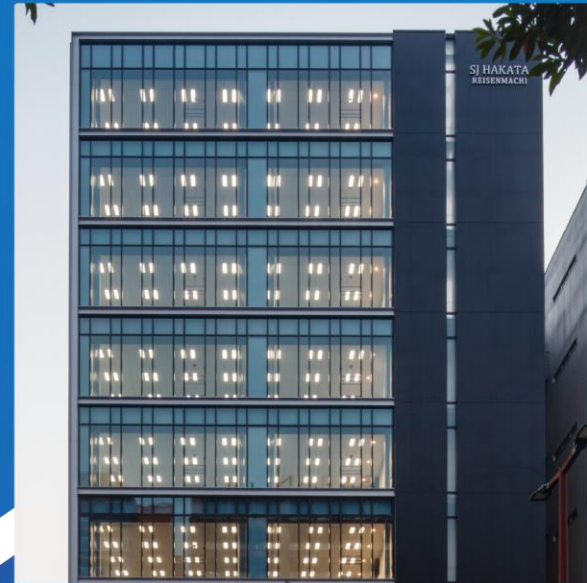
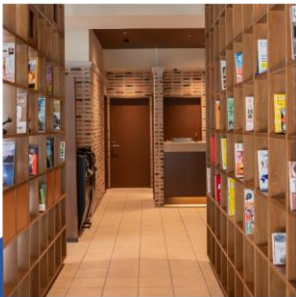




Takara Leben Real Estate  
Investment Corporation

# August 2023 Fiscal Period (11th Fiscal Period) Presentation Material



Securities Code: 3492

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## Overview

Name	Takara Leben Real Estate Investment Corporation	
Securities Code	3492	
Listed	July 27, 2018	
Fiscal Closing	February, August	
Asset Size (As of August 31, 2023)	132,168 million JPY (Acquisition price basis)	
Portfolio Management Standards (Target investment ratios)	Usage	Residence/office: No less than 70% Hotel/retail and other assets: No more than 30%
	Areas	Core areas: No less than 70% Sub-areas: No more than 30%
Asset Management Company	Takara PAG Real Estate Advisory Ltd.	
Asset Management Company Sponsors	MIRARTH Holdings, Inc. (60%)* PAG Real Estate Holding Limited (30%) Kyoritsu Maintenance Co., Ltd. (5%) YAMADA HOLDINGS CO., LTD. (5%)	

\*The name was changed from Takara Leben Co., Ltd. as the organization changed to a holding company structure as of October 1, 2022.

## Features

### 1 Achieving both steady growth and stable management

While leveraging the advantages of a diversified REIT that can **acquire assets in a timely manner**, the portfolio currently consists mainly of Sponsor-supplied residential properties

Expanding asset size	At the time of listing 64.3 billion JPY	End of 11th FP <b>132.1</b> billion JPY
Improving stability	At the time of listing Office: Approx. <b>80%</b> Residence: Approx. <b>10%</b>	End of 11th FP Residence: <b>More than 37%</b> Office: Under <b>34%</b>

### 2 Broad sponsor support

<b>MIRARTH HOLDINGS Group</b>  <ul style="list-style-type: none"> <li>Stable property incorporation by leveraging group development capabilities</li> <li>Human resources support for the Asset Management Company</li> <li>PM operational support through group subsidiaries</li> </ul>	<b>PAG Real Estate Holding</b>
	<ul style="list-style-type: none"> <li>Human resources support for the Asset Management Company</li> </ul>
	<b>Kyoritsu Maintenance</b>
	<ul style="list-style-type: none"> <li>Tenants (two hotel properties)</li> </ul>
	<b>YAMADA HOLDINGS</b>
	<ul style="list-style-type: none"> <li>Tenants (three retail properties)</li> <li>Overall retail property management advice</li> </ul>

### 3 Strengths of the Asset Management Company

- Expanding opportunities to acquire properties from non-sponsors by fully utilizing the proprietary information network and sourcing capability of the Asset Management Company

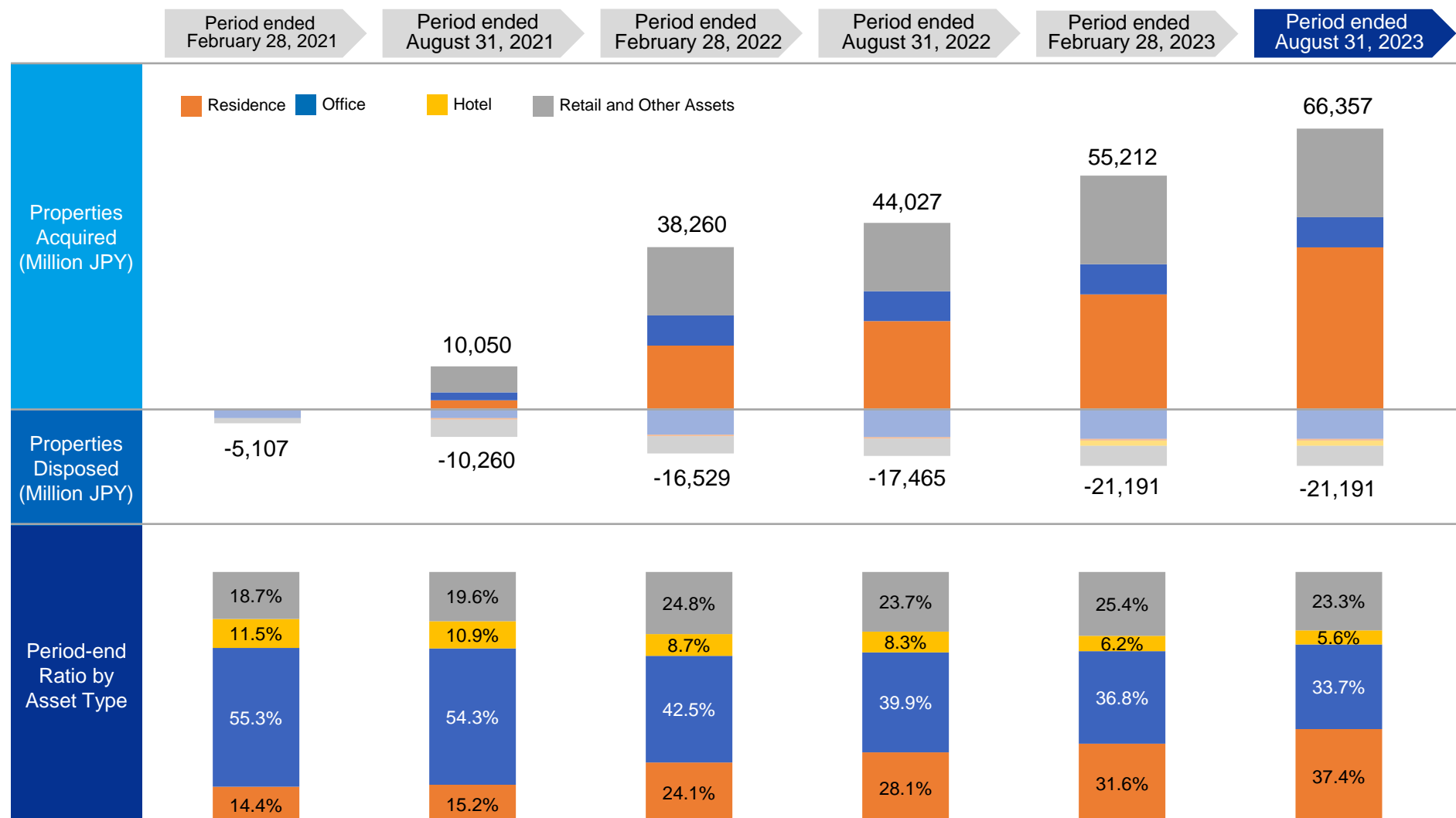
	Initial Targets/Plan	Results for the Period
Distributions	2,600 JPY per unit	2,617 JPY per unit (+17 JPY vs. forecast)
External Growth	<ul style="list-style-type: none"> <li>• Improve earnings stability from acquisition of high-quality properties</li> <li>• Increase acquisition opportunities by utilizing the Asset Management Company's proprietary network</li> <li>• Leverage sponsor pipeline to secure acquisition opportunities (Continuous acquisition of properties via MIRARTH HOLDINGS Group)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Acquired 8 residential properties</b> through public offering at the beginning of the period</li> <li>• Acquired 1 residential property <b>with cash on hand</b> during the period</li> <li>• While leveraging the advantages of our status as a diversified REIT, <b>arranged portfolio assets toward residential properties</b> centering on high-quality sponsor-provided residential properties</li> </ul>
Internal Growth	<ul style="list-style-type: none"> <li>• Promote flexible leasing activities in response to changes in the market environment or the needs of tenants</li> <li>• Strengthen acquisition of key money/renewal fees for residential properties</li> <li>• Diversify proportion of upper tenants with the aim of reducing risk</li> <li>• Improve revenues and expenses by optimizing tenant burden of utilities expenses for office properties</li> </ul>	<ul style="list-style-type: none"> <li>• Overall occupancy rate <b>remained stable at a high level (98% range) throughout the period</b></li> <li>• Increased key money acquisition rate and renewal fee income from residential properties</li> <li>• <b>Eliminated the loss margin of utilities expenses</b> by revising the unit prices of electricity usage fees billed to tenants, mainly at office properties, and by changing electric power company</li> <li>• ACCESS by LOISIR HOTEL Nagoya KPIs generally recovered to pre-pandemic levels, <b>rents continued to be on a recovery trend</b></li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Extend borrowing periods, fix interest rates and level off maturity ladder</li> <li>• Alongside expanding asset size, use capital increases to improve liquidity in investment units and enhance procurement foundations</li> </ul>	<ul style="list-style-type: none"> <li>• Procured equity through public offering (4.1 billion JPY) + OA third-party allotment (0.3 billion JPY) at the beginning of the period</li> <li>• Concurrent bank loans (4.0 billion JPY)</li> <li>• Borrowed 3.6 billion JPY (green loans) at fixed interest rates for the refinancing of 6.0 billion JPY during the period, maintaining the ratio of fixed interest rate above 90%</li> </ul>
ESG	<ul style="list-style-type: none"> <li>• Proactively consider new ESG-related initiatives</li> <li>• Continue working to obtain additional external evaluation</li> <li>• Further promote installation of LEDs at owned properties</li> <li>• Procure funds through green finance</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reinforced ESG management</b> with the restructuring of the MIRARTH HOLDINGS Group</li> <li>• Acquired CASBEE Evaluation for 5 residential properties</li> <li>• <b>Procured funds</b> through first <b>green loans</b></li> </ul>



## **I. Recent Initiatives and Achievements**

## Property Acquisitions and Dispositions Since the 6th Fiscal Period (ended February 28, 2021)

- ◆ Shift to a stable portfolio centered on residential assets through flexible property replacement in response to market conditions
- ◆ Achieving steady external growth by actively acquiring properties during the pandemic





## Reducing Portfolio Potential Downside Risk

- ◆ Future-minded disposition of properties with high near-term yields but high downside risk or a lack of earnings stability
- ◆ Proactively acquiring high-quality properties with stable earnings, mainly residential assets, to improve portfolio quality

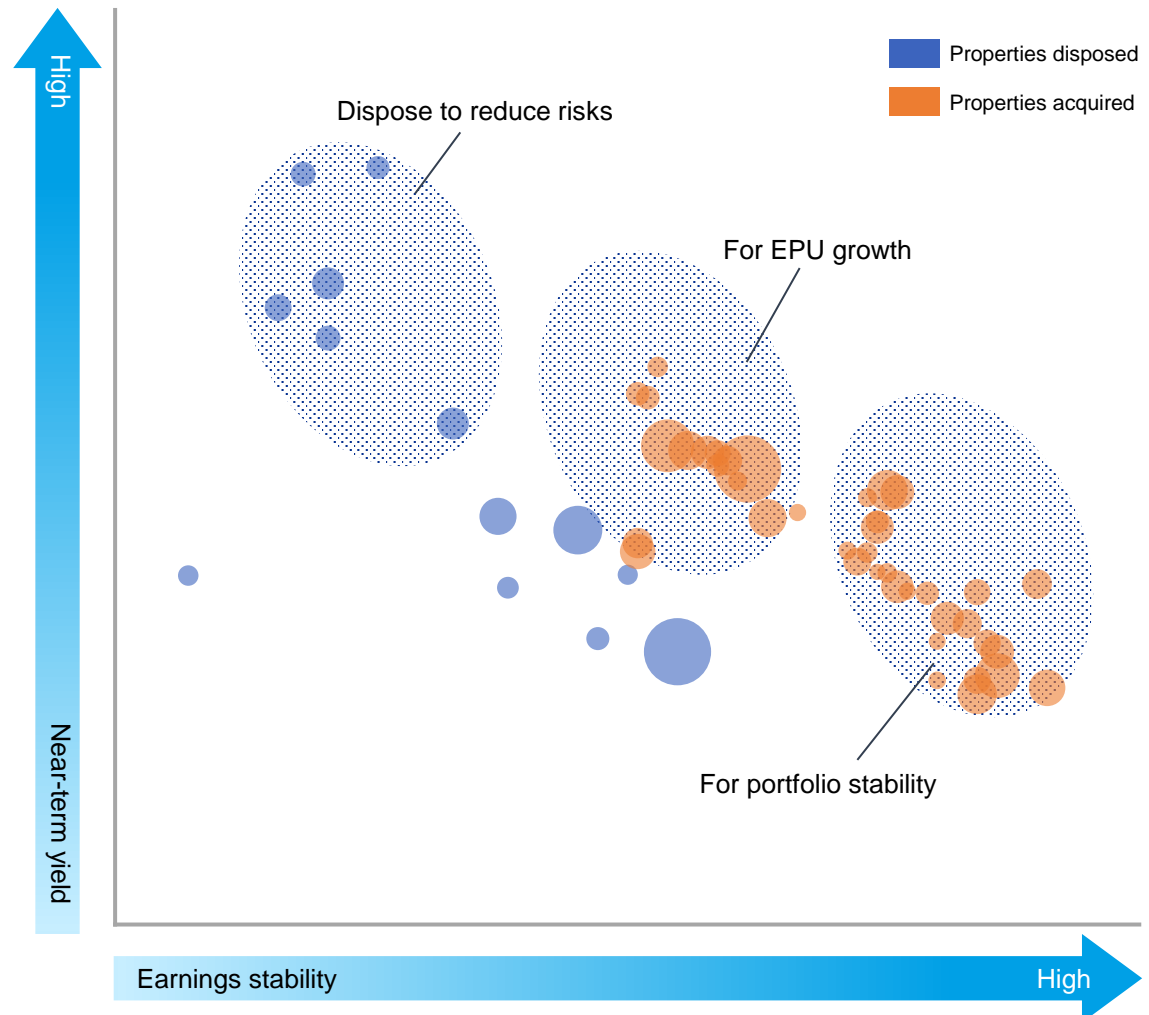
### Asset Replacement Policy and External Growth Strategy

- In parallel with acquiring high-quality residential properties developed/owned by the sponsor, selectively acquiring non-residential assets promising reasonable yields
- Disposition centered on properties with increased leasing risk and properties expecting lower yields due to increased repair expenses and other costs

Balancing improvement of portfolio quality and EPU growth

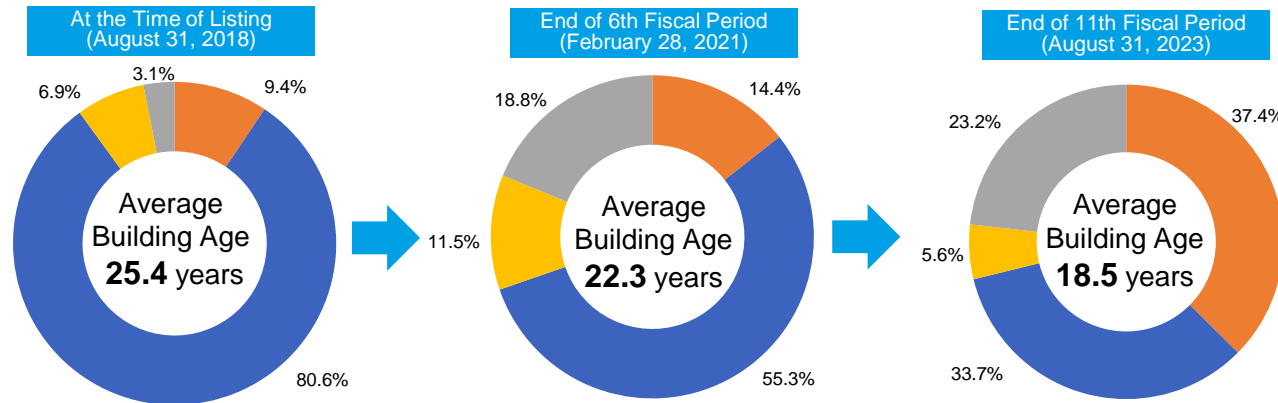
\* Near-term yield refers to the NOI yield calculated based on the operating conditions in the 11th Fiscal Period (for properties disposed, the fiscal period prior to the disposition), and earnings stability is calculated by taking into account points such as location, building age, and leasing risk. The size of each target asset's circle represents its scale (acquisition price).

