



Characteristics of Star Asia Investment Corporation (SAR)

1. A diversified REIT

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

2. Steady growth


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

3. Initiatives focusing on unitholder value

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

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Investment policy



Prioritized, focused investment in the Tokyo Area (* 1)
Investment ratio 70%±10% or higher in the Tokyo Area



Achieving income stability and growth through diversification of asset type



Investment primarily in middle-size assets (* 2)

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

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

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

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

1. Executive Summary

1. Executive Summary (1)

Overview of FP (ended January 31, 2024)

◆ KPI

Performance Indicators	Forecast	Actual Results	difference	change ratio
Distribution per unit (※)	1,513 yen (124 yen)	1,524 yen (37 yen)	+11 yen	+0.7%
Earnings Per unit(※)	1,389 yen	1,487 yen	+98 yen	+7.1%
Net income	3,296 mn.	3,528 mn.	+231 mn.	+7.0%

※ The figure in brackets () for DPU is the amount for which internal reserves have been utilized
 ※EPU is calculated by dividing net income by the total number of investment units issued and outstanding

◆ Operational results

- Net income **increased by 7.0%** compared to forecast/ Withdrawal from internal reserves (205mn) was reduced – to be used for future internal growth measures.
- **Increase in asset size** was achieved through public offering and asset replacements
End of FP16: **243.8 billion yen.**
- ~**Rental income from 7 newly acquired hotels: 20.8%** increase over forecast
- Office unit rent increased: **2.8% increase** for newly entering tenants, **11.0% increase** for contract renewals.
- Monthly rents for residences increased: **7.8% increase** for newly entering tenants, **2.0% increase** for contract renewals.
- Suroy Mall Chikushino: **Lopia opened**, Funabashi Hi-Tech Park I: Building **extension completed.**

Forecasts for FP17 / FP18

◆ Forecasted Distributions Per Unit

FP17 **1,520** yen (55yen)

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

◆ Growth Driver for FP17 and Beyond

- ① **Further increase in rents*** from the hotel portfolio, especially from the **seven newly acquired properties**
- ② Increase in revenue at Shuroy Mall Chikushino in the short term by **attracting new tenants (*)**, and in the medium term by **increasing rents** and **expanding existing tenants**
- ③ **Increase in occupancy rate (*)** **Increase in rent** at residential properties (rent increase not factored into earnings forecast)
- ④ **.Rent increase in offices** (rent increase not incorporated in earnings forecast) and increase in occupancy rate (*)

※ Partially incorporated in earnings forecast

Topics on FP16

< Summary of 6th Public Offering >

- Executed in August 2023: Acquired 11 properties/ total amount: 49.1 billion yen
- Asset size expanded to **243.8 billion yen** (at end of FP16)
- **Increased exposure towards hotels** at the best timing.
- Increase in hotel revenues due to rise in accommodation demand has contributed **to internal growth.**
- By incorporating newly built and recently built properties, average number of years since construction has improved to **21.1 years** (formerly 24.9 years). ※as of May 31, 2023

< Rating >

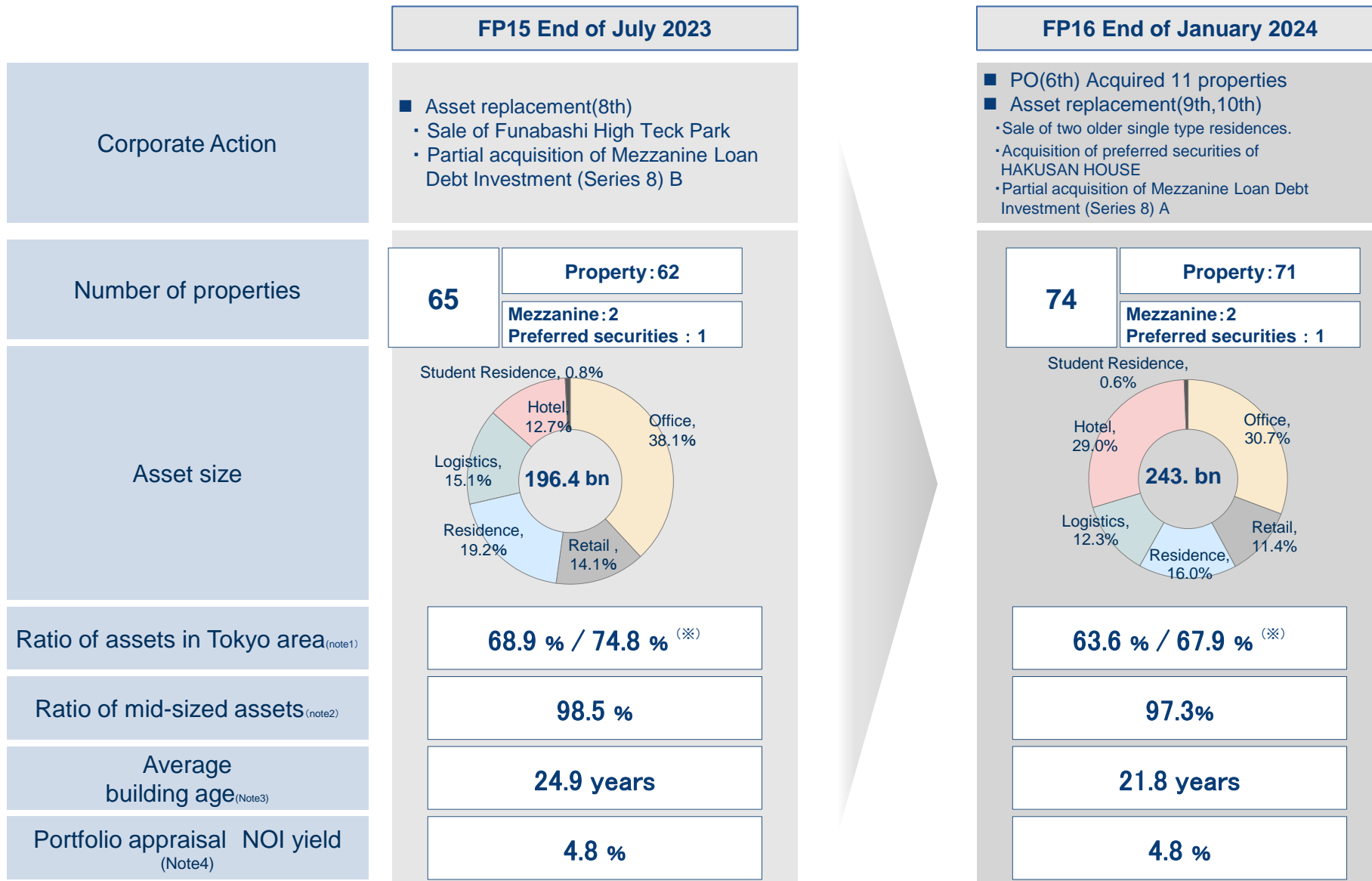
- JCR : A (Stable) ⇒ **A+ (Stable) ^**
- R&I : A- (Stable) ⇒ **A (Stable) ^**
- Ratings improve from the 2 rating agencies stated above.
- Expected effects of ratings improvement
⇒ **Reduction of borrowing costs**
⇒ Improvement in credit evaluation from lender financial institutions
⇒ **Diversification of funding methods.**

< ESG >

- GRESB: Obtained **"3 Stars"** and **"Green Star"** ratings.
⇒ Participated in the 2023 GRESB Real Estate Assessment, and obtained "3 Star" and "Green Star" ratings for 3 consecutive years.
⇒ In the GRESB Public Disclosure Assessment, obtained the highest rank **"A level"**.
- Environmental certification: Newly obtained for 7 properties (of which 2 properties, certification was changed from existing certification to another certification), and the certification ratio has become **43.9%**.

1. Executive Summary (2)

Change in portfolio of assets under management due to active management



※ Tokyo Area Ratio: The ratio to the left is the ratio of assets located in the Tokyo Area to the entire portfolio. The ratio to the right is the ratio when excluding suburban retail facilities which are assumed to be sold.

2. Amendment to the Management Guidelines

2. Amendment to the Management Guidelines

- ◆ **Basic policies of prioritizing investments in the Tokyo Area and making focused and prioritized investments remains the same.** Given increase in the level of risk tolerance, the target Tokyo Area investment ratio has been changed from “70% or more” to “70% ± 10%”.
- ◆ Strategic investments into large-size assets were formerly limited to the 5 main wards in Central Tokyo, but this has been expanded to the Tokyo Area, Osaka Area, Fukuoka Area, and Nagoya Area.

Investment Target Areas and Investment Ratios after Amendment

The changes are indicated by underlines>

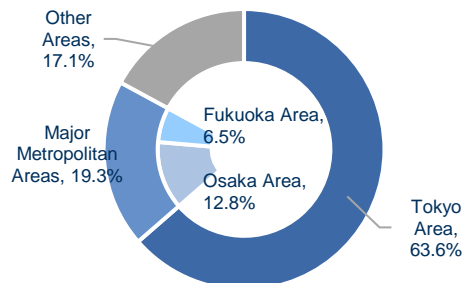
Area Classification		Target Areas		Investment Ratio
Tokyo Area		Tokyo, Kanagawa, Saitama, Chiba prefectures		In principle, <u>70% ± 10%</u>
Major Metropolitan Areas	Osaka Area	Osaka-shi, Osaka prefecture	*For residences, logistics facilities and hotels, also includes the neighboring areas.	In principle, <u>20% ± 10%</u>
	Fukuoka Area	Fukuoka-shi, Fukuoka prefecture		
	Nagoya Area	Nagoya-shi, Aichi prefecture		
Other Areas (other than the above-mentioned investment target areas)				In principle, <u>10% ± 10%</u>

Investments in “Other Areas” shall be made based on strict selection, after carefully considering stability of income and growth potential, while taking into account location characteristics and population concentration of surrounding areas etc.

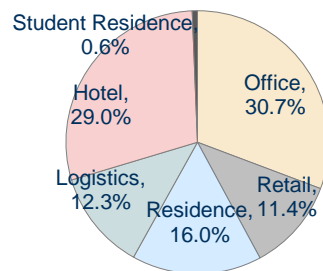
Status of Current Portfolio (Real estate properties etc. /Securities etc.)

Real estate properties 71	+	Securities etc. 3	=	243,871mn.
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< Based on Area >



< Based on Asset type >



Background of Amendment and Key Points

<Back ground of Amendment>

- Given the expansion of asset size, the impact of a single property on the entire portfolio has been reduced, and **it has been determined that the level of risk tolerance of the portfolio has increased.**
- As a result of property acquisitions and asset replacements implemented after formulation of the mid-term business plan (in March 2021), the investment ratio has temporarily become lower than the “Tokyo Area ratio of 70% or more” standard, and this condition has continued.
- Concerning the **suburban-type retail facilities (located outside of the Tokyo Area)** which was incorporated due to the merger, the policy is to **dispose of them in the future**; however, as of today, we are taking measures to increase the value based on a business plan, and the timing of disposal is not yet decided.
- With respect to the financial policy, under the policy to maximize unitholders’ interests, in order to control financing costs to maintain and improve distributions per unit (DPU), particularly concerning financing costs upon conducting debt financings, the policy for decisions to be made in a timely and appropriate, taking into the status of interest rates and prospects of the future financial environment has been clarified.
- Taking the above matters into account, the “Management Guidelines” has been amended while **maintaining the main investment policies.**

<Key Points of Amendment>

■ Investment Target Areas and Investment Ratios

- The policy to prioritize the Tokyo Area and making concentrated and prioritized investments will be maintained, and the range of such investment ratio has been expanded from “70% or more” to “70% ± 10%”
- In cases where the ratio temporarily falls outside of the prescribed scope due to mergers etc., it should be resolved in around 5 years.

■ Strategic Investments into Large-Size Assets

- Concerning the strategic investments into **large-size assets (acquisition price of 10 billion yen or more)** which was limited to the 5 main wards within Central Tokyo area, given that high demand is expected for all asset types in the **Tokyo Area and Major Metropolitan Areas**, and it is believed that vacancy risk and rent reduction risk is relatively low in such areas, such investments in large-size assets are allowed in the Tokyo Area and the Major Metropolitan Areas.

■ Financial Policy

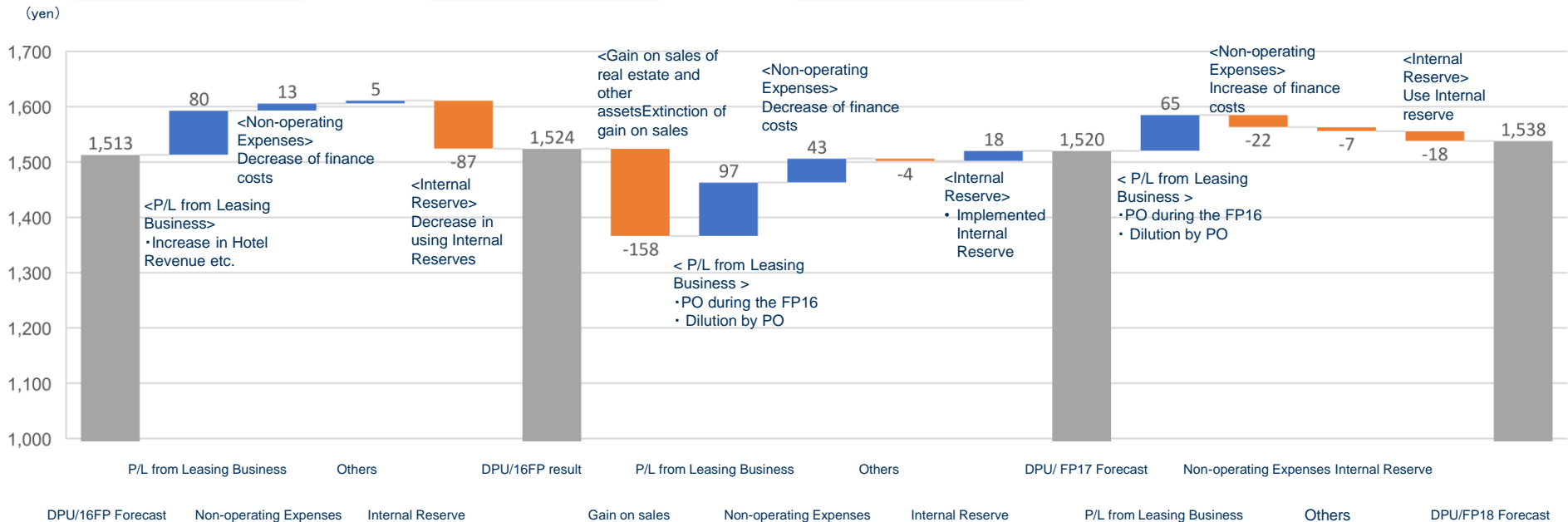
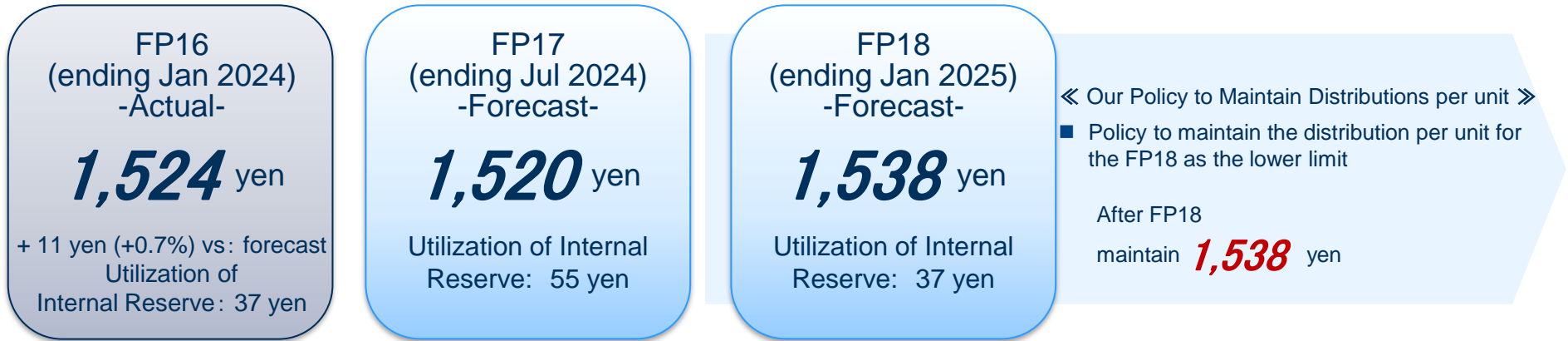
- Concerning debt finance for which the basic policy has been to fix interest rates, the policy has been revised to **control financing costs in a timely and appropriate manner**, aiming to maintain and improve distributions per unit (DPU) while taking into consideration the asset side status of the balance sheet and future outlook of the financial environment
- The policy is the same as before to the extent that we will continue to aim to diversify lenders, achieve stable borrowings, and to diversify repayment deadlines.

3. Actual and forecasted distribution

3. Actual and forecasted distribution (1)

Actual distributions for FP16 ended Jan 31, 2024

- ◆ In the FP16, rental income from hotels significantly exceeded the initial forecast, so the amount of retained earnings reversal was reduced (205 million yen) and utilized for strategic investments
- ◆ DPU for FP17 and FP18 remain unchanged from the previous forecast / Actual rental income from hotels (especially the seven newly acquired properties in the FP16) was higher than the previous forecast, but the track record since acquisition is short, and at least one year is needed to understand factors such as seasonality.



3. Actual and forecasted distribution (2)

Operational Results (Summary) for FP16 ended Jan 31, 2024 and

Forecast Assumptions for FP17 ended Jul 31, 2024 and FP18 ending Jan 31, 2025

- ◆ Office: Achieved **an increase in unit rent**; Residential: Average occupancy rate of **over 95.0%** in the 16th period; **also achieved an increase in rent** from logistics
- ◆ Hotel rental revenue **increased 12.9% compared to the forecast** due to improved demand for lodging / Increased revenue from 7 newly acquired hotels (actual results for the FP16)

	Actual Result of FP16 ended Jan 2024	Forecast Assumptions for FP17 ended Jul 2024 and FP18 ended Jan 2025
Office	<ul style="list-style-type: none"> Realized increase in unit rent while maintaining occupancy rates. (End of FP15: 13,833 yen per month per tsubo ⇒ 13,855 yen per month per tsubo) The active movements of potential tenants continued, and new tenants have been steadily attracted. 14 new contracts: Average increase amount of 2.8% (including transfers from sub-leases) Achieved rent increases at time of renewal: 5 tenants, average increase of 11.0%. 	<ul style="list-style-type: none"> A certain level of increase in occupancy rates is anticipated. (FP17: 98.2%、FP18: 98.5%) Focus on rent increase, but rent increase was not included in the forecast Almost no change in downtime period at the time of tenant replacement FP17, FP18: 5 new contracts, 8 cancellation notices, 12 rent increases upon renewals, 2 rent decreases upon renewals (partially reflected in earnings forecast). ※as of Mar 15, 2024
Retail	<ul style="list-style-type: none"> During the FP16, income remained stable (End of FP15 occupancy rates : 97.9% ⇒ End of FP16: 97.0%) New entries: 4 tenants (3,858.79㎡) /Exited: 7 tenants (4,971.12㎡), impact is limited At Suroy Mall Chikushino, “Lopia”, a supermarket with high ability to attract customers, was opened Tenant replacements at Abeno nini has been completed (average rent increase of 13.0% was achieved compared to before). 	<ul style="list-style-type: none"> Given the opening of “Lopia” at Suroy Mall Chikushino (in December 2023), the facility’s ability to attract customers has improved. Accelerate promotion of leasing activities for vacant space - Pursue realization of internal growth For the retail facility as a whole, finding new tenants for vacant space is anticipated to a certain extent. (FP17: 98.7%、FP18: 98.9%)
Residence	<ul style="list-style-type: none"> The occupancy rates during the FP16 have averaged at 95% or higher, including the 4 newly acquired properties. Residences held from before (extracted only the residence portion) achieved rent increases at the time of entering into new contracts and upon contract renewals (New contracts: 7.8% increase; upon renewals: 2.0% increase) Disposed of 2 single-type residences (on August 31, 2023) Realized gain on sale. 	<ul style="list-style-type: none"> It has been assumed that occupancy rates will improve to a certain extent for the 3 newly acquired, newly built properties, as well as for the entire residential portfolio. (FP17: 97.3%、FP18 97.3%) No increase in rent is expected in the forecast. ~ We will aim to further increase rents at the time of new contacts and contract renewals.
Logistics	<ul style="list-style-type: none"> Income remained stable during the FP16. At Barak Logistics, in response to need to increase floor space, the fixed-term building lease agreement for 1 tenant was not renewed, and the entire building was leased to one tenant (from August 1, 2023). Realized increase in rented area and increase in rents. Completed building expansion at Funabashi High-tech Park Factory I (December 2023) 	<ul style="list-style-type: none"> Revenues are anticipated to remain stable. Increase in revenue due to expansion of Funabashi High-Tech Park Factory I Currently negotiating rent increase with 1 tenant whose contract period will end during the Consider measures for properties with tenants exiting during the 19th FP.
Hotel	<ul style="list-style-type: none"> Hotels have performed well due to increase in accommodation demand. Rent income from all 16 hotels was 12.9% higher than forecast (total amount of approximately 1,664 million yen). In particular, for the 7 newly acquired properties, rent income was 20.8% higher than forecast (total amount of approximately 1,081 million yen), contributing to internal growth. 	<ul style="list-style-type: none"> Internal growth expected from variable rent revenues from the 7 newly acquired properties. However, earnings forecast remains largely in line with the assumption at the time of acquisition Variable rent revenues are also expected from the hotel properties held from before. (Hotels with variable rents: 6 out of 9 hotels held from before.)

3. Actual and forecasted distribution (3)

Factors for increase/decrease compared with forecast/actual results for the FP16

- ◆ Significant increase in variable rents of newly acquired hotels. / Total rents for 7 hotel properties: 20.8% increase from forecast
- ◆ Net income from utility costs increased, and also given advance implementation of repair construction works, NOI was +199 million yen, and net income for current FP was +231 million compared to forecast.

