

Financial Results for the 17th Fiscal Period Ended July 2024



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



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

1. Executive Summary

Overview of FP17

| Performance Indicators | Initial Forecast | Actual Results | difference | change ratio |
|-----------------------------|-----------------------|------------------------------|----------------|--------------|
| Distribution per unit* | 1,520 yen (55 yen) | 1,596 yen (50 yen) | +76 yen | +5.0% |
| Earnings Per unit** | 1,465 yen | 1,546 yen | +81 yen | +5.5% |
| Rents from hotel properties | 1,877 mn | 2,038 mn | +161 mn | +8.6% |

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

- Distribution per unit: **+5.0%** / 1,596 yen, due to **5.5% increase in net income (mainly due to rental income from hotels)**
- Rental income from hotel portfolio (16 properties in total): **+8.6%** compared to forecast
...Rental income **from 7 hotels managed by Polaris** acquired in Sept.2023: **+12.1%** compared to forecast
- Achieved increase in office rents: 3.6% decrease upon entry of new tenants, **2.7% increase** upon contract renewals (**total increase of 2,528 thousand yen /month**)
- Achieved rent increase for residences: **8.4% increase** upon entry of new tenants, **1.7% increase** upon contract renewals (**total increase of 1,880 thousand yen/month**)
- **Realized increase in asset size** through public offering and asset replacement: **276.5 bn yen** (as of Sept. 6, 2024)
- Expansion of the incorporation ratio of hotels with high inflation resistance / 29.0% → **37.5%** (the largest ratio within the portfolio)

Forecasts for FP18 / FP19

◆ Forecasted Distributions Per Unit

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

FP19 **1,553** yen (33 yen)

◆ Growth Drivers for FP18 and Beyond

- [1] Increase rents from the hotel portfolio. (especially from the 4 newly acquired hotels)
- [2] Increase revenues from Suoy Mall Chikushino: in the short-term, by attracting new tenants; in the mid-term, by increasing rents from existing tenants and by building expansion.
- [3] Residential: increase rents and improve occupancy rates.
(Rent increase is not assumed in the forecast.)
- [4] Offices: increase rents and improve occupancy rates.
(Rent increase is not assumed in the forecast.)

Summary of 7th Public Offering & 11th Asset Replacement and Progression Status of 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 Sept. 6, 2024)
 - ⇒ 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 24.9 years *as of the end of January 2024)

<Progression Status of Mid-term plan>

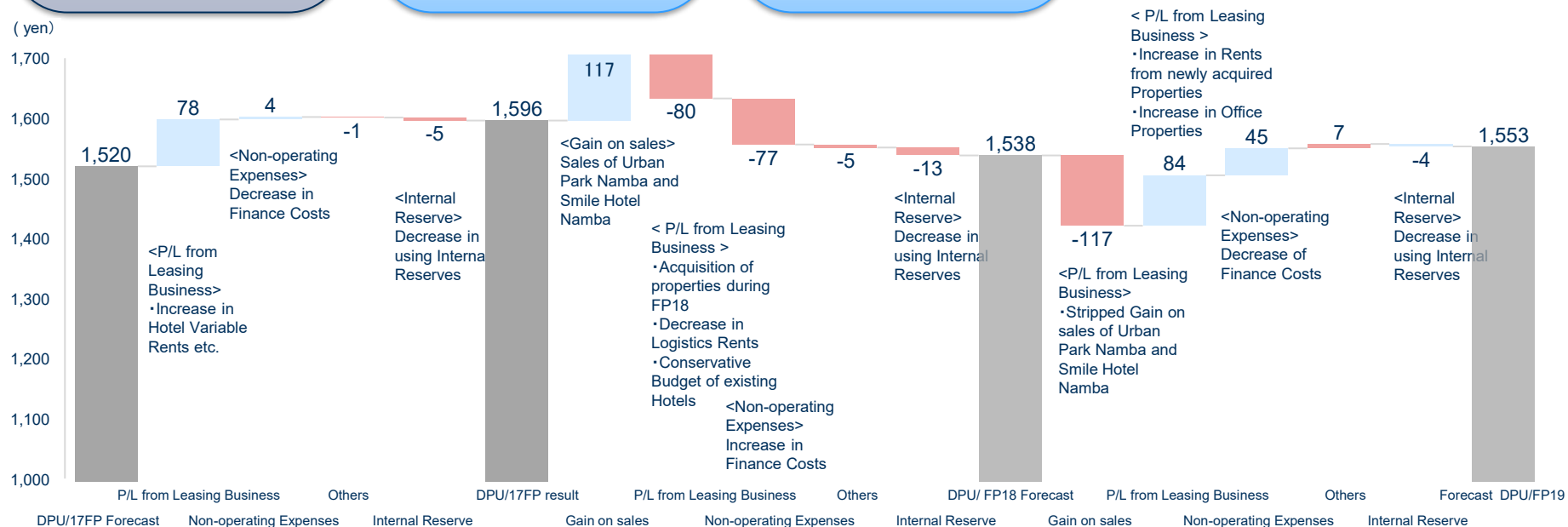
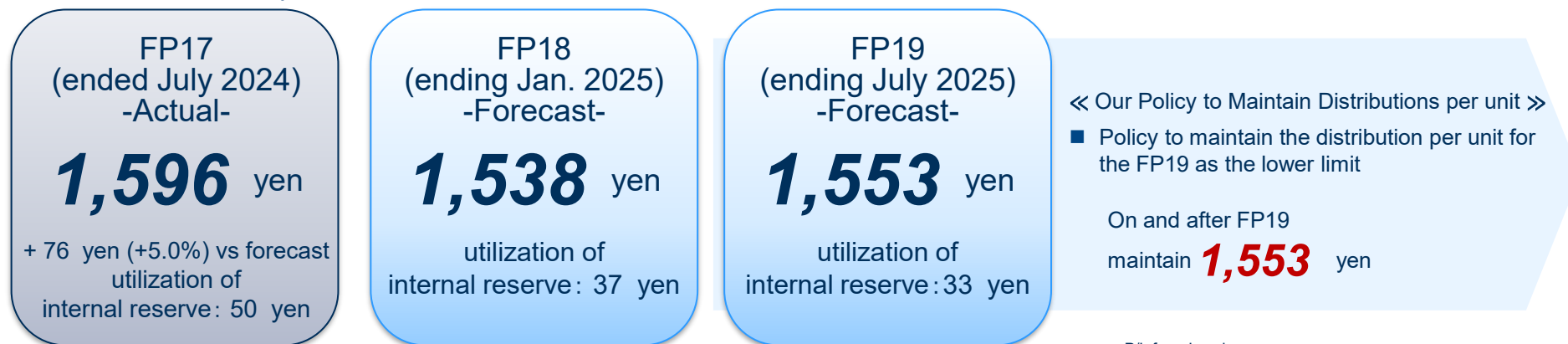
- Asset size target: **300 bn yen**
 - ⇒ Expansion of asset size, since formulating the mid-term plan: 108.7 bn yen
 - ⇒ Asset size after 7th public offering: 276.5 bn yen
 - ⇒ Aiming to achieve the asset size target by leveraging the proprietary network of the asset manager, in addition to support by Star Asia Group
- Distribution per unit (DPU) target: **1,600 yen**
 - ⇒ FP17 actual: 1,596 yen, FP19 forecast: 1,553 yen
 - ⇒ Aim to achieve the target by leveraging internal growth drivers of the portfolio.

2. Actual Distribution and Forecasts for Operating Results

2. Actual and forecasted distribution (1)

Actual distributions for FP17 ended July 31, 2024

- ◆ In FP17, **rental income from hotels (particularly from Polaris-operated hotels) significantly exceeded forecasts**, and actual distribution per unit **increased by 5.0%** compared to initial forecast.
- ◆ Going forward, we anticipate internal growth through rental income from the 4 newly acquired Polaris-operated hotels, aiming to increase distribution per unit.



2. Actual and forecasted distribution (2)

Factors for increase/decrease compared with forecast/actual results for the FP17

- ◆ Variable rents from the 7 hotels acquired in FP16 significantly increased / Total rents received from the 7 hotels: 8.6% increase compared to forecast.
- ◆ Amid soaring construction-related costs, achieved optimization of repair costs and capital expenditures through adequate cost controls.

(unit : mn)

| | FP17 (ended Jan 2024) forecast * | FP17 (ended Jan 2024) Actual | Comparison with forecast | | Factors for the increase/decrease |
|--|----------------------------------|------------------------------|--------------------------|--------|--|
| Lease business revenue | 7,894 | 8,048 | +153 | +1.9% | <Lease business revenue > 【Hotel】 Increase in variable rents linked to GOP/Revenue |
| Office rent | 2,137 | 2,133 | △4 | △0.2% | |
| Retail rent | 1,046 | 1,040 | △6 | △0.7% | |
| Residence rent | 1,265 | 1,260 | △4 | △0.4% | |
| Logistics rent | 914 | 914 | - | 0.0% | |
| Hotel rent | 1,877 | 2,038 | +161 | +8.6% | |
| Other | 652 | 660 | +7 | +1.2% | |
| Expenses related to rent business (Depreciation is excluded) | 2,051 | 2,021 | △30 | △1.5% | |
| NOI | 5,842 | 6,026 | +184 | +3.1% | |
| Depreciation | 1,034 | 1,034 | +0 | △0.0% | |
| Rent revenues/expenses | 4,807 | 4,992 | +184 | +3.8% | <Non-operating expenses> Decrease in finance costs △9.8mn |
| Capex | 867 | 774 | △93 | △10.8% | |
| NCF(NOI-CAPEX) | 4,975 | 5,252 | +277 | +5.6% | |
| Gain on sales | - | - | - | - | |
| Mezzanine | 33 | 34 | +0 | +2.7% | |
| Income from securities lending fees | 31 | 31 | - | 0.0% | |
| SGA | 713 | 719 | +5 | +0.8% | |
| Operating income | 4,159 | 4,338 | +179 | +4.3% | |
| Non-operating income | - | 2 | +2 | - | |
| Non-operating expenses | 681 | 671 | △10 | △1.5% | |
| Ordinary income | 3,477 | 3,669 | +192 | +5.5% | |
| Income before income taxes | 3,477 | 3,669 | +192 | +5.5% | |
| taxes | 0 | 0 | - | 0.0% | |
| Net income | 3,476 | 3,668 | +192 | +5.5% | |
| Cash distribution per unit | 1,520 yen | 1,596 yen | 76 yen | +5.0% | |
| FFO per unit | 1,902 yen | 1,982 yen | +80 yen | +4.2% | |
| AFFO per unit | 1,536 yen | 1,656 yen | +120 yen | +7.8% | |
| Balance of internal reserves | 8,612 | 8,624 | +11 | +0.1% | |
| (Reference) Net income per unit(yen per unit) ** | 1,465 yen | 1,546 yen | 81 yen | +5.5% | |

*Initial forecast disclosed in "(REIT) Financial Report for Fiscal Period Ended January 31, 2024" announced on March 15, 2024

2. Actual and forecasted distribution (3)

Forecast of business results for FP18 ending January 2025 / FP19 ending July 2025

- ◆ One property acquired on August 16, 2024 and 4 properties newly acquired through public offering etc. (acquired on August 30, 2024) will fully contribute starting from FP19 (ending July 2025).

(unit : mn)

| | FP17 Actual (A) | FP18 Forecast (B) | Increase/decrease (B-A) | | Major factors for the increase/decrease (VS FP17 Actual) | FP19 Forecast (C) | Increase/decrease (C-B) | | Major factors for the increase/decrease (VS FP18 Forecast) |
|---|-----------------------|-------------------------|----------------------------|---------------|--|-------------------------|----------------------------|--------------|---|
| Lease business revenue | 8,048 | 8,758 | +710 | +8.8% | <Lease business revenue> | 8,913 | +155 | +1.8% | <Lease business revenue> |
| Office rent | 2,133 | 2,132 | △0 | △0.0% | 【Office】 Hakata-eki East Place △20mn Urban Center Kanda Tsukasamachi +9mn Urban Center Shibuya East +8mn | 2,164 | +31 | +1.5% | 【Office】 Increase in occupancy rate (Shinjuku, Hakata-eki EP, Tachikawa etc.) |
| Retail rent | 1,040 | 1,064 | +23 | +2.3% | | 1,070 | +6 | +0.7% | |
| Residence rent | 1,260 | 1,263 | +2 | +0.2% | | 1,256 | △7 | △0.6% | |
| Logistics rent | 914 | 916 | +1 | +0.1% | | 892 | △23 | △2.6% | |
| Hotel rent | 2,038 | 2,669 | +630 | +30.9% | 【Retail】 Urban Forum Warabi acquired in FP18 +23mn 【Hotel】 4 hotels acquired in FP18 +703mn Smile Hotel Namba transferred △33mn | 2,845 | +175 | +6.6% | 【Hotel】 Termination △27mn 4 hotels acquired in FP18 +174mn |
| Other | 660 | 712 | +52 | +7.9% | | 683 | △28 | △4.0% | |
| Expenses related to rent business (Depreciation is excluded) | 2,021 | 2,174 | +153 | +7.6% | | 2,079 | △95 | △4.4% | |
| NOI | 6,026 | 6,583 | +556 | +9.2% | <Other> | 6,833 | +250 | +3.8% | <Rent expenses> |
| Depreciation | 1,034 | 1,142 | +107 | +10.4% | Utility revenue +38mn | 1,167 | +24 | +2.1% | 5 properties acquired in FP18 +48mn |
| Rent revenues/expenses | 4,992 | 5,440 | +448 | +9.0% | Restoration +30mn | 5,666 | +226 | +4.2% | 2 properties transferred in FP18 △6mn |
| CAPEX | 774 | 873 | +99 | +12.8% | Deposit △7mn | 899 | +25 | +2.9% | Leasing related expenses △62mn |
| NCF(NOI-CAPEX) | 5,252 | 5,709 | +457 | +8.7% | Insurance △5mn | 5,934 | +224 | +3.9% | Repair expenses △59mn |
| Gain on sales | - | 314 | +314 | - | <Rent expenses> | - | △314 | △100.0% | Utility expenses △10mn |
| Mezzanine | 34 | 37 | +2 | +7.2% | 5 properties acquired in FP18 +20mn | 36 | △0 | △0.9% | <Gain on sales> Urban Park Namba and Smile Hotel Namba transferred in FP18 |
| Preferred securities lending fee | 31 | 31 | +0 | +1.1% | 2 properties transferred in FP18 △10mn | 30 | △0 | △1.6% | |
| SGA | 719 | 819 | +100 | +14.0% | Repair expenses +80mn | 800 | △19 | △2.4% | <SGA> Asset management fees +14mn Taxes and public dues (Non-deductible consumption taxes, etc.) △24mn |
| Operating income | 4,338 | 5,003 | +665 | +15.3% | Utility expenses +32mn | 4,934 | △69 | △1.4% | |
| Non-operating income | 2 | - | △2 | △100.0% | Leasing related expenses +28mn | - | - | - | |
| Non-operating expenses | 671 | 967 | +296 | +44.2% | <Gain on sales> | 847 | △120 | △12.4% | <Non-operating expenses> Interest expenses +12mn Borrowing cost △132mn |
| Ordinary income | 3,669 | 4,035 | +366 | +10.0% | Urban Park Namba and Smile Hotel Namba transferred in FP18 | 4,086 | +50 | +1.3% | |
| Income before income taxes | 3,669 | 4,035 | +366 | +10.0% | <SGA> | 4,086 | +50 | +1.3% | |
| Taxes | 0 | 0 | - | 0.0% | Asset management fees +88mn | 0 | - | 0.0% | |
| Net income | 3,668 | 4,035 | +366 | +10.0% | Taxes and public dues | 4,086 | +50 | +1.3% | |
| Cash distribution per unit | 1,596 yen | 1,538 yen | △58 yen | △3.6% | (Non-deductible consumption taxes, etc.) +23mn | 1,553 yen | +15 yen | +1.0% | |
| FFO per unit | 1,982 yen | 1,810 yen | △172 yen | △8.7% | <Non-operating expenses> | 1,955 yen | +145 yen | +8.0% | |
| AFFO per unit | 1,656 yen | 1,484 yen | △172 yen | △10.4% | Interest expenses +157mn | 1,620 yen | +136 yen | +9.2% | |
| Balance of internal reserves | 8,624 | 8,527 | △97 | △1.1% | Borrowing cost +136mn | 8,440 | △86 | △1.0% | |
| | 8,048 | 8,758 | +710 | +8.8% | | 8,913 | +155 | +1.8% | |
| (Reference) Net income per unit (yen per unit)* | 1,546 yen | 1,501 yen | △45 yen | △2.9% | | 1,520 yen | +19 yen | +1.3% | |

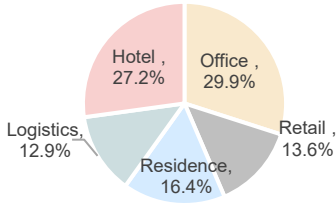
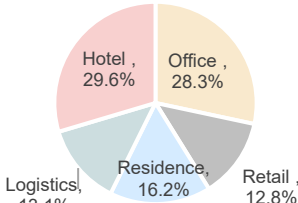
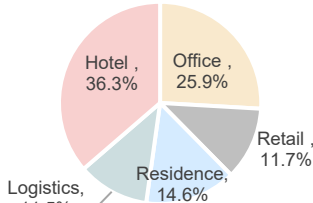
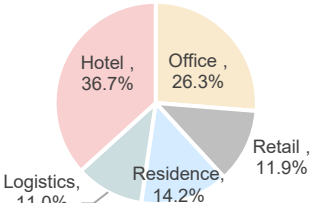
* EPU is calculated by dividing net income by the total number of investment units issued and outstanding (FP18 ending January 2025).

2. Actual and forecasted distribution (4)

NOI (amount / yield) by asset types

- ◆ **Achieved bold asset allocation** reading ahead market conditions. / NOI ratio of hotels, which are **inflation-responsive assets**, rose to more than 36%.

NOI ratio
by asset types*

| | FP16 2024/01 Actual | | FP17 2024/07 Actual | | FP18 2025/01 Forecast | | FP19 2025/07 Forecast | |
|-----------|---|-----------|--|-------------|---|-----------|---|-----------|
| |  | |  | |  | |  | |
| | NOI (thousand yen) | NOI yield | NOI (thousand yen) | NOI yield | NOI (thousand yen) | NOI yield | NOI (thousand yen) | NOI yield |
| Office | 1,659,826 | 4.4% | 1,697,684 | 4.6% | 1,706,013 | 4.6% | 1,795,332 | 4.8% |
| Retail | 753,518 | 5.4% | 772,926 | 5.6% | 769,953 | 5.3% | 813,133 | 5.6% |
| Residence | 906,378 | 4.7% | 983,178 | 5.0% | 961,175 | 5.1% | 967,383 | 5.2% |
| Logistics | 716,485 | 4.8% | 788,949 | 5.3% | 754,586 | 5.0% | 749,136 | 5.0% |
| Hotel | 1,505,805 | 4.3% | 1,784,094 | 5.1% | 2,391,600 | 4.7% | 2,508,963 | 4.9% |
| Office | 5,542,013 | 4.6% | 6,026,832 | 5.0% | 6,583,327 | 4.8% | 6,833,947 | 5.0% |
| DPU | 1,524yen (1,513yen: forecast announced on Aug. 7, 2023) | | 1,596yen (1,520yen: forecast announced on Mar.15, 2024) | | - | | - | |
| | | | | | (forecast 1,538yen) | | (forecast 1,553yen) | |

*The ratio of NOI amount for each asset type to the total NOI amount of the portfolio.

3. 7th Public Offering and 11th Assets Replacement

3. 7th Public Offering and 11th Assets Replacement (1)

Assets acquired and transferred

Total acquisition price*
35,800mn

Total Appraisal value*
39,840mn

Average
Appraisal NOI yield*
4.6%

Total transfer price
3,500mn

Assets Acquired (Real Estate Properties, etc.)

| Property name | KOKO HOTEL Tsukiji Ginza | KOKO HOTEL Residence Asakusa Kappabashi | KOKO HOTEL Residence Asakusa Tawaramachi | KOKO HOTEL Osaka Shinsaibashi | Urban Forum Warabi |
|---------------|--------------------------|---|--|-------------------------------|--------------------|
| Asset type | Hotel | | | | Retail |



| Location | Chuo-ku, Tokyo | Taito-ku, Tokyo | Taito-ku, Tokyo | Chuo-ku, Osaka-shi, Osaka | Kawaguchi-shi, Saitama |
|-------------------------|------------------------|-----------------|-----------------|---------------------------|------------------------|
| Construction completion | Dec. 2020 | Nov. 2020 | Nov. 2021 | Apr. 2005 | Dec.2023 |
| Acquisition price | 17,000mn | 4,300mn | 5,900mn | 7,500mn | 1,100mn |
| Appraisal value | 18,800mn | 5,060mn | 6,780mn | 7,990mn | 1,210mn |
| Appraisal NOI yield | 4.4% | 5.0% | 4.9% | 4.6% | 4.7% |
| Operator | Polaris Holdings Group | | | | — |
| | KOKO HOTELS | FINO HOTELS | FINO HOTELS | KOKO HOTELS | |

Asset Acquired (Mezzanine)

| Name | Star Asia Mezzanine Loan Debt Investment Series 9 |
|-------------------|---|
| Underlying Asset | hotel androoms Shin-Osaka |
| Acquisition price | 130mn |
| Interest rate | Base rate +5.0% |

Assets Transferred

| Name | Urban Park Namba | Smile Hotel Namba |
|------------------------------|-----------------------------|-----------------------------|
| Type | Residential (Single-type) | Hotel (Limited-service) |
| Location | Naniwa-ku, Osaka-shi, Osaka | Naniwa-ku, Osaka-shi, Osaka |
| Construction completion | Jan. 2013 | Feb. 2008 |
| Actual NOI yield | 4.3% | 3.6% |
| Transfer price | 1,700mn | 1,800mn |
| Gain on transfer (estimated) | 175mn | 139mn |

*Mezzanine loan debt is excluded from the calculation of "Total acquisition price", "Total Appraisal value" and "Average Appraisal NOI yield".

3. 7th Public Offering and 11th Assets Replacement (2)

Portfolio evolution

- ◆ Expanded asset size while **actively changing the ratio of asset types**; the ratio of **hotels** with high inflation resistance **rose significantly to 37.5%**.
- ◆ Realized strengthening of the portfolio while also expanding asset size; **average age of buildings rejuvenated to 20.4 years while maintaining NOI yield**.

| | | FP14 2023/01 | FP16 2024/01 | As of September 6, 2024 |
|--|----------------------------------|-----------------|-----------------|-------------------------|
| Asset size | | 195.2bn yen | 243.8bn yen | 276.5bn yen |
| | | | | |
| % of properties in Tokyo Area (note1) | overall portfolio | 71.9 | 63.6 | 66.3 |
| | excl. suburban retail properties | 78.0 | 67.9 | 70.2 |
| Average building age (yrs) (note 2) | | 24.5 | 21.7 | 20.4 |
| Average appraisal NOI yield (%) (note 3) | | 4.8 | 4.8 | 4.8 |
| Average post-depreciation appraisal NOI yield (%) (note 4) | | 4.1 | 4.0 | 4.0 |
| NAV per unit (yen) | | 62,264 | 62,630 | 64,513 |

4. Progression Status of Mid-Term Plan

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

Current status

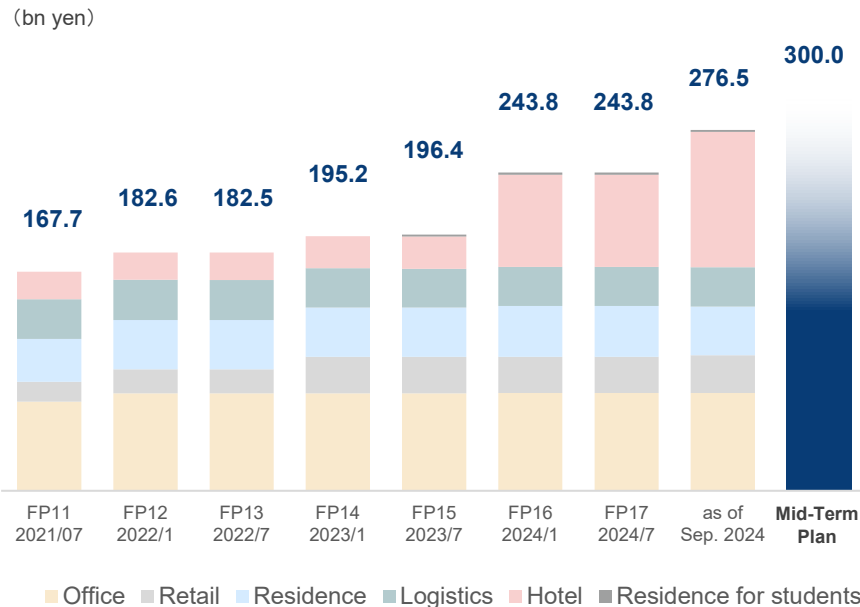
- ◆ Through public offerings conducted for 4 consecutive years, asset size expanded to **276.5 bn yen** (74 real estate properties, and 4 transactions in securities, etc.)
- ◆ FP17 actual DPU: **1,596 yen**, FP19 forecast DPU: **1,553 yen**. Aiming for distribution per unit of **1,600 yen** or more, by focusing on continual internal growth.

