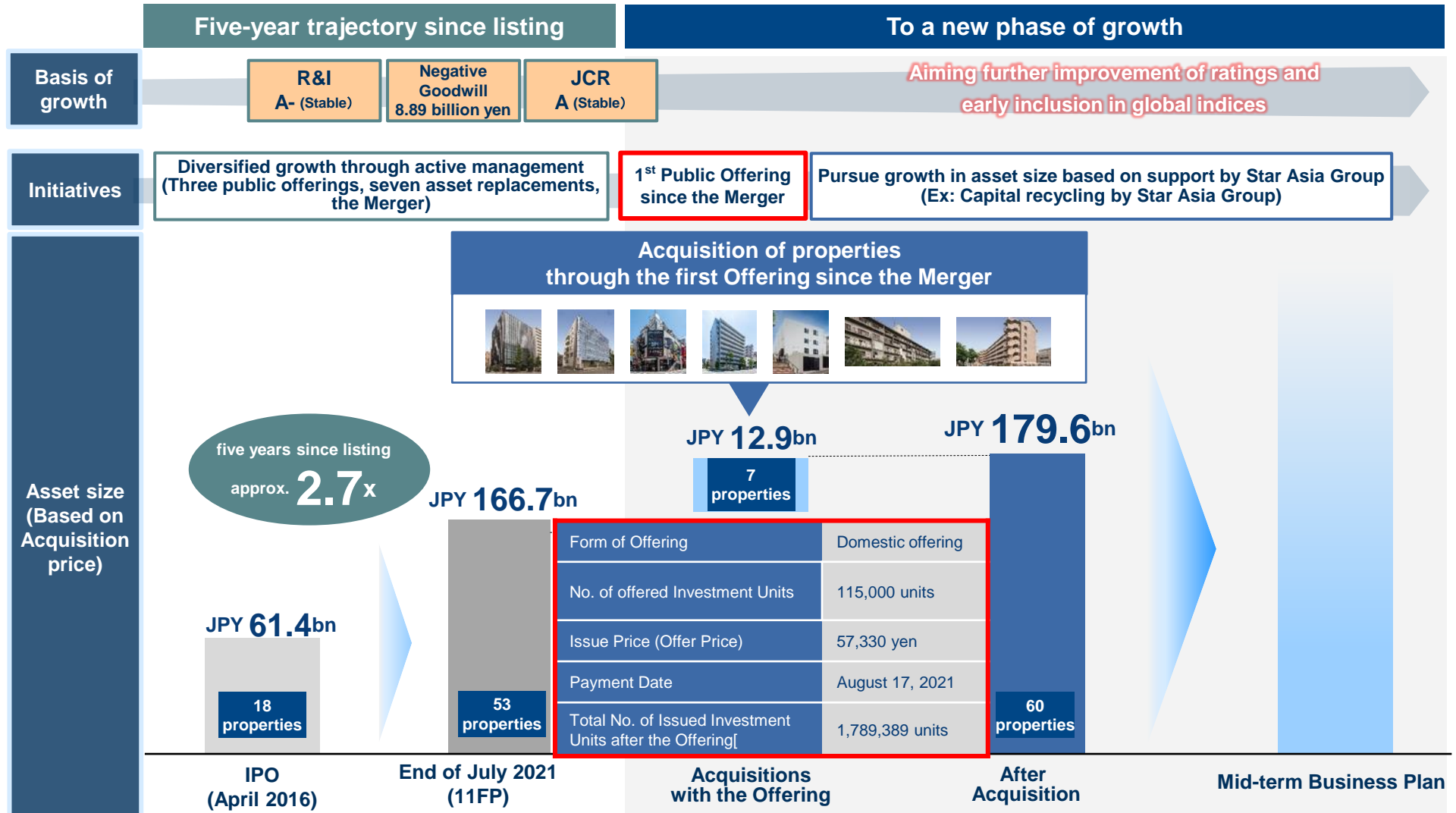
1	Client First	2	Highest Ethical Standards and Integrity	3	Creativity	4	Respect for Others
We are rewarded only when we consistently meet and exceed our investor clients' expectations for the mandates they have given to us.		We always abide by the highest ethical standards and integrity. Unethical actions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

5. Offering Summary

5. Offering Summary (1)

Significance of the Executed Public Offering

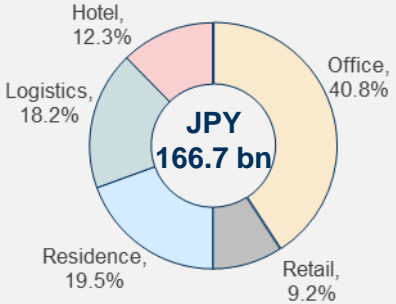
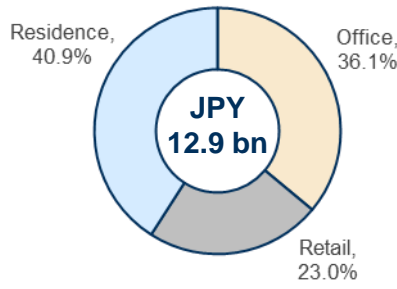
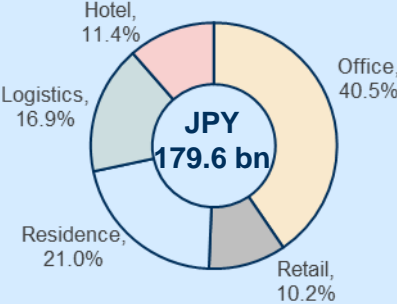
- ◆ Acquisition of properties (total price of JPY 12.9 bn) along with the offering are the **first step** toward achieving the Mid-term Business Plan (Announced March 2021)
- ◆ SAR has **negative goodwill (8.89 billion yen)** and **Ratings (JCR/A, R&I/A-)(*)** as the basis of growth, and aims early **inclusion in global indices**



(*) Credit ratings are the long-term issuer rating (JCR) and issuer rating (R&I) for SAR as of the date of this document, not credit ratings for SAR's investment units

5. Offering Summary (2)




Changes in Key Indicators

	As of End of July 2021 (11FP)	Assets Acquired upon Public Offering (August 2021)	Post-Acquisitions
No. of properties	53 properties	7 properties	60 properties
Asset size			
NAV per unit	JPY 57,994		
Portfolio appraisal NOI yield (Note 5)	4.9 %	4.6 %	4.9 %
Post-depreciation appraisal NOI yield (Note 6)	4.1 %	4.0 %	4.1 %
Ratio of Assets in Tokyo area (Note 7)	73.0 %	63.9 %	72.3 %
Ratio of Mid-size assets (Note 8)	93.3 %	100.0 %	93.8 %
Ratio of Assets acquired from Sponsor Group (Note 9)	76.4 %	53.3 %	73.9 %

5. Offering Summary (3)

List of Acquired Assets

- ◆ Acquisitions done in accordance with SAR's investment policy: 1) preference for/concentrated investment in the Tokyo area, 2) diversification of asset types, 3) investment focused on mid-size assets
- ◆ For the first time, SAR will acquire an office building (Urban Center Hakata) which is the first development project undertaken by Star Asia Sogo Kaihatsu

