STAR ASIA
Investment Corporation

STAR ASIA

Star Asia Investment Corporation

スターアジア不動産投資法人(3468)
スターアジア投資顧問株式会社

Contents

Characteristics of Star Asia Investment Corporation (SAR)

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

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

3. Initiatives focusing on unitholder value
Constant, "out-of-the-box" active management

Investment policy

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

Achieving income stability and growth through diversification of asset type

Investment primarily in middle-size assets (＊2)

*Unless otherwise stated within this document, references to all monetary amounts have been rounded down to the nearest monetary unit described, and ratios have been rounded to the decimal point described.
* In this document, Star Asia Investment Corporation may be referred to as "SAR"
＊ 1 "Tokyo area": "Tokyo area" refers to Tokyo and the three prefectures of Kanagawa, Saitama and Chiba.
＊ 2 "Middle-size assets" are properties with acquisition prices of less than JPY10bn.

1. Executive Summary

1. Executive Summary

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FP15 (ended Jul 31, 2023)

◆ Distribution per Unit

Forecast 1,552 yen (0 yen)

Actual Results **1,586** yen (0 yen))

※ Forecast DPU is the distribution amount announced in March 2023
※ The figure in brackets ( ) for DPU is the amount for which internal reserves have been utilized. The internal reserve utilization amount is calculated based on the following formula: (Forecast) DPU – (forecast) net income for period per unit. The same applies below.

◆ NAV per unit

End of FP14 62,264 yen

End of FP15 **62,824** yen

- 2.2% increase from forecast DPU. A certain amount to be retained in internal reserve, and expected to be used from the next fiscal period for internal growth measures.
- NAV per Unit increased by **0.9**%.

Forecasts for FP16 / FP17

◆ Forecasted Distributions Per Unit

FP16 **1,513** yen (124 yen)

※ Forecast figures announced on August 7, 2023 (No revisions)

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

※ Forecast figures announced on August 7, 2023 (No revisions)

◆ Assumptions underlying the forecasts for FP16 and FP17.

- For the 16th FP, retained earnings used for expenses etc. related to public offerings and the acquisition of new properties, and the Forecast DPU announced in March 2023 is maintained.
- For the 17th FP, it is assumed that the newly acquired 7 hotel properties are on the path towards revenues improvement, and it is planned to utilize a certain amount of retained earnings.
- Up to the 15th FP, it is expected that internal growth measures will be realized, such as opening shop by LOPIA in Suroy Mall Chikushino and completion of building extension at Funabashi High-Tech Park Factory I.

〈Guidance〉 Forecasts for FP18

◆ Forecasted Distributions Per Unit

Guidance 1,500 yen (46 yen)

Adjusted cruising distribution **1,538** yen (37yen)

※ Guidance is the mid-term DPU goal announced in March 2023.
※ Cruising DPU is the forecast figure for 18th FP after completing the round of initiatives.

◆ Guidance Assumptions

- It is anticipated that the newly acquired 7 hotels will go to the currently assumed cruising mode (Assumed that revenues will improve from now up to the latter half of the 17th FP.)
- It is assumed that office occupancy rates will improve from the current condition.
- A certain level of improvement in occupancy rates is assumed, due to the effect of LOPIA opening shop in Suroy Mall Chikushino.
- For residential properties and logistic facilities, it is assumed that occupancy rates will be maintained.

Status Change due to execution of 6th Public Offering

≪Summary of 6th Public Offering≫

■Executed in August 2023. New properties (11 properties/ (Expected) total acquisition price: 49.1 billion yen)
■Asset size increased to 242.2 billion yen (71 properties, 1 preferred equity investment securities)
-- Hotel exposure expanded at the best timing.
■Increase in revenues of hotels due to improvement of accommodation demand will contribute to internal growth.
■By incorporating newly built and relatively new properties, a decrease in the average number of years since construction completion has been realized.
■In the mid-term, the expected effects are expansion of asset size - improvement of ratings – reduction of interest costs. Expansion of asset size will be pursued, while maintaining LTV levels.

≪Status Change≫

◆ Asset Size(note1) **242.2** bn Expanded by approximately 4 times since listing.

◆ Market capitalization(note2) **137.3** bn Improvement of liquidity of investment units.

◆ Improvement of average number of years since construction completion. (note3)
24.9 years ⇨ **21.1** years

◆ The likelihood of improvement in ratings (current ratings: A (JCR), A- (R&I))
⇨ Review will be conducted by the end of the year

2. Summary of Public Offering

2. Summary of Public Offering (1)

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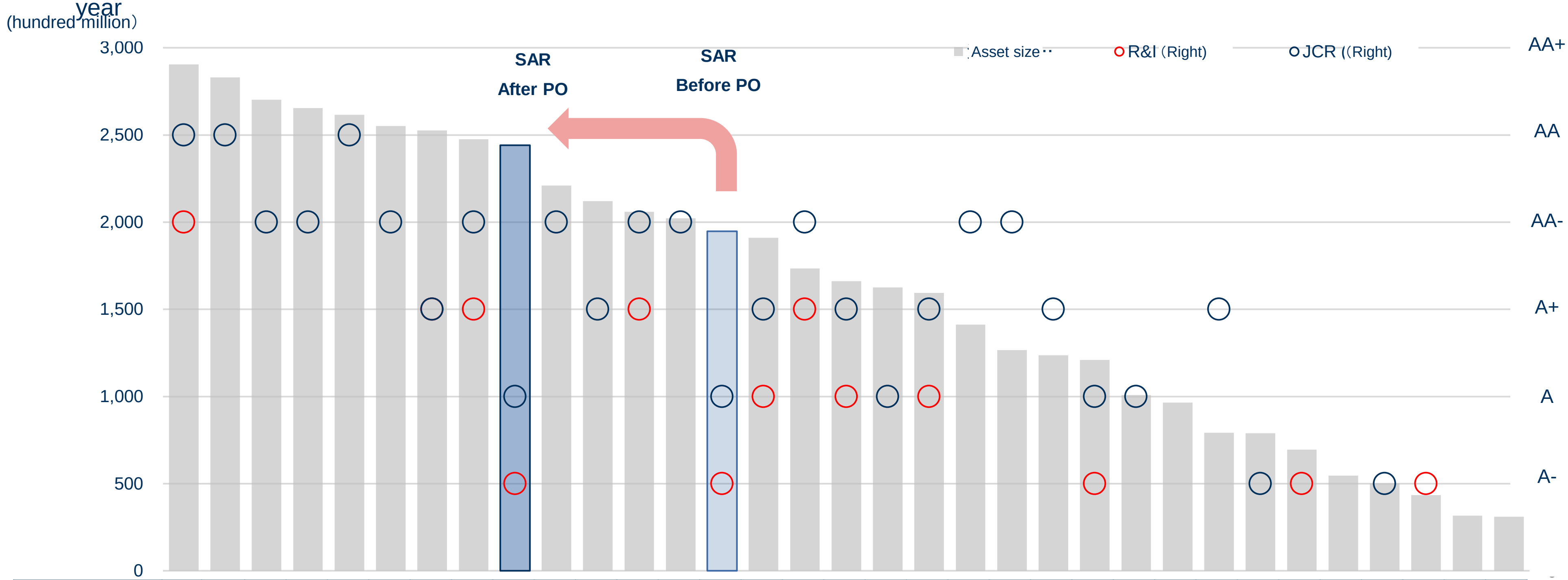
Status Change due to Public Offering (executed in August 2023)

- ◆ Due to acquisition of properties achieved through the public offering, asset size has increased to 242.2 billion yen + liquidity of investment units improved.
- ◆ Likelihood of improvement of ratings has increased + incorporated I to various (global) indices. ⇒Review will be conducted by the end of the year



TSE REIT Core	●	●		●		●																											
MSCI JapanSmall Cap	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●							
FTSE Global Equity Index SeriesMid	●																																
FTSE Global Equity Index SeriesSmall		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●					
FTSE EPRA / NAREIT	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●		●					
GPR 250	●	●	●	●	●	●	●	●	●	●					●				●														
GPR/APREA Investable100	●	●			●										●																		

※as of August 31, 2023.

Start from September 18
(announced on September 1, 2023)

2. Summary of Public Offering (2)

Increased Exposure to Hotels with Strong Growth Potential

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◆Acquisition of hotels expected to generate increased rent revenue as hotel revenue increase due to increasing hotel guest demand going forward

◆Acquisition of newer residences expected to generate stable revenue and lower the average portfolio building age

Internal growth potential

7 hotels: JPY 45.4 bn ／Appraisal Value 48.1bn

KOKO HOTEL Fukuoka Tenjin
Appraisal NOI yield(Note1)
4.9%

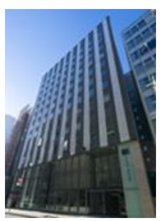
Best Western Plus Fukuoka Tenjin-Minami
Appraisal NOI yield
6.7%

KOKO HOTEL Hiroshima Ekimae
Appraisal NOI yield
5.2%

KOKO HOTEL Sapporo Ekimae
Appraisal NOI yield
4.9%

Fino Hotel Sapporo Odori
Appraisal NOI yield
4.6%

KOKO HOTEL Kagoshima Tenmonkan
Appraisal NOI yield
6.1%



KOKO HOTEL Ginza 1-chome
Appraisal NOI yield
4.0%

×

Expectations for stability

4 residences: JPY 3.7 bn
Appraisal Value 4.7bn

Urban Park Kamata-Minami I
Appraisal NOI yield
5.0%

Urban Park Kamata-Minami II
Appraisal NOI yield
4.7%

Urban Park Mitaka
Appraisal NOI yield
5.0%

Urban Park Umejima
Appraisal NOI yield
4.1%

- **Upside potential through partial variable rent structures**
- **Highly competitive locations near tourist attractions**
- **Average building age(Note3): 7.4 years Average appraisal NOI yield : 4.8%**
- **Acquisition of newer residences reduces average portfolio building age / Average building age: 0.1**
- **Acquisition of residences in Tokyo area expected to provide stable revenues**

After the Initiative, asset size is expected to increase to JPY 242.2 bn

2. Summary of Public Offering (3)

Portfolio Following the Initiative

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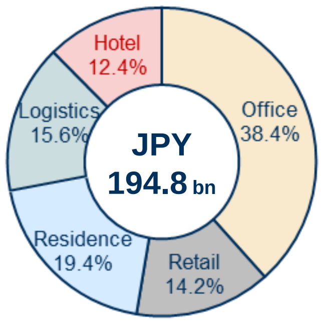
◆Assets (to be Acquired): 7 hotels (JPY 45.4 bn), 4 residences (JPY 3.7 bn), 1 student residence (Preferred Equity Securities JPY 1.5 bn)

◆Assets (Transferred): 1 logistics, 2 residences; anticipated gains on sales of JPY 790 mn)

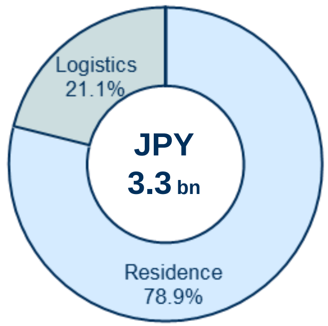
With the acquisition of 11 properties and 1 Preferred Equity Securities totaling JPY 50.7 bn, total asset size increase to JPY 242.2 bn

Asset size

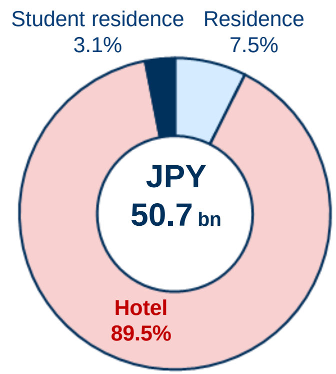
End of January 2023



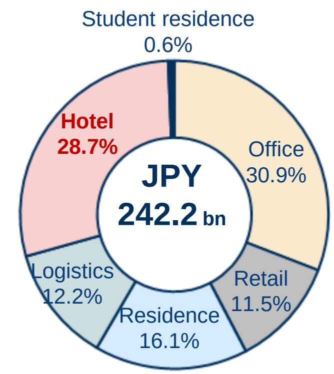
Assets (Transferred)



Assets (to be Acquired)



After PO



	End of January 2023	Assets (Transferred)	Assets (to be Acquired)	After PO
Number of properties(Note1): Real estate, etc. (Note2) / Preferred Equity Securities	63	3	11 / 1	71 / 1
Percentage acquired with sponsor group involvement	81.1%	—	100.0%	84.8%
Average building age(Note3)	24.9 years	31.7 years	6.9 years	21.1 years
Average appraisal NOI yield(Note4)	4.8%	4.8%	4.8%	4.8%
Average post-depreciation appraisal NOI yield(Note5)	4.1%	4.1%	3.9%	4.0%

Note: 'Mezzanine loan debt are excluded.
Note: Average building age', 'Average appraisal NOI yield' and 'Average post- depreciation appraisal NOI yield' are calculated by excluding Preferred Equity Securities

3. Actual and forecasted distribution

3. Actual Distributions and Business Forecast (1)

Actual distributions for FP ended July 31, 2023

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- ◆ In the 15th FP, portfolio NOI exceeding initial forecast was recorded, and DPU increased by 34 yen (+2.2%) compared to the initial forecast.
- ◆ DPU in and after the 18th FP when revenues from the 7 newly acquired hotels are expected to improve and operations stabilize was set as "Guidance". (Upward revision from the former Guidance (+2.5%)).

FP15 (ending Jul 2023) -Actual-

1,586 yen

+ 34 yen (+2.2%) v.s. forecast
Utilization of Internal Reserve: 0 yen

FP16 (ending Jan 2024) -Forecast-

1,513 yen

Utilization of Internal Reserve: 124 yen

FP17 (ending Jul 2024) -Forecast-

1,520 yen

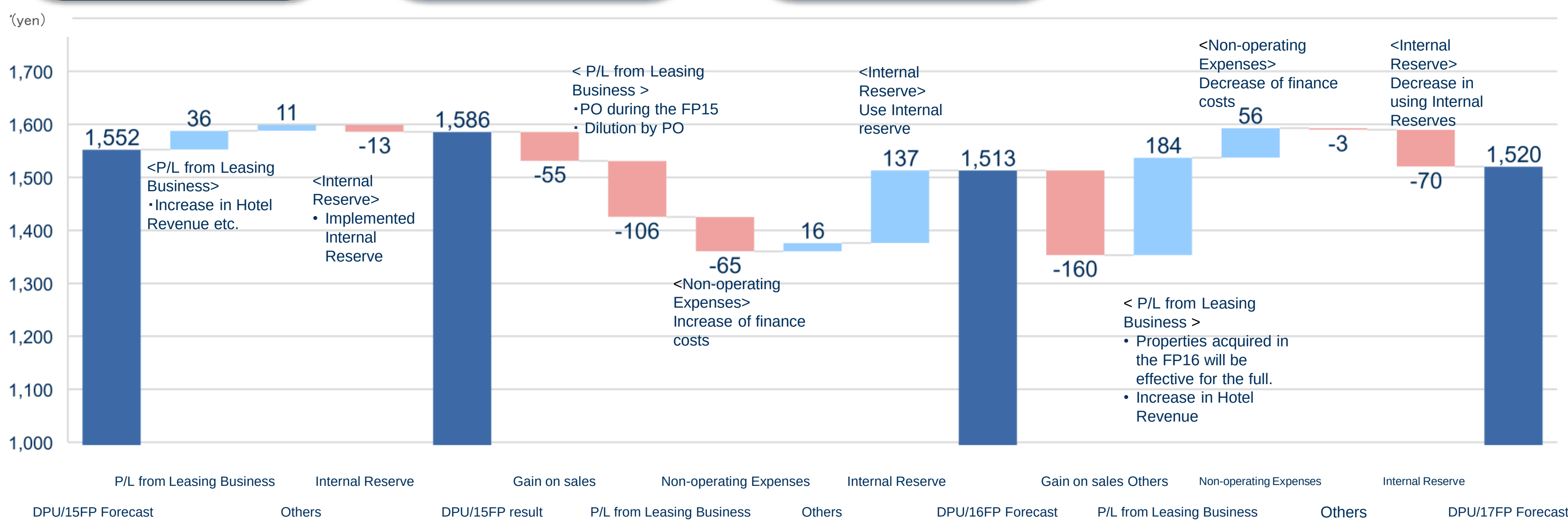
Utilization of Internal Reserve: 55 yen

≪ Guidance for distribution per unit ≫

- ■ We will set a new distribution per unit as "Medium-Term Guidance".
- ■ Aiming for the following distribution per unit

Guidance ***1,538*** yen

Utilization of Internal Reserve:37 yen



3. Actual Distributions and Business Forecast (2)

Operational Results (Summary) for FP15 ended Jul 31, 2023 and

Forecast Assumptions for FP16 ended Jan 31, 2024 and FP17 ending Jul 31, 2024

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- Office occupancy rate is steadily increasing, increase in rents have been realized, residence occupancy rates has been maintained at or above 95.0% during the FP15, and occupancy rates of logistics facilities is also rising.
- Due to recovery of accommodation demand, variable rent from hotels have been received (approximately 75mn) / Expect internal growth effective from 7 newly acquired hotel properties.

	Actual Result of FP ended Jul 2023	Forecast Assumptions for FP16 ended Jan 2024 and FP17 ended Jul 2024
Office	• Occupancy rates have risen steadily (end of 14th FP: 94.3% ⇒ end of 15th FP: 96.9%). • The moves of potential tenants continued to be active, and new tenants were consistently attracted. • New contracts with 12 tenants: Average rent increase of 0.7% (excluding special contracts) • Rent increases at timing of contract renewals were realized: 7 tenants, average increase by 8.0%.	• The active moves of potential tenants are continuing, and also as there is little new supply of mid-sized offices, the rising trend of occupancy rates is to be maintained (assumption) • No changes to leasing activities and free rent periods. • Occupancy rates are expected to increase during the 16th FP, and remain stable during the 17th FP / Increase in rents are not assumed.
Retail	• During the 15th FP, revenues continued to be stable (occupancy rates, end of 14th FP: 98.6%⇒ end of 15th FP: 97.9%) • 4 tenants moved out (800.26㎡), impact was limited. • Realized attracting the supermarket “LOPIA” to Suroy Mall Chikushino as anker tenant (Signed fixed-term building lease contract)	• 6 tenants expected to move out during the 16th FP.4,641.08㎡ -- (Expected) cancellation of floor area: 3,987.08㎡ • The occupancy rate at Suroy Mall Chikushino is anticipated to decline -- 92.0% • Given the achievement to attract “LOPIA” to Suroy Mall Chikushino (planned to open in December 2023), leasing activities of vacant compartments will be actively promoted – Aim to realize internal growth.
Residence	• Average occupancy rates for all residences during the 14th FP was maintained at or above 95.0%. • For family type residences, rent increase were realized at the time of signing new contracts and contract renewals, which continued from the preceding period. • For single type residences, recovery of demand was confirmed, average occupancy rates during the period: 95.9% • 2 previously owned single-type residential properties were sold (August 31, 2023),	• In the 16th FP, gain-on-sale expected to be achieved for dispositions of Urban Park Gokokuji and Urban Park Koenji. • From the 16th FP going into the 17th FP, focus on improving occupancy rates for newly acquired properties. • For other held properties, it is assumed that occupancy rates will be maintained around the average level. • Rents are assumed to be maintained at the same levels.
Logistics	• Revenues during 15th FP remained stable. • At Baraki Logistics, in order to respond to needs for increasing floor space, the fixed-term lease for 1 tenant was not renewed, and the entire building was leased to it (starting from August 1, 2023) -- Realized increase in rented area and increase in rent. • Sale of Funabashi High-tech Park Factory II -- realized gain on sale.	• Revenues are expected to remain stable. • Proceed with the building extension of Funabashi Hi-tech Park Factory I — expected to be completed in December 2023. • Contract terminated for one tenant whose contract expires during the 16th fiscal period. Another tenant increased the floor space and concluded a contract with an increase in rent. Contract renewal negotiations are underway with one other tenant.
Hotel	• Given recovery in accommodation demand, variable rents were received from tenants of “Smile Hotel Namba” and “KOKO HOTEL Osaka Namba” (total amount of around 75 million yen, 2.6 times the preceding period) • The operating condition (KPI) of hotels have recovered to the condition before COVID-19 (for the 5 hotels for which KPI has been disclosed)	• Given the improvement of accommodation demand from both domestic and inbound travelers, it is assumed that the operational status of the tenants will improve further. • Expectation towards internal growth from variable rent revenues from the 7 newly acquired properties. • Even for the other held hotels, receipt of variable rents may be expected. • (Hotels with variable rents: 6 of the 9 hotels held from before)

3. Actual and forecasted distribution (3)

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Factors for increase/decrease compared with forecast/actual results for the FP15

- Rental revenues, excluding hotel revenues, were almost in line with the initial forecast
- Variable rents from hotels were surpassed 65 million yen compared to the initial forecast

(Unit: million yen)

	FP15 (ended Jul 2023) forecast * 1	FP15 (ended Jul 2023) Actual	Comparison with forecast		Factors for the increase/decrease
Lease business revenue	**6,576**	**6,503**	**△72**	**△1.1%**	<Revenue of leasing business>
Office rent	2,076	2,077	+0	+0.0%	Backward Free Rent term +23 million yen
Retail rent	1,046	1,048	+1	+0.1%	variable rent +65 million yen
Residence rent	1,232	1,227	△5	△0.4%	Utility revenue△138.5 million yen
Logistics rent	846	869	+22	+2.7%	Penalty charge revenue △34.1 million yen
Hotel rent	515	581	+65	+12.8%	Original state restoration fee revenue +6.8 million yen
Other	858	700	△157	△18.4%	
Expenses related to rent business (Depreciation is excluded)	2,126	1,981	△145	△6.8%	
NOI	**4,449**	**4,521**	**+72**	**+1.6%**	
Depreciation	760	763	+2	+0.4%	<Expenses of leasing business>
Rent revenues/expenses	**3,689**	**3,758**	**+69**	**+1.9%**	Utility costs △189.0 million yen
Capex	871	787	△83	△9.6%	Repair costs +37.0 million yen
NCF(NOI-CAPEX)	**3,578**	**3,733**	**+155**	**+4.3%**	Cost of master lease scheme change +8.0 million yen
Gain on sales	413	414	+0	+0.1%	
Mezzanine	22	22	+0	+0.5%	
Income from securities lending fees	-	6	+6	-	
SGA	598	595	△3	△0.5%	
Operating income	**3,527**	**3,606**	**+79**	**+2.3%**	
Non-operating income	-	1	+1	-	
Non-operating expenses	543	534	△8	△1.6%	Interest expence △8 million yen
Ordinary income	**2,983**	**3,073**	**+90**	**+3.0%**	
Income before income taxes	**2,983**	**3,073**	**+90**	**+3.0%**	
taxes	0	0	-	0.0%	
Net income	**2,983**	**3,073**	**+90**	**+3.0%**	
Cash distribution per unit	**1,552 yen**	**1,586 yen**	**34 yen**	**+2.2%**	
FFO per unit	1,732 yen	1,780 yen	+48 yen	+2.8%	
AFFO per unit	1,279 yen	1,370 yen	+91 yen	+7.1%	
Balance of internal reserves	**8,803**	**8,828**	**+24**	**+0.3%**	
(Reference) Net income per unit (Yen per unit) * 2	1,552 yen	1,599 yen	47 yen	+3.0%	

