

(REIT) Financial Report for Fiscal Period Ended January 31, 2023

March 16, 2023

REIT Securities Issuer: Star Asia Investment Corporation (SAR) Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3468 URL: <http://starasia-reit.com/en/>
 Representative: Atsushi Kato, Executive Director

Asset Management Company: Star Asia Investment Management Co., Ltd.
 Representative: Atsushi Kato, President and CEO
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Scheduled date of commencement of cash distribution payment: April 17, 2023

Scheduled date of submission of securities report: April 28, 2023

Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended January 31, 2023 (from August 1, 2022 to January 31, 2023)

(1) Management Status (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Jan. 2023	6,486	6.5	3,349	9.9	2,782	8.7	2,781	8.7
Ended Jul. 2022	6,088	2.2	3,047	(1.3)	2,560	1.7	2,559	1.7

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Ended Jan. 2023	1,455	2.8	1.4	42.9
Ended Jul. 2022	1,430	2.7	1.3	42.1

(2) Status of Cash Distribution

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Cash distribution payout ratio	Ratio of cash distribution to net assets
	yen	million yen	yen	million yen	%	%
Ended Jan. 2023	1,491	2,865	-	-	103.0	2.8
Ended Jul. 2022	1,476	2,641	-	-	103.2	2.8

(Note 1) Total cash distribution differs from net income due to the reversal of reserve for temporary difference adjustment and other factors.

(Note 2) For the fiscal period ended January 31, 2023, cash distribution payout ratio is calculated by the following formula due to changes in the number of investment units during the period following issuance of new investment units during the period:

$$\text{Total cash distribution (not including cash distribution in excess of earnings)} \div \text{Net income} \times 100$$

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Jan. 2023	208,766	103,455	49.6	53,835
Ended Jul. 2022	193,488	95,803	49.5	53,539

(4) Status of Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Jan. 2023	3,377	(15,214)	11,534	12,038
Ended Jul. 2022	3,566	(306)	(2,645)	12,340

2. Management Status Forecast for Fiscal Period Ending July 31, 2023 (from February 1, 2023 to July 31, 2023) and Fiscal Period Ending January 31, 2024 (from August 1, 2023 to January 31, 2024)

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen
Ending Jul. 2023	7,012	8.1	3,527	5.3	2,983	7.2	2,983	7.2	1,552	0
Ending Jan. 2024	6,886	(1.8)	3,448	(2.2)	2,909	(2.5)	2,908	(2.5)	1,513	0

(Reference) Forecast net income per unit (Expected net income ÷ expected total number of investment units issued and outstanding at end of period)

Fiscal period ending July 31, 2023:

Expected total number of investment units issued and outstanding at end of period 1,921,689 units

Forecast net income per unit 1,552 yen

Fiscal period ending January 31, 2024:

Expected total number of investment units issued and outstanding at end of period 1,921,689 units

Forecast net income per unit 1,513 yen

(Note) Cash distribution per unit calculated using the expected total number of investment units issued and outstanding at end of period above (total number of investment units issued and outstanding as of the date of this report of 1,921,689 units).

* Others

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ① : No
- ③ Changes in accounting estimates : No
- ④ Retrospective restatement : No

(2) Total Number of Investment Units Issued and Outstanding

① Total number of investment units issued and outstanding (including own investment units) at end of period

Fiscal period ended Jan. 31, 2023	1,921,689 units	Fiscal period ended Jul. 31, 2022	1,789,389 units
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② Number of own investment units at end of period

Fiscal period ended Jan. 31, 2023	0 units	Fiscal period ended Jul. 31, 2022	0 units
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(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see "Notes on Per Unit Information" on page 22.

* Financial reports are exempt from audits by a certified public accounting or accounting firms.

* Special Note

The management status outlook and other forward-looking statements contained in this document are based on information that are currently available and certain assumptions that are deemed reasonable by SAR. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast figures are the current figures calculated under the assumptions described in "Assumptions Underlying Operating Results Forecasts for Fiscal Period Ending July 31, 2023, and Fiscal Period Ending January 31, 2024" on pages 3-4. Accordingly, the actual operating revenue, operating income, ordinary income, net income, cash distribution per unit (not including cash distribution in excess of earnings) and cash distribution in excess of earnings per unit may vary due to acquisition/disposition of real estate, etc., trends of the real estate market, etc., fluctuations in interest rates, or other changes in the circumstances surrounding SAR, etc. in the future. In addition, the forecast is not a guarantee of the amount of cash distribution.

Assumptions Underlying Operating Results Forecasts for
Fiscal Period Ending July 31, 2023, and Fiscal Period Ending January 31, 2024

Item	Assumptions
Fiscal period	<ul style="list-style-type: none"> ➤ Fiscal period ending July 31, 2023 (15th fiscal period): February 1, 2023 – July 31, 2023 (181 days) ➤ Fiscal period ending January 31, 2024 (16th fiscal period): August 1, 2023 – January 31, 2024 (184 days)
Assets under management	<ul style="list-style-type: none"> ➤ It is assumed that, with regard to the assets held by SAR as of the date of this report (62 real estate trust beneficiary interests and 2 mezzanine loan debts (collectively, “Currently Held Assets,” with those in the form of real estate trust beneficiary interests being referred to as “Currently Held Assets (Real Estate)” and those in the form of mezzanine loan debt being referred to as “Currently Held Assets (Mezzanine)”), the following trust beneficiary interest (“Asset to be Acquired (Mezzanine)”) and preferred equity securities (“Asset to be Acquired (Preferred Equity)”) will be acquired (the “Acquisition”) and real estate trust beneficiary interest will be transferred (the “Transfer”). <p style="margin-left: 20px;"><The Acquisition> Name: Star Asia Mezzanine Loan Debt Investment Series 8 Class A Beneficial Interest Planned acquisition date: August 31, 2023, or other date separately agreed upon by SAR and the planned seller</p> <p style="margin-left: 20px;">Name: GSA JP Project 1 Tokutei Mokuteki Kaisha (TMK) Preferred Equity Securities Planned acquisition date: As of the date of this report, SAR has not yet decided to acquire but has entered into a preferential negotiation agreement for the acquisition of Asset to be Acquired covering the period until July 31, 2023 on March 16, 2023. Therefore, SAR recognizes the probability of the acquisition to be high.</p> <p style="margin-left: 20px;"><The Transfer> Property name: Urban Park Gokokuji Planned transfer date: August 31, 2023, or other date separately agreed upon by SAR and the planned buyer</p> <ul style="list-style-type: none"> ➤ It is assumed that other than the Acquisition and the Transfer there will be no change in assets under management (new asset acquisitions, sales of Currently Held Assets, etc.) through to the end of the fiscal period ending January 31, 2024. ➤ However, in reality assets under management may change.
Operating revenues	<ul style="list-style-type: none"> ➤ Rent revenues from Currently Held Assets (Real Estate) are calculated based on the details stated in the lease agreements effective as of the date of this report, taking into consideration factors such as market movements. It is also assumed that there will be no arrears or non-payment of rent by tenants. ➤ Interest revenues or dividend revenues from Currently Held Assets (Mezzanine) are calculated based on outlines which define the contents of Currently Held Assets (Mezzanine), the details stated in the loan agreements or trust agreements, etc. that are effective as of the date of this report, and dividend revenues from the Asset to be Acquired (Mezzanine) are calculated based on outlines which define the contents of the Asset to be Acquired (Mezzanine) and the details stated in the sale and purchase agreement or trust agreement. It is also assumed that no interest payments or dividend payments will be unpaid. It is assumed that dividend income on Asset to be Acquired (Mezzanine) will accrue from August 31, 2023. ➤ Considering the letter of intent for lending the securities received on March 16, 2023, it is assumed as for Asset to be acquired (Preferred Equity) that rent at the rate stated in the letter will accrue from the beginning of the fiscal period ending January 2024. ➤ Gain on sale of Funabashi Hi-Tech Park Factory II, which was transferred in February 2023, of 413 million yen is expected for the fiscal period ending July 31, 2023. Gain on sale from the Transfer of approximately 271 million yen is expected for the fiscal period ending January 31, 2024.
Operating expenses	<ul style="list-style-type: none"> ➤ Among expenses related to rent business, which are the main operating expenses, expenses other than depreciation are calculated on the basis of historical performance data, by reflecting variable expense factors. ➤ Fixed property taxes, city planning taxes, and other public charges are expected to be 489 million yen for the fiscal period ending July 31, 2023, and 487 million yen for the fiscal period ending January 31, 2024. ➤ For expenditures for repair and maintenance of buildings, based on the repair and maintenance plan prepared by Star Asia Investment Management Co., Ltd, the asset manager of SAR (the “Asset Manager”), 271 million yen is expected for the fiscal period ending July 31, 2023, and 240 million yen for the fiscal period ending January 31, 2024. However, the actual expenditures for repair and maintenance for the fiscal periods could differ significantly from the estimated amounts, as urgent expenditures due to damage to buildings may arise due to unexpected factors, and because such expenditure amounts generally tend to vary significantly from year to year, and do not arise regularly.

Item	Assumptions
	<ul style="list-style-type: none"> ➤ Depreciation is calculated using the straight-line method including for ancillary costs and is expected to be 760 million yen for the fiscal period ending July 31, 2023, and 786 million yen for the fiscal period ending January 31, 2024. ➤ Operating expenses other than rent business related expenses are expected to be 598 million yen for the fiscal period ending July 31, 2023, and 601 million yen for the fiscal period ending January 31, 2024.
NOI (Net Operating Income)	<ul style="list-style-type: none"> ➤ Total NOI of the entire portfolio is expected to be 4,449 million yen for the fiscal period ending July 31, 2023, and 4,500 million yen for the fiscal period ending January 31, 2024. ➤ NOI is calculated by using the following calculation method. NOI = rent revenue – rent expenses (excluding depreciation)
Non-operating expenses	<ul style="list-style-type: none"> ➤ Expenses on issuance of new investment units are expected to be 13 million yen for the fiscal period ending July 31, 2023, and 12 million yen for the fiscal period ending January 31, 2024. ➤ The sum of interest expenses and other financing-related expenses is expected to be 525 million yen for the fiscal period ending July 31, 2023, and 522 million yen for the fiscal period ending January 31, 2024. ➤ The sum of interest expenses on investment corporation bonds and other expenses on investment corporation bond issuance is expected to be 4 million yen for the fiscal period ending July 31, 2023, and 4 million yen for the fiscal period ending January 31, 2024.
Debt financing and investment corporation bonds	<ul style="list-style-type: none"> ➤ The total amount of interest-bearing liabilities is assumed to be 96,840 million yen as of the end of the fiscal period ending July 31, 2023, and 96,840 million yen as of the end of the fiscal period ending January 31, 2024. ➤ As of the date of this report, SAR has outstanding debt of 95,840 million yen and outstanding investment corporation bonds of 1,000 million yen. ➤ It is assumed that those with repayment dates falling in the fiscal period ending July 31, 2023, and the fiscal period ending January 31, 2024, will be fully refinanced and that there will be no change to the existing outstanding debt and outstanding investment corporation bonds through to the end of the fiscal period ending January 31, 2024.
Investment units	<ul style="list-style-type: none"> ➤ It is assumed that the total number of investment units issued and outstanding will be 1,921,689 units, the number as of the date of this report, and that there will be no change in the number due to issuance of new investment units, etc. through to the end of the fiscal period ending January 31, 2024.
Cash distributions per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ SAR calculates its distribution per unit (excluding distributions in excess of earnings) pursuant to its cash distributions policy as set forth in its Articles of Incorporation. ➤ As for the reserve for temporary difference adjustment, SAR plans to continuously reverse 1% or more of the initial reserve in each fiscal period and use it mainly to mitigate any negative impact on distributions caused by temporary decrease in income or incurred expenses and to avoid the occurrence of corporate and other tax expenses as a result of any differences between tax and accounting. ➤ As to cash distribution for the fiscal period ending July 31, 2023, it is assumed that a total of 2,982 million yen (1,552 yen per unit) will be distributed, which is the sum of the amount remaining after internally reserving 89 million yen from the estimated net income of 2,983 million yen and the expected amount of reversal of reserve for temporary difference adjustment of 88 million yen. As to cash distribution for the fiscal period ending January 31, 2024, it is assumed that a total of 2,907 million yen (1,513 yen per unit) will be distributed, which is the sum of the amount remaining after internally reserving 90 million yen from the estimated net income of 2,908 million yen and the expected amount of reversal of reserve for temporary difference adjustment of 88 million yen. ➤ The distribution per unit may change due to various factors including changes to the assets under management, changes to rent revenues given movements etc. of tenants, or the occurrence of unexpected repairs.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> ➤ SAR has no plans to make distributions in excess of earnings as of the date of this report.
Others	<ul style="list-style-type: none"> ➤ SAR assumes that no amendments affecting the above forecast numbers will be made to relevant laws and regulations, tax policies, accounting standards, listing rules, rules of The Investment Trusts Association, Japan, etc. ➤ SAR assumes that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.

3. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	13th fiscal period (As of July 31, 2022)	14th fiscal period (As of January 31, 2023)
Assets		
Current assets		
Cash and deposits	4,265,178	3,488,637
Cash and deposits in trust	8,075,474	8,549,954
Operating accounts receivable	137,598	147,713
Prepaid expenses	196,009	211,249
Consumption taxes receivable	-	181,189
Other	9,011	7,000
Total current assets	12,683,272	12,585,743
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(100)	(114)
Tools, furniture and fixtures, net	14	0
Buildings in trust	53,471,574	56,299,699
Accumulated depreciation	(5,441,732)	(6,169,727)
Buildings in trust, net	48,029,841	50,129,971
Structures in trust	21,640	25,348
Accumulated depreciation	(5,856)	(6,646)
Structures in trust, net	15,784	18,702
Machinery and equipment in trust	119,343	163,565
Accumulated depreciation	(28,905)	(35,247)
Machinery and equipment in trust, net	90,437	128,318
Tools, furniture and fixtures in trust	100,966	125,782
Accumulated depreciation	(30,688)	(39,013)
Tools, furniture and fixtures in trust, net	70,278	86,768
Land in trust	127,283,507	140,397,333
Construction in progress in trust	-	1,282
Total property, plant and equipment	175,489,864	190,762,377
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		
Investment securities	800,000	400,000
Long-term prepaid expenses	337,433	330,923
Leasehold and guarantee deposits	10,359	10,359
Other	45,353	533,969
Total investments and other assets	1,193,146	1,275,251
Total non-current assets	180,765,311	196,119,929
Deferred assets		
Investment corporation bond issuance costs	12,583	11,563
Investment unit issuance costs	27,375	49,370
Total deferred assets	39,959	60,933
Total assets	193,488,543	208,766,606

(Unit: thousand yen)

	13th fiscal period (As of July 31, 2022)	14th fiscal period (As of January 31, 2023)
Liabilities		
Current liabilities		
Operating accounts payable	662,398	906,069
Current portion of long-term borrowings	16,390,000	15,630,000
Accounts payable - other	495,977	539,516
Accrued expenses	59,099	77,453
Income taxes payable	605	605
Accrued consumption taxes	234,089	47,405
Advances received	974,728	1,019,524
Other	36,804	34,899
Total current liabilities	18,853,703	18,255,474
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term borrowings	72,250,000	80,210,000
Leasehold and guarantee deposits received	5,187	5,880
Leasehold and guarantee deposits received in trust	5,559,508	5,840,152
Other	16,759	-
Total non-current liabilities	78,831,455	87,056,032
Total liabilities	97,685,158	105,311,507
Net assets		
Unitholders' equity		
Unitholders' capital	59,115,701	66,123,367
Surplus		
Unitholders' capital surplus	25,132,218	25,132,218
Voluntary reserve		
Reserve for temporary difference adjustment	*2 8,713,411	*2 8,624,499
Total voluntary reserve	8,713,411	8,624,499
Unappropriated retained earnings (undisposed loss)	2,813,756	3,043,461
Total surplus	36,659,386	36,800,179
Total unitholders' equity	95,775,087	102,923,546
Valuation and translation adjustments		
Deferred gains or losses on hedges	28,297	531,551
Total valuation and translation adjustments	28,297	531,551
Total net assets	*1 95,803,384	*1 103,455,098
Total liabilities and net assets	193,488,543	208,766,606

(2) Statement of Income and Retained Earnings

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Operating revenue		
Rental revenue	*1 5,611,196	*1 5,995,567
Other lease business revenue	*1 449,218	*1 467,828
Other revenue	28,525	22,857
Total operating revenue	6,088,939	6,486,253
Operating expenses		
Expenses related to rent business	*1 2,494,593	*1 2,556,151
Asset management fee	392,584	424,410
Asset custody and administrative service fees	38,428	40,528
Directors' compensations	2,400	2,400
Other operating expenses	113,213	113,204
Total operating expenses	3,041,220	3,136,696
Operating income	3,047,719	3,349,557
Non-operating income		
Interest income	55	56
Reversal of unpaid distribution	1,470	1,476
Interest on refund	262	1
Gain on donation of non-current assets	516	-
Total non-operating income	2,305	1,534
Non-operating expenses		
Interest expenses	338,087	372,916
Interest expenses on investment corporation bonds	3,500	3,500
Borrowing related expenses	140,164	178,507
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	6,843	12,611
Total non-operating expenses	489,615	568,555
Ordinary income	2,560,409	2,782,535
Income before income taxes	2,560,409	2,782,535
Income taxes - current	605	605
Total income taxes	605	605
Net income	2,559,804	2,781,930
Retained earnings brought forward	253,951	261,530
Unappropriated retained earnings (undisposed loss)	2,813,756	3,043,461

(3) Statement of Unitholders' Equity

13th fiscal period (from February 1, 2022 to July 31, 2022)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital	Surplus					Total unitholders' equity
		Unitholders' capital surplus	Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus	
Reserve for temporary difference adjustment	Total voluntary reserve						
Balance at beginning of the period	59,115,701	25,132,218	8,802,324	8,802,324	2,809,755	36,744,298	95,859,999
Changes of items during the period							
Dividends from surplus					(2,644,716)	(2,644,716)	(2,644,716)
Reversal of reserve for temporary difference adjustment			(88,912)	(88,912)	88,912	-	-
Net income					2,559,804	2,559,804	2,559,804
Net changes of items other than unitholders' equity							
Total changes of items during the period	-	-	(88,912)	(88,912)	4,000	(84,912)	(84,912)
Balance at end of the period	*1 59,115,701	25,132,218	8,713,411	8,713,411	2,813,756	36,659,386	95,775,087

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of the period	(106,910)	(106,910)	95,753,089
Changes of items during the period			
Dividends from surplus			(2,644,716)
Reversal of reserve for temporary difference adjustment			-
Net income			2,559,804
Net changes of items other than unitholders' equity	135,208	135,208	135,208
Total changes of items during the period	135,208	135,208	50,295
Balance at end of the period	28,297	28,297	95,803,384

14th fiscal period (from August 1, 2022 to January 31, 2023)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital	Surplus					Total unitholders' equity
		Unitholders' capital surplus	Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustment	Total voluntary reserve			
Balance at beginning of the period	59,115,701	25,132,218	8,713,411	8,713,411	2,813,756	36,659,386	95,775,087
Changes of items during the period							
Issuance of new investment units	7,007,666						7,007,666
Dividends from surplus					(2,641,138)	(2,641,138)	(2,641,138)
Reversal of reserve for temporary difference adjustment			(88,912)	(88,912)	88,912	-	-
Net income					2,781,930	2,781,930	2,781,930
Net changes of items other than unitholders' equity							
Total changes of items during the period	7,007,666	-	(88,912)	(88,912)	229,705	140,792	7,148,459
Balance at end of the period	*1 66,123,367	25,132,218	8,624,499	8,624,499	3,043,461	36,800,179	102,923,546

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of the period	28,297	28,297	95,803,384
Changes of items during the period			
Issuance of new investment units			7,007,666
Dividends from surplus			(2,641,138)
Reversal of reserve for temporary difference adjustment			-
Net income			2,781,930
Net changes of items other than unitholders' equity	503,254	503,254	503,254
Total changes of items during the period	503,254	503,254	7,651,713
Balance at end of the period	531,551	531,551	103,455,098

(4) Statement of Cash Distributions

(Unit: yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
I. Unappropriated retained earnings	2,813,756,107	3,043,461,280
II. Reversal of voluntary reserve		
Reversal of reserve for temporary difference adjustment *1	88,912,365	88,912,365
III. Cash distribution	2,641,138,164	2,865,238,299
[Cash distribution per unit]	(1,476)	(1,491)
Cash distribution of earnings	2,641,138,164	2,865,238,299
[Cash distribution of earnings per unit]	(1,476)	(1,491)
IV. Retained earnings carried forward	261,530,308	267,135,346

Method of calculation of amount of cash distributions

13th fiscal period (from February 1, 2022 to July 31, 2022):

Pursuant to the cash distribution policy provided in Article 35, Paragraph 1 of SAR's Articles of Incorporation, SAR shall distribute in excess of the amount equivalent to 90% of the amount of distributable earnings of SAR as defined in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with such policy, concerning cash distribution of earnings (not including cash distribution in excess of earnings), the decision was made to distribute 2,641,138,164 yen, which is equivalent to the sum of the amount remaining after reserving 7,578,913 yen from net income and the amount of reversal of reserve for temporary difference adjustment of 88,912,365 yen.

14th fiscal period (from August 1, 2022 to January 31, 2023):

Pursuant to the cash distribution policy provided in Article 35, Paragraph 1 of SAR's Articles of Incorporation, SAR shall distribute in excess of the amount equivalent to 90% of the amount of distributable earnings of SAR as defined in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with such policy, concerning cash distribution of earnings (not including cash distribution in excess of earnings), the decision was made to distribute 2,865,238,299 yen, which is equivalent to the sum of the amount remaining after reserving 5,605,038 yen from net income and the amount of reversal of reserve for temporary difference adjustment of 88,912,365 yen.

