

**12<sup>th</sup>** Fiscal Period  
Semi-Annual Report  
From February 1, 2021 to July 31, 2021

# Japan-Wide Portfolio



**SAMTY**  
RESIDENTIAL

Samty Residential Investment Corporation

1-8-3, Marunouchi Chiyoda-ku, Tokyo  
<https://www.samty-residential.com/en/>  
Securities Code: 3459

## Message to Our Unitholders

We would like to extend our respect and heartfelt appreciation to the medical practitioners and other related people who are endeavoring to address the ongoing novel coronavirus (COVID-19) pandemic.

On behalf of Samty Residential Investment Corporation (Samty Residential), let me express our sincere gratitude to our unitholders for your loyal patronage.

Under the philosophy of revitalizing Japan's economy starting with its regional cities by providing residents with a safe, secure, and comfortable living environment, Samty Residential has invested in residential properties in a broad range of Japan's regional cities to build a diversified portfolio.

It is true that, since the declaration of a state of emergency was announced by the government last year, Samty Residential had seen the occupancy rate of its assets decrease slightly. By the busy season of this year, however, we have successfully improved the figure. Moreover, following the property replacement we conducted in May 2021, we made a large-scale capital increase in August to acquire 24 properties totaling 25.5 billion yen (on an acquisition price basis), expanding the total acquisition price of properties amounted to 143.8 billion yen.

Looking ahead, taking advantage of the sponsor support from Samty Co., Ltd., the main sponsor, and Daiwa Securities Group Inc., the sub-sponsor, we will continue working to expand the asset size by acquiring excellent properties and enhance portfolio quality by conducting property replacement. Through these efforts, we will endeavor to maximize earnings, generate stable distributions and enhance unitholder value over the medium to long term. We greatly appreciate your continued support of and cooperation with Samty Residential.



**Masafumi Takahashi**

Executive Director,  
Samty Residential Investment Corporation

Representative Director,  
Samty Asset Management Co., Ltd.



## Sustainability Initiatives

Samty Asset Management Co., Ltd., the Asset Management Company of Samty Residential, established the "Sustainability Policy" and "Rules on Sustainability Promotion System" on January 26, 2021, based on the recognition that making efforts to promote sustainability in consideration of the environment, society and governance will contribute to maximization of the interests of customers over the medium to long term.



- With the Representative Director as the Chief Executive Officer on Sustainability, we oversee the development of systems, the proposal and implementation of various policies and goals and various measures
- With the Head of Residential REIT Division as the Chief Operating Officer on Sustainability, we oversee the development of systems and implementation of various measures related to the promotion of sustainability
- Establishing the sustainability promotion office, we will hold regular meetings at least once every three months
- The Chief Executive Officer will report to the Board of Directors at least once every six months on the specific measures to achieve the policies and goals
- In principle, we will continue to follow up on issues and points that have been raised regarding the goals by incorporating them into the goals for the next fiscal period

## Environment

### Acquisition of Environmental Certification from External Evaluation Organization

List of properties that acquired DBJ Green Building Certification

 <p><b>DBJ Green Building 2020</b></p> <p>Properties with excellent environmental &amp; social awareness</p> <p><b>A-62</b> S-FORT Osaka Doshin</p> 	 <p><b>DBJ Green Building 2020</b></p> <p>Properties with high environmental &amp; social awareness</p> <p><b>A-31</b> S-FORT Tsurumai reale</p> 	 <p><b>DBJ Green Building 2019</b></p> <p>Properties with excellent environmental &amp; social awareness</p> <div> <div data-bbox="683 1429 938 1774"> <p><b>A-11</b> S-FORT Nakajima Koen</p>  </div> <div data-bbox="954 1429 1198 1774"> <p><b>C-23</b> S-RESIDENCE Motoyawata</p>  </div> </div>	 <p><b>DBJ Green Building 2019</b></p> <p>Properties with high environmental &amp; social awareness</p> <p><b>B-05</b> S-RESIDENCE Esaka</p> 
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### Future Initiatives

Various initiatives are promoted for acquiring recognition of the GRESB Real Estate Assessment.

#### January 26, 2021

Established the Sustainability Policy and Rules on Sustainability Promotion System

Implemented in-house training for acquisition of recognition

#### 2022

Aim to acquire recognition in 2022



## Social

### Initiatives for Residents, Regions/Society (Community)

- Installation of AED (automated external defibrillator)
- Installation of delivery boxes
- Introduction of free Internet access
- Installation of ports for car sharing and bicycle sharing
- Introduction of disaster prevention facilities and displaying of disaster prevention posters



AED (automated external defibrillator)



Car sharing



Bicycle sharing

### Initiatives for Investors/Information Disclosure

- Proactive disclosure of information and IR activities

Samty Residential publishes articles featuring regional cities in its asset management report (available only in Japanese) under its philosophy of “revitalizing Japan’s economy starting with its regional cities.”

An example of features on regional cities in the asset management report (available only in Japanese) issued every fiscal period to unitholders



### Dissemination and Awareness-Building Activities

Samty Residential proactively holds briefing sessions and participates in various IR events with an aim to be more recognized and better understood. Going forward, Samty Residential will work to communicate with all investors in an appropriate manner while taking into consideration the situation of the spread of COVID-19.

### Initiatives for Employees of the Asset Management Company

- Capacity Development/Personnel Training
  - └ Support for qualification acquisition and training
  - └ Regular health checkups
  - └ Promotion of work-life balance
  - └ Whistleblowing system named “Samty Asset Hotline”

## Governance

### Decision-Making Procedures Concerning Transactions with Interested Parties, Etc.

The acquisition or sale of assets by Samty Residential shall be managed through a transparent decision-making process.

Voluntary rules have been established on transactions with interested parties, etc. with an aim to prevent harm to the interests of Samty Residential caused by conducting transactions with such parties.



### Management Fee System

The fees paid by Samty Residential to the Asset Management Company consist of Management Fee I, Management Fee II, Acquisition Fee, Disposition Fee and Merger Fee.

<b>Management Fee I</b>	Total assets at the end of the immediately preceding fiscal period x 0.45% (annual rate)
<b>Management Fee II</b>	(Distributable amount at the end of the current fiscal period x 5.0%) x (total assets at the end of the immediately preceding fiscal period - 50 billion yen) / total assets at the end of the immediately preceding fiscal period
<b>Acquisition Fee</b>	Acquisition price x 1.0%
<b>Disposition Fee</b>	Disposition price x 0.5%
<b>Merger Fee</b>	Appraisal value on the effective date of the merger of those succeeded or held by the newly established corporation in the merger or the corporation surviving said absorption-type merger x 1.0% (upper limit)

## 1. Overview of Asset Management

### (1) Changes in Operating Results and Other Management Data

Fiscal period		8th fiscal period	9th fiscal period	10th fiscal period	11th fiscal period	12th fiscal period
		(From February 1, 2019 to July 31, 2019)	(From August 1, 2019 to January 31, 2020)	(From February 1, 2020 to July 31, 2020)	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Operating revenue	(millions of yen)	3,677	3,777	3,900	4,357	4,176
Of which, real estate leasing business revenue	(millions of yen)	3,249	3,665	3,786	4,003	4,067
Operating expenses	(millions of yen)	1,858	1,908	2,123	2,186	2,317
Of which, expenses related to leasing business	(millions of yen)	1,446	1,477	1,633	1,661	1,777
Operating income	(millions of yen)	1,818	1,869	1,776	2,171	1,859
Ordinary income	(millions of yen)	1,645	1,499	1,449	2,008	1,516
Net income	(millions of yen)	1,644	1,499	1,448	2,007	1,515
Total assets	(millions of yen)	97,159	116,327	115,827	125,498	124,926
[Period-on-period change]	(%)	1.4	19.7	(0.4)	8.3	(0.5)
Net assets	(millions of yen)	45,790	55,749	55,492	60,532	59,918
[Period-on-period change]	(%)	0.2	21.7	(0.5)	9.1	(1.0)
Interest-bearing debt	(millions of yen)	50,150	58,985	58,985	63,435	63,435
Unitholders' capital, net <sup>(Note 4)</sup>	(millions of yen)	44,146	54,250	54,044	58,524	58,402
Total number of investment units issued and outstanding	(units)	504,100	592,600	592,600	639,300	639,300
Net assets per unit (base value)	(yen)	90,835	94,076	93,642	94,686	93,724
Total distribution	(millions of yen)	1,876	1,704	1,679	2,130	1,748
Distribution per unit	(yen)	3,723	2,877	2,834	3,333	2,735
Of which, distribution of earnings per unit	(yen)	3,261	2,530	2,443	3,141	2,371
Of which, distribution in excess of earnings per unit	(yen)	462	347	391	192	364
Ratio of ordinary income to total assets <sup>(Note 5)</sup>	(%)	1.7	1.4	1.2	1.7	1.2
(Annualized)	(%)	3.4	2.8	2.5	3.3	2.4
Ratio of net income to equity <sup>(Note 5)</sup>	(%)	3.6	3.0	2.6	3.5	2.5
(Annualized)	(%)	7.2	5.9	5.2	6.9	5.1
Equity ratio at end of period <sup>(Note 5)</sup>	(%)	47.1	47.9	47.9	48.2	48.0
[Period-on-period change]	(%)	(0.6)	0.8	0.0	0.3	(0.2)
Payout ratio <sup>(Note 5)</sup>	(%)	100.0	100.0	100.0	100.0	100.0

#### [Other Reference Information]

Number of days of management	(days)	181	184	182	184	181
Number of investment properties at end of period	(properties)	96	117	118	132	132
Depreciation	(millions of yen)	706	762	774	819	817
Capital expenditures	(millions of yen)	98	123	77	209	206
NOI (Net Operating Income) from leasing <sup>(Note 5)</sup>	(millions of yen)	2,508	2,950	2,926	3,161	3,107
FFO (Funds from Operation) <sup>(Note 5)</sup>	(millions of yen)	1,922	2,149	2,107	2,473	2,224
FFO per unit <sup>(Note 5)</sup>	(yen)	3,814	3,627	3,555	3,869	3,479
Ratio of interest-bearing debt to total assets at end of period (LTV)	(%)	51.6	50.7	50.9	50.5	50.8

(Note 1) The fiscal periods of Samty Residential Investment Corporation are the six months from February 1 through July 31 of each year and from August 1 through January 31 of the following year.

(Note 2) Operating revenue and other figures do not include consumption taxes.

(Note 3) Unless otherwise stated, the figures less than the specified unit are rounded down and percentage figures are rounded off to the first decimal place.

(Note 4) Unitholders' capital, net indicates the amount of unitholders' capital after subtracting deduction from unitholders' capital.

(Note 5) The figures are calculated by using the following formulas.

Ratio of ordinary income to total assets	Ordinary income ÷ (total assets at beginning of period + total assets at end of period) ÷ 2
Ratio of net income to equity	Net income ÷ [(net assets at beginning of period + net assets at end of period) ÷ 2] × 100
Equity ratio at end of period	Net assets at end of period ÷ total assets at end of period × 100
Payout ratio	Total distribution (excluding distribution in excess of earnings) ÷ net income × 100
NOI (Net Operating Income) from leasing	Real estate leasing business revenue – expenses related to leasing business + depreciation
FFO (Funds from Operation)	Net income + depreciation - gain or loss on the sale of real estate or other properties
FFO (Funds from Operations) per unit	FFO ÷ total number of investment units issued and outstanding

## (2) 12th Fiscal Period Asset Management Review

### i) Brief History of Samty Residential

Samty Residential Investment Corporation (hereinafter, “Samty Residential”) was established in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), with Samty Asset Management Co., Ltd. (hereinafter, the “the Asset Management Company”) serving as the organizer, and was registered with the Kanto Local Finance Bureau on April 6, 2015 (registration number: Director of Kanto Local Finance Bureau No. 101). Subsequently, on June 30, 2015, Samty Residential was listed on the real estate investment trust market of the Tokyo Stock Exchange, Inc. (securities code: 3459).

With rental housing (hereinafter referred to as “rental housing” or “residential properties”) as the main investment target, Samty Residential has managed its assets by conducting diversified investments in wide-ranging cities throughout Japan centering on major regional cities <sup>(Note)</sup>, aiming to enhance unitholder value over the medium to long term.

As of the end of the fiscal period ended July 2021 (hereinafter, the “end of the 12th fiscal period”), Samty Residential owned real estate, etc. consisting of 132 properties in total (total acquisition price: 118,242 million yen), with the total number of investment units issued and outstanding at 639,300 units.

(Note) “Major regional cities” refers to the eight cities of Sapporo-shi, Sendai-shi, Nagoya-shi, Kyoto-shi, Osaka-chi, Kobe-shi, Hiroshima-shi, and Fukuoka-shi.

### ii) Investment Environment and Management Performance

In the fiscal period ended July 2021 (hereinafter, the “12th fiscal period”), the Japanese economy recorded a real GDP growth rate (first preliminary estimate) for the April-June 2021 period of 0.3% (seasonally adjusted, period-on-period comparison), or 1.3% when annualized, with recovery of domestic demand leading the growth of real GDP. Private final consumption expenditure increased 0.8% (seasonally adjusted, period-on-period comparison) on a real basis, achieving positive growth for the first time in two quarters. As for the employment situation, the job opening-to-application ratio in June 2021 was 1.13 times.

Looking at the fund procurement environment, outstanding loans for the real estate industry as of the end of June 2021 stood at 88.9 trillion yen, remaining at a high level, according to the quarterly Loans and Bills Discounted by Sector publicized by the Bank of Japan.

In the real estate transaction market where the low-interest-rate environment continues, market participants remain highly willing to invest, which has kept transaction prices soaring.

In the rental housing market, supply of rental housing has been at low levels, while the number of households in the major regional cities in which Samty Residential mainly invests and manages assets has not decreased regardless of declarations of a state of emergency announced under the impact of the COVID-19 pandemic. According to the Report on Internal Migration in Japan Derived from the Basic Resident Registration publicized by the Ministry of Internal Affairs and Communications, the 23 wards of Tokyo have continued to record out-migrations since February 2021 except for March, while net-migration has continued to increase in major regional cities.

During the 12th fiscal period, Samty Residential acquired three properties of real estate, etc. (total acquisition price: 1,787 million yen) and disposed three properties of real estate, etc. (total disposition price: 2,087 million yen). Consequently, the assets owned by Samty Residential as of the end of the 12th fiscal period totaled 132 properties with a total acquisition price of 118,242 million yen. The investment ratio by geographical area was 73.2% for regional cities (48.2% for major regional cities and 25.0% for other regional cities) and 26.8% for the Greater Tokyo area, on an acquisition price basis.

Samty Residential conducts leasing activities in line with the characteristics and demand of respective regions and works to renovate common areas and rooms for lease in an effort to enhance such usability as comfort, convenience and safety. In conducting large-scale construction work, Samty Residential endeavors to cooperate with the Samty Group <sup>(Note 1)</sup> to realize cost reduction.

Rent per unit after adjustment <sup>(Note 2)</sup> has remained strong, even under the environment of the COVID-19 pandemic, as Samty Residential has cooperated with property management companies and worked on setting rents and receiving key money by taking into account the characteristics and demand of respective regions. The occupancy rate for the 12th fiscal period remained at roughly the same level as in the last year, although impacted by the declarations of a state of emergency announced by the government. The total rentable area at the end of the 12th fiscal period was 282,814.60 m<sup>2</sup>, with the occupancy rate standing at 95.7%.

Moreover, Samty Residential believes that making endeavors to promote sustainability in consideration of environmental, social and governance (ESG) issues should contribute to maximizing the interests of customers over the medium to long term. Under this belief, “Sustainability Policy” and “Rules on Sustainability Promotion System” were established at the Asset Management Company in order to promote preparation, including formation of internal systems, for acquiring recognition of the GRESB Real Estate Assessment.

(Note 1) The Samty Group refers to Samty Co., Ltd. (hereinafter, the “main sponsor”), the consolidated subsidiaries of the main sponsor (collectively referring to the consolidated subsidiaries stipulated in Article 2, Paragraph 4 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, as amended)), and special purpose companies (other than the consolidated subsidiaries of the main sponsor) for which the main sponsor has funded on its own, but excludes Samty Residential. The same shall apply hereinafter.

(Note 2) Rent per unit after adjustment is calculated using the following formula, with the assumed contract period of 4 years. Rent per unit after adjustment = [monthly rent revenue + (revenues from key money revenue ÷ assumed contract period)] ÷ contracted area

## iii) Overview of Fund Procurement

In the 12th fiscal period, Samty Residential refinanced long-term borrowings of 2,000 million yen (Term Loan 1-D) maturing on June 30, 2021, and long-term borrowings of 3,200 million yen (Term Loan 7-A) maturing on July 31, 2021, with long-term borrowings of 920 million yen (Term Loan 16-A) from Sumitomo Mitsui Banking Corporation and long-term borrowings of 4,280 million yen (Term Loan 16-B) from The Bank of Fukuoka, Ltd., The Bank of Yokohama, Ltd., The Kagawa Bank, Ltd., Shinsei Bank, Ltd., The Juha-chi-Shinwa Bank, Limited and The Kumamoto Bank, Ltd., conducted on June 30, 2021.

As a result, the balance of interest-bearing debt totaled 63,435 million yen as of the end of the 12th fiscal period, with the ratio of interest-bearing debt to total assets ("LTV") standing at 50.8%.

As of the date of this document, Samty Residential is granted the following credit rating.

Credit rating agency	Credit rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating A- (positive)

## iv) Overview of Performance and Distributions

As a result of the above, Samty Residential posted operating revenue of 4,176 million yen, operating income of 1,859 million yen, ordinary income of 1,516 million yen and net income of 1,515 million yen for the 12th fiscal period.

With regard to the distribution for the 12th fiscal period, pursuant to the distribution policy stipulated in its Articles of Incorporation, Samty Residential decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of distribution per investment unit of less than 1 yen, in application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, distribution per unit came to 2,371 yen.

In addition, as part of its cash management, Samty Residential also decided to make a cash distribution in excess of earnings (hereinafter, "distribution in excess of earnings") for the 12th fiscal period, as it did for preceding fiscal periods. Based on this decision, Samty Residential determined to distribute 232,705,200 yen, which is the amount almost equivalent to 28.5/100 of 817 million yen in depreciation for the 12th fiscal period, as refund of capital contribution to unitholders. As a result, distribution in excess of earnings per unit came to 364 yen. The payout ratio (the ratio of total distribution, including distribution in excess of earnings, to net income and depreciation combined) stood at 74.9%.

(Note 1) Samty Residential shall conduct distributions in excess of earnings as part of its cash management only when the total amount of "continuous appraisal value" (referring to the appraisal value stated in the appraisal report obtained for real estate assets owned by Samty Residential, with the end of each fiscal period as the appraisal date, or the survey value (period-end estimated value) stated in the price survey report for such; the same shall apply hereinafter) of real estate owned as of the end of the relevant calculation period (referring to Samty Residential's calculation period for which distributions of cash flows and distributions in excess of earnings are conducted by Samty Residential) exceeds the amount obtained by adding the total reserves for the planned construction cost (capital expenditures) of repairs and replacements to be conducted in the following calculation period and other planned reserves to the total amount of "book value after adjustment" (referring to the value obtained by deducting the amount equivalent to accompanying expenses upon acquiring the owned real estate from the book value of each real estate owned as of the end of the calculation period of Samty Residential; the same shall apply hereinafter) of real estate owned as of the end of the relevant calculation period. At the end of the 12th fiscal period, the total amount of the continuous appraisal value was 129,211,000,000 yen, while the total amount of the book value after adjustment was 113,581,039,909 yen and the total reserve for the planned construction cost of repairs and replacements to be conducted in the following calculation period was 287,631,830 yen. Accordingly, the total amount of the continuous appraisal value at the end of the 12th fiscal period (129,211,000,000 yen) exceeds the total amount of the book value after adjustment (113,581,039,909 yen) and the total reserve for the planned construction cost of repairs and replacements to be conducted in the 13th fiscal period (287,631,830 yen) combined.

(Note 2) The six-month average value of the sum total of the estimated amounts for emergency repair expenses, short-term repair expenses and long-term repair expenses stated in the building condition survey reports for the 156 properties owned by Samty Residential as of the date of this document is 195 million yen. Accordingly, Samty Residential has decided to conduct the abovementioned distribution in excess of earnings as part of cash management, determining that it is within the scope of healthy financial stability maintained after comprehensively considering the current external environment, real estate market conditions and its financial conditions (including, but not limited to, the LTV level and conflict with the financial covenants set for the liabilities of Samty Residential).