- Asset Replacement Since the 6th Fiscal Period (ended February 28, 2021)



## Ratio by Asset Type and Average Building Age (acquisition price basis)

- ◆ Although office properties comprised the majority of the portfolio at the time of listing, stable cash flow has been generated through an increase in the residential asset ratio
- ◆ Rejuvenation in average building age through the acquisition of newer properties developed by MIRARTH HOLDINGS Group



\*Three public offerings have been conducted since the 8th Fiscal Period, after suspending financing during the 6th and 7th periods due to COVID-19

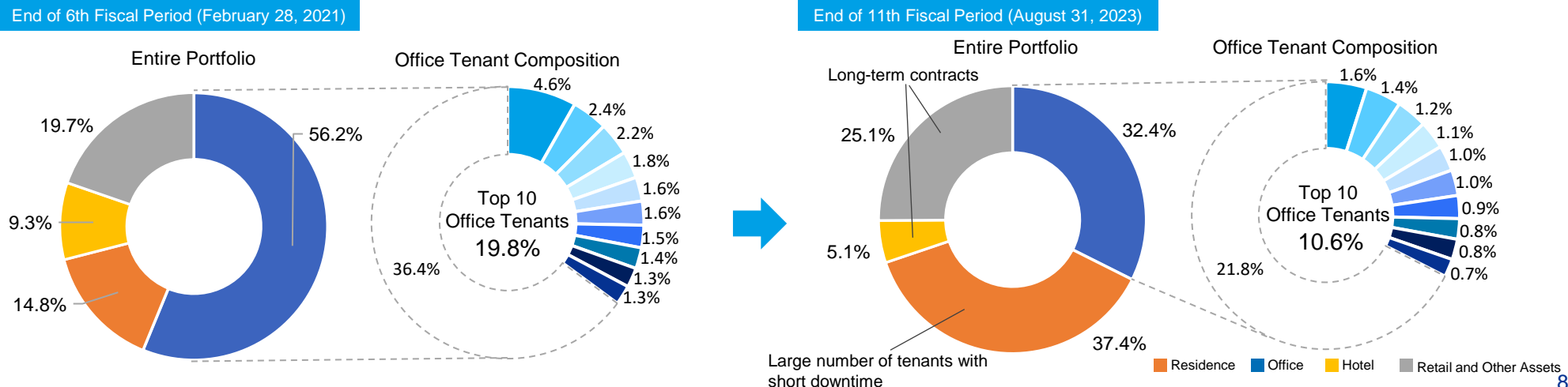
Building a portfolio with improved quality and stability through increased opportunities to acquire properties, mainly residential properties from the sponsor, which was also the premise for the change in accounting policy in the previous fiscal period

(Change in accounting policy)

Before change	Non-deductible consumption taxes for property, plant and equipment were recorded as long-term prepaid expenses and are amortized equally over 5 years
After change	Non-deductible consumption taxes for property, plant and equipment were included in the cost of acquisition for individual non-current assets

## Tenant Diversification (rent basis)

- ◆ Tenant diversification achieved by backfilling space after large office tenants move out
- ◆ This, along with the effect of acquisition of residential properties through public offering, has reduced the risk of large tenants moving out, and enhanced earnings stability







## **II. Overview of the 11th Fiscal Period**

	10th FP Results A	11th FP Forecast B	11th FP Results C	(Unit: million JPY)	
				10th FP vs. 11th FP C-A	Results vs. Forecast C-B
Operating Revenues	3,612	3,775	3,886	+273	+111
Operating Income	2,092	2,161	2,258	+166	+97
Ordinary Income	1,743	1,782	1,886	+143	+104
Net Income	1,717	1,756	1,860	+143	+104
Retained Earnings (reversal/retainment)	12	41	-51	-64	-92
Total Amount of Distributions	1,730	1,797	1,809	+78	+11
Number of Investment Units Issued and Outstanding	638,600 units	691,335 units	691,335 units	+52,735 units	-
EPU (Earnings Per Unit)	2,689 JPY	2,540 JPY	2,691 JPY	+2 JPY	+151 JPY
DPU (Distributions per Unit)	2,710 JPY	2,600 JPY	2,617 JPY	-93 JPY	+17 JPY

(Unit: million JPY)	
10th FP vs. 11th FP Major Factors (C-A)	
<b>Net Income +143</b>	
+195	Income from leasing properties acquired in 11th FP
+133	Income from leasing existing property (NT Building +88, HAKATA REISENMACHI Building +46, ACCESS by LOISIR HOTEL Nagoya +11)
-137	Absence of gain on sales of real estate properties recorded in 10th FP
-24	Increase in SG&A (Increase in management fees -14, other -10)
-26	Increase in costs due to new borrowings
11th FP Results vs. Forecast Major Factors (C-B)	
<b>Net Income +104</b>	
+90	Income from leasing business (Residence total +36, Higashi-Ikebukuro Central Place +24, Nagoya Center Plaza Building +10, ACCESS by LOISIR HOTEL Nagoya +19)
+7	Income from insurance claims

(Note) Amounts are rounded down to the nearest million JPY, so totals may not add up.

(Unit: million JPY)			
	10th FP	11th FP	Difference
Current Assets	9,965	7,282	-2,682
Cash and Deposits	9,645	6,903	-2,742
Other	319	379	+60
Non-Current Assets	123,772	135,273	+11,501
Property, Plant and Equipment	123,395	134,900	+11,504
Intangible Assets	1	1	0
Investments and Other Assets	374	372	-2
Deferred Assets	37	47	+10
Total Assets	133,774	142,604	+8,830

(Unit: million JPY)			
	10th FP	11th FP	Difference
Current Liabilities	6,801	10,416	+3,615
Current Portion of Long-Term Loans Payable	6,000	9,550	+3,550
Other	801	871	+69
Non-Current Liabilities	61,203	61,790	+586
Long-Term Loans Payable	57,080	57,600	+520
Other	4,123	4,190	+66
Total Liabilities	68,005	72,207	+4,201
Net Assets	65,769	70,397	+4,628
Total Liabilities and Net Assets	133,774	142,604	+8,830

(Unit: million JPY)	
Major Factors	
Cash and Deposits	-2,742
New Borrowings	+4,070
Capital Increase	+4,497
Property Acquisition	-11,636
Property, Plant and Equipment	+11,504
Property Acquisition	+11,636

(Unit: million JPY)	
Major Factors	
Total Liabilities	+4,201
New Borrowings	+4,070
Net Assets	+4,628
Capital Increase	+4,497

(Note) Amounts are rounded down to the nearest million JPY, so totals may not add up.

## Property Acquisitions During the Period

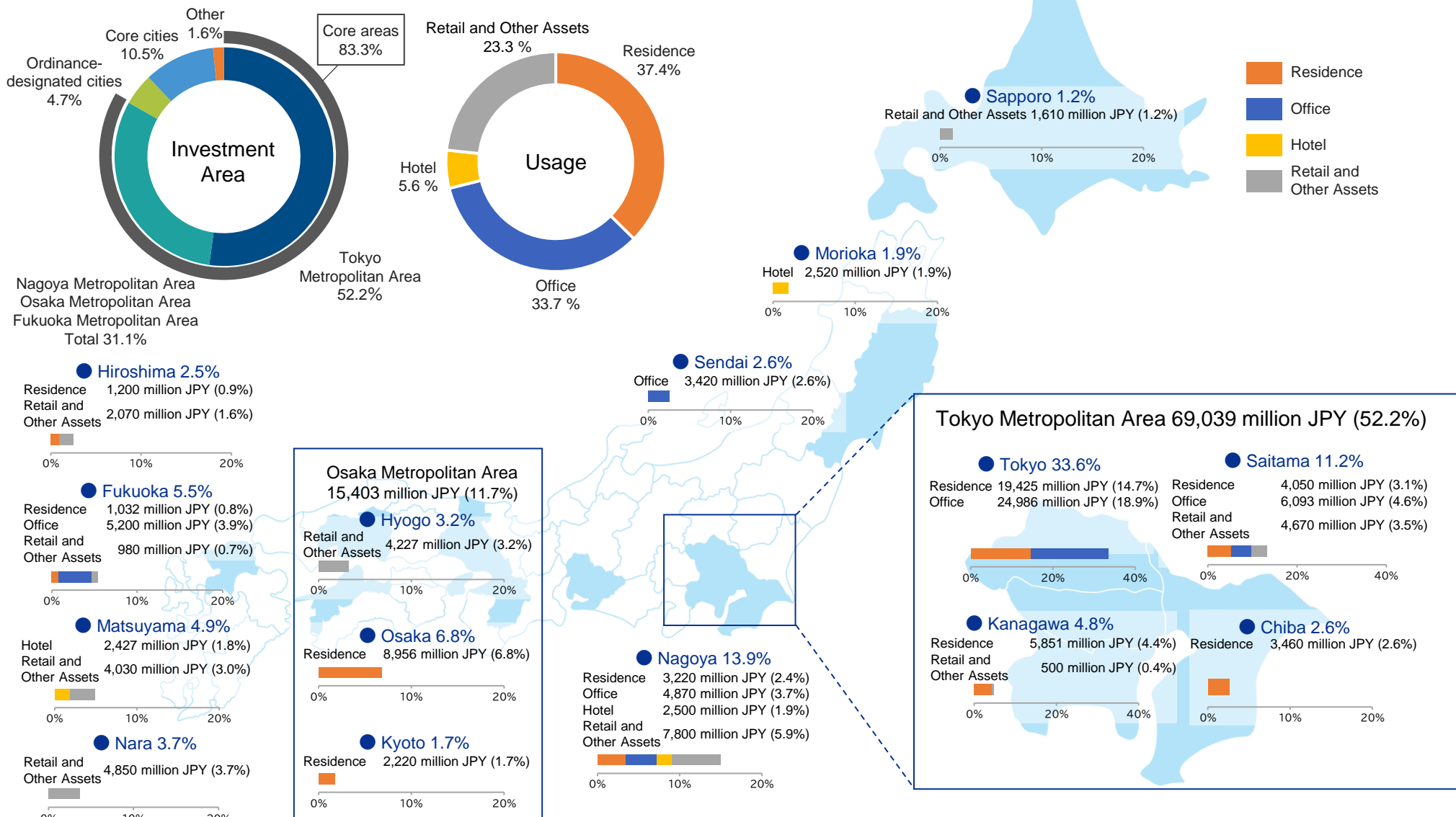
- ◆ Acquired 8 new residential properties through the fourth public offering at the beginning of the 11th Fiscal Period and 1 new residential property with cash on hand during the period

	R-31	R-32	R-33	R-34	R-35	R-36	R-37	R-38	R-39
	TLR Residence Ryogoku	TLR Residence Otorii	TLR Residence Kameari	Fiel Kiyofune	SERENITE NAMBA west	Colline Ensoleille	Rock Field Nishi-Oi	La Vita YATSUKA-EKIMAE I-II	La Vita Shin-Okachimachi
									
Acquisition Price	2,000 million JPY	1,470 million JPY	1,900 million JPY	1,500 million JPY	1,300 million JPY	970 million JPY	535 million JPY	970 million JPY	500 million JPY
Period-end Appraisal Value (End of 11th FP)	2,040 million JPY	1,490 million JPY	1,900 million JPY	1,510 million JPY	1,330 million JPY	995 million JPY	545 million JPY	988 million JPY	511 million JPY
Total Floor Area	2,176.42 m <sup>2</sup>	1,553.17 m <sup>2</sup>	2,097.63 m <sup>2</sup>	6,211.93 m <sup>2</sup>	2,339.28 m <sup>2</sup>	3,108.25 m <sup>2</sup>	760.89 m <sup>2</sup>	1,587.02 m <sup>2</sup> (I) 2,042.77 m <sup>2</sup> (II)	472.37 m <sup>2</sup>
Location	1-1-2 Ishiwara, Sumida-ku, Tokyo	3-2-14 Haginaka, Ota-ku, Tokyo	3-10-14 Kameari, Katsushika-ku, Tokyo	1-1-6 Kiyofunetcho, Nakagawa-ku, Nagoya-shi, Aichi	1-2-1 Ashihara, Naniwa-ku, Osaka-shi, Osaka	2-12-28 Shirako, Wako-shi, Saitama	1-7-3 Nishioi, Shinagawa-ku, Tokyo	1-8-18 (I), 1-8-20 (II) Sezaki, Soka-shi, Saitama	2-13-8 Mitsuji, Taito-ku, Tokyo
Access	Two-minute walk from Ryogoku Station on the Toei Oedo Line Nine-minute walk from Ryogoku Station on the JR Chuo-Sobu Line	Six-minute walk from Otorii Station on the Keiyou Airport Line	Four-minute walk from Kameari Station on the JR Joban Line	18-minute walk from Arako Station on the Nagoya Waterfront Area Rapid Transit Aonami Line Two-minute walk from Shinoharabashi stop on the Nagoya City Bus	Six-minute walk from Ashiharabashi Station on the JR Osaka Loop Line Six-minute walk from Ashiharacho Station on the Nankai Electric Railway Koya Line Eight-minute walk from Sakuragawa Station on the Osaka Metro Sennichimae Line and Hanshin Electric Railway Namba Line	13-minute walk from Narimasu Station on the Tokyo Metro Yurakucho/Fukutoshin lines 16-minute walk from Narimasu Station on the Tobu Tojo Line 20-minute walk from Wakoshi Station on the Tobu Tojo Line and Tokyo Metro Yurakucho/Fukutoshin lines	Three-minute walk from Nishi-Oi Station on the JR Yokosuka and Shonan-Shinjuku lines	Two-minute walk from Tanizuka Station on the Tobu Isezaki Line	Five-minute walk from Shin-Okachimachi Station on the Toei Oedo Line and Tsukuba Express Seven-minute walk from Kuramae Station on the Toei Asakusa Line 10-minute walk from Tawaramachi Station on the Tokyo Metro Ginza Line
Completed	July 2004	September 2014	February 2016	February 2006	November 2008	February 1996	February 2009	March 1995 (I) January 2001 (II)	August 2019
Number of Units	60	53	72	85	90	45	16	47	14
Acquisition Date	March 2, 2023	March 2, 2023	March 2, 2023	March 2, 2023	March 2, 2023	March 2, 2023	March 2, 2023	March 2, 2023	August 1, 2023
Occupancy Rate (End of September 2023)	98.2%	98.2%	91.8%	100%	96.7%	95.6%	100%	96.1%	100%

Acquired through public offering

Acquired with cash on hand

## Portfolio Diversification by Geographic Area (As of August 31, 2023)



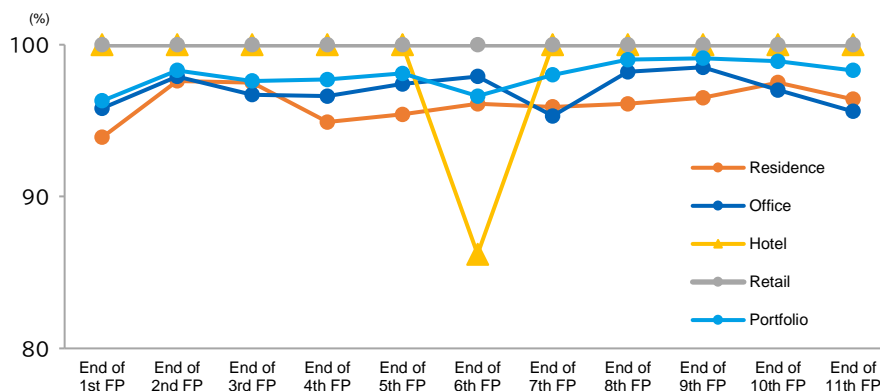
\*Amounts in the graph are presented as the acquisition prices for each category and are rounded down to the nearest million JPY, so totals may not add up.

\*Ratios of portfolio categories are rounded to the first decimal place.

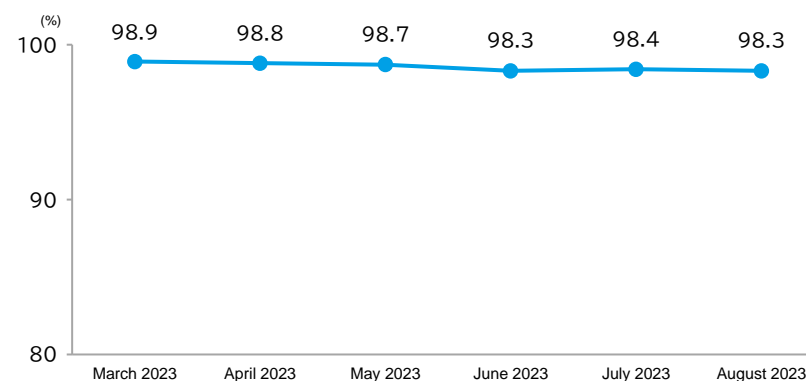
## Changes in Occupancy Rate

The occupancy rate of the entire portfolio at the end of the period has been maintained in the upper 90% range since listing, and during the 11th Fiscal Period, an occupancy rate of 98.6% was achieved

### Occupancy Rates (as of period-end) Since Listing

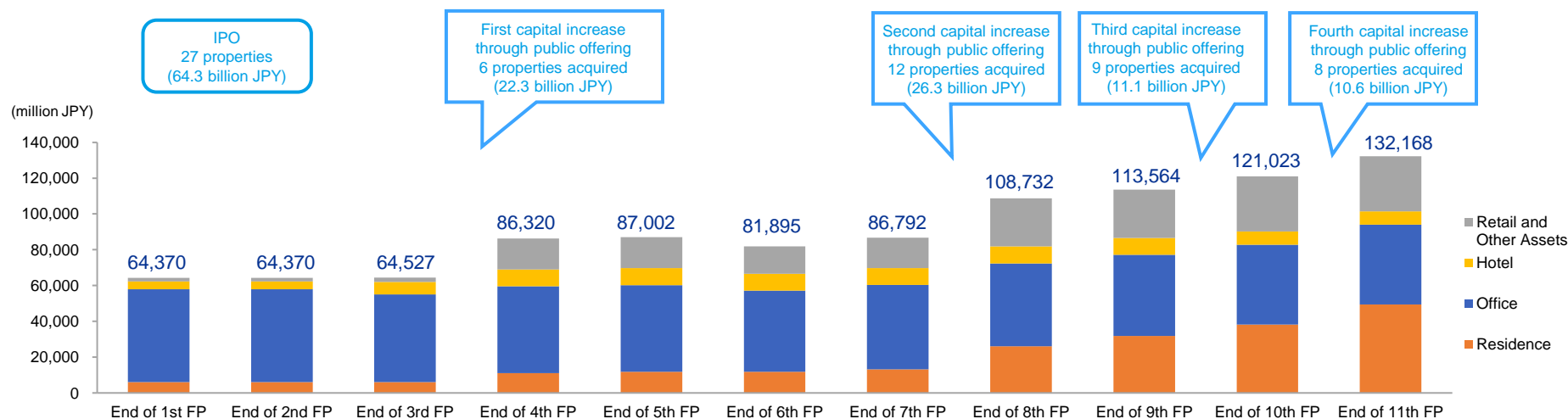


### Monthly Portfolio Occupancy Rates in the 11th Fiscal Period



## Changes in Asset Size

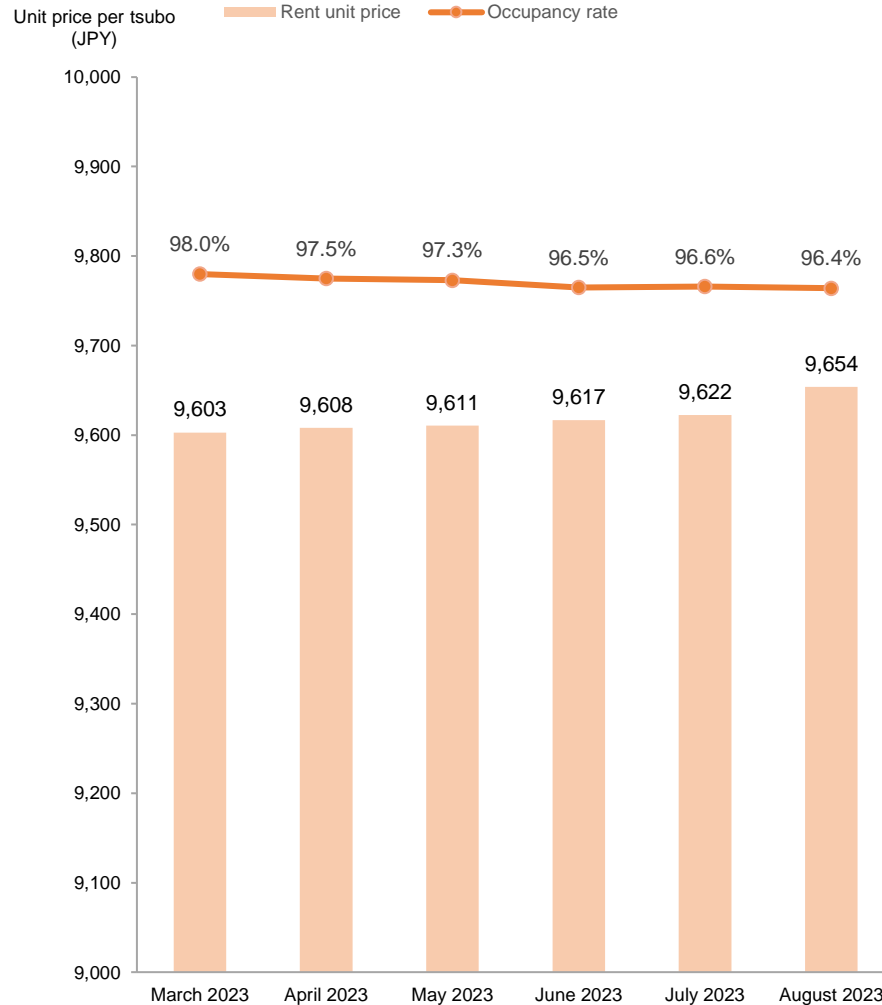
Steadily expanding asset size via use of capital increase through public offering, seizing promising opportunities while improving portfolio quality