(*1) Announced in 14th FP closing of accounting report (Mar 16, 2023) (*2) Net income divided by the number of units outstanding

3. Actual and forecasted distribution (4)

Forecast of business results for the FP16 ending Jan 2024 / the FP17 ending Jul 2024

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- Acquired 11 new properties through a public offering in August 2023, and the new properties will fully contribute to the period ending July 31, 2024
- Aiming for increase in Lease revenue of hotels toward the end of the 17th fiscal period

(Unit: million yen)

	FP15 (ended Jul. 2023) Actual (A)	Forecast for the FP16 ending Jan 2024 (B)	Increase/decrease (B-A)		Major factors for the increase/decrease (VS FP15 Actual)	Forecast for the FP17 ending Jul 2024(C)	Increase/decrease (C-B)		Major factors for the increase/decrease (VS FP16 Forecast)
Lease business revenue	**6,503**	**7,468**	**+965**	**+14.8%**	＜Rental revenues> Shuroy Mall Chikushino -38.4 mn Abeno nini (Retail): -5.2 mn 2 properties sold in the FP16: -64.9 mn 4 properties acquired in the FP16: +30.1 mn Properties held continuously: +13.1 mn Properties sold in the FP15: -3.4 mn Other +11.5 mn Newly acquired 7 properties: +895.1 mn Properties sold in the FP15-FP16 -53.1 mn (of which -48.8 mn was the loss of cancellation penalties) Utilities: +130.7 mn Cancellation penalty income +32.9 mn Income from restoration expenses -6.0 mn ＜Rental expenses＞ Properties sold in the FP15- FP16 -31.7 mn Properties acquired in the FP16: +68.8 mn Utility expenses +177.5 mn Repair expenses -30.7 mn Leasing-related expenses -15.1 mn ML scheme change expenses -8.0 mn ＜Gain on sales of real estate＞FP15: Funabashi High Tech Park Factory II FP16: Urban Park Gokokuji, Koenji <SGA> Asset management fees +78.4 mn Asset custody and general administration fees +8.3 mn Other operating expenses +19.8 mn ＜Non-operating expenses＞ Interest expenses +98.6 mn Loan-related expenses +172.8 mn Amortization of investment unit issuance costs +7.5 mn	**7,980**	**+511**	**+6.9%**	<Rental revenues> Shuroy Mall Chikushino +47.7 mn Abeno nini (Retail) +7.5 mn 2 properties sold in the 16th period -13.4 mn 4 properties acquired in the 16th period +74.7 mn Baraki Logistics +21.3mn Funabashi High Tech Park Factory I +10.4mn 7 properties acquired in the 16th period +349.9 mn 2 properties sold in the 16th period -0.8 mn 11 properties acquired in the 16th period +0.2 mn Utility fee income -34.7 mn Cancellation penalty income -33.9 mn ＜Rental expenses> 2 properties sold in the 16th period -4.9 mn 11 properties acquired in the 16th period: +128.5 mn Leasing-related expenses -44.8 mn Repair expenses -38.8 mn Utility expenses -31.9 mn ＜Gain on sales of real estate> 16th FP: Urban Park Gokokuji, Koenji <Preferred securities lending fees> Interest expenses +26.6 mn Loan-related expenses -158.3 mn
Office rent	2,077	2,103	+26	+1.3%		2,188	+85	+4.1%	
Retail rent	1,048	1,001	△46	△4.4%		1,054	+52	+5.3%	
Residence rent	1,227	1,205	△21	△1.8%		1,271	+65	+5.5%	
Logistics rent	869	877	+8	+0.9%		910	+33	+3.8%	
Hotel rent	581	1,476	+895	+153.8%		1,821	+344	+23.3%	
Other	700	804	+104	+14.9%		735	△69	△8.6%	
Expenses related to rent business (Depreciation is excluded)	1,981	2,126	+145	+7.3%		2,130	+3	+0.2%	
NOI	**4,521**	**5,342**	**+820**	**+18.1%**		**5,850**	**+508**	**+9.5%**	
Depreciation	763	953	+190	+24.9%		1,024	+70	+7.4%	
Rent revenues/expenses	**3,758**	**4,388**	**+630**	**+16.8%**		**4,826**	**+437**	**+10.0%**	
CAPEX	787	1,151	+363	+46.2%		867	△284	△24.7%	
NCF(NOI-CAPEX)	**3,733**	**4,190**	**+456**	**+12.2%**		**4,983**	**+792**	**+18.9%**	
Gain on sales	414	380	△33	△8.2%		-	△380	△100.0%	
Mezzanine	22	12	△10	△47.0%		9	△2	△17.7%	
Preferred securities lending fee	6	31	+24	+371.8%		31	+0	△1.1%	
SGA	595	702	+106	+17.9%		707	+5	+0.8%	
Operating income	**3,606**	**4,110**	**+503**	**+14.0%**		**4,159**	**+49**	**+1.2%**	
Non-operating income	1	-	△1	△100.0%		-	-	-	
Non-operating expenses	534	814	+279	+52.2%		682	△131	△16.2%	
Ordinary income	**3,073**	**3,296**	**+222**	**+7.2%**		**3,477**	**+180**	**+5.5%**	
Income before income taxes	**3,073**	**3,296**	**+222**	**+7.2%**		**3,477**	**+180**	**+5.5%**	
Taxes	0	0	-	0.0%		0	-	0.0%	
Net income	**3,073**	**3,296**	**+222**	**+7.2%**		**3,476**	**+180**	**+5.5%**	
Cash distribution per unit	**1,586 yen**	**1,513 yen**	**△73 yen**	**△4.6%**		**1,520 yen**	**+7 yen**	**+0.5%**	
FFO per unit	1,780 yen	1,631 yen	△149 yen	△8.4%		1,897 yen	+266 yen	+16.3%	
AFFO per unit	1,370 yen	1,145 yen	△225 yen	△16.4%		1,531 yen	+386 yen	+33.7%	
Balance of internal reserves	**8,828**	**8,535**	**△292**	**△3.3%**		**8,406**	**△128**	**△1.5%**	
(Reference) **Net income per unit (Yen per unit)**	1,599 yen	1,389 yen	△210 yen	△13.1%		1,465 yen	+76 yen	+5.5%	

4. Operating results for the 15th fiscal period ended July 2023

4. Operating results for the 15th fiscal period ended July 2023 (1)
- Occupancy rate status -

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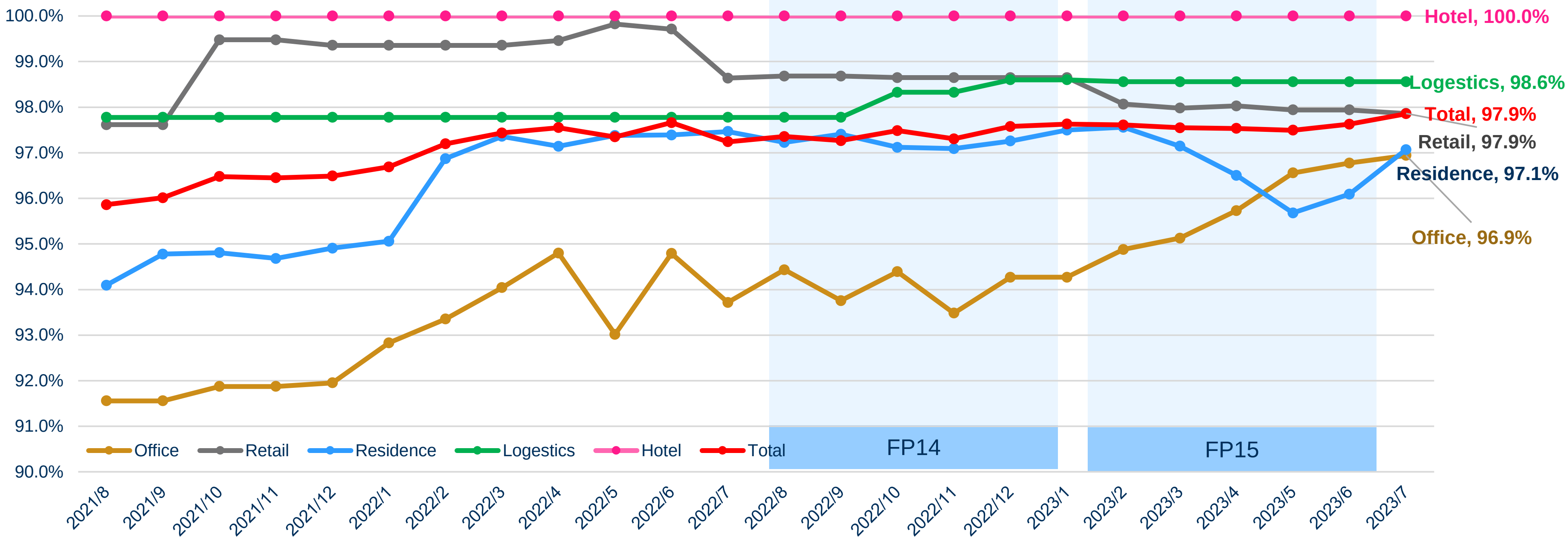
- For the portfolio as a whole (real estate properties etc.), occupancy rates were maintained at or above 97% during the FP15 (on a contracted floor area basis).
- Aim to further improve office occupancy rates from the 16th fiscal period onward/Promote internal growth measures (attract new tenants for retail, construct expansion of logistics facilities)



	FP12 (Jan 2022)	FP13 (Jul 2022)	FP14 (Jan 2023)	FP15					
				Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023
Office	92.8%	92.8%	94.3%	94.9%	95.1%	95.7%	96.6%	96.8%	96.9%
Retail	99.4%	99.4%	98.6%	98.1%	98.0%	98.0%	97.9%	97.9%	97.9%
Residence	95.1%	95.1%	97.5%	97.6%	97.1%	96.5%	95.7%	96.1%	97.1%
Logistics	97.8%	97.8%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.7%	96.7%	97.6%	97.6%	97.5%	97.5%	97.5%	97.6%	97.9%

4. Operating results for the 15th fiscal period ended July 2023 (2)

- Office ①- Status of change in tenant as of the end of the FP15

STARASIA Investment Corporation

Operating result for office

<Actual performance for FP15>

- Entry and moving out of tenants:
  Newly contracted area (3,600.57㎡) > moved out area (1,449.15㎡).
  Occupancy rates: 94.3% (as of end of Jan 2023) → 96.9% (as of end of Jul 2023)
- Newly attracted tenants: 12 tenants (rents increased on average of 0.7% compared to before)
- Free rent: Average 2.5 months.
- Increase in rents at time of contract renewal: 6 tenants (average of 11.3% increase compared to before)
- No reductions at time of contract renewal.
- Rent increases and decrease realized during the lease periods, instead of at the time of contract renewals. (rent was increased by 5.5%)
  increase 2 tenants, decrease 1 tenant

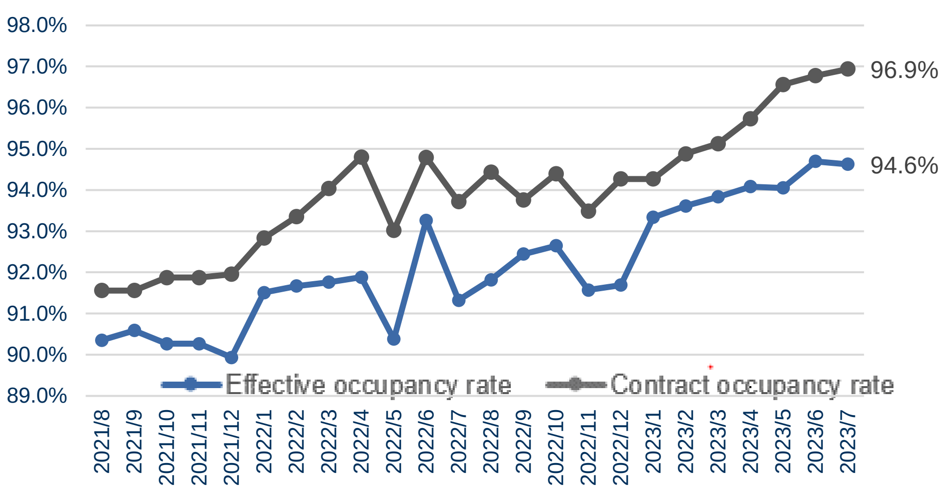
<Forecast for FP16 and onwards>

- Focus on flexible leasing to accurately grasp tenants' relocation needs
  ～ Aim to **further increase occupancy rate** during the FP16

Status of change in tenant as of the end of the FP15

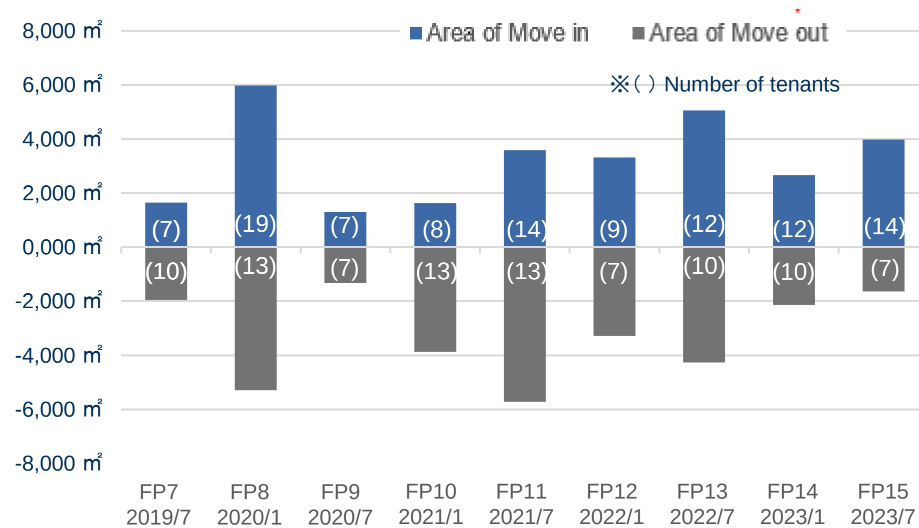
	Number of tenants	Area(㎡)	
<New Contract>	**12**	**3,600.57**	- Average rent increase of 0.7% + 105 thousand yen/month - Average free rent 2,5 months
Rent up	7	2,485.28	
Same rent	2	272.50	
Rent down	3	842.79	
※ Exclude one tenant whose previous tenant was under a special contract			
<Renewal>	**68**	**18,016.88**	- Average +11.3% increase at renewal + 406 thousand yen/month - No tenant reduction at the time of renewal
Rent up(※)	6	1,175.95	
Same rent	58	15,560.55	
Rent down	0	0.00	
※ Only tenants whose contracts were up for renewal during the 15th period			
<Leaving>	**6**	**1,449.15**	

Contracted occupancy rate / effective occupancy rate



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

Contract Rent Period of Office Portfolio

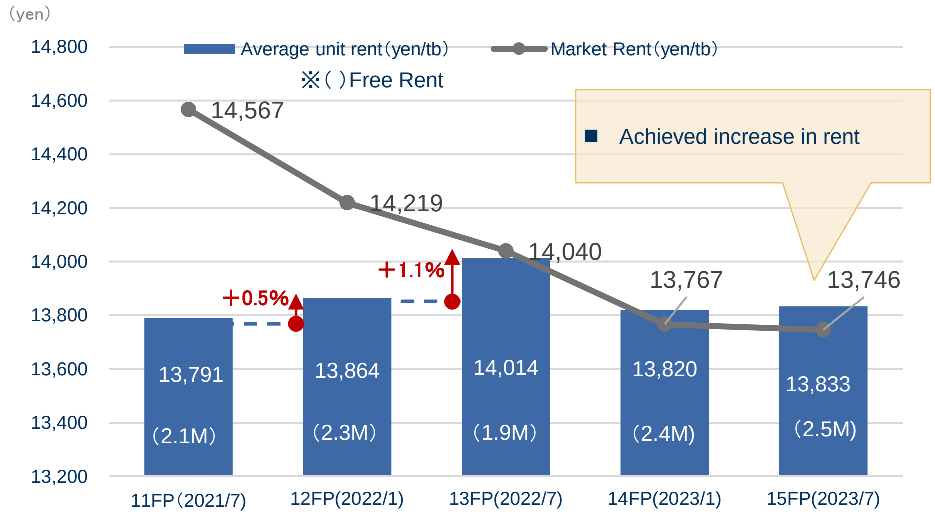


4. Operating results for the 15th fiscal period ended July 2023 (3)

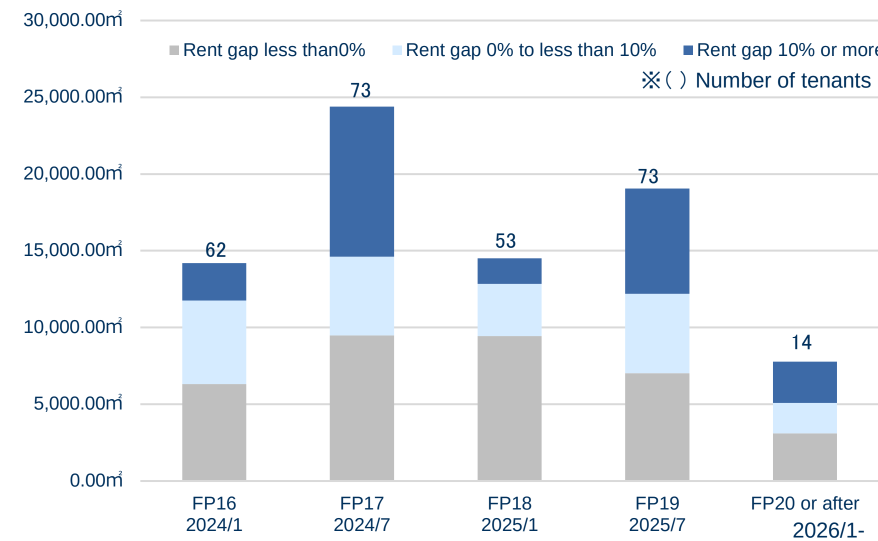
- Office - ② Status of Rent Gap and Trends in Unit Rents

STARASIA Investment Corporation

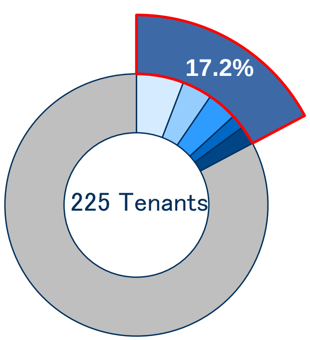
Trends in Market Rents and Contract Rents per Unit, Average FR Period



Contract Rent Period of Office Tenants



Tenant Diversification



- The aggregate rents of the top 5 tenants makes up for a ratio of 17.6% of the office portfolio rent revenues, and risk is diversified.

	Property name	Type	ratio
1	Honmachibashi Tower	business company	5.8%
2	Amusement Media Gakuin Honkan/Shinkan	School	3.7%
3	Urban Center Hakata	Master lease	3.7%
4	Honmachibashi Tower (Residens)	Master lease	1.7%
5	Urban Center Fujisawa	business company	2.3%
	Total		17.2%

Addressing leasing issues

【Urban Center Tachikawa （Tachikawa city, Tokyo）】

Acquisition price	1,804 mil
Structure	RC S 6F/1B
Leasable area	3,400.47㎡
Construction completion	May 1990

- Started leasing one floor during the FP15 ⇒ Occupancy rate of 82.3%
- Focus on leasing one other floor by holding a tour of the building

Jan 2023	⇨	May 2023
65.1 %		82.3 %

【 The Portal Akihabara（Chuo-ku, Tokyo）】

Acquisition price	1,510mil
Structure	SRC 8F
Leasable area	941.69㎡
Construction completion	May 2002

- Contracts have been signed with the next tenants in the areas vacated in FP15
- Two more tenants have given notice of cancellation. 3 areas are vacant including the current vacancy。1 area contract to be signed

Jan 2023	⇨	Jan 2023	⇨	Nov 2023 (anticipated)
100.0 %		86.6 %		73.2 %

STARASIA Investment Corporation

◆ Basic policy: The policy to sell suburban retail facilities is maintained/ Pursue maximization of profits during the holding period

◆ At Suroy Mall Chikushino, making efforts to attract a supermarket which has high effect of attracting customers, and considering returning the leased land portion as a cost reduction measure.

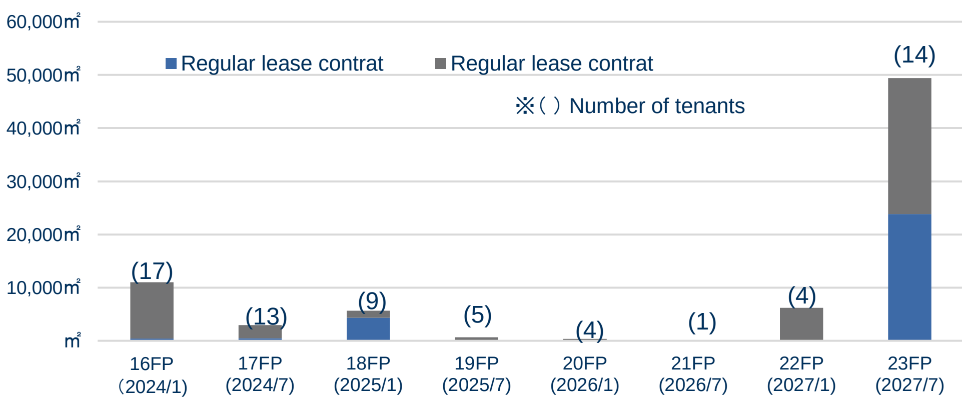
Operating results for Retail

＜Retail Basic Information＞

	Property name	Location	Number of tenants	Total floor area (㎡)	Occupancy rate (As of Jan 31, 2023)
Urban-type	BAGUS Ikebukuro West	Toshima Ward, Tokyo	1	1,497.45	100.0%
	Abeno nini (Retail)	Osaka city, Osaka	5	3,481.03	100.0%
Suburban-type	La Park Kishiwada	Kishiwada City, Osaka	51	40,566.34	98.9%
	Seiyu Minakuchi	Koka City, Shiga	1	23,814.87	100.0%
	Suroy Mall Chikushino	Chikushino City, Fukuoka	19	29,364.96	94.5%
			77	98,724.65	97.9 %

- Stable occupancy during the FP15.
- In the FP16, plan to replace tenants in Abeno nini (Retail). 2 tenants: Rent is expected to increase by an average of **13.0%** compared to the previous period.
- At Shuroy Mall Chikushino, aim for early recovery of temporarily low occupancy rate based on the ability of "**Lopia**" to attract customers.