(5) Statement of Cash Flows

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Cash flows from operating activities		
Income before income taxes	2,560,409	2,782,535
Depreciation	697,599	743,661
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	6,843	12,611
Interest income	(55)	(56)
Interest expenses	341,587	376,416
Decrease (increase) in operating accounts receivable	(49,016)	(10,114)
Decrease (increase) in consumption taxes receivable	155,777	(181,189)
Increase (decrease) in accrued consumption taxes	188,051	(186,683)
Decrease (increase) in prepaid expenses	4,084	(15,239)
Decrease (increase) in long-term prepaid expenses	13,682	6,510
Increase (decrease) in operating accounts payable	(96,424)	133,000
Increase (decrease) in accounts payable - other	4,636	32,850
Increase (decrease) in advances received	59,372	44,796
Other, net	8,685	(4,161)
Subtotal	3,896,255	3,735,958
Interest income received	55	56
Interest expenses paid	(331,966)	(358,062)
Income taxes paid	2,645	42
Net cash provided by operating activities	3,566,990	3,377,994
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(511,417)	(15,895,451)
Repayments of leasehold and guarantee deposits received	(103)	-
Proceeds from leasehold and guarantee deposits received	216	693
Repayments of leasehold and guarantee deposits received in trust	(170,274)	(222,276)
Proceeds from leasehold and guarantee deposits received in trust	253,030	502,920
Proceeds from collection of leasehold and guarantee deposits	20	-
Proceeds from redemption of investment securities	122,220	400,000
Net cash used in investing activities	(306,308)	(15,214,114)
Cash flows from financing activities		
Proceeds from short-term borrowings	500,000	-
Repayments of short-term borrowings	(500,000)	-
Proceeds from long-term borrowings	9,750,000	12,800,000
Repayments of long-term borrowings	(9,750,000)	(5,600,000)
Proceeds from issuance of investment units	-	6,973,060
Dividends paid	(2,645,197)	(2,639,001)
Net cash provided by (used in) financing activities	(2,645,197)	11,534,058
Net increase (decrease) in cash and cash equivalents	615,484	(302,061)
Cash and cash equivalents at beginning of period	11,725,168	12,340,653
Cash and cash equivalents at end of period	*₁ 12,340,653	*₁ 12,038,591

- (6) Notes on the Going Concern Assumption
Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Evaluation standards and methods of valuation of securities	Other securities: Those with market price Fair value method or market value method (Variances are directly included in net assets.)
2. Method of depreciation of non-current assets	Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of primary property, plant and equipment is as follows: Buildings 2-69 years Structures 7-30 years Machinery and equipment 7-17 years Tools, furniture and fixtures 2-15 years
3. Accounting for deferred assets	(1) Investment unit issuance costs Investment unit issuance costs are amortized by the straight-line method over 3 years. (2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.
4. Standards for recording revenue and expense	(1) Accounting for fixed property tax, etc. Accounting for fixed property tax, city planning tax, depreciable asset tax, etc. ("fixed property tax, etc.") on real estate or beneficiary interest in trust for real estate held is that of the tax amount assessed and determined, and the amount corresponding to the concerned fiscal period is expensed as expenses related to rent business. The amount equivalent to fixed property tax, etc. in the initial fiscal year borne by SAR upon acquisition of real estate or beneficiary interest in trust for real estate is not recorded as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, the amount equivalent to fixed property tax, etc. included in the cost of acquisition of real estate, etc. was 19,049 thousand yen. (2) Standards for recording revenue The details of main performance obligations concerning revenue generated from contracts between SAR and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows. ① Sale of real estate For the proceeds from sale of real estate, SAR records revenue when the purchaser who is a customer obtains control of the relevant real estate as a result of the seller fulfilling its delivery obligations stipulated in the transaction agreement of the real estate. ② Utilities income SAR records utilities income in accordance with the supply of electricity and water, etc. to the lessee who is a customer based on the lease agreement of real estate and details of agreements incidental to it. Of the utilities income, in the case that SAR deems itself to be an agent, the net amount obtained by deducting the amount it pays to other parties from the amount it receives as charges for electricity and gas, etc. supplied by the said other parties is recognized as revenue.
5. Method of hedge accounting	(1) Hedge accounting approach Deferral hedge accounting is adopted. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transaction Hedged items: Interest on loans (3) Hedging policy SAR conducts derivative transactions for the purpose of hedging the risks provided in its Articles of Incorporation pursuant to basic rules on risk management. (4) Method of assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.
6. Scope of funds in the statement of cash flows (cash and cash equivalents)	The funds (cash and cash equivalents) in the statement of cash flows comprise cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.

7. Other significant matters serving as the basis for preparation of financial statements	<p>(1) Accounting for beneficiary interest in trust for real estate, etc. Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income and retained earnings. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <p>① Cash and deposits in trust ② Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust; Construction in progress in trust ③ Leasehold rights in trust ④ Leasehold and guarantee deposits received in trust</p> <p>(2) Accounting for consumption tax, etc. Non-deductible consumption tax on acquisition of assets is included in the acquisition cost of each asset.</p>
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(8) Notes on the Financial Statements

[Notes on the Balance Sheet]

*1 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations
(Unit: thousand yen)

	13th fiscal period (As of July 31, 2022)	14th fiscal period (As of January 31, 2023)
	50,000	50,000

*2 Matters concerning provision and reversal of the reserve for temporary difference adjustment
13th fiscal period (as of July 31, 2022)

(Unit: thousand yen)

	Initial amount	Balance at beginning of the period	Reserve during the period	Reversal during the period	Balance at end of the period	Reasons for provision and reversal
Gain on negative goodwill (Note)	8,891,236	8,802,324	-	88,912	8,713,411	Appropriate for distribution

(Note) Gain on negative goodwill indicates the amount of provision of gain on negative goodwill recorded in the past fiscal period, and will be reversed in equal amount or more over 50 years or less every fiscal period starting from the 12th fiscal period, which is the period following the fiscal period in which the provision was made.

14th fiscal period (as of January 31, 2023)

(Unit: thousand yen)

	Initial amount	Balance at beginning of the period	Reserve during the period	Reversal during the period	Balance at end of the period	Reasons for provision and reversal
Gain on negative goodwill (Note)	8,891,236	8,713,411	-	88,912	8,624,499	Appropriate for distribution

(Note) Gain on negative goodwill indicates the amount of provision of gain on negative goodwill recorded in the past fiscal period, and will be reversed in equal amount or more over 50 years or less every fiscal period starting from the 12th fiscal period, which is the period following the fiscal period in which the provision was made.

[Notes on the Statement of Income and Retained Earnings]

*1 Breakdown of operating income from real estate leasing

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022		14th fiscal period From: August 1, 2022 To: January 31, 2023	
A. Operating revenue from real estate leasing				
Rental revenue				
Rent revenue	4,829,210		5,182,484	
Common area maintenance revenue	544,319		570,233	
Parking revenue	201,621		204,917	
Facility use revenue	30,608		31,533	
Other rental revenue	5,436	5,611,196	6,399	5,995,567
Other lease business revenue				
Utilities reimbursement	314,831		419,588	
Other revenue	134,386	449,218	48,240	467,828
Total operating revenue from real estate leasing		6,060,414		6,463,396
B. Operating expenses from real estate leasing				
Expenses related to rent business				
Management fee	449,514		441,402	
Utilities expenses	343,623		462,373	
Taxes and dues	458,313		458,246	
Repair expenses	255,200		173,257	
Trust fee	25,175		26,166	
Insurance premium	12,855		13,598	
Depreciation	697,599		743,661	
Other expenses	252,311		237,444	
Total operating expenses from real estate leasing		2,494,593		2,556,151
C. Operating income (loss) from real estate leasing [A – B]		3,565,820		3,907,244

[Notes on the Statement of Unitholders' Equity]

*1 Total number of investment units authorized and total number of investment units issued and outstanding

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,789,389 units	1,921,689 units

[Notes on the Statement of Cash Distributions]

13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
*1 Reserve for temporary difference adjustment SAR provided 8,891,236 thousand yen as reserve for temporary difference adjustment in the 10th fiscal period. From the 11th fiscal period, SAR plans to reverse the same amount or more in each fiscal period over a period of up to 50 years. In the fiscal period under review, SAR decided to reverse 88,912 thousand yen.	*1 Reserve for temporary difference adjustment SAR provided 8,891,236 thousand yen as reserve for temporary difference adjustment in the 10th fiscal period. From the 11th fiscal period, SAR plans to reverse the same amount or more in each fiscal period over a period of up to 50 years. In the fiscal period under review, SAR decided to reverse 88,912 thousand yen.

[Notes on the Statement of Cash Flows]

*1 Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet items

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Cash and deposits	4,265,178	3,488,637
Cash and deposits in trust	8,075,474	8,549,954
Cash and cash equivalents	12,340,653	12,038,591

[Notes on Lease Transactions]

Operating leases (as lessor)

Future minimum lease payments

(Unit: thousand yen)

	13th fiscal period As of July 31, 2022	14th fiscal period As of January 31, 2023
Not later than 1 year	5,379,733	5,287,040
Later than 1 year	7,047,465	7,653,000
Total	12,427,198	12,940,040

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

SAR shall procure funds to allocate to acquisition of real estate related assets, repayment of interest-bearing liabilities, etc. through mainly issuance of investment units, borrowing from financial institutions, issuance of investment corporation bonds, etc. Upon procuring funds through interest-bearing liabilities, due consideration shall be given to fund procurement agility and financial stability.

(2) Description of financial instruments and associated risks, and risk management system

The funds procured through loans, which shall be for the purpose of mainly acquisition of assets, are exposed to liquidity risk until the repayment date, but the concerned risks are managed by taking such measures as lengthening the procurement periods and staggering the maturities. In addition, loans with floating interest rates are exposed to interest rate fluctuation risk, but derivative transactions (interest rate swap transactions) are utilized as hedging instruments to, in effect, convert interest rates to fixed rates in order to mitigate that risk. For the hedge accounting approach, hedging instruments, hedged items, hedging policy and method of assessing the effectiveness of hedging, please refer to "5. Method of hedge accounting" described under "Notes on Matters Concerning Significant Accounting Policies" earlier in this document.

(3) Supplementary explanation to matters concerning fair value, etc. of financial instruments

Not applicable.

2. Matters concerning fair value, etc. of financial instruments

The carrying amount, fair value and the amount of difference between them are as follows. Because “cash and deposits” and “cash and deposits in trust” are cash and settled in a short period of time and the fair values approximate the book values accordingly, notes on such are omitted.

13th fiscal period (as of July 31, 2022)

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	16,390,000	16,394,349	4,349
(2) Investment corporation bonds	1,000,000	994,500	(5,500)
(3) Long-term borrowings	72,250,000	72,241,065	(8,934)
Liabilities total	89,640,000	89,629,914	(10,085)
(4) Derivative transactions (*)	28,297	28,297	-

(*) Assets and liabilities arising from derivative transactions are offset and presented in the net amount, with the balance shown in parentheses () when in a net liability position.

14th fiscal period (as of January 31, 2023)

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	15,630,000	15,630,321	321
(2) Investment corporation bonds	1,000,000	986,200	(13,800)
(3) Long-term borrowings	80,210,000	80,102,528	(107,471)
Liabilities total	96,840,000	96,719,050	(120,949)
(4) Derivative transactions (*)	531,551	531,551	-

(*) Assets and liabilities arising from derivative transactions are offset and presented in the net amount, with the balance shown in parentheses () when in a net liability position.

(Note 1) Method of calculation of the fair value of financial instruments

(1) Current portion of long-term borrowings (3) Long-term borrowings

Of these, the fair values of those with fixed interest rates are calculated by the present value obtained by discounting the total principal and interest by the rate expected when similar funds are additionally borrowed in correspondence with the remaining term. Since those with floating interest rates are under terms and conditions that interest rates be renewed every set period of time, the fair values are approximately the same as the book value, and thus such are used.

(2) Investment corporation bonds

The reference value announced by Japan Securities Dealers Association is stated.

(4) Derivative transactions

Please refer to “Notes on Derivative Transactions” later in this document.

(Note 2) Amount of redemption/repayment of investment corporation bonds and loans to be due after the date of settlement of accounts

13th fiscal period (as of July 31, 2022)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Investment corporation bonds	-	-	-	-	-	1,000,000
Long-term borrowings	16,390,000	13,340,000	11,085,000	17,810,000	19,965,000	10,050,000
Total	16,390,000	13,340,000	11,085,000	17,810,000	19,965,000	11,050,000

14th fiscal period (as of January 31, 2023)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Investment corporation bonds	-	-	-	-	-	1,000,000
Long-term borrowings	15,630,000	12,285,000	19,150,000	20,275,000	18,450,000	10,050,000
Total	15,630,000	12,285,000	19,150,000	20,275,000	18,450,000	11,050,000

[Notes on Securities]

Other securities
13th fiscal period (as of July 31, 2022)

(Unit: thousand yen)

	Category	Carrying amount	Acquisition cost	Difference
Carrying amount greater than acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	-	-	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Carrying amount less than or equal to acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	800,000	800,000	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	800,000	800,000	-
	Total	800,000	800,000	-

14th fiscal period (as of January 31, 2023)

(Unit: thousand yen)

	Category	Carrying amount	Acquisition cost	Difference
Carrying amount greater than acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	-	-	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Carrying amount less than or equal to acquisition cost	(1) Stocks	-	-	-
	(2) Bonds			
	① Government bonds, municipal bonds, etc.	-	-	-
	② Corporate bonds	400,000	400,000	-
	③ Others	-	-	-
	(3) Others	-	-	-
	Subtotal	400,000	400,000	-
	Total	400,000	400,000	-

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

13th fiscal period (as of July 31, 2022)

Not applicable.