## Changes in Occupancy Rate and Rent Unit Price

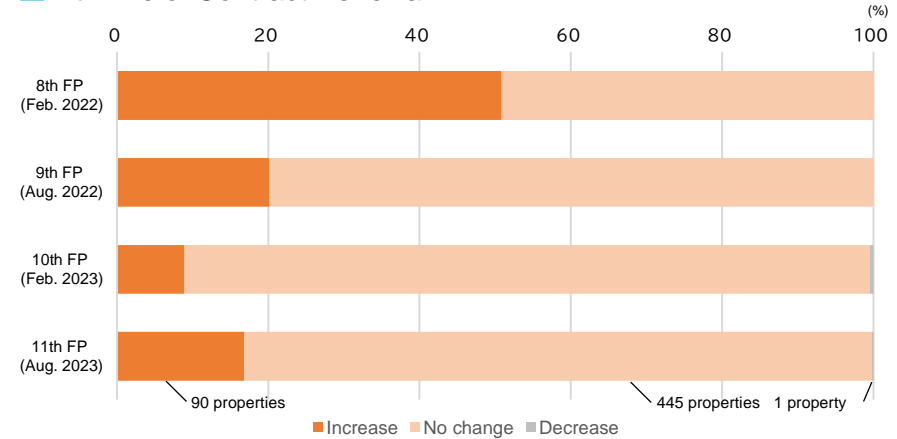
- ◆ Occupancy rate above 96% maintained throughout the period
- ◆ Maintained stable average rent per tsubo



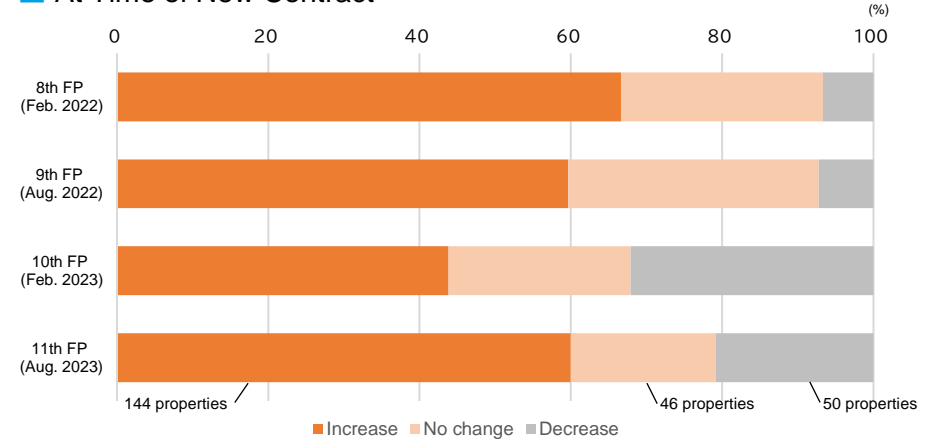
## Rent Revision Status

- ◆ Continue increasing rents upon contract renewal to the extent possible
- ◆ Rent increase at time of new contract also increased significantly for more than half of cases

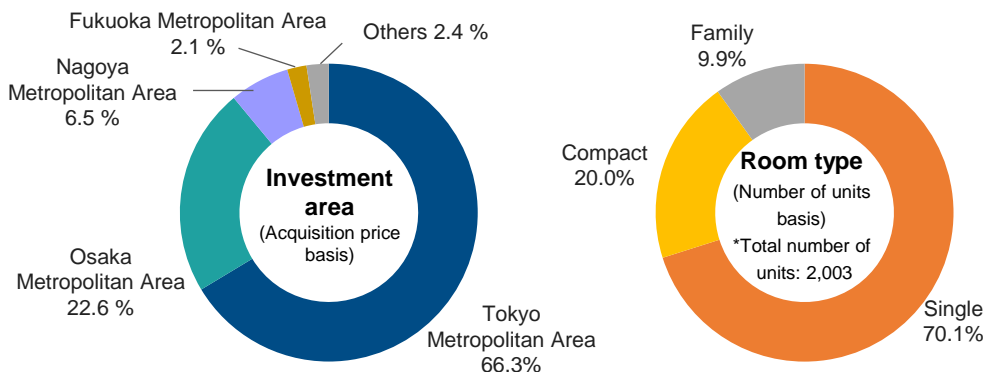
### At Time of Contract Renewal



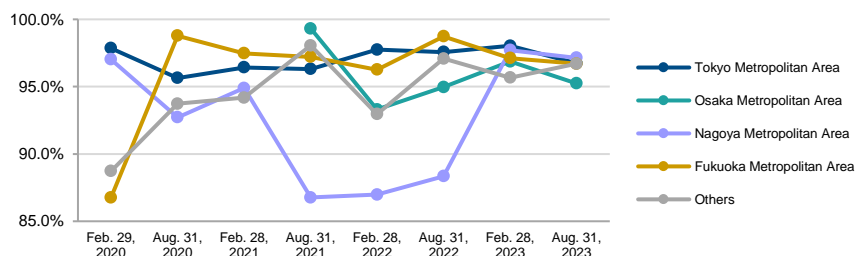
### At Time of New Contract



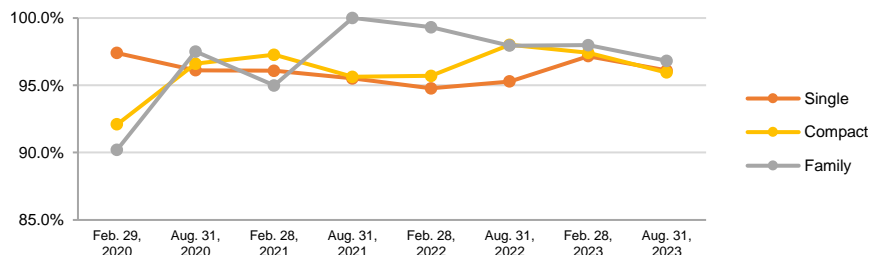
## Indicators by Investment Area and Room Type (as of August 31, 2023)



## Changes in Occupancy Rate by Investment Area



## Changes in Occupancy Rate by Room Type



\*Definition of room types:

Single: Less than 30 m<sup>2</sup> , or 30-40 m<sup>2</sup> if 1R/1K

Compact: 30-40 m<sup>2</sup>+ 1DK, 40-50 m<sup>2</sup>+ 2LDK, up to 50-60 m<sup>2</sup> 1LDK

Family: 40-50 m<sup>2</sup>+ 3LDK, 50-60 m<sup>2</sup>+ 2LDK, all 60 m<sup>2</sup>+ units

## Actual Rent Increase

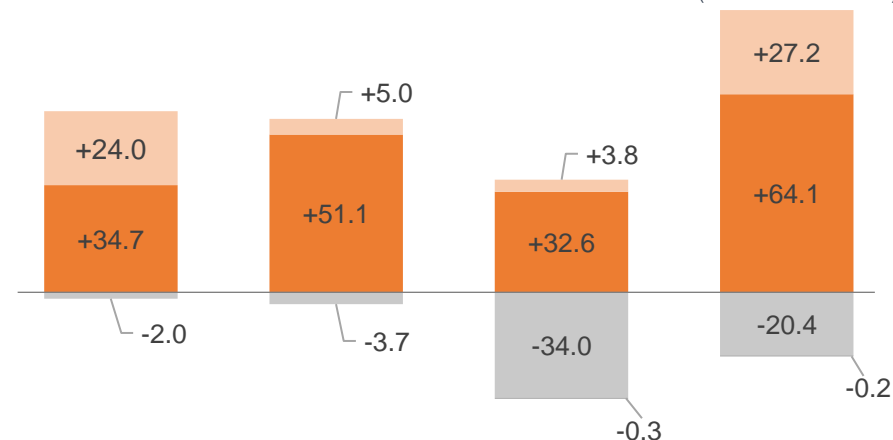
◆ Maintaining/promoting internal growth initiatives through rent increase

### Rent Changes at the Time of New Contract/ Contract Renewal (Monthly Amount)

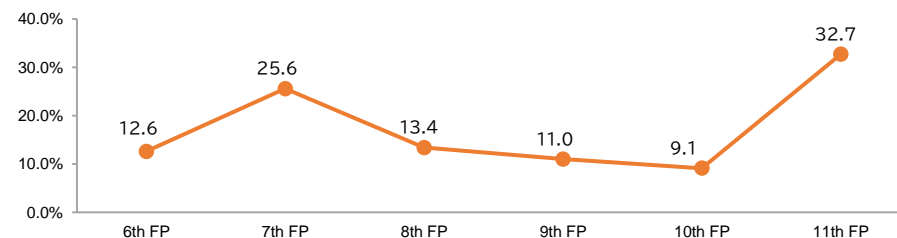
Net increase

8th FP	9th FP	10th FP	11th FP
+567,000 JPY	+524,000 JPY	+21,000 JPY	+706,000 JPY

■ Rent decrease at time of contract renewal ■ Rent decrease at time of new contract  
 ■ Rent increase at time of contract renewal ■ Rent increase at time of new contract  
 (tens of thousands JPY)

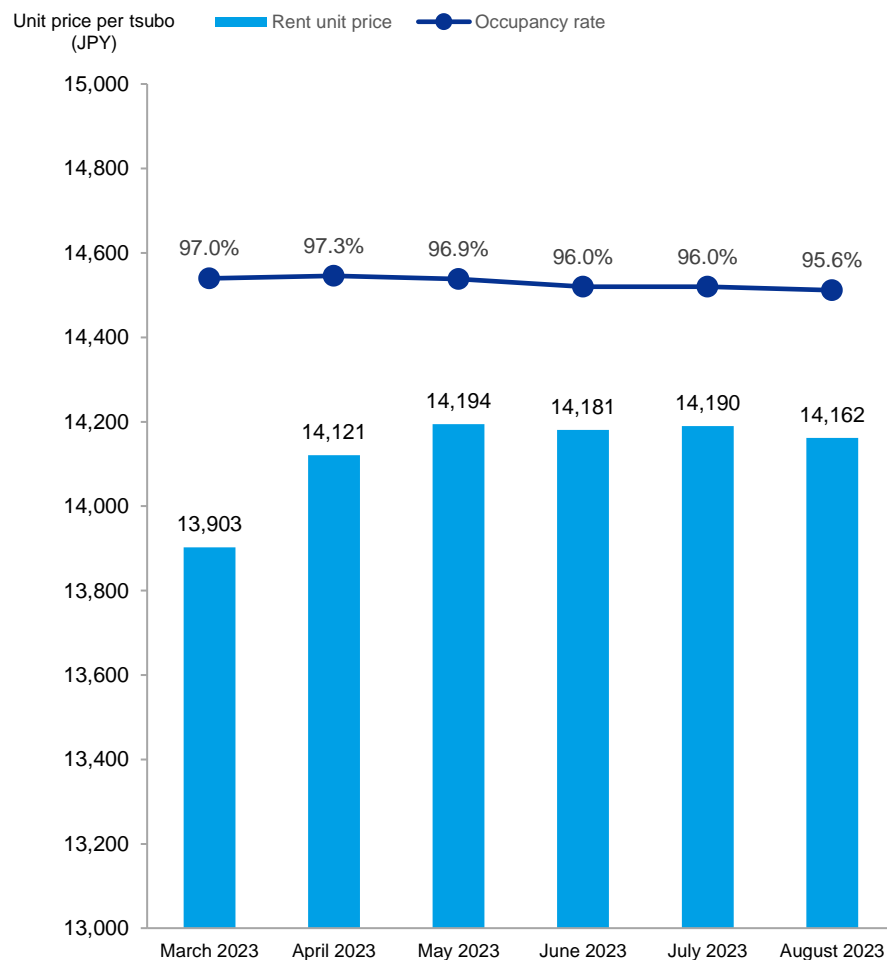


## Key Money Acquisition Rate



## Changes in Occupancy Rate and Rent Unit Price

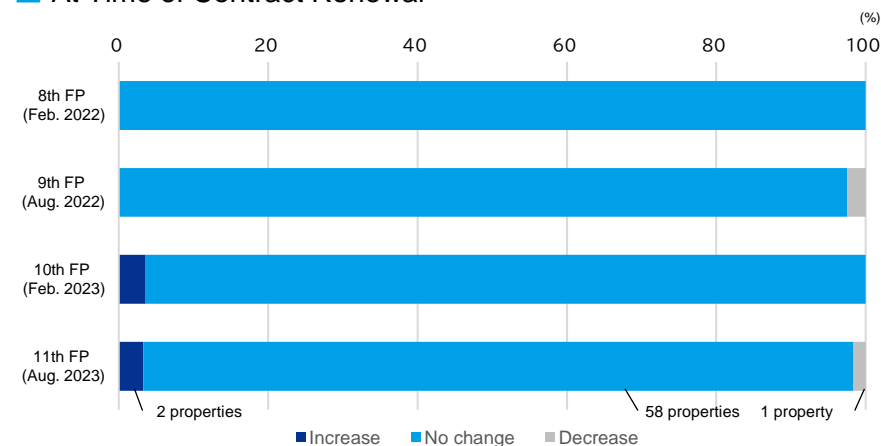
- ◆ Occupancy rate above 95% maintained throughout the period
- ◆ Average rent per tsubo increased thanks to rent earned from the NT Building and HAKATA REISENMACHI Building from March to May



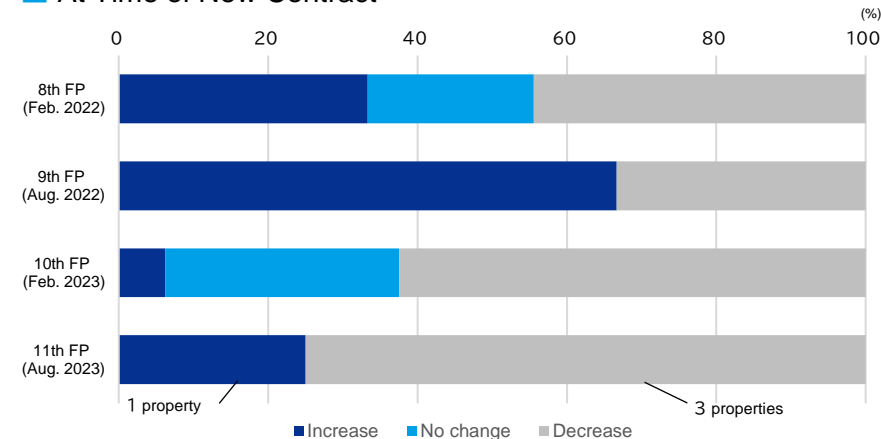
## Rent Revision Status

- ◆ Rent at time of contract renewal is generally unchanged
- ◆ Rent increased or decreased at time of new contract depending on the property

### At Time of Contract Renewal



### At Time of New Contract

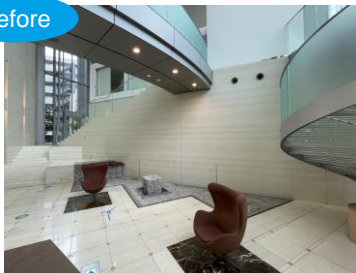


## Initiatives to Maintain and Improve Asset Value

- ◆ Proactively carried out renovation work on entrances, common facilities, etc. to enhance property competitiveness and prevent obsolescence due to age

### Example: NT Building 1F Entrance Lobby Renovation

Before



After



Improved building image and enhanced tenant satisfaction by creating a space that combines functionality and comfort

### Examples of CAPEX Investments in 11th FP Office

Property Name	Investment Details	Amount (million JPY)
NT Building	Renewal of central monitoring and remote equipment	42.5
	Replacement of 30 through-the-wall air conditioner units	31.3
	1F entrance lobby renovation	23.7
Hakata Gion Building	Renewal of air conditioning systems on 1F, 7F, and 8F	41.3
Higashi-Ikebukuro Central Place	Renewal of air conditioning systems on 3F section A and 5F section A	30.7

## Impact of Rising Electricity Rates

Shifted to a variable unit price system for billing tenants and significantly improved utilities reimbursement revenue, which had temporarily deteriorated due to rising electricity rates

### Utilities Expenses by Property Type (11th Fiscal Period results)

Office	Residence	Hotel	Retail and Other Assets
80.8%	14.8%	0.7%	3.7%

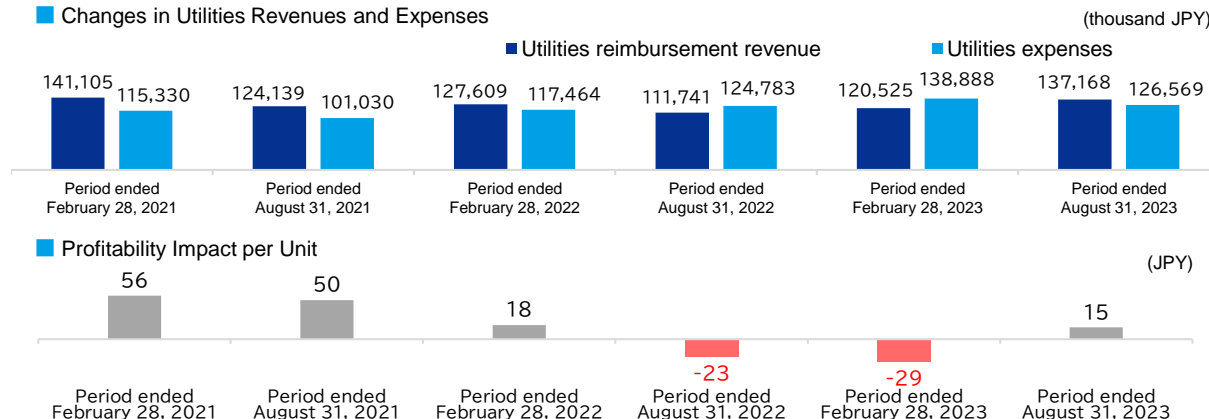
### Recovery Measures

1. Increase in revenue due to revision of unit prices billed to tenants (Review conducted for 10 properties—primarily offices—with new unit prices to be applied from the 11th Fiscal Period)
2. Reduction of increase in unit price paid by switching to new electric power company (Switched at 6 properties—primarily offices—with new contracts starting in April 2023)

### Effects of Recovery

Achieved a significant improvement in revenues and expenses in the 11th Fiscal Period, eliminating the loss margin

### Changes in Utilities Revenues and Expenses





# Investment Performance of the 11th Fiscal Period -Retail and Other Assets-

- ◆ Lifestyle-oriented retail facilities account for approx. 85%
- ◆ With a fixed rent ratio of 100%, stable income is generated regardless of economic trends or tenants' business conditions

## Ownership Status by Facility Type

Lifestyle-oriented (approx. 85%)



APITA NAGOYA-MINAMI



Kaden Sumairu Kan×  
YAMADA web.com Nara



Tecc LIFE SELECT KobeTarumi  
(Land)



DCM Daiki Onomichi  
(Land)



Cainz Omiya



TA Shonan Kugenumakaigan



YAMADA web.com Matsuyama Toiyacho



AEON STYLE Onomichi  
(Land)



BIGMOTOR Sapporo Kiyota  
(Land)



