

## (REIT) Financial Report for Fiscal Period Ended January 31, 2024

March 15, 2024

REIT Securities Issuer: Star Asia Investment Corporation (SAR) Stock Exchange Listing: Tokyo Stock Exchange  
Securities Code: 3468 URL: <https://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 submission of securities report: April 25, 2024  
Scheduled date of commencement of cash distribution payment: April 15, 2024  
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, 2024 (from August 1, 2023 to January 31, 2024)

#### (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. 2024	7,964	14.7	4,309	19.5	3,528	14.8	3,527	14.8
Ended Jul. 2023	6,946	7.1	3,606	7.7	3,073	10.5	3,073	10.5

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. 2024	1,518	3.1	1.5	44.3
Ended Jul. 2023	1,599	3.0	1.5	44.2

#### (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. 2024	1,524	3,614	-	-	102.5	2.8
Ended Jul. 2023	1,586	3,047	-	-	99.2	2.9

(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, 2024, 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:  
Total cash distribution (not including cash distribution in excess of earnings) ÷ Net income × 100

#### (3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Ended Jan. 2024	259,155	127,127	49.1	53,595
Ended Jul. 2023	209,259	103,224	49.3	53,715

#### (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. 2024	5,274	(51,804)	46,396	11,653
Ended Jul. 2023	5,107	(2,492)	(2,866)	11,787

2. Management Status Forecast for Fiscal Period Ending July 31, 2024 (from February 1, 2024 to July 31, 2024) and Fiscal Period Ending January 31, 2025 (from August 1, 2024 to January 31, 2025)

(% 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. 2024	7,959	(0.1)	4,159	(3.5)	3,477	(1.4)	3,476	(1.4)	1,520	0
Ending Jan. 2025	8,156	2.5	4,296	3.3	3,562	2.4	3,561	2.4	1,538	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, 2024:

Expected total number of investment units issued and outstanding at end of period 2,372,000 units

Forecast net income per unit 1,465 yen

Fiscal period ending January 31, 2025:

Expected total number of investment units issued and outstanding at end of period 2,372,000 units

Forecast net income per unit 1,501 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 2,372,000 units).

\* Other

(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, 2024	2,372,000 units	Fiscal period ended Jul. 31, 2023	1,921,689 units
② Number of own investment units at end of period	Fiscal period ended Jan. 31, 2024	0 units	Fiscal period ended Jul. 31, 2024	0 units

(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, 2024, and Fiscal Period Ending January 31, 2025" 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, 2024, and Fiscal Period Ending January 31, 2025

Item	Assumptions
Fiscal period	Fiscal period ending July 31, 2024 (17th fiscal period): February 1, 2024 – July 31, 2024 (182 days) Fiscal period ending January 31, 2025 (18th fiscal period): August 1, 2024 – January 31, 2025 (184 days)
Assets under management	It is assumed with respect to the assets held by SAR as of the date of this report (71 real estate trust beneficiary interests, 2 mezzanine loan debts and 1 preferred equity securities (collectively, “Currently Held Assets,” with those in the form of real estate trust beneficiary interests being referred to as “Currently Held Assets (Real Estate),” those in the form of mezzanine loan debt being referred to as “Currently Held Assets (Mezzanine),” and those in the form of preferred equity securities being referred to as “Currently Held Assets (Preferred Equity)”) that there will be no change in assets under management (acquisition of new assets, sale of Currently Held Assets, etc.) before the end of the fiscal period ending January 31, 2025. However, in reality, assets under management may change.
Operating revenues	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, and rent revenues from the Assets to be Acquired are calculated based on information provided by each seller and the details stated in the lease agreements that are expected to be effective as of the planned acquisition date, 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 or dividend income from Currently Held Assets (Mezzanine) are calculated based on outlines which define the contents of Currently Held Assets (Mezzanine) and the details stated in the loan agreements or trust agreements, etc. that are effective as of the date of this report. It is also assumed that no interest payments or dividend payments will be unpaid. For Currently Held Assets (Preferred Equity), it is based on the premise that the assumed loan income will be generated based on the details of agreements on preferred equity lending transactions, etc.
Operating expenses	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 611 million yen for the fiscal period ending July 31, 2024, and 609 million yen for the fiscal period ending January 31, 2025. 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”), 228 million yen is expected for the fiscal period ending July 31, 2024, and 238 million yen for the fiscal period ending January 31, 2025. 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. Depreciation is calculated using the straight-line method including for ancillary costs and is expected to be 1,034 million yen for the fiscal period ending July 31, 2024, and 1,058 million yen for the fiscal period ending January 31, 2025. Operating expenses other than expenses related to rent business are expected to be 713 million yen for the fiscal period ending July 31, 2024, and 730 million yen for the fiscal period ending January 31, 2025.
NOI (Net Operating Income)	Total NOI of the entire portfolio is expected to be 5,842 million yen for the fiscal period ending July 31, 2024, and 6,019 million yen for the fiscal period ending January 31, 2025. NOI is calculated by using the following calculation method. NOI = rent revenue – rent expenses (excluding depreciation)
Non-operating expenses	Expenses on issuance of new investment units (amortization of investment unit issuance costs) are expected to be 20 million yen for the fiscal period ending July 31, 2024, and 20 million yen for the fiscal period ending January 31, 2025. The sum of interest expenses and other financing-related expenses is expected to be 656 million yen for the fiscal period ending July 31, 2024, and 708 million yen for the fiscal period ending January 31, 2025. The sum of interest expenses on investment corporation bonds and other expenses on investment corporation bond issuance (amortization of investment corporation bond issuance costs) is expected to be 4 million yen for the fiscal period ending July 31, 2024, and 4 million yen for the fiscal period ending January 31, 2025.

Item	Assumptions
Debt financing and investment corporation bonds	<p>The total amount of interest-bearing liabilities is assumed to be 121,840 million yen as of the end of the fiscal period ending July 31, 2024, and 121,840 million yen as of the end of the fiscal period ending January 31, 2025.</p> <p>As of the date of this report, SAR has outstanding borrowings of 122,140 million yen and outstanding investment corporation bonds of 1,000 million yen.</p> <p>Of the outstanding borrowings as of the date of this report, 1,300 million yen is planned to be prepaid during the fiscal period ending July 31, 2024 from the proceeds of refunds of consumption tax, etc.</p> <p>Other than the above, it is assumed that those with repayment dates falling in the fiscal period ending July 31, 2024, and the fiscal period ending January 31, 2025, will be fully refinanced and that there will be no change to the existing outstanding borrowings and outstanding investment corporation bonds through to the end of the fiscal period ending January 31, 2025.</p>
Investment units	<p>It is assumed that the total number of investment units issued and outstanding will be 2,372,000 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, 2025.</p>
Cash distributions per unit (not including cash distribution in excess of earnings)	<p>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.</p> <p>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.</p> <p>As to cash distribution for the fiscal period ending July 31, 2024, it is assumed that a total of 3,605 million yen (1,520 yen per unit) will be distributed, which is the sum of the estimated net income of 3,476 million yen, the expected amount of reversal of reserve for temporary difference adjustment of 88 million yen and a portion of retained earnings brought forward of 39 million yen. As to cash distribution for the fiscal period ending January 31, 2025, it is assumed that a total of 3,648 million yen (1,538 yen per unit) will be distributed, which is the integral multiple of the total number of issued investment units out of the sum of the estimated net income of 3,561 million yen and the expected amount of reversal of reserve for temporary difference adjustment of 88 million yen.</p> <p>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.</p>
Cash distributions in excess of earnings per unit	<p>SAR has no plans to make distributions in excess of earnings as of the date of this report.</p>
Others	<p>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.</p> <p>SAR assumes that there will be no unforeseen material change in general economic conditions or real estate market conditions, etc.</p>

## 2. Financial Statements

### (1) Balance Sheet

(Unit: thousand yen)

	15th fiscal period (As of July 31, 2023)	16th fiscal period (As of January 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	3,262,429	2,466,478
Cash and deposits in trust	8,525,306	9,186,964
Operating accounts receivable	139,180	319,557
Prepaid expenses	197,986	276,610
Consumption taxes receivable	-	1,245,234
Other	14,462	18,498
Total current assets	12,139,365	13,513,345
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	114	114
Accumulated depreciation	(114)	(114)
Tools, furniture and fixtures, net	0	0
Buildings in trust	56,821,886	72,991,822
Accumulated depreciation	(6,898,692)	(7,735,645)
Buildings in trust, net	49,923,193	65,256,177
Structures in trust	25,744	37,679
Accumulated depreciation	(7,577)	(8,703)
Structures in trust, net	18,166	28,975
Machinery and equipment in trust	251,570	306,175
Accumulated depreciation	(44,740)	(58,216)
Machinery and equipment in trust, net	206,829	247,958
Tools, furniture and fixtures in trust	139,432	150,147
Accumulated depreciation	(48,732)	(54,677)
Tools, furniture and fixtures in trust, net	90,699	95,470
Land in trust	139,857,495	169,768,470
Construction in progress in trust	33,095	170
Total property, plant and equipment	190,129,480	235,397,221
Intangible assets		
Leasehold rights in trust	4,082,300	6,251,893
Total intangible assets	4,082,300	6,251,893
Investments and other assets		
Investments in other securities of subsidiaries and associates	1,588,015	1,588,015
Investment securities	740,000	1,170,000
Long-term prepaid expenses	331,220	542,728
Leasehold and guarantee deposits	10,359	10,239
Leasehold and guarantee deposits in trust	-	263,988
Other	191,122	343,228
Total investments and other assets	2,860,717	3,918,199
Total non-current assets	197,072,498	245,567,314
Deferred assets		
Investment corporation bond issuance costs	10,543	9,522
Investment unit issuance costs	36,758	65,149
Total deferred assets	47,301	74,672
Total assets	209,259,165	259,155,332