Revision of Contract Period（ based on floor area ）



※ Extract tenants whose contracts will expire by the 23nd fiscal period; 27 tenants (contracted area: approx. 22,281.68㎡) in the 24rd fiscal period and thereafter

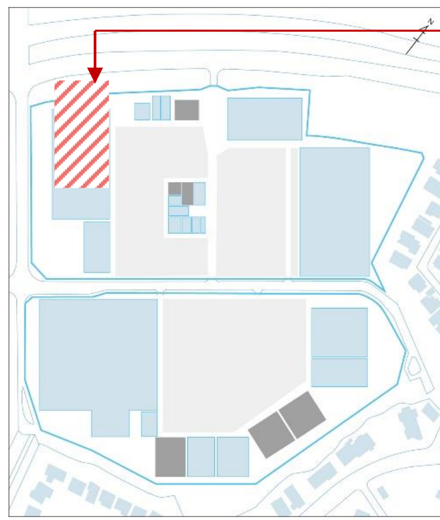
Suroy Mall Chikushino / reevaluation of tenant mix

Execution of strategic leasing

- (1) Examination of possible measures to increase traffic to the property; (2) examination of possible tenant types that would complement existing tenants ➔ commencement of efforts to attract a supermarket to the property, in light of the high volume of daily traffic it would bring
- Through negotiations with existing tenants in the entire building (first and second floor) to reduce their floor space, secured enough space on the first floor for the prospective new tenant

Succeeded in attracting Lopia, a major supermarket chain

<Suroy Mall Chikushino Building layout>



Planned Opening area （first floor）

：leasing area　：vacant area　：parking area

<Overview of Lopia>

"**Lo**w-price Uto**pia**"

- Number of stores: 75 in Japan, 1 overseas (as of June 2023)
- June 2023: First opened in Fukuoka (Lopia Yodobashi Hakata store)
- Group-wide sales target of JPY 2 tn by FY2031

- Unlike most supermarkets, where a centralized team at the head office is responsible for procurement and development, the head of each sales floor (fresh meat, fresh seafood, fruits and vegetables, food products, prepared foods) is in charge of their own procurement, and also participates in developing private-label products, highlighting the company's strong focus on local store-level efforts

4. Operating results for the 15th fiscal period ended July 2023 (5)

- Residence -

STAR ASIA Investment Corporation

- ◆ Occupancy rates during the 15th FP remained at an **average of 95%** or higher/ The 2 single-type (※1) properties which have high volatility in occupancy rates have already been sold.
- ◆ For family type residences (exclusive areas of 30㎡ or more), **rent increases have been realized** for both new entrants and at time of contract renewals.

Operating results for Residence

＜FP15 Actual＞

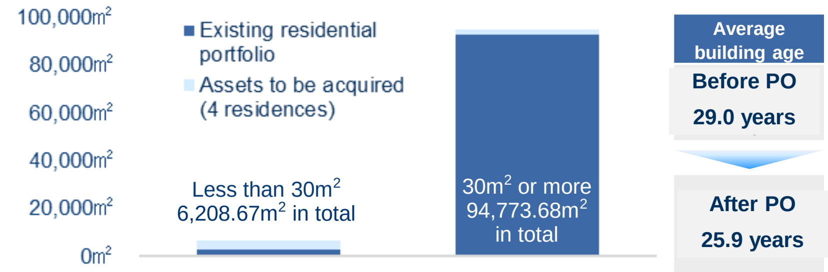
- ■ Entering and leaving of tenants ：Area move in（7,830.98㎡）＞ Aria move out（8,264.22㎡）
- ■ Entering and leaving, Rent Fee：Total rent（monthly amount） **＋1,089,850 yen**

	Less than 30㎡		30㎡ or more	
	Number of tenants	Total monthly amount	Number of tenants	Total monthly amount
New contract	53	△88,450 yen	109	＋919,300 yen
Renewal	41	0 yen	247	＋259,000 yen
Cancellation	57	－	113	－

※ For newly entering tenants, only those housing units for which the former tenant' rent is known are compared, and the difference is aggregated.

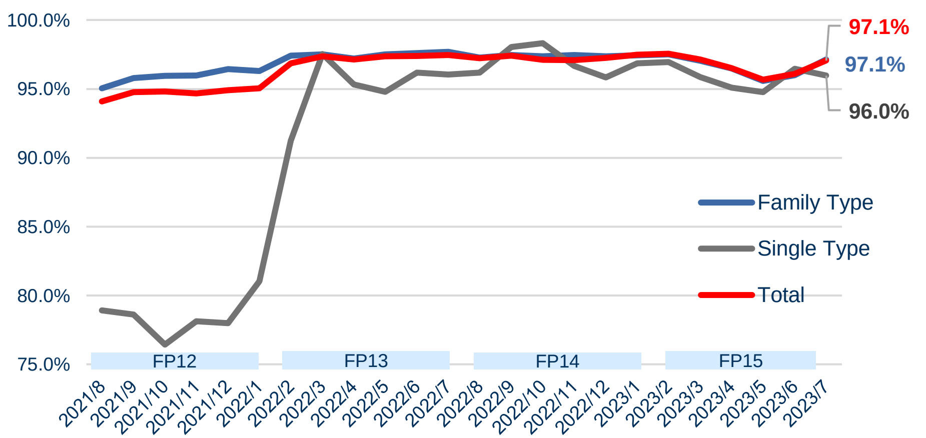
Residential portfolio following the Initiative

- ■ A particularly high proportion of residential units of 30m^2 or more where stable demand is expected
- ■ Continue to make selective investments in units smaller than 30m^2

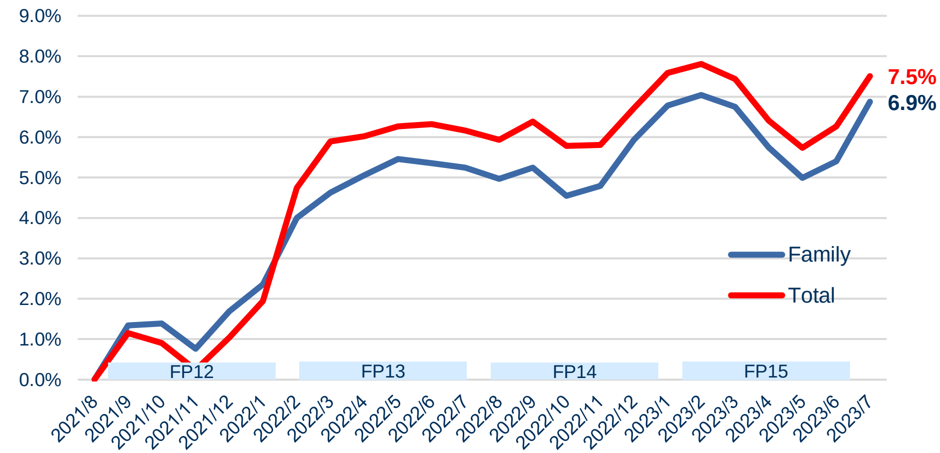


	Less than 30m^2	30m^2 or more	Total
Number of units	259	1,440	1,699
Leasable area(Note6)	6,208.67m^2	94,773.68m^2	100,982.35m^2
Ratio (based on leasable area)	6.1%	93.9%	100.0%

Transition of occupancy rates



Transition of Gross monthly rent ※2



※1singles-type housing : UP Namba, UP Gokokuji, UP Koenji

※ 2The "Transition of Gross Monthly Rents" has been calculated as the total amount of rents and common-use fees stated in the effective lease agreements at the end of each month, and indexing it to such amount as of the end of August 2021 (assuming such amount is 100).

4. Operating results for the 15th fiscal period ended July 2023 (6)
- Logistics -

STAR ASIA Investment Corporation

◆ Gain-on-sale generated from the sale of 1 property (8th asset replacement)

◆ Signed a building lease option agreement for building extension, which is expected to contribute to improvement of revenues in the 16th FP.

Operating results for Logistics

<FP15: actual performance＞

- Operation status is stable: the average occupancy rate of logistic facilities is 98.6%.
- Funabashi Hi-tech Park Factory Ⅱ : sold – realized gain-on-sale

<Initiatives to be taken from 16th fiscal period and onward＞

- Logistics facility A: 2 tenants ⇒ 1 tenant - realize increase in rents, increase in rented space, and cost reduction.

(Lease agreement already signed) – Revenue increase effect of approx. **＋7,000,000 yen per year.**

- Logistics Facility B: A certain level of capital expenditures were mad in response to requests from tenants⇒ Increased rents.

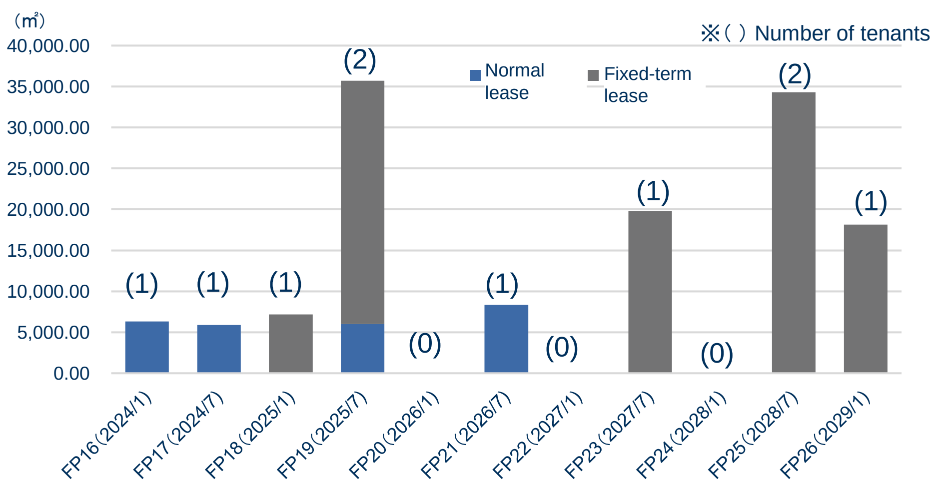
(Lease agreement already signed) – Revenue increase effect of approx. **+6,000,000 yen per year.**

- During the 16th FP: Contracts to expire for 2 tenants (12,366.69㎡)

1 tenant: to terminate – Lease contract already signed with **existing tenant to increase floor space.**

1 tenant: negotiating renewal of lease contract.

Revision of Rent and Contract Period



Extension of Funabashi Hi-Tech Park Factory I

Building extension at Funabashi High-Tech Park Factory I

- Pursuit of internal growth through the use of unused floor space (two building extensions)
- An option agreement is signed setting forth a future alteration to the building lease terms, with new building extension expected to generate additional lease income(Note1)
- Extension work commenced in June 2023, with completion expected in December

Artist rendering of completed extension work(1 out of 2)(Note2)

	Pre-extension	Post-extension (planned)	Increase
Total leasable area(Note3)	8,340.98m^2	8,902.08m^2	561.10m^2 (+6.7%)
Floor-area ratio(Note4) (current/maximum allowed)	62.16% / 200%	66.64% / 200%	(+4.48%)
Acquisition price (Note5) (Indexation pre-extension = 100)	100.0	117.6	+17.6Pt
Monthly rent index(Note6) (Indexation pre-extension = 100)	100.0	125.5	+25.5Pt

4. Operating results for the 15th fiscal period ended July 2023 (7)
- Hotels ①-

- ◆ Received variable rent revenues from “Smile Hotel Namba” and “KOKO HOTEL Osaka Namba” (75 million yen, 2.6 times the preceding period.)
- ◆ The recovery of hotel operation status is clear - Rev PAR has recovered to the level before COVID-19 (2019).

Operating results for Hotel

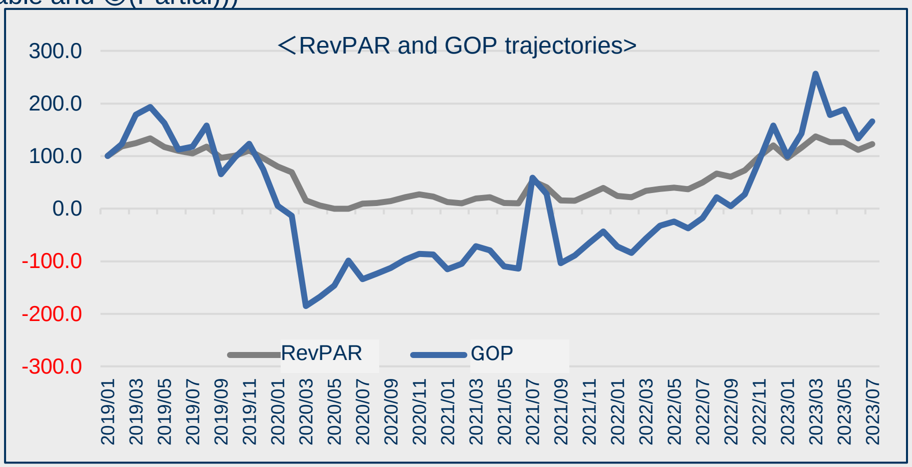
＜Status of FP15＞

- ■ Received fixed rent + variable rent (from 2 hotels) / **variable rent was 75 million yen, 2.6 times the preceding period.**
- ■ Hotel A: Still closed due to effects of COVID-19/ planning to reopen by the end of 2023 – rents received as per contract.
- ■ Hotel B: Period of use as facility for accepting patients with mild symptoms has ended – now in discussions towards normal operations.

<Assumptions for FP16 and onward>

- ■ Newly acquired 7 properties (September 1, 2023) – assumed that operation status will improve towards the latter half of the FP17.
- ■ Other held hotels – Variable rent revenues expected from hotels other than “Smile Hotel Namba” and “KOKO HOTEL Osaka Namba”, **upside anticipated.**
- ■ Disclosure of hotel KPI -Starting from October 2023, it is planned to disclose the main indices for the preceding month on a monthly basis.

(Planning to disclose individual indices for hotels (marked by ●in the righthand table and ◎(Partial)))



※ Indexed with January 2019 results as 100

＜Hotel Portfolio List＞

	No.	Name of Property	Acquisition Date	Fixed	Floating
Held hotels					
	HTL-01	R&B Hotel Umeda East	2016.4	○	－
	HTL-02	Smile Hotel Namba	2016.4	○	●
	HTL-03	REMBRANDT STYLE Tokyo Nishikasa	2017.3	○	◎
	HTL-04	BEST WESTERN Yokohama	2017.3	○	◎
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	2018.8	○	○
	HTL-06	GLANSIT AKIHABARA	2018.8	○	－
	HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	2018.8	○	◎
	HTL-08	KOKO HOTEL Osaka Namba	2018.8	－	●
	HTL-09	abeno nini (Hotel)	2022.8	○	－
Newly acquired					
	HTL-10	KOKO HOTEL Ginza 1-Chome	2023.9	○	●
	HTL-11	KOKO HOTEL Sapporo Ekimae	2023.9	○	●
	HTL-12	KOKO HOTEL Fukuoka Tenjin	2023.9	○	●
	HTL-13	KOKO HOTEL Hiroshima Ekimae	2023.9	○	●
	HTL-14	KOKO HOTEL Kagoshima Tenmonkan	2023.9	○	●
	HTL-15	Fino Hotel Sapporo Odori	2023.9	○	●
	HTL-16	Best Western Plus Fukuoka Tenjin-minami	2023.9	○	●

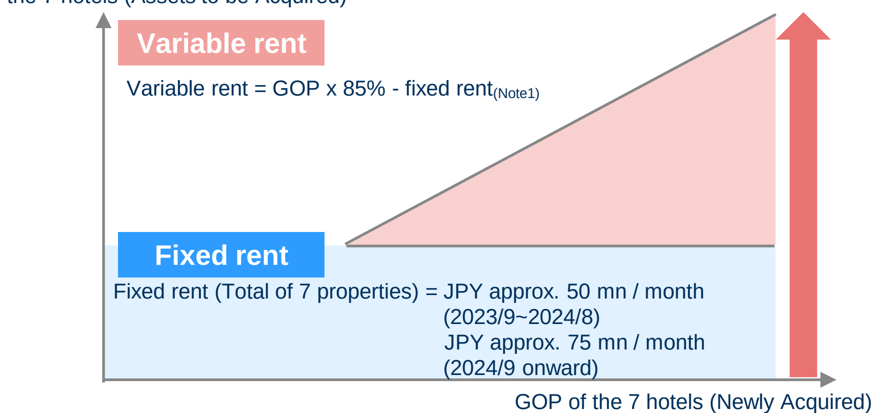
4. Operating results for the 15th fiscal period ended July 2023 (8)
- Hotels② -

STARASIA Investment Corporation

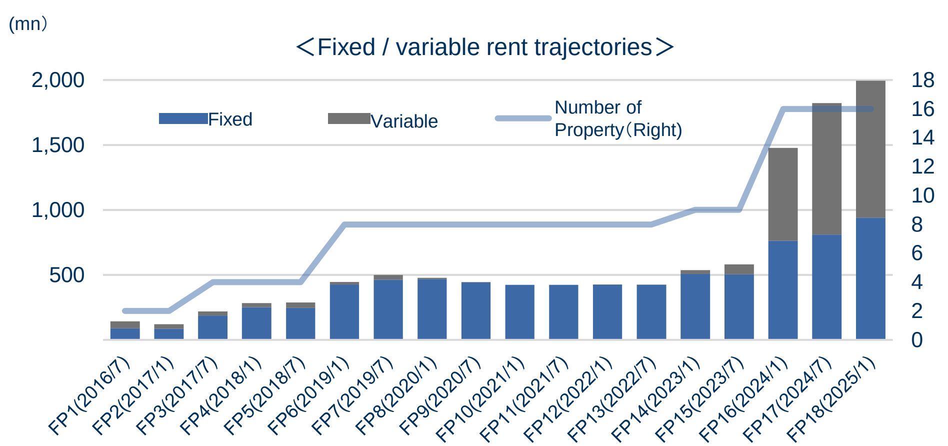
- ◆ Rent Structure Aligned to Capture Hotel Revenue Growth
- ◆ KPI for hotels to be disclosed from September 2023.(to be announced by the 25th of the following month)

Rent structure of the 7 hotels (Newly Acquired)

Total rent: GOP x 85%(Note1)



Fixed / variable rent trajectories



Disclosure of hotel KPI

- ■ Starting in September 2023, key figures for the 10 hotels (marked with ● ,◎on the previous page) that can be disclosed will be disclosed on a monthly basis (to be announced by the 25th of the following month).

＜Example of disclosure＞

Name of Property	Item	Sep 2023	FP16 (Aug 1, 2023~ Jan 31, 2024) Total／Average
Smile Hotel Namba	Occupancy (%)		
	ADR (yen)		
	Rev PAR (yen)		
	GOP (mn)		
KOKO HOTEL Osaka Namba	Occupancy (%)		
	ADR (yen)		
	Rev PAR (yen)		
	GOP (mn)		
KOKO HOTEL Ginza 1-Chome	Occupancy (%)		
	ADR (yen)		
	Rev PAR (yen)		
	GOP (mn)		
KOKO HOTEL Sapporo Ekimae	Occupancy (%)		
	ADR (yen)		
	Rev PAR (yen)		
	GOP (mn)		
KOKO HOTEL Fukuoka Tenjin	Occupancy (%)		
	ADR (yen)		
	Rev PAR (yen)		
	GOP (mn)		
KOKO HOTEL Hiroshima	Occupancy (%)		
	ADR (yen)		

4. Operating results for the 15th fiscal period ended July 2023 (9)

- Hotels③ - Strategic Initiatives in the Hotel Business by Polaris Holdings (affiliate of the Star Asia Group)

STAR ASIA Investment Corporation

◆As of June 30, 2023, Polaris Holdings operates 48 hotels with a total of 8,722 rooms (including overseas hotels and hotels planned for operation)
◆During the pandemic, Polaris opportunistically increased hotels under operation, increasing revenues and lowering breakeven point

Star Asia Group

POLARIS HOLDINGS

Listed on TSE Standard Market

Code: 3010

- **Star Asia Group, which has senior investment professionals with deep experience in managing real estate investments, has joined forces with Polaris (previously Kachikaihatsu Co., Ltd.), an operator of diverse hotels**
- **Together, they are pursuing hotel operations that leverage Star Asia Group's strong track record in opportunistic investments**

Hotel operations ✕ **Investment management**

More efficient hotel operations and maximization of investment value

Lower breakeven point	Expand fee-revenue hotels	✓ Increase the number of hotels operating under management contracts, providing the owners with fee-based revenues and reducing the per-room burden of tenancy fees
	Promote business as owner/operators	✓ Eliminate annual fixed rent payment obligation by acquiring properties as owner and operating them as operator.
	Effective hotel operation	✓ Optimize staff number at each hotel through efficient shift assignments and multitasking which results in reducing personnel costs on a per-guest-room basis
Expand operations platform		✓ Develop highly competitive hotels and grow the number of guest rooms in hotels under management ✓ Pursue economies of scale by expanding the operation platform and maximize revenue

Hotel brands owned by Polaris Holdings

KOKO HOTEL
✓ Operates 18 hotels in major cities throughout Japan

Best Western
✓ Operates 9 hotels in major cities throughout Japan as a global hotel brand

Value The Hotel
✓ Operates 5 hotels in the Tohoku region of Japan

Red Planet Hotels
✓ Operates 14 hotels in Philippines

4. Operating results for the 15th fiscal period ended July 2023 (10)
- Financial standing -

STARASIA Investment Corporation

◆ Newly called upon 4 banks. To prepare for future rise in interest rates, plan the timing to fix interests while considering costs.
◆ Periodic rating reviews by the 2 rating agencies are expected to be conducted within the year.

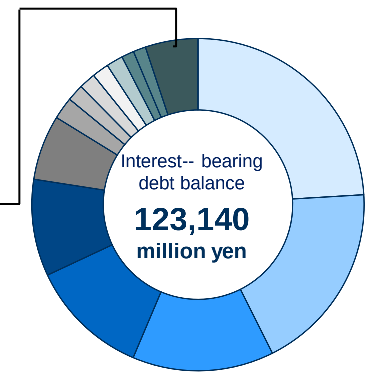
Main financial indicators (※1)

	FP14 Jan 2023	FP15 Jul 2023	As of Dec 1, 2023
LTV	46.4 %	46.3 %	—
Interest-- bearing debt balance	96,840 mn	96,840 mn	123,140 mn
Long-term debt ratio	100.0 %	100.0 %	100.0 %
Average remaining period to maturity	2.9 years	3.0 years	3.4 years
Average borrowing period	5.1 years	5.1 years	5.3 years
Average interest rate (※2)	0.78 %	0.80 %	0.79 %
Fixed interest rate ratio	95.1 %	95.1 %	71.6 %

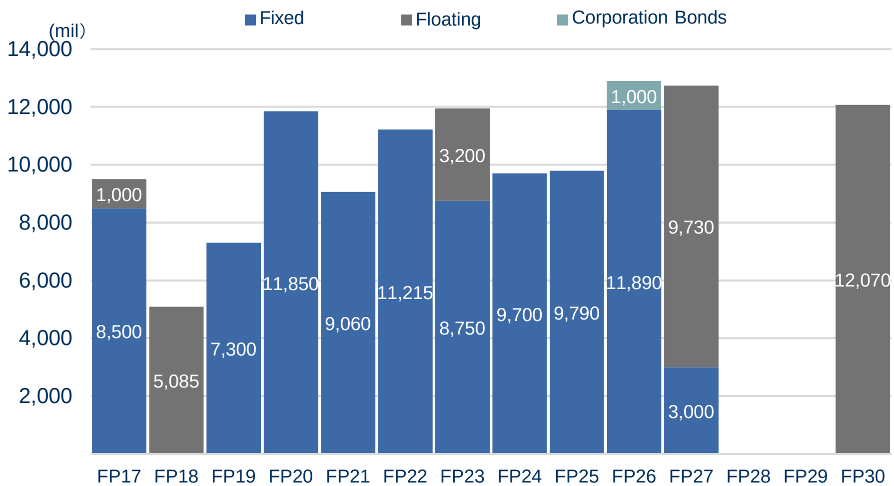
(※1) This describes the status including investment corporation bonds. It is assumed that the borrowings maturing on September 20, 2023 will be refinanced under the previous terms. The same applies below.
(※2) The interest rates shown take into consideration the effects of interest rate swaps (fixing of interest rates).

