

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

March 13, 2020

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

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

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

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

(Amounts are rounded down to the nearest million yen)

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

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

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

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

(2) Status of Cash Distribution

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

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

(3) Financial Position

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

(4) Status of Cash Flows

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

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

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

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

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

Fiscal period ending July 31, 2020:

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

Forecasted net income per unit 3,310 yen

Fiscal period ending January 31, 2021:

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

Forecasted net income per unit 1,658 yen

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

* Others

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

① Changes in accounting policies accompanying amendments to accounting standards, etc.: No

② Changes in accounting policies other than ① : No

③ Changes in accounting estimates : No

④ Retrospective restatement : No

(2) Total Number of Investment Units Issued and Outstanding

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

| | | | |
|-----------------------------------|---------------|-----------------------------------|---------------|
| Fiscal period ended Jan. 31, 2020 | 540,824 units | Fiscal period ended Jul. 31, 2019 | 540,824 units |
|-----------------------------------|---------------|-----------------------------------|---------------|

② Number of own investment units at end of period

| | | | |
|-----------------------------------|---------|-----------------------------------|---------|
| Fiscal period ended Jan. 31, 2020 | 0 units | Fiscal period ended Jul. 31, 2019 | 0 units |
|-----------------------------------|---------|-----------------------------------|---------|

(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see “Notes on Per Unit Information” on page 23.

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

* Special Note

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

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

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

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

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

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

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

(Unit: thousand yen)

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

(2) Statement of Income

(Unit: thousand yen)

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

(3) Statement of Unitholders' Equity

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

(Unit: thousand yen)

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

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

(Unit: thousand yen)

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

(4) Statement of Cash Distributions

(Unit: yen)

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

Method of calculation of amount of cash distributions

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

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

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

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

(5) Statement of Cash Flows

(Unit: thousand yen)

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

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

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

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

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

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

[Notes to the Statement of Income]

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

(Unit: thousand yen)

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

*2 Breakdown of gain on sales of real estate property

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

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

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

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

Not applicable.

[Notes to the Statement of Unitholders' Equity]

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

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

[Notes to the Statement of Cash Flows]

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

(Unit: thousand yen)

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

[Notes on Lease Transactions]

Operating leases (as lessor)

Future minimum lease payments

(Unit: thousand yen)

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

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

Not applicable.

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

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

(Unit: thousand yen)

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

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

(Unit: thousand yen)

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

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

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

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

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

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

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

(6) Long-term loans payables

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

(7) Derivative transactions

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

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

(Unit: thousand yen)

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

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

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

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

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

(Unit: thousand yen)

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

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

(Unit: thousand yen)

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

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

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

(Unit: thousand yen)

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

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

(Unit: thousand yen)

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

[Notes on Securities]

Other securities

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

(Unit: thousand yen)

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

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

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

(Unit: thousand yen)

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

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

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

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

Not applicable.

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

Not applicable.

2. Derivative transactions to which hedge accounting is applied

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

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

(Unit: thousand yen)

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

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

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

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

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

(Unit: thousand yen)

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

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

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

[Notes on Retirement Benefits]

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

Not applicable.

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

Not applicable.

[Notes on Tax-Effect Accounting]

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

(Unit: thousand yen)

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

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

(Unit: %)

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

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

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

Not applicable.

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

Not applicable.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholders, etc.

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

Not applicable.

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

Not applicable.

2. Affiliated companies, etc.

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

Not applicable.

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

Not applicable.

3. Fellow subsidiaries, etc.

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

Not applicable.

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

Not applicable.

4. Directors, major individual unitholders, etc.

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

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

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

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

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

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

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

[Notes on Asset Retirement Obligations]

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

Not applicable.

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

Not applicable.

[Notes on Investments in Rental Properties]

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

(Unit: thousand yen)

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

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

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

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

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

[Notes on Segment Information]

1. Segment information

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

2. Related information

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

(1) Information about products and services

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

(2) Information about geographic areas

① Net sales

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

② Property, plant and equipment

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

(3) Information about each major customer

(Unit: thousand yen)

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

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

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

(1) Information about products and services

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

(2) Information about geographic areas

① Net sales

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

② Property, plant and equipment

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

(3) Information about major customers

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

[Notes on Per Unit Information]

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

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

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

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

[Notes on Significant Subsequent Events]

1. Execution of a Merger Agreement with SSR

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

(1) Purpose of the Merger

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

(2) Merger Ratio

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

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

(3) Merger Money

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

- (4) Overview of SSR's latest fiscal period (from July 1, 2019 to December 31, 2019)
 Business description: Investing in and managing mainly specified assets based on the Investment Trust Act
 Operating revenue: 2,391 million yen
 Net income: 704 million yen
 Total assets: 63,111 million yen
 Total liabilities: 33,152 million yen
 Net assets: 29,959 million yen

2. Split of Investment Units

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

(1) Purpose of Investment Unit Split

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

(2) Method of Investment Unit Split

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

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

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

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

(4) Schedule of Investment Unit Split

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

(5) Impact on per unit information

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

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

3. Asset transfer

SAR has decided on the following asset transfer.

<Alphabet Seven>

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

Signing date: March 2, 2020

Scheduled transfer dates:

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

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

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

Expected Transfer price:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Reference Information

(1) Investment Status

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

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

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

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

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

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

(2) Investment Assets

① Investment securities

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

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

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

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

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

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

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

② Real estate

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

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

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

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

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

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

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

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

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

(b) Portfolio Summary

a. By Geographic Area

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

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

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

(a) Office

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

(b) Residence

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

(c) Logistics facility

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

(d) Hotel

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

b. By Size

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

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

c. By Asset Type (Use)

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

(c) Status of Leasing

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

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

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

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

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

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

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

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

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

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

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

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

(e) Information on Major Real Estate Properties

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

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

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

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

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

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

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

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

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

(g) Capital Expenditures

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

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

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

b. Capital Expenditures during the 8th fiscal period

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

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

(h) Individual Property Income Statements

(Unit: thousand yen)

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

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

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

(Unit: thousand yen)

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

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

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

(Unit: thousand yen)

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

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

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

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

(Unit: thousand yen)

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

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

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

③ Other investment assets

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

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

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