14th fiscal period (as of January 31, 2023)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

13th fiscal period (as of July 31, 2022)

The following is the contract amount or the amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, due after 1 year	
Principle accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term borrowings	64,405,000	59,715,000	28,297

(Note 1) Contract amount, etc. are based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

14th fiscal period (as of January 31, 2023)

The following is the contract amount or the amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, due after 1 year	
Principle accounting	Interest rate swap transaction (floating receivable; fixed payable)	Long-term borrowings	77,205,000	67,675,000	531,551

(Note 1) Contract amount, etc. are based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

[Notes on Retirement Benefits]

13th fiscal period (as of July 31, 2022)

Not applicable.

14th fiscal period (as of January 31, 2023)

Not applicable.

[Notes on Tax-Effect Accounting]

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	13th fiscal period As of July 31, 2022	14th fiscal period As of January 31, 2023
Deferred tax assets		
Valuation adjustment upon merger	1,148,955	1,123,529
Acquisition cost of securities	2,923	1,284
Deferred gains or losses on hedges	5,365	760
Others	204	-
Deferred tax assets, subtotal	1,157,448	1,125,574
Valuation allowance	(1,157,448)	(1,125,574)
Deferred tax assets, total	-	-
Deferred tax assets, net	-	-

2. Breakdown of major components that caused any significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)

	13th fiscal period As of July 31, 2022	14th fiscal period As of January 31, 2023
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(30.61)	(30.66)
Reversal of excess depreciation	(0.77)	(0.70)
Others	(0.05)	(0.08)
Effective income tax rate after application of tax-effect accounting	0.02	0.02

[Notes on Share of Profit or Loss of Entities Accounted for Using Equity Method, etc.]

13th fiscal period (as of July 31, 2022)

Not applicable.

14th fiscal period (as of January 31, 2023)

Not applicable.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholders, etc.

13th fiscal period (from February 1, 2022 to July 31, 2022)

Not applicable.

14th fiscal period (from August 1, 2022 to January 31, 2023)

Not applicable.

2. Affiliated companies, etc.

13th fiscal period (from February 1, 2022 to July 31, 2022)

Not applicable.

14th fiscal period (from August 1, 2022 to January 31, 2023)

Not applicable.

3. Fellow subsidiaries, etc.

13th fiscal period (from February 1, 2022 to July 31, 2022)

Not applicable.

14th fiscal period (from August 1, 2022 to January 31, 2023)

Not applicable.

4. Directors, major individual unitholders, etc.

13th fiscal period (from February 1, 2022 to July 31, 2022)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital	Description of business or occupation	Percentage of voting rights, etc. held by (in) SAR	Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director, or close relative of director	Atsushi Kato	—	—	Executive Director of SAR, and President and CEO of the Asset Manager	0.03%	Payment of asset management fee to the Asset Manager (Note 1)	392,584 (Note 2)	Accounts payable – others	431,842 (Note 2)

14th fiscal period (from August 1, 2022 to January 31, 2023)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital	Description of business or occupation	Percentage of voting rights, etc. held by (in) SAR	Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director, or close relative of director	Atsushi Kato	—	—	Executive Director of SAR, and President and CEO of the Asset Manager	0.03%	Payment of asset management fee to the Asset Manager (Note 1)	575,950 (Note 2) (Note 3)	Accounts payable – others	466,852 (Note 2)

(Note 1) The transaction was conducted by Atsushi Kato as President and CEO of a third party (the Asset Manager), and the transaction amount is based on the terms and conditions provided in the Articles of Incorporation of SAR.

(Note 2) Of the amounts above, the transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note 3) The asset management fee for the 14th fiscal period includes the acquisition incentive portion included in the book value of individual real estate, etc. in the amount of 151,540 thousand yen.

[Notes on Asset Retirement Obligations]

13th fiscal period (as of July 31, 2022)

Not applicable.

14th fiscal period (as of January 31, 2023)

Not applicable.

[Notes on Investments in Rental Properties]

SAR owns rental real estate, etc. for the purpose of earning revenue from leasing. The carrying amount, amount of increase (decrease) during the period and fair value of these investments in rental properties are as follows:

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Carrying amount		
Balance at beginning of period	179,797,713	179,572,164
Amount of increase (decrease) during period	(225,548)	15,271,229
Balance at end of period	179,572,164	194,843,394
Fair value at end of period	195,794,000	214,581,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investments in rental properties during the 13th fiscal period, the amount of increase is mainly attributable to capital expenditures (471,534 thousand yen), while the amount of decrease is mainly attributable to depreciation (697,599 thousand yen). Of the amount of increase (decrease) during the 14th fiscal period, the amount of increase is mainly attributable to acquisition of real estate beneficiary interest in trust of three properties (15,409,595 thousand yen) and capital expenditures (605,932 thousand yen), while the amount of decrease is mainly attributable to depreciation (743,661 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value by an outside real estate appraiser. Of the fair value at the end of the 14th fiscal period, that of Funabashi Hi-Tech Park Factory II is based on the transfer price (1,150,000 thousand yen) stated in the trust beneficiary interest sale and purchase agreement dated February 1, 2023 and that of Urban Park Gokokuji is based on the transfer price (1,800,000 thousand yen) stated in the trust beneficiary interest sale and purchase agreement dated March 16, 2023.

Income (loss) concerning investments in rental properties is as stated in “Notes on the Statement of Income and Retained Earnings” earlier in this document.

[Notes on Revenue Recognition]

1. Breakdown information on revenue from contracts with customers

13th fiscal period (from February 1, 2022 to July 31, 2022)

(Unit: thousand yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Proceeds from sale of real estate	-	-
Utilities income	314,831	314,831
Other	-	5,774,107
Total	314,831	6,088,939

(Note) Rental revenue, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) are excluded from the above amount as such revenue is not subject to the Revenue Recognition Accounting Standard. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

14th fiscal period (from August 1, 2022 to January 31, 2023)

(Unit: thousand yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Proceeds from sale of real estate	-	-
Utilities income	419,588	419,588
Other	-	6,066,665
Total	419,588	6,486,253

(Note) Rental revenue, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) are excluded from the above amount as such revenue is not subject to the Revenue Recognition Accounting Standard. Revenue from contracts with customers mainly represents proceeds from sale of real estate and utilities income.

2. Foundational information for understanding revenue from contracts with customers

The information is as indicated in Notes on Matters Concerning Significant Accounting Policies.

3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts and amount and period of revenue expected to be recognized in the next fiscal period or thereafter from contracts with customers existing at the end of the current fiscal period.

(1) Balance of contract assets and contract liabilities, etc.

(Unit: thousand yen)

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Claims generated from contracts with customers (balance at beginning of fiscal period)	54,922	73,083
Claims generated from contracts with customers (balance at end of fiscal period)	73,083	87,858
Contract assets (balance at beginning of fiscal period)	-	-
Contract assets (balance at end of fiscal period)	-	-
Contract liabilities (balance at beginning of fiscal period)	-	-
Contract liabilities (balance at end of fiscal period)	-	-

(2) Transaction value allocated to remaining performance obligations

Not applicable.

SAR does not include contracts whose terms are initially expected to be one year or less in the note on transaction value allocated to remaining performance obligations as an expedient in practice. Also, with regard to utilities income, as SAR has the right to receive from customers an amount directly corresponding to the value for the lessees who are customers of portions for which performance is complete by the end of the fiscal period, the amount it has the right to claim according to Paragraph 19 of the Application Guidelines of the Accounting Standard for Revenue Recognition is recognized as revenue. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

[Notes on Segment Information]

1. Segment information

Segment information is omitted because SAR operates a single segment, which is the real estate leasing business.

2. Related information

13th fiscal period (from February 1, 2022 to July 31, 2022)

(1) Information about products and services

Information about products and services is omitted because net sales to external customers for a single product and service category are in excess of 90% of operating revenue on the statement of income and retained earnings.

(2) Information about geographic areas

① Net sales

Information about net sales is omitted because net sales to external customers in Japan are in excess of 90% of operating revenue on the statement of income and retained earnings.

② Property, plant and equipment

Information about property, plant and equipment is omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

Information about each major customer is omitted because all net sales to a single external customer are less than 10% of the operating revenue on the statement of income and retained earnings.

14th fiscal period (from August 1, 2022 to January 31, 2023)

(1) Information about products and services

Information about products and services is omitted because net sales to external customers for a single product and service category are in excess of 90% of operating revenue on the statement of income and retained earnings.

(2) Information about geographic areas

① Net sales

Information about net sales is omitted because net sales to external customers in Japan are in excess of 90% of operating revenue on the statement of income and retained earnings.

② Property, plant and equipment

Information about property, plant and equipment is omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

Information about each major customer is omitted because all net sales to a single external customer are less than 10% of the operating revenue on the statement of income and retained earnings.

[Notes on Per Unit Information]

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Net assets per unit	53,539 yen	53,835 yen
Net income per unit	1,430 yen	1,455 yen

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

(Note 2) The basis for calculation of net income per unit is as follows:

	13th fiscal period From: February 1, 2022 To: July 31, 2022	14th fiscal period From: August 1, 2022 To: January 31, 2023
Net income (thousand yen)	2,559,804	2,781,930
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	2,559,804	2,781,930
Average number of investment units during period (units)	1,789,389	1,910,903

[Notes on Significant Subsequent Events]

Asset transfer

The transfer of Funabashi Hi-Tech Park Factory II has completed and the transfer of Urban Park Gokokuji was decided as follows:

<Funabashi Hi-Tech Park Factory II>

Asset transferred:	Trust beneficiary interest in which the main trust asset is domestic real estate
Contract date:	February 1, 2023
Transfer date:	February 20, 2023
Location (indication of residential address):	631-13 Toyotomicho, Funabashi-shi, Chiba
Buyer:	TOCALO Co., Ltd.
Transfer price:	1,150,000 thousand yen
Impact on income (loss):	Operating revenue from gain on sale of real estate is expected to be recorded in the amount of approximately 413 million yen in the fiscal period ending July 31, 2023.

<Urban Park Gokokuji>

Asset to be transferred:	Trust beneficiary interest in which the main trust asset is domestic real estate
Contract date:	March 16, 2023
Planned transfer date:	August 31, 2023, or other date separately agreed upon by SAR and the planned buyer
Location (indication of residential address):	1-5-4 Zoshigaya, Toshima-ku, Tokyo
Planned buyer:	A.D. Works Co., Ltd.
Planned transfer price:	1,800,000 thousand yen
Impact on income (loss):	Operating revenue from gain on sale of real estate is expected to be recorded in the amount of approximately 271 million yen in the fiscal period ending January 31, 2024.

(9) Changes in Total Number of Investment Units Issued and Outstanding

The following are the changes in unitholders' capital and total number of investment units issued and outstanding for the most recent five years.

Date	Event	Total number of investment units issued and outstanding (units)		Unitholders' capital (thousand yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
February 1, 2018	Capital increase through public offering	53,641	467,941	5,525,130	45,556,316	(Note 1)
February 27, 2018	Capital increase through third-party allotment	2,683	470,624	276,354	45,832,670	(Note 2)
September 5, 2018	Capital increase through public offering	66,857	537,481	6,584,077	52,416,747	(Note 3)
October 2, 2018	Capital increase through third-party allotment	3,343	540,824	329,218	52,745,966	(Note 4)
August 1, 2020	Investment unit split	540,824	1,081,648	-	52,745,966	(Note 5)
August 1, 2020	Merger	592,741	1,674,389	-	52,745,966	(Note 6)
August 17, 2021	Capital increase through public offering	115,000	1,789,389	6,369,735	59,115,701	(Note 7)
August 16, 2022	Capital increase through public offering	132,300	1,921,689	7,007,666	66,123,367	(Note 8)

(Note 1) New investment units were issued through public offering at an issue price of 106,724 yen (paid-in amount of 103,002 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 2) New investment units were issued through third-party allotment at a paid-in amount of 103,002 yen per unit for the purpose of procuring funds for repayment of borrowings.

