

## **DISCLAIMER**

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

### ***Netherlands***

The units of Samty Residential Investment Corporation are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, Samty Asset Management Co., Ltd. (the “AIFM”) has submitted a notification with the Dutch Authority for the Financial Markets. The units of SRR will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalficeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor SRR is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor SRR is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as amended and applicable in the Netherlands. The AIFM is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

### ***United Kingdom***

Units of SRR are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the Financial Conduct Authority (the “FCA”) of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (“FSMA”) SRR is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in SRR may only be made to

(1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or “the Order”; or

(2) high net worth companies falling within Articles 49(2) (a) to (d) of the Order, and other persons to whom it may lawfully be communicated (all such persons referred to under (1) and (2) of this paragraph, together being referred to as “Relevant Persons”).

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

### ***European Economic Area and United Kingdom***

In addition to the restrictions under the AIFMD, the Units of SRR are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”) or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, (the “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the units of SRR or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the units of SRR, or otherwise making them available, to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

Article 23 (1)(a)	
Objectives of the AIF	Samty Residential Investment Corporation (“SRR” or the “AIF”) is investing in high-quality residential assets across a broad range of Japan’s regional cities, with the goal of providing a safe, secure, and comfortable living environment through the leasing of these properties, which SRR believes provide investors with opportunities to own a diversified portfolio of residential properties located in a broad range of Japan’s regional cities, and constantly strive to enhance unitholder value by managing these assets over the medium to long term.
Investment strategy	SRR primarily targets diversified residential properties throughout a broad range of cities in Japan. SRR also acquires operating facilities (hotel and healthcare properties) only after conducting a prudent and holistic review of its portfolio size and level of diversification. Around 70% of the portfolio comprises residential properties in regional cities where Samty group possesses a considerable amount of operational experience and expertise in the real estate market. To achieve an appropriate level of diversification while expanding the portfolio, around 30% of the portfolio comprises residential properties in the greater Tokyo area.
Types of assets the AIF may invest in	Real estate, trust beneficiary interests in real estate, real estate securities, specified assets and other assets.
Techniques it may employ and all associated risks	<p>The principal risks with respect to investment in SRR are as follows:</p> <ul style="list-style-type: none"> <li>• any adverse conditions in the Japanese economy could adversely affect SRR;</li> <li>• war, terrorism, or a pandemic including COVID-19 may have a significant long-term adverse impact on economic activities, which in turn may adversely affect the performance of the portfolio and market price of the units;</li> <li>• SRR may not be able to acquire properties to execute the growth and investment strategy in a manner that is accretive to earnings;</li> <li>• illiquidity in the real estate market may limit the ability to grow or adjust the portfolio;</li> <li>• the past experience of our asset manager, Samty Asset Management Co., Ltd., in the Japanese real estate market is not an indicator or guarantee of future results;</li> <li>• SRR’s reliance on Samty Co., Ltd., Samty Asset Management Co., Ltd. and other third service providers could have a material adverse effect on business;</li> <li>• there are potential conflicts of interest between SRR and Samty Group as well as the AIFM;</li> <li>• SRR’s revenues largely comprise leasing revenues from the portfolio properties, which may be negatively affected by vacancies, decreases in rent, and late or missed payments by tenants;</li> <li>• SRR faces significant competition in seeking tenants and it may be difficult to find replacement tenants;</li> </ul>

- increases in prevailing market interest rates may increase interest expense and may result in a decline in the market price of SRR's units;
- SRR may suffer large losses if any of the properties incurs damage from a natural or man-made disaster;
- most of the properties in the portfolio are residential properties;
- any inability to obtain financing for future acquisitions could adversely affect the growth of the portfolio;
- SRR's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify SRR from certain taxation benefits and significantly reduce the cash distributions to the unitholders; and
- ownership rights in some of SRR's properties may be declared invalid or limited.