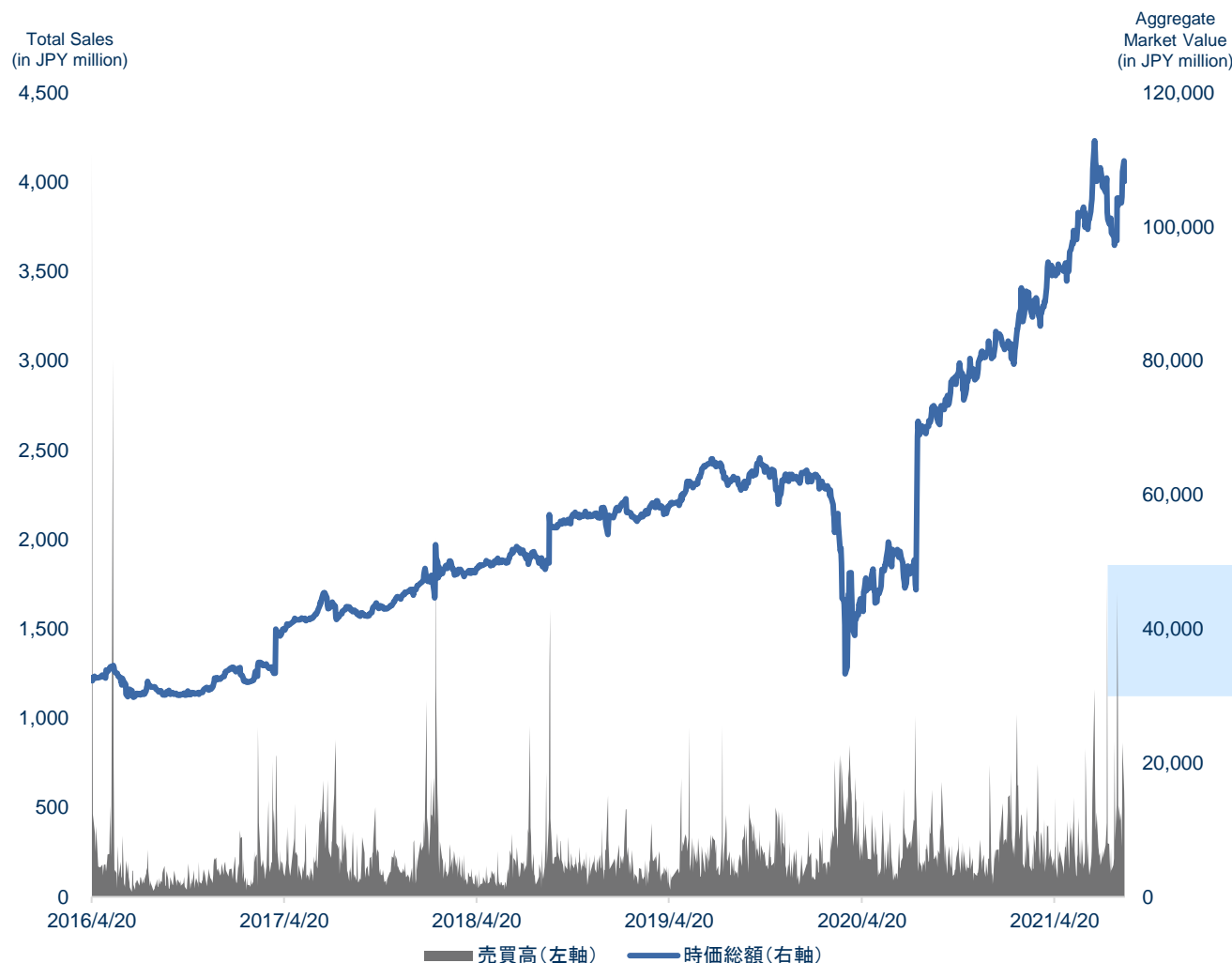
Total Acquisition price JPY 12,965 mn		Average appraisal NOI yield 4.6 % <small>(Note 10)</small>		Ratio of Mid-size assets 100.0 %		Ratio of Assets in Tokyo area 63.9 %		Ratio of Assets acquired from the Sponsor Group 53.3 %	
	Asset type	Property name	Acquisition price (JPY mn)	Area	Appraisal NOI yield	From time of acquisition to present			
	Office	Urban Center Hakata	2,870	Fukuoka area ^(Note 11)	4.4 %	Construction completed in Sept. 2020 and the first office development project undertaken by Star Asia Sogo Kaihatsu. Given the rent guarantee type master lease agreement by the Sponsor Group (up to August 2022), we anticipate stable income and rent upside after leasing activities are concluded.			
	Office	OHA Building	1,804	Greater Tokyo area ^(Note 12)	5.2 %	Multi-tenant type office building. The standard floor area is approximately 170 tsubo, which is competitive in the Tachikawa area. Accommodates the needs of branches and sales offices.			
	Retail	BAGUS Ikebukuro West	2,984	Tokyo area	4.1 %	A 2-minute walk from the huge terminal station of “Ikebukuro”. Given redevelopment projects in the surrounding area including Ikebukuro West District Redevelopment Project etc., this area is anticipated to further become a bustling commercial district and real estate prices are expected to rise.			
	Residence	Urban Park Ryogoku	1,115	Tokyo area	4.6 %	Given the property is managed as one of Sumida ward’s specified high-quality apartment, the current rent levels are lower than the surrounding market, and rent upside can be expected in the future.			
	Residence	Urban Park Miyamaedaira	1,060	Tokyo area	4.8 %	Construction completed in June 2021. At the time of acquisition, the occupancy rate was around 45%. However, as of Sept. 10, the occupancy rate was 57.3%.			
	Residence	Urban Park Mizonokuchi	2,019	Tokyo area	4.9 %	This is a quality property in a good location with good access to central Tokyo . The building also provides residences with various floor layouts.			
	Residence	Urban Park Tsurumi	1,113	Tokyo area	5.2 %	A family-type property leased under a lump-sum lease agreement to be used for corporate housing, and stable income is anticipated.			
Total Acquisitions Price / average			12,965		4.6 %				



(For Reference)

Towards incorporation into FTSE EPRA NAREIT Global Real Estate Index Series

- ◆ Due to reexamination of the FTSE EPRA NAREIT Global Real Estate Index Series, from September 2021, the aggregate market value adoption standard has been eased.
- ◆ The adoption standard for aggregate market value has been met, and preparation has begun aiming towards incorporation into the Series in December 2021.



Main Incorporation Requirements

<Disclosure of English Annual Report>

Disclosure of (audited) English annual report is required. SAR is currently preparing to disclose an English Annual Report in mid-October 2021.

<Aggregate Market Value Standard>

Requirement: 0.3% or more of Developed Asia
SAR has met this standard

<Other Requirements>

There are requirements concerning free float weight (ratio) during the subject period, trade volume, and financial data (real estate related EBITDA), however, SAR is expected to meet these requirements.)

Targeting incorporation into the Series in December 2021

6. Progression Status of Mid-Term Plan

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

Progression Status of Mid-Term Plan

- ◆ Inspection of the progress status towards the Mid-Term Plan prepared in March 2021.
- ◆ The asset size increased by **12.9 billion yen** to total **179.3 billion yen** due to the properties acquired in August 2021, and cruising DPY (forecast) **increased by 1.4%** to **1,476 yen** (forecast for FP ending July 2022).

Assets Size

As of the end of July 2021 **166.7** billion yen



Properties acquired August 2021 **12.9** billion yen



As of the end of August 2021 **179.6** billion yen

Priority measures going forward:

- Think “outside the box” and consider all measures.
- Sponsor pipeline (The fund’s assets under management of JPY 141.3 billion, pursuit development deals)
- Find deals through the asset management company’s own unique network.
- Conduct asset replacements as necessary.

Asset Size (Target): JPY **300** billion

Indicative number of properties **100**

Distributions Per Unit

Previous Cruising Forecasted
Distributions Per Unit (12FP) **1,455** yen

+1.4%

Current Cruising Forecasted
Distributions Per Unit (13FP) **1,476** yen

Priority measures going forward:

- Cooperate with sub-sponsor (Nippon Kanzasai Group)
- Resolve rent gaps in the office portfolio.
- Reduce costs leveraging on the economy of scale
- Rebuild the property management system to suit the portfolio mix.
- Optimize repair costs/ capital expenditures.

Distribution Per Unit (Target): **1,600** yen or more

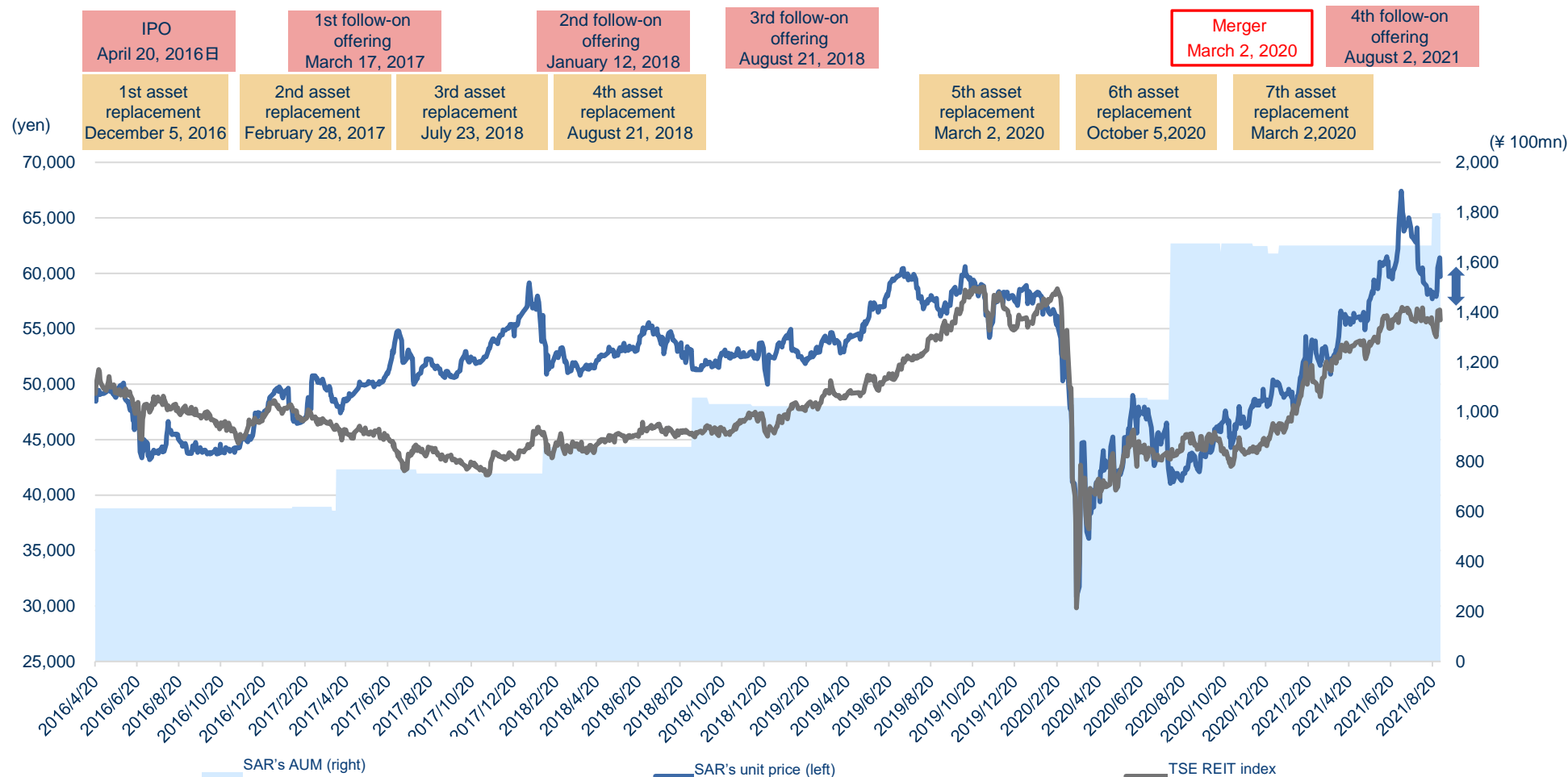
Growth objective of 2% per annum

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

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

◆ SAR has continuously implemented Active Management initiatives since IPO including asset replacements, the merger with Sakura Sogo REIT and POs 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 IPO in June 2021.