(unit : mn)

	FP16 (ended Jan 2024) forecast * 1	FP16 (ended Jan 2024) Actual	Comparison with forecast		Factors for the increase/decrease
Lease business revenue	7,468	7,524	+56	+0.8%	
Office rent	2,103	2,088	△14	△0.7%	<Revenue of leasing business> 【Residential properties】 Failure to reach expected occupancy rates at three newly properties
Retail rent	1,001	1,012	+11	+1.1%	
Residence rent	1,205	1,183	△21	△1.8%	【Hotel】 Increase variable rent (Linked to GOP or Sales, etc.)
Logistics rent	877	877	+0	+0.0%	
Hotel rent	1,476	1,666	+189	+12.9%	【Other revenue of related leasing business】 Utility revenue△136 million yen
Other	804	695	△109	△13.6%	
Expenses related to rent business (Depreciation is excluded)	2,126	1,982	△143	△6.7%	
NOI	5,342	5,542	+199	+3.7%	<Expenses of leasing business> Utility costs △191 million yen Repair costs +46 million yen
Depreciation	953	963	+10	+1.1%	
Rent revenues/expenses	4,388	4,578	+189	+4.3%	
Capex	1,151	1,107	△44	△3.9%	
NCF(NOI-CAPEX)	4,190	4,434	+244	+5.8%	<Revenue of Mezzanine loan debt>
Gain on sales	380	374	△5	△1.5%	Acquired Series 8 (Centurion hotel Grand Akasaka)
Mezzanine	12	33	+21	+179.9%	
Income from securities lending fees	31	31	+0	△0.0%	
SGA	702	708	+6	+0.9%	
Operating income	4,110	4,309	+198	+4.8%	
Non-operating income	-	1	+1	-	
Non-operating expenses	814	782	△31	△3.8%	【Non-operating expenses】 Interest expense △12 million yen Borrowing cost △18 million yen
Ordinary income	3,296	3,528	+231	+7.0%	
Income before income taxes	3,296	3,528	+231	+7.0%	
taxes	0	0	-	0.0%	
Net income	3,296	3,527	+231	+7.0%	
Cash distribution per unit	1,513yen	1,524yen	11yen	+0.7%	
FFO per unit	1,631yen	1,735yen	+104yen	+6.4%	
AFFO per unit	1,145yen	1,268yen	+123yen	+10.7%	
Balance of internal reserves	8,535	8,741	+205	+2.4%	
(Reference) Net income per unit (Yen per unit) * 2	1,389yen	1,487yen	98yen	+7.1%	

3. Actual and forecasted distribution (4)

Forecast of business results for the FP17 ending Jul 2024 / the FP18 ending Jan 2025

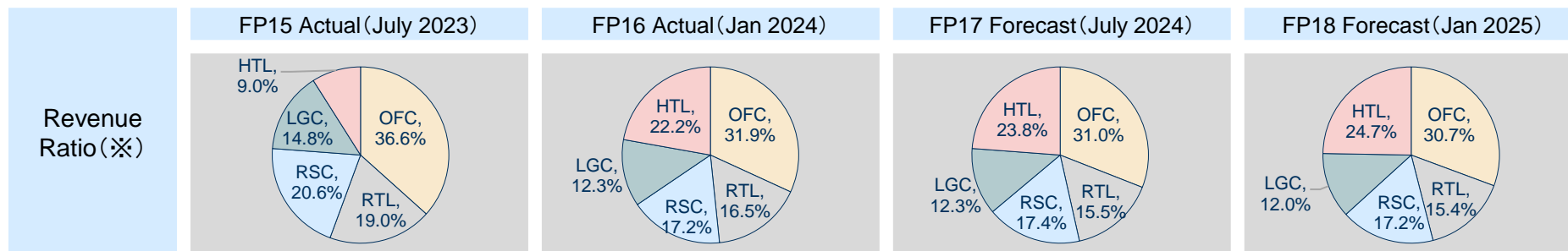
- ◆ The 11 properties acquired in the FP16 ended January 2024 will contribute fully to the performance of FP17 ending July 2024. Further increase in hotels revenues is anticipated going into the FP18 ending January 2025. (Forecasts are generally in line with initial assumptions) (unit : mn)

	FP16 (ended Jan. 2024) Actual (A)	Forecast for the FP17 ending Jul 2024 (B)	Increase/decrease (B-A)		Major factors for the increase/decrease (VS FP16 Actual)	Forecast for the FP18 ending Jan 2025(C)	Increase/decrease (C-B)		Major factors for the increase/decrease (VS FP17 Forecast)
Lease business revenue	7,524	7,894	+369	+4.9%	<Lease business revenue>	8,090	+196	+2.5%	<Lease business revenue>
Office rent	2,088	2,137	+48	+2.3%	【Office】 Urban Center Shinjuku +33mn	2,162	+24	+1.2%	【Retail】 Suroy Mall Chikushino +15mn
Retail rent	1,012	1,046	+34	+3.4%	【Residence】 2properties sold in FP16 Δ13mn	1,061	+14	+1.4%	【Residence】 4properties acquired in FP16 +24mn
Residence rent	1,183	1,265	+81	+6.9%	4properties acquired in FP16 +81mn	1,291	+25	+2.0%	【Hotel】 7properties acquired in FP16 +114mn
Logistics rent	877	914	+37	+4.3%	【Logistics】 Baraki Logintics +21mn	916	+1	+0.2%	
Hotel rent	1,666	1,877	+210	+12.6%	Funabashi Hi-Teck Factory I +13mn	1,997	+120	+6.4%	
Other	695	652	△42	△6.1%	【Hotel】 7properties acquired in FP16	660	+8	+1.2%	
Expenses related to rent business (Depreciation is excluded)	1,982	2,051	+68	+3.5%	+217mn	2,070	+19	+0.9%	
NOI	5,542	5,842	+300	+5.4%	<Expenses related to rent business>	6,019	+176	+3.0%	
Depreciation	963	1,034	+71	+7.4%	2properties sold in FP16 Δ7mn	1,058	+23	+2.3%	
Rent revenues/expenses	4,578	4,807	+229	+5.0%	11properties acquired in FP16	4,961	+153	+3.2%	
CAPEX	1,107	867	△239	△21.6%	+122mn	884	+17	+2.0%	
NCF(NOI-CAPEX)	4,434	4,975	+540	+12.2%	Repair expenses Δ85mn	5,134	+159	+3.2%	
Gain on sales	374	-	△374	△100.0%	Utility expenses +14mn	-	-	-	
Mezzanine	33	33	+0	△0.6%	Taxes +15mn	34	+0	+1.1%	
Preferred securities lending fee	31	31	+0	△1.1%	Leasing-related expenses Δ9mn	31	+0	+1.1%	
SGA	708	713	+4	+0.7%		730	+17	+2.4%	<SGA> Asset management fees +12mn
Operating income	4,309	4,159	△150	△3.5%	<Gain on sales of real estate>	4,296	+136	+3.3%	
Non-operating income	1	-	△1	△100.0%	FP16: Urban Park Gokokuji, Urban Park Koenji	-	-	-	
Non-operating expenses	782	681	△101	△12.9%		733	+52	+7.7%	<Non-operating expenses> Interest expense +54mn
Ordinary income	3,528	3,477	△50	△1.4%		3,562	+84	+2.4%	
Income before income taxes	3,528	3,477	△50	△1.4%		3,562	+84	+2.4%	
Taxes						0	-	-%	
Net income	0	0	-	-%		0	-	-%	
Cash distribution per unit	3,527	3,476	△50	△1.4%	<Non-operating expenses>	3,561	+84	+2.4%	
FFO per unit	1,524円	1,520yen	△4yen	△0.3%	Interest expenses +41mn	1,538yen	+18yen	+1.2%	
AFFO per unit	1,735yen	1,902yen	+167yen	+9.6%	Leasing-related expenses Δ142mn	1,947yen	+45yen	+2.4%	
Balance of internal reserves	1,268yen	1,536yen	+268yen	+21.1%		1,574yen	+38yen	+2.5%	
	8,741	8,612	△128	△1.5%		8,526	△86	△1.0%	
(Reference) Net income per unit (Yen per unit)									
Lease business revenue	1,487yen	1,465yen	△22yen	△1.5%		1,501yen	+36yen	+2.5%	

(※1) Calculated by dividing net income by the total number of units issued and outstanding at the end of the period

3. Actual and forecasted distribution (5)

FP16 (Jan 2024) Balance of Payments of Individual Properties



(※) Ratio of total operating revenue from real estate leasing by asset type to total operating revenue from estate leasing business revenue

(Unit : Thousand yen)

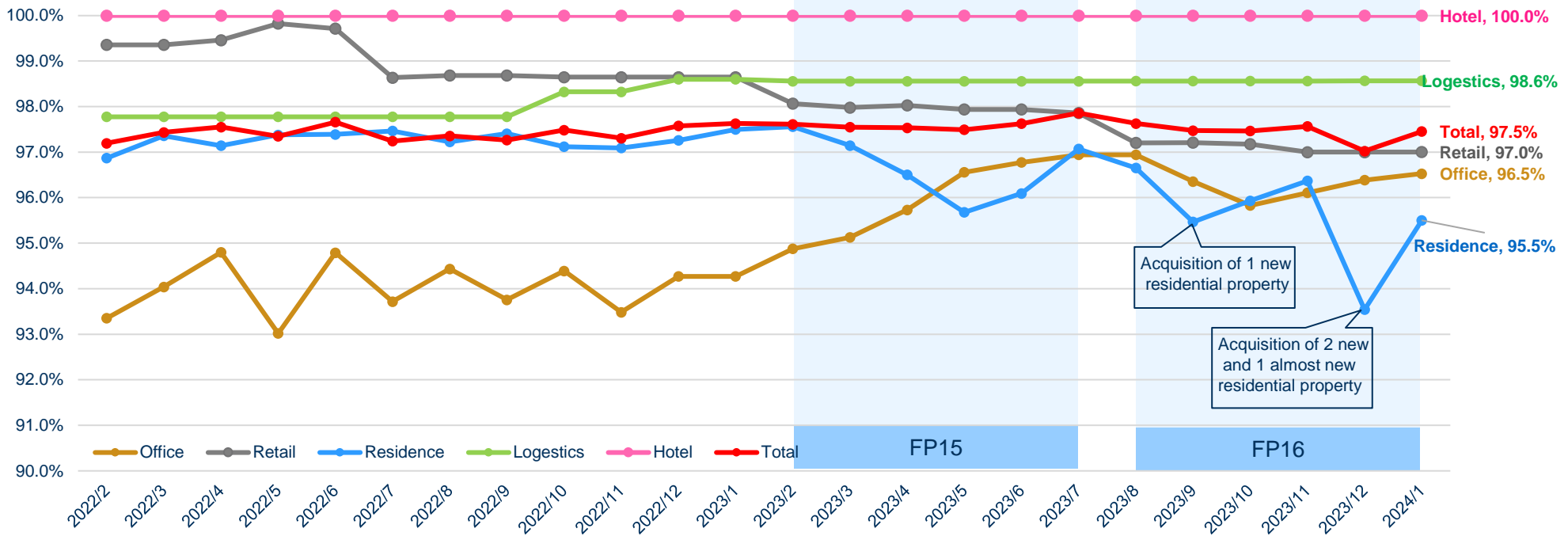
	Office OFC		Retail RTL		Residence RSC		Logistics LGC		Hotel HTL		Total	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	2,383,090	2,397,454	1,233,536	1,241,310	1,337,505	1,290,776	964,998	926,298	584,065	1,669,076	6,503,195	7,524,917
Lease business revenue	2,190,554	2,205,321	1,116,740	1,082,343	1,281,422	1,237,451	875,448	883,667	584,065	1,669,076	6,048,231	7,077,860
Other lease business revenue	192,535	192,132	116,795	158,967	56,082	53,325	89,550	42,631	-	-	454,964	447,056
Total operating expenses from real estate leasing	771,943	737,628	500,759	487,792	409,890	384,398	192,559	209,813	106,064	163,271	1,981,218	1,982,903
Management fee	175,417	183,350	146,536	143,121	90,492	84,574	32,393	31,253	8,076	12,489	452,917	454,790
Utilities expenses	176,505	174,637	149,077	138,237	21,672	17,271	42,056	42,393	4	3	389,316	372,542
Taxes and dues	189,611	189,597	87,763	87,881	87,278	85,262	77,638	76,677	50,708	50,753	493,000	490,171
Repair expenses	109,612	96,765	34,040	47,580	110,658	94,304	28,789	49,032	25,715	31,947	308,817	319,629
Trust fee	10,563	8,263	4,250	3,600	8,950	7,622	3,340	3,000	3,550	6,183	30,653	28,668
Insurance premium	4,560	4,835	2,482	2,615	3,394	3,589	1,814	1,898	1,071	2,374	13,322	15,314
Other expenses	105,672	80,178	76,608	64,756	87,444	91,773	6,525	5,557	16,938	59,519	293,190	301,786
NOI	1,611,146	1,659,826	732,776	753,518	927,614	906,378	772,439	716,485	478,000	1,505,805	4,521,977	5,542,013
Depreciation	279,344	296,217	98,489	101,441	148,260	151,785	146,285	151,625	90,973	262,532	763,353	963,602
Operating income (loss) from real estate leasing	1,331,802	1,363,608	634,286	652,076	779,353	754,592	626,153	564,859	387,026	1,243,272	3,758,623	4,578,410
Capital expenditures	467,754	414,498	68,418	150,429	87,205	72,799	112,387	430,965	52,225	38,497	787,991	1,107,190
NCF	1,143,392	1,245,327	664,357	603,088	840,409	833,579	660,052	285,519	425,774	1,467,307	3,733,985	4,434,822
Period-end book value (million yen)	75,470	75,760	27,683	27,732	38,399	39,642	28,818	29,098	23,805	69,415	194,178	241,648

4. Operating results for the FP16 ended January 2024

4. Operating results for the FP16 ended Jan 2024 (1)

- Occupancy rate status -

- ◆ For the portfolio as a whole (real estate properties etc.), occupancy rates were **maintained at or above 97.0%** during the FP16 (on a contracted floor area basis).
- ◆ For offices, **prioritized increasing rents** over improving occupancy rates/ For retail facilities, as a strategy, instead of holding up exiting tenants, aimed for rent increases upon attracting new tenants from the following period.



	FP13 (Jul 2022)	FP14 (Jan 2023)	FP15 (Jul 2023)	FP16					
				Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024
Office	92.8%	94.3%	96.9%	96.9%	96.4%	95.8%	96.1%	96.4%	96.5%
Retail	99.4%	98.6%	97.9%	97.2%	97.2%	97.2%	97.0%	97.0%	97.0%
Residence	95.1%	97.5%	97.1%	96.7%	95.5%	95.9%	96.4%	93.5%	95.5%
Logistics	97.8%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.7%	97.6%	97.9%	97.6%	97.5%	97.5%	97.6%	97.0%	97.5%

4. Operating results for the FP16 ended Jan 2024 (2)

- Office ① - Status of change in tenant as of the end of the FP16

Operating result for office

<Actual performance for FP16>

- Entry and moving out of tenants:
Newly contracted area (3,375.39㎡) < moved out area (13,726.48㎡).
- Newly attracted tenants: **13 tenants** (rents increased on average of **2.8%** compared to before)
- Free rent: Average **2.7 months**.
- Increase in rents at time of contract renewal: **6 tenants** (average of **11.0% increase** compared to before)
- **No reductions** at time of contract renewal.
- Rent increases and decrease realized during the lease periods, instead of at the time of contract renewals. (rent was increased by **6.7%**)
increase 2 tenants, decrease 1 tenant

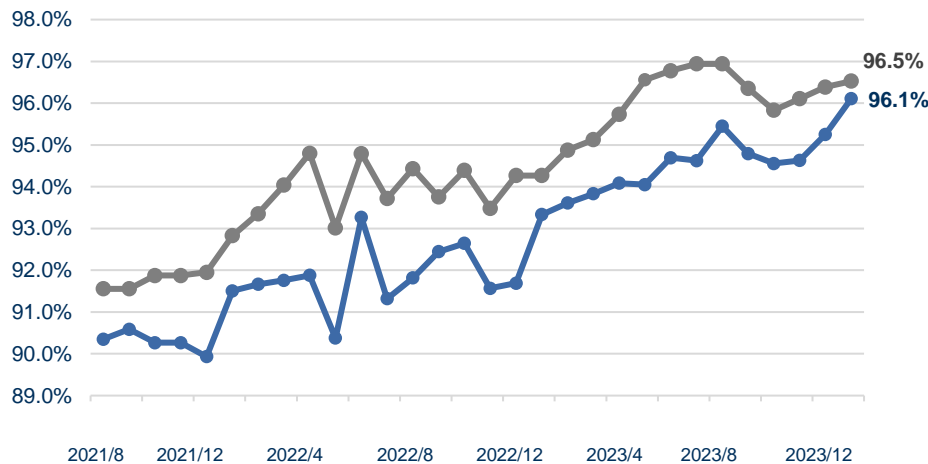
<Forecast for FP17 and onwards>

- Maintain and improve occupancy rates, and **focus on rent increases** (at time of entering into new contracts and upon contract renewals.)
~ Occupancy rates: FP16 96.5%→FP17 98.2%→FP18 98.5%
- ※ Newly contracted tenants include tenants with direct contracts at Urban Center Hakata (6 tenants).
- ※ Exiting tenants include sub-lessees at Urban Center Hakata.
- ※ For the calculation of average free rent periods, only the tenants newly entered during the FP16 have been extracted.

Status of change in tenant as of the end of the FP16

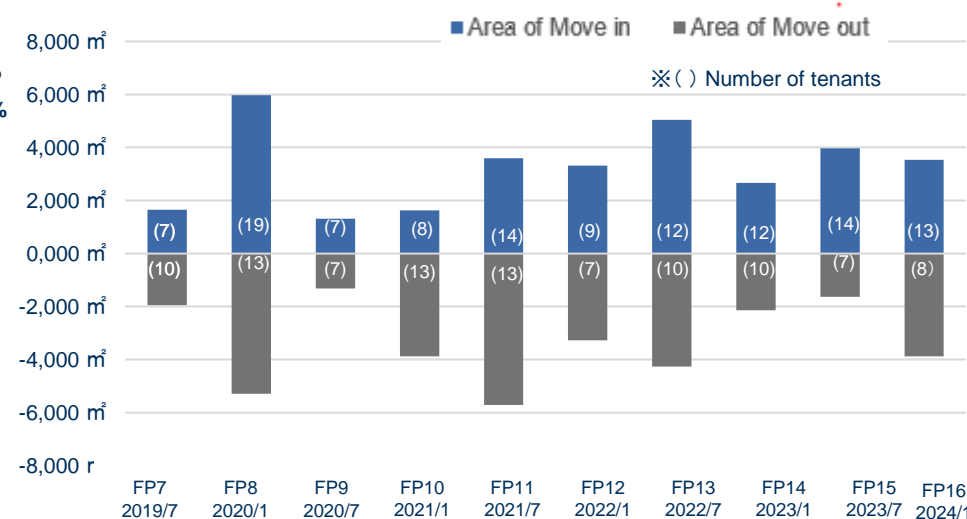
	Number of tenants	Area(㎡)	
<New Contract>	13	3,375.39	
Rent up	6	1,856.03	- Average rent increase of 2.8% + 488 thousand yen/month
Same rent	4	699.80	- Average free rent 2,7 months
Rent down	4	819.56	
<Renewal>	54	11,780.66	
Rent up(※)	5	1,124.80	- Average +11.0% increase at renewal + 510 thousand yen/month
Same rent	49	10,583.86	- No tenant reduction at the time of renewal
Rent down	0	0.00	
※ Only tenants whose contracts were up for renewal during the FP16			
<Leaving>	8	3,726.48	

Contracted occupancy rate / effective occupancy rate



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

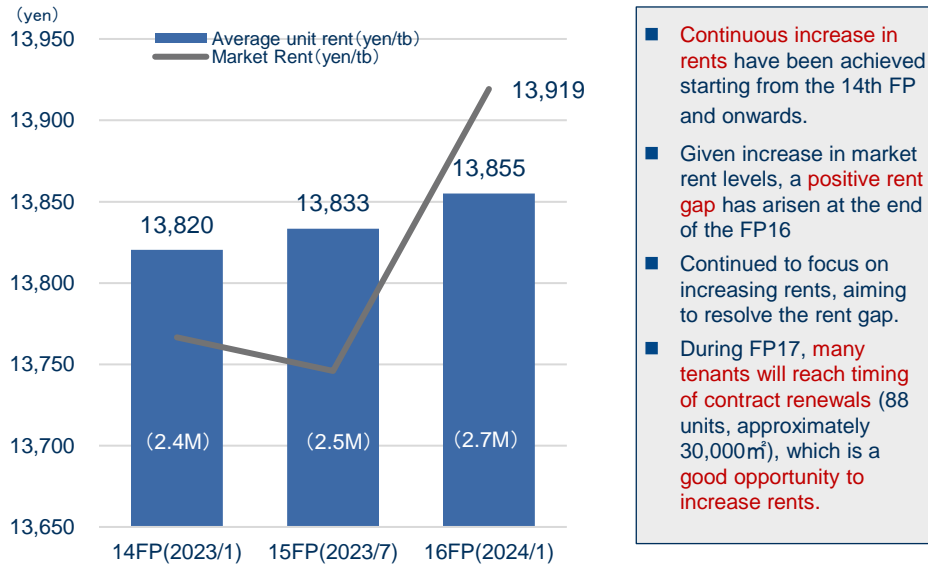
Contract Rent Period of Office Portfolio



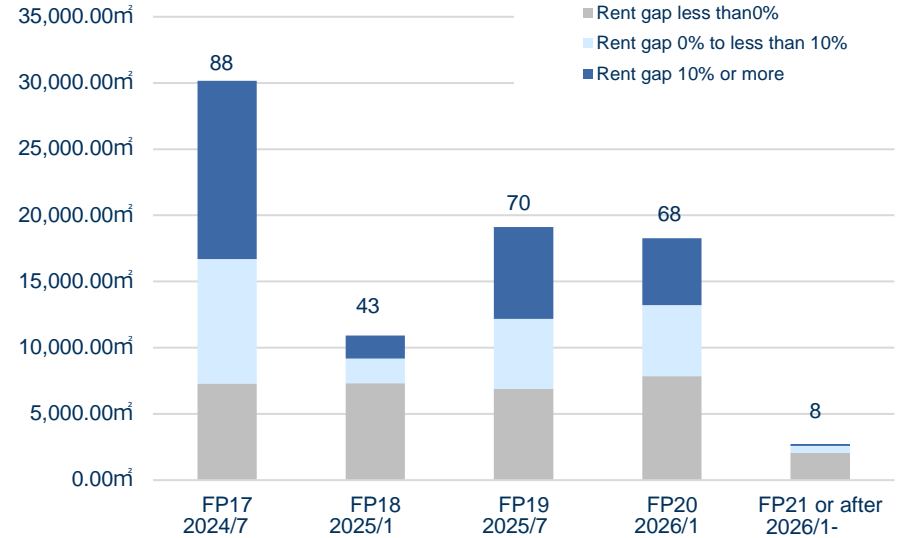
4. Operating results for the FP16 ended Jan 2024 (3)

- Office - ② Status of Rent Gap and Trends in Unit Rents

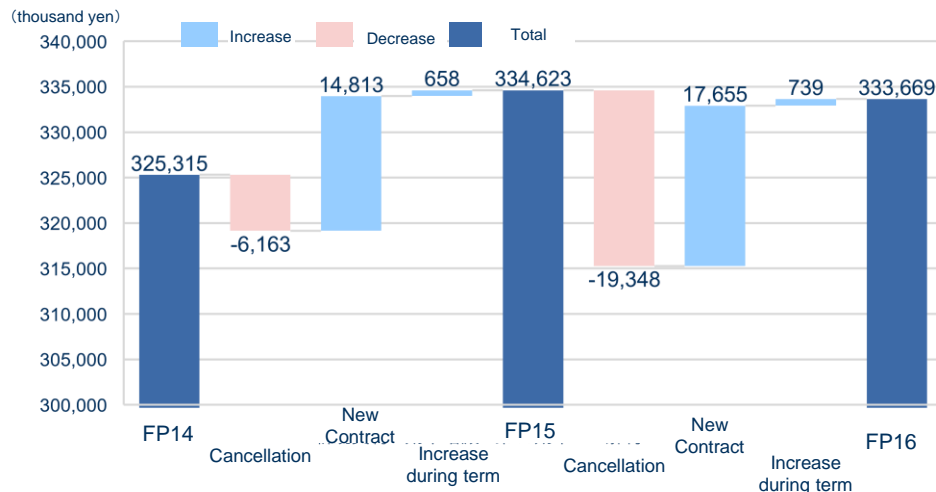
Trends in Market Rents and Contract Rents per Unit, Average FR Period



Contract Rent Period of Office Tenants



Total monthly rent at the end of the period



Addressing leasing issues

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



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

- One vacant floor Renovations of toilet etc. during vacant period.
- During the FP16, leasing activities conducted focusing on rents.
- There is tenant candidate. Aiming to sign contract in FP17

Jul 2023	82.3 %	⇒	Jan 2024	82.3 %
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【Urban Center Kanda Tsukasamachi (Chiyoda-ku, Tokyo)】



Acquisition price	4,590 mil
Structure	SRC 8F/1B
Leasable area	3,254.44 m ²
Construction completion	Jan 1988

- Some space with tenants exiting during the FP16
- Negotiating with successor tenant candidate towards signing a contract.