(Note 3) New investment units were issued through public offering at an issue price of 101,985 yen (paid-in amount of 98,480 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 4) New investment units were issued through third-party allotment at a paid-in amount of 98,480 yen per unit for the purpose of procuring funds for repayment of borrowings.

(Note 5) SAR has conducted an investment unit split to split one investment unit into two investment units.

(Note 6) Due to the merger dated August 1, 2020, SAR allocated and delivered 1.78 SAR investment units for every 1.0 SSR investment unit. As a result, SAR issued 592,741 new investment units.

(Note 7) New investment units were issued through public offering at an issue price of 57,330 yen (paid-in amount of 55,389 yen) per unit for the purpose of procuring funds for acquisition of new properties.

(Note 8) New investment units were issued through public offering at an issue price of 54,795 yen (paid-in amount of 52,968 yen) per unit for the purpose of procuring funds for acquisition of new properties.

3. Reference Information

(1) Investment Status

Type of asset	Primary use	Geographic area (Note 1)	13th fiscal period (As of July 31, 2022)		14th fiscal period (As of January 31, 2023)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate in trust	Office	Greater Tokyo	54,483	28.2	56,743	27.2
		Major Metropolitan Areas	18,569	9.6	18,539	8.9
	Retail	Greater Tokyo	3,004	1.6	3,001	1.4
		Major Metropolitan Areas	15,115	7.8	24,711	11.8
	Residence	Greater Tokyo	32,255	16.7	32,228	15.4
		Major Metropolitan Areas	6,233	3.2	6,232	3.0
	Logistics facility	Greater Tokyo	29,657	15.3	29,541	14.2
	Hotel	Greater Tokyo	12,652	6.5	12,632	6.1
		Major Metropolitan Areas	7,599	3.9	11,212	5.4
	Subtotal			179,572	92.8	194,843
Investment securities			800	0.4	400	0.2
Deposits and other assets			13,116	6.8	13,523	6.5
Total amount of assets			193,488	100.0	208,766	100.0

	Amount (million yen)	As a percentage of total assets (%)	Amount (million yen)	As a percentage of total assets (%)
Total amount of liabilities (Note 4)	97,685	50.5	105,311	50.4
Total amount of net assets (Note 4)	95,803	49.5	103,455	49.6

(Note 1) "Greater Tokyo" refers to Tokyo, Kanagawa, Saitama and Chiba Prefectures. The same shall apply hereinafter. The Asset Manager has made an amendment to the investment target classification on March 16, 2023 and figures above are based on the classification after the amendment.

(Note 2) "Total amount held" is the carrying amount as at the date of settlement of accounts (in the case of real estate in trust, then the depreciated book value), rounded down to the nearest million yen.

(Note 3) "As a percentage of total assets" is the carrying amount of the concerned assets expressed as a percentage of the total amount of assets, rounded to the first decimal place.

(Note 4) "Total amount of liabilities" and "Total amount of net assets" are according to total liabilities and total net assets on the balance sheet.

(2) Investment Assets

① Investment securities

Asset no.	Name of the security	Type of asset	Quantity (Units)	Book value (million yen)		Fair value (million yen)		Unrealized gain or loss (million yen)	Remarks
				Unit price	Amount	Unit price	Amount		
MEZ-07	Star Asia Mezzanine Loan Debt Investment Series 7	Corporate bond	—	—	400	—	400	—	(Note 1) (Note 2)
	Total	—	—	—	400	—	400	—	—

(Note 1) Because interest income etc. from mezzanine loan debt are based on floating interest rates, the fair value is approximately the same as the book value and thus stated at that book value.

(Note 2) The underlying assets are trust beneficiary interests in a trust mainly comprised of Quintessa Hotel Tokyo Haneda Comic & Books (former property name:Relief Premium Haneda).

② Real estate

(a) Overview of real estate (acquisition price, etc.)

Use	Property no. (Note 1)	Property name	Location (Note 2)	Acquisition price (million yen) (Note 3)	Share of investment (%) (Note 4)	Real estate appraisal value, etc. (million yen) (Note 5)	Acquisition date	
Office	OFC-01	Minami-Azabu Shibuya Building	Minato Ward, Tokyo	2,973	1.5	3,040	January 14, 2016	
	OFC-03	Honmachibashi Tower	Chuo Ward, Osaka City, Osaka	6,065	3.1	7,090	January 14, 2016	
	OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	0.9	2,660	April 20, 2016	
	OFC-06	Shibuya MK Building	Shibuya Ward, Tokyo	2,042	1.0	3,290	April 20, 2016	
	OFC-08	Asahi Building	Kanagawa Ward, Yokohama City, Kanagawa	6,320	3.2	8,390	April 20, 2016	
	OFC-09	Hakata-eki East Place	Hakata Ward, Fukuoka City, Fukuoka	2,286	1.2	3,140	April 6, 2017	
	OFC-10	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	0.7	1,500	February 2, 2018	
	OFC-11	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	1.3	2,790	September 6, 2018	
	OFC-12	Higashi-Kobe Center Building	Higashinada Ward, Kobe City, Hyogo	7,440	3.8	7,320	September 6, 2018	
	OFC-13	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	0.5	1,240	February 1, 2019	
	OFC-14	Seishin BLDG.	Shinjuku Ward, Tokyo	11,200	5.7	11,700	August 1, 2020	
	OFC-15	Urban Center Kanda Suda-cho (Note 6)	Chiyoda Ward, Tokyo	5,350	2.7	5,440	August 1, 2020	
	OFC-16	Urban Center Kanda Tsukasamachi	Chiyoda Ward, Tokyo	4,590	2.4	4,630	August 1, 2020	
	OFC-17	Takadanobaba Access	Shinjuku Ward, Tokyo	3,990	2.0	3,990	August 1, 2020	
	OFC-18	Azabu Amerex BLDG.	Minato Ward, Tokyo	2,780	1.4	2,910	August 1, 2020	
	OFC-19	Hiei-Kudan BLDG.	Chiyoda Ward, Tokyo	2,400	1.2	2,390	August 1, 2020	
	OFC-20	Urban Center Shin-Yokohama (Note 7)	Kohoku Ward, Yokohama City, Kanagawa	2,300	1.2	2,590	August 1, 2020	
	OFC-21	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	0.8	1,490	August 1, 2020	
	OFC-22	Urban Center Tachikawa	Tachikawa City, Tokyo	1,804	0.9	1,980	August 19, 2021	
	OFC-23	Urban Center Hakata	Hakata Ward, Fukuoka City, Fukuoka	2,870	1.5	3,200	August 19, 2021	
	OFC-24	Urban Center Fujisawa	Fujisawa City, Kanagawa	2,054	1.1	2,200	August 18, 2022	
	Subtotal				74,787	38.4	82,980	—
	Retail	RTL-01	La Park Kishiwada	Kishiwada City, Osaka	5,400	2.8	5,240	August 1, 2020
		RTL-02	Suroy Mall Chikushino	Chikushino City, Fukuoka	6,550	3.4	6,290	August 1, 2020
RTL-03		Seiyu Minakuchi	Koka City, Shiga	3,320	1.7	3,330	August 1, 2020	
RTL-05		BAGUS Ikebukuro West	Toshima Ward, Tokyo	2,984	1.5	3,410	August 19, 2021	
RTL-06		abeno nini (Retail)	Abeno Ward, Osaka City, Osaka	9,500	4.9	10,100	August 18, 2022	
Subtotal				27,754	14.2	28,370	—	
Residence	RSC-01	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	1.0	2,930	January 14, 2016	
	RSC-02	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	3.2	10,100	January 14, 2016	
	RSC-05	Urban Park Namba	Naniwa Ward, Osaka City, Osaka	1,490	0.8	1,550	April 20, 2016	
	RSC-06	Urban Park Gokokuji	Toshima Ward, Tokyo	1,460	0.7	1,570	February 1, 2017	
	RSC-07	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	0.6	1,200	April 6, 2017	
	RSC-08	Urban Park Ryokuchi Koen	Suita City, Osaka	1,550	0.8	1,720	February 2, 2018	
	RSC-09	Urban Park Koenji	Suginami Ward, Tokyo	1,167	0.6	1,180	February 2, 2018	

Use	Property no. (Note 1)	Property name	Location (Note 2)	Acquisition price (million yen) (Note 3)	Share of investment (%) (Note 4)	Real estate appraisal value, etc. (million yen) (Note 5)	Acquisition date
Residence	RSC-10	Urban Park Ichigao	Aoba Ward, Yokohama City, Kanagawa	1,810	0.9	2,170	March 13, 2020
	RSC-11	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	0.7	1,600	March 13, 2020
	RSC-12	Shiroi Logiman	Shiroi City, Chiba	2,470	1.3	2,520	August 1, 2020
	RSC-13	Urban Park Sekime	Joto Ward, Osaka City, Osaka	2,150	1.1	2,460	August 1, 2020
	RSC-14	Urban Park Imazato	Ikuno Ward, Osaka City, Osaka	993	0.5	1,100	August 1, 2020
	RSC-15	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	0.9	1,990	August 1, 2020
	RSC-16	Urban Park Tokiwadai Koen	Hodogaya Ward, Yokohama City, Kanagawa	3,506	1.8	3,960	October 16, 2020
	RSC-17	Urban Park Mitsuike Koen	Tsurumi Ward, Yokohama City, Kanagawa	3,160	1.6	3,580	January 8, 2021
	RSC-18	Urban Park Ryogoku	Sumida Ward, Tokyo	1,115	0.6	1,280	August 19, 2021
	RSC-19	Urban Park Mizonokuchi	Takatsu Ward, Kawasaki City, Kanagawa	2,019	1.0	2,100	August 19, 2021
	RSC-20	Urban Park Miyamaedaira	Miyamae Ward, Kawasaki City, Kanagawa	1,060	0.5	1,260	August 19, 2021
	RSC-21	Urban Park Tsurumi	Tsurumi Ward, Yokohama City, Kanagawa	1,113	0.6	1,190	August 19, 2021
Subtotal				37,779	19.4	45,460	—
Logistics facility	LGC-01	Iwatsuki Logistics	Iwatsuki Ward, Saitama City, Saitama	6,942	3.6	7,690	January 14, 2016
	LGC-02	Yokohama Logistics	Kanagawa Ward, Yokohama City, Kanagawa	3,560	1.8	4,340	January 14, 2016
	LGC-03	Funabashi Logistics	Funabashi City, Chiba	7,875	4.0	8,930	January 14, 2016
	LGC-04	Baraki Logistics	Ichikawa City, Chiba	4,700	2.4	5,030	April 6, 2017
	LGC-05	Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	0.7	1,550	April 6, 2017
	LGC-07	Funabashi Nishiura Logistics II	Funabashi City, Chiba	821	0.4	891	February 2, 2018
	LGC-08	Matsubushi Logistics	Kitakatsushika-gun, Saitama	2,755	1.4	3,240	February 2, 2018
	LGC-09	Funabashi Hi-Tech Park Factory I	Funabashi City, Chiba	1,710	0.9	1,710	August 1, 2020
	LGC-10	Funabashi Hi-Tech Park Factory II	Funabashi City, Chiba	702	0.4	705	August 1, 2020
	Subtotal				30,365	15.6	34,086
Hotel	HTL-01	R&B Hotel Umeda East	Kita Ward, Osaka City, Osaka	2,069	1.1	2,280	January 14, 2016
	HTL-02	Smile Hotel Namba	Naniwa Ward, Osaka City, Osaka	1,750	0.9	1,440	January 14, 2016
	HTL-03	REMBRANDT STYLE Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	2.0	3,470	April 6, 2017
	HTL-04	BEST WESTERN Yokohama	Tsurumi Ward, Yokohama City, Kanagawa	3,248	1.7	3,210	April 6, 2017
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Chuo Ward, Fukuoka City, Fukuoka	1,970	1.0	1,920	September 6, 2018
	HTL-06	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	1.3	2,440	September 6, 2018
	HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	1.6	3,140	September 6, 2018
	HTL-08	KOKO HOTEL Osaka Namba	Naniwa Ward, Osaka City, Osaka	2,000	1.0	1,420	September 6, 2018
	HTL-09	abeno nini (Hotel)	Abeno Ward, Osaka City, Osaka	3,600	1.8	3,690	August 18, 2022
Subtotal				24,144	12.4	23,010	—
Total				194,829	100.0	213,906	—

(Note 1) "Property no." is assigned to SAR's investment assets by categorizing into office (OFC), retail facility (RTL), residence (RSC), logistics facility (LGC) and hotel (HTL), and numbering in order by category. The same shall apply hereinafter.