Active management and investment unit price performance since listing



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

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

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

SAR's acquisition record (cumulative) including Assets to be Acquired and disposed assets

67 properties

JPY 196.4 bn

Properties acquired from Star Asia Group^(Note 13)
(Including properties succeeded from SSR)

50 properties / JPY 160.5 bn

Properties acquired with support
by Star Asia Group^(Note 14)
(Warehousing, etc.)

13 properties / JPY 23.9 bn

Acquired Assets



Urban Center Hakata



BAGUS Ikebukuro West



OHA Building



Urban Park Ryogoku

Star Asia Group's initiatives for development projects



Urban Center Hakata

- ◆ The first office development project by Star Asia Sogo Kaihatsu Co., Ltd.
- ◆ A building developed by Star Asia Group, with high appeal for potential tenants and a commitment to quality



The picture is a rendering

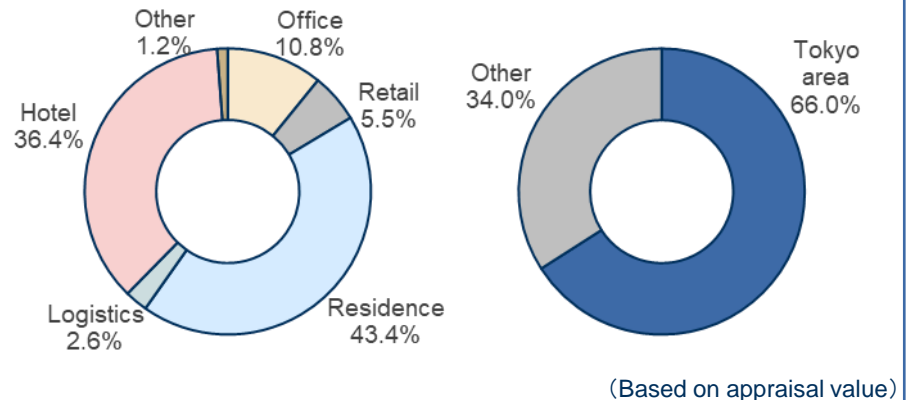
Initiatives for development projects

- ◆ Star Asia Group will continue to engage in development projects
- ◆ The next development project, located in central Kyoto^(Note 15)

Expectation for expanded pipeline for SAR

Properties managed by Star Asia Group
(As of May 31, 2021)

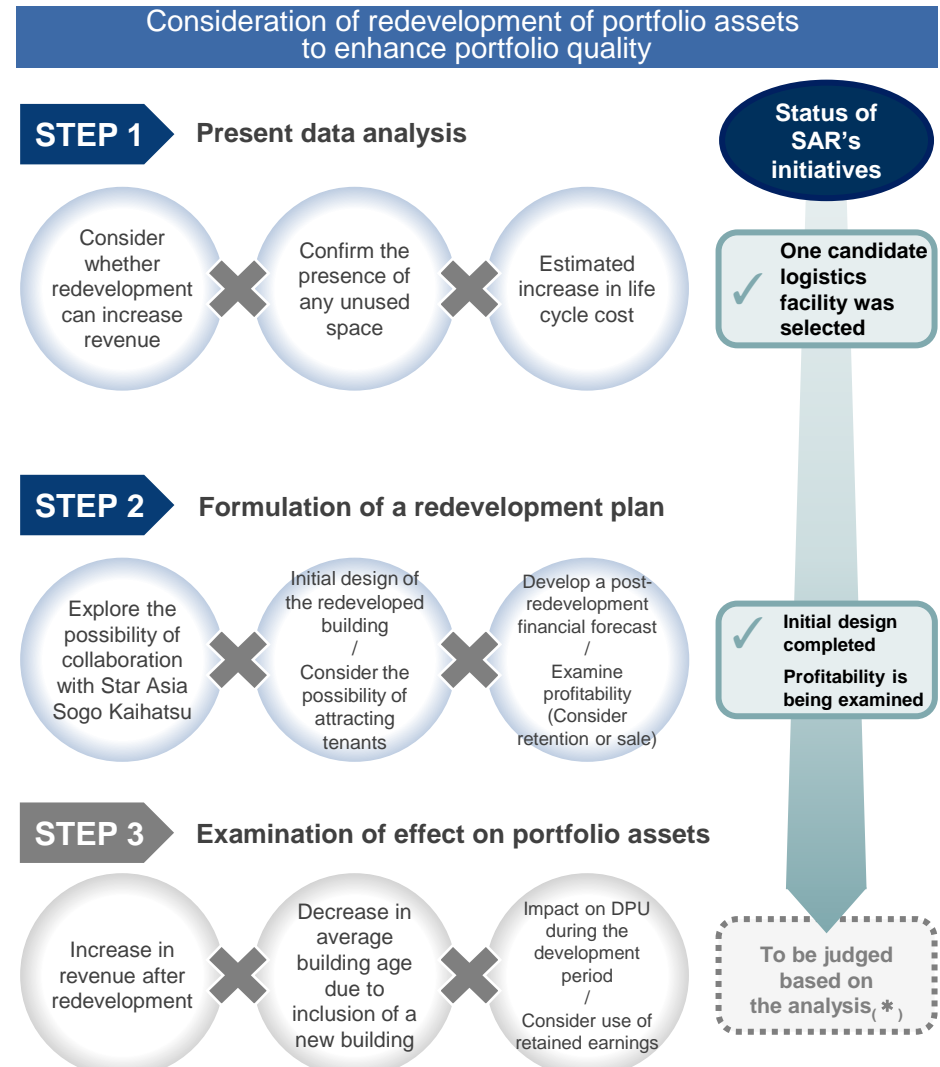
Total of appraisal value^(Note 16)
JPY 141.3 bn



6. Progression Status of Mid-Term Plan (4) Continued Initiatives to Improve Portfolio Quality

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

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



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

7. Appendix

About Star Asia Group



Taro Masuyama
Co-Founder and
Managing Partner

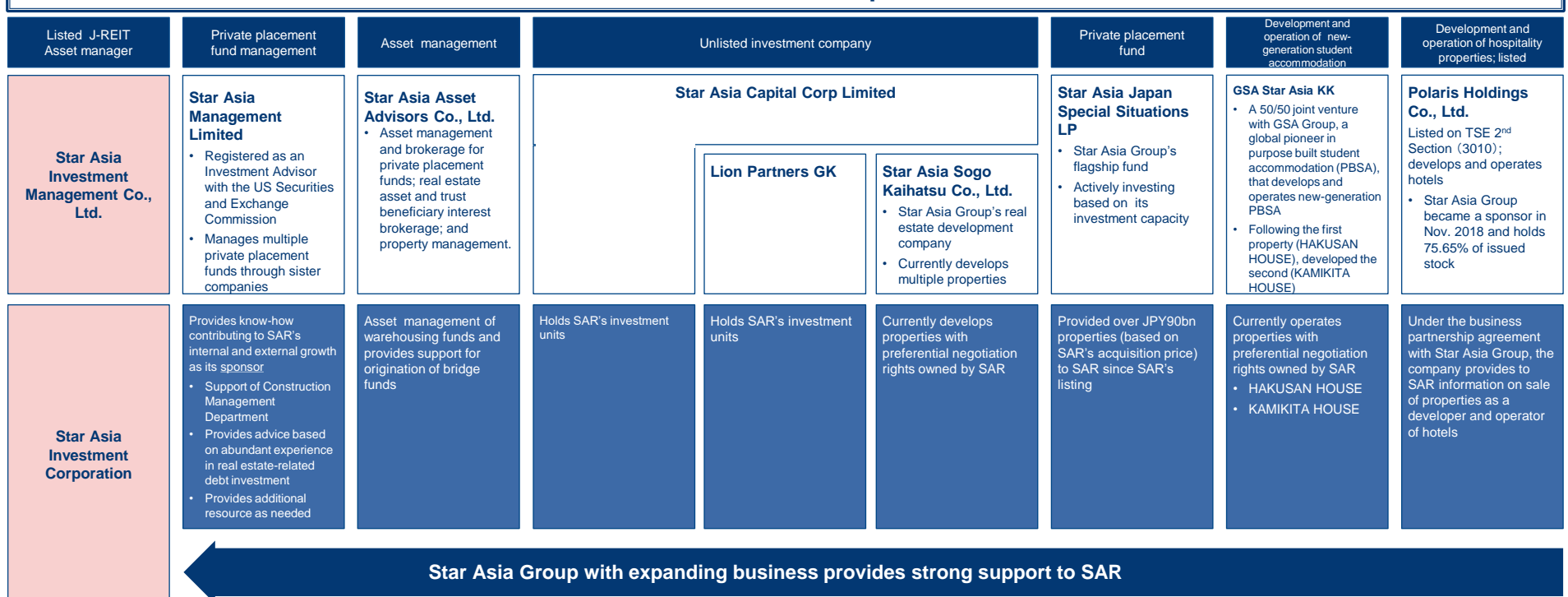


Malcolm F. MacLean IV
Co-Founder and
Managing Partner

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 JPY872 bn since its foundation in 2007.
- Star Asia Group has 357 officers and employees including over 50 investment and asset management professionals based in Tokyo or New Jersey, USA.¹
- 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



