



Five Years Since Listing: Now the Next Five Years

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

スターアジア不動産投資法人(3468)
スターアジア投資顧問株式会社

Contents

Characteristics of Star Asia Investment Corporation (SAR)

1. A diversified REIT

Portfolio developed with diversified assets located mainly in the Tokyo Area (Note2)

2. Steady growth

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

3. Initiatives focusing on unitholder value

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

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Investment policy



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



Achieving income stability and growth through diversification of asset type



Investment primarily in middle-size assets (*2)

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

* In this document, Star Asia Investment Corporation may be referred to as "SAR" and Sakura Sogo REIT Investment Corporation as "SSR".

※*Assets that are classified as "Other" in SSR (pre-merger) are classified as "Logistics" in SAR (post-merger) in accordance with Star Asia Investment Management operation guidelines.

*1 "Tokyo area": "Tokyo area" refers to Tokyo's 23 wards and the cities of Kawasaki and Yokohama for office properties and retail facilities, and Tokyo and the three prefectures of Kanagawa, Saitama and Chiba for residential properties, logistics facilities, hotels and student residences. *2 "Middle-size assets" are properties with acquisition prices of less than JPY10bn.

1. Executive summary

1. Executive Summary

Our Trajectory until 10th Fiscal Period

◆ Asset Size

JPY 61.4 billion
(at time of listing)



JPY **166.7** billion

(at end of 10th Fiscal Period)

◆ NAV per unit

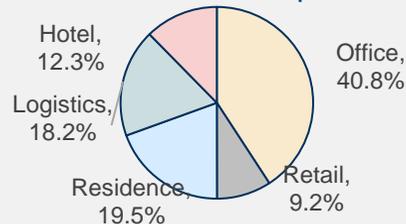
JPY 53,746
(at the end of 1st FP)



JPY **57,040**

(at end of 10th Fiscal Period)

◆ Built a well-diversified portfolio (at end of 10th Fiscal Period)



- Number of Properties : 53
- Tokyo area ratio maintained at 70% or more

10th Fiscal Period Results and Forecasts for 11th / 12th Fiscal Period

◆ Actual results of 10th Fiscal Period (ended Jan. 31, 2021)

Distribution Per Unit (DPU) :

JPY **1,676** /unit

- Results were JPY18 ahead of original forecast, or about +1.1%
- Will distribute excess portion of NOI that beat original forecast

◆ Forecasted Distributions Per Unit

Forecast for Fiscal Period
ending July 31, 2021

JPY **1,455** /unit

Forecast for Fiscal Period
ending January 31, 2022

JPY **1,455** /unit

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

Continued Initiatives to Maximize Unitholders' Interests

◆ Change of Asset Management Fee Structure

From Fiscal Period ending July 31, 2021

Increased ratio of
profit related fees

- We have raised the ratio of asset management fees linked to portfolio NOI and DPU
- Aggregate fee amount expected to remain at same level on a total asset basis

◆ Strengthening of ESG Initiatives

Creation of new ESG related
division which will:

**Sustainability Promotion
Division**

- (1) Further strengthen ESG initiatives, (2) Optimize Capex/repair expenses
- Hiring of new sustainability experts

Planning to **participate in the FY2021 GRESB Real Estate Assessment**

New Mid-term Business Plan Through 2026

◆ Formulated a Mid-term Business Plan up to 2026

Asset Size

JPY **300** billion

- Promote increase of asset size in cooperation with Star Asia Group, such as accessing the sponsor pipeline
- Leverage the asset management company's own network to the maximum extent possible

Distribution per Unit (DPU)

JPY **1,600** /unit

- Realize external growth and internal growth and aim to increase distributions by 2% per year

GRESB Assessment

3 STAR

- Within ESG, already established objective related to "E" in particular

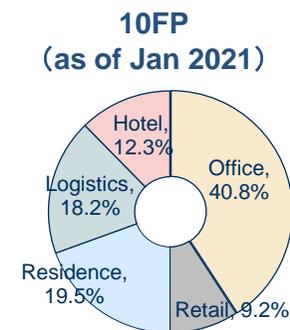
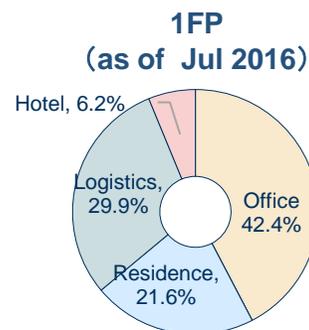
2. The Five-year Trajectory from Listing (to 10th Fiscal Period)



2. The Five-year Trajectory from Listing (to 10th Fiscal Period)(1)

Growth of SAR

- Expanded asset size with continued support from Star Asia Group.
- Constructed a well-balanced and risk tolerant diversified portfolio.



Asset Size	61.4 billion yen	▷ 2.7fold	166.7 billion yen
NAV per unit	53,746 yen ^(note1)	▷ 6.1%up	57,040 yen
Portfolio NOI yield ^(note1)	4.8 %	▷ 0.1% up	4.9 %
Assets in Tokyo areas	78.4 %	▷	73.0 %
Mid-sized assets	100.0 %	▷	93.3 %
Negative goodwill	-		8.8 billion yen
Credit Rating (JCR, R&I)	-		A-(stable)
Sponsor Support	% acquired from Sponsors	90.4 %	76.4 % ^(note3)
	Same Boat Investment	8.5 billion yen	11.8 billion yen
Implementation of Continuous Active Management	Number of Asset replacement deal	-	7 (gain on sale 4.3billion yen)
	Mezzanine loan debt Investment cumulative total	-	1,310.5 million yen

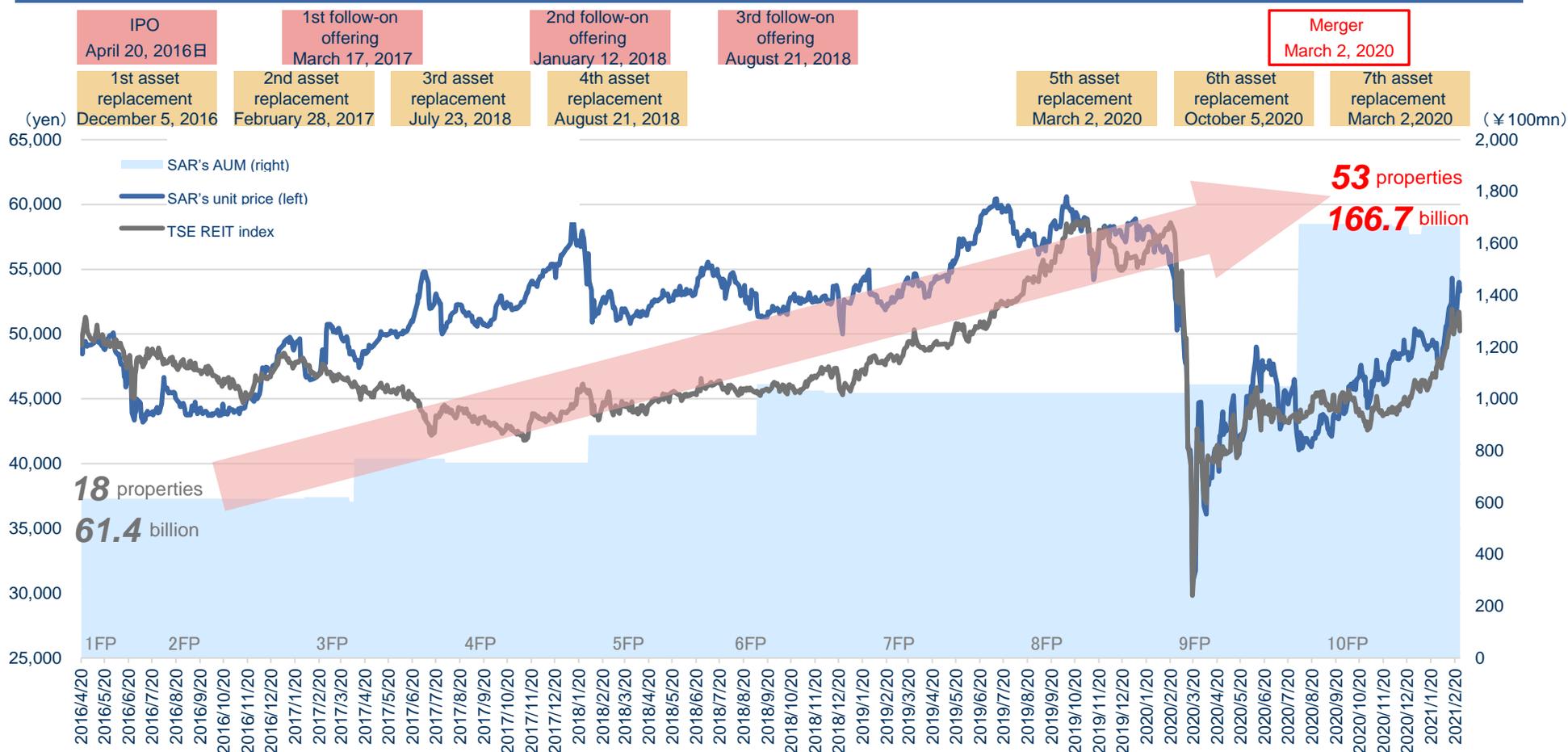
(*1) NAV per unit as at the end of the 1st Fiscal Period was 107,492 yen. However, as SAR executed a 2-for-1 split of its investment units effective July 31, 2020, the amount stated has been halved. (*2) Portfolio NOI Yield is calculated as the weighted average (based on acquisition price) of the actual NOI yield of each property held as at the end of each period (assuming that fixed asset taxes are expensed). (*3) based on acquisition price (*4) The percentage held acquired from the Sponsors has been calculated excluding the properties accepted upon the merger with Sakura Sogo REIT (as of end of January 2021: total amount of JPY 59.1 billion).



2. The Five-year Trajectory from Listing (to 10th Fiscal Period)(2)

- ◆ Since listing, we have focused on expanding asset size through property acquisition, three public offerings, seven asset replacements, and the merger with Sakura Sogo REIT.
- ◆ Although the "asset size of JPY 200 billion by 2020" goal was not met, asset size has expanded **2.7 times** from JPY 61.4 billion at listing, to **JPY 166.7 billion**.

Change in investment unit price and asset size from the time of listing



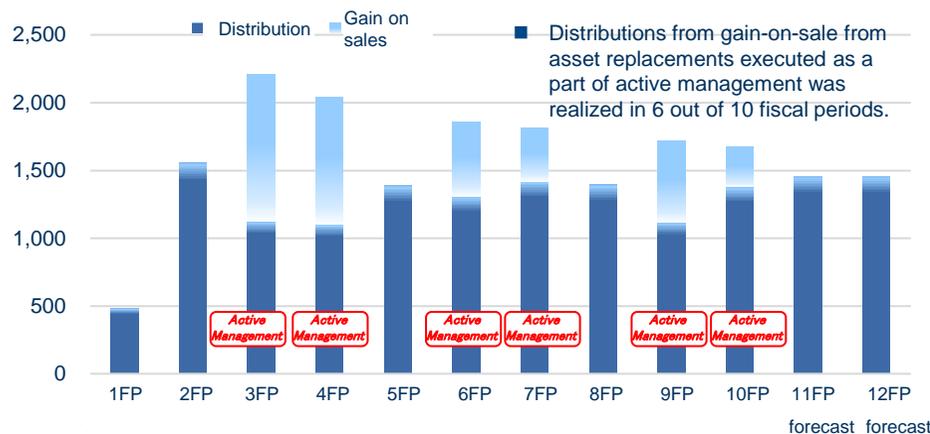
*The closing price of TSE REIT index as of the date of listing of SAR (1,887.75) has been converted based on the closing price of SAR's investment units on the same day of 98,300 yen. Furthermore, SAR has conducted a 2- for-1 investment unit split on the reference date of July 31, 2020. The investment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



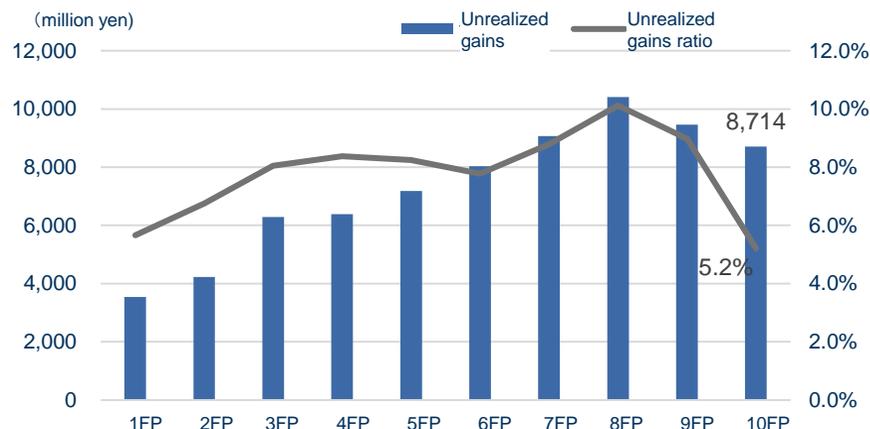
2. The Five-year Trajectory from Listing (to 10th Fiscal Period)(4)

- ◆ During the 5 years (10 fiscal periods) since listing, as part of our active management policy, we executed seven asset replacements for a total gain-on-sale of **JPY 4.3 billion**.
- ◆ Our effective diversified asset strategy has led to a stable **portfolio NOI yield** even amid the current COVID-19 environment.

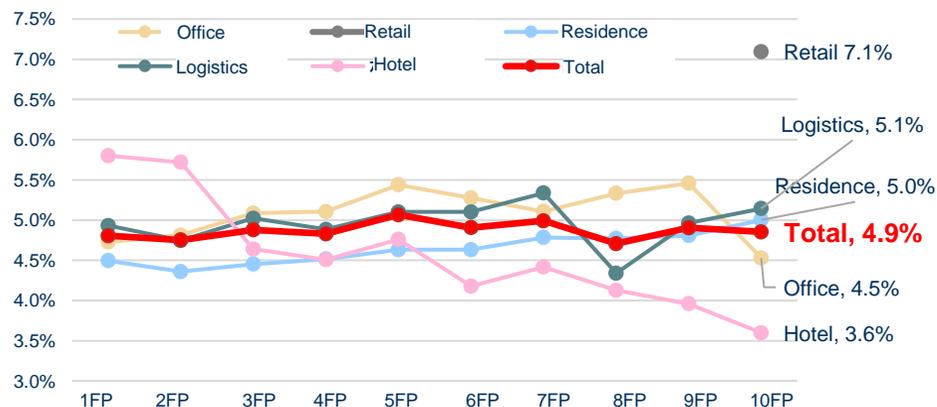
Change in distribution



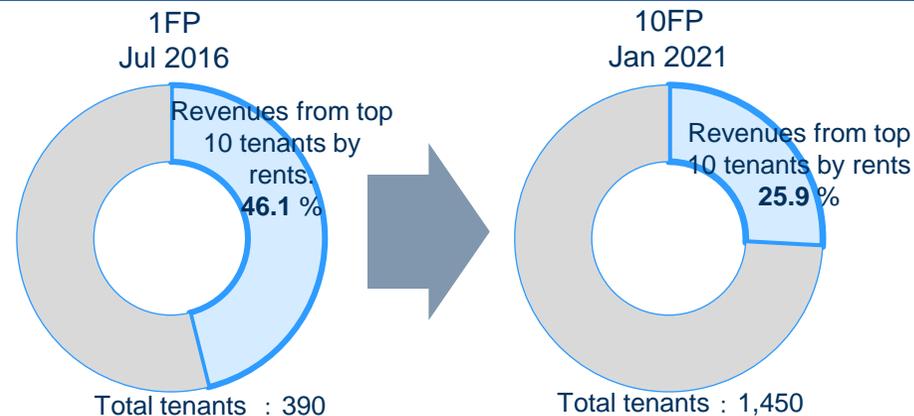
Transition of unrealized gain amounts and unrealized gain ratios



NOI Yield (on acquisition price basis)



Ratio of rent revenues from Top 10 tenants by rent



(*) "NOI Yield" is calculated as the weighted average (based on acquisition price) of the actual NOI yield of each property held as at the end of each period (assuming that fixed asset taxes are expensed).