### (3) Status of Capital Increase, Etc.

The total number of investment units issued and outstanding and changes in unitholders' capital over the last five years are as follows.

Date	Event	Total number of investment units issued and outstanding (units)		Unitholders' capital, net <sup>(Note 1)</sup> (millions of yen)		Remarks
		Increase (decrease)	Balance	Increase (decrease)	Balance	
August 1, 2016	Capital increase through public offering	119,660	283,000	10,000	25,888	(Note 2)
October 21, 2016	Cash distribution in excess of earnings (refund of capital contribution)	—	283,000	(96)	25,792	(Note 3)
April 21, 2017	Cash distribution in excess of earnings (refund of capital contribution)	—	283,000	(143)	25,648	(Note 4)
October 23, 2017	Cash distribution in excess of earnings (refund of capital contribution)	—	283,000	(141)	25,506	(Note 5)
February 1, 2018	Capital increase through third-party allotment	173,600	456,600	15,103	40,610	(Note 6)
April 23, 2018	Cash distribution in excess of earnings (refund of capital contribution)	—	456,600	(136)	40,473	(Note 7)
August 27, 2018	Capital increase through public offering	47,500	504,100	4,116	44,589	(Note 8)
October 22, 2018	Cash distribution in excess of earnings (refund of capital contribution)	—	504,100	(213)	44,376	(Note 9)
April 22, 2019	Cash distribution in excess of earnings (refund of capital contribution)	—	504,100	(229)	44,146	(Note 10)
August 26, 2019	Capital increase through third-party allotment	88,500	592,600	10,336	54,483	(Note 11)
October 21, 2019	Cash distribution in excess of earnings (refund of capital contribution)	—	592,600	(232)	54,250	(Note 12)
April 22, 2020	Cash distribution in excess of earnings (refund of capital contribution)	—	592,600	(205)	54,044	(Note 13)
August 3, 2020	Capital increase through third-party allotment	46,700	639,300	4,712	58,756	(Note 14)
October 19, 2020	Cash distribution in excess of earnings (refund of capital contribution)	—	639,300	(231)	58,524	(Note 15)
April 21, 2021	Cash distribution in excess of earnings (refund of capital contribution)	—	639,300	(122)	58,402	(Note 16)

(Note 1) Unitholders' capital, net indicates the amount of unitholders' capital after subtracting deduction from unitholders' capital.

(Note 2) Samty Residential issued additional investment units through public offering at an issue price of 86,686 yen (purchase price of 83,574 yen) per unit to fund the acquisition of new properties, etc.

(Note 3) Samty Residential resolved at its Board of Directors' meeting held on September 14, 2016, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 592 yen per unit as cash distribution for the 2nd fiscal period (ended July 2016). Payment of distribution commenced on October 21, 2016.

(Note 4) Samty Residential resolved at its Board of Directors' meeting held on March 15, 2017, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 507 yen per unit as cash distribution for the 3rd fiscal period (ended January 2017). Payment of distribution commenced on April 21, 2017.

(Note 5) Samty Residential resolved at its Board of Directors' meeting held on September 14, 2017, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 501 yen per unit as cash distribution for the 4th fiscal period (ended July 2017). Payment of distribution commenced on October 23, 2017.

(Note 6) Samty Residential issued additional investment units through third-party allotment with a paid-in amount of 87,000 yen per unit to fund the acquisition of new properties, etc.

(Note 7) Samty Residential resolved at its Board of Directors' meeting held on March 15, 2018, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 484 yen per unit as cash distribution for the 5th fiscal period (ended January 2018). Payment of distribution commenced on April 23, 2018.

(Note 8) Samty Residential issued additional investment units through public offering at an issue price of 89,895 yen (purchase price of 86,668 yen) per unit to fund the acquisition of new properties, etc.

(Note 9) Samty Residential resolved at its Board of Directors' Meeting held on September 14, 2018, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 468 yen per unit as cash distribution for the 6th fiscal period (ended July 2018). Payment of distribution commenced on October 22, 2018.

(Note 10) Samty Residential resolved at its Board of Directors' meeting held on March 15, 2019, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 456 yen per unit as cash distribution for the 7th fiscal period (ended January 2019). Payment of distribution commenced on April 22, 2019.

(Note 11) Samty Residential issued additional investment units through third-party allotment with a paid-in amount of 116,800 yen per unit to fund the acquisition of new properties, etc.

(Note 12) Samty Residential resolved at its Board of Directors' meeting held on September 13, 2019, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 462 yen per unit as cash distribution for the 8th fiscal period (ended July 2019). Payment of distribution commenced on October 21, 2019.

(Note 13) Samty Residential resolved at its Board of Directors' meeting held on March 13, 2020, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 347 yen per unit as cash distribution for the 9th fiscal period (ended January 2020). Payment of distribution commenced on April 22, 2020.

(Note 14) Samty Residential issued additional investment units through third-party allotment with a paid-in amount of 100,900 yen per unit to fund the acquisition of new properties, etc.

(Note 15) Samty Residential resolved at its Board of Directors' Meeting held on September 15, 2020, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 391 yen per unit as cash distribution for the 10th fiscal period (ended July 2020). Payment of distribution commenced on October 19, 2020.

(Note 16) Samty Residential resolved at its Board of Directors' meeting held on March 12, 2021, to make a distribution in excess of earnings (refund of capital contribution to unitholders as distribution reducing unitholders' capital for tax purposes) of 192 yen per unit as cash distribution for the 11th fiscal period (ended January 2021). Payment of distribution commenced on April 21, 2021.



## [Changes in Market Price of Investment Certificates]

The highest and lowest prices (closing price) in the real estate investment trust market of the Tokyo Stock Exchange, where Samty Residential's investment securities are listed, by fiscal period are as follows.

Fiscal period	8th fiscal period (From February 1, 2019 to July 31, 2019)	9th fiscal period (From August 1, 2019 to January 31, 2020)	10th fiscal period (From February 1, 2020 to July 31, 2020)	11th fiscal period (From August 1, 2020 to January 31, 2021)	12th fiscal period (From February 1, 2021 to July 31, 2021)
Highest	120,800 yen	125,000 yen	114,300 yen	111,500 yen	133,500 yen
Lowest	93,000 yen	110,900 yen	69,300 yen	92,200 yen	107,300 yen

(Note) Samty Residential's investment securities were listed on the real estate investment trust market of the Tokyo Stock Exchange on June 30, 2015.

## (4) Performance of Distributions, Etc.

With regard to the distribution for the 12th fiscal period, pursuant to the distribution policy stipulated in its Articles of Incorporation, Samty Residential decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of distribution per investment unit of less than 1 yen, in application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, distribution per unit came to 2,371 yen. In addition, as part of its cash management, Samty Residential also decided to make a distribution in excess of earnings for the 12th fiscal period, as it did for preceding fiscal periods. Based on this decision, Samty Residential determined to distribute 232,705,200 yen, which is the amount almost equivalent to 28.5/100 of 817 million yen in depreciation for the 12th fiscal period, as refund of capital contribution to unitholders. As a result, distribution in excess of earnings per unit came to 364 yen.

Fiscal period		8th fiscal period (From February 1, 2019 to July 31, 2019)	9th fiscal period (From August 1, 2019 to January 31, 2020)	10th fiscal period (From February 1, 2020 to July 31, 2020)	11th fiscal period (From August 1, 2020 to January 31, 2021)	12th fiscal period (From February 1, 2021 to July 31, 2021)
Total unappropriated retained earnings	(thousands of yen)	1,644,091	1,499,338	1,448,102	2,008,173	1,516,078
Retained earnings	(thousands of yen)	221	60	381	131	298
Total cash distribution	(thousands of yen)	1,876,764	1,704,910	1,679,428	2,130,786	1,748,485
[Distribution per unit]	(yen)	3,723	2,877	2,834	3,333	2,735
Of which, total distribution of earnings	(thousands of yen)	1,643,870	1,499,278	1,447,721	2,008,041	1,515,780
[Distribution of earnings per unit]	(yen)	3,261	2,530	2,443	3,141	2,371
Of which, total refund of capital contribution	(thousands of yen)	232,894	205,632	231,706	122,745	232,705
[Refund of capital contribution per unit]	(yen)	462	347	391	192	364
Of the total refund of capital contribution, total distribution from reserve for temporary difference adjustments	(thousands of yen)	—	—	—	—	—
[Of the refund of capital contribution per unit, distribution per unit from reserve for temporary difference adjustments]	(yen)	—	—	—	—	—
Of the total refund of capital contribution, total distribution reducing unitholders' capital for tax purposes	(thousands of yen)	232,894	205,632	231,706	122,745	232,705
[Of the refund of capital contribution per unit, distribution reducing unitholders' capital for tax purposes]	(yen)	462	347	391	192	364

(Note) For the determination of making distribution in excess of earnings for the 12th fiscal period, please refer to (Note 1) and (Note 2) for iv) Overview of Performance and Distributions, (2) 12th Fiscal Period Asset Management Review, 1. Overview of Asset Management.

## (5) Future Asset Management Policy and Issues to Be Addressed

### Outlook of Overall Asset Management

According to the Monthly Economic Report (August 2021) announced by the Cabinet Office on August 26, 2021, the Japanese economy is continuing to pick up amid the ongoing severe situation under the impact of COVID-19, although weakness is increasing in some areas. As for the outlook, the pickup trend is expected to continue as measures to prevent the spread of infection are taken and vaccination is promoted, with various political measures proving effective and overseas economies improving. Full attention should be paid, however, to the downside risks growing due to the spread of the infection. Fluctuations in the financial and capital markets must also be fully checked out.

In the real estate transaction market, it is anticipated that transaction prices will remain in the high price zone as the low-interest-rate environment is extended. In the rental housing market, demand is expected to remain solid. However, the impact of COVID-19 on these markets must be closely monitored.

Based on the outlook stated above, Samty Residential will aim to further enhance unitholder value through “investments in residential properties mainly located in major regional cities” and “utilization of the Samty Group,” and by taking advantage of the networks and know-how in the financial and capital markets possessed by Daiwa Securities Group Inc. (hereinafter, the “sub-sponsor”)

(Note)

(Note) Daiwa Securities Group Inc. concluded a sponsor support agreement (hereinafter, the “sub-sponsor support agreement”) with Samty Residential and the Asset Management Company as of January 15, 2018. The company is also a shareholder of the Asset Management Company.

Based on the sub-sponsor support agreement, the company provides various information, gives such support as formation of bridge funds, and cooperates with the Asset Management Company in securing staff.

### (A) External Growth Strategy

Samty Residential will invest in accommodation facilities and other assets in wide-ranging regional cities throughout Japan with an aim to secure stable earnings and steady growth of managed assets by managing such assets over the medium to long term.

As of the date of this document, Samty Residential is granted with preferential negotiation rights for the “S-RESIDENCE” series of condominiums that the main sponsor is developing, based on the sponsor support agreement with the main sponsor. In addition, Samty Residential will work to flexibly acquire properties by taking advantage of the warehousing function of the main sponsor and the proprietary networks of the Asset Management Company, in pursuit of expanding the asset size.

### (B) Internal Growth Strategy

Samty Residential aims to maximize unitholder value over the medium to long term by securing stable rental revenue. For this goal, Samty Residential will conduct efficient administration and operations by utilizing the sponsor support from the main sponsor and the sub-sponsor and cooperating with respective property management companies and the Asset Management Company in an endeavor to maintain and enhance the occupancy rate and the rent levels.

Going forward, as it did in the 12th fiscal period, Samty Residential will work to expand rental revenue by maintaining and enhancing the asset value and property competitiveness through implementation of strategic measures for better usability and repairs for higher property value, improving the occupancy rate through reinforcement of leasing activities, raising rent per unit after adjustment through rent setting suited for the situation of respective properties and receipt of key money, and securing accompanying income such as parking fees, based on the real estate market conditions including the operation status of each property and the trends of competing properties in the neighborhood. Moreover, Samty Residential will endeavor to maintain and increase rental income through reduction of such costs as administrative expenses by optimizing utilities expenses and contracts with building management companies for each property and enhancing efficiency of leasing activities, among other measures.

### (C) Financial Strategy

Looking ahead, Samty Residential will closely monitor the financial environment, such as interest rate trends and lending attitude of financial institutions, and conduct fund procurement in consideration of the soundness of its financial standing and earnings stability, as well as work to maintain and expand the stable fund procurement system by utilizing the sponsor support from the sub-sponsor.

With regard to borrowings, Samty Residential will conduct optimal fund procurement by efficiently combining short-term borrowings with a focus on flexibility and long-term borrowings intended to secure financial stability. As for issuance of new investment units, Samty Residential will investigate such in accordance with fund requirements for property acquisitions, etc. and its financial situation, while setting the upper limit of LTV at 60% in an effort to establish the optimal financial base.

## (6) Significant Subsequent Events

### Issuance of New Investment Units through Public Offering and Third-Party Allotment

At its Board of Directors' meetings held on July 12, 2021, and July 19, 2021, Samty Residential resolved to issue new investment units through public offering and third-party allotment in order to fund the acquisition of specified assets. The payment completed on August 2, 2021, for the new investment units issued through public offering and on August 24, 2021, for those issued through third-party allotment. As a result, unitholders' capital, net was 74,381,947,758 yen as of August 24, 2021, with the total number of investment units issued and outstanding at 769,626 units.

(Issuance of new investment units through public offering)

Number of new investment units issued	: 57,868 units
Issue price (offer price)	: 124,675 yen per unit
Total issue price (total offer price)	: 7,214,692,900 yen
Paid-in amount (issue amount)	: 120,199 yen per unit
Total paid-in amount (total issue amount)	: 6,955,675,732 yen
Payment date	: August 2, 2021

(Issuance of new investment units through third-party allotment with Daiwa Securities Group Inc. and Samty Co., Ltd. as the allottees)

Number of new investment units issued	: 70,339 units
Paid-in amount (issue amount)	: 124,675 yen per unit
Total paid-in amount (total issue amount)	: 8,769,514,825 yen
Payment date	: August 2, 2021
Allottees and number of investment units allotted	: Daiwa Securities Group Inc. 52,634 units
	: Samty Co., Ltd. 17,705 units

(Issuance of new investment units through third-party allotment with Daiwa Securities Co. Ltd. as the allottee)

Number of new investment units issued	: 2,119 units
Paid-in amount (issue amount)	: 120,199 yen per unit
Total paid-in amount (total issue amount)	: 254,701,681 yen
Payment date	: August 24, 2021
Allottee	: Daiwa Securities Co. Ltd.



(Reference Information)

**i) Acquisition of Assets**

Samty Residential acquired the real estate trust beneficiary interests and real estate (physical real estate) described below on August 3, 2021.

Property number	Property name	Location	Seller	Acquisition date	Acquisition price (millions of yen) (Note)
A-73	S-FORT Kego Tower	Chuo-ku, Fukuoka-shi	Samty Co., Ltd.	August 3, 2021	4,320
A-74	S-RESIDENCE Aoi II	Higashi-ku, Nagoya-shi	Samty Co., Ltd.		1,820
A-75	S-FORT Meiekiminami 5-Chome	Nakamura-ku, Nagoya-shi	Samty Co., Ltd.		684
A-76	S-FORT Hakozaiki Higashi	Higashi-ku, Fukuoka-shi	Samty Co., Ltd.		680
A-77	S-RESIDENCE Meiekiminami	Nakamura-ku, Nagoya-shi	Samty Co., Ltd.		665
A-78	S-FORT Kanayama	Nakagawa-ku, Nagoya-shi	Samty Co., Ltd.		612
A-79	S-FORT Izumi Chuo	Izumi-ku, Sendai-shi	Samty Co., Ltd.		545
A-80	S-RESIDENCE Soen EAST	Chuo-ku, Sapporo-shi	Samty Co., Ltd.		477
A-81	S-FORT Yagoto	Tempaku-ku, Nagoya-shi	Samty Co., Ltd.		442
A-82	S-FORT Sapporo Kita 5-Jo	Chuo-ku, Sapporo-shi	Not disclosed		405
A-83	S-FORT Sapporo Motomachi	Higashi-ku, Sapporo-shi	Not disclosed		385
B-38	S-FORT Kokura	Kokurakita-ku, Kitakyushu-shi	Samty Co., Ltd.		1,400
B-39	S-FORT Niigata Ekimae	Chuo-ku, Niigata-shi	Samty Co., Ltd.		1,395
B-40	S-FORT Takasaki	Takasaki-shi, Gunma	Samty Co., Ltd.		1,098
B-41	S-FORT Yokkaichi arcam	Yokkaichi-shi, Mie	Samty Co., Ltd.		823
B-42	S-FORT Kagoshima Chuo	Kagoshima-shi, Kagoshima	Samty Co., Ltd.		787
B-43	S-FORT Heisei Keyakidori	Minami-ku, Kumamoto-shi	Not disclosed		755
B-44	S-FORT Yokkaichi zeal	Yokkaichi-shi, Mie	Samty Co., Ltd.		612
C-33	S-FORT Nakaitabashi	Itabashi-ku, Tokyo	Samty Co., Ltd.		3,365
C-34	S-FORT Kameido	Koto-ku, Tokyo	Samty Co., Ltd.		1,248
C-35	S-FORT Gytoku	Ichikawa-shi, Chiba	Samty Co., Ltd.		919
C-36	S-FORT Funabashi Kaijin	Funabashi-shi, Chiba	Samty Co., Ltd.		898
C-37	S-FORT Funabashi Honcho	Funabashi-shi, Chiba	Samty Hotel Management Co., Ltd.		768
C-38	S-FORT Hachioji	Hachioji-shi, Tokyo	Samty Co., Ltd.		462
Total		—	—	—	25,565

(Note) Acquisition price indicates the amount (transaction price of real estate properties stated in the sales agreement, etc.) excluding various expenses (transaction brokerage fees, taxes and dues, etc.) required for acquisition of the relevant asset, rounded down to the nearest million yen.

**ii) Borrowing of Funds**

Samty Residential conducted the following borrowings on August 3, 2021, in order to fund the acquisition of specified assets.

	Lender	Loan amount (millions of yen)	Interest rate	Repayment date	Repayment method	Remarks
Term Loan 17-A	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger	2,500	One-month JPY TIBOR + 0.500%	July 31, 2025	Lump-sum repayment on repayment date	Unsecured and unguaranteed
Term Loan 17-B	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger	5,300	0.719% (fixed interest rate)	January 29, 2027	Lump-sum repayment on repayment date	Unsecured and unguaranteed
Term Loan 17-C	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger	3,700	0.725% (fixed interest rate)	July 30, 2027	Lump-sum repayment on repayment date	Unsecured and unguaranteed
Term Loan 17-D	Mizuho Bank, Ltd.	2,000	One-month JPY TIBOR + 0.700%	July 30, 2027	Lump-sum repayment on repayment date	Unsecured and unguaranteed
Total		13,500	—	—	—	

## 2. Overview of Samty Residential

### (1) Status of Unitholders' Capital

Fiscal period		8th fiscal period (as of July 31, 2019)	9th fiscal period (as of January 31, 2020)	10th fiscal period (as of July 31, 2020)	11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
Total number of investment units authorized	(units)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total number of investment units issued and outstanding	(units)	504,100	592,600	592,600	639,300	639,300
Unitholders' capital, net <sup>(Note)</sup>	(millions of yen)	44,146	54,250	54,044	58,524	58,402
Number of unitholders	(persons)	15,707	13,752	14,485	14,883	14,053

(Note) Unitholders' capital, net indicates the amount of unitholders' capital after subtracting deduction from unitholders' capital.

### (2) Matters Concerning Investment Units

Major unitholders as of July 31, 2021 are as follows.

