

(REIT) Financial Report for Fiscal Period Ended July 31, 2024

September 13, 2024

REIT Securities Issuer: Star Asia Investment Corporation (SAR) Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3468 URL: <https://starasia-reit.com/en/>
 Representative: Atsushi Kato, Executive Director
 Asset Management Company: Star Asia Investment Management Co., Ltd.
 Representative: Atsushi Kato, President and CEO
 Contact: Akiko Kanno, Director and CFO
 TEL: 03-5425-1340

Scheduled date of submission of securities report: October 30, 2024

Scheduled date of commencement of cash distribution payment: October 15, 2024

Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended July 31, 2024 (from February 1, 2024 to July 31, 2024)

(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 Jul. 2024	8,113	1.9	4,338	0.7	3,669	4.0	3,668	4.0
Ended Jan. 2024	7,964	14.7	4,309	19.5	3,528	14.8	3,527	14.8

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 Jul. 2024	1,546	2.9	1.4	45.2
Ended Jan. 2024	1,518	3.1	1.5	44.3

(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 Jul. 2024	1,596	3,785	-	-	103.2	3.0
Ended Jan. 2024	1,524	3,614	-	-	102.5	2.8

(Note 1) Total cash distribution differs from net income due to the reversal of reserve for temporary difference adjustment and other factors.

(Note 2) For the fiscal period ended January 31, 2024, cash distribution payout ratio is calculated by the following formula due to changes in the number of investment units during the period following issuance of new investment units during the period:
 Total cash distribution (not including cash distribution in excess of earnings) ÷ Net income × 100

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Jul. 2024	258,678	127,473	49.3	53,740
Ended Jan. 2024	259,155	127,127	49.1	53,595

(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 Jul. 2024	6,288	(702)	(4,914)	12,324
Ended Jan. 2024	5,274	(51,804)	46,396	11,653

2. Management Status Forecast for Fiscal Period Ending January 31, 2025 (from August 1, 2024 to January 31, 2025) and Fiscal Period Ending July 31, 2025 (from February 1, 2025 to July 31, 2025)

(% 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 Jan. 2025	9,141	12.7	5,003	15.3	4,035	10.0	4,035	10.0	1,538	0
Ending Jul. 2025	8,981	(1.7)	4,934	(1.4)	4,086	1.3	4,086	1.3	1,553	0

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

Fiscal period ending January 31, 2025:

Expected total number of investment units issued and outstanding at end of period 2,687,000 units

Forecast net income per unit 1,501 yen

Fiscal period ending July 31, 2025:

Expected total number of investment units issued and outstanding at end of period 2,687,000 units

Forecast net income per unit 1,520 yen

(Note) Cash distribution per unit calculated using the expected total number of investment units issued and outstanding at end of period above (total number of investment units issued and outstanding as of the date of this report of 2,687,000 units).

* Other

(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 Jul. 31, 2024	2,372,000 units	Fiscal period ended Jan. 31, 2024	2,372,000 units
② Number of own investment units at end of period	Fiscal period ended Jul. 31, 2024	0 units	Fiscal period ended Jan. 31, 2024	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 24.

* 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 January 31, 2025, and Fiscal Period Ending July 31, 2025" 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 January 31, 2025, and Fiscal Period Ending July 31, 2025

Item	Assumptions		
Fiscal period	Fiscal period ending January 31, 2025 (18th fiscal period): August 1, 2024 – January 31, 2025 (184 days) Fiscal period ending July 31, 2025 (19th fiscal period): February 1, 2025 – July 31, 2025 (181 days)		
Assets under management	It is assumed with respect to the assets held by SAR as of the date of this report (74 real estate trust beneficiary interests, 3 mezzanine loan debts and 1 preferred equity securities (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 debt being referred to as “Currently Held Assets (Mezzanine),” and those in the form of preferred equity securities being referred to as “Currently Held Assets (Preferred Equity)”) that there will be no change in assets under management (acquisition of new assets, sale of Currently Held Assets, etc.) before the end of the fiscal period ending July 31, 2025. However, in reality, assets under management may change.		
Operating revenues	SAR’s forecast for operating revenues is as follows.		
		Fiscal period ending Jan. 31, 2025	Fiscal period ending Jul. 31, 2025
	Operating revenue	9,141 million yen	8,981 million yen
	(Rental revenue)*1	(8,758 million yen)	(8,913 million yen)
	(Gain on sale of real estate)*2	(314 million yen)	(-)
	(Related to mezzanine loans)*3	(37 million yen)	(36 million yen)
	(Securities rents)*4	(31 million yen)	(30 million yen)
*1 Rent revenues from Currently Held Assets (Real Estate) are calculated based on the lease agreements effective as of the date of this report. Market trends and other factors are also taken into consideration. It is also assumed that there will be no arrears or non-payment of rent by tenants			
*2 Proceeds from the sale of Smile Hotel Namba, which was transferred on August 19, 2024, and Urban Park Namba, which was transferred on September 6, 2024, will be recorded in the fiscal period ending January 31, 2025.			
*3 Interest or dividend income is calculated based on the loan agreements or trust agreements, etc. that are effective as of the date of this report. It is also assumed that no interest payments or dividend payments will be unpaid.			
*4 The operating revenue is based on the premise that the assumed loan income will be generated based on the agreements on preferred equity lending transactions, etc.			

Item	Assumptions		
Operating expenses	Expenses related to the rent business, which are the main operating expenses, are expected to be as follows.		
		Fiscal period ending Jan. 31, 2025	Fiscal period ending Jul. 31, 2025
	Expenses related to rent business	3,317 million yen	3,246 million yen
	(Taxes and dues)*1	(600 million yen)	(644 million yen)
	(Repair expenses)*2	(303 million yen)	(244 million yen)
	(Depreciation)*3	(1,142 million yen)	(1,167 million yen)
	*1 Taxes and dues for the trust beneficiary interests for five assets (real estate) acquired (the “Assets acquired”) which were acquired on August 16, 2024 and August 30, 2024 are or to be prorated between the seller and SAR upon acquisition or afterwards. In SAR, the amount based on the period proration is included in the acquisition cost, and property taxes, city planning taxes, and other public charges for FY2024 related to the Assets acquired will not be recorded as expenses in the fiscal period ending January 31, 2025. They will be posted from the fiscal period ending July 31, 2025.		
	*2 Expenditures for repair and maintenance are estimated based on the repair and maintenance plan prepared by Star Asia Investment Management Co., Ltd. (the “Asset Manager”). 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 such expenditure amounts generally tend to vary significantly from year to year, and do not arise regularly.		
	*3 The depreciation, including ancillary costs, is calculated using the straight-line method.		
	Operating expenses other than expenses related to the rent business are expected to be as follows.		
	Fiscal period ending Jan. 31, 2025	Fiscal period ending Jun. 31, 2025	
Operating expenses (Excluding expenses related to rent business)	819 million yen	800 million yen	
NOI (Net Operating Income)	Total NOI of the entire portfolio is expected to be as follows.		
	Fiscal period ending Jan. 31, 2025	Fiscal period ending Jun. 31, 2025	
NOI*	6,583 million yen	6,833 million yen	
* NOI is calculated by using the following calculation method. NOI = rent revenue – rent expenses (excluding depreciation)			
Non-operating expenses	Non-operating expenses are expected to be as follows.		
	Fiscal period ending Jan. 31, 2025	Fiscal period ending Jul. 31, 2025	
Non-operating expenses	967 million yen	847 million yen	
(Interest expenses)	(662 million yen)	(675 million yen)	
(Interest expenses on investment corporation bonds)	(3 million yen)	(3 million yen)	
(Borrowing related expenses)	(278 million yen)	(145 million yen)	
(Amortization of investment corporation bond issuance costs)	(1 million yen)	(1 million yen)	
(Amortization of investment unit issuance costs)	(22 million yen)	(22 million yen)	

Item	Assumptions		
Debt financing and investment corporation bonds	The assumptions for interest-bearing liabilities are as follows.		
		End of the fiscal period ending Jan. 31, 2025	End of the fiscal period ending Jul. 31, 2025
	Borrowings	137,280 million yen	136,480 million yen
	Investment corporation bonds	1,000 million yen	1,000 million yen
<p>As of the date of this report, SAR has outstanding debt of 139,880 million yen and outstanding investment corporation bonds of 1,000 million yen.</p> <p>Of the debt outstanding as of the date of this report, 1,200 million yen is planned to be prepaid during the fiscal period ending January 31, 2025, using the transfers of Smile Hotel Namba and Urban Park Namba as repayment resources, and 800 million yen is planned to be prepaid during the fiscal period ending July 31, 2025, using refunds of consumption tax, etc.</p> <p>Other than the above, it is assumed that those with repayment dates falling in the fiscal period ending January 31, 2025, and the fiscal period ending July 31, 2025, will be fully refinanced.</p>			
Investment units	The assumptions for the total number of investment units issued and outstanding are as follows.		
		End of the fiscal period ending Jan. 31, 2025	End of the fiscal period ending Jul. 31, 2025
	Total number of investment units issued and outstanding	2,687,000 units	2,687,000 units
It is assumed that the total number of investment units issued and outstanding will be 2,687,000 units, the number as of the date of this report.			
Cash distribution per unit (not including cash distribution in excess of earnings)	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.		
	As for the reserve for temporary difference adjustment, SAR plans to continuously reverse 1% or more of the initial reserve in each fiscal period and use it mainly to mitigate any negative impact on distributions caused by temporary decrease in income or incurred expenses and to avoid the occurrence of corporate and other tax expenses as a result of any differences between tax and accounting.		
	Cash distributions are expected to be as follows.		
		Fiscal period ending Jan. 31, 2025	Fiscal period ending Jul. 31, 2025
	Net income	4,035 million yen	4,086 million yen
Total cash distribution	4,132 million yen	4,172 million yen	
Cash distributions per unit	1,538 yen	1,553 yen	
<p>With respect to cash distribution for the fiscal period ending January 2025, it is assumed that a total of 4,132 million yen (1,538 yen per unit) will be distributed, which is the sum of an estimated net income of 4,035 million yen, an expected amount of reversal of reserve for temporary difference adjustment of 88 million yen and a portion of retained earnings brought forward of 8 million yen.</p> <p>With respect to cash distribution for the fiscal period ending July 31, 2025, it is assumed that a total of 4,172 million yen (1,553 yen per unit) will be distributed, which is a maximum integer multiple of the expected total number of investment units issued and outstanding at the end of the period within the sum of an estimated net income of 4,086 million yen and an expected amount of reversal of reserve for temporary difference adjustment of 88 million yen.</p> <p>The distribution per unit may change due to various factors including changes to the assets under management, changes to rent revenues given movements, etc. of tenants, or the occurrence of unexpected repairs.</p>			
Cash distributions in excess of earnings per unit	SAR has no plans to make distributions in excess of earnings as of the date of this report.		
Other	<p>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 The Investment Trusts Association, Japan, etc.</p> <p>SAR assumes that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.</p>		