Jan 2023	100.0 %	⇒	Sep 2023	88.7 %	⇒	Apr 2024 (anticipated)	100.0 %
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4. Operating results for the FP16 ended Jan 2024 (4)

- Retail -

- ◆ Basic policy: The policy to sell suburban retail facilities is maintained/ Pursue maximization of profits during the holding period
- ◆ At Suroy Mall Chikushino, succeeded in attracting "Lopia" which has high ability to attract customers. Pursue internal growth through leasing activities of vacant space.

Operating results for Retail					
<Retail Basic Information>					
	Property name	Location	Number of tenants	Total floor area (m ²)	Occupancy rate (As of Jan 31, 2023)
Urban-type	BAGUS Ikebukuro West	Toshima - ku, Tokyo	1	1,497.45	100.0%
	Abeno nini (Retail)	Osaka - shi, Osaka	5	3,481.03	100.0%
Suburban-type	La Park Kishiwada	Kishiwada - shi, Osaka	48	40,555.40	98.7%
	Seiyu Minakuchi	Koka - shi, Shiga	1	23,814.87	100.0%
	Suroy Mall Chikushino	Chikushino - shi, Fukuoka	19	29,615.26	92.0%
			77	97,964.01	97.9 %

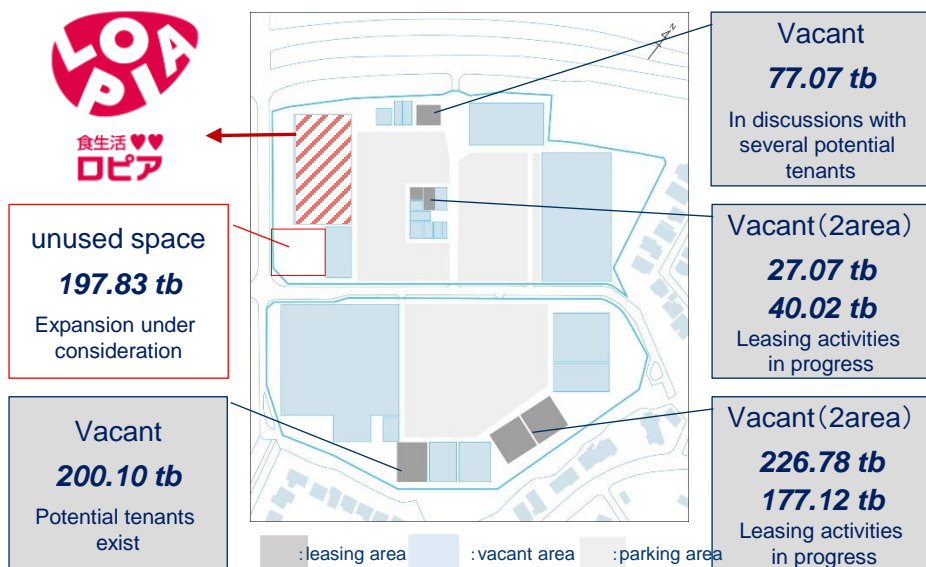
- Stable occupancy during the FP16.
- Replace tenants in Abeno nini (Retail). 2 tenants: Rent is increased by an average of **13.0%** compared to the previous period.
- Suroy Mall Chikushino: Backed by the ability to attract customers of "Lopia" which opened in November 2023, we will aim to improve property value, **attract new tenants** to vacant spaces, and increase rents for spaces where **fixed-term leases will reach maturity**.

Suroy Mall Chikushino / reevaluation of tenant mix

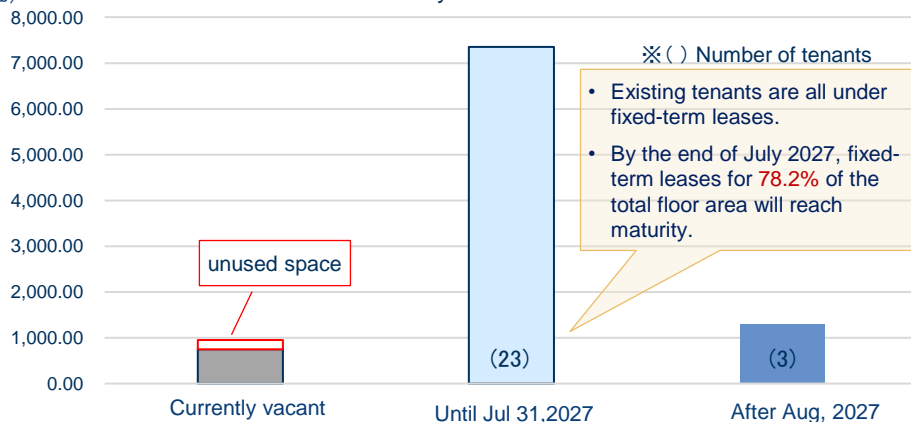
Succeeded in attracting Lopia, a major supermarket chain

- (1) Examination of possible measures to increase traffic to the property; (2) examination of possible tenant types that would complement existing tenants → commencement of efforts to attract a supermarket to the property, in light of the high volume of daily traffic it would bring
- Since opening on November 22, 2023, sales for the total facility increased to **185%** (in December).

<Suroy Mall Chikushino Building layout>



(tb) < Revision of Contract Period of Suroy Mall Chikushino (based on floor area) >



unused space 197.83 tb	+	Vacant 748.16 tb	+	Fixed-term lease expires 7,352.34 tb	=	Total 8,298.33 tb
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※ Tenants whose contracts will expire by the end of the FP ending in Jan 2028 were extracted. From the FP25 (ending July 31, 2028) onward, 13 tenants (contracted area: approx. 25,923.95m²)

※ Tenants whose contracts will expire by the end of the FP ending in July 2028 were extracted.

4. Operating results for the FP16 ended Jan 2024 (5)

- Residence -

- ◆ During FP16, 4 newly built / recently built properties were acquired, and 2 old properties were sold (realizing gain on sale) – contributed to improvement of number of years since completion (shortened)
- ◆ Achieved rent increases at time of new entry of tenants and at contract renewals/ Occupancy rates (including the 4 newly acquired properties) during FP16 averaged 95.6%.

Operating results for Residence

< Basic Information Residential Portfolio >

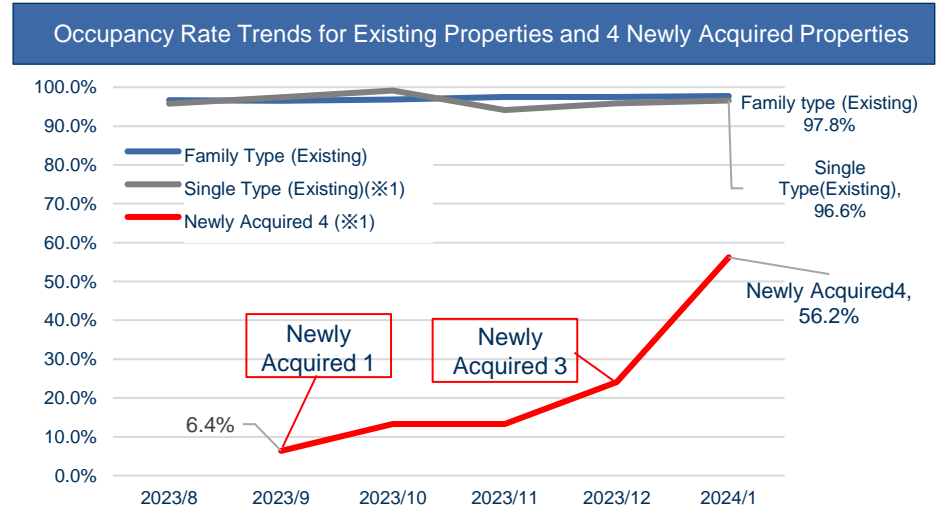
Less than 30㎡	259 / 6,197.32㎡	30㎡ or more	1,440 / 94,780.06㎡
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< FP16 Actual > ※ Based on 21 Property owned FP16

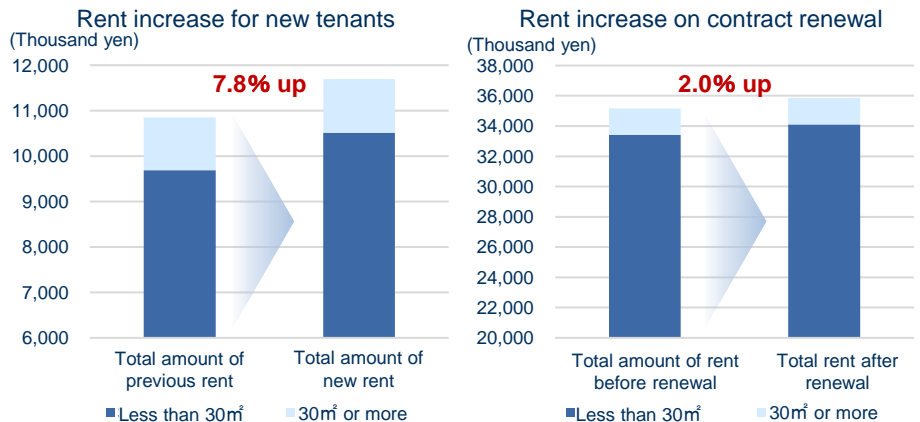
- Entering and leaving of tenants : Area move in (5,511.38㎡) > Aria move out (5,215.26㎡)
- Entering and leaving, Rent Fee : Total rent (monthly amount) **+1,549,100 yen**

	Less than 30㎡		30㎡ or more	
	Number of tenants	Total monthly amount	Number of tenants	Total monthly amount
New contract	17	+22,500yen	83	+828,500yen
Renewal	24	+2,000yen	250	+696,100yen
Cancellation	16	—	79	—

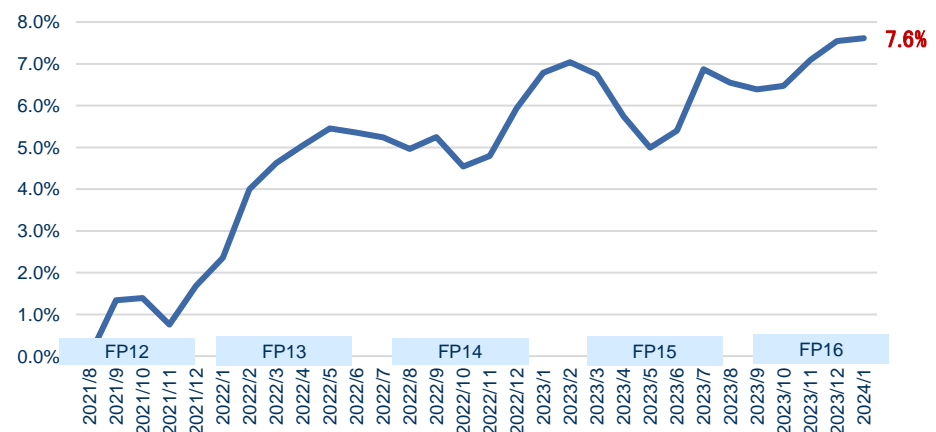
※ Excluding the 2 properties already sold and the 4 newly acquired properties, just the residence portion was extracted and aggregated, and residences for which the contract type was changed during the contract period have been handled as renewals (the same applies within this page).



Change in monthly rent for new contracts and renewals during the FP16



Total Monthly Rent of Family Type (Existing Properties)※2



※1 Singles-type housing : UP Namba, UP Gokokuji (Sold in August 2023), UP Koenji (Sold in August 2023) , Newly Acquired : UP Mitaka, UP Kamata- Minami 1, UP Kamata- Minami 2, UP Umejima
 ※ 2The "Transition of Gross Monthly Rents" has been calculated as the total amount of rents and common-use fees stated in the effective lease agreements at the end of each month, and indexing it to such amount as of the end of August 2021 (assuming such amount is 100).

4. Operating results for the FP16 ended Jan 2024 (6)

- Logistics -

- ◆ **Completion of building extension** of Funabashi Hi-Tech Park Factory I (in Dec. 2023) / Commenced receiving rent for the extended building portion – expected to contribute to internal growth in FP17 and onwards.
- ◆ Continued efforts to increase rents at the timing of re-signing of contracts, and contract renewals.

Operating results for Logistics

<FP16: actual performance>

- Occupancy rates stable: Average occupancy rates at logistics facilities 98.6%
- Funabashi Hi-Tech Park I: Completed building extension (Dec. 2023)
- Logistics Facility A: changed to single tenant ⇒ achieved increase in rent, increase in rented floor space, and cost reduction (lease contract already signed) – Effect of increasing revenues by approximately **+7 million yen/ year**
- Logistics Facility B: Made certain capital expenditures in response to request from tenant ⇒ realized rent increase (lease contract already signed) – Effect of increasing revenues by approximately **+6 million yen/ year**

<Initiatives from FP17 and onwards>

- During FP18: lease to expire for 1 tenant (7,177.30㎡) - **negotiating rent increase**
- During FP19: lease to expire for 1 tenant (5,994.75㎡), received cancellation notice (March 2025)
- Considering future measures and policies (search for successor tenant or sale)

Extension of Funabashi Hi-Tech Park Factory I

Building extension at Funabashi Hi-Tech Park Factory I

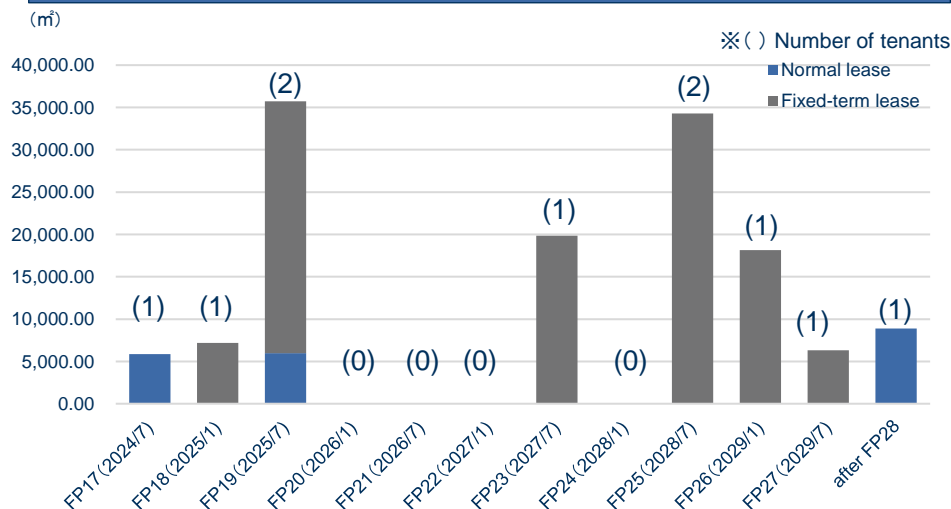
- **Completed building extension at 2 spots** utilizing unused FAR (completed in Dec. 2023)
- - Implemented internal growth measures -
- Monthly rent: **25.5% increase**
- Assumed NOI yield for FP17: 6.7%
- A part of the extended building obtained a ★★★★★ rating under the Building-Housing Energy-efficiency Labeling System.



The right side of the photograph shows one of the 2 spots where the building was extended.



Revision of Rent and Contract Period



	Pre-extension	Post-extension (planned)	Increase
Total leasable area _(Note3)	8,340.98㎡	9,002.40㎡	661.42㎡ (+7.9%)
Floor-area ratio _(Note4) (current/maximum allowed)	62.16%/200%	66.59%/200%	(+4.43%)
Acquisition price _(Note5) (Indexation pre-extension = 100)	100.0	125.5	+25.5Pt

4. Operating results for the FP16 ended Jan 2024 (7)

- Hotels① -

- ◆ **Acquired 7** recently built hotel properties from the Sponsor Group at the **best timing** for taking in increase in accommodation demand (total amount of 45.4 billion yen) (in Sep. 2023)
- ◆ Received rents from the **newly acquired 7 hotel properties** which were **20.8% higher than forecast**.

Operating results for Hotel

<Status in FP16>

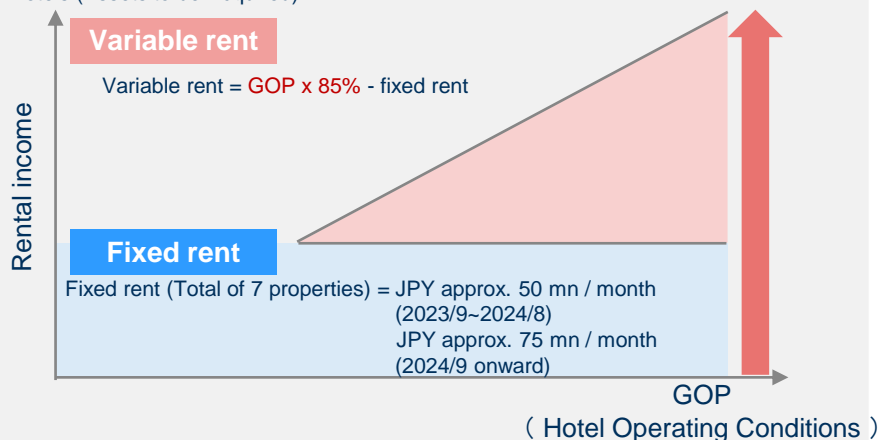
- Total rent amount: **1,666 million yen / 12.9% higher than forecast**
- Variable rents: **903 million yen / 26.6% higher than forecast**
- Hotel A: Closed due to effects of COVID-19/ Reopened in February 2024
 - Rent was received as scheduled even during the closed period -
- Hotel B: Ended the period used as facility for accepting mild symptom patients- Operating normally except for some portions.

<Assumptions for FP17 and onwards>

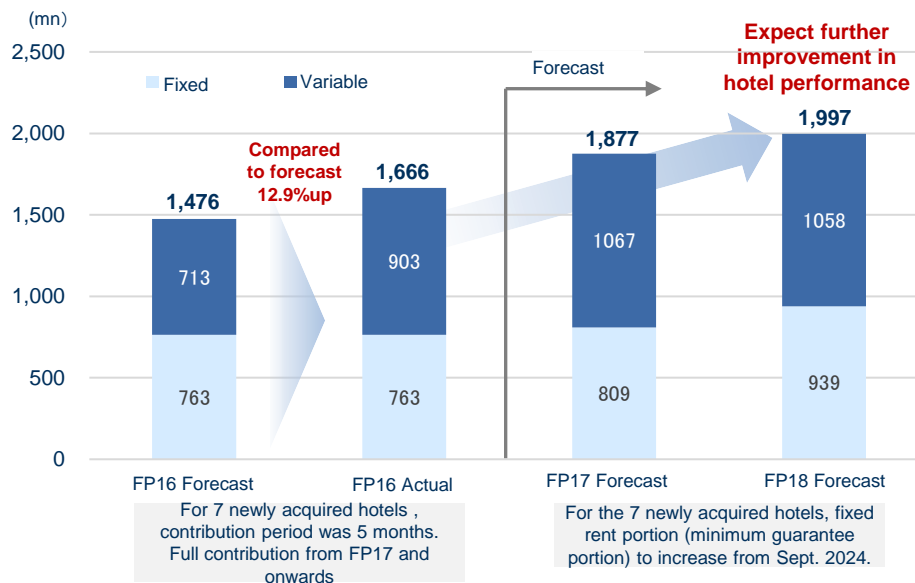
- Newly acquired 7 properties – Assumed that operating status will improve towards the latter half of FP17.
- Hotels held from before – A certain amount of variable rent is anticipated from hotels with variable rent structures - **Upside anticipated**.

<Rent structure for the 7 newly acquired hotels>

SAR's rent income of the 7 hotels (Assets to be Acquired)



Actual and projected hotel rents

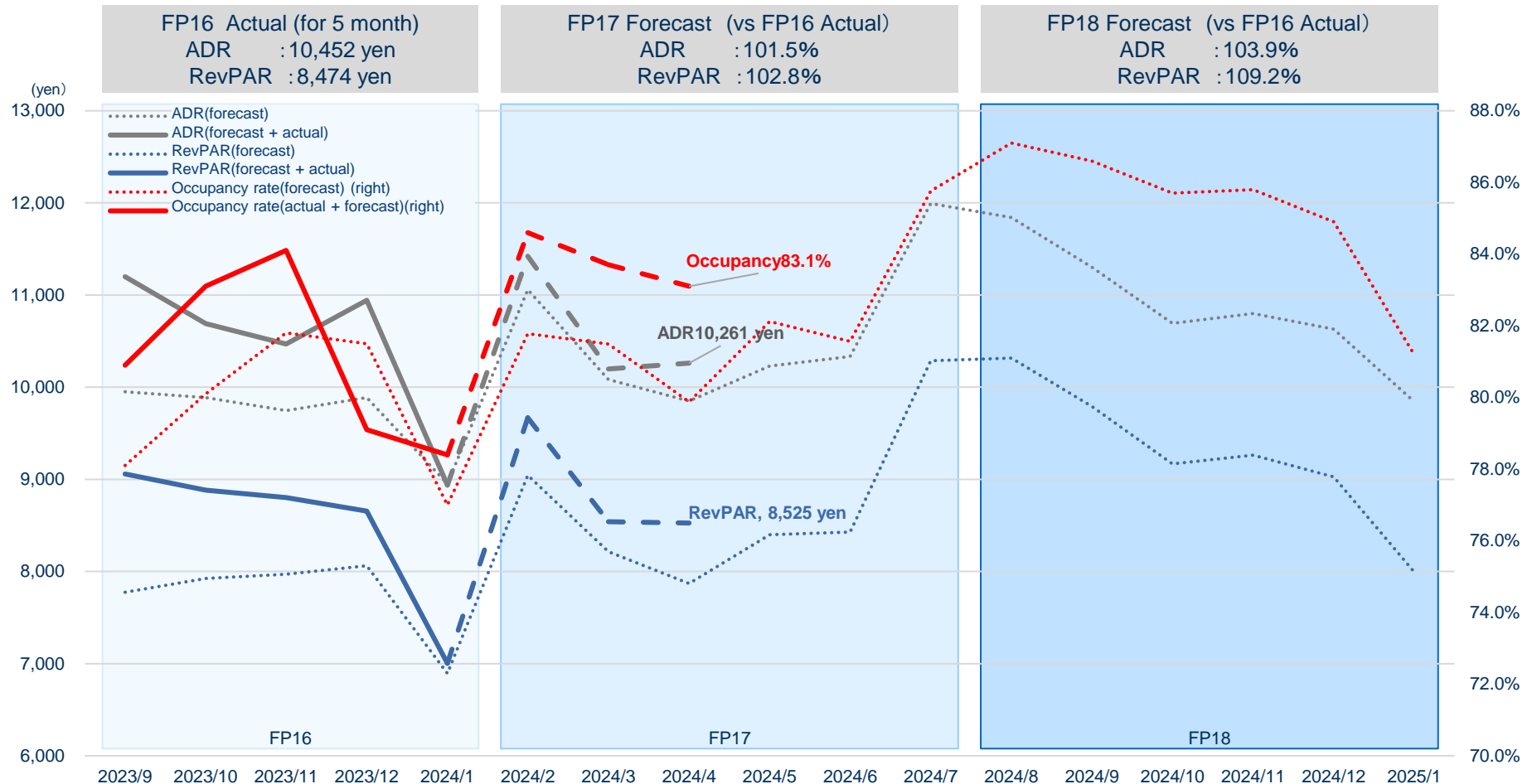


- ◆ Actual rent income received from the hotel portfolio (16 properties in total) FP16 **12.9%** higher than forecast (for variable rent 26.6% higher)
 - ◆ **For 7 newly acquired hotels** (acquired in Sept. 2023), **contribution period was 5 months**.
 - ◆ When actual rents received in FP16 from the newly acquired 7 hotels is recalculated simply for 6 months, it exceeds the forecast for FP17. For the 7 newly acquired hotels, fixed rent portion (minimum guarantee portion) to increase from Sept. 2024.
 - ◆ Total rent amount is $GOP \times 85\%$
 - ◆ It is assumed that improvement in operations of hotels will continue even in FP17 and thereafter.
- It is assumed that a certain amount of variable rent will be received from hotels held from before with variable rent structures.