Mid-Term Plan (Target year FY2026)

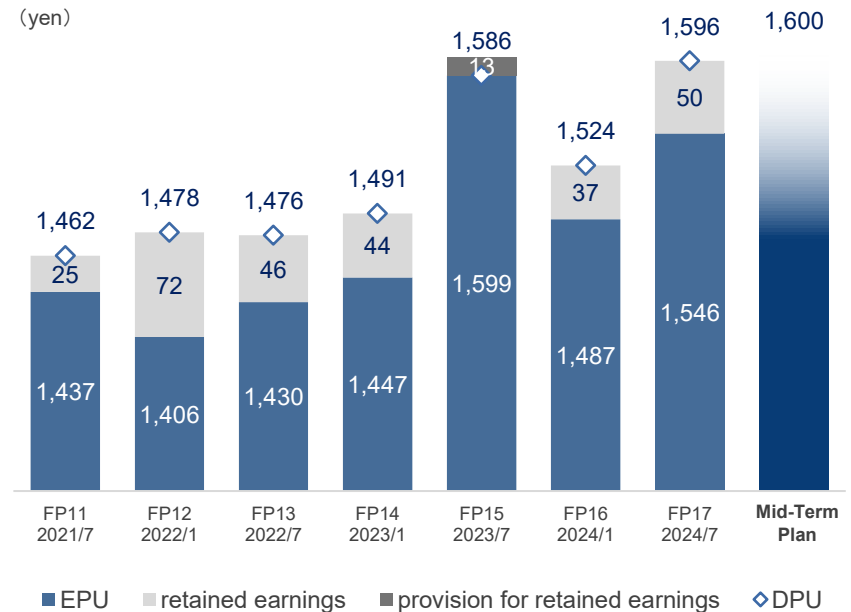
Asset Size : **300** bn yen
of properties **100**

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

Average annual growth of asset size: 31bn yen
from FP11(07/2021) to September 6, 2024



Average annual growth rate of per-unit distribution: 3.0%
from FP11(07/2021) to FP17(07/2024)

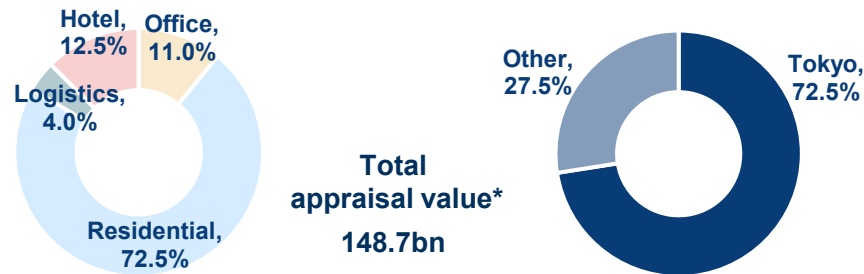


4. Progression Status of Mid-Term Plan (2)

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

- ◆ As of the end of July 2024, Star Asia Group had **148.7 billion yen** (total of most recent appraisal value) of properties under management.
- ◆ SAR has obtained **five preferential negotiation rights**.

Portfolio owned by Star Asia Group



*As of July 31, 2024. Excluding properties for which SAR has preferential negotiation rights, and deals involving land for development or land under development, etc.

- Star Asia Group has 148.7 billion yen of properties under management (excluding assets for which SAR has obtained preferential negotiation rights)
- Continuing to acquire properties, by leveraging on the strength of Star Asia Group which constantly executes investment strategies reading ahead of the market.
- SAR is considering external growth, with **Star Asia Group's properties under management as a pipeline**.

Student Residence (preferential negotiation rights obtained by SAR)

■ HAKUSAN HOUSE






■ KAMIKITA HOUSE



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

Hotels (preferential negotiation rights obtained by SAR)

- Three hotels **efficiently operated by Polaris**
- Located in core area of each city with convenient transportation, easy to capture lodging demand as well as to secure human resources

| | | | |
|-------------------|--|--|---|
| |  |  |  |
| Property name | KOKO HOTEL Nagoya Sakae | KOKO HOTEL Premier Kanazawa Korinbo | KOKO HOTEL Premier Kumamoto |
| Location | Nagoya city, Aichi | Kanazawa city, Ishikawa | Kumamoto city, Kumamoto |
| Construction date | February 2003 | April 2013 | September 2019 |
| Type | Limited Service | Limited Service | Limited Service |
| Rooms | 204 | 207 | 205 |
| 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. |

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

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)
- ◆ SAR aims for continuous external growth, utilizing Sponsor pipeline of 148.7 bn

Realization of increased revenue through efficient hotel management

Operation

P * L A R I S
HOLDINGS

Polaris



KOKO HOTELS



Minacia



HOTEL WING

Ensuring financial and human resource stability by expanding business scale

Ownership

SAR



- Asset size : JPY 276.5bn
- Number of owned hotels : 19
(as of August 19, 2024)

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
- Size of private funds : More than JPY 148.7bn
- Number of owned hotels: 4
(as of July 31, 2024)

Providing risk capital with market anticipation

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

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

- ◆ Continue 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.
- ◆ Currently discussing future business merger with hotel operator “Minacia”.

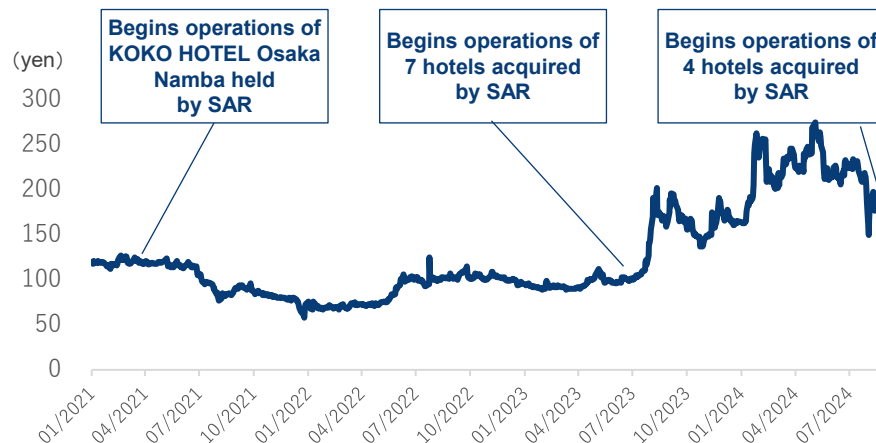
Company overview



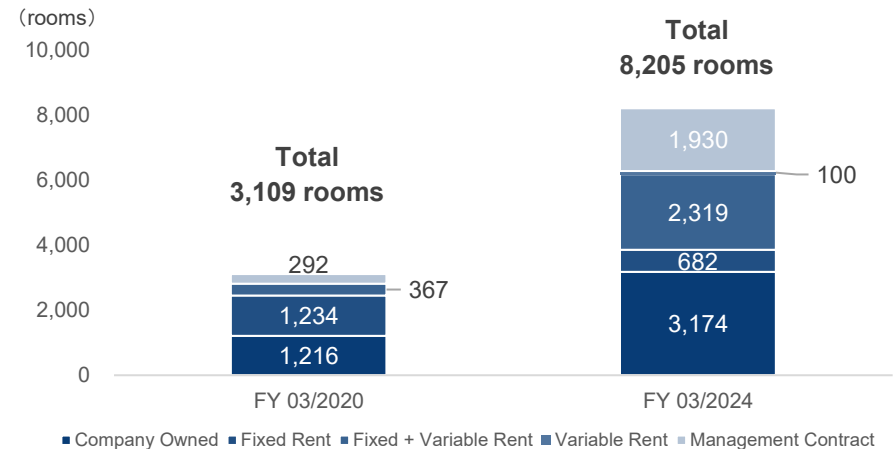
- Listed on the Tokyo Stock Exchange Standard Market
CODE: 3010
- Manages 47 hotels / 8,205 rooms (including hotels abroad)
as of the end of March 2024
- Operates multiple hotel brands including the main brand KOKO Hotels.
- Operates 12 hotels held by SAR.
- Has **actively expanded the number of hotels under management** even during the COVID-19 pandemic and **realized revenue increase and reduction of the break-even point**.
- Continues to improve occupancy rates without any bottlenecks with the strategy of securing human resources even during the pandemic.



Trends in share price



Expansion of business scale



of hotels, rooms and employees

- In June 2024, Polaris entered into a business alliance contract with **Minacia**, another hotel operator, and is currently in discussions with the aim of a future business integration.
- The merger is expected to make Polaris one of **the leading operators in Japan with more than 13,000 rooms** under management.

| | # of hotels | # of rooms | # of employees |
|---------|-------------|------------|----------------|
| Polaris | 47 | 8,205 | 486 |
| Minacia | 39 | 5,180 | 922 |

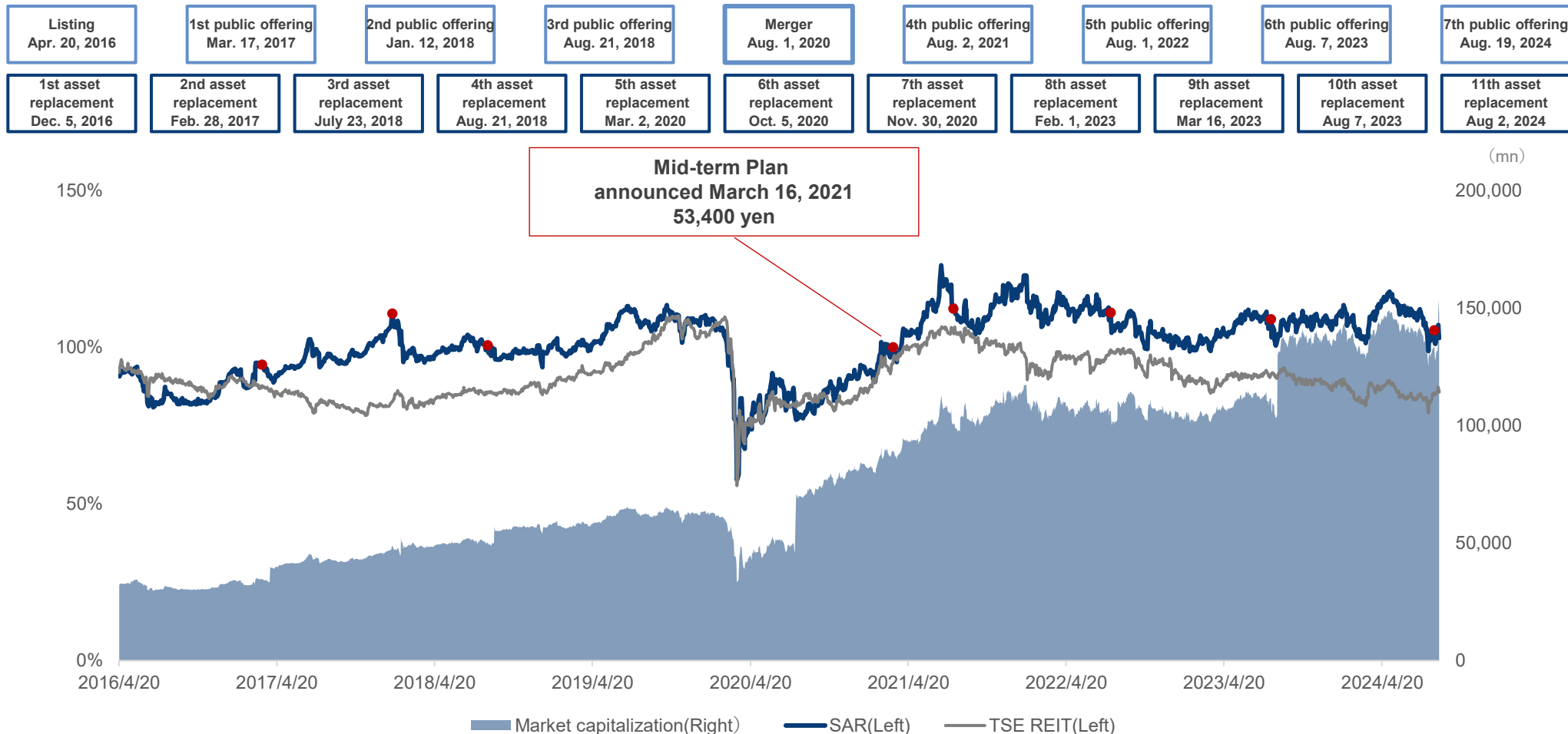


* The Polaris's figures for the number of "rooms," "hotels," and "employee" are as set forth in Polaris' Annual Securities Report filed on June 26, 2024. The figures for the number of "rooms" and "hotels" of Minacia are based on the figures disclosed in the announcement "Polaris Enters Business Alliance with Minacia Co., Ltd." disclosed by Polaris on June 26, 2024. And the number of "employees" is based on the information available on Minacia's website as of July 1, 2024.

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

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 +17.3pt** between the release of our Mid-term Plan on March 16, 2021 and the end of August 2024.



*As of August 31, 2024

**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.

5. Operating results for the FP17 ended July 2024

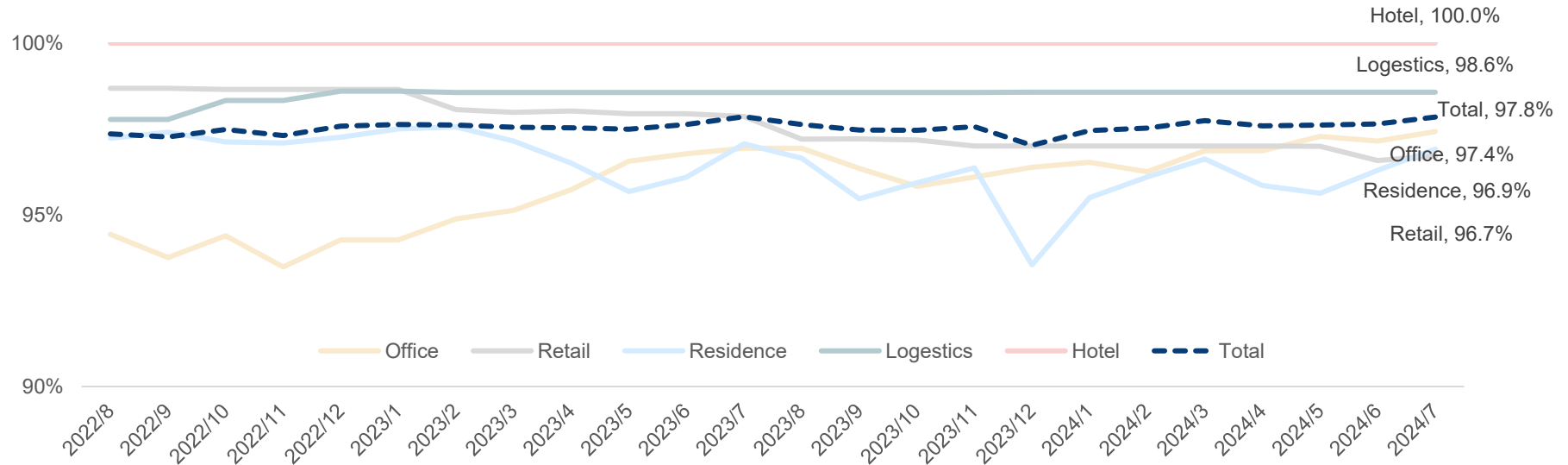
5. Operating results for the FP17 ended July 2024 (1)

operating results for FP17 and operating strategy for FP18 and FP19

| | FP17 (2024/07) Operating Results | FP18 (2025/01), FP19 (2025/07) Operating Strategy |
|-----------|--|--|
| Office | <ul style="list-style-type: none"> ■ Average occupancy rate 97.0% / Effective occupancy rate 96.1% (compared to FP16 +0.6% / +0.9%) ■ 21 properties owned, average acquisition price 3.5bn ■ Average NOI yield: 4.6% ■ Rents increase at new contract and renewal +2,528 thousand yen / month | <ul style="list-style-type: none"> ■ Focus on investing middle-size offices ■ Conducting leasing activities with appropriate rents to realize higher rents rather than aiming for increase in occupancy rate ■ Keep realizing rent increase at new contract / renewal taking advantage of the environment that SMEs are expected to be able to handle higher rents with the gradual economic recovery |
| Retail | <ul style="list-style-type: none"> ■ Average occupancy rate 96.9%(compared to FP16 ▲0.2%) ■ Urban retail: 2 properties; suburban retail: 3 properties owned ■ Average NOI yield: 5.6% ■ Suroy Mall Chikushino: leasing actively the vacant spaces after 'Lopia' opening / 1 space filled | <ul style="list-style-type: none"> ■ Focus on investing in urban retail properties located near the station, while consider transferring suburban retail properties ■ Suroy Mall Chikushino (suburban retail): Focusing on leasing the vacant spaces ■ Consider measures to improve profitability at other retail properties owned |
| Residence | <ul style="list-style-type: none"> ■ Average occupancy rate 96.2%(compared to FP16 +0.6%) ■ Family type(30㎡ or larger): 93.9% ■ Average NOI yield: 5.0% ■ Net rent increase at new contract and renewal:+1,880 thousand yen / month | <ul style="list-style-type: none"> ■ Invest mainly in family types, while invest selectively in single types ■ Aiming for rent increase at new contract / renewal ■ Transferred Urban Park Namba (post-depreciation appraisal NOI yield(FP17) 3.7%) due to the high frequency of tenant turnover leading to limited potential for cost reductions, and inability to anticipate improved profitability |
| Logistics | <ul style="list-style-type: none"> ■ Average occupancy rate 98.6%(compared to FP16 ±0%) ■ 8 properties owned, average acquisition price 3.7bn ■ Average NOI yield: 5.3% ■ Mid-sized logistics properties located within roughly 30 km of Tokyo Station ■ Rent increase in one property from Feb. 2024(+3.3%) | <ul style="list-style-type: none"> ■ Transaction NOI yields in the trading market are still low, and opportunities to acquire logistics facilities are limited, however, will acquire properties when opportunities arise ■ In discussion with the tenant aiming for re-contract with rent increase in FP19 ■ Leasing activities underway the space planned to vacate in Mar. 2025, viewings by 19 companies |
| Hotel | <ul style="list-style-type: none"> ■ 16 properties owned, average acquisition price 4.3bn ■ income of hotels, in particular Polaris-operated hotels, significantly exceeded forecasts by 8.6% ■ KPI of the 8 properties operated by Polaris OCC 86.8%, ADR 10,927yen, RevPAR 9,480yen ■ Initiatives for improvement of ADR Partial twinning of rooms (KOKO HOTEL Ginza 1-Chome and KOKO HOTEL Kagoshima Tenmonkan) | <ul style="list-style-type: none"> ■ Keep considering acquisition of hotel properties as key internal growth driver while roughly maintaining the current ratio (37.5%) ■ Consider mainly hotel properties operated by Polaris as well as rare / competitive properties in area or type ■ Aim to improve profitability by prompt strategic CAPEX etc., by way of close communication with Polaris ■ Transferred Smile Hotel Namba (post-depreciation appraisal NOI yield(FP17) 2.7%) due to the limited potential for performance improvement onward |

5. Operating results for the FP17 ended July 2024 (2)

- ◆ For the portfolio, during FP17 (ending July 2024), the occupancy rate was maintained at 97.5% or higher.
- ◆ We focused on increasing rents in accordance with the characteristics of each asset type, while maintaining occupancy rate levels.



| | FP14 | FP15 | FP16 | FP17 | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 2023/01 | 2023/07 | 2024/01 | 2024/02 | 2024/03 | 2024/04 | 2024/05 | 2024/06 | 2024/07 | average |
| Office | 94.3% | 96.9% | 96.4% | 96.3% | 96.9% | 96.9% | 97.3% | 97.1% | 97.4% | 97.0% |
| Retail | 98.6% | 97.9% | 97.1% | 97.0% | 97.0% | 97.0% | 97.0% | 96.6% | 96.7% | 96.9% |
| Residence | 97.5% | 97.1% | 94.0% | 96.1% | 96.6% | 95.9% | 95.6% | 96.3% | 96.9% | 96.2% |
| 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% |
| Total | 97.6% | 97.9% | 97.1% | 97.5% | 97.7% | 97.6% | 97.6% | 97.6% | 97.8% | 97.7% |

5. Operating results for the FP17 ended July 2024 (3)

Office / Operating Results, Occupancy Rate and Changes in Tenants

Operating Results

<Basic information>

21 properties, average acquisition price 3.5 bn

<Performance for FP17>

- Newly attracted tenants: 6 tenants (rents decreased on average of 3.6% compared to before)
- Free rent: Average 2.3 months
- Increase in rents at time of contract renewal: 19 tenants (average of 6.8% increase compared to before)
- Net increase in rent **+2,528 thousand yen / month** (total of new contract and renewal)

<Forecast for FP18 and onwards>

- In FP18, downtime of vacant areas are estimated conservatively

Occupancy rate at the end of the period:

FP17 97.4% → FP18 97.2%

Average occupancy rate during the period:

FP17 97.0% → FP18 96.4%

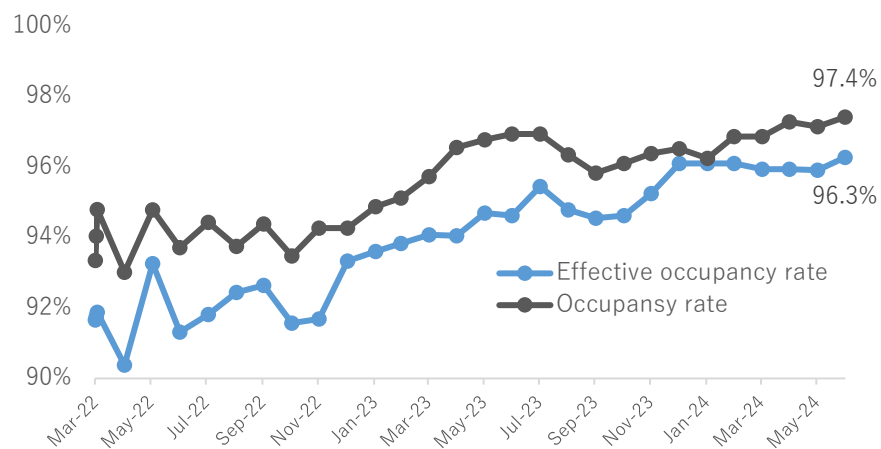
*For the calculation of average free rent periods, only the tenants newly entered during the FP17 are extracted.