(Unit: thousand yen)

	15th fiscal period (As of July 31, 2023)	16th fiscal period (As of January 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	995,681	983,908
Short-term borrowings	-	1,300,000
Current portion of long-term borrowings	14,340,000	13,285,000
Accounts payable - other	534,593	664,966
Accrued expenses	75,324	96,918
Income taxes payable	605	605
Accrued consumption taxes	252,695	48,408
Advances received	1,236,897	1,028,917
Other	35,505	26,846
<b>Total current liabilities</b>	<b>17,471,301</b>	<b>17,435,570</b>
<b>Non-current liabilities</b>		
Investment corporation bonds	1,000,000	1,000,000
Long-term borrowings	81,500,000	107,555,000
Leasehold and guarantee deposits received	4,179	4,053
Leasehold and guarantee deposits received in trust	5,965,643	5,915,288
Asset retirement obligations	-	98,969
Other	93,578	18,825
<b>Total non-current liabilities</b>	<b>88,563,401</b>	<b>114,592,137</b>
<b>Total liabilities</b>	<b>106,034,702</b>	<b>132,027,707</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	66,123,367	89,316,185
<b>Surplus</b>		
Unitholders' capital surplus	25,132,218	25,132,218
<b>Voluntary reserve</b>		
Reserve for temporary difference adjustment	*2 8,535,586	*2 8,446,674
<b>Total voluntary reserve</b>	<b>8,535,586</b>	<b>8,446,674</b>
Unappropriated retained earnings (undisposed loss)	3,340,372	3,909,364
<b>Total surplus</b>	<b>37,008,177</b>	<b>37,488,257</b>
<b>Total unitholders' equity</b>	<b>103,131,545</b>	<b>126,804,443</b>
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges	92,917	323,181
<b>Total valuation and translation adjustments</b>	<b>92,917</b>	<b>323,181</b>
<b>Total net assets</b>	<b>*1 103,224,463</b>	<b>*1 127,127,624</b>
<b>Total liabilities and net assets</b>	<b>209,259,165</b>	<b>259,155,332</b>

## (2) Statement of Income and Retained Earnings

(Unit: thousand yen)

	15th fiscal period From: February 1, 2023 To: July 31, 2023		16th fiscal period From: August 1, 2023 To: January 31, 2024	
<b>Operating revenue</b>				
Rental revenue	*1	6,048,231	*1	7,077,860
Other lease business revenue	*1	454,964	*1	447,056
Gain on sale of real estate	*2	414,166	*2	374,516
Other revenue		29,564		65,436
<b>Total operating revenue</b>		<b>6,946,926</b>		<b>7,964,869</b>
<b>Operating expenses</b>				
Expenses related to rent business	*1	2,744,572	*1	2,946,506
Asset management fee		418,486		512,727
Asset custody and administrative service fees		42,395		48,711
Directors' compensations		2,400		2,400
Other operating expenses		132,242		144,769
<b>Total operating expenses</b>		<b>3,340,096</b>		<b>3,655,114</b>
<b>Operating income</b>		<b>3,606,830</b>		<b>4,309,754</b>
<b>Non-operating income</b>				
Interest income		53		58
Reversal of unpaid distribution		1,046		1,583
Subsidy income		504		-
Interest on refund		315		-
<b>Total non-operating income</b>		<b>1,918</b>		<b>1,642</b>
<b>Non-operating expenses</b>				
Interest expenses		377,649		463,491
Interest expenses on investment corporation bonds		3,500		3,500
Borrowing related expenses		140,125		294,089
Amortization of investment corporation bond issuance costs		1,020		1,020
Amortization of investment unit issuance costs		12,611		20,812
<b>Total non-operating expenses</b>		<b>534,906</b>		<b>782,913</b>
<b>Ordinary income</b>		<b>3,073,841</b>		<b>3,528,484</b>
<b>Income before income taxes</b>		<b>3,073,841</b>		<b>3,528,484</b>
Income taxes - current		605		605
<b>Total income taxes</b>		<b>605</b>		<b>605</b>
<b>Net income</b>		<b>3,073,236</b>		<b>3,527,879</b>
<b>Retained earnings brought forward</b>		<b>267,135</b>		<b>381,485</b>
<b>Unappropriated retained earnings (undisposed loss)</b>		<b>3,340,372</b>		<b>3,909,364</b>

## (3) Statement of Unitholders' Equity

15th fiscal period (from February 1, 2023 to July 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	66,123,367	25,132,218	8,624,499	8,624,499	3,043,461	36,800,179	102,923,546
Changes of items during the period							
Dividends from surplus					(2,865,238)	(2,865,238)	(2,865,238)
Reversal of reserve for temporary difference adjustment			(88,912)	(88,912)	88,912	-	-
Net income					3,073,236	3,073,236	3,073,236
Net changes of items other than unitholders' equity							
Total changes of items during the period	-	-	(88,912)	(88,912)	296,910	207,998	207,998
Balance at end of the period	*1 66,123,367	25,132,218	8,535,586	8,535,586	3,340,372	37,008,177	103,131,545

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total of valuation and translation adjustments	
Balance at beginning of the period	531,551	531,551	103,455,098
Changes of items during the period			
Dividends from surplus			(2,865,238)
Reversal of reserve for temporary difference adjustment			-
Net income			3,073,236
Net changes of items other than unitholders' equity	(438,633)	(438,633)	(438,633)
Total changes of items during the period	(438,633)	(438,633)	(230,635)
Balance at end of the period	92,917	92,917	103,224,463



16th fiscal period (from August 1, 2023 to January 31, 2024)

(Unit: thousand yen)

	Unitholders' equity							
	Unitholders' capital	Unitholders' capital surplus	Surplus			Unappropriated retained earnings (undisposed loss)	Total surplus	Total unitholders' equity
			Reserve for temporary difference adjustment	Total voluntary reserve				
Balance at beginning of the period	66,123,367	25,132,218	8,535,586	8,535,586	3,340,372	37,008,177	103,131,545	
Changes of items during the period								
Issuance of new investment units	23,192,817						23,192,817	
Dividends from surplus					(3,047,798)	(3,047,798)	(3,047,798)	
Reversal of reserve for temporary difference adjustment			(88,912)	(88,912)	88,912	-	-	
Net income					3,527,879	3,527,879	3,527,879	
Net changes of items other than unitholders' equity								
Total changes of items during the period	23,192,817	-	(88,912)	(88,912)	568,992	480,080	23,672,898	
Balance at end of the period	*1 89,316,185	25,132,218	8,446,674	8,446,674	3,909,364	37,488,257	126,804,443	

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of the period	92,917	92,917	103,224,463
Changes of items during the period			
Issuance of new investment units			23,192,817
Dividends from surplus			(3,047,798)
Reversal of reserve for temporary difference adjustment			-
Net income			3,527,879
Net changes of items other than unitholders' equity	230,263	230,263	230,263
Total changes of items during the period	230,263	230,263	23,903,161
Balance at end of the period	323,181	323,181	127,127,624

## (4) Statement of Cash Distributions

(Unit: yen)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
I. Unappropriated retained earnings	3,340,372,051	3,909,364,877
II. Reversal of voluntary reserve		
Reversal of reserve for temporary difference adjustment *1	88,912,365	88,912,365
III. Cash distribution	3,047,798,754	3,614,928,000
[Cash distribution per unit]	(1,586)	(1,524)
Cash distribution of earnings	3,047,798,754	3,614,928,000
[Cash distribution of earnings per unit]	(1,586)	(1,524)
IV. Retained earnings carried forward	381,485,662	383,349,242

Method of calculation of amount of cash distributions	15th fiscal period (from February 1, 2023 to July 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 3,047,798,754 yen, which is equivalent to the sum of the amount remaining after reserving 114,350,316 yen from net income and the amount of reversal of reserve for temporary difference adjustment of 88,912,365 yen.	16th fiscal period (from August 1, 2023 to January 31, 2024): 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 3,614,928,000 yen, which is equivalent to the integral multiple of the total number of units out of the sum of the amount of net income and the amount of reversal of reserve for temporary difference adjustment of 88,912,365 yen.
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## (5) Statement of Cash Flows