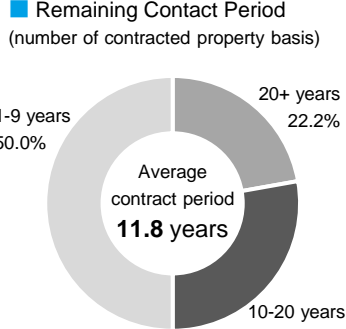
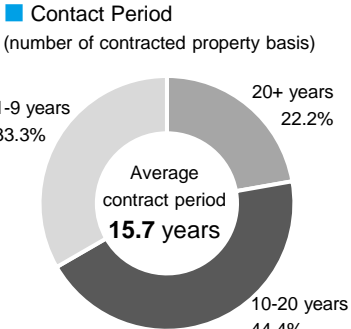
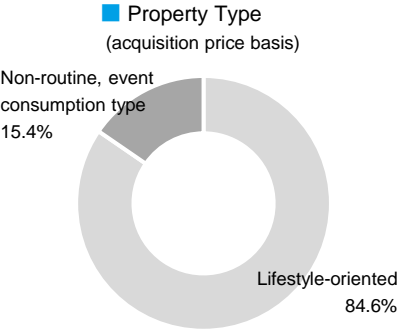
BIGMOTOR Konosu  
(Land)



Prio Daimyo II

Rent increased due to  
tenant replacement during  
the 11th Fiscal Period

Continue focused investment in lifestyle-oriented retail facilities given expectations for ongoing stable demand for these facilities, which offer high convenience and meet diverse consumer needs



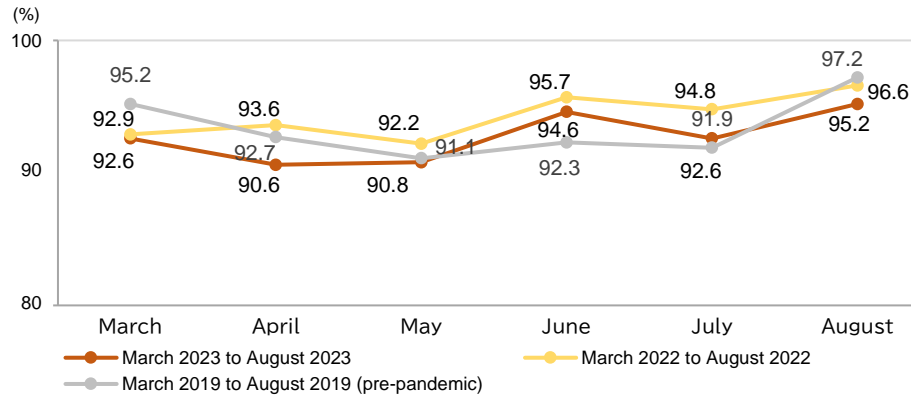
### (Reference) BIGMOTOR Property Disclosure Items

	BIGMOTOR Sapporo Kiyota (Land)	BIGMOTOR Konosu (Land)
Acquisition Price	1,610,000,000 JPY	2,150,000,000 JPY
Investment Ratio	1.2%	1.6%
Acquisition Date	May 19, 2021	September 2, 2021
NOI Yield	4.6%	4.5%
Period-end Book Value	1,650,617,481 JPY	2,181,160,856 JPY
Period-end Appraisal Value	1,770,000,000 JPY	2,290,000,000 JPY
Appraisal NOI Yield	4.6%	4.6%
Tenant Name	BIGMOTOR Co., Ltd.	BIGMOTOR Co., Ltd.
Total Leased Area	15,026.00m <sup>2</sup>	14,252.81m <sup>2</sup>
Contract Completion Date	September 30, 2049	July 29, 2051

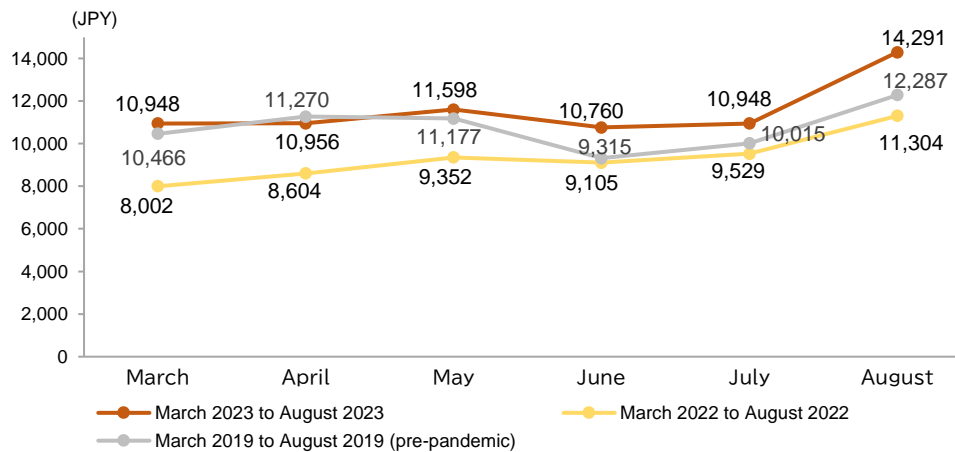
- ◆ In line with recovery from the COVID-19 pandemic, hotels' occupancy rate and RevPAR remained strong
- ◆ Performance-linked rents at ACCESS by LOISIR HOTEL Nagoya are trending upward

## Management Status for Dormy Inn Matsuyama and Dormy Inn Morioka (2 properties with fixed rent)

### Changes in Facility Occupancy Rate (YoY & vs. pre-pandemic levels)



### Changes in RevPAR (YoY & vs. pre-pandemic levels)



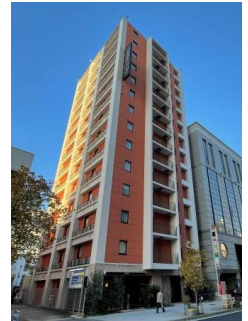
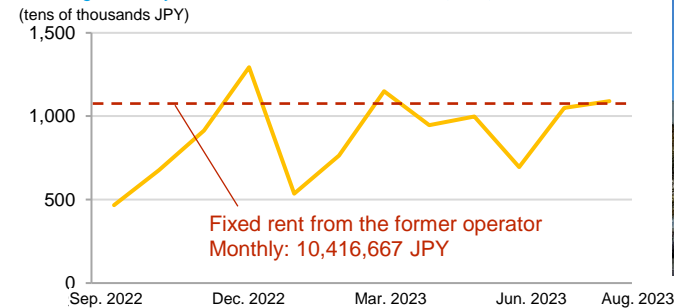
\*Since the acquisition date of Dormy Inn Morioka is June 28, 2019, data for March to June 2019 indicates the operating status of Dormy Inn Matsuyama only.

## Management Status for ACCESS by LOISIR HOTEL Nagoya (floating rent)

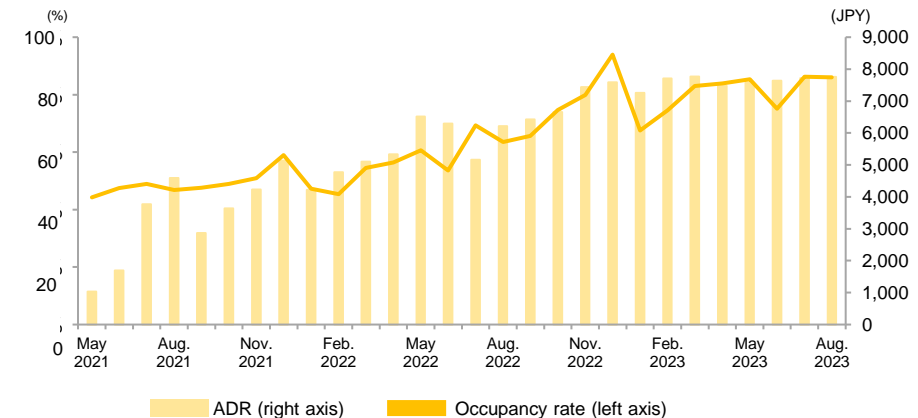
- ◆ After the opening in May 2021, it has operated smoothly
- ◆ In the 11th Fiscal Period, we **received approximately 95% compared with the former fixed rent**

### Changes in Performance-linked Rent in the 10th and 11th Fiscal Periods

Average monthly amount for 10th Fiscal Period: 7,747,241 JPY  
Average monthly amount for 11th Fiscal Period: 9,878,958 JPY



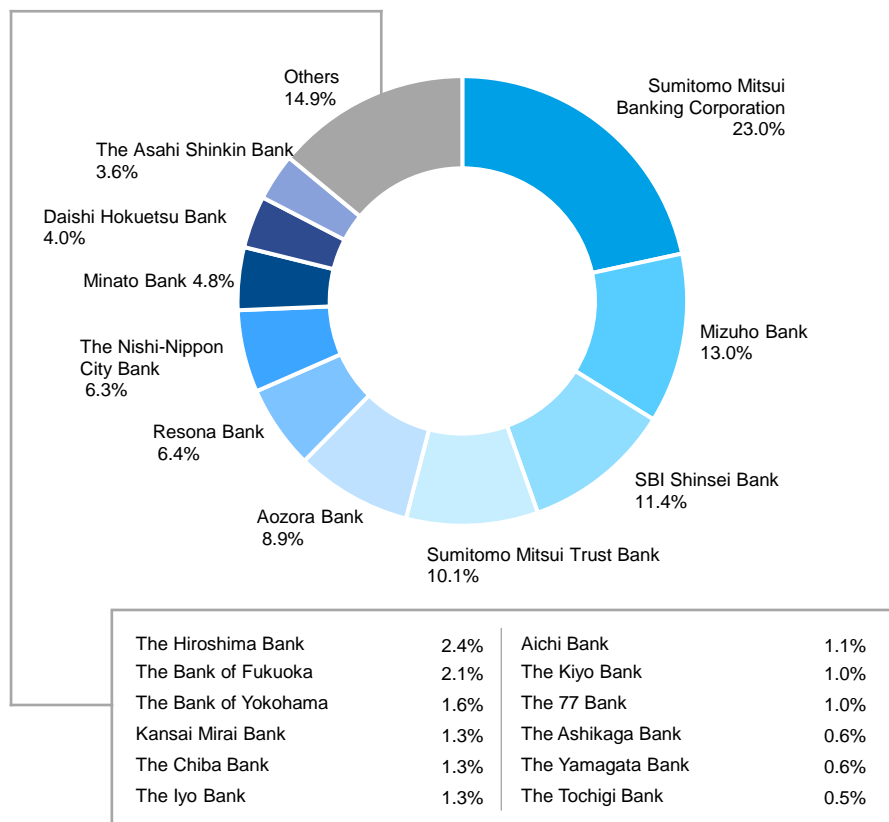
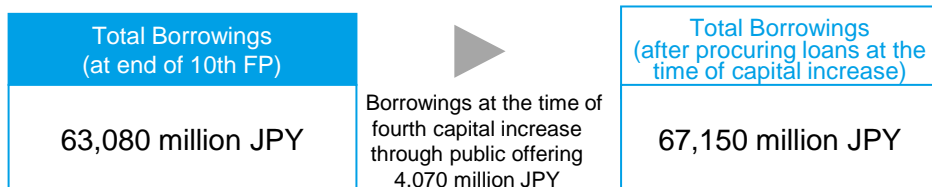
### Post-opening Facility Occupancy Rate/ADR





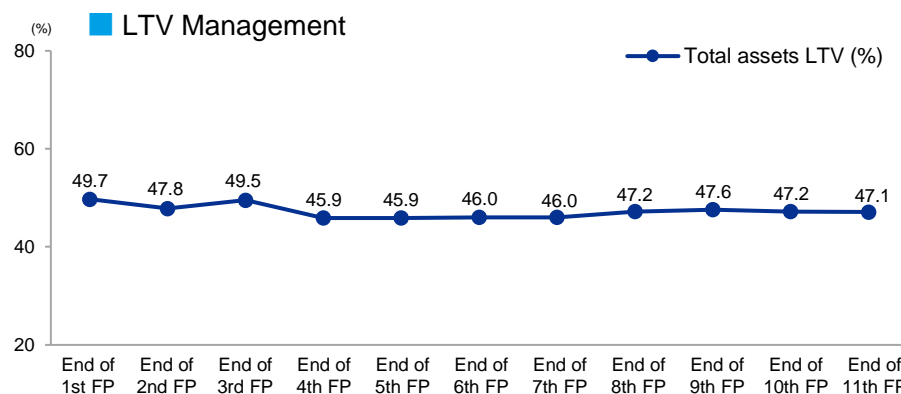
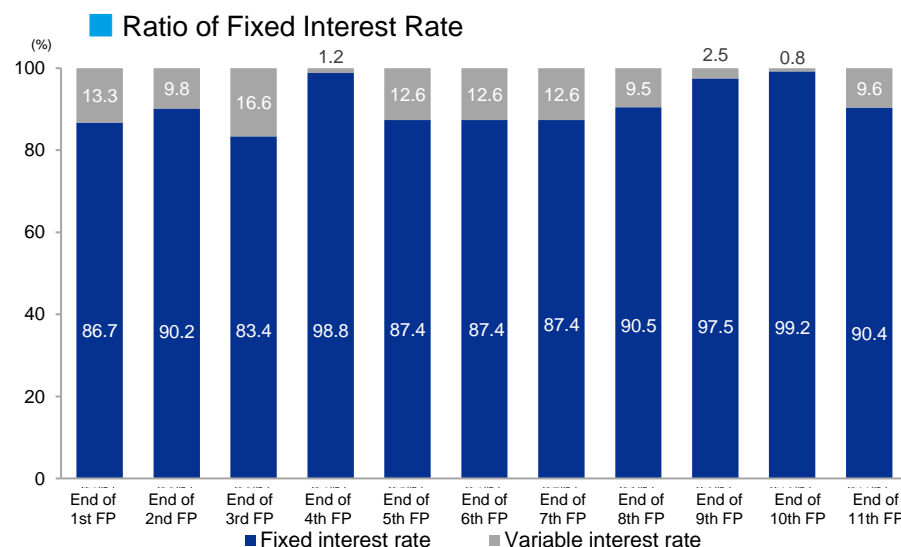
## Expanding Pool of Lender Financial Institutions

- ◆ Currently, we have 22 financial institutions as lenders
- ◆ Stabilizing funding foundations by enhancing transacting bank pool



## Ratio of Fixed Interest Rate, LTV Management

- ◆ Considering financial market trends, we procured loans at acceptable floating interest rates for this capital increase
- ◆ LTV essentially unchanged
- ◆ Policy to build a healthy financial position by maintaining a high ratio of fixed interest rate and appropriate LTV control to mitigate finance risks



## Financial Indicators

	Period Ended August 31, 2020 (5th FP)	Period Ended February 28, 2021 (6th FP)	Period Ended August 31, 2021 (7th FP)	Period Ended February 28, 2022 (8th FP)	Period Ended August 31, 2022 (9th FP)	Period Ended February 28, 2023 (10th FP)	Period Ended August 31, 2023 (11th FP)
Interest-bearing debt	43,400 million JPY	43,400 million JPY	43,400 million JPY	57,300 million JPY	58,275 million JPY	63,080 million JPY	67,150 million JPY
Total asset LTV	45.9%	46.0%	46.0%	47.2%	47.6%	47.2%	47.1%
Market value LTV	43.1%	43.5%	43.5%	44.8%	45.1%	45.0%	45.2%
Average interest rate	0.63%	0.63%	0.63%	0.62%	0.70%	0.72%	0.73%
Average borrowing period	3.9 years	3.9 years	4.3 years	4.2 years	4.6 years	4.6 years	4.6 years
Average remaining borrowing period	2.8 years	2.3 years	2.9 years	2.7 years	3.1 years	2.7 years	2.7 years

## Credit Ratings

JCR

A

(Stable)

Changed on June 6, 2022

R&I

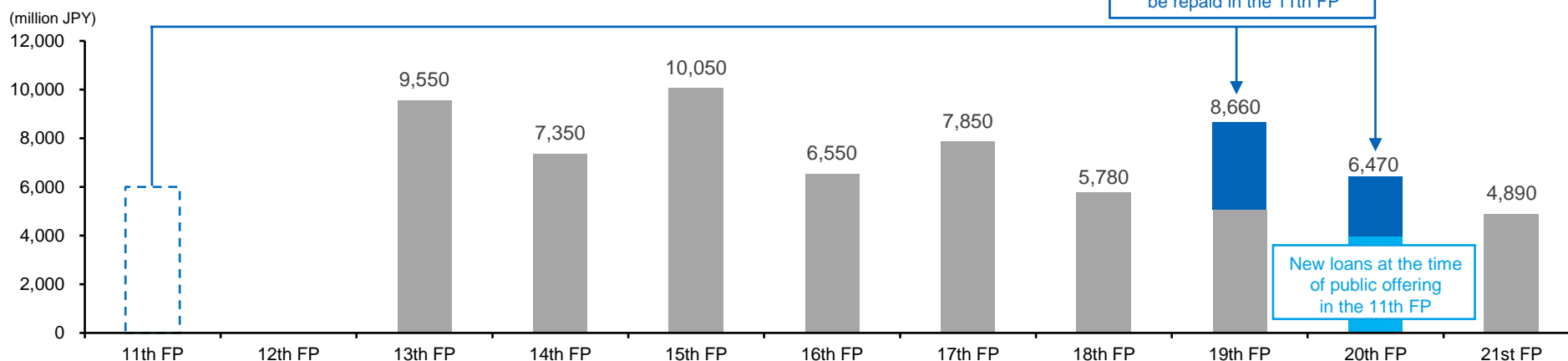
A-

(Stable)

Rated on March 22, 2021

## Maturity Ladder

- ◆ Diversify repayment dates in new loans upon the public offering in the 11th Fiscal Period
- ◆ In refinancing, strive to prolong borrowing periods and level off maturity ladder



## Green Finance Initiatives

- ◆ Established the Green Finance Framework with the aim of expanding a highly ESG-mindful investor base and building a strong financial base by diversifying funding sources

### Green Finance Framework

#### ● Rating Criteria

Green Qualified Assets: Properties that have obtained or will obtain one of the following certifications

1	DBJ Green Building Certification	3 to 5 stars
2	CASBEE Real Estate Certification	Rank B+ to S
3	BELS Certification	3 to 5 stars
4	LEED Certification	Rank Silver to Platinum

#### Renovation: Any of the following renovation projects

- Renovation work to achieve one or more levels of improvement of the above certifications, re-acquisition of environmental certifications, or acquisition of environmental certifications
- Renovations for environmentally beneficial improvements (30% or more improvement vs. pre-renovation)
- Installation of equipment related to renewable energy

#### ● External Evaluations

JCR Green Finance Framework Evaluation **Green 1 (F)** (highest rank)

#### ● Executed First Borrowing of Funds with Green Loan

Loan Amount	3.6 billion JPY
Borrowing Period	4 years
Interest Rate	Annual rate 0.985%