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	16th fiscal period (As of January 31, 2024)	17th fiscal period (As of July 31, 2024)
Assets		
Current assets		
Cash and deposits	2,466,478	3,379,427
Cash and deposits in trust	9,186,964	8,945,505
Operating accounts receivable	319,557	443,175
Prepaid expenses	276,610	312,802
Consumption taxes receivable	1,245,234	-
Other	18,498	32,807
Total current assets	13,513,345	13,113,718
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(114)	(114)
Tools, furniture and fixtures, net	0	0
Buildings in trust	72,991,822	73,691,762
Accumulated depreciation	(7,735,645)	(8,733,016)
Buildings in trust, net	65,256,177	64,958,746
Structures in trust	37,679	43,768
Accumulated depreciation	(8,703)	(10,290)
Structures in trust, net	28,975	33,477
Machinery and equipment in trust	306,175	338,544
Accumulated depreciation	(58,216)	(74,087)
Machinery and equipment in trust, net	247,958	264,457
Tools, furniture and fixtures in trust	150,147	193,701
Accumulated depreciation	(54,677)	(66,089)
Tools, furniture and fixtures in trust, net	95,470	127,611
Land in trust	169,768,470	169,771,175
Construction in progress in trust	170	-
Total property, plant and equipment	235,397,221	235,155,469
Intangible assets		
Leasehold rights in trust	6,251,893	6,243,459
Total intangible assets	6,251,893	6,243,459
Investments and other assets		
Investments in other securities of subsidiaries and associates	1,588,015	1,588,015
Investment securities	1,170,000	1,170,000
Long-term prepaid expenses	542,728	479,515
Leasehold and guarantee deposits	10,239	10,239
Leasehold and guarantee deposits in trust	263,988	263,988
Other	343,228	601,063
Total investments and other assets	3,918,199	4,112,822
Total non-current assets	245,567,314	245,511,751
Deferred assets		
Investment corporation bond issuance costs	9,522	8,502
Investment unit issuance costs	65,149	44,337
Total deferred assets	74,672	52,840
Total assets	259,155,332	258,678,309

(Unit: thousand yen)

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

(2) Statement of Income and Retained Earnings

(Unit: thousand yen)

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

(3) Statement of Unitholders' Equity

16th fiscal period (from August 1, 2023 to January 31, 2024)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital	Unitholders' capital surplus	Surplus			Total surplus	Total unitholders' equity
			Reserve for temporary difference adjustment	Total voluntary reserve	Unappropriated retained earnings (undisposed loss)		
Balance at beginning of the period	66,123,367	25,132,218	8,535,586	8,535,586	3,340,372	37,008,177	103,131,545
Changes of items during the period							
Issuance of new investment units	23,192,817						23,192,817
Dividends from surplus					(3,047,798)	(3,047,798)	(3,047,798)
Reversal of reserve for temporary difference adjustment			(88,912)	(88,912)	88,912	-	-
Net income					3,527,879	3,527,879	3,527,879
Net changes of items other than unitholders' equity							
Total changes of items during the period	23,192,817	-	(88,912)	(88,912)	568,992	480,080	23,672,898
Balance at end of the period	*1 89,316,185	25,132,218	8,446,674	8,446,674	3,909,364	37,488,257	126,804,443

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of the period	92,917	92,917	103,224,463
Changes of items during the period			
Issuance of new investment units			23,192,817
Dividends from surplus			(3,047,798)
Reversal of reserve for temporary difference adjustment			-
Net income			3,527,879
Net changes of items other than unitholders' equity	230,263	230,263	230,263
Total changes of items during the period	230,263	230,263	23,903,161
Balance at end of the period	323,181	323,181	127,127,624

17th fiscal period (from February 1, 2024 to July 31, 2024)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital	Surplus					Total unitholders' equity
		Unitholders' capital surplus	Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustment	Total voluntary reserve			
Balance at beginning of the period	89,316,185	25,132,218	8,446,674	8,446,674	3,909,364	37,488,257	126,804,443
Changes of items during the period							
Dividends from surplus					(3,614,928)	(3,614,928)	(3,614,928)
Reversal of reserve for temporary difference adjustment			(88,912)	(88,912)	88,912	-	-
Net income					3,668,967	3,668,967	3,668,967
Net changes of items other than unitholders' equity							
Total changes of items during the period	-	-	(88,912)	(88,912)	142,951	54,039	54,039
Balance at end of the period	*1 89,316,185	25,132,218	8,357,762	8,357,762	4,052,316	37,542,297	126,858,483

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of the period	323,181	323,181	127,127,624
Changes of items during the period			
Dividends from surplus			(3,614,928)
Reversal of reserve for temporary difference adjustment			-
Net income			3,668,967
Net changes of items other than unitholders' equity	291,958	291,958	291,958
Total changes of items during the period	291,958	291,958	345,997
Balance at end of the period	615,139	615,139	127,473,622

(4) Statement of Cash Distributions

(Unit: yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
I. Unappropriated retained earnings	3,909,364,877	4,052,316,832
II. Reversal of voluntary reserve		
Reversal of reserve for temporary difference adjustment *1	88,912,365	88,912,365
III. Cash distribution	3,614,928,000	3,785,712,000
(Cash distribution per unit)	(1,524)	(1,596)
Cash distribution of earnings	3,614,928,000	3,785,712,000
(Cash distribution of earnings per unit)	(1,524)	(1,596)
IV. Retained earnings carried forward	383,349,242	355,517,197

Method of calculation of amount of cash distributions		
	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 this policy, concerning the cash distribution of earnings (not including cash distribution in excess of earnings), the decision was made to distribute 3,614,928,000 yen, which is the integral multiple of the total number of investment units issued and outstanding and the sum of net income and the amount of reversal of reserve for temporary difference adjustment of 88,912,365 yen.	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 3,785,712,000 yen, which is equivalent to the sum of net income, the amount of reversal of reserve for temporary difference adjustment of 88,912,365 yen, and a portion of retained earnings brought forward of 27,832,045 yen.

(5) Statement of Cash Flows

(Unit: thousand yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Cash flows from operating activities		
Income before income taxes	3,528,484	3,669,572
Depreciation	963,602	1,034,674
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	20,812	20,812
Interest income	(58)	(62)
Interest expenses	466,991	508,333
Decrease (increase) in operating accounts receivable	(180,377)	(123,617)
Decrease (increase) in consumption taxes receivable	(1,245,234)	1,245,234
Increase (decrease) in accrued consumption taxes	(204,286)	390,224
Decrease (increase) in prepaid expenses	(78,623)	(36,191)
Decrease (increase) in long-term prepaid expenses	(211,507)	63,212
Increase (decrease) in operating accounts payable	101,183	(156,352)
Increase (decrease) in accounts payable - other	104,651	30,722
Increase (decrease) in advances received	(207,980)	131,620
Decrease in property, plant and equipment in trust due to sale	2,670,427	-
Other, net	(8,731)	6,961
Subtotal	5,720,373	6,786,164
Interest income received	58	62
Interest expenses paid	(445,423)	(497,419)
Income taxes paid	(616)	(609)
Net cash provided by (used in) operating activities	5,274,392	6,288,198
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(48,883,791)	(843,429)
Purchase of intangible assets in trust	(2,176,621)	-
Repayments of leasehold and guarantee deposits received	(126)	(1,245)
Repayments of leasehold and guarantee deposits received in trust	(294,990)	(51,933)
Proceeds from leasehold and guarantee deposits received in trust	244,635	194,341
Proceeds from refund of leasehold and guarantee deposits	120	-
Payments of leasehold and guarantee deposits in trust	(263,988)	-
Purchase of investment securities	(430,000)	-
Other, net	(10)	-
Net cash provided by (used in) investing activities	(51,804,771)	(702,267)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,300,000	1,000,000
Repayments of short-term borrowings	-	(1,300,000)
Proceeds from long-term borrowings	29,840,000	8,500,000
Repayments of long-term borrowings	(4,840,000)	(9,500,000)
Proceeds from issuance of investment units	23,143,614	-
Dividends paid	(3,047,528)	(3,614,441)
Net cash provided by (used in) financing activities	46,396,086	(4,914,441)
Net increase (decrease) in cash and cash equivalents	(134,292)	671,489
Cash and cash equivalents at beginning of period	11,787,736	11,653,443
Cash and cash equivalents at end of period	**1 11,653,443	**1 12,324,933

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Evaluation standards and methods of valuation of securities	(1) Investments in other securities of subsidiaries and associates: Cost method through moving-average method (2) Other securities: Those with market price Fair value method or market value method (Variances are directly included in net assets.)
2. Method of depreciation of non-current assets	(1) 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 2-70 years Structures 7-30 years Machinery and equipment 7-17 years Tools, furniture and fixtures 2-15 years (2) Intangible assets (including trust assets) The straight-line method is adopted. Fixed-term land leasehold is amortized using the straight-line method over the remaining period.
3. Accounting for deferred assets	(1) Investment unit issuance costs Investment unit issuance costs are amortized by the straight-line method over 3 years. (2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.
4. Standards for recording revenue and expense	(1) 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 fiscal 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 recorded as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, no fixed property tax, etc. was included in the cost of acquisition of real estate, etc. (2) Standards for recording revenue The details of main performance obligations concerning revenue generated from contracts between SAR and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows. ① Sale of real estate For the proceeds from sale of real estate, SAR records revenue when the purchaser who is a customer obtains control of the relevant real estate as a result of the seller fulfilling its delivery obligations stipulated in the transaction agreement of the real estate. ② Utilities income SAR records utilities income in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it. Of the utilities income, in the case that SAR deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue.
5. Method of hedge accounting	(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 basic rules on risk management. (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.

