

## Financial Results for the 18th Fiscal Period Ended January 2025



**S T A R A S I A**

**Star Asia Investment Corporation**

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



# Contents

## Characteristics of Star Asia Investment Corporation (SAR)

### 1. Diversified REIT

Portfolio developed with diversified assets located mainly in the Tokyo Area\*

### 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 by the Star Asia Group

### 3. Initiatives focusing on unitholder value

Continuous implementation of "out-of-the-box" dynamic asset allocation

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## Investment policy



**Prioritized, focused investment in the Tokyo Area\***

Investment ratio 70% ± 10% or higher in the Tokyo Area



**Achieving income stability and growth through diversification of asset type**



**Investment primarily in middle-size assets\*\***

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"

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

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

# 1. Executive Summary

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# 1. Executive Summary

## Overview of FP18

Performance indicators	Initial forecast	Actual results	difference	change ratio
Distribution per unit*	1,538 yen (37 yen)	<b>1,701</b> yen (18 yen)	<b>+163</b> yen	<b>+10.6%</b>
Earnings Per unit**	1,501 yen	<b>1,683</b> yen	<b>+182</b> yen	<b>+12.1%</b>
Rents from hotel properties	2,669 mn	<b>3,174</b> mn	<b>+504</b> mn	<b>+18.9%</b>

\*The figure in brackets ( ) for DPU is the amount for which internal reserves have been utilized.

\*\*EPU is calculated by dividing net income by the total number of investment units issued and outstanding

- Net income 4.03 bn yen (initial forecast)=> **4.52 bn yen** (actual), earnings per unit **+12.1%** / 1,683 yen
- **Rental revenue from hotels operated by Polaris: +22.9%** compared to forecast
- Rent increase in office achieved : **+10.9%** at new contract (excl. special contract), **+1.0%** at renewal
- Rent increases achieved in residence: **+8.4%** at new contract (84 / 98 units, 85.7%)  
**+2.3%** at renewal (146 / 262 units, 55.7%)
- Due to property acquisitions and asset replacements at the beginning of the current FP18, the ratio of hotels which are **inflation-responsive assets** has increased from 29.0% at end of previous FP.  
29.0% at the end of 17FP=>**37.4%** at the end of 18FP (the largest proportion within the portfolio).
- Achieved the Mid-Term Plan goal of DPU 1,600 yen  
(Current FP actual DPU: 1,701 yen, forecast DPU for FP19 & FP20: 1,600 yen or more).

\*\* Hotel operators which are affiliates of Polaris Holdings Co., Ltd. Same applies below.

## Forecasts for FP19 / FP20

### ◆ Forecasted Distributions Per Unit

FP19 **1,625** yen (33 yen)

FP20 **1,644** yen (33 yen)

### ◆ Assumption for FP19 and FP20

- GOP assumptions for 12 hotels operated by Polaris  
FP19 : 3.3 bn yen (+15.4% compared to the same period in the preceding year)  
FP20 : 3.4 bn yen (+3.2% compared to the same period in the preceding year )
- Average occupancy rate assumptions for office  
FP19 : 97.5% FP20 : 98.1%
- Average occupancy rate assumptions for residence  
FP19 : 97.3% FP20 : 97.3%
- Base rate for flexible rate / 3M TIBOR  
FP19 : 80bp FP20 : 100bp

## Summary of 7th Public Offering & 11th Asset Replacement and Progress on Mid-term plan

### <Summary of 7th Public Offering & 11th Asset Replacement>

- Acquired six assets of total amount 35.9 bn yen in August 2024
- Asset size has expanded to **276.5 bn yen** (as of the end of January 2025)
  - ⇒ Newly acquired assets: mainly **high asset value hotels in central Tokyo**
  - ⇒ The 12 hotels managed by Polaris, including the 4 newly acquired hotels, have a relatively high GOP margins, and are expected to **contribute to internal growth** through increased rents calculated based on GOP.
- **Average building age has improved to 20.4 years, while maintaining the portfolio's appraised NOI yield**, through acquiring newer properties and transferring two older properties. (as of September 6, 2024)  
(Previously 21.7 years \*as of the end of January 2024)

### <Progress on Mid-term plan>

- Asset size target: **300 bn yen**
  - ⇒ Expansion of asset size, since formulating the mid-term plan: 108.7 bn yen
  - ⇒ Asset size after 7th public offering: 276.5 bn yen
  - ⇒ Select optimal portfolio management policies, considering the level of unit price.  
(Asset replacement, Mezzanine loan debt, Asset acquisition utilizing public offering)
- Distribution per unit (DPU) target: **1,600 yen**
  - ⇒ FP18 actual: 1,701 yen, FP19 and FP20 forecast: 1,600 yen and more
  - ⇒ **Achieved** the mid term distribution target **ahead of schedule**

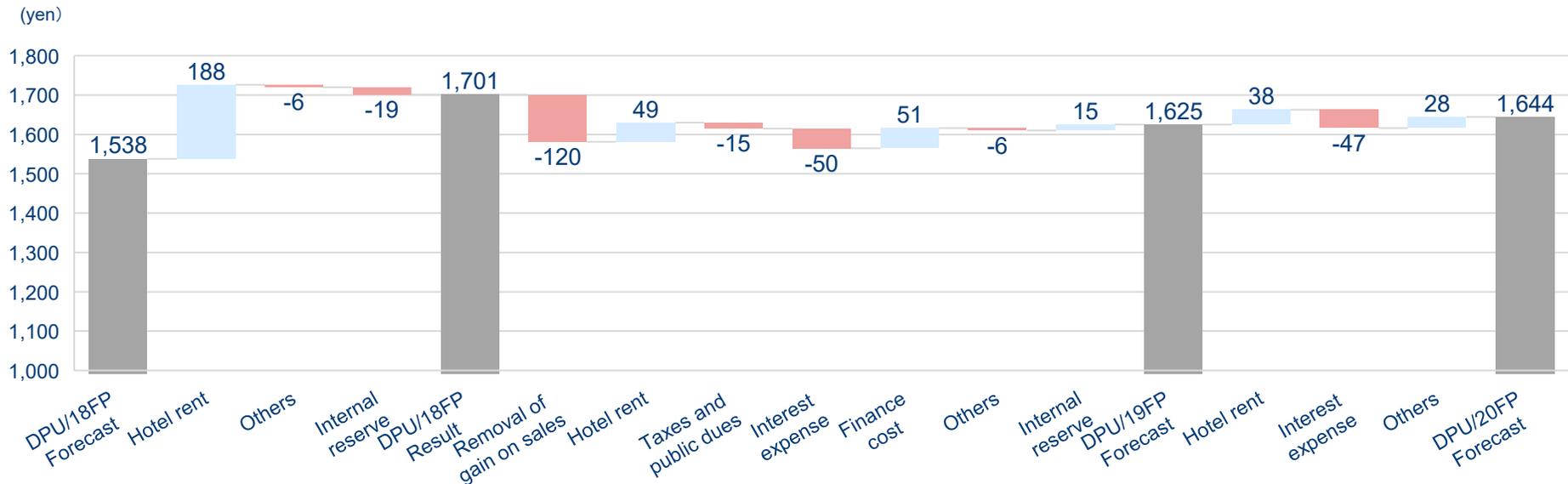
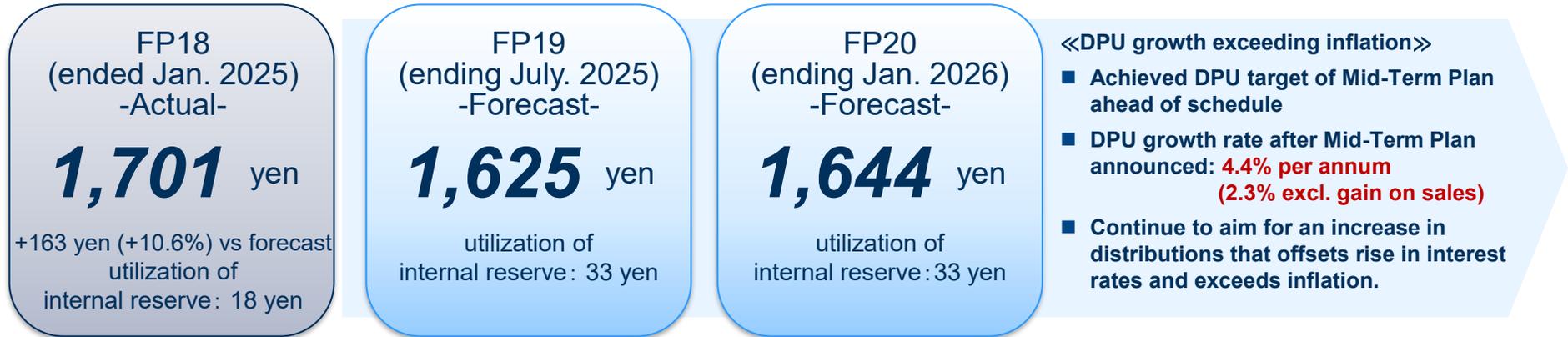
## **2. Actual distribution and forecasts for operating results**

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## 2. Actual distribution and forecasts for operating results (1)

Actual distributions for FP18 ended Jan. 31, 2025 and forecasted distributions for FP19 and 20

- ◆ In FP18, **rental income from hotels (particularly from Polaris-operated hotels) significantly exceeded forecasts**, and actual DPU **increased by 10.6%** compared to initial forecast.
- ◆ The target DPU of “1,600 yen or more” under the Mid-Term Plan was achieved ahead of schedule. Going forward, by focusing on internal growth, we will aim for an **increase in DPU exceeding inflation**.



## 2. Actual distribution and forecasts for operating results (2)

Factors for increase/decrease compared with forecast/actual results for the FP18

- ◆ Variable rents from twelve hotels, including four hotels acquired in August 2024, significantly increased Rental income from twelve hotels operated by Polaris: **+22.9%** compared to forecast

(unit : mn)

	FP18 (ended Jan 2025) forecast *	FP18 (ended Jan 2025) Actual	Comparison with forecast		Factors for the increase/decrease
<b>Lease business revenue</b>	<b>8,758</b>	<b>9,284</b>	<b>+526</b>	<b>+6.0%</b>	
Office rent	2,132	2,129	△3	△0.2%	
Retail rent	1,064	1,069	+5	+0.5%	
Residence rent	1,263	1,252	△11	△0.9%	
Logistics rent	916	916	+0	+0.1%	
Hotel rent	2,669	3,174	+504	+18.9%	
Others	712	743	+30	+4.3%	
Expenses related to rent business (Depreciation is excluded)	2,174	2,227	+52	+2.4%	<Lease business revenue > 【Hotel】 Increase in variable rents linked to GOP/Revenue 【Others】 Utility revenue +22
<b>NOI</b>	<b>6,583</b>	<b>7,057</b>	<b>+473</b>	<b>+7.2%</b>	<Expenses related to rent business > Utility costs +39 Repair costs +58 (KOKO HOTEL Sapporo Ekimae, Suroy Mall Chikushino, etc.) Leasing costs △43
Depreciation	1,142	1,142	△0	△0.0%	
<b>Rent revenues/expenses</b>	<b>5,440</b>	<b>5,914</b>	<b>+473</b>	<b>+8.7%</b>	
Capex	873	830	△43	△5.0%	
<b>NCF(NOI-CAPEX)</b>	<b>5,709</b>	<b>6,226</b>	<b>+517</b>	<b>+9.1%</b>	
Gain on sales	314	322	+8	+2.7%	
Mezzanine	37	50	+13	+37.3%	
Income from securities lending fees	31	31	-	0.0%	
SGA	819	847	+27	+3.4%	
<b>Operating income</b>	<b>5,003</b>	<b>5,472</b>	<b>+468</b>	<b>+9.4%</b>	<SGA > Increase in am fees due to increase in NOI, etc.
Non-operating income	-	1	+1	-	
Non-operating expenses	967	951	△16	△1.7%	
<b>Ordinary income</b>	<b>4,035</b>	<b>4,522</b>	<b>+486</b>	<b>+12.1%</b>	<Non-operating expenses > Decrease in variable interest rate, etc.
<b>Income before income taxes</b>	<b>4,035</b>	<b>4,522</b>	<b>+486</b>	<b>+12.1%</b>	
taxes	0	0	-	0.0%	
<b>Net income</b>	<b>4,035</b>	<b>4,522</b>	<b>+486</b>	<b>+12.1%</b>	
<b>Cash distribution per unit</b>	<b>1,538 yen</b>	<b>1,701 yen</b>	<b>163 yen</b>	<b>+10.6%</b>	
FFO per unit	1,810 yen	1,988 yen	+178 yen	+9.8%	
AFFO per unit	1,484 yen	1,679 yen	+195 yen	+13.1%	
Balance of internal reserves	8,527	8,576	+48	+0.6%	
(Reference) Net income per unit( yen per unit) *	1,501 yen	1,683 yen	182 yen	+12.1%	

\*Initial forecast disclosed in "(REIT) Financial Report for Fiscal Period Ended July 31, 2024" announced on September 13, 2024

## 2. Actual distribution and forecasts for operating results (3)

Forecast for FP19 ending July 2025 / FP20 ending January 2026

- ◆ Given recent performance, the twelve hotels operated by Polaris are expected to continue to perform well, and steadily improve during FP19 to FP20.

FP19 GOP forecast: +15.4% compared to same FP in the preceding year, FP20 GOP forecast: +3.2% compared to same FP in the preceding year  
(unit : mn)

	FP18 Actual (A)	FP19 Forecast (B)	Increase/decrease (B-A)		Major factors for the increase/decrease (VS FP17 Actual)	FP20 Forecast (C)	Increase/decrease (C-B)		Major factors for the increase/decrease (VS FP19 Forecast)
<b>Lease business revenue</b>	<b>9,284</b>	<b>9,355</b>	<b>+70</b>	<b>+0.8%</b>		<b>9,599</b>	<b>+244</b>	<b>+2.6%</b>	
Office rent	2,129	2,141	+11	+0.6%		2,202	+61	+2.9%	
Retail rent	1,069	1,072	+3	+0.3%		1,086	+13	+1.2%	
Residence rent	1,252	1,269	+17	+1.4%		1,271	+1	+0.1%	
Logistics rent	916	898	△18	△2.0%		914	+16	+1.8%	
Hotel rent	3,174	3,306	+132	+4.2%	<b>&lt;Lease business revenue&gt;</b> 【Hotel】 Increase in operating days of 4 hotels acquired in FP18, etc.	3,409	+102	+3.1%	<b>&lt;Lease business revenue&gt;</b> 【Hotel】 Increase in variable rent, etc.
Others	743	666	△76	△10.3%	【Others】 Utility revenue △35, Income from restoration costs △27	716	+50	+7.5%	【Other】 Utility cost +50
Expenses related to rent business (Depreciation is excluded)	2,227	2,209	△18	△0.8%		2,207	△2	△0.1%	
<b>NOI</b>	<b>7,057</b>	<b>7,145</b>	<b>+88</b>	<b>+1.3%</b>	<b>&lt;Expenses related to rent business&gt;</b>	<b>7,392</b>	<b>+246</b>	<b>+3.5%</b>	<b>&lt;Expenses related to rent business&gt;</b>
Depreciation	1,142	1,164	+22	+2.0%	Utility cost △46	1,195	+30	+2.7%	Utility cost +45
<b>Rent revenues/expenses</b>	<b>5,914</b>	<b>5,980</b>	<b>+66</b>	<b>+1.1%</b>	Taxes and public dues +40	<b>6,196</b>	<b>+215</b>	<b>+3.6%</b>	Leasing cost △47
CAPEX	830	867	+37	+4.5%		925	+58	+6.7%	
<b>NCF(NOI-CAPEX)</b>	<b>6,226</b>	<b>6,278</b>	<b>+51</b>	<b>+0.8%</b>		<b>6,466</b>	<b>+188</b>	<b>+3.0%</b>	
Gain on sales	322	-	△322	△100.0%	<b>&lt;Gain on sales&gt;</b>	-	-	-	
Mezzanine	50	37	△13	△27.3%	Removal of gain on sales of Urban Park Namba and Smile Hotel Namba in FP18	37	+0	+1.7%	
Preferred securities lending fee	31	30	△0	△1.6%		31	+0	+1.7%	
SGA	847	819	△27	△3.3%		852	+32	+4.0%	
<b>Operating income</b>	<b>5,472</b>	<b>5,229</b>	<b>△242</b>	<b>△4.4%</b>	<b>&lt;SGA&gt;</b>	<b>5,413</b>	<b>+184</b>	<b>+3.5%</b>	<b>&lt;SGA&gt;</b>
Non-operating income	1	-	△1	△100.0%	Decrease in taxes and public dues (non-deductible consumption taxes, etc.) etc.	-	-	-	Increase in am fees due to increase in NOI, etc.
Non-operating expenses	951	950	△1	△0.1%		1,082	+131	+13.9%	<b>&lt;Non-operating expenses&gt;</b>
<b>Ordinary income</b>	<b>4,522</b>	<b>4,279</b>	<b>△243</b>	<b>△5.4%</b>	<b>&lt;Non-operating expenses&gt;</b>	<b>4,331</b>	<b>+52</b>	<b>+1.2%</b>	Interest expenses, etc.
<b>Income before income taxes</b>	<b>4,522</b>	<b>4,279</b>	<b>△243</b>	<b>△5.4%</b>	Interest expenses +133	<b>4,331</b>	<b>+52</b>	<b>+1.2%</b>	
Taxes	0	0	-	0.0%	Borrowing cost +136	0	-	0.0%	
<b>Net income</b>	<b>4,522</b>	<b>4,278</b>	<b>△243</b>	<b>△5.4%</b>		<b>4,330</b>	<b>+52</b>	<b>+1.2%</b>	
<b>Cash distribution per unit</b>	<b>1,701 yen</b>	<b>1,625 yen</b>	<b>△76 yen</b>	<b>△4.5%</b>		<b>1,644 yen</b>	<b>+19 yen</b>	<b>+1.2%</b>	
<b>FFO per unit</b>	<b>1,988 yen</b>	<b>2,025 yen</b>	<b>+37 yen</b>	<b>+1.9%</b>		<b>2,056 yen</b>	<b>+31 yen</b>	<b>+1.5%</b>	
<b>AFFO per unit</b>	<b>1,679 yen</b>	<b>1,703 yen</b>	<b>+24 yen</b>	<b>+1.4%</b>		<b>1,712 yen</b>	<b>+9 yen</b>	<b>+0.5%</b>	
<b>Balance of internal reserves</b>	<b>8,576</b>	<b>8,488</b>	<b>△87</b>	<b>△1.0%</b>		<b>8,401</b>	<b>△86</b>	<b>△1.0%</b>	
<b>(Reference) Net income per unit*</b>	<b>1,683 yen</b>	<b>1,592 yen</b>	<b>△91 yen</b>	<b>△5.4%</b>		<b>1,611 yen</b>	<b>+19 yen</b>	<b>+1.2%</b>	

\* EPU is calculated by dividing net income by the total number of investment units issued and outstanding (FP18 ended January 2025).

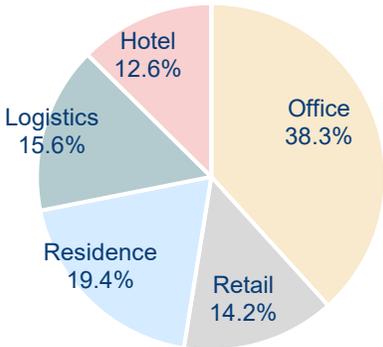
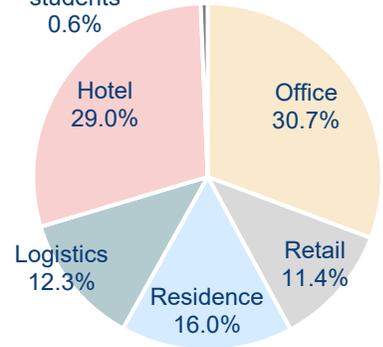
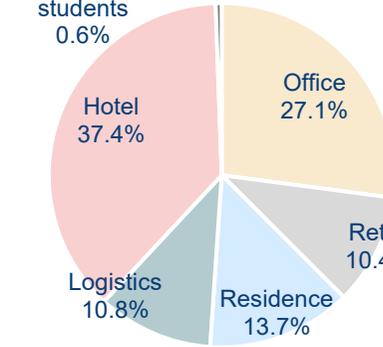
### **3. Overview of public offering in year 2023 and 2024**

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### 3. Overview of public offering in year 2023 and 2024 (1)

#### Change in portfolio

- ◆ **Achieved bold asset allocation** reading ahead market conditions.  
/ **Ratio of hotels**, which are inflation-responsive assets, **rose to 37.4%**.
- ◆ Strengthened portfolio as well as expanding asset under management.  
/ **Average building age has improved to 20.8 years**, while **maintaining the portfolio's appraised NOI yield**

		FP14 ended Jan 2023	FP16 ended Jan 2024	FP18 ended Jan 2025
<b>Asset size</b>		<b>195.2 bn yen</b>	<b>243.8 bn yen</b>	<b>276.5 bn yen</b>
				
<b>% of properties in Tokyo Area</b> <small>(note 1)</small>	overall portfolio	<b>71.9 %</b>	<b>63.6 %</b>	<b>66.4%</b>
	excl. suburban retail properties	<b>78.0 %</b>	<b>67.9 %</b>	<b>70.2%</b>
<b>Average building age</b> <small>(note 2)</small>		<b>24.5 yrs</b>	<b>21.7 yrs</b>	<b>20.8 yrs</b>
<b>Average appraisal NOI yield</b> <small>(note 3)</small>		<b>4.8 %</b>	<b>4.8 %</b>	<b>4.9%</b>
<b>Average post-depreciation appraisal NOI yield</b> <small>(note 4)</small>		<b>4.1 %</b>	<b>4.0 %</b>	<b>4.1%</b>
<b>NAV per unit</b>		<b>62,264 yen</b>	<b>62,630 yen</b>	<b>66,805 yen</b>

### 3. Overview of public offering in year 2023 and 2024 (2)

Contribution to increase in NOI of Newly Acquired Assets in 2023 and 2024

◆ in FP18, NOI yield has exceeded significantly appraisal NOI yield at time of acquisition regarding the eleven assets totaled 49.1 bn yen acquired in 2023 and five assets totaled 35.8 bn yen in 2024 / eleven assets: 4.8% => **6.2%** five assets: 4.6% => **6.0%\***

	Public Offering in 2023 (6th)	Public Offering in 2024 (7th), etc.
Assets acquired	 <p>KOKO HOTEL Ginza 1-Chome KOKO HOTEL Sapporo Ekimae KOKO HOTEL Fukuoka Tenjin KOKO HOTEL Hiroshima Ekimae KOKO HOTEL Kagoshima Tenmonkan KOKO HOTEL Sapporo Odori Best Western Plus Fukuoka Tenjin-minami Urban Park Mitaka Urban Park Umejima Urban Park Kamata-Minami I Urban Park Kamata-Minami II</p>	 <p>KOKO HOTEL Tsukiji Ginza KOKO HOTEL Residence Asakusa Kappabashi KOKO HOTEL Residence Asakusa Tawaramachi KOKO HOTEL Osaka Shinsaibashi Urban Forum Warabi**</p>
Total acquisition price	<b>49,191 million yen</b>	<b>35,800 million yen</b>
Total appraisal value (at time of acquisition)	<b>52,924 million yen</b>	<b>39,840 million yen</b>
NOI yield	<p>Average appraisal NOI yield (at time of acquisition): <b>4.8%</b></p> <p>Average appraisal NOI yield (18FP actual): <b>6.2%</b></p> <p>+1.4%</p>	<p>Average appraisal NOI yield (at time of acquisition): <b>4.6%</b></p> <p>Average appraisal NOI yield (18FP actual): <b>6.0%*</b></p> <p>+1.4%</p>
Comparison in GOP (at time of acquisition vs actual)	<p>(million yen)</p>  <p>FP17 forecast announced when PO was disclosed: 1,400 million yen FP17 actual: 1,600 million yen (+17.1%) FP18 forecast announced when PO was disclosed: 1,600 million yen FP18 actual: 1,900 million yen (+18.3%)</p>	<p>(million yen)</p>  <p>FP17 forecast announced when PO was disclosed: 900 million yen FP18 actual: 1,000 million yen (+10.2%)</p>

\* The fixed property taxes, city planning taxes and other public charges for the five assets acquired on Aug. 16 and Aug. 30, 2024 are not to be recorded as expenses in the fiscal period ended January 31, 2025. Therefore, the figure is calculated by the following formula.

average NOI yield (FP18 actual) = actual NOI / operating days \* 184 days (calculation period of 18FP) – for the above applicable taxes expected for 19FP] \* 2 / total acquisition price

\*\* Urban Forum Warabi was acquired by cash on hand, however it is recognized a series of assets acquisition based on the funds from the public offering.