(Unit: thousand yen)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
<b>Cash flows from operating activities</b>		
Income before income taxes	3,073,841	3,528,484
Depreciation	763,353	963,602
Amortization of investment corporation bond issuance costs	1,020	1,020
Amortization of investment unit issuance costs	12,611	20,812
Interest income	(53)	(58)
Interest expenses	381,149	466,991
Decrease (increase) in operating accounts receivable	8,532	(180,377)
Decrease (increase) in consumption taxes receivable	181,189	(1,245,234)
Increase (decrease) in accrued consumption taxes	205,289	(204,286)
Decrease (increase) in prepaid expenses	13,262	(78,623)
Decrease (increase) in long-term prepaid expenses	(297)	(211,507)
Increase (decrease) in operating accounts payable	(42,522)	101,183
Increase (decrease) in accounts payable - other	(4,176)	104,651
Increase (decrease) in advances received	217,372	(207,980)
Decrease in property, plant and equipment in trust due to sale	688,594	2,670,427
Other, net	(9,408)	(8,731)
Subtotal	5,489,759	5,720,373
Interest income received	53	58
Interest expenses paid	(383,278)	(445,423)
Income taxes paid	1,406	(616)
Net cash provided by (used in) operating activities	5,107,940	5,274,392
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(698,358)	(48,883,791)
Purchase of intangible assets in trust	-	(2,176,621)
Repayments of leasehold and guarantee deposits received	(1,701)	(126)
Repayments of leasehold and guarantee deposits received in trust	(130,365)	(294,990)
Proceeds from leasehold and guarantee deposits received in trust	255,855	244,635
Proceeds from refund of leasehold and guarantee deposits in trust	-	120
Payments of leasehold and guarantee deposits in trust	-	(263,988)
Purchase of investments in other securities of subsidiaries and associates	(1,578,073)	-
Purchase of investment securities	(340,000)	(430,000)
Other, net	-	(10)
Net cash provided by (used in) investing activities	(2,492,642)	(51,804,771)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	-	1,300,000
Proceeds from long-term borrowings	10,790,000	29,840,000
Repayments of long-term borrowings	(10,790,000)	(4,840,000)
Proceeds from issuance of investment units	-	23,143,614
Dividends paid	(2,866,153)	(3,047,528)
Net cash provided by (used in) financing activities	(2,866,153)	46,396,086
Net increase (decrease) in cash and cash equivalents	(250,855)	(134,292)
Cash and cash equivalents at beginning of period	12,038,591	11,787,736
Cash and cash equivalents at end of period	*1 11,787,736	*1 11,653,443

(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	(1) Investments in other securities of subsidiaries and associates: Cost method through moving-average method (2) 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	(1) 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 2-70 years Structures 7-30 years Machinery and equipment 7-17 years Tools, furniture and fixtures 2-15 years (2) Intangible assets (including trust assets) The straight-line method is adopted. Fixed-term land leasehold is amortized using the straight-line method over the remaining period.
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. is 63,569 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> <ul style="list-style-type: none"> <li>① Cash and deposits in trust</li> <li>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</li> <li>③ Leasehold rights in trust</li> <li>④ Leasehold and guarantee deposits in trust</li> <li>⑤ Leasehold and guarantee deposits received in trust</li> </ul> <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>

(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)

	15th fiscal period (As of July 31, 2023)	16th fiscal period (As of January 31, 2024)
	50,000	50,000

\*2 Matters concerning provision and reversal of the reserve for temporary difference adjustment  
15th fiscal period (As of July 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	8,624,499	-	88,912	8,535,586	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.

16th fiscal period (As of January 31, 2024)

(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	8,535,586	-	88,912	8,446,674	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)

	15th fiscal period From: February 1, 2023 To: July 31, 2023		16th fiscal period From: August 1, 2023 To: January 31, 2024	
<b>A. Operating revenue from real estate leasing</b>				
Rental revenue				
Rental revenue	5,232,657		6,268,199	
Common area maintenance revenue	570,304		561,698	
Parking revenue	206,214		208,004	
Facility use revenue	31,807		33,406	
Other rental revenue	7,247	6,048,231	6,551	7,077,860
Other lease business revenue				
Utilities reimbursement	358,375		351,432	
Other revenue	96,588	454,964	95,624	447,056
<b>Total operating revenue from real estate leasing</b>		<b>6,503,195</b>		<b>7,524,917</b>
<b>B. Operating expenses from real estate leasing</b>				
Expenses related to rent business				
Management fee	452,917		454,790	
Utilities expenses	389,316		372,542	
Taxes and dues	493,000		490,171	
Repair expenses	308,817		319,629	
Trust fee	30,653		28,668	
Insurance premium	13,322		15,314	
Depreciation	763,353		963,602	
Other expenses	293,190		301,786	
<b>Total operating expenses from real estate leasing</b>		<b>2,744,572</b>		<b>2,946,506</b>
<b>C. Operating income (loss) from real estate leasing [A-B]</b>		<b>3,758,623</b>		<b>4,578,410</b>

\*2 Breakdown of gain (loss) on sale of real estate

15th fiscal period (from February 1, 2023 to July 31, 2023)

(Unit: thousand yen)

Funabashi Hi-Tech Park Factory II

Proceeds from sale of real estate	1,150,000
Cost of sale of real estate	688,594
Other sale expenses	47,239
<b>Gain on sale of real estate</b>	<b>414,166</b>

16th fiscal period (from August 1, 2023 to January 31, 2024)

(Unit: thousand yen)

Urban Park Gokokuji

Proceeds from sale of real estate	1,800,000
Cost of sale of real estate	1,488,569
Other sale expenses	46,106
<b>Gain on sale of real estate</b>	<b>265,324</b>

(Unit: thousand yen)

Urban Park Koenji	
Proceeds from sale of real estate	1,315,000
Cost of sale of real estate	1,181,858
Other sale expenses	23,950
<hr/>	<hr/>
Gain on sale of real estate	109,191

[Notes on the Statement of Unitholders' Equity]

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

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,921,689 units	2,372,000 units

[Notes on the Statement of Cash Distributions]

15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
*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)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Cash and deposits	3,262,429	2,466,478
Cash and deposits in trust	8,525,306	9,186,964
Cash and cash equivalents	11,787,736	11,653,443

[Notes on Lease Transactions]

Operating leases (as lessee)  
Future minimum lease payments

(Unit: thousand yen)

	15th fiscal period As of July 31, 2023	16th fiscal period As of January 31, 2024
Not later than 1 year	-	173,606
Later than 1 year	-	6,358,578
Total	-	6,532,184

Operating leases (as lessor)  
Future minimum lease payments

(Unit: thousand yen)

	15th fiscal period As of July 31, 2023	16th fiscal period As of January 31, 2024
Not later than 1 year	5,715,787	6,246,687
Later than 1 year	9,733,645	22,516,811
Total	15,449,432	28,763,498

[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 “(7) 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”, “cash and deposits in trust” and “short-term borrowings” are cash and settled in a short period of time and the fair values approximate the book values accordingly, notes on such are omitted.

15th fiscal period (As of July 31, 2023)

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	14,340,000	14,340,000	-
(2) Investment corporation bonds	1,000,000	990,900	(9,100)
(3) Long-term borrowings	81,500,000	81,455,187	(44,812)
Liabilities total	96,840,000	96,786,087	(53,912)
(4) Derivative transactions (*)	92,917	92,917	-

(\*) 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.

16th fiscal period (As of January 31, 2024)

(Unit: thousand yen)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term borrowings	13,285,000	13,285,000	-
(2) Investment corporation bonds	1,000,000	989,600	(10,400)
(3) Long-term borrowings	107,555,000	107,482,716	(72,283)
Liabilities total	121,840,000	121,757,316	(82,683)
(4) Derivative transactions (*)	323,181	323,181	-

(\*) 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.

(3) 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  
15th fiscal period (As of July 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	14,340,000	11,085,000	20,910,000	19,965,000	19,490,000	10,050,000
Total	14,340,000	11,085,000	20,910,000	19,965,000	19,490,000	11,050,000

16th fiscal period (As of January 31, 2024)

(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	13,285,000	19,150,000	20,275,000	21,650,000	21,680,000	24,800,000
Total	13,285,000	19,150,000	20,275,000	21,650,000	22,680,000	24,800,000

[Notes on Securities]

15th fiscal period (As of July 31, 2023)

Notes are omitted because they lack significance.

16th fiscal period (As of January 31, 2024)

Notes are omitted because they lack significance.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

15th fiscal period (As of July 31, 2023)

Not applicable.

16th fiscal period (As of January 31, 2024)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

15th fiscal period (As of July 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	82,305,000	68,965,000	92,917

(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.

16th fiscal period (As of January 31, 2024)

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	77,465,000	68,965,000	323,181

(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]

15th fiscal period (As of July 31, 2023)

Not applicable.

16th fiscal period (As of January 31, 2024)

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)

	15th fiscal period As of July 31, 2023	16th fiscal period As of January 31, 2024
Deferred tax assets		
Valuation adjustment upon merger	1,090,958	1,069,936
Leasehold interests in land	-	2,211
Acquisition cost of securities	3,030	4,518
Asset retirement obligations	-	31,135
Deferred gains or losses on hedges	30,895	6,303
Deferred tax assets, subtotal	1,124,884	1,114,105
Valuation allowance	(1,124,884)	(1,114,105)
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: %)

	15th fiscal period As of July 31, 2023	16th fiscal period As of January 31, 2024
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(31.19)	(31.14)
Reversal of excess depreciation	(0.90)	(0.40)
Other	0.65	0.09
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.]

15th fiscal period (As of July 31, 2023)

Notes are omitted because they lack significance.

16th fiscal period (As of January 31, 2024)

Notes are omitted because they lack significance.

[Notes on Related-Party Transactions]

1. Parent company, major corporate unitholders, etc.

15th fiscal period (from February 1, 2023 to July 31, 2023)

Not applicable.

16th fiscal period (from August 1, 2023 to January 31, 2024)

Not applicable.

2. Affiliated companies, etc.

15th fiscal period (from February 1, 2023 to July 31, 2023)

Not applicable.

16th fiscal period (from August 1, 2023 to January 31, 2024)

Not applicable.

3. Fellow subsidiaries, etc.

15th fiscal period (from February 1, 2023 to July 31, 2023)

Not applicable.

16th fiscal period (from August 1, 2023 to January 31, 2024)

Not applicable.