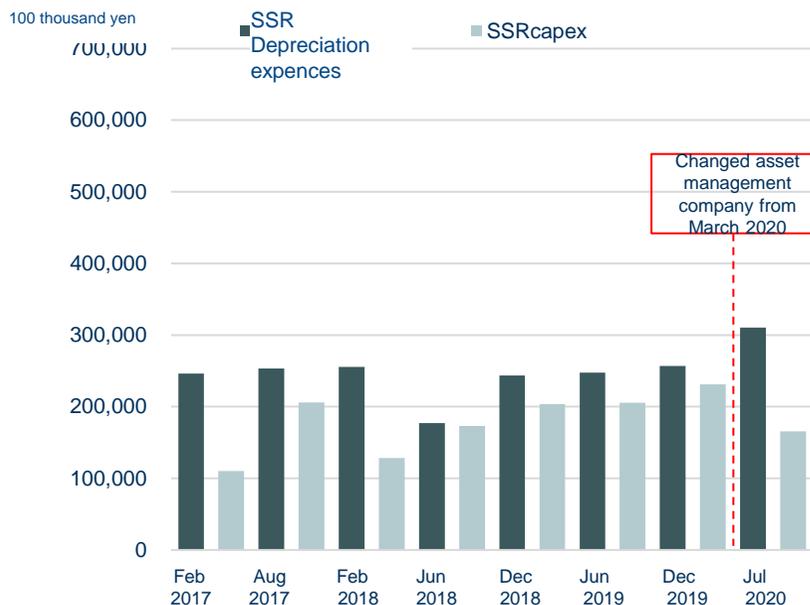
(*) The above stated ratios are calculated by extracting the top 10 tenants by rent amounts based on currently effective lease agreements as of the end of the 1st fiscal period and the end of the 10th fiscal period, and dividing them by the gross rent amounts.



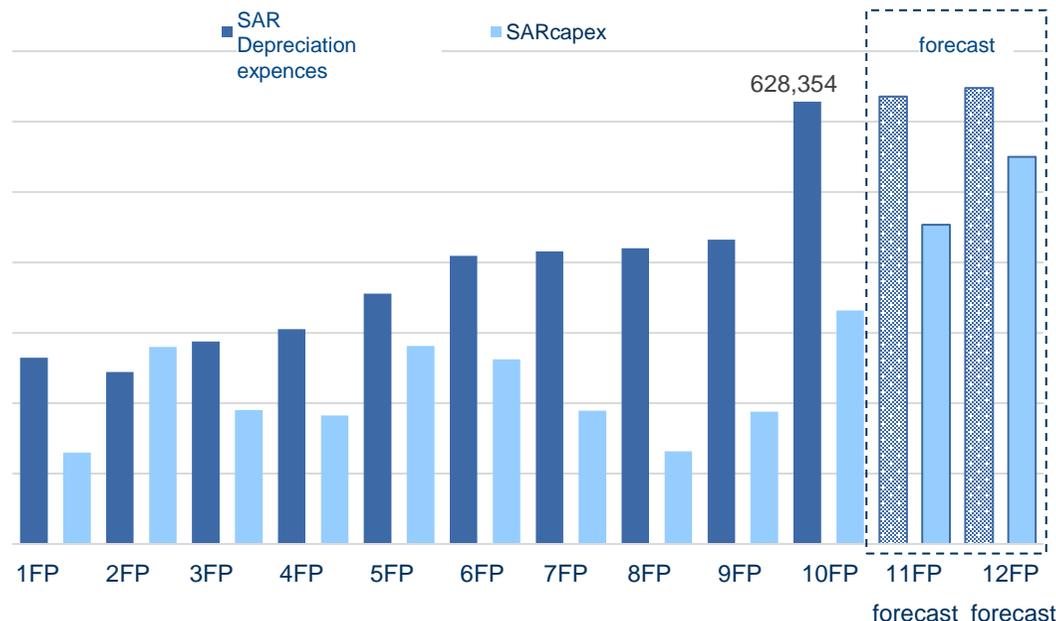
2. The Five-year Trajectory from Listing (to 10th Fiscal Period)(5)

- ◆ It was recognized that cash management was important for utilizing negative goodwill with an aim to stabilize distributions.
- ◆ At SAR, an average of 63% of the depreciation expenses for each period up to 10th fiscal period has been disbursed as capital expenditures.

SSR Capex/Depreciation expenses



SAR Capex/Depreciation expenses



Capital expenditures of SSR

- The asset management company was changed to Star Asia Investment Management Co. from March 2020 to manage the assets.
- Conducted evaluation of the contents and amounts of various construction plans related to capital expenditures.
- 53% of depreciation expenses were spent as capital expenditures (actual % prior to change of asset manager: 76%)

Organized framework for administering capital expenditures.

Jan 2021
 ■ Newly established the Sustainability Promotion Division within the asset management company, for a system to optimize capital expenditures.

Aug 2020
 ■ Invited Nippon Kanzai Co. Ltd. as a sub-sponsor, to establish a system for receiving support related to capital expenditures.

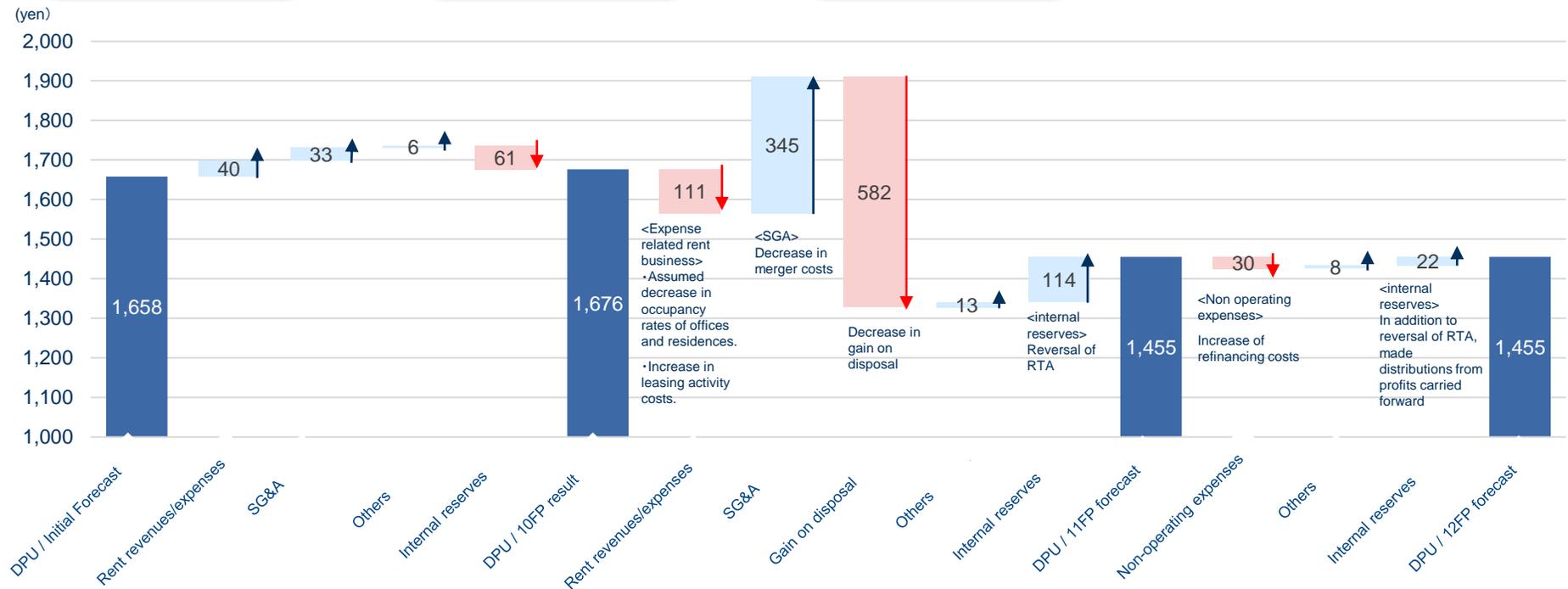
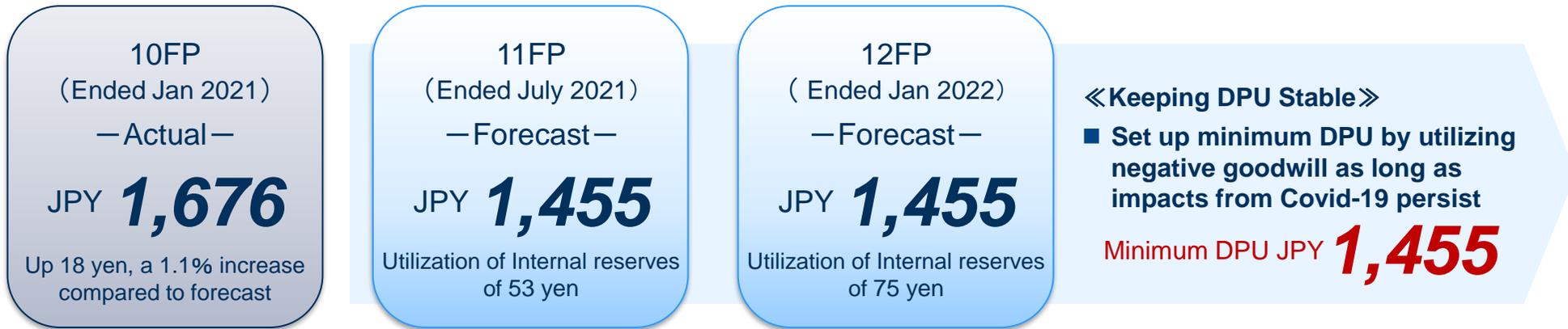
Jul 2017
 ■ Newly established a Construction Management Division within Star Asia Group, which has started to provide support to SAR.

3. Actual and forecasted distribution

3. Actual and Forecasted Distribution (1)

10FP Distribution per unit

- ◆ DPU for 10FP is +1.1% compared with the initial forecast as NOI from the portfolio outperformed initial estimates.
- ◆ We plan to keep the DPU equal to the initial forecast for both the 11FP and 12FP by utilizing negative goodwill



3. Actual and forecasted distribution (2)

Operating Results (Summary) for the 10FP, and Forecast Assumptions for 11FP and 12FP

- ◆ Impact of COVID-19 is limited (excluding former "Hotel WBF Art Stay Namba").
- ◆ Given the slight prolongation of downtime in office and single-type residence space, we have been conservative with future business forecasts.

	10FP (ended Jan. 2021) Actual	Assumptions for 11FP, 12FP
Office	<ul style="list-style-type: none"> The cancelled area exceeded newly contracted area leading to slight decline in occupancy rates. Tenant candidates required more time for decision-making leading to a slightly prolonged down time (period of no tenants and no rents). There were no tenant terminations that was clearly due to the impact of COVID-19. 	<ul style="list-style-type: none"> Down time for vacant space has been set for a relatively long period. Although a steady increase in occupancy rates is anticipated, rents for new contracts have been conservatively assumed. No increase in rents are anticipated at the time of contract renewals.
Retail	<ul style="list-style-type: none"> All tenants whose lease periods have expired have renewed the leases on the same conditions as before. There were no new rent reduction requests received due to effects of COVID-19. There was one tenant whose rent reduction period, which was agreed in the preceding fiscal period extended to this fiscal period (ended January 31, 2021). However, the impact on profits was limited. 	<ul style="list-style-type: none"> There are many tenants which handle daily necessities, and there are no tenants with whom rent reductions/exemptions are being discussed. The same level of profits as the Fiscal Period ended January 31, 2021 is assumed (although there are some properties for which a slight decrease in occupancy rates is anticipated, impact on profits is limited).
Residence	<ul style="list-style-type: none"> Under the 6th and 7th asset replacements, 2 family-type residences in the Tokyo Area were acquired which have stable occupancy status. The occupancy status of family-type residences are stable. Increase in rents were seen for some residential units, although for small amounts. Single-type residences tend to have prolonged down time after termination. 	<ul style="list-style-type: none"> For family-type residences, the same level of rents and occupancy rates as actual results of the Fiscal Period ended January 31, 2021 is assumed. For single-type residences, occupancy rates are conservatively assumed, and no increase is anticipated.
Logistics	<ul style="list-style-type: none"> "Funabashi Nishiura Logistics I" was part of our asset replacement strategy and any assumed down time and leasing cost expenditures due to tenant cancellations have been resolved. There are no other events worth noting. 	<ul style="list-style-type: none"> Rent increases that have been agreed to with tenants have been incorporated into the financial performance forecast. For tenants other than those stated above, it has been assumed that rents will remain at the same level at the time of contract renewal and re-signing.
Hotel	<ul style="list-style-type: none"> Regarding former called "Hotel WBF Art Stay Namba", new tenants have already been solicited (fixed-term lease contracts already signed at the end of February 2021), and the property has been renamed to "KOKO HOTEL Osaka Namba". For hotels other than the above, fixed rents are received from tenants. 	<ul style="list-style-type: none"> Rent revenues from "KOKO HOTEL Osaka Namba" have been set at zero. For hotels other than the above, it is assumed that only fixed rent payments will be received as per contract.

3. Actual and forecasted distribution (3)

Factors for increase/decrease compared with forecast/actual results for the 10FP

- ◆ Achieved increase in NOI amounts due to increase in rent revenues of held properties and focusing on cost reductions.
- ◆ Of the increased amount portion, approximately 31 million yen which excludes transient factors are expected to be distributed (DPU (vs forecast) +18 yen, increase by 1.1%).

(Unit: million yen)

	10th FP (ended Jan. 2021) forecast*	10th FP (ended Jan. 2021) Actual	Comparison with forecast		Factors for the increase/decrease
Lease business revenue	5,618	5,648		+29	<Revenues from leasing business>
Office rent	1,890	1,895		+4	(1) Disposition of Suroy Mall Nagamine Δ 88 million yen Other factors +14 million yen →conservatively estimated effects of COVID-19
Retail rent	923	848	(1)	Δ74	(2) Acquisition of Tokiwadai, Mitsuike +89 million yen Other factors Δ14 million yen →Occupancy rates generally declining.
Residence rent	814	889	(2)	+75	(3) Disposition of Funabashi Nishiura I Δ18 million yen
Logistics rent	993	974	(3)	Δ18	(4) Asset replacement Δ7 million yen Utility fee revenue Δ27 million yen Original state restoration fee revenue +35 million yen Penalty charge revenue +10 million yen Renewal fee revenue +21 million yen Key money revenue +2.7 million yen
Hotel rent	423	423		-	
Other	573	616	(4)	+42	
Expenses related to rent business (Depreciation is excluded)	1,583	1,550	(5)	Δ32	
NOI	4,035	4,097		+62	
Depreciation	632	628		Δ4	
Rent revenues/expenses	3,402	3,469		+66	
Mezzanine	24	24		+0	
TK dividend	-	5		+5	<Expenses of leasing business>
Gain on sale of real estate property	970	993	(6)	+23	(5) Impact of asset replacements Δ18 million yen Repair costs +45 million yen Utility costs Δ60 million yen Leasing costs Δ3 million yen
Loss on sales of real estate property	-	19	(7)	+19	
SGA	1,151	1,096	(8)	Δ55	
Operating income	3,245	3,376		+130	
Non-operating income	-	4		+4	(6) Increase of gain-on-sale of Alphabet Seven Gain-on-sale of Suroy Mall Nagamine.
Non-operating expenses	468	469		+1	
Ordinary income	2,777	2,911		+133	(7) Loss-on-sale of Funabashi Nishiura Logistics I
Extraordinary income	8,893	8,891		Δ2	(8) Reduction of merger related expenses Δ62 million yen
Income before income taxes	11,670	11,802		+131	
taxes	0	0		-	
Net income	11,670	11,801		+131	
Cash distribution per unit	1,658 yen	1,676 yen		+ 18yen	
FFO per unit	6,768 yen	6,841 yen		+ 73yen	

(*) Announced in 9th FP closing of accounting report (September 14, 2020)



3. Actual and forecasted distribution (4)

Forecast of business results for the 11FP ending July 2021 / the 12FP ending January 2022

- ◆ The cashflow for the fiscal period ending July 31, 2021 is expected to improve compared to the previous forecast, given the disposition of the logistics facility which was assumed to be a revenue reduction factor due to exiting of tenants, and also given the incorporation of residences in the Tokyo area which are expected to have stable occupancy rates.