6. Scope of funds in the statement of cash flows (cash and cash equivalents)	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.
7. Other significant matters serving as the basis for preparation of financial statements	<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 and retained earnings. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <p>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; Construction in progress in trust ③ Leasehold rights in trust ④ Leasehold and guarantee deposits received in trust ⑤ Leasehold and guarantee deposits received in trust</p> <p>(2) Accounting for consumption tax, etc. Non-deductible consumption tax on acquisition of assets is included in the acquisition cost of each asset.</p>

(8) Notes on the Financial Statements

[Notes on 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)

	16th fiscal period (As of January 31, 2024)	17th fiscal period (As of July 31, 2024)
	50,000	50,000

*2 Matters concerning provision and reversal of the reserve for temporary difference adjustment
16th fiscal period (As of January 31, 2024)

(Unit: thousand yen)

	Initial amount	Balance at beginning of the period	Reserve during the period	Reversal during the period	Balance at end of the period	Reasons for provision and reversal
Gain on negative goodwill (Note)	8,891,236	8,535,586	-	88,912	8,446,674	Appropriate for distribution

(Note) Gain on negative goodwill indicates the amount of provision of gain on negative goodwill recorded in the past fiscal period, and will be reversed in equal amount or more over 50 years or less every fiscal period starting from the 12th fiscal period, which is the period following the fiscal period in which the provision was made.

17th fiscal period (As of July 31, 2024)

(Unit: thousand yen)

	Initial amount	Balance at beginning of the period	Reserve during the period	Reversal during the period	Balance at end of the period	Reasons for provision and reversal
Gain on negative goodwill (Note)	8,891,236	8,446,674	-	88,912	8,357,762	Appropriate for distribution

(Note) Gain on negative goodwill indicates the amount of provision of gain on negative goodwill recorded in the past fiscal period, and will be reversed in equal amount or more over 50 years or less every fiscal period starting from the 12th fiscal period, which is the period following the fiscal period in which the provision was made.

[Notes on the Statement of Income and Retained Earnings]

*1 Breakdown of operating income from real estate leasing

(Unit: thousand yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024		17th fiscal period From: February 1, 2024 To: July 31, 2024	
A. Operating revenue from real estate leasing				
Rental revenue				
Rental revenue	6,268,199		6,818,995	
Common area maintenance revenue	561,698		568,845	
Parking revenue	208,004		209,292	
Facility use revenue	33,406		32,295	
Other rental revenue	6,551	7,077,860	6,374	7,635,803
Other lease business revenue				
Utilities income	351,432		348,798	
Other revenue	95,624	447,056	63,401	412,199
Total operating revenue from real estate leasing		7,524,917		8,048,003
B. Operating expenses from real estate leasing				
Expenses related to rent business				
Management fee	454,790		466,129	
Utilities expenses	372,542		379,716	
Taxes and dues	490,171		599,404	
Repair expenses	319,629		217,551	
Trust fee	28,668		30,462	
Insurance premium	15,314		20,709	
Depreciation	963,602		1,034,674	
Other expenses	301,786		307,198	
Total operating expenses from real estate leasing		2,946,506		3,055,846
C. Operating income (loss) from real estate leasing [A-B]		4,578,410		4,992,156

*2 Breakdown of gain (loss) on sale of real estate

16th fiscal period (from August 1, 2023 to January 31, 2024)

(Unit: thousand yen)

Urban Park Gokokuji

Proceeds from sale of real estate	1,800,000
Cost of sale of real estate	1,488,569
Other sale expenses	46,106
Gain on sale of real estate	265,324

(Unit: thousand yen)

Urban Park Koenji

Proceeds from sale of real estate	1,315,000
Cost of sale of real estate	1,181,858
Other sale expenses	23,950
Gain on sale of real estate	109,191

17th fiscal period (from February 1, 2024 to July 31, 2024)

Not applicable.

[Notes on the Statement of Unitholders' Equity]

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

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	2,372,000 units	2,372,000 units

[Notes on the Statement of Cash Distributions]

16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
*1 Reserve for temporary difference adjustment SAR provided 8,891,236 thousand yen as reserve for temporary difference adjustment in the 10th fiscal period. From the 11th fiscal period, SAR plans to reverse the same amount or more in each fiscal period over a period of up to 50 years. In the fiscal period under review, SAR decided to reverse 88,912 thousand yen.	*1 Reserve for temporary difference adjustment SAR provided 8,891,236 thousand yen as reserve for temporary difference adjustment in the 10th fiscal period. From the 11th fiscal period, SAR plans to reverse the same amount or more in each fiscal period over a period of up to 50 years. In the fiscal period under review, SAR decided to reverse 88,912 thousand yen.

[Notes on 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)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Cash and deposits	2,466,478	3,379,427
Cash and deposits in trust	9,186,964	8,945,505
Cash and cash equivalents	11,653,443	12,324,933

[Notes on Lease Transactions]

Operating leases (as lessee)

Future minimum lease payments

(Unit: thousand yen)

	16th fiscal period As of January 31, 2024	17th fiscal period As of July 31, 2024
Not later than 1 year	173,606	180,199
Later than 1 year	6,358,578	6,477,402
Total	6,532,184	6,657,601

Operating leases (as lessor)

Future minimum lease payments

(Unit: thousand yen)

	16th fiscal period As of January 31, 2024	17th fiscal period As of July 31, 2024
Not later than 1 year	6,246,687	5,741,460
Later than 1 year	22,516,811	21,624,088
Total	28,763,498	27,365,549

[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 "5. Method of hedge accounting" described under "(7) 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, fair value and the amount of difference between them are as follows. Because "cash and deposits," "cash and deposits in trust" and "short-term borrowings" are cash and settled in a short period of time and the fair values approximate the book values accordingly, notes on these matters are omitted.

16th fiscal period (As of January 31, 2024)

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	13,285,000	13,285,000	-
(2) Investment corporation bonds	1,000,000	989,600	(10,400)
(3) Long-term borrowings	107,555,000	107,482,716	(72,283)
Liabilities total	121,840,000	121,757,316	(82,683)
(4) Derivative transactions (*)	323,181	323,181	-

(*) 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.

17th fiscal period (As of July 31, 2024)

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	11,085,000	11,085,000	-
(2) Investment corporation bonds	1,000,000	978,200	(21,800)
(3) Long-term borrowings	108,755,000	108,640,309	(114,690)
Liabilities total	120,840,000	120,703,509	(136,490)
(4) Derivative transactions (*)	615,139	615,139	-

(*) 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) Current portion of long-term borrowings (3) Long-term borrowings

Of these, the fair values of those with fixed interest rates are calculated by the present value obtained by discounting the total principal and interest by the rate expected when similar funds are additionally borrowed in correspondence with the remaining term. Since those with floating interest rates are under terms and conditions that interest rates be renewed every set period of time, the fair values are approximately the same as the book value, and thus such are used.

(2) Investment corporation bonds

The reference value announced by Japan Securities Dealers Association is stated.

(4) Derivative transactions

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

(Note 2) Amount of redemption/repayment of investment corporation bonds and loans to be due after the date of settlement of accounts
16th fiscal period (As of January 31, 2024)

(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
Investment corporation bonds	-	-	-	-	1,000,000	-
Long-term borrowings	13,285,000	19,150,000	20,275,000	21,650,000	21,680,000	24,800,000
Total	13,285,000	19,150,000	20,275,000	21,650,000	22,680,000	24,800,000

17th fiscal period (As of July 31, 2024)

(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
Investment corporation bonds	-	-	-	-	1,000,000	-
Long-term borrowings	11,085,000	20,910,000	23,165,000	19,490,000	25,120,000	20,070,000
Total	11,085,000	20,910,000	23,165,000	19,490,000	26,120,000	20,070,000

[Notes on Securities]

16th fiscal period (As of January 31, 2024)

Notes are omitted because they lack significance.

17th fiscal period (As of July 31, 2024)

Notes are omitted because they lack significance.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

16th fiscal period (As of January 31, 2024)

Not applicable.

17th fiscal period (As of July 31, 2024)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

16th fiscal period (As of January 31, 2024)

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, due after 1 year	
Principle accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term borrowings	77,465,000	68,965,000	323,181

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

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

17th fiscal period (As of July 31, 2024)

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, due after 1 year	
Principle accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term borrowings	68,965,000	61,665,000	615,139

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

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

[Notes on Retirement Benefits]

16th fiscal period (As of January 31, 2024)

Not applicable.

17th fiscal period (As of July 31, 2024)

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)

	16th fiscal period As of January 31, 2024	17th fiscal period As of July 31, 2024
Deferred tax assets		
Valuation adjustment upon merger	1,069,936	1,047,923
Leasehold interests in land	2,211	4,864
Acquisition cost of securities	4,518	4,518
Asset retirement obligations	31,135	31,433
Deferred gains or losses on hedges	6,303	-
Deferred tax assets, subtotal	1,114,105	1,088,739
Valuation allowance	(1,114,105)	(1,088,739)
Deferred tax assets, 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: %)

	16th fiscal period As of January 31, 2024	17th fiscal period As of July 31, 2024
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(31.14)	(31.09)
Reversal of excess depreciation	(0.40)	(0.39)
Other	0.09	0.04
Effective income tax rate after application of tax-effect accounting	0.02	0.02

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

16th fiscal period (As of January 31, 2024)

Notes are omitted because they lack significance.

17th fiscal period (As of July 31, 2024)

Notes are omitted because they lack significance.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholders, etc.

16th fiscal period (from August 1, 2023 to January 31, 2024)

Not applicable.

17th fiscal period (from February 1, 2024 to July 31, 2024)

Not applicable.

2. Affiliated companies, etc.

16th fiscal period (from August 1, 2023 to January 31, 2024)

Not applicable.

17th fiscal period (from February 1, 2024 to July 31, 2024)

Not applicable.

3. Fellow subsidiaries, etc.

16th fiscal period (from August 1, 2023 to January 31, 2024)

Not applicable.

17th fiscal period (from February 1, 2024 to July 31, 2024)

Not applicable.

4. Directors, major individual unitholders, etc.

16th fiscal period (from August 1, 2023 to January 31, 2024)

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	0.03%	Payment of asset management fee to the Asset Manager (Note 1)	794,310 (Note 2) (Note 3)	Accounts payable - other	564,000 (Note 2)

17th fiscal period (from February 1, 2024 to July 31, 2024)

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	0.03%	Payment of asset management fee to the Asset Manager (Note 1)	542,424 (Note 2) (Note 3)	Accounts payable - other	596,666 (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 16th fiscal period includes the acquisition incentive portion included in the book value of individual real estate, etc. in the amount of 250,433 thousand yen and the transfer incentive portion for real estate, etc. in the amount of 31,150 thousand yen.