Status of change in tenant

| | # of tenants | Area(m ²) | |
|-----------------------------|--------------|-----------------------|---|
| <New Contract> | 6 | 1,392.13 | - Average rent at new contract ▲3.6% (317 thousand yen/month) |
| Rent up | 2 | 403.18 | |
| Same rent | 1 | 72.8 | - All the contract are above market rents |
| Rent down | 2 | 818.16 | - Average free rent 2,3 months |
| Unknown | 1 | 97.99 | |
| <Renewal> | 62 | 26,577.80 | - Average rent at renewal +2.7% |
| Rent up | 19 | 12,158.39 | - Rent increase at renewal +6.8%(+3,041 thousand yen/month) |
| Same rent | 41 | 13,963.06 | - Rent decrease at renewal ▲6.7% (▲195 thousand yen/month) |
| Rent down | 2 | 456.35 | |
| <Leaving> | 4 | 599.18 | |

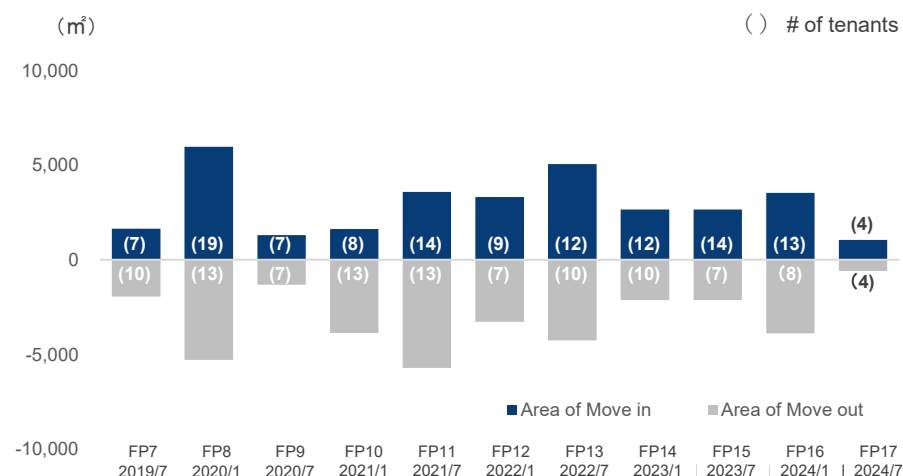
*Only tenants whose contracts were up for renewal during the FP17

Contracted occupancy rate / Effective occupancy rate*



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

Contract Rent Period of Office Portfolio

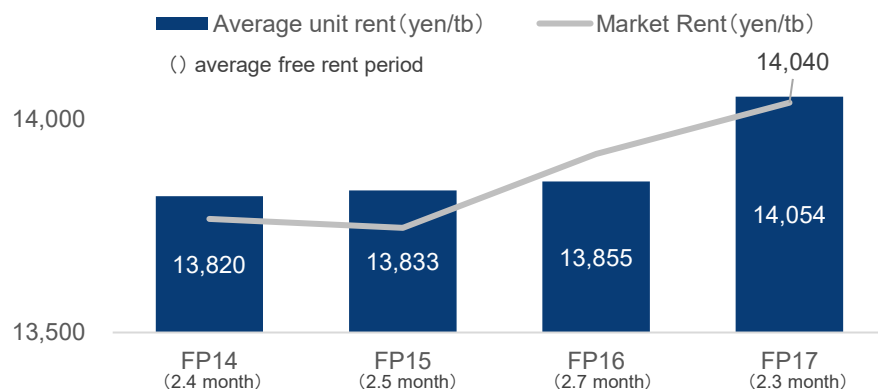


5. Operating results for the FP17 ended July 2024 (4)

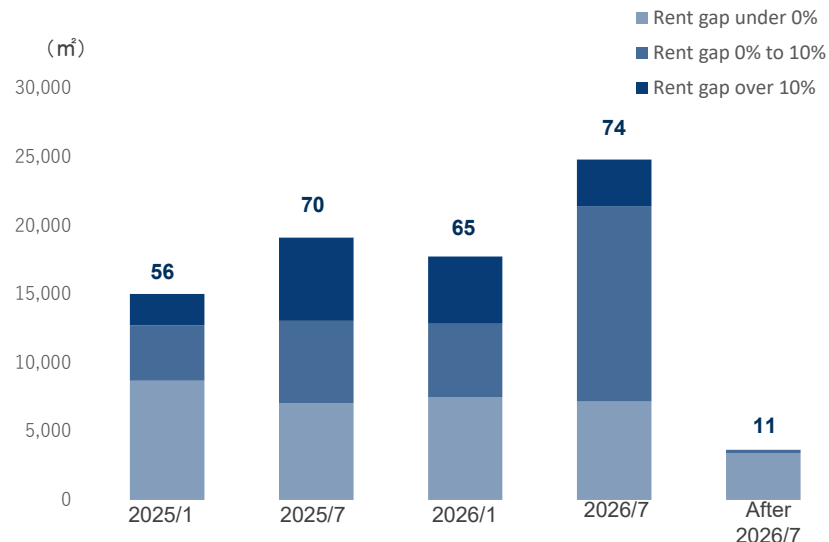
Office / Status of Rent Gap and Trends in Unit Rents

Trends in Market Rents and Contract Rents/Average FR Period

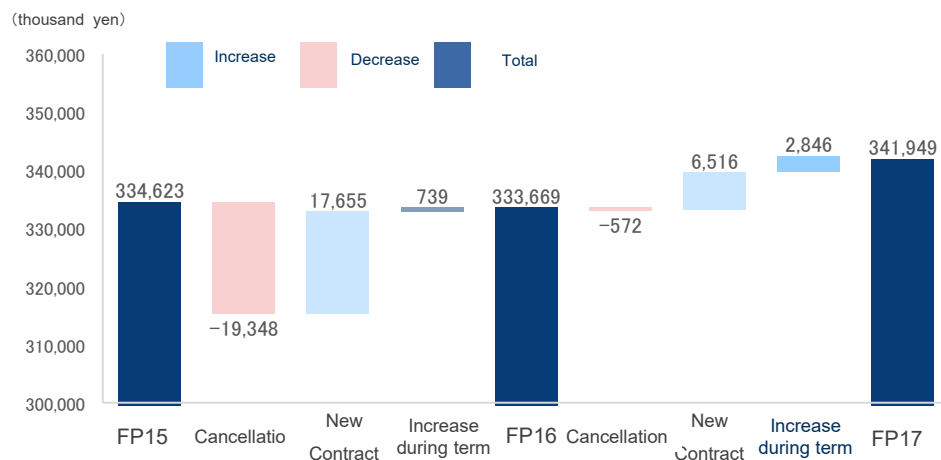
- (yen)
- Continuous increase in rents have been achieved to resolve the rent gap.
 - During FP18, many tenants will reach timing of contract renewals (56 units, approximately 15,000m²), which is a good opportunity to increase rents.



Contract Rent Period of Office Tenants



Total monthly rent at the end of the period



Addressing leasing issues

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



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

- One are is vacant
- Leasing activities are conducted focusing on rents
- Multiple tenants have previewed in September 2024

| | | |
|-----------|-----------|-----------|
| July 2023 | Jan. 2024 | July 2024 |
| 82.3 % | 82.3 % | 82.3 % |

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



| | |
|-------------------------|-----------------------|
| Acquisition price | 1,020 mil |
| Structure | RC 7F |
| Leasable area | 781.33 m ² |
| Construction completion | Jan 1999 |

- Received notice of termination dated May 2025
- Currently leased to one tenant and considering measures
- NOI occupies 0.3% of whole portfolio NOI

| | | |
|-----------|-----------|-------------|
| Jan. 2024 | July 2024 | May 2025 |
| 100.0 % | 100.0 % | 0%(planned) |

5. Operating results for the FP17 ended July 2024 (5)

Retail

Operating Results

<基礎情報>

| | 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% |
| suburban | La Park Kishiwada | Kishiwada-Shi, Osaka | 47 | 41,050.01㎡ | 97.6% |
| | Seiyu Minakuchi | Koka- hi, Shiga | 1 | 23,814.87㎡ | 100.0% |
| | Suroy Mall Chikushino | Chikushino-Shi, Fukuoka | 20 | 31,088.53㎡ | 92.5% |
| | total / average | | 74 | 100,931.89㎡ | 96.7% |

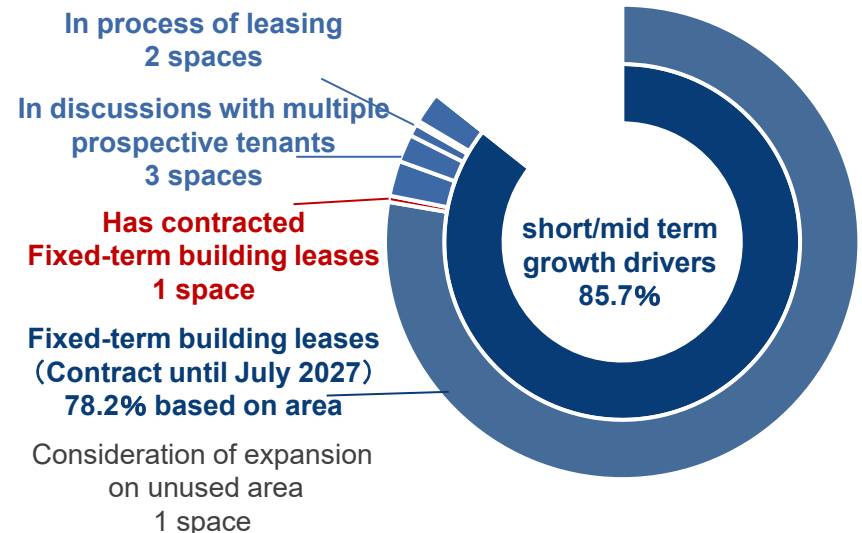
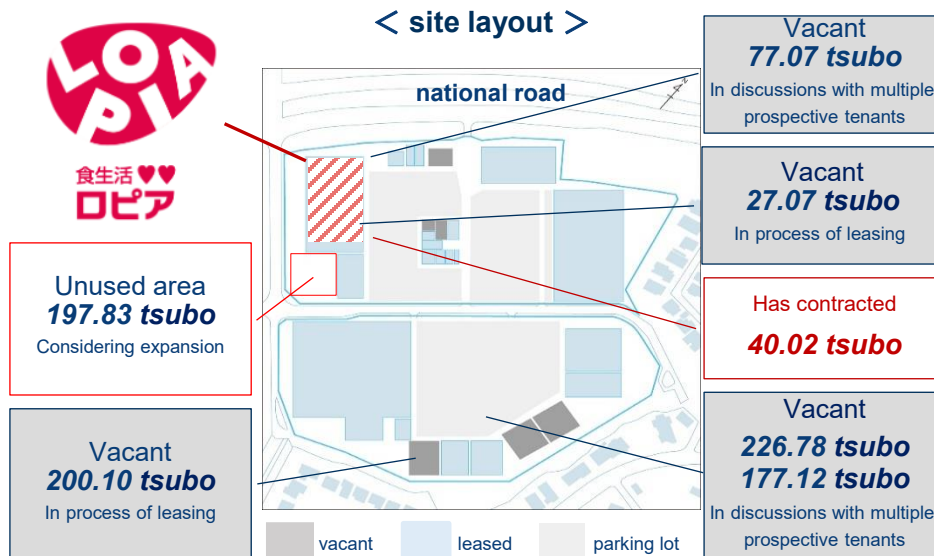
<Topics in FP17>

- Stable occupancy during FP17 as expected
- Suroy Mall Chikushino: contracted with new tenant
- After end of FP17, the portfolio expanded to 6 properties by acquiring Urban Forum Warabi located very close to the station

<FP18 onwards>

- Increase value of three suburban retail properties by realizing internal growth, considering 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 new property are expected to be stable

Suroy Mall Chikushino/ Strategic Leasing



5. Operating results for the FP17 ended July 2024 (6)

Residence

- ◆ Composed of **mainly family-type residential units that can realize continuous rent increases**, with 93.9% of the floor space of 30 square meters 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 30㎡ | | 30㎡ between 60㎡ | | 60㎡ or larger | |
|---------------|------------|-----------------|-------------|---------------|-------------|
| # of units | total area | # of units | total area | # of units | total area |
| 259 | 6,197.32 ㎡ | 326 | 15,689.82 ㎡ | 1,114 | 79,090.24 ㎡ |
| (6.1%) | | (15.5%) | | (78.3%) | |

<FP17 results>

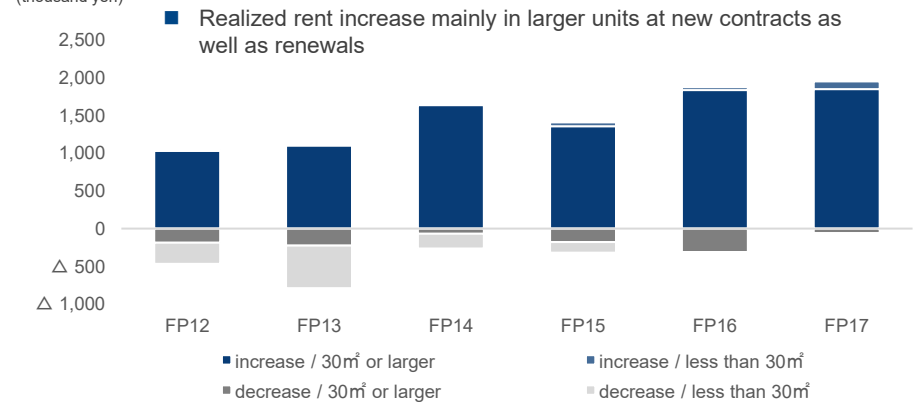
*21 properties owned at the end of FP17

Average occupancy rate 96.2%, rents has increased mainly in 60㎡/unit.

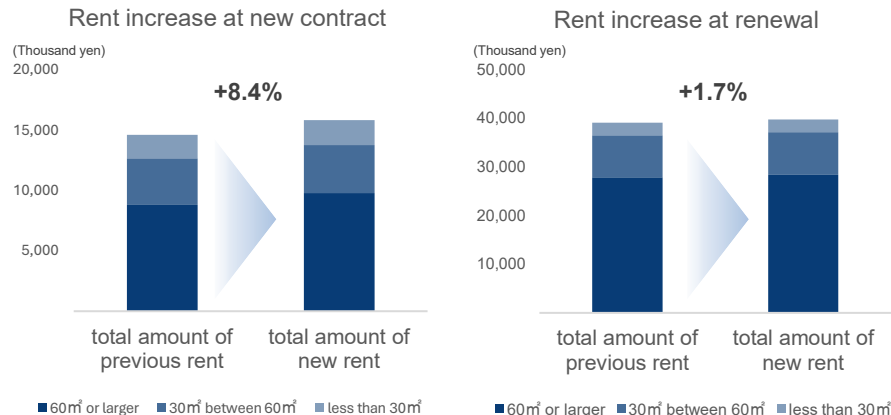
| | less than 30㎡ | | 30㎡ between 60㎡ | | 60㎡ or larger | |
|--------------|---------------|--------|-----------------|--------|---------------|--------|
| | # of units | change | # of units | change | # of units | change |
| New contract | 58 | 4.5% | 37 | 4.3% | 66 | 11.0% |
| Renewal | 37 | 0.2% | 61 | 1.6% | 219 | 1.9% |
| Termination | 23 | — | 34 | — | 62 | — |

Trends in rents (increase/decrease)

(thousand yen)

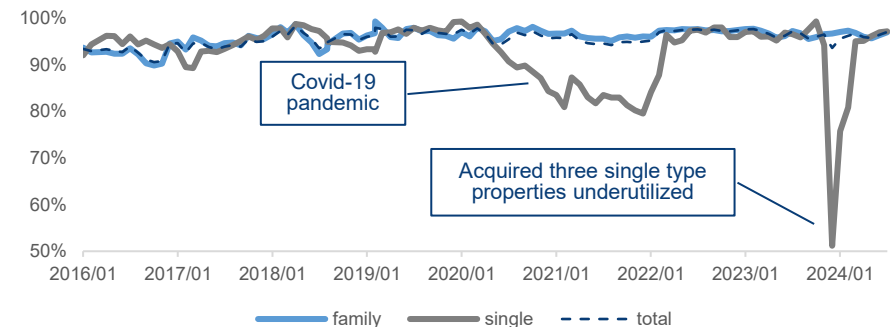


Change in monthly rent for new contracts and renewals



Trends in occupancy rate by types

- Realized rents and occupancy rate above expectation in three single type properties of four properties newly constructed and underutilized.



5. Operating results for the FP17 ended July 2024 (7)

Logistics

Operating Results

<Basic Information>

| Property name | Location | Leasable area | Occupancy rate (end of 17FP) |
|----------------------------------|---|---------------|---------------------------------|
| Iwatsuki Logistics | Tokyo Area Iwatsuki-ku, Saitama-shi, Saitama | 30,190.81㎡ | 100.0% |
| Yokohama Logistics | Tokyo Area Kanagawa-ku, 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
- Achieved internal growth in FP16 due to building expansion utilizing unused floor area ratio. Continues to consider the possibilities of internal growth including building expansion.

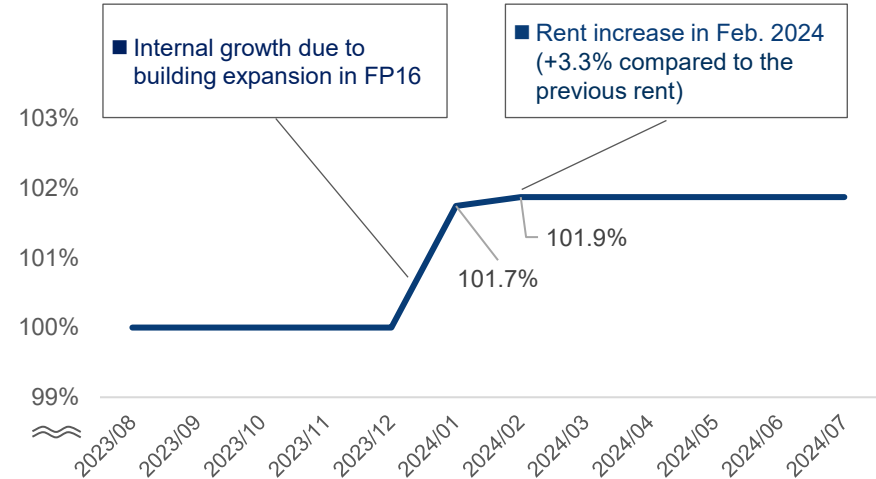
<Topics in FP17>

- Stable revenue as expected in FP17
- Achieved rent increase at one property from Feb. 2024(+3.3% compared to the previous rent, +0.2% to the whole rents form logistics)

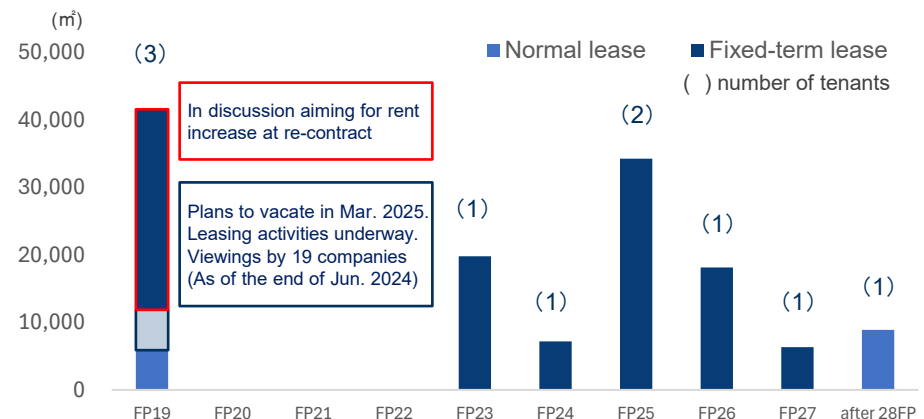
<FP18 and onwards>

- **Negotiating rent increase** with tenants those who have renewal timing in FP19
- Leasing activities underway in area to vacate in March 2025. .Viewings by 19 companies

Historical change in total monthly rent



Revision of Rent and Contract Period



5. Operating results for the FP17 ended July 2024 (8)

Hotel Overview

Overview

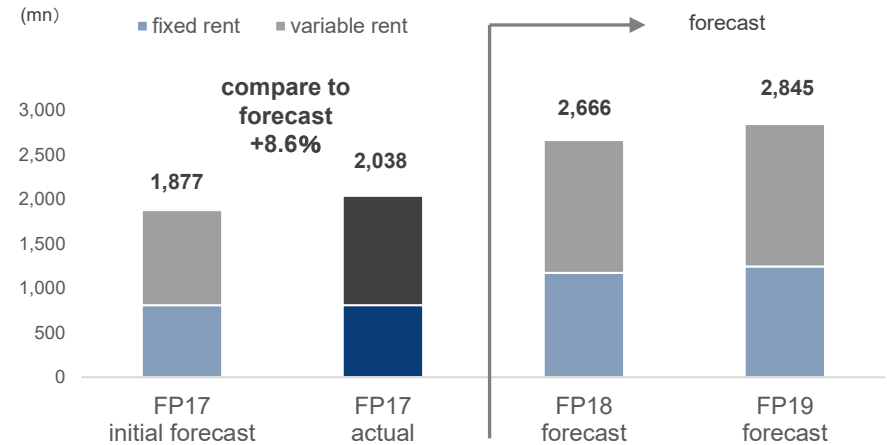
<FP17>

- Total rents income : 2,038mn / **+8.6%** compared to initial forecast
- Variable rent : 1,228mn / +15.1% compared to initial forecast
Rents from seven hotels operated by Polaris acquired in Sep. 2023 **significantly exceeded expectations (+12.1% compared to the initial forecast)**

<FP18 and onwards>

- Four hotels newly acquired ~ in FP18, estimated performance in Sep. 2024 already exceeding preconditions for forecast, expecting better performance than forecast
- Existing hotels~expecting upside in variable rents
- Transferred “Smile Hotel Namba” whose performance potential is limited
- Consider mainly hotel properties operated by Polaris as well as rare / competitive properties in area or type

Rents from hotels (actual/forecast)



*The 18th fiscal period forecast does not include Smile Hotel Namba, which was transferred on August 19, 2024.

**The four hotels acquired on August 30, 2024 will effectively contribute 5 months in the 18th fiscal period and 6 months in the 19th fiscal period.

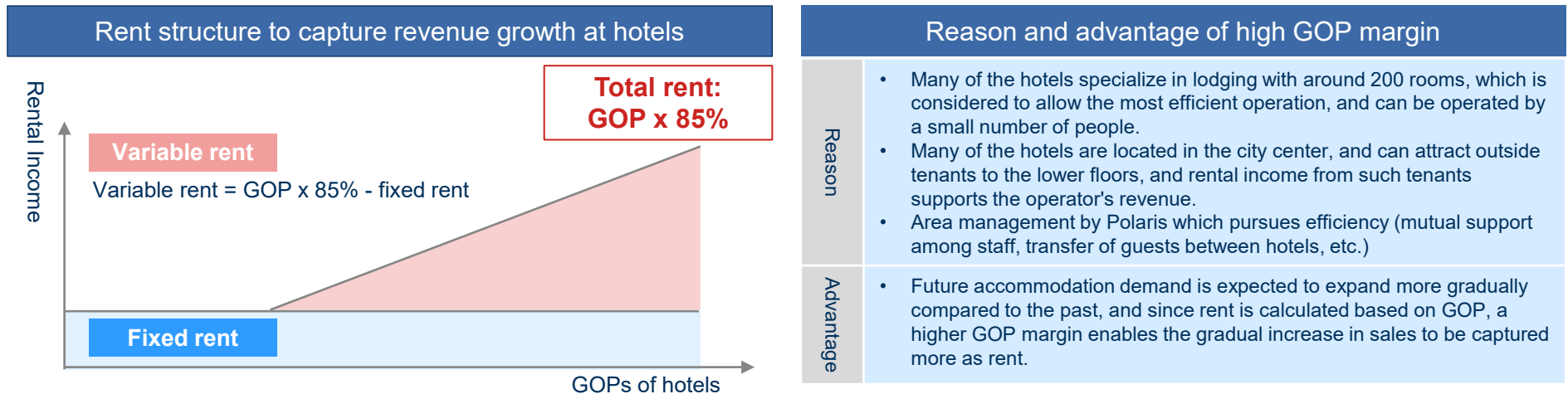
Characteristics of hotels operated by Polaris

| 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 | 98 | 65.3% | 1.84 | 2.09 |
| HTL-10 KOKO HOTEL Ginza 1-Chome | Limited Service | 17,800 | 305 | 84.9% | 1.85 | 2.54 |
| HTL-11 KOKO HOTEL Sapporo Ekimae | Limited Service | 6,700 | 224 | 21.6% | 1.39 | 1.90 |
| HTL-12 KOKO HOTEL Fukuoka Tenjin | Limited Service | 5,000 | 159 | 65.0% | 1.77 | 1.87 |
| HTL-13 KOKO HOTEL Hiroshima Ekimae | Limited Service | 4,100 | 250 | 4.5% | 1.16 | 1.43 |
| HTL-14 KOKO HOTEL Kagoshima Tenmonkan | Limited Service | 3,800 | 295 | 1.7% | 1.16 | 1.52 |
| HTL-15 KOKO HOTEL Sapporo Odori | Limited Service | 4,200 | 145 | 35.1% | 1.58 | 1.84 |
| HTL-16 Best Western Plus Fukuoka Tenjin-minami | Limited Service | 3,800 | 236 | 60.4% | 1.85 | 1.59 |
| HTL-17 KOKO HOTEL Tsukiji Ginza | Limited Service | 17,000 | 188 | 92.5% | 2.37 | 2.30 |
| HTL-18 KOKO HOTEL Residence Asakusa Kappabashi | Residence | 4,300 | 42 | 94.3% | 3.14 | 3.36 |
| HTL-19 KOKO HOTEL Residence Asakusa Tawaramachi | Residence | 5,900 | 47 | 98.6% | 3.50 | 3.66 |
| HTL-20 KOKO HOTEL Osaka Shinsaibashi | Limited Service | 7,500 | 211 | 64.7% | 1.65 | 1.78 |

5. Operating results for the FP17 ended July 2024 (9)

Hotel GOP / GOP margin

- ◆ The ratio of GOP to sales (GOP margin) is **59.5%** on average for the 12 Polaris-operated hotels (based on actual results from April to July 2024)
- ◆ Polaris and SAR will collaborate to implement agile measures (e.g. twinning construction works) to improve sales and occupancy rates.



| Profit Structure of twelve hotels operated by Polaris | | | |
|---|--------------------|-------------|-------------|
| | April to July 2024 | Sales | Cost |
| | Total | 100 | 40.5 |
| Production Div | Accommodation | 94.8 | 29.2 |
| | Food & Beverages | 2.4 | 1.9 |
| | Others | 2.8 | 0.1 |
| Non-production Div | | — | 9.3 |
| GOP margin | | 59.5 | |

【Accommodation Division】

- Room charge income: 94.8% of total sales / Expenses: Room cleaning staff expenses, linen costs, etc.
- As the hotels are specialized in accommodation, they can be operated with a small number of staff.