(Unit: million yen)

	11FP (Jul 2021) Previous Forecast (A)*	Current forecast for the 11th FP ending Jul 2021 (B)	Increase/dec rease (B-A)		Major factors for the increase/decrease	Current forecast for the 12FP ending Jan 2022(C)	Increase/d ecrease (C- B)		Major factors for the increase/decrease
Lease business revenue	5,461	5,488	(1)	+26	Increase / decrease factors for 11th fiscal period (compared to last forecast) (1) Revenues from leasing business • Impact of asset replacements +84 million yen • Office rents Δ9 million yen • Residence rents Δ25 million yen • Utility fees revenue Δ37 million yen • Penalty charge revenue +6 million yen (2) Leasing business expenses • Impact of asset replacements Δ26 million yen • Utility costs Δ41 million yen • Leasing expenses Δ21 million yen • repair expenses +25 million yen (3) Temporary increase in expenses due to refinancing	5,540	(1)	+52	Increase/ decrease factors for 12th fiscal period (compared to current forecast for the 11th FP) (1) Revenues from leasing business • Office rent revenues +30 million yen • Utility fee revenues +28 million yen • Penalty revenues Δ6 million yen (2) Expenses of leasing business • Utility expenses +25 million yen • Leasing related costs +13 million yen • Repair expenses Δ5.7 million yen (3) Temporary increase in expenses due to refinancing
Expenses related to rent business (Depreciation is excluded)	1,630	1,569	(2)	△60		1,602	(2)	+33	
NOI	3,831	3,919		+87		3,938		+19	
Depreciation	646	635		△10		647		+12	
Rent revenues/expenses	3,185	3,283		+98		3,290		+6	
Mezzanine	24	24		+0		24		+0	
SGA	515	518		+3		513		△5	
Operating income	2,694	2,788		+94		2,801		+12	
Non-operating expenses	436	439		+3		489	(3)	+50	
Income before income taxes	2,258	2,349		+91		2,311		△3 7	
Taxes	0	0		-		0		-	
Net income	2,257	2,348		+91		2,311		△3 7	
Cash distribution per unit	1,455	1,455		-	1,455		-		

(*) Announced in 9th FP closing of accounting report (September 14, 2020)

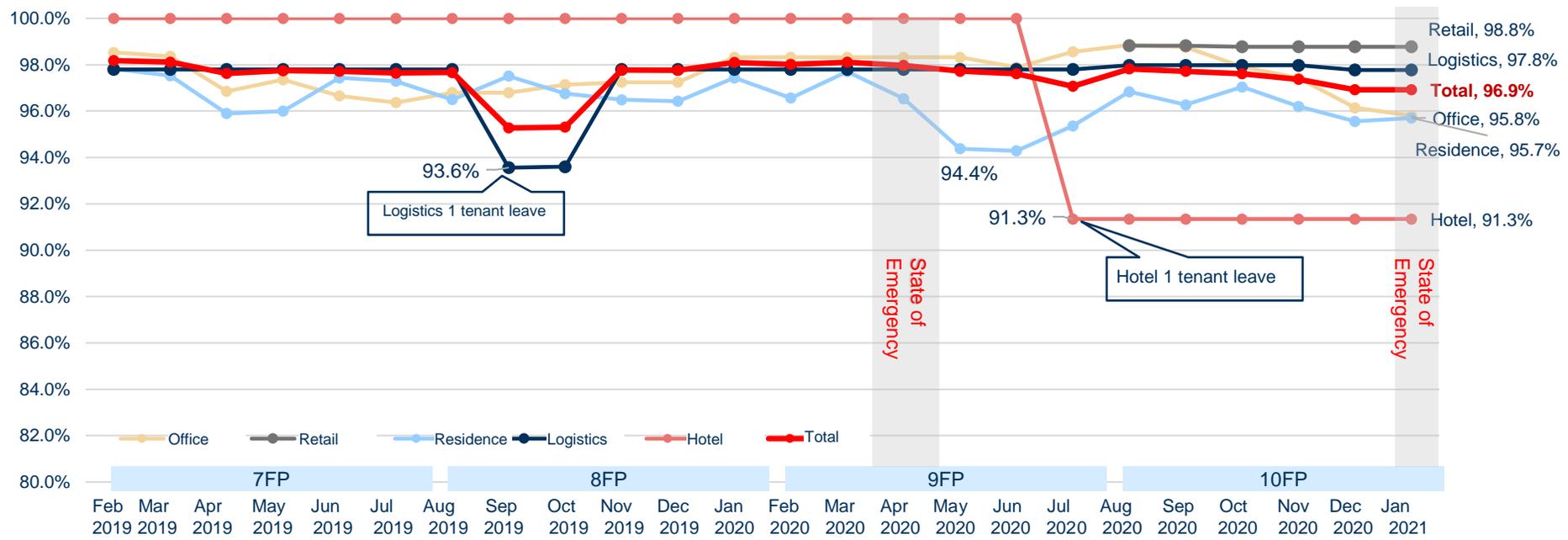
4. Operating results for the 10th fiscal period ended January 2021



4. Operating results for the 10th fiscal period ended January 2021 (1)

- Occupancy rate status -

- ◆ Although slight prolongation of downtime was observed for offices and single-type residences, **the occupancy rate status for the portfolio on the whole was stable.**
- ◆ Given the effects of strengthened leasing activities, currently we are seeing a good response for attracting new tenants and the improvement of occupancy rates.



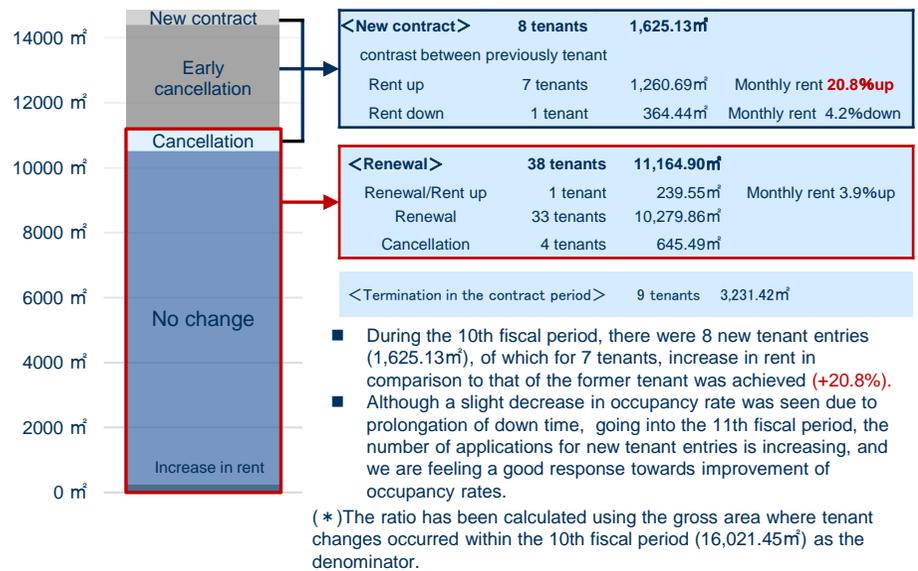
	7FP (Jul 2019)	8FP (Jan 2020)	9FP (Jul 2020)	10FP					
				Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021
Office	96.4 %	98.3%	98.6%	98.9 %	98.8 %	97.9 %	97.4 %	96.1 %	95.8 %
Retail	—	—	—	98.8 %	98.8 %	98.8 %	98.8 %	98.8 %	98.8 %
Residence	97.3 %	97.4%	95.4%	96.8 %	96.3 %	97.0 %	96.2 %	95.6 %	95.7 %
Logistics	97.8 %	97.8%	97.8%	98.0 %	98.0 %	98.0 %	98.0 %	97.8 %	97.8 %
Hotel	100.0 %	100.0%	100.0%	91.3 %	91.3 %	91.3 %	91.3 %	91.3 %	91.3 %
Total	97.7 %	98.1 %	97.1 %	97.8 %	97.7 %	97.6 %	97.4 %	96.9 %	96.9 %



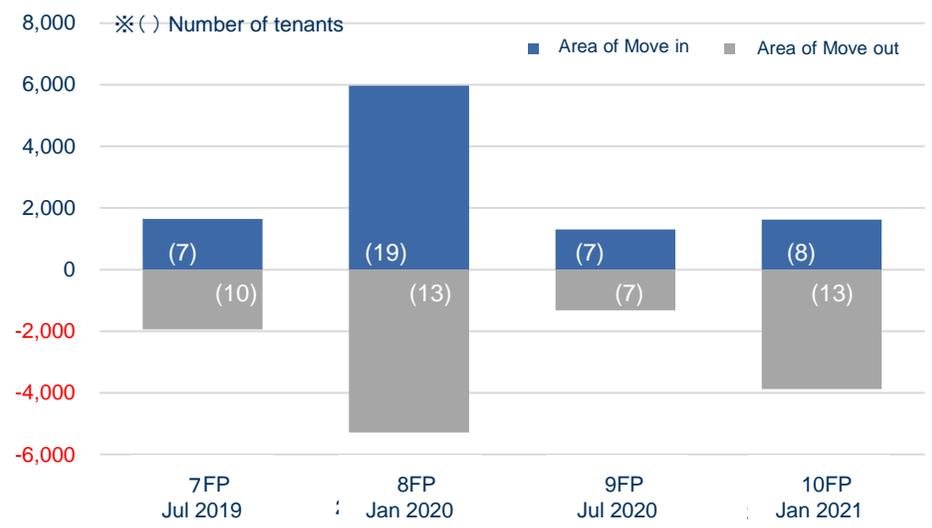
4. Operating results for the 10th fiscal period ended January 2021 (6)

- Office - Status of rent gap and change in tenant as of the end of the 10th FP Occupancy rate status

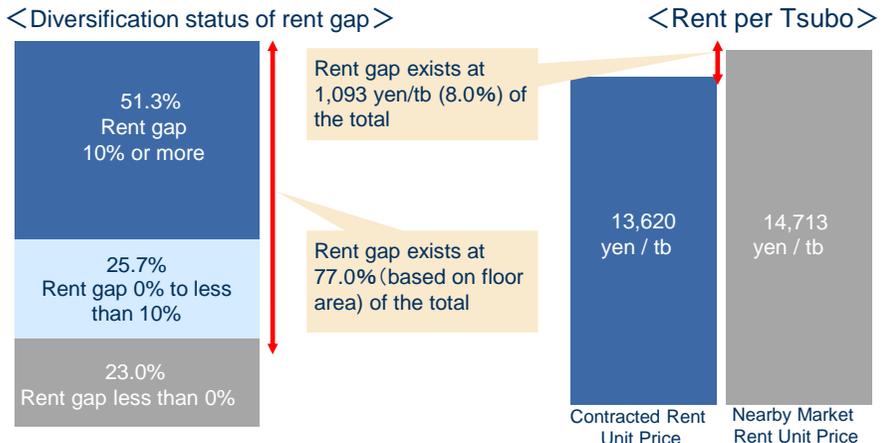
Status of changes to tenants in the fiscal period ended January 2021



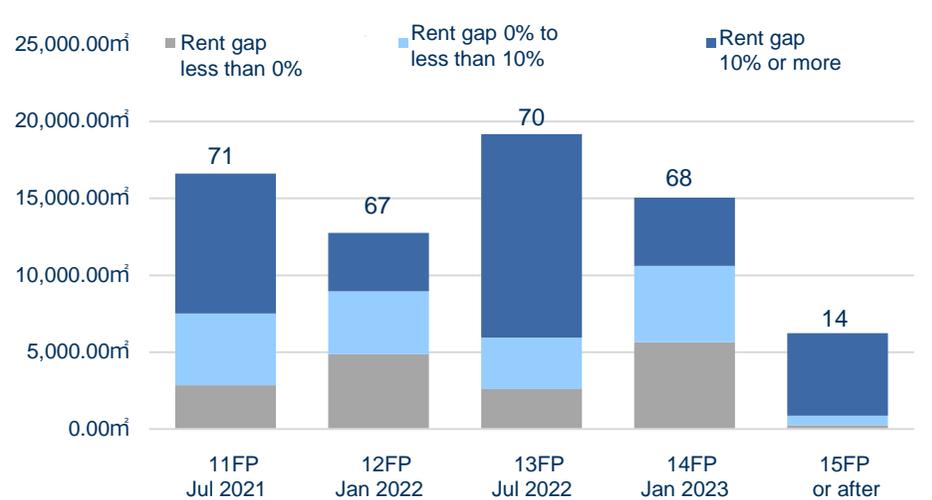
Transition of entering and leaving of tenants (by area & number of cases)



Change in tenants in the 10th fiscal period (note1)



Contract Rent Period of Office Portfolio



(note1) The rent gap is the gap between market rent and contract rent with each tenant. The market rent has taken the intermediate value of the expected new contract rents (described as a range) for each property appraised by CBRE as of the end of the period. With respect to Amusement Media Gakuin Honkan/Shinkan, the net rentable area is used for the calculation.



4. Operating results for the 10th fiscal period ended January 2021 (3) STAR ASIA

Investment Corporation

- Retail -

Status of commercial facilities in 10th fiscal period

	Average occupancy rates during period	Occupancy rates at end of period
La Park Kishiwada	98.9 %	99.0 %
Suroy Mall Chikushino	97.6 %	97.6 %
Seiyu Minakuchi	100.0 %	100.0 %
Total(note 1)	98.7 %	98.8 %

No. of requests received for reduction/exemption of rents during 10th fiscal period.	0
Cases where requests were received in the preceding period and which had impact on revenues in the 10th fiscal period.	3
Impact on revenues in 10th fiscal period.	less than JPY 700 K

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

Tenants Breakdown by Business Type	Area (㎡)		Number of lease agreements
Daily necessities (Food)	39,732.58	83.4 %	6
Daily necessities (Clothing)	3,726.98		11
Daily necessities (Others)	23,467.87		10
Other product sales	12,622.03		13
Clinic	168.60		2
Private tutoring schools	84.39	0.1 %	1
Child care and day care	0.00	0.0 %	0
Sports clubs	2,466.13	2.6 %	1
Food and beverage	1,302.31	1.4 %	12
Entertainment and amusement	8,622.82	9.0 %	3
Other services	3,422.17	3.6 %	18
Total	95,615.88	100.0 %	77

- During the 10th fiscal period (ended January 2021), there were **no requests received for reduction/exemption of rents** from tenants.
- Many of the tenants handle daily necessities (83.4% of the total floor space), and it is believed that the impact of spreading of COVID-19 on business performance will be limited.
- Going forward, if requests are received from tenants for the reduction or exemption of rents, we plan to respond sincerely and take into account the business conditions, financial situation and possibility of utilizing public support measures with each individual tenant.
- Reduction/exemption of rents which has continued from the preceding period has ended during the current period. The impact of such reduction/exemption on profits is limited.

Disposal of Suroy Mall Nagamine through asset replacement

Suroy Mall Nagamine (Disposed)



Disposition price	3,500 mm
Appraised value	3,450 mm (note1)
Appraised cap rate	5.8 % (note2)
Age	13.1 years (note3)

- ✓ Achieve the strategy (disposal of suburban type commercial retail facilities) upheld from before the merger + secure stability of the portfolio.
- ✓ The ratio of residences within the portfolio to increase by incorporating family-type residences in the Tokyo area which are believed to have high stability of income.
- ✓ It is likely that the number of brick-and-mortar stores may decrease in the mid- to long-term due to a reduction in population in trade zones, and due to the advance of e-commerce
- ✓ Find buyer candidates by utilizing the broad network of Star Asia Investment Management Co., and achieve a sale above the appraisal value (SAR's acceptance price).

property operations and management caring for the environment

DBJ Green Building Certification

- La Park Kishiwada
- Seiyu Minakuchi

Newly obtained certifications for the above 2 properties



Suroy Mall Chikushino

- From the perspective property operations and management caring for the environment, lightings changed to LED to suppress electricity consumption volume.
- Parking lot, pole lights (for 1 light: 21 units, for 2 lights, 24 units), garden lights (13 units), information sign lights (6 places, total 22 units)



(note1) Calculated excluding Suroy Mall Nagamine sold during the 10th fiscal period. (note2) The appraisal value states the appraisal value as of July 30, 2020 as stated in the appraisal reports obtained by SAR. (note3) Appraisal NOI Yield is calculated by dividing the Net Operating Income (NOI) stated in appraisal report by the transferred price with respect to asset to be assigned. (note4) For the years since completion, the number of years lapsed as of July 30, 2020 from construction completion is stated.