4. Operating results for the FP16 ended Jan 2024 (8)

- Hotels② -

- ◆ Although the various indices which are assumed for the business forecast of the 7 hotel properties acquired in September 2023 are anticipated to improve to a certain extent compared to FP16, as the track record period is still short, the initial forecast figures at the time of acquisition has been largely adopted.
- ◆ It has been confirmed that the recent situation is that various indices **have outperformed the forecast figures**.

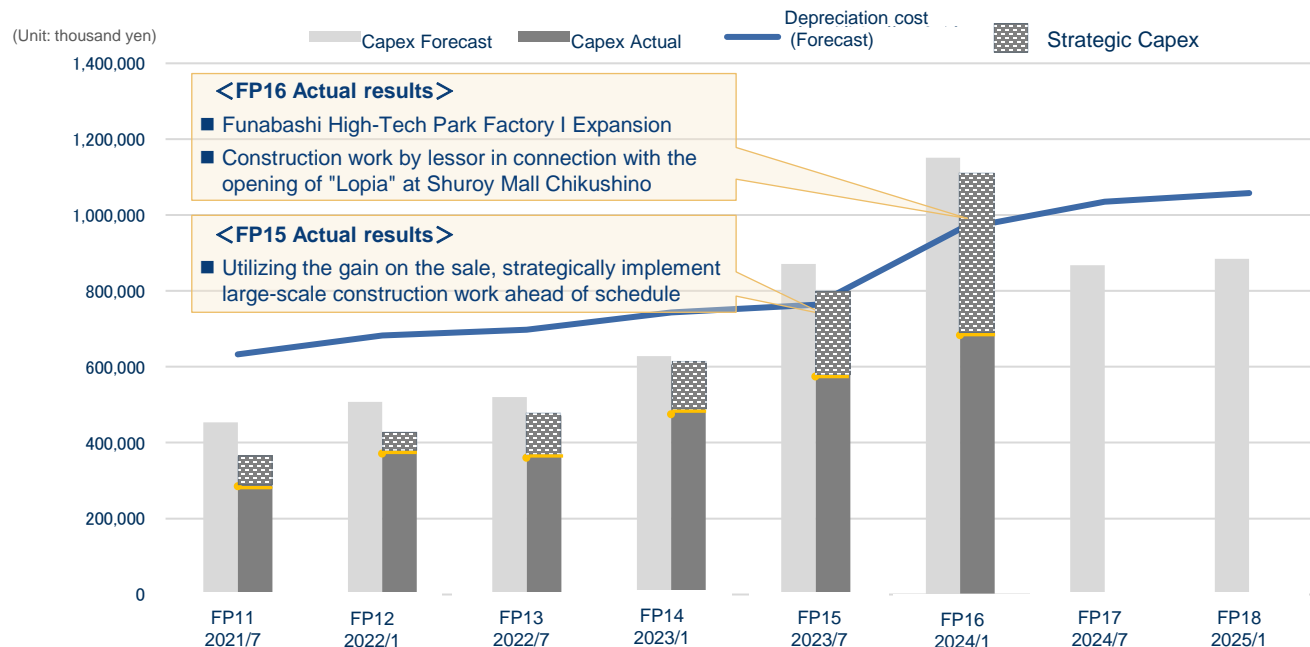


※The total or average of the seven new hotel properties acquired in September 2023. (KOKO HOTEL Ginza 1-Chome, KOKO HOTEL Sapporo Ekimae, KOKO HOTEL Fukuoka Tenjin, KOKO HOTEL Hiroshima Ekimae, KOKO HOTEL Kagoshima Tenmonkan, Fino Hotel Sapporo Odori, Best Western Plus Fukuoka Tenjin-Minami)

4. Operating results for the FP16 ended Jan 2024 (9)

- Capex Control –

- ◆ Implement **strategic capital expenditures** (expansion construction, etc.) **related to internal growth measures** in the FP15 and FP16 (planned)
- ◆ Execute asset replacement in line with the timing of strategic capital expenditures and repair and maintenance expenses (obtain funds and gains on sales)



<Case Examples of Strategic Capex Investments>

<Case Examples of Strategic Capex Investments>

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

<Capital Expenditures for the FP16>

Suroy Mall Chikushino Store area construction	77 million yen
Funabashi High-Tech Park Factory I Expansion of Development Office Building and Laboratory Building	270 million yen

<Schedule of Capital Expenditures for the FP17>

Higashi-Kobe Center Building Elevator renewal construction	148 million yen
Hakata Station East Place Renewal construction of common area	50 million yen

(Unit: thousand yen)

	FP10 Jan 2021 Actual	FP11 Jul 2021 Actual	FP12 Jan 2022 Actual	FP13 Jul 2022 Actual	FP14 Jan 2023 Actual	FP15 Jul 2023 Actual	16FP Jan 2024 Actual	FP17 Jul 2024 Forecast	FP18 Jan 2025 Forecast
Depreciation cost	628,354	633,013	682,245	697,599	743,661	763,353	963,602	1,034,930	1,058,405
Capex Forecast	552,841	453,448	507,750	520,543	628,409	871,225	1,151,707	867,658	884,892
Capex Actual	331,901	363,439	424,722	471,534	605,932	787,991	1,107,190	—	—
(Strategic Capex)	(78,826)	(54,321)	(111,822)	(131,701)	(214,397)	(424,296)	(78,826)	—	—
Capex Budget reduction rate	40.0%	19.8%	16.4%	9.4%	3.6%	9.6%	3.9%	—	—
Capex ratio (Capex Actual / Depreciation cost)	52.8%	57.4%	62.3%	67.6%	81.5%	103.2%	114.9%	—	—
Repair cost (Actual / Forecast)	181,949	220,204	181,998	255,201	173,257	308,817	319,629	228,014	238,334
Number of Properties as of the end of FP	53	53	60	60	63	62	71	71	71

4. Operating results for the FP16 ended Jan 2024 (10)

- Financial standing ① -

- ◆ **Newly called upon 4 banks.** To prepare for future rise in interest rates, plan the timing to fix interests while considering costs.
- ◆ Changed the “Financial Policy” section of the Management Guidelines taking into account the recent financing environment.

Main financial indicators (※1)			
	FP15 Jul 2023	FP16 Jan 2024	As of Feb 29, 2024
LTV	46.3%	47.5%	-
Interest-- bearing debt balance	96,840 mn	123,140 mn	123,140 mn
Long-term debt ratio	100.0 %	98.9 %	98.9 %
Average remaining period to maturity	3.0 年	3.3 年	3.2 年
Average borrowing period	5.1 年	5.3 年	5.3 年
Average interest rate (※2)	0.80 %	0.79 %	0.79 %
Fixed interest rate ratio	95.1 %	70.8 %	70.4%

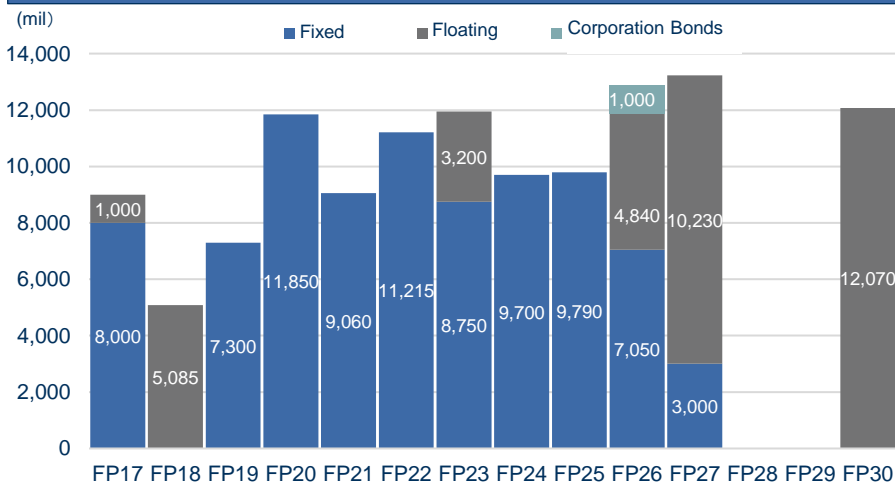
(※1) This describes the status including investment corporation bonds.
 (※2) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

Financial Policy

- ◆ Changed the Financial Policy within the Amendment of the “Management Guidelines”
- ◆ In the past, the basic policy had been to fix interest rates from the perspective of financial security; however, taking into account future interest rate fluctuation risk including the recent trend towards increase in interest rates, the policy has been changed as follows.

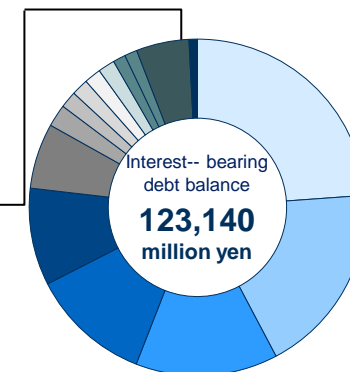
While taking into account the status of the asset side of the balance sheet and the future outlook of the financial environment, aim to maintain and improve DPU, and control financing costs in a timely and appropriate manner.
- ◆ No change to the policy aiming for diversification of lenders and diversification of repayment dates.

Diversification of repayment dates(as of Feb 29, 2024)



Bank formation (as of Feb 29, 2024 after refinancing)

Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	24.0%	The Nishi-Nippon City Bank	1.2%
Mizuho Bank	18.6%	The Bank of Yokohama, Ltd.	1.2%
SBI Shinsei Bank	13.8%	San-ju San Bank	0.8%
Sumitomo Mitsui Trust Bank	11.7%	The Juhachi-Shinwa Bank, Ltd	0.8%
Aozora Bank	9.4%	The Musashino Bank, Ltd	0.8%
Resona Bank	6.3%	Mizuho Trust & Banking	0.7%
The Bank of Fukuoka	2.2%	The Dai-ichi Life Insurance	0.4%
Minato Bank	1.6%	Fukoku Mutual Life Insurance Company	0.4%
The Kiyo Bank, Ltd	1.6%	The Yamagata Bank, Ltd	0.4%
The Chiba Bank, Ltd	1.6%	Corporation Bonds	0.8%
The Asahi Shinkin Bank	1.6%		



4. Operating results for the FP16 ended Jan 2024 (11)

- Financial standing ② -

◆ In FP16, borrowings were executed with floating interest rates, taking cost into account. / Going forward, timing to fix interest rates to be considered.

◆ **Achieved increase in ratings** from two rating agencies (JCR and R&I)

Borrowing results

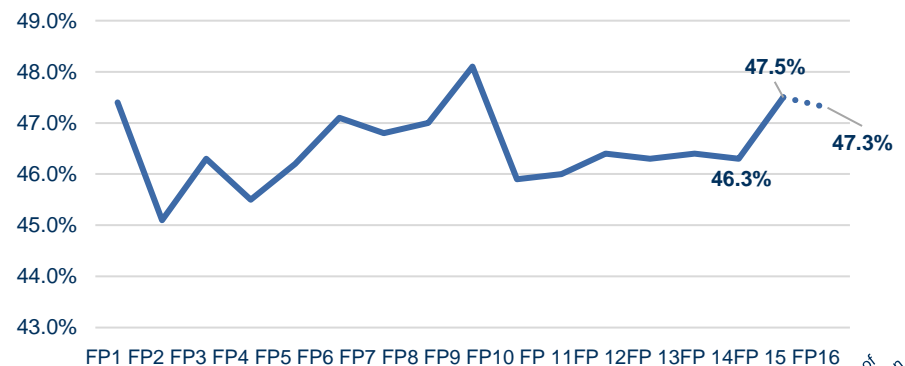
	repayment						Borrowing					Comments	
		Date of Repayment	Borrowing amount (mn)	Interest rates	term		Date of Borrowing	Borrowing amount (mn)	Interest rates	term			
Refinancing	repayment	2023/9/20	4,840	Fixed	0.812%	5.0y	Refinancing	2023/9/20	4,840	Floating	T+0.60%	5.0y	• Diversification of repayment dates
New borrowing	—	—	—	—	—	—	Borrowing	2023/9/1	1,300	Floating	T+0.20%	1.0y	• Diversification of repayment dates • Invitation of 4 new banks
		—	—	—	—	—		2023/9/1	9,730	Floating	T+0.65%	5.5y	
		—	—	—	—	—		2023/9/1	12,070	Floating	T+0.80%	7.0y	
		—	—	—	—	—		2023/12/1	3,200	Floating	T+0.45%	3.5y	
After FP16	repayment	2024/2/29	500	Fixed	0.536%	3.5y	Refinancing	2024/2/29	500	Floating	T+0.55%	5.0y	• Lengthening of borrowing period and diversification of repayment dates • Successful reduction of spread

Credit Ratings

- Achieved rating increases during FP16 (from both 2 rating agencies).
- Against the background of rating improvements, continue to consider issuance of investment corporation bonds.
- Going forward, we plan to aim for further rating improvements, and conduct stable management.

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

Transition of LTV



After repayment of consumption tax loan

5. Progression Status of Mid-Term Plan

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

Progression Status of Mid-Term Plan

- ◆ Asset size in January 2024 through public offering: **243.8 billion yen** (real estate, etc.: 71 properties, preferred securities: 1 deal), other mezzanine loan claim investments: 2 deals
- ◆ Assumed distribution per unit: **1,538 yen** (distribution guidance per unit)

Mid-Term Plan (Target year FY2026)

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

Indicative number of properties **100**

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

Growth objective of **2%** per annum or more

Progress status as of the end of Jan 2024 (FP16)

Assets Size

As of the end of January 2024 **243.8** billion yen

Achievement rate : **81%**

Future portfolio expansion and formulation policy:

- Utilize the **sponsor pipeline** including development deals, and find deals using the asset management company's unique network.
- As a **comprehensive REIT**, while taking into consideration the **current portfolio mix**, aim for external growth through not only properties for which first refusal rights are obtained, but also by **combining with other asset type properties**.
- If the improvement of operational status of hotels and the cruising level can be confirmed, also eye the possibility to further increase the composition ratio of hotels.

Distributions Per Unit

FP18 Forecast **1,538** yen

Amount to be achieved : **62** yen

Priority measures going forward:

- Consideration of measures to improve earnings, such as **redevelopment** and **expansion** of owned properties
- Cooperate with **sub-sponsor** (Nippon Kanzaï Group)
- Rebuild the property management system to suit the portfolio mix.
- Reduce costs leveraging on the economy of scale
- Optimize repair costs/ capital expenditures.
- Improve distribution per unit through external growth, internal growth.

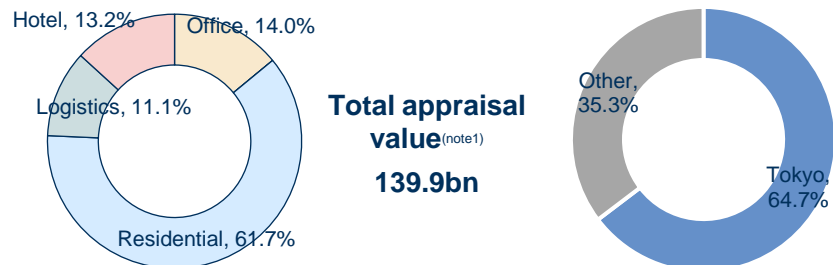
5. Progression Status of Mid-Term Plan (2)

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

- ◆ As of the end of January 2024, Star Asia Group had **139.9 billion yen** (total of most recent appraisal amounts) of properties under management.
- ◆ SAR has obtained **preferential negotiation rights** for **12 hotels** totaling JPY 58.1 bn

Portfolio owned by Star Asia Group (Note1)

<Properties owned by Star Asia Group (Total appraisal value (Note2))>



(※)As of January 31, 2024. Excluding properties for which SAR has preferential negotiation rights, and deals involving land for development or land under development, etc..

- Star Asia Group has 139.9 billion yen of properties under management (excluding assets for which SAR has obtained preferential negotiation rights)
- Continuing to acquire properties, by leveraging on the strength of Star Asia Group which constantly executes investment strategies reading ahead of the market.
- SAR is considering external growth, with **Star Asia Group's properties under management as a pipeline.**

< Preferential negotiating rights acquired Student Residence >

■ HAKUSAN HOUSE



■ KAMIKITA HOUSE



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

Newly obtained preferential negotiation rights for 12 hotels



KOKO HOTEL
Tsukiji Ginza



KOKO HOTEL
Nagoya Sakae



KOKO HOTEL
Osaka Shinsaibashi



KOKO HOTEL Premier
Kanazawa Korinbo



KOKO HOTEL
Premier Kumamoto



KOKO HOTEL Residence
Asakusa Tawaramachi



KOKO HOTEL Residence
Asakusa Kappabashi



MIMARU Tokyo Ginza
EAST



MIMARU Tokyo
Ueno East



MONday Apart Premium
Nihonbashi
(GATE STAY Premium
Nihonbashi)



MONday Apart Premium
Ginza Shintomicho
(GATE STAY Premium
Ginza Shintomicho)



MONday Apart Premium
Ueno

■ Overview of the hotel portfolio with preferential negotiating rights

- ✓ Number of properties: 12
- ✓ Total appraisal value: JPY 58.1 bn
- ✓ Total number of guest rooms: 1,364
- ✓ Ratio operated by Polaris (Note2): 65.2%

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

Our Initiatives in the hotel business of Polaris Holdings (Star Asia Group)

- ◆ As the **operator of 8 hotel properties** held by Star Asia Investment Corporation, it has generated maximum synergy effects.
- ◆ Together with Star Asia Group, pursuing "operations with an investment management perspective" to increase revenues and lower the break-even point.

Polaris Holdings



Listed on
the Tokyo Stock Exchange
Standard Market
CODE: 3010



<Share Price Trends>



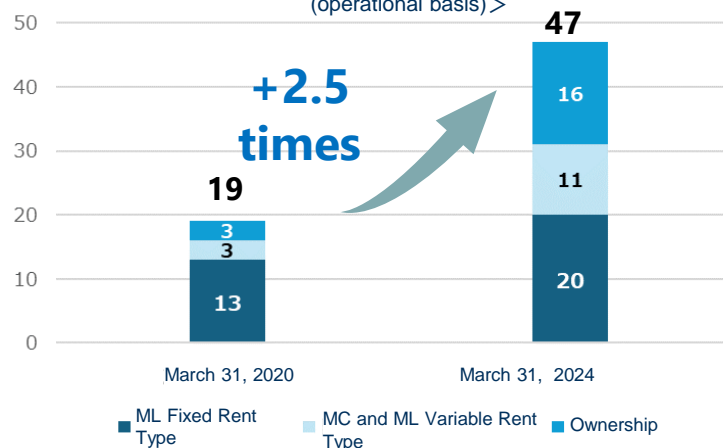
- ◆ Transparency and credibility of information as a listed company.
- ◆ As of the end of Feb 2024, it had signed management contracts for **48 hotel buildings, comprising 8,525 rooms** (including hotels abroad and hotels for which management is expected).
- ◆ Operates multiple hotel brands including the main brand KOKO Hotels.
- ◆ It has **actively expanded** the number of hotels under management even during the COVID-19 pandemic, and **realized revenue increase and reduction of the break-even point**, and its share price has shown a steadily rising trend.

Expanded number of hotels under management

<Transition of number of guest rooms in operation by contract type (operational basis)>



<Transition of number of hotels under management by contract type (operational basis)>

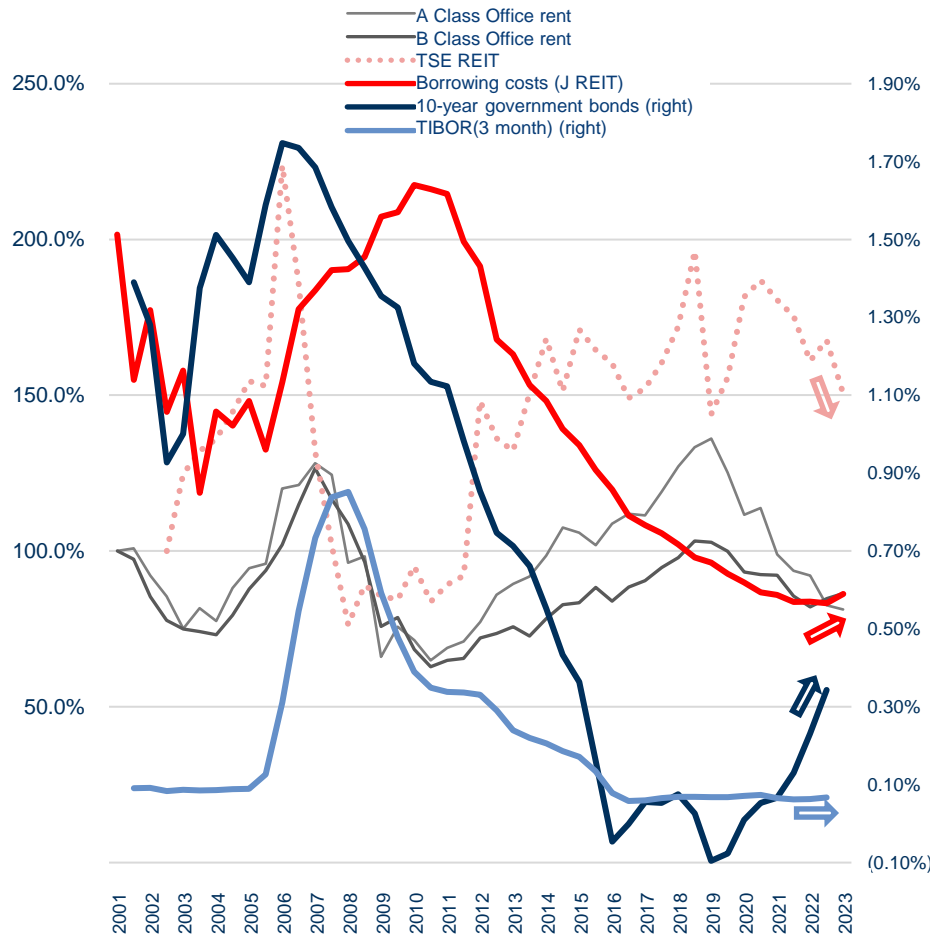


5. Progression Status of Mid-Term Plan (4)

External environment recognition and near-term management policy

- ◆ Environment recognition: Increase in management and operation costs due to continued inflation, interest rates are in rising phase. On the other hand, increase in rents are limited.
- ◆ SAR's policy and measures: Focus on increasing rent amounts, expand exposure towards assets which are highly adaptable to inflation, and

External environment recognition and near-term management policy



<External environment recognition>

Cost-push inflation due to the weak yen

Increase in various operating costs
Construction costs • BM/PM Fee Insurance premiums • Fixed assets and city planning taxes etc.

Long-term interest rate rising phase in Japan
Long-term interest rate declining phase in the U.S.

Inflation rate > rents growth rate

<Immediate Approach to Responding to the External Environment>

Implement rent increases which wins over inflation

Rent increase amount rate > increase in occupancy rate

Strength as a diversified REIT.