【Food & Beverages Division】

- Food & Beverage division revenue: 2.4% of total sales / Expenses: food and beverage costs, outsourcing fees, etc.
- The basic policy regarding food & beverage is to attract restaurants or to outsource such services.

【Other Division】

- Rent income from restaurants etc. in the lower floors, and fees from external rent of conference rooms.
- Supports operator revenues.

【Non-production Division】

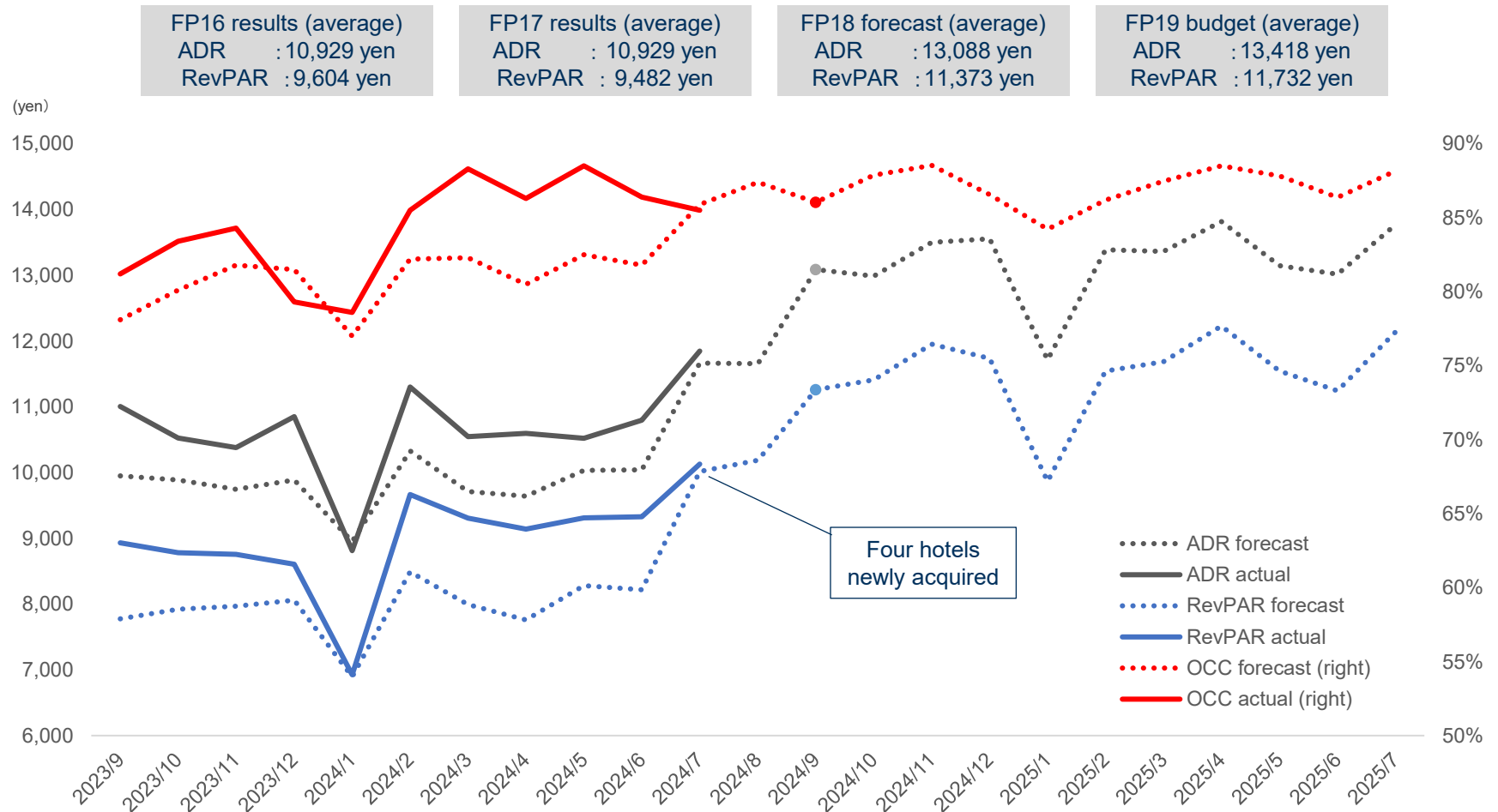
- Personnel expenses of hotel managers, etc., A&G expenses, sales and marketing expenses, facility management expenses, utility costs, outsourcing expenses, etc.

* Composition ratio of each item when total sales from February to July 2024 is set as 100.

5. Operating results for the FP17 ended July 2024 (10)

Hotel OCC / ADR / RevPAR

- ◆ Even though business performance is expected to improve, the forecast of various indicators used as assumptions for forecasts for the 4 hotel properties acquired on August 30, 2024 are conservative, focusing on the operator's budget, given that the track record is short.
- ◆ The recent various indicators are confirmed to have generally exceeding forecasts.

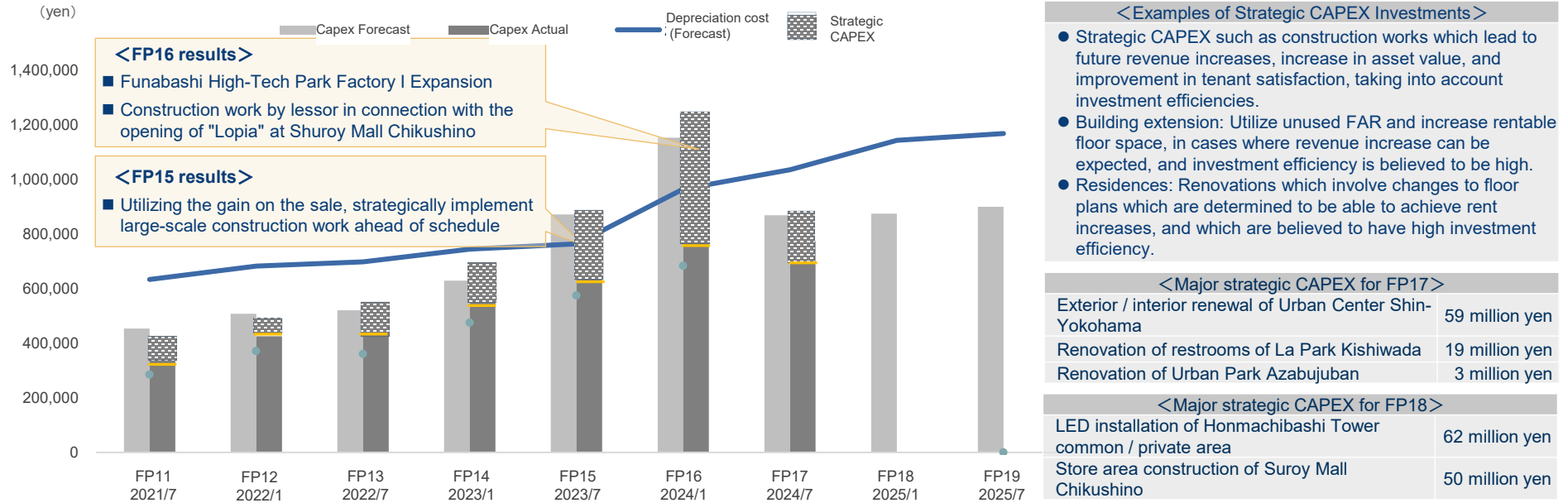


*Scope: Hotels operated by Polaris. In FP17, 8 properties, while after FP18, 12 properties are in the scope.

5. Operating results for the FP17 ended July 2024 (11)

Capex Control

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



| | FP11 July 2021 Actual | 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 Forecast | FP19 July 2025 Forecast |
|--|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|------------------------------|-------------------------------|
| Depreciation cost | 633,013 | 682,245 | 697,599 | 743,661 | 763,353 | 963,602 | 1,034,674 | 1,142,598 | 1,167,127 |
| Capex Forecast | 453,448 | 507,750 | 520,543 | 628,409 | 871,225 | 1,151,707 | 867,658 | 873,691 | 899,454 |
| Capex Actual | 363,439 | 424,722 | 471,534 | 605,932 | 787,991 | 1,107,190 | 774,323 | - | - |
| (Strategic CAPEX) | (78,826) | (54,321) | (111,822) | (131,701) | (214,397) | (424,296) | (173,038) | - | - |
| Capex Budget reduction rate | 19.8% | 16.4% | 9.4% | 3.6% | 9.6% | 3.9% | 10.8% | - | - |
| Capex ratio (Capex Actual / Depreciation cost) | 57.4% | 62.3% | 67.6% | 81.5% | 103.2% | 114.9% | 74.8% | - | - |
| Repair cost (Actual / Forecast) | 220,205 | 181,998 | 255,201 | 173,257 | 308,817 | 319,629 | 217,551 | 303,369 | 244,512 |
| Number of Properties as of the end of FP | 53 | 60 | 60 | 63 | 62 | 71 | 71 | 74 | 74 |

5. Operating results for the FP17 ended July 2024 (12)

Capex Control

- ◆ Considered strategic CAPEX for hotel assets aiming to further increase revenues / GOP / rents.
- ◆ Working together Polaris, discussed the contents, timing of implementation and scale of strategic CAPEX.

Strategic CAPEX on hotel assets

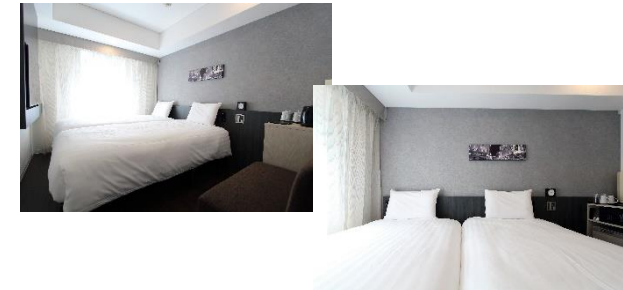
- As of Sep. 6, 2024, the average age since construction of the 19 hotels properties currently owned is 10.3 years, and as of current, Capex associated with aging is limited.
- Assumed strategic CAPEX are as follows;
 - Twinning construction aiming for increase in ADR
 - Smoke-free construction aiming for increase in OCC and ADR
 - Construction to improve guest satisfaction
- Identify issues and discuss measures at regular monthly meetings with Polaris, including local area managers and managers.
- Discuss contents, timing and scale, etc. including burden of costs.

【KOKOHOTEL Ginza 1-Chome】

Before



After



| Completed | | | | | Scheduled | |
|---------------------|---|---|--|---|---|---|
| Category | Strategic CAPEX | Strategic CAPEX | Improve customer satisfaction | Construction on operator's side | Construction on operator's side | Strategic CAPEX |
| Property name | KOKO HOTEL Ginza 1-Chome | KOKO HOTEL Kagoshima Tenmonkan | KOKO HOTEL Sapporo Ekimae | KOKO HOTEL Fukuoka Tenjin | KOKO HOTEL Osaka Shinsaibashi | KOKO HOTEL Ginza 1-Chome |
| Contents and Effect | Twinning 10 Single rooms ⇒ ADR +5,000 yen (expected) | Twinning 30 single rooms ⇒ ADR +2,000 yen (expected) | Wi-Fi retrofit Aiming to attract repeat guests by renewing facilities in response to guest reviews. ⇒ Increase in number of revisiting guests | Smoke-free All rooms are smoke-free by changing 52 smoking rooms to non-smoking ⇒ Increase in OCC (expected) ⇒ Increase in ADR (expected) | Smoke-free All rooms are smoke-free by changing 66 smoking rooms to non-smoking ⇒ Increase in OCC (expected) ⇒ Increase in ADR (expected) | Twinning 20 Single rooms ⇒ ADR +5,000 yen (expected) |
| Construction Period | July 10, 2024 - July 31, 2024 | July 4, 2024 - July 31, 2024 | June 1, 2024 - June 27, 2024 | April 8, 2024 - April 10, 2024 May 27, 2024 - May 29, 2024 | FP18 (2025/1) | FP18 (2025/1) |
| Amount | Approx. 12mn | Approx. 29mn | Approx. 6mn | Approx. 3mn | Approx. 3mn | Approx. 21mn |

5. Operating results for the FP17 ended July 2024 (13)

Financial standing

- ◆ For new borrowings upon the public borrowing, **invited 5 new banks** and realized diversification of lenders and repayment dates.
- ◆ 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.

Main financial indicators*

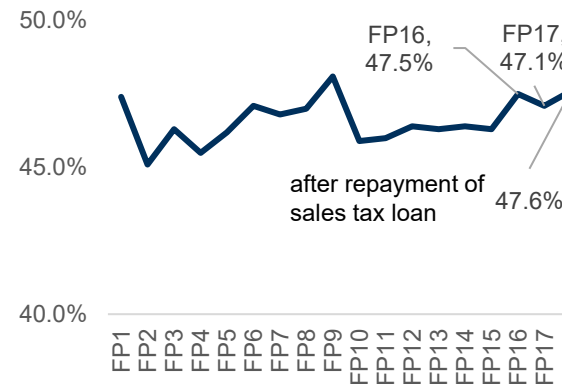
| | FP16 Jan 2024 | FP17 July 2024 | As of Aug. 31, 2024*** |
|--------------------------------------|------------------|-------------------|---------------------------|
| LTV | 47.5% | 47.1% | - |
| Interest-- bearing debt balance | 123,140 mn | 121,840 mn | 138,880 mn |
| Long-term debt ratio | 98.9 % | 99.2 % | 99.3 % |
| Average remaining period to maturity | 3.3 yrs | 3.2 yrs | 3.5 yrs |
| Average borrowing period | 5.3 yrs | 5.4 yrs | 5.4 yrs |
| Average interest rate** | 0.79 % | 0.90 % | 0.95 % |
| Fixed interest rate ratio | 70.8 % | 64.6 % | 56.7% |

*This describes the status including investment corporation bonds.

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

*** Consumption tax loan and bridge loan are excluded.

LTV / Credit Rating



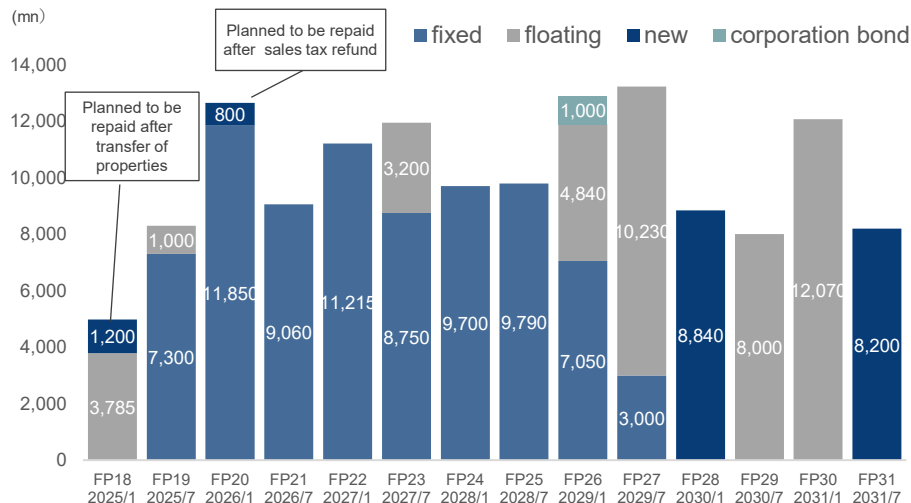
Japan Credit Rating Agency, Ltd. (JCR)

Long-term Issuer Rating
A+ (Stable)

Rating and Investment Information, Inc. (R&I)

Issuer Rating
A (Stable)

Diversification of repayment dates (as of Aug 31, 2024)



Bank formation (as of Aug 31, 2024)

| Lender | Ratio | Lender | Ratio |
|----------------------------|-------|-----------------------------------|-------|
| Sumitomo Mitsui Banking | 24.1% | The Juhachi-Shinwa a Bank, Ltd | 0.9% |
| Mizuho Bank | 17.4% | The Musashino Bank, Ltd | 0.7% |
| SBI Shinsei Bank | 13.5% | The Yamagata Bank, Ltd | 0.7% |
| Sumitomo Mitsui Trust Bank | 11.7% | The Ogaki Kyoritsu Bank, Ltd | 0.7% |
| Aozora Bank | 7.9% | Kansai Mirai Bank, Limited | 0.7% |
| Resona Bank | 6.6% | The Gunma Bank | 0.7% |
| The Bank of Fukuoka | 2.1% | Mizuho Trust & Banking | 0.6% |
| The Kiyo Bank, Ltd | 1.8% | Suruga Bank Ltd | 0.5% |
| Minato Bank | 1.4% | The Dai-ichi Life Insurance | 0.4% |
| The Chiba Bank, Ltd | 1.4% | Fukoku Mutual Life Insurance Comp | 0.4% |
| The Asahi Shinkin Bank | 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 | 0.7% |
| The Bank of Yokohama, Ltd | 1.1% | | |

6. Overview of Newly Acquired Assets

6. Overview of Newly Acquired Assets

KOKO HOTEL Tsukiji Ginza



Features of the Asset:

- Polaris operates this property together with KOKO HOTEL Ginza 1-chome, achieving high GOP margins
- The hotel is easily accessible by public transportation, located approx. 6 minutes' walk to the nearest station, "Tsukiji" Station on the Tokyo Metro Hibiya Line, and approx. 9 minutes' walk to "Higashi-ginza" Station on the Toei Subway Asakusa Line and Tokyo Metro Hibiya Line
- The hotel is close to Tsukiji Outer Market, a popular site among domestic and inbound tourists, and is located within walking distance from the Ginza area, so it can capture both business and leisure demands
- All rooms accommodate 2-4 guests, and demand from school trips, sports groups, inbound tourists, and other group trips is expected

Features of the location:

Expected to increase in attractiveness through upcoming redevelopment

- The "Tsukiji District Community Development Project" is underway at the old site of Tsukiji Market close to the hotel, the business scale of which is 900bn
- Business operators were selected in April 2024, some of the buildings will open in FY2029, and the others will open from the early 2030s
- A large attraction and exchange facility (multi-purpose stadium with capacity of approx. 50,000 people), a MICE facility (a facility for meetings, incentive travel/ tours, conventions, and exhibitions), a life science/commercial complex, and offices, etc. are scheduled for construction
- The construction of additional infrastructure such as a new subway line, an expressway, a wharf, and decks for pedestrians is being considered in the nearby area

[Tsukiji District Town Development Project Concept Image]



Source: Created by the Asset Manager based on "Overview of proposals from the prospective operators" released by the Bureau of Urban Development, Tokyo Metropolitan Government

[Seaside Subway Line Map]



Source: Created by the Asset Manager based on "Project Plan Proposal (November of Reiwa Year 4)" released by Subway Project Plan for Central and Coastal Areas From the Study Meeting

| | Operating performance | | | | | | |
|----------------|-----------------------|-----------|-----------|----------|-----------|-----------|----------------------------|
| | Feb. 2024 | Mar. 2024 | Apr. 2024 | May 2024 | June 2024 | July 2024 | Average Feb.2024-July 2024 |
| Occupancy rate | 94.2% | 95.2% | 93.8% | 94.4% | 93.7% | 95.2% | 94.4% |
| ADR (yen) | 21,761 | 27,835 | 28,080 | 23,425 | 21,975 | 24,182 | 24,553 |
| RevPAR (yen) | 20,508 | 26,489 | 26,348 | 22,107 | 20,592 | 23,033 | 23,186 |

| Anticipated figures during stable operation as stated in the Appraisal Report | Preconditions for performance forecast of FP2025/7 |
|---|--|
| 89.0% | 89.6% |
| 23,000 | 23,556 |
| 20,470 | 21,104 |

6. Overview of Newly Acquired Assets

KOKO HOTEL Residence Asakusa Kappabashi / KOKO HOTEL Residence Asakusa Tawaramachi



**KOKO HOTEL
Residence Asakusa
Kappabashi**



**KOKO HOTEL
Residence Asakusa
Tawaramachi**

Features of the Asset:

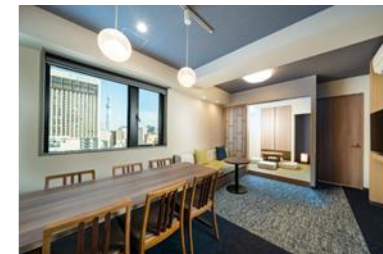
Residence-type hotels that meet demand for multiple occupancy guestrooms and mid-to-long-term stays

- The concept is “a hotel that feels like home”
- Realizing high GOP margin through integrated operation by Polaris

Features of the location:

Competitiveness due to the location in the Asakusa area

- Both properties are easily accessible, located within a 5 minutes' walk from the nearest station
- Both hotels are surrounded by major sightseeing spots including Senso-ji Temple, the Nakamise street, and Tokyo Skytree, capturing tourism demand, attracting inbound visitors as well



KOKO HOTEL Residence Asakusa Kappabashi

| | Operating performance | | | | | | |
|----------------|-----------------------|-----------|-----------|----------|-----------|-----------|----------------------------|
| | Feb. 2024 | Mar. 2024 | Apr. 2024 | May 2024 | June 2024 | July 2024 | Average Feb.2024-July 2024 |
| Occupancy rate | 76.8% | 88.3% | 92.8% | 91.8% | 90.4% | 92.4% | 85.5% |
| ADR (yen) | 31,652 | 37,024 | 38,374 | 29,993 | 32,952 | 38,097 | 33,671 |
| RevPAR (yen) | 24,324 | 32,701 | 35,603 | 27,528 | 29,787 | 35,201 | 28,777 |

| Anticipated figures during stable operation as stated in the Appraisal Report | Preconditions for performance forecast of FP2025/7 |
|---|--|
| 80.0% | 85.9% |
| 34,400 | 34,428 |
| 27,520 | 29,582 |

KOKO HOTEL Residence Asakusa Tawaramachi

| | Operating performance | | | | | | |
|----------------|-----------------------|-----------|-----------|----------|-----------|-----------|----------------------------|
| | Feb. 2024 | Mar. 2024 | Apr. 2024 | May 2024 | June 2024 | July 2024 | Average Feb.2024-July 2024 |
| Occupancy rate | 86.5% | 88.8% | 91.6% | 93.0% | 91.7% | 90.6% | 90.4% |
| ADR (yen) | 34,889 | 40,964 | 43,191 | 35,300 | 40,032 | 44,415 | 39,865 |
| RevPAR (yen) | 30,179 | 36,382 | 39,576 | 32,829 | 36,710 | 40,238 | 36,038 |

| Anticipated figures during stable operation as stated in the Appraisal Report | Preconditions for performance forecast of FP2025/7 |
|---|--|
| 84.0% | 85.9% |
| 38,500 | 39,634 |
| 32,340 | 34,048 |