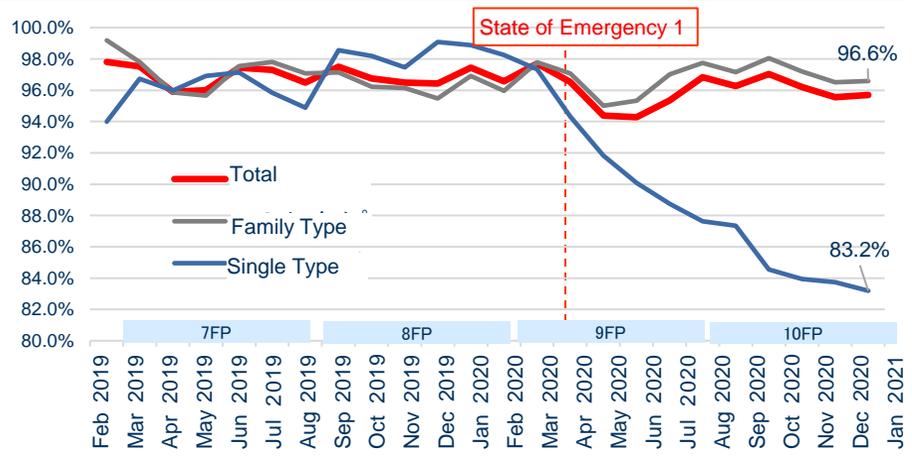


4. Operating results for the 10th fiscal period ended January 2021 (4)

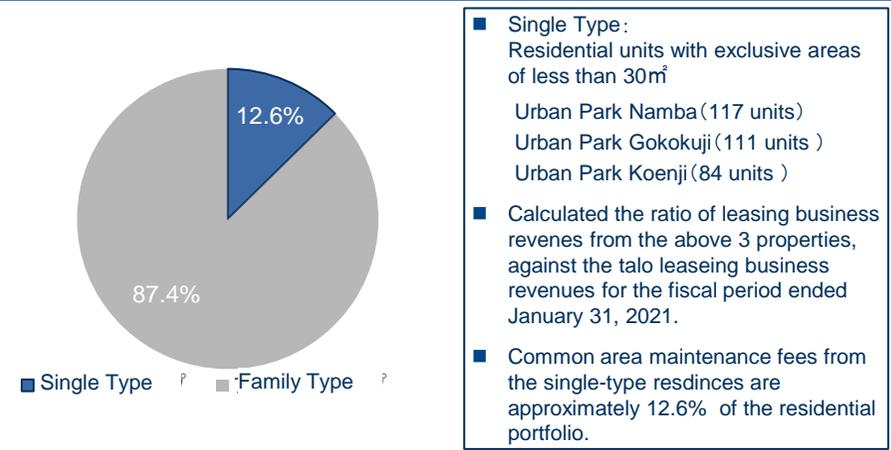
- Residence -

- ◆ Although occupancy rates for the 3 single type properties have decreased due to the tendency for prolonged downtime, the impact is limited as the proportion of the 3 properties is low.
- ◆ Family-type residences have maintained high occupancy rates, and have contributed to the stabilization of portfolio income.

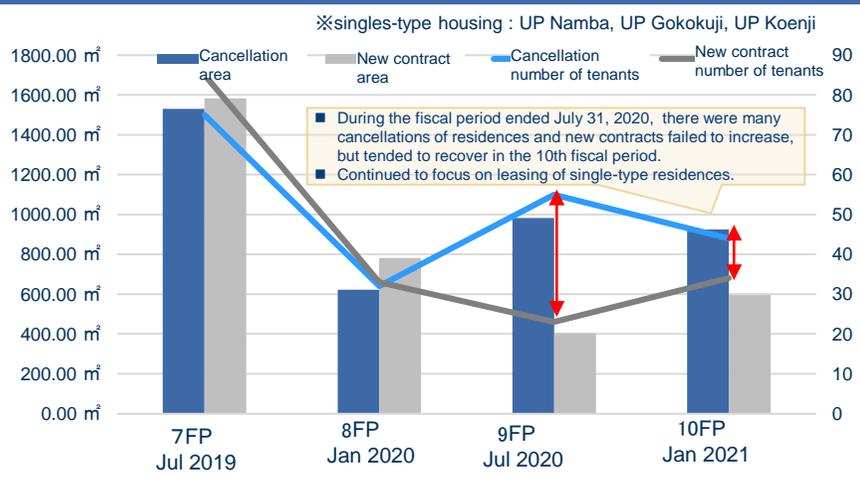
Transition of occupancy rates by individual properties.



Revenue ratios of single type and family type residences



Transition of new contracts and cancellations of single-type residences



Acquired 2 family-type properties during the 10th fiscal period.

- During the 10th fiscal period, Incorporated family-type residences (2 properties) in the Toyo Area which are believed to have stable income.

<Urban Park Tokiwadai Koen>



Location	Yokohama, Kanagawa	
Total units	213 units	
Acquisition price	3,506 million yen	
Appraisal value	3,770 million yen	(*1)
Appraisal NOI yield	5.6%	(*2)
Construction completion	Feb 1994	

<Urban Park Mitsuike Koen>



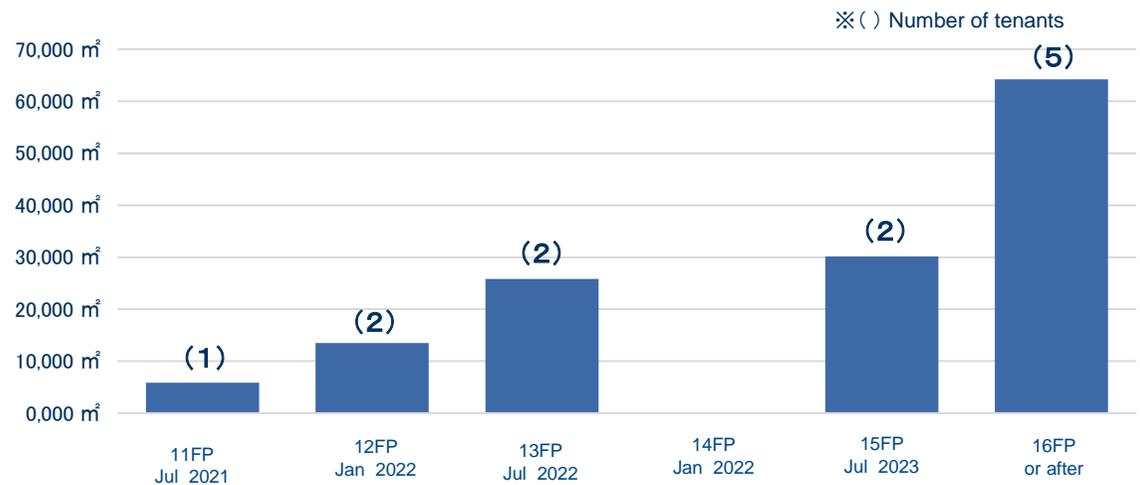
Location	Yokohama, Kanagawa	
Total units	157 units	
Acquisition price	3,160 million yen	
Appraisal value	3,330 million yen	(*1)
Appraisal NOI yield	5.5%	(*2)
Construction completion	March 1992	

(note1) The appraisal value states the appraisal value as of January 31, 2021 as stated in the appraisal reports obtained by SAR. (note2) Appraisal NOI Yield is calculated by dividing the Net Operating Income (NOI) stated in appraisal report by the acquired price with respect to asset to be assigned.



4. Operating results for the 10th fiscal period ended January 2021 (5) - Logistics -

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



- 10FP (Jan 2021)**
 - No lease contracts expired during the period.
- 11FP (Jul 2021)**
 - 1 tenant scheduled for lease contract renewal.
 - The lease contract is expected to be renewed under the same terms and conditions.
- 12FP (Jan 2022)**
 - 2 tenants scheduled for lease contract renewal.
 - For 1 tenant, leasing terms are under negotiation towards re-signing of fixed-term lease contract. (Increase in rents have been agreed)
 - For the other tenant, negotiations expected to take place going forward towards contract renewal.

Disposal of Funabashi Nishiura Logistics I through asset replacement

Funabashi Nishiura Logistics I (Disposed)



Sale price	3,030 mm	
Appraised value	3,020 mm	(note1)
Appraised cap rate	5.1 %	(note2)
Age	35.2 years	(note3)

- A tenant is expected to move out at the end of January 2021, and for the fiscal period ending July 31, 2021, reduction in profits has been foreseen also taking into account new tenant leasing activity costs.
- For properties for which increase in life cycle costs (repair costs, capital expenditures) were foreseen, assignees were sought utilizing the broad network of Star Asia Investment Management.
- Even under situation where there was no tenant, the property was sold to a buyer who proposed a price exceeding the appraisal value amount.
- As a replacement asset, acquired a family-type residence in the Tokyo area which was expected to maintain high occupancy and stable revenues even amid the COVID-19 environment.

■ For Funabashi Nishiura Logistics I, conducted early leasing activities and disposition activities at the same time

2020					2021		
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Leasing activities					Disposition activities		
					Tenant expected to vacate the property at the end of January		
					Sign assignment agreement on November 30.		
					To Asset Replacement		

- Eliminate income reduction factors for the period ending July 2021.
- Consider degree of contribution to income in the mid- to long-term.
- Existence of a replacement asset (for acquisition) which has stable income.

- Conducted leasing activities aiming for reduction of down time and leasing the property at an early stage
- At the same time, began searching for potential buyers that would consider acquisition, even under the situation where a successor tenant has not been determined.

(Note 1) The appraisal value states the appraisal value as of July 31, as stated in the appraisal reports obtained by SAR. (Note 2) Appraisal NOI Yield is calculated by dividing the Net Operating Income (NOI) stated in appraisal report by the acquisition price with respect to the asset to be acquired. (Note 3) For the years since completion, the number of years lapsed as of November 30, 2020 from construction completion is stated.



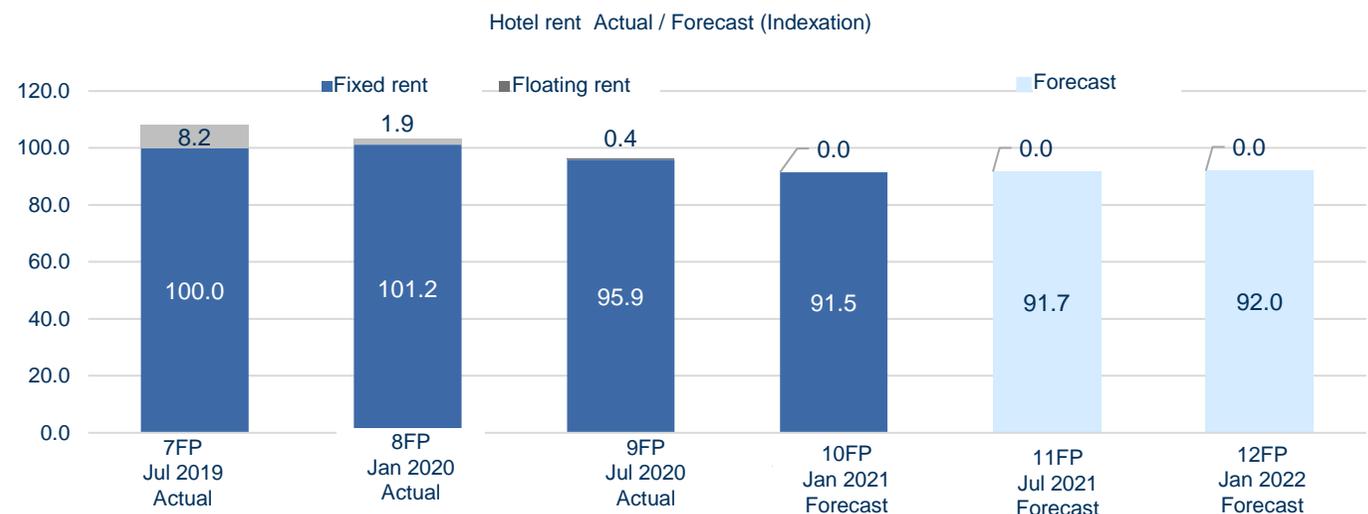
4. Operating results for the 10th fiscal period ended January 2021 (6) STAR ASIA

Investment Corporation

- Hotel -

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

- <Operating Results of 10th Fiscal Period and Assumptions for Financial Performance Forecast>
- In the 10th Fiscal Period (ended Jan. 31, 2021), rents received as agreed under the lease contract (fixed rent portion)
 - In the 11th Fiscal Period (ending July 31, 2021) and the 12th Fiscal Period (ending Jan. 31, 2022), rent revenues from "KOKO HOTEL Osaka Namba" are not anticipated.
 - From the 7 hotels other than the above, it has been assumed that fixed rents are received as per agreement with the tenants.



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

<KOKO HOTEL Osaka Namba>

- Fino Hotels which is a 100% subsidiary of Kachikaihatsu Co. Ltd. (Star Asia Group) is operating 4 hotels (521 rooms) in the Osaka area.
- Highly efficient management can be expected through the sharing of human resources and bulk orders of hotel equipment etc.

New operator	Fino Hotels Co., Ltd.
Contract	Fixed term building lease
Contract period	March 1, 2021 to February 28, 2031
Fee	Floating Fee (GOP × 80%)
opening preparation fee	9,000,000 yen
Start operation	discussions

Property name	Acquisition Period	Fixed Rent	Floating rent	Impact of COVID-19
R&B Hotel Umeda East	2016.4	○	—	<ul style="list-style-type: none"> A tenant of former "Hotel WBF Art Stay Namba" has filed for application of the Civil Rehabilitation Act. The lease contract with the relevant tenant has been terminated by agreement. ~ A fixed-term building lease agreement has been signed with Fino Hotels Co. Ltd. which is a 100% subsidiary of Kachikaihatsu Co. Ltd. of Star Asia Group, and at the same time the property name has been changed to "KOKO HOTEL Osaka Namba". Since the Declaration of Emergency was issued in April 2020, at all of the hotels other than the above mentioned hotel, there was a certain period of accommodation business suspension, and there are some hotels whose business continues to be suspended even today. Know the business condition of each hotel at all times, and sincerely respond to requests for reduction or exemption of rents etc. depending on the situation.
Smile Hotel Namba	2016.4	○	○	
Best Western Tokyo Nishi-kasai	2017.3	○	○	
Best Western Yokohama	2018.8	○	○	
Hotel WBF Fukuoka Tenjin Minami	2017.3	○	○	
Glansit Akihabara	2018.8	○	○	
Best Western Tokyo Nishikasai Grande	2018.8	○	—	
KOKO HOTEL Osaka Namba	2018.8	—	○	

4. Operating results for the 10th fiscal period ended Jan 2021 (7)

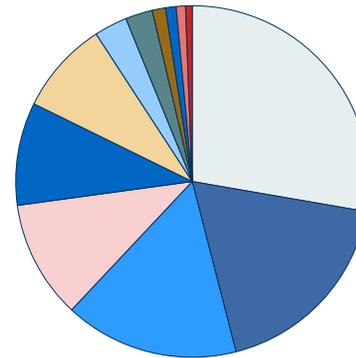
- Financial standing -

- ◆ Achieved reduced LTV by the Merger 48.1% ⇒ 45.9%
- ◆ In order to diversify future funding methods, newly obtained R&I rating (A-) and conducted shelf registration for investment corporation bonds.

Main financial indicators (as of January 31, 2021)

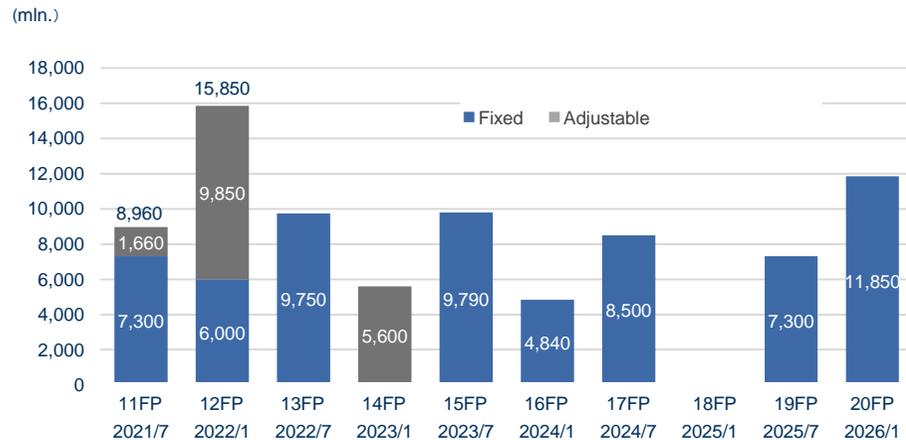
	8FP Jan 2020	9FP July 2020	SSR July 2020	【Post-merger】 10FP Jan 2021
LTV	47.0 %	48.1 %	46.2 %	45.9 %
Balance of borrowings	51,580 million yen	54,320 million yen	29,200 million yen	82,440 million yen
Long-term debt ratio	100.0 %	100.0 %	83.2 %	97.4 %
Average remaining period to maturity	2.1 years	2.3 years	1.2 years	2.2 years
Average borrowing period	4.4 years	4.4 years	3.8 years	4.5 years
Average interest rate (note1)	0.64 %	0.6 5%	0.80 %	0.72 %
Fixed interest rate ratio	85.8 %	81.5 %	62.0 %	79.2 %

Bank formation (as of January 31, 2021)



Lender	Balance (mln.)	Ratio (%)
Sumitomo Mitsui Banking	22,865	27.7
Mizuho Bank	15,065	18.3
Shinsei Bank	13,160	16.0
Sumitomo Mitsui Trust Bank	8,950	10.9
Aozora Bank	7,800	9.5
Resona Bank	7,050	8.6
The Nishi-Nippon City Bank	2,500	3.0
The Bank of Fukuoka	2,050	2.5
ORIX Bank Corporation	1,000	1.2
Mizuho Trust & Banking	800	1.0
MUFG Bank	700	0.8
The Dai-ichi Life Insurance	500	0.6
Total	82,440	100.0

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



Credit Rating

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

Submission of Shelf Registration Statement of Investment Corporation Bonds

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

(note1) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).