## **4. Progress on Mid-Term Plan**

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## 4. Progress on Mid-Term Plan

Steady progress and initiatives taken going forward

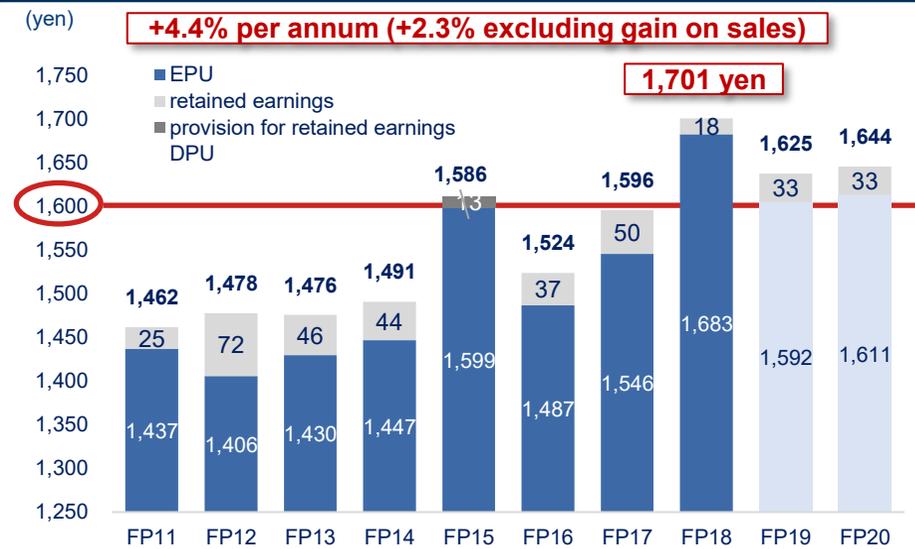
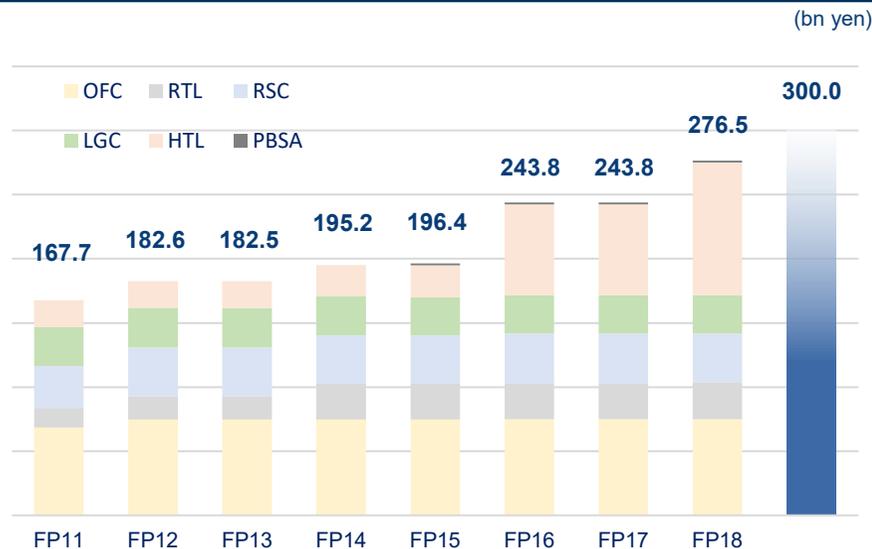
- ◆ **Achieved** the mid term distribution target: **1,701 yen** for FP18 **ahead of schedule** and **more than 1,600 yen per unit** are to be forecasted for FP19 and FP20.
- ◆ Increase of **4.4%** (+2.3% excluding gain on sales) **per annum** based on distribution for FP 11 of 1,462 yen immediately after Mid-Term Plan announced / Keep aiming for **distribution growth of exceeding inflation rate**

### Mid-Term Plan (Target year FY2026)

asset size : **300.0** bn yen  
# of assets **100**

**Achieved in 18FP**

Distributions per unit: **1,600** yen or more  
increase of **+2%** per annum or more



**progress**

- **276.5 bn yen** (23.5 bn yen to target) at end of current FP18
- Increased by **108.7 bn yen** in asset size from FP11 (ended July 2021) (increase 31.0 bn yen / year in average)

**initiatives to be taken**

- Maintain asset size target.
- Select optimal portfolio management policies, considering the level of unit price.
- Actively pursue opportunities for **inorganic growth**.

**progress**

- Achieved DPU target: FP18 **1,701 yen**, 1,600 yen or more on and after (FP19 forecast: 1,625 yen, FP20 forecast: 1,644 yen)
- Increased **4.4%** (2.3% excl. gain on sales) **per annum** from FP11 (ended July 2021)

**initiatives to be taken**

- Aim to achieve **growth in DPU exceeding inflation** by pursuing construction of an optimal portfolio through taking internal growth initiatives and timely changes to asset allocation.

## **5. Operating results for FP18 ended January 2025**

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# 5. Operating results for FP18 ended January 2025 (1)

Operating results for FP18 and operating strategy going forward

## FP18 (2025/01) Operating Results

<b>Hotel</b>	<ul style="list-style-type: none"> <li>19 properties owned, average acquisition price 5.39 bn yen</li> <li>income of hotels, in particular Polaris-operated hotels, significantly exceeded forecasts by <b>18.9%</b></li> <li>KPI of the 12 properties operated by Polaris OCC 87.8%, ADR 14,527 yen, RevPAR 12,751 yen</li> <li>Initiatives for improvement of ADR Partial twinning of rooms (KOKO HOTEL Ginza 1-Chome)</li> <li>Average NOI yield: 5.6%</li> </ul>
<b>Office</b>	<ul style="list-style-type: none"> <li>21 properties owned, average acquisition price 3.56 bn yen</li> <li>Average occupancy rate 96.1% / Effective occupancy rate 95.1% (compared to FP17 ▲0.8% / ▲1.0%)</li> <li>Rents increase at new contract and renewal +1,929 thousand yen / month</li> <li>Average NOI yield: 4.5%</li> </ul>
<b>Retail</b>	<ul style="list-style-type: none"> <li>Urban retail: 3 properties; Suburban retail: 3 properties</li> <li>Average occupancy rate 97.3%(compared to FP17 +0.4%)</li> <li>Acquired one urban retail property located near the station</li> <li>Average NOI yield: 5.3%</li> </ul>
<b>Residence</b>	<ul style="list-style-type: none"> <li>21 properties owned, average acquisition price 1.80 bn yen</li> <li>Average occupancy rate 96.9%(compared to FP17 +0.6%)</li> <li>Family type(30㎡ or larger): 96.3%</li> <li>Net rent increase at new contract and renewal:+1,980 thousand yen / month</li> <li>Average NOI yield: 5.2%</li> </ul>
<b>Logistics</b>	<ul style="list-style-type: none"> <li>8 properties owned, average acquisition price 3.74 bn yen</li> <li>Average occupancy rate 98.6%(compared to FP17 ±0%)</li> <li>Mid-sized logistics properties located within roughly 30km from Tokyo Station</li> <li>Rent increase in one property from Aug. 2024 (+0.8%)</li> <li>Average NOI yield: 5.2%</li> </ul>

## FP19 (2025/07), FP20 (2026/01) Operating Strategy

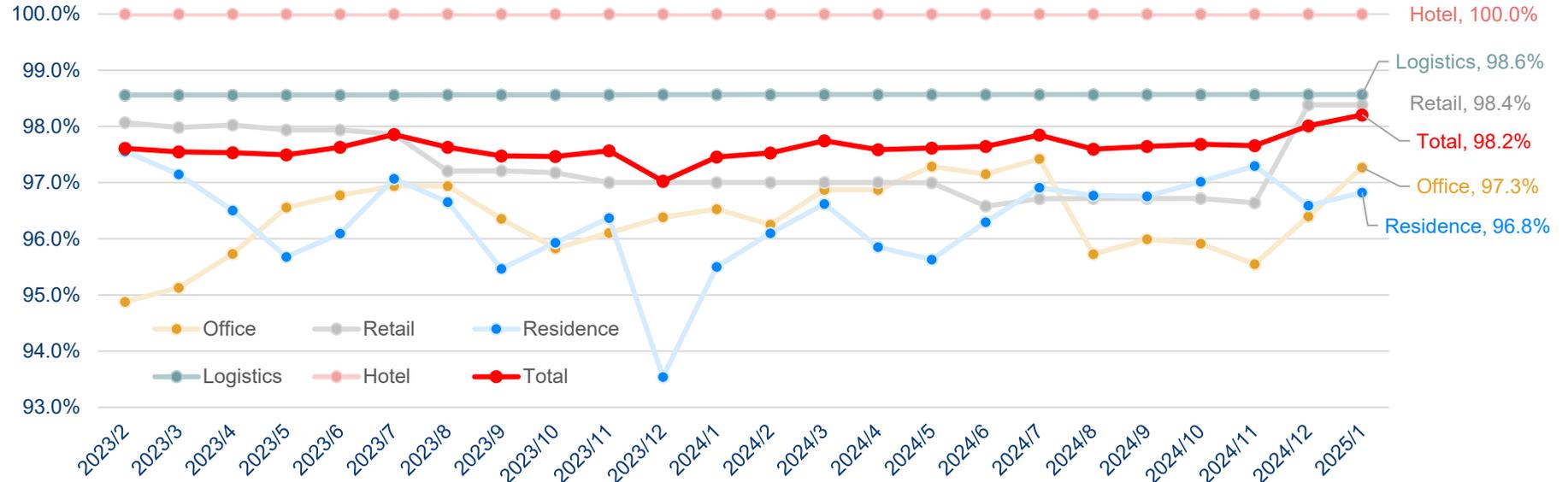
<b>Hotel</b>	<ul style="list-style-type: none"> <li>Assumption on KPIs for twelve hotels operated by Polaris FP19 OCC: 89.2%, ADR:15,030 yen, RevPAR :13,406 yen FP20 OCC: 89.1%, ADR:15,336 yen, RevPAR :13,660 yen</li> <li>Expect income increase from two hotels whose operator will switch to Polaris with GOP linked rent structure in July 2025 Ratio of properties operated by Polaris: 87.0% (on and after July 2025)</li> <li>Aim to improve profitability by prompt strategic CAPEX (Twinning construction, etc.) by way of close communication with Polaris</li> </ul>
<b>Office</b>	<ul style="list-style-type: none"> <li>Assumption: average occupancy rate 97.5%(FP19), 98.1%(FP20)</li> <li>Conducting leasing activities with appropriate rents to realize higher rents</li> <li>Pursuing rent increase for the tenants with gap between market rent and current rent</li> <li>Keep realizing rent increase at new contract / renewal taking advantage of the environment that SMEs are expected to be able to handle higher rents</li> </ul>
<b>Retail</b>	<ul style="list-style-type: none"> <li>Assumption: average occupancy rate 98.3%(FP19), 98.6%(FP20)</li> <li>Focus on investing in urban retail properties located near the station, while consider transferring suburban retail properties</li> <li>Suoy Mall Chikushino (suburban retail): Focusing on leasing the vacant spaces</li> <li>Consider measures to improve profitability at other retail properties owned</li> </ul>
<b>Residence</b>	<ul style="list-style-type: none"> <li>Assumption: average occupancy rate 97.3%(FP19), 97.3%(FP20)</li> <li>Aiming for rent increase at new contract / renewal</li> <li>Keep considering renovation to realize rent increase (change of layout to meet area characteristics or demand diversification, etc.)</li> </ul>
<b>Logistics</b>	<ul style="list-style-type: none"> <li>In discussion with one tenant (29,719.27㎡) aiming for re-contract with rent increase in FP19</li> <li>Leasing activities underway the space planned to vacate in Mar. 2025 (5,994.75㎡).</li> </ul>

\* excluding the cases where the contract was or the space had been vacant since it was acquired.

# 5. Operating results for FP18 ended January 2025 (2)

## Occupancy rate status

- ◆ For the portfolio, during FP18 (ended January 2025), the occupancy rate was maintained at 97.6% or higher.
- ◆ We focused on increasing rents in accordance with the characteristics of each asset type, while maintaining occupancy rate levels.



	FP15	FP16	FP17	FP18						
	2023/07	2024/01	2024/07	2024/08	2024/09	2024/10	2024/11	2024/12	2025/01	average
Office	96.9%	96.5%	97.4%	95.7%	96.0%	95.9%	95.5%	96.4%	97.3%	96.1%
Retail	97.9%	97.0%	96.7%	96.7%	96.7%	96.7%	96.6%	98.4%	98.4%	97.3%
Residence	97.1%	95.5%	96.9%	96.8%	96.8%	97.0%	97.3%	96.6%	96.8%	96.9%
Logistics	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	<b>97.9%</b>	<b>97.5%</b>	<b>97.8%</b>	<b>97.6%</b>	<b>97.6%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>98.0%</b>	<b>98.2%</b>	<b>97.8%</b>

# 5. Operating results for FP18 ended January 2025 (3)

## Hotel portfolio overview

### Overview

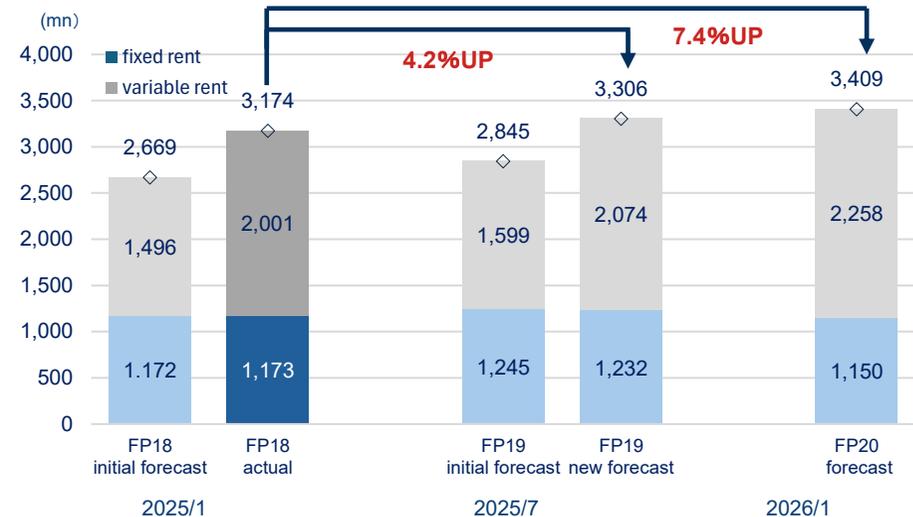
#### <FP18>

- Total rents income: 3,174mn / **+18.9%** compared to initial forecast
- Variable rent: 2,001mn / **+33.7%** compared to initial forecast  
Rents from hotels operated by Polaris **significantly exceeded expectations** (+22.9% compared to the initial forecast)

#### <Upside potential for FP19 and onwards>

- KOKO HOTEL Ginza 1-Chome: Twinning 20 rooms (completed in Jan. 2025), aiming for ADR +6,000 yen
- Aiming for rent increase with Polaris for the lower floor whose contract will expire with a sub-lease tenant
- Merger of Polaris and Minacia is expected to lead to higher profitability  
=>decrease in amenity unit price, optimization of outsourcing, making area management more efficient
- Operator to be changed to Polaris of two hotels (July 24, 2025)  
=>expect increase in stabilized rent

### Rents from hotels (actual/forecast)



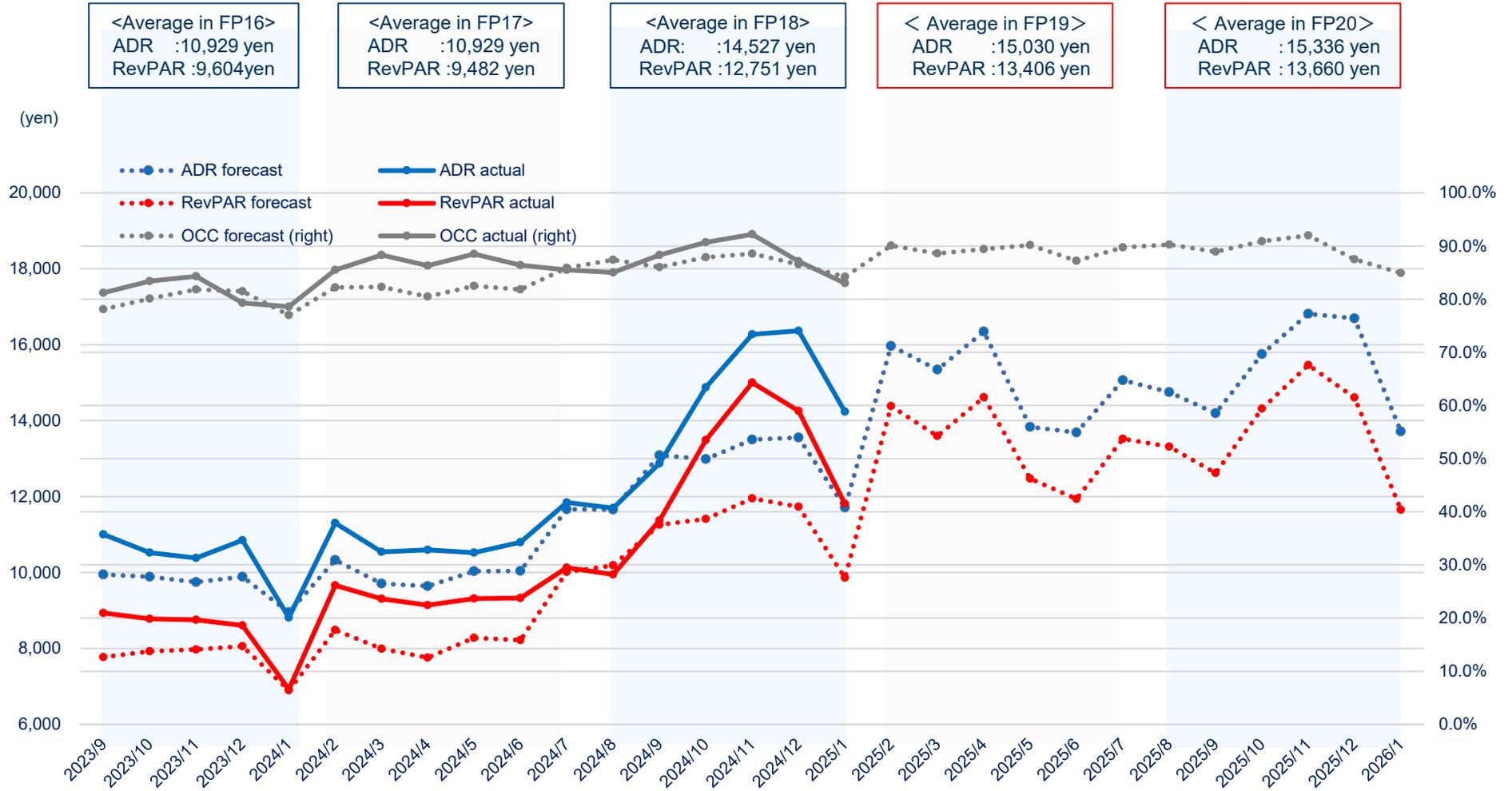
### Characteristics of hotels operated by Polaris

	Property name	Type	Acquisition price (mn)	# of rooms	inbound ratio	DOR double occupancy rate	LOS length of stay
HTL-08	KOKO HOTEL Osaka Namba	Limited Service	2,000	100	73.6%	1.89	2.26
HTL-10	KOKO HOTEL Ginza 1-Chome	Limited Service	17,800	305	87.6%	1.83	2.43
HTL-11	KOKO HOTEL Sapporo Ekimae	Limited Service	6,700	224	62.0%	1.70	1.94
HTL-12	KOKO HOTEL Fukuoka Tenjin	Limited Service	5,000	159	54.8%	1.76	1.86
HTL-13	KOKO HOTEL Hiroshima Ekimae	Limited Service	4,100	250	7.6%	1.16	1.46
HTL-14	KOKO HOTEL Kagoshima Tenmonkan	Limited Service	3,800	295	3.0%	1.27	1.40
HTL-15	KOKO HOTEL Sapporo Odori	Limited Service	4,200	145	75.1%	1.93	2.34
HTL-16	Best Western Plus Fukuoka Tenjin-minami	Limited Service	3,800	236	51.6%	1.83	1.56
HTL-17	KOKO HOTEL Tsukiji Ginza	Limited Service	17,000	188	92.7%	2.46	2.71
HTL-18	KOKO HOTEL Residence Asakusa Kappabashi	Residence	4,300	42	91.3%	3.36	3.18
HTL-19	KOKO HOTEL Residence Asakusa Tawaramachi	Residence	5,900	47	98.3%	3.60	3.47
HTL-20	KOKO HOTEL Osaka Shinsaibashi	Limited Service	7,500	211	83.5%	1.69	2.26

# 5. Operating results for FP18 ended January 2025 (4)

## Hotel / KPIs of hotels operated by Polaris

◆ For FP19 and FP20, the trend of **gradual rise** in management indicators is expected to continue.



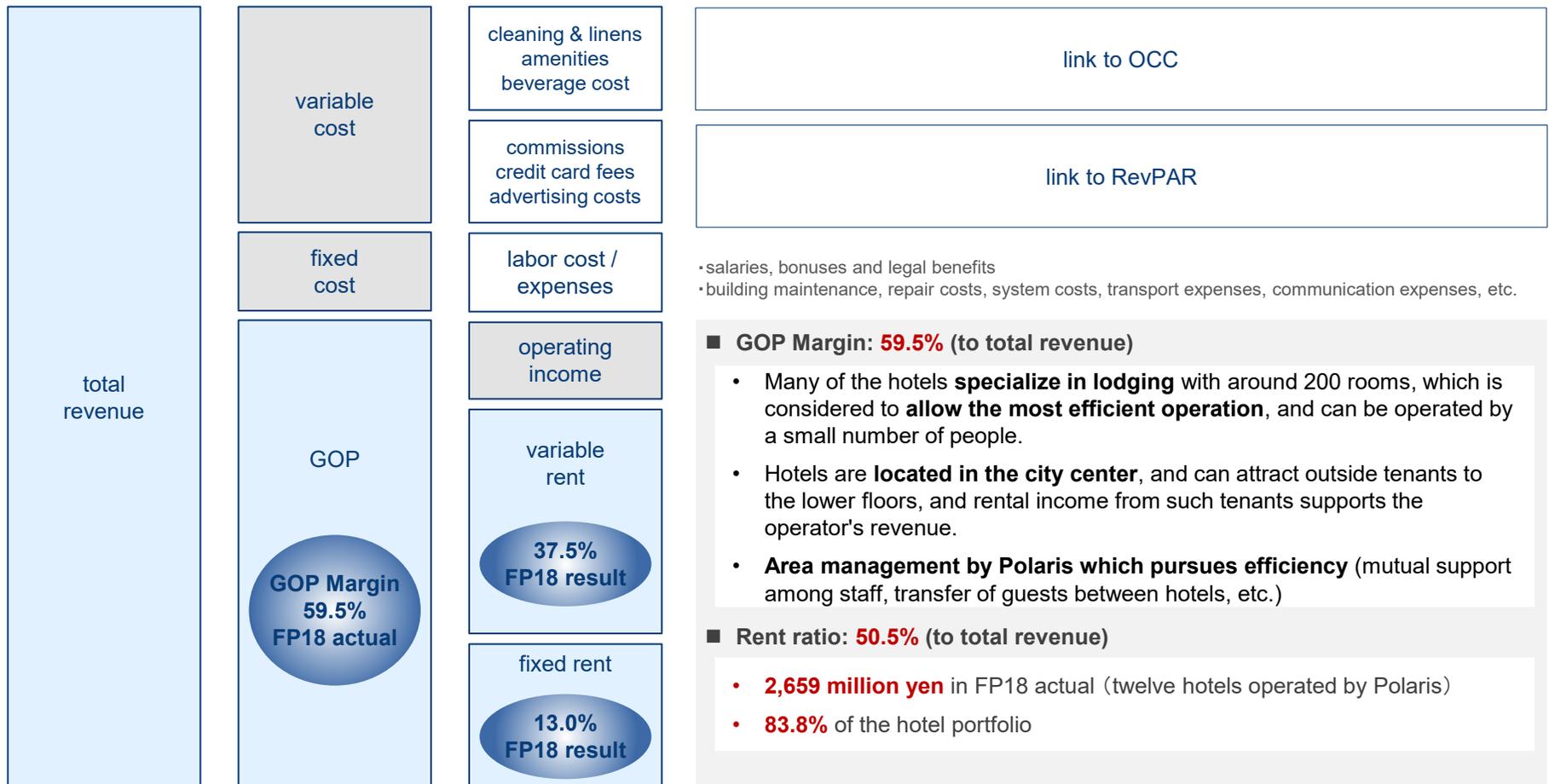
\*This chart reflects the performance figures of hotels (KOKO HOTEL Series and BEST WESTERN Yokohama) operated by Polaris Holdings Co., Ltd. (Securities Code: 3010), a member of Star Asia Group, and its affiliates. However, the figures for 8 hotels are shown up to the end of August 2024, and figures for 12 hotels after adding the 4 properties acquired on August 30 are reflected in the figures from September 2024.