[Notes on Asset Retirement Obligations]

1. Outline of the asset retirement obligations

SAR concluded a fixed-term subleasehold agreement for the land of its asset Best Western Plus Fukuoka Tenjin-minami, and recognized asset retirement obligations in connection with the obligation to restore the site to its original condition at the end of the sublease term.

2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated using the expected period of use, which is estimated at 55 years from the expiration of the fixed-term subleasehold agreement, and a discount rate of 1.925%.

3. Changes in total asset retirement obligations

(Unit: thousand yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Balance at beginning of period	-	98,969
Increase due to purchases of property, plant and equipment	98,187	-
Adjustment due to passage of time	782	945
Balance at end of the period	98,969	99,915

[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)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Carrying amount		
Balance at beginning of period	194,178,685	241,648,945
Amount of increase (decrease) during period	47,470,259	(250,016)
Balance at end of the period	241,648,945	241,398,928
Fair value at end of period	266,696,000	271,352,000

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

(Note 2) Of the amount of increase (decrease) in investments in rental properties during 16th fiscal period, the amount of increase is mainly attributable to acquisition of real estate beneficiary interest in trust of 11 properties (49,825,623 thousand yen), capital expenditures (1,107,190 thousand yen, which includes 275,884 thousand yen for extension work), and the acquisition of leasehold interest for leased land of property held (171,477 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate beneficiary interest in trust of two properties (2,670,427 thousand yen) and depreciation (963,602 thousand yen). During the 17th fiscal period, the amount of increase is mainly attributable to capital expenditures (774,323 thousand yen), and the amount of decrease is mainly attributable to depreciation (1,034,674 thousand yen).

(Note 3) Fair value at the end of the period is based on the appraisal value by an outside real estate appraiser. Of the fair values at the end of the 17th fiscal period, those of Urban Park Namba and Smile Hotel Namba are based on the transfer prices (1,700,000 thousand yen and 1,800,000 thousand yen) stated in the trust beneficiary interest sale and purchase agreements dated August 2, 2024.

Income (loss) concerning investments in rental properties is as stated in "Notes on the Statement of Income and Retained Earnings" earlier in this document.

[Notes on Revenue Recognition]

1. Breakdown information on revenue from contracts with customers
16th fiscal period (from August 1, 2023 to January 31, 2024)

(Unit: thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Proceeds from sale of real estate (Note 2)	374,516	374,516
Utilities reimbursement	351,432	351,432
Other	-	7,238,921
Total	725,948	7,964,869

(Note 1) Rental revenue, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) are excluded from the above amount as such revenue is not subject to the Revenue Recognition Accounting Standard. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

(Note 2) Proceeds from sale of real estate is recorded as gain on sale of property in the statement of income and retained earnings. Therefore, the amount calculated by deducting the cost of sale of real estate and other sale expenses from the proceeds from sale of real estate is indicated.

17th fiscal period (from February 1, 2024 to July 31, 2024)

(Unit: thousand yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Proceeds from sale of real estate	-	-
Utilities reimbursement	348,798	348,798
Other	-	7,764,987
Total	348,798	8,113,786

(Note) Rental revenue, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) are excluded from the above amount as such revenue is not subject to the Revenue Recognition Accounting Standard. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

2. Foundational information for understanding revenue from contracts with customers

The information is as indicated in "(7) Notes on Matters Concerning Significant Accounting Policies" earlier in this document.

3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts and amount and period of revenue expected to be recognized in the next fiscal period or thereafter from contracts with customers existing at the end of the current fiscal period.

(1) Balance of contract assets and contract liabilities, etc.

(Unit: thousand yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Claims generated from contracts with customers (balance at beginning of the period)	71,460	62,199
Claims generated from contracts with customers (balance at end of the period)	62,199	80,919
Contract assets (balance at beginning of the period)	-	-
Contract assets (balance at end of the period)	-	-
Contract liabilities (balance at beginning of the period)	-	-
Contract liabilities (balance at end of the period)	-	-

(2) Transaction value allocated to remaining performance obligations

Not applicable.

SAR does not include contracts whose terms are initially expected to be one year or less in the note on transaction value allocated to remaining performance obligations as an expedient in practice. Also, with regard to utilities income, as SAR has the right to receive from customers an amount directly corresponding to the value for the lessees who are customers of portions for which performance is complete by the end of the fiscal period, the amount it has the right to claim according to Paragraph 19 of the Application Guidelines of the Accounting Standard for Revenue Recognition is recognized as revenue. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

[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

16th fiscal period (from August 1, 2023 to January 31, 2024)

(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 and retained earnings.

(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 and retained earnings.

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

Information about each major customer is omitted because all net sales to a single external customer are less than 10% of the operating revenue on the statement of income and retained earnings.

17th fiscal period (from February 1, 2024 to July 31, 2024)

(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 and retained earnings.

(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 and retained earnings.

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)

Name of customer	Operating revenue	Name of related segment
KOKO HOTELS Co., Ltd.	1,106,695	Real estate leasing business

[Notes on Per Unit Information]

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Net assets per unit	53,595 yen	53,740yen
Net income per unit	1,518 yen	1,546yen

(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:

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Net income (thousand yen)	3,527,879	3,668,967
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	3,527,879	3,668,967
Average number of investment units during period (units)	2,323,053	2,372,000

[Notes on Significant Subsequent Events]

Issuance of new investment units

At Board of Directors meetings held on August 19 and August 22, 2024, SAR resolved to issue new investment units to acquire real estate, etc. The payments were completed on August 28, 2024. Details are as follows.

<Issuance of new investment units by means of primary offering>

Number of new investment units issued: 315,000

Issue price (offer price): 52,942 yen per unit

Total issue price (offer price): 16,676,730,000 yen

Issue price (payment amount): 51,198 yen per unit

Total issue price (payment amount): 16,127,370,000 yen

Payment date: August 28, 2024

Net proceeds from the issuance of new investment units are used as part of the acquisition funds. The real estate beneficiary interest in trust of four properties was acquired (the total acquisition price is 34,700 million yen) on August 30, 2024.

Transfer of property

The transfers of Urban Park Namba and Smile Hotel Namba have been completed. Details are as follows.

<Urban Park Namba>

Assets to be transferred: beneficiary interest in trust mainly for domestic real estate

Date of sale and purchase agreement: August 2, 2024

Transfer date: September 6, 2024

Address: 2-7-22 Inari, Naniwa-ku, Osaka, Osaka prefecture

Transferee: Not disclosed

Transfer price: 1,700,000 thousand yen

Impact on earnings: A gain on sale of real estate of approximately 175 million yen will be posted in operating revenue during the fiscal period ending January 31, 2025.

<Smile Hotel Namba>

Assets to be transferred: beneficiary interest in trust mainly for domestic real estate

Date of sale and purchase agreement: August 2, 2024

Transfer date: August 19, 2024

Address: 3-3-9 Saiwaicho, Naniwa-ku, Osaka, Osaka prefecture

Transferee: Not disclosed

Transfer price: 1,800,000 thousand yen

Impact on earnings: A gain on sale of real estate of approximately 139 million yen will be posted in operating revenue during the fiscal period ending January 31, 2025.

(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 for the most recent five years.

Date	Remarks	Total number of investment units issued and outstanding (units)		Unitholders' capital (thousand yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
August 1, 2020	Investment unit split	540,824	1,081,648	-	52,745,966	(Note 1)
August 1, 2020	Merger	592,741	1,674,389	-	52,745,966	(Note 2)
August 17, 2021	Capital increase through public offering	115,000	1,789,389	6,369,735	59,115,701	(Note 3)
August 16, 2022	Capital increase through public offering	132,300	1,921,689	7,007,666	66,123,367	(Note 4)
August 21, 2023	Capital increase through public offering	450,311	2,372,000	23,192,817	89,316,185	(Note 5)

(Note 1) SAR has conducted an investment unit split to split one investment unit into two investment units.

(Note 2) Due to the merger dated August 1, 2020, SAR allocated and delivered 1.78 SAR investment units for every 1.0 SSR investment unit. As a result, SAR issued 592,741 new investment units.

(Note 3) New investment units were issued through public offering at an issue price of 57,330 yen (paid-in amount of 55,389 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 4) New investment units were issued through public offering at an issue price of 54,795 yen (paid-in amount of 52,968 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 5) New investment units were issued through public offering at an issue price of 53,235yen (paid-in amount of 51,504 yen) per unit for the purpose of procuring funds for acquisition of new properties.

4. Reference Information

(1) Investment Status

Type of asset	Primary use	Geographic area (Note 1)	16th fiscal period (As of January 31, 2024)		17th fiscal period (As of July 31, 2024)	
			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	56,996	22.0	56,969	22.0
		Major Metropolitan Areas	10,768	4.2	10,723	4.1
		Other than the above	7,995	3.1	8,208	3.2
	Retail	Greater Tokyo	2,998	1.2	2,997	1.2
		Major Metropolitan Areas	9,555	3.7	9,539	3.7
		Other than the above	15,178	5.9	15,202	5.9
	Residence	Greater Tokyo	33,455	12.9	33,376	12.9
		Major Metropolitan Areas	6,186	2.4	6,158	2.4
	Logistics facility	Greater Tokyo	29,098	11.2	29,044	11.2
	Hotel	Greater Tokyo	30,516	11.8	30,465	11.8
		Major Metropolitan Areas	20,051	7.7	19,947	7.7
		Other than the above	18,847	7.3	18,764	7.3
	Subtotal			241,648	93.2	241,398
Preferred equity securities			1,588	0.6	1,588	0.6
Mezzanine loan debt			1,170	0.5	1,170	0.5
Deposits and other assets			14,748	5.7	14,521	5.6
Total amount of assets			259,155	100.0	258,678	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)	132,027	50.9	131,204	50.7
Total amount of net assets (Note 4)	127,127	49.1	127,473	49.3

(Note 1) "Greater Tokyo" refers to Tokyo, Kanagawa, Saitama and Chiba Prefectures. The Major Metropolitan Areas are the Osaka, Fukuoka, and Nagoya Areas. The Osaka Area refers to the city of Osaka in Osaka prefecture. The Fukuoka Area refers to the city of Fukuoka in Fukuoka prefecture. The Nagoya Area refers to the city of Nagoya in Aichi prefecture. In the residence, logistics facility, and hotel categories, each area includes the areas surrounding the main city. The same shall apply hereinafter. The Asset Manager changed its investment area classifications on March 15, 2024, and the figures above are based on the new classifications.