4. Operating results for the 10th fiscal period ended Jan 2021 (8)

- 6th and 7th asset replacements executed during the 10th fiscal period -

- ◆ During the 10th fiscal period, consecutive asset replacements were conducted focusing on strengthening the portfolio.
- ◆ Implemented and upheld policy to **"dispose of suburban-type commercial facilities"** + shift to a portfolio which can be expected to generate more stable revenues.

Implementation Policy for Asset Replacement

1. Future revenue contribution of the asset to be replaced (strengthen SAR's portfolio)
2. Real estate market conditions by asset type
3. Level of the investment unit price of SAR

※Please refer to "Supplementary Material Concerning Acquisition and Transfer (Asset Replacement) of Real Estate Beneficiary Interests in Trust" announced on July 23, 2018

< Effect of Consecutive Asset Replacement >

1. Towards a portfolio which will secure stability of income.

- The ratio of residences within the portfolio to increase by incorporating family-type residences in the Tokyo area which are believed to have high stability of income.

2. Eliminate short-term income reduction factors, and increase current net income.

- In the fiscal period ended July 2021, the logistics facility which was an income reduction factor was sold and replaced two residential properties with high profitability, expected to result in an increase in current net income per unit for the same period.

6th Asset Replacement

Acquisition Urban Park Tokiwadai Koen		
acquisition price	3,506 mm	
Appraised value	3,770 mm	(note1)
Appraised cap rate	5.6 %	(note2)
Age	26.5 years	(note3)



- ✓ Use of Preferential Negotiation Rights
- ✓ In 2016, the common-use area and exclusive areas have been fully renovated, and the property is highly competitive.
- ✓ In the surrounding area, there is a leafy park and the Yokohama National University campus, and together with the 3LDK layout for all units, the property is highly appealing to families (in particular households rearing children).

Disposition Suroy Mall Nagamine		
Disposition price	3,500 mm	
Appraised value	3,450 mm	(note1)
Appraised cap rate	5.8 %	(note2)
Age	13.1 years	(note3)



- ✓ It is likely that the number of brick-and-mortar stores may decrease in the mid- to long-term due to a reduction in population in trade zones, and due to the advance of e-commerce.
- ✓ Find buyer candidates by utilizing the broad network of Star Asia Investment Management Co., and achieve a sale above the appraisal value (SAR's acceptance price).

7th Asset Replacement

Acquisition Urban Park Mitsuike Koen		
acquisition price	3,160 mm	
Appraised value	3,330 mm	(note1)
Appraised cap rate	5.5 %	(note2)
Age	28.7 years	(note3)



- ✓ Use of Preferential Negotiation Rights
- ✓ In 2016, the common-use areas and exclusive areas have been fully renovated, and the property is highly competitive.
- ✓ The property has maintained a high occupancy rate even amid COVID-19, and income stability is expected to remain at a high level, and it is believed that it will contribute to enhancement of the portfolio.

Disposition Funabashi Nishiura Logistics 1		
Disposition price	3,030 mm	
Appraised value	3,020 mm	(note1)
Appraised cap rate	5.1 %	(note2)
Age	35.2 years	(note3)



- ✓ The current tenant is expected to vacate the property at the end of January 2021, and income is expected to decrease in the period ending July 2021 also due to new tenant leasing costs.
- ✓ Searched for a buyer for the property for which an increase in life cycle costs (repair costs, capital expenditures) is expected, utilizing the broad network of Star Asia Investment Management.

(Note 1) The appraisal value states the appraisal value as of October 31, 2020 (for Urban Park Mitsuike Koen) and as of July 31, 2020 (for Funabashi Nishiura Logistics 1) as stated in the appraisal reports obtained by SAR. (Note 2) Appraisal NOI Yield is calculated by dividing the Net Operating Income (NOI) stated in each appraisal report by the expected acquisition price with respect to the asset to be acquired, and by the acquired price with respect to asset to be assigned, respectively.

(Note 3) For the years since completion, the number of years lapsed as of November 30, 2020 from construction completion is stated.

5. New Mid-term Business Plan

5. New Mid-term Business Plan (1)

Setting Mid-term Objectives

- ◆ Ten fiscal periods (approximately 5 years) have passed since listing and we will now outline and clarify our new mid-term objectives through to 2026. We hope to meet these targets with the unwavering resolve the Star Asia Group is known for

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

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

External Growth Strategy

~ Targeting 100 buildings/ JPY 300 billion

- Considering various initiatives for external growth
- < Sponsor pipeline >
 - Current assets under management of managed funds: **Approximately JPY 101.2 billion**
 - Star Asia Group is also **focused on development projects**
 - Continue activities in the Japan real estate market going forward
- < Unique network of the asset management company >
 - Actual acquisitions to date: **Approximately JPY 21.5 billion**
- < Asset replacements >
 - **Actively execute asset replacements in opportunistic manner, in accordance with the asset replacement policy**

Internal Growth Strategy

~ Profit improvement measures

- **Further strengthen cooperation with sub-sponsors** (NIPPON KANZAI Co., Ltd. and Tokyo Capital Management Co., Ltd.) (including support for the following measures)
- < Profit improvement measures >
 - **Aggressively capture** in the office portfolio
- < Cost reduction measures >
 - Reduce costs utilizing economies of scale
 - Reconstruct a property management system tailored to the portfolio structure.
 - Optimize costs and capital expenditures

Strengthening the Management Structure (Asset Management Company)

~ Further alignment of invest with investor to maximize value ~

- Establishment of **Sustainability Promotion Division** ⇒ 1. Repair costs / capital expenditures
2. Strengthening of efforts towards ESG related initiatives
- Change of Structure of Asset Management Fees ⇒ 1. Reduce ratio of asset-based management fees
2. Increase ratio of fees linked to NOI and DPU

5. New Mid-term Business Plan (2)

Efforts towards future external growth (pipeline status)

- ◆ Gather property information and build up the property pipeline, by utilizing Star Asia Group's property holdings and the asset management company's unique network.
- ◆ Going forward, continue to aim for expansion of asset size, mainly focusing on the pipeline from Star Asia Group which is continuing to purchase real estate properties.

Properties with Preferential Negotiation Rights and Star Asia Group's Pipeline

➤ The pipeline of properties for which we hold rights of first refusal range from properties which are stably operated and can be immediately incorporated into our profile to properties which are under development. The pipeline will contribute to future increase in asset size.

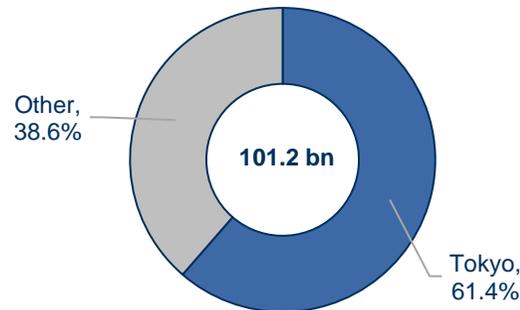
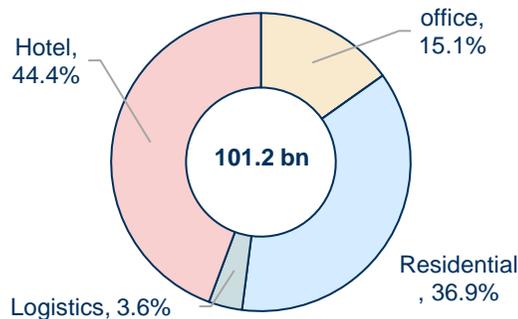
Properties with Preferential Negotiation Rights

Total Appraisal: **JPY24.0bn**
(Note 1)

<p>OHA Building (note2)</p> <p>Expanded Tokyo Area Office</p> 	<p>City Heim Kamezawa</p> <p>Tokyo Area Residential</p> 	<p>Miyamae-ku, Kodai (note3)</p> <p>Tokyo Area Residential</p>  <p>Schedules to be completed by June 2021</p>	<p>Nishi-Ikebukuro 1-Chome bldg.</p> <p>Tokyo Area Retail</p> 	<p>URBAN CENTER Hakata</p> <p>Other Area Office</p> 	<p>URBAN CENTER Midousuji</p> <p>Other Area Office</p> 
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Other Properties Managed by the Sponsor Group (as of Jan 31,2021)

Total Appraisal Value: **JPY101.2bn**



<p>KAMIKITA HOUSE</p> <p>Tokyo Area Student Housing</p> 	<p>KAMIKITA HOUSE</p> <p>Tokyo Area Student Housing</p> 
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(Note 1):As of the date of this document, among the properties with priority negotiating rights held by SAR, the total amount of the price is indicated for properties for which a priority negotiating price has been determined, and the total amount of the most recent appraisal value or survey price is indicated for properties for which a priority negotiating price has not been determined.

(Note 2): "Expanded Tokyo Area" stands for suburban Tokyo (outside 23 wards) and major cities in Kanagawa (excluding Kawasaki-shi and Yokohama-shi) and Saitama for offices and retail properties.

6. Initiatives on ESG

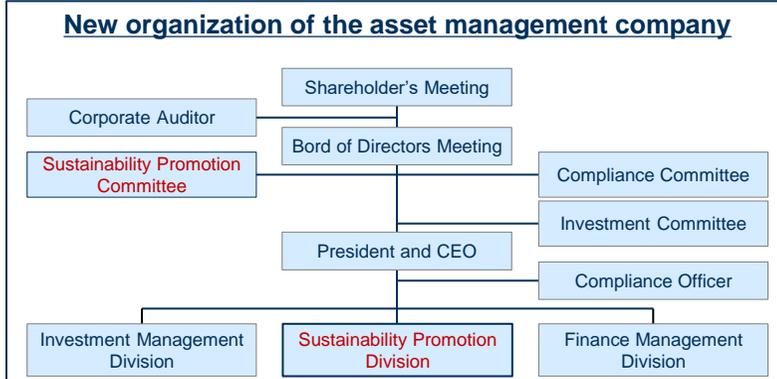
6. Initiatives on ESG (1)

Policy and Organization

- ◆ A "Sustainability Promotion Division" has been established to strengthen our ESG related efforts
- ◆ A "Sustainability Promotion Committee" has been organized in order to clarify responsibilities related ESG initiatives and to discuss and decide on various measures and policies.

Formulation of ESG Policy and Sustainability Promotion System Rules and Establishment of the Organization

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

ESG Policy	Sustainability Promotion System Rules	New organization of the asset management company
<ol style="list-style-type: none"> Action towards Climate Change Consideration towards Resource Circulation, Water Use, and Biodiversity Pursuit of Health, Safety, and well-being Securing and Developing Human Capital Stakeholder Engagement Establishing and Organizing a Governance System 	<p>➤ In order to implement the "ESG Policy", the Rules were established to prescribe basic policies etc. for the following sustainability related items.</p> <ol style="list-style-type: none"> Establish various policies Internal organization of the asset management company Cooperation with relevant external parties and information disclosure 	

E(environment) related numerical goals and roadmap

	Item	Goal Year	Standard Year	Goal
2021	New organization begins	—	—	Prepare a road map and decide on target figures, and commence initiatives based on them. As a part of these efforts, add a green lease clause in the lease agreements.
	Prepare to participate the GRESB Real Estate	2021	—	
Short-term goals	GHG emissions	—	—	CO2 emission basic unit - reduce by 1% from preceding year.
	Energy consumption	—	—	Energy consumption per unit - reduce by 1% from preceding year.
	Water resource management	—	2019	Do not allow increase.
	Waste management	—	2019	Do not allow increase.
Mid-term goals	GHG emissions	2030	2019	CO2 emission basic unit - reduce by 10% from Standard Year.
	Energy consumption	2030	2019	Energy consumption per unit - reduce by 10% from Standard Year.



Executive Officer in charge of Sustainability
General Manager of Sustainability Promotion Division
Tetsuya Makino

Has experience in bidding in auctions, budget management, and quality control for new construction works and projects for introducing energy saving facilities etc. Also has abundant experience in environmental DD, retro-commissioning, and energy management support. Qualified as architectural equipment engineer, top level verification chief for the Tokyo environment improvement ordinance, level 1 piping construction management engineer, etc.

6. Initiatives on ESG (2)

Environmental /Governance initiatives

- ◆ During the Fiscal Period ended January 31, 2021, newly obtained DBJ Green Building Certifications for 2 buildings. In the 2021, participated in the GRESB Real Estate Assessment.

Environmental initiatives

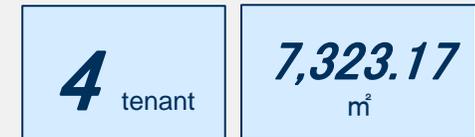
◆Received Environmental Certification



						
Property name	Iwatsuki Logistics	Baraki Logistics	La Park Kishiwada	Honmachibashi Tower	Urban Park Daikanyama	Seiyu Minakuchi
Asset type	Logistics	Logistics	Retail	Office	Residence	Retail
Total floor area	29,729.72 m ²	12,471.50 m ²	65,663.02 m ²	15,407.83 m ²	8,261.29 m ²	31,829.71 m ²

◆Signing of Green Lease contracts

- Established policy for green lease contracts and added green lease clauses for 2 office tenants and 2 hotel tenants.
- We plan to add the same clause where possible going forward.



- Minami-Azabu Shibuya Building
- Takadanobaba Access
- R&B Hotel Umeda East
- KOKO HOTEL Osaka Namba

Social initiatives

◆Digital Signs in Elevator Halls

Digital signs were installed in the elevator halls which are common areas of the property, in order to enhance tenant satisfaction. The signage displays various news, information about the building facilities, and advertisements etc. Subject properties: currently 9 properties. We plan to consider installing digital signage to other properties where possible.



◆Initiatives towards employees

- Diversity / Inclusion
- Introduced various systems in order to care for the health of employees.
 - Work-from-home system/ promote staggered commuting
 - Superflex
 - Child-birth leave/child-care leave/ nursing care leave etc. / Reduced working hours
 - Conduct employee satisfaction surveys

6. Initiatives on ESG (3)

Governance

Decision-making process

- Implement decision-making with high transparency by complying with laws and regulations
- Maintain a high sense of ethics and execute operations as a manager of investors' funds



Fee Structure

- Regarding the composition of asset management fees, changes were made to reduce the proportion of On-going Fees I and to increase the proportion of On-going Fees II (applied from the Fiscal Period ending July 31, 2021).

On-going fees I	Amount calculated by multiplying a separately agreed rate, capped at the total managed asset valuation amount x 0.3%.
On-going fees II	Rate capped at DPU before deduction of On-going Fees II x NOI X 0.002%.
Acquisition fee	Acquisition cost x 1% (0.5% if acquired from an interested party)
Transfer fee	Transfer price x 1% (0.5% if transferred to an interested party)
Merger fee	Total amount of assets etc. held by the counterparty x 1% (0.5% in the case of merger with an interested party)

Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 14.8% of the investment units of the Sponsor Group
- Members of the Asset Manager also hold investment units

Star Asia Group

- Continue to hold investment units since the time of listing.
- Holdings in investment units have increased given the merger with SSR.
- Additional acquisition of investment units made at appropriate timing. Total of 6 companies in Star Asia Group is 247,765 units.
- The individual founder of the Group holds total of 444 investment units.

Number of investment units held in same-boat investment:
247,765 units

Holding ratio:
14.8 %



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

- Holding SAR's investment units through the cumulative investment system for employees
- High commitment by management (Total : 617 units)



Employees of Star Asia Investment Management Co., Ltd.

- Holding SAR's investment units through the cumulative investment system for employees

6. Initiatives on ESG (4)

Governance

Star Asia Group's Code of Conduct

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

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

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

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

7. Appendix

About Star Asia Group



Taro Masuyama
Co-Founder and
Managing Partner



Malcolm F. MacLean IV
Co-Founder and
Managing Partner

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

- Conceived in 2006, Star Asia Group has invested over JPY837 bn since its foundation in 2007.
- Star Asia Group has 341 officers and employees including over 50 investment and asset management professionals based in Tokyo or New Jersey, USA.¹
- We always operate under the Guiding Principles which continuously drive the group to become and remain as one of the leading real estate investment management firms in Japan.
- The group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors.
- The group is committed to its disciplined Investment Philosophy and SAR strives for its most important goal of meeting and exceeding unitholders' expectations.