In addition, we are subject to the following risks:

- risks related to increasing operating costs;
- risks related to SRR's dependence on the efforts of the AIFM's key personnel;
- risks related to the restrictive covenants under debt financing arrangement;
- risks related to entering into forward commitment contracts;
- risks related to third party leasehold interests in the land underlying SRR properties;
- risks related to holding the property in the form of stratified ownership (*kubun shoyū*) interests or co-ownership interests (*kyōyū-mochibun*);
- risks related to holding the property through trust beneficiary interests;
- risks related to properties not in operation (including properties under development);
- risks related to the defective title, design, construction or other defects or problems in the properties, including non-conformity to agreements;
- risks related to impairment losses relating to the properties;
- risks related to tenant leasehold deposits and/or security deposits;
- risks related to tenants' default as a result of financial difficulty or insolvency;
- risks related to the insolvency of master lessors;
- risks related to the insolvency of a property seller following our purchase of a property;
- risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data;
- risks related to the presence of hazardous or toxic substances in the properties, or the failure to properly remediate such substances;
- risks related to strict environmental liabilities for the properties;
- risks related to the amendment of applicable administrative laws and local ordinances;
- risks related to holding Japanese anonymous association (*tokumei kumiai*) interests;

	<ul style="list-style-type: none"> <li>• risks related to investments in trust beneficiary interests;</li> <li>• risks related to the tight supervision by regulatory authorities and compliance with applicable rules and regulations;</li> <li>• risks related to tax authority disagreement with the AIFM's interpretations of the Japanese tax laws and regulations;</li> <li>• risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs; and</li> <li>• risks related to changes in Japanese tax laws.</li> </ul>
Any applicable investment restrictions	<p>SRR is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation.</p> <p>SRR must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (<i>chijō-ken</i>) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights. A listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate. Pursuant to the ITA, investment corporations may not independently develop land or construct buildings, but must outsource such activities.</p>
Circumstances in which the AIF may use leverage	<p>SRR may take out loans or issue long-term or short-term corporate bonds for the purpose of investing in properties, conducting repairs and related work, paying cash distributions, operating capital, repaying obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term corporate bonds) and other activities.</p>
The types and sources of leverage permitted and associated risks	<p>Loans or investment corporation bonds. Currently all of SRR's outstanding long- and short-term loans as well as outstanding bonds are unsecured and unguaranteed.</p> <p>Loans or investment corporation bonds in which SRR enters or SRR issues may be subject to restrictive covenants in connection with any future indebtedness that may restrict operations and limit its ability to make cash distributions to unitholders, to dispose of properties or to acquire additional properties. Furthermore, if SRR were to violate such restrictive covenants, such as with regard to loan-to-value ratios, lenders may be entitled to require SRR to collateralize portfolio properties or demand that the entire outstanding balance be paid.</p>

	<p>In the event of an increase in interest rates, to the extent that SRR has any debt with unhedged floating rates of interest or SRR incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit SRR's ability to acquire properties, and could cause the market price of the units to decline.</p>
Any restrictions on leverage	The maximum amount of each loan and corporate bond issuance is 1 trillion yen, and the aggregate amount of all such debt cannot exceed 1 trillion yen.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	SRR has set an upper limit of 60% as a general rule for its loan-to-value, or LTV, ratio and 45% to 55% as the target LTV ratio range, in order to operate with a stable financial condition. SRR may, however, temporarily exceed such levels as a result of property acquisitions or other events.
<b>Article 23(1) (b)</b>	
Procedure by which the AIF may change its investment strategy / investment policy	<p>Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and our articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted.</p> <p>Additionally, the guidelines of the AIFM, which provide more detailed policies within SRR's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.</p>
<b>Article 23(1) (c)</b>	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including	<p>SRR is a corporate-type investment trust in the form of investment corporation (toshi hojin) provided for under the ITA. Therefore, the relationship between SRR and its unitholders is governed by SRR's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. SRR's articles of incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of SRR's directors.</p> <p>The relationship between SRR and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.</p>