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 11th Fiscal Period ended July 2021

Number of investment units by attribute: Total 1,674,389 units

Category	End of 10FP		End of 11FP	
	No. of investment units	Ratio	No. of investment units	Ratio
Individual	526,688	31.5%	459,467	27.4%
Financial institution	470,418	28.1%	506,828	30.3%
Domestic corporation	105,042	6.3%	102,191	6.1%
Foreign	518,686	31.0%	534,436	31.9%
Securities company	53,555	3.2%	71,467	4.3%
Total	1,674,389	100.0%	1,674,389	100.0%

Number of unitholders by attribute: Total 27,282

Category	End of 10FP		End of 11FP	
	No. of unitholders	Ratio	No. of unitholders	Ratio
Individual	28,124	97.5%	26,579	97.4%
Financial institution	40	0.1%	36	0.13%
Domestic corporation	408	1.4%	373	1.37%
Foreign	237	0.8%	263	0.97%
Securities company	28	0.1%	31	0.11%
Total	28,837	100.0%	27,282	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)	174,680	10.4 %
2	Custody Bank of Japan, Ltd. (Trust Account)	117,380	7.0 %
3	NORTHERN TRUST CO. (AVFC) RE UKDU UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	76,638	4.6 %
4	Custody Bank of Japan, Ltd. (Security Trust Account)	65,419	3.9 %
5	The Nomura Trust and Banking Co., Ltd. (Trust Account)	59,598	3.6 %
6	Star Asia Capital I LLC	48,390	2.9 %
4	Star Asia Capital II LLC	48,390	2.9 %
8	Star Asia Capital III LLC	48,390	2.9 %
9	Star Asia Capital IV LLC	48,390	2.9 %
10	Lion Partners GK	41,933	2.5 %
Total		729,208	43.6 %

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

Change in business results

	6FP (ended Jan. 2019) actual	7FP (ended Jul. 2019) actual	8FP (ended Jan. 2020) actual	9FP (ended Jul. 2020) actual	10FP (ended Jan. 2021) actual	11FP (ended Jul. 2021) forecast*	11FP (ended Jul. 2021) actual	Comparison with forecast
Lease business revenue	3,224	3,344	3,200	3,314	5,648	5,488	5,536	47
Office rent	1,104	1,134	1,145	1,163	1,895	1,819	1,807	△ 11
Retail rent	-	-	-	-	848	784	790	5
Residence rent	458	438	439	512	889	1,038	1,023	△ 14
Logistics rent	912	910	817	887	974	909	909	-
Hotel rent	447	500	477	445	423	424	424	-
Other	302	349	320	306	616	513	582	69
Expenses related to rent business (Depreciation is excluded)	678	798	769	741	1,550	1,569	1,556	△ 13
NOI	2,545	2,535	2,431	2,573	4,097	3,919	3,980	61
Depreciation	409	415	420	432	628	635	633	△ 2
Rent revenues/expenses	2,135	2,119	2,011	2,141	3,469	3,283	3,347	63
Mezzanine	22	20	21	25	24	24	24	0
TK distribution	-	7	6	7	5	0	0	0
Gain on sale of real estate property	598	422	-	648	993	-	-	-
Loss on sales of real estate property	-	-	-	-	19	-	-	-
SGA	349	344	316	690	1,096	518	532	14
Operating income	2,406	2,225	1,721	2,131	3,376	2,788	2,838	49
Non-operating income	0	0	1	3	4		3	3
Non-operating expenses	333	261	227	278	469	439	434	△ 5
Extraordinary income	-	-	-	-	8,891			
Net income	2,049	1,964	1,493	1,857	11,801	2,348	2,407	58
Cash distribution per unit	3,720	3,625	2,788	3,436	1,676	1,455	1,462	7
FFO per unit	3,440	3,620	3,539	3,033	1,531	1,782	1,815	33
Balance of Internal reserves	151	155	141	140	9,135	9,048	9,095	46



Balance Sheets for the 11th Fiscal Period ended July 31, 2021

(Unit: thousand yen)

	10FP (As of January 31, 2021)	11FP (As of July 31, 2021)
Assets		
Current assets		
Cash and deposits	3,565,028	3,169,688
Cash and deposits in trust	7,515,934	7,536,399
Operating accounts receivable	82,348	96,187
Prepaid expenses	188,497	177,085
Consumption taxes receivable	-	83,497
Other	9,208	7,506
Total current assets	11,361,017	11,070,364
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(14)	(42)
Tools, furniture and fixtures, net	100	71
Buildings in trust	49,326,896	49,655,872
Accumulated depreciation	(3,460,097)	(4,084,344)
Buildings in trust, net	45,866,798	45,571,527
Structures in trust	20,635	20,635
Accumulated depreciation	(3,671)	(4,393)
Structures in trust, net	16,964	16,242
Machinery and equipment in trust	73,226	97,214
Accumulated depreciation	(14,997)	(18,872)
Machinery and equipment in trust, net	58,228	78,341
Tools, furniture and fixtures in trust	47,023	56,654
Accumulated depreciation	(16,360)	(20,334)
Tools, furniture and fixtures in trust, net	30,663	36,319
Land in trust	117,051,893	117,051,893
Construction in progress in trust	-	550
Total property, plant and equipment	163,024,648	162,754,946
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	756,206	692,234
Long-term loans receivable	300,000	300,000
Long-term prepaid expenses	245,057	260,510
Lease and guarantee deposits	20,519	10,459
Total investments and other assets	1,321,782	1,263,203
Total non-current assets	168,428,731	168,100,450
Total assets	179,789,748	179,170,815

	10FP (As of January 31, 2021)	11FP (As of July 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	621,461	544,542
Short-term loans payable	2,150,000	2,150,000
Current portion of long-term loans payable	22,660,000	23,450,000
Accounts payable - other	541,206	492,764
Accrued expenses	43,534	41,562
Income taxes payable	605	605
Accrued consumption taxes	252,480	71,861
Advances received	835,113	913,623
Other	30,588	23,834
Total current liabilities	27,134,990	27,688,794
Non-current liabilities		
Long-term loans payable	57,630,000	56,840,000
Tenant leasehold and security deposits	6,142	6,142
Tenant leasehold and security deposits in trust	5,197,022	5,217,745
Other	221,075	238,654
Total non-current liabilities	63,054,239	62,302,542
Total liabilities	90,189,230	89,991,336
Net assets		
Unitholders' equity		
Unitholders' capital	52,745,966	52,745,966
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	-	8,891,236
Total voluntary reserve	-	8,891,236
Unappropriated retained earnings (undisposed loss)	11,942,013	2,651,806
Total surplus	37,074,231	36,675,261
Total unitholders' equity	89,820,197	89,421,227
Valuation and translation adjustments		
Deferred gains or losses on hedges	(219,679)	(241,749)
Total valuation and translation adjustments	(219,679)	(241,749)
Total net assets	89,600,518	89,179,478
Total liabilities and net assets	179,789,748	179,170,815

Statement of Income for the 11th Fiscal Period

(From February 1, 2021 to July 31, 2021)

(Unit: thousand yen)

	10FP (As of January 31, 2021)	11FP (As of July 31, 2021)
Operating revenue		
Lease business revenue	5,259,516	5,184,498
Other lease business revenue	389,105	351,786
Gain on sales of real estate property	993,574	-
Other revenue	29,933	24,495
Total operating revenue	6,672,130	5,560,780
Operating expenses		
Expenses related to rent business	2,179,316	2,189,167
Loss on sales of real estate property	19,285	-
Asset management fee	405,303	380,024
Asset custody and administrative service fees	47,427	38,699
Directors' compensations	2,400	2,400
Merger expenses	448,870	-
Other operating expenses	192,798	111,699
Total operating expenses	3,295,402	2,721,990
Operating income	3,376,728	2,838,789
Non-operating income		
Interest income	51	63
Reversal of unpaid distribution	4,111	3,390
Interest on refund	1	1
Other	0	-
Total non-operating income	4,164	3,454
Non-operating expenses		
Interest expenses	299,303	301,653
Borrowing related expenses	170,497	132,679
Total non-operating expenses	469,801	434,333
Ordinary income	2,911,090	2,407,910
Extraordinary income		
Gain on negative goodwill	8,891,236	-
Total extraordinary income	8,891,236	-
Income before income taxes	11,802,327	2,407,910
Income taxes - current	605	605
Total income taxes	605	605
Net income	11,801,722	2,407,305
Retained earnings brought forward	140,290	244,500
Unappropriated retained earnings (undisposed loss)	11,942,013	2,651,806

Portfolio List (as of July 31, 2021)