(Note 2) "Location" is the smallest independent administrative district in which each investment asset is located.

(Note 3) "Acquisition price" indicates the sale and purchase price stated in the sale and purchase agreement for each investment asset. (Not including consumption tax and local consumption tax.) However, in the case of Minami-Azabu Shibuya Building, since the price for each investment asset among multiple assets is not set in the sale and purchase agreement, the total sale and purchase price is divided proportionally based on the ratio of the appraisal value of the properties at the time of acquisition and indicated as the acquisition price. The appraisal value indicated in the real estate appraisal report with July 31, 2020, as the appraisal date, which is the receipt price, is indicated for properties that were succeeded from SSR due to the absorption-type merger with SAR as the surviving corporation on August 1, 2020.

(Note 4) "Share of investment" is the acquisition price of the investment asset indicated as a percentage of the total of acquisition price, rounded to the first decimal place.

(Note 5) Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and The Tanizawa Sogo Appraisal Co., Ltd. are entrusted with appraisals. Real estate appraisal values are the figures indicated in the real estate appraisal report with January 31, 2023, as the date of value and are rounded to the nearest million yen. For details, please refer to "(d) Summary of Real Estate Appraisal Reports, Etc."

(Note 6) The name was changed on August 1, 2022 (former property name: NK Building). The same shall apply hereinafter.

(Note 7) The name was changed on August 1, 2022 (former property name: Shin-Yokohama Nara BLDG.). The same shall apply hereinafter.

(b) Portfolio Summary

a. By Geographic Area

Geographic area		Acquisition price (million yen)	Share (%) (Note 1)
Greater Tokyo (Note 2)		134,226	68.8
Major Metropolitan Areas	Osaka Area, Nagoya Area and Fukuoka Area	38,293	19.6
	Other than the above	22,710	11.6
Total		195,229	100.0

(Note 1) "Share" is calculated on the basis of acquisition price, rounded to the first decimal place. Accordingly, the shares may not add up to 100%. The same shall apply hereinafter in "c. By Asset Type (Use)."

(Note 2) A mezzanine loan debt (acquisition price: 400 million yen) is included.

(a) Office

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		56,126	75.0
Major Metropolitan Areas	Osaka Area, Nagoya Area and Fukuoka Area	11,221	15.0
	Other than the above	7,440	9.9
Total		74,787	100.0

(b) Retail

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		2,984	10.8
Major Metropolitan Areas	Osaka Area, Nagoya Area and Fukuoka Area	9,500	34.2
	Other than the above	15,270	55.0
Total		27,754	100.0

(c) Residence

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		31,596	83.6
Major Metropolitan Areas	Osaka Area, Nagoya Area and Fukuoka Area	6,183	16.4
	Other than the above	-	-
Total		37,779	100.0

(d) Logistics facility

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		30,365	100.0
Major Metropolitan Areas	Osaka Area, Nagoya Area and Fukuoka Area	-	-
	Other than the above	-	-
Total		30,365	100.0

(e) Hotel

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo (Note)		13,155	53.6
Major Metropolitan Areas	Osaka Area, Nagoya Area and Fukuoka Area	11,389	46.4
	Other than the above	-	-
Total		24,544	100.0

b. By Size

Acquisition price	Number of properties	Share (%) (Note 1)
10 billion yen or more	1	1.6
5 billion yen or more but less than 10 billion yen	10	15.6
1 billion yen or more but less than 5 billion yen	49	76.6
Less than 1 billion yen (Note 2)	4	6.3
Total	64	100.0

(Note 1) "Share" is calculated on the basis of number of properties.

(Note 2) A mezzanine loan debt (acquisition price: 400 million yen) is included.

c. By Asset Type (Use)

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office	21	74,787	38.3
Retail	5	27,754	14.2
Residence	19	37,779	19.4
Logistics facility	9	30,365	15.6
Hotel (Note)	10	24,544	12.6
Total	64	195,229	100.0

(Note) A mezzanine loan debt (acquisition price: 400 million yen) is included.

(c) Status of Leasing

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Operating revenue from leasing (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m ²) (Note 4)	Leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
OFC-01	Minami-Azabu Shibuya Building	June 1993	6	102,768	128,023	3,263.08	3,263.08	100.0
OFC-03	Honmachibashi Tower	February 2010	6 (Note 7)	250,354	260,488	10,489.58	10,489.58	100.0
OFC-04	Nishi-Shinjuku Matsuya Building	May 1987	10	119,608	149,273	3,547.74	3,547.74	100.0
OFC-06	Shibuya MK Building	July 1993	4	70,716	94,300	1,612.88	1,612.88	100.0
OFC-08	Asahi Building	November 1994	20	235,651	247,959	8,672.01	8,672.01	100.0
OFC-09	Hakata-eki East Place	February 1986	18	115,873	107,378	4,540.80	4,632.70	98.0
OFC-10	Nihonbashi Hamacho Park Building	July 1992	3	39,904	60,116	1,433.88	1,913.44	74.9
OFC-11	Amusement Media Gakuin Honkan	November 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,892.18	100.0
OFC-12	Higashi Kobe Center Building	January 1992	55	316,441	332,568	15,130.80	16,960.51	89.2
OFC-13	Amusement Media Gakuin Shinkan	January 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	781.33	100.0
OFC-14	Seishin BLDG.	March 1989	18	207,083	280,368	4,403.56	5,616.80	78.4
OFC-15	Urban Center Kanda Suda-cho	October 1991	10	145,353	157,380	3,394.35	3,394.35	100.0
OFC-16	Urban Center Kanda Tsukasamachi	January 1988	8	119,634	150,123	3,250.68	3,250.68	100.0
OFC-17	Takadanobaba Access	January 1994	7	111,912	117,242	3,509.86	3,691.49	95.1
OFC-18	Azabu Amerex BLDG.	June 1988	7	73,793	63,565	2,240.03	2,240.03	100.0
OFC-19	Hiei-Kudan BLDG.	September 1991	10	60,731	101,600	2,298.86	2,298.86	100.0
OFC-20	Urban Center Shin-Yokohama	March 1992	17	85,248	93,960	4,057.89	4,057.89	100.0
OFC-21	The Portal Akihabara	May 2002	8	33,893	38,756	941.69	941.69	100.0
OFC-22	Urban Center Tachikawa	May 1990	3	45,852	66,650	2,211.96	3,400.47	65.0
OFC-23	Urban Center Hakata	August 2020	1	77,043	108,748	2,639.18	2,639.18	100.0
OFC-24	Urban Center Fujisawa	April 1991	6	77,094	90,770	3,298.18	3,396.17	97.1
RTL-01	La Park Kishiwada	August 1994	53 (Note 10)	533,043	239,341	40,774.23 (Note 10)	41,001.03 (Note 10)	99.4
RTL-02	Suroy Mall Chikushino	June 2007	20	267,243	418,134	29,950.48	31,088.53	96.3
RTL-03	Seiyu Minakuchi	May 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	23,814.87	23,814.87	100.0
RTL-05	BAGUS Ikebukuro West	November 1992	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,497.45	100.0
RTL-06	abeno nini (Retail)	January 2012	5	201,113	150,698	3,481.03	3,481.03	100.0
RSC-01	Urban Park Azabujuban	November 1999	44	56,193	10,903	1,986.76	1,986.76	100.0
RSC-02	Urban Park Daikanyama	Existing: November 1982 Newly built: May 2006	70	197,239	78,768	5,909.54	5,977.18	98.9
RSC-05	Urban Park Namba	January 2013	113	48,394	120	2,496.73	2,584.81	96.6
RSC-06	Urban Park Gokokuji	February 1990	106	50,593	3,790	1,898.52	1,964.04	96.7
RSC-07	Urban Park Kashiwa	August 1997	40	38,582	7,726	2,954.77	2,954.77	100.0
RSC-08	Urban Park Ryokuchi Koen	March 1989	60	60,716	10,638	5,508.94	5,508.94	100.0

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Operating revenue from leasing (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m ²) (Note 4)	Leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
RSC-09	Urban Park Koenji	October 1987	73	36,134	4,501	1,333.38	1,365.48	97.6
RSC-10	Urban Park Ichigao	July 1998	60	59,082	17,949	4,260.26	4,322.62	98.6
RSC-11	Urban Park Gyotoku	March 1995	41	37,005	15,451	2,670.08	2,976.36	89.7
RSC-12	Shiroi Logiman	May 1995	288	143,014	12,982	21,210.93	21,884.21	96.9
RSC-13	Urban Park Sekime	August 1989	124	87,176	9,461	7,470.08	7,693.13	97.1
RSC-14	Urban Park Imazato	December 1991	65	39,327	1,872	4,442.20	4,648.64	95.6
RSC-15	Urban Park Yoyogi	September 2017	28	41,285	7,352	1,286.50	1,286.50	100.0
RSC-16	Urban Park Tokiwadai Koen	February 1994	138	144,047	29,215	13,860.00	14,058.00	98.6
RSC-17	Urban Park Mitsuike Koen	March 1992	136	128,477	29,470	10,296.00	10,362.00	99.4
RSC-18	Urban Park Ryogoku	October 1997	31	36,296	7,812	2,235.93	2,304.53	97.0
RSC-19	Urban Park Mizonokuchi	August 1988	67	62,723	5,240	3,686.31	4,160.00	88.6
RSC-20	Urban Park Miyamaedaira	June 2021	49	32,783	2,285	1,957.97	1,957.97	100.0
RSC-21	Urban Park Tsurumi	February 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	3,145.41	100.0
LGC-01	Iwatsuki Logistics	October 2014	3	205,181	97,014	30,190.81	30,190.81	100.0
LGC-02	Yokohama Logistics	October 1994	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	18,142.08	100.0
LGC-03	Funabashi Logistics	Building 1: September 1992 Building 2: August 1997	6	269,093	91,166	36,081.45	38,086.56	94.7
LGC-04	Baraki Logistics	August 2015	2	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	12,126.28	100.0
LGC-05	Tokorozawa Logistics	April 1999	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	5,994.75	100.0
LGC-07	Funabashi Nishiura Logistics II	Warehouse: March 1991 Factory: May 1972 Office: May 1986	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	6,315.87	100.0
LGC-08	Matsubushi Logistics	March 1997	1	Not disclosed (Note 9)	Not disclosed (Note 9)	19,833.47	19,833.47	100.0
LGC-09	Funabashi Hi-Tech Park Factory I	May 2003	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	8,340.98	100.0
LGC-10	Funabashi Hi-Tech Park Factory II	September 2001	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	4,233.92	100.0
HTL-01	R&B Hotel Umeda East	October 2000	1	65,277	73,435	3,940.93	3,940.93	100.0
HTL-02	Smile Hotel Namba	February 2008	1	27,795	-	1,711.42	1,711.42	100.0
HTL-03	REMBRANDT STYLE Tokyo Nishikasai	March 1991	1	84,600	84,600	5,293.88	5,293.88	100.0
HTL-04	BEST WESTERN Yokohama	September 1987	1	80,400	80,400	4,686.09	4,686.09	100.0
HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	February 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	2,281.49	100.0
HTL-06	GLANSIT AKIHABARA	September 2017	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	1,089.06	100.0
HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	February 2017	1	70,002	116,670	2,755.19	2,755.19	100.0
HTL-08	KOKO HOTEL Osaka Namba	April 2017	1	23,638	-	2,061.38	2,061.38	100.0
HTL-09	Abeno nini (Hotel)	January 2012	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	5,553.84	100.0
Total			1,859	6,463,396	5,846,032	452,371.78	463,355.32	97.6