<p>jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established</p>	<p>The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against SRR obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) SRR has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.</p> <p>SRR has entered into a sponsor support agreement with each of Samty Co., Ltd., which owns 67% of the AIFM, and Daiwa Securities Group Inc., which owns 33% of the AIFM to receive support for property acquisition and information regarding the sale of certain properties.</p> <p>SRR has also entered into the following agreements with third service providers:</p> <ul style="list-style-type: none"> <li>• An asset custody agreement regarding SRR's assets with Mizuho Trust &amp; Banking Co., Ltd.;</li> <li>• A transfer agency agreement regarding the units with Mitsubishi UFJ Trust and Banking Corporation; and</li> <li>• General administrative agreements regarding institution management with Mizuho Trust &amp; Banking Co., Ltd; and</li> <li>• General administrative agreements regarding accounting with Reiwa Accounting Holding. Co., Ltd. and Reiwakaikeisha Tax Corporation.</li> </ul> <p>The above agreements are governed by Japanese law.</p> <p>SRR is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.</p>
<p><b>Article 23(1) (d)</b></p>	
<p>The identity of the AIFM, AIF's depositary, auditor and any other service providers</p>	<ul style="list-style-type: none"> <li>• AIFM (Asset Manager): Samty Asset Management Co., Ltd.</li> </ul> <p>The Asset Manager carries out operations related to the management of SRR's assets, operations related to the financing of SRR, reporting to SRR, and carries out other operations agreed upon separately between SRR and the Asset Manager in accordance</p>

<p>and a description of their duties and the investors' rights thereto</p>	<p>with the asset management agreement and the following pertinent rules and regulations (including asset management guidelines).</p> <ul style="list-style-type: none"> <li>• Auditor: Ernst &amp; Young ShinNihon LLC The independent auditor audits financial statements and prepare audit reports.</li> <li>• Custodian and General Administrators (Institution Management): Mizuho Trust &amp; Banking Co., Ltd. The Custodian carries out asset custody operations for SRR, in accordance with the asset custodian agreement. The General Administrators (Institution Management) carries out administrative operations related to the institutional management (Board of Directors' Meeting, Unitholders' Meeting) of SRR, in accordance with the general administrative agreement (institutional operations and administration).</li> <li>• Transfer Agent: Mitsubishi UFJ Trust and Banking Corporation The Transfer Agent prepares the unitholder registry, investment corporation bond register and other related records and carries out administration related to the unitholder registry and investment corporation bond register, administration related to the issuance of investment securities, administration related to the payment of proceeds for distributions to unitholders, and administration related to claims by shareholders for the exercising of their rights and receipt of other requests from unitholders for SRR, in accordance with the transfer agent agreement.</li> <li>• General Administrator (Accounting and Tax): Reiwa Accounting Holding. Co., Ltd .</li> <li>• General Administrator (Tax): Reiwakaikeshi Tax Corporation The General Administrator (Accounting and Tax) carries out (1) calculation work, (2) preparation of accounting records, and (3) tax-related administrative operations for SRR, in accordance with the accounting administration agreement.</li> <li>• Fiscal Agent: Shinsei Bank, Limited The Fiscal Agent provides administrative services in connection with the SRR's investment corporation bonds.</li> </ul> <p>Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that an asset manager owes a J-REIT a fiduciary duty and must conduct its activities as the asset manager in good faith. The FIEA also prohibits an asset manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the asset manager that are contrary to or violate the J-REIT's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.</p>
<p><b>Article 23(1) (e)</b></p>	



Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
<b>Article 23(1) (f)</b>	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.
<b>Article 23(1) (g)</b>	
Description of the AIF's valuation procedure and pricing methodology, including the	<p>SRR makes investment decisions based on its investment strategies and in accordance with its articles of incorporation and based on the results of due diligence, including the valuation of properties and consideration of the property appraisal value.</p> <p>SRR shall evaluate assets in accordance with its Article of Incorporation. The methods and standards that SRR uses for the evaluation of assets are based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real</p>

methods used in valuing hard-to-value assets	Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP. J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.
<b>Article 23(1) (h)</b>	
Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	<p>SRR seeks to manage the capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions. SRR manages associated liquidity and interest rate fluctuation risk in ways such as diversifying its credit sources and maturities, and by lengthening terms and mainly using fixed-rate loans.</p> <p>SRR is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.</p>
<b>Article 23(1) (i)</b>	

<p>Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors</p>	<p><u>Directors' Compensation:</u> The articles of incorporation provide that the AIF may pay its executive officers up to 250,000 yen and supervisory officers up to 500,000 yen per month. The board of officers is responsible for determining a reasonable compensation amount for the executive officer and each of the supervisory officers.</p> <p><u>Asset Management Fee:</u> SRR will pay the AIFM an asset management fee as follows:</p> <ul style="list-style-type: none"> <li>• Management Fee 1 – The AIFM receives an asset-based fee equal to 0.45% per annum of SRR's total assets (as stated on SRR's balance sheet as of the end of each fiscal period in accordance with Japanese GAAP, which is applicable in Management Fees 2 below.).</li> <li>• Management Fee 2 – The AIFM also receives an earnings-based fee equal to 5.0% of distributable income before income taxes, excluding the earnings-based fee or gain on negative goodwill (if any), calculated with respect to each fiscal period in accordance with Japanese GAAP, less any loss carried forward from the previous fiscal period, multiplied by SRR's total assets less 50 billion yen, and divided by SRR's total assets.</li> <li>• Acquisition Fee – For each property that SRR acquires, the AIFM receives an acquisition fee of 1.0% of the total amount of the acquisition price of said property (excluding consumption tax, local consumption tax, and acquisition costs). In case where an acquired property is trust beneficiary interests and is not acquired from related parties, the acquisition fee is calculated using the following formula: sum of (i) 0.5% of the difference between the upper limit (excluding consumption tax and local consumption tax) of brokerage fees prescribed in the article 46 of the Real Estate Brokerage Act, and the brokerage fees of such trust beneficiary interests and (ii) 1.0% of the total amount of the acquisition price of such trust beneficiary interests.</li> <li>• Disposition Fee – For each property that SRR disposes of, the AIFM receives a disposition fee of 0.5% of the total amount of the disposition price of such property (excluding consumption tax, local consumption tax and expenses).</li> </ul> <p><u>General Administrator Fee (Institution Management):</u></p> <ul style="list-style-type: none"> <li>• The general administrator fee is determined through discussions with a maximum fixed fee of 5 million yen per fiscal period.</li> </ul>
---	---

- If the above fee arrangement becomes inadequate due to changes in economic conditions or other circumstances, SRR may revise the custodian fees based on mutual consultation between SRR and the custodian.

General Administrator Fee (Accounting and Tax):

- Monthly fee is calculated using the following formula: sum of (i) Monthly Variable Fee A, which is equal to the total acquisition price of the properties that SRR owns at the end of each month multiplied by up to a maximum of 0.01% (0.002% as of the date hereof), and (ii) Monthly Variable Fee B, which is equal to up to a maximum of 50,000 yen (10,000 yen as of the date hereof) multiplied by the number of properties that SRR owns at the end of each month. When SRR acquires a new property, SRR pays to the General Administrator (Accounting and Tax) an initial registration fee, up to a maximum of 1 million yen, determined through discussion. The initial registration fee is set at 150,000 yen as of the date hereof.
- If the above fee arrangement becomes inadequate due to changes in economic conditions or other circumstances, SRR may revise the general administrator fee based on mutual consultation with the General Administrator (Accounting and Tax).

General Administrator Fee (Tax):

- SRR pays to the General Administrator (Tax) a monthly fixed fee of 550,000 yen. SRR may determine the fee for services related to tax investigation, liquidation and other matters based on mutual consultation with the General Administrator (Tax).
- If the above fee arrangement becomes inadequate due to changes in economic conditions or other circumstances, SRR may revise the general administrator fee based on mutual consultation with the General Administrator (Tax).