6. Overview of Newly Acquired Assets

KOKO HOTEL Osaka Shinsaibashi

KOKO HOTEL Osaka Shinsaibashi



Features of the Asset:

- The hotel is situated in a competitive location with good access to key areas in Osaka, around approx.3 minutes' walk from "Shinsaibashi" Station on the Osaka Metro Midosuji Line and from there, with close access to "Shin-Osaka" Station and "Umeda" Station are reachable in approx.14 and approx.7 minutes, respectively
- The area around "Shinsaibashi" Station is one of Osaka's core retail areas, as well as an area where various companies have their headquarters and branch offices, and where business demand is strong
- Since the participation of Polaris as operator, the focus of room types has been changed from single to twin, resulting in an increase in the double occupancy rate(DOR). The hotel has also successfully captured leisure demand
- Rent income from tenants such as a clinic in basement level one and the second floor, and restaurants on the first floor contribute to increase in GOP margin

| | Operating performance | | | | | | |
|----------------|-----------------------|-----------|-----------|----------|-----------|-----------|----------------------------|
| | Feb. 2024 | Mar. 2024 | Apr. 2024 | May 2024 | June 2024 | July 2024 | Average Feb.2024-July 2024 |
| Occupancy rate | 81.7% | 87.5% | 90.2% | 86.1% | 85.1% | 86.7% | 81.5% |
| ADR (yen) | 10,155 | 11,699 | 11,758 | 10,725 | 9,881 | 10,626 | 10,889 |
| RevPAR (yen) | 8,293 | 10,234 | 10,608 | 9,236 | 8,408 | 9,214 | 8,878 |

Features of the location:

Potential increase demand of tourism and business Osaka

- The number of passengers at Kansai International Airport has been rising since around autumn of 2022, but has not recovered to the 2019 level. However, it is expected to grow further on the back of increased tourism and business demand, and boosted inbound travel
- Expo 2025 Osaka, Kansai, which is scheduled to be held for six months from April to October 2025, is expected to attract many domestic and foreign visitors

<The number of passengers at Kansai International Airport (to the same month of 2019)>



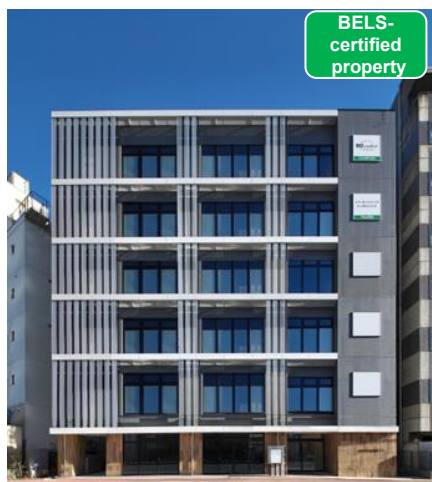
Source: Created by the Asset Manager based on "Monthly usage status" released by Kansai Airport"

| Anticipated figures during stable operation as stated in the Appraisal Report | Preconditions for performance forecast of FP2025/7 |
|---|--|
| 86.0% | 89.1% |
| 11,500 | 11,682 |
| 9,890 | 10,414 |

6. Overview of Newly Acquired Assets

Urban Forum Warabi / Star Asia Mezzanine Loan Debt Investment Series 9

Urban Forum Warabi



**BELS-
certified
property**

Features of the Asset and the location:

- Commercial facility located approx. 4 minutes' walk from "Warabi" Station on the JR Keihin Tohoku Line, traveling from "Warabi" Station to "Tokyo" Station by train will take approx. 30 minutes, while "Omiya" Station is approx. 15 minutes away, making this area with excellent access for commuters
- Entered into a rental guarantee contract with one tenant for a certain period, ensuring stable income
- The west exit of "Warabi" Station is currently undergoing redevelopment, with two high-rise residential buildings comprising 415 units plus commercial facilities scheduled for completion in July 2027, which will likely create additional local demand
- This recently constructed commercial facility located near the train station consists of tenants offering services such as community-based stores and shared offices, responding to the increasing demand driven by the population density of the surrounding area and the diversification of work styles
- The Asset Manager's unique network allowed us to discover this project at the pre-development stage and secure the property through the use of a bridge scheme

| Property overview | |
|-------------------------|------------------------|
| Acquisition price | 1,100mn |
| Appraisal value | 1,210mn |
| Appraisal NOI yield | 4.7% |
| Location | Kawaguchi-shi, Saitama |
| Structure / Floors | Steel-framed / 6F |
| Total floor area | 1,489.22m ² |
| Construction completion | Dec. 2023 |
| # of tenants | 5 |
| Occupancy rate | 100% |



Star Asia Mezzanine Loan Debt Investment Series 9

- Series 9 of SAR's mezzanine loan debt investments
- Realize investments leveraging proprietary sourcing routes and utilizing the bridging functions of the sub-sponsor
- Redeemed funds will be reinvested in mezzanine loan debt investments or used to execute strategic CAPEX



List of Star Asia Investment Corporation's mezzanine loans (Total value of assets: JPY 3,011mn)

| Asset no. | Underlying Asset | Acquisition Price | Interest rate |
|-----------|--|-------------------|------------------|
| 1 | Relief Premium Haneda | 400mn | Base rate + 5.0% |
| 2 | Sasazuka South Building | 335mn | Base rate + 5.0% |
| 3 | The Royal Garden Residence Shirokanedai | 126mn | Base rate + 5.0% |
| 4 | DS Kaigan Building (formerly known as Premier Kaigan Building) | 300mn | Base rate + 5.0% |
| 5 | Sun Maison Ohori Park Kita | 150mn | Base rate + 5.0% |
| 6 | Tajimi Logistics Center | 400mn | Base rate + 7.0% |
| 7 | Quintessa Hotel Tokyo Haneda Comic & Books | 400mn | Base rate + 5.0% |
| 8A | Centurion Hotel Grand Akasaka | 430mn | Base rate + 5.3% |
| 8B | | 340mn | Base rate + 7.3% |
| 9 | hotel androoms Shin-Osaka | 130mn | Base rate + 5.0% |

7. Initiatives on ESG

7. Initiatives on ESG

Recent Topics regarding ESG Initiatives and ESG Promotion System

Acknowledgement on ESG

<GRESB Real Estate Assessment> (note1)

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

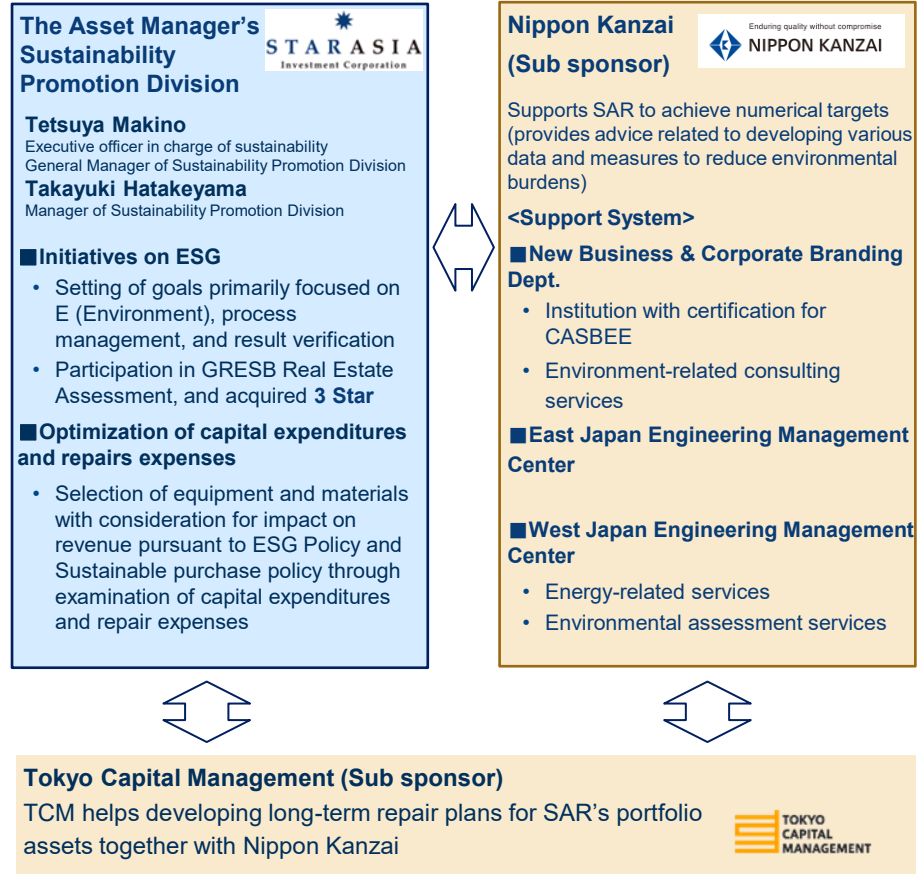


<Initiatives on GRESB Real Estate Assessment >

Develop and organize data, led by the Sustainability Promotion Division and with the cooperation of Nippon Kanzai Group who is 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)



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 ₂ | 23,154.05 | 20,130.43 | 20,588.99 | 24,167.02 | - |
| Scope 1 | t-CO ₂ | 1,968.71 | 1,672.17 | 1,953.58 | 2,570.26 | - |
| Scope 2 | t-CO ₂ | 21,185.34 | 18,458.26 | 18,635.41 | 21,596.76 | - |
| GHG emissions intensity | t-CO ₂ /m ² | 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 ² | 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 ² | 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 ³ | 329,687.35 | 255,933.91 | 334,463.31 | 427,136.45 | - |
| Clean water usage intensity | m ³ /m ² | 0.8133 | 0.5209 | 0.6581 | 0.7748 | ≤ 0.8133 |
| Reduction rate | % | - | ▲ 36.0% | ▲ 19.1% | ▲ 4.7% | ±0% |

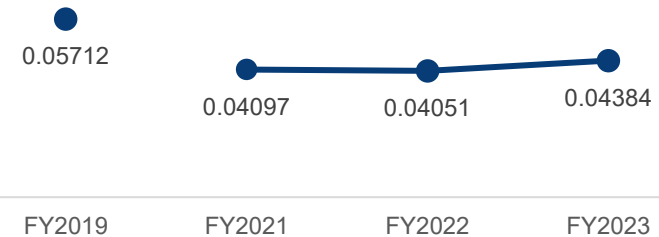
| Waste monitoring item | unit | 2019 Base year | 2021 Actual | 2022 Actual | 2023 Actual | 2030 Target year |
|---------------------------|------------------|----------------|-------------|-------------|-------------|------------------|
| Waste emissions | t | 2,693.27 | 3,164.05 | 3,825.29 | 4,218.67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

GHG emissions intensity (note 2)

(t-CO₂/m²)

Goal: 10% reduction from base year by 2030

Reduction rate: **23.2%**

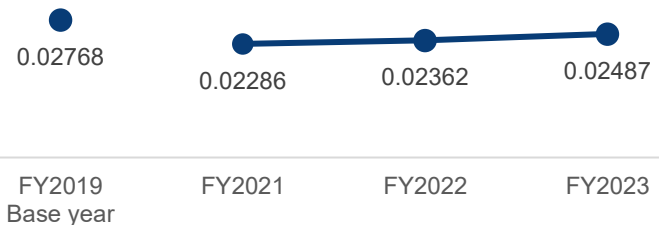


Energy consumption intensity (note 3)

(kL/m²)

Goal: 10% reduction from base year by 2030

Reduction rate: **10.1%**



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 * | 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 4) | Residence | 2,039.17 | |
| Urban Forum Warabi | | Retail | 1,489.22 | | |
| CASBEE (note 3) | Rank S | Higashi-Kobe Center Building | Office | 25,740.46 | 38.0% |
| | | Urban Center Shinjuku | Office | 7,624.66 | |
| | | Seiyu Minakuchi | Retail | 31,829.71 | |
| | Rank A | Honmachibashi Tower | Office | 15,407.83 | |
| | | 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** | | | | 266,554.75 | 44.4% |

* limited to the expansion portion

** as of Sep. 6, 2024

Status of signing of green lease contracts (as of July 31, 2024)

(note 5)

- Established policy for green lease agreement and added green lease clauses for 185 tenants (130 office tenants, 35 retail tenants, 7 residence tenant, 9 logistics tenants, and 4 hotel tenants). (41.2% of leasable area +3.1% compared to the previous FP)
- SAR plans to add the same clause to other properties

185 tenants

Total leased area
206,662.79 m²

Initiatives for S (Society)

◆ Initiatives for employees

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

◆ Initiatives on own Property

- La Park Kishiwada
 - 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 6.9% of the investment units of the Sponsor Group (as of Jan 31, 2024)
- Members of the Asset Manager also hold investment units

Star Asia Group (as of Jan 31, 2024)

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

Number of units held in same-boat investment:

164.316 units

<Founder of Star Asia>



Ownership:

6.9%

Management team of the Asset Manager

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

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 | FP16 | FP17 |
|--------------------|--|----------------------|----------------------|
| Management fees I | Total valuation amount of managed assets x 0.2% (upper limit) | 175,906 thousand yen | 180,814 thousand yen |
| Management fees II | NOI × 7.5% (upper limit) | 332,520 thousand yen | 361,609 thousand yen |
| Acquisition fees | Acquisition price × 1.0% (upper limit) ※ | 254,733 thousand yen | 0 thousand yen |
| Transfer fee | Assignment price × 1.0% (upper limit) ※ | 31,150 thousand yen | 0 thousand yen |
| Merger fee | Valuation amount of held assets × 1.0% (upper limit) ※ | — | — |

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

Decision-making process

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



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

We will tirelessly pursue excellence not only for our investor clients but also for ourselves.

8. Appendix

About Star Asia Group (1)



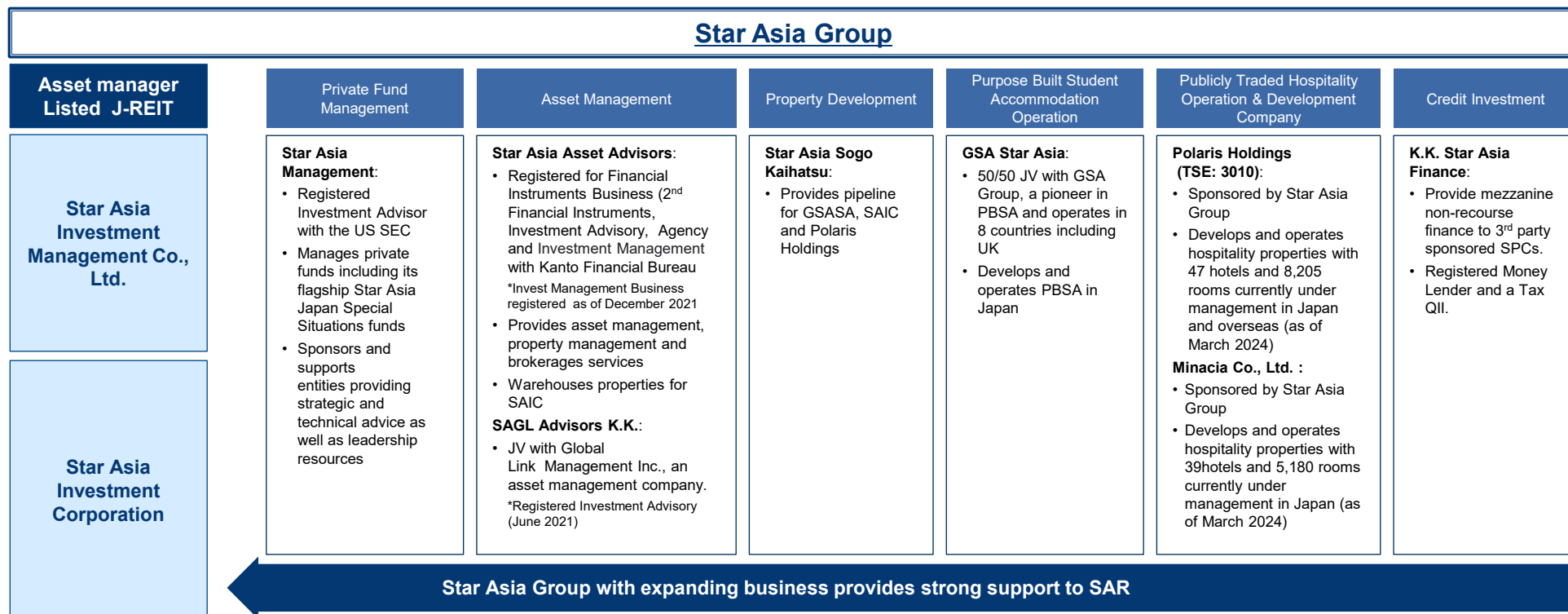
Taro Masuyama
Co-Founder and
Managing Partner



Malcolm F. MacLean IV
Co-Founder and
Managing Partner

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

- Since its founding, Star Asia Group has invested over JPY1,3 trillion and has current assets under management of around JPY518.0 billion. (as of March 2024)
- Star Asia Group has 1,244 officers and employees² with over 55 professionals in finance, investment and real estate area in primarily in Japan and a few in the United States. (as of March 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
- Star Asia Group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors
- Star Asia Group is committed to its disciplined Investment Philosophy with a single goal of meeting and exceeding our client's expectations for the mandates we are given



Investment Philosophy of Star Asia Group (2)

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 17th Fiscal Period ended July 2024)

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

| Category | End of 16FP | | End of 17FP | |
|-----------------------|--------------|--------|-------------|--------|
| | No. of units | Ratio | | |
| Individual | 534,363 | 22.5% | 514,580 | 21.7% |
| Financial institution | 916,636 | 38.6% | 966,829 | 40.8% |
| Domestic corporation | 70,436 | 3.0% | 67,784 | 2.9% |
| Foreign | 783,553 | 33.0% | 788,705 | 33.3% |
| Securities company | 67,012 | 2.8% | 34,102 | 1.4% |
| Total | 2,372,000 | 100.0% | 2,372,000 | 100.0% |

List of major unitholders (Top 10)

| | Unitholder name | No. of units | Ratio |
|-------|---|--------------|-------|
| 1 | Custody Bank of Japan, Ltd. (Trust Account) | 374,313 | 15.8% |
| 2 | The Master Trust Bank of Japan, Ltd. (Trust account) | 364,959 | 15.4% |
| 3 | The Nomura Trust and Banking Co., Ltd. (Trust Account) | 111,318 | 4.7% |
| 4 | NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT | 81,809 | 3.4% |
| 5 | Star Asia Capital I LLC | 40,969 | 1.7% |
| 5 | Star Asia Capital II LLC | 40,969 | 1.7% |
| 5 | Star Asia Capital III LLC | 40,969 | 1.7% |
| 5 | Star Asia Capital IV LLC | 40,969 | 1.7% |
| 9 | STATE STREET BANK AND TRUST COMPANY 505001 | 37,960 | 1.6% |
| 10 | STATE STREET BANK AND TRUST COMPANY 505001 | 37,816 | 1.6% |
| Total | | 1,172,051 | 49.4% |

*Star Asia Capital I ~IVLLC are Sponsor Group.

Number of unitholders by attribute: Total 30,350

| Category | End of 16FP | | End of 17FP | |
|-----------------------|--------------|--------|-------------|--------|
| | No. of units | Ratio | | |
| Individual | 29,574 | 97.2% | 29,496 | 97.2% |
| Financial institution | 48 | 0.2% | 50 | 0.2% |
| Domestic corporation | 428 | 1.4% | 412 | 1.4% |
| Foreign | 343 | 1.1% | 370 | 1.2% |
| Securities company | 22 | 0.1% | 22 | 0.1% |
| Total | 30,415 | 100.0% | 30,350 | 100.0% |

Change in business results

(Unit: million yen)

| | 12FP (ended Jan. 2022) actual | 13FP (ended July 2022) actual | 14FP (ended Jan. 2023) actual | 15FP (ended July 2023) actual | 16FP (ended Jan. 2024) actual | 17FP (ended July 2024) forecast* | 17FP (ended Jan. 2024) actual | Comparison with forecast |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|-------------------------------------|-----------------------------|
| Lease business revenue | 5,890 | 6,060 | 6,463 | 6,503 | 7,524 | 7,894 | 8,048 | +153 |
| Office rent | 1,900 | 1,974 | 2,036 | 2,077 | 2,088 | 2,137 | 2,133 | △4 |
| Retail rent | 842 | 847 | 1,038 | 1,048 | 1,012 | 1,046 | 1,040 | △6 |
| Residence rent | 1,152 | 1,215 | 1,225 | 1,227 | 1,183 | 1,265 | 1,260 | △4 |
| Logistics rent | 910 | 910 | 914 | 869 | 877 | 914 | 914 | - |
| Hotel rent | 425 | 426 | 537 | 581 | 1,666 | 1,877 | 2,038 | +161 |
| Other | 660 | 686 | 710 | 700 | 695 | 652 | 660 | +7 |
| Expenses related to rent business (Depreciation is excluded) | 1,629 | 1,796 | 1,812 | 1,981 | 1,982 | 2,051 | 2,021 | △30 |
| NOI | 4,261 | 4,263 | 4,650 | 4,521 | 5,542 | 5,842 | 6,026 | +184 |
| Depreciation | 682 | 697 | 743 | 763 | 963 | 1,034 | 1,034 | +0 |
| Rent revenues/expenses | 3,579 | 3,565 | 3,907 | 3,758 | 4,578 | 4,807 | 4,992 | +184 |
| Gain on sale of real estate property | - | - | - | 414 | 374 | - | - | - |
| Mezzanine | 22 | 28 | 22 | 22 | 33 | 33 | 34 | +0 |
| TK distribution | 46 | - | - | - | - | - | - | - |
| Income from securities lending fees | - | - | - | 6 | 31 | 31 | 31 | - |
| SGA | 560 | 546 | 580 | 595 | 708 | 713 | 719 | +5 |
| Operating income | 3,087 | 3,047 | 3,349 | 3,606 | 4,309 | 4,159 | 4,338 | +179 |
| Non-operating income | 1 | 2 | 1 | 1 | 1 | - | 2 | +2 |
| Non-operating expenses | 571 | 489 | 568 | 534 | 782 | 681 | 671 | △10 |
| Ordinary income | 2,517 | 2,560 | 2,782 | 3,073 | 3,528 | 3,477 | 3,669 | +192 |
| Income before income taxes | 2,517 | 2,560 | 2,782 | 3,073 | 3,528 | 3,477 | 3,669 | +192 |
| taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Net income | 2,516 | 2,559 | 2,781 | 3,073 | 3,527 | 3,476 | 3,668 | +192 |
| Cash distribution per unit | 1,478 yen | 1,476円 | 1,491円 | 1,586円 | 1,524円 | 1,520円 | 1,596円 | 76円 |
| FFO per unit | 1,787円 | 1,820円 | 1,834円 | 1,780円 | 1,735円 | 1,902円 | 1,982円 | +80円 |
| AFFO per unit | 1,550円 | 1,556円 | 1,519円 | 1,370円 | 1,268円 | 1,536円 | 1,656円 | +120円 |
| Balance of Internal reserve** | 8,967 | 8,886 | 8,802 | 8,828 | 8,741 | 8,612 | 8,624 | +11 |