Name	Address	Number of investment units owned (units)	Percentage of total number of investment units issued and outstanding (%)
Daiwa Securities Group Inc.	1-9-1 Marunouchi, Chiyoda-ku, Tokyo	245,806	38.44
Samty Co., Ltd.	4-3-24 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka	86,337	13.50
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	29,042	4.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	26,372	4.12
Kinki Sangyo Credit Union	2-1-3 Awajimachi, Chuo-ku, Osaka-shi, Osaka	18,400	2.87
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	12,616	1.97
Daiwa PI Partners Co. Ltd.	1-9-1 Marunouchi, Chiyoda-ku, Tokyo	10,858	1.69
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo	10,520	1.64
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	7,846	1.22
Daido Shinyoukumiai	1-4-3 Kitahorie, Nishi-ku, Osaka-shi, Osaka	5,957	0.93
Total		453,754	70.97

(Note) "Percentage of total number of investment units issued and outstanding" is rounded down to the second decimal place.

### (3) Matters Related to Directors

i) The Executive Director, Supervisory Directors and Independent Auditor during the 12th fiscal period are as follows.

Position	Name	Major concurrent assignments	Total remuneration for each position during the 12th fiscal period (thousands of yen) <sup>(Note 2)</sup>
Executive Director	Masafumi Takahashi	Director and Head of REIT Division, Samty Asset Management Co., Ltd.	— <sup>(Note 3)</sup>
Supervisory Directors <sup>(Note 1)</sup>	Takahiro Fujiki	Representative, FUJIKI CPA OFFICE	1,530
	Takeo Nakahara	Representative Partner, Lawyer, HOKUTO Law Office	1,530
Independent Auditor	Ernst & Young ShinNihon LLC	—	13,000

(Note 1) Supervisory Directors may be directors of corporations other than those indicated above, but have no conflict of interest with Samty Residential at those and the above positions.

(Note 2) Remuneration for the Supervisory Directors is the amounts paid to them in the 12th fiscal period, and remuneration for the Independent Auditor is the amount payable to it for audits pertaining to the 12th fiscal period.

(Note 3) The Executive Director does not receive any remuneration from Samty Residential.

#### ii) Policy for Determining Dismissal or Refusal of Reappointment of Independent Auditor

Dismissal of the Independent Auditor shall be considered in accordance with the provisions of the Investment Trust Act, and refusal of reappointment of an Independent Auditor shall be studied by Samty Residential's Board of Directors following comprehensive consideration of audit quality, the amount of remuneration and other various conditions.

**(4) Matters concerning Directors and Officers Liability Insurance Agreement**

Samty Residential has entered into a directors and officers liability insurance agreement as follows:

Scope of the insured	Overview of directors and officers liability insurance agreement
Executive Director and all Supervisory Officers of Samty Residential	<p>The directors and officers liability insurance agreement shall cover loss, such as compensation payment for damages and dispute costs, etc. (hereinafter, "compensation for damages, etc.") to be borne by the insured when they receive a claim for compensation of damages caused by the actions they have taken as a director of Samty Residential.</p> <p>However, the agreement shall not cover compensation for damages, etc. to be borne by the insured for their malpractice, criminal acts, fraudulent conduct (including omissions) or for the actions they have taken with knowledge that it may violate laws and regulations. This shall serve as the measure to ensure that the appropriateness of the execution of duties by the officers, etc. who are the insured is not impaired.</p> <p>As for the insurance premium, Samty Residential shall bear the entire amount.</p>

**(5) Asset Management Company, Asset Custodian and General Administrative Agents**

The asset management company, asset custodian and general administrative agents as of July 31, 2021, are as follows.

Entrustment category	Name
Asset management company	Samty Asset Management Co., Ltd.
Asset custodian	Mizuho Trust & Banking Co., Ltd.
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation
General administrative agent for institutional operations	Mizuho Trust & Banking Co., Ltd.
General administrative agent for accounting operations and part of tax operations	Reiwa Accounting Holdings Co., Ltd.
General administrative agent for part of tax operations	Reiwakaikisha Tax Corporation
General administrative agent for investment corporation bonds	Shinsei Bank, Ltd. and Mizuho Bank, Ltd.



### 3. Status of Samty Residential's Assets under Management

#### (1) Samty Residential's Asset Structure

The structure of Samty Residential's assets as of July 31, 2021, is as follows.

Type of asset	Area	11th fiscal period (as of January 31, 2021)		12th fiscal period (as of July 31, 2021)	
		Total value of owned assets (millions of yen) (Note 2)	Percentage of total assets (%) (Note 3)	Total value of owned assets (millions of yen) (Note 2)	Percentage of total assets (%) (Note 3)
Real estate	Major regional cities	11,534	9.2	12,011	9.6
	Other regional cities	4,159	3.3	4,618	3.7
	Greater Tokyo area	1,936	1.5	1,924	1.5
Real estate: total		17,630	14.0	18,554	14.9
Real estate in trust (Note 1)	Major regional cities	46,002	36.7	45,535	36.4
	Other regional cities	25,886	20.6	25,453	20.4
	Greater Tokyo area	30,831	24.6	30,141	24.1
Real estate in trust: total		102,719	81.8	101,130	81.0
Deposits and other assets		5,148	4.1	5,240	4.2
Total amount of assets		125,498	100.0	124,926	100.0

(Note 1) All properties of the "real estate in trust" above are owned in the form of trust beneficiary interest in real estate.

(Note 2) "Total value of owned assets" indicates the amount posted on the balance sheets as of the closing of accounts (the book value after depreciation for real estate and real estate in trust).

(Note 3) "Percentage of total assets" is rounded off to the first decimal place. Note that the sum of the percentage of total assets may not equal the total because of rounding off.

#### (2) Major Assets Owned by Samty Residential

The following is an overview of the major assets (top ten properties on a book value basis) owned by Samty Residential as of July 31, 2021.

Property name	Book value (millions of yen) (Note 1)	Rentable area (m <sup>2</sup> ) (Note 2)	Leased area (m <sup>2</sup> ) (Note 3)	Occupancy rate (%) (Note 4)	Ratio to total real estate leasing business revenue (%) (Note 5)	Main use
S-FORT Yokohama Aobadai	5,490	9,274.43	9,137.31	98.5	3.7	Apartment
S-RESIDENCE Shin Osaka Ekimae	2,437	4,534.98	4,391.24	96.8	2.1	Apartment
S-RESIDENCE Kobe Isogamidori	2,401	4,372.45	4,247.71	97.1	2.2	Apartment
S-RESIDENCE Esaka	2,290	3,739.30	3,624.38	96.9	1.9	Apartment
S-RESIDENCE Namba Briller	1,972	3,631.60	3,305.09	91.0	1.6	Apartment
S-FORT Funabashi Tsukada	1,924	5,640.60	5,640.60	100.0	1.4	Apartment
S-FORT Fukuoka Higashi	1,918	5,584.41	5,359.86	96.0	1.6	Apartment
S-RESIDENCE Midoribashi Ekimae	1,858	3,691.67	3,567.32	96.6	1.5	Apartment
S-FORT Kobe Kaguracho	1,841	4,900.32	4,754.52	97.0	1.8	Apartment
S-FORT Osaka Doshin	1,822	2,597.52	2,386.68	91.9	1.2	Apartment
Total	23,953	47,967.28	46,414.71	96.2	19.1	—

(Note 1) "Book value" indicates the book value after depreciation of each property, rounded down to the nearest million yen. The same shall apply hereinafter.

(Note 2) "Rentable area" indicates the area stated in the lease agreement of respective managed assets or the area calculated based on the building completion drawings. The same shall apply hereinafter.

(Note 3) For "Leased area," when the master lease agreement is pass-through type, the figure indicates the area that is actually leased to end tenants based on lease agreements concluded with them (the area stated in the lease agreement, although only including the area of residences and stores, etc. (or the area of the entire rooms for rent if all the rooms are leased in a lump-sum) and excluding the leased area of parking lots, etc.).

(Note 4) "Occupancy rate" indicates the ratio of the leased area to the rentable area of respective managed assets, rounded off to the first decimal place.

(Note 5) "Ratio to total real estate leasing business revenue" indicates the ratio obtained by dividing the real estate leasing business revenue of respective managed assets by the sum total of real estate leasing business revenue of all managed assets, rounded to the first decimal place.

### (3) Details of Portfolio Assets

(Real estate assets in the portfolio)

The overview of assets owned by Samty Residential as of July 31, 2021 is as follows.

Property number	Property name	Location (residential address)	Type of ownership	Rentable area (m <sup>2</sup> )	Book value (millions of yen)	Period-end estimated value (millions of yen) (Note 1)
A-01	S-FORT Shin Osaka ravir	3-14-18 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,290.84	612	701
A-04	S-FORT Chikushi Dori	4-4-10 Hakataeki Minami, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	3,706.56	1,110	1,340
A-05	S-FORT Fukuoka Kencho Mae	4-2-8 Chiyo, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	2,566.72	967	1,120
A-06	S-FORT Takamiya	3-8-18 Noma, Minami-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	2,105.13	739	895
A-07	S-FORT Tsutsujigaoka Koen	1-3-66 Haranomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interest	3,609.49	1,317	1,520
A-08	S-RESIDENCE Namba Briller	2-8-15 Motomachi, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,631.60	1,972	2,420
A-09	S-FORT Tsurumai marks	3-32-33 Chiyoda, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	2,772.00	1,004	1,410
A-10	S-FORT Rokuban-cho	3-5-3 Rokuban, Atsuta-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,833.29	684	816
A-11	S-FORT Nakajima Koen	1-13-139 Minami Hachijo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	5,292.65	1,599	1,730
A-12	S-FORT Hokudai Mae	5-2-38 Kita Juhachijo Nishi, Kita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	2,287.22	681	805
A-13	S-RESIDENCE Kobe Isogamidori	4-2-16 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	4,372.45	2,401	2,910
A-16	S-FORT Gakuenmae	7-1-23 Toyohira 6-jo, Toyohira-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	1,757.28	449	519
A-17	S-RESIDENCE Shin Osaka Ekimae	1-18-31 Higashi Nakajima, Higashi Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	4,534.98	2,437	2,900
A-19	S-FORT Aoi	2-14-5 Aoi, Higashi-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,842.68	901	997
A-20	S-FORT Kurumamichi	2-6-9 Tsutsui, Higashi-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,214.20	405	461
A-21	S-FORT Kamiotai	6-1 Futakata-cho, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interest	2,624.40	743	785
A-22	S-FORT Tsurumai arts	3-33-20 Chiyoda, Naka-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,988.56	704	839
A-23	S-FORT Tsurumai cube	3-33-19 Chiyoda, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,460.64	566	679
A-24	S-FORT Fukuoka Higashi	1-3-55 Enokida, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	5,584.41	1,918	2,050
A-25	S-RESIDENCE Kobe Motomachi	1-2-15 Aoi-cho, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interest	2,169.67	1,172	1,430
A-26	S-FORT Kobe Kaguracho	5-3-25 Kagura-cho, Nagata-ku, Kobe-shi, Hyogo	Trust beneficiary interest	4,900.32	1,841	2,240
A-27	S-FORT Nijo-jo mae	471 Taruya-cho, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interest	1,735.95	795	916
A-28	S-FORT Chion-in mae	577-3 Inari-cho Minamigumi, Higashiyama-ku, Kyoto-shi, Kyoto	Trust beneficiary interest	1,049.01	495	543
A-30	S-RESIDENCE Midoribashi Ekimae	2-13-3 Nakamoto, Higashinari-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,691.67	1,858	2,140
A-31	S-FORT Tsurumai reale	2-9-3 Tsurumai, Showa-ku, Nagoya-shi, Aichi	Trust beneficiary interest	3,597.72	1,582	1,860
A-32	S-FORT Osu Kannon	2-10-12 Matsubara, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	2,514.12	1,180	1,390
A-33	S-FORT Kita-Sanno	2-2-2 Nishihioki, Nakagawa-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,757.61	849	850
A-34	S-FORT Aratamabashi	16-21 Yobitsugimotomachi, Minami-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,699.11	464	465
A-35	S-FORT Toyohira Sanjyo	2-3-1 Toyohira Sanjyo, Toyohira-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	2,868.75	797	796
A-36	S-FORT Kitamaruyama	20-2-20 Kita-4jo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Real estate (physical real estate)	1,613.38	440	448
A-37	S-FORT Hakata-Higashi I	1-10-7 Enokida, Hakata-ku, Fukuoka-shi, Fukuoka	Real estate (physical real estate)	1,034.20	400	422
A-38	S-FORT Hakata-Higashi II	1-10-22 Enokida, Hakata-ku, Fukuoka-shi, Fukuoka	Real estate (physical real estate)	1,034.20	399	421
A-39	S-FORT Kobe Sannomiya-Kita	2-2-13 Nunobikicho, Chuo-ku, Kobe-shi, Hyogo	Real estate (physical real estate)	884.88	539	538
A-40	S-FORT Nakahirodori	2-20-1 Nakahirodori, Nishi-ku, Hiroshima-shi, Hiroshima	Trust beneficiary interest	2,127.92	893	893
A-41	S-FORT Tsurumicho	7-10 Tsurumicho, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiary interest	2,006.49	830	827

## I. Asset Management Report

Property number	Property name	Location (residential address)	Type of ownership	Rentable area (m <sup>2</sup> )	Book value (millions of yen)	Period-end estimated value (millions of yen) (Note 1)
A-42	S-FORT Aoba Kamisugi	1-16-28 Kamisugi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interest	2,072.84	917	1,050
A-43	S-RESIDENCE Shin Osaka Ridente	2-5-34 Nishimiyahara, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,083.41	1,351	1,490
A-44	S-FORT Fukushima La Luna	3-11-15 Oyodominami, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,473.04	903	980
A-45	S-FORT Fukushima Libre	3-24-44 Ebie, Fukushima-ku, Osaka-shi, Osaka	Real estate (physical real estate)	900.72	550	559
A-46	S-FORT Kamiyashiro	4-17-1 Kamiyashiro, Meito-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,029.42	439	445
A-47	S-RESIDENCE Miyanomori	10-2-7 Miyanomori-sanjo, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interest	1,954.81	670	686
A-48	S-FORT Higashi-Sapporo Nordo	4-1-10 Kikusui-nanajo, Shiroishi-ku, Sapporo-shi, Hokkaido	Real estate (physical real estate)	1,204.96	311	310
A-49	S-RESIDENCE Aoi	2-12-27 Aoi, Higashi-ku, Nagoya-shi, Aichi	Trust beneficiary interest	2,393.73	1,500	1,660
A-50	S-RESIDENCE Shiga Hondori	1-43 Shigahondori, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interest	2,217.60	1,163	1,210
A-51	S-FORT Kobe Ogawadori	2-1-8 Ogawadori, Hyogo-ku, Kobe-shi, Hyogo	Real estate (physical real estate)	1,322.64	617	607
A-52	S-FORT Sakuragawa Minami	3-6-26 Shiokusa, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,458.43	1,094	1,150
A-53	S-FORT Fukushima EBIE	8-14-2 Ebie, Fukushima-ku, Osaka-shi, Osaka	Real estate (physical real estate)	1,044.72	556	599
A-54	S-FORT Miyakojima Uchindai	1-11-7 Uchindaicho, Miyakojima-ku, Osaka-shi, Osaka	Real estate (physical real estate)	789.74	474	473
A-55	S-FORT Miyakojima KERS	4-8-15 Nakancho, Miyakojima-ku, Osaka-shi, Osaka	Real estate (physical real estate)	720.69	355	349
A-56	S-FORT Oimazato-Nishi	1-24-18 Oimazatonishi, Higashinari-ku, Osaka-shi, Osaka	Real estate (physical real estate)	643.77	343	342
A-57	S-RESIDENCE Chikusa	3-14-14 Uchiyama, Chikusa-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,003.97	575	592
A-58	S-FORT Sakurayama	2-6-1 Komabacho, Mizuho-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,794.42	793	750
A-59	S-FORT Sapporo N15	5-1-31, Kita 15-jo Higashi, Higashi-ku, Sapporo-shi, Hokkaido	Real estate (physical real estate)	2,229.91	554	549
A-60	S-FORT Nangodori	Minami 2-41, Nangodori 20-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Real estate (physical real estate)	1,191.66	310	311
A-61	S-FORT Meinohama	3-4-26 Meinohama, Nishi-ku, Fukuoka-shi, Fukuoka	Real estate (physical real estate)	1,364.28	502	499
A-62	S-FORT Osaka Doshin	2-1-28 Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,597.52	1,822	1,830
A-63	S-FORT Higashi Betsuin	2-10-18 Heiwa, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,684.48	746	722
A-64	S-FORT Moriyama	24-4 Nijikkenya, Moriyama-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,590.84	489	460
A-65	S-FORT Jingu Minami	1-1-14 Tenma, Atsuta-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	982.68	401	422
A-66	S-FORT Atsuta Rokuban	2-8-30 Rokuban, Atsuta-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,637.41	787	753
A-67	S-FORT Kitachikusa	1-1-11 Kitachikusa, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,600.00	710	678
A-68	S-FORT Saikotori	1-2-24 Yonban, Atsuta-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,463.48	413	397
A-69	S-FORT Fukuzumi	14-4-6 Tsukisamu Higashiichijo, Toyohira-ku, Sapporo-shi, Hokkaido	Real estate (physical real estate)	1,151.44	332	312
A-70	S-FORT Muromi	6-6-17 Minamisho, Sawara-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interest	1,848.00	685	696
A-71	S-FORT Atsuta Hanacho	2-3 Hanacho, Atsuta-ku, Nagoya-shi, Aichi	Trust beneficiary interest	1,510.56	882	861
A-72	S-FORT Horitatori	7-14-1 Horitatori, Mizuho-ku, Nagoya-shi, Aichi	Real estate (physical real estate)	1,030.40	526	497
B-03	S-FORT Yokkaichi Motomachi	1-14, Motomachi, Yokkaichi-shi, Mie	Trust beneficiary interest	1,691.28	467	594
B-04	S-FORT Suzuka	361-7, Nishijo-cho, Suzuka-shi, Mie	Trust beneficiary interest	2,286.69	558	659
B-05	S-RESIDENCE Esaka	12-31 Hiroshiba-cho, Suita-shi, Osaka	Trust beneficiary interest	3,739.30	2,290	2,640
B-06	S-FORT Utsunomiya	4-2-23 Higashi Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interest	2,330.64	612	698
B-07	S-FORT Yokkaichi Nishi Shinchi	17-6 Nishishinchi, Yokkaichi-shi, Mie	Real estate (physical real estate)	2,192.48	642	754
B-08	S-FORT Saga Honjo	1167-3 Honjo Ipponmatsu, Honjo-cho, Saga-shi, Saga	Trust beneficiary interest	4,972.84	1,031	1,120
B-09	S-FORT Saga Idaimae	4-3-4 Nabeshima, Saga-shi, Saga	Trust beneficiary interest	1,507.35	360	425