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 11 FP (mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Office	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	2,990	1.8	4.7
	Honmachibashi Tower	Osaka City, Osaka	6,065	6,810	3.6	5.1
	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	2,520	1.1	6.6
	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	3,230	1.2	5.9
	Asahi Building	Yokohama City, Kanagawa	6,320	7,900	3.8	5.1
	Hakata-eki East Place	Fukuoka City, Fukuoka	2,286	2,780	1.4	5.6
	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1,540	0.9	4.7
	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2,710	1.5	4.0
	Higashi Kobe Center Building	Kobe City, Hyogo	7,440	7,390	4.5	5.7
	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1,160	0.6	4.0
	Seishin Building	Shinjuku Ward, Tokyo	11,200	11,200	6.7	3.7
	NK Building	Chiyoda Ward, Tokyo	5,350	5,370	3.2	3.8
	Tsukasamachi Building	Chiyoda Ward, Tokyo	4,590	4,580	2.8	3.9
	Takadanobaba Access	Shinjyuku Ward, Tokyo	3,990	3,990	2.4	4.1
	Azabu Amerex Building	Minato Ward, Tokyo	2,780	2,790	1.7	3.8
	Hiei-Kudan Building	Chiyoda Ward, Tokyo	2,400	2,380	1.4	4.0
	Shin-Yokohama Nara Building	Yokohama City, Kanagawa	2,300	2,430	1.4	5.1
	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	1,490	0.9	4.0
	Subtotal		68,059	73,260	40.8	4.6
Retail	La Park Kishiwada	Kishiwada City, Osaka	5,400	5,210	3.2	7.1
	Suoy Mall Chikushino	Chikushino City, Fukuoka	6,550	6,440	3.9	5.7
	Seiyu Minakuchi	Koka City, Shiga	3,320	3,330	2.0	7.4
	Sub total		15,270	14,980	9.2	6.6
Residence	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2,580	1.2	4.4
	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	8,750	3.8	4.7
	Urban Park Namba	Osaka City, Osaka	1,490	1,530	0.9	5.4
	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1,510	0.9	4.6
	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1,190	0.7	5.0
	Urban Park Ryokuchi-koen	Suita City, Osaka	1,550	1,660	0.9	5.7
	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1,180	0.7	4.7
	Urban Park Ichigao	Yokohama City, Kanagawa	1,810	1,940	1.1	4.8
	Urban Park Gytoku	Ichikawa City, Chiba	1,430	1,540	0.9	4.7
	Shiroi Logiman	Shiroi City, Chiba	2,470	2,460	1.5	5.7
	Urban Park Sekime	Osaka City, Osaka	2,150	2,250	1.3	5.3
	Urban Park Imazato	Osaka City, Osaka	993	1,020	0.6	5.4
	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	1,800	1.0	3.7
	Urban Park Azabujuban	Minato Ward, Tokyo	3,506	3,840	2.1	5.6
	Urban Park Daikanyama	Shibuya Ward, Tokyo	3,160	3,400	1.9	5.5
	Subtotal		32,472	36,650	19.5	5.0

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 11FP (mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Logistics	Iwatsuki Logistics	Saitama City, Saitama	6,942	7,490	4.2	4.8
	Yokohama Logistics	Yokohama City, Kanagawa	3,560	4,230	2.1	5.7
	Funabashi Logistics	Funabashi City, Chiba	7,875	8,720	4.7	5.3
	Baraki Logistics	Ichikawa City, Chiba	4,700	4,900	2.8	4.2
	Tokoyozawa Logistics	Tokorozawa City, Saitama	1,300	1,410	0.8	5.7
	Funabashi Nishiura Logistics I	Funabashi City, Chiba	821	867	0.5	7.0
	Funabashi Nishiura Logistics II	Funabashi City, Chiba	2,755	2,910	1.7	5.5
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	1,710	1,710	1.0	6.5
	Funabashi Hi-Tech Park I	Funabashi City, Chiba	702	704	0.4	6.8
	Subtotal		30,365	32,941	18.2	5.2
Hotel	R&B Hotel Umeda East	Osaka City, Osaka	2,069	2,270	1.2	5.4
	Smile Hotel Namba	Osaka City, Osaka	1,750	1,410	1.0	4.3
	Best Western Tokyo Nishi-kasai	Edogawa Ward, Tokyo	3,827	3,610	2.3	4.3
	Best Western Yokohama	Yokohama City, Kanagawa	3,248	3,200	1.9	4.5
	Hotel WBF Fukuoka Tenjin Minami	Fukuoka City, Fukuoka	1,970	1,920	1.2	4.4
	GLANSIT Akihabara	Chiyoda Ward, Tokyo	2,500	2,440	1.5	3.9
	Best Western Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3,130	1.9	4.0
	KOKO HOTEL Namba	Osaka City, Osaka	2,000	1,400	1.2	3.7
	Subtotal		20,544	19,380	12.3	4.3
Total			166,710	177,211	100.0	4.9

Period-end appraisal value : 177,221 million yen

Total book value : 166,836 million yen

Period-end unrealized gains (losses) : 10,375 million yen

Net assets per unit : 53,260 yen

Unrealized gains per unit : 6,196 yen

NAV per unit (*1) : 57,994 yen

P/NAV per (*2) : 1.04

(*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 30, 2021: 60,400 yen)

Other assets under management (as of July 31, 2021)

<Acquired on August 19, 2021>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Appraisal NOI yield (%) (※)
Office	OHA Building	Tachikawa-shi, Tokyo	1,804	1,950	5.2
	Urban Center Hakata	Fukuoka-shi, Fukuoka	2,870	3,030	4.4
	Subtotal		4,674	4,980	4.7
Retail	BAGUS Ikebukuro West	Toshima-ku, Tokyo	2,984	3,240	4.1
	Subtotal		2,984	3,240	4.1
Residence	Urban Park Ryogoku	Sumida-ku, Tokyo	1,115	1,190	4.6
	Urban Park Mizonokuchi	KawasakiCity, Kanagawa	2,019	2,100	4.9
	Urban Park Miyamaedaira	KawasakiCity, Kanagawa	1,060	1,150	4.8
	Urban Park Tsurumi	Yokohama City, Kanagawa	1,113	1,190	5.2
	Subtotal		5,307	5,630	4.9
			12,965	13,850	4.6

< Mezzanine loan debt investment >

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

Number	Type	Name of the security (asset overview)	Period-end book value (million yen)	Underlying asset, etc.		Interest rate (※)
				Asset name	Location	
MEZ-01	Mezzanine (Subordinated bonds)	Star Asia Mezzanine Loan Debt Investment Series 1	400	Relief Premium Haneda	Ota Ward, Tokyo	Base rate +5.0%
MEZ-03	Mezzanine (Subordinated Beneficiary Interest)	Star Asia Mezzanine Loan Debt Investment Series 3	122	The Royal Garden Residence Shirokanedai	Minato Ward, Tokyo	Base rate +5.0%
MEZ-04	Mezzanine (Subordinated loan claims)	Star Asia Mezzanine Loan Debt Investment Series 4	300	DS Kaigan Building	Minato Ward, Tokyo	Base rate +5.0%
MEZ-05	Mezzanine (Subordinated Beneficiary Interest)	Star Asia Mezzanine Loan Debt Investment Series 5	150	Sanmaison Ohorikoenkita	Fukuoka city, Fukuoka	Base rate +5.0%
Total			972			

< Silent partnership equity interest >

Number	Investments securities	Period-end book value (million yen)	Underlying asset, etc.	
			Property name	Location
TKI-02	GK SAPR7 silent partnership equity interest	19	OHA Building	Tachikawa city, Tokyo
Total		19		

(※) "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.

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	3,020 million yen		6,760 million yen		2,500 million yen		3,220 million yen		7,790 million yen		2,630 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	96,477	133,299	239,587	195,045	109,835	94,358	80,650	70,900	228,609	225,851	104,071	108,224
Lease business revenue	88,052	78,864	184,096	173,222	101,689	88,035	75,382	66,387	211,188	210,571	92,775	97,514
Other lease business revenue	8,424	54,435	55,490	21,823	8,145	6,323	5,267	4,513	17,421	15,279	11,296	10,710
Total operating expenses from real estate leasing	26,239	40,581	96,862	55,964	35,230	35,864	17,672	14,715	62,908	54,707	26,940	29,184
Management fee	5,901	5,766	14,020	13,860	6,921	6,524	4,861	4,733	15,979	15,405	8,174	8,715
Utilities expenses	400	400	400	400	400	400	350	350	400	600	400	400
Insurance premium	5,863	4,429	19,254	17,203	7,475	5,795	3,132	2,609	16,672	15,471	7,687	6,267
Repair expenses	120	148	370	457	133	164	46	57	371	479	173	216
Trust fee	1,325	16,188	31,880	2,964	4,746	3,462	1,618	2,270	11,442	5,921	1,993	3,210
Taxes and dues	4,532	4,512	19,763	19,703	3,410	3,470	4,327	4,277	16,123	15,878	7,079	7,084
Other expenses	8,095	9,135	11,173	1,375	12,142	16,046	3,334	417	1,917	950	1,431	3,291
NOI	70,237	92,717	142,725	139,081	74,604	58,493	62,978	56,184	165,701	171,143	77,130	79,040
Depreciation	11,609	11,851	45,404	45,345	9,803	10,135	3,530	3,616	27,493	28,282	8,033	8,660
Operating income (loss) from real estate leasing	58,628	80,866	97,320	93,735	64,801	48,358	59,447	52,568	138,207	142,861	69,097	70,379
Capital expenditures	4,130	44,939	2,312	1,957	6,922	11,727	3,977	1,683	24,970	7,490	12,418	25,215
NCF	66,107	47,778	140,412	137,124	67,682	46,766	59,001	54,501	140,730	163,653	64,712	53,825
Period-end book value	2,944,540	2,977,628	5,772,954	5,729,565	1,825,844	1,827,435	2,093,043	2,091,110	6,325,224	6,304,432	2,319,212	2,335,089

Balance of Payments of Individual Properties (2)

Asset Type	OFC-10		OFC-11		OFC-12		OFC-13		OFC-14		OFC-15	
Property name	Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan		Higashi Kobe Center Building		Amusement Media Gakuin Shinkan		Seishin Building		NK Building	
												