*Announced in the 16th FP financial briefing report on March 15, 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) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,466,478 | 3,379,427 |
| Cash and deposits in trust | 9,186,964 | 8,945,505 |
| Operating accounts receivable | 319,557 | 443,175 |
| Prepaid expenses | 276,610 | 312,802 |
| Consumption taxes receivable | 1,245,234 | - |
| Others | 18,498 | 32,807 |
| Total current assets | 13,513,345 | 13,113,718 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Tools, furniture and fixtures | 114 | 114 |
| Accumulated depreciation | (114) | (114) |
| Tools, furniture and fixtures, net | 0 | 0 |
| Buildings in trust | 72,991,822 | 73,691,762 |
| Accumulated depreciation | (7,735,645) | (8,733,016) |
| Buildings in trust, net | 65,256,177 | 64,958,746 |
| Structures in trust | 37,679 | 43,768 |
| Accumulated depreciation | (8,703) | (10,290) |
| Structures in trust, net | 28,975 | 33,477 |
| Machinery and equipment in trust | 306,175 | 338,544 |
| Accumulated depreciation | (58,216) | △74,087 |
| Machinery and equipment in trust, net | 247,958 | 264,457 |
| Tools, furniture and fixtures in trust | 150,147 | 193,701 |
| Accumulated depreciation | (54,677) | (66,089) |
| Tools, furniture and fixtures in trust, net | 95,470 | 127,611 |
| Land in trust | 169,768,470 | 169,771,175 |
| Construction in progress in trust | 170 | - |
| Total property, plant and equipment | 235,397,221 | 235,155,469 |
| Intangible assets | | |
| Leasehold rights in trust | 6,251,893 | 6,243,459 |
| Total intangible assets | 6,251,893 | 6,243,459 |
| Investments and other assets | | |
| Investments in other securities of subsidiaries and associates | 1,588,015 | 1,588,015 |
| Investment securities | 1,170,000 | 1,170,000 |
| Long-term prepaid expenses | 542,728 | 479,515 |
| Leasehold and guarantee deposits | 10,239 | 10,239 |
| Leasehold and guarantee deposits in trust | 263,988 | 263,988 |
| Others | 343,228 | 601,063 |
| Total investments and other assets | 3,918,199 | 4,112,822 |
| Total non-current assets | 245,567,314 | 245,511,751 |

| | 16th fiscal period (As of January 31, 2024) | 17th fiscal period (As of July 31, 2024) |
|--|--|---|
| Deferred assets | | |
| Investment corporation bond issuance costs | 9,522 | 8,502 |
| Investment unit issuance costs | 65,149 | 44,337 |
| Total deferred assets | 74,672 | 52,840 |
| Total assets | 259,155,332 | 258,678,309 |
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 983,908 | 794,335 |
| Short-term borrowings | 1,300,000 | 1,000,000 |
| Current portion of long-term borrowings | 13,285,000 | 11,085,000 |
| Accounts payable - others | 664,966 | 669,967 |
| Accrued expenses | 96,918 | 107,831 |
| Income taxes payable | 605 | 605 |
| Accrued consumption taxes | 48,408 | 438,633 |
| Advances received | 1,028,917 | 1,160,537 |
| Others | 26,846 | 32,356 |
| Total current liabilities | 17,435,570 | 15,289,267 |
| Non-current liabilities | | |
| Investment corporation bonds | 1,000,000 | 1,000,000 |
| Long-term borrowings | 107,555,000 | 108,755,000 |
| Leasehold and guarantee deposits received | 4,053 | 2,808 |
| Leasehold and guarantee deposits received in trust | 5,915,288 | 6,057,696 |
| Asset retirement obligations | 98,969 | 99,915 |
| Others | 18,825 | - |
| Total non-current liabilities | 114,592,137 | 115,915,419 |
| Total liabilities | 132,027,707 | 131,204,686 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 89,316,185 | 89,316,185 |
| Surplus | | |
| Unitholders' capital surplus | 25,132,218 | 25,132,218 |
| Voluntary reserve | | |
| Reserve for temporary difference adjustment | 8,446,674 | ※ 2 8,357,762 |
| Total voluntary reserve | 8,446,674 | 8,357,762 |
| Unappropriated retained earnings (undisposed loss) | 3,909,364 | 4,052,316 |
| Total surplus | 37,488,257 | 37,542,297 |
| Total unitholders' equity | 126,804,443 | 126,858,483 |
| Valuation and translation adjustments | | |
| Deferred gains or losses on hedges | 323,181 | 615,139 |
| Total valuation and translation adjustments | 323,181 | 615,139 |
| Total net assets | 127,127,624 | 127,473,622 |
| Total liabilities and net assets | 259,155,332 | 258,678,309 |

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

Portfolio List (as of July 31, 2024)

<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 | 1.2 | 4.5 |
| | Honmachibashi Tower | Osaka-shi, Osaka | 6,065 | 7,100 | 2.5 | 5.0 |
| | Nishi-Shinjuku Matsuya Building | Shibuya-ku, Tokyo | 1,763 | 2,740 | 0.7 | 6.9 |
| | Urban Center Shibuya East | Shibuya-ku, Tokyo | 2,042 | 3,300 | 0.8 | 5.6 |
| | Urban Center Yokohama West | Yokohama-shi, Kanagawa | 6,320 | 8,520 | 2.6 | 5.0 |
| | Hakata-eki East Place | Fukuoka-shi, Fukuoka | 2,286 | 3,300 | 0.9 | 6.6 |
| | Nihonbashi Hamacho Park Building | Chuo-ku, Tokyo | 1,450 | 1,510 | 0.6 | 4.3 |
| | Amusement Media Gakuin Honkan | Shibuya-ku, Tokyo | 2,580 | 2,710 | 1.1 | 3.9 |
| | Higashi Kobe Center Building | Kobe-shi, Hyogo | 7,600 | 7,460 | 3.1 | 5.2 |
| | Amusement Media Gakuin Shinkan | Shibuya-ku, Tokyo | 1,020 | 1,220 | 0.4 | 4.0 |
| | Urban Center Shinjuku | Shinjuku-ku, Tokyo | 11,200 | 11,800 | 4.6 | 3.6 |
| | Urban Center Kanda Suda cho | Chiyoda-ku, Tokyo | 5,350 | 5,420 | 2.2 | 3.7 |
| | Urban Center Kanda | Chiyoda-ku, Tokyo | 4,590 | 4,570 | 1.9 | 3.7 |
| | Takadanobaba Access | Shinjuku-ku, Tokyo | 3,990 | 3,810 | 1.6 | 3.8 |
| | Azabu Amerex Building | Minato-ku, Tokyo | 2,780 | 2,920 | 1.1 | 3.7 |
| | Hiei-Kudan Building | Chiyoda-ku, Tokyo | 2,400 | 2,420 | 1.0 | 3.6 |
| | Urban Center Shin-Yokohama | Yokohama-shi, Kanagawa | 2,300 | 2,650 | 0.9 | 5.1 |
| | The Portal Akihabara | Chiyoda-ku, Tokyo | 1,510 | 1,490 | 0.6 | 3.8 |
| | Urban Center Tachikawa | Tachikawa-shi, Tokyo | 1,804 | 2,060 | 0.7 | 5.2 |
| | Urban Center Hakata | Fukuoka-shi, Fukuoka | 2,870 | 3,290 | 1.2 | 4.3 |
| | Urban Center Fujisawa | Fujisawa-shi, Kanagawa | 2,054 | 2,210 | 0.8 | 5.6 |
| Office Subtotal | | | 74,947 | 83,540 | 30.7 | 4.5 |
| Retail | La Park Kishiwada | Kishiwada-shi, Osaka | 5,400 | 5,170 | 2.2 | 7.1 |
| | Suroy Mall Chikushino | Chikushino-shi, Fukuoka | 6,550 | 6,580 | 2.7 | 5.8 |
| | Seiyu Minakuchi | Koka-shi, Shiga | 3,320 | 3,340 | 1.4 | 7.4 |
| | BAGUS Ikebukuro West | Toshima-ku, Tokyo | 2,984 | 3,500 | 1.2 | 4.1 |
| | abeno nini (Retail) | Osaka-shi, Osaka | 9,500 | 10,600 | 3.9 | 4.2 |
| | Retail Subtotal | | 27,754 | 29,190 | 11.4 | 5.5 |

| | 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 | 0.8 | 4.5 |
| | Urban Park Daikanyama | Shibuya-ku, Tokyo | 6,315 | 10,300 | 2.6 | 4.8 |
| | Urban Park Namba | Osaka-shi, Osaka | 1,490 | 1,540 | 0.6 | 5.0 |
| | Urban Park Kashiwa | Kashiwa-shi, Chiba | 1,186 | 1,240 | 0.5 | 4.8 |
| | Urban Park Ryokuchi-koen | Suita-shi, Osaka | 1,550 | 1,730 | 0.6 | 5.6 |
| | Urban Park Ichigao | Yokohama-shi, Kanagawa | 1,810 | 2,160 | 0.7 | 4.8 |
| | Urban Park Gyotoku | Ichikawa-shi, Chiba | 1,430 | 1,610 | 0.6 | 4.7 |
| | Shiroi Logiman | Shiroi-shi, Chiba | 2,470 | 2,580 | 1.0 | 5.5 |
| | Urban Park Sekime | Osaka-shi, Osaka | 2,150 | 2,450 | 0.9 | 5.3 |
| | Urban Park Imazato | Osaka-shi, Osaka | 993 | 1,090 | 0.4 | 5.5 |
| | Urban Park Yoyogi | Shibuya-ku, Tokyo | 1,740 | 2,020 | 0.7 | 3.7 |
| | Urban Park Tokiwadai Koen | Yokohama-shi, Kanagawa | 3,506 | 4,250 | 1.4 | 5.6 |
| | Urban Park Mitsuike Koen | Yokohama-shi, Kanagawa | 3,160 | 3,760 | 1.3 | 5.6 |
| | Urban Park Ryogoku | Sumida-ku, Tokyo | 1,115 | 1,350 | 0.5 | 4.6 |
| | Urban Park Mizonokuchi | Kawasaki-shi, Kanagawa | 2,019 | 2,100 | 0.8 | 4.6 |
| | Urban Park Miyamaedaira | Kawasaki-shi, Kanagawa | 1,060 | 1,250 | 0.4 | 4.9 |
| | Urban Park Tsurumi | Yokohama-shi, Kanagawa | 1,113 | 1,190 | 0.5 | 4.8 |
| | Urban Park Mitaka | Mitaka-shi, Tokyo | 743 | 1,010 | 0.3 | 5.0 |
| | Urban Park Kamata Minami I | Ota-ku, Tokyo | 641 | 881 | 0.3 | 5.1 |
| | Urban Park Kamata Minami II | Ota-ku, Tokyo | 1,375 | 1,770 | 0.6 | 5.1 |
| | Urban Park Umejima | Adachi-ku, Tokyo | 1,032 | 1,220 | 0.4 | 4.4 |
| Residence Subtotal | | | 38,943 | 48,491 | 16.0 | 5.0 |
| Logistics | Iwatsuki Logistics | Saitama-shi, Saitama | 6,942 | 7,650 | 2.8 | 4.8 |
| | Yokohama Logistics | Yokohama-shi, Kanagawa | 3,560 | 4,170 | 1.5 | 5.7 |
| | Funabashi Logistics | Funabashi-shi, Chiba | 7,875 | 8,770 | 3.2 | 5.2 |
| | Baraki Logistics | Ichikawa-shi, Chiba | 4,700 | 5,220 | 1.9 | 4.1 |
| | Tokorozawa Logistics | Tokorozawa-shi, Saitama | 1,300 | 1,550 | 0.5 | 5.8 |
| | Funabashi Nishiura Logistics II | Funabashi-shi, Chiba | 821 | 911 | 0.3 | 7.2 |
| | Matsubushi Logistics | Kita-Katsushika-gun, Saitama | 2,755 | 3,310 | 1.1 | 5.7 |
| | Funabashi Hi-Tech Park I | Funabashi-shi, Chiba | 1,997 | 2,200 | 0.8 | 7.0 |
| Logistics Subtotal | | | 29,950 | 33,781 | 12.3 | 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 July 31, 2024)

< 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 | 2,430 | 0.8 | 5.7 |
| | Smile Hotel Namba | Osaka-shi, Osaka | 1,750 | 1,490 | 0.7 | 4.3 |
| | REMBRANDT STYLE Tokyo Nishikasai | Edogawa-ku, Tokyo | 3,827 | 3,500 | 1.6 | 4.2 |
| | Best Western Yokohama | Yokohama-shi, Kanagawa | 3,248 | 3,090 | 1.3 | 4.5 |
| | The BREAKFAST HOTEL Fukuoka Tenjin | Fukuoka-shi, Fukuoka | 1,970 | 2,040 | 0.8 | 4.7 |
| | GLANSIT AKIHABARA | Chiyoda-ku, Tokyo | 2,500 | 2,440 | 1.0 | 3.9 |
| | REMBRANDT STYLE Tokyo Nishikasai Grande | Edogawa-ku, Tokyo | 3,180 | 3,110 | 1.3 | 4.0 |
| | KOKO HOTEL Osaka Namba | Osaka-shi, Osaka | 2,000 | 1,780 | 0.8 | 4.2 |
| | abeno nini (Hotel) | Osaka-shi, Osaka | 3,600 | 3,950 | 1.5 | 4.8 |
| | KOKO HOTEL Ginza 1-Chome | Chuo-ku, Tokyo | 17,800 | 21,100 | 7.3 | 4.3 |
| | KOKO HOTEL Sapporo Ekimae | Sapporo-shi, Hokkaido | 6,700 | 7,720 | 2.7 | 5.2 |
| | KOKO HOTEL Fukuoka Tenjin | Fukuoka-shi, Fukuoka | 5,000 | 5,500 | 2.1 | 4.7 |
| | KOKO HOTEL Hiroshima Ekimae | Hiroshima-shi, Hiroshima | 4,100 | 4,430 | 1.7 | 5.2 |
| | KOKO HOTEL Kagoshima Tenmonkan | Kagoshima-shi, Kagoshima | 3,800 | 4,280 | 1.6 | 6.0 |
| | KOKO HOTEL Sapporo Odori | Sapporo-shi, Hokkaido | 4,200 | 4,370 | 1.7 | 4.6 |
| | Best Western Plus Fukuoka Tenjin-minami | Fukuoka-shi, Fukuoka | 3,800 | 4,650 | 1.6 | 6.9 |
| Hotel Subtotal | | | 69,544 | 75,880 | 28.5 | 408 |
| Total | | | 241,138 | 270,822 | 98.9 | 4.9 |

| | | |
|--|---|---------------------|
| Period-end appraisal value | : | 270,882 million yen |
| Total book value | : | 241,396 million yen |
| Period-end unrealized gains (losses) | : | 29,483 million yen |
| Net assets per unit | : | 53,740 yen |
| Unrealized gains per unit | : | 12,430 yen |
| NAV per unit (*1) | : | 64,574 yen |
| P/NAV per (*2) | : | 0.88 |
| * 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 / NAV per unit (Investment unit price on July 31, 2024: 56,800 yen) | | |

< Mezzanine loan debt investment / Preferred equity security>

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

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

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

Portfolio List (Acquired on or after August 1, 2024)

< Properties etc.>

| | Property name | Location | Acquisition Price (mill) | Appraisal value (mill) | Appraisal NOI yield (%) *1 |
|--------|--|------------------------|--------------------------|------------------------|----------------------------|
| Retail | Urban Forum Warabi | Kawaguchi-shi, Saitama | 1,100 | 1,210 | 4.7 |
| | Retail Subtotal | | 1,100 | 1,210 | 4.7 |
| Hotel | KOKO HOTEL Tsukiji Ginza | Chuo-ku, Tokyo | 17,000 | 18,800 | 4.4 |
| | KOKO HOTEL Residence Asakusa Kappabashi | Taito-ku, Tokyo | 4,300 | 5,060 | 5.0 |
| | KOKO HOTEL Residence Asakusa Tawaramachi | Taito-ku, Tokyo | 5,900 | 6,780 | 4.9 |
| | KOKO HOTEL Osaka Shinsaibashi | Osaka-shi, Osaka | 7,500 | 7,990 | 4.6 |
| | Hotel Subtotal | | 34,700 | 38,630 | 4.6 |
| Total | | | 35,800 | 39,840 | 4.6 |

< Mezzanine loan debt investment / Preferred equity security>


| No. | Name of the security (asset overview) | Type | Interest rate *2 | Acquisition Price (mill) | Underlying asset, etc. | |
|--------|---|---------------------------|------------------|--------------------------|---------------------------|------------------|
| | | | | | Asset name | Location |
| MEZ-09 | Star Asia Mezzanine Loan Debt Investment Series 9 | Trust beneficial interest | Base rate +5.0% | 130 | hotel androoms Shin-Osaka | Osaka-shi, Osaka |
| Total | | | | 130 | | |

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

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

Balance of Payments of Individual Properties (1)

(Unit : Thousand yen)

| Asset Type | OFC-01 | | OFC-03 | | OFC-04 | | OFC-06 | | OFC-08 | | OFC-09 | |
|---|---|---------|---|---------|--|---------|---|--------|---|---------|---|---------|
| Property name | Minami-Azabu Shibuya Building | | Honmachibashi Tower | | Nishi-Shinjuku Matsuya Building | | Urban Center Shibuya East | | Urban Center Yokohama West | | Hakata-eki East Place | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 2,973 million yen | | 6,065 million yen | | 1,763 million yen | | 2,042 million yen | | 6,320 million yen | | 2,286 million yen | |
| Appraisal value | 3,040 million yen | | 7,100 million yen | | 2,740 million yen | | 3,300 million yen | | 8,520 million yen | | 3,300 million yen | |
| Structure/Floors | SRC B1F/7F | | S and SRC B1F/21F | | SRC B1F/9F | | S 6F | | S,SRC and RC B2F/12F | | SRC 9F | |
| Location | Minato-ku, Tokyo | | Osaka-shi, Osaka | | Shibuya-ku, Tokyo | | Shibuya-ku, Tokyo | | Yokohama-shi, Kanagawa | | Fukuoka-shi, Fukuoka | |
| Lot area | 766.11 m ² (Leasehold) | | 1,274.37 m ² | | 589.94 m ² (surface right) | | 620.42 m ² (of which 2.62 m ² leasehold) | | 1,096.86 m ² | | 1,129.86 m ² | |
| Total floor areas | 4,137.21 m ² | | 15,407.83 m ² | | 5,117.80 m ² | | 1,982.86 m ² | | 12,353.83 m ² | | 6,243.13 m ² | |
| Construction completion | June 15, 1993 | | February 8, 2010 | | May 28, 1987 | | July 31, 1993 | | November 25, 1994 | | February 24, 1986 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 99,582 | 100,390 | 249,511 | 247,040 | 122,357 | 121,507 | 74,455 | 66,299 | 232,635 | 230,435 | 114,087 | 114,477 |
| Lease business revenue | 92,251 | 92,224 | 216,316 | 217,020 | 109,154 | 109,636 | 71,163 | 63,527 | 211,707 | 211,838 | 104,209 | 107,767 |
| Other lease business revenue | 7,330 | 8,166 | 33,195 | 30,019 | 13,203 | 11,870 | 3,291 | 2,772 | 20,928 | 18,597 | 9,877 | 6,710 |
| Total operating expenses from real estate leasing | 29,018 | 28,848 | 82,219 | 73,711 | 34,875 | 37,394 | 18,659 | 13,717 | 64,506 | 57,073 | 32,023 | 28,626 |
| Management fee | 6,020 | 6,033 | 15,197 | 17,457 | 7,257 | 6,974 | 5,294 | 5,229 | 14,944 | 15,608 | 9,292 | 8,362 |
| Utilities expenses | 6,149 | 6,035 | 28,008 | 27,964 | 9,796 | 9,453 | 2,422 | 2,282 | 21,376 | 20,079 | 8,594 | 7,339 |
| Taxes and dues | 4,480 | 4,472 | 20,019 | 20,264 | 3,401 | 3,374 | 4,681 | 4,853 | 16,365 | 16,497 | 7,711 | 8,274 |
| Repair expenses | 1,199 | 314 | 16,047 | 1,336 | 1,314 | 4,499 | 1,098 | 652 | 10,353 | 2,845 | 1,810 | 806 |
| Trust fee | 388 | 388 | 400 | 400 | 400 | 400 | 350 | 350 | 400 | 400 | 400 | 400 |
| Insurance premium | 156 | 204 | 487 | 665 | 174 | 229 | 61 | 89 | 504 | 645 | 227 | 309 |
| Other expenses | 10,624 | 11,400 | 2,060 | 5,623 | 12,531 | 12,462 | 4,751 | 260 | 562 | 997 | 3,988 | 3,134 |
| NOI | 70,563 | 71,541 | 167,291 | 173,328 | 87,482 | 84,112 | 55,795 | 52,582 | 168,129 | 173,362 | 82,063 | 85,851 |
| Depreciation | 14,017 | 14,207 | 45,782 | 46,524 | 11,093 | 11,810 | 3,996 | 4,004 | 31,649 | 33,372 | 13,076 | 13,714 |
| Operating income (loss) from real estate leasing | 56,545 | 57,334 | 121,509 | 126,804 | 76,388 | 72,301 | 51,799 | 48,577 | 136,479 | 139,990 | 68,987 | 72,136 |
| Capital expenditures | 7,287 | - | 20,307 | 5,825 | 15,232 | 17,184 | - | 780 | 43,508 | 14,112 | 8,712 | 24,456 |
| NCF | 63,275 | 71,541 | 146,984 | 167,503 | 72,249 | 66,927 | 55,795 | 51,801 | 124,621 | 159,249 | 73,351 | 61,394 |
| Period-end book value (million yen) | 2,961 | 2,947 | 5,531 | 5,490 | 1,803 | 1,809 | 2,081 | 2,078 | 6,282 | 6,263 | 2,413 | 2,424 |

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 | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,450 million yen | | 2,580 million yen | | 7,600 million yen | | 1,020 million yen | | 11,200 million yen | | 5,350 million yen | |
| Appraisal value | 1,510 million yen | | 2,710 million yen | | 7,460 million yen | | 1,220 million yen | | 11,800 million yen | | 5,420 million yen | |
| Structure/Floors | SRC 11F | | SRC and S B1F/8F | | S and SRC 14F | | RC 7 F | | SRC B1F/10F | | SRC B1F/10F | |
| Location | Chuo-ku, Tokyo | | Shibuya-ku, Tokyo | | Kobe-shi, Hyogo | | Shibuya-ku, Tokyo | | Shinjuku-ku, Tokyo | | Chiyoda-ku, Tokyo | |
| Lot area | 319.04㎡ (derived by multiplying the ratio of holdings) | | 433.21㎡ | | 8,488.11㎡ | | 203.43㎡ | | 886.93㎡ | | 590.72㎡ | |
| Total floor areas | 2,384.03㎡ (derived by multiplying the ratio of holdings) | | 1,892.18㎡ | | 25,740.46㎡ | | 913.71㎡ | | 7,624.66㎡ | | 4,994.70㎡ | |
| Construction completion | July 13, 1992 | | November 2, 1994 | | January 6, 1992 | | January 25, 1999 | | March 31, 1989 | | October 28, 1991 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 52,089 | 52,089 | ⓧ | ⓧ | 327,805 | 317,175 | ⓧ | ⓧ | 203,719 | 239,103 | 141,512 | 140,854 |
| Lease business revenue | 52,089 | 52,089 | | | 290,004 | 285,424 | | | 191,055 | 224,754 | 135,466 | 135,706 |
| Other lease business revenue | - | - | | | 37,800 | 31,751 | | | 12,663 | 14,349 | 6,046 | 5,148 |
| Total operating expenses from real estate leasing | 13,472 | 14,595 | | | 124,476 | 136,016 | | | 62,876 | 77,606 | 36,808 | 41,766 |
| Management fee | 885 | 885 | | | 24,608 | 32,479 | | | 21,470 | 18,445 | 12,500 | 11,713 |
| Utilities expenses | - | - | | | 40,163 | 38,291 | | | 9,521 | 9,510 | 5,828 | 5,227 |
| Taxes and dues | 4,510 | 4,664 | | | 29,849 | 30,858 | | | 22,793 | 24,270 | 11,453 | 11,733 |
| Repair expenses | 312 | 50 | | | 16,519 | 18,496 | | | 7,056 | 14,777 | 6,126 | 11,806 |
| Trust fee | 400 | 400 | | | 400 | 400 | | | 350 | 350 | 350 | 350 |
| Insurance premium | 184 | 262 | | | 985 | 1,246 | | | 299 | 378 | 219 | 281 |
| Other expenses | 7,179 | 8,333 | | | 11,949 | 14,244 | | | 1,385 | 9,873 | 329 | 654 |
| NOI | 38,616 | 37,493 | 50,884 | 50,666 | 203,329 | 181,159 | 19,568 | 20,338 | 140,842 | 161,496 | 104,703 | 99,087 |
| Depreciation | 3,137 | 3,137 | 4,653 | 4,753 | 50,509 | 57,044 | 1,706 | 1,805 | 22,008 | 22,613 | 9,777 | 10,044 |
| Operating income (loss) from real estate leasing | 35,479 | 34,355 | 46,231 | 45,913 | 152,820 | 124,114 | 17,861 | 18,533 | 118,833 | 138,883 | 94,926 | 89,043 |
| Capital expenditures | - | - | 2,005 | 3,382 | 139,640 | 267,171 | 3,777 | - | 46,221 | 15,789 | 5,106 | 3,297 |
| NCF | 38,616 | 37,493 | 48,879 | 47,284 | 63,688 | △86,011 | 15,790 | 20,338 | 94,620 | 145,707 | 99,597 | 95,790 |
| Period-end book value (million yen) | 1,445 | 1,442 | 2,575 | 2,573 | 7,995 | 8,208 | 1,034 | 1,032 | 11,439 | 11,432 | 5,344 | 5,337 |