Expand exposure towards assets which rent increases can be anticipated.

Prepare a financial strategy which is suitable for the earnings condition of the asset side.

Control interest costs
Borrow long-term in floating rates for the time being.

Consider specific measures being conscious of DPU growth rate.

※Borrowing costs per year calculated by dividing interest payments (PL) for the most recent 2 fiscal periods by the average balance of interest bearing debt for the same period.

※For 10-year government bonds and TIBOR (3 months), the past 1 year average has been used as of June 30 and December 31 of each year.

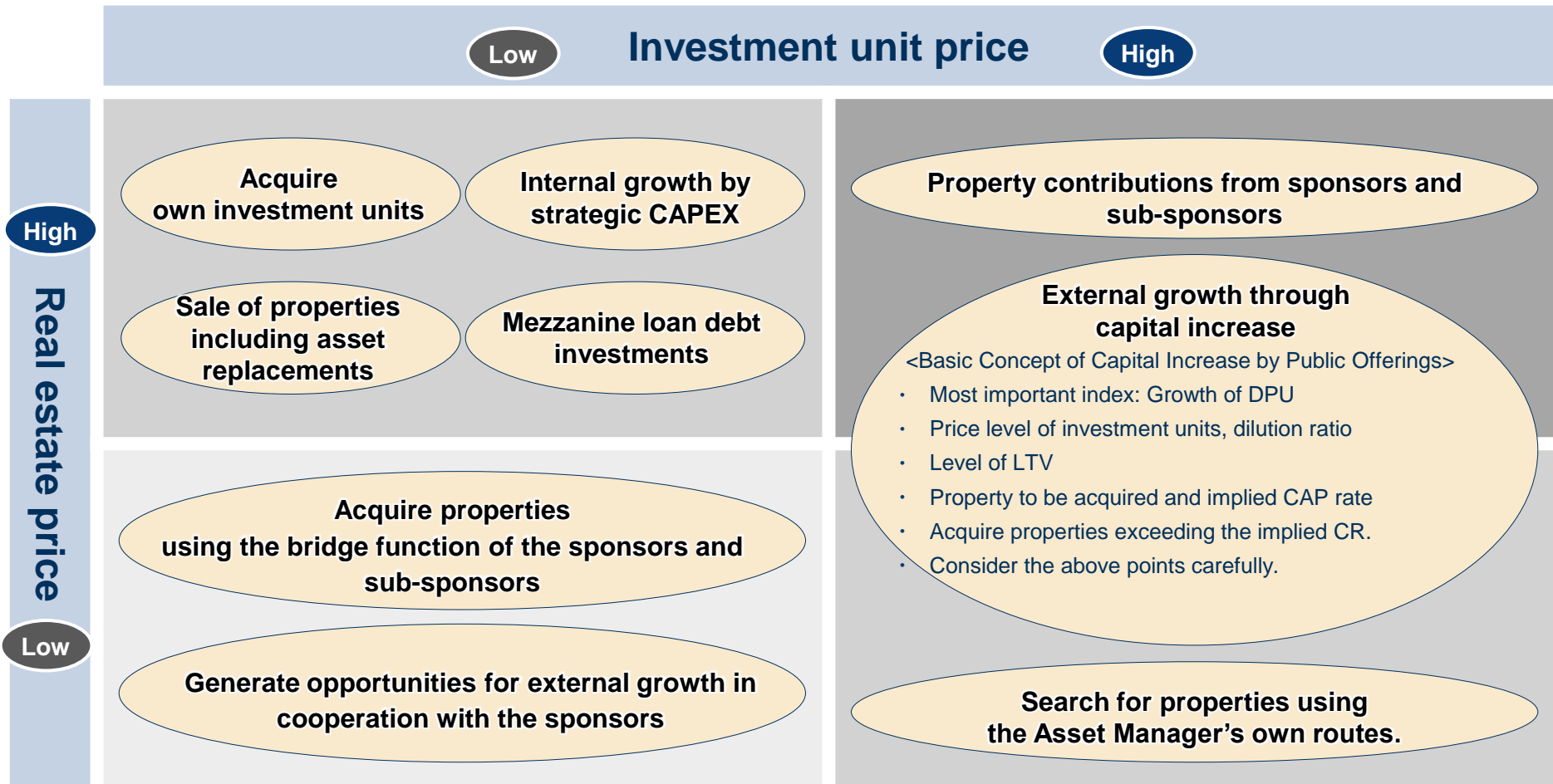
※Office rents have been indexed, taking Tokyo 23-ward A class rents in the latter half of 2001 as 100%.

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

Policies and measures etc. being conscious of capital costs

- ◆ Management policies and measures pursuing DPU growth and aiming to maximize unitholders' interests.
- ◆ Consider various policies and measures in accordance with the condition of the capital markets and real estate market.

Various policies and measures in accordance with the condition of the capital markets and real estate market.



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

Utilization Policy of retained earnings

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



Total retained earnings: JPY 8.74 bn
 (As of the end of the FP16 ended 1/2024)

Use retained earnings to stabilize distributions

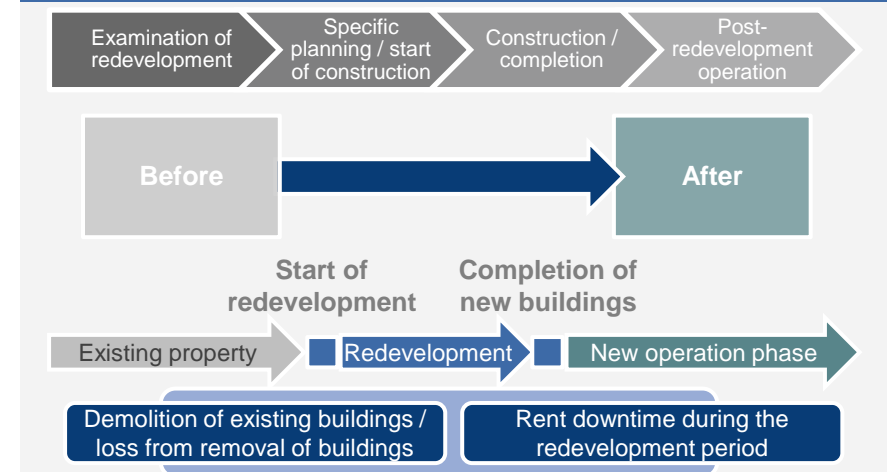


Dealing with the temporary reductions in revenue due to PO costs, the impact of COVID-19, etc.

FP15 Actual (ended 7/2023)	Drawdown of retained earnings JPY -	Planning capital expenditures which will directly connect to increase in revenues
FP16 Actual (ended 1/2024)	Drawdown of retained earnings JPY 80 mn	DPU +JPY 37
FP17 Forecast (ending 7/2024)	Drawdown of retained earnings JPY 130 mn	DPU +JPY 55
FP18 Forecast (ending 1/2025)	Drawdown of retained earnings JPY 80 mn	DPU +JPY 37

Stabilization of distributions per unit through the use of retained earnings

Dealing with the redevelopment of portfolio assets, etc.



Stabilization of distributions through the use of retained earnings

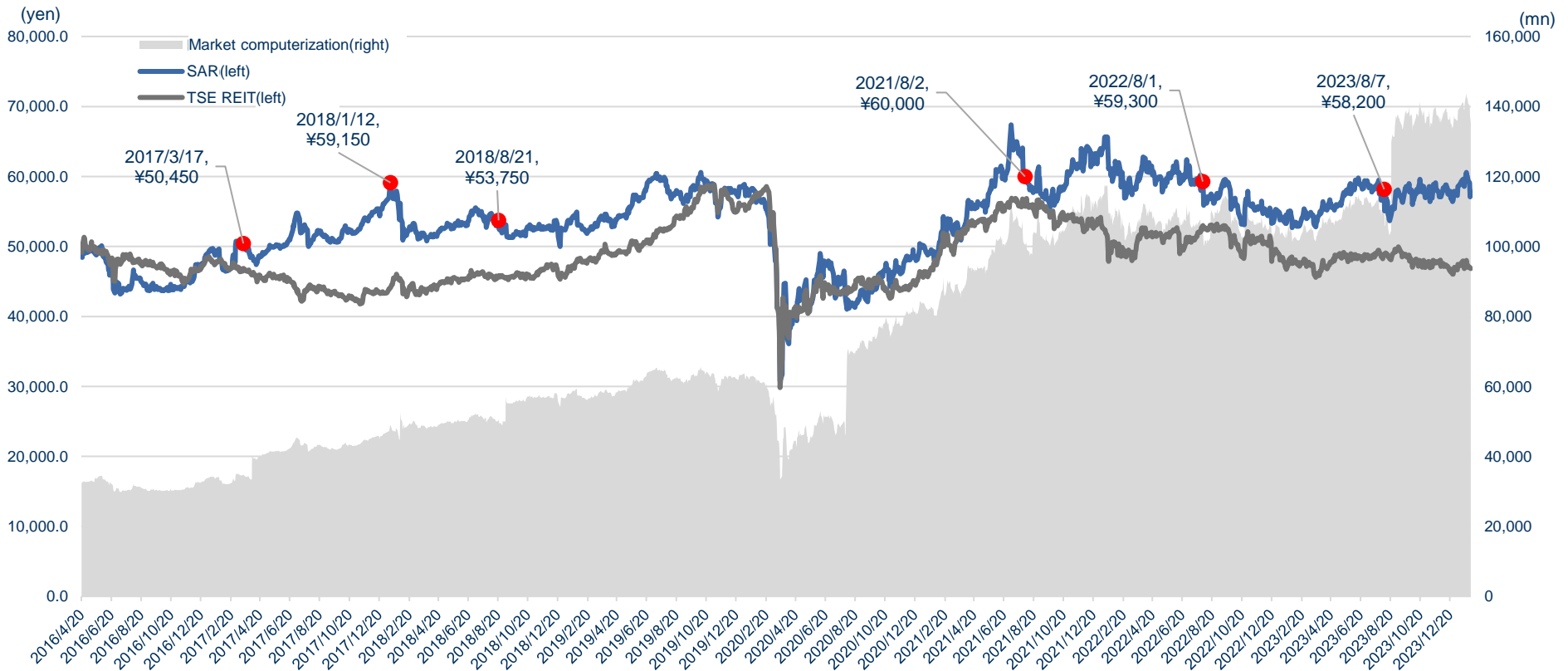
5. Progression Status of Mid-Term Plan (7)

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

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

Active management and investment unit price performance since listing

IPO April 20, 2016	1st follow-on offering March 17, 2017	2nd follow-on offering January 12, 2018	3rd follow-on offering August 21, 2018	Merger August 1, 2020	4th follow-on offering August 2, 2021	5th follow-on offering August 1, 2022	6th follow-on offering August 7, 2023		
1st asset replacement December 5, 2016	2nd asset replacement February 28, 2017	3rd asset replacement July 23, 2018	4th asset replacement August 21, 2018	5th asset replacement March 2, 2020	6th asset replacement October 5, 2020	7th asset replacement November 30, 2020	8th asset replacement February 1, 2023	9th asset replacement March 16, 2023	10th asset replacement August 7, 2023



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

6. Initiatives on ESG

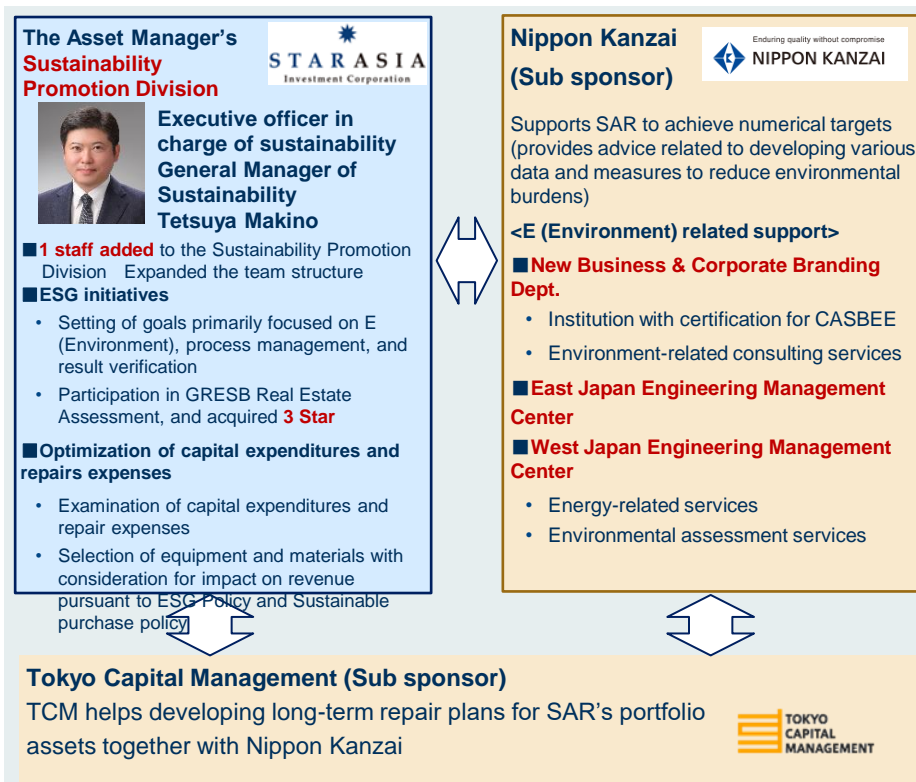
6. Initiatives on ESG (1)

Recent Topics regarding ESG Initiatives and ESG Promotion System

- ◆ As a part of ESG related initiatives, participated in the 2023 GRESB Real Estate Assessment (Note 1), and acquired **3Stars / Green Star**
- ◆ In order to further enhance ESG related initiatives, strengthen cooperation with the **sub-sponsors (Nippon Kanzai and Tokyo Capital Management)**

ESG promotion system

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



GRESB Real Estate Assessment

<GRESB Real Estate Assessment>

- Star Asia Investment Corporation ("SAR") participated in the GRESB Real Estate Assessment in 2023, and acquired "3 Stars" rating.
- Furthermore, SAR obtained the "Green Star" which indicates that SAR is a participant which excels in both the "Management Component" which assesses the policy and organization structure for promoting ESG as well as the "Performance Component" which assesses environmental performance and tenant engagement of properties owned.
- SAR also received the highest "A Level" for the GRESB Public Disclosure, which assesses the width of our ESG disclosure.



<Initiatives on GRESB Real Estate Assessment >

Develop and organize data, led by the Sustainability Promotion Division and with the cooperation of Nippon Kanzai Group who is a sub-sponsor. We recognize that the purpose is not to receive high evaluation itself, but that it is important to make efforts towards achieving a better environment, a better society, and building a better governance structure.

Aim to achieve E (Environment) related goals

6. Initiatives on ESG (2)

E (Environment) related Numerical Goals and their Achievement Status

- ◆ While total energy consumption increased in 2022 due to the recovery of hotel occupancy rates, the energy consumption intensity fell 14.7% measured against the base year
- ◆ We will aim for continued reduction by considering introducing highly efficient equipment and low carbon equipment at times of facilities renovation and renewal

E (Environment) Related Numerical Objectives and Actual Performance

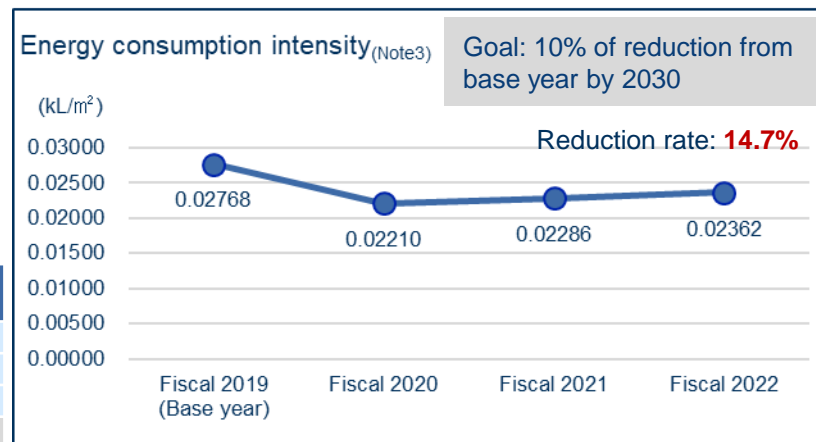
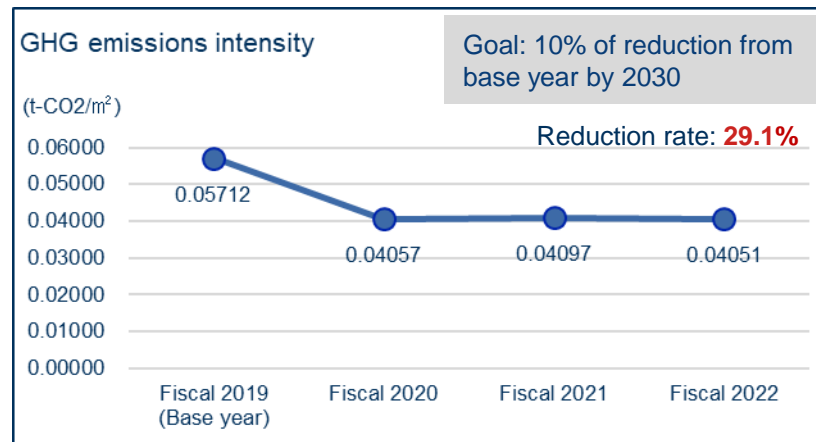
GHG ^(Note 1) Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
GHG emissions	t-CO ₂	23,154.05	16,804.50	20,130.43	20,588.99	-
Scope 1	t-CO ₂	1,968.71	1,129.44	1,672.17	1,953.58	-
Scope 2	t-CO ₂	21,185.34	15,675.06	18,458.26	18,635.41	-
GHG emissions intensity ^(Note 2)	t-CO/m ²	0.05712	0.04057	0.04097	0.04051	0.05140
Reduction rate	%	-	▲ 29.0%	▲ 28.3%	▲ 29.1%	▲ 10.0%

Crude oil equivalent monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
Crude oil equivalent usage amount	kL	11,220.81	9,156.34	11,234.60	12,001.80	-
Crude oil equivalent usage per unit	kL/m ²	0.02768	0.02210	0.02286	0.02362	0.02491
Reduction rate	%	-	▲ 20.1%	▲ 17.4%	▲ 14.7%	▲ 10.0%

Energy consumption monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
Energy consumption	MWh	44,560.98	36,362.39	44,615.75	47,662.51	-
Energy consumption per unit	MWh/m ²	0.10992	0.08778	0.09080	0.09379	0.09893
Reduction rate	%	-	▲ 20.1%	▲ 17.4%	▲ 14.7%	▲ 10.0%

Water consumption monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
Clean water usage	m ³	329,687.35	220,847.18	255,933.91	334,463.31	--
Clean water usage intensity	m ³ /m ²	0.8133	0.5331	0.5209	0.6581	≤ 0.8133
Reduction rate	%	-	▲ 34.4%	▲ 36.0%	▲ 19.1%	±0%

Waste monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
Waste emissions	t	2,693.27	1,656.50	3,164.05	3,825.29	-
Coverage rate	%	69.1%	65.1%	70.4%	79.6%	-
Waste emissions intensity	t/m ²	9.61	6.14	9.14	9.46	≤ 9.61
Reduction rate	%	-	▲ 36.1%	▲ 4.9%	▲ 1.6%	±0%



6. Initiatives on ESG (3)

Initiatives for E (Environment) and S (Society)

- ◆ Given the environmental certification obtained for 7 properties (of which 2 properties are changes from other certifications), the current certification ratio is 43.9%.
- ◆ As an initiative for S (Society), a tenant satisfaction survey has been conducted. Considered ways to reflect the results of the survey in management and operations.

Receipt of environmental certification (as of Jan 31, 2023) and goals

		Obtained			
		Property name	Asset type	Total floor area	Ratio (Note 1)
DBJ Green Building Certification (Note 2)	★★★	Baraki Logistics	Logistics	12,471.50 m ²	15.7 %
	★★	Honmachibashi Tower	Office	15,407.83 m ²	
		Urban Park Tokiwadai Koen	Residence	15,708.08 m ²	
		Urban Park Mitsuike Koen	Residence	10,918.37 m ²	
		Iwatsuki Logistics	Logistics	29,729.72 m ²	
★	Urban Center Shinjuku	Office	7,624.66 m ²		
BELS Certification (Note 3)	★★★★★	Funabashi Hi – Teck Factory I (※)	Logistics	576.00 m ²	4.9 %
		Fino Hotel Sapporo Odori	Hotel	3,854.01 m ²	
		Base Western Plus Fukuoka Tenjin-minami	Hotel	7,322.03 m ²	
	★★★★	KOKO HOTEL Hiroshima Ekimae	Hotel	5,370.75 m ²	
		KOKO HOTEL Kagoshima Tenmonkan	Hotel	4,622.48 m ²	
	★★★	Urban Center Hakata	Office	3,566.56 m ²	
		Urban Center Hakata	Residence	1,201.39 m ²	
★★	Urban Park Miyamaedaira (Note 5)	Logistics	2,039.17 m ²		
CASBEE Real Estate Certification (Note 4)	Rank S	Higashi-Kobe Center Building	Office	25,740.46 m ²	23.3 %
		Seiyu Minakuchi	Retail	31,829.71 m ²	
	Rank A	Urban Park Daikanyama	Residence	8,261.29 m ²	
		La Park Kishiwada	Retail	65,663.02 m ²	
		abeno nini (retail)	Retail	4,866.82 m ²	
合計				256,773.85 m ²	43.9 %

Goals : 50% (2026)

(※) Only the expansion portion was acquired.

Signing of green lease contracts (Note 6)

◆ Signing of green lease contracts

- Established policy for green lease agreement and added green lease clauses for 112 office tenants, 32 retail tenants, 7 residence tenant, 8 logistics tenants, and 3 hotel tenants. (38.1 % of leasable area)
- SAR plans to add the same clause to other properties

162 tenants

Total leased area **190,682.87** m²

Initiatives for S (Society)

◆ Initiatives for employees

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

◆ Initiatives on own Property

- La Park Kishiwada
As a part of regional contribution initiatives, provided resting spots at the Danjiri festival.



◆ Tenant satisfaction surveys

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

6. Initiatives on ESG (4)

Governance ①

Same boat investment

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

Calculation Formula for Asset Management Fees

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

	Calculation Formula	FP15	FP16
Management fees I	Total valuation amount of managed assets x 0.2% (upper limit)	143,722 thousand yen	175,906 thousand yen
Management fees II	NOI × 7.5% (upper limit)	271,363 thousand yen	332,520 thousand yen
Acquisition fees	Acquisition price × 1.0% (upper limit) ※	19,025 thousand yen	254,733 thousand yen
Transfer fee	Assignment price × 1.0% (upper limit) ※	11,500 thousand yen	31,150 thousand yen
Merger fee	Valuation amount of held assets × 1.0% (upper limit) ※	—	—

※: 0.5% if SAR transact with its interested parties.