Acquisition price	1,450 million yen		2,580 million yen		7,440 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
Appraisal value	1,540 million yen		2,690 million yen		7,390 million yen		1,160 million yen		11,200 million yen		5,360 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	51,788	51,788	(*)	(*)	320,536	295,580	(*)	(*)	244,866	254,280	138,581	128,600
Lease business revenue	51,788	51,788			288,866	271,387			228,262	238,682	124,989	122,337
Other lease business revenue	-	-			31,669	24,193			16,604	15,598	13,591	6,263
Total operating expenses from real estate leasing	12,107	12,130			110,222	104,438			61,280	68,897	33,717	30,942
Management fee	880	880			25,592	24,040			19,370	19,205	11,735	11,606
Utilities expenses	400	400			400	400			353	350	353	350
Insurance premium	-	-			29,968	27,121			8,923	9,073	4,233	4,140
Repair expenses	129	172			689	939			206	283	149	208
Trust fee	-	-			6,844	4,144			7,260	17,604	3,588	3,599
Taxes and dues	4,299	4,299			29,165	28,635			20,920	20,723	10,648	10,706
Other expenses	6,398	6,378			17,562	19,158			4,246	1,656	3,008	331
NOI	39,680	39,658			210,314	191,141			183,585	185,383	104,864	97,658
Depreciation	2,837	2,837			33,524	33,822			11,715	12,718	8,297	8,736
Operating income (loss) from real estate leasing	36,843	36,820			176,790	157,319			171,870	172,664	96,566	88,922
Capital expenditures	-	-			22,746	14,380			26,511	41,455	25,437	2,177
NCF	39,680	39,658			187,567	176,761			157,073	143,927	79,426	95,481
Period-end book value	1,453,120	1,450,282	2,592,439	2,588,217	7,620,273	7,600,830	1,040,196	1,038,531	11,214,796	11,243,533	5,367,139	5,360,580

(*) 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	Tsukasamachi Building		Takadanobaba Access		Azabu Amerex Building		Hiei Kudan Building		Shin Yokohama Nara Bldg		The Portal Akihabara	
												
Acquisition price	4,590 million yen		3,990 million yen		2,780 million yen		2,400 million yen		2,300 million yen		1,510 million yen	
Appraisal value	4,590 million yen		3,970 million yen		2,789 million yen		2,370 million yen		2,310 million yen		1,510 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	118,175	117,030	112,805	108,399	71,410	65,034	68,635	62,033	81,804	78,532	32,768	32,305
Lease business revenue	110,309	110,554	102,023	98,429	68,444	62,979	68,635	62,033	71,580	70,122	31,160	31,188
Other lease business revenue	7,866	6,475	10,782	9,969	2,966	2,054	-	-	10,223	8,410	1,607	1,116
Total operating expenses from real estate leasing	25,307	43,097	30,787	35,720	18,654	19,710	22,638	25,568	29,867	31,109	6,821	7,778
Management fee	9,722	9,740	13,160	13,090	7,250	7,198	3,429	3,410	8,834	8,875	2,736	2,738
Utilities expenses	403	400	403	400	377	375	503	500	353	350	402	400
Insurance premium	4,888	4,977	6,392	6,332	2,268	2,258	56	183	4,831	4,710	1,389	999
Repair expenses	144	200	158	219	75	103	133	186	136	190	29	39
Trust fee	2,325	17,850	619	5,340	787	1,161	1,488	1,008	5,901	7,722	547	330
Taxes and dues	7,437	7,382	9,183	9,011	7,669	7,598	6,814	6,630	7,765	7,691	1,609	1,562
Other expenses	385	2,545	869	1,325	224	1,014	10,212	13,648	2,043	1,570	106	1,708
NOI	92,867	73,932	82,017	72,679	52,755	45,323	45,996	36,465	51,936	47,423	25,947	24,526
Depreciation	7,399	8,339	8,810	8,932	3,307	3,345	3,643	3,802	7,902	8,710	3,472	3,472
Operating income (loss) from real estate leasing	85,468	65,593	73,207	63,747	49,448	41,978	42,352	32,662	44,033	38,712	22,474	21,053
Capital expenditures	467	81,879	5,230	857	2,264	1,921	3,543	2,550	18,763	28,760	-	-
NCF	92,400	△ 7,946	76,787	71,821	50,491	43,402	42,452	33,914	33,173	18,662	25,947	24,526
Period-end book value	4,583,068	4,656,608	3,986,419	3,978,344	2,778,957	2,777,532	2,399,900	2,398,648	2,310,860	2,330,910	1,506,527	1,503,054

Balance of Payments of Individual Properties (4)

Asset Type	OFC-22		OFC-23		RTL-01		RTL-02		RTL-03		RTL-05	
Property name	OHA Building		Urban Center Hakata		LaPark Kishiwada		Suroy Mall Chikushino		Seiyo 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	1,950million yen		3,030million yen		5,210 million yen		6,540 million yen		3,310 million yen		3,240million 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㎡		31,086.23㎡		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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	-	-	-	-	493,039	486,731	282,075	285,039	(*)	(*)	-	-
Lease business revenue	-	-	-	-	416,499	416,957	279,962	281,432			-	-
Other lease business revenue	-	-	-	-	76,540	69,774	2,112	3,607			-	-
Total operating expenses from real estate leasing	-	-	-	-	287,961	273,949	65,896	69,851			-	-
Management fee	-	-	-	-	120,640	120,173	22,949	25,767			-	-
Utilities expenses	-	-	-	-	1,861	1,850	353	650			-	-
Insurance premium	-	-	-	-	99,507	89,884	4,597	4,777			-	-
Repair expenses	-	-	-	-	853	1,164	442	612			-	-
Trust fee	-	-	-	-	6,977	7,279	832	4,431			-	-
Taxes and dues	-	-	-	-	44,742	44,011	19,627	19,398			-	-
Other expenses	-	-	-	-	13,378	9,587	17,092	14,214			-	-
NOI	-	-	-	-	205,078	212,781	216,178	215,188			-	-
Depreciation	-	-	-	-	23,983	24,886	23,534	23,706			-	-
Operating income (loss) from real estate leasing	-	-	-	-	181,094	187,894	192,644	191,482			-	-
Capital expenditures	-	-	-	-	40,815	12,317	6,612	-			-	-
NCF	-	-	-	-	164,263	200,463	209,566	215,188			-	-
Period-end book value	-	-	-	-	5,416,831	5,404,262	6,533,078	6,509,371	3,311,053	3,291,582	-	-

(*) 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	2,500 million yen		8,450 million yen		1,630 million yen		1,510 million yen		1,190 million yen		1,640 million yen	
Structure/Floors	SRC with slate roofing B1/12F		①RC B1/3F ②RC B1/9F		RC 14F		RC B1F/5F		SRC B1F/8F		RC 8F	
Location	Minato Ward, Tokyo		Shibuya Ward, Tokyo		Osaka City, Osaka		Toshima Ward, Tokyo		Kashiwa City, Chiba		Suita City, Osaka	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		942.66 m 2 (Of which, 50.85 m2 is contributed to Toshima Ward as road)		1,597.85㎡		2,804.56㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		2,451.72㎡		4,243.71㎡		5,854.64㎡	
Construction completion	November 29, 1999		1: November 15, 1982 2: May 30, 2006		January 9, 2013		February 28, 1990		August 28, 1997		March 10, 1989	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	52,852	51,142	193,136	187,458	44,779	42,591	42,974	43,535	35,164	38,425	57,659	56,303
Lease business revenue	51,158	49,563	180,773	180,111	44,085	40,982	41,226	39,322	34,128	36,489	55,519	53,007
Other lease business revenue	1,694	1,578	12,363	7,347	693	1,608	1,747	4,212	1,035	1,936	2,139	3,295
Total operating expenses from real estate leasing	16,760	14,567	39,457	35,414	9,113	11,096	18,089	16,621	13,490	9,496	13,843	15,041
Management fee	2,086	2,334	9,028	9,203	2,499	2,444	3,678	3,765	1,824	2,147	2,289	2,428
Utilities expenses	350	350	350	350	350	350	400	400	350	350	350	350
Insurance premium	634	588	3,726	3,442	341	314	2,124	2,188	533	512	2,578	2,384
Repair expenses	59	72	202	247	66	84	54	66	88	109	124	162
Trust fee	7,997	5,615	6,823	5,933	1,780	2,732	4,321	4,877	6,276	1,714	3,518	3,944
Taxes and dues	2,874	2,873	11,442	11,453	2,820	2,820	1,909	1,897	2,950	2,949	3,583	3,576
Other expenses	2,757	2,732	7,884	4,783	1,254	2,349	5,600	3,425	1,467	1,712	1,399	2,194
NOI	36,091	36,574	153,679	152,044	35,666	31,494	24,884	26,913	21,673	28,929	43,815	41,262
Depreciation	5,010	5,120	13,306	13,610	7,547	7,555	5,690	5,700	7,385	7,495	8,083	8,124
Operating income (loss) from real estate leasing	31,081	31,454	140,372	138,434	28,118	23,939	19,194	21,212	14,287	21,433	35,731	33,137
Capital expenditures	2,443	2,701	8,237	10,351	1,014	-	-	455	7,306	2,852	2,031	1,789
NCF	33,648	33,872	145,441	141,693	34,651	31,494	24,884	26,458	14,366	26,077	41,784	39,473
Period-end book value	2,080,199	2,077,780	6,373,859	6,370,600	1,499,242	1,491,687	1,506,434	1,501,189	1,241,490	1,236,847	1,601,879	1,595,543