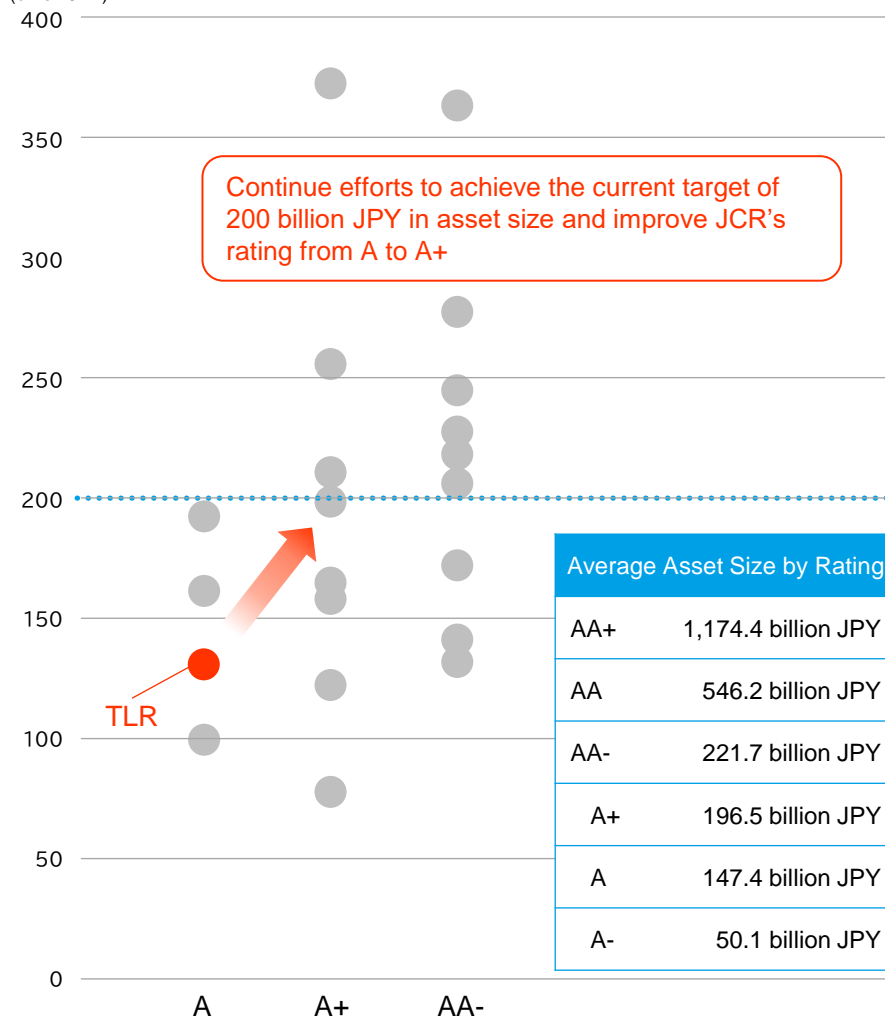
In order to allocate funds to refinancing of existing borrowings procured for the acquisition of LUXENA HEIWADAI (A rank of CASBEE Real Estate Certification)



## Rating Outlook

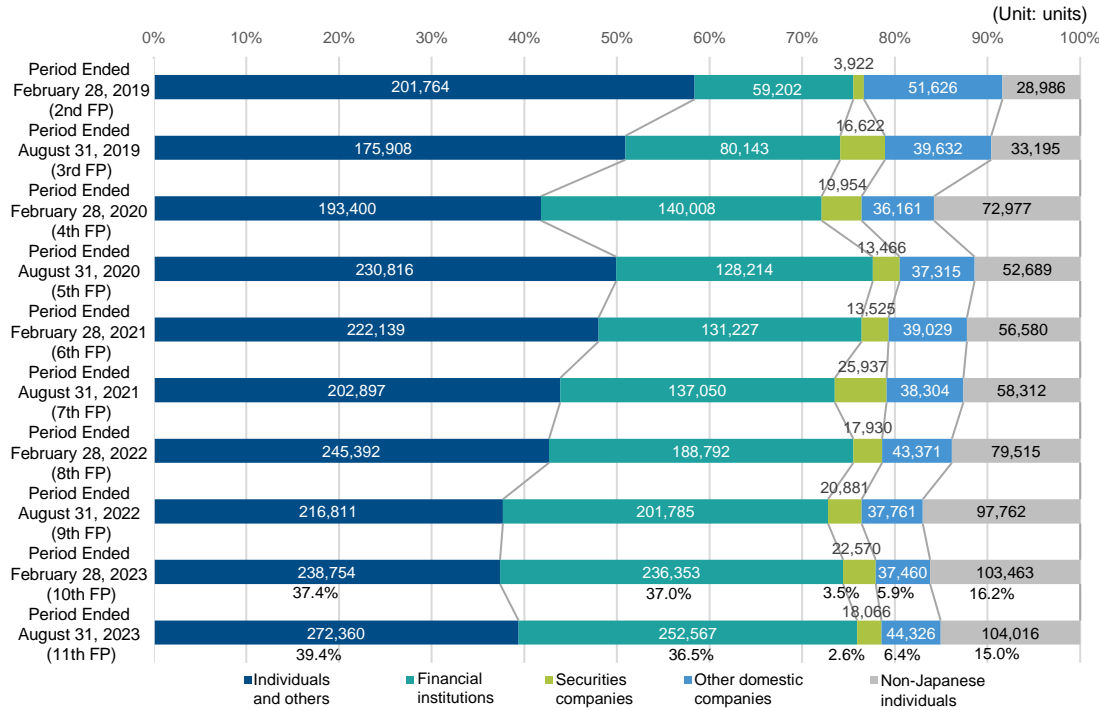
### ■ Asset Size and JCR's Ratings of J-REITs

(billion JPY)



\*Only includes J-REITs with a "Stable" rating outlook

## Number of Investment Units by Type of Unitholder



## Number of Unitholders by Type of Shareholder

(Unit: People)

	2nd FP (Feb. 2019)		3rd FP (Aug. 2019)		4th FP (Feb. 2020)		5th FP (Aug. 2020)		6th FP (Feb. 2021)		7th FP (Aug. 2021)		8th FP (Feb. 2022)		9th FP (Aug. 2022)		10th FP (Feb. 2023)		11th FP (Aug. 2023)	
Individuals and others	14,827	97.1%	15,084	97.4%	18,455	97.3%	21,032	97.5%	22,221	97.5%	22,221	97.4%	26,244	97.5%	24,152	97.3%	26,091	97.2%	28,449	97.3%
Financial institutions	35	0.2%	40	0.3%	43	0.2%	37	0.2%	35	0.2%	39	0.2%	46	0.2%	47	0.2%	51	0.2%	50	0.2%
Securities companies	26	0.2%	25	0.2%	25	0.1%	26	0.1%	24	0.1%	29	0.1%	23	0.1%	22	0.1%	22	0.1%	22	0.1%
Other domestic companies	335	2.2%	260	1.7%	303	1.6%	324	1.5%	341	1.5%	335	1.5%	384	1.4%	343	1.4%	404	1.5%	424	1.5%
Foreign corporations, etc.	50	0.3%	74	0.5%	135	0.7%	150	0.7%	173	0.8%	192	0.8%	210	0.8%	249	1.0%	286	1.1%	285	1.0%
Total	15,273	100.0%	15,483	100.0%	18,961	100.0%	21,569	100.0%	22,794	100.0%	22,816	100.0%	26,907	100.0%	24,813	100.0%	26,854	100.0%	29,230	100.0%

## Major Unitholders (Top 10)

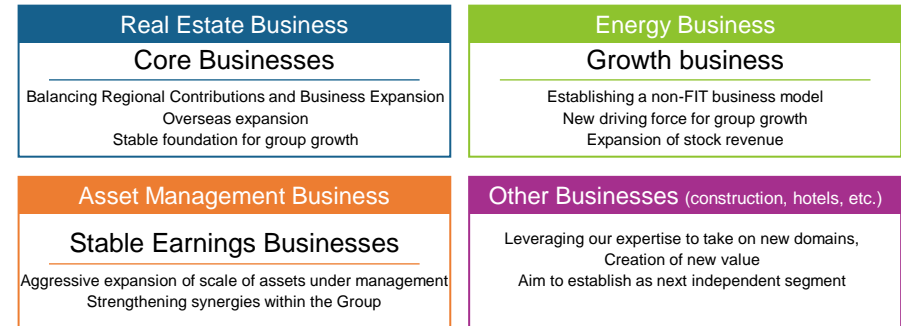
Name	Number of Investment Units Owned (units)	Ownership (%)
1 The Master Trust Bank of Japan (Trust Account)	98,308	14.2
2 Custody Bank of Japan, Ltd. (Trust Account)	74,921	10.8
3 The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	31,195	4.5
4 MIRARTH HOLDINGS, Inc.	14,385	2.1
5 JP MORGAN CHASE BANK 385771	12,971	1.9
6 STATE STREET BANK WEST CLIENT - TREATY 505234	8,683	1.3
7 SSBTC CLIENT OMNIBUS ACCOUNT	8,243	1.2
8 JAPAN SECURITIES FINANCE CO., LTD.	5,819	0.8
9 STATE STREET BANK AND TRUST COMPANY 505103	5,787	0.8
10 Kinki Industrial Credit Association	5,590	0.8

The main sponsor MIRARTH HOLDINGS, Inc. promotes sustainability management centered on new growth and paths through business structure innovation and will increase the earnings potential of each business to become a future environmental design company

## MIRARTH HOLDINGS, Inc.

Our Purpose

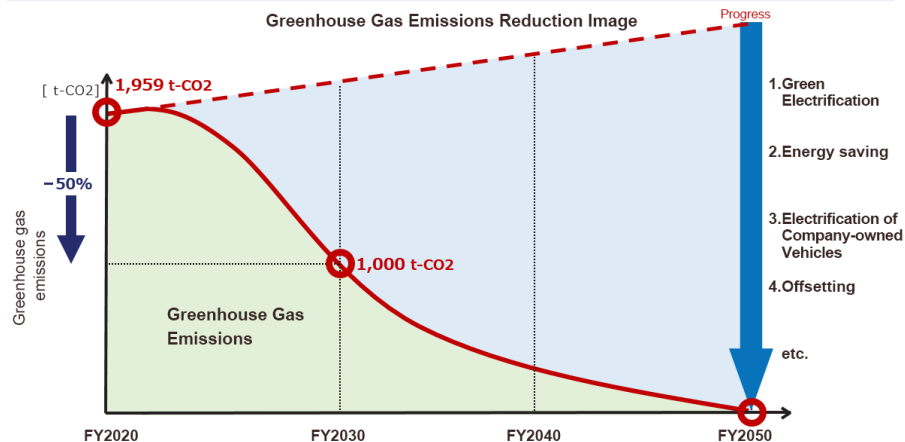
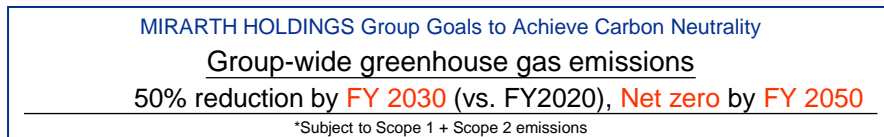
To design sustainable environments for a happier future for both people and our planet.



Strengthening commitment to REIT business  
(Transition from "other businesses" to a core business)

## Examples MIRARTH HOLDINGS Group Initiatives

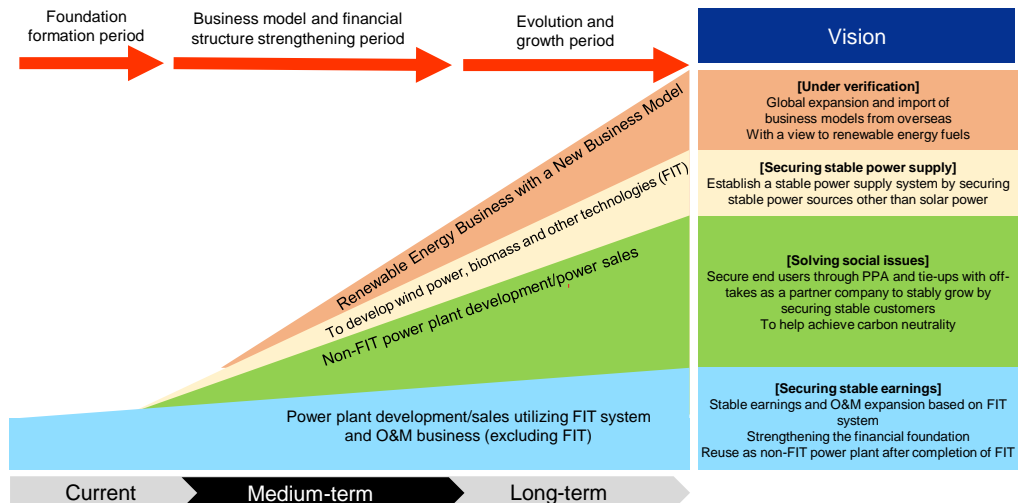
### Targets for Carbon Neutrality



### Actively Promoting the Energy Business

Energy Business is second core business after the Real Estate Business

Focus on Non-FIT businesses



With the support of the MIRARTH HOLDINGS Group, aiming to maximize unitholder value, create a sustainable environment, and contribute to local communities and society through consideration of ESG - Environment, Social, and Governance - in asset management operations.

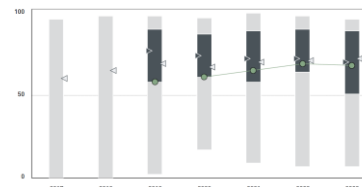
## Basic Policy for Sustainability

1. Initiatives to prevent global warming
2. Reductions in environmental loads
3. Compliance and improvement of the internal structure
4. Communication with stakeholders
5. Proactive information disclosure

Materiality	Specific Initiatives	Related SDGs
E	1. Promoting initiatives for climate change (E)	① Reductions in GHG emissions ② Effective use of water resources ③ Management of waste
	2. Introduce renewable energy and continuously improve its usage rates	① Receive support and cooperation to promote initiatives to introduce renewable energy from the MIRARTH HOLDINGS Group ② Review the introduction and implementation of renewable energy in various ways, including green certificates, PPA (Power Purchase Agreements), and small hydropower
	3. Reduce environmental loads and enhance resilience	① Increase portfolio resilience by making effective use of CAPEX ② Promote the green lease system ③ Enhance BCP
	4. Improve employees and tenants' health and comfort	① Conduct employee satisfaction surveys continuously and continue dialogues with top management regularly ② Promote flexible ways of working ③ Conduct tenant satisfaction surveys continuously
	5. Respect human rights, diversity, and human resources development	① Promote education and awareness of human rights ② Put a work environment conscious of diversity, equity, and inclusion in place ③ Promote human resources development, enrich training programs, and encourage the acquisition of qualifications
	6. Build a disciplined organizational structure and ensure stakeholder engagement	① Ban political donations and prevent corruption ② Build an effective internal control system ③ Promote disclosure

## GRESB Assessment

- ◆ The GRESB Real Estate Assessment score continued to rise, and a **Green Star rating was acquired for the fifth consecutive year.**
- ◆ **Acquired the highest A-level rating** in the GRESB Public Disclosure assessment that measures the degree of ESG information disclosure



## DBJ Green Building Certification



## CASBEE Real Estate Certification

- ◆ Obtained certification for 5 properties as of March 1, 2023 (Rating: A)





## Environmental Initiatives

### LED Conversion for Energy Saving (Example) (LED conversion rate)



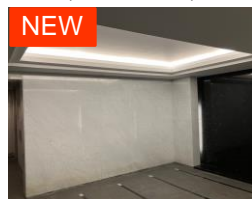
NT Building (entrance)



Yoyogi 1-chome Building (leased room)



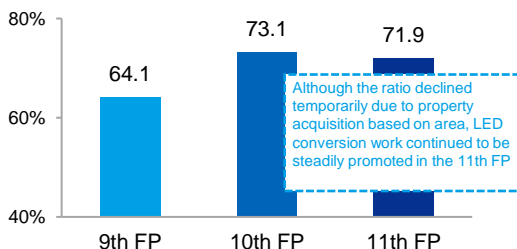
Higashi-Ikebukuro Central Place (elevator lobby)



TLR Residence Ryogoku (entrance)

No. of Properties	Portfolio LED Conversion Rate	
45 properties	Total	71.9%
		Of which, 88.8% in common areas
		Of which, 62.4% in exclusive areas

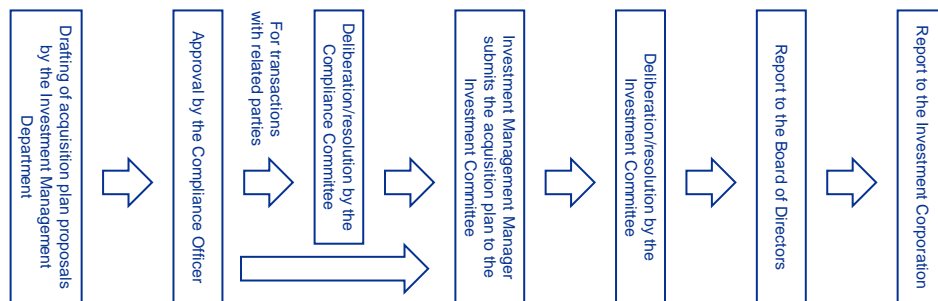
(Progress) \*Ratios are calculated based on area



## Governance Initiatives

### Decision-making Flow for Acquisition of Investment Assets

- Add a third-party real estate appraiser to members of the Investment Committee to ensure objectivity in decision-making for the acquisition of investment assets



### Use of Outside Experts in Internal Auditing

- Conducting internal audits at the Asset Management Company in collaboration with external experts
- ⇒ Ensuring objectivity in audits and addressing new or complex risks

## Social Initiatives

### Tenant Communication

- Installing electric vehicle (EV) charging infrastructure to enhance customer satisfaction

Completed installation and started operation of "Terra Charge EV" vehicle charging outlets in August 2023 at LUXENA HIGASHI-KOENJI

Services available via smartphone apps to enhance convenience for residents and EV users  
Installation and application in progress at other properties



### Employee Communication

- Personal interviews with the President  
The President conducts one-on-one interviews with all the employees of the Asset Management Company on a quarterly basis
- Highly equitable and transparent personnel evaluation system  
Evaluation feedback system maximally eliciting employee performance

## ESG Information Disclosure

### Disclosing Information on ESG Initiatives to a Wide Range of Investors and Other Stakeholders

ESG website URL: <https://takara-reit.co.jp/ja/esg/index.html>

⇒ Proactive disclosure of information through the establishment of a dedicated

ESG website (updated in March 2023)

ESG report

URL: <https://takara-reit.co.jp/asset/esg/img/esgreport-ja-2022.pdf>

⇒ Report on our approach to ESG and initiatives in general (issued in March 2023)





### **III. Financial Forecasts for the 12th and 13th Fiscal Periods**

	11th FP Actual A	12th FP Forecast B	13th FP Forecast C	(Unit: million JPY)	
				Difference B-A	Difference C-B
Number of Days in Operation	184 days	182 days	184 days	-	-
Operating Revenues	3,886	3,856	3,864	-29	+8
Operating Income	2,258	2,254	2,240	-3	-13
Ordinary Income	1,886	1,873	1,856	-13	-17
Net Income	1,860	1,847	1,830	-13	-17
Retained Earnings (reversal/reserve)	-51	0	17	-	-
Total Amount of Distributions	1,809	1,847	1,847	+38	0
Number of Investment Units Issued and Outstanding	691,335 units	691,335 units	691,335 units	-	-
EPU (Earnings Per Unit)	2,691 JPY	2,672 JPY	2,647 JPY	-19 JPY	-25 JPY
DPU (Distributions per Unit)	2,617 JPY	2,672 JPY	2,672 JPY	+55 JPY	0 JPY

(Note) Amounts are rounded down to the nearest million JPY, so totals may not add up.