Decision-making process

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



Star Asia Group (as of Jan 31, 2024)

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

Number of units held in same-boat investment:

164,316 units

Ownership:

6.9%

<Founder of Star Asia>

Management team of the Asset Manager

- Hold SAR's units through the employee unit purchase plan
- Indicates a high level of commitment by the management team to the growth of SAR.
- Star Asia Group commences cumulative investment-units investment program.
- Akiko Kanno, Director and General Manager of the Finance Management Department, was approved as SAR's substitute executive officer at the October 2023 unitholders' meeting

6. Initiatives on ESG (5)

Governance ②

Star Asia Group's Code of Conduct

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

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

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

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

7. Appendix

About Star Asia Group (1)



Taro Masuyama
Co-Founder and
Managing Partner

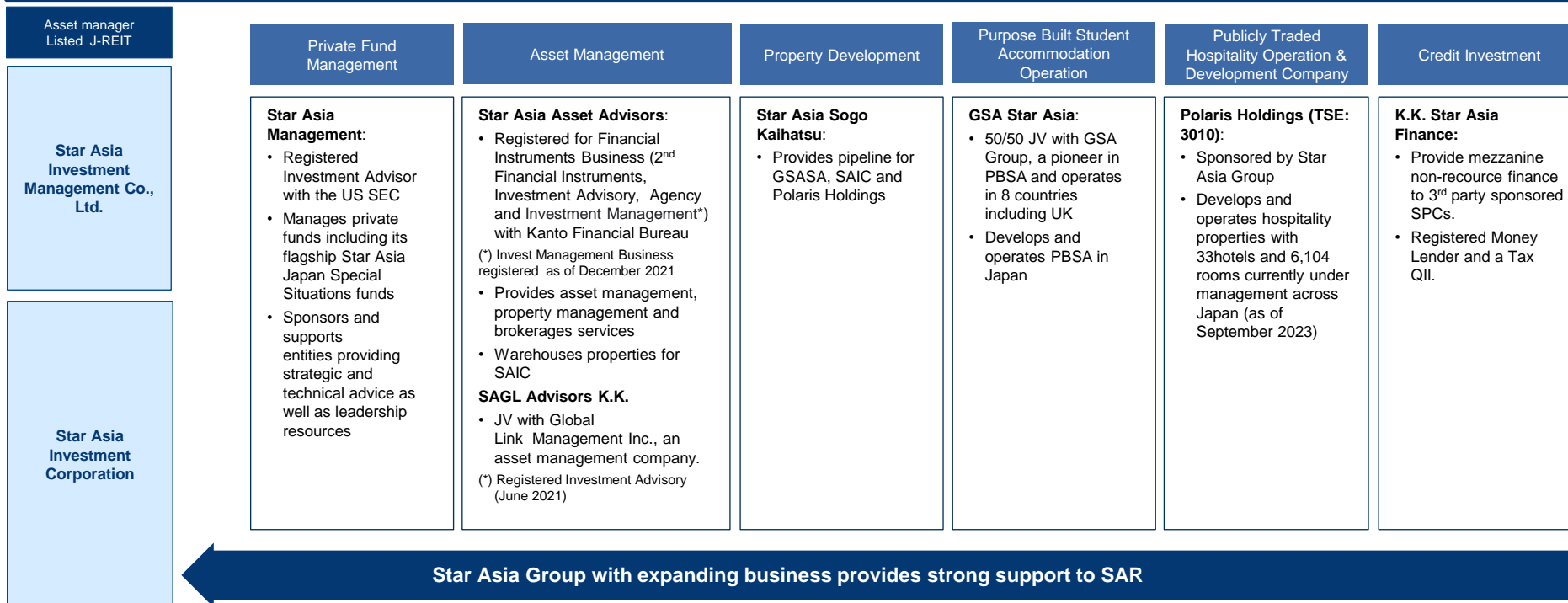


Malcolm F. MacLean IV
Co-Founder and
Managing Partner

Founded by Taro Masuyama and Malcolm F. MacLean IV in 2006, Star Asia Group is an independent fund management company focused on Japanese real estate and real estate related assets (i.e., debt, equity, property, securitized assets, corporations, etc.)

- Since its founding, Star Asia Group has invested over JPY1,24 trillion and has current assets under management of around JPY488.4 billion¹.
- Star Asia Group has 672 officers and employees² with over 55 professionals in finance, investment and real estate area in primarily in Japan and a few in the United States
- Star Asia Group's partners and employees share a long-term perspective and always operate under our Guiding Principles which continuously drive the group to become and remain one of the leading real estate investment management firms in Japan
- Star Asia Group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors
- Star Asia Group is committed to its disciplined Investment Philosophy with a single goal of meeting and exceeding our client's expectations for the mandates we are given

Star Asia Group



The Group intends to strictly adhere to its investment philosophy, and to meet the expectations of investors and continue to exceed such expectations. This is our largest objective

1

Research Focus

We believe that consistent outperformance can only be achieved when investment opportunities identified through our rigorous origination process are validated against the comprehensive understanding of the ever-changing market environment. Government policies, macroeconomic environment, state of capital markets, trends in demographics, real estate supply/demand dynamics, status of the real estate market cycle, outlook and appetite by potential tenants, as well as anticipated behavior of other market participants are only a few of the critical inputs we analyze. In order to formulate and continually update our understanding of the current market environment, we run iterative processes of gathering feedback from our day-to-day investment and asset management activities, which are supplemented by various third-party research reports and data that is further investigated and verified by us to generate our unbiased view.

2

Market Inefficiencies

Unlike highly efficient foreign exchange, interest rate and public equity markets, the Japanese and other Asian private real estate markets are inherently inefficient. Although Tokyo is the world's largest metropolis in terms of population (approximately 35 million), GDP, and real estate capital values, in our opinion, it is significantly less efficient than the U.S. or U.K. markets. The Japanese real estate market has high barriers-to-entry, asymmetric information flows, a less developed securitization market, and a limited universe of well-capitalized opportunistic market participants, which together creates market inefficiencies. We believe that thorough robust analysis and deep local relationships combined with our significant hands-on experience allow us to identify and capitalize on these market inefficiencies that are not obvious to our competitors.

3

Maximizing and Unlocking Value

The real estate properties that we evaluate for investment are typically not operated to their maximum potential at the time of our investment. Some owners are not professional real estate investors, failed to invest necessary capital expenditures, and/or had poorly managed leasing strategies. Some real estate properties have certain compliance issues that can be cured with limited cost and time, or have potential to generate higher net operating income if repositioned or repurposed properly. We utilize our own experience along with technical advice from third-party professionals, as necessary, to formulate and execute the optimal asset management, capital expenditures, renovation, and repositioning plans. Implementation of these plans will maximize and unlock the property's intrinsic value in the most efficient manner from a cost and time perspective.

4

Specialization

We believe deliberate specialization and a flat organization allow us to identify, properly structure, and dependably execute attractive, but often complex, investment opportunities. This specialization leads us to more predictable success and sets us apart from our competitors. Our senior professionals have years of hands-on experience in real estate deal sourcing, underwriting, structuring, asset management, financing, capital markets, and securitization. Star Asia's senior professionals have developed deep-rooted local relationships over multiple real estate cycles, and have executed some of the most creative and complex investment opportunities in the market.

5

Risk Control

Our objective is to achieve consistent and superior risk-adjusted returns by only assuming well-calculated risks. When a potentially attractive investment opportunity is identified, we examine all the risks associated with the potential opportunity through our rigorous review process. We then negotiate with the counterparties to determine a fair risk-sharing arrangement while formulating structural solutions to eliminate or mitigate other risks, where possible. Concurrently, we conduct quantitative and qualitative analyses to evaluate the viability of the potential investment opportunity against our strict underwriting criteria.

6

Dependability, Transparency and Decisive Action

Our trade counterparties know that they can depend on us when they need to sell their real estate related assets quickly, discreetly and/or through a complex structure that others may not be able to handle or understand. We are always candid and transparent by clearly explaining our requirements up front including expected deal economics, our strict due diligence process, and then work tirelessly and creatively to meet the counterparty's specific objectives and timing. Our flat organization and highly efficient, decision-making process allows us to be very flexible, tactical and decisive. This philosophy and execution style are valued by our trade counterparties who repeatedly bring attractive investment opportunities that reward our clients with outsized returns.

Status of Unitholders at the End of 16th Fiscal Period ended January 2024

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

Category	End of 15FP		End of 16FP	
	No. of investment units	Ratio	No. of investment units	Ratio
Individual	478,202	24.9%	534,363	22.5%
Financial institution	616,944	32.1%	916,636	38.6%
Domestic corporation	85,433	4.4%	70,436	3.0%
Foreign	677,488	35.3%	783,553	33.0%
Securities company	63,622	3.3%	67,012	2.8%
Total	1,921,689	100.0%	2,372,000	100.0%

List of major unitholders (Top 10)

	Unitholder name	Number of investment units	Holding ratio
1	The Master Trust Bank of Japan, Ltd. (Trust account)	350,404	14.8%
2	Custody Bank of Japan, Ltd. (Trust Account)	342,856	14.5%
3	The Nomura Trust and Banking Co., Ltd. (Trust Account)	109,985	4.6%
4	NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	97,500	4.1%
5	Star Asia Capital I LLC	40,969	1.7%
5	Star Asia Capital II LLC	40,969	1.7%
5	Star Asia Capital III LLC	40,969	1.7%
5	Star Asia Capital IV LLC	40,969	1.7%
9	STATE STREET BANK AND TRUST COMPANY 505001	40,765	1.7%
10	JP Morgan Chase Bank 385771	34,986	1.5%
	Total	1,140,372	48.1%

Star Asia Capital I ~IVLLC are Sponsor Group.

Number of unitholders by attribute: Total 30,415

Category	End of 15FP		End of 16FP	
	No. of unitholders	Ratio	No. of unitholders	Ratio
Individual	27,652	97.3%	29,574	97.2%
Financial institution	47	0.2%	48	0.2%
Domestic corporation	377	1.3%	428	1.4%
Foreign	313	1.1%	343	1.1%
Securities company	22	0.1%	22	0.1%
Total	28,411	100.0%	30,415	100.0%

Change in business results

	11FP (ended Jul. 2021) actual	12FP (ended Jan. 2022) actual	13FP (ended Jul. 2022) actual	14FP (ended Jan. 2023) actual	15FP (ended Jul. 2023) actual	16FP (ended Jan. 2024) forecast (※1)	16FP (ended Jan. 2024) actual	Comparison with forecast
Lease business revenue	5,536	5,890	6,060	6,463	6,503	7,468	7,524	56
Office rent	1,807	1,900	1,974	2,036	2,077	2,103	2,088	(14)
Retail rent	790	842	847	1,038	1,048	1,001	1,012	11
Residence rent	1,023	1,152	1,215	1,225	1,227	1,205	1,183	(21)
Logistics rent	909	910	910	914	869	877	877	0
Hotel rent	424	425	426	537	581	1,476	1,666	189
Other	582	660	686	710	700	804	695	(109)
Expenses related to rent business (Depreciation is excluded)	1,556	1,629	1,796	1,812	1,981	2,126	1,982	(143)
NOI	3,980	4,261	4,263	4,650	4,521	5,342	5,542	199
Depreciation	633	682	697	743	763	953	963	10
Rent revenues/expenses	3,347	3,579	3,565	3,907	3,758	4,388	4,578	189
Gain on sale of real estate property	-	-	-	-	414	380	374	(5)
Mezzanine	24	22	28	22	22	12	33	21
TK distribution	-	46	-	-	-	-	-	-
Income from securities lending fees	-	-	-	-	6	31	31	0
SGA	532	560	546	580	595	702	708	6
Operating income	2,838	3,087	3,047	3,349	3,606	4,110	4,309	198
Non-operating income	3	1	2	1	1	-	1	1
Non-operating expenses	434	571	489	568	534	814	782	(31)
Ordinary income	2,407	2,517	2,560	2,782	3,073	3,296	3,528	231
Income before income taxes	2,407	2,517	2,560	2,782	3,073	4,110	4,309	198
taxes	0	0	0	0	0	0	0	-
Net income	2,407	2,516	2,559	2,781	3,073	3,296	3,527	231
Cash distribution per unit	1,462 yen	1,478 yen	1,476 yen	1,491 yen	1,586 yen	1,513 yen	1,524 yen	11 yen
FFO per unit	1,815 yen	1,787 yen	1,820 yen	1,834 yen	1,780 yen	1,631 yen	1,735 yen	104 yen
AFFO per unit	1,598 yen	1,550 yen	1,556 yen	1,519 yen	1,370 yen	1,145 yen	1,268 yen	123 yen
Balance of Internal reserves (※2)	9,095	8,967	8,886	8,802	8,828	8,535	8,741	205

(※1) announced in the 15th FP financial briefing report (2023/9/13). (※2) The balance of internal reserves is calculated as the total of the temporary difference adjustment reserve plus unappropriated retained earnings as of the end of the period, minus distributions of profits for the period.

Balance Sheets

	(Unit: thousand yen)	
	15th fiscal period (As of July 31, 2023)	16th fiscal period (As of January 31, 2024)
Assets		
Current assets		
Cash and deposits	3,262,429	2,466,478
Cash and deposits in trust	8,525,306	9,186,964
Operating accounts receivable	139,180	319,557
Prepaid expenses	197,986	276,610
Consumption taxes receivable	-	1,245,234
Others	14,462	18,498
Total current assets	12,139,365	13,513,345
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	56,821,886	72,991,822
Accumulated depreciation	(6,898,692)	(7,735,645)
Buildings in trust, net	49,923,193	65,256,177
Structures in trust	25,744	37,679
Accumulated depreciation	(7,577)	(8,703)
Structures in trust, net	18,166	28,975
Machinery and equipment in trust	251,570	306,175
Accumulated depreciation	(44,740)	(58,216)
Machinery and equipment in trust, net	206,829	247,958
Tools, furniture and fixtures in trust	139,432	150,147
Accumulated depreciation	(48,732)	(54,677)
Tools, furniture and fixtures in trust, net	90,699	95,470
Land in trust	139,857,495	169,768,470
Construction in progress in trust	33,095	170
Total property, plant and equipment	190,129,480	235,397,221
Intangible assets		
Leasehold rights in trust	4,082,300	6,251,893
Total intangible assets	4,082,300	6,251,893
Investments and other assets		
Investments in other securities of subsidiaries and associates	1,588,015	1,588,015
Investment securities	740,000	1,170,000
Long-term prepaid expenses	331,220	542,728
Leasehold and guarantee deposits	10,359	10,239
Leasehold and guarantee deposits in trust	-	263,988
Others	191,122	343,228
Total investments and other assets	2,860,717	3,918,199
Total non-current assets	197,072,498	245,567,314

	15th fiscal period (As of July 31, 2023)	16th fiscal period (As of January 31, 2024)
Deferred assets		
Investment corporation bond issuance costs	10,543	9,522
Investment unit issuance costs	36,758	65,149
Total deferred assets	47,301	74,672
Total assets	209,259,165	259,155,332
Liabilities		
Current liabilities		
Operating accounts payable	995,681	983,908
Short-term borrowings	-	1,300,000
Current portion of long-term borrowings	14,340,000	13,285,000
Accounts payable - others	534,593	664,966
Accrued expenses	75,324	96,918
Income taxes payable	605	605
Accrued consumption taxes	252,695	48,408
Advances received	1,236,897	1,028,917
Others	35,505	26,846
Total current liabilities	17,471,301	17,435,570
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term borrowings	81,500,000	107,555,000
Leasehold and guarantee deposits received	4,179	4,053
Leasehold and guarantee deposits received in trust	5,965,643	5,915,288
Asset retirement obligations	-	98,969
Others	93,578	18,825
Total non-current liabilities	88,563,401	114,592,137
Total liabilities	106,034,702	132,027,707
Net assets		
Unitholders' equity		
Unitholders' capital	66,123,367	89,316,185
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	8,535,586	8,446,674
Total voluntary reserve	8,535,586	8,446,674
Unappropriated retained earnings (undisposed loss)	3,340,372	3,909,364
Total surplus	37,008,177	37,488,257
Total unitholders' equity	103,131,545	126,804,443
Valuation and translation adjustments		
Deferred gains or losses on hedges	92,917	323,181
Total valuation and translation adjustments	92,917	323,181
Total net assets	103,224,463	127,127,624
Total liabilities and net assets	209,259,165	259,155,332

Statement of Income

(Unit: thousand yen)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Operating revenue		
Rental revenue	6,048,231	7,077,860
Other lease business revenue	454,964	447,056
Gain on sale of real estate	414,166	374,516
Other revenue	29,564	65,436
Total operating revenue	6,946,926	7,964,869
Operating expenses		
Expenses related to rent business	2,744,572	2,946,506
Asset management fee	418,486	512,727
Asset custody and administrative service fees	42,395	48,711
Directors' compensations	2,400	2,400
Other operating expenses	132,242	144,769
Total operating expenses	3,340,096	3,655,114
Operating income	3,606,830	4,309,754
Non-operating income		
Interest income	53	58
Reversal of unpaid distribution	1,046	1,583
Subsidy income	504	—
Interest on refund	315	—
Total non-operating income	1,918	1,642
Non-operating expenses		
Interest expenses	377,649	463,491
Interest expenses on investment corporation bonds	3,500	3,500
Borrowing related expenses	140,125	294,089
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	12,611	20,812
Total non-operating expenses	534,906	782,913
Ordinary income	3,073,841	3,528,484
Income before income taxes	3,073,841	3,528,484
Income taxes - current	605	605
Total income taxes	605	605
Net income	3,073,236	3,527,879
Retained earnings brought forward	267,135	381,485
Unappropriated retained earnings (undisposed loss)	3,340,372	3,909,364

Portfolio List (as of Jan 31, 2024)

< Property >

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Office	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,110	1.2	4.7
	Honmachibashi Tower	Osaka-shi, Osaka	6,065	7,100	2.5	5.0
	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,740	0.7	6.9
	Urban Center Shibuya East	Shibuya-ku, Tokyo	2,042	3,290	0.8	5.6
	Urban Center Yokohama West	Yokohama-shi, Kanagawa	6,320	8,420	2.6	4.9
	Hakata-eki East Place	Fukuoka-shi, Fukuoka	2,286	3,290	0.9	6.6
	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,510	0.6	4.3
	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,810	1.1	4.0
	Higashi Kobe Center Building	Kobe-shi, Hyogo	7,600	7,530	3.1	5.3
	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,230	0.4	4.0
	Urban Center Shinjuku	Shinjuku-ku, Tokyo	11,200	11,700	4.6	3.6
	Urban Center Kanda Suda cho	Chiyoda-ku, Tokyo	5,350	5,440	2.2	3.7
	Urban Center Kanda	Chiyoda-ku, Tokyo	4,590	4,600	1.9	3.7
	Takadanobaba Access	Shinjyuku-ku, Tokyo	3,990	3,920	1.6	3.8
	Azabu Amerex Building	Minato-ku, Tokyo	2,780	2,890	1.1	3.7
	Hiei-Kudan Building	Chiyoda-ku, Tokyo	2,400	2,400	1.0	3.6
	Undab Center Shin-Yokohama	Yokohama-shi, Kanagawa	2,300	2,570	0.9	5.0
	The Portal Akihabara	Chiyoda-ku, Tokyo	1,510	1,490	0.6	3.8
	Urban Center Tachikawa	Tachikawa-shi, Tokyo	1,804	2,050	0.7	5.2
	Urban Center Hakata	Fukuoka-shi, Fukuoka	2,870	3,280	1.2	4.3
Urban Center Fujisawa	Fujisawa-shi, Kanagawa	2,054	2,200	0.8	5.6	
	Office Subtotal		74,947	83,570	30.7	4.5
Retail	La Park Kishiwada	Kishiwada-shi, Osaka	5,400	5,170	2.2	7.1
	Suroy Mall Chikushino	Chikushino-shi, Fukuoka	6,550	6,580	2.7	5.9
	Seiyu Minakuchi	Koka-shi, Shiga	3,320	3,320	1.4	7.4
	BAGUS Ikebukuro West	Toshima-ku, Tokyo	2,984	3,500	1.2	4.1
	abeno nini (Retail)	Osaka-shi, Osaka	9,500	10,500	3.9	4.2
		Retail Subtotal		27,754	29,070	11.4

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%) (※)
Residence	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,950	0.8	4.4
	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	10,100	2.6	4.8
	Urban Park Namba	Osaka-shi, Osaka	1,490	1,540	0.6	5.0
	Urban Park Kashiwa	Kashiwa-shi, Chiba	1,186	1,210	0.5	4.8
	Urban Park Ryokuchi-koen	Suita-shi, Osaka	1,550	1,730	0.6	5.6
	Urban Park Ichigao	Yokohama-shi, Kanagawa	1,810	2,180	0.7	4.8
	Urban Park Gyotoku	Ichikawa-shi, Chiba	1,430	1,620	0.6	4.7
	Shiroi Logiman	Shiroi-shi, Chiba	2,470	2,520	1.0	5.7
	Urban Park Sekime	Osaka-shi, Osaka	2,150	2,460	0.9	5.3
	Urban Park Imazato	Osaka-shi, Osaka	993	1,110	0.4	5.5
	Urban Park Yoyogi	Shibuya-ku, Tokyo	1,740	1,990	0.7	3.6
	Urban Park Tokiwadai Koen	Yokohama-shi, Kanagawa	3,506	4,190	1.4	5.5
	Urban Park Mitsuike Koen	Yokohama-shi, Kanagawa	3,160	3,690	1.3	5.4
	Urban Park Ryogoku	Sumida-ku, Tokyo	1,115	1,310	0.5	4.6
	Urban Park Mizonokuchi	Kawasaki-shi, Kanagawa	2,019	2,100	0.8	4.7
	Urban Park Miyamaedaira	Kawasaki-shi, Kanagawa	1,060	1,250	0.4	4.9
	Urban Park Tsurumi	Yokohama-shi, Kanagawa	1,113	1,190	0.5	4.8
	Urban Park Mitaka	Mitaka-shi, Tokyo	743	1,010	0.3	5.0
	Urban Park Kamata Minami I	Ota-ku, Tokyo	641	879	0.3	5.1
	Urban Park Kamata Minami II	Ota-ku, Tokyo	1,375	1,770	0.6	5.1
Urban Park Umejima	Adachi-ku, Tokyo	1,032	1,150	0.4	4.1	
	Residence Subtotal		38,943	47,949	16.0	5.0
Logistics	Iwatsuki Logistics	Saitama-shi, Saitama	6,942	7,650	2.8	4.8
	Yokohama Logistics	Yokohama-shi, Kanagawa	3,560	4,260	1.5	5.6
	Funabashi Logistics	Funabashi-shi, Chiba	7,875	8,770	3.2	5.2
	Baraki Logistics	Ichikawa-shi, Chiba	4,700	5,220	1.9	4.1
	Tokorozawa Logistics	Tokorozawa-shi, Saitama	1,300	1,550	0.5	5.8
	Funabashi Nishiura Logistics II	Funabashi-shi, Chiba	821	907	0.3	7.1
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	2,755	3,300	1.1	5.7
	Funabashi Hi-Tech Park I	Funabashi-shi, Chiba	1,997	2,200	0.8	7.1
		Logistics Subtotal		29,950	33,857	12.3

(※)“Appraisal NOI Yield” is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place.