4. Directors, major individual unitholders, etc.

15th fiscal period (from February 1, 2023 to July 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)	445,612 (Note 2) (Note 3)	Accounts payable - other	456,595 (Note 2)

16th fiscal period (from August 1, 2023 to January 31, 2024)

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)	794,310 (Note 2) (Note 3)	Accounts payable - other	564,000 (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 15th fiscal period includes the acquisition incentive portion included in the book value of preferred equity securities in the amount of 15,625 thousand yen and the transfer incentive portion for real estate, etc. in the amount of 11,500 thousand yen. The asset management fee for the 16th fiscal period includes the acquisition incentive portion included in the book value of individual real estate, etc. in the amount of 250,433 thousand yen and the transfer incentive portion for real estate, etc. in the amount of 31,150 thousand yen.

[Notes on Asset Retirement Obligations]

1. Outline of the asset retirement obligations

SAR concluded a fixed-term subleasehold agreement for the land of its asset Best Western Plus Fukuoka Tenjin-minami, and recognized asset retirement obligations in connection with the obligation to restore the site to its original condition at the end of the sublease term.

2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated using the expected period of use, which is estimated at 55 years from the expiration of the fixed-term subleasehold agreement, and a discount rate of 1.925%.

### 3. Changes in total asset retirement obligations

(Unit: thousand yen)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Balance at beginning of period	-	-
Increase due to purchases of property, plant and equipment	-	98,187
Adjustment due to passage of time	-	782
Balance at end of period	-	98,969

#### [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)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Carrying amount		
Balance at beginning of period	194,843,394	194,178,685
Amount of increase (decrease) during period	(664,708)	47,470,259
Balance at end of period	194,178,685	241,648,945
Fair value at end of period	215,096,000	266,696,000

(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 15th fiscal period, the amount of increase is mainly attributable to capital expenditures (787,991 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate beneficiary interest in trust of a property (688,594 thousand yen) and depreciation (763,353 thousand yen). During the 16th fiscal period, the amount of increase is mainly attributable to acquisition of real estate beneficiary interest in trust of 11 properties (49,825,623 thousand yen), capital expenditures (1,107,190 thousand yen, which includes 275,884 thousand yen for extension work), and acquisition of leasehold interest for leased land of property held (171,477 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate beneficiary interest in trust of 2 properties (2,670,427 thousand yen) and depreciation (963,602 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 15th fiscal period, 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 and that of Urban Park Koenji is based on the transfer price (1,315,000 thousand yen) stated in the trust beneficiary interest sale and purchase agreement dated August 7, 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

15th fiscal period (from February 1, 2023 to July 31, 2023)

(Unit: thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Proceeds from sale of real estate (Note 2)	414,166	414,166
Utilities reimbursement	358,375	358,375
Other	-	6,174,384
Total	772,542	6,946,926

(Note 1) 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.

(Note 2) Proceeds from sale of real estate is recorded as gain on sale of property in the statement of income and retained earnings. Therefore, the amount calculated by deducting the cost of sale of real estate and other sale expenses from the proceeds from sale of real estate is indicated.

16th fiscal period (from August 1, 2023 to January 31, 2024)

(Unit: thousand yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Proceeds from sale of real estate (Note 2)	374,516	374,516
Utilities reimbursement	351,432	351,432
Other	-	7,238,921
Total	725,948	7,964,869

(Note 1) 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.

(Note 2) Proceeds from sale of real estate is recorded as gain on sale of property in the statement of income and retained earnings. Therefore, the amount calculated by deducting the cost of sale of real estate and other sale expenses from the proceeds from sale of real estate is indicated.

2. Foundational information for understanding revenue from contracts with customers

The information is as indicated in "(7) Notes on Matters Concerning Significant Accounting Policies" earlier in this document.

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)

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Claims generated from contracts with customers (balance at beginning of fiscal period)	87,858	71,460
Claims generated from contracts with customers (balance at end of fiscal period)	71,460	62,199
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

15th fiscal period (from February 1, 2023 to July 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.

16th fiscal period (from August 1, 2023 to January 31, 2024)

(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]

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Net assets per unit	53,715 yen	53,595 yen
Net income per unit	1,599 yen	1,518 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:

	15th fiscal period From: February 1, 2023 To: July 31, 2023	16th fiscal period From: August 1, 2023 To: January 31, 2024
Net income (thousand yen)	3,073,236	3,527,879
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	3,073,236	3,527,879
Average number of investment units during period (units)	1,921,689	2,323,053

[Notes on Significant Subsequent Events]

Not applicable.

(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	
August 1, 2020	Investment unit split	540,824	1,081,648	-	52,745,966	(Note 1)
August 1, 2020	Merger	592,741	1,674,389	-	52,745,966	(Note 2)
August 17, 2021	Capital increase through public offering	115,000	1,789,389	6,369,735	59,115,701	(Note 3)
August 16, 2022	Capital increase through public offering	132,300	1,921,689	7,007,666	66,123,367	(Note 4)
August 21, 2023	Capital increase through public offering	450,311	2,372,000	23,192,817	89,316,185	(Note 5)

(Note 1) SAR has conducted an investment unit split to split one investment unit into two investment units.

(Note 2) 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 3) 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 4) 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.

(Note 5) New investment units were issued through public offering at an issue price of 53,235yen (paid-in amount of 51,504 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)	15th fiscal period (As of July 31, 2023)		16th fiscal period (As of January 31, 2024)	
			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	56,922	27.2	56,996	22.0
		Major Metropolitan Areas	10,814	5.2	10,768	4.2
		Other Areas	7,734	3.7	7,995	3.1
	Retail	Greater Tokyo	3,000	1.4	2,998	1.2
		Major Metropolitan Areas	9,572	4.6	9,555	3.7
		Other Areas	15,110	7.2	15,178	5.9
	Residence	Greater Tokyo	32,190	15.4	33,455	12.9
		Major Metropolitan Areas	6,209	3.0	6,186	2.4
	Logistics facility	Greater Tokyo	28,818	13.8	29,098	11.2
	Hotel	Greater Tokyo	12,639	6.0	30,516	11.8
		Major Metropolitan Areas	11,166	5.3	20,051	7.7
		Other Areas	-	-	18,847	7.3
Subtotal			194,178	92.8	241,648	93.2
Preferred equity securities			1,588	0.8	1,588	0.6
Mezzanine loan debt			740	0.4	1,170	0.5
Deposits and other assets			12,752	6.1	14,748	5.7
Total amount of assets			209,259	100.0	259,155	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)	106,034	50.7	132,027	50.9
Total amount of net assets (Note 4)	103,224	49.3	127,127	49.1

(Note 1) "Greater Tokyo" refers to Tokyo, Kanagawa, Saitama and Chiba Prefectures. Major Metropolitan Areas consist of Osaka Area, Fukuoka Area and Nagoya Area, and Osaka Area refers to Osaka City, Osaka, Fukuoka Area refers to Fukuoka City, Fukuoka and Nagoya Area refers to Nagoya City, Aichi. In addition, for residence, logistics facility and hotel, each also refers to nearby areas. The same shall apply hereinafter.

(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 (yen)	Amount	Unit price	Amount		
MEZ-07	Star Asia Mezzanine Loan Debt Investment Series 7	Corporate bond	-	-	400	-	400	-	(Note 1) (Note 4)
MEZ-08	Star Asia Mezzanine Loan Debt Investment Series 8 Class A Beneficial Interest	Trust beneficiary interest	-	-	430	-	430	-	(Note 2) (Note 4)
	Star Asia Mezzanine Loan Debt Investment Series 8 Class B Beneficial Interest	Trust beneficiary interest	-	-	340	-	340	-	
TK-03	GSA JP Project 1 Tokutei Mokuteki Kaisha (TMK) Preferred Equity Securities	Preferred equity securities	13,328,342	119	1,588	134	1,789	201	(Note 3) (Note 5)
	Total	-	-	-	2,758	-	2,959	201	-

(Note 1) The underlying assets are trust beneficiary interests in a trust mainly composed of Quintessa Hotel Tokyo Haneda Comic & Books.

(Note 2) The underlying assets are trust beneficiary interests in a trust mainly composed of Centurion Hotel Grand Akasaka. SAR acquired A Beneficial Interest on September 13, 2023, and B Beneficial Interest on February 20, 2023.

(Note 3) The underlying assets are trust beneficiary interests in a trust mainly composed of HAKUSAN HOUSE.

(Note 4) Because interest income etc. from mezzanine loan debt are based on floating interest rates, the fair value is approximately the same as the acquisition cost and thus stated at that acquisition cost.

(Note 5) The fair value of preferred equity securities is the amount that is attributable to the equity held by SAR out of the net asset value of the issuer of preferred equity securities based on the appraisal value of the underlying assets.