- (Note 1) "Number of tenants" is the number of tenants (excluding parking) under the lease agreement stated in the lease agreement for each investment asset as of January 31, 2023. If a single tenant is leasing multiple rental units in an investment asset, the tenant is counted as 1 tenant for the concerned investment asset. If a single tenant is leasing rental units across multiple investment assets, the tenant is counted as separate tenants and the sum total number of tenants is stated in the total column. Furthermore, in cases where a pass-through-type master lease agreement under which rent from end-tenants is received in principle ("pass-through-type master lease") has been concluded for the concerned investment asset, the total number of end-tenants is stated. In cases where a master lease agreement agreeing to the effect that the rent under the master lease agreement shall be a fixed rent ("rent-guaranteed type master lease") has been concluded for the concerned investment asset, the number of tenants is 1 and the sum total of these is stated.
- (Note 2) "Operating revenue from leasing" is rental revenue, common area maintenance revenue, parking revenue and other revenue generated from real estate held during the fiscal period under review (including other lease business revenue).
- (Note 3) "Security and guarantee deposits" is the sum total amount of tenant security and guarantee deposits required based on the lease agreement (including deposits based on parking, antenna, rooftop and other agreements; the amount after depreciation) for each investment asset as of January 31, 2023 (limited to those occupied as of said date). Furthermore, in cases where a pass-through-type master lease agreement has been concluded for the concerned investment asset, it is the sum total amount of tenant security and guarantee deposits under lease agreements concluded with end-tenants.
- (Note 4) "Leased area" is the sum total of the leased area stated in the lease agreement for each investment asset as of January 31, 2023. Furthermore, in cases where a master lease agreement has been concluded for the concerned investment asset, it is the sum total of the leased area under lease agreements concluded with end-tenants for properties under a pass-through-type master lease, and it is the leased area under the master lease agreement for properties under a rent-guaranteed type master lease.
- (Note 5) "Leasable area" is the floor area regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for each investment asset as of January 31, 2023.
- (Note 6) "Occupancy rate" is the ratio of leased area to leasable area for each investment asset as of January 31, 2023, rounded to the first decimal place. In addition, in the total column, it is the ratio of the sum total of leased area to the sum total of leasable area for each investment asset, rounded to the first decimal place.
- (Note 7) Of the tenants of the property, a single company leases all 36 units of the residential portion, of which 30 units are under a rent-guaranteed type master lease agreement and 6 units are under a pass-through-type master lease agreement.
- (Note 8) In the table, "Number of tenants," "Security and guarantee deposits," "Leased area" and "Occupancy rate" are based on lease agreements valid as of January 31, 2023, even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent.
- (Note 9) Not disclosed, because consent for disclosure has not been obtained from the tenants.
- (Note 10) The number of tenants and each area related to the installation of ATM are not included.

(d) Summary of Real Estate Appraisal Reports, Etc.

Use	Property no.	Property name	Appraisal firm (Note 1)	Appraisal value (million yen) (Note 2)	Summary of appraisal reports						Appraisal NOI yield (%) (Note 4)	
					Income approach					NOI (million yen) (Note 3)		
					Direct capitalization method		DCF method					
					Indicated value (million yen)	Cap rate (%)	Indicated value (million yen)	Discount rate (%)	Terminal cap rate (%)			
Office	OFC-01	Minami-Azabu Shibuya Building	Daiwa	3,040	3,120	3.9	3,010	3.5	4.1	139	4.7	
	OFC-03	Honmachibashi Tower	Daiwa	7,090	7,070	4.1	7,100	3.9	4.3	308	5.1	
	OFC-04	Nishi-Shinjuku Matsuya Building	Daiwa	2,660	2,590	4.1	2,690	3.9	4.3	121	6.8	
	OFC-06	Shibuya MK Building	JREI	3,290	3,330	3.3	3,250	3.1	3.4	114	5.6	
	OFC-08	Asahi Building	JREI	8,390	8,470	3.3	8,310	3.1	3.4	311	4.9	
	OFC-09	Hakata-eki East Place	Daiwa	3,140	3,130	4.5	3,150	4.3	4.7	146	6.4	
	OFC-10	Nihonbashi Hamacho Park Building	Daiwa	1,500	1,490	4.3	1,500	4.1	4.5	66	4.5	
	OFC-11	Amusement Media Gakuin Honkan	Daiwa	2,790	2,850	3.5	2,760	3.3	3.7	103	4.0	
	OFC-12	Higashi Kobe Center Building	Tanizawa	7,320	7,240	4.9	7,360	5.0	5.1	403	5.4	
	OFC-13	Amusement Media Gakuin Shinkan	JREI	1,240	1,250	3.2	1,220	3.0	3.3	41	4.0	
	OFC-14	Seishin BLDG.	JREI	11,700	11,900	3.3	11,500	3.0	3.3	401	3.6	
	OFC-15	Urban Center Kanda Suda-cho	Tanizawa	5,440	5,540	3.4	5,400	3.5	3.6	199	3.7	
	OFC-16	Urban Center Kanda Tsukasamachi	Tanizawa	4,630	4,730	3.5	4,590	3.6	3.7	172	3.8	
	OFC-17	Takadanobaba Access	Tanizawa	3,990	4,160	3.6	3,910	3.7	3.8	155	3.9	
	OFC-18	Azabu Amerex BLDG.	JREI	2,910	2,910	3.4	2,900	3.1	3.4	104	3.7	
	OFC-19	Hiei-Kudan BLDG.	Tanizawa	2,390	2,480	3.4	2,350	3.5	3.6	87	3.6	
	OFC-20	Urban Center Shin-Yokohama	JREI	2,590	2,600	4.2	2,580	3.9	4.3	115	5.0	
	OFC-21	The Portal Akihabara	Tanizawa	1,490	1,540	3.6	1,470	3.7	3.8	57	3.8	
	OFC-22	Urban Center Tachikawa	Daiwa	1,980	1,990	4.4	1,980	4.2	4.6	93	5.2	
	OFC-23	Urban Center Hakata	JREI	3,200	3,220	3.9	3,180	3.7	4.0	126	4.4	
	OFC-24	Urban Center Fujisawa	JREI	2,200	2,210	4.8	2,180	4.6	5.0	115	5.6	
			Subtotal		82,980	83,820	-	82,390	-	-	3,378	4.5
	Retail	RTL-01	La Park Kishiwada	JREI	5,240	5,240	6.4	5,230	6.2	6.6	385	7.1
		RTL-02	Suroy Mall Chikushino	Tanizawa	6,290	6,280	5.7	6,300	5.8	5.9	369	5.6
RTL-03		Seiyu Minakuchi	JREI	3,330	3,360	6.7	3,300	6.5	7.0	246	7.4	
RTL-05		BAGUS Ikebukuro West	JREI	3,410	3,440	3.5	3,370	3.3	3.6	123	4.1	
RTL-06		abeno nini (Retail)	JREI	10,100	10,300	3.8	9,840	3.6	4.0	393	4.1	
			Subtotal		28,370	28,620	-	28,040	-	-	1,516	5.5
Residence	RSC-01	Urban Park Azabujuban	JREI	2,930	2,960	2.9	2,890	2.7	3.0	89	4.4	
	RSC-02	Urban Park Daikanyama	JREI	10,100	10,300	2.8	9,980	2.6	2.9	302	4.8	
	RSC-05	Urban Park Namba	Daiwa	1,550	1,570	4.6	1,540	4.4	4.8	74	5.0	
	RSC-06	Urban Park Gokokuji	JREI	1,570	1,580	3.5	1,560	3.3	3.6	61	4.2	
	RSC-07	Urban Park Kashiwa	Tanizawa	1,200	1,210	4.4	1,190	4.5	4.6	58	4.9	
	RSC-08	Urban Park Ryokuchi Koen	Tanizawa	1,720	1,730	4.5	1,720	4.6	4.7	88	5.7	
	RSC-09	Urban Park Koenji	Tanizawa	1,180	1,210	3.8	1,170	3.9	4.0	52	4.5	
	RSC-10	Urban Park Ichigao	JREI	2,170	2,180	3.7	2,150	3.5	3.8	86	4.8	
	RSC-11	Urban Park Gyotoku	Tanizawa	1,600	1,640	3.9	1,580	4.0	4.1	67	4.7	
	RSC-12	Shiroi Logiman	Tanizawa	2,520	2,470	5.0	2,540	5.1	5.2	140	5.7	
	RSC-13	Urban Park Sekime	Tanizawa	2,460	2,470	4.2	2,450	4.3	4.4	114	5.3	
	RSC-14	Urban Park Imazato	Tanizawa	1,100	1,110	4.4	1,100	4.5	4.6	54	5.4	
	RSC-15	Urban Park Yoyogi	JREI	1,990	2,000	3.1	1,970	2.8	3.2	63	3.6	
	RSC-16	Urban Park Tokiwadai Koen	Tanizawa	3,960	3,990	4.2	3,950	4.3	4.4	187	5.3	
RSC-17	Urban Park Mitsuike Koen	Tanizawa	3,580	3,600	4.4	3,570	4.5	4.6	171	5.4		

Use	Property no.	Property name	Appraisal firm (Note 1)	Appraisal value (million yen) (Note 2)	Summary of appraisal reports						Appraisal NOI yield (%) (Note 4)
					Income approach					NOI (million yen) (Note 3)	
					Direct capitalization method		DCF method				
					Indicated value (million yen)	Cap rate (%)	Indicated value (million yen)	Discount rate (%)	Terminal cap rate (%)		
Residence	RSC-18	Urban Park Ryogoku	Tanizawa	1,280	1,290	3.8	1,280	3.9	4.0	51	4.6
	RSC-19	Urban Park Mizonokuchi	Tanizawa	2,100	2,130	4.3	2,080	4.4	4.5	96	4.8
	RSC-20	Urban Park Miyamaedaira	Daiwa	1,260	1,280	4.0	1,250	3.8	4.2	52	5.0
	RSC-21	Urban Park Tsurumi	Tanizawa	1,190	1,200	4.3	1,190	4.7	4.5	55	4.9
	Subtotal				45,460	45,920	-	45,160	-	-	1,861
Logistics facility	LGC-01	Iwatsuki Logistics	Daiwa	7,690	7,780	4.2	7,650	4.0	4.4	333	4.8
	LGC-02	Yokohama Logistics	Daiwa	4,340	4,360	4.0	4,330	3.8	4.2	204	5.7
	LGC-03	Funabashi Logistics	Daiwa	8,930	8,990	4.1	8,900	3.9	4.3	417	5.3
	LGC-04	Baraki Logistics	Tanizawa	5,030	5,180	3.5	4,970	3.4	3.7	183	3.9
	LGC-05	Tokorozawa Logistics	JREI	1,550	1,570	4.6	1,530	4.2	4.9	75	5.8
	LGC-07	Funabashi Nishiura Logistics II	Daiwa	891	891	5.4	891	5.2	5.6	57	7.0
	LGC-08	Matsubushi Logistics	JREI	3,240	3,260	4.7	3,210	4.2	5.0	158	5.7
	LGC-09	Funabashi Hi-Tech Park Factory I	JREI	1,710	1,730	6.4	1,680	6.3	6.7	111	6.5
	LGC-10	Funabashi Hi-Tech Park Factory II	JREI	705	710	6.2	699	5.4	7.0	48	6.8
	Subtotal				34,086	34,471	-	33,860	-	-	1,587
Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,280	2,290	4.6	2,270	4.4	4.8	113	5.5
	HTL-02	Smile Hotel Namba	Daiwa	1,440	1,470	4.7	1,420	4.5	4.9	75	4.3
	HTL-03	REMBRANDT STYLE Tokyo Nishikasai	JREI	3,470	3,530	4.3	3,400	4.1	4.5	160	4.2
	HTL-04	BEST WESTERN Yokohama	JREI	3,210	3,250	4.4	3,160	4.2	4.6	147	4.5
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Tanizawa	1,920	1,960	4.4	1,900	4.4	4.6	87	4.4
	HTL-06	GLANSIT AKIHABARA	Tanizawa	2,440	2,500	3.9	2,410	3.8	4.1	98	3.9
	HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Tanizawa	3,140	3,150	4.0	3,140	3.9	4.2	126	4.0
	HTL-08	KOKO HOTEL Osaka Namba	Daiwa	1,420	1,450	4.5	1,410	4.1	4.5	72	3.6
	HTL-09	abeno nini (Hotel)	JREI	3,690	3,720	4.6	3,650	3.9	4.3	176	4.9
Subtotal				23,010	23,320	-	22,760	-	-	1,053	4.4
Total				213,906	216,151	-	212,210	-	-	9,396	4.8

(Note 1) Under “Appraisal firm,” “Daiwa,” “JREI,” and “Tanizawa” stand for Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, and The Tanizawa Sogo Appraisal Co., Ltd., respectively.