Property number	Property name	Location (residential address)	Type of ownership	Rentable area (m <sup>2</sup> )	Book value (millions of yen)	Period-end estimated value (millions of yen) (Note 1)
B-10	S-FORT Nishinomiya	5-31 Todacho, Nishinomiya-shi, Hyogo	Trust beneficiary interest	2,887.26	1,435	1,570
B-11	S-FORT Nishinomiya Uegahara	2-43 Uegahara-rokubanchō, Nishinomiya-shi, Hyogo	Trust beneficiary interest	1,546.28	795	863
B-12	S-FORT Mito Chuo	1-2-10 Chuo, Mito-shi, Ibaraki	Trust beneficiary interest	6,503.80	1,821	2,010
B-13	S-FORT Tsu Shinmachi	1-1-5 Shinmachi, Tsu-shi, Mie	Trust beneficiary interest	2,463.30	791	850
B-14	S-FORT Mie Daigaku-mae	1-131 Edobashi, Tsu-shi, Mie	Real estate (physical real estate)	1,874.88	615	642
B-15	S-FORT Takasagomachi	1-30 Takasagomachi, Oita-shi, Oita	Trust beneficiary interest	3,588.84	1,018	1,070
B-16	S-FORT Oita Ekimae	3-1-4 Chuomachi, Oita-shi, Oita	Trust beneficiary interest	2,662.36	908	906
B-17	S-FORT Oita Otemachi	1-4-9 Otemachi, Oita-shi, Oita	Real estate (physical real estate)	905.80	287	296
B-18	S-FORT Suizenji	3-34-10 Suizenji, Chuo-ku, Kumamoto-shi, Kumamoto	Trust beneficiary interest	4,256.91	1,372	1,330
B-19	S-FORT Kumadaibyoin-mae	3-2-22 Honjo, Chuo-ku, Kumamoto-shi, Kumamoto	Trust beneficiary interest	3,458.07	1,121	1,140
B-20	S-FORT Kumamoto Senba	1-23 Senbamachi-Shimo, Chuo-ku, Kumamoto-shi, Kumamoto	Trust beneficiary interest	3,224.24	1,008	1,000
B-21	S-FORT Esaka Tarumicho	3-5-13 Tarumicho, Suita-shi, Osaka	Trust beneficiary interest	1,267.30	781	853
B-22	S-FORT Niigata Honcho	7-1082 Honchodori, Chuo-ku, Niigata-shi, Niigata	Trust beneficiary interest	2,604.25	1,000	984
B-23	S-FORT Motohama	33-28 Motohamacho, Naka-ku, Hamamatsu-shi, Shizuoka	Real estate (physical real estate)	1,010.60	254	246
B-24	S-FORT Kumamoto Gofukumachi	2-36-6 Gofukumachi, Chuo-ku, Kumamoto-shi, Kumamoto	Real estate (physical real estate)	2,290.68	615	599
B-25	S-FORT Esaka Salita	3-20-26 Tarumicho, Suita-shi, Osaka	Real estate (physical real estate)	755.40	433	424
B-26	S-FORT Esaka LIBERTS	2-3-26 Esaka, Suita-shi, Osaka	Real estate (physical real estate)	613.08	357	346
B-27	S-FORT Otsukawa	12 Otsukawacho, Handa-shi, Aichi	Trust beneficiary interest	3,250.36	680	679
B-28	S-FORT Saga Tenjin	1-2-59 Tenjin, Saga-shi, Saga	Trust beneficiary interest	2,895.36	790	754
B-29	S-FORT Nagasaki Daigaku Byoin-mae	4-5 Hamaguchi-machi, Nagasaki-shi, Nagasaki	Trust beneficiary interest	3,721.97	1,364	1,400
B-30	S-FORT Kumamoto Keitoku	33, 34 and 35 Toricho, Chuo-ku, Kumamoto-shi, Kumamoto	Real estate (physical real estate)	1,582.77	476	443
B-31	S-FORT Shizuoka Tennocho	4-10 Tennocho, Aoi-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interest	2,649.60	1,033	1,030
B-32	S-FORT Konan Umekage I (Note 2)	4-1 Umekagecho, Konan-shi, Shiga	Trust beneficiary interest	5,813.49	1,524	1,500
B-33	S-FORT Esaka Koen	1-21-16 Esakacho, Suita-shi, Osaka	Trust beneficiary interest	1,869.20	1,292	1,290
B-34	S-FORT Oita Kotobukimachi	11-18 Kotobukimachi, Oita-shi, Oita	Trust beneficiary interest	3,067.08	767	752
B-35	S-FORT Hotakubo	2-11-10 Hotakubo, Chuo-ku, Kumamoto-shi, Kumamoto	Trust beneficiary interest	3,040.33	624	587
B-36	S-FORT Kumamoto Kenritsu Daigaku-mae	2-6-60 Tsukide, Higashi-ku, Kumamoto-shi, Kumamoto	Real estate (physical real estate)	1,495.20	451	412
B-37	S-FORT Kasugai	7-2-7 Nyoisarucho, Kasugai-shi, Aichi	Real estate (physical real estate)	2,398.34	484	488
C-01	S-FORT Maita Koen	1-12-2 Miyamoto-cho, Minami-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	1,607.40	938	1,160
C-02	S-FORT Nihombashi Hakozaiki	1-11 Nihonbashi Hakozaiki-cho, Chuo-ku, Tokyo	Trust beneficiary interest	1,114.38	930	1,090
C-03	S-FORT Itabashi Shimura	1-26-5 Sakashita, Itabashi-ku, Tokyo	Trust beneficiary interest	1,119.54	630	729
C-04	S-FORT Shiomi	1-21-7 Shiomi, Koto-ku, Tokyo	Trust beneficiary interest	1,042.48	843	1,030
C-05	S-FORT Noborito	3369-1 Noborito, Tama-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,022.10	644	749
C-06	S-FORT Shonan Hiratsuka	8-8 Daikan-cho, Hiratsuka-shi, Kanagawa	Trust beneficiary interest	1,717.46	813	1,030
C-07	S-FORT Nishifunabashi	3-2-25 Nishifuna, Funabashi-shi, Chiba	Trust beneficiary interest	1,397.64	708	808
C-08	S-FORT Maihama	5-18-8 Fujimi, Urayasu-shi, Chiba	Trust beneficiary interest	1,726.56	1,162	1,330
C-09	S-FORT Ichikawa	1-21-8 Ichikawa, Ichikawa-shi, Chiba	Trust beneficiary interest	1,255.90	820	871
C-10	S-RESIDENCE Yokosuka Chuo	1-5-15 Yonegahamadori, Yokosuka-shi, Kanagawa	Real estate (physical real estate)	1,492.09	838	949

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Property number	Property name	Location (residential address)	Type of ownership	Rentable area (m <sup>2</sup> )	Book value (millions of yen)	Period-end estimated value (millions of yen) (Note 1)
C-12	S-FORT Hoya	2-6-5 Higashicho, Nishi-Tokyo-shi, Tokyo	Trust beneficiary interest	1,177.94	650	826
C-13	S-FORT Tamagawagakuen-mae	2-16-28 Tamagawagakuen, Machida-shi, Tokyo	Trust beneficiary interest	978.75	602	660
C-14	S-FORT Tsurukawa	2-19-4 Tsurukawa, Machida-shi, Tokyo	Real estate (physical real estate)	1,886.70	534	601
C-15	S-RESIDENCE Yokohama Tanmachi	2-14-10 Tanmachi, Kanagawa-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	772.38	633	729
C-16	S-FORT Chigasaki	22-8 Saiwaicho, Chigasaki-shi, Kanagawa	Trust beneficiary interest	1,382.17	1,150	1,190
C-17	S-FORT Kawaguchi Namiki	4-4-5 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interest	1,457.51	1,123	1,150
C-18	S-FORT Todakoen	2-11-13 Shimomae, Toda-shi, Saitama	Trust beneficiary interest	1,438.71	925	999
C-19	S-FORT Funabashi Tsukada	2-39-1 Kitahoncho, Funabashi-shi, Chiba	Trust beneficiary interest	5,640.60	1,924	1,940
C-20	S-FORT Kashiwa	3-4-17 Kashiwa, Kashiwa-shi, Chiba	Real estate (physical real estate)	983.06	551	569
C-21	S-FORT Fujimidai	4-16-13 Kamisaginomiya, Nakano-ku, Tokyo	Trust beneficiary interest	2,054.86	1,194	1,450
C-22	S-RESIDENCE Matsudo	5-7 Honcho, Matsudo-shi, Chiba	Trust beneficiary interest	1,180.53	851	895
C-23	S-RESIDENCE Motoyawata	5-7-16 Minamiyawata, Ichikawa-shi, Chiba	Trust beneficiary interest	2,180.26	1,700	1,780
C-24	S-FORT Kinshicho	4-1-2 Yokokawa, Sumida-ku, Tokyo	Trust beneficiary interest	1,956.87	1,531	1,670
C-25	S-FORT Komazawa Daigaku	4-40-3 Kamiyama, Setagaya-ku, Tokyo	Trust beneficiary interest	536.60	539	545
C-26	S-FORT Yokohama Aobadai	2-34-1 Aobadai, Aoba-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	9,274.43	5,490	5,450
C-27	S-FORT Aoba Shiratoridai	21-4 Shiratoridai, Aoba-ku, Yokohama-shi, Kanagawa	Trust beneficiary interest	2,179.25	868	863
C-28	S-FORT Kawasaki Shinmeicho	2-29-8 Shinmeicho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	994.63	623	640
C-29	S-FORT Motoyawata Mairie	1-16-9 Yawata, Ichikawa-shi, Chiba	Trust beneficiary interest	826.18	691	689
C-30	S-FORT Funabashi roots	3-9-27 Honcho, Funabashi-shi, Chiba	Trust beneficiary interest	1,201.50	840	828
C-31	S-FORT Tama-plaza	2-24-8 Inukura, Miyamae-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interest	1,367.88	668	687
C-32	S-FORT Odawara	1-20-5 Sakaecho, Odawara-shi, Kanagawa	Trust beneficiary interest	1,279.24	638	635
	Total	—	—	282,814.60	119,685	129,211

(Note 1) "Period-end estimated value" indicates the appraisal value stated in the appraisal reports prepared by the real estate appraisers of Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Valuers Co., Ltd., with July 31, 2021, as the appraisal date, or the survey value stated in the price survey reports for such, based on the asset appraisal methods and standards stipulated in the Articles of Incorporation of Samty Residential as well as the rules provided by The Investment Trusts Association, Japan.

(Note 2) The property consists of S-FORT Konan Umekage I, S-FORT Konan Umekage II and S-FORT Umekagecho. The same shall apply hereinafter.

The leasing performance of real estate, etc. owned by Samty Residential are as follows.

Property number	Property name	11th fiscal period (August 1, 2020 to January 31, 2021)				12th fiscal period (February 1, 2021 to July 31, 2021)			
		Total number of tenants [at end of period](Note 1)	Occupancy rate [at end of period](%) (Note 2)	Real estate leasing business revenue [during the period] (millions of yen) (Note 3)	Ratio to total real estate leasing business revenue (%) (Note 4)	Total number of tenants [at end of period](Note 1)	Occupancy rate [at end of period](%) (Note 2)	Real estate leasing business revenue [during the period] (millions of yen) (Note 3)	Ratio to total real estate leasing business revenue (%) (Note 4)
A-01	S-FORT Shin Osaka ravir	1	95.9	22	0.6	1	91.9	21	0.5
A-04	S-FORT Chikushi Dori	1	97.8	45	1.1	1	97.8	45	1.1
A-05	S-FORT Fukuoka Kencho Mae	1	99.0	37	0.9	1	97.1	37	0.9
A-06	S-FORT Takamiya	1	100.0	28	0.7	1	98.8	29	0.7
A-07	S-FORT Tsutsujigaoka Koen	1	95.1	51	1.3	1	94.3	52	1.3
A-08	S-RESIDENCE Namba Briller	1	96.8	67	1.7	1	91.0	65	1.6
A-09	S-FORT Tsurumai marks	1	95.2	38	1.0	1	100.0	39	1.0
A-10	S-FORT Rokuban-cho	1	91.0	24	0.6	1	94.7	24	0.6
A-11	S-FORT Nakajima Koen	1	92.3	57	1.4	1	88.5	59	1.5
A-12	S-FORT Hokudai Mae	1	88.8	24	0.6	1	100.0	26	0.6
A-13	S-RESIDENCE Kobe Isogamidori	1	97.6	89	2.2	1	97.1	87	2.2
A-15	S-FORT Katahira (Note 5)	—	—	54	1.4	—	—	—	—
A-16	S-FORT Gakuenmae	1	93.0	16	0.4	1	96.6	16	0.4
A-17	S-RESIDENCE Shin Osaka Ekimae	1	100.0	85	2.1	1	96.8	85	2.1
A-18	S-FORT Aoi 1-Chome (Note 6)	1	83.2	29	0.7	—	—	19	0.5
A-19	S-FORT Aoi	1	96.4	25	0.6	1	92.9	29	0.7
A-20	S-FORT Kurumamichi	1	95.0	15	0.4	1	90.0	14	0.4
A-21	S-FORT Kamiotai	1	92.5	25	0.6	1	97.5	28	0.7
A-22	S-FORT Tsurumai arts	1	96.4	24	0.6	1	92.9	24	0.6
A-23	S-FORT Tsurumai cube	1	94.5	20	0.5	1	100.0	21	0.5
A-24	S-FORT Fukuoka Higashi	1	99.3	75	1.9	1	96.0	65	1.6
A-25	S-RESIDENCE Kobe Motomachi	1	100.0	40	1.0	1	96.8	41	1.0
A-26	S-FORT Kobe Kaguracho	1	97.6	72	1.8	1	97.0	74	1.8
A-27	S-FORT Nijo-jo mae	1	100.0	23	0.6	1	100.0	23	0.6
A-28	S-FORT Chion-in mae	1	100.0	14	0.4	1	100.0	14	0.4
A-29	S-FORT Miyamachi (Note 5)	—	—	24	0.6	—	—	—	—
A-30	S-RESIDENCE Midoribashi Ekimae	1	98.6	62	1.6	1	96.6	62	1.5
A-31	S-FORT Tsurumai reale	1	92.5	47	1.2	1	91.1	49	1.2
A-32	S-FORT Osu Kannon	1	100.0	42	1.1	1	94.7	42	1.1
A-33	S-FORT Kita-Sanno	1	94.7	25	0.6	1	97.6	25	0.6
A-34	S-FORT Aratamabashi	1	100.0	16	0.4	1	93.1	15	0.4
A-35	S-FORT Toyohira Sanjyo	1	92.2	30	0.7	1	100.0	30	0.8
A-36	S-FORT Kitamaruyama	1	98.1	16	0.4	1	100.0	17	0.4
A-37	S-FORT Hakata-Higashi I	1	97.1	13	0.3	1	91.5	14	0.4
A-38	S-FORT Hakata-Higashi II	1	97.3	13	0.3	1	90.5	14	0.3
A-39	S-FORT Kobe Sannomiya-Kita	1	93.4	15	0.4	1	91.2	16	0.4
A-40	S-FORT Nakahirodori	1	100.0	30	0.8	1	97.4	30	0.7
A-41	S-FORT Tsurumicho	1	95.4	27	0.7	1	95.4	27	0.7
A-42	S-FORT Aoba Kamisugi	1	92.5	33	0.8	1	90.9	31	0.8
A-43	S-RESIDENCE Shin Osaka Ridente	1	97.8	40	1.0	1	93.5	40	1.0
A-44	S-FORT Fukushima La Luna	1	97.6	27	0.7	1	93.4	27	0.7
A-45	S-FORT Fukushima Libre	1	86.1	16	0.4	1	91.6	15	0.4
A-46	S-FORT Kamiyashiro	1	81.0	14	0.4	1	92.9	14	0.4
A-47	S-RESIDENCE Miyanomori	1	100.0	25	0.6	1	100.0	24	0.6
A-48	S-FORT Higashi-Sapporo Nordo	1	100.0	12	0.3	1	100.0	12	0.3
A-49	S-RESIDENCE Aoi	1	91.5	42	1.1	1	94.7	44	1.1
A-50	S-RESIDENCE Shiga Hondori	1	97.7	36	0.9	1	96.6	36	0.9
A-51	S-FORT Kobe Ogawadori	1	93.7	19	0.5	1	93.6	19	0.5
A-52	S-FORT Sakuragawa Minami	1	97.0	36	0.9	1	98.0	35	0.9
A-53	S-FORT Fukushima EBIE	1	86.0	16	0.4	1	88.9	15	0.4
A-54	S-FORT Miyakojima Uchindai	1	96.7	13	0.3	1	93.4	13	0.3
A-55	S-FORT Miyakojima KERS	1	95.8	10	0.3	1	100.0	10	0.3
A-56	S-FORT Oimazato-Nishi	1	96.5	10	0.3	1	93.1	10	0.3
A-57	S-RESIDENCE Chikusa	1	97.8	18	0.5	1	95.4	18	0.5
A-58	S-FORT Sakurayama	1	93.2	25	0.6	1	96.6	27	0.7
A-59	S-FORT Sapporo N15	1	95.2	20	0.5	1	95.2	21	0.5

# I. Asset Management Report

Property number	Property name	11th fiscal period (August 1, 2020 to January 31, 2021)				12th fiscal period (February 1, 2021 to July 31, 2021)			
		Total number of tenants [at end of period](Note 1)	Occupancy rate [at end of period](%) (Note 2)	Real estate leasing business revenue [during the period] (millions of yen) (Note 3)	Ratio to total real estate leasing business revenue (%) (Note 4)	Total number of tenants [at end of period](Note 1)	Occupancy rate [at end of period](%) (Note 2)	Real estate leasing business revenue [during the period] (millions of yen) (Note 3)	Ratio to total real estate leasing business revenue (%) (Note 4)
A-60	S-FORT Nangodori	1	90.4	12	0.3	1	93.7	12	0.3
A-61	S-FORT Meinohama	1	88.5	16	0.4	1	94.5	17	0.4
A-62	S-FORT Osaka Doshin	1	94.4	43	1.1	1	91.9	47	1.2
A-63	S-FORT Higashi Betsuin	1	98.2	22	0.6	1	96.4	24	0.6
A-64	S-FORT Moriyama	1	94.5	18	0.5	1	98.2	18	0.5
A-65	S-FORT Jingu Minami	1	82.2	12	0.3	1	95.0	15	0.4
A-66	S-FORT Atsuta Rokuban	1	92.9	7	0.2	1	100.0	24	0.6
A-67	S-FORT Kitachikusa	1	97.5	7	0.2	1	95.0	21	0.5
A-68	S-FORT Saikotori	1	100.0	4	0.1	1	95.9	14	0.4
A-69	S-FORT Fukuzumi	1	96.4	4	0.1	1	100.0	12	0.3
A-70	S-FORT Muromi	1	100.0	7	0.2	1	100.0	25	0.6
A-71	S-FORT Atsuta Hanacho	—	—	—	—	1	89.2	7	0.2
A-72	S-FORT Horitatori	—	—	—	—	1	97.2	5	0.1
B-01	S-FORT Shizuoka Hondori (Note 6)	1	71.4	10	0.3	—	—	7	0.2
B-03	S-FORT Yokkaichi Motomachi	1	87.4	21	0.5	1	96.4	23	0.6
B-04	S-FORT Suzuka	1	90.3	26	0.7	1	100.0	27	0.7
B-05	S-RESIDENCE Esaka	1	97.8	77	1.9	1	96.9	77	1.9
B-06	S-FORT Utsunomiya	1	96.1	24	0.6	1	94.2	24	0.6
B-07	S-FORT Yokkaichi Nishi Shinchi	1	98.6	26	0.7	1	97.2	27	0.7
B-08	S-FORT Saga Honjo	1	100.0	37	0.9	1	100.0	36	0.9
B-09	S-FORT Saga Idaimae	1	100.0	12	0.3	1	100.0	12	0.3
B-10	S-FORT Nishinomiya	1	96.1	45	1.1	1	97.3	48	1.2
B-11	S-FORT Nishinomiya Uegahara	1	96.8	24	0.6	1	98.4	28	0.7
B-12	S-FORT Mito Chuo	1	94.7	62	1.6	1	97.6	67	1.7
B-13	S-FORT Tsu Shinmachi	1	89.9	28	0.7	1	100.0	31	0.8
B-14	S-FORT Mie Daigaku-mae	1	85.5	21	0.5	1	96.8	23	0.6
B-15	S-FORT Takasagomachi	1	86.1	41	1.0	1	91.4	41	1.0
B-16	S-FORT Oita Ekimae	1	100.0	31	0.8	1	100.0	31	0.8
B-17	S-FORT Oita Otemachi	1	100.0	10	0.3	1	100.0	10	0.3
B-18	S-FORT Suizenji	1	91.1	44	1.1	1	86.5	44	1.1
B-19	S-FORT Kumadaibyoin-mae	1	86.3	37	0.9	1	86.3	36	0.9
B-20	S-FORT Kumamoto Senba	1	85.9	35	0.9	1	84.4	33	0.8
B-21	S-FORT Esaka Tarumicho	1	87.8	23	0.6	1	95.8	25	0.6
B-22	S-FORT Niigata Honcho	1	98.8	35	0.9	1	94.2	36	0.9
B-23	S-FORT Motohama	1	91.2	10	0.3	1	88.2	11	0.3
B-24	S-FORT Kumamoto Gofukumachi	1	81.5	19	0.5	1	94.3	21	0.5
B-25	S-FORT Esaka Salita	1	76.7	12	0.3	1	96.8	14	0.4
B-26	S-FORT Esaka LIBERTS	1	95.6	11	0.3	1	86.9	10	0.3
B-27	S-FORT Otsukawa	1	94.6	27	0.7	1	92.8	27	0.7
B-28	S-FORT Saga Tenjin	1	97.9	31	0.8	1	90.9	31	0.8
B-29	S-FORT Nagasaki Daigaku Byoin-mae	1	97.0	52	1.3	1	96.8	53	1.3
B-30	S-FORT Kumamoto Keitoku	1	94.8	15	0.4	1	92.3	14	0.4
B-31	S-FORT Shizuoka Tennocho	1	93.0	36	0.9	1	90.7	35	0.9
B-32	S-FORT Konan Umekage I	1	100.0	60	1.5	1	100.0	63	1.6
B-33	S-FORT Esaka Koen	1	96.8	34	0.8	1	94.7	34	0.9
B-34	S-FORT Oita Kotobukimachi	1	92.2	28	0.7	1	97.4	31	0.8
B-35	S-FORT Hotakubo	1	73.0	21	0.5	1	96.9	24	0.6
B-36	S-FORT Kumamoto Kenritsu Daigaku-mae	1	95.4	6	0.2	1	92.7	17	0.4
B-37	S-FORT Kasugai	—	—	—	—	1	97.3	5	0.1
C-01	S-FORT Maita Koen	1	97.5	33	0.8	1	97.2	33	0.8
C-02	S-FORT Nihombashi Hakozaki	1	88.9	27	0.7	1	92.3	26	0.7
C-03	S-FORT Itabashi Shimura	1	90.5	20	0.5	1	100.0	19	0.5
C-04	S-FORT Shiomi	1	88.5	26	0.7	1	90.4	27	0.7
C-05	S-FORT Noborito	1	89.9	21	0.5	1	95.1	20	0.5
C-06	S-FORT Shonan Hiratsuka	1	98.5	32	0.8	1	95.6	33	0.8
C-07	S-FORT Nishifunabashi	1	100.0	25	0.6	1	97.1	25	0.6
C-08	S-FORT Maihama	1	92.8	38	1.0	1	95.2	38	1.0
C-09	S-FORT Ichikawa	1	93.1	27	0.7	1	96.5	29	0.7