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		1,890 million yen		1,530 million yen		2,460 million yen		2,210 million yen		990 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	34,526	34,715	54,803	56,488	46,303	45,031	140,832	140,163	84,763	83,940	39,268	38,864
Lease business revenue	31,527	31,642	52,931	54,413	43,071	42,507	133,951	132,560	82,381	81,276	39,008	38,726
Other lease business revenue	2,998	3,072	1,872	2,075	3,231	2,523	6,880	7,602	2,381	2,663	259	138
Total operating expenses from real estate leasing	11,986	15,039	8,584	14,049	6,831	9,539	59,143	61,646	32,566	38,428	10,501	11,927
Management fee	2,416	1,768	2,966	3,092	2,096	2,186	5,913	5,968	10,077	9,962	4,071	4,168
Utilities expenses	400	400	400	400	400	400	756	750	377	375	377	375
Insurance premium	1,344	1,380	1,419	1,341	1,549	1,581	2	2	1,973	2,329	277	264
Repair expenses	38	50	111	145	73	95	580	815	200	281	102	142
Trust fee	5,924	6,616	2,894	2,482	1,381	2,014	11,397	12,726	12,481	17,934	1,909	2,568
Taxes and dues	969	1,009	-	3,942	-	2,146	13,980	13,932	5,452	5,291	3,294	3,207
Other expenses	893	3,814	792	2,644	1,331	1,114	26,514	27,452	2,003	2,253	468	1,200
NOI	22,539	19,675	46,218	42,438	39,471	35,491	81,689	78,516	52,196	45,511	28,766	26,937
Depreciation	2,769	2,796	5,431	5,445	4,196	4,198	19,066	19,094	11,112	11,389	5,183	5,185
Operating income (loss) from real estate leasing	19,770	16,878	40,787	36,993	35,275	31,293	62,622	59,421	41,084	34,122	23,583	21,751
Capital expenditures	1,097	-	-	519	-	456	228	850	24,042	24,893	-	143
NCF	21,441	19,675	46,218	41,919	39,471	35,035	81,460	77,666	28,154	20,618	28,766	26,794
Period-end book value	1,192,775	1,189,979	1,925,466	1,920,540	1,513,491	1,509,749	2,451,162	2,432,918	2,162,929	2,176,433	987,816	982,774

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	1,760 million yen		3,770 million yen		3,330 million yen		1,190million yen		2,100million yen		1,150million 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	42,267	35,702	82,517	140,985	16,384	126,287	-	-	-	-	-	-
Lease business revenue	40,816	34,717	79,609	134,337	15,351	119,167	-	-	-	-	-	-
Other lease business revenue	1,451	984	2,908	6,648	1,033	7,119	-	-	-	-	-	-
Total operating expenses from real estate leasing	6,658	7,812	12,829	44,625	2,897	27,429	-	-	-	-	-	-
Management fee	2,189	2,035	6,406	11,341	1,626	10,795	-	-	-	-	-	-
Utilities expenses	402	400	236	394	52	394	-	-	-	-	-	-
Insurance premium	183	224	817	1,653	52	1,045	-	-	-	-	-	-
Repair expenses	36	49	144	414	34	333	-	-	-	-	-	-
Trust fee	582	2,284	1,608	11,369	80	7,382	-	-	-	-	-	-
Taxes and dues	1,791	1,660	45	10,833	40	-	-	-	-	-	-	-
Other expenses	1,473	1,157	3,570	8,617	1,012	7,476	-	-	-	-	-	-
NOI	35,608	27,889	69,688	96,360	13,486	98,858	-	-	-	-	-	-
Depreciation	4,393	4,393	8,416	12,624	1,951	11,707	-	-	-	-	-	-
Operating income (loss) from real estate leasing	31,215	23,495	61,271	83,736	11,535	87,150	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-	-	-	-
NCF	35,608	27,889	69,688	96,360	13,486	98,858	-	-	-	-	-	-
Period-end book value	1,735,606	1,731,212	3,648,190	3,635,565	3,304,112	3,292,404	-	-	-	-	-	-

(*) 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		7,310 million yen		4,120 million yen		8,660 million yen		4,850 million yen		1,380 million yen	
Structure/Floors	RC 6F		Steel construction, zinc plated steel roofing, 5 floors		RC 8F		Building 1: Steel construction, flat roof, zincplated steel roofing, 8 floors Building 2: Reinforced concrete structure		RC・S 5F		S 2F	
Location	Yokohama City, Kanagawa		Saitama City, Saitama		Yokohama City, Kanagawa		a Funabashi City, Chiba		Ichikawa City, Chiba		Tokorozawa City, Saitama	
Lot area	2,172.70㎡		15,623.14㎡		10,565.95㎡		19,858.00㎡		6,240.96㎡		8,645.63㎡	
Total floor areas	3,169.13㎡		29,729.72㎡		18,387.89㎡(including 256.15 m2 break areas etc.)		38,871.45㎡(two buildings combined)		12,471.50㎡		5,994.75㎡	
Construction completion	February 17, 1994		October 29, 2014		October 1, 1994		1: September 25, 1992 2: August 5, 1997		August 14, 2015		April 30, 1999	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	-	-	198,172	196,498	(*)	(*)	259,851	256,808	(*)	(*)	(*)	(*)
Lease business revenue	-	-	187,718	187,713			241,854	241,899				
Other lease business revenue	-	-	10,454	8,784			17,997	14,909				
Total operating expenses from real estate leasing	-	-	31,159	29,226			54,002	50,736				
Management fee	-	-	5,920	5,908			12,508	11,773				
Utilities expenses	-	-	350	350			400	400				
Insurance premium	-	-	10,454	8,784			14,521	10,901				
Repair expenses	-	-	284	346			409	501				
Trust fee	-	-	382	394			2,929	5,245				
Taxes and dues	-	-	13,629	13,442			23,014	21,392				
Other expenses	-	-	137	-			217	521				
NOI	-	-	167,012	167,271			205,849	206,072				
Depreciation	-	-	46,731	46,788			27,146	27,290				
Operating income (loss) from real estate leasing	-	-	120,280	120,483			178,703	178,781				
Capital expenditures	-	-	2,263	-			4,067	4,760				
NCF	-	-	164,748	167,271			201,782	201,311				
Period-end book value	-	-	6,561,177	6,514,389	3,734,157	3,716,284	7,765,437	7,742,907	4,628,965	4,613,191	1,361,933	1,358,895

(*) 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	850 million yen		2,910 million yen		1,710 million yen		701 million yen		2,250 million yen		1,400 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	65,362	65,392	22,374	17,626
Lease business revenue									65,362	65,392	22,374	17,626
Other lease business revenue									-	-	-	-
Total operating expenses from real estate leasing									9,228	12,015	4,130	4,421
Management fee									742	742	660	660
Utilities expenses									350	350	550	550
Insurance premium									1	3	-	-
Repair expenses									117	152	55	70
Trust fee									2,313	4,788	514	888
Taxes and dues									5,452	5,404	2,276	2,227
Other expenses									249	573	73	24
NOI									56,134	53,377	18,243	13,204
Depreciation									9,949	10,096	12,233	12,209
Operating income (loss) from real estate leasing									46,185	43,281	6,010	995
Capital expenditures									3,481	9,277	-	-
NCF									52,653	44,099	18,243	13,204
Period-end book value	853,763	860,903	2,709,574	2,696,063	853,763	1,698,525	2,709,574	696,810	2,108,402	2,107,583	1,663,146	1,650,937

(*) 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	Best Western Tokyo Nishikasai		Best Western Yokohama		Hotel WBF Fukuoka Tenjin Minami		GLANSIT Akihabara		Best Western 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	3,610 million yen		3,190 million yen		1,930 million yen		2,440 million yen		3,130 million yen		1,450 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	85,595	84,782	80,945	80,400	(*)	(*)	(*)	(*)	70,825	70,002	-	-
Lease business revenue	84,600	84,600	80,400	80,400					70,002	70,002	-	-
Other lease business revenue	995	182	545	-					823	-	-	-
Total operating expenses from real estate leasing	11,941	10,063	6,693	6,485					6,738	6,684	5,137	4,795
Management fee	1,200	1,200	1,200	1,200					990	990	1,214	979
Utilities expenses	400	400	400	400					400	400	350	350
Insurance premium	-	-	-	-					-	-	43	49
Repair expenses	130	159	110	135					67	90	48	64
Trust fee	1,281	424	236	205					-	-	-	100
Taxes and dues	8,019	7,856	4,705	4,521					5,239	5,182	3,153	3,169
Other expenses	909	24	41	23					41	21	327	84
NOI	73,653	74,718	74,252	73,914					64,087	63,317	△5,137	△ 4,795
Depreciation	12,506	12,895	13,069	13,069					10,857	10,857	9,035	9,050
Operating income (loss) from real estate leasing	61,146	61,823	61,183	60,845					53,230	52,460	△14,173	△ 13,845
Capital expenditures	19,951	-	-	-					-	-	114	-
NCF	53,702	74,718	74,252	73,914					64,087	63,317	△5,252	△ 4,795
Period-end book value	3,867,247	3,854,352	3,247,472	3,234,403	1,948,273	1,939,625	2,499,306	2,494,663	3,154,095	3,143,237	1,980,186	1,971,136