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	1.2	3,110	January 14, 2016	
	OFC-03	Honmachibashi Tower	Chuo Ward, Osaka City, Osaka	6,065	2.5	7,100	January 14, 2016	
	OFC-04	Nishi-Shinjuku Matsuya Building	Shibuya Ward, Tokyo	1,763	0.7	2,740	April 20, 2016	
	OFC-06	Urban Center Shibuya East	Shibuya Ward, Tokyo	2,042	0.8	3,290	April 20, 2016	
	OFC-08	Urban Center Yokohama West	Kanagawa Ward, Yokohama City, Kanagawa	6,320	2.6	8,420	April 20, 2016	
	OFC-09	Hakata-eki East Place	Hakata Ward, Fukuoka City, Fukuoka	2,286	0.9	3,290	April 6, 2017	
	OFC-10	Nihonbashi Hamacho Park Building	Chuo Ward, Tokyo	1,450	0.6	1,510	February 2, 2018	
	OFC-11	Amusement Media Gakuin Honkan	Shibuya Ward, Tokyo	2,580	1.1	2,810	September 6, 2018	
	OFC-12	Higashi-Kobe Center Building	Higashinada Ward, Kobe City, Hyogo	7,600	3.2	7,530	September 6, 2018 and December 1, 2023	
	OFC-13	Amusement Media Gakuin Shinkan	Shibuya Ward, Tokyo	1,020	0.4	1,230	February 1, 2019	
	OFC-14	Urban Center Shinjuku (Note 6)	Shinjuku Ward, Tokyo	11,200	4.6	11,700	August 1, 2020	
	OFC-15	Urban Center Kanda Suda-cho	Chiyoda Ward, Tokyo	5,350	2.2	5,440	August 1, 2020	
	OFC-16	Urban Center Kanda Tsukasamachi	Chiyoda Ward, Tokyo	4,590	1.9	4,600	August 1, 2020	
	OFC-17	Takadanobaba Access	Shinjuku Ward, Tokyo	3,990	1.7	3,920	August 1, 2020	
	OFC-18	Azabu Amerex BLDG.	Minato Ward, Tokyo	2,780	1.2	2,890	August 1, 2020	
	OFC-19	Hiei-Kudan BLDG.	Chiyoda Ward, Tokyo	2,400	1.0	2,400	August 1, 2020	
	OFC-20	Urban Center Shin-Yokohama	Kohoku Ward, Yokohama City, Kanagawa	2,300	1.0	2,570	August 1, 2020	
	OFC-21	The Portal Akihabara	Chiyoda Ward, Tokyo	1,510	0.6	1,490	August 1, 2020	
	OFC-22	Urban Center Tachikawa	Tachikawa City, Tokyo	1,804	0.7	2,050	August 19, 2021	
	OFC-23	Urban Center Hakata	Hakata Ward, Fukuoka City, Fukuoka	2,870	1.2	3,280	August 19, 2021	
	OFC-24	Urban Center Fujisawa	Fujisawa City, Kanagawa	2,054	0.9	2,200	August 18, 2022	
	Subtotal				74,947	31.1	83,570	-
	Retail	RTL-01	La Park Kishiwada	Kishiwada City, Osaka	5,400	2.2	5,170	August 1, 2020
		RTL-02	Suroy Mall Chikushino	Chikushino City, Fukuoka	6,550	2.7	6,580	August 1, 2020
RTL-03		Seiyu Minakuchi	Koka City, Shiga	3,320	1.4	3,320	August 1, 2020	
RTL-05		BAGUS Ikebukuro West	Toshima Ward, Tokyo	2,984	1.2	3,500	August 19, 2021	
RTL-06		abeno nini (Retail)	Abeno Ward, Osaka City, Osaka	9,500	3.9	10,500	August 18, 2022	
Subtotal				27,754	11.5	29,070	-	

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-01	Urban Park Azabujuban	Minato Ward, Tokyo	2,045	0.8	2,950	January 14, 2016	
	RSC-02	Urban Park Daikanyama	Shibuya Ward, Tokyo	6,315	2.6	10,100	January 14, 2016	
	RSC-05	Urban Park Namba	Naniwa Ward, Osaka City, Osaka	1,490	0.6	1,540	April 20, 2016	
	RSC-07	Urban Park Kashiwa	Kashiwa City, Chiba	1,186	0.5	1,210	April 6, 2017	
	RSC-08	Urban Park Ryokuchi Koen	Suita City, Osaka	1,550	0.6	1,730	February 2, 2018	
	RSC-10	Urban Park Ichigao	Aoba Ward, Yokohama City, Kanagawa	1,810	0.8	2,180	March 13, 2020	
	RSC-11	Urban Park Gyotoku	Ichikawa City, Chiba	1,430	0.6	1,620	March 13, 2020	
	RSC-12	Shiroi Logiman	Shiroi City, Chiba	2,470	1.0	2,520	August 1, 2020	
	RSC-13	Urban Park Sekime	Joto Ward, Osaka City, Osaka	2,150	0.9	2,460	August 1, 2020	
	RSC-14	Urban Park Imazato	Ikuno Ward, Osaka City, Osaka	993	0.4	1,110	August 1, 2020	
	RSC-15	Urban Park Yoyogi	Shibuya Ward, Tokyo	1,740	0.7	1,990	August 1, 2020	
	RSC-16	Urban Park Tokiwadai Koen	Hodogaya Ward, Yokohama City, Kanagawa	3,506	1.5	4,190	October 16, 2020	
	RSC-17	Urban Park Mitsuike Koen	Tsurumi Ward, Yokohama City, Kanagawa	3,160	1.3	3,690	January 8, 2021	
	RSC-18	Urban Park Ryogoku	Sumida Ward, Tokyo	1,115	0.5	1,310	August 19, 2021	
	RSC-19	Urban Park Mizonokuchi	Takatsu Ward, Kawasaki City, Kanagawa	2,019	0.8	2,100	August 19, 2021	
	RSC-20	Urban Park Miyamaedaira	Miyamae Ward, Kawasaki City, Kanagawa	1,060	0.4	1,250	August 19, 2021	
	RSC-21	Urban Park Tsurumi	Tsurumi Ward, Yokohama City, Kanagawa	1,113	0.5	1,190	August 19, 2021	
	RSC-22	Urban Park Mitaka	Mitaka City, Tokyo	743	0.3	1,010	September 1, 2023	
	RSC-23	Urban Park Kamata Minami I	Ota Ward, Tokyo	641	0.3	879	December 1, 2023	
	RSC-24	Urban Park Kamata Minami II	Ota Ward, Tokyo	1,375	0.6	1,770	December 1, 2023	
	RSC-25	Urban Park Umejima	Adachi Ward, Tokyo	1,032	0.4	1,150	December 1, 2023	
		Subtotal			38,943	16.1	47,949	-
	Logistics facility	LGC-01	Iwatsuki Logistics	Iwatsuki Ward, Saitama City, Saitama	6,942	2.9	7,650	January 14, 2016
		LGC-02	Yokohama Logistics	Kanagawa Ward, Yokohama City, Kanagawa	3,560	1.5	4,260	January 14, 2016
		LGC-03	Funabashi Logistics	Funabashi City, Chiba	7,875	3.3	8,770	January 14, 2016
LGC-04		Baraki Logistics	Ichikawa City, Chiba	4,700	1.9	5,220	April 6, 2017	
LGC-05		Tokorozawa Logistics	Tokorozawa City, Saitama	1,300	0.5	1,550	April 6, 2017	
LGC-07		Funabashi Nishiura Logistics II	Funabashi City, Chiba	821	0.3	907	February 2, 2018	
LGC-08		Matsubushi Logistics	Kitakatsushika-gun, Saitama	2,755	1.1	3,300	February 2, 2018	
LGC-09		Funabashi Hi-Tech Park Factory I	Funabashi City, Chiba	1,997	0.8	2,200	August 1, 2020 and December 20, 2023	
		Subtotal			29,950	12.4	33,857	-

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
Hotel	HTL-01	R&B Hotel Umeda East	Kita Ward, Osaka City, Osaka	2,069	0.9	2,320	January 14, 2016
	HTL-02	Smile Hotel Namba	Naniwa Ward, Osaka City, Osaka	1,750	0.7	1,490	January 14, 2016
	HTL-03	REMBRANDT STYLE Tokyo Nishikasai	Edogawa Ward, Tokyo	3,827	1.6	3,460	April 6, 2017
	HTL-04	BEST WESTERN Yokohama	Tsurumi Ward, Yokohama City, Kanagawa	3,248	1.3	3,160	April 6, 2017
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Chuo Ward, Fukuoka City, Fukuoka	1,970	0.8	1,990	September 6, 2018
	HTL-06	GLANSIT AKIHABARA	Chiyoda Ward, Tokyo	2,500	1.0	2,440	September 6, 2018
	HTL-07	REMBRANDT STYLE Tokyo Nishikasai Grande	Edogawa Ward, Tokyo	3,180	1.3	3,110	September 6, 2018
	HTL-08	KOKO HOTEL Osaka Namba	Naniwa Ward, Osaka City, Osaka	2,000	0.8	1,560	September 6, 2018
	HTL-09	abeno nini (Hotel)	Abeno Ward, Osaka City, Osaka	3,600	1.5	3,850	August 18, 2022
	HTL-10	KOKO HOTEL Ginza 1-chome	Chuo Ward, Tokyo	17,800	7.4	19,100	September 1, 2023
	HTL-11	KOKO HOTEL Sapporo Ekimae	Chuo Ward, Sapporo City, Hokkaido	6,700	2.8	7,080	September 1, 2023
	HTL-12	KOKO HOTEL Fukuoka Tenjin	Chuo Ward, Fukuoka City, Fukuoka	5,000	2.1	5,410	September 1, 2023
	HTL-13	KOKO HOTEL Hiroshima Ekimae	Minami Ward, Hiroshima City, Hiroshima	4,100	1.7	4,320	September 1, 2023
	HTL-14	KOKO HOTEL Kagoshima Tenmonkan	Kagoshima City, Kagoshima	3,800	1.6	4,280	September 1, 2023
	HTL-15	Fino Hotel Sapporo Odori	Chuo Ward, Sapporo City, Hokkaido	4,200	1.7	4,270	September 1, 2023
	HTL-16	Best Western Plus Fukuoka Tenjin-minami	Chuo Ward, Fukuoka City, Fukuoka	3,800	1.6	4,410	September 1, 2023
		Subtotal		69,544	28.8	72,250	-
		Total		241,138	100.0	266,696	-

(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 sum total of the sale and purchase price, etc. (not including consumption tax and local consumption tax) stated in the sale and purchase agreement, etc. for each investment asset (or SAR's receipt price in the case of properties that were succeeded to due to absorption-type merger with SAR as the surviving corporation; or the total sale and purchase price divided proportionally based on the ratio of the appraisal value of the properties at the time of acquisition 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) plus construction expenses for extension work.