Portfolio List (as of Jan 31, 2024)

< Property >

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment 0 ratio (%)	Appraisal NOI yield (%) (※1)
Hotel	R&B Hotel Umeda East	Osaka-shi, Osaka	2,069	2,320	0.8	5.5
	Smile Hotel Namba	Osaka-shi, Osaka	1,750	1,490	0.7	4.3
	REMBRANDT STYLE Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,460	1.6	4.1
	Best Western Yokohama	Yokohama-shi, Kanagawa	3,248	3,160	1.3	4.5
	The BREAKFAST HOTEL Fukuoka Tenjin	Fukuoka-shi, Fukuoka	1,970	1,990	0.8	4.6
	GLANSIT AKIHABARA	Chiyoda-ku, Tokyo	2,500	2,440	1.0	3.9
	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,110	1.3	4.0
	KOKO HOTEL Osaka Namba	Osaka-shi, Osaka	2,000	1,560	0.8	3.7
	abeno nini (Hotel)	Osaka-shi, Osaka	3,600	3,850	1.5	4.8
	KOKO HOTEL Ginza 1-Chome	Chuo-ku, Tokyo	17,800	19,100	7.3	4.0
	KOKO HOTEL Sapporo Ekimae	Sapporo-shi, Hokkaido	6,700	7,080	2.7	4.9
	KOKO HOTEL Fukuoka Tenjin	Fukuoka-shi, Fukuoka	5,000	5,410	2.1	4.9
	KOKO HOTEL Hiroshima Ekimae	Hiroshima-shi, Hiroshima	4,100	4,320	1.7	5.2
	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima-shi, Kagoshima	3,800	4,280	1.6	6.1
	Fino Hotel Sapporo Odori	Sapporo-shi, Hokkaido	4,200	4,270	1.7	4.6
	Best Western Plus Fukuoka Tenjin-minami	Fukuoka-shi, Fukuoka	3,800	4,410	1.6	6.7
	Hotel Subtotal		69,544	72,250	28.5	4.7
	Total		241,138	266,696	98.9	4.8

Period-end appraisal value	:	266,696 million yen
Total book value	:	241,648 million yen
Period-end unrealized gains (losses)	:	25,047 million yen
Net assets per unit	:	53,595 yen
Unrealized gains per unit	:	10,559 yen
NAV per unit (*1)	:	62,630 yen
P/NAV per (*2)	:	0.92

(*1) NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding
 (*2) P/NAV per = Investment unit price / NAV per unit (Investment unit price on January 31, 2024: 57,800 yen)

< Mezzanine loan debt investment / Preferred equity security >

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

※1: "Appraisal NOI Yield" is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place.

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

Balance of Payments of Individual Properties (1)

(Unit : Thousand yen)


Asset Type	OFC-01		OFC-03		OFC-04		OFC-06		OFC-08		OFC-09	
Property name	Minami-Azabu Shibuya Building		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Urban Center Shibuya East		Urban Center Yokohama West		Hakata-eki East Place	
												
Acquisition price	2,973 million yen		6,065 million yen		1,763 million yen		2,042 million yen		6,320 million yen		2,286 million yen	
Appraisal value	3,110 million yen		7,100 million yen		2,740 million yen		3,290 million yen		8,420 million yen		3,290 million yen	
Structure/Floors	SRC B1F/7F		S and SRC B1F/21F		SRC B1F/9F		S 6F		S, SRC and RC B2F/12F		SRC 9F	
Location	Minato-ku, Tokyo		Osaka-shi, Osaka		Shibuya-ku, Tokyo		Shibuya-ku, Tokyo		Yokohama-shi, Kanagawa		Fukuoka-shi, Fukuoka	
Lot area	766.11㎡ (Leasehold)		1,274.37㎡		589.94㎡(surface right)		620.42㎡(of which 2.62 m² leasehold)		1,096.86㎡		1,129.86㎡	
Total floor areas	4,137.21㎡		15,407.83㎡		5,117.80㎡		1,982.86㎡		12,353.83㎡		6,243.13㎡	
Construction completion	June 15, 1993		February 8, 2010		May 28, 1987		July 31, 1993		November 25, 1994		February 24, 1986	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	99,368	99,582	249,203	249,511	120,379	122,357	74,599	74,455	231,766	232,635	118,913	114,087
Lease business revenue	90,623	92,251	215,411	216,316	108,488	109,154	71,160	71,163	210,792	211,707	107,143	104,209
Other lease business revenue	8,745	7,330	33,792	33,195	11,890	13,203	3,438	3,291	20,974	20,928	11,770	9,877
Total operating expenses from real estate leasing	28,356	29,018	77,199	82,219	34,504	34,875	14,352	18,659	56,147	64,506	25,078	32,023
Management fee	6,081	6,020	15,194	15,197	6,977	7,257	4,936	5,294	15,618	14,944	8,352	9,292
Utilities expenses	5,793	6,149	31,838	28,008	8,790	9,796	2,275	2,422	17,438	21,376	6,302	8,594
Taxes and dues	4,483	4,480	20,019	20,019	3,401	3,401	4,685	4,681	16,365	16,365	7,715	7,711
Repair expenses	672	1,199	7,680	16,047	1,967	1,314	1,795	1,098	5,040	10,353	1,766	1,810
Trust fee	388	388	400	400	400	400	350	350	400	400	400	400
Insurance premium	147	156	456	487	164	174	57	61	477	504	213	227
Other expenses	10,789	10,624	1,610	2,060	12,803	12,531	251	4,751	807	562	328	3,988
NOI	71,012	70,563	172,004	167,291	85,874	87,482	60,246	55,795	175,619	168,129	93,834	82,063
Depreciation	13,941	14,017	45,549	45,782	10,813	11,093	3,986	3,996	31,014	31,649	12,919	13,076
Operating income (loss) from real estate leasing	57,070	56,545	126,455	121,509	75,061	76,388	56,260	51,799	144,605	136,479	80,915	68,987
Capital expenditures	1,728	7,287	6,077	20,307	7,263	15,232	408	-	7,464	43,508	4,764	8,712
NCF	69,284	63,275	165,927	146,984	78,611	72,249	59,838	55,795	168,154	124,621	89,069	73,351
Period-end book value (million yen)	2,968	2,961	5,556	5,531	1,799	1,803	2,085	2,081	6,270	6,282	2,417	2,413

Balance of Payments of Individual Properties (2)

Asset Type	OFC-10		OFC-11		OFC-12		OFC-13		OFC-14		OFC-15	
Property name	Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan		Higashi Kobe Center Building		Amusement Media Gakuin Shinkan		Urban Center Shinjuku		Urban Center Kanda Suda-cho	
												
Acquisition price	1,450 million yen		2,580 million yen		7,600 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
Appraisal value	1,510 million yen		2,810 million yen		7,530 million yen		1,230 million yen		11,700 million yen		5,440 million yen	
Structure/Floors	SRC 11F		SRC and S B1F/8F		S and SRC 14F		RC 7F		SRC B1F/10F		SRC B1F/10F	
Location	Chuo-ku, Tokyo		Shibuya-ku, Tokyo		Kobe-shi, Hyogo		Shibuya-ku, Tokyo		Shinjuku-ku, Tokyo		Chiyoda-ku, Tokyo	
Lot area	319.04m ² (Number derived by multiplying the ratio of holdings)		433.21m ²		8,488.11m ²		203.43m ²		886.93m ²		590.72m ²	
Total floor areas	2,384.03m ² (Number derived by multiplying the ratio of holdings)		1,892.18m ²		25,740.46m ²		913.71m ²		7,624.66m ²		4,994.70m ²	
Construction completion	July 13, 1992		November 2, 1994		January 6, 1992		January 25, 1999		March 31, 1989		October 28, 1991	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	45,126	52,089			321,893	327,805			198,113	203,719	140,958	141,512
Lease business revenue	45,126	52,089			283,414	290,004			184,896	191,055	135,273	135,466
Other lease business revenue	-	-			38,479	37,800			13,217	12,663	5,684	6,046
Total operating expenses from real estate leasing	17,529	13,472			142,937	124,476			84,535	62,876	35,585	36,808
Management fee	801	885			23,132	24,608			18,394	21,470	11,753	12,500
Utilities expenses	91	-	(*)	(*)	47,211	40,163	(*)	(*)	9,476	9,521	6,108	5,828
Taxes and dues	4,510	4,510			29,857	29,849			22,779	22,793	11,457	11,453
Repair expenses	-	312			15,528	16,519			19,732	7,056	5,050	6,126
Trust fee	400	400			400	400			650	350	650	350
Insurance premium	172	184			934	985			283	299	208	219
Other expenses	11,553	7,179			25,872	11,949			13,218	1,385	358	329
NOI	27,596	38,616	52,206	50,884	178,956	203,329	20,587	19,568	113,578	140,842	105,372	104,703
Depreciation	3,061	3,137	4,290	4,653	44,791	50,509	1,676	1,706	19,000	22,008	9,190	9,777
Operating income (loss) from real estate leasing	24,535	35,479	47,915	46,231	134,164	152,820	18,911	17,861	94,577	118,833	96,182	94,926
Capital expenditures	2,709	-	6,542	2,005	117,396	139,640	-	3,777	108,903	46,221	19,067	5,106
NCF	24,887	38,616	45,663	48,879	61,559	63,688	20,587	15,790	4,674	94,620	86,304	99,597
Period-end book value (million yen)	1,449	1,445	2,577	2,575	7,734	7,995	1,032	1,034	11,415	11,439	5,348	5,344




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

Balance of Payments of Individual Properties (3)

Asset Type	OFC-16		OFC-17		OFC-18		OFC-19		OFC-20		OFC-21	
Property name	Urban Center Kanda Tsukasamachi		Takadanobaba Access		Azabu Amerex Building		Hiei Kudan Building		Urban Center Shin-Yokohama		The Portal Akihabara	
												
Acquisition price	4,590 million yen		3,990 million yen		2,780 million yen		2,400 million yen		2,300 million yen		1,510 million yen	
Appraisal value	4,600 million yen		3,920 million yen		2,890 million yen		2,400 million yen		2,570 million yen		1,490 million yen	
Structure/Floors	SRC B1F/8F		S and SRC B1F/14F		SRC B1F/8F		SRC and S B1F/11F		S and SRC B1F/11F		SRC and S 8F	
Location	Chiyoda-ku, Tokyo		Shinjuku-ku, Tokyo		Minato-ku, Tokyo		Chiyoda-ku, Tokyo		Yokohama-shi, Kanagawa		Chiyoda-ku, Tokyo	
Lot area	709.52㎡		930.70㎡		601.71㎡		478.27㎡ (Number derived by multiplying the ratio of holdings) 3,205.72㎡ (Number derived by multiplying the ratio of holdings)		700.59㎡		184.76㎡	
Total floor areas	4,629.27㎡		5,757.14㎡		2,909.80㎡				5,356.99㎡		1,010.67㎡	
Construction completion	January 20, 1988		January 14, 1994		June 30, 1988		September 17, 1991		March 17, 1992		May 31, 2002	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	115,699	103,932	107,193	107,817	72,918	74,012	69,319	70,034	87,471	87,289	33,464	28,518
Lease business revenue	110,501	98,983	98,124	99,891	68,887	69,333	68,534	70,034	79,706	79,805	32,163	22,892
Other lease business revenue	5,198	4,949	9,068	7,926	4,031	4,678	785	-	7,765	7,484	1,301	5,626
Total operating expenses from real estate leasing	27,290	24,985	38,731	45,686	26,644	25,527	24,656	24,296	31,225	30,684	9,277	13,177
Management fee	9,876	9,637	13,085	14,569	7,527	7,480	3,564	3,566	9,943	9,542	2,702	2,510
Utilities expenses	6,120	5,354	8,691	7,883	3,051	3,093	28	25	7,047	7,066	1,177	1,171
Taxes and dues	7,917	7,917	9,547	9,552	8,257	8,256	7,206	7,205	8,094	8,093	1,642	1,642
Repair expenses	1,498	1,015	1,696	11,028	6,465	5,810	-	424	4,829	4,684	205	3,113
Trust fee	700	400	600	400	775	375	800	500	650	350	600	400
Insurance premium	200	212	219	231	103	109	183	194	190	200	39	41
Other expenses	977	449	4,890	2,021	463	401	12,873	12,379	471	747	2,910	4,297
NOI	88,408	78,946	68,461	62,131	46,274	48,484	44,663	45,737	56,245	56,605	24,186	15,341
Depreciation	13,334	13,493	11,044	11,716	4,028	4,064	4,027	4,027	14,782	16,207	3,897	3,989
Operating income (loss) from real estate leasing	75,074	65,453	57,416	50,414	42,246	44,419	40,636	41,710	41,463	40,397	20,289	11,352
Capital expenditures	3,310	3,823	12,957	31,867	879	7,936	-	-	53,320	30,340	2,553	850
NCF	85,097	75,123	55,504	30,263	45,394	40,547	44,663	45,737	2,925	26,264	21,633	14,491
Period-end book value (million yen)	4,728	4,719	4,005	4,026	2,783	2,787	2,386	2,382	2,467	2,481	1,502	1,499

Balance of Payments of Individual Properties (4)



(Unit : Thousand yen)

Asset Type	OFC-22		OFC-23		OFC-24	
Property name	Urban Center Tachikawa		Urban Center Hakata		Urban Center Fujisawa	
						
Acquisition price	1,804 million yen		2,870 million yen		2,054 million yen	
Appraisal value	2,050 million yen		3,280 million yen		2,200 million yen	
Structure/Floors	RC and S B1F/6F		S 8F		SRC B1F/8F	
Location	Tachikawa-shi, Tokyo		Fukuoka-shi, Fukuoka		Fujisawa-shi, Kanagawa	
Lot area	964.80㎡		656.72㎡		1,005.52㎡	
Total floor areas	4,659.20㎡		3,566.56㎡		4,392.71㎡	
Construction completion	May 30, 1990		August 27, 2020		April 9, 1991	
	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	51,351	62,214	77,043	80,088	81,570	80,566
Lease business revenue	47,234	58,609	77,043	76,727	73,506	73,506
Other lease business revenue	4,116	3,604	-	3,360	8,063	7,060
Total operating expenses from real estate leasing	32,086	19,994	12,413	19,595	39,451	19,970
Management fee	5,002	6,032	5,188	5,673	4,918	4,694
Utilities expenses	3,511	3,736	-	3,851	7,609	6,533
Taxes and dues	4,557	4,549	6,424	6,424	4,185	4,185
Repair expenses	13,636	4,373	99	57	21,761	3,341
Trust fee	400	400	400	400	400	400
Insurance premium	139	150	119	128	144	154
Other expenses	4,837	753	181	3,060	431	661
NOI	19,265	42,219	64,630	60,493	42,118	60,595
Depreciation	6,454	8,362	15,281	15,281	6,257	7,666
Operating income (loss) from real estate leasing	12,810	33,857	49,348	45,211	35,861	52,929
Capital expenditures	58,304	38,945	-	-	54,100	8,934
NCF	(39,039)	3,273	64,630	60,493	(11,981)	51,660
Period-end book value (million yen)	1,904	1,935	2,839	2,824	2,195	2,196

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

Balance of Payments of Individual Properties (5)

(Unit : Thousand yen)

Asset Type	RTL-01		RTL-02		RTL-03		RTL-05		RTL-06	
Property name	LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		BAGUS Ikebukuro West		abeno nini (Retail)	
										
Acquisition price	5,400 million yen		6,550 million yen		3,320 million yen		2,984 million yen		9,500 million yen	
Appraisal value	5,170 million yen		6,580 million yen		3,320 million yen		3,500 million yen		10,500 million yen	
Structure/Floors	RC and S 3F		S 1F (A, CD, EFG, HIJ, KLM, O, QRSTUY, V, W and X building) S 2F (B and P building)		S 4F		S and RC B2F/8F		RC B2F/24F	
Location	Kishiwada-shi, Osaka		Chikushino-shi, Fukuoka		Koka-shi, Shiga		Toshima-ku, Tokyo		Osaka-shi, Osaka	
Lot area	39,779.74㎡		121,423.46㎡ (Also has leased land of 25,321.5㎡ for use as a parking lot.)		19,917.56㎡ (of which leased land is 16,444.53㎡)		264.15㎡		633.90㎡	
Total floor areas	65,663.02㎡		31,028.62㎡		31,829.71㎡		1,497.45㎡		4,866.82㎡	
Construction completion	August 30, 1994		June 22, 2007		May 31, 1999		November 20, 1992		January 31, 2012	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	528,144	525,138	258,010	270,794					221,344	219,340
Lease business revenue	414,658	414,095	254,700	222,869					221,344	219,340
Other lease business revenue	113,485	111,043	3,309	47,924					-	-
Total operating expenses from real estate leasing	347,730	319,618	80,946	99,301					28,028	31,641
Management fee	118,104	113,245	24,771	26,126	(※)	(※)	(※)	(※)	1,200	1,200
Utilities expenses	143,934	128,668	5,142	9,568					-	-
Taxes and dues	44,044	44,193	20,787	20,803					8,254	8,253
Repair expenses	20,202	12,294	5,627	33,507					-	32
Trust fee	2,150	1,850	650	500					350	350
Insurance premium	1,164	1,224	611	643					145	155
Other expenses	18,128	18,143	23,355	8,150					18,078	21,649
NOI	180,413	205,519	177,063	171,493	121,329	127,072	60,654	61,734	193,315	187,698
Depreciation	29,612	31,194	23,328	24,432	26,592	26,833	2,316	2,341	16,639	16,639
Operating income (loss) from real estate leasing	150,801	174,325	153,734	147,060	94,736	100,238	58,337	59,393	176,676	171,058
Capital expenditures	55,355	77,222	2,521	60,599	9,435	12,608	1,106	-	-	-
NCF	125,058	128,297	174,541	110,893	111,894	114,464	59,547	61,734	193,315	187,698
Period-end book value (million yen)	5,499	5,545	6,406	6,442	3,203	3,189	3,000	2,998	9,572	9,555

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

Balance of Payments of Individual Properties (6)

(Unit : Thousand yen)

Asset Type	RSC-01		RSC-02		RSC-05		RSC-07		RSC-08		RSC-10	
Property name	Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Namba		Urban Park Kashiwa		Urban Park Ryokuchi-koen		Urban Park Ichigao	
												
Acquisition price	2,045 million yen		6,315 million yen		1,490 million yen		1,186 million yen		1,550 million yen		1,810 million yen	
Appraisal value	2,950 million yen		10,100 million yen		1,540 million yen		1,210 million yen		1,730 million yen		2,180 million yen	
Structure/Floors	SRC B1F/12F		Existing building : RC B1F/3F Extensin building : RC B1F/9F		RC 14F		SRC B1F/8F		Apartment house: RC 8F Parking: RC 3F		RC SF B1F/8F	
Location	Minato-ku, Tokyo		Shibuya-ku, Tokyo		Osaka-shi, Osaka		Kashiwa-shi, Chiba		Suita-shi, Osaka		Yokohama-shi, Kanagawa	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		1,597.85㎡		2,804.56㎡		1,758.84㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		4,243.71㎡		5,854.64㎡		5,243.85㎡	
Construction completion	November 29, 1999		1: November 15, 1982 2: May 30, 2006		January 9, 2013		August 28, 1997		March 10, 1989		July 10, 1998	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	57,632	59,594	201,243	200,432	45,672	46,647	39,291	39,046	60,731	60,016	60,074	58,359
Lease business revenue	56,102	55,973	194,689	191,602	44,916	46,249	37,772	38,329	57,359	56,979	57,728	57,103
Other lease business revenue	1,529	3,620	6,553	8,829	756	398	1,518	717	3,372	3,037	2,346	1,256
Total operating expenses from real estate leasing	10,912	13,317	31,984	34,397	14,460	14,295	9,861	7,225	15,271	16,021	12,706	14,013
Management fee	2,211	2,407	10,291	10,229	3,328	2,950	2,473	1,916	2,558	2,523	3,612	2,973
Utilities expenses	705	608	2,971	3,340	431	327	627	503	2,627	2,426	1,473	1,209
Taxes and dues	2,995	2,996	12,211	12,211	2,892	2,892	2,959	2,956	3,594	3,592	3,962	3,961
Repair expenses	2,919	4,289	2,683	4,696	2,780	4,097	2,197	787	3,960	4,218	2,104	5,009
Trust fee	350	350	350	350	350	350	350	350	350	350	400	400
Insurance premium	72	77	237	252	83	88	108	116	159	169	144	152
Other expenses	1,658	2,588	3,238	3,318	4,595	3,589	1,144	596	2,020	2,741	1,010	306
NOI	46,719	46,276	169,259	166,034	31,211	32,352	29,430	31,820	45,460	43,994	47,368	44,346
Depreciation	5,214	5,289	12,981	13,180	8,021	8,044	7,662	7,670	8,758	8,923	6,293	6,367
Operating income (loss) from real estate leasing	41,505	40,986	156,277	152,853	23,189	24,307	21,767	24,150	36,701	35,071	41,074	37,978
Capital expenditures	3,315	9,073	4,041	11,233	1,353	-	135	847	8,520	754	2,048	4,183
NCF	43,404	37,202	165,217	154,800	29,858	32,352	29,294	30,973	36,940	43,239	45,319	40,163
Period-end book value (million yen)	2,062	2,065	6,330	6,328	1,469	1,461	1,209	1,202	1,580	1,572	1,922	1,920

Balance of Payments of Individual Properties (7)

(Unit : Thousand yen)

Asset Type	RSC-11		RSC-12		RSC-13		RSC-14		RSC-15		RSC-16	
Property name	Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato		Urban Park Yoyogi		Urban Park Tokiwadai Koen	
												
Acquisition price	1,430 million yen		2,470 million yen		2,150 million yen		993 million yen		1,740 million yen		3,506 million yen	
Appraisal value	1,620 million yen		2,520 million yen		2,460 million yen		1,110 million yen		1,990 million yen		4,190 million yen	
Structure/Floors	SRC 10F		RC 13F		SRC 15F		RC 10F		RC 8F		RC 5F	
Location	Ichikawa-shi, Chiba		Shiroi-shi, Chiba		Osaka-shi, Osaka		Osaka-shi, Osaka		Shibuya-ku, Tokyo		Yokohama-shi, Kanagawa	
Lot area	1,122.57㎡		11,485.06㎡ (Number derived by multiplying the ratio of holdings)		2,346.39㎡		1,803.70㎡		464.09㎡		12,544.61㎡	
Total floor areas	3,397.95㎡		22,448.08㎡ (Number derived by multiplying the ratio of holdings)		8,190.11㎡		4,862.83㎡		1,418.03㎡		15,708.08㎡	
Construction completion	March 1, 1995		May 9, 1995		August 18, 1989		December 20, 1991		September 4, 2017		Feb 17, 1994	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	37,816	39,566	141,678	143,832	88,077	85,097	39,316	37,497	39,871	45,959	146,106	148,263
Lease business revenue	36,063	37,937	134,474	137,163	85,405	82,774	38,664	37,035	39,005	41,781	138,712	142,521
Other lease business revenue	1,753	1,629	7,204	6,669	2,672	2,322	652	461	866	4,177	7,394	5,742
Total operating expenses from real estate leasing	9,573	10,134	69,155	67,112	26,520	26,288	13,149	17,709	8,838	8,544	53,528	41,578
Management fee	2,054	2,056	6,081	6,238	9,989	9,743	3,817	4,647	2,273	2,325	13,297	11,860
Utilities expenses	1,030	1,021	71	49	2,645	1,989	334	277	333	312	1,260	1,382
Taxes and dues	2,192	2,192	13,913	13,910	5,302	5,295	3,202	3,194	2,033	2,033	10,766	10,762
Repair expenses	2,132	2,623	16,429	13,535	5,189	6,554	3,480	7,752	922	1,151	20,039	12,322
Trust fee	400	400	1,050	750	775	375	775	375	600	400	400	400
Insurance premium	95	101	807	852	281	296	142	150	49	52	411	434
Other expenses	1,668	1,739	30,800	31,776	2,337	2,032	1,397	1,312	2,626	2,268	7,353	4,415
NOI	28,243	29,431	72,523	76,720	61,556	58,809	26,166	19,788	31,032	37,414	92,578	106,684
Depreciation	4,411	4,508	19,392	19,453	13,759	13,895	5,352	5,475	4,393	4,393	13,911	15,087
Operating income (loss) from real estate leasing	23,832	24,922	53,131	57,267	47,797	44,914	20,814	14,313	26,639	33,021	78,666	91,596
Capital expenditures	1,533	1,768	1,263	985	3,111	6,603	567	5,958	-	-	25,590	7,776
NCF	26,710	27,663	71,260	75,734	58,445	52,205	25,599	13,829	31,032	37,414	66,987	98,907
Period-end book value (million yen)	1,500	1,497	2,361	2,342	2,194	2,187	965	965	1,713	1,709	3,642	3,635