(Unit: million JPY)	
Major Factors (B-A)	
Net Income -13	
+12	Income from leasing business (NT Building +31, Higashi-Ikebukuro Central Place -32, ACCESS by LOISIR HOTEL Nagoya +4, Prio Daimyo II +7)
-16	Increase in SG&A (Increase in management fees -2, general meeting expenses -6, increase in appraisal costs -4)
-7	Absence of income from insurance claims in 11th FP

(Unit: million JPY)	
Major Factors (C-B)	
Net Income -17	
-18	Income from leasing business (Residence total -14 [incurred taxes and dues -18], NT Building +18, Hakata Gion Building -15)
+4	Decrease in SG&A
-3	Interest expenses



## **IV. Growth Strategy**

Secured future property acquisition opportunities through acquisition of preferential negotiation rights, as in the preceding fiscal period

## Acquired Preferential Negotiating Rights from Bridge Vehicle (Island Ship No. 4)



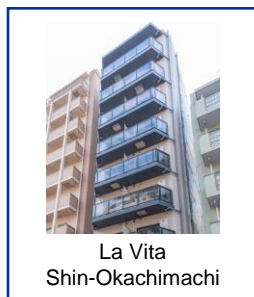
THE PALMS  
MACHIDA



LUXENA TOYOCHO



La Vita  
NAMBA MOTOMACHI



La Vita  
Shin-Okachimachi

Acquired with cash  
on hand in 11th FP

## Acquired upon capital increase through fourth public offering



TLR Residence  
Ryogoku



TLR Residence Otorii



TLR Residence  
Kameari



SERENiTE  
Namba west



La Vita  
Yatsuka Station I



La Vita  
Yatsuka Station II



Colline Ensoleille



Rock Field Nishi-Oi

## Acquired Preferential Negotiating Rights from Bridge Vehicle (Island Ship No. 5)



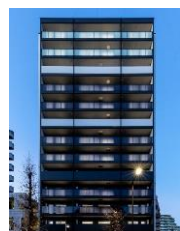
LUXENA  
HACHIOJI  
MINAMICHO



LUXENA  
KINSHICHO



LUXENA  
HEIWAJIMA



LUXENA  
HACHIOJI-  
SHINMACHI



LUXENA  
KAMIMAEZU



LUXENA  
TABATA-KITA



LUXENA WAKO



Kashiwa  
Tosei Building



Toyoko Inn  
Kasukabe-eki  
Nishi-guchi

## Other

Expanding opportunities to acquire properties from non-sponsors by fully utilizing the proprietary information network of the Asset Management Company

## 2023: New Property Acquisition (As of October 20)

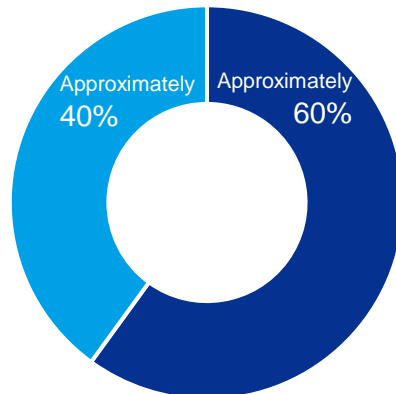
Type	Amount (Million JPY)	Ratio (%)	Number of properties
Residence	482,775	29.6	348
Office	601,568	36.8	139
Retail	152,271	9.3	60
Land	32,894	2.0	18
Logistics	48,596	3.0	13
Hotel	240,878	14.8	52
Development land	150	0.0	1
Other	73,511	4.5	32
Total	1,632,645	100.0	663

Selecting specific properties for consideration based on suitability of price, compliance with investment criteria, etc.

## Total Estimated Price of Properties under Consideration for Acquisition (as of October 20, 2023)

Proprietary route of Asset Management Company estimated 34.0 billion JPY

Identifying and scrutinizing prime investment opportunities from a broad range of applications and price ranges (including bridge cases)



Sponsor pipeline estimated 49.0 billion JPY

Property developed by MIRARTH HOLDINGS Group (Examples of specific assets: LUXENA/L.Biz series, etc.)  
\*See next page for sponsor pipeline status

### Reference

Continued to obtain numerous new properties

2022

Type	Amount (Million JPY)	Ratio (%)	Number of properties
Residence	789,188	36.6	585
Office	691,353	32.0	240
Retail	381,062	17.7	137
Land	47,970	2.2	32
Logistics	7,620	0.4	12
Hotel	190,870	8.8	51
Development land	1,700	0.1	4
Other	48,280	2.2	34
Total	2,158,044	100.0	1,095

2021

Type	Amount (Million JPY)	Ratio (%)	Number of properties
Residence	770,131	37.9	628
Office	750,290	37.0	312
Retail	269,344	13.3	123
Land	46,744	2.3	41
Logistics	47,100	2.3	20
Hotel	73,642	3.6	38
Development land	18,473	0.9	6
Other	53,702	2.6	20
Total	2,029,428	100.0	1,188



## Rich pipeline leveraging the main sponsor MIRARTH HOLDINGS Group's development capability

Property Name (Residence)	Location	Completed (expected)	Number of Units/Rooms/Sections
LUXENA NIHONBASHI	Chuo-ku, Tokyo	Completed	27
LUXENA YOKOHAMA TSURUMI	Yokohama-shi, Kanagawa	Completed	90
LUXENA MARUNOUCHI	Naka-ku, Nagoya	Completed	65
LUMINOUS Katsuyama-higashi	Matsuyama-shi, Aichi	December 2023	70
LUMINOUS Tamuromachi	Oita, Oita	Completed	44
LUXENA MACHIYA	Arakawa-ku, Tokyo	January 2024	25
LUMINOUS Hachiman-yama	Suginami-ku, Tokyo	January 2024	131
LUXENA HIRATSUKA	Hiratsuka-shi, Kanagawa	February 2024	41
LUXENA MATSUDO	Matsudo-shi, Chiba	March 2024	54
LUXENA YOKOHAMA TSURUMI II	Yokohama-shi, Kanagawa	June 2024	90
LUXENA ISOGO	Yokohama-shi, Kanagawa	June 2024	58
LUXENA YACHIYODAI	Yachiyo-shi, Chiba	June 2024	41
LUXENA URAWA	Saitama-shi, Saitama	July 2024	29
LUXENA KOIWA	Edogawa-ku, Tokyo	August 2024	31
LUXENA MINAMISENJU	Arakawa-ku, Tokyo	February 2025	26
LUXENA HIRAI III	Edogawa-ku, Tokyo	May 2025	30
LUXENA HACHIOJI-TERAMACHI	Hachioji-shi, Tokyo	June 2025	71
LUXENA MINAMIGYOTOKU	Ichikawa-shi, Chiba	October 2025	100

Property Name (Logistics)	Location	Completed (expected)	Number of Units/Rooms/Sections
Omiya Warehouse	Saitama-shi, Saitama	November 2025	1
Kashiwa-minami Warehouse	Kashiwa-shi, Chiba	September 2025	1

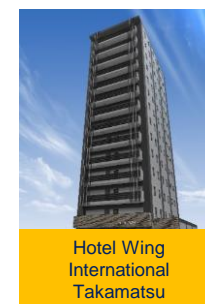
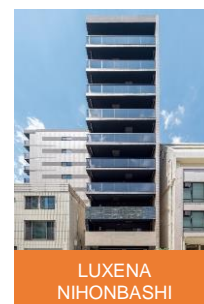
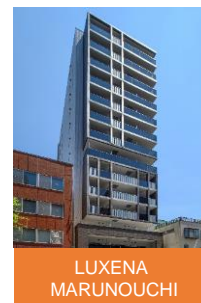
(Note) Although the Investment Corporation has acquired preferential negotiating rights with respect to each of the properties described above, there is no guarantee that these properties will be acquired in the future.

(Note) Buildings for which rendering is presented may vary after completion.

(Note) The above list includes properties under development; some property names are tentative and subject to change.

Property Name (Office)	Location	Completed (expected)	Number of Units/Rooms/Sections
L.Biz Ochanomizu	Chiyoda-ku, Tokyo	Completed	7
L.Biz Gofukumachi	Fukuoka-shi, Fukuoka	Completed	8
L.Biz Hakata Station	Fukuoka-shi, Fukuoka	March 2024	10
L.Biz Hirakawacho	Chiyoda-ku, Tokyo	May 2024	9
L.Biz Matsuyama	Matsuyama-shi, Aichi	December 2025	14

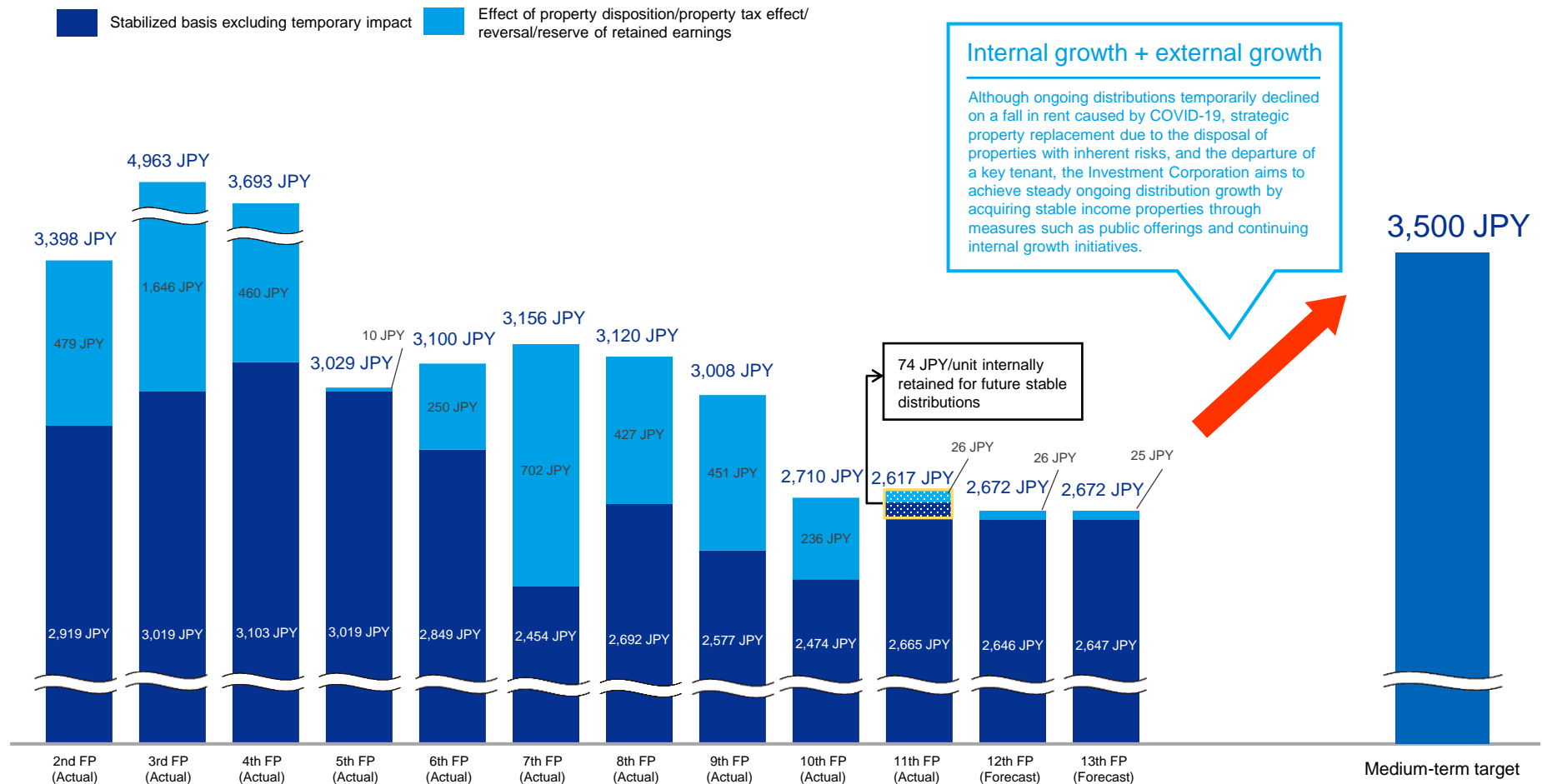
Property Name (Hotel)	Location	Completed (expected)	Number of Units/Rooms/Sections
Hotel Wing International Takamatsu	Takamatsu-shi, Kagawa	Completed	132
UENO URBAN HOTEL ANNEX	Taito-ku, Tokyo	Completed	65





## Medium-term distribution target: 3,500 JPY

- ◆ Maintain medium-term target level in light of the recovery from the pandemic
- ◆ Aim to boost ongoing distributions through steady internal growth as well as external growth resulting from public offerings, etc.
- ◆ Balance of retained earnings after distribution for the 11th Fiscal Period is approximately 296 million JPY (429 JPY/unit) → Supports distribution stability



Note: Amounts are calculated by dividing the amount of each item by the total number of investment units issued and outstanding. These are rounded down to the nearest JPY, so totals may not add up.



## V. Appendix

# Occupancy Rate by Property

Usage	Property Number	Property Name	End of March 2023	End of April 2023	End of May 2023	End of June 2023	End of July 2023	End of August 2023
Residence	R-01	Amare Tokaidori	97.0	97.0	97.0	95.0	93.0	92.0
	R-02	Dormy Ukimafunado	100.0	100.0	100.0	100.0	100.0	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	100.0	98.8	97.5	100.0	94.2	96.7
	R-04	LUXENA HIGASHI-KOENJI	100.0	93.2	91.4	92.4	94.2	91.0
	R-06	J City Hatchobori	95.7	96.4	96.8	95.5	96.7	96.7
	R-07	LUXENA HEIWADAI	98.3	98.7	97.8	96.9	99.4	100.0
	R-08	LUXENA KACHIDOKI	96.1	100.0	92.5	92.7	92.3	96.1
	R-09	LUXENA HON-ATSUGI	100.0	98.7	93.4	94.7	93.4	98.7
	R-10	LUXENA KADOMA	98.7	96.3	96.7	97.4	98.6	97.2
	R-11	LUXENA TODAKOEN	100.0	96.0	98.0	100.0	98.0	98.0
	R-12	LUXENA TODAKOEN II	97.8	100.0	100.0	68.8	72.2	75.1
	R-13	LUXENA AKIHABARA	93.0	83.1	84.0	83.2	88.0	90.6
	R-14	Fiore Residence Dejima Kaigan Dori	98.1	96.4	96.5	94.7	87.5	87.5
	R-15	LUXENA MUSASHI-SHINJO	100.0	100.0	100.0	100.0	98.7	100.0
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	96.4	98.8	98.7	98.7	99.1	98.7
	R-17	PRIME SQUARE	100.0	100.0	100.0	100.0	100.0	100.0
	R-18	Winbell Chorus SeisekiSakuragaoka	100.0	97.8	97.8	100.0	100.0	97.7
	R-19	MARE Isogo Building	100.0	100.0	100.0	100.0	100.0	100.0
	R-20	TLR Residence Kawasaki Daishi	100.0	97.2	98.6	100.0	97.2	94.4
	R-21	TLR Residence Honmachi WEST	96.0	95.8	91.1	91.7	92.3	92.9
	R-22	TLR Residence Takaida	100.0	97.0	95.6	94.1	91.2	91.2
	R-23	LUXENA KITASENJU	100.0	96.9	98.5	96.9	100.0	100.0
	R-24	La Vita Higashi Ueno	100.0	100.0	100.0	89.8	100.0	94.9
	R-25	LUXENA JOSHIN	100.0	100.0	100.0	100.0	100.0	96.5
	R-26	LUXENA UMEKOJI-KYOTONISHI	98.1	100.0	100.0	100.0	98.1	96.2
	R-27	LUXENA KIYOMIZU-GOJO	97.4	97.5	97.5	100.0	100.0	100.0
	R-28	La Vita Nijo Gekko	93.5	100.0	100.0	96.8	100.0	100.0
	R-29	La Vita Toji	100.0	96.7	93.3	96.7	96.7	100.0
	R-30	TLR Residence Namba east	94.4	100.0	100.0	100.0	100.0	94.5
	R-31	TLR Residence Ryogoku	96.6	93.1	93.4	95.3	94.7	94.8

# Occupancy Rate by Property

Usage	Property Number	Property Name	End of March 2023	End of April 2023	End of May 2023	End of June 2023	End of July 2023	End of August 2023
Residence	R-32	TLR Residence Otorii	100.0	100.0	100.0	100.0	100.0	96.5
	R-33	TLR Residence Kameari	97.3	97.3	97.3	95.9	94.5	93.2
	R-34	Fiel Kiyofune	100.0	100.0	100.0	100.0	100.0	100.0
	R-35	SERENiTE Namba west	92.2	92.2	95.6	97.8	100.0	97.8
	R-36	Colline Ensoleille	95.6	97.8	100.0	97.8	97.8	97.8
	R-37	Rock Field Nishi-Oi	92.4	94.1	94.1	100.0	94.1	94.1
	R-38	La Vita YATSUKA-EKIMAE I・II	98.1	98.1	100.0	98.0	98.0	98.0
	R-39	La Vita Shin-Okachimachi	-	-	-	-	-	100.0
	Residence Total		98.0	97.5	97.3	96.5	96.6	96.4
Office	O-01	NT Building	89.5	89.5	89.5	89.5	89.5	89.5
	O-02	Higashi-Ikebukuro Central Place	100.0	100.0	100.0	92.3	92.3	86.7
	O-03	Nagoya Center Plaza Building	100.0	100.0	98.1	98.1	98.1	100.0
	O-05	Omiya NSD Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-07	Hakata Gion Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-09	L.Biz Jimbocho	100.0	100.0	100.0	100.0	100.0	100.0
	O-11	L.Biz Sendai	95.8	95.8	95.8	100.0	100.0	100.0
	O-12	Sendai Nikko Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-19	Yoyogi 1-chome Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-20	Kawagoe West Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-21	HAKATA REISENMACHI Building	89.0	96.8	96.8	96.8	96.8	100.0
	Office Total		97.0	97.3	96.9	96.0	96.0	95.6
Hotel	H-01	Dormy Inn Matsuyama	100.0	100.0	100.0	100.0	100.0	100.0
	H-03	Dormy Inn Morioka	100.0	100.0	100.0	100.0	100.0	100.0
	H-04	ACCESS by LOISIR HOTEL Nagoya	100.0	100.0	100.0	100.0	100.0	100.0
	Hotel Total		100.0	100.0	100.0	100.0	100.0	100.0
Retail and Other Assets	C-01	Prio Daimyo II	80.3	80.3	80.3	80.3	100.0	100.0
	C-03	TA Shonan Kugenumakaigan	100.0	100.0	100.0	100.0	100.0	100.0
	C-05	YAMADA web.com Matsuyama Toiyacho	100.0	100.0	100.0	100.0	100.0	100.0
	C-06	Tecc LIFE SELECT Kobe Tarumi (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-07	AEON STYLE Onomichi (Land)	100.0	100.0	100.0	100.0	100.0	100.0

# Occupancy Rate by Property

Usage	Property Number	Property Name	End of March 2023	End of April 2023	End of May 2023	End of June 2023	End of July 2023	End of August 2023
Retail and Other Assets	C-08	BIGMOTOR Sapporo Kiyota (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-09	DCM Daiki Onomichi (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-10	Cainz Omiya	100.0	100.0	100.0	100.0	100.0	100.0
	C-11	APiTA NAGOYA-MINAMI	100.0	100.0	100.0	100.0	100.0	100.0
	C-12	BIGMOTOR Konosu (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-13	Kaden Sumairu Kan × YAMADA web.com Nara	100.0	100.0	100.0	100.0	100.0	100.0
	Retail and Other Assets Total		99.9	99.9	99.9	99.9	100.0	100.0
Portfolio Total			98.9	98.8	98.7	98.3	98.4	98.3