## 5. Operating results for FP18 ended January 2025 (5)

### Hotel / Revenue Structure of Polaris

- ◆ Ratio of GOP (GOP Margin) is **59.5%**, average of twelve hotels operated by Polaris, pursuing higher efficiency taking advantage of merger with Minacia.
- ◆ In FP19 and FP20, same level of GOP margin as FP18 is assumed.

Revenue structure of twelve hotels operated by Polaris (FP18 actual basis)

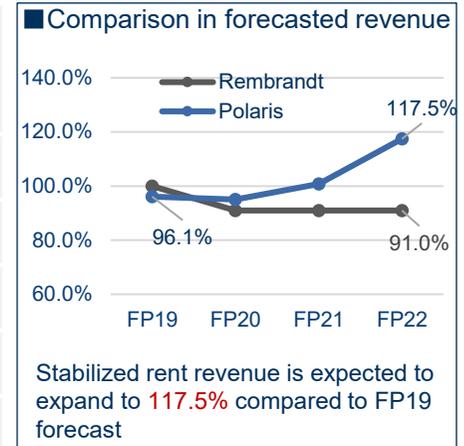


## 5. Operating results for FP18 ended January 2025 (6)

### Hotel / Change of Operators

- ◆ Considered measures to increase profit, including operator change upon the expiration of the existing operator's fixed-term lease of REMBRANDT STYLE Tokyo Nishikasai and BEST WESTERN Yokohama.
- ◆ **Increase in profit** is expected by changing the operator to Polaris.  
Number of hotels operated Polaris is to be fourteen (of nineteen hotels owned) on and after July 24, 2025.

Overview					
Subject Asset	New name	<b>KOKO HOTEL Tokyo Nishikasai</b>		<b>KOKO HOTEL Yokohama Tsurumi</b>	
	Current name	REMBRANDT STYLE Tokyo Nishikasai		BEST WESTERN Yokohama	
New tenant		Fino Hotels Co., Ltd.,			
Form of new contract		fixed-term lease 2025/7/24~2040/7/23			
		<b>fixed rent + variable rent</b>			
		fixed: 6,630,000 yen / month variable: <b>actual GOP * 85%</b> - fixed rent		fixed: 5,390,000 yen / month variable: <b>actual GOP * 85%</b> - fixed rent	
Initial cost for operator change (constructions to be borne by SAR)		<ul style="list-style-type: none"> <li>•Renewal of hotel management system</li> <li>•Signboard Installation</li> <li>•Renewal of guest room and front desk</li> </ul>		<ul style="list-style-type: none"> <li>•Renewal of hotel management system</li> <li>•Signboard Installation</li> <li>•Renewal of guest room and front desk</li> </ul>	
		Capex 39,811 thousand yen Repair costs 12,259 thousand yen		Capex 47,512 thousand yen Repair costs 10,503 thousand yen	
		110,085 thousand yen in total			
Schedule	closed period	2025/7/24 - 2025/8/7 (scheduled)			
	transition period	①2025/8/8 - 2025/9/30 expected OCC of 70% ②2025/10/1 - 2026/7/31 expected OCC of 80%			
	full operation	2026/8/1(in 13 month) occupancy rate of 85% expected			
Specifications		rooms: 184 in total single 113, double 8, twin 63		rooms: 185 in total single 144, double 22, twin 19	



\* Indexed as 100% of revenue of FP19 forecasted by the former operator

- Strategic CAPEX to maximize profit going forward
- Plan to appropriate 40 million yen retained from net income in FP18.

# 5. Operating results for FP18 ended January 2025 (7)

## Office / Operating Results, Occupancy Rate and Changes in Tenants

### Operating Results

<Basic information >

21 properties, average acquisition price 3.5 bn

<Performance for FP18>

- Newly attracted tenants: 15 tenants (rents increased on average of **10.9%** compared to before)
- Free rent: Average 1.9 months
- Increase in rents at time of contract renewal: 8 tenants (average of **7.4%** increase compared to before)
- Net increase in rent **+1,929 thousand yen / month** (total of new contract and renewal\*)

<Forecast for FP19 and onwards>

- In FP19 and 20, increase in rents is expected due to tight supply and abundant demand.

Occupancy rate at the end of the period: FP19 98.1% => FP20 98.0%

Average occupancy rate during the period: FP19 97.5% => FP20 98.1%

\*Excluding cases where the previous tenant was on a short-term lease and the market rent was above market rent and where the previous tenant is unknown.

### Status of change in tenant

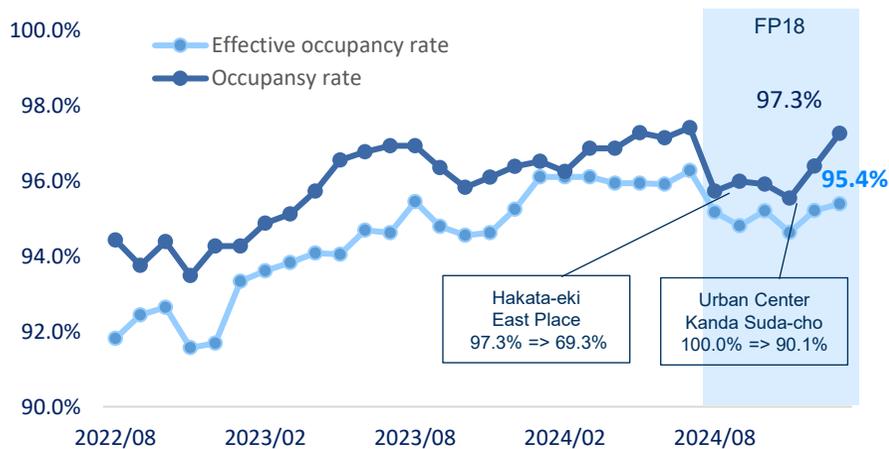
	# of tenants	Area(m <sup>2</sup> )	Average rent at new contract +10.9% (+1,208 thousand yen/month)
<b>&lt;New Contract&gt;</b>	<b>15</b>	<b>3,443.55</b>	Excluding cases where the previous tenant was on a short-term lease and the market rent was above market rent and where the previous tenant is unknown
Rent up	9	1,333.56	
Same rent	1	508.24	
Rent down	4	1,023.25	
Unknown	1	578.50	Average free rent 1.9 months

	# of tenants	Area(m <sup>2</sup> )	Average rent at renewal +1.0%
<b>&lt;Renewal&gt;</b>	<b>52</b>	<b>15,967.93</b>	Rent increase at renewal +7.4%(+720 thousand yen/month)
Rent up	8	2,108.89	
Same rent	44	13,859.04	
Rent down	0	—	Rent decrease at renewal none

\*Only tenants whose contracts were up for renewal during the FP17

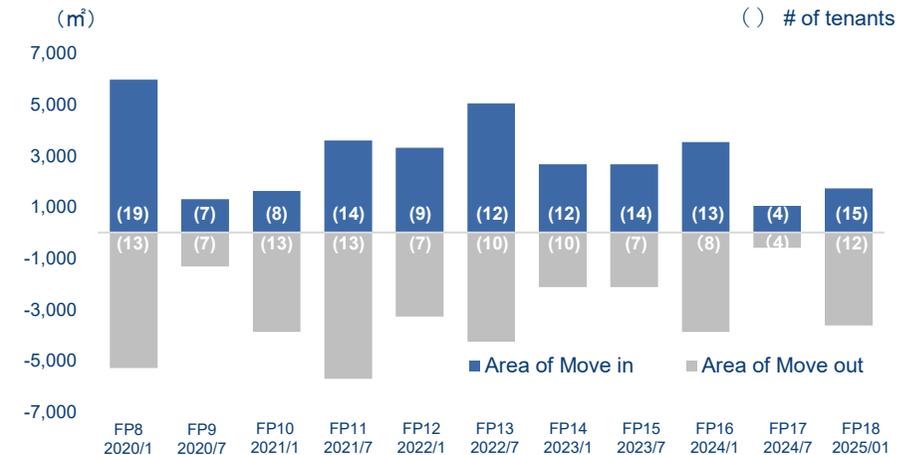
<b>&lt;Leaving&gt;</b>	<b>12</b>	<b>3,626.90</b>	Including partial termination
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### Contracted occupancy rate / Effective occupancy rate\*



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

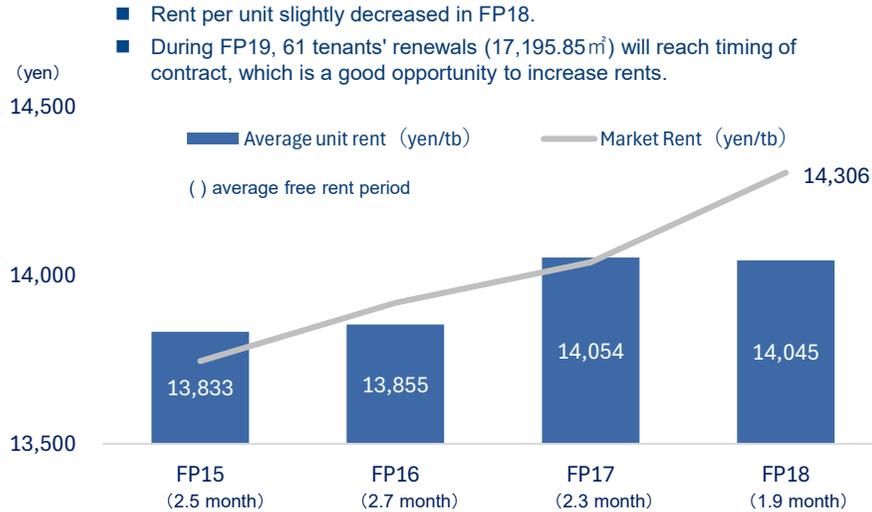
### Contract Rent Period of Office Portfolio



# 5. Operating results for FP18 ended January 2025 (8)

## Office / Status of Rent Gap and Trends in Unit Rents

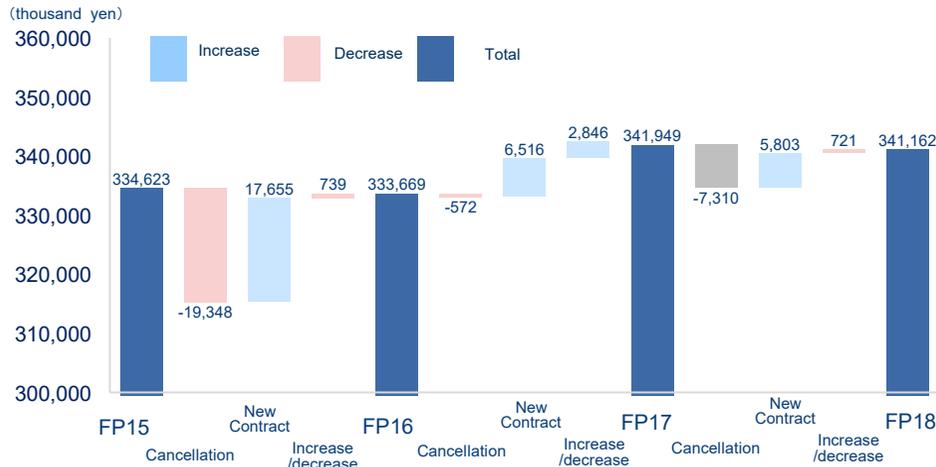
### Trends in Market Rents and Contract Rents/Average FR Period



### Contract Rent Period of Office Tenants



### Total monthly rent at the end of the period



### Addressing leasing issues

#### 【Hakata East Place (Fukuoka-shi, Fukuoka)】



Acquisition price	2,286 mil yen
Structure	SRC 9F
Leasable area	4,681.2㎡
Construction completion	Feb. 1986

- Tenants under contract on two floors vacated in August 2024, and OCC fell to 69.3%.
- Partial leasing completed in January 2025, Leasing of remaining spaces is in progress



#### 【Amusement Media Gakuin Shinkan (Shibuya-ku, Tokyo)】



Acquisition price	1,020 mil yen
Structure	RC 7F
Leasable area	781.33 ㎡
Construction completion	Jan. 1999

- Received notice of termination dated May 2025
- To be leased whole building to one tenant from May 2025, which will lead to **1.5 times** revenue.



# 5. Operating results for FP18 ended January 2025 (9)

## Retail

### Operating Results

#### <basic information>

	Property name	Location	# of tenants	Leasable area	Occupancy rate as of end of FP
urban	BAGUS Ikebukuro West abeno nini (Retail)	Toshima-ku, Tokyo	1	1,497.45㎡	100.0%
	abeno nini (Retail)	Osaka-shi, Osaka	5	3,481.03㎡	100.0%
	Urban Forum Warabi	Kawaguchi-shi, Saitama	5	1,158.14㎡	100.0%
suburban	La Park Kishiwada	Kishiwada-Shi, Osaka	46	41,050.01㎡	97.6%
	Seiyu Minakuchi	Koka- hi, Shiga	1	23,814.87㎡	100.0%
	Suroy Mall Chikushino	Chikushino-Shi, Fukuoka	23	31,088.53㎡	94.3%
	total / average		74	100,931.89㎡	96.7%

#### <Topics in FP18>

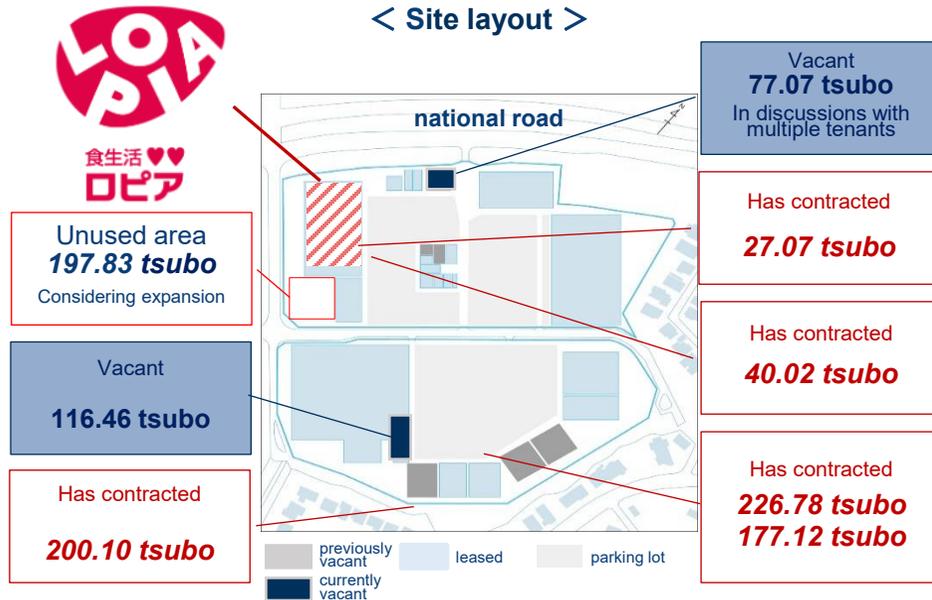
- Stable occupancy during FP18 as expected
- Suroy Mall Chikushino: newly contracted with five new tenant monthly rent in total: **+9.3%** Occupancy Rate: **+5.4%** (92.5%=>97.9%)
- Total sales of Suroy Mall Chikushino were 175% compared to last year/ 145% of the number of visitors

#### <FP19 onwards>

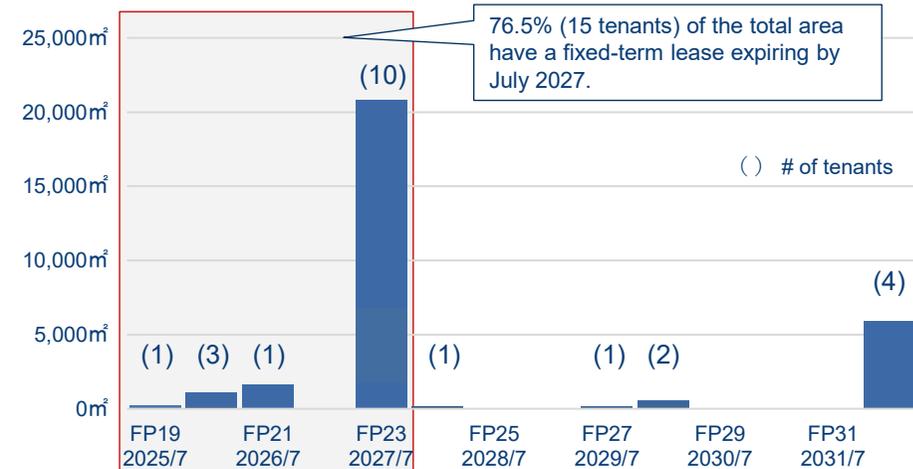
- Increase value of three suburban retail properties by realizing internal growth, preparing for future sales
- Suroy Mall Chikushino: Continue to lease the vacant spaces
- La Park Kishiwada: Consider renewal and tenant mix to be more competitive in the area
- Two urban retail properties and the property near the station assumed to be stable

### Suroy Mall Chikushino/ Strategic Leasing

#### < Site layout >



#### <Contract renewal period>



# 5. Operating results for FP18 ended January 2025 (10)

## Residence

- ◆ Composed of **mainly family-type residential units that can realize continuous rent increases**, with 96.3% of the floor space of 30m<sup>2</sup> or more (based on floor area).
- ◆ Policy is to strictly select only relatively new properties for single-type residences. In September 2024, Urban Park Namba which is composed on mainly for single-type units was sold.

### Operating Results

#### <Basic information>

less than 30m <sup>2</sup>		30m <sup>2</sup> between 60m <sup>2</sup>		60m <sup>2</sup> or larger	
# of units	total area	# of units	total area	# of units	total area
144	3,687.64 m <sup>2</sup>	324	15,614.69 m <sup>2</sup>	1,114	79,090.24 m <sup>2</sup>
(3.7%)		(15.9%)		(80.4%)	

\*20 properties owned at the end of FP18

#### <FP18 results>

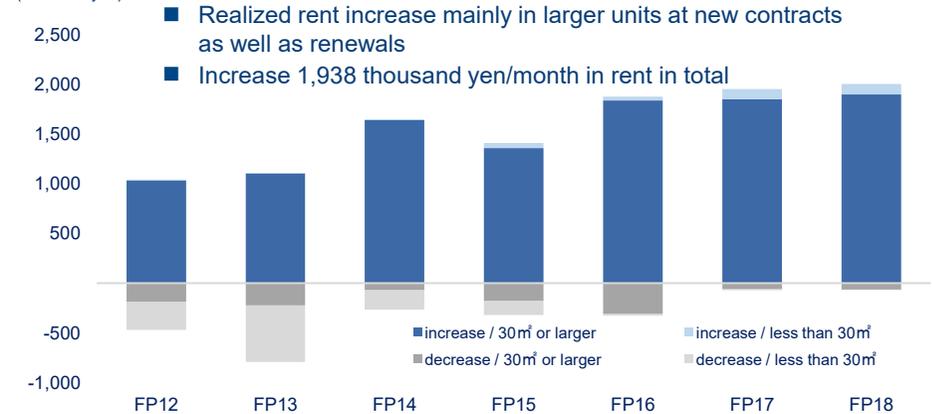
Average occupancy rate 96.9%, rents has increased mainly in 60m<sup>2</sup>/unit.

	less than 30m <sup>2</sup>		30m <sup>2</sup> between 60m <sup>2</sup>		60m <sup>2</sup> or larger	
	# of units	Increase /decrease	# of units	Increase /decrease	# of units	Increase /decrease
New contract	7	10.0%	35	6.8%	59	9.4%
Renewal	11	3.4%	42	2.4%	209	2.3%
Termination	13	—	26	—	62	—

\*Increase/decrease is calculated on rent basis.

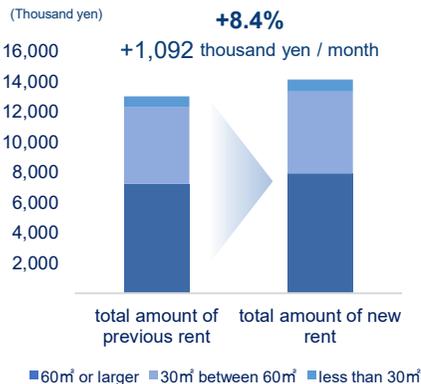
### Trends in rents (increase/decrease)

(thousand yen)

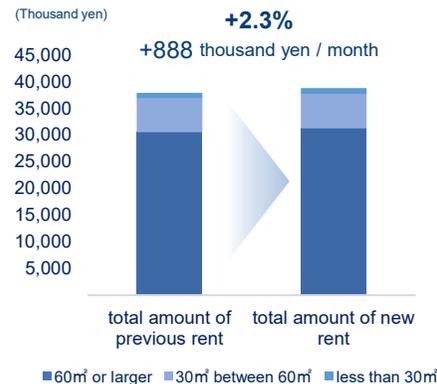


### Change in monthly rent for new contracts and renewals

#### Rent increase at new contract



#### Rent increase at new contract



### Trends in total monthly rents



\*Indexed total monthly rents of Feb. 2024 as 100%.

\*Calculated excluding Urban Park Namba already sold.