Property number	Property name	11th fiscal period (August 1, 2020 to January 31, 2021)				12th fiscal period (February 1, 2021 to July 31, 2021)			
		Total number of tenants [at end of period](Note 1)	Occupancy rate [at end of period](%) (Note 2)	Real estate leasing business revenue [during the period] (millions of yen) (Note 3)	Ratio to total real estate leasing business revenue (%) (Note 4)	Total number of tenants [at end of period](Note 1)	Occupancy rate [at end of period](%) (Note 2)	Real estate leasing business revenue [during the period] (millions of yen) (Note 3)	Ratio to total real estate leasing business revenue (%) (Note 4)
C-10	S-RESIDENCE Yokosuka Chuo	1	100.0	29	0.7	1	100.0	29	0.7
C-11	S-FORT Sagamihara (Note 6)	1	90.6	19	0.5	—	—	13	0.3
C-12	S-FORT Hoya	1	100.0	19	0.5	1	100.0	19	0.5
C-13	S-FORT Tamagawagakuen-mae	1	100.0	18	0.5	1	97.8	20	0.5
C-14	S-FORT Tsurukawa	1	96.7	18	0.5	1	90.0	17	0.4
C-15	S-RESIDENCE Yokohama Tanmachi	1	100.0	18	0.5	1	100.0	18	0.5
C-16	S-FORT Chigasaki	1	95.5	32	0.8	1	100.0	34	0.8
C-17	S-FORT Kawaguchi Namiki	1	95.7	32	0.8	1	94.3	36	0.9
C-18	S-FORT Todakoen	1	98.4	29	0.7	1	100.0	30	0.7
C-19	S-FORT Funabashi Tsukada	1	100.0	56	1.4	1	100.0	57	1.4
C-20	S-FORT Kashiwa	1	100.0	17	0.4	1	97.4	18	0.4
C-21	S-FORT Fujimidai	1	96.9	38	1.0	1	97.0	38	0.9
C-22	S-RESIDENCE Matsudo	1	98.1	25	0.6	1	98.1	27	0.7
C-23	S-RESIDENCE Motoyawata	1	100.0	49	1.2	1	100.0	48	1.2
C-24	S-FORT Kinshicho	1	88.3	42	1.1	1	87.7	41	1.0
C-25	S-FORT Komazawa Daigaku	1	92.5	13	0.3	1	100.0	13	0.3
C-26	S-FORT Yokohama Aobadai	1	97.2	152	3.8	1	98.5	151	3.7
C-27	S-FORT Aoba Shiratoridai	1	100.0	27	0.7	1	100.0	27	0.7
C-28	S-FORT Kawasaki Shinmeicho	1	100.0	19	0.5	1	100.0	18	0.5
C-29	S-FORT Motoyawata Mairie	1	92.5	17	0.4	1	92.4	19	0.5
C-30	S-FORT Funabashi roots	1	93.2	23	0.6	1	96.6	24	0.6
C-31	S-FORT Tama-plaza	1	97.2	19	0.5	1	100.0	22	0.5
C-32	S-FORT Odawara	1	89.9	21	0.5	1	93.9	23	0.6
Total		132	94.9	4,003	100.0	132	95.7	4,067	100.0

(Note 1) "Total number of tenants [at end of period]" indicates the total number of tenants under a direct lease relationship with Samty Residential or the trustee. Therefore, in cases where the master lease company subleases each apartment room to end tenants based on a master lease agreement, the total number of tenants is shown as "1," and does not include the number of end tenants related to the said sublease. Even for managed assets where a master lease is adopted, end tenants who do not accept the adoption of a master lease will be under a direct lease relationship with Samty Residential or the trustee. However, the number of said end tenants is not included in the total number of tenants.

(Note 2) "Occupancy rate [at end of period]" indicates the ratio of the leased area to the rentable area of respective managed assets, rounded off to the first decimal place.

(Note 3) "Real estate leasing business revenue [during the period]" includes other leasing business revenue on top of leasing business revenue.

(Note 4) "Ratio to total real estate leasing business revenue" indicates the ratio obtained by dividing the real estate leasing business revenue of respective managed assets by the sum total of real estate leasing business revenue of all managed assets, rounded to the first decimal place.

(Note 5) Samty Residential disposed the property on November 27, 2020. The disclosed real estate leasing business revenue for the 12th fiscal period indicates the figure for the period up to the day preceding the disposition.

(Note 6) Samty Residential disposed the property on May 31, 2021. The disclosed real estate leasing business revenue for the 12th fiscal period indicates the figure for the period up to the day preceding the disposition.

#### (4) Status of Other Assets

All real estate and trust beneficiary interests in real estate are listed on the aforementioned "(3) Details of Portfolio Assets."

#### (5) Status of Owned Assets by Country and Region

Not applicable for countries and regions other than Japan

## 4. Capital Expenditures for Owned Real Estate

### (1) Planned Capital Expenditures

The following are major items of capital expenditures for renovation work, etc. currently planned for the 13th fiscal period for the assets owned by Samty Residential as of July 31, 2021. Please note that the following planned construction cost includes portions that are separately accounted under expenses.

Property name	Location	Purpose	Schedule period	Planned construction cost (millions of yen)		
				Total amount	Payment in the 12th fiscal period	Total amount already paid
S-FORT Chikushi Dori	Hakata-ku, Fukuoka-shi	Large-scale refurbishment	From October 2021 to January 2022	29	—	—
S-FORT Aoba Kamisugi	Aoba-ku, Sendai-shi	Large-scale refurbishment	From October 2021 to January 2022	59	—	—
S-FORT Kumamoto Senba	Chuo-ku, Kumamoto-shi	Large-scale refurbishment	From October 2021 to January 2022	59	—	—

### (2) Capital Expenditures during the 12th Fiscal Period

The following table provides an overview of capital expenditures Samty Residential conducted for its owned assets in the 12th fiscal period. Capital expenditures during the 12th fiscal period amounted to 206,242 thousand yen. Combined with repair expenses of 198,163 thousand yen that were classified as expenses for the fiscal period, Samty Residential conducted construction work of 404,405 thousand yen in total.

Property name	Location	Purpose	Period	Amount of capital expenditures (thousands of yen)
S-FORT Suizenji	Chuo-ku, Kumamoto-shi	Large-scale refurbishment	From March 2021 to July 2021	38,500
S-FORT Fukuoka Kencho Mae	Hakata-ku, Fukuoka-shi	Large-scale refurbishment	From May 2021 to July 2021	30,800
Other capital expenditures				136,942
Total				206,242

### (3) Reserves for Long-Term Repair and Maintenance Plans

Based on the long-term repairs and maintenance plans prepared for each property, Samty Residential sets aside repair reserves from the cash flows generated during the fiscal period, as shown below, in order to fund future large-scale repairs, etc. over the medium to long term.

Operation period	8th fiscal period	9th fiscal period	10th fiscal period	11th fiscal period	12th fiscal period
	(From February 1, 2019 to July 31, 2019)	(From August 1, 2019 to January 31, 2020)	(From February 1, 2020 to July 31, 2020)	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Balance of reserves at beginning of period	101,037 thousand yen	64,564 thousand yen	64,057 thousand yen	89,995 thousand yen	161,656 thousand yen
Reserves during the period	102,044 thousand yen	118,806 thousand yen	118,892 thousand yen	318,346 thousand yen	222,590 thousand yen
Reversal of reserves during the period	138,517 thousand yen	119,313 thousand yen	92,953 thousand yen	246,685 thousand yen	210,956 thousand yen
Amount carried forward to the next period	64,564 thousand yen	64,057 thousand yen	89,995 thousand yen	161,656 thousand yen	173,290 thousand yen

## 5. Status of Expenses and Liabilities

### (1) Details of Expenses Related to Asset Management

(Unit: thousands of yen)

Item	11th fiscal period	12th fiscal period
	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Asset management fees	321,498	327,092
Asset custody fees	5,595	6,031
Administrative service fees	46,674	41,951
Remuneration for directors (and other officers)	3,060	3,060
Audit fees	13,000	13,000
Other expenses	135,185	148,306
Total	525,012	539,442

(Note) Aside from the amounts of asset management fees stated above, fees for asset management related to the acquisition of properties (11th fiscal period: 118,280 thousand yen, 12th fiscal period: 17,870 thousand yen) were paid and included in the book value of real estate, etc., and fees for disposition related to the sale of properties (11th fiscal period: 19,175 thousand yen, 12th fiscal period: 10,435 thousand yen) were paid.

### (2) Status of Borrowings

The status of borrowings as of July 31, 2021, is as follows.

Category	Lender	Drawdown date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (Note 3)	Repayment date	Repayment method	Use of funds	Remarks
Current portion of long-term borrowings	The Bank of Fukuoka, Ltd.	July 1, 2015	1,000	—	0.982% (Note 1)	June 30, 2021 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Tokyo Star Bank, Limited		500	—					
	Sumitomo Mitsui Banking Corporation		400	—					
	Aozora Bank, Ltd.		100	—					
	Sumitomo Mitsui Banking Corporation	February 1, 2018	520	—	0.682% (Note 1)	July 31, 2021 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		550	—					
	The Kagawa Bank, Ltd.		500	—					
	Shinsei Bank, Ltd.		500	—					
	The Tochigi Bank, Ltd.		300	—					
	The Juhachi-Shinwa Bank, Ltd.		240	—					
	The Ashikaga Bank, Ltd.		200	—					
	The Kagoshima Bank, Ltd.		150	—					
	The Kumamoto Bank, Ltd.		140	—					
	San ju San Bank, Ltd.		100	—					
	Sumitomo Mitsui Banking Corporation	February 1, 2018	810	810	0.732% (Note 1)	January 31, 2022 (Note 5)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		540	540					
	Resona Bank, Ltd.		1,000	1,000					
	The Juhachi-Shinwa Bank, Ltd.		660	660					
	Shinsei Bank, Ltd.		500	500					
	The Hyakugo Bank, Ltd.		500	500					
	The Minato Bank, Ltd.		500	500					
	The Kumamoto Bank, Ltd.		440	440					
	The Tochigi Bank, Ltd.		300	300					
	San ju San Bank, Ltd.		100	100					
	Sumitomo Mitsui Banking Corporation	February 1, 2018	—	60	0.995% (Note 2)	July 31, 2022 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		—	20					
	Aozora Bank, Ltd.		—	1,000					
	The Higo Bank, Ltd.		—	1,000					
	Fukoku Mutual Life Insurance Company		—	800					
	The Kagawa Bank, Ltd.		—	500					
	Shinsei Bank, Ltd.		—	500					
	The Dai-ichi Life Insurance Company, Limited		—	500					
	The Hyakugo Bank, Ltd.		—	500					
	The Oita Bank, Ltd.		—	300					
	The Kagoshima Bank, Ltd.		—	150					
	The Kumamoto Bank, Ltd.		—	20					
	Subtotal of current portion of long-term borrowings		10,550	10,700					

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Category	Lender	Drawdown date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (Note 3)	Repayment date	Repayment method	Use of funds	Remarks
Long-term borrowings	Sumitomo Mitsui Banking Corporation	January 31, 2018	600	600	0.882% (Note 1)	January 31, 2023 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		350	350					
	Aozora Bank, Ltd.		250	250					
	The Kagawa Bank, Ltd.		250	250					
	The Shizuoka Bank, Ltd.		250	250					
	Resona Bank, Ltd.		200	200					
	Shinsei Bank, Ltd.		150	150					
	The Chiba Bank, Ltd.		150	150					
	The Juhachi-Shinwa Bank, Ltd.		100	100					
	The Kumamoto Bank, Ltd.		50	50					
	The Hiroshima Bank, Ltd.	January 31, 2018	150	150	1.099% (Note 2)	January 31, 2023 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	February 1, 2018	60	—	0.995% (Note 2)	July 31, 2022 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		20	—					
	Aozora Bank, Ltd.		1,000	—					
	The Higo Bank, Ltd.		1,000	—					
	Fukoku Mutual Life Insurance Company		800	—					
	The Kagawa Bank, Ltd.		500	—					
	Shinsei Bank, Ltd.		500	—					
	The Dai-ichi Life Insurance Company, Limited		500	—					
	The Hyakugo Bank, Ltd.		500	—					
	The Oita Bank, Ltd.		300	—					
	The Kagoshima Bank, Ltd.		150	—					
	The Kumamoto Bank, Ltd.		20	—					
	Sumitomo Mitsui Banking Corporation	February 1, 2018	100	100	1.476% (Note 2)	January 31, 2025 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		100	100					
	Aozora Bank, Ltd.		500	500					
	The Higo Bank, Ltd.		500	500					
	Fukoku Mutual Life Insurance Company		300	300					
	Sumitomo Mitsui Banking Corporation	June 29, 2018	600	600	0.782% (Note 1)	July 31, 2023 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		350	350					
	Aozora Bank, Ltd.		250	250					
	The Kagawa Bank, Ltd.		250	250					
	Resona Bank, Ltd.		200	200					
	Shinsei Bank, Ltd.		150	150					
	The Chiba Bank, Ltd.		150	150					
	The Juhachi-Shinwa Bank, Ltd.		100	100					
	The Kumamoto Bank, Ltd.		50	50					
	The Hiroshima Bank, Ltd.	June 29, 2018	150	150	0.958% (Note 2)	July 31, 2023 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Shizuoka Bank, Ltd.		250	250					
	The Bank of Fukuoka, Ltd.	August 28, 2018	500	500	0.782% (Note 1)	January 31, 2024 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.		500	500					
	Mizuho Bank, Ltd.		460	460					
	Shinsei Bank, Ltd.		400	400					
	Resona Bank, Ltd.		300	300					
	Shinsei Bank, Ltd.		600	600					
	The Bank of Fukuoka, Ltd.	August 28, 2018	350	350	1.318% (Note 2)	July 31, 2025 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		250	250					
	Resona Bank, Ltd.		100	100					
	The Bank of Fukuoka, Ltd.		350	350					
	Mizuho Bank, Ltd.	November 26, 2018	290	290	0.782% (Note 1)	January 31, 2024 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Shinsei Bank, Ltd.		200	200					
	Mizuho Bank, Ltd.	March 29, 2019	1,250	1,250	0.932% (Note 1)	January 30, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed



Category	Lender	Drawdown date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (Note 3)	Repayment date	Repayment method	Use of funds	Remarks
Long-term borrowings	Sumitomo Mitsui Banking Corporation	June 28, 2019	1,300	1,300	0.732% (Note 1)	July 31, 2024 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		1,300	1,300					
	Aozora Bank, Ltd.		500	500					
	The Kagawa Bank, Ltd.		500	500					
	Resona Bank, Ltd.		400	400					
	Shinsei Bank, Ltd.		400	400					
	The Juhachi-Shinwa Bank, Ltd.		400	400					
	The Kumamoto Bank, Ltd.		200	200					
	The Bank of Saga Ltd.	August 2, 2019	500	500	0.632% (Note 1)	July 31, 2023 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Resona Bank, Ltd.		400	400					
	Aozora Bank, Ltd.		350	350					
	Shinsei Bank, Ltd.		350	350					
	The Bank of Fukuoka, Ltd.		300	300					
	San ju San Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		300	300					
	The Kagawa Bank, Ltd.		250	250					
	The Juhachi-Shinwa Bank, Ltd.		200	200					
	The Oita Bank, Ltd.		100	100					
	The Kumamoto Bank, Ltd.		100	100					
	Sumitomo Mitsui Banking Corporation	August 2, 2019	600	600	1.087% (Note 2)	July 31, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		450	450					
	Aozora Bank, Ltd.		400	400					
	Shinsei Bank, Ltd.		300	300					
	The Juhachi-Shinwa Bank, Ltd.		300	300					
	The Kumamoto Bank, Ltd.		200	200					
	Resona Bank, Ltd.		200	200					
	The Bank of Fukuoka, Ltd.	August 26, 2019	835	835	0.572% (Note 2)	January 31, 2023 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Higo Bank, Ltd.		700	700					
	Kansai Mirai Bank, Limited		700	700					
	Aozora Bank, Ltd.		300	300					
	Shinsei Bank, Ltd.	August 26, 2019	1,400	1,400	0.673% (Note 2)	January 31, 2024 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Resona Bank, Ltd.		400	400					
	The Nishi-Nippon City Bank, Ltd.	August 26, 2019	2,500	2,500	0.783% (Note 2)	January 31, 2025 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	August 26, 2019	2,500	2,500	0.864% (Note 2)	July 31, 2025 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Nishi-Nippon City Bank, Ltd.	August 26, 2019	500	500	0.907% (Note 2)	July 31, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Resona Bank, Ltd.	June 30, 2020	900	900	0.750% (Note 2)	January 31, 2025 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Shinsei Bank, Ltd.		725	725					
	Sumitomo Mitsui Banking Corporation		500	500					
	The Bank of Fukuoka, Ltd.		375	375					
	Sumitomo Mitsui Banking Corporation	June 30, 2020	1,075	1,075	0.863% (Note 2)	January 30, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.		900	900					
	The Bank of Fukuoka, Ltd.		775	775					
	Mizuho Bank, Ltd.		725	725					
	The Kagawa Bank, Ltd.		625	625					
	Kansai Mirai Bank, Limited	August 3, 2020	1,000	1,000	0.532% (Note 1)	January 31, 2024 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	San ju San Bank, Ltd.	August 3, 2020	500	500	0.532% (Note 1)	July 31, 2024 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Saga Ltd.		500	500					
	Shinsei Bank, Ltd.	August 3, 2020	1,000	1,000	0.711% (Note 2)	July 31, 2025 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.		500	500					
	Resona Bank, Ltd.		250	250					
	The Nishi-Nippon City Bank, Ltd.	August 3, 2020	1,000	1,000	0.829% (Note 2)	July 31, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	August 3, 2020	1,000	1,000	0.757% (Note 1)	July 31, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed

## I. Asset Management Report

Category	Lender	Drawdown date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (Note 3)	Repayment date	Repayment method	Use of funds	Remarks
Long-term borrowings	Sumitomo Mitsui Banking Corporation	June 30, 2021	—	920	0.608% (Note 2)	January 31, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	June 30, 2021	—	1,550	0.614% (Note 2)	July 31, 2026 (Note 4)	Lump-sum repayment on repayment date	(Note 6)	Unsecured Unguaranteed
	The Bank of Yokohama, Ltd.		—	1,250					
	The Kagawa Bank, Ltd.		—	600					
	Shinsei Bank, Ltd.		—	500					
	The Juhachi-Shinwa Bank, Ltd.		—	240					
	The Kumamoto Bank, Ltd.		—	140					
	Subtotal of long-term borrowings		50,185	50,035					
Total			60,735	60,735					

(Note 1) These loans are with floating interest rates.