(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 (yen)	Amount	Unit price	Amount		
MEZ-07	Star Asia Mezzanine Loan Debt Investment Series 7	Corporate bond	-	-	400	-	400	-	(Note 1) (Note 4)
MEZ-08	Star Asia Mezzanine Loan Debt Investment Series 8 Class A Beneficial Interest	Trust beneficiary interest	-	-	430	-	430	-	(Note 2) (Note 4)
	Star Asia Mezzanine Loan Debt Investment Series 8 Class B Beneficial Interest	Trust beneficiary interest	-	-	340	-	340	-	
TK-03	GSA JP Project 1 Tokutei Mokuteki Kaisha (TMK) Preferred Equity Securities	Preferred equity securities	13,328,342	119	1,588	134	1,786	198	(Note 3) (Note 5)
	Total	-	-	-	2,758	-	2,956	198	-

(Note 1) The underlying assets are trust beneficiary interests in a trust mainly composed of Quintessa Hotel Tokyo Haneda Comic & Books.

(Note 2) The underlying assets are trust beneficiary interests in a trust mainly composed of Centurion Hotel Grand Akasaka.

(Note 3) The underlying assets are trust beneficiary interests in a trust mainly composed of HAKUSAN HOUSE.

(Note 4) Because interest income etc. from mezzanine loan debt are based on floating interest rates, the fair value is approximately the same as the acquisition cost and thus stated at that acquisition cost.

(Note 5) The fair value of preferred equity securities is the amount that is attributable to the equity held by SAR out of the net asset value of the issuer of preferred equity securities based on the appraisal value of the underlying assets.

② Real estate

(a) Overview of real estate (acquisition 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	1.2	3,040	January 14, 2016	
	OFC-03	Honmachibashi Tower	Chuo Ward, Osaka City, Osaka	6,065	2.5	7,100	January 14, 2016	
	OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	0.7	2,740	April 20, 2016	
	OFC-06	Urban Center Shibuya East	Shibuya Ward, Tokyo	2,042	0.8	3,300	April 20, 2016	
	OFC-08	Urban Center Yokohama West	Kanagawa Ward, Yokohama City, Kanagawa	6,320	2.6	8,520	April 20, 2016	
	OFC-09	Hakata-eki East Place	Hakata Ward, Fukuoka City, Fukuoka	2,286	0.9	3,300	April 6, 2017	
	OFC-10	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	0.6	1,510	February 2, 2018	
	OFC-11	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	1.1	2,710	September 6, 2018	
	OFC-12	Higashi-Kobe Center Building	Higashinada Ward, Kobe City, Hyogo	7,600	3.2	7,460	September 6, 2018 and December 1, 2023	
	OFC-13	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	0.4	1,220	February 1, 2019	
	OFC-14	Urban Center Shinjuku	Shinjuku Ward, Tokyo	11,200	4.6	11,800	August 1, 2020	
	OFC-15	Urban Center Kanda Suda-cho	Chiyoda Ward, Tokyo	5,350	2.2	5,420	August 1, 2020	
	OFC-16	Urban Center Kanda Tsukasamachi	Chiyoda Ward, Tokyo	4,590	1.9	4,570	August 1, 2020	
	OFC-17	Takadanobaba Access	Shinjuku Ward, Tokyo	3,990	1.7	3,810	August 1, 2020	
	OFC-18	Azabu Amerex BLDG.	Minato Ward, Tokyo	2,780	1.2	2,920	August 1, 2020	
	OFC-19	Hiei-Kudan BLDG.	Chiyoda Ward, Tokyo	2,400	1.0	2,420	August 1, 2020	
	OFC-20	Urban Center Shin-Yokohama	Kohoku Ward, Yokohama City, Kanagawa	2,300	1.0	2,650	August 1, 2020	
	OFC-21	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	0.6	1,490	August 1, 2020	
	OFC-22	Urban Center Tachikawa	Tachikawa City, Tokyo	1,804	0.7	2,060	August 19, 2021	
	OFC-23	Urban Center Hakata	Hakata Ward, Fukuoka City, Fukuoka	2,870	1.2	3,290	August 19, 2021	
	OFC-24	Urban Center Fujisawa	Fujisawa City, Kanagawa	2,054	0.9	2,210	August 18, 2022	
		Subtotal			74,947	31.1	83,540	-
	Retail	RTL-01	La Park Kishiwada	Kishiwada City, Osaka	5,400	2.2	5,170	August 1, 2020
		RTL-02	Suroy Mall Chikushino	Chikushino City, Fukuoka	6,550	2.7	6,580	August 1, 2020
RTL-03		Seiyu Minakuchi	Koka City, Shiga	3,320	1.4	3,340	August 1, 2020	
RTL-05		BAGUS Ikebukuro West	Toshima Ward, Tokyo	2,984	1.2	3,500	August 19, 2021	
RTL-06		abeno nini (Retail)	Abeno Ward, Osaka City, Osaka	9,500	3.9	10,600	August 18, 2022	
		Subtotal			27,754	11.5	29,190	-

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	
Residence	RSC-01	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	0.8	2,990	January 14, 2016	
	RSC-02	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	2.6	10,300	January 14, 2016	
	RSC-05	Urban Park Namba (Note 6)	Naniwa Ward, Osaka City, Osaka	1,490	0.6	1,540	April 20, 2016	
	RSC-07	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	0.5	1,240	April 6, 2017	
	RSC-08	Urban Park Ryokuchi Koen	Suita City, Osaka	1,550	0.6	1,730	February 2, 2018	
	RSC-10	Urban Park Ichigao	Aoba Ward, Yokohama City, Kanagawa	1,810	0.8	2,160	March 13, 2020	
	RSC-11	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	0.6	1,610	March 13, 2020	
	RSC-12	Shiroi Logiman	Shiroi City, Chiba	2,470	1.0	2,580	August 1, 2020	
	RSC-13	Urban Park Sekime	Joto Ward, Osaka City, Osaka	2,150	0.9	2,450	August 1, 2020	
	RSC-14	Urban Park Imazato	Ikuno Ward, Osaka City, Osaka	993	0.4	1,090	August 1, 2020	
	RSC-15	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	0.7	2,020	August 1, 2020	
	RSC-16	Urban Park Tokiwadai Koen	Hodogaya Ward, Yokohama City, Kanagawa	3,506	1.5	4,250	October 16, 2020	
	RSC-17	Urban Park Mitsuike Koen	Tsurumi Ward, Yokohama City, Kanagawa	3,160	1.3	3,760	January 8, 2021	
	RSC-18	Urban Park Ryogoku	Sumida Ward, Tokyo	1,115	0.5	1,350	August 19, 2021	
	RSC-19	Urban Park Mizonokuchi	Takatsu Ward, Kawasaki City, Kanagawa	2,019	0.8	2,100	August 19, 2021	
	RSC-20	Urban Park Miyamaedaira	Miyamae Ward, Kawasaki City, Kanagawa	1,060	0.4	1,250	August 19, 2021	
	RSC-21	Urban Park Tsurumi	Tsurumi Ward, Yokohama City, Kanagawa	1,113	0.5	1,190	August 19, 2021	
	RSC-22	Urban Park Mitaka	Mitaka City, Tokyo	743	0.3	1,010	September 1, 2023	
	RSC-23	Urban Park Kamata Minami I	Ota Ward, Tokyo	641	0.3	881	December 1, 2023	
	RSC-24	Urban Park Kamata Minami II	Ota Ward, Tokyo	1,375	0.6	1,770	December 1, 2023	
	RSC-25	Urban Park Umejima	Adachi Ward, Tokyo	1,032	0.4	1,220	December 1, 2023	
		Subtotal			38,943	16.1	48,491	-
	Logistics facility	LGC-01	Iwatsuki Logistics	Iwatsuki Ward, Saitama City, Saitama	6,942	2.9	7,650	January 14, 2016
		LGC-02	Yokohama Logistics	Kanagawa Ward, Yokohama City, Kanagawa	3,560	1.5	4,170	January 14, 2016
		LGC-03	Funabashi Logistics	Funabashi City, Chiba	7,875	3.3	8,770	January 14, 2016
LGC-04		Baraki Logistics	Ichikawa City, Chiba	4,700	1.9	5,220	April 6, 2017	
LGC-05		Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	0.5	1,550	April 6, 2017	
LGC-07		Funabashi Nishiura Logistics II	Funabashi City, Chiba	821	0.3	911	February 2, 2018	
LGC-08		Matsubushi Logistics	Kitakatsushika-gun, Saitama	2,755	1.1	3,310	February 2, 2018	
LGC-09		Funabashi Hi-Tech Park Factory I	Funabashi City, Chiba	1,997	0.8	2,200	August 1, 2020 and December 20, 2023	
		Subtotal			29,950	12.4	33,781	-

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
Hotel	HTL-01	R&B Hotel Umeda East	Kita Ward, Osaka City, Osaka	2,069	0.9	2,430	January 14, 2016
	HTL-02	Smile Hotel Namba (Note 7)	Naniwa Ward, Osaka City, Osaka	1,750	0.7	1,490	January 14, 2016
	HTL-03	REMBRANDT STYLE Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	1.6	3,500	April 6, 2017
	HTL-04	BEST WESTERN Yokohama	Tsurumi Ward, Yokohama City, Kanagawa	3,248	1.3	3,090	April 6, 2017
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Chuo Ward, Fukuoka City, Fukuoka	1,970	0.8	2,040	September 6, 2018
	HTL-06	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	1.0	2,440	September 6, 2018
	HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	1.3	3,110	September 6, 2018
	HTL-08	KOKO HOTEL Osaka Namba	Naniwa Ward, Osaka City, Osaka	2,000	0.8	1,780	September 6, 2018
	HTL-09	abeno nini (Hotel)	Abeno Ward, Osaka City, Osaka	3,600	1.5	3,950	August 18, 2022
	HTL-10	KOKO HOTEL Ginza 1-chome	Chuo Ward, Tokyo	17,800	7.4	21,100	September 1, 2023
	HTL-11	KOKO HOTEL Sapporo Ekimae	Chuo Ward, Sapporo City, Hokkaido	6,700	2.8	7,720	September 1, 2023
	HTL-12	KOKO HOTEL Fukuoka Tenjin	Chuo Ward, Fukuoka City, Fukuoka	5,000	2.1	5,500	September 1, 2023
	HTL-13	KOKO HOTEL Hiroshima Ekimae	Minami Ward, Hiroshima City, Hiroshima	4,100	1.7	4,430	September 1, 2023
	HTL-14	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima City, Kagoshima	3,800	1.6	4,280	September 1, 2023
	HTL-15	KOKO HOTEL Sapporo Odori (Note 8)	Chuo Ward, Sapporo City, Hokkaido	4,200	1.7	4,370	September 1, 2023
	HTL-16	Best Western Plus Fukuoka Tenjin-minami	Chuo Ward, Fukuoka City, Fukuoka	3,800	1.6	4,650	September 1, 2023
Subtotal				69,544	28.8	75,880	-
Total				241,138	100.0	270,882	-

(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 sum total of the sale and purchase price, etc. (not including consumption tax and local consumption tax) stated in the sale and purchase agreement, etc. for each investment asset (or SAR's receipt price in the case of properties that were succeeded to due to absorption-type merger with SAR as the surviving corporation; or the total sale and purchase price divided proportionally based on the ratio of the appraisal value of the properties at the time of acquisition 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) plus construction expenses for extension work.