# 5. Operating results for FP18 ended January 2025 (11)

## Logistics

### Operating Results

#### <Basic Information>

Property name	Location	Leasable area	Occupancy rate
Iwatsuki Logistics	Tokyo Area Saitama-shi, Saitama	30,190.81㎡	100.0%
Yokohama Logistics	Tokyo Area Yokohama-shi, Kanagawa	18,142.08㎡	100.0%
Funabashi Logistics	Tokyo Area Funabashi-shi, Chiba	38,086.56㎡	94.7%
Baraki Logistics	Tokyo Area Ichikawa-shi, Chiba	12,471.50㎡	100.0%
Tokorozawa Logistics	Tokyo Area Tokorozawa-shi, Saitama	5,994.75㎡	100.0%
Funabashi Nishiura Logistics II	Tokyo Area Funabashi-shi, Chiba	6,316.32㎡	100.0%
Matsubushi Logistics	Tokyo Area Kitakatsushika-gun, Saitama	19,833.47㎡	100.0%
Funabashi Hi-Tech Park Factory I	Tokyo Area Funabashi-shi, Chiba	8,902.08㎡	100.0%
total / average		139,937.57㎡	98.6%

#### <Investment Policy>

- Portfolio structured with mid-sized logistics facilities **within roughly 30 km** of Tokyo Station
- High percentage of fixed-term building leases generating stable revenue
- **Negotiating rent increase** with tenants those rents gap with market rents

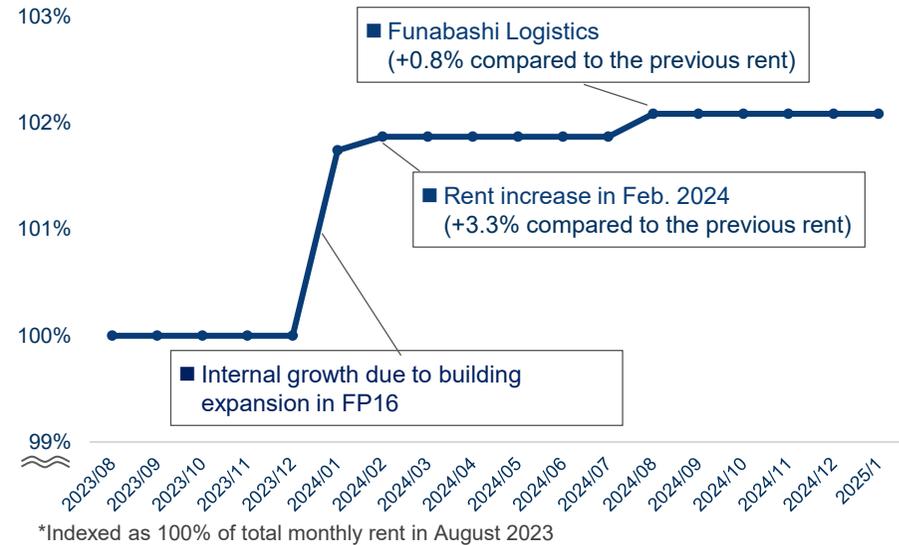
#### <Topics in FP18>

- Stable revenue as expected in FP18
- Achieved rent increase at one property from Aug. 2024(+0.8% compared to the previous rent, +0.2% to the whole rents form logistics)

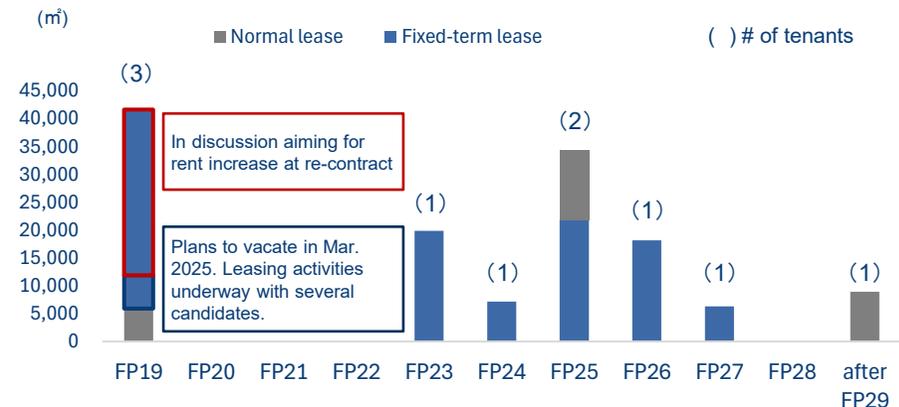
#### <FP19 and onwards>

- **Negotiating rent increase** with tenants those who has renewal timing in FP19
- Occupancy rate of Funabashi Logistics has been **100%** since Feb. 2025 (The office building has been leased.)
- Leasing activities underway in area to vacate in March 2025.

### Historical change in total monthly rent



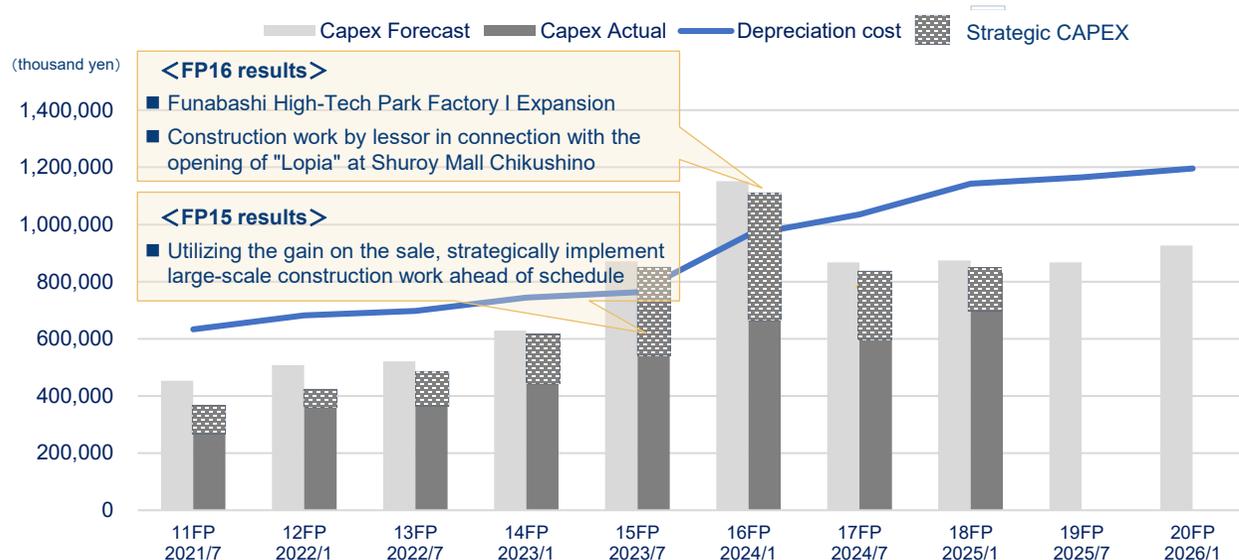
### Revision of Rent and Contract Period



# 5. Operating results for FP18 ended January 2025 (12)

## Capex Control

- ◆ Basically, the policy is to implement capital expenditures within the scope of depreciation expenses and capital expenditures above depreciation will be strategically made when it leads to internal growth.
- ◆ The decisions on implementation of **strategic capital expenditures** will be made taking into consideration investment efficiency.



### <Examples of Strategic CAPEX Investments>

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

### <Major strategic CAPEX for FP18>

KOKO HOTEL Ginza 1-Chome Wi-Fi retrofit	14 million yen
Suroy Mall Chikushino Renovation work	29 million yen

### <Major strategic CAPEX for FP19>

REMBRANDT STYLE Tokyo Nishikasai Water pipes renewal, fan coil units cleaning	69 million yen
Tokorozawa Logistics Renovation work	63 million yen

	FP12 Jan 2022 Actual	FP13 July 2022 Actual	FP14 Jan 2023 Actual	FP15 July 2023 Actual	16FP Jan 2024 Actual	FP17 July 2024 Actual	FP18 Jan 2025 Actual	FP19 July 2025 Forecast	FP20 Jan 2026 Forecast
Depreciation cost	682,245	697,599	743,661	763,353	963,602	1,034,674	1,142,591	1,164,982	1,195,884
Capex Forecast	507,750	520,543	628,409	871,225	1,151,707	867,658	873,691	867,301	925,838
Capex Actual	424,722	471,534	605,932	787,991	1,107,190	774,323	830,216	—	—
(Strategic CAPEX)	(54,321)	(111,822)	(131,701)	(214,397)	(424,296)	(173,038)	(125,664)	—	—
Capex Budget reduction rate	16.4%	9.4%	3.6%	9.6%	3.9%	10.8%	5.0%	—	—
Capex ratio (Capex Actual/ Depreciation cost)	62.3%	67.6%	81.5%	103.2%	114.9%	74.8%	72.7%	—	—
Repair cost (Actual/Forecast)	181,998	255,201	173,257	308,817	319,629	217,551	361,857	301,389	282,132
# of Properties as of the end of FP	60	60	63	62	71	71	74	74	74

# 5. Operating results for FP18 ended January 2025 (13)

## Financial standing

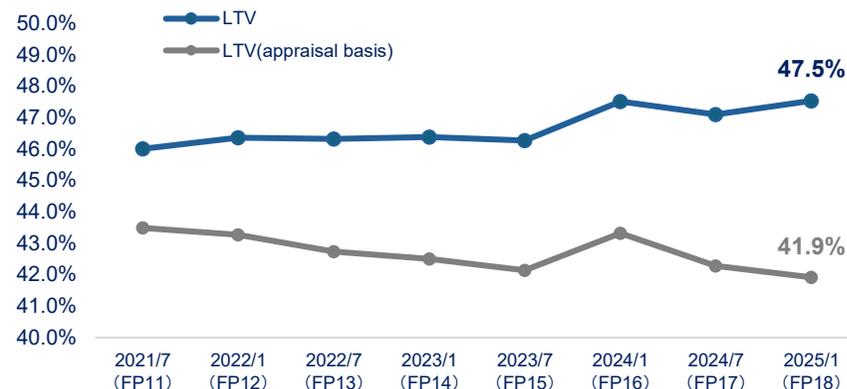
- ◆ The “Borrowing Policy” for the time being, from the perspective of controlling interest payments, is to procure **long-term / floating-rate loans**, and to consider fixing the interest rate depending on financial market conditions.
- ◆ Forecasts are made on conservative assumptions, considering rising interest rates.

### Main financial indicators\*

	FP16 Jan 2024	FP17 July 2024	FP18 Jan 2025
LTV**	47.5%	47.1%	47.5%
LTV(appraisal-based)***	43.3%	42.3%	41.9%
Interest-bearing debt balance**	123,140 mn	121,840 mn	139,680 mn
Long-term debt ratio***	98.9%	99.2%	99.4%
Average remaining period to maturity	3.3 yrs	3.2 yrs	3.2 yrs
Average borrowing period	5.3 yrs	5.4 yrs	5.5 yrs
Average interest rate****	0.79%	0.90%	1.09%
Fixed interest rate ratio	70.8%	64.6%	57.1%

\* This describes the status including investment corporation bonds.  
 \*\* Interest bearing debt balance / Total assets \*\*\* Interest bearing debt balance / (Total assets + Unrealized capital gain)  
 \*\*\*\* The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

### LTV



### Financial impact of rising interest rate

	FP19 ending July 2025	FP20 ending Jan. 2026
Interest-- bearing debt balance (end of period)	138,880 million yen	
Ratio of debt with floating interest rates (end of period)	47.9%	56.4%
Assumption 1M Tibor / 3M Tibor	80bps	100bps
Impact on DPU caused by +10 bps in interest rate	12 yen / unit	14 yen / unit

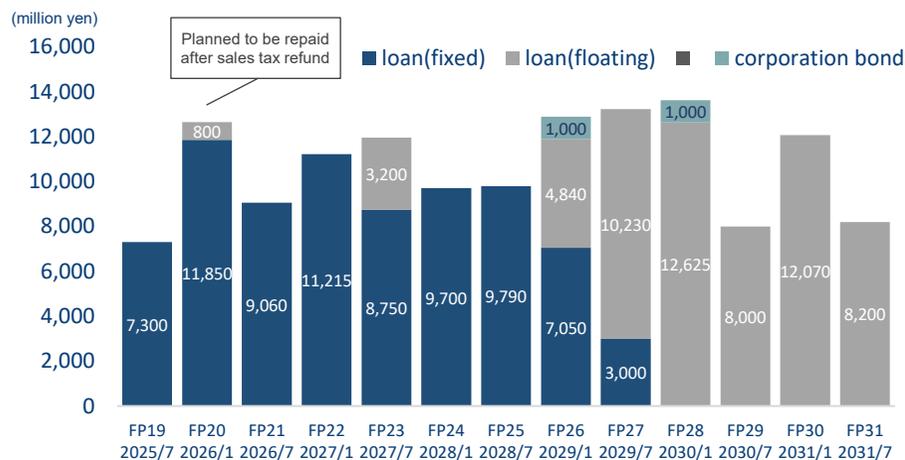
- From the perspective of controlling interest payments, to **procure long-term / floating-rate loans**, and to consider fixing the interest rate depending on financial market conditions.
- Forecasts are made on conservative assumptions, considering rising interest rates.
- Expect internal growth in hotel assets, the largest in the portfolio, with growth potential as well as in other asset types  
**internal growth to be realized**  
**> increase in cost due to rising interest rates**
- Keep working to improve borrowing conditions based on analysis, aiming for cost reduction

## 5. Operating results for FP18 ended January 2025 (14)

### Financial standing

- ◆ For new borrowings upon the public borrowing, **invited 5 new banks** and realized diversification of lenders and repayment dates.
- ◆ Issued corporation bonds (Green Bonds) of 1.0 bn yen in FP18

#### Diversification of repayment dates (as of Jan. 31, 2025)



#### Bank formation (as of Jan. 31, 2025)

Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	23.1%	The Bank of Yokohama, Ltd	1.1%
Mizuho Bank	17.2%	The Juhachi-Shinwa Bank, Ltd	0.9%
SBI Shinsei Bank	13.6%	The Musashino Bank, Ltd	0.7%
Sumitomo Mitsui Trust Bank	11.8%	The Yamagata Bank, Ltd	0.7%
Aozora Bank	7.9%	The Ogaki Kyoritsu Bank, Ltd	0.7%
Resona Bank	7.0%	Kansai Mirai Bank, Limited	0.7%
The Bank of Fukuoka	2.1%	The Gunma Bank	0.7%
The Kiyo Bank, Ltd	1.8%	Mizuho Trust & Banking	0.6%
The Asahi Shinkin Bank	1.4%	Suruga Bank Ltd	0.5%
Minato Bank	1.4%	Fukoku Mutual Life Insurance Company	0.4%
The Chiba Bank, Ltd	1.4%	The Kumamoto Bank, Ltd	0.4%
San-ju San Bank	1.1%	The Hokuriku Bank, Ltd	0.2%
The Nishi-Nippon City Bank	1.1%	Corporation Bonds	1.4%

#### Issuance of corporation bonds

- Diversification of financing means, lengthening the maturity of interest-bearing debt and promoting the fixing of interest rates based on financial strategy

Star Asia Investment Corporation Second Series Unsecured Investment Corporation Bonds (Ranking pari passu among specified investment corporation bonds) (Green Bonds)	
Total issue amount	1,000 million yen
Interest rate	1.395% per annum
Issuance date	November 21, 2024
Redemption date	November 21, 2029

#### Rating

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

## **6. Initiatives focusing on unitholder value**

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## 6. Initiatives focusing on unitholder value (1)

Aim for DPU growth

- ◆ **Prioritize DPU growth through internal growth** as Initiatives focusing on unitholder value, considering current situation.
- ◆ Continue to aim for an increase in distributions through internal growth that offsets rise in interest rates and exceeds inflation.

### Priority #1 Initiatives for internal growth

<b>Revenue growth</b>	<ul style="list-style-type: none"> <li>- Aiming for increase in rental revenue, focus on increase in hotel revenue, especially implementation of revenue increase measurements through close cooperation with Polaris</li> <li>- Focus on rent increase in other asset types</li> </ul>
<b>Cost reduction</b>	<ul style="list-style-type: none"> <li>- Optimize operational cost maintaining quality through reviewing specifications</li> <li>- Regarding repair works or capex, save cost by aligning the timing of construction work and ordering materials and other items in batches.</li> <li>- Improve borrowing conditions</li> </ul>

### Priority #2 Initiatives for external growth

<b>Mezzanine loan debt</b>	<ul style="list-style-type: none"> <li>- Utilize cash on hand to invest in <b>mezzanine loan debt (target: base rate +5%)</b></li> <li>- Recognize as inflation responsive asset and intend to increase investment in mezzanine loan debt</li> </ul>
<b>Asset replacement Realization of unrealized gains</b>	<ul style="list-style-type: none"> <li>- Consider replacement which <b>strengthen the portfolio</b> Estimate replacement taking account of factors, such as 1) contribution to (potential) increase in portfolio NOI, 2) contribution to increase in DPU</li> <li>- Aiming for DPU growth, consider replacement to <b>realize unrealized gains</b></li> </ul>
<b>Asset acquisition through public offering</b>	<ul style="list-style-type: none"> <li>- Carefully make a decision after comparing and verifying the effects of acquiring assets in light of the level of the unit price and the effects of other options.</li> </ul>

### Priority #3 Initiatives on finance

<b>Share buyback</b>	<ul style="list-style-type: none"> <li>- Carefully make a decision, considering unit price, market conditions, size, cost, LTV level, effect to DPU, effectiveness as a use of cash on hand (comparing with other options), etc.</li> </ul>
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## 6. Initiatives focusing on unitholder value (2)

### Mezzanine loan debt investment to maximize unitholder value

- ◆ Mezzanine loan debt is one of the measures to maximize income by diversification of opportunities according to real estate markets
- ◆ Secure income to meet rising borrowing costs by setting base rate in investment criteria / **base rate +5% or more**

Significance of investment (announced on Oct. 25, 2017)		Advantages in terms of opportunities to acquire	
1	Differentiate from other real estate players in view of <b>diversification of income (revenue) opportunities</b> as supplemental investment for actual real estate in the fiercely competitive real estate market.	A	<b>Star Asia Group with significant credit investment expertise supports sourcing of mezzanine investment opportunities for SAR.</b>
2	<b>Secure revenue exceeding after-amortization yields of the existing real estate portfolio.</b>	B	<b>Sub-sponsors</b> , Nippon Kanzai and Tokyo Capital Management are able to provide a <b>bridge function</b> for mezzanine loan claims (holding them for a certain period of time until they are acquired by SAR).
3	Serves as an <b>effective investment using current cash on hand for accretion.</b>	C	Investment opportunities arise when there is a discrepancy in the valuation of properties between non-recourse loan lenders and equity investors, and investment opportunities are identified through collaboration with non-recourse lenders, etc.
4	<b>Judged highly likely to assure repayment</b> of principal and interest.	D	Types of underlying change with market conditions. => <b>As diversified REIT</b> , SAR can invest <b>in various types of underlying assets.</b>

Investment criteria (announced on Oct. 25, 2017)		Investment Advantages	
1	Collateral real estate should meet the investment criteria of SAR	1	Possible to secure earnings of <b>"base interest rate +5%"</b> , and the assets are able to <b>accommodate rising borrowing costs</b> , in an environment where the borrowing costs on the fund procurement side of SAR are rising.
2	Balance of investments should be maintained at 5% or less of total assets of SAR at the end of the immediately preceding fiscal period.	2	<b>Multiple alternatives as reinvestment</b> after redemption <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px dashed gray; padding: 5px; text-align: center;">Acquire assets</div> <div style="border: 1px dashed gray; padding: 5px; text-align: center;">Reinvest in Mezzanine</div> <div style="border: 1px dashed gray; padding: 5px; text-align: center;">Share buyback</div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px dashed gray; padding: 5px; text-align: center;">Strategic CAPEX</div> <div style="border: 1px dashed gray; padding: 5px; text-align: center;">Repay borrowings</div> </div>
3	Upper limit of LTV: 85%		
4	Loan terms: 3 years or more in principle		
5	Interest rate: aiming for base rate + 5% or more (4% or more in principle)		

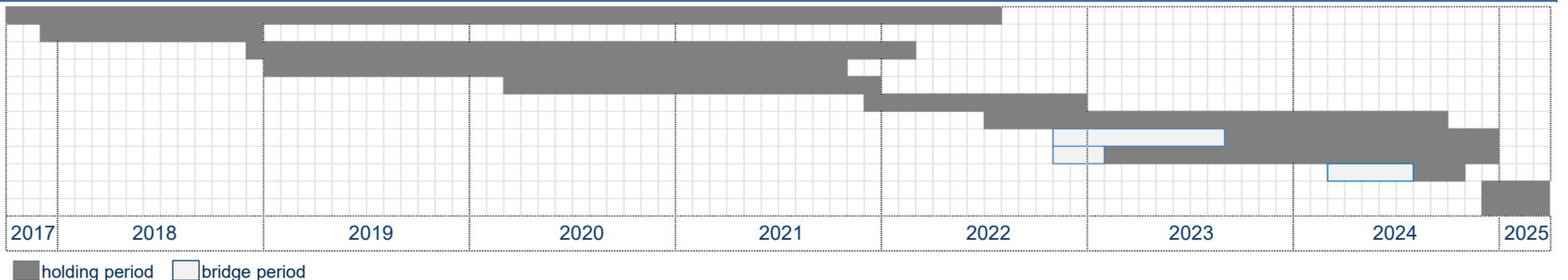
## 4. Initiatives focusing on unitholder value (3)

Mezzanine loan debt investment to maximize unitholder's value

- ◆ Investment result of Mezzanine loan debt: **eleven cases / 4,294 million yen in total**
- ◆ Yield per annum of nine cases already redeemed in total: **5.39% per annum**

Investment result of Mezzanine loan debt					
Investment result	11 cases	Series	Underlying Asset	Acquisition Price	Interest rate
Accumulative investment amount	4,294 million yen	1	Relief Premium Haneda	redeemed JPY 400mn	Base rate + 5.0%
Accumulative redemption amount	3,010 million yen	2	Sasazuka South Building	redeemed JPY 335mn	Base rate + 5.0%
Average amount per case	357 million yen	3	The Royal Garden Residence Shirokanedai	redeemed JPY 126mn	Base rate + 5.0%
Average investment period	2.0 years	4	DS Kaigan Building (formerly Premier Kaigan Building)	redeemed JPY 300mn	Base rate + 5.0%
yield per annum	5.39%	5	Sun Maison Ohori Park Kita	redeemed JPY 150mn	Base rate + 5.0%
Investment balance	1,284 million yen	6	Tajimi Logistics Center	redeemed JPY 400mn	Base rate + 7.0%
		7	Quintessa Hotel Tokyo Haneda Comic & Books	redeemed JPY 400mn	Base rate + 5.0%
		8A	Centurion Hotel Grand Akasaka	redeemed JPY 430mn	Base rate + 5.3%
		8B		redeemed JPY 340mn	Base rate + 7.3%
		9	hotel androoms Shin-Osaka	redeemed JPY 130mn	Base rate + 5.0%
		10	ASTILE Ichigaya-Yanagicho, ASTILE Hatagaya and CREAL premier Yushima	JPY 414mn	Base rate + 5.0%
		11	Centurion Hotel Grand Akasaka	JPY 870mn	Base rate + 6.2%

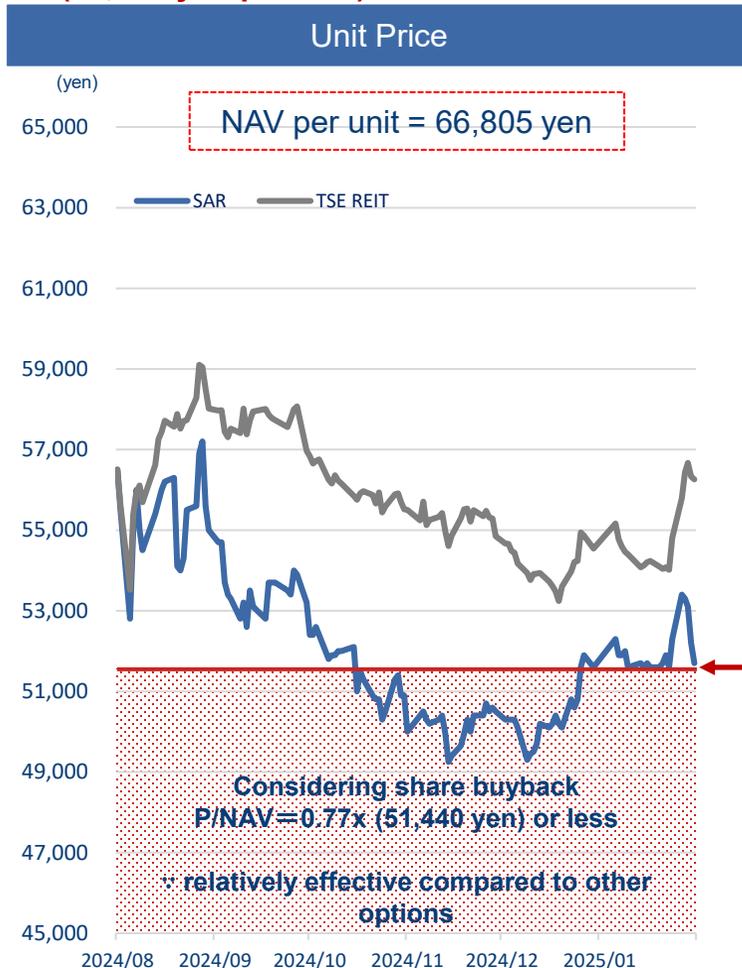
Investment period (image)



## 4. Initiatives focusing on unitholder value (4)

### Policy for share buyback

- ◆ As for the use of cash on hand, carefully make a decision after comparing and verifying the **effects of share buyback** in light of the level of the investment unit price and the **effects of other options**.
- ◆ Under the current situation of SAR, share buyback will be considered when the **P/NAV ratio falls to 0.77 times or less (51,440 yen per unit)**.