(Note 2) These loans are with fixed interest rates.

(Note 3) The interest rate is an average figure during the fiscal period and is rounded off to the third decimal place.

(Note 4) If the repayment date is not a business day, the immediately preceding business day shall be the repayment date.

(Note 5) If the repayment date is not a business day, the immediately following business day shall be the repayment date.

(Note 6) The funds are appropriated for part of acquiring real estate or trust beneficiary interests in real estate, including part of accompanying expenses, and repaying borrowings.

### (3) Status of Investment Corporation Bonds

The status of investment corporation bonds as of July 31, 2021, is as follows.

Name	Issue date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Interest rate	Redemption date	Redemption method	Use of funds	Remarks
Second Series Unsecured Investment Corporation Bonds (offering limited to qualified institutional investors)	February 1, 2018	1,000	1,000	1.054%	January 31, 2023	Lump-sum repayment on redemption date	(Note 1)	Unsecured Unguaranteed
First Series Unsecured Investment Corporation Bonds (with pari passu conditions among specified investment corporation bonds)	December 16, 2020	1,700	1,700	0.580%	December 16, 2025	Lump-sum repayment on redemption date	(Note 2)	Unsecured Unguaranteed
Total	—	2,700	2,700	—	—	—	—	—

(Note 1) The funds are used for acquiring real estate or trust beneficiary interests in real estate, including part of accompanying expenses.

(Note 2) The funds are used to partly repay existing borrowings.

### (4) Status of Short-Term Investment Corporation Bonds

Not applicable

### (5) Status of Investment Unit Acquisition Rights

Not applicable

## 6. Status of Purchase and Sale during the 12th Fiscal Period

### (1) Status of Acquisition and Sale of Real Estate, Asset-Backed Securities, Infrastructure Assets and Infrastructure-Related Assets, Etc.

Type of asset	Property number	Property name	Acquisition		Disposition			
			Acquisition date	Acquisition price (millions of yen) (Note 1)	Date of disposition	Disposition price (millions of yen) (Note 1)	Book value (millions of yen)	Gain or loss on sale (millions of yen) (Note 2)
Real estate trust beneficiary interest	A-71	S-FORT Atsuta Hanacho	May 31, 2021	836	—	—	—	—
Real estate (physical real estate)	A-72	S-FORT Horitatori	May 31, 2021	487	—	—	—	—
Real estate (physical real estate)	B-37	S-FORT Kasugai	May 31, 2021	464	—	—	—	—
Real estate trust beneficiary interest	A-18	S-FORT Aoi 1-Chome	—	—	May 31, 2021	1,150	1,095	43
Real estate trust beneficiary interest	B-01	S-FORT Shizuoka Hondori	—	—	May 31, 2021	310	286	18
Real estate trust beneficiary interest	C-11	S-FORT Sagamihara	—	—	May 31, 2021	627	574	47
Total				1,787	—	2,087	1,956	109

(Note 1) "Acquisition price" or "Disposition price" indicates the amount (transaction price of real estate properties stated in the sales agreement, etc.) excluding various expenses (transaction brokerage fees, taxes and dues, etc.) required for acquisition or disposition of the relevant real estate properties, rounded down to the nearest million yen.

(Note 2) "Gain or loss on sale" indicates the amount obtained by subtracting the book value and expenses related to the disposition from the disposition price.

### (2) Status of Acquisition and Sale of Other Assets

Not applicable

### (3) Survey on Prices of Specified Assets, Etc.

#### i) Real estate, etc.

Acquisition or disposition	Property name	Transaction date	Type of asset	Acquisition price or disposition price (millions of yen) (Note 1)	Appraisal value (millions of yen) (Note 2)	Appraiser	Appraisal date
Acquisition	S-FORT Atsuta Hanacho	May 31, 2021	Real estate trust beneficiary interest	836	837	The Tanizawa Sōgō Appraisal Co., Ltd.	April 1, 2021
	S-FORT Horitatori	May 31, 2021	Real estate (physical real estate)	487	488	The Tanizawa Sōgō Appraisal Co., Ltd.	April 1, 2021
	S-FORT Kasugai	May 31, 2021	Real estate (physical real estate)	464	485	Japan Valuers Co., Ltd.	April 1, 2021
Disposition	S-FORT Aoi 1-Chome	May 31, 2021	Real estate trust beneficiary interest	1,150	1,150	Daiwa Real Estate Appraisal Co., Ltd.	January 31, 2021
	S-FORT Shizuoka Hondori	May 31, 2021	Real estate trust beneficiary interest	310	310	Japan Real Estate Institute	January 31, 2021
	S-FORT Sagamihara	May 31, 2021	Real estate trust beneficiary interest	627	627	Japan Valuers Co., Ltd.	January 31, 2021

(Note 1) "Acquisition price or disposition price" indicates the amount (transaction price of real estate properties stated in the sales agreement, etc.) excluding various expenses (transaction brokerage fees, taxes and dues, etc.) required for acquisition or disposition of the relevant real estate properties, rounded down to the nearest million yen.

(Note 2) The appraisal in the table above was conducted by applying to the "Real Estate Appraisal Standards, Specific Thesis Chapter 3: Appraisal on Prices of Real Estate Subject to Securitization."

#### ii) Investment Securities

Not applicable

#### iii) Other

Not applicable

## (4) Status of Transactions with Interested Parties, Etc.

### i) Status of transactions with interested parties, etc. (Note 1)

Category	Transaction amount, etc. (Note 2)	
	Purchase amount, etc.	Sale amount, etc.
Total amount	1,787 million yen	2,087 million yen

Breakdown of transactions with interested parties, etc.

Samty Co., Ltd.	1,787 million yen (100%)	2,087 million yen (100%)
Total	1,787 million yen (100%)	2,087 million yen (100%)

### ii) Amount of paid fees, etc.

Category	Total amount of paid fees, etc. (A)	Breakdown of transaction with interested parties, etc.		Percentage of total amount (B/A) (%)
		Paid party	Paid amount (B)	
Property management fees	373,559 thousand yen	Samty Property Management Co., Ltd.	144,769 thousand yen	38.8

### iii) Major payments to other interested parties, etc.

Samty Property Management Co., Ltd. 203,731 thousand yen (repair work)

(Note 1) "Interested parties, etc." refer to the interested parties, etc., as defined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and in Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trusts Association, Japan, of the asset management company that has entered into an asset management agreement with Samty Residential.

(Note 2) "Transaction amount, etc." indicates the transaction amount stated in the sales agreement, etc. Figures in parentheses indicate the percentage of total amount.

## (5) Status of Transactions with the Asset Management Company regarding Concurrent Work Conducted by the Asset Management Company

The Asset Management Company (Samty Asset Management Co., Ltd.) concurrently conducts the type II financial instruments business and land and building transaction business, but has no relevant transactions with Samty Residential. Moreover, the Asset Management Company concurrently is not engaged in any of the type I financial instruments business or the real estate syndication business, and has no relevant transactions with Samty Residential.

## 7. Status of Accounting

### (1) Status of Assets, Liabilities, Principal and Profits and Loss

Please refer to the Balance Sheet, Statement of Income and Retained Earnings, Statement of Changes in Unitholders' Equity, Statement of Cash Distributions, Statements of Cash Flows and Notes to Financial Statements.

### (2) Changes in Calculation Methods for Depreciation

Not applicable

### (3) Changes in Valuation Method of Real Estate and Infrastructure Assets

Not applicable

## 8. Overview of Self-Managed Investment Trust Beneficiary Certificates

### i) Acquisition

Not applicable

### ii) Units Held

Not applicable

## 9. Disclosure on Corporation Owning Foreign Real Estate

Not applicable

## 10. Disclosure on Real Estate Owned by Corporation Owning Foreign Real Estate

Not applicable

## 11. Other

### (1) Notices

#### i) Unitholders' Meeting

Not applicable

#### ii) Board of Directors of Samty Residential

The overview of the execution and modification, etc. of major agreements approved by the Board of Directors of Samty Residential in the 12th fiscal period is as follows.

Date of Board of Directors' meeting	Agenda	Overview
July 19, 2021	Conclusion of an underwriting agreement concerning issuance of new investment units through public offering and third-party allotment and secondary offering of investment units	Samty Residential consigned the administration services regarding the offering of investment units to Daiwa Securities Co. Ltd.

### (2) Handling of Fractions of Monetary Amounts and Percentage Figures

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this document.



# Balance Sheet

(Unit: thousands of yen)

	11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,490,107	2,780,018
Cash and deposits in trust	1,932,211	1,872,773
Operating accounts receivable	21,473	11,228
Prepaid expenses	149,370	156,253
Consumption taxes receivable	157,007	—
Other	1,912	43,805
Total current assets	4,752,081	4,864,079
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	8,685,599	9,125,702
Accumulated depreciation	(557,709)	(672,589)
Buildings, net	8,127,890	8,453,113
Structures	6,467	6,682
Accumulated depreciation	(660)	(959)
Structures, net	5,807	5,722
Machinery and equipment	9,312	9,312
Accumulated depreciation	(894)	(1,230)
Machinery and equipment, net	8,417	8,082
Tools, furniture and fixtures	28,590	36,400
Accumulated depreciation	(7,257)	(10,466)
Tools, furniture and fixtures, net	21,332	25,934
Land	9,466,655	10,061,976
Buildings in trust	53,432,074	52,952,836
Accumulated depreciation	(4,759,005)	(5,283,335)
Buildings in trust, net	48,673,068	47,669,501
Structures in trust	23,742	23,105
Accumulated depreciation	(5,828)	(6,845)
Structures in trust, net	17,914	16,259
Machinery and equipment in trust	604,492	585,635
Accumulated depreciation	(108,404)	(117,805)
Machinery and equipment in trust, net	496,088	467,829
Tools, furniture and fixtures in trust	115,361	151,630
Accumulated depreciation	(35,647)	(46,920)
Tools, furniture and fixtures in trust, net	79,714	104,710
Land in trust	53,453,128	52,872,589
Total property, plant and equipment	120,350,019	119,685,721
<b>Intangible assets</b>		
Software	3,119	2,662
Total intangible assets	3,119	2,662
<b>Investments and other assets</b>		
Deferred tax assets	7	17
Leasehold and guarantee deposits	11,464	11,588
Long-term prepaid expenses	330,063	323,676
Total investments and other assets	341,535	335,282
Total non-current assets	120,694,674	120,023,666
<b>Deferred assets</b>		
Investment unit issuance expenses	23,518	15,283
Investment corporation bond issuance costs	27,980	23,599
Total deferred assets	51,499	38,883
Total assets	125,498,254	124,926,629

(Unit: thousands of yen)

	11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	290,752	271,247
Current portion of long-term borrowings	10,550,000	10,700,000
Accounts payable - other	90,334	70,553
Accrued expenses	5,276	3,237
Distributions payable	12,573	14,525
Accrued consumption taxes	—	81,725
Income taxes payable	751	965
Advances received	593,774	598,581
Deposits received	14,477	14,654
Total current liabilities	11,557,941	11,755,492
<b>Non-current liabilities</b>		
Investment corporation bonds	2,700,000	2,700,000
Long-term borrowings	50,185,000	50,035,000
Leasehold and guarantee deposits received	74,089	78,890
Leasehold and guarantee deposits received in trust	448,249	439,113
Total non-current liabilities	53,407,338	53,253,003
Total liabilities	64,965,280	65,008,495
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	60,284,277	60,284,277
Deduction from unitholders' capital	(1,759,476)	(1,882,222)
Unitholders' capital, net	58,524,801	58,402,055
<b>Surplus</b>		
Unappropriated retained earnings (undisposed loss)	2,008,173	1,516,078
Total surplus	2,008,173	1,516,078
Total unitholders' equity	60,532,974	59,918,134
Total net assets (Note 11)	60,532,974	59,918,134
Total liabilities and net assets	125,498,254	124,926,629

# Statement of Income and Retained Earnings

(Unit: thousands of yen)

	11th fiscal period	12th fiscal period
	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Operating revenue		
Leasing business revenue (Note 10)	3,690,298	3,703,995
Other leasing business revenue (Note 10)	313,420	363,378
Gain on sale of real estate properties (Note 10)	353,612	109,509
Total operating revenue	4,357,330	4,176,883
Operating expenses		
Expenses related to leasing business (Note 10)	1,661,244	1,777,790
Asset management fees	321,498	327,092
Asset custody fees	5,595	6,031
Administrative service fees	46,674	41,951
Remuneration for directors (and other officers)	3,060	3,060
Audit fees	13,000	13,000
Other operating expenses	135,185	148,306
Total operating expenses	2,186,257	2,317,233
Operating income	2,171,073	1,859,650
Non-operating income		
Interest income	6	13
Interest on tax refund	—	173
Reversal of distributions payable	1,516	896
Consumption taxes refund	188,744	—
Other	57	631
Total non-operating income	190,324	1,714
Non-operating expenses		
Interest expenses	252,366	246,423
Interest expenses on investment corporation bonds	6,453	10,242
Financing fees	78,337	74,329
Amortization of investment unit issuance expenses	12,149	8,234
Amortization of investment corporation bond issuance costs	3,162	4,380
Other	369	848
Total non-operating expenses	352,838	344,459
Ordinary income	2,008,559	1,516,905
Income before income taxes	2,008,559	1,516,905
Income taxes - current	753	968
Income taxes - deferred	13	(10)
Total income taxes	767	958
Net income	2,007,791	1,515,947
Retained earnings brought forward	381	131
Unappropriated retained earnings (undisposed loss)	2,008,173	1,516,078

## Statement of Changes in Unitholders' Equity

11th fiscal period (From August 1, 2020 to January 31, 2021)

(Unit: thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Surplus		Total unitholders' equity	
				Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	55,572,247	(1,527,769)	54,044,477	1,448,102	1,448,102	55,492,580	55,492,580
Changes during the period							
Issuance of new investment units	4,712,030		4,712,030			4,712,030	4,712,030
Distributions in excess of earnings		(231,706)	(231,706)			(231,706)	(231,706)
Dividends of surplus				(1,447,721)	(1,447,721)	(1,447,721)	(1,447,721)
Net income				2,007,791	2,007,791	2,007,791	2,007,791
Total changes during the period	4,712,030	(231,706)	4,480,323	560,070	560,070	5,040,393	5,040,393
Balance at end of period <sup>(Note 3)</sup>	60,284,277	(1,759,476)	58,524,801	2,008,173	2,008,173	60,532,974	60,532,974

12th fiscal period (From February 1, 2021 to July 31, 2021)

(Unit: thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Surplus		Total unitholders' equity	
				Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	60,284,277	(1,759,476)	58,524,801	2,008,173	2,008,173	60,532,974	60,532,974
Changes during the period							
Distributions in excess of earnings		(122,745)	(122,745)			(122,745)	(122,745)
Dividends of surplus				(2,008,041)	(2,008,041)	(2,008,041)	(2,008,041)
Net income				1,515,947	1,515,947	1,515,947	1,515,947
Total changes during the period	—	(122,745)	(122,745)	(492,094)	(492,094)	(614,839)	(614,839)
Balance at end of period <sup>(Note 3)</sup>	60,284,277	(1,882,222)	58,402,055	1,516,078	1,516,078	59,918,134	59,918,134

## Statement of Cash Flows

(Unit: thousands of yen)

	11th fiscal period (From August 1, 2020 to January 31, 2021)	12th fiscal period (From February 1, 2021 to July 31, 2021)
Cash flows from operating activities		
Income before income taxes	2,008,559	1,516,905
Depreciation	819,887	818,438
Interest income	(6)	(13)
Interest expenses	258,819	256,666
Amortization of investment unit issuance expenses	12,149	8,234
Amortization of investment corporation bond issuance costs	3,162	4,380
Decrease (increase) in operating accounts receivable	(8,863)	10,244
Decrease (increase) in consumption taxes refund receivable	(157,007)	157,007
Increase (decrease) in accrued consumption taxes	(49,273)	81,725
Decrease (increase) in prepaid expenses	(3,533)	(6,883)
Increase (decrease) in operating accounts payable	104,436	(101,378)
Increase (decrease) in accounts payable - other	24,755	(19,780)
Increase (decrease) in advances received	39,460	4,807
Decrease (increase) in long-term prepaid expenses	2,870	6,387
Decrease in property, plant and equipment in trust due to sale	3,292,161	1,956,876
Other, net	14,419	(40,819)
Subtotal	6,361,999	4,652,799
Interest received	6	13
Interest paid	(254,775)	(258,705)
Income taxes paid	(1,039)	(754)
Net cash provided by (used in) operating activities	6,106,190	4,393,352
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,105,592)	(1,051,972)
Purchase of property, plant and equipment in trust	(10,536,158)	(976,713)
Payments of leasehold and guarantee deposits	(652)	(217)
Proceeds from return of leasehold and guarantee deposits	—	92
Refund of leasehold and guarantee deposits received	(6,249)	(8,317)
Proceeds from leasehold and guarantee deposits received	10,695	13,117
Refund of leasehold and guarantee deposits received in trust	(53,446)	(54,767)
Proceeds from leasehold and guarantee deposits received in trust	78,808	45,631
Net cash provided by (used in) investing activities	(12,612,594)	(2,033,146)
Cash flows from financing activities		
Repayments of short-term borrowings	(2,000,000)	—
Proceeds from long-term borrowings	5,750,000	5,200,000
Repayments of long-term borrowings	—	(5,200,000)
Proceeds from issuance of investment corporation bonds	1,700,000	—
Redemption of investment corporation bonds	(1,000,000)	—
Payments of investment corporation bond issuance costs	(17,943)	—
Proceeds from issuance of investment units	4,712,030	—
Payments of investment unit issuance expenses	(12,624)	—
Distributions paid	(1,677,229)	(2,129,732)
Net cash provided by (used in) financing activities	7,454,231	(2,129,732)
Net increase (decrease) in cash and cash equivalents	947,827	230,473
Cash and cash equivalents at beginning of period	3,474,491	4,422,318
Cash and cash equivalents at end of period <sup>(Note 6)</sup>	4,422,318	4,652,791



## Notes to Financial Statements

### Note 1 – Organization

Samty Residential Investment Corporation (hereinafter, “Samty Residential”) was established in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trust Act”), with Samty Asset Management Co., Ltd. serving as the organizer, and was listed on the real estate investment trust market of the Tokyo Stock Exchange, Inc. (securities code: 3459) on June 30, 2015.

With rental housing as the main investment target, Samty Residential has managed its assets by conducting diversified investments in wide-ranging cities throughout Japan, centering on major regional cities <sup>(Note)</sup>, aiming to enhance unitholder value over the medium to long term.

(Note) “Major regional cities” refers to the following eight cities: Sapporo, Sendai, Nagoya, Kyoto, Osaka, Kobe, Hiroshima, and Fukuoka.

### Note 2 – Basis of Presentation

The financial statements of Samty Residential have been prepared in accordance with accounting principles generally accepted in Japan (“J-GAAP”), including provisions set forth in the Financial Instruments and Exchange Act of Japan, the Investment Trust Act, the Companies Act of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”). The accompanying financial statements are basically a translation of the financial statements of Samty Residential, which were prepared in accordance with J-GAAP and were presented in the Securities Report of Samty Residential filed with the Kanto Local Finance Bureau of the Ministry of Finance. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. Amounts less than one thousand yen have been rounded down. As a result, the totals shown in the financial statements and notes thereto do not necessarily agree with the sum of the individual amounts. Samty Residential does not prepare consolidated financial statements, as Samty Residential has no subsidiaries.

Samty Residential fiscal periods are for six months ending at the end of every January and July.