Bank formation (as of Dec 1, 2023)

Lender	Ratio	Lender	Ratio
Sumitomo Mitsui Banking	23.1%	The Nishi-Nippon City Bank	1.2%
Mizuho Bank	18.6%	The Bank of Yokohama,Ltd.	1.3%
SBI Shinsei Bank	13.8%	San-ju San Bank	0.8%
Sumitomo Mitsui Trust Bank	11.7%	The Juhachi-Shinwa Bank, Ltd	0.8%
Aozora Bank	9.4%	The Musashino Bank, Ltd	0.8%
Resona Bank	6.3%	Corporation Bonds	0.8%
The Bank of Fukuoka	2.2%	Mizuho Trust & Banking	0.7%
Minato Bank	1.6%	The Dai-ichi Life Insurance	0.4%
The Kiyo Bank, Ltd	1.6%	Fukoku Mutual Life Insurance Company	0.4%
The Chiba Bank, Ltd	1.6%	The Yamagata Bank, Ltd	0.4%
The Asahi Shinkin Bank	1.6%		



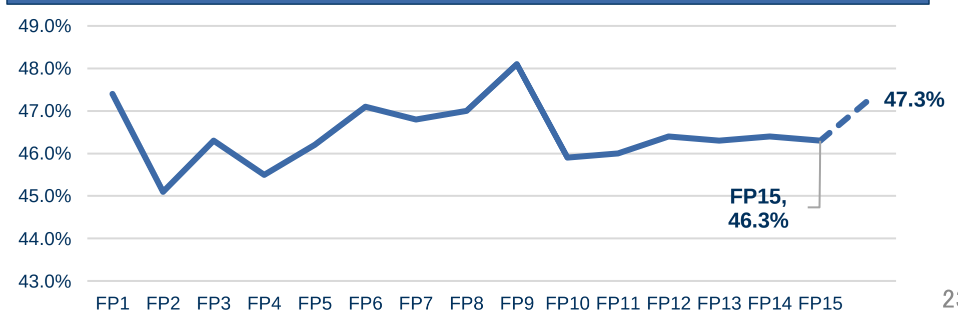
Diversification of repayment dates(as of Dec 1, 2023)



Credit Ratings

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

Transition of LTV

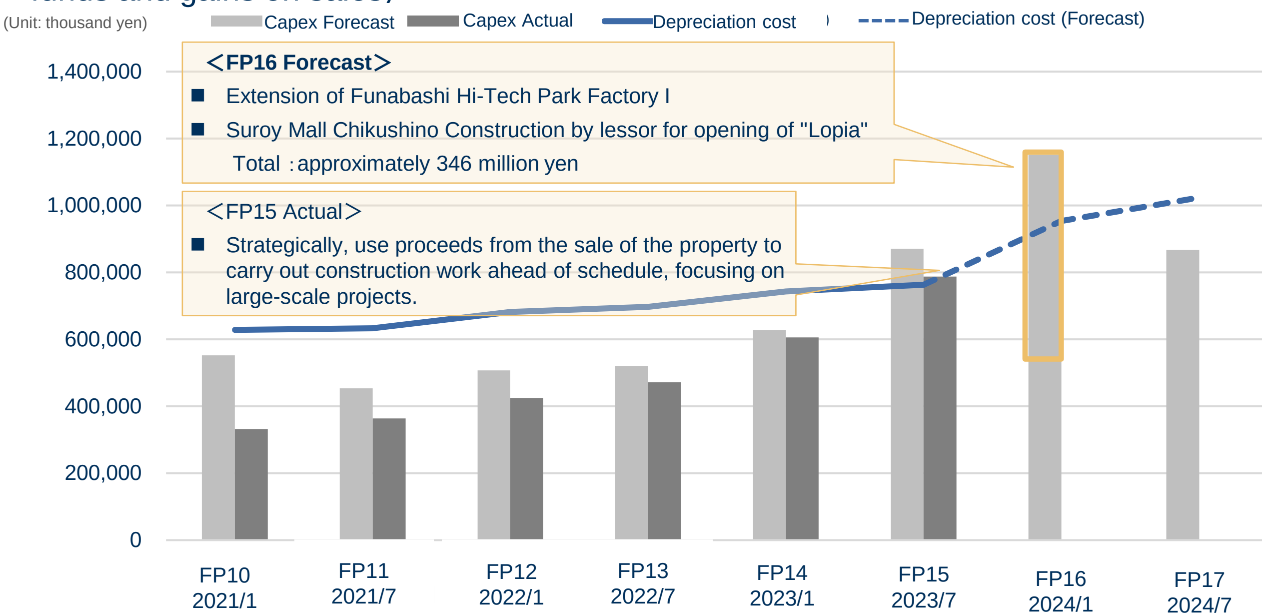


4. Operating results for the 15th fiscal period ended July 2023 (11)

- Capex Control –

STAR ASIA Investment Corporation

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



Capex Management

- Centrally manage budget planning and progress on Capex centered on the Sustainability Promotion Division
- Consider moving the plan forward depending on the budget exhaustion status and budget reduction status.

＜Capital Expenditures for the 15th fiscal period＞	
REMBRANDT STYLE Tokyo Nishikasai Renewal of water generator	43 million yen
Seishin BLDG. Entrance renewal work	36 million yen

＜Schedule of Capital Expenditures for the 16th fiscal period＞	
Suroy Mall Chikushino Store area construction	100 million yen
Higashi-Kobe Center Building Elevator renewal construction	99 million yen

(Unit: thousand yen)

	FP10 Jan 2021 Actual	FP11 Jul 2021 Actual	FP12 Jan 2022 Actual	FP13 Jul 2022 Actual	FP14 Jan 2023 Actual	FP15 Jul 2023 Actual	16FP Jan 2024 Forecast	FP17 Jul 2024 Forecast
Depreciation cost	628,354	633,013	682,245	697,599	743,661	763,353	953,477	1,024,215
Capex Forecast	552,841	453,448	507,750	520,543	628,409	871,225	1,151,708	867,234
Capex Actual	331,901	363,439	424,722	471,534	605,932	787,991	—	—
Capex Budget reduction rate	40.0%	19.8%	16.4%	9.4%	3.6%	9.6%	—	—
Capex ratio（Capex Actual／Depreciation cost）	52.8%	57.4%	62.3%	67.6%	81.5%	103.2%	—	—
Repair cost（Actual／Forecast）	181,949	220,204	181,998	255,201	173,257	308,817	272,640	234,380
Number of Properties as of the end of FP	53	53	60	60	63	62	71	71

STARASIA Investment Corporation

5. Progression Status of Mid-Term Plan

Progression Status of Mid-Term Plan

STAR ASIA Investment Corporation

- ◆ Asset size in December 2023 through public offering: 242.2 billion yen (real estate, etc.: 71 properties, preferred securities: 1 deal), other mezzanine loan claim investments: 2 deals
- ◆ Assumed distribution per unit: 1,538 yen (distribution guidance per unit)

Mid-Term Plan（Target year FY2026）

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

Indicative number of properties **100**

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

Growth objective of 2% per annum

Progress status as of the end of Dec. 2023

Assets Size

As of the end of December 2023 **242.2** billion yen

Achievement rate : **81%**

Future portfolio expansion and formulation policy:

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

Distributions Per Unit

Cruising Distributions Per Unit **1,538** yen

Amount to be achieved : **62** yen

Priority measures going forward:

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

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

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

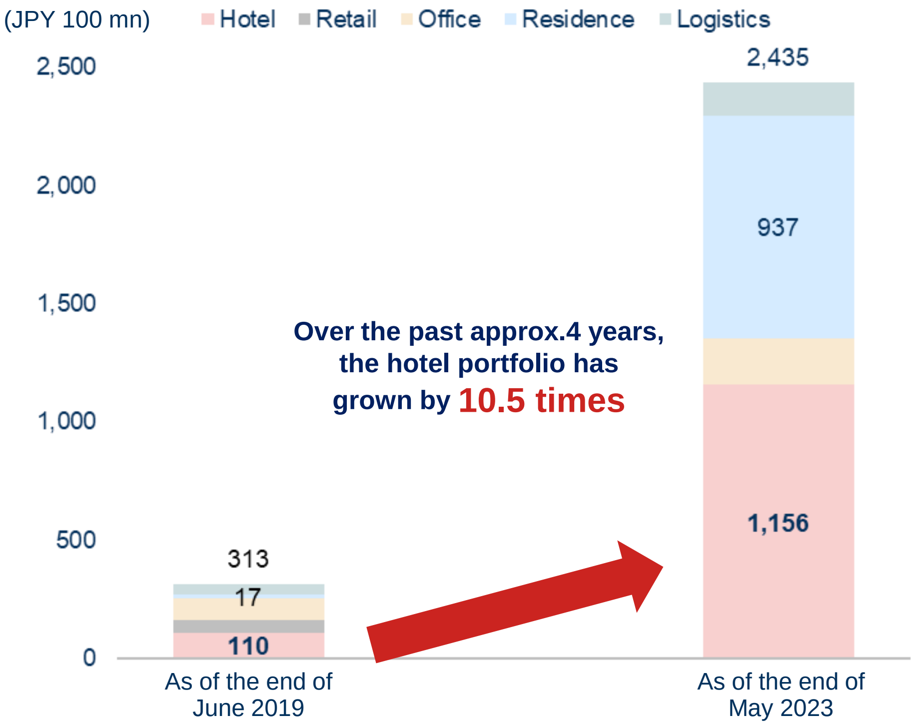
STAR ASIA Investment Corporation

◆Star Asia Group significantly increased its investment in hotels by taking advantage of opportunities to buy hotels

◆SAR has obtained preferential negotiation rights for 12 hotels totaling JPY 57.6 bn

Hotel portfolio owned by Star Asia Group increased during the COVID-19 (Note1)

<Change in properties owned by Star Asia Group (Total appraisal value (Note2))>



- Although there was uncertainty over hotel operations during the COVID-19, Star Asia Group significantly increased its hotel portfolio after undertaking deep analysis of the market environment for real estate and future recovery of demand for accommodations
- Leveraging its strengths in consistently executing investment strategies based on market foresight, Star Asia Group is providing strong support for SAR's external growth

Newly obtained preferential negotiation rights for 12 hotels


KOKO HOTEL Tsukiji Ginza


KOKO HOTEL Nagoya Sakae


KOKO HOTEL Osaka Shinsaibashi


KOKO HOTEL Premier Kanazawa Korinbo


KOKO HOTEL Premier Kumamoto


KOKO HOTEL Residence Asakusa Tawaramachi


KOKO HOTEL Residence Asakusa Kappabashi


MIMARU Tokyo Ginza EAST


MIMARU Tokyo Ueno East


GATE STAY Premium Nihonbashi


GATE STAY Premium Ginza Shintomicho


MONday Apart Premium Ueno

- Overview of the hotel portfolio with preferential negotiating rights
  - ✓ Number of properties: 12
  - ✓ Total number of guest rooms: 1,364
  - ✓ Total appraisal value: JPY 57.6 bn
  - ✓ Ratio operated by Polaris (Note3): 65.2%

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

Strengthening the Portfolio Through Strategic Asset Replacements

STAR ASIA Investment Corporation

◆ Realization of gains from asset sales executed for asset replacements, and diversification of the asset mix

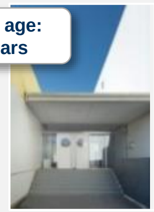
◆ Ongoing strategic active asset management efforts that go beyond asset replacements

Strengthening of portfolio through strategic asset replacements and building extensions

Sales strategies

- Divestitures of older properties with limited growth potential relative to the increase in expenses, including future capital expenditures
- SAR intends to use gains on sale for returns to unitholders in the form of dividends
- Gains will also be used to fund efforts designed to drive internal growth

Building age: 21.8 years



Funabashi Hi-Tech Park Factory II	
Asset type	Logistics
Sales price	JPY 1,150 mn
Gain on disposal	JPY 414 mn

Building age: 33.3 years

Urban Park Gokokuji	
Asset type	Residential (single)
Sales price	JPY 1,800 mn
Anticipated gain on disposal	JPY 271 mn

Building age: 35.7 years

Urban Park Koenji	
Asset type	Residential (single)
Sales price	JPY 1,315 mn
Anticipated gain on disposal	JPY 109 mn

8th Asset Replacement
Announcement: Feb. 1, 2023

9th Asset Replacement
Announcement: Mar. 16, 2023

10th Asset Replacement
Announcement: Aug. 7, 2023

Focus on maximization of unitholder returns

Acquisition strategies

- Improve profitability and quality of overall portfolio through acquisitions of relatively new built properties
- Acquire diverse mix of assets, including non-real estate assets
- As a strategic capital investment, building extensions and others are planned to be executed

Star Asia Mezzanine Loan Debt Investment Series 8 (Centurion Hotel Grand Akasaka)	
Acquisition date	Class A beneficiary interest: Sep 13, 2023 Class B beneficiary interest: Feb. 20, 2023
Acquisition price	Class A / B beneficiary interest: JPY 430 mn / 340 mn
Dividend yield	Class A / B beneficiary interest: 3M TIBOR +5.30% / +7.30%

Building age: 5.4 years

GSA JP Project 1 SPC preferred equity securities (HAKUSAN HOUSE)	
Acquisition date	Jun. 23, 2023
Acquisition price	JPY 1,562 mn
Rent	4.0% per annum

Newly constructed property

Urban Park Umejima (Residence (single))	
Anticipated acquisition date	Dec. 1, 2023
Anticipated acquisition price	JPY 1,032 mn
Appraisal NOI yield	4.1%

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

Utilization Policy of retained earnings

STAR ASIA Investment Corporation

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

Retention of gains on disposal through continuous asset replacements

Negative goodwill from merger

Total retained earnings: JPY 8.82 bn
(As of the end of the FP ended 7/2023)

Use retained earnings to stabilize distributions

Defensive

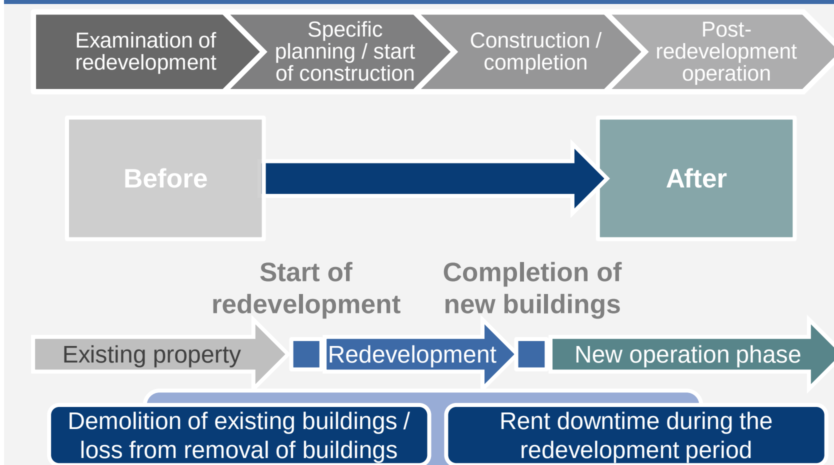
Dealing with the temporary reductions in revenue due to PO costs, the impact of COVID-19, etc.

FP14 Actual (ended 1/2023)	Drawdown of retained earnings JPY 80 mn	DPU +JPY 44
FP15 Actual (ended 7/2023)	Drawdown of retained earnings JPY - mn	Planning capital expenditures which will directly connect to increase in revenues
FP16 Forecast (ended 1/2024)	Drawdown of retained earnings JPY 290 mn	DPU +JPY 124
FP17 Forecast (ended 7/2024)	Drawdown of retained earnings JPY 130 mn	DPU +JPY 55

Stabilization of distributions per unit through the use of retained earnings

Offensive

Dealing with the redevelopment of portfolio assets, etc.



Stabilization of distributions through the use of retained earnings

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

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

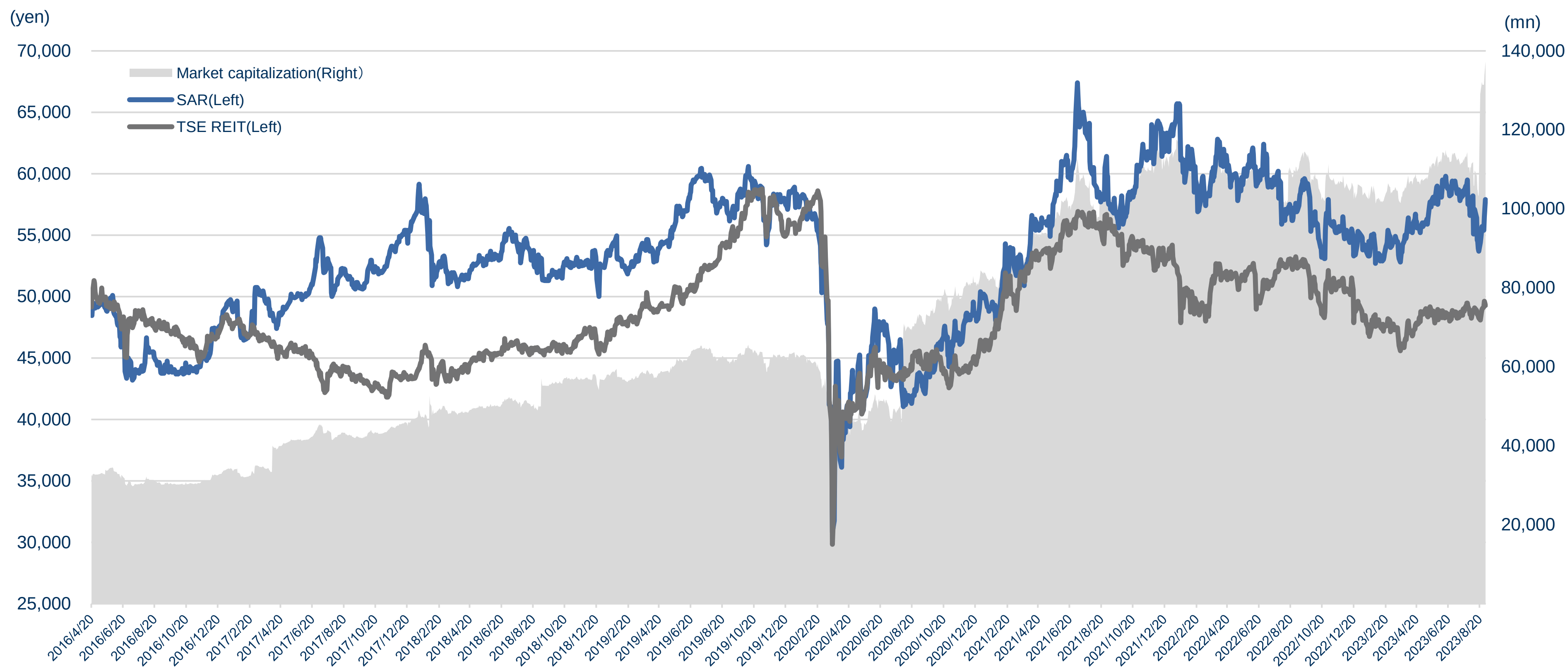
STAR ASIA Investment Corporation

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

Active management and investment unit price performance since listing

IPO April 20, 2016	1st follow-on offering March 17, 2017	2nd follow-on offering January 12, 2018	3rd follow-on offering August 21, 2018	Merger August 1, 2020	4th follow-on offering August 2, 2021	5th follow-on offering August 1 2022	6th follow-on offering August 7 2023

1st asset replacement December 5, 2016	2nd asset replacement February 28, 2017	3rd asset replacement July 23, 2018	4th asset replacement August 21, 2018	5th asset replacement March 2, 2020	6th asset replacement October 5,2020	7th asset replacement November 30,2020	8th asset replacement February 1,2023	9th asset replacement March 16,2023	10th asset replacement August 7,2023



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

6. Summary of Newly Acquired

6. Summary of Newly Acquired (1)

Hotels with upside potential in Internal Growth

STAR ASIA Investment Corporation

◆Located in Central Ginza, one of the most highly sought after commercial areas in Japan—hotel with high scarcity value
◆Convenient location—there are five JR and metro lines all within 7 minute walk

KOKO HOTEL Ginza 1-chome

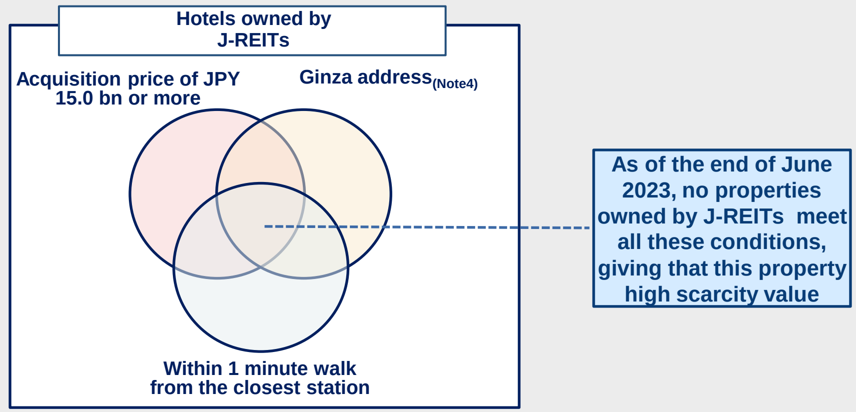
Acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 17,800 mn	**JPY 18,600 mn**	**4.0%**

Features of the Assets to be Acquired

- High competitive hotel located in Ginza, one of the most sought after commercial areas in Japan
- Convenient location--Only approx. one minute walk to the nearest station, Yurakucho Line “Ginza 1-chome”, making the hotel very convenient for guests
- Superior location and the scarcity of hotels in the area to attract both business demand and tourists demand

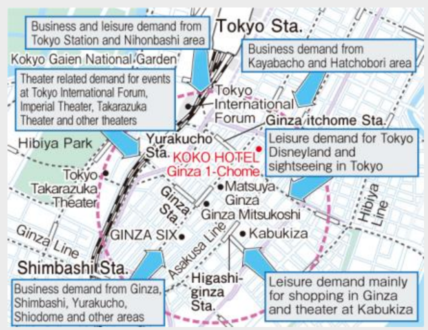
Overview of property	
Asset type	Hotel
Location	Chuo-ku, Tokyo
Structure/ floors(Note1)	SRC / 12F (with 1 basement floor)
Total floor area (m^2) (Note2)	7,299.11
Completion date(Note3)	October 2014
Number of guest rooms	305

High scarcity value, as a hotel in Ginza

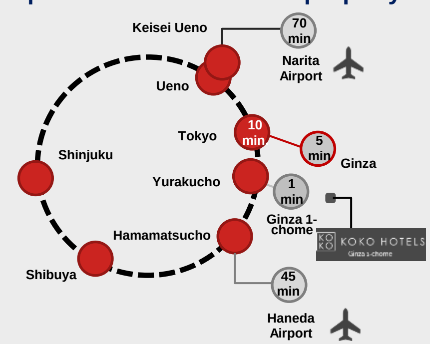


Locational advantages for a hotel in Ginza

- This property is located in Ginza 1-chome, with superb access to the metro(railways), and expressways, and meets the needs of both business and leisure travelers