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

(Note 5) Daiwa Real Estate Appraisal Co., Ltd., the Japan Real Estate Institute, and Tanizawa Sogo Appraisal Co., Ltd. are entrusted with appraisals. Real estate appraisal values are the figures indicated in the real estate appraisal report, with July 31, 2024, as the date of value. These figures are rounded to the nearest million yen. For details, please refer to "(d) Summary of Real Estate Appraisal Reports, Etc."

(Note 6) Urban Park Namba was transferred on September 6, 2024. The same shall apply hereinafter.

(Note 7) Smile Hotel Namba was transferred on August 19, 2024. The same shall apply hereinafter.

(Note 8) The name was changed on April 1, 2024 (former property name: Fino Hotel Sapporo Odori). The same shall apply hereinafter.

(b) Portfolio Summary

a. By Geographic Area

Geographic area		Acquisition price (million yen)	Share (%) (Note 1)
Greater Tokyo (Note 2)		155,108	63.6
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	47,093	19.3
Other than the above		41,670	17.1
Total		243,871	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) 2 mezzanine loan debts (total acquisition price: 1,170 million yen) and 1 preferred equity security (acquisition price: 1,562 million yen) are included.

(a) Office

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		56,126	74.9
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	11,221	15.0
Other than the above		7,600	10.1
Total		74,947	100.0

(b) Retail

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		2,984	10.8
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	9,500	34.2
Other than the above		15,270	55.0
Total		27,754	100.0

(c) Residence

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		32,760	84.1
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	6,183	15.9
Other than the above		-	-
Total		38,943	100.0

(d) Logistics facility

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		29,950	100.0
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	-	-
Other than the above		-	-
Total		29,950	100.0

(e) Hotel

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo (Note)		31,725	44.9
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	20,189	28.6
Other than the above		18,800	26.6
Total		70,714	100.0

(Note) 2 mezzanine loan debts (Total acquisition price: 1,170 million yen) are included.

(f) Student residence

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo (Note)		1,562	100.0
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	-	-
Other than the above		-	-
Total		1,562	100.0

(Note) A preferred equity security.

b. By Size

Acquisition price	Number of properties	Share (%) (Note 1)
10 billion yen or more	2	2.7
5 billion yen or more but less than 10 billion yen	12	16.2
1 billion yen or more but less than 5 billion yen (Note 2)	54	73.0
Less than 1 billion yen (Note 3)	6	8.1
Total	74	100.0

(Note 1) "Share" is calculated on the basis of number of properties.

(Note 2) A preferred equity security is included.

(Note 3) 2 mezzanine loan debts are included.

c. By Asset Type (Use)

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office	21	74,947	30.7
Retail	5	27,754	11.4
Residence	21	38,943	16.0
Logistics facility	8	29,950	12.3
Hotel (Note 1)	18	70,714	29.0
Student residence (Note 2)	1	1,562	0.6
Total	74	243,871	100.0

(Note 1) 2 mezzanine loan debts (Total acquisition price: 1,170 million yen) are included.

(Note 2) A preferred equity security.

(c) Status of Leasing

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Rental revenue (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	6	100,390	127,889	3,263.08	3,263.08	100.0
OFC-03	Honmachibashi Tower	February 2010	6 (Note 7)	247,040	267,801	10,489.58	10,489.58	100.0
OFC-04	Nishi-Shinjuku Matsuya Building	May 1987	10	121,507	139,641	3,547.74	3,547.74	100.0
OFC-06	Urban Center Shibuya East	July 1993	5	66,299	106,355	1,612.88	1,612.88	100.0
OFC-08	Urban Center Yokohama West	November 1994	20	230,435	252,953	8,672.01	8,672.01	100.0
OFC-09	Hakata-eki East Place	February 1986	18	114,477	132,314	4,509.92	4,633.12	97.3
OFC-10	Nihonbashi Hamacho Park Building	July 1992	4	52,089	77,523	1,913.44	1,913.44	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	56	317,175	358,251	15,523.33	16,960.51	91.5
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
OFC-14	Urban Center Shinjuku	March 1989	21	239,103	396,283	5,616.80	5,616.80	100.0
OFC-15	Urban Center Kanda Suda-cho	October 1991	10	140,854	157,380	3,394.35	3,394.35	100.0
OFC-16	Urban Center Kanda Tsukasamachi	January 1988	8	101,475	142,395	3,254.44	3,254.44	100.0
OFC-17	Takadanobaba Access	January 1994	8	113,807	119,663	3,691.49	3,691.49	100.0
OFC-18	Azabu Amerex BLDG.	June 1988	7	75,029	66,595	2,240.03	2,240.03	100.0
OFC-19	Hiei-Kudan BLDG.	September 1991	10	69,992	101,821	2,298.86	2,298.86	100.0
OFC-20	Urban Center Shin-Yokohama	March 1992	16	87,453	97,728	4,057.89	4,057.89	100.0
OFC-21	The Portal Akihabara	May 2002	7	35,002	32,461	815.38	941.69	86.6
OFC-22	Urban Center Tachikawa	May 1990	4	63,352	90,715	2,799.92	3,400.47	82.3
OFC-23	Urban Center Hakata	August 2020	8	85,373	157,558	2,639.18	2,639.18	100.0
OFC-24	Urban Center Fujisawa	April 1991	7	80,990	78,391	3,422.06	3,422.06	100.0
RTL-01	La Park Kishiwada	August 1994	47 (Note 10)	508,209	230,366	40,072.49 (Note 10)	41,050.01 (Note 10)	97.6
RTL-02	Suroy Mall Chikushino	June 2007	20	277,023	335,152	28,747.56	31,088.53	92.5
RTL-03	Seiyu Minakuchi	May 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	23,814.87	23,814.87	100.0

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Rental revenue (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)
RTL-05	BAGUS Ikebukuro West	November 1992	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,497.45	100.0
RTL-06	abeno nini (Retail)	January 2012	5	223,804	150,467	3,481.03	3,481.03	100.0
RSC-01	Urban Park Azabujuban	November 1999	42	59,693	10,715	1,899.83	1,986.76	95.6
RSC-02	Urban Park Daikanyama	Existing: November 1982 Newly built: May 2006	66	196,535	77,674	5,732.38	5,977.18	95.9
RSC-05	Urban Park Namba	January 2013	115	49,082	-	2,543.05	2,584.81	98.4
RSC-07	Urban Park Kashiwa	August 1997	38	39,356	7,346	2,744.96	2,954.77	92.9
RSC-08	Urban Park Ryokuchi Koen	March 1989	58	60,546	11,113	5,430.76	5,508.94	98.6
RSC-10	Urban Park Ichigao	July 1998	58	59,302	17,752	4,197.26	4,322.62	97.1
RSC-11	Urban Park Gyotoku	March 1995	41	45,316	24,196	2,917.93	2,976.36	98.0
RSC-12	Shiroi Logiman	May 1995	290	142,506	12,157	21,214.48	21,884.21	96.9
RSC-13	Urban Park Sekime	August 1989	122	86,647	8,156	7,385.33	7,693.13	96.0
RSC-14	Urban Park Imazato	December 1991	66	40,535	916	4,513.64	4,648.64	97.1
RSC-15	Urban Park Yoyogi	September 2017	23	42,472	6,587	1,180.83	1,286.50	91.8
RSC-16	Urban Park Tokiwadai Koen	February 1994	136	152,409	30,364	13,992.00	14,058.00	99.5
RSC-17	Urban Park Mitsuike Koen	March 1992	133	134,374	32,095	10,362.00	10,362.00	100.0
RSC-18	Urban Park Ryogoku	October 1997	30	38,806	7,713	2,237.02	2,304.53	97.1
RSC-19	Urban Park Mizonokuchi	August 1988	68	67,121	6,516	3,725.02	4,166.38	89.4
RSC-20	Urban Park Miyamaedaira	June 2021	45	33,966	3,840	1,814.73	1,957.97	92.7
RSC-21	Urban Park Tsurumi	February 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	3,145.41	100.0
RSC-22	Urban Park Mitaka	June 2023	11	7,322	4,122	931.12	1,179.94	78.9
RSC-23	Urban Park Kamata Minami I	September 2022	35	22,634	1,484	945.54	971.00	97.4
RSC-24	Urban Park Kamata Minami II	September 2023	13	38,312	6,479	1,880.92	1,962.97	95.8
RSC-25	Urban Park Umejima	October 2023	17	27,334	4,716	1,379.26	1,434.75	96.1
LGC-01	Iwatsuki Logistics	October 2014	3	201,657	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	6	265,769	93,120	36,081.45	38,086.56	94.7
LGC-04	Baraki Logistics	August 2015	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	12,471.50	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-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)	6,316.32	100.0
LGC-08	Matsubushi Logistics	March 1997	1	Not disclosed (Note 9)	Not disclosed (Note 9)	19,833.47	19,833.47	100.0
LGC-09	Funabashi Hi-Tech Park Factory I	Existing: May 2003 Newly built 1: November 2023 Newly built 2: November 2023	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	8,902.08	100.0
HTL-01	R&B Hotel Umeda East	October 2000	1	65,212	73,435	3,940.93	3,940.93	100.0
HTL-02	Smile Hotel Namba	February 2008	1	36,612	-	1,711.42	1,711.42	100.0
HTL-03	REMBRANDT STYLE Tokyo Nishikasai	March 1991	1	93,998	84,600	5,293.88	5,293.88	100.0