Usage	Property Number	Property Name	Acquisition Price (million JPY)	Period-end Book Value (million JPY)	10th FP			11th FP			Difference			Appraisal Value - Book Value (11th FP end) (million JPY)
					Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	
Residence	R-01	Amare Tokaidori	1,100	1,050	1,210	58	4.4	1,220	57	4.3	10	0	-0.1	169
	R-02	Dormy Ukimafunado	1,080	1,081	1,130	56	4.4	1,150	56	4.3	20	0	-0.1	68
	R-03	Benefis Hakata-Minami Grand Sweet	1,032	988	1,210	54	4.2	1,240	54	4.1	30	0	-0.1	251
	R-04	LUXENA HIGASHI-KOENJI	1,060	1,068	1,200	44	3.5	1,200	44	3.5	-	0	-	131
	R-06	J City Hatchobori	1,200	1,182	1,260	64	4.7	1,260	64	4.7	-	0	-	77
	R-07	LUXENA HEIWADAI	3,910	3,882	4,510	172	3.7	4,510	172	3.7	-	0	-	627
	R-08	LUXENA KACHIDOKI	1,120	1,124	1,350	47	3.4	1,350	47	3.4	-	0	-	225
	R-09	LUXENA HON-ATSUGI	705	713	784	38	4.5	792	38	4.5	8	0	-	78
	R-10	LUXENA KADOMA	2,000	2,107	2,170	95	4.3	2,230	96	4.2	60	0	-0.1	122
	R-11	LUXENA TODAKOEN	910	944	978	39	3.9	978	39	3.9	-	0	-	33
	R-12	LUXENA TODAKOEN II	1,200	1,240	1,280	52	3.9	1,280	52	3.9	-	0	-	39
	R-13	LUXENA AKIHABARA	2,300	2,352	2,430	81	3.2	2,430	81	3.2	-	0	-	77
	R-14	Fiore Residence Dejima Kaigan Dori	560	590	609	30	4.5	618	30	4.4	9	0	-0.1	27
	R-15	LUXENA MUSASHI-SHINJO	1,900	1,956	2,030	82	3.9	2,060	82	3.9	30	0	-	103
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	2,840	2,924	3,130	130	4.0	3,130	129	4.0	-	0	-	205
	R-17	PRIME SQUARE	620	644	748	32	4.1	750	32	4.1	2	0	-	105
	R-18	Winbell Chorus SeisekiSakuragaoka	730	753	856	40	4.1	857	40	4.1	1	0	-	103
	R-19	Mare Isogo Building	1,900	2,001	2,200	102	4.4	2,200	102	4.4	-	0	-	198
	R-20	TLR Residence Kawasaki Daishi	1,346	1,444	1,420	56	3.8	1,390	55	3.8	-30	-1	-	-54
	R-21	TLR Residence Honmachi WEST	3,479	3,685	3,490	126	3.5	3,470	125	3.5	-20	0	-	-215
	R-22	TLR Residence Takaida	942	1,009	1,010	43	4.0	1,020	44	4.0	10	0	-	10
	R-23	LUXENA KITASENJU	1,540	1,601	1,610	59	3.5	1,610	59	3.5	-	0	-	8
	R-24	La Vita Higashi Ueno	1,280	1,312	1,290	45	3.3	1,290	44	3.3	-	0	-	-22
	R-25	LUXENA JOSHIN	620	657	634	27	4.2	652	27	4.1	18	0	-0.1	-5
	R-26	LUXENA UMEKOJI-KYOTONISHI	725	763	772	32	3.9	783	31	3.8	11	0	-0.1	19

Usage	Property Number	Property Name	Acquisition Price (million JPY)	Period-end Book Value (million JPY)	10th FP			11th FP			Difference (Note 2)			Appraisal Value - Book Value (11th FP end) (million JPY)
					Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	
Residence	R-27	LUXENA KIYOMIZU-GOJO	515	542	597	23	3.8	612	23	3.7	15	0	-0.1	69
	R-28	La Vita Nijo Gekko	515	539	535	21	3.9	544	21	3.8	9	0	-0.1	4
	R-29	La Vita Toji	465	491	477	19	3.9	485	19	3.8	8	0	-0.1	-6
	R-30	TLR Residence Namba east	675	703	717	29	3.8	721	29	3.8	4	0	-	17
	R-31	TLR Residence Ryogoku	2,000	2,047	-	-	-	2,040	71	3.3	-	-	-	-7
	R-32	TLR Residence Otorii	1,470	1,515	-	-	-	1,490	52	3.4	-	-	-	-25
	R-33	TLR Residence Kameari	1,900	1,966	-	-	-	1,900	68	3.5	-	-	-	-66
	R-34	Fiel Kiyofune	1,500	1,617	-	-	-	1,510	70	4.1	-	-	-	-107
	R-35	SERENITE Namba west	1,300	1,356	-	-	-	1,330	56	3.9	-	-	-	-26
	R-36	Colline Ensoleille	970	1,005	-	-	-	995	48	4.1	-	-	-	-10
	R-37	Rock Field Nishi-Oi	535	557	-	-	-	545	19	3.3	-	-	-	-12
	R-38	La Vita YATSUKA-EKIMAE I・II	970	1,017	-	-	-	988	50	4.6	-	-	-	-29
	R-39	La Vita Shin-Okachimachi	500	522	-	-	-	511	17	3.2	-	-	-	-11
	Residence Total		49,414	50,964	41,637	1,710	-	53,141	2,163	-	195	-3	-	2,176
Office	O-01	NT Building	12,350	12,734	12,700	506	3.7	12,500	499	3.7	-200	-7	-	-234
	O-02	Higashi-Ikebukuro Central Place	9,780	9,890	10,900	415	3.7	10,900	417	3.7	-	2	-	1,009
	O-03	Nagoya Center Plaza Building	4,870	5,260	5,260	261	4.6	5,300	258	4.5	40	-3	-0.1	39
	O-05	Omiya NSD Building	3,493	3,548	3,960	194	4.6	3,880	186	4.5	-80	-7	-0.1	331
	O-07	Hakata Gion Building	2,500	2,534	2,960	130	4.1	2,910	125	4.1	-50	-4	-	375
	O-09	L.Biz Jimbocho	1,006	1,013	1,170	45	3.6	1,170	45	3.6	-	0	-	156
	O-11	L.Biz Sendai	1,680	1,635	1,670	92	4.7	1,640	88	4.6	-30	-3	-0.1	4
	O-12	Sendai Nikko Building	1,740	1,774	1,790	87	4.1	1,790	85	4.0	-	-1	-0.1	15
	O-19	Yoyogi 1-chome Building	1,850	1,922	2,170	74	3.2	2,170	74	3.2	-	0	-	247
	O-20	Kawagoe West Building	2,600	2,629	2,760	128	4.5	2,760	128	4.5	-	0	-	130
	O-21	HAKATA REISENMACHI Building	2,700	2,799	2,610	101	3.8	2,560	99	3.8	-50	-2	-	-239
	Office Total		44,569	45,744	47,950	2,037	-	47,580	2,008	-	-370	-28	-	1,835



Usage	Property Number	Property Name	Acquisition Price (million JPY)	Period-end Book Value (million JPY)	10th FP			11th FP			Difference (Note 2)			Appraisal Value - Book Value (11th FP end) (million JPY)
					Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	
Hotel	H-01	Dormy Inn Matsuyama	2,427	2,252	2,550	132	5.0	2,550	132	5.0	-	0	-	297
	H-03	Dormy Inn Morioka	2,520	2,332	2,560	130	4.9	2,560	130	4.9	-	0	-	227
	H-04	ACCESS by LOISIR HOTEL Nagoya	2,500	2,468	2,200	105	4.2	2,200	102	4.1	-	-2	-0.1	-268
	Hotel Total		7,447	7,053	7,310	367	-	7,310	364	-	0	-2	-	256
Retail and Other Assets	C-01	Prio Daimyo II	980	995	1,130	48	4.1	1,130	48	4.1	-	0	-	134
	C-03	TA Shonan Kugenumakaigan	500	500	571	27	4.7	571	27	4.7	-	0	-	70
	C-05	YAMADA web.com Matsuyama Toiyacho	4,030	3,958	4,410	300	6.8	4,410	301	6.8	-	0	-	451
	C-06	Tecc LIFE SELECT KobeTarumi (Land)	4,227	4,281	4,290	207	4.9	4,270	(Note 1)	(Note 1)	-20	0	-	-11
	C-07	AEON STYLE Onomichi (Land)	900	930	1,040	49	4.7	1,040	49	4.7	-	0	-	109
	C-08	BIGMOTOR Sapporo Kiyota (Land)	1,610	1,650	1,790	(Note 1)	(Note 1)	1,770	(Note 1)	(Note 1)	-20	0	-	119
	C-09	DCM Daiki Onomichi (Land)	1,170	1,193	1,240	65	5.3	1,240	65	5.3	-	0	-	46
	C-10	Cainz Omiya	2,520	2,524	2,600	125	4.4	2,600	125	4.4	-	0	-	75
	C-11	APiTA NAGOYA-MINAMI	7,800	7,886	8,270	402	4.6	8,270	402	4.6	-	0	-	383
	C-12	BIGMOTOR Konosu (Land)	2,150	2,181	2,290	(Note 1)	(Note 1)	2,290	(Note 1)	(Note 1)	-	0	-	108
	C-13	Kaden Sumairu Kan × YAMADA web.com Nara	4,850	5,036	5,170	273	5.2	5,170	273	5.2	-	0	-	133
Retail and Other Assets Total			30,737	31,138	32,801	1,501	-	32,761	1,293	-	-40	0	-	1,622
Portfolio Total			132,168	134,900	129,698	5,617	-	140,792	5,830	-	-215	-34	-	5,891

(Note 1) This information is not presented as the DCF method is the only method applied to Tecc LIFE SELECT KobeTarumi (Land), BIGMOTOR Sapporo Kiyota (Land) and BIGMOTOR Konosu (Land).

(Note 2) Regarding the difference between the 10th Fiscal Period and 11th Fiscal Period, the 9 properties acquired in the 11th Fiscal Period—TLR Residence Ryogoku, TLR Residence Otorii, TLR Residence Kameari, Fiel Kiyofune, SERENITE Namba west, Colline Ensoleille, Rock Field Nishi-Oi, La Vita YATSUKA-EKIMAE I & II, and La Vita Shin-Okachimachi—are not included.

(Unit: thousand JPY)

<Assets>	10th FP	11th FP
<b>Current assets</b>		
Cash and deposits	6,880,357	4,667,574
Cash and deposits in trust	2,765,198	2,235,695
Operating accounts receivable	95,711	126,790
Prepaid expenses	223,809	252,868
<b>Total current assets</b>	<b>9,965,076</b>	<b>7,282,928</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings, net	3,837,749	3,788,808
Structures, net	27,325	27,085
Machinery and equipment, net	39,221	38,032
Tools, furniture and fixtures, net	21,915	19,428
Land	5,617,204	5,617,204
Buildings in trust, net	29,862,632	32,699,632
Structures in trust, net	178,895	191,827
Machinery and equipment in trust, net	16,350	53,942
Tools, furniture and fixtures in trust, net	80,068	93,151
Land in trust	83,699,906	92,353,406
Construction in progress in trust	14,417	18,061
<b>Total property, plant and equipment</b>	<b>123,395,686</b>	<b>134,900,581</b>
Intangible assets		
Software	1,702	1,042
<b>Total intangible assets</b>	<b>1,702</b>	<b>1,042</b>
Investments and other assets		
Long-term prepaid expenses	363,948	361,198
Leasehold and security deposits	11,000	11,000
Other	10	10
<b>Total investments and other assets</b>	<b>374,958</b>	<b>372,208</b>
<b>Total non-current assets</b>	<b>123,772,347</b>	<b>135,273,833</b>
<b>Deferred assets</b>		
Investment unit issuance costs	37,109	47,812
<b>Total deferred assets</b>	<b>37,109</b>	<b>47,812</b>
<b>Total assets</b>	<b>133,774,533</b>	<b>142,604,574</b>

<Liabilities>	10th FP	11th FP
<b>Current liabilities</b>		
Operating accounts payable	460,534	472,811
Current portion of long-term loans payable	6,000,000	9,550,000
Current portion of tenant leasehold and security deposit in trust	62,103	62,103
Accounts payable — other	210,283	234,523
Accrued expenses	18,330	20,355
Income taxes payable	598	599
Accrued consumption taxes	2,689	42,306
Advances received	32,817	24,248
Other	14,241	9,720
<b>Total current liabilities</b>	<b>6,801,598</b>	<b>10,416,667</b>
<b>Non-current liabilities</b>		
Long-term loans payable	57,080,000	57,600,000
Tenant leasehold and security deposits	189,070	189,146
Tenant leasehold and security deposits in trust	3,755,432	3,803,779
Deferred tax liabilities	74,196	99,420
Asset retirement obligations	82,835	83,152
Other	22,290	15,092
<b>Total non-current liabilities</b>	<b>61,203,825</b>	<b>61,790,591</b>
<b>Total liabilities</b>	<b>68,005,423</b>	<b>72,207,258</b>
<b>&lt;Net assets&gt;</b>	<b>10th FP</b>	<b>11th FP</b>
<b>Unitholders' equity</b>		
• Unitholders' capital	63,801,091	68,299,018
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	-8,537	-7,888
Total deduction from unitholders' capital	-8,537	-7,888
Unitholders' capital, net	63,792,554	68,291,129
• Surplus		
Unappropriated retained earnings (undisposed loss)	1,976,555	2,106,185
Total surplus	1,976,555	2,106,185
<b>Total unitholders' equity</b>	<b>65,769,110</b>	<b>70,397,315</b>
<b>Valuation and translation adjustments</b>		
<b>Total net assets</b>	<b>65,769,110</b>	<b>70,397,315</b>
<b>Total liabilities and net assets</b>	<b>133,774,533</b>	<b>142,604,574</b>

(Unit: thousand JPY)

<Statement of Income>	10th FP	11th FP
<b>Operating revenues</b>		
Leasing business income	3,323,900	3,681,324
Other leasing business income	151,279	204,976
Gain on sales of real estate properties	137,582	--
Total operating revenue	3,612,762	3,886,301
<b>Operating expenses</b>		
Expenses related to leasing business	1,227,789	1,309,897
Asset management fees	173,785	188,629
Asset custody and administrative service fees	24,481	27,491
Directors' compensations	2,400	2,400
Taxes and dues	33,570	27,670
Other operating expenses	58,622	71,650
Total operating expenses	1,520,649	1,627,738
Operating income	2,092,113	2,258,562
<b>Non-operating income</b>		
Interest income	42	35
Reversal of distributions payable	370	518
Interest on tax refund	--	19
Income from insurance claims	405	7,192
Other	--	287
Total non-operating income	818	8,054
<b>Non-operating expenses</b>		
Interest expenses	224,185	241,821
Borrowing related expenses	115,555	124,468
Amortization of investment unit issuance costs	9,560	13,613
Total non-operating expenses	349,301	379,903
Ordinary income	1,743,629	1,886,713
Income before income taxes	1,743,629	1,886,713
<b>Income taxes</b>		
Income taxes-current	605	605
Income taxes-deferred	25,223	25,223
Total income taxes	25,828	25,828
Net Income	1,717,801	1,860,884
Retained earnings brought forward	152,061	245,301
Cumulative effect of retrospective application of a change in accounting policies	106,693	--
Retained earnings brought forward after retrospective application	258,754	245,301
Unappropriated retained earnings (undisposed loss)	1,976,555	2,106,185

<Statements of Cash Flows>	10th FP	11th FP
<b>Cash flows from operating activities</b>		
Income before income taxes	1,743,629	1,886,713
Depreciation	488,110	530,057
Amortization of investment unit issuance costs	9,560	13,613
Borrowing related expenses	102,830	115,990
Interest income	-42	-35
Interest expenses	224,185	241,821
Loss on retirement of non-current assets	5,354	--
Decrease (increase) in operating accounts receivable	3,673	-31,079
Increase (decrease) in accrued consumption taxes	-128,674	39,617
Decrease (increase) in prepaid expenses	11,379	-11,921
Decrease (increase) in long-term prepaid expenses	6,271	5,649
Increase (decrease) in operating accounts payable	-36,874	29,207
Increase (decrease) in accounts payable — other	-26,430	23,172
Increase (decrease) in advances received	24,318	-8,569
Decrease in disposal of property, plant and equipment due to sale	712,110	--
Decrease in disposal of property, plant and equipment in trust due to sale	3,114,175	--
Other	23,315	-11,266
Subtotal	6,276,893	2,822,971
Interest income received	42	35
Interest expenses paid	-227,298	-239,797
Income taxes paid	-605	-604
Net cash provided by (used in) operating activities	6,049,032	2,582,605
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-41	--
Purchase of property, plant and equipment in trust	-12,031,780	-12,075,868
Proceeds from tenant leasehold and security deposits	--	104
Repayments of tenant leasehold and security deposits	-13,375	-81
Proceeds from tenant leasehold and security deposits in trust	89,543	49,252
Repayments of tenant leasehold and security deposits in trust	-78,827	-10,101
Net cash provided by (used in) investing activities	-12,034,483	-12,036,695
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	5,693,103	9,935,039
Repayments of short-term loans payable	--	-6,000,000
Proceeds from issuance of investment units	6,393,675	4,473,609
Distributions paid	-1,730,016	-1,730,741
Net cash provided by (used in) financing activities	9,381,761	6,677,908
Net increase (decrease) in cash and cash equivalents	3,396,311	-2,776,181
Cash and cash equivalents at beginning of period	3,444,620	6,840,931
Cash and cash equivalents at end of period	6,840,931	4,064,749

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-01	R-02	R-03	R-04	R-06
	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet	LUXENA HIGASHI-KOENJI	J City Hatchobori
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	38,440	31,694	36,361	30,848	40,978
Leasing business revenue	37,243	31,645	35,044	29,585	40,479
Other leasing business revenue	1,196	48	1,317	1,263	499
② Operating expenses from real estate leasing business	11,711	2,593	10,878	10,001	10,679
Management fees	5,107	316	3,834	3,863	5,372
Utilities expenses	317	8	284	211	409
Taxes and dues	2,183	1,697	2,628	1,571	2,970
Insurance premiums	91	69	87	45	88
Repair expenses	3,530	170	3,415	3,976	1,487
Trust fees	300	300	300	300	300
Other expenses	180	30	328	32	52
③ NOI (①-②)	26,728	29,100	25,482	20,847	30,299
④ Depreciation	9,717	3,047	6,876	4,193	5,431
⑤ Operating income from real estate leasing business	17,010	26,053	18,606	16,654	24,867
⑥ Acquisition price	1,100,000	1,080,000	1,032,000	1,060,000	1,200,000
⑦ NOI yield (% , annualized)	4.82	5.35	4.90	3.90	5.01

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-07	R-08	R-09	R-10	R-11
	LUXENA HEIWADAI	LUXENA KACHIDOKI	LUXENA HON-ATSUGI	LUXENA KADOMA	LUXENA TODAKOEN
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	118,422	31,140	28,796	68,074	29,070
Leasing business revenue	108,949	29,109	25,878	64,992	25,519
Other leasing business revenue	9,472	2,031	2,917	3,081	3,550
② Operating expenses from real estate leasing business	21,527	6,766	6,745	16,530	7,118
Management fees	10,948	4,302	3,379	7,549	3,887
Utilities expenses	2,230	306	810	2,141	289
Taxes and dues	5,191	1,107	1,079	5,560	1,742
Insurance premiums	203	47	63	171	46
Repair expenses	2,547	595	1,395	890	775
Trust fees	375	375	—	—	300
Other expenses	31	31	17	217	76
③ NOI (①-②)	96,894	24,373	22,050	51,543	21,951
④ Depreciation	12,119	5,032	3,520	17,199	5,652
⑤ Operating income from real estate leasing business	84,775	19,340	18,529	34,344	16,299
⑥ Acquisition price	3,910,000	1,120,000	705,000	2,000,000	910,000
⑦ NOI yield (% , annualized)	4.92	4.32	6.20	5.11	4.79