Star Asia Group

Listed J-REIT Asset manager	Private placement fund management	Asset management	Unlisted investment company		Private placement fund	Development and operation of new- generation student accommodation	Development and operation of hospitality properties; listed	
Star Asia Investment Management Co., Ltd.	Star Asia Management Limited <ul style="list-style-type: none"> • Registered as an Investment Advisor with the US Securities and Exchange Commission • Manages multiple private placement funds through sister companies 	Star Asia Asset Advisors Co., Ltd. <ul style="list-style-type: none"> • Asset management and brokerage for private placement funds; real estate asset and trust beneficiary interest brokerage; and property management. 	Star Asia Capital Corp Limited		Star Asia Japan Special Situations LP <ul style="list-style-type: none"> • Star Asia Group's flagship fund • Actively investing based on its investment capacity 	GSA Star Asia KK <ul style="list-style-type: none"> • A 50/50 joint venture with GSA Group, a global pioneer in purpose built student accommodation (PBSA), that develops and operates new-generation PBSA • Following the first property (HAKUSAN HOUSE), developed the second (KAMIKITA HOUSE) 	Kachikaihatsu Co., Ltd. <ul style="list-style-type: none"> • Listed on TSE 2nd Section (3010); develops and operates hotels • Star Asia Group became a sponsor in Nov. 2018 and holds 75.65% of issued stock 	
	Star Asia Investment Corporation	Provides know-how contributing to SAR's internal and external growth as its sponsor <ul style="list-style-type: none"> • Support of Construction Management Department • Provides advice based on abundant experience in real estate-related debt investment • Provides additional resource as needed 	Asset management of warehousing funds and provides support for origination of bridge funds	Holds SAR's investment units	Holds SAR's investment units	Currently develops properties with preferential negotiation rights owned by SAR <ul style="list-style-type: none"> • Urban Center Hakata 	Provided over JPY90bn properties (based on SAR's acquisition price) to SAR since SAR's listing <ul style="list-style-type: none"> • Urban Center Midousuji • Nishi-Ikebukuro 1-Chome bldg. 	Currently operates properties with preferential negotiation rights owned by SAR <ul style="list-style-type: none"> • HAKUSAN HOUSE • KAMIKITA HOUSE

Star Asia Group with expanding business provides strong support to SAR



Investment Philosophy of 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 10th Fiscal Period ended January 2021

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

Category	End of 9 th FP		End of 10 th FP			
	No. of investment units	Ratio	Unitholders' register		Sponsor Group is excluded	
			No. of investment units	Ratio	No. of investment units	Ratio
Individual	166,124	30.7%	526,688	31.5%	526,688	36.9%
Financial institution	142,985	26.4%	470,418	28.1%	470,418	32.9%
Domestic corporation	15,901	2.9%	105,042	6.3%	63,109	4.4%
Foreign	206,393	38.2%	518,686	31.0%	312,854	21.9%
Securities company	9,421	1.7%	53,555	3.2%	53,555	3.7%
Total	540,824	100.0%	1,674,389	100.0%	1,426,624	100.0%

Number of unitholders by attribute: Total 28,837

Category	End of 9 th FP		End of 10 th FP			
	No. of investment units	Ratio	Unitholders' register		Sponsor Group is excluded	
			No. of investment units	Ratio	No. of investment units	Ratio
Individual	17,682	97.2%	28,124	97.5%	28,124	97.6%
Financial institution	36	0.2%	40	0.1%	40	0.1%
Domestic corporation	277	1.5%	408	1.4%	407	1.4%
Foreign	172	0.9%	237	0.8%	230	0.8%
Securities company	20	0.1%	28	0.1%	28	0.1%
Total	18,187	100.0%	28,837	100.0%	28,829	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)	155,507	9.3%
2	Custody Bank of Japan, Ltd. (Trust Account)	125,469	7.5%
3	NORTHERN TRUST CO. (AVFC) RE UKDU UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	75,957	4.5%
4	The Nomura Trust and Banking Co., Ltd. (Trust Account)	63,894	3.8%
4	Star Asia Capital I LLC	48,390	2.9%
4	Star Asia Capital II LLC	48,390	2.9%
4	Star Asia Capital III LLC	48,390	2.9%
8	Star Asia Capital IV LLC	48,390	2.9%
9	Custody Bank of Japan, Ltd. (Security Trust Account)	43,316	2.6%
10	Lion Partners GK	41,933	2.5%
	Total	699,636	41.8%

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

Change in business results since 5FP

	5th FP (ended Jul. 2018) actual	6th FP (ended Jan. 2019) actual	7th FP (ended Jul. 2019) actual	8th FP (ended Jan. 2020) actual	9th FP (ended Jul. 2020) actual	10th FP (ended Jan. 2021) forecast*	10th FP (ended Jan. 2021) actual	Comparison with forecast
Lease business revenue	2,791	3,224	3,344	3,200	3,314	5,618	5,648	+29
Office rent	862	1,104	1,134	1,145	1,163	1,890	1,895	+4
Retail rent	-	-	-	-	-	923	848	△74
Residence rent	500	458	438	439	512	814	889	+75
Logistics rent	906	912	910	817	887	993	974	△18
Hotel rent	287	447	500	477	445	423	423	-
Other	235	302	349	320	306	573	616	+42
Expenses related to rent business (Depreciation is excluded)	607	678	798	769	741	1,583	1,550	△32
NOI	2,184	2,545	2,535	2,431	2,573	4,035	4,097	+62
Depreciation	355	409	415	420	432	632	628	△4
Rent revenues/expenses	1,828	2,135	2,119	2,011	2,141	3,402	3,469	+66
Mezzanine	18	22	20	21	25	24	24	+0
TK distribution	-	-	7	6	7	-	5	+5
Gain on sale of real estate property	-	598	422	-	648	970	993	+23
Loss on sales of real estate property						-	19	+19
SGA	270	349	344	316	690	1,151	1,096	△55
Operating income	1,576	2,406	2,225	1,721	2,131	3,245	3,376	+130
Non-operating income	0	0	0	1	3	-	4	+4
Non-operating expenses	270	333	261	227	278	468	469	+1
Ordinary income	1,305	2,073	1,965	1,494	1,857	2,777	2,911	+133
Extraordinary income	-	-	-	-	-	8,893	8,891	△2
Net income	1,305	2,049	1,964	1,493	1,857	11,670	11,801	+131
Cash distribution per unit	2,773円	3,720円	3,625円	2,788円	3,436円	1,658円	1,676円	+18円
FFO per unit	3,529円	3,440円	3,620円	3,539円	3,033円	6,768円	6,841円	+73円
Balance of Internal reserves	113	151	155	141	140	9,034	9,135	+101



Balance Sheets for the 10th Fiscal Period ended January 31, 2021

(Unit: thousand yen)

	9th fiscal period (As of July 31, 2020)	10th fiscal period (As of January 31, 2021)
Assets		
Current assets		
Cash and deposits	2,303,632	3,565,028
Cash and deposits in trust	3,915,644	7,515,934
Operating accounts receivable	49,312	82,348
Prepaid expenses	119,529	188,497
Other	10,389	9,208
Total current assets	6,398,507	11,361,017
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	-	114
Accumulated depreciation	-	(14)
Tools, furniture and fixtures, net	-	100
Buildings in trust	34,100,500	49,326,896
Accumulated depreciation	(2,933,446)	(3,460,097)
Buildings in trust, net	31,167,053	45,866,798
Structures in trust	18,395	20,635
Accumulated depreciation	(2,990)	(3,671)
Structures in trust, net	15,405	16,964
Machinery and equipment in trust	55,823	73,226
Accumulated depreciation	(12,054)	(14,997)
Machinery and equipment in trust, net	43,768	58,228
Tools, furniture and fixtures in trust	46,277	47,023
Accumulated depreciation	(13,817)	(16,360)
Tools, furniture and fixtures in trust, net	32,460	30,663
Land in trust	70,619,311	117,051,893
Total property, plant and equipment	101,877,998	163,024,648
Intangible assets		
Leasehold rights in trust	3,459,138	4,082,300
Total intangible assets	3,459,138	4,082,300
Investments and other assets		
Investment securities	853,350	756,206
Long-term loans receivable	300,000	300,000
Long-term prepaid expenses	135,723	245,057
Lease and guarantee deposits	10,782	20,519
Total investments and other assets	1,299,856	1,321,782
Total non-current assets	106,636,993	168,428,731
Total assets	113,035,501	179,789,748

	9th fiscal period (As of July 31, 2020)	10th fiscal period (As of January 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	337,786	621,461
Short-term loans payable	-	2,150,000
Current portion of long-term loans payable	14,040,000	22,660,000
Accounts payable - other	417,355	541,206
Accrued expenses	12,748	43,534
Income taxes payable	605	605
Accrued consumption taxes	48,276	252,480
Advances received	698,166	835,113
Other	17,332	30,588
Total current liabilities	15,572,270	27,134,990
Non-current liabilities		
Long-term loans payable	40,280,000	57,630,000
Tenant leasehold and security deposits	6,595	6,142
Tenant leasehold and security deposits in trust	2,429,860	5,197,022
Other	132,189	221,075
Total non-current liabilities	42,848,645	63,054,239
Total liabilities	58,420,916	90,189,230
Net assets		
Unitholders' equity		
Unitholders' capital	52,745,966	52,745,966
Surplus		
Unitholders' capital surplus	-	25,132,218
Unappropriated retained earnings (undisposed loss)	1,998,562	11,942,013
Total surplus	1,998,562	37,074,231
Total unitholders' equity	54,744,528	89,820,197
Valuation and translation adjustments		
Deferred gains or losses on hedges	(129,943)	(219,679)
Total valuation and translation adjustments	(129,943)	(219,679)
Total net assets	54,614,584	89,600,518
Total liabilities and net assets	113,035,501	179,789,748

Statement of Income for the 10th Fiscal Period

(From August 1, 2020 to January 31, 2021)

(Unit: thousand yen)

	9th fiscal period (As of July 31, 2020)	10th fiscal period (As of January 31, 2021)
Operating revenue		
Lease business revenue	3,122,781	5,259,516
Other lease business revenue	192,129	389,105
Gain on sales of real estate property	648,585	993,574
Other revenue	32,582	29,933
Total operating revenue	3,996,079	6,672,130
Operating expenses		
Expenses related to rent business	1,173,882	2,179,316
Loss on sales of real estate property	-	19,285
Asset management fee	252,533	405,303
Asset custody and administrative service fees	28,053	47,427
Directors' compensations	2,400	2,400
Merger expenses	303,222	448,870
Other operating expenses	104,149	192,798
Total operating expenses	1,864,242	3,295,402
Operating income	2,131,837	3,376,728
Non-operating income		
Interest income	25	51
Reversal of unpaid distribution	1,131	4,111
Interest on refund	1	1
Gain on donation of non-current assets	2,816	-
Other	-	0
Total non-operating income	3,975	4,164
Non-operating expenses		
Interest expenses	172,539	299,303
Borrowing related expenses	105,551	170,497
Total non-operating expenses	278,091	469,801
Ordinary income	1,857,721	2,911,090
Extraordinary income		
Gain on negative goodwill	-	8,891,236
Total extraordinary income	-	8,891,236
Income before income taxes	1,857,721	11,802,327
Income taxes - current	605	605
Total income taxes	605	605
Net income	1,857,116	11,801,722
Retained earnings brought forward	141,446	140,290
Unappropriated retained earnings (undisposed loss)	1,998,562	11,942,013

Portfolio List (as of January 31, 2021)

	Property name	Location	Acquisition price	Appraisal value at end of 9th FP	Investment ratio (%)	Appraisal NOI yield (%) (note1)	
Office	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	3,020	1.8	4.7	
	Honmachibashi Tower	Osaka City, Osaka	6,065	6,760	3.6	5.1	
	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	2,500	1.1	6.6	
	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	3,220	1.2	5.8	
	Asahi Building	Yokohama City, Kanagawa	6,320	7,790	3.8	5.0	
	Hakata-eki East Place	Fukuoka City, Fukuoka	2,286	2,630	1.4	5.2	
	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1,540	0.9	4.7	
	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2,690	1.5	4.0	
	Higashi Kobe Center Building	Kobe City, Hyogo	7,440	7,390	4.5	5.7	
	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1,160	0.6	4.1	
	Seishin Building	Shinjuku Ward, Tokyo	11,200	11,200	6.7	3.7	
	NK Building	Chiyoda Ward, Tokyo	5,350	5,360	3.2	3.8	
	Tsukasamachi Building	Chiyoda Ward, Tokyo	4,590	4,590	2.8	3.9	
	Takadanobaba Access	Shinjuku Ward, Tokyo	3,990	3,970	2.4	4.1	
	Azabu Amerex Building	Minato Ward, Tokyo	2,780	2,790	1.7	3.8	
	Hiei-Kudan Building	Chiyoda Ward, Tokyo	2,400	2,370	1.4	4.0	
	Shin-Yokohama Nara Building	Yokohama City, Kanagawa	2,300	2,310	1.4	4.8	
	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	1,510	0.9	4.0	
		Subtotal		68,059	72,800	40.8	4.5
	Retail	La Park Kishiwada	Kishiwada City, Osaka	5,400	5,210	3.2	7.1
Suoy Mall Chikushino		Chikushino City, Fukuoka	6,550	6,540	3.9	5.8	
Seiyu Minakuchi		Koka City, Shiga	3,320	3,310	2.0	7.4	
	Sub total		15,270	15,060	9.2	6.6	
Residence	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2,500	1.2	4.4	
	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	8,450	3.8	4.7	
	Urban Park Namba	Osaka City, Osaka	1,490	1,630	0.9	5.4	
	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1,510	0.9	4.6	
	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1,190	0.7	5.0	
	Urban Park Ryokuchi-koen	Suita City, Osaka	1,550	1,640	0.9	5.7	
	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1,180	0.7	4.7	
	Urban Park Ichigao	Yokohama City, Kanagawa	1,810	1,890	1.1	4.8	
	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	1,530	0.9	4.7	
	Shiroi Logiman	Shiroi City, Chiba	2,470	2,460	1.5	5.7	
	Urban Park Sekime	Osaka City, Osaka	2,150	2,210	1.3	5.3	
	Urban Park Imazato	Osaka City, Osaka	993	990	0.6	5.4	
	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	1,760	1.0	3.7	
	Urban Park Azabujuban	Minato Ward, Tokyo	3,506	3,770	2.1	5.6	
	Urban Park Daikanyama	Shibuya Ward, Tokyo	3,160	3,330	1.9	5.5	
	Subtotal		32,472	36,040	19.5	5.0	

	Property name	Location	Acquisition price	Appraisal value at end of 9th FP	Investment ratio (%)	Appraisal NOI yield (%) (note1)	
Logistics	Iwatsuki Logistics	Saitama City, Saitama	6,942	7,310	4.2	4.8	
	Yokohama Logistics	Yokohama City, Kanagawa	3,560	4,120	2.1	5.7	
	Funabashi Logistics	Funabashi City, Chiba	7,875	8,660	4.7	5.3	
	Baraki Logistics	Ichikawa City, Chiba	4,700	4,880	2.8	4.2	
	Tokoyozawa Logistics	Tokorozawa City, Saitama	1,300	1,380	0.8	5.7	
	Funabashi Nishiura Logistics I	Funabashi City, Chiba	821	850	0.5	7.0	
	Funabashi Nishiura Logistics II	Funabashi City, Chiba	2,755	2,910	1.7	5.5	
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	1,710	1,710	1.0	6.5	
	Funabashi Hi-Tech Park I	Funabashi City, Chiba	702	701	0.4	6.8	
		Subtotal		30,365	32,521	18.2	5.2
Hotel	R&B Hotel Umeda East	Osaka City, Osaka	2,069	2,250	1.2	5.4	
	Smile Hotel Namba	Osaka City, Osaka	1,750	1,400	1.1	4.3	
	Best Western Tokyo Nishi-kasai	Edogawa Ward, Tokyo	3,827	3,610	2.3	4.3	
	Best Western Yokohama	Yokohama City, Kanagawa	3,248	3,190	1.9	4.5	
	Hotel WBF Fukuoka Tenjin Minami	Fukuoka City, Fukuoka	1,970	1,930	1.2	4.4	
	GLANSIT Akihabara	Chiyoda Ward, Tokyo	2,500	2,440	1.5	3.9	
	Best Western Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3,130	1.9	4.0	
	KOKO HOTEL Namba	Osaka City, Osaka	2,000	1,450	1.2	3.7	
		Subtotal		20,544	19,400	12.3	4.3
		Total		166,710	175,821	100.0	4.9