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Rental revenue (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)
HTL-04	BEST WESTERN Yokohama	September 1987	1	80,400	80,400	4,686.09	4,686.09	100.0
HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	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	REMBRANDT STYLE Tokyo Nishikasai Grande	February 2017	1	70,002	116,670	2,755.19	2,755.19	100.0
HTL-08	KOKO HOTEL Osaka Namba	April 2017	1	46,911	-	2,061.38	2,061.38	100.0
HTL-09	Abeno nini (Hotel)	January 2012	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	5,553.84	100.0
HTL-10	KOKO HOTEL Ginza 1-chome	October 2014	1	540,155	11,292	7,299.11	7,299.11	100.0
HTL-11	KOKO HOTEL Sapporo Ekimae	October 2015	1	209,472	41,417	5,886.67	5,886.67	100.0
HTL-12	KOKO HOTEL Fukuoka Tenjin	August 2007	1	148,299	9,818	4,404.91	4,404.91	100.0
HTL-13	KOKO HOTEL Hiroshima Ekimae	December 2019	1	139,829	4,000	5,370.75	5,370.75	100.0
HTL-14	KOKO HOTEL Kagoshima Tenmonkan	April 2019	1	70,256	3,824	4,622.48	4,622.48	100.0
HTL-15	KOKO HOTEL Sapporo Odori	June 2020	1	113,882	4,000	3,854.01	3,854.01	100.0
HTL-16	Best Western Plus Fukuoka Tenjin-minami	April 2020	1	236,929	-	7,322.03	7,322.03	100.0
Total			1,746	8,048,003	6,060,504	490,288.46	501,092.70	97.8

(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 July 31, 2024. 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 July 31, 2024 (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 July 31, 2024. 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 July 31, 2024.

(Note 6) "Occupancy rate" is the ratio of leased area to leasable area for each investment asset as of July 31, 2024, 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 July 31, 2024, 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.

(Note 10) The number of tenants and each area related to the installation of ATM are not included.

(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	3,040	3,140	3.7	3,000	3.3	3.9	134	4.5	
	OFC-03	Honmachibashi Tower	Daiwa	7,100	7,060	4.0	7,120	3.8	4.2	301	5.0	
	OFC-04	Nishi-Shinjuku Matsuya Building	Daiwa	2,740	2,680	4.0	2,760	3.8	4.2	122	6.9	
	OFC-06	Urban Center Shibuya East	JREI	3,300	3,340	3.3	3,250	3.1	3.4	114	5.6	
	OFC-08	Urban Center Yokohama West	JREI	8,520	8,610	3.3	8,420	3.1	3.4	315	5.0	
	OFC-09	Hakata-eki East Place	Daiwa	3,300	3,330	4.4	3,290	4.2	4.6	152	6.6	
	OFC-10	Nihonbashi Hamacho Park Building	Daiwa	1,510	1,500	4.2	1,510	4.0	4.4	62	4.3	
	OFC-11	Amusement Media Gakuin Honkan	Daiwa	2,710	2,770	3.5	2,680	3.3	3.7	101	3.9	
	OFC-12	Higashi-Kobe Center Building	Tanizawa	7,460	7,380	4.8	7,490	4.9	5.0	399	5.2	
	OFC-13	Amusement Media Gakuin Shinkan	JREI	1,220	1,230	3.2	1,200	3.0	3.3	41	4.0	
	OFC-14	Urban Center Shinjuku	JREI	11,800	12,000	3.3	11,600	3.0	3.3	402	3.6	
	OFC-15	Urban Center Kanda Suda-cho	Tanizawa	5,420	5,580	3.4	5,350	3.5	3.6	200	3.7	
	OFC-16	Urban Center Kanda Tsukasamachi	Tanizawa	4,570	4,690	3.5	4,520	3.6	3.7	171	3.7	
	OFC-17	Takadanobaba Access	Tanizawa	3,810	3,980	3.6	3,740	3.7	3.8	151	3.8	
	OFC-18	Azabu Amerex BLDG.	JREI	2,920	2,920	3.4	2,920	3.1	3.4	104	3.7	
	OFC-19	Hiei-Kudan BLDG.	Tanizawa	2,420	2,490	3.4	2,390	3.5	3.6	87	3.6	
	OFC-20	Urban Center Shin-Yokohama	JREI	2,650	2,680	4.2	2,610	3.9	4.3	118	5.1	
	OFC-21	The Portal Akihabara	Tanizawa	1,490	1,540	3.6	1,470	3.7	3.8	57	3.8	
	OFC-22	Urban Center Tachikawa	Daiwa	2,060	2,050	4.3	2,060	4.1	4.5	94	5.2	
	OFC-23	Urban Center Hakata	JREI	3,290	3,310	3.7	3,260	3.5	3.8	122	4.3	
	OFC-24	Urban Center Fujisawa	JREI	2,210	2,230	4.8	2,190	4.6	5.0	116	5.6	
			Subtotal		83,540	84,510	-	82,830	-	-	3,364	4.5
	Retail	RTL-01	La Park Kishiwada	JREI	5,170	5,190	6.2	5,150	6.0	6.4	381	7.1
		RTL-02	Suroy Mall Chikushino	Tanizawa	6,580	6,620	5.6	6,560	5.7	5.8	382	5.8
RTL-03		Seiyu Minakuchi	JREI	3,340	3,370	6.7	3,310	6.5	7.0	247	7.4	
RTL-05		BAGUS Ikebukuro West	JREI	3,500	3,540	3.4	3,450	3.2	3.5	123	4.1	
RTL-06		abeno nini (Retail)	JREI	10,600	10,700	3.7	10,400	3.5	3.8	397	4.2	
			Subtotal		29,190	29,420	-	28,870	-	-	1,530	5.5

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 (%)			
Residence	RSC-01	Urban Park Azabujuban	JREI	2,990	3,020	2.9	2,950	2.7	3.0	91	4.5	
	RSC-02	Urban Park Daikanyama	JREI	10,300	10,400	2.8	10,100	2.6	2.9	305	4.8	
	RSC-05	Urban Park Namba	Daiwa	1,540	1,560	4.6	1,530	4.4	4.8	74	5.0	
	RSC-07	Urban Park Kashiwa	Tanizawa	1,240	1,250	4.2	1,230	4.3	4.4	57	4.8	
	RSC-08	Urban Park Ryokuchi Koen	Tanizawa	1,730	1,740	4.4	1,720	4.5	4.6	86	5.6	
	RSC-10	Urban Park Ichigao	JREI	2,160	2,170	3.8	2,140	3.6	3.9	88	4.8	
	RSC-11	Urban Park Gyotoku	Tanizawa	1,610	1,640	3.9	1,590	4.0	4.1	68	4.7	
	RSC-12	Shiroi Logiman	Tanizawa	2,580	2,540	5.0	2,590	5.1	5.2	137	5.5	
	RSC-13	Urban Park Sekime	Tanizawa	2,450	2,460	4.2	2,450	4.3	4.4	113	5.3	
	RSC-14	Urban Park Imazato	Tanizawa	1,090	1,100	4.4	1,080	4.5	4.6	54	5.5	
	RSC-15	Urban Park Yoyogi	JREI	2,020	2,030	3.1	2,000	2.8	3.2	64	3.7	
	RSC-16	Urban Park Tokiwadai Koen	Tanizawa	4,250	4,270	4.1	4,240	4.2	4.3	195	5.6	
	RSC-17	Urban Park Mitsuike Koen	Tanizawa	3,760	3,780	4.3	3,750	4.4	4.5	176	5.6	
	RSC-18	Urban Park Ryogoku	Tanizawa	1,350	1,360	3.6	1,350	3.7	3.8	51	4.6	
	RSC-19	Urban Park Mizonokuchi	Tanizawa	2,100	2,130	4.2	2,080	4.3	4.4	94	4.6	
	RSC-20	Urban Park Miyamaedaira	Daiwa	1,250	1,270	4.0	1,240	3.8	4.2	52	4.9	
	RSC-21	Urban Park Tsurumi	Tanizawa	1,190	1,200	4.2	1,190	4.6	4.4	54	4.8	
	RSC-22	Urban Park Mitaka	JREI	1,010	1,020	3.6	995	3.4	3.7	37	5.0	
	RSC-23	Urban Park Kamata Minami I	JREI	881	896	3.6	866	3.2	3.8	33	5.1	
	RSC-24	Urban Park Kamata Minami II	JREI	1,770	1,770	3.9	1,760	3.4	4.0	70	5.1	
	RSC-25	Urban Park Umejima	JREI	1,220	1,230	3.7	1,210	3.5	3.8	46	4.4	
	Subtotal				48,491	48,836	-	48,061	-	-	1,944	5.0
	Logistics facility	LGC-01	Iwatsuki Logistics	Daiwa	7,650	7,730	4.2	7,620	4.0	4.4	331	4.8
		LGC-02	Yokohama Logistics	Daiwa	4,170	4,190	4.1	4,160	3.8	4.3	202	5.7
		LGC-03	Funabashi Logistics	Daiwa	8,770	8,850	4.1	8,730	3.9	4.3	411	5.2
LGC-04		Baraki Logistics	Tanizawa	5,220	5,390	3.5	5,140	3.4	3.7	191	4.1	
LGC-05		Tokorozawa Logistics	JREI	1,550	1,570	4.6	1,520	4.1	4.8	75	5.8	
LGC-07		Funabashi Nishiura Logistics II	Daiwa	911	917	5.4	909	5.2	5.6	59	7.2	
LGC-08		Matsubushi Logistics	JREI	3,310	3,340	4.6	3,280	4.1	4.9	158	5.7	
LGC-09		Funabashi Hi-Tech Park Factory I	JREI	2,200	2,230	6.3	2,160	6.2	6.6	141	7.0	
Subtotal				33,781	34,217	-	33,519	-	-	1,568	5.2	