(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 December 15, 2023 as the date of value for Funabashi Hi-Tech Park Factory I and January 31, 2024 as the date of value for other properties and these figures 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 January 1, 2024 (former property name: Seishin Building). 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)		155,108	63.6
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	47,093	19.3
Other Areas		41,670	17.1
Total		243,871	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) 2 mezzanine loan debts (total acquisition price: 1,170 million yen) and 1 preferred equity security (acquisition price: 1,562 million yen) are included.

(a) Office

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		56,126	74.9
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	11,221	15.0
Other Areas		7,600	10.1
Total		74,947	100.0

(b) Retail

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

(c) Residence

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		32,760	84.1
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	6,183	15.9
Other Areas		-	-
Total		38,943	100.0

(d) Logistics facility

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo		29,950	100.0
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	-	-
Other Areas		-	-
Total		29,950	100.0

## (e) Hotel

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo (Note)		31,725	44.9
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	20,189	28.6
Other Areas		18,800	26.6
Total		70,714	100.0

(Note) 2 mezzanine loan debts (Total acquisition price: 1,170 million yen) are included.

## (f) Student residence

Geographic area		Acquisition price (million yen)	Share (%)
Greater Tokyo (Note)		1,562	100.0
Major Metropolitan Areas	Osaka Area, Fukuoka Area and Nagoya Area	-	-
Other Areas		-	-
Total		1,562	100.0

(Note) A preferred equity security.

## b. By Size

Acquisition price	Number of properties	Share (%) (Note 1)
10 billion yen or more	2	2.7
5 billion yen or more but less than 10 billion yen	12	16.2
1 billion yen or more but less than 5 billion yen (Note 2)	54	73.0
Less than 1 billion yen (Note 3)	6	8.1
Total	74	100.0

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

(Note 2) A preferred equity security is included.

(Note 3) 2 mezzanine loan debts are included.

## c. By Asset Type (Use)

Use	Number of properties	Acquisition price (million yen)	Share (%)
Office	21	74,947	30.7
Retail	5	27,754	11.4
Residence	21	38,943	16.0
Logistics facility	8	29,950	12.3
Hotel (Note 1)	18	70,714	29.0
Student residence (Note 2)	1	1,562	0.6
Total	74	243,870	100.0

(Note 1) 2 mezzanine loan debts (Total acquisition price: 1,170 million yen) are included.

(Note 2) A preferred equity security.

## (c) Status of Leasing

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Rental revenue (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m <sup>2</sup> ) (Note 4)	Leasable area (m <sup>2</sup> ) (Note 5)	Occupancy rate (%) (Note 6)
OFC-01	Minami-Azabu Shibuya Building	June 1993	6	99,582	128,023	3,263.08	3,263.08	100.0
OFC-03	Honmachibashi Tower	February 2010	6 (Note 7)	249,511	260,488	10,489.58	10,489.58	100.0
OFC-04	Nishi-Shinjuku Matsuya Building	May 1987	10	122,357	139,521	3,547.74	3,547.74	100.0
OFC-06	Urban Center Shibuya East	July 1993	4	74,455	116,611	1,612.88	1,612.88	100.0
OFC-08	Urban Center Yokohama West	November 1994	20	232,635	247,424	8,672.01	8,672.01	100.0
OFC-09	Hakata-eki East Place	February 1986	19	114,087	115,846	4,633.12	4,633.12	100.0
OFC-10	Nihonbashi Hamacho Park Building	July 1992	4	52,089	77,523	1,913.44	1,913.44	100.0
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	56	327,805	349,529	15,523.33	16,960.51	91.5
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	Urban Center Shinjuku	March 1989	20	203,719	315,269	5,167.20	5,616.80	92.0
OFC-15	Urban Center Kanda Suda-cho	October 1991	10	141,512	157,380	3,394.35	3,394.35	100.0
OFC-16	Urban Center Kanda Tsukasamachi	January 1988	7	103,932	120,991	2,885.88	3,254.44	88.7
OFC-17	Takadanobaba Access	January 1994	8	107,817	119,648	3,691.49	3,691.49	100.0
OFC-18	Azabu Amerex BLDG.	June 1988	7	74,012	63,575	2,240.03	2,240.03	100.0
OFC-19	Hiei-Kudan BLDG.	September 1991	10	70,034	101,861	2,298.86	2,298.86	100.0
OFC-20	Urban Center Shin-Yokohama	March 1992	17	87,289	93,788	4,057.89	4,057.89	100.0
OFC-21	The Portal Akihabara	May 2002	7	28,518	29,252	815.38	941.69	86.6
OFC-22	Urban Center Tachikawa	May 1990	4	62,214	89,671	2,799.92	3,400.47	82.3
OFC-23	Urban Center Hakata	August 2020	8	80,088	157,558	2,639.18	2,639.18	100.0
OFC-24	Urban Center Fujisawa	April 1991	6	80,566	90,770	3,298.18	3,396.17	97.1
RTL-01	La Park Kishiwada	August 1994	48 (Note 10)	525,138	232,870	40,497.78 (Note 10)	41,050.01 (Note 10)	98.7
RTL-02	Suroy Mall Chikushino	June 2007	19	270,794	332,991	28,615.26	31,088.53	92.0
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	219,340	150,467	3,481.03	3,481.03	100.0
RSC-01	Urban Park Azabujuban	November 1999	41	59,594	10,497	1,836.82	1,986.76	92.5
RSC-02	Urban Park Daikanyama	Existing: November 1982 Newly built: May 2006	67	200,432	77,209	5,657.20	5,977.18	94.6
RSC-05	Urban Park Namba	January 2013	113	46,647	-	2,497.45	2,584.81	96.6
RSC-06	Urban Park Gokokuji (Note 11)	February 1990	-	8,842	-	-	-	-
RSC-07	Urban Park Kashiwa	August 1997	40	39,046	8,051	2,884.20	2,954.77	97.6
RSC-08	Urban Park Ryokuchi Koen	March 1989	59	60,016	11,352	5,508.94	5,508.94	100.0
RSC-09	Urban Park Koenji (Note 11)	October 1987	-	5,514	-	-	-	-
RSC-10	Urban Park Ichigao	July 1998	59	58,359	17,818	4,197.26	4,322.62	97.1
RSC-11	Urban Park Gyotoku	March 1995	42	39,566	24,172	2,976.36	2,976.36	100.0
RSC-12	Shiroi Logiman	May 1995	294	143,832	12,231	21,575.07	21,884.21	98.6
RSC-13	Urban Park Sekime	August 1989	122	85,097	9,225	7,383.56	7,693.13	96.0
RSC-14	Urban Park Imazato	December 1991	63	37,497	931	4,303.26	4,648.64	92.6

Property no.	Property name	Construction completion	Number of tenants (Note 1)	Rental revenue (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m <sup>2</sup> ) (Note 4)	Leasable area (m <sup>2</sup> ) (Note 5)	Occupancy rate (%) (Note 6)
RSC-15	Urban Park Yoyogi	September 2017	28	45,959	6,061	1,286.50	1,286.50	100.0
RSC-16	Urban Park Tokiwadai Koen	February 1994	137	148,263	29,891	13,860.00	14,058.00	98.6
RSC-17	Urban Park Mitsuike Koen	March 1992	137	128,014	30,808	10,362.00	10,362.00	100.0
RSC-18	Urban Park Ryogoku	October 1997	31	39,726	7,661	2,235.93	2,304.53	97.0
RSC-19	Urban Park Mizonokuchi	August 1988	73	64,267	5,662	4,006.64	4,166.38	96.2
RSC-20	Urban Park Miyamaedaira	June 2021	47	33,838	3,895	1,880.13	1,957.97	96.0
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
RSC-22	Urban Park Mitaka	June 2023	4	2,083	1,322	353.57	1,179.94	30.0
RSC-23	Urban Park Kamata Minami I	September 2022	34	7,464	730	919.75	971.00	94.7
RSC-24	Urban Park Kamata Minami II	September 2023	7	244	5,122	1,608.84	1,962.97	82.0
RSC-25	Urban Park Umejima	October 2023	7	832	831	237.52	1,434.75	16.6
LGC-01	Iwatsuki Logistics	October 2014	3	200,318	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	267,529	91,166	36,081.45	38,086.56	94.7
LGC-04	Baraki Logistics	August 2015	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	12,471.50	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	Existing: May 2003 Newly built 1: November 2023 Newly built 2: November 2023	1	Not disclosed (Note 9)	Not disclosed (Note 9)	Not disclosed (Note 9)	8,902.08	100.0
HTL-01	R&B Hotel Umeda East	October 2000	1	65,212	73,435	3,940.93	3,940.93	100.0
HTL-02	Smile Hotel Namba	February 2008	1	37,365	-	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	46,244	-	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
HTL-10	KOKO HOTEL Ginza 1-chome	October 2014	1	407,986	11,292	7,299.11	7,299.11	100.0
HTL-11	KOKO HOTEL Sapporo Ekimae	October 2015	1	145,690	41,417	5,886.67	5,886.67	100.0
HTL-12	KOKO HOTEL Fukuoka Tenjin	August 2007	1	110,701	9,818	4,404.91	4,404.91	100.0
HTL-13	KOKO HOTEL Hiroshima Ekimae	December 2019	1	106,591	4,000	5,370.75	5,370.75	100.0



Property no.	Property name	Construction completion	Number of tenants (Note 1)	Rental revenue (thousand yen) (Note 2)	Security and guarantee deposits (thousand yen) (Note 3)	Leased area (m <sup>2</sup> ) (Note 4)	Leasable area (m <sup>2</sup> ) (Note 5)	Occupancy rate (%) (Note 6)
HTL-14	KOKO HOTEL Kagoshima Tenmonkan	April 2019	1	76,832	3,824	4,622.48	4,622.48	100.0
HTL-15	Fino Hotel Sapporo Odori	June 2020	1	72,627	4,000	3,854.01	3,854.01	100.0
HTL-16	Best Western Plus Fukuoka Tenjin-minami	April 2020	1	161,263	-	7,322.03	7,322.03	100.0
Total			1,742	7,524,917	5,919,341	488,305.10	501,066.36	97.5

(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, 2024. 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, 2024 (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, 2024. 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, 2024.