(*) 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	
	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP	10FP	11FP
Total operating revenue from real estate leasing	2,217,108	2,107,587	1,014,452	931,809	968,232	1,121,634	1,022,855	950,535	425,972	424,718	5,648,622	5,536,284
Lease business revenue	2,009,772	1,917,333	919,348	858,427	925,540	1,068,828	981,246	915,373	423,608	424,536	5,259,516	5,184,498
Other lease business revenue	207,336	190,253	95,104	73,381	42,691	52,806	41,608	35,161	2,364	182	389,105	351,786
Total operating expenses from real estate leasing	642,495	623,899	415,583	376,322	262,756	332,735	176,804	169,305	53,322	53,890	1,550,962	1,556,153
Management fee	162,720	158,173	149,968	147,741	59,172	73,644	33,116	32,348	7,733	7,498	412,710	419,406
Utilities expenses	7,324	7,275	2,865	3,000	5,553	6,039	3,671	3,350	3,200	3,200	22,614	22,864
Insurance premium	128,602	114,861	116,579	94,661	17,558	19,254	38,562	31,732	45	53	301,349	260,562
Repair expenses	3,192	4,171	1,766	2,290	1,916	3,071	1,618	1,874	615	784	9,110	12,192
Trust fee	86,971	93,577	11,346	12,750	68,977	90,198	10,307	17,273	4,345	6,405	181,948	220,204
Taxes and dues	169,874	165,167	83,885	74,997	51,153	67,594	84,811	78,219	35,677	35,153	425,403	421,132
Other expenses	83,809	80,672	49,172	40,881	58,423	72,932	4,715	4,507	1,704	795	197,825	199,789
NOI	1,574,612	1,483,687	598,869	555,486	705,476	788,899	846,050	781,230	372,650	370,827	4,097,659	3,980,131
Depreciation	205,343	208,497	78,959	74,235	109,543	124,444	153,564	144,368	80,942	81,468	628,353	633,013
Operating income (loss) from real estate leasing	1,369,269	1,275,189	519,909	481,251	595,932	664,455	692,486	636,861	291,707	289,359	3,469,305	3,347,117
Capital expenditures	170,716	266,996	63,755	18,489	46,402	45,014	27,479	23,662	23,546	9,277	331,900	363,439
NCF	1,403,896	1,216,691	535,113	536,997	659,074	743,885	818,571	757,567	349,103	361,550	3,765,759	3,616,692
Period-end book value	68,134,518	68,192,339	15,260,962	15,205,216	33,224,657	33,145,227	30,018,678	29,897,972	20,468,131	20,395,940	167,106,948	166,836,697

- P13 (note1) "The current rent levels of existing tenants" is the rent stated in the lease agreement effective as of the end of April 2021 for the 3 residence anticipated to be acquired excluding Urban Park Miyamae-daira (only residential portions for Urban Park Ryogoku, and not the sublease contract but the lease contracts with end tenants for Urban Park Mizonokuchi), and offered rent as of the end of June 2021, for Urban Park Miyamae-daira, each converted to tsubo. The same shall apply hereinafter.
- (note2) "The assumed rents for new tenants" is the market rent (yen/m²) as stated in real estate appraisal reports SAR obtained for Assets to be Acquired (only residential portions for Urban Park Ryogoku) converted to tsubo, and refers to the rent expected to be agreed upon in lease agreements with new tenants in each real estate estimated by the real estate appraiser as of June 1, 2021. These values are estimates based on expectations by the real estate appraiser for agreed rent with new tenants, and does not suggest the ability to raise agreed rent by existing tenants to the same level. Furthermore, when seeking tenants for Assets to be Acquired, there is no guarantee that agreements can be reached at the value stated as "The assumed rents for new tenants." As of the date of this document, a business corporation has rented all units in Urban Park Tsurumi for use as company housing. The same shall apply hereinafter.
- P.19 (note3) "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 (★ ~ ★★★★★).
- (note4) "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.
- P24 (note5) "Portfolio appraisal NOI yield" means the following:
For "As of End of July 2021 (11th FP)", the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports to the total acquisition price of the real estate properties held as of July 31, 2021 (End of 11th FP);
for "Assets Acquired upon Public Offering (August 2021)", the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports to the total acquisition price of the Assets Acquired upon Public Offering;
for "Post-Acquisitions", the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports to the total acquisition price of all 60 acquired assets;
in each case rounded to one decimal place. The same shall apply hereinafter.
- (note6) "Post-depreciation appraisal NOI yield" means the following:
For "As of End of July 2021 (11th FP)", the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less depreciation cost anticipated by the Asset Manager to the total acquisition price of the real estate properties held as of July 31, 2021 (End of 11th FP);
for "Assets Acquired upon Public Offering (August 2021)", the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less depreciation cost anticipated by the Asset Manager to the total acquisition price of the Assets Acquired upon Public Offering;
for "Post-Acquisitions", the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less depreciation cost anticipated by the Asset Manager to the total acquisition price of all 60 acquired assets;
in each case rounded to one decimal place. The same shall apply hereinafter.
- (note7) "Ratio of Assets in Tokyo area" means the following:
For "As of End of July 2021 (11th FP)", the ratio of total acquisition price of real estate properties held by SAR which are located in the Tokyo area as of July 31, 2021 (End of 11th FP) to the total acquisition price of all real estate properties etc. held as of the same date;
for "Assets Acquired upon Public Offering (August 2021)", the ratio of the total acquisition price of the Assets Acquired upon Public Offering which are located in the Tokyo area to the total acquisition price of all of the Assets Acquired upon Public Offering,
for "Post-Acquisitions", the ratio of the total acquisition price of all acquired assets which are located in the Tokyo area to the total acquisition price of all 60 acquired assets,
in each case rounded to one decimal place.

- P24 (note8) "Ratio of Mid-size assets" means the following:
For "As of End of July 2021 (11th FP)", the ratio of the total acquisition price of "mid-size assets" held as of the end of July 31, 2021 (end of 11th FP) to the total acquisition price of all real estate properties etc. held as of the same date;
for "Assets Acquired upon Public Offering (August 2021)", the ratio of the total acquisition price of "mid-size assets" among the Assets Acquired upon Public Offering to the total acquisition price of all of the Assets Acquired upon Public Offering; and
for "Post-Acquisitions", the ratio of the total acquisition price of "mid-size assets" among all 60 acquired assets to the total acquisition price of all 60 acquired assets.
The same shall apply hereinafter.
- (note9) "Ratio of Assets Acquired from Sponsor Group" is , for "End of January 2021 (10th FP)," the ratio of the total acquisition price of the properties acquired from the Sponsor Group (excluding the properties succeeded from SSR through the Merger and acquired using warehousing functions or sponsor forward commitment. The same shall apply in this Note 4) held as of January 31, 2021 (End of 10th FP) to the total acquisition price of the properties held as of January 31, 2021 (End of 10th FP) (excluding the properties succeeded from SSR through the Merger), for "Assets to be Acquired", the ratio of the total Anticipated Acquisition price of the properties which will be acquired from the Sponsor Group (excluding the properties acquired using warehousing functions or sponsor forward commitment) to the total Anticipated Acquisition price, for "After Anticipated Acquisitions", the ratio of the total (Anticipated) Acquisition price of the properties acquired from the Sponsor Group to the total (Anticipated) Acquisition price of the properties (excluding the properties succeeded from SSR through the Merger). The same shall apply hereinafter.
- P.25 (note10) As of the date of this document, the SPC belonging to the Sponsor Group owns the land for the housing development project, and the confirmation for construction of the building has already been obtained and construction work has commenced. SAR does not plan to acquire such development projects, etc., and there is no guarantee that SAR will be able to acquire it in the future as of the date of this document.
- (note11) "Fukuoka area" refers to Fukuoka city and its urban area for residences and logistics facilities, and refers to Fukuoka city for other asset types.
- (note12) "Greater Tokyo area" refers to Tokyo prefecture (excluding the 23 wards) and major cities in Kanagawa (excluding Kawasaki and Yokohama cities) and Saitama prefectures for Office and Retail properties.
- P30 (note13) "Acquired from Star Asia Group" refers to the properties acquired or to be acquired from the sponsor group, including properties previously held by SSR, out of a total of 67 properties, including properties acquired by SAR up to the date of this document (including properties already sold) and the properties to be acquired (total acquisition price of 196.4 billion yen). Acquisitions from SPC in which funds managed by Star Asia Group are investing in silent partnerships as part of its provision of warehousing function and acquisitions using sponsor forward commitment are excluded. The 18 properties acquired through the Merger are included in properties acquired from Star Asia Group.
- (note14) "Properties acquired with support by Star Asia Group" are the properties for which Star Asia Group provided support, such as warehousing, securing properties through sponsor forward commitment, investment in equity interest in a silent partnership for SPC holding properties (including the minority investment), etc. of the 67 properties acquired by SAR up to the date of this document (including properties already sold) and the properties to be acquired (total anticipated acquisition price of 196.4 billion yen).
- (note15) As of the date of this document, the SPC belonging to the Sponsor Group owns the land for the housing development project, and the confirmation for construction of the building has already been obtained and construction work has commenced. SAR does not plan to acquire such development projects, etc., and there is no guarantee that SAR will be able to acquire it in the future as of the date of this document.
- (note16) "Appraisal value" of properties under management by Star Asia Group is calculated based on the appraisal value stated in the latest appraisal report of properties under management by Star Asia Group (of the assets held by Star Asia Group as of the end of May 2021, those that are real estate, and do not fall under any of the SAR's assets currently held, Assets to be Acquired, assets for which SAR holds preferential negotiation rights as of the end of May 2021, or assets held by Polaris Holdings or its consolidated subsidiaries. The same applies hereinafter). As of the date of this document, SAR does not plan to acquire any of the properties under management by Star Asia Group, and there is no guarantee that such properties will be acquired in the future.

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