### Note 3 – Statement of Changes in Unitholders’ Equity

#### \*1. Total Number of Authorized Investment Units and Total Number of Investment Units Issued

(Unit: units)

	11th fiscal period	12th fiscal period
	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Total number of investment units authorized	2,000,000	2,000,000
Total number of investment units issued	639,300	639,300

### Note 4 – Summary of Significant Accounting Policies

1. Depreciation Method for Non-Current Assets	<p>(1) Property, Plant and Equipment (Including Assets in Trust) Depreciation is calculated using the straight-line method. The useful lives of major categories of property, plant and equipment are as follows:</p> <table> <tr> <td>Buildings</td><td>2 - 69 years</td></tr> <tr> <td>Structures</td><td>10 - 20 years</td></tr> <tr> <td>Machinery and equipment</td><td>6 to 29 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>3 to 15 years</td></tr> </table> <p>(2) Intangible Assets Intangible assets are amortized using the straight-line method.</p> <p>(3) Long-Term Prepaid Expenses Long-term prepaid expenses are amortized using the straight-line method.</p>	Buildings	2 - 69 years	Structures	10 - 20 years	Machinery and equipment	6 to 29 years	Tools, furniture and fixtures	3 to 15 years
Buildings	2 - 69 years								
Structures	10 - 20 years								
Machinery and equipment	6 to 29 years								
Tools, furniture and fixtures	3 to 15 years								
2. Accounting for Deferred Assets	<p>(1) Investment Unit Issuance Expenses Investment unit issuance expenses are amortized using the straight-line method over three years.</p> <p>(2) Investment Corporation Bond Issuance Costs Investment corporation bond issuance costs are amortized using the straight-line method over the redemption period.</p>								
3. Standards for Recording Revenues and Expenses	<p>Accounting Treatment of Property Taxes, etc. In connection with property taxes, city planning taxes and depreciated asset taxes, Samty Residential uses the method of charging the corresponding amounts of assessed taxes to the current fiscal period as expenses related to leasing business.</p> <p>The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by Samty Residential upon acquisition of real estate or trust beneficiary interests in real estate as trust property are not expensed but capitalized as part of the acquisition cost of the real estate, etc.</p> <p>The amount equivalent to property taxes, etc. capitalized in the acquisition cost of real estate, etc. were 18,426 thousand yen for the 11th fiscal period and 5,546 thousand yen for the 12th fiscal period.</p>								
4. Scope of Funds in Statement of Cash Flows	<p>Cash and cash equivalents in the Statement of Cash Flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.</p>								
5. Other Significant Items Fundamental to Preparing the Financial Statements	<p>(1) Accounting Policies on Trust Beneficiary Interests in Real Estate as Trust Property Regarding trust beneficiary interests in real estate as trust property, all asset and liability accounts of the trust properties as well as revenue and expense accounts generated by the trust properties are recorded in relevant accounts on the Balance Sheet and Statement of Income and Retained Earnings.</p> <p>Furthermore, among trust properties recorded in relevant accounts, the following material accounts are separately stated on the Balance Sheet.</p> <ol style="list-style-type: none"> <li>Cash and deposits in trust</li> <li>Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust</li> <li>Leasehold and guarantee deposits received in trust</li> </ol> <p>(2) Accounting for Consumption Taxes National and local consumption taxes are excluded from the transaction amounts. Non-deductible consumption taxes related to the acquisition of assets, etc. are included in the acquisition cost of each asset.</p>								

### Note 5 – Accounting Standards Not Yet Adopted

#### 1. Accounting Standard for Revenue Recognition, Etc.

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 (revised on March 31, 2020))
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 (revised on March 26, 2021))
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 (revised on March 31, 2020))

##### (1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) jointly developed a comprehensive accounting standard for revenue recognition, and issued it as Revenue from Contracts with Customers (IFRS 15 issued by IASB and Topic 606 issued by FASB) in May 2014. The IFRS 15 is applicable for accounting periods beginning on or after January 1, 2018, and the Topic 606 is applicable for accounting periods beginning after December 15, 2017. In accordance with this, the ASBJ has developed a comprehensive accounting standard for revenue recognition and issued it together with its implementation guidance.

In developing the accounting standard for revenue recognition, the ASBJ made it a basic policy to adopt the basic principles of the IFRS 15 as a starting point. By doing so, the ASBJ established the accounting standard from the viewpoint of comparability, which is a benefit for securing consistency with the IFRS 15, between financial statements based on the Japanese GAAP and those based on other accounting standards. Alternative treatments are also to be added, to the extent that they do not harm the comparability, in cases where there are items to be considered in the actual practices conducted in Japan.

##### (2) Scheduled date of adoption

Samty Residential will adopt the accounting standard, etc. from the beginning of the fiscal period ending January 31, 2022.

##### (3) Impact of the application of the accounting standard, etc.

The amount of impact on the financial statements from adoption of the Accounting Standard for Revenue Recognition, etc. is currently being assessed.

## 2. Accounting Standard for Fair Value Measurement, Etc.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued by ASBJ on July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10 (revised on July 4, 2019))
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued by ASBJ on June 17, 2021)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 (revised on March 31, 2020))

### (1) Overview

The IASB and the FASB have established detailed guidance for fair value measurement (IFRS 13 “Fair Value Measurement” under International Financial Reporting Standards and Topic 820 “Fair Value Measurement” of the Accounting Standards Codification under the U.S. accounting standards) containing almost the same content. In light of this, the ASBJ worked to secure consistency of the Japanese accounting standards with the international accounting standards, mainly in terms of the guidance on and disclosure of the fair value of financial instruments, and announced the Accounting Standard for Fair Value Measurement, etc.

The basic policy of the ASBJ for the development of the Accounting Standard for Fair Value Measurement was to adopt all provisions of IFRS 13 as a rule by using a unified calculation method, from the viewpoint of improving the comparability between the financial statements of domestic and foreign companies. Moreover, in consideration of the practices conducted in Japan, the ASBJ determined to establish other treatments for individual items, to the extent that they do not impair the comparability between the financial statements.

### (2) Scheduled date of adoption

Samty Residential will adopt the accounting standards, etc. from the beginning of the fiscal period ending January 31, 2022.

### (3) Impact of the application of the accounting standard, etc.

The amount of impact on the financial statements from adoption of the Accounting Standard for Fair Value Measurement, etc. is currently being assessed.

## Note 6 – Statement of Cash Flows

### \*1. Reconciliation of the Amounts of the Cash and Cash Equivalents at the End of the Period in the Statement of Cash Flows with the Amounts of the Corresponding Accounts on the Balance Sheet

(Unit: thousands of yen)

	11th fiscal period	12th fiscal period
	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Cash and deposits	2,490,107	2,780,018
Cash and deposits in trust	1,932,211	1,872,773
Cash and cash equivalents	4,422,318	4,652,791

## Note 7 – Financial Instruments

## 1. Matters Concerning Status of Financial Instruments

## (1) Policy on Handling Financial Instruments

Samty Residential makes it a basic policy to conduct stable and sound financial operations in order to ensure stable growth of managed assets, their efficient management and stability of management. Based on this policy, Samty Residential procures funds through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units, and other means, for acquisition of assets and repayment of borrowings, etc.

Samty Residential may enter into derivatives transactions, which shall be executed solely for the purpose of hedging against interest-rate fluctuations and other risks associated with borrowings, etc. Samty Residential has not entered into any derivatives transactions as of July 31, 2021.

## (2) Description of Financial Instruments and Associated Risks, and Risk Management Structure

The funds from borrowings are mainly used for acquiring investment assets and repaying borrowings, etc. With regard to liquidity and interest rate fluctuation risks associated with the procurement of these funds, Samty Residential endeavors to manage and limit them by considering and implementing multifaceted funding methods including the utilization of surplus funds and raising funds from capital markets through issuance of investment units, etc. while diversifying funding sources.

Although borrowings with floating interest rates are exposed to the risk of rising interest rates, Samty Residential may employ derivatives transactions (such as interest-rate swap transactions) as hedging instruments in order to avoid the risk of rising interest rates and fix payment of interest expenses.

Samty Residential deposits its surplus funds to financial institutions. Such deposits are exposed to the credit risks, including bankruptcy, of the relevant financial institutions. Samty Residential mitigates the risks by limiting its deposits to financial institutions with a certain level of creditworthiness and setting only short durations for these deposits.

## (3) Supplementary Explanation on Matters Concerning Fair Value of Financial Instruments

The fair value of financial instruments, aside from values based on market price, may include values based on reasonable calculations when there is no market price. Certain assumptions are used in calculating those values and there may be cases where the values will vary when different assumptions are used.

## 2. Matters Concerning Fair Value, Etc. of Financial Instruments

The following table provides the carrying values of financial instruments on the Balance Sheet, their fair values and the differences between them as of January 31, 2021.

Please note that the following table does not include financial instruments for which determination of fair value is recognized to be extremely difficult.

(Unit: thousands of yen)

	Carrying value on the Balance Sheet	Fair value	Difference
(1) Cash and deposits	2,490,107	2,490,107	—
(2) Cash and deposits in trust	1,932,211	1,932,211	—
Total of assets	4,422,318	4,422,318	—
(1) Current portion of long-term borrowings	10,550,000	10,550,000	—
(2) Investment corporation bonds	2,700,000	2,716,940	16,940
(3) Long-term borrowings	50,185,000	50,618,726	433,726
Total of liabilities	63,435,000	63,885,667	450,667

The following table provides the carrying values of financial instruments on the Balance Sheet, their fair values and the differences between them as of July 31, 2021.

Please note that the following table does not include financial instruments for which determination of fair value is recognized to be extremely difficult.

(Unit: thousands of yen)

	Carrying value on the Balance Sheet	Fair value	Difference
(1) Cash and deposits	2,780,018	2,780,018	—
(2) Cash and deposits in trust	1,872,773	1,872,773	—
Total of assets	4,652,791	4,652,791	—
(1) Current portion of long-term borrowings	10,700,000	10,741,671	41,671
(2) Investment corporation bonds	2,700,000	3,071,210	371,210
(3) Long-term borrowings	50,035,000	50,047,456	12,456
Total of liabilities	63,435,000	63,860,338	425,338

(Note 1) Calculation method for fair value of financial instruments

**Assets**

(1) Cash and deposits and (2) Cash and deposits in trust

As these financial instruments are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

**Liabilities**

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

For those with floating interest rates, the interest rates should reflect market rates over the short term and their fair values are deemed to be approximately the same as the book values. Accordingly, the book values are presented as their fair values. For those with fixed interest rates, their fair values are calculated by discounting the total amount of principal and interest with the rate assumed as being applicable when similar borrowings are newly made for the period corresponding to the remaining period to their maturity.

(2) Investment corporation bonds

As investment corporation bonds are with fixed interest rates, their fair value is calculated by discounting the total amount of principal and interest with the rate that takes into account the remaining period to maturity of the relevant bonds and credit risk.

(Note 2) Carrying value of financial instruments for which determination of fair value is considered to be extremely difficult

	(Unit: thousands of yen)	
	11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
Leasehold and guarantee deposits (*)	11,464	11,588
Leasehold and guarantee deposits received (*)	74,089	78,890
Leasehold and guarantee deposits received in trust (*)	448,249	439,113
Total	533,803	529,592

(\*) Fair values of these financial instruments are not subject to disclosure, as they have no market value and their future cash flows are considered to be extremely difficult to reasonably estimate given the fact that, despite a predetermined period for each lease agreement, the actual deposit period cannot be calculated due to possible cancellation, renewal or extension of the agreement.

(Note 3) Amount of redemption of monetary claims scheduled to be due after closing date

11th fiscal period (January 31, 2021)

(Unit: thousands of yen)	
	Due in 1 year or less
Cash and deposits	2,490,107
Cash and deposits in trust	1,932,211
Total	4,422,318

12th fiscal period (July 31, 2021)

(Unit: thousands of yen)	
	Due in 1 year or less
Cash and deposits	2,780,018
Cash and deposits in trust	1,872,773
Total	4,652,791

(Note 4) Amount of repayment or redemption of borrowings and investment corporation bonds scheduled to be due after closing date

11th fiscal period (January 31, 2021)

	(Unit: thousands of yen)					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term borrowings	10,550,000	—	—	—	—	—
Investment corporation bonds	—	1,000,000	—	—	1,700,000	—
Long-term borrowings	—	10,385,000	11,450,000	12,500,000	10,900,000	4,950,000
Total	10,550,000	11,385,000	11,450,000	12,500,000	12,600,000	4,950,000

12th fiscal period (July 31, 2021)

	(Unit: thousands of yen)					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Current portion of long-term borrowings	10,700,000	—	—	—	—	—
Investment corporation bonds	—	1,000,000	—	—	1,700,000	—
Long-term borrowings	—	10,685,000	11,800,000	12,050,000	15,500,000	—
Total	10,700,000	11,685,000	11,800,000	12,050,000	17,200,000	—



### Note 8 – Schedule of Real Estate Owned

(Unit: thousands of yen)

Type of asset	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Accumulated depreciation		Net balance at end of period	Remarks
					Or accumulated amortization	Depreciation during the period		
Property, plant and equipment	Buildings	8,685,599	440,103	—	9,125,702	672,589	114,880	8,453,113 (Note 1)
	Structures	6,467	214	—	6,682	959	299	5,722 (Note 1)
	Machinery and equipment	9,312	—	—	9,312	1,230	335	8,082 —
	Tools, furniture and fixtures	28,590	7,810	—	36,400	10,466	3,208	25,934 (Note 1)
	Land	9,466,655	595,320	—	10,061,976	—	—	10,061,976 (Note 1)
	Buildings in trust	53,432,074	503,600	982,838	52,952,836	5,283,335	668,607	47,669,501 (Note 2)
	Structures in trust	23,742	357	995	23,105	6,845	1,100	16,259 (Note 2)
	Machinery and equipment in trust	604,492	—	18,857	585,635	117,805	15,758	467,829 (Note 2)
	Tools, furniture and fixtures in trust	115,361	42,003	5,734	151,630	46,920	13,793	104,710 (Note 2)
	Land in trust	53,453,128	521,149	1,101,688	52,872,589	—	—	52,872,589 (Note 2)
Total		125,825,426	2,110,560	2,110,114	125,825,871	6,140,150	817,982	119,685,721 —
Intangible Assets	Software	4,564	—	—	4,564	1,902	456	2,662 —
	Total	4,564	—	—	4,564	1,902	456	2,662 —

(Note 1) The increase is mainly due to the payment of real estate acquisition tax for 2 properties (accounted for as capital expenditures) and acquisition of 2 properties.

(Note 2) The increase is mainly due to the acquisition of a property, and the decrease is mainly due to the sale of 3 properties.

### Note 9 – Investment and Rental Properties

Samty Residential owns rental housing, etc. (including land) in major regional cities and other areas.

The following table provides the carrying value on the Balance Sheet, amount of increase (decrease) during the period and fair value of these investment and rental properties.

(Unit: thousands of yen)

	11th fiscal period	12th fiscal period
	(From August 1, 2020 to January 31, 2021)	(From February 1, 2021 to July 31, 2021)
Carrying value on the Balance Sheet		
Balance at beginning of period	111,791,728	120,350,019
Amount of increase (decrease) during the period	8,558,290	(664,298)
Balance at end of period	120,350,019	119,685,721
Fair value at end of period	127,561,000	129,211,000

(Note 1) The carrying value on the Balance Sheet is the acquisition cost less accumulated depreciation.

(Note 2) Of the increase (decrease) during the period, the amount of increase in the 11th fiscal period is mainly attributable to the acquisition of 16 properties (12,450,649 thousand yen), and the amount of decrease is mainly attributable to the transfer of 2 properties (3,290,961 thousand yen) and depreciation (819,431 thousand yen). The amount of increase in the 12th fiscal period is mainly attributable to the acquisition of 3 properties (1,895,283 thousand yen), and the amount of decrease is mainly attributable to the transfer of 3 properties (1,956,876 thousand yen) and depreciation (817,982 thousand yen).

(Note 3) The fair value at end of period is the appraisal value or the survey value determined by outside appraisers.

The income (loss) in the 12th fiscal period for the investment and rental properties is as presented in the “Statement of Income and Retained Earnings.”

## Note 10 – Statements of Income and Retained Earnings

**\*1. Breakdown of Revenues and Expenses Related to Real Estate Leasing Business**

(Unit: thousands of yen)

	11th fiscal period		12th fiscal period	
	(From August 1, 2020 to January 31, 2021)		(From February 1, 2021 to July 31, 2021)	
A. Real estate leasing business revenue				
Leasing business revenue				
Rent revenue	3,414,051		3,428,135	
Land rent revenue	137		98	
Common service fees	276,109	3,690,298	275,761	3,703,995
Other leasing business revenue				
Parking fees	134,016		135,504	
Utilities imbursement	20,010		26,743	
Other revenues	159,392	313,420	201,130	363,378
Total real estate leasing business revenue		4,003,718		4,067,374
B. Expenses related to leasing business				
Expenses related to leasing business				
Property management fees	205,804		212,880	
Utilities expenses	49,711		53,638	
Taxes and public dues	235,603		260,494	
Insurance expenses	8,363		8,342	
Repair expenses	159,008		198,163	
Depreciation	819,431		817,982	
Trust fees	28,861		28,192	
Other expenses related to leasing business	154,461		198,095	
Total expenses related to real estate leasing business		1,661,244		1,777,790
C. Income from real estate leasing business (A-B)		2,342,474		2,289,584

**\*2. Breakdown of Gain on Sale of Real Estate Properties**

(Unit: thousands of yen)

**11th fiscal period (From August 1, 2020 to January 31, 2021)****S-FORT Katahira**

Proceeds from sale of real estate properties	2,675,000
Cost of sale of real estate properties	2,210,367
Other expenses related to sale	123,927
Gain on sale of real estate properties	340,705

**S-FORT Miyamachi**

Proceeds from sale of real estate properties	1,160,000
Cost of sale of real estate properties	1,080,593
Other expenses related to sale	66,499
Gain on sale of real estate properties	12,906

**12th fiscal period (From February 1, 2021 to July 31, 2021)****S-FORT Aoi 1-Chome**

Proceeds from sale of real estate properties	1,150,000
Cost of sale of real estate properties	1,095,712
Other expenses related to sale	10,316
Gain on sale of real estate properties	43,970

**S-FORT Shizuoka Hondori**

Proceeds from sale of real estate properties	310,000
Cost of sale of real estate properties	286,257
Other expenses related to sale	5,363
Gain on sale of real estate properties	18,378

(Unit: thousands of yen)

### S-FORT Sagamihara

Proceeds from sale of real estate properties	627,000
Cost of sale of real estate properties	574,906
Other expenses related to sale	4,934
Gain on sale of real estate properties	47,159

## Note 11 – Balance Sheet

### \*1. Minimum Net Assets Designated in Article 67- 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousands of yen)

11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
50,000	50,000

## Note 12 – Cash Distributions

(Unit: yen)

Category	11th fiscal period (From August 1, 2020 to January 31, 2021)	12th fiscal period (From February 1, 2021 to July 31, 2021)
I. Unappropriated retained earnings	2,008,173,037	1,516,078,898
II. Addition of distributions in excess of earnings Deduction from unitholders' capital	122,745,600	232,705,200
III. Distribution amount [Distribution amount per unit]	2,130,786,900 [3,333]	1,748,485,500 [2,735]
Of which, distribution of earnings [Of which, distribution of earnings per unit]	2,008,041,300 [3,141]	1,515,780,300 [2,371]
Of which, distribution in excess of earnings [Of which, distribution in excess of earnings per unit]	122,745,600 [192]	232,705,200 [364]
IV. Retained earnings brought forward	131,737	298,598
Method for calculating distribution amount	<p>With regard to the distribution for the 11th fiscal period, pursuant to the distribution policy stipulated in its Articles of Incorporation, Samty Residential decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of distribution per investment unit of less than 1 yen, in application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, distribution per unit amounted to 3,141 yen.</p> <p>In addition, as part of its cash management, Samty Residential also decided to make a distribution in excess of earnings for the 11th fiscal period.</p> <p>Based on this decision, Samty Residential determined to distribute 122,745,600 yen, which is the amount almost equivalent to 15.0/100 of 819 million yen in depreciation for the fiscal period, as refund of capital contribution to unitholders. As a result, distribution in excess of earnings per unit amounted to 192 yen.</p> <p>The payout ratio (the ratio of total distribution, including distribution in excess of earnings, to net income and depreciation combined) stood at 75.4%.</p>	<p>With regard to the distribution for the 12th fiscal period, pursuant to the distribution policy stipulated in its Articles of Incorporation, Samty Residential decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of distribution per investment unit of less than 1 yen, in application of the special provision on taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, distribution per unit amounted to 2,371 yen.</p> <p>In addition, as part of its cash management, Samty Residential also decided to make a distribution in excess of earnings for the 12th fiscal period.</p> <p>Based on this decision, Samty Residential determined to distribute 232,705,200 yen, which is the amount almost equivalent to 28.5/100 of 817 million yen in depreciation for the fiscal period, as refund of capital contribution to unitholders. As a result, distribution in excess of earnings per unit amounted to 364 yen.</p> <p>The payout ratio (the ratio of total distribution, including distribution in excess of earnings, to net income and depreciation combined) stood at 74.9%.</p>

(Note) For the determination of making distribution in excess of earnings for the 12th fiscal period, please refer to (Note 1) and (Note 2) for iv) Overview of Performance and Distributions, (2) 12th Fiscal Period Asset Management Review, 1. Overview of Asset Management.