(ⓧ) 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 | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 4,590 million yen | | 3,990 million yen | | 2,780 million yen | | 2,400 million yen | | 2,300 million yen | | 1,510 million yen | |
| Appraisal value | 4,570 million yen | | 3,810 million yen | | 2,920 million yen | | 2,420 million yen | | 2,650 million yen | | 1,490 million yen | |
| Structure/Floors | SRC B1F/8F | | S and SRC B1F/14F | | SRC B1F/8F | | SRC and S B1F/11F | | S and SRC B1F/11F | | SRC and S 8F | |
| Location | Chiyoda-ku, Tokyo | | Shinjuku-ku, Tokyo | | Minato-ku, Tokyo | | Chiyoda-ku, Tokyo | | Yokohama-shi, Kanagawa | | Chiyoda-ku, Tokyo | |
| Lot area | 709.52㎡ | | 930.70㎡ | | 601.71㎡ | | 478.27㎡ (Number derived by multiplying the ratio of holdings) 3,205.72㎡ (Number derived by multiplying the ratio of holdings) | | 700.59㎡ | | 184.76㎡ | |
| Total floor areas | 4,629.27㎡ | | 5,757.14㎡ | | 2,909.80㎡ | | | | 5,356.99㎡ | | 1,010.67㎡ | |
| Construction completion | January 20, 1988 | | January 14, 1994 | | June 30, 1988 | | September 17, 1991 | | March 17, 1992 | | May 31, 2002 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 103,932 | 101,475 | 107,817 | 113,807 | 74,012 | 75,029 | 70,034 | 69,992 | 87,289 | 87,453 | 28,518 | 35,002 |
| Lease business revenue | 98,983 | 96,839 | 99,891 | 102,065 | 69,333 | 70,902 | 70,034 | 69,992 | 79,805 | 81,522 | 22,892 | 29,507 |
| Other lease business revenue | 4,949 | 4,635 | 7,926 | 11,742 | 4,678 | 4,127 | - | - | 7,484 | 5,931 | 5,626 | 5,495 |
| Total operating expenses from real estate leasing | 24,985 | 28,721 | 45,686 | 34,727 | 25,527 | 22,065 | 24,296 | 24,230 | 30,684 | 32,504 | 13,177 | 8,451 |
| Management fee | 9,637 | 9,583 | 14,569 | 13,086 | 7,480 | 7,694 | 3,566 | 3,566 | 9,542 | 9,070 | 2,510 | 2,731 |
| Utilities expenses | 5,354 | 5,415 | 7,883 | 7,933 | 3,093 | 3,132 | 25 | 26 | 7,066 | 6,308 | 1,171 | 1,381 |
| Taxes and dues | 7,917 | 8,325 | 9,552 | 9,780 | 8,256 | 8,716 | 7,205 | 7,382 | 8,093 | 8,297 | 1,642 | 1,695 |
| Repair expenses | 1,015 | 2,275 | 11,028 | 2,601 | 5,810 | 1,941 | 424 | - | 4,684 | 6,798 | 3,113 | 826 |
| Trust fee | 400 | 400 | 400 | 400 | 375 | 375 | 500 | 500 | 350 | 350 | 400 | 400 |
| Insurance premium | 212 | 271 | 231 | 293 | 109 | 140 | 194 | 256 | 200 | 251 | 41 | 52 |
| Other expenses | 449 | 2,450 | 2,021 | 631 | 401 | 66 | 12,379 | 12,499 | 747 | 1,428 | 4,297 | 1,363 |
| NOI | 78,946 | 72,753 | 62,131 | 79,080 | 48,484 | 52,964 | 45,737 | 45,761 | 56,605 | 54,948 | 15,341 | 26,551 |
| Depreciation | 13,493 | 13,750 | 11,716 | 13,052 | 4,064 | 4,401 | 4,027 | 4,027 | 16,207 | 17,133 | 3,989 | 4,063 |
| Operating income (loss) from real estate leasing | 65,453 | 59,003 | 50,414 | 66,028 | 44,419 | 48,562 | 41,710 | 41,734 | 40,397 | 37,814 | 11,352 | 22,487 |
| Capital expenditures | 3,823 | 7,428 | 31,867 | 9,900 | 7,936 | 9,258 | - | - | 30,340 | 63,784 | 850 | 2,582 |
| NCF | 75,123 | 65,324 | 30,263 | 69,180 | 40,547 | 43,705 | 45,737 | 45,761 | 26,264 | △8,836 | 14,491 | 23,968 |
| Period-end book value (million yen) | 4,719 | 4,712 | 4,026 | 4,022 | 2,787 | 2,792 | 2,382 | 2,378 | 2,481 | 2,528 | 1,499 | 1,498 |

Balance of Payments of Individual Properties (4)

(Unit : Thousand yen)

| Asset Type | OFC-22 | | OFC-23 | | OFC-24 | |
|---|---|--------|---|--------|--|--------|
| Property name | Urban Center Tachikawa | | Urban Center Hakata | | Urban Center Fujisawa | |
| |  | |  | |  | |
| Acquisition price | 1,804 million yen | | 2,870 million yen | | 2,054 million yen | |
| Appraisal value | 2,060 million yen | | 3,290 million yen | | 2,210 million yen | |
| Structure/Floors | RC and S B1F/6F | | S 8F | | SRC B1F/8F | |
| Location | Tachikawa-shi, Tokyo | | Fukuoka-shi, Fukuoka | | Fujisawa-shi, Kanagawa | |
| Lot area | 964.80㎡ | | 656.72㎡ | | 1,005.52㎡ | |
| Total floor areas | 4,659.20㎡ | | 3,566.56㎡ | | 4,392.71㎡ | |
| Construction completion | May 30, 1990 | | August 27, 2020 | | April 9, 1991 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 62,214 | 63,352 | 80,088 | 85,373 | 80,566 | 80,990 |
| Lease business revenue | 58,609 | 59,333 | 76,727 | 80,781 | 73,506 | 74,125 |
| Other lease business revenue | 3,604 | 4,019 | 3,360 | 4,592 | 7,060 | 6,864 |
| Total operating expenses from real estate leasing | 19,994 | 18,916 | 19,595 | 17,787 | 19,970 | 18,409 |
| Management fee | 6,032 | 5,032 | 5,673 | 5,215 | 4,694 | 4,627 |
| Utilities expenses | 3,736 | 3,966 | 3,851 | 5,131 | 6,533 | 6,099 |
| Taxes and dues | 4,549 | 4,633 | 6,424 | 6,578 | 4,185 | 4,203 |
| Repair expenses | 4,373 | 4,010 | 57 | 63 | 3,341 | 1,987 |
| Trust fee | 400 | 400 | 400 | 400 | 400 | 400 |
| Insurance premium | 150 | 212 | 128 | 187 | 154 | 214 |
| Other expenses | 753 | 661 | 3,060 | 211 | 661 | 875 |
| NOI | 42,219 | 44,435 | 60,493 | 67,585 | 60,595 | 62,581 |
| Depreciation | 8,362 | 9,058 | 15,281 | 15,281 | 7,666 | 7,898 |
| Operating income (loss) from real estate leasing | 33,857 | 35,377 | 45,211 | 52,303 | 52,929 | 54,682 |
| Capital expenditures | 38,945 | 1,208 | - | - | 8,934 | 3,512 |
| NCF | 3,273 | 43,227 | 60,493 | 67,585 | 51,660 | 59,068 |
| Period-end book value (million yen) | 1,935 | 1,927 | 2,824 | 2,808 | 2,196 | 2,192 |

Balance of Payments of Individual Properties (5)

| 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 | 5,170 million yen | | 6,580 million yen | | 3,340 million yen | | 3,500 million yen | | 10,600 million yen | | 1,210 million yen | |
| Structure/Floors | RC and S 3F | | S 1F (A, CD, EFG, HIJ, KLM, O, QRSTUY, V, W and X building) S 2F (B and P building) | | S 4F | | S and RC B2F/8F | | RC B2F/24F | | 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㎡ | | 121,423.46㎡ (Also has leased land of 25,321.5㎡ for use as a parking lot.) | | 19,917.56㎡ (of which leased land is 16,444.53㎡) | | 264.15㎡ | | 633.90㎡ | | 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 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 525,138 | 508,209 | 270,794 | 277,023 | (※) | (※) | (※) | (※) | 219,340 | 223,804 | - | - |
| Lease business revenue | 414,095 | 409,783 | 222,869 | 249,875 | | | | | 219,340 | 223,804 | - | - |
| Other lease business revenue | 111,043 | 98,425 | 47,924 | 27,148 | | | | | - | - | - | - |
| Total operating expenses from real estate leasing | 319,618 | 311,931 | 99,301 | 84,469 | | | | | 31,641 | 28,467 | - | - |
| Management fee | 113,245 | 115,034 | 26,126 | 26,190 | | | | | 1,200 | 1,200 | - | - |
| Utilities expenses | 128,668 | 124,260 | 9,568 | 27,770 | | | | | - | - | - | - |
| Taxes and dues | 44,193 | 43,389 | 20,803 | 21,927 | | | | | 8,253 | 8,620 | - | - |
| Repair expenses | 12,294 | 11,915 | 33,507 | 3,713 | | | | | 32 | - | - | - |
| Trust fee | 1,850 | 3,078 | 500 | 350 | | | | | 350 | 350 | - | - |
| Insurance premium | 1,224 | 1,520 | 643 | 799 | | | | | 155 | 217 | - | - |
| Other expenses | 18,143 | 12,732 | 8,150 | 3,717 | | | | | 21,649 | 18,078 | - | - |
| NOI | 205,519 | 196,277 | 171,493 | 192,554 | 127,072 | 127,620 | 61,734 | 61,137 | 187,698 | 195,336 | - | - |
| Depreciation | 31,194 | 33,489 | 24,432 | 25,213 | 26,833 | 27,846 | 2,341 | 2,350 | 16,639 | 16,639 | - | - |
| Operating income (loss) from real estate leasing | 174,325 | 162,788 | 147,060 | 167,341 | 100,238 | 99,773 | 59,393 | 58,786 | 171,058 | 178,697 | - | - |
| Capital expenditures | 77,222 | 67,789 | 60,599 | 1,614 | 12,608 | 41,569 | - | 1,519 | - | - | - | - |
| NCF | 128,297 | 128,487 | 110,893 | 190,940 | 114,464 | 86,051 | 61,734 | 59,617 | 187,698 | 195,336 | - | - |
| Period-end book value (million yen) | 5,545 | 5,580 | 6,442 | 6,418 | 3,189 | 3,203 | 2,998 | 2,997 | 9,555 | 9,539 | - | - |

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

Balance of Payments of Individual Properties (6)

Sold

(Unit : Thousand yen)

| Asset Type | RSC-01 | | RSC-02 | | RSC-05 | | RSC-07 | | RSC-08 | | RSC-10 | |
|---|---|--------|---|---------|--|--------|---|--------|---|--------|---|--------|
| Property name | Urban Park Azabujuban | | Urban Park Daikanyama | | Urban Park Namba | | Urban Park Kashiwa | | Urban Park Ryokuchi-koen | | Urban Park Ichigao | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 2,045 million yen | | 6,315 million yen | | 1,490 million yen | | 1,186 million yen | | 1,550 million yen | | 1,810 million yen | |
| Appraisal value | 2,990 million yen | | 10,300 million yen | | 1,540 million yen | | 1,240 million yen | | 1,730 million yen | | 2,160 million yen | |
| Structure/Floors | SRC B1F/12F | | 1.Existing building : RC B1F/3F 2. Extension building : RC B1F/9F | | RC 14F | | SRC B1F/8F | | Apartment house: RC 8F Parking: RC 3F | | RC SF B1F/8F | |
| Location | Minato-ku, Tokyo | | Shibuya-ku, Tokyo | | Osaka-shi, Osaka | | Kashiwa-shi, Chiba | | Suita-shi, Osaka | | Yokohama-shi, Kanagawa | |
| Lot area | 417.67㎡ | | 2,469.06㎡ | | 670.39㎡ | | 1,597.85㎡ | | 2,804.56㎡ | | 1,758.84㎡ | |
| Total floor areas | 2,564.94㎡ | | 8,261.29㎡ | | 2,776.87㎡ | | 4,243.71㎡ | | 5,854.64㎡ | | 5,243.85㎡ | |
| Construction completion | November 29, 1999 | | 1: November 15, 1982 2: May 30, 2006 | | January 9, 2013 | | August 28, 1997 | | March 10, 1989 | | July 10, 1998 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 59,594 | 59,693 | 200,432 | 196,535 | 46,647 | 49,082 | 39,046 | 39,356 | 60,016 | 60,546 | 58,359 | 59,302 |
| Lease business revenue | 55,973 | 57,528 | 191,602 | 186,826 | 46,249 | 48,205 | 38,329 | 37,134 | 56,979 | 57,172 | 57,103 | 56,908 |
| Other lease business revenue | 3,620 | 2,165 | 8,829 | 9,708 | 398 | 876 | 717 | 2,222 | 3,037 | 3,374 | 1,256 | 2,393 |
| Total operating expenses from real estate leasing | 13,317 | 14,674 | 34,397 | 36,836 | 14,295 | 13,260 | 7,225 | 12,325 | 16,021 | 15,503 | 14,013 | 17,715 |
| Management fee | 2,407 | 2,204 | 10,229 | 9,709 | 2,950 | 2,650 | 1,916 | 2,109 | 2,523 | 2,491 | 2,973 | 3,515 |
| Utilities expenses | 608 | 600 | 3,340 | 3,330 | 327 | 359 | 503 | 555 | 2,426 | 2,428 | 1,209 | 1,233 |
| Taxes and dues | 2,996 | 3,053 | 12,211 | 12,532 | 2,892 | 2,921 | 2,956 | 2,973 | 3,592 | 3,646 | 3,961 | 4,023 |
| Repair expenses | 4,289 | 4,810 | 4,696 | 3,091 | 4,097 | 3,349 | 787 | 4,938 | 4,218 | 4,088 | 5,009 | 7,218 |
| Trust fee | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 400 | 400 |
| Insurance premium | 77 | 102 | 252 | 335 | 88 | 112 | 116 | 159 | 169 | 227 | 152 | 193 |
| Other expenses | 2,588 | 3,552 | 3,318 | 7,487 | 3,589 | 3,517 | 596 | 1,240 | 2,741 | 2,270 | 306 | 1,131 |
| NOI | 46,276 | 45,019 | 166,034 | 159,698 | 32,352 | 35,821 | 31,820 | 27,030 | 43,994 | 45,043 | 44,346 | 41,586 |
| Depreciation | 5,289 | 5,396 | 13,180 | 13,472 | 8,044 | 8,046 | 7,670 | 7,722 | 8,923 | 8,898 | 6,367 | 6,466 |
| Operating income (loss) from real estate leasing | 40,986 | 39,622 | 152,853 | 146,226 | 24,307 | 27,774 | 24,150 | 19,308 | 35,071 | 36,145 | 37,978 | 35,120 |
| Capital expenditures | 9,073 | 3,808 | 11,233 | 1,785 | - | 115 | 847 | 1,657 | 754 | 1,039 | 4,183 | 144 |
| NCF | 37,202 | 41,210 | 154,800 | 157,913 | 32,352 | 35,705 | 30,973 | 25,373 | 43,239 | 44,003 | 40,163 | 41,441 |
| Period-end book value (million yen) | 2,065 | 2,064 | 6,328 | 6,316 | 1,461 | 1,453 | 1,202 | 1,196 | 1,572 | 1,564 | 1,920 | 1,913 |

Balance of Payments of Individual Properties (7)

(Unit : Thousand yen)

| Asset Type | RSC-11 | | RSC-12 | | RSC-13 | | RSC-14 | | RSC-15 | | RSC-16 | |
|---|---|--------|---|---------|--|--------|---|--------|---|--------|---|---------|
| Property name | Urban Park Gyotoku | | Shiroi Logiman | | Urban Park Sekime | | Urban Park Imazato | | Urban Park Yoyogi | | Urban Park Tokiwadai Koen | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 1,430 million yen | | 2,470 million yen | | 2,150 million yen | | 993 million yen | | 1,740 million yen | | 3,506 million yen | |
| Appraisal value | 1,610 million yen | | 2,580 million yen | | 2,450 million yen | | 1,090 million yen | | 2,020 million yen | | 4,250 million yen | |
| Structure/Floors | SRC 10F | | RC 13F | | SRC 15F | | RC 10F | | RC 8F | | RC 5F | |
| Location | Ichikawa-shi, Chiba | | Shiroi-shi, Chiba | | Osaka-shi, Osaka | | Osaka-shi, Osaka | | Shibuya-ku, Tokyo | | Yokohama-shi, Kanagawa | |
| Lot area | 1,122.57㎡ | | 11,485.06㎡ (derived by multiplying the ratio of holdings) | | 2,346.39㎡ | | 1,803.70㎡ | | 464.09㎡ | | 12,544.61㎡ | |
| Total floor areas | 3,397.95㎡ | | 22,448.08㎡ (derived by multiplying the ratio of holdings) | | 8,190.11㎡ | | 4,862.83㎡ | | 1,418.03㎡ | | 15,708.08㎡ | |
| Construction completion | March 1, 1995 | | May 9, 1995 | | August 18, 1989 | | December 20, 1991 | | September 4, 2017 | | Feb 17, 1994 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 39,566 | 45,316 | 143,832 | 142,506 | 85,097 | 86,647 | 37,497 | 40,535 | 45,959 | 42,472 | 148,263 | 152,409 |
| Lease business revenue | 37,937 | 42,136 | 137,163 | 136,265 | 82,774 | 82,544 | 37,035 | 40,149 | 41,781 | 40,086 | 142,521 | 145,011 |
| Other lease business revenue | 1,629 | 3,180 | 6,669 | 6,240 | 2,322 | 4,103 | 461 | 386 | 4,177 | 2,385 | 5,742 | 7,398 |
| Total operating expenses from real estate leasing | 10,134 | 9,664 | 67,112 | 69,164 | 26,288 | 29,943 | 17,709 | 13,515 | 8,544 | 9,864 | 41,578 | 37,982 |
| Management fee | 2,056 | 2,402 | 6,238 | 6,121 | 9,743 | 9,552 | 4,647 | 3,899 | 2,325 | 2,253 | 11,860 | 11,590 |
| Utilities expenses | 1,021 | 2,360 | 49 | 50 | 1,989 | 2,360 | 277 | 258 | 312 | 319 | 1,382 | 1,354 |
| Taxes and dues | 2,192 | 2,470 | 13,910 | 13,882 | 5,295 | 5,325 | 3,194 | 3,216 | 2,033 | 2,026 | 10,762 | 10,946 |
| Repair expenses | 2,623 | 1,109 | 13,535 | 15,178 | 6,554 | 9,309 | 7,752 | 3,915 | 1,151 | 1,819 | 12,322 | 8,701 |
| Trust fee | 400 | 400 | 750 | 750 | 375 | 375 | 375 | 375 | 400 | 400 | 400 | 400 |
| Insurance premium | 101 | 131 | 852 | 1,084 | 296 | 377 | 150 | 190 | 52 | 70 | 434 | 553 |
| Other expenses | 1,739 | 790 | 31,776 | 32,097 | 2,032 | 2,642 | 1,312 | 1,659 | 2,268 | 2,975 | 4,415 | 4,436 |
| NOI | 29,431 | 35,651 | 76,720 | 73,342 | 58,809 | 56,704 | 19,788 | 27,019 | 37,414 | 32,607 | 106,684 | 114,427 |
| Depreciation | 4,508 | 4,605 | 19,453 | 19,466 | 13,895 | 14,189 | 5,475 | 5,710 | 4,393 | 4,393 | 15,087 | 15,474 |
| Operating income (loss) from real estate leasing | 24,922 | 31,046 | 57,267 | 53,876 | 44,914 | 42,514 | 14,313 | 21,309 | 33,021 | 28,213 | 91,596 | 98,952 |
| Capital expenditures | 1,768 | 9,027 | 985 | 555 | 6,603 | 4,361 | 5,958 | 3,153 | - | - | 7,776 | 7,839 |
| NCF | 27,663 | 26,624 | 75,734 | 72,786 | 52,205 | 52,342 | 13,829 | 23,866 | 37,414 | 32,607 | 98,907 | 106,588 |
| Period-end book value (million yen) | 1,497 | 1,501 | 2,342 | 2,323 | 2,187 | 2,177 | 965 | 963 | 1,709 | 1,704 | 3,635 | 3,627 |




Balance of Payments of Individual Properties (8)

| Asset Type | RSC-17 | | RSC-18 | | RSC-19 | | RSC-20 | | RSC-21 | | RSC-22 | |
|---|---|---------|---|--------|--|--------|---|--------|---|--------|---|---------|
| Property name | Urban Park Mitsuike Koen | | Urban Park Ryogoku | | Urban Park Mizonokuchi | | Urban Park Miyamaedaira | | Urban Park Tsurumi | | Urban Park Mitaka | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 3,160 million yen | | 1,115 million yen | | 2,019 million yen | | 1,060 million yen | | 1,113 million yen | | 743 million yen | |
| Appraisal value | 3,760 million yen | | 1,350 million yen | | 2,100 million yen | | 1,250 million yen | | 1,190 million yen | | 1,010 million yen | |
| Structure/Floors | RC 6F | | SRC 9F | | RC B1F/5F | | S 3F | | RC 6F | | S 3F | |
| Location | Yokohama-shi, Kanagawa | | Sumida-ku, Tokyo | | Kawasaki-shi, Kanagawa | | Kawasaki-shi, Kanagawa | | Yokohama-shi, Kanagawa | | Mitaka-shi, Tokyo | |
| Lot area | 10,216.95㎡ | | 669.98㎡ | | 2,624.51㎡ | | 1,239.53㎡ | | 2,172.70㎡ | | 947.92㎡ | |
| Total floor areas | 10,918.37㎡ | | 2,351.42㎡ | | 5,029.52㎡ | | 2,039.17㎡ | | 3,169.13㎡ | | 1,201.39㎡ | |
| Construction completion | March 24, 1992 | | October 31, 1997 | | August 23, 1988 | | June 10, 2021 | | February 17, 1994 | | June 8, 2023 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 128,014 | 134,374 | 39,726 | 38,806 | 64,267 | 67,121 | 33,838 | 33,966 | (※) | (※) | 2,083 | 7,322 |
| Lease business revenue | 122,366 | 127,048 | 36,518 | 36,691 | 62,336 | 61,543 | 31,791 | 33,242 | | | 2,083 | 7,322 |
| Other lease business revenue | 5,647 | 7,326 | 3,208 | 2,115 | 1,930 | 5,577 | 2,047 | 724 | | | - | - |
| Total operating expenses from real estate leasing | 42,087 | 38,299 | 6,756 | 8,693 | 21,373 | 19,993 | 7,766 | 5,303 | | | 3,241 | 7,131 |
| Management fee | 11,542 | 11,047 | 2,581 | 2,664 | 4,390 | 4,207 | 1,454 | 1,463 | | | 325 | 493 |
| Utilities expenses | 880 | 866 | 377 | 389 | 607 | 640 | 48 | 50 | | | 50 | 72 |
| Taxes and dues | 8,795 | 8,805 | 1,880 | 1,907 | 3,466 | 3,562 | 1,605 | 1,554 | | | 4 | 697 |
| Repair expenses | 11,042 | 9,120 | 602 | 2,165 | 10,099 | 6,794 | 1,147 | 283 | | | - | 66 |
| Trust fee | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | | | 291 | 350 |
| Insurance premium | 345 | 441 | 78 | 115 | 159 | 226 | 55 | 78 | | | 28 | 52 |
| Other expenses | 9,080 | 7,616 | 836 | 1,050 | 2,249 | 4,161 | 3,055 | 1,473 | | | 2,540 | 5,398 |
| NOI | 85,926 | 96,074 | 32,970 | 30,113 | 42,894 | 47,127 | 26,072 | 28,662 | 29,290 | 28,637 | (1,157) | 191 |
| Depreciation | 13,026 | 13,138 | 2,678 | 2,690 | 7,135 | 7,488 | 4,533 | 4,533 | 2,777 | 2,829 | 2,796 | 3,383 |
| Operating income (loss) from real estate leasing | 72,899 | 82,935 | 30,291 | 27,422 | 35,759 | 39,639 | 21,538 | 24,129 | 26,512 | 25,807 | (3,953) | (3,191) |
| Capital expenditures | 5,916 | - | - | 173 | 15,730 | 13,920 | - | - | 1,558 | 144 | - | 611 |
| NCF | 80,009 | 96,074 | 32,970 | 29,939 | 27,164 | 33,206 | 26,072 | 28,662 | 27,731 | 28,492 | (1,157) | (420) |
| Period-end book value (million yen) | 3,277 | 3,264 | 1,146 | 1,143 | 2,113 | 2,119 | 1,087 | 1,082 | 1,145 | 1,142 | 778 | 775 |