\*The index converts the TSE REIT Index on August 1, 2024 (1,712.20) (1,887.75) as 56,500 yen, the closing price of SAR on the same day.

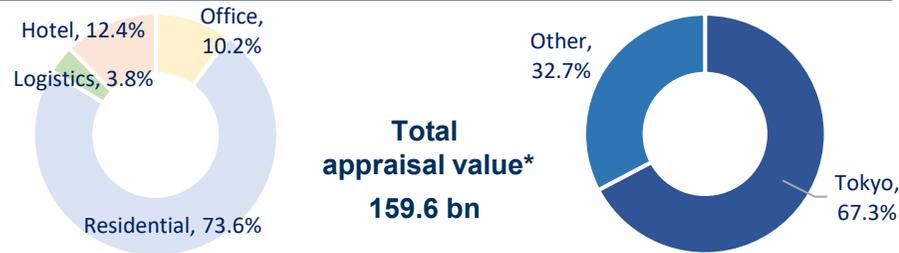
Use of cash on hand and respective effect		
Use	Items to be considered	Effect on DPU when 1.0 bn yen is used
Share buyback	<ul style="list-style-type: none"> <li>- Increase in DPU</li> <li>- LTV level</li> <li>- Announcement effect</li> </ul>	<p><b>+11 yen</b></p> <p><small>*Costs are not included in the above.</small></p>
<ul style="list-style-type: none"> <li>■ This is the level at which we can obtain the greatest effect compared to other options</li> <li>■ Unit price: 51,440 yen or less → +11 yen or more to DPU</li> </ul>		
Mezzanine loan debt	<ul style="list-style-type: none"> <li>- Compare dividend yield of equity and mezzanine loan debt at the timing of investment.</li> <li>- Increase in DPU</li> </ul>	<p><b>+10 yen</b></p> <p><small>*Earn a share of base rate other than the above.</small></p>
Asset Acquisition	<ul style="list-style-type: none"> <li>- Compare dividend yield of equity and NOI yield (after depreciation) at the timing of investment.</li> <li>- Potential of internal growth after acquisition</li> <li>- Increase in DPU</li> </ul>	<p><b>+6 yen</b></p>
Strategic CAPEX	<ul style="list-style-type: none"> <li>- Compare return of CAPEX and dividend yield</li> <li>- Consider potential for increase in asset value</li> <li>- Increase in DPU</li> </ul>	<p>&lt;investment case&gt; Twinning 20 rooms of KOKO HOTEL Ginza 1-Chome</p> <p><b>+6 yen</b></p>
Repayment borrowings	<ul style="list-style-type: none"> <li>- Announcement effect of lowering LTV</li> <li>- Increase in DPU</li> </ul>	<p><b>+2.6 yen</b></p>

## 4. Initiatives focusing on unitholder value (5)

### Pipeline

- ◆ As of the end of January 2025, Star Asia Group had **159.6 billion yen** (total of most recent appraisal value) of potential pipeline for SAR under management.
- ◆ SAR has obtained preferential negotiation rights of two student residence and six hotels operated by Polaris.

#### Potential Pipeline owned by Star Asia Group



\*As of January 31, 2025. Excluding properties for which SAR has preferential negotiation rights.

- Continuing to acquire properties, by leveraging on the strength of Star Asia Group which constantly executes investment strategies reading ahead of the market.

#### Student Residence (preferential negotiation rights obtained by SAR)

##### HAKUSAN HOUSE



##### KAMIKITA HOUSE



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

#### Pipeline of six hotels approx. 26.0 bn yen / average NOI yield 5.3% in total

						
Property name	KOKO HOTEL Nagoya Sakae	KOKO HOTEL Premier Kanazawa Korinbo	KOKO HOTEL Premier Kumamoto	KOKO HOTEL Sendai Kotodai Park	KOKO HOTEL Sendai Station West	KOKO HOTEL Sendai Station South
Location	Nagoya-shi, Aichi	Kanazawa-shi, Ishikawa	Kumamoto-shi, Kumamoto	Sendai-shi, Miyagi	Sendai-shi, Miyagi	Sendai-shi, Miyagi
Construction date	February 2003	April 2013	September 2019	July 2006	July 2003	April 1999
Type	Limited Service	Limited Service	Limited Service	Limited Service	Limited Service	Limited Service
Rooms	204	207	205	230	170	190
Characteristics	Approx. one minute walk from Sakae station, located in Nagoya's only downtown area easy to capture business and tourist demand	Located in Kanazawa, the largest city in Hokuriku, where "tradition" and "innovation" coexist, and captures business demand as well as tourist demand.	Located in the new landmark "Sakura Machi Kumamoto" and captures business demand as well as tourist demand.	Approx. one minute walk from Subway Kotodai Koen station, located in Sendai, the largest city and economic center in Tohoku that attracts tourism demand especially domestic.	Approx. five-minute walk from Sendai station, located in Sendai, the largest city and economic center in Tohoku that attracts tourism demand especially domestic.	Approx. seven-minute walk from Sendai station, located in Sendai, the largest city and economic center in Tohoku that attracts tourism demand especially domestic.

## 4. Initiatives focusing on unitholder value (6)

### Overview of Star Asia Group

- ◆ Star Asia Group has created an ecosystem for its hotel business comprising an investor (Star Asia Group), operator (Polaris), and owner (SAR)
- ◆ Given the planned operator change for two hotels in July 2025, the proportion of Polaris-operated hotels of the hotels held by SAR is expected to increase to 87.0%\*.

### Realization of increased revenue through efficient hotel management

#### Operation

P \* L A R I S  
HOLDINGS



Polaris

Minacia



KOKO HOTELS

- Operates 102 hotels / 15,442 rooms (incl. 15 hotel / 2,021rooms to be operated )
- # of Employees : 1,773 (as of December 31, 2024)

**Ensuring financial and human resource stability by expanding business scale**

#### Ownership

SAR



- Asset size : JPY 276.5bn
- Number of owned hotels : 19 (as of January 31, 2025)

**With the expansion of the asset size, more flexible investment becomes possible**



### Expansion of hotel market information acquisition Diversification of sourcing routes

#### Investment

**Star Asia Group**  
(Private fund management)



- Development function
- Asset management of private funds

**Providing risk capital with market anticipation**

\* The ratio is calculated by dividing total acquisition price of 89,175 million yen (14 hotels) operated by Polaris by total acquisition price of hotels owned by SAR of 102,494 million yen (19 hotels) as of July 24, 2025 (scheduled).

## 4. Initiatives focusing on unitholder value (7)

Polaris Holdings – “Company of Choice” as “Top Tier of Hotel Operators”-

- ◆ Continues to build and expand a portfolio with both growth potential and stability, by maintaining a well-balanced combination of owned properties and operation-commissioned properties.
- ◆ Through merger with Minacia, has become one of Japan’s Leading Hotel Operator.

### Overview

POLARIS  
HOLDINGS

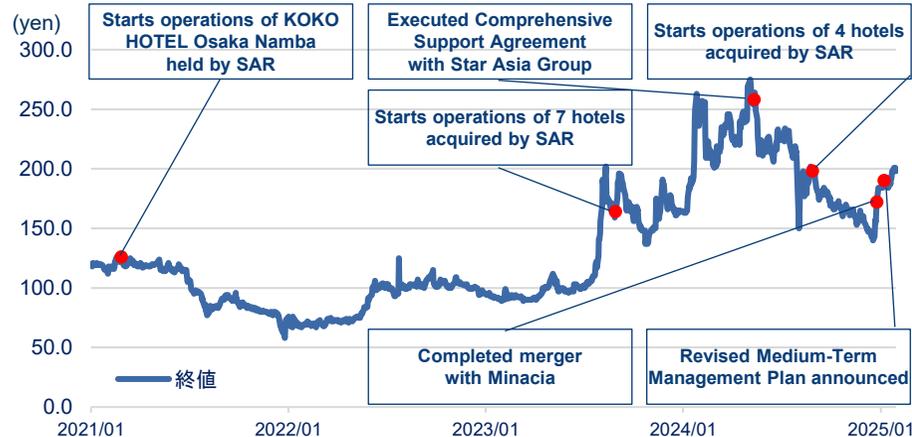
- Listed on the Tokyo Stock Exchange Standard Market CODE: 3010
- Realized drastic increase in positioning as a leading limited-service hotel operator and has become **one of Japan’s Leading Hotel Operator**, after **merger with Minacia** in Dec 2024.
- Manages **102 hotels / 15,442 rooms** (Incl. hotels located overseas)
- Operates multiple hotel brands including KOKO HOTEL
- Operator of 12 hotels owned by SAR (to be 14 on and after July 24, 2025)



### Expansion of business scale



### Trends in stock price



### List of the new hotels to be operated by Polaris

no.	Name	Rooms	Start of operation
1	KOKO HOTEL Numazu Inter	151	April 2025
2	KOKO HOTEL Numazu Ekima	92	April 2025
3	KOKO HOTEL Osaka Namba Sennichimae	320	May 2025
4	KOKO HOTEL Tokyo Nishikasai (owned by SAR)	184	August 2025
5	KOKO HOTEL Yokohama Tsurumi (owned by SAR)	185	August 2025
6 (tentative)	KOKO HOTEL Kaihin Makuhari	301	Spring 2026
7 (tentative)	Hotel Wing International Sendai Ekimae	117	August 2026
8 (tentative)	KOKO HOTEL Residence Oshiage	25	July 2026
9 (tentative)	KOKO HOTEL Naha Maejima	132	Spring 2027
10 (tentative)	KOKO HOTEL Residence Kita-Ueno	39	Spring 2027
11 (tentative)	KOKO HOTEL Residence Shin-Okachimachi I	52	Summer 2027
12 (tentative)	KOKO HOTEL Residence Shin-Okachimachi II	52	Autumn 2027
13 (tentative)	KOKO HOTEL Residence Honjo Azumabashi	45	February 2028
14 (tentative)	Hotel Wing International Omori Ekimae	153	Spring 2028
15 (tentative)	KOKO HOTEL Premier Naha	173	Summer 2028
	total	2,021	

## 4. Initiatives focusing on unitholder value (8)

### Trends in investment unit price and market capitalization

- ◆ SAR executed eight public offerings including IPO and eleven asset replacements since our listing and the merger in 2020.
- ◆ Above initiatives allowing SAR's investment unit price to outperform TSE REIT index by +13.7pt\* between the release of our Mid-term Plan on March 16, 2021 and the end of January 2025.



\*The TSE REIT index and unit price of Star Asia Investment Corporation (SAR) are indexed to SAR's closing price of March 16, 2021. Because we executed a 1 to 2 investment unit split effective August 1, 2020, unit prices prior to that date have been divided by 2 to account for the split's impact.

## **7. Initiatives on ESG**

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# 7. Initiatives on ESG

Recent Topics regarding ESG Initiatives and ESG Promotion System

- ◆ As a part of ESG related initiatives, participated in the 2024 GRESB Real Estate Assessment, and acquired “2 Stars”
- ◆ ESG promotion system centered on the Sustainability Promotion Division primarily involving Environment matters

### Acknowledgement on ESG

<GRESB Real Estate Assessment> (note1)

- SAR participated in the GRESB Real Estate Assessment in 2024 and acquired “2 Stars” rating.
- Furthermore, SAR obtained the “Green Star” which indicates that SAR is a participant which excels in both the “Management Component” which assesses the policy and organization structure for promoting ESG as well as the “Performance Component” which assesses environmental performance and tenant engagement of properties owned.
- SAR also received the highest “A Level” for the GRESB Public Disclosure, which assesses the width of our ESG disclosure.

GRESB ★★☆☆☆ 2024      GRESB Public Disclosure 2024

<Initiatives on GRESB Real Estate Assessment >

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

### ESG promotion system

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

#### The Asset Manager’s Sustainability Promotion Division

**Tetsuya Makino**  
Executive officer in charge of sustainability  
General Manager of Sustainability Promotion Division

**Takayuki Hatakeyama**  
Manager of Sustainability Promotion Division

STARASIA Investment Corporation

- **Initiatives on ESG**
  - Setting of goals primarily focused on E (Environment), process management, and result verification
  - Participation in GRESB Real Estate Assessment, and acquired 3 Star
- **Optimization of capital expenditures and repairs expenses**
  - Selection of equipment and materials with consideration for impact on revenue pursuant to ESG Policy and Sustainable purchase policy through examination of capital expenditures and repair expenses

#### Nippon Kanざい (Sub sponsor)

Enduring quality without compromise  
NIPPON KANZAI

Supports SAR to achieve numerical targets (provides advice related to developing various data and measures to reduce environmental burdens)

<Support System>

- **New Business & Corporate Branding Dept.**
  - Institution with certification for CASBEE
  - Environment-related consulting services
- **East Japan Engineering Management Center**
- **West Japan Engineering Management Center**
  - Energy-related services
  - Environmental assessment services

#### Tokyo Capital Management (Sub sponsor)

TCM helps developing long-term repair plans for SAR’s portfolio assets together with Nippon Kanざい

TOKYO CAPITAL MANAGEMENT

# 7. Initiatives on ESG

## E (Environment) related Numerical Goals and their Achievement Status

- ◆ Total Energy consumption increased in 2023 due to the 7 hotels acquired at the time of the previous public offering
- ◆ SAR will aim for continued reductions by considering the introduction of highly efficient equipment and low carbon equipment when renovating or renewing facilities

### E (Environment) Related Numerical Objectives and Actual Performance

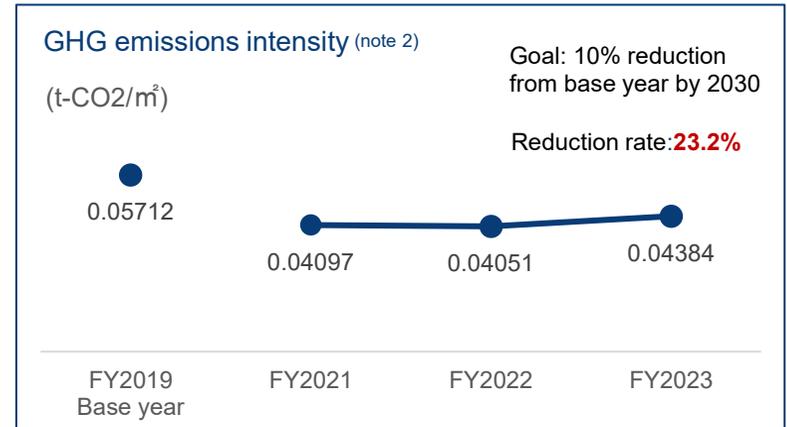
GHG Monitoring item (note 1)	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
GHG emissions	t-CO <sub>2</sub>	23,154.05	20,130.43	20,588.99	24,167.02	-
Scope 1	t-CO <sub>2</sub>	1,968.71	1,672.17	1,953.58	2,570.26	-
Scope 2	t-CO <sub>2</sub>	21,185.34	18,458.26	18,635.41	21,596.76	-
GHG emissions intensity	t-CO <sub>2</sub> /m <sup>2</sup>	0.05712	0.04097	0.04051	0.04384	0.05140
Reduction rate	%	-	▲ 28.3%	▲ 29.1%	▲ 23.2%	▲ 10.0%

Energy consumption monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Crude oil equivalent usage	kL	11,220.81	11,234.60	12,001.80	13,710.32	-
Crude oil equivalent usage intensity	kL/m <sup>2</sup>	0.02768	0.02286	0.02362	0.02487	0.02491
Reduction rate	%	-	▲ 17.4%	▲ 14.7%	▲ 10.1%	▲ 10.0%

Energy consumption monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Energy consumption	MWh	44,560.98	44,615.75	47,662.51	54,447.52	-
Energy consumption intensity	MWh/m <sup>2</sup>	0.10992	0.09080	0.09379	0.09877	0.09893
Reduction rate	%	-	▲ 17.4%	▲ 14.7%	▲ 10.1%	▲ 10.0%

Water consumption monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Clean water usage	m <sup>3</sup>	329,687.35	255,933.91	334,463.31	427,136.45	-
Clean water usage intensity	m <sup>3</sup> /m <sup>2</sup>	0.8133	0.5209	0.6581	0.7748	≤ 0.8133
Reduction rate	%	-	▲ 36.0%	▲ 19.1%	▲ 4.7%	±0%

Waste monitoring item	unit	2019 Base year	2021 Actual	2022 Actual	2023 Actual	2030 Target year
Waste emissions	t	2,693.27	3,164.05	3,825.29	4,218.67	-
Coverage rate	%	69.1%	70.4%	79.6%	77.7%	-
Waste emissions intensity	t/m <sup>2</sup>	9.61	9.14	9.46	9.85	≤ 9.61
Reduction rate	%	-	▲ 4.9%	▲ 1.6%	+ 2.5%	±0%



# 7. Initiatives on ESG

Initiatives for E (Environment) and S (Society)

## Environmental Certification

Target of certified ratio : 50% (2026)

		Property name	Asset type	Total floor area (㎡)	Ratio (note 1)
BELS (note 2)	★★★★★	Funabashi Hi-Tech Park Factory I (note 4)	Logistics	576.00	6.4%
		KOKO HOTEL Sapporo Odori	Hotel	3,854.01	
		Best Western Plus Fukuoka Tenjin-minami	Hotel	7,322.03	
	★★★★	KOKO HOTEL Hiroshima Ekimae	Hotel	5,370.75	
		KOKO HOTEL Kagoshima Tenmonkan	Hotel	4,622.48	
		KOKO HOTEL Tsukiji Ginza	Hotel	6,086.48	
	★★★	Urban Center Hakata	Office	3,566.56	
		Urban Park Mitaka	Residence	1,180.02	
		KOKO HOTEL Residence Asakusa Tawaramachi	Hotel	2,226.57	
	★★	Urban Park Miyamaedaira (note 5)	Residence	2,039.17	
Urban Forum Warabi		Retail	1,489.22		
CASBEE (note 3)	Rank S	Urban Center Yokohama West	Office	12,353.83	42.6%
		Higashi-Kobe Center Building	Office	25,740.46	
		Urban Center Shinjuku	Office	7,624.66	
		Urban Center Kanda Tsukasamachi	Office	4,629.27	
		Takadanobaba Access	Office	5,757.14	
		Seiyu Minakuchi	Retail	31,829.71	
	Rank A	Honmachibashi Tower	Office	15,407.83	
		Urban Center Kanda Suda-cho	Office	4,994.70	
		La Park Kishiwada	Retail	65,663.02	
		abeno nini (Retail)	Retail	4,866.82	
		Urban Park Daikanyama	Residence	8,261.29	
		Urban Park Tokiwadai Koen	Residence	15,708.08	
		Urban Park Mitsuike Koen	Residence	10,918.37	
		Baraki Logistics	Logistics	12,471.50	
Iwatsuki Logistics	Logistics	29,729.72			
Total				294,289.69	49.0%

## Green finance (as of January 31, 2025)

Green loans  
**24,240** million yen

Green bonds  
**1,000** million yen

## Status of signing of green lease contracts (as of January 31, 2025)

Total leased area  
**234,050.35** ㎡

Ratio to total leased area  
**45.3** %

## Initiatives for S (Society)

### ◆ Initiatives for employees

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

### ◆ Initiatives on own Property

- La Park Kishiwada
  - providing resting spots at the Danjiri festival. as a part of regional contribution initiatives
  - signed an agreement with Kishiwada City as a temporary evacuation facility in the event of tsunami.



### ◆ Tenant satisfaction surveys

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

# 7. Initiatives on ESG

## Governance

### Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 5.0% of the investment units of the Sponsor Group (as of November 11, 2024)
- Management Team Members of the Asset Manager also hold investment units

#### Star Asia Group (as of November 11, 2024)

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

Number of units held in same-boat investment:

**134,812 units**

<Founder of Star Asia>



Ownership:

**5.0%**

#### Management team of the Asset Manager

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

### Calculation Formula for Asset Management Fees

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

	Calculation Formula	FP17	FP18
Management fees I	Total valuation amount of managed assets x <b>0.2%</b> (upper limit)	180,814 thousand yen	203,816 thousand yen
Management fees II	<b>NOI x 7.5%</b> (upper limit)	361,609 thousand yen	423,451 thousand yen
Acquisition fees	Acquisition price x <b>1.0%</b> (upper limit) *	—	198,640 thousand yen
Transfer fee	Assignment price x <b>1.0%</b> (upper limit) *	—	35,000 thousand yen
Merger fee	Valuation amount of held assets x <b>1.0%</b> (upper limit) *	—	—

\* 0.5% if SAR transact with its interested parties.

### Decision-making process

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



# 7. Initiatives on ESG

## 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
---	--------------

We are rewarded only when we consistently meet and exceed our investor clients' expectations for the mandates they have given to us.

2	Highest Ethical Standards and Integrity
---	---

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.

3	Creativity
---	------------

We utilize our experience, persistence, and creativity to identify and monetize investment opportunities which may not be immediately apparent to our competitors.

4	Respect for Others
---	--------------------

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
---	---------------------------------------

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.

6	Adaptability
---	--------------

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.

7	Meritocracy
---	-------------

We reward our employees for their specific personal performance as well as their contribution to the group and to investor client performance.

8	Endless Pursuit of Excellence
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We will tirelessly pursue excellence not only for our investor clients but also for ourselves.