## Note 13 – Schedule of Borrowings

(Unit: thousands of yen)

	Category	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 3)	Repayment date	Use of funds	Remarks
	Lender								
Current portion of long-term borrowings	The Bank of Fukuoka, Ltd.	1,000,000	—	1,000,000	—	0.982% (Note 1)	June 30, 2021 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Tokyo Star Bank, Limited	500,000	—	500,000	—				
	Sumitomo Mitsui Banking Corporation	400,000	—	400,000	—				
	Aozora Bank, Ltd.	100,000	—	100,000	—				
	Sumitomo Mitsui Banking Corporation	520,000	—	520,000	—	0.682% (Note 1)	July 31, 2021 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	550,000	—	550,000	—				
	The Kagawa Bank, Ltd.	500,000	—	500,000	—				
	Shinsei Bank, Ltd.	500,000	—	500,000	—				
	The Tochigi Bank, Ltd.	300,000	—	300,000	—				
	The Juhachi-Shinwa Bank, Ltd.	240,000	—	240,000	—				
	The Ashikaga Bank, Ltd.	200,000	—	200,000	—				
	The Kagoshima Bank, Ltd.	150,000	—	150,000	—				
	The Kumamoto Bank, Ltd.	140,000	—	140,000	—				
	San ju San Bank, Ltd.	100,000	—	100,000	—				
	Sumitomo Mitsui Banking Corporation	810,000	—	—	810,000	0.732% (Note 1)	January 31, 2022 (Note 5)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	540,000	—	—	540,000				
	Resona Bank, Ltd.	1,000,000	—	—	1,000,000				
	The Juhachi-Shinwa Bank, Ltd.	660,000	—	—	660,000				
	Shinsei Bank, Ltd.	500,000	—	—	500,000				
	The Hyakugo Bank, Ltd.	500,000	—	—	500,000				
	The Minato Bank, Ltd.	500,000	—	—	500,000				
	The Kumamoto Bank, Ltd.	440,000	—	—	440,000				
	The Tochigi Bank, Ltd.	300,000	—	—	300,000				
	San ju San Bank, Ltd.	100,000	—	—	100,000				
	Sumitomo Mitsui Banking Corporation	—	60,000	—	60,000	0.995% (Note 2)	July 31, 2022 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	—	20,000	—	20,000				
	Aozora Bank, Ltd.	—	1,000,000	—	1,000,000				
	The Higo Bank, Ltd.	—	1,000,000	—	1,000,000				
	Fukoku Mutual Life Insurance Company	—	800,000	—	800,000				
	The Kagawa Bank, Ltd.	—	500,000	—	500,000				
	Shinsei Bank, Ltd.	—	500,000	—	500,000				
	The Dai-ichi Life Insurance Company, Limited	—	500,000	—	500,000				
	The Hyakugo Bank, Ltd.	—	500,000	—	500,000				
	The Oita Bank, Ltd.	—	300,000	—	300,000				
	The Kagoshima Bank, Ltd.	—	150,000	—	150,000				
	The Kumamoto Bank, Ltd.	—	20,000	—	20,000				
	Subtotal of current portion of long-term borrowings	10,550,000	5,350,000	5,200,000	10,700,000				

	Category	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 3)	Repayment date	Use of funds	Remarks
	Lender								
Long-term borrowings	Sumitomo Mitsui Banking Corporation	600,000	—	—	600,000	0.882% (Note 1)	January 31, 2023 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	350,000	—	—	350,000				
	Aozora Bank, Ltd.	250,000	—	—	250,000				
	The Kagawa Bank, Ltd.	250,000	—	—	250,000				
	The Shizuoka Bank, Ltd.	250,000	—	—	250,000				
	Resona Bank, Ltd.	200,000	—	—	200,000				
	Shinsei Bank, Ltd.	150,000	—	—	150,000				
	The Chiba Bank, Ltd.	150,000	—	—	150,000				
	The Juhachi-Shinwa Bank, Ltd.	100,000	—	—	100,000				
	The Kumamoto Bank, Ltd.	50,000	—	—	50,000				
	The Hiroshima Bank, Ltd.	150,000	—	—	150,000	1.099% (Note 2)	January 31, 2023 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	60,000	—	60,000	—	0.995% (Note 2)	July 31, 2022 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	20,000	—	20,000	—				
	Aozora Bank, Ltd.	1,000,000	—	1,000,000	—				
	The Higo Bank, Ltd.	1,000,000	—	1,000,000	—				
	Fukoku Mutual Life Insurance Company	800,000	—	800,000	—				
	The Kagawa Bank, Ltd.	500,000	—	500,000	—				
	Shinsei Bank, Ltd.	500,000	—	500,000	—				
	The Dai-ichi Life Insurance Company, Limited	500,000	—	500,000	—				
	The Hyakugo Bank, Ltd.	500,000	—	500,000	—				
	The Oita Bank, Ltd.	300,000	—	300,000	—				
	The Kagoshima Bank, Ltd.	150,000	—	150,000	—				
	The Kumamoto Bank, Ltd.	20,000	—	20,000	—				

## II. Financial Section

	Category	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 3)	Repayment date	Use of funds	Remarks
	Lender								
Long-term borrowings	Sumitomo Mitsui Banking Corporation	100,000	—	—	100,000	1.476% (Note 2)	January 31, 2025 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	100,000	—	—	100,000				
	Aozora Bank, Ltd.	500,000	—	—	500,000				
	The Higo Bank, Ltd.	500,000	—	—	500,000				
	Fukoku Mutual Life Insurance Company	300,000	—	—	300,000				
	Sumitomo Mitsui Banking Corporation	600,000	—	—	600,000	0.782% (Note 1)	July 31, 2023 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	350,000	—	—	350,000				
	Aozora Bank, Ltd.	250,000	—	—	250,000				
	The Kagawa Bank, Ltd.	250,000	—	—	250,000				
	Resona Bank, Ltd.	200,000	—	—	200,000				
	Shinsei Bank, Ltd.	150,000	—	—	150,000				
	The Chiba Bank, Ltd.	150,000	—	—	150,000				
	The Juhachi-Shinwa Bank, Ltd.	100,000	—	—	100,000				
	The Kumamoto Bank, Ltd.	50,000	—	—	50,000				
	The Hiroshima Bank, Ltd.	150,000	—	—	150,000				
	The Shizuoka Bank, Ltd.	250,000	—	—	250,000	0.958% (Note 2)	July 31, 2023 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000	0.782% (Note 1)	January 31, 2024 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.	500,000	—	—	500,000				
	Mizuho Bank, Ltd.	460,000	—	—	460,000				
	Shinsei Bank, Ltd.	400,000	—	—	400,000				
	Resona Bank, Ltd.	300,000	—	—	300,000				
	Shinsei Bank, Ltd.	600,000	—	—	600,000	1.318% (Note 2)	July 31, 2025 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	350,000	—	—	350,000				
	Mizuho Bank, Ltd.	250,000	—	—	250,000				
	Resona Bank, Ltd.	100,000	—	—	100,000				
	The Bank of Fukuoka, Ltd.	350,000	—	—	350,000				
	Mizuho Bank, Ltd.	290,000	—	—	290,000	0.782% (Note 1)	January 31, 2024 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Shinsei Bank, Ltd.	200,000	—	—	200,000	0.932% (Note 1)	January 30, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,250,000	—	—	1,250,000				
	Sumitomo Mitsui Banking Corporation	1,300,000	—	—	1,300,000	0.732% (Note 1)	July 31, 2024 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	1,300,000	—	—	1,300,000				
	Aozora Bank, Ltd.	500,000	—	—	500,000				
	The Kagawa Bank, Ltd.	500,000	—	—	500,000				
	Resona Bank, Ltd.	400,000	—	—	400,000				
	Shinsei Bank, Ltd.	400,000	—	—	400,000				
	The Juhachi-Shinwa Bank, Ltd.	400,000	—	—	400,000				
	The Kumamoto Bank, Ltd.	200,000	—	—	200,000				
	The Bank of Saga Ltd.	500,000	—	—	500,000	0.632% (Note 1)	July 31, 2023 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Resona Bank, Ltd.	400,000	—	—	400,000				
	Aozora Bank, Ltd.	350,000	—	—	350,000				
	Shinsei Bank, Ltd.	350,000	—	—	350,000				
	The Bank of Fukuoka, Ltd.	300,000	—	—	300,000				
	San ju San Bank, Ltd.	300,000	—	—	300,000				
	Sumitomo Mitsui Banking Corporation	300,000	—	—	300,000				
	The Kagawa Bank, Ltd.	250,000	—	—	250,000				
	The Juhachi-Shinwa Bank, Ltd.	200,000	—	—	200,000				
	The Oita Bank, Ltd.	100,000	—	—	100,000				
	The Kumamoto Bank, Ltd.	100,000	—	—	100,000	1.087% (Note 2)	July 31, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	600,000	—	—	600,000				
	The Bank of Fukuoka, Ltd.	450,000	—	—	450,000				
	Aozora Bank, Ltd.	400,000	—	—	400,000				
	Shinsei Bank, Ltd.	300,000	—	—	300,000				
	The Juhachi-Shinwa Bank, Ltd.	300,000	—	—	300,000	0.572% (Note 2)	January 31, 2023 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Kumamoto Bank, Ltd.	200,000	—	—	200,000				
	Resona Bank, Ltd.	200,000	—	—	200,000				
	The Bank of Fukuoka, Ltd.	835,000	—	—	835,000				
	The Higo Bank, Ltd.	700,000	—	—	700,000				
	Kansai Mirai Bank, Limited	700,000	—	—	700,000	0.673% (Note 2)	January 31, 2024 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.	300,000	—	—	300,000				
	Shinsei Bank, Ltd.	1,400,000	—	—	1,400,000	0.783% (Note 2)	January 31, 2025 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Resona Bank, Ltd.	400,000	—	—	400,000				
	The Nishi-Nippon City Bank, Ltd.	2,500,000	—	—	2,500,000				
	Mizuho Bank, Ltd.	2,500,000	—	—	2,500,000	0.864% (Note 2)	July 31, 2025 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Nishi-Nippon City Bank, Ltd.	500,000	—	—	500,000	0.907% (Note 2)	July 31, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed



	Category	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 3)	Repayment date	Use of funds	Remarks
	Lender								
Long-term borrowings	Resona Bank, Ltd.	900,000	—	—	900,000	0.750% (Note 2)	January 31, 2025 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Shinsei Bank, Ltd.	725,000	—	—	725,000				
	Sumitomo Mitsui Banking Corporation	500,000	—	—	500,000				
	The Bank of Fukuoka, Ltd.	375,000	—	—	375,000				
	Sumitomo Mitsui Banking Corporation	1,075,000	—	—	1,075,000	0.863% (Note 2)	January 30, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.	900,000	—	—	900,000				
	The Bank of Fukuoka, Ltd.	775,000	—	—	775,000				
	Mizuho Bank, Ltd.	725,000	—	—	725,000				
	The Kagawa Bank, Ltd.	625,000	—	—	625,000	0.532% (Note 1)	January 31, 2024 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Kansai Mirai Bank, Limited	1,000,000	—	—	1,000,000				
	San ju San Bank, Ltd.	500,000	—	—	500,000				
	The Bank of Saga Ltd.	500,000	—	—	500,000				
	Shinsei Bank, Ltd.	1,000,000	—	—	1,000,000	0.711% (Note 2)	July 31, 2025 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Aozora Bank, Ltd.	500,000	—	—	500,000				
	Resona Bank, Ltd.	250,000	—	—	250,000				
	The Nishi-Nippon City Bank, Ltd.	1,000,000	—	—	1,000,000				
	Mizuho Bank, Ltd.	1,000,000	—	—	1,000,000	0.829% (Note 2)	July 31, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	—	920,000	—	920,000				
	The Bank of Fukuoka, Ltd.	—	1,550,000	—	1,550,000				
	The Bank of Yokohama, Ltd.	—	1,250,000	—	1,250,000	0.614% (Note 2)	July 31, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed
	The Kagawa Bank, Ltd.	—	600,000	—	600,000				
	Shinsei Bank, Ltd.	—	500,000	—	500,000				
	The Juhachi-Shinwa Bank, Ltd.	—	240,000	—	240,000				
	The Kumamoto Bank, Ltd.	—	140,000	—	140,000	0.757% (Note 1)	July 31, 2026 (Note 4)	(Note 6)	Unsecured Unguaranteed
	Subtotal of long-term borrowings	50,185,000	5,200,000	5,350,000	50,035,000				
	Total	60,735,000	10,550,000	10,550,000	60,735,000				

(Note 1) These loans are with floating interest rates.

(Note 2) These loans are with fixed interest rates.

(Note 3) The interest rate is an average figure during the fiscal period and is rounded off to the third decimal place.

(Note 4) If the repayment date is not a business day, the immediately preceding business day shall be the repayment date.

(Note 5) If the repayment date is not a business day, the immediately following business day shall be the repayment date.

(Note 6) The funds are appropriated for part of acquiring real estate or trust beneficiary interests in real estate, including part of accompanying expenses, and repaying borrowings.

(Unit: thousands of yen)

	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-term borrowings	10,685,000	11,800,000	12,050,000	15,500,000	—

## Note 14 – Schedule of Investment Corporation Bonds

(Unit: thousands of yen)

Name	Issue date	Balance at beginning of period	Decrease during the period	Balance at end of period	Coupon rate	Redemption date	Use of funds	Security
Second Series Unsecured Investment Corporation Bonds (offering limited to qualified institutional investors)	February 1, 2018	1,000,000	—	1,000,000	1.05424%	January 31, 2023	Property acquisition	Unsecured
First Series Unsecured Investment Corporation Bonds (with pari passu conditions among specified investment corporation bonds)	December 16, 2020	1,700,000	—	1,700,000	0.58000%	December 16, 2025	Refinance of existing borrowings	Unsecured
Total		2,700,000	—	2,700,000				

(Note) The total amount of redemption of investment corporation bonds for each year during the five years after the Balance Sheet date is as follows.

(Unit: thousands of yen)

	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Investment corporation bonds	—	1,000,000	—	—	1,700,000

### Note 15 – Tax Effect Accounting

#### 1. Breakdown of Primary Components of Deferred Tax Assets and Deferred Tax Liabilities

(Unit: thousands of yen)

	11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
Deferred tax assets		
Accrued business taxes not deductible from taxable income	7	17
Total deferred tax assets	7	17
Deferred tax assets, net	7	17

#### 2. Breakdown of Main Items Resulting in Differences between the Statutory Tax Rate and the Effective Tax Rate after Applying Tax Effect Accounting

(Unit: %)

	11th fiscal period (as of January 31, 2021)	12th fiscal period (as of July 31, 2021)
Statutory tax rate	31.46	31.46
(Adjustment)		
Deductible distributions	(31.45)	(31.44)
Other	0.03	0.04
Effective tax rate after applying tax effect accounting	0.04	0.06

### Note 16 – Per Unit Information

(Unit: yen)

	11th fiscal period (From August 1, 2020 to January 31, 2021)	12th fiscal period (From February 1, 2021 to July 31, 2021)
Net assets per unit	94,686	93,724
Net income per unit	3,143	2,371

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units for the fiscal period.

The amount of diluted net income per unit is not presented as there are no dilutive investment units.

(Note 2) Net income per unit was calculated based on the following data:

	11th fiscal period (From August 1, 2020 to January 31, 2021)	12th fiscal period (From February 1, 2021 to July 31, 2021)
Net income (thousands of yen)	2,007,791	1,515,947
Amounts not attributable to ordinary unitholders (thousands of yen)	—	—
Net income attributable to ordinary investment units (thousands of yen)	2,007,791	1,515,947
Average number of investment units during the period (units)	638,792	639,300

## Note 17 – Segment Information

### 1. Segment Information

Disclosure is omitted as Samty Residential has a single business segment of real estate leasing business.

### 2. Related Information

#### 11th fiscal period (From August 1, 2020 to January 31, 2021)

##### (1) Information by Product and Service

Disclosure is omitted as Samty Residential's operating revenue under single product/service category for outside customers exceed 90% of operating revenue recorded in the Statement of Income and Retained Earnings.

##### (2) Information by Region

###### i) Operating revenue

Disclosure is omitted as Samty Residential's operating revenue for outside customers in Japan exceed 90% of operating revenue recorded in the Statement of Income and Retained Earnings.

###### ii) Property, plant and equipment

Disclosure is omitted as the amount of Samty Residential's property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment recorded on the Balance Sheet.

##### (3) Information by Major Customer

Disclosure is omitted as Samty Residential's operating revenue for a single outside customer is less than 10% of operating revenue recorded in the Statement of Income and Retained Earnings.

#### 12th fiscal period (From February 1, 2021 to July 31, 2021)

##### (1) Information by Product and Service

Disclosure is omitted as Samty Residential's operating revenue under single product/service category for outside customers exceed 90% of operating revenue recorded in the Statement of Income and Retained Earnings.

##### (2) Information by Region

###### i) Operating revenue

Disclosure is omitted as Samty Residential's operating revenue for outside customers in Japan exceed 90% of operating revenue recorded in the Statement of Income and Retained Earnings.

###### ii) Property, plant and equipment

Disclosure is omitted as the amount of Samty Residential's property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment recorded on the Balance Sheet.

##### (3) Information by Major Customer

Disclosure is omitted as Samty Residential's operating revenue for a single outside customer is less than 10% of operating revenue recorded in the Statement of Income and Retained Earnings.

### Note 18 – Significant Subsequent Events

#### Issuance of New Investment Units through Public Offering and Third-Party Allotment

At its Board of Directors' meetings held on July 12, 2021, and July 19, 2021, Samty Residential resolved to issue new investment units through public offering and third-party allotment in order to fund the acquisition of specified assets. The payments were completed on August 2, 2021, for the new investment units issued through public offering and on August 24, 2021, for those issued through third-party allotment. As a result, unitholders' capital, net was 74,381,947,758 yen as of August 24, 2021, with the total number of investment units issued and outstanding at 769,626 units.

(Issuance of new investment units through public offering)

Number of new investment units issued	: 57,868 units
Issue price (offer price)	: 124,675 yen per unit
Total issue price (total offer price)	: 7,214,692,900 yen
Paid-in amount (issue amount)	: 120,199 yen per unit
Total paid-in amount (total issue amount)	: 6,955,675,732 yen
Payment date	: August 2, 2021

(Issuance of new investment units through third-party allotment with Daiwa Securities Group Inc. and Samty Co., Ltd. as the allottees)

Number of new investment units issued	: 70,339 units
Paid-in amount (issue amount)	: 124,675 yen per unit
Total paid-in amount (total issue amount)	: 8,769,514,825 yen
Payment date	: August 2, 2021
Allottees and number of investment units allotted	: Daiwa Securities Group Inc. 52,634 units
	: Samty Co., Ltd. 17,705 units

(Issuance of new investment units through third-party allotment with Daiwa Securities Co. Ltd. as the allottee)

Number of new investment units issued	: 2,119 units
Paid-in amount (issue amount)	: 120,199 yen per unit
Total paid-in amount (total issue amount)	: 254,701,681 yen
Payment date	: August 24, 2021
Allottee	: Daiwa Securities Co. Ltd.

# Independent Auditor's Report



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## Independent Auditor's Report

The Board of Directors  
Samty Residential Investment Corporation

### Opinion

We have audited the accompanying financial statements of Samty Residential Investment Corporation (the Company), which comprise the balance sheet as at July 31, 2021, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management, the Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.





Ernst & Young ShinNihon LLC  
Tokyo, Japan

October 27, 2021

新居 幹也

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Mikiya Arai  
Designated Engagement Partner  
Certified Public Accountant

齋 木 夏生

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Natsuki Saiki  
Designated Engagement Partner  
Certified Public Accountant