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-12	R-13	R-14	R-15	R-16
	LUXENA TODAKOEN II	LUXENA AKIHABARA	Fiore Residence Dejima Kaigan Dori	LUXENA MUSASHI-SHINJO	LUXENA NAGAREYAMA OTAKANOMORI
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	36,130	49,590	20,887	57,503	88,523
Leasing business revenue	29,515	44,885	19,396	49,877	84,607
Other leasing business revenue	6,614	4,704	1,491	7,626	3,916
② Operating expenses from real estate leasing business	11,776	14,839	8,226	12,186	15,071
Management fees	5,721	9,071	2,756	7,768	6,766
Utilities expenses	368	318	1,037	216	1,505
Taxes and dues	1,562	2,404	1,381	3,421	4,227
Insurance premiums	73	77	60	91	189
Repair expenses	3,630	2,632	2,655	352	1,987
Trust fees	300	300	300	300	375
Other expenses	119	34	35	35	19
③ NOI (①-②)	24,353	34,750	12,660	45,316	73,452
④ Depreciation	6,783	6,854	3,915	9,051	18,811
⑤ Operating income from real estate leasing business	17,569	27,896	8,745	36,265	54,640
⑥ Acquisition price	1,200,000	2,300,000	560,000	1,900,000	2,840,000
⑦ NOI yield (% , annualized)	4.03	3.00	4.48	4.73	5.13



# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-17	R-18	R-19	R-20	R-21
	PRIME SQUARE	Winbell Chorus SeisekiSakuragaoka	MARE Isogo Building	TLR Residence Kawasaki Daishi	TLR Residence Honmachi WEST
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	18,421	29,888	60,541	37,114	71,862
Leasing business revenue	18,421	28,841	60,363	33,868	69,595
Other leasing business revenue	—	1,046	177	3,245	2,266
② Operating expenses from real estate leasing business	2,088	6,115	7,494	7,504	16,963
Management fees	184	2,452	3,762	3,868	8,069
Utilities expenses	—	483	595	231	552
Taxes and dues	1,325	1,716	2,403	2,004	5,328
Insurance premiums	46	74	134	64	158
Repair expenses	139	990	267	1,002	2,337
Trust fees	375	375	300	300	300
Other expenses	19	23	31	32	215
③ NOI (①-②)	16,332	23,772	53,046	29,609	54,898
④ Depreciation	3,547	3,396	9,897	7,559	10,866
⑤ Operating income from real estate leasing business	12,785	20,376	43,149	22,050	44,032
⑥ Acquisition price	620,000	730,000	1,900,000	1,346,153	3,479,011
⑦ NOI yield (% , annualized)	5.23	6.46	5.54	4.36	3.13



# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-22	R-23	R-24	R-25	R-26
	TLR Residence Takaida	LUXENA KITASENJU	La Vita Higashi Ueno	LUXENA JOSHIN	LUXENA UMEKOJI-KYOTONISHI
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	26,550	38,314	26,090	19,366	22,511
Leasing business revenue	25,260	36,747	24,944	19,340	21,582
Other leasing business revenue	1,290	1,566	1,146	26	929
② Operating expenses from real estate leasing business	7,450	6,359	6,212	3,598	6,196
Management fees	2,935	3,136	3,552	1,119	2,428
Utilities expenses	722	320	198	176	699
Taxes and dues	1,869	2,047	972	1,343	1,867
Insurance premiums	81	66	34	48	51
Repair expenses	1,356	367	975	—	813
Trust fees	450	300	400	300	300
Other expenses	34	122	78	609	36
③ NOI (①-②)	19,099	31,954	19,877	15,768	16,315
④ Depreciation	4,730	7,374	3,588	4,226	4,899
⑤ Operating income from real estate leasing business	14,369	24,580	16,289	11,541	11,415
⑥ Acquisition price	942,120	1,540,000	1,280,000	620,000	725,000
⑦ NOI yield (% , annualized)	4.02	4.12	3.08	5.05	4.46

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-27	R-28	R-29	R-30	R-31
	LUXENA KIYOMIZU-GOJO	La Vita Nijo Gekko	La Vita Toji	TLR Residence Namba east	TLR Residence Ryogoku
					
Days in operation	184	184	184	184	183
① Operating revenue from real estate leasing business	17,878	15,370	13,615	20,279	42,228
Leasing business revenue	16,678	14,261	13,149	19,949	40,694
Other leasing business revenue	1,199	1,109	465	330	1,533
② Operating expenses from real estate leasing business	5,171	4,879	3,645	5,864	8,241
Management fees	2,492	2,248	1,453	2,300	5,151
Utilities expenses	508	433	152	213	498
Taxes and dues	1,216	1,176	1,251	1,295	—
Insurance premiums	40	33	31	49	84
Repair expenses	529	650	420	1,670	2,096
Trust fees	300	300	300	300	374
Other expenses	83	36	36	35	37
③ NOI (①-②)	12,706	10,491	9,969	14,415	33,987
④ Depreciation	2,929	2,655	3,141	4,471	2,167
⑤ Operating income from real estate leasing business	9,777	7,835	6,827	9,944	31,819
⑥ Acquisition price	515,000	515,000	465,000	675,000	2,000,000
⑦ NOI yield (% , annualized)	4.89	4.04	4.25	4.24	3.39

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-32	R-33	R-34	R-35	R-36
	TLR Residence Otorii	TLR Residence Kameari	Fiel Kiyofune	SERENITE Namba west	Colline Ensoleille
					
Days in operation	183	183	183	183	183
① Operating revenue from real estate leasing business	33,305	43,889	45,971	34,185	35,619
Leasing business revenue	30,736	43,476	45,760	33,447	34,791
Other leasing business revenue	2,569	412	210	738	827
② Operating expenses from real estate leasing business	6,112	8,176	4,981	11,474	5,627
Management fees	4,964	6,209	2,426	6,996	3,481
Utilities expenses	176	557	455	360	329
Taxes and dues	—	—	—	—	0
Insurance premiums	58	80	190	95	118
Repair expenses	501	934	1,512	3,630	1,304
Trust fees	374	374	374	374	374
Other expenses	36	20	21	17	18
③ NOI (①-②)	27,193	35,712	40,989	22,711	29,991
④ Depreciation	4,041	6,061	6,197	5,669	3,054
⑤ Operating income from real estate leasing business	23,151	29,651	34,792	17,042	26,937
⑥ Acquisition price	1,470,000	1,900,000	1,500,000	1,300,000	970,000
⑦ NOI yield (% , annualized)	3.69	3.75	5.45	3.48	6.17

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-37	R-38	R-39	O-01	O-02
	Rock Field Nishi-Oi	La Vita YATSUKA-EKIMAE I-II	La Vita Shin-Okachimachi	NT Building	Higashi-Ikebukuro Central Place
					
Days in operation	183	183	31	184	184
① Operating revenue from real estate leasing business	12,025	36,182	1,905	285,341	273,112
Leasing business revenue	11,137	35,870	1,708	259,240	233,743
Other leasing business revenue	888	312	196	26,100	39,369
② Operating expenses from real estate leasing business	3,766	6,367	420	90,300	41,504
Management fees	2,056	3,677	341	30,522	9,825
Utilities expenses	98	512	7	30,721	13,359
Taxes and dues	—	—	4	25,920	15,475
Insurance premiums	25	113	2	685	406
Repair expenses	1,194	1,241	—	2,003	2,028
Trust fees	374	748	63	400	375
Other expenses	17	73	2	47	33
③ NOI (①-②)	8,258	29,814	1,485	195,040	231,607
④ Depreciation	1,550	5,453	250	49,519	30,939
⑤ Operating income from real estate leasing business	6,708	24,361	1,235	145,520	200,667
⑥ Acquisition price	535,000	970,000	500,000	12,350,000	9,780,000
⑦ NOI yield (% , annualized)	3.08	6.13	3.50	3.13	4.70

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	O-03	O-05	O-07	O-09	O-11
	Nagoya Center Plaza Building	Omiya NSD Building	Hakata Gion Building	L.Biz Jimbocho	L.Biz Sendai
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	201,513	130,126	92,509	26,979	68,879
Leasing business revenue	176,628	122,049	85,464	26,527	60,548
Other leasing business revenue	24,884	8,076	7,044	452	8,331
② Operating expenses from real estate leasing business	69,732	35,058	27,208	4,095	22,109
Management fees	25,337	12,478	7,927	1,805	8,169
Utilities expenses	19,693	9,752	5,193	—	6,993
Taxes and dues	16,597	8,544	8,160	1,849	5,189
Insurance premiums	617	214	184	30	176
Repair expenses	6,859	3,708	5,303	80	1,246
Trust fees	300	300	400	300	300
Other expenses	327	61	39	30	33
③ NOI (①-②)	131,781	95,067	65,301	22,883	46,770
④ Depreciation	35,881	9,899	14,542	2,805	9,631
⑤ Operating income from real estate leasing business	95,899	85,168	50,758	20,077	37,139
⑥ Acquisition price	4,870,000	3,493,900	2,500,000	1,006,000	1,680,000
⑦ NOI yield (% , annualized)	5.37	5.40	5.18	4.51	5.52



# Profit and Loss by Property

(Unit: thousand JPY)

Property name	O-12	O-19	O-20	O-21	H-01
	Sendai Nikko Building	Yoyogi 1-chome Building	Kawagoe West Building	HAKATA REISENMACHI Building	Dormy Inn Matsuyama
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	65,990	42,658	90,259	55,689	76,500
Leasing business revenue	61,914	42,658	82,388	53,544	76,500
Other leasing business revenue	4,076	—	7,871	2,145	—
② Operating expenses from real estate leasing business	22,890	4,510	17,321	15,790	8,990
Management fees	5,592	1,101	6,092	5,537	765
Utilities expenses	7,036	—	6,123	3,415	900
Taxes and dues	8,152	2,886	4,184	6,312	6,821
Insurance premiums	136	50	104	103	168
Repair expenses	669	79	381	86	—
Trust fees	450	375	400	300	300
Other expenses	853	17	35	35	35
③ NOI (①-②)	43,099	38,147	72,937	39,899	67,509
④ Depreciation	7,202	3,920	8,837	9,921	19,220
⑤ Operating income from real estate leasing business	35,896	34,226	64,100	29,978	48,288
⑥ Acquisition price	1,740,000	1,850,000	2,600,000	2,700,000	2,427,000
⑦ NOI yield (% , annualized)	4.91	4.09	5.56	2.93	5.52

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	H-03	H-04	C-01	C-03	C-05
	Dormy Inn Morioka	ACCESS by LOISIR HOTEL Nagoya	Prio Daimyo II	TA Shonan Kugenumakaigan	YAMADA web.com Matsuyama Toiyacho
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	74,958	59,273	26,016	17,859	(Note)
Leasing business revenue	74,958	59,273	23,766	15,816	(Note)
Other leasing business revenue	—	—	2,250	2,042	(Note)
② Operating expenses from real estate leasing business	8,699	8,278	8,490	4,141	(Note)
Management fees	932	1,712	2,877	1,058	(Note)
Utilities expenses	—	—	2,470	2,141	(Note)
Taxes and dues	7,225	6,041	2,026	909	(Note)
Insurance premiums	201	97	21	17	(Note)
Repair expenses	324	—	657	—	(Note)
Trust fees	—	375	400	—	(Note)
Other expenses	16	51	37	16	(Note)
③ NOI (①-②)	66,258	50,995	17,525	13,717	153,610
④ Depreciation	27,227	10,978	1,357	1,365	15,654
⑤ Operating income from real estate leasing business	39,031	40,016	16,167	12,351	137,956
⑥ Acquisition price	2,520,000	2,500,000	980,000	500,000	4,030,000
⑦ NOI yield (% , annualized)	5.22	4.05	3.55	5.44	7.56



# Profit and Loss by Property

(Unit: thousand JPY)

Property name	C-06 Tecc LIFE SELECT KobeTarumi (Land)	C-07 AEON STYLE Onomichi (Land)	C-08 BIGMOTOR Sapporo Kiyota (Land)	C-09 DCM Daiki Onomichi (Land)	C-10 Cainz Omiya
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing business	(Note)	28,560	(Note)	(Note)	(Note)
Leasing business revenue	(Note)	28,560	(Note)	(Note)	(Note)
Other leasing business revenue	(Note)	—	(Note)	(Note)	(Note)
② Operating expenses from real estate leasing business	(Note)	4,064	(Note)	(Note)	(Note)
Management fees	(Note)	142	(Note)	(Note)	(Note)
Utilities expenses	(Note)	—	(Note)	(Note)	(Note)
Taxes and dues	(Note)	3,906	(Note)	(Note)	(Note)
Insurance premiums	(Note)	—	(Note)	(Note)	(Note)
Repair expenses	(Note)	—	(Note)	(Note)	(Note)
Trust fees	(Note)	—	(Note)	(Note)	(Note)
Other expenses	(Note)	14	(Note)	(Note)	(Note)
③ NOI (①-②)	103,683	24,496	37,022	(Note)	61,353
④ Depreciation	—	—	—	—	9,350
⑤ Operating income from real estate leasing business	103,683	24,496	37,022	(Note)	52,003
⑥ Acquisition price	4,227,000	900,000	1,610,000	1,170,000	2,520,000
⑦ NOI yield (% , annualized)	4.87	5.40	4.56	(Note)	4.83

(Unit: thousand JPY)

Property name	C-11 APiTA NAGOYA-MINAMI	C-12 BIGMOTOR Konosu (Land)	C-13 Kaden Sumairu Kan× YAMADA web.com Nara
			
Days in operation	184	184	184
① Operating revenue from real estate leasing business	(Note)	(Note)	(Note)
Leasing business revenue	(Note)	(Note)	(Note)
Other leasing business revenue	(Note)	(Note)	(Note)
② Operating expenses from real estate leasing business	(Note)	(Note)	(Note)
Management fees	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)
Taxes and dues	(Note)	(Note)	(Note)
Insurance premiums	(Note)	(Note)	(Note)
Repair expenses	(Note)	(Note)	(Note)
Trust fees	(Note)	(Note)	(Note)
Other expenses	(Note)	(Note)	(Note)
③ NOI (①-②)	210,608	48,440	137,194
④ Depreciation	23,373	—	11,828
⑤ Operating income from real estate leasing business	187,234	48,440	125,366
⑥ Acquisition price	7,800,000	2,150,000	4,850,000
⑦ NOI yield (% , annualized)	5.36	4.47	5.61

Indicators	2nd FP (Feb. 2019)	3rd FP (Aug. 2019)	4th FP (Feb. 2020)	5thFP (Aug. 2020)	6th FP (Feb. 2021)	7th FP (Aug. 2021)	8th FP (Feb. 2022)	9th FP (Aug. 2022)	10th FP (Feb. 2023)	11th FP (Aug. 2023)
Days in operation	181	184	182	184	181	184	181	184	181	184
NOI (million JPY)	1,717	1,489	2,142	2,140	2,097	1,995	2,696	2,611	2,734	3,105
FFO (funds from operation /million JPY)	1,412	1,139	1,711	1,706	1,618	1,441	2,072	1,915	2,067	2,919
FFO per unit (JPY)	4,087	3,297	3,699	3,689	3,499	3,115	3,604	3,332	3,237	4,223
Interest-bearing debt (million JPY)	33,260	35,980	43,400	43,400	43,400	43,400	57,300	58,275	63,080	67,150
Interest-bearing debt to total assets (LTV)(%)	47.8	49.5	45.9	45.9	46.0	46.0	47.2	47.6	47.2	47.1
Loan to appraisal value (%)	45.1	46.8	42.8	43.1	43.5	43.5	44.8	45.1	45.0	45.2
Net asset value per unit (JPY)	104,710	104,539	112,296	111,103	109,202	109,764	111,380	112,104	110,148	107,732

(Note) Calculation is based on the following formula

NOI = Leasing business revenues - Expenses related to leasing business + Depreciation - Gain on sales of real estate properties

FFO = Net income + Depreciation ± Gain on sales of real estate properties

FFO per unit = FFO / Total number of investment units issued and outstanding

Interest-bearing debt ratio (LTV) at the end of the period = Total interest-bearing debt at end of period/Total assets at end of period X 100

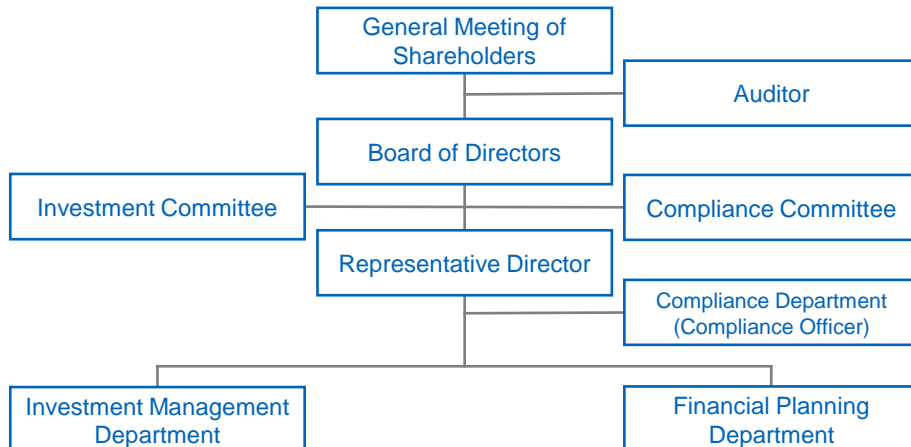
Loan to appraisal value = Interest-bearing debt at the end of the period / (Total assets at the end of the period + Appraisal value of properties, etc. – Book value of properties, etc. at the end of the period) X 100

NAV per unit = (Net assets at end of period - Total distributions + (Appraisal value of real estate properties owned –Book value of real estate properties owned at end of period) / Total number of investment units issued and outstanding

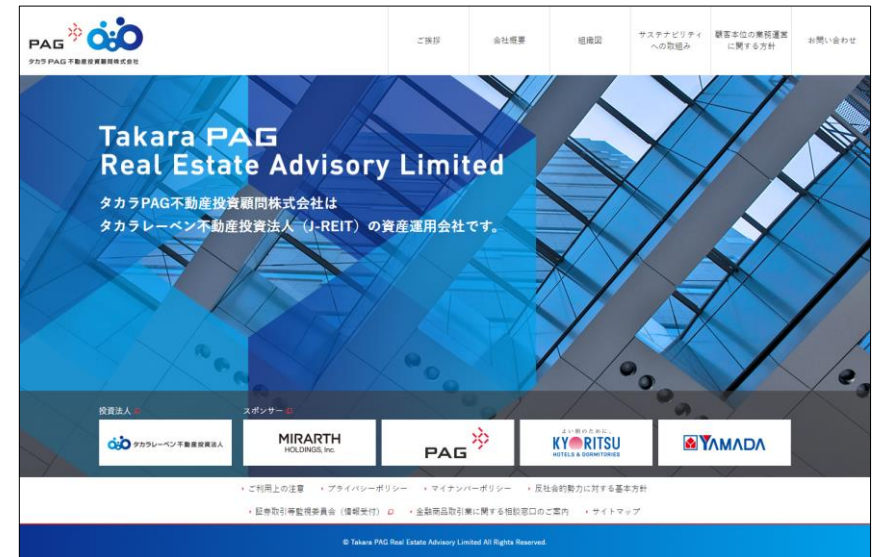
## Overview

Name	Takara PAG Real Estate Advisory Ltd.
Address	Akasaka 1-14-15, Minato-ku, Tokyo
Representative	Masayuki Ishihara, Representative Director Tetsuo Saida, President and Representative Director
Date of Incorporation	January 15, 2016
Paid-in Capital	50 million JPY
Shareholder Composition	MIRARTH Holdings, Inc. (60%) PAG Real Estate Holding Limited (30%) Kyoritsu Maintenance Co., Ltd. (5%) YAMADA HOLDINGS CO., LTD. (5%)

## Organizational Chart



## Our Website



<https://www.takara-pag.com/>

# Change in the Price of Investment Unit Since Listing



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