## 8. Appendix

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# About Star Asia Group (1)



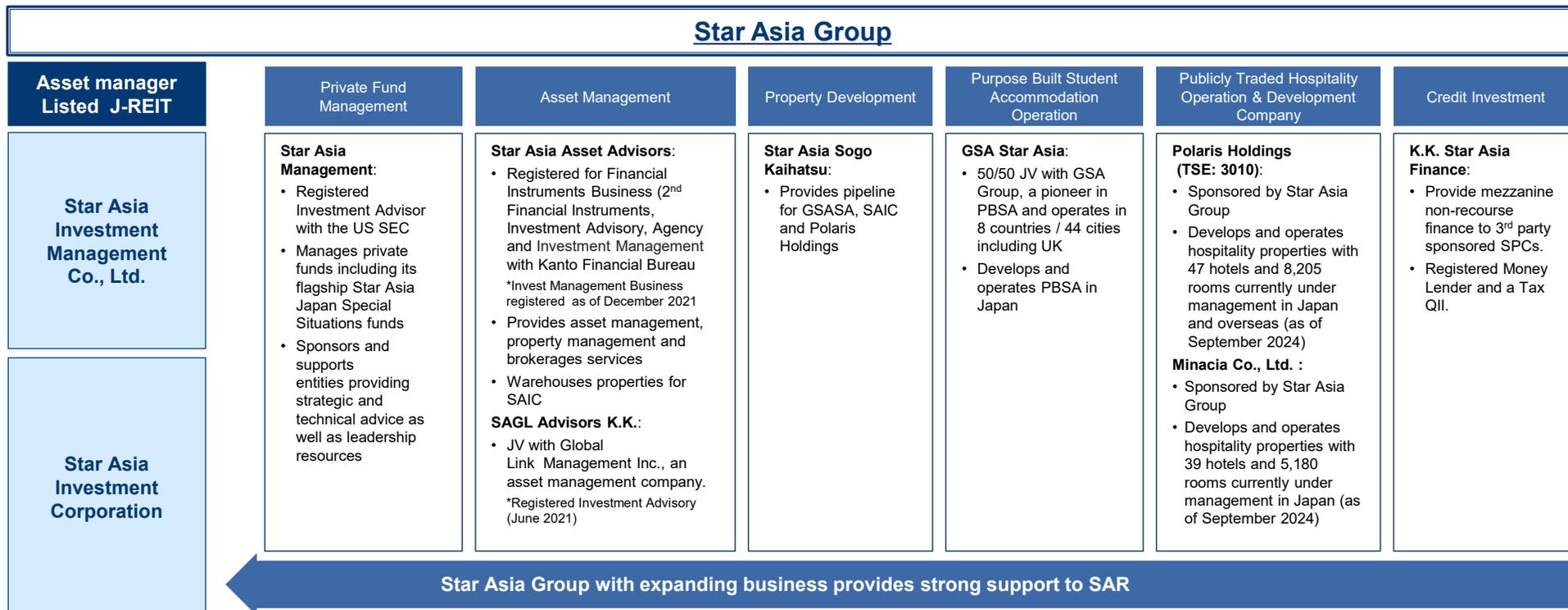
**Taro Masuyama**  
Co-Founder and  
Managing Partner



**Malcolm F. MacLean IV**  
Co-Founder and  
Managing Partner

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

- Since its founding, Star Asia Group has invested over JPY1.5 trillion and has current assets under management of around JPY726.9 billion. (as of December 2024)
- Star Asia Group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, U.S. and Asia based family offices as well as other global real estate investors
- Star Asia Group is committed to its disciplined [Investment Philosophy](#) with a single goal of meeting and exceeding our client's expectations for the mandates we are given
- Star Asia Group has 1,864 officers and employees with over 60 professionals in finance, investment and real estate area in primarily in Japan and a few in the United States. (as of September 2024. including group companies not listed below)
- Star Asia Group's partners and employees share a long-term perspective and always operate under our [Guiding Principles](#) which continuously drive the group to become and remain one of the leading real estate investment management firms in Japan



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 18th Fiscal Period ended January 2025)

## Number of investment units by attribute: Total 2,687,000 units

Category	End of 17FP		End of 18FP	
	# of units	Ratio	# of units	Ratio
Individual	514,580	21.7%	610,058	22.7%
Financial institution	966,829	40.8%	1,181,826	44.0%
Domestic corporation	67,784	2.9%	80,263	3.0%
Foreign	788,705	33.3%	765,963	28.5%
Securities company	34,102	1.4%	48,890	1.8%
<b>Total</b>	<b>2,372,000</b>	<b>100.0%</b>	<b>2,687,000</b>	<b>100.0%</b>

## List of major unitholders (Top 10)

	Unitholder name	# of units	Ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	480,558	17.9%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	420,206	15.6%
3	The Nomura Trust and Banking Co., Ltd. (Trust account)	140,270	5.2%
4	NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	71,669	2.7%
5	STATE STREET BANK AND TRUST COMPANY 505001	49,608	1.8%
6	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	44,375	1.7%
7	STATE STREET BANK AND WEST CLIENT - TREATY 505234	33,445	1.2%
8	Star Asia Capital I LLC	33,093	1.2%
8	Star Asia Capital II LLC	33,093	1.2%
8	Star Asia Capital III LLC	33,093	1.2%
8	Star Asia Capital IV LLC	33,093	1.2%
	<b>Total</b>	<b>1,372,503</b>	<b>51.1%</b>

\*Star Asia Capital I, II, III and IV are Sponsor Group entities.

## Number of unitholders by attribute: Total 32,782

Category	End of 17FP		End of 18FP	
	# of unitholders	Ratio	# of unitholders	Ratio
Individual	29,496	97.2%	31,849	97.2%
Financial institution	50	0.2%	52	0.2%
Domestic corporation	412	1.4%	491	1.5%
Foreign	370	1.2%	368	1.1%
Securities company	22	0.1%	22	0.1%
<b>Total</b>	<b>30,350</b>	<b>100.0%</b>	<b>32,782</b>	<b>100.0%</b>

# Change in business results

(Unit: million yen)

	13FP (ended July 2022) actual	14FP (ended Jan. 2023) actual	15FP (ended July 2023) actual	16FP (ended Jan. 2024) actual	17FP (ended Jan. 2024) actual	18FP (ended Jan. 2025) forecast*	18FP (ended Jan. 2025) actual	Comparison with forecast
Lease business revenue	<b>6,060</b>	<b>6,463</b>	<b>6,503</b>	<b>7,524</b>	<b>8,048</b>	<b>8,758</b>	<b>9,284</b>	<b>+526</b>
Office rent	1,974	2,036	2,077	2,088	2,133	2,132	2,129	△3
Retail rent	847	1,038	1,048	1,012	1,040	1,064	1,069	+5
Residence rent	1,215	1,225	1,227	1,183	1,260	1,263	1,252	△11
Logistics rent	910	914	869	877	914	916	916	+0
Hotel rent	426	537	581	1,666	2,038	2,669	3,174	+504
Other	686	710	700	695	660	712	743	+30
Expenses related to rent business (Depreciation is excluded)	1,796	1,812	1,981	1,982	2,021	2,174	2,227	+52
NOI	<b>4,263</b>	<b>4,650</b>	<b>4,521</b>	<b>5,542</b>	<b>6,026</b>	<b>6,583</b>	<b>7,057</b>	<b>+473</b>
Depreciation	697	743	763	963	1,034	1,142	1,142	△0
Rent revenues/expenses	<b>3,565</b>	<b>3,907</b>	<b>3,758</b>	<b>4,578</b>	<b>4,992</b>	<b>5,440</b>	<b>5,914</b>	<b>+473</b>
Gain on sale of real estate property	–	–	414	374	–	314	322	+8
Mezzanine	28	22	22	33	34	37	50	+13
Income from securities lending fees	–	–	6	31	31	31	31	–
SGA	546	580	595	708	719	819	847	+27
Operating income	<b>3,047</b>	<b>3,349</b>	<b>3,606</b>	<b>4,309</b>	<b>4,338</b>	<b>5,003</b>	<b>5,472</b>	<b>+468</b>
Non-operating income	2	1	1	1	2	–	1	+1
Non-operating expenses	489	568	534	782	671	967	951	△16
Ordinary income	<b>2,560</b>	<b>2,782</b>	<b>3,073</b>	<b>3,528</b>	<b>3,669</b>	<b>4,035</b>	<b>4,522</b>	<b>+486</b>
Income before income taxes	<b>2,560</b>	<b>2,782</b>	<b>3,073</b>	<b>3,528</b>	<b>3,669</b>	<b>4,035</b>	<b>4,522</b>	<b>+486</b>
taxes	0	0	0	0	0	0	0	–
Net income	<b>2,559</b>	<b>2,781</b>	<b>3,073</b>	<b>3,527</b>	<b>3,668</b>	<b>4,035</b>	<b>4,522</b>	<b>+486</b>
Cash distribution per unit	<b>1,476円</b>	<b>1,491円</b>	<b>1,586円</b>	<b>1,524円</b>	<b>1,596円</b>	<b>1,538円</b>	<b>1,701円</b>	<b>163円</b>
FFO per unit	1,820円	1,834円	1,780円	1,735円	1,982円	1,810円	1,988円	+178円
AFFO per unit	1,556円	1,519円	1,370円	1,268円	1,656円	1,484円	1,679円	+195円
Balance of Internal reserve**	<b>8,886</b>	<b>8,802</b>	<b>8,828</b>	<b>8,741</b>	<b>8,624</b>	<b>8,527</b>	<b>8,576</b>	<b>+48</b>

\*Announced in the 17<sup>th</sup> FP financial briefing report on September 13, 2024

\*\*The balance of internal reserves is calculated as the total of the temporary difference adjustment reserve plus unappropriated retained earnings as of the end of the period, minus distributions of profits for the period.

# Balance Sheets

	(Unit: thousand yen)	
	16th fiscal period (As of January 31, 2024)	17th fiscal period (As of July 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,379,427	3,815,857
Cash and deposits in trust	8,945,505	9,850,067
Operating accounts receivable	443,175	600,836
Prepaid expenses	312,802	281,353
Consumption taxes receivable	-	472,875
Others	32,807	78,898
Total current assets	13,113,718	15,099,889
<b>Non-current assets</b>		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	△ 114	△ 114
Tools, furniture and fixtures, net	0	0
Buildings in trust	73,691,762	80,806,403
Accumulated depreciation	△ 8,733,016	△ 9,499,528
Buildings in trust, net	64,958,746	71,306,875
Structures in trust	43,768	47,104
Accumulated depreciation	△ 10,290	△ 12,134
Structures in trust, net	33,477	34,969
Machinery and equipment in trust	338,544	380,599
Accumulated depreciation	△ 74,087	△ 91,690
Machinery and equipment in trust, net	264,457	288,908
Tools, furniture and fixtures in trust	193,701	220,596
Accumulated depreciation	△ 66,089	△ 78,293
Tools, furniture and fixtures in trust, net	127,611	142,302
Land in trust	169,771,175	196,089,124
Construction in progress in trust	-	3,175
Total property, plant and equipment	235,155,469	267,865,355
Intangible assets		
Leasehold rights in trust	6,243,459	6,235,025
Total intangible assets	6,243,459	6,235,025
Investments and other assets		
Investments in other securities of subsidiaries and associates	1,588,015	1,588,015
Investment securities	1,170,000	1,284,000
Long-term prepaid expenses	479,515	471,538
Leasehold and guarantee deposits	10,239	10,239
Leasehold and guarantee deposits in trust	263,988	263,988
Others	601,063	905,903
Total investments and other assets	4,112,822	4,523,684
Total non-current assets	245,511,751	278,624,065

	16th fiscal period (As of January 31, 2024)	17th fiscal period (As of July 31, 2024)
<b>Deferred assets</b>		
Investment corporation bond issuance costs	8,502	19,294
Investment unit issuance costs	44,337	70,469
Total deferred assets	52,840	89,763
<b>Total assets</b>	258,678,309	293,813,718
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	794,335	1,103,053
Short-term borrowings	1,000,000	800,000
Current portion of long-term borrowings	11,085,000	19,150,000
Accounts payable - others	669,967	793,698
Accrued expenses	107,831	145,087
Income taxes payable	605	605
Accrued consumption taxes	438,633	73,121
Advances received	1,160,537	1,059,608
Others	32,356	20,607
Total current liabilities	15,289,267	23,145,782
<b>Non-current liabilities</b>		
Investment corporation bonds	1,000,000	2,000,000
Long-term borrowings	108,755,000	117,730,000
Leasehold and guarantee deposits received	2,808	2,808
Leasehold and guarantee deposits received in trust	6,057,696	6,142,386
Asset retirement obligations	99,915	100,880
Total non-current liabilities	115,915,419	125,976,074
Total liabilities	131,204,686	149,121,857
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	89,316,185	105,443,555
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	8,357,762	8,268,849
Total voluntary reserve	8,357,762	8,268,849
Unappropriated retained earnings (undisposed loss)	4,052,316	4,877,759
Total surplus	37,542,297	38,278,827
Total unitholders' equity	126,858,483	143,722,383
Valuation and translation adjustments		
Deferred gains or losses on hedges	615,139	969,477
Total valuation and translation adjustments	615,139	969,477
Total net assets	127,473,622	144,691,860
Total liabilities and net assets	258,678,309	293,813,718

# Statement of Income

(Unit: thousand yen)

	16th fiscal period From: August 1, 2023 To: January 31, 2024	17th fiscal period From: February 1, 2024 To: July 31, 2024
Operating revenue		
Rental revenue	7,635,803	8,793,301
Other lease business revenue	412,199	491,633
Gain on sale of real estate	–	322,720
Other revenue	65,782	82,422
Total operating revenue	8,113,786	9,690,078
Operating expenses		
Expenses related to rent business	3,055,846	3,370,328
Asset management fee	542,424	641,408
Asset custody and administrative service fees	50,525	55,909
Directors' compensations	2,400	2,400
Other operating expenses	123,739	147,709
Total operating expenses	3,774,935	4,217,756
Operating income	4,338,850	5,472,322
Non-operating income		
Interest income	62	1,136
Reversal of unpaid distribution	1,163	854
Interest on refund	906	–
Other	0	–
Total non-operating income	2,132	1,990
Non-operating expenses		
Interest expenses	504,833	642,337
Interest expenses on investment corporation bonds	3,500	6,213
Borrowing related expenses	141,244	279,294
Amortization of investment corporation bond issuance costs	1,020	1,631
Amortization of investment unit issuance costs	20,812	21,988
Total non-operating expenses	671,409	951,465
Ordinary income	3,669,572	4,522,847
Income before income taxes	3,669,572	4,522,847
Income taxes - current	605	605
Total income taxes	605	605
Net income	3,668,967	4,522,242
Retained earnings brought forward	383,349	355,517
Unappropriated retained earnings (undisposed loss)	4,052,316	4,877,759

# Portfolio List (as of January 31, 2025)

<Properties etc.>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)*
Office	Minami-Azabu Shibuya Building	Minato-ku, Tokyo	2,973	3,040	1.1	4.5
	Honmachibashi Tower	Osaka-shi, Osaka	6,065	7,100	2.2	5.0
	Nishi-Shinjuku Matsuya Building	Shibuya-ku, Tokyo	1,763	2,740	0.6	6.9
	Urban Center Shibuya East	Shibuya-ku, Tokyo	2,042	3,300	0.7	5.6
	Urban Center Yokohama West	Yokohama-shi, Kanagawa	6,320	8,740	2.3	5.1
	Hakata-eki East Place	Fukuoka-shi, Fukuoka	2,286	3,350	0.8	6.7
	Nihonbashi Hamacho Park Building	Chuo-ku, Tokyo	1,450	1,510	0.5	4.3
	Amusement Media Gakuin Honkan	Shibuya-ku, Tokyo	2,580	2,710	0.9	3.9
	Higashi Kobe Center Building	Kobe-shi, Hyogo	7,600	7,470	2.7	5.3
	Amusement Media Gakuin Shinkan	Shibuya-ku, Tokyo	1,020	1,450	0.4	4.8
	Urban Center Shinjuku	Shinjuku-ku, Tokyo	11,200	11,900	4.0	3.6
	Urban Center Kanda Suda cho	Chiyoda-ku, Tokyo	5,350	5,430	1.9	3.7
	Urban Center Kanda	Chiyoda-ku, Tokyo	4,590	4,530	1.7	3.7
	Takadanobaba Access	Shinjyuku-ku, Tokyo	3,990	3,810	1.4	3.8
	Azabu Amerex Building	Minato-ku, Tokyo	2,780	2,970	1.0	3.8
	Hiei-Kudan Building	Chiyoda-ku, Tokyo	2,400	2,440	0.9	3.6
	Urban Center Shin-Yokohama	Yokohama-shi, Kanagawa	2,300	2,770	0.8	5.3
	The Portal Akihabara	Chiyoda-ku, Tokyo	1,510	1,490	0.5	3.8
	Urban Center Tachikawa	Tachikawa-shi, Tokyo	1,804	2,190	0.7	5.5
	Urban Center Hakata	Fukuoka-shi, Fukuoka	2,870	3,290	1.0	4.3
Urban Center Fujisawa	Fujisawa-shi, Kanagawa	2,054	2,210	0.7	5.6	
	Office Subtotal		74,947	84,440	27.1	4.5
Retail	La Park Kishiwada	Kishiwada-shi, Osaka	5,400	5,200	2.0	7.1
	Suroy Mall Chikushino	Chikushino-shi, Fukuoka	6,550	6,600	2.4	5.7
	Seiyu Minakuchi	Koka-shi, Shiga	3,320	3,590	1.2	7.6
	BAGUS Ikebukuro West	Toshima-ku, Tokyo	2,984	3,500	1.1	4.1
	abeno nini (Retail)	Osaka-shi, Osaka	9,500	10,600	3.4	4.2
	Urban Forum Warabi	Kawaguchi-shi, Saitama	1,100	1,240	0.4	4.8
		Retail Subtotal		28,854	30,730	10.4

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)*
Residence	Urban Park Azabujuban	Minato-ku, Tokyo	2,045	2,990	0.7	4.5
	Urban Park Daikanyama	Shibuya-ku, Tokyo	6,315	10,300	2.3	4.8
	Urban Park Kashiwa	Kashiwa-shi, Chiba	1,186	1,240	0.4	4.8
	Urban Park Ryokuchi-koen	Suita-shi, Osaka	1,550	1,730	0.6	5.6
	Urban Park Ichigao	Yokohama-shi, Kanagawa	1,810	2,180	0.7	4.9
	Urban Park Gyotoku	Ichikawa-shi, Chiba	1,430	1,620	0.5	4.8
	Shiroi Logiman	Shiroi-shi, Chiba	2,470	2,570	0.9	5.6
	Urban Park Sekime	Osaka-shi, Osaka	2,150	2,450	0.8	5.2
	Urban Park Imazato	Osaka-shi, Osaka	993	1,100	0.4	5.5
	Urban Park Yoyogi	Shibuya-ku, Tokyo	1,740	2,020	0.6	3.7
	Urban Park Tokiwadai Koen	Yokohama-shi, Kanagawa	3,506	4,320	1.3	5.6
	Urban Park Mitsuike Koen	Yokohama-shi, Kanagawa	3,160	3,830	1.1	5.7
	Urban Park Ryogoku	Sumida-ku, Tokyo	1,115	1,390	0.4	4.7
	Urban Park Mizonokuchi	Kawasaki-shi, Kanagawa	2,019	2,100	0.7	4.6
	Urban Park Miyamaedaira	Kawasaki-shi, Kanagawa	1,060	1,250	0.4	4.9
	Urban Park Tsurumi	Yokohama-shi, Kanagawa	1,113	1,210	0.4	4.9
	Urban Park Mitaka	Mitaka-shi, Tokyo	743	1,010	0.3	5.0
	Urban Park Kamata Minami I	Ota-ku, Tokyo	641	902	0.2	5.2
	Urban Park Kamata Minami II	Ota-ku, Tokyo	1,375	1,790	0.5	5.1
	Urban Park Umejima	Adachi-ku, Tokyo	1,032	1,220	0.4	4.4
	Residence Subtotal		37,453	47,222	13.5	5.0
Logistics	Iwatsuki Logistics	Saitama-shi, Saitama	6,942	7,480	2.5	4.8
	Yokohama Logistics	Yokohama-shi, Kanagawa	3,560	4,170	1.3	5.7
	Funabashi Logistics	Funabashi-shi, Chiba	7,875	8,760	2.8	5.2
	Baraki Logistics	Ichikawa-shi, Chiba	4,700	5,220	1.7	4.0
	Tokoyozawa Logistics	Tokorozawa-shi, Saitama	1,300	1,660	0.5	6.1
	Funabashi Nishiura Logistics II	Funabashi-shi, Chiba	821	911	0.3	7.1
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	2,755	3,310	1.0	5.7
Funabashi Hi-Tech Park I	Funabashi-shi, Chiba	1,997	2,180	0.7	7.1	
	Logistics Subtotal		29,950	33,691	10.8	5.2

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

# Portfolio List (as of January 31, 2025)

## < Properties etc.>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)*1
Hotel	R&B Hotel Umeda East	Osaka-shi, Osaka	2,069	2,440	0.7	5.7
	REMBRANDT STYLE Tokyo Nishikasai	Edogawa-ku, Tokyo	3,827	3,730	1.4	4.8
	Best Western Yokohama	Yokohama-shi, Kanagawa	3,248	3,110	1.2	5.0
	The BREAKFAST HOTEL Fukuoka Tenjin	Fukuoka-shi, Fukuoka	1,970	2,100	0.7	4.6
	GLANSIT AKIHABARA	Chiyoda-ku, Tokyo	2,500	2,440	0.9	3.9
	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa-ku, Tokyo	3,180	3,120	1.1	4.0
	KOKO HOTEL Osaka Namba	Osaka-shi, Osaka	2,000	1,820	0.7	4.3
	abeno nini (Hotel)	Osaka-shi, Osaka	3,600	4,020	1.3	4.8
	KOKO HOTEL Ginza 1-Chome	Chuo-ku, Tokyo	17,800	22,500	6.4	4.6
	KOKO HOTEL Sapporo Ekimae	Sapporo-shi, Hokkaido	6,700	8,050	2.4	5.4
	KOKO HOTEL Fukuoka Tenjin	Fukuoka-shi, Fukuoka	5,000	5,930	1.8	5.1
	KOKO HOTEL Hiroshima Ekimae	Hiroshima-shi, Hiroshima	4,100	4,510	1.5	5.3
	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima-shi, Kagoshima	3,800	4,100	1.4	5.8
	KOKO HOTEL Sapporo Odori	Sapporo-shi, Hokkaido	4,200	4,590	1.5	4.8
	Best Western Plus Fukuoka Tenjin-minami	Fukuoka-shi, Fukuoka	3,800	5,130	1.4	7.6
	KOKO HOTEL Tsukiji Ginza	Chuo-ku, Tokyo	17,000	19,300	6.1	4.4
	KOKO HOTEL Residence Asakusa Kappabashi	Taito-ku, Tokyo	4,300	5,350	1.6	5.1
	KOKO HOTEL Residence Asakusa Tawaramachi	Taito-ku, Tokyo	5,900	7,150	2.1	4.9
	KOKO HOTEL Osaka Shinsaibashi	Osaka-shi, Osaka	7,500	8,010	2.7	4.6
		<b>Hotel Subtotal</b>		<b>102,494</b>	<b>117,400</b>	<b>37.1</b>
	<b>Total</b>		<b>273,698</b>	<b>313,483</b>	<b>99.0</b>	<b>4.9</b>

Period-end appraisal value	:	313,483 million yen
Total book value	:	274,097 million yen
Period-end unrealized gains (losses)	:	39,385 million yen
Net assets per unit	:	53,848 yen
Unrealized gains per unit	:	14,658 yen
NAV per unit (*1)	:	66,805 yen
P/NAV per (*2)	:	0.77
* NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding		
** P/NAV per = Investment unit price (51,700 yen) / NAV per unit		

## < Mezzanine loan debt investment / Preferred equity security>

No.	Name of the security (asset overview)	Type	Interest rate *2	Acquisition Price (mill)	Investment ratio (%)	Underlying asset, etc.	
						Asset name	Location
MEZ-10	Star Asia Mezzanine Loan Debt Investment Series 10	Corporate bond	Base rate +5.0%	414	0.1	ASTILE Ichigaya-Yanagicho, ASTILE Hatagaya and CREAL premier Yushima	Shinjuku-ku, Shibuya-ku, Bunkyo-ku, Tokyo
MEZ-11	Star Asia Mezzanine Loan Debt Investment Series 11	Trust beneficiary interest	Base rate +6.2%	870	0.3	Centurion Hotel Grand Akasaka	Minato-ku, Tokyo
TK-03	GSA JP Project 1 Tokutei Mokuteki Kaisha Preferred Equity Securities	Preferred equity security	(Lending Fee 4.0%)	1,562	0.6	HAKUSAN HOUSE	Bunkyo-ku, Tokyo
	<b>Total</b>			<b>2,846</b>	<b>1.0</b>		

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

\*2 The base interest rate : JBA 3-month JPY TIBOR

# Balance of Payments of Individual Properties (1)

(Unit : Thousand yen)

Asset Type	OFC-01		OFC-03		OFC-04		OFC-06		OFC-08		OFC-09	
	Property name		Property name		Property name		Property name		Property name		Property name	
	Minami-Azabu Shibuya Building		Honmachibashi Tower		Nishi-Shinjuku Matsuya Building		Urban Center Shibuya East		Urban Center Yokohama West		Hakata-eki East Place	
												