Period-end appraisal value : 175,821 million yen

Total book value : 167,106 million yen

Period-end unrealized gains (losses) : 8,714 million yen

Net assets per unit : 53,512 yen

Unrealized gains per unit : 5,204 yen

NAV per unit (*1) : 57,040 yen

P/NAV per (*2) : 0.84

(*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 29, 2021: 47,950 yen)

Other assets under management (as of January 1, 2021)

< Mezzanine loan debt investment >

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

Number	Type	Name of the security (asset overview)	Period-end book value (million yen)	Underlying asset, etc.		Interest rate (※)
				Asset name	Location	
MEZ-01	Mezzanine (Subordinated bonds)	Star Asia Mezzanine Loan Debt Investment Series 1	400	Relief Premium Haneda	Ota Ward, Tokyo	Base rate +5.0%
MEZ-03	Mezzanine (Subordinated Beneficiary Interest)	Star Asia Mezzanine Loan Debt Investment Series 3	123	The Royal Garden Residence Shirokanedai	Minato Ward, Tokyo	Base rate +5.0%
MEZ-04	Mezzanine (Subordinated loan claims)	Star Asia Mezzanine Loan Debt Investment Series 4	300	DS Kaigan Building	Minato Ward, Tokyo	Base rate +5.0%
MEZ-05	Mezzanine (Subordinated Beneficiary Interest)	Star Asia Mezzanine Loan Debt Investment Series 5	150	Sanmaison Ohorikoenkita	Fukuoka city, Fukuoka	Base rate +5.0%
Total			973			

< Silent partnership equity interest >

Number	Investments securities	Period-end book value (million yen)	Underlying asset, etc.	
			Property name	Location
TKI-02	GK SAPR7 silent partnership equity interest	69	OHA Building	Tachikawa city, Tokyo
Total		69		

Balance of Payments of Individual Properties (1)

Disposed

Asset Type	OFC-01		OFC-03		OFC-04		OFC-05		OFC-06		OFC-08	
Property name	Minami-Azabu Shibuya Building		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Alphabet Seven		Shibuya MK Building		Asahi Building	
												
Acquisition price	2,973 million yen		6,065 million yen		1,763 million yen		1,725 million yen		2,042 million yen		6,320 million yen	
Appraisal value	3,020 million yen		6,760 million yen		2,500 million yen		-		3,220 million yen		7,790 million yen	
Structure/Floors	SRC B1/7F		S/SRC B1/21F		SRC B1/9F		RC B1/6F		S 6F		S-SRC B2/12F	
Location	Minato Ward, Tokyo		Osaka City, Osaka		Shibuya Ward, Tokyo		Minato Ward, Tokyo		Shibuya Ward, Tokyo		Yokohama City, Kanagawa	
Lot area	766.11㎡		1,274.37㎡		589.94㎡(surface right)		1,286.45㎡		620.42㎡(of which 2.62㎡ leasehold)		1,096.86㎡	
Total floor areas	4,137.21㎡		15,407.83㎡		5,117.80㎡		4,132.80㎡		1,982.86㎡		12,353.83㎡	
Construction completion	June 15, 1993		February 8, 2010		May 28, 1987		Jan 6, 1990		July 31, 1993		November 25, 1994	
	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP
Total operating revenue from real estate leasing	95,947	96,477	215,558	239,587	108,781	109,835	75,266	29,650	79,693	80,650	226,051	228,609
Lease business revenue	88,068	88,052	193,563	184,096	101,784	101,689	66,870	27,394	75,321	75,382	210,058	211,188
Other lease business revenue	7,879	8,424	21,994	55,490	6,996	8,145	8,396	2,255	4,372	5,267	15,992	17,421
Total operating expenses from real estate leasing	27,446	26,239	58,871	96,862	34,383	35,230	17,242	8,896	13,522	17,672	64,910	62,908
Management fee	5,971	5,901	15,180	14,020	6,835	6,921	4,564	1,883	4,797	4,861	15,720	15,979
Utilities expenses	400	400	400	400	400	400	412	222	350	350	400	400
Insurance premium	6,085	5,863	18,763	19,254	7,439	7,475	3,913	1,979	3,078	3,132	17,490	16,672
Repair expenses	115	120	354	370	127	133	92	45	44	46	353	371
Trust fee	1,921	1,325	2,159	31,880	3,374	4,746	1,807	1,504	530	1,618	12,566	11,442
Taxes and dues	4,535	4,532	19,763	19,763	3,410	3,410	6,208	3,080	4,327	4,327	16,123	16,123
Other expenses	8,416	8,095	2,250	11,173	12,796	12,142	244	180	393	3,334	2,254	1,917
NOI	68,500	70,237	156,686	142,725	74,397	74,604	58,023	20,754	66,170	62,978	161,140	165,701
Depreciation	11,565	11,609	45,359	45,404	8,744	9,803	5,617	2,819	3,386	3,530	26,611	27,493
Operating income (loss) from real estate leasing	56,934	58,628	111,327	97,320	65,653	64,801	52,406	17,934	62,784	59,447	134,529	138,207
Capital expenditures	637	4,130	1,132	2,312	16,631	6,922	-	1,146	3,797	3,977	24,176	24,970
NCF	67,863	66,107	155,554	140,412	57,766	67,682	58,023	19,607	62,373	59,001	136,964	140,730
Period-end book value	2,952,020	2,944,540	5,816,046	5,772,954	1,828,725	1,825,844	1,101,697	-	2,092,597	2,093,043	6,327,747	6,325,224

Balance of Payments of Individual Properties (2)

Asset Type	OFC-09		OFC-10		OFC-11		OFC-12		OFC-13		OFC-14	
Property name	Hakata-eki East Place		Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan		Higashi Kobe Center Building		Amusement Media Gakuin Shinkan		Seishin Building	
												
Acquisition price	2,286 million yen		1,450 million yen		2,580 million yen		7,440 million yen		1,020 million yen		11,200 million yen	
Appraisal value	2,630 million yen		1,540 million yen		2,690 million yen		7,390 million yen		1,160 million yen		11,200 million yen	
Structure/Floors	SRC 9F		SRC 11F		SRC S 8F/B1F		SRC 14F		RC7F		SRC 10F/1B	
Location	Fukuoka City, Fukuoka		Chuo Ward, Tokyo		Shibuya Ward, Tokyo K		Kobe City, Hyogo		Shibuya Ward, Tokyo		Shinjyuku Ward, Tokyo	
Lot area	1,129.86㎡		319.04㎡(Number derived by multiplying the ratio of holdings)		433.21㎡		8,488.11㎡		203.43㎡		886.93㎡	
Total floor areas	6,243.13㎡		2,383.76㎡(Number derived by multiplying the ratio of holdings)		1,892.18㎡		25,740.46㎡		913.71㎡		7,624.66㎡	
Construction completion	February 24, 1986		July 13, 1992		November 2, 1994		January 6, 1992		January 25, 1999		March 31, 1989	
	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	SSR prior FP (7month)	10FP
Total operating revenue from real estate leasing	104,329	104,071	51,571	51,788			318,964	320,536			289,697	244,866
Lease business revenue	94,303	92,775	51,571	51,788			282,767	288,866			265,201	228,262
Other lease business revenue	10,025	11,296	-	-			36,197	31,669			24,496	16,604
Total operating expenses from real estate leasing	28,698	26,940	12,112	12,107			114,870	110,222			67,049	61,280
Management fee	8,041	8,174	880	880			26,457	25,592			15,509	19,370
Utilities expenses	400	400	400	400			400	400			13,237	353
Insurance premium	6,986	7,687	-	-			33,035	29,968			427	8,923
Repair expenses	165	173	122	129	(*)	(*)	649	689	(*)	(*)	4,434	206
Trust fee	4,881	1,993	30	-			4,782	6,844			875	7,260
Taxes and dues	7,079	7,079	4,299	4,299			29,165	29,165			31,102	20,920
Other expenses	1,143	1,431	6,379	6,398			20,380	17,562			1,461	4,246
NOI	75,630	77,130	39,459	39,680			204,094	210,314			222,648	183,585
Depreciation	7,777	8,033	2,837	2,837			33,006	33,524			18,170	11,715
Operating income (loss) from real estate leasing	67,853	69,097	36,622	36,843			171,087	176,790			204,477	171,870
Capital expenditures	5,788	12,418	-	-			15,795	22,746			21,050	26,511
NCF	69,841	64,712	39,459	39,680			188,299	187,567			201,598	157,073
Period-end book value	2,314,827	2,319,212	1,455,957	1,453,120	2,594,390	2,592,439	7,631,050	7,620,273	1,030,689	1,040,196	11,200,000	11,214,796

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



Balance of Payments of Individual Properties (3)

Asset Type	OFC-15		OFC-16		OFC-17		OFC-18		OFC-19		OFC-20	
Property name	NK Building		Tsukasamachi Building		Takadanobaba Access		Azabu Amerex Building		Hiei Kudan Building		Shin Yokohama Nara Bldg	
												
Acquisition price	5,350 million yen		4,590 million yen		3,990 million yen		2,780 million yen		2,400 million yen		2,300 million yen	
Appraisal value	5,360 million yen		4,590 million yen		3,970 million yen		2,789 million yen		2,370 million yen		2,310 million yen	
Structure/Floors	SRC 10F/1B		SRC 8F/1B		SRC 14F/1B		SRC 8F/1B		SRC S 11F/1B		S RC 1F/1B	
Location	Chiyoda Ward, Tokyo		Chiyoda Ward, Tokyo		Shinjyuku Ward, Tokyo		Minato Ward, Tokyo		Chiyoda Ward, Tokyo		Yokohama City, Kanagawa	
Lot area	590.72㎡		709.52㎡		930.70㎡		601.71㎡		478.27㎡ (Number derived by multiplying the ratio of holdings)		700.59㎡	
Total floor areas	4,994.70㎡		4,629.27㎡		5,757.14㎡		2,909.80㎡		3,205.72㎡ (Number derived by multiplying the ratio of holdings)		5,356.99㎡	
Construction completion	October 28, 1991		January 20, 1988		January 14, 1994		June 30, 1988		September 17, 1991		March 17, 1992	
	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP
Total operating revenue from real estate leasing	170,580	138,581	136,876	118,175	129,818	112,805	81,609	71,410	79,911	68,635	94,249	81,804
Lease business revenue	153,233	124,989	122,874	110,309	109,250	102,023	73,464	68,444	77,595	68,635	78,352	71,580
Other lease business revenue	17,346	13,591	14,001	7,866	20,568	10,782	8,145	2,966	2,315	-	15,897	10,223
Total operating expenses from real estate leasing	39,111	33,717	29,889	25,307	42,017	30,787	26,321	18,654	23,989	22,638	32,719	29,867
Management fee	14,496	11,735	8,132	9,722	16,022	13,160	9,295	7,250	12,549	3,429	11,081	8,834
Utilities expenses	5,629	353	6,937	403	8,458	403	3,342	377	27	503	6,710	353
Insurance premium	282	4,233	267	4,888	324	6,392	163	2,268	136	56	302	4,831
Repair expenses	1,683	149	2,419	144	2,102	158	1,098	75	167	133	1,974	136
Trust fee	875	3,588	875	2,325	875	619	437	787	875	1,488	875	5,901
Taxes and dues	15,876	10,648	11,071	7,437	13,693	9,183	11,401	7,669	10,123	6,814	11,548	7,765
Other expenses	268	3,008	186	385	540	869	582	224	110	10,212	227	2,043
NOI	131,468	104,864	106,986	92,867	87,801	82,017	55,288	52,755	55,921	45,996	61,530	51,936
Depreciation	10,180	8,297	10,371	7,399	14,140	8,810	2,756	3,307	3,472	3,643	11,587	7,902
Operating income (loss) from real estate leasing	121,288	96,566	96,614	85,468	73,661	73,207	52,532	49,448	52,449	42,352	49,942	44,033
Capital expenditures	13,694	25,437	968	467	13,811	5,230	948	2,264	971	3,543	-	18,763
NCF	117,774	79,426	106,018	92,400	73,990	76,787	54,340	50,491	54,950	42,452	61,530	33,173
Period-end book value	5,350,000	5,367,139	4,590,000	4,583,068	3,990,000	3,986,419	2,780,000	2,778,957	2,400,000	2,399,900	2,300,000	2,310,860

Balance of Payments of Individual Properties (4)

Disposed

Asset Type	OFC-21		RTL-01		RTL-02		RTL-03		RTL-04		RSC-01	
Property name	The Portal Akihabara		LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		Suroy Mall Nagamine		Urban Park Azabujuban	
												
Acquisition price	1,510 million yen		5,450 million yen		6,550 million yen		3,320 million yen		3,450 million yen		2,045 million yen	
Appraisal value	1,510 million yen		5,210 million yen		6,540 million yen		3,310 million yen		3,450 million yen (as of July 31, 2020)		2,500 million yen	
Structure/Floors	SRC S 8F		RC S 3F		S 2F		S 4F		S 1F 2F		SRC with slate roofing B1/12F	
Location	Chiyoda Ward, Tokyo		Kishiwada city, Osaka		Chikushino city, Fukuoka		Koka city, Shiga		Kumamoto city, Kumamoto		Minato Ward, Tokyo	
Lot area	184.76㎡		39,799.74㎡		121,423.46㎡ (Also has leased land of 25,321.5㎡ for use as a parking lot.)		19,917.56㎡ (of which leased land is 16,444.53㎡)		28,546.00㎡		417.67㎡	
Total floor areas	1,010.67㎡		65,663.02㎡		31,086.23㎡		31,829.71㎡		13,130.23㎡		2,564.94㎡	
Construction completion	May 31, 2002		August 30, 1994		June 22, 2007		May 31, 1999		August 23, 2007		November 29, 1999	
	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	9FP	10FP
Total operating revenue from real estate leasing	50,388	32,768	564,723	493,039	326,362	282,075	(*)	(*)	201,417	79,299	57,827	52,852
Lease business revenue	35,568	31,160	438,691	416,499	319,416	279,962			167,757	62,848	54,777	51,158
Other lease business revenue	14,820	1,607	126,032	76,540	6,946	2,112			33,659	16,450	3,050	1,694
Total operating expenses from real estate leasing	9,273	6,821	349,537	287,961	117,694	65,896			70,818	26,387	10,949	16,760
Management fee	3,863	2,736	146,716	120,640	55,770	22,949			18,228	4,578	2,107	2,086
Utilities expenses	1,618	402	109,724	1,861	6,358	353			29,478	146	350	350
Insurance premium	60	1,389	2,140	99,507	1,112	4,597			425	12,474	669	634
Repair expenses	1,428	29	19,657	853	12,300	442			1,363	96	57	59
Trust fee	466	547	2,158	6,977	875	832			875	275	2,909	7,997
Taxes and dues	1,808	1,609	66,737	44,742	29,405	19,627			19,584	7,531	2,874	2,874
Other expenses	28	106	2,402	13,378	11,872	17,092			862	1,285	1,981	2,757
NOI	41,115	25,947	215,186	205,078	208,668	216,178			130,599	52,911	46,878	36,091
Depreciation	3,770	3,472	55,437	23,983	38,125	23,534			20,980	6,166	4,915	5,010
Operating income (loss) from real estate leasing	37,344	22,474	159,749	181,094	170,543	192,644	109,618	46,745	41,962	31,081		
Capital expenditures	-	-	42,041	40,815	799	6,612	4,594	-	2,379	2,443		
NCF	41,115	25,947	173,145	164,263	207,869	209,566	126,005	52,911	44,498	33,648		
Period-end book value	1,510,000	1,506,527	5,400,000	5,416,831	6,550,000	6,533,078	3,320,000	3,311,053	3,450,000	-	2,082,765	2,080,199

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

Balance of Payments of Individual Properties (5)

Asset Type	RSC-02		RSC-05		RSC-06		RSC-07		RSC-08		RSC-09	
Property name	Urban Park Daikanyama		Urban Park Namba		Urban Park Gokokuji		Urban Park Kashiwa		Urban Park Ryokuchi-koen		Urban Park Koenji	
												