Required time to reach this property



6. Summary of Newly Acquired (2)
Hotels with upside potential in Internal Growth

STAR ASIA Investment Corporation

KOKO HOTEL Sapporo Ekimae / Fino Hotel Sapporo Odori

KOKO HOTEL Sapporo Ekimae

Fino Hotel Sapporo Odori

Acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 6,700 mn / JPY 4,200 mn	**JPY 7,040 mn / JPY 4,250 mn**	**4.9% / 4.6%**

Property overview	KOKO HOTEL Sapporo Ekimae	Fino Hotel Sapporo Odori
Asset type	Hotel	Hotel
Location	Chuo-ku, Sapporo City, Hokkaido	Chuo-ku, Sapporo City, Hokkaido
Structure / floors	S / 12F (with 1 basement floor)	RC / 10F
Total floor area (m^2)	5,886.67	3,854.01
Completion date	October 2015	June 2020
Units / Rooms	224	145

Features of Assets Acquired

<KOKO HOTEL Sapporo Ekimae>

- KOKO HOTEL Sapporo Ekimae is located approx. 4 minute walk from "Odori" Station on the Sapporo Municipal Subway Tozai Line, giving it excellent traffic access and close to Sapporo Ekimae Street, a major tourist boulevard, where is flourishing area.
- Suitable for business and leisure travel as the rooms are mostly semi-double, double and twin rooms accommodating two or more people

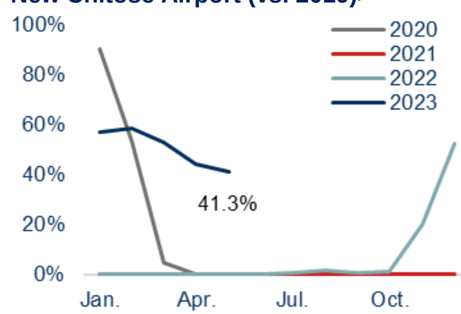
<Fino Hotel Sapporo Odori>

- Fino Hotel Sapporo Odori is a highly visible hotel located approx. 3 minute walk from "Odori" Station on the Sapporo Municipal Subway Nanboku Line, and high visibility due to being situated along the tram line running through Sapporo's main street
- Because most rooms are either doubles or twin, with rooms for four also available, the hotel is very appealing for group and family travelers
- Both hotels have the right location and room composition to become popular tourist accommodations, and a rise in hotel demand will likely further increase profitability

Trends in Sapporo area tourism demand

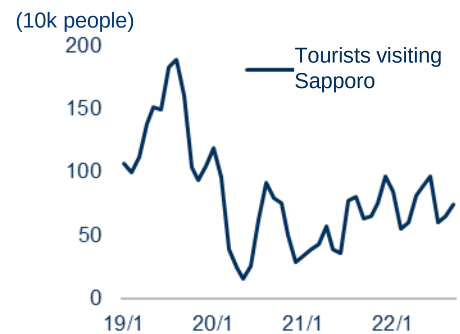
- While international passengers arriving at New Chitose Airport have been recovering since the fall of 2022, numbers are still approx. 50% below the same month in 2019
- The monthly number of tourists visiting Sapporo, including foreigners, has stayed below 1mn, yet to recover to 2019 levels

<International passengers at New Chitose Airport (vs. 2019)>



Source: Created by the Asset Manager based on "Status of Airport Management" by MLIT and "Statistics on Usage of Managed Airports" by East Japan Civil Aviation Bureau

<Tourists visiting Sapporo>



Source: Created by the Asset Manager based on tourism statistics by Sapporo City

Hotels with upside potential in Internal Growth

STAR ASIA Investment Corporation

KOKO HOTEL Hiroshima Ekimae

Features of the Asset Acquired

- KOKO HOTEL Hiroshima Ekimae is located approx. 5 minute walk from “Hiroshima” Station on the JR line and has high visibility due to being situated along the main street, and highly accessible
- Hiroshima City, the center of the Chugoku region, has many corporate headquarters and branches, and the hotel is close to the entertainment districts of Kamiyacho, Nagarekawa and Hatchobori, so the location may attract business travelers
- With good access to the Peace Memorial Park, which houses the Atomic Bomb Dome, and the world cultural heritage site Itsukushima Shrine, it is also expected to attract tourists, including foreign visitors
- With business demand likely set to recover, the property shows great potential for revenue growth

Acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 4,100 mn	**JPY 4,280 mn**	**5.2%**

Property overview

Asset type	Hotel
Location	Minami-ku, Hiroshima City, Hiroshima
Structure / floors	SRC / 14F (with 1 basement floor)
Total floor area (m^2)	5,370.75
Completion date	December 2019
Units / Rooms	250

KOKO HOTEL Kagoshima Tenmonkan

Features of the Asset Acquired

- KOKO HOTEL Kagoshima Tenmonkan is located approx. 4 minute walk from “Tenmonkan-dori” Station on the Kagoshima City Tram, and approx. 3 minute walk from the “Tenmonkan” stop on the Kagoshima Airport Shuttle Bus, providing easy access to “Kagoshima” Airport, and highly accessible
- Kagoshima City has many branch offices of public institutions and major corporations, and the hotel is located in Tenmonkan area, the largest shopping district in the city, making it convenient for business travelers
- The expansion and renovation of the international terminal building at “Kagoshima” Airport was completed in 2020, and the number of travelers is expected to grow after COVID-19 with increased capacity of the airport
- With its location inside a major entertainment district and excellent traffic access, a rise in hotel demand is expected to increase revenue

Acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 3,800 mn	**JPY 4,260 mn**	**6.1%**

Property overview

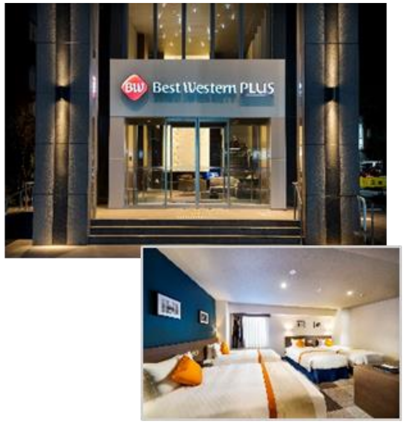
Asset type	Hotel
Location	Kagoshima City, Kagoshima
Structure / floors	RC / 13F
Total floor area (m^2)	4,622.48
Completion date	April 2019
Units / Rooms	295

6. Summary of Newly Acquired (4)

Hotels with upside potential in Internal Growth

KOKO HOTEL Fukuoka Tenjin / Best Western Plus Fukuoka Tenjin-Minami

KOKO HOTEL Fukuoka Tenjin



Best Western Plus Fukuoka Tenjin-Minami

Acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 5,000 mn / JPY 3,800 mn	JPY 5,370 mn / JPY 4,390 mn	4.9% / 6.7%

Property overview	KOKO HOTEL Fukuoka Tenjin	Best Western Plus Fukuoka Tenjin-Minami
Asset type	Hotel	Hotel
Location	Chuo-ku, Fukuoka City, Fukuoka	Chuo-ku, Fukuoka City, Fukuoka
Structure / floors	RC / 14F	S / 13F
Total floor area (m²)	4,404.91	7,322.03
Completion date	August 2007	April 2020
Units / Rooms	159	236

Features of Assets Acquired

<KOKO HOTEL Fukuoka Tenjin >

- KOKO HOTEL Fukuoka Tenjin is highly accessible and located approx. 4 minutes from “Tenjin Minami” Station on the Nanakuma Line and offers easy access to the Tenjin Station area, a major commercial hub in Fukuoka
- Most rooms are either doubles or twins and helps the hotel appeal to both tourists and business travelers

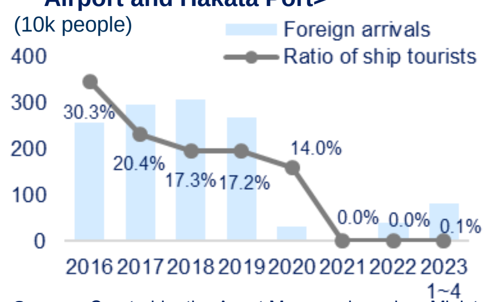
<Best Western Plus Fukuoka Tenjin-Minami>

- Best Western Plus Fukuoka Tenjin Minami is located approx. 5 minutes from Tenjin Minami Station on the Nanakuma Line and approx. an 11 minute walk from Tenjin Station on the Airport Line
- The Best Western Plus is within easy walking distance of the Tenjin Station area and Hakata Nakasu area, both very popular entertainment districts and putting the hotel in excellent position to draw tourists
- Additional runways are expected to come into service at Fukuoka Airport in 2025—the number of traveler capacity is expected to increase significantly
- With its close proximity to a major commercial hub and the expected increase in tourists traveling by air, a rise in hotel demand is expected to increase revenue from both hotels.

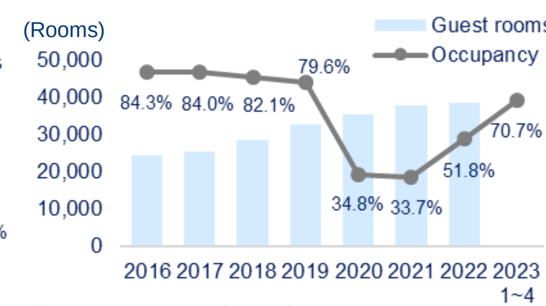
Trends in Fukuoka Tenjin area tourism demand

- From 2023 foreign arrivals at Fukuoka Airport and Hakata Port have recovered significantly, but the number of tourists arriving by cruise ship remains below previous levels; as boat travel returns to full swing and tourism from China recovers, demand is expected to grow much further
- The high domestic and foreign tourism demand had led to an increase in room supply, even during the COVID-19, and occupancy rates in 2022 showed signs of recovery

<Foreign arrivals at Fukuoka Airport and Hakata Port>



<Fukuoka City rooms and occupancy rates>



Source: Created by the Asset Manager based on Ministry of Justice ”Immigration Control Statistics”, Japan Tourism Agency “Overnight Travel Statistics Survey” and Fukuoka city sightseeing statistics “Sightseeing of Fukuoka city and MICE 2018 year edition and 2023 year edition”

6. Summary of Newly Acquired (5)

Residences Expected to Provide Stable Revenues

Urban Park Mitaka

Features of the Asset Acquired

- Urban Park Mitaka is located approx. 16 minute walk from “Mitaka” Station on the JR Chuo Line, with close access to “Shinjuku” Station (approx. 14 minutes) and “Tokyo” Station (approx. 35 minutes). It has excellent commuting convenience with easy access to central Tokyo
- In addition to commercial facilities that enhance living convenience, the area also has a nice living environment with cultural centers, parks, and lots of greenery
- A new three-story residential building completed in June 2023 with the latest housing equipment. The residence primarily targets families (average exclusive area of 84㎡ or more), with 3LDK and 4LDK floor plans
- Being freshly constructed and offering an excellent environment with plenty of livable space, the property will be highly appealing for families and is expected to maintain a high level of occupancy

Acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 743 mn	**JPY 1,010 mn**	**5.0%**

Property overview	
Asset type	Residence
Location	Mitaka City, Tokyo
Structure / floors	S / 3F
Total floor area (m^2)	1,201.39
Completion date	June 2023
Units / Rooms	14

Urban Park Umejima


Anticipated appearance at completion

Features of the Asset to be Acquired

- Urban Park Umejima is located approx. 12 minute walk from “Umejima” Station on the Tobu Isesaki Line, with close access to central business areas; in approx. 35 minutes ride to “Tokyo” Station via “Ueno” Station on JR Line
- The residence with a location that has many convenient facilities such as Umejima Ekimae-dori shopping street, hospitals, schools, and clinics. In addition to commercial facilities that enhance the convenience of living, the area also has good living environment with parks and lots of greenery
- A new residence is to be completed in November 2023 with the latest housing equipment with floor plans ranging from 1K to 2LDK, highly appealing to singles and small families
- Being freshly constructed and offering excellent traffic access, the property is expected to maintain a high level of occupancy

Anticipated acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 1,032 mn	**JPY 1,140 mn**	**4.1%**

Property overview	
Asset type	Residence
Location	Adachi-ku, Tokyo
Structure / floors	RC / 5F
Total floor area (m^2)	1,805.78
Completion date	November 2023 (Scheduled)
Units / Rooms	46

6. Summary of Newly Acquired (6)

Residences Expected to Provide Stable Revenues

STAR ASIA Investment Corporation

Urban Park Kamata-Minami I / Urban Park Kamata-Minami II

Urban Park Kamata-Minami I

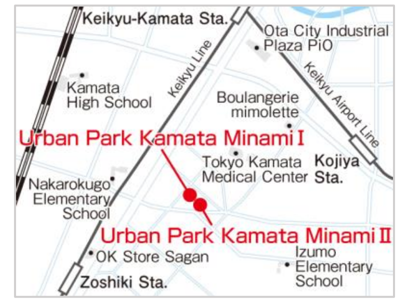
Urban Park Kamata-Minami II

Anticipated acquisition price:	Appraisal value:	Appraisal NOI yield:
JPY 641 mn / 1,375 mn	JPY 864 mn / 1,720 mn	5.0% / 4.7%

Property overview	Urban Park Kamata-Minami I	Urban Park Kamata-Minami II
Asset type	Residence	Residence
Location	Ota-ku, Tokyo	Ota-ku, Tokyo
Structure / floors	RC / 5F	RC / 6F
Total floor area (m²)	1,239.35	2,323.83
Completion date	September 2022	October 2023 (Scheduled)
Units / Rooms	36	71

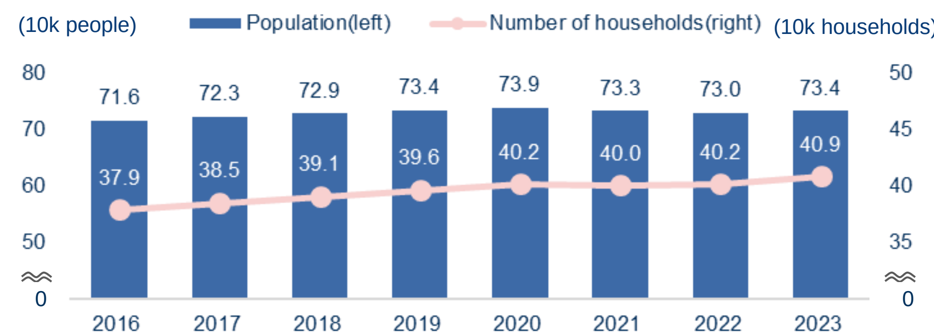
Features of Assets to be Acquired

- Urban Park Kamata Minami I and II are located approx. 10 minute walk from “Zoshiki” Station on the Keikyu-Main Line and approx. 12 minute walk from “Kojiya” Station on the Keikyu Airport Line with close access to business and commercial areas in Tokyo Area. “Tokyo” Station can be reached in approx. 32 minutes via JR lines, “Keikyu Kawasaki” Station in approx. 3 minutes via Keikyu-Main Line, and “Yokohama” Station in approx. 18 minutes via JR lines
- Urban Park Kamata Minami I was completed on September 29, 2022, and Urban Park Kamata Minami II is a new residential building scheduled for completion on October 31, 2023, with the latest housing equipment. The Urban Park Kamata Minami I has 1DK and 1LDK, and the Urban Park Kamata Minami II has 1R to 2DK, which are highly appealing to singles and small families
- With the number of households in Ota-ku on the rise, and the property being relatively new with excellent traffic access, it is expected to maintain a high level of occupancy



Demographics of Ota-ku, Tokyo

- The population of Ota-ku has remained stable since 2016
- The number of households has been increasing modestly



Source: : Created by the Asset Manager based on “The Basic Resident Register” by Ota-ku, Tokyo

Note: Figures for population and number of households are as of July 1 of each year

STAR ASIA
Investment Corporation

7. Initiatives on ESG

7. Initiatives on ESG (1)

Recent Topics regarding ESG Initiatives and ESG Promotion System

STAR ASIA Investment Corporation

- As a part of ESG related initiatives, participated in the 2022 GRESB Real Estate Assessment (Note 1), and acquired **3-Star / Green Star**
- In order to further enhance ESG related initiatives, strengthen cooperation with the **sub-sponsors (Nippon Kanzai and Tokyo Capital Management)**

ESG promotion system

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

The Asset Manager's Sustainability Promotion Division

Executive officer in charge of sustainability General Manager of Sustainability Tetsuya Makino

■ESG initiatives

- Setting of goals primarily focused on E (Environment), process management, and result verification
- Participation in GRESB Real Estate Assessment, and acquired **3 Star**

■Optimization of capital expenditures and repairs expenses

- Examination of capital expenditures and repair expenses
- Selection of equipment and materials with consideration for impact on revenue pursuant to ESG Policy and Sustainable purchase policy

Nippon Kanzai (Sub sponsor)

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

<E (Environment) related support>

■New Business & Corporate Branding Dept.

- Institution with certification for CASBEE
- Environment-related consulting services

■East Japan Engineering Management Center

■West Japan Engineering Management Center

- Energy-related services
- Environmental assessment services

Tokyo Capital Management (Sub sponsor)

TCM helps developing long-term repair plans for SAR's portfolio assets together with Nippon Kanzai

Aim to achieve E (Environment) related goals

GRESB Real Estate Assessment

＜GRESB Real Estate Assessment＞

- Star Asia Investment Corporation ("SAR") participated in the GRESB Real Estate Assessment in 2022, 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.

GRESB ★★★☆☆ 2022

GRESB Public Disclosure 2022

＜Initiatives on GRESB Real Estate Assessment＞

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

7. Initiatives on ESG (2)

E (Environment) related Numerical Goals and their Achievement Status

STAR ASIA Investment Corporation

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

E (Environment) Related Numerical Objectives and Actual Performance

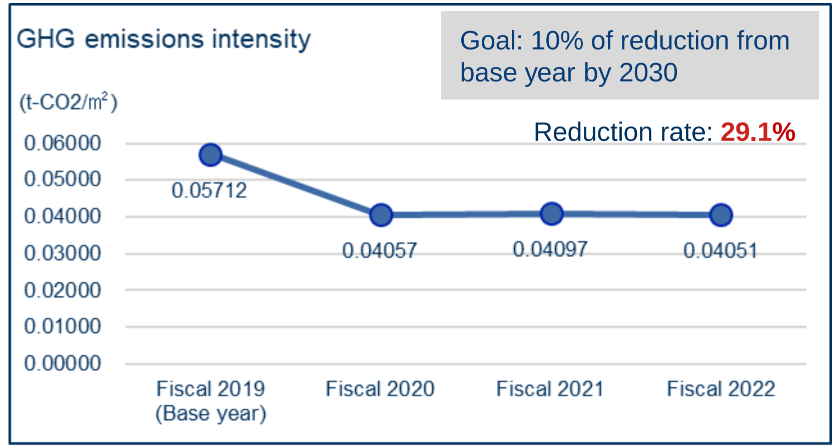
GHG(Note 1) Monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
GHG emissions	$t\text{-}CO_2$	23,154.05	16,804.50	20,130.43	20,588.99	-
Scope 1	$t\text{-}CO_2$	1,968.71	1,129.44	1,672.17	1,953.58	-
Scope 2	$t\text{-}CO_2$	21,185.34	15,675.06	18,458.26	18,635.41	-
GHG emissions intensity(Note 2)	$t\text{-}CO/m^2$	0.05712	0.04057	0.04097	0.04051	0.05140
Reduction rate	%	-	▲ 29.0%	▲ 28.3%	▲29.1%	▲ 10.0%

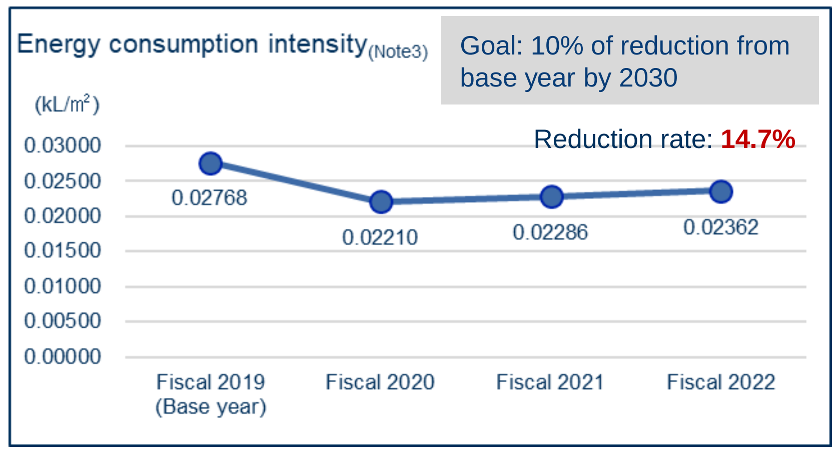
Crude oil equivalent monitoring item	Unit	Base year (2019)	2020 Actual	2021 Actual	2022 Actual	Target year (2030)
Crude oil equivalent usage amount	kL	11,220.81	9,156.34	11,234.60	12,001.80	-
Crude oil equivalent usage per unit	kL/m^2	0.02768	0.02210	0.02286	0.02362	0.02491
Reduction rate	%	-	▲ 20.1%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

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

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

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





7. Initiatives on ESG (3)

Initiatives for E (Environment) and S (Society)

STAR ASIA Investment Corporation

- ◆ Considering acquiring environmental certification for newly acquired properties as well.
- ◆ As an initiative for S (Society), a tenant satisfaction survey has been conducted. Considered ways to reflect the results of the survey in management and operations.

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

		Obtained			
		Property name	Asset type	Total floor area	Ratio (Note 1)
DBJ Green Building Certification (Note 2)	★★★	Baraki Logistics	Logistics	12,471.50 ㎡	32.8%
	★★	Honmachibashi Tower	Office	15,407.83 ㎡	
		La Park Kishiwada	Retail	65,663.02 ㎡	
		Urban Park Tokiwadai Koen	Residence	15,708.08 ㎡	
		Urban Park Mitsuike Koen	Residence	10,918.37 ㎡	
		Iwatsuki Logistics	Logistics	29,729.72 ㎡	
	★	Seishin Building	Office	7,624.66 ㎡	
		Seiyu Minakuchi	Retail	31,829.71 ㎡	
BELS Certification (Note 3)	★★★	Urban Center Hakata	Office	3,566.56 ㎡	2.7%
	★★	Urban Park Miyamaedaira (Note 5)	Residence	2,039.17 ㎡	
CASBEE Real Estate Certification (Note 4)	Rank S	Higashi-Kobe Center Building	Office	25,740.46 ㎡	7.3%
	Rank A	Urban Park Daikanyama	Residence	8,261.29 ㎡	
		abeno nini (retail)	Retail	4,866.82 ㎡	
Total計				229,132.88 ㎡	**42.8%**

Goals：50%（2026）

Signing of green lease contracts (Note 6)

◆ Signing of green lease contracts

- ■ Established policy for green lease agreement and added green lease clauses for 119 office tenants, 30 retail tenants, 6 residence tenant, 9 logistics tenants, and 2 hotel tenants.（25.2 % of leasable area）
- ■ SAR plans to add the same clause to other properties

166 ***tenants***

Total leased area ***15,651.91*** ㎡

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

- ■ Kishiwada Environment Fair 2023

A panel exhibition of environmental protection initiatives taken by Kishiwada City and various groups.