<b>Acquisition price</b>	2,973 million yen		6,065 million yen		1,763 million yen		2,042 million yen		6,320 million yen		2,286 million yen	
<b>Appraisal value</b>	3,040 million yen		7,100 million yen		2,740 million yen		3,300 million yen		8,740 million yen		3,350 million yen	
<b>Structure/Floors</b>	SRC B1/7F		S·SRC B1/21F		SRC B1/9F		S 6F		S·SRC·RC B2/12F		SRC 9F	
<b>Location</b>	Minato-ku, Tokyo		Osaka-shi, Osaka		Shibuya-ku, Tokyo		Shibuya-ku, Tokyo		Yokohama-shi, Kanagawa		Fukuoka-shi, Fukuoka	
<b>Lot area</b>	766.11㎡		1,274.37㎡		589.94㎡		620.42㎡		1,906.86㎡		1,129.86㎡	
<b>Total floor areas</b>	4,137.21㎡		15,407.83㎡		5,117.80㎡		1,982.86㎡		12,353.83㎡		6,243.13㎡	
<b>Construction completion</b>	June 15, 1993		February 8, 2010		May 28, 1987		July 31, 1993		November 25, 1994		February 24, 1986	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	100,390	103,004	247,040	253,983	121,507	118,280	66,299	75,196	230,435	231,179	114,477	121,531
Lease business revenue	92,224	92,204	217,020	221,662	109,636	103,646	63,527	71,683	211,838	212,090	107,767	82,406
Other lease business revenue	8,166	10,800	30,019	32,321	11,870	14,633	2,772	3,513	18,597	19,088	6,710	39,124
Total operating expenses from real estate leasing	28,848	34,903	73,711	71,154	37,394	43,782	13,717	15,651	57,073	73,588	28,626	62,802
Management fee	6,033	7,574	17,457	15,609	6,974	6,872	5,229	5,631	15,608	15,374	8,362	7,828
Utilities expenses	6,035	7,827	27,964	31,005	9,453	12,579	2,282	3,049	20,079	20,884	7,339	7,058
Taxes and dues	4,472	4,469	20,264	20,258	3,374	3,396	4,853	4,877	16,497	16,497	8,274	8,274
Repair expenses	314	716	1,336	1,269	4,499	7,870	652	1,560	2,845	17,030	806	37,750
Trust fee	388	388	400	400	400	400	350	350	400	400	400	400
Insurance premium	204	206	665	673	229	232	89	90	645	652	309	312
Other expenses	11,400	13,719	5,623	1,938	12,462	12,430	260	91	997	2,749	3,134	1,178
NOI	71,541	68,101	173,328	182,828	84,112	74,498	52,582	59,545	173,362	157,590	85,851	58,729
Depreciation	14,207	14,205	46,524	47,051	11,810	12,244	4,004	4,092	33,372	35,219	13,714	14,239
Operating income (loss) from real estate leasing	57,334	53,896	126,804	135,777	72,301	62,253	48,577	55,452	139,990	122,371	72,136	44,489
Capital expenditures	-	550	5,825	57,313	17,184	5,061	780	10,875	14,112	64,601	24,456	7,939
NCF	71,541	67,551	167,503	125,515	66,927	69,436	51,801	48,670	159,249	92,989	61,394	50,790
Period-end book value (million yen)	2,947	2,933	5,490	5,501	1,809	1,801	2,078	2,085	6,263	6,292	2,424	2,417

# Balance of Payments of Individual Properties (2)

(Unit : Thousand yen)

Asset Type	OFC-10		OFC-11		OFC-12		OFC-13		OFC-14		OFC-15	
Property name	Nihonbashi Hamacho Park Building		Amusement Media Gakuin Honkan		Higashi Kobe Center Building		Amusement Media Gakuin Shinkan		Urban Center Shinjuku		Urban Center Kanda Suda-cho	
												
<b>Acquisition price</b>	1,450 million yen		2,580 million yen		7,600 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
<b>Appraisal value</b>	1,510 million yen		2,710 million yen		7,470 million yen		1,450 million yen		11,900 million yen		5,430 million yen	
<b>Structure/Floors</b>	SRC 11F		SRC・S B1/8F		S・SRC 14F		RC7F		SRC B1/10F		SRC B1/10F	
<b>Location</b>	Chuo-ku, Tokyo		Shibuya-ku, Tokyo		Kobe-shi, Hyogo		Shibuya-ku, Tokyo		Shinjuku-ku, Tokyo		Chiyoda-ku, Tokyo	
<b>Lot area</b>	319.04㎡		433.21㎡		8,488.11㎡		203.43㎡		886.93㎡		590.72㎡	
<b>Total floor areas</b>	2,384.03㎡		1,892.18㎡		25,740.46㎡		913.71㎡		7,624.66㎡		4,994.70㎡	
<b>Construction completion</b>	July 13, 1992		November 2, 1994		January 6, 1992		January 25, 1999		March 31, 1989		October 28, 1991	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	52,089	52,089			317,175	323,265			239,103	245,559	140,854	135,196
Lease business revenue	52,089	52,089			285,424	288,285			224,754	227,092	135,706	128,204
Other lease business revenue	-	-			31,751	34,980			14,349	18,466	5,148	6,992
Total operating expenses from real estate leasing	14,595	18,587			136,016	127,838			77,606	64,287	41,766	42,624
Management fee	885	885			32,479	23,981			18,445	22,642	11,713	12,445
Utilities expenses	-	-	(※)	(※)	38,291	41,914	(※)	(※)	9,510	13,372	5,227	6,910
Taxes and dues	4,664	4,664			30,858	30,856			24,270	24,269	11,733	11,733
Repair expenses	50	3,462			18,496	11,127			14,777	2,678	11,806	10,597
Trust fee	400	400			400	400			350	350	350	350
Insurance premium	262	265			1,246	1,260			378	383	281	284
Other expenses	8,333	8,909			14,244	18,298			9,873	590	654	304
NOI	37,493	33,501	50,666	49,046	181,159	195,427	20,338	20,411	161,496	181,271	99,087	92,572
Depreciation	3,137	3,137	4,753	4,907	57,044	62,885	1,805	1,805	22,613	23,159	10,044	10,254
Operating income (loss) from real estate leasing	34,355	30,364	45,913	44,139	124,114	132,542	18,533	18,605	138,883	158,112	89,043	82,317
Capital expenditures	-	-	3,382	2,051	267,171	115,979	-	-	15,789	16,409	3,297	54,788
NCF	37,493	33,501	47,284	46,995	△86,011	79,447	20,338	20,411	145,707	164,862	95,790	37,784
Period-end book value (million yen)	1,442	1,439	2,573	2,570	8,208	8,261	1,032	1,030	11,432	11,425	5,337	5,382

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

# Balance of Payments of Individual Properties (3)

(Unit : Thousand yen)

Asset Type	OFC-16		OFC-17		OFC-18		OFC-19		OFC-20		OFC-21	
Property name	Urban Center Kanda Tsukasamachi		Takadanobaba Access		Azabu Amerex Building		Hiei Kudan Building		Urban Center Shin-Yokohama		The Portal Akihabara	
												
<b>Acquisition price</b>	4,590 million yen		3,990 million yen		2,780 million yen		2,400 million yen		2,300 million yen		1,510 million yen	
<b>Appraisal value</b>	4,530 million yen		3,810 million yen		2,970 million yen		2,440 million yen		2,770 million yen		1,490 million yen	
<b>Structure/Floors</b>	SRC B1/8F		S・RC B1/14F		SRC B1/8F		SRC・S B1/11F		S・SRC B1/11F		SRC・S 8F	
<b>Location</b>	Chiyoda-ku, Tokyo		Shinjuku-ku, Tokyo		Minato-ku, Tokyo		Chiyoda-ku, Tokyo		Yokohama-shi, Kanagawa		Chiyoda-ku, Tokyo	
<b>Lot area</b>	709.52㎡		930.70㎡		601.71㎡		478.27㎡		700.59㎡		184.76㎡	
<b>Total floor areas</b>	4,629.27㎡		5,757.14㎡		2,909.80㎡		3,205.72㎡		5,356.99㎡		1,010.67㎡	
<b>Construction completion</b>	January 20, 1988		January 14, 1994		June 30, 1988		September 17, 1991		March 17, 1992		May 31, 2002	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	101,475	113,703	113,807	112,598	75,029	77,246	69,992	70,484	87,453	88,972	35,002	32,465
Lease business revenue	96,839	106,376	102,065	101,999	70,902	72,767	69,992	70,484	81,522	81,169	29,507	30,660
Other lease business revenue	4,635	7,326	11,742	10,599	4,127	4,478	-	-	5,931	7,803	5,495	1,805
Total operating expenses from real estate leasing	28,721	29,725	34,727	39,472	22,065	29,238	24,230	25,393	32,504	29,858	8,451	10,475
Management fee	9,583	10,284	13,086	13,185	7,694	7,135	3,566	3,582	9,070	8,290	2,731	2,827
Utilities expenses	5,415	7,689	7,933	10,901	3,132	4,005	26	27	6,308	7,899	1,381	1,685
Taxes and dues	8,325	8,324	9,780	9,780	8,716	8,714	7,382	7,382	8,297	8,297	1,695	1,695
Repair expenses	2,275	2,211	2,601	4,319	1,941	7,484	-	254	6,798	3,900	826	2,167
Trust fee	400	400	400	400	375	375	500	500	350	350	400	400
Insurance premium	271	274	293	296	140	142	256	259	251	254	52	53
Other expenses	2,450	539	631	589	66	1,381	12,499	13,387	1,428	865	1,363	1,647
NOI	72,753	83,978	79,080	73,125	52,964	48,007	45,761	45,091	54,948	59,114	26,551	21,989
Depreciation	13,750	14,051	13,052	13,585	4,401	4,643	4,027	4,095	17,133	18,090	4,063	4,122
Operating income (loss) from real estate leasing	59,003	69,926	66,028	59,540	48,562	43,363	41,734	40,995	37,814	41,024	22,487	17,867
Capital expenditures	7,428	-	9,900	11,283	9,258	35,649	-	1,633	63,784	7,027	2,582	-
NCF	65,324	83,978	69,180	61,842	43,705	12,357	45,761	43,457	△8,836	52,086	23,968	21,989
Period-end book value (million yen)	4,712	4,698	4,022	4,020	2,792	2,823	2,378	2,375	2,528	2,517	1,498	1,493

# Balance of Payments of Individual Properties (4)

(Unit : Thousand yen)

Asset Type	OFC-22		OFC-23		OFC-24	
Property name	Urban Center Tachikawa		Urban Center Hakata		Urban Center Fujisawa	
						
<b>Acquisition price</b>	1,804 million yen		2,870 million yen		2,054 million yen	
<b>Appraisal value</b>	2,190 million yen		3,290 million yen		2,210 million yen	
<b>Structure/Floors</b>	RC-S B1/6F		S 8F		SRC B1/8F	
<b>Location</b>	Tachikawa-shi, Tokyo		Fukuoka-shi, Fukuoka		Fujisawa-shi, Kanagawa	
<b>Lot area</b>	964.80㎡		656.72㎡		1,005.52㎡	
<b>Total floor areas</b>	4,659.20㎡		3,566.56㎡		4,392.71㎡	
<b>Construction completion</b>	May 30, 1990		August 27, 2020		April 9, 1991	
	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	63,352	65,961	85,373	87,136	80,990	84,638
Lease business revenue	59,333	60,793	80,781	80,817	74,125	75,418
Other lease business revenue	4,019	5,168	4,592	6,319	6,864	9,220
Total operating expenses from real estate leasing	18,916	23,493	17,787	20,569	18,409	27,788
Management fee	5,032	5,084	5,215	5,288	4,627	5,794
Utilities expenses	3,966	4,786	5,131	5,960	6,099	7,765
Taxes and dues	4,633	4,642	6,578	6,578	4,203	4,203
Repair expenses	4,010	5,527	63	1,704	1,987	8,960
Trust fee	400	400	400	400	400	400
Insurance premium	212	214	187	189	214	217
Other expenses	661	2,837	211	448	875	447
NOI	44,435	42,468	67,585	66,567	62,581	56,850
Depreciation	9,058	9,128	15,281	15,281	7,898	8,219
Operating income (loss) from real estate leasing	35,377	33,339	52,303	51,285	54,682	48,630
Capital expenditures	1,208	4,552	-	-	3,512	39,589
NCF	43,227	37,915	67,585	66,567	59,068	17,260
Period-end book value (million yen)	1,927	1,922	2,808	2,793	2,192	2,223

# Balance of Payments of Individual Properties (5)

(Unit : Thousand yen)

Asset Type	RTL-01		RTL-02		RTL-03		RTL-05		RTL-06		RTL-07	
Property name	LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		BAGUS Ikebukuro West		abeno nini (Retail)		Urban Forum Warabi	
												
Acquisition price	5,400 million yen		6,550 million yen		3,320 million yen		2,984 million yen		9,500 million yen		1,100 million yen	
Appraisal value	5,200 million yen		6,600 million yen		3,590 million yen		3,500 million yen		10,600 million yen		1,240 million yen	
Structure/Floors	RC・S 3F		S 1F		S 4F		S・RC B2/8F		RC B2/24F		S 6F	
Location	Kishiwada-shi, Osaka		Chikushino-shi, Fukuoka		Koka-shi, Shiga		Toshima-ku, Tokyo		Osaka-shi, Osaka		Kawaguchi-shi, Saitama	
Lot area	39,779.74㎡		96,101.96㎡		19,917.56㎡		264.15㎡		633.90㎡		408.90㎡	
Total floor areas	65,663.02㎡		31,028.62㎡		31,829.71㎡		1,497.45㎡		4,866.82㎡		1,489.22㎡	
Construction completion	August 30, 1994		June 22, 2007		May 31, 1999		November 20, 1992		January 31, 2012		December 1, 2023	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	508,209	514,725	277,023	285,186	(*)	(*)	(*)	(*)	223,804	223,804	-	31,025
Lease business revenue	409,783	405,932	249,875	254,262					223,804	223,804	-	29,338
Other lease business revenue	98,425	108,792	27,148	30,923					-	-	-	1,687
Total operating expenses from real estate leasing	311,931	325,967	84,469	115,305					28,467	28,468	-	4,433
Management fee	115,034	113,042	26,190	27,563					1,200	1,200	-	2,539
Utilities expenses	124,260	139,039	27,770	35,520					-	-	-	1,465
Taxes and dues	43,389	43,324	21,927	21,926					8,620	8,620	-	8
Repair expenses	11,915	10,801	3,713	23,113					-	-	-	-
Trust fee	3,078	1,150	350	350					350	350	-	321
Insurance premium	1,520	1,538	799	808					217	220	-	64
Other expenses	12,732	17,071	3,717	6,022	18,078	18,077	-	33				
NOI	196,277	188,758	192,554	169,880	127,620	122,738	61,137	56,521	195,336	195,335	-	26,591
Depreciation	33,489	34,778	25,213	25,490	27,846	28,598	2,350	2,397	16,639	16,639	-	5,284
Operating income (loss) from real estate leasing	162,788	153,980	167,341	144,389	99,773	94,139	58,786	54,123	178,697	178,696	-	21,307
Capital expenditures	67,789	14,217	1,614	36,251	41,569	-	1,519	766	-	-	-	-
NCF	128,487	174,541	190,940	133,628	86,051	122,738	59,617	55,754	195,336	195,335	-	26,591
Period-end book value (million yen)	5,580	5,559	6,418	6,429	3,203	3,174	2,997	2,995	9,539	9,522	-	1,116

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

# Balance of Payments of Individual Properties (6)

(Unit : Thousand yen)

**SOLD**

Asset Type	RSC-01		RSC-02		RSC-05		RSC-07		RSC-08		RSC-10	
Property name	Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Namba		Urban Park Kashiwa		Urban Park Ryokuchi-koen		Urban Park Ichigao	
												
Acquisition price	2,045 million yen		6,315 million yen		1,490 million yen		1,186 million yen		1,550 million yen		1,810 million yen	
Appraisal value	2,990 million yen		10,300 million yen		1,540 million yen		1,240 million yen		1,730 million yen		2,180 million yen	
Structure/Floors	SRC B1/12F		RC B1/3F		RC 14F		SRC B1/8F		RC 8F		RC B1/8F	
Location	Minato-ku, Tokyo		Shibuya-ku, Tokyo		Osaka-shi, Osaka		Kashiwa-shi, Chiba		Suita-shi, Osaka		Yokohama-shi, Kanagawa	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		1,597.85㎡		2,804.56㎡		1,758.84㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		4,243.71㎡		5,854.64㎡		5,243.85㎡	
Construction completion	November 29, 1999		November 15, 1982		January 9, 2013		August 28, 1997		March 10, 1989		July 10, 1998	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	59,693	62,073	196,535	200,613	49,082	9,538	39,356	38,509	60,546	61,931	59,302	58,591
Lease business revenue	57,528	59,474	186,826	186,196	48,205	9,427	37,134	37,873	57,172	59,434	56,908	56,715
Other lease business revenue	2,165	2,598	9,708	14,416	876	110	2,222	636	3,374	2,496	2,393	1,876
Total operating expenses from real estate leasing	14,674	14,075	36,836	44,759	13,260	2,748	12,325	7,958	15,503	26,636	17,715	16,521
Management fee	2,204	2,340	9,709	9,596	2,650	549	2,109	2,057	2,491	2,706	3,515	3,078
Utilities expenses	600	630	3,330	4,424	359	195	555	591	2,428	2,627	1,233	1,371
Taxes and dues	3,053	3,057	12,532	12,556	2,921	1,053	2,973	2,973	3,646	3,724	4,023	4,023
Repair expenses	4,810	4,171	3,091	7,855	3,349	645	4,938	563	4,088	15,445	7,218	5,825
Trust fee	350	350	350	350	350	69	350	350	350	350	400	400
Insurance premium	102	103	335	339	112	38	159	161	227	229	193	196
Other expenses	3,552	3,421	7,487	9,636	3,517	198	1,240	1,261	2,270	1,552	1,131	1,626
NOI	45,019	47,998	159,698	155,854	35,821	6,789	27,030	30,550	45,043	35,295	41,586	42,070
Depreciation	5,396	5,378	13,472	13,587	8,046	2,684	7,722	7,879	8,898	8,929	6,466	6,531
Operating income (loss) from real estate leasing	39,622	42,619	146,226	142,267	27,774	4,105	19,308	22,670	36,145	26,366	35,120	35,538
Capital expenditures	3,808	142	1,785	4,337	115	-	1,657	12,296	1,039	66,600	144	5,638
NCF	41,210	47,855	157,913	151,517	35,705	6,789	25,373	18,254	44,003	△31,305	41,441	36,431
Period-end book value (million yen)	2,064	2,059	6,316	6,307	1,453	-	1,196	1,200	1,564	1,622	1,913	1,912

# Balance of Payments of Individual Properties (7)

(Unit : Thousand yen)

Asset Type	RSC-11		RSC-12		RSC-13		RSC-14		RSC-15		RSC-16	
Property name	Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato		Urban Park Yoyogi		Urban Park Tokiwadai Koen	
												
<b>Acquisition price</b>	1,430 million yen		2,470 million yen		2,150 million yen		993 million yen		1,740 million yen		3,506 million yen	
<b>Appraisal value</b>	1,610 million yen		2,570 million yen		2,450 million yen		1,100 million yen		2,020 million yen		4,320 million yen	
<b>Structure/Floors</b>	SRC 10F		RC 13F		SRC 15F		RC 10F		RC 8F		RC 5F	
<b>Location</b>	Ichikawa-shi, Chiba		Shiroi-shi, Chiba		Osaka-shi, Osaka		Osaka-shi, Osaka		Shibuya-ku, Tokyo		Yokohama-shi, Kanagawa	
<b>Lot area</b>	1,122.57㎡		11,485.06㎡		2,346.39㎡		1,803.70㎡		464.09㎡		12,544.61㎡	
<b>Total floor areas</b>	3,397.95㎡		22,448.08㎡		8,190.11㎡		4,862.83㎡		1,418.03㎡		15,708.08㎡	
<b>Construction completion</b>	March 24, 1995		May 9, 1995		August 18, 1989		December 20, 1991		September 4, 2017		Feb 17, 1994	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	45,316	45,128	142,506	144,718	86,647	90,027	40,535	40,420	42,472	43,130	152,409	152,006
Lease business revenue	42,136	40,954	136,265	136,329	82,544	86,909	40,149	40,199	40,086	42,422	145,011	146,407
Other lease business revenue	3,180	4,173	6,240	8,389	4,103	3,118	386	221	2,385	708	7,398	5,599
Total operating expenses from real estate leasing	9,664	14,920	69,164	73,589	29,943	36,487	13,515	13,883	9,864	8,849	37,982	36,006
Management fee	2,402	2,214	6,121	6,141	9,552	9,875	3,899	3,969	2,253	2,355	11,590	12,494
Utilities expenses	2,360	2,980	50	78	2,360	2,542	258	286	319	343	1,354	1,859
Taxes and dues	2,470	2,470	13,882	13,880	5,325	5,320	3,216	3,212	2,026	2,026	10,946	10,944
Repair expenses	1,109	5,241	15,178	17,613	9,309	14,575	3,915	4,962	1,819	1,280	8,701	6,502
Trust fee	400	400	750	750	375	375	375	375	400	400	400	400
Insurance premium	131	133	1,084	1,097	377	382	190	192	70	71	553	559
Other expenses	790	1,479	32,097	34,029	2,642	3,415	1,659	884	2,975	2,371	4,436	3,245
NOI	35,651	30,207	73,342	71,128	56,704	53,540	27,019	26,537	32,607	34,281	114,427	116,000
Depreciation	4,605	4,854	19,466	19,475	14,189	14,333	5,710	5,883	4,393	4,393	15,474	15,862
Operating income (loss) from real estate leasing	31,046	25,352	53,876	51,652	42,514	39,206	21,309	20,654	28,213	29,887	98,952	100,138
Capital expenditures	9,027	3,196	555	-	4,361	5,027	3,153	6,101	-	-	7,839	6,005
NCF	26,624	27,011	72,786	71,128	52,342	48,513	23,866	20,436	32,607	34,281	106,588	109,994
Period-end book value (million yen)	1,501	1,500	2,323	2,304	2,177	2,168	963	963	1,704	1,700	3,627	3,618

# Balance of Payments of Individual Properties (8)

(Unit : Thousand yen)

Asset Type	RSC-17		RSC-18		RSC-19		RSC-20		RSC-21		RSC-22	
Property name	Urban Park Mitsuike Koen		Urban Park Ryogoku		Urban Park Mizonokuchi		Urban Park Miyamaedaira		Urban Park Tsurumi		Urban Park Mitaka	
												
<b>Acquisition price</b>	3,160 million yen		1,115 million yen		2,019 million yen		1,060 million yen		1,113 million yen		743 million yen	
<b>Appraisal value</b>	3,830 million yen		1,390 million yen		2,100 million yen		1,250 million yen		1,210 million yen		1,010 million yen	
<b>Structure/Floors</b>	RC 6F		SRC 9F		RC B1/5F		S 3F		RC 6F		S 3F	
<b>Location</b>	Yokohama-shi, Kanagawa		Sumida-ku, Tokyo		Kawasaki-shi, Kanagawa		Kawasaki-shi, Kanagawa		Yokohama-shi, Kanagawa		Mitaka-shi, Tokyo	
<b>Lot area</b>	10,216.95㎡		669.98㎡		2,624.51㎡		1,239.53㎡		2,172.70㎡		947.92㎡	
<b>Total floor areas</b>	10,918.37㎡		2,351.42㎡		5,029.52㎡		2,039.17㎡		3,169.13㎡		1,180.02㎡	
<b>Construction completion</b>	March 24, 1992		October 31, 1997		August 23, 1988		June 10, 2021		February 17, 1994		June 8, 2023	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	134,374	134,540	38,806	37,817	67,121	67,049	33,966	33,030	(※)	(※)	7,322	16,285
Lease business revenue	127,048	127,165	36,691	37,025	61,543	64,193	33,242	32,035			7,322	16,038
Other lease business revenue	7,326	7,374	2,115	792	5,577	2,855	724	995			-	247
Total operating expenses from real estate leasing	38,299	40,028	8,693	8,760	19,993	15,467	5,303	7,832			7,131	4,288
Management fee	11,047	11,408	2,664	2,591	4,207	4,424	1,463	1,735			493	755
Utilities expenses	866	1,127	389	432	640	669	50	55			72	66
Taxes and dues	8,805	8,802	1,907	1,907	3,562	3,559	1,554	1,554			697	697
Repair expenses	9,120	11,757	2,165	2,673	6,794	2,822	283	1,770			66	23
Trust fee	400	400	400	400	400	400	400	400			350	350
Insurance premium	441	446	115	116	226	229	78	79			52	52
Other expenses	7,616	6,086	1,050	638	4,161	3,361	1,473	2,238			5,398	2,342
NOI	96,074	94,511	30,113	29,057	47,127	51,582	28,662	25,197	28,637	29,625	191	11,997
Depreciation	13,138	13,242	2,690	2,699	7,488	8,113	4,533	4,533	2,829	2,957	3,383	3,443
Operating income (loss) from real estate leasing	82,935	81,269	27,422	26,358	39,639	43,468	24,129	20,664	25,807	26,667	△3,191	8,554
Capital expenditures	-	6,003	173	367	13,920	1,587	-	-	144	8,234	611	606
NCF	96,074	88,507	29,939	28,689	33,206	49,994	28,662	25,197	28,492	21,390	△420	11,390
Period-end book value (million yen)	3,264	3,256	1,143	1,141	2,119	2,113	1,082	1,078	1,142	1,148	775	772