Transfer Agent Fee:

- Standard Fee: Standard transfer agent fees are for services such as the preparation, maintenance and storage of SRR's unitholder register; and preparation of materials concerning end-of-period unitholder statistical data. Monthly standard fees are calculated as one sixth of the total amount calculated using the relevant per unitholder rates as shown below, subject to a discount of 25%, provided, however, that the minimum monthly fee is ¥220,000.

Up to 5,000 ..... 390 yen

5,001 to 10,000.....	330 yen
10,001 to 30,000.....	280 yen
30,001 to 50,000.....	230 yen
50,001 to 100,000.....	180 yen
More than 100,000.....	150 yen

- Other fees: SRR also pays certain other fees in addition to the standard fee in connection with the administration and handling of distributions (minimum of 350,000 yen per distribution) and other shareholder related functions.

Custodian Fee: SRR will pay the Custodian a fee for each fiscal period calculated as follows:

- SRR pays to the custodian a custodian fee for each fiscal period payable by the end of the month immediately following the relevant fiscal period. The custodian fee, subject to a maximum fee based on the total amount of SRR's assets as of the end of the previous fiscal period as set forth below, is determined through discussion.

Total Amount of Assets as of the Previous Fiscal Period-end (JPY billion)	Calculation method
Portions not exceeding 20	9.6 million yen
Over 20 to 50	0.0037% of Amount of Assets as of the previous fiscal period-end
Over 50 to 75	0.0036 % of Amount of Assets as of the previous fiscal period-end
Over 75 to 100	0.0035% of Amount of Assets as of the previous fiscal period-end
Over 100 to 150	0.0034% of Amount of Assets as of the previous fiscal period-end
Over 150 to 200	0.0032% of Amount of Assets as of the previous fiscal period-end
Over 200 to 250	0.0030% of Amount of Assets as of the previous fiscal period-end

	<table border="1" data-bbox="469 174 1497 302"> <tr> <td data-bbox="469 174 845 302">Over 250</td><td data-bbox="845 174 1497 302">0.0025% of Amount of Assets as of the previous fiscal period-end</td></tr> </table> <ul style="list-style-type: none"> <li>• If the above fee arrangement becomes inadequate due to changes in economic conditions or other circumstances, SRR may revise the custodian fee based on mutual consultation with the custodian.</li> <li>• Should SRR acquire actual real estate (rather than a trust beneficiary interest in real estate or deposits in banks), the custodian fee shall equal the amount agreed upon by SRR and the custodian up to the semi-annual amount determined by the calculation formula above, plus an amount agreed upon by SRR and the custodian up to 200,000 yen (30,000 yen as of the date hereof) multiplied by the number of actual real estate SRR owns during the applicable period multiplied by the number of months SRR owns such properties during the applicable period. SRR shall discuss in good faith with the custodian whether to amend the custodian fee should SRR acquire assets other than actual real estate, trust beneficiary interests or deposits in banks.</li> </ul> <p><u>Auditor fee:</u> A fixed amount set by the board of officers of up to 20 million yen per fiscal period.</p> <p><u>Fiscal agent fee:</u> Pursuant to the fiscal agency agreement, SRR paid the fiscal agent the fiscal agent fee of 5 million yen, plus national and local consumption tax, in connection with the fiscal agent service and issuance and payment agent services for its unsecured investment corporation bonds.</p>	Over 250	0.0025% of Amount of Assets as of the previous fiscal period-end
Over 250	0.0025% of Amount of Assets as of the previous fiscal period-end		
<b>Article 23(1) (j)</b>			
Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of	Under Article 77 paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.		