(Note 2) “Appraisal value” is as of January 31, 2023, as the date of value.

(Note 3) “NOI” is net operating income calculated under the direct capitalization method stated in the appraisal report, rounded to the nearest million yen.

(Note 4) “Appraisal NOI yield” is based on net operating income calculated under the direct capitalization method stated in the appraisal report and expressed as a percentage of acquisition price, rounded to the first decimal place.

(e) Information on Major Real Estate Properties

Of investment assets, there is no property that falls under the category of major real estate properties (buildings/facilities pertaining to land recognized to be used collectively, of which total rental revenue accounts for 10% or more of the sum total of total rental revenue of investment assets) as of January 31, 2023. Of investment assets, the following are top five properties in terms of total rental revenue as of January 31, 2023.

	Changes in occupancy rate (%) (Note)				
	January 31, 2021	July 31, 2021	January 31, 2022	July 31, 2022	January 31, 2023
La Park Kishiwada	99.0	99.0	98.7	99.5	99.4
Suoy Mall Chikushino	97.6	97.6	99.7	96.3	96.3
Higashi Kobe Center Building	96.2	85.1	85.3	86.6	89.2
Funabashi Logistics	91.6	91.6	91.6	91.6	94.7
Honmachibashi Tower	84.3	94.8	100.0	100.0	100.0

(Note) "Changes in occupancy rate" is the ratio of leased area to leasable area for each investment asset as of the record date, rounded to the first decimal place.

(f) Top 10 End-Tenants in Terms of Leased Area

The following table lists the tenants ranking in the top ten tenants in terms of leased area of investment assets.

	Name of tenant	Name of property occupied	Leased area (m ²) (Note 1)	As a percentage of total leasable area (%) (Note 2)
1	Not disclosed (Note 3)	Iwatsuki Logistics	Not disclosed (Note 3)	6.4
2	Seiyu Co., Ltd.	Seiyu Minakuchi	23,814.87	5.1
3	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	4.7
4	Scroll360 Corporation	Matsubushi Logistics	19,833.47	4.3
5	Not disclosed (Note 3)	Yokohama Logistics	Not disclosed (Note 3)	3.9
6	Nagasakiya Co., Ltd.	La Park Kishiwada	15,356.34	3.3
7	Rembrandt Inn	REMBRANDT STYLE Tokyo Nishikasai BEST WESTERN Yokohama REMBRANDT STYLE Tokyo Nishikasai Grande	12,735.16	2.7
8	Not disclosed (Note 3)	Funabashi Hi-Tech Park Factory I	Not disclosed (Note 3)	1.8
9	Mr Max Holdings Ltd.	Suoy Mall Chikushino	7,997.08	1.7
10	Sakoda Co., Ltd.	Suoy Mall Chikushino	Not disclosed (Note 3)	1.7
Total of the top 10 tenants			165,428.25	35.7

(Note 1) "Leased area" is the sum total of the leased area stated in the lease agreement for each investment asset as of January 31, 2023.

(Note 2) "As a percentage of total leasable area" is the area leased to the tenant expressed as a percentage of the sum total of leasable area of all investment assets, rounded to the first decimal place.

(Note 3) Not disclosed, because consent for disclosure has not been obtained from the end-tenants, etc.

(g) Capital Expenditures

a. Schedule of Capital Expenditures for the 15th fiscal period

The following are the principal capital expenditures arising from renovation construction works, etc. currently planned for the assets held by SAR as of January 31, 2023. Please note that the expected construction amounts include portions that are expensed as a separate account item of accounting costs.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction costs (thousand yen)		
			Total amount	Amount of payment during period	Total amount already paid
REMBRANDT STYLE Tokyo Nishikasai (Edogawa Ward, Tokyo)	Air-conditioning equipment upgrading work	From: Jul. 2023 To: Jul. 2023	58,500	—	—
Seishin BLDG. (Shinjuku Ward, Tokyo)	Entrance renewal work	From: Jul. 2023 To: Jul. 2023	50,000	—	—
Urban Center Fujisawa (Fujisawa City, Kanagawa)	Restroom renewal work	From: May 2023 To: Jul. 2023	42,000	—	—
Higashi Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work	From: Nov. 2022 To: Apr. 2023	39,000	—	—
Yokohama Logistics (Yokohama City, Kanagawa)	Air-conditioning equipment expansion work	From: Jul. 2023 To: Jul. 2023	38,000	—	—
Higashi Kobe Center Building (Kobe City, Hyogo)	Mechanical parking renovation work	From: May 2023 To: Jul. 2023	34,500	—	—
Urban Park Tokiwadai Koen (Yokohama City, Kanagawa)	Work to convert mechanical parking to single level	From: Jun. 2023 To: Jul. 2023	30,000	—	—
Urban Center Shin-Yokohama (Yokohama City, Kanagawa)	Elevator renewal work	From: May 2023 To: Jul. 2023	27,000	—	—
Seishin BLDG. (Shinjuku Ward, Tokyo)	Restroom renewal work	From: Apr. 2023 To: Apr. 2023	26,500	—	—
Seishin BLDG. (Shinjuku Ward, Tokyo)	Air-conditioning equipment upgrading work	From: Jul. 2023 To: Jul. 2023	23,700	—	—
La Park Kishiwada (Kishiwada City, Osaka)	Exterior wall renovation work	From: Jun. 2023 To: Jun. 2023	22,800	—	—
Urban Center Tachikawa (Tachikawa City, Tokyo)	Restroom renewal work	From: Mar. 2023 To: Mar. 2023	22,700	—	—
Seishin BLDG. (Shinjuku Ward, Tokyo)	Water supply and drainage pipe upgrading work	From: Feb. 2023 To: Jul. 2023	20,500	—	—
Matsubushi Logistics (Kitakatsushika-gun, Saitama)	Air-conditioning equipment upgrading work	From: Jul. 2023 To: Jul. 2023	20,230	—	—
Urban Center Tachikawa (Tachikawa City, Tokyo)	Entrance renewal work	From: Jul. 2023 To: Jul. 2023	20,000	—	—
Urban Park Gyotoku (Ichikawa City, Chiba)	Store compartment partitioning work	From: Jul. 2023 To: Jul. 2023	20,000	—	—

b. Capital Expenditures during the 14th fiscal period

The following summarizes the primary construction works that constitute capital expenditures implemented for the assets held by SAR as of January 31, 2023, during the 14th fiscal period. Capital expenditures for the 14th fiscal period amounted to 605,932 thousand yen and, when combined with the 173,257 thousand yen in repair expenses charged to the same period, it totals 779,190 thousand yen in construction works implemented.

Name of real estate, etc. (Location)	Purpose	Period	Construction costs (thousand yen)
Minami-Azabu Shibuya Building (Minato Ward, Tokyo)	Elevator renewal work	From: Sep. 2022 To: Nov. 2022	36,983
Seishin BLDG. (Shinjuku Ward, Tokyo)	Common area renewal work (4F, 5F, 6F, 7F and 10F)	From: Dec. 2022 To: Jan. 2023	33,692
Hakata-eki East Place (Fukuoka City, Fukuoka)	Air-conditioning system upgrading work (1F, 2F and 7F)	From: Nov. 2022 To: Dec. 2022	30,145
Urban Park Tokiwadai Koen (Yokohama City, Kanagawa)	Elevator renewal work	From: Sep. 2022 To: Sep. 2022	24,642
Asahi Building (Yokohama City, Kanagawa)	Air-conditioning system upgrading work (1F) (phase 10)	From: Dec. 2022 To: Jan. 2023	23,939
Urban Center Tachikawa (Tachikawa City, Tokyo)	Common area renewal work (3F and 4F)	From: Nov. 2022 To: Dec. 2022	20,545
Others	—	—	435,983
Total			605,932

(h) Income Statement by Asset Type (Use)

	Office total	Retail total	Residence total	Logistics facility total	Hotel total	Portfolio total
① Total operating revenue from real estate leasing (thousand yen)	2,377,116	1,227,438	1,333,996	985,459	539,385	6,463,396
Rental revenue	2,148,351	1,107,536	1,278,994	921,299	539,385	5,995,567
Other lease business revenue	228,765	119,901	55,002	64,159	-	467,828
② Total operating expenses from real estate leasing (thousand yen)	724,288	454,518	370,507	196,416	66,759	1,812,490
Management fee	174,635	137,456	88,637	32,644	8,030	441,402
Utilities expenses	212,993	157,395	28,041	63,936	6	462,373
Property taxes	179,051	78,469	86,208	78,762	35,754	458,246
Repair expenses	62,987	12,249	82,942	11,665	3,411	173,257
Trust fee	8,230	3,418	7,650	3,350	3,518	26,166
Insurance premium	4,639	2,508	3,483	1,907	1,059	13,598
Other expenses	81,750	63,020	73,544	4,150	14,978	237,444
③ NOI (① - ②) (thousand yen)	1,652,828	772,919	963,489	789,042	472,626	4,650,905
④ Depreciation (thousand yen)	266,332	96,286	144,583	146,823	89,635	743,661
⑤ Operating income (loss) from real estate leasing (③ - ④) (thousand yen)	1,386,495	676,632	818,906	642,218	382,990	3,907,244
⑥ Capital expenditures (thousand yen)	344,563	84,181	116,389	30,218	30,579	605,932
⑦ NCF (③ - ⑥) (thousand yen)	1,308,264	688,737	847,099	758,824	442,046	4,044,973
Acquisition price (million yen)	74,787	27,754	37,779	30,365	24,144	194,829
Book value at end of period (million yen)	75,282	27,713	38,460	29,541	23,844	194,843
Estimated value at end of period (million yen)	82,980	28,370	45,460	34,086	23,010	213,906
Occupancy rate at end of period						
End of January 2021	95.8%	98.8%	95.7%	97.8%	91.3%	96.9%
End of July 2021	93.1%	98.8%	94.4%	97.8%	100.0%	96.6%
End of January 2022	92.8%	99.4%	95.1%	97.8%	100.0%	96.7%
End of July 2022	93.7%	98.6%	97.5%	97.8%	100.0%	97.2%
End of January 2023	94.3%	98.6%	97.5%	98.6%	100.0%	97.6%