Based on the advocation by the Environment Agency, June has been designated as Environment Month, and initiatives were taken to promote interest and understanding of environmental protection matters, and awareness campaigns were launched to increase motivation towards proactive promotion activities.

◆Tenant satisfaction surveys

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

7. Initiatives on ESG (4)

Governance ①

STAR ASIA Investment Corporation

Same boat investment

- Aligning the interests of the Sponsor Group with those of the unitholders by holding 9.7% of the investment units of the Sponsor Group (as of Jul 31, 2023)
- Members of the Asset Manager also hold investment units

Star Asia Group (as of Jul 31, 2023)

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

＜Founder of Star Asia＞

Number of units held in same-boat investment:

186,832 units

Ownership:

9.7 %

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 2021 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	FP14	FP15
Management fees I	Total valuation amount of managed assets x **0.2%** (upper limit)	145,318 thousand yen	143,722 thousand yen
Management fees II	**NOI × 7.5%** (upper limit)	279,092 thousand yen	271,363 thousand yen
Acquisition fees	Acquisition price × **1.0%** (upper limit) ※	151,140 thousand yen	19,025 thousand yen
Transfer fee	Assignment price × **1.0%** (upper limit) ※	–	11,500 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

Department

Proposal

Compliance officer

Review and approval

Return

Investment Committee (including external members)

Review and resolution

Reject

Compliance Committee (including external members)

Review and resolution

Reject

Board of directors

Review and resolution

Reject

SAR's Committee

Review and approval

Disapprove

Items that do not need to be discussed at the Compliance Committee

Items that need to be discussed at the Compliance Committee

7. Initiatives on ESG (5)

Governance ②

Star Asia Group's Code of Conduct

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

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

The Code of Conduct is as follows:

1 Client First

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

STAR ASIA
Investment Corporation

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 JPY1,15 trillion and has current assets under management of around JPY501.5 billion[1].
- Star Asia Group has 593 officers and employees[2] with over 55 professionals in finance, investment and real estate area in primarily in Japan and a few in the United States
- Star Asia Group's partners and employees share a long-term perspective and always operate under our Guiding Principles which continuously drive the group to become and remain one of the leading real estate investment management firms in Japan
- Star Asia Group's strong track record and long-term partnership approach with our investors have been integral in attracting significant capital from sophisticated global investors, including large U.S. university endowments and foundations, Japanese and European pension funds, U.S. and Asia based family offices as well as other global real estate investors
- Star Asia Group is committed to its disciplined Investment Philosophy with a single goal of meeting and exceeding our client's expectations for the mandates we are given

Star Asia Group

Asset manager Listed J-REIT

Star Asia Investment Management Co., Ltd.

Star Asia Investment Corporation

Private Fund Management	Asset Management	Property Development	Purpose Built Student Accommodation Operation	Publicly Traded Hospitality Operation & Development Company	Credit Investment
Star Asia Management: • Registered Investment Advisor with the US SEC • Manages private funds including its flagship Star Asia Japan Special Situations funds • Sponsors and supports entities providing strategic and technical advice as well as leadership resources	**Star Asia Asset Advisors**: • Registered for Financial Instruments Business (2nd Financial Instruments, Investment Advisory, Agency and Investment Management*) with Kanto Financial Bureau (*) Invest Management Business registered as of December 2021 • Provides asset management, property management and brokerages services • Warehouses properties for SAIC **SAGL Advisors K.K.** • JV with Global Link Management Inc., an asset management company. (*) Registered Investment Advisory (June 2021)	**Star Asia Sogo Kaihatsu**: • Provides pipeline for GSASA, SAIC and Polaris Holdings	**GSA Star Asia**: • 50/50 JV with GSA Group, a pioneer in PBSA and operates in 8 countries including UK • Develops and operates PBSA in Japan	**Polaris Holdings (TSE: 3010)**: • Sponsored by Star Asia Group • Develops and operates hospitality properties with 28hotels and 4,962 rooms currently under management across Japan (as of March 2023)	**K.K. Star Asia Finance:** • Provide mezzanine non-recource finance to 3rd party sponsored SPCs. • Registered Money Lender and a Tax QII.

Star Asia Group with expanding business provides strong support to SAR

1. As of March 2023. US$ = JPY132.86
2. As of March 2023. Includes officers and employees of affiliated entities not shown above.

Investment Philosophy of Star Asia Group

STAR ASIA Investment Corporation

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 15th Fiscal Period ended July 2023

STAR ASIA Investment Corporation

Number of investment units by attribute: Total 1,921,689 units

Category	End of 14FP		End of 15FP	
	No. of investment units	Ratio	No. of investment units	Ratio
Individual	489,943	25.5%	478,202	24.9%
Financial institution	629,816	32.8%	616,944	32.1%
Domestic corporation	69,783	3.6%	85,433	4.4%
Foreign	663,050	34.5%	677,488	35.3%
Securities company	69,097	3.6%	63,622	3.3%
Total	1,921,689	100.0%	1,921,689	100.0%

Number of unitholders by attribute: Total 28,411

Category	End of 14FP		End of 15FP	
	No. of unitholders	Ratio	No. of unitholders	Ratio
Individual	28,169	97.3%	27,652	97.3%
Financial institution	48	0.2%	47	0.2%
Domestic corporation	413	1.4%	377	1.3%
Foreign	309	1.1%	313	1.1%
Securities company	26	0.1%	22	0.1%
Total	28,965	100.0%	28,411	100.0%

List of major unitholders (Top 10)

	Unitholder name	Number of investment units	Holding ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	216,287	11.3%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	216,135	11.2%
3	NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10 PCT TREATY ACCOUNT	91,697	4.8%
4	The Nomura Trust and Banking Co., Ltd. (Trust Account)	81,356	4.2%
5	STATE STREET BANK AND TRUST COMPANY 505001	47,352	2.5%
6	Star Asia Capital Ⅰ LLC	40,969	2.1%
6	Star Asia Capital Ⅱ LLC	40,969	2.1%
6	Star Asia Capital Ⅲ LLC	40,969	2.1%
6	Star Asia Capital Ⅳ LLC	40,969	2.1%
10	JP Morgan Chase Bank 385771	29,081	1.5%
Total		845,784	44.0%

Star Asia Capital Ⅰ～Ⅳ LLC are Sponsor Group.

Change in business results

STARASIA Investment Corporation

(Unit: million yen)

	10FP (ended Jan. 2021) actual	11FP (ended Jul. 2021) actual	12FP (ended Jan. 2022) actual	13FP (ended Jul. 2022) actual	14FP (ended Jan. 2023) actual	15FP (ended Jul. 2023) forecast (※1)	15FP (ended Jul. 2023) actual	Comparison with forecast
Lease business revenue	5,648	5,536	5,890	6,060	6,463	6,576	6,503	△72
Office rent	1,895	1,807	1,900	1,974	2,036	2,076	2,077	+0
Retail rent	848	790	842	847	1,038	1,046	1,048	+1
Residence rent	889	1,023	1,152	1,215	1,225	1,232	1,227	△5
Logistics rent	974	909	910	910	914	846	869	+22
Hotel rent	423	424	425	426	537	515	581	+65
Other	616	582	660	686	710	858	700	△157
Expenses related to rent business (Depreciation is excluded)	1,550	1,556	1,629	1,796	1,812	2,126	1,981	△145
NOI	4,097	3,980	4,261	4,263	4,650	4,449	4,521	+72
Depreciation	628	633	682	697	743	760	763	+2
Rent revenues/expenses	3,469	3,347	3,579	3,565	3,907	3,689	3,758	+69
Mezzanine	24	24	22	28	22	22	22	+0
TK distribution	5	-	46	-	-	-	-	-
Income from securities lending fees	-	-	-	-	-	-	6	＋6
Gain on sale of real estate property	993	-	-	-	-	413	414	+0
Loss on sales of real estate property	19	-	-	-	-	-	-	-
SGA	1,096	532	560	546	580	598	595	△3
Operating income	3,376	2,838	3,087	3,047	3,349	3,527	3,606	+79
Non-operating income	4	3	1	2	1	-	1	+1
Non-operating expenses	469	434	571	489	568	543	534	△8
Ordinary income	2,911	2,407	2,517	2,560	2,782	2,983	3,073	+90
Extraordinary income	8,891	-	-	-	-	-	-	-
Income before income taxes	11,802	2,407	2,517	2,560	2,782	2,983	3,073	＋90
taxes	0	0	0	0	0	0	0	-
Net income	11,801	2,407	2,516	2,559	2,781	2,983	3,073	+90
Cash distribution per unit	1,676 yen	1,462 yen	1,478 yen	1,476 yen	1,491 yen	1,552 yen	1,586 yen	34 yen
FFO per unit※2	1,531 yen	1,815 yen	1,787 yen	1,820 yen	1,834 yen	1,732 yen	1,780 yen	+48 yen
Balance of Internal reserves ※3	9,135	9,095	8,967	8,886	8,802	8,803	8,828	+24

（※1) announced in the 14th FP financial briefing report (2023/3/16). （※2) The 10th FP FFO per unit has been calculated excluding gains from negative goodwill. （※3）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

STAR ASIA Investment Corporation

(Unit: thousand yen)

	14th fiscal period (As of January 31, 2023)	15th fiscal period (As of July 31, 2023)
Assets		
Current assets		
Cash and deposits	3,488,637	3,262,429
Cash and deposits in trust	8,549,954	8,525,306
Operating accounts receivable	147,713	139,180
Prepaid expenses	211,249	197,986
Consumption taxes receivable	181,189	-
Other	7,000	14,462
Total current assets	12,585,743	12,139,365
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(114)	(114)
Tools, furniture and fixtures, net	0	0
Buildings in trust	56,299,699	56,821,886
Accumulated depreciation	(6,169,727)	(6,898,692)
Buildings in trust, net	50,129,971	49,923,193
Structures in trust	25,348	25,744
Accumulated depreciation	(6,646)	(7,577)
Structures in trust, net	18,702	18,166
Machinery and equipment in trust	163,565	251,570
Accumulated depreciation	(35,247)	(44,740)
Machinery and equipment in trust, net	128,318	206,829
Tools, furniture and fixtures in trust	125,782	139,432
Accumulated depreciation	(39,013)	(48,732)
Tools, furniture and fixtures in trust, net	86,768	90,699
Land in trust	140,397,333	139,857,495
Construction in progress in trust	1,282	33,095
Total property, plant and equipment	190,762,377	190,129,480
Intangible assets		
Leasehold rights in trust	4,082,300	4,082,300
Total intangible assets	4,082,300	4,082,300
Investments and other assets		
Investments in other securities of subsidiaries and associates	-	1,588,015
Investment securities	400,000	740,000
Long-term prepaid expenses	330,923	331,220
Leasehold and guarantee deposits	10,359	10,359
Other	533,969	191,122
Total investments and other assets	1,275,251	2,860,717
Total non-current assets	196,119,929	197,072,498
Deferred assets		
Investment corporation bond issuance costs	11,563	10,543
Investment unit issuance costs	49,370	36,758
Total deferred assets	60,933	47,301
Total assets	208,766,606	209,259,165

	14th fiscal period (As of January 31, 2023)	15th fiscal period (As of July 31, 2023)
Liabilities		
Current liabilities		
Operating accounts payable	906,069	995,681
Current portion of long-term borrowings	15,630,000	14,340,000
Accounts payable - other	539,516	534,593
Accrued expenses	77,453	75,324
Income taxes payable	605	605
Accrued consumption taxes	47,405	252,695
Advances received	1,019,524	1,236,897
Other	34,899	35,505
Total current liabilities	18,255,474	17,471,301
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term borrowings	80,210,000	81,500,000
Leasehold and guarantee deposits received	5,880	4,179
Leasehold and guarantee deposits received in trust	5,840,152	5,965,643
Other	-	93,578
Total non-current liabilities	87,056,032	88,563,401
Total liabilities	105,311,507	106,034,702
Net assets		
Unitholders' equity		
Unitholders' capital	66,123,367	66,123,367
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	8,624,499	8,535,586
Total voluntary reserve	8,624,499	8,535,586
Unappropriated retained earnings (undisposed loss)	3,043,461	3,340,372
Total surplus	36,800,179	37,008,177
Total unitholders' equity	102,923,546	103,131,545
Valuation and translation adjustments		
Deferred gains or losses on hedges	531,551	92,917
Total valuation and translation adjustments	531,551	92,917
Total net assets	103,455,098	103,224,463
Total liabilities and net assets	208,766,606	209,259,165

Statement of Income

STAR ASIA Investment Corporation

(Unit: thousand yen)

	14th fiscal period From: August 1, 2022 To: January 31, 2023	15th fiscal period From: February 1, 2023 To: July 31, 2023
Operating revenue		
Rental revenue	5,995,567	6,048,231
Other lease business revenue	467,828	454,964
Gain on sale of real estate	-	414,166
Other revenue	22,857	29,564
Total operating revenue	6,486,253	6,946,926
Operating expenses		
Expenses related to rent business	2,556,151	2,744,572
Asset management fee	424,410	418,486
Asset custody and administrative service fees	40,528	42,395
Directors’ compensations	2,400	2,400
Other operating expenses	113,204	132,242
Total operating expenses	3,136,696	3,340,096
Operating income	3,349,557	3,606,830
Non-operating income		
Interest income	56	53
Reversal of unpaid distribution	1,476	1,046
Subsidy income	-	504
Interest on refund	1	315
Total non-operating income	1,534	1,918
Non-operating expenses		
Interest expenses	372,916	377,649
Interest expenses on investment corporation bonds	3,500	3,500
Borrowing related expenses	178,507	140,125
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	12,611	12,611
Total non-operating expenses	568,555	534,906
Ordinary income	2,782,535	3,073,841
Income before income taxes	2,782,535	3,073,841
Income taxes - current	605	605
Total income taxes	605	605
Net income	2,781,930	3,073,236
Retained earnings brought forward	261,530	267,135
Unappropriated retained earnings (undisposed loss)	3,043,461	3,340,372

Portfolio List (as of Jul 31, 2023)

STARASIA Investment Corporation

< Property>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)(＊)
Office	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	3,040	1.5	4.7
	Honmachibashi Tower	Osaka City, Osaka	6,065	7,080	3.1	5.1
	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	2,690	0.9	6.9
	Urban Center Shibuya East	Shibuya Ward, Tokyo	2,042	3,290	1.1	5.6
	Urban Center Yokohama West	Yokohama City, Kanagawa	6,320	8,400	3.3	4.9
	Hakata-eki East Place	Fukuoka City, Fukuoka	2,286	3,260	1.2	6.7
	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	1,500	0.7	4.5
	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	2,790	1.3	4.0
	Higashi Kobe Center Building	Kobe City, Hyogo	7,440	7,320	3.8	5.4
	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	1,230	0.5	4.0
	Seishin Building	Shinjuku Ward, Tokyo	11,200	11,700	5.8	3.6
	Urban Center Kanda Suda cho	Chiyoda Ward, Tokyo	5,350	5,440	2.8	3.7
	Urban Center Kanda	Chiyoda Ward, Tokyo	4,590	4,570	2.4	3.8
	Takadanobaba Access	Shinjyuku Ward, Tokyo	3,990	3,930	2.1	3.9
	Azabu Amerex Building	Minato Ward, Tokyo	2,780	2,890	1.4	3.7
	Hiei-Kudan Building	Chiyoda Ward, Tokyo	2,400	2,400	1.2	3.6
	Undab Center Shin-Yokohama	Yokohama City, Kanagawa	2,300	2,570	1.2	5.0
	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	1,490	0.8	3.8
	Urban Center Tachikawa	Tachikawa City, Tokyo	1,804	2,010	0.9	5.2
	Urban Center Hakata	Fukuoka City, Fukuoka	2,870	3,250	1.5	4.3
	Urban Center Fujisawa	Fujisawa City, Kanagawa	2,054	2,200	1.1	5.6
	Office Subtotal		74,787	83,050	38.5	4.5
Retail	La Park Kishiwada	Kishiwada City, Osaka	5,400	5,200	2.8	7.0
	Suroy Mall Chikushino	Chikushino City, Fukuoka	6,550	6,310	3.4	5.8
	Seiyu Minakuchi	Koka City, Shiga	3,320	3,330	1.7	7.4
	BAGUS Ikebukuro West	Toshima Ward, Tokyo	2,984	3,500	1.5	4.1
	abeno nini (Retail)	Osaka City, Osaka	9,500	10,500	4.9	4.2
	Retail Subtotal		27,754	28,840	14.3	5.5

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)(＊)
Residence	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	2,950	1.1	4.4
	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	10,100	3.3	4.8
	Urban Park Namba	Osaka City, Osaka	1,490	1,540	0.8	5.0
	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	1,570	0.8	4.2
	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	1,200	0.6	4.8
	Urban Park Ryokuchi-koen	Suita City, Osaka	1,550	1,730	0.8	5.6
	Urban Park Koenji	Suginami Ward, Tokyo	1,167	1,180	0.6	4.4
	Urban Park Ichigao	Yokohama City, Kanagawa	1,810	2,180	0.9	4.8
	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	1,610	0.7	4.7
	Shiroi Logiman	Shiroi City, Chiba	2,470	2,520	1.3	5.7
	Urban Park Sekime	Osaka City, Osaka	2,150	2,470	1.1	5.3
	Urban Park Imazato	Osaka City, Osaka	993	1,110	0.5	5.5
	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	1,990	0.9	3.6
	Urban Park Tokiwadai Koen	Yokohama City, Kanagawa	3,506	4,090	1.8	5.4
	Urban Park Mitsuike Koen	Yokohama City, Kanagawa	3,160	3,620	1.6	5.3
	Urban Park Ryogoku	Sumida Ward, Tokyo	1,115	1,310	0.6	4.6
	Urban Park Mizonokuchi	Kawasaki City, Kanagawa	2,019	2,100	1.0	4.6
	Urban Park Miyamaedaira	Kawasaki City, Kanagawa	1,060	1,250	0.5	4.9
	Urban Park Tsurumi	Yokohama City, Kanagawa	1,113	1,190	0.6	4.8
	Residence Subtotal		37,779	45,710	19.5	4.9
Logistics	Iwatsuki Logistics	Saitama City, Saitama	6,942	7,690	3.6	4.8
	Yokohama Logistics	Yokohama City, Kanagawa	3,560	4,330	1.8	5.7
	Funabashi Logistics	Funabashi City, Chiba	7,875	8,950	4.1	5.3
	Baraki Logistics	Ichikawa City, Chiba	4,700	5,230	2.4	4.1
	Tokoyozawa Logistics	Tokorozawa City, Saitama	1,300	1,550	0.7	5.8
	Funabashi Nishiura Logistics Ⅱ	Funabashi City, Chiba	821	891	0.4	7.0
	Matsubushi Logistics	Kita-Katsushika-gun, Saitama	2,755	3,310	1.4	5.7
	Funabashi Hi-Tech Park Ⅰ	Funabashi City, Chiba	1,710	2,070	0.9	7.9
	Logistics Subtotal		29,663	34,021	15.3	5.3

※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.

Portfolio List (as of Jul 31, 2023)

STAR ASIA Investment Corporation

< Property>

	Property name	Location	Acquisition Price (mill)	Appraisal value (mill)	Investment ratio (%)	Appraisal NOI yield (%)(＊)
Hotel	R&B Hotel Umeda East	Osaka City, Osaka	2,069	2,280	1.1	5.5
	Smile Hotel Namba	Osaka City, Osaka	1,750	1,460	0.9	4.3
	REMBRANDT STYLE Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	3,440	2.0	4.1
	Best Western Yokohama	Yokohama City, Kanagawa	3,248	3,200	1.7	4.5
	The BREAKFAST HOTEL Fukuoka Tenjin	Fukuoka City, Fukuoka	1,970	1,930	1.0	4.5
	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	2,440	1.3	3.9
	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	3,140	1.6	4.0
	KOKO HOTEL Osaka Namba	Osaka City, Osaka	2,000	1,450	1.0	3.6
	abeno nini (Hotel)	Osaka City, Osaka	3,600	3,770	1.9	4.9
	Hotel Subtotal		24,144	23,110	12.4	4.4
Total			194.127	214,731	100.0	4.8

Period-end appraisal value	:	214,731 million yen
Total book value	:	194,178 million yen
Period-end unrealized gains (losses)	:	20,552million yen
Net assets per unit	:	53,715 yen
Unrealized gains per unit	:	10,694 yen
NAV per unit (*1)	:	62,824 yen
P/NAV per (*2)	:	0.92

(*1) NAV per unit = (Period-end net assets + Period-end unrealized gains – Total cash distribution) / Total number of investment units issued and outstanding
(*2) P/NAV per ＝Investment unit price / NAV per unit (Investment unit price on July 31, 2023: 57,500 yen)

< Mezzanine loan debt investment / Preferred equity security>

No.	Name of the security （asset overview）	Type	Period-end book value	Underlying asset, etc.		Interest rate (※2)
				Asset name	Location	
MEZ-07	Star Asia Mezzanine Loan Debt Investment Series 7	Corporate bond	400	Quintessa Hotel Tokyo Haneda Comic & Books	Ota Ward, Tokyo	Base rate +5.0%
MEZ-08	Star Asia Mezzanine Loan Debt Investment Series 8 B	Trust beneficiary interest	340	Centurion Hotel Grand Akasaka	Minato Ward, Tokyo	Base rate +7.3%
TK-03	GSA JP Project 1 Tokutei Mokuteki Kaisha Preferred Equity Securities	Preferred equity security	1,588	HAKUSAN HOUSE	Bunkyo Ward, Tokyo	（Lending Fee：4.0%）
合 計			2,328			

※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 September 1, 2023)

STAR ASIA Investment Corporation

< Property>

	Property name	Location	Acquisition Price (mill)	Appraisal value at end of 13 FP(mill)	Appraisal NOI yield (%)(＊)
Residence	Urban Park Mitaka	Minato Ward, Tokyo	743	1,010	5.0
	Urban Park Kamata Minami Ⅰ	Ota Ward, Tokyo	641	864	5.0
	Urban Park Kamata Minami Ⅱ	Ota Ward, Tokyo	1,375	1,720	4.7
	Urban Park Umejima	Adachi Ward, Tokyo	1,032	1,140	4.1
	Subtotal		3,791	4,734	4.6
Hotel	KOKO HOTEL Ginza 1-Chome	Chuo Ward, Tokyo	17,800	18,600	4.0
	KOKO HOTEL Sapporo Ekimae	Sapporo City, Hokkaido	6,700	7,040	4.9
	KOKO HOTEL Fukuoka Tenjin	Fukuoka City, Fukuoka	5,000	5,370	4.9
	KOKO HOTEL Hiroshima Ekimae	Hiroshima City, Hiroshima	4,100	4,280	5.2
	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima City, Kagoshima	3,800	4,260	6.1
	Fino Hotel Sapporo Odori	Sapporo City, Hokkaido	4,200	4,250	4.6
	Best Western Plus Fukuoka Tenjin-minami	Fukuoka City, Fukuoka	3,800	4,390	6.7
	Subtotal		45,400	48,190	4.8
Total			49,191	52,924	4.8

< Mezzanine loan debt investment >

No.	Name of the security (asset overview)	Type	Acquisition Price	Underlying asset, etc.		Interest rate (※2)
				Asset name	Location	
MEZ-08	Star Asia Mezzanine Loan Debt Investment Series 8 A	Trust beneficiary interest	430	Centurion Hotel Grand Akasaka	Minato Ward, Tokyo	Base rate +5.3%
Total			430			