(*) 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 | |
| |  | |  | |  | |
| Acquisition price | 641 million yen | | 1,375 million yen | | 1,032 million yen | |
| Appraisal value | 881 million yen | | 1,770 million yen | | 1,220 million yen | |
| Structure/Floors | RC 5F | | RC 6F | | RC 5F | |
| Location | Ota-ku, Tokyo | | Ota-ku, Tokyo | | Adachi-ku, Tokyo | |
| Lot area | 502.47㎡ | | 1,031.39㎡ | | 770.37㎡ | |
| Total floor areas | 1,239.35㎡ | | 2,323.83㎡ | | 1,805.78㎡ | |
| Construction completion | September 29, 2022 | | September 25, 2023 | | October 23, 2023 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 7,464 | 22,634 | 244 | 38,312 | 832 | 27,334 |
| Lease business revenue | 7,197 | 22,001 | 244 | 38,312 | 832 | 22,739 |
| Other lease business revenue | 267 | 633 | - | - | - | 4,595 |
| Total operating expenses from real estate leasing | 1,542 | 5,963 | 14,826 | 11,289 | 1,940 | 12,611 |
| Management fee | 389 | 1,179 | 558 | 2,455 | 341 | 1,547 |
| Utilities expenses | 37 | 202 | 60 | 394 | 70 | 326 |
| Taxes and dues | 8 | 1,164 | 8 | 2,692 | 8 | 1,767 |
| Repair expenses | 297 | 541 | - | - | - | 45 |
| Trust fee | 116 | 349 | 116 | 349 | 116 | 349 |
| Insurance premium | 12 | 53 | 23 | 97 | 17 | 71 |
| Other expenses | 681 | 2,472 | 14,059 | 5,299 | 1,387 | 8,503 |
| NOI | 5,922 | 16,671 | (14,581) | 27,023 | (1,108) | 14,722 |
| Depreciation | 1,107 | 3,322 | 2,254 | 6,763 | 1,710 | 5,208 |
| Operating income (loss) from real estate leasing | 4,815 | 13,349 | (16,836) | 20,260 | (2,818) | 9,514 |
| Capital expenditures | - | - | - | - | 407 | - |
| NCF | 5,922 | 16,671 | (14,581) | 27,023 | (1,515) | 14,722 |
| Period-end book value (million yen) | 677 | 674 | 1,441 | 1,434 | 1,086 | 1,088 |

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

Balance of Payments of Individual Properties (10)

| Asset Type | LGC-01 | | LGC-02 | | LGC-03 | | LGC-04 | | LGC-05 | | LGC-07 | |
|---|---|---------|---|--------|--|---------|---|--------|---|--------|---|--------|
| Property name | Iwatsuki Logistics | | Yokohama Logistics | | Funabashi Logistics | | Baraki Logistics | | Tokorozawa Logistics | | Funabashi Nishiura Logistics II | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 6,942 million yen | | 3,560 million yen | | 7,875 million yen | | 4,700 million yen | | 1,300 million yen | | 821 million yen | |
| Appraisal value | 7,650 million yen | | 4,170 million yen | | 8,770 million yen | | 5,220 million yen | | 1,550 million yen | | 911 million yen | |
| Structure/Floors | S 5F | | RC 8F | | Building 1: S 8F Building 2: RC 5F | | RC and S 5F | | Office: S 2F Warehouse: S 2F | | Warehouse: S 4F Factory: S 1F Office: S 3F | |
| Location | Saitama-shi, Saitama | | Yokohama-shi, Kanagawa | | Funabashi-shi, Chiba | | Ichikawa-shi, Chiba | | Tokorozawa-shi, Saitama | | Funabashi-shi, Chiba | |
| Lot area | 15,623.14㎡ | | 10,565.95㎡ | | 19,858.00㎡ | | 6,240.96㎡ | | 8,645.63㎡ | | 3,964.00㎡ | |
| Total floor areas | 29,729.72㎡ | | 18,387.89㎡(including 256.15㎡ break areas etc.) | | 38,871.45㎡(two buildings combined) | | 12,471.50㎡ | | 5,994.75㎡ | | 6,316.32㎡ | |
| Construction completion | October 29, 2014 | | October 1, 1994 | | 1: September 25, 1992 2: August 5, 1997 | | August 14, 2015 | | April 30, 1999 | | Warehouse: Mar. 20, 1991 Plant: May 15, 1972 Office: May 13, 1986 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 200,318 | 201,657 | (*) | (*) | 267,529 | 265,769 | (*) | (*) | (*) | (*) | (*) | (*) |
| Lease business revenue | 187,718 | 190,179 | | | 251,461 | 251,428 | | | | | | |
| Other lease business revenue | 12,600 | 11,477 | | | 16,068 | 14,340 | | | | | | |
| Total operating expenses from real estate leasing | 34,852 | 35,860 | | | 67,019 | 52,570 | | | | | | |
| Management fee | 5,831 | 6,060 | | | 12,541 | 13,397 | | | | | | |
| Utilities expenses | 12,600 | 11,477 | | | 16,297 | 14,577 | | | | | | |
| Taxes and dues | 13,547 | 13,477 | | | 22,153 | 21,077 | | | | | | |
| Repair expenses | 2,157 | 1,580 | | | 14,977 | 2,322 | | | | | | |
| Trust fee | 350 | 350 | | | 400 | 400 | | | | | | |
| Insurance premium | 365 | 461 | | | 527 | 672 | | | | | | |
| Other expenses | - | 2,452 | | | 120 | 121 | | | | | | |
| NOI | 165,465 | 165,797 | 90,248 | 94,557 | 200,510 | 213,198 | 78,081 | 98,473 | 37,172 | 37,741 | 22,727 | 29,600 |
| Depreciation | 46,942 | 47,179 | 20,470 | 21,815 | 30,587 | 32,508 | 15,806 | 15,918 | 6,091 | 6,091 | 4,641 | 4,673 |
| Operating income (loss) from real estate leasing | 118,523 | 118,617 | 69,777 | 72,741 | 169,922 | 180,690 | 62,274 | 82,554 | 31,081 | 31,650 | 18,086 | 24,927 |
| Capital expenditures | 7,409 | 5,809 | 44,361 | 17,225 | 47,827 | 42,621 | 2,961 | - | - | - | - | 6,414 |
| NCF | 158,056 | 159,987 | 45,886 | 77,332 | 152,683 | 170,577 | 75,119 | 98,473 | 37,172 | 37,741 | 22,727 | 23,186 |
| Period-end book value (million yen) | 6,288 | 6,247 | 3,661 | 3,657 | 7,732 | 7,742 | 4,537 | 4,521 | 1,338 | 1,332 | 839 | 841 |

(*) 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 | | 2,200 million yen | |
| Structure/Floors | RC 3F | | S 2F | |
| Location | Kita-Katsushika-gun, Saitama | | Funabashi-shi, Chiba | |
| Lot area | 11,580.65㎡ | | 13,420.44㎡ | |
| Total floor areas | 19,833.47㎡ | | 9,002.40㎡ | |
| Construction completion | March 31, 1997 | | May 19, 2003 | |
| | FP16 | FP17 | FP16 | FP17 |
| 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 | 79,445 | 79,065 | 42,833 | 70,513 |
| Depreciation | 20,020 | 20,813 | 7,064 | 9,771 |
| Operating income (loss) from real estate leasing | 59,424 | 58,251 | 35,768 | 60,742 |
| Capital expenditures | 39,026 | 27,478 | 289,378 | 5,901 |
| NCF | 40,418 | 51,586 | (246,545) | 64,611 |
| Period-end book value (million yen) | 2,742 | 2,748 | 1,957 | 1,954 |

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

Balance of Payments of Individual Properties (12)

(Unit : Thousand yen)



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 | 2,430 million yen | | 1,490 million yen | | 3,500 million yen | | 3,090 million yen | | 2,040 million yen | | 2,440 million yen | |
| Structure/Floors | RC 9F | | S 9F | | SRC B1F/9F | | SRC B1F/9F | | RC 10F | | S and SRC B1F/10F | |
| Location | Osaka-shi, Osaka | | Osaka-shi, Osaka | | Edogawa-ku, Tokyo | | Yokohama-shi, Kanagawa | | Fukuoka-shi, Fukuoka | | Chiyoda-ku, Tokyo | |
| Lot area | 730.26㎡ | | 285.28㎡ | | 1,418.00㎡ | | 782.66㎡ | | 543.94㎡ | | 167.74㎡ | |
| Total floor areas | 3,945.65㎡ | | 1,711.42㎡ | | 5,293.88㎡ | | 4,686.09㎡ | | 2,281.49㎡ | | 1,081.97㎡ | |
| Construction completion | October 20, 2000 | | February 6, 2008 | | March 19, 1991 | | September 21, 1987 | | February 20, 2017 | | September 20, 2017 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 65,212 | 65,212 | 37,365 | 36,612 | 84,600 | 93,998 | 80,400 | 80,400 | (※) | (※) | (※) | (※) |
| Lease business revenue | 65,212 | 65,212 | 37,365 | 36,612 | 84,600 | 93,998 | 80,400 | 80,400 | | | | |
| Other lease business revenue | - | - | - | - | - | - | - | - | | | | |
| Total operating expenses from real estate leasing | 9,114 | 8,339 | 6,090 | 3,940 | 11,953 | 12,000 | 18,055 | 9,504 | | | | |
| Management fee | 742 | 742 | 660 | 660 | 1,200 | 1,200 | 1,520 | 1,200 | | | | |
| Utilities expenses | 3 | 2 | - | - | - | - | - | - | | | | |
| Taxes and dues | 5,704 | 5,632 | 2,313 | 2,351 | 8,521 | 8,883 | 4,637 | 4,502 | | | | |
| Repair expenses | 2,131 | 1,381 | 1,776 | 339 | 1,633 | 1,209 | 11,329 | 3,169 | | | | |
| Trust fee | 350 | 350 | 850 | 471 | 400 | 400 | 400 | 400 | | | | |
| Insurance premium | 160 | 205 | 74 | 94 | 174 | 285 | 142 | 181 | | | | |
| Other expenses | 22 | 24 | 415 | 24 | 23 | 22 | 25 | 50 | | | | |
| NOI | 56,098 | 56,873 | 31,275 | 32,672 | 72,646 | 81,997 | 62,344 | 70,895 | 55,386 | 41,810 | 48,861 | 48,759 |
| Depreciation | 11,005 | 11,061 | 11,390 | 8,946 | 15,881 | 16,158 | 13,409 | 13,408 | 8,655 | 8,662 | 4,643 | 4,643 |
| Operating income (loss) from real estate leasing | 45,092 | 45,812 | 19,884 | 23,725 | 56,765 | 65,839 | 48,935 | 57,487 | 46,731 | 33,148 | 44,218 | 44,116 |
| Capital expenditures | 9,427 | - | 315 | 504 | 12,204 | - | 13,382 | 552 | 295 | - | - | - |
| NCF | 46,670 | 56,873 | 30,959 | 32,167 | 60,442 | 81,997 | 48,961 | 70,343 | 55,090 | 41,810 | 48,861 | 48,759 |
| Period-end book value (million yen) | 2,081 | 2,070 | 1,594 | 1,585 | 3,868 | 3,852 | 3,191 | 3,178 | 1,896 | 1,888 | 2,471 | 2,466 |

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

Balance of Payments of Individual Properties (13)







(Unit : Thousand yen)

| Asset Type | HTL-07 | | HTL-08 | | HTL-09 | | HTL-10 | | HTL-11 | | HTL-12 | |
|---|---|--------|---|--------|--|--------|---|---------|---|---------|---|---------|
| Property name | REMBRANDT STYLE Tokyo Nishikasai Grande | | KOKO HOTEL Osaka Namba | | abeno nini (Hotel) | | KOKO HOTEL Ginza 1-Chome | | KOKO HOTEL Sapporo Ekimae | | KOKO HOTEL Fukuoka Tenjin | |
| |  | |  | |  | |  | |  | |  | |
| Acquisition price | 3,180 million yen | | 2,000 million yen | | 3,600 million yen | | 17,800 million yen | | 6,700 million yen | | 5,000 million yen | |
| Appraisal value | 3,110 million yen | | 1,780 million yen | | 3,950 million yen | | 21,100 million yen | | 7,720 million yen | | 5,500 million yen | |
| Structure/Floors | S 8F | | RC 9F | | RC B2F/24F | | S and RC B1F/12F | | S B1F/12F | | RC 14F | |
| Location | Edogawa-ku, Tokyo | | Osaka-shi, Osaka | | Osaka-shi, Osaka | | Chuo-ku, Tokyo | | Sapporo-shi, Hokkaido | | Fukuoka-shi, Fukuoka | |
| Lot area | 657.00㎡ | | 335.31㎡ | | 586.44㎡ | | 848.78㎡ | | 734.34㎡ | | 752.89㎡(Including the set-back area of 7.33㎡) | |
| Total floor areas | 2,755.19㎡ | | 2,061.38㎡ | | 7,764.81㎡ | | 7,299.11㎡ | | 5,886.67㎡ | | 4,404.91㎡ | |
| Construction completion | February 7, 2017 | | April 7, 2017 | | January 31, 2012 | | October 29, 2014 | | October 20, 2015 | | Augst 20, 2007 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 70,002 | 70,002 | 46,244 | 46,911 | (*) | (*) | 407,986 | 540,155 | 145,690 | 209,472 | 110,701 | 148,299 |
| Lease business revenue | 70,002 | 70,002 | 46,244 | 46,911 | | | 407,986 | 540,155 | 145,690 | 208,153 | 110,701 | 148,299 |
| Other lease business revenue | - | - | - | - | | | - | - | - | 1,318 | - | - |
| Total operating expenses from real estate leasing | 7,537 | 6,849 | 6,418 | 5,275 | | | 10,131 | 46,475 | 8,609 | 17,474 | 1,536 | 14,337 |
| Management fee | 990 | 990 | 900 | 900 | | | 600 | 1,160 | 550 | 660 | 600 | 720 |
| Utilities expenses | - | - | - | - | | | - | - | - | - | - | - |
| Taxes and dues | 5,305 | 5,316 | 3,321 | 3,413 | | | 9 | 30,805 | 8 | 13,877 | 8 | 12,942 |
| Repair expenses | 725 | - | 1,270 | 15 | | | 8,924 | 13,639 | 3,338 | 2,165 | 450 | - |
| Trust fee | 400 | 400 | 350 | 350 | | | 333 | 400 | 333 | 400 | 333 | 400 |
| Insurance premium | 94 | 121 | 67 | 86 | | | 241 | 443 | 191 | 348 | 140 | 255 |
| Other expenses | 22 | 21 | 508 | 510 | | | 23 | 26 | 4,187 | 22 | 3 | 20 |
| NOI | 62,464 | 63,152 | 39,826 | 41,636 | 58,625 | 58,161 | 397,854 | 493,680 | 137,081 | 191,997 | 109,165 | 133,961 |
| Depreciation | 10,857 | 10,857 | 8,726 | 8,746 | 6,885 | 6,885 | 19,793 | 23,964 | 24,982 | 30,096 | 6,449 | 7,757 |
| Operating income (loss) from real estate leasing | 51,607 | 52,295 | 31,100 | 32,889 | 51,740 | 51,275 | 378,060 | 469,715 | 112,099 | 161,901 | 102,716 | 126,203 |
| Capital expenditures | - | - | - | 285 | - | - | 280 | 17,746 | 310 | 7,344 | 1,042 | - |
| NCF | 62,464 | 63,152 | 39,826 | 41,351 | 58,625 | 58,161 | 397,574 | 475,933 | 136,771 | 184,653 | 108,123 | 133,961 |
| Period-end book value (million yen) | 3,088 | 3,078 | 1,926 | 1,917 | 3,630 | 3,623 | 17,896 | 17,889 | 6,724 | 6,701 | 5,034 | 5,026 |

(*) 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 | 4,430 million yen | | 4,280 million yen | | 4,370 million yen | | 4,650 million yen | | 18,800 million yen | | 5,060 million yen | |
| Structure/Floors | S and RC B1F/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㎡(Including the set-back area of 1.14㎡) | | 829.96㎡(Including the set-back area of 2.99㎡) | | 261.16㎡ | |
| Total floor areas | 5,370.75㎡ | | 4,622.48㎡(including the attached building) | | 3,854.01㎡ | | 7,322.03㎡(including the attached building) | | 6,086.48㎡(including the attached building) | | 1,608.74㎡ | |
| Construction completion | December 17, 2019 | | April 19, 2019 | | June 9, 2020 | | April 3, 2020 | | December 15, 2020 | | November 27, 2020 | |
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 106,591 | 139,829 | 76,832 | 70,256 | 72,627 | 113,882 | 161,263 | 236,929 | - | - | - | - |
| Lease business revenue | 106,591 | 139,829 | 76,832 | 70,256 | 72,627 | 113,882 | 161,263 | 236,929 | - | - | - | - |
| Other lease business revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Total operating expenses from real estate leasing | 1,611 | 13,929 | 1,343 | 11,016 | 1,081 | 10,367 | 39,102 | 57,090 | - | - | - | - |
| Management fee | 600 | 720 | 600 | 790 | 600 | 720 | 600 | 720 | - | - | - | - |
| Utilities expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes and dues | 8 | 11,510 | 8 | 8,949 | 8 | 8,781 | 8 | 9,697 | - | - | - | - |
| Repair expenses | - | 480 | 233 | - | - | 227 | - | - | - | - | - | - |
| Trust fee | 333 | 400 | 333 | 400 | 333 | 400 | 333 | 400 | - | - | - | - |
| Insurance premium | 167 | 303 | 143 | 259 | 119 | 217 | 227 | 412 | - | - | - | - |
| Other expenses | 502 | 515 | 25 | 617 | 19 | 20 | 37,933 | 45,861 | - | - | - | - |
| NOI | 104,979 | 125,899 | 75,488 | 59,240 | 71,546 | 103,515 | 122,160 | 179,838 | - | - | - | - |
| Depreciation | 27,966 | 33,563 | 30,705 | 37,249 | 17,807 | 21,408 | 43,373 | 52,052 | - | - | - | - |
| Operating income (loss) from real estate leasing | 77,013 | 92,336 | 44,783 | 21,990 | 53,738 | 82,106 | 78,786 | 127,786 | - | - | - | - |
| Capital expenditures | 310 | - | 310 | 30,016 | 310 | 1,918 | 310 | - | - | - | - | - |
| NCF | 104,669 | 125,899 | 75,178 | 29,224 | 71,236 | 101,596 | 121,850 | 179,838 | - | - | - | - |
| Period-end book value (million yen) | 4,106 | 4,073 | 3,801 | 3,793 | 4,215 | 4,196 | 3,887 | 3,835 | - | - | - | - |

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 | 6,780 million yen | | 7,990 million yen | |
| Structure/Floors | S 11F | | SRC 10F/B1F | |
| Location | Taito-ku, Tokyo | | Osaka-shi, Osaka | |
| Lot area | 296.66㎡ | | 1,636.96㎡(Including the set-back area of 162.4㎡) | |
| Total floor areas | 2,226.57㎡ | | 8,881.68㎡ | |
| Construction completion | November 22, 2021 | | April 19, 2005 | |
| | FP16 | FP17 | FP16 | FP17 |
| 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 | - | - | - | - |
| Depreciation | - | - | - | - |
| Operating income (loss) from real estate leasing | - | - | - | - |
| Capital expenditures | - | - | - | - |
| NCF | - | - | - | - |
| Period-end book value (million yen) | - | - | - | - |

Balance of Payments of Individual Properties(16)

Total operating revenue from real estate leasing by asset types (FP17)

(unit: thousand yen)

| | Office | | Retail | | Residence | | Logistics | | Hotel | | Total | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|-----------|-----------|-----------|
| | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 | FP16 | FP17 |
| Total operating revenue from real estate leasing | 2,397,454 | 2,427,977 | 1,241,310 | 1,235,224 | 1,290,776 | 1,379,914 | 926,298 | 962,609 | 1,669,076 | 2,042,277 | 7,524,917 | 8,048,003 |
| Lease business revenue | 2,205,321 | 2,247,057 | 1,082,343 | 1,109,651 | 1,237,451 | 1,314,507 | 883,667 | 923,628 | 1,669,076 | 2,040,958 | 7,077,860 | 7,635,803 |
| Other lease business revenue | 192,132 | 180,919 | 158,967 | 125,573 | 53,325 | 65,406 | 42,631 | 38,981 | - | 1,318 | 447,056 | 412,199 |
| Total operating expenses from real estate leasing | 737,628 | 730,293 | 487,792 | 462,298 | 384,398 | 396,736 | 209,813 | 173,660 | 163,271 | 258,182 | 1,982,903 | 2,021,171 |
| Management fee | 183,350 | 186,154 | 143,121 | 144,885 | 84,574 | 86,293 | 31,253 | 35,011 | 12,489 | 13,784 | 454,790 | 466,129 |
| Utilities expenses | 174,637 | 169,938 | 138,237 | 152,030 | 17,271 | 18,526 | 42,393 | 39,218 | 3 | 2 | 372,542 | 379,716 |
| Taxes and dues | 189,597 | 195,707 | 87,881 | 88,180 | 85,262 | 91,701 | 76,677 | 75,664 | 50,753 | 148,149 | 490,171 | 599,404 |
| Repair expenses | 96,765 | 76,617 | 47,580 | 17,890 | 94,304 | 87,363 | 49,032 | 13,052 | 31,947 | 22,626 | 319,629 | 217,551 |
| Trust fee | 8,263 | 8,263 | 3,600 | 4,678 | 7,622 | 8,249 | 3,000 | 3,000 | 6,183 | 6,271 | 28,668 | 30,462 |
| Insurance premium | 4,835 | 6,354 | 2,615 | 3,289 | 3,589 | 4,803 | 1,898 | 2,461 | 2,374 | 3,801 | 15,314 | 20,709 |
| Other expenses | 80,178 | 87,258 | 64,756 | 51,342 | 91,773 | 99,797 | 5,557 | 5,253 | 59,519 | 63,547 | 301,786 | 307,198 |
| NOI | 1,659,826 | 1,697,683 | 753,518 | 772,926 | 906,378 | 983,178 | 716,485 | 788,948 | 1,505,805 | 1,784,094 | 5,542,013 | 6,026,831 |
| Depreciation | 296,217 | 311,701 | 101,441 | 105,539 | 151,785 | 163,199 | 151,625 | 158,772 | 262,532 | 295,462 | 963,602 | 1,034,674 |
| Operating income (loss) from real estate leasing | 1,363,608 | 1,385,982 | 652,076 | 667,387 | 754,592 | 819,978 | 564,859 | 630,176 | 1,243,272 | 1,488,631 | 4,578,410 | 4,992,156 |
| Capital expenditures | 414,498 | 449,674 | 150,429 | 112,492 | 72,799 | 48,338 | 430,965 | 105,450 | 38,497 | 58,367 | 1,107,190 | 774,323 |
| NCF | 1,245,327 | 1,248,009 | 603,088 | 660,433 | 833,579 | 934,839 | 285,519 | 683,498 | 1,467,307 | 1,725,726 | 4,434,822 | 5,252,508 |
| Period-end book value (million yen) | 75,760 | 75,901 | 27,732 | 27,739 | 39,642 | 39,534 | 29,098 | 29,044 | 69,415 | 69,178 | 241,648 | 241,398 |

- P.11 (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.11 (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.11 (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.11 (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 September 6, 2024 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) "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 5) "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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