investors and their legal or economic links with the AIF or AIFM																					
Article 23(1) (k)																					
The latest annual report referred to in Article 22(1)	Not applicable.																				
Article 23(1) (l)																					
The procedure and conditions for the issue and sale of the units	SRR is authorized under the articles of incorporation to issue up to 2 million units. Its units have been listed on the Tokyo Stock Exchange since June 30, 2015. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day’s closing price or special quote.																				
Article 23(1) (m)																					
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	SRR’s unit’s latest market price is publicly available at the Tokyo Stock Exchange or from financial information vendors (including Reuters, which can be viewed at <a href="http://www.reuters.com/finance/stocks/overview?symbol=3459.T">http://www.reuters.com/finance/stocks/overview?symbol=3459.T</a> ).																				
Article 23(1) (n)																					
Details of the historical performance of the AIF, where available	<p>The units of SRR were listed on the Tokyo Stock Exchange on June 30, 2015.</p> <p>The most recent four fiscal period performance of the units is as follows.</p> <table><tr><td>Fiscal period (six months ended)</td><td>Total Assets (JPY million)</td><td>Total Net Assets (JPY million)</td><td>Net Assets per unit (base value) (JPY)</td></tr><tr><td>July 31, 2018</td><td>87,122</td><td>41,483</td><td>90,853</td></tr><tr><td>January 31, 2019</td><td>95,797</td><td>45,696</td><td>90,650</td></tr><tr><td>July 31, 2019</td><td>97,159</td><td>45,790</td><td>90,835</td></tr><tr><td>January 31, 2020</td><td>116,327</td><td>55,749</td><td>94,076</td></tr></table>	Fiscal period (six months ended)	Total Assets (JPY million)	Total Net Assets (JPY million)	Net Assets per unit (base value) (JPY)	July 31, 2018	87,122	41,483	90,853	January 31, 2019	95,797	45,696	90,650	July 31, 2019	97,159	45,790	90,835	January 31, 2020	116,327	55,749	94,076
Fiscal period (six months ended)	Total Assets (JPY million)	Total Net Assets (JPY million)	Net Assets per unit (base value) (JPY)																		
July 31, 2018	87,122	41,483	90,853																		
January 31, 2019	95,797	45,696	90,650																		
July 31, 2019	97,159	45,790	90,835																		
January 31, 2020	116,327	55,749	94,076																		
Article 23(1) (o)																					

Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist	Not applicable.
<b>Article 23(1) (p)</b>	
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through its Internet website or semi-annual report.
<b>Article 23(2)</b>	
The AIFM shall inform the investors before they invest in the AIF of any	Not applicable.



arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13)	
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.
<b>Article 23(4)(a)</b>	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.
How management and performance fees apply to such assets	There are no such special arrangements.
<b>Article 23(4)(b)</b>	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	
Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant	SRR is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.
Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included	There are no voting or other restrictions on the rights attaching to units.
<b>Article 23(4)(c)</b>	
The current risk profile of the AIF and the risk management systems	Deposits are exposed to risks of failure of the financial institution holding the deposit and other credit risks, but such risks are controlled through diversification of financial institutions holding the deposits.

employed by the AIFM to manage those risks	<p>The fund proceeds from borrowings and issuance of investment corporation bonds are used for the purpose of investing in properties, conducting repairs, paying cash distributions, operating the AIF, repaying obligations and other activities. These borrowings and investment bonds are exposed to liquidity risks. SRR strives to reduce the liquidity risks and a risk of rising interest rates by diversifying repayment dates, fee, and so forth.</p> <p>Derivative transactions are also utilized to hedge the interest rate risks arising from any borrowing or other debts.</p> <p>SRR retains cash and deposits sufficient to response any potential finance needs, including funds for acquiring asset, paying cash distributions, and so forth.</p>
Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	No such situation has occurred.
<b>Article 23(5)(a)</b>	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

divided by the net asset value of the AIF.	
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted	No such right or guarantee exists.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
<b>Article 23(5)(b)</b>	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregate amount of debt with interest is JPY 58,985 million as of January 31, 2020.