※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)

STAR ASIA Investment Corporation

(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		7,080 million yen		2,690 million yen		3,290 million yen		8,400 million yen		3,260 million yen	
Structure/Floors	SRC B1/7F		S/SRC B1/21F		SRC B1/9F		S 6F		S･SRC B2/12F		SRC 9F	
Location	Minato Ward, Tokyo		Osaka City, Osaka		Shibuya Ward, Tokyo		Shibuya Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka	
Lot area	766.11㎡		1,274.37㎡		589.94㎡(surface right)		620.42㎡(of which 2.62 m² leasehold)		1,096.86㎡		1,129.86㎡	
Total floor areas	4,137.21㎡		15,407.83㎡		5,117.80㎡		1,982.86㎡		12,353.83㎡		6,243.13㎡	
Construction completion	June 15, 1993		February 8, 2010		May 28, 1987		July 31, 1993		November 25, 1994		February 24, 1986	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	102,768	99,368	250,354	249,203	119,608	120,379	70,716	74,599	235,651	231,766	115,873	118,913
Lease business revenue	90,117	90,623	214,898	215,411	104,825	108,488	66,970	71,160	211,725	210,792	104,943	107,143
Other lease business revenue	12,651	8,745	35,456	33,792	14,783	11,890	3,745	3,438	23,926	20,974	10,929	11,770
Total operating expenses from real estate leasing	31,128	28,356	73,322	77,199	38,199	34,504	13,300	14,352	70,952	56,147	29,616	25,078
Management fee	5,949	6,081	14,425	15,194	7,093	6,977	4,888	4,936	14,802	15,618	8,328	8,352
Utilities expenses	7,971	5,793	32,481	31,838	12,785	8,790	3,118	2,275	29,209	17,438	8,937	6,302
Taxes and dues	4,496	4,483	19,807	20,019	3,445	3,401	4,418	4,685	15,952	16,365	7,321	7,715
Repair expenses	763	672	4,192	7,680	264	1,967	382	1,795	9,640	5,040	2,964	1,766
Trust fee	391	388	400	400	400	400	350	350	400	400	400	400
Insurance premium	150	147	465	456	167	164	58	57	487	477	219	213
Other expenses	11,404	10,789	1,550	1,610	14,044	12,803	84	251	460	807	1,444	328
NOI	71,640	71,012	177,032	172,004	81,408	85,874	57,415	60,246	164,699	175,619	86,257	93,834
Depreciation	13,261	13,941	45,454	45,549	10,613	10,813	3,942	3,986	29,879	31,014	12,087	12,919
Operating income (loss) from real estate leasing	58,379	57,070	131,577	126,455	70,795	75,061	53,473	56,260	134,819	144,605	74,170	80,915
Capital expenditures	39,923	1,728	460	6,077	4,057	7,263	1,880	408	47,448	7,464	37,840	4,764
NCF	31,717	69,284	176,571	165,927	77,351	78,611	55,535	59,838	117,250	168,154	48,416	89,069
Period-end book value (million yen)	2,980	2,968	5,596	5,556	1,803	1,799	2,089	2,085	6,294	6,270	2,425	2,417

Balance of Payments of Individual Properties (2)

STAR ASIA
Investment Corporation

（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		Seishin Building		Urban Center Kanda Suda-cho	
												
Acquisition price	1,450 million yen		2,580 million yen		7,440 million yen		1,020 million yen		11,200 million yen		5,350 million yen	
Appraisal value	1,500 million yen		2,790 million yen		7,320 million yen		1,230 million yen		11,700 million yen		5,440 million yen	
Structure/Floors	SRC 11F		SRC S 8F/B1F		SRC 14F		RC7F		SRC 10F/1B		SRC 10F/1B	
Location	Chuo Ward, Tokyo		Shibuya Ward, Tokyo K		Kobe City, Hyogo		Shibuya Ward, Tokyo		Shinjyuku Ward, Tokyo		Chiyoda Ward, Tokyo	
Lot area	319.04㎡Number derived by multiplying the ratio of holdings)		433.21㎡		8,488.11㎡		203.43㎡		886.93㎡		590.72㎡	
Total floor areas	2,384.03㎡Number 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	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	39,904	45,126			316,441	321,893			207,083	198,113	145,353	140,958
Lease business revenue	39,904	45,126			278,559	283,414			187,065	184,896	135,305	135,273
Other lease business revenue	-	-			37,882	38,479			20,017	13,217	10,048	5,684
Total operating expenses from real estate leasing	12,932	17,529			131,401	142,937			68,753	84,535	33,911	35,585
Management fee	678	801			25,114	23,132			18,930	18,394	12,107	11,753
Utilities expenses	186	91	(※)	(※)	43,902	47,211	(※)	(※)	14,138	9,476	7,998	6,108
Taxes and dues	4,371	4,510			29,028	29,857			21,456	22,779	10,918	11,457
Repair expenses	379	-			10,066	15,528			10,325	19,732	1,912	5,050
Trust fee	400	400			400	400			350	650	350	650
Insurance premium	175	172			954	934			288	283	211	208
Other expenses	6,742	11,553			21,935	25,872			3,264	13,218	412	358
NOI	26,971	27,596	52,554	52,206	185,040	178,956	20,642	20,587	138,329	113,578	111,441	105,372
Depreciation	2,941	3,061	4,221	4,290	41,679	44,791	1,676	1,676	16,204	19,000	8,903	9,190
Operating income (loss) from real estate leasing	24,030	24,535	48,332	47,915	143,360	134,164	18,965	18,911	122,125	94,577	102,538	96,182
Capital expenditures	5,306	2,709	-	6,542	45,935	117,396	-	-	64,429	108,903	3,508	19,067
NCF	21,664	24,887	52,554	45,663	139,104	61,559	20,642	20,587	73,899	4,674	107,933	86,304
Period-end book value (million yen)	1,449	1,449	2,575	2,577	7,661	7,734	1,033	1,032	11,325	11,415	5,339	5,348

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

Balance of Payments of Individual Properties (3)

STAR ASIA
Investment Corporation

(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		3,930 million yen		2,890 million yen		2,400 million yen		2,570 million yen		1,490 million yen	
Structure/Floors	SRC 8F/1B		SRC 14F/1B		SRC 8F/1B		SRC S 11F/1B		S RC 1F/1B		SRC S 8F	
Location	Chiyoda Ward, Tokyo		Shinjyuku Ward, Tokyo		Minato Ward, Tokyo		Chiyoda Ward, Tokyo		Yokohama City, Kanagawa		Chiyoda Ward, Tokyo	
Lot area	709.52㎡		930.70㎡		601.71㎡		478.27㎡(Number derived by multiplying the ratio of holdings)		700.59㎡		184.76㎡	
Total floor areas	4,629.27㎡		5,757.14㎡		2,909.80㎡		3,205.72㎡(Number derived by multiplying the ratio of holdings)		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	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	119,634	115,699	111,912	107,193	73,793	72,918	60,731	69,319	85,248	87,471	33,893	33,464
Lease business revenue	110,043	110,501	100,364	98,124	68,952	68,887	60,731	68,534	74,226	79,706	31,897	32,163
Other lease business revenue	9,591	5,198	11,547	9,068	4,840	4,031	-	785	11,021	7,765	1,996	1,301
Total operating expenses from real estate leasing	31,748	27,290	38,276	38,731	20,726	26,644	26,592	24,656	32,686	31,225	9,040	9,277
Management fee	9,608	9,876	13,417	13,085	7,472	7,527	3,421	3,564	9,047	9,943	2,653	2,702
Utilities expenses	8,366	6,120	11,259	8,691	4,350	3,051	74	28	8,328	7,047	1,661	1,177
Taxes and dues	7,565	7,917	9,197	9,547	7,817	8,257	6,845	7,206	7,779	8,094	1,578	1,642
Repair expenses	5,277	1,498	3,043	1,696	466	6,465	357	-	5,511	4,829	1,075	205
Trust fee	400	700	400	600	375	775	500	800	350	650	400	600
Insurance premium	204	200	223	219	105	103	189	183	193	190	40	39
Other expenses	326	977	733	4,890	138	463	15,204	12,873	1,476	471	1,632	2,910
NOI	87,886	88,408	73,635	68,461	53,067	46,274	34,139	44,663	52,562	56,245	24,852	24,186
Depreciation	12,723	13,334	10,702	11,044	3,849	4,028	3,934	4,027	13,871	14,782	3,603	3,897
Operating income (loss) from real estate leasing	75,162	75,074	62,933	57,416	49,218	42,246	30,205	40,636	38,690	41,463	21,248	20,289
Capital expenditures	15,633	3,310	8,199	12,957	5,609	879	3,467	-	19,998	53,320	11,553	2,553
NCF	72,252	85,097	65,436	55,504	47,457	45,394	30,672	44,663	32,563	2,925	13,298	21,633
Period-end book value (million yen)	4,738	4,728	4,004	4,005	2,786	2,783	2,390	2,386	2,428	2,467	1,504	1,502

Balance of Payments of Individual Properties (4)

STAR ASIA
Investment Corporation

(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	2,010 million yen		3,250 million yen		2,200 million yen	
Structure/Floors	RC S 6F/1B		S 8F		SRC 8F/1BC	
Location	Tachikawa city, Tokyo		Fukuoka city, Fukuoka		Fujisawa city, 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	
	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	45,852	51,351	77,043	77,043	77,094	81,570
Lease business revenue	41,232	47,234	77,043	77,043	66,793	73,506
Other lease business revenue	4,619	4,116	-	-	10,301	8,063
Total operating expenses from real estate leasing	19,543	32,086	12,363	12,413	14,833	39,451
Management fee	5,085	5,002	5,140	5,188	4,285	4,918
Utilities expenses	4,741	3,511	-	-	8,047	7,609
Taxes and dues	4,547	4,557	6,314	6,424	21	4,185
Repair expenses	4,351	13,636	119	99	1,670	21,761
Trust fee	400	400	400	400	363	400
Insurance premium	142	139	121	119	134	144
Other expenses	275	4,837	268	181	310	431
NOI	26,308	19,265	64,679	64,630	62,260	42,118
Depreciation	5,557	6,454	15,281	15,281	5,942	6,257
Operating income (loss) from real estate leasing	20,750	12,810	49,398	49,348	56,318	35,861
Capital expenditures	27,865	58,304	-	-	1,443	54,100
NCF	△1,557	△39,039	64,679	64,630	60,817	△11,981
Period-end book value (million yen)	1,852	1,904	2,854	2,839	2,147	2,195

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

Balance of Payments of Individual Properties (5)

STARASIA Investment Corporation

(Unit : Thousand yen)

Asset Type	RTL-01		RTL-02		RTL-03		RTL-05		RTL-06	
Property name	LaPark Kishiwada		Suroy Mall Chikushino		Seiyu Minakuchi		BAGUS Ikebukuro West		abeno nini (Retail)	
										
Acquisition price	5,400 million yen		6,550 million yen		3,320 million yen		2,984 million yen		9,500 million yen	
Appraisal value	5,200 million yen		6,310 million yen		3,330 million yen		3,500 million yen		10,500 million yen	
Structure/Floors	RC S 3F		S 2F		S 4F		SRC 8F/2B		RC24F/ 2B	
Location	Kishiwada city, Osaka		Chikushino city, Fukuoka		Koka city, Shiga		Toshima Ward, Tokyo		Osaka city, Osaka	
Lot area	39,799.74㎡		121,423.46㎡(Also has leased land of 25,321.5㎡ for use as a parking lot.)		19,917.56㎡ (of which leased land is 16,444.53㎡)		264.15㎡		633.90㎡	
Total floor areas	65,663.02㎡		31,028.62㎡		31,829.71㎡		1,497.45㎡		4,866.82㎡	
Construction completion	August 30, 1994		June 22, 2007		May 31, 1999		November 20, 1992		January 31, 2012	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	533,043	528,144	267,243	258,010	(※)	(※)	(※)	(※)	201,113	221,344
Lease business revenue	417,110	414,658	263,274	254,700					201,113	221,344
Other lease business revenue	115,932	113,485	3,969	3,309					-	-
Total operating expenses from real estate leasing	331,572	347,730	68,231	80,946					18,034	28,028
Management fee	111,190	118,104	22,715	24,771					1,090	1,200
Utilities expenses	150,175	143,934	7,219	5,142					-	-
Taxes and dues	44,199	44,044	19,796	20,787					3	8,254
Repair expenses	9,417	20,202	1,372	5,627					81	-
Trust fee	1,850	2,150	350	650					318	350
Insurance premium	1,184	1,164	622	611					131	145
Other expenses	13,553	18,128	16,154	23,355					16,410	18,078
NOI	201,470	180,413	199,011	177,063	128,413	121,329	60,943	60,654	183,079	193,315
Depreciation	27,587	29,612	23,314	23,328	26,441	26,592	2,304	2,316	16,639	16,639
Operating income (loss) from real estate leasing	173,883	150,801	175,697	153,734	101,972	94,736	58,639	58,337	166,439	176,676
Capital expenditures	84,181	55,355	-	2,521	-	9,435	-	1,106	-	-
NCF	117,289	125,058	199,011	174,541	128,413	111,894	60,943	59,547	183,079	193,315
Period-end book value (million yen)	5,474	5,499	6,427	6,406	3,221	3,203	3,001	3,000	9,589	9,572

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

Balance of Payments of Individual Properties (6)

STAR ASIA Investment Corporation

(Unit : Thousand yen)

Asset Type	RSC-01		RSC-02		RSC-05		RSC-06		RSC-07		RSC-08	
Property name	Urban Park Azabujuban		Urban Park Daikanyama		Urban Park Namba		Urban Park Gokokuji		Urban Park Kashiwa		Urban Park Ryokuchi-koen	
												
Acquisition price	2,045 million yen		6,315 million yen		1,490 million yen		1,460 million yen		1,186 million yen		1,550 million yen	
Appraisal value	2,950 million yen		10,100 million yen		1,540 million yen		1,570 million yen		1,200 million yen		1,730 million yen	
Structure/Floors	SRC with slate roofing B1/12F		①RC B1/3F ②RC B1/9F		RC 14F		RC B1F/5F		SRC B1F/8F		RC 8F	
Location	Minato Ward, Tokyo		Shibuya Ward, Tokyo		Osaka City, Osaka		Toshima Ward, Tokyo		Kashiwa City, Chiba		Suita City, Osaka	
Lot area	417.67㎡		2,469.06㎡		670.39㎡		942.66 m 2 (Of which, 50.85 m2 is contributed to Toshima Ward as road)		1,597.85㎡		2,804.56㎡	
Total floor areas	2,564.94㎡		8,261.29㎡		2,776.87㎡		2,451.72㎡		4,243.71㎡		5,854.64㎡	
Construction completion	November 29, 1999		1: November 15, 1982 2: May 30, 2006		January 9, 2013		February 28, 1990		August 28, 1997		March 10,1989	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	56,193	57,632	197,239	201,243	48,394	45,672	50,593	47,591	38,582	39,291	60,716	60,731
Lease business revenue	54,268	56,102	186,671	194,689	46,979	44,916	46,637	45,145	37,720	37,772	57,591	57,359
Other lease business revenue	1,925	1,529	10,567	6,553	1,415	756	3,956	2,445	861	1,518	3,124	3,372
Total operating expenses from real estate leasing	14,085	10,912	41,614	31,984	13,047	14,460	17,697	23,564	8,949	9,861	17,023	15,271
Management fee	2,287	2,211	9,486	10,291	2,555	3,328	4,213	3,761	2,575	2,473	3,070	2,558
Utilities expenses	786	705	4,924	2,971	427	431	2,711	2,771	634	627	2,865	2,627
Taxes and dues	2,937	2,995	11,761	12,211	2,841	2,892	1,914	1,932	2,955	2,959	3,584	3,594
Repair expenses	3,811	2,919	5,438	2,683	4,097	2,780	5,179	9,421	1,403	2,197	5,214	3,960
Trust fee	350	350	350	350	350	350	400	400	350	350	350	350
Insurance premium	74	72	250	237	85	83	67	66	111	108	165	159
Other expenses	3,839	1,658	9,402	3,238	2,689	4,595	3,210	5,211	918	1,144	1,772	2,020
NOI	42,108	46,719	155,624	169,259	35,347	31,211	32,896	24,026	29,633	29,430	43,692	45,460
Depreciation	5,200	5,214	12,812	12,981	7,874	8,021	6,041	5,909	7,622	7,662	8,392	8,758
Operating income (loss) from real estate leasing	36,908	41,505	142,812	156,277	27,472	23,189	26,854	18,117	22,011	21,767	35,300	36,701
Capital expenditures	1,362	3,315	4,330	4,041	1,881	1,353	-	801	750	135	4,498	8,520
NCF	40,746	43,404	151,294	165,217	33,466	29,858	32,896	23,225	28,883	29,294	39,194	36,940
Period-end book value (million yen)	2,064	2,062	6,339	6,330	1,475	1,469	1,494	1,489	1,216	1,209	1,580	1,580

Balance of Payments of Individual Properties (7)

STAR ASIA
Investment Corporation

（Unit : Thousand yen）

Asset Type	RSC-09		RSC-10		RSC-11		RSC-12		RSC-13		RSC-14	
Property name	Urban Park Koenji		Urban Park Ichigao		Urban Park Gyotoku		Shiroi Logiman		Urban Park Sekime		Urban Park Imazato	
												
Acquisition price	1,167 million yen		1,810 million yen		1,430 million yen		2,470 million yen		2,150 million yen		993 million yen	
Appraisal value	1,180 million yen		2,180 million yen		1,610 million yen		2,520 million yen		2,470 million yen		1,110 million yen	
Structure/Floors	RC 4F		RC SF/1B		SRC 10F		RC 13F		SRC 15F		RC 10F	
Location	Suginami Ward, Osaka		Yokohama City, Kanagawa		Ichikawa city, Chiba S		Shiroi city, Chiba		Osaka City, Osaka		Osaka City, Osaka	
Lot area	988.26㎡		1,758.84㎡		1,122.57㎡		11,485.06㎡（Number derived by multiplying the ratio of holdings）		2,346.39㎡		1,803.70㎡	
Total floor areas	1,524.34㎡		5,243.85㎡		3,397.95㎡		22,448.08㎡（Number derived by multiplying the ratio of holdings）		8,190.11㎡		4,862.83㎡	
Construction completion	October 13, 1987		July 10, 1998		March 1, 1995		May 9, 1995		August 18, 1989		December 20, 1991	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	36,134	36,106	59,082	60,074	37,005	37,816	143,014	141,678	87,176	88,077	39,327	39,316
Lease business revenue	33,953	33,686	56,751	57,728	35,431	36,063	135,266	134,474	84,982	85,405	39,207	38,664
Other lease business revenue	2,181	2,419	2,331	2,346	1,573	1,753	7,748	7,204	2,194	2,672	120	652
Total operating expenses from real estate leasing	9,049	12,002	14,047	12,706	8,763	9,573	62,070	69,155	24,197	26,520	12,764	13,149
Management fee	2,303	2,241	3,188	3,612	1,950	2,054	6,057	6,081	9,859	9,989	4,076	3,817
Utilities expenses	1,661	1,688	1,919	1,473	1,282	1,030	32	71	2,145	2,645	389	334
Taxes and dues	1,027	1,062	3,963	3,962	2,170	2,192	13,920	13,913	5,294	5,302	3,204	3,202
Repair expenses	2,392	4,340	3,371	2,104	1,588	2,132	12,695	16,429	4,638	5,189	3,711	3,480
Trust fee	400	400	400	400	400	400	750	1,050	375	775	375	775
Insurance premium	50	50	147	144	97	95	828	807	286	281	145	142
Other expenses	1,213	2,218	1,057	1,010	1,274	1,668	27,785	30,800	1,598	2,337	862	1,397
NOI	27,084	24,104	45,035	47,368	28,241	28,243	80,944	72,523	62,978	61,556	26,562	26,166
Depreciation	2,970	2,979	5,628	6,293	4,386	4,411	19,323	19,392	13,052	13,759	5,243	5,352
Operating income (loss) from real estate leasing	24,114	21,124	39,407	41,074	23,855	23,832	61,621	53,131	49,925	47,797	21,319	20,814
Capital expenditures	-	529	21,497	2,048	951	1,533	1,624	1,263	24,366	3,111	2,191	567
NCF	27,084	23,574	23,538	45,319	27,289	26,710	79,319	71,260	38,612	58,445	24,371	25,599
Period-end book value (million yen)	1,184	1,182	1,926	1,922	1,503	1,500	2,379	2,361	2,205	2,194	969	965

Balance of Payments of Individual Properties (8)

(Unit : Thousand yen)

Asset Type	RSC-15		RSC-16		RSC-17		RSC-18		RSC-19		RSC-20	
Property name	Urban Park Yoyogi		Urban Park Tokiwadai Koen		Urban Park Mitsuike Koen		Urban Park Ryogoku		Urban Park Mizonokuchi		Urban Park Miyamaedaira	
												
Acquisition price	1,740 million yen		3,506 million yen		3,160 million yen		1,115 million yen		2,019 million yen		1,060 million yen	
Appraisal value	1,990 million yen		4,090 million yen		3,620 million yen		1,310 million yen		2,100 million yen		1,250 million yen	
Structure/Floors	RC 8F		RC 5F		RC 6F		SRC 9F		RC 5F		S Alloy-plated steel plate 3F	
Location	Shibuya Ward, Tokyo		Yokohama City, Kanagawa		Yokohama City, Kanagawa		Sumida Ward, Tokyo		Kawasaki City, Kanagawa		Kawasaki City, Kanagawa	
Lot area	464.09㎡		12,544.61㎡		10,216.95㎡		669.98㎡		2,624.51㎡		1,239.53㎡	
Total floor areas	1,418.03㎡		15,708.08㎡		10,918.37㎡		2,351.42㎡		5,029.52㎡		2,039.17㎡	
Construction completion	September 4, 2017		Feb 17, 1994		March 24, 1992		October 31, 1997		August 23, 1988		June 10, 2021	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	41,285	39,871	144,047	146,106	128,477	127,538	36,296	36,737	62,723	63,570	32,783	32,976
Lease business revenue	40,895	39,005	137,549	138,712	122,666	120,428	35,942	35,889	59,373	59,093	32,183	30,814
Other lease business revenue	389	866	6,498	7,394	5,811	7,109	354	848	3,349	4,477	599	2,162
Total operating expenses from real estate leasing	6,755	8,838	38,463	53,528	41,053	42,394	7,155	9,503	21,502	28,351	5,908	8,330
Management fee	2,260	2,273	13,103	13,297	11,267	10,989	2,553	3,165	4,185	4,038	1,373	1,684
Utilities expenses	302	333	3,313	1,260	2,309	1,098	570	441	1,079	708	55	47
Taxes and dues	1,655	2,033	10,790	10,766	8,813	8,796	1,851	1,880	3,404	3,466	1,605	1,605
Repair expenses	498	922	5,914	20,039	10,462	14,101	1,684	2,729	9,856	10,360	535	1,237
Trust fee	400	600	400	400	400	400	400	400	400	400	400	400
Insurance premium	50	49	421	411	338	327	74	72	151	148	52	51
Other expenses	1,587	2,626	4,519	7,353	7,460	6,680	21	814	2,424	9,228	1,886	3,304
NOI	34,530	31,032	105,584	92,578	87,424	85,144	29,140	27,233	41,220	35,218	26,874	24,646
Depreciation	4,393	4,393	13,330	13,911	12,528	12,629	2,518	2,612	6,014	6,681	4,523	4,527
Operating income (loss) from real estate leasing	30,136	26,639	92,253	78,666	74,895	72,515	26,622	24,621	35,206	28,537	22,350	20,119
Capital expenditures	-	-	33,153	25,590	1,972	12,653	379	3,925	15,928	17,420	-	396
NCF	34,530	31,032	72,430	66,987	85,451	72,491	28,760	23,308	25,291	17,798	26,874	24,250
Period-end book value (million yen)	1,718	1,713	3,631	3,642	3,284	3,284	1,147	1,148	2,094	2,104	1,096	1,091