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

# Balance of Payments of Individual Properties (9)

(Unit : Thousand yen)

Asset Type	RSC-23		RSC-24		RSC-25	
Property name	Urban Park Kamata Minami I		Urban Park Kamata Minami II		Urban Park Umejima	
						
<b>Acquisition price</b>	641 million yen		1,375 million yen		1,032 million yen	
<b>Appraisal value</b>	902 million yen		1,790 million yen		1,220 million yen	
<b>Structure/Floors</b>	RC 5F		RC 6F		RC 5F	
<b>Location</b>	Ota-ku, Tokyo		Ota-ku, Tokyo		Adachi-ku, Tokyo	
<b>Lot area</b>	502.47㎡		1,031.39㎡		770.36㎡	
<b>Total floor areas</b>	1,239.35㎡		2,260.91㎡		1,785.40㎡	
<b>Construction completion</b>	September 25, 2022		July 25, 2023		October 23, 2023	
			FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	22,634	23,201	38,312	45,248	27,334	28,622
Lease business revenue	22,001	21,740	38,312	45,186	22,739	28,622
Other lease business revenue	633	1,461	-	62	4,595	-
Total operating expenses from real estate leasing	5,963	6,235	11,289	8,804	12,611	4,760
Management fee	1,179	1,285	2,455	2,574	1,547	1,694
Utilities expenses	202	213	394	355	326	274
Taxes and dues	1,164	1,148	2,692	2,676	1,767	1,767
Repair expenses	541	778	-	66	45	206
Trust fee	349	350	349	350	349	350
Insurance premium	53	54	97	98	71	72
Other expenses	2,472	2,406	5,299	2,683	8,503	395
NOI	16,671	16,965	27,023	36,444	14,722	23,862
Depreciation	3,322	3,322	6,763	6,858	5,208	5,208
Operating income (loss) from real estate leasing	13,349	13,643	20,260	29,585	9,514	18,653
Capital expenditures	-	-	-	-	-	-
NCF	16,671	16,965	27,023	36,444	14,722	23,862
Period-end book value (million yen)	674	671	1,434	1,439	1,088	1,083

# Balance of Payments of Individual Properties (10)

(Unit : Thousand yen)

Asset Type	LGC-01		LGC-02		LGC-03		LGC-04		LGC-05		LGC-07	
Property name	Iwatsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics		Tokorozawa Logistics		Funabashi Nishiura Logistics II	
												
<b>Acquisition price</b>	6,942 million yen		3,560 million yen		7,875 million yen		4,700 million yen		1,300 million yen		821 million yen	
<b>Appraisal value</b>	7,480 million yen		4,170 million yen		8,760 million yen		5,220 million yen		1,660 million yen		911 million yen	
<b>Structure/Floors</b>	S 5F		RC 8F		S 8F		RC·S 5F		S 2F		S 4F	
<b>Location</b>	Saitama-shi, Saitama		Yokohama-shi, Kanagawa		Funabashi-shi, Chiba		Ichikawa-shi, Chiba		Tokorozawa-shi, Saitama		Funabashi-shi, Chiba	
<b>Lot area</b>	15,623.14㎡		10,565.95㎡		19,858.00㎡		6,242.76㎡		8,645.63㎡		3,964.00㎡	
<b>Total floor areas</b>	29,729.72㎡		18,387.89㎡		38,871.45㎡		12,471.50㎡		5,994.75㎡		6,316.32㎡	
<b>Construction completion</b>	October 29, 2014		October 1, 1994		September 25, 1992		August 14, 2015		April 30, 1999		Mar. 20, 1991	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	201,657	206,673			265,769	275,767						
Lease business revenue	190,179	190,166			251,428	253,414						
Other lease business revenue	11,477	16,507			14,340	22,353						
Total operating expenses from real estate leasing	35,860	41,909			52,570	65,274						
Management fee	6,060	6,400	(※)	(※)	13,397	13,629	(※)	(※)	(※)	(※)	(※)	(※)
Utilities expenses	11,477	16,507			14,577	22,643						
Taxes and dues	13,477	13,476			21,077	21,077						
Repair expenses	1,580	2,155			2,322	6,021						
Trust fee	350	350			400	400						
Insurance premium	461	466			672	690						
Other expenses	2,452	2,552			121	810						
NOI	165,797	164,764	94,557	96,469	213,198	210,493	98,473	98,013	37,741	33,372	29,600	27,289
Depreciation	47,179	47,332	21,815	22,562	32,508	33,322	15,918	15,961	6,091	6,157	4,673	4,953
Operating income (loss) from real estate leasing	118,617	117,432	72,741	73,907	180,690	177,171	82,554	82,051	31,650	27,214	24,927	22,335
Capital expenditures	5,809	17,325	17,225	20,929	42,621	39,069	-	5,460	-	6,651	6,414	5,998
NCF	159,987	147,439	77,332	75,540	170,577	171,424	98,473	92,553	37,741	26,721	23,186	21,291
Period-end book value (million yen)	6,247	6,217	3,657	3,655	7,742	7,748	4,521	4,511	1,332	1,333	841	842

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

# Balance of Payments of Individual Properties (11)

(Unit : Thousand yen)

Asset Type	LGC-08		LGC-09	
Property name	Matsubushi Logistics		Funabashi Hi-Tech Park I	
				
Acquisition price	2,755 million yen		1,997 million yen	
Appraisal value	3,310 million yen		2,180 million yen	
Structure/Floors	RC 3F		S 2F	
Location	Kita-Katsushika-gun, Saitama		Funabashi-shi, Chiba	
Lot area	11,580.65㎡		13,420.44㎡	
Total floor areas	19,833.47㎡		8,598.11㎡	
Construction completion	March 31, 1997		May 19, 2003	
	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing				
Lease business revenue				
Other lease business revenue				
Total operating expenses from real estate leasing				
Management fee	(※)	(※)	(※)	(※)
Utilities expenses				
Taxes and dues				
Repair expenses				
Trust fee				
Insurance premium				
Other expenses				
NOI	79,065	76,661	70,513	68,661
Depreciation	20,813	22,259	9,771	10,011
Operating income (loss) from real estate leasing	58,251	54,401	60,742	58,649
Capital expenditures	27,478	49,306	5,901	9,093
NCF	51,586	27,355	64,611	59,568
Period-end book value (million yen)	2,748	2,775	1,954	1,953

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

# Balance of Payments of Individual Properties (12)

SOLD

Asset Type	HTL-01		HTL-02		HTL-03		HTL-04		HTL-05		HTL-06	
Property name	R&B Hotel Umeda East		Smile Hotel Namba		REMBRANDT STYLE Tokyo Nishikasai		Best Western Yokohama		The BREAKFAST HOTEL Fukuoka Tenjin		GLANSIT AKIHABARA	
												
Acquisition price	2,069 million yen		1,750 million yen		3,827 million yen		3,248 million yen		1,970 million yen		2,500 million yen	
Appraisal value	2,440 million yen		1,490 million yen		3,730 million yen		3,110 million yen		2,100 million yen		2,440 million yen	
Structure/Floors	RC 9F		S 9F		SRC B1/9F		SRC B1/9F		RC 10F		S・SRC B1/10F	
Location	Osaka-shi, Osaka		Osaka-shi, Osaka		Edogawa-ku, Tokyo		Yokohama-shi, Kanagawa		Fukuoka-shi, Fukuoka		Chiyoda-ku, Tokyo	
Lot area	730.26㎡		285.28㎡		1,418.00㎡		782.66㎡		543.94㎡		167.74㎡	
Total floor areas	3,945.65㎡		1,711.42㎡		5,293.88㎡		4,686.09㎡		2,281.49㎡		1,081.97㎡	
Construction completion	October 20, 2000		February 6, 2008		March 19, 1991		September 21, 1987		February 20, 2017		September 20, 2017	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	65,212	65,212	36,612	2,860	93,998	84,600	80,400	80,400				
Lease business revenue	65,212	65,212	36,612	2,860	93,998	84,600	80,400	80,400				
Other lease business revenue	-	-	-	-	-	-	-	-				
Total operating expenses from real estate leasing	8,339	9,012	3,940	1,069	12,000	10,990	9,504	8,523				
Management fee	742	742	660	53	1,200	1,200	1,200	1,343	(※)	(※)	(※)	(※)
Utilities expenses	2	2	-	-	-	-	-	-				
Taxes and dues	5,632	5,632	2,351	612	8,883	8,883	4,502	4,501				
Repair expenses	1,381	2,053	339	323	1,209	195	3,169	2,072				
Trust fee	350	350	471	39	400	400	400	400				
Insurance premium	205	208	94	31	285	288	181	183				
Other expenses	24	23	24	9	22	23	50	23				
NOI	56,873	56,200	32,672	1,791	81,997	73,609	70,895	71,876	41,810	65,307	48,759	48,759
Depreciation	11,061	10,870	8,946	1,493	16,158	16,199	13,408	13,451	8,662	8,662	4,643	4,643
Operating income (loss) from real estate leasing	45,812	45,329	23,725	297	65,839	57,410	57,487	58,424	33,148	56,644	44,116	44,116
Capital expenditures	-	-	504	-	-	1,225	552	346	-	-	-	-
NCF	56,873	56,200	32,167	1,791	81,997	72,383	70,343	71,530	41,810	65,307	48,759	48,759
Period-end book value (million yen)	2,070	2,059	1,585	-	3,852	3,837	3,178	3,165	1,888	1,879	2,466	2,462

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

# Balance of Payments of Individual Properties (13)

(Unit : Thousand yen)

Asset Type	HTL-07		HTL-08		HTL-09		HTL-10		HTL-11		HTL-12	
Property name	REMBRANDT STYLE Tokyo Nishikasai Grande		KOKO HOTEL Osaka Namba		abeno nini (Hotel)		KOKO HOTEL Ginza 1-Chome		KOKO HOTEL Sapporo Ekimae		KOKO HOTEL Fukuoka Tenjin	
												
Acquisition price	3,180 million yen		2,000 million yen		3,600 million yen		17,800 million yen		6,700 million yen		5,000 million yen	
Appraisal value	3,120 million yen		1,820 million yen		4,020 million yen		2,250 million yen		8,050 million yen		5,930 million yen	
Structure/Floors	S 8F		RC 9F		RC B2/24F		S-SRC B1F/12F		S B1/12F		RC 14F	
Location	Edogawa-ku, Tokyo		Osaka-shi, Osaka		Osaka-shi, Osaka		Chuo-ku, Tokyo		Sapporo-shi, Hokkaido		Fukuoka-shi, Fukuoka	
Lot area	657.00㎡		335.31㎡		586.44㎡		848.78㎡		734.34㎡		752.89㎡	
Total floor areas	2,755.19㎡		2,061.38㎡		7,764.81㎡		7,299.11㎡		5,886.67㎡		4,404.91㎡	
Construction completion	February 7, 2017		April 7, 2017		January 31, 2012		October 29, 2014		October 20, 2015		Augst 20, 2007	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	70,002	70,002	46,911	59,448			540,155	629,996	209,472	243,734	148,299	171,666
Lease business revenue	70,002	70,002	46,911	59,448			540,155	629,996	208,153	243,734	148,299	171,666
Other lease business revenue	-	-	-	-			-	-	1,318	-	-	-
Total operating expenses from real estate leasing	6,849	8,226	5,275	5,694			46,475	38,870	17,474	41,582	14,337	29,255
Management fee	990	990	900	900	(※)	(※)	1,160	2,020	660	660	720	1,420
Utilities expenses	-	-	-	-			-	-	-	-	-	-
Taxes and dues	5,316	5,316	3,413	3,413			30,805	30,805	13,877	13,877	12,942	12,942
Repair expenses	-	1,373	15	435			13,639	3,486	2,165	25,695	-	14,213
Trust fee	400	400	350	350			400	400	400	400	400	400
Insurance premium	121	123	86	87			443	448	348	352	255	258
Other expenses	21	22	510	508			26	1,709	22	596	20	20
NOI	63,152	61,775	41,636	53,753	58,161	58,125	493,680	591,126	191,997	202,152	133,961	142,411
Depreciation	10,857	10,857	8,746	8,750	6,885	6,892	23,964	25,441	30,096	30,580	7,757	7,757
Operating income (loss) from real estate leasing	52,295	50,918	32,889	45,003	51,275	51,232	469,715	565,684	161,901	171,572	126,203	134,653
Capital expenditures	-	-	285	-	-	1,298	17,746	52,407	7,344	7,135	-	-
NCF	63,152	61,775	41,351	53,753	58,161	56,826	475,933	538,718	184,653	195,017	133,961	142,411
Period-end book value (million yen)	3,078	3,067	1,917	1,909	3,623	3,618	17,889	17,916	6,701	6,677	5,026	5,018

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

# Balance of Payments of Individual Properties (14)

(Unit : Thousand yen)

Asset Type	HTL-13		HTL-14		HTL-15		HTL-16		HTL-17		HTL-18	
Property name	KOKO HOTEL Hiroshima Ekimae		KOKO HOTEL Kagoshima Tenmonkan		KOKO HOTEL Sapporo Odori		Best Western Plus Fukuoka Tenjin-minami		KOKO HOTEL Tsukiji Ginza		KOKO HOTEL Residence Asakusa Kappabashi	
												
Acquisition price	4,100 million yen		3,800 million yen		4,200 million yen		3,800 million yen		17,000 million yen		4,300 million yen	
Appraisal value	4,510 million yen		4,100 million yen		4,590 million yen		5,130 million yen		19,300 million yen		5,350 million yen	
Structure/Floors	S・RC B1/14F		S 13F		RC 10F		S 13F		S 11F		S 12F	
Location	Hiroshima-shi, Hiroshima		Kagoshima-shi, Kagoshima		Sapporo-shi, Hokkaido		Fukuoka-shi, Fukuoka		Chuo-ku, Tokyo		Taito-ku, Tokyo	
Lot area	534.09㎡		882.69㎡		626.34㎡		1,788.92㎡		829.96㎡		261.16㎡	
Total floor areas	5,370.75㎡		4,622.48㎡		3,854.01㎡		7,322.03㎡		6,086.48㎡		1,608.74㎡	
Construction completion	December 17, 2019		April 19, 2019		June 9, 2020		April 3, 2020		December 15, 2020		November 27, 2020	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	139,829	144,942	70,256	81,409	113,882	137,919	236,929	264,394	-	454,663	-	114,391
Lease business revenue	139,829	144,942	70,256	81,409	113,882	137,919	236,929	264,394	-	454,663	-	114,391
Other lease business revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses from real estate leasing	13,929	13,249	11,016	10,352	10,367	13,807	57,090	57,507	-	1,515	-	1,190
Management fee	720	960	790	720	720	720	720	720	-	759	-	759
Utilities expenses	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and dues	11,510	11,509	8,949	8,949	8,781	8,781	9,697	9,696	-	9	-	8
Repair expenses	480	-	-	-	227	3,662	-	-	-	1	-	1
Trust fee	400	400	400	400	400	400	400	400	-	358	-	337
Insurance premium	303	306	259	262	217	220	412	416	-	381	-	76
Other expenses	515	72	617	21	20	22	45,861	46,274	-	5	-	7
NOI	125,899	131,693	59,240	71,056	103,515	124,112	179,838	206,886	-	453,147	-	113,201
Depreciation	33,563	33,563	37,249	39,251	21,408	21,432	52,052	52,052	-	37,562	-	16,312
Operating income (loss) from real estate leasing	92,336	98,129	21,990	31,805	82,106	102,679	127,786	154,834	-	415,584	-	96,888
Capital expenditures	-	-	30,016	-	1,918	428	-	-	-	218	-	208
NCF	125,899	131,693	29,224	71,056	101,596	123,683	179,838	206,886	-	452,928	-	112,992
Period-end book value (million yen)	4,073	4,039	3,793	3,754	4,196	4,175	3,835	3,783	-	17,065	-	4,314

# Balance of Payments of Individual Properties (15)

(Unit : Thousand yen)

Asset Type	HTL-19		HTL-20	
Property name	KOKO HOTEL Residence Asakusa Tawaramachi		KOKO HOTEL Osaka Shinsaibashi	
				
Acquisition price	5,900 million yen		7,500 million yen	
Appraisal value	7,150 million yen		8,010 million yen	
Structure/Floors	S 11F		S・SRC B1/10F	
Location	Taito-ku, Tokyo		Osaka-shi, Osaka	
Lot area	296.66㎡		1,636.96㎡	
Total floor areas	2,226.57㎡		8,881.68㎡	
Construction completion	November 22, 2021		April 19, 2005	
	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	-	159,247	-	197,999
Lease business revenue	-	159,247	-	197,999
Other lease business revenue	-	-	-	-
Total operating expenses from real estate leasing	-	1,221	-	1,582
Management fee	-	759	-	759
Utilities expenses	-	-	-	-
Taxes and dues	-	8	-	9
Repair expenses	-	1	-	1
Trust fee	-	337	-	337
Insurance premium	-	107	-	468
Other expenses	-	7	-	6
NOI	-	158,025	-	196,417
Depreciation	-	19,871	-	16,598
Operating income (loss) from real estate leasing	-	138,153	-	179,818
Capital expenditures	-	208	-	218
NCF	-	157,816	-	196,198
Period-end book value (million yen)	-	5,920	-	7,521

# Balance of Payments of Individual Properties(16)

## Total operating revenue from real estate leasing by asset types (FP18)

(unit: thousand yen)

	Office		Retail		Residence		Logistics		Hotel		Total	
	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18	FP17	FP18
Total operating revenue from real estate leasing	2,427,977	2,479,858	1,235,224	1,280,778	1,379,914	1,368,122	962,609	979,748	2,042,277	3,176,426	8,048,003	9,284,934
Lease business revenue	2,247,057	2,241,972	1,109,651	1,139,375	1,314,507	1,309,989	923,628	925,537	2,040,958	3,176,426	7,635,803	8,793,301
Other lease business revenue	180,919	237,885	125,573	141,403	65,406	58,133	38,981	54,211	1,318	-	412,199	491,633
Total operating expenses from real estate leasing	730,293	809,141	462,298	520,952	396,736	398,625	173,660	204,022	258,182	294,995	2,021,171	2,227,737
Management fee	186,154	182,494	144,885	146,805	86,293	86,325	35,011	35,336	13,784	17,814	466,129	468,776
Utilities expenses	169,938	200,459	152,030	176,026	18,526	21,584	39,218	54,501	2	2	379,716	452,575
Taxes and dues	195,707	195,749	88,180	88,120	91,701	89,887	75,664	76,616	148,149	146,442	599,404	596,816
Repair expenses	76,617	132,906	17,890	45,519	87,363	104,781	13,052	25,097	22,626	53,551	217,551	361,856
Trust fee	8,263	8,263	4,678	3,071	8,249	7,969	3,000	3,000	6,271	7,209	30,462	29,513
Insurance premium	6,354	6,425	3,289	3,391	4,803	4,781	2,461	2,513	3,801	4,814	20,709	21,927
Other expenses	87,258	82,842	51,342	58,017	99,797	83,294	5,253	6,957	63,547	65,160	307,198	296,271
NOI	1,697,683	1,670,716	772,926	759,826	983,178	969,497	788,948	775,726	1,784,094	2,881,430	6,026,831	7,057,197
Depreciation	311,701	324,419	105,539	113,189	163,199	160,173	158,772	162,561	295,462	382,245	1,034,674	1,142,591
Operating income (loss) from real estate leasing	1,385,982	1,346,296	667,387	646,636	819,978	809,323	630,176	613,164	1,488,631	2,499,184	4,992,156	5,914,606
Capital expenditures	449,674	435,305	112,492	51,235	48,338	126,144	105,450	153,833	58,367	63,697	774,323	830,216
NCF	1,248,009	1,235,411	660,433	708,590	934,839	843,352	683,498	621,893	1,725,726	2,817,733	5,252,508	6,226,981
Period-end book value (million yen)	75,901	76,011	27,739	28,799	39,534	38,062	29,044	29,036	69,178	102,187	241,398	274,097

## 9. Note

- P.9 (note 1) The "Tokyo area ratio" is the ratio of properties located in the Tokyo area out of the total acquisition price of real estate, etc. owned, for the "Tokyo area ratio of portfolio," and the "Tokyo area ratio excluding suburban commercial" is the ratio of the total acquisition price of real estate, etc. owned, excluding three suburban commercial facilities that are assumed to be sold, for the "Tokyo area ratio of portfolio," which is the total acquisition price of all properties in the Tokyo area.
- P.9 (note 2) "Average building age" is the weighted average calculated by dividing the building age of each property.  
\* Building age" refers to, except for "Urban Park Daikanyama", the period commencing on the date of completion of construction (based on the date of completion of construction of the principal building as registered in the registry of real estates) to January 31, 2024. As for "Urban Park Daikanyama", which consists of two buildings, "building age" refers to the period commencing on the date of completion of the older building and ends on respective date.
- P.9 (note 3) "Average appraisal NOI Yield" is the average ratio of appraisal NOI using the direct capitalization method to the acquisition price of the property in the real estate appraisal report, rounded to the second decimal place. Preferred securities and mezzanine loan debts are excluded from calculation of "Average appraisal NOI yields".
- P.9 (note 4) "Average post-depreciation appraisal NOI yield" is the ratio of total appraisal NOI (Net Operating Income) values of the assets held by SAR at the end of each period using the direct capitalization method, given in the respective real estate appraisal reports of each property, minus the actual annualized depreciation expenses of such assets for each period, to the total acquisition price of all such assets, all rounded to the first decimal place. Preferred securities and mezzanine loan debts are excluded from calculation of "Average appraisal NOI yields".
- P.38 (note 1) "GRESB Real Estate Assessment" benchmarks ESG performance based on multiple factors and gives participants a five-grade relative evaluation. GRESB is the name of the organization which provides annual benchmarking assessments to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds. It was founded in 2009 by a group of major European pension funds who played leading roles in launching the Principles for Responsible Investment (PRI).
- P.39 (note 1) "GHG" refers to greenhouse gas. Scope 2 emissions (indirect emissions associated with the purchase of electricity, steam, or heat) indicated in this document are calculated based on market-based factors.
- P.39 (note 2) "GHG emission intensity" refers to per-unit GHG emissions amount resulting from a specific activity. In this document, per-unit GHG emissions intensity is calculated using total floor area (m2) accounting for operating months as a unit.
- P.39 (note 3) "Energy Consumptions intensity" refers to per-unit Energy Consumptions emissions amount resulting from a specific activity. In this document, Energy Consumptions intensity is calculated using total floor area (m2) accounting for operating months as a unit.
- P.40 (note 1) The ratio of assets obtaining environmental certification is calculated by dividing the total floor area of assets which are environmentally certified as of January 31, 2025 by the total floor area of assets.
- P.40 (note 2) "BELS Evaluation Certification" is a third-party evaluation framework to assess energy saving performance of buildings based on criteria stipulated by the Ministry of Land, Infrastructure, Transport and Tourism.
- P.40 (note 3) CASBEE Real Estate Certification integrates multiple assessment methods including CASBEE's real estate assessment system, which SAR was assessed. CASBEE's real estate assessment system was developed with the aim of making use of the results of the environmental assessment of buildings in real estate assessment. It scores buildings under each of the evaluation items in five categories, comprising "1. Energy & Greenhouse Gases", "2. Water", "3. Use of Resources & Safety", "4. Biodiversity & Sustainable Site", and "5. Indoor Environment". Based on the scores, the assessment results are granted under one of four ranks: Rank S, Rank A, Rank B+, and Rank B. The same shall apply hereinafter.
- P.40 (note 4) The certification is limited to the expansion building.
- P.40 (note 5) "Urban Park Miyamaedaira" consists of two buildings ("Urban Park Miyamaedaira EAST" and "Urban Park Miyamaedaira WEST") and each of them received certification.
- P.40 (note 6) "Green lease contracts" indicates the lease contracts stating that the lessor and the tenant jointly determine rules including reduction of environmental burdens such as energy saving of properties and improvement of working environment by concluding contracts, memorandums, etc., and implement such rules.

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