(Note 6) "Occupancy rate" is the ratio of leased area to leasable area for each investment asset as of January 31, 2024, 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, 2024, 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.

(Note 11) Urban Park Koenji was transferred on August 31, 2023.

## (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	3,110	3,200	3.8	3,070	3.4	4.0	139	4.7	
	OFC-03	Honmachibashi Tower	Daiwa	7,100	7,100	4.0	7,100	3.8	4.2	303	5.0	
	OFC-04	Nishi-Shinjuku Matsuya Building	Daiwa	2,740	2,680	4.0	2,760	3.8	4.2	122	6.9	
	OFC-06	Urban Center Shibuya East	JREI	3,290	3,330	3.3	3,240	3.1	3.4	114	5.6	
	OFC-08	Urban Center Yokohama West	JREI	8,420	8,510	3.3	8,330	3.1	3.4	312	4.9	
	OFC-09	Hakata-eki East Place	Daiwa	3,290	3,310	4.4	3,280	4.2	4.6	151	6.6	
	OFC-10	Nihonbashi Hamacho Park Building	Daiwa	1,510	1,500	4.2	1,510	4.0	4.4	62	4.3	
	OFC-11	Amusement Media Gakuin Honkan	Daiwa	2,810	2,880	3.4	2,780	3.2	3.6	102	4.0	
	OFC-12	Higashi-Kobe Center Building	Tanizawa	7,530	7,500	4.8	7,540	4.9	5.0	405	5.3	
	OFC-13	Amusement Media Gakuin Shinkan	JREI	1,230	1,240	3.2	1,210	3.0	3.3	41	4.0	
	OFC-14	Urban Center Shinjuku	JREI	11,700	11,900	3.3	11,500	3.0	3.3	399	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	4,600	4,720	3.5	4,550	3.6	3.7	172	3.7	
	OFC-17	Takadanobaba Access	Tanizawa	3,920	4,090	3.6	3,840	3.7	3.8	153	3.8	
	OFC-18	Azabu Amerex BLDG.	JREI	2,890	2,890	3.4	2,890	3.1	3.4	103	3.7	
	OFC-19	Hiei-Kudan BLDG.	Tanizawa	2,400	2,480	3.4	2,360	3.5	3.6	87	3.6	
	OFC-20	Urban Center Shin-Yokohama	JREI	2,570	2,580	4.2	2,550	3.9	4.3	114	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	2,050	2,050	4.3	2,050	4.1	4.5	94	5.2	
	OFC-23	Urban Center Hakata	JREI	3,280	3,300	3.7	3,260	3.5	3.8	122	4.3	
	OFC-24	Urban Center Fujisawa	JREI	2,200	2,220	4.8	2,180	4.6	5.0	115	5.6	
	Subtotal				83,570	84,560	-	82,870	-	-	3,367	4.5
	Retail	RTL-01	La Park Kishiwada	JREI	5,170	5,190	6.2	5,150	6.0	6.4	381	7.1
		RTL-02	Suroy Mall Chikushino	Tanizawa	6,580	6,680	5.6	6,530	5.7	5.8	386	5.9
RTL-03		Seiyu Minakuchi	JREI	3,320	3,350	6.7	3,290	6.5	7.0	246	7.4	
RTL-05		BAGUS Ikebukuro West	JREI	3,500	3,540	3.4	3,450	3.2	3.5	123	4.1	
RTL-06		abeno nini (Retail)	JREI	10,500	10,700	3.7	10,200	3.5	3.9	397	4.2	
Subtotal				29,070	29,460	-	28,620	-	-	1,532	5.5	

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-01	Urban Park Azabujuban	JREI	2,950	2,980	2.9	2,910	2.7	3.0	90	4.4	
	RSC-02	Urban Park Daikanyama	JREI	10,100	10,300	2.8	9,970	2.6	2.9	302	4.8	
	RSC-05	Urban Park Namba	Daiwa	1,540	1,560	4.6	1,530	4.4	4.8	74	5.0	
	RSC-07	Urban Park Kashiwa	Tanizawa	1,210	1,220	4.3	1,200	4.4	4.5	57	4.8	
	RSC-08	Urban Park Ryokuchi Koen	Tanizawa	1,730	1,740	4.4	1,720	4.5	4.6	87	5.6	
	RSC-10	Urban Park Ichigao	JREI	2,180	2,190	3.7	2,160	3.5	3.8	87	4.8	
	RSC-11	Urban Park Gyotoku	Tanizawa	1,620	1,660	3.9	1,600	4.0	4.1	68	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	1,110	1,120	4.4	1,100	4.5	4.6	54	5.5	
	RSC-15	Urban Park Yoyogi	JREI	1,990	2,010	3.1	1,970	2.8	3.2	63	3.6	
	RSC-16	Urban Park Tokiwadai Koen	Tanizawa	4,190	4,220	4.1	4,170	4.2	4.3	193	5.5	
	RSC-17	Urban Park Mitsuike Koen	Tanizawa	3,690	3,700	4.3	3,680	4.4	4.5	172	5.4	
	RSC-18	Urban Park Ryogoku	Tanizawa	1,310	1,320	3.7	1,310	3.8	3.9	51	4.6	
	RSC-19	Urban Park Mizonokuchi	Tanizawa	2,100	2,130	4.2	2,090	4.3	4.4	94	4.7	
	RSC-20	Urban Park Miyamaedaira	Daiwa	1,250	1,270	4.0	1,240	3.8	4.2	52	4.9	
	RSC-21	Urban Park Tsurumi	Tanizawa	1,190	1,190	4.2	1,190	4.6	4.4	53	4.8	
	RSC-22	Urban Park Mitaka	JREI	1,010	1,020	3.6	995	3.4	3.7	37	5.0	
	RSC-23	Urban Park Kamata Minami I	JREI	879	894	3.6	863	3.2	3.8	33	5.1	
	RSC-24	Urban Park Kamata Minami II	JREI	1,770	1,780	3.9	1,760	3.4	4.0	70	5.1	
	RSC-25	Urban Park Umejima	JREI	1,150	1,150	3.7	1,140	3.4	3.7	43	4.1	
	Subtotal				47,949	48,394	-	47,588	-	-	1,933	5.0
	Logistics facility	LGC-01	Iwatsuki Logistics	Daiwa	7,650	7,730	4.2	7,620	4.0	4.4	332	4.8
		LGC-02	Yokohama Logistics	Daiwa	4,260	4,280	4.0	4,250	3.7	4.2	201	5.6
		LGC-03	Funabashi Logistics	Daiwa	8,770	8,850	4.1	8,740	3.9	4.3	411	5.2
LGC-04		Baraki Logistics	Tanizawa	5,220	5,390	3.5	5,150	3.4	3.7	191	4.1	
LGC-05		Tokorozawa Logistics	JREI	1,550	1,570	4.6	1,520	4.1	4.8	75	5.8	
LGC-07		Funabashi Nishiura Logistics II	Daiwa	907	913	5.4	905	5.2	5.6	58	7.1	
LGC-08		Matsubushi Logistics	JREI	3,300	3,330	4.6	3,270	4.1	4.9	158	5.7	
LGC-09		Funabashi Hi-Tech Park Factory I	JREI	2,200	2,230	6.3	2,160	6.2	6.6	141	7.1	
Subtotal				33,857	34,293	-	33,615	-	-	1,567	5.2	
Hotel	HTL-01	R&B Hotel Umeda East	Daiwa	2,320	2,330	4.5	2,310	4.3	4.7	113	5.5	
	HTL-02	Smile Hotel Namba	Daiwa	1,490	1,500	4.6	1,490	4.4	4.8	75	4.3	
	HTL-03	REMBRANDT STYLE Tokyo Nishikasai	JREI	3,460	3,490	4.3	3,430	4.1	4.4	158	4.1	
	HTL-04	BEST WESTERN Yokohama	JREI	3,160	3,180	4.4	3,130	4.2	4.5	146	4.5	
	HTL-05	The BREAKFAST HOTEL FUKUOKA TENJIN	Tanizawa	1,990	2,060	4.3	1,960	4.3	4.5	90	4.6	
	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	3,110	3,130	4.0	3,100	3.9	4.2	126	4.0	
	HTL-08	KOKO HOTEL Osaka Namba	Daiwa	1,560	1,590	4.2	1,550	4.0	4.4	74	3.7	
	HTL-09	abeno nini (Hotel)	JREI	3,850	3,870	4.4	3,820	3.8	4.1	175	4.8	
	HTL-10	KOKO HOTEL Ginza 1-chome	JREI	19,100	19,300	3.6	18,900	3.4	3.7	720	4.0	
	HTL-11	KOKO HOTEL Sapporo Ekimae	JREI	7,080	7,170	4.3	6,990	4.1	4.4	326	4.9	
	HTL-12	KOKO HOTEL Fukuoka Tenjin	JREI	5,410	5,430	4.2	5,390	3.9	4.2	243	4.9	
	HTL-13	KOKO HOTEL Hiroshima Ekimae	JREI	4,320	4,350	4.5	4,280	4.3	4.6	212	5.2	
	HTL-14	KOKO HOTEL Kagoshima Tenmonkan	JREI	4,280	4,320	5.0	4,230	4.8	5.1	232	6.1	
	HTL-15	Fino Hotel Sapporo Odori	JREI	4,270	4,320	4.3	4,220	4.1	4.4	194	4.6	
	HTL-16	Best Western Plus Fukuoka Tenjin-minami	JREI	4,410	4,420	5.2	4,400	4.5	5.4	256	6.7	
Subtotal				72,250	72,960	-	71,610	-	-	3,237	4.7	
Total				266,696	269,667	-	264,303	-	-	11,635	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, 2024, as the date of value. However, the date of value for Funabashi Hi-Tech Park Factory I is December 15, 2023.
- (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, 2024. Of investment assets, the following are top five properties in terms of total rental revenue as of January 31, 2024.