(*) 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-21	
Property name	Urban Park Tsurumi	
		
Acquisition price	1,113 million yen	
Appraisal value	1,190 million yen	
Structure/Floors	RC 6F	
Location	Yokohama City, Kanagawa	
Lot area	2,172.70㎡	
Total floor areas	3,169.13㎡	
Construction completion	February 17, 1994	
	FP14	FP15
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	28,563	25,688
Depreciation	2,726	2,768
Operating income (loss) from real estate leasing	25,837	22,919
Capital expenditures	1,501	-
NCF	27,061	25,688
Period-end book value (million yen)	1,149	1,146

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

Balance of Payments of Individual Properties (10)

STAR ASIA
Investment Corporation

(Unit : Thousand yen)

Asset Type	LGC-01		LGC-02		LGC-03		LGC-04		LGC-05		LGC-07	
Property name	Iwatsuki Logistics		Yokohama Logistics		Funabashi Logistics		Baraki Logistics		Tokorozawa Logistics		Funabashi Nishiura Logistics Ⅱ	
												
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	7,690 million yen		4,330 million yen		8,950 million yen		5,230 million yen		1,550 million yen		891 million yen	
Structure/Floors	Steel construction, zinc plated steel roofing, 5 floors		RC 8F		Building 1: Steel construction, flat roof, zincplated steel roofing, 8 floors Building 2: Reinforced concrete structure		RC・S 5F		S 2F		R 4F	
Location	Saitama City, Saitama		Yokohama City, Kanagawa		a Funabashi City, Chiba		Ichikawa City, Chiba		Tokorozawa City, Saitama		Funabashi city, 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 m2 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	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	205,181	200,080	(※)	(※)	269,093	265,877	(※)	(※)	(※)	(※)	(※)	(※)
Lease business revenue	187,713	187,713			244,264	251,102						
Other lease business revenue	17,467	12,367			24,828	14,774						
Total operating expenses from real estate leasing	38,074	35,127			62,909	67,205						
Management fee	6,140	7,219			12,187	11,775						
Utilities expenses	17,467	12,367			23,166	15,024						
Taxes and dues	13,448	13,548			21,634	22,146						
Repair expenses	315	144			3,685	17,136						
Trust fee	350	350			400	400						
Insurance premium	352	346			510	499						
Other expenses	-	1,151			1,324	223						
NOI	167,106	164,953	94,956	94,640	206,184	198,671	97,543	69,280	37,569	37,236	26,584	28,796
Depreciation	46,879	46,879	19,832	19,845	28,997	29,704	15,784	15,784	5,962	6,087	4,578	4,620
Operating income (loss) from real estate leasing	120,227	118,074	75,124	74,795	177,186	168,967	81,759	53,495	31,606	31,148	22,005	24,175
Capital expenditures	908	-	-	1,182	12,247	30,521	-	-	6,143	1,848	677	730
NCF	166,198	164,953	94,956	93,458	193,937	168,150	97,543	69,280	31,425	35,388	25,907	28,065
Period-end book value (million yen)	6,374	6,327	3,656	3,637	7,714	7,714	4,566	4,550	1,349	1,344	847	843

(*) 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		1,710 million yen	
Appraisal value	3,310 million yen		2,070 million yen	
Structure/Floors	RC 3F		S 2F	
Location	Kita-Katsushika-gun, Saitama		Funabashi city, Chiba	
Lot area	11,580.65㎡		13,420.44㎡	
Total floor areas	19,833.47㎡		8,029.47㎡	
Construction completion	March 31, 1997		May 19, 2003	
	FP14	FP15	FP14	FP15
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	79,022	79,343	55,466	48,429
Depreciation	16,457	17,194	5,737	5,737
Operating income (loss) from real estate leasing	62,564	62,148	49,729	42,692
Capital expenditures	10,242	78,104	-	-
NCF	68,780	1,238	55,466	48,429
Period-end book value (million yen)	2,662	2,723	1,681	1,675

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

Balance of Payments of Individual Properties (12)

STARASIA Investment Corporation

(Unit : Thousand yen)

Asset Type	HTL-01		HTL-02		HTL-03		HTL-04		HTL-05		HTL-06	
Property name	R&B Hotel Umeda East		Smile Hotel Namba		REMBRANDT STYLE Tokyo Nishikasai		Best Western Yokohama		The BREAKFAST HOTEL Fukuoka Tenjin		GLANSIT AKIHABARA	
												
Acquisition price	2,069 million yen		1,750 million yen		3,827 million yen		3,248 million yen		1,970 million yen		2,500 million yen	
Appraisal value	2,280 million yen		1,460 million yen		3,440 million yen		3,200 million yen		1,930 million yen		2,440 million yen	
Structure/Floors	RC 9F		S 9F		SRC 9F/B1F		SRC 9F/B1F		RC 10F		SRC 10F/B1F	
Location	Osaka City, Osaka		Osaka City, Osaka		Edogawa Ward, Tokyo		Yokohama City, Kanagawa		Fukuoka City, Fukuoka		Chiyoda Ward, Tokyo	
Lot area	730.26㎡		285.28㎡		1,418.00㎡		782.66㎡		543.94㎡		167.74㎡	
Total floor areas	3,945.65㎡		1,711.42㎡		5,293.88㎡		4,686.09㎡		2,281.49㎡		1,081.97㎡	
Construction completion	October 20, 2000		February 6, 2008		March 19, 1991		September 21, 1987		February 20, 2017		September 20, 2017	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	65,277	65,212	27,795	40,394	84,600	84,600	80,400	80,400				
Lease business revenue	65,277	65,212	27,795	40,394	84,600	84,600	80,400	80,400				
Other lease business revenue	-	-	-	-	-	-	-	-				
Total operating expenses from real estate leasing	8,009	8,310	4,594	4,118	10,193	25,324	6,811	15,352				
Management fee	742	742	660	717	1,200	1,200	1,200	1,200	(※)	(※)	(※)	(※)
Utilities expenses	6	4	-	-	-	-	-	-				
Taxes and dues	5,528	5,691	2,255	2,313	8,065	8,522	4,584	4,638				
Repair expenses	1,198	1,345	1,033	442	343	15,022	467	8,655				
Trust fee	350	350	550	550	400	400	400	400				
Insurance premium	155	152	71	70	161	158	137	134				
Other expenses	28	24	23	25	23	22	21	324				
NOI	57,267	56,902	23,201	36,275	74,406	59,275	73,588	65,047	48,028	42,278	48,895	48,863
Depreciation	10,785	10,983	12,222	12,290	13,499	14,383	13,109	13,357	8,647	8,647	4,643	4,643
Operating income (loss) from real estate leasing	46,481	45,919	10,978	23,985	60,906	44,891	60,478	51,690	39,380	33,630	44,252	44,220
Capital expenditures	6,869	-	1,819	1,575	14,690	47,977	7,200	2,672	-	-	-	-
NCF	50,398	56,902	21,381	34,700	59,715	11,297	66,388	62,374	48,028	42,278	48,895	48,863
Period-end book value (million yen)	2,093	2,083	1,616	1,605	3,838	3,872	3,202	3,191	1,913	1,905	2,480	2,476

(*) 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	
Property name	REMBRANDT STYLE Tokyo Nishikasai Grande		KOKO HOTEL Osaka Namba		abeno nini (Hotel)	
						
Acquisition price	3,180 million yen		2,000 million yen		3,600 million yen	
Appraisal value	3,140 million yen		1,450 million yen		3,770 million yen	
Structure/Floors	S 8F		RC9F		RC24F/2B	
Location	Edogawa Ward, Tokyo		Osaka City, Osaka		Osaka City, Osaka	
Lot area	657.00㎡		335.31㎡		586.44㎡	
Total floor areas	2,755.19㎡		2,061.38㎡		7,764.81㎡	
Construction completion	February 7, 2017		April 7, 2017		January 31, 2012	
	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	70,002	70,002	23,638	53,142	(※)	(※)
Lease business revenue	70,002	70,002	23,638	53,142		
Other lease business revenue	-	-	-	-		
Total operating expenses from real estate leasing	6,871	6,978	5,259	5,452		
Management fee	990	990	900	900		
Utilities expenses	-	-	-	-		
Taxes and dues	5,220	5,305	3,213	3,347		
Repair expenses	146	172	222	77		
Trust fee	400	400	350	350		
Insurance premium	91	89	65	64		
Other expenses	22	21	508	713		
NOI	63,130	63,023	18,379	47,690	65,728	58,643
Depreciation	10,857	10,857	8,983	8,925	6,885	6,885
Operating income (loss) from real estate leasing	52,273	52,165	9,396	38,764	58,843	51,758
Capital expenditures	-	-	-	-	-	-
NCF	63,130	63,023	18,379	47,690	65,728	58,643
Period-end book value (million yen)	3,110	3,099	1,944	1,935	3,644	3,637

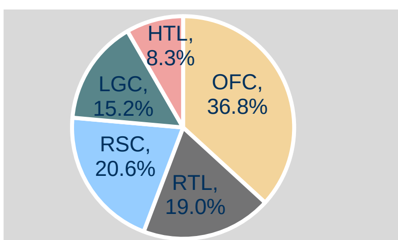
(*) Not disclosed as consent for disclosure has not been obtained from the tenant.

Balance of Payments of Individual Properties (14)

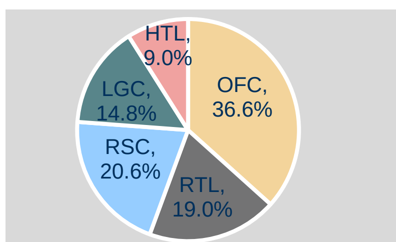
	Office		Retail		Residence		Logistics		Hotel		Total	
	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15	FP14	FP15
Total operating revenue from real estate leasing	2,377,116	2,383,090	1,227,438	1,233,536	1,333,996	1,337,505	985,459	964,998	539,385	584,065	6,463,396	6,503,195
Lease business revenue	2,148,351	2,190,554	1,107,536	1,116,740	1,278,994	1,281,422	921,299	875,448	539,385	584,065	5,995,567	6,048,231
Other lease business revenue	228,765	192,535	119,901	116,795	55,002	56,082	64,159	89,550	-	-	467,828	454,964
Total operating expenses from real estate leasing	724,288	771,943	454,518	500,759	370,507	409,890	196,416	192,559	66,759	106,064	1,812,490	1,981,218
Management fee	174,635	175,417	137,456	146,536	88,637	90,492	32,644	32,393	8,030	8,076	441,402	452,917
Utilities expenses	212,993	176,505	157,395	149,077	28,041	21,672	63,936	42,056	6	4	462,373	389,316
Taxes and dues	179,051	189,611	78,469	87,763	86,208	87,278	78,762	77,638	35,754	50,708	458,246	493,000
Repair expenses	62,987	109,612	12,249	34,040	82,942	110,658	11,665	28,789	3,411	25,715	173,257	308,817
Trust fee	8,230	10,563	3,418	4,250	7,650	8,950	3,350	3,340	3,518	3,550	26,166	30,653
Insurance premium	4,639	4,560	2,508	2,482	3,483	3,394	1,907	1,814	1,059	1,071	13,598	13,322
Other expenses	81,750	105,672	63,020	76,608	73,544	87,444	4,150	6,525	14,978	16,938	237,444	293,190
NOI	1,652,828	1,611,146	772,919	732,776	963,489	927,614	789,042	772,439	472,626	478,000	4,650,905	4,521,977
Depreciation	266,332	279,344	96,286	98,489	144,583	148,260	146,823	146,285	89,635	90,973	743,661	763,353
Operating income (loss) from real estate leasing	1,386,495	1,331,802	676,632	634,286	818,906	779,353	642,218	626,153	382,990	387,026	3,907,244	3,758,623
Capital expenditures	344,563	467,754	84,181	68,418	116,389	87,205	30,218	112,387	30,579	52,225	605,932	787,991
NCF	1,308,264	1,143,392	688,737	664,357	847,099	840,409	758,824	660,052	442,046	425,774	4,044,973	3,733,985
Period-end book value (million yen)	75,282	75,470	27,713	27,683	38,460	38,399	29,541	28,818	23,844	23,805	194,843	194,178

Income Ratio

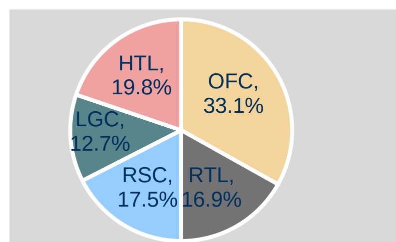
FP14 (2023/1)



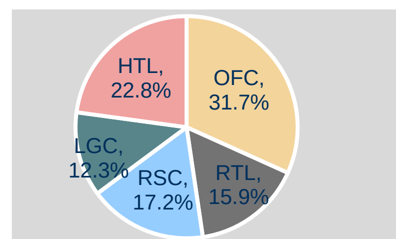
FP15 (2023/7)



FP16 (Forecast)



FP17（Forecast)



(※) The ratio of total real estate rental revenues of each asset to the total amount of total real estate rental revenues.

Note

STARASIA Investment Corporation

P.3	(Note 1)	“Asset size” is the sum of (anticipated) acquisition prices for all of SAR’s assets. The value of the properties carried over through the merger with Sakura Sogo REIT Investment Corporation (“Sakura Sogo REIT”) effective on August 1, 2020 is calculated based on receipt price. The same shall apply hereinafter. Assets include the preferred equity securities (“Preferred Equity Securities”) issued by a Tokutei Mokuteki Kaisya (TMK) which holds beneficiary interests in trust for which “HAKUSAN HOUSE” is the main entrusted asset. Assets are calculated excluding investments in mezzanine loan debt as of the date of this document. The same shall apply hereinafter
P.3	(Note 2)	“Market capitalization" is calculated by multiplying the closing price as of August 31, 2023 by the number of investment units issued and outstanding as of the same date.
P.3	(Note 3)	“Average building age” is the weighted average calculated by dividing the building age of each property. * “Building age” refers to, except for “Urban Park Daikanyama”, the period commencing on the date of completion of construction (based on the date of completion of construction of the principal building as registered in the registry of real estates) to July 31, 2022. As for “Urban Park Daikanyama”, which consists of two buildings, “building age” refers to the period commencing on the date of completion of the older building and ends on January 31, 2023.
P.6	(Note 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.
P.7	(Note 1)	“Number of properties” is the number of real estate, etc. (Note 2), excluding Preferred Equity Securities and the mezzanine loan debt. The same shall apply hereinafter.
	(Note 2)	“Real estate, etc.” refers to real estate and real estate beneficiary interests in trust. The same shall apply hereinafter.
	(Note 3)	“Average building age” for “End of January 2023” is the weighted average calculated by dividing the building age of each property held as of January 31, 2023 (end of 14th FP) by its acquisition price; for “Assets” (“Funabashi Hi-Tech Park Factory II”, which has been transferred as of the date of this document, and “Urban Park Gokokuji” and “Urban Park Koenji”, the weighted average calculated by dividing the building age of each property by its acquisition price; for “Assets (to be Acquired),” the weighted average calculated by dividing the building age of Assets to be Acquired (excluding Preferred Equity Securities) by the anticipated acquisition price; for “After PO” the weighted average calculated by dividing the average age of the assets owned by SAR as of January 31, 2023 (end of 14th FP) and Assets to be Acquired minus Assets (Transferred) (“Assets (to be Acquired) following the after PO”) excluding the Preferred Equity Securities by their (anticipated) acquisition price. The same shall apply hereinafter. “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 May 31, 2023. 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 May 31, 2023. The building age of any Asset to be Acquired that is not completed as of May 31, 2023 is counted as zero. The same shall apply hereinafter.
	(Note4)	“Average appraisal NOI yield” is the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports to the total acquisition price of the properties held as of January 31, 2023 for “End of January 2023,” the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports for each of the Assets (Transferred) to the total acquisition price of Assets (Transferred) for “Assets (Transferred),” the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports for the Assets to be Acquired to the total anticipated acquisition price of Assets to be Acquired, excluding Preferred Equity Securities, and the ratio of the sum of net operating incomes (NOI) calculated based on the direct capitalization method in real estate appraisal reports for Assets (to be Acquired) following the Initiative to the total (anticipated) acquisition price of the Assets (to be Acquired) following the Initiative for “Following the Initiative,” excluding Preferred Equity Securities. These values are rounded to the first decimal place. The same shall apply hereinafter.
	(Note 5)	“Average post-depreciation appraisal NOI yield” is, for “End of January 2023," the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less twice the actual depreciation cost for the fiscal period ended January 2023 (14th FP) to the total acquisition price of the properties held as of January 31, 2023; for “Assets (Transferred),” the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less twice the actual depreciation cost for the fiscal period ended January 2023 (14th FP), to the total acquisition price of the Assets (Transferred); for “Assets (to be Acquired),” the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less depreciation cost anticipated by the Asset Manager to the total anticipated acquisition price of the Assets to be Acquired, excluding Preferred Equity Securities, and for “After PO,” the ratio of the sum of net operating income (NOI) calculated based on the direct capitalization method in real estate appraisal reports less twice the actual depreciation cost for the fiscal period ended January 2023 (14th FP) or the depreciation cost anticipated by the Asset Manager to the total (anticipated) acquisition price of the Assets (to be Acquired) following the Initiative, excluding Preferred Equity Securities. These values are rounded to the first decimal place.

Note

STAR ASIA Investment Corporation

P.19 (Note 1) On March 16, 2023, we signed a building lease (option) agreement presupposing extension of the building with the current tenant on the premise of the extension, and on April 28, 2023, we decided to sign a construction contract for the building extension. In addition, we signed a second building lease amendment (option) agreement on July 19, 2023 and a construction contract for the additional building extension in response to a request for an additional extension on July 25,2023.

(Note 2) "Artist rendering of completed extension work (1 out of 2)" of "Funabashi High Technology Park Factory I" describes an exterior image of one of the two building extensions assuming the building to be completed. The exterior image is a plan under construction as of the date of this document, and may differ from the completed building.

(Note 3) The figure shown as pre-extension total leasable space is based on the pre-extension building lease contract; the figure shown as post-extension total leasable space is based on the second building lease amendment (option) agreement dated July 19, 2023.

(Note 4) "Floor-area ratio (FAR)" is calculated by dividing the total floor area (floor area subject to FAR) by the size of the land. The pre-extension total floor area is the leasable floor area based on the pre-extension building lease contract; the post-extension total floor area which is the base of FAR is the area of the entire building given in the application for confirmation of the building extension.

(Note 5) "Acquisition price" is calculated by setting the acquisition price of pre-extension pertaining to Funabashi High Technology Park Factory I to 100 and adding the anticipated investment amount (includes a certain reserve fund) pertaining to the extension to the acquisition price.

(Note 6) The monthly rent index is calculated by setting the monthly rent as of the date of this document to 100 and the rent stated in the second building lease amendment (option) agreement.

P.21 (Note 1) "GOP" stands for "gross operating profit" and refers to the total operating income of hotel operations less operating expenses directly related to sales. The same shall apply hereinafter.

P.27 (Note 1) As of the date of this document, SAR has no plan to acquire properties owned by Star Asia Group except for 7 hotels (Assets to be Acquired) and there is no guarantee that SAR will be able to acquire such properties in the future.

(Note 2) The appraisal value of properties managed by Star Asia Group are calculated based on the values in their latest appraisal reports, at each point in time. (Of the various assets owned by Star Asia Group as of the end of June 2019, this applies to those assets that qualify as real estate, etc., and were not then owned by SAR or among those properties for which SAR had obtained preferential negotiating rights or among the assets owned by Polaris; of the various assets owned by Star Asia Group as of the end of May 2023, those assets that qualify as real estate, etc., and were not then owned by SAR, or among those properties for which SAR had obtained preferential negotiating rights, or among the assets owned by Polaris as of such date. The various assets owned by Star Asia Group as of the end of May 2023 including 7 hotels (Assets to be Acquired) and 12 hotels for which SAR has obtained preferential negotiating rights ("12 hotels with preferential negotiating rights"). The same shall apply hereinafter.)

(Note 3) "Ratio operated by Polaris" is the ratio by appraisal value of hotel properties managed and operated by Polaris to the total appraisal value of 12 hotels with preferential negotiating rights.

P.32 (Note 1) "Structure / floors" refers to the structure and floors of the principal building as registered in the registry of real estate, and may be different from the current status. Where the building has not been completed as of the date of this document, it is based on the certificate of confirmation and is subject to change in the future. The same shall apply hereinafter.

(Note 2) "Total floor area" refers to, unless otherwise noted, the total floor area registered in the registry of real estate, and may be different from the actual status. Where the building has not been completed as of the date of this document, it is based on the certificate of confirmation and is subject to change in the future. The same shall apply hereinafter.

(Note 3) "Completion date" refers to the date of completion of construction for the principal building as registered in the registry of real estates. Where the building has not been completed as of the date of this document, it is based on the certificate of confirmation and is subject to change in the future. The same shall apply hereinafter.

(Note 4) "Ginza address" refers to all hotel properties owned by J-REITs with an address in Ginza, Chuo-ku, Tokyo as an indication of the residential addresses. (All hotel properties in J-REITs are based on disclosures by each J-REIT as of the end of June 2023.)

Note

P.39 （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.40 （Note1） “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.

（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.

（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.41 （Note 1） The ratio of assets obtaining environmental certification is calculated by dividing the total floor area of assets which are environmentally certified as of the date of the document by the total floor area of assets.

（Note 2） “DBJ Green Building Certification” is a certification under the framework system (hereinafter, “the framework”) established by Development Bank of Japan Inc. (hereinafter, “DBJ”) in April 2011 to support properties with environmental and social awareness (“Green Building”). The framework rates and certifies properties required by society and the economy based on a comprehensive assessment covering items from environmental performance of properties to measures for various stakeholders including disaster prevention and consideration for local communities, and supports such initiatives. Japan Real Estate Institute (JREI) has conducted certification, while DBJ has controlled the overall framework since August 2017. The framework has five levels of certification (★ ~ ★★★★★).

（Note 3） “BELS Evaluation Certification” is a third-party evaluation framework to assess energy saving performance of buildings based on criteria stipulated by the Ministry of Land, Infrastructure, Transport and Tourism. The framework has five levels of certification (★★★★★～★).

（Note4） 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.

（Note 5） “Urban Park Miyamaedaira” consists of two buildings (“Urban Park Miyamaedaira EAST” and “Urban Park Miyamaedaira WEST”) and each of them received certification.

（Note 6） “Green lease contracts” indicates the lease contracts stating that the lessor and the tenant jointly determine rules including reduction of environmental burdens such as energy saving of properties and improvement of working environment by concluding contracts, memorandums, etc., and implement such rules.

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