Acquisition price	6,315 million yen		1,490 million yen		1,460 million yen		1,186 million yen		1,550 million yen		1,167 million yen	
Appraisal value	8,450 million yen		1,630 million yen		1,510 million yen		1,190 million yen		1,640 million yen		1,180 million yen	
Structure/Floors	①RC B1/3F ②RC B1/9F		RC 14F		RC B1F/5F		SRC B1F/8F		RC 8F		RC 4F	
Location	Shibuya Ward, Tokyo		Osaka City, Osaka		Toshima Ward, Tokyo		Kashiwa City, Chiba		Suita City, Osaka		Suginami Ward, Osaka	
Lot area	2,469.06㎡		670.39㎡		942.66 m ² (Of which, 50.85 m ² is contributed to Toshima Ward as road)		1,597.85㎡		2,804.56㎡		988.26㎡	
Total floor areas	8,261.29㎡		2,776.87㎡		2,451.72㎡		4,243.71㎡		5,854.64㎡		1,524.34㎡	
Construction completion	1: November 15, 1982 2: May 30, 2006		January 9, 2013		February 28, 1990		August 28, 1997		March 10, 1989		October 13, 1987	
	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP
Total operating revenue from real estate leasing	193,318	193,136	49,759	44,779	51,611	42,974	37,076	35,164	56,478	57,659	36,321	34,526
Lease business revenue	186,271	180,773	49,255	44,085	47,450	41,226	35,901	34,128	54,388	55,519	33,807	31,527
Other lease business revenue	7,046	12,363	504	693	4,161	1,747	1,174	1,035	2,090	2,139	2,513	2,998
Total operating expenses from real estate leasing	37,799	39,457	9,334	9,113	19,566	18,089	10,842	13,490	22,457	13,843	8,447	11,986
Management fee	9,922	9,028	2,561	2,499	3,806	3,678	1,969	1,824	2,778	2,289	1,796	2,416
Utilities expenses	350	350	350	350	400	400	350	350	350	350	400	400
Insurance premium	3,778	3,726	351	341	2,222	2,124	589	533	2,212	2,578	1,560	1,344
Repair expenses	194	202	63	66	52	54	84	88	117	124	36	38
Trust fee	7,242	6,823	2,158	1,780	7,935	4,321	3,674	6,276	6,631	3,518	2,326	5,924
Taxes and dues	11,442	11,442	2,821	2,820	1,909	1,909	2,950	2,950	3,583	3,583	969	969
Other expenses	4,870	7,884	1,029	1,254	3,239	5,600	1,225	1,467	6,784	1,399	1,358	893
NOI	155,518	153,679	40,425	35,666	32,045	24,884	26,234	21,673	34,020	43,815	27,873	22,539
Depreciation	12,909	13,306	7,541	7,547	5,374	5,690	7,241	7,385	7,986	8,083	2,574	2,769
Operating income (loss) from real estate leasing	142,609	140,372	32,883	28,118	26,671	19,194	18,992	14,287	26,034	35,731	25,299	19,770
Capital expenditures	7,733	8,237	-	1,014	11,172	-	2,191	7,306	3,153	2,031	7,707	1,097
NCF	147,785	145,441	40,425	34,651	20,872	24,884	24,042	14,366	30,866	41,784	20,166	21,441
Period-end book value	6,378,928	6,373,859	1,505,775	1,499,242	1,512,125	1,506,434	1,241,569	1,241,490	1,607,931	1,601,879	1,194,447	1,192,775

Balance of Payments of Individual Properties (6)

Asset Type	RSC-10		RSC-11		RSC-12		RSC-13		RSC-14		RSC-15	
Property name	Urban Park Ichigao		Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato		Urban Park Yoyogi	
												
Acquisition price	1,810 million yen		1,430 million yen		2,470 million yen		2,150 million yen		993 million yen		1,740 million yen	
Appraisal value	1,890 million yen		1,530 million yen		2,460 million yen		2,210 million yen		990 million yen		1,760 million yen	
Structure/Floors	RC SF/1B		SRC 10F		RC 13F		SRC 15F		RC 10F		RC 8F	
Location	Yokohama City, Kanagawa		Ichikawa city, Chiba S		Shiroi city, Chiba		Osaka City, Osaka		Osaka City, Osaka		Shibuya Ward, Tokyo	
Lot area	1,758.84㎡		1,122.57㎡		11,485.06㎡ (Number derived by multiplying the ratio of holdings)		2,346.39㎡		1,803.70㎡		464.09㎡	
Total floor areas	5,243.85㎡		3,397.95㎡		22,448.08㎡ (Number derived by multiplying the ratio of holdings)		8,190.11㎡		4,862.83㎡		1,418.03㎡	
Construction completion	July 10, 1998		March 1, 1995		May 9, 1995		August 18, 1989		December 20, 1991		September 4, 2017	
	9FP	10FP	9FP	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP
Total operating revenue from real estate leasing	42,764	54,803	34,607	46,303	163,139	140,832	101,225	84,763	47,195	39,268	45,053	42,267
Lease business revenue	41,602	52,931	32,398	43,071	155,054	133,951	91,772	82,381	44,759	39,008	43,531	40,816
Other lease business revenue	1,162	1,872	2,208	3,231	8,084	6,880	9,453	2,381	2,436	259	1,521	1,451
Total operating expenses from real estate leasing	5,071	8,584	6,132	6,831	62,805	59,143	33,207	32,566	12,760	10,501	9,700	6,658
Management fee	2,403	2,966	1,670	2,096	29,795	5,913	14,027	10,077	5,518	4,071	5,270	2,189
Utilities expenses	308	400	308	400	-	756	3,115	377	557	377	288	402
Insurance premium	815	1,419	823	1,549	955	2	470	1,973	225	277	72	183
Repair expenses	81	111	53	73	8,280	580	6,780	200	828	102	588	36
Trust fee	812	2,894	2,226	1,381	1,458	11,397	437	12,481	437	1,909	583	582
Taxes and dues	-	-	-	-	20,944	13,980	7,934	5,452	4,840	3,294	2,680	1,791
Other expenses	648	792	1,049	1,331	1,371	26,514	441	2,003	353	468	217	1,473
NOI	37,693	46,218	28,475	39,471	100,333	81,689	68,017	52,196	34,435	28,766	35,352	35,608
Depreciation	4,489	5,431	3,236	4,196	23,675	19,066	15,475	11,112	7,939	5,183	5,421	4,393
Operating income (loss) from real estate leasing	33,204	40,787	25,238	35,275	76,657	62,622	52,541	41,084	26,496	23,583	29,931	31,215
Capital expenditures	1,611	-	5,256	-	1,976	228	8,156	24,042	4,706	-	-	-
NCF	36,082	46,218	23,218	39,471	98,356	81,460	59,861	28,154	29,728	28,766	35,352	35,608
Period-end book value	1,930,897	1,925,466	1,517,687	1,513,491	2,470,000	2,451,162	2,150,000	2,162,929	993,000	987,816	1,740,000	1,735,606

Balance of Payments of Individual Properties (7)

Asset Type	RSC-16		RSC-17		LGC-01		LGC-02		LGC-03		LGC-04	
Property name	Urban Park Tokiwadai Koen		Urban Park Mitsuike Koen		watsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics	
												
Acquisition price	3,506 million yen		3,160 million yen		6,942 million yen		3,560 million yen		7,875 million yen		4,700 million yen	
Appraisal value	3,770 million yen		3,330 million yen		7,310 million yen		4,120 million yen		8,660 million yen		4,850 million yen	
Structure/Floors	RC 5F		RC 6F		Steel construction, zinc plated steel roofing, 5 floors		RC 8F		Building 1: Steel construction, flat roof, zincplated steel roofing, 8 floors Building 2: Reinforced concrete structure		RC・S 5F	
Location	Yokohama City, Kanagawa		Yokohama City, Kanagawa		Saitama City, Saitama		Yokohama City, Kanagawa		a Funabashi City, Chiba		Ichikawa City, Chiba	
Lot area	12,544.61㎡		10,216.95㎡		15,623.14㎡		10,565.95㎡		19,858.00㎡		6,240.96㎡	
Total floor areas	15,708.08㎡		10,918.37㎡		29,729.72㎡		18,387.89㎡(including 256.15 m2 break areas etc.)		38,871.45㎡(two buildings combined)		12,471.50㎡	
Construction completion	Feb 17, 1994		March 24, 1992		October 29, 2014		October 1, 1994		1: September 25, 1992 2: August 5, 1997		August 14, 2015	
	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP
Total operating revenue from real estate leasing	-	82,517	-	16,384	197,147	198,172			257,660	259,851		
Lease business revenue	-	79,609	-	15,351	187,713	187,718			241,745	241,854		
Other lease business revenue	-	2,908	-	1,033	9,433	10,454			15,914	17,997		
Total operating expenses from real estate leasing	-	12,829	-	2,897	30,756	31,159			51,891	54,002		
Management fee	-	6,406	-	1,626	5,650	5,920			11,618	12,508		
Utilities expenses	-	236	-	52	350	350			400	400		
Insurance premium	-	817	-	52	9,433	10,454	(*)	(*)	13,247	14,521	(*)	(*1)
Repair expenses	-	144	-	34	272	284			392	409		
Trust fee	-	1,608	-	80	1,111	382			3,026	2,929		
Taxes and dues	-	45	-	40	13,630	13,629			23,015	23,014		
Other expenses	-	3,570	-	1,012	307	137			191	217		
NOI	-	69,688	-	13,486	166,390	167,012			205,769	205,849		
Depreciation	-	8,416	-	1,951	46,609	46,731			26,992	27,146		
Operating income (loss) from real estate leasing	-	61,271	-	11,535	119,780	120,280			178,777	178,703		
Capital expenditures	-	-	-	-	3,294	2,263			3,387	4,067		
NCF	-	69,688	-	13,486	163,096	164,748			202,381	201,782		
Period-end book value	-	3,648,190	-	3,304,112	6,605,645	6,561,177	3,479,579	3,734,157	7,788,516	7,765,437	4,643,978	4,628,965

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

Balance of Payments of Individual Properties (8)

Disposed

Asset Type	LGC-05		LGC-06		LGC-07		LGC-08		LGC-09		LGC-10	
Property name	Tokorozawa Logistics		Funabashi Nishiura Logistics I		Funabashi Nishiura Logistics II		Matsubushi Logistics		Funabashi Hi-Tech Park I		Funabashi Hi-Tech Park II	
												
Acquisition price	1,300 million yen		3,000 million yen		821 million yen		2,755 million yen		1,710 million yen		702 million yen	
Appraisal value	1,380 million yen		3,020 million yen		850 million yen		2,910 million yen		1,710 million yen		701 million yen	
Structure/Floors	S 2F		R 2F		R 4F		RC 3F		S 2F		S 2F	
Location	Tokorozawa City, Saitama		Funabashi city, Chiba		Funabashi city, Chiba		Kita-Katsushika-gun, Saitama		Funabashi city, Chiba		Funabashi city, Chiba	
Lot area	8,645.63㎡		7,142.00㎡		3,964.00㎡		11,580.65㎡		13,420.44㎡		8,268.35㎡	
Total floor areas	5,994.75㎡		14,018.82㎡		6,316.32㎡		19,833.47㎡		8,029.47㎡		4,384.83㎡	
Construction completion	April 30, 1999		October 11, 1985日		Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986		March 31, 1997		May 19, 2003		September 5, 2001	
	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	SSR prior FP (7month)	10FP	SSR prior FP (7month)	10FP
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												
Insurance premium	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Repair expenses												
Trust fee												
Taxes and dues												
Other expenses												
NOI												
Depreciation												
Operating income (loss) from real estate leasing												
Capital expenditures												
NCF												
Period-end book value	1,354,721	1,361,933	2,967,341	—	854,936	853,763	2,725,589	2,709,574	1,710,000	1,704,262	702,000	699,405

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

Balance of Payments of Individual Properties (9)

Asset Type	HTL-01		HTL-02		HTL-03		HTL-04		HTL-05		HTL-06	
Property name	R&B Hotel Umeda East		Smile Hotel Namba		Best Western Tokyo Nishi-kasai		Best Western Yokohama		Hotel WBF Fukuoka Tenjin Minami		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	2,250 million yen		1,400 million yen		3,610 million yen		3,190 million yen		1,930 million yen		2,440 million yen	
Structure/Floors	RC 9F		S 9F		SRC B1F/9F		SRC B1F/9F		RC 10F		SRC 10F/B1F	
Location	Osaka City, Osaka		Osaka City, Osaka		Edogawa Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka		Chiyoda Ward, 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	
	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP	9FP	10FP
Total operating revenue from real estate leasing	65,212	65,362	19,410	22,374	84,600	85,595	80,400	80,945				
Lease business revenue	65,212	65,362	19,410	22,374	84,600	84,600	80,400	80,400				
Other lease business revenue	-	-	-	-	-	995	-	545				
Total operating expenses from real estate leasing	9,349	9,228	5,677	4,130	12,853	11,941	7,241	6,693				
Management fee	742	742	660	660	1,200	1,200	1,200	1,200				
Utilities expenses	350	350	550	550	400	400	400	400				
Insurance premium	1	1	-	-	-	-	-	-	(*)	(*)	(*)	(*)
Repair expenses	111	117	53	55	125	130	105	110				
Trust fee	2,490	2,313	1,539	514	3,084	1,281	805	236				
Taxes and dues	5,452	5,452	2,276	2,276	8,019	8,019	4,706	4,705				
Other expenses	199	249	598	73	24	909	24	41				
NOI	55,863	56,134	13,733	18,243	71,746	73,653	73,158	74,252				
Depreciation	9,844	9,949	12,210	12,233	11,945	12,506	13,030	13,069				
Operating income (loss) from real estate leasing	46,019	46,185	1,522	6,010	59,800	61,146	60,128	61,183				
Capital expenditures	3,389	3,481	4,745	-	16,170	19,951	1,666	-				
NCF	52,474	52,653	8,987	18,243	55,575	53,702	71,492	74,252				
Period-end book value	2,114,870	2,108,402	1,675,380	1,663,146	3,859,803	3,867,247	3,260,542	3,247,472	1,956,921	1,948,273	2,503,949	2,499,306

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

Balance of Payments of Individual Properties (10)

Asset Type	HTL-07		HTL-08	
Property name	Best Western Tokyo Nishikasai Grande		KOKO Hotel Osaka Namba	
				
Acquisition price	3,180 million yen		2,000 million yen	
Appraisal value	3,130 million yen		1,450 million yen	
Structure/Floors	S 8F		RC9F	
Location	Edogawa Ward, Tokyo		Osaka City, Osaka	
Lot area	657.00㎡		335.31㎡	
Total floor areas	2,755.19㎡		2,061.38㎡	
Construction completion	February 7, 2017		April 7, 2017	
	9FP	10FP	9FP	10FP
Total operating revenue from real estate leasing	70,002	70,825	(*)	-
Lease business revenue	70,002	70,002		-
Other lease business revenue	-	823		-
Total operating expenses from real estate leasing	6,715	6,738		5,137
Management fee	990	990		1,214
Utilities expenses	400	400		350
Insurance premium	-	-		43
Repair expenses	63	67		48
Trust fee	-	-		-
Taxes and dues	5,239	5,239		3,153
Other expenses	22	41		327
NOI	63,286	64,087		Δ5,137
Depreciation	10,857	10,857		9,035
Operating income (loss) from real estate leasing	52,429	53,230		Δ14,173
Capital expenditures	-	-	114	
NCF	63,286	64,087	Δ5,252	
Period-end book value	3,164,952	3,154,095	1,989,108	1,980,186

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

Balance of Payments of Individual Properties (11)

	Office	Retail	Residence	Logistics	Hotel	Total
Total operating revenue from real estate leasing	2,217,108	1,014,452	968,232	1,022,855	425,972	5,648,622
Lease business revenue	2,009,772	919,348	925,540	981,246	423,608	5,259,516
Other lease business revenue	207,336	95,104	42,691	41,608	2,364	389,105
Total operating expenses from real estate leasing	642,495	415,583	262,756	176,804	53,322	1,550,962
Management fee	162,720	149,968	59,172	33,116	7,733	412,710
Utilities expenses	7,324	2,865	5,553	3,671	3,200	22,614
Insurance premium	128,602	116,579	17,558	38,562	45	301,349
Repair expenses	3,192	1,766	1,916	1,618	615	9,110
Trust fee	86,971	11,346	68,977	10,307	4,345	181,948
Taxes and dues	169,874	83,885	51,153	84,811	35,677	425,403
Other expenses	83,809	49,172	58,423	4,715	1,704	197,825
NOI	1,574,612	598,869	705,476	846,050	372,650	4,097,659
Depreciation	205,343	78,959	109,543	153,564	80,942	628,353
Operating income (loss) from real estate leasing	1,369,269	519,909	595,932	692,486	291,707	3,469,305
Capital expenditures	170,716	63,755	46,402	27,479	23,546	331,900
NCF	1,403,896	535,113	659,074	818,571	349,103	3,765,759
Period-end book value	68,134,518	15,260,962	33,224,657	30,018,678	20,468,131	167,106,948

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