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 (%)		
HOTEL	HTL-01	R&B Hotel Umeda East	Daiwa	2,430	2,460	4.5	2,420	4.3	4.7	119	5.7
	HTL-02	Smile Hotel Namba	Daiwa	1,490	1,500	4.6	1,490	4.4	4.8	75	4.3
	HTL-03	REMBRANDT STYLE Tokyo Nishikasai	JREI	3,500	3,530	4.3	3,470	4.1	4.4	160	4.2
	HTL-04	BEST WESTERN Yokohama	JREI	3,090	3,110	4.5	3,070	4.3	4.6	146	4.5
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Tanizawa	2,040	2,100	4.3	2,010	4.3	4.5	92	4.7
	HTL-06	GLANSIT AKIHABARA	Tanizawa	2,440	2,500	3.9	2,410	3.8	4.1	98	3.9
	HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Tanizawa	3,110	3,130	4.0	3,100	3.9	4.2	126	4.0
	HTL-08	KOKO HOTEL Osaka Namba	Daiwa	1,780	1,810	4.2	1,770	4.0	4.4	84	4.2
	HTL-09	abeno nini (Hotel)	JREI	3,950	3,960	4.3	3,940	3.7	4.0	175	4.8
	HTL-10	KOKO HOTEL Ginza 1-chome	JREI	21,100	21,300	3.5	20,800	3.3	3.6	772	4.3
	HTL-11	KOKO HOTEL Sapporo Ekimae	JREI	7,720	7,790	4.2	7,640	4.0	4.3	346	5.2
	HTL-12	KOKO HOTEL Fukuoka Tenjin	JREI	5,500	5,550	4.0	5,450	3.8	4.1	237	4.7
	HTL-13	KOKO HOTEL Hiroshima Ekimae	JREI	4,430	4,460	4.4	4,400	4.2	4.5	213	5.2
	HTL-14	KOKO HOTEL Kagoshima Tenmonkan	JREI	4,280	4,320	4.9	4,240	4.7	5.0	228	6.0
	HTL-15	KOKO HOTEL Sapporo Odori	JREI	4,370	4,410	4.2	4,320	4.0	4.3	194	4.6
	HTL-16	Best Western Plus Fukuoka Tenjin-minami	JREI	4,650	4,650	5.1	4,640	4.5	5.4	263	6.9
	Subtotal				75,880	76,580	-	75,170	-	-	3,324
Total				270,882	273,563	-	268,450	-	-	11,730	4.9

(Note 1) Under "Appraisal firm," "Daiwa," "JREI," and "Tanizawa" stand for Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, and The Tanizawa Sogo Appraisal Co., Ltd., respectively.

(Note 2) "Appraisal value" is as of July 31, 2024, as the date of value.

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

(Note 4) "Appraisal NOI yield" is based on net operating income calculated under 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 July 31, 2024. Of investment assets, the following are top five properties in terms of total rental revenue as of July 31, 2024.

	Changes in occupancy rate (%) (Note)				
	July 31, 2022	January 31, 2023	July 31, 2023	January 31, 2024	July 31, 2024
KOKO HOTEL Ginza 1-chome	-	-	-	100.0	100.0
La Park Kishiwada	99.5	99.4	98.9	98.7	97.6
Higashi-Kobe Center Building	86.6	89.2	92.9	91.5	91.5
Suroy Mall Chikushino	96.3	96.3	94.5	92.0	92.5
Funabashi Logistics	91.6	94.7	94.7	94.7	94.7

(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)	5.9
2	KOKO HOTELS Co., Ltd.	KOKO HOTEL Ginza 1-chome KOKO HOTEL Sapporo Ekimae KOKO HOTEL Fukuoka Tenjin KOKO HOTEL Hiroshima Ekimae KOKO HOTEL Kagoshima Tenmonkan	27,583.92	5.5
3	Seiyu Co., Ltd.	Seiyu Minakuchi	23,814.87	4.8
4	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	4.4
5	Scroll360 Corporation	Matsubushi Logistics	19,833.47	4.0
6	Not disclosed (Note 3)	Yokohama Logistics	Not disclosed (Note 3)	3.6
7	Nagasakiya Co., Ltd.	La Park Kishiwada	15,356.34	3.1
8	FINO Hotels Co., Ltd.	KOKO HOTEL Osaka Namba KOKO HOTEL Sapporo Odori Best Western Plus Fukuoka Tenjin-minami	13,237.42	2.6
9	Rembrandt Inn Co.,Ltd.	REMBRANDT STYLE Tokyo Nishikasai BEST WESTERN Yokohama REMBRANDT STYLE Tokyo Nishikasai Grande	12,735.16	2.5
10	Not disclosed (Note 3)	Baraki Logistics	Not disclosed (Note 3)	2.5
Total of the top 10 tenants			194,703.03	38.9

(Note 1) "Leased area" is the sum total of the leased area stated in the lease agreement for each investment asset as of July 31, 2024.

(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 17th fiscal period

The following are the principal capital expenditures arising from renovation construction works, etc. in the 18th fiscal period, currently planned for the assets held by SAR as of July 31, 2024. 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
Honmachibashi Tower (Osaka City, Osaka)	Switch to LED lighting in the common and privately owned areas	From: Oct. 2024 To: Jan. 2025	62,540	-	-
Higashi-Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work	From: Mar. 2024 To: Sep. 2024	58,000	-	-
Urban Center Kanda Suda-cho (Chiyoda Ward, Tokyo)	Exterior wall renovation work and rooftop waterproofing work	From: Sep. 2024 To: Dec. 2024	55,600	-	-
Honmachibashi Tower (Osaka City, Osaka)	Air-conditioning equipment upgrading work	From: Oct. 2024 To: Jan. 2025	53,000	-	-
Urban Park Ryokuchi Koen (Suita City, Osaka)	Exterior wall renovation work	From: Jul. 2024 To: Jan. 2025	52,000	-	-
Suroy Mall Chikushino (Chikushino City, Fukuoka)	Renovation work before a new tenant moves in	From: Aug. 2024 To: Jan. 2025	50,000	-	-
Hakata-eki East Place (Fukuoka City, Fukuoka)	Privately owned area renovation work	From: Aug. 2024 To: Oct. 2024	49,000	-	-
Azabu Amerex BLDG. (Minato Ward, Tokyo)	Exterior wall renovation work	From: Sep. 2024 To: Jan. 2025	43,500	-	-

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
Urban Center Fujisawa (Fujisawa City, Kanagawa)	Exterior wall renovation work	From: Sep. 2024 To: Jan. 2025	35,500	-	-
Urban Center Yokohama West (Yokohama City, Kanagawa)	Air-conditioning equipment upgrading work	From: May 2024 To: Aug. 2024	34,000	-	-
Matsubushi Logistics (Kitakatsushika-gun, Saitama)	Air-conditioning equipment upgrading work	From: Jun. 2024 To: Sep. 2024	26,700	-	-
KOKO HOTEL Ginza 1-chome (Chuo Ward, Tokyo)	Room renovation work	From: Jan. 2025 To: Jan. 2025	21,000	-	-

b. Capital Expenditures during the 17th fiscal period

The following summarizes the primary construction works that constitute capital expenditures implemented for the assets held by SAR as of July 31, 2024, during the 17th fiscal period. Capital expenditures for the 17th fiscal period amounted to 774,323 thousand yen and, when combined with the 217,551 thousand yen in repair expenses charged to the same period, it totals 991,874 thousand yen in construction works implemented.

Name of real estate, etc. (Location)	Purpose	Period	Construction costs (thousand yen)
Higashi-Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work (No.2・3)	From: Nov. 2023 To: Feb. 2024	94,741
Higashi-Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work (No.1)	From: Apr. 2024 To: Jun. 2024	47,415
Higashi-Kobe Center Building (Kobe City, Hyogo)	Replacement of the chiller on top of the fourth floor	From: Mar. 2024 To: May 2024	37,556
Urban Center Shin-Yokohama (Yokohama City, Kanagawa)	Exterior wall renovation work	From: Apr. 2024 To: Jul. 2024	37,321
Seiyu Minakuchi (Koka City, Shiga)	Replacement of the second absorption chiller/heater	From: Apr. 2024 To: May 2024	36,325
KOKO HOTEL Kagoshima Tenmonkan (Kagoshima City, Kagoshima)	Construction of twin rooms	From: Jul. 2024 To: Jul. 2024	30,016
Other	-	-	490,946
Total			774,323

(h) Income Statement by Asset Type (Use)

	Office total	Retail total	Residence total	Logistics facility total	Hotel total	Portfolio total
① Total operating revenue from real estate leasing (thousand yen)	2,427,977	1,235,224	1,379,914	962,609	2,042,277	8,048,003
Rental revenue	2,247,057	1,109,651	1,314,507	923,628	2,040,958	7,635,803
Other lease business revenue	180,919	125,573	65,406	38,981	1,318	412,199
② Total operating expenses from real estate leasing (thousand yen)	730,293	462,298	396,736	173,660	258,182	2,021,171
Management fee	186,154	144,885	86,293	35,011	13,784	466,129
Utilities expenses	169,938	152,030	18,526	39,218	2	379,716
Taxes and dues	195,707	88,180	91,701	75,664	148,149	599,404
Repair expenses	76,617	17,890	87,363	13,052	22,626	217,551
Trust fee	8,263	4,678	8,249	3,000	6,271	30,462
Insurance premium	6,354	3,289	4,803	2,461	3,801	20,709
Other	87,258	51,342	99,797	5,253	63,547	307,198
③ NOI (①-②) (thousand yen)	1,697,683	772,926	983,178	788,948	1,784,094	6,026,831
④ Depreciation (thousand yen)	311,701	105,539	163,199	158,772	295,462	1,034,674
⑤ Operating income (loss) from real estate leasing (③-④) (thousand yen)	1,385,982	667,387	819,978	630,176	1,488,631	4,992,156
⑥ Capital expenditures (thousand yen)	449,674	112,492	48,338	105,450	58,367	774,323
⑦ NCF (③-⑥) (thousand yen)	1,248,009	660,433	934,839	683,498	1,725,726	5,252,508
Acquisition price (million yen)	74,947	27,754	38,943	29,950	69,544	241,138
Book value at end of period (million yen)	75,901	27,739	39,534	29,044	69,178	241,398
Estimated value at end of period (million yen)	83,540	29,190	48,491	33,781	75,880	270,882
Occupancy rate at end of period						
End of July 2022	93.7%	98.6%	97.5%	97.8%	100.0%	97.2%
End of January 2023	94.3%	98.6%	97.5%	98.6%	100.0%	97.6%
End of July 2023	96.9%	97.9%	97.1%	98.6%	100.0%	97.9%
End of January 2024	96.5%	97.0%	95.5%	98.6%	100.0%	97.5%
End of July 2024	97.4%	96.7%	96.9%	98.6%	100.0%	97.8%