Balance of Payments of Individual Properties (8)

(Unit : Thousand yen)

Asset Type	RSC-17		RSC-18		RSC-19		RSC-20		RSC-21		RSC-22	
Property name	Urban Park Mitsuike Koen		Urban Park Ryogoku		Urban Park Mizonokuchi		Urban Park Miyamaedaira		Urban Park Tsurumi		Urban Park Mitaka	
												
Acquisition price	3,160 million yen		1,115 million yen		2,019 million yen		1,060 million yen		1,113 million yen		743 million yen	
Appraisal value	3,690 million yen		1,310 million yen		2,100 million yen		1,250 million yen		1,190 million yen		1,010 million yen	
Structure/Floors	RC 6F		SRC 9F		RC B1F/5F		S 3F		RC 6F		S 3F	
Location	Yokohama-shi, Kanagawa		Sumida-ku, Tokyo		Kawasaki-shi, Kanagawa		Kawasaki-shi, Kanagawa		Yokohama-shi, Kanagawa		Mitaka-shi, Tokyo	
Lot area	10,216.95㎡		669.98㎡		2,624.51㎡		1,239.53㎡		2,172.70㎡		947.92㎡	
Total floor areas	10,918.37㎡		2,351.42㎡		5,029.52㎡		2,039.17㎡		3,169.13㎡		1,201.39㎡	
Construction completion	March 24, 1992		October 31, 1997		August 23, 1988		June 10, 2021		February 17, 1994		June 8, 2023	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	127,538	128,014	36,737	39,726	63,570	64,267	32,976	33,838			-	2,083
Lease business revenue	120,428	122,366	35,889	36,518	59,093	62,336	30,814	31,791			-	2,083
Other lease business revenue	7,109	5,647	848	3,208	4,477	1,930	2,162	2,047			-	-
Total operating expenses from real estate leasing	42,394	42,087	9,503	6,756	28,351	21,373	8,330	7,766			-	3,241
Management fee	10,989	11,542	3,165	2,581	4,038	4,390	1,684	1,454	(※)	(※)	-	325
Utilities expenses	1,098	880	441	377	708	607	47	48			-	50
Taxes and dues	8,796	8,795	1,880	1,880	3,466	3,466	1,605	1,605			-	4
Repair expenses	14,101	11,042	2,729	602	10,360	10,099	1,237	1,147			-	-
Trust fee	400	400	400	400	400	400	400	400			-	291
Insurance premium	327	345	72	78	148	159	51	55			-	28
Other expenses	6,680	9,080	814	836	9,228	2,249	3,304	3,055			-	2,540
NOI	85,144	85,926	27,233	32,970	35,218	42,894	24,646	26,072	25,688	29,290	-	(1,157)
Depreciation	12,629	13,026	2,612	2,678	6,681	7,135	4,527	4,533	2,768	2,777	-	2,796
Operating income (loss) from real estate leasing	72,515	72,899	24,621	30,291	28,537	35,759	20,119	21,538	22,919	26,512	-	(3,953)
Capital expenditures	12,653	5,916	3,925	-	17,420	15,730	396	-	-	1,558	-	-
NCF	72,491	80,009	23,308	32,970	17,798	27,164	24,250	26,072	25,688	27,731	-	(1,157)
Period-end book value (million yen)	3,284	3,277	1,148	1,146	2,104	2,113	1,091	1,087	1,146	1,145	-	778

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

Balance of Payments of Individual Properties (9)

Asset Type	RSC-23		RSC-24		RSC-25	
Property name	Urban Park Kamata Minami I		Urban Park Kamata Minami II		Urban Park Umejima	
						
Acquisition price	641 million yen		1,375 million yen		1,032 million yen	
Appraisal value	879 million yen		1,770 million yen		1,150 million yen	
Structure/Floors	RC 5F		RC 6F		RC 5F	
Location	Ota-ku, Tokyo		Ota-ku, Tokyo		Adachi-ku, Tokyo	
Lot area	502.47㎡		1,031.39㎡		770.37㎡	
Total floor areas	1,239.35㎡		2,323.83㎡		1,805.78㎡	
Construction completion	September 29, 2022		September 25, 2023		October 23, 2023	
	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	-	7,464	-	244	-	832
Lease business revenue	-	7,197	-	244	-	832
Other lease business revenue	-	267	-	-	-	-
Total operating expenses from real estate leasing	-	1,542	-	14,826	-	1,940
Management fee	-	389	-	558	-	341
Utilities expenses	-	37	-	60	-	70
Taxes and dues	-	8	-	8	-	8
Repair expenses	-	297	-	-	-	-
Trust fee	-	116	-	116	-	116
Insurance premium	-	12	-	23	-	17
Other expenses	-	681	-	14,059	-	1,387
NOI	-	5,922	-	(14,581)	-	(1,108)
Depreciation	-	1,107	-	2,254	-	1,710
Operating income (loss) from real estate leasing	-	4,815	-	(16,836)	-	(2,818)
Capital expenditures	-	-	-	-	-	407
NCF	-	5,922	-	(14,581)	-	(1,515)
Period-end book value (million yen)	-	677	-	1,441	-	1,086

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

Balance of Payments of Individual Properties (10)

Asset Type	LGC-01		LGC-02		LGC-03		LGC-04		LGC-05		LGC-07	
Property name	Iwatsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics		Tokorozawa Logistics		Funabashi Nishiura Logistics II	
												
Acquisition price	6,942 million yen		3,560 million yen		7,875 million yen		4,700 million yen		1,300 million yen		821 million yen	
Appraisal value	7,650 million yen		4,260 million yen		8,770 million yen		5,220 million yen		1,550 million yen		907 million yen	
Structure/Floors	S 5F		RC 8F		Building 1: S 8F Building 2: RC 5F		RC and S 5F		Office: S 2F Warehouse: S 2F		Warehouse: S 4F Factory: S 1F Office: S 3F	
Location	Saitama-shi, Saitama		Yokohama-shi, Kanagawa		Funabashi-shi, Chiba		Ichikawa-shi, Chiba		Tokorozawa-shi, Saitama		Funabashi-shi, Chiba	
Lot area	15,623.14㎡		10,565.95㎡		19,858.00㎡		6,240.96㎡		8,645.63㎡		3,964.00㎡	
Total floor areas	29,729.72㎡		18,387.89㎡(including 256.15㎡ break areas etc.)		38,871.45㎡(two buildings combined)		12,471.50㎡		5,994.75㎡		6,316.32㎡	
Construction completion	October 29, 2014		October 1, 1994		1: September 25, 1992 2: August 5, 1997		August 14, 2015		April 30, 1999		Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	200,080	200,318			265,877	267,529						
Lease business revenue	187,713	187,718			251,102	251,461						
Other lease business revenue	12,367	12,600			14,774	16,068						
Total operating expenses from real estate leasing	35,127	34,852			67,205	67,019						
Management fee	7,219	5,831	(※)	(※)	11,775	12,541	(※)	(※)	(※)	(※)	(※)	(※)
Utilities expenses	12,367	12,600			15,024	16,297						
Taxes and dues	13,548	13,547			22,146	22,153						
Repair expenses	144	2,157			17,136	14,977						
Trust fee	350	350			400	400						
Insurance premium	346	365			499	527						
Other expenses	1,151	-			223	120						
NOI	164,953	165,465	94,640	90,248	198,671	200,510	69,280	78,081	37,236	37,172	28,796	22,727
Depreciation	46,879	46,942	19,845	20,470	29,704	30,587	15,784	15,806	6,087	6,091	4,620	4,641
Operating income (loss) from real estate leasing	118,074	118,523	74,795	69,777	168,967	169,922	53,495	62,274	31,148	31,081	24,175	18,086
Capital expenditures	-	7,409	1,182	44,361	30,521	47,827	-	2,961	1,848	-	730	-
NCF	164,953	158,056	93,458	45,886	168,150	152,683	69,280	75,119	35,388	37,172	28,065	22,727
Period-end book value (million yen)	6,327	6,288	3,637	3,661	7,714	7,732	4,550	4,537	1,344	1,338	843	839

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

Balance of Payments of Individual Properties (11)

(Unit : Thousand yen)

Asset Type	LGC-08		LGC-09	
Property name	Matsubushi Logistics		Funabashi Hi-Tech Park I	
				
Acquisition price	2,755 million yen		1,997 million yen	
Appraisal value	3,300 million yen		2,200 million yen	
Structure/Floors	RC 3F		S 2F	
Location	Kita-Katsushika-gun, Saitama		Funabashi-shi, Chiba	
Lot area	11,580.65㎡		13,420.44㎡	
Total floor areas	19,833.47㎡		9,002.40㎡	
Construction completion	March 31, 1997		May 19, 2003	
	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing				
Lease business revenue				
Other lease business revenue				
Total operating expenses from real estate leasing				
Management fee	(※)	(※)	(※)	(※)
Utilities expenses				
Taxes and dues				
Repair expenses				
Trust fee				
Insurance premium				
Other expenses				
NOI	79,343	79,445	48,429	42,833
Depreciation	17,194	20,020	5,737	7,064
Operating income (loss) from real estate leasing	62,148	59,424	42,692	35,768
Capital expenditures	78,104	39,026	-	289,378
NCF	1,238	40,418	48,429	(246,545)
Period-end book value (million yen)	2,723	2,742	1,675	1,957

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

Balance of Payments of Individual Properties (12)

(Unit : Thousand yen)

Asset Type	HTL-01		HTL-02		HTL-03		HTL-04		HTL-05		HTL-06	
Property name	R&B Hotel Umeda East		Smile Hotel Namba		REMBRANDT STYLE Tokyo Nishikasai		Best Western Yokohama		The BREAKFAST HOTEL Fukuoka Tenjin		GLANSIT AKIHABARA	
												
Acquisition price	2,069 million yen		1,750 million yen		3,827 million yen		3,248 million yen		1,970 million yen		2,500 million yen	
Appraisal value	2,320 million yen		1,490 million yen		3,460 million yen		3,160 million yen		1,990 million yen		2,440 million yen	
Structure/Floors	RC 9F		S 9F		SRC B1F/9F		SRC B1F/9F		RC 10F		S and SRC B1F/10F	
Location	Osaka-shi, Osaka		Osaka-shi, Osaka		Edogawa-ku, Tokyo		Yokohama-shi, Kanagawa		Fukuoka-shi, Fukuoka		Chiyoda-ku, Tokyo	
Lot area	730.26㎡		285.28㎡		1,418.00㎡		782.66㎡		543.94㎡		167.74㎡	
Total floor areas	3,945.65㎡		1,711.42㎡		5,293.88㎡		4,686.09㎡		2,281.49㎡		1,081.97㎡	
Construction completion	October 20, 2000		February 6, 2008		March 19, 1991		September 21, 1987		February 20, 2017		September 20, 2017	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	65,212	65,212	40,394	37,365	84,600	84,600	80,400	80,400	(*)	(*)	(*)	(*)
Lease business revenue	65,212	65,212	40,394	37,365	84,600	84,600	80,400	80,400				
Other lease business revenue	-	-	-	-	-	-	-	-				
Total operating expenses from real estate leasing	8,310	9,114	4,118	6,090	25,324	11,953	15,352	18,055				
Management fee	742	742	717	660	1,200	1,200	1,200	1,520				
Utilities expenses	4	3	-	-	-	-	-	-				
Taxes and dues	5,691	5,704	2,313	2,313	8,522	8,521	4,638	4,637				
Repair expenses	1,345	2,131	442	1,776	15,022	1,633	8,655	11,329				
Trust fee	350	350	550	850	400	400	400	400				
Insurance premium	152	160	70	74	158	174	134	142				
Other expenses	24	22	25	415	22	23	324	25				
NOI	56,902	56,098	36,275	31,275	59,275	72,646	65,047	62,344	42,278	55,386	48,863	48,861
Depreciation	10,983	11,005	12,290	11,390	14,383	15,881	13,357	13,409	8,647	8,655	4,643	4,643
Operating income (loss) from real estate leasing	45,919	45,092	23,985	19,884	44,891	56,765	51,690	48,935	33,630	46,731	44,220	44,218
Capital expenditures	-	9,427	1,575	315	47,977	12,204	2,672	13,382	-	295	-	-
NCF	56,902	46,670	34,700	30,959	11,297	60,442	62,374	48,961	42,278	55,090	48,863	48,861
Period-end book value (million yen)	2,083	2,081	1,605	1,594	3,872	3,868	3,191	3,191	1,905	1,896	2,476	2,471

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

Balance of Payments of Individual Properties (13)





(Unit : Thousand yen)

Asset Type	HTL-07		HTL-08		HTL-09		HTL-10		HTL-11		HTL-12	
Property name	REMBRANDT STYLE Tokyo Nishikasai Grande		KOKO HOTEL Osaka Namba		abeno nini (Hotel)		KOKO HOTEL Ginza 1-Chome		KOKO HOTEL Sapporo Ekimae		KOKO HOTEL Fukuoka Tenjin	
												
Acquisition price	3,180 million yen		2,000 million yen		3,600 million yen		17,800 million yen		6,700 million yen		5,000 million yen	
Appraisal value	3,110 million yen		1,560 million yen		3,850 million yen		19,100 million yen		7,080 million yen		5,410 million yen	
Structure/Floors	S 8F		RC 9F		RC B2F/24F		S and RC B1F/12F		S B1F/12F		RC 14F	
Location	Edogawa-ku, Tokyo		Osaka-shi, Osaka		Osaka-shi, Osaka		Chuo-ku, Tokyo		Sapporo-shi, Hokkaido		Fukuoka-shi, Fukuoka	
Lot area	657.00㎡		335.31㎡		586.44㎡		848.78㎡		734.34㎡		752.89㎡(Including the set-back area of 7.33㎡)	
Total floor areas	2,755.19㎡		2,061.38㎡		7,764.81㎡		7,299.11㎡		5,886.67㎡		4,404.91㎡	
Construction completion	February 7, 2017		April 7, 2017		January 31, 2012		October 29, 2014		October 20, 2015		Augst 20, 2007	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	70,002	70,002	53,142	46,244	(*)	(*)	-	407,986	-	145,690	-	110,701
Lease business revenue	70,002	70,002	53,142	46,244			-	407,986	-	145,690	-	110,701
Other lease business revenue	-	-	-	-			-	-	-	-	-	-
Total operating expenses from real estate leasing	6,978	7,537	5,452	6,418			-	10,131	-	8,609	-	1,536
Management fee	990	990	900	900			-	600	-	550	-	600
Utilities expenses	-	-	-	-			-	-	-	-	-	-
Taxes and dues	5,305	5,305	3,347	3,321			-	9	-	8	-	8
Repair expenses	172	725	77	1,270			-	8,924	-	3,338	-	450
Trust fee	400	400	350	350			-	333	-	333	-	333
Insurance premium	89	94	64	67			-	241	-	191	-	140
Other expenses	21	22	713	508	-	23	-	4,187	-	3		
NOI	63,023	62,464	47,690	39,826	58,643	58,625	-	397,854	-	137,081	-	109,165
Depreciation	10,857	10,857	8,925	8,726	6,885	6,885	-	19,793	-	24,982	-	6,449
Operating income (loss) from real estate leasing	52,165	51,607	38,764	31,100	51,758	51,740	-	378,060	-	112,099	-	102,716
Capital expenditures	-	-	-	-	-	-	-	280	-	310	-	1,042
NCF	63,023	62,464	47,690	39,826	58,643	58,625	-	397,574	-	136,771	-	108,123
Period-end book value (million yen)	3,099	3,088	1,935	1,926	3,637	3,630	-	17,896	-	6,724	-	5,034

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

Balance of Payments of Individual Properties (14)

(Unit : Thousand yen)

Asset Type	HTL-13		HTL-14		HTL-15		HTL-16	
Property name	KOKO HOTEL Hiroshima Ekimae		KOKO HOTEL Kagoshima Tenmonkan		Fino Hotel Sapporo Odori		Best Western Plus Fukuoka Tenjin-minami	
								
Acquisition price	4,100 million yen		3,800 million yen		4,200 million yen		3,800 million yen	
Appraisal value	4,320 million yen		4,280 million yen		4,270 million yen		4,410 million yen	
Structure/Floors	S and RC B1F/14F		S 13F		RC 10F		S 13F	
Location	Hiroshima-shi, Hiroshima		Kagoshima-shi, Kagoshima		Sapporo-shi, Hokkaido		Fukuoka-shi, Fukuoka	
Lot area	534.09㎡		882.69㎡		626.34㎡		1,788.92㎡(Including the set-back area of 1.14㎡)	
Total floor areas	5,370.75㎡		4,622.48㎡(including the attached building)		3,854.01㎡		7,322.03㎡(including the attached building)	
Construction completion	December 17, 2019		April 19, 2019		June 9, 2020		April 3, 2020	
	FP15	FP16	FP15	FP16	FP15	FP16	FP15	FP16
Total operating revenue from real estate leasing	-	106,591	-	76,832	-	72,627	-	161,263
Lease business revenue	-	106,591	-	76,832	-	72,627	-	161,263
Other lease business revenue	-	-	-	-	-	-	-	-
Total operating expenses from real estate leasing	-	1,611	-	1,343	-	1,081	-	39,102
Management fee	-	600	-	600	-	600	-	600
Utilities expenses	-	-	-	-	-	-	-	-
Taxes and dues	-	8	-	8	-	8	-	8
Repair expenses	-	-	-	233	-	-	-	-
Trust fee	-	333	-	333	-	333	-	333
Insurance premium	-	167	-	143	-	119	-	227
Other expenses	-	502	-	25	-	19	-	37,933
NOI	-	104,979	-	75,488	-	71,546	-	122,160
Depreciation	-	27,966	-	30,705	-	17,807	-	43,373
Operating income (loss) from real estate leasing	-	77,013	-	44,783	-	53,738	-	78,786
Capital expenditures	-	310	-	310	-	310	-	310
NCF	-	104,669	-	75,178	-	71,236	-	121,850
Period-end book value (million yen)	-	4,106	-	3,801	-	4,215	-	3,887

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

- P.4 (note 1) The "Tokyo area ratio" is the ratio of properties located in the Tokyo area out of the total acquisition price of real estate, etc. owned, for the "Tokyo area ratio of portfolio," and the "Tokyo area ratio excluding suburban commercial facilities that are assumed to be sold" is the ratio of the total acquisition price of real estate, etc. owned, excluding three suburban commercial facilities that are assumed to be sold, for the "Tokyo area ratio of portfolio," which is the total acquisition price of all properties in the Tokyo area.
- P.4 (note 2) "Ratio of mid sized assets" is the ratio of "mid sized assets" to SAR's total assets, based on acquisition prices.
- P.4 (note 3) "Average building age" is the weighted average calculated by dividing the building age of each property.
 * Building age" refers to, except for "Urban Park Daikanyama", the period commencing on the date of completion of construction (based on the date of completion of construction of the principal building as registered in the registry of real estates) to January 31, 2024. As for "Urban Park Daikanyama", which consists of two buildings, "building age" refers to the period commencing on the date of completion of the older building and ends on January 31, 2024.
- P.4 (note 4) "Appraisal NOI Yield" is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place.
- P.19 (note 1) The figure shown as pre-extension total leasable space is based on the pre-extension building lease contract; the figure shown as post-extension total leasable space is based on the second building lease amendment (option) agreement dated July 19, 2023.
- P.19 (note 2) "Floor-area ratio (FAR)" is calculated by dividing the total floor area (floor area subject to FAR) by the size of the land. The pre-extension total floor area is the leasable floor area based on the pre-extension building lease contract; the post-extension total floor area which is the base of FAR is the area of the entire building given in the application for confirmation of the building extension.
- P.19 (note 3) "Acquisition price" is calculated by setting the acquisition price of pre-extension pertaining to Funabashi High Technology Park Factory I to 100 and adding the anticipated investment amount (includes a certain reserve fund) pertaining to the extension to the acquisition price.
- P.19 (note 4) The monthly rent index is calculated by setting the monthly rent as of the date of this document to 100 and the rent stated in the second building lease amendment (option) agreement.
- P.27 (note 1) The appraisal values of the properties managed by StarAsia Group are calculated based on the figures in the latest appraisal reports as of the respective dates. (Of the various assets held by StarAsia Group as of the end of January 2024, this does not include properties that fall under the category of real estate, etc. and for which SAR has acquired preferential negotiating rights, or properties held by Polaris.
- P.27 (note 2) "Ratio operated by Polaris" is the ratio by appraisal value of hotel properties managed and operated by Polaris to the total appraisal value of 12 hotels with preferential negotiating rights.
- P.34 (note 1) "GRESB Real Estate Assessment" benchmarks ESG performance based on multiple factors and gives participants a five-grade relative evaluation. GRESB is the name of the organization which provides annual benchmarking assessments to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds. It was founded in 2009 by a group of major European pension funds who played leading roles in launching the Principles for Responsible Investment (PRI).
- P.35 (note 1) "GHG" refers to greenhouse gas. Scope 2 emissions (indirect emissions associated with the purchase of electricity, steam, or heat) indicated in this document are calculated based on market-based factors.
- P.35 (note 2) "GHG emission intensity" refers to per-unit GHG emissions amount resulting from a specific activity. In this document, per-unit GHG emissions intensity is calculated using total floor area (m²) accounting for operating months as a unit.
- P.35 (note 3) "Energy Consumptions intensity" refers to per-unit Energy Consumptions emissions amount resulting from a specific activity. In this document, Energy Consumptions intensity is calculated using total floor area (m²) accounting for operating months as a unit.
- P.36 (note 1) The ratio of assets obtaining environmental certification is calculated by dividing the total floor area of assets which are environmentally certified as of the date of the document by the total floor area of assets.

- P.36 (note 2) “DBJ Green Building Certification” is a certification under the framework system (hereinafter, “the framework”) established by Development Bank of Japan Inc. (hereinafter, “DBJ”) in April 2011 to support properties with environmental and social awareness (“Green Building”). The framework rates and certifies properties required by society and the economy based on a comprehensive assessment covering items from environmental performance of properties to measures for various stakeholders including disaster prevention and consideration for local communities, and supports such initiatives. Japan Real Estate Institute (JREI) has conducted certification, while DBJ has controlled the overall framework since August 2017. The framework has five levels of certification (★ ~ ★★★★★).
- P.36 (note 3) “BELS Evaluation Certification” is a third-party evaluation framework to assess energy saving performance of buildings based on criteria stipulated by the Ministry of Land, Infrastructure, Transport and Tourism. The framework has five levels of certification (★★★★★~★).
- P.36 (note 4) CASBEE Real Estate Certification integrates multiple assessment methods including CASBEE’s real estate assessment system, which SAR was assessed. CASBEE’s real estate assessment system was developed with the aim of making use of the results of the environmental assessment of buildings in real estate assessment. It scores buildings under each of the evaluation items in five categories, comprising “1. Energy & Greenhouse Gases”, “2. Water”, “3. Use of Resources & Safety”, “4. Biodiversity & Sustainable Site”, and “5. Indoor Environment”. Based on the scores, the assessment results are granted under one of four ranks: Rank S, Rank A, Rank B+, and Rank B. The same shall apply hereinafter.
- P.36 (note 5) “Urban Park Miyamaedaira” consists of two buildings (“Urban Park Miyamaedaira EAST” and “Urban Park Miyamaedaira WEST”) and each of them received certification.
- P.36 (note 6) “Green lease contracts” indicates the lease contracts stating that the lessor and the tenant jointly determine rules including reduction of environmental burdens such as energy saving of properties and improvement of working environment by concluding contracts, memorandums, etc., and implement such rules.

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