	Changes in occupancy rate (%) (Note)				
	January 31, 2022	July 31, 2022	January 31, 2023	July 31, 2023	January 31, 2024
KOKO HOTEL Ginza 1-chome	-	-	-	-	100.0
La Park Kishiwada	98.7	99.5	99.4	98.9	98.7
Higashi-Kobe Center Building	85.3	86.6	89.2	92.9	91.5
Funabashi Logistics	91.6	91.6	94.7	94.7	94.7
Suroy Mall Chikushino	99.7	96.3	96.3	94.5	92.0

(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 <sup>2</sup> ) (Note 1)	As a percentage of total leasable area (%) (Note 2)
1	Not disclosed (Note 3)	Iwatsuki Logistics	Not disclosed (Note 3)	5.9
2	KOKO HOTELS CO., LTD.	KOKO HOTEL Ginza 1-chome KOKO HOTEL Sapporo Ekimae KOKO HOTEL Fukuoka Tenjin KOKO HOTEL Hiroshima Ekimae KOKO HOTEL Kagoshima Tenmonkan	27,583.92	5.5
3	Seiyu Co., Ltd.	Seiyu Minakuchi	23,814.87	4.8
4	Not disclosed (Note 3)	Funabashi Logistics	Not disclosed (Note 3)	4.4
5	Scroll360 Corporation	Matsubushi Logistics	19,833.47	4.0
6	Not disclosed (Note 3)	Yokohama Logistics	Not disclosed (Note 3)	3.6
7	Nagasakiya Co., Ltd.	La Park Kishiwada	15,356.34	3.1
8	FINO Hotels Co., Ltd.	KOKO HOTEL Osaka Namba Fino Hotel Sapporo Odori Best Western Plus Fukuoka Tenjin-minami	13,237.42	2.6
9	Rembrandt Inn	REMBRANDT STYLE Tokyo Nishikasai BEST WESTERN Yokohama REMBRANDT STYLE Tokyo Nishikasai Grande	12,735.16	2.5
10	Not disclosed (Note 3)	Baraki Logistics	Not disclosed (Note 3)	2.5
Total of the top 10 tenants			194,703.03	38.9

(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, 2024.

(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 17th 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, 2024. 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
Higashi-Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work	From: Feb. 2024 To: Mar. 2024	99,000	-	-
Hakata-eki East Place (Fukuoka City, Fukuoka)	Common area renewal work	From: Feb. 2024 To: Jul. 2024	50,000	-	-
Higashi-Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work	From: Feb. 2024 To: Jun. 2024	49,500	-	-
Urban Center Shin-Yokohama (Yokohama City, Kanagawa)	Exterior wall renovation work	From: Feb. 2024 To: Jul. 2024	40,000	-	-
Higashi-Kobe Center Building (Kobe City, Hyogo)	Air-conditioning equipment upgrading work	From: Feb. 2024 To: Apr. 2024	39,650	-	-
Urban Center Yokohama West (Yokohama City, Kanagawa)	Switching to LED lighting in privately owned areas	From: Feb. 2024 To: Jun. 2024	38,800	-	-
Seiyu Minakuchi (Koka City, Shiga)	Water heater/cooler renewal work	From: Feb. 2024 To: May 2024	36,500	-	-
Nishi-Shinjuku Matsuya Building (Shibuya Ward, Tokyo)	Air-conditioning equipment upgrading work	From: Feb. 2024 To: May 2024	20,000	-	-

b. Capital Expenditures during the 16th fiscal period

The following summarizes the primary construction works that constitute capital expenditures implemented for the assets held by SAR as of January 31, 2024, during the 16th fiscal period. Capital expenditures for the 16th fiscal period amounted to 1,107,190 thousand yen and, when combined with the 319,629 thousand yen in repair expenses charged to the same period, it totals 1,426,820 thousand yen in construction works implemented.

Name of real estate, etc. (Location)	Purpose	Period	Construction costs (thousand yen)
Funabashi Hi-Tech Park Factory I (Funabashi City, Chiba)	Building A extension work	From: May 2023 To: Dec. 2023	228,714
Higashi-Kobe Center Building (Kobe City, Hyogo)	Elevator renewal work	From: Apr. 2023 To: Sep. 2023	98,440
Funabashi Hi-Tech Park Factory I (Funabashi City, Chiba)	Building B extension work	From: Aug. 2023 To: Dec. 2023	47,169
Urban Center Shinjuku (Shinjuku Ward, Tokyo)	Elevator renewal work	From: Aug. 2023 To: Sep. 2023	35,641
Matsubushi Logistics (Kitakatsushika-gun, Saitama)	Air-conditioning equipment upgrading work (phase 2)	From: Aug. 2023 To: Sep. 2023	26,516
Suroy Mall Chikushino (Chikushino City, Fukuoka)	Building P renovation work	From: Sep. 2023 To: Nov. 2023	31,024
Yokohama Logistics (Yokohama City, Kanagawa)	Air-conditioning installation work (1F)	From: Oct. 2023 To: Dec. 2023	25,487
Funabashi Logistics (Funabashi City, Chiba)	Building 1 refrigeration equipment upgrading work (5F)	From: Jan. 2024 To: Jan. 2024	23,671
La Park Kishiwada (Kishiwada City, Osaka)	Station-side exterior wall renovation work (phase 2)	From: Oct. 2023 To: Jan. 2024	26,633
La Park Kishiwada (Kishiwada City, Osaka)	Station-side exterior wall renovation work (phase 1)	From: Jul. 2023 To: Sep. 2023	21,859
Urban Center Tachikawa (Tachikawa City, Tokyo)	Elevator renewal work	From: Aug. 2023 To: Sep. 2023	20,500
Other	-	-	521,530
Total			1,107,190

## (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)	2,397,454	1,241,310	1,290,776	926,298	1,669,076	7,524,917
Rental revenue	2,205,321	1,082,343	1,237,451	883,667	1,669,076	7,077,860
Other lease business revenue	192,132	158,967	53,325	42,631	-	447,056
② Total operating expenses from real estate leasing (thousand yen)	737,628	487,792	384,398	209,813	163,271	1,982,903
Management fee	183,350	143,121	84,574	31,253	12,489	454,790
Utilities expenses	174,637	138,237	17,271	42,393	3	372,542
Taxes and dues	189,597	87,881	85,262	76,677	50,753	490,171
Repair expenses	96,765	47,580	94,304	49,032	31,947	319,629
Trust fee	8,263	3,600	7,622	3,000	6,183	28,668
Insurance premium	4,835	2,615	3,589	1,898	2,374	15,314
Other	80,178	64,756	91,773	5,557	59,519	301,786
③ NOI (①-②) (thousand yen)	1,659,826	753,518	906,378	716,485	1,505,805	5,542,013
④ Depreciation (thousand yen)	296,217	101,441	151,785	151,625	262,532	963,602
⑤ Operating income (loss) from real estate leasing (③-④) (thousand yen)	1,363,608	652,076	754,592	564,859	1,243,272	4,578,410
⑥ Capital expenditures (thousand yen)	414,498	150,429	72,799	430,965	38,497	1,107,190
⑦ NCF (③-⑥) (thousand yen)	1,245,327	603,088	833,579	285,519	1,467,307	4,434,822
Acquisition price (million yen)	74,947	27,754	38,943	29,950	69,544	241,138
Book value at end of period (million yen)	75,760	27,732	39,642	29,098	69,415	241,648
Estimated value at end of period (million yen)	83,570	29,070	47,949	33,857	72,250	266,696
Occupancy rate at end of period						
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%
End of July 2023	96.9%	97.9%	97.1%	98.6%	100.0%	97.9%
End of January 2024	96.5%	97.0%	95.5%	98.6%	100.0%	97.5%